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PROCEEDINGS AND DEBATES OF THE 99th CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Monday, May 12, 1986*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

At the beginning of this new week we place before You, O God, our innermost thoughts and feelings asking that You would correct us when arrogant or selfish and bless us when we truly seek justice and mercy. Help us to be honest when we speak in our prayers admitting our shortcomings and truly seeking Your benediction in our lives. May Your spirit be with all of us and may Your love never depart from us. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate has passed a bill of the following title, in which the concurrence of the House is requested:

S. 2308. An act to authorize the President of the United States to award congressional gold medals to Natan (Anatoly) and Avital Shcharansky in recognition of their dedication of human rights, and to authorize the Secretary of the Treasury to sell bronze duplicates of those medals.

AIRPORT SECURITY SHOULD BE THE ANSWER, NOT PART OF THE PROBLEM

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, last night "Sixty Minutes" reported that security at some major airports in this country is vulnerable from the inside. People are being hired without adequate verification of their past, thereby creating the possibility that terrorists could end up working behind the lines at our airports, monitoring passenger scanners, and having unsupervised access to aircraft. We cannot let that continue.

The FAA requires all employees who have access to aircraft at U.S. airports to undergo a thorough 5 year background check to verify their identities before hiring and employers to certify to airport officials that this was completed. Something is not working. Unauthorized people are being given access to areas around commercial airlines.

It appears that some of our airports have not taken implementation of this requirement very seriously. To ignore it is nothing short of an invitation to terrorists to infiltrate our security systems and put domestic airline travelers at risk.

Airport administrators around the country need to require that all employees with access to aircraft have their background checks reviewed and to let employers know they mean business when it comes to future background checks. If commonsense is not enough to make them take this seriously, we will have to up the ante. I am going to be introducing legislation in the next few days to give the Secretary of Transportation authority to withhold airport improvement funds from airports which have not complied with the requirements on meaningful airport security.

Maybe this will get the attention of both the FAA and those certain airport administrators who may be giving lipservice to airport security.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, May 14, 1986.

PROVIDING FOR APPROPRIATE CITIZENSHIP CEREMONY ON ELLIS ISLAND ON JULY 3 OR 4, 1986

Mr. GLICKMAN. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 613) allowing qualified persons representing all the States to be naturalized on Ellis Island on July 3 or 4, 1986.

The Clerk read as follows:

H.J. RES. 613

Whereas citizenship ceremonies are planned on July 3 and 4, 1986, as part of the centennial celebration of the Statue of Liberty;

Whereas, as this is a national celebration, these ceremonies should include a naturalization ceremony that truly reflects that the United States is a Nation of Immigrants;

Whereas, the immigrants who entered the United States through Ellis Island settled throughout the United States;

Whereas, it would be most appropriate to have residents from all the States participating in the naturalization ceremony; and

Whereas, the Immigration and Nationality Act limits participation in the naturalization ceremony to individuals who reside only within the jurisdiction of a single district of a United States District Court: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF 2 RESIDENTS REPRESENTATIVE OF EACH STATE.

The Governor of each State is requested to and may designate (to the Attorney General, or his designee, by not later than June 1, 1986) 2 qualified persons (as defined in section 4(1)) for naturalization as citizens of the United States in an appropriate ceremony on Ellis Island on July 3 or 4, 1986.

SEC. 2. WAIVER OF CERTAIN PROVISIONS OF THE IMMIGRATION AND NATIONALITY ACT.

Notwithstanding any provision of title III of the Immigration and Nationality Act and notwithstanding any provision of chapter 87 of title 28, United States Code, to the contrary, each qualified person who is designated under section 1 may be naturalized on Ellis Island on July 3 or 4, 1986, before any judge or justice of the United States.

SEC. 3. NO AUTHORIZATION OF ADDITIONAL FUNDS.

This Act does not authorize the appropriation of any amounts for the transportation, lodging, or other expenses associated

with the naturalization of designated, qualified persons under section 2.

SEC. 4. DEFINITIONS.

In this Act:

(1) QUALIFIED PERSON.—The term "qualified person" means, with respect to a State, a person—

(A) who is a resident of the State, but not a citizen of the United States,

(B) who, except as provided in section 2, has completed all statutory and regulatory requirements for naturalization, and

(C) whose application to file a naturalization petition (Form N-400) on the person's own behalf has been approved before June 1, 1986.

(2) STATE AND GOVERNOR.—The term "State" means each of the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam, and the term "Governor" means, with respect to a State, the chief executive officer of the State.

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Kansas [Mr. GLICKMAN] will be recognized for 20 minutes and the gentleman from California [Mr. LUNGREN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Speaker, I yield myself such time as I may consume.

As my colleagues know, there are numerous activities planned over Liberty weekend in New York City.

One of these activities to take place on July 3 is the swearing in of several hundred new U.S. citizens on Ellis Island.

Because of various venue and State residency requirements under Federal law, only residents of New York can now participate in the naturalization ceremony which will be presided over by the Chief Justice of the United States.

Because the Statue of Liberty and Ellis Island are important historical monuments for all Americans, it is indeed appropriate that people from the entire country should be involved in this particular aspect of the centennial celebration of the Statue of Liberty. In order to accomplish this objective, House Joint Resolution 613 would waive certain residency and venue requirements in order to allow residents from the 50 States and territories and the District of Columbia to be sworn in as citizens during the Ellis Island ceremony.

This legislation received unanimous approval of the Judiciary Committee and is strongly supported by the Department of Justice.

Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey [Mr. GUARINI].

Mr. GUARINI. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise today to urge my colleagues to join me in supporting the prompt passage of legislation that will enhance the celebrations scheduled in honor of the Statue of Liberty's centennial this summer. I urge your support for House Joint Resolution 613, a bill to allow two people from each of our States and territories to become naturalized citizens at special ceremonies scheduled on Ellis Island during the Fourth of July weekend.

As the Congressman from New Jersey's 14th Congressional District, I have a special interest in the statue's birthday, and in the plans to restore Ellis Island. The view from Liberty State Park in my district provides a magnificent panorama of the harbor. My constituents have an inspiring view of the statue, and of the island gateway through which millions of America's immigrants passed. Today, descendants of over 100 different nationalities continue to live in Hudson County, in the shadow of the statue's uplifted torch.

Liberty weekend is an excellent time for us to make a national recommitment to the precious American values of freedom, justice, and opportunity. Yet the Immigration and Naturalization Service [INS] said their hands were tied when we first suggested expanding the Ellis Island event. Current law requires petitioners for citizenship to be naturalized within the jurisdiction of the U.S. district court where they reside. INS said the law would have to be amended to allow people from across the country to participate in a single citizenship ceremony.

I believe that, to be fair, the citizenship ceremony scheduled on Ellis Island should include people from every State in the Union. The bill I introduced with my colleagues, Congressman PETER RODINO and Congressman DEAN GALLO, will allow this historic event to be truly national in scope. By including participants from across our great land, it will symbolize our country's unique character as a nation of immigrants.

The legislation before us today will make a one-time exception to provisions of the Immigration and Nationality Act. It was prepared in consultation with the Immigration and Naturalization Service [INS], and authorizes the Governors of each of the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam to designate two people to participate in the special naturalization ceremony scheduled on Ellis Island in conjunction with the Statue of Liberty centennial celebration.

The U.S. Department of Justice indicated that it "strongly recommends enactment of this resolution" in a letter from Assistant Attorney General John Bolton. Gov. Michael Castle, chairman of National Governors' Association's Committee on Human Resources, noted in a letter that "this is an appropriate activity to celebrate the centennial and the restoration of the Statue of Liberty." I am pleased by their support of this measure, and by the Judiciary Committee's prompt action on the bill.

America's unique character stems from the contributions of immigrants across the length and breadth of our great country. Passage of this bill will create a once-in-a-lifetime opportunity for some of the immigrants who've settled throughout our land. It will be a fitting tribute to our immigrant heritage to confer citizenship upon this representative group over the Fourth of July. The historic nature of the event certainly merits this special action. I urge your support.

The letters follow:

NATIONAL GOVERNOR'S ASSOCIATION,
Washington, DC, May 2, 1986.

Hon. PETER W. RODINO, Jr.,
Chairman, House Judiciary Committee, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: I understand that the Judiciary Committee is scheduled to consider a proposed resolution (H.J. Res. 613) which requests that the Governors designate two qualified candidates to become naturalized citizens of the United States in a ceremony on Ellis Island on July 3 and 4, 1986.

While the National Governors' Association does not have a specific policy position on this issue, I feel that this is an appropriate activity to celebrate the centennial and the restoration of the Statue of Liberty.

I commend you and members of the Judiciary Committee in your effort to sponsor and support this initiative. Please let us know, if you need further assistance from the National Governors' Association on this matter.

Sincerely,
GOV. MICHAEL N. CASTLE,
Chairman,
Committee on Human Resources.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AND INTERGOVERNMENTAL AFFAIRS,
Washington, DC.

Hon. PETER W. RODINO, Jr.,
Chairman, Committee on the Judiciary, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This reponds to your request for this Department to review a draft of a House joint resolution to provide for naturalization of two persons from each state and territory at ceremonies for the rededication of the Statue of Liberty on July 3, 1986. For the reasons set forth below, this Department strongly recommends enactment of this resolution.

The Statue of Liberty is a national shrine of great importance to all the people in this country. Proud as it is of a long tradition of welcoming immigrants from the world over, the United States has in the Statue of Liberty a symbol of the greatness that can evolve from a mixture of so many cultures over the course of time. Because the Statue is a symbol for America, it is fitting that persons now enjoined by statute from naturalizing on Ellis Island, because of their places of residence, be given such an opportunity.

Because of space limitations, this Department supports the restriction to two persons from each State. The June 1, 1986 cut-off

date for submission of nominees to the Immigration and Naturalization Service is also satisfactory.

The Office of Management and Budget has advised this Department that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

JOHN R. BOLTON,
Assistant Attorney General.

□ 1210

Mr. LUNGREN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution (H.J. Res. 613) will allow the naturalization of two persons from each State and territory at ceremonies for the rededication of the Statue of Liberty on July 3, 1986.

Currently, the Immigration and Nationality Act limits participation in this special naturalization ceremony to only those who currently reside within the jurisdiction of the U.S. district court in this region. This resolution will waive this requirement to allow 2 residents from all 50 States and territories to participate in this Ellis Island naturalization ceremony for this year's Fourth of July activities. This year, we will be celebrating the centennial of the Statue of Liberty.

I am happy to be a part of this special event by supporting this legislation we are considering today. Many of us have ancestors whose first contact with America was Ellis Island. Undoubtedly, the Statue of Liberty must have been an overwhelming sight to these new immigrants as it continues to be to millions each year.

As we celebrate this Fourth of July centennial of the Statue of Liberty, let us take this opportunity to remind ourselves of the great opportunities this country has given our ancestors and ultimately ourselves over the past 200 years. Let us also remember the great responsibility we have to our children in preserving the values this statue represents. Our dedicated service to these goals is critical if we are to preserve this Nation for future generations.

Mr. Speaker, I would be remiss if I did not mention, however, as we are celebrating this tremendous triumph of freedom, that, regrettably, this House has not seen fit to deal with the challenge that is presented to us as a result of the fact that this country is in fact the beacon of freedom. That is, we have many, many people who have not taken it upon themselves to go through the regular legal procedures to come to the United States. As much as I have tremendous respect for my colleagues on the east coast, as much as I support this bill because of what the Statue of Liberty represents, I think we would make a mistake if we did not realize that Ellis Island is not the first thing that most people see as they come to the United States today. If you were to believe the numbers, the first things they see happen to be things that are found in San Diego, CA.

I believe that we ought to recognize that national immigration is in fact a national challenge, a national problem, one this House has not seen fit to deal with and one that, regrettably, the House of Representatives has declined to work on for another month.

Maybe also we ought to remember the words of Bishop Fulton J. Sheen in one of the last great speeches he gave at the National Prayer Breakfast here in Washington, DC, a number of years ago, shortly before his death. At that time he talked about the great Statue of Liberty. He said, however, in the United States would it not be good if we had a statue of responsibility in San Francisco Bay so that people would recognize that there are twin principles involved here—yes, one of liberty, but also one of responsibility.

So as I support this legislation, I hope we will not forget some of the other principles involved, that of responsibility, as well as liberty. And one of the great responsibilities of this House is to get on with doing the work that we are required to do in terms of immigration policy.

I might just mention that I have just received word that we have broken the record once again in the San Diego sector of California. We set a new record for apprehensions in May. So the 6-month record we have set before, in which we have apprehended successfully 270,000 people in a 66-mile sector of our border, that is, the 66 miles that really stretches from San Diego inland, of 270,000 people in the last 6 months, I will soon be able to report a new 6-month record. And so as we are on the Fourth of July celebrating the process which we should all be proud of, we should also perhaps hang or heads in shame that this House of Representatives refuses to do the work that it should do in terms of getting immigration under control.

Mr. RODINO. Mr. Speaker, I rise in strong support of House Joint Resolution 613 which allows prospective U.S. citizens from around the country to be sworn in at a special naturalization ceremony on Ellis Island on Liberty Weekend. It is indeed fitting that residents from all of our States and territories participate in the centennial celebration of the Statue of Liberty.

Current law prohibits the naturalization of persons in a State unless they are residents of that State. Consequently, any person who does not live in New York cannot now participate in the Ellis Island ceremony.

Since the Statue of Liberty belongs to all Americans, the sponsors of this bill believe it is appropriate—indeed essential—to broaden the base for participation in the ceremony.

To accomplish this, my colleagues and I have introduced House Joint Resolution 613. In short, it authorizes the Governors of each of the 50 States, as well as Puerto Rico, the Virgin Islands and Guam and the Mayor of the District of Columbia to designate 2 persons from their jurisdiction to become naturalized in the unique ceremony to take place on Ellis Island during Liberty Weekend.

This legislation has been enthusiastically embraced by the Department of Justice. In fact, the departmental report was forthcoming even before the resolution was introduced.

In addition, I received a letter from Gov. Michael Castle, chairman of the National Governor's Association's Committee on Human Resources on May 2, 1986. In that letter Governor Castle states that this legislation "is an appropriate activity to celebrate the centennial and the restoration of the Statue of Liberty."

Between 1892 and 1954, more than 17 million immigrants—which include the fathers and mothers of many of you—sailed by our great symbol of freedom, hope, and opportunity—the Statue of Liberty—on their way to the immigration station at Ellis Island. Ellis Island was the gateway to their future and today, 40 percent of all Americans can trace their ancestry through Ellis Island.

In my mind, there is no better way on Liberty weekend to demonstrate our pride in our heritage and express our hope in the future of this country than by welcoming into our family new citizens from each of our States and territories.

I urge my colleagues' support and cooperation in enacting this measure expeditiously because the cutoff date for submission of nominees for the naturalization ceremony is June 1, 1986.

Because of time constraints related to the implementation of this legislation, it is expected that INS will submit a list of qualified naturalization applicants to each of the Governor's as soon as possible after the enactment of this legislation. In this regard, it is my understanding that the National Governor's Association could be utilized to play a coordinating role in the submission of the final selections to the Department of Justice prior to the June cutoff date.

Mr. FISH. Mr. Speaker, I am delighted that House Joint Resolution 613 is being considered today on the Suspension Calendar. This legislation will allow two individuals from each State to be naturalized on Ellis Island as part of the centennial celebration of the Statue of Liberty. I am a cosponsor of this legislation and a strong supporter of the renovation efforts of the Statue of Liberty on Ellis Island.

Mr. Speaker, a little over two centuries ago this Nation embarked on a great adventure in self-government which provided opportunities for individuals to pursue freely their social, economic, and religious goals. During these two centuries, many have come seeking protection from persecution from oppressive governments as well as personal freedom.

Many of our ancestors who came here entered the United States through Ellis Island, eventually settling throughout the Nation in all of the 50 States. Their first view of America was the Statue of Liberty. This statue became a symbol of the liberties and freedoms America promised to newcomers and continues to be so for millions of individuals each year.

As we celebrate these activities this year, I hope that we remind ourselves of the sacrifices our ancestors made to preserve this Nation and its values. Today, our challenge is to maintain these values with ever new threats of violence in the form of terrorism, continued civil strife throughout the world, and political and economic oppression. There is no assurance today of the continued success of this effort, just as there was none 200 years ago. To succeed, each generation of Americans must work at it. It is clearly the most difficult, demanding and challenging of any form of government.

Just as each of us benefits daily from the opportunities this country provides us, we must also recognize the great responsibility we have in preserving this Nation.

As we participate in this special July 4 centennial celebration of the Statue of Liberty, let us also remember this great responsibility we have to future generations in preserving the values this statue represents.

Mr. GALLO. Mr. Speaker, during the July 4 holiday this year the eyes of the world will be fixed on two islands in the Hudson River, as we celebrate the rededication of the Statue of Liberty. One of the highlights of this major national celebration of Liberty Weekend will be a citizenship ceremony on Ellis Island.

Today, we are asking Members of this House to approve legislation to make this citizenship ceremony truly national in scope by inviting two residents from each State to be sworn in as new citizens of the United States. In addition, planners for this weekend celebration are arranging video hookups with citizenship ceremonies in selected communities across the country.

Throughout the years, the Statue of Liberty has been the symbol of freedom and justice for immigrants entering the United States.

For more than half a century, immigrants from all over the world have entered this country through Ellis Island and carved out new lives in communities across our land. This national celebration of our immigrant heritage deserves a patriotic gesture that is equally national in character as a fitting tribute to these courageous pioneers.

As the sons and daughters of immigrants, we are especially sensitive to the accomplishments of the past. This event is symbolic of our heritage as one Nation that grew from many cultures. It should be celebrated that way.

Our legislation will allow the Governor of each State to choose the two representatives for this symbolic national Ellis Island ceremony.

In New Jersey, Morris County Clerk Joseph Bell is organizing the only State citizenship ceremony to be linked by satellite with the Liberty Weekend events. The Morris Township event will be held at the Mennen Sports Arena, Hanover Avenue, and will include 2,500 new citizens from Bergen, Passaic, Somerset, Morris, Warren, and Sussex Counties.

The idea for this "All American" citizenship ceremony began in February when Joe Bell contacted my office after we had heard early reports that only residents of the Eastern Federal District of New York would be invited to participate in the Ellis Island ceremony. This news was particularly troubling because of the continuing dispute between New York and New Jersey over these islands.

After further discussions with Congressman FRANK GUARINI, who has been actively involved in the question of the ownership of these islands, we came to the conclusion that a symbolic citizenship ceremony on this important day must be a national celebration.

We enlisted the invaluable support of House Judiciary Committee Chairman PETER RODINO, who has undertaken this project with us as a champion of immigration policy who understands the importance of this symbolic event. The result of this bipartisan cooperation is the development of this enabling legislation to create a national ceremony on Ellis Island.

With the continued cooperation of the Immigration and Naturalization Service and the Interior Department, we are confident that this national celebration will become a reality.

The regional ceremonies, including our State event in Morristown, will provide thousands of other new Americans with the opportunity to participate in this historic event.

I am very hopeful that the remaining plans can be finalized in the coming weeks.

We have a great deal to celebrate during Liberty Weekend. This symbolic citizenship ceremony is a reminder of our past and a rededication to the principles represented by our heritage.

Mr. GLICKMAN. Mr. Speaker, I yield back the balance of my time.

Mr. LUNGREN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Kansas [Mr. GLICKMAN] that the House suspend the rules and pass the joint resolution, H.J. Res. 613.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

NATIONAL ANDREI SAKHAROV DAY

Mr. FASCELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 323) to designate May 21, 1986, as "National Andrei Sakharov Day," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

Mr. BROOMFIELD. Mr. Speaker, reserving the right to object, I do so to afford the chairman of the Committee on Foreign Affairs an opportunity to explain the Senate joint resolution.

Mr. FASCELL. Mr. Speaker, if the gentleman will yield, I rise in strong support of Senate Joint Resolution 323, designating May 21, 1986, National Andrei Sakharov Day.

Mr. Speaker, this resolution is identical to House Joint Resolution 596 which was introduced by our distinguished colleagues, Messrs. HOYER, KEMP, FRANK, and GILMAN. It has over 100 cosponsors in the House and passed the Senate unanimously on April 29, 1986.

Mr. Speaker, on May 21, 1986, Dr. Andrei Sakharov, the 1975 Nobel Peace Prize Winner, distinguished physicist and defender of human rights turns 65 years old. He will celebrate this milestone alone in the closed city of Gorky where Soviet authorities banished him in 1980 after he criticized the Soviet invasion of Afghanistan. Dr. Sakharov was never formally charged with a crime nor were judicial proceedings against him ever conducted. By designating his birthday as "National Andrei Sakharov Day" and requesting that the President issue a proclamation calling upon the American people to observe that day with appropriate ceremonies and activities, we in the Congress can send a message to Dr. Sakharov that he is not alone and, at the same time, let his Soviet captors know that we will not abandon one of the 20th century's greatest heroes.

When the gentleman from Michigan [Mr. BROOMFIELD] the distinguished ranking minority member of the Foreign Affairs Committee, and I visited the Soviet Union last month, we raised the case of Dr. Sakharov at every meeting we had with Soviet officials, including our session with General Secretary Gorbachev. Over and over again, we stressed the importance the American people and their government attach to respect for human rights. Dr. Sakharov, we said, symbolized to many around the world the best the Soviet Union had to offer and neither we, nor anyone else, could understand how he could be treated so shabbily. As was documented in the February 24, 1986 edition of U.S. News & World Report, he has endured nearly 6½ years of physical and mental torment at the hands of the KGB. As Dr. Sakharov's wife, Elena Bonner, herself a leading human rights activist, has pointed out, had Sakharov been charged with a crime, the maximum term of internal exile—5 years—would have expired a year ago.

Mr. Speaker, this resolution also requests the President to urge the Soviet Government to permit Dr. Sakharov and Mrs. Bonner to freely choose their place of residence. Mrs. Bonner, who has been in the United States for medical treatment, is due to return to the Soviet Union next month. It is our fervent hope that the Soviet authorities will end the forced isolation of the Sakharovs in Gorky and allow them to return to their home in Moscow or emigrate to the United States to live with their relatives here. This resolution calls upon the President to continue his efforts toward that end.

Mr. Speaker, among the ceremonies and activities commemorating Dr. Sakharov's 65th birthday, Mr. Broomfield and I will host a birthday party on May 21, 1986. Mrs. Bonner and the rest of the Sakharov family will join us as will, I hope, our colleagues from the House and Senate.

I can think of no better birthday present to give Dr. Sakharov than his freedom and it is my fervent hope that this resolution will contribute toward that goal. Mr. Speaker, I urge its immediate and unanimous adoption.

I thank the gentleman for yielding.

Mr. BROOMFIELD. Mr. Speaker, further reserving the right to object, I support the joint resolution before us making May 21 National Andrei Sakharov Day and urging the Soviets to allow Andrei Sakharov and his wife to live where they choose.

While the Soviet Union attempts to project a new and open image, Dr. Sakharov will spend his birthday in almost complete isolation in Gorky. He is being held even though no formal charges have been filed against him. The routine abuse of the human rights of Mr. Sakharov violates both the spirit and the letter of the Helsinki Final Act. That innocent human being is living without family and friends because he has urged the Soviet Government to comply with the Helsinki Final Act, a document which Soviet officials signed and agreed to comply with.

Congressman FASCELL and I recently returned from a trip to the Soviet Union. While there, we made a personal appeal to Secretary General Gorbachev and tried to visit Dr. Sakharov in Gorky, and it is regrettable that Soviet officials denied us permission to make the visit.

However, I was encouraged by recent Soviet Government decisions to free a number of prisoners of conscience and reunite members of divided families.

I can only hope that Mr. Gorbachev will see the futility of abusing a Soviet citizen who has done so much for that country. The Soviet Union's efforts to improve the image of the U.S.S.R. can only be helped by humanitarian gestures. Responding to the pleas of Dr. Sakharov and thousands of others is a step in the right direction if the Soviets really do want to change their image.

We, in the free world, must do all that we can to tell the story of Andrei Sakharov. We must keep the pressure on and never let up. We can do this, in part, by designating a special day in his honor. I urge my colleagues to join me in supporting this timely resolution.

Mr. HOYER. Mr. Speaker, I rise in strong support of Senate Joint Resolution 323 which authorizes and requests the President to designate May 21, 1986, "National Andrei Sakharov Day." It is fitting that the U.S. Congress commemorate the 65th birthday of Dr. Sakharov who has been exiled by the Soviet Government to Gorky for over 6 years. This exile has been a cruel form of imprisonment imposed to stop Dr. Sakharov's quest for justice and freedom.

The citation for the Nobel Peace Prize awarded 11 years ago to Dr. Sakharov read:

Sakharov's love of truth and strong belief in the inviolability of the human being, his fight against violence and brutality, his courageous defense of the freedom of the spirit, his unselfishness and strong humanitarian convictions have turned him into the spokesman for the conscience of man-kind • • •.

The Soviet Government has attempted to silence Sakharov and isolate him from the rest of the world. But it is too late. The record of Sakharov's sisyphean effort to prevail is one of the greatest triumphs of the 20th century. Sakharov has impacted upon the world with his noble and moral passion for simple humanity.

We, in the Congress, send to Dr. Andrei Sakharov our thoughts on his 65th birthday and wish him strength and health.

Mr. BROOMFIELD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 323

Whereas Andrei Sakharov has earned world-wide admiration and respect for his courageous and energetic efforts to secure fundamental human freedoms for the peoples of the Soviet Union, including those rights guaranteed in the Final Act of the Conference on Security and Cooperation in Europe signed at Helsinki, Finland on August 1, 1975;

Whereas Andrei Sakharov has been awarded the 1975 Nobel Peace Prize for "his love of truth and strong belief in the inviolability of human beings . . . his courageous defense of the human spirit . . ." and for his life which has made him "the conscience of mankind";

Whereas Andrei Sakharov, due to his selfless work for human rights and world peace, has been illegally banished by the Government of the Union of Soviet Socialist Republics to the closed city of Gorky, where on May 21, 1986, he will spend his sixty-fifth birthday in almost total isolation;

Whereas Andrei Sakharov has been subjected to cruel and unusual medical procedures by the Soviet authorities when he conducted hunger strikes to protest repeated denials of his wife's, Elena Bonner's, request to be permitted to go to the West for medical treatment;

Whereas the Government of the Union of Soviet Socialist Republics has undertaken extraordinary measures, including confiscation of personal and professonal correspondence and intensive physical and electronic surveillance, to isolate Andrei Sakharov and Elena Bonner in Gorky;

Whereas the Soviet Union as signatory to the Universal Declaration of Human Rights has committed itself to respect the rights to freedom of movement and of residence within the borders of each state as well as the right to leave one's own country and return to it;

Whereas the Soviet Union and other signatories of the Helsinki Final Act stated their desire "to contribute to the strengthening of peace and understanding among peoples and to the spiritual enrichment of the human personality" and were "conscious that . . . contacts between people, and the solution of humanitarian problems will contribute to the attainment of these aims," further made it their objective "to facilitate freer movement and contacts, individually and collectively, whether privately or officially, among persons, institutions and organizations of the participating states, and to contribute to the solution of the humanitarian problems that arise in that connexion;"

Whereas the participating states of the Helsinki Final Act are convened in Bern, Switzerland, at the Human Contacts Experts Meeting inter alia to discuss implementation of those Helsinki Final Act provisions concerning the resolution in a positive and humanitarian spirit questions related to family visits, the reunification of families, binational marriage and promotion of other personal and professional contacts between people and between organizations; and

Whereas Andrei Sakharov continues to advocate full compliance by all signatory states with the provisions of the Helsinki Final Act and the Universal Declaration of Human Rights: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 21, 1986, is designated "National Andrei Sakharov Day" and that the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe that day with appropriate ceremonies and activities.

SEC. 2. The President of the United States is authorized and requested to urge the Government of the Union of Soviet Socialist Republics to permit Andrei Sakharov and Elena Bonner freely to choose their place of residence.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

VIETNAM VETERANS OF AMERICA, INC.

Mr. GLICKMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 512) to grant a Federal charter to the Vietnam Veterans of America, Inc.

The Clerk read as follows:

H.R. 512

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

RECOGNITION AS CORPORATION AND GRANT OF FEDERAL CHARTER

SECTION 1. The Vietnam Veterans of America, Incorporated, a nonprofit corporation organized under the laws of the State of New York, is hereby recognized as such and is granted a charter.

CORPORATE POWERS

SEC. 2. The Vietnam Veterans of America, Incorporated (hereinafter in this Act referred to as the "corporation"), shall have only those powers granted to it through its articles of incorporation filed in the State in which it is incorporated and its constitution and bylaws, and subject to the laws of such State.

OBJECTS AND PURPOSES OF CORPORATION

SEC. 3. The objects and purposes of the corporation are those stated in its articles of incorporation, constitution, and bylaws and include a commitment to—

(1) uphold and defend the Constitution of the United States;

(2) foster the improvement of the condition of Vietnam-era veterans;

(3) promote the social welfare (including educational, economic, social, physical, and cultural improvement) in the United States by encouraging the growth and development, readjustment, self-respect, self-confidence, and usefulness of Vietnam-era veterans and other veterans;

(4) improve conditions for Vietnam-era veterans and develop channels of communication to assist Vietnam-era veterans;

(5) conduct and publish research, on a nonpartisan basis, pertaining to the relationship between Vietnam-era veterans and the American society, to the Vietnam war experience, to the role of the United States in securing peaceful coexistence for the world community, and to other matters which affect the educational, economic, social, physical, or cultural welfare of Vietnam-era veterans and other veterans and the families of such veterans;

(6) assist disabled Vietnam-era veterans and other veterans in need of assistance and the dependents and survivors of such veterans; and

(7) consecrate the efforts of the members of the corporation and Vietnam-era veterans generally to mutual helpfulness and service to their country.

SERVICE OF PROCESS

SEC. 4. With respect to service of process, the corporation shall comply with the laws of the State in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

MEMBERSHIP

SEC. 5. Except as provided in section 8, eligibility for membership in the corporation and the rights and privileges of members shall be as provided in the constitution and bylaws of the corporation.

BOARD OF DIRECTORS

SEC. 6. Except as provided in section 8, the board of directors of the corporation, and the responsibilities of the board, shall be as provided in the constitution and bylaws of the corporation and in conformity with the laws of the State in which it is incorporated.

OFFICERS

SEC. 7. Except as provided in section 8, the officers of the corporation, and the election of such officers, shall be as provided in the constitution and bylaws of the corporation and in conformity with the laws of the State in which it is incorporated.

NONDISCRIMINATION

SEC. 8. In establishing the conditions of membership in the corporation and in determining the requirements for serving on the board of directors or as an officer of the corporation, the corporation may not discriminate on the basis of race, color, religion, sex, handicap, age, or national origin.

RESTRICTIONS ON CORPORATE POWERS

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any person who is a member, officer, or director of the corporation or be distributed to any such person during the life of this charter. Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the board of directors.

(b) The corporation shall not make any loan to any officer, director, or employee of the corporation.

(c) The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

(d) The corporation shall not claim congressional approval or Federal Government authority by virtue of this Act or any of its activities.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 10. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

BOOKS AND RECORDS; INSPECTION

SEC. 11. The corporation shall keep correct and complete books and records of accounts and shall keep minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep at its principal office a record of the names and addresses of all members having the right to vote. All books and records of the corporation may be inspected by any member having the right to vote, or by any agent or attorney of such member, for any proper purpose, at any reasonable time. Nothing in this section shall be construed to contravene any applicable State law.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 12. The first section of the Act entitled "An act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended by inserting after paragraph (57) the following new paragraph:

"(68) The Vietnam Veterans of America, Inc.".

ANNUAL REPORT

SEC. 13. The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as is the report of the audit of the corporation required by section 2 of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1102). The report shall not be printed as a public document.

RESERVATION OF RIGHT TO ALTER, AMEND, OR REPEAL CHARTER

SEC. 14. The right to alter, amend, or repeal this charter is expressly reserved to the Congress.

DEFINITION OF "STATE"

SEC. 15. For purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and each of the territories and possessions of the United States.

TAX-EXEMPT STATUS

SEC. 16. The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1954.

EXCLUSIVE RIGHT TO NAMES

SEC. 17. The corporation shall have the sole and exclusive right to use the name "The Vietnam Veterans of America, Incorporated", "Vietnam Veterans of America, Incorporated", and "Vietnam Veterans of America", and such seals, emblems, and badges as the corporation may lawfully adopt. Nothing in this section shall be construed to interfere or conflict with established or vested rights.

FAILURE TO COMPLY WITH RESTRICTIONS OR PROVISIONS

SEC. 18. If the corporation shall fail to comply with any of the restrictions or provisions of this Act, the charter granted by this Act shall expire.

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Kansas [Mr. GLICKMAN] will be recognized for 20 minutes and the gentleman from North Carolina [Mr. COBLE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi [Mr. MONTGOMERY], the distinguished chairman of the Committee on Veterans' Affairs.

Mr. MONTGOMERY. I thank the gentleman for yielding.

Mr. Speaker, I want to join my colleagues in the House in supporting H.R. 512, and I take this opportunity to commend the gentleman from Kansas [Mr. GLICKMAN] and the gentleman from North Carolina [Mr. COBLE], and other members of the Committee on the Judiciary, for bringing this bill to the House floor today.

Mr. Speaker, let me briefly explain what the bill would do. It would grant a Federal charter to the Vietnam Veterans of America, Inc. I was pleased to see that a similar measure passed the Senate on April 9 by an overwhelming vote of 94 to 3. You will recall, Mr.

Speaker, that the House passed a bill, H.R. 4772, on June 11, 1984, by a similar vote of 295 to 96.

Mr. Speaker, this organization does an excellent job of representing a segment of the Vietnam veteran population. It is a major organization whose primary purpose is to focus attention on issues relating specifically to Vietnam-era veterans. Representatives of the organization are invited to appear before the Committee on Veterans' Affairs on a regular basis and, although I sometimes disagree with the views of the VVA, the testimony of the organization is always well prepared.

Mr. Speaker, this is a young organization and because it is so young, it has made mistakes. I pointed this out in my remarks to the House in 1984. The VVA has taken some controversial positions; nonetheless, that is no reason to deny the organization a charter because one's views are not always consistent with those of the organization.

As I have previously stated, the granting of a Federal charter to the Vietnam Veterans of America should not be on the basis of whether we agree or disagree with some positions taken by the organization. The charter should be granted on the basis that the organization performs a valuable service to a large segment of our veteran population and their dependents. For that reason, I urge the adoption of H.R. 512 and I want to commend Mr. GLICKMAN and other members of the Judiciary Committee for moving the bill for speedy consideration in the House.

Mr. GLICKMAN. Mr. Speaker, I yield myself such time as I may consume, and I thank my colleague, the gentleman from Mississippi [Mr. MONTGOMERY]. I would just make a couple of quick comments. First of all, without the leadership of the distinguished gentleman from Mississippi, the chairman of the committee, we could not have gotten this bill to the floor so quickly, and without his leadership generally on veterans' matters, this country would be far worse off, and I think that we need to state that for the record.

Mr. Speaker, the bill, H.R. 512, would grant a Federal charter to the Vietnam Veterans of America, Inc.

The Vietnam Veterans of America, Inc. [VVA] is a national veteran's service organization dedicated to promoting and improving the condition of Vietnam-era veterans. The organization now has 250 chapters in more than 40 States. Membership in the VVA, which now totals approximately 32,000 nationwide, is open to any veteran who served on active duty during the period from August 5, 1964 to May 7, 1975 or in the Indochina theatre, regardless of time of service. The VVA was organized under the not-for-profit laws of the State of New York on March 1, 1978, and has been granted its tax-exempt status under section 501(c) of the Internal Revenue Code.

The Subcommittee on Administrative Law and Governmental Relations held a hearing on an identical bill, H.R. 4772, in the 98th Congress. The bill was favorably recommended by the subcommittee and the Full Committee on the Judiciary and reported to the House. It passed the House on June 11, 1984.

The Vietnam Veterans of America, Inc. has a strong commitment of service to all veterans, and particularly to those who served in Vietnam and disabled veterans. Recognized by the Veterans' Administration to represent claims of individual veterans since 1981, the VVA is recognized for the high quality of its claims assistance services to veterans.

In order to assure responsible and appropriate conduct on the part of the corporation, the legislation prohibits certain corporate acts and establishes specific requirements and standards for the corporation. The legislation prohibits the loan or transfer of corporate assets to officers, members, or other persons (except for expenses) or the issuance of stock or the payment of dividends. The legislation further prohibits the corporation from claiming congressional approval or Federal Government authority for any of its activities. The legislation requires the corporation to keep certain records, to perform an annual audit and to report to Congress annually. Should the corporation engage in any prohibited activity or fail to perform any of the requirements established by this legislation, or if the corporation fails to maintain its tax exempt status, the Federal charter granted by this legislation will expire automatically as a matter of law.

The Committee on the Judiciary considered this legislation in both the 98th Congress and the current Congress, and recommends favorable action on the bill.

I would finally add, Mr. Speaker, that no war in recent history, certainly this century, was as controversial as the Vietnam War. Thousands and thousands of Americans, hundreds of thousands, served in that war with great honor and with great dignity, and many thousands lost their lives and were injured. This organization was basically formed to represent the veterans of this country who served during that era of time. They were a distinguished group of human beings who did their fullest to preserve the integrity and the democracy and freedom that this country stands for. This charter would give their organization the same degree of credibility that the other veterans' organizations have. I think it is the least that we can do for the Vietnam veterans.

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Mr. COBLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to thank the gentleman from the Judiciary Committee, the gentleman from Kansas [Mr. GLICKMAN]. I would also like to reiterate what he said about the contributions submitted by the distinguished gentleman from Mississippi [Mr. MONTGOMERY].

Mr. Speaker, last I would like to note for the record that this is a charter that has support from both sides of the aisle.

Mr. Speaker, I yield such time as he any consume to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. I thank the gentleman for yielding time to me.

Mr. Speaker, I want to commend the gentleman from Mississsippi and the gentleman from North Carolina and all of the cosponsors of this measure for giving respectability and giving formal recognition to our veterans of the Vietnam conflict.

It is long overdue that we give them appropriate recognition by granting this Federal charter. I want to commend the gentlemen for their efforts in this direction.

Mr. Speaker, I rise in support of this legislation granting a Federal charter to the Vietnam Veterans of America, Inc.

In previous Congresses, this proposal provoked considerable controversy, apparently instigated in part by political activities by some members of the organization's leadership. It also had been alleged that the organization did not limit its membership to veterans who had been honorably discharged.

I personally had been disturbed by allegations that the organization did not support government-to-government negotiations as the most viable path to a full accounting of the 2,400 American heroes still unaccounted for from the Southeast Asian conflict. As vice chairman of our House Task Force on POW's and MIA's, I have been distressed by organizations, individuals, and activities which send a signal to the Government negotiators in Hanoi that we are not united on this crucial issue.

Mr. Speaker, I am pleased to report that the Vietnam veterans organization was responsive to our concerns. At the National Convention of the Vietnam Veterans of America last November, resolutions were approved by the membership placing new restrictions on political activities by the leadership of the group. At this same convention, the group voted to endorse government-to-government negotiations as the most realistic and viable means of achieving a full accounting of our missing Americans. In addition, I understand that the organization has now adopted more conventional re-

quirements for membership. The Vietnam Veterans of America has now been recognized by the Veterans' Administration as an accredited representative for veteran's claims.

Mr. Speaker, I believe that all of our colleagues would agree that any controversies with this organization which may have arisen in past years were controversies with certain individuals within the organization leadership, and never with the rank and file membership. It is apparent that the membership has adopted regulations binding their leadership to policies on the POW/MIA issue consistent with our own House Task Force, and with the National League of Families on POW's and MIA's. On political activities, the Vietnam Veterans of America are now in line with the mainstream of our older veterans organizations.

Mr. Speaker, it is now more than 13 years since the end of United States involvement in the Vietnam conflict. The time is long past due for Congress to act upon the chartering of this veterans organization, as we acted upon other veterans organizations promptly upon the conclusion of earlier conflicts. The other body has already approved this charter by a vote of 94–3, and we would be well advised to follow their lead.

Mr. DASCHLE, Mr. Speaker, I'm very pleased to rise in strong support of approval by the House today of legislation granting a Federal charter to the Vietnam Veterans of America, Inc. As a cosponsor of charter legislation, H.R. 512, I strongly encourage my colleagues to join me in the approval of this important measure.

The granting of a Federal charter to VVA recognizes the important services which VVA as a national service organization provides to Vietnam-era veterans. In addition, the granting of a Federal charter also recognizes the significant contributions which have been made by the members of the VVA through their organization.

Through its membership, the VVA has provided outstanding national leadership on issues of fundamental importance to Vietnam era veterans. The consequences of exposure to agent orange, judicial review, PTSD [posttraumatic stress disorder], readjustment counseling, employment opportunities and veterans' job training, veterans' health care and the readjustment process are but a few of the significant issues for our Vietnam-era veterans for which the VVA has provided recognized national leadership.

Witnesses representing the Vietnam Veterans of America have testified many times before the House Committee on Veterans' Affairs, of which I'm a member. VVA has consistently contributed significantly to the debate on veterans' issues. On those issues of particular interest and concern to Vietnam-era veterans, VVA has been a compelling force by effectively representing the unique and essential perspective, emphasis, and insight of our Nation's Vietnam-era veterans.

It is indeed appropriate and fitting for a Federal charter to be granted to the Vietnam Veterans of America, Inc. A charter will provide well deserved recognition and will also enable VVA to serve, even more effectively, Vietnam-era veterans in the future. The contributions which VVA has already made on behalf of Vietnam-era veterans are significant. VVA should be afforded the opportunity provided by a Federal charter to serve and accomplish more in the future.

Mr. COBLE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GLICKMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Kansas [Mr. GLICKMAN] that the House suspend the rules and pass the bill, H.R. 512.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The Speaker. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the Senate bill (S. 8) to grant a Federal charter to the Vietnam Veterans of America, Inc., and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 8

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

RECOGNITION AS CORPORATION AND GRANT OF FEDERAL CHARTER

SECTION 1. The Vietnam Veterans of America, Inc., a nonprofit corporation organized under the laws of the State of New York, is hereby recognized as such and is granted a charter.

CORPORATE POWERS

SEC. 2. The Vietnam Veterans of America, Inc. (hereinafter in this Act referred to as the "corporation"), shall have only those powers granted to it through its articles of incorporation filed in the State in which it is incorporated and its constitution and bylaws, and subject to the laws of such State.

OBJECTS AND PURPOSES OF CORPORATION

SEC. 3. The objects and purposes of the corporation are those stated in its articles of incorporation, constitution, and bylaws and include a commitment to—

(1) uphold and defend the Constitution of the United States;

(2) foster the improvement of the condition of Vietnam-era veterans;

(3) promote the social welfare (including educational, economic, social, physical, and cultural improvement) in the United States by encouraging the growth and development, readjustment, self-respect, self-confidence and usefulness of Vietnam-era veterans and other veterans;

(4) improve conditions for Vietnam-era veterans and develop channels of communication to assist Vietnam-era veterans;

(5) conduct and publish research, on a nonpartisan basis, pertaining to the relationship between Vietnam-era veterans and the American society, to the Vietnam war experience, to the role of the United States in securing peaceful coexistence for the world community, and to other matters which affect the educational, economic, social, physical, or cultural welfare of Vietnam-era veterans and other veterans and the families of such veterans;

(6) assist disabled Vietnam-era veterans and other veterans in need of assistance and the dependents and survivors of such veterans; and

(7) consecrate the efforts of the members of the corporation and Vietnam-era veterans generally to mutual helpfulness and service to their country.

SERVICE OF PROCESS

SEC. 4. With respect to service of process, the corporation shall comply with the laws of the State in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

MEMBERSHIP

SEC. 5. Except as provided in section 8, eligibility for membership in the corporation and the rights and privileges of members shall be as provided in the constitution and bylaws of the corporation.

BOARD OF DIRECTORS

SEC. 6. Except as provided in section 8, the board of directors of the corporation, and the responsibilities of the board, shall be as provided in the constitution and bylaws of the corporation and in conformity with the laws of the State in which it is incorporated.

OFFICERS

SEC. 7. Except as provided in section 8, the officers of the corporation, and the election of such officers, shall be as provided in the constitution and bylaws of the corporation and in conformity with the laws of the State in which it is incorporated.

NONDISCRIMINATION

SEC. 8. In establishing the conditions of membership in the corporation and in determining the requirements for serving on the board of directors or as an officer of the corporation, the corporation may not discriminate on the basis of race, color, religion, sex, national origin, handicap, or age.

RESTRICTIONS ON CORPORATE POWERS

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any person who is a member, officer, or director of the corporation or be distributed to any such person during the life of this charter. Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actual necessary ex-

penses in amounts approved by the board of directors.

(b) The corporation shall not make any loan to any officer, director, or employee of the corporation.

(c) The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

(d) The corporation shall not claim congressional approval or Federal Government authority by virtue of this Act for any of its activities.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 10. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

BOOKS AND RECORDS; INSPECTION

SEC. 11. The corporation shall keep correct and complete books and records of accounts and shall keep minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep at its principal office a record of the names and addresses of all members having the right to vote. All books and records of the corporation may be inspected by any member having the right to vote, or by any agent or attorney of such member, for any proper purpose, at any reasonable time. Nothing in this section shall be construed to contravene any applicable State law.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 12. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended by inserting after paragraph (71) the following new paragraph:

"(72) The Vietnam Veterans of America, Inc.".

ANNUAL REPORT

SEC. 13. The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as is the report of the audit of the corporation required by section 2 of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1102). The report shall not be printed as a public document.

RESERVATION OF RIGHT TO ALTER, AMEND, OR REPEAL CHARTER

SEC. 14. The right to alter, amend, or repeal this charter is expressly reserved to the Congress.

DEFINITION OF "STATE"

SEC. 15. For purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and each of the territories and possessions of the United States.

TAX-EXEMPT STATUS

SEC. 16. The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code of 1954.

EXCLUSIVE RIGHT TO NAMES

SEC. 17. The corporation shall have the sole and exclusive right to use the name "The Vietnam Veterans of America, Inc.", "Vietnam Veterans of America, Inc.", and "Vietnam Veterans of America", and such seals, emblems, and badges as the corporation may lawfully adopt. Nothing in this section shall be construed to interfere or conflict with established or vested rights.

FAILURE TO COMPLY WITH RESTRICTIONS OR PROVISIONS

SEC. 18. If the corporation shall fail to comply with any of the restrictions or provisions of this Act, the charter granted by this Act shall expire.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 512) was laid on the table.

TO PERMIT ALIEN FISHING VESSELS TO STOP TEMPORARILY IN GUAM

Mr. MAZZOLI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2224) to amend the Immigration and Nationality Act to permit nonimmigrant alien crewmen on fishing vessels to stop temporarily at ports in Guam, as amended.

The Clerk read as follows:

H.R. 2224

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NEW NONIMMIGRANT CREWMAN CLASSIFICATION.

Section 101(a)(15)(D) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(D)) is amended by inserting "(i)" after "(D)" and by adding at the end the following new clause:

"(ii) an alien crewman serving in good faith as such in any capacity required for normal operations and service aboard a fishing vessel having its home port or an operating base in the United States who intends to land temporarily in Guam and solely in pursuit of his calling as a crewman and to depart from Guam with the vessel on which he arrived;".

SEC. 2. TREATMENT OF DEPARTURES FROM GUAM.

In the administration of section 101(a)(15)(D)(ii) of the Immigration and Nationality Act (added by the amendment made by section 1 of this Act), an alien crewman shall be considered to have departed from Guam after leaving the territorial waters of Guam, without regard to whether the alien arrives in a foreign state before returning to Guam.

The SPEAKER. Is a second demanded?

Mr. LUNGREN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Kentucky [Mr. MAZZOLI] will be recognized for 20 minutes and the gentleman from California [Mr. LUNGREN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the bill now before us, H.R. 2224, which would grant alien crewmen on U.S.-based fishing vessels the same rights that are currently enjoyed by those on non-U.S.-based fishing vessels.

Currently, an alien employed on a U.S.-based fishing vessel cannot enter Guam under any circumstances. As a result, they must stay aboard the ship the entire time it is in Guam, whereas alien crewmen on foreign-flag fishing vessels may go ashore temporarily while the ship is in port in Guam.

There does not appear to be any current justification for denying shore leave to alien crewmen on U.S.-based fishing vessels. According to the Department of the Interior, this works a "severe hardship" on Guam by in effect, discouraging the use of an American port by American fishing vessels. The Department of the Interior in its bill report also notes that this legislation "would substantially enhance the attractiveness of Guam to commercial vessels based in the U.S."

This legislation affects only Guam. An alien crewman entering Guam would not, by virtue of that entry, gain any right to enter the United States.

The Departments of Justice and Interior have no objection to enactment of this bill which has been sponsored by our colleague from Guam, Congressman BLAZ.

This bill received the unanimous support of both the Immigration Subcommittee and Full Judiciary Committee and I know of no opposition to its enactment.

Mr. LUNGREN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Guam is currently the home port for America's Western Pacific tuna fleet. The fleet supplies much of the American tuna which is consumed in this country. The fleet provides employment for many Americans as well as some alien crewmen. The economic impact of the fleet's presence on Guam's economy cannot be underestimated. Each ship provides wage income and taxes. Each ship also purchases large amounts of petroleum products, food and medical supplies and services. The fleet's continued presence is essential to Guam's growing private sector and increasing independence from Federal subsidies.

Under current Federal immigration law, designed primarily to cope with problems which arose in San Diego, alien crewmen on ships homeported or operating out of Guam cannot go on shore leave when their ships enter Guam's port. This resulted in the past in severe morale problems for the crews of the American tuna boats and in violence. The problems in San Diego resulted from alien crewmen residing in San Diego with their families. They would fish occasionally in international waters, but were primarily interested in living permanently in the United States. The alien crewmen in Guam do not have residences in

Guam nor do they have their families with them. They are generally from South America and Yugoslavia and return there when they have finished fishing.

The INS has recognized that this law does not fit Guam's unique circumstances and has paroled these alien fishermen into Guam for more than a year pending passage of this bill. In fact, an identical bill, H.R. 5118, addressing this same problem passed the House in the 98th Congress. The INS has indicated that it does not oppose H.R. 2224 nor did it oppose H.R. 5118. Both the Department of Justice and the Department of the Interior have no opposition to this legislation and have filed reports so indicating. H.R. 2224 will allow an American fishing industry to continue its operations in an American port with all the benefits which will result thereby.

This history of the current law originates from INS, who issued an operational instruction to prevent alien crewmen in San Diego from residing in the United States while posing as crewmen. This operational instruction prevented alien crewmen from obtaining successive crewmen visas by leaving the United States and sailing into international waters then return to a U.S. port. The alien crewmen would thenceforth have to enter a foreign country prior to returning to the United States. As I noted earlier, the differences between Guam and San Diego are many. In particular, the alien crewmen in Guam do not own homes there. They do not have their families with them and do return to their own country when they have finished fishing. The proposed bill will allow the alien crewmen in Guam to leave, fish in international waters and then return to Guam for shore leave without having first to enter a foreign country. This legislation will allow Guam to improve its private economy without posing any threat to the security of the United States' borders. For these reasons I support passage of this legislation so that the law will more closely respond to the reality in Guam.

I might say, Mr. Speaker, that the distinguished Member of Congress representing Guam, BEN BLAZ, had intended to be here; he was called home to Guam for some urgent business. Therefore, he is not able to be here.

He very strongly supports this legislation; he has introduced it and he has worked for it. I would say that it makes very good sense for us to pass this legislation unanimously at this time.

Mr. BLAZ. Mr. Speaker, Guam is currently the homeport for America's Western Pacific tuna fleet. The fleet supplies much of the tuna which is consumed in this country, and provides employment for many Americans as well as some alien crewmen. The economic impact of the fleet's presence on Guam's economy cannot be underestimated. Each ship provides wage income and taxes. Every vessel also purchases large amounts of petroleum products, food, medical supplies and services. The fleet's continued presence is essential to Guam's growing private sector and increasing independence from Federal subsidies. H.R. 2224 will allow an American fishing industry to continue its operations in an American port with all the benefits which will result thereby.

Under current Federal immigration law alien crewmen on ships homeported or operating out of Guam cannot go on shore leave when their ships enter Guam's port. This law has resulted in severe morale problems for the crews of the American tuna boats who sail into Guam's harbor after several months at sea. At times violence has occurred.

This provision of the law was designed primarily to cope with problems which arose in San Diego. The problems in San Diego resulted from an entirely different set of circumstances which do not exist in Guam. Alien crewmen were residing in San Diego with their families. They would fish occasionally in international waters, but were primarily interested in living permanently in the United States. The alien crewmen in Guam do not have residences in Guam nor do they have their families with them. They are generally from South America and Yugoslavia and return there when they have finished fishing.

The INS has recognized that this law does not fit Guam's unique circumstances and has paroled these alien fishermen into Guam for more than a year pending passage of this bill. In fact, an identical bill, H.R. 5118, addressing this same problem passed the House in the 98th Congress. The INS has indicated that it does not oppose H.R. 2224 nor did it oppose H.R. 5118. Both the Department of Justice and the Department of the Interior have no opposition to this legislation and have filed reports so indicating with the House Subcommittee on Immigration, Refugees and International Law. This legislation will allow Guam to improve its private economy without posing any threat to the security of the U.S. borders.

Gentleman, I call your attention to the fact that the Soviets continue to test our resolve in the Western Pacific. It is, therefore, important that America demonstrate its continued interest in that region. Since Guam is America's bridge to the Pacific and its finest symbol it is essential that the free enterprise system flourish there. This bill will serve that worthy cause. For these reasons I urge the House to suspend its rules and pass this legislation so that the law will more closely respond to the reality in Guam.

Mr. LUNGREN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MAZZOLI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. MAZZOLI] that the House suspend the rules and pass the bill, H.R. 2224, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

□ 1235

GENERAL LEAVE

Mr. MAZZOLI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2224, the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SEXUAL ABUSE ACT OF 1986

Mr. BRYANT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4745) to amend title 18, United States Code, with respect to sexual abuse, as amended.

The Clerk read as follows:

H.R. 4745

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Sexual Abuse Act of 1986".

SEC. 2. DEFINITION OF SEXUAL ABUSE OFFENSES.

Title 18, United States Code, is amended by inserting after chapter 109 the following new chapter:

"CHAPTER 109A—SEXUAL ABUSE

"Sec.
"2241. Aggravated sexual abuse.
"2242. Sexual abuse.
"2243. Sexual abuse of a minor or ward.
"2244. Abusive sexual contact.
"2245. Definitions for chapter.

"§ 2241. Aggravated sexual abuse

"(a) BY FORCE OR THREAT.—Whoever, in the special maritime and territorial jurisdiction of the United States or in a Federal prison, knowingly causes another person to engage in a sexual act—

"(1) by using force against that other person; or

"(2) by threatening or placing that other person in fear that any person will be subjected to death, serious bodily injury, or kidnaping;

or attempts to do so, shall be fined under this title, imprisoned for any term of years or life, or both.

"(b) BY OTHER MEANS.—Whoever, in the special maritime and territorial jurisdiction of the United States or in a Federal prison, knowingly—

"(1) renders another person unconscious and thereby engages in a sexual act with that other person; or

"(2) administers to another person by force or threat of force, or without the knowledge or permission of that person, a drug, intoxicant, or other similar substance and thereby—

"(A) substantially impairs the ability of that other person to appraise or control conduct; and

"(B) engages in a sexual act with that other person;

or attempts to do so, shall be fined under this title, imprisoned for any term of years or life, or both.

"(c) WITH CHILDREN.—Whoever, in the special maritime and territorial jurisdiction of the United States or in a Federal prison, knowingly engages in a sexual act with another person who has not attained the age of 12 years, or attempts to do so, shall be fined under this title, imprisoned for any term of years or life, or both.

"(d) STATE OF MIND PROOF REQUIREMENT.—In a prosecution under subsection (c) of this section, the Government need not prove that the defendant knew that the other person engaging in the sexual act had not attained the age of 12 years.

"§ 2242. Sexual abuse

"Whoever, in the special maritime and territorial jurisdiction of the United States or in a Federal prison, knowingly—

"(1) causes another person to engage in a sexual act by threatening or placing that other person in fear (other than by threatening or placing that other person in fear that any person will be subjected to death, serious bodily injury, or kidnaping); or

"(2) engages in a sexual act with another person if that other person is—

"(A) incapable of appraising the nature of the conduct; or

"(B) physically incapable of declining participation in, or communicating unwillingness to engage in, that sexual act;

or attempts to do so, shall be fined under this title, imprisoned not more than 20 years, or both.

"§ 2243. Sexual abuse of a minor or ward

"(a) OF A MINOR.—Whoever, in the special maritime and territorial jurisdiction of the United States or in a Federal prison, knowingly engages in a sexual act with another person who—

"(1) has attained the age of 12 years but has not attained the age of 16 years; and

"(2) is at least four years younger than the person so engaging;

or attempts to do so, shall be fined under this title, imprisoned not more than five years, or both.

"(b) OF A WARD.—Whoever, in the special maritime and territorial jurisdiction of the United States or in a Federal prison, knowingly engages in a sexual act with another person who is—

"(1) in official detention; and

"(2) under the custodial, supervisory, or disciplinary authority of the person so engaging;

or attempts to do so, shall be fined under this title, imprisoned not more than one year, or both.

"(c) DEFENSES.—(1) In a prosecution under subsection (a) of this section, it is a defense, which the defendant must establish by a preponderance of the evidence, that the defendant reasonably believed that the other person had attained the age of 16 years.

"(2) In a prosecution under this section, it is a defense, which the defendant must establish by a preponderance of the evidence, that the persons engaging in the sexual act were at that time married to each other.

"(d) STATE OF MIND PROOF REQUIREMENT.—In a prosecution under subsection (a) of this section, the Government need not prove that the defendant knew—

"(1) the age of the other person engaging in the sexual act; or

"(2) that the requisite age difference existed between the persons so engaging.

"§ 2244. Abusive sexual contact

"(a) SEXUAL CONDUCT IN CIRCUMSTANCES WHERE SEXUAL ACTS ARE PUNISHED BY THIS CHAPTER.—Whoever, in the special maritime and territorial jurisdiction of the United States or in a Federal prison, knowingly engages in or causes sexual contact with or by another person, if so to do would violate—

"(1) section 2241 of this title had the sexual contact been a sexual act, shall be fined under this title, imprisoned not more than five years, or both;

"(2) section 2242 of this title had the sexual contact been a sexual act, shall be fined under this title, imprisoned not more than three years, or both;

"(3) subsection (a) of section 2243 of this title had the sexual contact been a sexual act, shall be fined under this title, imprisoned not more than one year, or both; or

"(4) subsection (b) of section 2243 of this title had the sexual contact been a sexual act, shall be fined not more than $5,000, imprisoned not more than six months, or both.

"(b) IN OTHER CIRCUMSTANCES.—Whoever, in the special maritime and territorial jurisdiction of the United States or in a Federal prison, knowingly engages in sexual contact with another person without that other person's permission shall be fined not more than $5,000, imprisoned not more than six months, or both.

"§ 2245. Definitions for chapter

"As used in this chapter—

"(1) the term 'prison' means a correctional, detention, or penal facility;

"(2) the term 'sexual act' means—

"(A) contact between the penis and the vulva or the penis and the anus, and for purposes of this subparagraph contact involving the penis occurs upon penetration, however slight;

"(B) contact between the mouth and the penis, the mouth and the vulva, or the mouth and the anus; or

"(C) the penetration, however slight, of the anal or genital opening of another by a hand or finger or by any object, with an intent to abuse, humiliate, harass, degrade, or arouse or gratify the sexual desire of any person; and

"(3) the term 'sexual contact' means the intentional touching, either directly or through the clothing, of the genitalia, anus, groin, breast, inner thigh, or buttocks of any person with an intent to abuse, humiliate, harass, degrade, or arouse or gratify the sexual desire of any person;

"(4) the term 'serious bodily injury' means bodily injury that involves a substantial risk of death, unconsciousness, extreme physical pain, protracted and obvious disfigurement, or protracted loss or impairment of the function of a bodily member, organ, or mental faculty.

"(5) the term 'official detention' means—

"(A) detention by a Federal officer or employee, or under the direction of a Federal officer or employee, following arrest for an offense; following surrender in lieu of arrest for an offense; following a charge or conviction of an offense; or an allegation or finding of juvenile delinquency; following commitment as a material witness; following civil commitment in lieu of criminal proceedings or pending resumption of criminal proceedings that are being held in abeyance, or pending extradition, deportation, or exclusion; or

"(B) custody by a Federal officer or employee, or under the direction of a Federal officer or employee, for purposes incident to any detention described in subparagraph (A) of this paragraph, including transportation, medical diagnosis or treatment, court appearance, work, and recreation;

but does not include supervision or other control (other than custody during specified hours or days) after release on bail, probation, or parole, or after release following a finding of juvenile delinquency.".

SEC. 3. CONFORMING AND RELATED AMENDMENTS.

(a) OTHER TITLE 18 AMENDMENTS.—Title 18, United States Code, is amended—

(1) by striking out chapter 99;

(2) in subsection (a) of section 113 by striking out "or rape";

(3) in subsection (b) of section 113 by striking out "rape" and inserting in lieu thereof "a felony under chapter 109A";

(4) in subsection (a) of section 1111 by striking out ", rape" and inserting in lieu thereof "aggravated sexual abuse or sexual abuse";

(5) in section 1153—

(A) in the first paragraph, by striking out "rape, involuntary sodomy, carnal knowledge of any female, not his wife, who has not attained the age of sixteen years, assault with intent to commit rape," and inserting in lieu thereof "a felony under chapter 109A,"; and

(B) in each of the second and third paragraphs, by striking out ", involuntary sodomy,";

(6) in paragraph (12) of section 3185 by striking out "Rape;" and inserting in lieu thereof "A felony under chapter 109A of this title;"; and

(7) in the table of chapters at the beginning of part I—

(A) by striking out the item relating to chapter 99; and

(B) by inserting after the item relating to chapter 109 the following new item:

"109A. Sexual Abuse ..... 2241".

(b) NON-TITLE 18 PROVISIONS.—The Public Health Service Act is amended—

(A) in section 1904(a)(1)(G) (42 U.S.C. 300w-3(a)(1)(G)) by striking out "rape victims and for rape prevention" and inserting in lieu thereof "victims of sex offenses and for prevention of sex offenses"; and

(B) in section 1905(c)(6) (42 U.S.C. 300w-4(c)(6)) by striking out "rape" and inserting "sex offense" in lieu thereof.

(2) The heading of title VI of the Mental Health Systems Act is amended by striking out "RAPE" and inserting "SEX OFFENSE" in lieu thereof.

(3) The heading for section 601 of the Mental Health Systems Act (42 U.S.C. 9511) is amended by striking out "RAPE" and inserting "SEX OFFENSE" in lieu thereof.

(4) Section 601(a) of the Mental Health Systems Act (42 U.S.C. 9511(a)) is amended by striking out "Rape" and inserting "Sex Offenses" in lieu thereof.

(5) Section 601(a)(1) of the Mental Health Systems Act (42 U.S.C. 9511(a)(1)) is amended—

(A) in subparagraph (B), by striking out "the act of rape" and inserting "sex offenses" in lieu thereof;

(B) in subparagraph (E), by striking out "rape" and inserting "a sex offense" in lieu thereof; and

(C) by striking out "rape" each place it appears other than in subparagraphs (B) and (E) and inserting "sex offenses" in lieu thereof.

(6) Section 601(a)(3) of the Mental Health Systems Act (42 U.S.C. 9511(a)(3)) is amended by striking out "rape" each place it appears and inserting "sex offenses" in lieu thereof.

(7) Section 601(e) of the Mental Health Systems Act (42 U.S.C. 9511(e)) is amended by striking out "rape" the first place it appears and inserting "sex offense" in lieu thereof.

(8) Section 902(k)(1) of the Federal Aviation Act of 1958, as amended (49 U.S.C. App. 1472(k)(1)), is amended by striking out "2031, 2032" and inserting in lieu thereof "chapter 109A".

SEC. 4. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect 30 days after the date of the enactment of this Act.

The SPEAKER. Is a second demanded?

Mr. COBLE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Texas [Mr. BRYANT] will be recognized for 20 minutes and the gentleman from North Carolina [Mr. COBLE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. BRYANT].

Mr. BRYANT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4745, the Sexual Abuse Act of 1986, will bring about much needed reform of the antiquated Federal rape statutes. The Committee on the Judiciary reported the bill unanimously, and the Justice Department strongly endorses it.

There are presently three Federal rape statutes. Two of them, which proscribe rape and assault with intent to commit rape, do not define what constitutes rape. The courts, however, have indicated that these offenses incorporate the common law definition that requires sexual intercourse with a woman "forcibly and against her will." The third Federal statute makes it an offense for a man to "carnally know a female, not his wife, who has not attained the age of 16 years"—commonly known as satutory rape.

There are a number of deficiencies in current Federal law. First, and most obvious, Federal law protects only women from sexual abuse; homosexual rape is not proscribed. Second, the Federal statutes proscribe only coerced sexual intercourse; other forms of sexual abuse are not made criminal. Third, the Federal statutes incorporate doctrines that are antivictim and serve to focus a trial on the conduct and state of mind of the victim rather than on the conduct and state of mind of the defendant.

Traditionally, the force requirement was considered necessary to show a lack of consent. As perhaps the best known treatise on criminal law puts it, if "great force was not needed to accomplish the act the necessary lack of consent has been disproved in other than exceptional situations." The resistance doctrine, in turn, was used to determine when the requisite "great force," and therefore the requisite lack of consent, was present. This doctrine, at its most stringent, required that a woman struggle with an intensity reflecting her physical capacity to resist and that her efforts not diminish during the course of the offense. This doctrine was directly in conflict with the safety and welfare of the victim. The law does not impose a resistance requirement upon the victims of other crimes of violence. Requiring a victim to become a martyr by testing the sincerity of an offender's threat is unfair, and H.R. 4745 does not carry forward the resistance doctrine.

In addition, H.R. 4745 does not carry forward the spousal exemption doctrine. This doctrine is probably a part of the Federal law, although there are no cases on the matter and a relatively recent case suggests that whether the Federal courts will recognize spousal exemption is an open question. The spousal exemption doctrine made rape unique; rape was the only crime of violence for which marriage was a defense. H.R. 4745 recognizes that marriage should not ipso facto shield a person from responsibility for a violent crime.

H.R. 4745 is the product of several years of work by the Committee on the Judiciary. Development of the bill has been a bipartisan effort that has benefited from the contributions of a number of interested persons and groups, including local police and prosecutors, persons who provide services and assistance to victims of sex crimes, and the National Coalition Against Domestic Violence. The committee has also worked closely with the Justice Department. The goal of these labors was to draft a bill that will offer all persons the maximum possible protection from sexual abuse. I believe, along with the Justice Department, that H.R. 4745 will do just that, and I urge my colleagues to support it.

Mr. Speaker, I reserve the balance of my time.

Mr. COBLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4745.

This bill accomplishes the long overdue task of reforming Federal statutes dealing with sexual assault. It expands the current provision on rape beyond the antiquated restrictions of common law so that other forms of deviate sexual conduct are covered. The bill is supported by the administration as a "rationally graded, comprehensive sex-neutral series of offenses in place of the inadequate laws now on the books."

Rape may be an infrequent Federal offense, but it is nonetheless a serious crime that must be addressed by the strongest and most effective series of statutes possible. The reforms contained in this bill have already been instituted in several of the States and will help not only law enforcement but also the victims of sexual abuse.

Mr. Speaker, this legislation is the product of a bipartisan effort. It deserves the support of this body and I urge its adoption under suspension here today.

Mr. CONYERS. Mr. Speaker, I support H.R. 4745 and urge my colleagues to do so as well.

The Federal statutes proscribing rape and assault with intent to commit rape incorporate a common law definition of rape that requires the prosecution to show that the defendant had sexual intercourse with a woman "forcibly and against her will." The Federal statutory rape provision makes it a crime for a person to have sexual intercourse with a woman, "not his wife, who has not attained the age of 16 years * * *."

The common-law tradition from which these statutes derive is not very inspiring. Rape laws ostensibly existed to protect women from having unwanted, coerced sexual intimacy, but the legal system frequently seemed to be more concerned with protecting males from conviction than with protecting females from injurious conduct. An exception to that, was where there was a racial factor, and the victim was white and the accused black.

H.R. 4745 completely modernizes and reforms the Federal rape statutes. It is drafted using gender neutral terms and in such a way that the focus of a trial will be on the defendant's conduct, and not on the victim's. It expands Federal rape law to reach homosexual rape and sexual abuse of another that goes beyond unwanted sexual intercourse, and it expands Federal jurisdiction to encompass all Federal prisons. Finally, the bill grades the offenses so that the more serious the conduct, the more serious the punishment.

H.R. 4745 is the product of close cooperation among several persons and groups. Their keen interest and support have helped greatly to fashion the bill and move it along. I want to thank them, especially the ranking minority member of the Subcommittee on Criminal Justice, the gentleman from Pennsylvania [Mr. GEKAS]; three of the bill's sponsors, the gentleman from Maryland [Mr. HOYER], the gentleman from Michigan [Mr. CARR], and the gentlelady from California [Ms. FIEDLER], all of whom testified in support of the legislation and helped in perfecting it; the National Coalition Against Domestic Violence, whose acting executive director, Kerry Lobel, testified on behalf of the legislation and helped draft parts of it; and the National Network for Victims of Sexual Assault, which submitted a statement in support of the legislation and also helped draft parts of the bill. Finally, I want to express my appreciation for the assistance and support of the Department of Justice.

H.R. 4745 was reported unanimously from committee, and it is strongly supported by the Justice Department. Once again, I urge my colleagues to support the bill.

Mr. HOYER. Mr. Speaker, I rise in strong support of H.R. 4745, the Sexual Assault Act of 1986. I want to commend the chairman of the House Subcommittee on Criminal Justice, Mr. JOHN CONYERS, for his strong and very capable leadership in the area of criminal jus-

tice particularly with regard to rape, one of the most unreported crimes in our society. Mr. CONYERS has crafted a bill which is a marked improvement over current Federal law. H.R. 4745 effectively abrogates a number of common-law principles and sets forth specific statutory guidelines that define criminal conduct. The proposed legislation modernizes and reforms Federal rape provisions by: First, defining the sexual offenses in gender neutral terms; second, defining a series of gradual sexual offenses; third, affirmatively abrogating the common-law marital exemption; and fourth, expanding the jurisdictional scope to cover offenses committed against any person in official detention and those in Federal prisons.

I also want to commend the ranking minority leader of the Subcommittee on Criminal Justice, Representative GEORGE GEKAS, without whose bipartisan cooperation and assistance the present bill would not be before the House today. The very capable leadership efforts of Mr. GEKAS are to be commended. Many of the substantive suggestions that were made by Mr. GEKAS during hearings on the proposed legislation were adopted and incorporated into H.R. 4745. Those suggestions contributed significantly to making H.R. 4745 as well-reasoned, comprehensive, and rational series of sexual offenses in place of the inadequate laws currently on the books.

Mr. Speaker, the proposed legislation is also the result of several years of hard work and commitment by other individuals such as Tom Hutchinson, counsel for the Subcommittee on Criminal Justice. Mr. Hutchinson has devoted a great deal of time and effort to the bill before the House today and the strengths of H.R. 4745 are in large part due to his expertise and commitment. I also want to mention the valuable and expert input of Vicky Portney of the Department of Justice in crafting this bipartisan bill. This bill also benefited by the legal expertise of Doug Bellis of the House legislative counsel office and special mention must be made of the bipartisan support of Raymond V. Smietanka, associate counsel of the Subcommittee on Criminal Justice.

H.R. 4745 is the result of strong bipartisan cooperation on several levels in an effort to modernize and reform current Federal rape laws. I am very pleased to have been a part of that effort and urge my colleagues to support the Sexual Assault Act of 1986.

Mr. COBLE. Mr. Speaker, I yield back the balance of my time.

Mr. BRYANT. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Texas [Mr. BRYANT] that the House suspend the rules and pass the bill, H.R. 4745, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRYANT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on H.R. 4745, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONGRESSIONAL GOLD MEDALS TO ANATOLY AND AVITAL SHCHARANSKY

Mr. ANNUNZIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4186) to authorize the President of the United States to award congressional gold medals to Anatoly and Avital Shcharansky in recognition of their dedication of human rights, and to authorize the Secretary of the Treasury to sell bronze duplicates of those medals, as amended.

The Clerk read as follows:

H.R. 4186

Be it enacted by the Senate and House of Representatives of the United States of Amercia in Congress assembled,

SECTION 1. FINDINGS.

The Congress finds that—

(1) Avital Shcharansky and Natan (Anatoly) Shcharansky have displayed immense courage and commitment to the preservation of individual human rights, regarded as among the highest of ideals by the American people;

(2) Natan (Anatoly) Shcharansky, a prominent founding member of the Moscow Helsinki Monitoring Group and active spokesman for the human rights denied to Soviet Jews, was unjustly arrested by the Soviet Union in 1977 and imprisoned for almost nine years on the false charges of espionage and treason;

(3) Natan (Anatoly) Shcharansky, during his lengthy incarceration and isolation, was subjected to ongoing emotional and physical deprivation of the highest magnitude, yet continued to display raw courage and the noblest commitment to his rights as an individual, thereby setting an example for others whose individual freedoms are being denied.

(4) freedom is the ideal held most dear by the American people, and Natan (Anatoloy) Shcharansky has become a symbol of that love of freedom;

(5) Avital Shcharansky, while her husband was kept silent by Soviet prisons and labor camps, waged an indefatigable campaign around the world on behalf of her husband and others similarly treated;

(6) Avital Shcharansky's earnest presistence and dedication to the precepts of freedom of thought, word, and deed raised the consciousness of the world while she valiantly worked for her husband's release, thus elevating human rights to a global concern; and

(7) their reunion is evidence of the triumph of the human spirit against all adversities.

SEC. 2. CONGRESSIONAL GOLD MEDAL.

(a) AWARD.—The President of the United States is authorized and requested to present, on behalf of the Congress, gold medals to Natan (Anatoly) and Avital Shcharansky in recognition of their supreme dedication and total commitment to the cause of individual human rights and freedoms.

(b) DESIGN AND CONSTRUCTION.—For purposes of the presentation referred to in subsection (a), the Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall cause to be struck two gold medals with suitable emblems, devices, and inscriptions, to be determined by the Secretary.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated not to exceed $30,000 to carry out the provisions of this section.

SEC. 3. DUPLICATE MEDALS.

(a) CONSTRUCTION AND SALE.—The Secretary may cause duplicates in bronze of the gold medals provided for in section 2 to be coined and sold under regulations prescribed by the Secretary, at a price sufficient to cover the cost of such duplicates and such gold medals, including labor, material, dies, use of machinery, and overhead expenses.

(b) REIMBURSEMENT OF APPROPRIATIONS.—Any appropriation made under section 2 shall be reimbursed out of the proceeds of the sales referred to in subsection (a).

SEC. 4. NATIONAL MEDALS.

The medals provided for in this Act shall be considered to be national medals for purposes of section 5111 of title 31, United States Code.

The SPEAKER pro tempore. Is a second demanded?

Mr. GILMAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. ANNUNZIO] will be recognized for 20 minutes and the gentleman from New York [Mr. GILMAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ANNUNZIO].

Mr. ANNUNZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4186 would authorize the presentation of congressional gold medals to Anatoly and Avital Shcharansky in recognition of their dedication to human rights. The legislation is cosponsored by 232 Members of the House.

The Shcharanskys' dedication to human rights and their unrelenting efforts on behalf of those persecuted by the Soviet Union is a model for all who believe in freedom. The valor of their struggle in the face of Soviet tyranny stands as a shining symbol to all who cherish freedom.

Anatoly Shcharansky was imprisoned in 1977 for 9 years by the Soviet Union for his activities as a founder and member of the Moscow Helsinki Monitoring Group. Despite the lengthy period of incarceration and isolation, he displayed courage and commitment to his rights as an indi-

vidual. Ongoing emotional and physical deprivations could not break his spirit or his will.

Even though physically imprisoned in the Soviet gulag, Anatoly Shcharansky was free. His freedom was not physical, but spiritual and intellectual. His Soviet jailers had his body, but they could not control, nor break, his mind or will. He did not fear the harsh treatment and imprisonment given him for his beliefs. By not succumbing to this fear he transcended the Communist tyranny. By refusing to comply with the wishes of his Soviet captors, they lost their power over him.

For his acts as part of the Helsinki Monitoring Group, and the spirit of freedom showed by the acts, he represented a threat to the Soviet system. For that, he was imprisoned and harshly treated by his native land.

Throughout his imprisonment, his wife, Avital, waged a tireless campaign to free her husband and others similarly mistreated. She would not let the world forget that her husband was imprisoned on trumped-up charges, and that the real reason for his imprisonment was his commitment to the preservation of individual human rights.

The reunion of Anatoly and Avital Shcharansky in February was a victory for the human spirit's yearning for freedom.

Their concern for freedom, and the courage and steadfastness displayed over the long years of their separation, stand as a monument to the triumph of the human spirit against adversity. Their love of freedom, and their willingness to endure much to attain it, stand as a shining beacon to all who love and cherish freedom.

Our Nation is one that prides itself on supporting freedom, and those who struggle for freedom, throughout the world. We honor and salute those brave individuals who face adversity and tyranny with courage and grace, and refuse to submit to the jackboot of oppression.

The mighty Soviet Union, with millions of armed soldiers and thousands of atomic weapons, was defeated in its attempt to silence and subjugate two extraordinary people, armed with nothing more than faith and quiet courage. Thus it will be for all tyrants when faced with persons such as the Shcharanskys. They show us how to stand up to tyranny.

Anatoly Shcharansky will visit the Capitol tomorrow. It would be a small and modest tribute to the Shcharanskys for this legislation to be passed before he arrives.

Mr. Speaker, I urge passage of H.R. 4186.

□ 1245

Mr. GILMAN. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I want to commend the gentleman from Illinois, the distinguished chairman of the Subcommittee on Consumer Affairs and Coinage of the Banking Committee for his leadership and his assistance in bringing this measure to the floor at this appropriate time just a few days before we are to honor Avital and Anatoly Shcharansky here in the Capitol Building and before he meets with the President of the United States.

Mr. Speaker, the purpose of congressional gold medals is to recognize outstanding qualities and achievement. We do not often encounter such men and women, and we consider ourselves fortunate when indeed our paths cross. Two such outstanding individuals are Avital and Anatoly Shcharansky.

I introduced H.R. 4186 soon after Anatoly Shcharansky walked across the Gleinicke Bridge to freedom, a few short months ago, because of my deeply held conviction that the issue of human rights around the world would not be as prominent today were it not for Avital and Anatoly Shcharansky. Their commitment and their dedication to precepts which we Americans hold so dear is most deserving of congressional recognition. There are very few real heroes in the world today—yet Avital and Anatoly endured a decade of physical, emotional, and psychological deprivation that few could endure, emerging to what can only be described as a triumph of the human spirit. They personify the best of heroism, having surmounted overwhelming odds and adversity through their unique personalities and their supreme commitment to each other and to the issue of human rights.

Anatoly's prominence as a member of the Helsinki Watch Monitoring Group in Moscow was well deserved. As a human rights activist, Anatoly spoke out not only for the cultural and religious rights of Soviet Jews, but for all those in the Soviet Union whose fundamental human freedoms were being denied. Arrested on a false charge of being a U.S. agent engaged in espionage, charges denied by three American Presidents, Anatoly was sentenced to 13 years in prison. He waged hunger strikes as a form of protest, and many of us recall several occasions when we did not even know whether he was alive or dead. Throughout his 9-year ordeal, Anatoly's devoted and courageous wife, Avital, persisted with tenacity heretofore unmatched, in her efforts to free Anatoly and give human rights their proper prominence on the global agenda. Even the Soviet Union, with all its might, could not silence them.

Our Nation has always believed that the freedoms granted by our bill of rights are sacred. It is, therefore, our responsibility to work for the freedom of others, and to appropriately recognize such commitment and achievement. The Shcharanskys' dedication to the cause of freedom of thought, of word and deed, embodies the precepts which our Nation holds so dear.

Yesterday, at the U.N., in New York City, I took part in the Solidarity Sunday rally of Americans demonstrating their commitment to human rights. In addressing the 300,000 gathered at the Dag Hammerskjold Plaza, Anatoly Shcharansky said:

From this place, my wife, Avital, was every year speaking to you and trying to convince you that your efforts were not in vain. Today, the fact that I am speaking to you is the best proof that she was right.

Mr. Speaker, H.R. 4186 has been cosponsored by more than 230 Members of this body. Such overwhelming support underscores the esteem in which this body holds men and women who act on the principles of liberty and justice that are so dear to us. Avital and Anatoly Shcharansky have significantly enhanced our common goal of human rights for every man and woman on this Earth.

With his visit to Washington this week, Anatoly deserves to know how the American people feel about his capacity to survive oppression and bigotry. Congressional gold medals in recognition of Avital and Anatoly Shcharansky's efforts sends a strong signal to the Soviet Union that we are indeed deeply committed to the respect for human rights of the individual.

Accordingly, Mr. Speaker, I urge our colleagues to adopt H.R. 4186.

Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

Mr. BOLAND. Mr. Speaker, I strongly support H.R. 4186, a bill to grant a congressional gold medal to Anatoly and Avital Shcharansky. As one of the bill's cosponsors, I urge its adoption by the House.

The Shcharansky's names have become synonymous with unwavering commitment and dedication to human rights. By enduring 8 long years of being harassed, interrogated, threatened, and separated, they have demonstrated the kind of strength and spirit of which heroes are born. Each day they were tested, each day they fought to be free, and they have prevailed.

It is a blessing that Mr. Shcharansky was released from the Soviet prison, and that he is here in the United States. However, we must not forget those Soviet refuseniks that are still being denied their right to emigrate. By awarding the congressional gold medal, we honor the Shcharansky's and their cause. We also affirm our commitment to those thousands of Jews in the Soviet Union for whom the promise of the Helsinki final act remains to be fulfilled.

Mr. ANNUNZIO. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. AN-

NUNZIO] that the House suspend the rules and pass the bill, H.R. 4186, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to authorize the President of the United States to award congressional gold medals to Natan (Anatoly) and Avital Shcharansky in recognition of their dedication to human rights, and to authorize the Secretary of the Treasury to sell bronze duplicates of those medals."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the H.R. 4186, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2308), to authorize the President of the United States to award congressional gold medals to Natan (Anatoly) and Avital Shcharansky in recognition of their dedication to human rights, and to authorize the Secretary of the Treasury to sell bronze duplicates of those medals, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2308

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

The Congress finds that—

(1) Avital Shcharansky and Natan (Anatoly) Shcharansky have displayed immense courage and commitment to the preservation of individual human rights, regarded as among the highest of ideals by the American people;

(2) Natan (Anatoly) Shcharansky, a prominent founding member of the Moscow Helsinki Monitoring Group and active spokesman for the human rights denied to Soviet Jews, was unjustly arrested by the Soviet Union in 1977 and imprisoned for almost nine years on the false charges of espionage and treason;

(3) Natan (Anatoly) Shcharansky, during his lengthy incarceration and isolation, was subjected to ongoing emotional and physical deprivation of the highest magnitude, yet continued to display raw courage and the noblest commitment to his rights as an individual, thereby setting an example for others whose individual freedoms are being denied;

(4) freedom is the ideal held most dear by the American people, and Natan (Anatoly) Shcharansky has become a symbol of that love of freedom;

(5) Avital Shcharansky, while her husband was kept silent by Soviet prisons and labor camps, waged an indefatigable campaign around the world on behalf of her husband and others similarly treated;

(6) Avital Shcharansky's earnest persistence and dedication to the precepts of freedom of thought, word, and deed raised the consciousness of the world while she valiantly worked for her husband's release, thus elevating human rights to a global concern; and

(7) their reunion is evidence of the triumph of the human spirit against all adversities.

SEC. 2. CONGRESSIONAL GOLD MEDAL.

(a) AWARD.—The President of the United States is authorized and requested to present, on behalf of the Congress, gold medals to Natan (Anatoly) and Avital Shcharansky in recognition of their supreme dedication and total commitment to the cause of individual human rights and freedoms.

(b) DESIGN AND CONSTRUCTION.—For purposes of the presentation referred to in subsection (a), the Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall cause to be struck two gold medals with suitable emblems, devices, and inscriptions, to be determined by the Secretary.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated not to exceed $30,000 to carry out the provisions of this section.

SEC. 3. DUPLICATE MEDALS.

(a) CONSTRUCTION AND SALE.—The Secretary may cause duplicates in bronze of the gold medals provided for in section 2 to be coined and sold under regulations prescribed by the Secretary, at a price sufficient to cover the cost of such duplicates and such gold medals, including labor, material, dies, use of machinery, and overhead expenses.

(b) REIMBURSEMENT OF APPRORPIATIONS.—Any appropriation made under section 2 shall be reimbursed out of the proceeds of the sales referred to in subsection (a).

SEC. 4. NATIONAL MEDALS.

The medals provided for in this Act shall be considered to be national medals for purposes of section 5111 of title 31, United States Code.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 4186) was laid on the table.

THE NEED FOR THE FAIR HOUSING INITIATIVE PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island [Mr. ST GERMAIN] is recognized for 5 minutes.

Mr. ST GERMAIN. Mr. Speaker, as the Members are aware, at long last we are moving a housing bill forward. The legislation, incorporated in a substitute put forward by our Housing Subcommittee chairman, HENRY GONZALEZ, and the subcommittee's ranking minority member, STEWART MCKINNEY, is scheduled to be on the floor this week.

While I regard the Gonzalez-McKinney substitute as essential to maintaining this Nation's commitment to providing decent and affordable housing for its citizens, I want to call attention today to an amendment which I will offer to implement the Fair Housing Initiative Program.

As much as I wish we could say racism has been eliminated in our country and no one seeking to buy or rent the housing of their choice faces discriminatory treatment because of their race or ethnic origin, I cannot. Five days of hearings held by our Housing Subcommittee have made it clear that we must be more aggressive and vigilant if the promise of the 1964 and 1968 Civil Rights Acts are to be fully fulfilled. Public enforcement by State fair housing agencies and private enforcement by nonprofit fair housing organizations must be increased if the problem is to be eliminated.

Fair Housing Initiative Program is a small but very necessary component in this battle. It would provide funds to support the enforcement activities of State and local fair housing agencies, to increase education and outreach to inform the public of the meaning of the fair housing laws and to expand the capacity of nongovernmental fair housing organizations to investigate complaints of discrimination. Key to the successful investigation of fair housing violations is to use testing to collect credible and objective evidence of discriminatory housing practices. Testers are pairs of individuals who are matched as to income, family composition, and other demographic profiles but differ in their race, sex, nationality, or other attributes which are the basis of the alleged discrimination. The evidence they collect as to their treatment when they apply to rent or purchase housing may be used to prove or disprove an allegation of discrimination.

I understand the Department of Housing and Urban Development supports fully the amendments I shall be offering.

AMENDMENT OFFERED BY MR. ST GERMAIN OF RHODE ISLAND TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 1 (TEXT OF H.R. 4746)

Page 38, after the period on line 17, insert the following language:

"The regulations governing testing conducted by private organizations shall contain measures deemed by the Secretary necessary to ensure that all such testing is objective, reliable, and controlled. These regulations should guarantee the credibility and probative value of testing evidence and preclude, to the extent possible without infringing on rights and remedies provided by Federal fair housing law, the misuse of the funds provided under this section. No such testing shall be funded under this subsection unless proceeded by an allegation of a discriminatory housing practice made by a person not employed or affiliated with the organization conducting the test.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. LEWIS of Florida) to

revise and extend their remarks and include extraneous material:)

Mr. CRANE, for 60 minutes, on May 13.

Mr. REGULA, for 60 minutes, today.

Mr. CLINGER, for 5 minutes, on May 13.

Mr. DORNAN of California, for 5 minutes, on May 13.

Mr. LUNGREN, for 60 minutes, on May 13.

Mr. LUNGREN, for 60 minutes, on May 14.

(The following Members (at the request of Mr. ANNUNZIO) to revise and extend their remarks and include extraneous material:)

Mr. PEPPER, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. PERKINS, for 30 minutes, on May 13, 14, and 15.

Mr. MRAZEK, for 60 minutes, on June 5.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LEWIS of Florida) and to include extraneous matter:)

Mr. ROBERT F. SMITH.

Mr. KOLBE.

Ms. SNOWE.

(The following Members (at the request of Mr. ANNUNZIO) and to include extraneous matter:)

Mr. RODINO.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. DORGAN of North Dakota.

Mr. MCHUGH.

Mr. YATES.

Mr. KOSTMAYER.

Mr. HERTEL of Michigan.

Mr. MATSUI.

Mr. ST GERMAIN.

ENROLLED BILLS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 737. An act for the relief of Ms. Chang Ai Bae; and

H.R. 1207. An act to award a special gold medal to the family of Harry Chapin.

ADJOURNMENT

Mr. ANNUNZIO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 58 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 13, 1986, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3472. A letter from the Director the Office of Management and Budget transmitting a report on the status as of May 1, 1986, of 83 rescission proposals and 66 deferrals contained in the six special messages of fiscal year 1986, pursuant to 2 U.S.C. 685(e) (H.Doc. 99-218); to the Committee on Appropriations and ordered to be printed.

3473. A letter from the Deputy Secretary of Defense, transmitting his certification that the Space Defense and Operations [Asat] Program is essential to the national security, has no alternative that would cost less, its new estimates are reasonable and its management structure is adequate, pursuant to 10 U.S.C. 139b(e)(1); to the Committee on Armed Services.

3474. A letter from the Deputy Secretary of Defense, transmitting his certification that the Pershing II Program is essential to the national security, has no alternative that would cost less, its new estimates are reasonable and its management structure is adequate, pursuant to 10 U.S.C. 139b(e)(1); to the Committee on Armed Services.

3475. A letter from the Secretary of Education, transmitting notification of proposed final funding priorities—auxiliary activities: inservice training—Handicapped Children's Early Education Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3476. A letter from the Assistant Secretary of the Interior for Indian Affairs, transmitting a proposed plan for the use and distribution of the Ak-Chin, Salt River Pima-Maricopa Indian communities judgment funds in docket 228 before the U.S. Claims Court, pursuant to 25 U.S.C. 1402(a), 1404; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GLICKMAN:

Committee on the Judiciary. H.R. 4434. A bill to amend the act entitled "An Act granting a charter to the General Federation of Women's Clubs" without amendment (Rep. 99-595). Referred to the House Calendar.

Mr. GLICKMAN:

Committee on the Judiciary. H.R. 2971. A bill granting the consent of the Congress to the amendments to the Susquehanna River Basin Compact. (Rep. 99-596). Referred to the House Calendar.

Mr. HAWKINS:

Committee on Education and Labor. H.R. 4728. A bill to establish programs of education and training designed to improve the competitiveness of American workers in international trade, and for other purposes, with an amendment (Rep. 99-597). Referred to the Committee of the Whole House on the State of the Union.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1066: Mr. GILMAN.

H.R. 3032: Mr. MCKINNEY.

H.R. 3099: Mr. BENNETT, Mr. PEPPER, Mr. SOLARZ, and Mr. DYMALLY.

H.R. 3664: Mr. GINGRICH.

H.R. 4057: Mr. ORTIZ, Mr. SWEENEY, Mr. PEPPER, Mr. MCCOLLUM, Mr. REID, Mr. BARNARD, Mr. GORDON, Mr. MCDADE, Mr. CHAPMAN, Mr. FUSTER, Mr. TALLON, and Mr. YOUNG of Florida.

H.R. 4194: Mr. FEIGHAN, Mrs. SCHROEDER, Mr. COUGHLIN, and Mr. KILDEE.

H.R. 4728: Mr. RODINO, Mr. MITCHELL, Mrs. LLOYD, Mr. MARKEY, Mr. GEPHARDT, Mr. PANETTA, Mr. FAZIO, Mr. LELAND, Mr. EVANS of Illinois, Mr. WHEAT, Mr. ROBINSON, and Mr. FAUNTROY.

H.J. Res. 498: Mr. KINDNESS.

H.J. Res. 531: Mr. SHAW, Mr. HARTNETT, Ms. SNOWE, Mr. EVANS of Iowa, Mrs. KENNELLY, Mr. LOTT, Mr. STUDDS, and Mr. FORD of Tennessee.

H.J. Res. 596: Mr. UDALL, Mr. STOKES, Mr. MRAZEK, Mr. LOWRY of Washington, Mr. RICHARDSON, Mr. MOODY, Mr. WIRTH, Mrs. COLLINS, Mrs. BOXER, Mr. DIXON, Mr. ROBINSON, Mr. DURBIN, Mr. SKELTON, Mr. EARLY, Mr. BARNES, Mr. DELAY, Mr. CONTE, Mr. CARPER, Mr. DORNAN of California, Mr. EDGAR, Mr. GREEN, Mr. O'BRIEN, Mrs. BENTLEY, Mr. FAUNTROY, Mr. HORTON, Mr. BLILEY, Mr. SIKORSKI, Mr. WOLF, Mr. MARTINEZ, Mrs. BURTON of California, Mr. CARNEY, Mr. CLINGER, Mr. CONYERS, Mr. ACKERMAN, Mr. DANIEL, Mr. KASICH, Mrs. KENNELLY, Mr. KOLTER, Mr. HUTTO, Mr. DYMALLY, Mr. FORD of Tennessee, Mr. FOWLER, Mr. GEKAS, Mr. GALLO, Mr. GRAY of Pennsylvania, Mr. GARCIA, Mr. RODINO, Mr. DORGAN of North Dakota, Mr. DOWNEY of New York, Mr. REID, Mr. CRANE, Mr. HARTNETT, Mrs. HOLT, Mr. HALL of Ohio, Mr. HUNTER, Mr. HEFNER, Mr. LEHMAN of Florida, Mr. LUKEN, Mr. MCCAIN, Mr. HENRY, Mr. LELAND, Mr. MCCOLLUM, Mr. MAVROULES, Mr. ORTIZ, Mr. PEPPER, Mr. ROEMER, Mr. SABO, Mr. MACKAY, Mr. CHENEY, Mr. DARDEN, Mr. MATSUI, Mr. BROOMFIELD, Mr. ANDREWS, Mr. DASCHLE, and Mr. LANTOS.

H. Con. Res. 292: Mr. NELSON of Florida, Mr. LEVIN of Michigan, Mr. ANDERSON, Mr. BOEHLERT, Mr. FAZIO, Mr. MCDADE, Mrs. BOXER, Mrs. BENTLEY, Mr. FISH, Mr. MATSUI, Mr. DORNAN of California, Mr. PACKARD, Mr. RALPH M. HALL, Mr. VALENTINE, Mr. KOLTER, and Mr. HAMILTON.

H. Con. Res. 310: Mr. BARTON of Texas, Mr. BONIOR of Michigan, Mr. COMBEST, Mr. DUNCAN, Mr. FAZIO, Mr. GEKAS, Mr. GORDON, Mr. GRAY of Pennsylvania, Mr. GUNDERSON, Mr. KASTENMEIER, Mr. LEHMAN of California, Mrs. LONG, Mr. MARTINEZ, Mr. STENHOLM, Mr. STUMP, Mr. SUNDQUIST, Mr. TAUKE, Mr. VISCLOSKY, Mr. WEAVER, Mr. WHITTEN, Mr. WILLIAMS, Mr. YOUNG of Alaska, Mr. GILMAN, Mr. COATS, Mr. RALPH M. HALL, Mr. KANJORSKI, Mr. WILSON, Mr. LUJAN, Mr. SHELBY, Mr. BUSTAMANTE, Mrs. MARTIN of Illinois, Mr. MONSON, Mr. PRICE, Mr. BRUCE, Mr. GALLO, Mr. MCDADE, Mr. BROWN of California, Mr. BRYANT, Mr. DE LA GARZA, Mr. DICKINSON, Mr. FRANKLIN, Mr. FUQUA, Mr. GRAY of Illinois, Mr. JACOBS, Mr. NICHOLS, Mr. NIELSON of Utah, Mr. O'BRIEN, Mr. PEASE, Mr. MONTGOMERY, Mr. RAHALL, Mr. MORRISON of Washington, Mr. STAGGERS, Mr. SWEENEY, Mr. REID, Mr. DANIEL, Mr. BARTLETT, Ms. OAKAR, Mr. DINGELL, Mrs.

SMITH of Nebraska, and Mr. MYERS of Indiana.

H. Con. Res. 328: Mr. ROE, Mr. FRANK, Mr. HENRY, and Mr. NOWAK.

H. Res. 388: Mr. PEPPER, Mr. FAZIO, and Mr. DORGAN of North Dakota.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

346. By the SPEAKER: A petition of the Council of the Borough of Brielle, County of Monmouth, NJ, relative to an amendment to the 16th amendment to the Constitution of the United States; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1

By Mr. KANJORSKI:

To the amendment in the nature of a substitute to H.R. 1 (Text of H.R. 4746).

—Page 27, after line 9, insert the following:

"(6) In determining the score to be awarded each of the criteria under subparagraphs (A) through (D) of paragraph (1) for applications for grants for urban counties, the Secretary shall compare such applications only with other applications for grants for urban counties.".

Page 27, line 9, strike the quotation mark and final period.

SENATE—*Monday, May 12, 1986*

The Senate met at 12 noon and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Bless the Lord O my soul, and all that is within me, bless His holy name. Bless the Lord O my soul, and forget not all His benefits.—Psalm 103:1-2.

Father in Heaven, we have so much for which to be grateful and we so easily take for granted common blessings. We slept in clean, comfortable beds last night. Many slept on the street. We awakened. Many did not. We were motivated to get out of bed. Many were not. We ate a good breakfast. Many had none. We have responsibility, family, friends, love—many are drifting, lonely, and forgotten. We can see and hear and speak. Many are blind and deaf and have no power of speech. We have so much more than we need of everything all of the time. Many never have enough of anything they need at any time. Loving God, forgive our thoughtless ingratitude—make us aware of those who endure unrelenting pain and keep us compassionate and giving toward all who suffer need. In the name of Him whose unconditional love covers all people. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator DOLE, is recognized.

Mr. DOLE. Mr. President, I thank the distinguished President pro tempore, Senator THURMOND.

SCHEDULE

Mr. DOLE. Mr. President, the Senate will resume consideration of the drug export bill today at 1 o'clock. No rollcall votes will occur during today's session. If rollcall votes are ordered, they will occur sometime tomorrow.

On Tuesday, the Senate will resume consideration of the drug export bill at 10 a.m. There will be an 11 o'clock ceremony honoring Mr. Shcharansky, but that has not been reflected in our schedule. Votes will occur in the afternoon on Tuesday and the Senate could be in session well into the evening tomorrow, in order to make substantial progress on the drug export bill.

On Wednesday, the Senate resumes consideration of the drug export bill at an early hour—I am not certain just what time—depending how late we are in Tuesday evening. And by unanimous-consent agreement entered into last Thursday, final passage of the drug export bill will occur no later than 1 p.m. on Wednesday, May 14.

Following disposition of the drug export bill, it is my hope that we can then turn to S. 2395, the Uniformed Services Retirement Act of 1986—votes could be expected on that—and hopefully complete action on that Wednesday.

SUPERFUND

Mr. DOLE. Mr. President, the Superfund Program technically expired last September 30. Fortunately, the Environmental Protection Agency had sufficient resources to avoid shutting down hazardous waste cleanup operations up until April of this year: And we have provided, on an emergency basis, a special 60-day appropriation to keep the Superfund Program alive through the end of May.

That deadline is fast approaching, particularly in view of the fact that we are scheduled to recess for Memorial Day on May 21. Time is short, and this important legislation already has been put off for too long. I am not criticizing anyone for that—it is a very difficult, very sensitive area, and some of the issues are tough to resolve. Nevertheless, they have to be resolved—and I hope that will be done in an expeditious manner, without the necessity of another extension.

Mr. President, let me say at the outset that the Senate has an outstanding record on Superfund. Our conferees, led by the very able Senator from Vermont [Mr. STAFFORD] and the Senator from New Jersey [Mr. LAUTENBERG] have been working for many months on a possible compromise with our friends from the House of Representatives. And we should not forget that the Senate took the lead in moving to reauthorize Superfund. The Senate bill was approved before last year's September 30 expiration date, while the House did not follow suit until December. For that matter, our efforts on this side of the Capitol to expand and extend the Superfund Program date back to 1984. As Chairman STAFFORD will recall, he and I made a concerted effort at that time to reach agreement between the Finance Committee and the Environment and Public Works Committee on a Superfund bill. We fell a bit short, and it would be better for all concerned had we succeeded then—that is, in 1984.

But reviewing the record will not get the job done now. There are many sticky issues to be resolved before we can send a Superfund bill to the President, and I am prepared to assist in any way I can to reach that goal. The Senate is ready to move: Last week our distinguished assistant majority leader, AL SIMPSON, helped make major strides in moving the conference along. I urge my colleagues in the House to strike a bargain with our conferees. It is difficult enough to bridge the gap between the House and the Senate—without differences among House Members.

This is a matter of great interest. We are talking about spending a great deal of money—billions and billions of dollars. There is no doubt about a strong bipartisan consensus, and with the administration's assistance we believe that this matter can be resolved. So, I would urge my colleagues to do their best and to do it before we recess on May 21. There is a job to do: Let's get on with it.

STRONG CONSENSUS

Mr. President, let no one doubt that there is a strong consensus in the Congress for a strengthened Superfund Program. The administration's proposal for spending $5.3 billion over 5 years is 3½ times the funding level over the past 5 years. The Senate-passed bill provides $7.5 billion over 5 years, and the conference seems prepared to agree on a fund in the range of $8.5 billion. That is a big, big commitment to make to cleaning up hazardous wastes, particularly at a time of severe budget restraint. But we are prepared to do it, Republican and Democrat alike—because we know the severity of the problem, and because our people have told us they want action to reduce the danger of toxic wastes.

Again, I am prepared to assist our conferees in any way to help resolve this matter. I thank my colleagues for their attention.

TAX REFORM

Mr. DOLE. Mr. President, let me finally suggest that it would still be our intention to bring the real tax reform bill to the Senate floor following the Memorial Day recess. That time could be slipped if something should develop. But it would be my hope that we could keep that schedule so that we could clear the decks for appropriation bills and other matters that would be coming before the Senate very quickly.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Obviously, there will be areas in this very comprehensive tax bill that need to be modified or changed or technical corrections made, and there will be a number of areas that Members will feel strongly about and wish to change. Since the vote in the committee was 20 to 0, every Democrat, every Republican voted to report the bill, I hope that all of us would keep our powder dry before we start choosing up sides on how we are going to make an assault on this provision, or how we are going to make an assault on that provision, or how we are going to add something that is not in the Senate Finance Committee bill. It would seem to me that the chairman, Senator PACKWOOD, and Senator LONG have provided leadership, as have others on the committee. And I think it would be their hope that we would not start getting set in concrete in certain areas until we finally know precisely what the Senate Finance Committee bill contains.

□ 1210

It is my understanding that a summary of the tax bill will be released today by the Senate Finance Committee. After Members have had a chance to view that carefully, I am certain that Senator PACKWOOD, the chairman of the committee, will be happy to discuss—personally or through staff—any area with which any Member might have a problem. And I think I can say the same with respect to the distinguished Senator from Louisiana [Mr. LONG], who will be a major factor in the floor debate.

RECOGNITION OF THE DEMOCRATIC LEADER

The PRESIDING OFFICER (Mr. CHAFEE). Under the previous order, the Democratic leader is recognized.

Mr. BYRD. I thank the Chair.

EDUCATION NEEDS OUR SUPPORT

Mr. BYRD. Mr. President, I have read several newspaper articles lately reporting the results of a new international study of mathematics. These reports indicate that American students lag behind those of most other industrialized nations in math skills. Because of my strong interest in supporting education excellence in America's schools, the appearance of these articles has aroused, once again, my deep concern.

Such reports—based on international data or national data—were common several years ago when "a nation at risk" and the other major studies of the crisis in education were published. But, the focus of attention in the national press lately seems to have shifted to more positive stories reporting the secondary education reform proposals being implemented at the State and local levels around the country. Where such proposals have not been fully implemented, however, the culprit often is the lack of funding—from the State and local levels, and, I will underscore, from the Federal level.

According to the most recent issue, released last week, of the highly regarded "estimates of school statistics, 1985-86" annual report by the National Education Association, Americans raised their spending for public education, grades K through 12, by an estimated $9.1 billion in 1985-86. This represents a growth of roughly 7 percent over spending for last year. But, according to the NEA, this amount is still inadequate because scholarly estimates indicate that comprehensive education reform requires a 20- to 25-percent spending increase.

Also, the report shows that the Federal share of these resources fell, once again. The Federal share for this spending last year—the 1984-85 school year—was a record low for the decade at 6.6 percent of total nationwide spending, but for 1985-86, it has fallen to 6.4 percent. The State share rose to an estimated 50.1 percent for the period, and the local share is at 43.5 percent.

Achieving educational excellence for America's students requires that the Federal Government share the financial responsibility with the States and localities. But, obviously, new Federal funds for education have not been forthcoming in recent years. Sadly, Federal support even for basic education programs has decreased in real terms over the past 5 years.

Unfortunately, these past few years have been a continuous effort to keep the Federal role in education from being emasculated. To say that there has not been support from this administration is an understatement. It has been this administration that has led the fight to cut each and every Federal program geared toward education. It is little wonder then, that the Federal Government has not contributed to any meaningful degree to the very important and necessary education reforms being undertaken nationwide.

Mr. President, the reports of the international math comparisons to which I referred earlier increase my concern over this administration's attitude about the appropriate Federal role in education. The study is the second international mathematics study, a 20-nation survey conducted in 1981-82 of 8th and 12th grade mathematics students. In the survey, U.S. 8th graders received an average score of 48 percent, ranking 12th among 14 industrialized nations. Japan, with an average score of 62 percent, ranked first.

For 12th graders, the survey showed that U.S. students received an average score of 52 percent in algebra and calculus, ranking 12th among 12 industrialized nations.

Japanese students—to their credit and to the credit of the Japanese people's emphasis on education—again ranked first, with an average score of 66 percent.

The results of this study were published last month, in only a most cursory graph form, in the Department of Education's new booklet, "What Works." There were no explanations accompanying the graphs to explain the data base or how the graphs might be best interpreted. On the contrary, there was only the stark presentation of the United States on the low end of the results. This presentation was sure to spark gloomy newspaper headlines—and it did.

Mr. President, it is not my intent here to gloss over the results of the study. The fact that U.S. students scored poorly vis-a-vis other industrialized nations is cause for real concern. I hope such concern is translated into more support for meaningful education assistance at the Federal, State, and local levels.

But, Mr. President, I cannot help but point out the extremely inadequate way—to my thinking—in which the Department of Education chose to publish these results. As I have already pointed out, the results appeared in graph form only, with no explanation whatsoever.

Graphs are a good, clear method for presenting data. But, in and of themselves, they are limited, because the completeness of results that can be pictured in any one graph is limited. For the whole story, one needs either many graphs or explanatory material. Neither was included in the Education Department booklet.

For example, a report issued earlier this month by the Congressional Budget Office, entitled "Trends in Educational Achievement," states:

> (The) recent international assessment of mathematics achievement suggests that select American students—in this case, those taking calculus while in high school—have improved in mathematics. This assessment, carried out in 1981-82 in a national sample of American schools, included testing seniors in calculus and pre-calculus classes together, about 10 percent to 12 percent of seniors. The performance of this group was slightly superior to that of comparable students in a similar international assessment 17 years earlier. . . . This improvement appears to have been far stronger among the students in the calculus classes.

Another important deficiency, I believe, is that the presentation of the study's results in the booklet was not put in context. This study was administered to students in 1981 and 1982. However, those were years just prior to implementation of reforms in high schools in virtually all corners of the Nation.

The Council of Chief State School Officers informs me that these reforms include the following:

Most States increased graduation requirements in 1983-84.

Efforts to enrich the course curriculum, not just require more course work, began occurring nationwide at about the same time.

According to the most recent data, 29 States now require competency tests in mathematics. Another 10 States are considering such requirements. These requirements have been instituted, for the most part, since 1981-82.

Since September 1981, 19 States have raised curriculum requirements, and another 10 States have such reform under consideration.

Since September 1981, 43 States have raised graduation requirements in math and science. Another five have such reform under consideration.

Since September 1981, 15 States have passed initiatives to require an exit test, or graduation examination, in mathematics, and another 4 States are considering such an examination.

Since September 1981, eight States have initiated a test to serve as a criterion for promotion from grade to grade, and another three are considering such a test.

Mr. President, the international study cited by the Department of Education's publication clearly was undertaken prior to some fundamental changes in American secondary education. I believe that understanding this context is important in giving value to the results. This context in no way negates the results of the study. The 1981-82 study is the most recent international comparison and therefore has value. But, because of the subsequent nationwide reforms, one could safely assume that the shelf life of this study is limited.

The readers of the "What Works" booklet should keep this in mind. Unfortunately, they will have to ferret out this information for themselves—the Department of Education provides no assistance.

The Department says its new booklet is geared primarily to the adult with a child—or grandchild, niece, stepchild, neighbor—in school or soon to enter school. The booklet says it was prepared in an attempt to demystify education research and present it to the American people in a way that is useful and understandable.

The Secretary of Education states in the foreword:

> I for one am confident that the American people are ready, willing, and able to improve their schools, and assist their children to learn. The principal contribution that the Federal Government can make is to supply good information to the American people as they embark on this endeaver. Armed with good information, the American people can be trusted to fix their own schools. As this report makes clear, there is also much they can do at home.

I, too, Mr. President, believe strongly that the American people are ready and willing to fix their schools. But, just as I believe in the efficacy of the efforts of American parents, I also believe that government, at all levels, must supply more than just raw information in order to assure a quality system of education in this country. To imply that it is up to the individual parent to assure quality educational opportunity for the children of America, absent the support that only can be provided by government, including the Federal Government, is ludicrous. And, it would be dismissible were it not the view held by this administration.

The fact that, in the most recent international comparisons, U.S. students fared badly vis-a-vis those of other nations greatly disheartens me. That the Department of Education, however, should issue a booklet which not only is incomplete in the information it provides, but also confuses the issue and ignores the responsibility of the Federal Government, is, perhaps, even more disturbing.

When the Senate considered the budget for fiscal 1987, it rejected the administration's budget priorities. We voted to add more funding for math and science programs and to add inflation adjustments to the Federal budget for major education programs. But more needs to be done. I have the very sad feeling that this administration is being extremely penny-wise and pound-foolish in its refusal to help American schools regain the strength and standard of excellence this Nation needs. I hope that the folly of such an approach is soon reversed, for our future national security and economic prosperity depend upon it.

□ 1220

SENATOR HAWKINS' SPECIAL ORDER

The PRESIDING OFFICER. Under the previous order, the Senator from Florida is recognized for not to exceed 5 minutes. It is my understanding that the Senator from Alaska will submit the statement for the Senator from Florida.

The Senator from Alaska.

Mr. STEVENS. Mr. President, as you have stated, I have been asked by the distinguished Senator from Florida to present a statement for her, and this time was set aside for her special order.

I shall read the statement.

The statement is entitled "Bulgaria, a New Ally in the War on Drugs or a Wolf in Sheep's Clothing." This is Mrs. HAWKINS' statement:

BULGARIA: A NEW ALLY IN THE WAR ON DRUGS OR A WOLF IN SHEEP'S CLOTHING

Mrs. HAWKINS. Mr. President, I read with appreciable interest a New York Times story last Tuesday which suggested that "Bulgaria has adopted a more cooperative attitude to American requests for help in the hunt for international narcotics dealers and couriers." The Times said the source of its story was the U.S. Ambassador to Bulgaria, Melvin Levitsky, who was quoted as saying, "We're pleased we're making some progress in terms of cooperation and information sharing."

I will have to be counted as one of the skeptics about a real change in Bulgarian policy toward the United States. A leopard does not easily change its spots. I am afraid that whatever mild gestures of cooperation in the war on drugs the Bulgarians have ladled out to us amount to trying to dress a wolf in sheep's clothing. We must not be deceived; we should not be taken in by these overtures.

One should be skeptical about the deeds and motives of Bulgaria. For one thing, Bulgaria is solidly in the Soviet bloc of nations, is a stalwart member of the Warsaw Pact and can be relied upon to support faithfully the Soviet Union in any of its objectives. Bulgaria is undoubtedly concerned about its international image and standing in the world community. It received a well-deserved black eye for the operations of the KINTEX trading organization which profited from narcotics smuggling and arms trafficking. In this connection Bulgaria showed either extraordinary tolerance toward drug smugglers or outright collusion with them. Bulgaria was also chagrined at Italian court charges of complicity in the assassination attempt on Pope John Paul II. And not the least of Bulgaria's concerns is the criticism it has received from other nations for its reported persecution of the Turkish minority in Bulgaria.

For some time many questions have been raised about some of the things that go on in Bulgaria. For instance, travelers have observed many young people in expensive hotels, lounging in the lobbies and mingling in the public rooms, apparently with little to do and no visible means of livelihood. These youths identify themselves as students of various Bulgarian colleges and universities, although judging from the amount of time they spend hobnobbing they could not be attending classes. It is more likely that they are involved in the drug trade. Western narcotics sources told the New York Times that the capital city of Sofia and Bulgarian seashore resorts frequented by foreigners are places where deals are regularly made for the sale and delivery of heroin and other narcotics from Asia and the Middle East to Western Europe. These sources said that Bulgaria, a country that keeps rather close watch over foreigners, cannot be ignorant of what is going on and must be profiting from narcotics transactions, such as payment in drugs for weapons it supplies to terrorist groups and so-called "liberation" movements.

I am not saying that the Bulgarians are incapable of dealing with democratic nations on a honorable basis. And I am not saying that their professed cooperation in the exchange of drug information is some devious plot, and the minute our backs are turned, they'll pounce on us or do us in somehow.

What I am saying is that given the Bulgarians' track record in international coop-

eration we should be wary. We should examine every facet of what we do and agree to. We should examine the Bulgarians' every overture. We should check, and recheck. We should be prudent. This could well be a situation where it is better to be safe than sorry.

Mr. President, that finishes the special order of the distinguished Senator from Florida.

I thank the Chair.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized for not to exceed 5 minutes.

WHAT'S WRONG WITH STAR WARS

Mr. PROXMIRE. Mr. President, what's wrong with star wars? Many, many things. First it constitutes a direct deliberate repudiation of an arms control treaty that the United States drafted and then negotiated for many years to secure. In the 1960's the Soviets initiated their star wars system. Our negotiators argued with them that the U.S.S.R. building of star wars would require the United States to greatly step up its accumulation of offensive missiles. We contended that we could and would build whatever number of missiles it would take to overwhelm their antimissile defense. We pointed out that we could do this at a far lower cost than the cost of building defensive systems. For years the Russians disagreed. Finally, they recognized we were right. So they agreed with us. In 1972, President Nixon signed the ABM Treaty—limiting star wars for each superpower to two sites. Then the 174 protocol limited both parties further to one site each. The Senate ratified the treaty by an 89 to 2 vote. Note that margin. The vote to ban star wars was overwhelming. It was bipartisan. It was 89 for. Exactly 2 against. Republicans agreed with Democrats. Conservatives agreed with liberals by a tremendous margin that we should outlaw star wars. Now the President of this country, the country that was champion of the antistar wars treaty has persuaded the Congress to begin the reversal of that 89 to 2 vote and to engage in a buildup that will repudiate the treaty. Was President Nixon wrong in 1972 to sign the ABM Treaty preventing a comprehensive star wars system? Were the 89 Senators who voted for the treaty wrong? Were the two lone Senators who voted against the treaty right? What has changed since 1972? Has there been any transformation in the world of physics and space science that now gives the defense an advantage over the offense in a nuclear confrontation?

The fact is, Mr. President, that nothing basically has changed.

The most competent scientists in this country, independent scientists, agree that star wars will not work. A recent poll of the Nation's physicists disclosed emphatic opposition to star wars based squarely on the belief that it will not work. Every former Secretary of Defense who has taken a position on the issue uniformly and emphatically opposes star wars. Former Secretary of Defense Brown—who is also an eminent physicist calls it an impossible dream. Former Secretary of Defense Schlesinger who served two Republican Presidents has been vigorous in his opposition. Even without adding to their present nuclear force the Soviets' present 10,000 strategic warheads could certainly achieve a 10 percent or 1,000 warhead penetration of the most successful conceivable star wars system. but if only 1 percent or 100 of the U.S.S.R.'s present nuclear arsenal penetrated to strike American cities, there would instantly be between 35 and 55 million dead Americans with tens of millions more terminally ill and with hospital facilities gone. This consequence is the conclusion of a study by the National Academy of Sciences, America's most prestigious scientific organization.

It gets worse. Here's why: star wars won't be deployed this year. It won't be deployed in this decade. It won't be deployed in this century. It won't be deployed before 2010 at the earlest. By then the Soviets would have an entirely different nuclear arsenal.

They would have an enormous array of cruise missiles. Here is a cruise missile, which I hold in my hand, It is small. It looks like a very, very small plane, and it is small compared to the kind of bombers that we had in the past, but this is a devastating weapon, believe me.

The cruise missile would launch from submarines along the thousands of miles of coastline. Those cruise missiles could strike every American city with each warhead of the thousand launched carrying the equivalent of 250,000 tons of TNT. The cruise missiles hug the ground. They carry a map in the brain. They would under fly, I repeat they would under fly any star wars defense. The Soviets would be able to swamp star wars defense with hundreds of thousands of decoys. The Soviets could and would by 2010 in fact adapt the very technology developed for star wars—laser beams, and so forth to overcome it. The basic principle that the advantage lies with the offense would apply as well in 2010 as it always has. The offense picks the time, the place, the intensity of attack. The defense must react under conditions chosen entirely by the offense. It is quite a disadvantage. Even in the one chance in a hundred that we could build an effective star wars defense for a trillion dollars and maintain and modernize it for say $300 billion annually. In time—a month, a year, 3 or 4 years—Soviet technology could find a way to penetrate it.

MYTH OF THE DAY

Mr. PROXMIRE. Mr. President, my myth of the day is that illiteracy is not a serious problem among adult Americans.

The sad, shocking, and embarrassing fact is that as many as 25 million Americans cannot read the warning label on this drug bottle or the help wanted section of this newspaper.

Recently, the Department of Education released the most comprehensive study ever done of illiteracy in our Nation, and found that 13 percent of adults could not show a clear understanding of simple written words and phrases such as "When can you return?" or "Enter your social security number here." Several other reports confirm the shameful pattern described by the Department of Education study. For example, in 1975 a study found that one-half of American adults were unable to proficiently perform everyday tasks such as read a letter from their child's teacher, or write a grocery list.

How many millions of dollars do we pay out in welfare costs and unemployment compensation because individuals cannot follow written instructions for performing a job or read the help wanted ads in seeking employment?

How many industrial accidents or faulty products are a result of workers being unable to understand written instructions?

Mr. President, many of us have traveled to foreign countries where we are not proficient in that nation's native language. How frustrating it is to be unable to read a menu in a restaurant, or follow the written instructions to assemble a simple product. While most illiterate Americans can converse in English, a large number cannot understand or speak English and therefore find themselves helpless in many situations.

We are appalled when we learn that illiterate college athletes are permitted to remain in school so that their athletic skills can bring glory and dollars to their college or university. Pathetically, this abuse is merely the top of the iceberg. With tens of millions of Americans functionally illiterate, we must ask educators and public officials at every level to re-examine the effectiveness of current education and training programs.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1300

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m., with statements therein limited to 5 minutes each.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States announced that he had approved and signed the following enrolled bills and joint resolutions:

On April 18, 1986:

S.J. Res. 136. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning with Sunday, April 13, 1986, as "National Garden Week."

On April 23, 1986:

S.J. Res. 315. Joint resolution designating May 1986 as "Older Americans Month."

On April 24, 1986:

S. 1282. An act to amend the Public Health Service Act to revise and extend the programs of assistance for primary health care.

S.J. Res. 286, Joint resolution to designate the week of April 20, 1986, through April 26, 1986, as "National Reading Is Fun Week."

S.J. Res. 303, Joint resolution to designate April 1986, as "Fair Housing Month".

On May 1, 1986:

S. 1684. An act to declare that the United States holds certain Chilocco Indian School lands in trust for the Kaw, Otoe-Missouria, Pawnee, Ponca, and Tonkawa Indian Tribes of Oklahoma.

S. 2319. An act to provide for the continuation of the Martin Luther King, Jr., Federal Holiday Commission until 1989, and for other purposes.

S.J. Res. 214. Joint resolution providing for reappointment of Carlisle H. Humelsine as a citizen regent of the Board of Regents of the Smithsonian Institution.

S.J. Res. 215. Joint resolution providing for reappointment of William G. Bowen as a citizen regent of the Board of Regents of the Smithsonian Institution.

S.J. Res. 275. Joint resolution designating May 11 through May 17, 1986, as "Jewish Heritage Week."

S.J. Res. 296. Joint resolution to designate October 16, 1986, as "World Food Day."

On May 8, 1986:

S.J. Res. 264. Joint resolution designating April 28, 1986, as "National Nursing Home Residents Day."

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

ENROLLED JOINT RESOLUTIONS SIGNED

Under the authority of the order of the Senate of May 8, 1986, the Secretary of the Senate, on May 9, 1986, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker pro tempore [Mr. WRIGHT] had signed the following enrolled joint resolutions:

S.J. Res. 247. Joint resolution to designate the week of June 1 through June 7, 1986, as "National Theatre Week";

S.J. Res. 267. Joint resolution designating the week of May 26, 1986, through June 1, 1986, as "Older Americans Melanoma/Skin Cancer Detection and Prevention Week";

S.J. Res. 281. Joint resolution to designate the week of May 11 through May 17, 1986, as "Senior Center Week";

S.J. Res. 288. Joint resolution to designate the month of May 1986, as "National Birds of Prey Month";

S.J. Res. 316. Joint resolution prohibiting the sale to Saudi Arabia of certain defense articles and related defense services; and

S.J. Res. 324. Joint resolution to designate the week beginning May 18, 1986, as "National Digestive Diseases Awareness Week".

MESSAGES FROM THE HOUSE

At 12:18 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4767. An act to deauthorize the project for improvements at Racine Harbor, WI.

ENROLLED BILLS SIGNED

H.R. 737. An act for the relief of Ms. Chang Ai Bae; and

H.R. 1207. An act to award a special gold medal to the family of Harry Chapin.

The enrolled bills were subsequently signed by the President pro tempore [Mr. THURMOND].

At 2:01 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills and joint resolution, without amendment:

S. 8. An act to grant a Federal charter to the Vietnam Veterans of America, Inc.;

S. 2308. An act to authorize the President of the United States to award congressional gold medals to Natan (Anatoly) and Avital Shchransky in recognition of their dedication to human rights, and to authorize the Secretary of the Treasury to sell bronze duplicates of those medals; and

S.J. Res. 323. Joint resolution to designate May 21, 1986, as "National Andrei Sakharov Day."

At 2:37 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 4021. An act to extend and improve the Rehabilitation Act of 1973; and

H.R. 4515. An act making urgent supplemental appropriations for the fiscal year ending September 30, 1986, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

S. 2308. An act to authorize the President of the United States to award congressional gold medals to Natan (Anatoly) and Avital Shchransky in recognition of their dedication to human rights, and to authorize the Secretary of the Treasury to sell bronze duplicates of those medals.

The enrolled bill was subsequently signed by the President pro tempore [Mr. THURMOND].

ENROLLED JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on May 9, 1986, she had presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 247. Joint resolution to designate the week of June 1 through June 7, 1986, as "National Theatre Week";

S.J. Res. 267. Joint resolution designating the week of May 26, 1986, through June 1, 1986, as "Older Americans Melanoma/Skin Cancer Detection and Prevention Week";

S.J. Res. 281. Joint resolution to designate the week of May 11 through May 17, 1986, as "Senior Center Week";

S.J. Res. 288. Joint resolution to designate the month of May 1986, as "National Birds of Prey Month";

S.J. Res. 316. Joint resolution prohibiting the sale to Saudi Arabia of certain defense articles and related defense services; and

S.J. Res. 324. Joint resolution to designate the week beginning May 18, 1986, as "National Digestive Diseases Awareness Week."

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, May 12, 1986, she had presented to the President of the United States the following enrolled bill:

S. 2308. An act to authorize the President of the United States to award congressional gold medals to Natan (Anatoly) and Avital Shcharansky in recognition of their dedication to human rights, and to authorize the

Secretary of the Treasury to sell bronze duplicates of those medals.

REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under the authority of the order of the Senate of May 8, 1986, the following reports of committees were submitted on May 9, 1986, during the adjournment of the Senate:

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 2129. A bill to facilitate the ability of organizations to establish risk retention groups, to facilitate the ability of such organizations to purchase liability insurance on a group basis, and for other purposes (with additional and minority views) (Rept. No. 99-294).

EXECUTIVE REPORTS OF COMMITTEES SUBMITTED DURING ADJOURNMENT

Under the authority of the order of the Senate of May 8, 1986, the following executive reports of committees were submitted on May 9, 1986, during the adjournment of the Senate:

By Mr. THURMOND, from the Committee on the Judiciary, without recommendation:

Daniel A. Manion, of Indiana, to be U.S. circuit judge for the seventh circuit.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. COHEN (for himself and Mr. LEVIN):

S. 2433. A bill to amend the Office of Federal Procurement Policy Act to provide a simplified competitive acquisition technique for certain Federal Government procurements; to amend the Federal Property and Administrative Services Act of 1949 to prescribe a preference for the procurement of commercial and commercial-type products to meet the needs of civilian agencies of the Federal Government; and to require a test program to determine the advisability of increasing the threshold amount for requiring certain notice of solicitations; to the Committee on Governmental Affairs.

By Mr. HATCH (for himself, Mr. KENNEDY, Mr. CHAFEE, and Mr. BRADLEY):

S. 2434. A bill to amend the Public Health Service Act to require the Secretary of Health and Human Services to prepare announcements for television on the health risks to women which result from cigarette smoking; to the Committee on Labor and Human Resources.

By Mr. WILSON (for himself and Mr. LAUTENBERG):

S. 2435. A bill to improve international intellectual property protection, to improve foreign market access for United States companies that rely on intellectual property protection, and for other purposes; to the Committee on Finance.

By Mr. STEVENS (by request):

S. 2436. A bill to preserve the rights of the United States as a mortgagee under title XI of the Merchant Marine Act, 1936; to the Committee on Commerce, Science, and Transportation.

By Mr. BENTSEN (for himself and Mr. HEINZ):

S. 2437. A bill to remove foreign policy controls on exports to the Soviet Union of oil and gas equipment and technology; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HATCH (by request):

S. 2438. A bill to extend and amend programs under the Head Start Act, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. GARN (for himself, Mr. PROXMIRE, Mr. KERRY, Mr. HATCH, Mr. LUGAR, Mr. SARBANES, Mr. STAFFORD, Mr. LEVIN, Mr. CHAFEE, Mr. PELL, Mr. GRASSLEY, Mr. CHILES, Mr. MCCLURE, Mr. SIMON, Mr. NUNN, Mr. MOYNIHAN, Mr. LEAHY, Mr. LAUTENBERG, Mr. BAUCUS, Mr. DECONCINI, Mr. WEICKER, Mr. BOSCHWITZ, Mr. EAGLETON, Mr. BRADLEY, Mr. BENTSEN, Mr. KENNEDY, Mr. JOHNSTON, Mr. GORTON, Mr. CRANSTON, Mr. SYMMS, and Mrs. HAWKINS):

S.J. Res. 341. Joint resolution to designate the week beginning June 1, 1986, as "National Neighborhood Housing Services Week"; to the Committee on the Judiciary.

By Mr. DOLE (for Mrs. HAWKINS) (for herself, Mr. DURENBERGER, Mr. MITCHELL, Mr. ABDNOR, Mr. RIEGLE, Mr. DOLE, Mr. BRADLEY, Mr. SPECTER, Mr. TRIBLE, Mr. LONG, Mr. COCHRAN, Mr. NICKLES, Mr. LUGAR, Mr. NUNN, Mr. HATCH, Mr. HOLLINGS, Mr. KASTEN, Mr. ZORINSKY, Mr. GARN, Mr. KENNEDY, Mr. ANDREWS, and Mr. SIMON):

S.J. Res. 342. Joint resolution to designate May 25, 1986, as "Missing Children Day"; to the Committee on the Judiciary.

By Mr. D'AMATO:

S.J. Res. 343. Joint resolution designating the week of September 21, 1986, through September 27, 1986, as "Emergency Medical Services Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH (for himself, Mr. KENNEDY, Mr. CHAFEE, and Mr. BRADLEY):

S. 2434. A bill to amend the Public Health Service Act to require the Secretary of Health and Human Services to prepare announcements for television on the health risks to women which result from cigarette smoking; to the Committee on Labor and Human Resources.

CIGARETTE SMOKING PUBLIC SERVICE ANNOUNCEMENTS ACT

Mr. HATCH. Mr. President, a famous cigarette commercial tells the women of this country: "You've come a long way baby." Well, Mr. President, they have come a long way—in a deadly direction. In 1986, lung cancer will become the No. 1 cause of cancer death in women. More than 41,000 women will die from lung cancer, and if current trends continue, 1 of every 33 women in this country will succumb to this preventable disease. Yes, preventable—because most of these deaths, more than 30,000 of them, are directly caused by women smoking.

But, cigarette smoking's grim harvest doesn't end there. It is responsible for a number of other diseases besides lung cancer. Cigarette smoking doubles the risk of heart attack, accounting for over 150,000 deaths annually. Smoking also increases the risk of strokes and in fact, has been associated with all forms of vascular disease. Nearly 90 percent of the cases of emphysema and bronchitis are caused by cigarette use.

Women who smoke face special risks, especially during pregnancy. Smoking increases the risk of spontaneous abortion and neonatal deaths. Women who smoke are also more likely to have lower birth weight babies. In addition, women who smoke and are on birth control pills are much more likely to have complications. Most doctors recommend that women who smoke not use birth control pills.

If all that isn't bad enough, it's now becoming clear that smoking also presents risk to others. When parents smoke in the home, a child is more likely to have asthma, bronchitis, pneumonia, and strep throats. Many children have their asthma cured if the parents simply quit smoking. It is especially important that the parents not smoke during the first few months of life, while a child's lung are developing most rapidly.

Studies are now proving there is no safe level of exposure to cigarettes. That exposure to as few as two cigarettes a day can increase our risk of premature death.

We have made progress in our battle against cigarettes, but not enough. The good news is that per capita cigarette consumption has fallen to its lowest point since 1944 and the number of people who have quit smoking has doubled over the last 20 years. In the last 10 years the number of male adult smokers has fallen by 9 percent, from 42 percent of the population to 33 percent. The bad news is that we have only seen a 4-percent decrease for women over the same time.

The Federal Trade Commission has found that less than 50 percent of women are aware of the health risk of smoking during pregnancy.

Mr. President, the cigarette companies are spending an extraordinary amount of money advertising and developing brands of cigarettes aimed directly at women. Somehow, women have to hear the other side. We have to make sure women know that they face the same risks from smoking that men do, but also face special risks just because they are women.

To make sure that women hear both sides of the story, today I am introduc-

ing legislation to provide $1 million for public service announcements to inform women of the special health risks they face related to cigarette smoking. This money will come from the National Institute of Drug and Alcohol Abuse budget and the programs will be developed in consultation with the Office on Smoking and Health. This is a small investment compared to the estimated $38 to $95 billion that smoking drains from our economy each year.

I hope my colleagues will join with me and support this effort to inform women about the health risk of smoking so that the next time we say, "you've come a long way baby," we will mean a long way toward better health—not the morgue.

Mr. President, I ask unanimous consent that the text of the bill appear in its entirety following my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2434

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cigarette Smoking Public Service Announcements Act of 1986".

FINDINGS

SEC. 2. The Congress finds that—

(1) many cigarette manufacturers have produced brands of cigarettes and cigarette advertising specifically directed toward women;

(2) lung cancer caused by cigarette smoking is the leading cause of death from cancer among women;

(3) if current trends continue, more than one out of every thirty-three women will die from lung cancer caused by cigarette smoking;

(4) cigarette smoking results in special health risks for women taking birth control pills; and

(5) cigarette smoking by pregnant women results in health risks for their unborn children.

PREPARATION OF PUBLIC SERVICE ANNOUNCEMENTS

SEC. 3. Section 503 of the Public Health Service Act is amended by adding at the end thereof the following new subsection:

"(e)(1) The Secretary, acting through the Institute and in consultation with the Director of the Office on Smoking and Health, shall prepare for distribution announcements for television to educate the public, particularly women, concerning the dangers resulting from cigarette smoking by women. In the preparation of such announcements, the Secretary shall, to the extent feasible, use appropriate private organizations and business concerns.

"(2) Of the amount appropriated under section 517 for any fiscal year, $1,000,000 shall be available to carry out paragraph (1) for such fiscal year.".

(b) Section 517 of such Act is amended by inserting "section 503(e) and" before "this subpart".

● Mr. BRADLEY. Mr. President, tobacco is the single biggest health hazard facing this country. We all know that the costs of tobacco, in terms of dollars and lives, are large, but we are now beginning to realize the special consequences of smoking for women. Thirty years ago, lung cancer was considered a man's disease, but smoking is now taking its toll on women. This year, lung cancer surpassed breast cancer as the leading cancer killer. If current trends continue, more than 1 out of 33 women will die from lung cancer caused by cigarette smoking.

And the risks do not end with cancer, Mr. President. Cigarette smoking has special health consequences for women. Women who smoke are 25 percent less fertile than nonsmokers. And a smoker's chance of miscarriage is vastly greater than for a nonsmoker. In addition, the newborns of smokers have a higher incidence of low birth weight, which is associated with a variety of serious medical problems.

Mr. President, in an effort to increase sales, tobacco manufacturers are increasingly targeting their cigarette ads to women. And they are succeeding. In the 1950's over half of men and less than a quarter of women were smokers. Now, about a third of both men and women smoke. I guess this is what the tobacco manufacturers mean when they say "You have come a long way, baby."

To counter these trends, we need to do whatever we can at the Federal level to dissuade people from smoking. And that is why I recently introduced legislation to deny tobacco manufacturers their tax deduction for tobacco advertising. But in addition to this, we need to educate women to the vary real dangers of smoking.

And it is to this end, Mr. President, that I join with my colleague from Utah [Mr. HATCH] in introducing the Cigarette Smoking Public Service Announcements Act of 1986. This bill directs the Secretary of HHS to develop public service announcements to be shown on television that address the unique health risks faced by women who smoke. Women need to realize the dangers of smoking—for themselves and their children.

Thirty years ago, the debate was over whether tobacco consumption represented a serious health hazard. Today, everyone agrees—everyone, that is, except the tobacco manufacturers—that tobacco is a killer. The debate has turned to how to further discourage the use of tobacco. This bill is one small step in that direction.●

● Mr. KENNEDY. Mr. President, I wish to introduce the Cigarette Smoking Public Service Announcement Act of 1986.

Cigarette smoking has been determined by the Surgeon General to be the most preventable cause of disease and death in the United States. It is the major cause of lung cancer and is associated with heart disease, periferal vascular disease, chronic bronchitis, emphysema and cancers of the oral cavity, esophagus, pancreas, and bladder. Each year over 300,000 Americans die of smoking related deaths and societal costs have been estimated to exceed $65 billion for health care expenses and lost productivity.

Subsequent to the Surgeon General's Report on Smoking and Health in 1964, a major decline in cigarette smoking has been seen. This report effectively promoted many successful prevention programs and catalyzed efforts to mandate warning labels and to limit broadcast advertising. A close look at this decline, however, shows a startling disparity between the smoking habits of men and women. While the percentage of regular adult male smokers has dropped from 50 to 33 percent. Females have only shown a modest decrease of 33 to 28 percent. Furthermore, in the 20- to 24-year-old female population smoking has actually increased in recent years and equals that of similarly aged males, 38 percent.

This disturbing trend of smoking in females—especially young women—is of particular importance. Lung cancer has now replaced breast cancer as the leading cause of cancer death in women, certainly a dubious distinction. In addition, apart from the diseases previously noted, cigarette smoking during pregnancy is associated with retarded fetal growth and an increased risk for spontaneous abortion and prenatal death. Even slight impairment of growth and development in childhood has been noted. Finally, use of the birth control pill can intensify certain smoking related health risks.

In view of the above, it is important to target women in media efforts to educate the public concerning the health hazards of smoking. The legislation introduced today recognizes this and can play a significant role in reducing smoking among women, especially pregnant women. I urge my colleagues to support us in this vital effort.●

By Mr. WILSON (for himself and Mr. LAUTENBERG):

S. 2435. A bill to improve international intellectual property protection, to improve foreign market access for U.S. companies that rely on intellectual property protection, and for other purposes; to the Committee on Finance.

INTERNATIONAL INTELLECTUAL PROPERTY AND MARKET ACCESS ACT

● Mr. WILSON. Mr. President, there appears to be a consensus that the three greatest national economic problems we are facing are the budget deficit, the trade deficit, and an unwieldy and unworkable tax system. It is therefore not surprising that each of these matters have recently been, or

soon will be, addressed by both Houses of the Congress.

This week, the Finance Committee begins a series of hearings on what Congress might do to counter the unfair practices of foreign countries with which we engage in trade—our so-called trading partners.

The focus of these hearings is on the bipartisan omnibus trade bill that was introduced last year. I am proud to be an original cosponsor of that bill, for it is primarily aimed toward creating expanded market opportunities for U.S. companies with goods and services to sell.

I am pleased that the committee is devoting one of its hearings to the problems of intellectual property protection and market access. S. 1860 contains a title specifically directed toward one aspect of the problem: The importation into the United States of goods that infringe the rights of domestic patent holders. While this title, separately introduced as S. 1869, is urgently needed—indeed, the administration included a similar provision in its recent intellectual property proposal—we ultimately need to provide a comprehensive approach to the problems faced by holders of intellectual property rights.

For this reason, I am introducing the International Intellectual Property Protection and Market Access Act of 1986. Using a little poetic license, I refer to it as the IPMA.

Mr. President, we can no longer allow foreign interests to unfairly undermine the ability of U.S. companies to do business both here and abroad. Through a combination of intellectual property piracy and protectionism, we are losing billions of dollars per year to foreign charlatans and thieves.

In the area of intellectual property protection, plainly stated, criminals around the world are costing American companies billions of dollars by cranking out millions of unauthorized copies of U.S. records and tapes, movies, books, toys, computer programs, as well as by expropriating patents and process patents, developed at great expense by U.S. companies, to make bootleg pharmaceuticals and chemicals.

What makes this illegal activity all the more outrageous is that it is often protected by governments we consider friendly to the United States. Indeed, in many cases we have provided special trade benefits in order to help them develop their economies.

Private and U.S. governmental studies have estimated that the cost of piracy to U.S. industries this year will exceed $3 billion, and perhaps be as high as $20 billion. That is somewhere between 2 percent and 13 percent of last years trade deficit.

Officially protected piracy is as much an unfair trading practice as are foreign subsidies and closed markets. Indeed, it is of little help to a U.S. company if it is granted access to a market to sell its copyrighted, patented, or trademarked goods, but then finds that the host government is allowing a flourishing market in illegal copies. Of course the pirated goods will be sold for less, for there is no need to make payments to an artist, designer, or scientist, or the company that paid for its original production and promotion.

With this in mind, last year with the majority leader, I traveled to two of the world's piracy centers. With a justified lack of tact, I told a meeting of the Taiwanese cabinet that it had the dubious distinction of being one of the piracy capitals of the world. They responded that they are trying to clean up their act, and preliminary reports suggest that they are—if a bit slowly.

Korea has not done so well. As a result, 11 of my Senate colleagues joined me in calling on United States Trade Representative Clayton Yeutter to end certain trade benefits to Korea unless it makes significant progress by the end of this year. Korea also has pending against it an administration-initiated action, brought under section 301 of the Trade Act of 1974, for its lack of intellectual property protection. And, if it does not greatly change the present system, it will likely lose its GSP designation, either by administration action under the GSP law—or, if necessary, by the Congress.

Unfortunately, these two countries represent only the proverbial tip of the iceberg. Singapore, Indonesia, Brazil, and others have booming piracy businesses, often with the involvement of present and former government officials that makes Tammany Hall look like a class picnic.

As I learned at a recent hearing of the Joint Economic Committee Subcommittee on Trade, Productivity, and Growth which I chaired in Los Angeles, Panama has allowed a company headed by former senior government officials to use intercepted United States television shows on its cable system. And even our friends to the north allow retransmission of U.S. TV signals without compensation to U.S. copyright holders.

I find it more than ironic that while Canada invokes the nonsensical phrase "cultural sovereignty" to force divestiture of United States printing interests and to prevent other United States businesses from operating within its borders, it condones the theft of our television shows for the benefit of Canadian audiences. The bottom line seems to be that the Canadians will admit our culture across its borders as long as they do not have to pay for it.

Mr. President, while the theft of broadcast signals by the Canadians is evidence of its disdain for the rights of copyright holders, its investment policies are an impediment to the marketing efforts of our industries that depend on intellectual property protection. And in this arena of unfair trading practices, Canada is not alone.

Not all forms of intellectual property are excluded by countries simply because they constitute intellectual property. For example, trademarked personal computers are not excluded from Korea because they are trademarked, but because Korea excludes all personal computers. However, Korea and other countries around the world do place unreasonable nontariff barriers around their markets designed to exclude such items as movies, books, records, patent drugs, and chemicals. The barriers come in various forms, from mandatory licensing agreements, royalty ceilings, joint production requirements, to straight quotas.

Mr. President, my bill would address the broad array of problems faced by companies that depend on intellectual property protection: From semiconductor manufacturers to book publishers, from chemical producers to filmmakers, and from pharmaceutical companies to recording artists.

While I will include at the end of my statement a full section-by-section analysis of my bill, I want to briefly outline what it contains.

Title I addresses the problems of intellectual property protection and title II is designed to aid the export of copyrighted and trademarked goods. Each establishes a similar mechanism designed first to identify priority problems. Negotiations with offending countries are then required. Finally, if after 2 years a settlement cannot be reached, the President is required to take retaliatory action.

Title III and title IV augment existing provisions aimed at intellectual property protection and market access contained in the Generalized System of Preferences and Caribbean Basin Initiative laws. Presently, the President must consider piracy and market access when deciding whether or not to designate a county as eligible for benefits under these concessionary trade laws. There is no mandate for him to revoke benefits. Furthermore, under CBI, the law only allows the President to revoke all benefits from offending countries; He is not given the ability to dole out punishments that are proportionate to the offense, thereby making sanctions less likely. While some countries are deserving of total removal from CBI, this bill would allow for less than complete termination of benefits for others depending on the severity of their actions. And for both CBI and GSP, the bill requires a cut in benefits.

Title V establishes a new Office of Enforcement within the Office of the U.S. Trade Representative. This office

is charged with coordinating our negotiating and retaliation initiatives taken pursuant to section 301 of the Trade Act of 1974 and the provisions of this bill.

Finally, in order to provide a comprehensive approach to the trade problems surrounding intellectual property, title VI incorporates changes to section 337 of the Tariff Act of 1930 as contained in S. 1869, which was introduced by Senator LAUTENBERG, Senator ROTH, myself, and others.

Mr. President, I ask unanimous consent that the text of the bill, and the accompanying section-by-section analysis, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2435

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This act may be cited as the "International Intellectual Property Protection and Market Access Act of 1986."

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) international protection of intellectual property rights is vital to the international competitiveness of the United States and the lack of such protection and enforcement leads to trade distortions and loss of export markets;

(2) United States companies that rely on intellectual property protection are among the most advanced and competitive in the world;

(3) claims by foreign countries of "cultural sovereignty" are wholly inadequate to justify restrictions on trade;

(4) existing international agreements and institutions established to protect intellectual property rights and promote open international trade do not adequately protect the interests of the United States; and

(5) foreign barriers, including restrictions and conditions on investment, licensing, and various other regulatory restrictions on business operations, seriously impede the ability of United States companies that rely on intellectual property protection to operate overseas thereby harming the economic interests of the United States.

(b) PURPOSES.—The purposes of the Act are—

(1) to recognize that adequate protection of intellectual property, and fair and equitable market access for United States companies that rely on intellectual property protection, are major elements of United States foreign economic policy that have significant commercial importance;

(2) to provide for the development, with appropriate consultations, of an overall strategy to improve the protection of United States intellectual property abroad, and to foster open international markets for United States companies that rely on intellectual property protection, which will include continued and strengthened unilateral, bilateral, and multilateral efforts and will use all appropriate instruments to achieve the objectives set forth in this Act;

(3) to recognize the importance of using all appropriate multilateral institutions to improve the substantive norms and standards for intellectual property protection;

(4) to foster adequate and effective protection of intellectual property rights of United States persons; and

(5) to eliminate the broad array of unfair and discriminatory foreign trade practices now imposed on United States companies that rely on intellectual property protection.

TITLE I—ACTIONS TO INCREASE INTERNATIONAL INTELLECTUAL PROPERTY PROTECTION

SECTION 101. INVESTIGATIONS AND FINDINGS.

(a) ANALYSIS OF BARRIERS AND EXTENT OF MARKET ACCESS.—The Trade Representative shall, within three months after issuing the annual report to Congress made pursuant to section 181 of the Trade Act of 1974, publish in the *Federal Register*—

(1) a list of all foreign countries and instrumentalities, based upon the identification and analysis of foreign trade barriers conducted pursuant to section 181, that deny adequate and effective protection of intellectual property rights to United States persons; and

(2) a list of those countries listed pursuant to paragraph (1) that are identified by the Trade Representative as priority foreign countries.

(b) In making the identification of priority foreign countries under subsection (a), the Trade Representative shall take into account the following—

(1) the identification and analysis of acts, policies, and practices which constitute denial of adequate and effective intellectual property protection, and the estimate of the trade-distorting impact on United States commerce of such acts, policies, or practices contained in the annual report required under section 181 of the Trade Act of 1974;

(2) the potential size of markets for the relevant United States products and services; and

(3) the onerous nature and significance of acts, policies, or practices that deny fair and equitable market access to United States companies that rely upon intellectual property protection.

SECTION 102. NEGOTIATIONS TO ESTABLISH ADEQUATE AND EFFECTIVE PROTECTION OF INTELLECTUAL PROPERTY RIGHTS.

(a) INITIATION OF NEGOTIATIONS.—Upon identification of priority foreign countries under section 101(a), the President shall enter into negotiations with such priority foreign countries to establish adequate and effective protection of intellectual property rights for United States persons in those priority foreign countries.

(b) ADDITIONAL AUTHORITY.—Whenever the President determines that any existing intellectual property protections of any foreign country are inadequate and adversely affect the international competitiveness of United States persons and that the purposes of this Chapter will be promoted thereby, the President after enactment of this Act may enter into agreements with foreign countries or instrumentalities to provide for the harmonization, reduction, elimination or prohibition of restrictions, barriers, fees or other distortions of international trade and which provide adequate and effective protection of intellectual property.

(c) APPLICATION OF AGREEMENT BENEFIT.—Notwithstanding any other provision of law, any agreement entered into under this section may provide that the benefits and obligations of such agreement apply solely to the parties to such agreement. The President shall take into account any actions which may be necessary to reconcile such treatment with United States international obligations.

(d) COMPENSATION AUTHORITY.—If the President has taken action under section 103 with respect to any foreign country, the President may enter into trade agreements with such foreign country for the purpose of granting new concessions as compensation for such actions taken by the President in order to maintain the general level of reciprocal and mutually advantageous concessions.

(e) NEGOTIATING OBJECTIVES.—The objectives of negotiations conducted pursuant to subsections (a) and (ab) shall be—

(1) to improve the protection of intellectual property by trading partners of the United States;

(2) to develop internationally agreed rules, including dispute settlement procedures, which:

(A) are consistent with the commercial and intellectual property policies of the United States;

(B) will supplement, if necessary, the rules and approaches already found in the appropriate international intellectual property conventions; and

(C) will improve the protection afforded to U.S. intellectual property abroad; and

(3) to press for early conclusion of the Anti-Counterfeiting Code on trademarks and for concurrent development and enforcement of substantive norms and standards for the protection of all forms of intellectual property.

(f) EXCLUSION FROM NEGOTIATIONS.—Upon consultation with interested United States persons, the President may exclude a country from negotiations under subsection (a) and from the remedial provisions under section 103 upon a finding, to be published in the *Federal Register*, that such negotiations would be unlikely to significantly advance, or would be detrimental to, the economic interests of the United States.

(g) Any agreement entered into under this section must be submitted to the Congress for approval.

SECTION 103. REMEDIES

(a) If the United States is unable to enter into an agreement, pursuant to negotiations conducted according to section 102, with any priority foreign country, the President shall enter into consultations as required under section 104(b) and take no later than two years after designation of such priority foreign country, including but not limited to, any of the following actions to fully achieve the objectives of this Act:

(1) terminate, withdraw, or suspend any portion of any trade agreement entered into with such foreign country or instrumentality under—

(A) the Trade Act of 1974;

(B) section 201 of the Trade Expansion Act of 1962; or

(C) section 350 of the Tariff Act of 1930;

(2) proclaim an increase in, or the imposition of, any duty on any article imported from such foreign country or instrumentality;

(3) proclaim a tariff-rate quota on any article imported from such foreign country or instrumentality;

(4) proclaim the modification or imposition of any quantitative restriction on the importation of any article from such foreign country or instrumentality;

(5) suspend, in whole or in part, benefits accorded articles from such foreign countries or instrumentalities under title V of

the Trade Act of 1974 (19 U.S.C. 2461, et seq.); and

(6) take any other action pursuant to subsection (b) or (c) of section 301 of the Trade Act of 1974 with respect to any product or service of such foreign country or instrumentality.

(b) The President may exercise his authority under this section on a non-discriminatory basis or solely against the foreign country or instrumentality involved.

(c) In implementing this section, the President shall impose trade measures described in subsection (a) that have an economic impact substantially equivalent to the lost revenues of United States companies resulting from the lack of adequate and effective intellectual property protection in the foreign country or instrumentality in question.

(d) In implementing this section, the President may defer action for six months upon providing written certification to the Congress that negotiations are making substantial progress.

SECTION 104. CONSULTATIONS.

CONSULTATIONS WITH CONGRESS AND THE PRIVATE SECTOR.—For purposes of conducting negotiations under section 102, and determining the appropriate actions to be taken under section 103, the President shall provide an opportunity for the presentation of views by interested parties, including interested members of Congress, appropriate committees of the Congress, and the committees established pursuant to section 135 of the Trade Act of 1974, and shall keep such parties currently informed with respect to—

(1) the negotiating priorities and objectives for each country involved;

(2) the assessment of negotiating prospects, both bilateral and multilateral; and

(3) any United States concessions which might be included in negotiations to achieve the objectives described in section 102.

SECTION 105. DEFINITION.

"Adequate and effective protection of intellectual property" means that a country provides adequate and effective means under its law for foreign persons to secure, to exercise and to enforce exclusive rights in all forms of intellectual property, including patents, trademarks, copyrights, mask works, trade secrets and proprietary technical data.

TITLE II—ACTIONS TO OPEN FOREIGN MARKETS

SECTION 201. INVESTIGATIONS AND FINDINGS.

(a) ANALYSIS OF BARRIERS AND EXTENT OF MARKET ACCESS.—

The Trade Representative shall, within three months after issuing the annual report to Congress made pursuant to section 181 of the Trade Act of 1974, publish in the *Federal Register*—

(1) a list of all foreign countries and instrumentalities, based upon the identification and analysis of foreign trade barriers conducted pursuant to section 181, that deny fair and equitable market access to United States companies that rely on intellectual property protection; and

(2) a list of those countries listed pursuant to paragraph (1) that are identified by the Trade Representative as priority foreign countries.

(b) In making the indentification of priority foreign countries under subsection (a) the Trade Representative shall take into account the following—

(1) the identification and analysis of acts, policies, and practices which constitute significant barriers to, or distortion of, United States property protected by patents and copyrights exported or licensed by United States persons, and the estimate of the trade-distorting impact on United States commerce of such acts, policies, or practices contained in the annual report required under section 181 of the Trade Act of 1974;

(2) the potential size of markets for United States companies that rely on intellectual property protection; and

(3) the onerous nature and significance of acts, policies, or practices that deny fair and equitable market access to United States companies that rely on intellectual property protection.

(b) FACTORS TO BE TAKEN INTO ACCOUNT.—In making the findings required by subsection (a), the United States Trade Representative shall take into account the following factors—

(1) whether such foreign countries or instrumentalities place any restrictions or conditions upon investments by, or the establishment of, United States companies that rely upon intellectual property protection in their territories;

(2) whether such foreign countries or instrumentalities place licensing or certification restrictions upon United States companies that rely upon intellectual property protection, that inhibit the ability of these companies to function freely in the markets of those countries; and

(3) whether United States companies that rely upon intellectual property protection suffer from discriminatory or monopolistic practices of the private companies or other organizations of such foreign countries or instrumentalities.

SECTION 202. NEGOTIATIONS TO OPEN FOREIGN MARKETS.

(a) INITIATION OF NEGOTIATIONS.—Upon identification of priority foreign countries under section 201(a), the President shall enter into negotiations with such priority foreign countries in order to enter into agreements with such countries setting specific terms to provide United States companies that rely upon intellectual property protection with fair and equitable market access in such countries.

(b) ADDITIONAL AUTHORITY.—Beginning on the date of the enactment of this Act, the President may enter into trade agreements which meet the objectives described in this section with foreign countries or instrumentalities which provide for the harmonization, reduction, and elimination or prohibition of restrictions, barriers, fees, or other distortions of international trade.

(c) APPLICATION OF AGREEMENT BENEFIT.—Notwithstanding any other provision of law, any agreement entered into under this section may provide that the benefits and obligations of such agreement apply solely to the parties to such agreement. The President shall take into account any actions which may be necessary to reconcile such treatment with United States international obligations.

(d) COMPENSATION AUTHORITY.—If the President has taken action under section 203 with respect to any foreign country, the President may enter into trade agreements with such foreign country for the purpose of granting new concessions as compensation for such actions taken by the President in order to maintain the general level of reciprocal and mutually advantageous concessions.

(e) NEGOTIATING OBJECTIVES.—The general objectives of negotiations conducted pursuant to subsection (a) shall be—

(1) to obtain multilateral or bilateral agreements that provide to United States companies that rely upon intellectual property protection fair and equitable market access in all substantial foreign markets; and

(2) to prevent foreign barriers and restrictions on United States companies that rely upon intellectual property protection from causing continued harm to those companies.

(f) EXCLUSION FROM NEGOTIATIONS.—Upon consultation with interested United States companies, the Trade Representative may exclude a specific sector and/or country from negotiations under subsection (a) and from the remedial provisions under section 203 upon a finding, to be published in the *Federal Register*, that such negotiations would be detrimental to the interests of United States companies that rely upon intellectual property protection.

(g) Any agreement entered into under this section must be submitted to the Congress for approval.

SECTION 203. REMEDIES.

(a) If the United States Trade Representative is unable to enter into an agreement, pursuant to negotiations conducted according to section 202, with any priority foreign country, the President shall take no later than two years after designation of such priority foreign country, including but not limited to, any of the following actions to fully achieve the objectives of this Act:

(1) terminate, withdraw, or suspend any portion of any trade agreement entered into with such foreign country or instrumentality under—

(A) the Trade Act of 1974;

(B) section 201 of the Trade Expansion Act of 1962; or

(C) section 350 of the Tariff Act of 1930;

(2) proclaim an increase in, or the imposition of, any duty on any article imported from such foreign country or instrumentality;

(3) proclaim a tariff-rate quota on any article imported from such foreign country or instrumentality;

(4) proclaim the modification or imposition of any quantitative restriction on the importation of any article from such foreign country or instrumentality;

(5) suspend, in whole or in part, benefits accorded articles from such foreign countries or instrumentalities under title V of the Trade Act of 1974 (19 U.S.C. 2461, et seq.);

(6) take any other action pursuant to subsection (b) or (c) of section 301 of the Trade Act of 1974 with respect to any product or service of such foreign country or instrumentality;

(b) The President may exercise his authority under this section on a non-discriminatory basis or solely against the foreign country or instrumentality involved.

(c) In implementing this section, the President shall impose trade measures described in subsection (a) that have an economic impact substantially equivalent to the lost revenues of United States companies that rely upon intellectual property protection caused by the lack of fair and equitable market access in the foreign country or instrumentality in question.

(d) In implementing this section, the President may defer action for six months upon providing written certification to the Congress that negotiations with the country in question are making substantial progress.

SECTION 204. CONSULTATIONS.

CONSULTATIONS WITH CONGRESS AND THE PRIVATE SECTOR.—For purposes of conducting negotiations under section 202, and determining the appropriate actions to be taken under section 203, the President shall provide an opportunity for the presentation of views by interested parties, including interested members of Congress, appropriate committees of the Congress, and the committees established pursuant to section 135 of the Trade Act of 1974, and shall keep such parties currently informed with respect to—

(1) the negotiating priorities and objectives for each country involved;

(2) the assessment of negotiating prospects, both bilateral and multilateral; and

(3) any United States concessions which might be included in negotiations to achieve the objectives described in section 202.

SECTION 205. DEFINITION.

In general, "companies that rely upon intellectual property protection" are defined as companies, or divisions or subsidiaries of companies, whose principal line of business involves creation, production or licensing of literary or artistic works which are copyrighted or which manufacture products that are patented or for which there are process patents.

TITLE III—GENERALIZED SYSTEM OF PREFERENCES

SECTION 301. Section 502 of the Trade Act of 1974, as amended, is amended by adding at the end thereof the following new subsection:

"(e) No later than twelve months after enactment of this subsection, the President shall terminate benefits previously extended to a beneficiary developing country under this section if such country is identified in the 1985 Report to Congress pursuant to section 181 of the Trade Act of 1974 as having adequate protection of intellectual property or inadequate market access unless the President certifies to the Congress, and continues to certify at twelve month intervals, that such country has taken substantial action toward providing adequate and effective intellectual property protection and enforcement and fair and equitable market access for United States persons.".

SECTION 302. Subsection (c) of section 503 of the Trade Act of 1974 is amended by adding at the end thereof the following new paragraph:

"(3) the President may not designate as, or shall remove from designation, any eligible article under this section which has been determined by any Federal or State court or Federal agency of appropriate jurisdiction to infringe any patent, copyright, trademark, mask work or trade secret interest.".

TITLE IV—CARIBBEAN BASIN ECONOMIC RECOVERY ACT

SECTION 401. The Caribbean Basin Economic Recovery Act is amended—

(a) by designating section 218 (19 U.S.C. 2706) as section 219 (19 U.S.C. 2707); and

(b) by inserting the following new section (19 U.S.C. 2706):

"SECTION 218. MARKET ACCESS AND INTELLECTUAL PROPERTY PROTECTION.

"(a) The Trade Representative shall exclude from eligibility articles which would otherwise be eligible under this chapter, imported from beneficiary countries that do not provide adequate and effective intellectual property protection or fair and equitable market access to United States persons, unless the President certifies to the Congress, and continues to certify at twelve month intervals, that such country has taken substantial action to provide adequate and effective intellectual property protection and enforcement and fair and equitable market access for United States persons.

"(b) The value of benefits withdrawn by the Trade Representative under subsection (a) shall have an economic impact substantially equivalent to the lost revenues of United States persons resulting from the denial of adequate and effective intellectual property protection or fair and equitable market access.".

TITLE V—IMPROVEMENT OF ENFORCEMENT OF UNITED STATES RIGHTS

SECTION 501. ESTABLISHMENT OF ENFORCEMENT OFFICE.

An Office of Enforcement shall be established within the Office of the United States Trade Representative to administer section 301 of the Trade Act of 1974 and the provisions of this Act.

SECTION 502. AUTHORIZATION FOR ENFORCEMENT OFFICE.

Such funds necessary for the operation of the Office of Enforcement are authorized to be appropriated by the Congress as are necessary to carry out the purposes of this Act.

TITLE VI—UNFAIR PRACTICES IN IMPORT TRADE

SEC. 601. Subsection (a) of section 337 of the Tariff Act of 1930 (19 U.S.C. 1337), is amended—

(a) by striking out "(a) Unfair" and inserting in lieu thereof "(a)(1) Unfair",

(b) by striking out "efficiently and economically operated",

(c) by striking out "prevent" and inserting in lieu thereof "impair or prevent", and

(d) by adding at the end thereof the following new paragraph:

"(2) For purposes of this section, the following acts in the importation of articles into the United States or in their sale are declared to be unfair and to have the effect or tendency to destroy or substantially injure an industry or to impair the establishment of an industry:

"(A) Unauthorized importation of an article which infringes a valid United States patent or the unauthorized sale of such an imported article.

"(B) Unauthorized importation of an article which—

"(i) was made, produced, processed, or mined under, or by means of, a process covered by a valid United States patent, and

"(ii) if made, produced, processed, or mined in the United States, would infringe a valid United States patent,

or the unauthorized sale of such an imported article.

"(C) Unauthorized importation of an article which infringes a valid United States copyright or the unauthorized sale of such an imported article.

"(D) Importation of an article which infringes a valid United States trademark, or the sale of such an imported article, if the manufacture or production of such imported article was unauthorized.

"(E) Unauthorized importation of an article which infringes a valid United States maskwork or the unauthorized sale of such an imported article.

"(F) Unauthorized importation of an article which infringes a valid trade secret in the United States or the unauthorized sale of such an imported article.".

SEC. 602. Section 337 of the Tariff Act of 1930 (19 U.S.C. 1337) is amended—

(a) by striking out "subsection (d) or (e)" in subsection (c) and inserting in lieu thereof "subsection (d), (e), (f), or (g)",

(b) by striking out "subsection (d), (e), or (f)" in subsection (c) and inserting in lieu thereof "subsection (d), (e), (f), (g), or (h)",

(c) by striking out "subsections (d), (e), and (f)" in subsection (c) and inserting in lieu thereof "subsection (d), (e), (f), (g), or (h)",

(d) by striking out "If" in the first sentence of subsection (e) and inserting in lieu thereof "(1) If",

(e) by adding at the end of subsection (e) the following new paragraph:

"(2) Any person may petition the Commission for the issuance of an order under this subsection. The Commission shall make a determination with regard to such petition by no later than the date that is 90 days after the date that on which such petition is filed with the Commission. The Commission may require the petitioner to post a bond as a prerequisite to the issuance of an order under this subsection.",

(f) by striking out "In lieu of" in subsection (f)(1) and inserting in lieu thereof "In addition to, or in lieu of,",

(g) by inserting "twice" after "of $10,000 or" in subsection (f)(2),

(h) by redesignating subsections (g), (h), (i), and (j) as subsections (i), (j), (k), and (l), respectively,

(i) by inserting after subsection (f) the following new subsections:

"(g) FORFEITURE.—In addition to taking action under subsection (d) or (e), the Commission may issue an order providing that an article imported in violation of the provisions of this section be seized and forfeited to the United States. The Commission shall notify the Secretary of the Treasury of any order issued under this subsection and, upon receipt of such notice, the Secretary shall enforce such order in accordance with the provisions of this Act.

"(h) DEFAULT.—If—

"(1) a complaint is filed against a person under this section,

"(2) such complaint and a notice of investigation are served on such person,

"(3) such person fails to respond to the complaint and notice or otherwise fails to appear to answer the complaint and notice,

"(4) such person fails to show good cause why such person should not be found in default, and

"(5) the facts alleged in the petition establish a violation of the provisions of this section, and

"(6) the complainant seeks relief affecting solely such person the Commission shall presume the facts alleged in the complaint and shall, upon request, issue relief under this section affecting solely such person, unless, after considering the effect of such an order of relief upon the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers, the Commission finds that such an order or relief should not be issued.",

(j) by striking out "subsection (d), (e), or (f)" each place it appears in subsection (i), as redesignated by paragraph (8) of this subsection, and inserting in lieu thereof "subsection (d), (e), (f), (g), or (h)",

(k) by inserting "and no seizure shall be made of any article under subsection (g) until such determination becomes final if

such a bond is posted" after "becomes final" in subsection (i)(3), as so redesignated,

(l) by striking out "and (g)" in subsection (j), as so redesignated, and inserting in lieu thereof "and (i)",

(m) by striking out "notifies" in subsection (j), as so redesignated, and inserting in lieu thereof ", or order to seize, notifies",

(n) by striking out "Except" in subsection (j), as so redesignated, and inserting in lieu thereof "(1) Except",

(o) by adding at the end of subsection (j), as so redesignated, the following new paragraph:

"(2) If any person who has previously been found by the Commission to be in violation of this section petitions the Commission for a determination that the petitioner is no longer in violation of this section or for a modification or recission of an order under subsection (d), (e), (f), (g), or (h)—

"(A) the burden of proof in any proceeding before the Commission regarding such petition shall be on the petitioner, and

"(B) relief may be granted by the Commission with respect to such petition only on the basis of new evidence or evidence that could not have been presented at the prior proceeding.",

(p) by striking out "subsection (d), (e), or (f)" in subsection (k), as so redesignated, and inserting in lieu thereof "subsection (d), (e), (f), (g), or (h)", and

(q) by striking out "patent" each place it appears in subsection (k) and inserting in lieu thereof "patent, copyright, or trademark".

SEC. 603. The Act of July 2, 1940 (54 Stat. 724, chapter 515; 19 U.S.C. 1337a) is hereby repealed.

INTERNATIONAL INTELLECTUAL PROPERTY PROTECTION AND MARKET ACCESS ACT OF 1986
SECTION-BY-SECTION SUMMARY

SEC. 1. SHORT TITLE.

SEC. 2. FINDINGS AND PURPOSE.

This section states Congressional findings that international protections of intellectual property rights, vital to U.S. competitiveness, are inadequate to protect U.S. economic interests; and that foreign trade and investment barriers seriously impede the ability of United States companies that rely on intellectual property protection to operate overseas resulting in a substantial loss of export markets.

The purpose of the legislation is to provide negotiating authority and to establish procedures to improve intellectual property protection abroad and to provide fair and equitable market access for U.S. companies relying on intellectual property protection.

TITLE I—ACTIONS TO INCREASE INTERNATIONAL INTELLECTUAL PROPERTY PROTECTION

This Title is intended to improve international intellectual property protection. It establishes a process in which the U.S. Trade Representative investigates whether foreign countries provide adequate and effective protection of intellectual property rights; USTR then negotiates with designated "priority foreign countries" that deny such intellectual property protection to Americans; and it requires a response by the President against "priority foreign countries" that do not agree to provide such intellectual property protection within two years.

Section 101. INVESTIGATIONS AND FINDINGS.

This section requires the United States Trade Representative ("USTR") to publish an annual list (based upon the annual report by USTR already required under the Trade Act of 1974) of those countries that deny adequate and effective intellectual property protection (*i.e.* patents, copyrights, trademarks and mask works) to U.S. companies. USTR is also directed to select "priority foreign countries" from this list based upon the potential export market in these countries and the onerous nature of their policies.

SEC. 102. NEGOTIATIONS TO ESTABLISH ADEQUATE AND EFFECTIVE PROTECTION OF INTELLECTUAL PROPERTY RIGHTS.

This section directs the President to enter into negotiations with the priority foreign countries to obtain greater intellectual property protection for U.S. companies. The President is granted additional authority to enter into similar agreements with other countries whenever he determines that their existing protections are inadequate and adversely affect U.S. competitiveness. The objectives of the negotiations are to improve intellectual property protection and to develop international rules for the protection of all forms of intellectual property. The President is granted the right to exclude a country or sector from negotiations after a public finding that such negotiations are unlikely to advance, or would be detrimental to, U.S. economc interests.

SEC. 103. REMEDIES.

If the USTR is unable to reach agreement with a priority foreign country within two years, the President must take some action, which may include but is not limited to the following:

(1) terminate, withdraw, or suspend trade agreements previously entered into;

(2) increase or impose a duty on any article imported from the foreign country;

(3) proclaim a tariff-rate quota;

(4) modify or impose quotas;

(5) suspend benefits under the Generalized System of Preferences; or

(6) take any other action under Section 301(b) or (c) of the 1974 Trade Act.

Presidential action may be nondiscriminatory or solely against the offending country. The President is required to impose trade measures that have an economic impact substantially equivalent to the lost revenues of U.S. companies caused by lack of intellectual property protection. The President may defer action for six months after certifying to Congress that substantial progress is being made in the negotiations.

SEC. 104. CONSULTATIONS.

This section requires the President to consult with interested members of Congress, the appropriate Congressional committees and other interested parties.

TITLE II—ACTIONS TO OPEN FOREIGN MARKETS

This title is intended to improve foreign market access for U.S. companies that rely upon intellectual property protection. The U.S. Trade Representative is directed to investigate foreign practices that deny fair and equitable market access to U.S. persons that rely upon intellectual property protection. USTR then negotiates with the "priority foreign countries" that deny such market access; and the President must respond.

SEC. 201. INVESTIGATIONS AND FINDINGS.

This section requires USTR to publish an annual list (based upon the annual report by USTR already required under the Trade Act of 1974) of these countries that deny fair and equitable market access (*e.g.*, through investment restrictions and trade barriers) to U.S. companies. USTR is also directed to select "priority foreign countries" from this list based upon the potential export market in these countries and the onerous nature of their policies.

SEC. 202. NEGOTIAITONS TO OPEN FOREIGN MARKETS.

This section directs the President to enter into negotiations with the priority foreign countries in order to reach specific agreements which will provide fair and equitable market access for U.S. companies that rely upon intellectual property protection. The President is given authority to enter into trade agreements with foreign countries to eliminate such trade barriers. Upon consultation, the USTR may exclude a specific sector or country from the negotiations upon published findings that such remedies would be detrimental to the interests of U.S. persons that rely upon intellectual property protection.

SEC. 203. REMEDIES.

If the USTR is unable to reach agreement with a priority foreign country within two years, the President must take some action, which may include but is not limited to the following:

(1) terminate, withdraw, or suspend prior trade agreements;

(2) increase or impose duties on any article imported from such foreign country;

(3) proclaim a tariff-rate quota on any article imported from such country;

(4) modify or impose quantitative restrictions;

(5) suspend benefits under the Generalized System of Preferences; or

(6) take other action pursuant to Section 301(b) or (c) of the 1974 Trade Act.

The President is granted authority to act on a nondiscriminatory basis or solely against the offending country. The President is required to impose trade measures that have an economic impact substantially equivalent to the lost revenues of U.S. companies caused by the lack of market access. The President may defer action for six months by certifying to Congress that negotiations are making substantial progress.

SEC. 204. CONSULTATIONS.

This section directs the President to consult with interested members of Congress, the appropriate Congressional committees and other interested parties.

SEC. 205.

This section defines "companies that rely upon intellectual property protection" as companies, or divisions or subsidiaries of companies, whose principal line of business involves creation, production or licensing of literary or artistic works which are copyrighted or which manufacture products that are patented or for which there are process patents.

TITLE III—GENERALIZED SYSTEM OF PREFERENCES

SECTION 301.

This Section amends the Generalized System of Preferences by adding a new subsection directing the President to terminate benefits previously extended to beneficiary developing countries if they are identified in the 1985 report under section 181 of the Trade Act of 1974 as providing inadequate intellectual property protection or inadequate market access unless the President certifies, at twelve month intervals, to Congress that such country has taken substantial action to rectify such inadequacies.

SEC. 302.

This section further amends the Generalized System of Preferences by adding a new paragraph which prohibits the President

from designating and requires removal from designation eligible articles which have been determined by any court or federal agency to infringe patent, copyright, trademark, mask work or trade secret interests.

TITLE IV—CARIBBEAN BASIN ECONOMIC RECOVERY ACT

This section amends the Caribbean Basin Initiative by creating a new section which grants USTR the right to exclude from eligibility those articles imported from beneficiary countries that provide inadequate intellectual property protection or inadequate market access to U.S. companies. USTR may defer action upon certification to the Congress that the offending country has taken substantial action to resolve such problems. This new section also provides that the value of the withdrawn benefits have an economic impact substantially equivalent to the lost revenues resulting from the denial of intellectual property protection and market access.

TITLE V—IMPROVEMENT OF ENFORCEMENT OF UNITED STATES RIGHTS

SEC. 501. ESTABLISHMENT OF ENFORCEMENT OFFICE.

This Section establishes an Office of Enforcement within the Office of the USTR to administer this Act and Section 301 of the Trade Act of 1974.

SEC. 502. AUTHORIZATION FOR ENFORCEMENT OFFICE.

This Section authorizes appropriations for the Office of Enforcement.

TITLE VI—UNFAIR PRACTICES IN IMPORT TRADE

This Section inserts the text of S. 1869 which amends Section 337 of the 1930 Tariff Act.●

● Mr. LAUTENBERG. Mr. President, I am pleased to join in introducing the International Intellectual Property Protection and Market Access Act of 1986. This legislation is designed to enhance the protection of intellectual property rights, and to gain access to markets for industries that rely upon such rights.

America's economic edge is its technology and innovation. But, if we're to enjoy the fruits of our labor—the jobs and growth that come from innovation—we need to stop the piracy of American intellectual property. I refer to U.S. patents, copyrights, trademarks, trade secrets, and semiconductor masks.

This bill would require the U.S. Trade Representative to establish negotiating priorities for increasing the level of intellectual property right protection abroad. It would force responsive action by the administration if negotiations proved unsuccessful.

Mr. President, often intellectual property owners face barriers to market access that are uniquely tailored to their industries. For example, copyright industries—motion picture producers, publishers, and the recording industry—are denied the ability to market their products on the basis of licensing requirements, barriers to distribution, and protectionist measures erected in the name of cultural sovereignty. The legislation would require the administration to make a special effort to break down these barriers to market access.

The legislation would also amend the law that ties benefits under the Generalized System of Preferences and the Caribbean Basin Initiative to intellectual property rights. It would mandate at least some restriction of benefits unless substantial improvement in protection is being secured.

The bill also includes the text of S. 1869, a bill that I introduced along with Senator ROTH, Senator WILSON, and others to reform section 227 of the Tariff Act.

Mr. President, the protection of intellectual property should be a major part of our Nation's trade policy. This legislation would help ensure that positive action is taken to ensure that Americans have the chance to market their ingenuity, their invention, and their creativity in trade around the world.

I urge my colleagues to support this legislation.●

By Mr. STEVENS (by request):

S. 2436. A bill to preserve the rights of the United States as a mortgagee under title XI of the Merchant Marine Act, 1936; to the Committee on Commerce, Science, and Transportation.

PRESERVATION OF UNITED STATES MORTGAGEE RIGHTS

● Mr. STEVENS. Mr. President, I am introducing legislation which was suggested to me at a March 21 hearing before the Senate Merchant Marine Subcommittee on the Title XI Vessel Loan Guarantee Program.

The Maritime Administration [MarAd] and the National Oceanic and Atmospheric Administration [NOAA] have requested a statutory exemption from the automatic stay provisions of section 362(b) of the Bankruptcy Code. In particular, MarAd is experiencing a series of defaults which has plagued the Vessel Guarantee Program. MarAd has had to borrow roughly $900 million from the Treasury within the last year to meet its obligations. However, MarAd and NOAA are treated as general creditors when a company in default of its title XI mortgage payments files for bankruptcy. The agencies have contended that the legal impediments to lifting the automatic stay imposed on creditors by the Bankruptcy Code are affecting the administration of the guarantee program.

Last year I introduced S. 1992 and S. 1993 on behalf of the administration which would provide both agencies with relief from the automatic stay. It was suggested at the hearing that the language in both bills did not limit the relief sought to the Federal Government, but expanded it to include the entire class of secured creditors. Alternative language was offered which would narrow the scope of the proposal to provide relief from the automatic stay for NOAA and MarAd only if a title XI guarantee was involved.

The legislation I am introducing today is identical to the language offered at the hearing. It is designed to clarify the issue before the Merchant Marine Subcommittee and provide interested parties with the alternative approach to consider.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD as follows:

S 2436

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 362(b) of title 11, United States Code, is amended by substituting "; or" for the period at the end of paragraph (11) thereof and adding new paragraphs (12) and (13) thereto reading as follows:

"(12) under subsection (a) of this section, of the commencement or continuation of an action by the Secretary of Transportation to foreclose a mortgage on a vessel under the Ship Mortgage Act, 1920 (46 App. U.S.C. 861 *et seq.*), held by the Secretary under section 207 or sections 1101 through 1110 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1117 and 1271-1979e); or

"(13) under subsection (a) of this section, of the commencement or continuation of an action by the Secretary of Commerce to foreclose a mortgage on a vessel under the Ship Mortgage Act, 1920 (46 App. U.S.C. 861 *et seq.*), held by the Secretary under sections 1101 through 1110 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1271-1279e). ".

SEC. 2. The amendments of section 362(b) set forth in section 1 above shall apply only to filings referred to in section 362(b) which are made after the effective date of this amendment.●

By Mr. BENTSEN (for himself and Mr. HEINZ):

S. 2437. A bill to remove foreign policy controls on exports to the Soviet Union of oil and gas equipment and technology; to the Committee on Banking, Housing, and Urban Affairs.

PETROLEUM EQUIPMENT EXPORT ACT

Mr. BENTSEN. Mr. President, I am pleased to be joined by my distinguished colleague from Pennsylvania [Mr. HEINZ] in introducing legislation to correct a grievous error in the application of the Export Administration Act. This bill will remove the present controls on the export of oil field equipment to the Soviet Union, except for those controls necessary for national security.

Our current policy is a classic mise of the foreign policy export controls under the Export Administration Act. We are now in exactly the kind of position that the 1985 amendments to the Export Administration Act were designed to prevent. We have restrictions on sales which no other country

in the world is imposing. As a result we are losing sales and jobs to foreign competitors without having any impact on the plans or behavior of the Soviet Union. The situation is made even worse by the fact that it comes at a time when the oil industry is in the depths of a deep, deep depression.

The futility of these controls have been documented by the Central Intelligence Agency in a study entitled "Soviet Needs for Western Petroleum Technology and Equipment." A sanitized and declassified copy of this report has been prepared and released by the CIA at my request. The report in its present form does not expose any classified U.S. information or intelligence sources. This CIA report does document the great need of the U.S.S.R. for Western petroleum technology, and more importantly the ability of the U.S.S.R. to get that technology and equipment from many non-United States sources. These non-United States sources do not have United States restrictions on sale to the U.S.S.R., and in the case of non-Cocom and Third World countries they do not even restrict sales of militarily sensitive items.

This study lists seven categories of petroleum technology where Communist bloc abilities are inadequate and where outside technology is or will be needed. Technology in all seven of these categories is available from non-U.S. sources at levels deemed by the CIA to be "adequate for most needs" or better. Further, all seven categories are available from non-Cocom European countries—countries that do not participate in or abide by the Cocom restrictions of militarily sensitive technology to the Communist bloc countries. Six of these seven categories are even available from Third World countries.

The study similarly lists 34 categories of equipment. Seventeen of these categories are available from non-Cocom countries, and 32 of the 34 available from other Cocom countries. These other Cocom countries limit exports only where they involve military sensitive technology. They do not, as we now do, restrict other sales of petroleum equipment.

Controls on the export of oil field equipment and technology to the Soviet Union were put in place by the Carter administration and have been extended by the Reagan administration. The United States has a well-deserved reputation for shooting itself in the foot, and unfortunately this administration is continuing in that tradition. The embargoes of grain and oil field equipment imposed after the Russian invasion of Afghanistan are classic examples of this problem. I strongly believe that we should not impose embargoes unless the target country is hurt worse than the United States is.

The Export Administration Act of 1985 directs that a number of factors be considered before renewing export controls. Included among those factors are the availability of the controlled items from other countries and whether the damage to the United States from the embargo exceeds the foreign policy benefit. The current controls on oil field equipment and technology clearly fail both of these tests.

Other countries can and do produce comparable equipment, and they have refused to join in this embargo. Over 2,000 different product lines of oil field equipment are produced in 38 other countries, including our NATO allies and Japan, which do not impose the export restrictions that we do.

Russia has thus been able to get the needed equipment. Worse yet, this unilateral U.S. embargo has in effect subsidized the foreign competition of major U.S. companies by giving them a major market. This has cost the United States hundreds of millions of dollars in sales and thousands of jobs, and it has also greatly damaged our image as a reliable supplier in a market where reliability is all-important.

The U.S. petroleum equipment industry is dependent on exports for about 35 percent of their annual sales. These exports have dropped from $5.3 billion in 1982 to only $3.2 billion in 1985. The U.S.S.R. is the largest petroleum equipment market outside of the United States. American oil and gas firms had about 25 percent of total Western exports to that huge market before the embargo. By 1983 they had only 0.4 percent. Had the U.S. market share only remained constant we would have had $1.8 billion in orders during 1979–83 instead of the actual $118 million. This is a loss of over 90 percent in potential sales and a loss of over 8,000 jobs.

Mr. President, my home State of Texas is the center of the world oil field equipment industry. Texas companies have borne an estimated 50 percent of these losses. However, the impact goes far beyond Texas. If we destroy the productive base of this country's oil industry we will be threatening any future hope of energy independence for this country. That is a very severe threat to our national security.

The administration's policy in this area has not only been wrong, it has been inconsistent. In September of 1983 the Commerce Department lifted restrictions on the sale of pipe-laying tractors to the Soviet Union, saying that they "do not represent high technology and are available from a number of other countries." No explanation was given as to why these tractors differ from most other oil and gas equipment, which is also freely available from other suppliers, and which is not generally considered "high technology" by anyone familiar with the industry. This embargo had cost the Caterpillar Tractor Co. its 85-percent share of the Russian market, with those orders going to a Japanese company instead. Caterpillar is just now getting back a few orders from the U.S.S.R. for this equipment.

On March 21, 1985, I wrote Secretaries Baldrige and Shultz concerning this problem. The response from the State Department said that "* * * because of our concerns that our allies not become unduly dependent on Soviet energy supplies, we do not officially promote sales of oil and gas equipment or joint venture arrangements in the energy field with the Soviets." Our allies do not share those concerns, and because of that they are making money selling oil field equipment of Russia without any competition allowed by United States companies. This is not good foreign policy or good economic policy for America.

That State Department letter further stated that "United States petroleum equipment suppliers report their reduced share of sales to the Soviet Union is due not just to instances where license applications may have delayed certain exports." Texas petroleum equipment suppliers tell me just the opposite—that licensing delays and refusals are the primary reason they are locked out of the Russian market.

The State Department letter then goes on to say, "Soviet purchasers, in many instances, give apparent preference to non-United States suppliers, pressure United States firms to make deliveries from plants abroad, and sometimes do not permit American firms to bid on oil and gas projects." This is exactly the point I am making. No amount of artful wording can hide the fact that past delays and refusals of licenses are costing the United States both sales and jobs. As a result, Russia is turning to other suppliers who do not have restrictions. Time is money in the drilling business. If a key part breaks anywhere on the globe a replacement is shipped by airplane that same day. If a government bureaucrat must issue an export license first then it does not matter whether the delay is 6 days or 6 months. The sale will be lost.

These complaints are backed up by actual examples. One United States company reported that it won a major Russian contract, and then lost it because the export license was denied. As a result 250 jobs were lost. Another United States company reports that it had 30 percent of the Russian market in its product lines, but now has none. Those sales now go to European firms, some of which are subsidiaries of United States companies.

As acknowledged by the State Department and shown in these exam-

ples, this equipment is freely available even from foreign subsidiaries of U.S. companies. There are few if any restrictions on shipment of technology to our allies. These unilateral U.S. export controls thus mean lost jobs for U.S. workers and encourage U.S. companies to move their research and production operations overseas. They also encourage foreign companies to engineer out U.S. products in favor of more assured sources of supply.

This policy is ridiculous. We should never impose export controls unless we hurt others worse than we hurt ourselves. We should never impose export controls unless other countries which produce the same products also agree to those controls. These are basic principles both of law and of common sense. The current unilateral restrictions on the sale of oilfield equipment to the Soviet Union violate both of those principles and should be lifted immediately before even more jobs and contracts are lost.

Mr. President, the current controls on the export of oilfield equipment to the U.S.S.R. are useless in terms of foreign policy impact and very damaging to a key U.S. industry that is in deep trouble. I regret the administration has forced us to take legislative action to implement what should have been a routine agency decision. However, it is vitally important to all U.S. industries that this country set and maintain a policy of not restricting exports unless it will hurt the target country worse than it hurts us. I urge my colleagues to join in passing this legislation.

● Mr. HEINZ. Mr. President, the enactment of the Export Administration Act Amendments of 1985 marked the end of one of the longest, most difficult legislative processes of recent years. The question of how we, as a nation, should monitor and control the export of goods and services is a controversial one, given the wide-ranging implications that these controls have for national security and foreign policy purposes.

The legislation passed by Congress incorporated reasonable compromises on most of the issues, but I suppose any time compromises are made, the result is likely to create some possible ambiguity and will not be as clear as one would always wish.

With regard to foreign policy exports controls, I have long been skeptical about their use to achieve policy objectives. We can and have stopped exports to countries with whom we have serious differences in order to make a statement about their policies. That may make us feel better, but others continue to supply the same equipment. The result is that foreign firms replace U.S. firms as suppliers. U.S. firms permanently lose overseas markets. Yet, the policies we oppose do not change. Frankly, without the cooperation of other countries, we gain nothing. We lose a great deal.

The case of petroleum equipment exports to the Soviet Union clearly illustrates the ineffectiveness of foreign policy controls. Even the modest change made by the administration this year, of moving oil and gas production technology from a presumption of denial policy to case-by-case review, offers U.S. suppliers little real headway. It entirely fails to address the complete ineffectiveness of this export control. The U.S. petroleum equipment industry agrues, accurately and effectively, that the foreign policy controls on their equipment have not changed Soviet human rights or foreign policies. Further, the controls do not impede Soviet energy development, given their access to the same equipment from other foreign suppliers.

Make no mistake. I support the goal being sought by the controls, namely to protest Soviet human rights abuses. But I have to wonder about the method chosen to pursue that goal when it has had no effect other than a loss of jobs and income to the United States, damage to United States firms' reputations as reliable suppliers and a dramatic decline in United States sales to the Soviet Union of nonstrategic items.

I am not suggesting national security controls on highly sophisticated petroleum equipment be removed. I am questioning the effectiveness of foreign controls in the face of foreign availability of the same equipment.

I do not know how the administration justifies renewing for another year the foreign policy control on exports to the Soviet Union of oil and gas equipment and technology, especially in light of the broad recognition within the administration that there is widespread foreign availability and that the control has caused substantial damage to the U.S. petroleum equipment and services industry.

The Commerce Department's own analysis on this equipment states:

> Foreign availability does exist for the majority of these items in the oil and gas equipment area. There are approximately 350 major U.S. and well over 60 major foreign firms producing this type of equipment. The United States is no longer the sole supplier of most types of oil and gas equipment.

Now, let's look at the foreign policy implications. These controls were originally imposed by the Carter administration in 1978 in response to the trial and conviction of two Soviet dissidents, Alexander Ginsburg and Anatoly Shcharansky, and in response to the Soviet arrest of an American journalist named Jay Profett. That is why we imposed those controls.

What has happened since then is that Mr. Ginsburg was freed and just recently Anatoly Shcharansky was freed. At no time has anybody, either in the Carter administration on whose watch Ginsburg was freed or in this administration when Shcharansky was freed, linked their being freed to the foreign policy controls that we still maintain.

So if there is no linkage, why are we continuing to impose the controls? Isn't that imposing so-called foreign policy controls without a policy?

For these reasons, I am joining Senator BENTSEN today in offering legislation to require the lifting of these controls. Their original purpose, so far as it can be determined, has disappeared, and any hope for any effectiveness of the controls is dashed by the fact that several other suppliers are willing to sell, and have been selling, to the Soviets the very same equipment. Mr. President, if we are not gaining anything by these export controls, then why are we penalizing our industries? I urge my colleagues to support this legislation.●

By Mr. HATCH:

S. 2438. A bill to extend and amend programs under the Head Start Act, and for other purposes; to the Committee on Labor and Human Resources.

HEAD START AMENDMENTS

Mr. HATCH. Mr. President, I am pleased to introduce today, by the administration's request a bill which reauthorizes the Head Start Program through fiscal year 1989. Although this bill is primarily a simple reauthorization of current policy, there are changes of a technical and perfecting nature designed to insure greater equality and balance in the program. It is my hope these provisions will receive the attention they deserve.

The Head Start Program has demonstrated over the past 21 years a level of effectiveness that has been well documented. There are numerous studies which show that money invested in this program pays great dividends. Head Start participant, armed with higher self-esteem and skills, ultimately are more likely to graduate from high school and thus will have a better chance of securing gainful employment. These are major factors in the development of a healthier and stronger person who is able to lead a happier and more productive life. Clearly this program has made the difference between success and failure for hundreds of thousands of disadvantaged youngsters.

I want to point out that I am also an original cosponsor of the Head Start reauthorization bill submitted by Senator HAWKINS, who chairs the Subcommittee on Children, Family, and Drugs and Alcoholism. Through the legislative process the committee will carefully consider Senator HAWKINS'

bill along with the administration's bill.

Mr. President, I urge my colleagues to join with me in supporting the Head Start Program and I ask unanimous consent that the text of this legislation be printed in the RECORD, along with a section-by-section analysis.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2438

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Head Start Amendments of 1986".

AUTHORIZATION OF APPROPRIATIONS

SEC. 2. Section 639 of the Head Start Act (42 U.S.C. 9834) is amended—

(1) by striking out "and" after "fiscal year 1985"; and

(2) by inserting before the period at the end "$1,075,000,000 for fiscal year 1987, and such sums as may be necessary for each of fiscal years 1988 and 1989".

ELIMINATION OF COST-OF-LIVING INDEXING FOR INDIAN AND MIGRANT PROGRAMS; AMENDMENT OF FUNDING GUARANTEE

SEC. 3. Section 640(a)(2)(A) of the Head Start Act (42 U.S.C. 9835(a)(2)) is amended by striking out "except that—" and all that follows and inserting instead "except that there shall be made available for use by Indian and migrant Head Start programs for fiscal year 1987, or any subsequent fiscal year, on a nationwide basis, at least that amount which bears the same ratio to the total amount reserved under this paragraph (2) for such fiscal year, as the amount reserved hereunder for Indian and migrant Head Start programs for fiscal year 1985 bore to the total amount reserved under this paragraph for fiscal year 1985;".

ELIMINATION OF RESERVATION OF FUNDS FOR TRAINING AND TECHNICAL ASSISTANCE

SEC. 4. (a) Section 640(a)(2)(C) of the Head Start Act (42 U.S.C. 9835(a)(2)(C)) is amended by striking out all that follows "management improvement activities" and inserting a semicolon instead.

(b) Section 640(a)(2) of that Act is further amended by striking out all that follows subparagraph (D).

HEAD START EMPLOYEES INELIGIBLE FOR BETWEEN-TERM UNEMPLOYMENT COMPENSATION

SEC. 5. (a) The Head Start Act is amended by adding at the end the following new section:

"UNEMPLOYMENT COMPENSATION

"SEC. 658. For purposes of clauses (i), (ii), and (iii) of section 3304(a)(6)(A) of the Internal Revenue Code of 1954, and solely for purposes of application of that section to persons employed in a Head Start program assisted under this subchapter, any organization or governmental entity (to which reference is made in section 3309(a)(1) of the Internal Revenue Code of 1954) that employs any such person in any such Head Start program shall, if not an 'educational institution' as such term is used in such section 3304(a)(6)(A), be deemed to be such an educational institution.".

(b) Section 3304 of the Internal Revenue Code of 1954 (26 U.S.C. 3304) is amended by adding at the end the following new subsection:

"(g) For the special rule regarding application of this section to Head Start employees, see section 658 of the Head Start Act (42 U.S.C. 9853).".

EFFECTIVE DATE

SEC. 6. The amendments made by this Act shall become effective October 1, 1986.

HEAD START AMENDMENTS OF 1986: SECTION-BY-SECTION SUMMARY

SHORT TITLE

Section 1 of the draft bill provides the short title. When enacted, the bill would be cited as the "Head Start Amendments of 1986."

AUTHORIZATION OF APPROPRIATIONS

Section 2 authorizes appropriations, for activities under the Head Start Act, of $1,075,000,000 for FY 1987 and such sums as necessary for each of FYs 1988 and 1989.

ELIMINATION OF COST-OF-LIVING INDEXING FOR INDIAN AND MIGRANT PROGRAMS; AMENDMENT OF FUNDING GUARANTEE

Section 3 eliminates the requirement that annual cost-of-living adjustments, which would reduce the amounts available for other specified grantees and activities, be made with respect to Indian and migrant programs. However, the bill would substitute a provision assuring that Indian and migrant Head Start programs would receive, at a minimum, the same proportion of available funding in fiscal year 1987, or any subsequent fiscal year, as they received in fiscal year 1985.

ELIMINATION OF RESERVATION OF FUNDS FOR TRAINING AND TECHNICAL ASSISTANCE

Section 4 repeals the requirement, added by the 1984 amendments to the Head Start Act (P.L. 98-558), that the Secretary's discretionary expenditures for training and technical assistance for any fiscal year not be less than the total of such expenditures for FY 1982. This new requirement inappropriately restricts the Department's ability to shift funds within the Secretary's discretionary authority to best meet program needs.

HEAD START EMPLOYEES INELIGIBLE FOR BETWEEN-TERM UNEMPLOYMENT COMPENSATION

Section 5 defines all Head Start grantees as educational institutions within the meaning of section 3304(a)(6)(A) of the Federal Unemployment Tax Act, thus making all Head Start employees (including those employed by community action agencies and other nonprofit organizations other than schools) ineligible for unemployment compensation during between-term breaks in employment. This amendment would ensure that all Head Start staff are treated in the same way as Head Start employees in public school systems, who are already prohibited from collecting unemployment benefits between terms.

EFFECTIVE DATE

Section 6 provides that the amendments made by the draft bill become effective October 1, 1986.

By Mr. GARN (for himself, Mr. PROXMIRE, Mr. KERRY, Mr. HATCH, Mr. LUGAR, Mr. SARBANES, Mr. STAFFORD, Mr. LEVIN, Mr. CHAFEE, Mr. PELL, Mr. GRASSLEY, Mr. CHILES, Mr. MCCLURE, Mr. SIMON, Mr. NUNN, Mr. MOYNIHAN, Mr. LEAHY, Mr. LAUTENBERG, Mr. BAUCUS, Mr. DECONCINI, Mr. WEICKER, Mr. BOSCHWITZ, Mr. EAGLETON, Mr. BRADLEY, Mr. BENTSEN, Mr. KENNEDY, Mr. JOHNSTON, Mr. GORTON, Mr. CRANSTON, Mr. SYMMS, and Mrs. HAWKINS):

S.J. Res. 341. Joint resolution to designate the week beginning on June 1, 1986, as "National Neighborhood Housing Services Week"; to the Committee on the Judiciary.

NATIONAL NEIGHBORHOOD SERVICES WEEK

● Mr. GARN. Mr. President, today I am introducing S.J. Res. 341, calling for a Presidential proclamation of the week beginning June 1 as "National NHS Week." Neighborhood Housing Services—NHS, is the largest national, volunteer based, network of nonprofit corporations at work in our country revitalizing neighborhoods and preserving decent affordable housing for low- and moderate-income Americans. The purpose of this resolution is to strengthen the NHS network by increasing private sector awareness of, and support for their work, and to create a special opportunity to recognize the thousands of NHS volunteers who contribute so much to their local NHS programs, both in terms of their time and financial resources.

NHS has a 14-year track record of revitalizing neighborhoods and making them once again safe healthy neighborhoods where people can raise their families and do business. In 200 neighborhoods, 3 million Americans are being served by NHS programs; 1 out of every 100 homes in the country is in an NHS neighborhood. Through NHS, the residents of these neighborhoods are being given a chance to have a piece of the American dream—namely, a decent affordable home, in a safe healthy neighborhood. To date, over $3 billion has been reinvested in NHS neighborhoods; "neighborhoods once termed dangerous and deteriorated are today becoming "neighborhoods of choice." Additionally, this reinvestment figure does not capture the increased tax revenue generated through NHS, cities have seen returned many times over in tax revenue, what they have contributed to NHS and expended in public improvements.

Many of you may already be familiar with NHS through its work in your own State, or through the Neighborhood Reinvestment Corporation, created by Congress back in 1978 to help local communities develop NHS programs and to provide technical assistance to the existing network of NHS's. As a former mayor and member of the Housing Subcommittee, I have had the opportunity to witness their work first hand, and their track record of success is impressive. One of the keys to NHS's success is the working partnership of local business leaders, residents and government representatives

who form the heart of each NHS. These volunteers invest literally hundreds of hours each year managing the NHS's systematic neighborhood revitalization strategy. Further, the local business partners not only contribute the time of their local managers to serve on the NHS's Board of Directors, but also contribute thousands of dollars to the NHS's operations. Last year over 300,000 hours of volunteer time was invested in NHS and $14 million was contributed to local NHS operating budgets.

A further key to the NHS' success has been the NHS secondary market—the first national secondary market for housing rehabilitation loans which do not meet standard underwriting criteria. The NHS network has made over $100 million in loans to "nonbankable" residents for emergency home repairs, and with the creative leadership of insurance industry leaders, piloted and institutionalized a secondary market for these loans. With a 10-year track record of sound operations, this secondary market has become a national model and vital source of financing for neighborhood revitalization work across America.

The purpose of this joint resolution I am introducing today is to increase private sector awareness of, and support for NHS. Traditionally, the financial industries of banking and insurance have supported NHS's operations, but in today's economic environment there is a need to expand this base of support to other sectors of the business community. The Advertising Council's volunteer NHS campaign in conjunction with a National NHS Week will contribute significantly to these visibility efforts. Further, National NHS Week will provide a valuable opportunity to honor the thousands of NHS volunteers who are revitalizing our neighborhoods and providing decent affordable housing for low and moderate Americans—a priceless resource billions of dollars could not replace.●

By Mr. DOLE (for Mrs. HAWKINS), (for herself, Mr. DURENBERGER, Mr. MITCHELL, Mr. ABDNOR, Mr. RIEGLE, Mr. DOLE, Mr. BRADLEY, Mr. SPECTER, Mr. TRIBLE, Mr. LONG, Mr. COCHRAN, Mr. NICKLES, Mr. LUGAR, Mr. NUNN, Mr. HATCH, Mr. HOLLINGS, Mr. KASTEN, Mr. ZORINSKY, Mr. GARN, Mr. KENNEDY, Mr. ANDREWS, and Mr. SIMON):

S.J. Res. 342. Joint resolution to designate May 25, 1986, as "Missing Children Day"; to the Committee on the Judiciary.

MISSING CHILDREN DAY

(Mr. DOLE submitted the following statement on behalf of Mrs. HAWKINS).

● Mrs. HAWKINS. Mr. President, today I am introducing a joint resolution to authorize the President to declare May 25, 1986, as "Missing Children Day." Over the last 5 years we have been working to bring the tragic problem of missing children to the forefront of national attention. This joint resolution will expand awareness of the problem and will help the many groups and individuals working to locate missing children.

This date is of particular significance in the cause of missing children because on that day in 1979, 6-year-old Etan Patz disappeared on his way to school in New York City. Unfortunately, Etan has never been found. His case, however, sparked one of the most important Senate investigations since I have been a Member of this body. During our investigation into the problem of missing children, we discovered the true parameters of the missing children tragedy in this country, and we set about trying to resolve the terrible situation. Since the Senate Committee on Labor and Human Resources first explored this issue, supporters of the missing children movement have taken constructive steps to solve the problem.

One of the major accomplishments achieved has been the creation of the National Center for Missing and Exploited Children. The center was established June 13, 1984, as a national resource and technical assistance center to deal with the issues of child abduction and exploitation. The primary goals of the center have to reduce the incidence of crimes against children and to assist the criminal justice system in dealing more effectively with tragedies when they do occur.

In almost 2 years of operation, the National Center for Missing and Exploited Children has successfully met those goals. For example, the center's division for technical assistance, composed of former law enforcement and social services professionals, trained more than 12,000 of their peers in 37 States. In addition, assistance was provided families, law enforcement agencies and social services programs in all 50 States.

Another effective tool offered by the center has been its hotline, which was placed into operation October 19, 1984. Since its inception more than 156,000 calls have been received with callers giving information concerning the location of missing children, reported cases of children who were voluntarily missing, victims of parental kidnapping, and those abducted under unknown circumstances, as well as recording cases of child sexual exploitation. Further, there are at least 600 calls each day to the center's general number from persons seeking information or assistance.

These are but a few tools that have aided the center in processing more than 8,148 cases in the 2-year period since it opened. Fortunately, 4,418 children were located, but tragically, 43 were not found alive.

One story, in particular, demonstrates the successful impact that the drive for recognition of the missing children problem has had on our country. The story goes as follows.

On November 13, 1985, in a small Texas town near Dallas, a 2-month-old baby girl was kidnapped by an individual who answered an ad for a babysitter. The mother of little Mallory Elizabeth Sutton reported her disappearance to the National Center for Missing and Exploited Children, the baby's picture was immediately dispatched to various media across the country. A few hours after the baby's picture was shown on "Good Morning, America," a Houston woman reported having seen the child to the National Center's hotline. This resulted in the FBI searching in Houston, then Tampa, FL, where the child was found and reunited with her mother. This is clear evidence that illustrates how the combined contribution of individuals and organizations, properly coordinated, can bring about the safe recovery of a child.

At this time I would like to take a moment to make an announcement about an event that will take place next Saturday, May 17, 1986. On that day the Senate Sergeant at Arms Office is providing an opportunity for Senators and Senate staff to have their children fingerprinted. This is another step in what has become a national campaign to increase the awareness of missing and exploited children. This service will take place in the north servery of the Dirksen Cafeteria from 9 a.m. until 5 p.m. I commend the Office of the Sergeant at Arms for their participation in this very worthwhile exercise.

Mr. President, the purpose of this resolution is to increase public understanding and awareness of this national tragedy. The declaration of Missing Children Day will assist parents, law enforcement agencies, and concerned citizens around this country in bringing the true picture of this national tragedy to all our citizens. Since 1982 the Senate has demonstrated the foresight to declare May 25 Missing Children Day. Let us continue this very positive ritual in 1986.

I urge all my colleague to support the principles and purposes of this joint resolution to convince our Nation that we must not forget our missing children and their grieving families.

Mr. President, I ask unanimous consent that the text of this joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 342

Whereas on May 25, 1979, six-year old Etan Patz disappeared from his home in New York City and is still missing;

Whereas over one million eight hundred thousand children disappear from home annually;

Whereas children who are missing from home and are not living in a family environment are frequently the victims of sexual and physical exploitation;

Whereas an estimated 60 per centum of missing children are sexually abused while away from home;

Whereas the search for missing children is frequently a low-priority investigation in many law enforcement agencies;

Whereas efforts between Federal and local law enforcement agencies in child abduction cases are usually uncoordinated, haphazard, and ineffective; and

Whereas the problem of the missing child had been plagued by misinformation and there is a need to increase public understanding and awareness of this problem: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 25, 1986, is designated as "Missing Children Day", and the President is authorized and requested to issue a proclamation calling upon all Government agencies and the people of the United States to observe the day with appropriate ceremonies, programs, and activities.●

By Mr. D'AMATO:

S.J. Res. 343. Joint resolution designating the week of September 21, 1986, through September 27, 1986, as "Emergency Medical Services Week"; to the Committee on the Judiciary.

EMERGENCY MEDICAL SERVICES WEEK

● Mr. D'AMATO. Mr. President, the field of medicine is constantly evolving. Perhaps more than any other medical specialty, emergency medicine has experienced significant changes in the shortest period of time.

We are all familiar with the origins of emergency medicine. The battlefield medical systems and procedures employed in Korea and Vietnam taught us more about emergency medicine than anything prior to that time. It was said that, in the 1960's a man with a shotgun wound in Vietnam has a better chance of surviving than a critically injured person on a U.S. highway.

When emergency medical services [EMS] was formally established in the United States under the Highway Safety Act of 1966, 50 percent of the countries ambulance services were provided by 12,000 morticians, mainly because their vehicles could accommodate transportation on stretchers, and because no manufacturer produced an assembly line vehicle that could be termed an ambulance. However, with improved capabilities for emergency care, and with the enormous expansion of emergency medical services across the Nation, we have made tremendous strides in this field of medicine.

Today, with roughly 50,000 ambulances operating throughout the United States, and with highly advanced communications systems now in place that were absent in the 1960's, individuals involved in EMS are able to handle emergencies quickly and at a much greater level of efficiency.

From 1965 to 1983, the number of individuals per 100,000 who have died from auto accidents decreased from 25.4 to 19.1; from accidental falls, 10.3 to 5; from fires and burns, 3.8 to 2; from ingestion of foods or objects, from 0.8 to 0.6; and from drowning, 1.2 to 0.8. These reductions are, in large part, due to vastly improved emergency medical services.

Of course, no one really plans on having a medical emergency; many of us have an it-can't-happen-to-me attitude. Nevertheless, statistics show that you or someone you know will likely need emergency medical treatment sometime during the next year. When an emergency does arise, providers of emergency health care ensure that we receive the best possible treatment available.

Providers of emergency medical services include educators of emergency medical procedures, administrators, physicians, nurses, prehospital-care technicians, paramedics, and lay people who have learned CPR and other quick stabilization procedures. In some States, volunteer units, often working out of volunteer fire departments, play a significant role in providing EMS. In some States, nearly 80 percent of EMS involves volunteers. It is important that EMS providers be able to respond quickly to emergency calls. In most regions of the United States, one need only to dial 911, which enables us to locate EMS personnel quickly for medical emergencies.

Properly trained and equipped EMS personnel are especially important to our elderly. There is a higher death rate among our elderly as a result of injury than any other age group, and they are less likely to recover completely or even to survive once injured. Today, elderly patients, as well as every other American, in need of emergency medical care, can rest assured that they will receive high-quality care because of the advances that have occurred in the field of emergency medicine. This is evidenced by the ability of emergency departments to handle the ever-increasing influx of patients.

The incidence of patients visits to emergency departments across the country has increased dramatically. In 1960, there were 42 million patient visits. By 1977, this figure had grown to 76 million. This year, over 81 million patient visits will be recorded in emergency departments throughout the United States.

To recognize the countless dedicated men and women who provide us with quick, effective emergency medical care—and to elevate the public's awareness of the importance of knowing what steps to take in the event, or in the prevention, of an emergency—I am introducing today a joint resolution to designate the week beginning September 21, 1986, as Emergency Medical Services Week. My colleague from New York, Congressman MANTON, has introduced an identical resolution which already has 114 cosponsors.

In 1984, Congress passed legislation, Public Law 98-414, which designated the week of September 16 through 22, 1984, as Emergency Medicine Week. My resolution expands the coverage given Public Law 98-414 to include the educators and administrators involved in EMS, as well. It is necessary that we also recognize these men and women involved in the instructional and administrative aspects of emergency medical care.

In the State of New York, there are 16 regional councils, directed by the State health department, that oversee EMS operations. Recently, $2.4 million was authorized for EMS training throughout New York State, and legislation is currently being developed as an effort to improve such training to the greatest extent possible. These efforts are taking place across the country. As a result, emergency medical aid is growing exponentially.

I urge my colleagues to consider the importance of this resolution, as it relates to the health and well-being of all Americans. I urge my colleagues to lend this resolution their full support. I also ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 343

Whereas the members of emergency medical services teams devote their lives to saving the lives of others;

Whereas emergency medical services teams consist of emergency physicians, nurses, emergency medical technicians, paramedics, educators, and administrators;

Whereas the people of the United States benefit daily from the knowledge and skill of these trained individuals;

Whereas advances in emergency medical care increase the number of lives saved every year;

Whereas the professional organizations of providers of emergency medical services promote research to improve emergency medical care;

Whereas the members of emergency medical services teams work together to improve and adapt their skills as new methods of emergency treatment are developed;

Whereas the members of emergency medical services teams encourage national standardization of training and testing of emergency medical personnel, and reciprocal rec-

ognition of training and credentials by the States;

Whereas the designation of "Emergency Medical Services Week" will serve to educate the people of the United States about accident prevention and what to do when confronted with a medical emergency; and

Whereas it is appropriate to recognize the value and the accomplishments of emergency medical services teams by designating "Emergency Medical Services Week": Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of September 21, 1986, through September 27, 1986, is designated as "Emergency Medical Services Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 1446

At the request of Mr. ANDREWS, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 1446, a bill to amend title 38, United States Code, to improve veterans' benefits for former prisoners of wars.

S. 1801

At the request of Mr. EAST, the name of the Senator from Mississippi [Mr. STENNIS] was added as a cosponsor of S. 1801, a bill to amend the Trade Act of 1974 to promote expansion of international trade in furniture with Canada, and for other purposes.

S. 1938

At the request of Mr. METZENBAUM, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of S. 1938, a bill to make permanent the requirements of the manufacturing clause of the copyright law.

S. 2152

At the request of Mr. D'AMATO, his name was added as a cosponsor of S. 2152, a bill to amend title 10, United States Code, to require the Department of Defense to exclude from consideration for contracts those firms in which a hostile foreign government or a covered foreign national owns or controls a significant interest.

S. 2166

At the request of Mr. DURENBERGER, the names of the Senator from Nevada [Mr. HECHT], and the Senator from North Carolina [Mr. EAST] were added as cosponsors of S. 2166, a bill to amend the Internal Revenue Code of 1954 to modify the tax treatment of tax-exempt municipal bonds, and for other purposes.

S. 2181

At the request of Mr. D'AMATO, the name of the Senator from Montana [Mr. BAUCUS] was withdrawn as a cosponsor of S. 2181, a bill entitled the Construction Industry Labor Law Amendments of 1986.

S. 2186

At the request of Mr. MURKOWSKI, the name of the Senator from Georgia [Mr. MATTINGLY] was added as a cosponsor of S. 2186, a bill to exempt any amounts available to provide certain benefits to veterans with service-connected disabilities from any requirement for sequestration of funds under part C of the Balanced Budget and Emergency Deficit Control Act of 1985.

S. 2243

At the request of Mr. INOUYE, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 2243, a bill to improve the health status of native Hawaiians, and for other purposes.

S. 2398

At the request of Mr. ROTH, the names of the Senator from North Carolina [Mr. EAST], and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of S. 2398, a bill to amend title 18 of the United States Code to ban the production and use of advertisements for child pornography or solicitations for child pornography, and for other purposes.

S. 2417

At the request of Mr. BYRD, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of S. 2417, a bill to establish the Aviation Safety Commission, and for other purposes.

SENATE JOINT RESOLUTION 326

At the request of Mr. WALLOP, the names of the Senator from Texas [Mr. BENTSEN], the Senator from Alaska [Mr. MURKOWSKI], the Senator from New Hampshire [Mr. HUMPHREY], and the Senator from Virginia [Mr. TRIBLE] were added as cosponsors of Senate Joint Resolution 326, a joint resolution to proclaim May 21, 1986, as "Andrei Sakharov Honor and Freedom Day."

SENATE JOINT RESOLUTION 333

At the request of Mr. ANDREWS, the names of the Senator from Arizona [Mr. DECONCINI], and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of Senate Joint Resolution 333, a joint resolution designating the week of May 18, 1986, through May 24, 1986, as "National Food Bank Week."

SENATE JOINT RESOLUTION 339

At the request of Mr. HATCH, the names of the Senator from Texas [Mr. BENTSEN], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Connecticut [Mr. DODD], and the Senator from New Jersey [Mr. BRADLEY] were added as cosponsors of Senate Joint Resolution 339, a joint resolution to designate the week of November 30, 1986, through December 6, 1986, as "National Home Care Week."

SENATE RESOLUTION 369

At the request of Mr. MCCONNELL, the name of the Senator from Tennessee [Mr. SASSER] was added as a cosponsor of Senate Resolution 369, a resolution relating to trade between the United States and the Republic of Korea.

AMENDMENTS SUBMITTED

DRUG EXPORT LEGISLATION

METZENBAUM AMENDMENT NO. 1948 THROUGH 1950

Mr. METZENBAUM proposed three amendments to the bill (S. 1848) to amend the Federal Food, Drug, and Cosmetic Act to establish conditions for the export of drugs; as follows:

AMENDMENT No. 1948

At the end, add the following:

SEC. 9. Section 412 of the Federal Food, Drug, and Cosmetic Act is amended—

(1) by redesignating subsections (e), (f), and (g) as subsections (h), (i), and (j), respectively;

(2) by striking out the last sentence of paragraph (1) of subsection (h) (as redesignated by clause (1) of this section) and inserting in lieu thereof the following new sentence: "Such records shall be retained for at least one year after the expiration of the shelf life of the infant formula.";

(3) by striking out "subsection (a)(2)" in subsection (j) (as redesignated by clause (1) of this subsection) and inserting in lieu thereof "subsection (a)(3)"; and

(4) by striking out subsections (a) through (d) and inserting in lieu thereof the following:

"(a)(1) An infant formula (including infant formula powder) shall be deemed to be adulterated if—

"(A) such infant formula does not provide nutrients as required by subsection (j);

"(B) such infant formula does not meet the quality factor requirements prescribed by the Secretary under this section; or

"(C) the processing of such infant formula is not in compliance with the good manufacturing practices and the quality control procedures prescribed by the Secretary under this section.

"(2)(A) The Secretary shall by regulation—

"(i) establish requirements for quality factors for infant formulas, including requirements for the nutrients required by subsection (j);

"(ii) establish—

"(I) good manufacturing practices for infant formulas, including quality control procedures; and

"(II) requirements respecting the retention of records,

that the Secretary determines are necessary to assure that an infant formula provides nutrients in accordance with this section and will not cause harm; and

"(iii) establish requirements for the conduct by the manufacturer of an infant formula of regularly scheduled audits to determine that such manufacturer has complied with the regulations prescribed under clause (ii).

"(B) The good manufacturing practices and quality control procedures prescribed by the Secretary under subparagraph (A)(ii) shall include requirements for—

"(i) the testing of each batch of infant formula for each nutrient required pursuant to subsection (j) prior to the distribution of such batch in order to ensure that such formula is in compliance with this section and does not contain any deleterious or otherwise unsafe substance; and

"(ii) regularly scheduled testing of samples of infant formulas during the shelf life of such formulas in order to ensure that such formulas are in compliance with this section and do not contain any deleterious or otherwise unsafe substance.

"(C) The record retention requirements prescribed by the Secretary under subparagraph (A)(ii) shall include requirements for—

"(i) the retention of all records necessary to demonstrate compliance with the good manufacturing practices and quality control procedures prescribed by the Secretary under such subparagraph, including records containing the results of all testing required by subparagraph (B);

"(ii) the retention of copies of all records prepared by suppliers of raw materials and food packaging materials used in the processing of infant formula to demonstrate compliance by such suppliers with all regulations, guidelines, and action levels prescribed by the Secretary with respect to such raw materials and food packaging materials and with respect to infant formula;

"(iii) the retention of all records pertaining to the microbiological quality and purity of raw materials used in infant formula and of finished infant formula (including infant formula powder);

"(iv) the retention of all records of the results of regularly scheduled audits conducted pursuant to the requirements prescribed by the Secretary under subparagraph (A)(iii); and

"(v) the maintenance of files with respect to, and the review of, complaints concerning infant formulas.

Records required under this paragraph with respect to an infant formula shall be retained for at least one year after the expiration of the shelf life of such infant formula. Such records shall be made available to the Secretary for review and duplication upon request of the Secretary.

"(D) In prescribing requirements for audits under subparagraph (A)(iii), the Secretary shall provide that such audits be conducted by appropriately trained individuals who do not have any direct responsibility for ensuring that the manufacturer of an infant formula complies with the regulations prescribed by the Secretary under subparagraph (A)(ii).

"(3) The Secretary may by regulation—

"(A) revise the list of nutrients in the table in subsection (j); and

"(B) revise the required level for any nutrient required by subsection (j).

"(b) No person shall introduce or deliver for introduction into interstate commerce any new infant formula unless an application has been filed pursuant to subsection (c) with respect to such formula and such application has not been disapproved. For purposes of this section, the term 'new infant formula' includes any infant formula for which there has been a change in formulation or processing which may affect whether the formula is adulterated within the meaning of this section.

"(c) A person shall, with respect to any infant formula subject to the provisions of subsection (b), file with the Secretary an application. Each such application shall include—

"(1) full reports of testing demonstrating that such infant formula provides nutrients in accordance with subsection (j) and complies with the quality factor requirements prescribed by the Secretary under subsection (a)(2)(A)(i);

"(2) records demonstrating that the processing of such infant formula complies with the regulations prescribed by the Secretary under subsection (a)(2)(A)(ii); and

"(3) such additional information as the Secretary may by regulation prescribe.

"(d) Within ninety days after an application is filed under subsection (c), or prior to the end of such additional period as may be agreed upon by the Secretary and the applicant, the Secretary shall either—

"(1) approve the application if the Secretary finds that the infant formula complies with the requirements of this section and the regulations prescribed by the Secretary under subsection (a)(2)(A); or

"(2) deny the application.

"(e) An applicant whose application has been denied under subsection (d)(2) may appeal such denial pursuant to procedures specified in regulations prescribed by the Secretary. After the applicant has exhausted the remedies specified in such procedures, the applicant may appeal the denial of such application to the United States court of appeals for the circuit wherein such applicant resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia Circuit, within sixty days after the entry of the Secretary's final order denying such application.

"(f)(1) If the manufacturer of an infant formula has knowledge which reasonably supports the conclusion that an infant formula which has been processed by the manufacturer and which has left an establishment subject to the control of the manufacturer—

"(A) may not provide the nutrients required by subsection (j); or

"(B) may be otherwise adulterated of misbranded, the manufacturer shall promptly notify the Secretary of such knowledge and shall immediately take all actions necessary to recall shipments of such infant formula from all wholesale and retail establishments, and to assist such retail establishments in publicizing such recall in a manner reasonably designed to notify purchasers of such infant formula of such recall are the reasons for such recall.

"(2) For purposes of paragraph (1) the term 'knowledge' as applied to a manufacturer means (A) the actual knowledge that the manufacturer had, or (B) the knowledge which a reasonable person would have had under like circumstances or which would have been obtained upon the exercise of due care.

"(g)(1) If a recall of an infant formula is begun by a manufacturer, the recall shall be carried out in accordance with such requirements as the Secretary shall prescribe under paragraph (2), and—

"(A) the Secretary shall, not later than the 15th day after the beginning of such recall and at least once every 15 days thereafter until the recall is terminated, review the actions taken under the recall to determine whether the recall meets the requirements prescribed under paragraph (2); and

"(B) the manufacturer shall, not later than the 14th day after the beginning of such recall and at least once every 14 days thereafter until the recall is terminated, report to the Secretary the actions taken to implement the recall.

"(2) The Secretary shall by regulation—

"(A) prescribe the scope and extent of recalls of infant formulas necessary and appropriate for the degree of risk to human health presented by the formula subject to the recall; and

"(B) require the posting of a notice of any recall of an infant formula at each place where such formula is sold or was available for sale.".

AMENDMENT No. 1949

On page 37, between lines 20 and 21, insert the following:

"(9) For the purpose of implementing and monitoring compliance with the requirements of this subsection, the Secretary shall enter into agreements with or utilize the services of any foreign government or United States embassy in a foreign country to obtain drug labeling used in any foreign country or information available in a foreign country with respect to the safety and effectiveness of drugs.".

AMENDMENT No. 1950

On page 37, between lines 20 and 21, insert the following:

"(9) An antibiotic drug which is subject to certification by the Secretary under section 507 may be shipped for export only to a country described in paragraph (2) and only if the antibiotic drug meets the requirements of paragraph (3).

SEC. 4. (a)(1) The provisions of section 801(e) of the Federal Food, Drug, and Cosmetic Act, as added by section 3 of this Act, shall not apply, for a period of one year beginning on the date of enactment of this Act, to any antibiotic drug which—

(A) is subject to certification by the Secretary of Health and Human Services under section 507 of the Federal Food, Drug, and Cosmetic Act;

(B) has been exported prior to the date of enactment of this Act;

(C) does not comply with the provisions of section 801(e) of the Federal Food, Drug, and Cosmetic Act, as added by section 3 of this Act; and

(D) complies with the provisions of paragraph (2).

(2) An antibiotic drug to which paragraph (1) applies may be exported if—

(A) such antibiotic drug has not been the subject of final action by the Secretary of Health and Human Services denying, withdrawing, or suspending approval or certification of such antibiotic drug on the basis of safety and effectiveness, or otherwise banning such antibiotic drug on such basis; and

(B) such antibiotic drug is not the subject of a notice by the Secretary of Health and Human Services of a determination that the sale of such antibiotic drug in the foreign country to which such antibiotic drug is to be exported is contrary to the public health and safety of such country.

(b) The Secretary of Health and Human Services may extend the one-year period for which, pursuant to subsection (a)(1), the provisions of section 801(e) of the Federal Food, Drug, and Cosmetic Act do not apply to an antibiotic drug if the Secretary determines that the manufacturer of such antibiotic drug is making a good faith effort to comply with the provisions of section 801(e) of the Federal Food, Drug, and Cosmetic

Act, as added by section 3 of this Act, with respect to such antibiotic drug. Any extension under this subsection shall be for a period not in excess of one year.

PRODUCT LIABILITY VOLUNTARY CLAIMS AND UNIFORM STANDARD ACT

DANFORTH AMENDMENT NO. 1951

(Ordered referred to the Committee on Commerce, Science, and Transportation.)

Mr. DANFORTH submitted an amendment intended to be proposed by him to the bill (S. 1999) to regulate interstate commerce by providing for a uniform product liability law, and for other purposes; as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

TITLE I

SHORT TITLE

SEC. 101. This Act may be cited as the "Product Liability Reform Act".

DEFINITIONS

SEC. 102. (a) As used in this Act, the term—

(1) "capital good" means any product, other than a motor vehicle, or a vessel, aircraft, or railroad used primarily to transport passengers for hire, or any component of any such product, if it is also of a character subject to allowance for depreciation under the Internal Revenue Code of 1954 and was—

(A) used in a trade or business;

(B) held for the production of income; or

(C) sold, leased, or donated to a governmental or private entity for the production of goods, for training, for demonstration, or other similar purposes;

(2) "claimant" means any person who submits an expedited settlement claim subject to title II of this Act or brings a civil action subject to title III of this Act, and any person on whose behalf such a claim is submitted or such an action is brought; if such a claim is submitted or such an action is brought through or on behalf of an estate, the term includes the claimant's decedent, or if it is brought through or on behalf of a minor or incompetent, the term includes the claimant's parent or guardian;

(3) "clear and convincing evidence" is that measure or degree of proof that will produce in the mind of the trier of fact a firm belief or conviction as to the truth of the allegations sought to be established; the level of proof required to satisfy such standard is more than that required under preponderance of the evidence, but less than that required for proof beyond a reasonable doubt;

(4) "collateral benefits" means all benefits and advantages received or entitled to be received (regardless of any right any other person has or is entitled to assert for recoupment through subrogation, trust agreement, lien, or otherwise) by any claimant harmed by a product or by any other person as reimbursement of loss because of harm to person or property payable or required to be paid to the claimant, under—

(A) any Federal law or the laws of any State (other than through a claim for breach of an obligation or duty); or

(B) any life, health or accident insurance or plan, wage or salary continuation plan, or disability income or replacement service insurance or any benefit received or to be received as a result of participation in any pre-paid medical plan or Health Maintenance Organization;

(5) "commerce" means trade, traffic, commerce, or transportation (A) between a place in a State and any place outside of that State; or (B) which affects trade, traffic, commerce, or transportation described in clause (A);

(6) "commercial loss" means economic injury, whether direct, incidental, or consequential, including property damage and damage to the product itself, incurred by persons regularly engaged in business activities consisting of providing goods or services for compensation;

(7) "dignitary loss" means non-economic loss resulting from harm caused by a product, compensable under State law, not in excess of $250,000, and consisting of pain and suffering or mental anguish associated with (A) the death of a parent, child or spouse, (B) permanent and gross disfigurement, (C) permanent loss of a limb or organ, or (D) serious and permanent impairment of a bodily function;

(8) "economic loss" means any pecuniary loss resulting from harm caused by a product which is compensable under State law;

(9) "exercise of reasonable care" means conduct of a person of ordinary prudence and intelligence using the attention, precaution and judgment that society expects of its members for the protection of their own interests and the interests of others;

(10) "harm" means (A) personal physical illness, injury, or death of the claimant; (B) mental anguish or emotional harm of the claimant caused by or causing the claimant's personal physical illness or injury; and (C) physical damage to property other than the product itself; the term does not include commercial loss;

(11) "manufacturer" means (A) any person who is engaged in a business to produce, create, make, or construct any product (or component part of a product) and who designs or formulates the product (or component part of the product) or has engaged another person to design or formulate the product (or component part of the product); (B) a product seller with respect to all aspects of a product (or component part of a product) which are created or affected when, before placing the product in the stream of commerce, the product seller produces, creates, makes, or constructs and designs or formulates, or has engaged another person to design or formulate, an aspect of a product (or component part of a product) made by another; or (C) any product seller not described in clause (B) which holds itself out as a manufacturer to the user of a product;

(12) "net economic loss" means, in accordance with subsection (b) of this section—

(A) reasonable expenses incurred for reasonably needed and used medical and rehabilitation care and services;

(B) lost income from work which the claimant would have performed if the claimant had not suffered harm, reduced by any income earned from substitute work actually performed by the claimant or by income the claimant would have earned in available appropriate work which the claimant was capable of performing but unreasonably failed to undertake;

(C) reasonable expenses incurred in obtaining ordinary and necessary services in lieu of those the claimant would have performed, not for income, but for the benefit of the claimant or the claimant's immediate family, if the claimant had not suffered the harm;

(D) lost earnings of a deceased person who suffered fatal harm caused by a product which, if the person had not died, would have been contributed to claimants who are entitled to receive benefits by reason of such person's death under the law of the place where the deceased person was domiciled; and

(E) reasonable expenses incurred by the claimant in preparation and submission of a expedited settlement claim prior to the date on which notice is given by the manufacturer pursuant to section 205(b) or 205(c) of title II of this Act, including a reasonable attorney's fee,

less the total amount of collateral benefits paid or payable to the claimant by reason of the same harm;

(13) "person" means any individual, corporation, company, association, firm, partnership, society, joint stock company, or any other entity (including any governmental entity);

(14) "preponderance of the evidence" is that measure or degree of proof which, by the weight, credit, and value of the aggregate evidence on either side, establishes that it is more probable than not that a fact occurred or did not occur;

(15) "product" means any object, substance, mixture, or raw material in a gaseous, liquid or solid state (A) which is capable of delivery itself or as an assembled whole, in a mixed or combined state or as a component part or ingredient, (B) which is produced for introduction into trade or commerce, (C) which has intrinsic economic value, and (D) which is intended for sale or lease to persons for commercial or personal use; for the purposes of this Act, the term does not include human tissue, blood and blood products, or organs unless specifically recognized as a product pursuant to State law;

(16) "product seller" means a person who, in the course of a business conducted for that purpose, sells, distributes, leases, prepares, blends, packages, labels, or otherwise is involved in placing a product in the stream of commerce, or who installs, repairs or maintains the harm-causing aspect of a product; the term does not include—

(A) a seller or lessor of real property;

(B) a provider of professional services in any case in which the sale or use of a product is incidental to the transaction and the essence of the transaction is the furnishing of judgment, skill, or services; or

(C) any person who—

(i) acts in only a financial capacity with respect to the sale of a product; and

(ii) leases a product under a lease arrangement in which the selection, possession, maintenance, and operation of the product are controlled by a person other than the lessor;

(17) "Secretary" means the Secretary of Commerce;

(18) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States, or any political subdivision thereof; and

(19) "toxic harm" means harm which is functional impairment, illness, or death of a

human being resulting from exposure to an object, substance, mixture, raw material or physical agent of particular chemical composition.

(b)(1) The lost income taken into account under subsection (a)(12)(B) of this section shall be reduced by the amount of all Federal, State, and local income taxes and any Social Security or other payroll taxes which would be applicable to such income, but which would not be applicable to compensation paid under this Act.

(2) For purposes of this Act, the net economic loss of a claimant is limited to those expenses and losses specified in subsection (a)(12) of this section that have accrued as of the date on which the settlement claim is filed, plus the present value of future losses reasonably expected to be incurred, unless payment of settlement is made pursuant to section 104 of this Act.

(3) Where harm occurs in circumstances that might entitle a claimant to benefits (including workers' compensation benefits) which would reduce the amount of the claimant's net economic loss in accordance with subsection (a)(12) of this section and it cannot reasonably, within the time provided for payment of net economic loss under section 205 or 302 of this Act or any reasonable extension of such time, be determined whether or in what amount such benefits will be payable, the manufacturer or product seller shall place in an interest-bearing escrow account that portion of the economic loss which the manufacturer reasonably anticipates the claimant will receive from such other sources, until the claimant's right to such benefits and the amount of such benefits finally has been determined under applicable law.

(4)(A) The total amount of compensation for economic loss paid or payable to a claimant from any other source shall, for purposes of subsection (a)(12) of this section, be reduced by the amount of legal fees and other costs incurred by the claimant in collecting such compensation.

(B) Attorney's fees may be on a contingent basis but, for the purposes of subsection (a)(12) of this section, shall be calculated solely on the basis of an hourly rate which should not exceed that which is considered acceptable in the community in which the attorney practices, considering the attorney's qualifications and experience and the complexity of the case.

(5) Except as otherwise provided by any provision of Federal law, no program of compensation, whether public or private, the benefits of which would be deducted from a claimant's economic loss in order to calculate net economic loss under subsection (a)(12) of this section, may make payment of benefits secondary to payment of net economic loss by a manufacturer under this Act.

PREEMPTION

SEC. 103. (a) This Act governs any civil action brought against a manufacturer or product seller, on any theory, for personal injury or property damage caused by a product. A civil action brought against a manufacturer or product seller for loss or damage to a product itself or for commercial loss is not subject to this Act and shall be governed by applicable commercial or contract law.

(b) No civil action may be brought in any Federal or State court against a manufacturer or product seller for personal injury or property damage caused by a product other than an action for recovery for harm brought pursuant to this Act.

(c) This Act supersedes any State law regarding recovery for any injury or damage caused by a product only to the extent that this Act establishes rule of law applicable to any such recovery. Any issue arising under this Act that is not governed by any such rule of law shall be governed by applicable State or Federal law.

(d) Nothing in this Act shall be construed to—

(1) waive or affect any defense of sovereign immunity asserted by any State under any provision of law;

(2) supersede any Federal law, except the Federal Employees Compensation Act;

(3) waive or affect any defense of sovereign immunity asserted by the United States;

(4) affect the applicability of any provision of the Foreign Sovereign Immunities Act of 1976 (28 U.S.C. 1602 et seq.);

(5) preempt State choice-of-law rules with respect to claims brought by a foreign nation or a citizen of a foreign nation;

(6) affect the right of any court to transfer venue or to apply the law of a foreign nation or to dismiss a claim of a foreign nation or of a citizen of a foreign nation on the ground of inconvenient forum; or

(7) supersede any statutory or common law, including an action to abate a nuisance, that authorizes a State or person to institute an action for civil damages or civil penalties, clean up costs, injunctions, restitution, cost recovery, punitive damages, or any other form of relief resulting from contamination or pollution of the environment, or the threat of such contamination or pollution.

(e) As used in this section, "environment" has the meaning given to such term in section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(14)).

(f) This Act shall be construed and applied after consideration of its legislative history to promote uniformity of law in the various jurisdictions.

SETTLEMENT PAYMENTS

SEC. 104. Any tender of settlement under section 205 or 302 of this Act, or any settlement under the arbitration proceedings initiated under section 206 of this Act, may be made by—

(1) the payment of net economic loss previously incurred and any dignitary loss, and an enforceable promise to pay future otherwise uncompensated net economic loss as it is incurred,

(2) an agreement to pay net economic loss and any dignitary loss by means of an annuity, or

(3) payment of a lump sum,

except that, at the request of any party to such a settlement, payment shall be made in the manner prescribed in paragraph (1) of this section.

EFFECTIVE DATE

SEC. 105. (a) This Act shall take effect 90 days after the date of its enactment and shall apply to all expedited settlement claims submitted pursuant to title II of this Act on or after that date and all civil actions subject to title III of this Act commenced on or after that date, including any claim or action in which the harm or the conduct which caused the harm occurred before the effective date.

(b) If any provision of this Act would shorten the period during which a manufacturer or product seller would otherwise be exposed to liability, the claimant may, notwithstanding the otherwise applicable time period, submit an expedited claim to such a manufacturer or bring any civil action governed by this Act within one year after the effective date of this Act.

TITLE II

EXPEDITED PRODUCT LIABILITY SETTLEMENT PROCEDURE

SEC. 201. (a) A person who has suffered harm caused by a product, other than an employee of the product's manufacturer who suffers such harm in the course of his employment, may submit an expedited settlement claim under this title to the manufacturer or product seller.

(b) A person who submits such a claim under this title for harm caused by a product may not seek recovery for damages arising from the same harm in a civil action governed by title III of this Act, if the manufacturer or product seller—

(1) makes payment of net economic loss, or any dignitary loss, or both, to the claimant, pursuant to section 205(b) of this title; or

(2) declines to make full payment for such losses solely because of a dispute over the amount of settlement, pursuant to section 205(c) of this title.

(c) No person may submit an expedited settlement claim to a manufacturer or product seller under this title if there is pending a civil action brought by such person under any theory, under any law, to recover damages for the same harm.

(d) In the absence of a prior written agreement to the contrary, a manufacturer or product seller who makes payment under this title for damages caused by a product may not be made a defendant in any action brought by any other party for contribution, reimbursement, subrogation or indemnity for damages arising from the same harm, except as provided in section 205 of this title.

(e) Payment of an expedited settlement claim for harm under this title shall not bar an action governed by title III of this Act for associated harm which is physical damage to property other than the product itself.

SETTLEMENT CLAIMS

SEC. 202. A claimant seeking recovery for harm caused by a product under this title may submit an expedited settlement claim only for the claimant's net economic loss, or any dignitary loss, or both.

SUBMISSION OF AN EXPEDITED SETTLEMENT CLAIM

SEC. 203. (a) A person seeking to recover under this title from a manufacturer or a product seller for harm caused by a product shall submit an expedited claim by certified mail, return receipt requested, to the manufacturer or product seller.

(b) In order to be deemed a valid settlement claim for purposes of this title, notice of the claim submitted to the manufacturer or product seller pursuant to subsection (a) of this section must be accompanied by—

(1) except as provided in subsection (c) of this section, in the case of a manufacturer, reasonable proof that the manufacturer made or that the product seller sold the individual product unit that caused the harm;

(2) a detailed description of the product, including where appropriate and available the serial number of the product;

(3) full information regarding the date, place, and time of the harm's occurrence, the cause, nature and extent of the harm, and the nature and the amount of economic

loss caused by the harm, and any dignitary loss;

(4) copies of all bills for which payment is sought, including medical bills;

(5) copies of all medical reports or records within the possession or control of the claimant relating to the harm for which recovery is sought;

(6) a statement of lost income for which recovery is sought, together with evidence of the claimant's employment history and earnings;

(7) the names and addresses of all known witnesses to the occurrence of the harm, and (where practical) copies of the statements of such witnesses;

(8) the name and address of any other source of compensation paid or payable to the claimant for such economic loss, and the amount of any such compensation; and

(9) an affirmation or declaration, under penalties of perjury, that, to the best of the claimant's knowledge, the information provided with the claim is accurate and complete.

(c) Any person seeking to recover under this title for harm of a kind which manifests itself only many years after exposure may, where it is not possible for such person, despite every reasonable effort, to identify the manufacturer of the individual product unit that caused the harm, submit a product liability settlement claim in accordance with the provisions of this section to any manufacturer of a product that is identical or chemically indistinguishable from the product which caused the harm if that manufacturer's product was available at the time, when, and in the market in which, the product that caused the harm was purchased. In addition to the information required by subsection (b) of this section, the claimant shall provide the manufacturer with an adequate explanation of its inability to identify the manufacturer of the individual product unit which caused the harm.

(d) In any arbitration proceedings brought pursuant to this Act, no evidence may be admitted on behalf of the claimant which was not provided or made available to the manufacturer or product seller pursuant to this section, except upon a showing that such evidence could not have been discovered by the claimant in the exercise of due diligence prior to the date of the determination of the manufacturer or product seller pursuant to section 205 of this title or section 302(a) of this Act.

(e) An expedited settlement claim under this section must be submitted within two years of the time the claimant discovered or in the exercise of reasonable care should have discovered the harm and its cause, except that a claim of a person under legal disability may be submitted within two years after the disability ceases.

DUTY TO DISCLOSE INFORMATION

SEC. 204. (a) When a claimant has filed a valid settlement claim under section 203 of this title, the claimant shall—

(1) cooperate fully and expeditiously with the manufacturer or product seller in its reasonable investigation of the circumstances of the harm and of the loss claimed as a result of such harm; and

(2) promptly update during the course of the manufacturer's or product seller's investigation all medical information and information relevant to the calculation of net economic loss and any dignitary loss previously furnished pursuant to section 203(b) of this title.

(b) In addition to the information to be furnished pursuant to section 203(b) of this title, the claimant shall, upon request—

(1) deliver to the manufacturer or product seller a copy of every written report made before or after the date of request, which is available to the claimant and is not otherwise available to the person making the request, concerning any relevant medical treatment or examination of the claimant;

(2) deliver to the manufacturer or product seller the names and addresses of all physicians, hospitals and other persons examining, diagnosing, treating, or providing services to the claimant in connection with the harm or any other relevant past injury. The claimant shall authorize the person making such request to inspect all relevant records made by such persons;

(3) submit to a physical or medical examination, or both, by a health care provider specified and compensated by the manufacturer or product seller;

(4) deliver to the manufacturer or product seller the names and addresses of any experts upon whom the claimant relies, together with copies of the opinions of such experts; and

(5) where the product alleged to have caused the harm is in the possession or control of the claimant, provide the manufacturer with a reasonable opportunity to inspect, photograph or test such product.

(d) Any person (other than the claimant) providing information pursuant to this section shall be entitled to reimbursement from the requesting party for costs reasonably incurred in providing such information.

(e) If a claimant fails to comply with the provisions of subsection (a), (b) or (c) of this section, the claimant's expedited settlement claim shall be deemed to be invalid.

PAYMENT OR REJECTION OF A VALID SETTLEMENT CLAIM

SEC. 205. (a) Within ninety days of receipt of a valid settlement claim submitted under section 203 of this title (unless a longer period is agreed to by the claimant), a manufacturer or product seller shall determine whether to pay such claim, and shall give notice of its determination to the claimant by certified mail, return receipt requested, in accordance with this section. Any other person provided with notice by the manufacturer or product seller that a valid settlement claim has been submitted shall, within 180 days of receipt of such notice, determine whether to contribute its proportionate share of such claim.

(b) If a manufacturer or product seller decides to pay such claim, it shall notify the claimant that it will tender settlement of losses sought by the claimant and payable pursuant to section 202 of this title, and make payment to the claimant for any such losses pursuant to section 104 of this Act.

(c) If a manufacturer or product seller decides to pay such claim, but declines to make full payment of the claim because of a dispute over the amount of loss payable pursuant to section 202 of this title, the manufacturer or product seller shall notify the claimant of such determination. The manufacturer shall pay the undisputed portion of the claim and provide the claimant with a written explanation of the claimant's rights under section 206 of this title. Within one hundred and twenty days of the effective date of this Act, the Secretary shall make available a model explanation of such rights. A manufacturer who provides a claimant with copies of such explanation shall be deemed to have satisfied the requirements of this subsection.

(d) If the manufacturer or product seller determines that it will not pay such claim, it shall give the claimant written notice of rejection of the claim, together with a written explanation of the claimant's rights under section 207 of this title. Within one hundred and twenty days of the effective date of this Act, the Secretary shall make available a model explanation of such rights. A manufacturer who provides a claimant with copies of such explanation shall be deemed to have satisfied the requirements of this subsection.

RIGHTS UPON DENIAL OF FULL PAYMENT

SEC. 206. (a)(1) If a manufacturer or product seller has advised a claimant that it declines to make full payment of an expedited claim submitted under this title solely because of a dispute over the amount of loss payable pursuant to section 202 of this title, the claimant may, within ninety days of such notice, initiate binding arbitration proceedings by requesting the Federal Mediation and Conciliation Service to appoint an arbitrator from a roster of arbitrators maintained by the Service for such purpose. The manufacturer or product seller shall submit to such arbitration and shall be bound by any final determination of such proceedings.

(2) If a dispute regarding reimbursement arises pursuant to section 208 of this title, the parties to the dispute may, by mutual agreement, initiate binding arbitration proceedings by requesting the Federal Mediation and Conciliation Service to appoint an arbitrator from a roster of arbitrators maintained by the Service for such purpose. Such parties shall be bound by any final determination in such proceedings.

(b)(1) The Service shall adopt procedures and rules applicable to the selection of arbitrators and to the conduct of arbitration proceedings under this section. In order that such proceedings may be expeditious, informal, and reasonably inexpensive in cost, the Service's rules shall provide, among other provisions, that unless agreed otherwise by the parties—

(A) no prehearing discovery shall be permitted;

(B) any hearing shall be held in the community in which the claimant resides, except in the case of any arbitration proceedings arising from a dispute regarding reimbursement pursuant to section 208 of this title;

(C) the matter may, upon the request of the claimant, be submitted to the arbitrator for decision without written posthearing briefs;

(D) the arbitrator shall hear the case within 60 days after the date of the arbitrator's appointment and render a decision within 30 days after submission of the case for decision; and

(E) with respect to any dignitary loss, the arbitrator may award the claimant only either the amount sought by the claimant at the start of the hearing or the amount last offered by the manufacturer or product seller at the start of the hearing.

To the extent possible, similar awards shall be made for dignitary loss arising from similar injuries.

(2) The findings and determinations of the arbitrator shall be in writing and shall be final and conclusive. Such findings and determinations shall be enforceable in any court of competent jurisdiction. No official or court of the United States shall have power or jurisdiction to review any such findings and determinations except where

there is alleged fraud, misrepresentation, or similar misconduct by one of the parties to the arbitration or the arbitrator and where there is a verified complaint with supporting affidavits attesting to specific instances of fraud, misrepresentation, or other misconduct.

(c) If the arbitrator finds that the claimant was the prevailing party, the arbitrator shall increase the amount of the award payable to the claimant by reasonable attorney's fees and expenses incurred in connection with the arbitration proceeding.

(d) The manufacturer or product seller shall pay the fee and expenses of the arbitrator, except that if the arbitrator finds that the manufacturer was the prevailing party, the manufacturer or product seller shall be entitled to recover from the claimant or the claimant's attorney all such sums paid to the arbitrator, except that, in arbitration proceedings with respect to a dispute regarding reimbursement under subsection (a)(2) of this section, the parties shall contribute equal shares of the fee and expenses of the arbitrator.

(e) Arbitration under this section shall be a claimant's exclusive remedy where the manufacturer or product seller declines to make full payment of an expedited settlement claim under this title because of a dispute over the amount of claimant's loss.

RIGHTS UPON REJECTION OF CLAIM

SEC. 207. (a) If a manufacturer or product seller gives notice to a claimant pursuant to section 205(d) of this title that it will not pay a valid settlement claim, or if a manufacturer or product seller fails to respond to such a claim as required by section 205(a) of this title, the claimant may bring a civil action for damages arising from the same harm subject to the provisions of title III of this Act.

(b)(1) If the manufacturer or product seller is found liable in such civil action, the court shall award additional damages to the claimant in an amount equal to (A) 25 percent of the judgment, plus (B) 1 percent per month for each month after the date on which the manufacturer or product seller rejected the settlement claim or failed to respond pursuant to section 205 of this title until the date of entry of the claimant's judgment.

(2) In determining the amount of additional damages to be awarded under paragraph (1) of this subsection, the court may diminish the amount of additional damages in paragraph (1)(B) of this subsection if the action was delayed by causes not attributable to the manufacturer or product seller, including a congested court calendar, or if the action was prolonged because of novel or complex legal issues or complex factual issues.

(3) Such additional damages shall not be awarded in any action in which an expedited settlement claim was submitted pursuant to section 203(c) of this title, if the law of the State which governed such action did not provide, at the time such claim was submitted, for recovery in the absence of proof that the manufacturer made the individual product unit that caused the harm.

REIMBURSEMENT

SEC. 208. (a)(1) Subject to the provisions of this subsection, if any manufacturer or product seller has paid an expedited settlement claim pursuant to this title, the claimant is barred from bringing a civil action under any theory, under any law, against any person for damages arising from the same harm.

(2) A manufacturer or product seller which has offered to pay or agreed to pay the claimant's loss pursuant to section 205 of this title is subrogated to the claimant's right to recovery to the extent that the amount of loss paid or to be paid exceeds the comparative proportion of responsibility for such loss of such manufacturer or product seller.

(3)(A) If any person who is responsible for causing the claimant's harm refuses to contribute such person's proportionate share of such loss pursuant to this title, the manufacturer or product seller which has offered to pay or agreed to pay such loss may recover from such person a total amount equal to the amount of subrogation recovery pursuant to subsection (a)(2) of this section plus one-half of the amount of such subrogation recovery, in additon to reasonable attorney's fees and costs incurred in seeking such subrogation recovery.

(B) The court may waive the provisions of subparagraph (A) of this paragraph if—

(i) notice of the expedited settlement claim and opportunity to participate in the settlement were not provided to the person against whom the subrogation right is asserted pursuant to section 205 of this title; or

(ii) the person against whom the subrogation right is asserted has offered to submit the dispute to arbitration pursuant to section 206 of this title, and the person asserting the subrogation right has refused such offer.

(4) If an action is brought under this section against another person (other than the claimant's employer of fellow employee) for contribution, reimbursement or indemnity and the action is not a product liability action, as defined in this Act, such action shall be governed by applicable standards of liability under State or Federal law.

(b) A manufacturer or product seller may pursue its subrogation rights—

(1) where a claim was paid pursuant to section 205 of this title, either in the appropriate court of a State in which jurisdiction over the parties may be had or, if the requirements of section 1332 of title 28, United States Code, are satisfied, in an appropriate district court of the United States; or

(2) in the court which had jurisdiction over such civil action.

(c) Neither the claimant's employer nor any insurer shall have any right of subrogation, contribution, or indemnity against the manufacturer or product seller or any lien on the claimant's recovery from the manufacturer or product seller, nor shall the manufacturer or product seller have any right of contribution or indemnity against the claimant's employer or fellow employee.

TIME LIMITATION ON SETTLEMENT CLAIMS

SEC. 209. Any settlement claim submitted by a claimant under this title shall be barred, if a product which is a capital good is alleged to have caused harm which is not toxic harm, unless the settlement claim was submitted within twenty-five years after the date of delivery of the product to its first purchaser or lessee who was not engaged in the business of selling or leasing the product or using the product as a component in the manufacture of another product.

COLLECTIVE PROCESSING OF CLAIMS

SEC. 210. Nothing in this title or in the antitrust laws of the United States or of any State shall preclude manufacturers or product sellers from establishing and maintaining collective means of and facilities for processing claims which are submitted under this title.

TITLE III

CIVIL ACTIONS

SEC. 301. A person seeking to recover for harm caused by a product may bring a civil action against the product's manufacturer or product seller pursuant to applicable State or Federal law, except to the extent such law is superseded by this title.

SETTLEMENT PROCESS

SEC. 302. (a) If a claimant seeking to recover for harm caused by a product brings a civil action subject to the provisions of this title against a manufacturer or product seller and such claimant has not filed a valid settlement claim under title II of this Act, the manufacturer or product seller may tender settlement for the net economic loss and any dignitary loss sought by the claimant, pursuant to section 205 (b) or (c) of this Act. Such offer shall be made by certified mail, return receipt requested, within ninety days after service of the claimant's complaint, or within the time permitted pursuant to applicable State or Federal law for the responsive pleading, whichever is longer, except that if such pleading includes a motion to dismiss in accordance with applicable law, the manufacturer or product seller may make such an offer to the claimant within ten days after the court's determination regarding such motion.

(b) The claimant shall determine whether to accept or reject a tender of settlement made under subsection (a) of this section. The claimant shall provide to the manufacturer or product seller written notice of the claimant's acceptance or rejection of such tender by certified mail, return receipt requested, within ninety days after the date of receipt of such tender.

(c) Prior to and in lieu of filing its first responsive pleading in a civil action subject to this title, a manufacturer or product seller which is a defendant in such action and which has not rejected a valid settlement claim submitted by the claimant under title II of this Act may request the claimant to furnish the information specified in section 203(b) of this Act. If the claimant fails to furnish such information within thirty days after the date of such request, the claimant shall be deemed to have rejected the tender of settlement of the manufacturer or product seller, and the provisions of section 303 of this title shall apply.

(d) If a manufacturer or product seller has requested a claimant to furnish information pursuant to subsection (c) of this section, the provisions of section 303 of this title shall apply if evidence is admitted in the civil action on behalf of the claimant which was not provided or made available to the manufacturer or product seller pursuant to this section. The provisions of section 303 of this title shall not apply upon a showing that such evidence could not have been discovered by the claimant in the exercise of due diligence prior to the expiration of the period during which a tender of settlement may be made pursuant to subsection (a) of this section.

(e) Upon a tender of settlement by a manufacturer or product seller pursuant to subsection (a) of this section or a request for information pursuant to subsection (c) of this section, a civil action by a claimant under this title shall be stayed until (1) notification by the claimant pursuant to subsection (b) of this section, or (2) failure by the claimant to furnish information within the

time set forth in subsection (c) of this section, whichever is earlier.

(f) In any case in which a tender of settlement or a request for information is made pursuant to subsection (a) or (c) of this section, the court may, upon motion made at any time prior to the expiration of the appropriate period for response, enter an order extending such period. Any such order shall contain a schedule for discovery of evidence material to the issue of settlement or acceptance of a tender of settlement, and shall not extend such period for more than 30 days. Any such motion shall be accompanied by a supporting affidavit of the moving party setting forth the reasons why such extension is necessary to promote the interests of justice and stating that the information likely to be discovered is material, and is not, after reasonable inquiry, otherwise available to the moving party.

(g) If a claimant accepts a tender of settlement pursuant to subsection (a) of this section, the court shall dismiss the claimant's civil action, upon motion by any party to the settlement. Subject to the provisions of section 208 of this Act, upon acceptance of such tender of settlement, the claimant is barred from bringing a civil action against any person for damages arising from the same harm, and the manufacturer or product seller may seek reimbursement for the settlement.

RIGHTS UPON TENDER OF SETTLEMENT

SEC. 303. (a) In a civil action subject to this title, if a manufacturer or product seller tenders settlement pursuant to section 302 of this title and the claimant rejects such tender, the provisions of this section shall apply.

(b) If the manufacturer or product seller is found liable in such civil action for harm to the claimant, the damages awarded to the claimant for economic loss shall not exceed the net economic loss of the claimant, and the damages awarded for non-economic loss, other than punitive damages, shall not exceed $250,000. In any case where the law of the State provides that the liability of the manufacturer or product seller may be joint and several, such liability shall be joint and several only to the extent of the net economic loss of the claimant. With regard to all other loss, such a manufacturer or product seller shall not be liable to a claimant for an amount more than its prorate share based upon the comparative fault of all persons responsible for the claimant's harm.

(c) In any such action tried by a jury, the jury shall not be instructed regarding the limitations on damages specified in subsection (b) of this section. The award of damages in any such action shall be reduced by the court in accordance with such limitations.

UNIFORM STANDARDS OF PRODUCT SELLER LIABILITY

SEC. 304. (a) Notwithstanding the provisions of section 301 of this title, in any civil action for injury or damage caused by a product, a product seller other than a manufacturer is liable to a claimant, only if the claimant establishes by a preponderance of the evidence that—

(1)(A) the individual product unit which allegedly caused the harm complained of was sold by the defendant, (B) the product seller failed to exercise reasonable care with respect to the product, and (C) such failure to exercise reasonable care was a proximate cause of the claimant's harm; or

(2)(A) the product seller made an express warranty, independent of any express warranty made by a manufacturer as to the same product, (B) the product failed to conform to the warranty, and (C) the failure of the product to conform to the warranty caused the claimant's harm.

(b)(1) In determining whether a product seller is subject to liability under subsection (a)(1) of this section, the trier of fact may consider the effect of the conduct of the seller with respect to the construction, inspection, or condition of the product, and any failure of the seller to pass on adequate warnings or instructions from the product's manufacturer about the dangers and proper use of the product.

(2) A product seller shall not be liable in a civil action subject to the provisions of this title based upon an alleged failure to provide warnings or instructions unless the claimant establishes that, when the product left the possession and control of the product seller, the product seller failed—

(A) to provide to the person to whom the product seller relinquished possession and control of the product any pamphlets, booklets, labels, inserts, or other written warnings or instructions received while the product was in the product seller's possession and control; or

(B) to make reasonable efforts to provide users with those warnings and instructions which it received after the product left its possession and control.

(3) A product seller shall not be liable in a civil action subject to the provisions of this title except for breach of express warranty where there was no reasonable opportunity to inspect the product in a manner which would or should, in the exercise of reasonable care, have revealed the aspect of the product which allegedly caused the claimant's harm.

(c) A product seller shall be treated as the manufacturer of a product and shall be liable for harm to the claimant caused by a product as if it were the manufacturer of the product if—

(1) the manufacturer is not subject to service of process under the laws of any State in which the action might have been brought; or

(2) the court determines that the claimant would be unable to enforce a judgment against the manufacturer.

UNIFORM STANDARDS FOR OFFSET OF WORKERS' COMPENSATION BENEFITS

SEC. 305. (a) In any civil action subject to the provisions of this title in which damages are sought for harm for which the person injured is or would have been entitled to receive compensation under any State or Federal workers' compensation law, any damages awarded shall be reduced by the sum of the amount paid as workers' compensation benefits for that harm and the present value of all workers' compensation benefits to which the employee is or would be entitled for the harm. The determination of workers' compensation benefits by the trier of fact in a product liability action shall have no binding effect on and shall not be used as evidence in any other proceeding.

(b) In any civil action subject to the provisions of this title in which damages are sought for harm for which the person injured is entitled to receive compensation under any State or Federal workers' compensation law, the action shall, on application of the claimant made at claimant's sole discretion, be stayed until such time as the full amount payable as workers' compensation benefits has been finally determined under such workers' compensation law.

(c) Unless the manufacturer or product seller has expressly agreed to indemnify or hold an employer harmless for harm to an employee caused by a product, neither the employer nor the workers' compensation insurance carrier of the employer shall have a right of subrogation, contribution, or implied indemnity against the manufacturer or product seller or a lien against the claimant's recovery from the manufacturer or product seller if the harm is one for which a product liability action may be brought under this Act.

(d) In any civil action subject to the provisions of this title in which damages are sought for harm for which the person injured is or would have been entitled to receive compensation under any State or Federal workers' compensation law, no third-party tortfeasor may maintain any action for implied indemnity or conbribution against the employer, any co-employer or the exclusive representative of the person who was injured.

(e) Nothing in this Act shall be construed to affect any provision of a State or Federal workers' compensation law which prohibits a person who is or would have been entitled to receive compensation under any such law, or any other person whose claim is or would have been derivative from such a claim, from recovering for harm caused by a product in any action other than a workers' compensation claim against a present or former employer or workers' compensation insurer of the employer, any co-employee or the exclusive representative of the person who was injured. Any action other than such a workers' compensation claim shall be prohibited, except that nothing in this Act shall be construed to affect any State or Federal workers' compensation law which permits recovery based on a claim of an intentional tort by the employer or co-employee, where the claimant's harm was caused by such an intentional tort.

(f) Without regard to when the harm giving rise to the claim occurred, the provisions of this section shall not apply to any person subject to or covered by the Longshore and Harbor Workers' Compensation Act (33 U.S.C. 901 et seq.).

UNIFORM STANDARDS FOR AWARD OF PUNITIVE DAMAGES

SEC. 306. (a) Punitive damages may, if otherwise permitted by applicable law, be awarded in any civil action subject to this title to any claimant who establishes by clear and convincing evidence that the harm suffered was the result of conduct manifesting a manufacturer's or product seller's conscious, flagrant indifference to the safety of those persons who might be harmed by a product. A failure to exercise reasonable care in choosing among alternative product designs, formulations, instructions or warnings is not of itself such conduct. Except as provided in subsection (f) of this section, punitive damages may not be awarded in the absence of a compensatory award.

(b) The trier of fact shall first determine whether compensatory damages are to be awarded. After such determination has been made, the trier of fact shall, in a separate proceeding, determine whether punitive damages are to be awarded. In determining whether punitive damages are to be awarded, the trier of fact shall consider—

(1) the manufacturer's or product seller's awareness of the likelihood that the serious harm at issue would arise from manufacture or sale of the product;

(2) the conduct of the manufacturer or product seller upon learning that the product caused harm; and

(3) the duration of the conduct and any concealment of it by the manufacturer or product seller.

(c) Punitive damages may not be awarded where the unsafe aspect of the product which caused the claimant's harm complies in material respects with standards, conditions, or specifications established, adopted, or approved by the Congress or by an agency of the Federal Government responsible for the safety of the design, formulation, labeling or performance of a product.

(d) If the trier of fact determines under subsection (a) of this section that punitive damages should be awarded to a claimant, the court shall determine the amount of those damages. In making that determination, the court shall consider—

(1) all relevant evidence relating to the factors set forth in subsection (b) of this section;

(2) the profitability of the conduct to the manufacturer or product seller;

(3) the total effect of other punishment imposed upon the manufacturer or product seller as a result of the misconduct, including punitive damage awards to persons similarly situated to the claimant and the severity of other penalties to which the manufacturer or product seller has been or may be subjected; and

(4) the aggregate effect of such punishment upon the ability of the manufacturer or product seller to pay damages for economic and non-economic loss in pending or future claims involving persons similarly situated to the claimant.

(e) In considering the factors set forth in subsection (d) of this section, the court shall not make an individual award of punitive damages in excess of twice the amount of the claimant's compensatory award. For the purpose only of calculating punitive damages under this subsection, the limitations on the amount of damages specified in section 303(b) of this title shall not apply to the claimant's compensatory award.

(f) In any civil action in which the alleged harm to the claimant is death and the applicable State law provides, or has been construed to provide, for damages only punitive in nature, a defendant may be liable for any such damages regardless of whether a claim is asserted under this section. The recovery of any such damages shall not bar a claim under this section.

LIABILITY OF PARTIES

SEC. 307. (a) Any civil action subject to the provisions of this title shall be governed by the principles of comparative responsibility. The comparative responsibility attributed to the claimant shall not bar the claimant's recovery but shall reduce the amount of compensatory damages awarded to the claimant to the extent proportionate to the responsibility attributed to the claimant.

(b) In all such actions involving comparative responsibility, the court shall, unless otherwise agreed by all parties, instruct the jury to answer special interrogatories (or, if there is no jury, the court shall make specific findings) specifying—

(1) the amount of damages the claimant has suffered arising from the harm;

(2) the separate percentages of the total responsibility attributable to all parties, including the claimant, and any nonparties responsible to any extent for the harm; and

(3) those parties, if any, that are joint tort feasors.

(c)(1) The court shall determines the amount of compensatory damages to be awarded to each claimant in accordance with the findings and rulings made under subsection (b) of this section. The court shall enter judgment in accordance with such findings against each party determined to be liable, to the extent of such person's liability, as determined under subsection (b) of this section.

(2) Upon motion made by a claimant not more than one year after the date on which judgment is entered against a joint tortfeasor and appeals have been exhausted in any such action, the court may determine whether any part of the obligation of such joint tortfeasor for compensatory damages is not collectible. Any such part in excess of any collateral benefits which have been received by the claimant shall be reallocated as an obligation to be paid by the other joint tortfeasors in the action according to their respective percentages of responsibility, as determined under subsection (b) of this section.

(d) As used in this section, "joint tortfeasor" means a party to an action subject to this title (other than a claimant) whose conduct, together with that of at least one other party to such action (other than a claimant), resulted in an indivisible harm to the claimant for which there would be no reasonable basis of apportioning responsibility if principles of comparative responsibility did not apply.

UNIFORM STANDARDS OF LIMITATION AND REPOSE

SEC. 308. (a) Any civil action subject to the provisions of this title shall be barred unless the complaint is filed within two years of the time the claimant discovered or, in the exercise of reasonable care, should have discovered the harm and its cause, except that any such action of a person under legal disability may be commenced within two years after the disability ceases. If the commencement of such an action is stayed or enjoined, the running of the statute of limitations under this section shall be suspended for the period of the stay or injunction. If a claimant submits a valid settlement claim to a manufacturer or product seller pursuant to section 203 of this Act, the running of the statute of limitations under this section shall be suspended until notice is given by the manufacturer or product seller in accordance with section 205 of this Act.

(b) Any civil action subject to the provisions of this title shall be barred if a product which is a capital good is alleged to have caused harm which is not a toxic harm unless the complaint is served and filed within twenty-five years of the date of delivery of the product to its first purchaser or lessee who was not engaged in the business of selling or leasing the product or using the product as a component in the manufacture of another product.

(c) Nothing in this section shall affect the right of any person who is subject to liability for harm under this Act to seek and obtain contribution or indemnity from any other person who is responsible for that harm.

COUNSEL'S LIABILITY FOR EXCESSIVE COSTS

SEC. 309. (a) In the case of any civil action under this title, any attorney or other person who is admitted to conduct cases in any court of the State in which such civil action is pending and whose conduct in the course of such action is calculated to delay resolution of the action, or is determined by the court (after consideration of the circumstances) not to be in good faith, shall be subject to pecuniary sanctions to be imposed by the court. Any such sanction shall be equal to an amount not less than the total amount of court costs, fees, and expenses (including attorney's fees) reasonably attributable to the conduct.

(b) Notwithstanding any other provision of law, if the court finds that a civil action under this title was commenced without a good faith belief by the attorney representing the claimant in such action that there was a reasonable basis in law and in fact for recovery of the relief requested, or that such action was commenced merely for purposes of achieving a monetary settlement where there was no reasonable prospect for an award of damages, such attorney shall be liable for costs, fees, and expenses, including attorney's fees reasonably incurred to respond to or otherwise resist such action.

RECORD RETENTION

SEC. 310. (a) Any claimant and any person who is a party to a civil action under this title who anticipates bringing such an action, or who has notice that he or she may be made a party to such an action shall retain all material, documents and other data (including, in the case of the claimant, the product alleged to have caused the claimant's harm) within that person's possession, custody or control that are relevant or may lead to the discovery of evidence relevant to the claim or action.

(b) In any civil action under this title, if the court determines that a party has willfully disposed of, destroyed, concealed, altered or removed any material, document or data in violation of subsection (a) of this section or any State or federal rule, regulation or statute requiring the retention of such material, document or data, there shall be a rebuttable presumption that the facts to which the material, document or data relate are established in a manner adverse to the position of the party who has committed the violation. The court shall assess a civil penalty against such party in an appropriate amount not less than $1,000 and order such party to pay the other party's costs, including reasonable attorney's fees, incurred in proving the violation.

(c) In any other civil action under this title, in which the court determines that a party has nonwillfully violated subsection (a) of this section or any State or Federal rule, regulation or statute requiring the retention of such material, document or data, and that no other means are available to establish the facts to which the unavailable material, document or data relate, the court may, in the interest of justice, establish a rebuttable presumption that the facts to which the material, document or data relate are, for the purposes of such action, established in a manner adverse to the party who has committed the violation.

ADMISSIBILITY OF CERTAIN EVIDENCE

SEC. 311. Evidence that a manufacturer or product seller has made a settlement offer or payment to a claimant for harm caused by a product pursuant to this Act shall not be admissible in any civil action brought under or subject to this title or otherwise by any claimant.

SUBSEQUENT REMEDIAL MEASURES

SEC. 312. In any civil action under this title, evidence of any measure taken by a manufacturer or product seller after the occurrence of a claimant's harm which, if taken previously, would have made the harm less likely to occur is not admissible to

prove liability. Such evidence may be admitted when offered for another purpose, such as proving ownership, control, or feasibility of precautionary measures, if controverted, or impeachment.

Amend the title so as to read: A bill to regulate interstate commerce by providing for a uniform product liability law that affords persons harmed by products equitable and expeditious payment of their damages, and for other purposes.

● Mr. DANFORTH. Mr. President, last December S. 1999, the Product Liability Voluntary Claims and Uniform Standards Act, was introduced. Today, I rise to introduce an amendment in the nature of a substitute to that measure and ask unanimous consent that this amendment and the accompanying section-by-section analysis be printed in the RECORD immediately following these remarks.

This new proposal is a revision of S. 1999 that addresses concerns about the bill raised at 2 days of hearings on this product liability reform measure. S. 1999 attempted to combine uniform standards for liability with a new alternative claim system for swifter, more certain recovery of net economic loss by those injured by defective products. The overall objectives of S. 1999 were to provide an alternative to traditional litigation that would assure such recovery for those injured by defective products, reduce transaction costs for all those involved, and provide greater certainty with respect to the rights and responsibilities of product manufacturers, sellers, and consumers.

Let me say at the outset that this amendment is only a "draft." It is intended to be a framework on which to build a consensus. I fully expect further changes, and I invite ideas for changes from my colleagues.

This amendment to S. 1999 has the same objectives, but differs somewhat in approach. Instead of the expedited claim system of S. 1999, this proposal would establish a simpler alternative that would promote settlement of most product liability claims without extensive litigation. The overall goal is to promote such settlements by imposing limitations on recovery in cases where there is a legitimate and timely offer of net economic loss—those actual losses not reimbursed by other sources—plus any "dignitary loss" up to $250,000—that is, loss for pain and suffering in cases involving the most extreme and severe injuries.

Some of the general reforms of S. 1999 have been retained but the overall focus shifts from liability standards for claims and litigation to incentives for settlement. The basic idea remains to get as many people as possible out of the courts and into a simple alternative settlement system that makes injured persons whole on an expedited basis and without the costs associated with prolonged litigation.

This amendment creates incentives for both plaintiffs and defendants to settle product liability claims quickly either prior to or at the beginning of litigation. A victim of a product-related injury has a choice of utilizing an expedited settlement claim system under title II of this proposal or traditional litigation under title III. If the title II settlement system is utilized, the claimant may seek recovery for net economic loss and dignitary compensation for severe and permanent injuries; however, such dignitary or noneconomic loss may not exceed $250,000.

The manufacturer or product seller has 90 days to respond to such a claim. If the manufacturer pays the claim, no recovery for damages arising from the same harm may be sought in a civil action. If the manufacturer or product seller agrees to pay the claim but disputes the amount, the matter goes to binding arbitration. If the manufacturer or product seller rejects the claim, the claimant may seek recovery through litigation. If the claimant prevails, the manufacturer or product seller who rejected the claim is required to pay an additional percentage of the judgment as a penalty.

If a person chooses to litigate without using the title II expedited settlement system, the manufacturer or product seller defendant may offer to pay the net economic loss and dignitary loss sought by the claimant. A manufacturer or product seller who disputes the amount sought by the claimant may offer to pursue arbitration as to the amount to be paid. If the plaintiff accepts the offer of payment or agrees to arbitration, the case is dismissed and the claimant is barred from seeking recovery for damages arising from the same harm from any other person.

If an offer of settlement is rejected in these circumstances, the claimant's recovery would be limited in litigation to net economic loss plus up to $250,000 for any noneconomic losses excluding punitive damages. Joint and several liability could be applied only to the claimant's net economic loss. With regard to all other loss, the manufacturer or product seller would be liable only to the extent of its proportionate responsibility for the harm.

The expedited settlement procedures established by this amendment are designed to compensate the claimant—something that the tort system today rarely does. These procedures would permit the claimant to recover his net economic loss and dignitary loss.

Net economic loss includes reasonable expenses incurred for reasonably needed medical and rehabilitation care and services, lost income from work that the claimant would have performed, reasonable expenses incurred in obtaining ordinary and necessary family services that the claimant would have performed, lost earnings of a deceased person, and reasonable expenses incurred in preparation and submission of the claim, including an attorney's fee. Such economic loss is reduced by the total amount paid or payable by reason of the same harm from any other source, including workers' compensation and private insurance coverage.

Dignitary loss, which may not exceed $250,000, includes mental anguish associated with the death of a parent, child or spouse; permanent and gross disfigurement; permanent loss of a limb or organ; or serious and permanent impairment of a bodily function.

The amendment also includes uniform standards for the award of punitive damages. Punitive damages are limited to 2 times the plaintiff's compensatory damages, and may only be awarded if the plaintiff establishes by clear and convincing evidence that the harm suffered was the result of conduct manifesting a conscious flagrant indifference to the safety of those persons who might be harmed by a product. Such damages may not be awarded in the absence of compensatory damages. While a jury may determine whether compensatory and punitive damages are to be awarded, the court shall determine the amount of punitive damages. Punitive damages may not be awarded where the unsafe aspect of the product that caused the claimant's harm complies with Government specifications, standards, or conditions.

A comparative responsibility provision restricts joint and several liability to those few product liability cases where there is no other way of compensating the plaintiff for his loss. If, after the claimant attempts to collect proportionate shares of his loss from each joint tort-feasor, a defendant is found to be judgment-proof, his share of the damage will be divided among the other defendants according to their percentage of responsibility. However, before this sum is apportioned among the other defendants, it shall be reduced by the amount of any collateral benefits that have been received by the claimant. This provision will eliminate the need for costly contribution suits.

Both the title II claims system and title III traditional litigation are subject to a uniform statute of limitations that runs for 2 years from the discovery of the harm and its cause. In addition, both the title III claims system and title III are subject to a 25-year statute or repose for capital goods, except in cases involving toxic harm.

Mr. President, the virtue of this proposal is that it will reduce the high costs of litigation without depriving injured victims of their rights. Instead,

it provides victims with faster, more certain and more complete recovery while addressing defendants' ligitimate concerns about rising litigation and insurance costs.

I regard this proposal as a fair and viable framework for product liability reform; however, more work needs to be done and many of the provisions of this draft require further revision. It is my hope that in the weeks ahead, all those seeking product liability reform will be able to join together in this revision process and that we will be able to formulate a product liability reform bill along these lines that can be supported not only by the Senate Commerce Committee but by the Senate as a whole.

Mr. President, I ask unanimous consent that a section-by-section analysis of the amendment be printed in the RECORD.

There being no objection, the section-by-section analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF AMENDMENT TO S. 1999

TITLE I

Section 101 sets out the short title of the Act as the "Product Liability Reform Act."

Section 102 sets out definitions of certain terms used in the Act. Most importantly, (1) "dignitary loss," which may not exceed $250,000, includes pain and suffering or mental anguish associated with the death of a parent, child or spouse; permanent and gross disfigurement; permanent loss of a limb or organ; or serious and permanent impairment of a bodily function; (2) "net economic loss" includes reasonable expenses incurred for reasonably needed medical and rehabilitation care and services, lost income from work that the claimant would have performed, reasonable expenses incurred in obtaining ordinary and necessary family services that the claimant would have performed, lost earnings of a deceased person, and reasonable expenses incurred in preparation and submission of the claim, including an attorney's fee. Such economic loss is reduced by the total amount paid or payable by reason of the same harm from any other source, including workers' compensation and private insurance coverage. Attorney's fees may be on a contingent basis but, for purposes of determining net economic loss, shall be calculated solely on the basis of a reasonable hourly rate. (3) "Product" means any object, substance, mixture, or raw material which is capable of delivery, which is produced for introduction into trade or commerce, which has intrinsic economic value, and which is intended for sale or lease to persons for commercial or personal use; for the purposes of this Act, the term does not include human tissue, blood and blood products, or organs unless specifically recognized as a product pursuant to State law. (4) "Harm" means personal physical illness, injury, or death of a claimant; mental anguish or emotional harm of the claimant caused by or causing the claimant's personal illness or injury; and physical damage to property other than the product itself. The term does not include commercial loss.

Section 103 states the extent to which the Act preempts state law. The Act governs any civil action brought against a manufacturer or product seller, on any theory, for personal injury or damage caused by a product. A civil action for commercial loss or for loss or damage to a product itself is not subject to this Act and shall be governed by applicable commercial or contract law.

Section 104 provides that in an expedited settlement, payment shall consist of payment of past losses and an enforceable promise to pay future net economic losses as incurred, if any party so requests. Otherwise, it may take the form of a lump sum or an agreement to pay by means of an annuity.

Section 105 provides that the Act shall take effect 90 days after its enactment.

TITLE II

Section 201 provides that a person who has suffered harm caused by a product may submit an expedited settlement claim to the manufacturer or product seller. A person who submits such a claim may not sue any other party for the same harm if the manufacturer or product seller agrees to pay the claim. No claim may be brought if any civil action is pending to recover damages for the same harm.

Section 202 specifies that an expedited settlement claim may be submitted only for the claimant's net economic loss, or any dignitary loss, or both.

Section 203 provides that an expedited settlement claim must be submitted by certified mail, return receipt requested. Such a claim must be accompanied by reasonable proof that the manufacturer made the product that caused the harm, as well as by full information about the circumstances in which the harm occurred, copies of all bills for which payment is sought, copies of medical records relating to the harm, a statement of lost income for which recovery is sought, the names and addresses of those who witnessed the farm, and information about other sources of compensation paid or payable to the claimant for the harm incurred.

Section 204 provides that a claimant must cooperate with the manufacturer or product seller in its investigation of the claim, update all medical information and other data relevant to net economic loss, allow the manufacturer to have access to all relevant medical records and information, submit to a physical or mental examination, provide the names of experts upon whom the claimant relies, and permit the manufacturer or product seller to inspect or test the product alleged to have caused the harm, if it is still within the control of the claimant.

Section 205 requires a manufacturer or product seller who has received a valid settlement claim to respond within 90 days. If it is willing to do so, the manufacturer or product seller may pay the claim in full. If the manufacturer or product seller disputes the amount of loss that is payable, it may pay the undisputed portion of the claim and notify the claimant of his rights under section 206. If the manufacturer or product seller decides that it will not pay, it shall notify the claimant of his rights under section 207. Any other person provided with notice by the manufacturer or product seller that a valid settlement claim has been submitted shall, within 180 days of receipt of such notice, determine whether to contribute its proportionate share of such claim.

Section 206 establishes binding arbitration proceedings for the resolution of disputes over the amount of payable loss. With respect to any dignitary loss, the arbitrator may award the claimant only either the amount sought by the claimant or the amount offered by the manufacturer of the product seller. Arbitration under this section shall be the claimant's sole Title II remedy where a manufacturer or product seller declines to make full payment of an expedited settlement claim because of a dispute over the amount of claimant's loss.

Section 207 provides that if a manufacturer or product seller refuses to pay a valid settlement claim or fails to respond, the claimant may bring a civil action subject to the provisions of Title III of the Act. If the claimant prevails, and the manufacturer or product seller who rejected the claim is found liable, the court shall award additional damages of 25 per cent of the judgement plus one per cent of the judgment per month for each month from the rejection until the entry of the claimant's judgement.

Section 208 provides for reimbursement of a manufacturer or product seller who has paid a settlement by other persons responsible for the claimant's harm. If such other persons refuse to participate in the settlement, the manufacturer or product seller who paid the claim may sue and recover one and a half times the amount of the subrogation recovery, unless the person against whom the subrogation right is asserted has offered to submit the dispute to arbitration.

Section 209 provides that, if the product is a capital good alleged to have caused harm which is not toxic harm, any settlement claim must be submitted within 25 years of the date of delivery of the product to its first purchaser.

Section 210 provides that no antitrust law shall preclude manufacturers or product sellers from establishing collective facilities for processing claims which are submitted under this title title.

TITLE III

Section 301 provides that civil actions for harm caused by a product shall be governed by applicable State or Federal law, except to the extent that such law is superseded by this title.

Section 302 provides that if a claimant brings suit without filing a valid settlement claim under Title II, the defendant manufacturer or product seller may tender settlement of the net economic loss and any dignitary loss sought by the claimant, or may offer to arbitrate any dispute over the amount of such loss. The claimant must respond to such tender within 90 days. In lieu of its first responsive pleading, a manufacturer or product seller who has not rejected a valid settlement claim may request the claimant to furnish the information specified in section 203. If the claimant fails to respond, or later introduces evidence which he knowingly failed to provide in response to the request, he shall be deemed to have rejected the settlement offer, and the provisions of section 303 shall apply. If the claimant accepts the settlement offer, his civil action shall be dismissed and he shall be barred from bringing a civil action against any person for the same harm. The manufacturer or product seller may seek reimbursement for the settlement.

Section 303 provides that if the claimant rejects the settlement offer, a $250,000 cap would be placed on the manufacturer's or product seller's liability for noneconomic losses (excluding punitive damages). The claimant's award for economic losses would be reduced in the amount of any insurance or other compensation he has received for the same harm. Joint and several liability would apply only to the extent of such net economic loss; with regard to all other loss,

the manufacturer or product seller would be liable only to the extent of its proportional responsibility for the harm.

Section 304 establishes a uniform standards of product seller liability. A product seller other than a manufacturer is liable only if the claimant's harm was proximately caused by either the seller's own lack of reasonable care or a breach of the seller's own express warranty. However, a product seller shall be liable as if it were the manufacturer of the product if the manufacturer is not subject to service of process or if the claimant would be unable to enforce a judgment against the manufacturer.

Section 305 establishes uniform standards for offset of workers' compensation benefits. Under current workers' compensation statutes, the employer pays workers' compensation benefits in every workplace injury case. This section does not affect workers' compensation statutes, but provides that the workers' compensation system and the tort system are kept separate. The workers' compensation recovery of a claimant would be subtracted from his tort recovery, and the employer would not be permitted to place any subrogation lien on the tort recovery. Likewise, no action for implied indemnity or contribution could be maintained against the employer of the person who was injured.

Section 306 establishes uniform standards for award of punitive damages. Punitive damages are limited to twice the plaintiff's compensatory damages, and may only be awarded if the plaintiff establishes by clear and convincing evidence that the harm suffered was the result of conduct manifesting a conscious, flagrant indifference to the safety of those persons who might be harmed by a product. Such damages may not be awarded in the absence of compensatory damages. While a jury may determine whether compensatory and punitive damages are to be awarded, the court shall determine the amount of punitive damages. Punitive damages may not be awarded where the unsafe aspect of the product that caused the claimant's harm complies with government specifications, standards, or conditions.

Section 307 establishes uniform standards of comparative responsibility in product liability actions. Application of joint and several liability is restricted to those few cases where there is no other way of compensating the plaintiff for his loss. If, after the claimant attempts to collect proportionate shares of his loss from each joint tortfeasor, a defendant is found to be truly judgement-proof, his share of the damages will be divided among the other defendants according to their percentage of responsibility. However, before this sum is apportioned among the other defendants, it shall be reduced by the amount of any collateral benefits that have been received by the claimant. This provision will eliminate the need for costly contribution suits.

Section 308 establishes uniform standards of limitation and repose. All product liability actions are subject to a uniform statute of limitations that runs for two years from the discovery of the harm and its cause. In addition, both the claim system and Title III are subject to a 25-year statute of repose for capital goods, except in cases involving toxic harm. "Capital goods" do not include motor vehicles, or aircraft and other conveyances used primarily to transport passengers for hire.

Section 309 imposes penalties on attorneys who act in bad faith, with intent to delay, or who file suit for purposes of achieving a monetary settlement where there was no reasonable basis for recovery. Such attorneys shall be liable for all the costs reasonably attributable to the conduct, including court costs, fees, expenses, and attorney's fees.

Section 310 establishes record retention requirements. Any party to a civil action who willfully destroys or conceals any relevant materials shall be fined not less than $1000 and ordered to pay the other party's costs, including attorney's fees, incurred in proving the violation, and there shall be a rebuttable presumption that the facts to which the record related are adverse to the position of the party who committed the violation. If a party nonwillfully destroys relevant materials, the court may, in the interest of justice, establish a rebuttable presumption that the facts to which the record related are adverse to the position of the party who destroyed the materials.

Section 311 provides that evidence that a manufacturer or product seller has made an expedited settlement offer or payment to a claimant shall be inadmissible in any other action.

Section 312 restricts the introduction into evidence of remedial measures taken after the claimant's harm. Such evidence is not admissible to prove liability, but may be used for another purpose, such as impeachment.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON DEFENSE

Mr. STEVENS. Mr. President, I would like to announce a Defense Appropriations Subcommittee hearing on AIDS Policy, Testing, and Research in the Department of Defense. On Thursday, May 15, 1986, at 10 a.m., in room SD-192, we will receive testimony from Dr. William L. Mayer, the Assistant Secretary of Defense for Health Affairs, and Dr. Philip K. Russell, the Deputy Commander of the U.S. Army Medical Research and Development Command, on this very serious health problem.

This hearing will focus particularly on DOD's AIDS testing and research programs which address the threat of this devastating disease to our men and women in uniform and to our country's military readiness. The committee is very concerned about the unique problems to military personnel associated with HTLV-III infection. Our military members must deploy worldwide, often to areas with little or no medical support, and there is a critical need to protect blood supplies.

The committee looks forward to this opportunity to receive the most current information available regarding the Defense Department's efforts in this area, and invites all those interested to attend the hearing.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROTH. Mr. President, the Committee on Governmental Affairs will hold a hearing on Thursday, May 15, at 9:30 in SD-342 on S. 2197, the Federal Employees' Optional Early Retirement Act of 1986. For further information, contact Dick Schreitmueller of the committee staff at 224-4751.

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER AND RESOURCE CONSERVATION

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public the rescheduling of a hearing before the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources from June 12 to Monday, May 19, 1986, at 10 a.m. in room SD-366 of the Senate Dirksen Office Building, Washington, DC, 20510. Testimony will be received on S. 2204, to amend the Land and Water Conservation Fund Act of 1965, as amended, to permit the use of park entrance, admission and recreation use fees for the operation of the National Park System, and for other purposes.

Those wishing to testify should contact the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources, room SD-308, Dirksen Senate Office Building, Washington, DC, 20510. Oral testimony may be limited to 3 minutes per witness. Written statements may be longer. Witnesses may be placed in panels, and are requested to submit 25 copies of their testimony 24 hours in advance of the hearing, and 50 copies of the day of the hearing.

For further information, please contact Patty Kennedy or Tony Bevinetto of the subcommittee staff at (202) 224-0613.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. LATCH. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Monday, May 12, 1986, in order to conduct a hearing on the nomination of Lynne Chaney to be Chairman of the National Endowment for the Humanities.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SOVIET EMIGRATION POLICY IS ABSURD

● Mr. WALLOP. Mr. President, for the past several weeks the United States has fielded a delegation to an international meeting of the states which signed the Helsinki Final Act. That meeting is taking place in Bern, Switzerland, and its purpose is to discuss the progress in human contacts between the Western democracies and the Soviet bloc states.

The United States delegation has had an uphill struggle at that meeting to obtain any Soviet cooperation in discussing its human rights record. The Soviets insisted on closing the meeting to the media and the public and then complained in the international press that the United States delegation was being aggressive when it pushed for open debate on Soviet compliance with the human contacts provisions of the Final Act of Helsinki, which the U.S.S.R. signed in 1975.

One reason, Mr. President, is that the Soviet Union and its clients absolutely refuse any open discussion of their emigration policies, even when they are obligated by treaty to do so, as they are at this CSCE Conference at Bern. And the Soviet Union ignores our exhortations concerning its emigration policy in every instance, including such cases as those of Dr. Andrei Sakharov, who still suffers in Gorky in KGB hands for his legitimate human rights activities under the Helsinki Final Act.

I ask that the following article from the May 6 edition of the New York City Tribune be reprinted in the RECORD as a reminder of the absurdity of Soviet emigration policy.

The article follows:

LOGIC BEHIND ABSURDITY IN U.S.S.R.'S EMIGRATION POLICY

(By Lev Alburt)

(A few days ago, my friend Boris Gulko, a former Soviet chess champion and a "refusenik" for the past seven years, phoned me from Moscow. He told me: "I'm very grateful to all who organized and publicized the recent chess tournament in Bern supporting my right to emigrate." Following is an update on remarks I gave March 19 at a press conference held jointly with Rep. Jack Kemp, Rep. Jim Courter and Edward Lazansky, director of the Sakharov Institute, for the purpose of questioning Soviet emigration policy and in particular to highlight the situation of the Gulko family.)

According to Comrade Michael Gorbachev, Andrei Sakharov must remain in Russia because he knows Soviet military secrets. These secrets somehow haven't become obsolete in 20 years.

Boris Gulko and his wive Anna, both former Soviet chess champions, never have had access to any secrets, including those of the mysterious game of chess. For more than seven years they have been trying desperately to receive permission to leave the Soviet Union—all in vain. The Gulkos have a 7-year old son, David, who was born a refusenik.

The brave struggle of the Gulkos, their protests, their hunger strikes, have produced a lot of sympathy in the West. Why, you may ask, wouldn't Soviet leaders, from Brezhnev to Gorbachev, let them go and do what they want to do, namely, play chess and raise their son as a free human being? After all, the USSR spends millions of dollars annually on chess for propaganda efforts, and cases such as Gulko's to a great extent negate these efforts. To answer this questions to understand the hidden sense behind the seemingly absurd emigration policy of the USST, we should take a brief look at the very basics of the Soviet system.

Believe it or not, Soviet "socialism" is simply a code word for state slavery, based almost entirely on terror or on a threat of terror. In order to survive, not to mention obtaining the simple pleasures of life, Soviet "citizens" must behave as if they were devoted servants of their beloved masters of the Politburo, or, in Soviet newspeak, as if they are "Soviet people" who, by definition, love their Communist Party and its general secretary—and have no other goals but to promote the interests of the Socialist Motherland.

To those who find this behavior strange, and who prefer to believe that these backward Russians have been brainwashed by communist propaganda, I would remind them how some hostages of Arab terrorists became aware of the merits of the Palestinian cause—only to return to a normal state of mind immediately after being released.

In order to worship what they hate and to betray what they love, Soviet people must always remember that they are destined to live and die in their country-prison, and thus must learn to adopt to this reality. Ergo, there must be no emigration, and by the way, no religion as well—in other words, no hopes for escape in this life or even in the life hereafter.

When, in the early 1970s, the Soviet rulers had to allow a small fraction of certain ethnic groups (Jews, Armenians, Germans) to emigrate in order to receive Western credits, technology, grain, unilateral disarmament—in short, detente—they were fully aware of the negative effects that this emigration, this minor leak, would have on their system and did their best to minimize these effects.

Haven't you ever asked yourself why a certain medical doctor or a Ph.D. in physics, has been allowed to leave Russia only three months after applying for an exit visa, when an old man or woman not productive any longer, indeed, almost a burden to the state, has been receiving "refuses" year after year? Illogical, you may say—not at all. If the Soviet government allows certain groups of its subjects to leave Russia as they please, these groups would inevitably become virtually independent, no longer forced to play according to the communist rules of the game—and thus a daring example for all.

To ask Gorbachev, for instance, to grant a free exit to all those over 60 is to ask him to put his already shaky empire in great jeopardy, in fact, to dismantle it.

So, under pressure from the West, the Soviet government allows some individuals to go free—and here I should pay a tribute to those Americans who made this wonder of the second Exodus possible, among them Congressman Jack Kemp and that great champion of Soviet people Sen. Henry Jackson of Jackson-Venik fame. But the rules were intentionally made such as to allow no rules, no predictability at all.

As a result, Dr. Edward Lozansky, a physicist and brilliant organizer, is now in America as a director of the Andrei Sakharov Institute, instead of working in some Moscow lab on a Soviet version of Star Wars—while chess players Boris and Anna are challenging the empire in a struggle for their lives.

Can we help Boris and Anna? Definitely yes, and indeed, by our very presence here we are already helping them, protecting them with a shield of public awareness.

Comrade Gorbachev can not let the Gulkos go without raising hopes to others who wish to emigrate—the 7-year-long ordeal of the Gulko family isn't an encouraging example. Just let's make it absolutely clear that Boris and Anna Gulko, their friend Vladimir Pimonov, and all other refuseniks and prisoners are not forgotten, and hopefully they will be released—as Anatoly Shcharansky was.

By the way, we planned to call our tournament "Salute to Gulko and Shcharansky"—Shcharansky is a chess master and probably he would now be a grandmaster if he had not chosen mathematics as his profession.

I hope Gulko, too, is freed soon. The Soviet government needs us—our grain, in particular—more than ever. We should ask Gorbachev to pay for it by getting out of Afghanistan and, yes, by releasing Sakharov and Gulko.

Helping those brave people in faraway Russia is more than a human rights act, more than caring for those in need. Our solidarity makes oppressed people stronger and more determined, and inevitably makes their rulers weaker, their society more open and thus less dangerous for us.

The people of Russia, the people of all nations enslaved by communism, are our natural allies.

Together we will win. Twentieth century slavery will not endure to the 21st century.

I believe that we'll be generous in our victory. The American government will give immunity and asylum to the Gorbachevs and even Congressman Solarz wouldn't ask nasty questions about how many billions in real estate this couple owns in New York City.●

HISTORIC PRESERVATION WEEK

● Mr. ABDNOR. Mr. President, this week is National Preservation Week and across America in large cities and small farm towns, Americans will join in celebrating the 20th anniversary of the National Historic Preservation Act.

The theme for 1986, is "Celebrate Historic Places—Our Past for Our Future." It is a time to look back with pride in the progress which the historic preservation movement has made over the past 20 years and to look to the future with unbridled optimism.

In my own State of South Dakota we are seeing even greater activity in discovering the past history of our State. I recently received a letter from Mr. L. Adrien Hannus, director of the Archeology Laboratory of the Center for Western Studies at Augustana College, bringing me up to date with the activities which are underway in the Badlands of South Dakota to preserve and protect an important archaeological site where people belonging to the "Clovis" culture killed and butchered Mammoths. Mr. Hannus reminded me that this important find could not have been developed without help from the Historic Preservation Fund.

I am proud of the contribution which the National Trust for Historic Preservation has made to our Nation over the past two decades. Under the able leadership of Mr. J. Jackson Walter, we are seeing a broad based movement to plan for the next two

decades as well. We must not rest on past accomplishments, but forge ahead to consolidate the gains which we have made and move toward an even more aggressive national preservation program.

Preservation mean more than preserving and rehabilitating old buildings. It means preserving our past. I salute the work of the trust and also the dedicated efforts of the Historic South Dakota Foundation, Inc. and the Historical Preservation Center at the University of South Dakota to preserve and protect "our past for our future."●

A BAD TRADEOFF IN CHINA: ESSAY BY JENNIFER ROBINSON OF CASPER, WY

● Mr. WALLOP. Mr. President, Jennifer Robinson of Casper, WY, a talented high school student, recently won a nationwide essay contest conducted by the Friends of Free China. The Friends of Free China sponsored the essay contest on the topic, "How Freedom Affects Progress."

I would like to share this thoughtful, prize-winning essay with my Senate colleagues. The essay is timely indeed and points out the advantages of the free, democratic system in Taiwan as compared with the Communist People's Republic of China.

Mr. President, I applaud Jennifer Robinson's fine analysis of what is at stake in China and I ask that her outstanding and praiseworthy essay be printed in the RECORD.

The essay follows:

A BAD TRADE-OFF

They were forced to flee from their homeland, threatened with invasion by neighboring countries, and de-recognized as a nation by most of the world. Yet the Republic of China has risen above these obstacles to form one of the most highly developed nations in the world. Paul Hsu was right when he said, "We have proof that we have a working system, one that other countries would like to imitate." And countries do try to imitate Taiwan's system but with limited success. What accounts for Taiwan's remarkable rise in progress which even their counterparts in Communist China cannot duplicate? It is the elements of freedom. Economic, personal, and political freedom creates a winning combination for progress.

In comparing the economic situations of Mainland China and Taiwan, the results are astounding. In Taiwan, "annual per capita income stands at $2,673.00, more than ten times that of the People's Republic of China."(1) Taiwan is at the forefront of the economic world, while Communist China, with its backward and ill-equipped factories, retains a low technological and quality level. As one of the "Four Tigers", known for the dynamic growth, the Republic of China has prospered by exporting to the U.S., becoming America's sixth-largest source of imports and her sixth-largest over-all trading partner.(2) In fact, Taiwan's industrial output has been so successful that they are now moving up into a higher-quality bracket and are building for themselves a reputation for producing maximum-qualtiy goods. New markets are being planned to boost the industry. Besides an already well-developed $400 million-a-year auto parts industry, Taiwan is this year producing its first wholly Taiwanese-designed automobile for exportation. It is freedom in the marketplace that triggers this individual initiative to produce new and better products.

Although falling exports to the U.S. markets, mainly in the high-tech sector, are curbing their technological growth rates, "Taiwan's economy is still expected to grow 6.3% this year, down from 11% last year. That would be a pretty healthy rate anywhere else in the world, but it's shocking to Asians who suffer from "growth mania", says economist D. K. Patel.(3) The current economic indicators are low by Taiwanese standards only because of its remarkable record over the past twenty-five years.(4) Taiwan's economic performance still ranks sixth among 119 nations and tops all other developing countries. "The indications are that the Republic of China's economy in 1986 is taking a turn for the better, and its exports are also expected to increase by 5.2 percent over last year's.(5)

Across the strait in the Communist People's Republic of China, they are casting envious glances toward the flourishing tiny island. Why is it that Communist China keeps watching Taiwan? The answer, according to Yu-ming Shaw, is clear: "Like them, we are Chinese, but we're a success and free. Our system works. Theirs is a failure. We make them look bad." And the Republic of China does make the Mainland look bad. This enterprising island far outshines what it left behind. The People's Republic of China has every right to be jealous of the great strides Taiwan has taken, which they cannot imitate. Communist China is still a developing country, limited by the absence of freedom. Agriculture is still old and out-dated in its methods, with yields that are insufficient to feed its population. The living standards of the two nations are similarly astonishing in contrast. Shoppers in the People's Republic of China find only sparse supplies on the store shelves.(6) In living standards it ranks 112th of the countries of the world. The Republic of China on Taiwan, on the other hand, boasting one of Asia's highest standards of living, offers a plenteous selection of food and goods.

Economic freedom is a necessity for the progress of a country, but even that cannot be accomplished without personal freedoms. "For economic progress to continue, everyone must have a chance to share in it."(7) The Taiwanese people strive to better themselves and are urged to do so without government restrictions. They are expected to try to succeed regardless of the circumstances and to reach higher social and economic positions and status in their careers. This is in sharp contrast to the people of Communist China who have no choice but to remain on the same socio-economic level throughout life. The government there interferes with the people's private lives. Families are forcibly limited to one or two children and abortions are mandatory for a third. Careers are picked for the individual by the government. As one young Chinese girl stated when asked what she would do upon completing her studies: "Teach of course. I don't have a choice."(9) To have an economy and a nation that works, people must be able to own their own homes, their own land, and their own means of production. They must be free to practice their religions and to observe their country's traditions.(10) This is what Taiwan has and more besides. They have strong family ties and a fierce feeling of patriotism and national pride.

Rapid economic growth, such as the Republic of China's, usually tears apart the political grounding of a society, but their one powerful party has been in control for over four decades—the Kuomintang. Ramon Meyers in *The Miracle of the ROC* on Taiwan said, "No leadership or political party, so defeated, has been able to pull itself up by its boot straps and progress from such lowly straits to develop a society of vitality and energy as has the Kuomintang on Taiwan." As the dominant Nationalist party, the Kuomintang controls most of the government, but there are other political groups as well. Groups of politicians who do not belong to the Nationalist party have still been elected to serve in the government. On the other hand, in Communist China there is only the Communist party ruling with no opposition allowed.

Taiwan's climb to the top has not been easy, but it has been a steady one. It's no wonder that Communist China has now set up a drive for the reunification of themselves with Taiwan. But the Republic of China on Taiwan isn't buying it. That is wise. "The belief that the People's Republic of China is in the process of renouncing communism permanently in favor of capitalism and Western life-styles may be popular in the West, but inside China the state media are saying just the opposite. They say that the "open-door" is necessary to acquire Western technology, but stress, "for cardinal principles": "keeping to the socialist road, upholding the people's democratic dictatorship, maintain the leadership of the Communist Party, and adhering to Marxism-Leninism and Mao Tse-Tung thought." (11) As James Shen said in referring to Communist China's declaration that its handling of Hong Kong would serve as a blueprint for the inevitable reunification with Taiwan, "We've fought communism so long it would illogical to give up now when we're better off than ever. Could any sensible person expect us to trade what we have for the mirage of a blueprint?" Certainly, after comparing the Republic of China on Taiwan with Communist China, it is clear to see that freedom and the progress it brings would indeed be a bad trade-off for a system that does not work.

ENDNOTES

1. "Taiwan Bounces Back Stronger Than Ever." *U.S. News and World Report* (March 5, 1984), p. 38.

2. "The 'Four Tiger' Start Clawing at Upscale Markets." *Business Week* (July, 1985), p. 136.

3. "The 'Four Tigers' Fall Prey to the High-Tech Slump." *Business Week* (July, 1985), p. 44.

4. *Taiwan Post Report.* 1983.

5. "Local Economy is on the Upswing But World Wide Trends are Gloomy." *The Free China Journal* (February 3, 1986), p. 1.

6. "Taiwan Bounces Back Stronger Than Ever." *U.S. News and World Report* (March 5, 1984), p. 38.

7. "The Miracle of the ROC on Taiwan." Ramon Meyers. *Vital Speeches of the Day* (September 20, 1984), p. 122.

8. Yue-Ming, Shaw. "Expanding Foreign Relations." *The Free China Journal* (February 3, 1986), p. 2.

9. "Educators Tour China." *The Wyoming Educator* (September/October, 1985).

10. "Fighting for the Future of Angola." *Insight* (January, 1986), p. 74.
11. "The Chinese Democracy" *Insight* (February 3, 1986), p. 37.●

A TAX REFORM BILL WORTHY OF THAT NAME

● Mr. QUAYLE. Mr. President, 4 years ago this month, I introduced the SELF tax plan of 1982, the first comprehensive tax reform proposal in the Senate. Last Wednesday, Chairman BOB PACKWOOD, with the unanimous support of the Finance Committee, completed drafting a sweeping comprehensive tax reform measure. I am proud to say that the bill reported by the Finance Committee has the same basic objectives of my SELF plan—simplicity, efficiency, low rates, and fairness—which I believe should, and must, guide the revision of our tax system that the American people deserve and demand and that the U.S. economy requires.

I believe that the Finance Committee's plan, which the majority leader has announced will be debated by the full Senate in June, is a major improvement over the earlier House-passed bill. Where the House bill has four rate brackets, with a top rate of 38 percent, the Finance Committee measure has two rate brackets, with a 27-percent top rate. While the House bill provides for a 36-percent corporate rate, the Senate version provides for a 33-percent rate. The House bill increases the tax burden on American business by $140 billion and discourages capital investment, but the Senate proposal provides a tax system that encourages economic efficiency and investment decisions based on business considerations rather than skews in the Tax Code. Although it may include certain specific provisions with which I do not totally agree, or that differ with those of my own SELF tax plan, I believe that the measure the Finance Committee has reported is a tax reform bill truly worthy of that name.

Under the Finance Committee bill, 6½ million low-income taxpayers would be eliminated from the tax rolls. Studies have indicated that the working poor often face exorbitantly high marginal tax rates which provide a disincentive to work. A Tax Code which penalizes those who work is bad welfare economics, and just plain unfair.

The Finance Committee bill represents substantial progress toward a fairer—and simpler—Tax Code in other ways, too. Our current Tax Code with its 14 rates, will be distilled down to just 2 rates, 15 and 27 percent, with nearly 80 percent of all taxpayers paying the 15-percent rate. To ensure that the very wealthy pay their fair share of taxes, this plan provides that certain upper income taxpayers will pay 27 percent on all income, rather than a 27-percent marginal rate. Furthermore, the $2,000 personal deduction, is phased out for those taxpayers earning between $100,000 and $200,000. It should come as no surprise that 30 percent of all itemized deductions are taken by 4 percent of the very richest taxpayers who pay less than 20 percent of taxes.

Prior to the 1981 Reagan tax cuts, our tax system was allowing two regrettable results: the upward creeping of marginal rates, and a constriction of the tax base. Despite the increased marginal rates, Federal revenues have remained relatively constant over the past 25 years. The economic growth that resulted from the 1981 tax cuts is proof that, although higher marginal tax rates do not increase the amount of Federal revenues collected, they certainly increase the economic burden on the economy. Giving further credence to the argument that high marginal tax rates are counterproductive are statistics released by the IRS which show that the share of income taxes paid by the wealthy immediately following the Reagan tax cuts actually increased despite the fact that the taxpayers in the highest rate bracket received the largest rate reduction. The way toward an equitable tax code is through lower rates and a broad tax base.

The American people deserve true and meaningful tax reform, such as that proposed by the Senate Finance Committee. The distortions and undue bias inherent in our current Tax Code must be eliminated in the name of both simplicity and fairness. Once again, Mr. President, I salute the chairman and the members of the Finance Committee for their work in crafting this proposal, which will restore equity, simplicity, and economic efficiency to our tax code.●

BUDGET SCOREKEEPING REPORT

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate the Budget scorekeeping report for this week, prepared by the Congressional Budget Office in response to section 5 of the first budget resolution for fiscal year 1986. This report also serves as the scorekeeping report for the purposes of section 311 of the Congressional Budget Act, as amended.

I ask that the report be printed in the RECORD.

The report follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 12, 1986.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fical year 1986. The estimated totals of budget authority, outlays, and revenues are compared to the appropriate or recommended levels contained in the most recent budget resolution, S. Con. Res. 32. This report meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32 and is current through May 9, 1986. The report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended.

No changes have occurred since my last report.

With best wishes,
Sincerely,

RUDOLPH G. PENNER,
Director.

FISCAL YEAR 1986 CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE AS OF MAY 9, 1986

[In billions of dollars]

	Budget authority	Outlays	Revenues	Debt subject to limit
Current level [1]	1,057.1	980.3	778.6	2,004.6
Budget resolution, S. Con. Res. 32	1,069.7	967.6	795.7	[2] 2,078.7
Current Level is:				
Over resolution by		12.7		
Under resolution by	12.6		17.1	74.1

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval. In addition, estimates are included of the direct spending effects for all entitlement or other programs requiring annual appropriations under current law even though the appropriations have not been made. The current level excludes the revenue and direct spending effects of legislation that is in earlier stages of completion, such as reported from a Senate Committee or passed by the Senate. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] The current statutory debt limit is $2,078.7 billion.

FISCAL YEAR 1986, SUPPORTING DETAIL FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, AS OF MAY 9, 1986

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			777,794
Permanent appropriations and trust funds	723,461	629,772	
Other appropriations	525,778	544,947	
Offsetting receipts	−188,561	−188,561	
Total enacted in previous sessions	1,060,679	986,159	777,794
II. Enacted this session:			
Commodity Credit Corporation urgent supplemental appropriation, 1986 (P.L. 99–243)			
Federal Employees Benefits Improvement Act of 1986 (P.L. 99–251)		4	
VA Home loan guarantee amendments (P.L. 99–255)		−51	
Omnibus Budget Reconciliation Act of 1985 (P.L. 99–272)	4,259	−6,001	765
Department of Agriculture urgent supplemental, 1986 (P.L. 99–263)			
Advance to hazardous substance response trust fund (P.L. 99–270)			
FHA and GNMA Credit Commitment Assistance Act (P.L. 99–289)		−380	
Total	−4,259	−6,428	765
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses			
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Veterans compensation	272	185	
Veterans readjustment benefits	91	91	
Compact of free association	205	205	
Special benefits (Federal employees)	14	14	
Family social services	100	75	
Guaranteed student loans	6		

FISCAL YEAR 1986, SUPPORTING DETAIL FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, AS OF MAY 9, 1986—Continued

[In millions of dollars]

	Budget authority	Outlays	Revenues
Payment to civil service retirement [1]	(37)	(37)	
Total entitlements	688	570	
Total current level as of May 9, 1986	1,057,108	980,302	778,559
1986 budget resolution (S. Con. Res. 32)	1,069,700	967,600	795,700
Amount remaining:			
Over budget resolution		12,702	
Under budget resolution.	12,592		17,141

[1] Interfund transactions do not add to budget totals.

Note.—Numbers may not add due to rounding.●

MORE THAN LIBYA WAS GROUND ZERO

● Mr. HATFIELD. Mr. President, my opposition to the April 14 bombing of Libya is no secret. Though I was morally outraged by the thought that the United States had sunk so low as to practice "an eye for an eye" diplomacy, I also opposed the bombing because it was just plain counterproductive to our foreign policy interests.

A column entitled, "More Than Libya was Ground Zero," appeared on May 8 in the New York Times. In it, John B. Oakes, the former senior editor of the New York Times, elaborates a point I made on this floor the day after the bombing. He argues that the "impetuous attack . . . put the [NATO] alliance under perhaps the most severe strain in its history." The rosy reports from the recent economic summit do little to diminish the fact that the bombing struck a harsh blow to the NATO alliance.

As we debate in the coming months the appropriate responses to terrorism, I urge my colleagues to consider carefully the long-term implications of the decisions we make. The points Mr. Oakes made are excellent examples of such implications, and I ask that his column be inserted in the RECORD.

The column follows:

MORE THAN LIBYA WAS GROUND ZERO

(By John B. Oakes)

LONDON.—President Reagan's bombing raid over Libya, endangered far more than the Libyans. It endangered the North Atlantic alliance, cornerstone of American foreign policy in the Western Hemisphere.

With his impetuous attack on Libya, Mr. Reagan put the alliance under perhaps the most severe strain in its history. He also put his friend Prime Minister Margaret Thatcher of Britain on the spot. As was reconfirmed only this week at the Tokyo summit by their refusal to endorse military action, not a single one of the alliance's other members approved this method of fighting terrorism.

When the President originally phoned her to say he needed to use American planes based in Britain to insure the raid's success, Mrs. Thatcher replied that she wanted to sleep overnight on his request. She had to weigh her grave political, legal and moral doubts about the raid against Mr. Reagan's arm-twisting and the consequences for Britain and the alliance of her saying "no."

In her eyes, the American military presence in Britain and the future of the alliance were essentially at risk. Her refusal would have immensely strengthened those Washington voices (some in the Administration) already arguing that the United States is militarily overcommitted in Europe, our allies are unreliable and if our bases cannot be used when we think we need them, we should pull back—or out.

This is exactly what a part—but only a part—of Mrs. Thatcher's Labor opposition (now enjoying a modest revival) would like to see. As it is, one unwelcome byproduct of the Reagan raid has been to bring the argument in Britain over the American bases from the fringes of political debate, raised mainly by leftists with little general appeal, into the mainstream, where it has suddenly become a legitimate political issue.

The French have no such problems. They have no American bases. In what one French official sardonically called "a masterpiece of Cartesian logic," the French people—unlike the British—overwhelmingly approved both Mr. Reagan's raid and the French Government's refusal to cooperate with it.

To a visitor in Paris a few days ago, Premier Jacques Chirac tried to explain why. "We are determined to fight terrorism," he said, "but at the same time we can't agree to take action without fully knowing what's going on. In this case, we were in effect confronted with a 'fait accompli.' " One of President Francois Mitterrand's close aides insisted that the President was even tougher on Libyan terrorism than Mr. Chirac; but on the overflight issue there was no difference between them.

Former President Valéry Giscard d'Estaing is one politician unequivocally in support of the raid. When French troops were flown to Chad to protect it from Libyan inroads, he noted, "We flew over some countries without ever asking permission." The implication was that the Americans could and should have done the same.

One major reason for the refusal to open French skies to American bombers en route to Libya is the almost fanatical determination to prove to the world that France is running its own totally independent foreign policy, beholden to no one. One almost gets the impression that even if the French had thought the raid was a good idea, they wouldn't have agreed to it because they weren't part of the planning process.

But hardly anyone in a responsible position seems to have thought it was a good idea. No matter how much they enjoyed seeing the Americans take it out on Muammar el-Qaddafi, few in Britain or France think a raid of this sort could be effective against terrorism originating in Libya or anywhere else.

The British and the French have their own hostages in Lebanon to worry about, as we do; but perhaps more important to them is the destabilizing effect they see on the relatively moderate Arab regimes now obliged to rally round in support of the one Arab leader whom they most distrust.

It might have been a different matter if one could have been sure that Colonel Qaddafi would be eliminated by the raid but chances of that were small. As one major political leader said: "On peut ture la bete; mas il ne faut pas la blesser." ("It's O.K. to kill the beast, but you mustn't wound him.")●

CONTRA AID

● Mr. HATFIELD. Mr. President, anyone who has studied the art of foreign policy knows that one of the greatest geopolitical minds of our century belongs to former President Richard M. Nixon. President Nixon's historic visit to the People's Republic of China gave the world insight into the then-ignored 1 billion people living on the edge of the Soviet Union. President Nixon's pursuit of détente with Moscow taught a suspicious world a lesson about mutual needs without mutual sympathy. The litany is long, and President Nixon's successes changed the dynamic of U.S. foreign policy.

No one in this body need be reminded that I do not always agree with President Nixon's conclusions. He has thoughtfully argued that United States aid to the Nicaraguan Contras is in our best interest and that the April 14 bombing of Libya was justified, for example. Despite his sound logic and artful reasoning, I cannot agree on either point. But no matter; whether or not we agree, I learn a lesson in geopolitical analysis from President Nixon each time he makes a statement on a given policy or action.

A copy of President Nixon's April 21 speech to an American Newspaper Publishers Association luncheon in San Francisco recently came to my attention. Though the primary aim of the speech is support for United States aid to the Contras, its secondary analysis of our appropriate role in such nations as South Korea and the Philippines is nothing short of brilliant. I do not commend this speech to my colleagues for its final conclusion, for I oppose that conclusion. Instead, I commend this speech to my colleagues because we would all do well to learn some of the geopolitical lessons President Nixon has to teach.

I ask that a copy of his speech be printed in the RECORD.

The material follows:

THE CASE FOR AID TO THE CONTRAS

(Address as Prepared for Delivery by Former President Richard Nixon Before the Annual Associated Press Luncheon for the American Newspaper Publishers Association)

The two major foreign policy issues in the news today are the action against Khadafy in Libya and aid to the contras in Nicaragua. Since seventy-five percent of your readers support the President's action in Libya and sixty-five percent oppose his request for aid to the contras, the safest course for me today would be to bash Khadafy. I have decided, however, to address the unpopular issue of aid to the contras. This is not because I want to add to my well-deserved reputation for being controversial but because I profoundly believe that while what happens

in Libya is important, from a strategic standpoint what happens in Nicaragua will have a far greater impact on America's future.

Before discussing the situation in Nicaragua, it is important to put the issue in perspective by analyzing what happened in the Philippines. The role of the United States in deposing Ferdinand Marcos and in recognizing Corazon Aquino as President of the Philippines has been widely applauded. Coupled with President Reagan's statement of March 14, "We believe in human rights and will oppose tyranny right or left," our action in the Philippines has been interpreted by many analysts as signaling a profound change in the Reagan Administration's policies toward friends and allies of the United States who do not measure up to our standards of democracy.

A number of pundits have editorialized that our action in the Philippines provides a formula for similar U.S. intervention to bring about a change of leaders in other countries which are allies of the United States such as Korea, Pakistan, and Turkey. Many of these same analysts, on the other hand, oppose aiding anti-communist rebels in Nicaragua on the gounds that intervention into the internal affairs of a sovereign country violates international law. We should not apply a double-standard in implementing the principle of opposing tyranny. But in applying the principle, it is necessary to make some pragmatic distinctions.

The British historian Paul Johnson has written, "The essence of geopolitics is to be able to distinguish between different degrees of evil." This is an uncomfortable concept for idealsitic Americans, but it is the way things work in the real world. We don't like dictatorships. But we must recognize the differences between communist dictatorships and non-communist dictatorships. A non-communist dictatorship allows some freedoms; a communist dictatorship none. A non-communist regime allows some opposition, and consequently there is a chance for peaceful change. A communist regime allows no opposition. Non-communist governments generally support U.S. foreign policy; communist governments do not. Soviet bloc communist regimes try to export their repression; non-communist regimes do not.

The fact that friendly non-communist dictatorships are the lesser of two evils does not mean that we should do nothing to bring about reform of governments which do not measure up to our standards of democracy. The interests of the people involved in getting better government demand our action. Our own interests are involved because a government which holds power as a result of a free election is a more reliable ally and is less vulnerable to communist subversion.

To qualify for our support, a friendly non-communist government which does not measure up to our standards of democracy should meet these conditions: (1) While we do not demand perfection or a government exactly in our image, we do insist that it must provide some human rights, including a process for peaceful change in a democratic election. (2) It must provide competent leadership and particularly economic policies which can lead to progress for the people. (3) It must have a competent military establishment which is able to maintain internal order and contain communist insurgencies. (4) There must not be a better option—a viable non-communist opposition leadership.

The Marcos government measured up reasonably well on the first requirement. It allowed freedom of religion, some freedom of the press, and flawed though it was, an electoral process which could bring about peaceful change. But its economic policies led to the lowest growth rate in non-communist Asia. Corruption exceeded the acceptable limits in a country where corruption had become a way of life. The armed forces were incompetently led and demoralized. There was a credible non-communist alternative in Corazon Aquino.

It should be noted, however, that what made peaceful change possible was that the United States had leverage with Marcos and influence with the opposition and that Marcos did not resort to force to retain power. This is an unusual confluence of circumstances, and before we try to apply the Philippine example elsewhere we should examine the situation in each country on a case-by-case basis.

Before withdrawing our support from a friendly, non-communist government, we should bear in mind three caveats:

Such an action makes other friendly leaders whose governments do not meet our standards lose confidence in us. They may conclude that being a friend of the United States—far from being beneficial—is dangerous.

Our action may result in a worse government than the one from which we withdrew support. No one can seriously contend that the Iranian people and our own security interests are better served under Khomeini than under the Shah. We should not forget that there were no boat people under Thieu and that the genocide of over two million Cambodians did not occur under Lon Nol.

When we help to depose a friendly, non-communist leader, we take responsibility for what happens under the new leadership. Haiti was ungovernable before the Duvaliers, and Marcos did not invent corruption in the Philippines. Three centuries ago, the English philosopher, Thomas Hobbes, observed: "Democracy is nothing more than an aristocracy of orators." Unfortunately, the Philippines at times resembles that unflattering description. Corazon Aquino is a talented political leader and we should provide generous economic aid to her government. But we could not make a greater mistake than to perpetuate the little-brown-brother paternalism which has contributed to the failure of the Philippines to develop mature, responsible, economic policies. More than political reform, the Philippines needs economic reform so that their progress can begin to match that of their neighbors on the Asian rimland—Korea, Hong Kong, Taiwan, Malaysia, Singapore, and Thailand. Our aid should be provided in a way that will encourage that kind of economic reform.

Korea is being nominated as a likely candidate for American intervention to bring about a change of leadership. But comparisons to the Philippines are superficial and inaccurate. Korea has one of the world's strongest economies with a growth rate of over eight percent projected for 1986. The Korean military is strong, disciplined and competent. Corruption is modest by Asian standards. There is not yet a viable alternative to the Chun government. Some media pundits have observed that since a Catholic cardinal in Korea has criticized the government as did Cardinal Sin in the Philippines, opposition to the government in Korea is similar in magnitude to the opposition which deposed Marcos in the Philippines. They overlook the fact that ninety-five percent of Philippinos are Catholic, compared to less than five percent in Korea.

There is substantial opposition to the government in Korea and President Chun should stay ahead of the curve by adopting reforms voluntarily before he is forced to do so. But before we join or encourage that opposition, we should recognize that instability in Korea could lead to an attack by North Korea and another Korean war in which we would inevitably be involved.

A well-intentioned head of a major U.S. book publishing firm has recently suggested that the United States should withhold economic aid from Liberia until it has free election. If any government needs reform, it is Liberia's. It was our quasi-colony in Africa and has suffered under atrocious government for generations. But if we are to adopt a general policy of withdrawing support from governments which do not meet our standards for free elections, we would have to end aid to every government in Africa—not a very wise, let alone humane policy.

We should use our influence to encourage democratic reform in friendly and allied governments. But we should disabuse ourselves of the naive notion that simply replacing a leader who does not meet our standards is a solution to the problem. We should make as sure as possible that his successor would not make things worse.

We should apply the same pragmatic case-by-case basis in determining when and where we should support freedom fighters against tyrannical communist dictatorships. Americans enthusiastically applauded this statement when it was made twenty-five years ago: "We shall. . .support any friend, oppose any foe to assure the survival and the success of liberty." This is good rhetoric but poor policy.

Most liberals and conservatives agree that the United States should aid freedom fighters in Afghanistan and non-communist Cambodians in Cambodia. The fact that in each case there was invasion across the border gives the justification of international law for such support.

Where we have sharp disagreement is in cases where non-communist rebels are fighting against non-elected, tyrannical communist regimes. Those who oppose aid invoke the principle of consistency. They ask how we can justify opposing rebels in El Salvador and supporting rebels in Nicaragua. The answer is that we should judge a revolution for what it stands for—does it extend freedom or tyranny? We should support our friends in governments like El Salvador who are threatened by rebels who would impose tyranny; and we should support anti-communist rebels fighting against tyranny in Nicaragua. To deny help to our friends fighting for freedom while accepting the fact that the Soviets are assisting their comrades fighting for tyranny is strategically stupid and morally indefensible.

With these principles in mind, we should insist on three conditions for aid to freedom fighters against communist dictatorships: 1) It must be in the interest of the people of the county involved. 2) It must be in our interest. 3) There must be a reasonable chance for success.

By itself, the fact that a country has a communist government does not justify our support of anti-communist freedom fighters. The most obvious example is China. The communist government of the P.R.C. denies many of the freedoms we cherish. Therefore, it meets out first condition but not the second and the third. China does

not threaten America, America's friends, or America's interests. On the contrary, it provides an indispensable counterweight to the Soviet Union which does threaten our interests. It would be a strategic and moral mistake to support a Chinese freedom fighters' movement which had no chance for success.

Poland meets the first and second conditions, but not the third. Replacing the communist regime with a democratic government would be in the interests of the brutally repressed Polish people and in our interests. But a freedom fighters' movement in Poland would have no chance for success. As we learned in Hungary in 1956, any counter-revolution in a country bordering on the Soviet Union would be brutally repressed by the Red Army. It would be a moral and strategic mistake to incite a revolution against a tyrannical communist regime and then stand helplessly by as it is crushed.

A case can be made that our support for freedom fighters in Angola would not be subject to this objection since it does not border on the Soviet Union. The failure of the Soviet Union to come to the aid of its North Vietnamese allies when we bombed and mined Haiphong in 1972, or to give military assistance to Khadafy last week, demonstrates the reluctance of Soviet leaders to commit their military forces in areas not bordering on the Soviet Union.

The clearest case for providing support for freedom fighters is in Nicaragua.

Support for the anti-communist contras is in the interest of the Nicaraguan people, who suffer under a repressive communist dictatorship which denies them any chance to bring about peaceful change.

It serves the interest of the United States. Nicaragua is more important to the United States strategically than the Philippines. It would provide the first Soviet base on the Latin American mainland. But even more dangerous strategically is the threat an avowedly expansionist Nicaragua would pose to its Central American neighbors—not of conventional aggression across borders but going under borders with subversion. Panama would be an obvious target; but there would be potentially a much more dangerous target.

Many years ago, Charles deGaulle remarked, "Central America is an incident on the road to Mexico." We have been fortunate to have a friendly government on our two thousand-mile southern border over so many years. But looking to the future, we must recognize that Mexico has enormous problems. It is plagued by autocratic one-party government, massive, pervasive corruption, a damaging decline in oil prices, a $97 billion foreign debt, high inflation, tragic poverty, and huge unemployment. It is the major source of heroin and marijuana for the United States.

Fortunately, while the Mexican press is overwhelmingly pro-Castro, there is not yet a significant communist subversive movement. Mexico is a country waiting for a revolution. While it is fashionable today to deride the domino theory, the suppression of the contras would free the hands of the Sandinistas to export their "revolution" without borders. This would send shock waves through Central America, which could eventually reach Mexico. We cannot tolerate that risk.

But can the contras satisfy the third condition for support? Is there a reasonable chance they can succeed? The answer is yes, provided we give adequate support and define success properly.

Soviet bloc countries have provided over $500 million in military aid to the Sandinista government the past five years. Iran and Libya alone have provided three times as much support to the Nicaraguan government as the United States has to the contras over the past two years. One hundred million dollars is absolutely essential, but it is not nearly enough. We must not make the mistake we made at the Bay of Pigs twenty-five years ago—to provide enough aid to be blamed for intervening but not enough to succeed.

What do we mean by success? Our goal is not to overthrow the communist government, but to provide the military leverage which, added to economic and diplomatic pressure, would force the Sandinistas to cut back on their armed forces, cease importing arms from the Soviet bloc, quit trying to export their revolution to their neighbors, and negotiate with their non-communist opposition—in effect to comply with the terms of the Contadora process.

Some critics argue that if Nicaragua is so important strategically why do we not send in American forces to drive the Sandinistas out of power? First we must recognize that while we could undoubtedly prevail, overwhelming six hundred lightly armed Cubans in Grenada is a lot different from fighting one hundred thousand Nicaraguans armed with Soviet heavy weapons. But more important, if we conquer Nicaragua, what do we do with it? An American-imposed regime could become as unpopular in Latin America as a communist regime.

The only viable policy is to provide for Nicaraguans willing to risk their lives for their country the means to force the communist government to negotiate with the opposition and to implement the very reasonable proposals of the Contadora nations.

Four major objections have been raised to providing aid to the contras.

(1) Some contend that they are not worthy of support because their armed forces include a number of officers who served in Somoza's army. This argument of guilt by association would lead us to deny aid to Mrs. Aquino's government because her secretary of defense was Marcos' right-hand man in imposing martial law in the Philippines in 1972. The contras are not saints, but their communist opponents are not angels. Guerrilla wars bring out the worst in men. But it should be noted that it is a violation of official contra policy for their troops to use terrorist tactics. When the Sandinistas resort to terror, they are carrying out official communist policy.

(2) Others content that there are not enough contras to give them any chance to succeed. They overlook the fact that there are three times as many contras today as there were in the Sandinista forces at the height of the revolution against Somoza.

(3) The argument used most often against providing aid to the contras is that we should use diplomacy rather than military pressure to convince the communists that they should restore democracy in Nicaragua. The critics overlook the fact that the communist regimes which gain power by force do not give up power peacefully. In any event, the Sandinistas have flatly rejected the peace proposals of the Contadora nations. We should support the Contadora process, but recognize that the only way to get the communists to give more than lip service to the idealistic goals of that process is to back up diplomacy with military pressure. The sad history of the United Nations since World War II and of the League of Nations during the 1920s and 1930s is eloquent proof that diplomacy without military power to back it up is impotent.

(4) The least credible argument against aid to the contras is that it will lead to another Vietnam. This is exactly one hundred eighty degrees wrong. The surest way to make it necessary to send Americans to fight in Nicaragua is to deny aid to the contras. The Nicaraguan communist regime poses a dangerous threat to its neighbors in Central America and inevitably to the United States. The only question is who will fight to remove that danger. If we provide arms to the anti-communist contras, Nicaraguans will do it. If we don't provide arms to the contras, Americans will have to do it. The way to avoid committing American forces is to provide aid to the contras now rather than to be faced by the necessity later of sending in American men to liquidate the Soviet base which will be built if the contra movement collapses.

The stakes are high. What happens in Nicaragua will have worldwide implications. If the contras, with our aid, can succeed, it would be the first time that a Soviet-supported communist government was forced to abandon its repressive and expansionist policies because of the success of a people's counterrevolution. That is why the Soviet bloc is pouring millions of dollars worth of arms into Nicaragua for their communist comrades. We must make sure that our anti-communist friends do not fail because we refused to provide an equal amount of arms for them.

Unfortunately, the battle over aid to the contras has been unusually acrimonious and divisive. What we must recognize is that the question as to whether we aid freedom fighters against communist regimes is a disagreement about policy. Anti-communism is not a policy, it is a faith—faith in freedom. Most Americans support the faith. They disagree as to what policy would best defend and extend the faith. We should debate the policy without questioning the faith of those who disagree with us.

I realize that polls show that most Americans are weary of bearing the burden of world leadership. Our failure in Vietnam, the fact that most nations to whom we provide billions in foreign aid consistently vote against us in the U.N., the failure of most of our European allies to help us in our efforts to punish and deter an international terrorist outlaw, the huge defense expenditures during a budget crunch which causes cutbacks in favorite domestic programs—all of these factors combine to create this attitude: "Why do we have to involve ourselves in places like Nicaragua, Angola, Ethiopia, Cambodia, and Afghanistan? Let us take care of our own problems and let other people take care of theirs."

I understand this frustration, but Winston Churchill gave us the answer in his Iron Curtain speech at Westminster College in 1946: "The United States stands at this time at the pinnacle of world power. It is a solemn moment for the American democracy. For with primacy in power is also joined an awe-inspiring accountability for the future."

Those words are as true today as when he spoke them forty years ago. I first addressed this organization thirty-three years ago at a white tie dinner at the Waldorf Astoria Hotel in New York City. Since that time, I have been around the world many times and have visited most of the countries of the world. I have met hundreds of leaders and thousands of ordinary people in those coun-

tries. Some like us; some envy us; some hate us. But in their hearts most of the people in the world know what every American should know—that without the United States playing a responsible role on the international stage, peace and freedom will not survive in the world. To meet that responsibility is not a burden to be borne grudgingly but an exciting challenge worthy of a great people.

There is enormous power in this room today. As America's leading newspaper publishers, you have the opportunity to help the American people develop the understanding, the wisdom, the maturity, and the will to play that great role which history has bestowed upon us.●

BROOKLYN CENTER IS NAMED ALL-AMERICAN

● Mr. DURENBERGER. Mr. President, each year the National Municipal League and USA Today honor a handful of communities as "All-American Cities."

I am proud that one of the nine cities honored this year is Brooklyn Center, MN.

Brooklyn Center is a first-ring suburb of Minneapolis with a current population of 31,000. Over the years, Brooklyn Center has become known, both nationally and in Minnesota, as a city which places a high priority on voluntarism and high quality local government.

I recall, in particular, holding a hearing of my Subcommittee on Intergovernmental Relations in 1981 at which we were exploring new ways of delivering public services. One of the subjects of that hearing was an innovative concept in housing which Brooklyn Center was launching at that time which provided housing alternatives for older city residents, freeing up their larger homes for new families.

That project, Brookwood, includes 170 apartment and townhouse units. Sixty-five of the units are occupied by former homeowners who were enticed into the project by its quality and its promise of an easier lifestyle. In the process, 65 single-family homes were made available to younger families, many of them at prices well-below the cost of building new homes in more distant suburbs. This innovative housing project was one of the items mentioned by "All-American Cities'" judges in selecting Brooklyn Center.

One of the secrets of Brooklyn Center's success has been its high quality of both elected and administrative leadership.

I am proud that one former Brooklyn Center mayor, Phil Cohen, has been on my Minnesota office staff as a legislative assistant since 1979. The current Brooklyn Center mayor, Dean Nyquist, has served without compensation since he was elected in 1978. Brooklyn Center's city manager Gerald Splinter figures that Mayor Nyquist's spirit of volunteerism and community service has saved the city about $57,000 in the past 8 years.

Mr. President, because of the high honor represented in the selection of Brooklyn Center as an "All-American City," I ask that the following articles on Brooklyn Center and Mayor Dean Nyquist be printed in the RECORD.

The articles follow:

BROOKLYN CENTER IS NAMED ALL-AMERICAN

(By Jim Parsons)

A city that claims it is run by volunteers and by a mayor who is officially paid what he is worth—nothing—became an All-American City Friday.

The volunteers were the key to Brooklyn Center being selected, along with eight other U.S. cities. The mayor's salary, or lack thereof, wasn't. At least, not directly.

The sponsors of the awards, USA Today and the National Municipal League, based their selections on citizen involvement in solving problems. For Brooklyn Center, that means its mediation service for settling disputes, its Peacemaker Center with counseling for individuals and families, and a housing project designed to bring young families into the community.

Mayor Dean Nyquist's salary indirectly reflects that. He considers the time spent on city business his contribution, and that's why he doesn't take any pay. Every year at salary-discussion time, he makes a motion that he be paid nothing. It has come to be known as the pay-him-what-he's-worth motion.

"Everyone laughs when it comes up," City Manager Gerald Splinter said, "but it has saved the city about $57,000."

Nyquist, an attorney and former state legislator, has been mayor since 1978.

Two of the projects that earned Brooklyn Center its award rely heavily on volunteers.

The mediation project, which assisted 350 people last year, is an all-volunteer operation except for its director, Ann Wallerstedt. "Our mediators not only work for nothing," she said, "but they also have to go through 25 hours of training before they start."

The mediators deal with a variety of neighborhood disputes—anything from barking dogs to trees dropping leaves in someone else's yard—as well as interpersonal conflicts, such as a stepfather and stepson disagreeing over disciplinary rules. The purpose is to solve problems before they escalate and end up in court.

The Peacemaker Center offers counseling for a variety of problems including marital difficulties, child and sex abuse and chemical dependence. The counselors are professionals; a church pays the salary of the head counselor. Lawyers, doctors and other volunteers are used when needed to help with some of problems.

The housing project was mentioned in the award because it was an idea that came from the Chamber of Commerce and others and was not hatched at city hall.

The city built 170 condo units, apartments and townhouses for older people. The idea was to attract older homeowners in the city to buy units in the Brookwood project and sell their homes to growing families.

That would help bring new people into the community of 31,000 and replenish the dwindling enrollment in the area's schools.

Singer said most of the units have been sold and there are 65 former homeowners now living in Brookwood. The financing arranged on the project stimulated other home sales.

"We are confident it has worked," he said, "because the kindergarten population (in the Brooklyn Center school district) has gone up."

Other cities receiving All-American status were Mililani Town, Hawaii; Normal Heights, Calif.; Kansas City, Mo.; Highland Park, Ill.; Jackson, Mich.; Grants Pass, Ore.; Cleveland, Ohio, and Lynchburg, Va.

Ninty-three cities entered the competition.

BROOKLYN CENTER VIES FOR ALL-AMERICAN CITY AWARD

(By Mary Jane Gustafson)

Brooklyn Center is among 20 cities in the United States—finalists competing for All-America City Awards for citizen action, effective organization and community improvement.

There were 600 entries in the contest cosponsored by Citizens Forum on Self Government/National Municipal League and USA Today. The field was narrowed to 93 cities, and last month, to the 20 finalists, who made oral presentations Saturday and Sunday at the Omni Netherland Plaza Hotel, Cincinnati, Ohio, at the 91st National Conference on Government.

Eight to 12 cities will be selected the final winners by the panel of 12 judges, who heard the oral presentations. Field verification will be made after the first of the year, and the winners will be announced in April. An awards dinner will be held in Washington, D.C.

The Rev. Dick Rabine, pastor at the Brookdale Covenant Church, presented the Brooklyn Center story, accompanied by a slide presentation. Rabine focused on three projects—the Brooklyn Center Mediation Project, the Brooklyn Peacemaker Center and Brookwood.

"We have thought of our community as an All-America City for a long time, and we welcome this opportunity to try to make it official," Rabine told the judges. He explained the city will celebrate its 75th anniversary in 1986, and added, "Our community has a strong industrial base and a goals-oriented value system that has given us stability in our seven-and-a-half decades of growth and change.

"Public/private partnerships have contributed significantly to our civic successes in Brooklyn Center," Rabine continued. "They have enabled us to develop a proactive sense of community—an ability to anticipate problems and to deal creatively with them."

"Today," Rabine said, "140 community volunteers serve as mediators, case developers, receptionists, child care providers for parents attending support groups, foster parents to college students in need of positive parenting, attorneys as legal advisors, physicians for medical services and pastors who actively support the Peacemaker Center with referrals."

The third major project is Brookwood. Rabine said a community concern arose over the number of aging residents still living in their original homes. "Few moderately-priced homes were available for young families. These conditions contributed to a potential for a deteriorating housing stock, and declining enrollments in two of the four school districts serving Brooklyn Center."

"A survey of 500 elderly Brooklyn Center residents indicated that most wanted to stay in the community, that generally they had resources to live in un-subsidized housing, and that they wanted to escape mainte-

nance costs associated with home ownership," Rabine explained.

Armed with survey results, the Brooklyn Center Chamber, the Community Emergency Assistance Program (CEAP) and city government joined together to explore the potential for a specialized housing project, and a 25-member citizens' committee was formed to work with local senior adults. A developer was selected, financial options explored, a site chosen, and a final development package was recommended to the city. The project includes 170 rental apartments and town homes made affordable, in part, through tax increment financing.

Rabine stressed that the city's administrative team, business community, various churches, civic groups, service clubs, school personnel and a host of citizen volunteers have built a strong tradition of working together for the good of the community. "This shared commitment has resulted in the establishment of numerous programs and community problems and meeting community needs," he said.

Explaining the Brooklyn Center Mediation Project, Rabine said concern development because of an increasing number of single-parent households, a rising need for elderly care, an increase in low-to-moderate income families in rental housing and juvenile problems. "This contributed to stressful family relationships and a dispute between neighbors—all requiring police attention. Ultimately, it led to the formation of a broad-based 35-member task force charged with the responsibility of identifying solutions."

The Brooklyn Center Mediation Project began in June of 1983, after a 15-member advisory board was charged with developing and promoting the project and volunteers were trained. Over 500 people have used services provided by the Mediation Project during its brief two-year history to resolve disputes between neighbors, family members, retailers and customers, employers and employees, and with first-time juvenile offenders, their parents and victims. Voluntary mediation is offered free of charge and is confidential.

"Our second noteworthy project is the Brooklyn Peacemaker Center," Rabine told the judges. "This project developed as a direct result of a need for office space by the Brooklyn Center Medication Project and affordable counseling service for individual and family problems."

Rabine explained how the vacant Brookdale Covenant parsonage, 5136 N. Lilac Drive, was transformed into the Brooklyn Peacemaker Center a year ago after a nonprofit corporation was established to serve as an umbrella structure for the two programs. In addition to mediation and counseling, the Peacemaker Center offers an extended range of human services including Parents Anonymous, personal and group counseling, and supervised visitation for non-custodial parents.

Rabine said that $2.225 million worth of mortgage bond financing was secured to help young families afford homes made available by seniors moving into Brookwood. "More than 120 new families have moved to Brooklyn Center in two years since the bond offering made home ownership possible for them. This healthy influx has begun to restore our housing stock, and inject significant vitality into our community." Rabine explained.

"And we aren't done yet—not by a long shot," he continued. "Last year, our city council appointed a 25-member Year 2000 Committee to analyze trends and concerns likely to affect our community in future decades, and to evaluate current efforts to meet future challenges.

"So, you can see why we in Brooklyn Center describe our community as The Something More City," he said. "The philosophy of our city leaders and residents reflect that there is always something more to be offered, and that there is always something more to be done to meet the needs of the community."

Brooklyn Center's "Volunteer Mayor" Has Donated $54,381 to His Community

(By Jack Tubert)

When he begins his fifth term and the subject of salary comes up, Brooklyn Center Mayor Dean Nyquist will introduce his well-known "Pay-Him-What-He's-Worth" resolution.

Since he was first elected in 1978, Nyquist hasn't taken a dime of the $540 monthly salary payable to the city's chief executive. Instead, by his motion, the money goes into the city's general fund.

A corporation and real estate attorney in a small firm, Nyquist said he makes a good living without the city's money.

This has saved Brooklyn Center about $54,381 through October, and has made Nyquist a rarity in mayoral circles. No other Minnesota city with a population exceeding 30,000 has an unpaid mayor, he said (Brooklyn Center's population is 31,230). The Minnesota League of Cities lists seven cities with populations between 30,000 and 36,000. Their annual mayoral salaries range from $5,200 in Coon Rapids to $10,188 in Moorhead.

And Nyquist points to a directory of U.S. mayors of cities Brooklyn Center's size that also shows no other volunteer mayors.

He doesn't decline the salary to be unique; he is simply a community volunteer.

City Manager Gerald Splinter said, "Coaches in the Little Leagues and people elsewhere across the city volunteer their time and their talents to the community. Since he hadn't had time to develop the skills needed to coach baseball, the mayor feels he has skills in government to offer. So he serves as mayor without salary; that's his volunteering."

Nyquist's government skills stem from his 1967-72 stint in the Legislature, where he once was listed as Minnesota's third most conservative state senator.

Volunteering is a key component of his conservative philosophy, and he promotes it every way he can.

"I like to get people involved in projects, like the current Year 2000 Committee. Already it is looking ahead to the city's needs," said Nyquist.

A task force of volunteers has been formed to decide what the city should do with the Earle Brown Farm complex, which the city recently bought.

Nyquist also boasts of the city's volunteer partnership of industry and parents caring for kids after school.

City public-private programs and volunteer projects for youth earned a salute last summer from the National Conference of Mayors. One such program, which helps redirect juvenile offenders, was started with $2,000 in "seed money" that in effect came from Nyquist's untapped salary. Today it is self-sufficient and quite successful, he said.

Such civic involvement has helped make Brooklyn Center one of 20 semifinalists in the 1985 All-America City competition. The final phase of the competition will be held Saturday in Cincinnati.

When his fifth term ends in 1987, Nyquist's total salary contribution to the city will be just shy of $65,000.

He declines to discuss seeking to tie or break Brooklyn Center's record of six consecutive terms by a mayor. That was set by his predecessor, Phil Cohen, now a member of U.S. Sen. Dave Durenberger's staff. Cohen remains active on civic committees and calls Nyquist "a very dedicated mayor; he's kept his conservative manner, but is very receptive to new creative ideas."

Nyquist will be 51 in January. He was born the son of a farmer in Brule, Wis. The family moved to Hoffman, Minn., when he was 8. He earned a degree in electrical engineering from North Dakota State University, and worked as a manager in an electrical department at Honeywell before embarking on a law career.

When he does leave politics, the mayor said, he might try his hand at the restaurant business. He recalled telling that to a friend, who asked if Nyquist was ready for an 80-hour work week. Nyquist's answer? "Why not? it's less than I work a week now!"

Brooklyn Center Looks Ahead to the Year 2000

(By Leonard Inskip)

Brooklyn Center hopes to shape its future rather than merely respond to events as they occur. Its plan for doing so is a useful model for other Minnesota cities, particularly maturing suburbs.

While day-to-day municipal problems are important, "there needs to be more time, energy and effort directed toward . . . a . . . strategic perspective for Brooklyn Center," said a committee that looked ahead to the year 2000. "If our community is to be vital in the coming decades, we must anticipate trends, problems and issues and attempt to mitigate or avoid their negative impacts and take advantage of the positives."

A key element in that strategy is a concise, simple chart that matches trends and issues with impact areas. The chart cuts through the complexity of trends and issues and presents them understandably. It also can help officials and citizens readily make comparisons and connections between issues.

The 13-member committee, drawn from government and the public, listed issues and trends vertically on the chart. It listed horizontally nine possible impact areas—for example, housing and planning.

James Barton, director of planning assistance for the Metropolitan Council, says Brooklyn Center is a planning leader. He hopes other communities will look at its "unique process." Phil Cohen, an aide to Sen. Dave Durenberger, says Brooklyn Center is identifying "what's needed by first-ring suburbs over the next decade." Cohen, a former Brooklyn Center mayor, was on the Year 2000 Committee.

Brooklyn Center's population and housing are aging. Single-parent households are increasing. Commerce and industry are expanding, helped by the opening of Interstate Hwy. 94 to downtown Minneapolis.

Although established in 1911, Brooklyn Center had most of its residential growth after World War II. By 2000, that housing will be 30 to 40 years old, a time when rejuvenation often is needed or decay sets in.

A middle-income community of 31,000 people, Brooklyn Center has more blue-

collar than white-collar workers. Much of the housing consists of three-bedroom ramblers of 900 to 1,000 square feet, with single-car garages. To encourage remodeling, so that houses attract future buyers, the city may need to revise codes governing setbacks for additions. It might offer advice on reinsulation, new heating systems and other home improvements. The Year 2000 chart shows housing affecting city council policy, city planning and city services. The committee suggested that the city's Housing Commission "recommended financial and informational mechanisms to assist homeowners in major maintenance and energy modernization projects."

The aging of residents produced a comment in all nine impact areas on the chart: The city may need to develop new services for the elderly and new housing options that encourage turnover of empty-nester homes to younger families.

Other issues raised by the committee ranged from recycling and storm drainage to historic preservation and schools.

Another was an increasing potential for city involvement in human services. Once, municipal governments dealt mainly with fire, police and physical development. New problems include battered women, single parents, the elderly, the handicapped. Suburbs usually lack much experience with social programs, says City Manager Gerald Splinter, but "the report tells us to start thinking." The report urged the city council to ask the city's Human Rights Commission to recommend "guidelines for evaluating new social and human-resource service needs."

Splinter notes how one new program may affect others. The Human Rights Commission's efforts for handicapped accessibility, including a booklet listing accessible businesses, attracted new handicapped residents. That created a need for better sidewalk snow removal. More handicapped residents also means more stalled wheelchairs to respond to.

A Target store planned in 1984 illustrated the problem of reacting rather than anticipating. Worried about traffic flows, the city declared a three-month moratorium on retail development while it studied traffic. Today, Brooklyn Center's traffic data is computerized for the first time.

"If the new process works, the city council will spend money to solve a problem before a crisis comes," Splinter says. But such decisions won't be easy. "It's tough to get money for a potential problem."

Splinter says another key to success will be joint biennial meetings of all city agencies and commissions to update the Year 2000 report, so that it evolves with city needs. The first meeting is proposed for 1987.

Brooklyn Center is a candidate for an All-America City award in 1986. No judgment is possible here on most Brooklyn Center programs. But an All-America City should be one that looks beyond today so that it can better manage tomorrow. In that sense, Brooklyn Center is a winner already.●

JOSEPH E. KELLER, COUNSEL EMERITUS FOR PRIVATE CARRIER CONFERENCE

● Mr. GLENN. Mr. President, as a Senator from Ohio and a member of the Senate truck caucus, it gives me a great deal of pleasure to note that Joseph E. Keller, founding partner in the Washington, DC-based law firm of Keller & Heckman, has been named counsel emeritus for the Private Carrier Conference, after a long and distinguished career in which he served as the group's general counsel.

The Private Carrier Conference is the largest of 11 conferences affiliated with the American Trucking Association. It represents manufacturers, distributors, shippers, and receivers who operate motor trucks as an extension of their primary business endeavors. Private carriers are the dominant sector of the trucking industry today, hauling nearly 60 percent of the Nation's intercity truck-ton mileage and operating 6 million vehicles.

Joe Keller was born in Dayton, OH, in 1907. He graduated from the University of Dayton in 1928 with an A.B. degree, and received his law degree there in 1930. He was admitted to the Ohio Bar and began practicing law in Dayton.

When the Federal Communications Commission was being organized in 1934, he was asked to go to Washington by James Cox, newspaper publisher, family friend, and former Ohio Governor. Ohio's loss was Washington's gain. Soon thereafter he joined the Washington law firm of Dow, Lohnes & Albertson where he began his work with the Private Carrier Conference. During World War II he served as a major in the U.S. Army, after which he returned to the law firm.

In 1962, he founded his own firm, Keller & Heckman, with Jerry Heckman, a former colleague. He has served as a law instructor and contributed numerous articles to leading law reviews. He has also served as legal editor of the Private Carrier.

I know that my colleagues join me in congratulating Joe Keller for his dedication, his many outstanding achievements and responsibilities in the motor carrier industry, and his effective contribution in the Nation's search for a responsible transportation policy.●

NAVY CELEBRATES 75TH ANNIVERSARY OF NAVAL AVIATION PROGRAM

● Mr. WILSON. Mr. President, on Thursday, May 8, I inserted in the RECORD a tribute for the Navy's 75th Anniversary of the Naval Aviation Program. Due to a clerical error, a letter I sent to Secretary of the Navy John Lehman was inadvertently omitted. I ask that the letter be printed in the RECORD at this point.

The letter follows:

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, May 8, 1986.

Hon. JOHN F. LEHMAN, JR.,
Secretary, Department of the Navy,
The Pentagon, Washington, DC.

DEAR MR. SECRETARY: Last year, the Senate Armed Services Subcommittee on Sea Power and Force Projection strongly supported your request for nine P-3C aircraft to meet your Barbers Point squadron transition and the initial procurement of P-3C aircraft for the first Naval Reserve P-3C squadron in Fiscal Year 1988. We also approved an additional Update III retrofit kits that were added to your requested 15 kits in the FY '86 Appropriations Bill, to accelerate modernization of the fleet.

Recently, you announced the Navy's plan to procure 125 P-3D's beginning in Fiscal Year 1989. Because of growing Soviet submarine threat, I fully support the need for the P-3D. I applaud your efforts regarding the upgrading of the avionics system and planned incorporation of more fuel efficient engines which will provide a significant increase in this weapon system's capability. Your support, with respect to P-3C procurement through FY '88, is essential in maintaining an adequate force structure.

It is my understanding that nine P-3C's are needed in Fiscal Years '87 and '88 to complete procurement for the first P-3C reserve squadron, to continue the Barbers Point transition, and to support the critical ASW aircraft requirements of a key NATO ally. I am sure that you fully appreciate the need to maintain the current production line of this proven ASW asset as the program proceeds from the "C" and the "D" configuration.

Be assured of my strong support for the funds and program in the President's request and in the smooth orderly transition from the P-3C to the P-3D.

Thank you for your support and consideration on this important matter.

Sincerely,

PETE WILSON.●

INNA MEIMAN'S PAINFUL PLIGHT

● Mr. SIMON. Mr. President, Inna Meiman is a woman in pain. She is in physical pain and in mental anguish.

A member of my staff, Pamela Huey, visited Inna Meiman in her Moscow apartment May 9. Inna's husband, Naum Meiman, had gone to the country because the pressure on him had become unbearable.

The Meimans are seeking to emigrate to Israel. Inna Meiman is critically ill with cancer and holds out hope treatment she would receive in the West would cure her.

Soviet doctors have performed four operations on Mrs. Meiman's malignant tumor but they say there is nothing more they can do for her.

Inna Meiman said her pain is constant. Only occasionally, when she sits very still, does the pain subside somewhat. But she says she is also in pain watching her husband, knowing what he is going through.

I implore the Soviet Government to allow the Meimans to leave. Why the Soviets refuse to let this kind, wonder-

ful couple emigrate is beyond my imagination. They both deserve the best life has to offer and not the death that is sure to come for Inna if she is denied permission.●

THE STRATEGIC DEFENSE INITIATIVE INSTITUTE

● Mr. LEVIN. Mr. President, I would like to address the Senate today about the Strategic Defense Initiative Institute. The Department of Defense announced its intention to create this Institute on March 18, 1986, in the Federal Register. It is an important new research center which the Department of Defense has proposed to provide the Government with independent, objective scientific advice about the Strategic Defense Initiative Program, also known as star wars.

The SDI Program could use an objective research center. The program has so many technological questions that our best scientists cannot agree on the program's feasibility, much less its ultimate characteristics. Moreover, the country is making a huge investment in the program—over $2 billion this year with a pending budget request for almost $5 billion next year. So when I heard that DOD was proposing a new institute to evaluate ongoing SDI research, I wanted to find out more about it.

In an exchange of letters with the Defense Department, I learned a great deal about the proposed Institute. I want to share that information with the Senate, and copies of the correspondence will follow these remarks. Some of what I learned was also troubling, and I want to share my concerns with the Senate as well.

First, some background. I learned that, officially, the Institute would be a federally funded research and development center or FFRDC. FFRDC's formation and operation are controlled by executive directives designed to ensure these organizations' independence, competence and cost effectiveness. The directives require a Federal agency wishing to create a new FFRDC to assess the need for the research center. If the assessment is favorable, the directives permit the agency to contract with a private entity to manage the center for a maximum of 5 years. The directives caution the agency that it must establish a center which will maintain its independence from the Government to ensure its objectivity. They also require the agency to implement controls to assure the reasonableness of the center's expenses.

After reviewing these directives, I began to ask some questions about the SDI Institute. I asked the Defense Department for the names of those "certain prominent individuals in the science fields" whom Secretary Weinberger has invited to form the organization to run the Institute. The Defense Department has so far refused to identify these individuals—even though these individuals have agreed to submit a proposal to run the Institute, and even though the Department is not planning to invite anyone else to bid on the project.

Given the potential significance of the Institute in evaluating the SDI Program, the public and Congress have a right to know full details about the project and the people their Government is dealing with, on a sole-source basis, to manage the research. The Defense Department has, in some respects, been very forthcoming about the SDI Institute; I urge them not to shy away from the full public discussion that should and will attend any undertaking of this kind.

Another concern I have about the Institute arose when I asked the Defense Department about how the Institute's personnel would be selected. I was told, to my surprise, that the Strategic Defense Initiative Organization was planning to participate in the selection of the Institute's chief executive and about a dozen senior staff members. That wasn't the response I was expecting.

In most cases, the Government plays no role in an FFRDC's hiring decisions beyond expressing approval or disapproval of the person proposed by the contractor to be the chief executive. The chief executive of one DOD-sponsored think tank, the Center for Naval Analysis, has been selected and retained even in the face of express Government opposition. That's because one of the quickest ways to weaken an FFRDC's independence is to allow the sponsoring agency to influence its personnel decisions. The extensive role envisioned by SDIO is simply unprecedented in DOD-sponsored FFRDC's, and Congress should not sit still for it.

I was further surprised to learn that the Defense Department was not planning to ask any outside experts to review the management proposals it receives regarding to SDI Institute. The peer review process is our best means for ensuring high-quality scientific endeavors, and our Nation's scientific capability is built upon it. It is clearly appropriate here. In light of the millions of dollars that may be used to fund the Institute and the important work it would be doing, the need for a peer review to ensure a successful operation is too critical to ignore.

Finally, I learned that the Defense Department does not intend to address a revolving door problem that may attend the operations of the SDI Institute. Unlike many other research centers, the SDI Institute will be expected to spend a significant portion of its resources on reviewing research performed by other parties. Absent rules to the contrary, an Institute employee could advocate funding for a particular firm's proposals and, a few weeks later, take a job with that same firm. This possibility may taint the proposed Institute's objectivity and should be addressed.

The SDI Institute could make an important contribution to an objective assessment of the SDI Program—but only if it is a truly independent body. Independence is the critical requirement—otherwise the Institute may become the equivalent of scientific window-dressing.

The Defense Department has indicated its willingness to consider the issues I have raised. I am hopeful that most if not all of them can be promptly resolved administratively. If not, I will pursue legislative remedies, and I hope that my colleagues will join with me in this effort. The proposed Institute is too important not to take the steps we must to ensure its independence.

I ask that the attached letters be printed into the RECORD.

The letters follow:

U.S. SENATE, COMMITTEE ON GOVERNMENTAL AFFAIRS, SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT,
Washington, DC, April 9, 1986.

Hon. CASPAR WEINBERGER,
Secretary, Department of Defense, The Pentagon,
Washington, DC.

DEAR MR. SECRETARY: On March 18, 1986, the Department of Defense published in the Federal Register a notice of intent to establish a new Federally Funded Research and Development Center (FFRDC) designated the Strategic Defense Initiative Institute (SDII). Please provide the following information about this proposal:

1. In accordance with section 6(a) and (b)(1) of OFPP Policy Letter 84.1 (April 4, 1984), prior to announcing its intent to establish the SDII, the Department is required to assess the adequacy of existing alternative sources to accomplish the same objectives.

a. Please identify by name and job title the persons who performed this assessment and the date on which the assessment was completed.

b. Please identify each alternative source assessed and explain why each was found inadequate. In particular, please explain why the Department concluded that an existing FFRDC or national laboratory could not accomplish the same objectives at a lower cost.

c. Is the Department's assessment of existing alternative sources contained in a written report? If so, please submit a copy with your responses to these questions.

2. Please describe the expected organizational structure of the SDII.

a. Will the federal government or a private entity own the SDII?

b. Please indicate the type of organization expected to manage the SDII—will it be a university, consortium of universities, other nonprofit organization, or industrial firm?

c. Please identify by name and address any organization which is under consideration or has been selected to own or manage the SDII.

3. Will the SDII operate under a general charter from the government or pursuant to specific federal contracts? Please elaborate.

a. Will the SDII be capable of performing in-house scientific analysis and technical evaluations or will it contract with outside entities to perform these tasks?

b. Will the SDII perform primary research or be limited to reviewing research performed by others?

4. What will be the relationship between the SDII and the Strategic Defense Initiatives Office ("SDIO")? Will there be any overlap in personnel? Please describe how the SDII will differ in its operations and mission from the SDIO.

5. What will be the relationship between the SDII and existing FFRDCs and national laboratories performing research for the Strategic Defense Intiative Program? Will other FFRDCs and the national laboratories continue to perform research for the Strategic Defense Initiative Program? Will these other entities be subject to review by the SDII?

6. What will be the relationship between the SDII and privately-owned firms? Will the SDII be able to award or otherwise participate in the decisions to award federal research and development contracts to these firms? Please explain.

7. In accordance with section 6(c) of OFPP Policy Letter 84-1, has the Department executed a contract, legal instrument, and/or written agreement of sponsorship with any party concerning the SDII? Is the Department currently engaged in negotiating or drafting these documents? Please submit a copy of any executed document with your responses to these questions.

8. How many persons are expected to be employed by or otherwise funded by the SDII during calendar years 1986 and 1987?

9. Who will have input into the selection of personnel and how will this process work? Who will have final authority to select personnel?

10. Please identify by name, job title and address, the person, if any, who has been selected to head the SDII.

11. OFPP Policy Letter 84-1 indicates that FFRDCs are to "operate in the public interest free from organizational conflict of interest" and are to maintain their "objectivity and independence" from the sponsoring agency. Sections 5(C)(2)(e) and 6(C).

a. Will persons working for the SDII be federal employees subject to federal conflict of interest laws? If not, what measures will be taken to safeguard the SDII from conflicts of interest including the "revolving door"?

b. What measures will be taken to assure that the SDII will maintain its objectivity and independence from the Department of Defense and SDIO? In particular, what steps will be taken to assure that the SDII is staffed with persons holding a variety of viewpoints on the feasibility and cost effectiveness of the Strategic Defense Initiative Program?

12. What is the projected budget for the SDII during fiscal years 1986 and 1987?

a. What are the SDII's projected startup costs?

b. Will the SDII require the construction or rehabilitation of any facilities? Where is the SDII expected to be located physically?

c. What are the SDII's projected operating costs during fiscal years 1986 and 1987?

13. What will be the initial source of funds for the SDII? Will the Department request new budget authority or will it re-direct funds from existing programs? If it plans to redirect funds from existing programs, which programs will be affected?

14. Since the SDII will perform research in a noncompetitive environment, what controls has the Department established in compliance with section 6(b)(4) of OFPP Policy Letter 84-1 to ensure that the SDII will provide services at a reasonable cost?

Please provide this information as soon as possible, but no later than April 14, 1986. If you have any questions, please have your staff contact Elise J. Bean of the Subcommittee's staff at 224-3682. Thank you for your assistance in this important matter.

Sincerely,

CARL LEVIN,
Ranking Minority Member.

DEPARTMENT OF DEFENSE, STRATEGIC DEFENSE INITIATIVE ORGANIZATION,
Washington, DC, April 16, 1986.

Hon. CARL LEVIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR LEVIN: Secretary Weinberger has asked me to respond to your letter dated April 9, 1986 requesting information about the Strategic Defense Initiative Institute (SDII). These responses correspond to the numbering in your letter.

1. (a) The assessment was an evolutionary process in which a number of individuals participated. The assessment was presented orally to the Secretary, and reviewed and approved by him, in early January of this year. It was dated in final written form March 1, 1986. The individual with present overall responsibility for the assessment is Mr. Richard Sybert, Special Assistant to the Secretary and Acting Project Officer for the SDII.

(b) The SDII will perform two basic functions: (i) ongoing, overall systems architecture work at the "macro" level, involving integration of research from an overall, cost-efficiency and tradeoff perspective; and (ii) evaluation and coordination of the research performed by private industry and other outside entities. The advice and recommendations of the SDII thus may affect the overall direction of research. Accordingly, in order to provide the SDIO with absolutely objective advice, the SDII will not be permitted to have any other SDI-related work, nor to serve other clients who themselves have such work. We judged it best, in order to meet this requirement and to provide the SDIO with objective, conflicts-free advice, to opt for a new organization. The purpose is precisely to avoid any bias, unintentional or otherwise, in evaluating SDI-related technology for a future national decision by the responsible authorities on a strategic defense program.

Specifically, we considered three basic categories of organizational forms that realistically might meet the technical support needs of the SDIO:

(i) Government organizations, including expansion of the present SDIO staff, a military organization, or a new DoD field agency;

(ii) For-profit firms, including large industrial firms, small-to-mid-size system engineering and technical assistant (SETA) contractors, or a new consortium of such firms or contractors, either U.S. or foreign;

(iii) Non-profit firms, including existing federally funded research and development centers (FFRDCs), a new division within an existing FFRDC, a new FFRDC, universities, and private not-for-profit laboratories/corporations, new or existing.

Our assessment of each category was as follows:

(i) The use of a government organization to provide the special technical support needs of the SDIO was found to be undesirable for two main reasons: it would be difficult to attract, retain, and manage the required number of highly qualified scientific and engineering personnel; and the needed personnel buildup could not occur sufficiently rapidly, nor respond sufficiently quickly to changing requirements.

(ii) The use of for-profit firms was found to be undesirable because of the conflicts of interest inherent in the for-profit organization approach; the probable inability to ensure total objectivity and independence of thought; and the negative business impact on such a firm through its necessary dedication to SDIO technical support alone.

(iii) Of the various not-for-profit alternatives examined, a new FFRDC ranked highest. The FFRDC mechanism was considered to offer quick, responsive handling of SDIO needs, while allowing considerable freedom in establishing salary structures and working environments conducive to attracting top scientific and engineering talent. While reliance on an existing FFRDC or other non-profit organization potentially would provide more readily or more quickly available capability and staff, none was found to have the breadth of specialized expertise to undertake major SDI technology program review and oversight. Any existing organization, including an existing FFRDC or national laboratory as identified in your April 9 letter, necessarily will have ongoing work, and a deeper background, in one technology or another. Nor would any organization already in existence be in a position to offer the desired degree of dedication to, and exclusive focus on, the SDI program. The establishment of a new FFRDC, specifically oriented to SDIO technical support needs, was found to be likely to result in materially greater responsiveness and support than trying to reorient an existing FFRDC.

(c) We respectfully decline to provide a copy of the written assessment. It is an internal, confidential working paper prepared pursuant to internal Executive Branch policy. Please note, however, that I and my staff are willing and available to discuss the substantive matters treated in the assessment with you and your staff.

2. The expected organizational structure of the SDII has not been finally determined. At this point, however, we expect that it will be structured to maximize effective liaison with the SDIO.

(a) An FFRDC is an independent, private, not-for-profit organization.

(b) See above.

(c) The Secretary has invited certain prominent individuals in the science fields to form an organization that will submit a proposal for the SDII. No commitment has been or will be made until such a proposal is received, reviewed, and evaluated.

3. It is presently anticipated that SDIO will enter into a contract with the SDII for an initial term of five years.

(a) It is presently anticipated that the SDII will perform in-house scientific analyses and technical evaluations at the macro or integration level, as discussed above. Other SDI work will continue to be performed, as now, by outside entities.

(b) As discussed above, the SDII would perform primary research at the macro or integration level. Other research will continue to be performed by other entities, and would be reviewed by the SDII.

4. The SDII will provide technical support to the SDIO in the basic two functions described above, ongoing systems architecture work at the macro or integration level, and evaluation of outside research. The SDII will be a purely technical support group. The SDIO will retain all management and decision responsibility for the SDI program.

5. In the source of its evaluation function, the SDII may undertake research audits of other entities, including other FFRDCs and national laboratories, that are performing research for the SDI program. It is not anticipated that there will be any direct contractual relationship between the SDII and such other entities.

6. It is expected that the SDII will provide advice, recommendations, and evaluations to the SDIO that as a practical matter may impact upon the latter's decisions to award federal research and development contracts to other entities. The SDII will have no formal or legal role in such awards, however, as all management and decision responsibility will continue to be exercised by the SDIO. It is possible that the SDII may subcontract in appropriate circumstances.

7. There is no such executed contract, legal instrument, and/or written agreement of sponsorship at present. The SDIO is currently engaged in drafting a sponsoring agreement.

8. The number of personnel for the SDII during calendar years 1986 and 1987 is presently uncertain. The proposal that we anticipate we will receive presumably will identify the level of personnel thought to be required to meet the stated functions of the SDII. We would expect to discuss the matter in subsequent negotiations and discussions.

9. As private organizations with independent management, FFRDCs themselves have final authority to select their personnel. However, the SDIO expects to work with the SDII in identifying needed personnel functions, and may review potential candidates for senior positions.

10. No such person has yet been selected.

11. Please see discussion above regarding the necessity for the SDII to be objective and conflicts-free.

(a) SDII personnel will not be federal employees. The OFPP letter to which you refer speaks to organizational conflicts. We expect to incorporate appropriate provisions in the sponsoring agreement under the which SDII employees would safeguard information owned by other contractors.

(b) As a private organization with independent management, the SDII will be expected to maintain the necessary objectivity and independence from other entities. Naturally there will be close liaison between the SDII and SDIO, since the purpose of the SDII is to provide the SDIO with needed technical support. The SDIO will give the SDII direction and input regarding missions and activities. With regard to your inquiry as to "what steps will be taken to assure that the SDII is staffed with persons holding a variety of viewpoints on the feasibility and cost-effectiveness of the strategic defense initiative program," the mission of both the SDII and its personnel will be to provide objective evaluation and advice. No particular "viewpoint" on feasibility or cost-effectiveness is being sought; technical expertise and objectivity are being sought.

12. There is no projected budget at present for the SDII during fiscal years 1986 and 1987. We anticipate that the proposal we expect to receive will contain detailed cost estimates, which will then serve as the basis for subsequent discussion and negotiations.

(a) Please see above.

(b) The SDII will be required to be physically located within the metropolitan Washington, D.C. area, to facilitate effective liaison between it and the SDIO. It is expected that the SDII will arrange for necessary physical space in the normal course.

(c) Please see above.

13. The initial source of funds for the SDII is expected to be existing appropriated funds for the SDII. We are presently examining the programs from which the funds might be reprogrammed.

14. We intend to include provisions in the sponsoring agreement that will provide for the indicated controls.

I hope that this answers your questions in a satisfactory manner. My staff and I remain ready and willing to answer your further questions.

Yours truly,

JAMES. A. ABRAHAMSON,
Lieutenant General, USAF,
Director, Strategic Defense Initiative Organization.

U.S. SENATE, COMMITTEE ON GOVERNMENTAL AFFAIRS, SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT,
Washington, DC, May 9, 1986.

Hon. JAMES A. ABRAHAMSON,
Director, Strategic Defense Initiative Organization, Department of Defense, The Pentagon, Washington, DC.

DEAR GENERAL ABRAHAMSON: Thank you for the prompt response to my letter of April 9, 1986, regarding the expected structure and operation of the proposed Strategic Defense Initiative Institute (SDII). I appreciate the information you and your staff have provided to my office about this project. I do, however, have several specific concerns about the Defense Department's proposed handling of the Institute.

First, I object to the Defense Department's refusal to provide a copy of the assessment report required by OFPP Policy Letter 84-1 (April 4, 1984). This report is not an informal "working paper" of the Defense Department, but a formal document required under an existing, government-wide procedure to justify creating another Federally-Funded Research and Development Center (FFRDC). *See* OFPP Policy Letter 84-1, Sections 6 (a) and (b)(1). A federal agency may not sponsor a new FFRDC absent this assessment. Since a copy of the assessment report is essential to a review of the Department's compliance with the applicable executive directives, I urge you to supply a copy.

Second, I object to the Defense Department's refusal to identify "certain prominent individuals in the science fields" whom Secretary Weinberger "has invited . . . to form an organization that will submit a proposal for the SDII." I understand that these individuals have agreed to submit a proposal. Moreover, I am told they will be the only ones invited to submit a proposal to operate the SDII. If so, the public and the Congress have a right to know who has been extended the privilege of dealing with the federal government on a sole-source basis concerning a long-term contract.

If my information is incorrect and the Defense Department intends to consider a number of proposals to operate the SDII, please so state. In addition, please identify those persons and organizations which have already contacted the Department and indicated their interest in operating the SDII as well as those persons and organizations from which the Department is soliciting or has solicited SDII proposals or with whom the Department has conferred concerning the possibility of managing an FFRDC devoted to the Strategic Defense Initiative Program.

Third, I object to the type of involvement in the SDII's personnel decisions which SDIO is contemplating. Your letter states that SDIO plans to "work with the SDII in identifying needed personnel functions, and may review potential candidates for senior positions." I am told SDIO plans to participate in the selection of the SDII's chief executive officer, senior deputy and the "directors" of various technology groups—approximately a dozen senior staff persons in all. This proposed course of action, according to the Congressional Research Service, is unprecedented in the Department's relationships with the FFRDCs it sponsors.

Federally-Funded Research and Development Centers are designed to provide independent, objective scientific advice to the government. The Executive Branch directives state that they are to maintain independence even from their sponsoring agencies. *See* OFPP Policy Letter 84-1, section 6(c). The justification for this rule is central to the purpose of funding an FFRDC—such centers have to be able to deliver objective scientific advice, even findings which may be politically unpopular with their sponsors.

Scientific objectivity and independence from political considerations are particularly important for the Strategic Defense Initiative Program. This program has aroused serious academic debate as to its technological feasibility. Reputable scientists differ on even the most basic scientific issues, and an independent, objective body is needed to address the technological questions. A traditionally independent FFRDC could meet this need.

The foundation for an independent and objective research center is a director and staff well-insulated from political pressures. The quickest way to weaken an FFRDC's independence is to permit the sponsoring agency undue influence over the selection of the center's staff.

For these reasons, SDIO should reconsider its role in the hiring decisions to be made by the SDII. The Defense Department's participation should be confined to confirming or objecting to the single person proposed by the contractor to be the Institute's chief executive. It should not participate in the search for this candidate. Further, it should not participate in the selection of any other person to be employed by the SDII or in the identification of the Institute's personnel functions. These are matters best left to the contractor's independent judgment. In this way, the Department can help insulate the SDII from the politics surrounding the SDI Program.

Fourth, I am surprised by the Defense Department's tentative decision not to use outside experts to review the proposal(s) to operate the SDII. Our country's scientific capability is built upon the peer review process. It is our best means for ensuring high-quality scientific endeavors and is clearly appropriate in this context. An expert third-party review of the SDII's management proposal(s) will help ensure that the Institute is run in a way calculated to foster its independence, competence and cost effectiveness. In light of the millions of dollars that will be used to fund this Institute and the important work it will be doing, the

need for a peer review to ensure a successful operation is too critical to ignore. I urge you to reconsider the Department's position on this matter.

Finally, I would like to express my concern over the Defense Department's tentative decision not to include any provisions in the sponsoring agreement to prevent a "revolving door" situation from developing. Unlike many other FFRDCs, the SDII will spend a significant portion of its resources on reviewing research proposals and reports produced by third parties. This review function creates an enormous potential for abuse. Absent contractual prohibitions, for example, an SDII employee could advocate additional funding for a particular technological proposal from a private firm and, six weeks later, accept a job with the firm that submitted the "winning" proposal. Contractual safeguards can be developed to stop such abuses. I urge you to consider doing so.

Establishing a new FFRDC devoted solely to the Strategic Defense Initiative Program is a sensitive, expensive and complex undertaking. Its success will depend upon the Institute's ability to gain the confidence of Congress and the public, and that confidence will depend upon the SDII's independence, integrity and quality of work. The Defense Department's unwillingness to share important, relevant information with Congress about the project, its unprecedented plans to affect the SDII's personnel, and its reluctance to obtain a peer review of the Institute's management proposal(s) or to address potential "revolving door" problems jeopardize the support and confidence the Institute needs. While I intend to pursue legislative remedies to some of these problems, I would welcome an effort by the Department to resolve them administratively.

I would appreciate your response to these concerns as soon as possible. If you have any questions, please have your staff contact Elise J. Bean of the Subcommittee's staff at 224-3682. Thank you for your assistance in this important matter.

Sincerely,

CARL LEVIN,
Ranking Minority Member.●

COSPONSORSHIP OF S. 1654

● Mr. D'AMATO. Mr. President, I rise today to cosponsor legislation introduced by my good friend and distinguished colleague, the senior Senator from Alaska. His legislation, S. 1654, will address a problem that compromises the security of our Nation.

S. 1654 amends title 18 of the United States Code to provide for criminal forfeiture of proceeds derived from espionage activities and offers rewards for information leading to arrests in espionage cases. Specifically, this bill provides for the forfeiture of all proceeds resulting from the commission of any espionage felony. It also extends forfeiture to any proceeds resulting from publication of the stories of convicted spies or productions based upon their crimes. Equally important, S. 1654 establishes a $100,000 maximum reward for information leading to the arrest and conviction of spies.

Mr. President, over the past year we have witnessed an unprecedented amount of espionage cases that have been very damaging to our national security. Indeed, 1985 was the year of the spy. The John Walker case, the Larry Wu-Tai Chin case, and the Ronald Pelton case involved serious breaches of security from which it will take some time to recover. It is unclear whether our efforts to apprehend spies have improved or whether there are simply more spies to catch. Although there has been a bevy of reasons for each case, a common theme has been money. It is imperative, therefore, to do all that we can to eliminate this incentive for spying.

The United States spends upward of $300 billion a year on defense, a major portion of which is devoted toward research and development. We pride ourselves on the technological advantage we have over the Soviet Union. It is this espionage, however, that emasculates our technological advantage. Our retaliatory strike against Colonel Qadhafi's Libya was an incredible display of our highly advanced weaponry. Such high-technology equipment, no doubt, saved the lives of many of our servicemen.

The transfer of such highly classified equipment to our adversaries not only could cost billions of dollars, but also could cost countless lives. I am also very concerned that our strategic defense initiative research may be subject to espionage. I have no doubt that, as we continue this research, the Soviet Union will press hard to obtain this information. It is legislation such as S. 1654 that will help thwart efforts to jeopardize our national security.

It is time that the "E" in the Soviet version of RDT&E stop standing for espionage. Let's stop giving away our edge as the result of greed of traitors.

Mr. President, this legislation should not be pushed aside. S. 1654 addresses one of the most serious national security issues facing this Nation. I urge quick action on this bill, and I urge my colleagues to join me as cosponsors on S. 1654.●

FOREIGN OWNERSHIP IN DEFENSE PROCUREMENT ACT

● Mr. D'AMATO. Mr. President, I rise today to cosponsor legislation introduced by my good friend, the senior Senator from Illinois. This legislation, S. 2152, the Foreign Ownership in Defense Procurement Act, prohibits any defense contract from being awarded to any firm owned or partly owned by a hostile nation.

Mr. President, this is legislation which makes a great deal of sense. In so many different ways, the United States continues to help adversary nations economically. Whether it is through the extension of bank credits to Eastern bloc nations or by allowing most-favored-nation trading status for terrorist-sponsoring nations, such as Iran and Syria, the United States directly or indirectly supports the regimes of these hostile nations. The senior Senator from Illinois has brought to the attention of the Senate another way which the United States supports unfriendly nations: by giving lucrative defense contracts to business firms which are owned by nations hostile to the United States.

Specifically, S. 2152 amends title 10 of the United States Code to require the Department of Defense to exclude from consideration for contracts those firms in which a hostile foreign government or a covered foreign national owns or controls a significant interest. Under this legislation, corporations bidding on U.S. military contracts would be required to disclose significant foreign ownership.

Mr. President, last month, the President courageously retaliated against Libya for its systematic terrorist activities against the United States. This move was in addition to the United States economic sanctions imposed upon Colonel Qadhafi's Libya earlier in the year. The Pentagon, however, has unwittingly allowed the Libyan Government to profit from United States defense contracts. Fiat-Allis, a wholly-owned subsidiary of Fiat of Italy, has been awarded millions of dollars worth of United States defense contracts, including a recent contract for 187 bulldozers for the U.S. Marine Corps. Fiat is expected to be awarded many more lucrative contracts in the future, including work on the strategic defense initiative. Fifteen percent of this company is owned by Qadhafi's Libya.

Although Fiat is trying to rid itself of its Libyan involvement, it is important, nonetheless, that our procurement policies better reflect our foreign policies. The United States cannot allow taxpayers' money to be directed in any way toward the coffers of our adversaries. We should be especially vigilant to prevent terrorist-sponsoring nations from reaping profits from any U.S. contracts. Directly or indirectly, we will only be fueling the flames of terrorism by financing it.

So many times, Mr. President, our economic policy seems to conflict with our foreign policy. Enactment of S. 2152 will correct one of these inconsistencies. With nations such as Libya, Iran, and Syria becoming much more bold with their use of terrorism, the United States should not be sending mixed signals. We must be resolute in our condemnation of such activities. The least painful way is to apply economic pressure. S. 2152 is a great start.

Mr. President, I call for quick action on this important legislation, and I urge my colleagues to join with me as cosponsors.●

TENTH ANNIVERSARY OF THE MOSCOW HELSINKI GROUP

● Mr. D'AMATO. Mr. President, I rise today to pay tribute to the brave men and women who, 10 years ago today, joined to form the Public Group to Promote Observance of the Helsinki accords in the U.S.S.R. This voluntary, unofficial group, commonly referred to as the Moscow Helsinki Group, was established with the goal of monitoring and improving Soviet compliance with the Helsinki Final Act.

As chairman of the Commission on Security and Cooperation in Europe, I am pleased to announce that, in conjunction with this, the 10th anniversary of the founding of the Moscow Helsinki Group, the Commission will release a compilation of the group's documents. Many of these papers, smuggled out of the U.S.S.R. and translated by the Commission's staff, have never before appeared in the West.

The Helsinki Final Act, signed in 1975 by the United States and the Soviet Union, along with Canada and 32 European countries, contains provisions on human rights, trade, and security. The complete text of the act was published in the Soviet Communist Party newspaper, Pravada, on August 2, 1975.

The group, under the leadership of Soviet physicist Yuri Orlov, stressed its loyalty to the Soviet Union, and its desire to cooperate with the authorities in order to ensure that the provisions of the act were implemented in the U.S.S.R. Orlov was joined by other human rights advocates, including: Elena Bonner, Lyudmila Alekseeva, Aleksandr Ginzburg, Petro Grigorenko, Malva Landa, Anatoly Marchenko, Vitaly Rubin, and Anatoly Shcharansky. Following its establishment, Sofya Kalistratova, Ivan Kovalev, Naum Meiman, Yuri Mnyukh, Viktor Nekipelov, Tatiana Osipova, Feliks Serebrov, Vladimir Slepak, Leonard Ternovsky and Yuri Yarym-Agaev became active in the group.

The Moscow Helsinki Group's primary objective was to disseminate information regarding Soviet human rights violations and other actions made in contravention to the agreement signed in Helsinki. The Kremlin responded to the group's efforts with an increasingly repressive campaign designed to intimidate group members and prevent them from exposing flagrant human rights violations in their own country. The primary tool used by group members was samizdat, or underground publications. In total, more than 200 such documents were issued by the Moscow Helsinki Group. These documents, based upon statements from Soviet citizens, were initially circulated to Soviet officials and the embassies of the signatory nations.

The documents concentrated on humanitarian themes consistent with the Final Act: self-determination, free choice of a place of residence, freedom of conscience, the right to know one's rights, socioeconomic rights, the right to a fair trial, and human contacts. In addition, the group attempted to focus particular attention on the plight of prisoners of conscience and those subjected to psychiatric abuse as a tool of official repression. The Moscow Helsinki Group also offered a series of proposals on ways to improve Soviet compliance with the Final Act.

The work of the Moscow Group led to the establishment of other groups within the Soviet Union by citizens in Ukraine, Lithuania, Armenia, Georgia, and Estonia. Specialized groups were organized by and for religious believers, invalids, and victims of psychiatric abuse.

Members of the Moscow Group became the subject of increasingly harsh reprisals, including house searches, threats, detentions, arrests, and trials. Those convicted of such crimes as "anti-Soviet agitation and propaganda" in connection with their group activities were sent off to labor camps, political prisons, and internal exile.

Of the 21 brave men and women who joined the group, 7, including Orlov, Bonner, Marchenko, Kovalev, Nekipelov, Serebrov, and Osipova, remain imprisoned or in internal exile. Two, Ginzburg and Shcharansky, were released after long periods of imprisonment. Three have already served their terms and four have had to leave the U.S.S.R. Only two members, Naum Meiman and Sofya Kalistratova, both elderly and in poor health, have never been arrested for their group activities.

With the impending arrest of Kalistratova, the Moscow Helsinki Group was forced to disband on September 8, 1982. Despite this fact, many of the group's members continue to champion the cause of human rights.

Their steadfast commitment to individual human rights is a shining example of human courage and dedication to the highest principles of human civilization. During the course of the coming days, I will focus on the fate of the seven members who remain in the Soviet gulag. Their cases highlight the repressive nature of the Soviet regime. Furthermore, their treatment underscores the Kremlin's blatant disregard for human rights and lack of commitment to those provisions of the Final Act dealing with this important area.

The Soviet Union voluntarily accepted the responsibility to promote human rights when they signed the Helsinki accords in 1975. Their record since then has been miserable at best. The United States, as a signatory to the agreement, has a moral commitment to speak out in opposition to continued Soviet human rights abuses.

The documents produced by the Moscow Helsinki Group, and other similar groups, provide a clear picture of Soviet behavior in the area of human rights. They are also a testament to the brave men and women who are willing to defend their rights and those of the fellow citizens, often at great personal risk.

Mr. President, I commend the brave men and women who were members of the Moscow Group for their dedication to human rights.●

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1350

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

PHARMACEUTICAL EXPORT AMENDMENTS OF 1986

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business (S. 1848), which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1848) to amend the Federal Food, Drug, and Cosmetic Act to establish conditions for the export of drugs.

The Senate resumed consideration of the bill.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, last week we began the debate on the drug export bill, S. 1848, which I think is a very important bill.

As I spoke in support of the bill, I brought out that this legislation will not only save American jobs but that it will create somewhere between 8,000 and 10,000—maybe as many as 50,000—American jobs, and these are high paid jobs. And it will prevent export of American biotechnology from this country.

Two of the three top pharmaceutical companies in the world today are non-United States. I believe that there is a tremendous export of American biotechnology because of some of the laws that we have. This bill will help prevent that. It will keep the United States preeminent in the field of pharmaceutical development—preeminent in the world where we should be, and where we have on obligation to be because of the wealth and the opportunities that this society and its tremen-

dous enterprise capitalistic system provides.

It will decrease our balance of payments deficit we estimate $500 million to $600 million a year, and it might be more than that. It will not increase the health risks to foreign consumers. It will not erect trade barriers that invite retaliation, and it will not cost taxpayers any money.

There are very few bills that could make those type of claims. But this is one of them. Under our current policy, the Food, Drug, and Cosmetic Act forbids the export of most pharmaceuticals until they receive approval from our own Food and Drug Administration or the USDA, even though the destination is a country where the drugs have already been approved. Sometimes it takes up to 10 years to go through the FDA's safety and efficacy process. It may cost $7 million to $8 million to develop a new drug which has already been tested as safe and effective by the FDA equivalent countries—I mean by that, countries that have as good a scientific food and drug system as our country has.

One of the problems that we have is that our pharmaceutical companies, in order to receive approval from the Food and Drug Administration, have to go through a very long, involved detailed process. They inform us that for some reason some of these foreign lands across the world are a little bit more efficient than ours, and some of these very good, lifesaving, health-promoting drugs get on the market overseas before they get on the market here. We have seen that time after time.

Well, it is arrogant for us to say that the Food and Drug Administration of the Government of the United States of America, or the USDA, are the only people who can handle these problems. Let us get to the real bottom line on this bill. I think the real issue is ignored by the critics of this bill. The real issue is the impact of this legislation, this bill, when compared to the results of current policy on the foreign consumer and others.

Under current policy, every drug which may be exportable under these amendments can be manufactured at foreign plants under few, if any, controls and supplied anywhere in the world. That is current law.

Thus, all of the potential problems the few critics of this bill claim can happen if these amendments are passed are happening right now because all an American company has to do is move offshore. And in moving offshore they can manufacture any drugs they want, and disseminate them worldwide without any regulation.

This bill will place some constraints on that. There is, in short, no evidence that this bill will affect the types of drugs available to foreign consumers at all with the exception of possible tropical disease drugs, while the bill, through its requirements, insures greater quality and imposes much greater FDA control on those drugs produced in the United States and exported.

Is there any evidence that the current ban on the export of unimproved drugs by our FDA, but approved by other nations, actually saves any lives? The answer is a resounding no.

Is there any evidence that the defeat of S. 1848 will prevent any injury to foreign consumers? The answer is a resounding no.

Will S. 1848 improve the situation for foreign consumers? The answer is just as firmly yes.

This bill is a net improvement for foreign consumers. It will save American jobs and it will lower our balance-of-payments deficit.

I say let us cut through the rhetoric and let us get this bill passed. I am prepared to proceed with amendments. As I understand it, the distinguished Senator from Ohio has a number of amendments that he feels are essential. I would be more than happy to proceed with those amendments at this time, with the understanding that votes will occur tomorrow, and we can stack those votes or consider them as the distinguished Senator from Ohio, the majority leader, and the minority leader desire.

So with that, I yield the floor.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, when the debate on S. 1848 commenced last Thursday, I described the bill as the worst piece of special interest legislation to pass the Labor Committee this year. I stick by that assessment. There is simply no justification for exporting drugs which we have not cleared for safe and effective use in our own country; no justification whatsoever.

There is no effective means of restricting the re-export of transshipment of these drugs to the Third World. In other words, there is no way of preventing the drugs from being shipped to one country and than being shipped immediately thereafter from that country to another country.

The FDA has said publicly that they are in no position to provide any protection in that event. This bill will only add to the problem of dumping unsafe and ineffective drugs on the Third World. This bill, as I said before, will make "Made in America" a dirty word throughout the world. When this proposal to allow the export of unapproved drugs was first brought before Congress, editorial opinion was scathing. The Philadelphia Inquirer said:

"THE COST OF EXPORTING TROUBLE."

It has been labeled as a jobs bill but in fact it's a greed bill. It's legislation that could cause injury, illness or death. It's a bill that places private profits ahead of public responsibility. It would confirm in many minds that the United States cares less for their well-being than for a fast buck.

The legislation would allow U.S. drug companies to produce new drugs for sale in foreign nations even if those drugs have not been approved for use at home. Current law requires that drugs manufactured in the United States for export meet domestic safety and efficacy standards.

Senator Hatch and others, led mainly by American drug makers, argue that the existing law forces U.S. companies to open foreign production facilities to get around the safety restriction. (Current law allows U.S. drug firms operating outside the United States to manufacture and sell products abroad that do not meet domestic safety and labeling requirements.)

□ 1400

Supporters claim that if the Hatch bill is enacted, it could create as many as 50,000 jobs and increase drug-export sales by $1.76 billion in five years. Other studies indicate those estimates are vastly inflated. Regardless of the actual numbers, what's the price of changing the law?

Critics claim that the bill would allow American drug makers to flood the markets with products that are untested and would be used inappropriately. These products would be dispensed by untrained personnel whose only source of information would come from drug company salespeople. Few Third World nations have any type of effective drug regulation and most rely on U.S. data.

Jean M. Halloran, director of Consumer Union's Institute for Consumer Policy Research, which opposes the bill, notes that it would allow U.S. drug companies "to use people in other countries as guinea pigs."

"If a drug is not good enough for us, we shouldn't inflict it on our brothers and sisters abroad," she told the House subcommittee. "That may not be the motto of a successful drug company executive, but it's the credo of a good world citizen."

Mr. President, I ask unanimous consent that the entire editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Inquirer, Aug. 6, 1984]

THE COST OF EXPORTING TROUBLE

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The legislation would allow U.S. drug companies to produce new drugs for sale in foreign nations even if those drugs have not been approved for use at home. Current law requires that drugs manufactured in the United States for export meet domestic safety and efficacy standards.

The U.S. Food and Drug Administration and the World Health Organization have endorsed the legislation. "We believe the governments of other nations are in the

best position to assess their own health needs," Dr. Mark Novitch, acting FDA commissioner, recently told a House subcommittee considering the bill, which is being sponsored in the Senate by Orrin Hatch (R. Utah).

Sen. Hatch and others, led mainly by American drug makers, argue that the existing law forces U.S. companies to open foreign production facilities to get around the safety restriction. (Current law allows U.S. drug firms operating outside the United States to manufacture and sell products abroad that do not meet domestic safety and labeling requirements.)

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Supporters of the change argue that they have included some safety provisions to protect against abuses, but those provisions are vague and ridden with loopholes.

For example, the FDA will be required to prepare lists of foreign countries deemed to have "adequate" drug regulation systems. If one of those countries approves a U.S.-made drug for a particular use then that approval carries the same weight as an FDA endorsement and gives the manufacturer carte blanche to distribute it anywhere in the world, regardless of the quality of the testing standards in the approving nation.

Jean M. Halloran, director of Consumer Union's Institute for Consumer Policy Research, which opposes the bill, notes that it would allow U.S. drug companies "to use people in other countries as guinea pigs."

"If a drug is not good enough for us, we shouldn't inflict it on our brothers and sisters abroad," she told the House subcommittee. That may not be the motto of a successful drug company executive, but it's the credo of a good world citizen."

Mr. METZENBAUM. Mr. President, as a matter of fact, it is interesting that what the Philadelphia Inquirer said about this legislation is very similar to that which many other citizens of the world have stated in writing in to us on this subject. They have questioned the Hatch-Kennedy bill. They have said, "Why are you going to do this? Why do you permit drugs to be sold and sent throughout the world that are not good enough for your own people? Yet you want our people to use them."

I agree with them. I do not believe that any time since I have been in the Senate have I heard such an outcry of opposition from all over the world as that which I have received in connection with this particular piece of legislation.

Mr. President, the proponents of this legislation claim that it is a jobs bill. The export legislation will not create a bonanza of new jobs in the U.S. pharmaceutical industry.

It is interesting to note that today I sat in a Judiciary Committee hearing and I am told that it is a new jobs bill because they are going to change the definition. Then we have various pieces of legislation around here and all claim to be jobs bills.

Then we are told if we pass this legislation, it will make it possible to have the jobs here in America rather than overseas for the drug companies. The facts are that the drug companies have their overseas operations even at this moment. If they thought they could do that and it was in their best economic interest to do so, they would manufacture those products overseas.

They want this legislation because they need it in order to be able to sell their products made in this country overseas.

When the Philadelphia Inquirer calls it a greed bill, it uses appropriate language.

Let me tell you what the Los Angeles Times said about this bill.

EXPORTING TROUBLE

New drugs must pass the toughest approval process in the world before doctors can prescribe them in this country. The tests can take years and delay the availability of some new medicines but they provide a margin of safety for patients.

The Reagan Administration says the delays are bad for the pharmaceutical business and ultimately drive American jobs to foreign countries. It is backing a bill that would allow business to export medicine that has not yet been approved for American consumption.

That is a bad idea, a positon that says that it is all right for foreigners to face health risks that Americans do not face, a position that would turn the rest of the world into guinea pigs.

A bill that would repeal the current ban on such exports, sponsored by Sen. Orrin G. Hatch (R-Utah), is tentatively scheduled for a vote Wednesday by the Senate Labor and Human Relations Committee. Although the bill does have some safeguards. It should be rejected.

Under Hatch's proposal, which the Administration supports, medicine that has passed the first level of toxicity testing by the Food and Drug Administration could be exported. But it is often in subsequent tests that unexpected side effects or other problems are discovered.

Hatch's bill would also require that a country with respective drug-testing standards, such as West Germany or England, approve the new American drug before it is exported.

Mr. President, I should point out to you that the bill that is before us today has 15 countries that are included in it, countries to which the drug may be exported. It is my understanding that there is going to be an effort made to even increase that number of countries and there will be no safe way of prohibiting the transshipment from those countries to other nations throughout the world.

The Los Angeles Times continues:

If a country with relatively high standards disapproved a drug, the Food and Drug Administration would cancel its license. One or more of those countries would have to approve a drug for its own use before the drug could be exported to countries with weak standards or none at all. That is not a good substitute for making the drug pass the most stringent standards—those of the United States.

The economic argument cannot be used to justify health risks at home or abroad. Lawmakers should not allow the export of medicine until it has been proven good enough for Americans.

Mr. President, I ask unanimous consent that the entire Los Angeles Times editorial be included in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, Sept. 11, 1984]

EXPORTING TROUBLE

New drugs must pass the toughest approval process in the world before doctors can prescribe them in this country. The tests can take years and delay the availability of some new medicine but they provide a margin of safety for patients.

The Reagan Administration says the delays are bad for the pharmaceutical business and ultimately drive American jobs to foreign countries. It is backing a bill that would allow businesses to export medicine that has not yet been approved for American consumption.

That is a bad idea, a position that says that it is all right for foreigners to face health risks that Americans do not face, a position that would turn the rest of the world into guinea pigs.

A bill that would repeal the current ban on such exports, sponsored by Sen. Orrin G. Hatch (R-Utah), is tentatively scheduled for a vote Wednesday by the Senate Labor and Human Relations Committee. Although the bill does have some safeguards, it should be rejected.

Under Hatch's proposal, which the Administration supports, medicine that has passed the first level of toxicity testing by the Food and Drug Administration could be exported. But it is often in subsequent tests that unexpected side effects or other problems are discovered.

Hatch's bill would also require that a country with respectable drug-testing standards, such as West Germany or England, approve the new American drug before it is exported. If a country with relatively high standards disapproved a drug, the Food and Drug Administration would cancel its license. One or more of those countries would have to approve a drug for its own use before the drug could be exported to countries with weak standards or none at all. That is not a good substitute for making the drug pass the most stringent standards—those of the United States.

The Administration backers, including representatives of the Food and Drug Administration, also argue economics. Some U.S. pharmaceutical companies have located plants abroad because drugs manufactured abroad are not subjected to such intense scrutiny and can often reach international markets years ahead of American products. That costs American businesses dollars and American workers jobs, according to the Ad-

ministration. But if the new drug export is allowed, will those jobs be relocated in the United States despite the lower wages and other advantages in foreign countries?

The economic argument cannot be used to justify health risks at home or abroad. Lawmakers should not allow the export of medicine until it has been proven good enough for Americans.

Mr. METZENBAUM. Mr. President, initially, the drug industry claimed that up to 50,000 jobs could be created over the next few years by allowing the export of unapproved drugs. After the reliability of that estimate was discredited, the industry came back this year with a new estimate. Instead of 50,000 jobs, they now say it is 8,000.

The Labor Institute of New York says the figure is actually 3,000 jobs.

As I pointed out the other day, that union, which has the most number of employees in the pharmaceutical industry, has itself come out against the legislation saying it is not worth it to pass bad legislation or to cause harm to peoples throughout the world by claiming that it will create new jobs.

Any job increase resulting from drug export legislation would very likely be only in the production area since most companies' research, management, financial and marketing operations remain in the United States regardless of production locations. At the same time, pharmaceutical production is not at all labor-intensive. As David B. Sharrock, president of Merrell-Dow U.S.A., told the committee in its drug export hearings this year, it is customary for companies exporting drugs to produce only the active ingredient in bulk form in U.S. plants and then ship the product to finishing plants at overseas locations at or near the market for which the drug is ultimately destined.

Clearly, S. 1848 is not a massive jobs bill. And there is more than jobs at stake with this legislation as can be gathered from the following quotation from the International Chemical Workers Union, which represents, 5,600 members in 19 pharmaceutical plants around the country.

In commenting on this legislation, it said:

> Even if a few jobs would be created through this legislation, ICWU does not agree that this advantage outweighs the tremendous ethical disadvantages of the bill.

Mr. President, yet another claim offered by the proponents of this legislation is that the industry desperately needs this bill to remain competitive with foreign competition. But the American pharmaceutical industry does not need this bill to compete with foreign firms.

In December 1984, the Department of Commerce released a report entitled "A Competitive Assessment of the U.S. Pharmaceutical Industry." If you look at that report, you will arrive at the same conclusion. That is that no assistance is needed.

Far from decrying supposedly restrictive regulations on the export of unapproved drugs, the Commerce report stated:

> With respect to regulation, the U.S. drug regulatory system enjoys a worldwide reputation for the highest standards of drug efficacy and safety and helps to ensure that U.S. Government-approved pharmaceuticals have a favorable image abroad.

□ 1410

> Thus, while the stringent United States drug approval process may be costly and time consuming, it also functions as a competitive advantage for the United States industry.

So the American pharmaceutical industry should be trying to protect the quality and integrity of the "Made in America" label rather than attempting to tarnish that label while lobbying for the export of unapproved drugs.

Mr. President, I want to be very candid with my colleagues. The pharmaceutical industry has been extremely effective in lining up support for this bill. But that does not make it right. I do not know when I have seen a more effective lobbying job done than that which has been done in connection with this particular piece of legislation. Some have said to me, "Why are you going to the floor to fight it? The other side has the votes."

I am not in a position to count the votes and I do not know whether they do or do not, but I am willing to accept that on the basis of their representation. But it is my strong belief that the issue must be made with respect to this bill, that the opposition must be heard, that the American people have a right at least to be alerted to what the pharmaceutical manufacturers of this country are doing to make "Made in America" a dirty word thoughout the world.

There is not any logic or reason to pass this bill other than the fact that the lobbyists have apparently lined up the votes. But lining up the votes does not make it right. It is as wrong as it could possibly be to pass this legislation and whether we will rue the day in a year or 2 years or 5 years is not the question. There is no doubt about it: that day will come when some pharmaceuticals, some drugs made in this country, will be used in some other nation of the world, a Third World nation, and hundreds and perhaps thousands of children or senior citizens or people generally will pay the price, either with their lives or long-lasting illness.

Why? Why are we handling this bill on the floor of the Senate today other than to satisfy the greed of the pharmaceutical industry?

Mr. President, one of the other claims that those who support this legislation make is that we need a bill to circumvent the FDA approval process. Mr. President, we should allow the export of unapproved drugs because the FDA supposedly takes too long? Now, come on. Does anybody really believe that that makes sense? If that is the case, why not eliminate the FDA and let the drug companies determine what the American people should ingest or should use?

For our own people, we say, "Oh, no. We do not want that. We do not want to change the laws with respect to the approval process for drugs in this country. But let us not worry about the people in this Third World country; they are not really that important. If a few of them die, what difference does it really make?"

I think it makes a lot of difference, a tremendous amount of difference. I think every child has a right to live, every human being has a right to live, every person has a right to be treated well and be able to take drugs from this country without being uncertain whether they may be harmful to their bodies.

Yet we are saying that little baby over in Thailand or Taiwan or Bangladesh or Pakistan or some other part of the world, that little child who is every bit as precious to its mother as the little baby here, in this country, is not going to get the same amount of protection. Why? Because the pharmaceutical industry wants to be able to sell their drugs over there without the proper clearance.

They will say, "Oh, but, Mr. Senator, you are wrong about that. Mr. Senator, you do not understand. We are only going to sell these drugs in countries where they are going to check through them themselves."

Mr. President, the facts are that most of those other countries, with some exceptions, do not have the same kind of processes that we do and that our Food and Drug Administration, with all its shortcomings, still does a better job than almost any other nation in the world.

I am told there is a proposal that will come to us before consideration of this bill is concluded to add seven more countries to the list already in the bill. We know that the Secretary of Health and Human Services has the right under the bill before us to name a number of other countries in addition to those that are specified in the legislation. I suppose, in the world in which we live around here in Washington, if they hire the highest priced lobbyists and the best lobbyists and the ones who know their way around Washington, it will not be hard to get some little country in some far-off place in the world to get their products approved as long as they can hire the right lobbyist.

In February 1985, the Secretary of HHS announced changes in the FDA-approved process which she said "will dramatically speed the Federal Government's approval of new drugs." If

that is the answer to moving forward the process and making it a shorter period of time, I have no problem with that. The Secretary hailed these changes as the "most important in 20 years."

The Secretary also said these new procedures would cut 20 percent off the approval time for new drugs. So according to the administration, the problem has been solved. If the industry still has difficulty with the approval process, let them come forward with a proposal for further change in that process instead of proposals to circumvent the FDA process by exporting unapproved drugs.

I have seen this bill wrapped in the mantle of trade legislation. That is an important issue in Congress. Believe me, the attempt to portray this bill as a trade bill is a ruse, nothing more, nothing less. Drug export legislation will not prompt American companies to relocate existing overseas operations in the United States or to establish new operations in the United States.

Proponents claim that S. 1848 is reform legislation that will curb the practice of American drug companies locating their production facilities abroad as they currently do to circumvent the prohibition against unapproved drugs. They imply that enactment will induce firms to repatriate some of their facilities in these countries. These claims are wholly unfounded. There is not a word in the bill to that effect and there is not a company that I know of who has come forward and said that upon passage of this bill, we are going to bring back to the United States our manufacturing operations.

There is nothing in the bill to keep them from maintaining overseas the facilities they presently have nor from building new ones. Indeed, since these countries allow the export of unapproved drugs, particularly to the Third World, the incentive remains strong for U.S. companies to continue to operate from overseas locations.

In his testimony before the committee's June 5 hearings, David B. Sharrock, president of Merrell Dow Pharmaceuticals U.S.A., stated:

> As foreign countries fiercely compete with the United States for capital investments and new jobs, these countries are prepared to create favorable economic incentives to secure such investments.
>
> Consequently, once a commitment to supply an active ingredient from a specific country is made, the approval of the drug in the U.S. will not bring the production of this active ingredient to our country.

For those companies seeking to establish new plants, general business considerations rather than the issue of export restrictions dictate the decision about plant location. At hearings on tax reform before the House Ways and Means Committee on July 11, 1985, Richard M. Furland, chairman and chief executive officer of Squibb said:

> Almost every country has its own version of a food and drug administration, which all but forces pharmaceutical companies to do business "in-country". Exorbitant tariffs also requires us to operate abroad if we are to compete for foreign markets with the large European and Japanese drug firms. In other words, if Squibb is to tap British, French, German and other European markets, it must be inside common market tariff barriers and subject to local food and drug rules.

□ 1420

In fact, American drug companies that sell their products in foreign markets have adopted methods of operation that rely on overseas plants regardless of what U.S. export policy may be. According to Mr. Sharrock, the president of Merill Dow:

> It is customary of multinational pharmaceutical companies to have facilities in major foreign countries where their drugs are sold, to carry out tableting, encapsulating, and other operations to make finished drug dosage forms. The active ingredients, however, that go into making these finished dosage forms are typically produced at a small number of separate plants dedicated to manufacturing active ingredients of specific types. The active ingredients are then shipped to the local plants producing finished dosage forms.

Mr. President, proponents also claim that this legislation will solve all the woes of the biotechnology industry. But in reality, S. 1848 will not end overseas technology transfers in the biotechnology industry.

Proponents argue that the ban on export of unapproved drugs forces biotechnology companies to enter into partnerships with foreign companies to produce their drugs overseas. In reality, foreign partnerships have become an integral component of the way American biotechnology industry does business and these partnerships will continue irrespective of U.S. export restrictions.

In an extensive analysis of the biotechnology industry in the Washington Post of December 17, 1984, and May 19, 1985, analysts and industry spokespersons had the following to say:

> For most companies, at the present stage of development, relationships between corporations that cut across national lines are beneficial to both parties. The technology transfer goes both ways.

Mr. Harvey Price of the Industrial Biotechnology Association stated:

> You need a Japanese partner to be successful in Japan—it's just the nature of the marketplace.

According to the Post, Genentech's foreign partners have spent $47 million for overseas clinical tests on just one of Genentech's products alone. According to the company's vice president, Thomas Kiley: "These arrangements are vital to our growth."

The overseas transfer of technology is, according to the Post series:

> An inevitable part of doing business overseas and most companies agree that the clear short-term benefits of cooperation outweigh the fuzzy long-term risks.

Clearly, economic and research concerns far outweigh the laws regulating drug exports in determining technology transfer in the biotechnology industry.

S. 1848 is not reform legislation. S. 1848 will prove an embarrassment to us over the years if it passes. It does not even include antibiotics under its provision as is strongly recommended by experts in the field. Last year this proposal was accurately pegged a greed bill. But, this year proponents are back knocking on Congress' door. They believe that the health and safety of foreign consumers is not as important to Congress as the bottom line on the profit sheet of America's most profitable industry.

We may have the strictest standards for safety among all but I do not hear anyone advocating less tough standards for the FDA. What I do hear people saying is "let's circumvent the process for drug exports. After all, as long as we don't have to risk using the drugs, who cares?" I think many of us do care.

We are told that there are safeguards. The best safeguard is the one we have right now—if a drug is not proven safe and effective for use in the United States, do not export it.

Mr. President, I will address myself further to the issues in connection with this bill and will be prepared to offer amendments thereto at a subsequent point. I yield the floor.

Mr. HATCH. Mr. President, I have listened, again with intriguing interest, to the distinguished Senator from Ohio make basically the same arguments he made last Thursday evening and I would refer those who are interested in what this bill really is about to the transcript of that date and my remarks made at that time. Also to the remarks of Senator KENNEDY because virtually everything that the distinguished Senator from Ohio has said, virtually every sentence could be refuted. That would take too much time and I think would be a waste of everybody's time. But let me just mention a couple of things and make that blunt statement; that we disagree with basically everything the distinguished Senator from Ohio said, although we respect his right to say the things that he has said.

With regard to the international opposition, the Senator is armed with communications from an impressive array of foreign groups opposing the bill, but let us not be misled. These communications are the result and are in essence the product of a letter-writing campaign. It is coordinated by a

European-based social activist organization, Health Action International and its sister organization, the International Organization of Consumers Unions.

Now, I note here that the foreign consumers unions tend to be more political and radical than their U.S. counterparts.

The letters all are similar in their rhetoric and misstatements that this legislation will somehow worsen the problem of dangerous drugs on today's world markets, and especially Third World markets. With few exceptions they imply an ignorance of the bill itself. The people who wrote the letters either have not read the bill or do not understand it.

These organizations are well-meaning and I am sure that they do good work on other issues. However, I think it is important and useful for us to recognize the HAI network's broader agenda so that we understand their real reasons for opposing this bill. That agenda grows out of the class-oriented exploiter-exploited view of events that Marxism has been teaching for the last 100 or more years. They want to undermine patent protections, to greatly restrict the types of pharmaceuticals available in the developing world, thereby condemning many Third World inhabitants to needless pain, suffering, and death; to block the free enterprise system in key industries such as health care; to curtail at any cost the activities of Western multinational corporations; and, most importantly, to establish a global welfare state by the massive but shortsighted shift of resources from the developed to the developing countries. The passage of this bill would be a step backward in achieving this broader agenda, and this is the reason I believe we have not received a single constructive letter from any of these groups. It is always total, irrevocable opposition to any change in our current pointless, counterproductive law. It is just that simple.

Now, this bill has been criticized as drug export legislation which will not create a bonanza of new jobs in the pharmaceutical industry. The distinguished Senator from Ohio has made that point here again today although there have been estimates ranging from 8,000 to 10,000 to 50,000 jobs. Now, the bill's proponents have never claimed that S. 1848 will create a bonanza of new jobs in the U.S. pharmaceutical industry. The pharmaceutical industry is not as labor intensive as many and the committee's expectations I think have been realistic. It will, however, create an additional 8,000 to 9,000 to possibly 10,000 jobs by reasonable estimates. This is a very significant number whether or not it consitututes a bonanza. Now, some have estimated as high as 50,000. I think that is possible. But to be more conservative we have said 8,000 to 10,000 and we stand by that. The biotechnology industry alone estimates 5,000 jobs and that is only part of this industry. As the committee report points out, any needless loss of jobs and loss of export payments is unacceptable. It really is bad.

Another criticism by the distinguished Senator from Ohio is that S. 1848 will not end U.S. overseas transfers in the biotechnology industry. Technology transfer is a problem for biotechnology firms.

□ 1450

True, foreign partners are often necessary to conduct clinical trials abroad, steering the drug through foreign regulatory agencies and their foreign marketing systems in the process. Technology transfers on a basic level are common and nonobjectionable. But none of these contemplates a transfer of secret techniques for production which are not—and I emphasize are not—willingly transferred and which sap the competitive advantage of American innovators.

I would like to refer back to my comments of Thursday for a refutation of most of the Senator's points. I would, however, like to reemphasize the reason why this is not a bill which will dump unsafe drugs abroad and why it is better policy than the current law.

We want to allow the export of not-yet-approved drugs to a limited set of developed countries under restrictions and safeguards designed to ensure that unsafe drugs will not be dumped on undeveloped nations ill-equipped to deal with them. I hasten to add that in no case could drugs be exported if they have been rejected by FDA or USDA—we are only talking here about drugs which have not yet been approved by the U.S. agency. Chief among the bill's protections are the requirements that each drug have been approved for safety and efficacy by a foreign regulatory agency comparable to our FDA and that each be produced in conformity with the same quality as domestically approved drugs.

Opponents for changing our current policy attack the bill on health grounds, claiming that it will permit unsafe unapproved drugs to be sold in undeveloped countries. Senator KENNEDY and I have been sensitive to these charges and have built into the bill protections that will assure that no U.S. company is involved in unauthorized shipments, and that the drugs exported under these amendments have first passed muster before responsible foreign officials.

That is a tremendous improvement over current law. All these criticisms that the distinguished Senator from Ohio seems to be raising also apply to current law. We are trying to resolve those problems while at the same time preserving jobs, preserving our own preeminence in biotechnology, rather than have it transferred and exported from our country. At the same time having a better balance of payments—not only because today our companies move offshore to get around these laws, but also because once the drug is approved by FDA, we have to import a drug that could have been manufactured here, probably at much less cost. We have to import them in order to have them in our country.

But the fundamental response to critics is that, when judged by its impact on foreign consumers, this bill will have no negative effects compared to the situation under current law. This is a point the critics never address, although, for the first time, I have heard them say that there are some good things about the bill.

Under current law, any drug approved or unapproved, may be made overseas and shipped to any country in the world where it is permitted. Thus drugs not approved by the FDA, under current law, are circulating freely abroad and are available right now to foreign consumers. It follows that, to the extent drugs exported from the United States under these amendments find their way to unauthorized countries, the situation is no different than it would have had this bill not passed. We have made a pretty good case as to ills that this bill does correct and that this bill does work on.

I suspect that, in this area, no bill will do everything it would take to satisfy the Senator from Ohio, and no bill, in this country or elsewhere, will satisfy the critics he has cited.

With regard to some of the editorials he has cited thus far, the editorial writers have not called my staff or Senator KENNEDY's staff, to my knowledge. They have just written what they think the bill means, without fully understanding it. They have an agenda, and that agenda is anti-United States, anti-U.S. multinational corporations, anti the U.S. ability to sell drugs overseas.

They have a zero-risk mentality with regard to pharmaceuticals. There is not a pharmaceutical today, not one, not even aspirin, that has zero risk. All have a down side. We all need to know that and understand that.

There are risks and there are benefits for drugs. We want to make sure the benefits always exceed the risks. I think this country has been the world leader in that regard.

On the other hand, it is arrogant to think that this is the only country in the world that has a safety-in-efficacy process, when there are many countries just as good as we are. We have named them in the bill.

Mr. President, I ask unanimous consent to have printed in the RECORD, an interesting and, I believe, accurate article published in Private Practice, in

February 1986, by Armistead M. Lee and C. Joseph Stetler, entitled, "Should the FDA Regulate the Rest of the World?"

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Private Practice, February 1986]

(By Armistead M. Lee and C. Joseph Stetler)

SHOULD THE FDA REGULATE THE REST OF THE WORLD?

For several years efforts have been made to remove the statutory ban on the export of medicines not approved for use in the United States. The present law is unmatched in any other industrialized country and, in effect, imposes Food and Drug Administration regulatory decisions on the rest of the world.

It now appears that Sens. Orrin Hatch and Edward Kennedy may agree on appropriate legislative language. If they do, chances for favorable action in the Senate are good, but action in the House is still in doubt.

Hearings last year in both houses of Congress supported the reform in principle, and the bill sponsored by Hatch was endorsed by the pharmaceutical industry and the FDA. There seemed a consensus that it was illogical, at a time of mounting deficits in our balance of trade, that we should continue to hobble an important exporting industry with self-imposed restrictions.

Foreign governments have not asked to be protected by this export ban. Mark Novitch, MD, speaking in support of the bill in his capacity as acting commissioner of the FDA, said, "We believe the governments of other nations are in the best position to assess their own health needs."

Many officials and physicians in other countries have expressed irritation at the arrogance of Americans who presume to make risk-benefit judgments on their behalf. Finally, Dr. John Dunne supported the repeal of the American export ban in testimony before a House subcommittee chaired by Rep. Henry Waxman, D-Calif. Dr. Dunne is with the World Health Organization, an agency which claims to speak for the consumers and patients of the world.

DETERMINED TO BE HEARD

But the consensus was not quite total; radical consumer activists, a diminutive but very vocal group, were determined to be heard. The International Chemical Workers Union expressed in opposition to the bill. Unimpressed by the evidence of manufacturers, who explained that the export ban had forced them to make certain products abroad which they would have preferred to produce in the United States, the union declared that "the jobs that would be created are outweighed by the tremendous ethical disadvantages of the bill."

Dr. Sidney Wolfe of Public Citizen's Health Research Group spelled it out. Citing drugs that were approved in the United Kingdom, but not the United States, and later withdrawn because of adverse reactions.

The activists seize upon a kernel of truth, which they proceed to amplify, through extrapolation, to a grotesque generality. It is quite true that the manufacturers of drugs, like those of other commodities, seek to differentiate their products. But it does not follow that they can succeed by the same tactics as the makers of cosmetics or costume jewelry, who use the mass media to appeal to the whimsy of the consumer.

Pharmaceutical manufacturers first must persuade a stern regulatory agency that their products are safe and effective for a sizable portion of the relevant patient population. Such persuasion requires solid evidence, which can be obtained only through many years of controlled studies of animals and humans. If this hurdle can be surmounted, manufacturers must then persuade an audience of conservative and skeptical physicians and pharmacists that the new drug is safer or more effective than the one they have been using. Moreover, the manufacturer's promotional message must, in most countries, meet the standards set by the regulatory agency and provide relevant warnings of side effects and contraindications.

Similarly, it is quite true that some of the observed differences in prescribing and dispensing practices, nationally and internationally, are not entirely rational. It may be true, as Medawar maintains, that the Spaniards use too many appetite stimulants and that in many countries some combinations of drugs are recommended for conditions where single entity medicines might be preferable and cheaper.

But Medawar and his colleagues attempt to erect too elaborate a structure of dogma on too narrow a foundation. Like the other apologists for the highly restrictive national formulary of Bangladesh, he sees the "proliferation" of drug products as a major impediment to public health and economic development in the Third World. Implicit in this criticism is the assumption that, in all countries, there is a single "drug of choice" for all patients with the same disease. This is typically an older drug, available generically, and one to be included in the limited national formulary of "essential" drugs. All others are "me-too" drugs, artifically differentiated, and imposed on gullible prescribers and dispensers by unscrupulous multinational manufacturers. Not only are these products needlessly expensive but, according to the script of the activists, they are frequently toxic and ineffective. They may not even be approved in the United States, which means that they are being "dumped" on defenseless Third World consumers.

The ideologues of HAI see such anti-social behavior as a natural consequence of competitive market forces. Those of us who have observed the scene from the inside acknowledge the vigor of competition, but see its effect quite differently. We believe it impels manufacturers to achieve an advantage by developing more effective drugs with fewer side effects. And we are puzzled by the perverse logic of the activists who argue that consumer costs will be lowered by reducing the number of drugs on the market.

It is not necessary to depend on the lessons of freshman economics, where we were told that curtailing supply tends to raise prices. We can look at Norway, hailed by Medawar as a model which he believes his own country, Great Britain, should follow. He notes that the national list of preparations available in Norway is about one-third of the number available in the United Kingdom. But he fails to note that per capita expenditure for medicines in Norway has been almost twice that in Britain.

If a preference for ideology over careful observation is one characteristic of the true believers, another is their tendency toward what might be described as "semantic shift." For example, when a death is reported as having been "associated with" the ingestion of a particular drug, they take it as fact that the death was "caused by" the drug. Also, despite the reminder, in the preamble to the WHO's Essential Drug List, that "exclusion does not imply rejection," the activists tend to assume that products not included have been found to be either ineffective or less effective than those on the list.

We saw an example of this tendency in the well-orchestrated campaign against removing the current U.S. ban on the export of drugs not yet approved by the FDA. "Unapproved" was widely interpreted as meaning "disapproved." The stage was set for this gambit by the differences in the approval standards of various regulatory agencies and the consequent differences in the prescribing information on individual products as listed in the various national compendia. The fact that foreign reference guides are more abbreviated than our own Physician's Desk Reference invites the production of sensational books such as "Prescription for Death; The Drugging of the Third World."

* * * * * *

Similarly, it is hard to reconcile a preoccupation with the cost of drug therapy with an attempt to impose on the rest of the world the prevalent American distaste for fixed combinations—which comprise a substantial share of Dr. Wolfe's "Pills That Don't Work." All would agree that where a single entity drug would suffice, it makes little sense to use a mixture. But when the doctor decides that concomitant therapy is needed, and the patient needs both an antihypertensive and a diuretic, or an antibiotic and a fungicide, it is almost invariably cheaper and more convenient to use a combination.

THORNY PROBLEM

None of the contradictions of the international consumerists is quite as thorny as the problem of reconciling their other complaints and objectives with their efforts to fit into the overall concept of a New International Economic Order. This goal has been pursued in the halls of the U.N. General Assembly, ECOSOC, UNIDO and UNCTAD by delegates from most of the less developed countries, who complain of adverse terms of trade and seek emancipation from the alleged exploitation of multinational corporations. While a great many non-Communist regimes have joined the crusade, they nevertheless have taken ideological sustenance from the teachings of Marx and Lenin, who preached that as competition erodes profit margins in the markets of the industrialized countries, capitalists will seek investments in the lesser developed countries, where labor—the base of all value according to the "true faith"—is relatively cheap.

But the ideology of IOCU and HAI is not pure Marxism. Although it seeks to expand the public sector, particularly in the field of regulation, the movement also seeks to encourage indigenous entrepreneurs and capitalists in the lesser developed countries. They are the "good guys" in white hats, with the welfare of the masses at heart. It is the multinational manufacturer who allegedly "dumps" ineffective and poisonous drugs and subverts the local medical and pharmaceutical professions with gaudy ads and tempting gifts.

The problem with this scenario is that it is contradicted by the daily observations of the Third-world consumer. He notices that

the products which fail most are generally made by indigenous companies, and that the exaggerated claims are more likely to come from local firms. If chloramphenicol is being used too freely, then most of the blame should go to the native firms which produce the vast bulk of this antibiotic. Certainly Parke-Davis cannot be blamed for the fact that it is the most widely used antibiotic in mainland China.

And if clioquinol (Enterovio-form) should not be used at all, as the consumerists insist, then the message should go not to Ciba-Geigy, which has discontinued its production and distribution, but to the many indigenous producers, as well as the national governments in many Third-world countries which persist in believing that the drug is relatively safe and extremely effective.

The priority which HAI assigns to the replacement of multinationals by local firms is evidenced by the prominence this issue has been given in the organization's draft of an International Marketing Code, which it hopes to persuade WHO to accept. It is also demonstrated by the pronouncements, in HAI bulletins, that the restrictive and confiscatory new drug policy adopted in 1982 by Bangladesh is a proven success. Where is the proof? It could hardly be demonstrated that there has been greater accessibility and lower prices for the drugs needed to keep cholera in check. The crowning proof of success is the undisputed fact that the market share of the multinationals has declined and that of the local manufacturers, particularly the producers of traditional medicines such as Ayurvedic and Unani, has risen.

POSITIVELY FRIENDLY

Will the professional consumerists succeed in pushing their marketing code through next year's World Health Assembly? Clearly, they feel less confident than in the old days, when they found it easy to capture other specialized agencies of the United Nations. In 1982, the Assembly decided to defer action on the Code and to give IFPMA a chance to demonstrate its own newly approved voluntary code.

Moreover, Director-General Halfdan Mahler can no longer be counted on to denounce the pharmaceutical industry. Indeed, he appears to have grown positively friendly to the multinationals recently. HAI luminaries were audibly indignant when they learned that Dr. Dunne, the WHO chief of pharmacy, actually had testified in Washington in favor of repealing the American export ban on unapproved drugs.

Mr. HATCH. Mr. President, we could go on and on debating these nuances in the law.

I do not think we have to spend the whole day today on this. I think we can do, if the Senator finds it satisfactory, is for him to lay down some of his amendments and begin voting at 2 o'clock tomorrow. At least, that is what the majority leader has indicated to me. We could have some stacked amendments ready to go—at least one, if not more than one—and we could debate those here today.

The Senator might lay down a few amendments today. If the Senator would prefer to wait until tomorrow, there is not much more we can do today. We could lay down at least one amendment and have 15 minutes to debate it tomorrow, from 2 to 2:15, and have a vote.

Mr. METZENBAUM. Mr. President, we do intend to lay down one or more amendments this afternoon. We will decide which one we want first. I know that the majority leader would like us to have at least a couple of amendments for tomorrow. The Senator from Ohio is considering laying down an amendment, and possibly a second one, providing for an hour debate between the first and the second.

I suggest that at this moment we put in a quorum call, and then we will decide.

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1440

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

□ 1450

AMENDMENT NO. 1948

(Purpose: To amend section 412 of the Federal Food, Drug, and Cosmetic Act, relating to requirements for infant formulas)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes an amendment numbered 1948.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

At the end, add the following:

SEC. 9. Section 412 of the Federal Food, Drug, and Cosmetic Act is amended—

(1) by redesignating subsections (e), (f), and (g) as subsections (h), (i), and (j), respectively;

(2) by striking out the last sentence of paragraph (1) of subsection (h) (as redesignated by clause (1) of this section) and inserting in lieu thereof the following new sentence: "Such records shall be retained for at least one year after the expiration of the shelf life of the infant formula.";

(3) by striking out "subsection (a)(2)" in subsection (j) (as redesignated by clause (1) of this subsection) and inserting in lieu thereof "subsection (a)(3)"; and

(4) by striking out subsections (a) through (d) and inserting in lieu thereof the following:

"(a)(1) An infant formula (including infant formula powder) shall be deemed to be adulterated if—

"(A) such infant formula does not provide nutrients as required by subsection (j);

"(B) such infant formula does not meet the quality factor requirements prescribed by the Secretary under this section; or

"(C) the processing of such infant formula is not in compliance with the good manufacturing practices and the quality control procedures prescribed by the Secretary under this section.

"(2)(A) The Secretary shall by regulation—

"(i) establish requirements for quality factors for infant formulas, including requirements for the nutrients required by subsection (j);

"(ii) establish—

"(I) good manufacturing practices for infant formulas, including quality control procedures; and

"(II) requirements respecting the retention of records,

that the Secretary determines are necessary to assure that an infant formula provides nutrients in accordance with this section and will not cause harm; and

"(iii) establish requirements for the conduct by the manufacturer of an infant formula of regularly scheduled audits to determine that such manufacturer has complied with the regulations prescribed under clause (ii).

"(B) The good manufacturing practices and quality control procedures prescribed by the Secretary under subparagraph (A)(ii) shall include requirements for—

"(i) the testing of each batch of infant formula for each nutrient required pursuant to subsection (j) prior to the distribution of such batch in order to ensure the such formula is in compliance with this section and does not contain any deleterious or otherwise unsafe substance; and

"(ii) regularly scheduled testing of samples of infant formulas during the shelf life of such formulas in order to ensure that such a formulas are in compliance with this section and do not contain any deletrious or otherwise unsafe substance.

"(C) The record retention requirements prescribed by the Secretary under paragraph (A)(ii) shall include requirements for—

"(i) the retention of all records necessary to demonstrate compliance with the good manufacturing practices and quality control procedures prescribed by the Secretary under such subparagraph, including records containing the results of all testing required by subparagraph (B);

"(ii) the retention of copies of all records prepared by suppliers of raw materials and food packaging materials used in the processing of infant formula to demonstrate compliance by such suppliers with all regulations, guidelines, and action levels prescribed by the Secretary with respect to such raw materials and food packaging materials and with respect to infant formula;

"(iii) the retention of all records pertaining to the microbiological quality and purity of raw materials used in infant formula and of finished infant formula (including infant formula powder);

"(iv) the retention of all records of the results of regularly scheduled audits conducted pursuant to the requirements prescribed by the Secretary under subparagraph (A)(iii); and

"(v) the maintenance of files with respect to, and the review of, complaints concerning infant formulas.

Records required under this paragraph with respect to an infant formula shall be retained for at least one year after the expira-

tion of the shelf life of such infant formula. Such records shall be made available to the Secretary for review and duplication upon request of the Secretary.

"(D) In prescribing requirements for audits under subparagraph (A)(iii), the Secretary shall provide that such audits be conducted by appropriately trained individuals who do not have any direct responsibility for ensuring that the manufacturer of an infant formula complies with the regulations prescribed by the Secretary under subparagraph (A)(ii).

"(3) The Secretary may by regulation—

"(A) revise the list of nutrients in the table in subsection (j); and

"(B) revise the required level for any nutrient required by subsection (j).

"(b) No person shall introduce or deliver for introduction into interstate commerce any new infant formula unless an application has been filed pursuant to subsection (c) with respect to such formula and such application has not been disapproved. For purposes of this section, the term 'new infant formula' includes any infant formula for which there has been a change in formulation or processing which may affect whether the formula is adulterated within the meaning of this section.

"(c) A person shall, with respect to any infant formula subject to the provisions of subsection (b), file with the Secretary an application. Each such application shall include—

"(1) full reports of testing demonstrating that such infant formula provides nutrients in accordance with subsection (j) and complies with the quality factor requirements prescribed by the Secretary under subsection (a)(2)(A)(i);

"(2) records demonstrating that the processing of such infant formula complies with the regulations prescribed by the Secretary under subsection (a)(2)(A)(ii); and

"(3) such additional information as the Secretary may by regulation prescribe.

"(d) Within ninety days after an application is filed under subsection (c), or prior to the end of such additional period as may be agreed upon by the Secretary and the applicant, the Secretary shall either—

"(1) approve the application if the Secretary finds that the infant formula complies with the requirements of this section and the regulations prescribed by the Secretary under subsection (a)(2)(A); or

"(2) deny the application.

"(e) An applicant whose application has been denied under subsection (d)(2) may appeal such denial pursuant to procedures specified in regulations prescribed by the Secretary. After the applicant has exhausted the remedies specified in such procedures, the applicant may appeal the denial of such application to the United States court of appeals for the circuit wherein such applicant resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia Circuit, within sixty days after the entry of the Secretary's final order denying such application.

"(f)(1) If the manufacturer of an infant formula has knowledge which reasonably supports the conclusion that an infant formula which has been processed by the manufacturer and which has left an establishment subject to the control of the manufacturer—

"(A) may not provide the nutrients required by subsection (j); or

"(B) may be otherwise adulterated or misbranded, the manufacturer shall promptly notify the Secretary of such knowledge and shall immediately take all actions necessary to recall shipments of such infant formula from all wholesale and retail establishments, and to assist such retail establishments in publicizing such recall in a manner reasonably designed to notify purchasers of such infant formula of such recall and the reasons for such recall.

"(2) For purposes of paragraph (1), the term 'knowledge' as applied to a manufacturer means (A) the actual knowledge that the manufacturer had, or (B) the knowledge which a reasonable person would have had under like circumstances or which would have been obtained upon the exercise of due care.

"(g)(1) If a recall of an infant formula is begun by a manufacturer, the recall shall be carried out in accordance with such requirements as the Secretary shall prescribe under paragraph (2), and—

"(A) the Secretary shall, not later than the 15th day after the beginning of such recall and at least once every 15 days thereafter until the recall is terminated, review the actions taken under the recall to determine whether the recall meets the requirements prescribed under paragraph (2); and

"(B) the manufacturer shall, not later than the 14th day after the beginning of such recall and at least once every 14 days thereafter until the recall is terminated, report to the Secretary the actions taken to implement the recall.

"(2) The Secretary shall by regulation—

"(A) prescribe the scope and extent of recalls of infant formulas necessary and appropriate for the degree of risk to human health presented by the formula subject to the recall; and

"(B) require the posting of a notice of any recall of an infant formula at each place where such formula is sold or was available for sale.".

Mr. METZENBAUM. Mr. President, this is an amendment that I am offering in connection with the interest of a group called "Formula." "Formula" is a national nonprofit parent's organization that was created 7 years ago by Carol Laskin and Lynne Pilot when their two children became seriously ill after consuming the defective infant formula Neo-Mull-Soy. Since then, more than 70,000 parents have been in touch with Carol Laskin and Lynne Pilot.

They have urged us to adopt this amendment in a letter which reads as follows:

DEAR SENATOR: We need your support of the proposed amendments to section 412 of the Food, Drug, and Cosmetic Act, relating to the requirements for infant formulas:

They go on to say I intend to offer their amendments to the drug export bill.

The letter further reads:

When the Infant Formula Act was signed into law in 1980, it set nutrient standards for all infant formulas, and gave the FDA authority to promulgate quality control regulations.

Why does this law need to be amended now?

The answer is very simple. Defective infant formula can still reach consumers because *manufacturers are not required to test each batch of infant formula for all of the nutrients specified in the law before it leaves the factory. (See attached list.)*

And I will come back to the attached list. Said they:

The need to correct this problem was pinpointed by Judge Kenneth H. Starr in his recent opinion before the U.S. Court of Appeals for the District of Columbia Circuit in which he acknowledged that "deficient formula * * * could be on grocery store shelves for three months before the required periodic analysis would detect the deficiency". (No. 84-5747, Dec. 31, 1985, p. 32.)

The proposed amendments will:

1. Require manufacturers to test each batch of infant formula for each legally mandated nutrient before the formula leaves the factory.

2. Provide that nutrient levels be routinely tested throughout the product's shelf-life.

3. Require manufacturers to test each batch of formula for hazardous extraneous materials (e.g., heavy metals, carcinogens, pesticides, and other industrial contaminants).

4. Ensure that record retention requirements apply to infant formula powders.

5. Provide for point-of-purchase recall notification.

We believe these amendments will provide protection for our Nation's most precious resource—our children.

Mr. President, I remember when we passed the first infant formula bill. It was during the administration of President Carter. I remember going down to the White House for the signing of the bill as one of the cosponsors of that legislation. There was such a sense of excitement by these women and children and other women because finally we had done something to see to it that our Government protects infants from formula that truly should not be ingested by those babies. We thought that we had won that battle. It was an exciting day.

But, unfortunately, the Food and Drug Administration did not provide the kind of protection which they were expected to provide. Instead, they made it possible for infant formula manufacturers to set their own standards as to what is and is not safe. And, as a consequence of their failure to do that which they should have done, the list, which is attached to the letter from the group called Formula headed up by these two women, reads as follows:

PROBLEMS WITH INFANT FORMULAS SINCE 1982

1. *Wyeth.* More than 3 million cans of SMA and Nursoy recalled because they lacked vitamin B6. (1982)

2. *Abbott-Ross.* Similac and Isomil found to contain carcinogens trichlorethylene (TCE) and perchlorethylene (PCE) due to contaminated well water. FDA considers these "weak carcinogens" and does not order a recall. (Food & Chemical News, Nov. 28, 1983). In July 1985, American Academy of Pediatrics asks for sampling of groundwater, a testing procedure which FORMULA proposed back in 1982.

3. *Loma Linda.* Soyalac Powder (16 oz. cans) recalled because of a loss of vitamin A activity (August 1983).

4. *Filmore Foods.* Naturlac (distributed by Sunshine & Rainbow and sold in health food stores) recalled because of a lack of thiamine copper, and vitamin B6. (Food & Chemical News, Sept. 12, 1983)

5. *Scott Treadway (Kama Nutritional).* Kama-Mil Powder recalled by Wishing Well Distributing Co. and Threshold Enterprises because product deficient in folacin, zinc, and vitamin D. Class I recall. Product never registered with FDA. Someone notified FDA anonymously. FDA has had difficulty in locating manufacturer. (Food & Chemical News, April 22, 1985)

6. *Scott Treadway (Kama Nutritional).* Nutra-Milk Powder recalled by Wishing Well Distributing Co., Threshold Enterprises, and Stowe Mills. Class I recall. Nutrient deficiencies and lack of registration. Manufactured from 1980–1985 without FDA's knowledge. FDA has had difficulty in locating manufacturer. (1985)

7. *Gerber Foods.* Gerber Meat Base Formula (MBF) recalled because some lots contained excess vitamin A. Gerber had purchased the vitamin premix from Watson Food Company. (Food & Chemical News, Feb. 25, 1985)

8. *Ross-Abbott.* Three reformulations made without notifying FDA: (a) revision in the concentation of total solids, fat, and protein for Similac with Whey ready-to-feed, (b) revision of the mineral premix used in Similac with Iron and Similac with Whey Plus Iron, and (c) reduction of the protein levels and change in the mineral source for calcium and phosphorus for Isomil ready-to-feed and concentrate. (Food & Chemical News, July 29, 1985)

9. *Loma Linda.* Soyalac Powder (1.2 oz. foil pouches provided to physicians as samples) recalled because of progressive vitamin A degradation. (FDA Enforcement Report, Feb. 12, 1986)

10. *Powdered Formulas.* There are no provisions for the FDA to examine quality control and production records of powdered formulas. Unlike liquid infant formulas, powdered formulas are not covered by existing low acid canned food regulations. According to a Michigan FDA investigator, this situation could result in "serious food borne disease in infant formula powders." (Food & Chemical News, July 9, 1984)

11. *Watson Foods Company.* The U.S. Department of Justice filed a motion for a preliminary injuction because "as a result of inadequate quality control, numerous Watson vitamin and mineral mixes [used in infant formulas] have been misbranded and adulterated." (Department of Justice statement, Jan. 2, 1986)

Mr. President, I recited all of those because I wanted to make it clear—not that somebody was going to understand the specifics of that which I was reciting—but to make it very clear that the problem with respect to infant formulas being sold in the marketplace today is not an isolated instance. It is not just one company. It is not some off-brand company. It is a fact that the babies of this Nation who are taking infant formula are constantly exposed to infant formula that is not safe for them to ingest into their little tummies.

□ 1500

Mr. President, it is my strong feeling that we need to add to this bill that has to do with drug exports some prohibition in order to provide for the protection of the infant formula being sold in this country. We thought we had achieved that objective some years ago during the Carter administration. Obviously the Food and Drug Administration emasculated the original intent of the drafters of the bill.

Now I think it is necessary that we go back with legislation in order that we can make it unequivocally clear that we expect protection for babies as far as it pertains to the infant formula that they are using and their mothers are feeding them.

Mr. President, I ask unanimous consent that the vote in connection with this amendment occur at 2:30 tomorrow after half-hour of debate on the bill.

The PRESIDING OFFICER. Is there objection?

Mr. METZENBAUM. I withhold that temporarily.

Mr. President, in order that this matter may be cleared with the appropriate parties responsible for action on the floor of the Senate, I withdraw my unanimous-consent request at this moment. But let me explain what the Senator from Ohio expects to do as far as tomorrow's activities are concerned.

I was prepared in accordance with my understanding with the majority leader to come in early tomorrow morning and start action in connection with a number of amendments that the Senator from Ohio has. I was prepared to come in at 9, 9:30, or whatever the case my be in accordance with the discussion I previously had with the majority leader.

I am now advised that the majority leader and those who are responsible for handling the floor on the other side of the aisle have indicated that they would prefer there not be any votes in the morning, and that there would be votes in the afternoon. I am prepared to move forward in connection with the various amendments that I have. But I do want to have some assurance from the manager of the bill who I assume would be speaking for the majority leader that I will not be precluded—by reason of that fact or by reason of some other Senator calling up one of his amendments that is permitted by the original unanimous-consent request—from offering a number of other amendments the Senator from Ohio has, and not find myself squeezed in toward a 1 o'clock final vote time on this bill.

Mr. HATCH. Let me just say that I cannot speak for the majority leader. But I can assure the Senator from Ohio that I am willing to stay late tomorrow night and allow adequate time for him to bring up his amendments. I do believe the majority leader will expect us to have a final up or down vote on passage at 1 o'clock on Wednesday. But I believe there will be adequate time for the distinguished Senator from Ohio to present his amendments. I do not know of anyone who would try to prohibit him or interfere with his right to present those amendments and allow whatever time he desires between now and 1 o'clock Wednesday.

I am willing to stay as manager of the bill tomorrow evening so that he will have adequate time.

Mr. METZENBAUM. I would like to get that assurance so I may be certain.

Mr. HATCH. I cannot give the Senator that assurance. I think 1 o'clock is by unanimous consent.

Mr. METZENBAUM. I believe that is the case. I think I would like to explore the matter with the majority leader before placing a unanimous-consent request because otherwise I think I would like to work starting at 9 or 9:30.

Mr. HATCH. I have no objection to that. But I understand the morning is clouded by the fact they have an executive session, a number of special orders, and then they have the ceremony for Anatoly Shcharansky, to which almost everybody wants to go.

Mr. METZENBAUM. I expect to go to the Shcharansky ceremony.

Mr. HATCH. We also have, as the Senator knows, the caucuses for both parties tomorrow between 12:30 and 2. So 2 is about the earliest we can get started.

Mr. METZENBAUM. We could start at 8:30 or 9 o'clock as far as the Senator from Ohio is concerned, and have one or two votes early in the morning, if that is convenient with the majority leader.

Mr. HATCH. As far as I know, neither side wants to have votes before 10:30. That is when the Shcharansky ceremony starts.

Mr. METZENBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. COHEN). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, with regard to the distinguished Senator's pending amendment, I just saw the amendment today. So I would state that we will develop answers that more fully address this amendment. But first, this particular subject—that is, infant formula—has nothing to do with the pharmaceutical export amendments, the bill before us. It is certainly a nongermane amendment. It has nothing to do with this particular bill, and would not only cloud the issue but could be very detrimental to the bill. These proposals have not been examined nor have they been voted upon by our committee.

Its adoption at this time would be premature, although the Senator does raise issues that we have to look at and address. Second, there is no evidence, not any, not anywhere, that the current infant formula law is not working. It is working. The Senator has noted a series of recalls but, to the best of my knowledge, they fall into two categories: First, people who produce infant formula are already covered by existing law. No law will restrain the unlawful. Those who ignore the laws are going to do it anyway; second, deficiencies in formula that were discovered before they came to market show that the current law is working. These examples fall is one of these categories: Those who are breaking the current law, or examples where the law has worked, found the deficiencies, and caught them before they came to the market.

So none of these examples justify the amendment the Senator is proposing. I might add that in my judgment, these amendments are impractical, and will be opposed by the Food and Drug Administration. One of the problems with the proposal to every nutrient in every batch is that some of these tests take months, and the decrease in shelf life would be significant as would be the increase in expense.

There is no way I can support this amendment, and I not think anybody who really understands pharmaceutical law or really understands what goes on in FDA and in the pharmaceutical industry or in the infant formula industry would really support this particular amendment at this time. There may be some issues raised that may deserve hearings, and the committee in the future wil certainly look at that.

That is about all I would care to say about the distinguished Senator's amendment today. I will add some more tomorrow. I hope this amendment will be defeated because this has nothing to do with this legislation. I think there are plenty of answers to what the distinguished Senator has brought forth.

With that, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

1510

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1949

(Purpose: To require the Secretary to enter into agreements to obtain information about the export of drugs)

Mr. METZENBAUM. Mr. President, I ask unanimous consent that, for purposes of my offering a second amendment, the first amendment be temporarily laid aside and that I be permitted to send an amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes an amendment numbered 1949.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 37, between lines 20 and 21, insert the following:

"(9) For the purpose of implementing and monitoring compliance with the requirements of this subsection, the Secretary shall enter into agreements with or utilize the services of any foreign government or United States embassy in a foreign country to obtain drug labeling used in any foreign country or information available in a foreign country with respect to the safety and effectiveness of drugs.".

AMENDMENT NO. 1950

(Purpose: To require that the same conditions apply to the export of antibiotic drugs as apply to other drugs)

Mr. METZENBAUM. Mr. President, I ask unanimous consent that for the purpose of my offering a third amendment, the first two amendments be temporarily laid aside and that I be permitted to offer an amendment at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes an amendment numbered 1950.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 37, between lines 20 and 21, insert the following:

"(9) An antibiotic drug which is subject to certification by the Secretary under section 507 may be shipped for export only to a country described in paragraph (2) and only if the antibiotic drug meets the requirements of paragraph (3).

SEC. 4. (a)(1) The provisions of section 801(e) of the Federal Food, Drug, and Cosmetic Act, as added by section 3 of this Act, shall not apply, for a period of one year beginning on the date of enactment of this Act, to any antibiotic drug which—

(A) is subject to certification by the Secretary of Health and Human Services under section 507 of the Federal Food, Drug, and Cosmetic Act;

(B) has been exported prior to the date of enactment of this Act;

(C) does not comply with the provisions of section 801(e) of the Federal Food, Drug, and Cosmetic Act, as added by section 3 of this Act; and

(D) complies with the provisions of paragraph (2).

(2) An antibiotic drug to which paragraph (1) applies may be exported if—

(A) such antibiotic drug has not been the subject of final action by the Secretary of Health and Human Services denying, withdrawing, or suspending approval or certification of such antibiotic drug on the basis of safety and effectiveness, or otherwise banning such antibiotic drug on such basis; and

(B) such antibiotic drug is not the subject of a notice by the Secretary of Health and Human Services of a determination that the sale of such antibiotic drug in the foreign country to which such antibiotic drug is to be exported is contrary to the public health and safety of such country

(b) The Secretary of Health and Human Services may extend the one-year period for which, pursuant to subsection (a)(1), the provisions of section 801(e) of the Federal Food, Drug, and Cosmetic Act do not apply to an antibiotic drug if the Secretary determines that the manufacturer of such antibiotic drug is making a good faith effort to comply with the provisions of section 801(e) of the Federal Food, Drug, and Cosmetic Act, as added by section 3 of this Act, with respect to such antibiotic drug. Any extension under this subsection shall be for a period not in excess of one year.

Mr. METZENBAUM. Mr. President, in order that there may be an understanding of what has transpired on the floor at the moment, the Senator from Utah and the Senator from Ohio are not in disagreement as to our being able to call these amendments up shortly after the respective caucuses conclude at 2 o'clock tomorrow and proceeding to a vote in connection with each of them. However, it has been suggested that the majority leader and the minority leader have to be consulted. For that reason, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, the Senator from Utah and the Senator from Ohio have been talking about a unanimous-consent agreement as to when these amendments will be voted upon with time limits. We both agree that there is really no necessity for doing that. Members of the Senate should be advised shortly after the respective caucuses occur there will be a short period of debate, probably about a half hour equally divided, on the first amendment, and then there will be a short period of debate in connection with the second amendment, and a relatively short period of debate in connection with the third amendment.

There should be three amendments that will come up for a vote in the early afternoon tomorrow.

The Senator from Ohio has some additional amendments that he will be offering during the remainder of the day. I make these statements in order that all Members may be apprised of that which is going to come. Other Senators may have amendments to offer also.

Mr. HATCH. Mr. President, with that, I suggest the absence of a quorum, and I suggest that since there will be no further debate on these amendments, there will be no further debate on the bill the rest of the day.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, the distinguished Senator from Ohio has called up three amendments, I ask unanimous consent that those three amendments be voted upon in the order in which they were called up after reasonable periods of time for debate, which has already been expressed by the distinguished Senator from Ohio.

The PRESIDING OFFICER. Is there objection?

Mr. METZENBAUM. Mr. President, reserving the right to object, and I certainly do not intend to object, I assume that the unanimous-consent agreement heretofore entered into will not be displaced by this particular unanimous-consent request,

Mr. HATCH. Mr. President, there was no prior unanimous-consent agreement.

□ 1520

The PRESIDING OFFICER. The Chair will recall that the Senator withdrew his unanimous-consent request before it was acted upon by the Chair.

Mr. METZENBAUM. The one that the Senator from Ohio is referring to is the one that was entered into before we went out last week.

The PRESIDING OFFICER. This will not displace that unanimous-consent agreement.

Mr. HATCH. All this will do is set the order in which the amendments will be voted upon with reasonable time for debate in between.

The PRESIDING OFFICER. Without objection, it is so ordered,

Mr. HATCH. Mr. President, I suggest the absence of a quorim.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. As I understand it, the three votes tomorrow will occur in relation to the three amendments in the order that they were called up. I ask unanimous consent that the votes with relation to the three amendments be in the order that they were called up.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The PRESIDING OFFICER. (Mr. COHEN). The Chair, in his capacity as the Senator from Maine, suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1540

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. the Senator from Wyoming is now recognized. The Chair was going to suggest something else.

Mr. SIMPSON. The Chair was going to say Montana. I know how easterners are.

Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. We have the same difficulty in the West, mixing up New Hampshire, Vermont, and Maine, you see. What happens in the Senator's area, they mix up Montana, Colorado, and Wyoming, but not the occupant of the chair, my old friend from Maine, who came here when I did.

RACINE HARBOR, WISCONSIN, IMPROVEMENTS

Mr. SIMPSON. Mr. President, I have conferred with the Democratic leader. I appreciate his consideration of my scheduling. With that, I ask unanimous consent the Senate now turn to the consideration of H.R. 4767, dealing with Racine Harbor, WI.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 4767) to deauthorize the project for improvements at Racine Harbor, WI.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendments to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 4767) was ordered to a third reading, was read the third time, and passed.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to table the motion.

The motion to lay on the table was agreed to.

ORDER FOR RECORD TO REMAIN OPEN

Mr. SIMPSON. Mr. President, I ask unanimous consent that the RECORD remain open until 5 p.m. today, Monday, May 12, for the introduction of bills, resolutions, and the submission of statements.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TOMORROW

Mr. SIMPSON. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m. on Tuesday, May 13, 1986.

I further ask unanimous consent that following the recognition of the two leaders under the standing orders, there be special orders in favor of the following Senators for not to exceed 5 minutes each: HAWKINS, CRANSTON, PROXMIRE, WEICKER, and MCCONNELL.

I also ask unanimous consent that following the special orders just identified, there be a period for the transaction of routine morning business not to extend beyond 10:45 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

I ask unanimous consent that the Senate stand in recess between the hours of 10:45 a.m. and 2 p.m. in order for the Senate to attend the ceremony in the rotunda for Natan (Anatoly) Shcharansky and for the weekly party caucuses to then meet.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

PROGRAM

Mr. SIMPSON. Mr. President, when the Senate reconvenes at 2 p.m., pending will be the unfinished business, S. 1848, the drug export bill. Votes can be expected during the day of Tuesday. There were three Metzenbaum amendments offered today. The Senate could be in session into the evening in order to make certain progress on the drug export bill.

RECESS UNTIL 10 A.M. TOMORROW

Mr. SIMPSON. Therefore, Mr. President, in accordance with the previous order, I move the Senate stand in

recess until 10 a.m. Tuesday, May 13, 1986.

The motion was agreed to, and, at 3:37 p.m., the Senate recessed until Tuesday, May 13, 1986, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 12, 1986:

DEPARTMENT OF STATE

John Dale Blacken, of Washington, a career member of the Senior Foreign Service, class of minister-counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea-Bissau.

Paul Matthews Cleveland, of Florida, a career member of the Senior Foreign Service, class of minister-counselor, now Ambassador Extraordinary and Plenipotentiary of the United States of America to New Zealand, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to Western Samoa.

Patricia Gates Lynch, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Republic of Madagascar and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal and Islamic Republic of the Comoros.

Vernon Dubois Penner, Jr., of New York, a Career Member of the Senior Foreign Service, Class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cape Verde.

Harry W. Shlaudeman, of California, a Career Member of the Senior Foreign Service, Class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federative Republic of Brazil.

DEPARTMENT OF DEFENSE

Edward C. Aldridge, Jr., of Virginia, to be Secretary of the Air Force, vice Russell A. Rourke, resigned.

DEPARTMENT OF AGRICULTURE

Peter C. Myers, of Missouri, to be Deputy Secretary of Agriculture, vice John R. Norton III, resigned.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Robert B. Helms, of Maryland, to be an Assistant Secretary of Health and Human Services, vice Robert J. Rubin, resigned.

Robert E. Windom, of Florida, to be an Assistant Secretary of Health and Human Services, vice Edward N. Brandt, Jr. resigned.

ALASKA NATURAL GAS TRANSPORTATION SYSTEM

Theodore J. Garrish, of Virginia, to be Federal Inspector for the Alaska Natural Gas Transportation System, vice John T. Rhett, resigned.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Clarence Thomas, of Missouri, to be a Member of the Equal Employment Opportunity Commission for the term expiring July 1, 1991. (Reappointment.)

FEDERAL EMERGENCY MANAGEMENT AGENCY

George Woloshyn, of Virginia, to be an Associate Director of the Federal Emergency Management Agency, vice Charles M. Giarard, resigned.

FEDERAL MARITIME COMMISSION

Edward V. Hickey, Jr., of Virginia, to be a Federal Maritime Commissioner for the term expiring June 30, 1991. (Reappointment.)

IN THE COAST GUARD

The following Reserve officers of the U.S. Coast Guard to be permanent commissioned officers in the grades indicated:

to be lieutenant commander

Alan R. Dujenski
Tom R. Wilson

to be lieutenant

Robert G. Lambourne
Bruce E. Leek
Raymond J. Miller
Paul L. Newman
Daniel A. Swedenborg

to be lieutenant (junior grade)

Stephen D. Austin
William V. Bennett
James D. Bjostad
Michael D. Brand
Philip E. Bray
John A. Campbell, Jr.
James H. Candee
Christopher A. Canty
Terrence W. Carter
Sergio D. B. Cerda
Timothy P. Crowley
Gail A. Donnelly
Stanley M. Douglas
John C. Edgar
John D. Filipowicz
Kevin C. Fitzpatrick
Janney F. Florey
Paul A. Francis
Donald L. Franklin
Arthur C. Gotisar
James E. Holbert
Blaine H. Hollis
Joseph M. Jacobs
David L. Jones
Margaret E. Jones
Lori A. Keller
Davalee G. Kenny
Bradley T. Lucak
Richard S. MacIntyre
Joe Mattina, Jr.
John A. McCarthy
Michael C. McColoughan
Mark L. McEwen
Donald N. Miller
Robert J. Moers
Patrick W. Murphy
Stephen C. Nesel
Mark B. Northrup
Robert M. O'Brien
Chris Oelschlegel
Donald E. Ouellette
Mark S. Palmquist
Manuel G. Perez
Kristin M. Quann
Adolfo D. Ramirez
Craig H. Ridnour
Derek H. Rieksts
Kevin M. Robb
Gean S. Rockhill
Scott G. Seiple
James M. Sellers
Gilbert E. Sena
Verne R. Skagerberg
Mark A. Skordinski
Gregg W. Stewart
Dennis Stoner
Donald K. Strother
Margaret F. Thurber
Michael K. Van Doren
Peter S. Virok
Lee E. Wetzel
Norvell E. Wicker
John C. Williams

The following Regular officer to be a member of the permanent commissioned teaching staff of the Coast Guard Academy as an instructor in the grade of lieutenant commander:

Ronald A. Nilsen

The following-named officers to be permanent commissioned officers in the Coast Guard having been found fit for duty while on the temporary disability retired list in the grades indicated:

To be chief warrant officer, w2:

Raymond J. Cox

To be chief warrant officer, w4:

Robert S. Samuelson

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

To be vice admiral

Vice Adm. Robert E. Kirksey, [redacted]/1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be vice admiral

Vice Adm. John M. Poindexter, [redacted]/1110, U.S. Navy.

IN THE MARINE CORPS

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Clyde D. Dean [redacted], U.S. Marine Corps.

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform duties indicated with grade and date of rank to be determined by the Secretary of the Air Force provided that in no case shall the following officers be appointed in a grade higher than that indicated.

MEDICAL CORPS

To be colonel

Cruz-Jimenez, Pedro R., [redacted]
Meyer, George W., [redacted]

To be lieutenant colonel

Sinha, Nanda K., [redacted]

To be major

Alford, Anthony L., [redacted]
Gagnier, James M., [redacted]

DENTAL CORPS

To be lieutenant colonel

Donahue, William J., [redacted]
Lieb, Lewis V., Jr., [redacted]
McAlpine, George J., [redacted]
Ursano, Robert J., [redacted]

To be major

Baiorunos, Barry J., [redacted]
Balzer, Richard R., [redacted]
Ippolito, Stephen P., [redacted]

McMichael, David W., xxx-xx-xxxx
Moore, William S., xxx-xx-xxxx
Schmidt, Stephen A., xxx-xx-xxxx
Shulman, Elliot R., xxx-xx-xxxx

To be captain

Ammon, Douglas J., xxx-xx-xxxx
Livingston, Robin L., xxx-xx-xxxx
Mealey, Brian L., xxx-xx-xxxx
Messenger, Kay L., xxx-xx-xxxx
O'Conor, Casey L., xxx-xx-xxxx
Onnink, Paul A., xxx-xx-xxxx
Read, Daniel S., xxx-xx-xxxx
Stentz, William C., Jr., xxx-xx-xxxx

The following-named officers for reappointment to the Active Duty list of the Regular Air Force in the grade indicated under the provisions of sections 1210 and 1211, title 10, United States Code.

LINE OF THE AIR FORCE

To be colonel

Parrish, John A., Jr. xxx-xx-xxxx

TO BE CAPTAIN

Arnold, James E., xxx-xx-xxxx

The following individuals for appointment as Reserve of the Air Force, in the grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Arnold, Frederick S., xxx-xx-xxxx
Brown, Eldon, J., xxx-xx-xxxx
Crine, James D., xxx-xx-xxxx
Heldt, Leroy V., xxx-xx-xxxx
Ng Chi-Kin xxx-xx-xxxx
Prosperie, Michael D., xxx-xx-xxxx
Wilson, John E., xxx-xx-xxxx

The following individuals for appointment as Reserve of the Air Force [ANGUS], in the grade indicated under the provisions of sections 593 and 8351, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Baysa, Norberto, xxx-xx-xxxx
Stanley, Ronnie L., xxx-xx-xxxx

The following Air Force officer for permanent promotion in the U.S. Air Force, in accordance with section 624, title 10, United States Code, with date of rank to be determined by the Secretary of the Air Force.

DENTAL CORPS

To be major

Hofman, John W., xxx-xx-xxxx

IN THE AIR FORCE

The following persons for Reserve of the Air Force appointment, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of Section 8067, Title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Griffin, Warren L., Jr., xxx-xx-xxxx
Kimble, Edward T., III, xxx-xx-xxxx
Doscher, Crile, xxx-xx-xxxx
Linsenmeyer, Charles M., xxx-xx-xxxx
Stoner, John C., xxx-xx-xxxx
Garner, Wade S., xxx-xx-xxxx

The following officer for Reserve of the Air Force (non-EAD) promotion in the grade indicated, under the provisions of section 8367, title 10, United States Code.

MEDICAL CORPS

To be lieutenant colonel

Smith, Frank L., xxx-xx-xxxx

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of sections 593 and 8379, title 10 of the United States Code. Promotions made under section 8379 and confirmed by the Senate under section 593 shall bear an effective date established in accordance with section 8374, title 10 of the United States Code (effective date in parenthesis).

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. Joseph M. Bauer, xxx-xx-xxxx (1/5/86).
Maj. Gregory J. Beckel, xxx-xx-xxxx (1/28/86).
Maj. Randy L. Buby, xxx-xx-xxxx (1/4/86).
Maj. Ferdinand J. Chabot, xxx-xx-xxxx (1/22/86).
Maj. Michael D. Coffey, xxx-xx-xxxx (2/10/86).
Maj. Tommy L. Daniels, xxx-xx-xxxx (2/20/86).
Maj. Tommy L. Delong, xxx-xx-xxxx (2/3/86).
Maj. Jeffrey D. Felder, xxx-xx-xxxx (1/11/86).
Maj. Thomas W. Ham, xxx-xx-xxxx (1/11/86).
Maj. Charles A. Hardesty, xxx-xx-xxxx (1/16/86).
Maj. Terry P. Heggemeier, xxx-xx-xxxx (1/10/86).
Maj. Michael P. Hickey, xxx-xx-xxxx (2/1/86).
Maj. Edwin H. Hornung, xxx-xx-xxxx (1/26/86).
Maj. Michael B. Kane, xxx-xx-xxxx (1/25/86).
Maj. Stanley W. Karod, xxx-xx-xxxx (1/29/86).
Maj. Roger H. Legg, xxx-xx-xxxx (2/2/86).
Maj. Patrick M. Loftus, xxx-xx-xxxx (12/20/85).
Maj. Alexander T. Mahon, xxx-xx-xxxx (2/1/86).
Maj. Peter T. McInerney, Jr. xxx-xx-xxxx (2/1/86).
Maj. Bruce A. Michel, xxx-xx-xxxx (2/1/86).
Maj. William F.B. Morris, xxx-xx-xxxx (11/22/85).
Maj. James A. Mullen, xxx-xx-xxxx (2/2/86).
Maj. John W. Newman, xxx-xx-xxxx (1/4/86).
Maj. Nicholas L. Nichols, xxx-xx-xxxx (1/24/86).
Maj. Ronal N. Parsom, xxx-xx-xxxx (2/8/86).
Maj. James N. Pieczko, xxx-xx-xxxx (2/19/86).
Maj. John W. Pospisil Jr. xxx-xx-xxxx (12/15/85).
Maj. Michael J. Ragan, xxx-xx-xxxx (1/30/86).
Maj. Dean O. Sabby, xxx-xx-xxxx (1/10/86).
Maj. Douglas C. Shelton Jr. xxx-xx-xxxx (1/5/86).
Maj. Eugene G. Simone, xxx-xx-xxxx (1/4/86).
Maj. Conrad L. Slate, xxx-xx-xxxx (1/12/86).
Maj. Bruce A. Smith, xxx-xx-xxxx (1/4/86).
Maj. William A. Steene, xxx-xx-xxxx (1/13/86).
Maj. Stephen J. Stubits, xxx-xx-xxxx (1/4/86).
Maj. Roger F. Taylor, xxx-xx-xxxx (1/11/86).
Maj. Edward W. Tonini, xxx-xx-xxxx (1/12/86).
Maj. John F. Vandomelen, xxx-xx-xxxx (1/11/86).
Maj. Richard E. Vanroo, xxx-xx-xxxx (2/8/86).
Maj. Gary B. Willems, xxx-xx-xxxx (11/2/85).

CHAPLAIN

To be lieutenant colonel

Maj. Bobby O. Edwards, xxx-xx-xxxx (2/8/86).

LEGAL

To be lieutenant colonel

Maj. Gregg L. Cunningham, xxx-xx-xxxx (1/7/86).
Maj. Dennis D. Hogan, xxx-xx-xxxx (2/2/86).

MEDICAL CORPS

To be lieutenant colonel

Maj. Wayne C. Cole, xxx-xx-xxxx (1/12/86).
Maj. Breck J. Lebegue, xxx-xx-xxxx (1/11/86).
Maj. John D. Mullins, xxx-xx-xxxx (1/3/86).
Maj. Bhupendrakumar S. Patel, 325-56-8278 (7/13/85).

NURSE CORPS

To be lieutenant colonel

Maj. Susan J. Troyer, xxx-xx-xxxx (1/9/86).

IN THE MARINE CORPS

The following named U.S. Naval Academy graduates for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code, section 531:

Acosta, Robert G., xxx-...
Aguilar, Leonard J., xxx-...
Allen, Michael A., xxx-...
Allen, Timothy C., xxx-...
Atkinson, Craig A., xxx-...
Baczkowski, Daniel K., xxx-...
Bader, Robert T., xxx-...
Baker, John O., III, xxx-...
Barbon, Richard S., xxx-...
Beil, Bradley, G., xxx-...
Bellinger, Matthew F., xxx-...
Bellistri, Jeffrey M., xxx-...
Benden, Christopher P., xxx-...
Bruce, Thomas D., xxx-...
Cadwell, Michael G., xxx-...
Calandra, Joseph P., xxx-...
Caldwell, Vernon P., xxx-...
Campion, Christopher L., xxx-...
Carpenter, Jerry A., xxx-...
Casados, Christopher D., xxx-...
Castelli, Christopher W., xxx-...
Castro, Stephen J., xxx-...
Chase, Eric T., xxx-...
Choi, Rodney M., xxx-...
Collins, Kipp A., xxx-...
Collins, Thomas D., II, xxx-...
Cooling, Norman L., xxx-...
Cooper, Douglas W., Jr., xxx-...
Crouse, Jay B., III, xxx-...
Curry, Timothy M., xxx-...
Dahl, Jeffrey M., xxx-...
Dalton, Rustin L., xxx-...
Deeming, Shaun A., xxx-...
Dell, Ernest E., III, xxx-...
Demers, Paul. R., xxx-...
Devino, Anthony J., xxx-...
Dewaele, David P., xxx-...
Diverde, Michael T., xxx-...

Doran, Thomas J., xxx-...
Dougherty, Charles A., xxx-...
Dragan, William G., xxx-...
Dubinok, Jefferson L., xxx-...
Dufresne, Daniel F., xxx-...
Durand, James F., xxx-...
Edwards, Douglas T., xxx-...
English, David M., xxx-...
Eustace, John R., xxx-...
Fitzpatrick, Barry J., Jr., xxx-...
Flinter, William P., xxx-...
Flores, Jeffrey D., xxx-...
Flores, Mark W., xxx-...
Fresqeuz, Ricardo L., xxx-...
Fujishige, Keith K., xxx-...
Garay, Roger A., xxx-...
Gentry, Keil R., xxx-...
Glavy, Mathew G., xxx-...
Gleason, Daniel C., xxx-...
Goodman, Eric G., xxx-...
Gosney, James, E., Jr., xxx-...
Greene, David S., xxx-...
Hall, Patrick W., xxx-...
Hall William G., xxx-...
Harris, Eddie D., xxx-...
Holcomb, James M., xxx-...
Horney, Aaron K., xxx-...
Howo, James F., xxx-...
Hoyt, Lance M., xxx-...
Hubbard, Garret H., xxx-...
Iiams, Alfred, R., III, xxx-...
Jones, Marius B., xxx-...
Jones, Steven P., xxx-...
Jones, William A., xxx-...
Jonske, Louis J., Jr., xxx-...
Jordan, Dewey G., xxx-...
Kahler, Stewart D., xxx-...
Kelly, Michael A., xxx-...
Kenny, Michael F., xxx-...
Killion, Michael P., xxx-...
Kirby, Matthew, xxx-...
Kirby, Samual A., xxx-...
Kostrub, William M., xxx-...
Ladoucer, Todd M., xxx-...
Lagasca, Jason J., xxx-...
Lautrup, Joel, W., xxx-...
Lirette, Andrew J., xxx-...
Lorrin, Mark J., xxx-...
Lupton, Michael P., xxx-...
Lytikainen, Carl R., xxx-...
Mackenzie, Timothy J., xxx-...
MacMillan, Jack F., Jr., xxx-...
Magee, Richard A., xxx-...
Malley, Gregg P., xxx-...
Mann, Nancy E., xxx-...
Martinez, Jeffrey P., xxx-...
Masur, Daniel R., xxx-...
Mayberry, James S., xxx-...
Maye, Larry, xxx-...
Mazenko, Gregory J., xxx-...
McClelland, Charles B., xxx-...
McElroy, Terry S., xxx-...
McNutt, Jeffrey T., xxx-...
Meigs, Guy R., xxx-...
Meyer, Paul W., xxx-...
Miles, Glen, xxx-...
Miller, Mark D., xxx-...
Miller, Todd P., xxx-...
Mishik, Michael G., xxx-...
Moore, Nathan S., xxx-...
Morin, Roger J., xxx-...
Mosher, Jeffrey K., xxx-...
Muckelbauer, Matthew S., xxx-...
Nims, Stephen E., xxx-...
Olko, Ronald D., xxx-...
Owen, Peter F., xxx-...
Pagel, Brian S., xxx-...
Parks, Bryan K., xxx-...
Parkyn, Michael B., xxx-...
Pelkey, Jack D., xxx-...
Perkins, Glenn A., xxx-...
Poinsette, Raymond M., xxx-...
Pointon, George D., xxx-...
Popeck, Mark S., xxx-...
Powers, Zack, Jr., xxx-...
Pressly, Robert F., xxx-...
Prior, Robert T., xxx-...
Procak, George J., II, xxx-...
Quinlan, Scott M., xxx-...
Reed, James D., II, xxx-...
Regina, Modesto C., xxx-...
Reynolds, Loretta E., xxx-...
Rhodes, David L., xxx-...
Rife, Fred M., Jr., xxx-...
Rodriquez, Robert S., xxx-...
Rhom, William D., xxx-...
Sauerbrey, Erich W., xxx-...
Scheiern, Michael L., xxx-...
Schildmeyer, Gregory P., xxx-...
Schreckengost, Ronald T., xxx-...
Segesdy, Scott A., xxx-...
Shannon, Daniel T., xxx-...
Shaw, Stephen M., xxx-...
Shelton, Paul A., xxx-...
Shumaker, Thomas A.,II xxx-...
Simonsen, William P., xxx-...
Smith, Keith G., xxx-...
Sprayberry, Horold B., xxx-...
Stallings, Herry Jr., xxx-...
Stancil, Anthony W., xxx-...
Standard, Todd R., xxx-...
Stratton, Michael, xxx-...
Tavares, Jeffrey L., xxx-...
Thames, Joseph R., xxx-...
Tillman, E. M., xxx-...
Tolomeo, Raymond, xxx-...
Tonan, Thomas L., xxx-...
Troxell, Wade S., xxx-...
Tysinger, Russell G., xxx-...
Ulsh, Donald A., xxx-...
Urbina, Steven M., xxx-...
Vanderpyl, Alan C., xxx-...
Wade, Spence A., xxx-...
Waite, Jeffrey L., xxx-...
Wallis, Joseph F., xxx-...
Walls, John M., xxx-...
Walsh, Thomas J., Jr., xxx-...
Waugh, Stephen M., xxx-...
Weir, David C., xxx-...
Wells, Royce A., xxx-...
Wiegman, Paul T., xxx-...
William, Robert, xxx-...
Williams, Gregg B., xxx-...
Workman, John G., xxx-...
Wright, Grover L., Jr., xxx-...

EXTENSIONS OF REMARKS

GRAZING FEE REVIEW AND EVALUATION

HON. ROBERT F. (BOB) SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1986

Mr. ROBERT F. SMITH. Mr. Speaker, I rise today to share with my colleagues a report prepared by three national industry groups: the Public Lands Council, the National Cattlemen's Association and the National Wool Growers Association in response to the recently released report from the Secretarys of Agriculture and Interior on Grazing fees as required under the Public Rangelands Improvements Act of 1978. I commend the report to my House colleagues.

DRAFT LIVESTOCK INDUSTRY COMMENTS ON THE GRAZING FEE REVIEW AND EVALUATION: A REPORT FROM THE SECRETARY OF AGRICULTURE AND THE SECRETARY OF THE INTERIOR

INTRODUCTION

The final "Grazing Fee Review and Evaluation" report from the Secretaries of the Interior and Agriculture is a grave disappointment to the National cattlemen's Association, the National Wool Growers Association, and the Public Lands Council—the three national organizations which represent livestock operators who utilize the federal rangelands for grazing purposes.

None of the five alternative fee systems examined in the final report are an improvement over the current fee system that is embodied in the Public Rangelands Improvements Act of 1978 (PRIA). Therefore, we believe the PRIA formula should be retained as the best method of determining the fair market value of grazing on these lands and as the best method of fostering good management of these land for multiple-use values.

In this paper we examine what is wrong with these five alternatives and with some of the changes suggested in the Report for the PRIA formula.

Three of the five alternatives are flawed because they are based on a study that is invalid. The study—an "appraisal" of private rents paid for western grazing pastures—violates standard rules of statistics and economics. We discuss below why this appraisal study cannot be used to determine the fair market value of public grazing forage.

The three alternatives utilizing figures based on, or derived from, the appraisal are: (1) the Modified PRIA Fee System, (2) the Combined Value Fee System, and (3) the Modified Market Value Fee System.

A fourth alternative in the Final Report is the Competitive Bid Fee System which, for reasons discussed below, would require a drastic and unwise departure from the current multiple-use and sustained yield approach to public land management. In addition, bidding would destabilize the Western livestock industry, as we explain below. (This alternative would also establish "a minimum acceptable bid." Whether that minimum would be based on an amount from the appraisal study or some other source is not made clear.)

The fifth alternative is the PRIA-Updated Base Value Fee System. The problem that we have with this alternative is with the two ways a new index invented in this report—called an Input Cost Index (ICI)—is used: (1) to change or "update" the base value in the PRIA formula, and (2) as a substitute for the current Prices Paid Index. We also question the proposal to *divide* the Beef Cattle Price Index by the ICI (rather than subtract).

Since the ICI is also used in the Modified PRIA Fee System and in the Combined Value Fee System (and is another reason we disagree with those two systems), we will show why the ICI is not what the Final Report purports it is. We disagree with the assertion in chapter 3 of the Final Report that the ICI is superior to the PPI or that it is simply a "technical modification" of the PRIA formula.

ACKNOWLEDGEMENT

We wish to acknowledge and thank the following economists for their help to us in analyzing the technical aspects of the Final Report: John Fowler, New Mexico State University; Frederic W. Obermiller, Oregon State University; and Darwin B. Neilson, Utah State University. However, the statements and conclusions in this paper are solely the responsibility of the National Cattlemen's Association, the National Wool Growers Association, and the Public Lands Council. This paper does not necessarily represent—nor does it purport to represent—the views of these economists.

HIGHER FEES BASED ON MYTHS

The final report by the Secretaries contains five alternatives to the existing PRIA formula fee system. All alternatives to the existing system would result in higher grazing fees, with the magnitude of the fee increase varying among alternatives. Nowhere in the report is a rational given for considering only those alternatives which would lead to higher fees. The question "why should grazing fees be increased?" can be answered only by supposition.

We suspect that pressure to increase grazing fees on public lands administered by the USDA Forest Service (FS) and USDI Bureau of Land Management (BLM) is the result of two popular misconceptions. First, fee receipts do not cover the costs of administering FS and BLM range management programs. Thus, for purposes of cost-recovery grazing fees should be increased. Second, the existing system results in fees that are not consistent with private grazing land rental rates. Thus, fees should be increased because those ranchers who graze livestock on public rangelands have an undue financial advantage and unfairly profit from their grazing privileges.

DISPELLING THE MYTHS

Like most popular misconceptions, these two myths have deep roots and continue to persist even though both logic and available data prove them to be invalid. Why do they persist? The answer lies in the "hidden" benefits and costs associated with livestock grazing on federally managed rangelands.

By law, those rangelands are managed for a number of beneficial uses besides livestock grazing. Congress has declared those uses to be beneficial and Congress has required that rangeland program budgets of the Forest Service and Bureau of Land Management be used, at least in part, to achieve these multiple-use objectives. However, when it comes to justify agency range program costs, the values associated with these nonlivestock grazing benefits often are overlooked, and seldom are counted in the budget justification process. Instead, unnecessary and unfair weight is placed on livestock grazing receipts as the source of funds to pay for nonlivestock range program objectives.

The same sort of naiveté applies to some people's perception and representation of costs incurred by ranchers who graze their cattle and sheep on public rangelands. Many people view the grazing fee as the sole cost incurred by permittees. Nothing could be further from the truth. A 1984 study by the Oregon State University Extension Service shows that grazing fees represent only 15 to 20 percent of the total costs to ranchers of grazing livestock on public rangelands. Nonfee costs are four to five times higher than fee costs. Livestock must be managed and it is the permittees who bear such management costs and the associated risks. Many of the management costs are imposed by government on the private rancher and exist only to satisfy other multiple-use objectives. Some of those imposed costs would not, and do not, exist in private rangeland operations.

THE COST-RECOVERY MYTH

The push for cost recovery is based on two fundamentally erroneous assumptions. It often is assumed that federal agency range management programs exist for only one purpose: to provide forage and habitat for domestic livestock. If this were true, grazing fees would be the appropriate "price" for the sole output produced by the range management program and it would be reasonable to expect fee receipts to cover full costs of administering range programs. The second assumption relates to cost efficiency. It is assumed that the federal agency produces forage and habitat in a cost-efficient manner, i.e., as cheaply as possible. Both assumptions are false.

In the March 1985 draft of the Secretaries Grazing Fee Review and Evaluation Report, it was stated that, in 1983, BLM range management costs per AUM were $3.17 while Forest Service costs per AUM were $3.76. These estimates were slightly changed in the Final Report, but neither report reflects the fact that certain range management costs would remain, even if livestock grazing were to be totally for a number of reasons, including remote location, rugged topography, poisonous weeds, predators, etc, and even if one disregards the cost of the permit itself—the price paid by the rancher for the right to graze his livestock on the public rangelands. The higher nonfee cost load on public rangelands has been extensively doc-

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

umented (see for example Obermiller and Lambert, "Costs Incurred by Permittees in Grazing Cattle on Public Lands in Various Western States," EM 8283, Oregon State University Extensions Service, 1984).

If the total costs of permittees really were lower, then on the average, financial returns for permittee operations should be higher than financial returns for private rangeland operations. However, there are no available data to suggest that this is the case. In fact, USDA Economic Research Service budgets show financial returns for permittees and nonpermittees to be nearly identical. This is acknowledged in the final report: "The differences in means [averages] shown for the permittee's [sic] and the Western Livestock Industry's [receipts and costs] . . . one not statistically different" (p. 62).

Myths die hard. Perhaps the myth of low federal grazing fees that are unfair and inefficient will never die. Be that as it may, it is irresponsible to base national public policy decisions on myths.

MAJOR DEFICIENCIES IN THE FINAL REPORT

The Final Report is better documented than the March 1985 draft report and addresses some of the criticisms we raised in our comments on the draft report last year. However, several substantive problems remain unsolved, partly because faulty decisions were made in the course of the BLM/FS grazing fee review process leading to results that are unalterable and uncorrectable.

For example, the mass appraisal of private grazing land rental transactions in the western states led to a set of data that is incorporated in most of the declared alternatives to the PRIA formula fee system. Other data—specifically, data on the returns and costs incurred by permittees—were not collected even though it is now apparent that such information should have been collected. The agencies were left with a difficult and unresolved dilemma because of their early decision; and regardless of the criticism raised about the mass appraisal, that appraisal data are incorporated in the final report. The western livestock industry remains opposed to any fee system incorporating the results of the defective mass appraisal study.

The other problems previously noted by the western livestock industry still plague the Final Report. These include: (1) development and use of a Proposed "Input Cost Index" (ICI) which substitutes for the PRIA formula "Prices Paid Index" (PPI); and (2) lack of a description of the impacts of competitive bidding, if adopted as an alternative to setting the fee by formula.

THE MASS APPRAISAL: BIG GUN, WRONG TARGET

Suppose that you are the manager of an export business. You are interested in selling bicycles to China. You ask one of your staff members what bicycles sell for in China. The staff member doesn't have any idea, but he knows people use bicycles for transportation. So he goes to various automobile dealers in your neighborhood and gets quotes on new cars. He takes the average from those quotes and tells you that bicycles, in China, are worth $12,000 apiece. You get very excited, order 1,000 bicycles, ship them to China, and go broke. Sounds like a tall tale, doesn't it? Unfortunately, the parable has a real-life counterpart. Its counterpart is the FS/BLM mass appraisal study.

Decisions are only as good as the information on which they are based. Any decision based, in part or whole, on the results of the mass appraisal of private grazing land rental transactions is found to be misguided. Why? For starters, virtually no representative information was collected on the value of public land grazing (bicycles in China). And why was that? The response is that, early in the game, a policy decision was made to go another route. Private grazing land rentals were to be appraised instead (automobile prices in the U.S.).

Not only was the appraisal information irrelevant to the question at hand (i.e., what is the value of public lands used for livestock grazing?), the reported appraisal values have little or no scientific creditability. These concerns were voiced in the joint comments of the National Cattlemen's Association, the National Wool Growers Association, and the National Public Lands Council on the "1985 Grazing Fee Review and Evaluation: Draft Report" (April 25, 1985, pages 3-4):

1. No attempt was made to gather information on the actual value (cost) of services provided by lessors and lessees in appraised rental transactions.

2. No attempt was made to appraise the Federal grazing allotments, except for a small number of unrepresentative transactions.

3. Accepted scientific and statistical procedures were not followed in sampling from a defined population.

4. Once the data were collected, portions were thrown out, either by clipping or by relegating to essentially unused subfiles.

5. No attempt was made to verify "comparable-sales" appraisal values using alternative appraisal methods.

6. Many factors affecting the value of Federal permits and public land grazing were "assumed away," such as permit value (debt servicing requirements) and permittee costs for construction and maintenance of improvements on allotments. No attempt were made to gather data on the amount of range improvement investments and maintenance costs that permittees have.

The industry is not alone in its concerns about the merits of the mass appraisal study. Three western university economists, for example, published a formal critique of the government's appraisal report [Nielson et al., "An Evaluation of the Forest Service and Bureau of Land Management Grazing Appraisal Report," Research Report 104, Utah Agricultural Experiment Station, August 1985]. They found the appraisal results to be deficient in three major respects: (1) no information was collected on the differential values of services provided on public versus private grazing lands; (2) no creditable statistical evaluation of private or public grazing land values was conducted; and (3) the government substituted the value judgments of the appraisers themselves for real-world data. Thus, ". . . the forage values that were estimated in the appraisal report are not valid when judged against the use of scientific methods" (ibid., p. 36).

In short, the appraisal "values" are both useless and irrelevant to the federal grazing fee issue. Any fee alternative incorporating those results is meaningless. Therefore, three of the six fee systems presented in the 1986 Final Report of the Secretaries are not worthy of consideration. These are: (1) Modified PRIA Fee System; (2) Combined Value Fee System; and (3) Modified Market Value Fee System.

THE INDEX QUESTION: MORE THAN MEETS THE EYE

Index numbers are used to measure changes in the general level of prices over time. Usually, some base period is chosen to compare with current prices. As an hypothetical example, 1967 could be chosen as the base period for beef cattle prices. If the average price received by ranchers for beef cattle in 1967 was $25.50 per hundredweight, and the price received in 1978 was $39.25 per hundredweight, the index of prices for 1978 with a 1967 base could be figured as follows:

$$\$39.25 \div \$25.50 = 1.539$$

Thus, in this hypothetical situation, indexing the value of a 1967 steer (priced at $255) to determine a 1978 value would be done as follows: $\$255 \times 1.539 = \$392.45$.

One must be careful in using index numbers. They only reflect the relative changes in prices and do not reflect changes in the quantity or quality of the item being updated.

The choice of the base period is also extremely important. If prices in the base period chosen are extremely high or low, then any subsequent indexing will be misleading. For example, the 1980-1984 period suggested in the Secretaries' Final Report as a new base period for updating the indices was a time when beef prices (the basis of the Beef Cattle Price Index) were abnormally low and production costs (the basis of the Prices Paid Index) were high. In contrast, the 1964-1968 period used in the PRIA formula was a time when prices and costs were more stable and normal for the western livestock industry.

Significant changes in the "PPI index" are suggested in the final grazing fee report. Therefore, a detailed discussion of this cost index is in order. It appears there is some confusion or difference of opinion as to what this index is or is intended to be. For example, should the prices-paid index represent the cost of doing business on public lands only or the total cost situation on a ranch enterprise?

If the index is intended to reflect the general economic conditions of the ranch business, then one should use as many price items in the index as are applicable to the overall cost of ranching. On the other hand, if the purpose of the index is to reflect the cost (prices paid) of doing business on BLM and Forest Service allotments, then one needs to use those price items that reflect the costs incurred by permittees in utilizing their allotments.

It is our opinion that the inclusion of the cost of production index in the current PRIA formula was intended to reflect the overall, or more general, cost-of-production situation in the ranching industry. The ICI index as proposed in the grazing fee report does not reflect these general costs of production (Figure 3.10 on p. 28). To be consistent with PRIA, an index that covers a broad range of cost items should be used in the fee formula. The National Index of Prices Paid shown in Figure 3.10 of the Final Report is broader in scope than either the "PPI" or the "ICI" and the use of the National Index of Prices Paid could be defended, except perhaps for the inclusion of the Consumer Price Index in this index.

The ICI is also used to update the nonfee cost items derived from the 1966 fee study. We do not believe that the cost index items and their respective weights adequately reflect the changes in the nonfee cost (price) items considered in 1966. For example, we

believe that, with some judgment, indices could be applied to each of the 13 nonfee cost items of 1966 so as to more accurately reflect their changes over time.

Implicit in the concept of updating the nonfee costs and/or the 1966 base fee is the assumption that the nonfee items remain the same today as in 1966, i.e., the same items are applicable today. Also, the concept assumes that the relative magnitude of each item remains the same as in 1966. For example, proper indexing would bring the cost of maintaining 20 miles of fence required to graze a particular allotment up to the present; but indexing would not take into account that the land managing agency now requires maintenance on 35 miles of fence on the same allotment. One should be reminded that those indexes only attempt to keep the prices (cost of wire, posts, labor) at current levels; they do not reflect changes in the quantities (miles of fence) of each cost item.

Let's assume that the Forage Value Index accurately reflects changes in the private grazing market (rents paid for private grazing lands). If this is the case, then each year we re-establish a new fee that keeps the total cost of public and private forage equal. Since the FVI is supposedly influenced by a multitude of market factors that affect the value of grazing, this system could be validly used for many years. The average fee and nonfee cost changes in the private grazing market would be taken care of in the FVI.

But what about the public grazing cost changes? Does indexing of the FVI account for changes in the nonfee costs of grazing permittees on public lands? It is doubtful that relative weight of each of the nonfee items on the public side of the equation have remained constant since 1966. Given the impacts since 1966 of increased environmental requirements, lower agency budgets for range management, changes in the average size of permits, increased maintenance requirements imposed on permittees, and changing industry economics, one would expect that there has been increases in the nonfee costs of grazing permittees. The $1.23 base (that establishes the nonfee cost differences between grazing permittees and private grazing lessees) probably needs to be updated to get rid of the "old data" image.

However, the method employed in the Secretaries' Final Report (Appendix A, p. 69) to update the $1.23 base is afflicted with many problems. In addition to those already described above, there is a problem in the use of two different indices to "update" the private lease rate and private nonfee costs.

The Forage Value Index (FVI) is used in the Final Report to update the private lease rate. Thus, the weighted average private lease rate from the 1966 study ($1.78/AUM) is indexed to a 1980-1984 base period by using the FVI as follows: $1.78/AUM × 2.16=$3.84/AUM.

However, a different index, the Input Cost Index (ICI), is used in the Final Report to update nonfee costs for both public and private lessees. In this manner, the Final Report manages to achieve an updated (to a 1980-1984 base period) nonfee cost difference between public and private lessees of only $1.50/AUM. By subtracting that $1.50 from the $3.85 private lease rate that was arrived at as described above, the Final Report comes up with a new base fee of $2.34/AUM.

The process is illustrated in the figure below.

	Cattle	Sheep
Difference	$1.44	$1.75
Weighted for numbers	× .8	× .2
Total	1.15	0.35

Note—Cattle: Public nonfee costs—$3.28 × 2.73 = $8.95/AUM; Private nonfee costs—$2.78 × 2.73 = 7.51.
Note.—Sheep: $4.53 × 2.73 = $12.37/AUM; 3.89 × 2.73 = 10.62.

Difference	$1.75
Weighted for numbers	.35
Nonfee costs weighted difference	1.50
1980-84 private least rate (per AUM)	$3.84
1980-84 difference in nonfee costs	1.50
Base fee	$2.34

However, indexing the private lease rate by the FVI and the private nonfee costs by the ICI appears to be double counting. Changes in private nonfee costs should have been reflected in the forage value index.

Also, this illustrates that the choice of the appropriate cost index is a critical decision. If an updated (to the 1980-1984 period) PPI index were used in the above calculation instead of the ICI (3.68 instead of 2.78), the weighted nonfee cost difference would be $1.94 and the base fee would be $1.90 instead of $2.34. Of course, increases in the nonfee costs of permittees since 1966, (which were mentioned above) would have to be deducted from such a $1.90 base fee, if that base were to be conceptually equal to the $1.23 base fee in the current PRIA formula.

COMPETITIVE BID FEE SYSTEM

Competitive bidding and free market operation as a fee option has a great appeal to economists, the livestock industry, and the general citizenry alike. This method would circumvent the need for indices, appraisal studies, and other proxies which make vain attempts to estimate market value. In bidding, the private market would establish the going rate for each individual parcel as a function of each parcel's advantages and disadvantages and this would lead to revenue maximization from grazing on federal ranges. However, the competitive bid options presented in the "Grazing Fee Review and Evaluation" are not true competitive bid situations. The report states that if there existed an absence of bidding competition, then a minimum acceptable bid would be imposed. This violates all of the assumptions of the auction bid system and, in essence says that the agencies would like to capture potential economic rent in situations where there is healthy competition but they don't want the flip side of the coin to exist where allotments are scattered, isolated or otherwise have characteristics which diminish the properties' utility.

In economic theory, maximum revenue is obtained by a bidding system. However, there is no basis to assure that revenue maximization for one use is consistent with the goals of multiple use and sustained yield under which the public lands are currently managed. The real world does not lend itself well to such naivete. Market imperfections exist which virtually destroy any merit of the competitive market.

The intermingled nature of western land areas promotes situations where the assumptions of the competitive market are invalid. Problems with controlled access, location of improvements on adjacent deeded or State lands, economics of size and strategic position result in potential monopolistic situations (where only one individual can effectively utilize the allotment) which could impose drastic deviations from the competitive market price.

Economic ramifications resulting from short-run nature of the competitive lease are many and complicated. The competitive bid could put increased pressure on the lessee to capure short-run revenue from the resource. The competitive price would stimulate little if any incentive for private investment in the long-run productivity of the resource. Lessee responsibility for maintenance would have to be clearly defined. Additional agency manpower would be necessary to assure that short-run liquidity crunches of lessees are not satisfied at the expense of the basic range resource.

There are many bidding possible scenarios which don't favor either the lessee, the lessor, or the resource. For example, that could happen if a current lessee highly dependent upon federal AUMs is outbid for the federal forage, and thereby forced out of business. If the new lessee has overbid for the resource, he, therefore, may eventually be unable to pay the fee and allow the allotment to go unused in subsequent years. The end result would be loss of primary revenue to the U.S. Treasury and losses to the local community of secondary expenditures. However, the federal costs of administering the grazing program would remain basically constant. Such losses, of course, would be in addition to the initial permittee's losses of his equity derived from permit value and his investments in range improvements on the federal lands.

Besides resulting in unused or so-called "vacant" allotments, an equally destabilizing effect of a competitive bidding system would be large fluctuations in transaction prices. Large swings in bid prices would not promote industry stability and would eliminate permit value, thus further reducing the already tenuous financial position of the range livestock industry.

That competitive bidding would result in wide price fluctuations is evident in the record of the bidding system that is used to set the prices for the grazing administered by BLM on the Department of Defense's McGregor Range.

Of course, the sizes of those bids are not directly comparable with the fees or value of the grazing on other public lands, since services and benefits are provided to graziers on the McGregor Range that are not available to graziers on BLM and Forest Service allotments. (The government has a full-time workforce performing maintenance on all water devices, pipelines, traps, fences and corrals on the McGregor Range. The allotments are a constant size and are annually monitored at government expense; and McGregor Range graziers are not required to accommodate other multiple uses or make the investments common on other public grazing lands.)

But while these advantages or values explain why bids for grazing on the McGregor Range should be—and are—generally higher than administered fees, they do not explain why the bids go up and down so drastically each year. Such fluctuations are a tipoff to what could be expected if all parcels or allotments of public lands in the West were put up for bid.

In the 10-year period of 1977-1986, there were six annual increases in bids for grazing on the Mcgregor Range, with the increases ranging from 10 percent to 38 percent or an average of 24 percent. There were three decreases during the period, ranging from 35 percent to 58 percent, with the average decrease being 43 percent. These figures do

not reflect the allotments that went unused due to lack of bids.

This fiscal year, not only did the annual fee drop from $8.11/AUM to $3.46/AUM but there were unused allotments. If these idle AUMs were accounted for, the decrease would be from $8.11 to $2.78—a 65 percent decrease in a single year.

Such price variations do little to promote stability in ranching or sound land stewardship. Forward planning by lessees through pro forma cash flow and income statements are virtually impossible when lease prices are so volatile.

There may be another lesson in the McGregor Range situation. The high $8.11 bid occurred when desperate ranchers in a drought area outbid local ranchers. Today, grazing allotments on BLM and Forest Service allotments are tied to private base property (land or water) and the two form an integral ranching unit (each is dependent upon the other). This is what encourages ranchers to make investments on public lands and to provide wise stewardship of such lands. Even in a 3-year or 10-year bidding system (as discussed in the Final Report), the local rancher would have no assurance that he couldn't be outbid for reasons extrinsic to the value of the forage itself.

CONCLUSION

The revisions of expansions of the original draft which are included in the Final Report do not correct the major conceptual and methodological shortcomings of the draft. The Final Report does not present any changes or fee systems that would result in a more equitable grazing fee. Therefore, the PRIA formula should be continued as the preferred method of annually adjusting federal grazing fees.

BURKINA FASO: AN EMERGING AFRICAN SUCCESS STORY

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1986

Mr. McHUGH. Mr. Speaker, all of us are familiar with the desperate problems of underdevelopment in Africa, and also with the failure of many African governments in dealing with them effectively. Sometimes the causes of failure are related to conditions over which African governments have little control. However, oftentimes they can be traced to those governments, because of corruption, mismanagement, or ill-conceived policies.

Whatever the reasons, we have come to expect failure when we think of Africa. In one corner of the continent, however, there appears to be an emerging success story. Over the last several years, the Government of Burkina Faso has shown that an African government in a poor country with few resources can successfully address some of the most basic needs of its people.

One of the initial successes of the government has been Operation Vaccination Commando, an effort to immunize children against three frequently fatal diseases. At the conclusion of my remarks, I will insert into the RECORD a brief article describing this effort that appeared in "The State of the World's Children 1986," which is published annually by UNICEF.

It does appear that the Government of Burkina Faso is different from many we find throughout the world. Its leaders are not corrupt. They adopted a national plan for development only after extensive discussions with the people. The government sees its role as one of liberating the energies and talents of its people.

Yet, for all of its successes to date, Burkina Faso will receive only $1 million in United States development aid during the current fiscal year. Admittedly, the United States and Burkina Faso do not always see eye to eye on some of the major political issues debated at the United Nations. It is also true that the Government of Burkina Faso has, at times, displayed excessive zeal in what it conceives to be its revolutionary project.

However, on a continent where failure is endemic, the United States should be more helpful when a government demonstrates that it is not only committed to human development, but is effective in implementing programs that promote it.

[From The State of the World's Children 1986]

BURKINA FASO: A VACCINATION COMMANDO

In one three-week period, starting on 25 November 1984, Burkina Faso has vaccinated over a million of its children against measles, yellow fever and meningitis. In the whole of 1981, the health services had immunized only 25,000 of the country's half a million children under two.

No expert would have considered Burkina Faso, formerly Upper Volta, a likely candidate for such an achievement. Desperately poor, beset by fifteen years of drought, it has one of the highest infant mortality rates in the world—150 deaths per 1,000 live births. Less than half of the largely rural population lives within reach of a health centre. Over a third of young children are chronically malnourished, leaving them easy prey to the epidemics which sweep the country during the dry season from February to June. The death rate in meningitis outbreaks averages 11%. Measles causes half of all deaths of children between one and four, and in a bad year the tally can go as high as 43,000 cases.

These problems inspired the country's new government to 'Vaccination Commando'—a massive catch-up immunization drive designed to give the health services a respite from the epidemic season, and a breathing-space in which to plan for expanding their regular vaccination coverage.

To spur people's awareness of the value of immunization, Vaccination Commando tackled the diseases best known as killers in Burkina Faso. Vaccines were chosen that are both easy to give and require only one shot for full protection.

On 19 September the Council of Ministers set the date. The National Vaccination Committee, headed by the Director of Public Health, marshalled support from the ministries of education, information, agriculture and defence, and from the vaccination committees set up in every province, district, village and town. UNICEF, the Red Cross and other international agencies, together with other governments, notably China and the Republic of Korea, supplied technical assistance.

The Committees for the Defence of the Revolution (CDRs)—political volunteer groups active in every village, town and work-place—took on the most crucial task of all: mobilizing their communities.

As 25 November neared, CDR members went door to door explaining the benefits of vaccination to parents. They put up posters in schools, bars, and public places all over the country. Roadside billboards announced the campaign; plays about immunization were performed in the villages. The national radio service issued communiqués in all the local languages, urging attendance and broadcasting results as they came in.

When the vaccination posts opened up for business, they were besieged. In some villages the line of parents and children stretched for kilometres, patiently waiting through the day. Families came over the border from neighbouring countries, alerted by their relatives in Burkina Faso. Children came who were over age, under age, and already immunized. Many vaccination posts had to request extra vaccine because far more children turned up than expected: families have been on the move in Burkina Faso, as in all the countries of the drought-stricken Sahel.

The result: in a population of just under 7 million, 62% of children under fifteen are immunized against yellow fever and 64% against meningitis, while the number of under-sixes protected against measles has leapt from 7% to 60%.

Whether this level of coverage can be sustained in the face of all the country's difficulties remains to be seen. But Vaccination Commando has made an impressive beginning. The alliances have been forged to make children's health the concern of everyone. Parents are more aware of what their children gain from vaccination. And Burkina Faso has drawn up plans for introducing primary health care to all its 30 provinces, and immunizing all its under-fives by 1990.

U.S. TRADE AND THE AGRICULTURAL COMMUNITY

HON. MARK D. SILJANDER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1986

Mr. SILJANDER. Mr. Speaker, recently I testified before the House Subcommittee on Department Operations, Research, and Foreign Agriculture of the Committee on Agriculture.

Due to the importance of this issue to U.S. trade and the long-term health of the agricultural community, I am submitting a copy of my testimony for my colleagues consideration:

STATEMENT OF THE HONORABLE MARK D. SILJANDER BEFORE THE DEPARTMENT OPERATIONS, RESEARCH AND FOREIGN AGRICULTURE SUBCOMMITTEE

Mr. Chairman, thank you for allowing me to testify before the Department Operations, Research and Foreign Agriculture Subcommittee. I appreciate the opportunity to call my colleagues' attention to the export promotion provisions of the 1985 omnibus farm bill, which was signed into law on December 23.

A LOOK AT THE EXPORT ENHANCEMENT PROGRAM'S BEGINNINGS

I am deeply gratified to witness the implementation of export bonus concepts I introduced two years ago. After meeting with members of the European Parliament in January 1984, I was convinced of the need for new direction in U.S. agricultural export

policy. Soon after, I introduced the Agricultural Export Trade Equity Act, which:

Targeted commodities and products that have been adversely affected by foreign export subsidies;

Authorized an export payment-in-kind program that would allow American producers to match the deals offered by the foreign competition;

Encouraged the use of processed and protein-fortified agricultural, value-added products in Public Law 480;

Advocated the use of barter as a means of reducing agricultural surpluses in the U.S.; therefore tying into new markets for U.S. farm products;

Called for the Secretary to ensure that the program did not hurt those American commodities already being sold abroad; and

Sought to prevent buyers from reselling their commodities to other countries.

A LOOK AT CURRENT PROMOTION ACTIVITIES

These provisions, for the most part, have been incorporated into the new farm bill. With pressure from Congress and with continual declines in agricultural exports, Secretary Block announced the implementation of an export bonus program, otherwise known as the Export Enhancement Program (EEP). It established as a 3 year program involving $2 billion worth of surplus agricultural commodities. These are to be targeted toward those markets where the United States has lost its competitiveness due to unfair trade practices of other agricultural exporting countries. Recent revisions have mandated that at least $1 billion be spent on export enhancement projects. Under the program, surplus CCC commodities supplement commercially sold commodities going to specified countries. The most recent count has 6.2 million metric tons announced as being offered in the export bonus program. Eleven countries qualify to participate—Algeria, Egypt, Yemen, Tunisia, Morocco, Turkey, Zaire, Jordan, Philippines, Iraq, and Nigeria. See Table 1 for a status report of the program as of April 8, 1986.

SAVINGS ASSOCIATED WITH THE PROGRAM

With storage and handling costs accumulating at the rate of $12.40 per metric ton per month for stored CCC grain, the savings realized by the completion of current export enhancement offerings could approach $100 million. This is a significant savings, given the early stage of the program. I am sure that we'll all look forward to the savings that will be realized by marketing surplus stored grain to develop U.S. agricultural exports.

BARTER INITIATIVES—NEW VISTAS

Pilot barter projects mandated by the new farm bill will provide a launching pad for what I believe to be a new vista in U.S. agricultural trade. Up to this time we have overlooked the vast markets existing within developing countries rich in natural resources we buy. Given the sufficient support by government and the private sector, farm products could become an important aspect in strategic mineral and raw material purchases.

RESPONSE FROM THE EUROPEAN COMMUNITY

The Export Enhancement Program has been highly criticized by the European Community. While the program's primary purpose has been for the United States to become more competitive in foreign markets eroded by European agricultural exporting practices, EC officials contend that in doing so, the U.S. has been guilty of unfair trade practices.

A NEW SENSE OF DIRECTION

However, between the export enhancement program and the lowered ASCS loan rates, a very strong message has been sent to the EC. The Common Agricultural Policy (CAP) has become very costly since the U.S. markedly reduced ASCS loan rates, which have functioned as a floor for world grain prices. Europeans are now facing strong pressure to negotiate new agreements in regard to agricultural trade. The relations with former trading partners are being rebuilt. Predatory attacks against our markets are no longer being passively overlooked.

Already, we have seen that EC Commission has announced a proposal calling for a freeze in 1986-87 farm support prices. The strict price proposals reflect the Commission's determination to make the EC's Common Agricultural Policy more market-oriented.

It is encouraging to see how the new farm bill has brought about significant movements toward more freedom in the world agricultural market.

We are facing a new era in the agricultural sector. Competition is keen. Markets are challenging. Technological innovations offer substantial improvements in productivity. With a consistant, reasonable export promotion policy, the U.S. will continue to be the most remarkable producer of food the world has ever known.

TABLE 1. STATUS OF THE EXPORT ENHANCEMENT PROGRAM OF APR. 8, 1986

Country and date announced	Commodity	Amount offered (MT)	Amount purchased under bids accepted through Feb. 28 (MT)
Algeria:			
June 4	Wheat	1,000,000	[1] 300,000
	xl		[2] 200,000
Total			500,000
Feb. 11	Semolina	250,000	
Feb. 25	Wheat flour	100,000	
Apr. 3	Eggs	[3] 500	
Egypt:			
Mar. 21	Poultry	15,000	
July 2	Wheat flour	600,000	[4] 175,000
July 26	Wheat	500,000	[2] 500,000
Oct. 30	Wheat	500,000	
Yemen:			
Aug. 20	Wheat flour	50,000	30,000
Sept. 6	Wheat	100,000	
Morocco:			
Sept. 30	Wheat	1,500,000	[1] 260,000
	xl		[2]500,000
Total			760,000
Turkey: Oct. 16	Wheat	500,000	[2] 500,000
Jordan:			
Mar. 19	Wheat	75,000	
Nov. 8	Rice	40,000	
Philippines: Nov. 15	Wheat flour	100,000	[4] 50,000
Zaire: Nov. 18	Wheat flour	64,000	[4] 30,000
Iraq:			
Apr. 2	Dairy cattle	[5] 6,500	
Dec. 9	Wheat flour	150,000	[4] 37,500
Nigeria: Dec. 10	Barley malt	100,000	
Zaire: Dec. 27	Wheat	40,000	
Philippines: Jan. 6	Wheat	150,000	
Tunisia: Mar. 18	Wheat	300,000	

[1] Soft red winter wheat.
[2] Hard red winter wheat.
[3] Millins.
[4] Flour not in grain equivalent.
[5] Heads.

Source: U.S. Department of Agriculture. Foreign Agricultural Service. Foreign Agriculture Circular, Grains.

INSIDERS

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1986

Mr. DORGAN of North Dakota. Mr. Speaker, the golden fleece for flaunting Government service has two deserving winners: David Stockman and Michael Deaver.

They are not the first to trade on former Government service to advance new careers outside of Government. Plenty of Democrats and Republicans alike have done that in recent years.

What sets Deaver and Stockman apart is the verve, aplomb, and sheer arrogance with which they have cashiered high level Government positions into seven-figure wealth.

I believe that a recent article by Robert Samuelson clearly exposed the folly and shame of "Insider Status and Insider Stories." (The article from the May 7, 1986, Washington Post follows.)

[From the Washington Post, May 7, 1986]

INSIDER STATUS AND INSIDER STORIES

(By Robert J. Samuelson)

In the Reagan administration, few people seemed less alike than David Stockman and Michael Deaver. Stockman, head of the Office of Management and Budget, was the proverbial whiz kid who mastered the intricacies of government programs. Deaver was the president's public relations maestro, who couldn't have cared less about government policy. But when they left government, they acted alike: They turned their years in government into mounds of money. Stockman published an insider's account of the White House, and Deaver opened his own lobbying firm.

What happened to public service? There is something here beyond greed. The common denominator between Stockman and Deaver is an attitude that their time in government is properly exploited for personal gain. You detect no sense of embarrassment. The idea that people go into government—or ought to—for some broader good was absent. Nor did they apparently expect anyone to think otherwise. It's this obliviousness that's most troubling, for it embodies a cynicism that may reflect popular attitudes.

Government—everything from caring for the national parks to regulating nuclear reactors to collecting taxes—is ultimately about public service. Government can't compete for talented, motivated workers entirely on the basis of money; private companies almost always will be able to pay more. What brings and keeps good people in government is the sense that what they're doing is important for society. Once we lose that core concept, we condemn ourselves to mediocre government.

If what Deaver and Stockman did were isolated incidents, they could be dismissed. But they aren't. Government—and, by extension, the people who work for it—increasingly invites popular ridicule. In 1976 and 1980, Jimmy Carter and Ronald Reagan campaigned in part against Washington bureaucrats. Government workers received no pay increase for 1985, and the 1980s budget debates have made it more difficult for many agencies to do their jobs well. Congress doesn't approve final spending levels

well into the budget year; the uncertainty bedevils planning.

These actions betray an undercurrent of contempt for competent government. A friend in government—a career official who could make two or three times on the outside what he now does—warns against overgeneralizing. "It's hard to tell whether working for the government doesn't have the status it used to," he said. "It differs so much from office to office, from department to department. My sense is that a lot of people still go into government because they really like the work."

The point is well taken. Anyone who has lived in Washington even a few months knows that the quality—and usefulness—of government varies enormously. Some agencies deserve all the pejorative labels of bureaucracy. They're rigid, inefficient, complacent and insensitive. But elsewhere, you find islands of energy, dedication, talent and hard work. A lot of maligned bureaucrats regularly work 9- and 10-hour days.

It's also true that government is going through a period of inevitable trauma. Even competent government may not be good government if it's unwanted. The debates over budget deficits symbolize a reexamination of what we want government to do. Our desire for government has collided with our tolerance to be taxed, and something will have to give. Just because programs once appeared worthwhile doesn't mean they are today. Government is like a depressed industry facing pressures for change; the effect is demoralizing.

One other qualification is warranted: What Deaver and Stockman did was not unique. Government's revolving door has revolved for decades. The current National Journal—a magazine devoted to government—lists dozens of former top officials in Democratic and Republican administration who stayed in Washington to lobby. And similar problems exist at less rarefied levels. Tax attorneys learn their trade working for the government, then leave for more lucrative private practice. Many other specialists do the same. The ethical issues are slippery. What else does a tax attorney do but practice tax law?

But, accepting these qualifications, the Deaver-Stockman performance is still troubling. It is not just that they used government service for personal gain. They flaunted it. There was no sense of self-restraint. Our top government officials ought to set a higher standard of behavior. But Deaver and Stockman provided a lower standard. Their idea of public service, apparently, is something that can be taken to the bank.

Stockman's case is particularly curious. As budget director, he labored tirelessly and honorably. Whether or not you agreed with him, he had an obvious interest in better government. But his message now is: If you're smart and can make more on the outside, you're a fool to stay in government. The parallel with Deaver may seem strained, but it isn't. Each used what he had—insider status for Deaver and insider stories for Stockman—and rushed to maximize its value. Would Stockman's book have fetched an advance exceeding $2 million if published in, say, 1988?

We cannot expect to attract good people into government unless the people who head government create a climate of dignity and respect. In the private economy, companies survive or fail on profits. In government, the ultimate motive to do well is a sense of a larger social usefulness. The worthiness of public service is a concept that must be conveyed from the top. If Ronald Reagan and those around him have been sending that message, it's been easy to miss.

LEGAL SERVICES AND EDGAR AND JEAN CAHN

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1986

Mr. RODINO. Mr. Speaker, what makes our Nation unique is that we are a government of laws, not men. Our Constitution promises that every American—whether rich or poor, privileged or powerless—stands equal before the law. We look to the law to mediate our conflicts, to be impartial. It is the vehicle for American justice.

Unfortunately, not everyone in our country has equal access to our judicial system. Too often the poor and the needy and the uninformed do not have the available resources to exercise their legal rights. For them the American model of justice is little more than an abstract right.

That is why Legal Services Corporation is so important to our Nation. Legal Services was created to provide funds for the delivery of civil legal services for the poor. By providing access to our judicial system, it helps make our national promise of equal justice for all a reality. Today, the Legal Services Corporation lives on, despite this administration's annual attempts to eliminate it.

Recently, the Legal Services Corporation observed its 10th anniversary, which was commemorated at a conference last December of the National Legal Aid and Defender Association. One of the speakers at the conference was Edgar S. Cahn, a long-time leader in the legal services movement and a cofounder of Antioch Law School. He and his wife Jean wrote the original paper published in the Yale Law Journal which gave rise to the idea of a legal services program for the poor.

I would like to share what Mr. Cahn had to say at that conference. His words are moving and eloquent, from a poem he and his wife wrote. Mr. Cahn's words remind us of the spirit that created the Legal Services program, and the spirit that has kept it alive ever since:

FOR THE RECORD

The Dream—The Dream that started it all—
was *not* about lawyers.
It was about Justice.
This I affirm.
And the Justice of which we dreamed—you, I, all of us—that Justice was larger than the law, larger than legal wrongs and legal remedies.
It was about this Land and the Promise of this Land.
This too I can affirm.
And that promise—it was not something afar off—vague and abstract. No. In the words of Deuteronomy, "it was very close at hand."
Covenant That Bound Each of Us:
To Protect the Weak
To Make Whole the Injured
To Respect the Dreams of Others
And the Right of Others to Dream In Their Own Way
This too I affirm.
These are not fashionable sentiments.
They are not adequately Darwinian.
They do not even state quantifiable outputs.
But they are what I would affirm today—
As Historical Past
As an Obligatory Future.
And above all, tonight, as a collective destiny in which you and I have been privileged to share
We Few, We Happy Few—
And—in the generic sense—
We Band of Brothers.

—Edgar S. and Jean Camper Cahn

NATIONAL OSTEOPOROSIS AWARENESS WEEK

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1986

Ms. SNOWE. Mr. Speaker, I am pleased to note that this week, May 11–17, has been designated as "National Osteoporosis Awareness Week." It is fitting that we begin this important week with Mother's Day in an effort to encourage grandmothers, mothers, and daughters to pay special attention to this serious problem which afflicts so many women. We have the opportunity to bring to national awareness information on a disease that disables and kills thousands each year.

During this week, activities are underway all across the country to educate men and women about this devastating disease. Let me give you a few examples.

At the National Institutes of Health, Dr. Lawrence E. Shulman, the Director of the Division of Arthritis, Musculoskeletal and Skin Diseases has prepared a public service announcement which will be aired on numerous radio stations throughout the country. This will be done in conjunction with the release of an important 32-page booklet on osteoporosis entitled, "Osteoporosis: Cause, Treatment, Prevention." At the same time, the National Dairy Board will produce a videotape on calcium and osteoporosis to be shown in May at the convention of Women in Radio and Television.

In San Francisco, Los Angeles, Dallas, Oklahoma City, and several other major cities, forums will be held on osteoporosis, its detection and prevention. Denver is offering a citywide screening for osteoporosis using a densotometer, a machine which measures bone density. In Wisconsin, a massive educational effort has been launched in 71 counties throughout the State to develop information and awareness of osteoporosis. Oklahoma City is sponsoring public service announcements, while in Seattle a newly formed 60-member osteoporosis support group is planning a public service announcement for television.

In Dallas, physicians have asked dairy producers in their area to print risk factors for osteoporosis on milk cartons and they have also convinced a pharmacy chain to distribute a list of risk factors to its patrons. On May 12, the New York chapter of the National Osteoporosis Foundation will be hosting a luncheon seminar for prominent women in that region.

Throughout the Washington metropolitan area, buses will display ads about osteoporosis and the commemorative week. Georgetown University is planning a conference the morning of May 17, entitled "Inside Look at Osteoporosis," which will include a risk factor evaluation. And on the Washington Mall, a 1 to 5 mile "Fun Walk" is scheduled for the same day at 8 a.m. in order to underscore the importance of weight-bearing exercise in the prevention and control of this disease. In addition to all these activities, the National Osteoporosis Foundation will be celebrating its first anniversary. This foundation promises to develop into a major presence in the field of osteoporosis.

While osteoporosis affects between 15 and 20 million individuals in the United States alone, relatively few American women know about this disease. For that reason, by designating "National Osteoporosis Awareness Week," we can focus attention on this serious problem.

Through an active education program we can reduce the incidence of pain, deformity, disability, and expenditures associated with osteoporosis. Let this week be the beginning of an educational campaign that will ultimately add osteoporosis to the list of those diseases which no longer are a threat to our society.

DRINKING AND DRIVING

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1986

Mr. KOSTMAYER. Mr. Speaker, on Monday, May 5, 1986, I had the privilege of addressing the entire student body of the Log College Junior High School in Warminster, Bucks County, PA.

Mr. Speaker, as I told the students at Log College, Americans between the ages of 5 and 34 are more likely to be killed in a traffic accident than any other single cause. Alcoholism is involved in at least half of those fatal crashes. For the young person who is driving a light truck or van, their chance of death as a result of drinking while driving is even higher.

In fact, in 1982 over 70 percent of fatally injured drivers of light trucks and vans had been drinking, 62 percent of these drivers were at legally intoxicated levels. While death from drinking while driving is obviously not limited to young people, they suffer disproportionately. It is the leading cause of death for teenagers accounting for 45 percent of all their deaths.

Not all of those young people killed in highway accidents were drinking, but 60 percent of the fatally injured teenage drivers were found to have been drinking prior to the crash and 43 percent were at legally intoxicated levels.

The students at Log College Junior High School, Mr. Speaker, are determined in their own way to do something about this national tragedy. They have joined with other students from across America in forming a chapter of SADD—Students Against Driving Drunk.

As many of my colleagues know, Mr. Speaker, SADD began in 1981 in Massachusetts. Since then, over 7,000 chapters in junior high schools and high schools across America have been formed to face one of the Nation's most serious problems. If schools throughout our congressional districts and across our country would follow the example set this week by the students at Log College Junior High School, we could save the lives of countless young men and women before it is too late.

In my State, Mr. Speaker, we have taken a step in that direction. The General Assembly of the Commonwealth has passed and the Governor has signed a tough, new law aimed at those who drive while drinking. The new law went into effect in January 1983 and requires a mandatory 48-hour, 30-day or 90-day jail sentence and up to a 12-month license suspension for those convicted of first, second and third time drunk driving offenses, respectively.

Furthermore, Mr. Speaker, Pennsylvania law now calls for an automatic 1-year suspension of one's driving license for refusing to take a test to determine the presence of alcohol and the admission of such refusals in evidence in court. This tough new law signed by Governor Dick Thornburgh is making a difference on the highways of the Commonwealth. Preliminary estimates indicate an 11.8 percent decline in the number of alcohol-related traffic fatalities during the first year of Pennsylvania's new law—saving the lives of 96 citizens, 17 of them teenagers.

Mr. Speaker, I want to commend Dr. Harry L. Clark, the principal of Log College Junior High School and Ms. Judith Michael, the faculty adviser to SADD.

Let me pay a special tribute to the young people who founded the chapter as well. Its officers are: president, Marc Bailkin; vice president, Kelly Candrella; secretary, Tracey Bittner; treasurer, Chris Mooney; and coordinator, Jen Fassbender.

A TRIBUTE TO THE COW NECK PENINSULA HISTORICAL SOCIETY

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1986

Mr. MRAZEK. Mr. Speaker, I would like to pay tribute to the Cow Neck Peninsula Historical Society as they celebrate the inclusion of their headquarters, the Sands-Willets Homestead, on the State and National Registry of Historic Places.

The Sands-Willets house has long played an important role in the history and development of Port Washington, NY. Until its purchase by the Cow Neck Peninsula Historical Society the house has been continuously occupied for approximately 250 years by two prominent civic minded families.

In the late 1600's, John Sands bought the land on which the Sands-Willets house was built. This acreage was given to his eldest son, John Sands II, who lived there from 1712 on. The earliest portion of the house dates from this period. Revolutionary War hero John Sands IV and his six brothers were born in the house. All went on to make major contributions to the Revolutionary War effort and to the growth of our young country.

In 1846, members of the Sands family sold the homestead to Edmund Willets, a New York merchant and prominent Quaker. The homestead remained a working farm well into the 20th century. In 1967, the estate of Eliza Willets, Edmund's granddaughter, sold the House to the Cow Neck Peninsula Historical Society.

The house remains today a textbook example of the development of architecture in this area of Long Island over a long period of time. It features both an early Dutch influence and a Greek revival style making the structure a living example to be studied by students of historical architecture.

The old homestead serves as a constant reminder of the rich history of this part of Long Island as well as the important role played by two prominent Port Washington families in that history. It gives me great pleasure to be able to share the history of the Sands-Willets house with my colleagues on this occasion, and I congratulate the Cow Neck Peninsula Historical Society for its efforts to preserve an important facet of the history of Long Island.

THREE ARIZONA SCHOOLS WIN HIGH HONORS

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1986

Mr. KOLBE. Mr. Speaker, I rise to call to the attention of my colleagues three schools in the Fifth District of Arizona which have recently received honorable awards.

I am very proud to announce the victory of the University High School chess team of Tucson, AZ, in the 1986 National Chess Team Championships in King of Prussia, PA. It was during the final round of play that the team pulled away from their competition to take first place honors. The five-member team—senior Liz Neely, junior Clark Allen, sophomore Adam Colby, freshman Robby Adamson, and freshman Ross Colby—scored a total of 22 points during the 3-day competition—a large two-point margin above the second place team. Placing fourth nationally last year and first in Arizona, I am sure we'll be seeing more of the University High School chess team in the years to come. Congratulations.

Following the theme "We Can Make a Difference," Flowing Wells High School was named the best high school in the State of Arizona for 1986. In the junior high and middle school competition, Amphitheater Junior High proudly accepted the second place honor. A 33-member citizen team, the Arizona Secondary Recognition Program, chose Flowing Wells and Amphitheater based on the schools' student achievement, academic, and behavorial goals, curriculum, and community and parent support and involvement. These schools are representative of the best in Arizona education. As the representative from District Five, I am extremely proud to send a warm congratu-

lations to the students, faculty, staff, and parents of both Flowing Wells and Amphitheater.

SIBENIK, YUGOSLAVIA, HOSPITAL'S "BREAD OF LIFE"—A FUNDRAISER FOR AN INFANT RESPIRATOR

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1986

Mr. ANDERSON. Mr. Speaker, on May 17 a one-time dinner-dance will be held at the Yugoslav American Club of San Pedro, CA, in order to raise funds for the purchase of a badly-needed infant respirator for Yugoslavia's Sibenik Hospital. This affair, which has my full support, is appropriately referred to as Sibenik's "Breath of Life."

Sibenik, which is located on the beautiful Adriatic coastline, is formerly the home of many Yugoslav-Americans who now reside in and around San Pedro.

Today, when a premature baby is born in Sibenik, he or she must be transported to a larger hospital in Split or Zagreb because Sibenik's hospital simply does not have the technology and equipment necessary to help them breathe. Needless-to-say, premature babies would be given a much better chance of survival if Sibenik's hospital acquired and utilized the appropriate equipment, that is respirators, necessary to sustain life.

Mr. Speaker, as you can well understand, the birth of a baby is truly a special moment. A premature baby, however, must fight for every breath and struggle to stay alive. And, unfortunately, if the necessary medical equipment is unavailable, this baby's chance of survival is severely diminished. This is why it is vital that all hospitals acquire these very special respirator machines which allow premature babies to breathe until they are capable of breathing on their own.

My wife, Lee, joins me in commending those who will participate in this special event which will give babies in Sibenik a real fighting chance of survival.

ANTI-ASIAN SENTIMENT AND VIOLENCE IN OUR COUNTRY

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1986

Mr. MATSUI. Mr. Speaker, my colleague, the Honorable NORMAN Y. MINETA, and I have distributed among the membership of the House of Representatives, copies of a report, prepared by the Japanese American Citizens League, which identifies and analyzes the unfortunate and alarming rise in anti-Asian sentiment and violence in our country. We believe that it is a story that must be told.

Few people are aware of the heritage of Americans of Asian ancestry. Until the 1950's, Asian immigrants were subject to discriminatory laws, excluding them from citizenship, land ownership, and intermarriage. Not many people know that the 100th/442d Regimental Combat Team, a segregated unit of Japanese-Americans, was the most decorated unit in American military history for its size and length of service.

It is our belief that the recent rise of anti-Asian sentiment and violence is at least in part rooted in ignorance.

As the JACL report documents, this ignorance has frequently tainted public debate and public perceptions. In many instances, the debate over an economic issue, such as the deficit between the United States and her trading partners, becomes characterized as a racial issue.

Sometimes this ignorance leads to violence. The extreme example is the instance of workers who blamed the loss of their jobs on our foreign trading partners, then transferred their rage to a young American of Chinese ancestry and bludgeoned him to death.

Mr. Speaker, as Members of Congress, we can make a positive and lasting contribution to increasing public understanding of Americans of Asian ancestry and all of America's new citizens. By remaining thoughtful and vigilant during the coming deliberations over trade matters, we can ensure that an economic problem does not become a racial problem.

IN HONOR OF THE TROY TEACHERS OF THE YEAR

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1986

Mr. HERTEL of Michigan. Mr. Speaker, today I am proud to honor the Troy School District in Troy, MI, and the teachers in that district who have been selected as "Teacher of the Year."

On Wednesday evening, 12 outstanding professionals will be honored for the excellent work they do each and every day. Three will be honored as "Teacher of the Year" and nine will be honored as "Honor Roll Candidates," or finalists. The teachers of the year are: Cynthia Kolesar, who teaches kindergarten at Wattles Elementary School; Hedy Blatt, who teaches vocal, drama, and speech at Baker Middle School; and Heston Bates, who teaches science at Troy High School. The honor roll candidates are: Vivian Dunn, Susan McMacken, Diane Russell, Roy K. Downie, Mary Ann Pontiatowski, Eileen Schmidt, Joseph Brandonisio, Chuck Griffith, and Sharon Myers.

Knowing of the great number of talented and caring teachers in the Troy School District who help students to learn and grow, I am sure the selection of these few was not easy. That they were selected, however, indicates their outstanding dedication to our children. These teachers face the constant challenge of inquiring minds with the knowledge that each child is unique, and each situation demands a different approach. We are truly fortunate to have these remarkable men and women devote their energies and talents to the enrichment of our community.

I ask that my colleagues join me in recognizing the importance of education by honoring these richly deserving teachers of the Troy School District.

THE 98TH BIRTHDAY OF IRVING BERLIN

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 12, 1986

Mr. YATES. Mr. Speaker, on May 11 an authentic American genius, Mr. Irving Berlin, celebrated his 98th birthday. I want to take a moment to extend my warmest congratulations to this wonderful man and to thank him for the magnificent contributions he has made to our musical heritage.

Irving Berlin wrote some of the most popular songs in the country for three different generations of Americans and many of these are absolutely great songs that will last forever.

His first song, "Marie From Sunny Italy," was written in 1907 and by 1911, with "Alexander's Ragtime Band," Irving Berlin was an international celebrity. In 1916 he collaborated with Victor Herbert on his first Broadway musical. He wrote a number of musical reviews in the 1920's, including the music for the Marx Brothers production, "The Coconuts." Beginning in the 1930's Irving Berlin set the standard for movie musicals. His film "Top Hat," with Ginger Rogers and Fred Astaire, gave us the song "Isn't This a Lovely Day." "White Christmas," another Berlin classic, came from the movie "Holiday Inn."

On Broadway, "Annie Get Your Gun" and "Call Me Madam" were written by Irving Berlin in the 1940's and are among the best of our musical plays.

All of this was accomplished by a man who grew up on New York's lower East Side in a desperately poor family. His father died when he was 8 and his formal education was limited to only 2 years. He has never learned to read music but what a talent he has. His music has enriched the lives of millions, and it is apparent from everything he has done that he has tremendous love and respect for this country. Everyone knows that he wrote "God Bless America" but most probably do not know that he gave the royalties from this extremely popular song to the Boy Scouts and Girls Scouts. Irving Berlin is a truly remarkable man and I am delighted to be able to wish him a very happy birthday.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily

Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 13, 1986, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 14

9:00 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Health Resources and Services Administration, Department of Health and Human Services.
SD-116

Banking, Housing, and Urban Affairs
To hold hearings on the effect of exchange rate volatility and the debt problems of developing countries on U.S. trade competitiveness, and related provisions of Title V of S. 1860, proposed Trade Enhancement Act.
SD-538

*Select on Intelligence
Closed business meeting, to mark up proposed legislation authorizing funds for fiscal year 1987 for the intelligence community.
SH-219

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Legal Services Corporation, and the Securities and Exchange Commission.
S-146, Capitol

Finance
International Trade Subcommittee
To continue hearings on S. 1860, proposed Trade Enhancement Act of 1985, and related measures, including S. 1865 and S. 1837, focusing on authority for a new round of multilateral trade negotiations.
SD-215

Rules and Administration
Business meeting, to consider proposed legislation authorizing funds for fiscal year 1987 for the Federal Election Commission, S. Con. Res. 123, to permit the 1986 Special Olympics Torch Relay to be run through the Capitol grounds, S. 2272, to limit the amount that may be expended in any fiscal year by a Member of Congress for franked mail, S. 2255, to prohibit the expenditures of Federal funding for Congressional newsletters, H. Con. Res. 288, to authorize the printing of additional copies of a certain committee print, H. Con. Res. 301, to authorize the printing of additional copies of a certain Presidential Message, and pending administrative business.
SR-301

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of Transportation and certain related agencies.
SD-138

Environment and Public Works
To hold hearings on H.R. 2403, to require that public buildings constructed or altered under the Public Buildings Act shall be in compliance with nationally recognized building codes and State and local zoning laws, and proposed legislation authorizing funds for fiscal year 1987 for public buildings program of the General Services Administration.
SD-406

Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on S. 525, to provide for the transfer to the Secretary of Health and Human Services the authority of the Secretary of Energy to conduct epidemiological studies of radiation effects.
SD-342

Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To resume hearings on S. 1327, to establish higher minimum rates of basic pay in geographic areas where the Federal Government is experiencing significant recruitment and retention problems, S. 1727, to establish alternative personnel management systems for scientific and technical employees, and provisions of S. 2082, to improve the management of major defense aquisition programs, to establish a Defense Acquisition Service, and to limit employment contacts between senior officials of the Department of Defense and defense contractors.
SD-124

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

10:30 a.m.
Judiciary
Criminal Law Subcommittee
To hold hearings on S. 2312, to revise certain provisions of title VII of the Omnibus Crime Control and Safe Streets Act of 1968, relating to armed career criminals, to include a serious drug offense and any crime of violence as an offense subject to enhanced penalties.
SD-226

11:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 2372, the Financial Institutions Emergency Acquisitions Amendments of 1986.
SD-538

1:30 p.m.
Finance
International Trade Subcommittee
To continue hearings on S. 1860, proposed Trade Enhancement Act of 1985, and related measures, including S. 1869, focusing on the protection of intellectual property rights.
SD-215

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

3:00 p.m.
Governmental Affairs
To continue hearings on S. 2230 and S. 2142, bills to improve financial management in the Federal Government and reduce the Federal Budget deficit.
SD-342

3:30 p.m.
Conferees
On H.R. 2005, to extend and amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (Superfund).
2123 Rayburn Building

MAY 15

9:30 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on the nominations of Marvin Duncan, of Missouri, and Frank W. Naylor, Jr., of Virginia, each to be a Member of the Farm Credit Administration Board, Farm Credit Administration.
SR-332

Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, and Education, and certain related agencies.
SD-116

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold oversight hearings on the affordability and availability of liability insurance for local governments, housing industries, and transit systems.
SD-538

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To hold hearings on S. 2083, to promulgate regulations for asbestos hazard abatement in the Nation's schools, and S. 2300, to set standards for identification and abatement of hazardous asbestos in Federal and other buildings.
SD-406

Finance
International Trade Subcommittee
To continue hearings on S. 1860, proposed Trade Enhancement Act of 1985, and related measures, including S. 1868, focusing on procedures for determining dumping by nonmarket economy countries.
SD-215

Governmental Affairs
To hold hearings on S. 2197, to establish an optional early retirement program for Federal Government employees.
SD-342

Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 2050, to notify workers who are at risk of occupational disease in order to establish a system for identifying and preventing illness and death of such workers.
SD-430

10:00 a.m.
Appropriations
Defense Subcommittee
To hold oversight hearings on AIDS testing and research policy in the Department of Defense.
SD-192

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Department of State, focusing on voluntary contributions to international organizations programs, and for the Office of the U.S. Representative to the United Nations.
SD-124

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on funding levels for research programs of the National Science Foundation.
SD-253

Foreign Relations
To hold hearings to examine issues related to the 1984 Protocols Amending the Civil Liability and Fund Conventions on Oil Pollution Damage (Treaty Doc. 99-12), which establish a liability limit on tanker owners for damage caused by oil from their vessels.
SD-419

Judiciary
Business meeting, to consider pending calendar business.
SD-226

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 2256, to remove certain requirements relating to reservations of funds for special alternative instructional programs and transitional bilingual educational programs.
Room to be announced

11:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings to review the possible impact on agriculture of the explosion of the Soviet nuclear powerplant at Chernobyl.
SR-332

1:00 p.m.
Judiciary
Security and Terrorism Subcommittee
To resume hearings in closed session to examine legal mechanisms to combat terrorism.
S-407, Capitol

2:00 p.m.
Appropriations
Business meeting, to mark up H.R. 4515, making urgent supplemental appropriations for fiscal year ending September 30, 1986 for the Federal Government.
SD-192

Finance
To hold hearings on the nomination of Dorcas R. Hardy, of California, to be Commissioner of Social Security.
SD-215

Judiciary
Administrative Practice and Procedure Subcommittee
To hold hearings on the prosecution of Soviet Embassy demonstrators.
SD-226

4:00 p.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

MAY 16

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on the nominations of Vice Admiral Paul A. Yost, Jr., to be Commandant, U.S. Coast Guard, with the grade of admiral, and Rear Admiral James C. Irwin, to be Vice Commandant, U.S. Coast Guard, with the grade of vice admiral.
SR-253

Judiciary
Immigration and Refugee Policy Subcommittee
To hold hearings to review the progress of this year's refugee resettlement program, and on the Administration's proposed regional refugee admissions level for fiscal year 1987.
SD-226

10:00 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To hold oversight hearings on the government-approved release of genetically engineered organisms.
SD-406

10:15 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on proposed legislation authorizing funds for the Maritime Administration, Department of Transportation, and proposed legislation authorizing funds for the Federal Maritime Commission.
SR-253

MAY 19

10:00 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2204, to permit the use of park entrance, admission and recreation use fees for the operation of the National Park System.
SD-366

MAY 20

9:00 a.m.
Energy and Natural Resources
To hold hearings on S. 1302, proposed Natural Gas Regulatory Reform Act of 1985, S. 1251, proposed Natural Gas Utilization Act of 1985, S. 2205, to eliminate certain restrictions on the use of natural gas and petroleum, S. 2285 to promote competition in the natural gas market, to ensure open access to transportation services, to encourage production of natural gas, to provide natural gas consumers with adequate supplies at reasonable prices and to eliminate demand restraints, and S. 834, to increase competition in the transportation of natural gas.
SD-366

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

Environment and Public Works
Transportation Subcommittee
To hold hearings on S. 2405, authorizing funds for fiscal years 1987-1990 for the Federal-aid highway program.
SD-406

Foreign Relations
To hold hearings to review the results of the Economic Summit and the implementation of the Baker plan designed to meet the global debt crisis.
SD-419

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Indian Health Service, Department of Health and Human Services.
SD-192

MAY 21

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the U.S. Information Agency, and the National Endowment for Democracy.
S-146, Capitol

Judiciary
To resume hearings on S. 2160 and S. 2022, bills to clarify and improve the analysis of mergers under the antitrust laws.
SD-226

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold oversight hearings on strategies to reduce hunger in America.
SD-430

Select on Indian Affairs
To hold oversight hearings on certain issues resulting from a decision of the 10th Circuit Court of Appeals in the case of the Ute Indian Tribe v. the State of Utah.
SD-538

MAY 29

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of the Secretary and Office of the Solicitor, Department of the Interior.
SD-192

JUNE 3

9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Energy and Natural Resources
To hold oversight hearings on the implementation of the Public Utility Regulatory Policies Act (P.L. 95-617).
SD-366

Finance
To hold hearings on S. 2331, to assure the quality of inpatient hospital services and post-hospital services furnished under the Medicare program, and related matters.
SD-215

10:00 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on statistical policy for an aging America.
SD-342

JUNE 4

9:00 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Commerce, Justice, and State, the Judiciary, and certain related agencies.
SD-146, Capitol

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on S. 1935, to provide for certain vessels to be documented under the laws of the United States to entitle them to engage in domestic coastwise trade.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold oversight hearings to review the imposition of user fees in FDA approval procedures for new drugs.
SD-430

JUNE 5

10:00 a.m.
Energy and Natural Resources
To resume oversight hearings on the implementation of the Public Utility Regulatory Policies Act (P.L. 95-617).
SD-366

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the National Endowment for the Arts, and the Institute of Museum Services.
SD-192

JUNE 10

9:30 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings on ozone depletion, the greenhouse effect, and climate change.
SD-406

JUNE 11

9:30 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To continue oversight hearings on ozone depletion, the greenhouse effect, and climate change.
SD-406

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold hearings on efforts to improve the health status of children.
SD-430

JUNE 12

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Hazardous Materials Transportation Act.
SR-253

Select on Indian Affairs
To hold hearings on S. 830, to expand Indian education programs to include Native Hawaiians.
SR-485

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume joint oversight hearings with the House Committee on Education and Labor's Subcommittee on Elementary, Secondary and Vocational Education on illiteracy in America.
2175 Rayburn Building

JUNE 17

9:00 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on S. 1235 and S. 2291, bills to promote more effective and efficient nuclear licensing and regulation.
SD-406

9:30 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2055, to establish the Columbia Gorge National Scenic Area.
SD-366

10:00 a.m.
Labor and Human Resources
To resume hearings on S. 1804, to establish a program to provide development and incentive grants to States for enacting medical malpractice liability reforms.
SD-430

Select on Indian Affairs
To resume hearings on S. 902, to establish Federal standards for gaming activities on Indian lands.
SD-106

JUNE 18

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JUNE 25

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold hearings on the administration of the Mine Safety and Health Review Commission.
SD-430

JULY 17

9:30 a.m.
Finance
Social Security and Income Maintenance Programs Subcommittee
To hold joint hearings with the Committee on Labor and Human Resources' Subcommittee on Employment and Productivity on work and welfare issues.
SD-430

Labor and Human Resources
Employment and Productivity Subcommittee
To hold joint hearings with the Committee on Finance's Subcommittee on Social Security and Income Maintenance Programs on work and welfare issues.
SD-430

JULY 22

9:30 a.m.
Finance
Social Security and Income Maintenance Programs Subcommittee
To resume joint hearings with the Committee on Labor and Human Resources' Subcommittee on Employment and Productivity on work and welfare issues.
SD-430

Labor and Human Resources
Employment and Productivity Subcommittee
To resume joint hearings with the Committee on Finance's Subcommittee on Social Security and Income Maintenance Programs on work and welfare issues.
SD-430

JULY 29

10:00 a.m.
Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings to review the response for home health care services.
SD-430

JULY 30

10:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

AUGUST 13

10:00 a.m.
Labor and Human Resources
To hold hearings to review the private sector initiatives in human services.
SD-430

SEPTEMBER 10

10:00 a.m.
Labor and Human Resources
To hold hearings to review the human resources impact on drug research and space technology.
SD-430

SEPTEMBER 16

10:00 a.m.
Labor and Human Resources
To hold hearings on pending nominations.
SD-430

SEPTEMBER 24

10:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

CANCELLATIONS

MAY 13

9:30 a.m.
Select on Intelligence
Closed business meeting, to mark up proposed legislation authorizing funds for fiscal year 1987 for the intelligence community.
SH-219

2:00 p.m.
Foreign Relations
East Asian and Pacific Affairs Subcommittee
To resume hearings to review the services trade between the United States and Japan.
SD-419

MAY 14

9:00 a.m.
Veterans' Affairs
To hold hearings on S. 2422, to provide a cost-of-living increase for fiscal year 1987 in the rates of veterans' disability compensation and dependency and indemnity compensation for surviving spouses and children, S. 2168, to improve veterans' benefits for former prisoners of war, S. 2304, to extend the period of time during which veterans readjustment appointments may be made, and provisions of S. 2186, S. 2187, and related measures, to exempt any amounts available to provide certain benefits to veterans with service-connected disabilities from any requirement for sequestration of funds under part C of the Balanced Budget and Emergency Deficit Control Act of 1985.
SR-418

MAY 15

9:00 a.m.
Veterans' Affairs
To resume hearings on the reported sightings of live military personnel missing in action in Southeast Asia.
SD-628

10:00 a.m.
Energy and Natural Resources
Natural Resources Development and Production Subcommittee
To hold oversight hearings on prospects for exporting American coal.
SD-366

2:30 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for fossil energy and clean coal technology.
SD-192

SENATE—*Tuesday, May 13, 1986*

(Legislative day of Monday, May 12, 1986)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable MARK O. HATFIELD, a Senator from the State of Oregon.

The PRESIDING OFFICER. This morning, the prayer will be offered by the Reverend Ronald Cadmus, of the Fort Washington Collegiate Church in New York, sponsored by Senator BOB KASTEN.

PRAYER

The Reverend Ronald Cadmus, Fort Washington Collegiate Church, New York, NY, offered the following prayer:

Lift our heads in prayer together.

Lord, as I walked down Fifth Avenue this week and I saw across the street from St. Patrick's Cathedral the form of Atlas with the weight of the world pressing in against him, I was reminded of something more powerful. I went inside that great cathedral and saw, in one of the chapels lining that great nave, the small child we call Jesus, and in his hand he was holding the world.

O, God, too many people in this world bear the weight of this Nation and the world in their hearts and in their consciences. We turn to You today in a way of acknowledging to You that we place our life, our care, our wisdom, and our will into Your keeping.

So today we come closer to You than yesterday, that we might be near to You, with our uncertain tomorrows, for certainly the world is in a precarious state.

We pray that You speak to all of the leaders of our country and all the people whom they serve; speak to their hearts softly, that they might hear You in the farthest corners of their minds.

We pray that You touch all of us gently in Your being, that we might feel Your caress more deeply in our souls, a caress that sustains and leads us and makes us wise.

We pray that You lift up each of our leaders high above themselves, that they might see beyond the fulfillment of their own hope; and we pray that You take us into Your embrace, that we might feel the strength of Your comfort, the power of Your encouragement, the insistence of Your being that will guide us through many troubled storms, that we meet the needs of the people of this country.

Above all, we pray for our President, Vice President, and all those who serve all of the children of this world, so that we might be people who are humble to the point that we seek not only that which is stronger than ourselves but we seek Your wisdom that will make us wise and people of justice.

In Your name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. THURMOND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 13, 1986.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MARK O. HATFIELD, a Senator from the State of Oregon, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. HATFIELD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting majority leader is recognized.

Mr. McCONNELL. Mr. President, I yield 3 minutes to the distinguished Senator from Wisconsin.

Mr. KASTEN. I thank the acting majority leader.

THE GUEST CHAPLAIN

Mr. KASTEN. Mr. President, I wish to say how pleased and proud I am to have my friend, Ron Cadmus, deliver the opening prayer.

Ron is from the Fort Washington Collegiate Church. He and Dr. Norman Vincent Peale officiated at my wedding a few months ago, and I am particularly pleased and proud to have the opportunity to be in the Senate and to have him deliver the opening prayer, to thank him for his kind and most thoughtful words, and for his continuing leadership not only of the Fort Washington Collegiate Church, but also of a number of us who are beyond the geographical borders of that church; but yet, in a very real way, we continue to look to him for guidance, for inspiration, and for leadership.

SCHEDULE

Mr. McCONNELL. Mr. President, after the two leaders are recognized under the standing order for 10 minutes each, there will be special orders in favor of the following Senators for not to exceed 5 minutes each: the Senator from Florida [Mrs. HAWKINS], the Senator from California [Mr. CRANSTON], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Connecticut [Mr. WEICKER], and the Senator from Kentucky [Mr. McCONNELL].

There will be a period for routine morning business, not to extend beyond 10:45 a.m., with Senators permitted to speak therein for not more than 15 minutes each.

The Senate will stand in recess between 10:45 a.m. and 2 p.m. in order to hear an address by Anatoly Shcharansky and to meet for the weekly party caucuses.

At 2 p.m., the Senate will resume consideration of S. 1848, the drug export bill. Rollcall votes can be expected throughout the day, and the Senate can be expected to continue into the evening, in order to make progress on S. 1848.

CONGRESSIONAL WELCOME FOR NATAN (ANATOLY) SHCHARANSKY

Mr. McCONNELL. Mr. President, I would like to remind all my colleagues that this morning, at 11 a.m., in the rotunda, the leadership of the House and the Senate will be hosting a welcome for Natan (Anatoly) Shcharansky. All Members are invited to attend the event, and I encourage them to do so, in tribute to this man of courage, an authentic hero to all who believe in the sanctity of human dignity and religious freedom.

In addition to the welcome this morning, tomorrow afternoon, at 2:30 in the Mike Mansfield Room, S. 207, the Senate leadership and Senate Foreign Relations Committee will be hosting a reception for Mr. Shcharansky. The reception will end at 3:30. Senators only are invited.

□ 1010

SENATOR HAWKIN'S SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Florida is recognized for not to exceed 5 minutes.

The Senator from Kentucky is recognized to read Senator HAWKINS' statement.

Mr. MCCONNELL. Mr. President, Senator PAULA HAWKINS has a statement once again this morning. I will read her statement in her absence and on her behalf.

Her statement this morning is regarding "Mexico Out Front as the United States Major Narcotics Supplier."

Her statement reads as follows:

MEXICO OUT FRONT AS THE UNITED STATES MAJOR NARCOTICS SUPPLIER

Mrs. HAWKINS. Mr. President, the illicit narcotics industry is booming in Mexico, our neighbor to the south. In the past year Mexico has replaced Colombia as the largest supplier of marijuana consumed in the United States. In recent months Mexico has climbed ahead of the "Golden Crescent" countries of Pakistan, Afghanistan and Iran as the largest source of heroin used in the U.S. Mexico produces one-third of the heroin used in the U.S. and is the transit point for another third. As if those statistics were not startling enough, Mexico is the sole source for an unusually potent new kind of heroin called "black tar" which is responsible for the first general increase in heroin consumption in the U.S. in the last five years. And the State Department, in its annual narcotics strategy report for 1986, says that Mexican traffickers are the largest suppliers of illegal amphetamines.

John C. Lawn, administrator of the Drug Enforcement Administration, disclosed in a New York Times interview (May 12, 1986) that his agency had identified 70 "Class One" drug traffickers in Mexico, probably more than in any other single country and a sharp increase over recent years. A "Class One" trafficker is defined as one who runs a network capable of acquiring and distributing many pounds of cocaine and heroin in the U.S. and many tons of marijuana on a regular basis.

I suppose one of the reasons that Mexico's new status as the leading drug supplier disappoints us is that for so many years it was the model of a country trying to do something about its drug problem. As recently as two years ago, Mexican drug enforcement was adjudged "an enormous success" and "the best program in the world." But all that has changed now. Cocaine smuggling, for one example, has escalated to a $1 billion a year business in Mexico. American authorities seized 10,700 pounds of cocaine at the Mexican-California border between October 1 of last year and March 30 of this year. In this six months, drug seizures were three times greater than they had been in the past five years along the entire Mexican border. This is but one statistic in a situation where drug production and trafficking have worsened and enforcement has become lax, in many cases riddled with corruption.

The focal point of the Mexican drug enforcement program had been the crop eradication program where police and special drug fighting teams sprayed herbicides on marijuana and opium poppy fields. The U.S. supplied 60 helicopters and more than a dozen planes of other types for the purpose. And they were being used effectively, with a corresponding cutback in marijuana and opiate production. That too has changed.

DEA Administrator John Lawn told the New York Times that reports reaching his office suggest that "the air fleet is not flying in the areas where cultivation is occurring. They say they are spraying when they are not, or they are spraying water instead of herbicides." Another official made an even more serious charge. He told Times reporter Joel Brinkley that "in some cases they have been spraying fertilizer instead of herbicides." If this is true, that would indicate that bribery and corruption of strategically placed officials surpass anything that we have previously suspected.

The State Department annual survey describes Mexico's record of drug prosecutions as "a dismal picture." And a senior State Department official says narcotics trafficking in Mexico has increased so sharply in the past year and a half that it has "popped off the charts."

Customs Commissioner William von Raab describes the Mexican drug situation as a "horror story, increasing logarithmically" and asserts they are "doing nothing about it." Von Raab blames Mexican government officials, calling them "inept and corrupt."

Law enforcement officials cite as an example of the arrogance of Mexican drug traffickers the terrorism unleashed last November near Vera Cruz when 17 Mexican policemen, including five federal judicial policemen, were tortured and killed. That incident suggests that the traffickers believe they are above the law, and perhaps they have good reason to believe they are. When an American drug agent, such as Enrique Camarena Salazar, can be tortured and brutally murdered by drug traffickers and his killers not be brought to trial, we all have reason to be concerned about the quality of Mexican justice.

Mr. MCCONNELL. Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the Democratic leader is recognized.

Mr. BYRD. Mr. President, I thank the Chair.

THE LIBYAN RAID: THE ADMINISTRATION IGNORES THE PRINCIPLES OF SECRECY AND SURPRISE

Mr. BYRD. Mr. President, the administration's military action against Libya on April 14, 1986, in retaliation against Libyan state-sponsored terrorism, has been widely supported in Congress and across the United States. It was a necessary and defensible action. The professionalism of our fighting forces was laudatory. Furthermore, the action has apparently now galvanized our allies into working more closely with us in combating the challenging phenomenon of state-sponsored terrorism. This is apparent in the results of the just-concluded summit meeting in Tokyo.

While I have supported this military action, and while I praise and admire the valor and professionalism, of our fighting forces, I deplore the hemorrhaging of vital military information and planning by various elements of the administration that dominated the news for a full week prior to the raid. The military action was undertaken only after a full week of news reports that quoted administration officials revealing the nature of the mission, against whom the raid would take place, roughly when it would occur, what targets would probably be struck, and which countries might or might not assist in it. Reports indicate that the leaks were so damaging to our planned action that the raid had to be postponed at least once.

This kind of undisciplined chatter might be dismissed as a clever series of trial balloons, designed to affect Qadhafi or our allies, or both, in various ways. However, the paramount goals in any operation must be the safety of our own fighting men and women and the success of the mission itself. We are fortunate that Qadhafi did not act, apparently on the information or at least sufficiently on the information that was readily available to him to complicate the raid, or even to cause us to abort it.

Mr. President, I think it is very important that the historical record concerning this episode in our foreign relations fully show and accurately show the way in which, and the degree to which, the administration through statements by its various spokesmen contributed to the spreading of advance notice of the anticipated Libyan raid literally around the world via the news media, allied governments, and other means during the week preceding the raid.

I ask unanimous consent that a detailed chronology of what the administration spokesmen said to and through these various channels during those several days be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

["The understanding now is that a strike against Libya is in the works. If it comes to that, seldom will U.S. military action have been so widely and publicly advertised in advance."—Sam Donaldson, ABC "World News Tonight" April 9, 1986 (5 days before the raid).]

["By Friday [April 11], says a top intelligence official, 'we knew that we were doomed. Too many people were talking freely about the operation and too many operational details were already out. We had to postpone.' About noon on Friday NSC hastily convened again in the Oval Office and got the President's agreement for a postponement of indefinite duration. Reagan, says one participant, 'was furious. He realized that the operation had to be put off but wanted to make sure that in the future no more leaks will get around.' "—Time, April 21, 1986.]

THE NOT-SO-SECRET RAID AGAINST LIBYA

On April 14, 1986, the United States retaliated against Libyan state-sponsored terrorism by bombing military and terrorist activity support targets in the Tripoli and Benghazi areas.

This military action was undertaken after a full week of news reports that quoted Ad-

ministration officials revealing the nature of the mission, against whom the raid would take place, roughly when it would occur, what targets would probably be struck, and which countries would and would not assist in it, and after our allies had been told of the planned military raid.

The military strike against Libya has been widely supported in the Congress and the United States as a necessary and defensible action.

But the Administration's inability to contain the Nation's most vital military secrets—secrets upon which the lives of the men and women in our armed forces depend and upon which the success of the mission depends—is a different matter.

What follows is a chronology of what the Administration told the news media and allied governments during the week before the raid.

CHRONOLOGY OF EVENTS

Saturday, April 5

1:49 a.m. Berlin Time: A bomb exploded in the La Belle discotheque in West Berlin killing a U.S. soldier and a Turkish woman and injuring 204 people, including 64 Americans.

Sunday, April 6

New York Times: "President Reagan was asked before boarding Air Force One for the return trip to Washington if he would 'hit' Libya and responded, 'No comment.' " (New York Times, April 7.)

Secretary of Defense Caspar Weinberger: "We don't have the hard evidence [against Qaddafi] * * * but when there is evidence, we wouldn't hesitate to act for a moment." (NBC "Nightly News," April 6.)

Monday, April 7

U.S. Ambassador to West Germany Richard Burt: "There are very clear indications that there was Libyan involvement [in the Berlin bombing] * * *" When asked whether he would like to see the President take military action against Qaddafi, Burt replied: "I'm not going to close the President's options. * * * He's studying this issue right now. * * *" (NBC "Today Show," April 7.)

Washington Post: "The White House yesterday [April 7] privately rebuked Richard Burt, U.S. Ambassador to West Germany, for saying in a television interview that the United States has clear indications of Libya's involvement in the weekend bombing of a West Berlin nightclub. U.S. officials confirmed, however, that Burt's statements were correct. * * * The officials, who declined to be identified, said Burt had been warned to be more circumspect in public statements, not because he had spoken incorrectly but because, as one official put it, 'he got too far out in front of what the administration wants to say publicly at this point.' " (Washington Post April 8.)

CBS "Evening News": "Reagan Administration officials say they have intelligence reports strongly linking the Libyan People's Bureau in East Berlin with the bombing of the La Belle discotheque in West Berlin. The evidence includes intercepted messages dispatched from Libya to its operatives in East Berlin. Top U.S. officials acknowledge that detailed military contingency plans for retaliation already exist. Said one source, they involve five targets in Libya." (White House Correspondent Lesley Stahl, CBS "Evening News," April 7.)

ABC "World News Tonight"; "U.S. intelligence sources say that after the [Berlin] bombing, there were messages from Libya to its embassy in East Berlin which indicated clear knowledge of details of the terrorist attack and which in essence offered praise for a job well done." (National Security Correspondent John McWethy, ABC "World News Tonight," April 7.)

Wall Street Journal: "U.S. officials are putting out the word that they are laying the groundwork for possible retaliatory actions against Libya for its suspected involvement in the bombing of a West Berlin discotheque. * * * U.S. officials said they won't decide on any of several possible retaliatory measures now being studied by President Reagan until investigators in Berlin make more progress * * * Options that U.S. officials have discussed include striking unmanned planes on an airfield, Libya's two SAM-5 missile sites, or missile-storage area * * * Other retaliatory options are aimed at striking at the heart of Libya's economy, by bombing oil lines or transportation." (Wall Street Journal, April 8.)

Tuesday, April 8

White House Press Briefing: "Q: So, just to reiterate, you have not now at this time made a conclusion as to the extent of Libyan involvement in either the two incidents of last week? [White House deputy press secretary Larry Speakes]: That's right." (White House afternoon press briefing, April 8.)

Wall Street Journal: "Reagan and his advisers are united in wanting to respond militarily against Qadhafi * * * but haven't agreed on a time or place to strike back, a senior Administration official said." (Wall Street Journal, April 9.)

New York Times: "One State Department official, who was openly skeptical about the evidence used to link Libya to last December's Rome and Vienna airport attacks, said today [April 8] that 'I have absolutely no doubt this time. We have the goods.' " (New York Times, April 9.)

CBS "Evening News": "Forty-eight hours after the bombing in West Berlin the Reagan Administration had reached a consensus for military retaliation against Libya. But, officials are still trying to decide exactly what to do and when. Sources tell CBS that the evidence, most of it from communications intercepts, seems to implicate Libya beyond much doubt * * * What are the options? The easy targets are on the coast—the Libyan missile battery already hit during the operation in the Gulf of Sidra, a submarine base, other port facilities and artillery positions. More risky: terrorist training camps. Military planners say daylight action inland would probably mean the loss of some pilots and aircraft. But the White House believes there is public support as do many in Congress. (White House Correspondent Bill Plante, CBS "Evening News," April 8.)

Wednesday, April 9

Events of the Day That Were Known at the Time

USA Today: "By 3 p.m., two U.S. aircraft carrier battle groups were ordered to remain in the Mediterranean." (USA Today, April 10.)

New York Times: "Several of the [Administration] officials said sensitive information was being shared with West Germany, Britain, France, Italy and a few others, but that not all were being shown the same raw evidence." (New York Times, April 10.)

CBS "Evening News": "According to a highly-placed source President Reagan has approved another possible military strike against Libya. * * * The White House denied rumors today that a military response was already underway, but a well-placed intelligence source said that a military response has been approved." (White House Correspondent Lesley Stahl, CBS "Evening News," April 9, and USA Today, April 10.)

ABC "World News Tonight": "The understanding now is that a strike against Libya is in the works. If it comes to that, seldom will US military action have been so widely and publicly advertised in advance." (Sam Donaldson, ABC "World News Tonight," April 9.)

Asked directly whether he had already authorized military retaliation against Libya, the President said: "This is a question that, as I say, is like talking about battle plans or something." Stating that the Administration was still looking for proof, he concluded that "if there's identification enough to respond, then I think we'd respond." (President Reagan, News Conference of April 9. Transcript in Washington Post, April 10.)

Events of the Day That Were Subsequently Reported

Washington Post: "At about the middle of last week [April 6-12], officials from Reagan's National Security Council contacted their counterparts in Thatcher's Cabinet Office. The Americans said that the Administration had decided to take military measures against Libya, and wanted both British backing and approval for use of Royal Air Force bases where U.S. Air Force F111s and some aerial refueling tankers are stationed. * * * Her staff requested that the NSC provide specific information on the types of bombers that were to be used, and on the intended targets." (Washington Post, April 16.)

New York Times: "The discussions [with the British] began late on Tuesday [April 8], almost a week before the raid. * * *" (New York Times, April 16.)

On Wednesday, April 9, five days before the raid, the President was authoritatively reported to have approved in principle the decision to retaliate militarily against Libya.

Washington Post: "Sources said that a formal national security decision directive was signed last Wednesday [April 9] in which Reagan approved an attack on Libya 'in principle'. * * * By Wednesday [April 9]. * * * Shultz and Poindexter were ready with their recommendation for a military strike. Reagan approved the decision in principle at a National Security Council meeting in the Oval Office after hearing a recommendation from Adm. William J. Crowe, Jr., chairman of the Joint Chiefs of Staff, who called for adding firepower to U.S. forces before any strike was made." [Washington Post, April 15.]

Sam Donaldson on ABC "Nightline," April 14: "Officials here [Washington, D.C.] say the President decided on a military option at the middle of last week, say Wednesday, Wednesday morning, and from that moment on, they insist there was never any doubt that it would be used." (ABC "Nightline," April 14.)

Thursday, April 10

Events of the Day That Were Known at the Time

NBC "Today Show": "Administration officials say that intense planning is under way for retaliation against Libya. At his news conference the President only hinted at it. * * * And when given the facts the President did not deny that he has already ordered military retaliation. Afterwards officials said that omission was very significant and said pointedly that when the time is right the United States will respond."

(White House correspondent Andrea Mitchell, NBC "Today Show," April 10.)

Washington Post: "The United States, * * * now has 'indisputable evidence' that Libyan leader Muammar Qaddafi was behind the [Berlin discotheque] attack, according to NATO commander Bernard W. Rogers. * * * Gen. Rogers, speaking in Atlanta Wednesday [April 9], said, 'We have indisputable evidence. * * * I can't tell you how we get it. But it's there.' " (Washington Post, April 11.)

At the White House, deputy press secretary Larry Speakes was asked if reporters could assume that Rogers "knows what he is talking about." Speakes replied: "I'm sure you can." (White House afternoon press briefing, April 10.)

New York Times: "An Administration official said that Libyan military sites are the prime options under consideration for retaliation, and that among the key possibilities are Libyan air bases near the coast. * * * The official said that coastal electronic listening posts, including early-warning radar sites as well as units that pick up airplane and ship traffic, are also targets. * * * Although oil fields and oil depots are also under construction, one United States official said that destruction of such sites could create problems for the United States because friendly nations, particularly Italy and West Germany, buy oil from Libya. Moreover, a number of Americans are believed working in or near these sites, despite Mr. Reagan's recent order for Americans to leave Libya." (New York Times, April 11.)

New York Times: "Administration officials conceded that, if President Reagan orders a military strike, 'clearly the surprise won't be there.' The official added * * * 'The Libyans know as well as we do what the major targets are.' " (New York Times, April 11.)

NBC "Nightly News": "At the President's direction the Pentagon is making final plans for a retaliatory strike against Libyan military bases and perhaps industrial sites. That according to defense officials who told NBC News that the President has approved in principle an attack of short duration which would destroy many targets. The sources said the carriers *Coral Sea* and the *America*, currently within 24 hours of the Libyan coast, would not be ordered into action until the President reviews the battle plan with his top advisers. They would include Vice President Bush, who is due back from the Middle East late Saturday, and Defense Secretary Weinberger who returns from Asia Sunday.

* * * Defense officials said the President's military options are all keyed to the four main air defense missile sites along the Libyan coast. Those batteries would have to be destroyed first. Only then would bombers be sent to attack three large military airfields. The F-111 bomber is one of the weapons the President could use together with carrier jets. The F-111 is based in Britain and it is not known if the British government would go along with that use of its territory. But the largest burden of the airstrike would go to the attack jets on the two carriers. Pentagon sources said they would be used against Libyan naval facilities and military bases along the Libyan coast. * * *

* * * It is not clear tonight whether the attack plan to be presented to the President will include a strike against Libyan oil facilities. One Pentagon source said that would expose attack jets to more ground fire than is acceptable, and there is that same concern with striking Libya's many terrorist camps—the majority of which are in the Libyan interior out of safe bomber range. But one official said there are several near shore which could be attacked.

* * * Those are most of the options for the President and according to defense officials, it is no longer a question of whether he will employ one or all of them, but when." (Fred Francis at the Pentagon, NBC "Nightly News," April 10.)

Friday April 11

Events of the Day That Were Known at the Time

NBC "Today Show": "The issue isn't if the U.S. will strike, but when." (Bryant Gumbel, NBC "Today Show", April 11.)

NBC "Today Show": "Defense department sources say the plan would be for a quick strike that could hit the following targets. Military bases near the coast to knock out missile sites and missile storage areas. Military airfields near Tripoli, to hit unmanned jet fighters on the ground. * * * The goal is to strike as many targets as possible as close to the coast to reduce the danger to American aircraft." (Correspondent Jamie Gangel, NBC "Today Show," April 11.)

Reuters: "Pentagon officials said yesterday [April 11] the *Coral Sea* and *America*, carrying 170 planes and escorted by battle fleets of more than 10 ships each, had edged closer to Libya." (Reuters, April 12.)

New York Times: "[White House chief of staff Donald Regan] was asked by reporters * * * whether there now was 'indisputable' evidence linking Libya to the West Berlin disco attack. 'As far as most people are concerned, yes,' Mr. Regan replied * * * 'We haven't reached a final conclusion, but we're coming close.' " (New York Times, April 12.)

Events of the Day That Were Subsequently Reported

AP: "On Friday, when the ships were still about a day's sail from the Gulf of Sidra * * * one Pentagon source said, 'There doesn't seem to be anything imminent at this point.' " (AP, April 13.)

Washington Post: "According to French and American sources, the United States first broached the question of overflight rights with France on Friday, April 11, via the military attache's office in the U.S. Embassy here [in Paris]." (Washington Post, April 24.)

Washington Post: "[Paris daily] Le Monde said that Reagan sent a second private message to Mitterrand on April 11, announcing his intention of using the F111s to attack 'terrorist camps' in Libya and requesting overflight rights." (Washington Post, April 29.)

Saturday, April 12

Events of the Day That Were Known at the Time

UPI: " 'As part of our continuing consultations on the threat of terrorism, Ambassador Vernon Walters, the U.S. representative to the United Nations, has undertaken a mission to Europe,' said State Department spokesman Deborah Cavin. 'He is now in the United Kingdom, where he has met with Prime Minister Margaret Thatcher and he will be visiting several other countries in the next few days.' " (UPI, April 12.)

New York Times: "Administration officials speculated that the Walters trip placed in abeyance, at least for the moment, a retaliatory strike against Libya, but officials declined to rule out a raid even in the next 48 hours." (New York Times, April 13.)

AP: "The [British] Mail on Sunday newspaper said Mrs. Thatcher had 'cleared the way for President Reagan to use British bases to launch a massive new air attack on Libya.' " (AP, April 13.)

AP: "Speculation * * * that the United States might be planning to use its F-111 fighter-bombers based in eastern England for a punitive strike against Libya * * * was heightened by the arrival Saturday [April 12] of several KC-10 tanker planes at the U.S. Air Force base in Mildenhall, eastern England. The KC-10, a military version of the DC-10, is capable of in-flight refueling and could be used to enable up to 40 F-111s to make roundtrip flights between Britain and Libya." (AP, April 13.)

AP: "Italian Premier Bettino Craxi told reporters Saturday [April 12] in Milan * * * 'I don't believe there will be a military intervention there [Libya] before Monday,' the day of the Common Market meeting." (AP, April 12,)

NBC "Nightly News": "By Monday, the diplomatic lobbying tour will be complete, and Administration sources indicate that means a strike could come as early as Tuesday. * * * Administration sources say the president is committed to a retaliatory strike, but might be willing to hold off if European allies agree to strong political and economic sanctions. Short of that, said one official, it's just a matter of time until the president picks a plan and gives the go-ahead." (Correspondent Jamie Gangel at the White House, NBC "Nightly News," April 12.)

Events of the Day That Were Subsequently Reported

Washington Post: "After consulting conservative Prime Minister Jacques Chirac by telephone, Mitterrand decided to reject the U.S. request [for overflight rights], and the French refusal was communicated to Washington the following morning [Saturday, April 12]." (Washington Post citing Le Monde, April 29.)

ABC "Nightline": "Officials here [Washington, DC] say * * * General Walters * * * was not sent to try to solicit allied support for this * * * but had been sent to inform the allies that a military option would be used." (Sam Donaldson, ABC "Nightline," April 14.)

Washington Post: "By the time Walters arrived Saturday, most of these details had been ironed out. His meeting with Thatcher, along with [Foreign Secretary Geoffrey] Howe and Defense Secretary George Younger, sources said, concentrated primarily on the 'public presentation' of the attack after the fact, including the extent to which evidence could be publicly revealed and the legal justification for it." (Washington Post, April 16.)

New York Times: "According to Spanish sources here [Washington, DC] and in Madrid, Mr. Walters, at a previously undisclosed meeting with Mr. Gonzalez on Saturday [April 12], hinted at the possibility of overflights or use of the bases in the event of a hypothetical American military action against Libya. Mr. Gonzalez, the sources said, gave a thoroughly discouraging response about both." (New York Times, April 16.)

Sunday, April 13

Events of the Day That Were Known at the Time

Deputy Secretary of State John Whitehead said: "* * * prospective military action is something that only the President will

decide on. He has not yet made that decision. * * *" "No, there really isn't a time table, but * * * the time is getting short." (CBS "Face the Nation," April 13, and New York Times, April 14.)

Director of the State Department's Office of Counter-Terrorism Robert Oakley said: "I can't tell you exactly what General Walters is talking about, but he is indeed consulting our allies." (ABC "This Week With David Brinkley," April 13.)

Walters met with West German Chancellor Kohl and Foreign Minister Genscher Sunday morning and that evening with French Prime Minister Chirac. (Washington Post, April 14.)

Jiji (Tokyo) Press Service: "When they met at the Presidential Retreat of Camp David * * * last Sunday, Reagan hinted the possibility of attacking Libya, [Japanese Prime Minister] Nakasone said at a plenary session of the House of Councillors. Reagan said that the United States has firm evidence linking Libya to the recent bombing of a West Berlin nightclub * * * On Wednesday [April 16] Deputy White House press secretary Larry Speakes said Japan expressed its support for U.S. attacks against Libya prior to * * * [the] air raids on Tripoli and Benghazi. But this was denied by Nakasone Thursday." (Jiji [Tokyo] Press Ticker Service, April 18)

NBC "Nightly News": "Administration officials say the President is moving toward a decision about whether to make a retaliatory strike agains Libya; and White House officials confirm the President will have a special National Security meeting tomorrow to evaluate the situation. * * * Today, the President conferred with Vice President Bush and Secretary of State Shultz, both of whom are believed to favor a military strike. Noticeably absent from the Camp David meeting was Defense Secretary Weinberger, who is believed to oppose such action." (Jamie Gangel at the White House, NBC "Nightly News," April 13.)

Events of the Day That Were Subsequently Reported

Washington Post: "The [Le Mondel] newspaper said the White House then sent another urgent message to Mitterrand asking him to reconsider [France's decision made Saturday, April 12, to refuse American overflight rights]. The French refusal was confirmed at a meeting on the morning of April 13 between Mitterrand, Chirac, and Foreign Minister Jean-Bernard Raimond." (Washington Post, April 29.)

New York Times: "Mr Walters said the United States was ready to act," said a ranking aide of the American envoy, and Kohl told him, "Force is not our method." * * * A senior adviser to the Chancellor said Mr. Kohl was "furious" when he read that Reagan Administration officials had described him as willing to condone military action against Libya in private while publicly opposing such a step. "He said nothing like this," the adviser insisted. (New York Times, April 25.)

New York Times: "Mr. Craxi's aides, too, were shocked to hear him described by Washington officials as having privately endorsed the American raid." (New York Times, April 25.)

The April 21 issue of Newsweek, which was available on newsstands before the raid, contained a lengthy lead article on the possibility of military action against Libya. Using accumulated leaks from Administration officials, it offered a detailed and remarkably accurate analysis not only of what had happened, but also of what would happen.

This time the casus belli was the La Belle discotheque bombing in West Berlin. The President's counselors said they had worked up an "indisputable" trail of evidence connection Libyan agents to the murderous blast. Two U.S aircraft carriers took up positions within striking distance of Libya. Reagan suggested he was only waiting for clear battle conditions and a complete dossier on the Berlin case before striking.* * *

With the USS *Coral Sea* and the USS *America* both in the Mediterranean, one plausible scenario was that Reagan would send Navy jets from the carriers to bomb airfields, missile batteries, radar towers or other military targets along the Libyan coast. * * * United Nations Ambassador Vernon Walters also left on a trip to London, feeding speculation that Washington might try to launch a raid with U.S. Air Force FB-111 bombers based in Britain. The President's advisers were leaning against two other options: trying to take out Libya's oilfields or hitting suspected terrorist training camps.* * *

* * * This time, senior U.S. officials said, the Joint Chiefs of Staff laid out a full range of military options for Reagan and the National Security Council immediately after the Berlin bombing. Over the next three days new reconnaissance photos were reviewed and the list of targets was narrowed; then Reagan approved an attack "in principle."

* * * Pentagon officials were determined to stick to the criterion of "proportionality"—and they read that as meaning an attack on limited targets such as the radar array around Tripoli. Then, according to Defense Department officials, the President and his other advisers decided to consider larger targets such as Libya's airfields. The military brass went back to the drawing board.* * *

Of all the options, the most likely to meet Reagan's guidelines was sending jets from the carriers to hit Libyan military positions.* * * The Administration had also not ruled out a longer range hit. From the start the Pentagon had liked the option of dispatching the British-based FB-111s, which can move fast, fly low and carry a heavy bomb-load. At first, according to British officials, Prime Minister Margaret Thatcher was cool toward the proposal. But the sources said she warmed up after U.S. official let the British see their full file on Kaddafi's links to the La Belle blast.* * * In another sign the Administration might be leaning toward the Britain scenario, several U.S. tanker aircraft, which could be used for inflight refueling, took wing for American air bases in the United Kingdom.

The President's advisers rejected other possibilities as too dangerous. The CIA had identified some three dozen camps where it suspected the Libyans of training terrorists. But top U.S. officials argued that strikes on those targets might also hit civilians. Senior planners pointed out that an attack on Libyan oilfields, pumping stations and loading docks could endanger innocent oil workers, including Americans and Europeans.* * *

* * * Senior officials in Washington echoed reports that U.S. intelligence had intercepted messages between Tripoli and the Libyan People's Bureau in East Berlin. In late March, they said, Tripoli instructed the bureau to carry out an undisclosed "plan." On April 4 the bureau informed its capital that the operation would take place soon. Hours later—after the attack on the discotheque—the Libyans in East Berlin reported that they had executed the plan. Then on April 6 Tripoli exhorted other People's Bureaus to follow East Berlin's example. * * *

In the campaign to rally allied support, the State Department sent cables on Kaddafi's links to terrorism to major West European capitals. But only the British were shown raw transcripts of the intercepted Libyan messages. The other allies saw paraphrases. That appeared to explain why the West Germans sounded circumspect about the evidence in the La Belle case, even though they verified the thrust of Washington's allegations. * * *" ("Targeting a 'Mad Dog,'" Newsweek, April 21, 1986—released April 13, 1986.)

Monday, April 14

The Day of the Raid

NBC "Today Show": "A high official said in Moscow this morning the Soviet government is in contact with Washington in efforts to prevent a U.S. attack on Libya. * * * At the White House, President Reagan meets today with his top advisers in what could be a crucial meeting on the Libyan crisis." (News Anchor John Palmer.) "Many observers believe—even those who originally thought that a military response would be a mistake—that the President has now talked so tough that he almost has to do something, in order to preserve American credibility on this issue." (White House Correspondent Andrea Mitchell, NBC "Today Show," April 14.)

12:13 p.m., EST: 18 US F-111s depart from Britain.

4 p.m., EST: The President consults with Congress for the first time as top congressional leaders are told of the military operation which is already in progress. (Washington Post, April 15.)

Representative Robert Michel, who attended the briefing, said: "* * * we got a complete briefing on the nature of the strike and how it was to be deployed and the purpose for taking that kind of action. * * * There certainly were some serious questions asked by members, and I think rightfully so, particularly for those of us who, while hearing reverberations that there might be some kind of strike of this nature but not knowing for use and having not been counseled or asked for our comments before that meeting * * *" (ABC "Nightline," April 14.)

Asked whether this constituted proper consultation with Congress under the War Powers Act, Representative Dante Fascell, who also attended the briefing, responded: "Well, we were informed of a decision." (ABC "Nightline," April 14.)

6:30 p.m. ABC "World News Tonight": "A debate at the highest level of the Reagan Administration raged right through the weekend about how best to deal with Qadhafi. Officials say arguments were so intense that the President late last week was unwilling to order a military strike until differences among his top advisers could be narrowed. They now have, officials say, and plans have been set into motion to order a military strike.

One major reservation expressed late last week was the need to more fully consult with America's allies. Over the last two days, U.N. Ambassador Vernon Walters has done that consulting. * * * There were other concerns about not having enough military muscle on the scene. Two aircraft carrier task forces with 160 planes on board are standing by just north of Sicily—a quick run

from Libya. Additional KC-10 tankers, used in air-to-air refueling, have been flown to bases in Britain—available for duty should the Administration decide to use Air Force F-111s in a strike.

Another concern was the lack of secrecy. Today Defense Secretary Caspar Weinberger issued a tough new order for no one to talk about details of ship or plane movements. Other reservations, many of them said to be raised by Weinberger, include concern that civilian casualties—Libyan, European, and American—be minimized and that American pilots be exposed to the lowest possible risk. Though differences among high-level advisers still exist, officials say once the President signed off on a plan for action the debate stopped. Now all attention is focused on making sure the plan works." (National Security Correspondent John McWethy, ABC "World News Tonight," April 14.)

7:00 p.m. EST: American planes bomb Libya.

9:00 p.m. EST: President Reagan discusses the attack on Libya in nationally televised address.

11:30 p.m. EST: On ABC "Nightline," Ted Koppel declared: "It has been in the wind for days. For a time, in fact, the move toward military action was so blatant that it looked like a bluff." (ABC "Nightline," April 14.)

The Aftermath

A statement released by the office of Canadian Prime Minister Mulroney: "The government of Canada has been fully consulted by the United States all along and was notified in advance of its intentions with respect to Libya." (NEWSCAN [newsletter of the Canadian Embassy], week of April 18, datelined Ottawa, April 15, 1986.)

White House morning press briefing:

Question: "Was his [President Reagan's] decision [made Wednesday, April 9] at all contingent on diplomatic and congressional consultations? Or was the military option, once chosen at mid-week, to go toward irrespective* * *?"

White House deputy press secretary Larry Speakes: "It was to go forward, because we sent General Walters on Saturday and Sunday and Monday to visit with the allies. They were told that the President had decided on the military option, and we'd go from there." (White House morning press briefing, April 15.)

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Democratic leader has 6 minutes remaining.

Mr. BYRD. Mr. President, I yield to the distinguished Senator from Arkansas. How much time would he like to have?

Mr. BUMPERS. The leader has 6 minutes remaining?

Mr. BYRD. I have 6 minutes.

Mr. BUMPERS. I would like as much as possible. I do not want to infringe on the leader's time.

Mr. BYRD. Mr. President, I shall have an opportunity later in the day to make the comments that I had intended to make at this time.

I yield to the distinguished Senator from Arkansas the remainder of my time.

The PRESIDING OFFICER. The leader now has 5 minutes remaining.

Mr. BUMPERS. I am not sure the Chair is being entirely partial in this little dialog.

Mr. President, I thank the leader for yielding the time to me.

S. 2439—COMPETITIVE LEASING ON FEDERAL LANDS FOR OIL AND GAS

Mr. BUMPERS. Mr. President, the purpose of my rising this morning is to say that I am introducing another bill dealing with competitive leasing on Federal lands for oil and gas. I introduced a bill last year to try to change the lottery system that we now use to an all-competitive systems. I have been fighting this battle for 7 years.

The permanent scar on the body politic remains. At a time when we are trying to deal with deficits, GAO has said we are losing in the vicinity of $200 million a year under an anachronistic system which, if it ever served any purpose at all, has long outlived that purpose.

Mr. President, I want to describe the system that I am trying to correct. Right now there are well over 500 million acres of Federal lands in this country. The Bureau of Land Management leases this land on behalf of every agency, whether it is the Forest Service or BLM land. Unless this land is under what is known as a known geological structure, the BLM puts it in a lottery. Anybody who wants to, can pay $75 to put his name in the lottery, and once a month, they turn the squirrel cage and pick somebody's name out and, say, it is a 1,000-acre tract of land that they are bidding on, whoever's name is pulled out of the squirrel cage gets that 1,000 for $1 an acre.

That land may be almost certain to be productive of oil and gas or it may be wildcat land.

They have three systems. That is one system.

Another system is called "over-the-counter system." You walk into the Bureau of Land Management and you say to them, "There is a 1,000-acre tract of land out here in which I have an interest. Has anybody else demonstrated an interest in it?" They say, "No, we have no record that anybody else is interested in leasing that land." If nobody else has demonstrated an interest in it, and that potential lessee can get the U.S. Geological Survey to say that is not a known geological structure, he can give them a $1,000 check or $1 an acre and walk out with a lease on 1,000 acres.

What is a known geological structure? The U.S. Geological Survey, in hearings we held in 1980, said a known geological structure is anything that has a producing oil or gas well within a mile of it.

What if you had two gas wells 5 miles apart and it was almost certain that everything in between them was full of gas, too? Well, anything outside the 1-mile limit of the two producing wells could be leased for $1 an acre by the first person who walks in and asks for it.

Now, if two or three people ask for it at the same time, then the tract of land goes into the lottery system and the applicants take their chances.

I have said on this floor a dozen times that I am absolutely convinced that this lottery system we use to lease Federal lands is a violation of the criminal laws of this Nation.

I have written to the Attorney General time and again asking him for a ruling whether or not this lottery is a violation of our criminal laws. I never have been able to get a ruling on it.

I can tell you that under the laws of Arkansas it is a violation of the law but simply as long as the Federal Government operates the lottery, Federal law supersedes State law and there is very little we can do about it.

The third system we use is, if there is a tract of 1,000 acres and that 1,000 acres is within 1 mile of a producing well, then the BLM does what it ought to do in every instance: It advertises it on a competitive basis and everybody submits sealed bids.

□ 1020

How did I get interested in this issue from a State like Arkansas, rather than Wyoming or Idaho? We have about 4 or 5 million acres of Federal lands in my State and 75,000 of it is a military reservation called Fort Chaffee.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. BUMPERS. Mr. President, I am reluctant to do this, but I do not see anybody else wishing to speak, so I ask unanimous consent that I be granted an additional 4 minutes.

The ACTING PRESIDENT pro tempore. Without objection, the Senator from Arkansas is granted an additional 4 minutes.

Mr. BUMPERS. Mr. President, Fort Chaffee, AR, is 75,000 acres surrounded roughly by 500 producing gas wells. The only reason there were no gas wells in Fort Chaffee was because, until 1976, it was against the law to lease a military reservation. So here you had this 75,000 acres blocked out, surrounded by 500 gas wells. And what did BLM do? Why, Texas Oil & Gas walked in there and said, "We will give you $1 an acre for 33,000 acres of this land." They said, "Pay us." And they got the land for $33,000 or $1 per acre.

I squealed like a pig under a gate. Some people in Arkansas took it upon themselves to appeal the decision and

went all the way to the Supreme Court. Last year, fortuitously, the Supreme Court declared that sale illegal and outside the authority of BLM and told BLM to release the land.

But here is the real clincher: Because I made so much noise about the sale—and why would I be interested? Because the State of Arkansas gets half the money—but because I raised so much cain about it, they leased another 24,000 acres at Fort Chaffee adjoining the 33,000 acres.

They leased that the following year on a competitive basis. What do you think it brought? $1,705 an acre. And if I had not squealed like a banshee, it would have gone for $1 an acre. And right now, they are proposing to lease thousands of acres of land in the Ouachita National Forest, Elgin Air Force Base, and Lord knows where else, for $1 an acre, land that ought to be bringing much, much more than that.

Not only are we losing money—that is really not my primary motivation for trying to change this anachronistic law—the reason I am trying to change it is because this system is absolutley open for rife fraud and it is being defrauded constantly by 250 leasing corporations or filing services that have sprung up in this country in the last 10 years. They get people to send them money to submit a bid for them. They say, "send us $125 and we will bid for you." So they send them the bid for $75 and put $50 in their pocket and say, "this is red hot land." And it may be and it may not be.

But the point is the only sensible way for Government to operate is the way everybody else operates, and that is on a competitive bid basis.

I wish I had more time, Mr. President, because I would like to describe some of the other abuses. When I first got into this, they had names in that squirrel cage of the lottery of people who were dead and people who did not exist.

I called the U.S. attorney in Denver. He told me he had so many plea bargainers in his office that he had to bring in more chairs. We have had to stop this system time and again because of fraud. And they say, "oh, we have got it fixed now." It used to be you could bid for $10. They say, "we have got it fixed now. We have moved that up to $35." More fraud, and they moved it up to $75.

The amount it takes to bid has nothing to do with whether you can defraud the system or not. But I will tell you something else: In this day and time when we are cutting revenue sharing, when we have cut State turnbacks from $63 billion a year to $17 billion a year, State and local governments need this money. They do not get anything of the $75 application fee. But if it is bid on a competitive basis, they get half of the bonus bid.

The National League of Cities, the National Association of Counties, and everybody ought to be up here lobbying for this bill.

Mr. President, now that I have described the current system and its problems, let me turn to the bill I am introducing today. This is a competitive oil and gas leasing bill drafted by the Department of the Interior. As every Member of this body knows, I have long been a proponent of the need to change the current leasing system, which I believe is outmoded, susceptible to fraud and manipulation, and not designed to provide the Government with a fair return. I referred earlier to the legislation I introduced at the beginning of this Congress, S. 373, which would establish an all-competitive system. In the interest of advancing the debate on this issue, I am today introducing legislation that would create a two-tiered system of onshore oil and gas leasing. This legislation was drafted by the Department of the Interior and is virtually identical to an Interior Department draft which has been available to interested Senators and industry representatives for several months.

The Interior draft would create a two-tiered system for onshore oil and gas leasing which can be summarized as follows: All Federal lands subject to oil and gas leasing would be offered first under a competitive system which would require minimum bids or $35 per acre. Parcels receiving at least one bid of $35 or higher would be leased to the highest bidder. Parcels receiving no bids or bids below the minimum would then be available for leasing in the second—noncompetitive—Tier for 1 year. If these parcels are not leased within the year they again become available only under the competitive system

The primary virtue of this legislation, in my view, is that it eliminates the use of the KGS [known geological structure] as the determinant of eligibility for competitive leasing and substitutes a market-based test. The lottery system—or the over-the-counter system for lands which have not been leased previously—is preserved for lands which the market has determined to be worth less than $35 an acre.

The royalty payment under this proposal would be fixed at 12½ percent, and the lease term would be extended to 10 years. Rental payments would be handled as under existing law. These lease terms would be the same for both competitive and noncompetitive leases.

The Government's authority to combat fraudulent practices involving the onshore oil and gas leasing system would be enhanced under this legislation. The Secretary would have new authority to disapprove lease assignments of less than 640 acres in order to prevent "40 acre merchants" from marketing small parts of leases to the public. Specific authority to combat fraud, including civil and criminal penalties, is provided for regulatory and enforcement agencies.

Mr. President, this draft legislation does not represent the ideal oil and gas leasing system—obviously I would prefer to do away with the lottery system altogether—but I think that it is a responsible proposal and a good starting point for debate. Many of the problems which the oil and gas industry has raised regarding earlier proposals are addressed in this legislation. I stand ready to listen to and work with any and all interested parties to achieve agreement on a leasing bill. It is clear that support for a more competitive system is growing. The House Interior Committee is interested in working on leasing legislation, as is the Department of the Interior. Now, at a time when leasing activity is relatively slow, we have an excellent opportunity to make some changes in the existing system which will be of benefit to all in the future. I urge my fellow Senators to take a close look at this legislation and to lend competitive leasing their full support. We cannot allow the current abominable system to continue.

I ask unanimous consent that the text of the bill and a section-by-section analysis, both drafted by the Department of the Interior, be printed in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2439

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Onshore Competitive Oil and Gas Leasing Act of 1986".

SEC. 2. (a) Section 17(b)(1) of the Act of February 25, 1920 (30 U.S.C. 226(b)(1), is amended to read as follows:

"(b)(1) All lands to be leased which are not subject to leasing under paragraph (2) of this subsection shall be leased as provided in this paragraph to the highest responsible qualified bidder by competitive bidding under general regulations in units of not more than 5,120 acres, which shall be as nearly compact as possible. A lease shall be conditioned upon the payment of a royality of 12½ per centum in amount or value of the production removed or sold from the lease. The Secretary shall accept the highest bid from a responsible qualified bidder which is $35 or greater per acre, without evaluation of the value of the lands proposed for lease. All bids for less than $35 per acre shall be rejected. Lands for which no bids are received or for which the highest bid is less than $35 per acre shall become available for leasing under subsection (c) of this section for a period set by the Secretary not to exceed one year after the lease sale.".

(b) The first sentence of section 17(c) of the Act of February 25, 1920 (30 U.S.C. 226(c)), is amended to read as follows:

"(c)(1) If the lands to be leased are not leased under subsection (b)(1) of this section or are not subject to competitive leasing under subsection (b)(2) of this section, the person first making application for the lease who is qualified to hold a lease under this Act shall be entitled to a lease of such lands without competitive bidding.".

(c) Section 17(c) of the Act of February 25, 1920 (30 U.S.C. 226(c)), is amended by adding a subsection to read as follows:

"(c)(2)(A) Lands (i) which were posted for sale under subsection (b)(1) of this section but for which no bids were received or for which the highest bid was less than $35 per acre, and (ii) for which, at the end of the period prescribed by the Secretary under subsection (b)(1) of this section no lease has been issued and no lease application is pending under paragraph (1) of this subsection, shall again be available for leasing only in accordance with subsection (b)(1) of this section.

(B) The land in any lease which is issued under paragraph (1) of this subsection or under subsection (b)(1) of this section which lease terminates, expires, is cancelled or is relinquished shall again be available for leasing only in accordance with subsection (b)(1) of this section.".

(d) The third sentence of section 17(d) of the Act of February 25, 1920 (30 U.S.C. 226(d)), is amended by inserting "not less than" after "minimum royalty of" and before "$1 per acre".

(e) The first sentence of section 17(e) of the Act of February 25, 1920 (30 U.S.C. 226(e)) is amended to read as follows: "(e) Leases issued under this section shall be for primary term of ten years.".

SEC. 3. The third sentence of section 30(a) of the Act of February 25, 1920 (30 U.S.C. 187a) is amended to read as follows: "The Secretary shall disapprove the assignment or sublease only for lack of qualification of the assignee or sublessee or for lack of sufficient bond: *Provided, however,* That the Secretary may, in his discretion, disapprove an assignment—(1) of a separate zone or deposit under any lease, (2) of a part of a legal subdivision, or (3) of less than 640 acres outside Alaska or of less than 2,560 acres within Alaska.".

SEC. 4. The first sentence of section 31(b) of the Act of February 25, 1920 (30 U.S.C. 188(b)) is amended to read as follows:

"(b) Any lease issued after August 21, 1935, under the provisions of section 17 of this Act shall be subject to cancellation by the Secretary of the Interior after 30 days notice upon the failure of the lessee to comply with any of the provisions of the lease, unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communization agreement under section 17(j) of this Act which contains a well capable of production of unitized substances in paying quantities.".

SEC. 5. The Act of February 25, 1920 (30 U.S.C. 181 *et seq.*) is amended by adding at the end thereof the following new section:

"SEC. 43. Actions taken by the Secretary of the Interior to develop regulations and procedures for a competitive oil and gas leasing program or to hold particular lease sales shall not be subject to the requirements of section 102(2)(c) of the National Environmental Policy Act. Nothing in this section shall be considered as affecting the application of section 102 of the National Environmental Policy Act to the proposed inclusion of any lands in a lease parcel or subsequent phases of oil and gas development.

SEC. 6. Section 1008 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3148) is amended as follows:

(a) Subsections (c) and (e) (16 U.S.C. 3148(c) and (e)) are deleted in their entirety;

(b) The second sentence of section 1008(d) (16 U.S.C. 3148(d)) is deleted; and

(c) Subsection (d) and (f) through (i) (16 U.S.C. 3148(d) and (f) through (i)) are renumbered subsections (c) througfh (g) respectively.

SEC. 7. (a) Notwithstanding any other provision of this Act and except as provided in paragraph (d) of this section, all noncompetitive oil and gas lease applications filed pursuant to regulations governing the simultaneous oil and gas leasing system (43 C.F.R. Subpart 3112) and pending on the date of enactment of this Act shall be processed, and leases shall be issued, if appropriate, under the Act of February 25, 1920 (30 U.S.C. 181 *et seq.*), as it was in effect before its amendment by this Act. If the date of enactment of this Act occurs during a simultaneous filing period prescribed by the regulations of the Department of the Interior, all applications filed during that period shall be considered filed prior to the date of enactment.

(b) Notwithstanding any other provision of this Act and except as provided in paragraph (d) of this section, all noncompetitive oil and gas lease offers filed pursuant to the regulations governing the over-the-counter leasing system (43 C.F.R. Subpart 3111) prior to July 1, 1986, shall be processed, and leases shall be issued, if appropriate, under the Act of February 25, 1920 (30 U.S.C. 181 *et seq.*), as it was in effect before its amendment by this Act. If the Secretary posts tracts for competitive sale continuing lands in an over-the-counter noncompetitive lease offers filed between July 1, 1986, and the date of enactment of this Act, and if any such tracts do not receive bids of $35 or greater per acre at the sale, the Secretary shall reinstate the noncompetitive lease offers for these tracts and shall issue leases in accordance with section 17(c) of the Act of February 25, 1920 (30 U.S.C. 226(c)).

(c) Notwithstanding any other provision of this Act, all competitive oil and gas lease bids filed pursuant to applicable regulations (43 C.F.R. Subpart 3120) pending on the date of enactment of this Act shall be processed, the high bid for each tract shall be accepted without further evaluation of the value of the tract, and leases shall be issued if otherwise appropriate under the Act of February 25, 1920 (30 U.S.C. 181 *et seq.*), as it was in effect before its amendment by this Act.

(d) No noncompetitive lease applications or offers pending on the date of enactment of this Act for lands within the Shawnee National Forest, Illinois, the Ouachita National Forest, Arkansas, the Overthrust Belt area of Wyoming as defined by the Director, Bureau of Land Management, by memorandum dated February 24, 1986, Fort Chaffee, Arkansas, or Eglin Air Force Base, Florida, shall be processed until these lands are posted for competitive bidding in accordance with section 2 of this Act. If any such tract receives no bid of $35 or greater per acre, then the noncompetitive applications or offers pending for such a tract shall be reinstated and noncompetitive leases issued, if appropriate. If competitive leases are issued for any such tract, then the pending noncompetitive application or offer shall be rejected.

SEC. 8. (a) Except as provided in section 6 of this Act, all oil and gas leasing pursuant to the Act of February 25, 1920 (30 U.S.C. 181 *et seq.*), after the date of enactment of this Act shall be conducted in accordance with the provisions of this Act.

(b) The Secretary shall issue final regulations within 180 days after the date of enactment of this Act. The regulations shall be effective when published in the Federal Register. The environmental and economic impacts of this Act having been fully considered by the Congress, the Secretary shall not prepare any environmental, economic or small business impact analyses, which may otherwise be required by law or executive order, when he prepares proposed regulations or adopts final regulations implementing this Act.

(c)(1) Prior to issuing regulations implementing this Act, the Secretary shall hold at lease one competitive lease sale pursuant to section 2 of this Act. Sale procedures shall be established in the notice of sale. This sale shall include tracts which, but for the enactment of this Act, would have been posted for the filing of simultaneous oil and gas lease applications pursuant to applicable regulations (43 C.F.R. Subpart 3112). The Secretary may also include in the sale tracts which would otherwise have been posted for competitive sale pursuant to applicable regulations (43 C.F.R. Subpart 3120) and tracts which received over-the-counter noncompetitive oil and gas lease offers pursuant to applicable regulations (43 C.F.R. Subpart 3111) between July 1, 1986, and the date of enactment of this Act. The Secretary may hold additional sales if he considers it necessary prior to the issuance of final regulations pursuant to subsection (b) of this section.

(2) If tracts which would, but for the enactment of this Act, have been posted for the filing of simultaneous applications do not receive bids of $35 or greater per acre at a competitive sale held under this section, they shall subsequently be posted for the filing of simultaneous applications provided the Secretary has not yet issued regulations under subsection (b) of this section.

(3) If no competitive or noncompetitive leases are issued for lands posted for sale as provided in paragraph (c) of this section, the Secretary shall lease such tracts in accordance with the regulations issued pursuant to paragraph (b) of this section.

SEC. 9. The Act of February 25, 1920 (30 U.S.C. 181 *et seq.*) is amended by inserting after section 40 the following new section:

"SEC. 41. (a) Any person shall be liable under the provisions of this section if that person knowingly and willfully misrepresents to the public the provisions of this Act and its implementing regulations, by any means of communication, in the following respects:

(1) the value or potential value of any lease issued under this Act or portion thereof;

(2) the value or potential value of any lease to be issued under this Act or portion thereof;

(3) the value or potential value of any land available for leasing under this Act;

(4) the availability of any land for leasing under this Act; or

(5) the ability of the person to obtain leases under this Act on his or her own behalf or on behalf of any other person.

(b) Any person who organizes, or participates in, any scheme, arrangement, plan or agreement to circumvent the provisions of this Act or its implementing regulations

shall be liable under the provisions of this section.

(c) The Attorney General shall institute, against any person who, given the nature of the intended recipient of the communication, knew or should have known he or she was violating subsection (a) or (b) of this section, a civil action, in the District Court of the United States for the judicial district in which the defendant resides or in which the violation occurred or in which the lease or land involved is located, for a temporary restraining order, injunction, civil penalty of not more than $100,000 for each violation, or other appropriate remedy, including but not limited to a prohibition from participation in exploration, leasing, or development of any Federal mineral, or both.

(d) Any person who knowingly and willfully violates the provisions of this section shall, upon conviction, be punished by a fine of not more than $500,000 for each violation or by imprisonment for not more than five years, or both.

(e)(1) Whenever a corporation or other entity is subject to civil or criminal action under this section, any officer, employee or agent of such corporation or entity who authorized, ordered, or carried out the proscribed activity shall be subject to the same action.

(2) Whenever any officer, employee or agent of a corporation or other entity is subject to civil or criminal action under this section for activity conducted on behalf of the corporation or other entity, the corporation or other entity shall be subject to the same action.

(f) The remedies, penalties, fines and imprisonment prescribed in this section shall be concurrent and cumulative and the exercise of one shall not preclude the exercise of the others. Further, the remedies, penalties, fines and imprisonment prescribed in this section shall be in addition to any other remedies, penalties, fines and imprisonment afforded by any other law or regulation.

(g)(1) A State may commence a civil action under subsection (c) of this section against any person conducting activity within the State in violation of this section. Civil actions brought by a State shall only be brought in the United States District Court for the judicial district in which the defendant resides or in which the violation occurred or in which the lease or land involved is located. The district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to order appropriate remedies and penalties as described in subsection (c) of this section.

(2) The State shall notify the Attorney General of the United States of any civil action filed by the State under this subsection within 30 days of filing of the action.

(3) Any civil penalties recovered by a State under this subsection shall be retained by the State and may be expended in such manner and for such purposes as the State deems appropriate. If a civil action is jointly brought by the Attorney General and a State, by more than one State or by the Attorney General and more than one State, any civil penalties recovered as a result of the joint action shall be shared by the parties bringing the action in accordance with a written agreement entered into prior to the filing of the action.

(4) Nothing in this section shall deprive a State of jurisdiction to enforce its own civil and criminal laws against any person who may also be subject to civil and criminal action under this section.

SECTION-BY-SECTION ANALYSIS OF A PROPOSAL TO AMEND THE ACT OF FEBRUARY 25, 1920, TO PROVIDE FOR COMPETITIVE LEASING OF OIL AND GAS FOR ONSHORE FEDERAL LANDS, AND FOR OTHER PURPOSES

Section 2 directs the Secretary of the Interior to lease all lands to the highest responsible, qualified bidder by competitive bidding as long as the highest bid equals or exceeds $35 per acre. This section specifically directs that no tract evaluations shall be conducted. All land receiving no bid or bids below $35 per acre will be rejected and leased to the person first making application within a period not to exceed one year, without competitive bidding. Currently, only those lands located within a "known geologic structure of a producing oil or gas field" (KGS) are eligible for competitive bidding. All other lands, regardless of perceived value, must be leased noncompetitively to the first qualified applicant. This section eliminates the use of KGS as the competitive-noncompetitive arbiter and replaces it with the market value of $35 per acre criterion. No change is made to the Secretary's discretion to establish reasonable procedures for determining the first qualified applicant. However, the $35 per acre criterion does establish the fact that lands leased noncompetitively are worth less than $35 per acre. Following the Secretarial set period not to exceed one year, any lands again available for leasing shall be leased to the highest responsible, qualified bidder by competitive bidding as described above.

Section 2 also directs that leases should contain no more than 5,120 acres. Currently, competitively leased tracts are limited to a statutory maximum of 640 acres while noncompetitive leases are limited to a regulatory maximum of 10,240 acres. Most leases are between 1,000 and 1,500 acres. This provision would prevent the need for reducing the size of relinquished, canceled, terminated, or expired leases before reoffering.

Section 2 also directs that leases should have royalty rates of 12½ percent and have a primary term of 10 years regardless of whether they were leased competitively or not. Currently, competitive leases have sliding scale royalties varying between 12½ and 25 percent depending upon production. Noncompetitive leases have a fixed 12½ percent royalty rate. The purpose for the change is consistency between the two forms of leasing and to eliminate the uncertainty introduced in competitive bidding by the sliding scale. Further, competitive leases currently have 5 year lease terms while noncompetitive leases have 10 years. The lease term is lengthened to 10 years because it takes more than 5 years in many instances to put an economically feasible drilling area together and for consistency between the two forms of leasing. Finally, section 2 provides for a minimum royalty of "not less than" $1 per acre. This would eliminate the possibility of the minimum royalty being less than the rental rate on a lease.

Section 3 allows the Secretary to disapprove assignments if they involve a separate zone or deposit, are less than 640 acres, or contain an overriding royalty above the regulatory maximum. This section is aimed at preventing the "40 acre" merchant from leasing large tracts of land and then breaking that lease into many small parts which can be marketed to an unsuspecting public.

Section 4 provides for the cancellation of any lease by the Secretary unless the lease contains a well capable of production or is part of a unit plan or commutization agreement. Currently, only lands in a KGS are not subject to Secretarial cancellation. Since section 2 removes the need for KGS classification, the cancellation provisions are adjusted by this section to be consistent.

Section 5 provides that actions taken as a result of this Act are not "major Federal actions" for the purposes of implementing section 102 of the National Environmental Policy Act (NEPA). Lease issuance will continue to be subject to NEPA. Section 5 obviates the need to write a programmatic environmental impact statement, as well as impact statements for particular lease sales or for future regulation changes.

Section 6 amends the Alaska National Interest Lands Conservation Act to make leasing in Alaska consistent with that of the lower 48 States. Specifically, the favorable producing geological province (FPGP) is eliminated and replaced with the provisions of section 2. This does not affect in any way the current leasing program in the National Petroleum Reserve-Alaska (42 U.S.C. 6508) nor does it have any effect on the Alaska National Wildlife Refuge (16 U.S.C. 3141).

Section 7 describes "grandfather" provisions for lease applications pending at the time this Act is enacted. Paragraph (a) grandfathers pending simultaneous, noncompetitive applications and provides an orderly transition if the Department is conducting a simultaneous filing at the time this Act is enacted. Paragraph (b) grandfathers over-the-counter noncompetitive applications filed prior to July 1, 1986. The July 1 cut-off date will avoid a last-minute rush of lease applications. Paragraph (c) grandfathers pending competitive applications. Paragraph (d) grandfathers pending, noncompetitive applications in certain controversial areas only if the land are not leased competitively under section 2.

Section 8 requires issuance of regulations within 180 days of enactment of this Act. It releases the Secretary from preparing any environmental, economic, or small business impact analyses associated with the regulatory process. Finally, this section requires the Secretary to hold at least one lease sale under the provisions of this Act without having implemented regulations.

Section 9 of the proposed bill is intended to provide specific authority to regulatory and enforcement agencies to combat fraudulent practices involving the onshore oil and gas leasing system. These practices generally result from a company attempting to entice the public into using its services to file lease offers or trying to sell the public partial assignments of existing leases.

Paragraph (a) establishes that those who knowingly and willfully misrepresent the provisions of the Act to the *public* incur liability under the section. The types of misrepresentation which are listed are the most pervasive. Because the paragraph is written broadly, the misrepresentation must be made to the public. Private business dealings are not covered by this section. Paragraph (b) establishes liability for schemes organized to circumvent the provisions of the Act.

Paragraphs (c) and (d) contain the penalty provisions. Paragraph (c) establishes a civil penalty of not more than $100,000 for each violation and of other appropriate remedies such as a ban on participation in the onshore leasing program. The paragraph has the general civil penalty standard of "knew or should have known", but also bases liability on the level of knowledge of the recipient of the alleged misrepresentation. For example, an oil company would appreciate the high degree of uncertainty in

predicting oil potential and therefore misrepresentation to such a company would be extremely difficult to prove. The paragraph authorizes the Attorney General to bring the action, but this is not intended to prevent enforcement by other Federal agencies such as the Federal Trade Commission.

Paragraph (d) provides for criminal penalties of not more the $500,000 or five years in jail, or both.

Paragraph (e) provides joint liability between employer and employee, corporation and officers and principal and agent. Paragraph (f) provides all remedies are both concurrent and cumulative, and are in addition to any other remedies provided by law.

Paragraph (g) authorizes States to bring civil penalty actions under paragraph (c) in Federal court. A State is required to notify the United States of any enforcement action in order to facilitate coordination. The State keeps all fines collected. The paragraph also provides for coordinated enforcement action between States, or between a State and the United States, with sharing of fines collected.

RECOGNITION OF SENATOR PROXMIRE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin, Mr. PROXMIRE, is recognized for not to exceed 5 minutes.

Mr. PROXMIRE. Mr. President, I understand that, for technical reasons, it would be desirable to determine whether or not the electronic system is working and the quorum buzzers and so forth are in operation. So, for that reason, I ask unanimous consent, without losing my time, that I may suggest a very short quorum call for the purpose of testing the system.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Wisconsin is recognized.

IS CURRENT DEFENSE FUNDING ADEQUATE TO MEET TODAY'S MILITARY THREAT?

Mr. PROXMIRE. Mr. President, over the past several weeks this Senator has spoken out here in the Senate many times on the clear superiority the United States enjoys militarily against the Soviet Union. Let's quickly review that lead. We have a decisive technology advantage. We have an overwhelming economic advantage. We have a huge geographic advantage. We have a large and growing advantage in the survivability of our nuclear deterrent. We have an unquestioned advantage in the quality of our weapon systems, both strategic and conventional. We have a major advantage in the military strength of our NATO allies as compared to the Warsaw Pact allies of the Soviet Union, and we have a well-documented advantage in the education, the skill, the training and the readiness of our military personnel.

There is not one single significant area of military power where a Soviet advantage is not more than offset by a closely related and corresponding advantage or series of advantages by the United States. What are the implications of this for the resources the Congress provides for our military forces this year? Can the United States continue to maintain a sufficient superiority over the Soviet Union without the massive increase in spending the President has called for? Mr. President, the answer is an emphatic "Yes."

How can we be sure the Soviet's won't take advantage of a letup in the military buildup by America to step up their own military spending? The answer is that we have the record. The Central Intelligence Agency and the Defense Intelligence Agency together testified before a panel of the Joint Economic Committee last month. I chaired that panel. For the first time in many years the two prime military intelligence agencies of our Government agreed. They agreed that during the past 10 years, a time when the United States has been increasing its military spending at an average annual rate of 3½ percent, the Soviet Union has increased its overall military spending only about half that fast, that is, by about 2 percent, and its procurement spending almost not at all.

Mr. President, I have a chart here that shows the enormous discrepancy in the last 10 years between the increase in procurement spending by the United States and the very, very slight increase by the Soviet Union. It is an enormous discrepancy. We have gained immensely in procurement compared to the Soviet Union in military procurement over the last 10 years.

Now, Mr. President, this funding is particularly noteworthy because the Soviet Union has been fighting a war in Afghanistan during the past 6 years that surely accounts for far more than the 2-percent Soviet military spending increase estimated by both our intelligence agencies. This suggests that the Soviet Union has actually been decreasing, not increasing, its military buildup versus the United States if we take the Afghanistan expenditures into account. So what does all this mean? It means that if the Congress follows the suggestions of the Senate Budget Committee, if it holds funding of the Nation's military forces this year to the increase in inflation, we will be able to maintain our current advantage over the Soviets.

For many years and through many administrations the prime argument used by Presidents and Secretaries of Defense to persuade the Congress to increase military funding has been that good old perennial, the Russians are coming. The Soviets are building up. We have to spend more to match the Soviets. Now as a former President used to say: "That dog won't hunt." All of us are aware that we live in a more dangerous world. The military threat has changed. The Soviet Union still plays a part, but the Soviet Union at the moment is not front and center. At the moment our eyes are focused on two areas: Central America is one serious military problem. Libya and international terrorism constitute the other. Do we need to increase military spending by billions of dollars to meet either of these newer threats? Let us consider each of them. In Central America the President has been emphatic and consistent. He has told the Nation and he has told the Congress repeatedly that he will not send American troops into Central America. Some Members of the Congress disagree with the President's judgment.

Some of our colleagues believe we will require American troops in Central America. Should the Congress appropriate more military funds to prepare for the possibility of a requirement of substantial United States military forces in Nicaragua or elsewhere in Central America? No. The President has not asked for such funding. If he does, the Congress should make that decision when the time comes and on the basis of the facts at that time. If necessary the Congress can pass funding legislation for Central American activities when the President calls for it. We should debate the wisdom of taking such an action only when the situation may require it and only if the Congress judges the situation does require it. There is no case for increasing military funding to meet the Central American situation unless the President specifically requires it.

How about more military funding to cope with the exploding threat of terrorism as posed by Libya and others? Again, the Defense Department and the President should make their case, if there is one, for increasing military spending to meet the terrorist crisis. To date the Defense Department has acted twice, vigorously and with very substantial force with respect to Libya. If the action cost significant additional military funding, the Congress has not been told about it. This country's elaborate and costly intelligence apparatus and its massive Army, Navy, Air Force, and Marines would certainly seem to have the resources to cope with the challenge of terrorism. If not, a more effective use of these huge resources, not a multibil-

lion dollar additional appropriation, should be our answer.

So can the Congress responsibly limit funding for the military to the rise in inflation in 1987? Mr. President, we can, indeed. We have a substantial military advantage over the Soviet Union now. It has been increasing dramatically in recent years. We can easily meet our newest military threats, in Central America and from worldwide terrorism, within the present military budget.

MYTH OF THE DAY: WHOLE HERD BUYOUT PROGRAM WILL COST TAXPAYERS ALMOST $2 BILLION

Mr. PROXMIRE. Mr. President, the myth of the day is that the dairy whole herd buyout program will cost American taxpayers almost $2 billion. You talk about a myth—this is really a whopper!

Where did the $2 billion figure come from in the first place? Total costs of the whole herd buyout program over its 5-year life will be $1.827 billion. This is the total sum required to compensate dairy farmers who agree to stop being dairy farmers for 5 years and ship their dairy cows and replacement heifers and calves off to slaughter.

But there is one big point that is being missed by the mythmakers, Mr. President. Assessments are being levied on each hundredweight of milk marketed by dairy farmers who remain in business, and this means that dairy farmers themselves are going to pay for about $700 million of the whole herd buyout program costs, thereby reducing the taxpayers' share to approximately $1.1 billion.

This fact alone demolishes the myth, but there is more to the story. Reliable estimates indicate that Commodity Credit Corporation [CCC] dairy product purchases over the 5-year term of the whole herd buyout program will amount to 33 billion pounds milk equivalent. What would happen in the absence of this program? Estimates are that CCC purchases in this same 5-year period would be around 80 billion pounds milk equivalent.

In other words, Mr. President, the whole herd buyout program will end up cutting CCC dairy product purchases to the tune of about 47 billion pounds milk equivalent. And what kind of dollar savings are we talking about here? With a total of about $15 per hundredweight of milk equivalent purchased to cover initial costs, reprocessing, storage, and interest, the total savings add up to over $7 billion.

Engaging in some simple arithmetic, if we subtract what it will cost the taxpayers to fund the whole herd buyout program—namely, $1.1 billion—from the $7 billion savings in CCC dairy product purchases resulting from the program's operation, we see that this program is going to save American taxpayers something in the neighborhood of $5.9 billion!

Just to add icing to the cake, Mr. President, we must add to these savings the amount in Federal income taxes attributable to the buyout program. Since many buyout participants will have income from livestock sales and buyout payments not offset by deductions, their Federal income tax payments will increase.

Where does this all lead? The dairy whole herd buyout program means a savings to U.S. taxpayers that exceeds $6 billion. Those who hang a price tag of almost $2 billion for this program around the necks of the taxpayers are truly perpetrators of a grand and glorious myth.

Mr. President, this is a picture of a beautiful Wisconsin dairy herd at this lovely time of year.

Mr. President, I yield the floor.

RECOGNITION OF SENATOR WEICKER

The ACTING PRESIDENT pro tempore. Under a previous order, the Senator from Connecticut [Mr. WEICKER] is recognized for not to exceed 5 minutes.

The Senator from Connecticut.

THE DEDICATION OF THE UNDERSEA HABITAT, HYDROLAB, TO THE SMITHSONIAN MUSEUM

Mr. WEICKER. Mr. President, I rise to remind my colleagues of an invitation each of them has received to attend a reception at the Smithsonian's Museum of Natural History to mark the opening of a fascinating and informative exhibit.

Hydrolab, the underwater laboratory that revolutionized oceanographic research by permitting scientists to live and work in the sea for lengthy periods of time, will go on public display on May 15 at the Museum of Natural History. This unique laboratory supported research efforts by marine scientists in waters off Florida and Grand Bahama Island for 11 years beginning in 1976.

The National Oceanic and Atmospheric Administration acquired Hyrolab in 1976 for its National Undersea Research Program, which is responsible for providing manned and unmanned vehicles for marine scientific research. The NOAA-owned Hydrolab operated for 9 years as an undersea habitat at a depth of 50 feet on the seafloor off St. Croix, U.S. Virgin Islands.

During two decades of work, Hydrolab served as the base for nearly 200 scientific missions involving more than 400 scientists from 10 countries, without a single mishap. During this time, more aquanauts were trained and more underwater hours were logged in Hydrolab than all other working habitats in the world combined. The scientists on Hydrolab missions lived on the sea floor for as long as 7 days without returning to the surface, entering and leaving the lab through a hatch located underneath the habitat. Wearing scuba gear, the aquanauts could then conduct research excursions to depths as great as 150 feet.

Some of the many research missions using Hydrolab included studies on the importance of seagrass beds as fish nurseries, the behavior of fish toward commercial traps, and the extraction of medicinal compounds from marine animals.

Research missions using Hydrolab ended in 1985. NOAA is now developing a more advanced undersea laboratory where scientists can work in the ocean environment. The new habitat is designed to be moved anywhere in the Caribbean, and provides three times the interior living and laboratory space of Hydrolab. It can be placed at depths up to 120 feet, and should be operational by the beginning of 1987. This habitat marks the beginning of what I trust will be a new era of advanced undersea research and exploration capabilities.

But what we have in the Hydrolab exhibit at the Smithsonian is the opportunity to see an actual habitat, and when you see it you will believe that this 16-feet-long, 8-feet-wide cylinder was the underwater laboratory that allowed scientists to perform important marine research. The information that those scientists collected from it gave the world tremendous insights into our undersea world.

So I hope my colleagues can take the time tomorrow evening to attend the reception and opening of the Hydrolab exhibit from 7 to 9 p.m. at the Smithsonian.

I yield the floor.

RECOGNITION OF SENATOR McCONNELL

The ACTING PRESIDENT pro tempore. Under a previous order, the Senator from Kentucky [Mr. MCCONNELL] is recognized for not to exceed 5 minutes.

The Senator from Kentucky is recognized.

THE FEDERAL TORT CLAIMS REFORM ACT AND THE GOVERNMENT CONTRACTOR LIABILITY REFORM ACT

Mr. McCONNELL. Mr. President, I am pleased and proud to introduce today, on behalf of the administration and President Reagan, two separate bills that address the continuing crisis

in our civil justice and liability insurance systems. These bills, drafted by the administration and endorsed by President Reagan, are parallel in many important respects to the bill I introduced in February to bring some much-needed and long-term relief to the availability and affordability crisis in the liability insurance systems. Both bills, like S. 2046, which I introduced earlier this session, impart a degree of predictability and fairness to the award of damages in tort litigation.

To that extent, both bills address in a fundamental way what is arguably one of the most serious problems facing most Americans today—the lack of affordable insurance to cover the risks of day to day life in our modern society.

Mr. President, I pointed out in February that we are facing a crisis of confidence in our court system, a system that no longer seems to balance the need for compensation for accidents and injury with the need for restraint in imposing liability for such accidents out of all proportion to the damage incurred or to the degree of fault of the defendant. Then as now, we run the risk that this crisis will become not only a crisis for our legal system, but also a crisis of confidence in our Government.

Worse, we run the risk that our civil justice system will become little more than a national lottery, with the winners being the lawyers and a few plaintiffs, with the rest of us, including the millions of American consumers who are priced out of the insurance market, the ultimate losers.

This is a problem that we cannot afford to ignore, Mr. President, and I have been quite vocal about it. I am pleased that the need for fundamental tort reform, in addition to possible changes in the insurance industry, is now generally recognized. Several weeks ago two former Attorneys General of the United States, Griffin B. Bell and Benjamin Civiletti, joined in the call for fundamental tort reform. Speaking at the national symposium on civil justice issues, sponsored by the Fordham University School of Law and the Insurance Information Institute, both of these distinguished former representatives of the Carter administration urged substantial reforms of our current system. In Mr. Civiletti's words, "we ought to have a lot of reform, not a little reform."

I agree wholeheartedly, Mr. President, and am gratified that such distinguished lawyers as these have put their influence behind the tort reform movement, as has President Reagan. Importantly, Mr. President, what this demonstrates is that tort reform is not a Republican issue, nor an insurance industry issue. On the contrary, as the thousands of people who have contacted my office over the past months have demonstrated, tort reform is for all Americans. Without it, what I and many others perceive as a fundamental imbalance in the civil justice system will continue to worsen until the system can no longer cope.

As I mentioned, I am introducing today two separate bills. The first deals with tort claims against the Federal Government under the Federal Tort Claims Act. The second deals with claims against Government contractors. Both bills, like the Litigation Abuse Reform Act that I introduced in February, seek to impose rational restrictions on the award of damages in tort actions in which the Federal Government has an interest. They do this by putting a cap of $100,000 on the award of noneconomic damages, including punitive damages. These awards are inherently unpredictable, and are limited only by the whim of the jury. Like my earlier bill, these limitations will not deprive any injured plaintiff of actual economic damages, such as past or future medical expenses, or loss of earnings.

Mr. President, both bills are explained at some length in separate section-by-section analyses, and I ask unanimous consent that they appear, along with the text of the bills, at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit No. 1.)

Mr. McCONNELL. Let me point out two other aspects of the bills that are unlike my earlier legislation. First, both bills would eliminate the application of joint and several liability for those actions covered by the bills. Under current law, a defendent who is only minimally responsible for an injury can be held liable for the entire award of damages, while a defendent who is 99 percent responsible may pay nothing. This doctrine must be changed if we are to return to a sensible approach to tort law, and I am pleased that the administration has included this provision in its bills.

Second, both bills revitalize the concept of fault-based liability, which is perhaps the cornerstone of the administration's tort policy working group report issued earlier this spring. Fault has historically been the basis for liability in our civil justice system, and it is only recently that we have abandoned it in favor of universal recovery. Yet if the court system is to administer a comprehensive compensation system, as tort law has become, then it is appropriate that the Congress establish the reasonable parameters for that system. The return to fault based liability that these bills propose in the connection of Federal tort claims and Government contractor liability will do just that.

Mr. President, I am committed to bringing the liability crisis under control. The bills I am introducing today put us much closer to that goal, for they signal, for the first time, a united effort by the administration and the Congress. These bills are similar in most substantive respects to the administration's product liability reform recently introduced, and they are conceptually quite similar to my earlier legislation. Consequently, we will now see both the administration and the principal Senate committees with jurisdiction in the tort and insurance fields working on a common approach.

Mr. President, the distinguished chairman of the Judiciary Committee, Senator THURMOND, is an original cosponsor of this legislation, and I ask unanimous consent that a statement that he may wish to submit appear in the RECORD immediately after my remarks. I would urge my colleagues to join me in supporting these important measures, and to lend their support as well to the larger problem we face of solving the liability crisis.

The ACTING PRESIDENT pro tempore. Without objection, the request of the Senator from Kentucky is so ordered.

S. 2440

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Tort Claims Reform Act of 1986".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) tort liability awards against the United States in recent years have become increasingly unreasonable and unfair;

(2) a reason for this development is the "deep pocket" of the United States, resulting in the United States being liable for damages attributable to the fault or responsibility of others;

(3) the sharply varying damage awards under the provisions of law commonly known as the Federal Tort Claims Act for similar injuries are arbitrary and fundamentally unfair to both the United States and to persons compensated under such Act;

(4) persons compensated under the Federal Tort Claims Act should not obtain double recovery from both the Government and collateral sources of compensation;

(5) it is in the public interest to ensure that damages paid by the United States to compensate for future economic loss be paid periodically to ensure that such money is not depleted before it is needed;

(6) plaintiffs' attorneys should receive reasonable compensation from their clients, but should not be permitted to reap a windfall at the expense of their clients and the American taxpayer from high awards or settlements paid by the United States; and

(7) the liability of the United States for claims filed in admiralty should be determined under the same standards and procedures as are established in the Federal Tort Claims Act in order to ensure that all persons seeking tort damages against the United States are treated uniformly.

(b) The purposes of this Act are to—

(1) place reasonable limitations on the tort liability of the United States to ensure

that damages awarded against the United States remain within reasonable bounds,

(2) prevent the United States from being held liable for the wrongdoing of others,

(3) prohibit double recovery of benefits at the expense of the United States,

(4) ensure that compensation for future economic losses is not prematurely depleted,

(5) limit the windfall of plaintiffs' attorneys from high damage awards or settlements, and

(6) make the standards and procedures for determining the liability of the United States in admiralty uniform with the standards and procedures of the provisions of law commonly referred to as the Federal Tort Claims Act.

LIMITATIONS ON LIABILITY

SEC. 3. Section 2674 of title 28, United States Code, is amended by—

(1) inserting "(a)" before "The United States", and

(2) adding at the end thereof the following:

"(b)(1) Except as provided in paragraph (2), the United States shall not be found jointly and severally liable, but shall be liable, if at all, only for those damages directly attributable to its pro rata share of fault or responsibility for an injury, and not for damages attributable to the pro rata share of fault or responsibility of any other person, without regard to whether such person is a party to the action, for the injury, including any person bringing the action.

"(2) This subsection shall not apply between the United States and any person with which it is acting in concert if the concerted action proximately caused the injury for which either the United States or such person is found liable.

"(3) For purposes of this subsection, 'concerted action' or 'acting in concert' means two or more persons consciously acting together in a common scheme or plan, resulting in a tortious act.

"(c)(1) An award of damages for personal injury or death to a person shall be reduced by the amount of any past or future payment or benefit covered by this subsection which such person has received or which such person is eligible to receive for the same personal injury or death.

"(2) As used in this subsection, 'payment or benefit covered by this subsection' means—

"(A) any payment or benefit by or paid for in whole or in part by any agency or instrumentality of the United States, a State, or a local government, or

"(B) any payment or benefit by a workers' compensation system or a health insurance program funded in whole or in part by an employer;

but does not include such payment or benefit that is, or by law is required to be, the subject of a reasonably founded claim of subrogation, reimbursement, or lien.

"(3) This subsection shall not affect the application under this chapter or section 1346(b) of this title of any State law which provides that damage awards shall be reduced by payments or benefits other than those covered by this subsection, or which reduces such damage awards by payments or benefits by an agency or instrumentality of the United States, a State, or a local government, or by a workers' compensation system or health insurance program even when such payments or benefits are, or by law are required to be, the subject of a reasonably founded claim of subrogation, reimbursement, or lien.

"(d)(1) No damages, other than damages for economic loss, shall be awarded in any action for damages against the United States which in the aggregate exceed $100,000.

"(2) For purposes of this subsection, 'any action for damages' includes any action or claim, including multiple actions or claims, for damages, and includes all plaintiffs and all defendants in any such action or claim, which arises out of or was caused by the same personal injury or death.

"(3) For purposes of this subsection, 'economic loss' means damages for past or future (A) expenses of health or other care; (B) expenses of rehabilitation; (C) loss of earnings; (D) loss of homemaker services; or (E) burial expenses.".

PERIODIC PAYMENTS OF JUDGMENTS

SEC. 4. (a) Chapter 171 of title 28, United States Code, is amended by adding at the end thereof the following:

"§ 2681. Periodic payments of judgments

"In any action subject to this chapter in which the damages awarded for future economic loss exceed $100,000, the court shall, at the request of the United States, enter an order providing that damages for future economic loss be paid in whole or in part by periodic payments based on when the damages are found likely to occur rather than by a single lump-sum payment. The court shall make findings of fact as to the dollar amount of plaintiff's future economic loss, and the amount, frequency, and duration of such periodic payments. The United States at its discretion may pay the judgment periodically or purchase an annuity for the same purpose. The judgment of the court shall be final, and, in the absence of fraud, shall not be reopened at any time to contest, amend, or modify the schedule or amount of such payments.".

(b) The table of sections for chapter 171 of title 28, United States Code, is amended by adding at the end thereof the following new item:

"2681. Periodic payments of judgment.".

ATTORNEY FEES

SEC. 5. Section 2678 of title 28, United States Code, is amended by—

(1) inserting in the first paragraph, after "25 per centum", the following: "of the first $100,000 (or portion thereof) recovered, plus 20 per centum of the next $100,000 (or portion thereof) recovered, plus 15 per centum of the next $100,000 (or portion thereof) recovered, plus 10 per centum of any amount in excess of $300,000";

(2) inserting in the first paragraph, after "20 per centum", the following: "of the first $100,000 (or portion thereof) recovered, plus 15 per centum of the next $100,000 (or portion thereof) recovered, plus 10 per centum of any amount in excess of $200,000"; and

(3) adding at the end of the first paragraph the following: "If the settlement or award of damages includes periodic payments, the amount recovered attributable to such periodic payments means the cost of the annuity or other monetary cost of the United States of the settlement or award, or, if the monetary cost cannot be determined, the present value of the periodic payments.".

LIABILITY IN ADMIRALTY

SEC. 6. (a) Chapter 171 of title 28, United States Code, as amended by section 4, is further amended by adding at the end thereof the following:

"§ 2682. Liability in admiralty

"Notwithstanding section 2680(d), the provisions of this chapter (with the exception of section 2680(k)), including the administrative claims procedures, the attorney fees limitations, and the exceptions and all conditions on the liability of the United States, shall apply to and be controlling over any claim or suit against the United States filed under the provisions of the Suits in Admiralty Act (46 U.S.C. 741 et seq.), the Public Vessels Act (46 U.S.C. 781 et seq.), and the Act entitled 'An Act for the extension of admiralty jurisdiction' (46 U.S.C. 740).".

(b) The table of sections for chapter 171 of title 28, United States Code, is amended by adding at the end thereof the following new item:

"2682. Liability in admiralty.".

SEVERABILITY

SEC. 7. If any provision of this Act or the amendments made by this Act or the application of any such provision to any person or circumstance is held invalid, the remainder of this Act and such amendments and the application of any provision to any other person or circumstance shall not be affected thereby.

APPLICABILITY OF AMENDMENTS

SEC. 8. The amendments made by this Act shall apply to all actions filed on or after, and all administrative claims pending on or filed on or after, the date of enactment of this Act.

EFFECTIVE DATE

SEC. 9. This Act and the amendments made by this Act shall become effective upon the date of enactment.

THE FEDERAL TORT CLAIMS REFORM ACT OF 1986: SECTION-BY-SECTION ANALYSIS

Section 1 sets out the short title of the Act as the "Federal Tort Claims Reform Act of 1986."

Section 2 sets out the findings and purposes of the Act.

Section 3 of the Act amends title 28 of the United States Code by adding several new subsections to section 2674.

Paragraph (b)(1) of section 3 states that except as provided in paragraph (b)(2), the United States may not be found jointly and severally liable. Rather, the United States may be found liable only for that portion of the damages directly attributable to its proportionate share of fault or responsibility for the injury.

Paragraph (b)(2) of the subsection provides that the prohibition against such joint and several liability does not apply in those cases where the United States and another person were acting in concert and where that concerted action was the proximate cause of the injury for which the United States or the other person was found liable.

Paragraph (b)(3) of the subsection defines "concerted action" and "acting in concert."

A new subsection (c) provides that any award for damages under the Federal Tort Claims Act is to be reduced by the amount of past or future compensation which the person has received, or is eligible to receive, from certain collateral sources. The subsection specifies the types of collateral sources covered by the subsection to be: (1) any benefit or payment provided by any agency or instrumentality of the United States, a State or a local government; and (2) any payment or benefit by a workers' compensation system or an employer-funded health insurance program. The subsection does not

apply to such benefits, however, to the extent that the provider of such payments pursues (or by law is required to pursue) a right to subrogation.

Paragraph (c)(3) clarifies that the subsection is not intended to affect the application under the Federal Tort Claims Act of any State law which allows for the reduction of damage awards for collateral sources other than those specified in the subsection, or which allows for such reductions even where a right of subrogation is pursued.

A new subsection (d) places a cap of $100,000 on the amount of non-economic damages (e.g., pain and suffering, and similar damages) that can be awarded against the United States. The subsection provides that the cap applies to all actions and claims which arise out of or were caused by the same personal injury or death. Under the subsection, non-economic damages consist of all damages other than damages meant to compensate for past and future health care or other expenses, the cost of rehabilitation, lost earnings, loss of homemaker services, and burial expenses. These specified damages, defined as "economic loss," are unaffected by the subsection.

Section 4 amends the United States Code by adding a new section on periodic payments.

The new section provides that where the damages awarded against the United States exceeds $100,000 in future economic loss, the United States may pay the future damages in periodic payments over the period of time and damages are found likely to occur. The court would make the determination as to the amount, frequency and duration of the payments, and the United States could then make the payments periodically, either by periodic payments directly out of the Judgment Fund or by purchasing an annuity to make the payments. The judgment would be final and could not be reopened or modified without a showing of fraud.

Section 5 of the Act would amend section 2678 of title 28 to establish a "sliding scale" for the attorneys' fees paid out of awards and settlements under the Federal Tort Claims Act. The percentage of the award paid out in attorneys' fees would decrease as the amount of the award or settlement increases.

Section 5 also would add a new sentence to section 2678 providing that where damages are to be paid periodically, the limitation on the attorneys' fees will be based on the cost of the annuity or the monetary cost of the payments to the United States or, where the monetary cost cannot be determined, on the present value of the periodic payments.

Section 6 of the Act amends title 28 by adding a new section 2682 to chapter 171. The new section makes the provisions of that chapter, as amended by this Act, applicable to all claims and suits filed against the United States under the following Admiralty statutes: the Suits in Admiralty Act, the Public Vessels Act and the Admiralty Extension Act. The section does not, however, apply the foreign nation exception (28 U.S.C. § 2680(k)) of the Federal Tort Claims Act to the liability of the United States in Admiralty, since such would be inconsistent with the international character of Admiralty liability.

Section 7 is a severability clause which preserves the balance of the Act if any portion of it is held to be invalid.

Section 8 provides that the Act is intended to apply to all actions filed on or after, and all administrative claims pending on or after, the enactment of the Act.

Section 9 provides that the Act will become effective on the date of enactment.

S. 2441

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Government Contractor Liability Reform Act of 1986".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds and declares that—

(1) the United States has a compelling interest in ensuring that its contractors are held to fair and reasonable standards of tort liability;

(2) Government contractors in recent years have encountered a rapid expansion in their tort liability which seriously interferes with their ability to provide many of the goods and services required by the United States;

(3) as a result, many Government agencies are encountering growing difficulties in obtaining goods and services essential to their responsibilities;

(4) where such goods and services are available, they often are only available at a far higher cost to the United States;

(5) among the programs most seriously affected are programs designed to protect public health and safety, and programs involving the national security;

(6) where liability of Government contractors is not based on fault or wrongdoing, such liability often impedes contractors from providing goods and services which the United States has determined to be in the public interest;

(7) the increasing unpredictability of tort law has made it difficult for Government contractors to assess their liability risks, and has made many contractors particularly reluctant to undertake activities that pose unlimited or indeterminable liability;

(8) the high transaction costs of the civil justice system, in which almost twice as much money goes to attorneys' fees and litigation expenses as to compensate victims, places an intolerable burden on the American taxpayer to whom much of such costs are ultimately passed; and

(9) these and other excesses in the civil justice system can and should be remedied through appropriate limitations on contractor liability.

(b) The purposes of this Act are—

(1) to place reasonable limitations on the civil liability of Government contractors to ensure that the United States is able to obtain the goods and services necessary to further the public welfare,

(2) to protect the American taxpayer from inordinate and unreasonable costs, and

(3) to limit many of the excesses of the civil justice system which subject contractors of the United States to unacceptable and unreasonable liability risks.

DEFINITIONS

SEC. 3. As used in this Act the term—

(1) "action" means a contractor product liability action, a contractor service action, or a combination of such actions;

(2) "contractor" means any person who has contracted with an agency or instrumentality of the United States to supply a product or service, and includes a subcontractor under such a contract;

(3) "contractor product liability action" means any action or claim, including a wrongful death action, involving the design, production, distribution or sale of a product, filed in Federal or State court seeking damages from a contractor for a personal injury or death attributable to the product;

(4) "contractor service action" means any action or claim, including a wrongful death action, filed in Federal or State court seeking damages from a contractor for a personal injury or death attributable to the provision of a service;

(5) "economic loss" means past or future (A) expenses of health or other care, (B) expenses of rehabilitation, (c) loss of earnings, (d) loss of homemaker services, or (E) burial expenses;

(6) "non-economic damages" means all damages other than damages for economic loss, and includes punitive or exemplary damages;

(7) "person" means any individual, corporation, company, association, firm, partnership, society, joint stock company, or any other entity, including any governmental entity;

(8) "product" means any object, substance, mixture, or raw material, including any part or combination of parts thereof, or an ingredient, which is intended for sale or lease to any agency or instrumentality of the United States;

(9) "service" means any work by a contractor performed for or on behalf of any agency or instrumentality of the United States, but does not include the design, production, distribution, or sale of a product; and

(10) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territories of the Pacific Islands, and any other territory or possession of the United States, or any political subdivision thereof.

SCOPE

SEC. 4. (a) The provisions of this Act shall apply to all actions filed in Federal or State court on or after the date of enactment of this Act.

(b) The provisions of this Act shall preempt and supersede any State law to the extent such law is inconsistent with any provision of this Act. Any State law that provides for defenses or places limitations on a person's liability in addition to those contained in this Act is not inconsistent and shall not be preempted or superseded.

(c) Nothing in this Act shall be construed to create or vest jurisdiction in the district courts of the United States over any action subject to his Act.

(d) The provisions of this Act shall not apply to liability subject to section 170 of the Atomic Energy Act of 1953 (42 U.S.C. 2210).

FAULT-BASED LIABILITY

SEC. 5. (a) A contractor shall not be found liable for damages in a contractor product liability action subject to this Act—

(1) for any injury unless either (A) the contractor was negligent in the design, production, distribution, or sale of such product, or (B) the product was defective, and such defect rendered the product unreasonably dangerous;

(2) for any injury related to an unreasonable or unforseeable use or alteration of the product;

(3) for any injury related to the failure to provide an adequate warning or instruction as to any danger associated with the use of the product if such danger would be apparent to a reasonable person, or the danger is a matter of common knowledge; and

(4) for any injury related to a defect in the design of the product, or to a failure to provide an adequate warning or instruction as to any danger associated with the use of the product, unless at the time the product was made the ability to discover and to eliminate the defect or danger was available and capable of use according to engineering and manufacturing practices which were reasonably feasible in light of existing technology.

(b)(1) In addition to any other applicable defense or limitation provided in any provision of the applicable State law—

(A) a defective product may not be found unreasonably dangerous if the defect is the subject of an adequate warning, is apparent to a reasonable person, or is a matter of common knowledge; and

(B) any alteration of the product which is specifically prohibited or warned against, and any use of the product which fails to apply required safeguards or maintenance, shall be deemed unreasonable.

(2) Such contractor may not be found liable for any injury related to the failure to provide an adequate warning or instruction as to any danger associated with the use of the product if the use is unreasonable or unforseeable.

(C) A contractor may not be found liable for damages in a contractor service action subject to this Act unless the contractor is found to have been negligent in providing such service.

JOINT AND SEVERAL LIABILITY

SEC. 6. (a) Except as provided in subsection (b) of this section, joint and several liability may not be applied to any action subject to this Act. A contractor found liable for damages in any such action may be found liable, if at all, only for those damages directly attributable to the contractor's pro rata share of fault or responsibility for the injury, and may not be found liable for damages attributable to the pro rata share of fault or responsibility of any other person (without regard to whether such person is a party to the action) for the injury, including any person bringing the action.

(b) This section shall not apply between persons acting in concert where the concerted action proximately caused the injury for which one or more of such persons are found liable for damages. As used in this section, "concerted action" or "acting in concert" means two or more persons consciously acting together in a common scheme or plan, resulting in a tortious act.

LIMITATION ON NON-ECONOMIC DAMAGES

SEC. 7. (a) In any action subject to this Act, noneconomic damages may not be awarded in excess of $100,000.

(b) For purposes of this section, "any action" means all actions, including multiple actions, for damages which arise out of or were caused by the same personal injury or death, and includes all plaintiffs and all defendants in such action.

PERIODIC PAYMENT OF JUDGMENTS

SEC. 8. (a) In any action subject to this Act in which the award of damages for future economic loss exceeds $100,000, no contractor may be required to pay such damages in a single, lump-sum payment, but shall be permitted to make such payments periodically, based on a determination by the court as to when the damages are found likely to occur.

(b) The court may require such contractor to purchase an annuity making such periodic payments if the court finds a reasonable basis for concluding that the contractor may not make the periodic payments.

(c) The judgment of the court awarding such periodic payments may not be reopened at any time to contest, amend, or modify the schedule or amount of the payments, in the absence of fraud.

(d) This section shall not be construed to preclude a settlement providing for a single, lump-sum payment.

COLLATERAL SOURCES OF COMPENSATION

SEC. 9. (a) Any damages for personal injury or death awarded to a person in an action subject to this Act shall be reduced by the court by the amount of any past or future payment or benefit covered by this section which the person has received or for which the person is eligible to receive based on the same personal injury or death.

(b) As used in this section, "payment or benefit covered by this section" means—

(1) any payment or benefit by or paid for in whole or in part by any agency or instrumentality of the United States, a State, or a local government, or

(2) any payment or benefit by a workers' compensation system or a health insurance program funded in whole or in part by any employer;

but does not include such payment or benefit that is (or by law is required to be) the subject of a reasonably founded claim of subrogation, reimbursement, or lien.

(c) This section shall not preempt or supersede any State law which provides that damage awards may be reduced by payments or benefits other than those covered by this section, or which reduces such damage awards by payments or benefits by an agency or instrumentality of the United States, a State, or a local government, or by a workers' compensation system or a health insurance program even when such payments or benefits are (or by law required to be) the subject of a reasonably founded claim of subrogation, reimbursement, or lien.

(d) This section shall not apply to any payments or benefits received prior to judgment if such application would reduce the amount of income that would otherwise be considered under section 402(a)(17) of the Social Security Act.

ATTORNEY CONTINGENCY FEE AGREEMENTS

SEC. 10. (a) An attorney who represents, on a contingency fee basis, a person bringing an action subject to this Act may not charge, remand, receive, or collect for services rendered in connection with such action, an amount in excess of 25 per centum of the first $100,000 (or portion thereof) recovered, plus 20 per centum of the next $100,000 (or portion thereof) recovered, plus 15 per centum of the next $100,000 (or portion thereof) recovered, plus 10 per centum of any amount in excess of $300,000 recovered by judgment or settlement in such action.

(b) As used in this section, "contingency fee" means any fee for professional legal services which is in whole or in part contingent upon the recovery of any amount of damages, whether through judgment or settlement.

(c) In the event that such judgment or settlement includes periodic or future payments of damages, the amount recovered for purposes of computing the limitation on the attorney contingency fee shall be based on the cost of the annuity or trust established to make the payments. In any case in which such an annuity or trust is not established to make such payments, such amount shall be based on the present value of the payments.

ALTERNATIVE DISPUTE RESOLUTION

SEC. 11. (a) It is declared to be the policy of the United States to encourage—

(1) the creation, adoption, and use of alternative dispute resolution techniques to achieve the efficient, cost-effective, and expeditious disposition of civil disputes; and

(2) the modification of procedural and evidentiary rules to the extent feasible to accommodate such alternative dispute resolution techniques.

(b) In order to further the policies set forth in this section, the Attorney General shall provide to the Congress, within one year after the date of enactment of this Act, recommendations to implement such policies with regard to civil disputes filed in Federal court.

SEVERABILITY

SEC. 12. If any provision of this Act or the application of any such provision to any person or circumstance is held invalid, the remainder of this Act and the application of any provision to any other person or circumstance shall not be affected thereby.

EFFECTIVE DATE

SEC. 13. This Act shall become effective on its date of enactment.

THE GOVERNMENT CONTRACTOR LIABILITY REFORM ACT OF 1986:

SECTION-BY-SECTION ANALYSIS

Section 1 sets out the short title of the Act as the "Government Contractor Liability Reform Act of 1986."

Section 2 sets out the findings and purposes of the Act.

Section 3 sets out definitions of certain terms used in the Act. Among the terms defined are: "contractor," "contractor product liability action," "contractor service action," "economic loss," "non-economic damages," "product," and "service."

Section 4 establishes the scope of the legislation. The Act applies to all contractor product or service liability actions filed in Federal or State courts. The provisions of the Act supersede only those portions of State law which are inconsistent with the limitations imposed by the Act, and do not preempt or supersede State law providing for defenses or limitations on liability in addition to those contained in the Act. The section further provides that the Act does not create federal jurisdiction over actions not otherwise in Federal court. The section also provides that the Act does not apply to liability subject to the Price-Anderson Act.

Section 5, paragraph (a)(1), limits the liability of a contractor in a contractor product liability action to those cases where a contractor was either (1) negligent in the design, production, distribution or sale of a product, or (2) the product was defective, and that defect rendered the product unreasonably dangerous.

Paragraph (a)(1) specifies that a product cannot be found to be unreasonably dangerous if the defect is the subject of an adequate warning, is apparent to a reasonable person, or is a matter of common knowledge.

Paragraph (a)(2) provides that a contractor will not be liable where the injury caused by the product resulted from an unreasonable or unforeseeable use or alteration of the product. Any alteration of a product which is prohibited or warned against, or any use of the product without

the required safeguards, would be considered unreasonable.

Paragraph (a)(3) precludes liability for failure to warn of a danger where the danger is apparent to a reasonable person or is a matter of common knowledge. The paragraph also prohibits liability based on a failure to warn of a danger associated with an unreasonable or unforeseeable use of a product.

Paragraph (a)(4) of the section provides that a contractor may not be held liable for a defect in design or for a failure to warn of a danger associated with a product, unless at the time the product was made the ability to discover and to eliminate the defect or danger was available and capable of use according to engineering and manufacturing practices reasonably feasible in light of existing technology.

Subsection (b) of Section 5 provides that a contractor is not liable for damages arising from a service performed for the government unless the contractor was negligent in providing the service.

Section 6 bars the application of joint and several liability in a contractor product liability or service action, except in those cases where the injury was proximately caused by two or more persons acting in concert. Instead, a contractor may be found liable only for that portion of the damages directly attributable to the contractor's proportionate share of fault or responsibility for the injury.

Section 7, subsection (a), imposes a $100,000 cap on all noneconomic damages, including pain and suffering, emotinal distress, and punitive damages. The Act imposes no limitation on the amount of economic damages, such as medical and rehabilitation expenses and lost wages.

Subsection (b) specifies that the $100,000 cap applies to all actions for damages which arise out of or were caused by the same personal injury or death.

Section 8 provides that no contractor shall be required to pay damages for future economic loss in a single, lump-sum payment where the amount of economic damages awarded is in excess of $100,000. Instead, payments may be made periodically over the period over which the loss is found likely to occur.

If the court has a reasonable basis for believing that the contractor may not make the periodic payments, subsection (b) authorizes the court to require the contractor to purchase an annuity to make such payments.

The section also provides that the court order making such periodic payments is final and may not be reopened in the absence of fraud.

Section 9, subsection (a), requires that any award of damages under the Act shall be reduced by the amount of compensation received from certain collateral sources of income received for the same injury or death.

Subsection (b) specifies the types of collateral sources which are taken into account in reducing damage awards under the Act: (1) any payment or benefit provided directly or indirectly by any Federal, State or local agency or instrumentality; and (2) any payment or benefit under a workers' compensation system or employer-funded health insurance program. Awarded damages are not, however, reduced by these collateral sources of compensation where the provider of the collateral benefits pursues (or by law is required to pursue) a right to subrogation.

Subsection (c) clarifies that the section is not intended to preempt or supersede any State law which allows for the reduction of damage awards for collateral sources other than those specified in the section, or which allows for the reduction of damages for the collateral sources specified in the section even where a right of subrogation is pursued.

Subsection (d) provides that where a person has received certain benefits under the Social Security Act prior to the judgment, the section will not threat those benefits as a covered collateral source if by doing so the section would result in that person's income being reduced for purposes of determining the period of ineligibility for those benefits.

Section 10 establishes a schedule for the size of a contingency fee an attorney may charge under the Act. The amount of the contingency fee that may be charged decreases on a "sliding scale" as the size of the damage award increases. Under the section, no attorney may receive in excess of 25% of the first $100,000 recovered, plus 20% of the next $100,000, plus 15% of the third 100,000, plus 10% of any amount in excess of $300,000.

The section also provides that where a contingeny fee is based in part on an award of damages to be paid in future periodic payments, that portion of the fee shall be based on the cost of the annuity or, in the absence of an annuity, the present value of the payments.

Section 11 declares that it is the policy of the United States to encourage (1) the use of alternative dispute resolution techniques to reduce transaction costs and prevent delay in the civil justice system, and (2) the modification of rules of evidence and the rules of civil procedure to accommodate alternative dispute resolution.

The section provides that the Attorney General shall provide to the Congress within a year of the date of enactment recommendations to implement these policies for cases filed in Federal court.

Section 12 is a severability clause which would preserve the balance of the Act if any portion of it is held to be invalid.

Section 13 provides that the Act shall become effective on the date of enactment.

Mr. THURMOND. Mr. President, I rise in support of the civil justice reform legislation introduced by the distinguished Senator from Kentucky, Senator MCCONNELL. The two bills introduced today represent an important step in recognition of the need for reform in response to the explosion of tort liability in the United States. In the last decade, we have witnessed an erosion of the traditional concepts of fault-based liability, which have been gradually replaced by no-fault and strict liability theories. These developments have significantly increased the number of lawsuits that are clogging our court system and have contributed to the dramatic increase in the number and size of monetary awards.

While the underlying causes of these developments may be debatable, no one disputes the dramatic impact that expanded tort liability has on our lives. Liability, or the fear of liability, affects the price and types of products we buy, the manner in which we conduct business, and the price and availability of insurance. These legislative proposals provide a starting point for our consideration of much-needed reform of our civil justice system.

The Government Contractor Liability Reform Act limits the liability of government contractors to ensure that the United States can obtain necessary goods and services. The Federal Tort Claims Reform Act will place reasonable limitations on government liability. Since judgments against the United States must be satisfied with revenues obtained from the American taxpayer, this bill provides an important limitation. These proposals are based on the recommendations of the administration's Tort Policy Working Group, contained in their February 1986 report. I commend the distinguished Senator from Kentucky for taking the lead in introducing these proposals and his own tort reform bills. I look forward to reviewing these bills in the Judiciary Committee and further refining these proposals to ensure fair and meaningful reform.

□ 1040

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business until the hour of 10:45 a.m., with statements limited therein to 5 minutes each.

The Senator from Tennessee.

STRATEGIC DEFENSE INITIATIVE

Mr. GORE. Mr. President, I rise to begin a series of speeches, one each day, on the subject of the strategic defense initiative. Many people might think that the time for this is not yet ripe. But I am acting out of a sense of urgency, for, in my opinion, time is on the side of those who favor SDI. And that is not because the merits of their case are improving with time: quite the contrary.

Rather, it is because we are becoming ever more enmeshed in details, while the fundamental debate we need over the wisdom of this enterprise is postponed. My great fear is that our freedom to decide what shall ultimately be done about SDI will have quietly evaporated by the time we come to the point of exercizing it.

My comments in this first speech today will be directed toward what ought to be a simple matter: the problem of defining what SDI means. All of us, of course, are familiar with what has become the classic exposition of SDI, given in the President's very first speech about it, 3 years ago. We needed, he said, to find in our technology the means to render nuclear weapons "impotent and obsolete."

That phrase may have amused some experts, but without question it cap-

tured the imagination of millions of Americans. Their belief in the brilliance of our scientists and engineers and their trust in the President have amounted to a political mandate for SDI, which, I venture to say, everyone of us in the Senate has experienced in one degree or another through our contacts with the electorate.

But, as all of us know, a mandate involves an expectation that a certain thing, having been promised, will be produced. And that is the rub. What the President promised not once, but many times, is the enormously appealing notion of sanctuary from nuclear destruction—not just for ourselves, nor even just for ourselves and our allies, but even for the Soviets—and not just from ballistic missiles, but from nuclear weapons of virtually any kind.

It was a promise that we could abandon the balance of terror; that we could base our security in the future on the ability to defend ourselves from attack, rather than on our ability to threaten others with retaliation. No President has ever expressed a more sweeping agenda for escaping the nuclear threat since the days when it was still our policy to speak about general and complete disarmament.

Unfortunately, science and engineering—though no strangers to opportunism—do not, in the end, respect such commitments if the facts just are not there. And, to be fair, we were often told during the early days of debate about the SDI, that its sole purpose was to find out precisely whether a perfected defense was in the cards.

That was certainly the spirit of the so-called "Nitze criteria." While the President spoke to the man-in-the-street, Paul Nitze appealed to the experts: he said to them that they ought not to be alarmed at the scope of SDI. The strategic defense initiative would not only uncover whether the laws of physics would support the President's dream, but whether the laws of economics would as well.

In a memorable speech, he gave assurances that—even if scientifically feasible—SDI would never be erected, unless it also proved to be cost effective; that is, less expensive for us to expand our defenses than for the Soviets to expand their nuclear arsenal.

For many students of this subject, the Nitze criteria became an integral part of what SDI was all about. More than anything else, it helped to create a more specialized, but vital, mandate from those whose skepticism might have destroyed star wars' credibility had it been expressed promptly, rather than deferred.

With time, however, it has become increasingly clear that the odds against realizing the President's goals in the near future are nil, and that the Nitze criteria are an embarassment because they are too concrete. Unfortunately, unlike any other scientific exploration, SDI is under political orders to succeed: to find, at any cost, and at any stretch of the imagination, some set of technologies which will serve to bear the name, though not fulfill any of the hopes, of what the President promised.

And so, we have entered a strange dialog with many of those working on SDI. In unison, they tell us that their objective is to determine whether it is possible to realize the President's conceptions. But the viewgraphs they show us, and the studies they submit, are all pitched to something quite different: a difference not in degree but in kind.

What we see rapidly emerging is a version of SDI—let us call it "SDI II"—comprising near-term technologies. Bear in mind that these are technologies which admittedly cannot come close to defending the population. All they might do, if they work at all, is to complicate a Soviet first-strike against United States strategic assets. Which brings us, in effect, right back to where we were in the great ABM debate of the late 1960's: asking whether taking such a step would be more likely to stimulate, rather than calm, the strategic arms race.

Now, if this shift in emphasis had been communicated by the technicians to the President, and by him to the people, that would be fair enough. But the President in fact continues to talk about his version of SDI, while, with a knowing wink and a shrug, the specialists are saying in so many words: "That's for never-never-land; pay it no mind; star wars is what we say it is, because we understand what we are talking about, and the President doesn't." It is as if they hold the President's view of SDI in intellectual contempt.

The same thing holds true for the Nitze criteria, except there the SDI managers and technocrats do not have to worry about contradicting a President. They merely come before Congress, as Secretary Weinberger has already done, and declare that the concept of cost-effectiveness has no application where SDI is concerned: that the only choice for us is something called "affordability," which means, "If you want it bad enough, you buy it, even if you can't really afford it."

Now, there is nothing new about such tactics. In another context they are well known by the term "bait and switch." You advertise one model, and when the customer shows up he has a choice of something else that costs him more for less value. It is bad enough in the show-room; it is disastrous in the conduct of the political life of a democracy. It is the American people, the source of all legitimate power in our Nation, who are being deceived.

What the President sold the public was the notion of investing some money to see if science could pull off a near miracle. He is still offering the same promise. But what others have been forced to concede is that they can only offer something of much lesser importance.

Nonetheless, it is their intention to commit this Nation to their alternative irrevocably, while the present administration is still in office. And, if, in order to succeed in their purpose, they must destroy all other alternative courses of action for the country—be they in arms control or in the development of more stable strategic forces—they are zealous to do it.

Mr. President, we must recognize that the crisis of national decison concerning SDI is therefore upon us now, rather than a decade away, and that the need to debate this question at the level of first principles is therefore of the greatest urgency.

WALTER SHEFFER: A TRIBUTE TO THE RESILIENCY OF OLDER AMERICANS

Mr. KASTEN. Mr. President, the American population is aging. More than 16 percent of our citizens in 1980 were 65 years old or older. It is estimated that that percentage will expand to more than 27 percent by the year 2050.

And that segment of our population is itself aging. The 75-plus group currently is the fastest growing group of Americans. It is increasingly likely that many of our older Americans will have surviving parents * * * four generation families are becoming more and more common * * * almost half of all persons 65 or older have great-grandchildren.

In my home State of Wisconsin, almost 13 percent of the population is 65 or older.

Mr. President, statistics like these bring two thoughts to mind.

First of all, as a society we must be prepared to deal with the physical and emotional problems of aging. Not just through increased funding for Medicare and Medicaid, and not just by protecting Social Security benefits for older Americans, but through a heightened awareness of aging and all that aging means, both to the individual and to that person's family, loved ones, and colleagues.

Second, those statistics point to an increasingly large segment of the population that is underutilized by our society.

Granted, the last two decades have witnessed a growing sensitivity to the rights of elders. Organizations such as the American Association of Retired Persons, the Gray Panthers, the National Council of Senior Citizens, National Council on Aging, and others

have heightened public awareness both of the challenges facing older Americans and what older Americans have to offer.

And, yes, the Federal Government, recognizing the strength of elderly Americans, has developed several programs that enable seniors to help others. The Service Corps of Retired Executives [SCORE] attracts many retired business people who serve as advisors for community organizations and small businesses; Retired Senior Volunteer Programs [RSVP] provides assistance in hospitals, libraries, and schools.

But, most Americans over 65 no longer work. And while some 20 percent of elderly men and 8 percent of elderly women are employed, many others might choose to work had they good health and if potential employers recognized their talents.

Surveys indicate that older employees are as productive and efficient as younger workers and that they actually miss fewer days of work and have fewer accidents on the job.

When I say underutilized, Mr. President, I mean a segment of our population that too often is cast aside as being "too old to work."

But I also mean those elderly Americans who are packed off to a hospital, or nursing home, or retirement community and forgotten by "productive" society. Many of these citizens can, through rehabilitation, overcome physical or mental disabilities, fight through diseases and illness, and once again take control of their lives and interact with their fellows.

America's older citizens are one of our greatest untapped natural resources who with proper physical care, emotional guidance, and spirited encouragement, can continue to be highly productive.

So, today I also am thinking about how we can ease the process of aging, and of how we can collectively draw on the talents, the experience, and the knowledge of this increasingly large segment of our society.

Mr. President, May is Older Americans' Month and this is National Nursing Homes Week. While we should never lose sight of the significant contributions and special talents of the elderly, this is a good time to take notice of the accomplishments of these Americans and these special care facilities.

I offer as a tribute to the resiliency of older Americans the story of Mr. Walter Sheffer.

Walter Sheffer, now 67 years old, was a household name in my hometown of Milwaukee in the fifties, sixties and seventies. He was one of the preeminent portrait photographers in that Great Lakes community, and nationally and internationally. He counted among his clients and friends such famous Americans as James Stewart, Talulah Bankhead, and Henny Youngman.

He captured on black and white film the political and social leaders of his time. His creativity and expertise in the darkroom was the source of inspiration for a younger generation of photographers, many of whom he personally instructed at Milwaukee's Layton School of Art, and for those fortunate enough to see those portraits.

In his prime, Walter Sheffer's name was frequently in the papers. He was, in the words of a fellow Milwaukean, "a successful photographer in the world of the social elite."

But that was when he was in his prime. Walter Sheffer, like so many talented, gifted individuals, suffered a setback. His came in the form of severe arthritis when he was in his late fifties.

His doctors told him he would never walk again, that the best he could look forward to was life in a wheelchair. Seven years ago, ailing and desolute, he became a resident of the River Hills East Nursing Home in Milwaukee and abandoned any thought of ever again practicing his craft.

But Mr. Sheffer's story did not end in a wheelchair in the River Hills East home. For the overriding emphasis at River Hills East, as it is in so many nursing homes, is the rehabilitation of its residents. For many residents, it may mean simply learning again how to feed oneself, or how to bathe oneself, or how to keep a room clean.

For Walter Sheffer, it meant reopening the door he had closed to a talent Milwaukeans had enjoyed for years.

About 2 years ago, Mr. President, a Milwaukee artist by the name of Sue Bartfield went to River Hills East to do a project for Jewish Vocational Services, a group that works with the disabled by getting them involved in the arts. Among the River Hills East residents that she interviewed for this project was Walter Sheffer.

Sue Bartfield recognized who he was, and, with the guidance and encouragement of the nursing home staff, began to pull Walter Sheffer out of his shell and back into a productive life.

She worked with Walter daily, bringing him new clothes, driving him around town, talking to him about his craft and her interest in learning photography. Perhaps it was the teacher in Walter, perhaps it was the emotional union with a fellow artist, perhaps it was the special sharing between the generations, whatever it was, Walter responded.

One afternoon when Sue came to visit, Walter had his camera equipment out of storage. Another day, he had some of his old photographs there for her to see. Finally, he set up his dark room equipment and began in earnest to create again the stunning, emotion-packed photographs for which he had been so famous.

And suddenly what had been, what was only past glory, became a new reality for Walter Sheffer.

With the help of River Hills East, he worked through the pain of arthritis, determined not to be wheelchair-bound.

With Sue Bartfield, he embarked on a new photographic essay on older Americans. That essay, called "The Faces of Aging," premiered in Milwaukee in 1985 and since then has been shown in Illinois and California.

Tonight, Walter Sheffer and "The Faces of Aging" will be honored at a reception at the National Council on Aging's Art Gallery at 600 Maryland Avenue. I urge my colleagues to attend and see this critically acclaimed photographic essay.

His coming to Washington is especially meaningful to me, because Walter Sheffer photographed me with my brother and two sisters when I was in high school in Milwaukee. That photograph is in my office here on Capitol Hill.

Mr. President, Walter Sheffer's journey back to a productive life has been dramatic. He now plays organ for his fellow River Hills East residents at breakfast each day. He is the president of the home's gardening club. He takes pictures for the in-house newsletter.

And he has brought to the residents of this Milwaukee nursing home a new dignity as these men and women enjoy the anonymous acclaim of having their faces seen by countless Americans who are learning through them of the pain, the joys, the dignity of growing old.

The story of Walter Sheffer is a story repeated countless times in many nursing homes throughout America. Every day, men and women considered too old or too debilitated or too ill to care for themselves are becoming self-sufficient. Many even leave the nursing home to return to their families.

As one nursing home official told me, "The misconception about nursing homes is that people never get better; people just get old, go there and die. But our home is like a revolving door. They come, and they go back out again. And many of those who can't leave, for physical or emotional reasons, still can realize tremendous growth. They run the gift shop; they help serve the lunches * * * they become extremely active and they have responsibilities."

Mr. President, that is the fundamental lesson of the Walter Sheffer story. The acclaim his rehabilitation is receiving may not be typical for other older Americans, but it is an example of their resiliency, and of their ability

to find new avenues of expression and vitality.

I applaud Walter Sheffer and his successful struggle to return to a productive life. And in this national Older Americans' Month, I congratulate all elderly Americans for their contributions—past, and present, and future—to the strength of our society.

DEATH OF MARY GOHLKE

Mr. DECONCINI. Mr. President, I was saddened to learn of the death of Mary Gohlke. On March 9, 1981, Mary Gohlke became only the fourth person in history to receive a heart-lung transplant.

Transplant operations are commonplace today, but that was not the case 5 years ago. Mary, of Scottsdale, AZ, contacted my office when she was diagnosed as having cardiopulmonary hypertension. With the assistance of a then-new medication, the experimental operation could be done. That experimental operation added 5 years to Mary's life.

Doctors were skeptical and, previous to Mary, the longest living recipient of a heart-lung transplant survived only 23 days—the odds were not exactly in Mary's favor. But Mary wanted to live more than she wanted to die and she defied those odds. After her operation she became an outspoken advocate for organ donation.

Over 140 heart-lung transplant operations have been done since Mary's surgery. She has given more to this world than she could possibly take. Her bravery serves as a beacon to those in similar situations who face certain death, and has proven that with determination and strength, almost anything is possible. Mary's message was simple, "Don't quit!" Mary didn't quit; she fought until the very end.

OBANDO Y BRAVO SPEAKS OUT

Mr. DENTON. Mr. President, yesterday's Washington Post carried an article by the courageous archbishop of Managua, Cardinal Obando Y Bravo. Having met with the cardinal on several occasions, both here in Washington and in Managua, I wish to bring his writing to my colleagues' attention. I know him to be a humble man, a man of great courage, and a man of great faith, faith not only in God but in his people.

Furthermore, notwithstanding the naked efforts of the Sandinista regime to discredit and isolate him from his flock, Cardinal Obando Y Bravo has remained a hero to the repressed and abused majority in Nicaragua. His stalwart defense of freedom and his unwillingness to be manipulated by the political forces at work in Nicaragua has made with a true shepherd and a beacon of hope for the Nicaraguan people.

In his article, the cardinal clearly describes the precarious situation of the Catholic Church in Nicaragua. I am deeply moved by his statement:

I felt then that I ought to tell the truth and speak as a prophet speaks, even at the risk of being a "voice that crieth in the wilderness." I would explain to those that have ears to hear the sensitive situation of our Church and the serious danger we place ourselves in simply (by) speaking out.

He then does not hesitate to explain the reality of Nicaragua today, where thousands flee from Sandinista tyranny and those who remain suffer under, and I quote, "The most terrible violation of freedom of the press and of speech in the history of our country." In eloquent words, which become almost a plea, he calls our attention to "the progressive and suffocating restriction of public liberties of an interminable national emergency law and the continual violation of human rights."

Cardinal Obando y Bravo's call is for reconciliation, for the genuine dialog that has been categorically and repeatedly rejected by the Sandinista regime. Our task, in guiding United States policy toward Nicaragua, must be to help bring about that dialog.

The carginal carefully explains that he cannot comment on the content of U.S. policy, and why he cannot do so. We cannot use him to sanction our decision. Whichever side we are on, he will justify us. But the courageous cardinal has made sure that we will have the facts upon which to base our decision.

I only hope that my colleagues will choose to act for freedom in Nicaragua rather than to acquiesce in the further and permanent enslavement of the Nicaraguan people.

Mr. President, I ask unanimous consent that the text of Cardinal Miguel Obando y Bravo's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NICARAGUA: THE SANDINISTAS HAVE GAGGED AND BOUND US

(In an effort to illuminate the internal Nicaraguan scene while Congress is considering whether to resume military aid to the Nicaraguan contras, we invited Cardinal Miguel Obando y Bravo, archbishop of Managua, to give his views)

Your message asking me for an article arrived on Sunday, April 13, just as I finished celebrating Mass, and my first decision was not to grant your request. I must not confuse my pastoral mission with others, however worthy, such as politics or journalism, which are different from the mission that our Lord has entrusted to me. But, I am not obligated to keep silent either. As a man, as a citizen, as a Christian and even as a bishop, I have certain duties that I must fulfill, and these duties compel me to grant your request.

In the Mass I just celebrated, I had to announce, with great sorrow, that some of the offices of the Curia, occupied by the State Security Police since October 1985, had been confiscated by government order, despite the fact that they were built on land occupied by the Apostolic Nunciature.

In these offices there was a small printing press donated by the German Bishops' Conference, which was used to print our bulletin "Iglesia," a strictly intra-ecclesiastical publication. Both the press and the bulletin were seized by the State Security Police, along with all the files, including baptismal records and my own personal seal.

During the Mass, I read the pastoral letter which we, the bishops of Nicaragua, had written for Holy Week. The pulpit was now our only means of disseminating information, because the letter was totally censored and pulled from the pages of the newspaper La Prensa, the only private newspaper in the country, which attempted to publish it, but in vain. We believe that the reason for the censorship was that for the second time we called all Nicaraguans to reconciliation and dialogue as the only way to peace.

It was also announced that the Sunday bulletin with the prayers and texts for the day would not be available because it was confiscated and that my Sunday address would not appear in La Prensa, which, under the heading "The Voice of Our Pastor," had been published for many years in that newspaper, because it too had been censored, despite the special care taken to exclude from it anything that could serve as the remotest excuse for censorship.

"Radio Catolico," the only Catholic radio station, had been closed by the State several months earlier. It was at this point, when the Church was gagged and bound, that your request arrived.

The reading for the day, taken from the Acts of the Apostles, was about an incident that pricked my conscience. The Sanhedrin sent for Peter and John, intending to force them into silence. "But Peter and John said to them in reply: 'Is it right in God's eyes for us to obey you rather than God? Judge for yourselves. We cannot possibly give up speaking of things we have seen and heard' " (Acts 4:18-20).

I felt then that I ought to tell the truth and speak as a prophet speaks, even at the risk of being a "voice that crieth in the wilderness." I would explain to those that have ears to hear the sensitive situation of our Church and the serious danger we place ourselves in simply by speaking out.

I am reminded of the incident related in the 22nd chapter of Matthew: "Then the Pharisees went away and agreed on a plan to trap him in his own words." The method they chose was to appeal hypocritically to His spiritual authority, saying: "Master, you are an honest man, we know; you teach in all honesty the way of life that God requires. . . . Give us your ruling on this: are we or are we not permitted to pay taxes to the Roman emperor?" Jesus was aware of their malicious intention and said to them: "You hypocrites! Why are you trying to catch me out?"

History repeats itself, and this is the situation of the Nicaraguan Bishops, a situation that we denounced in our recent pastoral letter. An appeal is made to our moral authority and to our position as spiritual leaders of the people. We are asked to make a statement on an extremely sensitive political matter, but the real objective is not to seek moral guidance, but rather to use our statement to manipulate opinion.

If Jesus had answered that taxes should be paid to Caesar, He would have become a collaborator of the occupying Roman imperialists. If He had answered no, He would have become a criminal and an agitator who violated the laws of the land. If He had not answered at all, He would have lost His authority in the eyes of the people.

We are asked to issue a statement against U.S. aid to the insurgents. The state-controlled communications media, the organizations of the masses in the service of the system and their allies in the so-called People's Church and the minister of Foreign Affairs, Father Miguel d'Escoto, are all clamoring for our statement. But, as I mentioned, it is not moral guidance that is sought, since on several occasions our Conference of Bishops has already stated that it was against any outside interference, whether by the United States or the Soviet Union. (Pastoral letter of April 22, 1984). The intention is to use the statement to manipulate.

While no effort was spared in suppressing our earlier statements, this statement would be given international publicity. Not for the faithful—but for the U.S. Congress. But we are not pastors to the Congress of the United States.

If we were to support military aid to the insurgents, we would be persecuted as traitors. If we opposed aid, we would be accused of taking sides, which would automatically disqualify us as pastors to all of the people. If we remain silent, our silence would be considered guilty, the silence of complicity.

It can be argued that the U.S. Conference of Bishops has more than once issued statements on political matters. But there is one big difference: the U.S. bishops' statements are made freely, they are addressed to their own people and their purpose is to provide moral guidance. They can make such statements in complete freedom, and they can give their reasons, with full access to the communications media. Their words are not censored, twisted or distorted. But above all, their statements do not make them criminals and traitors to their country.

In Nicaragua any dissident from the Sandinista cause can be placed outside the law through an ingenious distortion of the truth:

The government, with all the media under its control, has taken great pains to convince the outside world that what is happening is essentially a direct attack by the United States on our country. That there is a war, open or covert, between the two countries, and, consequently, any form of assistance to the enemy, whether material or moral, is punishable by law.

Along the same lines, and with equal insistence, it rejects both the idea that an East-West conflict has made of our country a disposable card, a pawn in the game between the superpowers, and the reality of a civil war: an enormous number of Nicaraguans oppose with all their might the turn taken by a revolution that has betrayed the hopes of the Nicaraguan people and even its own promises.

To accept the reality of an East-West conflict would be to admit that the Sandinistas are just as much the tools of Soviet interests as the insurgent forces are of the United States. If this is accepted, aid from the one is equally as deplorable as aid from the other. It would necessitate the withdrawal of the Soviet and Cuban advisors, as well as the withdrawal of all U.S. Military aid.

If the reality of an internal conflict between Nicaraguans is admitted, the conclusion could not be avoided that the insurgent dissidents are now in the same position that the Sandinistas themselves once occupied, and, consequently that they have the same right that the Sandinistas had to seek aid from other nations, which they in fact did request and obtain in order to fight a terrible dictatorship.

To accept this would mean giving the insurgents the title of "rebels," a title that the Sandinistas proudly gave to themselves in former days.

The only possible argument against this is that unlike the Somozan dictatorship, which the Nicaraguan people fought almost unanimously, this is a democratic government, legitimately constituted, which places the interests of the Nicaraguan people above any ideological struggle or international cause, seeks the welfare and peace of the people and enjoys the support of an overwhelming majority.

Unfortunately, this is not true either. To accept this as the indisputable truth is to ignore the mass exodus of the Miskito Indians, who, on numerous occasions, fled in the thousands, accompanied by their bishop, Salvador Schlaeffer. It is also to ignore the departure of tens of thousands of Nicaraguan men and women of every age, profession, economic status and political persuation. It is to ignore that many of those who are leaders or participants in the counterrevolution were once leaders or members of the Sandinista front or were ministers in the Sandinista government. It is to ignore the lack of any justification for the most terrible violation of freedom of the press and of speech in the history of our country. It is to ignore the progressive and suffocating restriction of public liberties, under the cover of aninterminable national emergency law and the continual violation of human rights. It is to ignore the expulsion of priests and the mass exodus of young people eligible for military service. * * * None of this is true of a government that has the sympathy and general support of the people.

And this is what the Nicaraguan bishops wish to state:

"It is urgent and essential that the Nicaraguan people, free of foreign interference or ideologies, find a way out of the situation of conflict that our country is experiencing.

"We reaffirm today, with renewed emphasis, what we said in our patoral letter on Easter Sunday, April 22, 1984:

"Foreign powers are taking advantage of our situation to promote economic and ideological exploitation. They view us as adjuncts to their own power, without respect for our persons, our history, our culture and our right to determine our own destiny.

"Consequently, most of the Nicarguan people live in fear and are uncertain about the future. They feel deeply frustrated. They cry out for peace and freedom, but their voices go unheard, drowned out by militaristic propaganda on every side.

"We feel that any form of assistance, regardless of the source, which causes the destruction, suffering and death of our families, or which sows hatred and discord among the Nicaraguan people is reprehensible. To choose annihilation of the enemy as the only possible way to peace is inevitably to choose war."

The Church proposes reconciliation through dialogue as the only real solution, the only way to peace, and maintains, in the words of His Holiness John Paul II, in his visit to El Salvador in March 1983, that this dialogue ". . . is not a delaying tactic to strengthen positions prior to continuing a fight, but rather a sincere effort to respond, by seeking appropriate solutions to the anxiety, the pain, the weariness and the fatigue of the many who yearn for peace. The many who wish to live, to rise again from the ashes, to seek warmth in the smiles of children, free from terror and in a climate of democratic cooperation."

This is the text that was censored by the Sandinista government.

We are asked to issue a statement against aid, the Church and the position of our Conference of Bishops, which is trying to guide the Church through turbulent waters, more by the spirit than by the natural sciences and politics of man, which do not seem to hold any solution for such difficult problems. We are in a difficult situation, but we place our faith and trust in the Lord Jesus, the Prince of Peace and the Lord of History.

FINANCIAL DISCLOSURE OF SENATOR SIMON

Mr. SIMON. Mr. President, it has been my practice during my service in Congress and in previous public service to make available a detailed accounting of my income, assets, and liabilities. I ask unanimous consent that my financial statement for 1985 be printed in the RECORD for this purpose.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATOR SIMON DISCLOSES FINANCES

WASHINGTON.—For the 31st consecutive year that he has held public office, U.S. Sen. Paul Simon, D-ILL., has released a detailed description of his income, assets and liabilities.

Simon has been making the voluntary annual statements since he entered public service as a state representative in 1955. He followed the practice during eight years in the Illinois House of Representatives, six years in the Illinois Senate, four years as lieutenant governor and ten years in the U.S. House of Representatives. The listing predates disclosure requirements of state and federal law and continues to exceed those requirements.

Simon also made public the detailed financial disclosure report of his administrative assistant, former Congressman Floyd Fithian, available upon request.

The Illinois senator lists 1985 gross income for himself and his wife, Jeanne, totaling $162,416.67—up from the Simons' income of $112,770.35 in 1984. The figure includes his House and Senate salary, reimbursement for travel and other expenses, rental income, honoraria for appearances, and other items.

The Simons had assets of $398,673 and liabilties of $287,597 for a net worth of $111,076.

Income and net worth statement of Paul and Jeanne Simon—1985

Income:	*Amount*
Salary, U.S. Senate	$74,683.00
Salary, U.S. House of Representatives	6,467.00
State of Illinois, General Assembly System	17,604.00
Book royalties	1,646.00

Consultant fees (Jeanne):	
Meridian House International	2,000.00
American Association of Retired Persons	3,100.00
America, Article (Jeanne)	175.00
U.S. Senate, expense reimbursement	17,881.00
Paul Simon for Senate Committee, expense reimbursement	416.00
B&T Enterprises	144.00
Total	124,116.00

Honoraria and travel reimbursements:	
Wall Street Journal, article	150.00
National Association of Independent Insurers, talk	1,000.00
National Association of Secondary School Principals, talk	500.00
The Washington Caucus, talk	500.00
United Church of Christ (Washington), talk	100.00
Schulman Management Co. (California), talk	2,000.00
Missouri Democrat Days, talk	1,000.00
American Podiatric Medical Association, talk	2,000.00
American Trucking Association, talk	1,000.00
National Association of Postal Supervisors, talk	1,000.00
American Association of State Colleges and Universities, talk	1,000.00
National Education Association, talk	2,000.00
Princeton University, talk	250.00
Southern Minnesota District of the American Lutheran Church, talk	500.00
United Parcel Service, talk	2,000.00
United Jewish Appeal, (Massachusetts), talk	1,000.00
B'Nai Israel Congregation (Maryland), talk	750.00
Marycrest College (Iowa), talk	850.00
Union of American Hebrew Congregations (Washington), talk	200.00
Institute of International Education, talk	200.00
College of Charleston (South Carolina), talk	1,198.01
Roanoke College (Virginia), talk	1,000.00
American Jewish Congress (New York), talk	101.00
Pfizer, Inc., talk	2,000.00
Letter Carriers Political Fund, talk	500.00
Seyforth, Shaw, Fairweather & Geraldson (Washington), talk	1,000.00
Motion Picture Association of America (California), talk	2,000.00
Brookings Institution (Washington), talk	300.00
Boston Globe, article	200.00
Farm Credit Banks of St. Louis, talk	2,000.00
National Council of Educational Opportunity, talk	1,000.00
New York Times, article	150.00
Akin, Gump, Strauss, Hauer & Feld (Washington), talk	2,000.00
American Jewish Committee (California), talk	2,000.00
U.S. Chamber of Commerce, talk	500.00
American Association of Community and Junior Colleges, talk	500.00
Chicago Magazine, article	1,000.00
Brotherhood of Railroad Signalmen	26.67
Total	[1] 36,235.67

Interest income:	
Franklin Fund	61.00
U.S. Senate Federal Credit Union	254.00
General American Insurance	96.00
Polish National Alliance Insurance	6.00
NCNB Bank of Florida	8.00
Total	425.00

Dividends:	
Adams Express	81.00
Bethlehem Steel	2.00
Crown Zellerbach	6.00
Dreyfus Fund	1,151.00
Gulf & Western	1.00
Harper & Row	8.00
Lear Siegler	18.00
Pacific Gas & Electric	356.00
Ralston Purina	12.00
Scott Paper	5.00
Total	1,640.00

Net worth statement:	
Assets:	
University Bank, checking account	11.00
U.S. Senate Federal Credit Union, checking account	426.00
NCNB National Bank of Florida, savings account	207.00
Loan to Senator Paul Simon office account	2,000.00
U.S. Savings Bonds	2,831.00
Chirstian Church of Salem, bond	250.00
General American Life Insurance, cash value	3,519.00
Polish National Alliance Insurance, cash value	1,681.00
Congressional Retirement System, cash value	59,010.00
Condominium, Tarpon Springs, FL, 1979 purchase price	81,000.00
Improvements to condominium	214.00
B & T Enterprises	10,000.00
11.8 acres near Makanda, IL, purchased 1978	21,500.00
Home at Makanda property, constructed 1981-82	142,265.00
Improvements to Makanda property	7,074.00
Furniture and Presidential Autograph Collection	18,000.00
1983 Ford Mustang	6,000.00
1980 Chevrolet	2,000.00
IRA, Paul	10,698.00
IRA, Jeanne	5,016.00
Total	373,702.00

Stock and bond holdings with number of shares (as of December 31, 1985):	
Adams Express, 109	2,112.00
Bethlehem Steel, 5	78.00
Borman's, 8	96.00
Chock Full O'Nuts, 10	92.00
Crown Zellerbach, 6	247.00
Dreyfus Fund	14,452.00
Franklin Money Fund	664.00
Gulf & Western, 1	49.00
Harper & Row, 15	336.00
Lear Siegler, 8	952.00
Intergroup Corp, 25	250.00
Pacific Gas & Electric Co., 200	4,000.00
Pax World Fund, Inc	250.00
Ralston-Purina, 12	564.00
Rohr Industries, 6	174.00
Scott Paper, 4	203.00
United M & M, 8	152.00
Jet-Lite, 120 (approxmate value)	300.00
Total	24,971.00

Liabilities:	
University Bank, Carbondale, note	24,700.00
First National Bank of Collinsville, note	44,699.00
Crossland Federal Savings & Loan Association, mortgage	55,636.00
Polish National Insurance, loan	1,392.00
General American Insurance, loan	3,021.00
First Federal Savings & Loan, mortgage	110,849.00
Crossland Savings & Loan, note	13,276.00
Community Trust, Irvington, note	15,524.00
First Federal Savings & Loan, note	4,000.00
DuQuoin State Bank note	14,500.00
Total	287,597.00
Total assets	398,673.00
Total liabilities	287,597.00
Net worth	111,076.00

[1] Honoraria are limited to $22,405. The amount over that has been donated to charities.

Gifts received of more than $25 value outside of immediate family members:

Steak knives from the United Transportation Union, value not known.,

Book, *Building a National Image*, from Robert Daniell of Hartford, Ct., value not known.

Four-volume *History of Illinois Democrats* from Stan Glass of Chicago, value not known.

Suitcase from Simon Senate staff and friends, value not known.

FOUR LITTLE PAGES

Mr. EAGLETON. Mr. President, the State of Missouri has a longstanding and diverse theatrical tradition. Each year, Missourians are treated to many outstanding new productions and revivals.

I rise today to extend to my colleagues a chance to sample some of that wonderful Missouri creativeness. Next week, in Washington, DC, there will be a presentation of the musical "Four Little Pages," a 25-minute celebration of our approaching constitutional bicentennial. A native St. Louisan, David Chambers, is the coauthor and lyricist of this work. "Four Little Pages," is sponsored by the National Park Service and is the first national program to inform and involve the public in the upcoming bicentennial.

St. Louisans and Washingtonians both are familiar with Mr. Chambers' work: He is currently producing director at the Repertory Theatre of St.

Louis, and from 1979 to 1981, he served as producer at Washington's Arena Stage.

I encourage my colleagues to add this production to their schedules. As the bicentennial of our Constitution draws nearer, it is appropriate that we pause for a moment to reflect on its meanings and to join in a public reaffirmation of its tenets.

NATIONAL SCIENCE WEEK

Mr. HATCH. Mr. President, yesterday at 1:30 e.s.t., 175,000 helium balloons filled with weather tracking cards were launched all over the country to kick off the celebration of National Science Week. Hundreds of schools, scientific associations, civic organizations, and corporations participated with the National Science Foundation in this balloon launch. These groups will also be sponsoring and participating in many other activities during the week to draw attention to the key role science, mathematics, and engineering play in advancing our quality of life and economic prosperity.

In my own State of Utah, a number of events to promote National Science Week have been organized. The School of Natural Science at Weber State College in Odgen, UT, is hosting a number of guest lectures, seminars, and tours for the public. The Hansen Planetarium is sponsoring a series of science demonstrations. Schools throughout the State are holding science fairs, inviting panels, and guest speakers, and having poster-design contests to emphasize the use of science in our everyday lives.

National Science Week encourages us, especially our young people, to become aware of and involved in science, mathematics, engineering, and technological fields. Although we as a nation have a strong scientific and technological base, as Mr. Erich Bloch, Director of the National Science Foundation, points out, "our future depends on our continuing progress in science and technology." As the world becomes more dependent on advanced technology, science, and engineering become more vital to our Nation's welfare and competitiveness. It is important to encourage our young students to study and pursue careers in the science and technology fields because they will be the scientists, researchers, teachers, and engineers of the future.

I want to thank my colleagues who have joined me in sponsoring this resolution. I would also like to congratulate the National Science Foundation, the various scientific and civic organizations, and the corporate sponsors, including the Amoco Foundation, Atlantic Richfield Foundation, the Dow Chemical Co. Foundation, Du Pont Co., Eastman Kodak Co., the General Electric Foundation, and IBM, for their excellent efforts in organizing the festivities and disseminating information about National Science Week. This will be an exciting and eventful week.

WILLARD MARCHING TIGER BAND

Mr. EAGLETON. Mr. President, I am pleased to rise today to honor a group of Missourians soon to embark on a trip to Great Britain. On Saturday, June 7, the Willard Marching Tiger Band will compete in the 43d Annual Hornchurch Competition held in Havering, England. They will be accompanied to the competition by some 200 of their friends and relatives from their hometown.

I can think of no one to better represent our country than this wonderful group. Willard is a small town in the southwest corner of Missouri. It has been a privilege to serve as their Senator. Their school system is recognized as one of the best in the State, and so too is their band program which is the recipient of numerous awards.

I invite my colleagues to join me in wishing the Willard Marching Tiger Band, its directors, parents, and friends every success at the upcoming Hornchurch competition. May their travels be safe and enjoyable.

SENATOR BYRD: ENERGY LEADER

Mr. MATSUNAGA. Mr. President, I rise to bring to the attention of my colleagues a singular recognition which our distinguished minority leader, Senator BYRD, received here in Washington last week. Along with a number of colleagues from this body and the House and several hundred business executives from throughout the country, I was most privileged to witness the presentation.

The senior Senator from West Virginia was the recipient of the 1986 Energy Leadership Award presented by the organization Americans for Energy Independence at a dinner last Wednesday evening. Former majority and minority leader of the Senate, Senator Howard Baker of Tennessee, serving as honorary chairman for the occasion, presented the coveted award to his former counterpart, whom he described as one "who more than anyone alive embodies the traditional and true spirit of the U.S. Senate."

The award is one which the minority leader richly deserves, for, as the award citation noted, Senator BYRD has seen our Nation's energy situation change "from innocent bliss to mindless panic to skeptical neglect" and through it all he has "maintained a steadfast belief in basic principles about the U.S. energy picture that would have served this country well, had they been heeded."

The citation further read, in part:

A country dependent on energy sources which may not be available in a crisis is a country with one hand tied behind its back. Senator BYRD has always supported a strong national defense that relies on adequate domestic energy resources that are benign and economic. For his steadfast support of this eminently sensible policy, Americans for Energy Independence is proud to honor Senator ROBERT C. BYRD with the Energy Leadership Award for 1986.

Mr. President, as the author of the Clean Coal Technology Program, recently enacted into law, the distinguished minority leader, the senior Senator from West Virginia, is indeed a champion of energy resources "benign and economic," and this Senator from the Aloha State, which serves as our Nation's energy laboratory of the Pacific, is proud to be his friend and colleague and to be under his leadership.

In accepting the award, Senator BYRD struck a very optimistic note about America's capability to meet its energy needs of the future. Mr. President I ask unanimous consent that Senator BYRD's remarks be printed at this point in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF U.S. SENATOR ROBERT C. BYRD UPON ACCEPTING THE 1986 ENERGY LEADERSHIP AWARD PRESENTED BY AMERICANS FOR ENERGY INDEPENDENCE

Mr. BYRD. Amidst all the media attention to the various aspects of the current oil situation, another event of far greater long-term signficance received little or no media attention. On April 18th, the U.S. Synthetic Fuels Corporation quietly closed its doors.

The establishment of a National Synthetic Fuels Program was an investment in an insurance policy for the next decade and beyond—to develop alternative energy sources from coal, oil shale, and tar sands. But the SFC was a victim of the allure of falling oil prices and of the same kind of mindless budget slashing that has cut other investments in America's future—such as education. The concern for the long-term energy situation was dissipated by falling oil prices and the disarray in OPEC, and near-term imperatives prevailed.

What about other energy alternatives for the future? The nuclear disaster at the Chernobyl powerplant in the Soviet Union may not be particularly reassuring to those pondering the fate of civilian nuclear power in the United States.

What about the use of coal, our most abundant fossil energy resource? The outlook for the use of coal in the United States may be very uncertain in part because of the pressures in the Congress to enact acid rain legislation. Congress would be most unwise to enact legislation which will not only devastate the economies of coal-producing States, but which may lead to a decline in the production of America's number one energy resource.

There is, however, hope for the use of coal. Congress has enacted the Clean Coal Technology Program which I introduced last year. This program could become the cornerstone of a far more prudent, less disruptive approach to the use of coal. The

Clean Coal Technology Program provides the basis for the commercial acceptance of new and advanced technologies to use coal in an environmentally acceptable manner. The use of such technologies will not disrupt traditional markets for coal, or force coal-mining communities to become ghost towns. Indeed, the Clean Coal Program will produce jobs, cleaner air, and energy for the future.

In Shakespeare's "Macbeth," the three weird sisters forecast Macbeths' downfall with the engimatic lines:

"Macbeth shall never vanquish'd be until great Birnam Wood to High Dunsinane Hill shall come against him."

Certainly, the potential dangers of today's energy situation are far more evident than were the dangers to Macbeth. I hope that, unlike Macbeth, we can better perceive the future—that we will use our past experience to force long-range energy policies on tomorrow's realities instead of on today's fantasies. Let us continue our efforts for America's self-sufficiency, so that we do not again fall victim to a crippling addiction to doubtful foreign energy supplies.

This is a national goal of considerable significance for the future of this Nation. And in that regard, I wish to commend Americans for Energy Independence for their efforts to educate Americans about the Nation's energy situation, and the importance of energy independence. Over the years, Americans for Energy Independence has been performing a public service worthy of note. You are to be applauded for your efforts on behalf of the energy security of the United States.

PRESIDENT MUBARAK AND CAMP DAVID

Mr. DECONCINI. Mr. President, John F. Kennedy remarked that the courage of life is often a less dramatic spectacle than the courage of a final moment; but it is no less a magnificent mixture of triumph and tragedy. He went on to say:

For without belittling the courage with which men have died, we should not forget those acts of courage with which men have lived.

There is no better description capturing the passing of the torch in leadership from Anwar Sadat to Hosni Mubarak. We were all aware of President Sadat's genuine commitment and diligent dedication to the Camp David accords and Middle East peace. He sacrificed his life for it. Recently, President Mubarak commented on the collapsed Arab summit talks, mocking the efforts of Syria and Libya to invoke a collective Arab defense pact when they supported Iran in its war against Iraq. He also criticized the Arab League for excluding Egypt since it made peace with Israel in 1978.

President Mubarak went on to defend the Camp David accords, saying:

God knows that deep in their hearts, the other Arab countries wished they had Egypt's courage to make peace instead of living in a vicious and impotent circle for the past 7 years.

I commend his determination and style. While we criticize Saudi Arabia for its invisible contribution to Middle East peace and label the Saudis a "moderate Arab state," President Mubarak explicitly conveys, articulates, and demonstrates Egypt's friendship to the United States and deserves our applause. In the most politically sensitive and volatile region in the world, President Mubarak epitomizes Hemingway's definition of guts—grace under pressure.

I would also like to share with my colleagues some comments made on an Egyptian radio station in Cairo. These specifically address Libya and Syria. I ask unanimous consent that the comments be printed in the RECORD.

There being no objection, the comments were ordered to be printed in the RECORD, as follows:

CAIRO RADIO STATION COMMENTS: LIBYA, SYRIA CRITICIZED

Even if there were heated foreign schemes aimed at weakening and paralyzing the Arab homeland, the cancer that infects the Arab world and burrows into its body, its flesh, and bones, is more destructive and devastating than any foreign plot. This cancer is Arab regimes such as Syria and Libya, who have fragmented and exhausted the Arab body.

The conspiratorial Syrian regime is turning fraternal Arab Lebanon into a feeding ground to satiate its narrow, regional hungers and desires. This regime is trying to achieve these things at the expense of Lebanon's unity, security, and independence, and also at the expense of the supreme interests of the Arab homeland and its vital issues.

The Lebanese and Syrian people are not the only Arabs living in a nightmare because of the policy adopted by the ruling regime in Damascus. The Libyan Arab people also are living under a grotesque regime, which is fond of terrorism and the color of blood. This regime is not only practicing terrorism against neighboring Arab states and peoples, but also against fraternal and friendly states throughout the world, and against the Libyan people as well. The Libyan people are not living with the most serious tragedy they have ever witnessed in their history. Qaddafi's regime has become a symbol of terrorism, of which he is fond and which he is practicing. This terrorism was the reason for the confrontation between the United States and Libya, in which many innocent Libyans fell victim. This confrontation was a serious escalation of the situation in the Mediterranean and it added more heat to the already serious and active fires in the region.

TRIBUTE TO CONGRESSMAN SILVIO CONTE

Mr. KENNEDY. Mr. President, on May 3, 1986, the Boston College Law School Alumni Association bestowed the St. Thomas More Award for 1986 on Congressman SILVIO CONTE—one of its most distinguished alumni. SIL CONTE is a man of rare talent and spirit whom I will always cherish as a friend and respect as one of the finest legislators and statesmen of our time.

SIL CONTE has truly distinguished himself throughout his long and brilliant career in public service. For 28 years, he has served the First District of Massachusetts with a dedication and diligence that is without equal.

His years at Boston College and Boston College Law School, which make him a distinguished "Double Eagle," fostered his tireless devotion to the cause of law and humanity.

Without question, SIL CONTE holds a very special place in the hearts of those of us who are fortunate enough to know him. He richly deserved this tribute from his alma mater.

In his honor, I ask unanimous consent that his remarks upon receiving the St. Thomas More Award be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF HON. SILVIO O. CONTE AT PRESENTATION OF SIR THOMAS MORE AWARD FROM BOSTON COLLEGE LAW SCHOOL, BOSTON, MASSACHUSETTS

Friends, alumni, distinguished guests—I humbly thank you for bringing me back here today to my beloved alma mater for this truly special award.

When I first learned that Boston College Law School had chosen me to receive the Saint Thomas More Award, its highest honor, I paused not only to reflect on this great gesture but on the man in whose name the award was given.

What I found in Thomas More's actions and writings brought the award very close to home and gave me pause to consider elements of myself, this institution and the Congress—my great love—that I had not considered before.

Sir Thomas More was first and foremost a man of fervent spirituality.

Thomas More believed in his God, he believed in moral righteousness, he believed in his heritage and, perhaps most importantly, he believed in himself.

These beliefs enabled him to relinquish a life of material wealth and accept a death sentence from the king he had nobly served.

When Thomas More refused to take the oath for the Act of Succession and Supremacy, he relinquished career achievement and material gain for a higher cause—his Catholic church and his Christian God.

It is this belief in a higher presence, a greater good, that enables us all to achieve notable things in life.

Bestowing upon me an award named for Saint Thomas More is the greatest honor I can conceive. To be mentioned in the same breath with this saint, scholar and truly great human being is overwhelming.

Like Thomas More, I too have searched many times deep within myself—during 28 years in the U.S. Congress—for answers to seemingly unanswerable questions.

It was my belief in the goodness within others and a confidence in my own abilities that helped me rise to the challenges of political office.

And it was a belief in God that made the toughest times bearable.

The inner cry for good is not always easy to answer and, as Sir Thomas More demonstrated, can exact a heavy price.

As a national legislator, I am often called on to make decisions that affect literally millions of people.

Those decisions, and there have been so many over the past 28 years, don't always come from experience or position papers or

from staff experts—or even from common sense.

Most times those decisions come straight from the heart.

I remember many long walks alone through the empty halls of the Capitol in the early hours of the morning searching for answers.

There was one particularly tough dilemma, in my second term, during President Kennedy's first year as President. The Rules Committee was controlled by conservative Southern Democrats and Republicans who were bottling up President Kennedy's legislative agenda.

He wanted to enlarge the Rules Committee so he could get his legislation to the House floor. It became a party issue with the coalition of Southern Democrats and Republicans against the expansion.

In those days, young Congressmen kept their mouths shut and did what they were told to do. Taking a stand on this particular issue—voting my conscience—would cost dearly.

I went to bed very late that evening, genuinely perplexed about what I would do on the House floor the next morning. I hardly slept at all and I got up very early, still tossing the issue over and over in my mind.

But on the walk from my office to the Capitol, that morning, I stopped for some reason at the reflecting pool near the west entrance. The morning sun was bright, the air still, and I could see my reflection clearly in the shallow waters of the pool.

What I saw went beyond the reflection in that pool to the very essence of my being. And I could see, at that moment, the answer to my quandary.

Something about that moment—something spiritual brought a new understanding, unleashed that inner strength that I had searched for. And I knew what I had to do—vote my conscience. I, and a handful of Republicans, voted to enlarge the Rules Committee and the rules were changed.

Thomas More showed us all that there is no accomplishment, no success, no achievement without undying belief and inner strength.

During an outstanding career which included positions as Henry VIII's Lord Chancellor and Speaker of the House of Commons, Thomas More maintained a spiritual devotion above all else.

That devotion guided him in his decision to turn from his king rather than compromise what he believed was just. Faced with a choice between allegiance to his king or his God, the choice was clear.

Thomas More's final words on the scaffold July 6, 1535 were "the king's good servant, but God's first."

I have to say that in spite of all the stories we know about Thomas More's spiritual integrity, what sticks in my mind is one almost insignificant little tale. As a young man, Thomas More fell in love with a beautiful woman. The problem was that she had an older sister who had not yet married and, as was the custom of the time, it was an embarrassment for the older sister not to marry first.

Because Thomas More didn't want to embarrass the older sister, he steered his affections toward her instead and later took her as his wife.

This act didn't change history and, isn't the stuff legends are made of, but it demonstrates what was in this man's heart. He was a kind man—always thinking about how his actions would affect the lives of others.

When I came to Boston College from the South Pacific, where I was stationed during World War II, I thought I had seen it all. But my years at BC and Boston College Law School taught me different.

During my years here, I learned about justice, teamwork, enterprise and gained the all-important ability to believe in myself. I learned how to seek good in bad situations, and how to find strength when I felt weakness.

I owe a special debt not only to the school but to three wonderful men who guided me along while I was here. And believe me, they had their work cut out for them.

Father Stephen Mulcahey, Dean of the College at the time, gave me my first big chance. He really took a gamble accepting me from a vocational school with experience as a machinist and a tour of military duty under my belt.

But during my years here he became a confident, friend and advisor to whom I turned in many times of indecision.

And there was Father JFX Murphy. Without his help, I just couldn't have made it.

One of the preconditions of my acceptance at Boston College, you see, was that I take four months of tutorial studies.

Father Murphy and I burned a lot of midnight oil over the Latin texts those four months but those long hours we toiled in St. Mary's Hall went far beyond Classics. The lessons he taught lasted a lifetime.

And I'll never forget the chance Father William J. Kennely gave me during my first year at the law school.

I had injured myself playing football and the class work and jobs just never seemed to end.

Those classes at 18 Tremont Street—with no air conditioning, sirens screaming, James Michael Curly yelling at the top of his lungs from the streets outside—seemed to go on forever.

Well, I ended up with a "D" in Professor O'Reilly's Future Interests course and Father Kennely took me aside one day.

"Silvio," he said, "I think you ought to consider another law school."

I looked him in the eye and told him that if I couldn't graduate from Boston College Law School, I didn't want to go on to any other.

I had been living in a ratty, roach-infested old boarding house for $5 a week down at 7 Bullfinch Place behind the Old Howard and hitchhiking home to Pittsfield on weekends to be with my wife Corinne and two children.

I had tended bar in Pittsfield on weekends, sold Christmas cards, and painted houses just to scrape by. I had forgotten what sleep was.

The work load, the responsibility and the pressure—everything—came to a head that afternoon in Father Kennely's office and I knew, then, that if he would just give me one more chance I could achieve anything.

I told him that if he let me stay I would make the school proud of me one day.

Father Kennely must have believed me because he gave me that second chance. I ended up graduating in the top third of my class and, as you have shown me today, I made good on my pledge.

Father Kennely and I became such good friends I even sold him on the idea of adopting a Boston College Law School class ring and ended up designing the shank for the ring, myself.

Boston College Law School educated me in matters of jurisprudence, but more important, it taught me to be a good, strong person.

As I stand here today, I can't help but think of Thomas More in his Tower of London cell 452 years ago looking out the window as spring breathed new life into the countryside.

Sir Thomas More was just a man that sunny May afternoon four-and-a-half centuries ago when he made the decision to die for what he knew was right.

He was just a man when he denied his King, he was just a man when the axeman spilled his blood, but he is a noble spirit today—a martyr to the Catholic Church and our Christian God—a rare example of belief in a greater good.

I have tried to be an example of what is good in government and what is good in the American legal system.

Decisions have not always been easy and I'd be lying if I said I wouldn't like to make some over again.

But what I can say in all truthfulness, is that I believed in what I was doing then as I believe in what I am doing today.

As the lone Republican in the Massachusetts delegation, I think you all understand the unique pressures I face on a daily basis as a party leader.

Boston College Law School helped me find strength within myself and helped define my belief in a greater good. And for that I will always be grateful.

Thomas More once wrote, "Only God beholdeth the heart." That may be true, but I'll tell you, Boston College Law School will always hold a special part of mine.

Honoring me here today in the name of a man made saint by my Church—a spirit that has transcended time as a symbol of glorious devotion and inner good—is a gesture I will treasure until the day I, too, pass to God's grace.

It is with humble, sincere thanks and great honor that I accept this award today. I owe a great debt to this institution and feel so very proud that you feel I have served your heritage well.

Your gesture is one I shall never forget.

Thank you all—from the bottom of my heart.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

RECESS UNTIL 2 P.M.

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 10:45 having arrived, the Senate will now stand in recess until 2 p.m.

Thereupon, at 10:45 a.m., the Senate recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. WALLOP].

□ 1400

PHARMACEUTICAL EXPORT AMENDMENTS OF 1986

The PRESIDING OFFICER. Under the previous order, the hour of 2 p.m. having arrived, the Senate will now resume consideration of S. 1848, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1848) to amend the Federal Food, Drug, and Cosmetic Act to establish conditions for the export of drugs.

The Senate resumed consideration of the bill.

Pending:

(1) Metzenbaum Amendment No. 1948, to amend section 412, of the Federal Food, Drug, and Cosmetic Act, relating to requirements for infant formulas.

(2) Metzenbaum Amendment No. 1949, to require the Secretary to enter into agreements to obtain information about the export of drugs.

(2) Metzenbaum Amendment No. 1950, to require that the same conditions apply to the export of antibiotic drugs as apply to other drugs.

AMENDMENT NO. 1948

Mr. METZENBAUM. Mr. President, I have an amendment pending at the desk, and that amendment has absolutely nothing to do with the U.S. export of unapproved drugs. But this is an issue which, for too long, has badly needed the attention of the Senate—the safety and the purity and effectiveness of the baby formula consumed by this Nation's infants.

The amendment I have offered, I am pleased to say, is cosponsored by Senator GORE and Senator SARBANES. Senator GORE, it will be recalled, was a leader in the House when that body first passed legislation in connection with the whole issue of infant formula.

The amendment now pending before us strengthens the Infant Formula Act of 1980, a law which was supposed to ensure that defective and, indeed, life-threatening infant formula would never again reach the grocery shelves.

Many Members of this body will recall that the Infant Formula Act was a bipartisan congressional response to a tragic incident, which jolted us into the awareness that we were not doing everything that we could to protect the lives and health of newborn babies.

It is with great disappointment, therefore, that I stand here today and say that the Infant Formula Act of 1980 is crippled—crippled, Mr. President, by weak regulations which allow baby formula to leave the factory without adequate testing for the safety and wholesomeness of the product. How can anybody justify that kind of situation? These regulations, Mr. President, leave this country's children vulnerable to the same type of tragedy that was experienced in 1979.

In 1979, the Syntex Corp., at that time a major manufacturer of baby formula, produced and sold a formula which subjected infants to what was later described as "a unique form of malnutrition."

There were 20,000 babies exposed to this defective formula. Some died. Some will suffer the formula's harmful effects for the rest of their lives.

So we responded with the Infant Formula Act.

What a wonderful day it was when we were at the White House and the little children were there with us. I am sorry to say that some of those little children were the very ones that had been adversely affected by the use of those infant formulas. But the fact is that they were there.

President Carter, I recall, took one child on his lap and said, "Here's the red phone. You can call Mr. Brezhnev."

It was a day of excitement, because we knew we were doing something right.

During the last days of the Carter administration, FDA wrote regulations to accompany this new law. The regulations were carefully crafted and quite detailed.

Problem solved—case closed, right? Wrong. Wrong, I am sorry to say, because those regulations were never put into effect. A new draft was produced. When those regulations were unveiled, it was quite apparent that the effectiveness of the Infant Formula Act had been gutted—totally reversed in its impact.

Let me quote from an internal memo by an FDA attorney which was uncovered by congressional investigators:

The FDA official called the rewritten regulations "hardly recognizable" and he stated that if a court challenge of the regs were made, "the agency [FDA] would probably lose." Those are his words, not mine.

The FDA lawyer went on to add that the new regulation "incorporates most changes desired by the industry * * * It seems very unlikely that any industry group will complain about the current draft * * *." And he was right.

That is not all. He continued:

Substituting general standards for specific rules has so altered the proposed regulation that the two drafts cannot be meaningfully compared section by section.

So now the new FDA had new regulations that met a curious criterion: Industry groups would not complain.

FDA's redrafted regulations said:

Each manufacturer may establish a (quality control) system that best suits its own needs.

Can you believe it? Can you believe that each manufacturer was to be permitted to establish its own quality control system that best suits the needs of the child? Oh, no. That best suits its needs.

But what about meeting the needs of infants? FDA Commissioner Arthur Hull Hayes, Jr., dismissed those concerns by saying:

We do not believe that the slight additional public health benefit that may be gained by adopting a very detailed rule can ge justified in view of the significant additional costs of such a rule.

I would say to Arthur Hayes, who is no longer at the FDA: "Mr. Hayes, I don't know if you have any grandchildren; but if you had grandchildren, you would be concerned about what the little babies are ingesting, and you would not be so ready to talk about the slight additional public health benefit that may be gained by adopting a very detailed rule if it were your grandchild who was involved and possibly put in danger of its life or the kind of future life it might have, assuming that it lives."

There you have it. The FDA Commissioner came up with some half-baked cost/benefit analysis and the babies lost out to the lobbyists. That is all this amendment is about.

Where does all this leave us today in terms of the safety of baby formula? In spite of a law which could have kept even a single defective can of formula from reaching consumers, well over 3 million cans of dangerous formula have had to be recalled. Why? Because inadequate testing allowed bad formula to leave the manufacturing facility and end up in our homes.

Do you hear that? Three million cans of dangerous formula have had to be recalled.

The amendment offered by Senator SARBANES, Senator GORE, and myself simply sets up the kind of quality control system that we voted for in 1980. It plugs the holes in the current regulations and will make parents secure in the knowledge that the formula they give their babies has been tested and is safe.

This amendment is quite similar to a bill which I introduced on January 24, 1985.

The provisions of the amendment are as follows. I want to repeat that this amendment, in all candor, is not directly in point with respect to the drug export bill. But we needed an opportunity to present this issue on the floor of the U.S. Senate, and it has nothing to do, actually, with the drug export issue. However, it is important enough and it is related enough, when we are talking about health concerns of children, that it belongs in this bill. But it is not directly in point with respect to the drug export bill.

What does the amendment provide? It provides:

First, each batch of infant formula must be tested for each essential nutrient before distribution to make certain the formula is free of harmful or unsafe substances.

Second, infant formula samples would be periodically tested throughout the formula's shelf life.

Third, each manufacturer must retain the records pertaining to the production of infant formula for 1 year after the expiration date, so that FDA investigators can act quickly in the event of an accident.

Fourth, each manufacturer must maintain a file of complaints concern-

ing their products and make that file available to the FDA.

Fifth, new infant formulas would not be introduced on the market unless an application has been submitted to FDA and approved by the Secretary of Health and Human Services.

That is the guts of the amendment. You could not introduce a new infant formula on the market unless you made an application to the FDA and it has been approved by the Secretary of Health and Human Services.

Sixth, FDA would be given a stronger role in a recall of a defective formula because, even though it had been tested, it is very possible it could go into the marketplace and be found to be defective. Today, FDA must convince the manufacturer to voluntarily recall the product.

The children are ill. They are suffering. They are getting sick. Some may be dying. And under today's regulations the FDA must go to the manufacture and say, "Please, Mr. Manufacturer, won't you voluntarily recall the product," because FDA has no authority to recall an infant formula no matter how dangerous.

Last, in the event of a recall, a notice would have to be posted at the point of sale in order to better warn parents.

Mr. President, that is the totality of the amendment. It simply requires manufacturers to test the infant formula they produce before they ship it for distribution. That is not much to ask, considering what we are risking today.

I wish to point out to my colleagues that the provisions of this amendment are much less detailed than the FDA's original proposal. But if adopted, at least we would know that every batch of formula has been checked for nutritional content and is free of contaminants.

Each Member of the Senate yesterday received a letter from a group called Formula.

The founders of this group, Lynn Pilot and Carol Laskin, know about the dangers of unsafe baby formula through their own tragic personal experience—their two boys were harmed by a defective formula.

They stated in that letter:

> We believe these amendments will provide protection for our nation's most precious resource—our children.

And they say:

> On behalf of all parents, we strongly urge you to support these infant formula amendments.

Let me demonstrate exactly the kind of risks we are taking, Mr. President. In January and February of 1982, Wyeth Laboratories produced an infant formula that contained absolutely no vitiamin B-6. A mistake was made in the mixture of the formula, but the company's quality control system did not catch it.

According to the FDA:

> Wyeth failed to exercise reasonable supervision to ensure proper handling of raw materials * * * Wyeth allowed poor raw material handling practices to develop and continue without adequate controls thereby creating an environment conducive to errors * * *.

That is the language of the FDA.

So 4 million bottles of baby formula were produced without vitamin B-6—a situation that threatened to cause serious health consequences or death.

FDA said.

> The total absence of vitamin B-6 in the diet of an infant for more than a few weeks may cause convulsions and, in more serious instances, brain damage. A vitamin B-6 deficiency represents a severe hazard to infants who receive formula as a sole source nutrition.

By accident, Wyeth discovered the B-6 problem but not before 2½ million bottles were distributed nationwide. According to FDA investigators, if Wyeth had not made this fortuitous discovery, its infant formula products could have had catastrophic consequences.

Mr. President, Wyeth has not been the only manufacturer to produce defective formula since 1980. Companies like Mead Johnson, Abbott Ross, and Gerber have also failed to catch harmful baby formula before it hit the stores.

Yesterday, I read part of the letter from the formula group that I just mentioned a few moments ago, and I listed about 12 separate instances where defective formula had been put into the marketplace by a large number of companies, and I am sure the CONGRESSIONAL RECORD will speak for itself as to each of the instances and the amount of defective formula that has been put into the marketplace.

Mr. President, we worry so much today about tampering of consumer products, and yet we are not doing everything we can to make sure that baby formula is wholesome when it leaves the plant. That is absurd.

In a 1983 incident, another manufacturer of infant formula had private laboratory results confirming that its product was defective. Listen to this. But the company went ahead and authorized the sale of the formula anyway.

And despite the fact that FDA had information that the formula was defective on August 5, 1983, the recall did not get started for over 2 months! Why? Because FDA recall regulations are completely inadequate.

Mr. President, I am certainly not the only one concerned with the current situation. At a conference on infant formula last year, an FDA official noted that a total of five infant formulas had to be recalled in the preceding year, and explained that "poor quality control resulted in the marketing of a hazardous infant formula."

He went on to say that FDA is worried because "some quality control plans seemed to be poorly organized in an overall sense. This, of course, makes it more difficult for us to make accurate assessments of the job that manufacturers are doing to assure that nutrient requirements are being met."

That statement alone ought to be enough to convince us that we are walking a tightrope with respect to the lives and health of America's infants. The fact that we allow baby formula manufacturers to get away with sloppy safety procedures is absolutely unacceptable.

If we do not do something more to strengthen the regulations of the Infant Formula Act, we will see another infant formula disaster. It is as simple as that.

Why should we wait for another disaster before we are compelled to act? Too often, Mr. President, we find ourselves reacting to a tragedy, rather than acting to prevent a tragedy.

Mr. President, there is simply no margin for error in the production of baby formula. An infant relies on the formula to sustain life and provide the proper nourishment at a time of rapid physical and mental development.

It is time to end FDA's policy of "let the baby beware" and instead to institute the safeguards our children deserve.

I want to repeat to my colleagues that this amendment is not directly in point with respect to the drug export bill. But I believe it to be so urgent and so much a matter of an emergency that I deemed it appropriate to offer it on this bill.

I say to my colleagues in the Senate that if you have any children, or if you have grandchildren, and if you are concerned about their health, if you are concerned about what is going in their little bodies, then I cannot see any reason that anybody can justify voting against this bill.

I would hope, frankly, that my colleague who is managing the bill, from the State of Utah, Senator HATCH, would see fit to accept this amendment. This amendment is right. To vote against this amendment is to vote against the infants born today and tomorrow and in our future. Please do not let them down.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

□ 1420

Mr. METZENBAUM. Mr. President, I wish to say to my colleague from Utah, just as soon as he has concluded his remarks I am prepared to vote.

Mr. HATCH. Mr. President, as I indicated in my remarks yesterday, the first problem I have with this amendment is that it has nothing to do with pharmaceutical export amendments of 1986. It relates to an entirely different subject area, that of infant formula, and would require the Members of this body make judgments on matters for which they cannot have been well briefed. It seems to me that we have our hands full with the 20 or more amendments by the Senator from Ohio which do relate to the subject matter of the bill, without trying to shift our attention to another portion of the Food, Drug and Cosmetic Act.

More importantly, this amendment is the subject of legislation, S. 265, which has not been heard in committee and has not received a vote by committee members. As chairman of that committee, I object to its being considered as an amendment on this bill. This is not merely a matter of form. As my comments will being out, the issues raised by this piece of legislation are complex and important, and involve scientific evidence and judgment on that evidence which should not be made in the first instance on the floor of the Senate looking at final passage.

For reasons which I will spell out, the Food and Drug Administration will not support this proposal.

There is no reason to change current law. FDA feels the Infant Formula Act of 1980 is working well and has been no evidence that supports change.

Since the passage of the Infant Formula Act of 1980, there have been no known cases of infants in the United States who have been adversely affected by nutrient deficiencies in infant formula. Unlike the preenactment era, problems that have occurred have been resolved quickly with no harm.

Since 1980, there have been eight infant formula recalls. Three involved established manufacturers of infant formulas. The first of these, which occurred before the quality majority of cans of infant formula that have been recalled since the passage of the Infant Formula Act of 1980. This recall involved a quality control failure that presumably would have been detected and corrected under the testing requirements in the current regulations. The second recall involved a reduction in shelf-life potency that was detected and dealt with by the manufacturer before the nutrient levels fell below the minimum levels allowed by the Infant Formula Act. The third involved a deficiency in a permix that had been certified as being free from any defects by the premix supplier. The deficiency was caught quickly enough to prevent undue exposure to any infant.

The remaining five recalls involved aspiring manufacturers of infant formula or foreign manufacturers whose products recently appeared in U.S. territory in the Virgin Islands without prior notification to FDA. The aspiring manufacturers generally disregarded the requirements of the Infant Formula Act and presumably these recalls would have been necessary under the Senator's amendment as well as under current law. The foreign products may have reached U.S. territory from another island in the area without the knowledge of the manufacturer.

In addition, to these product recalls, there has also been an unusual recall of literature involving a Japanese soy-based product that was not labeled as being an infant formula. Literature associated with the product suggested that it could be useful as an infant formula for infants who had feeding problems with milk. A child in Canada reportedly developed rickets and other nutritional deficiency problems as a consequence of these representations: FDA was able to obtain a recall of the literature. But again, it is doubtful this kind of occurrence could be prevented by new legislation.

In summary, the Federal regulation of infant formula appears to be working. FDA has not been able to identify any systemic problems in the existing regulatory framework that would require the substantial modifications proposed by the Senator's amendment.

PREMARKET APPROVAL

The current system under the Infant Formula Act is one of notification by manufacturers to FDA. This amendment would replace that system with a premarket approval requirement. Make no mistake—this is a major legislative change. This premarket approval system is much more time consuming and burdensome and consumes much more agency and industry resources. FDA does not feel that it would be able to live up to the time lines set forth in the amendment, and based on its record in the new drug area I would have to agree.

More importantly, we recognized the potential impact of such a system when we specifically rejected the Federal pre-clearance of infant formula, in favor of the current notification requirement, during our consideration of the Infant Formula Act of 1980. The Labor and Human Resources Committee report on that act concluded that:

> The notification requirement . . . will go far to assure consumers a reasonable standard of safety while not unreasonably burdening the industry through a potentially cumbersome system of marketing clearances.

We are now asked to take the step that we rejected then. To justify such a change, there should be some compelling reason, but FDA has stated:

> Our experience so far, however, has not revealed any deficiencies in the existing notification system that would require a premarket approval system to correct.

Let me just take a few minutes to talk about the requirement of testing every batch in its finished form for every nutrient. FDA's current testing regulations are grounded in reason and common sense. They recognize that there is no virtue in testing for testing's sake. They require that each batch of infant formula be analyed for all but 6 of the 29 statutorily required nutrients, either at the raw material stage, the in-process stage, or the finished product stage. The other 6 nutrients must be tested for only at 3-month intervals.

However, there have been no documented cases—ever—of deficiencies in normal infants of biotin, choline, and inositol, three of the nutrients. And vitamins D, and K, two of the others, are well-retained in the human body. Finally, the vegetable oils now used as fat sources are rich in linoleic acid, the final nutrient. This, combined with the lack of product deficiencies with these nutrients over the past few years, convinces FDA that current 3-month testing requirement for these nutrients is adequate. On the other side of the coin, analyses for these nutrients are unusually time consuming and expensive, and would increase the price of the infant formula, and that would be very, very tragic for millions of low-income people all over the world, especially since there is no reason to put them through this and there is no reason to have this type of added expense.

Further, testing the formula at the finished product stage would require the manufacturer to warehouse the entire product batch during testing at considerable expense, since some of these tests take months, and that expense would inevitably be passed on to the consumer.

QUALITY FACTORS

The amendment would require the Secretary to issue regulations establishing quality factors for all the required nutrients. This amounts to a mandatory setting of standards for bioavailability. Bioavailability of nutrients in infants is a far different and more variable matter from bioavailability in new drugs, for example. The scientific community has never accepted standards for bioavailability of these nutrients, with the sole exception of protein. And FDA has issued a quality factor for protein. In short, the Infant Formula Act of 1980 gives the Secretary discretion to establish quality factors, and the Food and Drug Administration has remained sensitive to that authority, using it when it became appropriate. But there is no sense in forcing the Government to set standards which are still matters of scientific uncertainty. The important thing is that it is known that some forms of nutrients are more bioavailable than others, and that all infant formula

manufacturers are using the most bioavailable forms available. Thus I don't see what improvement the adoption of this amendment would bring for our children.

What we do not need at this time is new legislation that has not been tested by the committee process for products that literally have been covered by legislation passed just 5 years ago, legislation that is working very, very well, legislation that is protecting infants all over the world, and legislation which protects them at the most reasonable cost.

Now, the Senator, of course, feels very deeply about these type of amendments and I think he does feel deeply about labeling and many things that he argues about. Sometimes he is right. In this particular case, he is not right. We should not have to amend the 1980 act at this time on this bill when there have not been hearings and there is no evidence that it needs to be amended, other than the Senator's feelings.

To be frank with you, this is not the thing to do on this particular bill. So, with that, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HATCH. Wait just a second. Let me withdraw that.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The motion to table is not debatable.

Mr. METZENBAUM. Mr. President, I understand that. But I am going to ask my colleague to not go forward with the motion to table. He has just spoken and I want to respond to his remarks.

Mr. HATCH. Of course. I withdraw my motion to table.

The PRESIDING OFFICER. The motion is withdrawn.

Mr. METZENBAUM. Mr. President, the chairman of our committee, Senator HATCH, made the point that there have been no hearings and because there have been no hearings it is inappropriate that we go forward with an amendment of this kind. But let me point out to my chairman that on July 20, 1983, I, Senator KENNEDY, Senator JENNINGS RANDOLPH, Senator CLAIBORNE PELL, Senator DONALD RIEGLE, Senator SPARK MATSUNAGA, and Senator CHRISTOPHER DODD wrote to him asking for hearings. At that time, we said:

> As members of the Labor and Human Resources Committee, we urge you to convene oversight hearings on these regulations as a matter of urgency.

That was in July of 1983.

If that were not enough, in August of 1983, I wrote again to the chairman of the committee in which I said:

> I would like to inform you that there is yet another recall of adulterated infant formula underway of vitamin-deficient Soyalac powder, milk-free fortified formula for infants.

I went on to say:

> This incident makes my recent request for congressional hearings on all the regulations established under the infant formula bill even more urgent.

That was in July of 1983 and one in August of 1983. Two years passed and we still did not get a hearing. On April 19, 1985, I addressed a letter to the Honorable ORRIN HATCH, chairman of the Committee on Labor and Human Resources, and the Honorable PAULA HAWKINS, chairman of the Subcommittee on Children, Family, Alcoholism, and Drug Abuse.

At that point I said:

> Last Sunday, the Food and Drug Administration announced that an infant formula known as "Kama-mil" was being called off the market. FDA, which only became aware of the existence of this formula through an anonymous source, found that "Kama-mil" was marketed without proper notification and that it contained life threatening nutrient deficiencies.

My letter goes on to say:

> I am again requesting that a hearing be scheduled on the current infant formula regulations and on my proposed amendments as soon as possible. More immediately, I urge you to schedule a hearing—either at full Committee or before the Subcommittee on Children, Families, Alcoholism, and Drug Abuse—on the current recall situation, in order to explore the reasons FDA officials have been unable to act swiftly in this matter. As you may know, this is not the first recall of defective formula since passage of the Act. Prior to the current "Kama-mil" recall, three million cans of formula had to be seized.

Certainly we have been pressing the chairman for a hearing on this issue. Certainly he can make no argument that we have not requested a hearing. We not only requested a hearing, but we have gone back to him time and time again but to no avail. So I have no alternative but to offer this amendment to this pending piece of legislation.

Let me summarize in one sentence. If you are concerned about the babies of your children and grandchildren, and all the babies that are being born every day of the week in this country, then you cannot afford not to vote for my amendment.

I believe the issue is are you concerned about the health of children, or babies, or are you not? I believe the Members of this body are concerned and are not going to play twiddle-dee, twiddle-dum as to whether or not there was or was not a hearing. We sought a hearing. We could not get a hearing. We sought a hearing three separate times and could not get a hearing.

Think about the babies and quit worrying about the process. I think that is all the issue is about.

Having said that, let me say to my colleague from Utah, I have indicated a willingness to proceed forward promptly with respect to a number of amendments that I have offered today. I would hope that he would see fit not to offer motions to table, and that we might have an up or down vote. I do not intend to drag out the debate.

I am prepared to vote immediately.

Mr. HATCH. I say to my distinguished friend from Ohio I will have to move to table most of these amendments, however, at the request of a number of Senators.

Let us be honest about it. There has been basically no reason whatsoever to hold hearings on this issue because there have not been any problems or any injuries. In the Kama-mil case, the distinguished Senator from Ohio says Kama-mil was marketed in defiance of the 1980 law. That would have happened if the Senator's amendments were passed. If current law had been followed by the Kama-mil manufacturers, there would have been no problem. If this amendment had been law, it would have made no difference. It would not have protected any infants.

The fact of the matter is this amendment is another attempt by somebody who desires overregulation by the Fedeal Government.

That is why we saw no need for a hearing on this legislation. It would not have corrected the problem.

If the Senator can bring up good illustrations which the FDA agrees with—and they have investigated and are investigating every one of these things—of course we will hold hearings on it. But he has not been able to do that so far. The FDA has been opposed to this type of overregulatory conduct.

So again, this comes down to are we going to regulate people into the ground or are we not? Are we going to escalate the costs, or are we not? I think it is time to get to what this bill is all about and not bring up red herrings that really have no reason to be here on the floor of the Senate at this time.

The fact of the matter is I do not know of any case—other than a couple which as the Senator has explained the FDA is investigating—and neither does FDA know of any case where infants have suffered as a result of formulas except those where current law was ignored, and those eight infant formula recalls since 1980.

Mr. METZENBAUM. Mr. President, will the Senator yield? Do we have to wait until the children suffer?

Mr. HATCH. I think we have to have more than the Senator's visceral instincts before we start regulating, and adding to the cost of infant formula.

Mr. METZENBAUM. Is the Senator aware that Mead Johnson had two recalls of over 300,000 cans; that Wyeth Labs, Inc., had two recalls of over 3.3 millions cans; that Sunrise & Rainbow had a recall of 6,935 cans; that Loma Linda Foods had recalls of 272,768 cans; that Ross Labs had 5,184 cans recalled; that Gerber Products—the famous Gerber Co.—had 74,000 cans recalled?

Mr. HATCH. Each one of those examples are examples of how the current law works to protect infants. We have had eight recalls since 1980, and every one of those has been recalled pursuant to this law of 1980. Does the Senator want to add to the overregulatory infrastructure of that law?

Mr. METZENBAUM. These were on the market and being sold.

Mr. HATCH. I described each one of those eight recalls accurately.

Mr. METZENBAUM. Fortunately, no children suffered by reason of using those formulas.

Mr. HATCH. That is right. Not a one.

Mr. METZENBAUM. But the fact is they could have, and I am saying what we ought to do is have testing of the product before it goes into the marketplace.

I have difficulty in understanding my colleague and my friend as to why he would be opposed to that. I cannot believe that I am standing here debating the question of whether or not infant formula ought to be tested before it is sold in the marketplace.

I am prepared to vote.

Mr. KENNEDY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Utah has the floor.

Mr. HATCH. I am happy to yield to the distinguished Senator from Massachusetts.

Mr. KENNEDY. Mr. President, is the Senator reserving the right to move to table?

Mr. HATCH. Yes. I am reserving the right to make a motion to table.

Mr. KENNEDY. Mr. President, as Members know, I am a cosponsor of this legislation with my good friend from Utah. But I must say on this particular issue of the infant formula I have to part company with him. What has happened both here in the United States and around the world has been a subject matter which has been before the health committees of this body over a period of probably some 15 years.

Senator METZENBAUM makes a strong case of support for action going back to 1980, and a very clear indication that the membership of this body, and also over in the House, felt that there should be strong remedial action. That legislation was really never implemented in ways that it was intended I believe by the House and the Senate, particularly those that follow this issue with great interest.

Now we have some dozen different examples since 1981 where there have been problems. Those have been referred to in the earlier debate and discussion. The response is made, well, that really shows that the legislation is working since we have found these particular instances where there have been difficulties and there have been problems. I will submit the list of marketing of defective formulas despite the passage of infant formula law, and the various occasions or dates when the problem has been detected.

The purpose of this amendment is to avoid these kinds of instances. One can say the law is working because we have been able to detect it. The Metzenbaum amendment is to avoid these kinds of occasions in the future. It is his best judgment, and one with which I agree, that the proposal and the regulation would address certainly the kinds of problems that have been outlined and have been identified since 1981.

I know the point is made that it is effectively overkill because there will be testing of various nutrients in these various programs. But I believe that is an essential aspect of the protection for the consumer, and particularly the most vulnerable consumer in our society; that is, the infant. Therefore, in this instance we certainly want to err in terms of protection of those individuals.

So this amendment has merit. I think we are talking about providing important protection for individuals who are really the most vulnerable. Many of us are aware of a number of industries in the profession that are using the kinds of standards which are basically included in the Metzenbaum amendment to ensure that their products are not going to be subject to any type of abuse.

□ 1440

Mr. President, I hope that this amendment is not tabled and that it will be accepted. It strengthens the entire legislation.

I thank the Senator from Utah.

Mr. HATCH. Mr. President, I will reiterate that since 1980, and I appreciate the feelings of my colleagues about this, there have been eight infant formula recalls. Three involved the manufacturers of infant formula. The Senator from Ohio has listed them.

As I say, the first of those occurred before the FDA issued its quality control regulations, which accounts for the overwhelming number of cans of infant formula that were recalled since the passage of the Infant Formula Act of 1980. That recall involved a quality control failure that would have been detected and corrected under current testing and regulatory requirements in the current regulation. There is no question about that.

The second recall involved the reduction of shelf life potency. That was detected by the manufacturer, itself, and it was detected before the nutrient levels fell below those allowed by the Infant Formula Act.

So the infants were protected and would have been protected under that act itself.

The third involved a deficiency in a premix. That premix had been certified as being free from any defects by the premix supplier. The premix difficulty was caught quickly enough to prevent any undue exposure to any infant and caught under the law of 1980.

The remaining five involved new, domestic manufacturers or foreign manufacturers whose products recently appeared in our U.S. territory in the Virgin Islands without prior notification of the FDA. These manufacturers disregarded the requirements of the Infant Formula Act.

Those recalls would have been necessary under current law, but they also would have been necessary under the Senator's amendment.

Foreign products may have reached U.S. territory from some other island in the area without the knowledge of the manufacturer. There was an unusual recall involving Japanese soy-based product. It was not labeled as being an infant formula. The literature said that it could be used as an infant formula as a substitute for milk products if infants were having feeding problems with milk.

A child did develop rickets under the nutrient deficiency problems, but FDA was able to recall the literature under existing law. Again, it is doubtful if that kind of occurrence could have been prevented by the new legislation, certainly by the amendment of the distinguished Senator from Ohio.

So this amendment would not add anything to any of these instances which are the only instance which, to the knowledge of FDA, have occurred. FDA does not feel that it needs this added regulatory burden that the distinguished Senator from Ohio, and I take it the distinguished Senator from Massachusetts, would like to have. The FDA has not been able to identify any real systemic problems in the existing regulatory framework that would require the substantial modifications that the Senator is asking for in his amendment today.

We could ask for more and more regulations on anything. But the question we need to ask ourselves is how necessary the additional regulations would be. I agree, if the system is not working, if it has not been working well, if there are indications that it is not working well, we need to correct the situation. But to add another regula-

tory burden which the FDA says it does not need at this time does not contribute anything.

Mr. METZENBAUM. Mr. President, I am prepared to vote. Is there some reason that the Senator is not prepared to vote at this point?

Mr. HATCH. I understand there are a number of Senators at the White House right now. The Secretary of the Senate has asked me to wait a few more minutes.

Mr. METZENBAUM. I have no objection to doing that, but I want to say to my colleague I tried to be cooperative. I did not bring up any amendments this morning, as I wanted to do. I have tried to move this matter forward promptly. I have a number of additional amendments that I want to bring up. I do not want to be crowded for time on the basis that somebody wants to get away.

Mr. HATCH. I share the viewpoint of the Senator from Ohio. He has been very cooperative. We do want to accommodate him on these amendments. Can we temporarily set it aside and wait for Senators to return from the White House and move to the next amendment? Why not go to the second amendment?

Mr. METZENBAUM. Does my colleague think if we start the rollcall they might not be back before we finish?

Mr. HATCH. I would prefer not to start the rollcall. Why not temporarily lay this one aside?

Mr. METZENBAUM. The Senator from Tennessee has just entered the Chamber. He has been involved in this very actively. I yield to him.

Mr. GORE. Mr. President, I appreciate this time to speak on the Metzenbaum amendment. I want to express my strong and unequivocal support for this amendment. As the principal sponsor of the Infant Formula Act in the other body during the last Congress, I spent many hours looking at the nature of this problem we are trying to remedy.

Along with the Senator from Ohio, Senator METZENBAUM, I took some pride in the bill itself and had some hope that its provisions would protect some of our most vulnerable citizens against a problem that had arisen far too many times in the past. That is, poor quality infant formula being made available on a mass distribution basis and then severely hurting the health of thousands and thousands of infants throughout the country.

We passed this legislation and expected that the administration would implement it in good faith. Unfortunately, those hopes were not justified because after the law went into effect, the administration, for a long time, refused to implement the law.

A long time after it passed, about a year, it had still not been implemented, and another incident took place of thousands of cans of defective infant formula distributed widely throughout the country. In this particular instance, the defect involved was one identical to a defect which had occurred some 20 years earlier affecting the same company.

As a result of that earlier episode, there are many, many young people in their 20's in this country who have severe problems in speaking, in moving, severe brain damage. We know the results of the particular deficiency that was involved.

The Commissioner of the Food and Drug Administration at that time came before the Congress and testified under oath that if the Infant Formula Act had been implemented, then this incident would never have occurred. The law would have prevented it from taking place and those infants would have been protected.

Well, the day after the hearing at which that testimony took place, the FDA finally signed off on regulations implementing the law. Some people again breathed a sigh of relief. But once again, Mr. President, hopes invested in those regulations did not proved to be justified because upon closer examination it became apparent that the regulations promulgated changed the intent and thrust of the law very significantly, and deprived the law of its intended impact. It made it very difficult for those enforcing the law to really accomplish the purposes of the act, namely, to protect infants consuming formula in this country.

□ 1450

So what does the Congress do? It is a classic problem. If the Congress passes a law and the administration charged with faithfully executing that law refuses to implement it and then belatedly implements it in a fashion which frustrates the intent of Congress and removes from the law its real effectiveness, what remedy is there?

Where, there is only one effective remedy, and that is for the Congress to come back, amend the law, and make it work the way it was originally intended to work.

There are some problems with that because ideally in our system the legislative branch and executive branch should work in partnership, each bringing its own unique strengths to that partnership and allowing our laws to work not only with effectiveness but with sensible flexibility as well.

Where the administration failed in the discharge of its duties, the Congress must be more specific in spelling out exactly what needs to be done. The amendment offered by the Senator from Ohio accomplishes this purpose. It would fix the law and make sure that it serves the purposes it was originally intended to serve. This amendment would require manufacturers to test formula for each required nutrient prior to distribution.

What is wrong with that? In the wake of this record which has been built up over the years and in the wake of the administration's failure to administrator a more flexible version of this, this is essential.

The amendment would require periodic testing of formula throughout the shelflife of the product. What is wrong with that? It should be done. Mothers and fathers of infants relying on formula want this action to be taken.

The amendment would also require manufacturers to retain production records for 1 year after the expiration date in order to aid FDA investigators in the event of an accident.

Again, Mr. President, what is wrong with that? If we have a massive defect involving a mass-produced product affecting the health and lives and safety of infants throughout this country, why not allow the food and drug investigators to have a good chance to fix it?

It would require the manufacturers to maintain a file of complaints regarding their product and make that product available to the FDA.

What is wrong with that? That is something that obviously should be done, and under this amendment the FDA would have an enhanced recall authority. We know from experience that it needs that enhanced recall authority, and new formulas would require approval, as they should require approval.

So, Mr. President, I urge my colleagues on both sides of the aisle to support this amendment strongly. It is unfortunate that the original law was implemented in a fashion which really did not reflect a good faith discharge of the duties of the executive branch, in my opinion, but regardless of what you think was the cause of the current deficiencies in the law that is on the books, you should support this amendment which would remedy those deficiencies and make the law work as it was originally intended to work. So I urge all my colleagues to vote aye on the Metzenbaum amendment.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the names of Senators KENNEDY and MATSUNAGA be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I yield the floor to the Senator from Hawaii, one of the cosponsors.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, as a cosponsor of the original law which the FDA has failed to implement and as a cosponsor of the Metz-

enbaum amendment now being considered, I rise in strong support of the amendment. What is wrong with the amendment which merely, one, requires manufacturers to test each batch of infant formula for a level of required nutrients and also to ensure that the formula does not contain any hazardous extraneous materials before the formula leaves the factory?

Two. The amendment provides for routine testing of nutrient levels during the formula's shelf life.

Three. The amendment requires all testing records for liquid and dry infant formulas to be retained for 1 year after expiration of the formula's shelf life.

And, four, the amendment establishes recall procedures for any formula which does not meet nutrient requirements or is otherwise adulterated.

Now, what is wrong with this amendment? No one can speak against the full provisions of it, and so I strongly urge my colleagues to support the amendment now pending.

Mr. METZENBAUM. Mr. President, I thank the Senator from Tennessee as well as the Senator from Hawaii for their supportive remarks. I have indicated previously that I am prepared to vote. Is the Senator from Utah prepared at this point? If not, I will offer to move this amendment aside. Is the Senator prepared to vote?

Mr. HATCH. I believe, with our colleagues still at the White House, we should temporarily set this aside and move to the next amendment. The minute we get notice that they have left the White House, we will be happy to move to table.

AMENDMENT NO. 1950

(Purpose: To require that the same conditions apply to the export of antibiotic drugs as apply to other drugs)

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM Mr. President, I have three amendments pending at the desk. I ask unanimous consent that the first and second amendments be set aside and the third amendment be called up for immediate consideration.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes an amendment numbered 1950.

Mr. METZENBAUM Mr. President, I ask unanimous consent that further reading of the amendment be disposed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 37, between lines 20 and 21, insert the following:

"(9) An antibiotic drug which is subject to certification by the Secretary under section 507 may be shipped for export only to a country described in paragraph (2) and only if the antibiotic drug meets the requirements of paragraph (3).

SEC. 4. (a)(1) The provisions of section 801(e) of the Federal Food Drug, and Cosmetic Act, as added by section 3 of this Act, shall not apply, for a period of one year beginning on the date of enactment of this Act, to any antibiotic drug which—

(A) is subject to certification by the Secretary of Health and Human Services under section 507 of the Federal Food, Drug, and Cosmetic Act;

(B) has been exported prior to the date of enactment of this Act;

(C) does not comply with the provisions of section 801(e) of the Federal Food, Drug, and Cosmetic Act, as added by section 3 of this Act; and

(D) complies with the provisions of paragraph (2).

(2) An antibiotic drug to which paragraph (1) applies may be exported if—

(A) such antibiotic drug has not been the subject of final action by the Secretary of Health and Human Services denying, withdrawing, or suspending approval or certification of such antibiotic drug on the basis of safety and effectiveness, or otherwise banning such antibiotic drug on such basis; and

(B) such antibiotic drug is not the subject of a notice by the Secretary of Health and Human Services of a determination that the sale of such antibiotic drug in the foreign country to which such antibiotic drug is to be exported is contrary to the public health and safety of such country.

(b) The Secretary of Health and Human Services may extend the one-year period for which, pursuant to subsection (a)(1), the provisions of section 801(e) of the Federal Food, Drug, and Cosmetic Act do not apply to an antibiotic drug if the Secretary determines that the manufacturer of such antibiotic drug is making a good faith effort to comply with the provisions of section 801(e) of the Federal Food, Drug, and Cosmetic Act, as added by section 3 of this Act, with respect to such antibiotic drug. Any extension under this subsection shall be for a period not in excess of one year.

Mr. METZENBAUM. Mr. President, the amendment which I have sent to the desk would include antibiotics under the provisions of this legislation. Now, currently antibiotics which have not completed the FDA approval process can be exported. This amendment would simply bring antibiotics under the protections which the sponsors of this legislation contend the present bill contains.

Mr. President, there is absolutely no reason to treat antibiotics any differently in this legislation than we treat nonantibiotic drugs. After all, we require both kinds of drugs to go through elaborate and extensive testing prior to approval in this country to determine their safety and effectiveness.

As I have said, the sponsors of the legislation before the Senate contend that the bill provides foreign consumers with protection. Why should not that protection about which they speak be offered to foreign consumers who now use unapproved antibiotic drugs?

Mr. President, there is certainly a need for protection in this area. Listen to the response of the FDA when asked how many staff are assigned to monitoring the export of unapproved antibiotics to ensure that they at least meet our code for good manufacturing practices.

Let me quote from that response:

No resources are assigned specifically to determine whether unapproved antibiotics that are exported are in conformity with the current requirements of the good manufacturing practices or to determine if a particular firm may be engaged in exporting unapproved antibiotics.

Mr. President, the FDA cannot tell us which unapproved antibiotics are being exported, which drug companies are exporting, or even whether these products meet the most basic of FDA standards—those involved in the proper manufacture of the product. We are not even discussing whether these antibiotics are safe or whether they are effective. The only current requirement is that they are manufactured according to basic standards. And the FDA has no way of knowing if this is the case.

Mr. President, the Senate is not in order, including the Presiding Officer. May I have order in the Senate, please?

The PRESIDING OFFICER. The Senate is in order.

Mr. METZENBAUM. Mr. President, although there is a dearth of information on which companies are actually exporting the unapproved antibiotics, I have been able to document one case which should give the Senate ample cause for alarm. I refer to a Bristol-Myers product with the export brand name "Uropol." It is a combination antibiotic with tetracycline, a phosphate complex with sulfonamide, and an analgesic.

□ 1500

In August of 1983, the product was ordered off the domestic market place because the FDA had decided these combinations are ineffective. According to the world health organization, "their spectrum of activity is often so wide that they have undesirable effects on the body."

But Mr. President, even though this particular antibiotic, Uropol, was ordered off the domestic market in August 1983, the manufacturer continued to export it until December of 1984.

Please understand what I am saying. We ordered it off the domestic market in August of 1983. The manufacturer continued to export it until December of 1984, more than a year after it had been removed from the domestic market.

At least the proposed legislation would halt this practice of exporting drugs which are banned in the United States.

We should ensure that this type of practice is halted. A minimal step is to bring the export of unapproved antibiotics under the provisions of this legislation. I say to my colleagues, what reason exists not to do that?

Mr. President, antibiotic use, particularly in the Third World, has become so widespread that diseases are rapidly becoming immune.

According to Health Action International, the following is an accurate profile of antibiotic use in the Third World.

When antibiotics were first developed, they were seen as a "magic bullet" that would radically change the treatment of infectious disease. Now, however, experts are worried that the golden age of antibiotics is over.

One hundred and fifty scientists from more than 25 countries claimed in 1981 that "these antimicrobial agents are losing their effectiveness because of the spread and persistence of drug-resistant organisms. Moreover, unless steps are taken to curtail the present situation, we may find a time when such agents are no longer useful to combat diseases."

Some bacteria are naturally resistant to certain antibiotics, but often resistance is acquired. Bacteria become resistant by incorporating a "resistance factor" into their genes to render the antibiotic ineffective. This can pass quickly to other bacteria. Multiple resistance, where bacteria are resistant to several antibiotics, can also be transferred from one species to another.

The inability to treat infections with the usual antibiotic of choice—or any other drug—can be disastrous. Between 1968 and 1972, an outbreak of bacillary dysentery caused by an antibiotic resistant strain led to thousands of deaths in Central America. A similar outbreak in Bangladesh, in 1973, affected 33 percent of the population of an island in Bay of Bengal over a 3-month period.

According to the World Health Organization [WHO]:

> The problem is global and is the result of widespread and indiscriminate use of antimicrobial drugs in man and animals.

The threat of infection in the Third World through poverty, malnutrition, poor sanitation, and poor housing conditions means that antibiotics have potentially a large role to play in improving health care. In underdeveloped countries, a larger proportion of the drug budget is spent on antibiotics and antiparasitic drugs than in industrialized countries: 24 percent in India and nearly 50 percent in Tanzania, compared to 15 percent in the United Kingdom, 5.2 percent in Switzerland or 4.6 percent in West Germany. However, as in industrialized countries, antibiotics are only effective if they are properly used. The reality is very different.

In Peru during 1983, the Italian firm Carlo Erba marketed a drug containing chloramphenicol and tetracycline in a special pediatric formulation with chocolate flavoring, as a treatment for diarrhea. The drug—Quemiciclina—was so popular and its use so widespread that it became known as Erba, after its manufacturer. Some children called it sweeties for diarrhea. The BNF advises that tetracyclines should not be given to children under 12 and describes chloramphenicol as a "potent, potentially toxic antibiotic which should be reserved for the treatment of life-threatening infection." Despite Carlo Erba's intention to withdraw the drug in Peru, it was still available in Africa during May 1985. Many other antidiarrheal preparations containing antibiotics are also on the Third World market.

The massive market for antibiotics, estimated in U.S. dollars at $15 billion annually, is a major factor behind the misuse:

> Since the drug industry is profit oriented, it tries to increase the sales of antibiotics. This occurs either by increasing the volume—which leads to unnecessary prescribing—or increasing the relative proportion of expensive antibiotics, which usually are not drugs of choice. It is, therefore, questionable whether optimal prescribing of antibiotics can be attained in this context.

The WHO essential drugs list contains 16 antibiotics. In Sweden there are 90. In one British hospital, six antibiotics covered 98 percent of requirements over a 2-year period. However, about 200 antibiotics are on the market in Central America. Adequate information about adverse drug effects were frequently not provided to doctors in manufacturers' drug descriptions. Furthermore, compounds could be obtained without a prescription. Thus, there is a high potential for misuse.

Mr. President, clearly the use of antibiotics throughout the world carries many opportunities for abuse.

Let us limit these abuses by adopting this amendment and bringing antibiotics under the bill.

Mr. President, it is fair to point out that I do not believe that this is a good bill. In fact, I think this is a very bad bill. But at least it would be a step in the right direction if we brought antibiotics within the terms of the bill.

Let me address myself for a moment to the entire subject of the bill.

When this matter was about to come to the Senate, I indicated to the leadership that I had a number of amendments that I wished to be considered by this body. I indicated, in very clear terms, that I would not delay the matter of bringing it to the floor of the Senate; that, so far as I was concerned, the motion to proceed could be agreed to without any problem from the Senator from Ohio, but that when we got on the bill, I wanted to have an adequate opportunity to debate the issues, in order to offer a number of amendments.

I was on the floor on Monday, and we had an understanding on Monday that any amendments could be offered but that there would be no votes in connection with them.

I then indicated that I was prepared to go forward with respect to voting on amendments early this morning, but I was prevailed upon not to do that because it might inconvenience some Members of this body.

Then I was told that we would start at 2 o'clock, and I have indicated since about 2:30 that I was prepared to vote, and it is now 3:10.

□ 1510

It is my understanding some Members of the body are at the White House, and I do not fault them for that. But the fact is that the Senator from Ohio feels as deeply about this bill as any bill about which I have spoken on the floor of the Senate.

I am totally convinced this is bad legislation. I am totally convinced that children and adults and seniors throughout the world will suffer if we pass this legislation today.

The Senator from Ohio can count. The Senator from Ohio knows that in all probability I do not have the votes, that the pharmaceutical lobby has done a great job. But that is not the issue. I do not really care whether I get 1 vote or 5 votes or 10 or whatever.

I believe that the people of this country ought to have an opportunity to understand that this bill is bad. It will make us embarrassed not tomorrow, not next week, but a month from now, a year from now, 2 years from now.

Have we not suffered enough embarrassment as a Nation already by reason of our conduct throughout the world? Were we not embarrassed by the Bhopal incident? Did we not have a concern when they found products in Peru that should not be there that came from this country? Is it not a concern for us when we read about farmers in this country who are protesting the quality of the wheat that we are sending overseas? That only has to do with sales and whether or not you affect the sales that the farmers may make.

The legislation we have before us today is legislation that affects the lives of peoples throughout the world.

Over 20 nations have been heard from saying "Do not pass the Hatch bill."

As I said the other day on the floor of the Senate, my colleague is known nationally in this country but I had no

idea before that he was so well known internationally. To hear from little parts of India about not passing the Hatch bill, to hear from Taiwan, "Don't pass the Hatch bill," to have the issue of the Hatch bill debated on the floor of the Australian Parliament, with the Secretary of Health from Australia addressing himself to the issue.

You may have the votes to pass this legislation but that will not make it right. And this Senator wants an opportunity to offer the additional amendments that I have and does not want to be crowded in connection with that subject.

I will not delay, but I am trying to go forward now and I am not given an opportunity to do so. I am not complaining about that. I am willing to wait. But I am saying to the leadership of the Senate, I am saying to the manager of the bill, do not come back to me later and ask me to accelerate the process. Do not tell me that somebody has to go away somewhere because they have a fundraiser or because they have a party or because they have a plane to catch.

I believe this legislation is so almighty important that we ought to have a chance to adequately debate it.

I agreed to vote finally on it tomorrow at 1 o'clock, but it was my understanding we would be able to proceed forward and proceed forward in a regular order.

So I am saying to my colleague and I am not saying this in putting the responsibility on him, but I am saying I am ready, I am ready now to vote on the third amendment. I will be ready to vote after that on additional amendments. Let us proceed forward.

If you have the votes beat me, but at least I ought to have the opportunity to make the point that I wish to make.

The PRESIDING OFFICER (Mr. ARMSTRONG). The Senator from Utah.

Mr. HATCH. Mr. President, I think the distinguished Senator from Ohio is right. He has been very cooperative, and there has been a consent agreement. However, I believe we are basically on schedule.

We have temporarily set the first amendment aside to accommodate Senators who are at the White House in an important meeting, we are on the second amendment, and the distinguished Senator has had the time he needs to argue the second amendment.

But I want to take issue with my friend and colleague from Ohio with his statement that 20 nations have decried the so-called Hatch bill.

This is a lot more than a Hatch bill. Of course, I am the principal sponsor, along with Senator KENNEDY, but there are many others who are on this bill as well.

There are not 20 nations. There are people within 20 nations, most of whom are activists and many of whom are radical activists, who in some cases just hate our country and hate our corporations and who want a zero-risk pharmaceutical environment, and there is no pharmaceutical that is risk free.

Let me just say this. I want to emphasize this is a very good bill, a bill I am proud to sponsor and a bill that will help our country and will improve the situation for foreign consumers.

The Senator from Ohio has in some ways turned the debate into a battle of editorials and endorsements. But I prefer to rest on the strength and the reasonableness of the points that we are making. I would like to point out there are opinions and then there are opinions.

For depth of experience and understanding, both of the law and the realities of the marketplace, few can compare with our present and former FDA Commissioners. These are Republicans and Democrats, people with high expertise in this area. Dr. Frank Young, our current Commissioner, spoke in favor of drug export reform this past June at our committee hearing, as did Dr. Mark Novitch in 1984 as Acting Commissioner.

I have also received a letter of vigorous support for S. 1848 from Dr. Donald Kennedy, former FDA Commissioner, now president of Stanford University. And I would like to read into the RECORD a communication I received yesterday from Dr. Alexander M. Schmidt, another former Commissioner, now vice chancellor for health affairs at the University of Illinois:

> I join other former commissioners of food and drugs in strongly supporting the pharmaceutical export amendments (S. 1848) allowing U.S. manufacturers to export medicines approved in other nations. Most developed countries can and should decide what medicines they need. To think that U.S. bureaucrats can decide what medicines are safe and effective for the entire world is foolish. To force FDA into that posture is unwarranted. S. 1848 has sufficient safeguards to prevent abuse of the export provisions.
>
> To prohibit export of any drug unapproved in the U.S. will impede the development of new biotechnology in the U.S. and overseas and prevent the benefits of our scientific advances from reaching other populations.

That is pretty strong language coming from a number of former FDA Commissioners, people who have run this agency, who understand it, people who have taken safety and efficacy to heart and who have done a tremendous job of doing so.

I have also received a telegram of support from former Commissioner Herbert Lee.

Now, whatever else you may think of S. 1848, when you look at the caliber of these men you cannot believe that it is immoral, rapacious, or harmful to defenseless foreigners.

I make this observation, Mr. President, just to reinforce my contention that S. 1848 is a good, responsible piece of legislation. It will help our country and I do not feel any need to apologize for it. I am proud to offer it before this group.

UNITED NATIONS' POLICY

Much has been said about the reaction of foreign consumer activists to S. 1848. But let us take a look at the policy followed by other representative governments in the area of pharmaceutical export. Perhaps the most interesting policy statement is that contained in United Nations General Resolution 37-137, March 3, 1983. This resolution addresses policy on the export of both unapproved and banned materials. It states:

> Products that have been banned from domestic consumption and/or sale because they have been judged to endanger health and the environment should be sold abroad by companies, corporations, or individuals only when a request for such product is received from an importing country or when the consumption of such products is officially permitted in the importing country.

I note here that under S. 1848 products addressed by this sentence—that is banned products—would not be exportable at all. They would not be exportable at all under my bill. S. 1848 is therefore considerably more conservative than this part of the United Nations statement. It continues the statement:

> All countries; that have severely restricted or have not approved the domestic consumption and/or sale of specific products, in particular pharmaceuticals and pesticides, should make available full information on these products with a view of safeguarding the health and environment of the importing country, including clear labeling in a language which is acceptable to the importing country.

Thus, under this United Nations policy, the export of unapproved drugs would be handled under an information sharing system much less stringent than the protections in S. 1848. This resolution was overwhelmingly adopted by the United Nations General Assembly, including by a large majority of Third World nations. Are we to say that this is an unreasonable policy, that it is immoral, or that it is contemptuous of the safety of consumers? Of course not.

Further, Senator METZENBAUM has referred to organizations based in various countries; Belgium, Sweden, India, and so forth, and has cited us excerpts from parliamentary proceedings in Australia. But how is the judgment of a nation of these issues expressed? Through the legislation it passes, of course. And none of these nations—indeed, no other nation in the world—has imposed restrictions on the export of unapproved pharmaceuticals from its borders. I do not point this out to argue that the right position is defined by the number of countries which adhere to it. Senator METZ-

ENBAUM is quite right in saying that we must follow our wisdom regardless of what other countries do.

However, when the rhetoric gets as inflated as it has on the part of some of these activist organizations, it becomes useful as a sort of reference point, to look at what other nations have done, many of whom see themselves as champions of the Third World in the international forum. Is the reality of the situation closer to the view of the world presented by Senator METZENBAUM or the view of things which I am presenting? Each Senator must make his own judgment, but we should note that this rhetoric, these arguments, these scare tactics have persuaded no other government on earth, not even the most radical of them. Now, are we to assume that officials, Members of Parliament, and health ministers in all of these countries are corrupt, incompetent, or have out of improper motives refused to adopt what Senator METZENBAUM feels is so obviously the correct and moral policy? Of course such a conclusion is absurd. I would hope, then, that these conclusions would make us cautious in evaluating the strident calls of those who claim to speak for the foreign community.

□ 1520

The Senator has noted that efforts are underway in some of these countries and at the World Health Organization to impose some restrictions—though fewer than imposed by S. 1848—on the international trade and pharmaceutical. However, these efforts have been unsuccessful, and will continue to be unsuccessful because they are without merit. We should hardly arrange our national policy for their convenience.

In this amendment the Senator provides that unapproved antibiotics may only be exported to countries listed, and under the conditions prescribed, in S. 1848. The amendment does not apply for one year if the unapproved antibiotic is currently being exported.

We have to oppose this because antibiotics have for 40 years been readily exportable with little restriction. While there may have been some problem in the early seventies, even critics of the system acknowledge that in response to studies of the market, the industry—and particularly the U.S. drug companies—cleaned up its act. They now have an actively monitored set of industry standards, and the situation has improved drastically. FDA has testified that the current system has produced no problems. Why then should we change it? The burden of change is on those who propose it. "If it ain't broke, don't fix it."

In reliance on the current policy permitting the export of unapproved antibiotics to countries in which they are legal, many of the largest antibiotics manufacturers have located most, if not all, of their antibiotic fermentation capacity in the United States. This amendment would not only force some of these plants to close, it would for the first time lead to the export of plants and jobs to foreign countries. This is exactly the opposite reason for which this bill was conceived. Granted, the Senator's proposal would delay action for 1 year in the case of antibiotics already in production, but thereafter, the result would be just as onerous and unfair and just as costly to Americans. These facilities were built in reliance on current United States policy and on the soundness and responsibility of an industry. It would be unfair to jeopardize them for no good reason.

In the development of S. 1848, we considered nonantibiotic drugs for several years. We fashioned a reasonable bill which deserves to be enacted because it much improves the situation for nonantibiotic unapproved drugs. The question of antibiotic drugs was not investigated, nor was it considered until it was raised briefly at the mark up on this bill, and the Senator from Ohio did not propose this amendment at that time because he knew that it would have been defeated overwhelmingly in the committee.

Likewise, in the committee report, at page 38, we stated:

> Some have suggested that S. 1848 should be expanded to govern the export of antibiotics. However, the committee feels that this is not the proper time nor the proper vehicle for the consideration of such an action.

Mr. METZENBAUM. Will the Senator from Utah yield for a question?

Mr. HATCH. I am delighted to yield.

Mr. METZENBAUM. It is my understanding that the leadership on your side of the aisle is prepared to vote on this matter.

Mr. HATCH. They are. I though I would finish this and have back-to-back votes, if you would like.

Mr. METZENBAUM. I just wanted you to know that I am anxious to proceed.

Mr. HATCH. Of course. I am trying to get through the explanation on our side before we have back-to-back votes.

Mr. President, I quoted the committee report.

We did not have antibiotics in mind during the negotiation of this bill, and I would point out that they carry differing implications from nonantibiotic drugs. This is because of the particular range and severity of diseases to which they are directed, because of the unusual expense of their production, and because of their unique safety profile, among other factors. For example, humans can ingest many times the therapeutic dose of antibiotic without any harm at all, and antibiotic side effects are rare. Thus many of the safety considerations which motivated the particular provisions in S. 1848 would not likely apply to antibiotics.

Further, we do not know what the effect of this amendment will be on the industry or on the Third World if antibiotics are included. Antibiotics are the frontline of defense against the infectious diseases prevalent in developing countries, and are in essential, a vital public health tool in the Third World. This amendment would prevent the prompt delivery of new generation antibiotics to the Third World. In the last 5 years, 15 of 17 new antibiotics were approved abroad before they were approved in this country. Given that experience, the effect of Senator METZENBAUM'S amendment will be to force manufacturers to construct new antibiotics plants overseas. Antibiotics fermentation plants are among the most complex and expensive in the industry. The effect of his amendment is again to waste needlessly scarce resources of the pharmaceutical industry which could be spent on research. And it also shifts American jobs overseas.

Finally, the fact is that there is just no evidence anything needs fixing with respect to antibiotics. Some advocates of change looked forward to the NIH sponsored symposium on antibiotics use in the developing world which took place this past March. They hoped that the various task forces of renowned scientists chosen to carry out surveys of potential problem areas in antibiotics usage would provide evidence to support restriction on the international trade in antibiotics.

These advocates have not been heard from since the NIH conference. The reason is simple. The consensus was that too little is now known about potential problems from antibiotics usage under the current system and too much is known about their wonder-drug benefit and their vital place in health care to radically change the system at this point. And certainly it would be detrimental to Third World countries to change the system, to all other countries, as well. Further studies were called for, and I have no problem with that. But the need for caution was underscored by quotes like the following from the report of the task force No. 1 (p. 37):

> There are large differences in the pattern of antibiotic utilization among countries. However, the absence of data on usage that is linked to patient profile, diagnosis, duration and dosage of therapy, emergence of resistant strains, drug prices, and consumer access to drugs preclude any definitive evaluation of the effectiveness of antibiotic use in these countries. There may be as much under use as over use.

Or this one from the report of task force No. 6 (p. 111):

> The reduction in real dollar terms of the amount of illness and disability worldwide resulting from the use of antibiotics far out-

weighs the cost of any adverse effects, including bacterial resistance.

Or this quote from task force report No. 4 (p. 4):

From the data available on global morbidity and mortality, it appears that over five million deaths from viral and bacterial diarrheal disease and over three million from pneumonia occur each year. These surpass as direct causes of mortality all of the major parasitical diseases, including malaria, schistosomiasis and amebiasis. The bacterial infectious diseases also produce more death than noninfectious diseases, including accidents, heart and cerebral vascular diseases, and malignancies. Most importantly, the infectious diseases exert their greatest impact on young children.

Throughout these deliberations, the message is one of caution. These drugs are the best hope of the developing world for making significant strides against the killers of their children and adults. The available evidence points to lack of availability of the newest generation antibiotics as a significant weakness of developing nations health systems. They, even more than we in the developed world, need the very latest, most effective, broadest range antibiotic drugs. They do not need the U.S. Congress further delaying the arrival of those drugs by making them subject to this bill. The experts say the situation is not well understood, and that traditional assumptions are not supported by credible evidence. While I understand the appeal of the Senator's rhetoric, I cannot believe the greatest deliberative body in the world will move to restrict the international trade in antibiotics when we have not considered the situation in committee, and when the data we need to make a just and right decision is by scientific consensus, not even available when the vast majority of opinion is that this would be detrimental to people in the Third World.

□ 1530

It is a surprise for me to hear the Senator argue so strongly on infant formula and then turn around and bring up an amendment that truly has the potential to cause deaths.

The Senator has charged that the development of diseases with resistance to antibiotics is a problem, and rightly so. He has then stated the hypothesis that the main problem with therapy in developing countries is overuse of antibiotics and that this is the cause of resistance development. And then he has moved to the recommendation that the way to avoid overuse at the local level is to restrict the flow of antibiotics into countries by constraining the international trade in antibiotics. And from there he moves to the proposition that antibiotics should be added to S. 1848. I must admit, that after his first statement, I do not follow the chain of logic.

First of all, resistance is a very complex process which we have only recently begun to understand. An initial hypothesis was that the development of resistance would increase as the usage of the antibiotic increased. However, one of the conclusions reported at the recent NIH-sponsored conference on the use of antibiotics in the Third World is the following:

Resistance to antibacterial agents thus appears not as fixed a function of the usage of the agents but as a series of functions derived from long chains of biological opportunity. This is set in the context of a recognition of how little we know about broad patterns of evolution among bacteria and other diseases.

In contrast to the assumption that overuse is the main problem, we find the following statement from Task Force Report No. 4: "In contrast the situation in developing countries is underuse and poor usage due to the lack of availability of effective agents and self-prescribing of over-the-counter drugs." The problems identified with the use of antibiotics were not safety problems inherent in the drugs themselves, they were "proper use" problems. These issues are local and they depend on local efforts to solve them.

They are quite beyond solution by the U.S. Congress regardless of what it does with this bill. Restricting the movement of antibiotics internationally, even if it were possible, would have no positive impact on these problems, and might indeed have a negative one if the latest antibiotics were delayed through those efforts. And caution must be exercised even at the local level. No one knows better than health professionals in the Third World how scarce, for example, trained nurses and physicians are.

Thus in the face of chronic disease conditions, restricting access to antibiotics unless the patient goes through not readily available physicians, becomes a death sentence. In those cases, it may well be more humane to make antibiotics available more freely than to restrict them according to our own somewhat rarefied practice patterns.

The consensus at the NIH conference was that answers to these problems are not apparent, and that further study is needed. The report of Task Force No. 2, entitled "Resistance of Bacteria to Antibacterial Agents" carried this as its first recommendation:

1. The available data on global prevalence of resistance to antibacterials were barely adequate to sketch ranges and suggest trends. More systematic surveillance on a much larger scale is needed to provide explanations or remedies. The World Health Organization has developed detailed recommendations for such surveillance and is now beginning integrated surveillance programs in several regions of the world. This initiative should be supported and expanded.

2. Antibiotic resistance of gene products, genes, transpoons, and plasmids have been studied for their own biological interest and as tools for recombinant DNA technology. Information about their clinical significance can also be derived from some manufacturer supported studies of individual antibacterials. What are particularly needed now are broadly based studies of the deployment of these genetics elements in natural populations of bacteria in order to explain the phenomena observed in surveillance and to suggest practical strategies for containment and reduction of resistance.

The bottom line is that there was no suggestion that the solution to these problems was known, much less that it lay in restricting the international flow of antibiotics.

Thus, the resistance issue can contribute nothing to our discussion this afternoon. We simply don't know enough about it, about its causes, or about how to manage it, in order to adopt a course of action, and then decide whether or not the current policy on antibiotics advances or retards that course of action.

Mr. METZENBAUM. Is the Senator now prepared to move?

Mr. HATCH. If it is all right, I will move to table the first amendment, and then should we ask for a unanimous consent to have a second amendment back to back?

Mr. METZENBAUM. Mr. President, if I may be recognized.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the pending amendment be set aside in order that we may immediately proceed to vote in connection with amendment No. 1948, and that at the conclusion of that vote the pending business will be amendment No. 1950, the present amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

MOTIONS TO TABLE

Mr. HATCH. Mr. President, I move to table the first amendment, and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HATCH. I also move to table the second amendment, so they can go back to back. I ask for the yeas and nays.

The PRESIDING OFFICER. Will the Senator restate the request?

Mr. HATCH. I ask unanimous consent I be permitted to also move to table the second amendment so that we can have the votes back to back.

Mr. METZENBAUM. I have to object to that on behalf of the minority leader.

The PRESIDING OFFICER. Objection is heard.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1948

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Utah to lay on the table the amendment of the Sena-

tor from Ohio. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Maryland [Mr. MATHIAS], and the Senator from Oregon [Mr. PACKWOOD] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Vermont [Mr. LEAHY] is absent because of death in family.

I further announce that, if present and voting, the Senator from Vermont [Mr. LEAHY] would vote "nay."

The PRESIDING OFFICER (Mr. EVANS). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 29, nays 66, as follows:

[Rollcall Vote No. 94 Leg.]

YEAS—29

Armstrong	Hatch	Simpson
Cochran	Hecht	Stafford
Danforth	Helms	Stennis
Domenici	Laxalt	Symms
East	Long	Thurmond
Evans	Lugar	Wallop
Garn	McClure	Warner
Goldwater	McConnell	Weicker
Gorton	Quayle	Zorinsky
Gramm	Roth	

NAYS—66

Abdnor	Durenberger	Mattingly
Andrews	Eagleton	Melcher
Baucus	Exon	Metzenbaum
Bentsen	Ford	Mitchell
Biden	Glenn	Moynihan
Bingaman	Gore	Murkowski
Boren	Grassley	Nickles
Boschwitz	Harkin	Nunn
Bradley	Hart	Pell
Bumpers	Hatfield	Pressler
Burdick	Heflin	Proxmire
Byrd	Heinz	Pryor
Chafee	Hollings	Riegle
Chiles	Inouye	Rockefeller
Cohen	Johnston	Rudman
Cranston	Kassebaum	Sarbanes
D'Amato	Kasten	Sasser
DeConcini	Kennedy	Simon
Denton	Kerry	Specter
Dixon	Lautenberg	Stevens
Dodd	Levin	Trible
Dole	Matsunaga	Wilson

NOT VOTING—5

Hawkins	Leahy	Packwood
Humphrey	Mathias	

So the motion to lay on the table amendment No. 1948 was rejected.

□ 1540

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on amendment No. 1948.

Mr. HATCH. Mr. President, I will be happy to accept the amendment at this point. The vote was overwhelming in favor of the amendment. I do have to say this to all my colleagues.

The PRESIDING OFFICER. If the Senator will withhold, the Senate is not in order. Will those talking in the aisles please retire to their seats or the cloakroom.

□ 1600

Mr. HATCH. Mr. President, I have to say this to my colleagues: It is an easier vote to vote for this, but the correct vote would have been to vote to table; because now every batch—which now is tested every 3 months under FDA, and adequately so—will have to be tested for every ingredient. So I expect that the formula will be very costly—it will cost more than it does now. It will be a detriment to people in poverty and low-income people.

Be that as it may, we will be happy, without voting on the amendment to take the amendment at this time.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the yeas and nays on this amendment be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 1948) was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed do.

AMENDMENT NO. 1950

Mr. HATCH. Mr. President, as I understand it, we will now move to the antibiotics amendment.

Mr. METZENBAUM. That is correct.

The PRESIDING OFFICER. Amendment No. 1950.

Mr. HATCH. Mr. President, I believe the distinguished Senator from Ohio would like a few minutes to express his viewpoint with regard to the antibiotics amendment. I would like a few minutes to respond, and then I think we can tell our colleagues that we are ready to vote on that amendment.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I will not be long.

This amendment is very simple. It says that antibiotics should be included within provisions of the bill. At the present time, there are no limitations at all with respect to exporting antibiotics overseas.

As Members of this body know, I do not support the basic bill, but I do believe that the basic bill is better than no bill at all. I believe there is no logic or reason why antibiotics should not be included within the terms and provisions of the legislation. That is all that is involved in connection with this amendment. It does not do anything more or less.

Mr. KENNEDY. Mr. President, I will just take a moment of the Senate's time on this issue.

May we have order, Mr. President?

The PRESIDING OFFICER. The Senator from Massachusetts is correct. The Senate is not in order. Senators conversing will retire to the cloakrooms or to their desks.

Mr. KENNEDY. Mr. President, I just want to review very briefly for the Senate why this amendment is needed, and I will support it when the rollcall occurs.

About 15 or 18 years ago, before we had a mass movement of the major drug companies overseas, we had the distribution of a number of antibiotics around the world, and there was the export of chlorphorminol to Mexico and to South America. It was abused in those countries. It was an over-the-counter antibiotic and was abused, and it was the direct cause of hundreds of deaths among infants and children in those countries.

The fact is that many of the major drug companies have moved overseas. Many of the drug companies today, because there is no restriction in exporting antibiotics, continue to do so, and they do not have to go through the rigor of FDA approval. If those antibiotics are related in a chemical way to existing antibiotics, that existed before the FDA, they still do not have to be approved, so they can be exported around the world.

Mr. President, I believe that if we are going to follow the rationale for this legislation, we ought to insist that the antibiotics that are going to be exported meet the same kinds of tests that we have included in terms of the export of prescription drugs. So I will support that position. It has been my position for a number of years.

Having said that, Mr. President, I am troubled by the fact that our good friend from Ohio is saying—I think he said—that the basic bill is better than no bill at all, that he recognizes the importance of including any antibiotics in this kind of regime. There is a logic to that, for those of us who support it, and yet he is in the position that he does not believe that the existing regime is going to be effective.

You cannot have it both ways. It either makes some sense or it does not. It is going to ensure that we have a greater reliability. It is going to ensure that here in the United States, when various drugs or antibiotics are going to be exported overseas, the FDA will have a greater power to control these various elements in terms of quality and in terms of the potential danger to host countries.

So I hope, first of all, that this amendment will be accepted. But I also hope that if the Senator is prepared to believe that this is a valuable amendment and is worthwhile—and I know he does, because I have heard him speak to it—he will give consideration to supporting the legislation. Otherwise, I think there will be those who will rise and say that they are sympathetic to this idea, but this kind of amendment at this time is not appropriate. I think it is appropriate, and I will support it. But I hope that all those who followed the arguments of the Senator from Ohio for the past days about the whole regime and the whole structure that has been developed over a long period of time, with very careful negotiation, will support the legislation.

Obviously, it could be strengthened and changed and approved, as I believe we have just done on the issue of the infant formula. At this time, this makes the legislation more important and more significant, and I hope it will gain the support of those in this body who have any hesitancy in supporting the legislation.

Mr. HATCH. Mr. President, I find it somewhat inconsistent that the Senator from Ohio is so concerned about Third World countries with the infant formula.

When, at the same time, the distinguished Senator from Ohio is arguing that we should bring antibiotics under the purview of this bill. The purpose of this bill is to end this business of American companies going offshore and taking jobs with them, then selling any drug they want anywhere in the world, whether or not it is approved by anybody. That is current law, and it is terrible. This bill would end that.

This bill invites them back and gives them incentive to come back to this country. It says that even if FDA has not approved, if an FDA equivalent country—meaning a country that has a process as good as FDA, and there are 12 we list in this bill—approves a pharmaceutical, it can be manufactured in America and sold to first- and second-tier countries.

They are basically developed countries, totally capable of protecting themselves and taking care of themselves.

Our system does take about $80 million and 10 years to develop a product. The distinguished Senator from Ohio now wants to bring antibiotics within the purview of this bill.

There is no evidence that antibiotics have been misused in the world, even in Third World countries. If this amendment is adopted, these antibiotics are not going to become available, as they are developed, to Third World and other countries, without FDA approval, without approval by many people. That means that Third World countries, which need them the most, are going to be deprived of them.

Next, I might add that most U.S. antibiotics plants are located domestically. If the Senator from Ohio's amendment is accepted, U.S. companies are no longer going to invest the type of capital needed to develop antibiotic drugs in this country.

So one of the very things we are trying to do in this bill—to prevent the loss of biotechnology, the loss of innovativeness, the loss of science offshore, the loss of our companies, and the loss of jobs—would be defeated by this amendment. This amendment will amount to all those, while at the same time doing a disservice to the millions who are dying, or who will die, because they cannot get new forms of antibiotics. It seems inconsistent, but that is the way it is.

□ 1610

There is a lot that can be said. Antibiotics have for 40 years been readily exportable with little or no restrictions.

There were some problems in the 1970's but those problems have been resolved by a responsible industry. Even critics of the system acknowledge that in response to studies of the market, the industry and particularly the U.S. drug companies have done what is right; they have actively monitored industry standards, and they have solved the problems.

FDA has testified that currently there are no problems and that the current system has produced no problems.

Antibiotics have not been considered in committee. They are different from regular drugs. They are considerably safer. You can take many times the dosage without fear and without problems. Everyone but the Third World, in particular, depends on them and must depend on them.

Scientific experts say that the evidence simply is not there to change the current patterns of antibiotics trade and usage. The system has worked for 40 years. It really does not need changing.

It would undermine this bill tremendously if this amendment were to pass.

So I hope that my colleagues will keep that in mind.

This is landmark legislation. It improves current law. It protects people all over the world. It keeps jobs here and, frankly, causes us to not have to import the very drugs we could have manufactured here as a result of companies moving offshore. That is what is going to happen. That is what has happened under current law with regard to other pharmaceuticals.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. HATCH. I am delighted to yield.

Mr. KENNEDY. As I understand, when the FDA was established in 1938, it excluded many of the preexisting drugs that had been used or antibiotics that had been in use in our country; is that correct?

Mr. HATCH. That is correct.

Mr. KENNEDY. As a result, the drugs that were used prior to 1938 have been used for their derivative or their chemical derivative or equivalent. So many of even the new antibiotics that are on line now are very close in terms of chemical content to those that were at least accepted prior to 1938.

Those could be exported without any kind of review or without any kind of oversight.

That is what we found in the tragedies in Central and South America in the last 15 or 20 years.

Our former colleague, Senator Nelson, did a very extensive set of hearings on this for the Senate and provided extraordinary documentation of what had actually developed.

We have talked about this with the Senator from Utah. I do think that perhaps a strong case or even a stronger case could be made with regard to these particular items than the drugs themselves. I know we are on opposite sides on this issue. But it does seem to me that this amendment is justified if we are going to follow logic and the rationale of the legislation.

I know the Senator reaches a different conclusion, but I would hope that Senator METZENBAUM'S amendment would be accepted.

Mr. HATCH. Mr. President, any drug since 1938 would be covered by this. The new technology and drugs will be developed through DNA, and the amendment is going to exclude all those antibiotics for use throughout the world.

The current treatment of antibiotics is consistent with U.N. policy, which dictates that antibiotics should be accessible to people in Third World countries; U.N. policy sees this as vital. Under Senator METZENBAUM'S proposed amendment, only those antibiotics identical to those developed before 1938 would escape this heavy regulation.

This amendment will cost lives all over the world. Much of the future of new drug development is going to come through DNA, and these new drugs will all be covered by this amendment should this amendment be adopted.

This amendment will lead to a loss of jobs around the world and certainly from this country. And it will serve to further increase the balance-of-trade deficit.

Thus, I encourage colleagues to vote this amendment down.

If the distinguished Senator from Ohio wants to make further comment, I yield the floor to him.

Mr. METZENBAUM. Mr. President, let me address myself to this amendment. I appreciate very much the support of Senator KENNEDY who certainly had a great deal of experience in this entire area. I had said that bringing the antibiotics under the bill is better than not at all. The reason for that is that antibiotics now can be exported with no limitation. Regular drugs cannot be exported.

What this bill proposes to do is to provide a procedure for them to be exported, but in doing so it fails to provide the necessary protection that I believe is so important. But my amendment now would provide that antibiotics would come under the bill which, as I said, is better than nothing as pertains to antibiotics.

But as far as drugs are concerned, the bill still makes no sense. In fact, it is bad legislation. I believe that those who support this legislation—I do not happen to be one of them—would want to see to it that it is sufficiently all encompassing to include all drugs that are exported, antibiotics or otherwise. Under the legislation as it is before us on the floor, all drugs will be covered by the bill. My amendment, which has been supported by Senator KENNEDY, is an amendment that would provide that antibiotics would be covered by the same provisions as those that are presently in this legislation.

So I would hope that those who support the bill as well as those who may oppose the bill would recognize that we ought to treat all drugs equally, antibiotics as well as those that are in that category.

Therefore, I would hope that you would see fit to defeat the motion to table which I understand my colleague from Utah is about to make.

I say to the Senator form Utah I am prepared to vote.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. HATCH. Mr. President, I move to table the amendment, and ask for the yeas and nays.

THE PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

THE PRESIDING OFFICER. The motion to table is not debatable.

The question is on agreeing to the motion of the Senator from Utah to lay on the table the amendment of the Senator from Ohio.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

□ 1620

Mr. EXON (when his name was called). Mr. President, on this vote I have a pair with the Senator from Vermont [Mr. LEAHY]. If he were present and voting, he would vote "nay." Therefore, I withhold my "aye" vote.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Maryland [Mr. MATHIAS], and the Senator from Oregon [Mr. PACKWOOD] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Vermont [Mr. LEAHY] is absent because of death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 76, nays 18, as follows:

[Rollcall Vote No. 95]

YEAS—76

Abdnor	Evans	Murkowski
Andrews	Ford	Nickles
Armstrong	Garn	Nunn
Baucus	Glenn	Pressler
Bentsen	Goldwater	Pryor
Biden	Gore	Quayle
Boren	Gorton	Riegle
Boschwitz	Gramm	Rockefeller
Bradley	Grassley	Roth
Byrd	Hatch	Rudman
Chafee	Hatfield	Sasser
Chiles	Hecht	Simpson
Cochran	Heflin	Specter
Cohen	Heinz	Stafford
Cranston	Helms	Stennis
D'Amato	Hollings	Stevens
Danforth	Johnston	Symms
DeConcini	Kassebaum	Thurmond
Denton	Kasten	Trible
Dixon	Lautenberg	Wallop
Dodd	Laxalt	Warner
Dole	Long	Weicker
Domenici	Lugar	Wilson
Durenberger	Mattingly	Zorinsky
Eagleton	McClure	
East	McConnell	

NAYS—18

Bingaman	Kennedy	Mitchell
Bumpers	Kerry	Moynihan
Burdick	Levin	Pell
Harkin	Matsunaga	Proxmire
Hart	Melcher	Sarbanes
Inouye	Metzenbaum	Simon

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Exon, for.

NOT VOTING—5

Hawkins	Leahy	Packwood
Humphrey	Mathias	

So the motion to lay on the table amendment No. 1950 was agreed to.

□ 1640

Mr. HATCH. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. METZENBAUM. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1952

(Purpose: To require that, to be exported, any unapproved drug must be subject to a new drug application)

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the amendment pending at the desk, which I believe to be No. 1949, be temporarily laid aside in order that the Senator from Ohio may send an amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes an amendment numbered 1952.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 27, beginning with line 27, strike out through line 7 on page 28 and insert the following:

"(D) in the case of a drug to be shipped to a country on a list established under clause (i) or (ii) of paragraph (2)(A)—

"(i) an application for approval or licensing has been submitted or approved for the drug and the drug has not been the subject of any action by the Secretary or the Secretary of Agriculture denying, withdrawing, or suspending approval or licensing on the basis of safety or effectiveness or otherwise banning the drug; and

"(ii) such application has not lapsed or has not been withdrawn;

Mr. METZENBAUM. Mr. President, the amendment which I have sent to the desk is very basic. All it does is ensures that before an unapproved drug can be exported from the United States it at least has finished some basic clinical trials and is the subject of a new drug application before the Food and Drug Administration. We want to be certain that that which is possible under the pending bill not become the law. Under the pending bill, if you file the application, you are in a position to export. In other words, nothing has been done by the Food and Drug Administration. Nothing is in the pipeline moving it. It is just at the very earliest stages.

All we are suggesting with this amendment is a change at the point in the pipeline where you are permitted to make the exports that are provided for in the bill.

The purpose of this is to ensure that these drugs are in that pipeline moving along in the approval process, not merely having just been filed.

I strongly believe that any approved drug for export should have reached at least this stage of the process before it can be sent abroad.

The measure before us only requires that the unapproved drug have an IND, investigational new drug exemption, in order to be exported.

The problem is this: 90 percent of the drugs drop out of the FDA approval process after the IND state, which

is really the first step on the road to approval by our own Food and Drug Administration.

Let me be certain that those within hearing of my voice understand that we are talking about IND as an investigational new drug exemption.

Recently, I asked the Food and Drug Commissioner whether this IND provision really offers any realistic protection at all.

His response was the following:

The premise of the question is correct. Requiring that the exported drugs have an existing IND provides no assurance that the drugs in question will ever be approved in the United States. It is also true that no IND can give an absolute assurance of a drug's safety. It is understood that, for any drugs, adverse reactions may appear in a large postmarketing population that do not appear during clinical trials. Therefore, while the existence of an IND under which patients are being treated for the drug clearly provides some information about the safety of the drug, the amount of information is limited. It is also important to recognize that the bulk of the data collected under an IND is seen by the FDA only when a new drug application is submitted, except for severe adverse reactions that must be reported promptly to the agency.

The existence of an IND only means that there have been adequate studies conducted on animals to demonstrate that the drug is reasonably safe to test in humans and under carefully controlled conditions.

He concluded by saying:

Preliminary testing may then provide at least some information regarding the appropriateness of considering further use of the drug in humans.

Mr. President, I want to reemphasize an IND only means that the drug has been tested on animals. No human testing has been done.

My amendment simply moves the unapproved drug further along the approval process so that at least we know that clinical tests have been performed. I should point out that according to the FDA, the agency has to date approved only 62 percent of all original NDA applications, which means the existence of a NDA, or New Drug Application, is also no guarantee that the drug will eventually be approved in this country.

But at least, Mr. President, we will be providing more protection by moving the drug further along our own approval process. I believe the amendment is a reasonable one. I believe it provides only minimal protection. It does not say that you have to go all the way through the process and get the approval. It says that you have to go further along the process than merely filing it after you have conducted some tests on some animals. It requires some clinical testing on humans.

We must keep in mind that under any version of this legislation, transshipment or reexport cannot be prevented. We must assume that these drugs can and will end up in the Third World. Why should we not provide some minimal protection by requiring that the unapproved drug pass at least some basic clinical test before it can be exported from our shores?

The Senate should know just how easy it is for a company to keep a drug in a pipeline at the IND stage and really do nothing to move it along.

Let me quote again from the FDA and their response to a question asking for the distinction between an active and an inactive IND. "In general," said they, "a lack of activity in an IND does not provoke any FDA action, and we do not routinely monitor such activity with a view to taking regulatory action in the event of finding low activity." They went on to say:

An active IND is one that has not been discontinued or terminated. Studies do not have to be ongoing for an IND to be active. For example, the investigation may have been completed, but the sponsor may anticipate future studies under the IND. In order to keep the IND on active status, the sponsor need only report in the annual progress report of its intentions to resume the studies or that no clinical studies are being conducted. In general, if annual reports are received, FDA takes no further action. Under the law, however, the clinical investigation of a new drug may not be unduly prolonged. Therefore, failure to conduct investigations under the IND for several years could lead FDA to conclude that the investigation is being unduly prolonged and the sponsor might be requested to either discontinue the IND or develop a new drug application.

They concluded by saying:

While this is possible, such action is rarely taken. We prefer to let sponsors take their own decisions as to the pace of investigation.

Clearly, a drug could languish in the IND limbo for a long period of time. The bill has no time limit on how long the drug can stay at this most preliminary stage of FDA approval. This just reemphasizes the point that the IND provides no real protection for consumers in this legislation.

I say to my colleagues, let us at least require that the drug has clinical tests behind it. Let us give people some measure of protection. This is a minimal amendment. It does not kill the bill. It simply provides a little more protection for the people around the world who will be using these unapproved drugs.

I want to say to my colleagues, I am a realist. I said it before. I understand that many of these amendments will not be accepted because one Senator after another comes up to me and says, "Oh, you know, we have these drug companies or these pharmaceutical companies in my State." But I want to impress upon you that although they may make the argument that it in some way is going to affect their companies, think a little beyond that and think about the peoples of the Third World who may indeed be harmed by these drugs. They are the ones who have been writing to us. They are the ones, 20 nations throughout the world, that have written in and indicated their concern. Let me recite for my colleagues the countries from which we have already heard: Australia, in which the Minister of Health is engaged in debate and a Member of Parliament who indicated their concern about the Hatch bill; Nigeria, Malaysia, the European Economic Community Consultative Committee, England, Greece, Netherlands, Israel, several communications from India, Belgium, Thailand, and China. We have not debated a bill on the floor of the Senate in a long time, certainly one having to do with that which ostensibly would pertain only to domestic issues, that would have as much impact on America's image throughout the world as does this bill.

Now, my colleagues may decide to vote against this amendment and other amendments as well because for some reason there is an "engine" going—we have to pass this bill for the pharmaceutical companies.

We do not have to pass this bill for the pharmaceutical companies. There is no particular argument that can be made that they need it. The pharmaceutical companies in this country, the drug manufacturers, are doing exceptionally well. Look at their earnings record. The real issue, is, are we going to stand up and indicate our concern and our convictions? Are we willing to stand up and vote against this special interest lobby that has done such an effective job?

I knew as I came out on the floor of the Senate that it was going to be rough go. I was told that it would be a rough go and it would be hard to get votes. But the fact is, it is wrong, it is as wrong as it can be, to pass a bill to let a pharmaceutical company merely make a filing with the Food and Drug Administration and then send their products throughout the world. If we truly have concern, if we have compassion, if we have the intelligence which I am sure we do, to understand what this is all about, my colleagues will accept this amendment.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, this provision requires drug manufacturers to seek approval in this country at the same time that they are seeking approval abroad. Now, many small pharmaceutical companies, such as the biotechnology concerns, which we all have to be concerned about because that is the source of new innovations in pharmaceuticals, will be unable to afford the expense of seeking approval simultaneously in this country and overseas. Imposing the requirement in the Senator's amendment will force those companies, including biotechnology concerns, to license their tech-

nology to foreign manufacturers, precisely what this bill is trying to stop. We want to stop the erosion of our innovation and our engineering in our scientific community to foreign countries. We want to stop the emigration of jobs, especially since we have a way of doing it in a reasonable way that literally protects lives.

For the life of me, I cannot understand why anybody would not understand that this bill is such an improvement over current law which facilitates American companies moving offshore, manufacturing anything they want and selling it anywhere they want without restriction, without regulation. We propose to bring them back on shore restrict them to regulatory approval by at least an FDA equivalent country, and name the 12 major countries of the world with a drug regulatory agency capable of that task.

The amendment would undercut the intent of the bill to keep jobs in this country. Companies which are able to pursue approvals in different countries at the same time generally do not start the different processes on the same date. And given FDA's drug review lag, they often find themselves years away from being able to even file an NDA application in this country when they are nearing approval elsewhere. The necessity of gearing up to meet the foreign market would make it impossible for them to wait for export authority under this bill. They would simply be forced to build production capacity overseas, as they do now. In short, this amendment would destroy much of the incentive the bill offers.

The IND clinical investigative time period, which lasts until the NDA application is filed, is almost always much longer than the NDA final review period itself. Under the committee approach a manufacturer with a foreign approval would be able to build his plant and produce here at the beginning of the IND period, typically some 5–6 years before approval. Under the proposed amendment, he would have to forgo production for 3 years or more unless he builds overseas, since the NDA filing generally precedes approval by 18 months to 3 years.

Finally, the bill as written would permit biotechnology companies to export to tier I countries intermediates of biological products. These small biotechnology companies perform only one of the several processing steps such as cell replication, necessary to produce a drug utilizing biotechnology methods. Generally, they produce a crude form of the drug which must be refined before it is suitable for testing or use in humans. This intermediate work is performed on a contract basis for another company, often a foreign pharmaceutical house. But these contract companies cannot file an application for approval in the United States because they have no licensing rights from the manufacturer and no access to the safety and effectiveness data regarding the drug. Thus this amendment would bar export of the unfinished products and preclude our U.S. biotechnology firms from competing for these foreign contracts.

Mr. President, I move to table the amendment.

Mr. METZENBAUM. addressed the chair.

Mr. HATCH. I withdraw that request.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. The argument has been made by the distinguished Senator from Utah that companies could move offshore and do the same thing. Let them. They can do it now. But it is not satisfactory with them. If they could do it, why would they be mounting this massive lobbying effort to pass this bill? The reason they want this bill is not because they are such wonderfully patriotic citizens that they want to bring their operations back to this country. There is nothing in this bill that talks about bringing any operations back. What they want to do is ship overseas the products that they are manufacturing in their plants in this country without there being adequate protection. They can still do it after the Hatch bill. They can still send their products overseas to be manufactured. That is a specious argument. If there were one line in the bill that said a company which does this may not operate overseas, I would understand that. But there is nothing in the bill that even suggests that. No one came before our committee and said, "If you pass this bill, we are going to bring back the operations to this country." That does not exist. That is a world of make believe. That is not what the facts are.

□ 1700

They want this bill so that they can manufacture in this country, in the plants they presently have operating, and send their products throughout the world, without adequate protection.

The argument is made that we are going to send them to other countries that have facilities as good as ours. The Senator from Utah knows that there already have been discussions in the House about adding seven more countries, besides the 15 listed here. In addition, the Secretary of Health and Human Services has the right to designate the second-tier countries, and the second-tier countries can be anybody that the Secretary of HHS decides upon.

Mark my word: With the heavy-hitting lobbyists we have around this community, there are many countries that will be added to the list by the Secretary of HHS. Go out and hire your hired hand, your loaded gun, and he will be able to go over to HHS, and maybe he will have been the former Secretary of HHS. That is the way it works around here. Or a Deputy Secretary, or special counsel for him.

No, this bill is not going to provide protection for the people in the third world, and that is why they have been sending in so much mail. Can you believe it? Twenty countries have been heard from—well over a hundred communications. These have not been from a single individual. This has been from large-based community organizations, medical people.

I had a man call upon me the other day, a very able individual, from Bangladesh, literally pleading, saying: "I'm in the pharmaceutical business. We have great respect for American pharmaceuticals, but don't send us that which you are not willing to use on your own people. If you are not willing to use it, don't send it to us."

People throughout the world believe that when it says "Made in America," they can count on it, that it has been checked. But it will not have been checked under this legislation.

All we are saying with this amendment is that you have to take the process a little further along the pipeline than at the present. The way the bill presently reads, all you have to do is file, and then you can start exporting. We are saying: "No, you ought to go further along the pipeline, to provide some element of protection, to have some clinical testing with respect to humans, at least to indicate you are doing that."

Mr. President, I think this amendment makes good sense. If the Senator from Utah wishes an up-or-down vote, that is fine with me. If he wishes to table it, that is fine with me. My guess is that he will have the votes, but he will not have right on his side.

Mr. HATCH. Mr. President, I enjoy listening to the Senator from Ohio more than any other Senator. Maybe that is one reason why I have such a migraine headache today.

Mr. METZENBAUM. Use exported drugs.

Mr. HATCH. Maybe I had better import some headache pills to take care of it.

Mr. President, I think it is very apparent that this amendment would undermine the whole intent of this bill. The intent of this bill is to solve problems that presently exist. Everything the Senator talks about exists under current law, and people literally are suffering all over the world because of it. What this bill does is that it runs into the process American companies by giving them incentive to stay here, create jobs here, solve the balance of payments problem, keep our technolo-

gy here, and keep us preeminent in the world in the field of pharmaceuticals. If the Senator's amendment is adopted, then basically it would negate the purpose of this bill.

We could go on and on, and many arguments could be made. Virtually everything the Senator says is rebuttable. At least, it has been cleared up that there are not 20 countries against this bill, but that people in 20 countries, and mostly radical organizations who do not believe in any company, are against what we are trying to do.

With that, Mr. President, I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

□ 1710

Mr. EAGLETON (when his name was called). Mr. President, on this vote I have a live pair with the Senator from Vermont [Mr. LEAHY]. If he were present, he would vote "no." I have previously voted "yea." I withhold my vote.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from Florida [Mrs. HAWKINS], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Oregon [Mr. PACKWOOD], and the Senator from Idaho [Mr. SYMMS], are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Vermont [Mr. LEAHY], is absent because of death in the family.

□ 1720

The PRESIDING OFFICER (Mr. BOSCHWITZ). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 83, nays 10, as follows:

[Rollcall Vote No. 96 Leg.]

YEAS—83

Abdnor	Domenici	Kennedy
Andrews	Durenberger	Kerry
Baucus	East	Lautenberg
Bentsen	Evans	Laxalt
Bingaman	Exon	Levin
Boren	Ford	Long
Boschwitz	Garn	Lugar
Bradley	Glenn	Mathias
Bumpers	Goldwater	Matsunaga
Burdick	Gore	Mattingly
Byrd	Gorton	McClure
Chafee	Gramm	McConnell
Chiles	Grassley	Mitchell
Cochran	Hatch	Murkowski
Cohen	Hatfield	Nickles
Cranston	Hecht	Nunn
D'Amato	Heflin	Pell
Danforth	Heinz	Pressler
DeConcini	Helms	Pryor
Denton	Hollings	Quayle
Dixon	Johnston	Riegle
Dodd	Kassebaum	Rockefeller
Dole	Kasten	Roth
Rudman	Stennis	Warner
Sasser	Stevens	Weicker
Simpson	Thurmond	Wilson
Specter	Trible	Zorinsky
Stafford	Wallop	

NAYS—10

Biden	Melcher	Sarbanes
Harkin	Metzenbaum	Simon
Hart	Moynihan	
Inouye	Proxmire	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Eagleton, for.

NOT VOTING—6

Armstrong	Humphrey	Packwood
Hawkins	Leahy	Symms

So the motion to lay on the table amendment No. 1952 was agreed to.

□ 1730

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, is the Senator from Ohio correct that his amendment No. 1949 is the pending business?

The PRESIDING OFFICER. That is correct.

Mr. METZENBAUM. Mr. President, this amendment provides for notification to the various embassies throughout the world when products are shipped into those countries.

It is my understanding after conversation with my distinguished colleague from my own State, Senator GLENN, the senior Senator from our State, that he has an amendment that he would like to offer as a substitute for my amendment which, as I understand it, would actually provide for a broader coverage than even the amendment that I have offered.

I wonder if the senior Senator from Ohio would care to be heard at this point.

Mr. GLENN. Yes. I appreciate that very much.

AMENDMENT NO. 1953

(Purpose: To reform certain regulatory procedures governing the export of banned and severely restricted substances)

Mr. GLENN. Mr. President, my amendment covers a broader spectrum than that covered by my distinguished colleague from Ohio. I would like, if it meets with his approval, to substitute this amendment for his, if he has no objection.

Mr. METZENBAUM. I have no objection. If the Senator is moving to substitute the amendment, I am prepared to accept the substitute.

Mr. GLENN. Mr. President, I submit the amendment as a substitute for the pending amendment, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. GLENN] for himself and Mr. PROXMIRE, proposes an amendment numbered 1953 to amendment No. 1949.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed, insert the following:

SEC. 9. (a) Not later than December 31 of each year, the Director of the Office of Management and Budget shall prepare for the Department of State which, in turn shall provide and inform the public and foreign governments, through their embassies in the United States or other appropriate means, an annual report which summarizes—

(1) all final agency actions taken during the preceding fiscal year with respect to banned or severely restricted substances, and

(2) any additional action taken during the preceding fiscal year with respect to banned or severely restricted substances which were first banned or severely restricted during a fiscal year prior to the fiscal year covered by the report.

(b)(1) No banned or severely restricted substance may be exported from the United States unless—

(A) the person intending to export the substance from the United States provides written notice to the agency responsible for carrying out the provision of law specified in subsection (c) which is applicable to the substance, prior to the first shipment to a country after regulatory action, stating such person's intent to export the substance and the intended country of destination; and (d) in addition notice be made to foreign embassies of all final regulatory actions at the time they are taken.

(B) the agency provides the Secretary of State with a statement concerning the substance which contains—

(i) the name of the substance;

(ii) a summary of any action taken by the agency with respect to the substance, including a description of the grounds for such action and a citation of the statutory authority for such action;

(iii) a description of the determined risks to human health or safety or to the environment that may result from the use of the substance; and

(iv) a specification of the officer or employee of the agency who may be contacted by the government of any foreign country to which the substance is intended to be exported in order to obtain additional information about the substance; and

(C) the Secretary of State delivers a copy of the statement submitted under subparagraph (B) to an appropriate official in the embassy of the country of destination or transmits it to such country by other appropriate means.

(2)(A) The provisions of paragraph (1) shall supersede any other provision of the law to the extent such provision is inconsistent with paragraph (1).

(B) No law enacted after the date of the enactment of this Act shall supersede this subsection unless it does so in specific terms, referring to this Act and declaring that the new law supersedes the provisions of this subsection.

(C) Nothing in this subsection authorizes the disclosure to the public of bona fide

trade secrets or other confidential business information.

(c) For the purpose of this section, the term "banned or severely restricted substance" means—

(1) a food or class of food which—

(A) is adulterated, as defined by rules or orders issued under section 402 (a) or (c) (21 U.S.C. 342 (a) or (c)), or

(B) is in violation of emergency permit controls issued under section 404 (21 U.S.C. 344),

of the Federal Food, Drug, and Cosmetic Act;

(2) a drug which is—

(A) adulterated as defined by rules or orders issued under section 501 (a), (b), (c), or (d) (21 U.S.C. 351 (a), (b), (c), or (d)),

(B) misbranded, as defined by rules or orders issued under section 502(j), (21 U.S.C. 352(j)), or

(C) a new drug or new animal drug for which an approval is not in effect under section 505 (21 U.S.C. 355) or section 512 (21 U.S.C. 360), respectively,

of the Federal Food, Drug, and Cosmetic Act;

(3) an antibiotic drug which has not been certified under section 507 (21 U.S.C. 357) of the Federal Food, Drug, and Cosmetic Act;

(4) a drug containing insulin which has not been certified under section 506 (21 U.S.C. 356) of the Federal Food, Drug, and Cosmetic Act;

(5) a device which—

(A) is adulterated, as defined by rules or orders issued under section 501(a) (21 U.S.C. 351(a)),

(B) is misbranded, as defined by rules or orders issued under section 502(j) (21 U.S.C. 352(j)),

(C) does not conform with a performance standard issued under section 514 (21 U.S.C. 360d),

(D) has not received premarket approval under section 515 (21 U.S.C. 360e), or

(e) is banned under section 516 (21 U.S.C. 360f), of the Federal Food, Drug, and Cosmetic Act;

(6) a cosmetic which is adulterated, as defined by rules or orders issued under section 601 (21 U.S.C. 361) of the Federal Food, Drug, and Cosmetic Act;

(7) a food additive or color additive which is deemed unsafe within the meaning of section 409 (21 U.S.C. 348) or section 706 (21 U.S.C. 376), respectively, of the Federal Food, Drug, and Cosmetic Act;

(8) a biological product which has been propagated or manufactured and prepared at an establishment which does not hold a license as required by section 351 (42 U.S.C. 262) of the Public Health Service Act;

(9) an electronic product which does not comply with a performance standard issued under section 358 (42 U.S.C. 263f) of the Public Health Service Act;

(10) a consumer product which—

(A) does not comply with a consumer product safety standard adopted under sections 7 and 9 (15 U.S.C. 2056 and 2058) other than one relating solely to labeling,

(B) has been declared to be a banned hazardous product under sections 8 and 9 (15 U.S.C. 2057) and 2058),

(C) presents a substantial product hazard under section 15 (15 U.S.C. 2064), or

(D) is an imminently hazardous consumer product under section 12 (15 U.S.C. 2061),

of the Consumer Product Safety Act;

(11) a fabric, related material, or product which does not comply with a flammability standard (other than one related to labeling) adopted under section 4 (15 U.S.C. 1193) of the Flammable Fabrics Act;

(12) a product which is a banned hazardous substance (including a children's article) under sections 2 and 3 (15 U.S.C. 1261 and 1262) of the Federal Hazardous Substances Act;

(13)(A) a pesticide which, on the basis of potential risks to human health or safety or to the environment,

(i) has been denied registration for all or most significant uses under section 3(c)(6) (7 U.S.C. 136a(c)(6)),

(ii) has been classified for restricted use under section 3(d)(1)(C) (7 U.S.C. 136a(d)(1)(C)),

(iii) has had its registration cancelled or suspended for all or most significant uses under section 6 (7 U.S.C. 136d),

(iv) has been proceeded against and seized under section 13(b)(3) (7 U.S.C. 136k), or

(v) has not had its registration cancelled, but requires an acknowledgement statement under section 17(a)(2) (7 U.S.C. 136o(a)(2)), of the Federal Insecticide, Fungicide, and Rodenticide Act, or

(B) a pesticide chemical for which a tolerance has been denied or repealed under section 408 (21 U.S.C. 346(a)) of the Federal Food, Drug, and Cosmetic Act; and

(14) a chemical substance or mixture—

(A) which is subject to an order or injunction issued under section 5(f)(3) (15 U.S.C. 2604(f)(3)),

(B) which is subject to a requirement issued under section 6(a)(1), 6(a)(2), 6(a)(5), or 6(a)(7) (15 U.S.C. 2605(a)(1), 2605(a)(2), 2605(a)(5), or 2605(a)(7)), or

(C) for which a civil action has been brought and relief granted under section 7 (15 U.S.C. 2606),

of the Toxic Substances Control Act.

Mr. GLENN. Mr. President, I rise to offer an amendment to S. 1848. This amendment is identical to S. 1380, the Hazardous Substance Export Notification Act of 1985. This legislation regularizes notification procedures currently required by law for the export of a hazardous product or substance. It also mandates prior notification of foreign officials, and provides a common format containing minimum information about the nature of the product and why it was banned or restricted in the United States. The second portion of the initiative requires the compilation of an annual compendium listing all final affirmative actions by U.S. agencies banning or severely restricting substances. Mr. President, before I proceed to discuss my amendment, I want to stress that I support the passage of S. 1848 and do not intend to obstruct its progress with this amendment or in any other way. My amendment adds no new regulation; it has no budgetary impact; and it does not affect the objectives or the implementation of S. 1848.

Exporting banned or severely restricted substances has often forced the Federal Government to consider the roles they play protecting health, safety, and the environment, and the promotion of U.S. trade and products. U.S. exports of these materials in 1984 were $22.3 billion while world chemical exports were estimated at over $150 billion. However, as the chemical manufacturing market has grown, U.N. statistics indicate that approximately 2 million persons in developing countries suffer acute pesticide poisoning annually. Thus, concern has increased that hazardous substances are exported to developing countries which lack the technical expertise, environmental infrastructure, and safety standards present in the industrialized, exporting nations.

The use or misuse of toxic materials poses serious environmental and health hazards which impair the long-term sustainability of resources, and can result in the deaths of thousands of people. The tragedy at Bhopal, India, where approximately 3,000 people died is a case in point of a situation that might have been avoided by providing good, sound, government-to-government information.

While both manufacturers and environmentalists have cooperated in their efforts to protect the reputation of the "Made in U.S.A." label throughout the world, and in some cases, have gone beyond statutory requirements, procedures must be established which alleviate the potential disasters which could occur without this information.

I want to point out that the problems cited above are not new. Several House committees have been following this issue for more than 10 years; and, in 1980, after 2½ years of very careful consideration, comment, and debate, the Carter administration signed an Executive order establishing a Federal policy on this issue designed to strengthen the position of the United States as a trading partner and to streamline and regularize existing regulations. The Carter order was rescinded 31 days after Ronald Reagan became President. He directed the Departments of Commerce and State to assess existing procedures and make recommendations. Their report was submitted to the Interagency Trade Policy Committee, chaired by the U.S. Trade Representative, which approved its implementation nearly 4 years ago. This amendment basically mirrors their recommendations.

Each of the six statutes regulating banned or severely restricted substances, as legislated by TSCA, FIFRA, FDA, and CPSC, provide an export notification scheme although they differ in manner of implementation and content. For example, under FIFRA, if there is an export of an unregistered pesticide the exporter must first receive an acknowledgment from the importer stating that the importer is aware of the product's unregistered status. After receiving the acknowledgment, the exporter provides it to EPA. EPA then notifies the State Department which in turn notifies a designated individual in the foreign government. This procedure completely differs from that of TSCA which EPA also administers. But, in contrast to

FIFRA, EPA notifies directly the foreign embassy located in the United States. Other agencies have entirely different notification procedures which they follow although the ends are the same—to provide information.

Mr. President, let me quote from a joint report which was sent from then Secretaries Baldridge and Haig to the U.S.T.R. Bill Brock, published in the International Environment Reporter. "The laws," the report said, "lack consistency with respect to the timing of notices, the information to be provided, and the method of transmission." And further, "there should be a consistent, uniform notification procedure." The report goes on to say that the United States should commit itself to providing information in a timely fashion to other nations when substances are severely restricted here or do not comply with specific safety requirements.

I believe, as do my colleagues Senators BUMPERS, INOUYE, and GORTON, that the United States has an obligation to inform the governments of those countries which lack sophisticated, technical knowledge about the potentially dangerous nature of these substances. A uniform and prior notification scheme, coupled with a compendium of U.S. banned or severely restricted substances, will be a first step in the direction of balancing trade considerations against environmental protection abroad.

Mr. President, under current law, export notification varies according to statute. For example, under FIFRA, the current law requires that the Department of State be notified of any hazardous shipment. Under TSCA, EPA notifies the importing country and the Department of State as well. Under those items covered by CPSC, the importing country is notified directly.

So what we have under these different regulatory bodies that control exports out of the United States is indeed four different reporting procedures.

This amendment is very simple. This amendment says that the manufacturers and members of industry will keep right on submitting their required paperwork to whatever the applicable regulatory agency. But at that point that Government agency would report directly to the Department of State, and the Department of State would represent and inform our Government to the foreign embassy located in the United States.

We also would have a further requirement for reporting any final regulatory actions taken on a banned or severely restricted substance goes through exactly the same channels.

So this amendment straightens out what right now is a morass of misunderstanding and curcuitous routes of reporting which foreign nations may find very confusing. The amendment makes one stop shopping, in other words, and simplifies the whole procedure.

We have a draft of a letter from the Commerce Department that basically approves of what I am doing here. We have addressed the proposals that they made in that draft letter. I think we have taken care of everyone's concerns. If this is acceptable to the floor managers of the bill, I do not think we need a record rollcall vote unless they would so desire.

Mr. President, I move the amendment as a substitute to what has been the pending amendment, and hope it can be accepted.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I have to admit that the amendment is a very broad amendment. In the eyes of the distinguished Senator from Ohio, it is an important amendment. I know what he is trying to do. He is trying to consolidate the reporting, and make it more consistent. However, I have a feeling that there are a number of branches of Government which are going to be very upset with this amendment. I have not had nearly enough time to study it as I should have had. I am not finding fault with the distinguished Senator from Ohio. He has always been cooperative and we all know what a decent man he is.

I am inclined to accept the amendment but with this caveat: there may be some real hue and cry against this amendment from other sources. If we have to work on it in conference, perhaps I will be able to have the distinguished Senator work with me to try to accommodate his concerns of which I just presently do not have enough knowledge.

All I can do is ask him to exercise his good faith in working with us in conference to resolve any problems that may exist. I do know that this is a broadly drafted amendment. I know there is some concern by some agency people who would not like to have the amendment. But I am inclined to accept it, and go from there if the distinguished Senator will continue to work with me on it, as I need his help.

Mr. GLENN. Certainly. I appreciate very much the consideration of the distinguished floor manager. I would be glad to have it accepted on that basis because from what my staff has done we have found no objection to it. Some of the concerns of the Department of Commerce we have addressed. Some of the concerns of the senior Senator from Utah, Senator GARN, we have addressed.

Mr. HATCH. The Senator spoke with me, and told me that ordinarily he would probably oppose this, but knowing the senior Senator from Ohio he felt he wanted to go with the Senator. I feel the same way.

I might add that the Senator has tried to accommodate our concerns, and he made some changes in the amendment.

I have to be honest in expressing myself, and I do not know the ramifications of this amendment well enough to know whether it is going to cause a lot of problems or not.

I am inclined to accept it. The distinguished Senator has moved that it be accepted. I am inclined to go along with it.

□ 1740

Mr. President, I would be glad to have it accepted on the basis that we will continue to work together if there are complaints about this. I do not believe there will be, but I will be glad to work with the Senator from Utah if there are complaints.

Mr. METZENBAUM. Mr. President, I am very happy about the amendment of the senior Senator from Ohio. I think there are strong feelings. I believe he has provided a broader base for emphasis. In handling it through the State Department, my concern was that the embassies be notified in order that they would provide some protection or at least have knowledge about the subject that the products had been sent to those countries. I think this is a good amendment. I am happy to see that the Senator from Utah is prepared to accept it. Under those circumstances, Mr. President, I suggest we proceed.

Mr. GLENN. Mr. President, I ask unanimous consent that the distinguished Senator from Wisconsin [Mr. PROXMIRE] be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, I move adoption of the amendment.

The PRESIDING OFFICER. Is there further debate? If not, without objection, the amendment is agreed to.

The amendment (No. 1953), to amendment No. 1949, was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATCH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as amended.

Without objection, the amendment, as amended, is agreed to.

The amendment (No. 1949), as amended, was agreed to.

Mr. METZENBAUM. Mr. President, since the amendment of the distinguished senior Senator from Ohio was a substitute amendment, was that not

previously accepted to the amendment of this Senator from Ohio?

The PRESIDING OFFICER. The amendment of the distinguished Senator from Ohio was a substitute amendment for amendment No. 1949. The Senate still had to vote on amendment No. 1949 as amended by the substitute.

Mr. METZENBAUM. The question is whether the amendment, as amended, will be agreed to. Is that correct?

The PRESIDING OFFICER. The amendment, as amended, has been agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment, as amended, was agreed to.

Mr. GLENN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1954

(Purpose: To prohibit the shipment of a drug from the United States if the drug is found to be present in a country to which shipment is not authorized)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes an amendment numbered 1954.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 35, beginning with line 4, strike out through line 17 on page 37 and insert in lieu thereof the following:

"(8)(A) If at any time the Secretary or the Secretary of Agriculture determines, with respect to a drug which is authorized to be shipped under this subsection, that such drug is present in a country to which shipment is not authorized under this subsection, the Secretary or the Secretary of Agriculture, as the case may be, shall—

"(i) immediately prohibit the shipment of such drug from the United States to any country;

"(ii) give the person shipping the drug from the United States prompt notice of such determination and prohibition; and

"(iii) afford such person an opportunity for an expedited hearing.

Mr. METZENBAUM. Mr. President, this amendment simply states that if an unapproved drug is found in a Third World country the Secretary shall immediately halt the export of that drug. If the drug is in that Third World country and the Secretary learns about it, then he must immediately stop the further export of that drug.

This is the minimum that should occur if we are serious about enforcing any of the transshipment provisions of the bill.

The procedure proposed in the bill actually provides no real protection. The Secretary can immediately suspend export of an unapproved drug found in a Third World country only if the drug is found to pose an imminent hazard as defined under our food and drug laws. But, Mr. President, the imminent hazard standard is the most difficult to apply. It has only been used once in 20 years to pull a drug off the market in the United States.

Yet, since 1971, there have been over 7,000 drug recalls in this country. If this provision is used so rarely to recall a drug in the United States, how effective will it be in recalling a drug from a country thousands of miles away?

The proponents can argue there are other procedures in the bill to stop transshipment once it is discovered. The Secretary notifies the country as well as the U.S. company shipping the drug from our shores. Then the U.S. company has 14 days to issue a report to the Secretary on what it knows, if anything, about how their unapproved drug ended up in some far-off Third World country.

Then after 60 days if the drug is still being shipped to the Third World, the Secretary can prohibit export, but only if the drug falls under the rarely used imminent hazard criteria or if the U.S. company ships the drug to an importer knowing that the importer continues to ship the drug to a Third World country.

Mr. President, I want to say to the manager of the bill on the other side and to all others who may be interested that at the conclusion of my remarks in connection with this amendment, or at the conclusion of the remarks of the Senator from Utah, in case he wishes to be heard in connection with this matter, I will suggest that we enter into a unanimous-consent agreement that we vote tomorrow at 10 a.m. on this amendment.

Since I understand the procedure is to hotline this to the Members of both sides, I am advising those who are responsible for this kind of matter that it is my intent to make that suggestion.

Mr. HATCH. Will the Senator yield at that point?

Mr. METZENBAUM. I certainly will.

Mr. HATCH. As I understand the request, it is to vote at 10 a.m. tomorrow on this amendment.

Mr. METZENBAUM. I have not made that request at the moment because I believe the people on both sides of the aisles would probably want to clear that with the majority leader and the minority leader. I am not making it as a unanimous-consent request at the moment. I am merely indicating that when I conclude my remarks I intend to do that.

Mr. HATCH. The Labor Committee has a markup at 10 a.m. tomorrow morning.

Mr. METZENBAUM. I understood the chairman came to the floor to advise me that if it was necessary to do so, he would be prepared to set that hearing over to another day.

Mr. HATCH. We would rather not do that because there is a large agenda which the distinguished Senator from Ohio as well as others are concerned about, some of which he will oppose and some of which others will oppose.

Mr. METZENBAUM. We can discuss that further. A number of people have indicated that they wanted to get away this evening. I was trying to be accommodating in that connection. The Senator from Ohio has no great demands on his time in order to leave at a particular point, so we will just proceed and perhaps have a vote yet this evening.

You do not have to be a Philadelphia lawyer to know that the provisions which are presently in the law are unenforceable. Our own FDA has testified that such restrictions are illusory. In testimony before the Labor Committee on June 5, the Food and Drug Administrator stated, "I think that will be very difficult. Transshipment would be the responsibility of the country to which the first shipment is made."

In other words, we send the product to some other country and then the worry is what will happen when it gets to that other country. Will it be shipped to some Third World country?

So we asked the Food and Drug Administration were they in a position to give us assurances along that line and I just cited that they said it would be very difficult, and indeed it would be.

□ 1750

Mr. President, many European countries including France, England, Germany, Switzerland, et cetera, permit the export of unapproved drugs to the Third World. Now, that is a reality. Those countries and others as well do permit the export of unapproved drugs to the Third World.

Now, is there somebody who really believes that if they permit those drugs to be exported from their countries, they are somehow going to protect the drugs that we send over there? If they allow the practice, what interest will they have in ensuring that the United States unapproved drugs are not reexported? The problem is really one of enforcement as our own FDA again made clear in its June 5 testimony. Said they, "You include some kind of a provision in the legislation against transshipment, but I think once the exportation is made and the product is in the foreign country, you lose your ability to make the

requirement stick and you lose your ability to police."

What could be clearer? "Once the exportation is made and the product is in the foreign country," says the FDA, "you lose your ability to make the requirement stick and you lose your ability to police."

Now, the Pharmaceutical Association, which is the great supporter of this bill, stated that they agree it would be difficult to enforce a prohibition against the transshipment of drugs." The GAO has documented our failure to control the reexport of computer and nuclear technology. If we cannot control the reexport of such vital technology, how can we hope to exert any real control over those unapproved drugs?

Mr. President, this whole issue of transshipment points to the weakness of the so-called protections in this bill. The real issue is that this bill is going to make it possible to export drugs and transship them throughout the world. This amendment will not keep that from happening but it will say that once we learn about it, there will be no further exports.

Oh, the pharmaceutical manufacturers, even though they recognize there is no way of protecting the transshipment of those drugs, will not support this amendment. So if you are voting with the Pharmaceutical Manufacturers Association, vote this amendment down, because they do not want it. We are supposed to believe that if we have 15 countries in a bill declare they have adequate FDA's, oh, we are as we sit here this afternoon that each of those countries has an adequate FDA. Come on. Who are you kidding? We do not know that at all. We know they have nice names and we like those names, and they are respected countries and they speak the language well and they are cultured. But that does not mean they have adequate FDA's. But we are saying we can go ahead and export drugs not approved for use by our own citizens and send them to those countries which do not prohibit the exporting of their own drugs, we can be confident they are going to protect us and see to it that our drugs are not transshipped. I believe we better think again. There are a lot of countries to which unapproved drugs can be exported, and we are not going to know what we shipped over and where it finally wound up.

Oh, yes, we will know sometime. I forgot. We will know when there is a tragedy. We will know when there is an outbreak of illness. We will know when there are some deaths and they say "We thought it was all right because it says here that it is made in America. And if it is made in America, it is supposed to be safe." But it will not be safe because there will not be one American in 230 million who will know whether it is safe or not safe.

Now, in addition to the 15 countries that are listed, the Secretary of Health and Human Services has the right under this legislation to add some more countries. Let me give you the names of some major lobbyists that can probably help you get your country listed. The countries of the world ought to understand who has influence and who works for what fee. And I am certain that if this bill becomes law some of those major lobbyists will be back here saying to HHS "Add this country, add that country." Can you really believe the Secretary of HHS is going to say no?

There were seven countries that were proposed as part of a suggested agreement over in the House already, and I say on the floor of the Senate that I do not believe those seven countries can provide that kind of protection, nor do I believe their FDA's can be compared to ours. But a drug cannot be exported to these second-tier countries unless they have first been approved by 1 of the 15 tier 1 countries. OK, big deal. One of the 15 tier 1 countries says OK. Then the Secretary of HHS permits the sale to go to any one of a number of other countries.

This approach of saying that if 1 of those other 15 countries says it is OK really permits one country to decide our drug export standards. Mr. President, that is risky business.

On October 11, 1985, the French Government pulled the arthritis drug Isoxicam off the market. It was linked to five deaths and an undetermined number of injuries. The drug was not approved by the FDA for use in our country. We have our own strict standards to thank for that. However, under S. 1848, the Hatch-Kennedy bill, this drug could have been manufactured in the United States and shipped all over the world with a "Made in America" label.

England, another country on the approved list, has pulled six drugs off the market over the last 2 years which it had earlier approved. These six drugs were approved in the United Kingdom and withdrawn outright. These are drugs which have been linked to severe reactions and deaths. Osmosin was linked to 15 deaths and Flenac was linked to 15,000 adverse reactions and an undetermined number of deaths. None of these drugs were approved for use in the United States. However, under S. 1848, these killer drugs could have been shipped all over the world and we could stand so proud that we would have the "Made in America" label.

Mr. President, it is absurd for Congress to list 15 countries in this bill and claim that we know they have adequate drug approval authority. Is there anybody in the Senate who is in a position to say whether 1 or all of those 15 countries have adequate drug approval authority? But if one of them approves the drug, then under this bill the drugs can be exported to the second-tier countries.

I asked the FDA Commissioner if he could list such countries, and his reply was:

> As stated in prior testimony, we would be most uncomfortable to be put in the position of having to make difficult, if not impossible, subjective judgments on the relative quality of drug regulatory authorities of other sovereign States.

In response to questions from the House side, the agency was even more adamant. Said they:

> Such a list cannot be provided because of difficulties in evaluating the stated criteria such as attempting to determine whether prescription drug labeling information is accurately conveyed to physicians and pharmacists in various countries.

(Mr. HECHT assumed the chair.)

□ 1800

Mr. METEZENBAUM. Mr. President, I read a response to a question on the House side that the FDA gave in connection with this issue:

> Such a list cannot be provided because of difficulties in evaluating the stated criteria such as attempting to determine whether prescription drug labeling information is accurately conveyed to physicians and pharmacists in various countries. Whether prescription drug information is also conveyed to patients depends on various countries' complex policies and practices regarding labeling for patients. With respect to adverse drug reactions, we do not have definitive information on most countries' formal requirements or agreements to obtain such data.
>
> Finally, to access a country's effectiveness in administering and enforcing its drug policies, a knowledge of actual daily operating procedures, as well as information on the qualifications, training, enthusiasm, skill, and knowledge the staff of the governmental authorities would be required. In short, no matter what legislative requirements are in place concerning approval or withdrawal of drugs, it is extremely difficult to access foreign regulatory decisions in the absence of information on how the regulatory system performs in practice.

So, Mr. President, our own FDA, with all the experience, with all the scientific expertise, with all the contact they would have with foreign drug regulatory authorities, says it is impossible to draw up a list of countries with adequate FDA. But we in the Senate are so wise, we have so many answers, that we are willing to list them; we are going to say which ones are going to protect the people of the world.

The supporters of this legislation say: "Yes, sir; wave that magic wand, and 15 countries appear on the adequate list."

I ask my colleagues in this body: If you knew that some drug had been approved by 1 of the 15 countries—I will not name them, but take any one; take the one that you think the least of, not the best of—and you knew it had

been approved by the FDA, or whatever they call it in that country, are you really sure you would be prepared to have your child or grandchild or wife use that drug? I doubt it very much. I know that I would not. There are some countries, yes. But from all those 15 countries? No. Loudly and clearly, no.

□ 1810

I again repeat that before this bill is concluded, there will be more than 15 countries on the list.

Is it not marvelous what we are saying here on the floor of the Senate in this legislation? Not only marvelous, I think it is mysterious. Not really. We know it is all a ruse. There is no science or safety concerns that are evident behind this list of 15 countries.

We think of those countries and we have some respect for them and we do business with them. So we say if their FDA approves it, that is good enough for us; then we can ship those drugs to all of those second tier countries.

There is only one, and only one, concern as to why we are passing this bill, why we are naming the 15 countries. Nobody in Congress made it up. The list came from the Pharmaceutical Manufacturers Association. It is their list, not the list of Congress. Let us not call it tier 1. Let us call it the PMA-approved list for unapproved drug exports.

It is a very dangerous game we are playing here, Mr. President. We are trying to create a legislative illusion. Let us pretend these 15 countries have FDA's just like our own. Let us pretend further that once the drug goes to England or France it will not end up in the Third World.

Mr. President, the Senate should not be under the illusion that the problem we face is a drug lag and that the drugs approved by the countries on the list will eventually be approved in the United States.

I have before me an analysis of the FDA study entitled "Compendium of New Drug Approvals in 11 Industrialized Countries, 1970 to 1983." The U.S. Food and Drug Administration put together the compendium in February of 1985.

The analysis details the percentage of drugs first approved in industrialized countries and then later approved in the United States.

Take Italy. It is now on the list of approved countries. But only 10 percent of the drugs first approved in Italy are later approved by the FDA for use in the United States.

Take Japan. Japan is supposed to be doing such a magnificent job in so many areas. But only 7 percent of the drugs first approved in Japan are later approved in the United States.

West Germany, with all of its scientific knowledge, only 20 percent of the drugs they approved first are cleared by our own FDA.

In France only 12 percent of the drugs first approved in France end up being approved in the United States.

Australia and Canada are in the 50 percent range; England and Sweden, 40 percent; and Switzerland, 29 percent.

So let us not kid ourselves. We have the strictest standards in the world and the standards of other countries vary widely. To throw them into a bill and say they have adequate FDA's is legislation by fantasy, not reality.

These drugs will end up in the Third World, and we would have allowed them to be made in America, simply because Italy, Japan, or France approved them first.

What I am saying is simple: The drugs that they are approving in other countries are not being approved in this country—7 percent of them, 12 percent of them, 20 percent of them. And yet what we are doing here in this bill is we are saying that if 1 of those 15 countries, and the countries I have already mentioned are part of that group of 15, if 1 of those group of 15 countries approved the drug, then it may be transshipped to one of the tier two countries.

Who cares if they are unlikely ever to be used in this country. Let us get them out on the market. Let us send them all over the world.

The best safeguard we could possibly offer the world is the one that is in place right now: If the drug is not safe enough or effective enough for the American people then do not export it.

Mr. President, that is the long and short of it. If a drug is not safe enough for the people of America, why in the world are we standing here today pushing legislation to make it possible to export it?

We not only will have mud on our face, I am afraid we will have blood on our face. I am afraid we will suffer the greatest embarrassment that this Nation has suffered in a long time.

Other nations are writing to us and saying "Please don't do that. Please don't, don't send us drugs that you won't use for your own people."

And we are saying "Don't tell us what to do. We are the strong and mighty and arrogant United States, and we are going to send you what we want, and if you don't like it, that's your tough luck."

We provide no real protection with the list of 15 countries. Once transshipment is accepted as a reality, then we are only opening the door to the dumping of potentially unsafe and ineffective drugs on the Third World.

Mr. President, my amendment is simple: It simply requires the Secretary to act, once the U.S.-unapproved drug export is discovered in the Third World. That is all there is in my amendment, nothing more, nothing less. He slams the door down and says no more of that drug will be exported once it is found to be transshipped to a Third World.

It is really the minimum we should do to protect people when these drugs are dumped in their countries.

Mr. HATCH. Mr. President, here again the Senator, through the imposition of an unreasonable restriction, wants to make this bill unusable. The amendment makes the mere presence of a drug in an unauthorized country a serious violation of the law, regardless of whether the exporter or his importer had any involvement at all in the movement of the drug to the unauthorized country. This is unfair. And no businessman in his right mind would subject himself to these penalties and the possible loss of the ability to export for events which are simply not under his control.

Instead, S. 1848, if so amended, would be used by no one. Drug companies would continue to build their facilities abroad and export their drugs free of such impractical restrictions as S. 1848 explicitly hinges civil and criminal penalties which we put in the bill upon the involvement of the manufacturer or its importer in unauthorized activities. It recognizes that it is impracticable for the U.S. Congress to try to govern independent downchain distribution of any drug.

I remind the Senator as he well knows that under S. 1848 the presence of an unapproved drug in an unauthorized country is a relatively unlikely, though not impossible, situation.

However, under current law, which he so oddly prefers, much to my consternation, the presence of unapproved drugs in developing countries is an everyday occurrence. That would stop.

Further, I remind him that drugs exported under this bill and finding their way to developing countries are unlikely to be unsafe drugs. This is because any drug exported under this bill will have first been approved for safety and effectiveness by the regulatory agency of a first-rank, developed country which has a drug approval process, equivalent to that of FDA.

Now, Mr. President, the thrust of S. 1848 really would be to penalize those who ship these products to unauthorized nations when they are subject to U.S. law. This bill does that. It is not the policy of the bill to penalize exporters who are not responsible for the shipment to an unauthorized nation or nations or more importantly to penalize patients. Yet that is the effect of the Senator's amendment. It would halt export shipments personally even though the exporter, the persons under the control of the exporter and the importer had committed no wrong.

If someone at the fourth or fifth level in the chain of distribution, perhaps even the patient, ships the drug in a substantial quantity to an unauthorized country, the Senator's amendment would penalize the exporter and patients, not the wrongdoer.

In some cases the Senator's amendment would prohibit the export of the drug if the drug was found in an unauthorized country, even though the drug was available from several sources. In fact, a drug which is found in an unauthorized country could have been made by a pharmaceutical manufacturer in that country, yet the Senator's amendment would still halt exports from the United States.

I think we would all agree with the intent of the Senator's amendment which is to punish those who ship these products to unauthorized countries. S. 1848 punishes those persons when they are subject to U.S. law and requires the exporter to change importers if the importer is not subject to U.S. law. We must be mindful, however, that these products may be lifesaving medications. When the exporter is not at fault, cutting off the supply of these drugs punishes the patients.

□ 1820

For this reason, I do not believe that Senator METZENBAUM's amendment protects public health, as is his intent. In fact, I know it does not. Rather, it may harm public health and place the Secretary in the untenable and possibly unethical position of having to deny life-saving medications to foreign patients.

The bottom line is really this: If production can be shut down because of the acts of a third person not under the manufacturer's control, no manufacturer will locate a plant here under this bill.

S. 1848 contains finely crafted provisions addressing transshipment. It does not proport to block any possible presence in unauthorized countries. It is simply not practical to try to control those drugs once they have left the control of the importer. However, this in no way detracts from the merit of this bill.

That is because if this bill does not pass, a particular unapproved drug may be manufactured overseas and exported to any country where it is legal. If the bill passes, the same unapproved drug may or may not find its way to the same countries, depending on the acts of subsequent actors in the purchase chain. However, the situation is not different under this scenario from that under current law. Current law is unable to prevent the presence in any country of any drug, since it simply leads to the production of unapproved drugs overseas. Therefore it makes no sense to criticize this bill because under some scenarios, the same thing could happen as happens now on a daily basis under current law.

Nor is the problem one of enforcement, as the Senator states. Statements of the Food and Drug Administration and the Pharmaceutical Manufacturers Association reflect the impracticality of our trying to control the trade in pharmaceuticals among downstream independent purchasers in foreign countries. Such a task would consume enormous resources and would not succeed, even if it were permitted by foreign governments. The Labor and Human Resources Committee recognized this, and instead imposed duties—and corresponding penalties—on exporters to take all measures on their control to ensure that neither they nor their importer are engaged in improper transshipment. However, we realized that it would be unfair, and would gutt the bill, if we attempted to impose these heavy penalties on manufacturers for conduct which was not beyond their control, all in a fruitless attempt to prevent a situation that occurs right now under the current law. I really cannot understand why the Senator prefers current law to the improvements of S. 1848. Certainly it is not because current law affords foreign consumers any protection.

Additional restrictions under S. 1848 occur in an imminent hazard situation. While it can normally be expected that drugs exported under these amendments and found in unauthorized countries will cause no harm there, having been already approved as safe and effective by at least one competent foreign agency. Additional export restriction may be imposed if the drug poses an imminent hazard to health in those countries.

These duties and restrictions were carefully considered by the committee and are enforcable by the appropriate agencies in contrast with the across-the-board prohibition which the Senator seems to feel appropriate, the responsibilities this bill would place upon the Department of Health and Human Services and the Department of Agriculture are quite managable. They are fully consistent with the statement by the Food and Drug Administration quoted in the Senator's minority views.

● Mr. LEVIN. Mr. President, I understand the intent of this amendment, and I sympathize with it.

However, the language of the amendment is overly broad. If we could identify the authorized country from which the drugs were transshipped to the unauthorized country, and if the drugs were found in the unauthorized country in significant quantities, and then I agree that we should halt the shipment of that drug to the authorized country itself.

However, under the language of this amendment, none of this drug could be shipped to any authorized country, even those authorized countries for which there was no proof that they were the source of the drugs transshipped to the unauthorized country, if the drugs were found in an unauthorized country. Further, according to this amendment, shipment to an authorized country would be halted if the drug was found in an unauthorized country, apparently regardless of the amount. These possible results under this amendment are too broad for me to be able to support it. ●

Mr. HATCH. Mr. President, adoption of this amendment would gut the bill, I do not think there is any question about that.

Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table. The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from Arizona [Mr. GOLDWATER], the Senator from Florida [Mrs. HAWKINS], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Oregon [Mr. PACKWOOD], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Vermont [Mr. STAFFORD] and the Senator from Idaho [Mr. SYMMS] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Mississippi [Mr. STENNIS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 83, nays 8, as follows:

[Rollcall Vote No. 97 Leg.]

YEAS—83

Abdnor	Ford	McClure
Andrews	Garn	McConnell
Baucus	Glenn	Melcher
Bentsen	Gore	Mitchell
Bingaman	Gorton	Moynihan
Boren	Gramm	Murkowski
Boschwitz	Grassley	Nickles
Bradley	Hatch	Nunn
Bumpers	Hatfield	Pell
Burdick	Hecht	Pressler
Byrd	Heflin	Pryor
Chafee	Heinz	Quayle
Cochran	Helms	Riegle
Cohen	Hollings	Rockefeller
Cranston	Johnston	Roth
D'Amato	Kassebaum	Rudman
Danforth	Kasten	Sasser
DeConcini	Kennedy	Simon
Denton	Kerry	Simpson
Dixon	Lautenberg	Stevens
Dodd	Laxalt	Thurmond
Dole	Leahy	Trible
Domenici	Levin	Wallop
Durenberger	Long	Warner
Eagleton	Lugar	Weicker
East	Mathias	Wilson
Evans	Matsunaga	Zorinsky
Exon	Mattingly	

NAYS—8

Biden	Hart	Proxmire
Chiles	Inouye	Sarbanes
Harkin	Metzenbaum	

NOT VOTING—9

Armstrong	Humphrey	Stafford
Goldwater	Packwood	Stennis
Hawkins	Specter	Symms

So the motion to lay on the table amendment No. 1954 was agreed to.

□ 1840

Mr. HATCH. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. KENNEDY. Mr. President, I move to lay that on the table.

The motion to lay on the table was agreed to.

(The following occurred earlier and is printed at this point by unanimous consent:)

Mr. HATCH. Mr. President, will the distinguished Senator from Ohio yield?

Mr. METZENBAUM. I yield.

Mr. HATCH. To accommodate our colleagues, my arguments will be relatively short with respect to this amendment, even though it is a very important amendment. I suggest that we have one more vote tonight and then lay down another amendment and debate it and vote tomorrow morning at 10 o'clock, if that is what the Senator would like to do. That way, we would let our colleagues know where we are. It also would protect the Senator for one more amendment tonight.

Mr. METZENBAUM. One of the Senators on the other side of the aisle asked whether he could leave, whether there would be more votes, and I indicated that I might ask unanimous consent that the vote on this amendment be at 10 o'clock tomorrow.

Mr. HATCH. How many more amendments does the Senator have, after this one?

Mr. METZENBAUM. Maybe three or four.

Mr. HATCH. There is an objection on our side. I also feel badly because of the distinguished Senator on our side. I think he wanted to make sure when the vote would be tomorrow, although he would not like to miss votes tonight.

Mr. METZENBAUM. The Senator from Ohio is prepared to vote tonight, and he will stay here as long as the leadership wishes.

Mr. HATCH. Why do we not vote on this one tonight and lay down the next one?

Mr. METZENBAUM. Let me ask the majority leader: If there is an objection to voting, I suppose we could come in at 10 or earlier and get on the bill at 10 o'clock.

Mr. HATCH. I believe I understand why the objection occurred on our side. Why do we not vote tonight on this amendment, come in at 10 tomorrow, and start the next amendment?

Mr. METZENBAUM. If we come in at 10, we have morning business.

I say to the manager of the bill and the majority leader that Senator GORE has an amendment. I am not sure whether Senator SIMON has an amendment. The Senator from Ohio has three or four amendments. I am trying to be cooperative and have attempted to be all day. I am willing to work tonight, if the Senator wishes.

Since we have agreed to vote at 1 o'clock tomorrow, I do not want to get myself in a position where I am squeezed with respect to time.

Mr. HATCH. I am willing to make sure that the debates on our part are short and succinct. I believe we can get those amendments done if we start at 10 tomorrow and have this one amendment tonight.

Mr. METZENBAUM. I ask the majority leader a question: If it appears that the Senator from Ohio, who has attempted to be cooperative on Monday and Tuesday, is squeezed for time and it is necessary to get short additional time beyond 1 o'clock, would the majority leader have strong objection? At this moment I do not believe it would be necessary, but I want to have an opportunity to have my amendments voted upon after reasonable debate.

Mr. DOLE. I would be willing to extend the time until 2 o'clock instead of 1 o'clock.

Mr. METZENBAUM. I think that would be fine.

Mr. HATCH. Can the Senator let us know how many more amendments he has?

Mr. METZENBAUM. As the Senator from Utah knows, I intended to have an amendment having to do with giving notification to the embassies. The senior Senator from Ohio had an amendment that was found acceptable by the Senator from Utah, and I was willing to accept it as a substitute, and we did not have to take that to a rollcall vote.

Mr. HATCH. This is correct.

Mr. METZENBAUM. At this moment, I say that we probably do not have more than three, maybe four—but I do not think more than three—and I do not see any need for what I would call lengthy debate.

Mr. DOLE. I suggest that we come in early and be on the bill at 10 in the morning. We could have one additional rollcall vote this evening on the pending amendment, and we could alert our colleagues that this would be the last rollcall vote this evening. We could be back on the bill at 10 tomorrow.

I do not know whether any of these amendments will be acceptable. I do not know what the Gore amendment is or what the amendment of the Senator from Ohio are.

If that is satisfactory, we could alert our colleagues on both sides that there will be one additional vote this evening.

Mr. METZENBAUM. That is perfectly agreeable to the Senator from Ohio.

I say to the majority leader that if the majority leader is inclined to do so, to change the time for final passage to 2 p.m., or if he wants to wait until tomorrow, to see if we need that time, with the assumption that the majority leader will be able to get clearance, that would be satisfactory.

Mr. DOLE. I would be willing to make that request right now.

Mr. METZENBAUM. I think it would be helpful.

Mr. HATCH. I think so, too.

Mr. METZENBAUM. Would the majority leader want to make it not later than 2 p.m.? If we get done earlier, we can vote.

Mr. HATCH. How much longer will the Senator from Ohio be on this amendment? Then we can let our colleagues know.

Mr. METZENBAUM. I would need another 5 to 10 minutes for my remarks.

I say to the majority leader that I must clear the question of the change of time to vote with the minority leader. I ask the majority leader to withhold any action until I have had a chance to run that by the minority leader.

Mr. DOLE. I am perfectly willing to make that request, if the minority leader has cleared it, that the vote occur not later than 2 o'clock.

Is it safe for the majority leader and the minority leader to advise our colleagues that there will be one more vote this evening?

Mr. METZENBAUM. I think so.

Mr. DOLE. I thank the Senator from Ohio.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the colloquy which just occurred be placed in the RECORD after the discussion in connection with this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Conclusion of earlier proceedings.)

Mr. HATCH. Mr. President, I do want to thank my colleagues for putting up with all of this debate today. I appreciate the support we have had on the floor thus far on this very important bill.

I also want to express my appreciation with regard to my colleague from Ohio. I know he is very sincere. I have always felt very deeply about people who feel so sincerely about matters such as he does. He is a very formidable opponent. There is no question about that. I feel very honored to be able to debate him from time to time. I have a deep friendship and regard for him.

As soon as Senator BYRD comes to the Chamber, we will wrap up the session for today.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1850

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

COSPONSORSHIP OF S. 2434

Mr. HATCH. Mr. President, yesterday I introduced the Cigarette Smoking Public Service Announcements Act of 1986, S. 2434. Unfortunately, Senator NICKLES' name did not appear as a cosponsor. I ask unanimous consent that Senator NICKLES be added to S. 2434 as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 10:07 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 613. Joint resolution allowing qualified persons representing all the States to be naturalized on Ellis Island on July 3 or 4, 1986.

At 4:57 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Houses has passed the following bill, without amendment:

S. 2329. An act to make technical corrections in the higher education title of the Consolidated Omnibus Budget Reconciliation Act of 1985.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 1349) to reduce the costs of operating Presidential libraries, and for other purposes.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 124) entitled the "Safe Drinking Water Amendments of 1985."

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 974) to provide for protection and advocacy for mentally ill persons.

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2224. An act to amend the Immigration and Nationality Act to permit nonimmigrant alien crewmen on fishing vessels to stop temporarily at ports in Guam; and

H.R. 4745. An act to amend title 18, United States Code, with respect to sexual abuse.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 2224. An act to amend the Immigration and Nationality Act to permit nonimmigrant alien crewmen on fishing vessels to stop temporarily at ports in Guam; to the Committee on the Judiciary.

H.R. 4745. An act to amend title 18, United States Code, with respect to sexual abuse; to the Committee on the Judiciary.

MEASURES PLACED ON THE CALENDAR

The Committee on Commerce, Science, and Transportation was discharged from the further consideration of the following bill, which was placed on the calendar:

S. 1813. A bill to amend and extend the Atlantic Striped Bass Conservation Act, and for other purposes.

The following joint resolution was read the first and second times by unanimous consent, and referred as indicated:

H.J. Res. 613. Joint resolution allowing qualified persons representing all the States to be naturalized on Ellis Island on July 3 or 4, 1986.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3127. A communication from the Assistant Secretary of the Interior (Indian Affairs), transmitting, pursuant to law, the report on Indian education for fiscal years 1983 and 1984; to the Select Committee on Indian Affairs.

EC-3128. A communication from the Assistant Secretary of the Interior (Indian Affairs), transmitting, pursuant to law, a report on donations received and allocations made from the fund "Funds Contributed for the Advancement of the Indian Race"; to the Select Committee on Indian Affairs.

EC-3129. A communication from the Chairman of the Federal Maritime Commission, transmitting, pursuant to law, the annual report of the Commission under the Freedom of Information Act for calendar years 1984 and 1985; to the Committee on the Judiciary.

EC-3130. A communication from the Secretary of Commerce and the Attorney General of the United States, transmitting jointly, a draft of proposed legislation to encourage innovation, promote research and development, and stimulate trade by strengthening the protection given intellectual property rights by making necessary and appropriate amendments to the intellectual property rights laws; to the Committee on the Judiciary.

EC-3131. A communication from the Executive Director of the Pennsylvania Avenue Development Corporation, transmitting, pursuant to law, the annual report of the Corporation under the Freedom of Information Act for calendar year 1985; to the Committee on the Judiciary.

EC-3132. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report of the National Cancer Advisory Board for fiscal year 1985; to the Committee on Labor and Human Resources.

EC-3133. A communication from the Acting Archivist of the United States, transmitting, pursuant to law, a report on a plan for improving the management, maintenance, storage, and preservation of military records and improving public access to such records; to the Committee on Armed Services.

EC-3134. A communication from the Assistant Secretary of Energy (Conservation and Renewable Energy), transmitting, pursuant to law, a report on the first year activities of the Federal Methanol Fleet Program, dated March 1986; to the Committee on Energy and Natural Resources.

EC-3135. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the status of the Social Health Maintenance Organization Demonstration; to the Committee on Finance.

EC-3136. A communication from the Comptroller of the General Services Administration, transmitting, pursuant to law, the annual report on the Presidents Retirement System for fiscal year 1985; to the Committee on Governmental Affairs.

EC-3137. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on the reapportionment of certain funds for Radio Free Europe/Radio Liberty Inc.; to the Committee on Appropriations.

EC-3138. A communication from the Secretary of Commerce, transmitting, a draft of proposed legislation to repeal section 4 of the Fish and Wildlife Act of 1956, as amended, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-3139. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on certain funds proposed for recission but for which the Congress did not pass a rescission bill; pursuant to the order of January 30, 1975, referred jointly to the Committee on Agriculture, Nutrition, and Forestry, the Committee on Appropriations, the Committee on Banking, Housing, and Urban Affairs, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Finance, the Committee on Foreign Relations, the Committee on Governmental Affairs, the Committee on the Judiciary, the Committee on Labor and Human Resources, and the Select Committee on Indian Affairs.

EC-3140. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Technical Risk Assessment—The Status of Current DOD Efforts"; to the Committee on Armed Services.

EC-3141. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "ADP Systems—Concerns About the

Acquisition Plan for DOD's Composite Health Care System"; to the Committee on Armed Services.

EC-3142. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, certain certifications with respect to the Space Defense and Operations (ASAT) program; to the Committee on Armed Services.

EC-3143. A communication from the Deputy Assistant Secretary of the Air Force (Logistics and Communications, transmitting, pursuant to law, a report on the conversion of the commissary shelf-stocking and custodial function at Scott Air Force Base, Illinois, to performance by contractor; to the Committee on Armed Service.

EC-3144. A communication from the Secretary of the Interior, transmitting, pursuant to law, the fourth biennial report on maximum attainable rates of production from significant fields on the Outer Continental Shelf; to the Committee on Energy and Natural Resources.

EC-3145. A communication from the Chairman of the Pennsylvania Avenue Development Corporation, transmitting, pursuant to law, the 1985 annual report of the Corporation; to the Committee on Energy and Natural Resources.

EC-3146. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on the current status of the helium program; to the Committee on Energy and Natural Resources.

EC-3147. A communication from the Administrator of General Services, transmitting, pursuant to law, a report on a proposed revision to a Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3148. A communication from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed plan for the use and distribution of the AK-Chin, Salt River Pima-Maricopa, and Gila River Pima-Maricopa Indian communities judgement funds; to the Select Committee on Indian Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-680. A resolution adopted by the Senate of the Commonwealth of Puerto Rico, relating to the position of the President on the budget cuts of funds appropriated to the Land Grant Colleges; to the Committee on Appropriations.

"RESOLUTION

"To request the President of the United States, the Honorable Ronald Reagan to reconsider his position on the budget cuts, of funds appropriated to the Land Grant Colleges.

"STATEMENT OF MOTIVES

"On February 5, 1986, President Ronald Reagan sent the budget for the 1987 fiscal year to the Congress. In said budget, the appropriations for government programs of various agencies were cut. The Agricultural Programs Budget of the Land Grant Colleges in Teaching, Investigation and Extension Services was cut 59%. In Puerto Rico, this cut has a devastating effect on the funds and programs of the Agricultural Experiment Station and the Agricultural Extension Service. The local experiment station will lose 3.7 million dollars, which is equal to 49% of its federal budget.

"The Agricultural Extension Service of Puerto Rico is an agency where some 700 professional and clerical staff workers are employed. In addition, it has an unpaid volunteer corps of around 7,507 persons who serve actively.

"The proposed budget cuts would have a devastating effect on the nutrition, economy and education of the Puerto Rican people.

"The Agricultural Extension Service states four basic principles:

"1. the individual is supreme in democracy

"2. the home is the fundamental unit in civilization

"3. the family is the prime educational group of the human race

"4. the base of any permanent civilization must rest on man's relationship with the land

"These principles or objectives can be attained by implementing and developing a diverse educational program of great impact on Puerto Rican Society.

"*Be it resolved by the Senate of Puerto Rico:*

"Section 1. The President of the United States, the Honorable Ronald Reagan, is hereby requested to reconsider his position on the budget cuts of funds appropriated to Land Grant Colleges.

"Section 2. A copy of this Resolution, duly translated into English shall be sent to the President of the United States, to the Congress of the United States and to the news media for its diffusion and publication."

POM-681. A joint resolution adopted by the Legislature of the State of Illinois; to the Committee on Armed Services:

"SENATE JOINT RESOLUTION NO. 74

"Whereas, The Secretary of State of the United States recently released a list of twenty-two military bases which are slated for closure; and

"Whereas, Illinois appears to be the largest potential loser with the O'Hare Air Reserve Forces Facility and the Great Lakes Naval Training Complex as two installations selected; and

"Whereas, The economic impact on Illinois would be devastating and would involve 25,000 military personnel; a $250,000,000 payroll loss and installations with a book value exceeding two billion dollars; and

"Whereas, The elimination of these facilities would weaken the National defense system and would require years to rebuild to their present state of efficiency; and

"Whereas, The Secretary of Defense indicates that it will cost more than $1.11 billion to close Great Lakes alone, and 23 years to emortise this cost; and

"Whereas, The outlook for O'Hare presents the same problem with multiple 10,000-foot heavy duty runways which would be difficult at best to duplicate; and

"Whereas, This unreasonable assault on the treasury and the resultant injustice to the military units positioned in Illinois must be brought to a stop; therefore, be it

"Resolved, by the Senate of the eighty-fourth General Assembly of the State of Illinois, That we urge the Congress of the United States to take such steps as are necessary to maintain those military bases now present in the State of Illinois; and be it further

"Resolved, That a suitable copy of this preamble and resolution be presented to the Speaker of the House of Representatives and the President of the Senate of the United States Congress and to each member of the Illinois Congressional Delegation."

POM-682. A resolution adopted by the legislature of the State of Utah; to the Committee on Commerce, Science, and Transportation:

"TOBACCO-FREE SOCIETY RESOLUTION

"Be it resolved by the Legislature of the State of Utah

"Whereas, the Utah State Medical Association and the American Medical Association recently established the goal of creating a tobacco-free society by the year 2000;

"Whereas, the Utah State Medical Association and American Medical Association has called upon Congress to ban the advertising and promotion of cigarettes and smokeless tobacco;

"Whereas, a number of factors make it appropriate and even advisable for Congress to impose a ban on tobacco advertising;

"Whereas, smoking is the number one cause of preventable death in America;

"Whereas, even when used as intended, tobacco causes physical damage to the user;

"Whereas, there is substantial evidence that tobacco advertising is intended to create an atmosphere which makes children and teenagers want to start using tobacco; that is, the use of tobacco is made to appear glamorous and adult through advertising;

"Whereas, most smokers today begin smoking during their teens; 60% start smoking by the age of 13, and a total of 90% have begun smoking by the time they are 20;

"Whereas, it is obvious that many people start using tobacco even before they are old enough to buy it legally;

"Whereas, inasmuch as tobacco advertising encourages behavior that is contrary to the interest of public health, it is clearly in the interest of the Federal Government to prohibit it;

"Whereas, although the tobacco industry denies that their advertising is designed to induce people to use tobacco, it is unthinkable that the industry would spend billions of dollars a year on advertising and promotion merely to entice current users to change brands;

"Whereas, the combined effect on the tobacco market of smokers who die yearly from smoking-related causes (about 350,000 a year) and those who quit smoking (about 34 million in the last 20 years) requires that the tobacco industry recruit new smokers in order to remain a viable industry;

"Whereas, the use of smokeless tobacco is dangerous and can cause oral cancer; and

"Whereas, it is clearly imperative to protect impressionable teenagers from the hazards of smoking and other tobacco use by banning advertising which encourages it.

"Now, therefore, be it resolved, That the Legislature calls upon the Congress of the United States to ban tobacco advertising and promotion in order to achieve a tobacco-free society by the year 2000.

"Be it further resolved, That a copy of this resolution be prepared and sent to the President of the United States Senate, the Speaker of the United States House of Representatives, the chairman of the House Committee on Energy and Commerce, the chairman of the Senate Committee on Labor and Human Resources, the Surgeon General of the United States, the Secretary of Health and Human Services, the members of Utah's congressional delegation, and to the American Medical Association."

POM-683. A resolution adopted by the Legislature of the State of Utah; to the Committee on Energy and Natural Resources:

"URANIUM INDUSTRY RESOLUTION

"Be it resolved by the Legislature of the State of Utah, the Governor concurring therein:

"Whereas, uranium is used in the manufacture of weapons and in the generation of power through nuclear power plants;

"Whereas, the United States uranium mining and milling industry plays an indispensable role in guaranteeing the national security and energy independence of the United States;

"Whereas, the uranium industry in America has been devastated by the increased world mining of uranium and a complete halt in the building of nuclear power plants in America, to the point that the number of jobs in the industry has fallen from 22,000 to 2,000 in the last five years;

"Whereas, the uranium industry in the United States is in such terrible condition that U.S. Department of Energy Secretary John S. Herrington, in response to a charge from Congress to determine whether or not the industry remains viable, has issued a determination that the industry is no longer a viable one;

"Whereas, the uranium used in the United States today comes almost exclusively from foreign mines and mills; and

"Whereas, certain Utah communities that grew rapidly when uranium was a valuable commodity are now suffering terribly from the effects of the industry's crash.

"Now, therefore, be it resolved, That the Legislature of the State of Utah, the Governor concurring therein, supports action by the federal government to reestablish the viability of the domestic uranium industry in the United States.

"Be it further resolved, That the national security and energy independence of the United States be protected by legislation limiting the "dumping" of uranium by South Africa and Canada, which sell it to the United States at prices below those charged to domestic customers.

"Be it further resolved, That the uranium enrichment policies pursued by the United States Department of Energy be revised so that they do not detrimentally impact demand for United States uranium.

"Be it further resolved, That the United States Government fulfill its obligation to share the costs of reclamation of uranium tailings generated under old Atomic Energy Commission defense contracts, which costs were not reimbursed at the time solely because they were not recognized.

"Be it further resolved, That the stockpile of uranium concentrate now being held by the United States Department of Energy be retained to guarantee national security, or, if there is more than needed for that purpose, the stockpile be sold at no less than current fair market value.

"Be it further resolved, That the Congress of the United States provide an equitable financing mechanism which will insure an appropriate contribution by nuclear utilities for remaining clean-up costs.

"Be it further resolved, That a copy of this resolution be prepared and forwarded to the President of the United States, the Secretary of the United States Department of Energy, the members of Utah's congressional delegation, the presiding officers of each house of the United States Congress, and other members of Congress as designated by the sponsor."

POM-684. Joint resolution adopted by the Legislature of the State of California; to the Committee on Energy and Natural Resources:

"Whereas, On February 12, 1986, Secretary of the Interior Donald Hodel fired Lee Iacocca from his position as Chairman of the Statue of Liberty-Ellis Island Centennial Commission; and

"Whereas, Mr. Iacocca, who is the chief executive officer of the Chrysler Corporation, has headed the private fundraising effort for the restoration of the Statue of Liberty and Ellis Island, two of America's most significant shrines; and

"Whereas, Under Mr. Iacocca's leadership, a private foundation has raised more than $233,000,000 for the restoration project, already exceeding the goal which it had set; and

"Whereas, The firing of Mr. Iacocca comes just a few months before the Fourth of July Weekend, 1986, when four days of ceremonies will mark the 100th anniversary of the Statue of Liberty; and

"Whereas, Mr. Iacocca has stated he opposes a proposal, favored by certain officials in the Department of Interior, to commercialize Ellis Island through the construction of a conference center and hotel complex; and

"Whereas, Secretary Hodel has offered no convincing justification for the firing of Mr. Iacocca; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California requests that the Secretary of Interior immediately reinstate Lee Iacocca to the position of Chairman of the Statue of Liberty-Ellis Island Centennial Commission; and be it further

"Resolved, That the Legislature opposes any development project which would commercialize Ellis Island; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, the Secretary of the United States Department of Interior, the Speaker of the United States House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-684. Resolutions adopted by the Legislature of the Palau National Congress; to the Committee on Energy and Natural Resources:

"RESOLUTION No. 2-0031-6

"Whereas, negotiation for the Compact of Free Association between the United States and the Republic of Palau has been going on for almost sixteen years now; and

"Whereas, on January 10, 1986, President Lazarus E. Salii of the Republic of Palau and Ambassador Fred M. Zeder of the United States signed the Compact of Free Association between the United States and the Republic of Palau signaling the beginning of a new political relationship; and

"Whereas, on January 23, 1986, the Second Olbiil Era Kelulau (Palau National Congress) overwhelmingly passed a legislation approving and ratifying the said Compact and setting February 21, 1986, as the Plebiscite day for all Palauan voters to freely choose their political status through election; and

"Whereas, prior to February 21, 1986, referendum, Ambassador Zeder and his staff officially announced the deeply desired exemption of the level of funds under the Compact of Free Association from the Gramm-Rudman-Hollings deficit reduction act; and

"Whereas, on February 21, 1986, a record of seventy-two percent (72%) of the Palauan voters approved the said Compact of Free Association; and

"Whereas, the voters of the Republic of Palau, realizing such exemption of Compact funding from Gramm-Rudman-Hollings deficit reduction act, voted among other positive reasons to overwhelmingly approve the Compact document; and

"Whereas, President Lazarus E. Salii certified the Plebiscite result on February 24, 1986, and has sent the approved Compact to President Ronald Reagan and the U.S. Congress for their respective approval; and

"Whereas, the House of Delegates of the Second Olbiil Era Kelulau is extremely concerned with the Gramm-Rudman-Hollings deficit reduction law as it may possibly reduce the Compact funds for the Republic of Palau; now, therefore, be it.

"Resolved that the House of Delegates of the Second Olbiil Era Kelulau, hereby respectfully requests the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the United States Congress to specifically exempt funds, for the compact of Free Association, from the Gramm-Rudman-Hollings deficit reduction law; and

"Be it further resolved that certified copies of this resolution be transmitted to the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the United States Congress, the President of the Senate and the Speaker of the House of Delegates of the Second Olbiil Era Kelulau, and the President of the Republic of Palau."

"HOUSE RESOLUTION No. 2-0033-6

"Whereas, on March 29, 1977, the Trust Territory Public Law No. 7-29, amended later by Public Law 7-30, created the College of Micronesia as a public corporation under its own Board of Regents; and

"Whereas, the said law incorporated into a single post-secondary educational system the Micronesian Occupational College and the Community College of Micronesia and its affiliated School of Nursing; and

"Whereas, Micronesian Occupational College was granted full accreditation by the Western Association of Schools and Colleges in 1977 and that such Accreditation Status was again reaffirmed in 1982; and

"Whereas, while the Micronesian Occupational College curricula are strongly Job-oriented, the mission of the College has been and still is to help students from the Federated states of Micronesia, and Republic of the Marshall Islands, and the Republic of Palau develop their potential in semi-professional and occupational areas; and

"Whereas, there are about one thousand five hundred Micronesian students who have graduated from the college; and

"Whereas, the Department of Interior (DOI) has been providing yearly grant to fund the operation of the Micronesian Occupational College since 1977; and

"Whereas, the yearly grant from the Department of Interior amounted to more than half of the yearly budget of the Micronesian Occupational College; and

"Whereas, such yearly grant from the Department of Interior to the Micronesian Occupational College is not specifically provided for in the Compact of Free Association between the Republic of Palau and the United States; and

"Whereas, the Department of Interior continued funding of the Micronesian Occupational College is not guaranteed under the Compact of Free Association; and

"Whereas, the future of the Micronesian Occupational College is substantially and unavoidably dependent on the continuation of the Department of Interior's funding grant; and

"Whereas, it is in the best interest of the Micronesian Islands governments that Micronesian Occuptional College continue its educational services to the islands community; now, therefore, be it

"Resolved that the House of Delegates of the Second Olbiil Era Kelulau, hereby respectfully requests the President of the United States, the President of the Senate and the Speaker of the House of Representatives of the United States Congress to continue funding of the specific grant, from the Department of Interior, for operation of the Micronesian Occupational College in the Republic of Palau; and

"Be it further resolved that certified copies of this resolution be transmitted to the President of the United States, the President of the Senate, and the Speaker of the House of Representatives of the United States Congress, the President of the Federated States of Micronesia, the President of the Republic of the Marshall Islands, the President of the Senate and the Speaker of the House Delegates of the Second Olbiil Era Kelulau, and the President of the Republic of Palau."

POM-686. Resolution adopted by Community School District No. 201, Westmont, IL, opposing certain provisions of H.R. 3838; to the Committee on Finance.

POM-687. Resolution adopted by the Board of Education of La Salle Public Elementary Schools, District 122, La Salle, IL, opposing certain provisions of H.R. 3838; to the Committee on Finance.

POM-688. Resolution adopted by the Board of Education of Forest Ridge School District No. 142, Oak Forest, IL, opposing certain provisions of H.R. 3838; to the Committee on Finance.

POM-689. Joint resolution adopted by the Legislature of the State of Connecticut; to the Committee on Finance.

"RESOLUTION

"Whereas, Connecticut was the first state in the nation to begin operating an enterprise zone program; and

"Whereas, Connecticut's enterprise zone program has been very successful in promoting economic development, job creation and the revitalization of inner-city areas; and

"Whereas, Congress is currently considering federal enterprise zone legislation; and

"Whereas, state enterprise zones would be far more successful if such federal legislation were enacted, due to the greater impact of federal tax and regulatory incentives that would be available under such legislation; and

"Whereas, the two largest organizations of elected officials, the National League of Cities and the U.S. Conference of Mayors, as well as business and job training organizations, have endorsed proposed federal enterprise zone legislation, now therefore, be it

Resolved, that this general assembly calls upon the Congress of the United States to enact enterprise zone legislation,

"Be it further resolved, that copies of this resolution be sent to the speaker and the Clerk of the United States House of Representatives, the President and the Secretary of the United States Senate, and to each member of the Connecticut Congressional delegation."

POM-690. Joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Foreign Relations:

"HOUSE JOINT RESOLUTION No. 1014

"Whereas, In signing the 1975 Helsinki Accords the Soviet Union promised to respect human rights and fundamental freedoms including the freedoms of thought, conscience, religion, and belief, and to promote and encourage the effective exercise of civil and political rights; and

"Whereas, The Soviet Union, instead of keeping its word, systematically violates the Helsinki Accords by sending Soviet citizens to forced labor camps and psychiatric hospitals for merely trying to discuss their government's nuclear weapons policy and United States-Soviet relations in a meaninful way; and

"Whereas, Soviet human rights violations allow the Soviet government to dictate arms policies without facing opposing political pressure from their citizens; and

"Whereas, Human rights and peace are the same issue and bilateral pressure on the Soviet government from its own citizens would make successful negotiations more likely; and

"Whereas, Courageous people in the Soviet Union endure cruel repression and prison for their activities; now, therefore,

"Be it Resolved by the House of Representatives of the Fifty-fifth General Assembly of the State of Colorado, the Senate concurring herein:

"That the General Assembly of Colorado urges the Governor of Colorado to send a communication to the President of the United States and the General Secretary of the Communist Party of the Soviet Union stating as follows:

"The risk of nuclear war between the United States and the Soviet Union can be reduced if all people have the ability to express their opinions on world issues, including their nations' arms policies, freely and without fear; therefore, the General Assembly of the state of Colorado urges all nations that signed the Helsinki International Accords on Human Rights to observe the Accords' provisions of freedom of speech, religion, press, assembly, and emigration for all their citizens.

"Be It Further Resolved, That the Chief Clerk of the House of Representatives transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Colorado delegation to the Congress of the United States in order that they may be apprised of the sense of the Colorado General Assembly."

POM-691. A resolution adopted by the Mayor and Council of the Borough of Brielle, New Jersey favoring a constitutional convention for purposes of proposing an amendment to the Constitution relative to taxation; to the Committee on the Judiciary.

POM-692. A resolution adopted by the Township Council of Delran, New Jersey, favoring a constitutional convention for purposes of proposing an amendment to the Constitution relative to taxation; to the Committee on the Judiciary.

POM-693. A resolution adopted by the City Council of South Euclid, Ohio favoring legislation to proclaim June 21, 1986, as Save American Industry/Jobs Day; to the Committee on the Judiciary.

POM-694. A resolution adopted by the Lorain County, Ohio AFL-CIO Federation of Labor, favoring designation of June 21, 1986 as Save American Industry/Jobs Day; to the Committee on the Judiciary.

POM-695. A resolution adopted by the Senate of the Legislature of the State of Hawaii; to the Committee on Labor and Human Resources.

"SENATE RESOLUTION No. 7

"Whereas, there are two chapters of federal law which apply to persons injured in the course of maritime employment; and

"Whereas, the Longshoremen's and Harbor Worker's Compensation Act affords quick monetary compensation to all injured maritime workers except members of the crew and masters, while the Jones Act covers these two categories; and

"Whereas, the two pieces of legislation appear to be mutually exclusive, in that workers covered under the Jones Act do not have access to the remedies available under the Longshoremen's and Harbor Worker's Compensation Act; and

"Whereas, rising insurance rates for commercial fishers who are subject to the Jones Act have increased costs and slowed expansion in this vital industry; and

"Whereas, the Jones Act, unlike the Longshoremen's and Harbor Worker's Compensation Act, has no provision rendering inoperative state laws which create parallel remedies such as workers' compensation; now, therefore,

"Be It Resolved by the Senate of the Thirteenth Legislature of the State of Hawaii, Regular Session of 1986, that the Legislature requests the United States Congress to amend the Jones Act to exclude commercial fishers and amend the Longshoremen's and Harbor Worker's Compensation Act to include commercial fishers; and

"Be It Further Resolved that certified copies of this Resolution be transmitted to the Speaker of the United States House of Representatives, the President of the United States Senate and to each member of Hawaii's congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

Report to accompany the bill (S. 1655) to amend the Unfair Competition Act of 1916 and the Clayton Act to provide for private enforcement of the Unfair Competition Statute in the event of unfair foreign competition, and to amend title 28 of the United States Code to provide for private enforcement of the Customs Fraud Statute (Rept. No. 99-295).

By Mr. STAFFORD, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 1965. A bill to reauthorize and revise the Higher Education Act of 1965, and for other purposes (with additional views) Rept. No. 99-296).

By Mr. HATCH, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 881. A bill to extend title X of the Public Health Service Act for 3 years (Rept. No. 99-297).

By Mr. HATCH, from the Committee on Labor and Human Resources, with amendments:

S. 1566. A bill to extend the Family Life Demonstration Program for 3 years (Rept. No. 99-298).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GOLDWATER, from the Committee on Armed Services:

Mr. GOLDWATER. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of April 24, 1986, at the end of the Senate proceedings.)

*1. In the Marine Corps there are 11 promotions to the grade of brigadier general (list begins with James E. Sniffen). (Ref. No. 1011)

**2. In the Air National Guard there are 48 promotions to the grade of lieutenant colonel and below (list begins with Archie D. Barnes). (Ref. No. 1035)

Total: 59.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BUMPERS:

S. 2439. A bill to amend the Act of February 25, 1920, to provide for competitive leasing of oil and gas for onshore Federal lands, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. McCONNELL (for himself and Mr. THURMOND):

S. 2440. A bill to amend the Federal Tort Claims Act to include reasonable limitations on the tort liability of the United States; to the Committee on the Judiciary.

By Mr. McCONNELL (for himself and Mr. THURMOND):

S. 2441. A bill to place limitations on the civil liability of Government Contractors to ensure that such liability does not impede the ability of the United States to procure necessary goods and services; to the Committee on the Judiciary.

By Mr. DeCONCINI (for himself and Mr. GOLDWATER):

S. 2442. A bill to establish the San Pedro Riparian National Conservation Area in Cochise County, AZ, in order to assure the protection of the riparian, wildlife, archaeological, paleontological, scientific, cultural, educational, and recreational resources of the conservation area, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DOLE (for Mrs. HAWKINS (for herself and Mr. HATCH)):

S. 2443. A bill to amend the Public Health Service Act to revise the authorities of, and redesignate, the Alcohol, Drug Abuse, and Mental Health Administration; to the Committee on Labor and Human Resources.

By Mr. STAFFORD (for Mrs. HAWKINS (for herself, Mr. STAFFORD, Mr. HATCH, Mr. DODD, Mr. KENNEDY, Mr. CHAFEE, Mr. KERRY, Mr. WEICKER, Mr. PELL, Mr. RIEGLE, Mr. SIMON, Mr. BYRD, Mr. ANDREWS, and Mr. GRASSLEY)):

S. 2444. A bill to reauthorize the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, the Community Services Block Grant Act, the dependent care State grant program, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MURKOWSKI (for himself, Mr. SIMPSON and Mr. THURMOND):

S. 2445. A bill to amend title 38, United States Code, to improve certain Veterans' Administration health-care programs; to the Committee on Veterans Affairs.

By Mr. CHAFEE (for himself, Mr. STAFFORD, Mr. GORE, Mr. HEINZ, Mr. METZENBAUM, and Mr. LEVIN):

S. 2446. A bill to require the Secretaries of Agriculture and Health and Human Services to enforce certain food labeling requirements for packaged foods sold by certain restaurants; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and State resolutions were read, and referred (or acted upon), as indicated:

By Mr. LAUTENBERG (for himself and Mr. HOLLINGS):

S. Res. 405. Resolution to express the sense of the Senate opposing the imposition of a federal licensing fee for marine sportfishing; to the Committee on Commerce, Science, and Transportation.

By Mr. DODD (for himself and Mr. WEICKER):

S. Res. 406. Resolution honoring the 125th anniversary of organized camping in the United States; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUMPERS:

S. 2439. A bill to amend the Act of February 25, 1920, to provide for competitive leasing of oil and gas for onshore Federal lands, and for other purposes; to the Committee on Energy and Natural Resources.

(The remarks of Mr. BUMPERS and the text of the legislation appear earlier in today's RECORD.)

By Mr. McCONNELL (for himself and Mr. THURMOND):

S. 2440. A bill to amend the Federal Tort Claims Act to include reasonable limitations on the tort liability of the United States; to the Committee on the Judiciary.

S. 2441. A bill to place limitations on the civil liability of Government contractors to ensure that such liability does not impede the ability of the United States to procure necessary goods and services; to the Committee on the Judiciary.

(The remarks of Mr. McCONNELL and Mr. THURMOND and the text of the legislation appear earlier in today's RECORD.)

By Mr. DeCONCINI (for himself and Mr. GOLDWATER):

S. 2442. A bill to establish the San Pedro Riparian National Conservation Area in Cochise County, Arizona, in order to assure the protection of the riparian, wildlife, archeological, paleontological, scientific, cultural, educational, and recreational resources of the conservation area, and for other purposes; to the Committee on Energy and National Resources.

SAN PEDRO RIPARIAN NATIONAL CONSERVATION AREA

Mr. DeCONCINI. Mr. President, it gives me great pleasure to introduce legislation today that will establish special protection for a unique riparian ecosystem in southern Arizona known as the San Pedro Riparian Area. Lands along a 31-mile stretch of the San Pedro River in western Cochise County, AZ, comprise some of the most valued riparian, wildlife, archaeological, paleontological, scientific, cultural, and recreational resources in the Southwest. Intense national interest in this area sparked action by the Bureau of Land Management to acquire riparian lands along the San Pedro. On March 7 of this year, title to these lands was turned over to the Bureau of Land Management through a land exchange initiative with the private owner, Tenneco Inc. Since that time, the BLM has closed the 43,371 acres of land to the public while it formulates an interim land management policy for these important public lands.

The legislation I am sponsoring today, with my good friend from Arizona, Senator GOLDWATER, will place the San Pedro Riparian Area under the management of a National Conservation Area of the Bureau of Land Management. The lands will be managed to protect the fragile resource values but will be open to the public for recreation and uses on a controlled basis.

Mr. President, last year numerous individuals and organizations came to me seeking Land and Water Conservation Funds to acquire the lands now comprising the San Pedro River Riparian Area. At that time, estimates on the cost to acquire this area ranged from $20 to $30 million. Through the initiative of the Bureau of Land Management, the Federal Government now owns these lands and can manage

them to protect the resources and assure public enjoyment for the years to come. I commend the BLM for its foresight and leadership in acquiring and protecting these lands. In times when all of us are gravely concerned about spiraling Federal deficits, it is good to see actions undertaken that respond to our public land needs without deepening the Federal budgetary problems. Dean Bibles, the Arizona State Director, for the BLM, is largely responsible for this achievement and deserves substantial credit.

The 43,371 acres of land along the San Pedro River are rich in wildlife and significant cultural resources. The area provides habitat to the largest diversity of reptiles, birds, and mammals found in the United States and North America. Mexican birds, whose northern range is southeastern Arizona, use the area and species like the Harris hawk, the black hawk, the zone-tailed hawk, gray hawk, aplomado falcon, and the elegant trogon are prevalent. Experts estimate that the area includes 161 species of birds, 80 species of mammals, a dozen fish species, and about 68 species of reptiles and amphibians.

Equally important are the abundance of cultural and historic resources found in the area. There are 110 known archaeological sites including the famous and highly significant Paleo Indian sites dating to 11,000 years ago, the Presido of Santa Cruz de Terrante (Quiburi), Murray Springs, and the Escapule site. This is one of the few areas within the United States where known sites of the period between the prehistoric and historic occupation of the Southwest still exist. While many of these sites must be carefully preserved, they do afford excellent opportunities for interpretation and education for the public.

While the Bureau of Land Management has existing authority under the Federal Land Policy and Management Act of 1976 to manage these lands, because of the fragile nature of the significant resources and the need to ensure the proper protection and use of the area for the years to come, I believe special consideration should be afforded this area by the designation of the San Pedro Riparian Area as a National Conservation Area. Under the legislation I propose today, the San Pedro lands will be managed primarily to conserve and protect the riparian, wildlife, archaeological, paleontological, scientific, cultural, educational, and recreation resources of the area. None of the lands will be eligible for disposal and the Secretary will be directed to work with the public to develop a long-term management policy for the National Conservation Area. The Secretary shall have the authority to enter into cooperative agreements with State and local agencies like the Arizona Game and Fish Department, Arizona State Parks and private organizations who may have special management expertise and concern for the preservation of the area. Subject to valid existing rights, the area will be withdrawn from mineral entry. Because of the environmental importance of this area, a multiple-use advisory council will be established to advise and recommend to the Secretary of the Interior the appropriate practices for the development and implementation of the management plan for this area. Also, because there have been concerns about the BLM's ability to sufficiently manage and protect this area under the designation of a National Conservation Area, I have included a provision which requires the Secretary of the Interior to submit a report to the appropriate committees of the House and the Senate within 5 years of the date of enactment of the act and every 10 years thereafter, on the implementation of the terms of the act. That report is to include a detailed statement on the condition of the resources and the BLM's ability to achieve the management objectives outlined in the bill.

Mr. President, through the initiative taken by Dean Bibles of the BLM and through the permanent management authority offered to the San Pedro area in this legislation, a unique area of diverse resources, breathtaking beauty, and historic values will be preserved and protected for all Americans to enjoy for the years to come. The cooperation and continued work by experts and citizens in Arizona, working with the BLM, will assure this goal.

In order to adopt a permanent management plan for this important area this year, it is my hope that the Energy and Natural Resources Committee will take expeditious action on this measure.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2442

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTABLISHMENT OF CONSERVATION AREA.

(a) ESTABLISHMENT.—(1) There is hereby established the San Pedro Riparian National Conservation Area (in this Act referred to as the "conservation area").

(2) The conservation area shall—

(A) consist of Federal lands acquired by exchange or purchase; and

(B) be managed by the Secretary of the Interior, acting through the Bureau of Land Management, (in this Act referred to as the "Secretary") in accordance with the provisions of this Act.

(3) The conservation area shall not cover more than 60,000 acres.

(b) BOUNDARIES.—Lands to be included in the conservation area are generally depicted on a map entitled "Boundary Map, San Pedro Riparian National Conservation Area", and 51 Fed. Reg. 8715, which together with a legal description, ref. A21410, shall be on file and available for public inspection in the offices of the Secretary of the Interior, Washington, DC, and in appropriate State and local offices of the Bureau of Land Management in the State of Arizona. The Secretary shall finalize the boundaries of the conservation area no later than 5 years after the date of enactment of this Act.

SEC. 2. MANAGEMENT OF CONSERVATION AREA.

(a) MANAGEMENT.—The Secretary shall manage the conservation area—

(1) in accordance with the provisions of this Act, and where not inconsistent with the provisions of this Act, the principles of the Federal Land Policy and Management Act of 1976 (43 U.S.C., 1701 et seq.); and

(2) in a manner that conserves, protects, and enhances the riparian, wildlife, archaeological, paleontological, scientific, cultural, educational, and recreation resources of the conservation area.

(b) OTHER USES.—The Secretary may allow uses other than those specified in subsection (a) if he can show that such uses will have no significant adverse effects on the primary purposes for which the conservation area is established.

(c) NO DISPOSITION OF LANDS WITHIN CONSERVATION AREA.—Notwithstanding any other provision of law, lands within the conservation area shall not be available for disposition, except through exchange to improve boundaries.

SEC. 3. MANAGEMENT PLAN.

(a) DEVELOPMENT OF PLAN.—No later than two years after the date of enactment of this Act, the Secretary shall develop a plan for the comprehensive and long-term management, development, and protection of the conservation area. The plan shall be developed with full opportunity for public participation and comment, and shall contain provisions designed to assure protection of the riparian, wildlife, archaeological, paleontological, scientific, cultural, and recreation resources and values of the conservation area.

(b) USE OF CONSERVATION AREA.—The plan developed pursuant to subsection (a) shall generally provide for visitor use of the conservation area. Notwithstanding the preceding sentence, the Secretary may limit visitor use, close portions of the conservation area to public use, or allow use of the conservation area by permit only (to be issued by him with appropriate conditions) in order to insure protection of the conservation area's resources and values and provided in this Act.

(c) RESEARCH IN CONSERVATION AREA.—In order to assist in the development of appropriate management strategies for the conservation area, the Secretary may authorize research on matters including the environmental, biological, hydrological, and cultural resources in the conservation area.

(d) PRIVATE MANAGEMENT.—The Secretary may enter into cooperative agreements with appropriate State and local agencies or private organizations for the management of any portion of the conservation area in accordance with land use plans for the conservation area developed pursuant to the provisions of this Act.

SEC. 4. MULTIPLE USE ADVISORY COUNCIL.

The Secretary of the Interior shall establish a Multiple Use Advisory Council which shall advise and recommend to the Secretary appropriate management practices to

implement the provisions of the land use plan and the purposes of this Act. The members of the council shall be appointed by the Secretary and shall include representatives from Cochise County.

SEC. 5. GENERAL PROVISIONS.

(a) WITHDRAW FROM MINING.—Subject to valid existing rights, the lands described in section 1 are hereby withdrawn from all forms of appropriation under the public land laws, including mining and mineral leasing laws and the Geothermal Leasing Act.

(b) REGULATIONS.—The Secretary is authorized to issue regulations necessary to implement the provisions of this Act.

(c) VIOLATIONS OF ACT.—Any person who violates any provision of this Act or other regulations issued by the Secretary to implement this Act shall be subject to a fine of up to $10,000, or to imprisonment for up to one year, or both.

(d) COOPERATIVE AGREEMENTS.—The Secretary may enter into cooperative agreements with appropriate State and local agencies for enforcement of the provisions of this Act and regulations issued pursuant to it.

(e) ENDANGERED SPECIES ACT.—Nothing in this Act shall supersede or otherwise affect the Endangered Species Act of 1973 (16 U.S.C. 1530 et seq.).

(f) ACQUISITION OF LANDS.—Nothing in this Act shall affect State or private inholdings within the boundaries of the conservation area as described by the Secretary except as they may be acquired by exchange or purchase but not by condemnation.

SEC. 6. REPORT TO CONGRESS.

No later than 5 years after the date of enactment of this Act and every 10 years thereafter, the Secretary shall furnish to the appropriate committees of the House of Representatives and the Senate, a report on the implementation of this Act. Such report shall include a detailed statement on the condition of the resources within the conservation area and the Bureau of Land Management's ability to achieve the management goals specified under this Act.

SEC. 7. AUTHORIZATION.

There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. DOLE (for Mrs. HAWKINS, for herself and Mr. HATCH):

S. 2443. A bill to amend the Public Health Service Act to revise the authorities of, and redesignate, the Alcohol, Drug Abuse, and Mental Health Administration; to the Committee on Labor and Human Resources.

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH AMENDMENTS

(Mr. DOLE submitted the following statement on behalf of Mrs. HAWKINS.)

● Mrs. HAWKINS. Mr. President, today, I am introducing with my colleague from Utah, Senator HATCH, legislation reauthorizing the National Institute on Alcohol Abuse and Alcoholism [NIAAA] and the National Institute on Drug Abuse [NIDA].

This bill seeks to reauthorize these Institutes for 5 years. Funding for the fiscal year 1987: NIDA, $83 million and NIAAA, $69 million. Such sums as would be necessary would be authorized each year thereafter.

TEENAGE SUICIDE

In the area of prevention, this bill would require triannual prevention reports. It would also ask the Secretary to present a report to Congress in January 1988 and every 3 years thereafter on suicide among young people. The report on teen suicide would be overseen by the Secretary and the Secretary's Task Force on Youth Suicide and would be coordinated throughout the Department of Health and Human Services.

Mr. President, in our Nation today, the life expectancy of every age group is up. Those of us who are lucky will live well beyond our 80 birthdays. But tragically, there is one age group where this is not the case—young people, 15 to 24. An alarming veil of despair seems to have gripped many in this most vulnerable and precious age group and they are succumbing as never before. We need to know what it is that is driving this tragic increase in teenage suicide if we are to stop it. And stop it we must because these young people are the leaders of tomorrow.

NAME CHANGE FOR ADAMHA

Currently, the National Institute on Alcohol Abuse and Alcoholism and the National Institute on Drug Abuse and the National Institute on Mental Health, represent the premiere substance abuse research efforts in this country. Because the function of these Institutes is primarily for research purposes, this legislation recommends that a title change for the Alcohol, Drug Abuse and Mental Health Administration [ADAMHA] which currently administers these Institutes. Should this provision be enacted, ADAMHA would be become the National Institutes on Alcohol, Drugs, and Mental Health. This would in no way change the current jurisdiction or function of ADAMHA.

TELEVISION COMMERCIALS ON SMOKING AND PREGNANCY

In 1986, lung cancer will become the No. 1 cause of cancer death among women. Additionally, rising numbers of women who smoke are falling victim to heart attacks and strokes. Pregnant women who smoke may pose serious health risks for their unborn children. Yet the Federal Trade Commission has found that less than 50 percent of women are aware of the health risks of smoking during pregnancy. For this reason, Mr. President, this legislation would ask the Secretary of Health and Human Services to prepare announcements for television on the health risks to women which result from cigarette smoking.

ALCOHOL CONTENT LABELING

Currently Federal law requires the labeling of alcohol content for most wines and all distilled spirits. Yet perhaps the most popular drink among our young people, beer, is excluded from this requirement. This legislation would assure that consumers of "malt beverages" be informed as to the alcohol content of such beverages. This provision would simply provide equal treatment regarding the labeling of alcohol content for both "malt beverages" and for distilled spirits.

Mr. President, I have long advocated content labeling on food products. I held hearings where we discussed the need to let consumers know how much salt and fat there was in the food they eat. This legislation is similar. Consumers must be given every opportunity to know just what it is they are consuming.

TECHNICAL AMENDMENT

This legislation would also seek to recodify under title V all of the mental health components of the Public Health Service Act which currently exist under title III. This is simply a recodification effort and in no way changes any authority of the National Institute on Mental Health or ADAMHA.

Additional changes in current law which this legislation proposes include:

Flexibility would be allowed in cases of national public health emergencies thereby allowing NIDA and NIAAA to better cope, as they were asked to this year, with the horrifying AIDS epidemic. This will also allow NIDA, in particular to move rapidly in response to designer drugs.

Animal research standards currently applicable for the National Institutes on Health would apply to ADAMHA.

The Institutes would be allowed to use volunteers for tasks such as feeding research animals.

The advisory councils which oversee grant applications for each of the Institutes would consist of nine members from the scientific community and three members from the public sector, including one individual representing public relations.

The effectiveness of these Institutes is vital to the social and economic health of this Nation and our children's children. Only if they are given the tools for prevention, education, and research will they be equipped for the war against drug abuse.●

By Mr. STAFFORD (for Mrs. HAWKINS, for herself, Mr. STAFFORD, Mr. HATCH, Mr. PELL, Mr. RIEGLE, Mr. SIMON, Mr. DODD, Mr. KENNEDY, Mr. CHAFEE, Mr. KERRY, Mr. WEICKER, Mr. BYRD, and Mr. ANDREWS):

S. 2444. A bill to reauthorize the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, the Community Services Block Grant Act, the Dependent Care State Grant Program, and for other purposes; to the Committee on Labor and Human Resources.

HUMAN SERVICES REAUTHORIZATION ACT

Mr. STAFFORD. Mr. President, I am introducing for Senator HAWKINS the Human Services Reauthorization Act of 1986 to provide for the reauthorization of four very vital human service programs, Head Start, Low-Income Home Energy Assistance, Community Services Block Grant, and the Dependent Care Services Program. We are joined in this effort by our fellow Senators, Mr. HATCH, Mr. DODD, Mr. KENNEDY, Mr. CHAFEE, Mr. RIEGLE, Mr. PELL, Mr. SIMON, Mr. BYRD, Mr. WEICKER, Mr. KERRY, and Mr. ANDREWS.

The bill provides for a 4-year reauthorization of four programs that serve our low-income and elderly citizens. We provide for very modest growth in the program over the next 4 years even though we are painfully aware the need far outstrips the current level of appropriations for the programs.

The bill authorizes the Head Start Program for $1,130,540,000 for fiscal year 1987. This is a 4-percent increase over the fiscal year 1986 appropriation level pre-Gramm-Rudman-Hollings March 1 cuts. In fiscal years 1988-90, the authorization level would increase by 4 percent each year.

The Low-Income Home Energy Assistance Program would be authorized at $2,163 million for fiscal year 1987. This is a 3-percent increase over the fiscal year 1986 appropriation level pre-Gramm-Rudman-Hollings cuts. The Energy Program would grow at a 3-percent rate for the next 3 fiscal years authorized.

The Low-Income Home Energy Program section of the bill also provides additional language to further clarify the income disregard provisions of the law.

The Community Services Block Grant authorization is set at $381,409,000 for fiscal year 1987. This is a 3-percent increase over the fiscal year 1986 authorization level prior to the Gramm-Rudman-Hollings cuts. The authorization levels are increased by 3 percent for the 3 additional years in the bill.

Last but not least the bill reauthorizes the Dependant Care Services Program at $20 million for fiscal year 1987 and the 2 succeeding fiscal years. In addition, the bill contains many of the recommendations from the extensive hearing held by Senator HAWKINS on reauthorization of these programs. Under Senator HAWKINS sponsorship, this bill will make further improvement in the delivery of human services to our elderly and low-income Americans.

Mr. President, the continuation of these important programs is needed to meet some of the needs of elderly and low-income Americans, and I ask my fellow Senators' support for this bill.

Mr. President, I ask unanimous consent that the text of the bill, and the section-by-section analysis be printed in the RECORD at the end of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2444

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Human Services Reauthorization Act of 1986".

TITLE I—THE HEAD START PROGRAM

REAUTHORIZATION

SEC. 101. Section 639 of the Head Start Act (42 U.S.C. 9834) (hereafter in this title referred to as the "Act") is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 639. There are authorized to be appropriated for carrying out the provisions of this subchapter $1,130,542,000 for fiscal year 1987, $1,175,764,000 for fiscal year 1988, $1,222,795,000 for fiscal year 1989, and $1,271,717,000 for fiscal year 1990.".

ALLOTMENT OF FUNDS

SEC. 102. (a) INDIAN AND MIGRANT PROGRAMS.—Section 640(a)(2)(A) of the Act is amended to read as follows:

"(A) Indian and migrant Head Start programs and services for handicapped children, except that there shall be made available for use by Indian and migrant Head Start programs, on a nationwide basis, 7 1/10 percent of the total amount of funds available for this subchapter during such fiscal year;".

(b) TRAINING AND TECHNICAL ASSISTANCE.—The second sentence of section 640(a)(2) of the Act is amended to read as follows: "In any fiscal year in which the appropriation for which the program authorized by this subchapter is less than the amount appropriated for fiscal year 1984, the minimum reservation contained in clause (C) of this paragraph shall not apply and the amount reserved for training and technical assistance activities described in such clause (C) shall be 3 percent of the total amount available during such fiscal year for this subchapter.".

COORDINATION

SEC. 103. Section 642(c) of the Act is amended by inserting before "programs" the following: "State and local".

PARTICIPATION IN HEAD START PROGRAMS

SEC. 104. Section 645(a) of the Act is amended by striking out "1986" and by inserting "1990".

TITLE II—THE DEPENDENT CARE STATE GRANT PROGRAM

REAUTHORIZATION

SEC. 201. Section 670A of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9871) (hereafter in this title referred to as the "Act"), relating to grants to States for planning and development of dependent care programs, and for other purposes, is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 670A. For the purpose of allotments to States to carry out the activities described in section 670D, there are authorized to be appropriated $20,000,000 for the fiscal year 1987 and for each of the two succeeding fiscal years.".

AMENDMENTS ON DEPENDENT CARE SERVICES INFORMATION; LICENSING

SEC. 202. (a) DEPENDENT CARE SERVICES INFORMATION.—Subsection (a) of section 670D of the Act is amended—

(1) by inserting "(1)" after the subsection designation;

(2) by striking out "shall" in the second sentence and inserting in lieu thereof "may";

(3) by redesignating clauses (1), (2), (3), (4), (5), (6), and (7) in the second sentence as clauses (A), (B), (C), (D), (E), (F), and (G), respectively; and

(4) by striking out the third sentence and inserting in lieu thereof the following:

"(2) The State, with respect to the uses of funds described in paragraph (1) of this subsection shall—

"(A) provide assurances that no information will be included with respect to any dependent care services which are not provided in compliance with the laws of the State and localities in which such services are provided; and

"(B) provide assurances that the information provided will be the latest information available and will be kept up to date.".

(b) SCHOOL-AGE CHILD CARE SERVICES.—(1) Section 670D(b)(1) of the Act is amended by striking out "where school facilities are not available".

(2) Section 670D(b)(2)(E) of the Act is amended by inserting before "licensing laws" the following: "child care".

SCHOOL-AGE CHILD DEFINITION

SEC. 203. Section 670G(7) of the Act is amended by inserting before the semicolon a comma and the following: "except that in any State which by State law children at an earlier age are provided free public education, the age provided in State law shall be substituted for age five".

SHORT TITLE

SEC. 204. Chapter 8 of title VI of the Act is amended by adding at the end thereof the following new section:

"SHORT TITLE

"SEC. 670H. This subchapter may be cited as the 'State Dependent Care Development Grants Act'.".

TITLE III—LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM

REAUTHORIZATION

SEC. 301. Section 2602(b) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621(b)) (hereafter in this title referred to as the "Act") is amended to read as follows:

"(b) There is authorized to be appropriated to carry out the provisions of this title, $2,163,000,000 for the fiscal year 1987, $2,227,890,000 for the fiscal year 1988, $2,294,726,000 for the fiscal year 1989, and $2,363,567,000 for the fiscal year 1990.".

ADMINISTRATION OF ENERGY CRISIS INTERVENTION PROGRAM

SEC. 302. Section 2604(c) of the Act is amended by inserting at the end thereof the following: "Such entities shall include community-based organizations (such as agencies on aging or community action programs).".

CALCULATION OF GRANTS TO INDIAN TRIBES

SEC. 303. Section 2604(d)(2) of the Act is amended—

(1) by striking out "in such State with respect to which a determination under this subsection is made" and inserting in lieu thereof "and residing within the State on

the reservation of the tribes or on trust lands adjacent to such reservation";

(2) by inserting before the period at the end of such section a comma and the following: "or such greater amount as the Indian tribe and the State may agree upon"; and

(3) by adding at the end thereof the following: "In cases where a tribe has no reservation, the Secretary, in consultation with the tribe and the State, shall define the number of Indian households for the determination under this paragraph.".

APPLICATIONS AND REQUIREMENTS

SEC. 304. (a) STATE PROCEDURES.—Section 2605(b)(5) of the Act is amended—

(1) by striking out ", in a manner consistent with the efficient and timely payment of benefits,"; and

(2) by inserting after "size" a comma and the following: "assure that the neediest households receive the maximum assistance, and provide timely and efficient payment of benefits".

(b) CONFORMING AMENDMENTS.—Section 2605(b) of the Act is amended—

(1) by striking out clauses (14), (15), and (16);

(2) by inserting "and" at the end of clause (13); and

(3) by redesignating clause (17) as clause (14).

CONTENTS OF STATE PLAN

SEC. 305. Section 2605(c)(1) of the Act is amended by striking out clauses (A) through (E) and inserting in lieu thereof the following:

"(A) describes the eligibility requirements to be used by the State for each type of assistance to be provided under this title, including criteria for designating an emergency under section 2604(c);

"(B) describes the benefit levels to be used by the States for each type of assistance including assistance to be provided for emergency crisis intervention and for weatherization and other energy-related home repair;

"(C) contains estimates of the amount of funds the State will use for each of the programs under such plan and describes the alternative use of funds reserved under section 2504(c) in the event any portion of the amount so reserved is not expended for emergencies;

"(D) describes weatherization and other energy-related home repair the State will provide under subsection (k);

"(E) describes how the State will carry out assurances in clauses (3), (4), (5), (6), (7), (8), (10), (12), and (13) of subsection (b); and

"(F) contains any other information determined by the Secretary to be appropriate for purposes of this title.".

CONSISTENT TREATMENT OF ENERGY ASSISTANCE PAYMENTS

SEC. 306. (a) TREATMENT OF PAYMENTS.—Section 2605(f) of the Act (42 U.S.C. 8624(f)) is amended—

(1) by inserting "(1)" after the subsection designation;

(2) by striking out "provided to" and inserting in lieu thereof "provided directly to, or indirectly for the benefit of,"; and

(3) by adding at the end thereof the following new paragraph:

"(2) In carrying out the provisions of paragraph (1), for purposes of determining any excess shelter expense deduction under section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e))—

"(A) the full amount of such payments or allowances shall be deemed to be expended by such household for heating or cooling expenses, without regard to whether such payments or allowances are provided directly to, or indirectly for the benefit of, such household; and

"(B) no distinction may be made among households on the basis of whether such payments or allowances are provided directly to, or indirectly for the benefit of, any of such households.".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1986, or on the date of the enactment of this Act, whichever is later.

TITLE IV—COMMUNITY SERVICES BLOCK GRANT

REAUTHORIZATION

SEC. 401. (a) GENERAL AUTHORIZATION.—Section 672(b) of the Community Services Block Grant Act (42 U.S.C. 9901) (hereafter in this title referred to as the "Act") is amended by adding at the end thereof the following new sentence: "There is authorized to be appropriated $381,409,000 for the fiscal year 1987, $392,851,000 for the fiscal year 1988, $404,636,000 for the fiscal year 1989, and $416,775,000 for the fiscal year 1990, to carry out the provisions of this subtitle.".

(b) COMMUNITY FOOD AND NUTRITION.—Section 681A(b) of the Act is amended by striking out "1985 and 1986" and inserting in lieu thereof "1987, 1988, and 1989".

DEFINITION; ELIGIBLE ENTITY

SEC. 402. The first sentence of section 673 of the Act is amended by inserting after "1981" a comma and the following: "or which came into existence during fiscal year 1982 as a direct successor in interest to such a community action agency or community action program and meets all the requirements under section 675(c)(3) of this Act with respect to the composition of the board.".

REQUIREMENTS

SEC. 403. (a) TRANSFER AUTHORITY.—Section 675(c)(5) of the Act is amended to read as follows:

"(5) provide assurances that the State may transfer funds, but not to exceed 5 percent of its allotment under section 674, to increase the level of assistance otherwise available to eligible entities under this subtitle, to support services under the Older Americans Act of 1965, the Head Start program under subchapter B of chapter 8 of subtitle A of this title, the energy crisis intervention program under title 26 of this Act (relating to low-income home energy assistance), or the Temporary Emergency Food Assistance Act of 1983, or to provide assistance for State awarded discretionary grants to contribute to the goals of this subchapter to address the causes of poverty, except that the State may not transfer any funds which would diminish the requirement of the State under clause (2)(A) of this subsection;".

(b) TERMINATION PROCEDURES.—(1) Section 675(c)(11) of the Act is amended by inserting after "subject to" the following: "the procedures and".

(2) Section 676A of the Act is amended—

(A) by redesignating the section as subsection (b), and

(B) by inserting before the redesignated subsection (b) the following:

"SEC. 676A. (a) Whenever a State violates the assurances contained in section 675(c)(11) and terminates the funding of a community action agency or migrant and seasonal farmworker organization prior to the completion of the State's hearing and the Secretary's review as required in section 679 of this Act, the Secretary shall assume responsibility for providing financial assistance to the community action agency or migrant and seasonal farmworker organization affected.".

(3) Section 676A of the Act, as amended by this subsection, is further amended by adding at the end thereof the following:

"(c) The Secretary shall conduct the review through the Office of Community Services, which shall promptly conduct such review and issue a written determination together with the reasons of the Secretary therefor.".

(4) The heading of section 676A of the Act is amended to read as follows:

"PROCEDURES FOR A REVIEW OF TERMINATION OF FUNDING".

(c) REPEAL OF EXECUTED PROVISION.—The last sentence of section 675(c) is repealed.

FISCAL EVALUATIONS

SEC. 404. (a) GENERAL RULE.—Section 679(b)(1) of the Act is amended—

(1) by inserting "evaluations and" after "fiscal year";

(2) by adding before the period at the end thereof a comma and the following: "and especially with respect to compliance with sections 672(a), 675(b), and (c)(1) through (11)"; and

(3) by adding at the end thereof the following new sentences: "Such evaluation shall include identifying the impact that assistance furnished under this subtitle has on children, homeless families, and the elderly poor. A report of the evaluation, together with recommendations of improvements designed to enhance the benefit and impact to people in need, will be sent to each State evaluated. Upon receiving the report the State will then submit a plan of action in response to the recommendation contained in the report. The results of such evaluation shall be submitted annually to the Chairman of the Committee on Education and Labor of the House of Representatives and the Chairman of the Committee of Labor and Human Resources of the Senate.".

(b) CONFORMING AMENDMENT.—Section 675(i) is repealed.

DISCRETIONARY AUTHORITY

SEC. 405. (a) GENERAL RULE.—(1) The matter preceding clause (1) of section 681(a) of the Act is amended—

(A) by striking out "is authorized, either directly or through" and inserting in lieu thereof "is authorized to make"; and

(B) by inserting before "contracts" the following: "to enter into".

(2) Section 681(a)(1) of the Act is amended by inserting before the semicolon a comma and the following: "including national conferences, newsletters, and collection and dissemination of data about programs and projects assisted under this subtitle".

(3) Section 681(a)(2)(A) of the Act is amended to read as follows:

"(A) special programs of assistance, awarded on a competitive basis, to private, locally initiated, nonprofit community development corporations, (or affiliates of such corporations) governed by a board consisting of residents of the community and business and civic leaders, which sponsor enterprises providing employment and business development opportunities for low-income residents of the community designed to increase business and employment opportunities in the community;".

(4) Section 681(a)(2)(B) of the Act is amended by inserting before the semicolon the following: "except that loans to borrow-

ers made after the date of enactment of the Food Security Act of 1985 and prior to the date of enactment of the Human Services Reauthorization Act of 1986 shall be transferred to and administered by the Secretary of Agriculture subject to the provisions of the Food Security Act of 1985".

(5) Section 681(a)(2)(D) of the Act is amended by inserting before the semicolon a comma and the following: "with special priority to rural community assistance programs".

(b) NATIONAL CONFERENCE PROVISIONS.—Section 681 of the Act is amended—

(1) by redesignating subsection (b) as subsection (d); and

(2) by adding after subsection (a) the following new subsections:

"(b)(1) The Secretary shall appoint an Advisory Panel consisting of nine members which shall be convened to develop and hold a national conference designed to promote a full exchange of information on past approaches to the problems of poverty in the formulation of innovative plans for future methods of attacking the causes of poverty and the encouragement of self-sufficiency of the poor in the United States.

"(2) The membership of the Advisory Panel shall consist of—

"(A) three members elected by the directors of eligible entities receiving assistance under this subtitle;

"(B) two representatives selected by the National Association of State Community Service Programs;

"(C) one member of the Office of Community Services appointed by the Secretary;

"(D) one member appointed by the Secretary; and

"(E) two members elected by the members of the panel described in clauses (A) through (D) before the first meeting of the Advisory Panel.

The two members of the Advisory Panel selected under clause (E) shall represent nonprofit eleemosynary organizations, members of academic community, or charitable foundations, and have a history of involvement in self-sufficiency programs for the poor, the elimination of the causes of poverty, or the study of the underpinnings of poverty.

"(3) The Secretary shall from amounts appropriated for administrative expenses for the Department, reserve $100,000 to carry out the provisions of this subsection.

"(c)(1) The final reports on projects completed with assistance made under this section to be summarized and presented annually to the Chairman of the Committee on Education and Labor of the House of Representatives and the Chairman of the Committee on Labor and Human Resources of the Senate. The report shall contain a list of grantees who have received funds under this section outside of the competitive process.

"(2) The Secretary shall, at the end of each fiscal year, prepare and distribute a catalog listing all the projects assisted under clause (A) of subsection (a)(2) in that year. The catalog shall include—

"(A) a description of each project;

"(B) an identification of the agency receiving the award, including the name and address of the principal investigator;

"(C) a description of the project objectives; and

"(D) a statement of the accomplishments of the project.".

DEMONSTRATION PARTNERSHIP AGREEMENTS ADDRESSING THE NEEDS OF THE POOR

SEC. 406. (a) GENERAL AUTHORITY.—(1) In order to provide for the self-sufficiency of the Nation's poor, the Secretary may make grants from funds appropriated pursuant to subsection (e) to eligible entities for the development and implementation of new and innovative approaches to deal with particularly critical needs or problems of the poor which are common to a number of communities. Grants may be made only with respect to applications which—

(A) involve activities which can be incorporated into or be closely coordinated with eligible entities' ongoing programs;

(B) involve significant new combinations of resources or new and innovative approaches involving partnership agreements; or

(C) are structured in a way that will, within the limits of the type of assistance or activities contemplated, most fully and effectively promote the purposes of the Community Services Block Grant Act.

(2) No grant may be made under this section unless an application is submitted to the Secretary at such time, in such manner, and containing or accompanied by such information, as the Secretary may require.

(b) FEDERAL SHARE; LIMITATIONS.—(1) Grants awarded pursuant to this section shall be used for new programs and shall not exceed 50 per centum of the cost of such new programs.

(2) Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, or services.

(3) No more than one grant may be made to any eligible entity and no grant may exceed $250,000.

(4) No application may be approved for assistance under this section unless the Secretary is satisfied that—

(A) the activities to be carried out under the application will be in addition to, and not in substitution for, activities previously carried on without Federal assistance; and

(B) funds or other resources devoted to programs designed to meet the needs of the poor within the community, area, or State will not be diminished in order to provide the matching contributions required under this section.

(c) DISSEMINATION OF RESULTS.—As soon as practicable, but no later than 90 days after the expiration of any grant awarded under this section, the Secretary shall prepare and make available upon request to each State and eligible entity descriptions of the demonstration programs assisted under this section, any relevant information developed and results achieved, so as to provide models for innovative programs to other eligible entities.

(d) DEFINITIONS.—As used in this section, the term—

(1) "eligible entity" has the same meaning given that term by section 673(1) of the Community Services Block Grant Act; and

(2) "Secretary" means the Secretary of Health and Human Services.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $10,000,000 for each of the fiscal years 1987, 1988, and 1989, to carry out this section.

TITLE V—CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE PROGRAM

SHORT TITLE

SEC. 501. This Act may be cited as the "Child Development Associate Scholarship Assistance Act of 1985".

GRANTS AUTHORIZED

SEC. 502. The Secretary is authorized to make a grant for any fiscal year to any State receiving a grant under title XX of the Social Security Act for such fiscal year to enable such State to award scholarships to eligible individuals within the State who are candidates for the Child Development Associate credential.

APPLICATIONS

SEC. 503. (a) APPLICATION REQUIRED.—A State desiring to participate in the grant program established by this title shall submit an application to the Secretary in such form as the Secretary may require.

(b) CONTENTS OF APPLICATIONS.—A State's application shall contain appropriate assurances that—

(1) scholarship assistance made available with funds provided under this title will be awarded—

(A) only to eligible individuals,

(B) on the basis of the financial need of such individuals, and

(C) in amounts sufficient to cover the cost of application, assessment, and credentialing for the Child Development Associate credential for such individuals; and

(2) not more than 10 percent of the funds received by the State under this title will be used for the costs of administering the program established in such State to award such assistance.

(c) EQUITABLE DISTRIBUTION.—In making grants under this title, the Secretary shall—

(1) distribute such grants equitably among States in the various regions of the Nation, and

(2) ensure that the needs of rural and urban areas are appropriately addressed.

DEFINITIONS

SEC. 504. As used in this title—

(1) "eligible individual" means a candidate for the Child Development Associate credential whose income does not exceed the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), by more than 50 percent;

(2) "Secretary" means the Secretary of Health and Human Services;

(3) "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

ADMINISTRATIVE PROVISIONS

SEC. 505. (a) REPORTING.—Each State receiving grants under this title shall annually submit to the Secretary information on the number of eligible individuals assisted under the grant program, and their positions and salaries before and after receiving the Child Development Associate credential.

(b) PAYMENTS.—Payments pursuant to grants made under this title may be made in installments, and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

AUTHORIZATION OF APPROPRIATIONS

SEC. 506. There are authorized to be appropriated $1,500,000 for the fiscal year 1987 and for each succeeding fiscal year ending prior to October 1, 1990, for carrying out the provisions of this title.

SECTION-BY-SECTION ANALYSIS

The first sentence of the bill provides that the Act may be cited as the "Human Services Reauthorization Act of 1986".

TITLE I—HEAD START

Section 101 reauthorizes Head Start through fiscal year 1990:

1987	$1,130,542,000
1988	$1,175,764,000
1989	$1,222,795,000
1990	$1,271,717,000

Section 102 eliminates the cost of living adjustment for Indian and Migrant Head Start programs. It specifies that national funding for these programs is to be no less than 7.1% of the amount appropriated. This section also provides that in years when the Head Start appropriations are less than the FY 84 appropriation, funding for training and technical assistance shall be 3% of the appropriation.

Section 103 specifies that the type of programs Head Start agencies are to coordinate with are "state and local."

Section 104 continues the prohibition through 1990, of any change in the method the Secretary uses to calculate income used to prescribe eligibility for the participation of persons in the Head Start program if the change would result in any reduction or exclusion of persons in the program.

TITLE II—DEPENDENT CARE STATE GRANT PROGRAM

Section 201 reauthorizes the Dependent Care programs at $20,000,000 for fiscal years 1987-1989.

Section 202 provides that the specified types of information on dependent care services to be made available by resource-and-referral systems are optional rather than mandatory. It requires states to provide assurances to the Secretary that

1. The grant funds will not be used to provide information on dependent care services that are not in compliance with state and local laws

2. The information provided will be the latest available and will be kept up to date.

The section also eliminates the requirement that before-and-after-school child care programs be provided at community centers only where school facilities are not available and clarifies that the licensing laws and regulations with which applicants must comply are those relating to "child care."

Section 203 revises the definition of school-aged children to include children under age five, the younger age to be consistent with the age at which each state provides free public education to children.

Section 204 adds a new section to permit the Act to be cited as the "State Dependent Care Development Grants Act."

TITLE III—LOW INCOME HOME ENERGY ASSISTANCE

Section 301 authorizes appropriations:

1987	$2,163,000,000
1988	2,227,890,000
1989	2,294,726,000
1990	2,363,567,000

Section 302 clarifies that for the purposes of the Food Stamp Act, LIHEAP payments or allowances shall be deemed to be spent for heating or cooling expenses. No distinction shall be made regarding whether payments or allowances are provided directly to or indirectly for the benefit of any household. Amendments in this section are to become effective on date of enactment or October 1, 1986, whichever is later.

Section 303 provides that community-based organizations such as Agencies on Aging or Community Action Programs are the types of entities which may administer the energy programs.

Section 304 makes two changes in the criteria the Secretary must follow in establishing the portion of a state's allotment to be sent aside for direct grants to Indian tribes. First, the formula would be keyed to the number of Indian households (rather than only member households of the particular tribe making the request) residing on the reservation and adjacent trust lands. In cases where a tribe has no reservation, the Secretary shall define the population after consultation with the Indian Tribe and the state. The section also allows the Secretary to set aside for direct grants to the Indian tribes an amount greater than that produced by the statutory formula if that is agreed upon by the state and the governing organization of the Tribe.

Section 305 expands the requirements for the annual application under Section 2605(c) to stress that the neediest households receive the maximum assistance under LIHEAP.

Section 306 reorganizes the requirements for the annual application under Section 2605(b) of the Act and the State plan under Section 2605(c) of the Act.

TITLE IV—COMMUNITY SERVICES BLOCK GRANT

Section 401 authorizes appropriations:

1987	$381,409,000
1988	392,851,000
1989	404,636,000
1990	416,775,000

It also extends authority for appropriations for the Community Food and Nutrition program through 1989.

Section 402 expands the definition of eligible entity to include programs which came into existence in FY82 as a direct successor to a community action agency and meets all of the board composition requirements of section 675(c)(3).

Section 403(a) requires that the allowed transfer of up to 5% of a state's allotment to currently specified programs or to provide assistance for state-awarded discretionary grants is to increase funds otherwise available to eligible entities under the CSBG program. It prohibits the transfer of funds that would diminish the state's responsibility to pass through 90% of funds to eligible entities.

Section 403(b) establishes procedures which the Secretary must follow in reviewing State proposed termination of funding to CAAs or migrant and seasonal farmworker organizations. These procedures include a prompt review and written determination by the Office of Community Services. The section also requires the Secretary to assume responsibility for funding the affected eligible entity if a state terminates funding prior to the completion of the required state hearing and Secretary's review.

Section 403(c) eliminates the transitional provision which had prohibited against organizations receiving funds under the 90% pass-through requirement for receiving additional funds.

Section 404 combines the required investigation and evaluation of compliance requirements in the CSBG program. It states that such compliance evaluations are to be made especially with regard to: Grants to states to ameliorate the causes of poverty in communities; state public hearings on the proposed use and distribution of funds; all the 11 agreements required of states in their annual application; for their allotment of funds.

Such evaluations are to include the impact of funds under this program on children, homeless families and the elderly poor. The Secretary will send recommendations of improvements on how to enhance the benefit and impact to people in need to each state and the state will then submit a plan of action in response to the recommendation contained in the report. Evaluation results are to be submitted annually to the Chairmen of the House Education and Labor and Senate Labor and Human Resources Committees.

Section 405(a) in addition to technical amendments, authorizes the Secretary to fund national conferences, newsletters, and the collection and dissemination of data about programs and projects funded under the CSBG program as part of training activities authorized under the program. It also specifies that Community Development Corporations, which are one of the special emphasis programs for which funding is authorized, are to be governed by a board consisting of residents of the community and business and civic leaders. In addition, this section gives special priority to rural community assistance programs under the special emphasis program on rural housing and community facilities development.

Section 405(b) directs the Secretary to appoint an advisory panel to develop and hold a national conference to exchange information on past approaches to the problems of poverty and to formulate plans for future methods attacking the causes of poverty. The Secretary is directed to reserve $100,000 from administrative expenses to fund this conference. This section specifies the composition of the nine member panel and who is to designate each of its members.

Section 405(c) requires that the Chairman of the House Education and Labor, and Senate Labor and Human Resources Committees are to be provided annually with a summary of final reports on projects assisted under the Secretary's discretionary authority and a list of grantees who have received funds under this authority outside of the competitive process. This section directs the Secretary to compile and make available a catalog listing information on the projects funded under the discretionary grant program.

Section 406 authorizes $10,000,000 each for FY 1987-89 for a new program for the development and implementation of new and innovative approaches to deal with particularly critical needs or programs of the poor which are common to a number of communities. Grants are to be made only for the projects which can be closely coordinated with grantees' ongoing programs; involve significant new combinations of resources of new and innovative approaches involving partnership agreements; and will effectively promote the purposes of the CSBG program.

The Secretary is authorized to make grants to eligible entities to pay for no more than 50% of the costs of the program, with the non-federal share to be in kind or in cash. Not more than one grant may be made to a single entity, and no grant may exceed $250,000. Federal funds are to be for new programs; they may not substitute for programs previously carried out without federal assistance; and other resources for the poor may not be diminished to provide the non-federal match required for this program.

The Secretary is required to prepare and make available upon request to each state and eligible entity information on the results of any funded projects not later than 90 days after the expiration of the grant awarded.

(Mr. STAFFORD submitted the following statement on behalf of Mrs. HAWKINS.)

HUMAN SERVICES REAUTHORIZATION ACT

● Mrs. HAWKINS. Mr. President, today I am introducing legislation to reauthorize four important Federal programs, the Head Start Act, the Low Income Home Energy Assistance Act, the Dependent Care Program and the Community Services Block Grant. This legislation, the Human Services Reauthorization Act of 1986 is cosponsored by Senator HATCH, Senator STAFFORD, Senator DODD, Senator KENNEDY, Senator CHAFEE, Senator BYRD, Senator ARMSTRONG, Senator KERRY, Senator WEICKER, Senator RIEGLE, Senator PELL, and Senator SIMON.

This reauthorization legislation is based upon the testimony presented before my Subcommittee on Children, Family, Drugs and Alcoholism and incorporates provisions that were included in Senator STAFFORD's S. 2081 the Human Services Reauthorization Act, Senator HATCH's S. 2386, the Dependent Care Development Reauthorization Act, and Senator DODD's S. 804, the CDA Scholarship Assistance Act.

HEAD START

The Head Start Program is one of the most successful of the Federal poverty programs. In its 21 year history it has assisted low-income children in getting a head start in life. Head Start is not simply a childcare program. It is a multidisciplinary program which monitors the child's medical, dental, and mental health development.

During our subcommittee's reauthorization hearing on this program, I recited countless examples of success stories involving not just Head Start children, but Head Start families. I placed special emphasis on the family, because this program makes a concerted effort to involve the family in the child's development. Over 63 percent of Head Start parents, about 420,000 last year, volunteer to participate in the program, drawing them closer to their children and permitting them to gain from their child's development.

As I analyzed the history of this program and reviewed the testimony before my subcommittee, I agree with the comments of Senator KERRY, who told Dorcas Hardy, the Assistant Secretary for Human Development Services that "I hope we can give you a little more money than you asked for." That is exactly what this reauthorization legislation provides for by authorizing $1,130,542,000 in fiscal year 1987 and providing a 4 percent inflation increase in subsequent years.

The only modifications I am making in the Head Start Act are to express the funding levels for Indian and Migrant Head Start Programs. After reviewing the salaries of the Indian and Migrant Head Start teachers, I have determined that they are near parity with other Head Start faculty and thus I have acted on the administration's recommendation to eliminate the cost-of-living adjustment for Indian and migrant Head Start teachers. Another modification I have made is to adjust the training and technical assistance in terms of a proportion of the total Head Start budget. Therefore, if the appropriations for the total program are reduced, the size of the programs will remain the same to proportion that they have in the past.

STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT

This legislation also reauthorizes the dependent care programs who have had a torturous and troubled history, despite the fact that the need for some type of Federal financial incentive for these types of childcare is well documented. This section of the Human Services Reauthorization Act is based on a proposal developed by the chairman of the Senate Labor and Human Resources Committee, ORRIN HATCH. The legislation would reauthorize the State Dependent Care Development Grants Act for an additional 3 years at an authorized level of $20 million a year.

The reauthorization legislation amends the act to clarify the assurances that the Dependent Care Information and Referral Program must make to the State to be eligible for assistance. It inserts the words "childcare" before the licensing requirements to stress that the School-Aged Childcare Program is expected to meet all of the licensing requirements appropriate for a childcare facility that served school-aged children, not the licensing requirements appropriate for a school. And the definition of school-aged child is expanded to take into account those States who provide free public education at an age younger than 5 years. The act is also amended to eliminate the priority given to school facilities, thus permitting school-based facilities to compete on an equal basis with community-based school-aged childcare programs for these development funds.

LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM

The Low-Income Home Energy Assistance Program [LIHEAP] affects close to 7 million households all across our county, but these 7 million represent only one-quarter of the low-income people who are eligible for this assistance.

Despite the growth of this program, from $200 million when it began in 1977, to the $2.1 billion authorized last year, States still run out of funds before they are able to assist all those who need help. The LIHEAP Program was designed to provide assistance to the poor—the working poor, the handicapped poor, the elderly poor where it has been established that there is a desperate need—often a life or death need—for this energy assistance. I think it is helpful and encouraging to point out that LIHEAP programs have become a base on which other resources, both financial and human have been mobilized. In addition the LIHEAP Program has been a catalyst to generate millions of dollars of State contributions.

The reauthorization period has been extended to 4 years with a 3 percent per year increase included as an inflation factor. Multiyear reauthorization will help ensure that LIHEAP is administered smoothly.

Language has been strengthened to reiterate congressional intent that LIHEAP benefits are not counted as income in determining the eligibility or amount of assistance under other Federal or State assistance programs.

The restriction that Indian tribal organizations may serve only members of the tribe has been amended. This language will allow such organizations to extend service under the LIHEAP program to Indians and non-Indian households in a community. LIHEAP has, since its inception, enjoyed bipartisan support. I welcome my colleagues's support of this legislation and I look forward to working with them in reaffirming this commitment to LIHEAP and the poor in America.

Community based organizations such as Agencies on Aging or Community Action programs are specified as eligible entities to administer the State's energy crisis program.

Finally, the reauthorization reorganizes the requirements for the annual application and State plans under the act, eliminating one requirement on estimates of energy usage and costs and stressing that the neediest households receive the maximum assistance under LIHEAP.

COMMUNITY SERVICES BLOCK GRANT

This block grant is one of the most effective assaults we have mounted on the causes of poverty in our country. It is a "boot strap" program that helps people help themselves; that creates new jobs for the unemployed at half the cost of similar programs in the Department of Labor; that encourages its participants to feel self esteem and pride in work well done.

When we talk of a safety net that protects Americans from starvation, homelessness, and lack of medical care, the Community Service Block Grant is an intergral part of that safety net. It provides a flexibility and immediate emergency assistance in the delivery of fiscal assistance that can not be provided by the more rigid social service programs with their eligibility standards and guidelines. I believe that the small amount of money in this program provides the all important knots that hold the strands of that safety net together.

I am reauthorizing this program because I have found it to be a cost effective way to overcome the problems of poverty and to help people become self-sufficient, self-supporting citizens. As I toured community action agencies and reviewed the General Accounting Offices' report on the uses of CSBG funds, I became very impressed with the approach of programs funded under CSBG.

These programs offered a hand, not a hand-out. The workers and volunteers did not simply process the eligibility forms for welfare, they took a holistic approach to the individuals plight. The unemployed individual who may have initially come to the Community Action Agency for his share of free agriculture commodities is often guided into job training programs, his Children are enrolled in Head Start and he is told of the availability of weatherization funds for his home.

The reauthorization legislation authorizes this program for an additional 4 years at $381,409,000 in fiscal year 1987 with a 3 percent increase in the remaining years. The bill also reauthorizes the Community Food and Nutrition Program and authorizes $10 million for 3 years for a program of innovative demonstration projects addressing the needs of the poor by promoting partnerships between the Federal Government and State and communities. I feel that flexibility and innovative methods of addressing poverty are the heart and soul of the Community Services Block Grant and that dwindling Federal resources have prevented these programs from expanding their activities to better reach those in need.

The reauthorization legislation contains a number of provisions regulating the process for termination of funding of a community action agency, so that the needy dependent upon these services will not suffer if funding is terminated prior to complete administrative review. I am concerned that services to the needy might be disrupted because of political disputes.

I also feel that there is a need to clarify what types of projects the Secretary is authorized to fund from the discretionary fund. The legislation mandates an annual report from the Secretary to Congress that evaluates the impact of CSBG funds on children in poverty, homeless families, and the elderly poor. These reforms were prompted by testimony presented to my subcommittee on March 27 which indicated disturbing trends in the distribution of the Secretary's discretionary funds under the Community Service Block Grant.

Testimony presented before my subcommittee indicated that these discretionary moneys had been used to fund projects outside of the competitive process at the expense of programs who had been specifically cited in the authorizing legislation. Without getting into the merits of whether the CSBG discretionary funds should be allocated to fund the District of Columbia homeless shelter, I am disturbed that funds from the CSBG discretionary fund are being diverted from projects specifically cited in the act and intended by Congress to be funded through the Secretary's discretionary fund. This action indicated a need to clarify the expected uses and restrictions on projects funded under the Secretary's discretionary authority.

CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT

The child development associate credential provides intensive, high-quality training for potential child care providers.

Following their training, these persons are assessed in child care settings prior to formal certification. Since the CDA program was established in 1975, nearly 17,000 child care workers have received the CDA credential. Thirty-one States and the District of Columbia require the CDA as a prerequisite for licensure as a childcare provider.

The Administration for Children, Youth and Families at HHS has declared it a national goal to have by 1990 at least one qualified adult who has either a degree in early childhood education or a CDA credential in every Head Start classroom. However, only 30 percent of the current Head Start teachers have such training. This is due to the fact that most CDA credital recipients, and most child care providers, are low income individuals who are seeking the means to gain self-sufficiency and avoid welfare dependency. The costs associated with CDA training and certification have soared in recent years, putting the program out of reach for some individuals. The cost of the certification fee alone is $325.

At the Head Start reauthorization hearing before my Subcommittee on Children, Family, Drugs and Alcoholism, we discussed this problem and the legislation sponsored by Senator CHRISTOPHER DODD, S. 804, the CDA Scholarship Assistance Act. At that hearing, Dr. Marilyn M. Smith, executive director of the National Association for the Education of Young children testified that although the cost of a CDA is very reasonable compared with other professional certifications, the cost is nonetheless perceived as a burden by the individual childcare provider.

Dr. Smith testified in favor of S. 804 stating that the Child Development Associate Scholarship Act will be of great assistance to individuals who need financial support in applying for the credential. High quality child care is a commodity in very short supply. Given the shortage of credentialed daycare providers, many parents find themselves torn between two unattractive options; leaving the workforce and possibly relying on government income assistance, or placing the child with a potentially unqualified care provider. I support Senator DODD's legislation to improve this situation and I am delighted to incorporate it into this legislation.●

● Mr. DODD. Mr. President, I am delighted to be an original sponsor of the Human Services Rauthorization Act of 1986. This legislation includes under a separate title the Child Development Associate Scholarship Assistance Act, a bill I introduced last year to provide scholarships for child-care workers seeking on-the-job training along with a professional credential. I wish to thank Senator HAWKINS, chair of the Subcommittee on Children, Family, Drugs, and Alcoholism on which I serve as ranking minority, for agreeing to include my bill, S. 804, as a part of this legislation.

I am also pleased to join Senators HAWKINS, HATCH, STAFFORD, PELL, and RIEGLE in sponsoring this reauthorization of the Head Start, Dependent Care Block Grant, Community Service Block Grant, and Low Income Energy Programs. These four programs are critical to the health, education, and welfare of millions of children and families at risk in this country. This legislative package would reauthorize these important human services programs for 4 years, providing for a 4-percent increase in Head Start, a 3-percent increase in community services and energy assistance, and level funding for child development associate scholarships, afterschool care and resource and referral programs, and community food and nutrition programs.

THE CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE PROGRAM

As founder and cochairman of the Senate children's caucus, I can attest to the skyrocketing demand for quality, affordable child care in this country. At the first children's caucus policy forum in June of 1983, we learned that as many as 15 million children between the ages of 5 and 12 lack any adult supervision after school because their parents must work. That estimate does not include the millions of preschool-age children with parents in the labor force who need child-care services.

One sure way to improve the quality of child care in this country is to improve the skills and performance of child-care workers. The child development associate scholarship title of this omnibus reauthorization will provide eligible child-care staff with training scholarships to perfect their skills through the Child Development Asso-

ciate [CDA] Assessment and Credentialing Program.

Mr. President, the Child Development Associate National Credentialing Program provides performance-based training for child-care providers. The training focuses on 13 core areas, essential building blocks of quality child care. Caregivers must provide the children under their supervision with safe, danger-free environments which promote healthy physical development. CDA candidates must know how to create good learning environments for children to encourage the development of cognitive and communications skills. Emphasis is placed on activities which will stimulate children to express themselves creatively and assist them to gain self-esteem. Candidates must be able to help children get along with each other and adults. Caregivers also must maintain open and informative relationships with each child's family, thereby encouraging full parental involvement. Last but not least, candidates are expected to become effective managers of child-care programs who will continue to seek new ways to improve the care of children in their charge.

Before a CDA credential is awarded, all candidates are assessed on the basis of their performance in a child-care setting. A local CDA assessment team both observes the candidate as she works with the children in her care and asks the parents of such children for their appraisals of her performance. Candidates themselves are also encouraged to play a role in the assessment process by providing dossiers of their accomplishments and participating in the local team's discussions.

The CDA credential is the only national credential formally certifying professional child-care skills. The first CDA credential was awarded on July 24, 1975. To date, more than 15,000 child-care workers have received the CDA credential. And, some States and the District of Columbia have made the CDA credential a part of their child-care licensing requirements. We are very much indebted to Prof. Ed Zigler of Yale University who established the CDA Credentialing Program over a decade ago during his tenure as Director of the Office of Child Development in the then Department of Health, Education, and Welfare.

The overwhelming majority of child-care workers are women who work exceedingly long hours for very little pay. Close to 90 percent of all family day-care providers, for example, earn less than the minimum wage. Yet such work provides an income for many women who would otherwise be dependent on the Aid for Dependent Children [AFDC] Program. Just as importantly, child-care workers make it possible for other mothers to enter the work force and gain self-sufficiency.

The CDA credential allows child-care workers to gain professional status and often to improve their salaries and benefits. Yet CDA candidates are now faced with over a 100-percent increase in the fee they must pay to be certified, from $35 to $325. Given the extremely low salaries of most child-care workers, such high fees could force many of them to forgo training and subsequent CDA certification.

The child development associate scholarship title will provide low-income child-care workers with scholarships to enable them to obtain CDA training and credentialing. The cost of my proposal is modest, totaling only $1.5 million on a yearly basis. Yet the benefits will be enormous for the workers who receive training and formal recognition of their skills as well as for the children in their care.

At present, some 3,000 child-care workers a year receive CDA certificates. With the scholarship program now included in this reauthorization, an additional 1,000 to 2,000 low-income providers could be trained and certified. Scholarships will be awarded to eligible caregivers on the basis of financial need. To cut down on administrative costs, the State agency responsible for the title XX social services block grant program would administer the scholarship program. And to follow up on the effectiveness of this small grant program, the State agency would tell the Secretary of Health and Human Services each year how many workers received scholarships and what their positions and salaries were both before and after receiving the CDA credential.

THE HEADSTART REAUTHORIZATION

As the New York Times noted in an editorial: "* * * American society does know one sure way to lead poor children out of a life of poverty * * * Project Head Start."

Given the crisis of children in poverty in this country, Head Start is good news indeed. For the biggest risk to the health, safety, and future well-being of close to 14 million American children is poverty. One out of every four children under the age of 6 now lives in a family whose income falls below the poverty line. For minority preschoolers, that figure is even higher: every other black child and close to every other Hispanic child will celebrate their 6th birthdays in poverty.

Yet poverty does not afflict only our very youngest citizens. Children of all ages now constitute the poorest age-group in America. More than one out of five Americans under the age of 18 is poor. In the cities of Hartford and New Haven in my State of Connecticut, that figure is higher with every other child living in poverty. And in cities across the country, adults living in families with children are now three times more likely to be poor than other adults.

Over the past 6 years, childhood poverty rates have skyrocketed. Even by conservative estimates, close to 4 million children have been added to the poverty rolls—the sharpest increase on record. Moreover, the depth of childhood poverty has intensified. Over 40 percent of all poor children live in families whose incomes do not even reach the halfway mark with respect to the poverty level.

The risks posed by childhood poverty are numerous and serious. Poverty results in a greater chance of abuse and neglect, poor health, and even death. Poor children who survive face a greater risk of dropping out of school, becoming teen parents, and ending up unemployed. The birth rate among white, unmarried adolescents has increased in recent years. And, as the children's defense fund pointed out in a study entitled "Black Children, White Children," black children today are more likely to be born into poverty, lack early prenatal care, have an adolescent or single mother, have an unemployed parent, be unemployed themselves as teenagers, and not go to college upon high school graduation.

But with the Head Start Program, we have a well-proven way to help children escape from poverty. The high/scope educational research foundation conducted a landmark study of high quality preschool programs like Head Start. This study, entitled "Changed Lives," followed a group of poor children from age three to adulthood. Half had attended a high quality preschool. The other half had not. Those with the preschool experience were twice as likely to graduate from high school, go on to college or vocational training, and to get jobs. Those without the preschool experience were more likely to drop out of school, to become teen parents, and to end up unemployed and dependent upon the welfare system. As cochairmen of the Senate children's caucus, Senator SPECTER and I will be distributing copies of "Changed Lives" to all our colleagues in the Senate.

The costs of high quality preschool education are not insignificant. But the costs of failing to provide children at risk with such a headstart on life are much, much higher. The center for population options just released a study revealing that teenage pregnancies in this country cost the welfare system $16 billion last year. And the cost of unemployment and welfare dependency in human terms show up in the grim statistics of child abuse and family violence.

As we consider the reauthorization of Head Start and celebrate its 20th anniversary, we must keep in mind that at present, we only reach 18 per-

cent of all children who are eligible for such services. And even though Head Start is not targeted to be cut in the President's fiscal year 1987 budget, reductions in other essential programs such as the Community Services Block Grant and the Child-Care Food Program will diminish the quality of Head Start. Thus, I am a cosponsor of this omnibus package to reauthorize Head Start in tandem with other critically important human services programs.

THE DEPENDENT CARE BLOCK GRANT REAUTHORIZATION

The Dependent Care Block Grant was authorized 2 years ago in response to new facts about the risks facing latchkey children in this country. This block grant was designed to provide start-up costs for after school care programs and child-care resource and referral programs. The need for such programs is great. Right now, more than half of all the towns in my State of Connecticut lack any after school program whatsoever to help children whose parents must work. But at a time when they should be expanding their services, after school care programs in eastern and western Connecticut are being forced to shut their doors because they cannot find sufficient funds to keep operating.

The demographics tell us that the demand for after school care programs is just not going to go away. As a program director in New Haven, CT, recently wrote me: "The community is in need of this service and our growth in 3 years only proves this further." The New Haven YMCA program started up in 1983 with 2 staff people and 1 van picking up 15 children at 2 area public schools. Today, 20 staff people use 4 vans and 2 rented school buses to pick up 170 children at 24 public schools.

Parents and child-care experts in New Haven and throughout Connecticut keep asking when their programs will be able to apply for funding under the Dependent Care Block Grant. Although $5 million was appropriated for this program, the administration continues to refuse to release those funds. Given that latchkey children who lack adult supervision are at much greater risk of physical and sexual abuse, accidental injury, alienation, and delinquency, the administration's 18-month delay in releasing funding was irresponsible and untenable. I regret that a representative from the administration was not present during the subcommittee hearing held on this reauthorization this past March. It is my hope that the reauthorization of this program will help convince the administration of the seriousness of congressional intent in providing the startup of afterschool care and resource and referral programs from Connecticut to California.

THE COMMUNITY SERVICES BLOCK GRANT REAUTHORIZATION

The Community Services Block Grant Program continues to serve children and families in most need. Millions of younger and older Americans receive food assistance under this program, combating hunger and malnutrition. Millions more receive housing, transportation, and employment assistance. Last but never least, countless other Americans are able to get educational and job training services through the community services block grant helping them to become self-supporting.

In addition to permitting community action agencies to deliver the above-described services to hard-pressed communities across the country, this legislative package also reauthorizes the Community Food and Nutrition Program. This program has been exemplary in my State of Connecticut in encouraging low-income communities to start child nutrition projects. I am delighted that such innovative attempts to meet the nutritional needs of children and adults in my State will continue.

LOW-INCOME ENERGY ASSISTANCE REAUTHORIZATION

Finally, the package I join in sponsoring today reauthorizes the Low-Income Energy Assistance Program. This program is very important to many residents in my State of Connecticut, where freezing winter temperatures and high heating costs all too often force choices between paying for fuel or paying for food. The Low-Income Energy Assistance Program wisely prevents younger and older Americans from making such draconian choices.

In closing, Mr. President, we know that millions of Americans have joined the ranks of the poor since 1979. The biggest number of these Americans have been children. More alarming still is the fact that many such children come from two-parent homes where one parent is working full time, year round. Since 1978, two out of every three children added to the poverty rolls come from homes with working parents. The legislative package I join in sponsoring today will provide many of these children and their families with critical supports, from Head Start, to child care, to community services, to energy assistance. I urge my colleagues to support this legislation as an important step toward giving such children and their families a headstart.●

● Mr. RIEGLE. Mr. President, I am pleased to join with my colleagues today in cosponsoring S. 2444, a bill to reauthorize the Dependent Care Block Grant Program, Head Start, the Low Income Home Energy Assistance Program, the Child Development Associate Scholarships, and the Community Services Block Grant Program. The programs that are reauthorized in this legislation play a vital role in providing for the care and education of our Nation's children, as well as providing critical services to low-income persons.

I am particularly pleased that this legislation reauthorizes the Dependent Care Grants Program because of the difficulties we have encountered in getting this program started. Mr. President, almost 2 years ago, Congress authorized this program in an attempt to address the tremendous problem that working parents face in finding suitable before and after school care for their children. We appropriated funds to get this program under way in December 1985, and the President signed the appropriation bill into law.

Since that time, Mr. President, the administration proposed a rescission of these funds, and HHS delayed promulgating the regulations until the end of April. HHS has finally issued the regulations for awarding and administering the grants, the States have begun to arrange the required matching funds and approve programs for this year. Because the regulations were released so late in the year, however, the program will barely be under way when the current authorization expires. Reauthorizing the program will provide the time and funds that are required to fully evaluate the effectiveness of this program.

Mr. President, finding suitable before and after school care is a serious problem for American families. In the intervening years since the program was authorized the number of so-called latchkey children has continued to grow because before and after school care is simply not available to meet the needs of working parents. Some estimate that as many as 20 percent of all children may be responsible for self-care while their parents are at work. This situation poses unconscionable risk to our children and creates needless worry for their parents. I believe that it is essential that we reauthorize this program so that we can begin to help working parents devise solutions to the critical shortage of before and after school child care.

Other programs in this package, such as Head Start and other community service programs, have a well-documented history of success which provides compelling reasons for our continued support. The LIHEAP Program, for example, has proved to be an enormously effective way of ensuring that low-income persons have sufficient fuel to protect them from the extremes of the weather. Regardless of the ups and downs in the world oil market, we ought to be able to provide people with sufficient heat in winter—this is fundamental to maintaining the quality of life in our communities.

Mr. President, I urge my colleagues to support this legislation. These programs provide invaluable assistance that is needed to keep our communities vibrant, safe, and stimulating places for American children.●

By Mr. MURKOWSKI (for himself, Mr. SIMPSON, and Mr. THURMOND):

S. 2445. A bill to amend title 38, United States Code, to improve certain Veterans' Administration health-care programs; to the Committee on Veterans' Affairs.

VETERANS' HEALTH CARE PROGRAMS IMPROVEMENTS ACT

● Mr. MURKOWSKI. Mr. President, as chairman of the Senate Committee on Veterans' Affairs, I am introducing today, with my colleagues Senator ALAN SIMPSON and Senator STROM THURMOND, the proposed "Veterans' Health-Care Programs Improvements Act of 1986." As we are all aware, health care in this country is changing at a rapid pace. Health-care policymakers, administrators, and clinicians are initiating cost-containment efforts which are resulting in changes in health services delivery, utilization patterns, lengths of hospital stays, and hospital occupancy rates. At the same time, our general population, including our veteran population is aging.

Public and private sector efforts abound to seek to ensure that the medical, social, and financial needs of our elderly are taken care of. Because of these cost-containment efforts and the variety of needs of a growing number of persons over the age of 65, health-care providers have had to develop new incentives, including appropriate kinds, levels, and modalities of care which are cost-effective and humane.

The Veterans' Administration should be a leader in planning for and responding to these dramatic changes. This legislation is intended to provide the VA with increased flexibility to respond to these changes in new and innovative ways within the framework of the existing comprehensive medical-care system.

SUMMARY OF PROVISIONS

Mr. President, the substantive provisions of the bill would;

First, provide the VA with the authority to furnish respite care to chronically ill veterans,

Second, provide the VA with the authority to furnish hospital-based home care and community-based, health-related services to certain veterans,

Third, clarify the VA's authority to provide community-based psychiatric residential treatment for chronically mentally ill veterans,

Fourth, provide the VA with the authority to hire certain psychologists to conduct research,

Fifth, expand the definition regarding the VA's operating beds requirement,

Sixth, require the VA to develop criteria and procedures for prioritizing State veterans home construction projects, and

Seventh, require the VA to establish an ionizing radiation registry.

The three major provisions of the bill, which I will discuss now, would provide the VA with additional authority and increased flexibility to use certain alternative services to help keep veterans at home or in the community as long as possible.

RESPITE CARE

Mr. President, section 2 of the bill I am introducing today would provide the VA with the discretionary authority to furnish respite care to chronically ill veterans. Respite care would be furnished by a VA facility on an intermittent or temporary basis to a chronically ill veteran residing primarily at home. The goal is to provide a brief break for the veteran's caregiver or family from the constant, and in some cases, long-term responsibility of caring for the veteran. This relief is intended to provide an incentive to the veteran and the family for the veteran to continue to reside at home as long as is medically advisable and otherwise feasible.

While current law does not provide the VA with specific authority to provide respite care, a number of respite care services have been developed informally and are provided on a limited basis by certain VA psychiatry, hospital-based home care, and nursing home programs. The VA's August 1984 planning document "Caring for the Older Veteran" stated that the VA's first objective in developing and carrying out an effective program for the elderly is to provide supportive services to sustain older individual's independence in their own home for as long as possible. The report cites respite care services among the spectrum of nonintrusive sustaining care services.

In April 1985 the VA submitted to the Congress a draft bill to authorize the Administrator to provide respite care and recommended its prompt enactment. Last year the House passed legislation authorizing VA respite care, but that provision was not part of the final compromise agreement on H.R. 505 which was enacted in December as Public Law 99-166.

I would like to note that since our discussions with the House last year, the VA submitted in August 1985, pursuant to Public Law 98-528, a report, "Care of the Terminally Ill Veteran Patient". The report stated that as part of its efforts to meet the needs of the terminally ill patient, a significant percentage of VA medical facilities provide some form of respite care. The VA's geriatrics and gerontology advisory committee, in its December 1985 report on hospital-based home care, recommended that "a mechanism for respite care should be included as a program component * * *." It is also important to recognize that respite care is offered as part of the Medicare hospice benefit.

Mr. President, some concern has been expressed about the use of nursing home care beds to provide respite care because of the limited supply of these beds and the high demand for them. This provision would address that concern by providing the VA with the flexibility to use acute care, intermediate care, or nursing home care beds to be used for respite care purposes, beds which VA clinicians in their best medical judgment have determined to be available at the time for this purpose.

In addition to being more humane by promoting the veteran's continued independence and delaying institutionalization, respite care may be a cost-effective use of VA resources. Because of the fairly high turnover among certain respite users, due to eventual nursing home placement or death, the VA would be able to accommodate a far greater number of patients over the course of 1 year for the same cost in staff and equipment than if the beds were used for other purposes.

ALTERNATIVES TO HOSPITAL AND NURSING HOME CARE

Mr. President, section 3 of my proposal would provide the VA with the authority to furnish two kinds of services provided to veterans in their own homes: The first, hospital-based home care and the second, health-related services. Hospital-based home care would be furnished, when medically appropriate, by the VA to chronically ill veterans otherwise eligible for hospital and nursing home care. Medical, rehabilitative, social, and nutrition services would be provided in the veteran's home by an interdisciplinary team under the direction of a physician. The purpose of this program is to enable the veteran to remain at home and receive needed services instead of being placed in a nursing home.

The Congressional Budget Office's April 1984 report discusses noninstitutional program alternatives as options for limiting the escalation in costs for care, specifically citing hospital-based home care as one such option. The VA's "Caring for the Older Veteran" report calls for an increased reliance on this program and states it has "proven potential maintaining the elderly individual with a chronic illness in the less expensive home setting, thus reducing the pressure on hospital bed capacity. Equally important, research and practice have indicated that home care can lead to a better medical result for many patients."

The VA's own Hospital-Based Home Care Program allows for the early hospital discharge to their own homes of veterans with chronic illness. Most of these veterans are expected to remain bedbound or housebound. The purpose of the program is to reduce readmissions to the hospital and provide care to patients for whom outpatients care is not feasible. The family provides the necessary personal care and the multidisciplinary team provides the services. With the addition of 4 new programs this year, the VA will have 53 such programs.

Mr. President, because less than one-third of all VA medical centers have these programs, I believe it is important to provide the VA with the flexibility to contract for such services. The VA's geriatrics and gerontology advisory committee, in its December 1985 report, recommended that they be expanded and that new models, including a contract program, be encouraged and developed. The President in his request for funds for VA medical care programs for fiscal year 1987 states that legislation will be proposed to contract for hospital-based home care.

Mr. President, section 3 of my proposal would also provide the VA with the authority to furnish community-based health-related services to certain veterans. This discretionary authority would allow the VA to contract for personal care, homemaker, nutrition, and transportation services to assist veterans eligible for and otherwise in need of community nursing home care who, but because of physical or mental health disabilities, are unable to perform necessary activities of daily living. The VA would be required to give priority for these services to veterans who are service-connected, 65 years of age or older, totally and permanently disabled, blinded, or suffering from dementia, including Alzheimer's disease.

Mr. President, long-term care can be defined as:

> Those services designed to provide diagnostic, preventive, therapeutic, rehabilitative, supportive, and maintenance services for individuals of all age groups who have chronic physical and/or mental impairments, in a variety of institutional and non-institutional health care settings, including the home, with the goal of promoting optimum levels of physical, social and psychological functioning.

Institutional long-term care is provided by the VA in several different settings—VA nursing homes and domiciliaries, community nursing homes, and State veterans homes. The VA is increasing its number and kinds of long-term care programs, particularly those outside of nursing homes and domiciliaries. These alternative programs for patients who do not require institutional care include community residential care, hospital-based home care, adult day health care, psychiatric day treatment centers, hospice and respite care programs.

In order to complete the VA's comprehensive continuum of long-term care services, this provision would provide the VA with the authority to contract for health-related services. This provision is derived from a provision in S. 876 which was passed by the Senate last year, but which was not agreed to by the House and therefore was not included in Public Law 99-166 enacted last December.

The need for this authority is clear. In 4 years there will be 7.2 million veterans over age 65 and 14 years from now that number will increase to 9 million. For those veterans who, because of a physical or mental disability, have difficulties with the most fundamental activities of personal care—eating, continence, transferring, toileting, dressing, and bathing—human assistance in the home is critical to that person's ability to remain in the home.

For example, in the case of a veteran who has suffered a stroke and whose condition has become medically stable and, therefore, is ready for discharge from the hospital, personal care could make the difference between that person's return home or entrance into a nursing home. If temporary or permanent paralysis resulting from the stroke prevents the veteran from being able to care for his personal needs, the veteran's options are extremely limited—to either home care or nursing home care. Without this authority, veterans such as this one would have no choice but to be admitted to a nursing home. This authority would provide these veterans with an opportunity to stay at home as long as is medically possible.

TREATMENT AND REHABILITATION FOR CHRONICALLY MENTALLY ILL VETERANS

Mr. President, section 4 of the measure I am intorducing today would clarify the VA's authority to contract for psychiatric residential treatment in halfway houses and other community-based facilities. This authority would specify that veterans who are being furnished VA hospital, nursing home, domiciliary or outpatient care could be provided psychiatric residential treatment at VA expense, if it is determined to be medically appropriate and in the best interests of the veteran.

The VA is the largest single provider of care for long-term psychiatric patients in the United States. Nearly one-third of the VA's inpatient population, 34 percent of the VA's nursing home care population, and over 60 percent of the VA's domiciliary patient population have psychiatric diagnoses. The VA's psychiatry and psychology services include inpatient and outpatient care and specialized programs, such as alcohol and drug dependence treatment, day hospitals, day treatment centers, and mental hygiene clinics.

A September 1985 VA Inspector General report, "Audit of VA Psychiatric Inpatient Care," found that conscientious efforts are being made to meet impatient psychiatry program objectives. However, the IG found that 33 percent of the VA's impatients could more effectively be treated in less costly environments. Though the reasons why some patients are not discharged are complex, the primary reason is that alternative programs are not available. Because of a lack of appropriate alternatives, there is a high probability that some of the veterans discharged will be returned to the hospital. Without appropriate alternative treatment programs, the IG concluded, this recidivism is likely to continue.

The VA is in the process of developing a demonstration project to provide a full spectrum of care for long-term psychiatric patients in certain areas. This effort is designed to respond to clinical experiences and research which have conclusively demonstrated that hospital bed-based programs are linited in their responsiveness to many of the chronic psychiatric patients' needs.

Mr. President, I strongly support the VA's efforts in this regard and commend them for their insight and sensitivity concerning the needs of those veterans who suffer from chronic mental illness disabilities. Caring for this patient population is extremely challenging. The deinstitutionalization efforts of the 1950's and 1960's did not succeed in accomplishing the humane goal of providing appropriate levels of care for the chronically mentally ill in a community setting. Though that effort fell short of its goal, many lessons have been learned from those mistakes.

In 1984, the American Psychiatric Association developed guidelines for a successful program of community care for the chronically mentally ill. And now the Veterans' Administration is seeking to initiate its own efforts which has the potential to set a national example of the goals and components of a comprehensive network designed to meet the needs of its chronically mentally ill patient population.

This provision is derived from a provision I introduced last year as part of S. 876 which passed the Senate. However, the measure was not agreed to by the House during the conference with the House on the measure which became Public Law 99-166. It is the case that under current law, the VA has the authority, as part of its authority to provide medical and rehabilitative services, to establish or contract for halfway houses for the chronically mentally ill.

However, I believe it is important at this time to clarify this authority and provide the VA with specific authority to do so. This provision would serve a two-fold purpose: first, to establish this program as a legislative priority and second, to assist the VA in its efforts to develop a comprehensive network for care for chronically mentally ill veterans. I believe this provision would send an important message to the public and private sectors that the needs of these individuals, particularly the opportunity to live in the community if at all possible, should be met.

CONCLUSION

Mr. President, these additional authorities that would be provided by this bill are consistent with the VA's mission to care for the medical and rehabilitative needs of eligible veterans. I believe they would enhance the VA's already comprehensive continuum of care.

The remaining four provisions of the bill relate to a variety of other important issues: research psychologists, the VA's operating beds, the State Veterans' Home Program, and veterans exposed to ionizing radiation. With respect to the provision to require the VA to establish an ionizing radiation registry, I ask unanimous consent that my December 4 letter to the VA requesting the establishment of such a registry and the VA's February 11 response be printed in the Record.

I would welcome additional cosponsors and urge my colleagues' support of this measure when it is considered on the Senate floor.

Mr. President, I ask unanimous consent that the text of this proposed legislation be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2445

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCES

SECTION 1. (a) This Act may be cited as the "Veterans' Health Care Programs Improvements Act of 1986".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

RESPITE CARE

SEC. 2. (a) Section 601 is amended by inserting after paragraph (8) the following new paragraph:

"(10) The term 'respite care' means care furnished on an intermittent or temporary basis by a Veterans' Administration facility to a veteran who has been diagnosed as suffering from a chronic illness and who is receiving care primarily in the veteran's home.".

(b) Section 610(a) is amended by striking out "nursing home care," and inserting in lieu thereof "nursing home care or respite care,".

(c) Not later than 180 days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall transmit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report describing in detail—

(1) the actions taken before the date of the report, if any, under the authority provided by the amendment made by subsection (b), and

(2) the plans for exercising such authority.

ALTERNATIVES TO HOSPITAL OR NURSING HOME CARE

SEC. 3. (a) Section 610 is amended by adding at the end the following new subsection:

"(h)(1) The Administrator may contract to furnish hospital-based home care, when medically appropriate, to any veteran in lieu of furnishing hospital care or nursing home care to such veteran under subsection (a) of this section.

"(2) The hospital-based home care which may be furnished a veteran under paragraph (1) of this subsection may include medical, rehabilitative, social, and nutrition services.".

(b)(1) Section 620 is amended by adding at the end the following new subsection:

"(g)(1) The Administrator may contract to furnish services described in paragraph (2) of this subsection, in lieu of nursing home care under subsection (a) of this section, to any veteran who, by reason of a functional deficiency resulting from the veteran's physical or mental condition, is unable to perform a necessary activity of daily living but, considering the veteran's disability, does not require nursing home care, as determined by the Administrator.

"(2) The services which may be furnished a veteran under paragraph (1) of this subsection are the services required for the performance of any necessary activity of daily living, and may include personal care, homemaker, nutrition, and transportation services.

"(3) In administering this subsection, the Administrator shall give priority to furnishing services to a veteran—

"(A) who has a service-connected disability;

"(B) who is 65 years of age or older;

"(C) who has a total and permanent disability;

"(D) who, by reason of blindness in both eyes, has only light perception or is in need of regular aid and attendance; or

"(E) who is suffering from dementia, including Alzheimer's disease.

"(4) The total amount which may be paid for services furnished to all veterans under this subsection in any fiscal year may not exceed 60 percent of the cost which would be incurred if such veterans were furnished nursing home care under subsection (a) of this section in such fiscal year. The total of the periods for which services may be furnished to any such veteran under this subsection shall be the same as authorized for nursing home care under subsection (a) of this section.".

(2) The amendment made by paragraph (1) shall not be construed to limit or reduce the nursing home care and adult day health care programs provided in subsections (a) through (f) of section 620 of title 38, United States Code, or to encourage the limitation or reduction of such programs.

TREATMENT AND REHABILITATION FOR CHRONICALLY MENTALLY ILL VETERANS

SEC. 4. (a) Subchapter II of chapter 17 is amended by adding at the end the following new section:

"§ 620B. Community-based psychiatric residential treatment for chronically mentally ill veterans

"(a) For the purposes of this section:

"(1) The term 'case management' includes the coordination and facilitation of all services furnished to a veteran by the Veterans' Administration, either directly or through a contract, including, but not limited to, screening, assessment of needs, planning, referral (including referral for services to be furnished by the Veterans' Administration, either directly or through a contract, or by an entity other than the Veterans' Administration), monitoring, reassessment, and followup.

"(2) The term 'contract facility' means any facility which has been awarded a contract under subsection (b)(1) of this section.

"(3) The term 'eligible veteran' means a veteran who, at the time of referral to a contract facility—

"(i) is being furnished hospital, domiciliary, or nursing home care from the Veterans' Administration for a chronic mental illness disability, or

"(ii) is being furnished such care from the Veterans' Administration for a chronic mental illness disability and is a veteran described in section 612(a)(1)(B) of this title.

"(b)(1) The Administrator, in furnishing hospital, nursing home, and domiciliary care and medical and rehabilitative services under this chapter, may contract for care and treatment and rehabilitative services in halfway houses, therapeutic communities, psychiatric residential treatment centers, and other community-based treatment facilities for eligible veterans suffering from chronic mental illness disabilities.

"(2) Before furnishing such care and services to any veteran through a contract facility, the Administrator shall approve (in accordance with criteria which the Administrator shall prescribe by regulation) the quality and effectiveness of the program operated by such facility for the purpose for which such veteran is to be furnished such care and services.

"(c) In the case of each eligible veteran provided care and services under this section, the Administrator shall designate a Veterans' Administration employee to provide case management services.

"(d) The Administrator may provide in-kind assistance (through the services of Veterans' Administration employees and the sharing of other Veterans' Administration resources) to a contract facility under this section. Any such in-kind assistance shall be provided under a contract between the Veterans' Administration and the contract facility. The Administrator may provide such assistance only for use solely in the furnishing of appropriate services under this section and only if, under such contract, the Veterans' Administration receives reimbursement for the full cost of such assistance, including the cost of services and supplies and normal depreciation and amortization of equipment. Such reimbursement may be made by reduction in the charges to the United States or by payment to the United States. Any funds received through such reimbursement shall be credited to funds allotted to the Veterans' Administration facility that provided the assistance.

"(e) Not later than 1 year after the date of enactment of the Veterans' Health Care

Programs Improvements Act of 1986, the Administrator shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the experience under this section. The report shall include the Administrator's evaluation and findings regarding—

"(1) the quality of care furnished to participating veterans through contract facilities;

"(2) any medical advantages that may result from furnishing such care and services to veterans with such disabilities in such contract facilities rather than in inpatient facilities over which the Administrator has direct jurisdiction;

"(3) the effectiveness of the use of contract facilities under this section in enabling the participating veterans to live outside of Veterans' Administration inpatient facilities and to achieve independence in living and functioning in their communities;

"(4) the cost-effectiveness of furnishing such care through contract facilities under this section, including the effect on the average daily census in the Veterans' Administration hospitals, nursing homes, and domiciliary facilities participating in the program (taking into account whether the beds previously occupied by the participating veterans were subsequently occupied by other eligible veterans or remained unoccupied); and

"(5) any plans for administrative action, and any recommendations for legislation, that the Administrator considers appropriate to include in such report.".

(b) The table of sections at the beginning of chapter 17 is amended by inserting after the item relating to section 620A the following new item:

"620B. Community-based psychiatric residential treatment for chronically mentally ill veterans.".

AUTHORITY TO WAIVE A LICENSURE REQUIREMENT FOR CERTAIN VETERANS' ADMINISTRATION PSYCHOLOGISTS

SEC. 5. Section 4114(d) is amended by striking out "or optometrist," both places it appears and inserting in lieu thereof "optometrist, or psychologist,".

OPERATING BED REQUIREMENTS

SEC. 6. Section 5010(a)(1) is amended—

(1) by striking out "hospital beds and nursing home beds" in the third sentence and inserting in lieu thereof "hospital, nursing home, and domiciliary beds"; and

(2) by striking out "hospital and nursing home beds" in the fourth sentence and inserting in lieu thereof "hospital, nursing home, and domiciliary beds".

STATE HOME GRANTS

SEC. 7. (a)(1) Section 5031(c) is amended to read as follows:

"(c) The term 'construction' means—

"(1) the construction of new domiciliary or nursing home buildings;

"(2) the expansion, remodeling, or alteration of existing buildings for the provision of domiciliary or nursing home care in State homes;

"(3) the remodeling or alteration of existing buildings for the provision of hospital care in State homes; and

"(4) the provision of initial equipment for any such buildings.".

(2) Section 5032 is amended to read as follows:

"§ 5032. Declaration of purpose

"The purpose of this subchapter is to assist the several States (1) to construct State home facilities (or to acquire facilities to be used as State home facilities) for furnishing domiciliary or nursing home care to veterans, (2) to expand, remodel, or alter existing buildings for furnishing domiciliary or nursing home care to veterans in State homes, and (3) to remodel or alter existing buildings for furnishing hospital care to veterans in State homes.".

(b)(1)(A) Subchapter III of chapter 81 is amended by adding at the end the following new section:

"§ 5038. Priority of projects

"(a) Sums available for grants under this subchapter shall be allocated among State home facilities construction projects in accordance with the priority established for such projects pursuant to subsection (b) of this section.

"(b) The Administrator shall prescribe criteria and procedures for determining the priority to be accorded to State home facilities construction projects with respect to which applications have been approved under section 5035 of this title.".

(B) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 5037 the following new item:

"5038. Priority of projects.".

(2) Not later than 180 days after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall—

(A) develop, prescribe, and implement the criteria and procedures required by section 5038(b) of title 38, United States Code (as added by paragraph (1)); and

(B) shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report which describes such criteria and procedures and the implementation of the use of such criteria and procedures to establish the priority of construction projects referred to in such section.

(c)(1) Except as provided in paragraph (2), the amendments made by subsection (a) shall take effect with respect to applications submitted to the Administrator of Veterans' Affairs under section 5035 of title 38, United States Code, on or after October 1, 1986.

(2) The amendments made by subsection (a) shall not apply with respect to an application referred to in paragraph (1) if, before October 1, 1986, the applicant furnished any preliminary information to the Veterans' Administration relating to such application in accordance with application procedures established by the Veterans' Administration in administering subchapter III of chapter 81 of title 38, United States Code.

IONIZING RADIATION REGISTRY

SEC. 8. (a)(1) Chapter 57 is amended by adding at the end thereof the following:

"Subchapter III—Special Records

"§ 3321. Ionizing Radiation Registry

"(a) The Administrator shall establish and maintain a special record to be known as the 'Ionizing Radiation Registry' (hereafter in this section referred to as the 'Registry').

"(b) The Registry shall include the following information:

"(1) Subject to subsection (c) of this section, a list containing the name of each veteran who was exposed to ionizing radiation under the conditions described in section 610(e)(1)(B) of this title and—

"(A) has requested hospital or nursing home care; or

"(B) has filed a claim for disability compensation under chapter 11 of this title or pension under section 521 of this title on the basis of a disability which may be associated with the exposure to ionizing radiation; or

"(C) has died survived by—

"(i) a spouse, child, or parent who has filed a claim for dependency and indemnity compensation under chapter 13 of this title; or

"(ii) a spouse or child who has filed a claim for pension under subchapter III of chapter 15 of this title,

on the basis of the exposure of such veteran to ionizing radiation.

"(2) Medical data relating to each veteran listed in the Registry under paragraph (1) of this subsection, including the veteran's medical history, latest health status recorded by the Veterans' Administration, physical examinations, and clinical findings, and a statement describing birth defects, if any, in the natural children of the veteran.

"(3) Data on claims for the compensation and pensions referred to in paragraph (1) of this subsection, including decisions and determinations of the Veterans' Administration relating to such claims.

"(4) An estimate of the dose of radiation to which each veteran listed in the Registry under paragraph (1) of this subsection was exposed under the conditions described in section 610(e)(1)(B) of this title.

"(c) The Registry is not required to contain the name of a veteran described in subsection (b)(1) of this section if the request or claim referred to in such subsection (b)(1) which relates to such veteran was filed before the date of the enactment of the Veterans' Health Care Programs Improvements Act of 1986, and such veteran or the survivor filing the claim (in the case of a claim referred to in clause (C) of such subsection (b)(1)) does not request the Veterans' Administration to include the veterans' name in the Registry.

"(d) For the purpose of establishing and maintaining the Registry, the Administrator shall compile and consolidate relevant information maintained by the Department of Veterans' Benefits and the Department of Medicine and Surgery of the Veterans' Administration, relevant information maintained by the Defense Nuclear Agency of the Department of Defense, and any relevant information maintained by any other subdivision of the Veterans' Administration or the Department of Defense.

"(e) The Secretary of Defense shall furnish the Administrator such information maintained by any agency of the Department of Defense as the Administrator considers necessary to establish and maintain the Registry.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

"SUBCHAPTER III—SPECIAL REPORTS

"3321. Ionizing Radiation Registry.".

(b) The Administrator of Veterans' Affairs shall establish the Ionizing Radiation Registry required by section 3321 of title 38, United States Code (as added by subsection (a)), not later than 180 days after the date of the enactment of this Act.

(c)(1) Not later than 1 year after the date of the enactment of this Act, the Administrator of Veterans' Affairs shall analyze the information collected in the Ionizing Radiation Registry and transmit to the Committees on Veterans' Affairs of the Senate and the House of Representatives and to the Advisory Committee on Environmental Hazards of the Veterans' Administration a summary of the analysis.

(2) Not later than 90 days after the date on which the Administrator transmits the summary to the Committees referred to in

paragraph (1), the Advisory Committee on Environmental Hazards of the Veterans' Administration shall review the analysis and transmit to the Committees on Veterans' Affairs of the Senate and the House of Representatives such comments on the analysis as the Committee considers appropriate.

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, December 4, 1985.

Hon. HARRY N. WALTERS,
Administrator of Veterans' Affairs, Veterans' Administration, Washington, DC.

DEAR HARRY: I am writing to follow up on my remarks during the November 14 Senate Veterans' Affairs Committee hearing on issues relating to veterans who were exposed to ionizing radiation. During the hearing I stated that I intended to request the VA to initiate immediately an Ionizing Radiation Registry.

I am now formally requesting that you establish such a registry to provide an ongoing data base of, first, veterans who, as a result of the enactment of Public Law 97-72, are eligible for VA health care and who use or seek to use the VA health care system and, second, veterans who apply for VA compensation for disabilities allegedly resulting from radiation exposure. I believe it would be useful to the VA, to veterans who were exposed to ionizing radiation, and to the Congress if the registry included information encompassing a full case history of a patient's visit—personal data, medical history, clinical findings, etc.—including the veteran's name, address, medical history, results of any examinations and clinical findings, VA medical facilities involved, as well as information about the veteran's military service, an estimate of radiation exposure, and any other appropriate findings.

The registry should also document any claims filed for VA compensation for radiation-related diseases resulting from participation in the U.S. atomic weapons test program or the occupation of Hiroshima and Nagasaki. This information should document the veteran's participation in the tests or occupation, an estimate of radiation exposure, the veteran's disability or disabilities, and any VA decisions pertaining to any claims made by or on behalf of the veteran, or the veteran's spouse or survivors.

I believe that a compilation of both the veteran's medical and benefits information related to any ionizing radiation exposure experiences would serve to help detect health trends in such veterans and to indicate any specific characteristics of this particular group of veterans. This is especially critical in light of the recent Office of Technology Assessment determination that an epidemiological study of veterans exposed to ionizing radiation, as required by Public Law 98-160, would not be feasible. The compilation of this information would also serve to consolidate information about such veterans collected by the Department of Medicine and Surgery and the Department of Veterans' Benefits. Consequently, it would expedite the exchange of such information for the purposes of eligibility determinations by VA medical facilities for VA health care services and for the claims adjudication process for radiation-related claims. I wholeheartedly support the VA's Agent Orange Registry and the VA's recent announcement of the forthcoming establishment of a Spinal Cord-Injury Registry and would hope that an Ionizing Radiation Registry would serve a similar purpose.

I request that you carefully consider my request and let me know your plans regarding the establishment of such a registry as soon as possible.

Sincerely,

FRANK H. MURKOWSKI,
Chairman.

VETERANS' ADMINISTRATION, OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, DC, February 11, 1986.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: In your letter of December 4, 1985, you requested that the Veterans Administration establish a register, first, of veterans who are eligible for care under the authority of Pub. L. No. 97-72 and who use or seek to use the VA health care system and, second, of veterans who apply for compensation for disabilities allegedly resulting from radiation exposure. You further suggested certain forms of data that should be maintained in the register.

The VA has established a method for identifying veterans who apply to the VA for inpatient care under the authority of Pub. L. No. 97-72. This coding system permits us to retrieve from the VA's automated Patient Treatment File summary data concerning the types of health problems that their permanent medical records. This system has undergone refinement since it was initiated such that we can more easily identify the nuclear weapons test participants seeking care from 1985 onward than we could those seeking care earlier. It could not be practical nor cost-effective to attempt to go back through the earlier records in an attempt to ensure that all of the veterans are incorporated in the more refined system.

From the data that we now have available, and on the basis of current information concerning the types fo health problems that might reasonably be anticipated to result from the kinds of radiation exposure the vast majority of the atomic weapons test participants experienced, we do not believe that a medical register of the sort that you propose would be particularly useful or cost effective. However, we will contact the Defense Nuclear Agency which already has some elements of a radiation register to explore the possibility of linking their data with whatever information the VA may have on these veterans.

Concerning the compensation register, we believe that we already have in place a system that substantially meets your suggestion. In 1984, the Compensation and Pension Service of the Department of Veterans Benefits established a Special Issue Rating system (SIRS) which collects data on claims based on exposure to ionizing radiation and includes service dates, source of exposure (nuclear test, occupation force, therapeutic/occupational, and others), the disabilities claimed, the VA's decision on each disability with respect to service-connection, and the date of the latest rating decision. Data entry is accomplished by adjudication personnel at the regional office level.

SIRS does not store the level of radiation exposure for each veteran. For those veterans exposed to radiation as a result of participation in the atomic weapons testing program or with the occupation forces of Hiroshima or Nagasaki, Japan, however, that information can be obtained, as necessary, from the Defense Nuclear Agency which maintains records of radiation dose estimates on all veterans who file claims for VA benefits. Since this information is readily available, it would be duplicative to store that data in SIRS.

We believe that this approach is a most practical one and is one that addresses most of your concerns.

Sincerely,

EVERETT ALVAREZ, Jr.,
Acting Administrator.●

By Mr. CHAFEE (for himself, Mr. STAFFORD, Mr. GORE, Mr. HEINZ, Mr. METZENBAUM, and Mr. LEVIN):

S. 2446. A bill to require the Secretaries of Agriculture and Health and Human Services to enforce certain food labeling requirements for packaged foods sold by certain restaurants; to the Committee on Governmental Affairs.

FAST FOOD INGREDIENT INFORMATION ACT

● Mr. CHAFEE. Mr. President, today I am introducing legislation providing for ingredient labeling of the food served in fast food restaurants. Joining me as original cosponsors are Senators STAFFORD, GORE, HEINZ, METZENBAUM, and LEVIN.

With over 40 million Americans a day—roughly one-fifth of the population—eating in these restaurants, it is critical that we know what we are getting.

Anyone who has ever tried to find out what is in a typical fast food meal knows it is not a simple matter. Last June, a consumer group wrote to 12 major fast food chains asking for ingredient information. Not recipes, mind you, but just lists of ingredients—nothing more than the makers of Coca-Cola, for instance, are required to put on their cans. Thus, the restaurants were not asked to divulge trade secrets, such as proportions or the names of specific flavorings.

Despite this, 6 of the 12 replied that the information requested was confidential. Another two said it was not available. Three others did not reply at all, even to repeated inquiries. Only 1 of the 12 answered the question squarely, providing complete ingredient lists for all its products.

This is clearly unacceptable. Consumers have a right to know what they are eating.

There's nothing radical about fast food labeling. In fact, FDA and USDA—the two agencies with jurisdiction in this area—have acknowledged that they could, under existing laws, require that fast food be labeled. But unfortunately for the consumer, this has not been done.

That leaves us with an anomaly. Fast food is substantially no different from the food you buy in a supermarket. Supermarket food is labeled, but fast food is not. It should be.

The bill I introduce today would require that fast food be labeled in accordance with existing Federal laws. In cases where printing information on a label would be impractical, the

restaurant would be allowed to provide it in some other way—by posting it on a wall chart, for example, or printing it in a brochure.

Fast food labeling would allow consumers to vote with their fast food dollars. They would be able to avoid meals heavy in fat, sugar, and sodium. They would know whether their french fries had been cooked in vegetable oil or in beef fat, and whether their shake contained any real milk or not. And, in the case of allergy sufferers, they could be reasonably certain that their meal would not mean a trip to the emergency room.

In today's highly competitive fast food industry, product labeling would prompt chains to compete on the basis of nutritional value. This kind of competition would be a tremendous boon to public health. Imagine how our diets would improve if the full force of the fast food giants got behind a race to offer the most wholesome food.

Take heart disease, for instance. It is now this Nation's No. 1 killer, claiming the lives of 400,000 Americans every year. But we're not helpless against it: We can reduce our risk by cutting down on sodium, cholesterol, saturated fat, and caloric intake.

We know this. But how do we use it unless we also know the basic components of the food we eat every day?

That is why we have Federal labeling laws. Those laws can and should be applied to fast food: Because it is sold in a packaged form, fast food comes under the coverage of the Food, Drug and Cosmetic Act, the Federal Meat Inspection Act, and the Poultry Products Inspection Act, all of which require that food sold in wrappers or containers bear ingredient statements on product labels.

This legislation has been endorsed by a number of organizations, including the American Heart Association, the American Cancer Society, the National Parent-Teacher Association, the Consumer Federation of America, the American College of Allergists, the Center for Science in the Public Interest, the National Heart Savers Association, and the Public Voice for Food and Health Policy.

Fast food is here to stay, and that's a good thing for millions of busy people. This bill doesn't tell people what to eat, and it doesn't tell restaurants what to serve. It just makes the facts available.

Mr. President, I ask unanimous consent that a copy of the bill appear in the RECORD at this point, together with a series of editorials and statements supporting fast food labeling.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2446

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fast Food Ingredient Information Act of 1986".

TITLE I—RESPONSIBILITIES OF THE SECRETARY OF HEALTH AND HUMAN SERVICES

ENFORCEMENT OF LABELING REQUIREMENTS

SEC. 101. (a) Except as provided in subsection (b), the Secretary shall enforce section 403(i) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343(i)) with respect to the information required by such section to be included on the labels of packaged foods sold for consumption by customers of fast food restaurants.

(b) If the Secretary determines that it is impracticable for fast food restaurants to comply with section 403(i) of the Federal Food, Drug, and Cosmetic Act through the inclusion on the labels of packaged foods of the information required by such section, the Secretary may prescribe regulations which permit such restaurants to comply with such section through the display of such information on notices in conspicuous places in such restaurants or through the provision of such information on other media determined appropriate by the Secretary, such as menu notices, brochures, or food tray liners.

DEFINITIONS

SEC. 102. For purposes of this title—

(1) the term "fast food restaurant" means a restaurant which is part of a chain of 10 or more franchised restaurants;

(2) the term "label" has the meaning prescribed for such term by section 201(k) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(k));

(3) the term "food" has the meaning prescribed for such term by section 201(f) of such Act (21 U.S.C. 321(f)); and

(4) the term "Secretary" means the Secretary of Health and Human Services.

TITLE II—RESPONSIBILITIES OF THE SECRETARY OF AGRICULTURE

ENFORCEMENT OF LABELING REQUIREMENTS

SEC. 201. (a) Except as provided in subsection (b), the Secretary shall enforce the provisions of—

(1) subparagraph (9) of paragraph (n) of the first section of the Federal Meat Inspection Act (21 U.S.C. 601(n)(9)); and

(2) section 4(h)(9) of the Poultry Products Inspection Act (21 U.S.C. 453(h)(9)),

with respect to the information required by such provisions of law to be included on the labels of packaged foods sold for consumption by customers of fast food restaurants.

(b) If the Secretary determines that it is impracticable for fast food restaurants to comply with the provisions of law specified in paragraphs (1) and (2) of subsection (a) through the inclusion on the labels of packaged foods of the information required by such provisions of law, the Secretary may prescribe regulations which permit such restaurants to comply with such provisions of law through the display of such information on notices in conspicuous places in such restaurants or through the provision of such information on other media determined appropriate by the Secretary, such as menu notices, brochures, or food tray liners.

DEFINITIONS

SEC. 202. For purposes of this title—

(1) the term "fast food restaurant" means a restaurant which is part of a chain of 10 or more franchised restaurants;

(2) the term "label"—

(A) with respect to a food subject to the Federal Meat Inspection Act, has the meaning prescribed for such term by paragraph (o) of the first section of such Act (21 U.S.C. 601(o)); and

(B) with respect to a food subject to the Federal Poultry Products Inspection Act, has the meaning prescribed by section 4(s) of such Act (21 U.S.C. 453(s));

(3) the term "food" has the meaning prescribed for such term by section 201(f) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(f)); and

(4) the term "Secretary" means the Secretary of Agriculture.

TITLE III—REGULATIONS; EFFECTIVE DATE

REGULATIONS

SEC. 301. Within 6 months after the date of enactment of this Act, the Secretary of Health and Human Services shall promulgate final regulations to carry out title I and the Secretary of Agriculture shall promulgate final regulations to carry out title II.

EFFECTIVE DATE

SEC. 302. (a) Except as provided in subsection (b), this Act shall take effect 12 months after the date of enactment of this Act.

(b) Section 301 shall take effect on the date of enactment of this Act.

STATEMENT OF MICHAEL JACOBSON, PH.D., EXECUTIVE DIRECTOR, CENTER FOR SCIENCE IN THE PUBLIC INTEREST

The Center for Science in the Public Interest (CSPI) strongly supports the fast food ingredient disclosure bill introduced today by Senator Chafee. Passage of this legislation will ensure that a vital provision of the federal health laws is enforced. Armed with ingredient information, fast food patrons concerned about diet-related disease and food allergies can make purchasing decisions on the basis of facts.

Ingredient disclosure will enable health-conscious consumers to identify and avoid products that are prepared in frying oils high in saturated fats. In addition, individuals with allergies who currently must play Russian Roulette every time they purchase fast food, will be able to identify and avoid substances to which they are sensitive.

Congressional action is warranted because, in this era of dwindling federal resources, the enforcement priorities of the federal health agencies have been terribly misplaced. While much attention is being directed to "health fraud"—with enforcement actions taken against products such as ripoff baldness cures—the Food and Drug Administration (FDA) and the Department of Agriculture (USDA) intend no action to bring packaged fast food in compliance with the mandatory ingredient disclosure requirements of federal law.

Last June, CSPI and other health and consumer groups petitioned FDA and USDA to enforce the mandatory ingredient labeling provisions of their respective statutes for packaged fast food. USDA denied the petition last December, while FDA has so far failed to respond. FDA and USDA have failed to order labeling despite their joint determination, recently reaffirmed by USDA, that mandatory labeling of fast food is required by federal law. Thus, unless Senator Chafee's bill is enacted, the contents of the $50 billion of fast food sold this year will remain a mystery to the public.

The fast food industry has historically competed on the basis of marketing gimmicks such as "Herb" and the "McDLT." It would be refreshing, to say the least, if some of the millions of dollars the industry spends annually on marketing and promo-

tion could be used to compete on the basis of health and nutrition. We know this is possible because there are nutritious alternatives to the standard high-fat, high-sodium, high-calorie fast food fare. Salad bars, baked potatoes, and roast chicken sandwiches are a few of the healthier offerings that could be the centerpiece of marketing campaigns designed to bring attention to healthful foods and healthful ingredients.

Left to their own devices, FDA, USDA, and the industry would prefer to keep the lid on fast food ingredients. We urge Congress to lift that lid by swiftly enacting Senator Chafee's legislation.

THE AMERICAN COLLEGE OF ALLERGISTS,
Mt. Prospect, IL, May 7, 1986.

The American College of Allergists strongly supports Sen. John H. Chafee's proposed legislation requiring ingredient labeling of fast food products . . . and urges you to join in its co-sponsorship.

As practicing allergists, we have treated many thousands of patients with severe, sometimes life-threatening reactions to hidden ingredients in restaurant foods. Our patients should not have to play Russian Roulette—not knowing whether a Big Mac or Whopper will trigger an allergic reaction—every time they eat a fast-food meal.

The situation is serious.

Sulfites used to freshen fruits and vegetables in salad bars and other places have caused violent asthma and death in some individuals. F.D.C. yellow dye #5, used to color foods, also may cause such reactions.

M.S.G. (monosodium glutamate) can cause flushing, headache and wheezing.

Foods which individuals are commonly allergic to—such as milk, nuts, fish, wheat, soybeans, eggs and corn—may be served in a disguised manner in restaurants and fast-food stores . . . posing a serious threat to unsuspecting allergic patients. Just this winter the New York Times reported that a college student from Brooklyn, who was allergic to peanuts, died after eating chili in a restaurant. Of all things, the chili contained peanut butter used as a thickening agent. She has a severe allergic reaction, resulting in death.

Sen. Chafee's proposal would arm these patients with the vital information they need to protect themselves against potentially life-threatening reactions. That's why we urge you to join Sen. Chafee as a cosponsor of this important legislation.

Thank you for your efforts on behalf of all allergic patients.

Sincerely,

PETER B. BOGGS, M.D.,
President.

[From the New York Times, Nov. 15, 1985]

RISK SEEN IN SATURATED FATS USED IN FAST FOODS

(By Irvin Molotsky)

WASHINGTON, Nov. 14.—A consumer organization said today that eight of the country's largest chains of fast-food and family restaurants cooked their french fries and other foods in beef fat, which is high in the saturated fats that researchers say can contribute to heart disease.

The organization, the Center for Science in the Public Interest, said an absence of labeling laws had left most consumers unaware that the beef fat, or tallow, mixed with a little vegetable oil, was being used by the chains—Arby's, Bob's Big Boy, Burger King, Dairy Queen, Hardee's, McDonald's, Popeyes and Wendy's.

"Most people are shocked that these restaurants use beef fat," Dr. Michael Jacobson, executive director of the consumer organization, said.

Where tested, Howard Johnson's was found to use palm oil, which is even higher in saturated fats than beef fat. A Howard Johnson's spokesman said the chain used vegetable oil in company-owned restaurants but did not stipulate which oil franchises should use.

Dr. Tazewell Banks, a professor of medicine and director of a heart program at D.C. General Hospital, said many parents were unwittingly exposing their children to the increased likelihood of heart disease by allowing them to eat at fast-food outlets.

"It would be safer if they told their children, 'Go out and play in traffic,'" he said at a press conference.

Dr. Jacobson said his organization had asked the restaurant chains why they used beef fat. "Restaurants tell us they think it scores better in customer taste tests," he said. "It also costs less than vegetable oil."

On the other hand, Dr. Jacobson said, companies that fry foods in vegetable oil say they do so to keep beef flavor out of their french fries and fried chicken.

WHERE TESTS WERE DONE

The fast-food chains that used moderately hydrogenated vegetable oil for food frying were listed by the consumer organization as Denny's, Friendly's and Papa Gino's. Hydrogenation makes oil more stable and less likely to spoil. The less hydrogenated oil is, Dr. Jacobson said, the less saturated the fat is.

The chains using heavily hydrogenated vegetable oil, that is, more saturated, were identified as Church's, D'Lites, Kentucky Fried Chicken, Long John Silver, Red Lobster and Rustler.

The analysis on the fat content was conducted by gas chromatography by Dr. Frank Sacks, assistant professor of medicine at the Harvard University Medical School and director of the Lipoprotein Metabolism Research Laboratory at Brigham and Women's Hospital.

Dr. Jacobson said the samples were obtained in the Boston area but were representative of entire chains.

For Dairy Queen, however, uniformity proved not to be the case. The sample obtained in Boston was found to be fried in vegetable oil. When the Center for Science in the Public Interest inquired, it was told that beef fat usually was used and that the Boston outlet had substituted vegetable oil on its own.

The tests were performed on french fries so that the findings would not be affected by the fat content of chicken or other foods. "Many restaurants use the same shortening to fry most foods," the consumer organization said. "Thus, these figures probably also apply to pies, chicken parts and nuggets, fish and other fried foods."

Also participating in the project was Dr. William Castelli, medical director of the Framingham Heart Study, a Massachusetts inquiry that has been going on for 36 years.

Dr. Castelli said that fat in the diet was clearly a major cause of heart disease. "We have to get the fat out of our diet," Dr. Castelli declared.

Restaurant chains were asked to comment, and Frank Belatti, a vice president at Arby's, said his company used both partly hydrogenated soybean oil and a mixture of beef fat and cottonseed oil. "The animal vegetable oil gives the french fry its distinctive fried flavor," he said.

Mary Maguire, a spokesman for the Marriott Corporation, which runs both the Roy Rogers and Bob's Big Boy chains, said that a mix of 90 percent animal fat and 10 percent vegetable oil was used because it had "the most preferred taste profile."

Terri Capatosto, a spokesman for McDonald's, said, "What we use is the highest quality of a vegetable and beef shortening." She said cost was not a factor in the choice of oil.

Denny Lynch, a spokesman for Wendy's, said his company's french fries were cooked in a blend of animal and vegetable fats but would not give the percentage. "We are in the business of selling foods that the customer wants to buy," he said. "There is a lot of money spent on how to cook the perfect french fry."

FAST-FOOD FATTY ACIDS

	Saturated	Unsaturated
Moderately hydrogenated vegetable oil:		
Denny's	18.9	69.3
Friendly's	17.4	70.8
Papa Gino's	15.7	70.0
Heavily hydrogenated vegetable oil:		
Church's	27.4	59.2
D'Lites	31.2	55.3
Kentucky Fried Chicken	26.1	60.1
Long John Silver	28.2	58.0
Red Lobster	24.6	61.3
Rustler	30.5	56.3
Beef fallow (may have some vegetable oil):		
Arby's	49.8	38.7
Bob's Big Boy	47.9	39.2
Burger King	48.8	37.6
Dairy Queen	NA	NA
Hardee's	48.2	40.6
McDonald's	45.5	42.1
Popeyes	47.2	39.4
Wendy's	47.1	39.8
Palm oil:		
Howard Johnson's	53.3	42.2

Note.—Percentage of fatty acids that were found to be saturated and unsaturated. Figures do not total 100 percent because of portion of sample lost in testing.

Source: Center For Science in the Public Interest.

STATEMENT BY THE AMERICAN HEART ASSOCIATION IN SUPPORT OF LEGISLATION ON INGREDIENT LABELING ON FAST FOOD PRODUCTS

The American Heart Association supports legislation introduced today by Senator John H. Chafee (R-RI) on ingredient labeling of fast foods.

The AHA supports this important legislation for three main reasons. First, the AHA believes that most fast food served today is not heart-healthy, because it increases one of the major risks of coronary heart disease. Second, heart and blood vessel disease are this country's number one killers, and any effort in reducing the public's risk of these diseases promises a substantial reduction in mortality and morbidity, as well as health care costs. And finally, the fast food industry may be taking advantage of the fact that at least two federal agencies, the USDA and the FDA, may not be enforcing provisions in existing laws that extend to fast food sold in wrappers or containers.

WHY IS FAST FOOD NOT HEALTHY FOR THE HEART?

For 25 years the AHA has been advising physicians and the public about the merits of a low-fat, low-cholesterol diet as a means of reducing one of the major risks of coronary heart disease, but the typical burger, fries and shake is anything but low-fat or low-cholesterol. The AHA also advocates a moderate intake of sodium to help control high blood pressure in many people, but the amount of sodium in our fast food is clearly alarming.

As a result, for the 40 million Americans who eat in these restaurants every day, "eating on the run" has become synonymous with "eating for clogged arteries and high blood pressure." The problem is that fast food consumers don't know what they are eating.

The AHA's diet statement, which was first issued 25 years ago, has been repeatedly supported by years of research. The studies have led to two well established facts: (1) dietary saturated fats and cholesterol directly raise the total cholesterol in the blood, including a bad variety of cholesterol; and (2) excess fats and cholesterol in the blood contribute to clogged arteries and eventually coronary heart disease.

The AHA dietary statement recommends: (a) a caloric intake to maintain ideal weight; (b) a total fat intake limited to 30 percent of total calories, with no more than 10 percent saturated fat (such as animal fat), up to 10 percent polyunsaturated fats (such as vegetable fats) and 10 percent monounsaturated fat; (c) a dietary cholesterol intake to be no more than 300 mgs per day; (d) carbohydrates (44-55 percent of total calories) primarily selected from the complex varieties; and (e) a reduced sodium intake to help control high blood pressure.

How does the dietary statement translate into daily eating habits? The following explanation will serve to put the statement in perspective.

The AHA dietary guidelines for healthy Americans recommend the reduction of dietary cholesterol to less than 300 mgs per day. According to the Food and Nutrition Board, the estimated safe intake of sodium is 1100 to 3300 mgs of sodium—a generous serving—for healthy adults. An Egg McMuffin breakfast adds up to 340 calories, about 259 mgs of cholesterol, 885 mgs of sodium and 1,580 mgs of fat.

As a result, the Egg McMuffin consumer has had nearly the full amount of cholesterol recommended by the AHA and a substantial amount of the recommended sodium intake in one meal alone. Add lunch, dinner, alcohol and snacks to the daily eating habit, and the same consumer who started with an Egg McMuffin has substantially exceeded the recommended cholesterol and sodium intake for a day.

Does the consumer know that? We don't believe so. But the consumer should know that. And it is not just a question of Egg McMuffins. The Whoppers, the Bacon cheese burger, the fried chickens, and the french fries are equally as bad. The consumer should also know the amount of saturated fat in fast food. But the fast food chains don't disclose that.

Overall, according to the USDA, Americans are eating a healthier diet today than they were in the early 1960's when cardiovascular mortality was at its peak. But there are a few alarming trends.

One is the skyrocketing consumption of highly saturated fat cheese, a favorite of the fast food crowd. Sales have jumped more than 131 percent over the past 20 years. The USDA has also reported that consumption of fat from animal sources in the form of lard, baking and frying fats—all saturated and often used in fast and convenience foods—increased, while vegetable oil—the acceptable kind—decreased.

The AHA believes that the sheer volume of fast food consumed in this country puts a responsibility on fast food chains for educating the consumer. According to estimates from a recent issue of the Boston Globe, the fast food industry represents $44.8 million of this country's "eating-out" budget. Consumers are buying a lot of cholesterol, fat and sodium with their food dollars, and don't even know it.

THE MAGNITUDE OF HEART DISEASE

The three major risk factors of heart and blood vessel disease are: cigarette smoking, uncontrolled high blood pressure and excess serum cholesterol. Fast foods increase the risk of heart and blood vessel diseases by contributing to two of the three risk factors.

How many Americans are affected by these diseases and how does the disease affect them? The following numbers will highlight the magnitude of the problem:

(a) More than 92 million American adults have blood cholesterol levels above 200 mgs/dl, a level at which the risk of heart disease begins to rise sharply.

(b) About 27 million adults have blood cholesterol levels about 260.

(c) Obesity, which is related to blood cholesterol levels, increased 54 percent in children aged 6-11, and 30 percent in children aged 12-17, during the period between 1963 and 1980.

(d) Superobesity increased 90 percent in the 6-11 years olds and 64 percent in the 12-17 years olds during the same period.

(e) Almost 55 million American adults have high blood pressure or are being treated for it.

(f) An additional 2.7 million children aged 6-17 also have high blood pressure.

Because fast food chains appeal to a broad segment of the population, including children, and young and middle-aged Americans, we may have a whole new generation of individuals headed for heart disease.

CURRENT LAWS REQUIRING LABELING OF FAST FOODS

The Federal Food, Drug, and Cosmetic Act requires that all foods regulated by the FDA that are sold in wrappers or containers bear ingredient statements of product labels. There are similar provisions in food products regulated by the USDA.

In 1979, both these agencies concluded that existing laws requiring labels extended to fast foods sold in wrappers or containers. However, both agencies decided not to enforce those laws for any restaurant food, though they indicated that they would reexamine this policy in the future if needed.

The AHA believes that the time has come for these two agencies to reexamine their policies. But even if they do, Sen. Chafee's legislation will strengthen their authority to require ingredient labeling on fast food.

The proposed legislation is also supported by the U.S. Public Health Service's reports on "Promoting Health/Preventing Disease." The four objectives in that report, which directly relate to this legislation, are:

(a) By 1990, the proportion of adults aged to 74 with mean serum cholesterol above 230 mg/dl should be reduced by at least 50 percent;

(b) By 1990, the average daily sodium intake by adults should be reduced at least to the 3 to 6 range;

(c) By 1990, 70 percent of the adults should be able to identify the major foods which are: low in fat content, low in sodium content, high in calories, high in sugars, good sources of fiber; and

(d) By 1990, the labels of all packaged foods should contain useful and nutrient information to enable consumers to select diets that promote and protect good health. Similar information should be displayed where nonpackaged foods are obtained or produced.

Because of these reasons, we believe that Sen. Chafee's legislation is both timely and reasonable. It will also help educate consumers in reading and understanding labels, make wiser choices with their food dollars, and ultimately reduce their risk of developing heart and blood vessel diseases.

EXCERPT: HEARING ON THE FISCAL YEAR 1987 APPROPRIATIONS BILL FOR THE FOOD AND DRUG ADMINISTRATION

FAST FOOD INGREDIENT LABELING

The Federal Food, Drug, and Cosmetic Act requires that all foods regulated by FDA that are sold in wrappers or containers bear ingredient statements on product labels. 21 U.S.C. § 343(i). Similar requirements are contained in the Federal Meat Inspection Act, 21 U.S.C. § 601(n)(9) and the Poultry Products Inspection Act, 21 U.S.C. § 453(h)(9) for meat and poultry products regulated by the U.S. Department of Agriculture (USDA).

With the advent of nationwide chains of franchised fast food restaurants in the 1950s and 1960s, the manner in which much restaurant food is prepared and served has drastically changed. Each of the thousands of fast food establishments is now akin to a small, decentralized food manufacturing facility. The composition of the products is highly standardized; the variety of foods is limited; and most, if not all, foods are served in wrappers that could easily accommodate ingredient information.

In 1979, FDA and USDA concluded that their statutes' mandatory ingredient labeling provisions extend to fast foods that are sold in wrappers or containers. Food Labeling Background Papers, p. 13 (1979). However, the agencies decided not to enforce those laws for any restaurant food, though they indicated that they would reexamine this policy in the future if needed. (44 Fed. Reg. 76,000 (1979))

Today, with Americans spending nearly $50 billion a year in fast food restaurants, fast foods provide a significant portion of the diets of millions of people. A variety of health problems associated with the ingredients in fast foods makes the disclosure of those ingredients imperative. Hundreds of thousands of Americans are allergic to fast food ingredients such as FD&C Yellow Dye No. 5 and corn-based sweeteners. Many others need to avoid certain ingredients, such as animal fats, and coconut and palm oils, to reduce their risk of heart attack and other diet-related diseases. Ingredient disclosure is the only device that can enable these consumers to safely eat fast foods.

FDA and USDA publicly acknowledged the importance of label disclosure of restaurant ingredients to persons who are allergic to ingredients. In the Food Labeling Background Papers, the agencies stated:

"Sufferers of allergies and persons following special diets would benefit from ingredient labeling of restaurant foods . . . while the actual impact upon health is rather uncertain, the number of people who may more easily be able to deal with their health problems may be significant." (FLBP, p. 13.)

More recently, FDA wrote the Bureau of Alcohol, Tobacco and Firearms (BATF) and urged BATF to require the disclosure of alcholic beverage ingredients. FDA stated:

"Once sensitivity to ingested substances has been confirmed, however, the most effective way of dealing with the problem is to avoid those substances. *Because many ingredients may be concealed in prepared products, reliance on ingredient declaration may be the only practicable means for consumers*

to avoid offending substances." (Memorandum from Joseph P. Hile, FDA associate Commissioner for Regulatory Affairs, to BATF, July 20, 1983 (emphasis added).)

Furthermore, the principle of mandatory ingredient labeling has widespread public support. The Heritage foundations, a conservation think-tank, in its book "Mandate For Leadership II," states:

"The mandatory disclosure of certain information may also prove an effective means of achieving regulatory goals. Requiring food processors to disclose the use of certain additives, for example, allows consumers to make a more intelligent choice . . ." ("Mandate For Leadership II," The Heritage Foundation (1984), p. 421.)

For these reasons, and in particular because of the great concern the public now has over sensitivity to food ingredients and diet-related diseases, CSPI petitioned FDA and USDA last June and urged the agencies to abandon their historical indifference to restaurant ingredient labeling and enforce the labeling provisions of their respective statutes for fast foods served in packaged form. See Attachment 1. Co-petitioners and endorsers included the New York State Consumer Protection Board, the American College of Allergists, and the American Dietetic Association. In addition, thousands of consumers and over 100 health experts have expressed their support for ingredient disclosure to the government. USDA denied the petition in December, 1985. FDA has not yet responded to the petition.

Several members of Congress have expressed concern over the government's failure to enforce this vital provision of federal law. Following the tragic death of a young woman with an allergy to peanuts, who died after she unknowingly consumed peanut butter that was added to a restaurant's chili, Senator John Chafee indicated that ingredient information should be available to restaurant patrons. Congressional Record, March 27, 1986, p. S3756. In addition, after USDA denied the petition, Congressman Stephen Solarz wrote then-Secretary Block and started that he was "troubled by USDA's denial of the petition." See Attachment 2.

We urge this committee to require FDA to issue a report to the committee within the next several months on the status of the petition. The committee should also express its concern over FDA's and USDA's failure to enforce their statutes' mandatory ingredient disclosure requirements.

[From the New York Times, Apr. 4, 1986]

WHAT'S THE BEEF?

Consumers' ignorance about fast food is hazardous to their health. Yet the Federal Government resists efforts to require the preveyors of burgers, fries and shakes to disclose their ingredients. It's therefore up to the states to mandate disclosure. New York's Consumer Protection Director, Richard Kessel, responds with a sensible proposal.

The Federal Ingredient Label Law already requires disclosure on pre-packaged foods sold in supermarkets. The Federal Department of Agriculture has refused to apply that law to the standardized products sold by fast-food chains, contending this would create an unfair burden.

But the burden on consumers is greater. The Center for Science in the Public Interest has found that eight of the largest fast-food chains cook french fries and other foods in beef tallow, a flavorful shortening that is high in saturated fats. And a study sponsored by Science Digest found that the chicken sandwich widely thought to be low in fat may contain as much fat as a pint and a half of ice cream. The artificial preservatives and food colorings used in fast food are of interest to allergy suffers.

More than 100 scientists and deans of medical and health schools recently petitioned major fast-food chains to stop using heavily saturated fats and to disclose their ingredients. But the National Restaurant Association objects that listing ingredients on fast food wrappers or menus would cause "undue anxiety" among customers. The chains ask consumers to write for the information.

About 46 million people a day are served at fast-food restaurants. Forcing disclosure would stimulate the chains to compete on the basis of content as well as taste. Mr. Kessel proposes a New York law demanding disclosure on food wrappers or counter signs or in a brochure available where food orders are taken. The costs would be minimal, the benefits substantial. An industry that feeds a fifth of the nation's appetites should not also feed its suspicions.

[From the New York Times, Jan. 2, 1986]

LET PEOPLE KNOW WHAT THEY'RE EATING

(By Michael F. Jacobson)

Imagine a $50 billion-a-year campaign to sabotage Americans' health. Though it would never admit it, that is essentially what the fast-food industry is doing with its slick merchandising of products dunked in fat and laced with salt. While it may be unrealistic to expect fast-food restaurants to adopt a completely healthful menu, is it too much to ask that they label product ingredients so that consumers can at least make informed choices about what they eat?

Actually, current Federal regulations call for ingredient labeling of packaged foods, but there is some question whether this applies to fast-food restaurants. Last month, the Agriculture Department rejected a petition filed by several consumer health groups to extend labeling requirements to meat and poultry products served in fast-food restaurants, contending that the practice would be expensive, cumbersome and unnecessary. A similar petition is now pending before the Food and Drug Administration, which is responsible for most fast-food products besides meat and poultry.

A food's ingredients help determine its nutritional worth. Only a Rip Van Winkle could be unaware that excessive fats, cholesterol and sodium in the American diet contribute in a major way to high blood pressure and coronary heart disease. Fats also appear to promote cancers of the breast, colon and other organs.

Eat a quarter-pound burger, fries and a shake and you will ingest an artery-clogging 15 teaspoons of grease. That is approaching the maximum amount of fat that the average person should consume in an entire day. Even chicken and fish, the low-fat foods the experts say we should eat, will probably be deep-fried and loaded with fat at your local speed eatery. For instance, at McDonald's a small order of Chicken McNuggets or a filet-of-fish sandwich has about twice as much fat as a regular hamburger.

What is worse, many restaurants—including McDonald's, Burger King and Hardee's—fry foods in almost pure beef fat rather than in liquid vegetable oil. Not only are the potatoes, chicken and fish laden with fat, but the fat they absorb is also highly saturated.

As if that were not bad enough, the high sodium content of fast-food meals promotes high blood pressure. One out of every two Americans develops hypertension by the age of 65. High blood pressure triggers strokes and heart attacks in hundreds of thousands of people annually.

The National Academy of Sciences recommends that adults consume between 1,100 and 3,300 milligrams of sodium (one-half to one and a half teaspoons of salt) per day. A single Burger King Whopper or similar sandwich contains about 1,000 milligrams of sodium. Many fast-food meals easily supply a whole day's ration of salt.

Consumers could make better choices among fast foods if they were able to compare the ingredients these foods contain. But not one fast-food company lists ingredients on its food wrapper. Most will not even respond to phone calls and letters requesting this information.

Without ingredient listings, how can consumers "vote" at the cash register against Chicken McNuggets (which contain ground-up chicken skin and are fried in beef fat)? How can consumers avoid yellow No. 5, the allergy-triggering dye—found in some milk shakes and other fast foods—that the F.D.A. requires to be listed by name when used in packaged grocery products?

The restaurant industry is totally opposed to labeling requirements. Such labeling "would create undue anxiety," says the National Restaurant Association.

In truth, consumers would be upset if labels on restaurant foods revealed the presence of "ground up chicken skin," "sulfur dioxide" or "yellow dye No. 5." And that's precisely the benefit of ingredient information. Its mere presence would drive some of the most nutritionally worthless products right off the market.

Industry representatives also contend that labeling would be both prohibitively expensive and impractical. Granted, listing ingredients on packages would impose some minor expense on chains, as it does now for grocery manufacturers. But the cost would be small compared to the health benefits, and minuscule compared with the chains' billion-dollar-a-year advertising barrage.

As for practicality, many products already come in unique packages. And restaurants could easily list the ingredients of several varieties of sodas and milk shakes on the same cup.

Meals that promote life-threatening diseases, double-barreled ad campaigns that target children, and a level of secrecy that the C.I.A. must envy—all this reflects poorly on the ethical standards of the people running the corporate giants that are increasingly feeding America.

One of these days, though, the chief executive of a fast-food chain will recognize that people really do want low-cost convenient meals that are healthful, not harmful. That chain would provide nutritious foods, from whole-grained buns to cooked green vegetables to fresh fruits (the salad bars and baked potatoes are welcome steps in this direction). Its hamburgers would be lean and the chicken and fish baked, not fried. The chain would brag about its ingredients and nutrients rather than hiding them, and it would mount a two-fisted comparative advertising campaign that made mincemeat of its competitors.

Such a chain stands to do well by doing good. It would prosper while also helping to keep its customers out of the coronary care unit.

[From the New York Times, Dec. 17, 1985]

NAME THAT FAST FOOD

Fast-food restaurants, a $47 billion industry, supply a large part of the American diet. Yet their consumers have little idea of the ingredients mixed into their burgers, fries and shakes. If they did know, the result might well be a healthy change in the nation's eating habits.

A recent study by the Center for Science in the Public Interest, a consumer-advocacy organization, reported that eight of the largest fast-food chains cook french fries and other foods in beef tallow, which is high in the saturated fats believed to be a leading cause of heart disease. Patrons who order a chicken sandwich to avoid cholesterol may instead get fat and cholesterol equal to 11 pats of butter. Fast-food patrons are also exposed to artificial preservatives and some suspect food colorings. Small wonder the major fast-food chains prefer not to disclose their recipes.

The center, joined by the New York State Consumer Protection Board and others, has petitioned the Food and Drug Administration to apply the Federal ingredient label law to fast-food chains. Their legal argument is that fast-food outlets are less like conventional restaurants and more like retailers of standardized products, "packaged" because they are sold in wrappers. Should that argument fail, the petitioners may seek state regulations.

The fast-food industry recognizes health concerns; witness the recent proliferation of salad bars. Yet it resists disclosure. The National Restaurant Association contends that listing the ingredients on fast-food wrappers or menus would cause "undue anxiety" among patrons. It suggests that people with food allergies or other dietary concerns write to the food companies to obtain specific information.

If forced to disclose, fast-food outlets almost surely would start competing on the basis of content as well as taste. Fast food need not hide behind slow facts.●

ADDITIONAL COSPONSORS

S. 950

At the request of Mr. HEINZ, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 950, a bill to amend the Communications Act of 1934 to promote fairness in telecommunications policy by providing for lifeline telephone service.

S. 1622

At the request of Mr. MELCHER, the names of the Senator from Mississippi [Mr. COCHRAN], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of S. 1622, a bill to promote the development of Native American Culture and Art.

S. 1661

At the request of Mr. HEINZ, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 1661, a bill to amend the Internal Revenue Code of 1954 to exempt certain emergency medical transportation from the excise tax on transportation by air.

S. 1820

At the request of Mr. DECONCINI, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 1820, a bill to provide financial assistance to State and local educational agencies for the development and expansion of demonstration chemical substance abuse prevention programs in the public elementary and secondary schools of such agencies, and for other purposes.

S. 1941

At the request of Mr. DENTON, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 1941, a bill to protect the security of the United States by providing for sanctions against any country that provides support for perpetrators of acts of international terrorism.

S. 1965

At the request of Mr. STAFFORD, the names of the Senator from Oklahoma [Mr. NICKLES], the Senator from Florida [Mrs. HAWKINS], the Senator from Ohio [Mr. METZENBAUM], the Senator from Iowa [Mr. GRASSLEY], the Senator from Massachusetts [Mr. KERRY], the Senator from Kansas [Mr. DOLE], the Senator from Nevada [Mr. LAXALT], the Senator from Texas [Mr. BENTSEN], the Senator from Mississippi [Mr. COCHRAN], the Senator from Tennessee [Mr. GORE], the Senator from Maryland [Mr. SARBANES], the Senator from South Dakota [Mr. ABDNOR], the Senator from Ohio [Mr. GLENN], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Georgia [Mr. NUNN], the Senator from Washington [Mr. EVANS], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Vermont [Mr. LEAHY], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Maine [Mr. COHEN], the Senator from Arizona [Mr. DECONCINI], and the Senator from New Jersey [Mr. BRADLEY] were added as cosponsors of S. 1965, a bill to reauthorize and revise the Higher Education Act of 1984, and for other purposes.

S. 2081

At the request of Mr. STAFFORD, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 2081, a bill to reauthorize the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, the Community Services Block Grant Act, for deferred cost care programs, and for other purposes.

S. 2129

At the request of Mr. KASTEN, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 2129, a bill to facilitate the ability of organizations to establish risk retention groups, to facilitate the ability of such organizations to purchase liability insurance on a group basis, and for other purposes.

S. 2176

At the request of Mr. BOREN, the names of the Senator from Montana, [Mr. BAUCUS], and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of S. 2176, a bill to amend chapter 11 of title 18, United States Code, to prohibit any former high-level Federal civilian officer or employee or high-ranking officer of a uniformed service from representing or advising a foreign principal for a period of at least 5 years after leaving Government service.

S. 2183

At the request of Mr. METZENBAUM, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 2183, a bill to improve services for individuals with Alzheimer's disease and their families.

S. 2206

At the request of Mr. NICKLES, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of S. 2206, a bill to amend the Internal Revenue Code of 1954 to repeal the windfall profit tax on crude oil.

S. 2273

At the request of Mr. KASTEN, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 2273, a bill to amend the Internal Revenue Code of 1954 to deny the tax exemption for interest on industrial development bonds used to finance acquisition of farm property by foreign persons.

S. 2286

At the request of Mr. DECONCINI, the names of the Senator from Hawaii [Mr. MATSUNAGA], and the Senator from Maine [Mr. MITCHELL] were added as cosponsors of S. 2286, a bill to prohibit the sale, donation, or other transfer of Stinger antiaircraft missiles to democratic resistance forces in Afghanistan and Angola unless certain conditions are met.

S. 2327

At the request of Mr. GRAMM, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of S. 2327, a bill to amend the Low-Income Home Energy Assistance Act of 1981 to specify the method of determining State allotments.

S. 2347

At the request of Mr. BENTSEN, the name of the Senator from Texas [Mr. GRAMM] was added as a cosponsor of S. 2347, a bill to authorize the Corps of Engineers to issue permits under the Clean Water Act and the River and Harbor Act for construction of a water resource project in the State of Texas.

S. 2387

At the request of Mr. DURENBERGER, the name of the Senator from Idaho [Mr. MCCLURE] was added as a cosponsor of S. 2387, a bill to provide relief to

State and local governments from Federal regulation.

S. 2411

At the request of Mr. D'AMATO, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 2411, a bill to prohibit possession, manufacture, sale, importation, and mailing of ballistic knives.

S. 2434

At the request of Mr. HATCH, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 2434, a bill to amend the Public Health Service Act to require the Secretary of Health and Human Services to prepare announcements for television on the health risks to women which result from cigarette smoking.

SENATE JOINT RESOLUTION 311

At the request of Mr. CRANSTON, the names of the Senator from Illinois [Mr. SIMON] and the Senator from Florida [Mrs. HAWKINS] were added as cosponsors of Senate Joint Resolution 311, a joint resolution designating the week beginning November 9, 1986, as "National Women Veterans Recognition Week".

SENATE JOINT RESOLUTION 323

At the request of Mr. D'AMATO, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of Senate Joint Resolution 323, a joint resolution to designate May 21, 1986, as "National Andrei Sakharov Day".

SENATE JOINT RESOLUTION 326

At the request of Mr. WALLOP, the name of the Senator from Indiana [Mr. QUAYLE] was added as a cosponsor of Senate Joint Resolution 326, a joint resolution to proclaim May 21, 1986, as "Andrei Sakharov Honor and Freedom Day".

SENATE JOINT RESOLUTION 333

At the request of Mr. ANDREWS, the names of the Senator from Michigan [Mr. LEVIN], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Georgia [Mr. NUNN], the Senator from Nebraska [Mr. ZORINSKY], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Oklahoma [Mr. NICKLES], the Senator from Vermont [Mr. LEAHY], the Senator from North Dakota [Mr. BURDICK], the Senator from Massachusetts [Mr. KERRY], the Senator from Arkansas [Mr. PRYOR], the Senator from South Dakota [Mr. ABDNOR], the Senator from Idaho [Mr. MCCLURE], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Missouri [Mr. DANFORTH], the Senator from Illinois [Mr. DIXON], the Senator from Connecticut [Mr. WEICKER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Hawaii [Mr. INOUYE], the Senator from Arkansas [Mr. BUMPERS], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of Senate Joint Resolution 333, a joint resolution designating the week of May 18, 1986, through May 24, 1986, as "National Food Bank Week".

SENATE JOINT RESOLUTION 335

At the request of Mr. CHILES, the names of the Senator from Pennsylvania [Mr. HEINZ], and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of Senate Joint Resolution 335, a joint resolution to designate May 8, 1986, as "Naval Aviation Day".

SENATE JOINT RESOLUTION 337

At the request of Mrs. HAWKINS, the name of the Senator from Colorado [Mr. ARMSTRONG] was added as a cosponsor of Senate Joint Resolution 337, a joint resolution designating May 18–24, 1986, as "Just Say No to Drugs Week".

SENATE JOINT RESOLUTION 342

At the request of Mrs. HAWKINS, the names of the Senator from Alabama [Mr. DENTON], the Senator from North Dakota [Mr. BURDICK], the Senator from Idaho [Mr. SYMMS], and the Senator from Georgia [Mr. MATTINGLY] were added as cosponsors of Senate Joint Resolution 342, a joint resolution to designate May 25, 1986, as "Missing Children Day".

SENATE CONCURRRENT RESOLUTION 125

At the request of Mr. HEINZ, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of Senate Concurrent Resolution 125, a concurrent resolution recognizing the achievements of the Ireland Fund and its founder, Dr. Anthony J.F. O'Reilly.

SENATE RESOLUTION 381

At the request of Mr. DECONCINI, the name of the Senator from Florida [Mr. CHILES] was added as a cosponsor of Senate Resolution 381, a resolution expressing the sense of the Senate with respect to United States corporations doing business in Angola.

SENATE RESOLUTION 385

At the request of Mr. SASSER, the name of the Senator from South Carolina [Mr. HOLLINGS], was added as a cosponsor of Senate Resolution 385, a resolution to express the sense of the Senate that certain action be taken to end hunger in the United States by 1990.

SENATE RESOLUTION 392

At the request of Mr. DECONCINI, the names of the Senator from Vermont [Mr. LEAHY], and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of Senate Resolution 392, a resolution expressing the sense of the Senate that the people of the Republic of Korea should be allowed to petition for a constitutional amendment to allow for the direct election of their president.

SENATE RESOLUTION 397

At the request of Mr. QUAYLE, the names of the Senator from Oklahoma [Mr. BOREN], and the Senator from South Dakota [Mr. ABDNOR] were added as cosponsors of Senate Resolution 397, a resolution expressing the sense of the Senate regarding the lending practices of multilateral development banks.

AMENDMENT NO. 1823

At the request of Mrs. KASSEBAUM, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of amendment No. 1823 intended to be proposed to S. 100, a bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes.

At the request of Mrs. KASSEBAUM, the name of the Senator from Montana [Mr. MELCHER] was withdrawn as a cosponsor of amendment No. 1823 intended to be proposed to S. 100, supra.

AMENDMENT NO. 1951

At the request of Mr. DANFORTH, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of amendment No. 1951 intended to be proposed to S. 1999, a bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes.

SENATE RESOLUTION 405—EXPRESSING OPPOSITION TO THE IMPOSITION OF A FEDERAL LICENSING FEE FOR MARINE SPORTFISHING

Mr. LAUTENBERG (for himself and Mr. HOLLINGS) submitted the following resolution; which was referred to the Committee on Commerce, Science, and Transportation:

S. RES. 405

Whereas the President has proposed the imposition of a federal licensing fee for recreational marine fishermen, to be implemented by the Secretary of Commerce;

Whereas the Administrator of the National Oceanic and Atmospheric Administration has suggested imposing a similar fee on commercial fishermen;

Whereas the federal revenues raised by the proposed fees would not be contributed to enhancement of fisheries;

Whereas the revenues expected to be raised would far exceed federal expenditures in direct support of recreational fisheries;

Whereas there are over seventy million recreational fishing trips taken along the coastal mainland of the United States annually;

Whereas commercial and recreational fisheries together generate an estimated $27 billion to the nation's economy, and provide employment for an estimated 900,000 individuals;

Whereas imposition of such a fee would discourage growth of the fisheries industries in this country, and harm related industries;

Whereas imposition of such a fee would have adverse impacts on state and local economies: Now, therefore, be it

● Mr. LAUTENBERG. Mr. President, today I am submitting a resolution to express the sense of the Senate opposing the imposition of a Federal fishing license fee for recreational fishermen.

I am pleased to be joined by my distinguished colleague from South Carolina, Senator HOLLINGS, in submitting this resolution.

When the President submitted his budget proposal for fiscal year 1987, he included a recommendation to implement a Federal ocean sportfishing license. This proposal would require recreational fishermen to obtain a Federal license in order to fish off our coasts. The fee would be at least $10, with $5 going to the general treasury, and the remainder to the State in which the license was obtained. The administration proposes to raise $200 million in revenues over the next 5 years through this program. None of the Federal revenues generated from this fee would serve to enhance fisheries.

Fisheries represent an important segment of the economies of coastal States. Over 70 million recreational fishing trips were taken in the coastal waters of the continental United States. Combined, recreational and commercial fisheries generate an estimated $27 billion in the United States, and employ approximately 900,000 individuals.

In my State, New Jersey, fisheries play a vital role in the State's economic well-being. An estimated 1.6 million salt water recreational fishermen reside in New Jersey, while another 1.2 million tourists come to our State each year to fish in the Atlantic coastal waters. There are 800 owners of large charter marine sportfishing charter boats in New Jersey. Recreational fisheries bring in between $300 and $400 million each year to the economy of New Jersey.

Mr. President, the imposition of a Federal ocean sportfishing license on recreational fishermen could have devastating impacts on State and local economies. In New Jersey, an overwhelming majority of those chartering marine fishing vessels do so only once each year. If a Federal fee of at least $10 is imposed in addition to the cost of chartering a vessel, many of these one-time fishermen will find a fishing trip infeasible. The impact of this on charter boat owners, as well as on associated businesses would be severe.

The administration's proposal raised Federal revenues without any benefit accruing to the enhancement and enrichment of fisheries. This proposal attempts to raise Federal revenues at the expense of a small group. The National Marine Fisheries Service directly spends only about $3 million to enhance recreational fisheries annually. The funds raised through this proposal would far exceed Federal expenditures in this area. Mr. President, this amounts to nothing more than a tax increase on recreational fishermen which is being disguised as a user fee.

This proposal is inappropriate, and I hope the administration will not pursue it further. This resolution is meant to put the Senate firmly on record in opposition to the administration's proposal. I am pleased to have Senator HOLLINGS as its original cosponsor, and urge my colleagues to support the resolution.●

● Mr. HOLLINGS. Mr. President, today I join with my colleague Senator LAUTENBERG to submit a resolution expressing opposition to the administration's proposal to implement an ocean sportfishing license.

The plan would impose a fee of at least $10 on the Nation's 17 million recreational anglers who fish in our coastal waters; $5 of that license fee would go the Federal Government. The plan would generate hundreds of millions of dollars in revenue over the next few years.

Some might call this proposal a "user fee." But it is not. If it were, then recreational fishermen could expect to benefit directly from hundreds of millions of dollars in Federal services. Yet look at what they are getting—the National Marine Fisheries Service spends only about $3 million a year on programs that directly enhance and support ocean sportfishing. And the administration wants to slash this agency's budget, to boot.

Ocean sportfishermen, who make more than 70 million fishing trips each year, are already paying for existing programs—through special taxes on the marine fuel and recreational equipment they purchase.

Thus, the administration's fishing license proposal is nothing more than a scheme to fleece the Nation's recreational fishermen of their hard-earned money in order to offset deficits they didn't create.

Mr. President, I have said for years that we can balance our Federal budget if the President and the Congress show the discipline necessary to do it. We've passed the Gramm-Rudman-Hollings law to force us to exercise that discipline. But let us not look to hare-brained proposals such as this ocean sportfishing license to solve our deficit problems. It's not fair, it's not right, and it certainly won't get the job done.●

SENATE RESOLUTION 406—HONORING THE 125TH ANNIVERSARY OF CAMPING IN THE UNITED STATES

Mr. DODD (for himself and Mr. WEICKER) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 406

Whereas, in August of 1861, Frederick William Gunn, Headmaster of the Gunnery School in Washington, Connecticut, set out with his students on a forty-mile excursion to Welches Point on Long Island Sound in the first recorded organized children's summer camping experience in the history of our nation, and;

Whereas, the camp at Welches Point promoted the development and self-discipline of the participants, and was perceived to have been a valuable experience for the young students and adults who pitched tents and lived for two weeks in the out-of-doors, doing their own cooking, fishing, and chores, and enjoying songs and stories by campfire at night, and;

Whereas, since those origins in the late 19th century, organized camping has provided young people with activities designed to promote personal growth and development skills; to encourage positive behavioral change; and to foster the ability to communicate with both other children and adults; and;

Whereas, today over 11,000 camps, in 50 states, serve four million young Americans each year, and;

Whereas, 1986 is the 125th Anniversary of organized camping in the United States;

Resolved, That due honor and recognition be accorded the institution of organized camping in its 125th year of existence, with the acknowledgement of the contributions that organized camping has and continues to offer the youth of America, together with invaluable opportunities for enhanced mental, physical, spiritual, and social development.

● Mr. DODD. Mr. President, today I am submitting with my colleague from Connecticut [Mr. WEICKER] a Senate resolution recognizing and honoring the 125th anniversary of organized camping in the United States. The first organized children's camp was established in 1861 in Connecticut, at Welches Point on Long Island Sound. Since that time, summer camp programs, and the summer camp experience, have become available each year to 4 million young campers throughout all 50 States.

Every State in the Nation currently enjoys established camping programs derived in part from the ideals advanced at Welches Point. With over 11,000 organized camps in the United States today, the summer camp experience has become an important part of millions of young lives, and offers invaluable opportunities for physical, mental, spiritual, and social development.

During the week of July 14, 1986, 125 youths and adults from camps throughout the United States will recreate the historic 40-mile 1861 Connecticut walk. They will be joined in Milford, CT, on July 17, by an additional crowd of some 2,000, for the nationwide great American summer campfire. We wish all participants safety and success in this celebration.

I hope that all Members of the Senate will join me in a tribute to this cornerstone of America's youth in its 125th anniversary.●

AMENDMENTS SUBMITTED

DRUG EXPORT LEGISLATION

METZENBAUM AMENDMENT NO. 1952

Mr. METZENBAUM proposed an amendment to the bill (S. 1848) to amend the Federal Food, Drug, and Cosmetic Act to establish conditions for the export of drugs; as follows:

On page 27, beginning with line 17, strike out through line 7 on page 28 and insert the following:

"(D) in the case of a drug to be shipped to a country on a list established under clause (i) of (ii) of paragraph (2)(A)—

"(i) an application for approval or licensing has been submitted or approved for the drug and the drug has not been the subject to any action by the Secretary or the Secretary of Agriculture denying, withdrawing, or suspending approval or licensing on the basis of safety or effectiveness or otherwise banning the drug; and

"(ii) such application has not lapsed or has not been withdrawn;

GLENN (AND PROXMIRE) AMENDMENT NO. 1953

Mr. GLENN (for himself and Mr. PROXMIRE) proposed an amendment to amendment No. 1949 proposed by Mr. METZENBAUM to the bill S. 1848, supra; as follows:

In lieu of the matter proposed to be inserted, add the following:

SEC. 9. (a) Not later than December 31 of each year, the Director of the Office of Management and Budget shall prepare for the Department of State which, in turn shall provide and inform the public and foreign governments, through their embassies in the United States or other appropriate means, an annual report which summarizes—

(1) all final agency actions taken during the preceding fiscal year with respect to banned or severely restricted substances, and

(2) any additional action taken during the preceding fiscal year with respect to banned or severely restricted substances which were first banned or severely restricted during a fiscal year prior to the fiscal year covered by the report.

(b)(1) No banned or severely restricted substance may be exported from the United States unless—

(A) the person intending to export the substance from the United States provides written notice to the agency reasonsible for carrying out the provision of law specified in subsection (c) which is applicable to the substance, prior to the first shipment to a country after regulatory action, stating such person's intent to export the substance and the intended country of destination; and (d) in addition, notice be made to foreign embassies of all final regulatory actions at the time they are taken.

(B) the agency provides the Secretary of State with a statement concerning the substance which contains—

(i) the name of the substance;

(ii) a summary of any action taken by the agency with respect to the substance, including a description of the grounds for such action and a citation of the statutory authority for such action;

(iii) a description of the determined risks to human health or safety or to the environment that may result from the use of the substance; and

(iv) a specification of the officer or employee of the agency who may be contacted by the government of any foreign country to which the substance is intended to be exported in order to obtain additional information about the substance; and

(C) the Secretary of State delivers a copy of the statement submitted under subparagraph (B) to an appropriate official in the embassy of the country of destination or transmits it to such country by other appropriate means.

(2)(A) The provisions of paragraph (1) shall supersede any other provision of the law to the extent such provision is inconsistent with paragraph (1).

(B) No law enacted after the date of the enactment of this Act shall supersede this subsection unless it does so in specific terms, referring to this Act and declaring that the new law supersedes the provisions of this subsection.

(C) Nothing in this subsection authorizes the disclosure to the public of bona fide trade secrets or other confidential business information.

(c) For the purpose of this section, the term "banned or severly restricted substance" means—

(1) a food or class of food which—

(A) is adulterated, as defined by rules or orders issued under section 402 (a) or (c) (21 U.S.C. 342 (a) or (c)), or

(B) is in violation of emergency permit controls issued under section 404 (21 U.S.C. 344).

of the Federal Food, Drug, and Cosmetic Act;

(2) a drug which is—

(A) is adulterated as defined by rules or orders issued under section 501 (a), (b), (c), or (d) (21 U.S.C. 351 (a), (b), (c), or (d)).

(B) misbranded, as defined by rules or orders issued under section 502(j) (21 U.S.C. 352(j)), or

(C) a new drug or new animal drug for which an approval is not in effect under section 505 (21 U.S.C. 355) or section 512 (21 U.S.C. 360), respectively.

of the Federal Food, Drug, and Cosmetic Act;

(3) an antibiotic drug which has not been certified under section 507 (21 U.S.C. 357) of the Federal Food, Drug, and Cosmetic Act;

(4) a drug containing insulin which has not been certified under section 506 (21 U.S.C. 356) of the Federal Food, Drug, and Cosmetic Act;

(5) a device which—

(A) is adulterated, as defined by rules or orders issued under section 501(a) (21 U.S.C. 351(a)),

(B) is misbranded, as defined by rules or orders issued under section 502(j) (21 U.S.C. 352(j)).

(C) does not conform with a performance standard issued under section 514 (21 U.S.C. 360d).

(D) has not received premarket approval under section 515 (21 U.S.C. 360e), or

(E) is banned under section 516 (21 U.S.C. 360f), of the Federal Food, Drug, and Cosmetic Act;

(6) a cosmetic which is adulterated, as defined by rules or orders issued under section 601 (21 U.S.C. 361) of the Federal Food, Drug, and Cosmetic Act;

(7) a food additive or color additive which is deemed unsafe within the meaning of section 409 (21 U.S.C. 348) or section 706 (21 U.S.C. 376), respectively, of the Federal Food, Drug, and Cosmetic Act;

(8) a biological product which has been propagated or manufactured and prepared at an establishment which does not hold a license as required by section 351 (42 U.S.C. 262) of the Public Health Service Act;

(9) an electronic product which does not comply with a performance standard issued under section 358 (42 U.S.C. 263f) of the Public Health Service Act;

(10) a consuimer product which—

(A) does not comply with a consumer product safety standard adopted under sections 7 and 9 (15 U.S.C. 2056 and 2058) other than one relating solely to labeling,

(B) has been declared to be a banned hazardous product under sections 8 and 9 (15 U.S.C. 2057 and 2058),

(C) presents a substantial product hazard under section 15 (15 U.S.C. 2064), or

(D) is an imminently hazardous consumer product under section 12 (15 U.S.C. 2061),

of the Consumer Product Safety Act;

(11) a fabric, related material, or product which does not comply with a flammability standard (other than one related to labeling) adopted under section 4 (15 U.S.C. 1193) of the Flammable Fabrics Act;

(12) a product which is a banned hazardous substance (including a children's article) under sections 2 and 3 (15 U.S.C. 1261 and 1262) of the Federal Hazardous Substances Act;

(13)(A) a pesticide which, on the basis of potential risks to human health or safety or to the environment,

(i) has been denied registration for all or most signficiant uses under section 3(c)(6) (7 U.S.C. 136a(c)(6)),

(ii) has been classified for restricted use under section 3(d)(1)(C) (7 U.S.C. 136a(d)(1)(C)),

(iii) has had its registration canceled for suspended for all or most significant uses under section 6 (7 U.S.C. 136d),

(iv) has been proceeded against and seized under section 13(b)(3) (7 U.S.C. 136k), or

(v) has not had its registration canceled, but requires an acknowledgement statement under section 17(a)(2) (7 U.S.C. 136o(a)(2)),

of the Federal Insecticide, Fungicide, and Rodenticide Act, or

(B) a pesticide chemical for which a tolerance has been denied or repealed under section 408 (21 U.S.C. 346(a)) of the Federal Food, Drug, and Cosmetic Act; and

(14) a chemical substance or mixture—

(A) which is subject to an order or injunction issued under section 5(f)(3) (15 U.S.C. 2604(f)(3)),

(B) which is subject to a requirement issued under section 6(a)(1), 6(a)(2), 6(a)(5), or 6(a)(7) (15 U.S.C. 2605(a)(1), 2605(a)(2), 2605(a)(5), or 2605(a)(7)), or

(C) for which a civil action has been brought and relief granted under section 7 (15 U.S.C. 2606),

of the Toxic Substances Control Act.

METZENBAUM AMENDMENT NO. 1954

Mr. METZENBAUM proposed an amendment to the bill S. 1848, supra; as follows:

On page 35, beginning with line 4, strike out through line 17 on page 37 and insert in lieu thereof the following:

"(8)(A) If at any time the Secretary or the Secretary of Agriculture determines, with respect to a drug which is authorized to be shipped under this subsection, that such drug is present in a country to which shipment is not authorized under this subsection, the Secretary or the Secretary of Agriculture, as the case may be, shall—

"(i) immediately prohibit the shipment of such drug from the United States to any country;

"(ii) give the person shipping the drug from the United States prompt notice of such determination and prohibition; and

"(iii) afford such person an opportunity for an expedited hearing.

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR-301, Russell Senate Office Building, on Wednesday, May 14, 1986, at 9:30 a.m., to conduct a business meeting.

On the legislative agenda, the committee will be considering two bills concerning official mail costs (S. 2255 and S. 2272); an original bill to authorize appropriations for the Federal Election Commission for fiscal year 1987; Senate Concurrent Resolution 123, to permit the 1986 Special Olympics Torch Relay to be run through the Capitol Grounds; and two printing resolutions for the House of Representatives (H. Con. Res. 288 and H. Con. Res. 301).

Administrative business scheduled to be considered includes the following: use of the official office expense account to defray the cost of drug testing for Senate staff; the budget for the Medvid investigation by the Helsinki Commission; the majority leader's proposal for the use of Hart Subway during rollcall votes; long distance toll charges; and secure telephones for the Select Committee on Intelligence.

For further information concerning this meeting, please contact Carole Blessington of the Rules Committee staff on x40278.

ADDITIONAL STATEMENTS

SWEEDENS SWAMP

● Mr. KASTEN. Mr. President, early next week, the EPA will determine whether to veto an Army Corps of Engineer's decision to authorize a permit to fill a wetland known as Sweedens Swamp. This single decision may be the straw that breaks the camel's back, prompting me and many of my colleagues to raise serious questions about the future of the U.S. Wetlands Protection Program.

Wetlands protection is a critical issue on the national environmental agenda. Wetlands are vital natural resources. They maintain water quality, provide flood control, protect against erosion, and support ground water recharge and water supply. Additionally, they provide the habitat and breeding ground for thousands of plant and animal species.

Wisconsin once had 7.5–10 million acres of wetlands. Today, less than one-third of these remain. Valuable Wisconsin resources will be lost if this national protection program is weakened. Wisconsin's wetlands support a highly productive fisheries industry and are vital to many rare and endangered plant and animal species. These wetlands also recharge ground water, store valuable nutrients, treat wastewater, supply water, and help to control flooding. It is necessary that wetlands targeted for development activities are accorded the level of scrutiny required by the individual permit process.

Section 404 of the Clean Water Act establishes the wetlands protection program by charging the Army Corps with the duty of issuing permits to developers for eligible projects seeking to fill such sites. While the Army Corps initially issues the permits, the EPA is directed by Congress to promulgate guidelines for the corps to follow. The EPA is also directed to assume final review and veto authority over permit decisions.

Poor administration of section 404 has led to congressional hearings on this matter. Let us recall the controversy surrounding Robert Dawson's nomination because of his track record with the 404 Program. Assurances were received by the Senate that Mr. Dawson would uphold the integrity of the program. It is evident that this is not his intention. Recently, the Corps' Washington headquarters overrode the New England Corps' recommendation to deny a shopping mall developer's permit. If EPA abdicates its responsibilities by failing to uphold section 404, reinterpretation of EPA's guidelines will fly in the face of congressional intent and will destroy the Wetlands Protection Program.

The guidelines establish a "water dependency test" which assumes "practicable alternatives" exist if the project is not water dependent. A shopping mall is clearly not water dependent. The developer also contends that in order for an alternative to be practicable, it must first meet the developer's criteria. Such an approach would allow developers to create a "wish list" of criteria that only their wetland site could meet.

The developer, Pyramid Corp., offered a mitigation proposal to replicate the wetland at a sand and gravel pit. Although the status of this technology is questionable, the critical issue at hand is the interpretation of the 404 guidelines. The guidelines do not offer mitigation as a remedy for destroying wetlands when viable alternatives exist. If developers are allowed to destroy wetlands with the promise of building replacements, the Natural Wetland Protection Program should be renamed "The Swamp Swap."

I call upon Mr. Thomas, as do a number of my colleagues, to uphold the guildelines it promulgated by vetoing the developer's permit to destroy a Red Maple Swamp in order to construct a shopping mall in its place.●

STATEMENT OF ROGER WILKINS ON SOUTH AFRICA

● Mr. SIMON. Mr. President, one of the more thoughtful observers on the American scene is Roger Wilkins, professor of history at George Mason University and a senior fellow at the Institute for Policy Studies.

He recently testified before the House Foreign Affairs Committee. I read his testimony, and it deserves distribution beyond the House Foreign Affairs Committee, meaning no disrespect to that committee.

Professor Wilkins' beliefs can be summed up in two questions and two answers which he provides here: "Is a disastrous outcome in South Africa and in the region inevitable? I believe not. Can a new American policy make a difference? I believe so."

I share his beliefs and so do many others in this Nation and in other nations.

But the present drifting or, as Mr. Wilkins describes it, our "befuddled American acquiescence to the status quo," will not avoid that disaster.

The reality is that institutional racism either changes peacefully, or it changes violently, and if it changes violently, that violence is not contained within the boundaries of any one country. That is the lesson of history. That is the lesson of Hitler and Germany. How many times do we need to relearn that lesson? Or will we ever learn it?

I hope that we can start moving, and moving soon, toward a more sensible policy.

I ask that the Roger Wilkins testimony be inserted in the RECORD.

The testimony follows:

STATEMENT OF ROGER WILKINS

Mr. Chairman, members of the Committee—my name is Roger Wilkins. I am Senior Fellow at the Institute for Policy Studies, a Commonwealth Professor of Hitory at George Mason University and a member of the Executive Committee of the Free South Africa Movement. It is in that latter capacity that I testify here today.

For further purposes of identification, I would like to add that more than twenty years ago, in the Kennedy Administration, I served as Special Assistant to the Administrator of AID and bore special responsibility for African programs. During the Nixon presidency, I turned down an offer to be Deputy Assistant Secretary of State for African Affairs and at the inception of the Carter Administration, I declined an offer

to become Assistant Secretary of State for African Affairs. I submit this identifying material because many journalists and a number of other observers have attempted to dismiss the Free South Africa Movement as a group of frustrated civil rights activits in search of a cause. That obervation proceeded from the simple observation that each member of the Executive Committee of this movement—Mary Frances Berry, Walter E. Fauntroy, Sylvia Hill, William Lucy, Randall Robinson and I—is black. But all of us are full human beings with a variety of public policy impulses and histories which include, in the case of all of my colleagues, as long and deep an involvement with African issues as my own.

I submit this testimony in support of HR 997 offered by Rep. Dellums of California which would impose strict prohibitions on a broad range of economic exchanges with South Africa and in support of HR 2589 offered by Rep. Schroeder of Colorado, which would prohibit the exploitation of the national resources of Namibia. I also support H.R. 4276 offered by Rep. Hamilton of Indiana, which, as I understand it, would require Congressional debate on and approval of any U.S. government support for paramilitary operations in Angola.

I need not rehearse for you the details of the brutal oppression, the theft of life, the theft of labor, the theft of childhood and the theft of human joy that is the official policy and practice of the apartheid regime in Pretoria. That regime changes its rhetoric every two months or so, but its purposes remain constant: The maintenance of white domination in South Africa and of South African hegemony in all of Southern Africa. To that end, black South Africans are being killed at a rate of 4 or 5 a day and South Africa's neighbors must endure both the constant threat of brutal cross-border raids by the mighty South African military forces and South African-supported subversion, which now has American approval and material support in Angola.

We in the Free South Africa Movement want the killings to stop and a true peaceful national political process to begin in South Africa. We want Namibia to be freed of South Africa's illegal and exploitative stranglehold. We want the bloody turbulence in the entire region to end, and we want a prompt termination of the new U.S. military alliance with South Africa in Angola.

None of those evils will end until apartheid ends and the bloody security apparatus that sustains and defends it is dismantled. Apartheid and its enforcement mechanisms are the rogue elephants of Southern Africa. We now know that carrots do not pacify apartheid's appetite. Constructive engagement has failed. The apartheid regime has not understood sweet talk.

Constructive engagement was doomed from the start because it sought to pacify the region around the edges of South Africa without facing apartheid directly and without engaging black South Africans or their aspirations. Constructive engagement attempted to free Namibia, get the Cubans out of Angola, and pacify South Africa's borders with Mozambique, Botswana and Lesotho. Under constructive engagement, the capital of Lesotho has been raided and its government overthrown; the capital of Botswana has been raided; a revolt in Mozambique has been supported by South Africa despite its agreement not to do so; South Africa's iron grip on Namibia has not slackened and now the rebels it has supported in Angola threaten private U.S. assets there with sophisticated weapons supplied by the U.S. The Cubans, of course, have not gone home, and Angola has turned away from the U.S. to look to the U.N. as the principal hope for its political future. In South Africa blood and death at an unprecedented level speak eloquently to the world and to black South Africans about the bankruptcy of current American policy.

In my debates with him, the South African Ambassador has charged that those of us who urge strict sanctions against Pretoria are seeking to punish the country. That is wrong. It is the pretoria regime itself that is punishing the country. By continuing its attempts to batter the thirst for freedom out of its black population, Pretoria is poisoning its country's future, killing its children, embittering its youth, radicalizing its politics and building, death-by-death, the stage for future death and destruction that will horrify the world. Its feverish repression has turned South Africa into an efficient factory for the production of radicals who are anti-white, anti-American, Anti-capitalist. The contrast between the hero's reception given to Sen. Robert F. Kennedy in the late sixties and Sen. Edward M. Kennedy last year—where he was hooted off some platforms—speaks not to differences between the two Senators, but to the new anti-Americans engendered by the Reagan Administration's gift of comfort to Pretoria and the continued support provided by substantial U.S. private economic activity there.

Is a disasterous outcome in South Africa and in the region inevitable? I believe not. Can a new American policy make a difference? I believe so. Those who announce smugly that this is a problem that the South Africans themselves will settle are telling a partial truth for selfish or cowardly reasons. Of course, South Africans themselves will ultimately determine the future course of their country. But that does not answer the intermediate questions of how long it will take and how much more blood will be spilled in the shaping of that outcome. Those who snuggle comforably under the "South Africans themselves" shelter do so either because it is still very profitable to do business as usual in South Africa or because they fear the results of unleashing democratic forces there. They also arrogantly ignore the powerful appeals for outside help from such courageous South Africans as Winnie Mandela and Desmond Tutu.

Those South African appeals for help are based on a rock of knowledge forged by daily experience that tells people like Mandela and Tutu that the apartheid regime will not listen to reason even when that reason is in the long-term interests, not just of the people it rules by brute force, but also of that minority it actually represents. A distinguished American professor who recently returned from South Africa told me that every businessman in South Africa to whom he spoke had the same political prescription for the government: Repeal the apartheid laws; repeal the security laws; free Nelson Mandela and other political prisoners; unban the ANC and enter into political negotiations with the blacks. But, he reported, the government won't listen to them. They say it only began to cock an ear slightly when foreign banks refused last summer to roll over South Africa's short-term debt. Rhetorical abhorrance of apartheid won't get Pretoria to the bargaining table, but economic sanctions that are felt inside the country have a real chance of working. The apartheid regime listens when it is cracked over the skull with the prospect of a disintegrating economy.

All whites in South Africa are not alike. All Afrikaaners are not alike. There are whites—Afrakaaners and English speakers—who understand that there is a better path to the future that one paved with the dead bodies of South African citizens. Right now, in the context of a befuddled American acquiescence in the status quo, some, like the businessmen mentioned above, lack the punch to make their views felt and others lack the courage or the political motivation to form views that are in their own interests and to make them known. The only white opposition the Pretoria government has to listen to just now is on its right. This need not always be so. Strong and effective U.S. sanctions, I believe, would enlarge and embolden the now latent and impotent moderate white opposition. They would, in my judgment, open up South African politics and hasten the day when peaceful negotiation rather than brutal repression is the central fact in South African political life.

By grasping this option, the U.S. government can move forward on a line where morality and long-term U.S. political interests converge. We would be helping to put an end to one of the most repressive regimes on earth while replacing the growing enmity of the people who will surely chart South AFrica's future with their respect and perhaps even their affection.

Thank you, Mr. Chairman.●

BOSTON URBAN GARDENERS

● Mr. KERRY. Mr. President, I would like to take this opportunity to recognize Boston Urban Gardeners, an organization which has made significant contributions to fostering a sense of community in Boston neighborhoods. The organization brings together neighbors to work on a common goal, it provides low-income senior citizens a valuable recreational and social activity, it helps prevent neighborhood crime, and it provides nutritional food for people who might otherwise not be able to afford it. Boston Urban Gardeners is a clear example of a public-private partnership that improves the quality of neighborhood life and works to everyone's benefit. The organization is an important model for other cities and deserves commendation and attention.

Charlotte Kahn, executive director of Boston Urban Gardeners, recently testified before the President's Commission on Americans Outdoors on the importance of her organization. I ask that her testimony be printed in the RECORD.

The testimony follows:

PRESIDENT'S COMMISSION ON AMERICANS OUTDOORS, PUBLIC HEARING, BOSTON, MA, APRIL 3, 1986

(Presented by Charlotte Kahn, Executive Director, Boston Urban Gardeners)

Boston Urban Gardeners began in 1976 as a volunteer organization dedicated to the creation and support of community gardens in Boston's low-income neighborhoods. Boston currently contains well over 100 community gardens. Through our efforts and the hard work of Boston residents, more than one million dollars worth of fresh produce is grown annually by those

who most need it. In addition, gardeners get exercise outdoors, can socialize with neighbors they may not have known before and provide the "eyes on the street" so essential to neighborhood safety and cohesion. The majority of Boston's urban gardeners are senior citizens; the vast majority are people of very limited income.

We also work closely with neighborhood multi-service centers, community development corporations and city and state agencies to rebuild and upgrade the quality of life in Boston's neighborhoods. For the past three years we have provided a very successful training program to unemployed Boston residents in landscape construction and urban land management, and are now offering training programs to Southeast Asian refugees and senior citizens in landscape management to help them participate in Boston's downtown development boom. These programs and others like them complement more conventional parks and recreation programs, providing an essential element of economic development to low income neighborhoods. We also work closely with other recreation and urban open space organizations to ensure that urban residents have access to a full range of active and passive recreational opportunities.

I personally, like many of my colleagues, spent several years working more than full-time as a volunteer, supporting myself at a minimal level with a part-time job. Those years were exhilarating, rewarding, successful and finally, exhausting and untenable as a strategy for a long-term commitment to enhancing the quality of life in Boston's low income communities.

Briefly, I would like to argue that volunteerism at best can supplement and complement but never substitute for the government's role in the provision of access to recreational lands and programs.

Particularly as regards recreational programs for low income people, volunteerism has serious limitations. It takes a great deal of time and money to be poor. People on low or fixed incomes do not have the luxury of sending out their laundry or bringing in babysitters and housekeepers to enable them to volunteer their time. Nevertheless, may people of low income are remarkably active in their churches, community gardens and neighborhood associations. The generosity of the poor is well known. However, to expect people of low income to take on roles traditionally and successfully performed by government agencies would in my experience be an exploitative, irresponsible, and finally, unsuccessful strategy for the provision of essential recreational opportunities in urban areas.

In particular, I would point to the federal Urban Parks Recovery Action Program, the Land and Water Fund, Community Development Block Grants, summer youth programs, and the National Park Service and urban mass transit as critical federal contributions. Without them, access to and full use of recreational land would be severely restricted.

Volunteerism, city and state programs, and private sector involvement must have a solid base and vision on which to build. Creative federal incentives and programs will continue to attract committed, generous and hardworking volunteers—with all of the new initiatives and supplementary resources required to reinvigorate our recreational lands and programs.

However, as a society which contains both unprecedentedly mobile and tragically disadvantaged populations, the federal government must provide the overview, incentives and resources to equitably address our region's diverse recreational needs.

(Note: Charlotte Kahn is also President of the Boston GreenSpace Alliance, a coalition of more than 45 organizations concerned with the natural environment and outdoor recreational opportunities in Boston's neighborhoods.)●

THE CRISIS IN SOUTH AFRICA

● Mr. SIMON. Mr. President, the Chicago Defender has provided constant and quality coverage of the ongoing crisis in South Africa. Recently the newspaper published a "Letter to the Editor" which underscores the need for the United States to continue to pressure the South African Government to change its apartheid policies. The letter raises an issue of increasing concern: that the repression practiced by the South African Government against its black citizens includes torture and imprisonment of that country's most vulnerable group—black children. Not only must we be aware of this horror, we must use every tool we have at our disposal to stop it. I ask that the letter be printed in the CONGRESSIONAL RECORD.

The letter follows:

URGES SPLIT OF UNITED STATES AND SOUTH AFRICA

DEAR EDITOR: The South African Ambassador to Britain, Dennis Worral, was quoted recently in the Chicago Tribune as having said, "There are instances in South Africa of persons, particularly youngsters, being subjected to torture in detention." His statement was buried in a longer article as if this latest barbarism should be considered normal behavior. Civilized people do not torture children.

The South African Ambassador's calm acknowledgement of what is done in South African prisons cannot cleanse the reality of such savagery as if to say, "Yes, we torture and kill kids, and, oh yes, how was the stock market today, and, Dear, when will dinner be ready?"

War is war, but a war against children? Is there no more horror in horror. Are we a people so jaded that we can no longer cry out against brutality. Or is it because the Blackness of these children's skins is supposed to provide immunity to pain when they are tortured?

Is the South African Ambassador to be given a prize for his truthfulness, or do we just hope that he will go away since knowing about these savage acts makes us accomplices if we refuse to sound the alarm.

Perhaps Franz Augerbach, the former president of the respected South African Institute of Race Relations, is correct in his statement to the *Daily Mail* of Johannesburg. He said, "If I were Black the figure of 1,200 dead in civil unrest—two-thirds at the hands of forces of law and order—might start looking like attempted genocide. It is (instead) the result of applying a military solution to a problem that needs a political solution."

We Americans, according to a recent Gallup Poll, are growing more sympathetic and supportive of South African Blacks. Of Americans watching the situation in South Africa, 73 percent said their sympathies lie with the Black population. This is up from 63 percent in October 1985 and 67 percent in August 1985. Only 12 percent sided with the South African government.

Yet President Reagan applauded the South African president at a national press conference on April 9, 1986. He said, "President Botha wants change and has made a number—taken a number of steps, as many as he can get away with. It's just like me dealing with the Hill up here." Mr. Reagan said further, "He has agreed with us that he finds the past system repugnant and is trying to get changes as quickly as possible."

Children are being tortured. It is not like "dealing with the Hill." Women whipped, dragged out by their feet, American missionaries beaten in front of churches, and churchgoers gassed by a regime that the American people have turned against. Yet President Reagan, who is grandiloquent about the sancitity of the family, apologizes for a regime that tortures children.

Americans are decent people, and we love our children. Tonight, when we, who are parents, tuck our children into bed, hopefully in ones that are warm and safe, we should recall that our government is in bed with a regime that admits torturing children, and says, in effect, "So what?"

If circumstances were different, those brutalized children could be our own.

I am a father. I love my children, and I love to see the happiness of other children. Children have the right to happiness. Any regime that tortures children, kills hope, happiness and life, must be excluded from the circle of humanity. Americans must say, "Enough. We do not join hands with child-torturers and killers. We will not be silent accomplices."

EDWARD L. PALMER,
President, Black Press Institute.●

RICHARD L. COX, JR., RECEIVES LAW DEGREE

(By request of Mr. DOLE, the following statement was ordered to be printed in the RECORD:)

● Mrs. HAWKINS. Mr. President, it is a pleasure to have this opportunity to recognize the accomplishments of Mr. Richard L. Cox, Jr., U.S. marshal for the middle district of Florida.

Richard Cox, a resident of Tampa, recently received his law degree from the Stetson University College of Law. Mr. Cox was able to complete this rigorous course of study by taking annual leave to attend mandatory classes and working nights and weekends. Because of his outstanding efforts, he is now one of nine U.S. marshals nationwide with a law degree. For this I congratulate him.

Richard has displayed great dedication and drive throughout his career. He is graduate of the U.S. Military Academy at West Point and served 20 years in the Army attaining the rank of lieutenant colonel. He has obtained a master of business degree from the University of Tennessee, has completed all the course work for a doctorate in economics, and has done postgraduate work in the area of managerial studies. Mr. Cox has also completed studies and received a certificate in criminology and law enforcement, and

taught as an adjunct professor at the University of South Florida, Florida State University, and the University of Tampa. These achievements are representative of Richard's character. I ask my colleauges to join me in congratulating Mr. Richard L. Cox, Jr., U.S. marshal for the middle district of Florida.●

MOYNIHAN ON LaROUCHE, STOCKMAN, COURAGE, AND CONVICTIONS

● Mr. HART. Mr. President, the recent issue of the New Republic includes an excellent article by our colleague, Senator DANIEL PATRICK MOYNIHAN.

Senator MOYNIHAN has identified a subtle and compelling connection between two troubling developments in American political life: The recent electoral successes by adherents of the insidious LaRouche sect and the revelations by the architect of Reaganomics, David Stockman. The connection drawn by the senior Senator from New York involves the breakdown of the ideological immune systems of the Democratic and Republican Parties.

Senator MOYNIHAN is a soldier of conscience from both battles. He was an early and outspoken critic of the LaRouche sect, and helped drive them out of the Democratic Party in New York when the prevailing attitude of some officials was benign somnolence. On Reaganomics, the record is equally clear: From the very beginning, Senator MOYNIHAN warned us that the math didn't work; that a defense buildup couldn't be paid for with a tax cut; that the promises of lasting prosperity and a balanced budget would not be realized, and that this prejudice masquerading as a philosophy was designed to undermine progressive government by people who hated government.

In both instances, Senator MOYNIHAN was right, and right early.

Mr. President, I commend this article, "Political Aids: Sick of Stockman and LaRouche," to all of our colleagues. I ask that it be printed in the RECORD.

The article follows:

POLITICAL AIDS: SICK OF STOCKMAN AND LaROUCHE

Political life in this century has been much influenced by esoteric and even concealed ideological movements. In common usage, ideology is taken to mean opinion, perhaps strongly held opinion. But it is something more: a kind of secular religion. As a largely apolitical society, the United States has not generated much by way of ideology. Various institutions, such as the labor unions, have had to ward off assault from assorted Marxist movements. But our political parties have been left largely untroubled. Now, though, this is changing. Our ideological immune system is not working very well in either party.

First the Democrats. The neo-fascist, Jew-baiting, conspiratorial ideas of Lyndon H. LaRouche Jr. pose an extraordinary danger to the Democratic Party. Not only have LaRouche candidates won the primary victories for lieutenant governor and secretary of state in Illinois, but this faction has made its way virtually unopposed into the Democratic congressional campaigns across the country.

This latest phase in the LaRouche movement began in New York City in 1981, when a LaRouche candidate entered the Democratic primary contest for mayor and was afforded all the honors and dignities attendant upon a legitimate aspirant to the party's nomination. This gave LaRouche a previously unimaginable legitimacy. John LoCicero, a political strategist for Mayor Koch in the 1981 campaign, said the LaRouche candidate's bona fides wasn't challenged because "it's not part of the democratic process." This is an honorable sentiment but calamitously wrong. The level of political literacy among the New York Democratic leaders was so low that no one understood who the LaRouchies were. They spoke a political language that the political classes of the city simply did not understand. When the LaRouche candidate was challenged by another "insurgent," on the ground of non-adherence to the principles of the Democratic Party, a state judge ruled that such a charge had to come from a party official. Which did not happen.

In 1982 a LaRouche candidate announced he would challenge me in the Democratic senatorial primary. We fought him from day one. A group of highminded New Yorkers had formed what Hodding Carter calls a "Fair Play for LaRouche Committee." That outfit suggested that my campaign manager, Tim Russert, had engaged in unfair campaign practices when he called the LaRouche movement "anti-Semitic." Our battle may have seemed quixotic to the political classes. They are rarely comfortable with ideological battle (which is more a disability than a dishonor). We declared that ideas matter to us, and I think the voters responded that ideas matter to them as well. We won handily.

And now to the Republican Party. I argued in these pages two-and-a-half years ago ("Reagan's Bankrupt Budget," December 31, 1983) that the unprecedented triple-digit deficits beginning in President Reagan's second year in office were deliberately created to force a great reduction in the size and activities of the federal government. Few believed me. More, perhaps, believed Friedrich von Hayek, mentor to a generation of conservative economists. Asked about our deficits by an Austrian magazine, von Hayek said in 1985 that he regretted them, but added: ". . . one of Reagan's advisers told me why the President has permitted [the deficits] to happen, which makes the matter partly excusable: Reagan thinks it is impossible to persuade Congress that expenditures must be reduced unless one creates deficits so large that absolutely everyone becomes convinced that no more money can be spent."

The disaster was not deliberate; the deficits were. The deficits were meant to spur action, but didn't, thereby resulting in disaster. We now have David Stockman's memoirs, "The Triumph of Politics: Why the Reagan Revolution Failed," which I believe confirm the theory.

The story: young David Stockman becomes a close adviser to the Reagan election campaign of 1980 and will soon be nominated to be director of the Office of Management and Budget. He is part of a foursome, along with Representative Jack Kemp, economist Arthur Laffer, and businessman Lewis Lehrman. They are advocates of "supply-side" economics, a school that proposes to stimulate the economy through private rather than public spending. To that end the foursome advocates large tax cuts.

These are heady young intellectuals. They can scarcely contain their energy or enthusiasm. But trouble soon appears within the group. Dr. Laffer's celebrated curve puports to demonstrate that tax cuts will generate so much additional revenue through the stimulated private economy that no reduction in government spending will be necessary to balance the budget. Young Stockman, however, wants to reduce spending: he is against big government on principle. In late August and September of 1980, Stockman begins to realize that the various theories scribbled on the supply-siders' napkins add up to an economic program far more radical than he had realized.

"If you implemented the Gold Standard Napkin and stopped inflation, Professor Laffer's Tax Cut Napkin didn't work. You would get more real economic growth but no gain in federal revenues. Consequently, only sweeping domestic spending cuts could balance the budget—an action that I believed was desirable but which the other supply siders had denied would be necessary."

At its 1980 convention, the Republican Party endorses both a 30 percent tax cut and a radical reduction in business taxes through more generous depreciation rules. Stockman discovers that to balance the budget, more than $100 billion per year in spending cuts will be necessary. Far from giving Stockman pause, though, the arithmetic excities him. It will force Congress to cut, and cut everywhere. "The idea of a real fiscal revolution, a frontal attack on the welfare state, was beginning to seem more and more plausible."

Enter, alas, the politicians, most notably Ronald Reagan. "The Cabinet was not disposed to . . . [a] patient attack on spending," Stockman notes, adding that "the President never had the foggiest notion." Stockman now admits it was his fault not to have aniticipated such a response. But at the time he saw it entirely as a failture on the part of the politicians. In his zeal, and zeal shines through his memoir, he could not imagine that they would not do what he had made it necessary for them to do. Well, they didn't and the rest in history.

The point is: Capitalism had become an ideology. Stockman's vacabulary is replete with terms we associate with ideology, with an intense belief system, a secular religion, He describes his migration from the student left, SDS and suchlike, to the Republican right in terms that are legitimately intellectual. But at times he also clearly crosses the line dividing measured judgment from radical conviction. He cites authors of meticulous clarity and caution with that element of fervor we associate with zealotry and even intolerance.

Because of his near-addiction to it, Stockman is an absorbing figures to a student of ideology. He goes on as if the Reaganities had appointed him a kind of party theorist responsible for doctrinal conformity. He describes the "organs of international aid" such as the World Bank as "infested with socialist error." He gives one chapter the title "The Coming of the New Order." He recalls supply-side publicist Judge Wanniski endlessly repeating that "over-turning an existing order starts wih one person and an

idea. An idea persuades a second person, then a third, then a fourth. . ." and he is reminded of Lenin's trip from Zurich to Russia in the boxcar. "I knew that Wanniski wasn't talking historical rot. Chain reactions occur in politics; the Soviet precedent, of course, was not exactly inspiring." Not exactly?

Most bizarre of all is Stockman's description of Irving Kristol. Kristol is perhaps the preeminent conservative intellectual of our age. But Stockman describes him, at their first meeting, as "a secular incarnation of the Lord Himself."

We have here a familiar phenomenon. Serious social thinkers such as Kristol come along with fresh insights. There is more, or less, to a set of existing arrangements than has been realized. Then a younger generation elevates thought into belief. Not only are the ideas of their mentors true, they are the Only Truth. Given by the Lord Himself, or his secular incarnation. What began as skepticism concerning perceived notions transmutes into fierce conviction. We have seen all too much of this in the 20th century.

I don't mean to disparage David Stockman's idealism. Unlike so many who pass for conservatives in this period, he is not an apologist for privileges access to public benefit. Just the opposite. His rage is directed more at those who gorge at such public troughs as the Export-Import Bank than at those who live on food stamps. The irony is that the first sort are the ones Stockman helped bring to power.

The "failure" of the Reagan Revolution has brought about horrendous structural changes in the American economy, which will be with us for at least the rest of this century. We are now, for example, a debtor nation. Our export economy is in ruins because of the run-up of the dollar. Our corporations hollow out as they transfer production facilities abroad. The national debt is so large that for an indefinite period it will require a third to a half of all revenue from the personal income tax to pay the interest. If the personal income tax is taken as an elemental tax on labor, and debt service an elemental return to capital, we have here the largest transfer of wealth from workers to owners in the history of our political economy. As Herbert Stein has noted, once Republican legislators found you could have a three-digit deficit and the heavens didn't fall—that day—there was no restraining them. Thus the week after enacting Gramm-Rudman, the Senate passed a $52 billion farm bill.

What Stockman discovered is that after a first round of budget cuts, directed mostly at the poor, Congress came up against the fact that the electorate wanted pretty much the government it was getting. No New Order emerged. To the contrary, something like a latter-day version of Mark Twain's Great Barbecue commenced. The late Jospeh Kraft captured the controlling principle of Washington in the 1980s in one word: greed.

Stockman watched his dream vanish, and slowly his faith began to weaken as well. He became less a radical, more a conservative, even if an embittered one. We have seen socialist ideals betrayed. Now, I suppose, we see capitalist ideals betrayed. The only thing worse than shortsighted, spendthrift, meddling congressmen, Stockman concludes, "is ideological hubris. It is the assumption that the world can be made better by being remade overnight."

We have in Washington today a political class incapable of recognizing a radical ideology when it is verily in the grips of one. Stockman is judged to have behaved badly, but not differently. He told untruths to Congress; he speaks unkindly of colleagues and disrespectfully of the president. That it was his ideas that mattered is a seemingly inaccessible thought. The 20th century has not been especially forgiving of such incapacity.—Daniel Patrick Moynihan (Daniel Patrick Moynihan, a Democrat, is the senior Senator from New York.)●

FRANKING COSTS—ONCE AGAIN

● Mr. QUAYLE. Mr. President, many of us were relieved when the House of Representatives deleted from the supplemental appropriations bill the $42 million for franking costs in fiscal year 1986. But now it turns out that there are no grounds for that feeling of relief. We have created such a marvel—perhaps such a monster—that we can spend the whole additional $42 million without ever having to appropriate one nickel—$0.05.

How can that be? Attached to my statement is a letter from the Comptroller General which states, in effect, that the Postal Service is required to absorb any franking costs that Congress does not fund. In other words, if we do not stick it to the taxpayer through a supplemental, we stick it to the postal patron through an increase in postal rates.

Mr. President, we cannot deal with the escalating costs of the frank through inaction. We also cannot deal with the matter through a Senate resolution such as the one reported from the Rules Committee (S. Res. 374) because that will not restrain the costs of the other body. The only way we can restrain franking costs in both Houses of Congress is by legislation—and I ask all my colleagues to support my initiative, S. 2272, the "Franking Cost Control Act" currently pending before the Rules Committee.

I ask that the text of the Comptroller General's opinion be printed in the RECORD.

The opinion follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, DC, May 2, 1986.

B-221498.26.

Hon. DAN QUAYLE,
U.S. Senate.

DEAR SENATOR QUAYLE: This letter is in response to the inquiry dated March 10, 1986, signed by you and Senators Pete Wilson, Phil Gramm, and Don Nickles, as to whether the Antideficiency Act (31 U.S.C. § 1341-1351) is violated when the cost as billed by the Postal Service of delivering congressionally franked mail exceeds the amount appropriated in a given fiscal year. In this respect, you point out that the amount appropriated for congressionally franked mail for fiscal year 1986, after reduction pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), is $95.7 million while the estimated cost of handling congressional mail during the fiscal year is $146 million.

The Antideficiency Act prohibits an officer or employee of the Government from making or authorizing an expenditure or obligation in excess of the amount available in an appropriation or fund for the expenditure or obligation. It also prohibits commitments for the payment of money in advance of an appropriation unless otherwise authorized by law. 31 U.S.C. § 1341. For the reasons which are explained in greater detail in the enclosed Office of General Counsel staff discussion paper, we conclude that no violation of 31 U.S.C. § 1341 is incurred when the cost of handling franked mail exceeds the amount appropriated by the Congress to pay the Postal Service for handling the franked mail. This practice is authorized by 39 U.S.C. § 3216(c) which makes the lump-sum appropriation made to the legislative branch for payment to the Postal Service full payment for all matter mailed under the frank. Furthermore, absent later appropriations for additional costs incurred by the Postal Service for delivery of franked mail, the Postal Service is entitled to receive no more than the amount already appropriated by the Congress for fiscal year 1986 for payment for handling franked mail, as reduced by any sequestrations under Public Law 99-177.

Sincerely yours,

MILTON J. HOWLAN
(For Comptroller General of the United States).

OFFICE OF GENERAL COUNSEL STAFF
DISCUSSION PAPER

The evolution of the congressional franking privilege is discussed in the following passage from the report of the Senate Post Office and Civil Service Committee prepared in connection with Congressional franking reform:

BACKGROUND

"History

"The word 'frank' is derived from the Latin francus which means 'free.' the franking privilege denotes the right of a governmental official to send matter through the public mails free of postage. This privilege, as it applies to Members of Congress, is older than the Declaration of Independence itself, having been enacted by the Continental Congress on November 8, 1775. On October 18, 1782, the franking privilege was extended to letters, packets and dispatches to and from Members of the Continental Congress."

Franking Laws 1789 to Present

The First Congress enacted in 1789 practically the same laws as were in existence under the Continental Congress. In 1792, the law was changed to specifically include the Vice President, Members of the House and Senate, and assistants.

During the 1800's the franking privilege enjoyed by the Congress was alternatively broadened and limited depending upon the mood of the citizens. In 1845, legislation was passed conferring the right of the Secretary of the Senate and Clerk of the House of Representatives to use the franking privilege.

Due to alleged excessive abuses, the franking privileges for Congressmen were discontinued for a few years in the mid-nineteenth century.

Little was done until 1957 when the uniform date was established for termination of the right to use the frank by former Congressmen [on] June 30 following the expiration of their term of office * * * The privilege, with but the one exception, has continually been in effect for nearly 200 years.

Justification

The reasons underlying the franking policy are fundamentally sound. Free transmission of letters on governmental business is directly connected to the well-being of the people because of the nature of the legislative function. The franking privilege serves as an aid and auxiliary in informing the populace since most Members of Congress would be unable to afford correspondence with their constitutency in the absence of the privilege. It may also be stated that the use of franked mail for official business also provides an efficient means of posting since the Postal Service is not required to stamp and cancel franked mail. S. Rep. No. 93-461, 93d Cong., 1st Sess.[2]

The current statutory authority for Members of the Congress and others to use the franking privilege is set forth generally in chapter 32 of title 39, U.S.C. and 2 U.S.C. § 31b-4 (1982).

While use of the franking privilege means that costs are not paid by those entitled to use the frank, the costs obviously must be borne by someone. Until 1953 all costs connected with the frank were borne by the Post Office Department appropriations. These appropriations were funded by postal revenues and when these were inadequate, the deficit was made up out of the general fund of the Treasury. In 1953 the Congress first authorized lump-sum appropriations to pay the postage on mail sent under the frank. Act of August 15, 1953, ch. 511, § 2, 67 Stat. 614. Since the use of the frank itself was not limited, the practice initially followed was for the Post Office Department to request payment in the appropriation request submitted for the fiscal year following the fiscal year to which the billing applied. Congress then appropriated amounts it deemed sufficient based upon its determination of the propriety of the billing.[1] The amount appropriated was also immediately made available for payment to the Post Office rather than awaiting the beginning of the fiscal year of the act in which it was contained in order to make the funds available as soon as possible. This practice continues today.

In 1970, the United States Postal Service was established and the Post Office Department was abolished by the Postal Reorganization Act. Pub. L. No. 91-375, Aug. 12, 1970, 84 Stat. 719. The Postal Service at its first opportunity requested that Congress change the timing of payments to the Postal Service for its handling of franked mail. The Postal Service desired to shorten the time elapsed between when it handled the franked mail and when it received payment related to handling the franked mail. Thus it requested an end to the practice of requesting payment in the fiscal year appropriation following the fiscal year during which the service was rendered and upon which the request was based. Under the proposed new system, quarterly billings would be made based upon estimated volume. These estimated billings would be adjusted at the end of the fiscal year based upon actual volume.

Appropriations would thereafter be requested in advance based upon Postal Service estimates similar to the way Government agencies request operating appropriations. While the billings would be reconciled with actual volume of franked mail handled upon close of the final quarter, actual payments could not exceed appropriations. To address the problem of shortfalls caused by Postal Service under estimates in its initial budget request, or changes in the method employed by the Postal Service to determine its billing to the Congress, the Congress also adopted the practice of adjusting the final quarter's billing through use of the next fiscal year's appropriations. However, no requirement was imposed upon the Congress to appropriate funds to cover the adjusted billings and no effort was made to limit the use of the franking privilege.[2] In fiscal year 1982, the Postal Service began monthly billings for franked mail based upon one-twelfth of the amount of the appropriation for "Official Mail Costs" made for the fiscal year. The Postal Service also provides quarterly reports to show actual usage and to revise its estimate of actual yearly costs. Total billings may not exceed the amount appropriated. Any shortfalls are to be considered during the following fiscal year's appropriation request.[3] This is the current procedure.

DISCUSSION

At the time that the Postal Service proposed the change to the payment procedure to decrease the time between its rendering the service and receiving payment, Congress amended 39 U.S.C. § 3216 to provide:

"§ 3216. Reimbursement for franked mailings

(a) The equivalent of—

(1) postage on, and fees and charges in connection with, mail matter sent through the mails—

(A) under the franking privilege * * * by the Vice President, Members of and Members-elect to Congress, the Secretary of the Senate, the Sergeant at Arms of the Senate, each of the elected officers of the House of Representatives (other than a member of the House), the Legislative Counsels of the House of Representatives and the Senate, the Law Revision Counsel of the House of Representatives, and the Senate Legal Counsel; and

(B) by the survivors of a Member of Congress under section 3218 of this title; and

(2) those portions of fees and charges to be paid for handling and delivery by the Postal Service of Mailgrams considered as franked mail under section 3219 of this title; shall be paid by a lump-sum appropriation to the legislative branch for that purpose and then paid to the Postal Service as postal revenue. * * *

(c) Payment under subsection (a) * * * of this section shall be deemed payment for all matter mailed under the frank and for all fees and charges due the Postal Service in connection therewith."

Subsection (c) of this provision was new and for the first time expressly stated what had been implied since 1953—that regardless of the cost incurred by the Postal Service in handling franked mail, the amount the Congress appropriated to the Postal Service would be considered payment in full for that service.

Accordingly, exercise of the franking privilege without regard to amounts appropriated for payment to the Postal Service for this service is authorized by law and thus not a violation of 31 U.S.C. § 1341.[4] Members, therefore, are authorized to use the franking privilege and the Postal Service is required to handle franked mail regardless of the amount appropriated by the Congress for "Official Mail Costs." Should the actual costs of handling franked mail exceed the amount appropriated (as reduced by any sequestrations under Public Law 99-177), no violation of 31 U.S.C. § 1341 would occur since the amount appropriated is as a matter of law deemed full payment for all matter sent under the frank. Therefore, if the amount billed exceeds the amount appropriated, the Postal Service should be paid only the amount appropriated as reduced by sequestration, unless additional funds are provided by a supplemental appropriation.

DIGEST

No violation of 31 U.S.C. § 1341 is incurred when the cost of handling franked mail exceeds the amount appropriated by the Congress to pay the Postal Service for handling the franked mail. This practice is authorized by 39 U.S.C. § 3216(c) which makes the lump-sum appropriation made to the legislative branch for payment to the Postal Service full payment for all matter mailed under the frank. Furthermore, absent later appropriations for additional costs incurred by the Postal Service for delivery of franked mail, the Postal Service is entitled to receive no more than the amount initially appropriated for the fiscal year in question for payment for handling franked mail, as reduced by any sequestration under Pub. L. 99-177.●

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[1] See H.R. Rep. No. 1557, 87th Cong., 2d Sess., accompanying the Legislative Branch Appropriations Bill for 1963, 8 (1962), *Legislative Branch Appropriations for 1962 Hearings before the Subcommittee of the Committee on Appropriations House of Representatives*, 86th Cong., 2d Sess. 273-274 (1961); H.R. Rep. No. 1607, 86th Cong., 2d Sess., accompanying the Legislative Branch Appropriations Bill, 1961, 4-5 (1960); and *Legislative Branch Appropriations for 1961 hearings before the Subcommittee of the Committee on Appropriations House of Representatives*, 86th Cong., 2d Sess. 293-296 (1960).

[2] See H.R. Rep. No. 92-937, 92d Cong., 2d Sess., accompanying the Legislative Branch Appropriations Bill, 1973, 10-11 (1972); *Legislative Branch Appropriations for 1973, hearings before a Subcommittee of the Committee on Appropriations House of Representatives*, 92d Cong., 2d Sess. 840-845 (1972); *Legislative Branch Appropriations, 1973, Hearings before the Senate Appropriations Committee*, 92d Cong., 2d Sess., 449-460 (1972). Rule XLVI of the House of Representatives limiting use of the frank by Members of the House under 39 U.S.C. § 3210(d) (relating to mass mailings) was adopted by the House on March 2, 1977 (H. Res. 287, 95th Cong., 123 Cong. Rec. 5952-5953) and currently constitutes the only limitation upon the amount of the use of the frank that we are aware of.

[3] See *Legislative Branch Appropriations for 1982 Hearings before a Subcommittee of the Committee on Appropriations House of Representatives*, 97th Cong., 1st Sess. 345-346 (1981).

[4] We note that the appropriation for "Official Mail Costs" in the annual Legislative Branch Appropriations Act is deemed postal revenue by virtue of 39 U.S.C. § 3216(a). Postal revenue is required by law to be deposited to the Postal Service Fund, 39 U.S.C. § 2003 (b)(1), and immediately appropriated to the Postal Service, 39 U.S.C. § 2401(a). Since the fund is a no-year revolving fund, it is available to pay all expenses incurred by the Postal Service in carrying out its authorized functions no matter when they are incurred. Thus the appropriation for "Official Mail Costs" once paid to the fund is available for payment of expenses of the Postal Service no matter when they were incurred.

We also note that 39 U.S.C. § 410(a) provides that Federal laws "dealing with public or Federal contracts, property, works, officers, employees, budgets, or funds" do not apply to the exercise of powers by the Postal Service unless as provided by 39 U.S.C. § 410(b) or some other provisions of title 39, U.S.C. The Antideficiency Act is not one of the laws listed in 39 U.S.C. § 410(b). No other provision of title 39, U.S.C. expressly makes the Antideficiency Act applicable to the Postal Service.

Thus it is clear that the Antideficiency Act is inapplicable to the Postal Service when billing Congress for handling franked mail.

THE CHEROKEE NATIONAL FOREST

● Mr. SASSER. Mr. President, in the months ahead, the Forest Service will near completion of over 100 plans for the management of 191 million acres of national forest land. The direction and emphasis established in these plans will have profound and far-reaching implications for the future of our public land resources. Congress has an obligation to ensure that each and every one of these plans upholds the highest and best uses for our national forest resources. I am therefore voicing my concern over the poor and imprudent planning by the U.S. Forest Service in the final plan for the Cherokee National Forest in Tennessee.

Last December, I expressed my concerns regarding the proposed final plan for the Cherokee National Forest. I urged the Forest Service then, as I had earlier in the planning process, to redirect the plan's emphasis from the single commodity management of timber to multiple use management. My urging, however, appears to have gone unheeded. The final plan, released by the Forest Service in April, leaves me no more convinced now than I was last December that the plan represents a balanced approach to forest management in the Cherokee National Forest.

Certainly, Mr. President, the final plan is an improvement over the draft plan. In particular, I am very pleased to see that the acreage recommended for either wilderness or wilderness study designation has been increased from 22,214 acres in the draft to 33,735 acres in the final plan. The Forest Service is to be commended for this and other significant changes in the final plan that reflect the concerns voiced during the public comment period.

However, the improvements to the plan are still inadequate in several regards.

The final plan calls for the almost exclusive use of clearcutting on the 61 percent of the forest that will be open to timber harvesting. In fact, less than 4 percent of the timber harvested will be done using any other harvesting method. Practically speaking, this means that over 2,000 acres of the Cherokee National Forest will be clearcut annually.

In justifying such heavy reliance on clearcutting, the Forest Service has said that clearcutting is the optimum method for managing Southern Appalachian forests. While clearcutting may be the Forest Service's optimum method, other Southern forest plans, such as the plans for the Chattahoochee National Forest in Georgia and the Pisgah-Nantahala National Forest in North Carolina, suggest it need not be as extensive as proposed for the Cherokee. In addition, while there may be a common acknowledgement of clearcutting's optimum value for timber management, there is no such consensus on its benefits in multiple use resource management.

The obvious aesthetic impact is only one of the criticisms of clearcutting. The negative impact of clearcutting on diverse biological species and wildlife habitats in the forest is another concern. For example, clearcutting of hardwood stands has been shown in certain areas to cause the conversion of hardwoods to pine monocultures. Clearcutting is also thought to reduce the food and den site availability to black bears. Given these and other impacts, I am troubled to see the Forest Service's blanket justification for clearcutting in the Cherokee. Indeed, there are numerous areas where an alternative harvesting method, such as shelterwood cutting, selective cutting, or group selection, would be a more desirable approach.

Mr. President, I am troubled that the Cherokee management plan continues the practice of selling timber below cost. The Forest Service in recent years has lost 62 cents for every dollar spent on timber management in the Cherokee. This amounts to annual losses from timber sales on the Cherokee National Forest alone of over $2 million. Yet, the final plan for the Cherokee continues this annual deficit by maintaining current timber harvest levels of 40 million metric board feet annually for the next 10 years.

This use of below cost timber sales is not exclusive to the Cherokee National Forest. According to the administration's own fiscal year 1987 budget request, the Forest Service's costs for timber and mineral activities nationally exceeded the Federal share of timber and mineral receipts in 1985 by $621 million. I would like to insert into the RECORD at the conclusion of my remarks an excellent article from the Wall Street Journal on April 18, 1986, that calls attention to this practice of below cost timber sales.

The final plan for the Cherokee National Forest should call for a gradual phaseout of timber sales below cost, except in site-specific instances where such sales would clearly yield noncommodity benefits. Such a phaseout would encourage the Forest Service to determine a long-term economically positive timber harvest level as well as reduce the proposed timber harvest volumes and the proposed road construction mileage in the final plan. An end to below cost timber sales would allow the $2 million annual timber subsidy on the Cherokee to be more wisely spent elsewhere in the forest. Trail construction, land acquisition, campground maintenance, and other resource protection measures that have been continually jeopardized by the Forest Service's timber management priorities would receive much needed attention.

Mr. President, in order to further enhance my understanding of what is at stake in this forest planning process, I plan to visit the Cherokee National Forest in the near future. I intend to get a firsthand look at the use of clearcutting and other Forest Service management practices. I also intend to meet with both Forest Service personnel and representatives of the five organizations that have recently appealed the final plan, so that I might have a better idea of where we should go from here.

The Cherokee National Forest is a magnificent natural resource with abundant recreational and resource potential. It is already among the top 20 most visited of the 155 national forests, with over 2.5 million visitors annually. In light of this, it seems imprudent of the Forest Service to advocate a final plan that emphasizes single commodity exploitation over stewardship activities. Additional emphasis can and must be directed toward tapping the tremendous scenic and recreational potential of the Cherokee National Forest. In the months ahead, I will work to ensure that the public's investment in our national forest lands is preserved to the fullest degree.

The article follows:

[From the Wall Street Journal, Apr. 18, 1986]

FOREST SERVICE'S SALES OF TIMBER BELOW COST STIR INCREASING DEBATE

(By Ken Slocum)

McCALL, IDAHO.—Ron Mitchell vividly recalls camping as a youngster at Poverty Flat Hole on the South Fork of the Salmon River near here and seeing the pool bottom black with migrating Chinook salmon up to 16 pounds.

But that was before 1965 when, under heavy rains, the mountainsides, scored by Forest Service roads, crumbled into the South Fork. It is regarded as one of the nation's worst wildlife disasters. This key spawning area for salmon migrating from the Pacific was turned into what one Senate witness termed "a river of sand."

Some 20 years later, with the fishing season still closed and the South Fork salmon population at minimum survival levels, Mr. Mitchell and others are fighting the Forest Service's plan to harvest logs on more hillsides above the South Fork.

What particularly galls them is that, by the agency's own figures, after it builds more roads into the area and sees to other details of the sale, revenue from the trees won't cover costs and taxpayers will be out some $2 million. "It's subsidized destruction," Mr. Mitchell fumes. "It's outrageous."

RALLYING CRY

The government's below-cost timber sales have become a rallying cry for environmental groups and sportsmen. Increasingly, the sales are being challenged as a subsidy that floods the market and depresses prices, hurting private timber growers and some producers of specialized wood products. Some people consider the sales a basic cause of a fundamental reshaping of the whole timber industry.

Much of the timber cut in the nation's 191 million acres of national forest, in fact, is

sold at a loss. An analysis of four Western regions by the General Accounting Office showed that 42% of Forest Service timber sales in 1982 didn't generate enough revenue to cover costs, costing taxpayers $92 million.

In two regions of the Rocky Mountains, over 96% of the sales didn't cover costs, the GAO found. Some sales apparently didn't even come close. Harvests in the Monongahela National Forest in West Virginia returned only 25 cents on every dollar spent, and harvests in the Beaverhead National Forest in Montana returned only 32 cents, according to an analysis of 1979–84 sales by the Wilderness Society. Wyoming's Bighorn National Park recovered a mere 21 cents on the dollar.

Bjorn Dahl, special-projects forester on policy analysis for the Forest Service, calls the figures inaccurate. He is working on an accounting system ordered by Congress to determine costs and revenues of timber sales.

AN OVERALL PROFIT

Overall, the Forest Service does make a profit on timber harvesting, with three-fourths of timber values coming from just one-third of the national forests, on the Pacific Coast. Below-cost sales are most common in the Rocky Mountains, where low rainfall, rugged slopes and unstable soils make lumbering the most difficult and expensive and where the damage to the winds is the greatest.

Lost taxpayer dollars aren't the main concern of environmentalists and sportsmen. "We're not the economic conscience of the country—we object to a lot of profitable timber sales, too," says Thomas Dougherty, a regional director for the National Wildlife Federation. "But when they plunder the wilderness and taxpayers have to shell out for it, you know there's a rat in the woodpile."

For its part, the Forest Service contends it is doing its job, which is to consider water quality, wildlife and recreation as well as the timber harvests. "With the financial resources we have to work with, we think we do the best possible job," says Robert D. Nelson, the director of Wildlife and Fisheries for the Forest Service.

Officials also contend that timber receipts don't accurately reflect the benefits. "Once we harvest an area, water flows, wildlife comes in and we develop a future investment of timber resource," says Mr. Dahl, the policy analyst. "The timber sale may lose money, but these other benefits aren't reflected."

ANOTHER VIEW

But what the Forest Service sees as a benefit is often viewed as a disaster by other experts. In the Bitterroot National Forest of Montana, for instance, Montana game officials are backing the National Wildlife Federation and another environmental group, The Defenders of Wildlife, in their efforts to stop a Forest Service timber sale along Tolan Creek in the southwest corner of the state.

The Forest Service offered timber from the area, some 9,400 acres of virgin, rugged mountainside, for sale in 1976, but lumber companies declined to bid on it. Then the Forest Service spent $312,000 of federally appropriated funds to break a 10-mile road into the wilderness to make it more attractive to lumber companies.

Besides providing access to the salable timber, the road will help in the removal of downed timber that fuels forest fires and will help the service in culling out trees susceptable to the mountain pine beetle, according to Robert Morgan, the supervisor of Bitterroot Forest. The Forest Service estimates that even after the government absorbs the cost of that road, timber receipts will fall $167,000 short of costs to build additional roads and to administer the sales.

But wildlife experts vigorously reject contentions that the Forest Service can harvest lumber in the wilderness without harming wildlife, particularly elk. "The Forest Service says the cut would benefit elk by providing more forage in the area," says John Firebaugh, the regional wildlife manager for Montana Fish, Wildlife and Parks. "Our position is there's adequate forage there now. The limiting factor for elk there is security—a place to hide from hunters."

Environmentalists and sportsmen are getting some outside support, particularly from small private growers. "All we ask for as small woodland owners is a chance to compete fairly," says Keith Argow, the president of National Woodland Owners Association, a federation of small growers. "We can't compete fairly when you've got this timber being subsidized one way or another." He says small growers, poorly organized, are finally banding together and one of their targets is the below-cost sales.

Small private timber owners (as contrasted with major land-owning timber companies) hold 58.4% of U.S. commercial timberland but produce less than half of harvested timber. Environmentalists would like to see more of the market shifted to private owners, with the national forests increasing their use to meet the rise of recreational needs.

Supporting this idea is Randal O'Toole, forest economist of Cascade Holistic Economic Consultants, a company frequently hired by civic or environmental groups to analyze figures used by the Forest Service to support timber sales. "The opportunity is there for private timber growers," he says. "If the Forest Service would phase out its subsidies, private owners would see prices go up and they would invest in their land instead of letting it lie idle."

But big lumber companies that buy sizable proportions of their lumber supplies from national forests argue that that isn't all that would happen. "If below-cost sales were banned tomorrow, timber supplies would decrease and prices would increase," argues Robert Morris, the resource manager for Louisiana-Pacific Corp., which buys about 27% of its supplies from the national forests. "Then, with increased prices, the American producer would be less competitive, and the Canadians would take a bigger share of the market than the 35% to 38% they have now." He adds, "We're no longer in a regional market, and a consumer in Los Angeles doesn't care whether he buys a two-by-four produced in Canada or the U.S."

Below-cost sales also draw fire from some officials of the specialty side of lumber products. Boise-based Trus Joist Corp. says that as a producer of laminated construction trusses it is the biggest purchaser of high-strength structural timber in the country. Walter C. Minnick, the president, says that because of a growing oversupply of wood fiber, at least partly as a result of below-cost sales, wood fiber is priced at half the 1979 levels, after allowing for inflation. This obviously benefits Trus Joist in its raw-material costs.

But overall, the company is hurt, Mr. Minnick says. "The whole effort . . . among manufacturers of products made from wood is to develop engineered products to do a given structural job with less wood," he says. "But when wood is artificially cheap, the incentives are diminished. By retarding our technological development, we impede our ability to compete internationally."

Clearly, environmentalists' attacks and public resistance are slowing the pace of below-cost sales in the nation's forests. "There's been some shift by the Forest Service, but we haven't yet stanched the tide of below-cost sales," asserts Henry Fischer, a Rocky Mountain field representative.

THE MEN AND WOMEN OF OUR ARMED FORCES

● Mr. GOLDWATER. Mr. President, for several years now, I have been saying that the young officers and enlisted men and women of our armed services are dedicated, loyal, and hard working people. The overwhelming majority of these people are willing and able to make personal sacrifices for the betterment of their unit and their country. These young people are the first line of defense whenever and wherever our country may need them, and they are up to any task which may be imposed upon them.

Recently, a very good friend of mine received a letter from one of these young soldiers which exemplifies the loyalty, dedication, concern, and hard work which instills pride in themselves and pride in us for having such capable people. In reading this letter, I could not help but be struck by the fact that if our country is to succeed in maintaining its position as the "Bastion of Freedom," then we surely have cause for hope. I cannot tell you in words the feelings that this letter aroused in me. Just to be able to be a small part of this soldier's feelings, hopes, and aspirations has given me a sense of mission accomplished.

Mr. President, in order that all of my colleagues and everyone else interested in the welfare and morale of our troops may understand the perspectives of our young service men and women, I ask that the letter be printed in the RECORD.

The letter follows:

APRIL 9, 1986.

DEAR GENERAL: It's hard to believe that a year has passed since you were kind enough to travel down to Fort Benning and honor us with your presence at our One Station Unit Training graduation.

In that year, many good things have happened for our soldiers and the 4th Battalion. The Buffalo's have, in Major General Harrison's words, "done everything I've asked of them and more, and done it all well." In so doing, I am proud to report to you that I truly believe we have lived up to these expectations you charged us with one year ago—to tell the truth no matter the situation, to show courage in every action we undertook, for the good of the Regiment.

In the year, we have:

Taken ARTEPS from battalion down to squad level, and done well in them all.

Afforded our soldiers with the 118 MOS the opportunity of earning the Expert Infantryman's Badge, and 143 of them did.

Led the 7th Infantry Division (Light) in MOS testing, thus affording our NCO's with increased opportunities for promotion.

Participated in Operation Celtic Cross III in August, 1985 successfully, with the distinction of conducting difficult missions for the Division when only 4½ months in being.

Conducting the first Division EDRE (Emergency Deployment Readiness Exercise) for a company-sized unit under the light division concept.

Winning the Commanding General's Marksmanship Award (The Stilwell Cup) for being the finest shooting battalion with combined scores on the M-16, M-60M1 and .45 caliber pistol.

Setting the standard for the Division with a Personal Actions Center (PAC) that truly leads the Division in areas of soldier care and concern such as EER's and personnel assistance.

Made the soldiers of the Buffalo battalion proud of themselves and their unit, and, in so doing, hopefully letting them see, firsthand, that in the Army you truly can "be all that you can be." Thus, it has been a great and wonderful year for me and, I pray, for the vast majority of our soldiers in the Battalion.

As you can see from the return address, we are now in Panama for the Army's three week Jungle Operations Training Center program of instruction. We brought along with us, with 3d Brigade's blessing, our entire combat slice of artillerymen, air defenders, MPs, engineers, medics and other branches that comprise a "go to war" task force.

The soldiers are literally eating the training up, and are doing very well. This is our first OCONUS deployment, so for many it is their first trip to a foreign country. We're trying to balance tough, realistic training with the opportunity to learn about not only a historic locale for Americans (we're only 6 miles from Gatun Lake and the Panama Canal) but also to learn about a region that is obviously of increasing importance to the United States. I think we are succeeding.

In rereading, this letter sounds way too much like an ego building trip for me. I really do not mean for it to be. What I really want to leave you with is the thought that the soldiers are proud and truly capable, their leadership dedicated and professional, and that I think you would feel right at home with the Buffalo Battalion.

My best wishes to your wife. Please keep us in your thoughts, and know that we are doing our best for the Army and our country.

Sincerely.●

NATIONAL HISTORIC PRESERVATION WEEK

● Mr. DOMENICI. Mr. President, the week of May 11 to 17 marks the 14th annual National Historic Preservation Week. But this year's celebration is particularly significant because it coincides with the 20th anniversary of 1966 National Historic Preservation Act, creating the National Historic Preservation Fund. This law will be up for reauthorization next year, and so I think this is a good time to reflect upon the idea of historic preservation and the need to continue our efforts in this area.

In 1965, the Special Committee on Historic Preservation made some recommendations which have served as an inspiration for States to establish their individual historic preservation programs. The committee stated: "If we wish to have a future with greater meaning, we must concern ourselves not only with the historic highlights, but we must be concerned with the total heritage of the Nation and all that is worth preserving from our past as a living part of the present." There is so much truth to these words. They make me appreciate the importance of preserving as much of our past as we can.

Appropriately enough, the theme for this year's program is "Celebrate Historic Places, Our Past for Our Future."

In New Mexico, we are fortunate to have a culturally rich and diverse history. We have a combination of the Indian, Spanish, and Anglo cultures. I'm proud to say that New Mexico's historic preservation program is one of the most active in the United States, and I have strongly supported its countless and ongoing renovation and restoration projects. Both Federal and State tax credits for historic preservation have been invaluable in this regard.

One of New Mexico's richest historical treasures are its mission churches, which exemplify the mixture of Spanish and Indian cultures and styles. Our State's historic preservation program, in cooperation with citizens and the Archdiocese of Santa Fe, has been involved in the identification, analysis, restoration, and maintenance of historic churches, specifically the San Francisco de Asisi Church in Ranchos de Taos and the San Jose de Gracia Church in Las Trampas. In fact, it was just a few weeks ago that dozens of parishioners and volunteers joined together to replaster and remud the adobe structure of the San Jose de Gracia Church, which is a national historic landmark.

Another of our State's treasures are its prehistoric Indian petroglyphs. In Albuquerque, more than 10,000 petroglyphs have been fully identified, and there are plans for protection of this resource.

In Las Vegas, San Miguel County, new life and vitality has been brought to its downtown area as a result of the La Plaza Vieja redevelopment effort to redevelop 19 historic buildings for retail and office tenants. The saving of these buildings mean new businesses and jobs for Las Vegas and will increase the town's appeal as a tourist attraction.

In Rio Arriba County, near the town of Velarde, another of New Mexico's most important examples of its culture and heritage is nearly complete—the reparation of the 200-year-old acequias irrigation system. The acequias have been a lifeline for generations of New Mexicans around Velarde for as far back as the 1700's, and farmers depend on them just as much now as they did then. In 1983, I worked to include the initial funding for this project as part of the Energy and Water Appropriation Act.

Almost anywhere you travel in New Mexico there are efforts to preserve its history. Increasingly, there is a real understanding that we must keep a little piece of the past—that we must maintain our sense of identity if we are to move on into the future. In fact, in towns like Las Vegas, it is evident that preserving our heritage can actually be a catalyst for the future growth of our communities.

We in the Land of Enchantment feel a tremendous sense of pride and joy in our tricultural heritage, and I commend New Mexicans for their dedication to preserving it.●

NAUM AND INNA MEIMAN

● Mr. SIMON. Mr. President, I was honored to be able to participate in this morning's reception in honor of a man whose courage is matched by few, Natan Shcharansky. Mr. Shcharansky demonstrated his wit and his eloquence and proved himself to be the hero that he has been called.

Mr. Shcharansky was a founding member of the Helsinki Watch Group, along with my friend, Naum Meiman of Moscow. As gratifying as it was to see Mr. Shcharansky a free man, I am gravely concerned about the fate of Naum and his wife, Inna, who are still held in the Soviet Union.

Naum and Inna deserve to live the remainder of their lives in Israel. As human beings, we must all have the choice of where we wish to reside.

I strongly encourage the Soviets to allow Inna and Naum to emigrate to Israel.●

THE PRODUCT LIABILITY VOLUNTARY CLAIMS AND UNIFORM STANDARDS ACT

● Mr. DODD. Mr. President, today I am delighted to join Senator DANFORTH in the introduction of a product liability amendment that I think will eliminate the major differences between consumers and businesses and enable us to take a productive step toward solving the product liability crisis.

While this new paragraph moves away from the creation of a new standard for the recovery of lower damages—which was included in both my original product liability amendment and in Senator DANFORTH's bill, S. 1999—it adopts an approach that

should be beneficial for both consumers and businesses.

The incentives to settle in this amendment, particularly in serious injury cases, are so strong that businesses should be encouraged to settle in both open and shut cases and in cases that are near the margin. At the same time, since the bill does not change basic State standards for recovery, businesses that sincerely doubt the legitimacy of a claim would be able to contest such a claim. The greater inducements for rapid settlements for net economic loss plus pain and suffering in serious and permanent injury cases should dramatically reduce the time between injury and compensation and provide for similar compensation for similarly injured people. Moreover, speedier settlements should reduce the huge transaction costs that plague the present system, on both the plaintiff's and defendant's sides.

For businesses, the bill assures them that if they are willing to settle a case, they will be able to do so for net economic loss plus a maximum of $250,000 in very serious injury cases. Moreover, an offering business would be jointly liable only for the claimant's net economic loss and not for pain and suffering that liability would be limited to the business' proportionate contribution.

Mr. President, this bill is not perfect. Not surprisingly, I would prefer to have followed the path of my original legislation, but as I've said time and time again, we must not let the perfect be the enemy of the good. I think this amendment represents a major step forward in product liability law, one that will help both consumers and businesses, and I heartily endorse it.●

CONTRIBUTIONS OF MR. LEONARD LONDON

● Mr. LAUTENBERG. Mr. President, I would like to bring to my colleagues' attention the outstanding contributions of Mr. Leonard London, a dedicated and active member of the New Milford community in New Jersey. On May 18, the New Milford Jewish Center will honor Mr. London for his unparalleled service to the New Milford Jewish Center, the Jewish community in general, and to the town of New Milford.

Mr. London has demonstrated rare and admirable dedication to the Jewish community in New Milford through his many years of service to the New Milford Jewish Center. He has served a series of terms on the board of directors and has served two terms as its president. He has also chaired the New Milford Jewish Center's Board of Education as well as its youth groups.

Mr. London's hard work and dedication have benefited all those who use the facilities of the New Milford Jewish Center. His efforts have enhanced the synagogue as well as the religious school. And his hard work has benefited both the youth and elderly who participate in the multitude of programs offered at the community center.

But Mr. London has done more than serve and strengthen the Jewish community in New Milford. He has dedicated nearly 20 years of his life to the U.S. military. He has served one term on the board of the Borough of New Milford, and he ran the New Milford Blood Program for 5 years. Currently, he is a member of the zoning board for the Borough of New Milford as well as a member of the auxiliary police force.

It is fitting that Mr. London receive this great honor from the New Milford Jewish Center. Through his many years of service to the New Milford Jewish Center, Mr. London has demonstrated a deep understanding of how important it is to take responsibility for strengthening one's community. And through his active participation in the town of New Milford, Leonard London has shown time and again how important it is for citizens to bring their values to bear the community at large. Mr. London's dedication to the town of New Milford is a fine example for all of us to follow.●

ORDERS FOR TOMORROW

RECESS UNTIL 9 A.M.

Mr. HATCH. Mr. President, I ask unanimous consent that once the Senate completes its business today it stand in recess until 9 a.m. on Wednesday, May 14, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. HATCH. Mr. President, following the recognition of the two leaders under the standing order, I ask unanimous consent that the following Senators be recognized for not to exceed 5 minutes each for special orders: Senators BYRD, HAWKINS, CRANSTON, WILSON, GORE, SASSER, BIDEN, and PROXMIRE.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. HATCH. Following the special orders just identified, I ask unanimous consent there be a period for the transaction of routine morning business not to extend beyond 10 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. HATCH. Mr. President, at 10 a.m., the Senate will resume consideration of S. 1848, the drug export bill. By previous unanimous-consent agreement, final passage must occur prior to 2 p.m. Therefore, votes will occur throughout the day on Wednesday. Following the disposition of S. 1848, the drug export bill, it will be the majority leader's intention to turn to Calendar No. 638, S. 2395, the military uniformed services retirement bill.

Mr. President, I ask unanimous consent that after the Senate resumes consideration of S. 1848, the drug export bill, a final passage vote occur no later than 2 p.m.

Mr. BYRD. Mr. President, there is no objection to this request. I thank the distinguished acting Republican leader, and I am sorry that I was off the floor and caused him to delay. I thank him. As to the 5 minutes, I do not need it for myself but I want a cushion to give time to any Senator on either side who might like to have it. I thank the distinguished Senator. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

□ 1700

RECESS UNTIL 9 A.M. TOMORROW

Mr. HATCH. Mr. President, I ask unanimous consent that the Senate stand in recess in accordance with the previous order.

There being no objection, at 6:54 p.m., the Senate recessed until tomorrow, Wednesday, May 14, 1986, at 9 a.m.

HOUSE OF REPRESENTATIVES—*Tuesday, May 13, 1986*

The House met at 12 noon.

The Reverend Dr. A. Dale Patterson, East Brent Baptist Church, Pensacola, FL, offered the following prayer:

Heavenly Father, as I bow before You in this place, with these great people whom You have ordained to lead us, we give You thanks. Thank You for being the giver of good gifts. Thank You for who You are.

We acknowledge that You are indeed the Ruler of all nations. To all nations grant peace which will transcend every human barrier. We pray for worldwide justice to all people.

We lift our Nation up to You, our Father. We ask for Your guidance in every decision; Your protection by day and by night; Your provision in every area of our lives; and Your presence always with us.

These things we ask to glorify Your holy name; in the name of our Lord, Jesus Christ. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. STRANG. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. STRANG. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 258, nays 121, not voting 54, as follows:

[Roll No. 119]

YEAS—258

Ackerman	Bateman	Bosco
Akaka	Bates	Boucher
Alexander	Bedell	Boxer
Anderson	Beilenson	Breaux
Andrews	Bennett	Brooks
Annunzio	Berman	Broyhill
Anthony	Bevill	Bruce
Applegate	Biaggi	Bryant
Archer	Boggs	Bustamante
Aspin	Boland	Byron
Atkins	Boner (TN)	Callahan
AuCoin	Bonker	Carper
Barnard	Borski	Carr
Chapman	Jeffords	Pickle
Chappell	Jenkins	Porter
Coelho	Johnson	Price
Coleman (TX)	Jones (NC)	Pursell
Collins	Jones (OK)	Quillen
Combest	Jones (TN)	Rahall
Conyers	Kanjorski	Ray
Cooper	Kaptur	Reid
Coyne	Kasich	Richardson
Crockett	Kastenmeier	Rinaldo
Daniel	Kemp	Ritter
Darden	Kildee	Rose
Daschle	Kleczka	Rostenkowski
de la Garza	Kolter	Rowland (CT)
Derrick	Kostmayer	Rowland (GA)
Dicks	LaFalce	Roybal
Dingell	Leath (TX)	Rudd
DioGuardi	Lehman (CA)	Russo
Dixon	Lehman (FL)	Sabo
Donnelly	Leland	Schneider
Dorgan (ND)	Levin (MI)	Schulze
Downey	Levine (CA)	Schumer
Duncan	Lipinski	Sharp
Durbin	Lowry (WA)	Shumway
Dwyer	Luken	Sisisky
Dymally	Lundine	Skelton
Early	Lungren	Slattery
Eckart (OH)	Manton	Smith (FL)
Eckert (NY)	Markey	Smith (IA)
Edwards (CA)	Martin (NY)	Smith (NE)
English	Martinez	Smith (NJ)
Erdreich	Matsui	Solarz
Evans (IL)	Mavroules	Spence
Fascell	Mazzoli	Spratt
Fazio	McCain	St Germain
Fish	McCloskey	Stallings
Florio	McCollum	Stark
Foley	McCurdy	Stenholm
Ford (MI)	McDade	Stokes
Ford (TN)	McEwen	Stratton
Fowler	McHugh	Studds
Frank	McKinney	Sweeney
Frost	Mica	Synar
Fuqua	Mikulski	Tallon
Garcia	Miller (CA)	Tauzin
Gaydos	Miller (WA)	Taylor
Gejdenson	Mineta	Thomas (GA)
Gephardt	Moakley	Torres
Gibbons	Montgomery	Torricelli
Gilman	Moody	Towns
Glickman	Moore	Traficant
Gonzalez	Morrison (WA)	Traxler
Gordon	Mrazek	Udall
Gradison	Murtha	Valentine
Gray (IL)	Myers	Vento
Gray (PA)	Natcher	Visclosky
Green	Neal	Volkmer
Guarini	Nelson	Walgren
Hall (OH)	Nielson	Waxman
Hall, Ralph	Nowak	Weaver
Hamilton	Oakar	Weiss
Hammerschmidt	Oberstar	Wheat
Hatcher	Obey	Whitley
Hayes	Olin	Whitten
Hertel	Ortiz	Williams
Hillis	Owens	Wirth
Horton	Packard	Wolpe
Howard	Panetta	Wright
Hoyer	Parris	Wyden
Hubbard	Pease	Wylie
Huckaby	Pepper	Yates
Hughes	Perkins	Yatron
Hutto	Petri	Young (MO)

NAYS—121

Armey	Brown (CO)	Coleman (MO)
Badham	Carney	Conte
Bartlett	Chandler	Coughlin
Barton	Chappie	Courter
Bentley	Cheney	Craig
Bilirakis	Clay	Crane
Bliley	Clinger	Dannemeyer
Boehlert	Coats	Davis
Boulter	Cobey	DeLay
Broomfield	Coble	DeWine
Dickinson	Lightfoot	Schuette
Dornan (CA)	Livingston	Sensenbrenner
Dreier	Lloyd	Shaw
Dyson	Loeffler	Sikorski
Edwards (OK)	Lott	Siljander
Emerson	Lowery (CA)	Skeen
Evans (IA)	Mack	Slaughter
Fawell	Madigan	Smith, Denny (OR)
Fields	Marlenee	Smith, Robert (NH)
Gallo	Martin (IL)	Smith, Robert (OR)
Gekas	McCandless	Snowe
Gingrich	McGrath	Solomon
Goodling	McKernan	Stangeland
Gunderson	McMillan	Strang
Hansen	Meyers	Stump
Hartnett	Michel	Sundquist
Hawkins	Miller (OH)	Swindall
Hendon	Molinari	Tauke
Henry	Monson	Vander Jagt
Hiler	Moorhead	Vucanovich
Hopkins	Oxley	Walker
Ireland	Penny	Weber
Jacobs	Regula	Whitehurst
Kindness	Ridge	Wolf
Kolbe	Roberts	Young (AK)
Kramer	Roemer	Young (FL)
Lagomarsino	Rogers	Zschau
Latta	Roth	
Leach (IA)	Roukema	
Lent	Saxton	
Lewis (CA)	Schaefer	
Lewis (FL)	Schroeder	

NOT VOTING—54

Barnes	Grotberg	Rangel
Bereuter	Hefner	Robinson
Bonior (MI)	Heftel	Rodino
Brown (CA)	Holt	Roe
Burton (CA)	Hunter	Savage
Burton (IN)	Hyde	Scheuer
Campbell	Kennelly	Seiberling
Daub	Lantos	Shelby
Dellums	Long	Shuster
Dowdy	Lujan	Snyder
Edgar	MacKay	Staggers
Feighan	Mitchell	Swift
Fiedler	Mollohan	Thomas (CA)
Flippo	Morrison (CT)	Watkins
Foglietta	Murphy	Whittaker
Franklin	Nichols	Wilson
Frenzel	O'Brien	Wise
Gregg	Pashayan	Wortley

□ 1210

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 4767. An act to deauthorize the project for improvements at Racine Harbor, WI.

DR. DALE PATTERSON

(Mr. HUTTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUTTO. Mr. Speaker, I am very proud to ask my colleagues to join me in welcoming our guest chaplain for

today, Dr. Dale Patterson of Pensacola, FL.

Dr. Patterson, a native of Mississippi, now pastors at the East Brent Baptist Church in Pensacola. East Brent is the fifth church Dale has served since his ordination in 1962. He attended the New Orleans Baptist Theological Seminary and received his master of divinity in 1977 and his doctorate of ministry in 1979.

Dale epitomizes the word "pastor" in the truest sense by the manner in which he cares for his people. Under his leadership for the past 4 years, the church has experienced phenomenal growth in membership, staffing, and building programs. In the past 18 months alone, 205 adult families have joined East Brent. This growth is without a doubt attributed to his genuine love and concern for the members of his congregation. More than once he has gone the extra mile to serve—waking at 3 in the morning in order to make a 5-hour drive to Birmingham, AL, in time to be with a family whose loved one was to have surgery at 9 o'clock and then back to Pensacola for evening services.

His love of God and genuine belief that his strength and success in pastoring is, indeed, in the hands of his Lord are heartwarming in today's hectic world. His family consists of two sons and daughters-in-law, a grandson, a granddaughter, and Louise, his loving wife of 25 years who is here with him today.

□ 1225

REPORT ON CONCURRENT RESOLUTION SETTING FORTH CONGRESSIONAL BUDGET FOR FISCAL YEARS 1987, 1988, AND 1989

Mr. GRAY of Pennsylvania, from the Committee on the Budget, submitted a privileged report (Rept. No. 99-598, Part I) on the concurrent resolution (H. Con. Res. 337) setting forth the congressional budget for the U.S. Government for the fiscal years 1987, 1988, and 1989, which was referred to the Committee on Rules pursuant to subsection 301(c) of the Congressional Budget Act of 1974, as amended (Public Law 93-344, as amended by Public Law 99-177), for a period not to exceed 5 legislative days, for consideration of such portions of the concurrent resolution as fall within that committee's jurisdiction pursuant to clause 1(q), rule X, and ordered to be printed.

PERMISSION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO SIT TOMORROW, WEDNESDAY, MAY 14, 1986, DURING 5-MINUTE RULE

Mr. RAHALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be permitted to sit tomorrow, Wednesday, May 14, 1986, during the 5-minute rule.

This request has been cleared with the minority.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from West Virginia?

Mr. DIOGUARDI. Mr. Speaker, reserving the right to object, I would ask the gentleman, with whom has this been cleared?

Mr. RAHALL. Mr. Speaker, if the gentleman will yield, this has been cleared with the ranking minority member, the gentleman from Idaho [Mr. CRAIG], and has been, I understand, with the ranking minority member on the full Committee on Interior and Insular Affairs.

Mr. DIOGUARDI. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

LEGISLATION INTRODUCED TO REPEAL ONE-WAY TOLL ON VERRANZANO BRIDGE

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, today along with nine of my colleagues from New York and New Jersey of both political parties, I am introducing legislation to repeal the congressionally mandated, one-way toll on the Verrazano Bridge between Staten Island and Brooklyn in New York City.

That bridge was built and is maintained entirely with local funds. It connects one part of New York City with another. Yet, last fall, Congess making a serious mistake, both substantively and in violation of the basic principles of federalism, forced the city to change to a one-way toll; ignoring the city's pleas, disrupting traffic patterns and dumping Staten Island's traffic problems onto the congested streets of downtown Manhattan, Elizabeth, Roselle Park, and other communities in New Jersey and the Gowanus Expressway in Brooklyn.

Just after 1 month of this mandated 6-month experiment, the traffic plan is an unqualified disaster. According to the Metropolitan Transit Authority, some 4,000 extra vehicles have been handed a toll-free round trip and try to squeeze through the Holland Tunnel each day, aggravating traffic problems throughout the region.

The only way to remedy this disaster and to correct our mistake is to repeal the law. I urge my colleages to support this bill to do so.

PROVIDENCE HOSPITAL COMMEMORATIVE PLAQUE ACT

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the bill (H.R. 4382) to require the Architect of the Capitol to place a plaque at the original site of Providence Hospital, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. SHAW. Mr. Speaker, reserving the right to object, I do not intend to object but I take this time for the purpose of yielding to the gentleman from Missouri [Mr. YOUNG] so he might be able to describe the bill to the House.

Mr. YOUNG of Missouri. I thank the gentleman for yielding to me.

Mr. Speaker, in celebration of the 125th anniversary of Providence Hospital, the Sisters of the Daughters of Charity of St. Vincent de Paul are seeking permission to erect a commemorative plaque at the original site of the hospital. This site is currently part of the Capitol Grounds and is located at Second and D Streets SW. The bill authorizes the Architect of the Capitol to acquire or to accept by donation and to erect on the site an appropriately inscribed plaque and pedestal designating this as the original site of Providence Hospital. There would be no cost to the Government for the plaque, its pedestal, or its erection on the site.

Mr. SHAW. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Virginia [Mr. BLILEY], the author of the bill.

Mr. BLILEY. I thank the gentleman for yielding to me.

Mr. Speaker, I would like to thank the chairman of the subcommittee for his assistance in moving this bill through markup and bringing it to the floor today. The subcommittee took care to ensure that H.R. 4382 was properly drafted to effect its purpose. I concur in its judgment that the amendments offered by my colleague from Florida were necessary and appropriate.

I know that the Daughters of Charity and staff at Providence Hospital are also grateful for the subcommittee's efforts, especially so because they have been planning the dedication of this plaque as one of the events to commemorate Providence's 125th anniversary. Upon House and Senate approval of this bill, they may do so. For the other Members information, that event will be this Saturday, May 17.

Mr. HOWARD. Mr. Speaker, I rise in support of H.R. 4382 and at this time would like to commend the chairman of the Subcommittee on Public Buildings and Grounds, the gentleman from Missouri [Mr. YOUNG], and the rank-

ing minority member of the subcommittee, the gentleman from Florida [Mr. SHAW], for their fine work in bringing this bill before the House today.

Mr. Speaker, H.R. 4382, a bill entitled the Providence Hospital Commemorative Plaque Act authorizes the Architect of the Capitol to place a plaque at the original site of Providence Hospital, currently part of the Capitol grounds. Providence Hospital was located on this site during the years 1861 through 1956. Founded in 1861 by the Daughters of Charity of St. Vincent de Paul from Emmitsburg, MD, they have requested passage of this legislation as part of their 125th anniversary celebration of Providence Hospital. The cost associated with the preparation of the plaque and pedestral will be borne by the Daughters of Charity at Providence Hospital.

Mr. Speaker, passage of H.R. 4382 is a small tribute we can pay for all the invaluable years of service the Daughters of Charity have given to the Washington community.

Mr. Speaker, I urge enactment of H.R. 4382.

Mr. SHAW. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the bill, as follows:

H.R. 4382

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Providence Hospital Commemorative Plaque Act".

SEC. 2. PURPOSE.

The purpose of this Act is to commemorate Providence Hospital for providing 125 years of service to the District of Columbia by authorizing the placement of a plaque at the original site of the Hospital.

SEC. 3. PREPARATION OF PLAQUE.

(a) REQUIRED SPECIFICATIONS.—The Architect of the Capitol shall prepare or accept by donation a plaque that—

(1) is 36 inches in width and 24 inches in height;

(2) displays on the left one-third of the plaque a bas-relief of Providence Hospital as it existed in 1866; and

(3) displays on the right two-thirds of the plaque the following language in caslon typeface:

"ORIGINAL SITE OF PROVIDENCE HOSPITAL

"Providence Hospital was located on this site during the years 1861 through 1956. Founded in 1861 by the Daughters of Charity of Saint Vincent de Paul from Emmitsburg, Maryland, the hospital was chartered by an Act of Congress in 1864.

"During the Civil War, while other hospitals in Washington, D.C., were filled with war casualties, Providence Hospital had the special mission of providing care primarily to the civilian population. Originally located in a private home, the hospital moved in 1866 to the more permanent quarters illustrated on this plaque.

"On this site, Providence Hospital opened the area's first surgical amphitheater in 1882, inaugurated the first social service department in 1894, and opened the first contagious ward in 1898.

"Providence Hospital moved to its present location at 12th and Varnum Streets, NE, in 1956.".

(b) DISCRETIONARY SPECIFICATIONS.—The Architect of the Capitol shall—

(1) prepare the plaque described in subsection (a) with such additional specifications as the Architect determines to be appropriate for carrying out the purpose of this Act; or

(2) require any such plaque that is donated to comply with such additional specifications.

SEC. 4. MOUNTING OF PLAQUE.

The Architect of the Capitol shall mount any plaque prepared or accepted by donation under section 3 on a pedestal to be built in accordance with section 5.

SEC. 5. CONSTRUCTION OF PEDESTAL.

(a) LOCATION.— The Architect of the Capitol shall construct a pedestal at a location that approximates the location of the main entrance of Providence Hospital as it existed in 1866 or, if the Architect of the Capitol determines that such location is not practicable, at a nearby location on the original site of Providence Hospital.

(b) SPECIFICATIONS.—The pedestal referred to in subsection (a) shall be constructed with such specifications as the Architect of the Capitol determines to be appropriate for carrying out the purpose of this Act.

SEC. 6. PAYMENT OF EXPENSES.

(a) IN GENERAL.—The United States may not pay any expense of the preparation and mounting of the plaque or the construction of the pedestal under this Act.

(b) DONATION OF FUNDS.—The Architect of the Capitol shall carry out this Act only if sufficient funds are donated for such purpose.

AMENDMENTS OFFERED BY MR. HOWARD

Mr. HOWARD. Mr. Speaker, I offer several amendments, and I ask unanimous consent they be considered en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. HOWARD: Page 2, strike lines 1 through 3 and insert the following:

SEC. 3. SPECIFICATIONS FOR AND INSTALLATION OF PLAQUE.

(a) SPECIFICATIONS.—The Architect of the Capitol is authorized to acquire by purchase or donation a plaque that—

Page 3, strike lines 3 through 25 and insert the following:

(b) MOUNTING OF PLAQUE.—The plaque described in subsection (a) shall be mounted on a pedestal to be constructed according to such specifications as the Architect of the Capitol determines are appropriate for carrying out the purposes of this Act.

(c) INSTALLATION.—Such plaque and pedestal shall be installed by the Architect of the Capitol at a location on the original site of Providence Hospital that is as near as practicable to the location of the main entrance of such hospital as it existed in 1866. If such location is required for other purposes by the Congress, the Architect of the Capitol may place such plaque on or near any new building erected on such site.

(d) MAINTENANCE.—The Architect of the Capitol shall maintain the plaque and pedestal installed under this section as part of the United States Capitol Grounds.

SEC. 4. PAYMENT OF EXPENSES.

(a) AUTHORITY TO ACCEPT GIFTS.—Notwithstanding any other provision by law, the Architect of the Capitol is authorized to accept and administer on behalf of the Congress gifts and bequests of money for the purpose of acquisition, preparation, and installation of the plaque and pedestal described in section 3.

(b) TREATMENT OF GIFTS FOR TAX PURPOSES.—For the purpose of Federal income, estate, and gift taxes, any gift or bequest accepted by the Architect of the Capitol under this Act shall be deemed to be a gift or bequest to or for the benefit of the United States.

(c) OBLIGATIONS AND EXPENDITURES.—The Architect of the Capitol is authorized to incur all obligations and to make all expenditures as may be necessary to carry out the purposes of this Act without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(d) ESTABLISHMENT OF ACCOUNT.—All gifts and bequests of money received for the purpose of this Act shall be deposited by the Architect of the Capitol in a special account established by the Secretary of the Treasury and shall be subject to immediate disbursement as needed by the Architect in order to carry out this Act.

(e) REPORT.—The Architect of the Capitol shall submit to the Congress a final report of the money received and expended by him in carrying out this Act.

Page 4, strike line 1 and insert the following:

SEC. 5. LIMITATIONS.

Page 4, line 3, strike "preparation" and insert "acquisition, preparation,".

Mr. HOWARD (during the reading). Mr. Speaker, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER pro tempore. The question is on the amendments offered by the gentleman from New Jersey [Mr. HOWARD].

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1235

PERMITTING 1986 SPECIAL OLYMPICS TORCH RELAY TO BE RUN THROUGH CAPITOL GROUNDS

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the concurrent resolution (H. Con. Res. 311) to permit the 1986 Special Olympics Torch Relay to be run through the Capitol Grounds, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

Mr. SHAW. Mr. Speaker, reserving the right to object, I do not intend to object, but I take this time for the purpose of yielding to the gentleman from New Jersey [Mr. HOWARD] for an explanation of the resolution.

Mr. HOWARD. I thank the gentleman for yielding, and I also thank the gentleman for his cooperation on this legislation.

Mr. Speaker, House Concurrent Resolution 311 authorizes the 1986 Special Olympics Torch Relay to be run through the Capitol Grounds as part of the journey of the special olympic torch to the District of Columbia Special Olympics spring games to be conducted at Gallaudet College, in the District of Columbia, on or about May 30, 1986.

Mr. Speaker, there is a provision in the law prohibiting torches from being carried on the Capitol Grounds, I imagine because of what happened in 1812. We did have to pass special legislation in 1984 so that the Olympic torch could be carried through the Capitol Grounds on its way to the Olympics in Los Angeles. This resolution does the same thing for the Special Olympics to be held at Gallaudet.

Mr. SHAW. Mr. Speaker, further reserving the right to object, at this time I would inquire of the gentleman from New Jersey, I would assume that the carrier of this torch must not be wearing a red coat; is that correct?

Mr. HOWARD. I certainly presume that that will not be the case, I say to the gentleman.

Mr. SHAW. Mr. Speaker, this activity is a wonderful activity which tremendously helps an underprivileged portion of our society in their efforts to attain self-esteem, and I certainly support it.

Mr. YOUNG of Missouri. Mr. Speaker, I rise in support of House Concurrent Resolution 311.

Mr. Speaker, as my colleagues are aware, the Special Olympics, founded in 1968 by Eunice Kennedy Shriver, provides year-round training and competition to any individual age 8 or older who is mentally retarded. House Concurrent Resolution 311 authorizes the 1986 Special Olympics Torch Relay to be run through the Capitol Grounds on or about May 30, 1986, as part of the journey of the Special Olympic torch to the District of Columbia Special Olympics spring games to be conducted at Gallaudet College, in the District of Columbia.

Mr. Speaker, enactment of this legislation is a very positive step toward promoting interest in the Special Olympics and I urge passage of the bill.

Mr. BIAGGI. Mr. Speaker, as the author of House Concurrent Resolution 311, I am proud to rise in full support of this very worthwhile measure authorizing the 1986 Special Olympics Torch Relay to be run through the Capitol Grounds. Quite simply, this measure is a strong and well deserved expression of congressional support for the Special Olympics.

I want to commend the distinguished chairman of the Committee on Public Works and Transportation, Mr. HOWARD, and the Subcommittee on Public Buildings and Grounds, Mr. YOUNG of Missouri, for their expeditious treatment of this legislation.

I am privileged to author this resolution for a number of reasons, most notably, because of my longstanding support for the Special Olympics, but also because the torch relay is being sponsored nationwide by law enforcement, a profession I was proud to serve for 23 years.

The torch relay is being coordinated nationwide by the law enforcement community and is designed to raise funds for the Special Olympics. It is scheduled to be run through the Capitol Grounds on May 30, where it will culminate at opening ceremonies for the District of Columbia Special Olympics spring games to be held at Gallaudet College.

The Special Olympics, which was founded in 1986 by Eunice Kennedy Shriver, provides year-round training and competition in 14 sporting events to any individual age 8 or older who is mentally retarded. The Special Olympics provide a very rewarding experience for more than 1 million athletes in over 20,000 communities in the United States and 50 foreign countries.

Mr. Speaker, I was pleased to work with the Bureau of Alcohol, Tobacco and Firearms in developing this legislation. Daniel M. Hartnett, Deputy Associate Director for BATF is the director of the Law Enforcement Torch Run for the District of Columbia Special Olympics, and he is responsible for planning the route, recruiting runners and coordinating local fund raising activities. The torch relay is being coordinated by the International Association of Chiefs of Police—a leading national police group I have been proud to work with over the years on a number of important issues. The torch relay is sponsored by the Armour Food Cos. Logistical support will be provided by the "Good Sam Club," a national nework of recreational vehicle owners.

I would also like to point out that identical legislation has been introduced in the Senate by the distinguished Senator from South Dakota, JAMES ABDNOR.

Mr. Speaker, the Special Olympics Torch Relay is a very positive way of promoting interest in the Special Olympics, while also raising much needed funds to ensure that the Special Olympics experience can continue to grow. I urge its unanimous approval here today.

Mr. SHAW. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 311

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. RUNNING OF SPECIAL OLYMPICS TORCH RELAY THROUGH CAPITOL GROUNDS.

On May 30, 1986, or on such other date as the Speaker of the House of Representatives and the President pro tempore of the Senate may authorize jointly, the 1986 Special Olympics Torch Relay may be run through the Capitol Grounds as part of the journey of the Special Olympic torch to the District of Columbia Special Olympics Spring Games to be conducted at Gallaudet College, in the District of Columbia.

SEC. 2. AUTHORITY OF CAPITOL POLICE BOARD

The Capitol Police Board shall take such action as may be necessary to carry out the first section of this resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill and the resolution just considered and adopted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AMERICA STANDING TALL?—PR VERSUS REALITY

(Mr. JACOBS asked and was given permission to address the House for 1 minute.)

Mr. JACOBS. Mr. Speaker, America is standing tall again. The American flag is once again respected around the world. That is the PR of it. The reality of it is that Secretary Shultz this morning said that he was going to drop everything to come to Capitol Hill and lobby for enormous increases in the appropriations for the physical protection of American embassies around the globe.

With American tourists deciding to stay home this summer, "PR" could very well stand for "pretty ridiculous," especially in a warfare state.

SAN PEDRO RIPARIAN NATIONAL CONSERVATION AREA

(Mr. KOLBE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)90[H13MY6-76]{H2608}KOLBE

Mr. KOLBE. Mr. Speaker, today, along with the entire Arizona delegation in both the House and Senate, I am introducing legislation to establish the San Pedro Riparian National Conservation Area in Cochise County, AZ. This bill assigns to the Bureau of Land Management the responsibility of protecting this unique and beautiful area in a manner that will enhance public appreciation of the significant natural resources found along the San Pedro River.

The San Pedro River flows into the United States from Mexico and runs more than 100 miles until it joins the Gila River. The area to be designat-

ed—a 30-mile stretch from near the border to Benson—is home to a wide array of unique and special wildlife, such as the peregrine falcon. It is also the site of the only preserved Spanish presidio in Arizona. The San Pedro Riparian National Conservation Area contains over 100 other known prehistoric and historic archeological sites, and fossil sites where evidence of ancient mammoths can be found.

This bill calls for the completion of a comprehensive plan for the long-term management, development and protection of the unique resources found here. This plan will be developed with the advice and assistance of a multiple use advisory council, and with full opportunities for public participation and comment.

Taken together, this legislation is a unique opportunity to further land use planning which is sensitive to the environmental requirements of this special land, while also planning for the future appreciation of this area by the people of Arizona. I am hopeful that the House Interior Committee, and the Subcommittee on Public Lands will take swift action on this important legislation.

"OLD GLORY" RESPECTED AROUND THE WORLD

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, let me offer a quick prolog about whether or not our flag is respected around the world. I wish the gentleman from Indiana [Mr. JACOBS] and every Member had been with Senator LUGAR and me, along with the Vice President of the United States, our great Vice President, GEORGE BUSH, entering the stadium last Thursday in Costa Rica for the swearing in of their new President, Oscar Arias.

As each nation came into the stadium, as at the Olympics, there was polite cheering from the crowd. When Old Glory entered the stadium with this group of Americans—two Members from the Congress of the United States, our Vice President, and several ambassadors—the crowd simply went wild. They gave us a standing, pounding ovation that went on and on and on. No other nation from this hemisphere even came close. The United States is still the citadel of freedom around the world.

Mr. Speaker, the reason I use today is to express my support for a towering figure of history whose presence we honor on Capitol Hill today in the Rayburn Building. We just finished a ceremony in the rotunda. Anatoly Shcharansky, now known as Natan—Hebrew for "God-given"—is among us. I wore his bracelet for 8 years; that is almost a seventh of my life. He took that bracelet from me this morning and said, "Let's break it, Congressman."

It did not quite break. It was bent into a "V"—a "V" for "victory" I said, but he said; "No a V for visa." Mr. Speaker, we cannot forget the other 400,000 Jewish and Pentecostal dissidents who suffer in the Soviet Union.

This giant of a man, all 5 feet, 2 inches of him, is like our Daniel Webster, the only man whose words are inscribed on the walls of this anywhere. God bless Natan Shcharansky now that he is home with us, and may we in this Chamber, this citadel of freedom and this great freedom-loving Nation, seek freedom for everyone in the world from Central America to the gulags of the Soviet Union.

"NOTCH" PERIOD

(Mr. BILIRAKIS asked and was given permission to address the House for 1 minute.)

Mr. BILIRAKIS. Mr. Speaker, I'd like to take a moment today to remind my colleagues of some discrimination that exists in our society. I know it is difficult to believe that our society is still tolerating discrimination of any kind, but it is. More importantly, however, is the fact that we, in Congress, are in a position to do something to stop it and are not.

The discrimination I am referring to, of course, is that imposed upon thousands of senior citizens as a result of the "notch" period in the Social Security system which results in less benefits to some, due simply to the year in which they happened to have been born. Why do we allow this discrimination to continue?

On May 15, hundreds of "notch" babies from every district will come to Washington to remind us, once again, of the unfair treatment they continue to be up against. It is my strong desire that we listen to their plea and act by passing legislation such as my bill, H.R. 65, in order to restore fairness and equality to our Social Security system.

□ 1245

BETTER RELATIONS WITH MEXICO

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, yesterday the New York Times carried an article on Mexico's drug interdiction efforts or lack of them. It quoted Commissioner Von Raab as saying that Mexican officials are corrupt and incompetent.

Mr. Speaker, while Mexico's response to narcotics control has been less than satisfactory, I wonder if remarks like Mr. Von Raab are in our best interests. Do we call the French or our NATO allies names when they refuse to cooperate on Libyan terrorism?

The problem, Mr. Speaker, is that we treat Mexico as another Third World country with a big debt and do not give it the mature position in our relationship that it deserves.

Mr. Speaker, we fail to give our relationship with Mexico a strong priority. We have enormous problems, whether it is immigration, drugs, whether it is Central America or whether it is pollution control. We spend days with our big seven partners, yet only 2 hours with our problems with Mexico.

Mr. Speaker, let us give more attention to our Mexican relationship, because the problems we have are immense and they deserve more attention.

THE EXAMPLE OF ANATOLY SHCHARANSKY

(Mr. CONYERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONYERS. Mr. Speaker, the congressional ceremony for Anatoly Shcharansky was a moving and impressive one. I am very, very proud of the Congress for bringing this great freedom fighter to the Capitol.

I would like to remind our colleagues that a number of members of the Congressional Black Caucus joined with me in sending a letter to the Soviet Jewry March in New York on Sunday past. In that communication to them, we reminded that committee that when Frederick Douglass moved for freedom, he was told to wait. When Susan B. Anthony advanced the cause of women, she was told to wait. When Martin Luther King reignited the civil rights struggle in America, he was told to wait. When black South Africans now move for freedom in South Africa, they are told to wait.

So we know there are over 400,000 other Soviet Jews that are in the same position that Anatoly Shcharansky was. We must all join with them and stay with them until their cause has been won.

PRESIDENT REAGAN SHOULD MEET WITH ANATOLY SHCHARANSKY

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, it's been said that free men and women have two homes: one where people are free, the other where they are not free. Anatoly Shcharansky is such a free man, and I join in welcoming him

to the home of freedom. We Americans believe each individual's freedom is precious, and we rejoiced when the Soviet leaders released him. But Mr. Shcharansky is important, too, as a symbol—a symbol of the powerlessness of tyranny in the face of idomitable courage.

Elie Weisel has said that "indifference to evil is evil." This is why Americans can't be indifferent to Mr. Shcharansky's struggle and triumph. And this is why the administration's apparent decision to downplay his presence here has disturbed many of us. The worst feature of the State Department's policy of not unduly distressing the Soviet leaders is its abject willingness to participate in a kind of self-censorship which serves Soviet purposes and no one else's.

Even at this late date, I urge President Reagan—one of the most courageous leaders of our time—to meet publicly and openly with Anatoly Shcharansky—one of the most courageous men of our time. Together they might remind the whole world that the American Government, like the people it represents, has the courage to reject indifference to evil.

HEART TRANSPLANT NEEDED FOR WESTERN NORTH CAROLINA INFANT, JENNA HUGHES

(Mr. HENDON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HENDON. Mr. Speaker, while in my congressional district over the weekend, I learned about an infant girl from Yancey County, NC, who desperately needs a heart transplant.

Jenna Hughes is 2 weeks old. She was born with a hypolastic left ventricle, which prevents the pumping of blood to her body. Jenna is a fighter. This morning she remains in critical, but stable condition, but she just will not make it, Mr. Speaker, if a heart donor is not found this week.

Little Jenna has been accepted as a heart transplant candidate by Loma Linda University Medical Center in Loma Linda, CA. As soon as a compatible donor is located, she will be flown from North Carolina to California by a specialized Loma Linda medical team.

Her parents have agreed to relocate to California for at least 1 year if their child receives the transplant.

Jenna Hughes could become the sixth newborn infant to receive a transplant and the first to fly from the east coast to the very fine Loma Linda Medical Center for treatment.

Jenna and her family and all of us in western North Carolina would appreciate any assistance that anyone could provide.

LEGISLATION TO ALLOW DRUG RELATED OFFENSES TO BE CONSIDERED AS FACTOR IN DEATH PENALTY

(Mr. SHAW asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHAW. Mr. Speaker, today along with the gentleman from Pennsylvania [Mr. GEKAS], the gentleman from California [Mr. LUNGREN], and the gentleman from California [Mr. HUNTER], I am introducing legislation to allow drug related offenses to be considered as a factor in determining whether the death penalty shall be imposed in Federal cases. Although this Congress is slow to move on the death penalty legislation currently pending in committee, I am convinced that the death penalty is warranted in certain circumstances and it should be imposed in Federal cases.

The bill I introduce today will provide for the death penalty in cases involving murder and further provides that a Federal jury, in determining whether to recommend the death penalty, be permitted to consider as an aggravating factor in their deliberations a defendant's previous drug related convictions.

We all know, Mr. Speaker, that the drug war in this country is being fought from every angle possible by our law enforcement agencies and that lives of law enforcement agents are being lost, and the lives of drug users are being lost, but the lives and profits of the drug dealer are enriched every time he walks from a court house or out of a prison cell. It is time to elevate the crimes of the drug dealer, Mr. Speaker, to those considered most serious in this country and that is to subject to the death penalty, the criminals who violate our drug laws.

CONTRASTING THREE MILE ISLAND AND CHERNOBYL

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, at last the Soviet Union seems to be becoming more forthcoming in the news and itemization of what actually went on in that nuclear disaster. They are reporting more deaths, which were predictable, more areas covered by evacuation, even larger areas contaminated for hundreds of years with radiation.

What a contrast to what occurred when that incident happened at Three Mile Island, when within hours after the first report a tremendous crowd of reporters and media representatives from all over the world found themselves in Harrisburg, PA, seeking and finding answers, thus protecting the world from a potential mishap—happily that was not the case at Three Mile Island—but the contrast between the secrecy and reluctance of the Soviet Government to release information that endangered the entire world will show up time and time again as we proceed with cultivating our relationships with the Soviet Union, to be careful about their word, to be careful about their secrecy, to be careful about their closed society.

MORE SPENDING ON CONGRESSIONAL MAIL

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, some of us have caused some consternation in recent days by suggesting that the $100 million that we originally appropriated for congressional mail should be enough, that we ought not to supplement that with additional money because the American people have a right to expect us to cut down on our own mailings at a time when we are telling the American people to cut back as a result of the Federal deficit and that has caused a great deal of consternation. In fact, there have been all kinds of attempts to figure out ways how we can get more money.

Well, this weekend the Congress came up with a dandy. They simply have gone out and declared our mailing program around here, our congressional mail, a new entitlement program. That is right. What they have done is declare that for congressional mail there is now an open-ended blank check for the Congress to spend as much as it wants to, an open-ended blank check for the Congress, but not for the American people. They will end up paying for this new entitlement program and the new ruling is such that they may end up paying for congressional mail with higher postage rates.

Imagine that. Congress in order to get around its overspending problem in mail may be passing the bill along to all Americans in the form of higher postage. Unbelievable. Simply unbelievable, but true. Sad, but true.

CONGRESSIONAL MAIL—A RESPONSE

(Mr. FAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAZIO. Mr. Speaker, I would like to respond to the gentleman from Pennsylvania [Mr. WALKER]. I just happened to be in the Chamber and heard the gentleman who spoke about congressional postage here a minute ago.

It is true that an opinion of the General Accounting Office under the Anti-Deficiency Act, requested, by the way,

by the Senator from Texas [Mr. GRAMM] and the Senator from Indiana [Mr. QUAYLE] and several others who were critical of the process we were attempting to use to honestly fund the shortfall that we had here in providing for our frank. That request that they made, yes, did in fact come forward with an opinion that the legislative branch has been deemed to have paid its bills sufficiently for the rest of the fiscal year.

Most of us here in the Congress were prepared to go forward in the proper manner with a supplemental appropriation to make sure that the funding was made up. We wanted to make a number of reforms in the process, limiting the number of newsletters, cutting down on the number of first-class computer letters that are sent out.

Even though we have a tremendous increase in the amount of mail coming in, we were prepared to make reforms in the amount of mail that we can send out, particularly in an election year.

The gentleman who was just speaking single-handedly has gone about the process of frustrating us in our desire to deal with this in a manner that we need to honestly fund that shortfall.

I regret very much that some will now hide behind this opinion, which has been sought by Mr. GRAMM and some of the critics of congressional mail.

□ 1300

So I would say at this point the record should show that the proper way to perform our duties here, proceeding with reforms in the congressional mailing process, has been frustrated. It has been frustrated by the very gentleman who just spoke out, seemingly placing himself on the side of the angels.

AN END RUN ON CONGRESSIONAL MAILING PRIVILEGES

(Mr. COBLE asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. COBLE. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, I think it is amazing to have the chairman of the appropriations subcommittee that is attempting to thrust another $45 million down the throats of the American people for congressional mail come up and make a statement like he just did.

It seems to me that what is clear is that this gentleman was attempting to say that we ought to live with the $100 million that we originally appropriated for mail. That is what some of the gentlemen in the other body are also suggesting, that we ought to live with that kind of appropriation process.

That is what we decided we were going to do earlier in this fiscal year, and now the gentleman wants to turn around and say those of us who wanted to save the money are, in fact, at fault for this particular ruling. That is not the case. What we are attempting to do is get some limits on the process, and the way that an end run has now been done is to get the whole process declared an entitlement.

I would remind the gentleman from California who just spoke that it was the Speaker himself who suggested about 2 weeks ago that if we could not get the appropriation through here, maybe we would just have to go out and get a way to have the post office pay for it. The fact is, that is exactly what has been done now. They have figured out a way for the post office to pay for our mail without our having to come up with the appropriation.

I think that is just incredible, given the fact that the American people are really very, very much concerned about this mailing process that is costing them now more than $100 million a year.

FUNDING THE SHORTFALL IN CONGRESSIONAL MAILING COSTS

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute.)

Mr. GLICKMAN. Mr. Speaker, in the interest of fairness, I yield to my colleague, the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Speaker, I appreciate my friend, the gentleman from Kansas, yielding.

What is really incredible is the hypocritical way we go about dealing with this issue on the floor. First of all, there was never any hidden method in our approach to funding the shortfall in mailing. It was clear very early on this year that, given Gramm-Rudman, given reductions imposed in the other body, given the shortfaff that was obvious very early on, that we needed to make some reforms in the way we handle our congressional mail and at the same time we needed additional funding to get to an honest figure.

A bipartisan group of Members of both the leadership of the Republicans and the Democrats got together. We reached an agreement and we brought that agreement to the floor as part of the supplemental appropriations bill.

The gentleman from Pennsylvania objected and indicated that he, himself, would stand in the way of dealing with this in an up-front and candid way, and as a result of not wanting to expose the colleagues on the floor who would vote responsibly in both parties, we took that provision out of the supplemental bill.

Today we find that the very people, the four Members of the other body who have been most enjoying this dilemma we face, who have sought this opinion, got an answer they did not expect. It is an old saw to know the answer before you ask the question if you are a good lawyer. These good lawyers did not know the answer they would get. The one they got, in effect, absolves us from being responsible. I regret that, I would still like to proceed in an honest way to make reforms in the congressional mailing process and to fund honestly what we need.

STICK WITH THE LOWER FIGURE FOR CONGRESSIONAL MAIL

(Mr. DIOGUARDI asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. DIOGUARDI. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, I think it needs to be made clear precisely what the gentleman from Pennsylvania was going to do with regard to franked mail. I was going to bring an amendment to the floor to strike the money in the supplemental bill. That is what the House did not want to vote on.

All I was suggesting was that the House ought to vote on the issue again, just as we voted on the issue before. When the original appropriation bill went through for legislative appropriations, the House specifically decided that it was going to lower the amount that was in the original bill. We made a specific determination out here that the gentleman from Ohio [Mr. MILLER] asked us to do, that we were going to stick with a lower figure for mail.

We found out that Members overmailed. So, therefore, that figure is a problem for us. All I was going to do was ask the House to stick with its previous position, or whether or not it was going to vote for more money for mail. The gentleman from California now admits that if the House had had that question posed to it, a lot of Members would not vote for the additional money.

Then I think we ought to live with what we have appropriated, and that is all this gentleman says. We ought to be able to live with $100 million. The gentleman from California is suggesting that it is hypocritical to bring such an issue to the floor, that it is hypocritical to suggest that Congress should be be able to live with $100 million in mailing expenses. I do not

regard that as hypocritical at all. I think it is a question that the American people deserve to have addressed and have addressed openly. I was prepared to do that through a voting process and that is precisely what the gentleman from California has sought to avoid.

LET US DEAL WITH THE MAILING ISSUE UP FRONT

(Mr. BOUCHER asked and was given permission to address the House for 1 minute.)

Mr. BOUCHER. Mr. Speaker, I yield to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. I appreciate my friend, the gentleman from Virginia, yielding.

Mr. Speaker, the gentleman is incorrect in where I was placing the term hypocrisy. That is one thing I think we can agree to.

I do not think it is hypocritical for the Members to deal honestly and up front with an issue that affects every one of us. Were we all to be required to go on a rollcall vote, and that may yet come, I am sure that a majority, a responsible majority, would vote in order that we not leave the Postal Service of what it really will cost to provide for the mail that we all know must go out.

What is hypocritical is that those Members who vote "no" know very well that their mail will be sent out, just as any who vote "aye." We all have the same dilemma. I happen to have sent out my first newsletter in 2 years most recently. I do not know how many the gentleman from Pennsylvania sent out, but I would guess it is probably somewhat more than I have sent.

That is not the issue. We are all individually in charge of the mail as it relates to our own offices. But the institution does have a certain responsibility to respond to people who write us. Contrary to popular belief, it is not all newsletters that we send out here. We send out a tremendous amount of mail in response to very deep concerns that our constituents have. They address those concerns to us and it is our responsibility to answer them. If we do not have enough funds to do that after May or June of this year, I do not think we have fulfilled our responsibility to the people who elected us.

The way to deal with that is not through some legal opinion that has been sought by our critics. It is to deal with the issue up front, and I am pleased to say that the Congress was prepared to do that until the gentleman from Pennsylvania [Mr. WALKER] intervened.

CONTINUED DIALOG ON CONGRESSIONAL MAILING

(Mr. MOLINARI asked and was given permission to address the House for 1 minute.)

Mr MOLINARI. Mr. Speaker, if the gentleman from California can hear me, I would just like to suggest to my colleagues who have been involved in this colloquy that we have a relatively short agenda today, and I think this is a very important topic that everybody is interested in.

I would make the recommendation that at the conclusion today, if we could get the two gentlemen who were involved in debate, and anybody else interested, that we get involved in a special order to continue the dialog. I think it would be very useful for the Members of the House.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. MOLINARI. I would be happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, I just signed up for a 60-minute special order for today and I will be very glad to discuss the topic at length at the end of the day. I think it would be very useful to have the whole thing aired.

Mr. Speaker, I thank the gentleman for his suggestion.

□ 1310

IMMIGRATION REFORM

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, last week I addressed this body on three separate occasions in special orders concerning the urgent need for immigration reform. Yet, despite my pleas for this legislation, despite the support of the President of the United States and the U.S. Senate, and despite the exploding growth of illegal entries along our border, the House Committee on the Judiciary has answered with stony silence.

In this context, a constituent recently sent me a startling article from my hometown paper, the Long Beach Press Telegram. This article is entitled "Undocumented Alien College Workshop Set." Undocumented alien, of course, means illegal alien.

The article actually advertises a college workshop for undocumented aliens. If you are an undocumented immigrant and you wish to enroll in a California State university, you wish to find out about employment opportunities or even apply for a scholarship, you can take this course and find out.

The article states the instruction will be both in English and in Spanish; the workshop being sponsored by the Compton Unified School District and California State University of Domingos Hills Student Affirmative Action Group. It appears now that we are going to not only not do anything in the House of Representatives, but some local governments are going to encourage more to come across because of the prospect of educational opportunities even with scholarships.

Mr. Speaker, one of the first things we should teach our children is that adults face up to their problems, no matter how formidable or how intractable they may be.

Is it not time the Committee on the Judiciary followed this prescription? We need immigration reform legislation not months from now, not weeks from now, but today.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, May 14, 1986.

TO ALLOW SUITS AGAINST THE UNITED STATES FOR DAMAGES BY CONTRACTORS IN ATOMIC WEAPONS TESTING PROGRAMS

Mr. GLICKMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1338) to amend title 28, United States Code, to allow suits against the United States for acts or omissions of contractors in carrying out the atomic weapons testing program, and to substitute the United States as the party defendant in suits brought against such contractors.

The SPEAKER pro tempore. The Clerk read as follows:

H.R. 1338

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 171 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"§ 2681. Certain civil actions involving the atomic weapons testing program

"(a)(1) Notwithstanding any other provision of this chapter, or section 2401 of this title, an action may be brought against the United States for money damages for injury to or loss property or for personal injury or death due to exposure to radiation based on an act or omission of a contractor in carrying out an atomic weapons testing program under a contract with the United States. In any such action, the United States shall be liable to the same extent as the contractor would be liable, and shall have available as

defenses only those defenses that would be available to the contractor.

"(2) Notwithstanding any other provision of this chapter, or section 2401 of this title, in any action brought against any person other than the United States for money damages for injury to or loss of property or for personal injury or death due to exposure to radiation based on an act or omission of a contractor in carrying out an atomic weapons testing program under a contract with the United States, the United States shall be substituted as the party defendant and shall have available as defenses only those defenses available to the contractor.

"(3) For purposes of any action described in paragraph (1) or (2), the contractor shall not be considered to be a corporation primarily acting as an instrumentality or agency of the United States.

"(4) Any action described in paragraph (1) or (2) shall, at the request of any party to the action, be tried by the court with a jury.

"(b) A contractor against whom an action described in subsection (a)(2) is brought shall promptly deliver all process served upon that contractor to the Attorney General. Upon certification by the Attorney General that the suit against the contractor is within the provisions of subsection (a)(2) of this section, an action commenced in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States for the district and division embracing the place in which the action is pending. For purposes of such removal, the certification by the Attorney General under this subsection conclusively that the action is within the provisions of subsection (a)(2) of this section.

"(c) In any action under subsection (a), the United States shall not be liable for interest prior to judgment or for punitive damages.

"(d) The judgment in an action under subsection (a) shall constitute a complete bar to any other civil action by the plaintiff, by reason of the same subject matter, against the contractor whose act or omission gave rise to the claim, or against any employee or agent of the contractor.

"(e) The Attorney General or a person designated by the Attorney General may arbitrate, compromise, or settle any action under subsection (a).

"(f)(1) No attorney may charge, demand, receive, or collect for services rendered, fees in excess of 25 percent of any judgment rendered, or any compromise or settlement made, in an action under subsection (a).

"(2) Any attorney who violates paragraph (1) shall, if recovery be had, be fined not more than $2,000 or imprisoned not more than one year, or both.

"(g) This section applies to actions pending on October 19, 1984, and to actions commenced after that date.

"(h) For purposes of this section, the term 'contractor' includes a contractor, or cost reimbursement subcontractor of any tier, participating in the conduct of the United States atomic weapons testing program for the Department of Energy (or any of its predecessor agencies, including the Manhattan Engineer District, the Atomic Energy Commission, and the Energy Research and Development Administration). Such term also includes facilities which conduct or have conducted research concerning health effects of ionizing radiation in connection with the testing under contract with the Department of Energy (or any of its predecessor agencies).".

(b) The table of sections at the beginning of chapter 171 of title 28, United States Code, is amended by adding at the end thereof the following:

"2681. Certain civil actions involving the atomic weapons testing program.".

SEC. 2. Section 1346 of title 28, United States Code, is amended by adding at the end thereof the following new subsection:

"(g) The district courts shall have exclusive jurisdiction of all actions under section 2681 of this title.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Kansas [Mr. GLICKMAN] will be recognized for 20 minutes and the gentleman from North Carolina [Mr. COBLE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in October 1984, the Department of Defense Authorization Act of 1985 was enacted into law. Included as a part of this act was section 1631, which has become known as the Warner amendment. The purpose of section 1631 was to substitute the United States for the contractors as defendants in actions arising out of the U.S. atomic weapons testing program. The act also provided that jurisdiction for these actions would be under the Federal Tort Claims Act.

As the law stands now, many of the pending actions may be subject to dismissal under provisions of the Federal Tort Claims Act or pursuant to the Feres doctrine. In fact, in a recent case decided by the U.S. District Court, Northern District of California, that is exactly what happened.

Prior to enactment of the Warner amendment, a cause of action was allowable against the Government contractors participating in the atomic weapons testing program. These causes of action were maintainable against the contractors in State courts, under State tort law and allowed for trial by jury. Pursuant to these contracts, the contractors would be indemnified by the United States for any costs of litigation, judgments, or settlements paid by the contractors.

The end result is that military and civilian persons who have suffered damages as result of the U.S. atomic weapons testing program have been left with no judicial recourse whatsoever.

This bill, sponsored by the gentleman from Virginia [Mr. BOUCHER] solves the problems created by the Warner amendment.

H.R. 1338 substitutes the United States as the sole defendant in cases arising out of the U.S. atomic weapons testing program, but amends the Federal Tort Claims Act so as to allow suits to be brought against the United States. The bill limits the United States to only those defenses which would have been available to the contractors. The bill also provides a right to a jury trial upon request.

It is simply a matter of justice and equity that we give these people back their right to a day in court.

And I might add parenthetically, Mr. Speaker, that most of these people were people who were exposed many, many years ago to the atomic weapons testing program in Utah and Nevada and had rights to sue for damages caused by exposure to radiation and the other damages due to atomic testing, and then, whammo, as result of the defense authorization bill, this one small provision that was put in there, they lost their rights to sue. They are without a remedy whatsoever.

H.R. 1338 does not comment on the merits of an individual case. It only gives these people the right to have their case heard in court to restore them to the same position they were in before the Warner amendment was adopted.

These people who have suffered injury or damage arising out of the atomic weapons testing program had this right before enactment of the Warner amendment. Given the nature of the contracts involved and the fact that ultimately the United States paid the bill, I don't think anyone can disagree that the United States is the proper defendant in this case. What is unfair is that by making the United States the defendant, the right of these individuals to have their case heard in court was taken away because the United States had no liability under the Federal Tort Claims Act. This bill basically restores the potential liability of the Government if the facts can be proven under the law.

I urge my colleagues to do the right thing today and vote in favor of H.R. 1338.

Mr. Speaker, I will be glad to yield to my colleague from Virginia [Mr. BOUCHER], but before I do so, I would like to compliment him for the extraordinary job he has done in getting this legislation to the floor and the fact that he has fought so hard for something which is right and the many, many people, including thousands of veterans in this country who were exposed years ago to atomic radiation, should owe him a great deal of gratitude.

Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. BOUCHER].

Mr. BOUCHER. Mr. Speaker, I thank the gentleman from Kansas [Mr. GLICKMAN] for yielding.

At the outset, I would like to commend the gentleman from Kansas for his leadership in bringing this matter to the floor today and also commend the gentleman from North Carolina

[Mr. COBLE] for his assistance and his support as well.

The single purpose of H.R. 1338 is to provide a day in court for the more than 250,000 individuals who were exposed to radiation as a consequence of the atomic weapons testing program.

Prior to the enactment of the 1985 Department of Defense Authorization Act, they had an effective remedy. They could sue the companies that conducted weapons tests under contract with the Federal Government. Given significant Government involvement in the planning and in the supervision of those tests, the contractors have historically been indemnified by the Government for any loss they may sustain as a consequence of judgments, settlements, or other litigation expenses arising from suits associated with those tests.

So historically, the Federal Government has been the finanically responsible party.

In 1984, the contractors who performed these tests for the Government came to the Congress and, in effect, asked that they be removed from the litigation loop. The device through which they suggested that occur was substituting the Government as the party defendant for the contractors whenever these cases are filed.

The contractors argued that since the Government indemnified them in any event, they should be excluded from the litigation altogether and the Government should be required to defend the suits and to satisfy directly any settlements or judgments that might be forthcoming.

The House Committee on the Judiciary in 1984 considered a bill that was reported by the Subcommittee on Administrative Law and Government Relations that would, in fact, have substituted the Government as the party defendant, but that bill also made a very important provision. That was to protect the rights of those who may have been injured as a consequence of the weapons tests to recover damages in court.

The right to sue would have been preserved in the bill that was considered by the Committee on the Judiciary in 1984. The full committee declined to act on that measure.

Thereafter, also in the year 1984, the conference committee on the fiscal year 1985 Department of Defense authorization bill included a provision in that report that substitutes the Government as the party defendant any time a weapons contractor was sued.

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Unfortunately at that time, no protections were included for those who might have been injured in the Atomic Weapons Testing Program, and since the Government was substituted as the party defendant under the Feres doctrine, men and women who were injured while in uniform are prohibited from suing and under the Federal Employees Compensation Act, civilian employees of the Federal Government are also barred from filing suit.

The net effect of that provision was to deny these individuals any remedy. H.R. 1338 is designed to address that injustice and to provide these individuals with a day in court. It would continue to allow the substitution of the Government for the contractors as the party defendant, but it would open the courthouse doors to those injured by giving the Government only the defenses that the contractors themselves could have used.

No longer would the Feres doctrine bar suits by men and women injured while in unfiorm, and no longer would the Federal Employees Compensation Act prevent civilian employees of the Federal Government from having their day in court.

The bill merely gives these 250,000 individuals the same rights they possessed prior to the adoption of the DOD conference report in 1985. They must still carry the burden of proof of showing exposure to radiation by being exposed to these tests. They must still carry the burden of proof of establishing their damages as a consequence of the exposure and they must still carry the burden of proof of the causal connection between the exposure and the damages they suffered; but they would have an opportunity to sue.

We owe them at least that much; justice and fairness demands no less. I urge my colleagues to join with us in the approval of H.R. 1338, and I thank the gentleman from Kansas [Mr. GLICKMAN] for yielding.

Mr. COLBE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Kansas [Mr. GLICKMAN] and the gentleman from Virginia [Mr. BOUCHER] have presented pertinent formation applicable to this bill, and I will not add to that.

I will note for the record, however, that this is a bill which has support from both sides on the aisle.

I have no requests for time, Mr. Speaker, and I yield back the balance of my time.

Mr. GLICKMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kansas [Mr. GLICKMAN] that the House suspend the rules and pass the bill, H.R. 1338.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend his remarks on H.R. 1338, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

EDUCATION RESEARCH AND STATISTICS AMENDMENTS OF 1986

Mr. WILLIAMS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2246) to extend and improve the National Institute of Education, as amended.

The Clerk read as follows:

H.R. 2246

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be referred to as the "Education Research and Statistics Amendments of 1986".

SEC. 2. EDUCATIONAL RESEARCH AND IMPROVEMENT.

(a) OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT.—Section 405 of the General Education Provisions Act (20 U.S.C. 1221e; referred to in this Act as "the Act") is amended to read as follows:

"OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT

"SEC. 405. (a)(1) The Congress declares it to be the policy of the United States to provide to every person an equal opportunity to receive an education of high quality regardless of race, color, religion, sex, age, handicap, national origin, or social class. Although the American education system has pursued this objective, it has not attained it. Inequalities of opportunity to receive high quality education remain pronounced. To achieve the goal of quality education requires the continued pursuit of knowledge about education through research, improvement activities, data collection, and information dissemination. While the direction of American education remains primarily the responsibility of State and local governments, the Federal Government has a clear responsibility to provide leadership in the conduct and support of scientific inquiry into the educational process.

"(2) The Congress further declares it to be the policy of the United States to—

"(A) promote the improvement of American education;

"(B) advance the practice of education as an art, science, and profession;

"(C) support educational research of the highest quality;

"(D) strengthen the educational research and development system;

"(E) improve educational techniques and training;

"(F) assess the national progress of this Nation's schools and educational institutions, particularly special populations; and

"(G) collect, analyze, and disseminate statistics and other data related to education in the United States and other nations.

"(3) For the purposes of this section—

"(A) the term 'educational research' includes basic and applied research, development, planning, surveys, assessments, evaluations, investigations, experiments, and demonstrations in the field of education and other fields relating to education; and

"(B) the terms 'United States' and 'State' include the District of Columbia and Puerto Rico.

"(b)(1) It shall be the purpose of the Office of Educational Research and Improvement (referred to in this section as the 'Office') established by section 209 of the Department of Education Organization Act to carry out the policies set forth in subsection (a). The Office shall be administered by the Assistant Secretary for Educational Research and Improvement (referred to in this section as the 'Assistant Secretary') established by section 202 of the Department of Education Organization Act and shall include—

"(A) the National Advisory Council on Educational Research and Improvement (referred to in this section as the 'Council') established in subsection (c);

"(B) the Center for Statistics established by section 406 of the Act; and

"(C) such other units as the Secretary considers appropriate to carry out the purpose of the Office.

"(2)(A) The Office shall, in accordance with the provisions of this section, seek to improve education in the United States through concentrating the resources of the Office on the following priority research and development needs—

"(i) improving student achievement;

"(ii) improving the ability of schools to meet their responsibilities to provide equal educational opportunities for all students, including those with handicaps, those of limited English-speaking ability, women, older students, part-time students, and students who are socially, economically, or educationally disadvantaged;

"(iii) collecting, analyzing, and disseminating statistics and other data related to education in the United States and other nations; and

"(iv) improving the dissemination and application of knowledge obtained through educational research and data collection, particularly to education professionals and policy makers.

"(B) The Secretary shall publish proposed research priorities in the Federal Register every two years, not later than October 1, and shall allow a period of sixty days for public comments and suggestions.

"(c)(1) The Council shall consist of fifteen members appointed by the President, by and with the advice and consent of the Senate. In addition, there shall be such ex officio members who are officers of the United States as the President may designate, including the Assistant Secretary. A majority of the appointed members of the Council shall constitute a quorum. The chairperson of the Council shall be designated by the President from among the appointed members. Ex officio members shall not have a vote on the Council. The members of the Council shall be appointed to ensure that the Council is broadly representative of the general public; the education professions, including practitioners; policymakers and researchers; and the various fields and levels of education.

"(2)(A) Except as provided in subparagraph (B), members shall be appointed to terms of three years.

"(B) Of the members first appointed—

"(i) five shall be appointed for terms of one year;

"(ii) five shall be appointed for terms of two years; and

"(iii) five shall be appointed for terms of three years;

as designated by the President at the time of appointment.

"(C) Any member appointed to fill a vacancy occurring before the expiration of the term for which the predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of a term until a successor has taken office.

"(D) An appointed member who has been a member of the Council for six consecutive years shall be ineligible for appointment to the Council during the 2-year period following the expiration of the sixth year.

"(3) The Council shall—

"(A) advise the Secretary and the Assistant Secretary on the policies and activities carried out by the Office;

"(B) review and publicly comment on the policies and activities of the Office;

"(C) conduct such activities as may be necessary to fulfill its functions under this subsection;

"(D) prepare such reports to the Secretary on the activities of the Office as are appropriate; and

"(E) submit, no later than March 31 of each year, a report to the President and the Congress on the activities of the Office, and on education, education research, and data gathering in general.

"(d)(1) In order to carry out the purposes of the Office under this section, the Secretary may conduct educational research; collect, analyze, and disseminate the findings of educational research; train individuals in educational research; assist and foster educational research, data collection, dissemination, and training; promote the coordination of education research and research support within the Federal Government and otherwise assist and foster such research; and collect; analyze, and disseminate statistics and other data related to education in the United States and other nations.

"(2) The Secretary may appoint, for terms not to exceed three years (without regard to the provisions of title 5 of the United States Code governing appointment in the competitive service) and may compensate (without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates) such scientific or professional employees of the Office as the Secretary considers necessary to accomplish its functions. The Secretary may also appoint and compensate not more than one-fifth of the number of full-time, regular scientific or professional employees of the Office without regard to such provisions. The rate of basic pay for such employees may not exceed the maximum annual rate of pay for grade GS-15 under section 5332 of title 5 of the United States Code, except that the pay of any employee employed before the date of enactment of the Education Research and Statistics Amendments of 1986 shall not be reduced by application of such maximum pay limitation.

"(3)(A) The Secretary may carry out the activities in paragraph (1)—

"(i) directly;

"(ii) through grants, contracts, and cooperative agreements with institutions of higher education, public and private organizations, institutions, agencies, and individuals; and

"(iii) through the provision of technical assistance.

"(B) When making awards under this subsection, the Secretary shall—

"(i) solicit recommendations and advice regarding research priorities, opportunities, and strategies from qualified experts, such as education professionals and policymakers, personnel of the regional education laboratories and of the research and development centers supported under paragraph (4), and the Council, as well as parents and other members of the general public;

"(ii) employ suitable selection procedures utilizing the procedures and principles of peer review; and

"(iii) determine that the activities assisted will be conducted efficiently, will be of high quality, and will meet priority research and development needs under this section.

"(4)(A) In carrying out the functions of the Office, the Secretary shall, in accordance with the provisions of this subsection, support—

"(i) regional educational laboratories established by public agencies or private nonprofit organizations to serve a specific region of the Nation under the guidance of a regionally representative governing board;

"(ii) research and development centers established by institutions of higher education, by institutions of higher education in consort with public agencies or private nonprofit organizations, or by interstate agencies established by compact which operate subsidiary bodies established to conduct postsecondary educational research and development;

"(iii) meritorious unsolicited proposals for educational research and related activities that are authorized by this subsection; and

"(iv) proposals that are specifically invited or requested by the Secretary, which meet priority research and development needs under this section.

"(B) Prior to awarding a grant or entering into a contract for a regional educational laboratory or research and development center under subparagraph (A)(i) or (A)(ii), the Secretary shall invite applications to compete for such laboratories and centers through notice published in the Federal Register.

"(C) Each application for assistance under subparagraph (A)(i) or (ii) as a regional educational laboratory or a research and development center shall contain such information as the Secretary may reasonably require, including assurances that the applicant will—

"(i) be responsible for the conduct of the research and development activities;

"(ii) prepare a long-range plan relating to the conduct of such research and development activities;

"(iii) ensure that information developed as a result of such research and development activities, including new educational methods, practices, techniques, and products, will be appropriately disseminated;

"(iv) provide technical assistance to appropriate educational agencies and institutions; and

"(v) to the extent practicable, provide training for individuals, emphasizing training opportunities for women and members of minority groups, in the use of new educational methods, practices, techniques, and products developed in connection with such activities.

"(D) No grant may be made and no contract entered into for assistance described under subparagraph (A) (i) or (ii) unless—

"(i) proposals for assistance under this subsection are solicited from regional educa-

tional laboratories and research and development centers by the Office;

"(ii) proposals for such assistance are developed by the regional educational laboratories and the research and development centers in consultation with the Office; and

"(iii) the Office determines that the proposed activities will be consistent with the education research and development program and dissemination activities which are being conducted by the Office.

"(E) No regional educational laboratory or research and development center receiving assistance under this subsection shall, by reason of the receipt of that assistance, be ineligible to receive any other assistance from the Office authorized by law.

"(F) The Secretary shall make available adequate funds to support meritorious, unsolicited proposals as described under subparagraph (A)(iii), and provide sufficient notice of the availability of such funds to individual researchers in all regions of the country.

"(5) The Secretary, from funds appropriated under this section, may establish and maintain research fellowships in the Office, for scholars, researchers, and statisticians engaged in the collection and dissemination of information about education and educational research. Subject to regulations published by the Secretary, fellowships may include such stipends and allowance, including travel and subsistence expenses provided for under title 5, United States Code, as the Secretary considers appropriate.

"(e)(1) In addition to the other responsibilities of the Office under this section, the Office shall carry out, by grant or cooperative agreement with a nonprofit organization, a National Assessment of Educational Progress which shall have as a primary purpose the assessment of the performance of children and young adults in the basic skills of reading, mathematics, communication, and other subjects and skills. Such a National Assessment shall—

"(A) collect and report at least once every five years data assessing the performance of students at various age or grade levels in each of the areas of reading, writing, and mathematics;

"(B) report, periodically, data on changes in knowledge and skills of such students over a period of time;

"(C) conduct special assessments of other educational areas, as the need for additional national information arises;

"(D) provide technical assistance to State educational agencies and to local educational agencies on the use of National Assessment objectives, primarily pertaining to the basic skills of reading, mathematics, and communication, and on making comparisons of such assessments with the national profile and change data developed by the National Assessment; and

"(E) with respect to each State which voluntarily participates in accordance with paragraph (5), provide for a statement of information collected by the National Assessment for each such State.

"(2)(A) The organization through which the Office carries out the National Assessment shall be responsible for overall management of the National Assessment. Such organization shall delegate authority to design and supervise the conduct of the National Assessment to an Assessment Policy Committee, established by such organization. The Assessment Policy Committee shall be composed of—

"(i) five members appointed by the organization of whom two members shall be representatives of business and industry and three members shall be representatives of the general public; and

"(ii) fourteen members appointed by the organization from the categories of membership specified in subparagraph (B).

"(B) Members of the Assessment Policy Committee appointed in accordance with subparagraph (A)(ii) shall be—

"(i) one chief State school officer;

"(ii) two State legislators;

"(iii) two school district superintendents;

"(iv) one member of a State board of education;

"(v) one member of a local school board;

"(vi) one Governor of a State;

"(vii) four classroom teachers;

"(viii) one elementary school principal; and

"(ix) one secondary school principal.

"(C) The Assistant Secretary shall serve as an ex officio member of the Assessment Policy Committee. The Assistant Secretary shall also appoint a member of the Council to serve as nonvoting member of the Assessment Policy Committee.

"(D) Members appointed in accordance with subparagraph (A)(i) and (ii) shall be appointed for terms for three years on a staggered basis.

"(3) The Assessment Policy Committee established by paragraph (2) shall be responsible for the design of the National Assessment, including the selection of the learning areas to be assessed, the development and selection of goal statements and assessment items, the assessment methodology, the form and content of the reporting and dissemination of assessment results, and studies to evaluate and improve the form and utilization of the National Assessment. The appropriateness of all cognitive, background, and attitude items developed as part of the National Assessment shall be the responsibility of the Assessment Policy Committee. Such items shall be subject to review by the Department of Education and the Office of Management and Budget for a single period of not more than 60 days.

"(4) Each learning area assessment shall have goal statements devised through a national consensus approach, providing for active participation of teachers, curriculum specialists, subject matter specialists, local school administrators, parents, and members of the general public. All items selected for use in the assessment shall be reviewed to exclude items which might reflect racial, sex, cultural, or regional bias.

"(5) Participation in the National Assessment by State and local education agencies selected as part of a sample of such agencies shall be voluntary.

"(e) The Secretary shall provide for a periodic review of the National Assessment. This review shall provide an opportunity for public comment on the conduct and usefulness of the National Assessment and shall result in a report to the Congress and to the President on the findings and recommendations, if any, stemming from the review. The Secretary shall consider these findings and recommendations in designing the competition to select the organization through which the Office carries out the National Assessment.

"(f)(1) There are authorized to be appropriated to carry out the provisions of this section $51,200,000 for fiscal year 1987 and such sums as may be necessary for each of the fiscal years 1988 and 1989.

"(2) Not less than 95 percent of funds appropriated pursuant to this subsection for any fiscal year shall be expended to carry out this section through grants, cooperative agreements, or contracts.

"(3) When more than one Federal agency uses funds to support a single project under this section, the Office may act for all such agencies in administering those funds.".

(b) TRANSITION PROVISIONS.—On the effective date of this Act, the property and records of the National Institute of Education shall be transferred to the Office of Education Research and Improvement.

(c) EMPLOYMENT LIMITATION WAIVER.—Notwithstanding the 3-year employment period limitation under section 405(d)(2) of the General Education Provisions Act, the Secretary may continue to employ for an indefinite period three individuals, selected by the Secretary, who are employed by the Office of Education Research and Improvement on the date of the enactment of this Act, were employed by such office on April 1, 1986, and were employed by the National Institute of Education under its excepted hiring authority immediately prior to employment by such office.

(d) TECHNICAL AND CONFORMING AMENDMENTS.—Section 401 of the Department of Education Organization Act (Public Law 96-88) is amended by striking subsection (c).

SEC. 3. CENTER FOR STATISTICS.

(a)(1) The heading for section 406 of the Act is amended to read as follows: "CENTER FOR STATISTICS".

(2) Section 406 is amended by striking out subsection (e) and redesignating subsections (f), (g), (h), and (i) as subsections (e), (f), (g), and (h), respectively.

(b) Section 406(a) of the Act is amended—

(1) in the first sentence by striking "Office" and everything that follows and inserting "Office of Education Research and Improvement, a Center for Statistics (referred to in this section as the 'Center').";

and

(2) in the second sentence by striking "an Administrator" and inserting "a Director".

(c) Section 406(b) of the Act is amended—

(1) in the first sentence by inserting ", and analyze," immediately after "collect";

(2) in paragraph (1) by inserting "if feasible, on a State-by-State basis," after "(1)";

and

(3) in paragraph (5) by striking "Education Division" and inserting "Department of Education".

(d) Section 406(c)(2) of the Act is amended—

(1) by striking subparagraph (A) and redesignating subparagraphs (B), (C), and (D) as subparagraphs (A), (B), and (C); and

(2) in subparagraph (A) (as redesignated in paragraph (1)) by striking "Director of the National Institute of Education," and inserting "Assistant Secretary,".

(e) Section 406(d)(1) of the Act is amended by striking "Assistant Secretary" and inserting "Secretary"

(f) Section 406(e) of the act (as redesignated in subsection (1)(2)) is amended—

(1) in paragraph (1)—

(A) by striking "(A)";

(B) by striking out the first sentence and inserting "The Center is authorized to furnish transcripts or copies of tables and other statistical records of the Office and make special statistical compilations and surveys for State and local officials, public and private organizations, and individuals. The Center shall provide State and local educational agencies opportunities to suggest the development of particular compilations of statistics, surveys, and analyses that would assist those educational agencies.";

(C) in the fourth sentence by striking "Assistant Secretary" each place it appears and inserting "Secretary"; and

(D) by striking subparagraph (B); and

(2) by striking paragraph (3); and

(g) Section 406(f) (as redesignated in subsection (a)(2)) is amended to read as follows:

"(f) There are authorized to be appropriated to carry out the provisions of this section and section 405(e) $20,000,000 for fiscal year 1987 and such sums as may be necessary for each of the fiscal years 1988 and 1989."

(h) Section 406(g) (as redesignated in subsection (a)(2)) is amended to read as follows:

"(g) In addition to its other responsibilities, the Center shall collect uniform data from the States on the financing of elementary and secondary education. Each State receiving funds under the Education Consolidation and Improvement Act of 1981 shall cooperate with the Center in this effort.".

SEC. 4. USE OF COUNCIL STAFF AND FACILITIES.

The National Advisory Council on Educational Research and Improvement, the Advisory Council on Education Statistics, and members of such councils may not use any staff, facilities, equipment, supplies, or franking privileges of the councils for activities unrelated to the purposes of the councils.

SEC. 5. SPECIAL PROJECTS UNDER THE SECRETARY'S DISCRETIONARY FUNDS.

(a) DISCRETIONARY PROGRAMS.—Section 583(a)(1) of the Education Consolidation and Improvement Act of 1981 is amended by striking ", including" and all that follows before the semicolon.

(b) PRIORITY FUNDING.—Section 583(b) of the Education Consolidation and Improvement Act of 1981 is amended—

(1) by striking "and" after the comma in paragraph (3);

(2) by inserting "and" after the comma in paragraph (4);

(3) by adding after paragraph (4) the following:

"(5) a National Diffusion Network program as described in subsection (c),";

(4) by striking "paragraph (4))" and inserting "paragraph (4) and not less than 34 percent of funds reserved for the purposes of this section in the case of the program referred to in paragraph (5))".

(c) NATIONAL DIFFUSION NETWORK.—Section 583 of the Education Consolidation and Improvement Act of 1981 is amended by adding the following subsection (c):

"(c)(1) The National Diffusion Network program under subsection (b)(5) shall be a national program that recognizes and furthers excellence in education by: (A) promoting the awareness and implementation of exemplary educational programs, products, and practices to interested elementary, secondary, and postsecondary institutions throughout the Nation; and (B) promoting the utilization of the knowledge, talents, and services of local staff associated with various educational excellence recognition efforts.

"(2) The program shall be directed towards improving the quality of education through the implementation of promising and validated innovations and improvements in educational programs, products, and practices, and through the provision of training, consultation, and related assistance services.

"(3) In carrying out the program the Secretary shall—

"(A) acquaint persons responsible for the operation of elementary, secondary, and postsecondary schools with information about exemplary educational programs, products, practices, and services;

"(B) assist them in implementing programs, products, and practices, which those persons determine to hold promise for improving the quality of education in the schools for which they are responsible by providing materials, initial training, and ongoing implementation assistance;

"(C) ensure that all such programs, products, and practices are subjected to rigorous evaluation with respect to their effectiveness and their capacity for implementation;

"(D) provide program development assistance toward the recognition, dissemination, and implementation of promising practices that hold the potential for answering critical needs and that have achieved credibility because of their effective use in schools; and

"(E) ensure that a substantial percentage of the innovations disseminated represent significant changes in practice for schools and teachers;

"(4) For the purpose of carrying out the program the Secretary is authorized to make grants to, and contracts with, local educational agencies, State educational agencies, institutions of higher education, and other public and nonprofit private educational institutions and organizations.".

SEC. 6. EFFECTIVE DATE.

This Act shall take effect October 1, 1986.

The SPEAKER pro tempore. Is a second demanded?

Mr. BARTLETT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Montana [Mr. WILLIAMS] will be recognized for 20 minutes and the gentleman from Texas [Mr. BARTLETT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2246, as amended, the Educational Research and Statistics Amendments of 1986.

The bill we are considering today is identical to the bill reported out of the Committee on Education and Labor with two agreed upon changes. The bill is the culmination of a series of hearings which the Subcommittee on Select Education held here in Washington, DC. It is also the product of extensive comments by and negotiations with representatives of the research and education community and the administration.

The bill is a bipartisan effort. I would like to express my appreciation to GUS HAWKINS, the chairman of the full committee and the Subcommittee on Elementary, Secondary, and Vocational Education and to Mr. JEFFORDS, the ranking minority member of the full committee. I would also like to express my thanks to Mr. GOODLING, the ranking minority member of the Subcommittee on Elementary, Secondary, and Vocational Education, to Mr. BARTLETT, the ranking minority member of the Subcommittee on Select Education, and Mr. KILDEE, a member of the full committee.

The bill reauthorizes the Department of Education's research and data collection functions for 3 years. Based on an agreement with the minority, the authorization level for research has been reduced from $55 million, the level agreed to at full committee, to $51.2 million. The $51.2 million figure reflects a 70-percent reduction from the fiscal year 1986 authorization level. The authorization level for data collection is set at $20 million. The authorization level for fiscal year 1988 and fiscal year 1989 is set at "such sums as may be deemed necessary."

The second change from the bill reported out of the full committee enables the Committee on Appropriations to fund the National Assessment of Education Progress out of section 406 of GEPA—data collection. It is the expectation of the Committee on Education and Labor that the Committee on Appropriations will in fact fund the National Assessment out of section 406 of GEPA because the Center for Statistics in the Office of Educational Research and Improvement is responsible for monitoring the National Assessment.

The bill also makes needed technical changes to bring about conformity between current law and the Department's decision to abolish the National Institute of Education and consolidate the functions previously performed by NIE into the Office of Educational Research and Improvement.

In addition, the bill changes the role of the advisory council from policymaking to advisory and clarifies some details of the council, including who is a voting member, provisions for replacement of members, and the duties of the council.

The important role played by our educational laboratories and research centers is retained and language is added to clarify procedures for recompetition and their relationship with the Department of Education.

In addition, the bill requires the Secretary to make available adequate funds to support meritorious unsolicited proposals and provide sufficient notice of the availability of such funds to individual researchers in all regions of the country. Additional requirements are included regarding peer review procedures and wide consultation in determining those projects or activities to be funded.

The bill also retains the National Assessment of Educational Progress and includes certain changes that strengthen and reaffirm its importance.

The bill also makes certain technical and conforming changes to the data collection responsibilities of the De-

partment, broadens the functions of the center, and modifies current policies with respect ot statistical compilations and surveys.

It also makes certain amendments to the National Diffussion Network, which will be described by Mr. KILDEE.

I urge my colleagues to support this bipartisan bill which reauthorizes the research and data collection functions of the U.S. Department of Education.

Mr. Speaker, I reserve the balance of my time.

Mr. BARTLETT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2246, the Educational Research and Statistics Amendments of 1986, addresses a necessary Federal function toward the goal of improving our educational system. This bill improves what was formerly known as the National Institute of Education, and will assist educators, parents, and policymakers to understand the impact of current educational practices so that those practices can be appropriately modified to the advantage of students of all ages.

In addition to what I believe are significant improvements in the structure of the research and statistics wings of the Department of Education, as continued in H.R. 2246, I rise in support of this legislation because it takes a reasonable approach to funding levels. H.R. 2246 sets the authorization level for what was formerly known as the National Institutue of Education at the fiscal year 1986 presequestration appropriation level of $51.2 million and allows for modest growth in the area of statistics in order to accomodate new requirements in the act. My preference would have been to freeze all authorization levels are due fiscal year 1986 appropriation level, but I do believe this legislation takes a major step toward assigning higher priorities to statistic, assessment dissemination.

I wish to recognize Congressman PAT WILLIAMS, chairman of the Subcommittee on Select Education, for his efforts on this bill. Chairman WILLIAMS has brought to the floor of the House, a bill that was initially mired in controversy. The legislation we are considering today represents a bipartisan effort, supported by the administration, with funding levels that represent a serious attempt to contain the Federal deficit. I congratulate Chairman WILLIAMS, and thank the gentleman for the cooperative approach he has taken toward the development of this legislation.

I take special note of those parts of this legislation which will ensure that the benefits of federally supported educational research will be disseminated in a usable form, to local educators and parents. Provisions in H.R. 2246 will improve the Department of Education's dissemination functions and give State and local educators more of a voice in determining the Department's research priorities. The bill will also generate more national data on a State-by-State basis, thereby improving the usefulness of this information to State educational agencies. The purpose of this legislation is to make Federal educational research accessible to the third grade teacher in Del Rio, TX and all parents and educators around the country.

This program has generated a fair number of detractors whose legitimate criticism of the National Institute of Education has in part led to many of the improvements contained in H.R. 2246. This legislation essentially codifies the reorganization of the Office of Educational Research initiated by the Secretary of Education, William Bennett. I am confident that this reorganization will prove to make the office more efficient, and the research more relevant to State and local educators.

This program and this legislation deserve congressional support because of the improvements being proposed in the program and because of the reasonable authorization levels contained in the legislation.

□ 1330

Mr. Speaker, I reserve the balance of my time.

Mr. WILLIAMS. Mr. Speaker, I want to yield time to my colleague and friend, the gentleman from Michigan [Mr. KILDEE], who has taken a big part in this legislation and helped to move it along to this point. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Speaker, I rise in support of H.R. 2246, the Education Research and Statistics Amendments of 1986. H.R. 2246 would help achieve the goal of quality education by promoting the improvement of American education, by strengthening the education and research development system, and by collecting, analyzing, and disseminating statistics and other data related to education in the United States.

In addition to the NIE provisions, section 5 of H.R. 2246 incorporates provisions from H.R. 147, which I introduced on January 5, 1985, and which is cosponsored by 78 Members of the House. These provisions ensure funding for the national diffusion network. The national diffusion network [NDN] was created in 1974 by the Department of Health, Education, and Welfare. Its objective is to carry out a congressional mandate to improve educational quality through the dissemination of exemplary educational programs to school districts throughout the United States. It is the only program in the country that has this objective. The NDN also provides assistance to school districts that wish to adopt and operate any of these programs. Though relatively small, the NDN as amassed an impressive record of success in meeting this objective.

Since 1974, the NDN has been fostering the improvement of educational practice in school districts in all 50 States, the District of Columbia, the Virgin Islands, and Puerto Rico.

This provision merely ensures funding under the Secretary's discretionary fund by moving it into tier I of this fund.

Currently, NDN programs are funded from tier II of the Secretary's fund.

The national diffusion network has been funded each year since 1977.

The provisions of this section would take no money away from any of the other programs currently funded by the Secretary's fund, since NDN programs have been funded from teir II of this fund since 1981.

This provision was supported by the chairman of the Select Education Subcommittee, which reported this legislation, and was cleared with the ranking minority member of the subcommittee. In addition, it was supported by the chairman and ranking minority member of the Subcommittee on Elementary, Secondary and Vocational Education and was adopted at full committee by unanimous consent.

Also incorporated into H.R. 2246 are provisions from H.R. 2210, which I introduced on April 24, 1985. H.R. 2210, adds two principals to the Assessment Policy Committee [APC], a body established by Congress to help assess education policymaking at the local, State, and Federal levels.

H.R. 2210 enhances the important task of assessing the achievement levels of children and young adults in the basic skills of reading, mathematics, and communication.

Congress mandated a national assessment of education progress when it enacted Public Law 95-561, the General Education Provisions Act [GEPA]. The APC is charged with the task of selecting the learning areas to be assessed, developing goals and assessment objectives, identifying appropriate methodology and ground rules for measuring educational progress and determining the form and content to the assessment's report, as well as the method of dissemination. The APC also conducts studies on how to improve the ultimate use of the national assessment.

Principals set the learning climate, are the curriculum leaders and are the ones who implement change in each school. They observe and assess the daily implementation of curricula. Secondary and elementary principals would bring to the APC a much needed perspective of the every day implementation and assessment of

curricula. This measure affords the utilization of this perspective.

Again, Mr. Speaker, I urge my colleagues to support H.R. 2246, which includes these important provisions.

Mr. BARTLETT. Mr. Speaker, I yield 5 minutes to the ranking member of the Committee on Education and Labor, the gentleman from Vermont [Mr. JEFFORDS].

Mr. JEFFORDS. I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of the bill before us, H.R. 2246, the Education Research and Statistics Amendments of 1986. I first want to thank all the Members involved from the two subcommittees: Mr. HAWKINS, the chairman of the full Education and Labor Committee; Mr. GOODLING, the ranking Republican on the Elementary, Secondary and Vocational Education Subcommittee; the chairman of the Select Education Subcommittee, Mr. WILLIAMS; and the ranking member of the subcommittee, Mr. BARTLETT for the outstanding work they have done in bringing this bill to the floor.

Further, I want to congratulate the Department of Education for working closely with all of us in a nonpartisan manner. Through all of these efforts we were able to ensure that the research and statistical data collection functions of the Department will continue, will respond more to field initiatives, and will serve the education community and the general public in a more efficient and effective manner.

With greater emphasis being placed on educational excellence through school reform and improvement, there is considerable need for data and reliable research regarding this Nation's schools. We need to have a consistent data base to better understand what is taking place in our schools today. Policy makers at all levels of education, local, State, and Federal, need accurate data in order to make informed decisions regarding the education of this country's children. Such decisions cannot be made without up-to-date, fundamental information about the education system we already have.

This bill reflects the new organizational structure of the Department's research, statistical and education improvement activities administered through its Office of Education Research and Improvement [OERI]. The focus of OERI is to improve the Nation's information base both in the amount of data collected and in its content; to broaden general understanding of educational outcomes through strengthened assessments such as the National Assessment of Educational Progress [NAEP]; to improve dissemination efforts; and to augment the knowledge of successful educational practices through research. For example, the value of peer review with respect to the awarding of education contracts for research has been reaffirmed. NAEP will include data that will allow state policymakers to make interstate comparisons of student achievement, and will include, for example, out-of-school 17-year-olds in its assessment. In addition, not only will the National Center for Statistics be authorized to collect and disseminate data, but it will have the authority to analyze the data collected. All of these factors contribute to the achievement of the overall purposes and goals of the Office of Education Research and Improvement, but more importantly, ultimately in more accessible information, sounder research, and improved educational performance.

I urge my colleagues to support this bill, so that we can continue to know what works.

Mr. BRUCE. Mr. President, I rise in support of H.R. 2246, the Education and Statistics Amendments of 1986 and commend the gentleman from Montana for bringing us a bill which recognizes the importance of these areas to education.

Too often when thinking about education, we forget that much of what is done today comes from a body of knowledge that has been collected, developed, and analyzed by experts in the field of education research. The recent education reforms enacted by States stem from federally supported education research; indeed, "A Nation at Risk" is based on the research and data collected and supported by the National Institute of Education. While we agree that education is primarily the responsibility of States and local governments, I hope we also could agree that the Federal Government should have the responsibility to provide important leadership in the field of education research. I believe that no other unit of government can as efficiently and economically support education research.

In my own district, the University of Illinois, which is home to the National Center for the Study of Reading, has been in the forefront of reading research. Work conducted by the center not only adds to the important body of knowledge necessary for advances in the field but will have direct results on the day to day practice in the classrooms. For example, the center has provided advice to publishers which will translate into important improvements in textbooks; they have also influenced State-wide teacher training and textbook adoption. "Becoming a Nation of Readers," a national report published by the center last year, synthesizes critical research in the field of reading and provides professionals with important understandings on the state of the art in teaching reading.

Mr. Speaker, much of this work would not have been possible without Federal leadership and support. And if education is crucial to this Nation's well being, than it is incumbent upon this Congress to provide support for the very stuff that fuels improvement in the education enterprise.

The bill we consider today contains a number of important aspects that deserve attention. H.R. 2246 will put into law a new reorganization that holds promise for a more logical and efficient operation than we had before. While I am disappointed to see the designation of the National Institute of Education removed, it is my hope that through this new organization, education research and the education community can be better served.

Further, the bill provides a greater opportunity for a balanced portfolio of research and improvement activities. Research initiated by the field is an important component to the overall research agenda. Unfortunately this area has suffered major cutbacks and in 1984 was completely eliminated. Part of the problem is created by sharp declines in overall funding for education research, which when coupled with long-standing institutional commitments, crowd out the potential for any new research initiated and conducted in the field. The consequences of this practice suggest that sparse and less diverse information will be available on which to base future decisions in education.

I believe this bill goes a long way toward correcting this problem. H.R. 2246 requires the Secretary to make sufficient funds available for unsolicited meritorious proposals. To insure this research is relevant, the bill requires the Department to publish proposed research priorities in the Federal Register and allow 60 days for public comments. Finally, the bill allows the National Assessment for Education Process, previously funded by the research account, now to be funded under section 406, the statistics account. This change reflects the new organizational placement of NAEP in the Department and will free up the needed resources for research activities allowed under section 405.

In closing Mr. Speaker the bill we consider today will reaffirm our commitment to education by supporting research and data-gathering activities. This bill will support the important body of knowledge which provides critical information to policy makers at all levels. I urge my colleagues to join me in supporting H.R. 2246.

Mr. BIAGGI. Mr. Speaker, it is my privilege and pleasure to rise today in support of H.R. 2246, the Educational Research and Statistics Amendments of 1986. One of the most important functions of the Department of Education is the production of high quality research and accurate information about the condition and quality of all levels of American education—from elementary through post graduate. To accomplish this task, in 1972, Congress established the National Institute of Education to assist in identifying and solving the problems in American education, to promote the reform and revitalization of our education systems, to strengthen scientific and technological aspects of education, to establish an educational research and development system, and to provide equal, high-quality educational opportunity for all regardless of race, color, religion, sex, age, handicap, national origin or social background. In 1974, Congress authorized the establishment of the National Center for Education Statistics, to collect and disseminate statistics and other data related to education in this and other countries. Last July, the Secretary of Education created the Office of Educational Research and Improvement by consolidating the National Institute of Education

and the National Center for Education Statistics along with the Center for Libraries and Education Improvement.

OERI contains five major units: the Office of Research, which carries out most of the familiar NIE research functions; the Center for Statistics, which retains most of the functions of the National Center for Education Statistics; Programs for Improvement of Practice, which primarily aims to inform the education community of the findings of researchers and of methods of exemplary education practices; Information Services, which serves to address the specialized information needs of parents, policymakers, journalists and scholars; and the Library Programs, which makes Federal grants available to support public and research libraries.

H.R. 2246 reauthorizes through fiscal year 1989 the research and improvement activities carried out by the OERI. This legislation is necessary to ensure the research and statistical information necessary to give the education community the necessary tools for improvement and advancement of education. H.R. 2246 provides for assessment of the performance of children and young adults in the basic skills of reading, math, communication and other necessary subjects and skills. It expands the Assessment Policy Committee to include an elementary and secondary school principal. This legislation continues support for labs and centers of research.

This bill expands the purpose of the National Center for Education Statistics to include the analysis of education and statistics as well as the traditional role of collection and dissemination of education information. H.R. 2246 also requires the Secretary of Education to fund the National Diffusion Network, which makes exemplary educational programs available for adoption by schools, colleges and other institutions, under the Secretary's Discretionary Funds.

H.R. 2246 enjoys bipartisan support, as well as the support of the administration. I commend Mr. WILLIAMS and Mr. BARTLETT in their tremendous efforts on behalf of this legislation, as well as Mr. KILDEE in his special initiative on behalf of those who use the National Diffusion Network, and in expanding the Assessment Policy Committee to include both an elementary and secondary school principal. In supporting H.R. 2246, we are supporting an improved national education data base; we are supporting the increased availability of research results to the local school systems and the individual teachers; we are supporting increased research and investigation of new and improved education methods; we are supporting the future of our children and our nation. It is imperative in this age when our education systems does not receive adequate support or funding, in this age when we are "A Nation at Risk," that we continue to support research and development of education ideas in our dedication to make this a nation at its best. I urge my colleagues to join me in supporting H.R. 2246.

Mr. BARTLETT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WILLIAMS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Montana [Mr. WILLIAMS] that the House suspend the rules and pass the bill, H.R. 2246, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to reorganize and improve research and statistics in the field of education."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WILLIAMS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2246, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

EXPRESSING THE SENSE OF CONGRESS WITH RESPECT TO AGRICULTURAL LOAN RESTRUCTURING

Mr. DE LA GARZA. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 310) to express the sense of Congress with respect to agricultural loan restructuring and interest rates, as amended.

The Clerk read as follows:

H. CON. RES. 310

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that—

(1) the Farm Credit Administration and the lending institutions of the Farm Credit System should take additional regulatory and administrative actions immediately to help alleviate the unusual financial situation facing many thousands of agricultural producers and farm lenders by providing additional time to resolve these problems in the agricultural sector, recognizing that such actions may be in the best interests of both the Farm Credit System and its borrowers when there is a reasonable prospect that the borrowers will eventually be able to repay the loan;

(2) the Farm Credit Administration and the Farm Credit System lending institutions should—

(A) facilitate and participate in agricultural loan restructuring programs;

(B) classify restructured loans as performing, provided that the payments, as restructured, are being made; and

(C) permit, to the extent feasible, the multiyear amortization of agricultural loan losses;

(3) before instituting a proceeding to foreclose a loan made to a borrower, the Farm Credit System should determine—

(A) the cost of foreclosure; and

(B) the cost of restructuring the loan, using a two-tier or other system of forbearance;

(4) if the Farm Credit System determines that the cost of foreclosure of a loan made to a borrower is equal to or exceeds the cost of restructuring the loan, the System should use restructuring rather than foreclosure. Such restructuring should include consideration of the use of the two-tier loan structure that is based on the borrower's ability to pay and under which—

(A) there would be a reduced interest rate applicable to the second tier of debt, containing the portion of debt the borrower is unable to fully service;

(B) portions of the outstanding principal balance in the second tier of debt are periodically reassigned to the first tier, containing the serviceable debt, so that the outstanding principal in the first tier remains constant; and

(C) there is an agreement that, during the period of the restructuring, all farm debt incurred beyond normal operating expenses would be subordinated to the restructured debt; and

(5) consistent with the purposes and objectives of the Farm Credit Amendments Act of 1985, the Farm Credit Administration should limit its involvement in System business affairs to only those situations where safety and soundness are primary concerns. The Farm Credit Administration should permit production credit associations, Federal land banks, and banks for cooperatives to have flexibility in adjusting their interest rates to more accurately reflect changing market conditions so as to remain competitive in agricultural lending, consistent with the capital needs of the System.

The SPEAKER pro tempore. Is a second demanded?

Mr. COLEMAN of Missouri. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas [Mr. DE LA GARZA] will be recognized for 20 minutes and the gentleman from Missouri [Mr. COLEMAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a very timely resolution in view of the terrible traumatic times that rural America and the producers of our food and fiber are experiencing at this point in time in our history.

Mr. Speaker, I urge every Member of the House to vote to suspend the rules and pass House Concurrent Resolution 310, as amended.

This legislation represents the strong feeling among the many Members in Congress who cosponsored it that wherever it is possible for Farm Credit System agencies to help farmers avoid foreclosure, everybody benefits by arrangements that keep the farmer on the land while he repays his debts.

I want to thank ED MADIGAN, the ranking minority member of the Committee on Agriculture, and ED JONES and TOM COLEMAN, the chairman and ranking minority member of the

Subcommittee on Conservation, Credit, and Rural Development, for their actions in facilitating timely consideration of the resolution. Also, I commend LINDSAY THOMAS of Georgia, the author of the resolution, for his tireless efforts in support of our Nation's farmers.

Last year, thousands of farmer-borrowers of the Farm Credit System went into bankruptcy or foreclosure under their farm credit loans. These loan liquidations and other adverse factors caused the Farm Credit System, the Nation's largest agricultural lender, to lose an unprecedented $2.7 billion.

The financial crisis facing the agricultural industry has continued unabated in 1986. Many more farmers are threatened with foreclosure or liquidation this year.

With respect to the Farm Credit System itself, if its loan losses increase, the System will be facing disaster and the prospect of a Federal bailout.

Under the plan proposed by the resolution, the Farm Credit System would consider restructuring of loans if the costs associated with foreclosure equal or exceed the costs of restructuring. This approach would reduce both the number of farm foreclosures and the losses to the Farm Credit System.

In addition, under the amendment to the resolution that is incorporated into this suspension, the Farm Credit Administration would be encouraged to give System institutions more flexibility in setting interest rates to farmers at levels that reflect market conditions and that will allow System institutions to be more competitive.

While this legislation shows compassion toward hard-pressed farmers, it also makes good sense. It is far better to allow a dedicated farmer, if at all possible, to stay on the land and work his way out of his difficulties—which in many cases are not of his making—than to move to foreclosure—when the farmer loses, the lender loses, and the rural community they both live in suffers.

Adoption of this resolution will send a strong signal to the Farm Credit System from Congress that we expect the System to prudently adjust its operating procedures to reflect the realities of the current severe depression in the agricultural economy.

Farmers, their lenders, and the Government must work together to overcome present adversities. The plan advanced by this resolution is a sound contribution toward meeting that challenge.

I urge speedy approval of the resolution.

For some it may be too late, to them we can only say, "we tried." To all the others, we pledge our concern and our cooperation within the art of the possible. We have limited resources and, yes, very limited areas wherein we can help; but the issue is of such magnitude and importance to all the American people, that we see it as a moral obligation to help. Hence, we try, and we try, and we try, and with the people of the United States behind us and the good Lord on our side, we hope to help as many as we can.

Mr. THOMAS of Georgia. Mr. Speaker, I rise in support of my resolution, House Concurrent Resolution 310, expressing the sense of the Congress endorsing a cost-effective plan to restructure the debt of the Farm Credit System.

The Farm Credit System is the Nation's largest agricultural lender. It is best recognized through the loans made by its various Federal land bank members, Production Credit Associations, and banks for cooperatives, which operate throughout rural America.

The customers and stockholders of the land banks are our farmers, and this House knows all too well that our farmers are locked in a desperate struggle for survival. The American farm family has been ravaged by droughts, embargoes, plunging crop prices, rising operating costs, and export markets decimated by the overvalued U.S. dollar.

As surely as crops depend on water, fertilizer, and the sweat of a farmer's brow, those same crops could never come out of the ground without credit. To stay in business, in good times as well as bad, a farmer must borrow to secure the resources demanded by modern agriculture.

But last year, thousands of farmers and ranchers throughout the Nation were forced into bankruptcy and foreclosure under the procedures of the Farm Credit System. In the process, the System lost an unprecedented $2.7 billion.

Under the leadership of our full committee Chairman DE LA GARZA, and our subcommittee Chairman ED JONES and our distinguished Republican colleagues, Mr. MADIGAN and Mr. COLEMAN, we have conducted extensive hearings to examine this problem. We have held a number of meetings with representatives of the Farm Credit System.

But first and foremost, we have listened to the men and women who love and farm our land. Their message is clear—the credit procedures employed in the past by the Farm Credit System are in many cases putting viable farmers out of business.

That is why I am here today in support of House Concurrent Resolution 310. This sense of the Congress resolution will not cost the taxpayers a dime. It will not direct by law that the Farm Credit System take any action that it deems imprudent.

What it would do is focus powerful congressional guidance on the issue of farm foreclosures. Those foreclosure orders are relentless, and they are bringing about a devastating and ironic result. The foreclosures are further depressing land values, eroding the equity of the remaining farmers, and ultimately may bring down both good farmers and the Farm Credit System itself. And because prices are depressed, the foreclosure sales themselves are in many cases not covering the defaulted loans.

Many of us have seen this crisis coming for well over a year. We told the FCS that its loan restructuring policies were forcing out of business its best customers. Sadly, those predictions have come true.

That is why on April 8 of this year, I introduced House Concurrent Resolution 310. This is a resolution similar to Senate Concurrent Resolution 122, introduced by Senators NICKLES and GRASSLEY.

I owe a special debt to members of the American Farm Bureau Federation, who have helped fashion the proposals of this resolution and who have been tireless advocates for their farm members. I personally want to thank my own Georgia Farm Bureau for its help.

The resolution calls on the Farm Credit System to use its regulatory and administrative authority to take six basic actions.

First, to allow farmers with viable farming operations to restructure their loans in such a way that they can pay off the balance of the loan with interest.

Second, to classify these restructured loans as performing, provided that the farmer meets his new payment schedule.

Third, to permit to the extent feasible, the multiyear amortization of agricultural loan losses.

Fourth, to compare the cost of foreclosure to the cost of forebearance through loan restructuring, and using restructuring when the cost is the same or less than foreclosure.

Fifth, when restructuring is feasible, to consider a two-tier system of repayment. This means dividing the amount of an outstanding loan into two parts or tiers.

The first tier would require regular payments of both interest and principal at a level which the farmer can reasonably be expected to pay. The farmer would be required to pay interest only, and at a reduced rate, for the amount of the unpaid loan that is held in the second tier. But as portions of the principal of the loan are paid off in the first tier, then a portion of the debt in the second tier would be shifted to the first tier. This means that eventually the entire amount of interest and principal would be repaid.

Finally, the resolution states the sense of the Congress that the Production Credit Associations, Federal land banks, and banks for cooperatives have flexibility in adjusting their interest rates to reflect changing market conditions so as to remain competitive in agricultural lending. The Farm Credit Administration should be involved in the System's business affairs only in those situations where safety and soundness is a primary concern.

This flexibility to meet market conditions must be fully consistent with the Farm Credit Amendments Act of 1985 and all relevant regulations de-

signed to protect the integrity of the System.

This final provision was added to the resolution to reflect the new information we have about the need for the System to be more competitive in light of today's lower interest rates. This provision has the support of the American Farm Bureau, the majority and minority leadership of the committee, and the U.S. Department of Agriculture.

This provision is relevant because the artificially high rates being charged to financially sound farmers are forcing them out of the Farm Credit System. Without these valued customers, the System will be doomed to fail, and a massive taxpayer bailout will be sought.

Mr. Speaker, my resolution would not mandate that the Farm Credit System make any changes in loan procedures that would endanger the stability of its resources. It puts no burden on the taxpayer. It simply expresses our view that farmers be given a chance to repay their debts, and it gives the Farm Credit System some guidance to extend reasonable consideration to its farmer-borrowers.

I am pleased to report that since I introduced this resolution on April 8, some 195 Members of Congress have joined as cosponsors.

I am also pleased that on May 8, the Farm Credit System reacted to this initiative by announcing a new system of guidelines for foreclosures. These guidelines incorporate an emphasis on restructuring loans rather than foreclosing.

While it is too early to see how these guidelines will be implemented in the field, I am encouraged by this development and congratulate the System for making the change.

Now we in the Congress have the chance to see that this momentum for reform continues. The Farm Credit System needs the support of the House to keep moving forward. This resolution gives it a mandate to look at its loan practices with a new eye, and to take reasonable and prudent action to prevent disaster.

Mr. Speaker, rural America echoes with the stories of desperate men and women who fought, and lost their fight, to save their land. Family financial ruin is a matter of routine. Illness, death, and suicide are not uncommon consequences.

I was a farmer before my constituents gave me the greatest honor of my life by electing me to the Congress of the United States. Now, in my native State of Georgia, farmers have stood knee deep in the dust of what is developing into the worst drought in our history.

Those farmers are my neighbors and my friends. They are part of the agricultural miracle that has made the United States the most powerful Nation on Earth. Now they are bruised and battered, but all they are asking is a chance to work their way out of debt.

I ask my colleagues to vote in support of this resolution, and to send a signal to the Farm Credit System that we want to keep our farmers on their land.

□ 1345

Mr. COLEMAN of Missouri. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to rise in support of House Concurrent Resolution 310. This nonbinding resolution expresses Congress' concern for the borrowers of the Farm Credit System by encouraging the Farm Credit System and the Farm Credit Administration to work with financially stressed borrowers.

The System should be commended for its announcement last week of a new loan restructuring policy to help troubled borrowers. The resolution we have before us today is very consistent with the new policy adopted by the System. The System announces that restructuring would be the preferred alternative when: First, the borrower has acted in good faith to manage his business affairs and has been cooperative with the bank or association; second, the borrower can present a plan with reasonable assumptions showing a high probability of return to financial viability as a result of the restructuring; and third, the alternative chosen will minimize any loss that will be borne by the other farmer-owners of the bank or association.

This resolution confirms Congress' support for the new policy adopted by the Farm Credit System. It expresses the sense of Congress that the Farm Credit System should restructure troubled loans rather than foreclosing when it is least costly to the System. Specifically, it encourages the Farm Credit Administration and the Farm Credit System to: First, facilitate and participate in agricultural loan restructuring programs; second, classify restructured loans as performing, providing the payments, as restructured, are being made; and third, permit, to the extent feasible, the multiyear amortization of agricultural loan losses.

House Concurrent Resolution 310 also encourages the Farm Credit System to compare the cost of foreclosing on a borrower to the cost of restructuring a loan. In cases where the cost of foreclosure is equal to or exceeds the cost of restructuring, the System should consider the two-tier debt restructuring.

Finally, the resolution encourages the Farm Credit Administration to limit its involvement in the day-to-day operations of the Farm Credit System and to allow some flexibility to the System in adjusting interest rates so that the System can offer more competitive rates.

I support the new policy on restructuring announced by the System, and I encourage my colleagues to show their support for actions taken by the System by adopting this resolution today.

Mr. DE LA GARZA. Mr. Speaker, I yield such time as he may consume to the chairman of the subcommittee, the gentleman from Tennessee [Mr. JONES], who has done yeoman work in this endeavor and in this area.

Mr. JONES of Tennessee. Mr. Speaker, I thank the gentleman from Texas for yielding time to me.

Mr. Speaker, I rise in support of House Concurrent Resolution 310, and want to express my sincere appreciation to the gentleman from Georgia [Mr. THOMAS] for his leadership and diligence on this important issue.

Farm operators across this Nation are continuing to suffer under the most severe economic crisis the agriculture industry has experienced in 50 years. As more and more farmers are forced against the wall, agricultural lenders are also finding themselves under tremendous pressure to balance loan forebearance against the difficult realities of credit worthiness.

The resolution we are considering makes it clear that Congress intends for the Farm Credit System to make every reasonable effort to assist its borrowers through sensible alternatives to foreclosure. Likewise, the Farm Credit Administration should practice reason in its regulatory responsibilities over the system by permitting prudent credit policies which are beneficial to both the system and its borrowers.

I was greatly encouraged last week when the leaders of the Farm Credit System announced plans to establish a systemwide policy to promote restructuring of troubled loans, and to seek authority from the Farm Credit Administration to reduce interest rates in order to remain competitive in agricultural lending.

I include an article from last Friday's Wall Street Journal which reports on the system's latest actions.

[From the Wall Street Journal, May 9, 1986]

FARM CREDIT SYSTEM LEADERS ACT TO AID BOTH HEALTHY AND TROUBLED BORROWERS

(By Albert R. Karr)

WASHINGTON.—Farm Credit System leaders announced a double-barreled plan aimed at retaining its borrowers who are in good financial shape while helping many who aren't so well off.

The Farm Credit Corp. of America, a policy group for the huge government-chartered, farmer-owned cooperative lending network, said its 37 member banks have agreed on the plan. The banks hope the plan will keep the beleaguered system viable and will head off any need to seek federal funds.

In recent months, many of the stronger farmer-borrowers have left the system to seek lower interest rates from commercial banks. To stem these departures, the member banks plan to present a blanket request today to the Farm Credit Administration, their federal regulator, that would permit interest-rate reductions for many farmers.

The plan most likely would supersede a raft of individual petitions for general or selective rate cuts that the banks have made to the administration, with mixed response, the Farm Credit Corp.'s president Brent Beesley told a news conference.

The banks will be seeking rate reductions generally of one-half to one percentage point, bringing rates to a range mostly between 10% and 11.5%.

While cutting rates might hurt some banks financially for a while, not doing so would result in a greater financial loss from the outpouring of disgruntled borrowers, officials said.

FEWER LOANS OUTSTANDING

The system's loans outstanding have shrunk by about $13 billion over the past 15 months, largely because of this borrower exodus, Mr. Beesley said. System banks' share of the nation's total farm debt has declined to 28% of the $200 billion total from 34% a year earlier.

The marketplace requires the rate reductions "regardless of the impact on current earnings," he said. The credit system had a net loss of $2.69 billion in 1985, and this week reported a loss of $206 million for the 1986 first quarter.

Mr. Beesley said the system will have to dip deeper into its reserves to keep operating, but if farm conditions don't worsen and the interest-rate changes are approved, he'd give 5-to-3 odds that the system's banks won't have to seek a federal bailout.

LINE OF CREDIT AUTHORIZED

Congress last December enacted legislation authorizing a Treasury Department line of credit for the system. Congress didn't approve specific funds, and required an appropriation for any funding that may be deemed necessary.

For borrowers in economic difficulty, system banks agreed to restructure as many loans as possible, or to show forbearance while the farmer seeks to get in shape to repay his loans, officials said. Many of the banks are already doing this, but a more uniform, concerted effort is needed, Mr. Beesley said.

The credit system is under congressional pressure to foreclose less on weak borrowers and stick with them longer. "We think that's good business, and we want to get on with it," said Delmar Banner, president of the Farm Credit Council, the system's Washington-based trade association.

The banks would restructure loans—often involving reduced obligations on repayment of principal or lower interests payments—whenever that wouldn't cause a bigger loss to the lender than if it forecloses, Mr. Beesley said.

But with farm finances having progessively worsened in recent years, some foreclosures are inevitable, he said. Most occur after the lender has worked with the farmer for two or three years in an effort to keep him financially afloat, usually with some debt restructuring, he said.

Probably one-tenth of those borrowers who are in bad financial shape will wind up being foreclosed, Mr. Beesley added.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. STANGELAND].

Mr. STANGELAND. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, as a coauthor of House Concurrent Resolution 310, I rise in strong support of the resolution. This resolution would urge the Farm Credit System to take immediate steps toward a restructuring policy for the debt of its financially stressed borrowers. It also encourages the Farm Credit Administration to permit the PCA's, the Federal land banks and the banks for cooperatives, to exercise flexibility in adjusting their interest rates to more accurately reflect changing market conditions.

During this fiscal year the focus has been on the immediate problems on one-third of our Nation's farmers who hold two-thirds of the agricultural debt. About one-half of this group, 100,000 to 125,000 farmers are at the point where substantial debt restructuring will be needed over the next 2 years to avoid liquidation, either voluntary or forced. Many of these farmers are in my district in Minnesota. A substantial reduction in debt load is absolutely essential. Only this will bring long lasting financial relief to these farmers.

House Concurrent Resolution 310 is another step in the direction of providing the help that is urgently needed by farmers who through no fault of their own have fallen on hard times. The Farm Credit System has a certain responsibility to these loyal farmers and borrowers. This resolution provides that the system carry out the procedures that are necessary to change the present attitude of the Farm Credit System from one of foreclosure to one of forbearance. And I urge my colleagues to support it.

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Mr. JONES of Tennessee. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Speaker, let me begin by thanking the distinguished ranking minority member of our subcommittee, our distinguished chairman, and my good friend, the gentleman from Georgia, for his efforts and leadership in this regard.

Mr. Speaker, I am pleased to rise in support of House Concurrent Resolution 310 introduced by my good friend from Georgia, Mr. Thomas.

The agriculture credit situation in this country is without question greatly distressed. The Farm Credit System lost $2.7 billion in 1985 and projections for 1986 are not bright. In the first quarter, nonaccrual loans increased $613 million to total nearly $6 billion. Other high risk loans increased $1.1 billion to $5.1 billion. Total capital for the Farm Credit System was $7.9 billion a $452 million drop from December 1985.

House Concurrent Resolution 310 expresses the sense of Congress that the FCS should restructure rather than foreclose on loans so farmers and ranchers with viable farming operations have a chance to succeed.

Reducing principal or dropping interest rates a couple points can make the difference between turning the corner or leaving the farm for producers who were caught in a situation they had no control over.

Specifically, the pending legislation, suggests that the FCS implement a two tier debt restructuring program. The first tier would include payments of interest and principal on an amount agreed to by the lender and borrower. The second tier would include all remaining debt and require only payments on the interest. As a portion of the tier one debt is paid off, debt would shift from tier two to tier one until all tier two debt is paid off.

As such, the suggested program is not one of debt forgiveness but rather debt restructuring to allow repayment over a greater period of time.

Clearly, the recent announcement by the Farm Credit System of a system wide plan to restructure troubled loans is a step in the right direction.

Under the FCS program, interest rate reductions, extended maturity dates, reductions in principal and accrued interest will be used to ease repayment by farmers and ranchers.

Actions like House Concurrent Resolution 310 and the program announced by the Farm Credit system are positive steps toward a better agriculture in the future. I commend all the cosponsors of House Concurrent Resolution 310, the American Farm Bureau and the Farm Credit System for their dedication and commitment toward a solution to the credit crisis in American agriculture.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon [Mr. ROBERT F. SMITH].

Mr. ROBERTS. Mr. Speaker, will the gentleman yield?

Mr. ROBERT F. SMITH. I yield to the gentleman from Kansas.

Mr. ROBERTS. Mr. Speaker, I rise today in strong support of House Concurrent Resolution 310. The farmers in my district, as well as those across the Nation are struggling to overcome the tough economic times that the entire agriculture industry is facing.

House Concurrent Resolution 310 expresses the sense of Congress that

the Federal Farm Credit System should take immediate steps to make its loan policies more flexible for struggling producers who have a chance of repaying their debts, or face stiff resistance in Congress to requests for funds to shore up the System.

Let me make it clear, this resolution is not advocating that the FCS should bankrupt itself with further bad loans, nor does it suggest that we would dig the farmers' credit hole any deeper. But there's a critical need for some common sense to balance the hard calculations against compassion and forbearance. I've visted with several farmers in my district that have presented workable, viable restructuring plans only to be told that forclosure is the only option that will be considered.

The goal of this resolution is to force the FCS to step back some from its hard line and work with financially distressed farmers and banks. By letting their calculators get ahead of commonsence, the FCS is fueling a new escalation of the crisis in farm country. We've been successful in the past in convincing Federal bank regulators that our small rural banks need need flexibility in farm lending. My hope is that the same will be true of the FCS.

I applaud the system's recently announced loan restructuring plans designated to assure a fair and consistent approach to working with distressed borrowers. I strongly urge the FCS to do everything in its power to insure that this new program is implemented as quickly as possible, and to insure that it is used.

Mr. ROBERT F. SMITH. Mr. Speaker, I rise as a cosponsor of this legislation to urge support of House Concurrent Resolution 310 by my colleagues.

The purpose of this bill is simple: it would give a financially strapped farmer the opportunity to restructure his loans rather than face foreclosure when there's a reasonable prospect that restructuring will lead to repayment of the loan.

Foreclosure and refinancing have always served as alternative on the opposite sides of a distressed farm's utlimate fate. This bill, however, provides a clear economic criteria to guide the Farm Credit Administratioin in its choice of one option or the other.

The FCA is encouraged to compare the costs of foreclosure to the cost of restructuring and proceed toward restructuring when it costs the same or less than foreclosure.

The matter of taking a home and business away from someone is always fraught human sorrow. But this bill gives us an opportunity to answer bad times in a way which is truly compassionate, as well as economically sound.

By definition, foreclosure represents failure. But those of us who have worked in, lived in and understand the life of farming and ranching know that failure of a business that is so completely at the whims of nature, Government, markets and the free enterprise system itself doesn't represent failure of a farmer or failure of a rancher.

Most often, farm or ranch foreclosures represent the results of a crippling series of bad circumstances.

There are, certainly, people who have simply chosen the wrong profession, and there are circumstances that show no hope of improvement.

In other words, we need to give the Farm Credit Administration a chance to foreclose if it is the absolute last resort. FCA won't follow loan restructuring processes when there is no reasonable chance to recover the business itself.

But where it's possible that we can lighten the burden of loans enough to once again make the business of farming viable, that must be our first choice.

Some in this Chamber feel that there's a price tag on every generosity Congress provides, in keeping with the old cliche that, "no good deed goes unpunished."

Well, the fact is that foreclosure sales seldom recapture the investor's total interest in a property. Every time we foreclose, the Government's financial loss simply compounds the human loss of the family involved.

Economically, this bill makes sense. Last year, FCA foreclosed on properties worth $2.7 billion when thousands of farmers and ranchers could not meet required payments on their loans.

The bill will open the door to recovery from failure. It will allow us to avoid some of the human anguish that follows the failure of a business when that failure is due to bad times rather than bad management.

And it will make a path to full recovery of Government's investments—slower, I grant, but much more surely than we would ever recover from simple foreclosure.

Few bills give Congress the chance to demonstrate its understanding of the human condition without costing us the proverbial arm and a leg.

When we have the chance—as we do today—we must seize it. Please join me in supporting today's passage of House Concurrent Resolution 310.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. SCHUETTE].

Mr. SCHUETTE. Mr. Speaker, I rise in strong support of House Concurrent Resolution 310, and I wish to commend the gentleman from Georgia [Mr. THOMAS], as well as the gentleman from Texas, Chairman [DE LA GARZA], the gentleman from Illinois [Mr. MADIGAN], the gentleman from Tennessee [Mr. JONES], and the gentleman from Missouri [Mr. COLEMAN], for their leadership on this issue.

Mr. Speaker, no farmer is immune from the effects of foreclosure. And while not all farmers face this tragedy now, all are threatened by it. When circumstances beyond the control of the farmer result in foreclosure, the land sold at auction, land which has plummeted in value in recent years, then later often brings even less than market value. When foreclosures increase, the amount of land on the market also increases. That, in turn, depresses land prices further, and solvent farmers find that their land value, the collateral for their loans, eaten away at an alarming rate, pulling them even closer to ruin.

The irony is that these fire-sale farm auctions often provide less money than could be secured by allowing viable farmers to restructure their loans.

This vicious cycle can and must be stopped. Rather than stand by while farmland is dumped on this depressed market, I ask you to support the bill before us today expressing the sense of Congress that the Federal Farm Credit Administration and its associated agencies and lending institutions should use their existing authority to restructure loans for viable farming operations instead of foreclosing, and to take other actions to help farm families.

I say, let us not foreclose—let us have forbearance. And I say, let us permit production agriculture to readjust and to reamortize loans—let us not foreclose on the hopes and dreams of farm families and production agriculture across this land.

I urge my colleagues to support this effort, to lend a hand, to have forbearance, not foreclosure, and to help American agriculture continue to prosper.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 1 minute to my colleague, the gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. I thank the gentleman for yielding time to me, and I commend the gentleman and the chairman of this distinguished subcommittee, the gentleman from Tennessee [Mr. JONES], for their great work in this effort.

Mr. Speaker, last year the Congress passed legislation reorganizing the Farm Credit System and setting up a mechanism through which the Federal Government could come to the aid of the system if it became necessary. Of course, the whole purpose of the restructuring was to try to avoid the necessity of Federal involvement. The Farm Credit System is an autonomous organization and I believe that the Congress should refrain from interfering with its operation as much as possible. With the possibility of a Federal

rescue of the system, though, I believe it is appropriate for the Congress to make its views known as how the FCS should handle its financial problems and how it should deal with farmers. For this reason, I became a cosponsor of House Concurrent Resolution 310 which is intended to let the FCS know what the Congress thinks.

First and foremost, the FCS should allow farmers with viable farming operations to restructure their loans in such a way that they can pay off the balance and interest. Obviously, if this can be achieved, it is in everyone's best interest. Second, I certainly believe that the FCS should restructure loans when it can be determined that foreclosure will be more costly to the system. If the value of the land is too low, everyone can lose on a foreclosure. When restructuring is feasible, I think consideration should be given to a "two-tier" system of repayment which would spread out payments in such a way that the farmer could reasonably be expected to service his debt.

It is important to note that the Congress is not mandating that the FCS make any changes in its procedures. It is still the responsibility of the FCS to set policies that will protect its own stability. The resolution does send a message from the Congress that we feel that the FCS should apply forbearance to its foreclosure policies. The response of the FCS to that message will be crucial in determining how we might respond if the FCS needs Federal assistance down the road.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 2 minutes to the gentlewoman from Nebraska [Mrs. SMITH], who looks after the interests of American farmers on the Appropriations Committee.

Mrs. SMITH of Nebraska. Mr. Speaker, I rise in support of House Concurrent Resolution 310, which would express the sense of Congress that we should encourage the Farm Credit System to practice forbearance and restructuring of farm loans.

I urge my colleagues to vote for this resolution in establishing that the concerns of our Nation's farmers and ranchers are indeed being heard and that we, in Congress, understand the problems they face and want to do all we can to see that the future of their farms is not further jeopardized.

This is the proper course of action to take since we have agreed as a body that past governmental policies are to blame for most of the present economic problems faced by our farmers. Our lending institutions have to be encouraged and allowed to operate in a manner to provide assistance to our beleaguered farmers. Our farmers and ranchers need more time to work out their financial problems.

Encouraging loan restructuring, and multiyear amortization of agricultural loan losses is a positive step in reaching the goal of putting the American farmer back on his feet and bringing financial prosperity back to agriculture. After all, agriculture did not get into this position in 1 year, and we should not expect that the typical farmer or rancher could dispose of his entire debt in 1 year.

The Farm Credit System [FCS] has the responsibility to help its client/owners regain the economic vitality that once was American agriculture, especially when it is the largest agricultural lender. It has more than $60 billion of the $200-plus billion in outstanding farm loans, and its loan authority is solely toward agriculture. This places it in the forefront of agricultural lending, and the lending practices that it follows will in large measure affect the other lending institutions who have already eased their lending policies.

In Nebraska alone, more than 1,200 farms have gone out of business between 1982 and June 1985. One primary reason was the high interest rates being charged to the agricultural sector. While most of the rest of the economy was enjoying falling interest rates, many lenders including the FCS were raising the rate of interest they charged farm borrowers.

The rates of interest being charged farm borrowers have a fairly large range. The rates are different for the various types of loans; for example, farm ownership loans vary between 12 and 13 percent while operating loans vary between 10.5 and 14 percent.

Another problem caused by the troubled farm economy is the escalation in bank failures. This, of course, was one of the reasons the Federal Reserve System, the FDIC, and the Comptroller of the Currency eased certain banking regulations, giving banks more flexibility to deal with troubled borrowers. Now farmers have a better chance of keeping loans current once the loans were rewritten with lower interest rates and payments.

With less pressure to put assets on the chopping block, values of farm property will slow in their, heretofore, relentless downward spiral. By keeping the existing farmers on their land, further erosion of land and machinery values can be halted. In addition, these farmers will be able to keep agricultural lenders like the FCS in business. The outcome, thus, has two significant effects: one, to maintain the family farm; and, two, to keep agricultural lenders viable and competitive with the rest of the economy.

I would also like to point out that I have already cosponsored the Landowner Protection Act of 1986, H.R. 4369, which addresses this problem in a similar manner. The primary thrust of H.R. 4369 is to require the FCS to restructure a loan if the cost associated with the foreclosure is equal to or exceeds the amount that a borrower can repay. This would in effect minimize losses for the FCS and probably would allow the FCS to lower interest rates.

My bill stipulates that any participating borrower would have to be a stockholder behind in his principal or interest payments and unable to make timely payments. Furthermore, the borrower would have to have gross annual sales of farm products in excess of $40,000 and derived greater than or equal to 50 percent of his gross annual income from agriculture in at least 2 of the last 5 years.

As I understand the matter, the Farm Credit System itself is on the brink of administratively adopting a loan restructuring plan similar to the ones contemplated in House Concurrent Resolution 310.

I insert in the RECORD a copy of a letter to me from the Federal Farm Credit Council, dated May 8, detailing the Farm Credit System's intentions, subject to the approval of the Farm Credit Administration (FCA).

In conclusion, I urge the Congress to vote for House Concurrent Resolution 310 to encourage the FCA to approve the system's loan-restructuring plans, or some variation thereof. But if the FCA fails to follow through, I will be urging the House to turn to my bill, H.R. 4369, in mandating this loan-restructuring plan forthwith. We must act swiftly and decisively to help keep many families on their land and their land off the glutted real-estate markets.

THE FARM CREDIT COUNCIL,
Washington, DC, May 8, 1986.

Dear Member of Congress:

During this week, the Farm Credit System has adopted Systemwide Guidelines and Definitions for Restructuring Troubled Loans. Pursuant to these guidelines, foreclosure is clearly the least desirable alternative. A copy of these guidelines is enclosed.

The system has also adopted this week the Farm Credit System Model Pricing Program. Upon approval by the system's regulator, the Farm Credit Administration, this new pricing program will give the system that ability to provide its borrowers with a wide range of products at competitive prices. The Model Pricing Program addresses concerns regarding the impact of competitive pricing on the earnings of the system. However, it is the opinion of the Farm Credit System that the marketplace requires the system to price its products competitively, regardless of the impact on current earnings. The system is not a "public utility" and cannot charge its current borrowers to cover problems resulting from a deteriorating agricultural environment and/or past errors in managing interest rate and/or credit risk. Borrowers with options are leaving the system; other borrowers are being unfairly treated.

We will keep you advised of developments regarding the implementation of the Guidelines for Restructuring Troubled Loans and

the FCA approval process for the Model Pricing Program.

Sincerely yours,

DELMAR K. BANNER.

FARM CREDIT SYSTEM ANNOUNCES LOAN RESTRUCTURING PLANS

WASHINGTON, DC.—The Farm Credit System today announced plans to implement a nationwide loan restructuring policy designed to assure a fair and consistent approach to restructuring the debt of financially stressed borrowers.

The loan restructuring policy has been endorsed by the presidents of the 37 Farm Credit Banks and was approved today by the board of directors of the Farm Credit Corporation of America. The FCCA is the central policy-making organization and spokesman for the Farm Credit System.

"This policy is an important step for the system and the nearly 900,000 farmers and ranchers that borrow from it," said H. Brent Beesley, president and chief executive officer of the FCCA. "The decisions made this week by system leaders clearly represent the beginning of a new era in Farm Credit."

The Farm Credit System also announced that it has developed a proposal for changing the way it sets interest rates. This proposal will be presented tomorrow to the Farm Credit Administration, the system's regulator.

The loan restructuring policy and interest rate plans are part of a business plan that is designed to enable the Farm Credit System to achieve the long-term strategic objectives and mission statement unanimously agreed to recently by the presidents of the 37 Farm Credit Banks and approved by the FCCA board of directors.

The Farm Credit System's mission is to be the premier provider of credit and financial services to farmers, ranchers, cooperatives and other eligible entities. "In other words," Beesley said, "We are going to serve American agriculture better than anyone else. The Farm Credit System is back," he added, "and I want our customers, our employees and our competitors to know it."

In regard to the system's proposal to change the way it sets interest rates, Beesley noted the system is under a great deal of pressure to lower its rates in many areas of the country.

"In our discussions with borrowers, farm groups, trade and commodity organizations and Congress, we are being told that the Farm Credit System needs to be more competitive in its interest rates," Beesley said. "As a result, we have developed a model pricing plan which we are going to discuss with our regulator. We know that FCA shares our concern about interest rates and that the agency is eager to review our proposal.

"What we are proposing to do," Beesley added, "is to develop a method of setting interest rates that will give the system the flexibility to adjust its rates according to changes in the market. This is preferable to our current method of setting rates which is based on an 'average cost of funds' approach. To get more competitive, we need to be able to price our products and services on an individual loan basis considering the competition, the risks involved and the costs incurred. We'd like to replace our traditional pricing strategy by moving to a marginal cost of funds strategy based on the yield curve of U.S. Treasury obligations."

A related element of the system's business objectives is to offer customers a variety of loan programs from which they can select the one that best suits their needs and financial situations. This includes both variable- and fixed-rate loans and a variety of amortization and repayment options.

Beesley noted that "Farm Credit leaders demonstrated in their meetings here this week their resolve to overcome the system's financial problems and make the difficult decisions on restructuring loans, cost of operations and pricing that must be made for the system to succeed."

FARM CREDIT SYSTEM GUIDELINES AND DEFINITIONS FOR RESTRUCTURING TROUBLED LOANS, MAY 6, 1986

GENERAL

The banks and associations of the Farm Credit System will administer troubled accounts with the objective of utilizing FmHA loan guarantees and other loan restructuring measures, including participation in federal- and state-funded interest rate buydown programs, as preferred alternatives to foreclosure.

Restructuring should be accomplished on a case by case basis when:

The borrower has acted in good faith to manage his business affairs and has been cooperative with the banks or association;

The borrower can present a plan with reasonable assumptions showing a high probability of return to financial viability as a result of the restructuring; and

The alternative chosen will minimize any loss that will be borne by the other borrowers/stockholders of the bank or association.

(Resolution #7 unanimously adopted by the FCS bank Chief Executive Officers on March 24, 1986, and the FCCA Board of Directors on April 2, 1986.)

The objective of these System Guidelines and Definitions for Restructuring Troubled Loans is to provide a reasonable alternative to foreclosure and property acquisition by:

1. Generating the greatest return of principal and interest to the FCS while protecting the interests of other stockholders.

2. Encouraging FCS participation in Federal and State programs which offer relief of financially stressed borrowers.

3. Standardizing key definitions which differentiate between normal forebearance and troubled debt restructuring and encouraging consistency in application.

FOREBEARANCE

Forebearance is the act of a creditor who refrains from enforcing contractual obligations, rights, or claims against borrowers when a debt falls due. Loan servicing actions such as rescheduling of principal and interest payments, change of installment dates, temporary forebearance of payments due, renewal, of unpaid principal and interest, agreed carryover, waivers, subordinations, etc., are examples of forebearance. The common characteristic of this type of restructuring is that the lender receives all that was agreed to in the original contract. There is no special accounting treatment since no concessions are granted.

Forebearance shall continue to be offered on a case by case basis to assist worthy borrowers provided the borrower is:

1. Acting in good faith to manage and operate the agricultural business properly;

2. Applying the proceeds of production (minus reasonable and necessary living and operating expenses) to the payment of debt obligations;

3. Maintaining the buildings, improvements, and farm assets in a reasonable state of repair;

4. Working out of the existing situation and has the resources to operate the agricultural business efficiently.

TROUBLED DEBT RESTRUCTURING

"A restructuring of debt constitutes a troubled debt restructuring if the creditor for economic or legal reasons related to the debtor's financial difficulties grants a concession to the debtor that it would not otherwise consider. That concession either stems from an agreement between the creditor and the debtor or is imposed by law or a court." (FASB 15)

The common characteristic is that the lender negotiates with the borrower and receives in return less than the lender had agreed to in the original loan contract. A Compromise of Indebtedness described in Section 4512 of the Regulations is a troubled debt restructuring. Troubled debt restructuring is subject to special accounting treatment as defined in Financial Accounting Standards #15.

Examples of loan servicing actions which constitute troubled debt restructuring are:

1. Transfer of real estate, receivables, or other assets to the lender to fully or partially satisfy a debt, including a transfer resulting from foreclosure or repossession.

2. Grant an equity interest to the lender to fully or partially satisfy a debt, unless the equity interest is granted pursuant to existing terms for converting the debt into an equity interest.

3. Modify the terms of a debt by:

Reducing the stated interest rate for a period of years, up to the remaining original life of the debt.

Extending the maturity date at a stated interest rate lower than the current market rate.

Reducing the principal amount of the debt.

Reducing accrued interest.

Troubled debt restructuring is to be considered on a case by case basis. The analysis shall document the potential cost and benefits of restructuring to the bank or association involved versus the loss which would likely occur using traditional methods of asset liquidation and foreclosure. Restructuring should be considered when the system will otherwise take a loss.

As a minimum the following factors are to be used:

1. The borrower is acting openly and in good faith, is caring for the collateral, has pledged or agrees to pledge all assets of reasonable value, has good farm management skills, and has a lifestyle adjusted to the current financial situation.

2. Complete and current balance sheets and income and expense statements will be obtained, analyzed and verified.

3. Complete and current appraisals and field reports should be made and analyzed. A projection of the lender's field realizable value of the collateral is to include expected movement of the market and the local level of stress.

4. A complete legal audit of the loan file is to be made to assure the sufficiency and accuracy of all loan documents.

5. The borrower is to present a workout plan and cash flow analysis using reasonable projections showing a high probability of orderly debt retirement as a result of the proposed restructuring.

6. Communication between all creditors is expected, especially the major long- and short-term lenders. Concessions from other creditors should be negotiated.

7. FmHA loan guarantees and interest rate buydown programs or any other Federal- or State-sponsored financial assistance programs should be utilized to the extent practicable.

8. The borrower should be advised to consult legal and tax counsel prior to finalizing troubled debt restructuring.

9. Normally principal should not be forgiven; it may be set aside on a deferred, reduced, or non-interest bearing note with a definite maturity.

10. Generally, the least cost alternative should be selected. While forebearance may be appropriate, debts that can clearly be collected through other means should not be restructured.

When restructuring troubled debt, certain operational issues should be addressed.

1. Troubled debt restructuring should be administered through one main focal point in each district. Districts are encouraged to establish a specialized loan restructuring unit to assist, coordinate, and control such cases. Prior to delegating restructuring authority to associations, districts should establish clear understanding and controls to realize consistent results.

2. Districts should develop a system to follow-up and supervise completed troubled debt restructuring actions to ascertain the case by case effectiveness.

3. Accounting treatment of all troubled debt restructuring shall be in accordance with Generally Accepted Accounting Principles.

4. Each district general counsel should review applicable state laws prior to implementation of these guidelines.

5. Nonaccrual loans shall be reviewed in accordance with Section 307 of the Farm Credit Act Amendments of 1985.

6. Periodic reports should be developed to provide the number and volume of loans and concessions granted according to each type of forebearance and troubled debt restructuring. The reporting data will be used to assess the overall effectiveness of these guidelines.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield 2½ minutes to the gentleman from Louisiana [Mr. MOORE], who is a hard worker in this Congress on behalf of family farmers.

Mr. MOORE. I thank the gentleman for yielding.

Mr. Speaker, I compliment the gentleman from Georgia [Mr. THOMAS] for offering this resolution. I am privileged to be on of his two original cosponsors.

I did so because this resolution is needed, it is needed to send a message to the Farm Credit Administration, that we are asking for the same kind of flexibility for farm loans in this country made by the Farm Credit System as lenders in general are now getting from banks across the country.

The Federal bank examiners were instructed some many months ago to allow two-tiering of loans all across the country in commercial banks. We have had some difficulty, some lack of understanding, some lack of communication in being able to arrange that; the same thing to the Farm Credit Administration, the Farm Credit System, for farmers. I find it very hard to understand why. It is illogical, and that kind of difference should not be there. This resolution will help straighten that out.

Many farmers across this country have been good debtors in the past, they have been good borrowers, they have been good farmers, they have been good business people, and through no fault particularly of their own, they are in trouble today. In Louisiana they are in trouble because we had three hurricanes last year, followed by a freeze, followed by a drought, and many years of low-crop prices, many years of increased foreign competition due to the high value of the dollar. A lot of that comes right back here in the Congress because of its deficit-spending problems.

So many of those farmers can work it out. They can be productive farmers again, they can pay off their loans if they are given any flexibility whatsoever in the restructuring or two-tiering of their loans.

□ 1410

That is what this resolution calls for. It needs to be done; it is being done for businessmen all across Louisiana and all across the country today, and it needs to be done for farmers as well.

The farmers, I think, those that should not have been in business, those that never had any equity, those that did not know how to really efficiently farm, they are out of business now. I do not think any of them are still in business.

We are not talking about if we do not do something like this beginning to lose those farmers that are very good at what they do. That is what we are asking for. Not that every farmer be kept in business; that is not our job. But it is our job to see to it that we give the Farm Credit Administration or see to it that they understand it is the Congress' intent that farmers are given the same flexibility in restructuring of their loans that other people are getting from commercial banks across the country by order of the Federal bank examiners and bank regulators.

There are farmers in this country that will go out of business this year unnecessarily if we do not see this kind of flexibility become part of the everyday procedures of the Farm Credit Administration.

Mr. COLEMAN of Missouri. Mr. Speaker, I yield such time as I may consume.

Mr. Speaker, I want to just close by commending our colleague, Mr. THOMAS, who originated this resolution in our committee and brought it forward. I think it is obvious that there is a lot of interest in the subject matter. In the 20 minutes that we had we have utilized all of our time here.

I think it shows that we are looking at the Farm Credit System and how it operates and we hope that this resolution sets the stage for better operation in the future.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. I thank the gentleman for yielding to me.

Mr. Speaker, the soaring rate of Federal orders for farm foreclosures is bringing about two devasting results. One is the stark human tragedy of a farm family forced off their land. The other is the increasing likelihood that the foreclosure action will recover only a fraction of the outstanding loan that led to the foreclosure in the first place.

The foreclosures and inadequate crop prices have depressed the value of farm land to record lows. Rather than continue to stand by while farm land is dumped on this depressed market, I urge my colleagues to support House Concurrent Resolution 310, which expresses the sense of the Congress that the Federal Farm Credit Administration and its associated agencies and lending institutions should use their existing authority to restructure loans for viable farming operations and to take other actions to help farm families while protecting the financial integrity of the Farm Credit System.

The Farm Credit System is the Nation's largest agricultural lender. Last year, in the process of losing $2.7 billion, it forced thousands of farmers and ranchers off their land. The irony is that these "fire sale" farm auctions often provide less money than could be secured by allowing viable farmers to restructure their loans.

Mr. Speaker, it is certainly no secret that the Farm Credit System will soon return to Congress to request additional appropriations. During deliberation of the issue I believe Congress should mandate a policy of forebearance rather than foreclosure outlined by House Concurrent Resolution 310. It will:

First, allow farmers with viable farming operations to restructure their loans in such a way that they can pay off the balance and interest. Such restructuring should be permitted when there is a reasonable prospect that the borrower will be able to repay the loan.

Second, compare the cost of foreclosure to the cost of forebearance through a loan restructuring, and implement restructuring when the cost is the same or less than foreclosure.

Third, when restructuring is feasible, consider a "two-tier" system of repayment. The first tier would include interest and principal payments on an amount within the capability of the farmer to service. Payment of interest only, at a reduced rate, would be required for the second tier of debt, which would be the remaining balance of the loan. As a portion of the principal is repaid in the first tier, portions of the outstanding principal balance would be periodically reassigned to the first tier.

Fourth, classify restructured loans as performing, provided that the payments are being made under the restructured arrangement.

In summary, House Concurrent Resolution 310, will cost no money. It will not mandate that the FCS make any changes in loan pro-

cedures that would endanger the stability of its resources. Instead, it provides a clear indication that the FCS should apply forebearance to its foreclosure policies if it expects the Congress to lend a sympathetic ear to its problems.

Mr. TOWNS. Mr. Speaker, I want to lend my support to House Concurrent Resolution 310, the House Agriculture Committee's resolution to restructure farm loans.

We cannot stand idly by while the Nation's small, family farmers go down the drain. The farm loan crisis is affecting all farmers but black farmers are being especially hard hit during this current crisis. In 1920, there were 1 million black farmers in the United States. In 1982 that number was 33,000, a drop of 97 percent. In 1910, blacks owned 16 million acres of farmland. By 1980 that number had dropped well below 4 million acres; in fact more Mississippi farmland is owned by blacks in Chicago than blacks in Mississippi.

Other industries have been supported by the Federal Government during periods of economic crisis. We certainly responded when Chrysler was in trouble; we've helped cities and countries like New York City, Japan and West Germany rebuild economically. And yet, we have turned our backs on the American family farmer. I realize that this resolution is only a concurrent resolution and that it does not have the binding effect of a law but I hope that it will act as a catalyst for a loan restructuring program by the Department of Agriculture. I know that Secretary Lyng is aware of this situation and I hope that he will reconsider his current position on this issue and act to save America's family farmers from annihilation.

Mr. COELHO. Mr. Speaker, I am pleased to be a cosponsor of the resolution we are considering today. There is no doubt that the crisis facing our Nation's farmers is continuing. They try to get credit to operate their farms and find there is none available. Additionally, many farmers are facing foreclosure because of their inability to service their present debt.

If we are going to prevent many thousands of farmers from losing their land and their way of life, we must take some action. Last week many leaders in the Farm Credit System came to Washington to give us a report on the current state of the system. It was apparent from this meeting that the system still faces some problems.

The resolution before us today is directed toward addressing these problems and insuring that our Farm Credit System remains responsive to the farmers it serves. The Farm Credit Administration and the Farm Credit System are urged to take immediate action to help farmers who are facing foreclosure. This can be done by permitting additional time to resolve any financial problems and by allowing loans to be restructured. The system is also urged to prevent foreclosure by using a two-tier loan restructuring plan whenever feasible.

We were also told last week that one of the biggest problems facing the system is the inability to reduce interest rates on their loans. Despite several requests, the Farm Credit Association has refused to permit the system institutions to lower their loan rates. Consequently, many farmers who have borrowed from the system in the past are getting their loans from other places where the interest rates are more favorable. This only threatens the future stability of the system.

Because of my concern about the continuing high interest rates being charged by the Farm Credit System, I have offered an amendment to this resolution. This amendment encourages the Farm Credit Administration to give system institutions more flexibility in setting interest rates, so they will more accurately reflect changing market conditions. This will allow the system to remain competitive in agricultural lending and be a continuing source of assistance to our Nation's farmers.

I hope this resolution will encourage the Farm Credit Association to help our farmers who are having financial problems. I urge my colleagues to support my amendment and to support the resolution before us today.

Mr. GEPHARDT. Mr. Speaker, I rise in support of the resolution offered by my colleague from Georgia, Mr. THOMAS.

The continuing rash of foreclosures has thrown thousands of families off the lands they have farmed for generations. And the situation worsens each day.

As lenders foreclose on more farms, and as that property is dumped onto a market already glutted with farmland, land values continue to drop—jeopardizing the equity of all farmers and the ability of farm lenders to stabilize their own long-run financial conditions. Often these "fire sales" net less money than could be secured by allowing hard-working farmers to restructure their loans and continue operations.

The rush to foreclose has led to nothing but a further downward spiralling of land values. And in Missouri, where land prices have dropped 30 to 40 percent in 5 years, we can't take any more of that.

This resolution puts Congress in support of a lender policy of forebearance rather than foreclosure. It states simply that lenders ought to make every effort to restructure loans before they consider foreclosure. Congress after all supported a restructuring of the Farm Credit System, restructuring to help the farmer—not just the lender. The loosened regulations should give lenders the tools to exercise more forebearance. We expect lenders to use these tools.

This resolution is no cure. Our crises in agriculture and land values are rooted in our low commodity prices. And without change in prices, the outlook remains bleak. Fully half of our farmers appear destined to lose part or all of their land. Half of this group will leave agriculture altogether. The devastation to families, communities, and entire regions will continue.

It is past time for action. Why has the administration not taken effective common sense actions to fight the economic holocaust in mid-America? Why has it invested its faith in star wars while remaining so willing to write off the American farmer?

I commend Mr. THOMAS for his efforts to reverse the downward spiral in land values, an important first step. I urge support for this resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. DE LA GARZA] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 310, as amended.

Mr. BONER of Tennessee. Mr. Speaker, I rise in strong support of House Concurrent Resolution 310, expressing the sense of Congress in support of a cost-effective plan to restructure the debt of the Farm Credit System.

The Farm Credit System is the Nation's largest agricultural lender. This important resolution expresses the strong feeling among Members of Congress that the Farm Credit Bureau should work with financially stressed farmer-borrowers to restructure their debt.

Last year, thousands of farmer-borrowers of the Farm Credit System went into bankruptcy or foreclosure because of their farm credit loans. These loan liquidations and other adverse factors caused the Farm Credit System, the Nation's largest agricultural lender, to lose an unprecedented $2.7 billion.

The financial crisis facing the farm community has continued unabated this year. Many more farmers are threatened with foreclosure unless farm debt is restructured.

House Concurrent Resolution 3 proposes that the Farm Credit System consider restructuring farm loans if the costs associated with foreclosure equal or exceed the costs of restructuring. This approach would reduce both the number of farm foreclosures and the losses to the Farm Credit System.

In addition, the resolution encourages the Farm Credit Administration to give the System more flexibility in setting interest rates that reflect market conditions and allow System institutions to be more competitive.

Adoption of the resolution will send a strong signal to the Farm Credit System that Congress expects the system to prudently adjust its operating procedures to reflect that hard realities of the severe depression in the agricultural economy. Continuing a policy of foreclosure when other alternatives are available is not only imprudent, but dangerous.

Farmers continue to be a vital part of our Nation's economy and we need to recognize that the well-being of those of us who are not farmers is dependent on restoring vitality to the farm community.

The resolution is an important step to correcting the credit crisis farmers face, and I join my colleagues in urging its adoption.

Mr. DASCHLE. Mr. Speaker, today the House of Representatives is considering House Concurrent Resolution 310, which I have cosponsored and which has my wholehearted support.

House Concurrent Resolution 310 expresses the sense of the Congress that the Farm Credit System should practice forbearance and restructure a farmer's loan rather than foreclose where there is a reasonable prospect that the farmer will be able to repay the loan. The resolution states that before foreclosing on a loan the FCS should determine the cost of foreclosing and the cost of restructuring the loan. If the cost of foreclosing exceeds the cost of restructuring, the FCS bank should restructure the loan.

The resolution also encourages the FCS bank to use a new two-tiered loan restucturing program. Under this program, the amount of the existing loan that the farmer could repay under existing terms would be placed in the

first tier. The proportion of the loan that the farmer could not repay under existing terms would be placed in the second tier. The farmer would not be required to repay the principal on the portion of the loan in the second tier and the interest rate on this portion of the loan would be reduced. As the farmer pays off the principal in the first tier, principal from the second tier would be moved into the first tier.

Finally, the resolution encourages the Farm Credit Administration, which oversees the system, to grant member banks more flexibility in setting the interest rate on farm loans.

Last year when Congress passed the Farm Credit Act Amendments of 1985, it created a new Farm Credit System Capital Corporation. One of the primary functions of this newly created Capital Corporation was to enable members of the Farm Credit System to better serve farmers through refinancing, reamortizing, or otherwise adjusting debts. Such activities would be undertaken in an effort to give a farmer every opportunity to stay in business.

Unfortunately, the full loan restruction authorities of the Capital Corporation have not yet been implemented. Hopefully, the sense of the House resolution we are passing here today will give the Farm Credit Administration a nudge in the right direction and a strong message that Congress is awaiting the full implementation of the Farm Credit Amendments of 1985. The Farm Credit System has only recently adopted "Systemwide Guidelines and Definitions for Restructuring Troubled Loans" and has also adopted the Farm Credit System Model Pricing Program, which awaits the approval of the Farm Credit Administration.

The Congress expects the Capital Corporation to practice forbearance and to make loan restructuring a high priority. This resolution confirms this requirement.

The question was taken.

Mr. ROBERT F. SMITH. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. JONES of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just debated.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXPRESSING SENSE OF CONGRESS WITH RESPECT TO PARTIAL LIBYAN OWNERSHIP OF FIAT

Mrs. BYRON. Mr. Speaker, I move to suspend the rules and agree to the concurrent reoslution (H. Con. Res. 315) to express the sense of Congress that the Secretary of Defense should defer the final award of a contract with respect to Defense Construction Supply Center Solicitation numbered DLA700-85-B-4-4607 (for the purchase of 178 crawler tractors) until Congress completes consideration of the Department of Defense Authorization Act, 1987.

The Clerk read as follows:

H. CON. RES. 315

Whereas the Government of Libya has been identified as aiding and abetting international terrorism;

Whereas it is the policy of the United States to seek to contain and deter further acts of terrorism sponsored by the Government of Libya; and

Whereas economic sanctions taken by the United States against Libya would be undercut by the inadvertent transfer of United States tax dollars to the Government of Libya: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that the Secretary of Defense should defer final award of a contract with respect to Defense Construction Supply Center Solicitation numbered DLA700-85-B-4-4607 (for the purchase of 178 crawler tractors) until Congress completes consideration of the Department of Defense Authorization Act, 1987.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentlewoman from Maryland [Mrs. BYRON] will be recognized for 20 minutes and the gentleman from Ohio [Mr. KASICH] will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Maryland [Mrs. BYRON].

Mrs. BYRON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Concurrent Resolution 315 would express the sense of Congress that the Secretary of Defense should defer award of a contract for procurement of 178 Crawler tractors until the Congress completes consideration of the Department of Defense Authorization Act for Fiscal Year 1987.

The Department of Defense is ready to award a contract for 178 Crawler tractors, required by the U.S. Marine Corps, to Fiat-Allis North America, Inc., the low bidder on the contract. But who is Fiat-Allis North America, Inc.? Fiat-Allis North America is a wholly owned subsidiary of Fiat-Allis Europe which, in turn, is wholly owned by Fiat-Allis, B.V., which is owned by International Co., which is owned by Fiat SPA. The complicating factor is that the Libyan Government, through the Libyan Arab Foreign Investment Co., holds a 15-percent ownership in Fiat SPA and has two members on Fiat SPA's 15-member board of directors. Thus, if the contract is awarded to Fiat-Allis North America, the Libyan Government would benefit from the award as a result of its ownership in Fiat SPA.

The low United States bidder on the contract filed a protest with General Accounting Office alleging that the award to Fiat-Allis North America would be improper because of the sanctions imposed by the President on economic relations with the Government of Libya. The Treasury Department, however, advised the General Accounting Office that the President's Executive orders precluding Government contracts with hostile foreign nations would not interfere with award of the contract to Fiat-Allis North America, because it is not substantially owned, managed or controlled by the Libyan Government

The Department of Defense has also taken the position that the Libyan Government interest in Fiat SPA would not prohibit the award of this contract to Fiat-Allis North America.

Mr. Speaker, it appears that we are in the interesting situation of having our Department of Defense send out its aircraft to bomb terrorist facilities in Libya and then shortly afterward award a contract which will benefit that same Government which has supported terrorist acts against the United States. That, I believe, is wrong. I also believe that we must convince the Secretary of Defense that it is wrong and should not be done.

Mr. Speaker, this resolution only asks for a delay. The Marine Corps, who will benefit from these tractors, has no objection to this delay. I think this should be done. Accordingly, I urge the adoption of this resolution.

Mr. KASICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Concurrent Resolution 315. This resolution would make the Secretary of Defense aware of our concern over a $7.9 million contract which is about to be awarded to Fiat-Allis North America, Inc. We are concerned because the Government of Libya holds a 15-percent ownership in Fiat SPA, the ultimate corporate parent of Fiat-Allis North America, thus would benefit from the award of the contract.

Many of us had thought that, when the President signed Executive Order No. 12543, which virtually ended economic relations with the Government of Libya, Fiat-Allis North America would be ineligible for the award of this contract, because of its connection with the Government of Libya. We were wrong. On May 5 the General Accounting Office denied a protest by the low U.S. bidder for this contract for manufacture of 178 Crawler tractors. It held that "in light of the position of the Department of State, in consultation with the Office of Foreign Assets Control, that an award to Fiat-Allis will not violate the Libyan sanctions regulations currently in

effect, we must deny this portion of the protest."

All this resolution would do is ask the Secretary of Defense to defer the award until the Congress completes its consideration of the Defense Authorization Act for Fiscal Year 1987. This will give Congress time to preclude the awarding of this contract to Libya.

Mr. Speaker, we must not allow that Government, which has flagrantly supported terrorist acts against our people, to reap the benefits of U.S. defense spending.

I urge all my colleagues to support this resolution.

□ 1420

Mrs. BYRON. Mr. Speaker, I yield 2 minutes to the chairman of the Subcommittee on Investigations of the Committee on Armed Services, the gentleman from Alabama [Mr. NICHOLS].

Mr. NICHOLS. I thank the gentlewoman from Maryland for yielding time to me.

Mr. Speaker, I want to add my strong support for House Concurrent Resolution 315, which would express my concern over the award of a contract to a corporation in which the Government of Libya has an ownership interest. I believe that we must convince the Secretary of Defense to defer the award of the contract until the Congress has had an opportunity to express its will in the Defense Authorization Act.

As my colleagues all know, I am a strong supporter of competitive procurement and the award of contracts to the lowest possible bidder. But I believe that because of the peculiar circumstances of this case, the contract should not be awarded to the lowest bidder. It is true that there is a complex corporate structure which connects the Fiat Co. of North America to the Government of Libya. It is also true that the 15-percent Libyan Government interest in Fiat SPA, the parent company, is a relatively small minority interest, and that the profits that the Libyan Government might derive would not be great.

Nevertheless, I object to our Government appropriations of any sort being used to provide any support to the government of Colonel Qadhafi. Accordingly, I support the resolution, which would defer the award of the contract pending an opportunity for the Congress to take additional action on this procurement.

I commend the gentleman from Indiana for introducing this resolution, and ask that the Congress give it strong support.

Mr. KASICH. Mr. Speaker, I yield 4 minutes to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH of Iowa. Mr. Speaker, I rise in support of House Concurrent Resolution 315. As just explained, all this resolution does is express the sense of the Congress that the Secretary of Defense defer the final award of a contract for the purchase of 178 crawler tractors until Congress completes consideration of the Department of Defense Authorization Act.

The question thus arises: Why occupy the attention of the House on this relatively small defense contract?

The answer is that delay in letting this contract called for by this measure is needed to enable Congress to review a situation which could potentially result in U.S. tax dollars being paid to the Libyan regime of Colonel Qadhafi.

When bids were opened on this solicitation in December of last year, the low bidder was Fiat-Allis, a wholly owned subsidiary of Fiat of Italy 15 percent of which is owned by the Libyan Government. Unless Congress has the time to make the necessary changes in current law to permit the President to waive certain defense contracting requirements, we stand on the threshold of awarding a U.S. military contract worth $7.9 million—the profits from which could go directly into the coffers of the world's preeminent terrorist.

For the President's efforts to isolate Libya economically from the civilized world to be successful, it is crucially important that the trade sanctions invoked in January be broadened to preclude U.S. Government purchases from companies controlled, in whole or in part, by Libya. If this is not accomplished, not only will Qadhafi be undeterred in his international outlawry, the U.S. campaign against terrorism will be discredited.

I am not generally enthusiastic about trade embargoes. In the past they have frequently hurt American producers more than foreigners, but if our embargo against Libyan terrorism is to be effective it must be complete.

To call Qadhafi a pariah while allowing him to profit from sales to the U.S. military makes a laughingstock of our foreign policy. No amount of public posturing can substitute for the sort of concrete action for which this resolution represents a necessary first step.

Mr. Speaker, I represent a plant in Bettendorf, IA, of the company which was the second low bidder on the contract tentatively awarded to Fiat-Allis. Last week that company announced its intention to close this facility. Company officials informed that loss of this particular contract was not the determinative factoring in its decision to close the plant, but the fact remains that loss of our industrial competitive edge, which is a function of public as well as private decisionmaking, has caused much of American industry to cut back employment and press for consolidation.

As long as Government is partly responsible for the loss of our competitive edge, it has a responsibility to walk the final mile for the American worker.

In the defense arena particularly, all Americans ought to be concerned that our industrial base not be dismantled.

While this resolution deals only with a small contract, it is symbolic, not only for the average American concerned for his or her job, but for the average citizen concerned for a responsible foreign policy.

Accordingly, I urge this House go on record to direct the administration to reconsider the folly of its contracting ways.

Mrs. BYRON. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. MCCLOSKEY].

Mr. McCLOSKEY. I rise today in strong support of House Concurrent Resolution 315.

At a time when the United States has bombed Libya, criticized numerous allies for not complying with economic sanctions and denounced Qadhafi for the terrorist that he is, the Pentagon is on the verge of awarding another military contract to an Italian firm with significant Libyan ownership.

This $7.9 million contract is for 179 Marine Corps crawler tractors. This resolution, which had the unanimous and bipartisan support of the Armed Services Committee shortly after I introduced it, urges the deferral of the proposed contract award, pending further consideration in the armed services authorization bill. It would be preferable for the administration to assert its executive power, cancel and rebid this contract.

The foreign firm scheduled to get this contract is Fiat-Allis which is wholly owned by Fiat of Italy. Fiat is 15 percent owned by Libya, which has two members on Fiat's board of directors.

It is difficult to see how we can demand full economic sanctions by our allies, while treating this relationship as insignificant.

The Pentagon has claimed it has no choice but to award the contract, and the GAO has also refused redress.

Surely if we have the power to bomb Libya, we have the power to modify this contract. As the distinguished chairman of the House Armed Services Committee, Mr. ASPIN, and the distinguished chairman of the Government Operations Committee, Mr. BROOKS, have noted in a letter to Secretary of Defense Weinberger, the administration has substantial legal authority and precedent to set aside a decision in the national security interest.

The American firm that was the low bidder on this contract, J.I. Case, an-

nounced last week that they were going out of business with some 1,500 American jobs being lost in Terre Haute, IN; Rock Island, IL, and Bettendorf, IA.

The some 625 employees facing economic tragedy at the Case plant in Terre Haute know the jobs would still be there but for the loss of four contracts totaling $18 million to the firm with the Libyan connection.

These workers, concerned neighbors, and indeed citizens throughout our great land cannot understand why our industrial base is being eroded by decisions like this.

These issues will be considered more extensively on other days, with other comprehensive legislation.

We want to send a message to the administration, the world, and our own citizens that we are serious about terrorism, that we are serious about economic sanctions and that we are serious about unnecessary and tragic erosion of our economic base. Thus, we should wholeheartedly support this resolution. The people, workers, and farmers of our Nation deserve no less. Surely revenues from our defense contracts should not be going into Qadhafi coffers of terrorism.

Mr. KASICH. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. I thank my colleague from Ohio for yielding me this time.

Mr. Speaker, I rise in support of this concurrent resolution. I regret that it is necessary for us to take this action.

It first came to my attention last summer that we had a problem with the competition from the Fiat Corp. It is one thing serious enough that our Defense Department contracts with contractors outside of the United States; not only does it lose jobs and lose taxes for this country, but it also, as has been discussed here, loses our industrial base, which is very vital to our national defense. But it became much more when we learned last December that the Fiat Corp., who had won the successful contract bid for these crawlers, was partially owned by Libya.

I do not understand why our President, the Defense Department, and our own General Accounting Office here in the Congress have allowed this to continue to happen. To allow the Libyan Government to use the profits from our own taxpayers to fund terrorism throughout the world, which we have found to be true, I think is just unacceptable.

I did not go on the gentleman's resolution because I thought that surely we could talk to the Defense Department, that the President would take action. I really do not understand why it has not been done up to this point.

I am certainly a supporter of competitive bids, about which the gentleman from Alabama just spoke a moment ago, but this is quite different. When we are contributing to their profit structure by buying from a partially Libyan-owned company, the Fiat Corp., we are funding terrorism ourselves. On one hand we say no; on the other hand we shovel them money.

I am sorry that this does not have the force of law. It is really not going to do anything unless the administration is willing to do something. But at least I think that the administration should be on notice that we do not believe that this is the proper action for our Government to take.

Mr. Speaker, I strongly support the resolution, but regret we have to take it.

Mrs. BYRON. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. EVANS].

Mr. EVANS of Illinois. Mr. Speaker, many of us recently saw Secretary of State Shultz on TV, talking about the antiterrorism measures agreed to by the allies. He said that the message of Colonel Qadhafi is, "You've had it, pal."

But that same day, the GAO said the Defense Department could award a million dollar contract to Fiat-Allis, a company owned 15 percent by the Libyan Government. What the Defense Department was saying in effect to Qadhafi was: "You've got it, pal."

Over the last year, Fiat-Allis has received an increasing number of U.S. defense contracts. Meanwhile, its American competitors have been laying off workers and closing their doors. Just last week Case IH announced that it will close three American plants, costing over 1,500 American jobs.

How can we possibly justify sending American servicemen to fight a terrorist regime that buys its bullets with the profits of our own industrial decline?

When our young people return from the service, they deserve the opportunity to find a decent job. Our defense dollars should be helping to build economic opportunity at home. And our Government should be committed to defending American jobs the way our servicemen are committed to defending American freedom.

The bill being considered today, House Concurrent Resolution 315, urges the Secretary of Defense to defer final award of the Fiat-Allis contract until Congress passes the fiscal year 1987 Defense authorization bill. This legislation is necessary because the administrative appeal to block the award was denied—even though it was supported by the chairmen of the House Armed Services Committee and the House Government Operations Committee.

At a recent Senate hearing, State and Defense Department officials testified that they have no choice under current law but to award this contract to Fiat. The resolution we are considering today would simply defer that contract until we have a chance to change current law. Mr. LEACH of Iowa and I have already introduced legislation to make the necessary change.

Allowing Colonel Qadhafi's terrorist regime to profit from U.S. defense contracts is unconscionable. Yet that is exactly what will happen if we don't pass House Concurrent Resolution 315 today.

I ask that you vote to ensure that U.S. defense dollars don't end up aiding our enemies. I hope you will join in supporting this important and timely legislation.

I applaud the gentleman from Indiana, FRANK MCCLOSKEY for offering this important resolution and I thank the gentlewoman from Maryland [Mrs. BYRON] and the gentleman from Ohio [Mr. KASICH] for their leadership on this issue.

□ 1430

Mr. KASICH. Mr. Speaker, just to close on this side, I think the resolution sends a clear message to the Pentagon, the GAO, and anybody else who is involved in this Federal Government that we want the award of this contract stopped.

Secretary Weinberger needs to understand, along with the President, that awarding this contract would do more to undermine confidence in the Department of Defense than $400 toilet seats and $110 diodes.

This is a gut issue—the American people want to put a stop to state-sponsored terrorism. We have sent a clear message. Let us carry through with it. We can stand together, Republicans and Democrats, and send a message not just to our Department of Defense, but around the world that we are serious about this economic boycott and about our commitment to defeat terrorism in the world.

Mr. BROOKS. Mr. Speaker, I rise in support of the resolution offered by LES ASPIN, chairman of the Armed Services Committee. Recently, Chairman ASPIN and I wrote Secretary Weinberger urging him to exercise his legal authority to cancel the award of the contract and to recompete the procurement—excluding Fiat-Allis or any other company controlled by a hostile government.

In that letter, we stated that "it is our firm belief that the U.S. Government, particularly the Department of Defense, should not be awarding lucrative contracts to any company which is substantially owned or controlled by foreign governments that are hostile to our country. With the award of this contract, we are indirectly providing financial support for Libya's sponsorship of worldwide terrorism."

DOD has asserted that Federal procurement law required them to award the contract to Fiat-Allis because the company was the lowest bidder. As Chairman ASPIN and I pointed out in our letter, the Competition in Con-

tracting Act, passed in 1984, allows agency heads to exclude companies from a procurement when it is in the public interest. I can't think of a more clearcut example of where the public interest would be better served than by using this exemption to deny a contract to a company controlled by Libya. DOD really dropped the ball on this one. They should have known that this was possible under the law. Now they are hiding behind the excuse that the law made them do it. This is ridiculous.

I urge all my colleagues to support this resolution.

Mr. HOPKINS. Mr. Speaker, I rise in support of House Concurrent Resolution 315 thereby expressing my concern over the apparent blind intention of the Department of Defense to award a $7.9 million contract to Fiat-Allis, of which 15 percent is owned by the Libyan Government.

This is the same Libyan Government responsible for the death of an American serviceman and hundreds of injured in the cowardly bombing of a Berlin disco a few weeks ago—the same government which has actively supported an international terrorist network stalking American citizens throughout the world.

How can the same Pentagon that a few weeks ago so successfully delivered our response to Mr. Qadhafi's terrorist attacks turn around and grant his government, on a silver platter, the opportunity to profit from an American defense contract? Mr. Speaker, this is not the first time I find inconsistencies in the decisions coming from across the Potomac, but I fear such a blunder will only undermine the hard fought moral victories President Reagan and Secretary Shultz extracted from our reluctant allies at the recent Tokyo economic summit.

I urge my colleagues to join me in supporting this legislation so we can directly address this problem during the upcoming Department of Defense authorization bill.

Mr. KASICH. Mr. Speaker, I yield back the balance of my time.

Mrs. BYRON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Maryland [Mrs. BYRON] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 315.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. BYRON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Concurrent Resolution 315, the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

STUDENT FINANCIAL ASSISTANCE TECHNICAL CORRECTIONS ACT OF 1986

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2329) to make technical corrections in the higher education title of the Consolidated Omnibus Budget Reconciliation Act of 1985, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. COLEMAN of Missouri. Reserving the right to object, Mr. Speaker, this is a bill which is purely technical in nature, and it makes some changes to the Omnibus Reconciliation Act on higher education. It has no opposition on this side of the aisle.

Mr. FORD of Michigan. Mr. Speaker, will the gentleman yield?

Mr. COLEMAN of Missouri. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Speaker, I rise today in support of S. 2329, a bill making technical corrections to the Consolidated Omnibus Reconciliation Act of 1986. This bill is essential to making the guaranteed student loan provisions of the act workable.

There are four corrections made by S. 2329. The first of these adds a phrase to the end of a sentence that was erroneously deleted in the printing of the reconciliation bill. The second provision corrects an erroneous reference. The third correction changes an inaccurate word, and the fourth provision changes the effective date for provisions from January 1, 1986, to July 1. This final change is needed because the education provisions of the act were completed in October and we contemplated a November or December passage of the act. However, the bill did not pass until April, making the effective dates retroactive.

When the Reconciliation Act was signed into law on April 7, there was great confusion about how the GSL provisions would be implemented. The Department of Education is to be commended for working with the higher education community to expeditiously develop guidelines that are workable and will allow for the smoothest possible implementation of the act. Those guidelines along with S. 2329 will maintain the efficient delivery of guaranteed student loans to students for the 1986-87 academic year. The only issue as yet unresolved is the payment to the guaranty agencies of their administrative cost allowances which is made mandatory by the Reconciliation Act. I do, however, expect that the Department will move quickly to provide this necessary funding to the agencies.

I urge my colleagues to join me in supporting S. 2329.

Mr. COLEMAN of Missouri. Mr. Speaker, I urge the House to adopt S. 2329 in the form that it was sent over to the House from our colleagues in the Senate. S. 2329 amends the higher education provisions of the Omnibus Reconciliation Act of 1985 by making technical corrections. The Omnibus Reconciliation Act of 1985 set into law a variety of money saving provisions in the Guaranteed Student Loan Program. These provisions once implemented will yield $830 million in savings over the next 5 years.

The bill contains three technical corrections:

Adds a phrase erroneously omitted during the printing of the bill;

Changes an incorrect reference;

Amends effective dates from January 1, 1986, to July 1, 1986;

There is very little one can say about a technical amendments bill, except to assure the Members of this body that this is indeed only a technical amendments bill. The purpose of the legislation is simple—it makes technical modifications to the various provisions contained in reconciliation which should of been made at the time of enactment.

As Members of this body will recall, the 1985 reconciliation bill was pronounced dead. Fortunately it came back to life, but because of the speed at which the bill then moved through the legislative process, the possibility of putting final touches on the legislation was eliminated.

By enacting S. 2329 we will complete these needed modifications and ensure the smooth operation of our student financial assistance programs.

Mr. JEFFORDS. Mr. Speaker, I rise in support of S. 2329, a bill making technical corrections to the higher education provisions of the Omnibus Reconciliation Act of 1985. Timely implementation of this legislation is important to ensure that our student loan programs continue to function smoothly under the mandates of budget reconciliation.

There is relatively little that I can add to the contributions made by BILL FORD and TOM COLEMAN in this floor discussion. S. 2329 merits the support of all Members because it will ease the administrative implementation of many of the changes made to our Federal student loan programs earlier this year in the reconciliation bill.

I am pleased that Congress has enacted the cost-saving and loan default prevention measures under budget reconciliation. These amendments, which are supported by the financial aid community, will save $830 million in our Federal student loan programs over the next 3 years without limiting student access. These amendments will reduce the occur-

rence of loan defaults and enhance the ability of lenders, guarantee agencies, postsecondary institutions and the Federal Government to make loan collections.

I urge my colleagues to adopt S. 2329.

Mr. COLEMAN of Missouri. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2329

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Student Financial Assistance Technical Corrections Act of 1986".

SEC. 2. (a) Section 16014(b) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (hereafter in this Act referred to as "the Act") is amended—

(1) by redesignating paragraphs (1), (2), and (3) as paragraphs (2), (3), and (4), respectively; and

(2) by inserting before paragraph (2), as redesignated by clause (1), the following new paragraph:

"(1) Section 428(c)(1)(A) of the Act is amended by inserting before the period at the end of the first sentence of such section a comma and the following: 'including the administrative costs of supplemental preclaim assistance for default prevention as defined in paragraph (6)(C)'.".

(b) Section 16016 of the Act is amended by striking out "section 435(d)(1)(D)" and inserting in lieu thereof "section 435(g)(1)(D)".

(c) The second sentence of section 16023 of the Act is amended by striking out "to the Secretary" and inserting in lieu thereof "by the Secretary".

(d)(1) Section 16041(b)(1) of the Act is amended by striking out "January 1, 1986" and inserting in lieu thereof "July 1, 1986".

(2) Section 16041(d) of the Act is amended by striking out "January 1, 1986" and inserting in lieu thereof "July 1, 1986".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 2329. The Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CONFERENCE REPORT ON S. 124, SAFE DRINKING WATER ACT AMENDMENTS OF 1986

Mr. WAXMAN. Mr. Speaker, I call up the conference report on the Senate bill (S. 124) entitled the "Safe Drinking Water Amendments of 1985."

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of May 5, 1986.)

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 30 minutes and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am very happy that today the House can give final approval to a new law to protect the American public from the growing threat of drinking water contamination.

House and Senate conferees have agreed upon amendments to the Safe Drinking Water Act of 1974, which should do much to help stem the serious and growing problem of dangerous chemicals leaking into our tap water from hazardous waste landfills, leaking underground gasoline storage tanks, and runoff from agricultural pesticides.

I am especially pleased the conferees have agreed that drinking water standards established to protect the public health should reflect the use of "the best available technology" for the removal of dangerous contaminants.

Both Houses have also agreed that a treatment technology of proven effectivenss, granular activated carbon, is feasible for the control of synthetic organic chemicals, a very common and very dangerous family of drinking water contaminants.

These provisions will go far in protecting the American public from pervasive health threats, including for example, the known carcinogen chloroform, which was found in 57 percent of the underground drinking water supplies in a recent EPA survey. EPA will be required to dramatically tighten the very weak current standard for chloroform under this legislation to reflect the use of GAC technology, which has been proved effective for the control of this substance and other dangerous byproducts of the disinfection process.

I want to congratulate the distinguished ranking minority member of the Health and the Environment Subcommittee, Representative MADIGAN, for his initiative and effort which played a key role in the development and passage of this legislation.

Mr. MADIGAN. Mr. Speaker, I yield 3 minutes to the gentleman from Idaho [Mr. CRAIG].

Mr. CRAIG. Mr. Speaker, I would like to thank my colleague for yielding.

I regretfully rise in opposition to this conference report because it requires the States to establish wellhead protection programs and establish wellhead protection areas.

I want to take this opportunity to alert my colleagues to the fact that this legislation could establish Federal jurisdiction over ground water, a resource traditionally left under local State control.

Supporters of this provision may claim that the language in this report was drafted purposely broad in order to insure that State and local governments retain their traditional jurisdiction. If this is the case, then I am uncertain as to the intended purpose of this provision. According to section 205, the Governor is instructed to submit a State plan to the Administrator of the Environmental Protection Agency that outlines a program to protect wellhead areas from contaminants which may have adverse impact or effect on the health of persons.

The report further stipulates that the State must modify and resubmit the plan if it is found to be inadequate by the Administrator.

In my opinion, this constitutes the beginning of Federal jurisdiction and Federal control over underground water.

Although the commendable intention of the conferees reportedly was to retain the State and local jurisdiction over ground water, I am unsatisfied with the means employed to accomplish the end that they set out to deal with. Broad and indefinite language is a two-edged sword and all of us here in the Congress know that so very well.

I am concerned that this section could encourage lawsuits against the Governor or the States should the State ground water plan be rejected by the EPA or should the State fail to implement it during a time period deemed appropriate by citizens.

How well I have watched the water quality standards of EPA and their impact upon my State of Idaho and the great difficulty we have had arriving at a plan, when in fact we have not yet accomplished it.

Another problem arising from the overly broad language is found in the sentence I quoted earlier. Specifically, the State submitted plan must protect wellhead areas from contaminants which may have any—and I repeat—any adverse effect on the health of persons.

Mr. Speaker, such a directive could require the State to develop a program to protect against an indefinite number of substances, since almost any substance may have some effect on the health of persons.

This requirement could open the door to lawsuits by citizens who deem certain substances other than those determined by the State to be hazard-

ous if they are not included in the plan.

Mr. Speaker, I join every American and I think every Member of this Congress in a desire for clear, clean, safe drinking water; however, I must oppose this bill on grounds that I think it establishes unprecedented and unacceptable Federal jurisdiction over ground water regulations, and ground water controls that have been traditionally those of State responsibility.

Mr. WAXMAN. Mr. Speaker, I am pleased to yield 5 minutes to the gentleman from Ohio [Mr. ECKART].

I want to point out the important contribution the gentleman has made to this legislation before us. It has taken us two Congresses to adopt this compromise and his leadership in the previous Congress working on this legislation was very significant. I do not think we would be here at this point without his efforts.

Mr. ECKART of Ohio. Mr. Speaker, I thank the gentleman for his very kind remarks.

I would like to return the compliment to my friend, the gentleman from California, and to my colleague, the gentleman from Illinois, without whose persistence and consistent support of enacting strong safe drinking water protections for the Nation's consumers' drinking water, we would not be here today. Indeed, as the gentleman from California suggested, we first introduced this bill and testified before his subcommittee in June of 1983.

I believe this is a critical environmental issue and one of great significance.

In juxtaposition to the previous remarks of my colleague, the gentleman from Idaho, let me say that I do think it is a national problem. Twenty-two percent of the Nation's small water systems and at least 37 percent of the large water systems supplied by ground water already have at least one volatile organic contaminant. Ten billion gallons of liquid hazardous wastes every year are dumped into land. The land, we have discovered, is not a veritable sponge capable of soaking up these wide varieties of different forms of carcinogens in a veritable stew, overflowing with substances that are injurious or suspected of being injurious to our health.

□ 1445

If we focus for but a moment on the impact on rural America, let me tell my colleagues that a Cornell study discovered that at least half a million rural families in America are drinking water that, if it was found at a public bathing beach, would be labeled unfit to swim in, let alone to drink.

Over 700 contaminants have been identified in our water. Yet EPA since 1974 has been able to regulate fewer than 25. The gentleman from Illinois [Mr. MADIGAN], the gentleman from California [Mr. WAXMAN], and I discovered that you can lead EPA to water, but you cannot necessarily make them regulate it. That is why the amendments we bring forward today in this appropriate piece of key environmental legislation are long overdue.

Sixty-four thousand violations in 1984 of current drinking water standards have occurred, while enforcement actions indeed have been few.

Mr. CRAIG. Mr. Speaker, will the gentleman yield for a question?

Mr. ECKART of Ohio. I would be happy to respond.

Mr. CRAIG. I thank the gentleman for yielding.

Mr. Speaker, I earlier expressed my concern on this issue. We all know, with any limited knowledge of underground water, that water takes on the character in chemicals and metals of the area or aquifer in which it flows.

We have found in many instances in the Clean Water Act, and now I fear with this act, that those uniquely different areas, are not spoken to in the law. What happens to a State plan where there are natural substances in an area that are at levels historically acceptable and can certainly not be changed, the citizens of that area drink the water, but a national plan and a national standard says, "No, that does not meet the Federal requirements. The State says change but the Feds say we cannot amend it just for your locale or we would have to change it for every place in the Nation."

Is that not Federal jurisdiction over local or State water rights?

Mr. ECKART of Ohio. If I could reclaim my time, Mr. Speaker, I would point out to the gentleman that under the conference report there are extensive negotiations that must take place between State EPA's and the U.S. EPA in arriving at those locally agreed to standards.

It would be my hope that in this important Federal-State partnership that the peculiarities of local problems particularly would be addressed at sole-source aquifer provisions of importance on Long Island and in the State of Washington. I think that is the kind of mechanism that would be helpful.

Mr. CRAIG. Mr. Speaker, would the gentleman yield for just one more comment?

Mr. ECKART of Ohio. Let me yield first to my friend, the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. I thank the gentleman for yielding.

Mr. Speaker, I want to point out that under this legislation the Federal Government has primacy to set the standards to protect the public health. That is the significant aspect of this legislation.

Mr. CRAIG. Mr. Speaker, would the gentleman yield for one more comment?

Mr. ECKART of Ohio. I yield to the gentleman from Idaho for an additional inquiry.

Mr. CRAIG. I thank the gentleman for yielding.

I appreciate the gentleman's concern and his explanation. Scientists, good, knowledgeable scientists oftentimes disagree. In the case of oxygen levels in water as it relates to fish in the Clean Water Act, we have scientists who disagree. One says, "This must be the standard to maintain the livelihood of fish." and another says, "No, it can be maintained at this level."

Even if a State scientist, regionally recognized, establishes and can prove through tests that his standard is a safe standard, if it does not agree with a Federal standard and someone from the EPA, the State standard is overruled.

That is very specific to a point that happened in Idaho. That is Federal primacy, as was just mentioned, over the right of the local area or the State to control their water destiny.

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. ECKART] has expired.

Mr. WAXMAN. Mr. Speaker, I yield 1 additional minute to the gentleman from Ohio [Mr. ECKART].

Mr. ECKART of Ohio. I thank the gentleman for yielding this additional time to me.

Mr. Speaker, briefly to respond to the gentleman from Idaho, perhaps he makes my point.

In my own State, I could not lead my State to drinking water regulation dealing with brine. Our State discovered that we have brine, yielded from oil and gas production, almost 1 million gallons of brine produced every day, only 10 percent of which is disposed of safely.

This bill, unfortunately, does have to set a national standard because the health of several States in the Midwest and the citizens who consume that water is very seriously jeopardized. I think the point of the gentleman from California is important. Minimum national standards enforced at the local level with responsible help and guidance from the Federal Government is critical because, unfortunately for all of us as citizens, drinking water knows no artificial geographic boundary or political boundary. It affects us all.

This bill, I think, gives EPA the explicit instructions it needs to enforce the appropriate national regulations to get about dealing with what I believe is the most fundamental environmental problem of this decade, and that is protecting our Nation's precious ground water sources.

Mr. Speaker, I urge the adoption of the conference report. I congratulate, in conclusion, my colleagues, the gentleman from California [Mr. WAXMAN] and the gentleman from Illinois [Mr. MADIGAN] for their dedication to this effort.

Mr. MADIGAN. Mr. Speaker, I yield 4 minutes to the gentleman from New York [Mr. LENT].

Mr. LENT. I thank the gentleman for yielding this time to me.

Mr. Speaker, the conferees for the Safe Drinking Water Act amendments are to be commended for reporting a strong, yet practical piece of legislation aimed at protecting our Nation's drinking water supplies.

As a cosponsor of this legislation in the House, I am pleased by the widespread bipartisan support for this effort and delighted that, at long last, we have reached this stage in the legislative process.

S. 124 provides for improved drinking water standards and stricter enforcement of those standards. Of particular importance is the provision which would enhance protection of our underground water supplies. On Long Island, where my constituency is located, as in many areas around the country, underground aquifers serve as the whole source of drinking water. Needless to say, if these sources are contaminated whole communities could be at risk.

Public concern over the potential for ground water contamination is justified. Long Island has only one aquifer which supplies the entire island's drinking water. The need for protection for this precious water system is particularly acute. S. 124 effectively addresses these concerns by providing funding for demonstration programs for protecting aquifers that are the sole or principal source of a municipality's water. The bill also requires each State to adopt and submit to the Environmental Protection Agency, within 36 months, a program to protect areas around public water system wells from contaminants that may pose a health threat. These provisions, along with other reforms contained in the bill, will go a long way toward ensuring safer drinking water.

In addition, I am pleased over the approval of a provision I helped craft which would significantly reduce the amount of harmful lead in our drinking water. This provision would ban the use of lead pipes or pipe fittings in the installation or repair of public water systems. The dangers of lead in water are well known. This provision would affect the reduction of hazardous lead in drinking water and promote the quality of our water supplies.

In sum, I believe S. 124 represents an improved reform of existing safe drinking water standards. Swift enactment of this bill is needed to ensure that our drinking water supplies are indeed made safe for this and future generations.

Mr. MADIGAN. Mr. Speaker, I yield 4 minutes to the gentleman from Utah [Mr. NIELSON], a member of the subcommittee.

Mr. NIELSON of Utah. I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in opposition to this bill on several counts. I would like to associate myself with the comments of the gentleman from Idaho [Mr. CRAIG] that it is too much Federal control over ground water systems.

In my State, many communities have several sources of water, 10 or 11 sources of water, and they have to require testing of every one of those sources rather than at the common collection point. It is very expensive to both the communities and the State.

In the House, we took the original bill, the House bill, and kept the existing program at $69 million. The other body went to $101 million, and a compromise in a so-called conference ended at $102 million. I do not call that much of a compromise, going from $69 million to $100 million. $100 million is not very near the middle of 69 and 101. It is a 45-percent increase in the existing program, 91 percent of which is in emergency assistance, 47 percent in technical assistance, 26.5 percent in State-public water system supervision, and 72.8 percent in underground water source protection, a total of a 45-percent increase in funds.

□ 1455

In addition to that, there are new programs of approximately $70 million. The House passed $40 million of those, and on the basis of those, I objected. I felt that the sole-source aquifer program was a fine program, but it should be handled by the States themselves. Washington and New York could handle those themselves and as far as the planning and technical assistance, I felt that the States are more than happy to handle that on their own without the Federal guidelines and the help.

The conference report added $30 million additional to monitoring unregulated contaminants; in other words, making them get information on things which are not known to contaminate and which, in some cases, are known not to contaminate. They nevertheless have to monitor them.

For all those reasons, both the fiscal part that we cannot afford a 45-percent increase in the existing program, plus an additional $70 million, so you have a total increase of over $100 million in this program.

I think that is irresponsible in the fiscal situation that we have and it does bring additional Federal regulation. I do not want to be accused of running for dirty water or supporting dirty water, but I think it is a problem that can be handled with the existing programs at the present levels and I intend to call for a vote on this on that basis.

Mr. WAXMAN. Mr. Speaker, I yield to the gentleman from Texas [Mr. BROOKS] for the purpose of making a unanimous-consent request.

PRESIDENTIAL LIBRARIES ACT OF 1986

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1349), to reduce costs of operating Presidential libraries, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

That this Act may be cited as the "Presidential Libraries Act of 1986".

RESEARCH AND MUSEUM FACILITIES

SEC. 2. Section 2101(1) of title 44, United States Code, is amended by inserting before the semicolon a comma and "and may include research facilities and museum facilities in accordance with this chapter".

PRESIDENTIAL ARCHIVAL DEPOSITORIES

SEC. 3. (a) Section 2112(a) of title 44, United States Code, is amended to read as follows:

"(a)(1) When the Archivist considers it to be in the public interest, the Archivist may—

"(A)(i) accept, for and in the name of the United States, land, a facility, and equipment offered as a gift to the United States for the purpose of creating a Presidential archival depository;

"(ii) take title to the land, facility, and equipment on behalf of the United States; and

"(iii) maintain, operate, and protect the land, facility, and equipment as a Presidential archival depository and as part of the national archives system;

"(B)(i) make agreements, upon terms and conditions the Archivist considers proper, with a State, political subdivision, university, institution of higher learning, institute, or foundation to use as a Presidential archival depository land, a facility, and equipment of the State, subdivision, university, or other organization, to be made available by it without transfer of title to the United States; and

"(ii) maintain, operate, and protect the depository as a part of the national archives system; and

"(C) accept, for and in the name of the United States, gifts offered for the purpose of making any physical or material change or addition to a Presidential archival depository.

"(2) The Archivist shall promulgate architectural and design standards applicable to Presidential archival depositories in order to ensure that such depositories (A) preserve Presidential records subject to chapter 22 of this title and papers and other historical materials accepted for deposit under section 2111 of this title and (B) contain adequate research facilities.

"(3) Prior to accepting and taking title to any land, facility, or equipment under subparagraph (A) of paragraph (1), or prior to entering into any agreement under subparagraph (B) of such paragraph or any other agreement to accept or establish a Presidential archival depository, the Archivist shall submit a written report on the proposed Presidential archival depository to the President of the Senate and the Speaker of the House of Representatives. The report shall include—

"(A) a description of the land, facility, and equipment offered as a gift or to be made available without transfer of title;

"(B) a statement specifying the estimated total cost of the proposed depository and the amount of the endowment for the depository required pursuant to subsection (g) of this section;

"(C) a statement of the terms of the proposed agreement, if any;

"(D) a general description of the types of papers, documents, or other historical materials proposed to be deposited in the depository to be created, and of the terms of the proposed deposit;

"(E) a statement of any additional improvements and equipment associated with the development and operation of the depository, an estimate of the costs of such improvements and equipment, and a statement as to the extent to which such costs will be incurred by any Federal or State government agency;

"(F) an estimate of the total annual cost to the United States of maintaining, operating, and protecting the depository; and

"(G) a certification that such facility and equipment (whether offered as a gift or made available without transfer of title) comply with standards promulgated by the Archivist pursuant to paragraph (2) of this subsection.

"(4) Prior to accepting any gift under subparagraph (C) of paragraph (1) for the purpose of making any physical or material change or addition to a Presidential archival depository, or prior to implementing any provision of law requiring the making of such a change or addition, the Archivist shall submit a report in writing on the proposed change or addition to the President of the Senate and the Speaker of the House of Representatives. The report shall include—

"(A) a description of such gift;

"(B) a statement specifying the estimated total cost of the proposed physical or material change or addition and the amount of the deposit in an endowment for the depository required pursuant to subsection (g) of this section in order to meet the cost of such change or addition;

"(C) a statement of the purpose of the proposed change or addition and a general description of any papers, documents, or historical materials proposed to be deposited in the depository as a result of such change or addition;

"(D) a statement of any additional improvements or equipment for the depository associated with such change or addition;

"(E) an estimate of the increase in the total annual cost to the United States of maintaining, operating, and protecting the depository that will result from such change or addition; and

"(F) a certification that the depository, and the equipment therein will, after such change or addition, comply with the standards promulgated by the Archivist pursuant to paragraph (2) of this subsection.

"(5) The Archivist may not—

"(A) accept or take title to land, a facility, or equipment under subparagraph (A) of paragraph (1) for the purpose of creating a Presidential archival depository;

"(B) enter into any agreement under subparagraph (B) of such paragraph or any other agreement to accept or establish a Presidential archival depository; or

"(C) accept any gift under subparagraph (C) of such paragraph for the purpose of making any physical or material change to a Presidential archival depository,

until the expiration of a period of 60 days of continuous session of Congress beginning on the date on which the Archivist transmits the report required under paragraph (3) of this subsection with respect to such Presidential archival depository or the report required under paragraph (4) of this subsection with respect to such change or addition, as the case may be.".

(b) Section 2112(g) of title 44, United States Code, is amended to read as follows:

"(g)(1) When the Archivist considers it to be in the public interest, the Archivist may solicit and accept gifts or bequests of money or other property for the purpose of maintaining, operating, protecting, or improving a Presidential archival depository. The proceeds of gifts or bequests, together with the proceeds from fees or from sales of historical materials, copies or reproductions, catalogs, or other items, having to do with a Presidential archival depository, shall be paid into an account in the National Archives Trust Fund and shall be held, administered, and expended for the benefit and in the interest of the Presidential archival depository in connection with which they were received, and for the same purposes and objects, including custodial and administrative services for which appropriations for the maintenance, operation, protection, or improvement of Presidential archival depositories might be expended.

"(2) The Archivist shall provide for the establishment in such Trust Fund of separate endowments for the maintenance of the land, facility, and equipment of each Presidential archival depository, to which shall be credited any gifts or bequests received under paragraph (1) that are offered for that purpose. Income to each such endowment shall be available to cover the cost of facility operations, but shall not be available for the performance of archival functions under this title.

"(3) The Archivist shall not accept or take title to any land, facility, or equipment under subparagraph (A) of subsection (a)(1), or enter into any agreement to use any land, facility, or equipment under subparagraph (B) of such subsection for the purpose of creating a Presidential archival depository, unless the Archivist determines that there is available, by gift or bequest for deposit under paragraph (2) of this subsection in an endowment with respect to such depository, an amount for the purpose of maintaining such land, facility, and equipment equal to—

"(A) the product of—

"(i) the total cost of acquiring or constructing such facility and of acquiring and installing such equipment, multiplied by

"(ii) 20 percent; plus

"(B)(i) if title to the land is to be vested in the United States, the product of—

"(I) the total cost of acquiring the land upon which such facility is located, or such other measure of the value of such land as is mutually agreed upon by the Archivist and the donor, multiplied by

"(II) 20 percent; or

"(ii) if title to the land is not to be vested in the United States, the product of—

"(I) the total cost to the donor of any improvements to the land upon which such facility is located (other than such facility and equipment), multiplied by

"(II) 20 percent; plus

"(C) if the Presidential archival depository will exceed 70,000 square feet in area, an amount equal to the product of—

"(i) the sum of—

"(I) the total cost described in clause (i) of subparagraph (A); plus

"(II) the total cost described in subclause (I) or (II) of subparagraph (B)(i), as the case may be, multiplied by

"(ii) the percentage obtained by dividing the number of square feet by which such depository will exceed 70,000 square feet by 70,000.

"(4) If a proposed physical or material change or addition to a Presidential archival depository would result in an increase in the costs of facility operations, the Archivist may not accept any gift under subparagraph (C) of paragraph (1) for the purpose of making such a change or addition, or may not implement any provision of law requiring the making of such a change or addition, unless the Archivist determines that there is available, by gift or bequest for deposit under paragraph (2) of this subsection in an endowment with respect to such depository, an amount for the purpose of maintaining the land, facility, and equipment of such depository equal to the difference between—

"(A) the amount which, pursuant to paragraph (3) of this subsection, would have been required to have been available for deposit in such endowment with respect to such depository if such change or addition had been included in such depository on—

"(i) the date on which the Archivist took title to the land, facility, and equipment for such depository under subparagraph (A) of subsection (a)(1); or

"(ii) the date on which the Archivist entered into an agreement for the creation of such depository under subparagraph (B) of such paragraph,

as the case may be; minus

"(B) the amount which, pursuant to paragraph (3) of this subsection, was required to be available for deposit in such endowment with respect to such depository on the date the Archivist took such title or entered into such agreement, as the case may be.".

APPLICABILITY

SEC. 4. Paragraphs (3) and (4) of section 2112(g) of title 44, United States Code (as added by the amendment made by section 3(b) of this Act) shall apply with respect to any Presidential archival depository created as a depository for the papers, documents, and other historical materials and Federal records pertaining to any President who takes the oath of office as President for the first time on or after January 20, 1985.

STUDY OF MUSEUM OF THE PRESIDENTS

SEC. 5. (a) The Archivist of the United States, in consultation with the Secretary of the Smithsonian Institution and the National Capital Planning Commission, shall study the demand for, and the cost, and space and program requirements of, establishing a museum of the Presidents. With respect to such costs, the study shall examine the feasibility of establishing and operating such museum exclusively with non-Federal funds.

(b) Each Federal agency shall cooperate with the Archivist in conducting the study required by subsection (a).

(c) In the annual report for fiscal year 1986 required by section 2106 of title 44, United States Code, the Archivist shall include a statement of the results of the study required by subsection (a) and any recommendations of the Archivist with respect to establishing such a museum.

Mr. MADIGAN (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objecton to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Texas?

Mr. MADIGAN. Mr. Speaker, reserving the right to object, I yield to the gentleman from Texas [Mr. BROOKS] for a brief explanation of what is going on.

Mr. BROOKS. Mr. Speaker, I thank the gentleman from Illinois for his perceptive understanding of the parliamentary situation.

Mr. Speaker, last year, the House passed and sent to the Senate the bill, H.R. 1349, amending the Presidential Libraries Act of 1955.

The bill passed by the House last June represents an attempt to reestablish the balance between public and private support anticipated by the original law, by limiting the operating costs of future libraries and by shifting the burden of the remaining costs from the taxpayer to those individuals who would raise the funds used to build the libraries. This would be achieved by requiring future libraries to meet certain design and archival standards and by requiring that the donation of a building to be used as a Presidential library be accompanied by an endowment equal to at least 20 percent of the cost of building and equipping that facility.

The income from the endowment would then be used to offset the building-related operations costs.

The Senate amendment is consistent with the thrust of the House-passed bill. The gentleman from Ohio [Mr. KINDNESS] may wish to yield to the gentleman from Oklahoma, the chairman of the subcommittee, to explain the Senate amendment in more detail.

Mr. MADIGAN. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Ohio [Mr. KINDNESS] for any contribution that he might care to make to this unexpected dialog.

Mr. KINDNESS. Mr. Speaker, I thank the gentleman from Illinois [Mr. MADIGAN] for yielding and for maintaining the rhythm of accomplishment of the House of Representatives during the course of this afternoon through his timely interdiction.

I say to the gentleman from Illinois that the gentleman from Texas [Mr. BROOKS] has, I think, quite properly described the measure, H.R. 1349. I would like to ask if the gentleman from Illinois would allow the gentleman from Oklahoma [Mr. ENGLISH] and myself to exchange words in a colloquy, if he would yield alternately to us.

Mr. MADIGAN. Perhaps, Mr. Speaker, I could withdraw my reservation and the gentleman from Ohio [Mr. KINDNESS] could make his own reservation.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Texas [Mr. BROOKS]?

Mr. KINDNESS. Mr. Speaker, reserving the right to object, and with great thanks to the gentleman from Illinois [Mr. MADIGAN], I would like to yield to the gentleman from Oklahoma [Mr. ENGLISH] for the purpose of explaining the Senate amendment that has taken place in conference between the House and the Senate conferees.

Mr. ENGLISH. Mr. Speaker, the Senate amendment to H.R. 1349 strengthens the House passed bill by—

Requiring a proportionately larger endowment for future libraries that exceed 70,000 square feet; and

Providing that additions or modifications, to future libraries, that increase the operating cost of that facility are accompanied by an endowment.

The Senate version also provides that more information be given to the Congress than is currently required.

Mr. KINDNESS. Mr. Speaker, I thank the gentleman for his response and further reserving the right to object, I would like to pose a couple of questions to the gentleman.

First, under current law, Presidential libraries are built only with privately donated funds and nothing in this legislation would change that, is that correct?

Mr. ENGLISH. That is correct, the cost of building Presidential libraries would continue to be borne by private groups. Like, for example, the 100-member Reagan Library Foundation we've read about recently.

Mr. KINDNESS. Second, the income to the endowment is to be used for building operations costs and not program costs and, further, that income would supplant, not supplement, annual congressional appropriations for the operation of that library and, thereby reduce the growth in the cost to the taxpayers of operation of these facilities in the future, is that correct?

Mr. ENGLISH. That is correct, it would supplant most if not all of the building operations cost appropriation. Had this approach been in effect from the outset, costs to the taxpayers would be one-half of what they are now.

Mr. KINDNESS. Third, this legislation would clarify the authority of the Archivist of the United States to solicit, as well as accept, gifts or bequests for the purpose of maintaining, operating, protecting, or improving any of the existing of future Presidential libraries. Gifts offered for the purpose of maintenance of an existing or future Presidential library would be treated as an endowment, the income to which could be used only for that purpose, but other income, such as the proceeds from fees or from sales of historical materials, copies or reproductions, catalogues, or other items having to do with a presidential library would not be so limited in its use; in fact the bill makes no change in how those proceeds may be used, is that correct?

Mr. ENGLISH. The gentleman's understanding is consistent with mine.

Mr. KINDNESS. Finally, although the endowment requirement would first apply to the library of the incumbent's successor, the Archivist's building standards for archival suitability would take immediate effect, is that correct?

Mr. ENGLISH. That is correct. Both the House and Senate rejected a White House proposal that the incumbent's library be exempt from the minimum standards provision.

Mr. KINDNESS. Mr. Speaker, before withdrawing my reservation of objection, I would like to remind my colleagues of the obligation of the U.S. Government, which took effect with the incumbent administration, under the Presidential Records Act of 1978, to be responsible for the custody, control, and preservation of, and access to presidential records. While some have criticised the continuance of the Presidential library system, I believe that it provides an efficient means of fulfillment of the Government's obligations under the Pesidential Records Act.

Mr. WAXMAN. Mr. Speaker, will the gentleman yield to me?

Mr. KINDNESS. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Speaker, I thought this was an agreed-upon report. I did not realize it was going to involve a lengthly debate.

Perhaps you two could work out your differences.

Mr. KINDNESS. I thank the gentleman from California for his thought there. If it sounds as though there is controversy, the thought it just to lay down a little bit of legislative history and go on from here. I do not believe there is any disagreement.

If that is correct, the gentleman from Oklahoma [Mr. ENGLISH] may very well have a short response to that.

Mr. ENGLISH. Mr. Speaker, if the gentleman would yield, certainly the

gentleman's understanding is consistent with mine.

Mr. KINDNESS. Mr. Speaker, I thank the gentleman and just before withdrawing my reservation of objection, I would like to remind my colleagues of the obligation of the U.S. Government which took effect with the incumbent administration under the Presidential Records Act of 1978 to be responsible for the custody, control and preservation of and access to Presidential records. That is the purpose of this legislation, to make that clearer and to set the rules for the future with less costs to the American taxpayer.

Mr. Speaker, further under my reservation of objection, I yield to the gentleman from Idaho [Mr. CRAIG] who has, I believe, a question.

Mr. CRAIG. Mr. Speaker, I thank my colleague for yielding and I would just like to join with my colleagues from the Committee on Government Operations in urging the House to adopt the Senate amendment to H.R. 1349, the Presidential Libraries Act of 1986.

If there is one comment that I, and I am sure other Members of Congress, hear spoken often by our constituents in our districts, it is that we think that past Presidents are oftentimes treated too generously by the taxpayers of this country and here is an example to tighten up on the generosity of the Treasury at this time as decided by this Congress to make Presidential libraries largely stand on their own two feet with those who support the ultimate endowing of them.

I would urge the passage of this legislation.

□ 1505

Mr. KINDNESS. I thank the gentleman.

Mr. ENGLISH. Will the gentleman yield further?

Mr. KINDNESS. I yield to the gentleman from Oklahoma.

Mr. ENGLISH. I want to thank the gentleman from Ohio [Mr. KINDNESS], our ranking minority member, for his thoughtful and unwavering support of this legislation. I also urge my colleagues to support the adoption of the Senate amendment, and I hope that they will join me in urging President Reagan, whose $45 million library will, at the insistence of his aides, be exempt from this cost-saving, deficit-reduction effort, and to have set an example for the American taxpayer by committing his library foundation to the establishment of the operating cost endowment-type envisioned by both the House and the Senate.

Mr. KINDNESS. Mr. Speaker, under my reservation, I thank the gentleman from Oklahoma in particular for his thoughtful approach to the resolution of this matter over the course of several years now, since 1982 when the hearings were first held, to this point where we contemplate final passage.

Mr. REID. Mr. Speaker, I rise in support of H.R. 1349, as amended by the Senate. The purpose of this legislation, introduced by my distinguished colleague from Oklahoma, Mr. ENGLISH, will reduce the costs of operating Presidential libraries. This legislation is long overdue.

My interest in the Presidential Library System began in 1983 during a meeting with Senior Citizens in Overton, NV. The residents of Overton expressed their strong objections to the costs of maintaining former Presidents. Of particular concern to the Overton Senior Citizens was the $14 million spent by the American taxpayers in 1983 to maintain Presidential libraries—the largest chunk of the expense associated with maintaining former Presidents. During the 98th Congress, I introduced legislation to curtail the costs of the Presidential Library System and have joined Congressman ENGLISH in his efforts to accomplish this end ever since.

Even though the libraries are built with private funds, they are maintained by the taxpayers. Operating costs for the seven existing Presidential libraries are expected to be about $14.6 million in fiscal year 1986. H.R. 1349 requires that in the future, private foundations that build the libraries must establish an endowment, amounting to 20 percent of the cost of construction, to defray operational expenses. A sensible provision added to the bill by the other body also places a 70,000-square-foot limit on the size of future libraries, requiring private funding to pick up costs associated with larger space.

It is time for us to relieve the Federal Government and the taxpayers of this excessive financial burden. H.R. 1349 will address the uncontrollable spending associated with maintaining former Presidents and still allow for the maintenance of these historical documents. For these reasons, H.R. 1349 deserves our support. Thank you.

Mr. KINDNESS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Texas?

There was no objection.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 124, SAFE DRINKING WATER ACT AMENDMENTS OF 1986

The SPEAKER pro tempore. The Chair recognizes the gentleman from Illinois [Mr. MADIGAN].

Mr. MADIGAN. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina [Mr. BROYHILL], the ranking member of the Committee on Energy and Commerce.

Mr. BROYHILL. Mr. Speaker, I rise in strong support of this reauthorization of the Safe Drinking Water Act amendments of 1986. The Safe Drinking Water Act has often been overshadowed by more aggressive and expensive environmental laws, such as the Clean Air Act and Superfund, but we now know that it is equal to those other statutes in importance. This new legislation represents a giant step forward in the protection of our tap water.

Contamination of our Nation's drinking water supplies has become a major public health concern. Up to this point in time, the Federal Government has set national standards, or maximum contaminant levels, for only 22 contaminants in our drinking water, even though there may be thousands of pollutants invading our public water supplies. This bill will require the regulation of 85 additional toxic chemicals in the next 3 years and potentially hundreds more shortly thereafter. Of equal importance, however, is the fact that this legislation maintains the important provision of current law which requires the environmental protection agency to take into account the costs of control, when setting maximum contaminant levels. This represents a reasoned, balanced approach to environmental regulation.

Mr. Speaker, there are two provisions in this legislation which are especially important.

The first is designed to prevent underground sources of drinking water, which are now clean, from becoming contaminated. Section 205 of S. 124 requires States to develop plans to prevent man-made contamination from entering underground drinking water supplies through wellhead areas. This provision requires no new State regulatory program, but instead gives each State maximum flexibilty to protect these vital resources in the way it sees fit. Too often environmental laws have concentrated solely on cleaning up pollution after it occurs. This bill puts equal emphasis on guaranteeing that our pure drinking water stays that way.

The second provision which deserves to be highlighted is section 107 which provides for technical assistance to small water systems. Currently, the majority of violations of the Safe Drinking Water Act occur at the thousands of small water systems which serve rural, less populated areas. These types of systems are prevelant throughout North Carolina and most other areas of the country. Many times these systems are operated by the town manager or local fire chief, who have little, if any, training in this area.

This bill would provide funds to establish cost-effective, but crucial technical assistance programs for these small towns. This assistance would include training, the performance of engineering studies, and perhaps most importantly, the implementation of a "circuit rider" program. This means that an expert in public water delivery would travel around a region and instruct the operator of small, rural sys-

tems on the appropriate methods of monitoring, treatment, and management. This simple program could literally eliminate thousands of violations of the law every year, and improve the quality of tap water for millions of rural Americans.

In closing, Mr. Speaker, I want to reiterate my strong support for this bill and urge my colleagues to approve it overwhelmingly.

Mr. WAXMAN. Mr. Speaker, may I inquire of the Chair the time I have remaining?

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] has 22 minutes remaining.

Mr. WAXMAN. Mr. Speaker, I am pleased to yield 5 minutes to our colleague, the gentleman from New York [Mr. DOWNEY] who introduced legislation to deal with a very important problem of sole-source aquifers, which became the basis for part of the legislation that is before us today.

Mr DOWNEY of New York. Mr. Speaker, I am pleased today that 4 years of hard work have produced a conference report on amendments to the Safe Drinking Water Act that will mean high quality drinking water for millions of Americans. I want to thank the chairman and ranking minority member of the Health Subcommittee, Representatives WAXMAN and MADIGAN, and their counterparts in the other body for their efforts to include a program to protect the 21 sole source aquifers in the United States in the Safe Drinking Water Act. The Sole Source Aquifer Demonstration Program in S. 124 will enable areas such as Long Island to protect underground supplies of drinking water and preserve lands that are critical to the quality and quantity of that ground water.

Maintaining potable ground water in an aquifer depends on the nature of the land and vegetation lying above the aquifer's recharge zone. A recharge zone is an area through which precipitation and other surface runoff filters down into the water table. Several undeveloped tracts of land on Long Island—including 110,000 acres of pine in eastern Suffolk County—anchor the loose soil of the island's recharge areas. Preserving this land is critical to the protection of Long Island's supply of ground water.

However, pressure to develop these lands threatens the future quality and quantity of Long Island's only source of drinking water. Recent facts exemplify the ways in which pressure to recklessly develop land has led to ground water contamination. Between 1976 and mid-1981, 88 of the approximately 1,000 major public drinking water wells on Long Island were closed or restricted in their use because of contamination from synthetic organic chemicals and nitrates. On the east end of Long Island, 1,400 private wells have been contaminated by pesticides that have entered the aquifer system.

Severe contamination of a sole source aquifer system means costly remedial action. Losing a natural supply of water would force a community to rely on bottle water, treat its tap water through filters, or even pipe good water from a distanct source. Portions of some communities on Long Island, such as Bay Shore, have been forced to abandon their wells in favor of using public wells. The hookup costs have been expensive. Preventing problems before they develop is sound public policy that will mean cost savings and clean water for millions of people. That is what S. 124 will do.

The Sole Source Aquifer Demonstration Program in S. 124 is based on legislation that Senator DANIEL PATRICK MOYNIHAN and I introduced in the 98th and 99th Congresses. Knowing how important the preservation of Long Island's watershed lands are to the quality of the island's drinking water, we wrote our legislation to enable Suffolk and Nassau Counties and New York State to obtain parts of these lands. S. 124 preserves this important provision and will enable municipal governments on Long Island such as Suffolk County to acquire land within the Suffolk Pine Barrens in order to protect the underlying ground water.

S. 124 should preserve Long Island's fragile supply of drinking water and those lands critical to our water. It is good solid preventive medicine and will guarantee the purity and abundance of clean drinking water for the people of Long Island and the other 20 sole source aquifers, now and forever.

Mr. MADIGAN. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado [Mr. STRANG].

Mr. STRANG. Mr. Speaker, if I may, I would like to engage the chairman of the subcommittee, Mr. WAXMAN, in a brief colloguy regarding section 205 of the bill.

Mr. WAXMAN. Certainly.

Mr. STRANG. Regarding the text of section 205 of the bill regarding wellhead protection and State plans, and the report language on page 46, is it the intent of the committee that nothing in this section shall interfere with State water laws and State water appropriation processes?

Mr. WAXMAN. If the gentleman will yield to me, that is correct.

Mr. STRANG. Would the chairman agree then, for the purpose of legislative history and congressional intent, that if there is found to be any conflict between the provisions of this section and State water laws and State water appropriation processes, that it is the intent of Congress that the primacy of State water laws are to prevail?

Mr. WAXMAN. If the gentleman will yield further, I do not anticipate any such conflict.

Mr. STRANG. I thank the chairman. I would also like to thank the committee and the chairman and the ranking Republican on agreeing to provisions in section 302 whereby Indian tribes are being treated under the act at a par with the States in terms of primary enforcement responsibilities. Also, that you appreciate the survey directed the legislation to ascertain drinking water problems and needs on Indian reservations. The Southern Ute and Ute Mountain Ute tribes in Colorado are appreciative of these provisions.

Finally, Mr. Chairman, I would point out that even with the assurances of the esteemed chairman of the subcommittee, I must rise in reluctant opposition to this bill due to certain revisions which were underscored by letters from the Colorado General Assembly; from Mr. Thomas of the EPA; and from the Justice Department, pointing out that this is an intrusion of the Federal Government into what are properly State land use and local management decisions.

Mr. Speaker, I am submitting these letters for the RECORD at this point:

COLORADO HOUSE OF REPRESENTATIVES,
Denver, CO, April 25, 1986.

Hon. MIKE STRANG,
Longworth House Office Building, Washington DC.

DEAR CONGRESSMAN STRANG: I am writing concerning the 1986 amendments to the Safe Drinking Water Act which are now in conference committee. Senator Stafford and Congressman Dingell are the chairmen of the Conferees. My concern about the Act is that, as I understand it, the Wellhead Protection Act has been included in the proposed conference committee report. The wellhead provisions, as I understand it, were apparently written entirely by the conference committee staff without debate by either the House or Senate. Obviously, this process is not a desirable way to pass such a major piece of legislation.

As a matter of fact, we have not even been able to obtain a complete text of the wellhead provisions to review them. I would urge you to ask that such far reaching legislation not be included in the final conference committee report of a measure such as this that is bound to pass.

Not only has the procedure been violated, but I see great potential for harm to Colorado and other western states if this type of land use legislation is passed in the name of protecting ground water quality. This type of land use regulation might be appropriate in the East; however, it is inappropriate in the West, and that is the basis for my concern. In western states, as you know, drinking water supply wells often are hundreds of feet deep, with recharge zones hundreds of miles away from the well site. In addition, of course, alluvial wells in Colorado have withdrawals regulated by our surface water right system. I am afraid that this legislation would interfere with our surface water right regime. I know time is short, so I urge you to talk to your colleagues on the conference committee to prevent them from

making a good intentioned mistake in this new and complex area of ground water management.

Thank you for your attention to this matter.

Sincerely,

CHRIS PAULSON.

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, DC, March 20, 1986.

Hon. ROBERT STAFFORD,
Chairman, Committee on Environment and Public Works, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: In my September 17 letter to you, I set forth the Administration's serious reservations regarding provisions in both the Senate and House versions of the Safe Drinking Water Act amendments. While I am pleased to note that progress has been made in addressing some of our concerns, there are still two major issues on which I would like to make further comment.

GROUND WATER

I have learned that Conferees and their staffs are continuing to meet to resolve differences between S. 124 and H.R. 1650. I am specifically concerned about reports that you are moving toward a compromise that would substantially enlarge the Federal responsibility to control ground water. I share this concern with Attorney General Meese, who wrote to you on March 14.

I wish to make it very clear that this Administration is strongly opposed to legislation of a Federally-mandated or Federally-approved ground-water regulation program. Inclusion of such provisions would be unwise and unnecessary.

The Administration takes this position for several reasons: first, a requirement, like the one being considered, that States develop comprehensive ground-water protection programs which are then subject to Federal review and disapproval would inevitably, despite the best of intentions, involve the Federal government in sensitive local land use and water rights decisions. This would seriously disrupt well-settled Federal/State relationships. State and local primacy over ground-water use, even on Federal lands, has historically been recognized by Congress, dating back to such acts as the Desert Lands Act, the Reclamation Act of 1902, and continuing through the Clear Water Act in the last decade. The site-specific nature of contamination incidents and the character of the groundwater resource necessitate reliance on land use controls which have been traditionally and properly the province of State and local governments. We do not believe that the problems we are now facing with ground-water contamination warrent the massive shift in traditional Federal/State roles that would result from the current proposed compromise.

Second, there is no need for an increase in Federal over-sight of ground water. This issue was carefully explored by EPA when it developed the Ground-Water Protection Strategy. We concluded then that sufficient statutory authority exists within the Agency to protect ground water from major contaminants of concern and that the States have the principal role in protecting the overall resource. This conclusion is still valid. This position is also strongly held by the Association of State and Interstate Water Pollution Control Administrators and the National Governor's Association, who have thoroughly studied the issue and are in agreement that no new Federal legislation is needed.

Third, we continue to be impressed with the efforts and progress that the States have made to protect their own resource. They are working closely with EPA in implementing national programs directed at hazardous waste. They are also taking responsible steps to assess their overall problem and the need for comprehensive protection. A number of States have passed ground-water legislation. Some ten States now have Ground-Water Protection Strategies and another 25 are currently developing them. The remaining States have activities underway which will lead to statewide ground-water strategies and programs. We believe that the proposal you are currently considering would disrupt these efforts and delay the progress which is underway.

As a part of implementing the Ground-Water Protection Strategy, EPA has provided $7 million in State grants in FY 1986 and $6.7 million in FY 1987 for the States to use toward developing and enhancing State ground-water protection strategies and programs. In addition, EPA is actively addressing various sources of ground-water contamination, such as pesticides and underground tanks through new and existing regulatory programs. Problems such as septic tank contamination are also being addressed through a series of advisory documents. Also, the Agency is addressing other issues such as promoting consistency among EPA programs and policies for ground water, identifying ground-water priorities, and enhancing our research capacity. We firmly believe that these efforts currently being undertaken by EPA and the increasing attention to ground-water protection by the States represent substantial progress in addressing our concerns about ground-water quality.

Fourth, we understand that the Federal consistency section has been changed to language similar to that found in several other Federal environmental statutes, such as the Resource Conservation and Recovery Act (RCRA) and the Clean Water Act. This new provision would provide that Federal agencies are subject to the substantive and procedural requirements of a State program to the same extent as other persons, and authorizes the President to exempt a Federal activity from the requirements of a State plan if he deems this to be in the paramount interest of the United States. This provision raises some concerns. The State ground-water programs envisioned by these new bills would require far less uniformity and consistency among the States than programs developed under other Federal statutes such as RCRA and the Clean Water Act. There is also more potential that control measures adopted by the States could take the form of land use controls which could result in excessive and unwarranted State intrusion into Federal policies and activities. The Presidential exemption for activities deemed to be in the paramount interest is a limited one which would not entirely balance these concerns.

Fifth, we are concerned that there has been no opportunity for public discussion of the proposed compromise. Major changes in a long-held State responsibility such as ground-water control deserve careful and deliberate scrutiny by all interested parties. Many organizations are developing positions on the ground-water protection issue and a number of related bills have been introduced. We believe that this public dialogue should be fully heard before congressional action, if any, is taken on ground water.

STANDARD-SETTING

In my previous letter, I stated that the Agency needs flexibility for selecting priority contaminants for regulation. Consequently, I am pleased to note that the Conferees are considering dropping the "rational basis" language in the House Bill.

I continue to be concerned, however, about the proposed requirement that the Agency regulate all of the chemicals listed in our two Advanced Notices of Proposed Rule Making (ANPRMs) without regard to what the data on those chemicals might show. The ANPRMs were never intended to be a final list but rather were preliminary working lists on which public comment and additional data were requested. Requiring the Administrator to regulate all chemicals listed would preempt decisions based on good scientific evidence and could lead to unsound and unwarranted regulations. The Agency must have flexibility to make scientific judgments regarding the appropriateness of establishing MCLs.

The need for flexibility is demonstrated by regulatory proposals we have made since my letter to you in September. In November, we proposed MCLs for eight volatile organic chemicals (and plan to propose an MCL for a ninth) and we have proposed recommended maximum contaminant levels [RMCL's] for 46 of that group. We also proposed RMCLs for three new constituents and plan to set standards for seven radionuclides.

Based on the available scientific evidence regarding the health effects caused by the remaining constituents and their frequency of occurrence in drinking water supplies, we decided not to propose RMCLs for 22 constituents at that time. For three of these 22 constituents, we had sufficient data to determine that they do not merit MCLs. For the remaining nineteen, we are conducting additional toxicological studies, monitoring programs, and surveys. This work will enable us to re-evaluate these remaining substances as well as to identify additional contaminants which may require future regulation. We plan to address these constituents in Phase V of our regulatory development process. After the evaluation of the data for the Phase V contaminants, we may determine that some may not warrant regulation.

Clearly, in order to use our limited resources most effectively to protect public health, we need to have this type of flexibility to select priority contaminants for regulation. We have discussed with your staff the concept of substituting contaminants on a one-for-one basis for those listed in ANPRMs. These substitutions would allow the Agency to focus its resources on chemicals which merit consideration. I urge you to allow EPA to substitute up to at least 15 contaminants for those listed in the ANPRMs.

As you continue Conference Committee deliberations, I would be pleased to discuss our concerns and suggestions with you and other members of the Conference Committee.

The Office of Management and Budget advises us that it has no objection to the presentation of these views from the standpoint of Administration policy.

Sincerely,

LEE M. THOMAS.

OFFICE OF THE ATTORNEY GENERAL,
Washington, DC, March 14, 1986.

Hon. JOHN DINGELL,
Chairman, Energy and Commerce Committee, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: We have learned that Conferees and their staffs are continuing to meet to resolve differences between S. 124 and H.R. 1650, specifically concerning initiation of a broad federal responsibility to control groundwater. Further, we understand that discussions to date may lead the Senate Conferees to accept several major provisions of section 203 of the House Bill to which the Administration remains strongly opposed.

The Department of Justice is particularly concerned about these groundwater proposals based on our unique perspective as the courtroom representative of a host of federal departments and agencies. The groundwater proposals implicate a broad range of legal policy issues which we identify from our litigation experience involving, for example, Indian water rights claims, the Environmental Protection Agency's hazardous waste enforcement program, claims brought under the Coastal Zone Management Act, the National Environmental Policy Act, federal takings and condemnation laws, and a broad range of other environmental and natural resource legal policy issues.

The Department is strongly opposed to the type of groundwater program contained in the House bill and current staff proposals. We urge that the Administration as a whole be given an adequate opportunity to review and comment on the specifics of any staff recommendations to Conferees before final action is taken by the Conferees.

State and local primacy over groundwater use has historically been recognized by Congress, dating back to such acts as the Desert Lands Act of 1877 and the Reclamation Act of 1902, and continuing through the Clean Water Act in the last decade. Land use decisions also traditionally have been left to local control. However, contrary to the representations made in report language, the House bill necessarily would result in federal intrusion into highly localized and sensitive decisions on land use, water allocation, and other areas of particular state and local concern. I would point out that the National Governors Association, the Conservation Foundation and the Association of State and Interstate Water Pollution Control Administrators have all recently concluded that, at most, a limited federal role is appropriate—emphasizing the kind of technical assistance that the Environmental Protection Agency (EPA) is moving rapidly to provide as part of its groundwater strategy.

As stated in more detail in the Department's letter of September 13, 1985, the House bill's approach to groundwater is highly objectionable. Under the House bill every state must develop a comprehensive regulatory plan to control groundwater quality and quantity, meeting detailed federal standards specified in the Act, and then must subject the plan to federal approval.

The detailed federal standards for the groundwater regulatory plan as set forth in the bill require regulations and other measures for controlling all human development activities that affect groundwater; plus elaborate data collection and description of groundwater sources, recharge areas, and quality, and the location and types of human development potentially affecting groundwater throughout the state.

Should a state fail to produce a regulatory plan, the federal government can be compelled to do so through court action under a procedure specified in the bill—though the federal government could not be compelled to directly regulate activities within the states.

This Administration firmly believes that the extensive scheme contained in the House bill for regulating human development activities in every state has no place in Federal law. If passed it would represent a federal mandate for a regulatory system that, once put in place and defined in even more detail in regulations and court decisions, would inevitably become an unwarranted federal bureaucratic intrusion into human and economie affairs. There is no demonstrated urgent need, given the array of other federal statutes already in place and EPA's current activities, and there clearly has been inadequate analysis of the impacts of embarking on such a course.

We understand that current Senate staff proposals are more moderate than the House bill in many respects, but those proposals still represent a dramatic change in groundwater policy with a substantive federal presence. The existing federal presence, in protecting groundwater from specific sources of contamination, is substantial and EPA is already moving toward coordinating that federal presence and developing a strategy that states can use and adapt to meet their own unique situations.

The Senate staff proposals under consideration, however modestly phrased, require each state to develop an extensive plan to control groundwater quality and apparently still subject those plans to federal oversight for substantive adequacy. Yet the EPA Administrator's responsibility in plan review is left unacceptably vague. If the Administrator is expected simply to determine if each element of a program is present, without passing judgment on the adequacy of the program in actually meeting a substantive federal protection standard, then this should be explicitly stated. However, if a substantive review standard is intended, then the Administrator is left without guidance on many extremely difficult issues of basic policy, and, in fact, it may be impossible to meet that standard without interference with prior appropriations systems of water rights or, more importantly, rights already acquired under those systems.

The protection standard of the proposal, if one exists, apparently is enormously broad and stringent. States must develop plans that protect geographic areas around drinking water sources from all potential sources of contaminants which may have any adverse impacts on the health of persons. The proposal does not limit the universe of potential contaminants to a manageable level. Also, the protection standard does not take into account the feasibility and other environmental and socio-economic impacts of various control measures. Finally, the geographic scope of the protection area is not limited to that reasonably necessary to protect the water supply.

Like the House bill, the staff proposal (as we understand it), requires that all federally conducted or supported activities must be consistent with state plans. This goes far beyond a requirement that federal facilities not contaminate local water supplies. This potentially grants states (and, as discussed below, any citizen) enormous power over a very wide range of federal and private activities which may only indirectly affect groundwater, it at all. This program could even be interpreted to alter responsibilities provided by other federal law. There is no requirement for consideration of the national interest in state plans: nothing explicitly prevents imposition of the most extreme and unreasonable measures to bar unpopular federal activities of federally supported private activities.

In addition, absent specific language to the contrary, the existing citizen suit provision in the SDWA provide a basis for any citizen to sue states or the fedral government over development and implementation of this program. The judiciary will be faced with determining the meaning and effect of the vague but far-reaching standard, and thus will be thrust into a policymaking role for which it is institutionally ill-suited.

The sum of these flaws is a program of vast and wholly unpredictable dimensions, with results ranging from excessive federal involvement in local land use to excessive state power over federal policies and activities, with no means for balancing competing legitimate interests, and no clear vision of appropriate federal and state roles.

I believe that if either the House bill or the staff proposal is enacted, they will disrupt a broad range of federal activities and strain relations among federal, state, and local governments, in no small part because of questions raised by proposed language which would have to be resolved in litigation. Therefore, I strongly urge that the Conferees reject the new substantive groundwater regulatory program under current staff consideration, and not adopt any groundwater program without an opportunity for full public and Administration input.

Sincerely,

EDWIN MEESE III,
Attorney General.

Mr. STRANG. Mr. Speaker, I also find objectionable the increase in moneys put into this bill by the conferees, which far exceeded the moneys contemplated by this House when this bill passed here.

The increase of $30 million, for example, in new programs is absolutely at variance with anything we are trying to do around here under the era of Gramm-Rudman.

Mr. MADIGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of the conference report on S. 124, the Safe Drinking Water Act Amendments of 1986. This bill represents a 5-year reauthorization of this important environmental law, which expired on September 30, 1982.

I introduced this bill on March 21, 1985, along with Chairman WAXMAN and many other Members. It passed the Subcommittee on Health and the Environment, the Committee on Energy and Commerce and the full House of Representatives, all by voice vote. The Senate bill, S. 124, also passed by voice vote. This measure was formulated with the assistance of the U.S. Environmental Protection Agency, our public water utilities, the chemical and petroleum industries, and several environmental groups.

Mr. WAXMAN has already outlined the major features of this bill. Briefly,

it requires EPA to set more national standards, or maximum contaminant levels, for pollutants in our drinking water. It maintains, however, the important requirement that costs of compliance be taken into consideration when setting these maximum levels.

This legislation also increases monitoring of unregulated contaminants in drinking water, provides technical assistance to small rural and Indian water systems which are the ones most often violating the law, and provides criminal penalties against anyone who willfully tampers with a public water supply.

Finally, Mr. Speaker, this bill contains a modest, but very important provision to protect wellhead areas over underground sources of drinking water. This provision requires that States develop plans to prevent manmade contamination from entering underground drinking water supplies through the wellhead. This narrow provision does not cover potential sources of drinking water or other ground water supplies which do not serve as drinking water.

This ground water provision was developed with Senator SIMPSON to take into account the concerns of the West, and both the legislative language and the statement of managers make clear that states have total flexibility to develop this protection plan and that in no way are we altering existing water rights or priorities, nor or we limiting existing authorities for States to manage, regulate, protect, or identify ground water resources within their jurisdiction.

□ 1515

I would read to you from the April 23, 1986 issue of Chemical Week magazine, the following article:

The Clean Water bill wins cheers all around.

The Safe Drinking Water Act reauthorization bill approved last week by House and Senate conferees was like an oasis in the legislative desert, refreshing to the chemical industry and environmentalists alike.

"The chemical industry and Union Carbide were very please" says Scott Cunningham, Union Carbide's chairman of the Chemical Manufacturers Association Government Relations Committee on Safe Drinking Water. Jackie Warren, senior staff attorney at the National Resources Defense Council, says, "I like it." Cunningham calls the bill an excellent effort to improve the Nation's drinking water supplies on a schedule that the Environmental Protection Agency thinks it can meet.

Here we have the Chemical Manufacturers Association, environmental groups, the Environmental Protection Agency, the Democratic leadership, and the Republican leadership on the committee all embracing the bill; the Senators from the West embracing the bill, the conference report and the bill passing the Senate by voice vote. I would suggest to you, Mr. Speaker, that anybody who thinks they found something wrong with this has in fact a very active imagination. And I congratulate the gentleman from California, the chairman of the subcommittee, for his leadership and the gentleman from North Carolina [Mr. BROYHILL] for his leadership on this issue.

Mr. Speaker, I reserve the balance of my time.

Mr. NIELSON of Utah. Mr. Speaker, will the gentleman yield?

Mr. MADIGAN. Yes; I would yield to the gentleman from Utah. I have to be careful with the time because we have another Member who has asked for time. We have to be brief.

Mr. NIELSON of Utah. I thank the gentleman for yielding.

I have one question. The gentleman has indicated that the administration is for the bill. EPA says they are strongly opposed to this legislation of a federally mandated or federally approved ground water regulation program. They say it involves the Federal Government in sensitive local land use and water rights decisions.

Mr. MADIGAN. If the gentleman will allow me to reclaim my time, that statement was made by EPA before the conference committee report was ever agreed to by the conferees.

Mr. NIELSON of Utah. I agree with that. However, you have added $100 million to what you had before, and they were opposed to it before. I would think they would be even more vehemently opposed now.

Mr. MADIGAN. If the gentleman would allow me to reclaim my time, throughout this entire process, throughout this entire process in addressing all of the objections raised by the Environmental Protection Agency, they never once at any time made any objection based upon the amount of funding in the bill. At no time throughout the entire process going back to the original considerations in the subcommittee has the EPA said one word about the funding levels in the bill. They do not communicate with us now in that regard and have not throughout the entire process.

Mr. Speaker, I yield 3 minutes to the gentleman from Washington [Mr. CHANDLER].

Mr. CHANDLER. I thank the gentleman for yielding.

Mr. Speaker, the gentleman from Illinois says that anybody with a problem with the bill may well have an active imagination. I may be standing in behalf of people who fit that description today. But nevertheless, they are concerned. If I may ask the chairman of the subcommittee a question concerning the intent of the bill: Purveyors of water in my district claim that they are selling pure water, yet they are concerned that with this legislation they will be required to treat it. Do the amendments require mandatory treatment of all public water systems regardless of purity, or do they require treatment only in documented problem cases?

Mr. WAXMAN. Mr. Speaker, will the gentleman yield to me?

Mr. CHANDLER. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding.

Mr. Speaker, as the conference report specifies, the amendments direct the Administrator of EPA to promulgate regulations specifying criteria under which filtration is to be required or to specify procedures by which States may require filtration.

Mr. CHANDLER. Is that to say that we can ease the minds of water district commissioners who feel they have pure water and do not want to have to treat it? And in one case, in fact, they claimed they would have to filter out manganese in order to treat it, if that becomes necessary.

Mr. WAXMAN. It is up to EPA, and I think the report speaks for itself. If they have safe drinking water and meet the standards, then it seems to me they should not be required to do anything more.

Mr. CHANDLER. I think that is the assurance that they are looking for, Mr. Chairman.

Mr. Speaker, I congratulate the chairman of the subcommittee for the bill, and I thank him for his answer.

Mr. SCHEUER. Mr. Speaker, today the House takes up consideration of the conference report on S. 124, the Safe Drinking Water Act Amendments of 1986. As one of the House conferees on this important environmental legislation, I am pleased that the House and the Senate conferees have been able to agree to a bill which significantly strengthens the present Safe Drinking Water Act.

The amendments, as agreed to by the House and the Senate conferees, address several issues which are critical to the protection of our drinking water. Perhaps the most important is the protection of our ground water. Despite assurances from the EPA and from the chemical companies that pesticides could never leach into ground water from agricultural applications, over the last several years we have discovered ground water contamination from pesticides in scores of rural communities across the Nation. In other communities, we have discovered contamination from a wide range of volatile organic compounds which may be associated with adverse health effects, including cancer. Indeed, the Congressional Office of Technology Assessment estimates that 29 percent of the ground water supplies of 954 U.S. cities with populations over 10,000 are contaminated.

The threat from ground water contamination is all the more serious considering that, for all practical purposes, amendments agreed to by the Senate and the House conferees go far toward protecting this vital resource for ourselves and for the next generation. While the wellhead protection program included in the conference report does not go as far as the ground water protection provisions included in

H.R. 1650, it takes a significant step forward in requiring all States to establish programs to protect existing wells supplying public drinking water systems from sources of contamination, such as hazardous wastes, leaking underground storage tanks, and pesticide applications.

The provisions agreed to by the House and Senate conferees should also prod EPA into issuing long-overdue health standards for drinking water. Despite the fact that more than 700 synthetic organic chemicals, pesticides, heavy metals and other pollutants have been found in our drinking water, EPA has regulated fewer than 25 contaminants in 12 years. The conference report requires EPA to set standards for 83 contaminants within 3 years, and provides the Administrator with narrow discretion to substitute other contaminants which he may find to be more of a threat to public health.

The conferees and their staffs have worked diligently to bring back to both Houses recommendations which can put the Safe Drinking Water Act back on course, and protect our public drinking water supplies for the next generation. I urge the Members of the House to accept the conference report, and to send it to the Senate and the White House.

Mr. PICKLE. Mr. Speaker, I rise in support of the conference report before us. I believe the Federal Government has a legitimate role to play in the presevation and conservation of this Nation's drinking water supplies.

Our State and local governments have done a commendable job of enacting laws and programs designed for the preservation of water supplies. However, the problem has grown. Pollution from one area spills into an area under a different governmental jurisdiction. For these reasons, Congress should act cooperatively to maintain the quality of drinking water for the Nation.

Mr. Speaker, as the Congressman from the 10th Congressional District in Texas, where a portion of our drinking water is supplied from an underground aquifer called the Edwards Aquifer, I am particularly supportive of the sections of the bill dealing with the protection of sole-source aquifers.

In my part of the country, we are very dependent on the Edwards Aquifer for drinking water. Yet this important supply of water is already being threatened with various forms of contamination and the possibility of total depletion.

Some positive things are happening at the State and local levels in Texas to help protect this invaluable resource, but they need our support. We, in Congress, ought not to sit by and watch the depletion and contamination of our drinking water occur.

Many of our technical experts in the area of water supply have predicted that by the 1990's, we could face the same kind of crisis with drinking water shortages that we did with oil in the 1970's. So we have to ask ourselves, where are we going to import safe drinking water from, in the 1990's, if we do not have enough in the United States to go around. The answer is to plan ahead. We may have to take some lumps now, but I believe it will be worth it in the long run. Let's take the lead on this critical issue by passing this conference report today. It is good for the country.

Mrs. VUCANOVICH. Mr. Speaker, although I am in support of safe drinking water and concerned about contaminants that threaten public health, I am equally concerned about the standards and procedures being used by the EPA in determining hazardous levels of chemicals in our water systems. Specifically I am concerned that the EPA may blindly impose standards that are unrelated to the actual health hazards posed by the natural chemicals appearing in our drinking water.

There are areas in my district, specifically Fallon, NV, that have relied on local, untreated water for all their water needs for decades; certainly before the EPA offered any standards for contaminants. The water supply in Fallon has a natural chemical in it as do some other Western areas. That chemical is pentavalent arsenic. Among chemicals now monitored by the EPA is arsenic. However, the levels which the EPA currently deems to be a health hazard were derived from a study done in Taiwan on water containing trivalent arsenic, a more toxic form of arsenic.

We know now, through years of experience and health studies, that the water in Fallon is safe. In fact, in 1969 a study was made by the Desert Research Institute at the University of Nevada specifically to determine whether purification was needed to render the drinking water safe. It was concluded that no treatment was necessary.

Therefore, I strongly urge the EPA to first ensure that the levels used are based on the actual chemical appearing in the water in Fallon—pentavalent arsenic; and second, that the actual experience of the community and its existing health records not be discounted.

Mr. McGRATH. Mr. Speaker, today the House of Representatives is considering the conference report on the Safe Drinking Water Amendments of 1986. I would like to include in the RECORD my heartiest congratulations and thanks to the entire conference committee who worked so diligently in forming a very comprehensive reauthorization of the Safe Drinking Water Act.

Especially encouraging was the committee's actions concerning ground water. A great deal of evidence has surfaced in recent years indicating that contamination of our Nation's ground water supplies is increasing at a dangerous pace. When you consider the fact that about one half of all Americans depend on ground water for drinking water, we can begin to realize the potential magnitude of this problem. Citizens of Long Island consider ground water to be one of our Nation's biggest environmental concerns, for we depend solely on underground aquifers for drinking water.

The conference agreement has drawn praise from several environmental groups as well as many water supplier associations. The National Governors' Association and the Washington Post have also come out in support of the bill. Protection of ground water is finally receiving the attention needed to preserve the adequate supply of safe drinking water.

Again, I would like to laud all the conferees on a job well done. Those of us who rely on ground water were not forgotten. This is truly a measure that I, and surely an overwhelming number of my colleagues, can support.

Mr. WAXMAN. Mr. Speaker, I have no other requests for time, and I yield back the balance of my time.

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MADIGAN. Mr. Speaker, I have no further requests for time on this meritorious and excellent conference report, and I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. NIELSON of Utah. Mr. Speaker, I object to the vote on the grounds that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 382, nays 21, not voting 30, as follows:

[Roll No. 120]

YEAS—382

Akaka	Brooks	Daschle
Alexander	Broomfield	Davis
Anderson	Brown (CA)	de la Garza
Andrews	Brown (CO)	DeLay
Annunzio	Broyhill	Derrick
Anthony	Bruce	DeWine
Applegate	Bryant	Dickinson
Archer	Burton (CA)	Dicks
Aspin	Burton (IN)	Dingell
AuCoin	Bustamante	DioGuardi
Badham	Byron	Dixon
Barnard	Callahan	Donnelly
Barnes	Campbell	Dorgan (ND)
Bartlett	Carney	Dornan (CA)
Barton	Carper	Dowdy
Bateman	Carr	Downey
Bates	Chandler	Dreier
Bedell	Chapman	Duncan
Bellenson	Chappell	Durbin
Bennett	Chappie	Dwyer
Bentley	Clay	Dymally
Berman	Clinger	Dyson
Bevill	Coats	Early
Biaggi	Cobey	Eckart (OH)
Bilirakis	Coble	Eckert (NY)
Bliley	Coelho	Edwards (CA)
Boehlert	Coleman (MO)	Edwards (OK)
Boggs	Coleman (TX)	Emerson
Boland	Collins	English
Boner (TN)	Combest	Erdreich
Bonior (MI)	Conte	Evans (IA)
Bonker	Conyers	Evans (IL)
Borski	Cooper	Fascell
Bosco	Coughlin	Fawell
Boucher	Coyne	Fazio
Boulter	Crockett	Feighan
Boxer	Daniel	Fields
Breaux	Darden	Fish

Florio	Lowery (CA)	Rowland (GA)
Foley	Lowry (WA)	Roybal
Ford (MI)	Luken	Russo
Ford (TN)	Lundine	Sabo
Fowler	Mack	Savage
Frank	MacKay	Saxton
Frenzel	Madigan	Schaefer
Frost	Manton	Schneider
Fuqua	Markey	Schroeder
Gallo	Martin (IL)	Schuette
Garcia	Martin (NY)	Schulze
Gaydos	Martinez	Schumer
Gejdenson	Matsui	Seiberling
Gekas	Mavroules	Sensenbrenner
Gephardt	Mazzoli	Shaw
Gibbons	McCain	Shelby
Gilman	McCloskey	Sikorski
Gingrich	McCollum	Siljander
Glickman	McCurdy	Sisisky
Gonzalez	McDade	Skelton
Goodling	McEwen	Slattery
Gordon	McGrath	Slaughter
Gradison	McHugh	Smith (FL)
Gray (IL)	McKernan	Smith (IA)
Gray (PA)	McKinney	Smith (NE)
Green	McMillan	Smith (NJ)
Gregg	Meyers	Smith, Denny (OR)
Guarini	Mica	
Gunderson	Michel	Smith, Robert (NH)
Hall (OH)	Mikulski	
Hall, Ralph	Miller (CA)	Snowe
Hamilton	Miller (OH)	Snyder
Hartnett	Miller (WA)	Solarz
Hatcher	Mineta	Solomon
Hawkins	Mitchell	Spence
Hayes	Moakley	Spratt
Hefner	Molinari	St Germain
Heftel	Montgomery	Stangeland
Hendon	Moody	Stark
Henry	Moore	Stenholm
Hertel	Moorhead	Stokes
Hiler	Morrison (CT)	Stratton
Hillis	Morrison (WA)	Studds
Hopkins	Mrazek	Sundquist
Howard	Murphy	Sweeney
Hoyer	Myers	Swift
Hubbard	Natcher	Swindall
Huckaby	Neal	Synar
Hughes	Nelson	Tallon
Hutto	Nichols	Tauke
Hyde	Nowak	Tauzin
Ireland	Oakar	Taylor
Jacobs	Oberstar	Thomas (CA)
Jeffords	Obey	Thomas (GA)
Jenkins	Olin	Torres
Johnson	Ortiz	Torricelli
Jones (NC)	Owens	Towns
Jones (OK)	Oxley	Traficant
Jones (TN)	Packard	Traxler
Kanjorski	Panetta	Udall
Kaptur	Parris	Valentine
Kasich	Pashayan	Vander Jagt
Kastenmeier	Pease	Vento
Kemp	Penny	Visclosky
Kennelly	Pepper	Volkmer
Kildee	Perkins	Walgren
Kindness	Petri	Walker
Kleczka	Porter	Waxman
Kolbe	Price	Weaver
Kolter	Pursell	Weber
Kostmayer	Quillen	Weiss
LaFalce	Rahall	Wheat
Lagomarsino	Rangel	Whitehurst
Latta	Ray	Whitley
Leath (TX)	Regula	Whittaker
Lehman (CA)	Reid	Whitten
Lehman (FL)	Richardson	Williams
Leland	Ridge	Wirth
Lent	Rinaldo	Wise
Levin (MI)	Ritter	Wolf
Levine (CA)	Roberts	Wolpe
Lewis (CA)	Rodino	Wright
Lewis (FL)	Roe	Wyden
Lightfoot	Roemer	Wylie
Lipinski	Rogers	Yates
Livingston	Rose	Yatron
Lloyd	Rostenkowski	Young (AK)
Loeffler	Roth	Young (FL)
Long	Roukema	Young (MO)
Lott	Rowland (CT)	Zschau

NAYS—21

Armey	Crane	Hansen
Cheney	Dannemeyer	Kramer
Craig	Hammerschmidt	Lungren
Marlenee	Shumway	Strang
McCandless	Skeen	Stump
Monson	Smith, Robert (OR)	Vucanovich
Nielson		
Rudd	Stallings	

NOT VOTING—30

Ackerman	Franklin	O'Brien
Atkins	Grotberg	Pickle
Bereuter	Holt	Robinson
Courter	Horton	Scheuer
Daub	Hunter	Sharp
Dellums	Lantos	Shuster
Edgar	Leach (IA)	Staggers
Fiedler	Lujan	Watkins
Flippo	Mollohan	Wilson
Foglietta	Murtha	Wortley

□ 1540

Mr. STALLINGS changed his vote from "yea" to "nay."

Mr. SWINDALL changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4567

Mr. PURSELL. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 4567.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CONFERENCE REPORT ON S. 974, PROTECTION AND ADVOCACY FOR MENTALLY ILL INDIVIDUALS ACT OF 1986

Mr. WAXMAN. Mr. Speaker, I call up the conference report on the Senate bill (S. 974) to provide for protection and advocacy for mentally ill persons.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of May 5, 1986.)

The SPEAKER pro tempore. The gentleman from California [Mr. WAXMAN] will be recognized for 30 minutes and the gentleman from New York [Mr. LENT] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I call up the conference report to accompany S. 974.

This bill expands the charge of the protection and advocacy agencies that exist in all States to assist the developmentally disabled. Under this bill, these agencies will also protect mentally ill persons in institutions from abuse and neglect.

This bill first arose from a series of hearings held by the Senate Subcommittee on the Handicapped, documenting serious injury and neglect of the mentally ill. The bill passed the Senate unanimously and passed the House earlier this year by a vote of 290 to 84.

In the conference, the House agreed to the Senate's lower funding levels over the 3 years of the bill. Unrelated matters in the Senate bill were removed. And, I am pleased to say, the Senate agreed to the provisions regarding Alzheimer's disease family support groups, authored by my colleague from Florida [Mr. BILIRAKIS].

I should also point out one change in language. The House bill provided for services to mentally ill persons in hospitals, nursing homes, community facilities for the mentally ill, and board and care facilities, as well as for persons recently discharged from all these types of institutions. The Senate bill spoke only of residential facilities, without enumeration. Senate conferees were concerned that an enumeration of the types of facilities might be construed as prejudging the types of facilities in which abuse and neglect actually occur. The conference language, therefore, uses the phrase "facility rendering care or treatment," and the Statement of the Managers makes very clear that the conferees intend for P&A agencies to work in and have access to the full range of such facilities that care for or treat mentally ill persons—including all hospitals (public and private, both general and psychiatric), nursing homes, community facilities, board and care facilities, and other facilities that render care or treatment. It is also clear that the conferees do not intend for questions of standing or jurisdiction to limit the effectiveness, range, or forums in which P&A agencies can work.

The conference agreement also deletes the Senate's provision that restricted the availability of services to only those people whose primary diagnosis is mental illness. Since the purpose of the legislation is to provide advocacy services for those persons who cannot advocate on their own behalf, it did not seem appropriate to provide a mentally ill person admitted with a broken hip with fewer services than a mentally ill person without such other problems. The goal is to prevent abuse and neglect of the mentally ill, whether the mental illness is the first, second, or last reason that a person is receiving care or treatment.

The spending authorized by this bill is included in the 1986 budget resolution. Funding for the program is also included in the appropriations bill already signed into law. We are also told that the administration does not oppose the passage of this bill.

The conference report retains the substance of the House-passed bill at a lower funding level without the unrelated provisions of the Senate bill. It has strong bipartisan support in both Houses.

I urge its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. LENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge my colleagues to join me and Congressman WAXMAN in supporting the conference agreement on S. 974, the Protection and Advocacy for Mentally Ill Individuals Act of 1986. This legislation will assist States in the development of independent advocacy systems for mentally ill individuals, residing in treatment facilities, who may be subject to abuse or neglect.

S. 974 will designate State entities that currently provide protection and advocacy services for the developmentally disabled as eligible for grants under this program. These entities will be given access to facilities that treat mentally ill patients as well as the records of patients in those facilities in order to investigate incidents of neglect and abuse and to pursue administrative, legal and other appropriate remedies to ensure the protection of these individuals.

This legislation also gives the Secretary of Health and Human Services the authority to promote the establishment of family support groups for Alzheimer's disease patients and to promote the development of a national network to coordinate these activities. S. 974 provides no new authorization of appropriations for this program.

The conference agreement on S. 974 authorizes $31.5 million for 3 fiscal years for this program. This represents a reduction of $1.5 million from the House-passed bill. The conference agreement also specifies that protection and advocacy systems exhaust all administrative remedies where appropriate prior to pursuing legal action and not duplicate the actions of an individual's guardian or representative unless such assistance is requested.

As the cost of providing health care for the institutionalized mentally ill continues to rise, it is increasingly important that the care and treatment of these individuals are appropriate. The enactment of this legislation should ensure that health-care facilities provide adequate nutrition, care, and a safe environment for the mentally ill of this country.

Mr. Speaker, I yield 7 minutes to the gentleman from Florida [Mr. BILIRAKIS].

Mr. BILIRAKIS. Mr. Speaker, I want to say just a few words today in support of the conference report on S. 974, the Protection and Advocacy for Mentally Ill Individuals Act of 1986. As one of the two sponsors of this bill in the House, I want to impress upon all my colleagues the importance of passing this legislation—which addresses assistance and protection for people who often cannot help or protect themselves.

The Protection and Advocacy for Mentally Ill Individuals Act of 1986, sponsored by Chairman WAXMAN and myself in the House and Mr. WEICKER in the Senate, is supported by the American Psychiatric Association, the American Psychological Association, the Association for Retarded Citizens, the National Alliance for the Mentally Ill, the National Mental Health Association, the United Cerebal Palsy Association, as well as a number of other professional patient and family organizations. Its primary purposes are twofold. First, to assist States to establish and operate protection and advocacy systems for mentally ill persons and, second, to promote family support groups for Alzheimer's disease patients and their families.

We are all familiar, I am sure, with recent studies which have uncovered alarming statistics of significant abuse and neglect of the mentally ill in residential facilities throughout the Nation. As a member of the Energy and Commerce Committee's Health and Environment Subcommittee, I have personally heard witnesses, some former patients themselves, attest their experience or familiarity with the abuse—physical, emotional, and sexual—and neglect of mentally ill persons in institutions and those recently discharged from institutions.

P&A services already exist for the developmentally disabled. They have been a condition of a State's receipt of funds under the Developmental Disabilities Assistance and Bill of Rights Act since 1975. This program has been widely accepted and used by disabled people, their families, and service providers. It has also been well received by the States, the GAO, as well as by the Reagan administration. The conference report currently before us would provide modest increases in authorizations to expand the mandate of these existing protection and advocacy services for the mentally ill as well.

As a fiscal conservative, no one recognizes the constraints of our deficit situation more than I, nor more strongly feels that every appropriate and conceivable effort be made to reduce it. However, certain problems, especially those in the health area, transgress budgetary concerns and require immediate attention and compassion. This is especially true in the area of protection and advocacy services, for there is no doubt but they are needed in order to investigate and prevent further instances of abuse and neglect.

The Protection and Advocacy for Mentally Ill Individuals Act of 1986 requires States to certify, by the beginning of fiscal year 1987, that an advocacy program has been established in order to continue to receive an allocation from the Alcohol, Drug Abuse and Mental Health Administration (ADAMHA) block grant funds. Funding for this program is already included in the Appropriations Act for this year that was signed by the President on December 12. Furthermore, the funding is within the approved budget ceiling for this function. I urge my colleagues to support the protection and advocacy services of this legislation and thereby speak for those who are unable to speak or defend themselves from the abuse and mistreatment of others.

The second purpose of the Protection and Advocacy for Mentally Ill Individuals Act of 1986 is to promote the establishment of family support groups for victims of Alzheimer's disease and their families. We all know about the horrors of Alzheimer's disease and how it suddenly grips a normal and productive life and ravages it until there is neither personality, mentality, nor humanity left in its victim. Although there is currently little we can do to help victims of this deadly disease as it progresses, we can provide the necessary emotional hand to victims in the early stages and, especially, to the families who are forced to watch a loved one literally deteriorate in mind and spirit, through support groups.

I'm sure everyone will agree that recent Congresses have seen many showpiece initiatives addressing Alzheimer's disease. Today, however, we will finally have the long-awaited opportunity to do something to help the unfortunate victims of this debilitating dementia. Support groups have already proven successful and beneficial on the private level, as demonstrated by the pioneer work of the Alzheimer's Disease and Related Disorders Association [ADRDA], because they offer the victim and his family the opportunity to talk with others who are going through the same unfortunate experiences with Alzheimer's disease.

The conference report currently before us calls upon the Secretary of Health and Human Services [HHS] to promote, subject to available appropriations, the establishment of family support groups to provide, without charge, educational, emotional, and practical support to assist individuals with Alzheimer's disease or a related memory disorder and their family members.

These support groups would primarily be established in university medical centers and community based programs which already receive Federal funds and which conduct research on Alzheimer's disease or provide services for it. The legislation under consider-

ation also calls upon the Secretary to promote the establishment of a national network to coordinate these family support groups and to report to Congress, within 1 year after enactment of this provision, on the establishment of the support groups and their network.

In summation, then, the conference report before us provides mechanisms which will protect a vulnerable population of citizens against mistreatment. No one in our society should have to be subjected to any unethical or inhumane treatment, least of all patients who are in mental health facilities to receive professional care and attention. The expansion of protection and advocacy services to cover the mentally ill, which this bill proposes, will help ensure against instances of abuse and neglect in the future.

Second, this legislation contains provisions which will assist yet another vulnerable population—the 2.5 million victims of Alzheimer's disease and the family members who are often victimized as much as the patient himself. The support groups which this legislation proposes will help this group of unfortunate victims come to grips with the reality of the disease with which they or their loved one has been afflicted. Nothing can compare with the emotional trauma such people go through, and the support group will offer them the opportunity to share with others who have been there and understand while simultaneously offering them practical information and advice on the disease known as Alzheimer's. I hope all my colleagues will support passage of the conference report before us and thereby help both groups of vulnerable victims.

□ 1555

Mr. LENT. Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut [Mr. MCKINNEY].

Mr. MCKINNEY. Mr. Speaker, I rise for the purpose of engaging the distinguished chairman of the subcommittee in a colloquy.

This bill provides for protection and advocacy against abuse and neglect of mentally ill persons. Would the chairman describe the scope of the word "neglect" in the bill as he sees it.

Mr. WAXMAN. Mr. Speaker, if the gentleman will yield, the bill defines neglect as an act or omission which caused injury or put a person at risk of injury.

It is our intent that this term include such neglect as the failure to provide appropriate services—both inpatient and outpatient—as well as the failure to discharge inappropriately placed patients and the failure to inform discharged patients of available resources.

I know that the gentleman from Connecticut has been very concerned about the inappropriate placement and discharge of mentally ill persons, and I believe that this bill will do a great deal to stop the "dumping" of mental patients from hospitals without appropriate community resources.

Mr. MCKINNEY. I thank the distinguished chairman. Since 1981, I have worked with mental health groups in trying to craft language that would prevent States from neglecting patients by discharging them without providing any followup care. This bill will go a long way to provide what I call an "optimum therapeutic setting" for all patients and I commend the chairman on his fine work.

Mr. BIAGGI. Mr. Speaker, I rise in strong support of the pending conference report to accompany S. 974, the Protection and Advocacy for the Mentally Ill Act of 1986. Adoption of this conference report will be a significant step forward by Congress in recognizing the critical need we have to ensure that our mentally ill are provided with basic rights and the ability to advocate for those rights.

This legislation is the product of some excellent work on the part of the House and Senate. It will help States establish protection and advocacy systems for mentally ill persons. It authorizes $10 million in fiscal year 1986 and $10.5 million for fiscal year 1987 and $11 million in fiscal year 1988 for these important programs. It is vital that these programs are established so we are not allowing those mentally ill persons to be left vulnerable victims of abuse and neglect.

I am especially pleased that the final conference agreement retains an amendment I sponsored to the House passed bill dealing with the new language establishing family support groups for those families of victims of Alzheimer's disease. Under my amendment, those programs eligible to participate would be expanded to specifically include "community-based programs which receive funds from the Administration on Aging."

I offered this amendment as a means of both recognizing and assisting the work that is already underway in States and localities with respect to family support groups for Alzheimer's victims. A number of the newest ones are being funded by the Older Americans Act which is run by the Administration on Aging. This is largely due to the provisions of language which I authored, together with my distinguished colleague from Maine, OLYMPIA SNOWE, to the 1984 Older Americans Act.

Under our language, a priority in the use of funds under title III–B supportive services would be provided to those programs providing support services for families of Alzheimer's disease victims. Now, almost 2 years later, these programs have been established by some of the more than 50 State agencies on aging and 660 area agencies on aging that administer the Older Americans Act at the local level. By including them among programs eligible for support under title II of this bill, we complement their efforts.

One such community-based program that I know does exist is in my home city of New York. The New York City Alzheimer's Resource Center was established in March 1984. It is the first municipally sponsored, comprehensive information, referral, and counseling service in the Nation. It is operated and funded with both public and private funds. It is operated under the auspices of the New York City Department for the Aging which is an area agency on aging funded by the Older Americans Act. The resource center has as its main goal to link Alzheimer's patients, their families and the service community at large with appropriate programs and services in New York City that can assist those whose lives are affected by Alzheimer's disease. Among its services are guidance to families and caregivers on entitlement programs, residential and institutional placement, alternate housing arrangements, home care services and conducts seminars, including an annual citywide conference that I have been proud to participate in during the past 3 years.

The fact is—it is imperative that we adopt this legislation to allow for the establishment of these family support groups. Alzheimer's disease today affects more than 2.5 million persons. There are the actual victims of the disease. Yet, there are millions of other Americans who are ravaged by the disease, the families and loved ones of these victims. Both groups are victims and deserve our compassion and our support. We give them both with the adoption of this bill.

Mr. LENT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WAXMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken, and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. LENT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 383, nays 21, not voting 29, as follows:

[Roll No. 121]

YEAS—383

Akaka	Biaggi	Burton (IN)
Alexander	Bilirakis	Bustamante
Anderson	Bliley	Byron
Andrews	Boehlert	Callahan
Annunzio	Boggs	Campbell
Anthony	Boland	Carney
Applegate	Boner (TN)	Carper
Aspin	Bonior (MI)	Carr
AuCoin	Bonker	Chandler
Badham	Borski	Chapman
Barnard	Bosco	Chappell
Barnes	Boucher	Chappie
Bartlett	Boulter	Clay
Barton	Boxer	Clinger
Bateman	Breaux	Coats
Bates	Brooks	Cobey
Bedell	Broomfield	Coble
Beilenson	Brown (CO)	Coelho
Bennett	Broyhill	Coleman (MO)
Bentley	Bruce	Coleman (TX)
Berman	Bryant	Collins
Bevill	Burton (CA)	Combest

Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Crockett
Daniel
Darden
Daschle
Davis
de la Garza
DeLay
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Fawell
Fazio
Feighan
Fish
Florio
Foley
Ford (MI)
Fowler
Frank
Frenzel
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hartnett
Hatcher
Hawkins
Hayes
Hefner
Heftel
Henry
Hertel
Hiler
Hillis
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennelly
Kildee
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
LaFalce
Lagomarsino
Latta
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Lloyd
Loeffler
Long
Lott
Lowery (CA)
Lowry (WA)
Luken
Lundine
Mack
MacKay
Madigan
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (OH)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Montgomery
Moody
Moore
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Myers
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Perkins
Petri
Pickle
Porter
Price
Pursell
Quillen
Rahall
Rangel
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sensenbrenner
Shaw
Shelby
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Snyder
Solarz
Solomon
Spence
Spratt
St Germain
Stallings
Stangeland
Stark
Stenholm
Stokes
Strang
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Waxman
Weaver
Weber
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

NAYS—21

Archer
Armey
Cheney
Craig
Crane
Dannemeyer
Dreier
Eckert (NY)
Fields
Hansen
Kramer
Livingston
Lungren
Marlenee
McCandless
Monson
Moorhead
Nielson
Oxley
Packard
Shumway

NOT VOTING—29

Ackerman
Atkins
Bereuter
Brown (CA)
Daub
Dellums
Edgar
Fiedler
Flippo
Foglietta
Ford (TN)
Franklin
Grotberg
Hendon
Holt
Lantos
Leach (IA)
Lujan
Miller (CA)
Mollohan
Murtha
O'Brien
Robinson
Scheuer
Sharp
Shuster
Staggers
Watkins
Wilson

□ 1615

Mr. ECKERT of New York changed his vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report just approved.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 337, CONGRESSIONAL BUDGET FOR THE U.S. GOVERNMENT FOR FISCAL YEARS 1987, 1988, AND 1989

Mr. WHEAT, from the Committee on Rules, submitted a privileged report (Rept. No. 99-600) on the resolution (H. Res. 455) providing for consideration of the concurrent resolution (H. Con. Res. 337) setting forth the congressional budget for the U.S. Government for fiscal years 1987, 1988, and 1989, which was referred to the House Calendar and ordered to be printed.

PERMISSION FOR MEMBERS "TO SUBMIT SUBSTITUTES FOR HOUSE CONCURRENT RESOLUTION 337, CONGRESSIONAL BUDGET FOR THE U.S. GOVERNMENT FOR FISCAL YEARS 1987, 1988, and 1989

Mr. WHEAT. Mr. Speaker, I ask unanimous consent that Members have until midnight tonight to submit their substitutes to the budget resolution for printing in the CONGRESSIONAL RECORD. This request has been cleared with the minority.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE REPORT ON HOUSE CONCURRENT RESOLUTION 337, CONGRESSIONAL BUDGET FOR THE U.S. GOVERNMENT FOR FISCAL YEARS 1987, 1988, AND 1989

Mr. WHEAT. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file its report to accompany House Concurrent Resolution 337. This request has been cleared with the minority.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 1, HOUSING ACT OF 1985

Mr. WHEAT. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 450 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 450

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1) to amend and extend certain laws relating to housing, and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against the consideration of the bill for failure to comply with section 402(a) of the Congressional Budget Act of 1974, as amended (Public Law 93-344, as amended by Public Law 99-177) are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be considered for amendment under the five-minute rule. In lieu of the amendment in the nature of a substitute recommended by the Committee on Banking, Finance and Urban Affairs now printed in the bill, it shall be in order to consider an amendment in the nature of a

substitute consisting of the text of the bill H.R. 4746 as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered for amendment by titles instead of by sections, and each title shall be considered as having been read. All points of order against said substitute for failure to comply with the provisions of sections 302(c), 302(f), 311(a), and 402(a) of the Congressional Budget Act of 1974, as amended, and with the provisions of clause 5(a) of rule XXI, are hereby waived. It shall be in order to consider an amendment printed in the Congressional Record of May 7, 1986, by, and if offered by, Representative Burton of California to the amendment in the nature of a substitute made in order as original text for the purpose of amendment by this resolution and all points of order against said amendment for failure to comply with the provisions of clause 7 of rule XVI are hereby waived. It shall be in order to consider an amendment to the amendment in the nature of a substitute made in order as original text for the purpose of amendment by this resolution printed in the Congressional Record of May 7, 1986, by, and if offered by, Representative Kolbe of Arizona, and said amendment shall be considered en bloc despite the fact that it amends a title of the bill not yet considered for amendment, and said amendment shall not be subject to a demand for a division of the question in the House or in the Committee of the Whole. It shall be in order to consider an amendment in the nature of a substitute, if offered by Representative Wylie of Ohio, consisting of the text of the bill H.R. 4757, and said amendment shall be considered as having been read. All points of order against said amendment for failure to comply with the provisions of section 402(a) of the Congressional Budget Act of 1974, as amended, and with the provisions of clause 5(a) of rule XXI, are hereby waived. It shall be in order to consider an amendment printed in the Congressional Record of May 7, 1986, by, and if offered by, Representative Burton of California to the amendment in the nature of a substitute offered by Representative Wylie made in order by this resolution and all points of order against said amendment for failure to comply with the provisions of clause 7 of rule XVI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as orginal text by this resolution. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Missouri [Mr. WHEAT] is recognized for 1 hour.

Mr. WHEAT. Mr. Speaker, for the purposes of debate only, I yield 30 minutes to the gentleman from Missouri [Mr. TAYLOR], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 450 is an open rule providing for consideration of H.R. 1, the Housing Act of 1985. The resolution provides for 2 hours of general debate to be divided equally between the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs. The rule makes in order the text of H.R. 4746 as an original bill for the purpose of amendment and provides that the bill shall be considered for amendment by title instead of by section and that each title shall be considered as having been read.

All points of order against the substitute for failing to comply with sections 302(c), 302(f), 311(a) and 402(a) of the Congressional Budget Act of 1974 as amended, and with the provisions of clause 5(a) of rule XXI, are waived.

Section 302(c) of the Budget Act prohibits consideration of a committee's legislation providing new budget authority, new spending authority or new credit authority until the committee has filed a report which complies with section 302(b) of the act. Since the Banking Committee has not yet filed its section 302(b) report, a waiver of section 302(c) is necessary.

The rule also waives section 302(f) of the Congressional Budget Act. Section 302(f) prohibits consideration of legislation providing discretionary new budget authority, new entitlement authority or new credit authority in excess of the committee's 302(b) allocation of such authority.

The Banking Committee has already exceeded its appropriate allocation for fiscal year 1986. Therefore, the new spending authority provided for in the substitute further breaches the committee's 302(b) allocation and a waiver of section 302(f) is needed.

Section 311(a) of the Budget Act is waived as well. Section 311(a) prohibits consideration of any measure which increases spending in a final year in excess of the ceilings set forth in the budget resolution. This legislation creates new spending in fiscal year 1986 by foregoing receipts from the sale of an urban renewal project and by foregoing the interest on funds advanced to a local housing authority. Therefore, the measure increases outlays for fiscal year 1986 and a waiver of section 311(a) of the Budget Act is needed.

The rule provides for one other Budget Act waiver—a waiver of section 402(a). Section 402(a) prohibits consideration of any legislation providing new credit authority which is not limited to amouts provided for in appropriation acts. The measure extends the Federal Housing Administration Mortgage Insurance Programs and Flood and Crime Insurance Programs through the end of fiscal year 1987. Since the programs are not subject to advance appropriations, the legislation violates section 402(a) of the Budget Act and a waiver is needed.

Points of order against the substitute for failing to comply with clause 5(a) of rule XXI are also waived. Clause 5(a) of rule XXI prohibits appropriations in an authorization bill. Since, the substitute made in order as original text, provides that previously appropriated funds be used for other purposes, a waiver of clause 5(a) rule XXI is needed.

An amendment, by and if offered by Representative BURTON of California, is made in order by the rule. All points of order against the amendment for failing to comply with clause 7, rule XVI, that is the rule which prohibits consideration of nongermane amendments, are waived.

The rule provides that an amendment printed in the CONGRESSIONAL RECORD on May 7, to be offered by Representative KOLBE of Arizona, be considered en bloc notwithstanding the fact that the amendment will amend provisions of the bill not yet read for amendment.

The rule also makes in order an amendment in the nature of a substitute to be offered by Representative WYLIE, which consists of the text of H.R. 4757. All points of order against the substitute for failing to comply with section 402(a) of the Budget Act are waived. Also waived are points of order which may be raised against the bill for failing to comply with clause 5(a), rule XXI.

The amendment offered by Representative BURTON of California to the substitute made in order as original text, is also in order to the Wylie amendment. Again, a waiver of clause 7, rule XVI is granted.

Finally, Mr. Speaker, the rule provides for one motion to recommit, with or without instructions.

Mr. Speaker, the Rules Committee is generally reluctant to grant this number of Budget Act waivers. However, in this instance, the waivers were judged necessary in order that the House may consider legislation which is vital to so many of this country's citizens.

This measure reauthorizes the Federal Housing Administration mortgage insurance program, Farmers Home Administration rural housing programs, flood and crime insurance and lower income housing assistance programs. It also establishes new programs and modifies existing ones.

Mr. Speaker, this rule enjoys the support of Members from both sides of the aisle. I urge that we adopt the rule so that we may proceed to consideration of this measure.

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 450 is an open rule under which the House will consider legislation authorizing extension of several housing and community development insurance programs through the end of 1987.

The rule makes H.R. 4746, a bill introduced by the gentleman from

Texas [Mr. GONZALEZ] and the gentleman from Connecticut [Mr. MCKINNEY], in order as an amendment in the nature of a substitute to H.R. 1.

The Gonzalez substitute, H.R. 4746, is to be considered as an original bill, for the purpose of germane amendments under the 5-minute rule.

The rule also makes H.R. 4757, a bill introduced by the gentleman from Ohio [Mr. WYLIE] and the gentleman from Texas [Mr. BARTLETT], as a substitute for the Gonzalez amendment.

Mr. Speaker, the rule contains seven waivers of the Budget Act. Section 402(a) is waived against consideration of the bill, the Gonzalez substitute and the Wylie substitute.

Section 402(a) of the Budget Act prohibits floor consideration of bills providing new credit authority, when the new credit authority is not limited to amounts provided in advance in appropriation acts.

The reported bill, as well as both of the substitutes, extend the Federal Housing Administration mortgage insurance and the flood insurance programs through the end of fiscal year 1987. Since these programs are not subject to advance appropriations, the legislation would be subject to a point of order under section 402(a).

Mr. Speaker, the other provisions of the Budget Act that are waived in this rule are waived against consideration of the Gonzalez substitute, and have been explained in some detail by the gentleman from Missouri [Mr. WHEAT].

As the gentleman from Missouri [Mr. WHEAT] pointed out, the Gonzalez substitute provides additional spending with budget outlays in the current fiscal year. Since the budget ceiling for 1986 outlays has already been breached, any legislation providing additional outlays would be subject to a point of order.

The substitute to be offered by the gentleman from Ohio [Mr. WYLIE] does not provide additional budget authority or outlays for fiscal 1986. As a matter of fact, the Wylie substitute reduces fiscal 1986 outlays by $104 million.

Members who are interested in staying within the current budget for housing programs should know that the Wylie substitute does, and the other one doesn't. In order to consider the Wylie substitute, however, it is necessary to waive the Budget Act against the Gonzalez substitute.

Mr. Speaker, the House bill will be presented with two very clear and distinct choices under this rule.

The substitute to be offered by the gentleman from Texas [Mr. GONZALEZ] does not contain specific authorization limits for fiscal 1987. The substitute authorizes such sums as may be appropriated, and says that spending for all the major housing and community development programs will be held to the 1987 budget limitations.

This is highly unusual, since we have yet to consider the 1987 budget resolution, let alone reach a final agreement on the 1987 budget.

The Congressional Budget Office estimate of the authorization level of H.R. 4746 in 1987 is $15.2 billion, and is based upon the current appropriations level adjusted for inflation, the so-called CBO baseline.

Mr. Speaker, the substitute to be offered by the gentleman from Ohio [Mr. WYLIE] does set specific authorization limits, does reduce the costs of many of these programs and does present the House with a responsible way to legislate.

The Congressional Budget Office estimate of the authorization level of H.R. 4757, the Wylie substitute, is $8.7 billion. This estimate is based upon specific amount contained in the bill.

Mr. Speaker, there are several other important differences between the two substitutes, one of which is a new program of grants to establish fair housing testing. The Gonzalez version is an open-ended authorization for testing of realtors, with no standards as to how these tests are to be conducted.

The Wylie substitute does not contain the testing program, but Members should expect a floor amendment to the Wylie substitute legislating an agreement reached this week between the National Association of Realtors and the Department of Housing and Urban Development.

□ 1630

Mr. Speaker, I have at this point a few requests for time, and I yield 6 minutes to the gentleman from Texas [Mr. BARTLETT], a member of the committee.

Mr. BARTLETT. I thank the gentleman for yielding this time to me.

Mr. Speaker, I will say that I will not actively oppose the rule out of gratitude and appreciation for Chairman GONZALEZ, the chairman of the subcommittee, for including the comprehensive grant major reform that was originally included in H.R. 1 in his substitute.

That comprehensive grant is a major initiative that has been long in coming that would deregulate and provide for reliable funding of the modernization and repair of public housing. However, I would bring to the attention of the House that there is a considerable problem and difficulty with the rule that was granted by the Committee on Rules not necessarily at the request of Chairman GONZALEZ.

The rule has been described as an open rule. I think it would be more accurate to describe this rule as a semi-open rule, and let me bring to the attention of the House this error and this fact.

The rule, as my colleagues have heard, waives clause 5, rule XXI of the Budget Act for both substitutes to the bill, but a key amendment which I had planned to offer and talked with the Committee on Rules about, an amendment that would transfer all of the funding that is provided for new construction of public housing into modernization and repair, was not made in order; that is, the rule was not waived for that amendment.

I think that is a mistake. I would comment that that amendment has considerable bipartisan support, and on the Committee on Rules itself, the vote not to grant that waiver was a 5-to-4 vote, with two Members of the other party voting in favor of that waiver. It is a bipartisan effort.

The good news that I would bring to the attention of the House is that I have redrafted the amendment in a way that is clumsier but in a way that allows the House to vote on the heart of the issue, and the heart of the issue is this in housing: It is time, it is past time, for the U.S. Congress to begin allocating a higher priority for repair and modernization and rehabilitation of existing units of public housing rather than to increase authorizations and appropriations for the construction of new units.

The amendment that I will be offering, entitled "The Repair and Modernization Funding Amendment," will do two things. First, it would restrict the HUD Secretary's authority to obligate new construction funding to only one of three cases: One, for the completion of units obligated in prior years; two, when the public housing authority itself certifies that 90 percent of its units are up to standard or they have been funded to be brought up to standard, a public housing authority under this amendment would not be given more money to build new units until they repair the ones they have; and third, to replace those units lost through demolition and disposition.

Thus, by adopting this amendment, which I believe the Congress will, the Congress is setting as a priority in the appropriations process that appropriations that are not required for new construction would be appropriated for repair and modernization.

Second, this amendment would, for fiscal year 1986, which we are in the middle of, increase the authorization level for repair and modernization by $860 million, and that is the amount that is appropriated but as yet unobligated by HUD. So, in essence, we are setting up a mechanism where the $860 million can be added to modernization and repair, and that doubles the amount this Congress would be spending for modernization and repair and sets, for the first time, the priority of modernization of existing units

of public housing over the priority of new construction.

Data that I have received today from HUD would tell us this, preliminary data from the ABT study: That there are over 459,000 units of public housing in this country that are substandard and need repair in excess of $5,000 per unit. That tells us that 36 percent of all the units of public housing in this country are in substantial need of repair.

The fastest, the least costly, the most efficient and the most compassionate way to increase standard units, decent, safe, and sanitary public housing units in this country is to add money to repair and modernization, and that goes to the heart of the issue.

I will also be offering a second amendment which is fully germane which would be in the form of a new title. Many of the sections of this new title were adopted, interestingly enough, by the Banking Committee and by the Housing Subcommittee, but have been left out of the draft of the substitute by Chairman GONZALEZ and the gentleman from Connecticut [Mr. MCKINNEY].

This new title, entitled "Liveability and Employment Opportunites," would provide some key reforms that are long overdue that would add to the livability, to the living standards, to the quality of life and to the employment opportunities of tenants who are living in public housing.

I am putting both of these amendments on the record today, and I commend them to the attention of the House on a bipartisan basis when the bill is brought up for amendment.

Mr. TAYLOR. Mr. Speaker, I yield 4 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding this time to me.

Mr. Speaker, I would ask anyone who thinks that Congress is really serious about maintaining a posture under the Budget Act to take a look at this rule.

This rule is an atrocity. This rule waives every major provision of the Budget Act that attempts to get a handle on spending.

For example, this rule waives the part of the Budget Act that stands against new credit authority beyond that provided in appropriations. In other words, what this rule says is go ahead and allow credit authority beyond that which has the money already appropriated.

This rule waives the part of the Budget Act that prohibits consideration of a measure where the committee is supposed to have submitted reports. So, in other words, what this rule says is that despite the fact that the committee did not submit the proper reports, we ought to go ahead and spend the money anyhow.

This rule waives the part of the Budget Act prohibiting consideration of a measure where the budget amounts assigned to a particular subcommittee would be exceeded. In other words, we already know that the subcommittee has already exceeded its limits for fiscal year 1986. This particular rule would say that does not matter; go ahead and consider the measure anyway.

So, in fact, it waives the Budget Act above and beyond that which we have already spent in this fiscal year.

It also waives the Budget Act in that section which prohibits new budget authority or outlays being exceeded or the revenue floor being breached. That is the main protection we have in the entire Budget Act. That is the protection that says that we are not supposed to bring measures to the floor that are over and above the budget, and this particular rule waives that part of the Budget Act.

So, in fact, this is really a major Budget Act violation we have before us.

Then, in addition to that, it waives the House rules as well, and the particular part of the House rules that it waives prohibits appropriations in an authorization bill.

So what we do in this rule is waive the entire Budget Act, and then we go ahead and say spend the money. We do not even have to go to the Committee on Appropriations. Go ahead and spend the money under this authorization bill.

That is the rule that is before us. What kind of money are we talking about? The administration says that the $96 billion represented by this bill is $35 billion over the President's budget over a 5-year period. This is a $35 billion budget buster that is being approved by approving this rule. Anyone who votes for this rule is voting to bust the budget; make no mistake about it. They are not voting for mere technical Budget Act violations; they are voting for the biggest, baddest, budget-busting rule of this legislative year.

□ 1640

Mr. WYLIE. Mr. Speaker, will the gentleman from Pennsylvania [Mr. WALKER] yield?

Mr. WALKER. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Speaker, I would suggest that that does not necessarily apply to the substitute which I will offer.

Mr. WALKER. I would say to the gentleman, if he would allow me, his substitute, in fact, gets around many of the problems that are attempted to be alleviated by this rule in the committee-passed bill, but the problem is, in improving the rule that allows the gentleman's substitute, we also have to approve the budget-busting.

Mr. WYLIE. Mr. Speaker, I would point out that in the area of waiving the Budget Act, for instance, there is only one application to my rule and that would be in the area of the FHA credit limit which we just extended up until June 6 a little while ago, and which we have to do, but we would not be in this position if we had a Budget Act.

It was only in that one regard where we waived the Budget Act in ours. We do not waive any germaneness rule in our particular substitute.

I just thought that the record should be cleared up in that regard.

Mr. WALKER. The gentleman is correct. I simply want to point out to the House that the complaints are with the bill as brought to the floor by the committee, and it is that particular bill that is the problem in terms of the Budget Act. I maintain, again, this is the single biggest, baddest budget-busting rule that we have had before us in this legislative year.

Mr. TAYLOR. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WHEAT. Mr. Speaker, I have no requests for time. While the Rules Committee is generally reluctant to grant this number of waivers, in this instance, the waivers were judged necessary in order that the House might consider legislation which is vital to many of this country's citizens.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 257, nays 149, not voting 27, as follows:

[Roll No. 122]

YEAS—257

Akaka	Boggs	Chappell
Alexander	Boland	Clay
Anderson	Boner (TN)	Clinger
Andrews	Bonior (MI)	Coble
Anthony	Bonker	Coelho
Applegate	Borski	Coleman (TX)
Aspin	Bosco	Collins
AuCoin	Boucher	Conte
Barnard	Boxer	Conyers
Barnes	Breaux	Cooper
Bartlett	Brooks	Coyne
Bates	Brown (CA)	Crockett
Bedell	Bruce	Daniel
Beilenson	Bryant	Darden
Bennett	Bustamante	Daschle
Berman	Byron	Davis
Bevill	Carper	de la Garza
Biaggi	Carr	Derrick
Boehlert	Chapman	Dicks

Dingell	Kennelly	Rinaldo
DioGuardi	Kildee	Rodino
Dixon	Kleczka	Roe
Donnelly	Kolter	Rose
Dorgan (ND)	Kostmayer	Rostenkowski
Dowdy	LaFalce	Roth
Downey	Lehman (CA)	Roukema
Duncan	Lehman (FL)	Rowland (CT)
Durbin	Leland	Rowland (GA)
Dwyer	Levin (MI)	Roybal
Dymally	Levine (CA)	Russo
Dyson	Lipinski	Sabo
Early	Long	Savage
Eckart (OH)	Lowry (WA)	Schneider
Edwards (CA)	Lundine	Schumer
English	MacKay	Seiberling
Erdreich	Manton	Sharp
Evans (IL)	Markey	Shelby
Fascell	Martinez	Sikorski
Fazio	Matsui	Sisisky
Feighan	Mavroules	Skelton
Fish	Mazzoli	Slattery
Flippo	McCandless	Smith (FL)
Florio	McCloskey	Smith (IA)
Foglietta	McCurdy	Smith (NJ)
Foley	McDade	Snowe
Ford (MI)	McHugh	Solarz
Ford (TN)	McKernan	Spratt
Fowler	McKinney	St Germain
Frank	McMillan	Stallings
Frost	Mica	Stark
Fuqua	Mikulski	Stokes
Garcia	Miller (CA)	Studds
Gaydos	Mineta	Swift
Gejdenson	Mitchell	Synar
Gephardt	Moakley	Tallon
Gibbons	Molinari	Tauzin
Gilman	Montgomery	Thomas (GA)
Glickman	Moody	Torres
Gonzalez	Moore	Torricelli
Gordon	Morrison (CT)	Towns
Gray (IL)	Mrazek	Traficant
Gray (PA)	Murphy	Traxler
Green	Natcher	Udall
Guarini	Neal	Valentine
Hall (OH)	Nelson	Vento
Hamilton	Nowak	Visclosky
Hatcher	Oakar	Volkmer
Hawkins	Oberstar	Walgren
Hayes	Obey	Waxman
Hefner	Ortiz	Weaver
Heftel	Owens	Weiss
Hertel	Panetta	Wheat
Horton	Parris	Whitley
Howard	Pease	Whitten
Hoyer	Penny	Williams
Hubbard	Pepper	Wirth
Huckaby	Perkins	Wise
Hughes	Pickle	Wolpe
Hunter	Price	Wortley
Jenkins	Quillen	Wright
Johnson	Rahall	Wyden
Jones (NC)	Rangel	Wylie
Jones (TN)	Ray	Yates
Kanjorski	Reid	Yatron
Kaptur	Richardson	Young (MO)
Kastenmeier	Ridge	

NAYS—149

Archer	Crane	Henry
Armey	Dannemeyer	Hiler
Badham	DeLay	Hillis
Barton	DeWine	Hopkins
Bateman	Dickinson	Hutto
Bentley	Dornan (CA)	Hyde
Bilirakis	Dreier	Ireland
Bliley	Eckert (NY)	Jacobs
Boulter	Edwards (OK)	Jeffords
Broomfield	Emerson	Jones (OK)
Brown (CO)	Evans (IA)	Kasich
Broyhill	Fawell	Kemp
Burton (IN)	Fields	Kindness
Callahan	Frenzel	Kolbe
Campbell	Gallo	Kramer
Carney	Gekas	Lagomarsino
Chandler	Gingrich	Latta
Chappie	Goodling	Leath (TX)
Cheney	Gradison	Lent
Coats	Gregg	Lewis (CA)
Cobey	Gunderson	Lewis (FL)
Coleman (MO)	Hall, Ralph	Lightfoot
Combest	Hammerschmidt	Livingston
Coughlin	Hansen	Lloyd
Courter	Hartnett	Loeffler
Craig	Hendon	Lott
Lowery (CA)	Porter	Snyder
Lungren	Pursell	Solomon
Mack	Regula	Spence
Madigan	Ritter	Stangeland
Marlenee	Roberts	Stenholm
Martin (IL)	Roemer	Strang
Martin (NY)	Rogers	Stratton
McCain	Rudd	Stump
McCollum	Saxton	Sundquist
McEwen	Schaefer	Sweeney
McGrath	Schuette	Swindall
Meyers	Schulze	Tauke
Michel	Sensenbrenner	Taylor
Miller (OH)	Shaw	Thomas (CA)
Miller (WA)	Shumway	Vander Jagt
Monson	Siljander	Vucanovich
Moorhead	Skeen	Walker
Morrison (WA)	Slaughter	Weber
Myers	Smith (NE)	Whitehurst
Nielson	Smith, Denny (OR)	Whittaker
Olin	Smith, Robert (NH)	Wolf
Oxley	Smith, Robert (OR)	Young (AK)
Packard		Young (FL)
Pashayan		Zschau
Petri		

NOT VOTING—27

Ackerman	Franklin	Nichols
Annunzio	Grotberg	O'Brien
Atkins	Holt	Robinson
Bereuter	Lantos	Scheuer
Burton (CA)	Leach (IA)	Schroeder
Daub	Lujan	Shuster
Dellums	Luken	Staggers
Edgar	Mollohan	Watkins
Fiedler	Murtha	Wilson

□ 1700

Mr. SAXTON changed his vote from "yea" to "nay."

Mr. HUNTER changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bill on Monday, May 12, 1986:

S. 2308. An act to authorize the President of the United States to award congressional gold medals to Naton (Anatoly) and Avital Shcharansky in recognition of their dedication to human rights, and to authorize the Secretary of the Treasury to sell bronze duplicates of those medals.

NATIONAL SCIENCE WEEK, 1986

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 251) to designate the week of May 11, 1986, through May 17, 1986, as "National Science Week, 1986," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but I simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation of objection I yield to the gentleman from New York [Mr. GARCIA].

Mr. GARCIA. Mr. Speaker, I thank my colleague from Utah for yielding to me. This resolution was introduced in the House by our colleague from Florida [Mr. FUQUA] who is also chairman of the Committee on Science and Technology. And I would like everybody to know that we believe it is important to build and maintain a highly dedicated, motivated work force with scientific and technological skills. And we believe that as leaders in that area, that this resolution is appropriate, and we congratulate our colleague from Florida [Mr. FUQUA] for the resolution.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 251

Whereas science and technology are considered to be critical in the long-term, economic development and international competitiveness of the Nation;

Whereas the rate of scientific discovery and the application of high technologies have an immediate and profound impact on the quality of life;

Whereas the scientific and technological leadership of the Nation continues to be challenged on an increasing basis from members of the international community;

Whereas it is vital to build and maintain a highly dedicated and motivated workforce with scientific and technological skills;

Whereas it is important that scientific research be made more interesting and accessible to youth as a potential career option;

Whereas in order to take advantage of the opportunities and meet the challenges, the Nation must provide all citizens, particularly young people, with a quality educational experience in science and technology;

Whereas it is the national interest to stimulate and encourage the most talented and promising students to pursue careers in science and technology; and

Whereas schools, universities, museums, the media, and professional, educational, and voluntary organizations, together with industry, labor, government, and private citizens, should be encouraged to work cooperatively to develop programs, events, and materials that will contribute to an increased public awareness of the importance of science and technology to the well-being and long-term prosperity of the Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of May 11, 1986, through May 17, 1986, is designated as "National Science Week, 1986" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week, with appropriate conferences, programs, ceremonies, and activities, including

programs designated to further the awareness of all citizens, particularly the youth of the Nation, of the importance of science and technology.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

HOUSING ACT OF 1985

The SPEAKER pro tempore. Pursuant to House Resolution 450 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1.

□ 1705

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1) to amend and extend certain laws relating to housing, and for other purposes, with Mr. AUCOIN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rules, the gentleman from Texas [Mr. GONZALEZ] will be recognized for 1 hour, and the gentleman from Ohio [Mr. WYLIE] will be recognized for 1 hour.

The Chair recognizes the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Chairman, our leadoff speaker will be the very distinguished chairman of the full committee, who is, above being the chairman of the full committee, the ranking member of the Subcommittee on Housing and Community Development of the Committee on Banking, Finance and Urban Affairs, of which subcommittee he has been a member since the beginning.

Mr. Chairman, it is quite a privilege for me at this monent to yield such time as he may consume to our chairman, the gentleman from Rhode Island [Mr. ST GERMAIN].

Mr. ST GERMAIN. Mr. Chairman, I rise in support of H.R. 1, the Housing authorization bill, and strongly endorse the compromise substitute contained in H.R. 4746 and worked out by our distinguished chairman of the Housing Subcommittee, my colleague from Texas [Mr. GONZALEZ], and the distinguished ranking minority member of the Housing Subcommittee, my colleague from Connecticut [Mr. MCKINNEY]. It has been 3 years since we have been able to bring a housing bill to the floor of the House, so I commend the tenacity of the chairman of the Housing Subcommittee and my Democratic and Republican colleagues on the Banking Committee have pressed hard and worked together so that important housing and community development issues may be considered by the House in the authorization process rather than being decided upon in budget resolutions and appropriations acts.

The substitute amendment offered to H.R. 1 reauthorizes our federally assisted housing program through to the end of fiscal year 1987; reauthorizes the community development block grant and the urban development action grant programs through to the end of fiscal year 1987; reauthorizes the Farmers Home Administration's Rural Housing programs through the end of fiscal year 1987; and extend the HUD-FHA Mortgage Insurance Program through to the end of fiscal year 1987. The substitute makes a number of program amendments for FHA mortgage insurance and the secondary mortgage market programs; prohibits the imposition of user fees on the operations of FNMA and FHLMC, which if imposed would authorize a hidden tax on the homebuying public.

Mr. Chairman, the amendment contains an important provision regarding the UDAG Program that would change the selection criteria so that the UDAG Program would be more available in the areas of the country particularly the South and Southwest. This amendment would also extend the Federal Flood Insurance Program and the Federal Crime Insurance Program, both of which programs continue to be greatly needed particularly at a time when our insurance industry is walking away from all areas of insurance coverage.

Our federally assisted housing programs for lower- and middle-income people would be continued and reauthorized by the provisions of the Gonzalez-McKinney amendment despite the fact the administration for the past 2 years has attempted to terminate such programs as the section 202 Elderly Housing Program and the public housing and section 8 programs. The amendment would make a number of important administrative changes in the manner in which public housing operating subsidies are provided and a revision in the comprehensive modernization improvement program sponsored by our colleagues, the gentleman from Texas [Mr. BARTLETT] and the gentleman from Massachusetts [Mr. FRANK]. The amendment also would authorize a program authored by Mr. MCKINNEY of Connecticut to provide that section 202 assistance would be available for a new program of housing for mentally handicapped people.

A new initiative provides an expanded response on the part of the Federal Government to the national dilemma of homelessness in our country. This provision is sponsored by our colleague from Minnesota, Mr. VENTO, and our colleague from Ohio, Ms. OAKAR. The emergency food and shelter assistance would continue with an addition of new programs to provide Federal funding for the renovation of existing structures for housing for homeless people and a second stage housing program for homeless people.

Finally, Mr. Chairman, the amendment would authorize a new homeownership assistance program developed by our colleague from New York, Mr. SCHUMER, an attempt to replicate on a national basis the successful results of the Nehemiah Housing Opportunity Program that has taken place in Brooklyn, NY.

Mr. Chairman, again I congratulate my distinguished colleague from Texas [Mr. GONZALEZ] for his perserverance in seeing a housing authorization bill to the floor afer a long three-year absence and to the gentleman from Connecticut [Mr. MCKINNEY] for working so diligently on this pending bipartisan substitute amendment. I would also like to congratulate all of the members of the Housing and Community Development Subcommittee for their efforts at seeing this compromise through.

Mr. GONZALEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to bring to the House H.R. 1, the housing authorization bill, and to provide the Members of the House with an opportunity to debate and vote on major housing and community development related issues. It has been 3 years since the Congress has acted on a major piece of housing legislation; 3 years, in my opinion, of not responding to the housing needs of our Nation. While our consideration of H.R. 1 and the amendment in the nature of a substitute is an important legislative step, it does not by any stretch of the imagination begin to meet the huge housing needs our Nation requires today. I believe that our efforts on this bill represent a change of direction from experience of doing nothing. For the past 3 years we have been acting on temporary extender resolutions, assumptions in budget resolutions, and appropriations bills. This bill responds to the housing and community development policy mandates within the Banking Committee's authorizing jurisdiction.

I am not trying to hide the fact that the administration has proposed in its last two budgets the termination of

our federally assisted housing efforts and major curtailment of our community development programs. But there are indications that the administration might be backing away from their efforts at terminating these programs, and are willing to live with current programs with some refinements, if the Congress shows by positive legislative action that these programs will be continued.

So, Mr. Chairman, our efforts in this legislation are continuing what, in my opinion, is a very low level of activity for the federally assisted housing programs for low- and moderate-income people and the major mortgage insuring authorities of FHA.

Our amendment in the nature of a substitute, H.R. 4746, would extend the basic HUD FHA insuring authorities, the Farmers Home Administration rural housing programs, the Federal flood and crime insurance programs, and the Community Development and Urban Development Action Grant programs for an additional 1½ years through the end of fiscal year 1987. In addition, we would make major changes in the way the Urban Development Action Grants would be available to many communities throughout our country, particularly for the South and Southwest. The amendment in the nature of a substitute would also continue a number of other HUD programs for the same period of time.

While continuing the FHA mortgage insurance programs, this amendment would cap the already high FHA mortgage premium and would prohibit user fees that would be applied to our secondary mortgage market entities, FNMA [Fannie Mae] and FHLMC [Freddie Mac], that the administration is seeking to impose. These so-called user fees being proposed on Fannie Mae and Freddie Mac are viewed by most of the members of the Banking Committee as a tax on the housing industry and have little support in our committee.

The Committee amendment sponsored by myself and the ranking minority member of the subcommittee [Mr. McKINNEY] contains the authorizations for the HUD-assisted programs—public housing, section 8, and section 202 housing for the elderly. The funding levels for these programs are not set in this legislation but would be subject for these subsequent funding levels to be established by appropriations acts. We have made a number of changes in the way the public housing operating subsidy allocation system is administered and made major revisions in the manner in the way the public housing modernization program is operated. This proposed amendment, Mr. Chairman, also contains a very innovative provision to the 202 program to make the 202 assistance available to nonelderly handicapped people, those people who are mentally handicapped but who with assistance and counseling can live in a structured environment financed under the 202 program. I would like to commend our colleague, Mr. McKINNEY, for his efforts to assist the mentally handicapped that are contained in this bill.

Also, Mr. Chairman, we have provided authorizations for rural housing programs of the Farmers Home Administration subject to funding levels to be established in subsequent appropriation acts.

Our legislation contains a very innovative approach to dealing with the terrible dilemma of homelessness in America today that has been developed by our colleague from Minnesota [Mr. VENTO] and our colleague from Ohio [Ms. OAKAR], and supported in bipartisan fashion by both Democrat and Republican Members of the Committee. Let me point out, Mr. Chairman, that our Housing and Community Development Subcommittee was the first committee of the Congress in December of 1982 to raise the issue of homelessness in America to the National attention in a series of hearings that began in December of 1982 and have continued up to the present time. In response to these hearings our colleagues on both sides of the aisle on the committee sought to provide a Federal response to this growing national dilemma. The least that we can do, Mr. Chairman, is endorse this tenuous first step at providing a Federal response to a growing national problem.

And finally, Mr. Chairman, our amendment includes a very innovative homeownership program developed by our colleague from New York, [Mr. SCHUMER], that attempts to replicate the very successful program called the Nehemiah Housing Opportunity Grants Program. The experience of the Nehemiah program of Housing for low- and middle-class homeowners in Brooklyn, NY, combines the energies of nonprofit groups, churches, local, and State governments and in this amendment an up-front grant from the Federal Government. Mr. Chairman, the Subcommittee on Housing and Community Development conducted hearings in Brooklyn, NY, right at the site where the Nehemiah Program is building 1,500 units of single family homes for working class people and just last year in our authorization hearings held a day of hearings on the proposed legislation that is contained in our substitute amendment.

Mr. Chairman, it is safe to say that H.R. 1 has had a checkered history to date since it emerged from the Banking Committee last July. We have attempted to make the provisions of the bill more accepable to the majority of the Members of the House. Mr. Chairman, I am a political realist and while I can strongly support the amendment in the nature of a substitute I do so knowing full well that it hardly begins to address the terrible housing needs that this Nation faces. H.R. 1 even as reported by the Banking Committee last July did not contain the comprehensive approach I believe that is still necessary to address our crying housing needs. We have substantially reduced the scope and number of provisions in H.R. 1 recognizing the political climate that we in the House and in the other body are operating under.

I wish to take this opportunity to commend my distinguished ranking minority member of the subcommittee, Mr. McKINNEY of Connecticut, for the outstanding contribution he made in developing this bipartisan compromise. Mr. McKINNEY has carried on the great Republican tradition of supporting our assisted housing programs begun by the late and distinguished Republican Senator from Ohio, Robert Taft "Mr. Republican." Up until the advent of this administration housing and community development policy generally represented a bipartisan effort and I am pleased, Mr. Chairman, to tell my colleagues today that the contribution of Mr. McKINNEY and his colleagues on our Housing Subcommittee are continuing that tradition.

Mr. Chairman, I have included the attached chart which compares the bipartisan Gonzalez-McKinney amendment to H.R. 1, the Housing Act of 1986, with the fiscal year 1986 funding levels after Gramm-Rudman sequestration, the proposed fiscal year 1987 House Budget Committee concurrent budget resolution, and the fiscal year 1987 Wylie amendment. The chart illustrates the fact that the bipartisan amendment has aggregate budget authority levels below both the fiscal year 1986 baseline and the proposed fiscal year 1987 House Budget Committee's levels. Also, it does show that the Wylie amendment may result to be more costly, mainly $2.3 billion more for subsidized housing, if the administration's proposed deferrals are disapproved by Congress and enacted into public law. Obviously, the BA levels presented in the bipartisan amendment are far below the funding levels needed to meet the great demand in our country for HUD and farmers home housing and community development levels; however, the levels provided in the amendment represent a sincere bipartisan effort to bring about a modicum of support for these programs.

PROJECTED COST OF FISCAL YEAR 1987 HUD AND FARMERS HOME PROGRAMS

[BA in millions]

	Fiscal year 1986 funding levels after sequestration		Fiscal year 1987—					
			Bipartisan substitute amendment[1]		Wylie sustitue amendment		House Budget Committee resolution[2]	
	Units	BA	Units	BA	Units	BA	Units	BA
HUD Housing								
Public Housing:								
New construction	4,785	937	4,785	307	0	0	4,785	976
Indian	1,914	313	1,914	109	0	0	1,914	327
Modernization		1,436		734		882		1,496
Amendments/lease adjustment		19		19		75		19
Subtotal	6,699	2,705	6,699	1,169	0	957	6,699	2,818
Section 8:								
202	11,484	1,608	11,940	1,670	11,550	1,550	11,484	1,670
Moderate rehab	9,570	883	9,570	922	0	0	9,570	922
Regular existing	30,624	2,362	30,624	2,466	0	0	30,624	2,466
New vouchers	34,452	742	34,452	775	70,000	1,389	34,452	775
Property disp.	(4,785)	350	(4,785)	365	(4,000)	290	(4,785)	365
Loan management	(4,749	86	(4,749)	90	(5,000)	90	(4,749)	90
Conversions	(957)	49	(957)	51	0	51	(957)	51
Opt-out/demolitions	(3,350)	72	(3,350)	75	(3,500)	66	(3,350)	75
Amendments		537		537		558		537
Subtotal	86,130	6,689	86,586	6,951	81,550	3,994	86,130	6,951
Total Public Housing/Section 8	92,829	9,394	93,285	8,120	81,550	[3]4,951	92,829	9,769
Operating subsidies		1,421		1,342		1,211		1,342
Section 202 BA		537		632		575		543
Subtotal		11,388		10,094		6,737		11,654
Other Programs:								
HODAG	3,589	72	3,736	75		0	3,140	65
Emergency shelter grants		0		[4]		50		0
FEMA homeless		70		73		20		73
Rental rehabilitation	18,888	72	19,737	75	19,737	75	16,527	65
HUD research		16		17		16		16
Congregate services		3		3		3		3
Housing counseling		3		[4]		3		3
Flood insurance studies/surveys		35		37		36		35
Urban homesteading		11		12		12		11
Neighbors reinvestment corp.		18		19		15		17
Subtotal	22,477	300	23,473	311	19,737	230	19,667	288
Total HUD Housing	115,306	11,688	116,758	10,405	101,287	6,967	112,496	11,942
CDBG		2,990		[5]2,635		2,400		2,990
UDAG		316		332		284		284
Grand total HUD		14,994		13,372		9,651		15,216
FmHA Rural Housing								
Rural Housing Loans (Inc. Rap)[6]		3,340		3,063		3,044		3,704
FmHA Loans:								
Section 502 Homeownership	29,284	(1,340)	29,284	(1,395)	11,240	(535)	29,284	(1,340)
Section 504 Repair	4,048	(14)	4,048	(15)	0	0	4,048	(14)
Section 514 Farm labor	480	(11)	480	(12)	393	(8)	480	(11)
Section 515 Rural rental	18,317	(670)	18,317	(697)	7,025	(267)	18,317	(670)
Section 524 Site loans		(1)		(1)		0		(1)
Subtotal FmHA loans	52,129	(2,036)	52,129	(2,120)	18,658	(810)	52,129	(2,036)
Rural Housing Support Programs:								
Section 504 Repair grants		12		12		0		12
Section 509 Construct defects		1		1		0		1
Section 516 Farm labor grants		10		10		10		10
Section 523 Self-Help grants		8		8		0		8
Section 521 RAP	(14,511)	(160)	(14,511)	(166)	(11,222)	(125)		(160)
Section 533 Preser. grants	3,062	19	3,062	20	0	0	3,062	20
Subtotal FmHA support		50		51		10		51
Total FmHA	55,191	3,390	55,191	3,114	18,658	3,054	55,191	3,755
HUD and FmHA		18,384		16,486		12,705		18,971
BA savings[7]		NA		−129		−128		NA
Grand total	170,497	18,384	171,949	16,357	119,945	12,577	167,687	18,971

[1] All BA amounts are subject to future Appropriations Acts and must conform to BA levels provided in Concurrent Budget Resolution. Actual cost of the Bipartisan Amendment would depend on actual FY 1987 Appropriations not yet enacted. CBO has assumed the current appropriated level adjusted for inflation in the absence of 1987 appropriations.

[2] House Budget resolution reflects freeze of FY 1986 CBO baseline levels for most non-defense discretionary accounts; subsidized housing, operating subsidies, FEMA homeless, congregate services, and rural housing grant programs are kept at FY 1987 current service levels. Resolution assumes BA amounts subject to FY 1986 freeze may be subject to an additional 2.5 percent reduction in FY 1987 subject to future appropriations aggregate reductions in function totals.

[3] Assumes the availability of the Administration's $2.3 billion FY 1986 deferred BA for use in FY 1987 for a total of $4.951 billion. However, if disapproval of deferral becomes public law, the cost of Wylie amendment is increased by $2.3 billion because new BA would be necessary to cover Wylie program levels.

[4] FEMA Homeless and Housing Counseling funding level subject to Concurrent Budget Reoslution levels and future Appropriations Acts. CBO does not include costs for Emergency Shelter Grants, Second Stage Homeless, Nehemiah Housing Grants, Neighborhood Development Demonstration, Fair Housing Initiatives, and Solar Bank because there is no projected funding level basis.

[5] Includes the CBO assumption of $500 million in FY 1986 deferred BA available for obligation in FY 1987 for a total available of $3.135 billion in FY 1987.

[6] There is minimal direct correlation between the BA level and the program level in a given year. BA amounts primarily constitute the estimated appropriations necessary for prior years obligations, including interest credit subsidies and rental assitance payments.

[7] Savings attributable in both amendments to collection of flood insurance premiums and of FHA insurance premiums. Bipartisan amendment also includes savings for crime insurance.

Note.—Chart prepared by House Subcommittee on Housing and Community Development staff with information provided by the Congressional Budget Office and House Budget Committee staff.

Mr. Chairman, we believe that it is important to pass this housing bill since it reasserts the 50-year Federal housing policy endorsed by both parties, that the Federal Government does have a responsibility to provide housing assistance to low- and moderate-income people, and does have the responsibility to provide mortgage insurance for middle-income Americans.

Mr. Chairman, I urge my colleagues to support our efforts on H.R. 1 and the compromise substitute made in order by the rule. This bill represents our efforts to get back into the con-

gressional responsibility of making housing policy.

Mr. Chairman, I ask unanimous consent that I be permitted to yield half of the time allotted to our side to the gentleman from Connecticut [Mr. MCKINNEY] for his use and his purposes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

□ 1715

Mr. MCKINNEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, last year the Banking Committee reported H.R. 1, the housing authorization bill, to the House. In my views submitted with that report I stated that the committee reported bill was a substantially better bill than that which was brought before the Banking Committee. But even with the many improvements made to H.R. 1 by Members from both sides of the aisle, it was evident that our legislation as then drafted could not be expected to pass without a very lengthy consideration in the House. Chances in the other body were even more questionable.

During last year's conference on the budget reconciliation bill the chairmen of both Banking Committees instructed staff to develop recommendations on as many issues contained in our respective authorization bills as possible. Although most of those recommendations never became part of the reconciliation package, they played an important function in the development of this substitute being offered today.

At this point I would like to give the efforts of Mr. GONZALES, the chairman of the Housing subcommittee, special recognition. As one of the most dedicated housing advocates in this body he realized that some different approach was needed if a housing bill were to pass in this Congress. The chairman took the initiative and suggested that we could develop a bill based on those fundamental elements necessary for a national housing program. In addition, we incorporated provisions from H.R. 1 which had been considered noncontroversial. Finally we included the recommendations from the earlier House-Senate negotiations.

The process we followed in developing the Gonzalez-McKinney substitute to H.R. 1 has not endeared us to our colleagues on the Housing Subcommittee. We have been accused of ignoring some interests or pandering to others; we have put in too much or not enough. But because this substitute does not attempt to be a panacea, because it makes no attempt to be all things to all people, and especially because it does not make promises that we can't keep, I think we have a very realistic housing authorization bill. There will be amendments offered and some things added to our bill. But we have provided the House with the opportunity to vote for or against housing programs for the American people. And for that opportunity to demonstrate our support for housing programs I think we owe Chairman GONZALEZ our congratulations.

Now I would like to comment on some of the specific elements of our substitute. A primary concern I had with H.R. 1 was the aggregate authorization level. I believe that the Gonzalez-McKinney substitute addresses that concern by stating in section 2 that no budget authority, budget outlays or new entitlement authority for fiscal year 1986 or 1987 is provided in excess of the aggregate levels established by the budget resolution. If we don't pass a budget resolution for fiscal year 1987, then the current services level will prevail. The Congressional Budget Office cost estimate for our proposal is $15.2 billion for fiscal year 1987. In comparison, Congress appropriated approximately $18 billion for fiscal year 1986 for all housing progams. When H.R. 1 entered the reconciliation process the price tag was almost $20 billion. Our substitute represents a decrease of $3 billion over last year's level.

The Gonzalez-McKinney substitute contains as its major provisions authorizations for HUD and Farmers Home assisted housing programs for fiscal years 1986 and 1987. It extends the FHA mortgage insurance program as well as the crime and flood insurance programs through fiscal year 1987. As you may remember, we have been required to extend these several times since they expired last September 30. Each time there has been the threat of disruption, and twice actual disruption, of the Government's major home mortgage insurance program at considerable cost to the Government and to the private sector. We need to restore long-term stability to that program.

Other provisions of our substitute include:

Reauthorization of the Community Development Block Grant and Urban Development Action Grant programs,

Changes in UDAG selection criteria to make more parts of the country eligible for grants,

UDAG antipiracy provisions,

The prohibition of user fees on any housing credit program,

An increase in the number of FHA insured adjustable rate mortgages,

A 3-year phaseout of CDBG communities who lose eligibility,

A homeless initiative,

Several items relating to assisted housing projects such as a performance funding system related to operating subsidies, the disposition of multifamily housing owned or held by HUD to protect low-income tenants against displacement and a public housing comprehensive grant program.

One element in the substitute currently that had caused much concern on both sides was the Fair Housing Initiative Program sponsored by HUD Secretary Pierce. I supported the administration on this and succeeded in keeping it in the bill while in committee. I think Members on both sides will be pleased to learn that the controversy surrounding that issue has been resolved.

I received this morning a letter from Secretary Pierce and Mr. Clark Wallace, president of the National Association of Realtors, which I will include in the RECORD. In part the letter reads:

> After open and frank discussions, we are happy to report that HUD and NAR have succeeded in drafting a set of Guidelines, which ensure that only objective, reliable, and controlled testing will be funded by HUD. HUD is satisfied that these guidelines will not infringe on either the proper role of courts in adjudicating fair housing complaints or the rights and remedies provided to individuals and testers under federal law.
>
> The national Association of Realtors now supports the Fair Housing Initiatives Program with provision for testing funded under the guidelines agreed upon.

I think both parties to those negotiations are to be congratulated for their success in resolving this issue. There was never a disagreement in what was our ultimate objective fair and equal access to housing for all Americans. The only disagreement concerned how HUD's program would be implemented. That disagreement was between HUD and the National Association of Realtors and I am glad that they have been able to settle their differences in this timely fashion. The language of the Gonzalez-McKinney substitute will be amended to reflect this compromise when we reach that stage of consideration.

There are many other provisions in our bill that merit our attention but to enumerate them would be to repeat much of what Chairman GONZALEZ has already said. The Nehemiah program, for example, is an excellent approach to moderate income home ownership with minimal Federal involvement. I am certain it will be discussed in length during this debate. I could go on down the list of provisions, but I would like briefly to comment on the other substitute that will be offered to H.R. 1.

In marked contrast to the budget level contained in the Gonzalez-McKinney substitute to H.R. 1 the House will be given an opportunity to consider another substitute offered by my good friend and colleague on the Banking Committee, CHALMERS WYLIE. The recommended authorization level in that proposal is estimated by CBO to be approximately $8.2 billion. The difference between the funding provid-

ed in these substitutes accurately reflects the major philosophical differences between the two approaches towards a national housing policy.

Spending under the Gonzalez-McKinney substitute for HUD housing programs totals $10.4 billion and provides for 116,758 housing units. The Wylie substitute would spend $4.7 billion for 101,287 housing units; 70,000 of those units, however, are accounted for by the use of vouchers. The voucher program has been funded on a modest basis by the Appropriations Committee for several years, but still has been unable to use more than a small fraction of the vouchers that were funded.

Yet in spite of that experience with the voucher program more than two-thirds of the assisted housing units provided by the Wylie substitute are accounted for by vouchers. As an alternative approach to subsidies which provide for construction of housing units, vouchers deserve to be considered, but we are not ready to make that program the foundation of our assisted housing policy.

Most simply put, vouchers do not build housing, especially in parts of this country where available space and available housing are already at a premium.

Frankly the debate here is focused on whether there is a role for the Federal Government in providing housing for all Americans. Housing availability is as important to the people of this country as is housing affordability. I hear from my constituents that they cannot afford to buy a home or in so many instances they cannot even find a place to rent. At the lower end of the economic ladder they are totally shut out.

I believe it is the right of every American to have shelter, to have a roof above one's head at the very least. This can only become reality if we provide some money for construction programs.

The substitute prepared by my colleague, Mr. WYLIE, contains the majority of the provisions that Mr. GONZALEZ and I included in our bill. However, the fundamental thrust of the Wylie substitute is not to provide housing. I think the choice is a simple one: Do we want to make housing available for people who would otherwise be unable to find anything for an affordable price.

The Gonzalez-McKinney substitute gives us the chance to provide housing where needed. At the same time it offers an alternative through a modest voucher program until we have sufficient housing units to implement fully a broader assisted housing program based on vouchers.

I think the choice should be clear and I urge my colleagues to vote for the Gonzalez-McKinney substitute and to reject any weakening amendments. This is your best chance to show your support for a national housing policy.

The letter from Samual R. Pierce, Jr., Secretary, U.S. Department of Housing and Urban Development, and Clark E. Wallace, president, National Association of Realtors, follows:

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, THE SECRETARY,

Washington, DC

Hon. STEWART B. MCKINNEY,
House of Representatives, Washington, DC

DEAR MR. MCKINNEY: On May 2, 1985, the National Association of Realtors testified before the House Appropriations Subcommittee on HUD-Independent Agencies on the Administration's Fair Housing Initiatives Program (FHIP). At that time, the National Association of Realtors objected to federally funded fair housing testing as pending in H.R. 1.

Last March, we met to address the issues of concern between the Department of Housing and Urban Development (HUD) and the National Association of Realtors (NAR). At that meeting, NAR offered to support HUD if an agreement could be reached on guidelines for the regulations which will govern testing under the FHIP program and which would be approved by NAR's Board of Directors on May 12.

After open and frank discussions, we are happy to report that HUD and NAR have succeeded in drafting a set of Guidelines, which ensure that only objective, reliable, and controlled testing will be funded by HUD. HUD is satisfied that these guidelines will not infringe on either the proper role of courts in adjudicating fair housing complaints or the rights and remedies provided to individuals and testers under federal law.

The National Association of Realtors now supports the Fair Housing Initiatives Program with provision for testing funded under the guidelines agreed upon.

Very sincerely yours,

SAMUEL R. PIERCE, JR.,
Secretary.
CLARK E. WALLACE,
President, National Association of Realtors.

□ 1725

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. MCKINNEY. I yield to the gentleman from Texas.

Mr. BARTLETT. On the gentleman's last comment, I very much appreciate the gentleman's diligence and his comments in summarizing the entirety of the substitute. I have shared with the gentleman a copy of the livability title which I plan to offer, containing a series of reforms and improving livability and employment opportunities. I just wanted to make sure the gentleman did not include that in his description of weakening amendments.

Mr. MCKINNEY. No. Let me just simply suggest, in fact, one of the reasons that an adaptation of your livability amendment is not more prominent is that we had to close off shop somewhere so that we would not end up with another 700-page bill from the House of Representatives, and I will probably stand and speak for a livability amendment.

Mr. BARTLETT. I thank the gentleman.

Mr. MCKINNEY. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Ohio [Mr. WYLIE] is recognized for 1 hour.

Mr. WYLIE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, Congress has not passed a free-standing housing authorization bill since 1980. As has been mentioned, we have had no bill on housing since 1983, and then it was tied to the International Monetary Fund replenishment fund increase. I hope this year we will be able to do so. In the past, our efforts to achieve enactment of housing legislation have run afoul of budget considerations. The proposals that have been advanced were not realistic. I fear that we could have the same problem this year if the House approves the Gonzalez-McKinney substitute. For that reason I, along with Mr. BARTLETT and other Members have prepared a substitute of our own. This is a very complicated program. So I will take some time here to explain the Wylie-Bartlett substitute and to make the record as to where we are coming from, since there does seem to be some difference of opinion as to the thrust of our legislation. But in developing this substitute, we have kept in mind the fact that there are serious budget considerations, given our deficit budget problem. We are not going to solve that problem by continuing to do business as usual, nor are we going to solve it by making only minor reductions from last year's $18 billion spending levels. I do not recommend a meat-ax approach to the housing budget, but we are never going to meet our deficit reduction goals by virtually exempting housing from budget cuts.

Our substitute would provide aggregate spending of $8.2 billion for fiscal year 1987, if we can include deferrals. I guess we cannot now include deferrals, since the Budget Committee has indicated that we cannot, so that amount would be approximately $10.2 billion for specific authorization for Federal housing programs. In contrast, the Gonzalez substitute is an open-ended authorization for all programs. Throughout the text of H.R. 4746 you will find the words "There are authorized to be appropriated such sums as may be provided in appropriation acts."

Mr. GONZALEZ. Mr. Chairman, will the distinguished gentleman yield at that point?

Mr. WYLIE. Yes; I yield to the gentleman from Texas.

Mr. GONZALEZ. Mr. Chairman, I hesitated to rise during the colloquy

between the gentleman and the gentleman from Pennsylvania, but I would like to point out that when we went to the Rules Committee, when the waivers were requested, they were requested on the basis that they would be applicable to both the McKinney-Gonzalez substitute, as well as the gentleman's substitute, and they are, the waivers are applicable. If they were not, the gentleman would be confronted with a point of order that might have been raised during the rule's consideration.

Mr. WYLIE. I appreciate what the gentleman is saying, and I will accept that caveat. The point I think the gentleman from Pennsylvania was making is that, where it says "There are authorized to be appropriated such funds as may be provided," that requires a waiver of the rules. There are no such provisions in my bill. I do have aggregate limits of spending.

Now, the rule had to be waived with respect to the spending limits, insofar as FHA authority is concerned, as it applies to credit limits only, and that was the point that I was making. But I have no objection or had no objection to the rule. We went to the Rules Committee, we worked together. The gentleman from Texas and the gentleman from Rhode Island [Mr. GERMAIN] and I and the gentleman from Connecticut [Mr. MCKINNEY] all agreed that we would support the rule waiving these points of order if my substitute was made in order. And I am certainly not backing away from that.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Texas.

Mr. BARTLETT. The gentleman is correct. We both voted for the rule because of the agreement that it would be an open rule, even though we had reservations.

I would point out, though, that the gentleman's substitute, as I understand it, only deals with fiscal year 1987, with authorization for fiscal year 1987. So the substitute of the gentleman from Ohio [Mr. WYLIE] is not required to have that waiver of the Budget Act, in his substitute.

Mr. WYLIE. In that regard, it did not require a waiver because, in place of agreed upon dollar amounts, which my bill has, there was only the ambiguous aggregate limit and did not make specific requests. I think that is the point I want to make and the point that the chairman, the gentleman from Texas [Mr. GONZALEZ], has helped me to make.

In place of agreed upon dollar limits, there is only an ambiguous aggregate limit. Because of this it is difficult to put a price tag on the Gonzalez substitute.

I would assume this is part of the strategy. So we cannot really get a fix on the amount their bill costs. Their conservative estimate, however, would put it at over $15.4 billion. It could go higher. To me, this is not being fiscally responsible. In addition to the potential high bottom-line figure, there is the procedural question of using "such sums as may be necessary" open-ended authorizations.

Mr. Chairman, I have a high regard for members of both the Appropriations and Budget Committees, but I am not willing to cede to them the authority to determine spending priorities for programs under our jurisdiction. In addition, I maintain that if Members of authorizing committees believe a program has merit, they should be able to quantify that belief.

What this really gets down to is the question of the role of authorizing committees; do they have a role to play in establishing ceiling limits on programs or don't they? The strong implication is that authorizing committees are not necessary. I respectfully disagree.

Mr. Chairman, in addition to our substitute meeting the test of fiscal responsibility it contains a mix of housing programs that gives the American taxpayer and more importantly the beneficiaries of our Housing Assistance programs more "bang for the buck."

The funding levels for assisted housing contained in our substitute should enable Congress to meet the target established in the Balanced Budget and Emergency Deficit Control Act while at the same time aiding those in need of assistance.

□ 1740

To meet this objective, the substitute is premised on the belief that it is necessary to modify priorities in order to provide the greatest amount of assistance for the least amount of money. The primary example of this is the issue of new construction of public housing units versus modernization of existing public housing units.

Mr. Chairman, let us face it—new public housing construction is extremely expensive. The average cost of constructing just one public housing unit is $65,000. It is much more cost effective to repair an existing unit. The average cost of modernizing a public housing unit is $2,400. I wish to point out to my colleagues one other staggering fact. Since the inception of the Public Housing Program in 1937, our Federal Government has financed the development of some 1.3 million units of public housing with a replacement value of over $65 billion. HUD estimates that some 70,000 of these units are vacant and uninhabitable.

I believe these figures are compelling. I think you would agree that there is a large cost disparity between new construction and modernization. I think you would also agree that our public housing inventory is a national resource that should not be allowed to waste away, as it surely will if they are not kept in repair. When one considers the 35,000 public housing units now in the pipeline, or in other words, units allocated to a housing authority but not constructed, it makes little sense to add to our deficit by funding new units when the inventory is in such disrepair. Therefore, our substitute provides a 17-percent increase for public housing modernization and a curtailment of public housing new construction, taking into account the 35,000 units that will be built if we do nothing.

Mr. Chairman, building on our substitute's theme of providing the greatest amount of assistance for the least amount of money, it also reflects a shift in emphasis in the composition of the low-income assistance payment programs. Existing section 8 certificates have an average cost of $5,400 per unit on an annual basis. In contrast, housing vouchers average $4,500. While the difference of $900 per unit appears slight—when you carry this differential over the full run out cost of a 15-year contract you end up with a $13,500 savings for only one unit. Multiply this by the thousands of units we authorize on a yearly basis and you can see where major savings occur.

Vouchers can be the key to alleviating some of the problems associated with low-income housing assistance at a much less expensive and faster rate than costly production programs. On April 23, 1985, GAO issued a report which indicated that among lower income households the number paying rents in excess of 30 percent of their incomes increased by 4.1 million in 1975 to 11.9 million in 1983. The number paying in excess of 50 percent of their incomes increased by about 2.6 million—from 3.7 million in 1975 to 6.3 million in 1983.

These figures emphasize that affordability is a major problem facing low-income renters and vouchers have been proven to help the affordability problem. Our substitute contains sufficient funding authority for 70,000 vouchers. This is 20,000 more than proposed in the President's budget.

The substitute would also prohibit the imposition of new so-called user fees. Some view this concept as a way of raising revenues and thus helping with the deficit. We believe this to be very short sighted. The revenues are really quite small in the context of the total budget. In fiscal year 1987, they would amount to only $90 million. On the other hand, fees of anything like the magnitude proposed could seriously jeopardize the needed support given to the mortgage finance system by Ginnie Mae, Fannie Mae, and Freddie Mac. Similiarly imposing a higher fee

on FHA home buyers and requiring them to pay the fee up front without allowing amortization over the life of the loan would place too heavy a burden on first-time home buyers. In our view, the user fee concept would hurt the housing industry. The falloff in housing activity could actually contribute to the overall deficit.

Mr. Chairman, our substitute provides long-overdue public housing reforms. The two primary areas of focus are public housing operating subsidies and comprehensive modernization. Concern about the funding system for operating subsidies has focused on the manner in which funding levels are established and on the incentives it provides for efficient management. Questions about the comprehensive modernization program have centered on a program structure which would facilitate modernization and deregulate the process so that excessive regulation and oversight would be replaced with greater Public Housing Authority planning and responsibility for decisionmaking. First, our substitute includes the Bartlett-Frank Public Housing Comprehensive Grant Program. This reform to the existing Comprehensive Modernization Program had broad bipartisan support in subcommittee and passed by a vote of 26 to 13. It deregulates the existing Comprehensive Improvements Assistance Program called CIAP—and provides for greater reliability of funding for capital improvements through use of a formula allocation method. Second, our substitute includes modest reforms to the performance funding system which is the formula used to allocate public housing operating subsidies.

With regard to the public housing operating subsidy funding level, I wish to point out that our funding level for fiscal year 1987 should allow for sufficient budget authority to provide housing authorities sufficient funds to meet the critical issue of property and casualty insurance premium increases. Within the last 18 months, property and casualty insurance has increased over 400 percent.

Mr. Chairman, too often the Congress and the executive branch lose sight of the fact that Federal programs are not created for the bureaucrats who administer the programs, but for the beneficiaries of the programs. In the area of public housing, the beneficiaries are the public housing tenants, specifically some 3.4 million tenants. In this regard, I am happy to say our substitute does something for the tenants for a change. It contains a provision to provide certain incentives to encourage increased resident management in the public housing setting. This provision, which is based on our colleague Mr. FAUNTROY's H.R. 4026, which in turn was based upon an amendment I successfully offered to H.R. 1 in committee; will encourage public housing residents to organize and have more control on life in their public housing communities.

Building on the concept of protenant reforms our substitute contains a rent phasein policy which would reward tenants who obtain employment with a consequent increase in income. The provision would permit PHA's to establish a method to phase-in rent increases over a 6-month period for section 8 and public housing tenants who obtain a change in employment status and so they would not be evicted if they go over the incoming ceiling by a few dollars. Additionally, our substitute contains a provision which would permit beneficiaries of section 8 certificates and vouchers greater flexibility to make choices about the dwelling and location in which they will live. Based on the extensive hearings conducted by the Housing Subcommittee on desegregation in federally assisted housing programs we are hopeful that this flexibility will aid in the attempts to achieve greater desegregation.

□ 1750

The substitute also includes a provision authored by Mr. MOLINARI concerning public housing economic rent. This provision would allow PHA's to establish rents in public housing at the fair market rent in order to retain tenants who are at the upper end of the low-income range. This provision would enhance the quality of life in public housing by allowing PHA's to have an economic mix of residents, particularly among what has become to be referred to as the working poor. This concept could improve the overall livability standard of public housing residents.

Another reform initiative would provide explicit authority to HUD to prevent fraud and abuse by participants in HUD programs by, first, asking applicants to give their Social Security numbers to be used in verifying eligibility and proper level of benefits, and, second, by requiring applicants and participants to sign a consent form to permit verification of information furnished by families.

This provision was first introduced by our colleague, Mr. CHAPPELL, back in 1982. Needless to say, something like this is long overdue. The HUD Office of Inspector General estimates that at least $200 million is spent annually in section 8 assistance for tenants who are ineligible or are receiving more than is allowable. Benefits now going to ineligible families would become available for legitimately eligible program participants. Replacing ineligible households with eligible households will not necessarily save money but it will ensure that limited Federal funds are going to the right people and are being spent for the purpose we, the Congress, intended.

Mr. Chairman, our substitute emphasizes the special housing needs of the elderly, handicapped, and the homeless.

We provide fiscal year 1986 level funding for the section 202 program for housing the elderly and handicapped to support some 11,500 new housing units. Fiscal year 1986 level funding is also provided for the Congregate Housing Services Program to prevent premature institutionalization of elderly persons who need supportive services.

I am particularly pleased about inclusion of a provision which was authored by the ranking minority member of our subcommittee, Mr. MCKINNEY, which revises the existing section 202 program to assure that the section 202 program will better meet the special needs of the handicapped. In view of the 8 million U.S. citizens with severe handicaps, we believe this change is needed.

Finally, we have included a restructured Shelter Assistance for the Homeless Program. Since the early 1980's, Congress has been providing financial assistance through the Federal Emergency Management Agency to provide emergency food and shelter assistance for the homeless. Although this financial aid has been beneficial, it was stopgap at best. Based on the subcommittee's extensive hearings on homelessness, our substitute contains what we think is a balanced approach for meeting State and local governments' needs in providing assistance to the homeless through a network of nonprofit sponsors. My colleagues on the housing subcommittee, Mr. VENTO and Ms. OAKAR, deserve much of the credit for their fine work in this area along with our chairman, Mr. GONZALEZ.

Mr. Chairman, there is one element our substitute does not contain. It doesn't have any pork. There are no raids on the Federal Treasury authorized for projects in individual Members' districts. That cannot be said of the Gonzalez-McKinney proposal. In one instance, they allow the city of Boston to keep the proceeds from the sale of land which was originally purchased with urban renewal funds. I submit this money belongs to the Federal Government and represents a $3.3 million windfall to the city of Boston. In another case, they authorize a set-aside of section 8 funds and CDBG funds for one small new community in Texas. This particular new community has already received more than its fair share of Federal funds and it would receive $45 million more under this provision. In a third instance, Gonzalez-McKinney would forgive the interest on a debt owed to HUD by the Pittsburgh Housing Authority. This is a contractual obligation and if the provi-

sion is enacted, it would amount to a gift of $375,000 to Pittsburgh.

Our substitute also modifies the UDAG Program. I must admit, Mr. Chairman, I have had reservations about the public need for this program. However, our bill would reauthorize UDAG but with a 10-percent reduction in funding if the program is amended to provide a more equitable and fair distribution of program funds. Our substitute would do this by providing a 50–50 split of program funds between projects selected under what has become to be known as project merit criteria.

At the present time, there is no separation of UDAG funds into two separate pots. As a result, 40 percent of all UDAG dollars have gone to only 20 large cities, most of them in the North and Midwest. If we include a quality of project test as one of the determining factors, localities from other sections of the country will have an opportunity to compete. As I said, our substitute provides this opportunity for at least 50 percent of the funds. The Gonzalez substitute would limit the quality of the project test to 35 percent.

Mr. Chairman, as members of the authorizing committee, we believe we have met our obligation of recommending to the House an authorization bill containing specific program authorizations. We have tried to develop a balanced, well-rounded substitute while staying within the bounds of reality dictated to us by our still substantial budget deficit. I believe we have succeeded.

Mr. GONZALEZ. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. LUNDINE].

Mr. LUNDINE. Mr. Chairman, I rise today in support of H.R. 4746, legislation which reauthorizes a number of vitally important housing programs and authorizes a small number of new programs and which is a substitute to H.R. 1.

This legislation is the result of literally months of negotiations by Republican and Democratic members and staff on the Housing Subcommittee and the Budget and Appropriations Committees. I believe that this legislation, sponsored by the chairman of the Housing Subcommittee, Mr. GONZALEZ, is a well-thought-out bill that has support from both sides of the aisle here in the House and will ultimately have the support of crucial members of the Senate.

Our legislation reauthorizes and in some instances modifies existing programs. Community Development Block Grants are reauthorized for example. This program has been essential to the redevelopment of many urban neighborhoods. The UDAG program is reauthorized and modified to improve the grant distribution formula.

This legislation prohibits the imposition of user fees on Freddie Mac and Fannie Mae mortgages, ensuring that mortgage funding will continue to be available to the greatest possible number of families seeking to purchase homes. In addition to the prohibition of user fees for these two programs, H.R. 4746 places caps on fees for FHA mortgages and GNMA securities.

Because my district is primarily a rural one, Mr. Chairman, I would like to speak briefly about the rural housing provisions contained in this measure. Again, the legislation we are debating today accepts the funding levels for these programs which are outlined by the Budget Committee.

Mr. Chairman, I cannot emphasize enough to you and the other members of this body how essential the continuation of Federal Housing Assistance is to people of low and moderate incomes who live in rural areas. Without these programs, there will be no way to finance the purchase of homes by moderate income rural people and no way to build new rental housing for low-income people. This legislation reauthorizes a number of rural housing programs, including contract authority for rental assistance payments, low-income home repair loans, and rural preservation grants. The last two programs, emphasizing as they do rehabilitation and repair, certainly make the best use of limited funding resources by providing the means for improving existing housing stock. Without exception, these rural housing programs represent a very small proportion of our Federal spending and serve a great number of needy people. Mr. Chairman, these and many other programs contained in this legislation are truly "poor people" programs, serving the poorest of the poor in our country.

Mr. Chairman, as I stated earlier, the bill before us today is the result of months of negotiation and compromise. This bill, more than the Republican alternative sponsored by Mr. WYLIE which will be debated later today, represents a viable and workable vehicle for the reauthorization of these programs. I hope my colleagues will join me in supporting this bill.

Mr. McKINNEY. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. MOLINARI].

Mr. MOLINARI. Mr. Chairman, I am going to address one issue, and that is the serious issue involving a rent cap, but before I do so, I think the gentleman from New York [Mr. GILMAN] has a time problem.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. I am happy to yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Chairman, I am pleased to rise in strong support of the Housing Act of 1986, and I thank our colleagues for yielding time to all of us today, the gentleman from Connecticut [Mr. McKINNEY] for his leadership as the ranking minority member of the Subcommittee on Housing and Community Development in developing and improving our major housing and community development programs, along with the subcommittee's distinguished chairman, the gentleman from Texas [Mr. GONZALEZ].

The substitute that is being offered today, H.R. 4746, the Gonzalez-McKinney substitute, is the product of countless hours of consultation and negotiation between the minority and majority members of the House Committee on Banking and Urban Affairs. This measure is a fair and reasoned response to the urgent need to reauthorize these programs, many of which have been functioning under short-term extensions since the end of fiscal year 1985, last September.

In rising in strong support of the Gonzalez-McKinney substitute in its entirety, I would like to take this opportunity to commend the committee particularly for including a provision in this legislation which will allow 19 U.S. cities to continue to compete for CDBG funding for 3 more years.

Since 1983 cities classified as central cities for the purposes of being eligible for CDBG moneys have faced the threat of losing their entitlement status due to arbitrary criteria promulgated by the Office of Management and Budget. These regulations changed the method of defining central cities and/or the fluctuations in populations in our cities in the years between the decennial censuses. The 19 cities affected by these regulations have been caught up in a virtual catch-22—because their population has decreased, they are being deprived of the very funds they need to retain and attract businesses. Among the 19 cities affected by the OMB regulations are the cities of Middletown and Newburgh in Orange County, New York. As the Representative of the city of Middletown and the former Representative of the city of Newburgh, I know that I speak for all the constituents in our Mid-Hudson Valley region when I thank the Banking, Finance and Urban Affairs Committee for recognizing the significant work that has been accomplished and can continue to be executed with vital CDBG funding. These two cities have worked extremely hard to overcome both regional and national problems. In Middletown alone CDBG moneys have contributed to changing the face of our town. The repaving of streets, the installation of street lamps, the revitalization of the old railroad station, rehabilitation of old housing to make it habitable—all of these projects paid for in part with CDBG moneys have

helped Middletown enter into a new era, an era of growth and prosperity which will ultimately benefit the entire region. I am hopeful that the 3-year extension of the central cities status included H.R. 4746, will allow these 19 cities sufficent time to explore alternate funding options and for Congress to examine the possibility of a more permanent solution.

Accordingly, I urge my colleagues to support the McKinney-Gonzalez substitute to H.R. 1 and to vote in favor of final passage.

□ 1800

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. Yes; I am happy to yield.

Mr. BARTLETT. Mr. Chairman, I thank the gentleman for yielding.

I understand the two gentlemen from New York and what they have said. I know they are going to support the bill. I have shared with these two gentlemen two amendments which would improve the legislation substantially, both in terms of liability and in providing increased funding for modernization by setting that as a priority.

I do hope and I know they will consider and, I hope, favorably consider those amendments, regardless of the vote on the final passage of the legislation.

Mr. MOLINARI. Mr. Chairman, I rise to address an issue relating to public housing which is essential to the future of our program, that is the need to restore maximum rents for public housing. Last year I introduced legislation which would allow housing authorities, at their discretion and with the approval of the Secretary of HUD, to establish maximum rents for units they operate. I would urge that we give our approval to those provisions when we consider this bill.

In the past, our Government has seen the benefit of an economic mix of tenants in public housing. Unfortunately, however, we have not always paid due attention to this consideration. Prior to 1981, public housing authorities had the flexibility to establish rent schedules which could include maximum rents. The Omnibus Budget Reconciliation Act of 1981, however, established a rent of 30 percent of gross income for new tenants, with rents for current tenants increasing 1 percent until that figure was reached, and eliminated a public housing rent cap. There are many well-intentioned Members of both Houses of Congress that removed the prior rent cap on the theory that, due to the lack of Federal financing and new housing developments, existing units should be set aside for those on the lowest income rung of the ladder.

It sounds, at first consideration, that this is the logical and compassionate course to take. However, the reality of the consequences will prove to be disastrous to our public housing program.

Because of the lack of maximum rents, working low-income families are moving out of public housing. Yet, these tenants are vitally important to the overall social and financial viability of our public housing. In order to provide and maintain stable housing facilities, it is necessary to have a mix of income levels. In fact, the Housing and Community Development Act of 1974 adopted a cross-section of income as an objective in federally assisted housing. Lower inciome and working families provide stability and serve as role models for the community. If we continue to force these families to leave public housing because of the heavy rent burden we have placed on them, we will be left with concentrations of the very poor. Studies have shown that maintenance costs will increase and, more importantly, the social fabric and balance of public housing and the surrounding neighborhoods will be undermined. Unfortunately, I have seen this occur in my own congressional district.

Ironically, although the 30-percent ratio was instituted as a means to increase rent revenues and lower Federal operating subsidies, just the opposite will occur. Lower income families contribute a disproportionately high amount of rental income. Should these families be replaced with tenants in the lowest income level, rent revenues will decrease and force higher Federal subsidies. For example, the New York City Housing Authority estimates that it may lose up to $47 million in rental income, an amount which must be made up in Federal subsidies. Various other housing authorities also project a loss of rent revenues. The loss of a rent cap does not affect rental income for larger authorities only. Small, rural authorities report that they are being affected by increasingly higher vacancy rates, and therefore rent revenues are decreasing.

It is important to note that these working families are still in need of assistance and, in fact, housing studies have shown that there is a critical shortage of available housing for lower income families. Many of these tenants are facing a severe economic burden in paying their mandated rents. For example, a New York City single working mother with three children who earns $21,400 a year must pay $500 per month rent. After deducting social security, Federal, State, and city income taxes, transportation costs, and rent, this family is forced to live on only $9,500—which falls below the poverty level for a family of four and may even be lower than the cash value of assistance provided welfare families.

The need for a maximum rent for public housing has been recognized by those who have day-to-day experience with public housing. Housing authorities across the country—including Atlanta, Denver, Baltimore, Hartford, Louisville, Portland, and many smaller authorities—favor restoring maximum rents. Legislation I introduced last year related to the issue has been cosponsored by members of both parties hailing from diverse areas of the country.

Let me conclude by saying that, should the public housing rent cap not be approved by Congress, there will be no winners—only losers. If working tenants leave public housing, they will be replaced by tenants who, in many cases, have no earned income whatsoever and pay very little rent; housing decay and abandonment follow; Federal subsidies increase substantially; and instead of providing available housing for the most needy, we are contributing to the demise and rapid disappearance of decent housing units for everyone.

While the theory of providing housing only for those in the lowest income brackets sounds appealing, the reality is that it just does not work. If you care about the long-term future of our public housing and want to provide a stable environment for our public housing tenants, support the provisions which will once again give public housing authorities the discretion to establish maximum rents.

I want to report that I am very grateful to the chairman, the gentleman from Texas [Mr. GONZALEZ], to the ranking member of the full committee, the gentleman from Connecticut [Mr. MCKINNEY], and also to the gentleman from Ohio [Mr. WYLIE], and the gentleman from Texas [Mr. BARTLETT], who have advised me just before I took to the well that they are going to change their provision to conform so that there will not be a 5-year limitation.

Did I understand that correctly? I thought that is what the gentleman from Texas told me.

Mr. BARTLETT. Mr. Chairman, will the gentleman yield?

Mr. MOLINARI. Yes; I am happy to yield to my colleague. I may have misunderstood.

Mr. BARTLETT. Mr. Chairman, if the gentleman will yield, I will be offering an amendment which is a livability title with a series of reforms. The ceiling reform was one that the gentleman has worked on for several years and it is a good reform and I had included that in my original title. I do plan to offer it as a part of that livability title without the 5-year limitation.

Mr. MOLINARI. All right. I have not seen that provision, so I will withdraw that portion and not put anybody on the spot.

The fact is I am grateful, I am grateful to those who recognize this as a serious problem. I ask the body and particularly those who will be conferees to carry this very important message when we go to conference.

Mr. Chairman, I thank the gentleman for yielding. I appreciate the cooperation that I have received from colleagues on both sides of the aisle. It is the right thing to do.

Mr. WYLIE. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HILER].

Mr. DREIER of California. Mr. Chairman, will the gentleman yield?

Mr. HILER. I yield to the gentleman from California.

Mr. DREIER of California. Mr. Chairman, I rise in strong opposition to H.R. 1, as amended by the substitute package contained in H.R. 4746. While this substitute package is far better than the old, seriously flawed H.R. 1, it still makes a mockery out of our efforts to make substantive budgetary reforms to bring the federal deficit under control.

This bill, which I kindly refer to as the Subsidized Housing Glut and Budget Busting Act of 1986, authorizes five new programs and is three-quarters of a billion dollars over 1985 levels. It does this in spite of the fact that the committee overwhelmingly passed an amendment establishing the proposition that aggregate funding for housing programs authorized in the bill should not exceed 1985 levels.

There is no doubt in my mind that we can greatly improve the availability and affordability of low and moderate income housing in this country without the levels proposed in this bill. Many of the programs are without merit, and should either be eliminated or reduced.

For instance, there is not, in my mind, a shortage of low-income subsidized housing—there's only a shortage of affordable housing and H.R. 1, in its current form, does nothing to correct this problem. Near the end of 1985, the national vacancy rate for low-income housing stood at 6.8 percent, the highest in 18 years. Yet H.R. 1 would continue rental housing starts which are already at their highest levels since the early 1970's.

We could make available a greater number of low-income units by shifting from housing development action grants to the Rental Rehabilitation Program. My colleague from Florida, Mr. MCCOLLUM, will be offering an amendment to redirect our limited Federal resources to those housing programs which are more cost effective. His amendment will provide more housing for less cost—something I'm sure we all agree is prudent and necessary.

The administration voucher proposal would also make Federal housing programs more cost-effective. Vouchers are cheaper than new construction—$19,000 for 30 years of housing compared with $55,000 for FmHA section 515 or HUD section 202—and they are better for recipients because of their flexibility. Yet without justification, H.R. 1 merely continues the voucher program as a demonstration program, and does not authorize any vouchers.

Even more disturbing is the fact that H.R. 1 continues the controversial UDAG Program in spite of evidence that the program is targeted to politically affluent commercial developers rather than the needy. Program funds are distributed without equity, and the program has resulted merely in the redistribution of economic investment from one community to another. The committee made no attempt to even reform this wasteful program.

Last, the committee is well aware that the CDBG Program could be reduced substantially while still meeting the program's objective of expanding economic opportunities for low-income Americans. By cutting excessive administrative costs and encouraging greater private sector involvement, the CDBG Program could increase its effectiveness at lower costs to the taxpayers. Yet H.R. 1 fails to make any necessary reforms in the program.

Mr. Chairman, H.R. 1 does not increase our commitment to adequate and affordable housing for the needy. It merely exhibits our disregard for fiscal responsibility. In the long run, H.R. 1 only serves to undermine Federal housing programs, and I urge my colleagues to reject the measure in its present form.

Mr. HILER. Mr. Chairman, I rise in support today of the Wylie substitute to the Housing Act of 1985. It seems that a day doesn't pass when someone—Republican or Democrat—comes to the well and exclaims the awesome evils of deficit spending and decries our failed attempts to come to grips with it.

And, of course, they are right. Our current deficit is over $200 billion and our total debt as a Nation is $1.9 trillion. While economic growth will put our deficit on a downward trend, restraint in spending is a necessity.

But too often, it is like what Mark Twain said: Everybody talks about the weather, but nobody does anything about it.

We have an opportunity here to do something about the deficit, however, and to reduce it without abandoning our Nation's commitment to helping those who need our help—the poor, the elderly, and the disadvantaged, whether they live in our cities or in rural America.

And we need not abandon our willingness to help small communities and large cities maintain a pace of development that keeps them alive and growing so that people can find jobs, small businesses can thrive, and citizens can take pride in their neighborhoods, towns, and cities.

We can accomplish all this and still save about $6 billion by rejecting the idea that this is the time to fund and embark on new programs, for clearly it is not. We can do this by recognizing that there are less expensive—but better—ways of providing these services. And we can do this with the healthy precision of the scapel, not the carnage of the ax.

The Wylie substitute offers funding for 101,500 new housing units—help above and beyond the 97,000 units now in the pipeline for urban areas alone, and the 5.7 million units currently in operation throughout America.

It provides well over $2 billion in development funds, keeps our public housing authorities operating, offers special assistance to the elderly, continues the rural housing programs, helps neighborhoods work to help themselves, offers assistance to the homeless, and authorizes funds for rehabilitating units in need of repair. In short, the substitute does the job and does it well, but recognizes that the future and current citizens of this Nation can no longer afford the frills of past years.

One way the substitute meets the need while saving money is through the use of housing vouchers. Vouchers are a more efficient, less bureaucratic way of providing housing assistance. Vouchers rely on the true market price of housing in a given area, so that participants have an incentive to shop and to save, and landlords have an incentive to keep the prices down. With vouchers, we can continue to provide housing, but at less cost to the taxpayer, and that is the kind of innovative idea our Government needs.

We also need to take a hard and sometimes painful look at what works and what does not. The time to retire the Urban Development Action Grant Program is upon us. With this in mind, when we begin the amending process, perhaps next week, I intend to offer an amendment to eliminate the UDAG program.

There will be efforts to resuscitate the program by revising the formula for distributing funds among the thousands of communities vying for money, but the fact remains that the approximately $300 million we expect the taxpayers to spend on UDAG's cannot be fairly distributed or well spent.

First, we cannot call this a national program. Since the program first distributed funds in 1978, four States—Alaska, Hawaii, Nevada, and Wyoming—have not received any UDAG funds. Twenty-five States have received less than $40 million during the 7-year history of UDAG's, and New York State alone has received more

UDAG money than the combined awards made to those same 25 States.

The top six UDAG recipients—New York, Massachusetts, Pennsylvania, Ohio, New Jersey, and Michigan—have been awarded a total of about $1.8 billion. Yet, if you added up the UDAG's awarded to all of the rest of the States, the total would be just over $1.9 billion. In short, six States have received about the same amount as the rest of the Nation combined.

Second, it is not at all clear that UDAG's have worked to draw private funds to projects that otherwise would not be built. The history of UDAG's is filled with examples of grants for shopping centers, hotels, corporate headquarters, condominiums, and, yes, even some "dockominiums" and a sightseeing boat. These are projects that should, and probably would, be built based on good development and marketing plans drawn from sound business principles—not because of UDAG dollars from taxpayers hundreds of miles away.

Third, one of the selection criterium—and purposes)—of UDAG's is to create jobs. Yet, a 1985 HUD study indicates that ony 35 percent of the permanent jobs UDAG applicants said would be created have actually been created thus far.

I don't argue that some good has been done for a few communities, mine included, but too often UDAG's fund developments that would have taken place without a subsidy, create bogus jobs, or revisit the same communities time and time again while other cities and towns receive little or no benefit from the investment.

We are long past reaching the bottom of our pockets. Certainly, we can still say "yes" to those who truly need our help in meeting their basic shelter needs, and the Wylie substitute does. But we must now say "no" to hotels, motels, "Dockominiums" and Marina's, to UDAG's that construct corporate headquarters.

I urge this body to support the Wylie substitute, but I also ask that you join with me in ending a program that helps the few at the expense of the many; that ceased serving any useful purpose it once may have had some time ago. Thank you.

Mr. WYLIE. Mr. Chairman, I yield 3½ minutes to the gentleman from Wisconsin [Mr. ROTH.]

Mr. ROTH. Mr. Chairman, I thank the gentleman for yielding.

First of all, I would like to say to the chairman of our subcommittee, the gentleman from Texas [Mr. GONZALEZ], that I of course respect him very much, because he is one of the most dedicated, hard working and determined Members of our body. Without his work, this bill would not be here on the floor.

I also want to recognize our ranking member, the gentleman from Connecticut [Mr. MCKINNEY], who probably knows more about housing issues than anyone else in the country.

I want to recognize the gentleman from Ohio [Mr. WYLIE], my good friend, who introduced the substitute that I think this entire body is going to work for and vote for. It is a real blessing I think to the Nation, to the media and to the taxpayers of this country; so I congratulate all three gentlemen.

I think the bill that we have before us is well crafted legislation. It is scaled back from the version of the housing authorization that we originally had. While it is an improvement, when you analyze the legislation you find that the Wylie substitute will deliver more quality housing to more low income people in a more cost-effective manner. That is why I endorse the Wylie substitute, because I think it is the right approach.

The Wylie substitute provides clear priorities, in contrast to the committee bill which merely sets aggregate spending limits and allows actual decisionmaking to other committees of the Congress.

So I think we in the Banking Committee if we go the route of the bill that we have before us, we are really abdicating our responsibility. I do not think we should do that, I do not think we can do that.

The committee bill reauthorizes the HODAG program, a costly subsidized new construction program which costs $76,000 a unit. HODAG originally aimed at rental markets that had low vacancies rates. In the first year of the program, only 7 out of 141 projects went to cities with a vacancy rate of under 3 percent.

What I particularly like and wish to recommend to this body, which is in the substitute of the gentleman from Ohio, is a provision which unties housing vouchers from the rental rehabilitation program. This was an amendment that I offered in the full committee, in the Banking Committee, during markup on H.R. 1. Unfortunately it was dropped in the substitute version which we have here on the floor today.

I will again at the request of numerous Members of this body offer a voucher amendment to the Gonzalez substitute at the appropriate time.

We want to encourge vouchers. This is a concept that has worked well. We have had pilot projects in Green Bay, WI, and South Bend, IN. They do work. Vouchers are the wave of the future in housing for two reasons; because you can help more people and second, you do that at a time when we have finite Government dollars.

□ 1815

Vouchers offer freedom of choice to the low-income families and are less costly and more efficient than new construction programs. That is why we have to go the route of the voucher program.

By eliminating the current requirement that vouchers be used in connection with rental rehab programs, we can give them a fair test to those people who say they have not been fairly tested. I think the results are going to be a foregone conclusion.

But when all has been said and done, the reason I like the Wylie substitute is not only because we can help more people, because we can do it with less dollars, but at a time when we have $200 billion deficits, this bill is calling for $35 billion more than the President has requested. It is going $3.6 billion over fiscal year 1987. No one has ever heard of Gramm-Rudman-Hollings.

This is why we have to have this particular bill. Anybody who votes for this bill, my friends, has got to wear a button that says "I am a budget buster." That is why we have to go along with the Wylie substitute. I think it is only fair to the low-income people and to the people who benefit from these programs, and also to the American taxpayer.

Mr. GONZALEZ. Mr. Chairman, I yield 3½ minutes to the gentleman from Maryland [Mr. MITCHELL].

Mr. MICHELL. I thank the gentleman for yielding this time to me.

Mr. Chairman, first of all, I want to compliment our distinguished chairman and, of course, I rise in very firm support of the legislation that is before us.

It was a very frustrating experience to be a member of the Housing Subcommittee and of the Banking Committee and year after year not be able to articulate a housing policy. What was happening was that we were being folded into the Budget Committee reconciliation but we did not have an opportunity to articulate a housing policy, and this legislation before us certainly gives us that opportunity.

There is no question in anyone's mind about the essential role that housing plays not only in the life of a community but in the life of an individual. I live in an area which is fairly comfortable, but I took around in my area and I see the conditions under which certain people live and I say, "They cannot be good citizens; they cannot succeed," and I submit to my colleagues that the Federal Government has a mandate and a responsibility to provide decent, affordable housing for people.

In all of the national publications there has been a great deal of praise about the rebirth of cities and, indeed, there has been a rebirth in many, many cities, but I tell my colleagues that would not have been accomplished had we not had community development block grants and had we

not had UDAG. It simply would not have happened.

You come over to my city of Baltimore and all of you revel in the glories of Harbor Place over there. Harbor Place would not be in existence if we did not have a UDAG and a Community Development Block Grant Program.

I like this legislation. I like the inclusion of the Nehemiah plan, which is certainly one of the most innovative things that has come down the pike in a long period of time.

We talk about budget busting. I am aware of a button called A Budget Buddy, because there are no sums authorized in this, to my undestanding. How do you bust something when you do not have any money authorized for it. Indeed, what has happened is that we have cut back so badly in terms of housing that we are at least $3 billion below where we were last year. It does not make sense to make this budget more important than the lives of human beings.

My good friend, the gentleman from Ohio [Mr. WYLIE] has a substitute, and I must tell my colleagues very candidly that I have some problems with giving vouchers the preeminent position. Maybe they do work in Green Bay, WI. They have not worked in my city of Baltimore. A voucher system works if you have an adequate supply of sound housing, and very few large cities have an adequate supply of sound housing. I worry about this idea of placing everything on vouchers, or weight on vouchers, and very little in terms of new construction.

Also, as I understand it, the gentleman's substitute will tilt the scales in favor of more modernization as opposed to new housing starts. That gives me considerable concern.

I walk in every city where I go and I look at public housing. We need modernization, but I will tell my colleagues right now, we can put as much money as we want in modernization and it will not keep pace with the demand for new, low-income housing. I think you are tilting the scales in the wrong direction, Mr. BARTLETT and Mr. WYLIE, but I will be listening to your debate on this.

Mr. Chairman, I would urge fantastic support for the legislation before us.

In my last 10 seconds, Mr. GONZALEZ, you amaze me with your perseverance, your sagacity and your tenacity. Thank you for having all three of those measures.

Mr. WYLIE. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. BARNARD].

Mr. BARNARD. I thank the gentleman for yielding this time to me.

Mr. Chairman, first, I wish to honor Mr. GONZALEZ and Mr. MCKINNEY for their efforts to produce a compromise on this most difficult housing situation in H.R. 4746, which I understand will be offered as a substitute to H.R. 1. I deeply share many of their concerns over what will happen to low-cost, public housing and the many, in need, that it serves.

However, I believe even the substitute can be greatly improved—to the final benefit of those truly in need. They are the ones we must surely protect in this era of tight funding.

First, we have to make the system more efficient. This means we should encourage broader use of rehabilitation and modernization, rather than new construction. Second, we should also encourage vouchers for obtaining alternative housing instead of the more cost consuming certificates. Third, we must deal in a more business-like manner to assure that only the truly eligible obtain low-cost public housing. When we do not get this kind of assurance, with present budget constraints, it is undoubtedly the truly needy who come up with the short end of the stick. Fourth, urban development assistance grants—UDAG's—need to be distributed more broadly around the country than is the case under H.R. 4746. I also believe any bill we produce should improve the quality of selection in UDAG grants.

I hope during the amending process we will give favorable consideration to all these concepts which will make the Housing Act a more workable instrument of public policy.

Mr. Chairman, I am especially concerned over section 210 of H.R. 4746 on public housing disposition and demolition. This section amends current section 18(b) of the Housing Act of 1937 in such a manner as to make it even more difficult than ever for local housing authorities and HUD to authorize the disposition of even heavily deteriorated facilities. Indeed, I might almost go so far as to say the amendments will make it impossible to dispose of them.

I am aware of the concerns expressed by the authors of H.R. 4746. These are that, because of Federal budget restraints, it is more difficult to replace units from projects that are being disposed.

The stock that they seek to protect with amendments in section 210 would require 1-for-1 replacement of public housing units. Further, the replacements would have to be funded in advance by the public housing authorities.

I realize there are certain limited "escape" clauses in section 210 of H.R. 4746 related to the section 8 payment assistance for alternate housing. These could be used if 1-for-1 replacement units were not available. Nevertheless, these seem inadequate since the bottom line will be inflexibility for the housing authorities and HUD. The "escape" clauses are simply too tightly drawn. They do not—and probably cannot—take into consideration the many, many factors best left to the case-by-case decisionmaking abilities of the local housing authorities and, ultimately, HUD.

This is especially true if we are talking about advance funding for replacement units, 1-for-1. That provision removes the options for modernization and rehabilitation plans currently being pursued by some PHA's with units in need of repair. This is so because at least part of the funding for such rehabilitation, modernization or replacement could not be available until the existing units were disposed of. In other words, part of the money for rehabilitation, modernization, and replacement is actually generated by disposition.

Even now, these housing authorities and HUD are far from free-handed in disposing of projects, and section 210 would tie them completely to unrealistic expectations.

Most of us are fully aware of situations where this inflexibility is just not appropriate. There are circumstances where the dwelling units simply are no longer habitable or will be that way soon. Further, there are circumstances where other public purposes—for community needs, not high-cost housing—should at least be able to be balanced against the condition of a given project. This balancing could not happen with adoption of section 210.

I hope that during the amendatory process, we can fashion more flexible requirements for disposition and demolition while assuring that the public housing agencies which might be affected would have to certify a plan for the provision of other decent, safe, sanitary, and affordable housing to tenants who would be displaced.

I cannot stress enough that, in my opinion, we need a highly workable and realistic piece of legislation this year, and that, though the provisions of H.R. 4746 are a good place to start, we still have our work cut out for us in the days to come to improve that product.

□ 1825

Mr. MCKINNEY. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. WORTLEY].

Mr. WORTLEY. Mr. Chairman, soon this Chamber will debate and, I hope, enact a long-awaited housing bill. I serve on the Housing and Community Development Subcommittee, and I commend both the majority and minority leadership for settling many of the controversies which have prevented a housing bill from being brought to the floor. I believe that H.R. 4746 could, and needs to be improved, but at least the full House is now in a position to debate and amend a comprehensive housing bill. In addition to

these positive developments, the Senate has been responsive and is working on a housing bill of its own. I urge expeditious action by both Chambers.

The reasons we need a comprehensive housing bill are numerous. Since September of last year, the House has reauthorized housing programs piecemeal on an ad hoc basis. Besides consuming valuable time in this Chamber, legislating in this manner has led to many problems. Programs such as the Federal Home Administration mortgage insurance, Federal flood insurance, the community development block grant, the urban development action grant, and others have temporarily lapsed or been on the brink of lapsing. Individuals served by these programs have been left confused and uncertain of their future. Furthermore, House Members have not been able to have an overall view of Federal housing programs, which is necessary to provide a proper and timely response to our Nation's housing needs.

Congress must continue its commitment of providing housing assistance for lower income and disadvantaged people. Not everyone is endowed with the gifts necessary to provide adequately for themselves and, in many cases, their families. Others have just been unfortunate enough to hit a rough spot in life; prolonged unemployment; a debilitating injury or handicap; the mental and physical problems associated with old age. Whatever the case, clean, safe, and affordable housing is often a scarce commodity. Through efficient utilization of its formidable powers and resources, the Federal Government has a major role to play in insuring that the citizens of this country are properly housed.

Unfortunately, the administration's proposed budget for 1987 was overly harsh on community development and rental assistance programs. In my views, these programs have already taken their fair share of reductions, both in decreased appropriations over the last few years and through the recent Gramm-Rudman-Hollings budget cuts. While this is no time to significantly expand expenditures in any sector of the Federal budget, I don't believe it is necessary or fair to decimate housing programs which are serving their intended purpose.

I would also like to address a small, but important provision in the bill which would require procedures to allow rural borrowers, at their option, to have the availability of an escrow account for the purpose of taxes, insurance, and other necessary expenses. I proposed this amendment during markup of the committee bill because this option would benefit all parties concerned. The municipalities would be better able to collect their tax payments; the Federal Government would be able to protect its loan; and the rural borrower would be able to budget and pay small monthly tax payments rather than a large lump sum at the end of the year. I am pleased that this provision will be included in the housing bill, and I thank my colleague from Connecticut for his work in this matter.

Mr. Chairman, at this time I would also like to bring to the attention of my colleagues an amendment which I intend to offer when the housing bill is before the full House for consideration. The amendment would establish a demonstration program with the Federal Housing Administration for home equity conversions designed to benefit elderly homeowners. Home equity conversion is one way older Americans who own their own homes can obtain additional disposable income while remaining in their residences. Nearly 16 million Americans over the age of 65 live in single-family homes, and 80 percent own their homes outright according to the 1980 annual housing survey. Almost 65 percent of all elderly poor are homeowners with substantial assets in their homes.

What is needed is a mechanism with adequate consumer safeguards that will permit elderly homeowners the option of converting their equity to cash. My amendment would authorize a demonstration program with FHA insurance to get at the issue. Since widespread home equity conversions involving the elderly are virtually nonexistent, a demonstration program makes the most sense until adequate data can be gathered and the private sector can take over.

The concept of home equity conversion for the elderly has been endorsed by the American Association of Retired People, the 1981 White House Conference on the Aging, and the Older Americans Consumer Cooperative, among others. Home equity conversion is not for everyone, but it represents another option for elderly housing that should be tried.

I commend my colleagues for moving this housing bill to the floor for action.

Mr. GONZALEZ. Mr. Chairman, may I inquire how much time we have remaining on this side?

The CHAIRMAN. The gentleman from Texas [Mr. GONZALEZ] has 9½ minutes remaining, the gentleman from Connecticut [Mr. MCKINNEY] has 8 minutes remaining, and the gentleman from Ohio [Mr. WYLIE] has 24 minutes remaining.

Mr. GONZALEZ. Mr. Chairman, I yield 3 minutes to the gentleman from the District of Columbia [Mr. FAUNTROY].

Mr. FAUNTROY. Mr. Chairman, I am pleased to join with the distinguished chairman of our Subcommittee on Housing and Community Development, Mr. GONZALEZ, and the distinguished ranking minority member of that subcommittee, Mr. MCKINNEY, in urging support for this very responsible, bipartisan substitute to H.R. 1, the housing bill.

The substitute, H.R. 4746, embodies five titles, all of which are important improvements to programs administered by our Department of Housing and Urban Development. I am particularly encouraged by the reauthorization of HUD-assisted housing programs in title II, the assistance that is provided for homeless and displaced persons under title IV, and the assistance provided to families with single-family housing in certain depressed areas, as provided in title V.

Next week, when we consider H.R. 4746, I intend to offer an amendment which I believe will further improve the bill. The principal aim of my amendment is to encourage the conversion from government-managed public housing to resident-managed public housing.

Many local government authorities are poor landlords. Government managers typically work an 8-hour day, are not on site, and have no real stake in the condition of the property. As a result, in some jurisdictions, public housing is among the worst managed and most poorly maintained of any housing.

Resident management seems to be the wave of the future. Experimental Resident Management Programs have been carried out in Boston, New Orleans, and St. Louis. More recently, the District of Columbia has been the site of a successful Resident Management Program.

The Kenilworth-Parkside public housing project in Washington, DC, was similar to many big city public housing projects. Many of its residents failed to regularly pay rent. The property had become run down. Overflowing trash dumpsters housed rats, and many vacant apartments housed drug dealers. According to the residents, their units, at that time, rarely had heat and hot water.

In March of 1982, after a 2-year training program, the residents of Kenilworth-Parkside formed a nonprofit corporation to assume management of their apartments. The results of their first 3 years have been nothing short of amazing. Rent collection has increased by 179 percent. On-site administrative costs have dropped by 60 percent, and expenditures for routine maintenance have declined by 20 percent. The Kenilworth resident managers appear to have halted the deterioration of their homes and brought income to their housing project. A program that was once totally dependent on Government support now no longer needs a Federal operating subsidy.

Kenilworth-Parkside and the other successful experiments in resident management demonstrate that tenants taking an active role in their project's management can produce conditions far better than those typical in some public housing. The pride of residents in their own well-kept homes can not be matched or instilled by a distant government official. I hope the Members will support my amendment when we vote on H.R. 4746 next week.

The CHAIRMAN. The time of the gentleman from the District of Columbia [Mr. FAUNTROY] has expired.

Mr. WYLIE. Mr. Chairman, I yield 2 additional minutes to the gentleman from the District of Columbia and I hope he will yield to me.

Mr. FAUNTROY. I yield to the gentleman from Ohio.

□ 1835

Mr. WYLIE. Mr. Chairman, I want to congratulate the gentleman for his amendment, and I want the gentleman to know—and I said this in my remarks earlier—that I did put his amendment in my bill. It is an improvement over an amendment which I offered a little earlier to H.R. 1 in the subcommittee, which was adopted.

Does the gentleman recall that?

Mr. FAUNTROY. I do recall that, and I appreciate that, and I hope the gentleman supports my amendment to H.R. 4746 as a result.

Mr. WYLIE. We will support it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WYLIE. Mr. Chairman, I yield an additional minute to the gentleman from the District of Columbia.

Mr. FAUNTROY. I am happy to yield to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. I want to compliment the gentleman and say that I have supported his amendment and his legislation, and plan to vote for and support his amendment to the bill next week, or when it comes up.

I commend the gentleman both for his leadership in developing this legislation, which will improve the lives of tenants throughout this country, but also on his guts and his perseverence in sticking to his guns in ensuring that this kind of legislation would be brought to the floor, and hopefully will be passed and signed into law, and I commend the gentleman for his leadership.

Mr. FAUNTROY. I certainly want to thank the gentleman for those remarks, and I am sure that our colleague, the gentleman from New York [Mr. KEMP] will be very much appreciative of it, and of the support that we are all going to get on this amendment when it comes up next week.

Mr. McKINNEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to enter into a brief colloquy with the gentleman from California [Mr. TORRES], simply stating that we have included a provision in H.R. 4746 that provide for timely payment of subcontractors. This provision is section 164. I wonder whether the gentleman from California could provide some clarification here. I am concerned that this language will be interpreted to require general or prime contractors to pay their subcontractors regardless of whether they have received payment from the owner through HUD. Such an interpretation, whether by a court or by HUD through regulations, would be contrary to the general industry practice that the subcontractor is paid by the prime contractor after the prime contractor is paid by the owner.

Mr. TORRES. Mr. Chairman, if the gentleman will yield, as the author of this provision, I assure the gentleman from Connecticut that it is not my intent to require general or prime contractors to pay their subcontractors regardless of whether they have received payment from the owner through HUD. The intent of the provision is to ensure that prime contractors pay their subcontractors in a timely manner once they have received payment from the owner.

Mr. McKINNEY. I thank the gentleman from California for that clarification.

My WYLIE. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BARTLETT], who has worked very hard, let me say, to develop this Wylie-Bartlett substitute, and who is very rapidly developing into a very preeminent expert on housing.

Mr. BARTLETT. Mr. Chairman, I very much thank the gentleman from Ohio [Mr. WYLIE], the ranking member, for his kind words, and I very much admire and respect his leadership that he provides the committee on both sides of the aisle.

I appreciate the additional time, it is a bit unusual, that the gentleman has offered. I recognize and would comment the obvious, that every one can tell from this House floor at this late hour, that this is not the best process to actually have a debate on the housing issue before us.

At some point, I know that others would agree in looking at this debate, it would be the best thing to do to have a debate on a piece of legislation like this on the day that we are actually going to consider the bill; but nevertheless, I think this legislation, some $18 billion in annual spending would be authorized; deserves a rather lengthy debate and some comments.

The legislation itself was developed after lengthy debate and hearings and markups beginning on January 3, 1985. The substitute that has been offered by my distinguished colleague from Texas [Mr. GONZALEZ] and the gentleman from Connecticut [Mr. McKINNEY], I do have to say has some positives in it as well as some negatives. It is not the same legislation, both for good and ill, that was developed by the Housing Subcommittee and the full banking Committee, but it did take some of the items that were developed by the committee in H.R. 1, as amended.

The positives. It seems to me that the legislation makes some improvements in present law. it does, as I said earlier, contain a provision for comprehensive grants. Now what that would mean is that would provide a major reform for the way in which we modernize and repair and provide for modernization funding for public housing authorities. It would require a multiyear plan of every authority to bring their public housing all the way up to standard; that would be a comprehensive plan; it would provide for a reliability of funding, so the public housing authority could count on knowing what kind of funding is available for modernization—that would be in a formula that would be determined by later legislation. This legislation would provide for a process to get to that formula, and then we would agree on the formula, and then we would agree on the formula at a subsequent time.

Most importantly, Mr. Chairman, it would deregulate the repairs that are made in public housing. It would place the public housing authority in the business of bringing the housing stock up to code, and take HUD out of the business of having to approve every blueprint and every item and every change that is made.

I would note, to my colleagues on the other side of the aisle, that when we go to the conference with the other body, if this bill gets to conference with the other body, this is the kind of provision which some would be tempted to drop in conference. We have all been there before, and I would caution them not to consider doing that, because it is this comprehensive grant reform that is one of those reforms that it seems to me could well become the engine that could drive this bill in to law, if it ever does become law.

I would comment that there are other things that have to happen before that happens; we still have to come to grips on funding. The legislation also prohibits user fees and extends FHA, which is a positive.

On the negative side, much remains to be done. There are three areas that I think need to be substantially changed from the bill that is before us.

First of all, the legislation, the Gonzalez-McKinney substitute does not attempt to make any priorities for public housing or assisted housing programs. It treats all priorities as they have been funded, and simply ratifies the

status quo, and thus we have the anomaly of authorizing some $945 million—which is the current appropriations level—to build 5,000 new units of public housing when there are almost a half a million units of public housing that are in dire need of repair.

It seems to me the Congress is ready to set priorities in public housing, and the first priority ought to be modernization and repair.

Second, the legislation affirms the status quo in the living conditions of tenants of public housing. Now that is not a funding issue; that is an area that needs improvement, not ratification of the status quo of the programs of the 1960's.

Third, the funding is at such sums, which essentially says that we would continue at current levels of spending; and that is why I am supporting the Wylie substitute, that would provide essentially the same level of services, the same level of services for approximately $5 billion less money.

The reason that the Wylie substitute can do that is that it does it more efficiently, it provides for a more reasonable and more efficient, less costly allocation of those same funds, so that the Wylie substitute, for example, can provide for an incremental number of units; of an additional 81,000 units of assisted housing in the urban areas, for $11 billion of the total bill versus the Gonzalez-McKinney substitute, which would provide only 94,000 incremental units, for a total cost of $15 billion.

I think it is time that Congress start acting smarter, and not just simply continue to allocate the programs, reallocate the programs of the past.

Mr. Chairman, I plan to offer in addition to that, two very key amendments that I think will go to the heart of the matter of this legislation. The first one would be designed to replace the money that we are spending on new construction of a very small number of public housing units that provide primarily Members of Congress and local politicians the opportunity to cut a ribbon, to say that they provided new units of public housing and to take that money and to spend it on repair and modernization, which is where the real need is.

Second, I will be offering a title, which is a title of a series of reforms many of which were adopted, most of which were considered by the Housing subcommittee; reforms designed to improve the living standards of those people who are using either section 8 certificates or living in public housing.

First, on the repair and modernization amendment. Let me share with the House some statistics which we have just obtained today. Preliminary information from the ABT study, which we are in the process of finishing at HUD, that is designed to be completed by August.

The preliminary indication, and it is only preliminary, but it gives us a range, indicates what we all know to be true by looking at our individual districts; and that is, some 36 percent of the public housing units in this country, 459,000 units it is estimated, require repairs or modernization just to bring them up to standard; just to bring them up to decent, safe and sanitary, 36 percent of the total require repairs.

Of those 459,000, in fact, 65,000 it is estimated, are vacant today. The Boston Public Housing Authority has a 19-percent vacancy rate. The Newark Public Housing Authority has a 34-percent vacancy rate. The Detroit Public Housing Authority has a 23-percent vacancy rate.

□ 1845

It is time to begin to place our priorities where we can do the most good; That is, to repair the current housing stock.

What does this amendment do? First, it would restrict new construction of public housing units themselves to only one of three circumstances. First, to finish public housing units that had been begun in prior years but were underfunded. Second, to replace those units that had been lost through demolition and disposition in which the Secretary certifies that new units of public housing are required for their replacement. And third, to permit those public housing units that have 90 percent of their current units already up to standard or they are funded to be brought up to standard, to permit those public housing authorities to apply for new construction.

Second, this amendment would take the $860 million that remains in fiscal year 1986 appropriations and essentially to make it available for authorization for repair and modernization. In one step the Congress can virtually double the amount of funds that would be available for repair and modernization.

The amendment in fact would provide that those funds would continue to be available if unexpended by the end of fiscal year 1986 and would continue to be available in future years.

I ask every Member of Congress just to think about your own State, your own district, your own city. If you have any question about the need for repair and modernization of public housing in this country, ask your housing authority, ask your city council. Better than that, ask the tenants who live in public housing who want the opportunity to live in decent, safe, and sanitary housing units. The fact is we can provide more units faster, less costly, more efficiently and with more compassion by emphasizing repair over new construction.

The second amendment is entitled livability and employment. Most of the ideas, frankly, came from tenants themselves. This is not a funding issue. It will not cost anything. By and large, these reforms in fact will save money over a multiyear period of time. It is a bipartisan approach and a bipartisan set of amendments, many of which were adopted by the committee, oftentimes on a division, and on a divided question.

It falls into three areas. First, to improve the living environment of the residents of public housing themselves by providing them with a freedom of choice, an ability to control their own destiny.

Therefore, we have a provision for portability of section 8 certificates, so that a person who has a section 8 certificate living in one city in a standard metropolitan statistical area, if they get a job and want to move across town, they can move and use that certificate.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WYLIE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Texas.

Mr. BARTLETT. I have made available for the RECORD a summary and exact copy of these amendments.

The second approach or the second part of the livability amendment is to provide employment opportunities by eliminating those barriers in public housing laws and regulations that keep tenants from getting a job today.

Third is to deregulate public housing authorities, to allow that independently operated public housing authority with oversight and appointment by the local governments, to make their own decisions as far as how to operate the public housing authority.

I want to pay particular attention—the gentleman from Georgia talked about the flexibility that is required in demolition and disposition—I want every Member of this House to look at their own situation and realize that some flexibility, more than is in the committee substitute, is required in demolition and disposition. So that, yes, the public housing authority would be required and should be, under my amendment, to replace those units for those tenants that are living there, but in fact to make it a reasonable requirement so that demolition and disposition can occur in an orderly way and that it can be replaced with other units. In conclusion, both of these amendments do enjoy bipartisan support. There is no reason to accept the status quo.

We have entered into the debate over a long period of time and many hearings, and we have discovered that tenants will tell you that the Congress, if it will, can improve the status

quo of public housing and assisted housing in this country.

These amendments, with these amendments and others, in fact, this Congress can prove that we are up to that task.

I thank the gentleman for yielding the additional time.

The CHAIRMAN. The gentleman from Ohio [Mr. WYLIE] has 10 minutes remaining; the gentleman from Connecticut [Mr. MCKINNEY] 8 minutes; and the gentleman from Texas [Mr. GONZALEZ] has 6½ minutes remaining.

Mr. MCKINNEY. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. RIDGE].

Mr. RIDGE. I thank the gentleman for yielding.

Mr. Chairman, although there have been no major housing bills considered by this body for some time, the housing and community development needs of the Nation have certainly persisted, and unfortunately in parts of the country, obviously, have increased.

After months of hard work by my colleagues on the committee and the appropriate subcommittee, but particularly my colleagues from Texas [Mr. GONZALEZ] and from Connecticut [Mr. MCKINNEY] the House will finally consider its first omnibus housing bill in 3 years.

The substitute provides for the continuation of most of the housing programs that have been in existence prior to this date. It preserves the vital economic development programs and opportunities offered to individuals and communities through the Community Development Block Grant Program, the Urban Development Action Grant Program. It provides in a reasonable and practical way additional housing needs for the low income, elderly and poor.

I must respectfully disagree with my colleagues who want to rely exclusively on the voucher system for additional units.

Clearly, housing vouchers have a place in some areas, but I do not believe they are universally acceptable alternatives to meet the needs of all those families and individuals in need.

For vouchers to work, there must be a high vacancy rate in rental housing, and certainly all localities do not meet that criterion.

In my part of the country housing vouchers simply will not work in rural areas because there is simply not enough rental housing constructed.

In many urban areas, although constructed, the units are not available, they are occupied.

Vouchers can only work as part of a housing mix and the Gonzalez-McKinney substitute provides a satisfactory and practical mix.

I urge my colleagues to support the substitute because it is a realistic compromise that should be given the bipartisan support it deserves after many, many months of long and arduous negotiations and compromise.

I would like also to alert my colleagues to an amendment that will be offered in the area of economic development. I am pleased to be offering an enterprise zone amendment along with a colleague on the Banking Committee, the Congressman from New York, Mr. GARCIA.

All my colleagues and all the Members should know that the full Committee on Banking and Currency voted to include authorization for enterprise zones. However, the language was initially deleted from the substitute version of the bill.

Our amendment would authorize the Secretary of HUD to designate 100 enterprise zones. It is important for my colleagues to note that 25 of the zones would have to be in rural areas.

The language sets criteria for the zones and a procedure by which local government entities can nominate them.

Clearly, the concept of enterprise zones has been well articulated on the floor in the past years and needs little explanation. Many in this Chamber and many of my colleagues listening can certainly identify communities at home where citizens and community leaders search for new initiatives to put their friends and their neighbors back to work. It is not just those from older industrial sections, it is not just those from the Northeast and the Midwest. Recent changes in high technology businesses and the recent drop in oil prices highlight the fact that the fortunes of local economies can change rapidly and unpredictably.

Those whose home areas are in pretty good shape, economic shape now, have low unemployment, should realize that no one and no place is immune from economic difficulty.

The designation of enterprise zones would create a mechanism by which economic development efforts of all levels of government could be coordinated for areas most in need. At a time when Congress is reducing direct support for local governments, enterprise zones would provide a new tool for local economic development.

The amendment has the potential to create places of business to prosper in towns that have known too little prosperity. I urge my colleagues to vote "yes" on the Garcia-Ridge enterprise zone amendment and to wholeheartedly support and vote "yes" on the Gonzalez-McKinney substitute housing bill.

Mr. GONZALEZ. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. Mr. Chairman, I want to take this opportunity to emphatically restate my support for a new housing bill in this Congress. It is well known that the present administration does not believe in the importance of urban development or affordable housing, and does not truly care whether American families have the opportunity to buy and own their own homes.

This attitude is terribly misguided. Approval of major housing legislation by this body will remind the President and his advisers that the Congress still believes in the American dream of homeownership, affordable rentals, economic development in the form of UDAG's and CDBG's, in FHA, and the scores of other worthwhile programs covered in this legislation.

By passing a realistic housing bill, which adequately funds these programs, we will be helping those who still genuinely need some assistance from the Government. I notice that an amendment may be offered on behalf of the administration to make substantial cuts in the funding for housing programs. I am sorry to see this, and I hope my colleagues will vote against this devastating measure.

The administration and their supporters believe that America's urban and less-affluent areas can get by with an additional 47-percent cut in funding for CDBG's, UDAG's, and others. Such a cut, along with the elimination of scores of existing programs, would mean an overall reduction of 9.1 percent in funding since 1980. With the deficit still looming large before us all, it is important to remember the tremendous cuts in housing that have already taken place. Housing programs have taken their cuts, so lets look to the real sources of waste to reduce the deficits.

I want to congratulate the chairman, Mr. GONZALEZ, and the ranking minority member, Mr. MCKINNEY for bringing this needed legislation to the floor. I look forward to supporting a fair and responsible Housing bill.

Mr. WYLIE. Mr. Chairman, as an indication of bipartisan support here, I yield 2 minutes to my friend, the gentleman from Ohio [Mr. TRAFICANT.]

Mr. TRAFICANT. Mr. Chairman, I rise in strong support of H.R. 4746, the Gonzalez-McKinney substitute to H.R. 1. This bill authorizes a wide range of housing programs that are of critical importance to both rural and urban areas in this country that are struggling economically.

My district, the Youngstown-Warren area of Ohio, has one of the highest unemployment rates in the country. While many areas of the country have benefited by the so-called economic recovery, areas like mine continue to suffer. Programs, such as those authorized in this measure, provide areas like mine with the helping hand they so desperately need to help themselves. And that is what we are talking about here today. Providing ailing

communities with the basics to help themselves.

The Community Development Block Grant Program has been targeted for termination by the administration. Rather than eliminate this program—which has benefitted areas like mine tremendously—H.R. 4746 would retain the program in fiscal year 1987 for those communities that qualify. I recognize the need to address the deficit problem. Without question, steps must be taken to streamline Federal programs. But I do not believe that the wholesale elimination of programs such as the Community Development Block Grant Program or the Urban Development Action Grant Program is the right or just way to go. I do not argue the fact in some instances, communities and cities that perhaps were not in dire need or economic dire straits did, nonetheless, receive funding. The purpose now, should be, and must be, to retarget these programs to those communities that are in dire need. I invite any one of my colleagues to tour my district and then tell me that these programs wouldn't help. Communities throughout the country are hurting and we can't turn our backs on them.

I strongly support the provision in the bill amending the current selection criteria for UDAG assistance. Under this provision, project merit will be given greater consideration. Also to be considered in determining project merit will be the extent to which grants leverage private investment; the number of permanent jobs created or retained; the level of local government funding; the amount of low-income housing produced; and the impact which such aid would have on physical and economic development. I believe that these provisions are exactly what is needed to ensure that the funds expended in these programs are done so in a judicious fashion and in the most cost-effective way. As outlined in H.R. 4746, the UDAG Program will be of enormous benefit to economically depressed areas and will provide communities with the economic push needed to realize economic revitalization.

Another important component to this bill that I'd like to mention in the Rehabilitation Loan Program. This program allows low to moderate-income families to have decent, affordable housing. The measure also authorizes a whole slate of low-income housing programs that specifically target the most needy of our society: senior citizens, the handicapped, the disabled, the indigent, and the homeless. These individuals do not have a powerful lobby here in Washington. They do not have the financial resources to plead their case. We, here in Congress, are their only voice. Low-income housing programs such as section 8, housing vouchers, public housing development, rental rehabilitation and development grants, and public housing improvement grants allow this Nation's poor seniors, our indigent, and handicapped to live in decent housing. They provide hope and humanity for an otherwise forgotten group of Americans.

The sad truth is that without these programs, low-income housing would quickly become a rare commodity and literally thousands of poverty stricken families and elderly would be without adequate housing. The sad truth is that without these government programs, no incentive exists in the private sector to invest in low-income housing or housing projects for the disabled and handicapped. This legislation reflects this sad reality and is necessary. The bill provides much needed assistance to this Nation's homeless. The bill would supplement the efforts of State, local and charitable organizations that provide shelter and other assistance to the homeless.

In a country as rich and as affluent as ours, it is an outrage and a disgrace that every year we have thousands of homeless individuals dying of exposure in the streets. We have senior citizens dying in their homes during the winter months because of no heat in their apartment building. H.R. 4746 attempts to deal with this tragic problem—a problem that is not confined to our urban areas. The bill authorizes vital rural housing programs that provide much needed repair loans, housing technical assistance grants, and farmworker rental housing assistance to America's ailing farm regions.

In closing, I would like to state that this measure is one that is greatly needed to address the tragic realities of life in America. All is not coming up roses and we must recognize that. People in areas like northeast Ohio and western Pennsylvania are hurting. In our cities, senior citizens need affordable housing, as do single parents and poverty stricken families. Throughout the country, handicapped and disabled individuals deserve the opportunity to live in communities and be productive members of society. And I believe everyone in the Chamber is all too familiar with the tragic problems being experienced in our farm economy.

These are the sobering realities we must deal with in 1986. We cannot turn our backs on these people—these problems won't go away simply by ignoring them. Action must be taken and H.R. 4746 represents the most responsible and sound action we, as a legislative body, could take. I urge all of my colleagues to support this important legislative initiative and I would also like to commend Chairman GONZALEZ for his career long commitment to this issue and for his leadership over the years.

Mr. McKINNEY. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. GREEN], a powerful member of the Committee on Appropriations.

Mr. GREEN. I thank the gentleman for yielding to me.

Mr. Chairman, I want to express my appreciation to the Housing Subcommittee of the Committee on Banking, Finance and Urban Affairs for bringing us H.R. 1.

At the outset of my remarks, let me acknowledge that I think the administration is right that there are many parts in this country where there are significant vacancy rates in housing and where a voucher type program, not that different from the section 8 existing housing program, can in fact meet the needs of low-income families and low-income elderly.

But it was also very clear at the hearings held before the Subcommittee on HUD and Independent Agencies, Appropriations Subcommittee, on which I serve as the ranking minority member, that there are also, by HUD's own statistics, significant metropolitan areas in this country where there is a vacancy rate below 5 percent, normally considered the breaking point between high-vacancy and low-vacancy areas.

I think it is also very clear there are significant rural areas in this country where there is a shortage of housing.

Now, it seems to me that, as good as the existing housing programs are, they cannot meet the full housing needs of low- and moderate-income households in those kinds of areas.

□ 1900

So, I think it is important that H.R. 1 continues housing creation programs as well as the existing programs.

The amounts, we all know, are extremely modest indeed; for example, 5,000 units for public housing, 12,000 units for the section 202 program for the elderly and the handicapped. But at least they will keep the program alive, and I hope that the programs will be implemented in a way where HUD can target those resources that the committee is authorizing toward those parts of the country that have low vacancy rates, where the solution to the needs of low- and moderate-income households cannot entirely be met by the voucher program.

Mr. Chairman, I thank the committee for its work.

Mr. WYLIE. Mr. Chairman, I reserve the balance of my time.

Mr. GONZALEZ. Mr. Chairman, I yield 2 minutes to a distinguished and hard-working member of the subcommittee, the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I am delighted to be here today. I first want to thank our glorious subcommittee chairman, the gentleman from Texas [Mr. GONZALEZ], and our ranking member, the gentleman from Connecticut [Mr. MCKINNEY] for the hard labor they have put together in putting together a compromise. I would also like to thank the gentleman from the other side of the aisle. I think that the debate has had a erudite and, while possibly partisan, certainly substantive tone.

Mr. Chairman, I would like to simply address two points on why I believe the Gonzalez-McKinney is the substitute of preference.

One relates to a program that many of us have been actively involved in pushing for a while, the Nehemiah program. We were told in this debate, with good reason, how expensive it is to build a new unit of public housing. If it is going to cost $65,000 or $85,000 or $110,000 to build a new unit of public housing, somebody said, then why not give someone a new single-family home for the same price? Well, Nehemiah gives somebody a new single-family home, but not for the same price, for only a $15,000 subsidy. It represents home ownership, which I think will be the way to go in the future. It represents an opportunity for inner cities to rebuild themselves, to take large tracts of now vacant land and make those inner cities bloom, as has been done in the east New York part of Brooklyn, in my colleagues', MAJOR OWENS and EDOLPHUS TOWNS, district.

And it means more units available to the very poor, because while it is true a $5,000 deposit is needed on Nehemiah, it will open up, if the experience in New York is any indication, large numbers of public housing units and other units to which the very poor can move, cheaply and in number.

The days are gone, Mr. Chairman, I think when we can just simply blithely say we can afford $100,000 or $90,000 of a unit for housing for the poor. There are too many poor people. But Nehemiah is a reason to commend the Gonzalez-McKinney substitute.

Mr. WYLIE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think, as does the gentleman from New York, that we have had a good debate, that we have made the points that we wanted to make as far as the difference between the two bills. I think that everyone who has spoken today is committed to the necessity of the housing bill, of housing legislation, and that we are all trying to achieve the same goal.

I would recommend my bill because, in my judgment, it is more fiscally responsible, as I suggested in my opening remarks. If you use the deferred funds, or if we are not able to use the deferred funds, it will cost approximately $10.2 billion, as compared to the $15.2 billion in the Gonzalez-McKinney bill. I think it will accomplish basically the same purpose.

I think it provides more effective utilization of the housing assistance programs at less cost through the modernization program we have in our bill, which would cost only $2,400 per unit, as compared to $65,000 per unit in new construction.

We also have the voucher program which I mentioned a little earlier, which would provide units at approximately $4,500 per unit.

My bill also prohibits user fees, as does the Gonzalez-McKinney substitute, except in the area of FHA user fees, and it keeps the user fees on FHA loans at the present level.

My bill, I think, has a significant provision as far as public housing reform. It provides for comprehensive modernization programs, for tenant management opportunities which had been discussed here a little earlier, for income verification tests to combat fraud and abuse which have been recommended for many years since I have been on the Banking Committee. It provides improved livability for tenants, in my judgment.

We incorporate in our bill some of the special programs for the needy, which we apparently all agree on and which are also included in the Gonzalez-McKinney bill. We have no disagreement in that area.

We do not have, and we do have disagreement on this, any special provisions, any special interest provisions, which would benefit only three congressional districts, so there is no pork in this barrel.

I do think it provides a better UDAG formula and more equitable and fair distribution through the so-called 50-50 split program which I have incorporated in my substitute.

Mr. Chairman, I would urge adoption of my bill on the theory that it is less expensive and would provide better housing at less cost and more affordability.

Mr. CHAIRMAN, I reserve the balance of my time.

Mr. MCKINNEY. Mr. Chairman, I yield the balance of my time to the gentleman from Connecticut [Mr. MORRISON].

Mr. WYLIE. Mr. Chairman, I yield 1 additional minute to the gentleman from Connecticut [Mr. MORRISON].

Mr. CHAIRMAN. The gentleman from Connecticut [Mr. MORRISON] is recognized for 2 minutes.

Mr. MORRISON of Connecticut. Mr. Chairman, I rise in strong support of the Housing Act of 1986. I want to commend the chairman of our subcommittee, the gentleman from Texas [Mr. GONZALEZ], for his leadership; and also the gentleman from Connecticut, my good friend and colleague [Mr. MCKINNEY], for his cooperation in making possible this bill and bringing it to the floor with what I hope will be strong bipartisan support for a bill that is very necessary.

In fact, much more is necessary to respond adequately to the housing needs of the people of this country.

This bill is a minimal bill. It is what we must do, not what it would be good if we could do, but what we must do just to maintain our current effort.

I have heard a lot of discussion about the budget as if this were a budget buster. This subcommittee has worked as hard as any in the House to conform itself to a budget that is a cruel budget in terms of the limitations it places on the housing needs of the poor.

□ 1910

And yet we have conformed to the budget and in fact this bill stays within any reasonable budget targets. It does so for both 1986 and 1987 by assuring that no funds can be appropriated under this authorization that have not been authorized by the Appropriations Committee and that are not within the budget limitations. It does things that are absolutely necessary. It continues the UDAG Program which the cities, the depressed cities of this country, desperately need. It sees to it that public housing demolitions, which are going on around the country because of outdated public housing projects, must be replaced with equivalent units for the people who are in need of housing, so we will not lose our housing stock because there are outdated public housing units. It continues the section 235 program which has been so important in many areas for home ownership opportunities. Just in my own district, we have just broken ground for 40 two-family homes that are being built under the 235 program that will allow low- and moderate-income people to have a home of their own and allow the revitalization of neighborhoods.

This is a bill we can proudly support, and I hope an overwhelming majority of my colleagues will do so.

The CHAIRMAN. The gentleman from Ohio [Mr. WYLIE] has 4 minutes remaining, and the gentleman from Texas [Mr. GONZALEZ] has 2½ minutes remaining.

The gentleman from Texas [Mr. GONZALEZ] has the right to close debate.

Mr. WYLIE. Mr. Chairman, I yield back the balance of my time.

Mr. GONZALEZ. Mr. Chairman, I yield the remainder of my time to the gentleman from Minnesota [Mr. VENTO].

The CHAIRMAN. The gentleman from Minnesota [Mr. VENTO] is recognized for 2½ minutes.

Mr. VENTO. Mr. Chairman, I rise in support of the substitute to be offered

by the chairman of the Housing and Community Development Subcommittee, Mr. GONZALEZ, and the ranking minority member, Mr. MCKINNEY.

It is widely recognized that the Banking, Finance and Urban Affairs Committee had reached an impasse in bringing H.R. 1 to the floor. As reported from the Banking, Finance and Urban Affairs Committee, H.R. 1 was a comprehensive approach to a myriad of problems in housing. I continue to see the need for the comprehensive approach contained in H.R. 1 as reported and hope that in the future Congress will pass many of the provisions not contained in the Gonzalez-McKinney substitute. However, it became apparent during conference committee deliberations on the fiscal year 1986 budget reconciliation legislation that the other body would not consider legislation which dealt with such a wide breadth of housing issues.

Because we have a responsibility to produce a housing authorization, Chairman GONZALEZ and Representative MCKINNEY labored long and hard to produce a bipartisan substitute which deserves the support of the Members of the House. Passage of the bipartisan Gonzalez-McKinney substitute will facilitate consideration by the other body of similar legislation and make it likely that we could have a housing authorization on the President's desk before the Fourth of July.

Mr. Chairman and Members, apparently some would continue to stymie this Gonzalez-McKinney compromise that authorizes such sums as will be appropriated, by raising budget concerns. Frankly this is inappropriate and misleading. It is the same technique and debate tactic that has worked with some success to defeat housing measures in the past few years but is not valid in today's debate. The policy decisions inherent in this Gonzalez-McKinney substitute are sound and should not be defeated on a budget basis. This legislation authorizes the basic housing and community development programs for 1986 and 1987. The legislation extends the FHA mortgage insurance authority and provides that such authorization not exceed the budget authority established in the budget resolution. It also authorizes the Farmers Home Administration housing programs and the crime and flood insurance programs. The current FHA mortgage insurance premium is maintained and new user fees on Fannie Mae, Freddie Mac and Ginne Mae products are prohibited.

The Gonzalez-McKinney substitute authorizes the continuation of the Community Development Block Grant Program and the Urban Development Action Grant Program. These important programs are authorized at such levels as may be established in appropriations acts. In addition, the UDAG changes so important to our colleagues from the South and West are also included in this legislation. This change will insure that the highly successful UDAG Program will have greater geographical balance.

The Gonzalez-McKinney substitute also authorize the existing low income and Government assisted housing programs at levels to be established in appropriation acts. Modifications to these programs which have bipartisan support are contained in the substitute. These changes do not increase the costs of these programs but rather increase the efficiency and improve the delivery system of these programs. Essential programs such as public housing, Government assisted housing, section 202 housing for the elderly and handicapped and the congregate services program are authorized at the levels established in appropriations acts.

There are two provisions which I helped write in this substitute which I would like to call to the special attention of Members. Title IV authorizes programs to assist Communities to provide shelter for the homeless. This provision, I am pleased to report, received unanimous bipartisan support of members of the Banking, Finance and Urban Affairs Committee. In fact the Emergency Shelter Program is also contained in the Wylie substitute. It is the culmination of more than 5 years of effort to craft a program to meet the shelter needs of our Nation's most improverished people. It is a refinement of legislation which has passed the House on four separate occasions and it deserves to pass again and be enacted into law.

This program would reauthorize the existing Emergency Food and Shelter Program administered by the Federal Emergency Management Agency. This program has been very successful, particularly in providing food for hungry Americans. However, since the program has allocated 66 percent of its funds for food allocation it has not been able to focus properly on the shelter needs of homeless Americans.

Mr. Chairman, today there are 2,000,000 homeless people in this country. The existing Government and charitable resources cannot hope to shelter this huge number of people. Every night shelters from New York to California turn homeless people away because these shelters are full. As a result, Americans are forced to suffer the indignity and the life threatening dangers of being night after night on the street.

The Emergency Shelter Program contained in this bill will increase the number of people who have a safe place to sleep and could save hundreds if not thousands of lives. It does so in an innovative manner which builds upon the existing effort of local charitable organizations and with a limited amount of Federal involvement.

Funds authorized by this program would be distributed to cities and States based upon the Community Development Block Grant Program formula. These funds could be used by the governmental entity or it could be distributed to nonprofit agencies which have the capacity to assist the homeless.

Funds from this program could only be used for costs associated with the rehabilitation of existing structures into shelters for the homeless. Up to 15 percent of the Federal funds could be used to provide services for homeless but only if the services were not available in the community prior to the establishment of the program.

The Emergency Shelter Program builds upon the tremendous efforts of local churches and charitable organizations by requiring a 1-to-1 match of local effort for every Federal dollar. We provide flexibility to the local community in generating this local match. It may be in the form of cash, donation of a building or materials, the value of time donated by volunteers or the services provided to the homeless. In effect we allow the local community to provide that which is needed most by the homeless in that area. As a result of this type of program structure we establish accountability for Federal investment—we know how each Federal dollar will be used—and flexibility for local communities to meet the unique needs of their community.

The Emergency Shelter Grants Program meets the immediate need of providing shelter to people who will face life threatening situations because of a lack of shelter. But the Gonzalez-McKinney substitute also looks to the future. It authorizes a pilot program which will demonstrate how communities can provide a more comprehensive approach to the problems of a given homeless individual. This program, authorized by my colleague, MARY ROSE OAKAR, would demonstrate how comprehensive services such as health care, substance abuse treatment, mental health services, and job training programs can move the homeless from the streets or emergency shelters into the economic mainstream of our nation. Within the current budget constraints facing Congress we can't expect to provide this level of services for each of the 2,000,000 homeless Americans. But a pilot program which funds a few of these transitional housing projects will provide a model for communities to replicate with their own funds. In the long run, transitional housing is the best hope for assisting the homeless. Today, we must be concerned with meeting the most urgent housing need in our Nation and that is to provide basic and safe shelter for homeless Americans.

I also want to thank my colleagues on the committee for their support for a change in the UDAG Program which will prohibit the use of UDAG funds to pirate jobs from one area to another. As my colleagues know, current law explicitly prohibits pirating job with UDAG funds. However, a situation is my district tragically demonstrates that the administration does not understand the clarity of current law. As a result of the loss of 700 jobs in my district, I proposed an amendment which the committee adopted. That amendment will insure that never again will jobs be stolen from St. Paul or any other city in this nation with UDAG funds. Passage of this provision should send a clear and additional message to this administration that the approval of this Amhoist grant was a clear violation of the meaning of current law and seeks to avoid any such future transgression. It also demonstrates the determination of the committee and indeed this House to achieve the restoration of Federal funds improperly awarded.

Mr. Chairman, I urge my colleague to support this legislation. It is absolutely essential to maintain the job creation nature of the UDAG Program, absolutely essential for millions of Americans who wish to own or rent a home, and absolutely essential to millions of Americans who desperately need a safe place to sleep.

Mr. MANTON. Mr. Chairman, I rise in strong support of the amendment in the nature of a substitute to H.R. 1, the Housing Act of 1985, offered by the distinguished chairman of the Housing and Community Development Subcommittee, the gentleman from Texas [Mr. GONZALEZ], and the ranking minority member of the subcommittee, the gentleman from Connecticut [Mr. MCKINNEY]. I want to commend both gentlemen for their diligent and tireless efforts to bring this important legislation to the floor.

Mr. Chairman, the substitute being offered today is a modest, bipartisan proposal. The amendment reauthorizes existing housing and community development programs through fiscal year 1987 and provides for a number of much needed programmatic changes to make these programs operate more efficiently. In addition, the substitute maintains the viability of Federal mortgage programs which are under attack by the administration, authorizes a new program to provide homeownership opportunities for low- and moderate-income families, and increases Federal assistance for the homeless.

On October 1, 1985, authority for a number of Federal housing and community development programs expired. Congress has been forced to temporarily extend these programs several times pending action on a comprehensive housing reauthorization bill. Unlike the substitute being offered by the Chairman and the gentleman from Connecticut, these simple extenders provided no long-term stability for Federal housing programs and contained none of the much needed programmatic changes included in the substitute.

For example, the substitute would dramatically improve the operation of local public housing programs. The measure provides for a change in the allocation in public housing operating assistance to make certain that public housing authorities [PHA's] receive the funds they need to properly maintain existing units. The bill would require that the performance funding system be updated annually, in consultation with local PHA's. In addition, the measure would also create a new grant program to improve and modernize the physical condition of existing public housing and to upgrade management and operation.

In addition to these much needed public housing changes, the substitute would also improve and extend a number of other important housing and community development programs.

First, the substitute would reauthorize the Federal crime insurance and prohibit any increases in premiums. The Federal Crime Insurance Program is particularly important in the economically distressed areas of New York City, including portions of the Ninth Congressional District, which I represent. The Federal Crime Insurance Program provides insurance against burglary and robbery to homeowners and businesses situated in high crime areas when coverage through the private sector is either unaffordable or unavailable. Federal crime insurance has allowed small businesses to flourish in New York City's most distressed neighborhoods. These small businesses provide much needed jobs and services in the most economically disadvantaged areas of the city and are the seeds of economic growth. Without Federal crime insurance, many of these businesses would be forced to close their doors.

Despite the fact that the cost of the Federal Crime Insurance Program is minimal and has been declining over the past few years, the administration has continued its efforts to kill the program. Last year, the administration took a back-door approach to its attack on crime insurance by proposing to dramatically increase premiums by more than 30 percent. I authored a provision of H.R. 1, which is also part of the substitute, that would limit increases in crime insurance premiums.

Second, the substitute would prohibit the imposition of new user fees on Federal mortgage programs as proposed by the administration. These new "taxes" would have restricted the ability of Federal mortgage agencies to generate new mortgage funds and would have substantially increased the cost of owning a moderately priced home.

Third, the substitute rejects the administration's plan to dramatically restrict eligibility for FHA mortgage insurance. Under the administration's fiscal year 1987 budget proposal, FHA mortgage insurance would have been limited to families with an annual income of $40,000. This income cap alone would have meant that 40 percent fewer families in New York would have qualified for an FHA-insured loan. For those who would have remained eligible for FHA insured mortgages, closing costs would have been more than doubled under the administration's proposal to increase FHA mortgage insurance premiums.

The substitute makes certain that FHA programs continue to serve first time and moderate income home buyers. We must make certain that all Americans are given the opportunity to take advantage of today's favorable mortgage rates.

Fourth, the substitute authorizes a new homeownership program for low- and moderate-income families. The program is based on the highly successful Nehemiah Project in Brooklyn, NY, where more than 2,000 single family homes have been built in a previously desolate area. The Nehemiah plan brought together a group of local parishes and nonprofit groups which raised the initial capital for the construction of the homes. With the help of innovative construction techniques and the assistance and cooperation of State and local officials in the form of tax abatements and mortgage financing, the dream of homeownership has become a reality for hundreds of low- and moderate-income New Yorkers. With limited Federal assistance, we can make certain that this success is duplicated across the country.

At a time when Federal resources are becoming more scarce, it is crucial to establish new housing programs that are effective and cost-efficient. Nehemiah is one of those programs which I strongly support.

Fifth, in response to the growing and tragic plight of the homeless, the measure establishes a National Emergency Food and Shelter Board to oversee and improve existing shelter programs. In addition, the substitute authorizes a new grant program to supplement the efforts of State, local, and charitable organizations that provide shelter to the homeless.

Finally, Mr. Chairman, the substitute makes certain that Federal housing programs will continue to be funded through fiscal year 1987. This is a major victory given the Reagan administration's continuing efforts to terminate all Federal support for assisted housing programs.

Mr. Chairman, since coming to office, President Reagan has slashed federally assisted housing programs by more than 60 percent. The President's fiscal year 1987 budget proposes no new funds for Federal housing programs and would rescind or defer more than half of the funds appropriated by Congress in fiscal year 1986 for assisted housing. Under the President's proposal section 8 rental assistance, housing for the elderly and handicapped would all be terminated. Given the dramatic increase in homelessness across America, and the shrinking supply of safe, decent, affordable housing in this Nation, the President's housing proposals are harsh, cruel and irresponsible. President Reagan has chosen to ignore the historic commitment of the Federal Government to provide all Americans with a safe and decent place to live. The substitute being offered today reaffirms the Government's commitment and duty to provide housing assistance to the poor and elderly.

I urge my colleagues to support this vitally important legislation.

Ms. KAPTUR. Mr. Chairman, I rise today in strong support of H.R. 4746—the Bipatisan Housing Act of 1986. This bipartisan compromise comes as a result of the most extensive set of hearings on housing in 20 years. It also comes after a full year of discussion and com-

promise with our colleagues on the other side of the aisle.

I believe this measure is a carefully balanced and responsible approach to fulfilling the legitimate Federal role of providing housing assistance to low and moderate income families within the context of fiscal restraint. Indeed, the bill before us today is an example of bipartisanship at its very best.

Late last spring, the Banking Committee reported a $16.3 billion housing reauthorization bill, fully a 64 percent cut since 1981. This modest figure was reduced further to $14.3 billion when the House approved inclusion of H.R. 1 in the omnibus budget reconciliation bill of 1985. Both of these proposals were within budget. Granted, our committee ordered its priorities in a very different manner than the administration would have done. However, this critical decisionmaking—changing, cutting, testing and yes, the creation of alternatives—represents the very heart of the authorization process. All too often authorizing legislation is casually dismissed as unnecessary during periods of budgetary restraint. This proposal reaffirms our committee's longstanding commitment to continue at a minimal level the housing programs for low- and moderate-income people—a commitment this administration does not have. It is clear that due to huge program cutbacks in the last 6 years. The housing situation at the local level is becoming severe. In a community like mine in Toledo, OH, the backlog of applicants for decent shelter is close to 10,000.

This legislation is an attempt, however modest, to respond to the housing needs of low-income families and to address some of the criticism leveled at the financing and administration of these programs in the past. Indeed, if some of the proposals which would affect housing that are being discussed in the context of tax reform become law, this minimal level of housing support we reauthorize today will provide the sole Federal activity in the provision of housing for low- and moderate-income families.

Mr. RODINO. Mr. Chairman, I rise in strong support of H.R. 1, the housing authorization bill, and I commend our Committee on Banking, Finance and Urban Affairs for its fine work in bringing to the floor this important and long overdue measure.

This bill generally extends, through fiscal year 1987, most of the housing assistance programs without specific authorization levels, with the actual funding to be set for individual programs through the appropriations process.

For 50 years the Federal Government has been committed to the goal of making homeownership possible for average families and providing decent, low-cost housing for poor Americans. Unfortunately, since the beginning of this administration, President Reagan's budget proposals have been designed to abolish this goal. This year his budget recommendations would deny the opportunity for homeownership to hundreds of thousands of American families and all but eliminate housing assistance for the poor.

Congress has, wisely, provided more funding than the administration requested in each fiscal year. But despite this, it is a shocking fact that HUD housing assistance funds have been reduced by 64 percent since 1981, and housing programs in the Farmers Home Administration have been reduced by 43 percent. Moreover, the administration has succeeded in requiring low-income tenants to pay a larger share of their income to rent, and virtually all new construction and substantial rehabilitation programs by HUD have been eliminated.

Mr. Chairman, H.R. 1 offers us the opportunity to start to turn back the administration's attack on Federal housing assistance and to reaffirm our commitment to providing essential aid for housing needs for all Americans.

The bill before us would extend a number of programs that have provided vital assistance to my district and the State of New Jersey. I am particularly glad to note continued authorization for the Community Development Block Grants and Urban Development Action Grants Programs. New Jersey has consistently competed successfully in the UDAG Program. In fiscal year 1985, my State received $51.73 million in UDAG funds and $110.82 under the CDBG Program.

The rental rehabilitation and rental development [HoDAG] grant programs are reauthorized. Under these programs New Jersey received $5.56 million in rental rehabilitation funds and $4.25 million in HoDAG funds.

It is heartening to note the bill's authorization for a new public housing modernization program. In fiscal year 1985 New Jersey received $4.8 million in contract authority for modernization and $136 million in budget authority.

I am particularly pleased that the committee's bill will reauthorize the section 8 housing assistance program, the public housing operating funds program, the Urban Homesteading Program and the section 202 program for the elderly and handicapped. In my district, too, the reauthorization of the crime insurance program is essential.

The bill deals with the growing problem of shelter for the homeless by establishing a National Emergency Food and Shelter Board in HUD to oversee operations of the existing emergency food distribution and shelter program and to administer two new shelter programs. One would demonstrate the development of support services for the homeless and the other would provide Federal aid to supplement the efforts of State, local, and charitable shelter programs.

Mr. Chairman, this bill addresses our Nation's housing needs wisely and fairly, and I urge its passage.

Mr. DE LUGO. Mr. Chairman, I would like to thank the gentleman from Texas, Mr. GONZALEZ, chairman of the Subcommittee on Housing and Community Development, for his leadership on H.R. 1, and his continuous efforts to assist the American people living in the U.S. territories to obtain decent housing.

We in the Virgin Islands are experiencing a severe housing and mortgage shortage and the only alternative left to many families is the Farmers Home Administration. And even this alternative has been jeopardized by the Administration's recission and subsequent deferral of the funds necessary to keep the program running. I am hopeful that all that will soon be behind us now, and we can get on with the important task of providing decent housing for all Americans.

Again, I would like to thank Mr. GONZALEZ and the members of his committee for their commitment to this ideal and for the support and concern that they have shown for the people living in the U.S. territories.

The CHAIRMAN. All time has expired.

Mr. GONZALEZ. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. MCCLOSKEY] having assumed the chair, Mr. AUCOIN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1) to amend and extend certain laws relating to housing, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1 the bill just debated.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members be permitted 5 legislative days in which to extend their remarks and to include therein extraneous material on the bill, H.R. 1349, which passed the House today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DON'T PLAY WITH MELTDOWN

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. DANNEMEYER. Mr. Speaker, the ill-fated Soviet nuclear reactor at Chernobyl was operating on the principle of controlled chain-reaction. Not many people realize that the circulation of currency is based on a similar principle. At the core is confidence which, as an astute observer has put it, is nothing but sleeping suspicion. If provoked, a chain reaction of suspicion may trigger a meltdown of the dollar.

Just how precarious is the international position of the dollar is shown by a full-page paid advertisement that has appeared in the International Herald Tribune, the largest American

newspaper in Europe, and also in the leading German daily, the Frankfurter Allgemeine Zeitung, inserted by Johann Philipp von Bethmann, a director of the Bethmann Bank in Frankfurt. It says, among others:

The game is over. The dollar has had it.

Get out of the dollar before it is too late!

The dollar is as rotten as a rotten apple. Drop it!

Sell the bad dollar.

Help make the dollar lighter. You will be helping yourself, your country and your currency. Get out of the dollar! Down with the dollar exchange rate!

The summiteers at Tokyo were playing with meltdown. Confidence is shaken, suspicion is rampant. Jawboning won't stop the chain reaction threatening the dollar, any more than it stopped the nuclear inferno at Chernobyl. The proper way of preventing a meltdown of the dollar is to reinforce confidence by fixing the dollar's gold content.

[Advertisement from the International Herald Tribune]

December 13, 1985.

To: All Dollar Holders around the World.

To: All Central Banks.

LADIES AND GENTLEMEN: The game is over. The dollar has had it. Caution!

Get out of the dollar before it is too late.

Get out of the dollar at least until the dollar is where it belongs: At no more than *DM 1.50 for 1 U.S. dollar.*

The dollar is as rotten as a rotten apple. Drop it! The rotten parts of the dollar are hundreds of billions in lost dollar loans all over the world and in the U.S. itself!

Sell the bad dollar. Help make the dollar higher. That would be prevention of the great big crash at the very last minute.

You "make" exchange rates. You also determine the dollar exchange rate, not the central banks alone. They have all reached the end (of their wits, also). Contribute to the long overdue exchange rate adjustment now.

Get out of the dollar! Down with the dollar exchange rate! You would be helping yourself, your country and your currency. You would be helping the world economy and, above all, the highly indebted nations. And finally you would be helping the U.S.A., its economy and the U.S. dollar itself. With substantial devaluation, there would be a less severe crash, less bankruptcies and, in the end, a once more healthy dollar.

Help make certain that this happens—by getting out of the dollar now!

It would be the last chance for an "emergency landing" of the world economy. This emergency landing is better than crash landing.

Please act now before it is too late.

Sincerely yours,

J.P. VON BETHMANN.

TRADE BILL FOCUSES ON UNFAIR PRACTICES

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, I rise today to discuss the international trade bill which will soon come before the House. In particular, I wish to talk about the heart of the bill—the title reported out of the Committee on Ways and Means.

The trade bill is a huge step in the right direction. Focusing on unfair trading practices, it will back up the rhetoric of "free but fair trade" with action.

The bill is not protectionist. It does not automatically or mechanistically mandate import restrictions like, for example, the textile bill does.

Yes; the bill is trade restrictive; it seeks to restrict unfair trade. Mr. Speaker, if the President wants to tell the American people that restricting unfair trade is bad for the country, let him tell them.

The goal of the administration's trade policy continues to be the defeat of protectionism at home, rather than the elimination of unfair trade abroad.

I believe that if the administration concentrated on doing a thorough job on unfair trade, it would not have to spend as much time worrying about protectionism in Congress.

This trade bill will ensure that the U.S. Government does a thorough job on unfair trade. It would transform the Government into an active advocate of American economic interests, while leaving ultimate Presidential discretion intact.

The bill does not force the President to impose import restrictions. What the bill does is require the President to investigate foreign unfair trade practices and engage the offending party in negotiations to eliminate or offset the practice. The ultimate decision of whether to retaliate or take other action affecting trade flows rests with the administration.

In other words, this bill requires the administration to vigorously press America's case on unfair trade when our workers' and firms' interests are at stake. That is not the same thing as requiring it to cut off imports. That is not protectism; it is activism; it is advocacy.

The bill requires that the trade laws be used and that the Government initiate the use of them when our rights under international law are violated.

True, in certain circumstances, the bill creates a basis for action that would go beyond the GATT. But is addressing practices which are unfair and burdensome tantamount to protectism just because no international consensus yet exists on how they should be treated? Hardly.

Prodding the GATT to extend its discipline to new areas of unfair trade is a delicate task. However, that should not cause us to shy away from it. To the contrary, the United States should and must lead the GATT. If we don't do it, you can be certain no one else will.

Mr. Speaker, without a strong policy statement from Congress, I fear the administration will fail to press America's case decisively in what I regard as a make or break round for the GATT.

We need this bill. I urge my colleagues to give it careful consideration.

"UNEMPLOYMENT" A CONTINUING PROBLEM

(Mr. HAYES asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HAYES. Mr. Speaker, President Reagan's State of the Union Messages have disguised the impact of the trade deficit and the Federal deficit. His Economic Reports have hidden the true facts on joblessness. They violate the mandate of the Hawkins-Humphrey Act to bring officially measured unemployment down to 4 percent. His latest budget conceals the big welfare given to chosen corporations through tax giveaways. It hides the fact that excessive military contracts are a way of laundering money into the political action committees that support the party of privilege. Unfortunately, the major media have allowed him to get away with it.

We are all fully aware of our Nation's urgent need to adopt measures aimed at reducing the high unemployment and putting the American people back to work.

The national figures on officially measured unemployment for April 1986 show that 7.1 percent of Americans are unemployed which means that 8.3 million Americans are looking for work. Unemployment among minorities and minority youth is proportionately much, much worse. Black unemployment is 14.8 percent and black youth unemployment is a staggering 42.6 percent.

"The Full Employment Action Council, a coalition of religious, labor, civil rights, and youth groups, asserted that after taking account of underemployed workers and those so discouraged that they have dropped out of the labor forces, the real unemployment rate was 13 percent in April." [1]

In 1978, the Hawkins-Humphrey Full Employment and Balanced Growth Act was enacted to deal with our Nation's unemployment. The act calls for the President to work toward full employment, but the Reagan administration has made no effort to carry out the mandates of the law.

On May 6, 1986, the Tokyo Economic Declaration, issued by the leaders of the United States, Japan, West Germany, Britain, France, Italy, and Canada, at the conclusion of their 3-

[1] April Unemployment Was 7%, Labor Dept. Says, by Robert D. Hershey, Jr., The New York Times, 5-3-86, p. 33.

day summit meeting; among other things, stated:

Since our last meeting, we have had some success in the creation of new jobs to meet additions to the labor force, but unemployment remains excessively high in many of our countries. Noninflationary growth remain the biggest single contributor to the limitation and reduction of unemployment, but it needs to be reinforced by policies which encourage job creation, particularly in new and high-technology industries, and in small business.

To address this void, I, along with 10 Members of the House, introduced the Income and Jobs Action Act of 1985, designed to create an environment where true sustainable economic recovery is achieved by establishing a Presidential program designed to reduce high unemployment. Our country's strongest line of defense will not be achieved through record military budgets, but through providing for the economic well-being of every American citizen. The greatest threat to people who are stricken by poverty, homelessness, and hunger does not come from any external source, but from joblessness.

Let me repeat that: The greatest threat to people who are stricken by poverty, homelessness, and hunger does not come from any external source, but from joblessness. Without a decent, income-providing job, it is impossible to plan a decent future, provide for family security, or to participate in the mainstream of our society.

With all the debates on deficit reductions, have we yet done enough to call attention to the decrease that would be achieved by bringing officially measured unemployment rate down by 1 percent?

A recent Congressional Budget Office [CBO] report [February 1986] estimates that every 1 percent reduction in the officially measured unemployment would decrease the federal defict by $44 billion in fiscal year 1987.[2] A 3-percent reduction in the unemployment rate would reduce the Federal deficit by more than $130 billion.

EFFECT ON CBO BASELINE BUDGET PROJECTIONS OF A 1 PERCENTAGE-POINT LOWER UNEMPLOYMENT RATE BEGINNING JANUARY 1986

[By fiscal year; in billions of dollars]

	Fiscal year—		
	1987	1988	1989
Revenues:			
Individual income taxes	8.4	9.1	9.5
Corporate income taxes	19.6	20.1	20.7
Social insurance taxes	8.4	6.4	5.6
Other	0.9	0.6	.9
Total	37.3	36.5	36.8
Outlays:			
Unemployment insurance	−2.1	−2.2	−2.2
Other entitlements	−.8	−1.0	−1.2
Net interest	−4.1	−7.8	−11.5
Total	−7.0	−11.0	−14.9
Deficit	−44.3	−47.5	−51.7

[2] According to the February 1986, Congressional Budget Office report, *The Economic and Budget Outlook: Fiscal Years 1987-1981. A Report to the Senate and House Committees on the Budget—Part I*, Table II-6 at p. 72.

EFFECT ON CBO BASELINE BUDGET PROJECTIONS OF A 1 PERCENTAGE-POINT LOWER UNEMPLOYMENT RATE BEGINNING JANUARY 1986—Continued

[By fiscal year; in billions of dollars]

If more people were familiar with these estimates then perhaps we could also begin to formulate goals for bringing officially measured unemployment down to the Hawkins-Humphrey 4-percent goal over a number of years.

What this country needs today is a civilian equivalent of military spending. That means a total legislative package dealing with shorter work year with no reduction in pay, child care, health, housing, environment, Social Security, public works, progressive taxation, and all the other quality of life actions needed to attain the objectives of the Income and Jobs Action Act, H.R. 1398.

Let us be realistic. We may be able to take some steps in this direction if a better House and a much better Senate are elected this year. We might even be able to force the White House to back down on a few issues and override a Presidential veto on other matters.

But that's hardly enough. The comprehensive approach of the Income and Jobs Action Act requires a White House and a Congress dedicated to the high ideal of expanding genuine freedom for everyone. Indeed, one might say that the Income and Jobs Action Act is a job description for the kind of President that American needs in the White House.

True and meaningful economic recovery must include a substantial reduction in our Nation's unemployment rate because without it, the promise of a full economic recovery remains wholly an illusion.

Mr. Speaker, 55 Members of the House, representing a broad spectrum of our concerned colleagues have cosponsored, H.R. 1398. This bill is a legislative vehicle which when enacted will significantly reduce unemployment in our country, without inflation, and will also significantly reduce the Federal deficit. I again, invite my colleagues from both sides of the isle to join as cosponsor of the Income and Jobs Action Act, H.R. 1398. Let your constituents know that you consider unemployment a top priority. To cosponsor, contact me personally or call me in my office on, 225-4372. A copy of the bill is attached.

H.R. 1398

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Income and Jobs Action Act of 1985".

THE RIGHT TO EARN A LIVING

SEC. 2. (a) Every adult American able and willing to earn a living through paid work has the right to a free choice among opportunities for useful, productive and fulfilling paid employment (part- or full-time) at decent wages or for self-employment.

(b) All Federal departments, agencies, and commissions shall plan and carry out their policies, programs, projects, and budgets in a manner that will contribute to establishing and maintaining conditions under which all adult Americans may freely exercise this right.

(c) Neither the Federal Reserve System nor any Federal department, agency, or commission may directly or indirectly promote recession, stagnation, or involuntary unemployment as a means of reducing wages and salaries or inflation.

THE RIGHT TO AN ADEQUATE STANDARD OF LIVING OF AMERICANS UNABLE TO WORK FOR PAY

SEC. 3. (a) Every adult American unable to work for pay has the right to an adequate standard of living that rises with increases in the wealth and productivity of the society.

(b) No adult American shall be judged unable to work merely because of the unavailability of suitable paid employment opportunities at a given time or place or because of the lack of previous employment.

(c) In the absence of such opportunities and until such opportunities can be provided under section 2, an adult American able and willing to work for pay shall be provided with whatever income is required to maintain a moderate level of living, as defined by the Bureau of Labor Statistics.

CONVERSION TO EXPANDING CIVILIAN SECTORS

SEC. 4. (a) In the first annual message at the beginning of the first session of the Congress after the enactment of this Act, the President shall include specific proposals for a Conversion Planning Fund, to be administered by such agencies as the President shall determine.

(b) The purpose of such Fund shall be to promote short- and long-term plans for coping with declines in civilian or military activities by developing specific policies, programs, and projects (including but not limited to feasibility studies, education, training on the job, and inducements for whatever increased labor mobility may be necessary and desirable) for the expansion of economic activities in sectors where additional or improved goods or services are needed.

(c) In addition to such other funds as may be authorized, such Fund shall include no less than 1 percent of the amount appropriated for military purposes during each subsequent year.

LOCALLY BASED OVER-ALL PLANNING

SEC. 5. (a) Within six months after the date of enactment of this Act and thereafter in each annual economic report and budget message, the President shall transmit to Congress a staged program to create conditions under which the rights set forth in

sections 2 and 3 may be fully and freely enjoyed and to set forth how the Fund created by section 4 may be most productively used.

(b) Such program shall be designed to prevent or counterbalance undue concentration of Federal or corporate power by fostering recovery and full employment planning by—

(1) town, city, county, and State governments and their agencies in urban, suburban, and agricultural areas of the country;

(2) small and large business enterprises; labor organizations and trade unions; the unemployed; nonprofit, voluntary, and cooperative organizations (including neighborhood, tenant and home owners' associations and corporations); women; and racial and ethnic minorities;

(3) broad-based local partnerships in which the groups referred to in paragraphs (1) and (2) cooperate—

(A) to assess unmet needs in their areas, including the need for voluntary leisure as well as for goods, services, adequate income, employment at good wages, and volunteer activities;

(B) to survey the supply of labor resources and of managerial, professional, and technical skills that might be used in meeting such needs;

(C) to analyze the potential for obtaining necessary funds from various combinations of private and public sources without undue reliance on Federal funding;

(D) to develop goals for the future (through the year 2000) of their area; and

(E) in the light of the activities conducted under subparagraphs (A) through (D), to initiate high priority action projects that attain prompt progress toward such goals through both private and public agencies and market and non-market processes.

(c) Such program shall be designed to promote conditions for more self-empowerment by people victimized by discrimination in hiring, training, wages, salaries, fringe benefits, or promotion on the basis of prejudice concerning race, ethnic background, gender, age, religion, station in life, political or sexual orientation, or personal disability.

(d) Such program shall include, but need not be limited to, general and specific policies and projects designed—

(1) to provide quick action through reductions in real and nominal interest rates, voluntary work-sharing arrangements, and a program of private and public works and services to use the abilities of the unemployed and repairing and improving the Nation's infrastructure of private industry, public facilities, human services, and natural resources;

(2) to provide improved Federal incentives for small and large business enterprises; labor organizations and trade unions; the unemployed; and non-profit, voluntary, and cooperative organizations (including neighborhood, tenant, and home owners' associations and corporations), with the receipt of any Federal incentives by larger corporations conditioned on their performance in living up to well-defined standards of corporate responsibility, including the obligation regularly to certify compliance with laws and regulations governing working conditions, labor relations, affirmative action, environmental protection, taxation, election contributions, and bribery at home or abroad;

(3) to provide for Federal grants to promote creative initiatives by local and State governments and their agencies in planning and budgeting for genuine recovery and a full employment society;

(4) to promote staged reductions in paid working time by reducing the average work week in manufacturing to no more than 35 hours without any corresponding loss in weekly wages;

(5) to vastly increase the opportunities for voluntary part-time employment with full fringe benefits;

(6) to take such other steps as may be needed to cope with the threat of increased unemployed caused by the increased use of technology;

(7) to provide for vastly improved education, training, and retraining of managers, technicians, the employed, and the unemployed;

(8) to prevent plant closings through all feasible means (including conversion to other forms of production and ownership) and provide standards (including measures such as appropriate advance notice, termination payments, and extension of health benefits) for any corporation planning to close, substantially reduce, or relocate its operations;

(9) to promote conversion from military to civilian production; and

(10) to control inflation.

IMPLEMENTATION

SEC. 6. (a) As part of the annual program developed by the President under section 5, the President shall transmit in the annual economic report to Congress a short- and long-range schedule for implementing the purposes of this Act.

(b) The implementation schedule shall include, but need not be limited to—

(1) reductions in the military budget;

(2) recommendations for increased revenues through the reduction or elimination of wasteful tax expenditures and other loopholes in the tax laws;

(3) reduction in interest payments on the Federal debt by reductions in both real and nominal interest rates and Federal deficits;

(4) recommendations for the appropriate use and direction of public and private pension funds; and

(5) the creation or promotion of private and public development banks, particularly in neighborhoods and other areas of high unemployment and poverty.

(c) The implementation schedule shall include, but need not be limited to—

(1) the promotion of educational activities within each State on locally-based overall planning, with special attention to educational processes that promote and use the creative abilities of small, medium, and large business, of labor organizations and the unemployed, and of nonprofit voluntary and cooperative organizations; and

(2) timetables for developing the conditions for progress in attaining the policy goals of this Act.

(d) Any outlays proposed by agencies involved in the implementation of this Act shall be presented in terms not only of gross outlays but also of net outlays, computed with a full estimation of any immediate impact additional employment may have in—

(1) reducing outlays by reducing the number of people receiving unemployment compensation, public assistance, and other transfer payments (without necessarily including reduced outlays resulting from improvements in public health and safety); and

(2) increasing tax receipts as a result of more individuals earning income subject to social security and income taxes and more business enterprises, particularly small business, earning the larger, more stable, and less subsidized total profits possible under conditions of full employment.

FEMA WANTS OUT OF DISASTER RECOVERY BUSINESS

(Mr. RIDGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RIDGE. Mr. Speaker, regulations issued by the Federal Emergency Management Agency [FEMA] published in the April 18 Federal Register I think will be of interest to many of my colleagues.

In those regulations, FEMA proposes drastic reductions in the amount of Federal support that would be provided to State and local governments in the event of natural disasters.

FEMA's disaster recovery programs are separated into two categories, public and individual assistance. Individual assistance consists of individual and family grants, temporary housing, crisis counseling, and disaster unemployment assistance. The Disaster Relief Act allows the Federal Government to pay for 100 percent of certain costs associated with Presidentially declared disasters. While the Federal Government currently finances many of those individual assistance programs at 100 percent, the new cost-sharing regulations propose reducing some programs to a 75-percent Federal share, with State and/or local governments picking up the remaining 25 percent. Public assistance programs are debris removal and the repair or replacement of uninsured damage to public property, such as roads and public buildings. While this Federal Government share of these programs has been established at 75 percent, FEMA proposes unbelievably strict, new eligibility requirements for the programs. And, if State and local governments substantiate damage of incredible proportions sufficient to qualify for the public assistance programs under the proposed regulations, FEMA then proposes to reduce the Federal/State and local match to approximately 50-50, according to a sliding scale.

To give an example, Pennsylvania had three major disasters in 1985—tornadoes in northwestern Pennsylvania, Hurricane Gloria, and flooding of the Monongahela Valley, which also caused extensive damage in West Virginia and Virginia. Even with three major disasters in 1985, with hundreds of millions of dollars of damage, under FEMA's new eligibility and cost-sharing proposals, Pennsylvania would not have been eligible for public assistance programs. Had FEMA made no contributions to debris removal and to the repair of public property in my State in 1985, the Pennsylvania State government would have been required to spend an additional $11 million that year. Wisconsin officials report that their State would have to sustain a bare minimum of $4.4 million in unin-

sured damage to public facilities to even be considered for Federal participation, and that two of the last three disasters in that State would have been ineligible under the new rules. Kentucky calculations show that, despite frequent and severe flooding problems, no disaster since the enactment of the Disaster Relief Act would have been eligible for public assistance. In FEMA region V, Illinois, Indiana, Ohio, Michigan, and Wisconsin, the new formula would have reduced public assistance disaster declarations by 73 percent.

Mr. Speaker, these regulations have been promulgated, obviously, with no consideration of the massive and unexpected burden they would place on State treasuries. State and local governments already provide between 75 and 85 percent of the costs of emergency management programs. And I can tell my colleagues from personal experience that following a natural disaster is the very worst time to place such major burdens on local governments, which will surely be financially strapped.

Under the new cost-sharing regulations, 61 of the Nation's last 111 disasters would have been ineligible for public assistance programs.

Clearly, FEMA officials want out of the disaster recovery business, despite the congressional mandate contained in the Disaster Relief Act. These actions go far beyond any mandate contained in the Gramm-Rudman legislation. They cannot be justified or legitimized with deficit reduction explanations. I ask for the support of my colleagues in stopping these proposed regulations which begin what I believe is a process to eliminate Federal involvement in disaster recovery.

SANDINISTAS SHOWING THEIR TRUE COLORS

(Mr. SWINDALL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and to include extraneous material.)

Mr. SWINDALL. Mr. Speaker, I would like to commend this afternoon to my colleagues an editorial appearing in this morning's Atlanta Constitution, entitled "Sandinistas Showing True Colors."

The significance of this editorial is that it appears in a paper that has consistently criticized the President's attempt to aid the Contras in Central America.

The other significance of this editorial is that apparently the editors of the Atlanta Constitution now understand the duplicity of the arguments being made by the Sandinista Communists. Specifically, they criticize the Sandinistas for stating the fact that they want to engage in the Contadora process, but now that a Contadora treaty date has been set for signing June 6, once again they have backed off.

It is evident now to all of us that the Sandinistas are not in fact interested in peace in that region. They are simply stalling for time in order to continue their military buildup.

This editorial summarizes it very adequately in the last sentence where it states: "In continuing to flout Contadora, the Sandinistas prove that peace is not a goal of their revolution."

Mr. Speaker, I include the article from the Atlanta Constitution, as follows:

[From the Atlanta Constitution, May 13, 1986]

SANDINISTAS SHOWING TRUE COLORS

The Sandinistas of Nicaragua are waving the flag of their true colors. By stubbornly refusing to get on board with Contradora, the Sandinistas have hoisted—if not the bloody red of communism—the tiresome camouflage and fatigue-green hues that show off leftists' fondness for the gun.

The Sandinistas' recalcitrance spoiled an April attempt to rekindle the Contradora pact, and since then its sponsoring nations have labored valiantly to revive it. They have managed to set a June 6 signing date that every Central American country but Nicaragua has at least tentatively accepted. Among other provisions, the draft version of the agreement could limit the size of both armies and arsenals in those countries.

The Sandinistas' main gripe seems to lie in that key provision—Contadora's call for arms limits. And, in general objections to the treaty, President Daniel Ortega dredges up his well-worn contention that the pact could pave the way for a U.S.-backed ouster of the Sandinista government.

Ortega fails to see the clear opportunity Contadora provides for limiting U.S. actions in his part of the world. The treaty calls for an end to the presence of foreign advisers in the region and would prohibit Central American nations from carrying out joint military exercises with outside armies. While Nicaragua would be forced to ship its Cuban advisers home, the United States would lose the prerogative of keeping advisers in Honduras and training U.S. troops there.

But the evenhandedness of the pact fails to sway Ortega, probably because the Sandinistas are not interested in fairness. On the arms-limits provision, for example, Ortega is typically duplicitous. He vows to keep all "defensive weapons," but he consents to consider abandoning "offensive weapons." Even accepting that farfetched proposition, Nicaragua would have to discard some of its high-tech hardware—or at least agree not to replace it—and pare down its army.

The Sandinistas have built the largest, best-equipped army in Central America. They support a military force of 50,000 regulars, 100,000 reservists and 150,000 militia members in the countryside. The Soviet Union and Cuba have supplied them with hardware well beyond the budgets of their hard-pressed neighbors, including 100 T-55 tanks and at least a half-dozen Hind Mi-24 helicopter gunships. By contrast, Costa Rica, Nicaragua's neighbor to the south, doesn't even maintain an army. Nicaragua obviously doesn't need such force to defend itself in its neighborhood.

Neither Nicaragua nor the rest of the region should embrace an ill-conceived agreement. But a three-year gestation seems to have produced a fair and temperate effort to achieve peace in Central America. In continuing to flout Contadora, the Sandinistas prove that peace is not a goal of their revolution.

BLATNIK RECEIVES ASMSA PUBLIC SERVICE AWARD

(Mr. OBERSTAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. OBERSTAR. Mr. Speaker, yesterday, our former colleague and my predecessor, the Honorable John A. Blatnik, received the Public Service Award of the Association of Metropolitan Sewerage Agencies, an organization representing some 100 of the Nation's cities.

This distinguished award was conferred upon Chairman Blatnik in commemoration of the 30th anniversary of the signing into law of the first Federal water pollution control law. I congratulate ASMSA for its recognition of this third decade of the clean water law and John Blatnik on receiving this well-deserved and truly earned award.

In 1955, John Blatnik drafted a bill, the three basic elements of which were to become the cornerstone of America's decades-long, nationwide fight to clean up increasingly polluted waters. Blatnik, foreseeing the nationwide scope of the pollution problem and certain that others in the Congress would share his concern and desire to act, reserved the Caucus Room of the Cannon House Office Building for a meeting to which were invited all Members of the House. Three people showed up: John Blatnik; our former colleague and then chairman of the House Public Works Committee, the Honorable Bob Jones of Alabama; and Murray Stein, then an attorney in the Public Health Service of the Department of Health, Education and Welfare. Disappointed at the turnout, but undeterred from his vision, John Blatnik pressed ahead with introduction of the legislation, hearings on the bill and floor action the following year, resulting in signing of the Federal Water Pollution Control Act into law in 1956.

Blatnik's was a visionary contribution, one that looked ahead, assessing the nature of the problem, acting decisively and courageously in the face of public apathy, moving both the Congress and the President on a course, from which it has not yet turned, toward cleanup of the Nation's lakes and streams and leaving, thereby, an extraordinary legacy of fishable, swimmable waters for future generations.

The road leading to enactment of the Federal Water Pollution Control

Act was not without its skeptics. Many of John Blatnik's contemporaries failed to recognize the growing water pollution problem in the Nation, and failed to grasp both its scope and the urgency of a national response to the problem of water pollution. At the time the 1956 legislation was enacted, Lake Erie was becoming a "dying lake," and some rivers, including the Mississippi, the Hudson and the Potomac, were becoming "open, running sewers." At one time, during a harsh Washington dryspell, Blatnik referred to the Tidal Basin, surrounded by its magnificent cherry blossom trees, as the "best dressed cesspool" in America."

John Blatnik raised the consciousness of his colleagues and the Nation about the growing challenge of water pollution; and to his great credit he not only foresaw the problem, but initiated a practical, workable approach long before the pollution issue reached its most critical stages. He made us care about our resources and, through his landmark legislation, inspired us to want to protect those resources for future generations. He was an environmentalist long before the term gained its current popularity.

John Blatnik was honored many times during his service in the Congress for his visionary and vigorous crusade for clean water. It is a special mark of tribute and an extraordinary distinction to be recognized for that service during his retirement years and for that I congratulate both John Blatnik and ASMSA.

Mr. Speaker, ASMSA's news release announcing the award to the Honorable John A. Blatnik follows:

AUTHOR OF FEDERAL WATER POLLUTION CONTROL LEGISLATION HONORED ON 30TH ANNIVERSARY

Former Minnesota Congressman John A. Blatnik who was the original author of the Federal Water Pollution Control Legislation enacted by Congress 30 years was presented with ASMSA's 1986 Public Service Award by the Association of Metropolitan Sewerage Agencies on Monday, May 12, at their annual meeting held in Chicago. The Association represents about 100 major cities in the United States.

The Award is made annually to recognize performance of "outstanding public service" by a former appointed or elected official.

Blatnik, a 28-yr. veteran of Congress from N.E. Minnesota, now retired, was the sole author of the Water Pollution Control Act of 1956, which for the first time made Federal Grants available to cities to encourage and aid them in the construction of the then lagging municipal water abatement facilities, as national rivers, lakes, and harbors were becoming more and more polluted year by year. Recalled Blatnik, Lake Erie, one of the Five Great Lakes that comprise the largest body of fresh water in the world, was already becoming a "dying lake', and some rivers, including parts of the Mississippi, the Hudson, Chesapeake, and even the Potomac River were becoming "open, running sewers". At one time during a dry spell Blatnik called the Cherry Blossom Tidal Basin in Washington the "best dressed cess-pool" in America.

A Brookings Institution publication in 1969, narrating the development of water pollution control legislation between 1956 and 1961 described Blatnik as "the principal architect" of that legislation.

During those and subsequent years Congress determined that water pollution was not merely a local health problem and that the Nation's towns and cities alone could not cope with what was obviously an increasingly complex and huge national problem which would require the sustained, coordinated efforts of the Federal Government, the States as well as the municipalities and great compliance by industry.

Blatnik pointed out that great improvements in water quality have been made these past 30 years in many major areas of the Country, but some areas are "barely holding their own", and in others we are falling behind.

Blatnik cited the disposal of accumulated toxic wastes as the most vexing and frustrating problem before us. He said, "the volume of our toxic waste has been reduced by only about 1% in the recent years of the program."

Next week in Washington, on May 20th, Blatnik will be among those honored by the American Road & Transportation Builders Assn. in celebrating the 30th Anniversary of the Interstate Highway System. Blatnik was one of the five members of the House Public Works Committee that drafted the initial legislation.

Co-incidentally, 1986 is also the 30 Anniversary of Congress' enactment of the St. Lawrence Seaway, of which Blatnik was co-author with the late George Dondero of Detroit, Michigan in the House.

Blatnik was Chairman of the House Public Works Committee when he retired in 1975.

AT FEMA, IT'S POLITICIANS FIRST, TAXPAYERS LATER IN A NUCLEAR ATTACK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. KLECZKA] is recognized for 5 minutes.

Mr. KLECZKA. Mr. Speaker, in times of emergency, the command we are used to hearing is "women and children first, others later."

For those at the Federal Emergency Management Agency planning for a nuclear attack, the new cry seems to be "politicians first, taxpayers later."

This is the best way to describe a civil defense program now under consideration at FEMA which would provide for comprehensive protection in fallout shelters of public officials while, for others, "the self-help and voluntarism that are used so effectively in natural disasters" would be emphasized.

I would like to quote from a paper on civil defense circulated at FEMA and dated March 6 of this year. It says:

Given the inadequate level of current attack preparedness in the United States and the huge budget deficit, adequate preparedness cannot be provided quickly. Therefore, the program recognizes the need for citizens to assume greater responsibility for their survival protection. It will emphasize the development of self-help information and materials as well as orientation for emergency management professionals in the self-help concept.

On the other hand, FEMA would provide financial assistance to States and local governments to ensure protection of elected leadership and Government resources, facilities, and personnel. This is to ensure that "Government decisionmakers can sustain emergency operations in support of the general population."

Mr. Speaker, to fully comprehend the magnitude of this harebrained proposal requires a reading of the March 6, 1986 FEMA paper at some length. At this point, I am including in the RECORD a copy of the "Civil Defense Program" paper under discussing at FEMA in recent weeks.

The material follows:

CIVIL DEFENSE PROGRAM

PURPOSE

This paper describes the content of the civil defense program for the United States. In an environment of limited resources, the civil defense program should be focused on building attack preparedness capabilities rcognizing and supporting the existing all-hazards emergency management infrastructure.

BACKGROUND

The Federal Civil Defense Act states:

It is the policy and intent of Congress to provide a system of civil defense for the protection of life and property in the United States from attack and from natural disaster.

* * * * *

Funds made available to the States under this act may be used by the States for the purposes of preparing for, and providing emergency assistance in response to, natural disasters to the extent that the use of such funds for such progam is consistent with, contributes to, and does not detract from attack-related civil defense preparedness.

* * * * *

[The program] should be adaptable to help deal with natural disasters and other peacetime emergencies.

By law, therefore, the basis of the U.S. civil defense program is that Government at all levels has a responsibility to protect the lives and property of citizens. The Act is also clear in setting the program's priorities: the basic mission is attack-related preparedness; and as far as possible, attack preparedness capabilities should be adaptable to peacetime emergencies as well.

Recognizing the inadequate state of attack preparedness, the President in 1982 issued National Security Decision Directive (NSDD) 26, which called for a civil defense program that would: (1) enhance deterrence in conjunction with our strategic offensive and other strategic defensive forces; (2) reduce the possibility of coercion in time of crisis; (3) rely on crisis relocation, given strategic warning, as the primary means of population protection; and (4) improve ability to deal with large-scale domestic emergencies. Further, plans and systems for population were to be completed by 1989 at an estimated cost of $4.2 billion.

The program, however, was opposed by diverse vocal factions and was never funded by the Congress. Some contended that civil defense was useless, while others declared a strong program might help trigger a nuclear war by luling government decisionmakers into a false sense of security. Anti-defense groups challenged it as an element in the

Nation's nuclear war-fighting strategy, while the media and other opinion leaders (including some in the Congress) ridiculed the central element of the program, crisis relocation, as absurd and undoable.

In the end, the Federal Emergency Management Agency (FEMA) received funding to maintain only the status quo. Without the requested enhanced budget the goals envisioned by NSDD-26 could not be met.

As a result, FEMA focused on improving ability to deal with peacetime disasters. The Agency developed an all-hazard program which emphasized building response capabilities common to all emergencies. Although the Administration in FY's 1984 and 1985 again requested increased funding, the Congress remained unpersuaded in spite of the redirected program emphasis. Most recently, in FY 1986, the Administration's own request was so sharply reduced that the congressional appropriation represents an all-time low in real dollars in the funding history of the program.

CURRENT SITUATION AND ASSESSMENT

The all-hazard, capability-building approach has proven valid, contributing at all levels of government to the development of an emergency management infrastructure with capabilities to respond to most peacetime disasters. But the unintended consequence of the all-hazard approach has been a continued deterioration of already dangerously low levels of attack preparedness. For many State and local officials, increasingly preoccupied with the pressing and immediate demands of peacetime emergency preparedness, "all-hazard" has come to mean all hazards except nuclear attack, and "capability-building", similarly, has come to mean the development of capabilities only to respond to the greatest peacetime disaster likely to strike their community. For its part, the Federal Government has been unwilling to insist that States and local communities maintain an emphasis on attack-related preparedness in their all-hazard programs.

The implications for nuclear attack preparedness are sobering: The United States today would probably not survive as a political and social entity after a major nuclear exchange. As many as half our citizens, or more would be lost to the direct and indirect effects of the weapons themselves and millions more would die in the chaos of the postattack environment. State and local governments, lacking the capabilities to survive, would be unable to provide citizens even the more basic life-sustaining support.

The experiences that have led to the civil defense program's present state hold important lessons if constructive solutions are to be developed and the pitfalls of the past avoided, namely:

1. Nuclear attack preparedness will never be achieved solely through an all-hazard, capability-building approach, therefore there is a need for increased focus on attack preparedness.

Preparedness for nuclear attack requires for the most part the same kinds of emergency capabilities needed for peacetime emergencies. But nuclear attack so far exceeds the extent and severity of even the most catastrophic of natural disasters, that reliance solely on all-hazard, capability-building from the bottom up will never result in real attack preparedness. FEMA remains committed to an all-hazard, capability-building approach as the best way to improve basic emergency capabilities, but the experience of the past several years shows it must also direct resources to attack-specific requirements that will not otherwise be met.

2. Although the all-hazards, capability building approach has contributed to development of an effective emergency management infrastructure, insufficient attention has been paid to its survivability in an attack environment.

The United States now has moderate capabilities to respond to peacetime disasters. An emergency management infrastructure of trained professionals with special equipment and support systems has been built over the years at every level of government. That infrastructure supports State and local elected and appointed officials, who have the primary responsibility for protecting the lives and property of their citizens. In the event of nuclear attack on this Nation, those officials will be called on to lead efforts to reduce loss of life and strive to restore the essentials for living and the institutions of our society. Those leaders and emergency professionals should be prepared to respond, recognizing that the Federal Government may not be able to help in any significant way for a substantial time. Therefore, leadership (trained and paid professionals), at the level where the effects of emergencies are felt, is a fundamental requirement for providing citizens with even the most basic life-sustaining support.

3. A 1980 amendment to the Federal Civil Defense Act stated that "an improved civil defense program should be implemented which . . . enhances the survivability of the American people and its leadership in the event of nuclear war and thereby improves the basis for eventual recovery. . . ." To date, however, this sense of the Congress has not been implemented.

The credibility of the civil defense program is damaged by its failure to address adequately the monumental problems of maintaining at all levels of government a crisis management capability throughout the trans-attack period and of restoring postattack government and society. For many, little solace is to be drawn from improved chances for surviving a nuclear attack only to face the possibility of dying slowly afterward due to lack of life-support essentials. Program design must squarely address these problems.

4. The existing program, and particularly certain elements, has provoked the resistance and ridicule of some opinion leaders.

The Administration must present and be able to defend a program that the average informed American can accept as understandable, reasonable, and realistic.

This includes neither understating nor exaggerating weapons effects or the effectiveness of protection measures, honestly acknowledging the unknowns, and avoiding assertions that feed the agruments of detractors and cannot be empirically defended by the program's supporters. Equally important, the Federal Government must seek to correct the record whenever the national program is misrepresented or misunderstood.

5. Lack of public interest and involvement has contributed to a corresponding lack of congressional support and appropriations.

In peacetime few Americans are inclined to think seriously about nuclear war. Of the fewer still who think about civil defense, there is generally the mistaken belief that the U.S. has more capability than in fact it has. Interest in both subjects heightens only during periods of escalating international tension or of public controversy over the nuclear issue. For the "passionate" few actively engaged in the nuclear debate on a continuing basis, misinformation or retreat to unrealistic solutions detracts from the possibility of informed national discussion. If the civil defense program is to fulfill its mission, it must attract and encourage informed interest and responsible involvement from the public and its leadership.

6. There has been insufficient emphasis on providing citizens with information and technical assistance for self-initiated survival measures.

Given available resources for civil defense, citizen responsibility for self-help is paramount and Government at all levels is obligated to make this known. Program design should reflect that individual survival preparations must necessarily grow in inverse proportion to governmental funding. The program will need to emphasize public information and education, and ways to encourage the self-help and volunteerism that are used so effectively in natural disasters. Such efforts ideally could also lead to greater participation by an informed public in the shaping of national civil defense policy.

7. Inadequate funding has dissipated the effectiveness of certain program elements.

The elements that make up the U.S. civil defense program have evolved from the requirements set forth by the Federal Civil Defense Act. Over the years, civil defense managers have strived to maintain a "balanced" program by keeping each element alive. But resources have been spread so thinly in some cases that the program elements no longer accomplish the objectives for which they were originally intended. Such elements need to be reexamined and refocused to restore their effectiveness and positive contribution to the program.

CIVIL DEFENSE EMPHASIS AND PRIORITIES

The civil defense program proposed here is not a new program. It recognizes and supports the existing State and local emergency management infrastructure as both an essential national security asset and a vehicle for peacetime emergency response as well. While continuing to support this infrastructure, however, the program will focus civil defense resources and program elements on building two selected attack-related capabilities: State and local crisis management (or continuity of government) and population protection with greater emphasis on citizen self-help.

The program will continue to support all-hazard integrated emergency management at the State and local levels, to the extent this is consistent with, contributes to, and does not detract from attack preparedness. In addition, the Federal Government will assure that civil defense funds will be provided to those States and localities that participate and cooperate in the development and improvement of attack preparedness capabilities. State and local governments must participate fully in civil defense attack preparedness programs to receive any funds authorized by the Civil Defense Act.

It is critical to develop a State and local crisis management capability which complements and supports the Federal continuity of government program. Federal, State and local officials are just beginning to recognize the interdependence of all levels and branches of government in sustaining a viable democratic society after a nuclear attack. Since in this country the vast majority of resources available for government response are under the control of State and local governments, Federal continuity of government operations will be successful

only if a sound crisis management capability exists at State and local government levels.

For their part, State and local governments must have a crisis management capability that will enable them to prevent escalating emergencies of any type from overwhelming emergency management systems, allow them to preserve or reconstitute civil government, and ensure that they can provide essential support to the population. The development of such a capability is not designed to single out "elite" groups for special protection. Rather, it is to ensure that the emergency management infrastructure can survive to direct critical response and recovery operations that support the general population.

Federal guidance and financial assistance, therefore, will be given to State and local government officials to ensure that the emergency management infrastructure and response mechanisms include the key components of continuity of government. (These include succession of elected leadership; predelegation of emergency authorities; protection of vital government records, resources, facilities and personnel; Emergency Operating Centers; and Emergency Action Steps.) These components will ensure that government decisionmakers can sustain emergency operations in support of the general population. The crisis management component will also provide leadership linkage to other civil defense elements that help citizens acquire survival skills, as well as provide supplemental staff support for existing emergency response organizations.

Population protection has also been selected for priority emphasis. This program element will continue planning for both in-place protection-and support to spontaneous evacuees. Without special emphasis on this element there is little justification for committing scarce resources to a civil defense program at all. While citizens will and should make their own choice on the adequacy of either the in-place shelter or evacuation option based on their unique circumstances, it is imperative that government provide them with at least one of these options if the life-saving mandate of the Federal Civil Defense Act is not to be rejected by default.

Given the inadequate level of current attack preparedness in the U.S. and the huge budget deficit, adequate prepardeness cannot be provided quickly. Therefore, the program recognizes the need for citizens to assume greater responsibility for their survival protection. It will emphasize the development of self-help information and materials as well as orientation for emergency management professionals to the self-help concept. An informed and educated public holds the greatest potential for lifesaving payoff given current and expected civil defense budgets.

Increasing public awareness of emergency preparedness measures will also motivate some citizens to participate voluntarily to enhance permanent, community-based emergency organizations. This could provide State and local emergency planners with a potential source of manpower if volunteer efforts are in existence to satisfy the individual's desire to serve in this way.

This is not the first time volunteerism has been looked to as an augmentation to emergency management. Such emphasis was in existence throughout the 1950's with an enrollment at one time of over 4 million. The effort eventually died out from lack of Federal leadership and support—not enough educational materials and training and ineffective use of the volunteers. These pitfalls can be avoided in a renewed program by: (1) providing a core governmental program with clearly defined roles and duties for volunteers; (2) providing training, education, and information on a regular basis; and (3) engaging them in an active, community-based program of all-hazard activities.

FEMA will develop guidance for State and local emergency management organizations on recruitment, organization, training, and use of volunteers; prepare materials for volunteers; and work with national voluntary organizations to win their support for emergency preparedness volunteerism.

In sum, the first two years of the proposed program will focus on these three emphases: continued support of the civil defense infrastructure, development of a survivable State and local crisis management capability, and the development of citizen self-help and government augmented volunteer components within traditional Federal support of population protection. Targeting resources on these areas will conserve capabilities achieved while, at the same time, beginning to make measurable improvements in attack-related preparedness. If increased public support or some external emergency event or situation were to result in significant Congressional funding increases, this program is readily expandable: the civil defense infrastructure can be enhanced and additional attack-related capabilities can be added.

These emphases will also continue to have application in the face of important ongoing activities which singly or in combination could significantly redefine attack threats:

An updating of the nuclear threat, based on current Soviet targeting strategies (to be completed by FEMA in early calendar year 1986);

The effects of the potential "nuclear winter" phenomenon; and

The impact of a space-based strategic defense system.

The proposed program, therefore, emphasizes requirements that will remain valid regardless of new developments in these areas. It will increase the resilience of State and local governments and of American society in the face of any crisis or disaster. Survivable crisis management capabilities at State and local levels will provide for the continuation of our constitutional and democratic form of government, whose primary purpose in time of emergency is to conduct life-saving operations to support the public in communities throughout the country. The new emphasis on volunteers and self-help should result in greater citizen participation and, ultimately, more lives saved.

The budget strategy to achieve the proposed program and status of key elements are described in annex A.

Annex B is a draft National Security Decision Directive (NSDD) on civil defense which provides a policy framework for implementation of the proposed program.

Annex C is a brief history of U.S. civil defense.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 5 minutes.

Mr. DORNAN of California. Mr. Speaker, on Thursday, May 8, I was part of the official U.S. delegation attending the inauguration of President-elect Arias of Costa Rica with Vice President BUSH, and missed several recorded votes. I would like to take this opportunity to inform my constituents exactly how I would have voted on House Resolution 448, the rule of the urgent supplemental appropriations, fiscal year 1986, and other related amendments.

With respect to the first vote taken on House Resolution 448, rollcall No. 113, I would have voted "nay," thereby backing up the administration's objection to language in this bill which would have severly limited the President's deferral authority to control Federal spending.

Concerning the Walker amendment to reduce the 1986 allocation of aid to Ireland from $50 million to $20 million, I would have voted "Nay" on rollcall No. 114. I feel that it is essential that the full amount be granted in order to send a clear message to our friends in Ireland and Great Britian that we support the recent Anglo-Irish Accords which we pray will bring them closer to peace and stability in Northern Ireland.

On rollcall vote No. 115, the so-called Armey amendment, I clearly would have supported with a "yea" vote because it basically restored the President's deferral authority: his ability to cut wasteful Government spending.

Rollcall vote No. 116, the Lott amendment, was designed to limit or confine the Democrats' deferral language to funds contained only in this bill. With the defeat of the Armey amendment, which was a more comprehensive approach to the same problem of diminishing Presidential authority, I would have supported the Lott amendment with a "yea" vote.

The motion to recommit, embodied in rollcall vote No. 117, was an opportunity to send this bill back to committee to reconsider the language limiting the deferral procedure. I would have voted "yea" in support of the motion to recommit.

On final passage, rollcall vote No. 118, of the urgent supplemental appropriations, I would have voted "nay" in the interest of cutting excessive Government expenditures.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. PEPPER] is recognized for 5 minutes.

Mr. PEPPER. Mr. Speaker, I was unavoidably absent on Thursday, May 8, 1986, for rollcall No. 113, when the House agreed to House Resolution 448, the rule waiving certain points of order against consideration of H.R. 4515, making urgent supplemental appropriations for the fiscal year ending September 30, 1986. Had I been present, I would have voted "aye."

I would have voted "no" for rollcall No. 114, the amendment the House rejected that endeavored to reduce the foreign assistance payment to the International Fund agreed to by the United Kingdom and Ireland. I was paired against the amendment that sought to strike language exempting present and subsequent appropriations from the deferral authority of the President for rollcall No. 115. I was paired against the amendment that sought to

confine the deferral repealer to the appropriations contained in H.R. 4515, for rollcall No. 116. I was paired against the motion to recommit H.R. 4515 to the Committee on Appropriations with instructions that it be reported back amended to preclude addition to the deficit for fiscal year, 1986, for rollcall No. 117.

I would have voted "aye" for rollcall No. 118 for passage of H.R. 4515, that was agreed to by a vote of 242 to 132.

CLARIFICATION OF VOTE ON HOUSE JOINT RESOLUTION 589, THE SAUDI ARABIA ARMS SALES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alaska [Mr. YOUNG] is recognized for 5 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, I wish to go on record as being opposed to the Saudi Arabia arms sales, House Joint Resolution 589. The vote occurred on May 7, 1986, rollcall No. 112. I inadvertently voted "nay"; I intended to vote "yea." I feel compelled to make this clarification in light of my longstanding record of opposition to such arms sales.

COMMERCIAL NUCLEAR POWERPLANTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. RUDD] is recognized for 5 minutes.

Mr. RUDD. Mr. Speaker, a handful of my constituents have contacted me recently to express concern about the Chernobyl nuclear powerplant incident in the Soviet Union. They also questioned the safety of nuclear powerplants in the United States. These questions are welcomed in a free society like ours and, in fact, it is this sort of public scrutiny—not at all present in the Soviet Union—that has helped to ensure the high degree of safety in our industry over the years.

From the very start, safety has been the prime concern in the design, construction, and operation of commercial nuclear powerplants in the United States and most other Western countries. U.S. reactor designs include numerous redundant, engineered safety systems to maintain core cooling and to remove and confine all radioactivity. In keeping with this concept of redundancy, U.S. reactors are placed into thick steel pressure vessels and, in turn, are housed in airtight containment buildings which are constructed of steel-lined, steel-reinforced concrete. They are designed to withstand all emergency conditions including earthquakes, tornados and, in some cases, even the crash of large aircraft. This attention to safety has resulted in an impeccable safety record for this industry in our country and one better than any other industry in the last 30 years. The tragedy in Chernobyl is lamentable, and it is hoped that what we learn from this incident will improve the safety of nuclear energy not only in the Soviet Union but elsewhere in the world.

Our Government strictly regulates these plants, paying close attention to safety. In addition, the industry has taken numerous steps on its own to improve safety. For example, there has been a fivefold increase in the number of nuclear powerplant training simulators available for operator training since 1979, and another 26 are to be built. There has been a 400-percent increase in the average number of full-time utility training per plant. New computer programs are being developed to give early warning to plant operators in the event that equipment removed for maintenance might create trouble. National organizations, such as the Institute of Nuclear Power Operations [INPO], have been established to promote improved performance and safety.

By contrast with this United States emphasis on safety, the Soviet program is irresponsibly inadequate. The Chernobyl plant would never have been allowed to operate commercially in the United States. It did not have a pressure vessel to contain its nuclear reaction. It did not have a containment building as required on all U.S. commercial reactors.

The Soviets' inattention to safety—possible only in the closed society of the Soviet Union where little regard is paid to human life—has now cost lives. The Soviets also recklessly endangered the health and safety of the citizens of neighboring countries by failing to give notice of the accident. They have failed to adequately share information about the accident with the world community as international responsibilities would dictate.

It would be improper to compare the Soviet program with our own. The U.S. stresses safety first, and operates in an open and free environment. Congress has, and will continue, to ensure the highest degree of safety.

MISS HELEN HAYES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. GILMAN] is recognized for 60 minutes.

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, yesterday, May 12, 1986, the President of the United States presented the highest civilian honor that our Government has to offer to my distinguished constituent, Miss Helen Hayes—the Presidential Medal of Freedom.

The significant contributions made by Miss Helen Hayes to the performing arts and to our American culture are well known and will survive all of us here today. The only question concerning this award is why Helen Hayes is receiving the Medal of Freedom only now, nearly a quarter of a century after the award was initiated by President Kennedy. The award to Helen Hayes is long overdue.

Miss Hayes a native of Washington, DC, is now 85 years young. I am confident that none of us in this Chamber was present when Helen made her stage debut at the Belasco Theatre here in Washington on January 22, 1909. Her New York debut took place 10 months later. During the transitional decade when the world was convulsed by the First World War and America shifted from rural innocence to urban world leadership, Helen Hayes became a household word as the premier child star on the legitimate stage. Such immortal roles as Pollyanna in the play of that name, and as Margaret in "Penrod," are remembered as classics today.

As both the 19th century and Helen Hayes entered their twenties, Helen Hayes accomplished that rare feat which many in the theatrical world have attempted, but few have succeeded—she made the transition from child star to a beautiful, charming young adult actress. In such roles as Cleopatra, and as the star of "Coquette." Helen Hayes became the toast of Broadway during "the roaring twenties."

That decade gave birth to one of the legendary marriages of show business. Helen Hayes' marriage to playwright Charles MacArthur ended only with his untimely death in 1956. For 31 years, the MacArthurs were social leaders and islands of stability in a profession known to destroy relationships between lesser egos. To talk to Helen Hayes even today, one is struck by the genuine love and mutual respect that the MacArthurs shared.

It was soon after their marriage that the MacArthurs settled in my congressional district in the beautiful village of Nyack, NY. The MacArthurs, and Helen, since her widowhood, have been the pinnacles of Rockland County society.

In the late 1920's and through the 1930's, Helen Hayes career soared until it reached astronomical proportions. Although she appeared in a number of highly successful motion pictures, winning an Academy Award as best actress for 1932, her first love was the Broadway stage and her home in nearby Nyack. It was during this time she received international acclaim for her performance as Queen

Victoria in "Victoria Regina," a role in which she was required to age from 18 to 80 in less than 3 hours.

Tragedy struck the MacArthurs in 1949. Their beloved daughter Mary, an aspiring actress herself, was taken from them by polio. Years later, Miss Hayes confided to an interviewer:

The only thing that made it possible for me to live through the torment after that incredible blow was when I began to consider how many other people had survived similar cruelties.

Helen Hayes' perseverance during her times of trial have proven to be an inspiration to all of us. As the President pointed out during the presentation yesterday, her success on the stage, in movies, on radio and on television, as well as her kind soul, "make her an original."

In recent decades, Helen Hayes has truly become respected as the indisputed queen of American theatre. The Helen Hayes Theatre in New York was named after her in 1960, making her one of the few persons to whom this honor was extended while still alive. In 1971, she received a second Oscar. It is indicative of her lack of pretense that she received word of this second Oscar at Catholic University here in Washington. She was appearing on campus in "Long Day's Journey Into Night" and, at the age of 70, preferred residence in the unversity's dorms to any of Washington's more elaborate hostelries.

We in the mid-Hudson valley of New York are beneficiaries of her generosity. The Helen Hayes State Rehabilitation Hospital in Haverstraw, NY, and the Mary MacArthur Memorial Garden—known as "Mary's Garden"—at Nyack Hospital are just two examples of this wonderful lady's devotion to others.

Our colleagues on the Select Committee on Aging are well aware of the graceful manner in which Helen Hayes had become an articulate spokesman for "the old," which is the term she prefers. "Senior citizen," she contends, "is condescending, patronizing, an expression of self-consciousness and fear, and of everything negative about the business of being old."

"I think the elderly must have more choice," Helen says, "We're treated a little bit as if we're not reliable judges of what's good for us. I think most of the time we are."

Six years ago, the Christian Science Monitor profiled Helen Hayes, saying of her: "She also has an ageless beauty, with her fresh, pink and white complexion, delft-blue eyes, and a mass of white hair swept up on top of her head like a tiara * * * She is the very definition of the lines she said in 1926 as Maggie in J.M. Barrie's "What Every Woman Knows." When asked, "What is charm?" she replies: "It's a sort of bloom on a woman. If you have it, you don't need to have anything else; and if you don't have it, it doesn't much matter what else you have."

Mr. Speaker, it is an extreme pleasure to pay tribute to this fine, beautiful American. To her, to her son James MacArthur, who is a distinguished actor in his own right, to her grandchildren, and to her many friends and loved ones, we salute Helen Hayes as a magnificent contributor to the American way of life and as an inspiration to all of us.

□ 1925

Mr. GILMAN. Mr. Speaker, at this time I yield to the gentleman from Florida [Mr. PEPPER].

Mr. PEPPER. I thank the gentleman for yielding to me.

Mr. Speaker, it does my heart good to have the privilege of joining my distinguished friend from New York and other of my colleagues in paying tribute to the greatest lady of the American stage, one of the noblest and greatest of our time, one of the most charming ladies of the world and a particularly dear friend, Helen Hayes. I know of no person who is universally admired, revered and loved more than Helen. When God made Helen Hayes, he gave to the world as nearly a perfect human being as could have been conceived. Superb in her talents on the stage and in the media, she has won the admiration of the world for the magnificence and the majesty of her performances. Who can ever forget Helen Hayes in so many of the great parts she has played upon the stage or in the media. She not only has phenominal talent, but she has that warmth of spirit, that sincerity, those mysterious moving qualities that are hers. The world will never forget Helen Hayes as an actress, but Helen Hayes is far more than a superb actress. She is an extraordinary human being. No heart has been more compassionate to those who needed help. None has been kinder to friends and fellow beings, none more restless to help those who need help than this rare person, Helen Hayes. The causes that she has sponsored, the people she has aided, the humanitarian contributions that she has made are innumerable. All over America there are those who thank God that a wonderful person like Helen Hayes lived in their time and helped them.

She is as sensitive to her duties as a citizen as she is to her other concerns. She is a great American and only yesterday, the President of the United States bestowed upon her the Nation's highest civilian award the Medal of Freedom. What a fitting recognition of this great lady the President's action was.

And above all, Helen Hayes is a lady of limitless charm, graciousness and beauty. She brightens the path upon which she walks. She illuminates the spirit of those with whom she moves and works and lives. When Helen Hayes walks into a room it is as if a new, bright light were turned on in that area, a magnetism of person and mind and spirit illumines all around her.

Indeed when we think of Helen Hayes we are reminded of the words of the poet:

Oh Helen thy beauty is to me
like those Nycean barks of yore
which homeward 'ore a perfumed sea
a weary, wayworn wanderer bore
to his own native shore.

And I leave it to Shakespeare who alone can describe this lovely lady for it must have been an extraordinary lady like Helen Hayes of whom Shakespeare spoke when he said in "Love's Labour's Lost":

O queen of queens! how far dost thou excel,
No thought can think, nor tongue of mortal tell.

□ 1935

Mr. GILMAN. Mr. Speaker, I thank the distinguished gentleman from Florida [Mr. PEPPER] for his kind and eloquent contribution in our salute to Helen Hayes. I recall when Helen Hayes came down to grace his birthday party not too many months ago, and we all enjoyed that event and the particular honor she paid to the gentleman by being present on that occasion.

Mr. PEPPER. Mr. Speaker, I want to commend my distinguished friend for initiating this special order. No more worthy subject could have been found.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for his contribution.

Mr. DOWNEY of New York. Mr. Speaker, as chairman of the Congressional Arts Caucus, I am especially pleased to add my tribute to the First Lady of American theater—Helen Hayes. Yesterday, Miss Hayes received one of the highest honors bestowed upon citizens of this country—the Medal of Freedom. Her outstanding contributions to the arts as well as her humanitarian efforts prove beyond a doubt that she is well deserving of our Nation's highest civilian award.

The stage career of this remarkable woman spans more than 76 years. She first appeared on stage at age 6 here in Washington, DC, as Prince Charles in the Columbia Players' production of "A Royal Family" at the National Theater. At age 9, she made her New York City debut as the Little Mime in "Old Dutch" at the Herald Square Theatre. Since that very early beginning, she has continued to mesmerize audiences in theaters on Broadway and across the United States.

The numerous accolades she has received throughout her career are testimony to her incredible talent as a performer. Often cited as one of her greatest theatrical successes, Miss Hayes' performance as Queen Victoria in "Victoria Regina," earned her the Drama League of New York Delia Austrian Medal in 1936. Previously, she was the recipient in 1931 of an oscar as best actress for her performance in "The Sin of Madelon Claudet." In 1947, she received a Tony Award for her per-

formance as Addie in "Happy Birthday," and in 1970 at age 70, she was honored by the academy as best supporting actress for her performance in "Airport." In addition to her numerous stage credits, she has also received an honorary doctor of fine arts degree from Princeton University and other honorary degrees from many colleges and universities around the country.

Certainly, Helen Hayes' lifetime achievements speak for themselves. She is truly one of America's greatest performers. Therefore, it is a great honor to pay a special tribute to our First Lady of American theater and the Medal of Freedom recipient—Helen Hayes.

Mr. HORTON. Mr. Speaker, I'd like to thank my colleague from New York and dear friend BEN GILMAN for requesting this special order to honor one of America's foremost actresses of the 20th century, Miss Helen Hayes.

I have been a long-time fan of Helen and remember many of her stunning performances, such as Amanda in "The Glass Menagerie," Mrs. Grant in "The Front Page," and other fine efforts in theater, film, and television. Miss Hayes began her illustrious career back in 1905 in the Columbia Players' production of "A Royal Family." Her career continues today, spanning a full nine decades.

But, Mr. Speaker, Miss Hayes' efforts of playing a role in society goes beyond her public performances. As many of you know, Helen is the chairwoman of the National Foundation for Infantile Paralysis; she has been awarded the Medal of the City of New York, the Medal of Arts in Finland, and other prestigious awards too numerous to mention. Miss Hayes lives in Nyack, NY, which is in Mr. GILMAN's district. But she has been an inspiration to men and women across the State of New York and across the entire country.

She has endured the trials and tribulations faced in her life with grace and character, giving courage to those around her suffering the same tragedies. She is a woman of many talents, and the number of her followers is an excellent indication of that fact.

Mr. Speaker, I again want to thank my colleague BEN GILMAN for his efforts. On behalf of the thousands of fans of Miss Hayes in the 29th Congressional District of New York, my wife Nancy and I want to personally thank Helen Hayes for all of her years of dedication to the fine arts and to people in general.

Mr. FISH. Mr. Speaker, I thank the gentleman from New York [Mr. GILMAN] for arranging this special order. Helen Hayes has graced the stage for more than 75 years and throughout her life has contributed to making this country a better place to live. It is fitting that she be honored today with America's highest civilian award—the Presidential Medal of Freedom.

Few Americans can claim to have contributed as much to improving the quality of life in this country. Without doubt, Miss Hayes' contributions to the theater and to the numerous humanitarian organizations in which she is involved will benefit scores of people now and in the future.

Miss Hayes is truly the first lady of the American theater, but her work has not been confined to the stage and the arts. Despite her own personal hardships she has continued to make life better for those in need. Her contributions to causes, such as the National Foundation for Infantile Paralysis and the Actors Fund, will stand forever as a monument to her dedication to humanity. Her contributions through her great patronage, especially here in the Nation's Capitol, has made the theater available to many people who would otherwise not be enriched by the theater.

I wish her well in her future endeavors and continued success throughout her illustrious career. I know she will continue to delight us with her great talent and inspire us with her dedication.

Mr. KEMP. Mr. Speaker, I would like to thank the gentleman from New York [Mr. GILMAN] for giving the Members of Congress this opportunity to honor our First Lady of the Theater, Miss Helen Hayes.

Yesterday the President of the United States bestowed the Nation's highest civilian award, the Medal of Freedom, on Miss Hayes, thereby officially recognizing her as one of America's greatest national resources.

When Miss Hayes heard about today's legislative order, her immediate reaction was to comment "This is a very special day in my life. Think of it; my being honored twice in 1 day—by the President and the Congress. I'm pleased to be in part responsible for the executive and legislative branches concurring on one thing." To which I am forced to reply that while there was unequivocal concurrence on the matter of honoring this great lady, we were unable to do it on the same day. This may not be all bad, Miss Hayes. Someone who has devoted a lifetime to noble work certainly deserves to have 2 days set aside to honor her.

It is altogether fitting that this country recognizes the achievements of Helen Hayes. Miss Hayes has set a standard of excellence in the performing arts which has become legend all over the world. No one who was privileged to see her could forget her magnificent performances as "Victoria Regina," in "A Farewell to Arms," "Harvey," and "The Skin of Our Teeth." For these and other performances, Miss Hayes has won the Academy, the Emmy, the Tony and the Peabody Awards.

Today, at the age of 85, Helen Hayes continues to set an example in her passion for activity and her dedication to helping others to help themselves. She has become a powerful advocate for the elderly. Her daily radio commentary, "the Best Years," is aired in close to 200 markets. Miss Hayes wants us all to be aware that there are more than 7,000,000 persons over the age of 65 who are living alone. She speaks for our senior citizens, gives them clout by reminding our corporate and political leaders that the senior market is the fastest growing segment of our population. And thanks to the efforts of caring people like Helen Hayes, these maturians are at last being heard.

Miss Hayes says, "I'm having the best time now. The advantage of being at this point in my life is that I look neither back nor forward, I just enjoy now."

We, the Members of the U.S. Congress, honor you, Miss Hayes, not just for your theatrical talents, but for your nobility as a human being. Your love of people parallels your love of theater. God bless you, Miss Hayes.

Mr. GREEN. Mr. Speaker, I rise to join my colleagues in recognizing Miss Helen Hayes, First Lady of the American Theater, for her contributions to the field of arts and entertainment.

Miss Hayes' career reflects an unusual breadth of professional experience. She made her theatrical debut at the age of 5, and appeared on film when only 10. She was first heard on the radio in 1930 and is still appearing on weekly television.

She is an actress of great resource and impeccable technique, who has been honored by her peers and by her public throughout her career. She has received two Oscars, a Tony and an Emmy. She has been awarded the Medal of the City of New York, the Medal of Arts of Finland, the American Exemplar Medal from the Freedom Foundation, and the Laetare Medal from the University of Notre Dame. And yesterday, President Reagan presented her with the Medal of Freedom, this Nation's highest civilian award.

It has been my privilege to know Miss Hayes over a number of years. She is in fact, as she appears to her public, a lady of distinction, of deep emotional expression. She can be a lively, whimsical spirit; a regal, impressive figure; or a sensitive, comforting presence. During her career, she has touched our lives with laughter and with pathos.

It is therefore fitting, Mr. Speaker, that we gather this afternoon to honor Miss Hayes' consummate artistry and invaluable contributions to the American theater and to the American Public.

Mr. MANTON. Mr. Speaker, I am delighted to join my colleague from New York, Mr. GILMAN, in commending actress Helen Hayes, on being awarded the Presidential Medal of Freedom. The Presidential Medal of Freedom, which is our Nation's highest civilian honor, is most appropriately awarded to Ms. Hayes.

Ms. Hayes, who is commonly known as the "First Lady of Theater," has been delighting audiences with her special talents since the age of 6. However, she has not limited her remarkable talents to the stage but she has also appeared on radio, television and in the movies and has written four best selling books, including an autobiography. Furthermore, Ms. Hayes has shared her unique energy and resources with aspiring actors and playwrights and has been a strong supporter of regional theaters.

Helen Hayes is a tireless advocate for Nation's elderly. She has served on the board of the National Council on the Aging. Ms. Hayes once said that the elderly's main priority was to "keep active," and she has lived up to her own philosophy.

Mr. Speaker, I know my colleagues in the House join me in congratulating Helen Hayes, "a true original."

Mr. GILMAN. Mr. Speaker, I yield back the balance of my time.

THE FRANKING PRIVILEGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 60 minutes.

Mr. WALKER. Mr. Speaker, earlier today during the 1-minute speeches

which opened the Congress, we got in a bit of a dialog on the House floor with regard to the present status of the franking privilege of the Congress. At that time one of our colleagues suggested that the issue might better be aired in a little longer timeframe such as the special orders at the end of the evening, at which point I announced that I was indeed signing up for a special order to discuss the subject and would hope that other Members would come out and also continue the dialog begun earlier today. It does not appear as though any of them are of a mood to do that, but nevertheless I am going to take a few moments to discuss the situation that we now find ourselves in and the problem that I have with some actions that have recently been taken with regard to the frank.

First of all, I think that all of our colleagues understand when we talk about the franking privilege we are talking about the free mailing privilege of Congress that goes to the business of being able to answer our mail and also allows us to send newsletters and other communications to our constituents. But what has happened in recent years is that there has been an extraordinary increase in the amount of money that is being spent by this body and by the other body for that free mailing privilege. It has become the kind of situation that has become a concern to the taxpayer.

Obviously, across America taxpayers want their Congress to be able to communicate with them. When they write their Congressman, they expect an answer. They deserve an answer. They expect their Member of Congress to be someone who informs them about what is going on in the legislative process in Washington.

However, most Americans are concerned about the fact that some of the use of the frank in recent years has become abusive—abusive to the point that it has become an expense that Congress should look at trimming back.

Congress specifically decided last year in the appropriations bill to do that. When the legislative appropriations bill was brought to the House of Representatives, there was a specific funding request in that bill for franking. An amendment offered by the gentleman from Ohio [Mr. MILLER] sought to reduce that amount of money by a percentage.

What happend was that the House approved that cut. The House decided that it not only did not want to spend the amount that had originally been asked for by the House Appropriations Committee, Legislative Appropriations Subcommittee, they decided that they wanted to spend less. So it was clear that the House of Representatives went on record as wanting to spend a specific amount for mailing this year. That amount of money that the House decided upon was approximately $100 million. We decided that this body and the other body could live with $100 million in free mail for the upcoming fiscal year.

It is this Member's contention that we should have been able to do that; that in fact when we said that we could live with $100 million in mailing expense, we ought to be able to live with $100 million in mailing expense. That is one whale of a lot of mail that is being sent out of here across the country. It should be sufficient to do the legitimate kind of communications with our constituents that our constituents feel are so necessary.

The problem is that we now hear from the powers that be in this body that we cannot get along on $100 million this year; that in fact we need another $42 million. In the supplemental appropriations bill that was being brought to the House floor just a few days ago, the original bill, was contained an additional amount of money for mailing expenses of $42 million.

It was this Member's contention that having decided that we were only going to spend $100 million, we ought to stick with that. So when I learned about that supplemental appropriations bill I decided to bring an amendment to the floor that would eliminate the 42 million dollars' worth of spending.

Let me have the Members understand that what I was going to do was give them the opportunity to vote on this matter. If they decided we need $42 million more, they were perfectly welcome to vote against my amendment and decide to spend the extra $42 million that was included in the bill. However, if they, like me, believe that we can get along on $100 million, they were free to vote with me to cut out the money.

What we will hear from some people is that the money also was included with a package that had some reforms in it. Let me make it very clear that my amendment did nothing about the reforms that were included in the bill. My amendment only cut out the money; I kept the reforms. Some of the reforms were a very good idea. The bill limited further the number of newsletters that could be spent; it tried to tighten up the system. I thought that that was perfectly appropriate. So what I did was say let us cut out the money and keep the reforms; by keeping the reforms it might help us live better within the $100 million that was previously appropriated.

Well, because I was going to offer such an amendment the chairman of the Legislative Appropriations Subcommittee went to the Rules Committee and suggested that instead of allowing my amendment to come to the floor, let us write the rule in such a way that takes the money out of the bill before the appropriation bill gets to the floor. In other words, he did my work for me, but he not only took out the money, he took out the reforms, too. They were evidently in his mind tied together: You cannot have reforms without spending more money. I contend that you can have reforms without spending additional money, but that was not what was decided. The decision was to not only cut out the money, but to also cut out the reforms. That was the rule that was passed by the House of Representatives. So we never really got to the issue in the appropriations bill of the $42 million and/or the reforms.

Interestingly enough, in the course of all of that, the contention was made that somehow I had blocked the process. Let me make it clear again, what I did was simply say that I was going to offer an amendment to stop the flow of the additional money, and the Members could make up their minds how they wanted to deal with that particular issue. Those who say that I blocked the process evidently feel that the majority of Members would have voted with me to end the money. I do not know that to be the case. I assume that there are a lot of Members around here who think that we can live with $100 million in mailing expenses, but I do not know that to be the case. A lot of the amendments that I offer on the floor to cut money are not agreed to by the House.

So all I was going to do was offer an amendment like many other amendments that I offer on the floor to cut money, but evidently the feeling was that that amendment was going to win, so rather than have the amendment offered—and as the chairman of the Subcommittee on Legislative Appropriations, the gentleman from California said earlier today, rather than have to have Members cast a vote that would hurt them perhaps, it was taken out in the rule.

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That was their decision, not my decision; but I will contend that the fact that we took out the money is a good thing. I am not so certain it was such a good thing that we took out the reforms.

Be that as it may, what we ended up doing in the supplemental appropriations bill was not appropriating the extra $42 million.

During that same period of time, however, when this was becoming a controversy, there was a very interesting rumor going around the floor that the Speaker had made the comment that, "Well, if we don't pass it, we will simply continue to send out the mail and have the post office pay for it." That struck me as being a rather devastating kind of way to proceed.

In other words, we will not appropriate the money. We will just simply pass the bill onto the post office and

say to them, "Well, we can't contain ourselves. We have got to continue to mail, mail, mail, and then someone else ought to pay for it."

I could not believe that that was really going to happen; but sure enough, sure enough this weekend the General Accounting Office that just happens to be an arm of the Congress; in other words, they are our servants, the General Accounting Office was asked for an opinion about our mailing privilege. They were asked for an opinion by Members of the other body who in fact share my view that we ought to be able to live with $100 million in mailing costs. In that opinion the General Accounting Office, the General Accounting Office that is beholden to the leadership of this Congress, issued an opinion that we did not have to appropriate additional money. It was an entitlement program for Congress and we ought to be able to send out the mail and the post office should have to pay for it.

In other words, over the weekend with an opinion from our servant, the General Accounting Office, what did we get? We got a brand new entitlement program foisted upon the American people, an entitlement program for free congressional mail, for open-ended blank checks for Congress to spend as much as they want on mailing. That is an open-ended blank check for the Congress; but believe me, it is not a blank check for the American people. They are going to end up paying for this new entitlement program.

The new ruling is such that they may end up paying for the congressional mail with higher postage rates.

There are only a couple alternatives. I wrote to the Postmaster General today and I asked him to detail for me where he is going to get this money. Under this ruling, where is this money going to come from? There are only three places. He either is going to have to raise postal rates; in other words, make all America pay for the fact that we cannot curtail our mailing costs; he is going to have to cut postal service, such as Saturday deliveries or something like that, or he is going to have to reduce the wages of the postal employees. Somebody is going to end up paying for our privilege of unrestrained mailing costs of an open-ended blank check for mail.

I think that is wrong. I just do not believe that that is what the American people believe Congress should do in their desire to see Congress have the ability to communicate.

I think that it is important that we in this body do the kinds of things that earn the trust of the American people, not break faith with them. We are saying very openly on program after program after program, from national defense to social programs, to Social Security, for many, many things, that we need to hold the line, that there needs to be restraint, that we need in some cases even to cut programs.

We need in some cases even to cut programs. We say this, you know, and we talk about the Budget Act here all the time. We are going to have a budget bill on the floor before very long. We are going to hear a lot of talk about restraints and cuts as we go through that process; but what the issue here says, what the mailing issue says, is that that is good for everybody else, but not for us. When it comes to us, when it comes to our mail, forget it. The budget ought to go up. We ought to be able to spend as much as we want. We ought to have a blank check here in the Congress.

I do not believe that. I do not think most of the American people believe it. I think they will regard as silly the arguments that were made earlier today on the House floor in defense of that kind of policy that, well, we underfunded the program to begin with, so therefore now we have to make it up.

You know, that is the kind of argument we hear out here all the time with regard to these appropriation bills, that we get into the middle of the year and all of a sudden we find out these programs are underfunded and we need supplemental appropriation bills. We have to come back and spend more money because we underfunded the program in the first place.

That was not the understanding on the House floor when we passed the legislative appropriations bill before. When we passed it last year, maybe some of the leaders understood that is what we were doing, but that is not the way Members of Congress voted. Members of Congress went home and told their constituents that they had voted for lower mailing costs. That is what we ought to stick to. That is what we ought to be doing here. We ought not have additional mailing costs foisted upon the taxpayers, or in this case upon the people who have to pay for their own postage.

So it is my contention that it is high time we reform this process and that we ought to force those reforms now. The reforms ought to go further than those that were contained in the Supplemental Appropriations Act. I think the American people would like to see each Member of Congress accountable for the amount of mailing they do.

In my opinion and what I have suggested to the leaders of this House who are in charge of coming up with these kinds of programs is that an account be established for each Member of Congress. Let them live within a mail account. If they want to use that account to send newsletters to their constituents, fine. If they want to use that account in order to respond to their constituents' mail, fine; but they ought to have to live within an account, rather than some people around here spending millions and millions of dollars mailing massive amounts of mail throughout the country.

I think that that would be a step in the right direction.

Then I think we ought to also look at actual limitations on the amount of mass mail that goes out.

I think probably most Members of Congress could get along with two mass mailings into their districts each year; but even that would not be necessary if we established a specific account and made Members live within that account.

The other thing I have suggested in conversations with some as to what would satisfy me with regard to the present crisis that we find ourselves in with the mail is that I think for the rest of this year we ought to end all mass mailings, because we have already spent up to the limits that were anticipated for the entire year, that Congress has therefore behaved irresponsibly with its budget and we ought to do what anybody else in the country would have to do. We ought to limit ourselves and one way of limiting ourselves the rest of this year would be to have no more mass mailings go out of the Congress, to allow Congress only sufficient money that it needs in order to answer the mail that we get in order to do our legitimate work of communicating with our constituents who are in touch with us or in contracting agencies on behalf of our constituents. I do not think that is too heavy a price for Congress to pay. I think that is something that we could go for.

I would certainly approve a little bit of extra money that would be needed in order to see to it that we could continue the mail flow back and forth to our constituents, but we ought to reform ourselves by at least for the rest of this fiscal year ending the mass mailings that Congress does that cost a fortune and are in large part self-promoting.

I send out newsletters. I send out questionnaires. I feel very strongly that it is something that can be valuable if used in limited ways; but the fact is that it is being abused. It is an abuse that we have to end. Since it has been abused and since it has cost us big money so far, it seems to me that for the rest of this year I and everybody else ought to give up our mass mailings. No more mass mailings for the rest of the year because we have created a budget crisis of our own making. That is all I ask for. That is the only reform that I think we need to have.

Then we need to move toward the reform of the accounting system for

the new Congress when it comes into place.

But let us do it right. Let us not have people suggesting that by cutting our mass mailings we are somehow debilitating the legislative process. Let us not have the suggestion that we cannot reform the process. Of course, we can. If we have the will to, we can do it. The place where we ought to start is by saying to ourselves that that which we committed to ourselves earlier in the fiscal year, a limit of spending on congressional mail, ought to be held. That is what this Member asks for.

I think it is high time that the Congress become responsible and do the right thing.

EXPRESSING SUPPORT FOR FAUNTROY AMENDMENT TO H.R. 1

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. KEMP] is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, next week, Congressman WALTER FAUNTROY and I, along with many of our colleagues on both sides of the aisle, plan to offer at least one amendment to the housing authorization bill (H.R. 1). I want to commend Congressman FAUNTROY for his leadership in working in a bipartisan fashion, teaming up with a Republican Congressman from Buffalo, NY, to encourage resident management of public housing projects. We want to help every American family achieve a decent home and a decent and safe community, with greater access to jobs, property, and income.

Next week we will have an opportunity to make some progress in that endeavor for some of the poorest Americans in our public housing communities. Our bipartisan amendment recognizes, supports, and encourages resident management of public housing projects such as the Kenilworth-Parkside public housing project here in Washington, DC. Like a growing number of housing communities across the Nation, this project is managed by one of the residents—Ms. Kimi Gray, an amazing women who deserves our respect and praise for her many accomplishments.

Just last month, at the Kenilworth-Parkside project, Congressman WALTER FAUNTROY, Mayor Barry, Kimi Gray, a group of community housing leaders and I launched our resident management bill. At that time, we saw first hand the incredible progress made by the residents at Kenilworth-Parkside. We toured the new coop market, the new laundromat, the screen door shop, the barbershop, the beauty salon, the thrift store, and the boutique. All run by tenants themselves. Persons who were once receiving public welfare now have their own business on the property. As Kimi says: "Children who were selling PCP now sell CCC, chocolate chip cookies."

Kenilworth now has its own trash company. The trashmen live in the community itself. They come by every morning at 6:30 to pick up the trash. If your trash is not out by 8, says Kimi, they knock on your door and take it to the truck for you.

Kenilworth has its own roofing company. There are no leaks at Kenilworth. And the resident counsel has plans to replace every roof in the public housing project.

Kenilworth has its own catering service company. They have two day care centers, a health center and their own doctor. They have an employment office that finds jobs throughout the private sector. Kimi says it averages 14 resident hirings per week.

All this was accomplished by residents themselves. Rents and business profits are plowed back into the community to create new services, new jobs, and better living conditions. And today, a housing project once totally dependent on Government support, now no longer needs a Federal operating subsidy.

Kimi put the advantages of resident management in a nutshell when she said:

We were accustomed to calling downtown and marching on HUD and cussing everybody out; and then we became downtown and now we only curse ourselves out; and when pipes burst we're the first ones there, and we stay up all night until the problem's resolved. But what we did was to return respect and pride back to the residents of the community, to give them back the responsibility that was rightfully theirs to maintain the community in which they resided.

Kimi Gray's success is not an isolated example. All across America, residents are improving the quality of housing and the quality of life of their communities. Don't get me wrong. Resident management is not the solution to all the problems. Resident management is tough, it's not a panacea. But it can change communities by changing power structures and lines of responsibility. Public housing should be turned back to the public. Who better knows and cares about quality housing and a good neighborhood than the people who live and work there?

Next week, Congressman FAUNTROY and I will go into the details of our amendment. But it's general purpose is clear: To guarantee every public housing resident the opportunity to run their own housing communities through resident managment councils that abide by democratic procedures. Our amendment would provide technical and management assistance to resident councils to prepare them for management and eventual homeownership; our amendment relaxes certain burdensome regulations that reduce jobs and impede efficiency; we standardize procedures for resident management; and we permit resident councils to keep any savings they make in running the community.

As a final goal, Congressman FAUNTROY and I want to make every public housing resident a property owner—a homeowner. Every public housing resident should have an oasis of security and pride. That's the American dream, and I hope many of you will join with WALTER FAUNTROY and I next week to support this amendment to help spread the American dream to more Americans.

SILVIO CONTE RECEIVES ST. THOMAS MORE AWARD FOR 1986

Mr. O'NEILL. Mr. Speaker, on May 3, the Honorable SILVIO CONTE received the Boston College Law School Alumni Association's 1986 "St. Thomas More Award."

A "tall pine" from the western part of our State, SILVIO has long been a bulwark of strength on behalf of the interests of Massachusetts and New England.

SILVIO has been a truly outstanding member of the Boston College alumni. He is loved by his former colleagues in the State legislature, and he is loved by his colleagues here in the Congress. The O'Neills and the Contes have been close for 40 years. We are all happy and proud that he has been chosen to receive this award.

It is with pleasure that I share with my colleagues a telegram from the President and Mrs. Reagan congratulating SILVIO, a tribute to him from Senator TED KENNEDY, and the remarks made by our colleagues upon presentation of the award.

THE WHITE HOUSE,
Washington, DC, May 3, 1986.

Hon. SILVIO CONTE,
McElroy Commons, Boston College, Chestnut Hill, MA:

Congratulations as you are presented with the 1986 Saint Thomas More Award of the Boston College Law School Alumni Association.

This is a fitting tribute to your exemplary record of devoted public service. The constituents of the First District, the people of the Commonwealth of Massachusetts, and all Americans know and admire you as one of our Nation's ablest and most honorable elected officials.

It is especially appropriate that you should receive an award named after a great man of conscience who sacrificed life itself for what he knew would be right before God and the law. You can be proud of this homage and its reflection of the high esteem of your fellow graduates.

Nancy joins me in sending best wishes and, again, congratulations. God bless you, Corinne, and your family.

RONALD REAGAN.

TRIBUTE TO CONGRESSMAN SILVIO CONTE FROM SENATOR EDWARD M. KENNEDY, May 3, 1986

Tonight, the Boston College Law School Alumni Association bestows the St. Thomas More Award for 1986 on one of its most distinguished alumni. Sil Conte is a man of rare talent and spirit whom I will always cherish as a friend and respect as one of the finest legislators and statesman of our time.

Sil Conte has truly distinguished himself throughout his long and brilliant career in public service. For twenty-eight years, he has served the First District of Massachusetts with a dedication and diligence that is without equal.

His years at Boston College and Boston College Law School, which make him a distinguished "Double Eagle", fostered his tireless devotion to the cause of law and humanity.

Without question, Sil Conte holds a very special place in the hearts of those of us who are fortunate enough to know him. I extend my warm congratulations to Sil Conte this evening. He richly deserves this tribute from his alma mater, and I only wish he were Irish.

REMARKS OF HON. SILVIO O. CONTE AT PRESENTATION OF SIR THOMAS MORE AWARD FROM BOSTON COLLEGE LAW SCHOOL, BOSTON MA, MAY 3, 1986

Friends, alumni, distinguished guests, I humbly thank you for bringing me back here today to my beloved alma mater for this truly special award.

When I first learned that Boston College Law School had chosen me to receive the Saint Thomas More Award, its highest honor, I paused not only to reflect on this great gesture but on the man in whose name the award was given.

What I found in Thomas More's actions and writings brought the award very close to home and gave me pause to consider elements of myself, this institution and the Congress—my great love—that I had not considered before.

Sir Thomas More was first and foremost a man of fervent spirituality.

Thomas More believed in his God, he believed in moral righteousness, he believed in his heritage and, perhaps most importantly, he believed in himself.

These beliefs enabled him to relinquish a life of material wealth and accept a death sentence from the king he had nobly served.

When Thomas More refused to take the oath for the Act of Succession and Supremacy, he relinquished career achievement and material gain for a higher cause—his Catholic church and his Christian God.

It is this belief in a higher presence, a greater good, that enables us all to achieve notable things in life.

Bestowing upon me an award named for Saint Thomas More is the greatest honor I can conceive. To be mentioned in the same breath with this saint, scholar and truly great human being is overwhelming.

Like Thomas More, I too have searched many times deep within myself—during 28 years in the U.S. Congress—for answers to seemingly unanswerable questions.

It was my belief in the goodness within others and a confidence in my own abilities that helped me rise to the challenges of political office. And it was a belief in God that made the toughest times bearable.

The inner cry for good is not always easy to answer and, as Sir Thoms More demonstrated, can exact a heavy price.

As a national legislator, I am often called on to make decisions that affect literally millions of people. Those decisions, and there have been so many over the past 28 years, don't always come from experience or position papers or from staff experts—or even from common sense.

Most times those decisions come straight from the heart. I remember many long walks alone through the empty halls of the Capitol in the early hours of the morning searching for answers.

There was one particularly tough dilemma, in my second term, during President Kennedy's first year as President. The Rules Committee was controlled by conservative Southern Democrats and Republicans who were bottling up President Kennedy's legislative agenda. He wanted to enlarge the Rules Committee so he could get his legislation to the House floor. It became a party issue with the coalition of Southern Democrats and Republicans against the expansion.

In those days, young Congressmen kept their mouths shut and did what they were told to do. Taking a stand on this particular issue—voting my conscience—would cost dearly.

I went to bed very late that evening, genuinely perplexed about what I would do on the House floor the next morning. I hardly slept at all and I got up very early, still tossing the issue over and over in my mind.

But on the walk from my office to the Capitol, that morning, I stopped for some reason at the reflecting pool near the west entrance. The morning sun was bright, the air still, and I could see my reflection clearly in the shallow waters of the pool.

What I saw went beyond the reflection in that pool to the very essence of my being. And I could see, at that moment, the answer to my quandary.

Something about that moment—something spiritual brought a new understanding, unleashed that inner strength that I had searched for. And I knew what I had to do—vote my conscience. I, and a handful of Republicans, voted to enlarge the Rules Committee and the rules were changed.

Thomas More showed us all that there is no accomplishment, no success, no achievement without undying belief and inner strength.

During an outstanding career which included positions as Henry VIII's Lord Chancellor and Speaker of the House of Commons, Thomas More maintained a spiritual devotion above all else. That devotion guided him in his decision to turn from his king rather than compromise what he believed was just. Faced with a choice between allegiance to his king or his God, the choice was clear.

Thomas More's final words on the scaffold July 6, 1535 were "the king's good servant, but God's first."

I have to say that in spite of all the stories we know about Thomas More's spiritual integrity, what sticks in my mind is one almost insignificant little tale. As a young man, Thomas More fell in love with a beautiful woman. The problem was that she had an older sister who had not yet married and, as was the custom of the time, it was an embarrassment for the older sister not to marry first.

Because Thomas More didn't want to embarrass the older sister, he steered his affections toward her instead and later took her as his wife.

This act didn't change history and, isn't the stuff legends are made of, but it demonstrates what was in this man's heart. He was a kind man—always thinking about how his actions would affect the lives of others.

When I came to Boston College from the South Pacific, where I was stationed during World War II, I thought I had seen it all. But my years at BC and Boston College Law School taught me different.

During my years here, I learned about justice, teamwork, enterprise and gained the all-important ability to believe in myself. I learned how to seek good in bad situations, and how to find strength when I felt weakness.

I owe a special debt not only to the school but to three wonderful men who guided me along while I was here. And believe me, they had their work cut out for them.

Father Stephen Mulcahey, Dean of the College at the time, gave me my first big chance. He really took a gamble accepting me from a vocational school with experience as a machinist and a tour of military duty under my belt. But during my years here he became a confident, friend and advisor to whom I turned in many times of indecision.

And there was Father JFX Murphy. Without his help, I just couldn't have made it.

One of the preconditions of my acceptance at Boston College, you see, was that I take four months of tutorial studies.

Father Murphy and I burned a lot of midnight oil over the Latin texts those four months but those long hours we toiled in St. Mary's Hall went far beyond Classics. The lessons he taught lasted a lifetime.

And I'll never forget the chance Father William J. Kennely gave me during my first year at the law school. I had injured myself playing football and the class work and jobs just never seemed to end.

Those classses at 18 Tremont Street—with no air conditioning, sirens screaming, James Michael Curly yelling at the top of his lungs from the streets outside—seemed to go on forever.

Well, I ended up with a "D" in Professor O'Reilly's Future Interests course and Father Kennely took me aside one day. "Silvio," he said, "I think you ought to consider another law school." I looked him in the eye and told him that if I couldn't graduate from Boston College Law School, I didn't want to go on to any other.

I had been living in a ratty, roach-infested old boarding house for $5 a week down at 7 Bullfinch Place behind the Old Howard and hitchhiking home to Pittsfield on weekends to be with my wife Corinne and two children.

I had tended bar in Pittsfield on weekends, sold Christmas cards, and painted houses just to scrape by. I had forgotten what sleep was.

The work load, the responsibility and the pressure—everything—came to a head that afternoon in Father Kennely's office and I knew, then, that if he would just give me one more chance I could achieve anything. I told him that if he let me stay I would make the school proud of me one day.

Father Kennely must have believed me because he gave me that second chance. I ended up graduating in the top third of my class and, as you have shown me today I made good on my pledge.

Father Kennely and I became such good friends I even sold him on the idea of adopting a Boston College Law School class ring and ended up designing the shank for the ring, myself.

Boston College Law School educated me in matters of jurisprudence, but more important, it taught me to be a good, strong person.

As I stand here today, I can't help but think of Thomas More in his Tower of London cell 452 years ago looking out the window as spring breathed new life into the countryside.

Sir Thomas More was just a man that sunny May afternoon four-and-a-half centuries ago when he made the decision to die for what he knew was right.

He was just a man when he denied his King, he was just a man when the axeman spilled his blood, but he is a noble spirit today—a martyr to the Catholic Church and our Christian God—a rare example of belief in a greater good.

I have tried to be an example of what is good in government and what is good in the American legal system. Decisions have not always been easy and I'd be lying if I said I wouldn't like to make some over again.

But what I can say in all truthfulness, is that I believed in what I was doing then as I believe in what I am doing today.

As the lone Republican in the Massachusetts delegation, I think you all understand the unique pressures I face on a daily basis as a party leader.

Boston College Law School helped me find strength within myself and helped define my belief in a greater good. And for that I will always be grateful.

Thomas More once wrote, "Only God beholdeth the heart." That may be true, but I'll tell you, Boston College Law School will always hold a special part of mine.

Honoring me here today in the name of a man made saint by my Church—a spirit that has transcended time as a symbol of glorious devotion and inner good—is a gesture I will treasure until the day I, too, pass to God's grace.

It is with humble, sincere thanks and great honor that I accept this award today. I owe a great debt to this institution and feel so very proud that you feel I have served your heritage well.

Your gesture is one I shall never forget.

Thank you all—from the bottom of my heart.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. LUJAN (at the request of Mr. MICHEL), for today and the balance of the week, on account of illness.

Mr. GROTBERG (at the request of Mr. MICHEL), for today and the balance of the week, on account of illness.

Mr. FRANKLIN (at the request of Mr. MICHEL), for today and the balance of the week, on account of illness.

Mr. SCHEUER (at the request of Mr. WRIGHT), for Tuesday, Wednesday, and Thursday, May 13, 14, and 15, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WYLIE) to revise and extend their remarks and include extraneous material:)

Mr. REGULA, for 60 minutes, on May 14, 19, and 20.

Mr. GINGRICH, for 60 minutes, today.

Mr. YOUNG of Alaska, for 5 minutes, today.

Mr. WALKER, for 60 minutes, today.

Mr. RUDD, for 5 minutes, today.

Mrs. BENTLEY, for 5 minutes, on May 14.

Mr. GINGRICH, for 60 minutes, on May 14.

Mr. GINGRICH, for 60 minutes, on May 15.

Mr. PORTER, for 30 minutes, today.

Mr. BURTON of Indiana, for 60 minutes, on May 14.

Mr. KEMP, for 10 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. KLECZKA, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. MAZZOLI, for 5 minutes, today.

Mr. MRAZEK, for 60 minutes, today.

Mr. LANTOS, for 60 minutes, on May 14.

Mrs. BYRON, for 60 minutes, on May 21.

Mr. WOLPE, for 60 minutes, on May 21.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BROOKS, on House Concurrent Resolution 315, in the House, today.

Mr. GONZALEZ, and to include extraneous material, during general debate on H.R. 1 in the Committee of the Whole today.

Mr. O'NEILL (at the request of Mr. GONZALEZ) in the body of the RECORD, today.

(The following Members (at the request of Mr. WYLIE) and to include extraneous matter:)

Mr. CRANE.

Mr. FISH.

Mr. MCDADE.

Mr. GREEN in two instances.

Mr. GILMAN in three instances.

Mr. BEREUTER.

Mr. DAUB.

Mr. GINGRICH.

Mr. WORTLEY.

Mr. MCGRATH in two instances.

Mr. HYDE.

Mr. WHITEHURST.

Mr. TAUKE.

Mr. DENNY SMITH.

Mr. CLINGER.

Mr. HORTON.

Mr. LIGHTFOOT.

Mr. RINALDO.

Mr. DREIER of California.

Mr. KEMP.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. ERDREICH.

Mr. TOWNS in two instances.

Mr. MRAZEK.

Mr. ROE in two instances.

Mr. BATES.

Mr. LUNDINE.

Mr. LIPINSKI in three instances.

Mr. ST GERMAIN.

Mr. KILDEE.

Mr. FEIGHAN.

Mr. DARDEN.

Mr. BORSKI.

Mr. STOKES.

Mr. MCHUGH.

Mr. COELHO.

Mr. LEVIN of Michigan in two instances.

Mr. MARKEY.

Mr. BOLAND.

Mr. BEILENSON.

Mr. ASPIN.

Mr. HERTEL of Michigan.

Mr. OBERSTAR.

Mr. SOLARZ.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2308. An act to authorize the President of the United States to award congressional gold medals to Natan "Anatoly" and Avital Shcharansky in recognition of their dedication to human rights, and to authorize the Secretary of the Treasury to sell bronze duplicates of those medals.

BILLS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following day present to the President, for his approval, bills of the House of the following titles:

On May 12, 1986:

H.R. 737. An act for the relief of Ms. Chang Ai Bae; and

H.R. 1207. An act to award a special gold medal to the family of Harry Chapin.

ADJOURNMENT

Mr. WALKER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 55 minutes p.m.), under its previous order the House adjourned until tomorrow, Wednesday, May 14, 1986, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3477. A communication from the President of the United States, transmitting requests for supplemental appropriations for fiscal year 1986 in the amount of $100,228,000 and amendments to the request for appropriations for fiscal year 1987 in the amount of $4,000,000, pursuant to 31 U.S.C. 1107 (H. Doc. No. 99-219); to the Committee on Appropriations and ordered to be printed.

3478. A letter from the Secretary of Education, transmitting proposed final regulations for chapter 1 of the Education Consolidation and Improvement Act of 1981; part 200—financial assistance to local educational agencies to meet special educational needs of disadvantaged children; and part 204—general definitions and administrative, project, fiscal, and due process requirements for chapter 1 programs, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3479. A letter from the Secretary of Education, transmitting proposed final funding priorities for projects for initiating special recreation programs for handicapped individuals, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

3480. A letter from the Assistant Secretary of the Interior for Indian Affairs, transmitting a report on Indian education for fiscal years 1983 and 1984, pursuant to 25 U.S.C. 2016 (Pub. L. 95-561, sec. 1136); to the Committee on Education and Labor.

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3481. A letter from the General Counsel, Department of Energy, transmitting notification of a meeting related to the International Energy Program to be held on May 13, 14, and 15, 1986, in New York, NY; to the Committee on Energy and Commerce.

3482. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notification of a proposed technical assistance agreement for the manufacture of significant military equipment in the Republic of Korea (transmittal No. MC-18-86), pursuant to 22 U.S.C. 2776(d); to the Committee on Foreign Affairs.

3483. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed letter of offer to Egypt for defense articles and services estimated to cost $42 million (transmittal No. 86-32), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

3484. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed lease of defense articles to the Dominican Republic (transmittal No. 16-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

3485. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed lease of defense articles to the Dominican Republic (transmittal No. 17-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

3486. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed lease of defense articles to the Dominican Republic (transmittal No. 18-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

3487. A letter from the Administrator, General Services Administration, transmitting notification of a proposed revision to a system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3488. A letter from the Comptroller, General Services Administration, transmitting the annual report for the fiscal year ending September 30, 1985, on the President's retirement system, pursuant to 31 U.S.C. 9503(a)(i)(B); to the Committee on Government Operations.

3489. A letter from the Executive Director, National Mediation Board, transmitting a report on the Board's compliance with the laws relating to open meetings of agencies during calendar year 1985, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3490. A letter from the Assistant Secretary of the Interior for Indian Affairs, transmitting the proposed plan for the use of funds awarded the White Earth Band of Chippewa Indians in docket 188 before the U.S. Claims Court, pursuant to 25 U.S.C. 1402(a), 1404; to the Committee on Interior and Insular Affairs.

3491. A letter from the Secretary of the Interior, transmitting the fourth biennial report on the maximum attainable rates of production from significant fields on the Outer Continental Shelf, pursuant to 43 U.S.C. 1865(e)(1); to the Committee on Interior and Insular Affairs.

3492. A letter from the Secretary of the Interior, transmitting the fiscal year 1985 report on the status of the Government's helium program, pursuant to 50 U.S.C. 167n; to the Committee on Interior and Insular Affairs.

3493. A letter from the Deputy Assistant Secretary of the Air Force (Logistics and Communications), transmitting notification of the proposed decision to convert to contractor performance the commissary shelf stocking and custodial function at Scott Air Force Base, IL, pursuant to U.S.C. 2304 nt.; jointly, to the Committees on Armed Services and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PEPPER: Committee on Rules. H. Con. Res. 337. A concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1987, 1988, and 1989. (Rept. No. 99-598, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELLUMS: Committee on the District of Columbia. H.R. 4479. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to increase the amount authorized to be appropriated as the annual Federal payment to the District of Columbia. (Rept. No. 99-599). Referred to the Committee of the Whole House on the State of the Union.

Mr. DERRICK: Committee on Rules. H. Res. 455. A resolution providing for the consideration of H. Con. Res. 337, a concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1987, 1988, and 1989. (Rept. 99-600). Referred to the House Calendar.

Mr. BENNETT: Committee on Armed Services. H.R. 4530. A bill to amend the Department of Defense Authorization Act, 1985, to provide that members of the Commission on Merchant Marine and Defense shall not be considered to be Federal employees for certain purposes, to extend the deadline for reports of the Commission, and to extend the availability of funds appropriated to the Commission. (Rept. 99-601). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. H.R. 3291. A bill to revise certain provisions of chapter 57 of title 5, United States Code, relating to the subsistence allowances of Government civilian employees while performing official travel, and for other purposes; with an amendment. (Rept. 99-602). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. GRAY of Pennsylvania: Committee on the Budget; referred to the Committee on Rules pursuant to subsection 301(c) of the Congressional Budget Act of 1974, as amended (Pub. L. 93-344, as amended by Pub. L. 99-177), for a period not to exceed five legislative days, for consideration of such portions of the concurrent resolution as fall within that committee's jurisdiction pursuant to clause 1(q), rule X; (Rept. 99-598, 387 Pt.). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. RODINO:

H.R. 4801. A bill to amend section 994 of title 28, United States Code, to clarify certain duties of the U.S. Sentencing Commission; to the Committee on the Judiciary.

By Mr. APPLEGATE:

H.R. 4802. A bill to amend title 38, United States Code, to revise and clarify the treatment for purposes of part C of the Balanced Budget and Emergency Deficit Control Act of 1985 of certain programs administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. BENNETT:

H.R. 4803. A bill to amend title 37, United States Code, to repeal a limitation on the total amount of basic allowance for quarters and variable housing allowance to a member of the uniformed services; to the Committee on Armed Services.

By Mr. BOUCHER:

H.R. 4804. A bill to clarify the effective date of certain amendments to the relocation expense provisions of title 5, United States Code; to the Committee on Government Operations.

By Mr. CARPER (for himself and Mr. ROWLAND of Georgia):

H.R. 4805. A bill to prevent fraud and abuse in programs administered by the Secretary of Housing and Urban Development by authorizing the Secretary to obtain and verify certain information from applicants and participants in such programs; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CLAY:

H.R. 4806. A bill to amend the Service Contract Act to prohibit discrimination against employees of predecessor employers under such Act, and for other purposes; to the Committee on Education and Labor.

By Mr. DORGAN of North Dakota:

H.R. 4807. A bill to amend the Internal Revenue Code of 1954 to provide that interest on a State or local bond shall be included in gross income if the proceeds of the bond are used to finance milk production; to the Committee on Ways and Means.

By Mr. FISH (for himself, and Mr. MOORHEAD):

H.R. 4808. A bill to encourage innovation, promote research and development, and stimulate trade by strengthening the protection given intellectual property rights by making necessary and appropriate amendments to the intellectual property rights laws; jointly, to the Committees on the Judiciary, Ways and Means, and Energy and Commerce.

By Mr. HORTON:

H.R. 4809. A bill to restore and improve the effectiveness of the Buy American Act in securing Federal procurement contracts for American business; jointly, to the Committees on Ways and Means, and Government Operations.

By Mr. HUNTER:

H.R. 4810. A bill to clarify that a civil penalty is the exclusive penalty for violations of the Ethics in Government Act; to the Committee on the Judiciary.

By Mr. KOLBE (for himself, Mr. UDALL, Mr. MCCAIN, Mr. STUMP, and Mr. RUDD):

H.R. 4811. A bill to establish the San Pedro Riparian National Conservation Area in Cochise County, AZ, in order to assure the protection of the riparian, wildlife, archaeological, paleontological, scientific, cultural, educational, and recreational resources of the conservation area, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LIGHTFOOT:

H.R. 4812. A bill to prohibit the buying and selling of operating rights at high density traffic airports, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. LUKEN (for himself, Mr. FRANK, Mr. BLILEY, Mr. WHITEHURST, Mr. DARDEN, Mr. RANGEL, Mr. PACKARD, and Mr. HORTON):

H.R. 4813. A bill to amend section 552 of title 5, United States Code, to exempt from disclosure under the Freedom of Information Act certain information pertaining to members of the Armed Forces; to the Committee on Government Operations.

By Mr. SEIBERLING (for himself, Mr. UDALL, Mr. STRANG, Mr. VENTO, Mr. PASHAYAN, Mr. RICHARDSON, Mr. MORRISON of Washington, Mr. REID, Mr. STALLINGS, Mr. JEFFORDS, and Mr. HANSEN):

H.R. 4814. A bill entitled, the "Federal Land Exchange Facilitation Act of 1986"; jointly, to the Committees on Interior and Insular Affairs, and Agriculture.

By Mr. SHAW (for himself, Mr. LUNGREN, Mr. HUNTER, and Mr. GEKAS):

H.R. 4815. A bill to amend the Controlled Substances Act to provide the penalty of death for certain drug crimes; jointly, to the Committees on Energy and Commerce, and the Judiciary.

By Mr. SUNIA:

H.R. 4816. A bill to amend the "Joint resolution to provide for accepting, ratifying and confirming the cessions of certain islands of the Samoan group to the United States, and for other purposes"; jointly, to the Committees on Ways and Means, and Interior and Insular Affairs.

By Mr. WEISS (for himself, Mr. RINALDO, Mr. ACKERMAN, Mr. GUARINI, Mr. MCHUGH, Mr. OWENS, Mr. RANGEL, Mr. SCHEUER, Mr. SOLARZ, and Mr. TOWNS):

H.R. 4817. A bill to amend Public Law 99-190 to repeal the provision relating to the collection of tolls for motor vehicles on any bridge connecting the borough of Brooklyn, NY, and Staten Island, NY; to the Committee on Public Works and Transportation.

By Mr. TRAXLER:

H.R. 4818. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to increase the benefit payable with respect to the death of a public safety officer, and for other purposes; to the Committee on the Judiciary.

By Mr. MARKEY:

H.J. Res. 632. Joint resolution to designate the week beginning May 19, 1986, as "National Homelessness Awareness Week"; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

370. By the SPEAKER: Memorial of the General Assembly of the State of Illinois, relative to military bases in the State of Illinois; to the Committee on Armed Services.

371. Also, memorial of the General Assembly of the State of Colorado, relative to the Helsinki International Accords on Human Rights; to the Committee on Foreign Affairs.

372. Also, memorial of the General Assembly of the State of Colorado, relative to an amendment to the Constitution of the United States; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 467: Mr. TRAFICANT.

H.R. 468: Mr. TRAFICANT and Mr. SCHUETTE.

H.R. 620: Mr. KINDNESS.

H.R. 1059: Mr. COUGHLIN.

H.R. 1309: Mr. BIAGGI, Mr. YATRON, Mr. SOLARZ, Mr. WALGREN, Mr. OBERSTAR, Mr. WAXMAN, Mr. BORSKI, Mr. ACKERMAN, Mr. HORTON, Mrs. BOXER, and Mr. WEAVER.

H.R. 1705: Mr. BEDELL, Mr. MARTINEZ, and Mr. OBERSTAR.

H.R. 1917: Mr. CLAY, Mr. SIKORSKI, Mr. MADIGAN, Mr. BURTON of Indiana, Mr. VOLKMER, Mr. BILIRAKIS, and Mr. BATES.

H.R. 1946: Mr. AKAKA, Mr. LELAND, Mr. LIVINGSTON, Mr. MOORE, Mr. PASHAYAN, and Mr. SHAW.

H.R. 2708: Mr. DORNAN of California and Mrs. LONG.

H.R. 2840: Mr. ALEXANDER.

H.R. 3330: Mr. HUCKABY.

H.R. 3378: Mr. CHANDLER and Mr. FOLEY.

H.R. 3388: Mr. RINALDO and Mr. MCCURDY.

H.R. 3431: Mr. STAGGERS.

H.R. 3747: Mr. LOWRY of Washington.

H.R. 3886: Mr. MCCOLLUM, Mr. KOLBE, and Mr. PORTER.

H.R. 3894: Mr. KANJORSKI, Mr. ST GERMAIN, Mr. JACOBS, Mr. HANSEN, Mr. ROTH, Ms. OAKAR, Mr. DIOGUARDI, Mrs. KENNELLY, Mr. MONSON, Mr. NATCHER, Mr. HYDE, Mr. HAWKINS, Mr. WILSON, Mr. CLINGER, and Mr. YOUNG of Alaska.

H.R. 3898: Mr. DENNY SMITH, Mr. BEVILL, Mr. SCHEUER, Mr. WYDEN, Mr. SCHUMER, Mr. CROCKETT, Mr. BROWN of California, Mr. REID, Mr. AUCOIN, Mr. RIDGE, Mr. PORTER, Mr. LIPINSKI, Mr. LELAND, Mr. BONIOR of Michigan, Mr. VENTO, Mr. MRAZEK, Mr. RANGEL, Mr. GLICKMAN, and Mr. FROST.

H.R. 4003: Mr. JONES of North Carolina, Mr. MURPHY, and Mr. PEPPER.

H.R. 4014: Mr. HOYER and Ms. KAPTUR.

H.R. 4060: Mr. CARNEY, Mr. FUSTER, Mr. MACK, Mr. WHITLEY, Mr. BUSTAMANTE, Mr. LEVINE of California, Mr. BRUCE, Mr. STRANG, Mr. BEREUTER, Mr. MCHUGH, Mr. TAUKE, Mr. MACKAY, Mr. HYDE, Mr. YOUNG of Florida, Mr. DAUB, Mr. SWIFT, Mr. LATTA, Mr. SWINDALL, and Mr. MARTIN of New York.

H.R. 4067: Mr. BATEMAN and Mr. MCGRATH.

H.R. 4075: Mr. GILMAN and Mr. SAVAGE.

H.R. 4126: Mr. PACKARD.

H.R. 4278: Mr. SHAW.

H.R. 4279: Mr. SCHEUER, Mr. YATES, Mr. CROCKETT, Mr. HORTON, Mr. BLAZ, Mrs. BURTON of California, Mr. BONKER, Mr. DANNEMEYER, and Mr. FISH.

H.R. 4299: Mr. BLAZ, Mr. STANGELAND, Mr. ROWLAND of Georgia, Mr. RINALDO, Mr. KOLBE, and Mr. MCEWEN.

H.R. 4301: Mr. PACKARD, Mr. MARKEY, Mr. BOSCO, and Mr. TOWNS.

H.R. 4302: Mr. TAUKE.

H.R. 4303: Mr. QUILLEN.

H.R. 4308: Mr. TOWNS, Mr. HUGHES, Mr. FOGLIETTA, and Mr. BEVILL.

H.R. 4337: Mr. PACKARD, Mr. SMITH of Florida, Mr. DYSON, Mr. LAGOMARSINO, and Mr. RUDD.

H.R. 4344: Mr. FISH, Mr. ROBINSON, and Ms. OAKAR.

H.R. 4388: Mrs. BOGGS, Mr. DANIEL, Mr. WHITEHURST, Mr. LAGOMARSINO, Mr. UDALL, Mr. LIPINSKI, Mr. LIGHTFOOT, Mr. STENHOLM, Mr. HUTTO, Mr. HENDON, Mr. BURTON of Indiana, Mr. WHITTAKER, Mr. WORTLEY, Mr. LEWIS of Florida, Mr. BEREUTER, Mr. ROBINSON, Mr. VALENTINE, Mr. ACKERMAN, Mr. FRANK, Mr. PURSELL, and Mr. HORTON.

H.R. 4391: Mr. FIELDS, Mr. STANGELAND, Mr. MARKEY, and Mr. WORTLEY.

H.R. 4405: Mr. LIVINGSTON, Mr. SPENCE, and Mr. TAUZIN.

H.R. 4462: Mr. WATKINS.

H.R. 4463: Mr. CROCKETT, Mr. GEJDENSON, Mr. MITCHELL, Mr. VENTO, and Mr. STOKES.

H.R. 4478: Mr. DORNAN of California, Mr. MRAZEK, and Mr. LIPINSKI.

H.R. 4482: Mr. NICHOLS, Mr. SMITH of Florida, Mr. PORTER, Mr. TALLON, and Mr. COMBEST.

H.R. 4495: Mr. GINGRICH, Mr. HUNTER, Mr. MACK, Mr. CLINGER, Mr. BOEHLERT, and Mr. ARMEY.

H.R. 4519: Mr. WEBER, Mr. EVANS of Illinois, Mr. SENSENBRENNER, Mr. BEDELL, Mr. DARDEN, Mr. RIDGE, Mr. ECKART of Ohio, Mr. LEWIS of Florida, Mr. PENNY, Mr. NEAL, Mr. BONIOR of Michigan, and Mrs. BYRON.

H.R. 4520: Mr. WEBER, Mr. EVANS of Illinois, Mr. SENSENBRENNER, Mr. BEDELL, Mr. DARDEN, Mr. LEWIS of Florida, Mr. RIDGE, Mr. ECKART of Ohio, Mr. KOSTMAYER, Mr. NEAL, and Mr. BONIOR of Michigan.

H.R. 4523. Mr. BEILENSON, Mr. FAZIO, Mr. FISH, Mr. HENRY, and Mr. JEFFORDS.

H.R. 4524: Mr. FRANKLIN, Mrs. MARTIN of Illinois, and Mr. DYSON.

H.R. 4534: Mr. JONES of Oklahoma, Mr. BRUCE, Mr. COLEMAN of Missouri, and Mr. PURSELL.

H.R. 4545: Mr. RODINO, Ms. KAPTUR, Mr. OWENS, Mr. BATES, Mr. MARTINEZ, Mr. MATSUI, Mr. BORSKI, Mr. CLAY, Mr. WILLIAMS, and Mr. BUSTAMANTE.

H.R. 4558: Mr. WOLF, Mr. BUSTAMANTE, Mr. LAGOMARSINO, Mr. WHITEHURST, Mr. MONSON, Mr. LEWIS of Florida, and Mr. NIELSON of Utah.

H.R. 4567: Mr. STALLINGS.

H.R. 4621: Mr. SCHAEFER.

H.R. 4648: Mr. MATSUI.

H.R. 4682: Mr. BENNETT, Mr. DANNEMEYER, Mr. HERTEL of Michigan, Mr. CRANE, Mr. BEDELL, Mr. WALKER, Mr. DOWNEY of New York, Mr. CRAIG, Mr. LEVINE of California, Mr. DELAY, Mr. EVANS of Illinois, Mr. PORTER, Mr. WOLPE, Mr. DIOGUARDI, Mr. ECKART of Ohio, Mr. ROBERT F. SMITH, Mr. BATES, Mr. CHANDLER, Mr. SMITH of Florida, Mr. LIGHTFOOT, Mr. MORRISON of Connecticut, Mr. STRANG, Mrs. BOXER, Mr. SCHAEFER, Mr. BEILENSON, Mr. STENHOLM, Mr. GREEN, Mr. DYMALLY, Mrs. ROUKEMA, Mr. MARTINEZ, Mr. FISH, Mr. STARK, Mr. MILLER of Washington, Mr. STALLINGS, Mr. PEASE, Mr. BONIOR of Michigan, Mr. DWYER of New Jersey, Mr. KOLBE, Mr. ACKERMAN, and Mr. CHAPPIE.

H.R. 4700: Mr. SOLARZ, Mr. LAGOMARSINO, Mr. FRANK, Mr. GARCIA, Mr. LELAND, Mr. SOLOMON, Mr. EDWARDS of California, Mr. COURTER, Mr. DYMALLY, Mr. BARNES, Mr. REID, Mr. LEHMAN of Florida, Mr. LEVIN of Michigan, Mr. DIXON, Mr. MONSON, Mr. LUNDINE, Mrs. BOXER, Mr. BEREUTER, Mr. OBERSTAR, Mr. BATES, Mr. MINETA, Mr. JEFFORDS, Mr. WILSON, Mr. BLAZ, Mr. ECKART of

Ohio, Mr. MORRISON of Connecticut, Mr. EVANS of Illinois, Mr. FAUNTROY, Mr. KLECZKA, Mr. FORD of Michigan, Mr. SMITH of Florida, Mr. TAUKE, and Mr. FAZIO.

H.R. 4714: Mrs. SMITH of Nebraska and Mr. DAUB.

H.R. 4763: Mr. FRANK and Mr. HAYES.

H.R. 4794: Mr. GEPHARDT.

H.J. Res. 96: Mr. EDWARDS of Oklahoma and Mr. BILIRAKIS.

H.J. Res. 133: Mr. SHAW and Mr. FISH.

H.J. Res. 244: Mr. KOSTMAYER, Mr. MURPHY, and Mr. MCKINNEY.

H.J. Res. 356: Mr. BOLAND.

H.J. Res. 381: Mr. KILDEE and Mr. ANTHONY.

H.J. Res. 429: Mr. HERTEL of Michigan, Mr. COATS, Mr. PERKINS, Mr. BONIOR of Michigan, Mr. STENHOLM, Mr. JONES of North Carolina, Mr. TRAXLER, Mr. FISH, Mr. DICKINSON, Mr. BEVILL, Mr. UDALL, Mr. YOUNG of Alaska, Mr. SUNIA, Mr. TAUZIN, and Mr. MCCLOSKEY.

H.J. Res. 435: Mr. RODINO, Mr. BORSKI, Mr. BUSTAMANTE, Mr. DONNELLY, and Mr. LAFALCE.

H.J. Res. 484: Mr. SMITH of New Hampshire, Mr. BUSTAMANTE, Mr. RAHALL, Mr. PANETTA, Mr. LOWRY of Washington, Mr. SMITH of Florida, Mr. WILSON, Mr. FEIGHAN, Mr. FISH, Mr. BRYANT, and Mr. GARCIA.

H.J. Res. 498: Mr. FISH.

H.J. Res. 504: Mr. BROOKS, Mr. DEWINE, Mr. DYSON, Mr. PACKARD, Mr. PORTER, Mr. TORRICELLI, Mr. SAVAGE and Mr. LEVIN of Michigan.

H.J. Res. 549: Mr. AKAKA, Mr. DANIEL, Mr. MCDADE, Mr. CHANDLER, Mr. FUQUA, Mr. DE LUGO, Mr. DENNY SMITH, Mr. YOUNG of Alaska, Mr. BENNETT, Ms. OAKAR, Mr. LAGOMARSINO, Mr. SUNIA, Mr. LEWIS of Florida, Mr. SCHUMER, Mr. STRANG, Mr. DE LA GARZA, Mr. ROWLAND of Georgia, Mr. FUSTER, Mr. SMITH of Florida, Mr. LIPINSKI, Mr. KASICH, Mr. FRENZEL, Mr. BORSKI, Mr. HATCHER, Mr. YOUNG of Florida, Mr. MCKINNEY, Mr. VENTO, Mr. HUTTO, Mr. DAUB, Mrs. HOLT, Mr. CARNEY, Mr. ROE, Mr. CALLAHAN, Mr. BERMAN, Mr. CHAPPIE, Mr. VALENTINE, Mr. DYMALLY, Mr. LEWIS of California, Mr. LOWERY of California, Mr. MATSUI, Mr. COELHO, Mr. MARTINEZ, Mr. HAMMERSCHMIDT, Mr. BLAZ, Mr. FAWELL, Mr. HYDE, Mr. HUNTER, Mr. SAVAGE, Mr. BEDELL, Mr. EVANS of Illinois, Mr. MRAZEK, Mrs. BENTLEY, Mr. CONTE, Mr. CONYERS, Mr. VANDER JAGT, Mr. DOWDY of Mississippi, Mr. GALLO, Mr. HOWARD, Mr. RINALDO, Mr. WEBER, Mr. RICHARDSON, Mr. HENRY, Mr. DWYER of New Jersey, Mr. BOLAND, Mr. LUJAN, Mr. RODINO, Mr. TRAXLER, Mrs. ROUKEMA, Mr. REID, and Mr. CLAY.

H.J. Res. 552: Mr. GEJDENSON, Mr. DUNCAN, Mr. SABO, Mr. DIOGUARDI, Mr. ST GERMAIN, Mr. HAMMERSCHMIDT, Mr. FRANK, Mr. FRENZEL, Mr. OBERSTAR, Mr. WEBER, Mr. COBLE, Mr. MORRISON of Connecticut, Mr. CHAPPIE, Mr. MCKERNAN, Mr. BATES, Ms. SNOWE, Mr. WHEAT, Mr. COELHO, Mr. WOLF, Mr. CALLAHAN, and Mr. ROE.

H.J. Res. 555: Mr. ROE, Mr. ROE, Mr. TAUKE, Mr. TRAFICANT, Mr. BEVILL, Mr. MCKERNAN, and Mrs. BOXER.

H.J. Res. 577: Mr. RALPH M. HALL, Mr. FRENZEL, Mr. MARKEY, Mr. REID, Mr. WHITTAKER, Mr. DAUB, Mr. MINETA, Mrs. BOXER, Mr. PASHAYAN, Mr. HUNTER, Mr. O'BRIEN, and Mr. FOGLIETTA.

H.J. Res. 629: Mr. CHANDLER, Mr. STUMP, Mr. TALLON, Mr. CONTE, Mr. DE LUGO, Mr. HOPKINS, Mr. ORTIZ, Mr. BOUCHER, Mr. HENDON, Mr. SMITH of New Jersey, Mr. WILSON, Mr. TAUZIN, Mr. DAUB, Mr. VALENTINE, Mr. BURTON of Indiana, Mr. FRENZEL, Mr. RAHALL, Mr. CROCKETT, Mr. PRICE, Mr. FROST, Mr. LAGOMARSINO, Mr. FISH, Mr. OBERSTAR, Mr. LELAND, Mr. LUNGREN, Mr. MARTIN of New York, Mr. ATKINS, Mr. HUGHES, Mr. BILIRAKIS, Mr. PEPPER, Mr. IRELAND, Mr. TOWNS, Mr. WAXMAN, Mr. VANDER JAGT, Mr. LUJAN, Mr. TRAFICANT, Mr. DEWINE, Mr. MACK, Mr. MORRISON of Connecticut, Mr. KLECZKA, Mr. JENKINS, Mr. DORNAN of California, Mr. CARPER, Mr. HOWARD, Mr. GUARINI, Mr. FIELDS, Mr. FAUNTROY, Mr. CHAPPELL, Mr. DASCHLE, Mr. STENHOLM, and Mr. JONES of Tennessee.

H. Con. 26: Mr. MACKAY.

H. Con. Res. 121: Mr. GEJDENSON.

H. Con. Res. 127: Mr. BILIRAKIS, Mr. PENNY, Mr. DONNELLY, and Mr. HARTNETT.

H. Con. Res. 291: Mr. MOLLOHAN, Mr. MANTON, Mr. MINETA, Mr. OWENS, Mr. FUSTER, Mr. WOLF, Mr. WAXMAN, Mr. JEFFORDS, Mr. DWYER of New Jersey, Mr. BEILENSON, Mr. HORTON, and Mr. ROSE.

H. Con. Res. 299: Mr. LENT.

H. Con. Res. 310: Mr. GEPHARDT, Mr. CHENEY, Mr. MURTHA, and Mr. COBLE.

H. Con. Res. 311: Mr. PRICE, Mr. FUSTER, Mr. TOWNS, Mr. BUSTAMANTE, Mr. GRAY of Illinois, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. COELHO, Mr. DYMALLY, Mr. FAUNTROY, Mr. HORTON, and Mr. FAZIO.

H. Con. Res. 331: Mr. HAYES, Mr. HUTTO, Mr. KRAMER, and Mr. GALLO.

H. Res. 388: Mr. ROBINSON, Mr. HOYER, Mr. LEVINE of California, Mr. BROWN of California, Mr. WILSON, Mr. MCHUGH, Mr. MRAZEK, MR. HORTON, and Mr. WORTLEY.

H. Res. 409: Mr. BARNES, Mr. FISH, Mr. GILMAN, Mr. KILDEE, and Mr. WHITEHURST.

H. Res. 438: Mr. LENT, Mr. KOSTMAYER, Mr. LELAND, Mr. MURPHY, Mr. HENDON, Mr. LAGOMARSINO, Mr. DE LUGO, Mr. FRANK, Mrs. BOXER, Mr. RITTER, Ms. SNOWE, Mr. HORTON, Mr. BRUCE, Mr. ROBINSON, Mr. EVANS of Iowa, Mr. ARMEY, Mr. DREIER of California, Mr. MARTINEZ, Mr. LEVINE of California, Mr. HYDE, Mr. PENNY, Mr. DOWNEY of New York, Mr. PACKARD, Mr. DAUB, Mr. BUSTAMANTE, and Mr. FISH.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 4567: Mr. PURSELL.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

347. By the SPEAKER: Petition of the City Council of South Euclid, OH, relative to "Save American Industry/Jobs Day"; to the Committee on Post Office and Civil Service.

348. Also, petition of the Board of Education, District No. 116, Round Lake, IL, relative to portions of H.R. 3838; to the Committee on Ways on Means.

349. Also, petition of the Glenbard High School District, Glen Ellyn, IL, relative to portions of H.R. 3838; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R 1

By Mr. BARTLETT:

(Amendment to the amendment in the nature of a substitute (text of H.R. 4746).)

—Page 47, after line 2, insert the following new section (and redesignate the subsequent sections and any references to such sections, and conform the table of contents, accordingly):

SEC. 204. LIMITATION ON PUBLIC HOUSING DEVELOPMENT AND ASSURANCE OF PUBLIC HOUSING QUALITY STANDARDS.

Section 5 of the United States Housing Act of 1937 is amended by adding at the end the following new subsection:

"(j)(1) After the date of the enactment of the Housing Act of 1986, the Secretary may not make a funding reservation for a public housing agency for assistance in financing the development of public housing (other than for Indian families) unless—

"(A) the Secretary determines that additional amounts are required to complete the development of dwelling units for which amounts are obligated on or before such date:

"(B) the public housing agency certifies to the Secretary that 90 percent of the public housing dwelling units of such agency are maintained at levels at least equal to the housing quality standards established by the Secretary under section 8(o)(6); or

"(C) the Secretary determines that such development is required to replace dwelling units that are disposed of or demolished by the public housing agency.

"(2) Any budget authority that is provided in appropriation Acts before the date of the enactment of the Housing Act of 1986, and is prohibited from obligation by reason of the provisions of paragraph (1), is authorized to be made available by appropriation Acts for fiscal year 1986 or 1987 for comprehensive improvement assistance under section 14 or 20 (in addition to other budget authority provided for such purpose under subsection (c)) and to remain available until utilized.".

—At the end of the amendment, add the following new title (and conform the table of contents accordingly):

TITLE VI—ASSISTED HOUSING LIVABILITY IMPROVEMENTS

SEC. 601. RENT PHASE-IN.

Section 3 of the United States Housing Act of 1937 is amended by adding at the end the following new subsection:

"(d)(1) In any case in which the obtaining of employment by a resident of a dwelling unit assisted under this Act will result in an increase in the rent payable by the family of such resident under subsection (a), the public housing agency involved (or the Secretary, if no public housing agency is involved) may provide for a gradual increase in such rent to the full amount during a period of not more than 6 months.

"(2) For purposes of this subsection, the term 'employment' shall have such meaning as is determined to be appropriate by the public housing agency involved (or the Secretary, if no public housing agency is involved).".

SEC. 602. PORTABILITY OF SECTION 8 CERTIFICATES AND VOUCHERS.

Section 8 of the United States Housing Act of 1937 is amended by adding at the end the following new subsection:

"(q)(1) Any family assisted under subsection (b) or (o) may continue to receive such assistance when such family moves to another eligible dwelling unit—

"(A) if such dwelling unit is within the same metropolitan statistical area as the dwelling unit from which the family moves; and

"(B) notwithstanding that such dwelling unit is not within the area of jurisdiction of the public housing agency having jurisdiction in the area of the dwelling unit from which the family moves.

"(2) The public housing agency having authority with respect to the dwelling unit to which a family moves under this subsection shall have the responsibility of carrying out the provisions of this subsection with respect to such family. If no public housing agency has authority with respect to the dwelling unit to which a family moves under this subsection, the public housing agency having authority with respect to the dwelling unit from which the family moves shall have such responsibility.

"(3) In providing assistance under subsection (b) or (o) for any fiscal year, the Secretary shall give consideration to any reduction in the number of resident families incurred by a public housing agency in the preceding fiscal year as a result of the provisions of this subsection.

"(4) The provisions of this subsection may not be construed to restrict any authority of the Secretary under any other provision of law to provide for the portability of assistance under this section.".

SEC. 603. CONSTRUCTION AND MAINTENANCE COST RELIEF AND TENANT EMPLOYMENT.

(a) IN GENERAL.—Section 12 of the United States Housing Act of 1937 is amended—

(1) by striking "Any" after the section designation and inserting the following: "(a) Except as provided in subsection (b), any"; and

(2) by adding at the end the following new subsection:

"(b) (1) The provisions of subsection (a) with respect to laborers and mechanics employed in the development of any lower income housing project shall not apply to any contract entered into under section 14 or 20 if the public housing agency involved certifies that a majority of the workers employed in making the improvements will be tenants of the lower income housing project.

"(2) The provisions of subsection (a) with respect to maintenance laborers and mechanics employed in the operation of any lower income housing project shall not apply to any contract entered into under this Act if the public housing agency involved certifies that a majority of the workers employed in maintenance activities will be tenants of the lower income housing project.".

(b) APPLICABILITY.—The amendments made by this section shall not apply to wages paid under any construction or maintenance contract entered into, or for construction or maintenance work commenced, before the expiration of the 180-day period following the date of the enactment of this Act.

SEC. 604. PUBLIC HOUSING TENANT MANAGEMENT.

The United States Housing Act of 1937 (as amended by section 212 of this Act) is further amended by adding at the end the following new section:

"PUBLIC HOUSING RESIDENT MANAGEMENT

"SEC. 21. (a) PURPOSE.—The purpose of this section is to encourage increased resident management of public housing projects, and to improve existing living conditions in public housing projects, by providing increased flexibility for public housing projects that are managed by residents by—

"(1) giving a priority for comprehensive improvement assistance under section 14 or 20;

"(2) waiving certain statutory and regulatory requirements;

"(3) permitting the retention, and use for certain purposes, of any revenues exceeding operating and project costs; and

"(4) providing funding, from amounts otherwise available, for technical assistance to promote formation and development of resident management entities.

"(b) PROGRAM REQUIREMENTS.—

"(1) RESIDENT COUNCIL.—As a condition of entering into a resident management program, a majority of the adult residents of a public housing project shall approve the establishment of a resident council to determine the feasibility of establishing a resident management corporation to manage the project.

"(2) PUBLIC HOUSING MANAGEMENT SPECIALIST.—The resident council of a public housing project, in cooperation with the public housing agency, shall select a qualified public housing management specialist to assist in determining the feasibility of, and to help establish, a resident management corporation and to provide training in the daily operations of the project.

"(3) BONDING AND INSURANCE.—Before assuming any management responsibility for a public housing project, the resident management corporation shall provide fidelity bonding and insurance, or equivalent protection, in accordance with regulations and requirements of the Secretary and the public housing agency. Such bonding and insurance, or its equivalent, shall be adequate to protect the Secretary and the public housing agency against loss, theft, embezzlement, or fraudulent acts on the part of the resident management corporation or its employees.

"(4) MANAGEMENT RESPONSIBILITIES.—A resident management corporation that qualifies under this section, and that supplies insurance and bonding or equivalent protection sufficient to the Secretary and the public housing agency, may enter into a contract with the public housing agency establishing the respective management rights and responsibilities of the corporation and the public housing agency. Such contract may include specific terms governing management personnel, access to project records, submission of and adherence to budgets, rent collection procedures, tenant income verification, tenant eligibility determinations, tenant eviction, the acquisition of supplies and materials, and such other matters as may be appropriate.

"(5) ANNUAL AUDIT.—The books and records of a resident management corporation operating a public housing project shall be audited annually by a certified public accountant. A written report of each audit shall be forwarded to the public housing agency and the Secretary.

"(c) PRIORITY FOR COMPREHENSIVE IMPROVEMENT ASSISTANCE.—The Secretary shall issue regulations that provide public housing projects managed by resident management corporations with additional consideration in the allocation of comprehensive improvement assistance under section 14 or 20.

"(d) WAIVER OF FEDERAL REQUIREMENTS.—

"(1) IN GENERAL.—Upon the request of any resident management corporation, the Secretary may waive Federal requirements that the Secretary determines to unnecessarily increase the costs or restrict the income of a public housing project. Requirements that may be waived under this subsection shall include the applicability of section 12 to a public housing project, the applicability of minimum property standards prescribed by the Secretary (but only if local property standards are followed), and the applicability of any other operating or managerial requirement.

"(2) EXCEPTIONS.—The Secretary may not waive under this subsection any requirement with respect to income eligibility for purposes of section 16 or rental payments under section 3(a).

"(e) OPERATING SUBSIDY.—Notwithstanding any provision of section 9 or any regulation under such section, the operating subsidy for a project managed by a resident management corporation shall not be less than the public housing agency per unit monthly amount provided in the previous year as determined on an individual project basis. The operating subsidy amount established for such a project under this subsection may not be reduced during the 3-year period beginning on the date on which the resident management corporation first receives such an operating subsidy.

"(f) RESIDENT MANAGEMENT TECHNICAL ASSISTANCE AND TRAINING.—

"(1) FINANCIAL ASSISTANCE.—The Secretary may provide financial assistance to resident management corporations or resident councils that obtain, by contract or otherwise, technical assistance for the development of resident management entities, including the formation of such entities, the development of the management capability of newly formed or existing entities, the identification of the social support needs of residents of public housing projects, and the securing of such support.

"(2) LIMITATION ON ASSISTANCE.—The financial assistance provided under this subsection with respect to any public housing project may not exceed $100,000.

"(3) FUNDING.—Of the amounts available for financial assistance under section 14 or 20 for fiscal year 1987, the Secretary may use not more than $1,500,000 to carry out this subsection.".

SEC. 605. INCENTIVES FOR PUBLIC HOUSING AGENCY PERFORMANCE EFFICIENCY.

Section 9(a)(3) of the United States Housing Act of 1937 (as added by section 206 of this Act) is amended by adding at the end the following new subparagraph:

"(C) Under the performance funding system established under this paragraph (and notwithstanding any provision of subparagraph (B) to the contrary—

"(i) funds received by any public housing agency from sources other than tenant rents or other tenant payments, investment income, or income earned from commercial leases or receipts, including any amounts recovered through litigation, shall not be counted as income in computing the allowable subsidy nor shall prior receipt of any such funds affect the allowable expense level; and

"(ii) any revenues resulting from rental income or other income (including investment income) in excess of estimated revenues from such items may not be recaptured, used, or computed to reduce assistance provided under this section, unless such estimate—

"(I) was unreasonable according to regulations in effect when the estimate was made; or

"(II) was fraudulent and deceptive.".

SEC. 606. PROVISION OF ADEQUATE REPLACEMENT UNITS IN CASES OF DEMOLITION AND DISPOSITION.

Section 18(b) of the United States Housing Act of 1937 (as amended by section 210 of this Act) is further amended—

(A) by striking "and" at the end of paragraph (2);

(B) by striking the period at the end of paragraph (3) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(4) as an alternative to the requirements of paragraph (3), the public housing agency has developed a plan for the provision of other decent, safe, sanitary, and affordable housing to the tenants to be displaced as a result of the demolition or disposition.".

SEC. 607. PROHIBITION OF DENIAL OF SECTION 8 CERTIFICATES AND VOUCHERS TO RESIDENTS OF PUBLIC HOUSING.

Section 8 of the United States Housing Act of 1937 (as amended by section 602 of this Act) is further amended by adding at the end of following new subsection:

"(r) In selecting families for the provision of assistance under this section (including subsection (o)), a public housing agency may not consider whether a family resides in a public housing project.".

SEC. 608. TENANT RENTAL CONTRIBUTIONS.

(a) PUBLIC HOUSING ECONOMIC RENT.—Section 3(a) of the United States Housing Act of 1937 (as amended by section 202 of this Act) is further amended—

(1) in the second sentence, by inserting "or (3)" after "(2)"; and

(2) by adding at the end the following new paragraph:

"(3)(A) Any public housing agency may provide that each family residing in a public housing project owned and operated by such agency shall pay as monthly rent, for not more than a 5-year period, an amount determined by such agency to be appropriate that does not exceed a maximum amount that—

"(i) is established by such agency and approved by the Secretary;

"(ii) is not more than the amount payable as rent by such family under paragraph (1); and

"(iii) is not less than (I) the average monthly amount of debt service and operating expenses attributable to dwelling units of similar size in public housing projects owned and operated by such agency; or (II) the fair market rentals established in the housing area for dwelling units under section 8(b)(1).

"(B) In the event of any inconsistency between the provisions of this paragraph and paragraph (2), the provisions of this paragraph shall apply.".

(b) PUBLIC HOUSING MINIMUM RENT.—Section 3 of the United States Housing Act of 1937 (as amended by section 601 of this Act) is further amended by adding at the end the following new subsection:

"(e)(1) For purposes of enabling public housing agencies to provide for child care and tenant management for lower income housing projects, and notwithstanding the provisions of subsection (a), each public housing agency may require each family occupying a dwelling unit in a lower income housing project operated by such agency to pay a minimum monthly rent (including the amount of any utility payments by such family) for such dwelling unit. Such minimum monthly rent shall be established for all such families at a single amount, not exceeding $50, determined by the public housing agency involved to be appropriate.

"(2)(A) The minimum monthly rent established by any public housing agency under this subsection shall not apply to any elderly family or individual or any disabled or handicapped family or individual.

"(B) The minimum monthly rent established by any public housing agency under this subsection shall not apply to any family unless such family has, for the 2-year period immediately preceding the application of such minimum monthly rent, occupied a dwelling unit in a lower income housing project and paid less than the monthly minimum rent established by the public housing agency. Calculation of such 2-year period shall not include any day prior to the date of the enactment of the Housing Act of 1986.

"(3) Each public housing agency establishing a minimum monthly rent under this subsection shall establish procedures for the consideration of a request by any family for a waiver or reduction of such minimum monthly rent for such family on account of undue hardship. Such procedures shall provide—

"(A) for establishment of a tenant review board consisting of residents of the lower income housing project involved and selected by the residents of such project;

"(B) that each request for a waiver or reduction under this paragraph shall be considered and determined by such tenant review board, and such determination shall be binding upon the public housing agency; and

"(C) that any waiver or reduction under this paragraph shall be granted for not more than a 6-month period, except that any family granted a waiver or reduction under this paragraph shall not be precluded from requesting subsequent waivers or reductions.

"(4) Each public housing agency establishing a minimum monthly rent under this subsection shall utilize all revenues resulting from the charging of such rent for purposes of the development and operation of child care for the residents of, and the development of tenant management of, the lower income housing project involved.".

(c) CONFORMING AMENDMENT.—Section 9(a)(3)(C) of the United States Housing Act of 1937 (as added by section 605 of this Act) is amended—

(1) by striking "and" at the end of clause (i);

(2) by striking the period at the end of clause (ii) and inserting "; and"; and

(3) by adding at the end the following new clause:

"(iii) any revenues resulting from the charging of minimum monthly rents under section 3(e) shall not be computed in determining the amount of assistance to be made available to a public housing agency under this section.".

SEC. 609. DEREGULATION OF PUBLIC HOUSING AGENCIES.

Section 2 of the United States Housing Act of 1937 is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end the following new subsection:

"(b)(1) To encourage efficient and effective administration of public housing by public housing agencies, to increase the amount of responsibility of these agencies for administering their public housing, and to minimize Federal involvement in the administration of public housing, the Secretary shall, whenever feasible, permit public housing agencies to carry out activities involved in the administration of public housing projects without prior review or approval by the Secretary.

"(2) The provisions of paragraph (1) shall not apply if—

"(A) the Secretary determines that there is a reasonable basis to conclude that prior review and approval of 1 or more specific activities is necessary to ensure efficient and effective conduct of the activity throughout the program;

"(B) the Secretary determines that there is a reasonable basis to conclude that prior review and approval is necessary with respect to a particular public housing agency due to such factors as its inexperience or poor performance in carrying out the same or related activities; or

"(C) prior review or approval by the Secretary is required by law.".

H.R. 1

By Mrs. BURTON of California:

(Amendment to the amendment in the nature of a substitute (text of H.R. 4672l).

—Page 66, after line 9, insert the following new section (and conform the table of contents accordingly):

SEC. 245. PROCEDURES AND POLICIES FOR MANDATORY MEALS PROGRAMS IN ASSISTED HOUSING FOR THE ELDERLY.

(a) IN GENERAL.—The Secretary of Housing and Urban Development, in consultation with owners, managers, and tenants of housing projects for the elderly that are assisted under section 202 of the Housing Act of 1959, section 236 of the National Housing Act, and section 8 of the United States Housing Act of 1937 and that have mandatory meals programs, shall develop and implement within 1 year following the date of the enactment of this Act procedures and policies governing the operation of such programs to facilitate the sound and equitable administration of all such programs and to ensure that meals provided under such programs are at the least possible cost to all tenants.

(b) SPECIFIC REQUIREMENTS.—Procedures and policies prescribed by the Secretary under subsection (a) shall include rules to—

(1) require sponsors of mandatory meals programs to accept food stamps toward payment for meals;

(2) require, when the lease is renewed or within 12 months of the date of the enactment of this Act, whichever occurs earlier, the contract for any meals service to be separate from the lease for the housing unit and to prohibit the eviction of any tenant for nonpayment of the meals service contract;

(3) require exceptions from participation in mandatory meals programs where such programs cannot satisfactorily accommodate the special dietary or health needs of a tenant, as certified by the tenant's physician, or the special diet or food practice tenets of a tenant's religion, or where such programs substantially interfere with a tenant's employment;

(4) require sponsors of mandatory meals programs to provide refunds or otherwise excuse tenants from payment for meals not eaten during periods of temporary absence from a housing facility due to confinement in a hospital, nursing home, or other health care of rehabilitative facility, or, where prior notification is provided to the sponsor by tenants, during periods of extended absence from the facility;

(5) encourage sponsors of mandatory meal programs to make meals available to tenants who are confined to units within the

facility due to illness or other temporary incapacitation that prevents participation in congregate dining or otherwise to compensate tenants for meals not eaten during such temporary incapacitation; and

(6) prohibit sponsors of mandatory meal programs from requiring payment for more than 1 meal for any day.

(c) LIMIT ON TENANT PAYMENTS.—

(1) IN GENERAL.—The Secretary shall prescribe rules requiring sponsors of mandatory meals programs to exempt from participation in such programs tenants for whom participation in such programs constitutes an unbearable financial hardship, or to provide such tenants with financial assistance toward the cost of participation in such programs.

(2) DETERMINATION OF FINANCIAL HARDSHIP.—In determining unbearable financial hardship under paragraph (1), the Secretary shall take into consideration the cost to tenants of meals not covered by the program and other necessary living costs remaining after payment of charges for the mandatory meals program.

(d) STUDY.—

(1) For purposes of facilitating congressional consideration of the appropriateness of mandatory meals programs in assisted housing projects for the elderly. The Secretary shall conduct a study reviewing the operation of mandatory meals programs and actions of the Department of Housing and Urban Development implementing the provisions of this section. The Secretary shall complete such study, and submit to the Congress a report setting forth the findings and conclusions of the Secretary as a result of such study, by not later than the expiration of the 18-month period following the date of the enactment of this Act.

(2)(A) As part of the study required in this subsection, the Secretary shall require each owner of an assisted housing project for the elderly with respect to which funds for assistance are reserved by the Secretary on or before the date of the enactment of this Act and that has a mandatory meals program—

(i) to review the cost effectiveness and quality of such mandatory meals program;

(ii) to consider whether a voluntary meals program is financially feasible (taking into consideration the resources available from the Federal Government, States, localities, and private entities) and in the best interest of the tenants of the housing project; and

(iii) not later than 1 year after the date of the enactment of this Act, to submit to the Secretary a report setting forth the findings of such owner under clauses (i) and (ii).

(B) Each owner subject to subparagraph (A) shall carry out the requirements under such subparagraph is consultation with the manager and tenants of the housing project (including tenants preferring voluntary and mandatory meals programs) and in compliance with criteria prescribed by the Secretary.

(3) The report required in this subsection shall include the information provided by project owners under paragraph (2) and additional information with respect to—

(A) the cost effectiveness of mandatory meals programs in comparison to meals programs offered on a voluntary basis;

(B) the benefits to tenants provided by participation in mandatory or voluntary meals programs;

(c) the extent of compliance among sponsors of mandatory meals programs with rules required by this section;

(D) the extent to which tenants of assisted housing projects with mandatory meals programs have participated in such programs against their wishes due to limited availability of alternative assisted housing projects for the elderly;

(E) the availability of funding under the Congregate Housing Services Act of 1965, title III of the Older Americans Act of 1965, or other Federal programs for facilitating the conversion of current mandatory meals programs to voluntary participation by tenants; and

(F) the various program designs and funding sources used to establish voluntary and mandatory meals programs.

(e) MORATORIUM OF NEW MANDATORY MEAL PROGRAMS.—During the 30-month period following the date of the enactment of this Act, the Secretary—

(1) shall permit the establishment of only voluntary meals programs in assisted housing projects for the elderly with respect to which funds for assistance are reserved by the Secretary after the date of the enactment of this Act; and

(2) shall not permit the conversion of a voluntary meals program, in existence as of the date of the enactment of this Act, to a mandatory meals program.

(f) DEFINITIONS.—For purposes of this section:

(1) The term "elderly" means any individual who is not less than 62 years of age or any family the head of which (or whose spouse) is not less than 62 years of age.

(2) The term "Secretary" means the Secretary of Housing and Urban Development.

(Amendment to the amendment in the nature of a substitute offered by Mr. WYLIE of Ohio (text of H.R. 4757).)

—Page 77, after line 6, insert the following new section (and conform the table of contents accordingly):

SEC. 224. PROCEDURES AND POLICIES FOR MANDATORY MEALS PROGRAMS IN ASSISTED HOUSING FOR THE ELDERLY.

(a) IN GENERAL.—The Secretary of Housing and Urban Development, in consultation with owners, managers, and tenants of housing projects for the elderly that are assisted under section 202 of the Housing Act of 1959, section 236 of the National Housing Act, and section 8 of the United States Housing Act of 1937 and that have mandatory meals programs, shall develop and implement within 1 year following the date of the enactment of this Act procedures and policies governing the operation of such programs to facilitate the sound and equitable administration of all such programs and to ensure that meals provided under such programs are at the least possible cost to all tenants.

(b) SPECIFIC REQUIREMENTS.—Procedures and policies prescribed by the Secretary under subsection (a) shall include rules to—

(1) require sponsors of mandatory meals programs to accept food stamps toward payment for meals;

(2) require, when the lease is renewed or within 12 months of the date of the enactment of this Act, whichever occurs earlier, the contract for any meals service to be separate from the lease for the housing unit and to prohibit the eviction of any tenant for nonpayment of the meals service contract;

(3) require exceptions from participation in mandatory meals programs where such programs cannot satisfactorily accommodate the special dietary or health needs of a tenant, as certified by the tenant's physician, or the special diet or food practice tenets of a tenant's religion, or where such programs substantially interfere with a tenent's employment;

(4) require sponsors of mandatory meals programs to provide refunds or otherwise excuse tenants from payment for meals not eaten during periods of temporary absence from a housing facility due to confinement in a hospital, nursing home, or other health care or rehabilitative facility, or, where prior notification is provided to the sponsor by tenants, during periods of extended absence from the facility;

(5) encourage sponsors of mandatory meal programs to make meals available to tenants who are confined to units within the facility due to illness or other temporary incapacitation that prevents participation in congregate dining or otherwise to compensate tenants for meals not eaten during such temporary incapacitation; and

(6) prohibit sponsors of mandatory meal programs from requiring payment for more than 1 meal for any day.

(c) LIMIT ON TENANT PAYMENTS.—

(1) IN GENERAL.—The Secretary shall prescribe rules requiring sponsors of mandatory meals programs to exempt from participation in such programs tenants for whom participation in such programs constitutes an unbearable financial hardship, or to provide such tenants with financial assistance toward the cost of participation in such programs.

(2) DETERMINATION OF FINANCIAL HARDSHIP.—In determining unbearable financial hardship under paragraph (1), the Secretary shall take into consideration the cost to tenants of meals not covered by the program and other necessary living costs remaining after payment of charges for the mandatory meals program.

(d) STUDY.—

(1) For purposes of facilitating congressional consideration of the appropriateness of mandatory meals programs in assisted housing projects for elderly, the Secretary shall conduct a study reviewing the operation of mandatory meals programs and actions of the Department of Housing and Urban Development implementing the provisions of this section. The Secretary shall complete such study, and submit to the Congress a report setting forth the findings and conclusions of the Secretary as a result of such study, by not later than the expiration of the 18-month period following the date of the enactment of this Act.

(2)(A) As part of the study required in this subsection, the Secretary shall require each owner of an assisted housing project for the elderly with respect to which funds for assistance are reserved by the Secretary on or before the date of the enactment of this Act and that has a mandatory meals program—

(i) to review the cost effectiveness and quality of such mandatory meals program;

(ii) to consider whether a voluntary meals program is financially feasible (taking into consideration the resources available from the Federal Government, States, localities, and private entities) and in the best interest of the tenants of the housing project; and

(iii) not later than 1 year after the date of the enactment of this Act, to submit to the Secretary a report setting forth the findings of such owner under clauses (i) and (ii).

(B) Each owner subject to subparagraph (A) shall carry out the requirements under such subparagraph in consultation with the manager and tenants of the housing project (including tenants preferring voluntary and mandatory meals programs) and in compliance with criteria prescribed by the Secretary.

(3) The report required in this subsection shall include the information provided by project owners under paragraph (2) and additional information with respect to—

(A) the cost effectiveness of mandatory meals programs in comparison to meals programs offered on a voluntary basis;

(B) the benefits to tenants provided by participation in mandatory or voluntary meals programs;

(C) the extent of compliance among sponsors of mandatory meals programs with rules required by this section;

(D) the extent to which tenants of assisted housing projects with mandatory meals programs have participated in such programs against their wishes due to limited availability of alternative assisted housing projects for the elderly;

(E) the availability of funding under the Congregate Housing Services Act of 1965, title III of the Older Americans Act of 1965, or other Federal programs for facilitating the conversion of current mandatory meals programs to voluntary participation by tenants; and

(F) the various program designs and funding sources used to establish voluntary and mandatory meals programs.

(e) MORATORIUM ON NEW MANDATORY MEAL PROGRAMS.—During the 30-month period following the date of the enactment of this Act, the Secretary—

(1) shall permit the establishment of only voluntary meals programs in assisted housing projects for the elderly with respect to which funds for assistance are reserved by the Secretary after the date of the enactment of this Act; and

(2) shall not permit the conversion of a voluntary meals program, in existence as of the date of the enactment of this Act, to a mandatory meals program.

(f) DEFINITIONS.—For purposes of this section:

(1) The term "elderly" means any individual who is not less than 62 years of age or any family the head of which (or whose spouse) is not less than 62 years of age.

(2) The term "Secretary" means the Secretary of Housing and Urban Development.

H.R. 1

By Mr. ST. GERMAIN:

(Amendment to the amendment in the nature of a substitute (text of H.R. 4746).)

—Page 38, after the period on line 17, insert the following language: "The regulations governing testing conducted by private organizations shall contain measures deemed by the Secretary necessary to ensure that all such testing is objective, reliable and controlled. These regulations should guarantee the credibility and probative value of testing evidence and preclude, to the extent possible without infringing on rights and remedies provided by federal fair housing law, the misuse of the funds provided under this section. No such testing shall be funded under this subsection unless preceeded by an allegation of a discriminatory housing practice made by a person not employed or affiliated with the organization conducting the test.".

H.R. 1

By Mrs. SMITH of Nebraska:

(Amendment to the amendment in the nature of a substitute (text of H.R. 4746).)

—Page 93, after line 9, insert the following new section (and conform the table of contents accordingly):

SEC. 305. DEFINITION OF VERY LOW-INOME FAMILIES.

Section 501(b)(4) of the Housing Act of 1949 (as amended by section 302 of this Act) is further amended by adding at the end the following new sentence: "For purposes of assistance under section 502, the term 'very low-income families or persons' means families and persons whose incomes do not exceed the applicable level established pursuant to the preceding sentences, or 50 percent of the statewide nonmetropolitan median income (as determined and adjusted by the Secretary of Housing and Urban Development in consultation with the Secretary of Agriculture), whichever amount is higher.".

H. CON. RES. 337

By Mr. DANNEMEYER:

(Amendment in the nature of a substitute.)

—Strike everything after the resolving clause and insert in lieu thereof the following:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1986, October 1, 1987, and October 1, 1988:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1987: $630,600,000,000.
Fiscal year 1988: $678,200,000,000.
Fiscal year 1989: $727,300,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1987: $0.
Fiscal year 1988: $0.
Fiscal year 1989: $0.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1987: $871,764,000,000.
Fiscal year 1988: $859,330,000,000.
Fiscal year 1989: $913,196,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1987: $771,136,000,000.
Fiscal year 1988: $752,463,000,000.
Fiscal year 1989: $799,228,000,000.

(4)(A) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1987: $140,536,000,000.
Fiscal year 1988: $74,263,000,000.
Fiscal year 1989: $71,928,000,000.

(B) For purposes of the maximum deficit amount mandated by the Balanced Budget and Emergency Deficit Control Act of 1985 and section 301(i) of the Congressional Budget Act of 1974 only, the appropriate levels of total new budget authority, budget outlays, Federal revenues, and deficits, including receipts and disbursements of the Federal Old-Age and Survivors Trust Fund and the Federal Disability Trust Fund, are as follows:

New budget authority:
Fiscal year 1987: $1,086,794,000,000.
Fiscal year 1988: $1,104,556,000,000.
Fiscal year 1989: $1,180,760,000,000.
Outlays:
Fiscal year 1987: $971,117,000,000.
Fiscal year 1988: $967,241,000,000.
Fiscal year 1989: $1,027,612,000,000.
Revenues:
Fiscal year 1987: $844,000,000,000.
Fiscal year 1988: $918,100,000,000.
Fiscal year 1989: $987,400,000,000.
Deficit:
Fiscal year 1987: $127,117,000,000.
Fiscal year 1988: $49,141,000,000.
Fiscal year 1989: $40,212,000,000

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1987: $2,319,600,000,000.
Fiscal year 1988: $2,516,900,000,000.
Fiscal year 1989: $2,685,100,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1986, October 1, 1987, and October 1, 1988, are as follows:

Fiscal year 1987:
(A) New direct loan obligations, $30,510,000,000.
(B) New primary loan guarantee commitments, $79,765,000,000.
(C) New secondary loan guarantee commitments, $55,357,000,000.
Fiscal year 1988:
(A) New direct loan obligations, $27,961,000,000.
(B) New primary loan guarantee commitments, $81,701,000,000.
(C) New secondary loan guarantee commitments, $51,875,000,000.
Fiscal year 1989:
(A) New direct loan obligations, $24,746,000,000.
(B) New primary loan guarantee commitments, $83,340,000,000.
(C) New secondary loan guarantee commitments, $52,632,000,000.

(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new loan guarantee commitments for fiscal year 1987 through 1989 for each major functional category are:

(1) National Defense (050):
Fiscal year 1987:
(A) New budget authority, $320,340,000,000.
(B) Outlays, $282,238,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authortiy, $341,572,000,000.
(B) Outlays, $299,129,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $363,229,000,000.
(B) Outlays $322,282,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

(2) International Affairs (150):
Fiscal year 1987:
(A) New budget authority, $20,217,000,000.
(B) Outlays, $15,294,000,000.
(C) New direct loan obligations, $8,087,000,000.
(D) New primary loan guarantee commitments, $12,150,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $20,791,000,000.
(B) Outlays, $15,782,000,000.
(C) New direct loan obligations, $8,221,000,000.
(D) New primary loan guarantee commitments, $12,150,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1989:
(A) New budget authority, $24,367,000,000.
(B) Outlays, $15,840,000,000.
(C) New direct loan obligations, $8,335,000,000.
(D) New primary loan guarantee commitments, $12,000,000,000.
(E) New secondary loan guarantee commitments, $0.
(3) General Science, Space, and Technology (250):
Fiscal year 1987:
(A) New budget authority, $9,285,000,000.
(B) Outlays, $9,070,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $9,722,000,000.
(B) Outlays, $9,435,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $10,189,000,000.
(B) Outlays, $9,859,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(4) Energy (270):
Fiscal year 1987:
(A) New budget authority, $5,178,000,000.
(B) Outlays, $5,198,000,000.
(C) New direct loan obligations, $2,506,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $5,707,000,000.
(B) Outlays, $5,264,000,000.
(C) New direct loan obligations, $2,025,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $6,021,000,000.
(B) Outlays, $5,250,000,000.
(C) New direct loan obligations, $1,657,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1987:
(A) New budget authority, $12,956,000,000.
(B) Outlays, $13,065,000,000.
(C) New direct loan obligations, $48,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $13,303,000,000.
(B) Outlays, $13,145,000,000.
(C) New direct loan obligations, $37,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $13,723,000,000.
(B) Outlays, $13,511,000,000.
(C) New direct loan obligations, $42,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1987:
(A) New budget authority, $23,937,000,000.
(B) Outlays, $23,683,000,000.
(C) New direct loan obligations, $13,023,000,000.
(D) New primary loan guarantee commitments, $5,500,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $26,482,000,000.
(B) Outlays, $25,227,000,000.
(C) New direct loan obligations, $11,940,000,000.
(D) New primary loan guarantee commitments, $6,000,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $25,619,000,000.
(B) Outlays, $21,852,000,000.
(C) New direct loan obligations, $9,812,000,000.
(D) New primary loan guarantee commitments, $6,500,000,000.
(E) New secondary loan guarantee commitments, $0.
(7) Commerce and Housing Credit (370):
Fiscal year 1987:
(A) New budget authority, $10,852,000,000.
(B) Outlays, $4,655,000,000.
(C) New direct loan obligations, $1,790,000,000.
(D) New primary loan guarantee commitments, $37,514,000,000.
(E) New secondary loan guarantee commitments, $55,357,000,000.
Fiscal year 1988:
(A) New budget authority, $11,257,000,000.
(B) Outlays, $7,077,000,000.
(C) New direct loan obligations, $1,613,000,000.
(D) New primary loan guarantee commitments, $37,442,000,000.
(E) New secondary loan guarantee commitments, $51,875,000,000.
Fiscal year 1989:
(A) New budget authority, $9,405,000,000.
(B) Outlays, $3,061,000,000.
(C) New direct loan obligations, $1,481,000,000.
(D) New primary loan guarantee commitments, $37,392,000,000.
(E) New secondary loan guarantee commitments, $52,632,000,000.
(8) Transportation (400):
Fiscal year 1987:
(A) New budget authority, $29,107,000,000.
(B) Outlays, $27,381,000,000.
(C) New direct loan obligations, $168,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $29,749,000,000.
(B) Outlays, $27,358,000,000.
(C) New direct loan obligations, $87,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $30,577,000,000.
(B) Outlays, $28,066,000,000.
(C) New direct loan obligations, $65,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1987:
(A) New budget authority, $7,023,000,000.
(B) Outlays, $7,679,000,000.
(C) New direct loan obligations, $430,000,000.
(D) New primary loan guarantee commitments, $30,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $8,390,000,000.
(B) Outlays, $7,844,000,000.
(C) New direct loan obligations, $122,000,000.
(D) New primary loan guarantee commitments, $25,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $8,467,000,000.
(B) Outlays, $7,953,000,000.
(C) New direct loan obligations, $72,000,000.
(D) New primary loan guarantee commitments, $20,000,000.
(E) New secondary loan guarantee commitments, $0.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1987:
(A) New budget authority, $32,087,000,000.
(B) Outlays, $31,023,000,000.
(C) New direct loan obligations, $1,567,000,000.
(D) New primary loan guarantee commitments, $9,756,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $33,531,000,000.
(B) Outlays, $32,364,000,000.
(C) New direct loan obligations, $1,716,000,000.
(D) New primary loan guarantee commitments, $11,420,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $34,922,000,000.
(B) Outlays, $33,630,000,000.
(C) New direct loan obligations, $1,806,000,000.
(D) New primary loan guarantee commitments, $12,888,000,000.
(E) New secondary loan guarantee commitments, $0.
(11) Health (550):
Fiscal year 1987:
(A) New budget authority, $38,404,000,000.
(B) Outlays, $33,527,000,000.
(C) New direct loan obligations, $3,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $41,016,000,000.
(B) Outlays, $40,865,000,000.
(C) New direct loan obligations, $3,000,000.
(D) New primary loan guarantee commitments, $100,000,000.

(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $43,628,000,000.
(B) Oulays, $43,246,000,000.
(C) New direct loan obligations, $3,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
(E) New secondary loan guarantee commitments, $0.
(12) Medical Insurance (570):
Fiscal year 1987:
(A) New budget authority, $83,573,000,000.
(B) Outlays, $75,252,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $92,236,000,000.
(B) Outlays, $84,645,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $102,052,000,000.
(B) Outlays, $94,772,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1987:
(A) New budget authority, $163,919,000,000.
(B) Outlays, $124,082,000,000.
(C) New direct loan obligations, $1,722,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $171,553,000,000.
(B) Outlays, $130,560,000,000.
(C) New direct loan obligations, $1,124,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $176,415,000,000.
(B) Outlays, $135,226,000,000.
(C) New direct loan obligations, $488,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1987:
(A) New budget authority, $5,522,000,000.
(B) Outlays, $5,522,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $6,156,000,000.
(B) Outlays, $6,156,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $6,864,000,000.
(B) Outlays, $6,864,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1987:
(A) New budget authority, $27,618,000,000.
(B) Outlays, $27,020,000,000.
(C) New direct loan obligations, $1,166,000,000.
(D) New primary loan guarantee commitments, $14,715,000,000.
(E) New secondary loan guarantee commitment, $0.
Fiscal year 1988:
(A) New budget authority, $28,245,000,000.
(B) Outlays, $27,770,000,000.
(C) New direct loan obligations, $1,073,000,000.
(D) New primary loan guarantee commitments, $14,564,000,000.
(E) New secondary loan guarantee commitment, $0.
Fiscal year 1989:
(A) New budget authority, $28,545,000,000.
(B) Outlays, $28,124,000,000.
(C) New direct loan obligations, $985,000,000.
(D) New primary loan guarantee commitments, $14,440,000,000.
(E) New secondary loan guarantee commitment, $0.
(16) Administration of Justice (750):
Fiscal year 1987:
(A) New budget authority, $6,936,000,000.
(B) Outlays, $7,004,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitment, $0.
Fiscal year 1988:
(A) New budget authority, $7,116,000,000.
(B) Outlays, $7,145,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New seconday loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $7,176,000,000.
(B) Outlays, $7,261,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1987:
(A) New budget authority, $5,737,000,000.
(B) Outlays, $5,706,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $5,909,000,000.
(B) Outlays, $5,915,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $5,854,000,000.
(B) Outlays, $5,916,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(18) General Purpose Fiscal Assistance (850):
Fiscal year 1987:
(A) New budget authority, $6,561,000,000.
(B) Outlays, $6,177,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $6,610,000,000.
(B) Outlays, $6,609,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $6,674,000,000.
(B) Outlays, $6,673,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(19) Net Interest (900):
Fiscal year 1987:
(A) New budget authority, $91,300,000,000.
(B) Outlays, $91,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $31,400,000,000.
(B) Outlays, $31,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $39,000,000,000.
(B) Outlays, $39,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(20) Allowances (920):
Fiscal year 1987:
(A) New budget authority, $1,048,000,000.
(B) Outlays, $1,096,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $2,996,000,000.
(B) Outlays, $3,184,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $5,128,000,000.
(B) Outlays, $5,501,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 1987:
(A) New budget authority, $-35,898,000,000.
(B) Outlays, $-35,898,000,000.

(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $-39,756,000,000.
(B) Outlays, $-39,756,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $-41,103,000,000.
(B) Outlays, $-41,103,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

H. CON. RES. 337

By Mr. LELAND:

—Strike out all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1987 is established and the appropriate budgetary levels for fiscal years 1988 and 1989 are set forth.

(a) The following levels and amounts are set forth for purposes of determining, in accordance with seciton 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded:

(1) The recommended levels of Federal revenues are as follows:
Fiscal year 1987: $868,100,000,000.
Fiscal year 1988: $955,000,000,000.
Fiscal year 1989: $1,024,800,000,000.

(2) The appropriate levels of total new budget authority are as follows:
Fiscal year 1987: $1,088,670,000,000.
Fiscal year 1988: $1,155,960,000,000.
Fiscal year 1989: $1,206,300,000,000.

(3) The appropriate levels of total budget outlays are as follows:
Fiscal year 1987: $1,011,910,000,000.
Fiscal year 1988: $1,058,220,000,000.
Fiscal year 1989: $1,087,380,000,000.

(4) The amounts of the deficits are as follows:
Fiscal year 1987: $143,810,000,000.
Fiscal year 1988: $103,220,000,000.
Fiscal year 1989: $62,580,000,000.

(b) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1986, October 1, 1987, and October 1, 1988:

(1) The recommended levels of Federal revenues are as follows:
Fiscal year 1987: $654,700,000,000.
Fiscal year 1988: $714,300,000,000.
Fiscal year 1989: $763,600,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:
Fiscal year 1987: $14,890,000,000.
Fiscal year 1988: $25,470,000,000.
Fiscal year 1989: $29,840,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:
Fiscal year 1987: $55,700,000,000.
Fiscal year 1988: $60,150,000,000.
Fiscal year 1989: $64,250,000,000.

(2) The appropriate levels of total new budget authority are as follows:
Fiscal year 1987: $875,320,000,000.
Fiscal year 1988: $909,180,000,000.
Fiscal year 1989: $1,022,310,000,000.

(3) The appropriate levels of total budget outlays are as follows:
Fiscal year 1987: $813,590,000,000.
Fiscal year 1988: $847,770,000,000.
Fiscal year 1989: $865,440,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:
Fiscal year 1987: $158,890,000,000.
Fiscal year 1988: $133,470,000,000.
Fiscal year 1989: $101,840,000,000.

(5) The appropriate levels of the public debt are as follows:
Fiscal year 1987: $2,319,600,000,000.
Fiscal year 1988: $2,516,900,000,000.
Fiscal year 1989: $2,685,100,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1986, October 1, 1987, and October 1, 1988, are as follows:
Fiscal year 1987:
(A) New direct loan obligations, $34,250,000,000.
(B) New primary loan guarantee commitments, $85,400,000,000.
Fiscal year 1988:
(A) New direct loan obligations, $32,250,000,000.
(B) New primary loan guarantee commitments, $87,300,000,000.
Fiscal year 1989:
(A) New direct loan obligations, $30,600,000,000.
(B) New primary loan guarantee commitments, $87,650,000,000.

(c) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1987 through 1989 for each major functional category are:

(1) National Defense (050):
Fiscal year 1987:
(A) New budget authority, $255,390,000,000.
(B) Outlays, $264,960,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $259,980,000,000.
(B) Outlays, $261,660,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $264,730,000.
(B) Outlays, $260,390,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(2) International Affairs (150):
Fiscal year 1987:
(A) New budget authority, $20,180,000,000.
(B) Outlays, $13,950,000,000.
(C) New direct loan obligations, $7,150,000,000.
(D) New primary loan guarantee commitments, $11,400,000,000.
Fiscal year 1988:
(A) New budget authority, $20,790,000,000.
(B) Outlays, $14,860,000,000.
(C) New direct loan obligations, $7,100,000,000.
(D) New primary loan guarantee commitments, $11,400,000,000.
Fiscal year 1989:
(A) New budget authority, $24,340,000,000.
(B) Outlays, $15,220,000,000.
(C) New direct loan obligations, $7,100,000,000.
(D) New primary loan guarantee commitments, $11,400,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1987:
(A) New budget authority, $9,450,000,000.
(B) Outlays, $9,190,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $9,960,000,000.
(B) Outlays, $9,280,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $11,030,000,000.
(B) Outlays, $10,160,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(4) Energy (270):
Fiscal year 1987:
(A) New budget authority, $4,760,000,000.
(B) Outlays, $4,740,000,000.
(C) New direct loan obligations, $1,950,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $5,710,000,000.
(B) Outlays, $5,270,000,000.
(C) New direct loan obligations, $1,950,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $6,020,000,000.
(B) Outlays, $5,250,000,000.
(C) New direct loan obligations, $1,950,000,000.
(D) New primary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):
Fiscal year 1987:
(A) New budget authority, $12,900,000,000.
(B) Outlays, $12,740,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $13,320,000,000.
(B) Outlays, $14,100,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $13,750,000,000.
(B) Outlays, $13,930,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.

(6) Agriculture (350):
Fiscal year 1987:
(A) New budget authority, $23,770,000,000.
(B) Outlays, $23,170,000,000.
(C) New direct loan obligations, $14,300,000,000.
(D) New primary loan guarantee commitments, $8,000,000.
Fiscal year 1988:
(A) New budget authority, $25,210,000,000.
(B) Outlays, $23,610,000,000.

(C) New direct loan obligations, $12,100,000,000.
(D) New primary loan guarantee commitments, $8,500,000,000.
Fiscal year 1989:
(A) New budget authority, $24,310,000,000.
(B) Outlays $20,090,000,000.
(C) New direct loan obligations, $11,350,000,000.
(D) New primary loan guarantee commitments, $8,650,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1987:
(A) New budget authority, $10,890,000,000.
(B) Outlays, $3,980,000,000.
(C) New direct loan obligations, $4,450,000,000.
(D) New primary loan guarantee commitments, $38,750,000,000.
Fiscal year 1988:
(A) New budget authority, $11,300,000,000.
(B) Outlays, $5,310,000,000.
(C) New direct loan obligations, $4,600,000,000.
(D) New primary loan guarantee commitments, $39,100,000,000.
Fiscal year 1989:
(A) New budget authority, $9,450,000,000.
(B) Outlays, $3,630,000,000.
(C) New Direct loan obligations, $4,850,000,000.
(D) New Primary loan guarantee commitments, $38,450,000,000.
(8) Transportation (400):
Fiscal year 1987:
(A) New budget authority, $30,470,000,000.
(B) Outlays, $28,610,000,000.
(C) New direct loan obligations, $500,000,000.
(D) New primary loan guarantee commitments, $50,000,000.
Fiscal year 1988:
(A) New budget authority, $30,980,000,000.
(B) Outlays, $28,590,000,000.
(C) New direct loan obligations, $400,000,000.
(D) New primary loan guarantee commitments, $50,000,000.
Fiscal year 1989:
(A) New budget authority, $31,820,000,000.
(B) Outlays, $29,300,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $50,000,000.
(9) Community and Regional Development (450):
Fiscal year 1987:
(A) New budget authority, $7,430,000,000.
(B) Outlays, $8,170,000,000.
(C) New direct loan obligations, $950,000,000.
(D) New primary loan guarantee commitments, $300,000,000
Fiscal year 1988:
(A) New budget authority, $8,930,000,000.
(B) Outlays, $8,130,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1989:
(A) New budget authority, $9,250,000,000.
(B) Outlays, $8,450,000,000.
(C) New direct loan obligations, $1,050,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1987:
(A) New budget authority, $38,060,000,000.
(B) Outlays, $33,310,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $10,300,000,000.
Fiscal year 1988:
(A) New budget authority, $39,170,000,000.
(B) Outlays, $36,040,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $10,700,000,000.
Fiscal year 1989:
(A) New budget authority, $40,230,000,000.
(B) Outlays, $37,010,000,000.
(C) New direct loan obligations, $1,250,000,000.
(D) New primary loan guarantee commitments, $10,950,000,000.
(11) Health (550):
Fiscal year 1987:
(A) New budget authority, $40,180,000,000.
(B) Outlays, $39,610,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1988:
(A) New budget authority, $42,790,000,000.
(B) Outlays, $42,640,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1989:
(A) New budget authority, $45,360,000,000.
(B) Outlays, $45,020,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(12) Medicare (570):
Fiscal year 1987:
(A) New budget authority, $83,570,000,000.
(B) Outlays, $72,250,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $92,240,000,000.
(B) Outlays, $84,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $102,050,000,000.
(B) Outlays, $94,770,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1987:
(A) New budget authority, $166,670,000,000.
(B) Outlays, $127,010,000,000.
(C) New direct loan obligations, $1,800,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $174,640,000,000.
(B) Outlays, $133,680,000,000.
(C) New direct loan obligations, $1,900,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $179,500,000,000.
(B) Outlays, $138,350,000,000.
(C) New direct loan obligations, $1,450,000,000.
(D) New primary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1987:
(A) New budget authority, $5,500,000,000.
(B) Outlays, $5,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $6,150,000,000.
(B) Outlays, $6,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $6,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitment, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1987:
(A) New budget authority, $28,240,000,000.
(B) Outlays, $28,080,000,000.
(C) New direct loan obligations, $1,550,000,000.
(D) New primary loan guarantee commitments, $16,300,000,000.
Fiscal year 1988:
(A) New budget authority, $28,850,000,000.
(B) Outlays, $28,540,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $16,950,000,000.
Fiscal year 1989:
(A) New budget authority, $29,350,000,000.
(B) Outlays, $29,370,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $17,550,000,000.
(16) Administration of Justice (750):
Fiscal year 1987:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $7,070,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $7,190,000,000.
(B) Outlays, $7,210,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $7,250,000,000.
(B) Outlays, $7,340,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1987:
(A) New Budget authority, $5,730,000,000.
(B) Outlays, $5,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New Budget authority, $5,890,000,000.
(B) Outlays, $5,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New Budget authority, $5,820,000,000.
(B) Outlays, $5,880,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(18) General Purpose Fiscal Assistance (850):
Fiscal year 1987:
(A) New Budget authority, $6,560,000,000.
(B) Outlays, $6,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New Budget authority, $6,610,000,000.
(B) Outlays, $6,610,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New Budget authority, $6,670,000,000.
(B) Outlays, $6,670,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(19) Net Interest (900):
Fiscal year 1987:
(A) New Budget authority, $148,830,000,000.
(B) Outlays, $148,830,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New Budget authority, $154,540,000,000.
(B) Outlays, $154,540,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New Budget authority, $154,690,000,000.
(B) Outlays, $154,690,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(20) Allowances (920):
Fiscal year 1987:
(A) New Budget authority, $1,050,000,000.
(B) Outlays, $1,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New Budget authority, $3,000,000,000.
(B) Outlays, $3,180,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New Budget authority, $5,130,000,000.
(B) Outlays, $5,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 1987:
(A) New Budget authority, $-29,500,000,000.
(B) Outlays, $-29,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $31,900,000,000.
(B) Outlays, $31,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $32,450,000,000.
(B) Outlays, $32,450,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

H. CON. RES. 337

(Amendment in the nature of a substitute.)

By Mr. LATTA:

—Strike out all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1987 is established and the appropriate budgetary levels for fiscal years 1988 and 1989 are set forth.

(a) The following levels and amounts are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded:

(1) The recommended levels of Federal revenues are as follows:
Fiscal year 1987: $849,700,000,000.
Fiscal year 1988: $929,700,000,000.
Fiscal year 1989: $999,200,000,000.

(2) The appropriate levels of total budget are as follows:
Fiscal year 1987: $1,081,500,000,000.
Fiscal year 1988: $1,156,500,000,000.
Fiscal year 1989: $1,204,800,000,000.

(3) The appropriate levels of total budget outlays are as follows:
Fiscal year 1987: $993,500,000,000.
Fiscal year 1988: $1,044,700,000,000.
Fiscal year 1989: $1,074,100,000,000.

(4) The amounts of the deficits are as follows:
Fiscal year 1987: $143,800,000,000.
Fiscal year 1988: $115,000,000,000.
Fiscal year 1989: $74,900,000,000.

(b) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1986, October 1, 1987, and October 1, 1988:

(1) The recommended levels of Federal revenues are as follows:
Fiscal year 1987: $636,400,000,000.
Fiscal year 1988: $689,100,000,000.
Fiscal year 1989: $738,100,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:
Fiscal year 1987: $5,700,000,000.
Fiscal year 1988: $8,700,000,000.
Fiscal year 1989: $7,900,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:
Fiscal year 1987: $55,700,000,000.
Fiscal year 1988: $60,150,000,000.
Fiscal year 1989: $64,250,000,000.

(2) The appropriate levels of total new budget authority are as follows:
Fiscal year 1987: $859,100,000,000.
Fiscal year 1988: $902,600,000,000.
Fiscal year 1989: $926,800,000,000.

(3) The appropriate levels of total budget outlays are as follows:
Fiscal year 1987: $789,600,000,000.
Fiscal year 1988: $827,700,000,000.
Fiscal year 1989: $842,500,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:
Fiscal year 1987: $153,200,000,000.
Fiscal year 1988: $138,600,000,000.
Fiscal year 1989: $104,400,000,000.

(5) The appropriate levels of the public debt are as follows:
Fiscal year 1987: $2,319,600,000,000.
Fiscal year 1988: $2,516,900,000,000.
Fiscal year 1989: $2,685,100,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1986, October 1, 1987, and October 1, 1988, are as follows:
Fiscal year 1987:
(A) New direct loan obligations, $32,676,081,000.
(B) New primary loan guarantee commitments, $99,104,636,000.
Fiscal year 1988:
(A) New direct loan obligations, $30,574,032,000.
(B) New primary loan guarantee commitments, $90,174,950,000.
Fiscal year 1989:
(A) New direct loan obligations, $28,468,058,000.
(B) New primary loan guarantee commitments, $92,047,691,000.

(c) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1987 through 1989 for each major functional category are:

(1) National Defense (050):
Fiscal year 1987:
(A) New budget authority, $293,000,000,000.
(B) Outlays, $280,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $303,500,000,000.
(B) Outlays, $287,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $315,100,000,000.
(B) Outlays, $297,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(2) International Affairs (150):
Fiscal year 1987:
(A) New budget authority, $17,200,000,000.
(B) Outlays, $14,100,000,000.
(C) New direct loan obligations, $7,200,215,000.
(D) New primary loan guarantee commitments, $12,213,177,000.
Fiscal year 1988:
(A) New budget authority, $17,900,000,000.
(B) Outlays, $14,200,000,000.
(C) New direct loan obligations, $7,413,000,000.
(D) New primary loan guarantee commitments, $12,717,771,000.
Fiscal year 1989:
(A) New budget authority, $21,600,000,000.
(B) Outlays, $13,700,000,000.
(C) New direct loan obligations, $7,668,591,000.
(D) New primary loan guarantee commitments, $13,233,992,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1987:
(A) New budget authority, $8,900,000,000.
(B) Outlays, $8,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $8,900,000,000.
(B) Outlays, $8,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $8,900,000,000.
(B) Outlays, $8,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(4) Energy (270):
Fiscal year 1987:
(A) New budget authority, $4,500,000,000.
(B) Outlays, $4,400,000,000.

(C) New direct loan obligations, $2,018,355,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $4,600,000,000.
(B) Outlays, $4,200,000,000.
(C) New direct loan obligations, $2,001,095,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $4,800,000,000.
(B) Outlays, $3,700,000,000.
(C) New direct loan obligations, $1,982,755,000.
(D) New primary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1987:
(A) New budget authority, $12,000,000,000.
(B) Outlays, $12,400,000,000.
(C) New direct loan obligations, $69,992,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $11,700,000,000.
(B) Outlays, $12,000,000,000.
(C) New direct loan obligations, $69,992,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $11,500,000,000.
(B) Outlays, $11,900,000,000.
(C) New direct loan obligations, $69,992,000.
(D) New primary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1987:
(A) New budget authority, $23,900,000,000.
(B) Outlays, $23,700,000,000.
(C) New direct loan obligations, $14,279,705,000.
(D) New primary loan guarantee commitments, $8,006,000,000.
Fiscal year 1988:
(A) New budget authority, $26,300,000,000.
(B) Outlays, $25,000,000,000.
(C) New direct loan obligations, $12,077,605,000.
(D) New primary loan guarantee commitments, $8,506,000,000.
Fiscal year 1989:
(A) New budget authority, $25,600,000,000.
(B) Outlays, $21,800,000,000.
(C) New direct loan obligations, $11,285,451,000.
(D) New primary loan guarantee commitments, $8,506,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1987:
(A) New budget authority, $9,400,000,000.
(B) Outlays, $2,600,000,000.
(C) New direct loan obligations, $3,306,039,000.
(D) New primary loan guarantee commitments, $53,730,610,000.
Fiscal year 1988:
(A) New budget authority, $9,500,000,000.
(B) Outlays, $5,400,000,000.
(C) New direct loan obligations, $3,230,546,000.
(D) New primary loan guarantee commitments, $43,234,530,000.
Fiscal year 1989:
(A) New budget authority, $6,600,000,000.
(B) Outlays, $600,000,000.
(C) New direct loan obligations, $3,515,126,000.
(D) New primary loan guarantee commitments, $44,169,950,000.
(8) Transportation (400):
Fiscal year 1987:
(A) New budget authority, $27,300,000,000.
(B) Outlays, $27,100,000,000.
(C) New direct loan obligations, $502,138,000.
(D) New primary loan guarantee commitments, $70,000,000.
Fiscal year 1988:
(A) New budget authority, $27,800,000,000.
(B) Outlays, $26,200,000,000.
(C) New direct loan obligations, $401,166,000.
(D) New primary loan guarantee commitments, $70,000,000.
Fiscal year 1989:
(A) New budget authority, $28,300,000,000.
(B) Outlays, $26,000,000,000.
(C) New direct loan obligations, $201,237,000.
(D) New primary loan guarantee commitments, $70,000,000.
(9) Community and Regional Development (450):
Fiscal year 1987:
(A) New budget authority, $6,000,000,000.
(B) Outlays, $7,200,000,000.
(C) New direct loan obligations, $642,122,000.
(D) New primary loan guarantee commitments, $202,149,000.
Fiscal year 1988:
(A) New budget authority, $6,500,000,000.
(B) Outlays, $6,700,000,000.
(C) New direct loan obligations, $900,794,000.
(D) New primary loan guarantee commitments, $204,149,000.
Fiscal year 1989:
(A) New budget authority, $6,100,000,000.
(B) Outlays, $6,000,000,000.
(C) New direct loan obligations, $722,614,000.
(D) New primary loan guarantee commitments, $205,149,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1987:
(A) New budget authority, $30,500,000,000.
(B) Outlays, $30,000,000,000.
(C) New direct loan obligations, $1,271,420,000.
(D) New primary loan guarantee commitments, $8,980,000,000.
Fiscal year 1988:
(A) New budget authority, $30,400,000,000.
(B) Outlays, $30,200,000,000.
(C) New direct loan obligations, $1,110,420,000.
(D) New primary loan guarantee commitments, $9,285,000,000.
Fiscal year 1989:
(A) New budget authority, $30,500,000,000.
(B) Outlays, $30,500,000,000.
(C) New direct loan obligations, $922,420,000.
(D) New primary loan guarantee commitments, $9,500,000,000.
(11) Health (550):
Fiscal year 1987:
(A) New budget authority, $37,900,000,000.
(B) Outlays, $38.000,000,000.
(C) New direct loan obligations, $21,650,000.
(D) New primary loan guarantee commitments, $275,000,000.
Fiscal year 1988:
(A) New budget authority, $39,800,000,000.
(B) Outlays, $40,000,000,000.
(C) New direct loan obligations, $22,900,000.
(D) New primary loan guarantee commitments, $275,000,000.
Fiscal year 1989:
(A) New budget authority, $42,000,000,000.
(B) Outlays, $41,900,000,000.
(C) New direct loan obligations, $29,900,000.
(D) New primary loan guarantee commitments, $275,000,000.
(12) Medicare (570):
Fiscal year 1987:
(A) New budget authority, $82,500,000,000.
(B) Outlays, $73,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $90,500,000,000.
(B) Outlays, $81,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $99,900,000,000.
(B) Outlays, $90,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1987:
(A) New budget authority, $159,600,000,000.
(B) Outlays, $121,500,000,000.
(C) New direct loan obligations, $1,796,527,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $166,500,000,000.
(B) Outlays, $127,900,000,000.
(C) New direct loan obligations, $1,811,569,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $169,100,000,000.
(B) Outlays, $133,000,000,000.
(C) New direct loan obligations, $689,196.000.
(D) New primary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1987:
(A) New budget authority, $5,500,000,000.
(B) Outlays, $5,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $6,100,000,000.
(B) Outlays, $6,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $6,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1987:
(A) New budget authority, $27,100,000,000.
(B) Outlays, $26,600,000,000.
(C) New direct loan obligations, $1,567,918,000.
(D) New primary loan guarantee commitments, $15,627,700,000.
Fiscal year 1988:
(A) New budget authority, $27,600,000,000.
(B) Outlays, $27,200,000,000.
(C) New direct loan obligations, $1,534,855,000.
(D) New primary loan guarantee commitments, $15,882,500,000.

Fiscal year 1989:
(A) New budget authority, $27,800,000,000.
(B) Outlays, $27,400,000,000.
(C) New direct loan obligations, $1,380,776,000.
(D) New primary loan guarantee commitments, $16,087,600,000.
(16) Administration of Justice (750):
Fiscal year 1987:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $7,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $7,100,000,000.
(B) Outlays, $7,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $7,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1987:
(A) New budget authority, $5,200,000,000.
(B) Outlays, $5,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $5,300,000,000.
(B) Outlays, $5,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $5,200,000,000.
(B) Outlays, $5,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(18) General Purpose Fiscal Assistance (850):
Fiscal year 1987:
(A) New budget authority, $1,800,000,000.
(B) Outlays, $2,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0. $0.
Fiscal year 1988:
(A) New budget authority, $1,900,000,000.
(B) Outlays, $1,900,000,000.
(C) New direct loan obligations, $0.
(D) New Primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $1,900,000,000.
(B) Outlays, $1,900,000,000.
(C) New direct loan obligations, $0.
(D) New Primary loan guarantee commitments, $0.
(19) Net Interest (900):
Fiscal year 1987:
(A) New budget authority, $144,000,000,000.
(B) Outlays, $144,000,000,000.
(C) New direct loan obligations, $0.
(D) New Primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $153,000,000,000.
(B) Outlays, $153,000,000,000.
(C) New direct loan obligations, $0.
(D) New Primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $151,000,000,000.
(B) Outlays, $151,000,000,000.
(C) New direct loan obligations, $0.
(D) New Primary loan guarantee commitments, $0.
(20) Allowances (920):
Fiscal year 1987:
(A) New budget authority, $700,000,000.
(B) Outlays, $800,000,000.
(C) New direct loan obligations, $0.
(D) New Primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $2,400,000,000.
(B) Outlays, $2,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $3,900,000,000.
(B) Outlays, $4,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 1987:
(A) New budget authority, $-44,900,000,000.
(B) Outlays, $-44,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $-44,700,000,000.
(B) Outlays, $-44,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $-46,900,000,000.
(B) Outlays, $-46,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

RECONCILIATION

SEC. 2. (a) Not later than June 5, 1986, the committees named in subsections (c) through (l) of this section shall submit their recommendations to the House Budget Committee. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

"(b) The following rules shall apply in the House of Representatives with respect to any reconciliation bill reported or considered pursuant to this resolution:

(1) No provision shall be reported in the House in any reconciliation bill pursuant to this resolution or be in order as an amendment thereto in the House or Committee of the Whole, which is not related to achieving the purposes of the directives to House committees contained in this resolution.

(2) Nothing in this subsection shall be construed to prevent the consideration of any provision in a reconciliation bill, or any amendment thereto, which achieves savings greater than those directed of a committee and which conforms to paragraph (3) of this subsection, or to prevent the consideration of motions to strike made in order by the Committee on Rules to achieve the purposes of the directives.

(3) For the purposes of this subsection, a provision shall be considered related to achieving the purposes of directives contained in this resolution on the budget if it is estimated by the House Committee on the Budget, in consultation with the Congressional Budget Office, to effectuate or implement a reduction in budget authority or in new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act, or to raise revenues, or both, and, in the case of an amendment, if it is within (in whole or in part) the jurisdiction of any committee instructed in this resolution.

(4) The point or order established by this subsection shall not apply to Senate amendments or to conference reports.

HOUSE COMMITTEES

(c) The House Committee on Agriculture shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $-94,000,000 in budget authority and $-119,000,000 in outlays in fiscal year 1987, $-53,000,000 in budget authority and $-53,000,000 in outlays in fiscal year 1988, and $-49,000,000 in budget authority and $-49,000,000 in outlays in fiscal year 1989.

(d) The House Committee on Banking, Finance and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $-2,000,000,000 in budget authority and $-2,579,000,000 in outlays in fiscal year 1987, $-2,000,000,000 in budget authority and $-2,314,000,000 in outlays in fiscal year 1988, and $-2,000,000,000 in budget authority and $-2,000,000,000 in outlays in fiscal year 1989.

(e) The House Committee on Education and Labor shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $-289,000,000 in budget authority and $-266,000,000 in outlays in fiscal year 1987, $-484,000,000 in budget authority and $-439,000,000 in outlays in fiscal year 1988, and $-574,000,000 in budget authority and $-554,000,000 outlays in fiscal year 1989.

(f) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $-1,719,000,000 in budget authority and $-2,421,000,000 in outlays in fiscal year 1987, $-321,000,000 in budget authority and $-1,651,000,000 in outlays in fiscal year 1988, and $-308,000,000 in budget authority

and $-2,591,000,000 outlays in fiscal year 1989.

(g) The House Committee on Interior and Insular Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $-135,000,000 in budget authority and $-135,000,000 in outlays in fiscal year 1987, $-136,000,000 in budget authority and $-136,000,000 in outlays in fiscal year 1988, and $-137,000,000 in budget authority and $-137,000,000 in outlays in fiscal year 1989.

(h) The House Committee on the Judiciary shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $-26,000,000 in budget authority and $-17,000,000 in outlays in fiscal year 1987, $-26,000,000 in budget authority and $-25,000,000 in outlays in fiscal year 1988, and $-25,000,000 in budget authority and $-25,000,000 in outlays in fiscal year 1989.

(i) The House Committee on Merchant Marine and Fisheries shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $-75,000,000 in budget authority and $-75,000,000 in outlays in fiscal year 1987, $-75,000,000 in budget authority and $-75,000,000 in outlays in fiscal year 1988, and $-75,000,000 in budget authority and $-75,000,000 in outlays in fiscal year 1989.

(j) The House Committee on Post Office and Civil Service shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $-1,057,000,000 in outlays in fiscal year 1987, $0 in budget authority and $-1,711,000,000 in outlays in fiscal year 1988, and $0 in budget authority and $-2,906,000,000 in outlays in fiscal year 1989.

(k) The House Committee on Public Works and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $-1,283,000,000 in budget authority and $-331,000,000 in outlays in fiscal year 1987, $-1,317,000,000 in budget authority and $-545,000,000 in outlays in fiscal year 1988, and $-1,351,000,000 in budget authority and $-636,000,000 in outlays in fiscal year 1989.

(l) The House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee sufficient to reduce the budget deficit by $-2,579,000,000 in fiscal year 1987; to reduce the budget dificit by $-4,958,000,000 in fiscal year 1988; and to reduce the budget deficit by $-4,018,000,000 in fiscal year 1989.

FOREIGN AGRICULTURAL INVESTMENT REFORM

SEC. 3. It is the sense of the Congress that the use of foreign aid funds for financing the foreign production for export use of agricultural commodities already in surplus on world markets is a counter-productive use of American tax dollars as well as devastating to the American farmer who loses export markets from the unfairly subsidized competition.

COOPERATIVE EXTENSION SERVICE

SEC. 4. It is the sense of the Congress that Federal funds for the Cooperative Extension Service of the Department of Agriculture should be maintained at a level sufficient to carry out fully the vital services it is providing to rural America during a time of extreme stress. It is further assumed that this funding will be used especially to support and strengthen such core programs as 4-H Youth Development, Home Economics and Family Living, Natural Resources and Community Development, and services that provide agricultural financial analysis and farm management instruction.

STRATEGIC PETROLEUM RESERVE

SEC. 5. It is the sense of the Congress that the policy to fill the Strategic Petroleum Reserve to a capacity of 750 million barrels be reaffirmed. It is also recommended that the Federal Government purchase oil from domestic stripper suppliers to fill the Strategic Petroleum Reserve.

GENERAL REVENUE SHARING

SEC. 6. The spending levels contained in section 1 of this resolution would not preclude funding for an extension of general revenue sharing under the State and Local Assistance Act of 1972 through the end of fiscal year 1989 if an authorization for such funding is enacted into law.

DEBT COLLECTION

SEC. 7. It is the sense of the Congress that, despite recent emphasis, there is more that can be done to identify and accelerate the collection of debts owed to the United States Government. It is further the sense of the Congress that the administration should redouble its efforts to make debt collection its highest management priority and to formalize government-wide procedures to identify and collect debts.

The Office of Management and Budget shall submit to the Speaker of the House and to the President pro tempore of the Senate, for referral to the appropriate Committees of jurisdiction, by September 1, 1986, a report on the administration's debt collection efforts. The report shall address the following topics: (1) the latest estimate of the outstanding volume of debt owed to the United States Government, (2) the amount of debt collection that is assumed in the administration's fiscal year 1987 budget, (3) the formal procedures established within the Executive Branch to identify and collect debts, (4) additional administrative actions that could accelerate debt collections above the level already assumed, including the possibility of consolidated administration of debt management and collection, and (5) legislative proposals to further improve debt collection.

The House and Senate Budget Committees request that the appropriate Committees of the House and Senate carefully review this report, hold hearings and formulate in an expeditious fashion legislation to improve the collection of debt owed to the government.

COMMITTEE REVIEW OF THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

SEC. 8. It is the sense of the Congress that—

(1) each of its standing committees should review and study on a continuing basis those portions of the President's Private Sector Survey on Cost Control affecting subjects within its jurisdiction; and

(2) each report of any such committee on a bill or joint resolution of a public character should contain an identification of each recommendation of the President's Private Sector Survey on Cost Control related to such bill or resolution and the estimated dollar amount of program cost savings or revenue enhancement as a result of the implementation of each such recommendation.

RED RIVER WATERWAY

SEC. 9. It is the sense of the Congress that amounts within major functional category 300 (Natural Resources and Environment) be made available to continue construction of the Red River Waterway, Mississippi River to Shreveport, Louisiana project, as authorized in the Rivers and Harbors Act of 1968.

EXTENSIONS OF REMARKS

THE MAKING OF A HOLIDAY AND BEYOND

HON. NEWT GINGRICH
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. GINGRICH. Mr. Speaker, these remarks by Coretta Scott King, titled "The Making of a Holiday and Beyond," were made in Washington at a reception for members of the Federal Holiday Commission. I strongly urge all of my colleagues to read Mrs. King's remarks:

THE MAKING OF A HOLIDAY AND BEYOND

The members of the Martin Luther King, Jr., Federal Holiday Commission are deeply honored by the presence of so many friends and supporters. This appreciation reception is a pleasant occasion which marks the presentation of the Commission report on the results of the first national holiday in honor of Martin Luther King, Jr., January 20, 1986. It has now been some 18 years since some of you in this room joined with members of the King family, friends and supporters, and other organizations, to work for the passage of a national holiday, to honor Martin. The achievement of this immense and important endeavor against formidable and seemingly endless odds is one of the great milestones in the legacy of the American republic.

One of the important responsibilities of the Martin Luther King, Jr., Center for Nonviolent Social Change, Inc., as the official national and international memorial to Martin, has been that of coalition building. In the spirit of nonviolence, we have achieved such mutual goals as the passage of the legislation creating the King holiday; and later initiating the Federal Holiday Commission to assist in the first observance of the holiday.

Coalitions by their very nature represent an alliance of distinct parties, persons, and interest groups. Only the unfolding legacy of Martin Luther King, Jr., could have achieved a community of 700 organizations that constituted the Coalition of Conscience. This movement organized by the King Center observed the anniversary of the historic 1963 march on Washington, and Martin's famous "I Have a Dream" speech, and also petitioned the Congress for passage of legislation, establishing a national holiday in his honor. The coalition of Conscience represented many diverse segments in American society. It reflected the universality of Martin's appeal to millions upon millions of Americans of every race, religion, culture and station in life—regardless of partisan political attitudes. There is a special meaning in the achievement of the national holiday at this time in our Nation's history, though some have not yet grasped the message in the achievement of this goal.

"Amnesia" frequently proclaimed the late Whitney Young, "is the greatest enemy of human progress." A great nation founded on ideals must continually pause to take stock of itself, remembering from whence it came and recalibrating its energy and purpose. Like a sturdy ship at sea on a great journey, a nation must also constantly check its compass to stay the course between its point of departure and its destination.

In the American journey toward freedom, black America has too often been the metaphor and not the reality; the discrepancies that undermined the search for truth; the slave who contradicted the presumptive goal of liberty; the immorality in the foundation undermining a moral blueprint. In honoring Martin Luther King, Jr., honor the best of our motives and our values. We demonstrated that the American dream can grow, blossom, and overcome. We have given life anew to Martin's belief that unearned suffering is redemptive and that truth crushed to earth will rise again.

Martin Luther King, Jr., loved unconditionally. He was in constant pursuit of truth. The nonviolent campaigns which he led brought about redemption, reconciliation and justice. He taught us that only peaceful means can bring about peaceful ends; that our goal was to create the beloved community. On that historic day, Wednesday, November 2, 1983, when President Reagan signed the King Holiday legislation, I suggested that America was a more democratic Nation, a more just Nation, a more peaceful Nation because Martin Luther King, Jr., became her preeminent nonviolent commander. Janauary 20, 1986, was a day that evidenced the validity of that hypothesis—freedom did ring! Martin's spirit was especially alive within all of us that day and continues to be ever present.

I do not believe any of us were fully prepared for what happened on January 20th, given the controversy surrounding the holiday, the limited resources with which the Federal Commission had to work, and the limitations of time to properly prepare for such an occasion. Senator DOLE was right when he said, "The holiday seemed to have taken on a life of its own."

The Congress, by establishing the Federal Commission, set forth a mandate and responsibilty for it to assist, encourage and coordinate events and activities in the 50 States and U.S. territories. Martin Luther King, Jr.'s works and dreams were international as well as domestic and more than 100 countries around the world joined in the celebration. Some nations established an official day of their own to honor Martin. The diplomatic reception hosted by Mayor Marion Barry and Soviet Ambassador Anatoly F. Dobrynin, Dean of the diplomatic corps in Washington, D.C., attracted over 1,000 persons. The anti-Apartheid Conference at the Martin Luther King, Jr., Center for Nonviolent Social Change and the events on January 20th, attracted representatives from more than 50 nations.

The Commission called upon nations and liberation movements to make January 20th a day of peace, nonviolence and reconciliation with all adversaries in honor of Dr. King an our own common humanity. This call was honored around the world. There were hostile actions in only two nations which have been identified to date by the State Department—Ethiopia and Nicaragua.

From the Vatican, Pope Paul II supported our call for nonviolence, and universal peace with justice and sent the American people a very special blessing for a very special occasion.

We have prepared our report on the first national holiday in two versions, one for popular reading and the other a technical, detailed documentary for archival and historical purposes. We also have available the external audit of the commission's finances provided pro-bono by the Arthur Anderson Co.

We have endeavored in our reports to give recognition to those many businesses, labor unions, religious groups and other organizations, institutions and individuals who gave funds, resources, pro-bono services, and time to make the holiday successful.

I must express my profound gratitude to so many of my fellow citizens here and around the world—and I especially extend my gratitude to the members of this Commission; to members of their staff, to persons who chaired, co-chaired and served on our 18 national committees, to the Governors of our 50 States and officials of our U.S. territories; to thousands of mayors, county executives, superintendents of schools and other educators and to all the Federal agencies and departments. Special thanks especially to the U.S. Department of Housing and Urban Development headed by Secretary Samuel R. Pierce, Jr., the U.S. Department of State, headed by Secretary George Shultz, the U.S. Department of Defense, headed by Secretary Caspar W. Weinberger, and the U.S. Information Agency headed by Director Charles Z. Wick.

I want to also express my appreciation to President Ronald Reagan, his chief of staff, Donald T. Regan, and his special assistant, Melvin Bradley. I want to thank Vice President George Bush and his wife Barbara, who came to Atlanta on January 20th to participate in our ecumenical service at Ebenezer Baptist Church. I want to thank Bishop Desmond Tutu and his family who came from South Africa, not simply to receive our Martin Luther King, Jr., Nonviolent Peace Prize but to receive inspiration and renewal in their nonviolent pursuit of social, economic and political justice for blacks and other minorities in that troubled land—which need our prayers.

I want to thank also former President Jimmy Carter who served as our honorary chairperson for the national events on January 20th and who participated in our Salute to Greatness Dinner in Atlanta on January 18. I want to offer my thanks, as well to the 2½ million Americans who signed the Living the Dream Pledge Card, thereby making a personal commitment to keep Martin's dream alive.

I appreciate so many of those persons who worked closely and marched with Martin and who participated in the national events in Atlanta—all staff, business persons, entertainers, civil rights workers, labor groups, human rights groups, religious groups, sports figures, senior citizens, the handicapped, government employees and elected officials, environmentalists, etc. I want to thank the children of Nelson and Winnie

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Mandela who joined with us in Atlanta for the national celebration and who brought a message of love and appreciation of Martin from their parents. I thank all of you in this room who participated in events in Atlanta, Washington, D.C., and in your own communities. Finally, for the help with this appreciation reception, I am grateful to the American Security Bank, Burger King, Comprehensive Marketing Service Inc., Adolph Coors Co., Riggs National Bank, D.C. National Bank, and the Winn Group.

A fitting epilogue to the holiday was the use of massive nonviolent protest in the Philippines which helped to bring about a peaceful change in government with relatively little bloodshed.

You and I know that the holiday we celebrated was not just for Martin Luther King, Jr., but for those who carried forth the freedom struggle from the days before the Mayflower came to the shores of colonial America; for those unsung heroes and heroines of the civil rights movement which Martin led; for the masses of ordinary and yet extraordinary men, women and children of all races, religions and cultures, who suffered, persevered, sometimes giving their lives to help change the Nation for the better.

We did not intend on January 20th to celebrate an end to the struggle for justice, freedom and peace, any more than the celebration of George Washington's Birthday means that our new and young Nation is already God's Kingdom on Earth. It was never our intent to allow Martin to be seen only as a dreamer whose dream was now fulfilled. This is why we and the Federal Commission insisted that the holiday celebrations be both commemorative as well as substantive. As Rev. Dr. Joseph Lowery, president of the SCLC, and a member of the Federal commission, has said:

"We have come too far, struggled too long and shed too much blood". We all realize that there are miles to go before we sleep and that we still have promises yet to keep.

Andrew Young has stated that on January 20th, most people were a bit confused about what we were celebrating. Andy felt that few people understood that we were celebrating much more than a man and his life but a triumph of people and not just a triumph of black people, but a triumph of black and white together over legalized racism.

To Andy, the national holiday celebration focuses upon new, more powerful, creative and productive methods of nonviolent struggle, all relevant to the issues and needs we face today. And as Andy pointed out, many of us feel that Martin was so far ahead of his time that we still are not sure how to celebrate his dream, but each year we'll learn more about this prophet who walked among us. Yes, there are promises yet to keep.

This is why the Federal Holiday Commission, along with friends and supporters in the administration and the Congress, have endorsed legislation to extend the life of the Federal Holiday Commission at least until April 20, 1989, so that we can continue to build upon our achievements and profit by the mistakes during our initial efforts.

Congressmen John Conyers and Jack Kemp have introduced H.R. 4528 to do just that. Similar legislation has been introduced in the U.S. Senate by Senators Ted Kennedy and Alfonso D'Amato. Normally such legislation would be referred to committee, for example, in the House to the Committee on Post Office and Civil Service chaired by Congressman William D. Ford of Michigan and to his Subcommittee on Census and Population chaired by our friend, Congressman Robert Garcia of New York.

Since the Federal Commission is scheduled to expire on April 20th, we are asking for the cooperation of committee chairpersons in the House and Senate, in order that we can bring the legislation directly to the floor of each Chamber as quickly as possible. The legislation has strong bipartisan support and we thank those Members of the Congress who have offered to sponsor or cosponsor the bills.

Members of the Federal Commission and others now appreciate so well the dimensions of a struggle to secure a national holiday. For example, there is such an appreciation, I know, by some of the many who were involved in the legislative efforts, i.e., Congresswoman Katie Hall; Representatives Garcia, Kemp, and Conyers; as well as Senators Kennedy, Baker, and Mathias. And, we also understand that it is yet another endeavor to celebrate and maintain the holiday so it will be worthy of the person it honors. Creating a national observance which, in the case of Martin, must also be international, involves lots of time, details, money, workers and coordination.

It also involves many problems and difficulties. Even if the Federal Commission is extended, we must again seek our own finances, pro-bono services, loaned personnel, office space, furnishings, equipment and other resources necessary to become fully operational. We will need your help and assistance in enlisting support from all Americans who believe in Martin's dream and legacy.

On Monday evening, January 20, 1986, Stevland Morris (better known as Stevie Wonder) produced a great prime time NBC network tribute to Martin which was viewed by more than 31 million Americans. We all owe a great deal to Stevie Wonder for not only helping to make the national holiday a reality but for continuing Martin's work here in America and around the world. On the occasion of the NBC tribute which featured some of the greatest entertainers and personalities of our age, Stevie Wonder expressed his personal feelings about the national holiday, which I would like to share with you:

"I feel terribly blessed to know that the people of this country believe that peace and unity are important enough to celebrate in the manifestation of a national holiday for Dr. Martin Luther King, Jr.'s birthday. I am also indebted to the Creator for allowing me to express my feelings and love for this man through the gift of song, 'happy birthday'. It was then that I knew we were not alone in our desire for a celebration of these principles. The very process of achieving this national holiday has strengthened as well as challenged our commitment to peace, unity and love. Many people, with many colors, ideals, histories, hopes and aspirations came together for a common goal. It was our faith in this cause that sealed our solidarity, and it was our commitment to victory that allowed us to honor the principles of Dr. King, even when we were most challenged by those who were blind to our vision. Now that we officially celebrate the birth of a man who has changed this country, never let anyone or anything steer us away from promoting unity, peace, and love in the name of Dr. King."

The members of the Federal Commission have dedicated the observance of the first national holiday to the legacy for justice, peace and social morality which Martin Luther King, Jr., left to people of goodwill everywhere:

Respect for the dignity of every human being; an end to racial, religious, and ethnic prejudice; a deepened commitment to social and economic justice (nonviolence as the truest expression of love and justice);

The invisible inner law of universal love which binds all men and women of the human family together as brothers and sisters;

Love of God and his native land, America, and finally, the pursuit of the beloved community and a world at peace with justice.—CORETTA SCOTT KING, April 15, 1986.

UNITED STATES NEGLECT OF THE PACIFIC ISLANDS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. CRANE. Mr. Speaker, I would like to call your attention to a recent article, "Restless Region," by James P. Sterba in the March 5, 1986, addition of the Wall Street Journal. Mr. Sterbas' article addresses the reasons why anti-American sentiment is growing in the South Pacific islands.

Since the end of World War II the United States has paid little attention to the Pacific islands. The Heritage Foundation has called the U.S. actions "benign neglect." Once an important stronghold for the United States during the Second World War, the islands have been left unattended for most of the past 40 years. However, the "benign neglect" on the part of the United States has not gone unnoticed by the islanders. The generation that remembers the Americans as heroes is being replaced by a younger generation that does not remember the war. The younger Pacific islanders have had more exposure to Western life through higher education, travel, and tourism. Many of these younger islanders wonder why their countries do not have a higher standard of living and would like to see the United States more active with its interest in the South Pacific.

As one of the poorest regions in the world, the Pacific islands have major problems with disease, unemployment, and limited natural resources. Malaria, tuberculosis, and meningitis are on the rise. Unsanitary garbage removal and contaminated water sources only aid in the spread of these diseases. Unemployment is a growing problem among the youth as well as the spread of drug abuse. The islands have limited natural resources and tuna fishing is the major source of income for the local economies.

Anti-American sentiment has increased due to concern over U.S. tuna fishing within the territorial waters of the South Pacific islands. Since tuna is the islands' primary export and source of income, the United States is seen a threat to the local economies by fishing within the islands' waters. Until recently the United States has not been concerned with tuna fishing rights, however, the islands are retaliating by allowing Soviet fishing vessels to fish legal-

ly within their territorial waters through lease arrangements.

The Soviet Union has taken advantage of the United States neglect in the South Pacific islands. They are using anti-West, Third World rhetoric targeted at many of the problems in the islands. Major propaganda points for the Soviets are the United States neglect of the Pacific islands, high unemployment among the youth, the spread of disease, and the lack of advanced technology. The Soviets have been most effective influencing the younger islanders. This trend is dangerous and we should not allow it to continue.

Mr. Speaker, and fellow Members, I urge you to consider the effects that continued neglect of the South Pacific islands will have on our future. These islands and territorial waters cover 5.6 million miles of the Pacific Ocean. The region is important to the United States and we should give the Pacific islands the attention they deserve.

RESTLESS REGION

(By James P. Sterba)

AUCKLAND, NEW ZEALAND—Think of the South Pacific. Paradise usually springs to mind. Lush, idyllic vacation spots like Tahiti and Fiji. Cute little countries like Tonga, with a king who takes up two firstclass airline seats, and Tuvalu, which earns its way in the world mainly by selling colorful postage stamps to collectors.

There is Papua New Guinea, with its vast, exotic jungles. But you have to squint to find the others on an average size globe: Kiribati, Vanuatu, Western Samoa—in all, two dozen microstates, five million people, some 1,300 islands, most of them so tiny and far away from the world's troubles that it is difficult to conceive of their causing trouble or being troubled themselves.

That has been Washington's view, too. The affection that the U.S. gained by pushing Imperial Japan out of the region four decades ago seemed boundless. Diplomacy, what little seemed required, was often put in the hands of generous campaign contributors who had to consult maps to discover exactly where they were going as ambassadors. With two staunch allies, Australia and New Zealand, looking after the region, it was an easy part of the world to ignore.

A 40-YEAR POLICY

Not any more. With U.S. policy in its 40th year of what a Heritage Foundation study calls "benign neglect," the Reagan administration has discovered that neglect has its price. The region is troubled economically and socially. It is angry over U.S. fishing policy and French nuclear weapons tests in the area. Anti-West Third World rhetoric is on the rise. The Soviet Union's flirtations are beginning to pay off.

On Dec. 29, the New Zealand Times summed up the trends in an article that began: "This may be remembered as the year the Pacific Ocean ceased to be an American lake."

That is overstating it, Western diplomats say. But U.S. military strategists, for one, are disturbed by what they see. While the end of the presidential crisis in the Philippines would seem to improve the odds of America's holding on to its bases there, that can't be considered certain, and when these strategists look for backup positions in the Pacific, the view is no longer so pleasant. To have to worry about—let alone contest for influence in—a huge watery patch of the globe that has been uncontested since World War II isn't appealing.

FLIRTING BACK

Most regional leaders don't savor the propsects of superpower competition, either, although they have discovered that the best way to get the Reagan administration's attention is to flirt back at Communists. They are doing so because today theirs is a region of resentment. U.S. tunaboats and U.S. support of French nuclear-weapons testing on the Polynesian atoll of Muroroa have fertilized budding anti-Americanism and used up much residual good will.

Meanwhile, the Anzus alliance, a mutual-security pact between Australia, New Zealand and the U.S., is under strain, perhaps unraveling. And Australia and New Zealand, especially the latter, are under growing pressure—from anti-nuclear groups, leftist trade unions, environmentalists and peace groups—to abrogate the treaty, kick out U.S. military facilities, dismantle joint intelligence gathering and communications sites, and even join the nonaligned movement.

These groups have helped organize islanders into anti-U.S. groups as well. Through some leftist New Zealand trade unions, Moscow dispensers money and support.

U.S.-NEW ZEALAND RIFT

Prime Minister David Lange of New Zealand carried out a popular 1984 campaign pledge of banning U.S. warships' port visits unless the U.S. certifies that the ships are nuclear-free—which it won't. Fearing that the New Zealand action might be copied elsewhere, the U.S. retaliated with strong denunciations and suspended all military cooperation with New Zealand. The U.S. also cut New Zealand out of a secret and elite intelligence-sharing network that includes the United Kingdom, Canada and Australia and involves swapping secrets that the U.S. won't share, for example, with NATO.

The U.S.-New Zealand actions strained relations and rendered largely inoperative the 35-year-old Anzus alliance, which most island leaders viewed as a regional security blanket. The U.S. retaliation made it difficult for New Zealand to carry out what had been its primary intelligence-gathering mission in the five-power network: keeping a military and political eye on the South Pacific.

The region's nuclear allergy was aggravated when French agents bombed a Greenpeace environmental protest ship, the Rainbow Warrior, in Auckland harbor, killing a photographer. The ship had been on route to Muroton to protest French testing, which has gone on underground since 1975 and was carried out in the atmosphere before that.

Eight nations of the 13 member South Pacific Forum, including Australia and New Zealand, meanwhile agreed to a treaty creating a South Pacific Nuclear Free Zone, Australia declined to cooperate with the U.S. in MX missile testing.

Of far more immediate concern, however, was Moscow's success, for the first time, in getting an economic-cooperation agreement with one of the microstates. The Republic of Kiribati, frustrated by U.S. fishing abuses, last summer opened its 1.4 million square miles of Central Pacific waters to a Soviet fishing fleet.

And last fall, Soviet cruise liners, banned from plying the region in retaliation for the Afghanistan invasion six years ago, were invited back to help a sagging tourist trade. (On Feb. 16, one of them struck a reef and sank in New Zealand's Cook Strait.)

At least six financially strapped nations in the region—Fiji, Kiribati, the Solomon Islands, Tuvalu, Vanuatu and Western Samoa—received fresh offers of Soviet aid and economic cooperation last year. Such offers have been spurned in the past. Now, some leaders suggest that they will wait and see how the Kiribati fishing arrangement works out before turning Moscow down. The accord nets Kiribati $1.7 million, about 10% of its national budget. Other aid-dependent islanders could use that kind of money, too.

In the meantime, Vanuatu, already best friends with Cuba, has agreed to receive Vietnamese foreign aid in the form of a medical-aid team sent by Hanoi. And in New Caledonia, pro-independence forces acknowledge that one faction in their coalition sent a team to Libya for training in the fall of 1984. They say they haven't ruled out another visit.

Even Western successes have their qualifications. While the voters of Palau, for example, have just overwhelmingly approved a new political relationship with Washington that gives military concessions to the U.S., the arrangement also bars the use, testing or storing of nuclear weapons there.

While the Soviets increase their friendly overtures in the region—for example, by passing out free airline tickets to visit Russia and offering scholarships to study there—anti-American feelings are growing and regional diplomats blame the Reagan administration.

Mr. Reagan's first-term rejection of the 1982 Law of the Sea Treaty was viewed by islanders as an official endorsement for U.S. fishing vessels to steal their most valuable economic resource: tuna. Under a 1976 U.S. law, tuna are exempt from claims of a 200-mile economic-zone because they are a "highly migratory species." So U.S. tuna fishermen freely take catches in violation of the laws of the island nations involved. The Reagan administration also angers islanders by backing French colonial claims to French Polynesia and New Caledonia.

"The United States must stop stomping around the South Pacific like a headless hippopotamus, following damaging policies dictated by North Atlantic interests." says an editorial in Pacific Islands Monthly, an Australian-based magazine that reflects regional thinking.

MILITARY CONCERNED

All this hardly makes for the next superpower flashpoint. But a succession of U.S. Pacific military commanders, including Adm. William J. Crowe, who is currently the Chairman of the Joint Chiefs of Staff, have expressed concern and quietly lobbied the Reagan administration to clean up its act in the region. That process began last summer, after the Anzus crisis and the Kiribati-Soviet fishing agreement, when Secretary of State George Shultz toured the region.

A December 1984 study for the State Department's Office of Long Range Assessments and Research notes that "the bull is not yet amongst the china" but that the situation could quickly change. Good will toward the U.S. is large, the study said, but "the real question is how long can the reservoir be tapped without replenishment?" Discussing Soviet offers to trade aid for fishing rights, the study went on:

"The current U.S. fishing difficulties in the region do make the Soviet fisheries offers appear more attractive than perhaps they would otherwise. Secondly, the financial problems of the smaller atoll countries are perceived to be such that cash income even from the Soviet Union would be difficult to refuse."

Contrary to the travel brochures, most of the microstates are economically troubled. They have growing populations, rising numbers of restless unemployed youths, and spreading problems with urbanization, crime, suicide, and alcoholism and drug abuse.

As a group, the microstates receive more foreign aid per capita than any other place in the world, although the amount is relatively small because total populations are tiny. But living space is tiny too, and unheathful.

Randy Thaman, who heads the University of the South Pacific's school of social and economic development, says the South Pacific is one of the world's most unhealthful places to live. Other parts of the world may be slowly winning battles against diseases. Not this region. Malaria, hepatitis, meningitis, intestinal diseases, tuberculosis, anemia, syphilis and gonorrhea are growing health problems. There are no sewers, sanitary garbage removal or clean-water sources for most islanders. Thus, diarrhea has become a major killer.

Enormous political, social and economic changes were under way in the region long before the Soviet bear began dangling his toe in these tropical waters. At World War II's end, six Western colonial powers administered island dependencies. Today, most are independent nations or moving toward sovereignty.

By the late 1970s, most had staked claim to waters and resources within 200 miles of their shores in accordance with Law of the Sea deliberations, as did the U.S. and other maritime nations. Instead of a Pacific dotted by island pinpricks, says F. Rawdon Dalrymple, the Australian ambassador to the U.S. "you suddenly had a map where huge areas of the earth's surface were marked off [with claims of] political entities most of which were virtually unknown to the outside world."

FIVE MILLION SQUARE MILES

They claim, in fact, about 5.6 million square miles of sovereign territory—an area almost twice the size of the continental U.S., and there is precious little free ocean left. Most of these tiny nations have few land resources to exploit beyond coconuts; the 200-mile economic zones gave regional leaders the hope that for the first time, economic self-sufficiency might be possible.

But fisheries development is only beginning. In the meantime, says the Heritage Foundation study:

"The World War II generation of island leaders is being succeeded by a younger generation, whose concern with economic development and anger over perceived U.S. insensitivity make them susceptible to Soviet offers of economic assistance as well as to pleas by Third World radicals to join the Third World bloc in its anti-West, anti-U.S. and anti-free-market policies."

Despite these trends, the Soviets haven't made much headway until now, largely because of painstaking diplomacy by Australia and New Zealand. "Dealing with these micro-and mini-states requires a very delicate touch—a feel for the cultures involved, close personal contacts and a fine sense of how much is enough," Owen Harries, a former Australian diplomat, wrote in the American magazine Commentary.

He added that it was "doubtful whether the U.S. could do it anything like or as well as its allies."

CONGRESSIONAL SALUTE TO HON. BERNARD LIEBERMAN AND HON. SAUL ZAENTZ, 1986 CITIZENS OF THE YEAR, PASSAIC CHAPTER OF UNICO NATIONAL

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. ROE. Mr. Speaker, on Friday, May 16, the people of the city of Passaic, my congressional district and State of New Jersey will join together in testimony to two distinguished gentlemen and good friends from the Second Ward of the city of Passaic—the Honorable Bernard Lieberman and the Honorable Saul Zaentz—whose standards of excellence throughout their lifetime have earned them the highly coveted Citizen of the Year Award of the Passaic Chapter of Unico National, one of our most prestigious Italian-American organizations.

Mr. Speaker. Bernard Lieberman and Saul Zaentz rose to national and international acclaim as partners in the filmmaking business with modesty in their accomplishments but a deep sense of belonging and caring for their boyhood friends. They were raised as youngsters in the area of Monroe and Myrtle Avenues, an intimate segment of the Second Ward of the city of Passaic.

The partnership of Zaentz and Lieberman will long be remembered for their film production, "Amadeus," winner of 1984's Academy Award for Best Picture. Earlier in 1975 they successfully produced "One Flew Over the Cuckoo's Nest" which achieved national and international fame as the first picture in 42 years to win five major categories of the Academy Awards.

The second ward, on the election map, represents a large geographical section of the city of Passaic but to our honorees and their boyhood friends, and second ward is a special area of the city surrounding Monroe and Myrtle Avenues. It was home to a large Italian-Jewish population and second ward park was the scene for many sports activities over the years. The friendships made in those early years endured through the country's worst depression and several wars, as a deep-rooted bond of brotherhood. The exciting moment for old friends in Passaic, when Saul Zaentz accepted the Academy Awards, was his simple but sincere acceptance "for the boys on the corner of Myrtle and Monroe," which of course was heard over worldwide television.

To commemorate the Passaic Unico's testimonial to Saul Zaentz and Bernard Lieberman, with your permission, Mr. Speaker, I would like to insert at this point in our historic journal of Congress a list of the boyhood friends of these renowned movie producers who would gather at the corner of Myrtle and Monroe, as follows:

WHAT THEIR MOTHERS CALLED THEM

Saul Zaentz (Porky).
Bernard Lieberman (Beans).
Sam Salmieri (Gas Tank Sam).
Charles Buono (Good Time Charlie).
Fred Resnick (High Pockets).
Victor Morin (Moose).
Frank Ezzo (Pratty).
Robert Topchik (Tippy).
Sal Faranna (Fat).
Dominick Guinta (D.D. Morgan).
Dominick Abroscat (Joe Yank).
Peter Agnello (Scorny Pete).
Dominick Monto (Rico).
Sal Riotto (Teen).
Dave Mancuso (Slip).
John Castiglia (Yonk).
Mendy Gross (Baron).
Kal Lutsky (Tito).
John Pianezza (Lazy Dan).
Ernie Pianezza (Nunie).
Arthur Ross (Werber).
Max Krause (Dapper).
Sam Zaentz (Winch).
Max Meltzer (Kombine).
Nick Notar (The Nose).
Sam Baum (Swifty).
Joe Parisi (Joe Baloney).
Joe Romano (Murphy).
Tony Riff (Big Moo).
Jim Musciotto (Pierre).
Jim Tosh (The Dean).
Charles Scelfo (Biff).
Lenny Cohen (Bones).
Charles Kaune (Sonny).
Les Kaune (Easy Ed).
Al Riotto (Scarce).
Mendy Orhwaschel (McDuff).
Frank Paul (Red).
Lou Capuana (Cappy).
Wally Smegelski (Shaw).
Mike Riotto (Mulligan).
A. Ward Brill (Buggy).
Jim Vellis (Big Greek).
Ben Selzer (Duh).
Morris Selzer (Mushie).
Joe Natoli (Pittsburg Joe).
Joe Monto (Joe Bloom).
James Piccolo (Bibby).
Sam Van Hook (Hooky).
Albert Abramowitz (Babe).
Pete Castiglia (Pete Cast).
Dom Castiglia (Mimmie).
Jim Castiglia (Jim).
Mike Casale (Mike).
Eugene Di Virglio (Little Butch).
A. Rossetto (Aldo Algie).
Mooney Levine (Mooney).
Gil Van Handle (Gil).
Red Schwartz (Red).
Paul Bianco (Bingo).
Angelo Lipari (Butch).
Sam Simon (Chink).
Joe Paletti (Trigger Joe).
Augie Lio (Boston).
Sal Russo (Legs).
Mauro Agnello (Humberto).
Sam Agnello (Chauncey).
Louis Cirignano (Stacy).
Frank Abroscat (Futter).
Sy Tamler (No Noise).
Bill Miller (Ole Man Mose).
Bill Tedesco (Bobo).
Ray Tedesco (Rainbow).
Charlie Morin (LItle Moose).
Russ Riotto (Young Teen).
Sam Patti (Johnny Broaca).
Al Sarashevitz (Gargy).
Joe Bubino (Joe Bass).
Dave Stein (Shlumsie).
Maurice Agnello (Aggie).
Robert Rodger (Scooty).
Joe Rodger (Little Scooty).
Angelo Lipari (Pluggy).
Rocco Corona (Rocky).
Iggy Tamburo (Rollie).
Saul Smith (Chickie).
Jim Miller (Scotty).
Nick Cartaino (Nick the Barber).
Bill Hawthorne (Manny).
Ray Roach (Moe).

Lou Corizzi (Jack).
Pete Bongiorno (Bongie).
Peter Abate (Peter Rabbit).
Jake Casale (Jocket Jake and Alky).
Maxie Barbour (Ootoo).
Max Lieberman (The Judge).
Dominick Pieri (Bucky).
Benny Quintieri (Benny Q.).
Herman Osofsky (Hymie).
Joey LaBell (Corky).
Hy Rosner (Flash).
Steve Messineo (Doc Mason).
Rosario Giaconia (Kid Rosie).
Russ Miller (Russ).
Sam Casale (Sam).
Angelo Casale (Angelo).
Joe Casale (Joe).
Chicke Warshawsky, Bud Feier, Sy Tamler, Harold Sacks, Saul Simbol, Jules Sperber, Leon Schneiderman, and Red Cohen (The No Noise Gang).

Mr. Speaker, Bernard Lieberman's family settled in Passaic when he was an infant and he spent his childhood in the second ward—Myrtle, Monroe, Madison and Oak—before moving to Brook Avenue. The family successfully operated a handkerchief embroidery business for many years and were acknowledged as leaders in the industry. He attended No. 11 School and was graduated from Passaic High School. In his high school years, active in sports, he achieved all-county and all-State honors in basketball. His record brought him recognition from Passaic Time Out Club when he was elected to its hall of fame. He still maintains an active role in the organization, particularly on the scholarship committee.

He attended St. Benedict's Prep where he excelled in basketball and won the all-city, all-county and all-State titles and went on to take honors as "No. 1 prep school player in the State." He returned to college after serving 3 years in the U.S. Army during World War II where he served our country and our people with distinction on active duty in Europe with the 116th Gun Battalion.

Saul Zaentz was born in Passaic, graduated from No. 11 School and attended Passaic High School. His family, long-time residents of the city, was in the furniture business. Active in sports, he played softball and baseball in the school system and intercity competition. He joined the Passaic Pirates Football Team and was also manager of the Passaic Kombines, a semipro basketball squad. He was also considered "briscol"—an Italian card game—champ with his card partner, Lou Corrizzi.

Saul served our country and our people with distinction on active duty with the Army Transport Service in the European and Pacific theatres during World War II. As a young adult, he left the second ward and moved to Missouri to become a record distributor. Heading westward again, in 1953 he joined Fantasy Records, then a small company with only two artists. By 1967, with the company floundering, Saul called back East and invited his long standing friend, Bernard Lieberman, to join him as an investor and vice president of Fantasy Records. A year later the company hit the jackpot with a series of gold albums by the Credence Clearwater Revival that sold second in the world only to those of the Beatles.

That success made them try their hand at producing films and "Fritz the Cat" was their first moneymaker. "One Flew Over the Cuckoo's Nest," one of the biggest moneymakers in film history with more than $100 million in rentals to date, brought them international fame. In 1985, "Amadeus," their second smash hit, made the headlines again as an Academy Award winner for the second warders.

While Saul Zaentz continues to operate from the west coast, Bernard Lieberman, now living in Clifton, NJ, conducts business operations on the east coast. Their studio is currently in production in Central America with the film, "Mosquito Coast," starring Harrison Ford.

Mr. Speaker, Unico—Italian for "unique"—is a charitable and social organization comprised of citizens of Italian heritage. The Passaic chapter has 60 members and is a prominent affiliate of Unico National. Beneficiaries of its charitable and benevolent activities include the local boys club, the Salvation Army, the United Way and the YMCA. May I commend to you the current officers of Passaic Unico, as follows:

The Honorable Charles Scavuzzo, first president; Anthony Catanzaro, first vice president; Larry Fornarucci, second vice president; Michael N. Corradino, Secretary-Treasurer; and Stephen Morici, sergeant-at-arms.

Mr. Speaker, it is indeed appropriate that we reflect on the deeds and achievements of our people who have contributed to the quality of life and way of life here in America. As we gather together on Friday, May 16, in tribute to the outstanding contributions that the partnership of Saul and Bernard has made in their productive endeavors for the entertainment, recreational, and cultural enrichment of our people, we do indeed salute the 1986 Citizens of the Year of the Passaic Chapter of Unico National—the Honorable Saul Zaentz and the Honorable Bernard Lieberman—affectionately remembered by all New Jerseyans as "two of the boys from Myrtle and Monroe Avenues of the city of Passaic, NJ.

THE CONTRIBUTIONS OF BROOKLYN'S BLACK WOMEN

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. TOWNS. Mr. Speaker, recently, the Center for Art and Culture of Bedford-Stuyvesant hosted an exhibit entitled "Black Women of Brooklyn." The exhibit not only focused on the lives of important black women in Brooklyn's history over the last 200 years but it highlighted their accomplishments to the black community. The March 6 issue of the Phoenix carried a news article on the exhibit. I have included it below for review by my colleagues.

"THE ROAD FROM SLAVERY TO SURGERY"

(By Aminisha Weusi)

February and March are months of atonement. Designated as Black History and Women's History months respectively, acknowledgements are made during these months of the contributions made to American society by these two groups—contributions that were repressed and suppressed for a great number of years.

It is a time when those who know of the unsung achievements pull from their archives and place on display the gold that anonymously laid the foundation of America's society today.

The exhibit, "Black Women of Brooklyn," is such gold and it is on display for a celebration of the two months at the Center for Art and Culture of Bedford Stuyvesant. Organized by the Brooklyn Historical Society and the Society for the Preservation of Weeksville and curated by Floris Cash, the exhibit opened at the Brooklyn Historical Society last October and as planned, arrived in Bedford Stuyvesant in February for Black History Month.

The women depicted in the historical portion of the exhibit were physicians, lawyers, educators, religious leaders and abolitionists at a time in history when slavery had just ended. In this setting their achievements are nothing short of phenomenal.

It is no less impressive that these women have also inspired members of their families and people who knew them personally and this inspiration seems to ensure the continuation of the work necessary to improve the quality of life in the black community.

In an attempt to explore the source of this inspiration and share it with others, Melvin McCray has completed a 20 minute segment of a video tape about the life of his mother-in-law, Dolly Robinson. Jan McCray, co-producer, says the video is based on a two hour interview with her mother in their back yard at 3 Agate Court a few years ago. Obviously proud of this project, she said it would eventually be one hour long. Among the people interviewed are Donna Shalala, president of Hunter College; Dr. Gardner Taylor, Concord Baptist Church; Esther Peterson, Director of the Women's Bureau during the Kennedy Administration.

UP THROUGH THE RANKS

Dolly Robinson started as a laundry worker and worked her way through the ranks to become assistant to the New York State Secretary of Labor and she served as Assistant Director of the Women's Bureau during the Kennedy Administration.

"When she had a job, it was as if we had a job," said Jan. "She always talked about her work with me. It made me feel I really had something to say about what she did." Jan says her mother took her everywhere, contact. "She was a nice person as well as powerful."

William S. McKinney, who turned 86 in February, is the grandson of one of the women, Dr. Susan McKinney Steward. She was the first Black female doctor in New York State and the third in the nation. McKinney says he was 18 when his grandmother died and he remembers her as being a lovely, successful woman and "a real grandmother."

A SCHOOL PRINCIPAL

McKinney taught at Thomas Edison and East New York Vocational High Schools for 33 years. He boasts that his grandmother's oldest sister was a principal in an elementary school. Adding that people never believed him, he says an article in the Feb. 18, 1901, issue of the New York Times documents this fact.

Regardless of the primary occupations of the women on exhibit, their activities demonstrate a commitment to improving the lot of others. It is not surprising that many of their descendants are found in the classrooms and in other positions of direct influence on numbers of Black lives.

Alan Garcia is a retired school teacher. His grandmother, Mary Susan Bailey Edwards, was the first registered nurse in Brooklyn and the first matron at the Brooklyn Home for Colored Aged. "Granny was a great influence on my life," says Garcia. "She taught me to be color blind. She used to say 'when people get pain—they get pain in the same way."

Among the contemporary women are a mother and daughter, both educators. Augusta Robinson Duckett was one of the first Black teachers in Brooklyn, according to Ruth Duckett Gibbs, her daughter. Augusta taught for 35 years at P.S. 83, the Weeksville School and Ruth, also known as Imani, retired in 1975 after teaching for 33 years. She recently returned to substitute teaching three days per week. "I wanted to catch up with the children of the 80s."

NEW LYRICS WITH FACTS

Imani Gibbs is well known around the Black Independent Schools in Brooklyn where she teaches students Black History by substituting lyrics relating historical facts in popular songs that are well known.

Another descendant is Judge Franklin Morton, Jr., the grandson of Dr. Verina Morton Jones. Dr. Jones was the primary organizer and supervisor of the Lincoln Settlement House providing a number of community services.

Judge Morton, born on the top floor of Lincoln Settlement, has been a judge for 28 years. Prior to serving as Justice of the Supreme Court, State of New York, he served in the Civil Court, City of New York and in Municipal Court.

Attributing his community service record to his grandmother's influence, Judge Morton sits on the Board of Trustees at St. John's University and is affiliated with the Society For Prevention of Cruelty to Children and the Psychiatric Centers of Brooklyn.

The influence of these women extends beyond their immediate families. Rosetta Gaston, a pioneer in the field of Black History, worked with Carter G. Woodson and founded the Brownsville Chapter of the Association for the Study of Negro Life and History. She is known as Mother Gaston and a seniors center and street bear her name.

COMMISSIONED A SCULPTOR

Continuing the accolades for Mother Gaston, a committee chaired by Benjamin A. Brown commissioned a sculptor, Bo Walker, to create a bronze and marble statue of Rosetta Gaston. When the statue is unveiled, the committee will reorganize itself, according to Brown, and become the Rosetta Gaston Youth Scholarship Fund Committee and will give scholarships to underprivileged but deserving Afro-American youth of Brownsville and East New York.

"I met Rosetta Gaston in the 40s when she was teaching Black History at the Harlem YWCA," says Brown who is the Director of Community Relations at Brookdale Hospital. "She was a little woman but had a big voice like Sojourner Truth."

There are approximately 50 women still living among the Contemporary Group. They form a few loosely knit circles with women knowing each other, belonging to the same organizations, or serving on the same boards. Contacting one woman can instantly put you in touch with many.

Lucille Rose, Shirley Chisholm, and Elsie Richardson toured Bedford Stuyvesant with Senator Robert Kennedy in 1966, a tour which led to the building of Bedford Stuyvesant Restoration Corporation.

A STRING OF FIRSTS

Having a string of firsts throughout her career Lucille Rose made history as the first woman and first Black to become Deputy Mayor of New York City. Shirley Chisholm was the first Black Woman elected to the U.S. House of Representatives and Elsie Richardson has served on the boards of Central Brooklyn Coordinating Council, the Weeksville Society and assisted Hattie Carthan in saving the famous namesake tree of the Magnolia Tree Earth Center.

Many community residents, feeling a great sense of pride, have already come to this exhibit at the Skylight Gallery to pay homage. Malcolm Martin, retired lawyer, is such a resident. Shirley Chisholm was his client; he knew Lena Horne; his daughter Janet attended Dorothy Bostic's private school, Junior Academy; and Lucille Thomas, librarian specialist, lives on his block. Few have as many ties to the woman as Martin, but there are ties and pride.

Ted Gunn, director of the Center for Art and Culture, says he is thrilled at having the exhibit here. "The story of the Black woman's strength needs to be told," says Gunn. "I have known for a long time that I don't want to be anywhere on this earth without them."

Joan Maynard, executive director of Society for the Preservation of Weeksville and Bedford Stuyvesant History, explains the exhibit was done with limited time and resources. "I hope some student will take it on as a project and perhaps write a book," says Maynard. "This is not an ending, it's just a beginning."

And the curator, Floris Cash, says in the exhibit's brochure, "Black Women of Brooklyn" is an effort to record the contribution of the borough's Black women, not because of who they were, but because of what they did for their people."

TRADE RELATIONS WITH MEXICO

HON. JIM BATES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. BATES. Mr. Speaker, I would like to call to the attention of my colleagues two statements which I recently received from the Greater San Diego Chamber of Commerce and the San Ysidro International Chamber of Commerce.

These organizations have provided their statements to complement remarks that I made before the House on United States-Mexico relations last week. I believe that they are insightful comments on our relationship with this very important nation.

I commend to my colleagues the remarks of Alberto Garcia of the San Ysidro International Chamber of Commerce.

The lack of communication between the border communities has created tension between the United States and Mexico. Better relations may start by the formation of an advisory committee comprised of local representatives from government agencies, law enforcement, and citizen's groups from both sides of the border.

I also commend the following statement of the Greater San Diego Chamber of Commerce to my colleagues' attention.

The statement follows:

EXCERPTS FROM STATEMENT OF THE GREATER SAN DIEGO CHAMBER OF COMMERCE BEFORE THE UNITED STATES INTERNATIONAL TRADE COMMISSION

The San Diego-Tijuana border area has developed an economic inter-dependence over the years that is nourished by the free flow of goods, services and people across our common frontier. The health of that economic relationship is directly affected by the status of trade relations between the United States and Mexico and by the rise and decline of the Mexican economy.

There are approximately three and a half million people living in this border region. Each day, more than one hundred thousand individuals cross the border to work, to attend school, to seek medical care, to visit families, to purchase consumer goods, to visit tourist attractions, and to buy and sell products.

Many Tijuana retail establishments, restaurants and manufacturers obtain their daily needs from San Diego and Southern California suppliers. Over two hundred factories assemble, process and manufacture products using American materials and components through the twin plant or maquiladora industries owned largely by American companies. This activity generates a demand for many kinds of services such as transportation, customhouse brokers, accountants, legal experts, storage and distribution.

A total of approximately $3.5 billion in imports and exports now flows through the San Diego customs district between the U.S. and Mexico, representing roughly ten percent of this country's total trade with our neighbor. Much of this trade represents goods involved in maquiladora operations and agricultural products.

On a consumer level, our daily commercial ties remain important, although there is clear evidence that Mexico's economic troubles and the problems for the Mexican consumer created by peso devaluation are taking their toll. In a study published last year, the Chamber's Economic Research Bureau revealed that the dollar value of retail sales to Mexican nationals at San Diego county regional shopping centers had fallen by 50 percent between 1981 and 1984. As a percentage of total retail sales, they had declined from nearly ten percent of sales to roughly 4.5 percent. The most severe impact of this decline was felt by small businesses located close to the border who depended on daily purchases from Mexican nationals to support their grocery markets, clothing stores and service establishments. Many of them were forced to close. Larger retail establishments in the South Bay area had to redirect their marketing and merchandising efforts to reduce their reliance on sales to Mexican customers and refocus on the San Diego market.

Perhaps the best evidence of the effect of the peso's decline has been the drop in annual border crossings. The frontier between San Diego and Tijuana is still the world's busiest, with more than 38 million crossings last year. Although this figure is an increase over the two preceding years, it remains lower than the all-time high of 1981 which exceeded 41 million crossings. Fewer crossings mean fewer sales to Mexican businesses and to Mexican consumers.

The full impact of Mexico's problems on the San Diego economy has been lessened by two key factors. One is the general economic improvement enjoyed throughout the United States since 1982. In San Diego, the

boom continues, and we are experiencing unemployment figures of less than five percent. The other factor is the increase in new twin plant activity attracted by Mexico's low labor rates.

All of these activities contribute greatly to the economic health of both sides of the border. To work successfully, they require unrestricted access to the crossing points at the international border. In recent weeks, there have on numerous occasions been reductions in the number of northbound gates open at peak traffic hours with the disastrous consequences of two-hour waits for workers, students, sellers and buyers, delivery trucks, and common carriers. Productivity has been affected on both sides of the border. Tourism has been discouraged. In many instances, costs of production have gone up and contractual obligations could not be met.

The Greater San Diego Chamber of Commerce has met with representatives of the Chambers and business organizations of Tijuana and with San Diego's Economic Development Corporation and the Convention and Visitors Bureau in order to clarify our common concerns which we will be communicating to our elected representatives in Washington.

We bring this issue to your attention because there is no purpose in talking about ways to improve trade and commerce between Mexico and the United States if our governmental agencies do not understand the complex economic relationships shared in this border region and are not willing to take the necessary steps to keep the conduits of trade and commercial exchange open and accessible to all who must rely on them. That understanding is a first important step to looking at ways to promote trade and development along the border.

Our daily experience in San Diego keeps us keenly aware of the two-sided nature of our relationship with Tijuana. Perhaps if Washington and Mexico City were side by side, our problems would quickly be solved.

PATENT RESTORATION IS NO MONOPOLY

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. FISH. Mr. Speaker, on March 13, 1986, the New York Times published an editorial entitled "Control Pests and Monopoly, Too." That editorial mistakenly characterized our patent system as a grant of monopoly power.

The patent system in our country has its origins in a constitutional provision. It is based upon a fundamental belief that innovation and imagination in the marketplace should be rewarded. The granting of a patent right—which is a time-specific, limited right to exclusively market one's own discovery—is not anticompetitive in nature. It is simply economically incorrect to portray the protection of intellectual property such as patents as inconsistent with marketplace competition. Rather, patent rights and antitrust law serve complementary functions in our Nation's economic system. The fact is that the market protection and rewarding of intellectual property promotes competition. By providing incentives for the development of new products and technologies, Congress is encouraging additional marketplace choices for consumers at lower prices.

The Times editorial prompted Mr. John O. Tramontine, the president of the New York Patent, Trademark and Copyright Law Association to send a reply. Since the reply from Mr. Tramontine has not been published, I am inserting its text in the CONGRESSIONAL RECORD for consideration by my colleagues at this time, so that the rationale for patent restoration can be more fully understood.

The material follows:

THE NEW YORK PATENT, TRADEMARK AND COPYRIGHT LAW ASSOCIATION, INC.,

March 25, 1986.

Mr. MAX FRANKEL,
Editorial Page Editor,
The New York Times, New York, NY.

DEAR SIR: I am enclosing a reply on behalf of our Association to your lead editorial of March 13, 1986 entitled "Control Pests and Monopoly, Too." We would appreciate publication of our reply in your Op-Ed Section.

Very truly yours,

JOHN O. TRAMONTINE,
President.

PATENTS ARE NOT MONOPOLIES

Your lead editorial of March 13th opposes pending legislation for restoration of the portion of the 17-year life of an agricultural chemical patent that has been negated by other Federal regulatory agencies. In opposing that legislation, you assert that Congress is "handing out monopolies" which will "raise prices for farmers and consumers." You even invoke the name of tyrants such as King George III and Ferdinand Marcos.

In equating a patent to a monopoly, you seriously misinform the public as to the nature of a patent. The odious monopolies handed out by tyrants past and present were exclusive rights to products or services previously known to and available to the public. Such monopolies removed the product or service from the competitive marketplace and inevitably led to higher prices charged by the monopolist.

But a patent takes nothing from the public. On the contrary, it gives the public something that it did not have before. Nor does it raise prices of products or service, because the product or service did not exist before. To obtain a patent, the inventor must establish to the satisfaction of the Federal government that his or her invention is new (not previously known to the public), useful and not obvious to those skilled in that field. In return for disclosing the invention to the public in the patent, the inventor is not paid a cent by our government. In fact, the inventor must pay a minimum of $3,200 to the Federal government just in patent filling, issuance and maintenance fees, not to speak of attorneys' fees.

What then does the inventor receive in return for disclosing the invention to the public? The answer is a patent. And what is a patent? In substance, a patent is a contract between the inventor and the Federal government, acting for the people of this country. The Federal government agrees that in return for the prompt disclosure by the inventor of the invention to the public (not more than one year after it is first used commercially) the inventor will have the right for 17 years to prevent others from using the invention without the inventors' consent.

What is the purpose of the 17-year right to exclude others? It is not a dog-in-the-manger, for that benefits nobody. It is to give the inventor 17 years to bring the invention to the marketplace without predatory competition for whatever financial rewards the invention merits on its own. But after making this contract with the inventor, our Federal government, acting by other regulatory agencies such as the FDA, prohibits the inventor from entering the marketplace with the invention until regulatory approval is obtained. Patent term restoration does not interfere with regulatory review to protect the public from unsafe products. It just restores the 17-year access to the market (while excluding other from using the invention) which was promised to the inventor in the first place. To do otherwise would be to welch on the contract that is the essence of a patent.

JOHN O. TRAMONTINE,
President.

AL BURRUSS WAS MY FRIEND

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. DARDEN. Mr. Speaker, the people of Georgia are deeply saddened by the death last Saturday of A.L. "Al" Burruss—a man who not only was among the Georgia general assembly's greatest statesmen, but also one of the kindest and most unselfish men I have ever known. I am proud to say that Al Burruss was my friend.

Al rose from the most modest circumstances—he was the eldest son of a sharecropper— to become a prosperous businessman and the majority leader of the Georgia House of Representatives. But his great achievements never overshadowed his consideration for others, nor his determination to better the lives of his fellow Georgians through thoughtful, fair and constructive legislation.

Al Burruss was born in Forsyth County, GA, on July 3, 1927, and was the eldest of 11 children. He moved to Cobb County with his family at age 7 and, except for the years he spent in the Navy during World War II, never left.

After leaving the Navy, Al went into the refrigeration business. Later, he bought part interest in Tip Top Poultry, Inc. and, along with his boyhood friend Chet Austin, built the enterprise into one which made him a wealthy man. But Al always referred to himself as just "a chicken plucker."

As one of his colleagues in the House leadership, Representative Joe Mack Wilson, once said, "Al is a wealthy man who never forgot where he came from. The first person to knock on my door after my wife died was Al Burruss. He brought food and he brought compassion."

Indeed, Al devoted a great deal of his time to helping people who had not enjoyed the same success as he. It was said that Al gave away so much of the chicken Tip Top produced that it became necessary to take away his key to the freezer.

Al was a lay leader at the first United Methodist Church of Marietta, where he and I were members. None of us will forget the moving testimony of faith which Al recorded from his sickbed just a few weeks ago, and which was played for church members.

Al knew then that death was near, but his message showed that he was facing it with dignity and grace which a man of lesser devotion to God could not have known.

Al entered elective office initially in 1964, joining Cobb County's first five-member county commission. In 1968, the people of West Cobb County chose him to represent them in the Georgia House of Representatives.

His constituents rewarded Al's hard work and common-sense approach by returning him to the general assembly eight more times. He had no opposition for 14 years.

Within a few years after his arrival at the capitol, Al had become speaker pro tem. His unsuccessful bid to become speaker of the House in 1976 at first seemed to doom his prospects for future leadership positions, but once again Al's perseverance and dedication paid off—for both himself and the people of Georgia.

"I'm not a quitter," he reminded those who dismissed him as a political has-been. "I don't want to be a catalyst to promote discontent. I want to promote harmony."

Al eventually regained his stature in the House, becoming first majority whip, then majority leader. He earned special respect for his work on the House Ways and Means Committee.

Lawmakers, reporters and virtually everyone else who has observed the inner workings of the Georgia General Assembly agree that Al Burruss knew more about State taxation and budgeting procedures than anyone else in the Capitol. In addition, Al served on the House Appropriations, Rules and Legislative Services Committees.

He was a member of the Governor's Education Review Committee and the Governor's Blue Ribbon Tax Reform Commission. Al played a major role in the writing of a new State constitution in 1981.

More recently, he was a leader in drafting and enacting the Quality Basic Education Program, which promises every Georgian the opportunity to gain the academic skills which are vital to improving their way of life.

Mr. Speaker, the other members of the Georgia delegation and I ask our colleagues to join us in expressing our sympathy to Al Burruss' wife Bobbi, to his son Robin, his daughter Renee Burruss Davis, and his many loving and caring relatives and friends.

Al Burriss has left his indelible mark on the State of Georgia. The people of our State will be in his debt for many years to come, and we will sorely miss him.

TWO GREAT MEN STAND FOR ALABAMA IN STATUARY HALL

HON. BEN ERDREICH

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. ERDREICH. Mr. Speaker, each year, thousands and thousands of people from across the country travel to Washington, DC, not only to talk with their representatives, but also to see firsthand the national monuments, outstanding museums, and other attractions in this city which is our Nation's Capital. Statuary Hall in the U.S. Capitol is always sure to be one of the stops during a trip to Washington, a place which houses statues of many of the brave, courageous men and women who helped to make this great Nation what it is today. But I wonder how many of those who visit Statuary Hall know that each State is allowed to display statues of two distinguished citizens? I would like to take this opportunity to let my colleagues in the House know just a little bit about the two Alabamians whose statues, by direction of the Alabama Legislature, are a permanent part of the collection of notables who grace the corridors of the U.S. Capitol: Jabez Lamar Monroe Curry and Joseph Wheeler.

Following are two brief biographies on Alabama's representatives in Statuary Hall from the book entitled, "National Statuary Hall," published by the U.S. Capitol Historical Society. Alabama's two representatives both lived during the 1800's and served in the U.S. House of Representatives. Curry later became very involved in the advancement of free educational opportunities in Alabama, and across the South. He also served as president of Howard College, which is now Samford University, a major educational institution in Birmingham, AL. Wheeler, better known as "Fighting Joe," was a decorated war hero, having served in the Civail and Spanish-American Wars, and the Philippine Insurrection. He also authored several books on military history and strategy and civil subjects.

These two men are just an example of the long list of fine men and women who have done much to advance the State of Alabama and our Nation. I am proud to now serve in the same legislative body that once enjoyed the leadership abilities of these two outstanding men from Alabama.

JABEZ LAMAR MONROE CURRY—1825–1903

Jabez Lamar Monroe Curry, born in Lincoln County, Georgia, on June 5, 1825, grew up in Alabama and graduated from the University of Georgia in 1843. While studying at Harvard Law School, Curry was inspired by the lectures of Horace Mann and became an advocate of free universal education. He served in the Mexican War, in the Alabama State Legislature in 1847, 1853 and 1855, the U.S. House of Representatives in 1857–1861, and the Confederate Congress; as a lieutenant colonel in the Confederate Army, he was a staff aide to General Joseph E. Johnston and General Joseph Wheeler. After the war he studied for the ministry and became a preacher, but the focus of his work was free education in the South. He traveled and lectured in support of state normal schools, adequate rural schools and a system of graded public schools. He was President of Howard College, Alabama, and a professor at Richmond College, Virginia. From 1881 until his death he was Agent for the Peabody and Slater Funds to aid schools in the South and was instrumental in the founding of the Southern Education Board. Curry served as Envoy Extraordinary and Minister Plenipotentiary to Spain during 1885–1888 and as Ambassador Extraordinary to Spain on the coming of age of King Alfonso in 1902. His publications include works on education, American government and Spanish history. He was awarded the Royal Order of Charles III and several honorary degrees. Curry died on February 12, 1903, and is buried in Richmond, Virginia.

JOSEPH WHEELER—1836–1906

Joseph Wheeler was born near Augusta, Georgia, on September 10, 1836. A graduate of the U.S. Military Academy in 1859, he resigned from the army to join the Confederate forces in 1861 and rose rapidly to the rank of lieutenant general. Nicknamed "Fighting Joe," Wheeler was considered by General Robert E. Lee to be one of the two most outstanding Confederate cavalry leaders and saw action in many campaigns, including the opposition to Sherman's advance on Atlanta. After the war he became a planter and a lawyer and served in the U.S. House of Representatives during 1881–1882, 1883 and 1885–1900, where he strove to heal the breach between the North and South and championed economic policies that would help the South. In 1898 Wheeler volunteered for the Spanish-American War, was appointed Major General of Volunteers by President McKinley, saw action as a cavalry commander in Cuba, and was the senior member of the peace commission. He later commanded a brigade in the Philippine Insurrection in 1899–1900, where he was commissioned a brigadier general in the U.S. Regular Army. He was also the author of several books on military history and strategy and civil subjects. General Wheeler died on January 25, 1906, and is buried in Arlington National Cemetery.

IN THE SOVIET UNION, MANY SHCHARANSKYS

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. GREEN. Mr. Speaker, I want to share with my colleagues a timely and insightful article published in the New York Times on Thursday, May 8, written by the Counsel General of Israel in New York, Moshe Yegar:

Anatoly B. Shcharansky arrives in New York today, his first trip abroad since he left the Soviet Union for Israel in February. Mr. Shcharansky has come home to Israel, and he is free to travel as he likes, but the plight of Soviet Jews persists.

On July 14, 1978, Mr. Shcharansky was convicted of treason, espionage and anti-Soviet agitation. No one in the West believed these charges, and it was clear that the Soviet authorities had singled him out because he was a courageous and outspoken activist on behalf of Jewish emigration.

Mr. Shcharansky came out of his ordeal—the prolonged interrogation, threat of execution, eight years in prison and labor camp, tortures of cold and hunger, months in solitary confinement, years without mail or visiting rights—in remarkable physical and mental condition. He is indeed an extraordinary man, a unique and heroic figure. There is no question that few could have survived the hardships he endured.

There are, however, many Shcharanskys in the Soviet Union. By attempting to crush him, the authorities hoped to break the spirit of the Jewish community in the Soviet Union. Instead, they galvanized the

Jewish community not only there but around the world as well.

The reawakening of Jewish identity and purpose in the Soviet Union is one of the miracles of our time. Sixty-eight years ago, Russian Jews—relentlessly persecuted by the Czarist regime—welcomed the Bolshevik Revolution. Anti-Semitism has, however, remained endemic in the Soviet Union, and the persecution of Jews is just as characteristic of the regime now as it was under the Czars.

The Soviet Union is the only country outside the Arab world in which virulent anti-semitic literature is officially sanctioned by the Government—often but not always masquerading as "anti-Zionist" propaganda. Most synagogues have been closed, worshippers threatened and religious practices suppressed; study of Hebrew and possession of Hebrew books are criminal offenses; and Jews suffer discrimination in higher education. This is in marked contrast to the treatment of other national minorities whose languages and cultures are studied with relative freedom.

But what makes the Soviet leaders immeasurably worse than the Czars is their policy on emigration. One would have expected that, like the Czars, they would want to rid themselves of these "undesirables." From the time of the pogroms of the 1880's until the eve of World War I, more than two million Jews were allowed to leave. In contrast, the Soviet authorities bar Jews from leaving, discriminate against and punish them. Why? Perhaps the notion that anyone would prefer the "decadent" West to the "workers' paradise" is seen as a dangerous heresy. Perhaps the authorities fear that if Jews were granted the right to emigrate, other minorities would demand it, too.

Moscow did temporarily open the gates, allowing more than 250,000 Jews to leave between 1968 and 1979. But since then, the flood of emigrants has been reduced to a trickle, and, despite Mr. Shcharansky's release, there is so far no sign of a thaw. Many of the 400,000 Jews who have taken the first step in the arduous emigration procedure, by requesting invitations from relatives abroad, have been threatened with harassment. Those who have applied for exit visas and been turned down—there are 15,000 such "refusenicks"—are dismissed from their jobs, publicly vilified, physically assaulted, confined in mental institutions and arrested on fabricated charges.

Yet the spirit of Soviet Jews remains indomitable. Mr. Shcharansky was speaking for all of them at his trial when he said: "For more than 2,000 years the Jewish people, my people, have been dispersed. But wherever they are, wherever Jews are found, every year they have repeated, 'Next year in Jerusalem.' "

Moscow ought to heed these words now and avail itself of a golden opportunity. By permitting unrestricted Jewish emigration to Israel, the Soviet authorities could establish their credibility as supporters of the most basic right—emigration. It would serve their own interests to do so. For the Soviet Union cannot realistically expect an easing of international pressure on this issue so long as a single Jew is denied his dream to join his people in Israel.

CONGRESSIONAL SALUTE TO HON. GEORGE R. BERGER, ESTEEMED COACH OF THE FRANKLIN LAKES SCHOOL DISTRICT OF NEW JERSEY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. ROE. Mr. Speaker, on Friday, May 16, the people of the borough of Franklin Lakes, my congressional district, and State of New Jersey will join the administrators, faculty, students, and parents of the Franklin Lakes School District in testimony to a distinguished athletic director and good friend, Hon. George Berger—the coach—of Franklin Lakes School District.

Coach Berger is retiring after 33 years of dedicated service as a educator and director of the physical education and athletic program of the district comprised of Colonial Road School, Franklin Avenue School, High Mountain Road School, and Woodside Avenue School in Franklin Lakes, NJ. I know that you and our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations to Coach Berger and share the pride of his good wife, Lois; their children, David and Susan; and grandchildren, Melissa, Brandon, Kathryn, and Elizabeth as we celebrate this milestone of achievement in their family endeavors.

Mr. Speaker, we are all familiar with the good works, compassion, and fair play that earns one the title of coach. As a professional educator and leader, the school coach or athletic director abides by the following code of ethics:

Exemplifies the highest moral character as a role model for young people.

Recognizes the individual worth and reinforces the self-image of each team member.

Encourages and assists team members to set personal goals to achieve their highest academic potential.

Creates a set of training rules for athletes which reflect the positive values of abstaining from the use of drugs, alcohol, and tobacco.

Strives to develop the qualities of leadership, initiative, and good judgment in each team member.

Communicates and interprets program goals and objectives to parents and community.

Provides a safe environment for practice and competition.

Gains an awareness of the importance of prevention, care and treatment of athletic injuries.

Respects the integrity and judgment of the game official.

Teaches and abides by the rules of the game in letter and in spirit.

Builds and maintains ethical relationships with coaches and administrators.

Strives for excellence in coaching skills and techniques through professional improvement.

Promotes personal fitness and good nutrition.

Is modest in victory and gracious in defeat.

Encourages a healthy respect for the overall athletic program and its vital role in education.

Coach Berger has by his example and lifetime of dedication to these same true American ideals personified quality leadership in his outstanding responsible service to our people which has truly enriched our community, State, and Nation.

Mr. Speaker, our honoree lived in Frackville, PA, during his boyhood and upon his graduation from Frackville High School in 1940, he enlisted in the U.S. Air Corps. He served our country with distinction for 6 years and upon receiving his honorable discharge, he enrolled in Stroudsburg State Teachers College where he earned his B.S. degree in health and physical education. He received his master's degree in personnel and guidance from Rutgers the State university and also holds a master's degree in administration and supervision from Montclair State College.

His first teaching assignment was with the Waldwick Prospect School. He resigned in June 1951 to join the Mutual of New York Insurance Co. as a field underwriter where he earned a lifetime contract. While working for MONY, George substituted as an athletic director, driver education, and physical education instructor at Westwood High School.

George Berger's career in Franklin Lakes began in 1953 as a full-time sixth grade substitute at the Franklin Avenue School [K–8]. The following year he became a physical education teacher and initiated a full-time physical education and athletic program at the school. Since there was no playing field, George transported his students to Fireman's Field to play their games. During his 33 years in Franklin Lakes, George coached every sport that was offered and served as athletic director.

Mr. Speaker, George Berger has achieved in his lifetime the respect and esteem of all of us. It is to his modesty in his achievements, his outstanding expertise in his field of endeavor, the warmth of his friendship and his standards of excellence in the American way of life that I seek this national recognition of his service to our young people, the community, and his fellowman.

It is indeed appropriate that we reflect on the deeds and achievements of our people who have contributed to the quality of life and way of life here in America. George has made a lasting contribution through his leadership in guiding and building the character of our youth in sports and recreation. As we gather together on Friday, May 16 in tribute to George's leadership endeavors and personal commitment dedicated to service to people, we do indeed salute an outstanding citizen, good friend, and great American—Hon. George R. Berger—the coach—of Franklin Lakes School District of New Jersey.

KEEP THE PRESSURE ON PINOCHET

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. BEREUTER. Mr. Speaker, the past years have been ones of great change in Latin America. While most Latin economies

are still burdened by heavy indebtedness and high unemployment, almost the entire hemisphere has undergone an impressive political facelift. In country after country, repressive military regimes have been replaced by enlightened civilian politicians. One is hard pressed to remember a swing to democracy of such magnitude in the hemisphere. The possibilities for growth and prosperity are in the hands of an impressive array of leaders.

Unfortunately, two blemishes remain on the hemispheric map of democracies. In Chile and in Paraguay, Latin Americans are still being subject to brutally repressive regimes.

Initially, this administration apparently believed it could nudge Chilean General Pinochet toward democracy through quiet diplomacy. But after 5 years and no progress, the administration seems to have decided on the need to launch a more visible policy. In various fora, representatives of the United States condemned the refusal of President Pinochet to move Chile toward democracy. If the world is to believe that General Pinochet is intent on fair and free elections in 1989, steps must be taken soon to make that process possible. Legalizing political parties, removing the various remaining states of exception and granting freedom of the press are some useful first steps.

Mr. Speaker, I would commend to my colleagues a recent editorial in the Christian Science Monitor (May 17, 1986). It is entitled "Keep the Pressure on Pinochet." In the opinion of this Member, that is an adequate title and a good policy:

KEEP THE PRESSURE ON PINOCHET

In the past two years a dominant political theme throughout Latin America has been the replacement of military rule by popularly elected governments—from Argentina, in the extreme south, to Guatemala and El Salvador.

By contrast, in one Latin American country—Chile—authoritarian government remains in control despite three years of alternately rising and falling popular pressure for democracy.

Now the Chilean political opposition has again served notice on President Augusto Pinochet, in charge of the nation since 1966, that it wants firm steps taken toward democracy—this time, with somewhat brighter prospects for success.

For one thing, the Reagan administration in recent months has pressured General Pinochet—correctly—to move toward democracy. For another, in a break from the past all but the extreme elements of Chile's previously fragmented opposition have managed to agree not only on what they want—inclusion in the political process—but on how they intend to press for it. An assemblage of opposition groups threatened a general strike in 30 days if Pinochet does not move to provide public participation in politics, which he is unlikely to do; previously, opposition parties on the right had been unwilling to take to the streets. The ultimatum is likely to reinvigorate the demand for reform toward democracy issued last August in an accord signed by non-Marxist opposition parties.

The big unknown is the military. At year's end Pinochet reorganized its top command, in a move apparently designed to reduce opposition. Although the Army is believed to be loyal to Pinochet, other branches of the military may be restless; if the military decides to pressure Pinochet to step down, an important new element will be introduced.

Time is a factor. The opposition seeks to have the next president chosen by open and popular election; at present, Pinochet's successor is to be nominated in 1989 by the four military commanders, and only then presented to the public for its approval in a one-candidate referendum, and for a term of eight years. If such a referendeum takes place, the political opposition fears that a truly democratic election will not be scheduled until 1997.

The opposition wants a return to democracy by 1989, which seems a reasonable goal. But such a change would require the Chilean government to take steps shortly to legalize political parties and to restore freedom of the press—elemental moves which ought to be made.

CITY OF PHILADELPHIA EXPRESSES CONCERN FOR YURIY SHUKHEVYCH

HON. ROBERT A. BORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. BORSKI. Mr. Speaker, I rise to bring to my colleagues' attention a resolution recently passed by Philadelphia City Council protesting the Soviet Union's inhumane treatment of dissident Yuriy Shukhevych. As a member of the congressional human rights caucus, I share the deep concern of these city leaders for the people in the Soviet Union who have been victimized and persecuted because of their religious or political beliefs.

I join the City Council of Philadelphia in protesting Soviet treatment of Yuriy Shukhevych and in urging the President and our Department of State to make full efforts to secure his release from prison, I insert the text of the city council's resolution in the RECORD:

RESOLUTION—COUNCIL OF THE CITY OF PHILADELPHIA

Expressing concern for the inhumane treatment of Yuriy Shukhevych in Soviet prisons, and urging the President of the United States, the United States Congress, and the United States Department of State to use every means available to obtain his release.

Whereas, Basic human rights and fundamental freedoms have been recognized as having valid universal significance and are currently a subject of pressing international concern; and,

Whereas, These basic rights are spelled out in the United Nations Charter, the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights; and,

Whereas, The Final Act of the Conference on Security and Cooperation in Europe has given a new dimension to the humanitarian principles these covenants embody by reaffirming each state-signatory's right to be concerned with the manner in which human rights and fundamental freedoms are respected and implemented by all other signatories; and,

Whereas, The President of the United States has expressed his deep concern and commitment to human rights in the world; and,

Whereas, Yuriy Shukhevych has been incarcerated in Soviet prisons for almost thirty years merely for his refusal to denounce his father who, as Commander-in-Chief of the Ukrainian Insurgent Army, fought the occupation of Ukraine; and,

Whereas, The harsh treatment and severe sentence of Yuriy Shukhevych, which has left him completely blind, in poor health, and separated from his family, reaffirms that a system of repression exists in the Soviet Union and this fact greatly concerns the people of the United States; and,

Whereas, The Ukrainian Philadelphia Chapter of the American Friends of the Anti-Bolshevik Bloc of Nations, Inc. will take full financial responsibility for housing and medical treatment of Yuriy Shukhevych and his family upon their release; therefore,

Resolved, by the Council of the City of Philadelphia, That we hereby express concern for the inhumane treatment and long sentence in Soviet prisons of Yuriy Shukhevych, and urge the President of the United States, the United States Congress, and the United States Department of State to use every means available to obtain the release of Yuriy Shukhevych from exile and request that an exit visa for him and his family be granted.

Resolved, That an engrossed copy of this resolution be presented to William Nezowy, President, Ukrainian Philadelphia Chapter, American Friends of Anti-Bolshevik Bloc of Nations (AF ABN) and certified copies be sent to Ronald Reagan, President of the United States, and to George P. Shultz, Secretary of State, and to the Philadelphia Congressional Delegation.

SOLIDARITY SUNDAY FOR SOVIET JEWRY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1986

Mr. ROE. Mr. Speaker, as we observe Solidarity Sunday for Soviet Jewry, we cannot escape the fact that this year's observance is marked with both celebration and with sadness.

Since 1973, we in the Congress and all freedom loving people waged the battle to free Anatoly Shcharansky from prison. At times the cause did not seem promising, but we persevered, and thankfully, Anatoly Shcharansky is now a free man. His freedom is cause for celebration, albeit a limited and small one.

Our happiness over Shcharansky's release is marred by the fate of his thousands of brothers and sisters in the Soviet Union who are not free to leave, who are not free to practice their religion, and who are not free from the anti-Semitic diatribes of the Soviet controlled press and media. We are also alarmed and disturbed by the continued arrests and imprisonments of Jewish activists in the Soviet Union.

The latest figures on Jewish emigration from the Soviet Union are just as disturbing. In April of 1986, 72 Jews were permitted to leave the Soviet Union. In all of 1986 to date, only 272 Jewish people emigrated from the Soviet Union. At that rate, less than 1,000 will

get out this year, while thousands eagerly await the necessary exit visas.

For those who have tried to leave, unsuccessfully, life becomes harder and harder. Soviet Jewish prisoners of conscience are increasingly becoming victims of physical brutality perpetrated in labor camps while awaiting trial. The instances of injury are confined to and the result of outright physical brutality and do not address other pervasive and mental punishments used to torment prisoners of conscience, including pressure to admit guilt, extensive confinement in silence, deprivation of food, exercise, and communication with family members, and a myriad of other pressures, all used in an effort to break the spirit of the prisoners of conscience.

For these reasons, I and my congressional colleagues must never let up in our efforts to free the Jews of Russia who wish to emigrate, and to ensure for those who wish to remain in their native land the right to practice freely the religion and heritage of their ancestors. The 20th century has witnessed the destruction of European Jewry during the Second World War. We dare not allow another great Jewish culture and civilization suffer a similar fate due to apathy and silence on the part of the free world. We must keep up the pressure on the Soviet authorities until thousands and thousands more will enjoy the precious commodity of freedom that now belongs to Anatoly Shcharansky.

DAYS OF REMEMBRANCE

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. GREEN. Mr. Speaker, as a member of the U.S. Holocaust Memorial Council, I am proud to share with my colleagues the statement made by Benjamin Meed, on Tuesday, May 6, 1986, at the Rotunda of the U.S. Capitol. Benjamin Meed is a member of the U.S. Holocaust Memorial Council and was this year's chairman of the Days of the Remembrance Committee.

The statement follows:

DAYS OF REMEMBRANCE

(By Benjamin Meed)

Each year in this decade marks an anniversary in the life of survivors. Last year, we celebrated the fortieth anniversary of our liberation, the moment when the kingdom of night came to an end. This year marks the 40th anniversary of our new life in this new land.

Forty years ago, under the leadership of President Harry Truman, American shores were opened and the American people welcomed survivors of the Holocaust, for which we are grateful.

Forty years in America. Yet our memories go back to the gas chambers and to the ghettos, crossing a distance that time cannot measure. The world was silent as our families were murdered. Today, along with the leaders of this great democracy, our nation honors our martyrs.

Like so many survivors, my wife and I came to America with hopes, memories. We came to make a home and to rebuild a future. The first years were difficult and lonely. We could not understand the people we met, and they could not understand us. Everything was strange. We went to work to build a new life.

As survivors, we also had an obligation. For those we left behind, for those who were never offered the opportunity of America, we had to tell the story of what happened. This was the last wish of our dear ones as they were murdered, or shot or gassed. "Remember what happened to us," they screamed. "Never let the world forget."

Our story is not unique. Today survivors are found in every state of the Union and in every walk of life; artists and musicians, lawyers and doctors, writers and professors, philanthropists and industrialists. Survivors are wealthy and poor. Our children, conceived in freedom and nurtured on two great traditions—American and Jewish—have taken their place in this country's life. Survivors and our children have served in the cabinet and the White House, in the House and the Senate, on the Bench and at the United Nations.

Like other immigrants, we brought the memories and culture of old lands, rich memories of Jewish life thriving in Eastern Europe; Yiddish theaters in Warsaw, poets of Lodz, yeshiva students of Vilna, artists of Moscow and Vitebsk, musicians of Vienna. We also brought with us bitter and painful memories of death and destruction—of hatred, collaboration and indifference. For us, the freedom of America, the tolerance of America, the pluralism of America tasted even sweeter.

Like other immigrants we also sought to leave our imprint on this land, our unique stamp, the calling card that says we are here and we are grateful that we are here. For survivors of the Holocaust, our contributions will not be remembered by songs, but in the memories we have to leave to the American people.

Now, through the leadership of Presidents Carter and Reagan, with the unanimous consent of the House and Senate and with the support of the American people these memories have been permanently established in the national consciousness in Days of Remembrance.

As our Chairman, Elie Wiesel, often says: It is not for the victims that we remember. For them it is too late. It is not for ourselves that we remember. Our memories cannot fade, they come to us in nightmares and in frightening moments in the middle of the day. They are with us when we see our grandchildren and remember that our children grew up without grandparents. For them the continuity of generations was cut off.

We share our memories with others because we believe that in remembrance lies the secret of redemption, the protection of another generation of men, women and especially children who might otherwise be abandoned and forgotten, tortured and killed—frightened not only by death but by the indifference of a cold, uncaring world. By remembering, we may save a people we do not know, and a people who may never have heard of us.

We remember, because we believe that in our memories lie a powerful reminder to live up to the traditions and the nobility of America. We remind the modern world that power, affluence, and human ingenuity can be used to save the world or to destroy it. Technology can be the servant of humanity or its angel of death.

Two hundred years ago, a grateful people sat down in Plymouth, to take stock of what had happened in the year since they arrived. They ate a meal and they gave thanks. For generations since, Americans have paused at Thanksgiving time with gratitude to take stock. Today, another grateful people, survivors of the most wicked evil perpetrated on this earth, take stock of what happened. We pray and remember—and we hope that future generations of Americans will remember and use the power and the vision of America to protect people everywhere.

We survivors have lived two lives. We were abandoned to hell. Then, were given a new chance at freedom. We have spent a Biblical generation binding our two lives together.

From America, we have taken hope. In return, we offer our memory, so that America, still so young, will learn from our past.

Memory is our most precious possession. Sharing our memory has become our part of the American tradition. Each year, in the bright shadow cast by our martyrs, we offer our country a moment to reflect on what the world has been and what it still might be.

DON'T LET OPEC DO IT AGAIN

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. WHITEHURST. Mr. Speaker, the Norfolk Virginian-Pilot and Ledger-Star on May 11, 1986, published an outstanding commentary by Lee Iacocca which began on the front page of the business section. I am pleased to take this opportunity to share it with my colleagues, because Mr. Iacocca has made a number of cogent points concerning world oil prices and their potential impact on the economic future of the United States. I hope that careful attention will be paid to Mr. Iacocca's words; we would do well to heed his warning.

If, as the old saying goes, there is no education in the second kick of a mule, why are we setting ourselves up for a third?

I fully endorse Mr. Iacocca's views and urge that we give active consideration to his recommendations.

DON'T LET OPEC DO IT YET AGAIN

(By Lee Iacocca)

A couple of weeks ago we saw one of those rare cracks in the Reagan administration's fanatic devotion to the "free market" when Vice President George Bush simply suggested that a little stability in world oil pricing might be a good thing.

Wow, all hell broke loose. It was heresy, and some of the real purists blew their corks! After all, the free-fall in oil prices right now is the greatest thing that has ever happened to supply-side economics. After five years of insufficient revenues and record deficits that were just starting to catch up with us, we get a reprieve through this cheap oil windfall.

All Bush said was that we needed some "stability," and immediately the White House press people began issuing "clarifications" telling us that no matter what, they still believed in the free market, and oil prices could go wherever they damn well pleased.

Can they really believe there is a "free market" in oil, even though 75 percent of the world's oil is in the hands of people

who've told us clearly they don't believe in the free market? Can they be that naive?

Now, I know Bush got in trouble with some of his friends, but he was the only guy in the club making sense that week. I hope some of the others were listening.

Let's face it, we're all getting a windfall from cheap oil—the administration, the consumers, the auto industry, the airlines, just about everybody but the domestic oil producers and their bankers. (And who loves oilmen and bankers anyway, right?)

I should be dancing in the streets with the trickle-down guys, I guess, because Chrysler's selling its high-profit V-8's as fast as we can make them. And General Motors and Ford got the federal fuel economy law changed so we can sell even more of those big cars.

But I'm not dancing, because I've got a long memory. I know cheap gas for what it is, and it's a drug habit. We got hooked on it twice before, and when OPEC shut us off, the whole country got the DTs and my company almost died.

It was so serious in the '70s that we practically declared a national emergency. We got scared enough to do some smart things. We started conserving energy and encouraging domestic exploration. We vowed that we'd regain our independence from OPEC and that they'd never get us by the throats again.

And it worked! We've cut our per capita energy consumption by a whopping 20 percent since the first oil shock in 1973. It worked so well that OPEC came apart like a $3.00 watch.

Now some of the same people who rigged oil prices up in the '70s are rigging them down in the '80s to whip the cartel back in shape and regain control of the market. When that happens watch out, because oil prices will go through the roof again and we'll be right back where we started.

But we don't have to let that happen. We can protect ourselves. There are two things we can do, and both of them will hurt a little.

First, we hang onto the conservation programs that worked, like the corporate average fuel economy law (CAFE). The government caved in to the Big Two last year and rolled back the standards for the 1986 models, and it looks like they'll cave in again on the '87 and '88 cars. (And it saves GM and Ford $700 million in fines to boot—talk about bailouts!)

Chrysler has fought the rollbacks, and the others say we're poor sports because we put more fuel efficient cars in our fleet and we're able to meet the standards. Well, sure we did. It was the law, and we obeyed it!

And the law made sense. We drove right into OPEC's ambush with our gas hogs twice already. Are we going to do it again?

Second, we ought to put a tax on gas and an import fee on oil to keep our feet to the fire on conservation, to let our domestic producers compete and, incidentally, to make a huge dent in our federal deficits. I was calling for a gas tax three years ago when it was $1.20 a gallon, and now that the budget deficit has gone past $200 billion a year and gas is 69 cents in some places, it makes more sense than ever.

We've been joyriding on cheap gas all along. Even before OPEC unraveled, we had the cheapest gas in the world—by far—because we refused to tax it like other countries do.

Our federal tax is only 9 cents, and when you add in state and local taxes, the average in America is still only a quarter. In Germany, that same gallon has 85 cents in tax; in Sweden, a buck; in France, $1.55; and in Italy it's $1.71.

The truth is, we really have a made in heaven chance here to do something about the deficit without much real pain to consumers. God and OPEC will never be this good to us again. Every penny at the pump gets a cool billion bucks, and every $1 on a barrel of imported oil means almost $2 billion.

So 15 cents at the pump and $5 per barrel on imported oil is a quick $25 billion. By the way, if you think the controversial $5 import fee is a bailout for the oil industry, then go with a 25-cent gas tax—that's still $25 billion.

This is the famous "two-fer"—conserve energy and cut the deficit. But I've got no illusions. It would be very unpopular.

But let's be sensible. Cheap Middle East oil can drive many of our producers to the wall, and America can't afford that. We can't afford to give up the energy independence we fought for. The oil industry paid a windfall profits tax when they were raking in the dough. Now they're in trouble, and an oil import fee would have the effect of a windfall profits tax in reverse.

Let me tell you how really bad it is down there these days. One of the oil companies recently warned the administration that if this $12 oil keeps up, "We'll be knocking on your doors just like Chrysler did."

Well, that should have gotten their attention. One thing I know about this administration is that they don't want to see a lot of Lee Iacoccas in ten-gallon hats coming around.

They're in a bind, whether they admit it or not. We're all in a bind. They say they're still totally committed to the free market, and low oil prices are like life-support to Reaganomics, right now. But there's a cost. Now we're beginning to see that there may be some serious potential consequences to this big windfall.

Like some oil companies maybe looking for a Chrysler deal.

Like some banks maybe getting in trouble.

Like Mexico maybe facing default.

Like some friendly governments maybe tipping over.

It's the old story—there's no free lunch. And there's no free energy, or even cheap energy. We'll pay a steep price later on in higher prices, and in a loss of our independence, unless we put together a sensible energy policy now, and stick to it. Pure and simple, would somebody in Washington tell us what the hell our energy policy is!

Because of our addiction to cheap gas, we've let ourselves get kicked in the head not once, but twice. I can't believe we're going to give the people who did it a chance for a hat trick.

AIRPORT LANDING RIGHTS

HON. JIM ROSS LIGHTFOOT

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. LIGHTFOOT. Mr. Speaker, today my colleague, Mr. TAUKE, and I are introducing legislation which would restore equity to the method by which government-issued landing rights are allocated at four of the Nation's high-density traffic airports.

This bill would repeal a rule issued by the Federal Aviation Administration [FAA] which took effect on April 1, 1986. That rule would allow the buying and selling of slots at four of the Nation's high-density airports. This rule is objectionable for several reasons.

First, it creates a windfall for the carriers that held the slots as of December 20, 1985. Those carriers would assume a property right to those slots for which they would pay nothing, and then be allowed to turn around and sell those slots and keep whatever windfall profits the sale would yield. Prior to the December 20 issuance of the rule it was no secret that this would occur, and some carriers purposely held on to slots they did not need so they could sell the slots after the rule took effect. Rights to use the public airways should not be bought and sold like a commodity to the highest bidder; instead, they should be allocated in a fair manner which does not discriminate against those who do not have the financial resources that it would take to compete in such a market.

Second, the FAA rule would adversely affect competition by prohibiting market entry. It would be naive to think that a carrier's decision on buying and selling slots would not be influenced by competitive considerations. In the deregulated airline industry every move must be considered in terms of how it would affect an airline's competitive position. If the FAA rule is allowed to go into effect, then new and possibly more efficient airlines could be effectively priced out of the market.

Third, the FAA rule also would concentrate slots with large carriers which have the greatest financial resources to wheel and deal in the slot market. Small carriers could be squeezed out of the market, or the cost to them of obtaining slots—which would be passed on to their customers—would be very high. Although the rule gives some protection to commuter airlines, essential air service, and general aviation, by placing a value on their slots an incentive to squeeze them out of the game is created. Rural areas and smaller communities would suffer as traffic would gradually be channeled into large cities located far apart from one another.

Another adverse effect of the FAA rule is that it would increase the cost of airline tickets in some markets. Airline fares are set by competitive conditions in individual markets, not by actual costs. Therefore, the high cost of obtaining a slot in a fare-competitive market would have to be covered in other markets. Once again, the markets making up the difference would be those serving smaller communities and rural areas.

Prior to the FAA rule landing rights were allocated by scheduling committees made up of air carrier representatives. This system worked fine outside of the problem the committees sometimes had with deadlocks which occurred because committee decisions had to be unanimous. Therefore, the legislation we are introducing today would repeal the FAA rule and put the responsibility for the allocation of landing rights back with scheduling committees. This bill would also establish a deadlock-breaking mechanism whereby landing rights would be allocated by lottery or other nonmarket mechanism to ensure fairness in the system.

Mr. Speaker, other legislation pending before Congress would repeal the FAA rule but leave the FAA administrator the discretion to go back to the buying and selling of landing rights. In my view that defeats the purpose of repealing the rule. We already know where the FAA stands on this issue, and we know who would gain and who would lose under the FAA rule. The bill we are introducing today approaches the problem in a more fair manner with fewer changes in the present system, and I urge my colleagues to give it their support.

OLDER AMERICANS MONTH

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1986

Mr. LUNDINE. Mr. Speaker, I am very proud to once again lend my support to the congressional resolution declaring May as "Older Americans Month." I encourage all my colleagues to join with their constituents in celebrating "Older Americans Month" with programs, ceremonies, and activities designed to honor our Nation's senior citizens.

There are many important public policy issues which affect today's elderly population. Gramm-Rudman budget cuts, the safety of the Social Security trust fund, changes in Medicare and tax reform no doubt top the list. I have been working very hard to ensure that our senior citizens are not unduly burdened over the next few years as the Federal Government burrows its way out of debt. America's senior citizens have a right to enjoy their later years, and the protection of this right I see as one of my top priorities in Congress.

Since my election to Congress in 1976, I have strongly supported programs which senior citizens benefits from such as the Foster Grandparent Program, the Retired Senior Volunteer Program, the Senior Companion Program and title V, Senior Employment Program. I feel that these programs provide opportunities for the elderly to continue to service their communities by contributing their talents and experience as employees and/or volunteers.

For example, through the Pupil Assistance Learning Program [PAL] and through COPE House and the Gathering Place, seniors in the Elmira area help the young and old alike to learn new skills and more thoroughly enjoy life. All across my district, senior citizens volunteer through the RSVP Program in their field of expertise, or with nonprofit organizations and public agencies. I am proud to represent such an active group of senior citizens in Congress.

In honor of "Older Americans Month," I salute the work of America's senior citizens. It is my hope that they will continue to be active in community service in the Southern Tier and across the country.

CAN THE U.S. AFFORD A DESTABILIZING ARMS RACE IN SPACE?

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. McHUGH. Mr. Speaker, I would like to call the attention of our colleagues to an editorial that appeared in the Binghamton Press and Sun Bulletin earlier this year regarding the Strategic Defense Initiative.

At a time when we are struggling to reduce the Federal deficit, all of us need to seriously question whether we can afford another large increase in funding for a program that may never work and could prove potentially destabilizing.

The editorial follows:

[From The Press and The Sun-Bulletin, Binghamton, NY, Jan. 4, 1986]

REAGAN'S RUSSIAN

President Reagan and Soviet leader Mikhail Gorbachev opened the new year by delivering messages to the citizens of the other's country. Both speeches were warm and full of hopes for peace. As was noted in this space earlier, it was a good way to get U.S.-Soviet relations off on the right foot for this year.

Perhaps the most notable thing said by either man on New Year's Day was Reagan's use of the Russian phrase—*chistoye nebo*—in his speech. Granted, it hardly had the impact of John F. Kennedy's famous utterance in German—Ich bin ein Berliner—but it merits comment because it came at a point in the speech following the president's pitch to the Soviets that "new technology" (he meant Star Wars although he didn't use the term) could one day free us all from the nuclear threat.

As the president was ending his address, he said he hoped we could all look forward to *chistoye nebo.* He was using the phrase in its idiomatic sense, which means "clear sailing" or "should our journey be a good one." However, literally translated the phrase means clear or clean sky.

One wonders if the president was aware that if taken literally, his words might be understood as a wish for a clean sky—clean of space weapons like those he envisions for Star Wars. It is doubtful that Reagan had this double entendre in mind, but it would have been nice if he did.

Star Wars is a program that will cost Americans a trillion dollars or more, and there is scant reason to believe that it can ever be made to work in the manner planned. The placement of missiles in space, even if they are called defensive, represents an offensive threat that can only lead to an increase in the arms race and consequently increased chances of nuclear destruction.

Chistoye nebo is a welcome thing—in both its idiomatic and literal senses.

AIRPORT LANDING REGULATION

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. TAUKE. Mr. Speaker, today, Congressman JIM ROSS LIGHTFOOT and I are introducing a bill that would repeal the Federal Aviation Administration (FAA) regulation which allows airlines to freely buy and sell takeoff and landing slots at the Nation's four high-density airports.

On December 20, 1985, the Federal Aviation Administration proposed rules that would permit air carrier and commuter operator slots allocated for Kennedy International Airport, LaGuardia Airport, O'Hare International Airport, and Washington National Airport to be subject to the forces of the marketplace. In most instances, such a move to cast off the burdens of regulation are laudable. However, the current regulations seeking to confer ownership of takeoff and landing rights at the Nation's four busiest airports would be certain to set back the great strides the Department of Transportation has made for the promotion of competition in the airline industry. Not only would this proposal allow existing carriers to receive an unwarranted windfall from the Federal Government, but of more concern, would constitute the erection of an insurmountable barrier for small carriers wishing to enter the marketplace. The dominant carriers in the market would be able to prevent smaller carriers from entering the marketplace.

In my congressional district in Iowa, a new carrier operating out of Dubuque, Iowa Airways, is attempting to enter the commuter market to O'Hare International Airport. However, if the FAA's rule provides the mechanism for slot allocation, the great cost of obtaining slots would prohibit this carrier from service to this market. Moreover, I believe that such a proposal is contrary to both the theory and practice of airline deregulation in a competitive environment.

For those reasons, Congressman LIGHTFOOT and I are introducing legislation that would repeal the final FAA rule regarding Slot Allocation and Transfer Methods at High Density Airports. In its place, separate scheduling committees for air carriers and commuters would be established, along with guidelines for the creation of a deadlock-breaking mechanism by the Administrator of the FAA. In addition, takeoff and landing slots for essential air service and foreign air transportation would be protected under our proposal, as well as new entrants into the marketplace.

The Senate has already adopted a similar proposal repealing the FAA's final rule and substituting allocation guidelines. I urge you to closely review our proposal. I am inserting the text of the bill into the CONGRESSIONAL RECORD for the benefit of my colleagues.

SECTION 1. REPEAL OF RULE.

The Secretary of Transportation and the Administrator of the Federal Aviation Administration (hereinafter referred to as the "Secretary" and the "Administrator", respectively) shall—

(1) repeal the final rule regarding Slot Allocation and Transfer Methods at High Density Traffic Airports, issued on December 20, 1985 (50 Fed. Reg. 52180), as in effect on the date of enactment of this Act; and

(2) after the date of the enactment of this Act, not promulgate any rule or regulation or issue any order (other than on an emergency basis) relating to restrictions on instrument flight rule takeoffs or landings at

any airport, which rule, regulation, or order is inconsistent with this Act.

SEC. 2. ESTABLISHMENT OF NEW ALLOCATION METHOD.

(a) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the Administrator shall establish by rule or otherwise, after affording the opportunity for and considering public comment, a method for the equitable allocation of slots at high density traffic airports, in accordance with this section. Such mechanism shall be consistent with aviation safety.

(b) ESTABLISHMENT OF SCHEDULING COMMITTEES.—The allocation of slots (except as provided in subsection (e)) shall be made by separate air carrier and commuter air carrier scheduling committees established for each high density traffic airport. The Administrator shall establish the composition of such scheduling committees.

(c) ESTABLISHMENT OF TIME SCHEDULE.—Scheduling committees shall allocate and reallocate slots according to a time schedule to be established by the Administrator.

(d) FOREIGN AIR TRANSPORTATION AND ESSENTIAL AIR TRANSPORTATION.—The Administrator shall provide slots—

(1) to any air carrier for foreign air transportation for which such carrier has authority; and

(2) as may be necessary to maintain essential air transportation.

(e) ALLOCATION BY ADMINISTRATOR WHEN COMMITTEE FAILS TO AGREE.—

(1) ESTABLISHMENT.—The Administrator shall, no later than 120 days after the date of the enactment of this Act, and after affording the opportunity for and considering public comment, establish a special mechanism for the allocation of slots in any case in which a scheduling committee is unable to reach agreement on the manner in which it will allocate slots within the time period established by the Administrator. Such special mechanism may include commitment of the issues involved to binding arbitration, lottery, or any other nonmarket mechanism determined by the Administrator to be appropriate. The Administrator shall also formulate a mechanism to allocate all new slots, voluntarily returned slots, and unused slots.

(2) DURATION OF ALLOCATIONS.—The duration of any allocation of slots under paragraph (1) shall be determined by the Administrator, after giving due consideration to the need for maintaining competition among airlines at high density traffic airports, the capital investment of existing users of slots at such airports, and the need for adequate air service to such airports from small- and medium-sized communities, except that no such allocation of slots shall remain in effect after December 31, 1988.

(3) CONSIDERATION OF NEW ENTRANTS, ETC.—Any allocation mechanism established by the Administrator under this subsection shall be adequate to ensure the opportunity for new entry, to maintain essential air transportation, and to protect the access rights of commuter operators.

(f) LIMITATION ON TRANSFER OF SLOTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), an air carrier or a commenter air carrier may not sell, lease, or otherwise transfer a slot allocated pursuant to this Act.

(2) EXCEPTION.—An air carrier or commuter air carrier may trade a slot for another slot at the same airport which is allocated for the same type of transportation or for the same type of aircraft.

SEC. 3. WITHDRAWAL OF SLOTS.

(a) ADMINISTRATOR RETAINS CONTROL.—The allocation and use of a slot represents a nonpermanent operating privilege within the exclusive control and jurisdiction of the Administrator.

(b) GENERAL AUTHORITY TO WITHDRAW.—The use of a slot may be withdrawn and reallocated by the Administrator for reasons of aviation safety or airspace efficiency or to enhance competition in air transportation.

(c) WITHDRAWAL FOR NON-USE.—The use of a slot (other than a slot reserved for foreign air transportation or for essential air transportation) may be withdrawn if it is substantially unused.

(d) FOREIGN AIR TRANSPORTATION AND ESSENTIAL AIR TRANSPORTATION.—The Administrator may withdraw slots to carry out section 2(d).

(e) LIMITS ON WITHDRAWALS.—The Administrator shall establish a method for the withdrawal of slots under this section that ensures that no carrier incurs the loss of an undue proportion of its slots.

(f) RULES.—The Administrator shall issue rules to carry out this section not later than 120 days after the date of the enactment of this Act.

SEC. 4. LIMITATIONS ON FURTHER SLOT CONTROLS.

(a) REQUIREMENT OF PRIOR NOTICE.—Other than on an emergency basis, the Administrator shall not promulgate any rule or regulation or implement any practice that restricts aircraft operation by means of slot controls at any airport or air traffic control facility other than those specified in section 93.123 of title 14, Code of Federal Regulations, as in effect on February 1, 1986, unless the Administrator first transmits to the Congress a written report justifying the need for much rule, regulation, or practice not less than 90 days before the effective date of such rule, regulation, or practice.

(b) REVIEW OF EXISTING SLOT CONTROLS.—

(1) BIENNIAL REAUTHORIZATION.—No later than January 1, 1987, and every two years thereafter, the Secretary shall conclude a rulemaking to reauthorize or eliminate all high density traffic airport slot controls specified in section 93.123 of title 14, Code of Federal Regulations, and any other slot control created subsequent to such date by the Administrator. Each such rulemaking shall include a report to Congress concerning the extent to which the retention of slot controls at any airport, or the creation of new slot controls, is required in the public interest. Such report shall describe possible improvements in facilities or related air traffic control facilities or procedures that would allow slot controls to be reduced or eliminated, and shall describe any action taken by the Administrator to reduce or eliminate the need for such control.

(2) TERMINATION OF SLOT CONTROLS UNLESS REAUTHORIZED.—No regulation imposing slot controls to which this subsection applies shall have the force and effect of law after two years from the date on which it becomes effective, unless such regulation is reauthorized pursuant to paragraph (1).

SEC. 5. ANNUAL REPORT.

The Secretary and the Administrator shall make timely recommendations to the Congress regarding any additional statutory authority they consider necessary or appropriate to carry out the purposes of this Act. In addition, the Secretary and the Administrator shall report annually to the Congress on the extent to which the allocation mechanisms established pursuant to section 2 and any slot control regulation reathorized pursuant to section 4 has minimized barriers to entry at high density traffic airports.

SEC. 6. DEFINITIONS.

For purposes of this Act—

(1) AIR CARRIER.—The term "air carrier" has the meaning given by section 101(3) of the Federal Aviation Act of 1958, except that such term does not include a commuter air carrier.

(2) AIR TRANSPORTATION, FOREIGN AIR TRANSPORTATION.—The terms "air transportation" and "foreign air transportation" have the meanings given by section 101 of the Federal Aviation Act of 1958.

(3) COMMUTER AIR CARRIER.—The term "commuter air carrier" has the meaning given by section 419(c)(1) of the Federal Aviation Act of 1958.

(4) ESSENTIAL AIR TRANSPORTATION.—The term "essential air transportation" has the meaning given by section 419(f) of the Federal Aviation Act of 1958.

(5) HIGH-DENSITY TRAFFIC AIRPORT.—The term "high density traffic airport" means an airport at which the Administrator limits the number of instrument flight rule takeoffs and landings of aircraft.

(6) SLOT.—The term "slot" means the authority to conduct one instrument flight rule takeoff or landing of an aircraft.

SENATOR HUMPHREY ON AFGHANISTAN: NO PEACE WITHOUT FREEDOM

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. KEMP. Mr. Speaker, with extraordinary bipartisan support, the United States has been assisting the courageous freedom fighters in Afghanistan in their struggles against occupying Soviet troops. Our aid to the brave Mujahideen is an integral part of the Reagan doctrine, which stands for the principle that it is right both morally and strategically for the United States to support the forces of freedom in the world.

Now, in an article in today's Washington Times, Senator GORDON HUMPHREY writes that our fundamental policy may be under assault by those who care more about the process of negotiations and the trappings of an agreement than they care about the essential rights of the people who are fighting to be free.

Senator HUMPHREY warns that current Afghanistan "peace" talks, under the auspices of the United Nations, presage an agreement that disposes of the future of the Afghanis without regard to their fundamental rights. Such an agreement would only accrue to the interest of the Soviet Union, and would represent a stark setback for the free world.

I agree with what GORDON HUMPHREY writes: "Peace without freedom is hardly worth achieving * * *" the people of Afghanistan "are defending the frontier of freedom * * * not just for themselves, but for all the peoples of the world who love freedom."

Mr. Speaker, I request that Senator HUMPHREY's urgent article be printed in the RECORD.

[From the Washington Times, May 13, 1986]

FEARS OF AN AFGHAN SELLOUT

Peace talks on the Afghan war, under way again in Geneva, may soon bear bitter fruit. From all indications, the United Nations-sponsored talks are edging ever closer to a "settlement" which smells a lot more like a wholesale sellout of the Afghan resistance.

The most basic flaw in the talks is that they exclude legitimate representatives of the Afghan people. Here are talks which could decide the fate of the people of Afghanistan, and who is representing Afghanistan? The puppet regime set up in Kabul by the Soviets after their invasion in 1979—an illegitimate regime that would fall in a matter of days without the protection of the Soviet armed forces.

Afghanistan is being represented by officials of the so-called "Democratic Republic of Afghanistan." The DRA regime is not democratic, and it does not represent the people of Afghanistan. Yet the DRA is there in Geneva, deciding the fate of the Afghan people.

In recent testimony before the Congressional Task Force on Afghanistan, former U.N. Ambassador Jeane Kirkpatrick remined us that President Reagan, in his speech to the U.N. General Assembly last year, outlined some basic standards which apply to negotiations such as these. The president said direct negotiations between the warring parties, in regional conflicts in Afghanistan, Nicaragua, Angola, Cambodia, and Ethiopia, were a "starting point" of a peace process whose objective is internal reconciliation, with democracy and human rights for all.

That is the official position of the United States, as articulated by the president: direct negotiations between the warring parties is the starting point. But the U.N. negotiations on Afghanistan exclude one of the warring parties, the Mujahideen, who have valiantly waged a six-year war against Soviet forces and have sacrificed monumentally in their effort to rid their nation of an invader and its puppet government.

An important principle is violated when the United States sanctions dishonestly structured talks such as these, and to encourage talks which don't meet the minimum standards set by our president makes it appear that he is not serious in what he says.

The president has been badly served by the State Department, which has given its blessing to these negotiations that do not meet the criteria he laid down in his speech to the United Nations and which in December reversed the previous U.S. position by offering to act as a "guarantor" of a settlement the final terms of which are still unknown.

Actively encouraging—and offering to guarantee—talks that exclude any legitimate Afghan representative is high-handed, arrogant, and immoral.

The fate of nations being decided absent their legitimate representatives is reminiscent of Yalta. It is past time that our government insists that the U.N. talks on Afghanistan include the legitimate representatives of the Afghan people, the mujahideen.

As to the terms, they appear to be a trap. The Soviet are insisting that aid to the Afghan freedom fighters be cut off immediately, before any troop withdrawal. In addition, Pakistan must officially recognize the puppet regime in Kabul. Then, at some point when the Soviets are satisfied that all aid to the freedom fighters has been cut off, they say they will withdraw their forces in stages.

It takes no vivid imagination to see how matters would play out; we and others would cut off aid to the freedom fighters. Pakistan would recognize Moscow's puppet in Kabul. The Soviets would withdraw enough forces to make a good show. But the Kabul regime, still under fire from freedom fighters using weapons stored for such an eventuality would claim that outside aid had resumed and would invite the Soviet forces to remain.

What would we do at that point? What would we do? Once the program of aid to the Freedom fighters was ended, it would be difficult to resume it. For the Pakistanis, resumption of aid might be politically impossible, since Pakistan would have recognized the Kabul regime.

Result: Moscow would have succeeded in incorporating Afghanistan into the Soviet empire. More than six years of bloody sacrifice and unspeakable suffering by the Afghan people will have been thrown away.

At the very least, the United States must insist upon inclusion of the freedom fighters in the U.N. talks and simultaneity in the cutoff of assistance to the mujahideen and the withdrawal of Soviet forces.

Finally with respect to the terms of the agreements so far approved by the parties, it is vitally important to note that none of the documents addresses the matter of self-determination for the Afghan people. Nor, according to press reports, is there any intention of addressing this central issue at the U.N. talks. Apparently, that is a matter to be dealt with in some as-yet-undetermined way. Withdrawal of Soviet forces, return of Afghan refugees, and self-determination are supposed to be the bedrock criteria of the United States in any settlement of the Afghan war. Yet we have increasingly associated ourselves with a process which does not address self-determination.

The United States should insist that a mechanism of self-determination, with appropriate safeguards of international supervision, be included in any settlement for which we are to act as guarantor. Much is at stake in Afghanistan, and the administration has gotten our country and the Afghan people into a tight spot by giving the State Department bureaucracy free rein. It's time the White House got involved in directing our activities as associated with the U.N. talks.

The objective of the U.N. talks is not to achieve just any old "settlement." Indeed, it isn't even to achieve just any old "peace," because real peace isn't just the absence of war. It is also the absence of oppression.

Peace without freedom is hardly worth achieving, and no people on the face of this Earth cling to that belief more tenaciously than the brave people of Afghanistan. After all they have suffered over the past six years, they still say they will fight to the very last man to regain their country and their freedom. They are defending the frontier of freedom, practically with their bare hands.

They are defending it not just for themselves, but for all the peoples of the world who love freedom. I think America sells out herself, as well as the Afghans, if we give them anything less than a fair shot.

A NEW BREED OF ORTHODOX ACTIVIST

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. SOLARZ. Mr. Speaker, I would like to draw my colleagues' attention to an article in the newspaper Israel Today entitled "A New Breed of Orthodox Activist," which profiles David Zwiebel, director of the Office of Government Affairs and general counsel of Agudath Israel of America. Throughout my years in Congress I have had the great pleasure of working with the Agudath Israel in general and Mr. Zwiebel in particular.

The article reveals a dedicated and insightful man whose tremendous work on behalf of the American Jewish community is as forward looking as it is essential. Founded in Poland in 1912, the Agudath Israel reached its present degree of prominence under the outstanding leadership of Rabbi Morris Scherer in the 1960's and 1970's. Through its work on behalf of senior citizens, religious education, social services, and the preservation of Torah and Talmudic values, the New York City area is a better place to live and work. I am proud to represent thousands of constituents who are members of the Agudath and exemplify the high moral standards and traditions of my district in Brooklyn. I wish David Zwiebel and Agudath Israel continued success in the future.

A NEW BREED OF ORTHODOX ACTIVIST

WASHINGTON.—As Director of the office of Government Affairs and General Counsel of Agudath Israel of America for the past two years, David Zwiebel was the coordinator of the group's recent mission to Washington. Zwiebel, the product of Jewish day schools, received his ordination from Yeshiva Mesifta Torah Vadaath. He was a member of the first graduating class of the Yeshiva University of Cordoza School of Law, serving as editor and chief of the Law Review. After working for four years in the prestigious Wall Street law firm of Paul Weiss, Rifkind, Wharton, Garrison, he assumed his present post. Zwiebel represents the growing number of articulate young Agudah leaders who are American born, Torah observant professionals or businessmen who are at the same time product of this nation's finest academic institutions and outstanding Yeshivot. Following are excerpts from an exclusive interview with Rosalie Zalis, Israel Today Director of National Politics.

ISRAEL TODAY. What is it like switching from a giant law firm to working with Agudah?

ZWIEBEL. It's wonderful, because you are generally doing things that are meaningful, that give you a sense of satisfaction. It's nice to help your fellow Jews rather than helping corporations save money. My position was established in the late 1970's and our job has grown so that we now have two attorneys on staff and I think we need an even larger staff.

ISRAEL TODAY. How often does Agudah have a Washington Day and to what do you attribute the success of the 1986 mission?

ZWIEBEL. This the third. One was held in 1980 and one in 1983. In 1980, we had 14

states represented and a dozen states in 1983. This was our largest mission in number of delegates and number of states represented. The event was so successful because we did our homework, and because our reputation has been growing. We've opened new offices in California and New Jersey, we have active divisions in Ohio, Illinois, Maryland and we also have individual activists who are Agudah members in many other states. Our level of activity on the community and political scene has been steadily escalating.

ISRAEL TODAY. What response did you get to your invitation to the mission?

ZWIEBEL. The response was very positive and very fast. The White House allowed us 200 delegates, we sent the invitations in early January and we were oversubscribed by the end of the month. There were 210 delegates.

ISRAEL TODAY. How do you become a member of the group?

ZWIEBEL. You can become a formal member by paying $25 annual dues which entitles you to certain benefits of the organization—including its publications and programs. But we have a broader concept of membership which includes those who partake in our community activities—both for adults and for children. Also included under the Agudah umbrella are the vast majority of the Jewish Day Schools across the country for which we serve as the government liaison. That includes Torah Umesorah as well as AARTS which is the Association of Advanced Rabbinical Theological Schools. So when we speak of membership—especially before members of Congress—we include that whole spectrum.

ISRAEL TODAY. Can you describe the typical member of the Agudah?

ZWIEBEL. We are a coalition. We have chassidic members as well as modern Orthodox members, European as well as American born, but the prototype would be an educated young person committed to Jewish education for his or her children, and interested in public affairs. We are in the vanguard of what is the fastest growing segment of the American Jewish community—an Orthodoxy that believes in strict faithfulness to the tradition and recognition that policy decisions ought first and foremost to be determined by persons steeped in Jewish law. All our policy decisions go before a presidium composed of some of the nation's leading Roshei Yeshivat (heads of Yeshivot) and community Rabbis.

ISRAEL TODAY. How did Agudah become so involved in the polical agenda?

ZWIEBEL. Agudath Israel as a world movement was founded in Poland in 1912 and it was very active in the Polish government. The Polish system of government lent itself to community representation, and, so there were Agudah representatives who didn't know how to speak Polish and yet were members of the Polish Parliament. Agudath Israel of America was founded in 1922 and became active politically as a result of its rescue and relief efforts during the Holocaust. Starting in the late 1930's there was a great deal of contact with the U.S. government and Agudah played a very important, albeit tragic role in attempting to save the Jewish lives during the war years.

Our political activity really began to flourish in the early 1960's when we became very active on behalf of the day schools and Yeshivot. We wanted to ensure that legislation passed during the Johnson-Kennedy years to benefit education generally; to benefit non public education as well as public education. Rabbi Sherer, the President of Agudath Israel of America, has told me that he was the only Jewish person at the hearings on his side of the aisle—testifying in support of expanding coverage to non-public schools. All the other Jewish organizations—the American Jewish Congress, the American Jewish Committee and others, the mainstream secular groups were on the other side of the issue. This was an eye opener to both the Jewish community and to the government because is showed that the Jewish community is not monolithic, that Orthodoxy was an expanding growing movement that was beginning to assert itself and to speak with an independent voice.

ISRAEL TODAY. What are the major legislative issues addressed by Agudath Israel of America.

ZWIEBEL. Domestic issues would include the protection and advancement of religious rights (equal opportunity, Jewish prisoners' rights, consumer protection, abortion, postmortem procedures etc.); maximizing educational choice while preserving educational independence (aid to non-public school students and teachers, tax reform, school curricula) and social and moral issues (ERA, abortion, pornography, etc.). On international issues we support a strong U.S. Israel alliance.

Basically on Israel-related issues we support the AIPAC position and have been working in recent years to strengthen the relationship between AIPAC and Agudah. But we have a somewhat broader agenda. We are involved in rescue and relief activity both in the Soviet Union and Arabic countries, often in clandestine activities we cannot publicize. Our political contacts also include Ambassadors from various countries.

ISRAEL TODAY. The Washington Day which featured the Vice President, three Cabinet secretaries, a dazzling array of State Department and Congressional leaders certainly attest to Agudah's clout with this Administration. Do you think it's because whereas the mainstream Jewish groups often clash with the Administration on domestic issues, Agudah's agenda and the Administration agenda are so compatible, particularly on issues like vouchers and tuition tax credits, abortion and other family value issues?

ZWIEBEL. Although we are very supportive of most of the President's agenda, we don't think we can be pigeonholed. We are a bipartisan group with support for and from Democrats and Republicans. We are nervous, for example, about certain constituents within the Administration that would like to turn America into a more overtly Christian country. We oppose the President's plan to sell weapons to the Saudis and, in this instance, it's Democratic leadership marshalling opposition to the sale. We are supportive of civil rights, but our emphasis is that religious rights are civil rights too, a position to which the Republicans seem more sensitive.

BRINGING BLACK PROGRAMS INTO THE WHITE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. ASPIN. Mr. Speaker, the volume of defense budget funds hidden from view under the rubric of black programs has grown eightfold in the last 5 years. Far too much is hidden in the black category.

More than a month ago, on April 9, a letter went over to Defense Secretary Caspar Weinberger signed by myself as chairman of the House Armed Services Committee and by BILL DICKINSON as the ranking minority member. We appealed to the Defense Secretary to review these programs and bring much of the black funding out into the white.

BILL DICKINSON and I think that about 70 percent of the funds now obscured under the black rubric could be declassified and a significant number of the programs themselves placed in a lower classification.

To date, however, we have had no response from the Defense Department.

"Black" is a popular term describing those defense programs known officially as special access required projects. These are programs classified for all practical purposes at a level higher than top secret, since top secret clearance is insufficient to gain access to information on these programs. Special clearances are mandated.

Mr. Speaker, there is a need for special access programs. I trust that no one questions that. The issue isn't over the need to protect some projects very closely; the issue is how many require tight control to the point that not even the most basic budget numbers can be mentioned in public.

I also want to make clear that when I speak of making black programs white I am not saying that anyone should then be able to walk over to the Government Printing Office and buy engineering drawings for sensitive parts. There are classified parts for literally dozens of weapons that everyone has heard of, and it's appropriate to keep those aspects classified.

The issue isn't protecting technology, but hiding the basic data that citizens in a democracy ought to have access to in order to make some judgments on how their tax resources are being used.

The axiom here is this:

In a democracy the maximum portion possible of our defense effort should be conducted in the open. On the philosophical level, it is simply bad public policy to obscure what is being done with tax funds. On the practical level, the need to mobilize public support for defense programs rightfully demands openness.

On that latter point, it is interesting to note that the advanced technology bomber, or Stealth aircraft, is a black program. The classification system means that I cannot officially say anything other than that the Stealth Program exists—and for other black programs, I can't even say that much. The cloak of blackness covers Stealth in an interesting way. Critics can assail it, but proponents have a hard time defending it. A critic can say anything he chooses. And many of the criticisms of Stealth that I have seen are simply made up out of whole cloth. But you cannot respond to the criticism by saying, "Here's the truth," because the black cloak demands silence.

I find it curiously amusing that Secretary Weinberger—an eager proponent of Stealth—is giving aid and comfort to its opponents this

way. The mere fact that the Secretary is the one person preventing Stealth from coming out of the black logically prompts many uncommitted people to suspect the Secretary has something to hide about Stealth.

A major portion of the total amount hidden under the black unbrella is devoted to just one program: Stealth. BILL DICKINSON and I believe that program could be taken out of the black with no harm to the public good—perhaps, with a great deal of benefit. The advanced cruise missile was recently taken out of the special access category and no one has suggested any harm has been done.

BILL DICKINSON and I are not convinced that there is a legitimate requirement to keep the wraps any longer on the most basic numbers involved in the Stealth bomber and certain other programs—the funding requests for the current fiscal year, and the estimated total program costs, for example.

One other point: I'm often asked if anyone in Congress knows anything about black programs. There is often an assumption that no one in Congress has access to these programs, and a suggestion that some programs are made black simply to prevent this committee and others from reviewing them.

Black programs have always been reviewed by members of the House and Senate Armed Services and Appropriations Committees. They have never been hidden from Congress as an institution. Generally, only a few members of each committee have overseen these projects. Given that: first, they have so many other demands on their time, second, they lack the expertise to cover all these programs, and, third, there is no political benefit to be gained from devoting time to something you cannot reveal publicly, I would judge that the system of oversight has worked reasonably well. The problem is that there is no way I can prove that because the mere fact of blackness means there is no printed record.

Since becoming chairman of the House Committee on Armed Services, I have tried to institute a better procedure. I have intentionally sought to bring more Members into the issues. I have had all the members of the Procurement Subcommittee briefed on the programs in that subcommittee's jurisdiction, and all the members of the Research and Development Subcommittee briefed on programs in the R&D Subcommittee's jurisdiction. I have set up an ad hoc oversight group within the committee—comprised of some R&D Subcommittee members, the entire Procurement Subcommittee membership, plus those members of the full committee who also serve on the Permanent Select Committee on Intelligence—to have a body that takes a broad overview of all black programs. It's too soon to say whether this expanded approach will work effectively. But no ad hoc body or fancy structure can overcome the fact that the public and other Members of Congress who don't serve on the relevant committees have no direct say.

This brings us back to my original point. The way to deal with black programs is to minimize the number of those programs. From a public policy standpoint, the fewer the better. If the Defense Department continues expanding the proportion of the budget kept in the black, it may be necessary for the Congress to fix some ground rules. As BILL DICKINSON and I concluded in our letter to Secretary Weinberger:

We reserve the right to contest the continuation of certain programs and aspects of others in a Special Access status.

I certainly hope it will not come to that. This institution really needs the added burden of reviewing and acting on proposed candidates for black status. But if the folks in the Defense Department are unable to hold their candidates for special access status to a minimum, then the Congress will have to consider doing it for them.

HONORING BILL REDMOND

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. HYDE. Mr. Speaker, on May 30, a testimonial dinner will be held at the Ambassador Banquet Hall in Elmhurst, IL, honoring William Redmond, who is retiring as DuPage County Democratic chairman. A former member of the Illinois General Assembly, he was first elected in 1958 and was elected speaker of the house in 1975, 1977, and 1979 and retired in 1982. The article I am submitting herewith from the Chicago Sun Times of March 16, 1986, omits mentioning that Bill's first elevation to the speakership was with the votes of some Republicans who, while voting for a Democrat, knew that Bill would be fair in the conduct of his high office—and eminently fair he was.

Bill Redmond has been a great Democrat and an outstanding public servant, and we all wish him much happiness and good health in the many years ahead.

A LIFE FULL OF "GLORIOUS MISTAKES"

(By Andrew Herrmann)

To hear Bill Redmond tell it, just about everything, he's ever done—boy model, professional athlete, state legislator—has been one big accident.

Glorious mistakes, he admits. They were deals of fate over which he had no control. But they were blessings he took advantage of.

At the end of this month, the 77-year-old Redmond will end his more than 25 years in DuPage County Democratic politics by giving up the reins as Central Committee chairman.

"There was hardly anything I ever did that I planned," Redmond said recently in his Bensenville office, his desk littered with mementos from his truly fascinating life.

"Everything's been an accident," he said.

Redmond's face appeared on billboards from coast-to-coast in the 1920s, touting raisins as a good 5 cent investment. His chubby likeness also graced the cover of toy construction kits, his smile sold school books and his grin beamed from countless calendars—all on a whim of a cousin who invited him to an audition one day decades ago.

While Redmond proudly notes "there was hardly an issue of the Saturday Evening Post you wouldn't find something in there with me on it," he said that he found the $3-an-hour job an "unnatural experience."

He feared that other children would make fun of him if they discovered his employment but, he said, "I was a wrestler so I figured I could always beat them up if they gave me any business about it."

Wrestling also came in handy in Redmond's later years while he was a student of engineering at Marquette University in Milwaukee.

"I did a lot of talking then about my wrestling abilities," Redmond said, so during intramural sports a coach paired him up with a "big farm boy" named Joseph McCarthy, who would later go on to lead the infamous communism investigations in the 1950s as a U.S. senator.

After pinning, his opponent, Redmond said, McCarthy "decided he would be a better boxer."

"But it just goes to show you how things have worked," Redmond said. "It's all by accident."

He also played basketball for the Marquette team and later for a professional Milwaukee squad though, he said, his short stature kept him back.

Elected in 1958 to the Illinois Legislature ("I had no burning desire for the General Assembly"), he once challenged Gov. James Thompson to a free-throw competition.

Thompson was supporting a candidate who was against the Equal Rights Amendment—a cause Redmond supported.

"We were going to have NOW [National Organization of Women] and the League of Women voters sell tickets," Redmond said with a laugh. "He wouldn't do it. He said I'd embarrass him."

Redmond, who served 23 years in the House, was a compromise choice for speaker in 1975, becoming an unexpected beneficiary of a bitter, interparty war between Gov. Dan Walker and Mayor Richard J. Daley.

After failing to get his chosen candidate for speaker approved, Daley switched to Redmond, finding his Irish American background and sympathetic voting record on city issues to his liking.

In fact, Redmond's son attended St. Ignatius High School with the mayor's sons.

"All the time I was in the legislature I wasn't a 'hate Chicago guy,'" he said. "I always believed that what belongs to Daley, belongs to Daley.

"I was a compromiser and the business of the state had to go on."

Redmond was re-elected speaker in 1977 and 1979 and retired from the House in 1982 to accept an appointment by Thompson to the state Prisoner Review Board—a position Redmond still holds.

He resigns his post as head of the Democratic Party in Republican-rich Du Page County with "chagrin," Redmond said, adding that while the county has grown nearly eightfold during that time, the party's power is at its lowest point since he took over 20 years ago.

"I never despaired. I always worked as hard as I could because I believe in the two-party system."

Though Redmond said Du Page is the second largest Democratic county in the state, he asserts that the state and national parties tend to ignore the county.

"They think the whole world is Chicago," he said. "And, quite frankly, out here we couldn't care less about Chicago most of the time."

As for his future, Redmond said he would continue his work on the review board determining parole candidates "as long as they'll keep me."

"I've been too active all my life to sit down and go fishing," Redmond said. "I want to go out with my boots on."

INTRODUCTION OF LEGISLATION TO PROMOTE THE AWARD OF U.S. GOVERNMENT CONTRACTS TO AMERICAN FIRMS

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. HORTON. Mr. Speaker, today I am introducing legislation to preserve American jobs and industries by providing U.S. firms with a fair chance at winning Government contracts.

The award of Federal contracts to foreign companies is diminishing our industrial base and exporting jobs and dollars overseas. These awards are made without taking into account all relevant economic factors, thereby giving the appearance that the low bid of a foreign supplier is the best buy, but actually costing the taxpayers more in the long run. This bill will require Government officials to evaluate bids for Federal contracts from the perspective of the Government's total cost before making an award.

Specifically, the bill requires officials to take into account two important costs that are incurred by the Government as a consequence of awarding a contract to a foreign competitor—costs resulting from the loss of domestic employment, and reduced taxes that will be paid by individuals and businesses in the United States. Only if an overseas firm's proposal is less expensive notwithstanding these factors could a Federal contract be given to that firm.

Enactment of this bill should preserve the ability of American firms to compete for their Government's business, protect jobs at home, and ensure that the Government pays less in the long run for goods and services it buys.

American industry is still the most productive and competitive in the world. This legislation will help keep it that way.

THE AERONUTRONIC DIVISION'S 30 YEARS WITH FORD

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. BADHAM. Mr. Speaker, 30 years ago, with great foresight the management of Ford Motor Co. established Aeronutronic Systems, Inc. in Southern California as a subsidiary, to enter into the defense business as a prime producer. The company had for many decades prior been a second source producer, to someone else's design, in times of emergency in World War I, World War II, and the Korean conflict.

From that small beginning in 1956, with a group of about 30 scientists and engineers, Aeronutronic, now a division of Ford Aerospace & Communications Corp. a subsidiary of Ford Motor Co. has grown to be recognized as one of the Nation's large aerospace/defense contractors.

Its system and products are in use by all our Nation's Armed Forces, and by the military services of many of our allied nations. Some systems have been proven in combat, helping to defend our Nation's freedom.

Names like Sidewinder, Chaparral, Pave Tack, F/A-18 FLIR, and others associated with tactical missiles, electro-optical systems, and ordnance programs have been identified with Aeronutronic in recent years, and the performance of these systems has been a credit to Aeronutronic and its employes.

Earlier names like Farside, Ranger, and Blue Scout were familiar ones at Aeronutronic as the organization contributed to the Nation's very early space programs in the late 1950's and 1960's.

It is a credit to our Nation and its dedicated industrial firms that Ford Motor Co. established Aeronutronic 30 years ago and had the intuition and belief that it would grow and prosper and contribute to our country's military strength. As a member of the House Armed Services Committee, I can attest to the value of these systems in our defense arsenal.

REFORM THE SBA

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. DREIER of California. Mr. Speaker, the National Federation of Independent Business [NFIB] continues to be critical of my legislation, H.R. 4621, to reform the Federal Small Business Administration, despite widespread support within NFIB's membership for this proposal. H.R. 4621 calls for terminating SBA's lending programs, and transferring the agency and its noncredit activities to the Department of Commerce.

In 1984, NFIB surveyed its membership on a broad range of issues with respect to the SBA. In one mandate, NFIB members overwhelmingly opposed many SBA programs, including the agency's lending activities. The results of that mandate are listed below. In addition to being highly critical of specific SBA programs, one NFIB survey found that three-fourths of the small business owners interviewed believe that the constituency SBA is supposed to serve is "small business owners in general." Yet only three in 10 believed that is the group the SBA actually serves.

In an effort to confirm this widespread dissatisfaction with the SBA, I asked nearly 13,000 small business people in my California district last year if they support my legislation to reform the SBA. Eight-five percent said "yes," and four chambers of commerce passed resolutions of support.

H.R. 4621, the Small Business Act of 1986, is viewed as hostile by special interest groups such as NFIB that stand to gain influence should the SBA be maintained in its current structure. They go so far as to misrepresent their agenda as being that of the small business community. These special interest groups are clearly out of touch with their membership. The Federal deficit, not the demise of the SBA, is seen as the major threat to continued small business prosperity.

The following letter from William Fovall of Pomona, CA, reflects what I believe to be the real perception among most small business people toward the SBA. As Mr. Fovall eloquently states, the SBA "serves no value to the true dedicated small business owner."

POMONA AIR INC.,
Pomona, CA, March 26, 1986.

Congressman DAVID DREIER,
Cannon House Office Building,
Washington, DC.

DEAR SIR: I am writing this letter with reference to the Small Business Administration.

During the past 15 years I have sought information from the SBA to assist in planning the growth and stability of my Corporation. The Corporate name is Pomona Air Inc., Pomona, CA.

After attending numerous SBA conferences and seminars I can truthfully say that no benefit has ever been received as a result of time and money invested.

I recently attended the President's Small Business Conference in Southern California.

The meeting was of no value to me in any sense.

And then to add insult to the program and my taking a full day from business to attend, the manner in which the delegates to the conference in Washington, D.C. were elected was as insult to my business ethics and dedication.

The most sensible move that can be made is the dissolution and abandonment of the SBA. It serves no value to the true dedicated small business owner.

Very truly yours,

WILLIAM W. FOVALL,
President.

MANDATE RESULTS 453

1. Do you favor or oppose ending all lending activities of SBA?
Favor, 62%; Oppose, 33%; Undecided, 5%.
2. Do you favor or oppose SBA administering programs for disadvantaged groups within the business community?
Favor, 20%; Oppose, 76%; Undecided, 4%.
3. Do you favor or oppose SBA providing management assistance directly and indirectly to small business?
Favor, 34%; Oppose, 64%; Undecided, 2%.
4. Do you favor or oppose directing SBA's Office of Advocacy to shape governmental policy on behalf of small business?
Favor, 26%; Oppose, 66%; Undecided, 8%.
5. Do you favor or oppose making SBA a business-development agency?
Favor, 16%; Oppose, 78%; Undecided, 6%.

ST. AGNES SCHOOL OBSERVING CENTENNIAL

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. NOWAK. Mr. Speaker, I wish to bring to the attention of my colleagues a parochial school in my district, St. Agnes School, at 188 Ludington Street, Buffalo, NY, which is observing its centennial this year.

For this entire 100-year period, this school has been staffed by the Sisters of St. Francis of Williamsville.

The school was formally opened in September 1885 with 65 students. Today, contrary to national trends, enrollment has been increas-

ing each year at St. Agnes School and presently there are waiting lists for some grades.

To help the Sisters of St. Francis, teachers, parents, and students mark this anniversary, I would like to insert into the RECORD, at this point, a brief statement from the school's principal, Sister Ann Helene.

I join with St. Agnes School's many well wishers and supporters in wishing them continued success as they embark on their second century of service in the Buffalo area.

One hundred years ago, St. Agnes School was established for the purpose of teaching gospel values to the youth of the parish.

In September 1885, a small group of Franciscan Sisters, whose motherhouse is now in Williamsville, NY, were sent to the East Lovejoy area to open a wooden framed school which housed six classrooms with an enrollment of 65 students.

Since those early days in the little wooden school, St. Agnes School has continued to grow in size and number. The methods and materials have changed, however, to enhance the education of the students. No longer are the individual student slates utilized and the runner desks that were once fastened to the floor have long become obsolete.

Presently, St. Agnes School is keeping pace with progress. The school is now equipped with a new computer program, departmentalized classes, a series of mini-courses for grades 5 to 8 including such courses as Italian, ceramics, basic first aid, and so forth, a preschool program for 3- and 4-year-olds and an upgraded reading program are part of the curriculum. All these programs are under the direction of teachers who are highly qualified as well as specialized in various subject areas.

While enrollment in some schools is declining, enrollment at St. Agnes has been increasing. What accounts for this continued growth, that "something special" that attracts parents to send their children to this school? Maybe there isn't any one answer! Could it be the sound Christian philosophy being taught from preschool through grade 8? Could it be the great emphasis on the religion program and the religious and moral values taught throughout the school? Can the great love and respect shown for teachers and students be the key to the tremendous spirit of the school—evidenced by the great pride of parents and students for their school?

Throughout 100 years of its history, the education of the children has always been of paramount importance at St. Agnes. It may be safe to say that the teaching of gospel values today reflects the reason why the Sisters of St. Francis were asked to minister to the educational needs of St. Agnes Parish a century ago and still continue to do so as the centennial year begins in September.

CALL TO CONSCIENCE VIGIL FOR SOVIET JEWS

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. WORTLEY. Mr. Speaker, the Congressional Call to Conscience Vigil for Soviet Jews is one of several vital means of communicating congressional support for refuseniks and prisoners of conscience in the Soviet Union. This support is very strong, bipartisan, and unswerving.

In implementing its policy of religious persecution and repression, the Soviet Government is especially harsh toward Jews. Soviet Jews who wish to observe their religion and pass on to their young the richness of their culture are subjected to harassment, arrest, physical abuse, and incarceration.

As a result of this treatment by the Government of their homeland, hundreds of thousands of Soviet Jews wish to seek a new home where they can live and practice their religion in peace and freedom. Israel has been eager to assist in the emigration of these people by facilitating their resettlement either in Israel or a third country.

One would think that the Soviet Union would be only too pleased to allow Soviet Jews who wish to leave to do so. As we all know, the unfortunate truth is that the Soviet Union would rather harass and incarcerate these people than allow them to emigrate. The Soviets may not like to hear the situation described in this manner, but the record shows that the description is accurate.

The Soviet Union has reduced Jewish emigration from a high of 51,000 in 1979 to 11,140 in 1985. Although the 1985 numbers represent a small increase from those allowed to emigrate in 1984, it's still a very low number when compared with the 375,000 people who have actually taken the first step toward emigration by requesting "invitations" from Israel. There are at least 14,000 refuseniks, whose applications to the Soviet Government for exit visas have been denied.

For those Soviet Jews who remain in the Soviet Union, trying to practice their religion or to emigrate can be dangerous. By the end of 1985, 15 refuseniks had been sentenced to up to 4 years in labor camps, and the crackdown on Hebrew teachers continued with arrests, harassment, and beatings.

The Call to Conscience Vigil is an important means of communicating to Soviet officials the depth of our concern regarding the plight of Soviet Jews. I most strongly urge the Soviet Union to abide by its own constitution and the international agreements to which it is a party by respecting the right to emigrate and allowing freedom of religion.

NATIONAL RAISIN WEEK

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. COELHO. Mr. Speaker, on behalf of my colleagues BILL THOMAS, CHIP PASHAYAN, and RICK LEHMAN, I am pleased to recognize April 27 to May 4 as National Raisin Week.

Raisin grape growers in California have seen the value of their properties decline sharply in the face of market price declines due to large world raisin supplies, subsidized international competition, and reduced demand from domestic winemakers, as subsidized foreign wines cut into California wine sales.

The raisin industry is fighting back with intensified promotional efforts, both domestically and overseas.

More than 120 new raisin products have been introduced during the past 2 years through efforts of the raisin industry and industrial-institutional raisin users, pushing raisin sales to record levels.

The success of an overseas promotional program for California raisins in Europe has prompted the U.S. Department of Agriculture to again renew its funding of the program, and allocate additional moneys for bulk raisin sales production.

Additionally, the industry is exploring new markets overseas, including the People's Republic of China, and will utilize funding by the USDA to promote raisin sales in Taiwan and Korea.

The California Raisin Advisory Board will institute a fall U.S. consumer promotion program, featuring an eight-page insert in Reader's Digest magazine to stimulate Thanksgiving, Christmas, and New Year's sales.

The California raisin industry is the world's largest raisin industry, producing and processing some one-third of the world's raisin supplies.

The success of the industry is of great significance to the economic future of many thousands of U.S. residents involved in production, processing and marketing of this product that is purchased by millions of consumers for eating out of hand, in bakery products, for cooking, in cereals, and many other uses.

Additions to the variety of raisin products include ice cream cones, crackers, yogurts, a variety of new breads, doughnuts, and even raisin pasta.

The California Raisin Advisory Board merits special recognition for its aggressive advertising and research activities, which have dramatically increased raisin sales in recent years.

Utilizing funds provided by participating producer and processor members, CALRAB carries on its program of advertising and promotion in the United States and in countries throughout the world, in cooperation with the U.S. Department of Agriculture's Foreign Agriculture Service.

The Raisin Bargaining Association also merits high commendation for bringing growers and packers together in a concerted effort to give them a better voice in marketing.

All other raisin growers and packers also deserve a great deal of credit for their efforts on behalf of this vital industry, which is facing so many challenges today.

Special commendation is also due the Federal Raisin Administrative Committee and the Federal Raisin Advisory Board, who operate under Federal marketing orders which have done so much to bring about orderly marketing of raisin crops.

The raisin industry, which effectively utilizes the self-help tools of sales promotion and advertising in the best American tradition, deserves a special salute during National Raisin Week.

ANATOLY SHCHARANSKY

HON. CHESTER G. ATKINS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. ATKINS. Mr. Speaker, we, the Members of the 99th Congress, today officially welcome Natan "Anatoly" Shcharansky to the United States. It is certainly a great honor to meet and pay tribute to this man, who has become a major symbol for human rights and religious freedom. Yet, in our excitement to greet this remarkable man, we must not forget the thousands of Jews who remain in the Soviet Union; the targets of intimidation, harassment, and imprisonment.

Mr. Shcharansky, a mathematician and leading spokesman for the Soviet human rights movement, was arrested in March of 1977 on charges that he was a spy working for the United States. He was found guilty of treason as well as anti-Soviet agitation, and was sentenced to 3 years in prison and 10 years in a labor camp. Throughout his 8 years in prison, Mr. Shcharansky encountered inhumane conditions, and constant hatred and anti-Semitism from the Soviet KGB officers. Yet despite attempts to break him both physically and psychologically, Mr. Shcharansky never lost his will to survive nor his will to be free.

Anatoly Shcharansky spirit is shared by thousands of Jews in the Soviet Union today who have also not lost their will to survive nor their will to be free. However, unlike Mr. Shcharansky, they have not been allowed to emigrate. Many who have attempted to publicly express their human rights have lost their jobs and have been falsely accused of an imprisoned for crimes against the Soviet state. Even the relatively few who are allowed to leave did so after they had experienced many years of financial and personal hardship.

Thus, on this day when we pay tribute to Mr. Shcharansky, we must also take time to remember the plight of his fellow prisoners of conscience. When we applaud his strength and character, we must not forget that they too have risked imprisonment in speaking out for their beliefs. When we commend his wife Avital for her preserverance in her 12 year struggle to win her husband's release, we must not ignore those whose many long years of struggle to gain visas for their Soviet relatives have not been rewarded. When we praise Mr. Shcharansky's dedication to preserving human rights and religious freedom, we must not overlook their dedication to this cause, for it is this devotion that has made them criminals in the eyes of the Soviet Government. When we greet Mr. Shcharansky and see his smile of freedom, let us not forget the tears of oppression that stream down the faces of the Soviet Jewish community.

So, Mr. Speaker, let us rise, in a bipartisan spirit, and give Anatoly Shcharansky the hero's welcome he so richly deserves. Yet, as we do, let us not forget the "heroes" whom he left behind in the Soviet Union.

NATIONAL HOMELESSNESS AWARENESS WEEK

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. MARKEY. Mr. Speaker, today I am introducing a resolution designating the week of May 19, 1986, "National Homelessness Awareness Week."

We live in the wealthiest country in the world, yet thousands of our fellow citizens are forced to live in the streets—squatting in abandoned buildings, living in emergency shelters, and, in the worst cases, freezing to death on park benches. Homelessness has become a national emergency.

Estimates of the number of homeless Americans range from 350,000 to 3 million. There are only half as many beds in shelters as there are people in need of them. This problem is not likely to subside: Last year, in 22 major cities, the demand for emergency shelter increased 22 percent, according to a survey by the U.S. Conference of Mayors.

The first step toward a solution is raising public awareness. Fortunately, this issue will be receiving a great deal of attention in the coming week. Monday night, at 8:30 p.m., CBS will air a movie depicting the struggle of Mitch Snyder and the Community for Creative Non-Violence to find shelter for the homeless of Washington. On Sunday, May 25, millions of Americans will join Hands across America in the fight against hunger.

Congress should support these private sector efforts. Today I am introducing a resolution to designate the week of May 19, 1986 as "National Homelessness Awareness Week," which would focus public and government attention on this rapidly increasing tragedy in order to stimulate more action on this long-overlooked issue.

Unfortunately, the Federal response to this problem has been inadequate, disorganized, and ineffective, according to a report by the House Committee on Government Operations. Every year since 1983, the President has attempted to eliminate the only Federal program that provides direct monetary assistance to the homeless—the Federal Emergency Management Agency's Emergency Food and Shelter Distribution Program. Congress has consistently supported this program, as the following chart shows:

The FEMA Program funding levels by fiscal year

[Amounts in millions]

1983:	
RR [1]	0
CF [2]	100
1984:	
RR	0
CF	40
1985:	
RR	0
CF	90
1986:	
RR	0
CF	70
1987:	
RR	0
CF	?

[1] President Reagan's budget request.
[2] Congressional funding.

But beyond stopgap measures, we must also develop long-term solutions for the underlying causes of homelessness, such as the shortage of low-income housing, the deinstitutionalization of the mentally ill, and unemployment. The deep budget cuts in federally subsidized housing and community development programs proposed by the administration can only exacerbate the homelessness problem.

Only a combination of Federal, State, and local governments, along with private-sector groups and an informed citizenry, can hope to alleviate homelessness. I urge my colleagues to join me in addressing this national tragedy by supporting a "National Homelessness Awareness Week."

LEGISLATION TO PREVENT USE OF TAX-FREE INDUSTRIAL BONDS

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. DORGAN of North Dakota. Mr. Speaker, today I am introducing legislation to prevent the use of tax-free industrial bonds to finance increased milk production.

It's no secret that we have an overproduction problem in virtually every sector of the agricultural economy. For several years now, we have tried to address surplus dairy production through a series of supply management programs which have been, in large part, producer-financed.

The 1984–85 Dairy Diversion Program successfully reduced dairy production by 8 billion pounds at a savings of $1 billion to the taxpayers.

The recently announced Dairy Termination Program, "whole-herd buyout" program, will attempt to remove a total of 12.28 billion pounds of milk production over the next 18 months. Producers who signed up for the program have to stay out of dairying for 5 years, thus dairy farmers have made great strides to deal with the domestic surplus we face in the dairy industry.

So far in 1986, the major changes in economic conditions facing the dairy farmer have included the reduction in the price-support level, product markets demoralized in anticipation of April 1 and July 1 price-support reductions and the end of the Diversion Program.

Yet, despite the scenario just presented, a plan has been announced by which Masstock International will set up a string of dairies in southwest Georgia with an initial $6 million investment and an initial 1,000 new dairy cows. Part of that investment, $4.5 million, is being financed by tax-free bonds issued by Macon County, GA. Eventually this firm intends to milk 10,000 to 20,000 new dairy cows in their operation.

It is a foolish policy to have taxpayers spend millions of dollars to try to control milk production at the same time we're giving tax breaks to foreign companies to start new dairy operations. This completely defeats the purpose of industrial development bonds and is a tax loophole which must be closed.

The legislation that I am introducing would put a $250,000 limit on industrial development bonds used to buy land, dairy equipment, and livestock for first-time farmers, and most important, it would impose a complete ban on these companies from using tax-free industrial development bonds to start new herds.

This is a problem which needs to be addressed. I believe that the industrial development bonds should be used for their original purpose and not to further increase milk production when our Government is already spending funds to reduce our milk surpluses.

A SALUTE TO LADY LIBERTY

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. McGRATH. Mr. Speaker, it is a pleasure to share with my colleagues a beautiful poem written by Miss Frances Paula Garistina. This poem is written to salute the Statue of Liberty in honor of Lady Liberty's upcoming 100th birthday. Miss Garistina is a member of the Rockville Centre Fortnightly Club which was founded in 1898. It is an honor for me to represent a constituent who has such a fine sense of our Nation's spirit and pride.

AN ODE TO THE STATUE OF LIBERTY

To all the things we knew so well,
To all our kin we bade farewell.
A tearful adieu to our native sod
As westward bound our ship did plod.

Across the Atlantic so broad and deep,
To take us to America a promise to keep
Of new hope, new life, new expectation
In a land abound with inspiration.

A rough trip, a long voyage,
A bewildered scramble for our luggage,
Our hearts aflutter with joy and fear,
But, O dear God, at last we're here!

In sight of America with streets of gold;
Where there is no hunger we are told;
Where Freedom rings and jobs abound,
And happiness is all around.

Our ship approaches in the dark,
Our eyes are lifted to the spark
Of the torch held high in hand
By the goddess of our new land.

Unknown to us at the time,
That stately figure so sublime
Was to be for us a symbol bright;
For millions, a hope in freedom's might!

There she stands so grand and tall
To welcome us both big and small.
In her noble hand a declaration
Of rights that formed a great new nation.

To all newcomers to her shores
She opens up so many doors
To Life, and Liberty, and Happiness
And any measure of success.

Years sped on—Americans we became
And learned that Liberty was her name;
That for many years she lighted the shore
For those to come for ever more.

As we sailed by her into the bay
On that far-off and distant day,
I was, then, not at all aware
That many a time I'd be back there,

To tell Miss Liberty that she is to me
A symbol of the land of the free.
My aching heart of years of yore
Is now full of gratitude and more;

For the great land she symbolizes
This new American idealizes;
And raises a voice to shout and sing;
"God Bless America"—Let Freedom Ring!

Ever from sea to shining sea,
O God, our counry 'tis of Thee.
May your torch gleam bright, O Liberty,
O'er the land of the brave and the home of the free.

For one hundred years you played your part
For those who came with an open heart.
O Hope of the many millions more,
Yea—E'er lift thy lamp beside the golden door!

—Frances Paula Garistina

A TRIBUTE TO EAGLE SCOUT NICHOLAS W. YEVITZ III

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. McDADE. Mr. Speaker, I rise today to recognize an outstanding young man from the 10th Congressional District of Pennsylvania, Nicholas W. Yevitz III. I am pleased to bring Nick to the attention of my colleagues since he has been chosen for promotion to the rank of Eagle Scout at a ceremony on June 7, 1986, at Immaculate Conception Church in Scranton.

After advancing through Cub Scouts and obtaining the Arrow of Light, Cub Scouting's highest achievement, Nick joined Troop 84 in 1983. In earning the rank of Eagle Scout, Nick has obtained all 12 skill awards, 33 merit badges, the Light is Life religious award for Eastern Rite Catholic Scouts, and numerous other Scouting honors, including election into the Order of the Arrow. For his Eagle service project, Nick organized and conducted a beautification project at the cemetery of St. John's Byzantine Catholic Church. During his tenure with the troop, Nick has attended the 1985 National Scout Jamboree at Camp A.P. Hill, Virginia, summer camp at Goose Pond Scout Reservation, and numerous hikes, including the Valley Forge Historical Trail and Gettysburg Historical Trail, campouts and other Scouting activities. Last year he was elected to serve as an honorary member of the City Council of the City of Scranton during Scout Week in Government. Nick is presently serving as a patrol leader of the Wolf Pack Patrol. He is an eighth-grade honors student at East Scranton Intermediate School where he is active in school activities. In March, he was awarded second place in the Pennsylvania Junior Academy of Science Fair for his study of turtles. He has been a member of the East Scranton Ball Club since 1980, first with their farm league, then with their Little League, and now is playing with their Babe Ruth Club. He was selected to play on the 1984 and 1985 all-star teams, and the days that his team is not playing, he is often at the ball field complex as a spectator, cheering others on to victory.

Mr. Speaker, I deem it a great honor to join with the residents of the 10th Congressional District in congratulating Nicholas W. Yevitz III on the occasion of his obtaining the rank of Eagle Scout. Nick has demonstrated that he is an outstanding Scout, community member, student and American citizen. I ask my colleagues to please join with me in wishing him every success in the future.

HONOR PROMISES MADE TO AMERICA'S SENIOR CITIZENS

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. COUGHLIN. Mr. Speaker, James Roosevelt's National Committee to Preserve Social Security and Medicare raises a lot of dust around here. Maybe we need to be stirred up to do things to benefit America's senior citizens. All that Mr. Roosevelt has urged us to do is to honor the promises we have already made to America's senior citizens to provide them adequate retirement income and health care security.

America's senior citizens want us to preserve their Social Security and Medicare benefits. They want an independent Social Security agency and safeguards for their Social Security Trust Funds. They want protection from catastrophic health care costs. And they want us to guarantee quality care in hospitals and nursing homes.

This is what National Committee members are telling me when they write me letters at Mr. Roosevelt's request. They are thoughtful and well-informed. This is a great service to us in our continuing efforts to represent Americans of all ages.

My colleagues who criticize the National Committee for so-called scare tactics are missing the point. The reason over 3 million Americans have become members of the National Committee and support Mr. Roosevelt's efforts with contributions is because they agree with him that the problems are indeed scary. They want someone like Mr. Roosevelt who will fight to protect their benefits and who will not rest until he succeeds.

Mr. Roosevelt and his members have been instrumental in slowing down Medicare premium increases, restraining doctor's fees and guaranteeing the Social Security COLA. The National Committee is not an enemy but an ally to those of us who want to protect senior citizens from cuts.

I for one am joining Mr. Roosevelt and his members in this latest campaign to improve the quality of care Medicare beneficiaries receive in hospitals. I want to praise him for his recent initiative to educate his members about their rights to quality hospital care and how to appeal if they receive poor quality care. And I agree with him that we need legislation to improve the protection of Medicare patients.

Mr. Roosevelt speaks for millions of senior citizens. I respect him and the members of the National Committee. I want to work with them to preserve Social Security and Medicare for all Americans. I urge my colleagues to do the same.

A CONGRESSIONAL SALUTE TO GLORIA WALL

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to Gloria Wall, one of my district's leading businesswomen, who will be honored for her many contributions to the community by the Harbor District of the Boy Scouts of America at their 10th annual "Citizen of the Year" dinner on May 17, 1986 in San Pedro, CA.

Born on Terminal Island, CA, in 1920, Gloria Wall attended the Mary Star of the Sea Elementary School and Junior High School. She then went to Immaculate Heart High School and College. She received a business degree from Immaculate Heart College, where she minored in music.

In the 1940's, Gloria Wall married Andy Wall. Together, they had five children. While her children were at school, Mrs. Wall was active in the parents club and was a substitute teacher. She also was a member of the Altar Society, and sang with the senior choir at the Mary Star of the Sea Church.

In addition to her fine work as a mother and church leader, Gloria Wall, has been a very successful businesswoman. Along with her late husband, Andy, she purchased the Al Larson Boat Shop & Marina in 1959. Today, she is president of the Al Larson Boat Shop & Marina, the owner of the Oyster Wharf Restaurant & San Pedro Marina, and on the board of directors of the National Bank of Catalina.

Gloria Wall, in addition to running several flourishing businesses, and being an active parent and church leader, has devoted time and energy to a number of community activities. A short list of her community activities, would include her position as a director of the Bay Harbor Hospital and a member of the San Pedro Historical Society. Clearly, it would take far too much time to list all the contributions that Gloria Wall has given to the people of San Pedro and the neighboring communities. I am sure that Mrs. Wall will continue to be a positive force in San Pedro's business, religious and civic organizations.

It is with great pride that my wife, Lee, joins me in congratulating Gloria Wall on this special occasion. She is truly deserving of this special recognition by the Harbor District of the Boy Scouts of America. We wish Gloria, her children—Andy, Jack, George, Chris and Teri, and her grandchildren—John, Andrea, Kirstin, David, Lisa, Jeffrey, Heather, and Lyricia, continued success and all the best in the years ahead.

THE JOHN A. GANNON CENTER FOR BURNS AND TRAUMA

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. FEIGHAN. Mr. Speaker, trauma, the result of a sudden, serious, and life threatening injury, strikes 69 million Americans each year. It is the leading cause of death for people under the age of 40. Often, the difference between life or death rests on the quality, swiftness, and decisiveness of care received immediately after an injury, a time known as "the Golden Hour," the moments immediately following a car crash, industrial accident, a fall or a fire.

The Greater Cleveland area has been fortunate. Cleveland Metropolitan General Hospital has received national distinction for the quality of its trauma care facility. Meeting rigorous standards for quality, performance, and organization, Cleveland Metro is verified as a level I trauma center by the American College of Surgeons, recognizing Metro's capacity to provide the necessary surgeons, staff, facilities, and technology to deliver swift, efficient, life-saving care, 24 hours a day.

Recently, Cleveland Metro enhanced its ability to provide swift care to burn victims with the groundbreaking for the new John A. Gannon Center for Burns and Trauma. With the construction of a two-story addition to the south building of the hospital and the relocation of the burn unit and surgical intensive care unit, burn patients will be provided instant access to surgical and emergency services. A heliport will be situated on the roof of the addition, increasing the speed with which burn patients can be treated.

John A. Gannon, for whom the new center is named, has served the Greater Cleveland area as a firefighter for more than 30 years. I am honored to consider Jack a friend, a man whose contribution to the quality of life in our area can never be underestimated. Through his dedicated and generous spirit and his uncompromising sense of purpose, Jack Gannon has become a model of achievement and community spirit, a leader and an inspiration.

As president of Cleveland Firefighters Local 93, Jack devoted himself to the tasks of improving the quality of care needed in burn and trauma units. His commitment has continued, through years of service in Cuyahoga County. He is a past vice president of the Cleveland Federation of Labor, the Ohio AFL-CIO, and former international vice president of the International Association of Firefighters' largest district. He was still fighting fires with the busiest engine company in Cleveland when he was elected to the presidency of the IAFF in 1980.

As a trustee of the Cuyahoga County hospital system in the 1970's, Jack was instrumental in establishing the burn unit at Cleveland Metro, so it is very appropriate that the new and expanded burn and trauma center benamed in his honor.

Mr. Speaker, I know that you and all the Members of the House will join me in extending our appreciation for the services of firefighters such as Jack Gannon. I know that in the Greater Cleveland area, Jack Gannon's deep and lasting contribution to the quality of our trauma services will always be appreciated. His service and commitment represent the best characteristics of concern and caring, and his efforts will have the added distinction of saving lives. What nobler gift has any man to offer?

A TRIBUTE TO JACK LAZARD, JR.

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. TOWNS. Mr. Speaker, the Honorable Jack LaZard, Jr., Manager-Postmaster of Brooklyn Management Sectional Center is leaving the Brooklyn community, moving on to greater challenges. His area of responsibility included postal facilities in Brooklyn and Staten Island communities with a work force of 6,500 employees. Even though his tenure in Brooklyn has been brief, his accomplishments have been many.

The goal of every postmaster is to make their office number one. LaZard was no exception, but he was exceptional. He achieved his goal.

Special recognition was given to Brooklyn Post Office in 1984 and 1985 for outstanding Express Mail performance, reductions in sick leave usage, and industrial accidents. LaZard's long list of achievements include the opening of five mobile postal units, two postal convenience centers, stamp vending machines in post office lobbies, deployment of over 50,000 postal lock boxes, open house and tour marketing. He has uplifted employees morale by initiating the first Annual Employee Recognition Day, the Employee Image Program, and promoting an aggressive Safety Awareness Program.

Jack LaZard, Jr.'s distinguished postal career began 37 years ago in St. Louis, MO. Possessing a keen mind, a desire for knowledge and having tremendous perseverance, he developed the wherewithal that qualified him for advancements through the ranks from distribution clerk in 1949 to management position in 1966.

His climb from then on was meteoric. Foreman of mails, foreman of station operations, manager and assistant superintendent of stations and branches, acting acounting assistant and finance examiner highlight his early career.

Successive advancements later made him superintendent of mail processing at St. Louis, MO Bulk Mail Center, postmaster of Florissant, MI and Sectional Center Manager/Postmaster of East St. Louis, IL where he was responsible for 206 associate post offices. In each of these management positions, he has served with enthusiasm, creative ability and vision in a manner that increased the efficiency of the Postal Service.

Early in life Jack realized the importance of edcuation and excellence. He received a 4-year academic scholarship to St. Louis university. Nevertheless, family and military commitments prevented him from completing the 4-year curriculum. But he never lost hope. While in the military on special assignment as a cryptographer for counter intelligence, Jack continued his formal education. He completed several college courses while stationed in the Pacific.

Years later, Jack LaZard did attain that B.A. degree, as well as a master's degree in management and public administration from Web-

ster University in Missouri. He has demonstrated his appreciation for education on many occasions. At postal training seminars, he is such a dynamic facilitator that his workshops are over subscribed.

Extending a helping hand typifies Jack's community involvement. That involvement has earned his countless achievement awards and recognition for his unselfish support tendered to organizations in New York, Illinois, and Missouri. The community organizations include president of the Better Brooklyn Committee, board of directors of the Navy Yard Boys Club, Rotary International, and American Red Cross, Cancer Society, East St. Louis Jaycees, Florissant Valley Kiwanis Club, and the Monsignor Butler Neighborhood Program. He is a member of the National Association of Postmasters.

The combination of qualities that have thrust Jack from the ranks to one of the highest pinnacles in the Postal Service are truly remarkable in a postal career. Deep understanding of human nature, organizational and administrative brillance, sagacity, eloquence, and charity, have all blended in this man to produce an amalgam of excellence.

Jack, we wish you well, long life and lasting prosperity. Your job here was outstanding.

A TRIBUTE TO EDWARD HOLLOWAY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. STOKES. Mr. Speaker, I rise today to pay tribute to the late Edward L. Holloway of Cleveland, a fine citizen, civic leader and educator, who was recently honored by the Ohio Education Association with the posthumous presentation of a 1986 Human Relations Award. The award was accepted by his widow, Mrs. Cynthia M. Holloway, at the Ohio Education Association Awards Banquet held on May 2, 1986.

Mr. Speaker, this latest award is a fitting climax to Mr. Holloway's list of accomplishments in the field of education. He retired in 1975 from the Cleveland public school system after a teaching career of over 30 years. Over and beyond his classroom work, Mr. Holloway had been active in several teacher organizations and as a lobbyist for education with governmental agencies.

He has honored in 1966 for distinguished service with the North Eastern Ohio Teachers Association; in 1972, for outstanding service on the executive committee of classroom teachers of the Ohio Education Association. He received a citation from the National Education Association for service as a delegate and member of the Finance Committee. He and Mrs. Holloway attended the national conventions for 25 consecutive years, often as delegates. In 1982, Mr. Holloway's alma mater, Illinois State University, cited him for outstanding service in the community, and in 1985, he received an honorary bachelor's degree from the Elderhostel Program at the university.

Mr. Speaker, I had the good fortune to know Edward Holloway and was well-acquainted with his community work. In 1983, I selected him as one of two senior interns from the 21st District of Ohio. Mr. Holloway came to Capitol Hill for 1 week to observe the democratic process here in the U.S. Congress.

Mr. Speaker, it was both a pleasure and an honor to know Edward Holloway. I congratulate his lovely wife Cynthia and his family on his receipt of a 1986 Humanitarian Award. I would like the RECORD to reflect my pride in the accomplishments of Edward Holloway, an outstanding citizen of Cleveland, OH and a fine man.

THE 100TH ANNIVERSARY OF BAKERY AND TOBACCO WORKERS UNION

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. WALGREN. Mr. Speaker, it is my privilege today to commend the Bakery, Confectionery & Tobacco Workers International Union on the occasion of that union's 100th anniversary as a social and economic force in this country.

The Pittsburgh area, which I represent, has a long history of labor unions and is one of the birthplaces of the modern labor movement. One of the founding segments of what is now the Bakery, Confectionery & Tobacco Workers International Union was the Journeymen Bakers National and was founded in Pittsburgh in 1886.

These workers began their long struggle for social reform and economic justice in difficult times. The late 19th century was an era marked by strife as employers often tried any means to slow their workers' efforts to band together in pursuit of higher wages, shorter hours and better working conditions.

However, the trade unionists prevailed in their organizing and collective bargaining efforts and, as they signed each new employer to a contract, they extended to that employer the privilege of using the union label which became both a symbol of quality workmanship and a signal to the general public that the product was made under fair working conditions.

Down through the years, the unions of bakery and tobacco workers pioneered a broad range of economic and social rights for their members. They broke new ground when they merged in 1978 to form the Bakery, Confectionery & Tobacco Workers International Union, because changing economic conditions were giving birth to similar mergers of major tobacco and baking companies. So these unionists have shown that they are flexible and can adjust to the changing needs of the times.

Throughout this first century, the Bakery, Confectionery & Tobacco Workers International Union has been remarkably effective in raising the standard of living of its members and the quality of life of the Nation as a whole by ensuring fair labor practices and quality workmanship. Based on this record, I am confident that the Bakery, Confectionery & Tobacco Workers International Union will continue to grow and serve an important role in our society.

I wish to extend my best wishes to the Bakery, Confectionery & Tobacco Workers International Union and to wish its members good fortune as they enter their second century of service.

NATIONAL ANDREI SAKHAROV DAY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. KEMP. Mr. Speaker, I would like to thank the gentleman from Maryland, the cochairman of the Helsinki Commission and my cosponsor on this resolution for his leadership and unflagging efforts, and the gentleman from New York [Mr. GILMAN] and the gentleman from Massachusetts [Mr. FRANK] for their contribution in making this a truly bipartisan effort.

I recently had the honor of meeting Dr. Yelena Bonner, wife of Dr. Andrei Sakharov and a leader in the fight for freedom in her own right. Dr. Bonner was in the United States to obtain the medical treatment she so desperately needed, which she could not get in the Soviet Union. Dr. Bonner took advantage of the opportunity to visit with her children, who reside in Boston, and with Members of Congress who are concerned with her fate, and that of her husband. The fact that Dr. Bonner was allowed to leave at all, even temporarily and without her husband, was most likely the result of the intensive campaign launched by governments and individuals the world over who are concerned with the issue of human rights, and appalled by the treatment the Soviets accord those citizens who dare to voice their dissent from the established party line.

But Dr. Bonner must return to the internal exile she shares with her noted husband, Nobel Prize laureate Andrei Sakharov. Ironically, she is scheduled to return on Andrei Sakharov Day. It is a crime of international proportion that these two individuals should be so poorly treated by their country of birth. Separated from their families, sentenced to internal exile for more than 6 years in a closed city, cut off from nearly all communication, denied necessary medical treatment, these two individuals still maintain their courageous stance.

It is important that we declare a national commemorative day on Dr. Sakharov's birthday to honor Dr. Sakharov and his wife, Dr. Bonner, and all others who suffer under the oppressive Soviet regime. This signals the Soviets that no matter how tightly the government may try to contain internal dissent, the courage of the dissidents, the refuseniks, will shine like a beacon for all the world to see.

TRIBUTE TO HELEN HENDRICKS

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. ACKERMAN. Mr. Speaker, I rise today to pay tribute to an exceptional American, a remarkable woman who has advanced the American dream in her own life.

Helen Hendricks has enriched our society, and the Queens community in particular, by investing inspiration and perspiration to help young people prepare to assume roles as constructive citizens, effective leaders, and productive members of their professions. Through her work, she has helped countless young Americans build their opportunity for professional success and community service.

Always a professional in outlook and standards Helen Hendricks began her career as a Secretary in the dean of Students Office at Queens College of the City University of New York. There, with great patience and humor, she challenged students to set and achieve goals for their own and their community's benefit. Her loyalty and respect for the academic community, and her genuine love and regard for the university family, were evident in every contact she had, in every role and responsibility she carried out.

Living the values she preached, Helen continued her own education at Queens College and was graduated Magna Cum Laude in 1978. Following that, she was appointed as an Assistant to the dean and Advisor of Pre:-Law, Pre-Medicine and Pre-Business students. In that capacity, she has guided, encouraged, and motivated hundreds of minority and women students to the successful entry and completion of graduate professional education.

Helen Hendrick's example affirms the value of integrity, hard work, love of learning, and love of humankind. She is proof that one person can make a difference, because her contribution has made a difference for generations of students in my district and my city, and will continue to make a difference through succeeding generations.

Mr. Speaker, I am one of the Queens College students Helen helped turn to the good. I am especially proud now to join in applauding her achievements and her contributions. Queens College and its alumni will honor Helen Hendricks, by creating a scholarship fund in her name at a celebration dinner in Queens on May 17. It is a most fitting tribute. I am happy to join in the applause, and invite my colleagues to join me in commending her for the example she has set and continues to set for all of us.

THE 25TH ANNIVERSARY OF THE CLASS OF 1961 OF PROVIDENCE COLLEGE

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. ST GERMAIN. Mr. Speaker, it is with great honor that I speak before my colleagues today to congratulate Providence College's Class of 1961 on their 25th Anniversary. This fine group of men deserve special recognition because of the many outstanding leaders it has provided to the Rhode Island community. Its members represent top-notch professionals in the fields of business, law, medicine and social services.

It's not hard for me to time-machine my memory back to what was happening 25 years ago when these men were receiving their diplomas.

Nineteen hundred and sixty-one was the year I first entered Congress. For as much as I would like to believe that to be the Nation's number one news story of the time, I'm afraid there were a few other headlines that year. John F. Kennedy was our president. Relations between the United States and Cuba were reaching alarming lows and culminating in the Bay of Pigs fiasco. In the air, Alan Shephard flew the first United States manual suborbital space flight. On the ground, people were dancing the Hully-Gully and listening to "Where the Boys Are." The Yankees beat the Reds in the World Series to become baseball's best for the year.

That's what was going on in the world that anxiously awaited these young men. It was up to them to determine what contributions they would make. Judging by their achievements and energies spent helping the surrounding community over the past 25 years, I'd say they did pretty well for themselves. Again, congratulations.

THE SAUDI ARMS SALE

HON. DENNY SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. DENNY SMITH. Mr. Speaker, last week the House overwhelmingly approved H.J. Res. 589, disapproving the sale of our latest technology missiles to Saudi Arabia.

As a cosponsor of this resolution, I am pleased that it passed by such a decisive margin. The 356-to-62 vote sends a strong signal to the Saudis that their foreign policy does not go unnoticed by the Congress. While certainly more moderate than many of the Middle Eastern nations, Saudi Arabia has still taken actions and stands hostile to United States foreign policy interests.

The Saudis were quite vocal last month in their condemnation of the United States retaliatory raid on Tripoli. Libya is a known sponsor of terrorism throughout the world. It also has as its goal the destruction of the Nation of Israel. Saudi Arabia's support of Libya is longstanding. Even prior to the United States air strike, the Saudis vowed to replenish any losses to Libya resulting from United States economic sanctions.

In addition to its stand on Libya, Saudi Arabia continues to undermine United States efforts to help achieve a lasting Arab-Israeli peace. The Saudis opposed the Camp David process, and to this day they continue to punish Egypt for making peace with Israel. Saudi Arabia continues to lead the Arab boycott of Israel.

Equally disturbing is Saudi Arabia's open endorsement of the PLO, another bastion of terrorist activity. Saudi support for the PLO is substantial: $28 million last year alone.

The United States must not reward such actions with our latest military hardware. The President's arms sale request includes Sidewinder air-to-air and Harpoon antiship missiles, as well as 800 Stinger antiaircraft missiles. Because the Stinger is a shoulder-fired weapon, it has been described as an ideal weapon for terrorists. Selling 800 of these weapons to a nation that overtly supports Libya and the PLO is certainly not in the best interest of the United States.

In closing, Mr. Speaker, I would like to reiterate my opposition to this, or any other, arms sale that compromises U.S. national security interests.

TRIBUTE TO DR. GENE FRANKEL

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. FUQUA. Mr. Speaker, I would like to take this opportunity to pay tribute to Dr. Eugene Frankel, who passed away on May 6.

Gene served from 1980 to 1985 on the professional staff of the Committee on Science and Technology, specializing in conservation and renewable energy research and development. We all profited from his expert counsel during this period when he was a senior member of the staff of the Subcommittee on Energy Development and Applications.

Gene had a distinguished career in both scholarship and public service. At the time of his death, he was a senior analyst in the Science, Education, and Transportation Program of the Office of Technology Assessment, where he had just completed the direction of two major studies: "Demographic Trends and the Scientific and Engineering Work Force" and "Research Funding as an Investment: Can We Measure the Returns?" These studies were performed at the request of the Committee on Science and Technology's Task Force on Science Policy, and they will serve as important inputs to the Task Force's comprehensive 2-year review of the Nation's science policy.

Prior to his congressional service, Gene worked for 3 years as program manager and policy analyst in renewable energy for the Department of Energy. Holder of a Ph.D. in the history of science from Princeton University and a master's degree in physics from Rutger's University, Gene taught both physics and the history of science at Trinity College in Hartford and technology studies for the Five College Consortium—Amherst, Hampshire College, Mount Holyoke, Smith, and the University of Massachusetts—in the Amherst-Northampton region.

My wife, Nancy, and I join with other Members and congressional staff in expressing our deep sympathy to Gene's wife, Jane, his son, Gabriel, and to other members of his family. We shall always value his contributions to his

profession and his dedication to colleagues and friends.

1986 PROJECT INDEPENDENCE AWARD RECIPIENTS

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. LEVIN of Michigan. Mr. Speaker, it is with gratitude and pride that I join the Office of Services to the Aging of the State of Michigan in honoring a very special program and its coordinators. The Adjacent Generational Exchange Program [AGE], headquartered in the Royal Oak Senior Citizen Center, is coordinated by Kay Mueller and Marguerite Kane. Ms. Kane is the senior citizen coordinator for the community, and Ms Mueller is the AGE program coordinator.

Together, these women have developed a program that has provided 7,468 hours of volunteer aid to 8,772 clients in Royal Oak. They have trained 210 volunteers to provide assistance to the elderly residents of the community. Ms. Mueller has developed a sophisticated volunteer recruitment and monitoring process which includes a careful screening process and rigorous training program. She is a registered nurse and has designed the training program to include such areas as biological and psychological changes of aging, communication skills, working with the impaired, handling emergencies, and understanding Alzheimer's disease.

These women have worked diligently to make the community recognize the need for volunteer activity in the field of aging which is faced with budget cuts and a greater demand for services than ever before. They have assembled and trained a work force of over 200 people who are willing to give of themselves in the service of others, and have directed those efforts with dedication and genuine concern. Their outstanding record of achievement has led the State of Michigan Office of Services to the Aging, to award the 1986 Project Independence Award to Marguerite Kane and Kay Mueller, and to the AGE Program. I congratulate each of these fine women and all of the volunteers who have worked so hard to improve the quality of life for so many of our senior citizens, and I commend them for their endeavors.

1986 TEACHER BONUS AWARD WINNERS

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. LIPINSKI. Mr. Speaker, in order for our educational institutions to move ahead and meet the demands of tomorrow, it is necessary that more attention be given to the work of our teachers. I believe our teachers, educators of our children and essential components of our education system, deserve increased recognition. To assist in this effort, I have initiated the Fifth Congressional District Teacher Bonus Award Program.

While only in its third year, this program has attracted many distinguished participants from throughout my congressional district. This past Saturday, May 10, I sponsored an awards breakfast to honor this year's 16 outstanding teachers. They were recognized for being instrumental in promoting academic excellence in their respective schools and for exhibiting a special enthusiasm for the teaching profession. Each recipient received a congressional award plaque and a $50 savings bond.

Mr. Speaker, the following teachers have been selected as the 1986 Teacher Bonus Award winners: Mr. Robert Graziano, Industrial Skills Center; Mr. Kenneth Cink, Farragut Career Academy; Ms. Joyce E. Combest, Pickard Elementary School; Ms. Winifred Bugyie, John Spry Elementary School; Mrs. Elaine Pro, Burroughs Elementary School; Mr. Edward Krestel, Dorn Elementary School; Miss Loretta Mayes, Wilkins Junior High School; Ms. Ann L. Fultz, Holden Elementary School; Ms. Janie Daniels, Bridgeport Catholic Academy; Mrs. Cheryl Deau, Mark Sheridan Academy; Sister Bernadette Schvach, B.V.M., St. Odilo Elementary School; Mrs. Rebecca Evers, Curie Metro High School; Miss Kathleen Sheehy, Nathan Hale School; Mr. Louis Ricci, Kennedy High School; Miss Leticia L. Gonzalez, Saucedo Magnet Elementary School; and Miss Lisa Pohl, District 99—Cicero.

KILDEE PAYS TRIBUTE TO MRS. DELLA A. HAMMOND

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. KILDEE. Mr. Speaker, I would like to bring to the attention of my colleagues and the Nation an installation ceremony that will be held Saturday, May 17, 1986 in Dearborn, MI, honoring Mrs. Della M. Hammond. Mrs. Hammond is being installed as the 1986–87 president of the Michigan Federation of Business and Professional Women's Clubs, Inc.

Mrs. Hammond has unselfishly dedicated herself to the people of her community as a member of the Lapeer County Department of Social Services for nearly 30 years. During that time, she has committed herself to the human service needs of those less fortunate than herself. Mrs. Hammond's acute sensitivity and desire to help others have transcended her professional responsibilities and embrace volunteer work with many organizations including the American Cancer Society, the March of Dimes, and the Human Development Commission. Her rich and varied career has always revolved around aiding and assisting her fellow human beings in need. Mrs. Hammond's philosophy of giving to others and excelling in all that she undertakes serves an an example for all to follow.

Mr. Speaker, I now ask my colleagues to please join me in congratulating Mrs. Della M. Hammond as she becomes the president of the Michigan Federation of Business and Professional Women's Clubs, Inc. I am very honored to have had the opportunity to know this woman who has so greatly distinguished herself through helping others.

LIONS CLUB

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. MRAZEK. Mr. Speaker, I rise to pay tribute to the members of the Port Washington, NY Lions Club who have contributed to improving services for deaf-blind people at the Helen Keller National Center.

The Helen Keller National Center is the only national not-for-profit program which serves deaf-blind Americans from all 50 States. I am most proud to have been an active supporter of the Helen Keller National Center throughout my years in the Congress.

It is true that a deaf and blind person cannot see a sunset or hear the laughter of a friend. However, through the efforts of the Port Washington Lions Club, the deaf-blind are acquiring more life skills and becoming more qualified for employment and other post-educational experiences. Because of the dedication and compassion of the members of the Port Washington Lions Club, the deaf-blind are able to lead more productive lives.

It has been said that you can judge a society by the way it deals with the people in life's shadows—the children, the aged, and the disabled. Clearly, the efforts of the Port Washington Lions Club have made ours a better and more just society.

RECOGNIZING EAST BRUNSWICK NATIONAL HONOR SOCIETY

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. COURTER. Mr. Speaker, it is my pleasure to bring to the attention of my colleagues the charitable contributions of the East Brunswick High School National Honor Society. Last Tuesday, the National Honor Society sponsored its annual blood drive. The donated blood primarily will be used to help Danny Reich, an East Brunswick resident.

In January, an Honor Society blood drive netted 176 units of blood, of which 135 units were donated by East Brunswick High School students and faculty. Their goal this time around was to exceed 200 units of blood.

I commend the Honor Society for its much needed and appreciated contribution and know that it feels satisfied knowing of its good deed on behalf of the Northern New Jersey Blood Center.

GOING FOR THE GOLD

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. DAUB. Mr. Speaker, I rise today to share with my colleagues the outstanding achievements of five young women from Nebraska's Second Congressional District—each of who decided to go for the "Gold" and got it.

The "Gold" to which I refer is the Girl Scout Gold Award, the highest achievement that a Girl Scout can attain. This award represents the culmination of all the knowledge, skills, experiences, and maturing that is gained through years of Girl Scouting. What is unique about the Gold Award is its emphasis on the individual: her interests, her goals, her commitment.

Once a year on the third Sunday in May, the Great Plains Girl Scout Council of Omaha, NE, honors all the Gold Award recipients. Thus, on Sunday, May 18, 1986, Joanne Savicky, Jeanne Galus, Robyn Barrett, and LaNelle Woods of Omaha, NE, and Laura Laney of Bellevue, NE, will be formally honored for reaching the hallmark of their Girl Scout careers.

Much leadership, service, and hard work had to be done in order to master the ideals of the Gold Award. The efforts of these five bring to mind a passage from a poem by Robert Frost. He says:

I shall be telling this with a sigh,
somewhere ages and ages hence
Two roads diverged in a wood, and I
took the one less traveled by,
And that has made all the difference.

The road less traveled. It is always the more difficult one, but as they travel it, I am sure these Girl Scouts will find that the only barriers along the way are those that they set themselves—in their own minds.

Long after these young ladies put their award in a scrapbook or a drawer of old treasures, they will continue to wear it—no longer pinned on a uniform—but inside, in their outlook on life, in their willingness to take on a new challenge, in their dedication of their family, their religion, and the Nation.

HONORING POLICEMEN KILLED IN THE LINE OF DUTY

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. WALGREN. Mr. Speaker, the week of May 11-17 has been designated "National Police Week." May 15 has been designated "Police Memorial Day." It is a day to honor those gallant men and women who have given their lives enforcing the laws of this land. No one deserves greater honor for their sacrifices.

In my area I wish to particularly salute six individuals who lost their lives in the process of law enforcement. Chief Gregory Adams of Saxonburg, Patrolman B. Connolly Jr., of Penn Hills, Trooper Gary W. Fisher of the city of Pittsburgh, Sgt. William Schrott of Penn Hills, Narcotics Detective Norman Stewart of the city of Pittsburgh, and Officer Joseph P. Zanella of Verona.

It is a tragedy that such fine young men must give their lives to preserve and protect the laws of this Nation. I wish to express my heartfelt sympathies and commend the families of these brave men for their courage. They have served us well, and their sacrifices are not now nor will they ever be forgotten.

Their lives are now woven in the fabric of America and their contribution has become part of the future.

THE FIGHT TO SAVE SOCIAL SECURITY

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. DELLUMS. Mr. Speaker, I rise today to praise the activities of James Roosevelt's National Committee to Preserve Social Security and Medicare.

I am sure that my colleagues have received thousands of letters and petitions from members of the national committee and other concerned Americans asking them to preserve their Social Security and Medicare benefits. I know that I have. This issue is of great importance to them and to me.

The concerns of a hundred constituents about Social Security and Medicare or other issues are important messages for any Representative.

Recently, Mr. Roosevelt asked his members to sign petitions demanding action to prevent Medicare patients from being thrown out of hospitals "quicker and slicker." These petitioners are a valuable way for seniors to demonstrate to us how important Medicare quality care is to them.

Letters from my constituents bring home the impact that our actions have on their lives. That is what I need to know to make effective decisions in their interest. I look forward to the opportunity to carry on a dialog with my constituents through this process.

I hope that Mr. Roosevelt continues to urge his members to contact me frequently. This is what American democracy is all about.

HONORING JOHN VAN LINDT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. GILMAN. Mr. Speaker, I wish to call to the attention of our colleagues the impending retirement of John Van Lindt from the New York State Racing Commission.

John has been an outstanding member of this commission since 1979, during which time he has earned the respect and the admiration of all involved with the harness racing industry in New York State.

The racing commission in New York is a highly responsible position. It is due to the diligence and determination of commissioners such as John Van Lindt that harness racing in New York State has achieved such an enviable reputation nationwide.

John resides in Pelham, NY, with his wife Ida and their children. John is leaving the racing commission to seek fame and fortune in the private sector.

To John and to his family, we wish good health and the best of luck in all their future endeavors.

SUPERINTENDENT RUTILA TO RETIRE

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. LEVIN of Michigan. Mr. Speaker, it is my pleasure to pay tribute to Superintendent Robert Rutila of the Crestwood School District in Dearborn Heights. Superintendent Rutila is retiring after an exemplary career in the field of education.

Bob Rutila has served the Crestwood district with enthusiasm, dedication and professionalism. He was instrumental in the successful annexation of the North Dearborn Heights School District to Crestwood schools last year. He has worked to build a strong bond between the administrators, teachers, students, and the general public who were affected by the annexation. This bond has greatly diminished the apprehension and misgivings that usually accompany this sort of decision. His understanding and compassion will be missed, as well as his concern for the quality of education for all children and youth.

I congratulate Superintendent Rutila on his many accomplishments, and wish him a happy and healthy retirement.

CONGRATULATIONS RICHARD LELKO

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. LIPINSKI. Mr. Speaker, I wish to bring to your attention today a very important member of the Chicago community who will be celebrating his birthday on May 16. Richard Lelko, born the son of a Polish butcher, has established his catering enterprises on good, courteous service and a compassionate approach to his customers. He has also contributed a great deal to the community and is the recipient of an honorary doctor of humane letters from Alliance College; the 1982 Humboldt Park "Man of the Year Award;" the 1985 Ray MacDonald Community Achievement Award; and the 1986 Copernican Award from the Copernicus Foundation in recognition of his dy-

namic and enthusiastic leadership in Chicago's Polish American society.

Celebrating this birthday with Mr. Lelko will be his wife of over 30 years, his two daughters, and four grandchildren. We join them and all of his associates in congratulating him on this anniversary of his birth and thanking him for his many contributions to the community.

FATHER EDWARD J. KOSIK HONORED

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. CLINGER. Mr. Speaker, Father Edward J. Kosik of Warren, the State chaplain of the Knights of Columbus of Pennsylvania, will be honored at a testimonial dinner in Warren on May 17 by the Warren Council No. 964, Knights of Columbus.

Father Kosik has provided the Knights of Columbus of Pennsylvania with moral and spiritual guidance during the past 2 years through his articles in the Keystone Knight, and talks and homilies at all the State officer's meetings, D.D. seminars, grand knight orientations as well as the State convention. All of this has been in addition to his continuing duties as pastor of Holy Redeemer Parish in Warren.

I know I am joined by my colleagues in congratulating Father Kosik on his many years of civic service in our area and wishing him well in all his future endeavors.

MILITARY CHAPLAINS FAITH BALANCE ACT

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. MITCHELL. Mr. Speaker, I rise today to urge my colleagues to support H.R. 1875, the Military Chaplains Faith Balance Act, which seeks a more balanced representation of religious faiths among Armed Forces chaplains.

It is necessary to be sensitive to the religious needs of those that serve in the Armed Forces and there is an urgent need for every Member of Congress to support this legislation on its merits to protect the civil and religious liberties of our citizens by providing equal representation.

Mr. Speaker, I urge you and my fellow colleagues to support unanimously this interfaith and nonpartisan bill, the Military Chaplains Faith Balance Act. We must work toward preserving religious freedom for all Americans—this freedom cannot be taken for granted. Accordingly, we should all be working for the passage of H.R. 1875.

MISS LIBERTY

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. RINALDO. Mr. Speaker, a talented artist named Gloria Patrizio of Short Hills, NJ, has composed a poem celebrating the rededication of the Statue of Liberty. Her poem follows:

"MISS LIBERTY"

She stands in New York Harbor,
A beacon light to all;
A welcome sight to everyone
From every port of call.

To some, she's "Miss America,"
With beauty, grace and charms;
To all, she stands for liberty,
And opens wide her arms.

Gift to us from France,
For those who would breath free;
We salute you now, and for all time,
Our Statue of Liberty!

THE 94TH BIRTHDAY OF SOPHIE GOLEMA

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. LIPINSKI. Mr. Speaker, I rise today to honor an outstanding American woman who epitomizes the pioneering spirit which has helped to shape this country. Mrs. Sophie Golema was born in Poland on May 15, 1892, and emigrated to the United States by herself at the age of 16. She married in Chicago in 1911 and enjoyed 52 years of marriage before her husband's death in 1963. Known as Grandma Sophie, Mrs. Golema will celebrate her 94th birthday with her five-generation family and her many friends and associates who love her very much.

We join Mrs. Golema's proud family and friends in congratulating her on this 94th anniversary of her birth, and we commend her for a life notable in its character as well as its length.

SENATE—*Wednesday, May 14, 1986*

(Legislative day of Monday, May 12, 1986)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable FRANK H. MURKOWSKI, a Senator from the State of Alaska.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

God of Abraham, Isaac, and Israel, yesterday we celebrated the heroism of a very uncommon man, Natan (Anatoly) Shcharansky, whose indomitable spirit was unyielding against incredibly powerful pressures. Despite innumerable threats and enticements, he did not stop worshipping his God. We were reminded that he was the victim of a "godless government." Mighty God, help us to hear this! May his experience engrave in our minds the fact that when godlessness is official government policy, human rights are a matter of indifference.

As we celebrated, Heavenly Father, two sentences enshrined in the Jefferson Memorial came to mind: "God who gave us life gave us liberty. Can the liberties of a nation be secure when we have removed the conviction that these liberties are the gift of God?" Help us, dear God, never to forget or ignore this profound conviction of our Founding Fathers that human rights are inalienable because they are endowed by Creator God. Save us, Lord, from the sacrifice of all we hold dear by removing the conviction that human rights are the gift of God. Grant us grace to resist with all our beings a godless political system. In Your matchless Name, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 14, 1986.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable FRANK H. MURKOWSKI, a Senator from the State of Alaska, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. MURKOWSKI thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDING OFFICER (Mr. PRESSLER). Under the previous order, the majority leader is recognized.

Mr. DOLE. I thank the Presiding Officer, the distinguished Senator from South Dakota [Mr. PRESSLER].

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each, to be followed by special orders, for not to exceed 5 minutes each, in favor of Senators BYRD, HAWKINS, CRANSTON, WILSON, GORE, SASSER, BIDEN, and PROXMIRE.

Then there will be routine morning business, not to extend beyond 10 a.m., with Senators permitted to speak for not more than 5 minutes each.

The Senate will then resume consideration of the drug export bill, S. 1848. We will finish that bill no later than 2 p.m. today. Rollcall votes can be expected, I assume, starting about 10:30 or 11 o'clock through the noon hour, because I know that the Senator from Ohio has two or three amendments, the Senator from Tennessee [Mr. GORE] may have an amendment, and there may be other amendments. With final disposition set for not later than 2 o'clock, I am certain that there will be a number of rollcall votes.

It will be my intention then to proceed to the consideration of the military uniformed services retirement bill. There are also a couple of bills on so-called franking privilege and daylight saving time.

We hope to have some announcement for our colleagues not only on what we will take up following the drug export bill but also what we will take up the remainder of the week.

Mr. President, I ask unanimous consent that the leader time of the distinguished minority leader, Senator BYRD, and his special order time be reserved.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, let me say one word about the so-called tax reform bill.

I will be consulting today with the distinguished chairman of the committee, Senator PACKWOOD, to ask him when he would like to proceed on the tax reform bill, whether it should precede final action on the budget conference or whether we should wait until that has been completed.

I have been informed by the distinguished chairman of the Subcommittee on Education, Arts, and Humanities, Senator STAFFORD, that he believes he can dispose of the higher education bill in 1 day. He would like very much to bring up that bill on June 2.

I am also advised that June 3 is a heavy primary day around the country, that there are a number of primaries, and we will be checking into that.

What I am indicating is that it would be my hope that we could start on the tax reform bill very early in June, if not the first order of business after the Memorial Day recess, maybe to follow the higher education bill. But I will confer with the chairman, Senator PACKWOOD, to see if he has another plan. Not only will his concerns be considered, but also, he will in effect make that call when we bring up the bill out of his committee.

It seems to me that the tax reform bill is really generating a great deal of support around the country. People who had not really believed we were serious about tax reform are now in support of the bill reported by the Senate Finance Committee.

Obviously, there are others who have some doubts. The Capitol was covered yesterday by realtors from all over the country who have been fed a pretty strong diet by their leadership and then sent to the Hill, but I believe that some of their concerns have been addressed. Others can be addressed without a great deal of revenue loss; and, frankly, some probably should not be addressed if they are talking about shelters, abuse of shelters, and whatever.

In any event, I indicate to my colleagues that a letter has been signed by myself, the distinguished Senator from Louisiana [Mr. LONG], and the chairman of the committee, Senator PACKWOOD, urging our colleagues, more or less, to hold their fire and not get signed up for major changes in the bill; because when we start losing revenue, it will be more and more difficult for the chairman to keep the bill together.

In my view, it represents a good bill. Obviously, changes in any legislation of that magnitude will be made. However, it is my hope that it can leave

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

this floor largely as it left the Senate Finance Committee, as a strong bipartisan message to American taxpayers that we are serious about tax reform.

□ 0910

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 0920

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR CRANSTON

The PRESIDING OFFICER. Under the previous order, the Senator from California [Mr. CRANSTON] is recognized for not to exceed 5 minutes.

EXPRESSING SUPPORT FOR A TAX DIFFERENTIAL FOR LONG-TERM CAPITAL GAINS

Mr. CRANSTON. Mr. President, there is much good in the tax reform bill that will come before the Senate in the near future.

The reduction of the tax rates, the removal of millions of people at the poverty line from the tax rolls, the shifting of the tax burden from individuals to corporations, are all to the good.

But raising the tax on capital gains, as the Finance Committee proposes, would mark an American retreat from the leading edge of technology.

It would stifle economic opportunity for young men and women—the very people we look to to create the technologies of the future.

Many of these potential entrepreneurs are young people in their early twenties.

Many of them have no credit rating.

Banks and large financial organizations will not back them.

Their only hope is backing by venture capitalists—people who are willing to take risks.

But these can be very high risk investments.

And unless the Tax Code recognizes the risks these investors are taking, they will put their money into other safer, less risky, less pioneering ventures.

Venture capital—stimulated by a lower tax on capital gains—promoted California's Silicon Valley, the trailblazing center of the semiconductor chip.

And it spurred the development of high technology industries all across the country.

But the Finance Committee's tax bill, I am afraid, would stunt the next generation of silicon valleys—in California and elsewhere.

And the Nation will be much the poorer for it.

I am sure many of my colleagues feel much the same as I do about this matter.

As a vehicle for expressing our support for a capital gains differential, I am introducing today a resolution that says in part:

First, the availability of venture capital is critical to the needs of small business ventures whose owners cannot obtain loans from traditional sources of financing.

Second, small businesses provide the greatest numbers of new jobs.

Third, many promising new technologies first are developed commercially by small enterprises.

Fourth, technological leadership is one of this Nation's most important resources.

Fifth, the vital high technology sector is unusually dependent upon infusions of outside risk capital to meet intensively competitive markets.

Sixth, the availability of venture capital to small businesses has declined in the past year.

Seventh, the pressure of international competition is driving up the demand for outside risk capital.

Eighth, the experience of the 1970's has shown the potential harm done to risk investment by eliminating the capital gains differential from our tax system.

Mr. President, wisdom suggests we ought to learn the lessons of history.

I ask unanimous consent that the text of the resolution be printed in the RECORD.

There being no objection, the text of the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 407

Whereas, the availability of venture capital is critical to the needs of small business ventures whose owners cannot obtain loans from traditional sources of financing; and

Whereas, small businesses provide the greatest numbers of new jobs; and

Whereas, many promising new technologies first are developed commercially by small enterprises; and

Whereas, technological leadership is one of this nation's most important resources; and

Whereas, the vital high technology sector is unusually dependent upon infusions of outside risk capital to meet intensively competitive markets; and

Whereas, the tax reform experiment of 1969 erased a significant differential between capital gains tax rates and ordinary income tax rates; and

Whereas, the flow of risk capital to high technology companies dwindled from $1.6 billion in 1969 to less than $37 million in 1977; and

Whereas, many high technology companies were forced to sell their technology to foreign competitors in order to raise capital; and

Whereas, the Congress in 1978 recognizing the seriousness of the drought of venture capital enacted the Capital Gains Reduction Act of 1978 to lower the rate on long-term gains from a possible maximum of 49% to 28%, thereby providing a meaningful differential for longterm capital investments; and

Whereas, venture capital investment increased dramatically in two years to over $1 billion and exceeded $4 billion in 1984; and

Whereas, the Joint Economic Committee of the Congress in 1984 studied the effect of the reduction in capital gains tax rates since 1978, and concluded, "The capital gains tax differential was, and continues to be, a major factor behind the post 1978 surge in venture capital availability"; and

Whereas, since 1978, the electronics industry has created over one million new jobs; and

Whereas, the availability of venture capital to small businesses has declined in the past year; and

Whereas, the pressure of international competition is driving up the demand for outside risk capital; and

Whereas, the experience of the 1970's has shown the potential harm done to risk investment by elimininating the capital gains differential from our tax system; and

Whereas, wisdom suggests we ought to learn the lessons of history; therefore, be it

Resolved, it is the sense of the Senate that appropriate tax treatment for longterm capital gains investments should be incorporated into tax reform legislation and, that this can be accomplished by one or both of the following measures;

(1) a meaningful differential for longterm capital gains; or,

(2) proper indexation of invested assets to account for inflation.

Mr. CRANSTON. Mr. President, I yield the floor.

RECOGNITION OF SENATOR GORE

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee [Mr. GORE] is recognized for not to exceed 5 minutes.

STRATEGIC DEFENSE INITIATIVE

Mr. GORE. Mr. President, yesterday, I began this series of speeches on Strategic Defense Initiative discussion of the enormous gap between what the President promised the Nation and what is in fact materializing.

While the President raised hopes for a near-perfect defense of our population, SDI has become a defense system for ballistic missiles and other strategic assets. Today, I want to shift to another area where a gap has opened between what was promised and what is coming to pass: SDI's relationship to arms control.

The President has repeatedly assured the Nation that SDI can be pursued without damage to existing arms control agreements, and without prejudicing chances for agreements in the future. After all, it is only a research program, we are told. And yet, it is a curious and disquieting fact that SDI's most vehement supporters are veteran opponents of arms control.

What is involved here is a conviction on their part that the United States-Soviet struggle will never yield to negotiations, because the Soviet Union's underlying motives will not change. From this perspective, it is not in the U.S. interest to codify strategic nuclear equality, let alone stability, but, rather, to concentrate on recapturing our former nuclear dominance. And since the public will not support unlimited new deployments of strategic weapons, there must be another way: SDI.

Not the President's SDI, of course, but the "real" SDI, whose most dedicated supporters mince no words. They want a major increase in U.S. hard-target forces and they want those forces to be protected by some quick-and-dirty version of SDI. Such a combination adds up just one way for the Soviets, the same as it does for us: it is a first-strike capability, not to be actually used in that military sense, of course, but to ensure geopolitical dominance.

And so, it is not a coincidence that SDI's best friends are the same people who do their best to get rid of SALT II. Nor is it a surprise that they hail the administration's stunning reinterpretation of the ABM Treaty, which made it almost a charter for SDI. Quite simply, for them, arms control is an obstacle.

But what makes the irony complete is that the President, at times, appears to realize what SDI's superorthodox supporters do not; namely, that SDI is so critically dependent upon arms control, that were the goals of SDI's supporters realized, and arms control done in, then SDI itself would have to be abandoned.

Just before the summit last fall, the President twice said that SDI would be dangerous unless put in place cooperatively by both superpowers, and then only after the complete dismantling of their nuclear arsenals. What this formulation lacks in finesse, it more than makes up for in terms of an intuitive grasp of the truth.

If we simultaneously give up SALT compliance and announce that we are also going for broke on SDI, then we give the Soviet Union a simple, one-word message: "Build"—build offensive forces, and build them fast. Maybe they will and maybe they will not. But the stakes are very high if we bet wrong. And the first big loss for the administration would be any chance for designing a workable defense—not because SALT is in and of itself conducive to SDI; far from it. SDI needs very deep reductions. But those reductions have to begin somewhere, and that is precisely why it is folly to counsel discarding SALT when nothing is ready to take its place.

What it comes down to is this: The President has sold us SDI as a way to get out of the offensive arms race, but we are seeing it used as a way to conduct an arms race by other means. And its natural consequence will be an accelerated offensive arms competiton. Time does not permit me to elaborate upon this scheme today, but I plan to do so at some length in subsequent speeches in these series once each day for the foreseeable future.

Thank you, Mr. President.

RECOGNITION OF SENATOR SASSER

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee [Mr. SASSER] is recognized for not to exceed 5 minutes.

□ 0940

DROUGHT IN TENNESSEE

Mr. SASSER. Mr. President, I rise today to bring attention to a critical problem facing large portions of the Southeastern United States; namely, the region's longest drought in over a century. This problem is especially acute in middle and eastern Tennessee. Rainfall there is already 13.5 inches below average for the year, and forest fires have claimed 56,000 acres of our forest land.

Farmers across the State are extremely worried about the effect of the drought on all crops. In more than 80 percent of Tennessee's counties low soil moistures and dry weather have slowed germination of soybean, sorghum, and cotton crops. The State department of agriculture has estimated a 60-percent decline in the hay crop this year, which has serious implications for our dairy and livestock farmers. Corn and wheat crops have already been affected, and are likely to be 30 to 40 percent below average in yields should rain not come soon.

I hardly need to emphasize the importance of agriculture to Tennessee's economy. The food and fiber industry generates 25 percent of Tennessee's total payroll and employs 1 of every 4 working Tennesseans. Farmers and farm-related industry produce more than $12 billion in annual personal income in our State alone. And farms, together with nonfarm forests, compose more than 80 percent of the State's land base.

I hardly need underscore, either, the difficulties our farmers are facing without the added duress of a drought. In light of this additional hardship, however, I am more committed than ever to finding new avenues to increase our agricultural exports, to ensuring adequate funding for soil and water conservation programs, and for encouraging forbearance for farmers who can relieve their debt load by restructuring their debts. I would also put my colleagues on notice that if this drought continues, large numbers of southern farmers may be in need of emergency disaster loan assistance later this year.

Farmers are unfortunately not the only ones affected. The drought has seriously lowered lake, river, and ground water levels in Tennessee, causing a hydropower production decline that will cost the Tennessee Valley Authority upward of $40 million in operating expenses. Rural communities that depend on surface water for their water supply could face potentially serious supply problems. In this regard, I commend Federal and State water quality officials for beginning the process of developing an emergency water plan. I urge these officials to expedite this process in order to provide Tennesseans with guidelines on how and when to curtail water use.

I add my voice to those urging Tennesseans to conserve water. I also strongly urge farmers to keep good records of their expenditures and receipts should emergency disaster assistance become necessary. The next few weeks will be a very critical period, and a few good rains during this period may mitigate the long-term damage.

However, during the next few weeks, I would urge my colleagues to do, as many of us are doing in the Southeastern United States, pray for rain.

Mr. President, I ask unanimous consent that a column from the Nashville Tennessean outlining the extent of the drought and the efforts to conserve water be included in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RATIONING OF WATER POSSIBLE

(By Anne Paine)

Emergency water rationing authority was granted the state health commissioner yesterday to help manage supplies in drought-stricken areas as Gov. Lamar Alexander pressed Tennesseans to conserve the dwindling resource.

The state Water Quality Control Board—declaring Tennessee is facing a water emergency that will probably last through the summer and into the fall—gave Jim Word, commissioner of health and environment, authority to declare when an emergency actually exists as a result of drought.

The action was taken so that "the commissioner may move more quickly to deal with the water emergencies during this drought period," the board's resolution stated.

"It really is a very bad situation," said board member Ann Tidwell, adding that conservation measures are important in the face of the most severe drought conditions on record.

"It is time for Tennesseans to avoid unnecessary use of water: sprinkling lawns, washing cars and other optional uses that are not essential," Alexander said.

"There is not yet a water emergency in Tennessee, but without substantial rainfall soon we are not far away from it. Intelli-

gent, careful use of our water resources will help in the meantime."

In Nashville, watering of Metro-owned golf courses and landscaping will continue for the time being according to James Fyke, director of Metro Parks and Recreation.

"Until we're notified by the mayor or the Department of Water and Sewerage Services, we won't be taking any drastic measures," said Fyke, who added that conservation would be observed as much as possible.

Metro Nashville's water system, which is supplied by the Cumberland River, is not hard pressed because of a lack of water, but rather could experience problems because of heavy usage that strains the purification and pumping system, according to Bill Whitson, director of Metro water and sewerage services.

"Anytime you have a dry period in the summertime, you have a strain on your system from usage," Whitson said, "It's extra bad this year."

The Nashville water system normally pumps about 80 million gallons a day, but over the weekend 120 million gallons were pumped in one day as residents watered lawns and shrubs, washed cars and perhaps even filled swimming pools.

A mechanical breakdown at the Tyne Valley pumping station in Southwest Nashville was probably a result of the strain on the system, Whitson said, adding that other mechanical failures could occur if water usage remains at high levels.

Whitson said his department would decide what conservation measures are needed after a meeting next week with the U.S. Army Corps of Engineers.

In yesterday's resolution that was passed unanimously by the five members present, the Water Quality Control Board gave these priorities to water usage:

Domestic water supply.
Livestock watering and wildlife.
Industrial water supply.
Fish and aquatic life.
Irrigation.
Recreation.
Navigation.

State officials said Tennessee is facing its worst drought in nearly a century of rainfall records, with rain being below normal for almost two years.

"The calendar year 1985 was the driest since records were first kept in 1890," said Elmo Lunn, administrator of water management in the Department of Health and Environment.

"The first four months of this year were the driest on record and the rainfall to date in 1986 has been considerably less than the record in 1985."

Across the state, the rainfall deficit averaged almost 20 inches for 1985 against a normal annual rainfall of about 50 inches. The deficit to date this year stands at about 13.5 inches.

No public water system in Tennessee has reported a shortage at this time, Lunn said, "but it is expected that such conditions could occur in several communities within a few weeks without significant rainfall."

The drought could affect both the amount of water available as well as the quality of water, which is expected in some cases to take a peculiar odor and taste because of algae build-up in reservoirs.

The 30-day weather outlook prepared in Washington, D.C., by the National Weather Service predicts in somewhat higher than normal rainfall for mid-May to mid-June for the state, but it will take major rainfalls to replenish the streams and rivers as well as the water that flows underground.

"For tomorrow [today] and through this week we have a 20% chance of getting some thundershowers," said local Weather Service forecaster Bobby Boyd.

"What we need is something to lift the air." Boyd said, adding that if the moist air rises, it could condense into clouds and rain could form.

Though a cool front moving slowly over Missouri, East Oklahoma and north-central Texas will probably "washout" before it reaches Tennessee, Boyd said, its presence might be enough to force the state's stagnant air upwards.

Yesterday's high in Nashville was 85 and a high in the mid-80s is expected again today, Boyd said.

The drought situation is not yet as critical in West Tennessee as it is in Middle and East Tennessee, officials said. And scattered showers have been reported in some areas across the state.

Last weekend, several areas of West Tennessee received an inch or more of rain. These include Humboldt, Memphis, Alamo, Bolivar and Ripley.

In the past two days, Statesville and Nolensville in Middle Tennessee each reported over an inch of rain, Boyd said.

"Yesterday [Monday] afternoon several thunderstorms were concentrated from Lawrenceburg northeast to Murfreesboro and continuing on to and around Smithville.

"The heavier amounts were reported at 1 to 1.5 inches."

One thunderstorm was reported in northwest Wilson County yesterday near old Hickroy Lake, Boyd said.

SENATOR HAWKINS' SPECIAL ORDER

The PRESIDING OFFICER. Under the previous order, the Senator from Florida is recognized for not to exceed 5 minutes.

The Senator from Kansas is recognized to read Senator HAWKINS' statement.

Mrs. KASSEBAUM. Mr. President, Senator PAULA HAWKINS is still recuperating following surgery. I will read her statement into the RECORD.

Her remarks this morning are entitled: "The American Council on Education Circulates Proposal to Shield Illegal Drug Use by Student Athletes From Drug Testing," and read as follows:

THE AMERICAN COUNCIL ON EDUCATION CIRCULATES PROPOSAL TO SHIELD ILLEGAL DRUG USE BY STUDENT ATHLETES FROM DRUG TESTING

Mrs. HAWKINS. Mr. President, our society's attempt to combat illegal drug use in the high visibility area of athletics, which has so much influence on our Nation's youth, has been threatened with a setback from no less than the American Council on Education. The Council, which is the umbrella association representing over 3,000 U.S. colleges and universities, recently circulated to a selected group of colleges a draft of proposed guidelines on drug testing for college athletes which brazenly states, "It is undesirable to employ drug testing programs as a means of detecting use of recreational drugs, whether their use is legal or illegal, that are not used to enhance athletic performance." This proposal was published in the May 7, 1986 issue of The Chronicle of Higher Education.

Use of the mistaken term "recreational drugs" rather than "illegal drugs" alone gives away the permissive slant of these guidelines which incredibly seem bent on assuring illegal drug users protection from detection while playing intercollegiate athletics.

These guidelines are replete with expansive notions of student rights and privileges and would impose extremely burdensome and unrealistic requirements on our institutions and limitations even for the consent testing for only "performance enhancing" drugs which the guidelines would allow.

Meanwhile, with all this unbalanced emphasis on student rights and privileges, not a word is to be found concerning the student athlete's duties, obligations or responsibilities to themselves, their school, or their society. This in itself is a sad reflection of the educational philosophy being imparted by these A.C.E. draft guidelines. There is also no mention of the compelling public health, safety, public trust or security interests served by a well designed drug testing program for college athletes.

Rather than showing leadership in combatting illegal drug use on our Nation's college campuses, where drug use has reached epidemic proportions, the American Council on Education appears ready to discourage one of the most promising tools to reduce drug use—drug testing for college athletes. This shows how far some segments of our society are from demonstrating the necessary will to take the obvious and available measures which would put a real dent in our drug proglem. It also points up the need for close monitoring of Federal funding requests for postsecondary education when the umbrella organization for our Nation's colleges and universities displays such distaste to reasonable measures to counter drug use.

Despite the Council's apparent unwillingness to acknowledge it, there is obvious cause for concern about drug use on campus, especially in view of recent revelations at this year's National Football League's scouting camp for graduating seniors. Fifty-seven players among the camp's 338 participants reportedly tested positive for illegal drug use. These tests typically only detect drug use in the several days prior to the test. Also, many parents of college students can relate recent horror stories about drug use on campus that they hear from their children.

There is, in fact, an urgent need for the American Council on Education to show leadership in providing drug use prevention and education guidelines to our Nation's colleges and universities. Unfortunately, there is no evidence that it is doing anything of the sort. It is instead proposing to hinder the one promising measure which many of our institutions are adopting with real success in cutting drug use.

We have all watched as professional sports has become a big contributor to our Nation's drug problem, rather than the healthy and wholesome source of inspiration and recreation that it once was. But at least some organizations within the professional sports establishment are trying to do something about the problem. A mandatory drug testing program has been instituted in baseball's minor leagues, for example.

College football and basketball are the minor leagues for those sports. In fact, many college football and basketball stars outshine the pros as idols to our youth. Our Nation's best efforts towards educating our

youth against drug use are undercut when they see their sports idols as drug users.

It would be reassuring to see the American Council on Education coming to grips with the drug problem on our Nation's campuses rather than proposing measures that will keep it under wraps, where it can continue to fester. I sincerely hope that the American Council on Education realizes the damage that these draft guidelines would do to our society's efforts to clean up the demand side of our drug problem, and adopts helpful guidelines on drug testing, or no guidelines at all.

Mrs. KASSEBAUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 5 minutes.

U.S. INCREASES MILITARY SPENDING MORE RAPIDLY THAN SOVIETS

Mr. PROXMIRE. Mr. President, yesterday, I mentioned on the floor that the United States has built up its military strength more rapidly in the last 10 years than the U.S.S.R. Today, I will document that statement. The President of the United States is the highest authority in our Federal Government. When he speaks, he speaks for our country. As the constitutional Commander in Chief of our military forces, the President speaks with special authority. So we listen carefully when the President compares our military strength with the military strength of the Soviet Union.

That comparison is critical. It is the major factor in congressional determination of how much for our resources we put into our own military buildup. After all, does the President not have close and constant access to our intelligence experts, to the Central Intelligence Agency, [CIA], and to the Defense Intelligence Agency [DIA]? And do those agencies not devote hundreds of millions of dollars to the most minute and detailed scrutiny of every aspect of Soviet military activity?

Do the CIA and the DIA not use the most advanced satellites to detect the testing, the production and the deployment of Soviet weapons and the movement of Soviet troops and military equipment? Do not skilled and carefully trained CIA and DIA specialists carefully analyze every scrap of written material to compile the most exact possible understanding of the strength of the Soviet Army, Navy, and Air Force? Have our intelligence services not kept careful records for years of the changing size, quality, and capability of the Soviet armed forces?

The answer to all these questions is yes, yes, yes, yes. So when the President of the United States speaks, as he has often of late, of a massive, rapidly growing Soviet military threat, is he not giving an accurate report? The answer is shocking. The answer is that he is not giving an accurate report.

Do you say, now just a minute, Senator PROXMIRE; you have just told us the President has special and constant access to the reports of a CIA and a DIA that keep painstakingly detailed records on Soviet military force. So when the President tells us of a massive, long-term Soviet military buildup, does he not speak with all the authority of American intelligence agencies that know precisely what they are talking about? Well, Mr. President, get ready for a shock. Because the answer is: No, the President of the United States, in speaking of a Soviet military buildup, is not, I repeat not—that's n-o-t—not speaking with the authority of American intelligence agencies when he talks of a Soviet military buildup.

Last month, the CIA and the DIA testified before a Joint Economic Committee subcommittee. I chaired that hearing. What did their testimony show on the record for the last 10 years? Let's put the testimony in perspective. Between 1975 and 1985, total U.S. military spending increased by 3½ percent per year on the average. According to the American intelligence agencies, Soviet military spending poked along at a 2-percent rate of increase. So overall Soviet military spending actually moved ahead about one-half as fast as American military spending.

How about the rate of procurement of military weapons? In the past 10 years, American weapons procurement raced ahead by 7.6 percent. Soviet weapons acquisition ambled sleepily along with only a 1-percent increase. Some Soviet buildup. For the past 10 years, the United States increased its weapons buildup more than seven times faster than the Soviets.

In the past 5 years, the contrast has been sharper. Although much of the Soviets' military spending had to go into its war with Afghanistan, the Soviets, according to the CIA, continued in spite of the drain of the Afghanistan war to increase spending at only the same 2-percent rate they had established since 1975. Meanwhile, since 1981, overall United States military spending increased by a whopping 7.2 percent—more than three times as fast as Soviet overall military spending.

How about military procurement? In procurement the Soviets showed no change in their percent annual rate of increase since 1981, according to the CIA. But the United States? Listen to this: The United States has increased its military procurement by a smashing 13.3 percent since 1981. That means we have stepped up weapons acquisitions a remarkable 13 times—I repeat, 13 times—faster than the Soviets.

The DIA figures for the Soviets show a different rate of increase for the Soviets in military procurement than the CIA in 1983 and 1984. The DIA estimates a 3 to 4 percent Soviet increase in those 2 years. Still, at most, the Soviets achieved only one-third of the increase in United States procurement. Also, the DIA only measures 70 percent of the Soviet's procurement. The CIA measures all of the Soviet weapons acquisition.

So the CIA figures are likely on that basis to be more comprehensive and more accurate. They show, as I say, 13 times as high an increase for American military procurement as for the Soviet.

So what do the cold, hard facts on United States and Soviet military spending over the past 10 years tell us? They tell us the Russians are not 10 feet tall. They tell us the Soviet economy, which is only about half the size of the American economy, and the Soviet technology that is far behind the American technology has slowed the Soviet military buildup in the past 10 years. Of course, it is true the Soviet Union has a formidable military force. But there is no basis, none, for the contention that the Soviet Union is rushing ahead to build a stronger military force than the United States. The facts are exactly the opposite. It is the United States that has built up both its overall military strength and its arsenal of weapons far more rapidly than the Soviet Union.

□ 1000

I have a little chart here, a picture, caricature, which shows the Soviets as smaller than the United States, and that is the case. We should keep that in mind. The United States military force is bigger, stronger, more efficient, more effective than the Soviet Union.

THE MYTH OF THE DAY: COLLEGE ENROLLMENT IS DROPPING FOLLOWING THE BABY BOOM

Mr. PROXMIRE. Mr. President, the myth of the day is that the decline in the high school population has resulted in a decline in college enrollment.

In fact, the long predicted decline as the last of the baby boom children went to college has not come to pass as educators and demographers had long predicted.

How can that be?

Just look at this chart. While students in the 18 to 24 age bracket began their long-predicted descent in 1982 and will continue to decline over the 1983-93 period represented by this chart, a new phenomenon has taken place.

Adults over age 35 are returning to our Nation's campuses and total campus enrollment has continued to rise. Over the period represented by this chart, the number of adults enrolled on campus will increase nearly 36 percent from 1.7 million in 1983 to 2.3 million in 1993—and a steady 15 percent of them will be enrolled full time.

Now, over time there is no question that overall college enrollment will decline—perhaps as much as 6 percent from 1983 to 1993. But the return to education by adults has baffled the demographers who predicted that we would already be in a period of decline.

And that investment in our human resources is a good sign for society.

I ask unanimous consent that an article outlining this development be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COLLEGE ENROLLMENT ON THE BRINK OF DECLINE

College enrollments continue to baffle the bureaucrats, demographers included. Projections of the traditional college-aged population have long signaled a decline in college enrollments. Though fewer than one in three people aged 18 to 24 attend college, they represent 58 percent of college students. That group began its demographic descent, according to Census Bureau estimates, in 1982. But college enrollment has continued to increase, though at a reduced rate.

Since 1981, the rising number of older college students has offset declines in students under age 25. The rise in the number of women in college has offset a decline in men. And surprisingly, the number of full-time students has continued to increase, while the number of part-time students has remained nearly stable.

The National Center for Education Statistics' projections of college enrollments continue to show declines, however: Total enrollment should fall by 6.3 percent by 1993. The NCES projects that the number of college men aged 18 to 24 will decline 18 percent by 1993, while college women in that age group will decline by 21 percent. Colleges will lose 1.4 million students aged 18 to 24.

The number of students aged 25 to 29, now 16 percent of all students, should decline by 8 percent, a loss of 160,000 students, according to NCES. Students aged 30 and older, now 24 percent of all students, should increase by 27 percent to represent one out of every three students by 1993. Colleges will gain over 800,000 of these older students.

Some colleges, of course, are already feeling the pinch and are retrenching by reducing their faculties. The National Center for Education Statistics expects colleges to employ 67,000 fewer professors in 1993, a 10 percent cut.

ENROLLMENT IN HIGHER EDUCATION BY AGE AND SEX: 1983-93

[In thousands]

Age and sex	1983		1988		1993		Percent change 1983-93
	Number	Percent full-time	Number	Percent full-time	Number	Percent full-time	
Total	12,465	57.1	12,141	53.9	11,676	51.7	−6.3
14 to 17	214	89.2	213	89.7	183	89.6	−14.5
18 to 19	2,710	88.3	2,439	88.3	2,121	88.3	−21.7
20 to 21	2,392	82.9	2,023	82.7	1,888	82.8	−21.1
22 to 24	2,086	59.9	1,860	59.9	1,762	59.9	−15.5
25 to 29	2,032	36.4	2,110	36.4	1,870	36.4	−8.0
30 to 34	1,314	23.1	1,459	23.1	1,521	23.1	15.8
35 plus	1,716	14.8	2,037	14.9	2,329	14.9	35.7
Men	6,024	61.2	5,909	58.2	5,641	56.3	−6.4
14 to 17	91	87.0	92	87.0	79	86.1	−13.2
18 to 19	1,283	89.2	1,171	89.2	1,019	89.3	−20.6
20 to 21	1,205	84.8	1,033	84.6	966	84.7	−19.8
22 to 24	1,148	65.3	1,041	65.1	988	65.2	−13.9
25 to 29	1,087	40.3	1,150	40.3	1,022	40.3	−6.0
30 to 34	597	27.4	676	27.5	710	27.5	18.9
35 plus	613	14.7	744	14.8	855	14.7	39.5
Women	6,441	53.1	6,232	49.8	6,035	47.4	−6.3
14 to 17	123	91.7	121	90.9	104	91.3	−15.4
18 to 19	1,427	87.4	1,266	87.5	1,101	87.5	−22.8
20 to 21	1,187	80.9	989	80.9	922	80.8	−22.3
22 to 24	938	53.3	818	53.3	773	53.3	−17.6
25 to 29	945	31.7	960	31.7	849	31.7	−10.2
30 to 34	717	19.2	782	19.2	812	19.2	13.2
35 plus	1,103	14.9	1,294	14.9	1,474	14.9	33.6

Source: National Center for Education Statistics.

NUCLEAR WASTE REPOSITORY SITE SELECTION: THE PSYCHOLOGICAL TOLL

Mr. PROXMIRE. Mr. President, this Sunday's New York Times Magazine contains a very affecting article by Joyce Maynard describing the reactions of her small New Hampshire town, a possible location for a nuclear waste dump.

Much has already been written concerning the scientific and technical aspects of the Department of Energy's Radioactive Waste Program. This article deals with another even more serious side of the process, the effect on the community where the waste dump might be located.

As Ms. Maynard aptly points out, DOE does not consider the social, economic and emotional well-being of a dump site's neighbors when placing communities on its list of potential waste repositories. Yet, the wrenching psychological impact of potential nuclear peril and the long lead time before DOE chooses the final dump site combine to seriously disturb the tranquility of scores of American communities.

One of Ms. Maynard's most telling anecdotes concerns her own small son, troubled by nightmares of nuclear explosions, who confused the town dump with a nuclear waste dump and feared its explosion.

Her neighbors worry about loss of property values or, even worse, loss of a complete way of life.

Why are those emotional consequences of potential site designations important? The reason is simple. DOE has frightened over 2 dozen regions of the United States with a nuclear sword of Damocles. Those areas eligible for selection as a second repository now face over 10 years of uncertainty before they know their fate. Just one of these areas, the Wolf River Batholith in Wisconsin, contains over 1,000 square miles.

Why do I dwell on the emotional toll uncertainty brings to the affected communities? Because none of this suffering is necessary for second round sites. We do not need a second repository and we never did. It is time to eliminate the search for a second repository and relieve the stress on those at risk.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DENTON). The clerk will call the roll.

The bill clerk proceeded to call the roll.

□ 1040

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

THE CRANBERRY INDUSTRY: AN AGRICULTURAL SUCCESS STORY

Mr. KASTEN. Mr. President, the cranberry industry is one in which Wisconsin takes great pride. Forced to the ropes by a contamination scare a quarter century ago, the industry has rebounded in spectacular fashion.

Through marketing research, product innovation, and plain, old-fashioned hustle in the marketplace, the cranberry industry now provides a dependable income for many cranberry growers, jobs for hundreds of workers, and many nutritious juice and other products for the American public. Wisconsin, which with Massachusetts produces most of America's cranberries, has benefited greatly from the industry's growth.

I rise today to commend the industry and the Ocean Spray cooperative in particular on setting an example for American business in general and American agriculture especially. New product development and aggressive marketing is vital to the future prosperity of every single American farmer. Ocean Spray has demonstrated that there is opportunity in agriculture if only people are prepared to recognize it.

Mr. President, I commend to my colleague's attention an article in the most recent issue of Farm Futures magazine that gives an outline about

how the cranberry industry has grown and prospered. I ask unanimous consent that the text of the article appear in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OF CATTLE AND CRANBERRIES

(By Barbara Dietrich)

Not long ago, cranberry growers' balance sheets were as red as their crop. They struggled under low prices and tons of surplus berries.

But members of the Ocean Spray Cranberries Inc., the growers cooperative that produces about 80% of the cranberries sold in the U.S., didn't let their industry wither on the vine.

They decided that there was nothing wrong with the cranberry that a little imagination couldn't solve. Ocean Spray found new uses for the cranberry, and brought in talent from such corporate marketing giants as Philip Morris Cos. and PepsiCo to promote them.

The little-known cranberry, once thought to cause cancer, was reborn the source of a line of health drinks. Launched by the slogan "It's good for you, America," Ocean Spray juices and related products restored profitability to the ailing industry and pushed the co-op into the Fortune 500 list of the nation's largest corporations.

"Ocean Spray shows what marketing your own product can do," says Mel Potter, a Bancroft, WI, cranberry grower who also raises cattle. It's a lesson in producing profitably that he thinks cattlemen would do well to copy.

They clearly need some lesson. The typical catle producer lost about $20 on every beef animal sold in 1985. Cranberry growers, 80% of whom live in Wisconsin or Massachusetts, made about $1,000 an acre.

Cranberry growers accomplished this by overcoming the plagues of seasonal demand and huge surpluses that sickened the market after World War II, when the U.S. government quit buying the cheap, plentiful fruit.

There is no plague, however, to match a cancer scare. Just before Thanksgiving of 1959, federal officials warned that some West Coast berries were contaminated with the herbicide aminotriazole, a chemical reported to have caused thyroid cancer in laboratory rats. Every cranberry in the country became suspect. Sales crashed, and prices followed.

BURIED CRANBERRIES

"Our storehouse was full right to the doors," says Clark Griffith, a South Carver, MA, grower. "We had to bury cranberries because it was too costly to freeze or store them."

The government eventually paid growers $8 for each barrel of uncontaminated berries they had destroyed. Reverberations from the cancers scare squashed the cranberry market for the next few years, but some growers now call the incident a blessing in disguise.

It forced them to look beyond sauce and fresh fruit, industry mainstays at that time. So tarnished was the berry's reputation that "we were jolted into trying to find another use for our crop," says Jay Normington, a City Point, WI, Ocean Spray grower.

But it was a painful search, which cost members dearly in earnings plowed back into the cooperative rather than taken out as badly needed cash dividends. They also had to swallow the advice of professional management. "That's tough for farmers to do," notes Paul Morse, a Rochester, MA, grower.

It was made tougher when their efforts got off to a rocky start. Attempts to promote cranberries as more than a holiday curiosity flopped. And sales of Cranberry Juice Cocktail, reformulated from the tart drink growers had enjoyed since the 1930's, were so slow that "you could hardly give it away," says Tomah, WI, grower-member Bruce Potter.

NEW MANAGEMENT TEAM

A new course was plotted for Ocean Spray after Hal Thorkilsen became president in 1972. Thorkilsen had been wooed to the co-op's Plymouth, MA, headquarters four years earlier from Philip Morris, maker of Marlboro and Virginia Slims. Now he laid his plan on the boardroom table.

Cranberry sauce was fine, he told members, but juices were the path to profitability. "It was not a popular recommendation," Thorkilsen recounts. "And it would take substantial investment."

Once again, growers reinvested profits and incurred substantial debt. They expanded processing plants and poured money into promoting cranberry juice. Ocean Spray's 800 members now spend $14 million a year on advertising and promotions. That compares to the Beef Industry Council's $10.7 million, spread among 1.2 million cattle producers.

Ocean Spray's market research revealed consumers' interest in "natural" products when that interest was still budding. "There's no question that with the juices' glass bottle, no artificial ingredients and aura of healthfulness, they were going to appeal to consumers," says Edward Gelsthorpe, a one-time president of Ocean Spray and now president of H.P. Hood Inc., a dairy, citrus, and cheese processing company.

Ocean Spray's 14 juices—including Cranapple and Cran-Raspberry—now comprise about 70% of its $540 million annual sales. Since 1979, Ocean Spray has been the biggest U.S. seller of canned and bottled juice drinks.

Neither general success nor the occasional failure—such as its "Cranprune" juice, flushed in 1980—has turned Ocean Spray conservative. Ocean Spray helped pioneer the "paper bottle," an aseptic container that's become the rage of the lunch-box crowd. It introduced the first shelf-stable liquid concentrate earlier this year. And it plans to add a cran-blueberry juice to its line of mixed fruit beverages this summer.

A shift in marketing strategy from bulk commodities to "value-added" products has been one key to Ocean Spray's turnaround. "Management knew we had to put a product on the shelf that consumers could identify a brand name with," says Paul Jonjak, a Wascott, WI, cranberry grower.

SUPPLY MANAGEMENT

Controlling supplies of cranberries has been another factor, a built-in advantage of Ocean Spray's cooperative structure.

Ocean Spray contracts for a specified number of acres with each member. Unless a grower has failed to comply, the contracts are renewed every three years. That guarantees a market for growers.

Members must apply to the board of directors, composed of 25 growers, if they want to expand contracted acreage. Ocean Spray has never cut its total number of acres, but this year the co-op is not granting any new acres.

Another advantage: Besides controlling production, Ocean Spray also owns 84% of the U.S. cranberry processing capacity. The co-op can control its products from grower to consumer. "The typical food processor tries to keep payments to farmers down to increase return to stock-holders," Jonjak says. "We *are* the stockholders, and we recognize that things work best when working for mutual benefit."

The cooperative is not a flawless organization, however. "It's a democracy, and the farmer has to give up some of his independence," says Paul Morse, the Massachusetts grower. Ocean Spray members are generally content, though, and the figures tell why. The juice revolution helped boost growers' cash prices from below 15 cents a pound in the early 1970s to more than 40 cents recently.

"Ocean Spray has become so successful, I'm probably making more now than I ever have," says Jay Normington, the City Point, WI, grower. "With an innovative management that's constantly trying new products, it's going to keep getting better."

WORLD BANK LOAN TO ARGENTINA

Mr. HEFLIN. Mr. President, I recently received a news release from the World Bank that stated:

Argentina is launching the first phase of a comprehensive reform program designed to increase agricultural production and exports with the help of a World Bank loan of $350 million.

It appears that the World Bank is very concerned that Argentina's agricultural sector has been unable to reach its growth potential despite technological advances provided by the United States Government agencies has despite the existence of a well developed input distribution system developed and funded by Americans. The strength of the dollar has also given the Argentines an advantage in a highly competitive marketing environment.

According to the World Bank this loan will give greater incentives to Argentine farmers to adapt more new technologies and further increase agricultural production and increase major farm exports of wheat, corn, sorghum, soybeans, and sunflowers.

Mr. President, I am deeply disturbed by this announcement. What really troubles me about the loan is that the present American administration was reportedly the driving force behind the loan. This loan is generally regarded as part of the initiative Treasury Secretary James Baker is supporting in Latin America.

For the life of me, I cannot understand why this administration is so callous toward our Southern farmers, especially during a time when these family farmers are facing so many elements that they have no control over, such as low commodity prices, a lack of credit, and the worst drought in 104 years. Such actions infuriate me when our deficit is partially caused by tax

dollars that subsidize countries in direct competition with American farmers.

The loan made by the World Bank, which was reportedly arranged with U.S. Government leadership, includes conditions requiring Argentina to lower its export taxes on several agricultural commodities. I have seen estimates that the reduced export taxes would lead to a $1 billion increase in annual Argentine agricultural exports by 1989.

As you well know, Mr. President, Argentina is the second largest export competitor with the United States in soybean and soybean products. To export its soybeans and soybean products, Argentina pursues a policy of cut-rate pricing and direct subsidies to the soybean processors. During the past year, Argentina has sold soybeans as much as $20 per metric ton below United States soybeans and has sold soybean oil as much as $100 per metric ton below United States soy oil. Argentina has taken away United States markets in India, Pakistan, Europe, Latin America, and elsewhere.

Argentina has been able to undercut United States prices and flood the world markets by directly subsidizing those firms that process and export soybeans. These subsidies are financed with export taxes levied on soybean farmers in Argentina. If Argentina lowers the export tax from its current 28.5 percent to 15 percent, as required under the conditions of this loan, the return to the farmers will be about 71 cents per bushel higher than before. It is obvious that the World Bank loan will further subsidize and raise farmer income which will be an incentive for increased productions and exports by Argentina.

The Department of Agriculture publicly stated on numerous occasions last year, as Congress considered the farm bill, that it was in the best interest of the United States to legislate lower loan rates and market prices that the Southern farmer receives. If the American's farmer price was lowered, the United States would again be competitive in world markets was stated over and over again by this administration.

As I see it, the Treasury Department and the Republican administration has chosen to support Argentine farmers at the expense of United States farmers. The administration suggested that a reduction in commodity prices received by United States farmers was good policy, but the administration supports increasing the prices received by Argentine farmers.

I did not buy the first argument set forth by the administration as evidence by my voting against the farm bill. I can assure you that I do not buy this argument either.

Mr. President, I believe the American farmer deserves an explanation of the administration's justification for this loan. I think our farmers need to know why they have had any opportunity for future profitability sacrificed for the sake of the Argentine farmers.

Mr. President, at this point in my statement, I ask unanimous consent to have printed in the RECORD an editorial that appeared recently in the Southeast Farm Press. I wish my colleagues would take the time to read these words of wisdom.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Southeast Farm Press, Apr. 2, 1986]

AMERICAN FARMERS . . . FIRST

(By Joe Williamson)

Probably no other country in the world, and certainly no individual industry, has a systematic government-sponsored program utilizing the resources of a public agency, working in behalf of its foreign competition like American agriculture faces with its U.S. Department of Agriculture.

True, developing countries need help in establishing an agricultural base to feed their own people. Trouble is, have we gone too far with some of our aid programs?

U.S. farmers are expected to compete globally in the export markets, which they can do if given an even break. But if our government continues to give away our agricultural technology, how long can our own farmers survive?

We have shared our expertise in cotton production with many countries which are even now flooding us with their textiles and apparel made from their own home-grown cotton. We have exported our technology in soybean production to countries which now compete with us on the world market to the detriment of our own farmers. And on and on.

USDA international programs involved over 110 countries this past year alone. Purpose of the aid program is said to "share U.S. agricultural technology and management expertise with developing and 'middle' income countries ."

Interesting to note that participation included such nations as Portugal, South Korea, Japan, China, Mexico, Turkey, Brazil, Argentina, Greece, Egypt, Spain, France and Iran.

Middle income?

As any Southern or Midwestern soybean grower knows, Brazil and Argentina have become two of this country's biggest competitors on world markets (with our help) and nations like China have skyrocketed to the top in cotton production.

As one ag organization official puts it, there must be a middle ground where the transfer of technology to market competitors "will not result in the decimation of U.S. agriculture."

One of the great things about America is the compassion of its people for others. Nations that are still in a "developing status" may well need our technological assistance to help feed its people. None of us would deny a helping hand to the hungry. But we have to question the degree of assistance given to some of what our government calls "middle income" countries.

American farms exports are at a pitifully low level. And although there may be some other reasons, there is no denying the fact that increased competition in the export market from countries receiving the benefit of our nation's technology transfer is partly responsible, also.

Who comes first? The American farmer or "middle income" nations and even viciously anti-American countries like Iran?

A reassessment of our role in this respect is in order and long overdue. Our farmers have to feed themselves before they begin feeding the world.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

PHARMACEUTICAL EXPORT AMENDMENTS OF 1986

The PRESIDING OFFICER. The clerk will report the pending business.

The assistant legislative clerk read as follows:

A bill (S. 1848) to amend the Federal Food, Drug, and Cosmetic Act to establish conditions for the export of drugs.

The Senate resumed consideration of the bill.

AMENDMENT NO. 1955

(Purpose: To require the Office of Technology Assessment to conduct a study on the labeling of drugs sold in foreign countries)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes an amendment numbered 1955.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

SEC. 9. (a) Within 6 months after the date of enactment of this Act, the Director of the Office of Technology Assessment shall prepare and transmit to the Congress a report containing the findings and conclusions of the study required by subsection (b).

(b) The Director of the Office of Technology Assessment shall conduct a study on the labeling of drugs sold in the United States and the labeling of drugs sold by United States manufacturers in the foreign countries specified in subsection (c). The study shall—

(1) compare—

(A) the labeling approved for drugs under the Federal Food, Drug, and Cosmetic Act or the Public Health Service Act;

(B) the labeling approved by the governments of the countries specified in section 4 of this Act for drugs sold by United States manufacturers; and

(C) the labeling used for drugs sold by United States manufacturers in the foreign countries specified in subsection (c);

(2) analyze, in the case of a drug which is approved for use in the United States—

(A) whether there are any differences between the labeling approved for the drug in

the United States and the labeling used for the drug in the foreign countries specified in subsection (c); and

(B) in the case of any such differences, whether such differences are based on valid scientific evidence, including clinical trials;

(3) analyze, in the case of a drug which is sold by a United States manufacturer and which is not approved for use in the United States—

(A) whether there are any differences between the labeling approved for the drug by the governments of the countries specified in section 4 of this Act and the labeling used for the drug in the foreign countries specified in subsection (c);

(B) in the case of any such differences, whether such differences are based on valid scientific evidence, including clinical trials; and

(C) whether the labeling of the drug used in the foreign countries specified in subsection (c) is based on valid scientific evidence, including clinical trials.

(c) The study required by this section shall include an analysis of the labeling of drugs in the following countries:

Chile.
Egypt.
Greece.
Malaysia.
Mexico.
Nigeria.
Panama.
South Korea.
Tanzania.
Thailand.
Turkey.

Any other country which the Director of the Office of Technology Assessment considers appropriate and which is not a country specified in section 4 of this Act.

(d) The Secretary of State shall assist the Director of the Office of Technology Assessment in conducting the study required by this section by obtaining, through United States embassies in the countries with respect to which the study is conducted, the labeling of drugs sold in such countries by United States manufacturers.

(e) For purposes of this section:

(1) The term "drug" means—

(A) a drug (as such term is defined in section 201(g) of the Federal Food, Drug, and Cosmetic Act);

(B) an antibiotic subject to section 507 of such Act; and

(C) a biological product subject to section 351 of the Public Health Service Act.

(2) The term "labeling" has the same meaning as is prescribed by section 201(m) of the Federal Food, Drug, and Cosmetic Act, except for purposes of this section, such term only includes the parts of the labeling which relate to indications for use, contraindications, warnings, and adverse reactions.

Mr. METZENBAUM. Mr. President, we all know the importance of effective and meaningful labeling of drugs. Drugs can cause great good, as well as grave harm, and labels protect the consumers by alerting them of potential adverse reactions and contraindications. Our FDA requires warnings on drugs for the purpose of alerting the physician and the ultimate consumer of dangerous side effects and hazards. As everyone knows, the label itself is a key to safe drug use. Safety and effectiveness is judged by the adequacy of the label. A drug lacking a proper label turns a safe drug into a dangerous one. Our own FDA will not approve a drug unless it has adequate labeling.

As recently as last evening I was having dinner with a woman, a lady, my wife, and another party. And this woman told me about how her husband had taken a drug. The drug was not adequately labeled. He had then eaten some fish. The fish and the drug did not work well together. It caused her husband to have a stroke, and she lost her husband. He died.

What we are talking about on this amendment is not to provide for mandatory labeling. The purpose of this amendment is to ask the Office of Technology Assessment to make a study of labels with respect to drugs sold in this country and drugs that are being sold overseas. There is no enforcement provision if they find that the drugs are mislabeled. There is no provision about suspending the sales. There is no penalty. It is a matter of finding what the facts are.

I, therefore, say to those of my colleagues who have not been receptive for many other amendments that had some teeth in them this amendment does not have any teeth in it. But it will at least provide us with the information that we need in order to find out what the facts are with respect to drugs being sold overseas by the U.S. manufacturers.

For example, in the United States the drug lomotil which is produced by Searle for treating symptoms of diarrhea, carries the following warning:

It is not an innocuous drug and dosage recommendations should be strictly adhered to, especially in children.

In other words, they are saying on the label this is a drug that is important; this drug, if taken in too great quantity, can be a problem; this drug is particularly dangerous, as far as children are concerned.

Lomotil has been recognized as a dangerous drug for children since 1975. In fact the World Health Organization has warned that these drugs can be fatal if used by infants. By 1981, Searle agreed to restrict the use of its product world wide to children over 2 years of age. Yet, in Peru, lomotil was sold over the counter with no warnings or directions for use. Such an omission of the danger comprises a real health threat to children.

It is well known that labels vary widely from country to country. Obviously, this bill can't reach the practices of foreign drug firms. There is no effort to do so. But we would not wish to encourage our own drug companies to engage in mislabeling which threaten the health and safety of consumers abroad. We need to know more about the various labeling practices of U.S. firms from country to country in order to adequately frame a coherent drug export policy.

My amendment proposes that the Office of Technology Assessment study the labeling practices of U.S. firms abroad in several developing countries.

My amendment would define the parameters of the study by OTA. The study should compare the labeling of drugs sold in the list of named countries to the labeling approved for such drugs under the Food, Drug, and Cosmetic Act and the Public Service Act. Additionally, where the labeling of such drugs is not approved, the OTA must determine whether the labeling is based on valid scientific evidence and clinical trials.

Finally, my amendment would require that the State Department enlist our Embassies support in obtaining the labels available to doctors, pharmacies, and consumers as well.

□ 1050

This amendment, though essential, is the most innocuous that I will be offering today. As my colleagues know, there have been studies many times to avoid taking action. This one should not be a difficult vote. I had really hoped that the manager of the bill would see fit to accept this amendment. I had actually indicated that I was willing to modify it in any way that he would find acceptable, but I have not been able to prevail upon him to do so. The Pharmaceutical Manufacturers Association does not want it.

If they do not want it, then we cannot have it. I think that the U.S. Senate ought to indicate today that they are willing to adopt an amendment even if the PMA does not want it in order to provide the information that is necessary to determine whether or not the labeling being done overseas is in accordance with the facts.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I happen to be a member of the Office of Technology Assessment Board, made up of Members of the House and Senate, which oversees the Office of Technology Assessment. The Senator is asking them to conduct this study for only one reason. The Senator hates this bill. He is the only one that I know of in the Senate who does. He will do anything to try to scuttle this bill.

Such a study, if conducted, would be done pursuant to a mandate by the U.S. Senate telling the Office of Technology Assessment what they must do and order it.

This is not proper procedure. The appropriate manner is for an interested Senator or committee writes a letter to the Office of Technology Assessment and asks for a study to be done. Not by mandating. If you mandate from this floor on one issue, you

will do it with thousands of things that will become political footballs.

First of all, OTA studies are very important. They are used as a basis for future legislation. They are used as a basis for more regulation. They are used as a basis to resolve conflicts. There are no conflicts or problems here.

No. 1, the study that the Senator is calling for in this amendment would assume that if foreign labels are different from U.S. labels, something is wrong.

Well, that is not so. We have required approval by an FDA equivalent country, that is, a country that has a drug approval process as good as the FDA. I might parenthetically comment here that despite the fact that we saddle FDA with onerous burdens, pay them little, give them poor facilities, we have managed to attract some excellent people who are dedicated public servants. And I have a high regard for them.

It is not right to assume that if foreign labels are different from U.S. labels something is wrong. I think it is an arrogant assumption. There are some differences among foreign countries, and foreign labels are just as important as ours.

No. 2, FDA would have to delve into the ground for labels, including clinical studies, and try to second-guess foreign label requirements.

This is a job that would take $10 million to do right, and we do not have much more money than that in the whole OTA. And this is the reason we do not want political mandates like this given to the Office of Technology Assessment, ignoring and bypassing a strong, bipartisan board, which works very well.

This amendment would include clinical studies. It would try to second-guess foreign label requirements.

The Senator is moaning and groaning because he thinks no other country in the world can match our FDA. Now he is telling a body that is put together by the Congress of the United States to give us some knowledge, to do some studies to overview everything the FDA does, and not only FDA, but every foreign country involved.

We do not have that kind of money in the Office of Technology Assessment to pay for this kind of competence.

What gives us the right to dictate to every country in the world what they should or should not do? This amendment is not to make the bill better, it is not to improve it, it is not to amend it so that if there are defects they will be corrected. Its sole purpose is to defeat the bill, to once again scuttle this bill.

Are we to try to start extending U.S. labeling authority to foreign countries? Is that what we are going to do? That is what the import of the Senator's amendment would require, assuming we have enough money for OTA to do a really good study by acquiring the type of technology assessment in food and drug, especially the drug area, that even FDA does not exercise at this point. That is ridiculous.

Sometime we have to just start realizing that you can draft amendments so they look good, but eventually you have to look behind them and realize how ridiculous they are.

What this amendment aims at is extending U.S. labeling authority into foreign countries in derogation of their own rights and their own intelligence and their own abilities.

We are not talking about drugs that under current law are dangerous yet are exported all over the world because nobody stops their export. We are talking about drugs that will have been approved by an FDA equivalent country, a country that has as good a drug approval process as ours. The only difference is they, for whatever reason, have approved a drug more quickly than our FDA has. They are as thorough and efficient as FDA.

This bill provides that once a drug is approved by the Food and Drug Administration, a domestic manufacturer does not have to go to a foreign country to set up his own facility and import those drugs into our country when we could have had them here to begin with, manufactured by good American labor with the balance of payments and our protections for American labor intact. This bill provides this without endangering consumers foreign or domestic.

There are not many bills that could make the claim that this bill really effectively makes.

It effectively makes the claim to save U.S. jobs, to bring jobs back; to stop the erosion of biotechnology and other innovative leaders from going to foreign lands because we generally have to lease foreign companies or move our business offshore.

It stops the balance of payments loss up to a half billion or more dollars per year, something that we in this country understand right now with our in excess of $100 billion balance-of-payments loss. It basically keeps America preeminent in the field of pharmaceuticals.

I believe this amendment is here for only one reason, as all the Senator's amendments are, to try to kill this bill. I hope my colleagues realize that.

This is an important bill. If we want to do anything about trade problems, this is one of the first sound bills that does not involve protectionism. Instead, it involves incentives for U.S. businesses to come back to America, to create these jobs here, to keep the biotechnology here rather than reimport from our own American companies because they had to go offshore because of current law. It also stops, it seems to me, dishonest companies that are offshore, disseminating goods all over the world including Third World countries, as they can do under current law.

For the life of me, I cannot understand it. Senator METZENBAUM claims to be a consumer advocate, and I really believe he is, yet he cannot see the value of this bill as so many other Senators do.

Be that as it may, this amendment is detrimental. It undermines OTA and its purposes by passing it.

□ 1100

To mandate a study on an issue like this is slapping foreign governments in the face and, at the same time, creating a loss of U.S. jobs.

Unless the distinguished Senator has any further comments, Mr. President——

Mr. METZENBAUM. I thank the Senator.

Mr. President.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, as I understand the argument of the Senator from Idaho, it is that if you change a comma in this bill, you will kill it. Every amendment is a killer amendment. What can be a killer amendment about asking the OTA to make a study, make a determination? I just do not understand this whole concept that everything is going to kill it and it is going to cost jobs. Frankly, Mr. President, I have to call that hogwash because it does not ring accurate.

Yes, the Pharmaceutical Manufacturers of America may not like it. But really, are we doing anything that significant, that serious, when we are asking that the Office of Technology Assessment make a comparison between labeling overseas and labeling here, in this country? Mr. President, I just cannot buy that.

Mr. HATCH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KASTEN). Without objection, it is so ordered.

Mr. METZENBAUM. Mr. President, I am prepared to vote.

Mr. HATCH. Mr. President, I move to lay the amendment on the table. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion

of the Senator from Idaho [Mr. HATCH]. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from New York [Mr. D'AMATO], the Senator from Florida [Mrs. HAWKINS], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Idaho [Mr. MCCLURE], the Senator from Oregon [Mr. PACKWOOD], and the Senator from Connecticut [Mr. WEICKER] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio [Mr. GLENN] and the Senator from Hawaii [Mr. MATSUNAGA] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 62, nays 29—as follows:

[Rollcall Vote No. 98 Leg.]

YEAS—62

Abdnor	Garn	McConnell
Andrews	Goldwater	Murkowski
Bingaman	Gorton	Nickles
Boren	Gramm	Nunn
Boschwitz	Grassley	Pell
Bumpers	Hatch	Pressler
Chafee	Hatfield	Quayle
Cochran	Hecht	Roth
Cohen	Heflin	Rudman
Danforth	Heinz	Simpson
DeConcini	Helms	Stafford
Denton	Hollings	Stennis
Dixon	Inouye	Stevens
Dodd	Johnston	Symms
Dole	Kassebaum	Thurmond
Domenici	Kasten	Trible
Durenberger	Lautenberg	Wallop
Eagleton	Laxalt	Warner
East	Long	Wilson
Evans	Lugar	Zorinsky
Ford	Mattingly	

NAYS—29

Baucus	Harkin	Moynihan
Bentsen	Hart	Proxmire
Biden	Kennedy	Pryor
Bradley	Kerry	Riegle
Burdick	Leahy	Rockefeller
Byrd	Levin	Sarbanes
Chiles	Mathias	Sasser
Cranston	Melcher	Simon
Exon	Metzenbaum	Specter
Gore	Mitchell	

NOT VOTING—9

Armstrong	Hawkins	McClure
D'Amato	Humphrey	Packwood
Glenn	Matsunaga	Weicker

So the motion to lay on the table amendment No. 1955 was agreed to.

□ 1130

AMENDMENT NO. 1956

(Purpose: To establish the Food and Drug Administration by law, and for other purposes)

Mr. GORE. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will report the amendment and the Senate will be in order.

The legislative clerk read as follows:

The Senator from Tennessee [Mr. GORE] for himself and Mr. HEINZ proposes an amendment numbered 1956.

Mr. GORE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end, add the following:

SEC. 9. (a) There is established in the Department of Health and Human Services the Food and Drug Administration (hereinafter in this subsection referred to as the "Administration"). The Administration shall be headed by a Commissioner of Food and Drugs (hereinafter in this section referred to as the "Commissioner"). The Commissioner shall be appointed by the President by and with the advice and consent of the Senate and shall serve at the pleasure of the President. The Administration shall be administered under the supervision and direction of the Commissioner. The Commissioner shall, in consultation with the Secretary of Health and Human Services (hereinafter in this section referred to as the "Secretary") appoint a Deputy Commissoiner and such associate Commissioners and Directors of functional centers, bureaus, and other administrative units as shall be needed for the effective and efficient discharge of the authorities and functions administered by the Commissioner.

(b)(1) Except as otherwise provided in this subsection, there are trnasferred to, and vested in, the Commissioner all of the authorities and functions delegated to the Commissioner or to the Assistant General Counsel of the Food and Drug Division by section 5.10 of title 21, Code of Federal Regulations, as of the date of enactment of this Act, without regard to any reservation prescribed by section 5.11 of title 21, Code of Federal Regulations. The Office of the Assistant General Counsel of the Food and Drug Division of the Office of General Counsel within the Office of the Secretary is transferred to the Food and Drug Administration and redesignated the Office of Chief Counsel. The Secretary may delegate to the Commissioner such additional authorities and functions as the Secretary deems appropriate.

(2) The Secretary may require the Commissioner to notify the Secretary of any decisions of the Commissioner which—

(A) establish procedural rules applicable to a general class of foods, drugs, cosmetics, medical devices, or other subjects of regulation; or

(B) present highly significant public issues involving the quality, availability, marketability, or cost of one or more foods, drugs, cosmetics, medical devices, or other subjects of regulations.

(c) The provisions of the third sentence of subsection (a) shall apply to any individual appointed to the position of Commissioner of Food and Drugs after the date of enactment of this Act.

(d)(1) Section 5316 of title 5, United States Code, is amended by striking out the item relating to the Commissioner of Food and Drugs, Department of Health and Human Services.

(2) Section 5315 of such title is amended by adding at the end thereof the following new item:

"Commissioner of Food and Drugs, Department of Health and Human Services".

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Tennessee is recognized.

Mr. GORE. Mr. President, thank you.

I introduce this amendment in behalf of myself and the Senator from Pennsylvania, Senator HEINZ.

Mr. President, over the last several days, during the debate on the drug export bill, one thing I believe that Senators on both sides of the issue have found agreement on is that we are counting heavily on the Food and Drug Administration to make drug export bill a responsible reform initiative if it passes, appears likely. I do not think there is any question that if we could not count on FDA to monitor this law carefully the proposed law would not enjoy the support that it now clearly has.

It may then come as something of a surprise to many of my colleagues to learn that insofar as the law is concerned, there is no FDA. It is not established in law. It is a creature of the Executive's whim. It could be removed at any time by the President.

There have long been suggestions that the FDA should be established in law. Certainly it is not the intent of Members of the Senate that the FDA should be a temporary agency. It is long past time we let everyone know that they can count on having FDA around for many years to come. This amendment very simply insures that there will always be an FDA in law and that its head will be a Commissioner appointed by the President and subject to Senate confirmation. The Commissioner will have the responsibility for carrying out the Nation's food and drug laws.

This would not establish an independent agency. The FDA would still be exactly where it is now under HHS. The President would still have the authority to dismiss the FDA Commissioner.

So I hope my colleagues will see this amendment for what it is intended to be, a routine measure, long overdue, and I hope that my colleagues will be quick to support it because it does embody genuine reform.

For almost a century, the Food and Drug Administration has stood for solid protection of our food supply and medicines. All of us here can understand the importance of an independent and dependable FDA.

From the Pure Food and Drugs Act of 1906 to the Infant Formula Act of 1980, Congress has always turned to the FDA to ensure and enhance the public health. And when this measure passes, we will once again turn to the FDA and rely upon them. Its jurisdiction includes vital areas of public health, ranging from approval of drugs and food additives to inspection of medical devices and consumer complaints. Through the years, the Agency has developed a worldwide rep-

utation for professionalism and expertise.

We in Congress should strive to protect and promote that reputation for excellence. This amendment would give the FDA an independent Commissioner, appointed by the President and subject to congressional approval. An independent Commissioner will answer to Congress and the American people, not to several other agencies in the administration.

The head of every other major Federal health and safety agency is currently subject to Presidential appointment and Senate confirmation with only a single exception—FDA. This includes the heads of the Federal Aviation Administration, the Environmental Protection Agency, the Occupational Health and Safety Administration, the National Highway Traffic Safety Administration, the Consumer Product Safety Commission, and the Nuclear Regulatory Commission.

Ironically, the FDA is larger than the CPSC and the NRC, and more powerful than NHTSA or OSHA. It seems only reasonable, therefore, to require the FDA Commissioner to account to Congress just as so many other commissioners must do at the present time.

Besides making the FDA Commissioner a Presidential appointment, this amendment would clarify the FDA's place in the executive process by giving the Commissioner more authority over FDA matters.

Mr. President, this amendment should enjoy the support of industry and public advocates alike. In the past, the current arrangement has sometimes resulted in serious delays in decisionmaking—delays that have endangered the public health and cost industry millions of dollars. I think we will all benefit from an independent and accountable FDA.

We must never allow red tape to stand in the way of progress or public safety. It is time to let the FDA concentrate on the business of safeguarding the health of the American people.

Mr. President, I hope my colleagues will support this small but essential step to bolster the independence of this tremendously important agency.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. GORE. I am delighted to yield.

Mr. KENNEDY. Mr. President, I express my appreciation for this amendment offered by the Senator from Tennessee. This is an extremely important amendment.

Our committee, the Human Resources Committee, approves a number of individuals required by statute that do not have nearly the impact on the health policy or the implication on health in our society. we approve, for example, the National Science Foundation, all 24 members of the board. We approve all the assistant secretaries at the National Science Foundation. That is enormously valuable, useful, and important because that Foundation has important implications of research and in education.

But the role of the FDA in terms of health policy in our country is very, very significant. It is profound in the areas identified by the Senator's statement.

We have seen that most recently in the Tylenol tragedies.

It seems to me that it is important for us in this body, in meeting our responsibilities, to have this kind of an overview and oversight both in terms of the agency and in terms of that individual.

This particular provision is not a new issue for this body. In the comprehensive drug legislation, in the late 1970's—I know the Senator from Tennessee is familiar with that—this provision was included as one of a variety of other different measures in that comprehensive review, so the case has been made during the course of the deliberations by the Human Resource Committee in times past.

I think it is self-evident in terms of its importance and its need.

I certainly hope that this amendment would be accepted. I think it makes a great deal of sense and it can have enormous importance and implications in terms of ensuring that that agency is going to do the kind of job that I think all Americans expect it to do, and it puts additional responsibility where responsibility is due and that is here in the Senate for us to insist that we are going to have the kind of quality person who is going to chair that agency which the American people are entitled to. I hope that all of our colleagues will support this amendment.

Mr. GORE. Mr. President, I deeply appreciate the words of my collegue, the Senator from Massachusetts, and am deeply honored that he would support this amendment. I appreciate his leadership for so long on these issues.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, I commend the Senator from Tennessee for offering this amendment.

Certainly there can be no logical argument as to why the head of the Food and Drug Administration is not subject to Senate confirmation and available for our oversight on issues having to do with that agency's activities.

As the Senator from Massachusetts has already pointed out, there are so many other agencies where we require Senate confirmation. I can only believe that this was an oversight in the first instance.

I hope that the manager of the bill will see fit to accept the amendment. I cannot think of any arm of Government that is more important to the health of peoples of this country than is the Food and Drug Administration.

In addition to giving us the right to confirm the head of the Food and Drug Administration, it also would provide a sense of independence and not require that the head of the Food and Drug Administration be responsible to the Secretary of Health and Human Services. I think that is a major move in the right direction.

Again, I commend the Senator for the amendment and ask that he include me as a cosponsor of the amendment and hope that the Senator from Utah will see fit to accept the amendment.

Mr. SIMON. Mr. President, will my colleague yield?

Mr. METZENBAUM. I yield.

Mr. SIMON. Mr. President, I join the Senator from Ohio in commending our colleague from Tennessee.

We talk about the importance of the independence of the Federal Reserve Board and I believe it is important that they maintain that independence. It is also important that we have an independent Food and Drug Administration so that they not be subject to pressures, from whatever group the pressures may come from, that we not protect the public, and inevitably those pressures are going to be there.

I think this is a step we ought to take.

I would like to see the time come when we go even further and have the Food and Drug Administration be somewhat similar to the Federal Reserve Board so we really do, in a way that we do not do now, insulate that entity from any kind of pressure.

But I join my colleague in support of this amendment.

□ 1140

Mr. GORE. If the Senator will yield just briefly, I ask unanimous consent, Mr. President, that the Senator from Ohio [Mr. METZENBAUM] be added as a cosponsor of the amendment, and the Senator from Illinois [Mr. SIMON], as well.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. Mr. President, so that the legislative record is clear, I do want to point out that it does not establish FDA as an independent agency per se. It is still within HHS. The Commissioner is still required to consult with the Secretary of HHS. The Commissioner is still subject to dismissal by the President.

It does confer some additional independence on the FDA by investing in the Commissioner himself or herself the authority to administer the laws that are assigned to the FDA for its administration.

I appreciate my colleague yielding.

Mr. HATCH. Mr. President, I also want to compliment the distinguished

Senator from Tennessee. When he was in the House I had great admiration for him there with regard to health issues. Frankly, there is no question there are a number of bills that are now laws as a result of his help and his aid. Nobody has worked harder to try to establish good health practices and good health policy in the country than the distinguished Senator from Tennessee. I have a lot of personal respect for him.

I might also add that this is a very interesting and good amendment. I cannot recall an FDA Commissioner who would not have been confirmed by the U.S. Senate. First of all, in order to even qualify for this position, to even be thought about, a nominee must be an expert. He or she may have a differing philosophy and some differing viewpoints, but it is extremely difficult in the scientific world to deny a man or woman this opportunity who otherwise is qualified. And I really believe there is no fear, at least on my part, that quality nominees would be confirmed by the U.S. Senate.

Now I have to tell the distinguished Senator from Tennessee that there is fear on the part of a number of others, especially in the executive branch of Government, who do not want this amendment. I do not think it is any secret that they would like me to fight this amendment and I do not think it is any secret as to why they would.

So I took the liberty of calling the distinguished Secretary of Health and Human Services just a few minutes ago to tell him that this amendment was coming up. I recommended to him that we accept this amendment with the understanding that he still maintain some control.

What this does is takes the control over FDA away from the Assistant Secretary of Health and places it in a more working relationship with the Secretary of Health and Human Services under the aegis of which FDA will still continue to operate.

I do not think the Secretary was overly pleased with my recommendation that we take this amendment. But, on the other hand, I think he understands that I have to do my job here and I have to do it as I see it and as I call it. I believe that most of our colleagues, in the Senate at least, would be pleased to have this position subject to confirmation and to have the head of this really remarkable agency become a little more independent from the internal bureaucracy of HHS yet still be subject to the Secretary of Health and Human Services. Am I correct in that assertion?

Mr. GORE. If the Senator will yield, yes. And I wish to thank the chairman of the committee, Mr. President, for his very generous and kind words and for his wisdom in expressing the views he did. I appreciate his support for the amendment.

The FDA would remain under HHS, just as the chairman has said. The Commissioner would be required to consult with the Secretary of HHS. The Commissioner would still be subject to dismissal by the President and because of that fact would still be a part of the administration in a way that purely independent agency heads are not.

Nevertheless, it would constitute a change and the principal legal responsibility for administering the various laws given to FDA would be with the Commissioner, as the responsibility should be with the Commissioner. And the committee, chaired by the distinguished Senator from Utah, would play a larger role in overseeing the activities of the Commissioner and in confirming new Commissioners after this present one.

So the Senator is correct in his earlier statement and I appreciate his support.

Mr. HATCH. Let me just say this in conclusion, so we do not spend too much more time on this. I believe the Senator's amendment is a good amendment, one that we should adopt at this time. I believe that many people thoughout the Congress will be happy to do so.

There are very few agencies in Government that I have more respect for than I do the FDA. I see a lot of sacrifice down there, a lot of loyal, hardworking people working under very bad conditions. The building they work in is an old building; the equipment they have is old equipment. These are the top scientists in the world in their respective fields and we really treat them like dogs, in all honesty, for the vitally important work that they do.

The distinguished Senator from Ohio has spoken eloquently on this subject, as well as the distinguished Senator from Tennessee.

And I also am very much influenced by the comments and the support of the distinguished Senator from Massachusetts, my colleague, Senator KENNEDY, the principal cosponsor of this bill. He has worked very long and hard with me on this bill and has been criticized for it, while, at the same time, I think, more than adequately knocking down those criticisms. He has made some very important statements here on the floor and in committee, and I personally appreciate the efforts that he has made in this regard.

So with that, we are prepared to accept the amendment.

I ask unanimous consent that my name be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 1956) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. METZENBAUM. Mr. President, I am about to offer an amendment that it is my understanding the manager of the bill is prepared to accept.

It is a fact that I have a number of other amendments, but I can count and I am a realist enough to understand that those amendments are not going to be accepted. After the manager of the bill—assuming he accepts this amendment, which I am quite certain he will—after he does that, then I intend to be heard for a relatively short period of time to talk about the amendments that I would have offered and also to talk about the bill itself. At the conclusion of those remarks, I am prepared to move forward with a final vote on this bill.

Mr. HATCH. Mr. President, I am prepared to accept this next amendment of the distinguished Senator from Ohio. I would prefer not to, but I think he is being reasonable under the circumstances. He feels deeply about this amendment and if he wants to present it, we will talk about it.

AMENDMENT NO. 1957

(Purpose: To require that the government of a tier II country have an adequate governmental health authority to obtain adequate information concerning drugs, including information concerning the legal status of drugs in the United States)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes an amendment numbered 1957.

On page 25, line 21, strike out "and".

On page 25, between lines 21 and 22, insert the following:

"(III) to obtain adequate information concerning drugs, including information concerning the legal status of drugs in the United States; and

On page 25, line 22, strike out "(III)" and insert "(IV)".

□ 1150

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. The substance of this amendment is to provide that when a country is to be added to the tier-two country list of countries the Secretary of HHS will not only take

the steps as provided for in the legislation but one additional one to assure himself or herself that that country is in a position to obtain adequate information in the United States relative to the kinds of drugs, the status of those drugs, and the nature of those drugs.

It is more of an information-gathering process to be certain that the country to which the drugs are to be shipped does find itself in a position to know all of the facts concerning the drugs.

If the manager of the bill is prepared to accept the amendment we can proceed forward.

Mr. HATCH. Mr. President, I want to compliment the distinguished Senator for the battle he has waged here over the last 3 days.

We are prepared to accept this amendment. There are some who would not like us to accept it but I think it is a reasonable amendment, and we are prepared to accept it.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Ohio.

The amendment (No. 1957) was agreed to.

Mr. METZENBAUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

● Mr. SPECTER. Mr. President, after carefully considering the debate on S. 1848, the Pharmaceutical Export Amendments of 1986, I have decided to vote in favor of this bill. The principal reason for my doing so is that the bill as drafted contains strong safeguards against exports of untested drugs to countries that are not equipped to evaluate their safety. I commend my colleagues, Senator HATCH and Senator KENNEDY, for the excellent work that they have done in developing this legislation.

Under current law, no new drug can be exported to any country unless and until it is found safe and effective for domestic use by the Food and Drug Administration or other appropriate authorities. Other developed nations also have highly sophisticated agencies for the testing and evaluation of new drugs. There is some variation in the standards employed in these countries in determining safety and effectiveness, but each of these agencies is accountable to its own government and to the people of the country concerned.

S. 1848 limits exports of unapproved drugs to three categories of countries. First, exports may only be made to developed countries that have sophisticated drug approval systems comparable to that of the Food and Drug Administration. Fifteen of these countries—Australia, Austria, Belgium, Canada, Denmark, Federal Republic of Germany, Finland, France, Japan, Netherlands, New Zealand, Norway, Sweden, Switzerland, and the United Kingdom—are specified in the bill. Others may be added to the list by the Secretary of Health and Human Services or other involved cabinet officer, if such countries have (a) adequate scientific review of studies relating to the safety and effectiveness of drugs; (b) assurance that labeling information is accurate and in conformity with local laws; (c) the ability to detect and record certain serious safety problems with the drug, including adverse drug reactions; and (d) sufficient procedures and trained personnel to administer and enforce the policies of the agency, including the capability to remove, or cause to be removed from the market, problem drugs.

Second, exports may also take place to developed countries with an adequate health authority to assure that labeling information is consistent with labeling of the drug approved by a first-tier nation. The health authority must also be capable of detecting and recording serious safety problems and of taking appropriate action thereon with procedures and personnel sufficient to administer and enforce the policies of that authority.

Third, the bill contains a so-called tropical disease exemption, permitting exports to countries not included in either of the first two categories, but where there is determined to be a disease or health condition that does not exist to a significant extent in the United States and for which the Secretary determines that the shipment of a particular drug is justified to promote the public health in that country.

These are not the only safeguards in the bill. Foreign importers of unapproved U.S. drugs will have to agree in writing not to ship the drug to an unauthorized country. The Secretary will have authority to require exporters to investigate credible reports of shipment to unauthorized countries, and to prohibit shipments to any importer breaching its agreement not to ship to unauthorized countries. The bill requires the Comptroller General to do periodic studies on the effectiveness of the bill's restrictions.

I would strongly oppose any legislation authorizing exports of unapproved drugs to countries that are not in a position to independently evaluate their safety and effectiveness or the accuracy of their labeling. That kind of action would indeed involve a moral double standard. But if the Government of France or the United Kingdom or Japan has concluded that a drug is safe and effective for use by its people, I see no reason why the Government of the United States should presume to deny the benefit of that drug to those people. Doing so not only constitutes a needless intrusion upon the sovereignty of these foreign governments, but results in the loss of jobs and the discouragement of advanced research within the United States.

I should add, however, that the safeguards in this bill depend upon vigorous enforcement by the Food and Drug Administration and other authorities. The FDA should be on notice that the U.S. Congress expects it to enforce the law not only conscientiously, but strictly. There must be no subterfuge or evasion permitted on the part of drug manufacturers or distributors.

If we have this kind of enforcement, I am satisfied that this bill, because of its stringent safeguards, does not create the moral double standard that it has been alleged to create. Consequently, I am voting for this bill.●

Mr. HATCH. Mr. President, is the purpose of the amendment of the Senator from Ohio to require notice of intent to export for those drug products subject to S. 1848?

Mr. GLENN. Yes. The purpose of subsection (b) of my amendment is to require that information regarding the export of drug products subject to S. 1848 be transmitted to the appropriate official of the Embassy located in the United States of the importing country.

Mr. HATCH. In reviewing the amendment of the Senator from Ohio, I note that several provisions appear to be broader than the scope of S. 1848. Was that the gentleman's intent?

Mr. GLENN. No. The amendment is intended to cover only those drug products which are subject to S. 1848 as well as consumer products subject to the jurisdiction of the CPC and pesticides subject to the jurisdiction of the EPA, and other statutes named in my amendment.

Mr. HATCH. While I would have preferred to modify the amendment of the Senator from Ohio to assure that it accomplishes his intent, procedural impediments under the time agreement do not make that possible. Would the Senator have agreed to a technical amendment which would have resolved any ambiguity or possible misconstructions on this question, as it applies to FDA regulations?

Mr. GLENN. The Senator's interpretation of the amendment is completely consistent with my intent. I, too, would have wished to offer a perfecting amendment to assure its scope comported with that of S. 1848. The intention of my amendment is to standardize existing notification procedures.

Mr. CRANSTON. Mr. President, I rise to support the pending legislation,

S. 1848, the proposed "Pharmaceutical Export Amendments of 1986."

This bill would help keep American pharmaceutical and biotechnology companies competitive in international markets. Because of the lengthy drug-approval process in the United States—generally taking 7 to 13 years, at a cost of tens of millions of dollars to complete—there is often a substantial lag time between approval of drugs here and their approval in other countries. In addition, current law prohibits U.S. manufacturers from exporting drugs that are not approved by the Food and Drug Administration [FDA]. Thus, very often, by the time a drug is approved in the United States and is ready for export, a foreign manufacturer has already established preeminence in overseas markets, even though it may not have been the first to develop the product.

Large multinational drug companies can manufacture their products in overseas plants in order to overcome this lag time. Small American drug and biotechnology companies, however, cannot and thus are at a particular competitive disadvantage because they do not have the available capital to set up manufacturing facilities abroad. Rather, they are faced with the dilemma of relinquishing their ability to enter a foreign market or turning over trade secrets and technologies to foreign licensees.

S. 1848 would eliminate this Hobson's choice, allowing U.S. biotechnology and smaller drug companies quicker entry into foreign markets.

Mr. President, enactment of S. 1848 would provide that drugs not yet approved by the FDA may be shipped to a developed country that has a sophisticated drug approval system but only if that country has approved the drug's use. European and other developed countries have drug-regulation systems sufficient to make responsible determinations for themselves whether to approve a drug or not to do so. It is their choice. If, after various tests and trials, they believe that a particular drug is safe and effective for use, then American companies should be able to compete openly in those markets. That is the essence of this legislation.

CONCERNS ABOUT THE BILL

Mr. President, I congratulate the chairman, Mr. HATCH, and the ranking minority member [Mr. KENNEDY] of the Labor and Human Resources Committee for reaching agreements on ways to strengthen markedly this legislation. It is greatly improved in this regard from earlier versions. Nevertheless, I do have certain reservations.

During the debate on S. 1848, numerous accounts of drugs and antibiotics being misbranded, mislabeled, and misued in Third World countries have been presented. As a resulted of transshipment—that is, the reexport of a drug from the country to which export is authorized to a country to which export is not permitted—the export of FDA-unapproved drugs could add to this already serious problem. Many of the protections and prohibitions against transshipment included in this legislation are intended to prevent the unauthorized reexport and other abuses of these pharmaceuticals.

For example, importers would be required to sign written agreements that the drugs will not be shipped to unauthorized countries and that reports of serious adverse drug reactions will be transmitted promptly to the Secretary of Health and Human Services. The Secretary would have the authority to prohibit the shipping of a drug to any country to which it would otherwise be authorized to be shipped under this legislation if the drug is determined to present an imminent hazard. Furthermore, the Secretary would have the authority to prohibit shipment to an importer if that importer is found to be shipping a drug to an unauthorized country and all other means to stop transshipment fail. Although many experts agree that some of these provisions will be difficult to enforce fully, they do represent a mechanism for monitoring and attempting to control shipments of drugs.

I hope, however, that we could take some action at a future time to try and remedy the problems discussed above—which involve foreign firms as well as American companies—through the World Health Organization and other international forums.

Mr. President, the Senator from Ohio [Mr. METZENBAUM] offered some amendments for which I have a great deal of sympathy. I would note in particular that I share his deep concerns regarding the need for safeguards on the export of unapproved antibiotics. However, I believe that legislation on that important issue should first be considered by the Labor and Human Resources Committee before it comes to the full Senate.

Nevertheless, although these problems exist and we must continue to look for effective ways to deal with them, I do not believe that they should preclude us from taking necessary corrective action to enable U.S. pharmaceutical and biotechnology companies to compete in the international marketplace.

INFANT FORMULA

Mr. President, I was very pleased to support, with the majority of my colleagues, the amendment strengthening the Infant Formula Act. Bad formula batches create enormous health risks because of the high likelihood that an infant will consume a large amount of the product. As the Senator from Ohio [Mr. METZENBAUM] documented, millions of cans have been recalled because of missing nutrients. This amendment would help assure that all infant formula batches contain the proper levels of nutrients and that millions of children are protected against deficient infant formula. It attempts to provide the kind of protections many supporters of the 1980 Infant Formula Act intended when that legislation was enacted 6 years ago.

THE BIOTECHNOLOGY POTENTIAL

Mr. President, I would like to discuss what this legislation could mean to our domestic biotechnology industry. The United States is the world leader in the commercialization of biotechnology—because of the Federal Government's support over the past decade for basic biomedical research and training, the availability of financing for high-risk ventures, and the innovative efforts of independent biotechnology companies.

Biotechnology promises enormous rewards in terms of jobs and economic development. It will also produce new products and processes that will improve health, increase productivity, and enhance living standards. Biotechnology can develop products that will provide invaluable benefits to society—drugs, vaccines, microbial pesticides, disease- and pest-resistant crops and livestock. Genetic engineering may also produce bacteria that will help clean up environmental contamination, consume oil spills, and create substitutes for gasoline.

Although insulin is currently the only recombinant DNA product on the market, many more are in the pipeline. A biosynthetic growth hormone, for example, will enable children and teenagers of short stature to reach normal height. And one remarkable product, Interleukin II, make the headlines just a few short months ago as a potential cancer therapy. It is a naturally occurring molecule, which through genetic engineering, can now be manufactured in large quantities for use in clinical trials. I want to emphasize that this potential breakthrough could not have occurred without genetic engineering.

Mr. President, biotechnology is the new high-technology industry on the block. The various techniques associated with biotechnology, in particular genetic engineering and monoclonal antibodies, were discovered less than 15 years ago in the laboratories of university scientists. Today, a hundred-million-dollar industry exists. In the next decade, it could be worth tens of billions of dollars.

American scientists conducting basic research experiments on the innerworkings of cells, with the support of Federal basic research dollars, pioneered the technology. With the help of venture capital, they invested in its growth. When concerns were expressed both by the scientific commu-

nity and the public about the safety of recombinant DNA technology, American scientists led the way in responsibly taking control of the progress. American scientists and entrepreneurs should reap the benefits.

Biotechnology is expected to be the dominant new technology affecting many industries over the next quarter-century, much the same as information processing has been dominant for several decades.

INTERNATIONAL COMPETITIVENESS

However, Mr. President, we must make sure that the path of biotechnology does not mirror too closely that of the semiconductor industry where international aggressiveness, particularly by the Japanese, is threatening a substantial erosion of the American lead in the worldwide market.

I have discussed with a number of scientists and professionals in the industry their concerns about other countries capitalizing on American inventiveness. They are concerned that Japan, which has targeted biotechnology as a key technology of the future, will edge American companies out of the international marketplace.

S. 1848 is one step toward assuring that the United States maintains its competitive edge. Under the bill, American biotechnology companies would be able to export newly developed therapeutic agents to countries in which they are approved for use. Without this legislation, the only way small biotech companies would be able to get their products to foreign markets is by providing a license to use the technology—the most valuable resource in this competitive industry—to a foreign manufacturer.

THE CALIFORNIA BIOTECHNOLOGY INDUSTRY

Mr. President, like the Silicon Valley and the semiconductor industry before it, I am proud that my home State of California has become one of the most important regions in the world for biotechnology. More than one-third of the major U.S. biotechnology firms—70 out of 200—are located in California. Many of the 70 firms are small, independent companies specializing in one area of biotechnology products or processes. The two leading companies—Genentech and Cetus—are among the 20 California biotechnology firms located in the bay area. Thirty percent of the total employment in the industry—conservatively estimated at 5,000 jobs—is in California.

The concentration of biotechnology firms in California is due to the strong research and leadership role played by the University of California, Stanford University and other private universities, and the entrepreneurial-venture capital environment present in the State. Easing in a responsible way the export prohibition will help keep and expand this growing industry in California and the United States.

CONCLUSION

Mr. President, in a recent publication, the Institute of Medicine concluded that biotechnology has the potential to join the "handful of advanced technologies that contribute substantially to domestic economy and the U.S. balance of trade." Now—as the first generation of recombinant drugs emerge—is the time to take actions to help ensure that America is able to compete fairly overseas and have a fair chance to maintain and build on its existing competitive edge.

I am pleased to join in this effort today to ease the export restrictions in a reasonable and responsible way. I urge all my colleagues to support this measure.

Mr. KENNEDY. Mr. President, I am delighted to have gained such overwhelming support for this very significant piece of legislation. There can be no question that this bill represents a step forward. It will reverse a long-standing feature of U.S. drug law which has become outdated. Senator HATCH has been very responsive to the many safety concerns I have raised. And these have been incorporated into the bill. I believe this bill is a tribute to what can be accomplished on a bipartisan basis by two Senators who sometimes have great differences but persevere to find common ground.

We have produced a bill that constitutes sound and responsible policy. It is not a perfect bill. But it represents progress on many counts.

There is no doubt that this bill will benefit the U.S. economy. It will stimulate the biotechnology industry. It will keep the successful American pharmaceutical industry at home as it continues to expand. And it will also stimulate American companies to respond to the needs of Third World countries who labor under the dark cloud of widespread tropical diseases.

I would like to thank my colleagues, Senators METZENBAUM, GORE, and GLENN who added significant amendments, all of which I supported. Their amendments will contribute to protecting the well-being of American and foreign consumers of infant formula, pharmaceuticals, and other products. All three of these amendments are significant steps forward over current policy.

I would also like to thank my staff, especially Drs. Larry Horowitz and Mona Sarfaty for the work they have done to make this bill reflect the very real health needs faced by people around the world. Both of them have followed this issue over many years and have deliberated on and considered the many important issues raised by this bill. I would also like to thank my staff members Tom Rollins and David Nexon and former staff member Nick Allard for their contributions to the technical excellence which is apparent in this bill; and I would like to thank our staff assistant Deb Sutinen for the many hours of work she spent on this bill.

Senator HATCH also had several dedicated staff members who have worked long and hard on this bill whose names I would like to mention. His staff director Ron Docksai contributed a rational and balanced approach throughout the consideration of this bill and Doug Campbell carried on negotiations on the bill with reason and perseverance and then saw the proposal through to successful completion.

Mr. President, it isn't often that the Senate approves new policy with support as overwhelming as that demonstrated by this bill. The vote of 91 to 7 I believe demonstrates the overwhelming agreement that this bill represents a meaningful step forward. I would once again like to thank my colleagues for a job well done.

Mr. KERRY. Mr. President, today we will vote on the Pharmaceutical Export Amendments of 1986, legislation to allow for the export of new drugs which have met certain requirements both here and abroad. I would first like to state that I believe the U.S. pharmaceutical industry has served the American people well over the years by contributing significantly to their health and well-being. For this reason, the Senate Labor and Human Resources Committee prudently examined proposals which would expand world markets for U.S. manufactured pharmaceutical products and biologics, which resulted in the legislation under consideration today, S. 1848.

I want to clarify, though, that in our eagerness to do this, we were very careful not to defeat the very purpose we seek: enhancing the overall public welfare, both in this Nation and abroad. This legislation's public health merits were deliberated at length, keeping in mind the No. 1 goal of benefiting consumers and the international health care community in their search for new treatments and drugs. I think it is also important to note that we certainly would not benefit the American pharmaceutical industry if the high regard in which they are currently held was diminished because we neglected to pay serious enough attention to public health concerns.

Although I support this legislation, I wish to point out that I believe it is important for us to monitor its implementation closely. It is crucial that notification procedures in the bill regarding information on safety and effectiveness be fully utilized and transshipment violations be addressed promptly. In addition, I support the inclusion of antibiotics under the provisions of the bill and hope the House will consider such a change.

As I see it, we were faced with the difficult and delicate task of balancing

our respect for the autonomy of other nations to make their own risk-benefit evaluations against our own deeply rooted concerns about health and safety. I remain firm in my belief that above all, any policy governing drug exports should be in the interest of promoting health and safety. Other objectives of our policy should result in stimulating innovation, promoting better relations between the United States and other nations, enhancing the effectiveness of our regulatory apparatus, and making U.S. industry more competitive in world markets.

Satisfying all of these goals was not easy, but I believe the carefully constructed provisions of S. 1848 come as close as possible to insuring these safeguards and adequately meeting our objectives.

Mr. GORE. Mr. President, the time is long overdue for change in our drug export laws and I truly hope that one bill that is signed into law this year is one that would reform our Nation's laws in this area. But as we get ready to send this bill over to the House I want to make clear that I think we still have a long way to go before we have a bill that solves the problem for industry without unnecessarily endangering the public health.

The representatives of the pharmaceutical and biotechnology industries who came to the Congress requesting that we change the law were headed in the right direction. I don't believe that it does make sense, or is necessary to insure the public health, that a drug must complete the approval process in this country before we allow a company to export it.

If a country with the demonstrated capability to approve drugs concludes that a drug is safe and effective for the intended conditions of use in their country, then we should not force the company making that drug to either complete the drug approval process here or move their plant overseas, particularly since they have very little control over the speed of the drug approval process. This is especially true in the case of a drug that will shortly be approved for use in this country.

But something happened to that first good idea, something went astray. After all the interested parties got together and worked out their differences, what emerged was a bill that no longer makes good sense.

What I find especially troublesome about S. 1848 is that it creates three tiers of countries for exports. With each of these tiers comes a different public policy. The original policy of allowing export of unapproved drugs to countries with proven drug approval processes is encompassed by tier one in the bill.

Tiers two and three, however, create large loopholes that threaten to turn constructive, much needed drug export reform into an exploitive measure that could tarnish the reputation of our drug industry and endanger the public health in hundreds of nations around the world.

The principle we are embracing with tier one, as I have already stated, is that nations that have demonstrated the capability to make their own risk/benefit analysis, that have drug approval processes, should be allowed to make up their own minds.

Tier two establishes an entirely different, and I believe unwarranted and dangerous principle—that for countries that do not have the capability to approve drugs or do the necessary risk/benefits calculations, we will be willing to substitute the judgment of third party. Fifteen countries have been arbitrarily named in the bill—the so-called tier one countries.

Proponents of S. 1848 have stated repeatedly that the reason we need this bill is it does not make sense for the risk/benefit calculus of the United States, which is based on the unique circumstances of our country, to be applied on other countries. But, it makes no more sense that 1 of 15 arbitrarily named countries should be able to substitute their judgment, based on their own unique circumstances, for a country that we think cannot make that type of decision for itself. In fact it makes far less sense.

Indeed, as I try to figure the possible rationale behind a tier two, I am brought to the very troubling conclusion that such a policy will effectively remove all limits on the number of countries to which we will allow the direct export of unapproved drugs. This is not the same policy that has been discussed on the floor of the Senate during this debate, and it is one I cannot support. I hope many of my colleagues will agree with me.

There is however a simple solution to this problem. We should strike tier two. I have proposed this to the authors of the bill, but I am told that the drug companies need a tier two because there are several western European countries that are important markets that they need to be able to ship to that are not currently on the tier one list. They tell me the countries are: Iceland, Ireland, Israel, Italy, Luxembourg, Portugal, and Spain.

I have asked the FDA about these 7 countries and the 15 that already make up tier one. Their experts inform me that nothing would distinguish these 7 from the original list of 15. Indeed, if you rank all 22 countries on a single list, 4 stand out above the rest, Australia, Canada, Sweden, and United Kingdom. The rest, it seems, are on a par with one another. The FDA also told me that as drafted tier two might possibly contain many more than these 7 countries, and that the list could possibly grow to as many as 50 countries depending on how one interprets tier two.

I don't believe it is wise to create such uncertainty. After listening to everyone's concerns I have drafted an amendment that would strike tier two and add the seven countries I just mentioned to tier one. This would give us an expanded tier one with 22 countries, but get rid of a very dangerous loophole in the bill.

I was hoping that during the last few days of debate I might convince the floor managers that my amendment would make this a much better bill and give it a much better chance of passing the House, where I know many Members share my concerns. But I have been unable to do so.

I am not going to offer my amendment because I don't think we should take any more time on this issue and quite frankly I don't think it would pass. But I do believe it must be part of any final compromise on this issue and I will continue to work with my colleagues here and in the House to see to it that it is.

Despite strong reservations, I have decided to vote for this bill because a number of important amendments were added, including the infant formula amendment offered by Mr. METZENBAUM and myself, the amendment by Senator GLENN, and my amendment today dealing with the FDA. Each of these amendments provide much needed reform.

Mr. METZENBAUM. Mr. President, unless the manager of the bill wishes to be heard at this moment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, I rise to indicate that I am prepared for final passage of this bill. I am a realist enough to understand it is going to pass. I knew that before I ever offered my first amendment or offered the first comment because it is not too difficult to know where the votes are around here. I have a number of other amendments that I was prepared to offer. One would provide that there would have to be truth in labeling drugs so they would say on the drug "sold overseas," that they are not for sale or use in the United States. That ought to be on every drug sold; that people would not be taken aback or surprised and think that they were getting the protection of the United States because the label says "Made in America." But I would guess that would not be acceptable to the Pharmaceutical Manufacturers Association,

the drug lobby, and it would not be adopted.

I was prepared to offer an amendment to tighten the language with respect to tropical disease drugs. I think, even though I could point out that that language was too loose, that it would not be accepted.

It is my firm belief that the tier two countries should be eliminated and hopefully will be eliminated before the House disposes of this legislation. The tier two countries are too loose. The question comes in of the lobbyists being able to prevail upon the Secretary of HHS to designate which are tier two countries and which are not, and recognizing the power of lobbyists around this country I know some mistakes will be made.

I would further provide by an amendment that before any drug could be exported there would have to be 30 days' notice in order that public comments could be received. But when I suggested that to the author of the bill, he thought, "Oh, no, that would be horrendous." Frankly, I have difficulty in understanding how provision for 30-day notice would be horrendous.

The Members are going to be called upon to vote very shortly. I am prepared to vote immediately at the conclusion of my remarks. The issue is simple: Do we believe we ought to export drugs throughout the Third World labeled "Made in America" when those same drugs cannot be sold in this country?

That is the issue pure and simple. I firmly believe they should not. I am convinced that if we pass this legislation, if it passes the House and is signed by the President, there will come a day when those who voted for this legislation will look back and say, "That was a major mistake I made. We never should have permitted that to happen. Our country will be embarrassed. It is merely a question of determining what that point in time will be."

I offered an amendment to include antibiotics which are not covered. This body rejected that. I offered an amendment to provide some protection in the event of transshipment—where drugs are sent to a country that is named in the bill and then shipped out of the country without permission. This body said no to that.

I offered an amendment to provide that before the drugs could be exported, they would have to be further along the pipeline at the Food and Drug Administration and not merely be filed with the Food and Drug Administration. This body said no to that.

I offered an amendment with respect to labeling, and this body said no to that.

I can read. I can understand. I know that the bill will pass, overwhelmingly, but that does not make it right. I said to the majority leader early on on this bill all I wanted was enough time to be on the floor of the Senate, at least that some people might learn what we were doing, that it not just slide through the Senate. There was never any effort on my part to delay the passage of this bill. I said let it come up, let us debate it, let us address ourselves to the amendments and if I cannot prevail, which I do not expect I will, then I am prepared to have the Senate vote on the subject.

I am prepared to have the Senate vote at this very moment and I say to my colleague from Utah, the manager of the bill, the distinguished chairman of the Labor and Human Resources Committee, my friend, if he is prepared to act, I am also prepared to act at this very moment.

The PRESIDING OFFICER. The question is on agreeing to the committee substitute.

Mr. HATCH and Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, I understand the distinguished Senator from Ohio is ready to go to a vote on final passage.

Mr. METZENBAUM. If he is ready. If no action is contemplated, then I would ask for a rollcall. But I just wanted to be certain the Senator had concluded.

Mr. HATCH. Let me just say a few words in conclusion before we act. Mr. President, I appreciate the willingness of the distinguished Senator from Ohio to go to a vote at this early stage. I would like to speak briefly to urge passage of S. 1848, as amended. I will not take long to state my reasons for its passage. Some years ago, Senator KENNEDY and I came upon a corner of the law where a so-called ban was serving no useful purpose. It was in fact driving American jobs and development overseas, worsening our balance of payments, and threatening American leadership in the field of biotechnology. It was needless and counterproductive.

Now, working together, Senator KENNEDY and I and others have drafted a solution that will permit new production facilities and jobs to stay in this country and it will encourage the development of new drugs for tropical diseases and protect American biotechnology.

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By inducing the production here of drugs which will otherwise be made overseas, and have been made overseas for many years now, S. 1848 subjects these drugs for the first time to FDA approval and control. That is a pretty big step forward in the protection of foreign consumers.

Under this bill, drugs produced here and shipped abroad are produced according to the highest standards of purity and quality, which will benefit people all over the world. They will be produced here by American workers, with the jobs here, with the money here, with the innovation here, with the biotechnology here, with the world leadership here—as it should be. They will already have been found safe and effective by the regulatory authorities, equivalent to our FDA, of other respected developed countries.

This bill respects foreign sovereignty and foreign competence. We are saying to our foreign counterparts: "We respect you. We believe in what you are doing. We know you have done a good job with regard to your drug approval process, and you know we have done a good one with respect to ours."

This bill is much more conservative than the U.N. policy regarding these issues. It has received the support of our current FDA Commissioner and past Commissioners, both Democrat and Republican, including Drs. Donald Kennedy, Alexander Schmidt, Herbert L. Ley, Mark Novich, and Arthur Hull Hayes. It was reported by the committee by a vote of 13 to 2. It is a good bill. It is landmark legislation. It is important.

If we want to do anything about the balance of trade deficit, this is the first salvo. The beauty of it is that it does not have protectionism written into it. It does not subject our people to trade barrier retaliation or higher prices at home. It just provides our people the opportunity of working onshore rather than taking their facilities offshore, where they are basically unregulated and unrestricted.

I have had a great deal of difficulty understanding why the distinguished Senator from Ohio—and the people he quotes as strong supporters of his position—do not recognize what an improvement over current law this bill is.

Be that as it may, I know that he is sincere, and I know that he believes in his position, and I respect him for it. But I think the bulk of the evidence, the vast majority of the evidence, backs the contention that this is not only a good bill but also one that is essential in many ways.

I acknowledge the contribution to the passage of this bill by many people. The majority and minority staffs have worked tirelessly, and ably, and I congratulate them.

Above all, I want to thank my distinguished colleagues on the Committee on Labor and Human Resources: First and foremost, Senator EDWARD M. KENNEDY, the ranking minority member, without whose valuable input and support this bill would have been impossible. Each portion of this bill bears the imprint of his contribution.

I compliment my esteemed adversary, Senator METZENBAUM, as well. His

incisive arguments have served to sharpen the issues and hone the response.

Of course, I disagree with his analysis of the bill and its impact. I believe that his basic charges have been amply rebutted, and I think effectively so, over the past few days, not only by Senator KENNEDY but also by others, including myself.

As always, Senator METZENBAUM has conducted himself as a gentleman and a worthy opponent. I appreciate his cooperation in bringing this matter to a final vote this afternoon, sooner than otherwise would have been the case.

This is a very important bill; it is a good bill. It will help our country, and I do not apologize for that. It improves the situation for foreign consumers. Current law is completely ineffective in protecting foreign consumers from exposure to any drug. S. 1848, on the other hand, contains protections that will improve the quality of drugs on foreign markets.

So I am proud of this bill, and I am ready to vote for its passage, and I hope a majority of my colleagues will see fit to do so as well.

With that, I am prepared to ask for the yeas and nays and move to vote.

The PRESIDING OFFICER. The question is on agreeing to the substitute.

Mr. METZENBAUM. Mr. President, I have great respect for my colleague and for the way he has handled this bill, and I congratulate him on his effort.

I suggest that we accept the substitute without a rollcall vote and that we have a rollcall vote on final passage, if that is all right.

Mr. HATCH. Mr. President, I would like to engage in a colloquy with Senator D'AMATO.

I believe Senator D'AMATO has a question concerning the bill.

Mr. D'AMATO. Mr. President, I wish to commend Senator HATCH, the distinguished chairman of the Labor and Human Resources Committee, and Senator KENNEDY, the distinguished ranking minority member of that committee, for this excellent piece of legislation.

Under current law, a pharmaceutical manufacturer has only two choices when a drug is approved by a foreign country before it is approved in the United States: First, build a plant overseas to make the drug; second, license the technology to a foreign competitor to make the drug. The former option results in a loss of jobs in the United States, while the latter option, which may be the only one available to small pharmaceutical and biotechnology companies that cannot afford to build a plant overseas, results in a loss of jobs and our lead in technological know-how. By permitting the export of drugs which have not yet been approved in this country, S. 1848 will enable the pharmaceutical industry to make these products in this country. Consequently, this bill will create new jobs in the United States as well as preserve our scientific advantage in fields such as biotechnology.

I should like to ask the committee chairman a few questions about S. 1848. First, it is my understanding that drugs covered by the bill may only be shipped to two groups of countries: An "A" list of nations composed of developed countries with drug regulatory systems comparable to that of our Food and Drug Administration; and a "B" list of nations composed of developed countries with drug regulatory systems capable of detecting serious safety problems with a drug and removing such a drug from the market.

Is that correct?

Mr. HATCH. My colleague is correct. Generally, drugs covered by the bill may only be shipped to countries on the "A" or "B" list of nations. Section 801(e)(2)(A) sets forth the specific criteria for the "A" and "B" lists. Based upon those criteria, the Secretary of Health and Human Services must develop a list of nations which qualify as "A" or "B" list countries. In addition, section 4 of the bill suggests to the Secretary 15 countries for inclusion on the "A" list.

Mr. D'AMATO. My understanding is that Italy, which has a sophisticated drug regulatory system, is not specified in section 4 of the bill for inclusion on the "A" list.

Is that correct?

Mr. HATCH. Yes, my distinguished colleague is correct. Italy is not included in section 4 of the bill. However, the countries listed in section 4 of the bill are suggestions to the Secretary for inclusion on the "A" list of nations. In addition to suggesting these countries, section 4 requires the Secretary to assess independently whether each of the proposed nations meets the criteria for inclusion on the "A" list. Further, the Secretary must not limit his review to countries proposed in section 4. Section 801(e)(2) (B) and (C) require the Secretary to review all developed nations which might meet the criteria of the "A" list.

Mr. D'AMATO. Does my colleague agree that Italy has a sophisticated drug regulatory system and that the Secretary should give priority attention to assess whether it meets the criteria of the "A" list?

Mr. HATCH. Yes, I am impressed that Italy does have a sophisticated drug regulatory system. I would hope that the Secretary would consider as a priority matter Italy's eligibility for inclusion on the "A" list. The list of suggested countries is not intended to be exhaustive but rather represents the committee's best judgment as to those countries which quite obviously meet the criteria of section 801(e)(2)(A).

Mr. DECONCINI. Mr. President, I rise to commend my distinguished colleagues from New York and Utah for addressing a concern which I, too, have regarding the tier system proposed by the bill. I am pleased to hear the chairman's clarification of section 4 and section 3 of the bill. That these provisions do not limit the Secretary to reviewing only the feasibility of including the countries now listed on the "A" list but also require the Secretary to review all developed countries which might meet the "A" list criteria is critical to countries like Italy. The Italian Government has, as we all agree here today, a reliable drug regulatory system. Certainly, countries like Italy ought to have the opportunity to be considered for inclusion on the "A" list in the future. I join my colleagues in urging the Secretary to give priority to undertaking the appropriate review of Italy's eligibility for inclusion on the "A" list in accordance with the bill's provisions.

Mr. DOLE. Mr. President, I take this opportunity to offer my thanks to Senator HATCH. Because of his extraordinary work on this legislation, we were able to reach agreements that moved the bill forward and brought us to the point of approval without spending undo time on the floor.

I also express my gratitude to Senator METZENBAUM. As always, the Senator from Ohio proved himself a worthy opponent. And I believe he would agree that he had ample time to discuss the measure and make his case against this legislation. Now we are ready to proceed with final passage.

There has been a lot of debate recently over how we can reverse the trend of American jobs and high technology development drifting away to foreign shores. In my view, we have a chance today to act against this trend by supporting S. 1848, the so-called Drug Export Act.

Without question the United States has been—and is—the world leader in drug research. In my view, however, current law threatens to undermine the ability of our manufacturers to fully investigate and develop the pharmaceuticals that have been so vital to the health of hundreds of millions of people around the world. In fact, we are the only country in the world that imposes on itself an export restriction—and that's why we are shooting ourselves in the foot at a time when we should be doing all we can to improve trade and enhance employment.

By shutting off foreign exports of drugs not yet approved by the Secretary of Health and Human Services, we are shutting out America. The fact is, Mr. President, foreign competition steams ahead while our industry is bridled by cumbersome regulations. In

effect, we are encouraging our manufacturers to locate plants overseas—taking with them industry and jobs—so that they can compete in a more open environment: statistics tell us that 70 percent of the drugs approved in this country were approved first in a foreign land. But let me quickly add that in no way are we talking about dumping dangerous, untested drugs on an unsuspecting market.

The opponents of this legislation have failed to highlight the many safeguards in the Drug Export Act carefully designed to promote the safe export of unapproved American drugs. There are controls that will determine which countries can accept these drugs; conditions that must be met before export can take place; and standards under which U.S. authorities can take corrective action when and if problems arise.

Mr. President, this is a bill that will benefit millions and millions of consumers by freeing our industry to compete. It will help guarantee that the United States remain the leader in the research, development, and marketing of the most effective and safest drugs in the world.

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, we are prepared to proceed on the adoption of the substitute. We will have a rollcall vote on the bill.

Mr. METZENBAUM. Mr. President, I have no objection to adopting the substitute.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATCH. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS], and the Senator from Oregon [Mr. PACKWOOD] are necessarily absent.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 91, nays 7, as follows:

[Rollcall Vote No. 99 Leg.]

YEAS—91

Abdnor	Garn	Melcher
Andrews	Glenn	Mitchell
Armstrong	Goldwater	Moynihan
Baucus	Gore	Murkowski
Bentsen	Gorton	Nickles
Bingaman	Gramm	Nunn
Boren	Grassley	Pell
Boschwitz	Hatch	Pressler
Bradley	Hatfield	Pryor
Bumpers	Hecht	Quayle
Burdick	Heflin	Riegle
Byrd	Heinz	Rockefeller
Chafee	Helms	Roth
Chiles	Hollings	Rudman
Cochran	Humphrey	Sasser
Cohen	Inouye	Simon
Cranston	Johnston	Simpson
D'Amato	Kassebaum	Specter
Danforth	Kasten	Stafford
DeConcini	Kennedy	Stennis
Denton	Kerry	Stevens
Dixon	Lautenberg	Symms
Dodd	Laxalt	Thurmond
Dole	Levin	Trible
Domenici	Long	Wallop
Durenberger	Lugar	Warner
Eagleton	Mathias	Weicker
East	Matsunaga	Wilson
Evans	Mattingly	Zorinsky
Exon	McClure	
Ford	McConnell	

NAYS—7

Biden	Leahy	Sarbanes
Harkin	Metzenbaum	
Hart	Proxmire	

NOT VOTING—2

Hawkins	Packwood

So the bill (S. 1848), as amended, was passed as follows:

S. 1848

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pharmaceutical Export Amendments of 1986".

SEC. 2. (a) The Congress finds that—

(1) the development and international distribution of safe and effective pharmaceutical products by United States-based firms promotes world health and is important to the national economy;

(2) the policy governing worldwide distribution of pharmaceutical products manufactured in the United States should promote the public health;

(3) the full public health benefits that could be afforded by new drugs manufactured in the United States are at times unnecessarily limited by the export restrictions which exist under United States law;

(4) the current law of the United States does not permit the export of such drugs prior to approval in the United States;

(5) there are other developed countries which have sophisticated health regulatory authorities which protect the health and safety of their citizens;

(6) many new drugs developed by United States pharmaceutical companies are approved for marketing in such foreign countries prior to approval in the United States;

(7) the inability to export such drugs to countries which have adequate regulatory authorities especially hinders the international competitiveness of smaller United States firms and firms in the biotechnology field from entering foreign markets directly, and often such entrance is only possible through technology licensing agreements with foreign competitor manufacturers;

(8) it is appropriate to permit the export of new drugs to countries in which they are approved under circumstances that protect against harm to the health or safety of citizens in the importing country;

(9) the inability to export drugs approved abroad discourages investment in the United States, results in the loss of employment opportunities in this country, and erodes the favorable balance of trade in pharmaceuticals; and

(10) it is appropriate to provide sufficient safeguards to ensure that drugs so exported are not diverted to countries that may not have adequate drug regulatory authorities.

(b) The purposes of this Act are—

(1) to permit the shipment of new drugs prior to approval in the United States to certain developed countries that meet certain specified regulatory standards;

(2) to protect against the diversion of such drugs to countries that do not have highly sophisticated health regulatory authorities;

(3) to encourage the development and availability of drugs to treat diseases or health conditions which are rare in the United States;

(4) to encourage new capital investment, the creation of new job opportunities in the United States, and maintain the favorable trade balance in pharmaceuticals; and

(5) to enable the United States biotechnology industry to enter foreign markets to the extent permitted by foreign law without licensing their technology to foreign firms.

SEC. 3. Section 801 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381) is amended by adding at the end thereof the following new subsection:

"(e)(1)(A) A drug (including a biological product) intended for human or animal use which—

"(i) requires approval by the Secretary under section 505 or section 512, or

"(ii) requires licensing by the Secretary under section 351 of the Public Health Service Act or by the Secretary of Agriculture under the Act of March 4, 1913 (known as the Virus Serum Toxin Act),

before it may be shipped in interstate commerce to a country and which does not have such approval or license shall be deemed misbranded, adulterated, and in violation of such sections or Acts unless the drug is shipped by a person only to a country described in paragraph (2) and if the drug meets the requirements of subparagraph (B) and paragraph (3).

"(B) If a drug (including a biological product) described in subparagraph (A) that is manufactured, processed, packaged, or held

in conformity with current good manufacturing practice and that is not adulterated under subsection (a)(1), (a)(2)(A), (a)(3), (c), or (d) of section 501 is shipped by a person to a country in accordance with this subsection, such drug shall not be considered to be in violation of section 505 or 512, section 351 of the Public Health Service Act, or the Act of March 4, 1913 (known as the Virus Serum Toxin Act), and shall not be deemed to be adulterated or misbranded for purposes of this Act.

"(2)(A) A drug described in paragraph (1) may be shipped to—

"(i) a developed country which is on the list established by the Secretary of countries which have an adequate governmental health authority to approve drugs including—

"(I) regulatory procedures to assure adequate scientific review of the animal and clinical studies relating to the safety and effectiveness of drugs before drugs are approved for marketing;

"(II) regulatory procedures to assure that labeling information provided in such country to physicians, pharmacists, and patients is accurate and conforms with the laws of such country;

"(III) regulatory procedures to detect and to record serious problems with respect to the safety of the drug, including adverse drug reactions; and

"(IV) procedures and trained personnel to administer and to enforce the policies of that authority, including the capability to remove or cause to be removed from the market drugs which present a serious safety problem in such country; or

"(ii) a developed country which is on the list established by the Secretary of countries which have an adequate governmental health authority—

"(I) to assure that labeling information provided in such country to physicians, pharmacists, and patients accurately reflects, and is consistent with, the labeling for the drug approved or licensed by a country on the list established by the Secretary under clause (i);

"(II) to detect and to record serious problems with respect to the safety of the drug, including adverse drug reactions;

"(III) to obtain adequate information concerning drugs, including information concerning the legal status of drugs in the United States; and

"(IV) which has procedures and personnel sufficient to administer and to enforce the policies of that authority, including the capability to remove or cause to be removed from the market drugs which present a serious safety problem in such country; or

"(iii) a country which is not included on the list established by the Secretary under clause (i) or (ii) if the Secretary determines that, on the basis of scientific evidence including clinical investigations, the shipment of such drug to such country is justified to promote the public health in such country because of diseases (such as tropical diseases) or particular health conditions in such country which do not exist to a significant extent in the United States.

"(B) Within ninety days after the date of enactment of this subsection, the Secretary shall establish the lists of countries required by clauses (i) and (ii) of subparagraph (A).

"(C) The Secretary shall periodically revise the lists of countries established under clauses (i) and (ii) of subparagraph (A).

"(D) In establishing and revising the lists of countries under clauses (i) and (ii) of subparagraph (A), the Secretary—

"(i) shall consult with independent experts in the field of drug regulation; and

"(ii) shall provide reasonable opportunity for public comment before such lists are established or revised.

"(3) A drug described in paragraph (1) may be shipped by a person to a country on a list established under clause (i) or (ii) of paragraph (2)(A) or a country described in clause (iii) of such paragraph only if—

"(A) the drug meets the requirements of subparagraphs (A) through (D) of subsection (d)(1);

"(B) the drug is not the subject of final action by the Secretary or the Secretary of Agriculture denying, withdrawing, or suspending approval or licensing or otherwise banning the drug on the basis of safety and effectiveness;

"(C) the drug is not the subject of a notice by the Secretary or Secretary of Agriculture of a determination that the manufacture of the drug in the United States for shipment to a country is contrary to the public health and safety in the United States;

"(D) in the case of a drug to be shipped to a country on the list established under clause (ii) of paragraph (2)(A) or a country described in clause (iii) of such paragraph, the drug (or a drug containing the same active ingredient or ingredients) is the subject of—

"(i) a current application for exemption for investigational use from the approval or licensing requirements described in paragraph (1)(A);

"(ii) an application for approval or licensing as described in paragraph (1)(A); or

"(iii) a current drug master file containing all safety information required to be included in an application for an exemption for investigational use from the approval or licensing requirements described in paragraph (1)(A);

"(E) in the case of a drug to be shipped to a developed country on the list established under clause (ii) of paragraph (2)(A)—

"(i) the drug has been approved or licensed by a country included on the list established under clause (i) of paragraph (2)(A);

"(ii) the labeling of the drug accurately reflects and is consistent with the labeling for such drug approved or licensed by a country on the list established under clause (i) of paragraph (2)(A);

"(iii) the labeling is in an appropriate language for the importing country; and

"(iv) the drug is not the subject of an action by a governmental health authority in a country on the list established under clause (i) of paragraph (2)(A) denying or withdrawing approval or licensing or otherwise banning the drug on the basis of safety;

"(F) the person seeking to ship the drug has complied with paragraph (4) with respect to such drug; and

"(G) the outside of the shipping package of such drug is labeled with the following statement: 'This drug may be sold or offered for sale only in the following countries: .', the blank space therein being filled with a list of the countries to which shipment of the drug is authorized under this subsection.

"(4)(A) A person seeking to ship a drug pursuant to this subsection shall submit to the Secretary or the Secretary of Agriculture, at least ninety days prior to the date of the first shipment of the drug, a notice of intent to ship such drug. Within fifteen days after receipt of such notice of intent to ship, the Secretary or Secretary of Agriculture shall publish in the Federal Register a notice which identifies the drug to be shipped and states each country to which the drug will be shipped.

"(B) A person who has met the requirements of this subsection with respect to a drug including the submission of a notice under subparagraph (A) and who seeks to ship such drug to a country on the list established under paragraph (2)(A)(i), which country was not included in the notice submitted under subparagraph (A), shall submit to the Secretary or Secretary of Agriculture, at least fourteen days prior to the date of the first shipment of the drug to that country, a notice of intent to ship.

"(C) A person who has met the requirements of this subsection with respect to a drug and who seeks to ship such drug to a country on the list established under paragraph (2)(A)(ii) for which such person has not submitted a notice under subparagraph (A) with respect to such drug shall submit to the Secretary or Secretary of Agriculture, at least thirty days prior to the date of the first shipment of the drug to that country, a notice of intent to ship. Within fifteen days of receipt of such notice of intent to ship, the Secretary or Secretary of Agriculture shall publish in the Federal Register a notice which identifies the drug to be shipped and states the country to which the drug will be shipped.

"(D) Any notice of intent to ship submitted to the Secretary or Secretary of Agriculture under this paragraph shall—

"(i) identify the drug to be shipped;

"(ii) identify the establishment where the drug has been or will be manufactured;

"(iii) identify each country to which such person will ship the drug;

"(iv) in the case of a drug to be shipped to a country on the list established under paragraph (2)(A)(ii), include a copy of the labeling described in paragraph (3)(E)(ii);

"(v) include, to the extent not in conflict with the laws of the country to which the drug is intended for export, a written agreement from each importer to whom the drug is to be shipped from the United States that such importer will not ship the drug to a country to which the drug may not be shipped under the requirements of paragraph (2)(A) unless prior written consent to the contrary has been obtained from the Secretary or the Secretary of Agriculture; and

"(vi) include assurances that, to the extent not otherwise required under this Act, reports of serious adverse drug reactions known to the person shipping the drug from the United States shall be transmitted promptly to the Secretary for inclusion in a drug master file.

The written agreement required under clause (v) shall be renewed annually or upon the next shipment if such shipment occurs later than one year from the date of the first agreement submitted under this paragraph.

"(5)(A) Within sixty days after a person submits a notice of intent to ship with respect to a drug under paragraph (4)(A), the Secretary or the Secretary of Agriculture may determine that a proposed shipment of a drug does not comply with all the requirements of paragraphs (1) through (4). If the Secretary or the Secretary of Agriculture makes such a determination, the Secretary or the Secretary of Agriculture shall, at the time of such determination, provide such person with a written statement specifying—

"(i) the deficiencies which such person must correct in order to enable such shipment to comply with such requirements; and

"(ii) that such person has a reasonable opportunity to correct such deficiencies within sixty days after receiving such statement.

"(B) If a person who has received a statement under subparagraph (A) does not correct the deficiencies specified in such statement within sixty days after receiving such statement, the Secretary or the Secretary of Agriculture may issue an order stating that the shipment of a drug with respect to which such statement was made does not comply with all the requirements of this subsection and prohibiting such shipment.

"(6)(A) Except as provided in subparagraphs (B) and (C), at any time after the shipment of a drug to a country is permitted under this subsection, the Secretary or the Secretary of Agriculture may determine that such shipment is unlawful because such shipment does not comply with any requirement of paragraph (3), and may issue an order to prohibit such shipment.

"(B) If, at any time after the shipment of a drug to a country is permitted under this subsection, the Secretary or the Secretary of Agriculture determines that such shipment does not comply with subparagraph (A) of paragraph (3) or subparagraphs (C) through (F) of such paragraph, the Secretary or the Secretary of Agriculture shall, prior to issuing an order with respect to such shipment under subparagraph (A) of this paragraph, provide the person who submitted the notice under paragraph (4) with respect to such shipment with a written statement which—

"(i) specifies such determination; and

"(ii) states that such person may, within thirty days after receiving such statement, take such action as the Secretary or the Secretary of Agriculture determines necessary to comply with the requirements of subparagraph (A), (C), (D), (E), or (F) of paragraph (3), as the case may be, in order to permit the shipment of such drug.

"(C) If the Secretary or the Secretary of Agriculture determines that the person who receives a statement under subparagraph (B) does not take the action required by the Secretary or the Secretary of Agriculture under clause (ii) of such subparagraph, or that such person took an action which is inadequate to comply with the requirement of subparagraph (A), (C), (D), (E) or (F) of paragraph (3), as the case may be, the Secretary or the Secretary of Agriculture shall issue an order under subparagraph (A) with respect to such drug. Any such order shall be accompanied by a written statement—

"(i) specifying each requirement of paragraph (3) which has not been complied with relating to such shipment; and

"(ii) stating that the person who is the subject of such order will be provided, on request, with an opportunity for an informal hearing with respect to such order.

"(7) The Secretary or the Secretary of Agriculture, or in the absence of either such Secretary, the officer acting as such Secretary, may prohibit the shipping of a drug to a country or countries authorized under this subsection if the drug has been determined by such Secretary or officer to present an imminent hazard to the public health in such country or countries. A determination by such Secretary or officer under this paragraph shall not be stayed pending final action by a reviewing court. The authority conferred by this paragraph to prohibit the shipment of a drug shall not be delegated by the Secretary or the Secretary of Agriculture, except that in the case of the absence of either such Secretary, such authority may be delegated to the officer acting as such Secretary.

"(8)(A) If at any time the Secretary or the Secretary of Agriculture, or in the absence of either such Secretary, the officer acting as such Secretary, determines that—

"(i) a person is shipping a drug from the United States to an importer;

"(ii) such importer is shipping the drug to a country to which shipment is not authorized under this subsection; and

"(iii) such shipment presents an imminent hazard to public health in the country to which shipment is not authorized under this subsection,

such Secretary or officer shall immediately prohibit the shipment of the drug to such importer, give the person shipping the drug from the United States prompt notice of the determination, and afford such person an opportunity for an expedited hearing.

"(B) If the Secretary or the Secretary of Agriculture, or in the absence of either such Secretary, the officer acting as such Secretary, receives credible evidence that a drug shipped to a country to which shipment is authorized under paragraph (2)(A) has been or is being shipped to a country to which shipment is not authorized under paragraph (2)(A) and if, upon investigation, such Secretary or officer determines that there is a reasonable basis to believe that such drug has been so shipped, such Secretary or officer shall immediately—

"(i) notify the governments of the countries involved; and

"(ii) notify any person shipping the drug from the United States of the shipment of the drug to a country to which shipment is not authorized.

"(C) Any person receiving notification under subparagraph (B) shall investigate the matter and report to the Secretary or the Secretary of Agriculture within fourteen days the findings of such person, if any, regarding the source and cause of the shipment of the drug to a country to which shipment is not authorized under this subsection and the steps the person is taking to remedy any noncompliance with the terms of the importer agreement required under paragraph (4)(D)(v).

"(D) If, sixty days after receiving the findings under subparagraph (C), the Secretary or the Secretary of Agriculture, or in the absence of either such Secretary, the officer acting as such Secretary, determines that despite the efforts taken under subparagraph (C), the person who imported the drug from the United States is continuing to ship the drug to a country to which shipment is not authorized under this subsection, then such Secretary or officer shall prohibit the shipping of the drug to such importer.

"(E) If—

"(i) a person shipping a drug from the United States has been notified under subparagraph (A) that the shipment of the drug presents an imminent hazard, and such person continues to ship such drug from the United States to a prohibited importer, or

"(ii) sixty days after the Secretary receives the findings under subparagraph (C), a person continues to ship a drug from the United States to an importer knowing that the importer is continuing to ship the drug to a country to which shipment is not authorized,

then the drug shall be deemed to be misbranded and shall not be shipped unless prior written consent to the contrary has been obtained from the Secretary or the Secretary of Agriculture.

"(F) The authority conferred by this paragraph shall not be delegated by the Secretary or the Secretary of Agriculture.".

SEC. 4. The list of countries initially established by the Secretary of Health and Human Services under section 801(e)(2)(A)(i) of the Federal Food, Drug, and Cosmetic Act (as added by section 3 of this Act) shall include the following countries unless the Secretary determines that a country should not be included on such list because the country does not have an adequate health authority to approve drugs:

Australia.
Austria.
Belgium.
Canada.
Denmark.
Federal Republic of Germany.
Finland.
France.
Japan.
The Netherlands.
New Zealand.
Norway.
Sweden.
Switzerland.
The United Kingdom.

SEC. 5. (a) Within two years after the date of enactment of this Act and every two years thereafter, the Comptroller General of the United States shall complete a study of, and transmit to the Congress and to the Secretary of Health and Human Services the findings and recommendations of the Comptroller General on—

(1) the extent to which drugs shipped under section 801(e) of the Federal Food, Drug, and Cosmetic Act (as added by section 3 of this Act) are introduced into countries not authorized to receive such drugs by such section, and the effect of such shipment, if any, on the health of the population of such country; and

(2) the extent to which labeling of drugs shipped under such law to countries included on the list established under section 801(e)(2)(A)(ii) of the Federal Food, Drug, and Cosmetic Act (as added by section 3 of this Act) is consistent with the labeling for such drugs approved or licensed by countries on the list established under section 801(e)(2)(A)(i) of such Act (as added by section 3 of this Act).

(b)(1) The Secretary of Health and Human Services shall enter into a contract with the National Academy of Sciences whereby the National Academy of Sciences will undertake a study of—

(A) the economic impact of the provisions of section 801(e) of the Federal Food, Drug, and Cosmetic Act (as added by section 3 of this Act) on employment, capital investment, and trade; and

(B) the effect upon international health of the provisions of such section 801(e).

(2) The contract entered into under paragraph (1) shall contain provisions requiring the National Academy of Sciences to transmit its findings under this subsection to the Congress within five years after the date of enactment of this Act.

(3) The contract entered into under paragraph (1) shall be to such extent or in such amounts as are provided in appropriation Acts.

SEC. 6. (a) Section 526(a)(2) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360bb(a)(2) is amended by inserting "(including a disease or condition prevalent in a

developing country)" after "any disease or condition".

(b) Section 5(b)(2) of the Orphan Drug Act (21 U.S.C. 360ee(b)(2) is amended by inserting "(including a disease or condition prevalent in a developing country)" after "any disease or condition".

SEC. 7. Section 402(d)(2) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 342(d)(2)) is amended by inserting before the semicolon "except that this clause shall not apply to confectionery which is introduced or delivered for introduction into, or received or held for sale in, interstate commerce if the sale of such confectionery is permitted under the laws of the State in which such confectionery is intended to be offered for sale".

SEC. 8. The provisions of this Act and of the amendments made by this Act do not authorize the appropriation of any funds for fiscal year 1986.

SEC. 9. Section 412 of the Federal Food, Drug, and Cosmetic Act is amended—

(1) by redesignating subsections (e), (f), and (g) as subsections (h), (i), and (j), respectively;

(2) by striking out the last sentence of paragraph (1) of subsection (h) (as redesignated by clause (1) of this section) and inserting in lieu thereof the following new sentence: "Such records shall be retained for at least one year after the expiration of the shelf life of the infant formula.";

(3) by striking out "subsection (a)(2)" in subsection (j) (as redesignated by clause (1) of this subsection) and inserting in lieu thereof "subsection (a)(3)"; and

(4) by striking out subsections (a) through (d) and inserting in lieu thereof the following:

"(a)(1) An infant formula (including infant formula powder) shall be deemed to be adulterated if—

"(A) such infant formula does not provide nutrients as required by subsection (j);

"(B) such infant formula does not meet the quality factor requirements prescribed by the Secretary under this section; or

"(C) the processing of such infant formula is not in compliance with the good manufacturing practices and the quality control procedures prescribed by the Secretary under this section.

"(2)(A) The Secretary shall by regulation—

"(i) establish requirements for quality factors for infant formulas, including requirements for the nutrients required by subsection (j);

"(ii) establish—

"(I) good manufacturing practices for infant formulas, including quality control procedures; and

"(II) requirements respecting the retention of records,

that the Secretary determines are necessary to assure that an infant formula provides nutrients in accordance with this section and will not cause harm; and

"(iii) establish requirements for the conduct by the manufacturer of an infant formula of regularly scheduled audits to determine that such manufacturer has complied with the regulations prescribed under clause (ii).

"(B) The good manufacturing practices and quality control procedures prescribed by the Secretary under subparagraph (A)(ii) shall include requirements for—

"(i) the testing of each batch of infant formula for each nutrient required pursuant to subsection (j) prior to the distribution of such batch in order to ensure that such formula is in compliance with this section and does not contain any deleterious or otherwise unsafe substance; and

"(ii) regularly scheduled testing of samples of infant formulas during the shelf life of such formulas in order to ensure that such formulas are in compliance with this section and do not contain any deleterious or otherwise unsafe substance.

"(C) The record retention requirements prescribed by the Secretary under subparagraph (A)(ii) shall include requirements for—

"(i) the retention of all records necessary to demonstrate compliance with the good manufacturing practices and quality control procedures prescribed by the Secretary under such subparagraph, including records containing the results of all testing required by subparagraph (B);

"(ii) the retention of copies of all records prepared by suppliers of raw materials and food packaging materials used in the processing of infant formula to demonstrate compliance by such suppliers with all regulations, guidelines, and action levels prescribed by the Secretary with respect to such raw materials and food packaging materials and with respect to infant formula;

"(iii) the retention of all records pertaining to the microbiological quality and purity of raw materials used in infant formula and of finished infant formula (including infant formula powder);

"(iv) the retention of all records of the results of regularly scheduled audits conducted pursuant to the requirements prescribed by the Secretary under subparagraph (A)(iii); and

"(v) the maintenance of files with respect to, and the review of, complaints concerning infant formulas.

Records required under this paragraph with respect to an infant formula shall be retained for at least one year after the expiration of the shelf life of such infant formula. Such records shall be made available to the Secretary for review and duplication upon request of the Secretary.

"(D) In prescribing requirements for audits under subparagraph (A)(iii), the Secretary shall provide that such audits be conducted by appropriately trained individuals who do not have any direct responsibility for ensuring that the manufacturer of an infant formula complies with the regulations prescribed by the Secretary under subparagraph (A)(ii).

"(3) The Secretary may by regulation—

"(A) revise the list of nutrients in the table in subsection (j); and

"(B) revise the required level for any nutrient required by subsection (j).

"(b) No person shall introduce or deliver for introduction into interstate commerce any new infant formula unless an application has been filed pursuant to subsection (c) with respect to such formula and such application has not been disapproved. For purposes of this section, the term 'new infant formula' includes any infant formula for which there has been a change in formulation or processing which may affect whether the formula is adulterated within the meaning of this section.

"(c) A person shall, with respect to any infant formula subject to the provisions of subsection (b), file with the Secretary an application. Each such application shall include—

"(1) full reports of testing demonstrating that such infant formula provides nutrients in accordance with subsection (j) and complies with the quality factor requirements prescribed by the Secretary under subsection (a)(2)(A)(i);

"(2) records demonstrating that the processing of such infant formula complies with the regulations prescribed by the Secretary under subsection (a)(2)(A)(ii); and

"(3) such additional information as the Secretary may by regulation prescribe.

"(d) Within ninety days after an application is filed under subsection (c), or prior to the end of such additional period as may be agreed upon by the Secretary and the applicant, the Secretary shall either—

"(1) approve the application if the Secretary finds that the infant formula complies with the requirements of this section and the regulations prescribed by the Secretary under subsection (a)(2)(A); or

"(2) deny the application.

"(e) An applicant whose application has been denied under subsection (d)(2) may appeal such denial pursuant to procedures specified in regulations prescribed by the Secretary. After the applicant has exhausted the remedies specified in such procedures, the applicant may appeal the denial of such application to the United States court of appeals for the circuit wherein such applicant resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia Circuit, within sixty days after the entry of the Secretary's final order denying such application.

"(f)(1) If the manufacturer of an infant formula has knowledge which reasonably supports the conclusion that an infant formula which has been processed by the manufacturer and which has left an establishment subject to the control of the manfacturer—

"(A) may not provide the nutrients required by subsection (j); or

"(B) may be otherwise adulterated or misbranded,

the manufacturer shall promptly notify the Secretary of such knowledge and shall immediately take all actions necessary to recall shipments of such infant formula from all wholesale and retail establishments, and to assist such retail establishments in publicizing such recall in a manner reasonably designed to notify purchasers of such infant formula of such recall and the reasons for such recall.

"(2) For purposes of paragraph (1), the term 'knowledge' as applied to a manufacturer means (A) the actual knoweldge that the manufacturer had, or (B) the knowledge which a reasonable person would have had under like circumstances or which would have been obtained upon the exercise of due care.

"(g)(1) If a recall of an infant formula is begun by a manufacturer, the recall shall be carried out in accordance with such requirements as the Secretary shall prescribe under paragraph (2), and—

"(A) the Secretary shall, not later than the 15th day after the beginning of such recall and at least once every 15 days thereafter until the recall is terminated, review the actions taken under the recall to determine whether the recall meets the requirements prescribed under paragraph (2); and

"(B) the manufacturer shall, not later than the 14th day after the beginning of such recall and at least once every 14 days thereafter until the recall is terminated, report to the Secretary the actions taken to implement the recall.

"(2) The Secretary shall by regulation—

"(A) prescribe the scope and extent of recalls of infant formulas necessary and appropriate for the degree of risk to human health presented by the formula subject to the recall; and

"(B) require the posting of a notice of any recall of an infant formula at each place where such formula is sold or was available for sale.".

SEC. 10. (a) Not later than December 31 of each year, the Director of the Office of Management and Budget shall prepare for the Department of State which, in turn shall provide and inform the public and foreign governments, through their embassies in the United States or other appropriate means, an annual report which summarizes—

(1) all final agency actions taken during the preceding fiscal year with respect to banned or severely restricted substances, and

(2) any additional action taken during the preceding fiscal year with respect to banned or severely restricted substances which were first banned or severely restricted during a fiscal year prior to the fiscal year covered by the report.

(b)(1) No banned or severely restricted substance may be exported from the United States unless—

(A) the person intending to export the substance from the United States provides written notice to the agency responsible for carrying out the provision of law specified in subsection (c) which is applicable to the substance, prior to the first shipment to a country after regulatory action, stating such person's intent to export the substance and the intended country of destination; and in addition for notice be made to foreign embassies of all final regulatory actions of the time they are taken.

(B) the agency provides the Secretary of State with a statement concerning the substance which contains—

(i) the name of the substance;

(ii) a summary of any action taken by the agency with respect to the substance, including a description of the grounds for such action and a citation of the statutory authority for such action;

(iii) a description of the determined risks to human health or safety or to the environment that may result from the use of the substance; and

(iv) a specification of the officer or employee of the agency who may be contacted by the government of any foreign country to which the substance is intended to be exported in order to obtain additional information about the substance; and

(C) the Secretary of State delivers a copy of the statement submitted under subparagraph (B) to an appropriate official in the embassy of the country of destination or transmits it to such country by other appropriate means.

(2)(A) The provisions of paragraph (1) shall supersede any other provision of the law to the extent such provision is inconsistent with paragraph (1).

(B) No law enacted after the date of the enactment of this Act shall supersede this subsection unless it does so in specific terms, referring to this Act and declaring that the new law supersedes the provisions of this subsection.

(C) Nothing in this subsection authorizes the disclosure to the public of bona fide trade secrets or other confidential business information.

(c) For the purpose of this section, the term "banned or severely restricted substance" means—

(1) a food or class of food which—

(A) is adulterated, as defined by rules or orders issued under section 402 (a) or (c) (21 U.S.C. 342 (a) or (c)), or

(B) is in violation of emergency permit controls issued under section 404 (1 U.S.C. 344),

of the Federal Food, Drug, and Cosmetic Act;

(2) a drug which is—

(A) Adulterated as defined by rules or orders issued under section 501 (a), (b), (c), or (d) (21 U.S.C. 351 (a), (b), (c), or (d)),

(B) misbranded, as defined by rules or orders issued under section 502(j) (21 U.S.C. 352(j)), or

(C) a new drug or new animal drug for which an approval is not in effect under section 505 (21 U.S.C. 355) or section 512 (21 U.S.C. 360), respectively,

of the Federal Food, Drug, and Cosmetic Act;

(3) an antibiotic drug which has not been certified under section 507 (21 U.S.C. 357) of the Federal Food, Drug, and Cosmetic Act;

(4) a drug containing insulin which has not been certified under section 506 (21 U.S.C. 356) of the Federal Food, Drug, and Costmetic Act;

(5) a device which—

(A) is adulterated, as defined by rules or orders issued under section 501(a) (21 U.S.C. 351(a)),

(B) is misbranded, as defined by rules or orders issued under section 502(j) (21 U.S.C. 352(j)),

(C) does not conform with a performance standard issued under section 514 (21 U.S.C. 360d),

(D) has not received premarket approval under section 515 (21 U.S.C. 360e), or

(E) is banned under section 516 (21 U.S.C. 360f), of the Federal Food, Drug, and Cosmetic Act;

(6) a cosmetic which is adulterated, as defined by rules or orders issued under section 610 (21 U.S.C. 361) of the Federal Food, Drug, and Cosmetic Act;

(7) a food additive or color additive which is deemed unsafe within the meaning of section 409 (21 U.S.C. 348) or section 706 (21 U.S.C. 376), respectively, of the Federal Food, Drug, and Cosmetic Act;

(8) a biological product which has been propagated or manufactured and prepared at an establishment which does not hold a license as required by section 351 (42 U.S.C. 262) of the Public Health Service Act;

(9) an electronic product which does not comply with a performance standard issued under section 358 (42 U.S.C. 263f) of the Public Health Service Act;

(10) a consumer product which—

(A) does not comply with a consumer product safety standard adopted under sections 7 and 9 (15 U.S.C. 2056 and 2058) other than one relating solely to labeling.

(B) has been declared to be a banned hazardous product under sections 8 and 9 (15 U.S.C. 2057 and 2058),

(C) presents a substantial produce hazard under section 15 (15 U.S.C. 2064), or

(D) is an imminently hazardous consumer product under section 12 (15 U.S.C. 2061),

of the Consumer Product Safety Act;

(11) a fabric, related material, or product which does not comply with a flammability standard (other than one related to labeling) adopted under section 4 (15 U.S.C. 1193) of the Flammable Fabrics Act;

(12) a product which is a banned hazardous substance (including a children's article) under sections 2 and 3 (15 U.S.C. 1261 and 1262) of the Federal Hazardous Substances Act;

(13)(A) a pesticide which, on the basis of potential risks to human health or safety or to the environment,

(i) has been denied registration for all or most significant uses under section 3(c)(6) (7 U.S.C. 136a(c)(6)),

(ii) has been classified for restricted use under section 3(d)(1)(C) (7 U.S.C. 136a(d)(1)(C)),

(iii) has had its registration canceled or suspended for all or most significant uses under section 6 (7 U.S.C. 136d),

(iv) has been proceeded against and seized under section 13(b)(3) (7 U.S.C. 136k), or

(v) has not had its registration cancelled, but requires an acknowledgement statement under section 17(a)(2) (7 U.S.C. 1360(a)(2)),

of the Federal Insecticide, Fungicide, and Rodenticide Act, or

(B) a pesticide chemical for which a tolerance has been denied or repealed under section 408 (21 U.S.C. 346(a)) of the Federal Food, Drug, and Cosmetic Act; and

(14) a chemical substance or mixture—

(A) which is subject to an order or injunction issued under section 5(f)(3) (15 U.S.C. 2604(f)(3)),

(B) which is subject to a requirement issued under section 6(a)(1), 6(a)(2), 6(a)(5), or 6(a)(7) (15 U.S.C. 2605(a)(1), 2605(a)(2), 2605(a)(5), or 2605(a)(7)), or

(C) for which a civil action has been brought and relief granted under section 7 (15 U.S.C. 2606),

of the Toxic Substances Control Act.

SEC. 11. (a) There is established in the Department of Health and Human Services the Food and Drug Administration (hereinafter in this subsection referred to as the "Administration"). The Administration shall be headed by a Commissioner of Food and Drugs (hereinafter in this section referred to as the "Commissioner"). The Commissioner shall be appointed by the President by and with the advice and consent of the Senate and shall serve at the pleasure of the President. The Administration shall be administered under the supervision and direction of the Commissioner. The Commissioner shall, in consultation with the Secretary of Health and Human Services (hereinafter in this section referred to as the "Secretary") appoint a Deputy Commissioner and such Associate Commissioners and Directors of functional centers, bureaus, and other administrative units as shall be needed for the effective and efficient discharge of the authorities and functions administered by the Commissioner.

(b)(1) Except as otherwise provided in this subsection, there are transferred to, and vested in, the Commissioner all of the authorities and functions delegated to the Commissioner or to the Assistant General Counsel of the Food and Drug Division by section 5.10 of title 21, Code of Federal Regulations, as of the date of enactment of this Act, without regard to any reservation prescribed by section 5.11 of title 21, Code of Federal Regulations. The Office of the Assistant General Counsel of the Food and Drug Division of the Office of General Counsel within the Office of the Secretary is transferred to the Food and Drug Administration and redesignated the Office of Chief Counsel. The Secretary may delegate to the Commissioner such additional authorities and functions as the Secretary deems appropriate.

(2) The Secretary may require the Commissioner to notify the Secretary of any decisions of the Commissioner which—

(A) establish procedural rules applicable to a general class of foods, drugs, cosmetics, medical devices, or other subjects of regulation; or

(B) present highly significant public issues involving the quality, availability, marketability, or cost of one or more foods, drugs, cosmetics, medical devices, or other subjects of regulations.

(c) The provisions of the third sentence of subsection (a) shall apply to any individual appointed to the position of Commissioner of Food and Drugs after the date of enactment of this Act.

(d)(1) Section 5316 of title 5, United States Code, is amended by striking out the item relating to the Commissioner of Food and Drugs, Department of Health and Human Services.

(2) Section 5315 of such title is amended by adding at the end thereof the following new item: "Commissioner of Food and Drugs, Department of Health and Human Services".

□ 1300

Mr. HATCH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Madam President, I would like to take a few minutes. I do not want to delay the Senate.

I am really gratified by the support of my colleagues in passing S. 1848. It is important legislation. It really is landmark legislation. I think it will make a difference, and above all be a major improvement over current law.

I want to thank all of my colleagues, especially the 13 who supported us on the Labor and Human Resources Committee.

Every one of those people supported us at a time when the bill was new, and when there was a lot of rhetoric flying around.

I want to especially thank several Senators who worked long and hard on this bill, and who played a major part in it. Of course, Senator KENNEDY I have already mentioned. I really appreciated his support of this bill, and the work he has brought to it, including his work in the committee.

Senator QUAYLE on our side worked long and hard on health matters and drug export matters; Senator HAWKINS, who cannot be with us today, and who would have made another vote for this bill had she been here. We all understand her condition. We wish her well.

I know she is doing well because I chatted with her just recently.

I hesitate to not mention others on the Republican side. But let me mention Senator DODD, on the Democratic side, and Senator SIMON in particular. There are people who have had qualms, but also they recognize the efficacy and validity of this bill.

On my staff, of course, my special appreciation goes to our staff director, Ronald Docksai, who really does a terrific job for the Labor and Human Resources Committee, and who has been nominated as Assistant Secretary for Legislation at the Department of Health and Human Services. I think he is one of the all-time best Hill staffers, and somebody very close to me, whom I really love and appreciate.

□ 1310

I extend special thanks to our majority health counsel Doug Campbell. He has carried the weight of this burden all the way through and has done a wonderful job. He has done a technically proficient job and has been very, very good in this undertaking.

Our chief counsel Bill Ryan is new with us, but, nevertheless, is one of the real leaders of pharmaceutical law in this country. He really has come to us as a labor of love because he didn't need the job. He left a good job to work with us on important matters relating to health care. He has just done a terrific job.

Of course, my thanks also go to Myra Cook and Muffie Walsh, our staff assistants, who have done so much in providing staff support.

On the minority side, Tom Rollins, our minority staff director, and Dr. Mona Sarfaty, Nick Allard, and David Nexon have been wonderful to work with and have been a pleasure to work with. I have been honored to work with the quality of staff that we have had working on this bill.

There are many others I would like to thank. I appreciate Senator DOLE bringing this bill to the floor at a time when he thought it might take too much time, though he recognized the importance of the bill. I hope we can take it from here and have cooperation with the Members of the House and pass the bill because it will be a major step forward not only for America but the world at large.

With that, Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WEICKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROTECTION AND ADVOCACY FOR MENTALLY ILL PERSONS—CONFERENCE REPORT

Mr. WEICKER. Madam President, I submit a report of the committee of conference on S. 974 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 974) to provide for protection and advocacy for mentally ill persons, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of May 5, 1986.)

Mr. WEICKER. Madam President, I am pleased that the Senate will now turn to, adoption of the conference report on S. 974, the Protection and Advocacy for Mentally Ill Individuals Act of 1986. This bill is a landmark in the history of this Nation's commitment to the care and treatment of its mentally ill citizens.

This bill was developed in response to a 9-month Senate investigation of State institutions for the mentally ill. During the course of this investigation, one thing became painfully obvious: Mentally ill individuals in residential facilities are vulnerable to abuse and neglect, and all too frequently, there is no effective system to protect the rights of these individuals.

The Protection and Advocacy for mentally Ill Individuals Act of 1986 takes a step toward remedying these problems. It provides for the establishment of a protection and advocacy system for the mentally ill in each State, similar to the protection and advocacy system already in existence for our developmentally disabled citizens. Federal funding will be provided to the Protection and Advocacy Agency serving the developmentally disabled, and that Agency may provide services directly to mentally ill persons, or it may subcontract with an existing State or private nonprofit entity currently engaged in the provision of advocacy services. The Protection and Advocacy Agency will have the authority to receive and investigate complaints of abuse and neglect, and to pursue administrative and legal remedies to ensure the protection of mentally ill individuals. Ten million dollars in fiscal year 1986 are already available for fiscal year 1986 to carry out this act, and with enactment of this bill, we expect that these funds will be released expeditiously to begin this new program.

I urge the Senate to adopt this conference report, as the House overwhelmingly did yesterday, in order to protect its most vulnerable citizens from the abuse, neglect and substandard living conditions that are too often their fate. I would also like to thank

Senator HATCH, as chairman of the Committee on Labor and Human Resources, and representative HENRY WAXMAN, chairman of the House Subcommittee on Health and the Environment, for their determined efforts to reach a compromise of which we can all be proud.

Mr. HATCH. Madam President, today I encourage my colleagues to support the conference report to accompany S. 974, the Protection and Advocacy for the Mentally Ill Act. This legislation is a credit to Senator WEICKER who has identified a pressing need throughout our Nation to protect mentally ill citizens from abuse and neglect.

This legislation provides $10 million for protection and advocacy councils in each State to protect citizens who are mentally ill. The funding for this program has already been appropriated and is included in the budget package. Without any further delay, we must approve this legislation and get the money to the programs to begin their work on behalf of mentally ill individuals in America. I urge my colleagues to approve this bill and it is my hope that the President will support its enactment.

Mr. KERRY. Mr. President, I am pleased that the House of Representatives has acted so quickly in accepting the conference report which accompanies S. 974, the Protection and Advocacy for Mentally Ill Individuals Act of 1986. As a conferee, I rise today to urge my colleagues to follow this example and adopt the pending conference report.

The Protection and Advocacy for Mentally Ill Individuals Act establishes a protection and advocacy system for mentally ill persons residing in treatment facilities. The system will be administered through the existing protection and advocacy system under the Developmental Disabilities Act with the ability for the system to subcontract out to other qualified agencies or organizations.

This act is vital to ensuring that the rights of mentally disabled individuals residing in treatment facilities are protected. On April of last year, the Subcommittee on the Handicapped held 3 days of hearings on the care and treatment of mentally ill persons residing in State operated facilities. In addition, Senator WEICKER released a report which documented a 9 month staff investigation into the conditions of 31 State run facilities. The findings were appalling. The extent of neglect and abuse uncovered in their facilities was beyond belief. S. 974 begins to address this pervasive problem by recognizing the obvious need to protect the rights of one of America's most vulnerable groups of citizens, a group who unfortunately is not always capable of advocating for themselves.

Mr. President, the conference report represents a victory to all mentally ill individuals regardless of their economic status. I commend my fellow conferees for eliminating a dangerous provision in the Senate-passed bill which placed a cap on attorney's fees for publicly funded attorneys but did not set the same limitations on attorney's fees for privately funded attorneys. By eliminating this blatant double standard, the conferees endorsed the concept that economically disadvantaged mentally ill citizens will not be singled out and unfairly discriminated against. By removing the cap, the conferees wisely recognized the findings of Senator WEICKER's report which portrayed how the lack of sufficient funding sources seriously impeded the ability of public advocacy groups to adequately work on behalf of all mentally ill persons residing in treatment facilities. Through the deletion of this dangerous provision, conferees demonstrated their understanding of the harmful effects that an attorney's fees cap would have on mentally ill persons, particularly the negative impact on the availability of legal representatives for low-income individuals who most depend on legal services by publicly funded attorneys. This cap simply did a disservice to the process of legislation and Mr. President, I am proud to be a part of its elimination.

I also applaud a provision in the conference report that allows accessibility to records for advocates. This will enable advocates to investigate abuse and provide relief to individuals who might not be able to issue a formal complaint.

In addition, by encouraging institutions to exaust their administrative remedies in a timely fashion, S. 974 prevents prolonged abuse and will further benefit the rights of mentally ill citizens residing in these institutions.

Last, Mr. President, the fact that this is the first new program to assist the Nation's mentally disabled citizens since 1981 is a significant accomplishment worthy of our recognition especially in these times of fiscal constraint. As you may recall, a protection and advocacy system was incorporated into the 1980 Mental Health Systems Act. However, the Reagan administration was relentless in their successful efforts to remove the badly needed protective system that was designed to assist those most in need and least able to represent their needs. It certainly has been a long 5 years Mr. President, and I think this body should be proud to be a party to a new program costing only $30 million over 3 years, which will offer protection to this vulnerable sector of American society. This legislation represents the spirit of our country—the spirit to assist our fellow citizens. Today, we as legislators have the ability to vote for this noble cause by adopting the conference report to S. 974, the Protection and Advocacy for Mentally Ill Individuals Act of 1986.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. WEICKER. Madam President, I move to reconsider the vote by which the conference report was agreed to.

Mr. LAXALT. Madam President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WEICKER. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1350

Mr. DOLE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LIMITING EXPENDITURES FOR MASS MAILINGS BY SENATORS

Mr. DOLE. Madam President, I ask unanimous consent that the Senate now turn to the consideration of Calendar No. 627, Senate Resolution 374, a resolution limiting the amount that may be expended by Senators for mass mailings during the remainder of fiscal year 1986.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 374) limiting the amount that may be expended by Senators for mass mailings during the remainder of fiscal year 1986.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration with amendments.

Mr. DOLE. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

□ 1410

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Maryland.

Mr. MATHIAS. Mr. President, the pending resolution reflects the grave concern of members of the Rules Committee and, indeed, of many Members of the Senate over the extraordinary growth in the Senate expenditures for mass mailings.

The committee report on this subject on page 2 reflects this growth, and it is also interesting that the growth alternates between election years and nonelection years.

In 1978, the cost was $47 million—$47 million. 1978, of course, was an election year. The succeeding year, 1979, was not an election year. And the cost was only $38 million—38 and a fraction million dollars, which was $10 million less. The succeeding year, 1980, was an election year. And the cost went up to $64.4 million. 1981 was not an election year, and it dropped back to $43.4 million. But then in 1982, the cost of mass mailings shot up to $97 million. It dropped back a little bit to $86.5 million in 1983, but it was back up again in 1984 to $111.1 million.

In 1985, a nonelection year, it dropped back to $87 million. I am rounding off these figures. In 1986—and we are dealing with an estimated figure—it will be $146.2 million.

We have projected in line with this sawtoothed pattern that it would drop back to $137 million in 1987.

That is the history against which this resolution comes to the floor. We have seen a growth from $47 million in 1978 to an official estimate of $146 million in 1986.

So that would be something more than 3 times as large as the mass mailings in 1978, just 8 years ago. Here is an item which has more than tripled in cost in 8 years. That is the reason members of the Rules Committee have felt obliged to take the action which they took in bringing this resolution to the floor.

There are Members here who are very much concerned about this bleeding ulcer, this kind of a hemorrhage, that we see. They want to do something more drastic than the Rules Committee has done. If they can show us how to do it, I will join with them. But our problem is, of course, that the postal appropriations for mailing are for the entire Congress. They are for both Houses of the Congress. It is not just for the Senate. If it were just for the Senate, then the Senate could control it. But the current appropriation for fiscal year 1986 was made for the Congress.

□ 1420

It is as if we had a bowl of soup and the Members of both Houses were ladling their shares out of it as they go through the years. Fellows who ladle the fastest will end up with the most soup. Those who are not quick with the spoon will end up with the bottom of the bowl.

What accentuates the problem is the fact that although the official estimate for 1986 was $144 million, the Appropriations Committee, providing the funding, only agreed to appropriate $100 million. That $100 million was never an adequate sum. It was never intended to be an adequate sum.

It is my assumption, unless some member of the Appropriations Committee advises me otherwise, that the Appropriations Committee thought they could stretch out the funding, provide $100 million the first crack and then in the supplemental provide the $44 million or such further sum as might be required.

As often happens in life there was a slip between the cup and the lip, and that slip was Gramm-Rudman-Hollings. That had a double-barrelled effect.

Number one, it made it very difficult to provide in the supplemental additional funding which would be required because it would have to be offset with equivalent savings. So the ability to reach out for the $44 million, the $46 million, or whatever the meter would indicate we needed to appropriate, was severely restrained.

In addition to that, under the Gramm-Rudman-Hollings provisions, we also had to accept a reduction, along with other programs in Government, of 4.3 percent, which meant that the $100 million was reduced to $95.7 million. We are now faced with either stopping mailing, going into the red, or throwing ourselves on the mercy of the Postal Service for deficiency funding, with the kind of bad example that sets with every citizen of the country as well as every department of Government. It is really time to shape up and meet our responsibilities in this regard.

If in the other body there were a disposition to simply put the brakes on mass mailing, I think the Senate would probably agree to do that. But I do not know what the disposition of the other body is. The question is one of where we go from here.

The committee in the resolution which has been reported has made a very simple suggestion: Let us see what we have in the fund; what is left. And let me tell you it is not a great deal.

The committee would take what is left, which, as of the 15th of this month is $20 million, and divide it between the Senate and the House. After all, each body in the Congress represents the same number of people which is the total of the United States. We each have the same responsibilities to communicate with our constituents, so the constituents number the same for each body.

So we will take what is available, the $20 million, and we would suggest to the House, by means of this resolution, that we divide that money in half, that the Senate would take its half and would set aside an allowance for committees and for the officers of the Senate of $500,000, which should be more than adequate for the committees and the officers of the Senate to cover their normal mailings for the balance of this fiscal year. Then the remainder, $9,500,000, would be allocated to Senators on the basis of the population of their States.

It is a fair system. It is an equitable system. But I cannot stand here and assure Senators that it will work because the fallacy in it is the willingness of the other body to make a division. Perhaps they will. I hope they will.

If they do, we have something that will get us through the balance of this year without appropriating any additional money, without going into the red, without sending our mail on the cuff.

There are a lot of people in this country who would like to write their mail bills on the cuff instead of running down to the Post Office and buying stamps. Just say, "I will pay you later, Mr. Postmaster." A lot of people would like to do that. We could avail ourselves of that, I suppose, just as a matter of sheer power. But it is not a very good idea and I do not recommend it.

We are, however, in the situation of two sons whose father leaves them a farm. Even though the farm all lies nicely and evenly and it is all rich, fertile land and there is no rocky soil, no barren hilltops—they can almost look at any corner and say it is as good as any other corner—they still have to decide how they are going to divide it up, who will get the east half and who will get the west half; should they divide it north and south or should they divide it east and west. Those are wrenching problems in human existence, and I am afraid we might run into that kind of a problem in trying to divide up this somewhat tattered farm, which is what is left of the postal appropriations for the current year.

One dollar is as good as another. Money is fungible. It ought to be simple to divide up a fund of $20 million and say to the Members of the other body, "There is your half, your $10 million. Spend it any way your prudence and judgment dictates. We will take our $10 million and divide it up so much for the committees and so much for each Member of the Senate."

But the fallacy is that when you have to go through that kind of a division, it requires other people to join in the act. I have no assurance to give to the Senate today that the other body will be interested in this proposition.

What I can tell the Senate is that this is the responsible thing to do, that it addresses a serious problem, that it addresses a problem which is going to get more serious and more troublesome and more embarrassing as long as it is not attended to, and that it lays a plan before the other body, a plan

which I hope they will accept. Or, if they do not accept, a plan which they can propose as an alternative.

This gets the ball rolling. This gets us started on trying to solve the problem.

Our estimate is that as of the 15th of May there is $20 million remaining in the fund. But on the 16th of May there will be less. On the 17th of May there will be still less. On the 18th, 19th, and 20th of May there will be even less than that. That fund will go down very fast.

As a result, we will be at the bottom of that barrel very quickly. Then we will be in a position that we will not only be precluded from mass mailings, but we will have difficulty in even responding to the inquiries and requests that constituents send to us. That is not a healthy situation. That would be unprecedented in the history of this Republic. That is the day that I want to prevent.

So, Mr. President, I urge the Senate to consider very carefully this problem. It is a problem which has ramifications far and beyond the mere question of mass mailings.

□ 1430

It goes to our ability to manage a very practical aspect of Senate business. If we are going to set ourselves up as managers of the national economy, we are going to look pretty foolish if we cannot handle this problem, the postage problem. I hope Senators will take it seriously, that they will offer any alternative suggestions they think are better; but whatever they do, that they get some plan on the books, some proposal in motion before the end of this debate.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1440

Mr. FORD. Mr. President, I ask unanimous consent that the call for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I am rising to speak in support of Senate Resolution 374. Senate Resolution 374 was sponsored by myself, Senators MATHIAS, GARN, DECONCINI, CRANSTON, LUGAR, BRADLEY, GLENN, HELMS, and PELL. The name of the distinguished Senator from California [Mr. CRANSTON] was inadvertently omitted from the resolution as reported from the committee. I ask unanimous consent that that omission be corrected.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. I thank the Chair.

Mr. President, the resolution before us would allocate one-half of the funds remaining in the official mail account for fiscal year 1986. It would be divided among Senators on the basis of State population. Further, it urges the House to take similar action.

Mr. President, there is some concern that we ought to send to the House a bill which would require them to do the same thing the Senate is doing. I think we have to show we are willing to do it ourselves; that we are willing to tighten our belt and reduce our expenses, and that basically is what Senate Resolution 374 will do.

The purpose of this resolution is to stretch out the fiscal year 1986 appropriations for official mail costs so that we do not need a supplemental for mail and we do not run up a deficit at the Postal Service. Our procedure in the past has been to spend whatever is necessary, send it out and the U.S. Postal Service would take care of the account and then they would bill us for the amount of money that was overrun of the appropriations. We would just appropriate, by supplemental or otherwise, to pay that bill and it did not make any difference.

What we are trying to do is draw a line and say this is it; we go no further; that we limit the ability of a Senator to mail. Therefore, I am extremely concerned that the Senate show its character and that it will say we are going to limit the use of our franking privilege, particularly in the mass mailing, in the so-called newsletter portion.

The Congressional Budget Office, one we refer to as CBO, estimates that about $20 million remains in the so-called mail account.

I ask unanimous consent, Mr. President, that the CBO estimate be printed in the RECORD.

There being no objection, the estimate was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, May 7, 1986.

If S. Res. 374 is passed and enforced, official mail costs incurred by the Senate could be reduced by about $20 million in fiscal year 1986—but only if no supplemental appropriations are provided for mail costs. If the resolution is passed in mid-May, about $20 million from the existing appropriation would probably be available for the Congress' official mail costs during the remainder of the year, of which $10 million could be used by the Senate. Within the limits established by this resolution, we would expect official Senate mail costs to total about $30 million during the remainder of the year. To the extent that supplemental appropriations are provided, savings would be less.

Mr. FORD. According to the CBO estimate, the resolution would leave the Senate with $10 million to cover official mail costs for the rest of this fiscal year, from now through September 30. I have a breakdown of what each Senator would receive under the terms of the resolution. Mr. President, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the breakdown was ordered to be printed in the RECORD, as follows:

	Amounts
Total postage available as of May 15, 1986 [1]	$20,000,000
Available for Senate (one-half of total)	10,000,000
Set-aside for committees and officers (5 percent)	500,000
Available for Senators	9,500,000

[1] As estimated by the Congressional Budget Office, May 7, 1986.

Senator	State	State population as of July 1, 1985 (thousands)	State population as percentage of total population	Senators' postage times population percentage
Abdnor	South Dakota	708	0.15	$14,124
Andrews	North Dakota	685	.14	13,665
Armstrong	Colorado	3,231	.68	64,454
Baucus	Montana	826	.17	16,477
Bentsen	Texas	16,370	3.44	326,557
Biden	Delaware	622	.13	12,408
Bingaman	New Mexico	1,450	.30	28,925
Boren	Oklahoma	3,301	.69	65,850
Boschwitz	Minnesota	4,193	.88	83,644
Bradley	New Jersey	7,562	1.59	150,851
Bumpers	Arkansas	2,359	.50	47,059
Burdick	North Dakota	685	.14	13,665
Byrd	West Virginia	1,936	.41	38,620
Chafee	Rhode Island	968	.20	19,310
Chiles	Florida	11,366	2.39	226,735
Cochran	Mississippi	2,613	.55	52,125
Cohen	Maine	1,164	.24	23,220
Cranston	California	26,365	5.54	$525,943
D'Amato	New York	17,783	3.73	354,744
Danforth	Missouri	5,029	1.06	100,321
DeConcini	Arizona	3,187	.67	63,576
Denton	Alabama	4,021	.84	80,213
Dixon	Illinois	11,535	2.42	230,106
Dodd	Connecticut	3,174	.67	63,317
Dole	Kansas	2,450	.51	48,874
Domenici	New Mexico	1,450	.30	28,925
Durenberger	Minnesota	4,193	.88	83,644
Eagleton	Missouri	5,029	1.06	100,321
East	North Carolina	6,255	1.31	124,778
Evans	Washington	4,409	.93	87,953
Exon	Nebraska	1,606	.34	32,037
Ford	Kentucky	3,726	.78	74,328
Garn	Utah	1,645	.35	32,815
Glenn	Ohio	10,744	2.26	214,327
Goldwater	Arizona	3,187	.67	63,576
Gore	Tennessee	4,762	1.00	94,995
Gorton	Washington	4,409	.93	87,953
Gramm	Texas	16,370	3.44	326,557
Grassley	Iowa	2,884	.61	57,532
Harkin	Iowa	2,884	.61	57,532
Hart	Colorado	3,231	.68	64,454
Hatch	Utah	1,645	.35	32,815
Hatfield	Oregon	2,687	.56	53,602
Hawkins	Florida	11,366	2.39	226,735
Hecht	Nevada	936	.20	18,672
Heflin	Alabama	4,021	.84	80,213
Heinz	Pennsylvania	11,853	2.49	236,450
Helms	North Carolina	6,255	1.31	124,778
Hollings	South Carolina	3,347	.70	66,768
Humphrey	New Hampshire	998	.21	19,909
Inouye	Hawaii	1,054	.22	21,026
Johnston	Louisiana	4,481	.94	89,389
Kassebaum	Kansas	2,450	.51	48,874
Kasten	Wisconsin	4,775	1.00	95,254
Kennedy	Massachusetts	5,822	1.22	116,140
Kerry	Massachusetts	5,822	1.22	116,140
Lautenberg	New Jersey	7,562	1.59	150,851
Laxalt	Nevada	936	.20	18,672
Leahy	Vermont	535	.11	10,672
Levin	Michigan	9,088	1.91	181,292
Long	Louisiana	4,481	.94	89,389
Lugar	Indiana	5,499	1.15	109,697
Mathias	Maryland	4,392	.92	87,614
Matsunaga	Hawaii	1,054	.22	21,026
Mattingly	Georgia	5,976	1.25	119,212
McClure	Idaho	1,005	.21	20,048
McConnell	Kentucky	3,726	.78	74,328
Melcher	Montana	826	.17	16,477
Metzenbaum	Ohio	10,744	2.26	214,327
Mitchell	Maine	1,164	.24	23,220
Moynihan	New York	17,783	3.73	354,744
Murkowski	Alaska	521	.11	10,393
Nickles	Oklahoma	3,301	.69	65,850
Nunn	Georgia	5,976	1.25	119,212
Packwood	Oregon	2,687	.56	53,602
Pell	Rhode Island	968	.20	19,310

Senator	State	State population as of July 1, 1985 (thousands)	State population as percentage of total population	Senators' postage times population percentage
Pressler	South Dakota	708	.15	14,124
Proxmire	Wisconsin	4,775	1.00	95,254
Pryor	Arkansas	2,359	.50	47,059
Quayle	Indiana	5,499	1.15	109,697
Riegle	Michigan	9,088	1.91	181,292
Rockefeller	West Virginia	1,936	.41	38,620
Roth	Delaware	622	.13	12,408
Rudman	New Hampshire	998	.21	19,909
Sarbanes	Maryland	4,392	.92	87,614
Sasser	Tennessee	4,762	1.00	94,995
Simon	Illinois	11,535	2.42	230,106
Simpson	Wyoming	509	.11	10,154
Specter	Pennsylvania	11,853	2.49	236,450
Stafford	Vermont	535	.11	10,672
Stennis	Mississippi	2,613	.55	52,125
Stevens	Alaska	521	.11	10,393
Symms	Idaho	1,005	.21	20,048
Thurmond	South Carolina	3,347	.70	66,768
Trible	Virginia	5,706	1.20	113,826
Wallop	Wyoming	509	.11	10,154
Warner	Virginia	5,706	1.20	113,826
Weicker	Connecticut	3,174	.67	63,317
Wilson	California	26,365	5.54	525,943
Zorinsky	Nebraska	1,606	.34	32,037
Total		476,226	100.00	9,500,000

Mr. FORD. Mr. President, the resolution proposes a 7-day moratorium on mass mailings by Senators in order to determine precisely what remains in the account for official mail costs.

□ 1450

Mr. President, the $20 million figure I have mentioned is only an estimate. Once we know the amount remaining in the mail account, a portion will be set aside to cover the routine correspondence of Senate committees and offices for the remainder of the fiscal year. What remains will be allocated among the Senators on the basis of their State population.

Each Senator will have one pot of money for all the mail, to be used as he or she sees fit, for responding to constituents, for advertising of town meeting notices, for newsletters, what have you. The amount each Senator is allocated will constitute the limit on what each Senator can spend on official mail for the rest of this fiscal year. As I said, I have a breakdown of what each Senator would get under the resolution, based on the estimate of $20 million remaining in the account.

Mr. President, in the markup of Senate Resolution 374, the Rules Committee agreed to a minor amendment. The resolution as originally introduced would have set aside the amount for routine correspondence and a separate amount for mass mailings for each Senator.

The committee decided to simplify things—and I underscore "simplify." We find that that is hard to do around here. But we simplify things by setting aside just one amount for each Senator, as I have said, to use as he or she sees fit. That is what the committee amendment would do. I think that is a significant change in the bill.

I want to quote for the RECORD a letter from the Congressional Budget Office as it relates to our mailings. It says:

If S. Res. 374 is passed and enforced, official mail costs incurred by the Senate could be reduced by about $20 million in fiscal year 1986, but only if no supplemental appropriations are provided for mail costs and if this resolution is passed in mid-May.

So what we are doing here is passing a resolution; we are having a 7-day moratorium; we are finding out how much money remains. We divide that in half, between the Senate and the House. The Senate will use its money based on State population. A Senator can do as he or she wishes with that money—mass mailing, town meeting notices, individual correspondence, whatever—and that will be his or her responsibility.

So we have a chance here to make a good faith effort, as Members of the U.S. Senate, to do what we should have been doing some time ago.

Mr. President, I urge my colleagues to give this resolution very serious consideration, and I hope we can pass it. I know there are others who would like to go even further than we are going, and others would not want to do anything at all. But, on balance, I think this resolution is good. It says to the constituents: "We are trying." It says to the House: "Come forward now. The Senate has made its effort; you should do the same." Maybe there is a moral obligation on the House to give consideration to it. Maybe after this resolution is passed, we can pass something similar in legislation that would go to the House and put it on their calendar and say, "You should give consideration to this, as the Senate has done."

So, Mr. President, I urge my colleagues to support this resolution, and I hope we can pass it quickly this afternoon.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1500

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SYMMS). Without objection, it is so ordered.

The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, in regards to the Senate resolution that we have before us, first I compliment our distinguished colleague and chairman of the Rules Committee, Senator MATHIAS, for bringing this issue of congressional mail before the Senate.

Also I wish to congratulate my colleagues, Senator QUAYLE and Senator WILSON, for their leadership in saying that we need to contain and control the outrageous escalation of cost in congressional mail.

Senator MATHIAS showed a great deal of courage when he earlier stated and came up through the Rules Committee and said we needed to disclose the cost of mail in the Senate. I know there is a considerable amount of flack that he received and members of the Rules Committee received when they said, "Yes, we are going to disclose the mail costs." It had not been done before. It needed to be done.

Unfortunately, it was only done in the Senate. It needs to be done in the House of Representatives as well as the Senate so we can have total disclosure and, hopefully, get some self-discipline that we have not seen in the past.

So I congratulate Senator MATHIAS for the disclosure provisions. That was a very positive, a very needed reform.

But we really need to go further and we really need to go further than this resolution that we have before us tonight. This resolution is a Senate resolution. It does not have the force and effect of law, and it will probably in all probability be totally, completely ignored by the House of Representatives.

As the chairman of the Rules Committee outlined, if the Senate says we are going to have some discipline but the House of Representatives shows no discipline, the taxpayers do not really receive anything, any benefit out of it. Right now the taxpayers are really being cheated or abused by the franking system.

We have an unlimited entitlement for congressional franking for mail costs. We have Gramm-Rudman, so to speak, and we say it touches a lot of areas. But it does not touch this area. We have one open entitlement and someone must come back and say, "Wait a minute, yes, we did, we appropriated $100 million and under Gramm-Rudman that has been reduced by $4.5 milion so we saved that amount of money." That is not correct.

I wrote a letter, not only myself but also Senator GRAMM, Senator QUAYLE, and Senator WILSON, to the Comptroller General of the United States and asked them under the Antideficiency Act when we ran out of money will they not have to stop allowing Congress to send more mail out under the frank? That is the way I thought it would probably happen. We received a letter from the Comptroller General, dated May 2, 1986, and I ask unanimous consent that the entire letter and enclosure from the Comptroller General that discusses this be printed in the RECORD to allow my colleagues to understand the thrust of the issue.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL OF
THE UNITED STATES,
Washington, DC, May 2, 1986.

Hon. DON NICKLES,
United States Senate.

DEAR SENATOR NICKLES: This letter is in response to the inquiry dated March 10, 1986, signed by you and Senators Phil Gramm, Dan Quayle, and Pete Wilson, as to whether the Antideficiency Act (31 U.S.C. § 1341-1351) is violated when the cost as billed by the Postal Service of delivering congressionally franked mail exceeds the amount appropriated in a given fiscal year. In this respect, you point out that the amount appropriated for congressionally franked mail for fiscal year 1986, after reduction pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), is $95.7 million while the estimated cost of handling congressional mail during the fiscal year is $146 million.

The Antideficiency Act prohibits an officer or employee of the Government from making or authorizing an expenditure or obligation in excess of the amount available in an appropriation or fund for the expenditure or obligation. It also prohibits commitments for the payment of money in advance of an appropriation unless otherwise authorized by law. 31 U.S.C. § 1341. For the reasons which are explained in greater detail in the enclosed Office of General Counsel staff discussion paper, we conclude that no violation of 31 U.S.C. § 1341 is incurred when the cost of handling franked mail exceeds the amount appropriated by the Congress to pay the Postal Service for handling the franked mail. This practice is authorized by 39 U.S.C. § 3216(c) which makes the lump-sum appropriation made to the legislative branch for payment to the Postal Service full payment for all matter mailed under the frank. Furthermore, absent later appropriations for additional costs incurred by the Postal Service for delivery of franked mail, the Postal Service is entitled to receive no more than the amount already appropriated by the Congress for fiscal year 1986 for payment for handling franked mail, as reduced by any sequestrations under Public Law 99-177.

Sincerely yours,

MILTON J. SOCOLAR,
For Comptroller General
of the United States.

[Enclosure]

OFFICE OF GENERAL COUNSEL STAFF
DISCUSSION PAPER

The evolution of the congressional franking privilege is discussed in the following passage from the report of the Senate Post Office and Civil Service Committee prepared in connection with Congressional franking reform:

BACKGROUND

"History

The word "frank" is derived from the Latin francus which means "free." The franking privilege denotes the right of a governmental official to send matter through the public mails free of postage. This privilege, as it applies to Members of Congress, is older than the Declaration of Independence itself, having been enacted by the Continental Congress on November 8, 1775. On October 18, 1782, the franking privilege was extended to letters, packets and dispatches to and from Members of the Continental Congress.

Franking Laws 1789 to Present

The First Congress enacted in 1789 practically the same laws as were in existence under the Continental Congress. In 1792, the law was changed to specifically include the Vice President, Members of the House and Senate, and assistants.

During the 1800's the franking privilege enjoyed by the Congress was alternatively broadened and limited depending upon the mood of the citizen. In 1845, legislation was passed conferring the right of the Secretary of the Senate and Clerk of the House of Representatives to use the franking privilege.

Due to alleged excessive abuses, the franking privileges for Congressmen were discontinued for a few years in the mid-nineteenth century.

Little was done until 1957 when the uniform date was established for termination of the right to use the frank by former Congressmen [on] June 30 following the expiration of their term of office. * * * The privilege, with but the one exception, has continually been in effect for nearly 200 years.

Justification

The reasons underlying the franking policy are fundamentally sound. Free transmission of letters on governmental business is directly connected to the well-being of the people because of the nature of the legislative function. The franking privilege serves as an aid and auxiliary in informing the populace since most Members of Congress would be unable to afford correspondence with their constituency in the absence of the privilege. It may also be stated that the use of franked mail for official business also provides an efficient means of posting since the Postal Service is not required to stamp and cancel franked mail." S. Rep. No. 93-461, 93d Cong., 1st Sess. 2 (1973).

The current statutory authority for Members of the Congress and others to use the franking privilege is set forth generally in chapter 32 of title 39, U.S.C. and 2 U.S.C. § 31b-4 (1982).

While use of the franking privilege means that costs are not paid by those entitled to use the frank, the costs obviously must be borne by someone. Until 1953 all costs connected with the frank were borne by Post Office Department appropriations. These appropriations were funded by postal revenues and when these were inadequate, the deficit was made up out of the general fund of the Treasury. In 1953 the Congress first authorized lump-sum appropriations to pay the postage on mail sent under the frank. Act of August 15, 1953, ch. 511, § 2, 67 Stat. 614. Since the use of the frank itself was not limited, the practice initially followed was for the Post Office Department to request payment in the appropriation request submitted for the fiscal year following the fiscal year to which the billing applied. Congress then appropriated amounts it deemed sufficient based upon its determination of the propriety of the billing.[1] The amount appropriated was also immediately made available for payment to the Post Office rather than awaiting the beginning of the fiscal year of the act in which it was contained in order to make the funds available as soon as possible. This practice continues today.

In 1970, the United States Postal Service was established and the Post Office Department was abolished by the Postal Reorganization Act. Pub. L. No. 91-375, Aug. 12, 1970, 84 Stat. 719. The Postal Service at its first opportunity requested that Congress change the timing of payments to the Postal Service for its handling of franked mail. The Postal Service desired to shorten the time elapsed between when it handled the franked mail and when it received payment related to handling the franked mail. Thus it requested an end to the practice of requesting payment in the fiscal year appropriation following the fiscal year during which the service was rendered and upon which the request was based. Under the proposed new system, quarterly billings would be made based upon estimated volume. These estimated billings would be adjusted at the end of the fiscal year based upon actual volume.

Appropriations would thereafter be requested in advance based upon Postal Service estimates similar to the way Government agencies request operating appropriations. While the billings would be reconciled with actual volume of franked mail handled upon close of the final quarter, actual payments could not exceed appropriations. To address the problem of shortfalls caused by Postal Service under estimates in its initial budget request, or changes in the method employed by the Postal Service to determine its billing to the Congress, the Congress also adopted the practice of adjusting the final quarter's billing through use of the next fiscal year's appropriations. However, no requirement was imposed upon the Congress to appropriate funds to cover the adjusted billings and no effort was made to limit the use of the franking privilege.[2] In fiscal year 1982, the Postal Service began monthly billings for franked mail based upon one-twelfth of the amount of the appropriation for "Official Mail Costs" made for the fiscal year. The Postal Service also provides quarterly reports to show actual usage and to revise its estimate of actual yearly costs. Total billings may not exceed the amount appropriated. Any shortfalls are to be considered during the following fiscal year's appropriation request.[3] This is the current procedure.

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[1] See H.R. Rep. No. 1557, 87th Cong., 2d Sess., accompanying the Legislative Branch Appropriations Bill for 1963, 8 (1962); Legislative Branch Appropriations for 1962; Hearings before the Subcommittee of the Committee on Appropriations House of Representatives, 86th Cong., 2d Sess. 273-274 (1961); H.R. Rep. No. 1607, 86th Cong., 2d Sess., accompanying the Legislative Branch Appropriations Bill, 1961, 4-5 (1960); and Legislative Branch Appropriations for 1961 hearings before the Subcommittee of the Committee on Appropriations House of Representatives, 86th Cong., 2d Sess. 293-296 (1960).

[2] See H.R. Rep. 92-937, 92d Cong. 2d Sess., accompanying the Legislative Branch Appropriations Bill, 1973, 10-11 (1972); Legislative Branch Appropriations for 1973, hearings before a Subcommittee of the Committee on Appropriations House of Representatives, 92d Cong., 2d Sess. 840-845 (1972); Legislative Branch Appropriations, 1973, Hearings before the Senate Appropriations Committee, 92d Cong., 2d Sess., 449-460 (1972). Rule XLVI of the House of Representatives limiting use of the frank by Members of the House under 39 U.S.C. § 3210(d) (relating to mass mailings) was adopted by the House on March 2, 1977 (H. Res. 287, 95th Cong., 123 Cong. Rec. 5952-5953) and currently constitutes the only limitation upon the amount of the use of the frank that we are aware of.

[3] See Legislative Branch Appropriations for 1982 Hearings before a Subcommittee of the Committee on Appropriations House of Representatives, 97th Cong., 1st Sess. 345-346 (1981).

DISCUSSION

At the time that the Postal Service proposed the change to the payment procedure to decrease the time between its rendering the service and receiving payment, Congress amended 39 U.S.C. § 3216 to provide:

"§ 3216. Reimbursement for franked mailings

(a) The equivalent of—

(1) postage on, and fees and charges in connection with, mail matter sent through the mails—

(A) under the franking privilege * * * by the Vice President, Members of and Members-elect to Congress, the Secretary of the Senate, the Sergeant at Arms of the Senate, each of the elected officers of the House of Representatives (other than a member of the house), the Legislative Counsels of the House of Representatives and the Senate, the Law Revision Counsel of the House of Representatives, and the Senate Legal Counsel; and

(B) by the survivors of a Member of Congress under section 3218 of this title; and

(2) those portions of fees and charges to be paid for handling and delivery by the Postal Service of Mailgrams considered as franked mail under section 3219 of this title;

shall be paid by a lump-sum appropriation to the legislative branch for that purpose and then paid to the Postal Service as postal revenue. * * *

(c) Payment under subsection (a) * * * of this section shall be deemed payment for all matter mailed under the frank and for all fees and charges due the Postal Service in connection therewith."

Subsection (c) of this provision was new and for the first time expressly stated what had been implied since 1953—that regardless of the cost incurred by the Postal Service in handling franked mail, the amount the Congress appropriated to the Postal Service would be considered payment in full for that service.

Accordingly, exercise of the franking privilege without regard to amounts appropriated for payment to the Postal Service for this service is authorized by law and thus not a violation of 31 U.S.C. § 1341.[4] Members, therefore, are authorized to use the franking privilege and the Postal Service is required to handle franked mail regardless of the amount appropriated by the Congress for "Official Mail Costs." Should the actual costs of handling franked mail exceed the amount appropriated (as reduced by any sequestrations under Public Law 99-177), no violation of 31 U.S.C. § 1341 would occur since the amount appropriated is as a matter of law deemed full payment for all matter sent under the frank. Therefore, if the amount billed exceeds the amount appropriated, the Postal Service should be paid only the amount appropriated as reduced by sequestration unless additional funds are provided by a supplemental appropriation.

DIGEST

No violation of 31 U.S.C. § 1341 is incurred when the cost of handling franked mail exceeds the amount appropriated by the Congress to pay the Postal Service for handling the franked mail. This practice is authorized by 39 U.S.C. § 3216(c) which makes the lump-sum appropriation made to the legislative branch for payment to the Postal Service full payment for all matter mailed under the frank. Furthermore, absent later appropriations for additional costs incurred by the Postal Service for delivery of franked mail, the Postal Service is entitled to receive no more than the amount initially appropriated for the fiscal year in question for payment for handling franked mail, as reduced by any sequestration under Pub. L. 99-177.

[4] We note that the appropriation for "Official Mail Costs" in the annual Legislative Branch Appropriations Act is deemed postal revenue by virtue of 39 U.S.C. § 3216(a). Postal revenue is required by law to be deposited to the Postal Service Fund, 39 U.S.C. § 2003(b)(1), and immediately appropriated to the Postal Service, 39 U.S.C. § 2401(a). Since the fund is a no-year revolving fund, it is available to pay all expenses incurred by the Postal Service in carrying out its authorized functions no matter when they are incurred. Thus the appropriation for "Official Mail Costs" once paid to the fund is available for payment of expenses of the Postal Service no matter when they were incurred.

We also note that 39 U.S.C. § 410(a) provides that Federal laws "dealing with public or Federal contracts, property, works, officers, employees, budgets, or funds" do not apply to the exercise of powers by the Postal Service unless as provided by 39 U.S.C. § 410(b) or some other provisions of title 39, U.S.C. The Antideficiency Act is not one of the laws listed in 39 U.S.C. § 410(b). No other provision of title 39, U.S.C. expressly makes the Antideficiency Act applicable to the Postal Service.

Thus it is clear that the Antideficiency Act is inapplicable to the Postal Service when billing Congress for handling franked mail.

Mr. NICKLES. Mr. President, I was kind of shocked by the results.

It says that we conclude—and, again, this is written for the Comptroller. He says, ". . . we conclude that no violation of the U.S.C. 1341 is incurred when the cost of handling franked mail exceeds the amount appropriated by the Congress to pay the Postal Service for handling franked mail."

It says, "This practice is authorized by 39 U.S.C. Code 3216(c) which makes the lump-sum appropriation made to the legislative branch for payment to the Postal Service full payment for all matter mailed under the frank."

In other words, Mr. President, if Congress appropriated $15 million and this is all we appropriate to the Postal Department, that is all they are going to get and they would continue paying for all the franked mail. In other words, all the rest of the postal patrons, all the people who are using the mail would have to absorb the excess costs Congress is putting on them.

So, in other words, what the Comptroller General said, "Well, Congress, you really don't have to appropriate anything or anything you do appropriate is full payment, total complete, full payment." So if we appropriate $50 million and the mail cost turns out to be $200 million the rest of the users of the postal service have to absorb that cost into their rates.

That is ridiculous and we should not allow that to happen. We should manage this unlimited entitlement that we have today. I do not think it is fair. A lot of us talk about controlling or maintaining entitlements. This is one entitlement that has not been controlled. It is out of control. It was out of control before Gramm-Rudman passed and it is totally out of control today.

Senator MATHIAS brought out the point that 1978, in an election year, the total amount of money that was spent in congressional mail was $47 million. Today we are looking at $146 million, over three times as much money only 8 years later, a phenomenal rate of growth, and unfortunately it does not look like it is peaking out. It is continuing to escalate.

We talk about trying to maintain entitlements. This one is totally, completely out of control. It needs to be controlled. If we cannot control our own mail expenses in the Senate and in the House of Representatives, I think we are showing a great deal of lack of management.

So we have before us the Senate resolution that says, well, let us just take the amount of money that is remaining—there is about $20 million—let us divvy that up between the House and the Senate and let us allocate that amongst the Members in the Senate on a population basis. That is a good proposal. We should do it. That means, yes, we would have $10 million in the Senate and that would keep us under Gramm-Rudman. It would mean our total mail expense, if the House would also act accordingly, the total amount of mail expense would be $96 million this year. We would be within budget. We would actually be a little less than what we spent in the year 1982.

So that would be a positive move.

Unfortunately, the House has shown no inclination whatsoever to do this.

So we can pass a nonbinding resolution and really what have we ended up with? We might make ourselves feel a little better. I doubt unless we get some cooperation from the House of Representatives that we will really see any real reform in this open-ended entitlement that we now have before us.

I would hope that we can come up with a stronger resolution, a concurrent resolution, a binding resolution, a bill, and make that bill law, make it binding, make us allocate amongst every Member in the Senate and every Member in the House, give them an allocation that would be used. "Here, Mr. Senator," or "Here, Mr. Congressman, here is how much money you have for the entire year. You can spend it if you want to spend it in franking, if you want to spend it on notification of meetings on constituent mail, but this is your allocation. If you do not spend it all then you turn it back to the Treasury."

□ 1510

Senator QUAYLE has introduced legislation along those lines. I have cosponsored that legislation. I think that is exactly what we need, and we need it by both Members of the Senate and Members of the House if we are going to be successful in getting this open-

ended entitlement reformed and under control.

So, again, I congratulate the authors, Senator FORD and Senator MATHIAS, for bringing this resolution forward. I would certainly like to see it strengthened, if possible, in statutory form or at least in a concurrent resolution where it would apply to the House as well.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1540

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1958

(Purpose: To make technical amendments to Senate Resolution 353 of the Ninety-ninth Congress)

Mr. HUMPHREY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Hampshire [Mr. HUMPHREY] proposes an amendment numbered 1958.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . Section 23 of Senate Resolution 353 of the Ninety-ninth Congress (as agreed to by the Senate on March 13, 1986) is amended—

(1) by striking out in subsection (a)(2) "adoption of this resolution" and inserting in lieu thereof "May 14, 1986"

(2) by amending subsection (c) to read as follows:

"(c) None of the funds may be obligated from the contingent fund of the Senate to carry out any provision of this section on or after a date 30 days after the date on which the report described in subsection (a)(2) is submitted.".

Mr. HUMPHREY. Mr. President, back in March, the Senate adopted an amendment sponsored by Senator DOLE and Senator DIXON.

The PRESIDING OFFICER. The Chair advises that the committee amendment is pending. It will take unanimous consent to set it aside.

Mr. HUMPHREY. I ask unanimous consent that the committee amendment be set aside.

Mr. MATHIAS. Mr. President, reserving the right to object, does the Senator want to set the committee amendment aside or amend it?

The PRESIDING OFFICER. Does the Senator want to set the committee amendment aside or would he like to amend it?

Mr. HUMPHREY. The Senator from New Hampshire wishes to amend the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator may proceed.

Mr. HUMPHREY. Mr. President, in March, the Senate adopted a resolution in the form of an amendment sponsored by Senator DOLE, Senator DIXON, and me, the intent of which was to establish a Senate panel to investigate the case of Miroslav Medvid, the Ukranian sailor who jumped ship back in October. Some weeks were necessary to iron out administrative difficulties following the Senate's adoption of that amendment. The purpose of the amendment which I have now submitted is to restore the 1-year charter; that is, to make us whole with respect to time.

It is that simple. It is a technical amendment to a Senate resolution passed in March. I understand it is agreeable to the majority and the minority floor managers.

Mr. MATHIAS. Mr. President, the Senator is correct. There is no objection registered with me. I have no objection on this side.

Mr. FORD. Mr. President, there is no objection to the Senator's amendment on this side. It merely extends the resolution by 2 months. That takes the slack out of the 2 months' delay in working out the budget and the approval by the Rules Committee. I think the distinguished Senator from New Hampshire, under the circumstances, is entitled to 2 months.

This side has no objection.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 1958) was agreed to.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay this motion on the table.

The motion to lay on the table was agreed to.

FIRST COMMITTEE AMENDMENT

Mr. MATHIAS. Mr. President, what is the pending question?

The PRESIDING OFFICER. The pending question is the first-reported committee amendment.

The amendment is as follows:

On page 2, line 3, strike "costs for mass mailings", and insert "official mail costs";

Mr. FORD. Mr. President, we have no objection to the committee amendment on this side. We are prepared to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

The first committee amendment was agreed to.

REMAINING COMMITTEE AMENDMENTS

Mr. FORD. Now what is the pending business, Mr. President?

The PRESIDING OFFICER. The second reported committee amendment is now the pending business.

Mr. FORD. Mr. President, my distinguished colleague [Mr. MATHIAS] will agree with this, I hope. These are just technical amendments that change lines to strike words like "costs for mass mailings" and insert in lieu thereof "official mail costs."

I wonder if we might take these en bloc.

Mr. MATHIAS. Mr. President, the Senator from Kentucky makes a practical suggestion as he usually does. I suggest that we take all the committee amendments en bloc.

Mr. FORD. I ask unanimous consent that we consider all these amendments en bloc.

The PRESIDING OFFICER. Is there objection?

Hearing none, it is so ordered.

The committee amendments are as follows:

On page 2, line 11, strike "costs for mass mailings", and insert "official mail costs";

On page 3, line 7, strike "the costs of mass mailings", and insert "official mail costs";

On page 3, line 13, after "costs", insert "(for the Senate)";

On page 3, line 17, strike "(other", through and including "mailings)" on line 18;

On page 3, line 18, strike "Senators,";

On page 3, beginning on line 22, strike "for the costs of official mailings", and insert "for official mail costs";

On page 4, beginning on line 23, strike "the costs of mass mailings", and insert "official mail costs";

On page 5, line 8, strike "3210(a)(5)(D)", and insert "3210(a)(6)(E)".

The PRESIDING OFFICER. The question is on agreeing to the committee amendments en bloc.

The committee amendments were agreed to en bloc.

Mr. FORD. Mr. President, the pending business now is the resolution itself; am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. MATHIAS. Mr. President, I should propose that in the next few minutes, we act on the resolution but, in order that any Senator who wishes to speak may have that opportunity, I shall suggest the absence of a quorum. I suggest that it not last more than a minute or two. Then I shall ask unanimous consent to call it off and proceed with the vote.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

□ 1600

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. EVANS). Without objection, it is so ordered.

Mr. WARNER. Mr. President, I commend the chairman and ranking minority member of the Rules Committee for the resolution they introduced, Senate Resolution 374, and I support it. However, this only solves the problem until the end of this fiscal year. We must take additional action for forthcoming years.

One of my most important tasks as a U.S. Senator is to maintain an awareness of the interests and concerns of the people I was elected to represent. One of the most important ways of doing this is through written communications. However, in response to the Gramm-Rudman-Hollings deficit reduction law, Congress cannot continue at the current rate we are spending on franking privileges. We are asking the people of the United States to tighten their belts, and we should set the example. One of the biggest costs of congressional mailings is the newsletter. I sent one newsletter during 1985 and have not sent any during this calendar year. I, of course, respond to all written requests from my Virginia constituents.

Congressional franking costs have increased dramatically in recent years. From 1978 to 1980, the costs increased by 36 percent; from 1980 to 1982, 51 percent; from 1982 to 1984, 14 percent; and, are estimated to increase 32 percent from 1984 to 1986 unless action is taken.

Unless we act immediately, franking costs will have risen almost $100 million in just 8 years—from the 1978 level of $47 million to the $146 million projected for this year.

Mr. President, I urge my colleagues to vote favorably on this resolution.

Mr. MATHIAS. Mr. President, I hope to be in a position within the next few minutes to suggest a unanimous-consent agreement which will provide a means for moving the debate along a little faster than it is presently moving, pulling it out of the slough of despondency into which we have fallen. I will do that just as soon as the agreement has been cleared on both sides of the aisle.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The cleak will call the roll.

The bill clerk proceeded to call the roll.

□ 1640

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, for the record, what is the parliamentary situation right now?

The PRESIDING OFFICER. The question is on Senate Resolution 374.

Mr. BYRD. With no time limitation?

The PRESIDING OFFICER. With no time limitation.

MR. GORBACHEV SPEAKS ON CHERNOBYL

Mr. BYRD. Mr. President, the Soviet leader, Mr. Gorbachev, addressed the Soviet people today on the tragic accident which occurred at a nuclear powerplant at Chernobyl. It was a statement on the details and the current status of that catastrophic event.

The use of the medium of television to inform the Soviet people of major events which so vitally affect their lives, and indeed the lives of all of us, is a new and welcome development by Mr. Gorbachev.

I also welcome the proposal that the Soviet leader made to upgrade the capabilities of the International Atomic Energy Agency in Vienna to provide effective and prompt assistance in the event of future emergencies which might occur at nuclear powerplants. That is certainly a proposal that bears consideration—or further consideration if the matter, indeed, has not already been discussed—in any event, I am sure that it will be given consideration. It may have been given consideration heretofore. But in any event, that is a proposal which I am sure our Government will consider, as well as others.

In addition, Mr. Gorbachev expressed his appreciation for the assistance which has been provided by medical experts and doctors from the United States.

Despite these positive points, Mr. President, there were several aspects of Mr. Gorbachev's address which are very troubling and disappointing.

First, he has hurled a heavy fistful of outrageous rhetoric at the United States, charging our Government with a campaign of intentional lies regarding what happened at the Chernobyl plant.

The root cause of whatever inaccuracies appeared in the press of the West was the totally inadequate provision of basic information by Soviet authorities on what had happened. It should not have been necessary for Sweden to have to find out that something had gone terribly wrong in the Soviet Union only by detecting abnormally high levels of radiation in the atmosphere over that nation.

Lack of at least basic notice by Soviet authorities is inexcusable and callous to people everywhere, including the people of the Soviet Union, and including the people of the adjoining countries which stood to be affected by the fallout from the accident.

Mr. President, Mr. Gorbachev in his address today characterized the United States as conducting an "immoral campaign" intended to "blacken the Soviet Union's foreign policy." He went on to charge the United States with taking advantage, in his words, of that tragedy to whip up the arms race. The tone of his remarks was discouraging—it was sour, defensive, combative and unnecessarily negative.

Has Mr. Gorbachev, with a sum total of about a year in office, given up on making progress in building a more constructive relationship with the United States? Let us hope not.

Mr. President, the Soviet leader has renewed the Soviet Union's testing moratorium until August 6, which is the anniversary of Hiroshima. Further, he has offered to meet President Reagan at the city of Hiroshima to discuss arms control.

This last idea is a blatant, back-of-the-hand, gratuitous and cynical insult to the United States, to the President of the United States, and the people of the United States, and a blatant propaganda ploy.

The decision by the United States to drop a nuclear weapon on Japan was taken to shorten the war and to save hundreds of thousands of lives—American lives, Japanese lives and, I would add, Russian lives, the lives of military men and women of the Soviet Union, since the leader of that country, Mr. Stalin, had promised to open a front against Japan; lives which would have been lost if a land war on the Japanese Islands had been necessary to convince the Emperor to surrender.

□ 1650

I agree with Mr. Gorbachev that it is time to get down to specifics on the full range of arms control questions on the table in Geneva. The Chernobyl accident should sober up all of us—I said that some days ago; sober up all of us—the leaders in the Soviet Union, the leaders in the Warsaw Pact countries, leaders in all countries including our own country—to the terrible penalties that our technology can impose upon us if it goes awry. It reinforces the urgency of coming to grips with safeguards, both technological and political, upon the nuclear genie. The superpowers do not have unlimited time to reach more adequate controls of the nuclear arms race.

Instead of reacting to the Chernobyl accident as an opportunity to practice his propaganda skills against the West on TV, Mr. Gorbachev would be well advised to instruct his negotiators in Geneva to respond to the latest American proposals on intermediate range nuclear forces in Europe. Instead of cynical invitations to dine together in Hiroshima, Mr. Gorbachev might better answer his mail regarding intercontinental strategic nuclear forces.

Last September, I met with Mr. Gorbachev, and with me were seven other Members of the Senate representing both sides of the aisle, both parties—the President pro tempore of the Senate (Mr. THURMOND), and Senator WARNER on the other side, and Senator PELL as the ranking member of the Foreign Relations Committee on this side, Senator SARBANES, Senator MITCHELL, Senator DECONCINI, and Senator NUNN. We met with Mr. Gorbachev and told him that it would be a mistake for him to wait for the Reagan administration to end in the hope of getting a better deal from some future administration. I renew that urgent message now, especially in th light of the Chernobyl accident, and hope the voice of reason will prevail in the Kremlin.

LIMITING EXPENDITURES FOR MASS MAILINGS BY SENATORS

The Senate continued with consideration of the resolution.

UNANIMOUS CONSENT AGREEMENT

Mr. MATHIAS. Mr. President, I would like to propound a unanimous-consent request. The request that I make is this: That after the adoption of the pending resolution, the Senator from Indiana [Mr. QUAYLE] may introduce a concurrent resolution on the subject of congressional mail; that the said concurrent resolution shall be immediately considered by the Senate for a period not to exceed 1 hour; that there be no amendments in order; and that the time be equally divided between the Senator from Indiana and the Senator from Kentucky [Mr. FORD] or his designee.

Mr. BYRD. Mr. President, reserving the right to object, and I hope not to object, would the Senator mind waiting momentarily until I can get a final word from the Cloak Room?

Mr. President, there is no objection on this side. I am happy to remove my reservation.

Mr. MATHIAS. Mr. President, I have no objection on this side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, what is the pending question?

The PRESIDING OFFICER. The pending question is the question on the Resolution 374.

Mr. MATHIAS. I have nothing further on the resolution.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the Senate resolution.

The Senate resolution, as amended, was agreed to as follows:

S. RES. 374

Resolved, That, notwithstanding any provision of law or of the Standing Rules of the Senate, during the period beginning on the date on which this resolution is adopted and ending 7 days after such date, no Senator shall mail or deliver to any postal facility any mass mailing.

SEC. 2. (a) Notwithstanding any provision of law or of the Standing Rules of the Senate, the total amount which may be incurred by a Senator for official mail costs for the period beginning on the day which is 7 days after the date on which this resolution is adopted and ending on September 30, 1986, shall not exceed the amount allocated to such Senator for such period by the Committee on Rules and Administration in accordance with this section.

(b) The allocation of each Senator under this section for official mail costs for the period beginning on the day which is 7 days after the date of adoption of this resolution and ending September 30, 1986, shall be determined by the Committee on Rules and Administration as follows:

(1) The total amount to be allocated for official mail costs for the Senate for such period shall be the amount which is equal to one-half of the difference between—

(A) the total amount appropriated under section 3216(a) of title 39, United States Code, for fiscal year 1986 (after making the reduction required for such fiscal year by the Balanced Budget and Emergency Deficit Control Act of 1985), minus

(B) the total amount of official mail costs incurred by the Senate and the House of Representatives during the period beginning October 1, 1985, and ending on the day which is 7 days after the date on which this resolution is adopted.

(2) The total amount to be allocated to Senators for official mail costs for the period beginning on the day which is 7 days after the date of adoption of this resolution and ending September 30, 1986, shall be an amount equal to the difference between—

(A) the total amount determined for official mail costs (for the Senate) for such period under paragraph (1), minus

(B) the total amount determined by the Committee on Rules and Administration to be necessary for official mail costs for such period for committees, the Secretary of the Senate, the Sergeant at Arms of the Senate, the Legislative Counsel of the Senate, and the Senate Legal Counsel.

(3) The allocation of a Senator for official mail costs for the period beginning on the day which is 7 days after the date of adoption of this resolution and ending September 30, 1986, shall be an amount equal to the product of—

(A) the amount determined for such period under paragraph (2), multiplied by

(B) the ratio that the population of the State represented by the Senator bears to the population of all States, multiplied by

(C) 50 percent.

(c) In determining official mail costs, and in making the allocations of Senators under this section, the Committee on Rules and Administration shall consult with the Postmaster General.

SEC. 3. The Senate urges the House of Representatives to—

(1) prohibit Members of the House of Representatives, Delegates, and Resident Commissioners, during the period beginning on the date on which this resolution is adopted and ending 7 days after such date, from mailing or delivering to any postal facility any mass mailing; and

(2) limit the amounts which may be expended by Members of the House of Representatives, Delegates, and Resident Commissioners for official mail costs during such period in a manner which is similar to the limitations on the expenditure of such amounts which are applicable to Senators during such period pursuant to this resolution.

SEC. 4. For purposes of this resolution—

(1) the term "franked mail" has the meaning given to such term by section 3201(4) of title 39, United States Code;

(2) the term "mass mailing" is a mass mailing (as defined in section 3210(a)(6)(E) of such title) which is to be mailed as franked mail; and

(3) the term "official mail costs" means the equivalent of—

(A) postage on, and fees and charges in connection with, mail matter sent through the mails under the franking privilege; and

(B) those portions of the fees and charges to be paid for handling and delivery by the Postal Service of Mailgrams considered as franked mail under section 3219 of such title.

SEC. 5. Section 23 of Senate Resolution 353 of the Ninety-ninth Congress (as agreed to by the Senate on March 13, 1986) is amended—

(1) by striking out in subsection (a)(2) "adoption of this resolution" and inserting in lieu thereof "May 14, 1986";

(2) by amending subsection (c) to read as follows:

"(c) None of the funds may be obligated from the contingent fund of the Senate to carry out any provision of this section on or after a date 30 days after the date on which the report described in subsection (a)(2) is submitted.".

The title was amended so as to read: "A resolution limiting the amount that may be expended by Senators for official mail costs during the ramainder for fiscal year 1986."

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the resolution, as amended, was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. Mr. President, I am very pleased that the Senate has now voted to save the American taxpayer as much as $20 million, perhaps as much as $50 million. If the House will take similar action in a timely manner, that $50 million is almost a reality.

I thank the distinguished chairman of the Rules Committee [Mr. MATHIAS], who has been working for some time to put a stop to the ever-increasing Senate mail cost. His wisdom and leadership have helped the Senate make a real contribution to deficit reduction today. I cannot think of a better tribute to the Senator than to say he has encouraged and worked long and hard to bring the Senate to this moment where it, itself, has put a restriction on the Senate so that the deficit will be reduced by this amendment. Hopefully in the future, these marks will be even larger.

Mr. MATHIAS. Mr. President, the Senator from Kentucky is generous as he always is. I am very grateful to him for his remarks but I cannot forbear from saying that whatever I have done

would be of very little use if I had not had his full cooperation and support. In fact, he is the author of this resolution which has just been adopted by the Senate. He deserves full credit for the time and effort he has put into finding ways to economize in a time that we all recognize the need for economy.

LIMITATION OF AMOUNT SPENT BY A MEMBER OF CONGRESS FOR FRANKED MAIL

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. Mr. President, I send a concurrent resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

A Senate concurrent resolution (S. Con. Res. 139) to limit the amount that may be expended in any fiscal year by a Member of Congress for franked mail.

Mr. QUAYLE. Mr. President, first, I want to pay my deep respects and appreciation to the chairman of the Rules Committee [Mr. MATHIAS] and the ranking member [Mr. FORD] for their cooperation on this issue. I have testified before their committee. They have worked hard and diligently to get their resolution before the Senate. It was adopted. It was a resolution that I strongly supported.

I might add that had it not been for the Rules Committee initially coming forth with disclosure, we probably would not in fact be here. It was the Rules Committee initiative that disclosed the cost of mass mailings that has precipitated this response. This response of the resolution just adopted applies only to the Senate. In effect, it calls upon the House to do the same thing the Senate has done but in no way does that resolution go to the House. In no way does that serve as a forcing mechanism for the House to respond to this issue as well.

One of the main differences between the House and the Senate is the fact that the Senate has in fact disclosed and it is certainly hoped that the House will be forthcoming in a short period of time to disclose these costs. Once the costs are disclosed, I believe that therein lies the action that is going to be initiated.

□ 1700

The cost growth in this program is enormous. Just going back a few years to 1978 on mass mailing costs, Congress appropriated and spend about $46 million. In 1985, that number had grown to $148 million—over a 2½-times increase, a $100-million increase in a 6-year period of time. And now that we have had disclosure, many people are wondering what to do about it. I think the only reasonable thing to do is treat the mass mailing account like you treat any other account, like you treat your personnel account, like you treat your telephone account, like you treat your travel account. It is an appropriated budget item that you will give to each Senator, and then that Senator can make his or her determination on how they are going to spend that money.

Now, I am one who has in fact used newsletters. I believe that newsletters can serve a valuable purpose. I am one who has not only used the mass mailing to communicate to our constituency but one who from time to time tries to bring new information to the constituency of the State of Indiana, trying to stay in close contact. But I do believe that in this era of Gramm-Rudman we ought to begin a cost control strategy at home. A cost control strategy is one that will in fact bring down the amount of expenditures for mass mailings.

The one interesting facet about mass mailing is it is a golden entitlement program. The definition, I suppose, of a golden entitlement program is one that in effect from a legal sense does not have to be paid for by the Congress.

Now, that may sound a bit preposterous, Mr. President, but in fact it is true. A recent letter from the General Accounting Office to Senator NICKLES concerning the antideficiency statute said in effect that whatever the Congress decides to appropriate to the Post Office will serve as the total reimbursement for the cost of mailing, no matter what those costs may be. In other words, if in fact the costs of congressional mass mailing consume about $148 million, which will probably be the approximate number this year, and Congress only appropriates $10 million or $20 million or any figure they want, that amount is considered as full payment as far as the Postal Service is concerned. Now, that just is illogical. It is simply a sham that has to be exposed and one that ought to be remedied. I believe, in effect, we will offer a remedy by treating mass mailings as an appropriated account.

Now, what this concurrent resolution does differently from the Mathias-Ford resolution is it in fact binds the House of Representatives as well as the Senate. There is no doubt about it, this is a two-way street. Both the House and Senate are involved in mass mailings. Therefore, there is no reason at all that one House ought to be exempt from not only disclosure but treating Members in a different way. Therefore, our resolution is very simple. It is very straightforward. It simply says that the amount of money appropriated on an annual basis will be divided equally between the House of Representatives and the Senate. Therein, the Senate will make its determination on how the money will be allocated to each Senator and the House of Representatives accordingly will make that determination on how its allocations will be made to each Member. There is no favoritism. This is a very straightforward approach, and one that I believe will see a decline in the cost of mailings.

Senator FORD mentioned that perhaps we could save as much as $20 million. I hope we can save that and more.

A further difference between this resolution and the one just passed is that this resolution deals with years beyond and not just 1986.

Mr. President, I think the Senate certainly goes on record today in saying that with the revelation of the costs of the franking privilege and mass mailings something has to be done. As I said, I am one who has used the system and will continue to use the system. But even though I have benefited from the system, I also realize costs have to be controlled, costs have to be restrained. We have had an open-ended entitlement program on mass mailings. There have been a lot of complaints, a lot of discussion about entitlement programs. Other programs may entitle individuals to a certain allotment or a certain guarantee but this entitlement program not only guarantees Members of Congress a certain amount but also under the present situation Congress does not really have to pay for it.

Obviously, somebody has to pay for it, so those people who use the post office are going to have to pay for it. The cost of first-, second-, and third-class mailings may go up just to be able to pay for the debt that will not in fact be paid by this Congress. I know how difficult it is going to be to get any kind of a supplemental appropriation bill through dealing with mass mailings. It is a very controversial item right now.

Well, let us keep up the heat. Let the sunshine come in and find out how much one is expending and then I believe you will see far more interest in doing something.

Mr. President, again, I congratulate Senator MATHIAS and Senator FORD and all members of the Rules Committee for considering these pieces of legislation. They have held hearings. They have acted with dispatch. I am here today to urge my colleagues to support this concurrent resolution which in fact will be passed today and be sent on to the House of Representatives for their action.

Then we can go to conference and figure out the best way to deal with this mass mailing issue and with the idea of holding down the costs. I am convinced it can be done not only in 1986 but in 1987 and the outyears as well. Therefore, Mr. President, I do

urge my colleagues to support this resolution and I urge its adoption.

The PRESIDING OFFICER (Mr. GORTON). The Senator from California.

Mr. WILSON. I thank the Chair.

I rise to commend my colleague from Indiana and to join him in commending our colleagues, Senator MATHIAS and Senator FORD, for taking a responsible step in the right direction. As the Senator from Indiana has very rightly observed, the response from GAO to the letter of inquiry as to what would happen if there were a shortfall in funds was, to say the least, dismaying and I think disheartening to anyone who believes in fiscal responsibility. The idea that whatever amount is appropriated by the Congress shall suffice, whatever the actual amount in the bill for postage by the Congress, is not just flagrantly not just illogical, it is what the Senator from Indiana called it—a sham.

What it means is that if the taxpayers are not going to pay for it, then those who pay postage will—maybe not immediately but over a period of time. As the account accrues a loss, it will be part of the argument brought forward by the Postal Service for rate increases, postage increases. We will see stamps begin to cost more. This is simply unjustifiable. The fact is that this step, which is in the right direction, is not quite a large enough step. What we really should do to remove the abuse is to simply state in an appropriations measure that we are not going to spend tax dollars for congressional newsletters and to avoid this sham we will not allow that anybody's dollars be spent to send letters, mass mailings that have been unsolicited, that largely wind up unread and in the trash. The real answer, Mr. President, is to put into an appropriations measure the kind of ban on congressional newsletters that will once and for all put an end to this practice.

□ 1710

I agree with the Senator from Indiana: Newsletters can be informational. It is unfortunate that many have been abused. Certainly, we have long since progressed from a time when any constituency, however remote and rural, is dependent for its news, even for information about governmental doings, upon a congressional newsletter. Frankly, I reject that argument as almost nonsensical in a time of modern mass communication.

So today I will take little more time of the Senate. I think that the steps taken by the Senators from Kentucky, Maryland, and Indiana deserve our support. They are seeking at least to cap what has been a hemorrhage. The only way to do it in the long term is to attack the problem at its root, and that is by stating that when we do not respond, when we are instead initiating mass mailings that are unsolicited, we are spending money that we cannot justify.

I think that this body, in its first test, has indicated an ability to move toward a more sober judgment, notwithstanding the efforts in the past to engage in—I will resist the pun and say lettering. But I must say that what I think we need to do at the earliest opportunity is to make clear, as I think we did the other day in amending the budget resolution, that there are far more priorities where there are no abuses, where there is no self-promotion. This is simply the lesser of all the priorities with which Congress is faced.

That being the case, what we should do is to take the next step, following upon the amendment of the budget resolution, wherein we said that moneys that had been allocated for the purpose of congressional newsletters should instead be diverted into research into the causes of and cures for Alzheimer's disease and AIDS. We should do that at the appropriations stage.

Mr. President, I trust that those who voted the other day, 95 to 2, to amend that budget resolution will be consistent and will register the same vote when they have the opportunity to amend an appropriations measure.

The PRESIDING OFFICER. Who yields time?

Mr. QUAYLE. Mr. President, I congratulate my esteemed colleague from California for his leadership on this issue. He and I testified before the Rules Committee. He has worked hard to try to get, as he says, at the root cause of the problem.

I share his interest in trying to hold down the costs of mass mailings. I look forward to working with him on this effort, to see how we can best constructively get at the problem in which we are both interested.

The PRESIDING OFFICER. Who yields time?

Mr. QUAYLE. Mr. President, I do not believe there are any other requests on this side, so I am prepared to yield back the remainder of the time on this side.

Mr. ROCKEFELLER. Mr. President, we are prepared to yield back the time on this side.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 139) was agreed to, as follows:

S. CON. RES. 139

Section 1. The total amount which may be incurred by a Member of Congress for official mail costs for any fiscal year (beginning with fiscal year 1987), shall not exceed the amount allocated to such Member for such fiscal year or period, as the case may be, in accordance with this subsection.

Not later than September 30 of each year (beginning in 1986) the Committee on Rules and Administration of the Senate, with respect to Senators, and the Committee on House Administration of the House of Representatives, with respect to Members of the House of Representatives, shall, for the fiscal year beginning on October 1 of such year (beginning with fiscal year 1987)—

"(i) determine, in accordance with this subsection, the allocation of official mail costs for each Senator or each Member of the House of Representatives, as the case may be, for such fiscal year; and

"(ii) provide written notice to each Senator or each Member of the House of Representatives, as the case may be, of the allocation of such Senator or Member of the House of Representatives under this subsection for such fiscal year.

"(3) The allocation of each Member of Congress under this section for a fiscal year (beginning with fiscal year 1987) shall be determined as follows:

"(A) The total amount to be allocated for official mail costs for all Members of Congress for a fiscal year shall be the amount which is equal to the difference between—

"(i) the total amount appropriated under section 3216(a) of this title for such fiscal year, minus

"(ii) the product of the amount described in clause (i) of this subparagraph multiplied by 5 percent.

"(B) The allocation of a Senator under this subsection for a fiscal year shall be an amount which is equal to the product of—

"(i) one-half of the amount determined for such fiscal year under subparagraph (A), multiplied by

"(ii) the ratio that the population of the State represented by the Senator bears to the population of all States, multiplied by

"(iii) 50 percent

"(C) The allocation of each Member of the House of Representatives under this subsection for a fiscal year shall be equal to the quotient obtained by dividing one-half of the amount determined for such fiscal year under subparagraph (A) by the total number of Members of the House of Representatives.

"(5)(A) In any case in which a Member of Congress is defeated in an election, the allocation of such Member under this subsection for the fiscal year or period in which the term of office of such Member ends shall be divided between such Member and the Member-elect to the office of such Member in proportion to the number of months that such Member and such Member-elect hold such office during such fiscal year or period.

"(B) In any case in which there is a vacancy in the office of a Member of Congress, the allocation of such Member under this subsection for the fiscal year or period in which such vacancy occurs shall be divided between such Member and the successor in office to such Member in proportion to the number of months that such Member and such successor hold such office during such fiscal year or period.

"(6) Not later than 10 days after the date of enactment of this subsection, the Committee on Rules and Administration of the Senate, with respect to Senators, and the Committee on House Administration of the House of Representatives, with respect to Members of the House of Representatives, shall prescribe rules and procedures to ensure that Senators and Members of the House of Representatives, as the case may be, comply with the provisions of this subsection.

"(8) Not later than 15 days after the end of each quarter of a fiscal year, the Committee on Rules and Administration of the Senate, with respect to Senators, and the Committee on House Administration of the House of Representatives, with respect to Members of the House of Representatives, shall make available to the public a statement specifying—

"(A) the amount of official mail costs incurred by each Senator or each Member of the House of Representatives, as the case may be, during such quarter; and

"(B) in the case of—

"(i) fiscal year 1987 and each succeeding fiscal year, the allocation of each Senator or each Member of the House of Representatives, as the case may be, under this subsection for such fiscal year; or

"(9) For purposes of this section, the term 'official mail costs' means the equivalent of—

"(A) postage on, and fees and charges in connection with, mail matter sent through the mails under the franking privilege; and

"(B) those portions of the fees and charges to be paid for handling and delivery by the Postal Service of Mailgrams considered as franked mail under section 3219 of this title.".

Mr. QUAYLE. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. ROCKEFELLER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. QUAYLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. QUAYLE. Mr. President, I ask unanimous consent that there now be a period for morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERSONAL EXCELLENCE AND NATIONAL SECURITY

Mr. PELL. Mr. President, the helm of the Navy will be passed at mid-year when Adm. James D. Watkins, Chief of Naval Operations, retires after a distinguished career. His contributions to the Navy and to the Nation are many, but none, in my opinion is more lastingly important than the program which he initiated last year to emphasize personal excellence as an essential ingredient of national security.

Admiral Watkins recognizes that the Navy's readiness and capability as an institution can only reflect the quality of body, mind, and spirit of its military and civilian personnel. He correctly sees that there is an inseparable linkage between a commitment to personal excellence on the one hand and the full and adequate provision for the Nation's security on the other.

As described in his speech before the World Affairs Council in Boston in March, Admiral Watkins' program would bring together under one umbrella all Navy efforts in education, fitness, and health, coupled with a renewed emphasis on the ethical standards associated with the Navy's heritage and tradition. In his words, "We are not creating a program of minimum standards and punishments. Rather, we are emphasizing high objectives and positive rewards that can be achieved by individual commitment to an ethic of personal excellence."

This strikes me as a bold and effective antidote to such pervasive problems as drug abuse, academic underachievement, and substandard physical fitness, as well as to such larger problems as serious security breaches which rocked the Navy in recent months.

I recognize, at the same time, that such a program can sometimes yield unpredictable consequences. A program designed to release the full potential of an organization's personnel is bound to change the status quo. It can prove unsettling to marginal managers and to entrenched administrators who may be quite ready to kill off or dilute such a revolutionary intruder.

I hope the Senate will agree that Admiral Watkins' initiative for personal excellence and national security is right on target and that it should be a continuing feature of Navy life long after Admiral Watkins has left the scene. I believe it deserves our full support.

I ask unanimous consent that Admiral Watkins' speech before the World Affairs Council be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

A COMMITMENT TO EXCELLENCE

(Remarks by Admiral James D. Watkins)

Today, I am not going to speak to you about the high state of naval readiness we enjoy—although we are a more ready Navy than at any time since the end of WW II.

I am not going to debunk the many unenlightened myths about alleged national defense spending you hear today—tiresome, overworked, and sensationalized fables which represent what I have referred to publicly as "the toilet seat mentality," needlessly clouding intelligent and informed defense discussion.

I am not going to share stories about the incredibly serious impact on national security of threatened sequestering of significant defense funds next year under Gramm-Rudman-Hollings—stories which are now driving an already crazy national capital absolutely spastic.

I am not going to discuss heinous crimes and national security ramifications of state-sponsored international terrorism perpetrated by irresponsible state leaders.

Likewise, I am not going to tell you my views about reorganization of the Joint Chiefs of Staff—in fact I've testified and spoken out so many times on the subject, even I get bored with my own pleas for a steady hand on this vitally important aspect of the national security tiller.

No, today, I am going to discuss a subject that doesn't, unfortunately, get the rapt attention of six toilet seats of even one claw hammer that we found admittedly overpriced and obtained full refunds for. Yet, it is a subject that not only affects how well we defend this Nation today, but one that has national security implications well into the next century and beyond. I am going to discuss a national commitment to personal excellence, and this commitment's inseparable linkage to national security.

Speaking to a small group in Illinois, a learned statesman who well appreciated this Nation's true source of strength said, "What constitutes the bulwark of our own liberty and independence? It is not our frowning battlements, our bristling sea coasts, our Army and our Navy. These are not our reliance against tyranny . . . our defense is in the spirit which prize(s) liberty."

Those thoughts are Abraham Lincoln's from 1858. And, while we have changed a great deal in the intervening century, the spirit which prizes liberty is still our greatest strength. When this spirit is harnessed, it forges a commitment not only to defend this Nation from outside threats, but to protect ourselves from threats from within—threats of low standards, drug abuse, not developing to the fullness of God-Given potential, and other indices of low self-esteem so prevalent in the last decade when the spirit was lost momentarily.

And while the negative momentum marking the past decade was reversed at the commencement of this one, we cannot assume the current spirit will be sustained without working hard to see that it is. So, to avoid a reversal of spirit, there is need to capitalize on the rejuvenated national mood and elevate it to the next plateau by a renewed commitment to strengthening individual excellence. This commitment can only be developed and sustained by imaginative and concrete programs to cultivate what should be our most treasured national resource—America's youth.

Yet, we are on a difficult passage, where it is easy to lose sight of the urgency to see to this renewed commitment. Results could be devastating. For example, witness this:

One out of every four freshmen in high school right now, in this country, will fail to graduate.

Of those who do graduate, many will still lack basic skills required to survive. Business, industry, our military, even our colleges, must conduct widescale and expensive remedial courses to supplement skills which taxpayers pay to have been learned already.

One in every five adults—a staggering 23 million Americans—lack the reading and writing skills needed to handle the minimum demands of daily living; an additional 30 million Americans are only marginally capable of productive work. A Presidential commission concluded that "If any unfriendly foreign power had attempted to impose on America the mediocre education performance that exists today, we might well have viewed it as an act of war."

In 1976, approximately 15 percent of our high school students qualified for the President's Youth Fitness Award in a nation-wide fitness test. Recently, the same test was given to 84,000 students in Oklahoma, but in

this test, less than 1 percent reached that earlier level of achievement.

National youth fitness surveys reveal some 50 percent of American youth do not regularly participate in appropriate physical activities necessary for minimal fitness.

Today, more than half the Nation's schools do no physical education testing at all. Our elementary schools teach physical education, on the average, only 20 minutes, on one day, each week.

Just 2 weeks ago, a Government-sponsored conference on drug abuse concluded that nearly two-thirds of the young people entering the work force today have used illegal drugs.

These are problems of national proportion and significant momentum, and these problems threaten us all—not only because of scarce tax and investment dollars that are being invested in remedial and correctional programs, but because the raw materials needed to build this Nation's industrial and economic strength of the future are rotting from within. Our national security—our very existence and freedoms we enjoy—demands improvement in the overall quality of our young people.

But, why is a chief of naval operations so concerned about this? Because the Navy has shown a clear and direct link between personal excellence and national security, made particularly clear over the past 5 years. Operational readiness and mission effectiveness of our ships and aircraft squadrons relate directly to the quality of our people. John Paul Jones once said, "Men mean more than guns in the rating of ships." Two hundred plus years of history under the keel haven't done a thing to change this assessment.

In fact, the problems of society as a whole already have had a profound effect on the Navy. For example, surveys of Navy recruits indicate that 24 percent of our high school graduates tested below the ninth grade reading level, the minimum required to master Navy technical manuals; recent studies indicate a large percentage of Navy members do not meet body-fat composition and fitness standards; smoking in the Navy is at an epidemic level, 60 percent higher than smoking in the civilian sector; a lack of accountability and universal Navy code of ethics may be related, for example, to recent security breaches that rocked this Nation's sensitivities; and the viability of the all-volunteer force concept may be in jeopardy unless immediate steps are taken to increase the percentage of America's youth qualified for military service.

Further complicating this difficult situation is a downward demographic trend. A Rand study found that the 1980 manpower pool of 2.1 million youths will shrink by 20 percent to 1.7 million, by 1990. This means the armed services, so dependent upon top-flight people, will find it increasingly difficult to attract and retain qualified young people. Improving economic conditions—coupled with leveling retention rates, and increased competition from civilian industry for bright, talented and motivated young people—have already increased recruiting pressures.

These trends are unfortunate enough when viewed alone, but there is an additional challenge from outside our borders. In contrast to American trends, the Soviet Union has completely revamped its primary and secondary educational system over the last 15 years. The standard Soviet educational curriculum in mathematics and hard sciences far outstrips that received by the average American high-school graduate.

How, as a nation, can we deal with these problems? More specifically, how can we man the Navy this Nation needs? Do we return to the draft? Do we lower our standards? Unequivocally—no. Certainly, all the military learned the hard way last decade that lowering standards is not a viable alternative. In fact, it has taken the Navy nearly 10 years to recoup lost ground after a near-fatal mistake of lowering standards.

Instead, the Navy will now capitalize on the excellence already onboard, and help all in uniform reach their full human potential. We can then go the next mile—to work closely with industry, civic and national organizations and leaders to help inspire a renewed national commitment to excellence.

So, last year I convened a special task force of civilian and military professionals, from fields of fitness, health and education, to review the Navy's future manpower needs. I asked them to identify ways we could meet requirements of manning the Navy of tomorrow with quality people. After studying their findings, I announced Navy's plan to renew emphasis on personal excellence. We call the initiative "personal excellence and national security."

Yet, this is not a massive, wholly new effort. In fact, it is really the next logical step based upon Navy's pride and professionalism achievements of earlier this decade, and makes sure no opportunity is lost in taking advantage of society's reawakened spirit and drive.

In the Navy, the focus is to bring together, under one umbrella, existing as well as new Navy efforts in education, fitness, and health coupled with a renewed emphasis on practical, ethical standards associated with our naval heritage and tradition. We are not creating a program of minimum standards and punishments. Rather, we are emphasizing high objectives and positive rewards that can be achieved by individual commitment to an ethic of personal excellence.

Our agenda for enhancing excellence has two distinct, but related, phases. First, we will review the many programs that have contributed so much to renewed pride and professionalism already existing in our Navy. We will strengthen the best of these, combine and streamline others where we can, and eliminate programs that have already served their purposes.

Our goal is to help our people reach their own personal excellence potential while we continue to improve their quality of life. We want the Navy to be a place where good people want to stay. Recruiting, retention and performance will all benefit from such an approach. In fact, we may actually reduce expenditures by coordinating and consolidating our efforts.

The second phase of our initiative is to work with private sector organizations and individuals to reach out to more youngsters. These young people, in the aggregate, can be the solution to increasing demands against the national base of qualified youth.

Some of the highlights of Navy's renewed commitment to personal excellence include:

Remedial education programs for our recruits, focusing on basic skills as opposed to specific training skills.

Developing health-promotion objectives in the Navy for the year 2000. These will include specific focus on long-term physical fitness and improved Navy dietary programs.

Development of a Navy code of ethics, both broad and narrow-based, as well as a plan to increase awareness of ethical standards through integration into existing naval education and training programs.

We will join in partnership with private and public institutions to enhance education, promote health, and reinforce good ethical practices. Specific programs will include expansion of Navy junior reserve officer training corps units, where our young high school students get a first taste of the Navy and its leadership techniques; special initiatives with our Nation's schools; and unique programs with vocational and technical schools. We will particularly emphasize the areas of math, science and technology.

We also will work within the Department of Defense and Federal Government to build a consensus on the importance of personal excellence, showing its direct relationship to national security and our Nation's future prosperity and overall strength.

I want to emphasize: This is not philanthropy nor is it a Navy recruiting program. We are making an investment today which gives us some hope that we can sustain a proper defense of America tomorrow. With higher levels of achievement and standards, the country as a whole will be the beneficiary. Obviously if we do our job well, the Navy, too, will benefit by setting itself up as a visible role model to young people attracted by our sensitivity to their personal welfare. The Navy will be seen as the kind of organization that will attract quality people, and then retain them for longer periods of service. We in Navy-blue today believe we have something special, we see this as an opportunity to prove it to others, whether or not they elect to serve with us in uniform. There will be no commitment demanded of participants to sign up.

What chance of success do we have? Well we could not have embarked upon such an exciting and challenging adventure in the last decade. At that time, we were adrift as a nation, and had temporarily lost our way, our drive and our spirit. Today, in marked contrast, this Nation has regained the spirit and positive outlook—and, we in the Navy have the professionalism back in hand—to give this initiative an excellent chance.

Besides, the Navy has already proven that it can deal with tough, societal problems—and beat them. Last decade, we were plagued with crippling drug abuse among our junior enlisted people. Surveys indicated abuse levels approached 50 percent. Today, drug abuse levels have shrunk to less than 3 percent, as confirmed by Navy-wide tests, and this downward trend continues. Many organizations and groups are now adopting our tough standards and are using Navy as a model. Consequently, they too are beating the drug problem.

So, we do not seek a program that manufactures perfect people, all speaking and acting from some single mind-set. In fact, our country is great because of personal liberties which allow great diversity of talent to flourish. Likewise, Navy does not intend to lead a national crusade to remake society. In fact, under Presidential leadership and that of other concerned government, education and business leaders, many programs are already ongoing to help our young people reach their full potential. Rather, the Navy desires, while working in partnership with concerned people and groups, to renew our national commitment to excellence through recognition of existing human problems, and developing innovative techniques to redress them.

Maybe it was John Kennedy who best summed up what we must do: "When the youngest child alive today has grown to the cares of manhood, our position in the world

will be determined first of all by what provisions we make today—for his education, his health, and his opportunities for a good home and a good job and a good life."

That was more than 20 years ago. The children of that generation have grown and another has been born to take its place.

Still, there is much more to be done. The time to act is upon us. So, let's now make a national commitment to our own future. Today, the challenge is personal excellence. The goal is a better, safer and more secure future for America. This moment is too ripe to let pass, the task too essential to leave to chance, the goal too important to give it other than a strong and sustained push. So, in conclusion, I urge you to clamor for quality of the human resource to be our Nation's number one objective for the remainder of this century. If you do, you can give no greater service to your country.

Thank you and God bless.

ANATOLY SHCHARANSKY

Mr. PELL. Mr. President, today we are honoring Anatoly Shcharansky, a man whose courage and conviction has served as an inspiration to all of us who have been working to promote human rights and fundamental freedoms in the Soviet Union. After being denied permission to emigrate to Israel in 1973, Shcharansky, a leader of the Moscow Jewish community, became a spokesman for the Soviet Jewish emigration movement. After the signing of the Helsinki Final Act in 1976, Shcharansky joined Yuri Orlov and others in forming the Moscow Helsinki Monitoring Group.

On March 15, 1977, the KGB arrested Shcharansky. After being detained incommunicado for 16 months, he was tried and convicted of "anti-Soviet agitation and propaganda" and of the trumped-up charge of "treason." At the conclusion of his 5-minute "trial," at which no defense was permitted, Shcharansky was sentenced to a total of 13 years incarceration—3 years in prison and then another 10 years in the harshest category of labor camp.

As an activist in the Soviet Jewish emigration movement and a founder of the Moscow Helsinki Monitoring Group, Shcharansky fought for basic human rights for his countrymen and worked to promote his government's compliance with the Helsinki Final Act. Because of these activities, he became the target of a systematic campaign of harassment and intimidation which culminated in his arrest and imprisonment.

While in prison, Shcharansky was subjected to extremely harsh conditions such as insufficient food, inadequate health care, and solitary confinement. His prayer book, a gift from his wife, was taken; his mail was confiscated and family visits were banned. He went on a hunger strike three times in protest of these activities. Even then, he suffered inhumane treatment at the hands of the Soviet authorities.

Anatoly Shcharansky has experienced the Soviet Government's wanton disregard for human rights and freedom. Thankfully, his pain and suffering have come to an end, and he is reunited with his dedicated wife, Avital, who fought relentlessly for his freedom.

Many of us in Congress also did all that we could. As chairman of a Senate delegation, I remember taking up his specific case with Chairman Andropov in the Kremlin on August 18, 1983.

Anatoly Shcharansky is a living testament to man's strength and spirit. His release is a symbol of hope for all of us who share his commitment to human rights and fundamental freedoms for the Soviet people.

TOUGH TIMES FOR OIL AND GAS IN KANSAS

Mr. DOLE. Mr. President, my home State has long been synonymous with agriculture—and with good reason Kansas is America's breadbasket; our wheat fields are the envy of the world; and our farmers are legendary for their unrivaled production.

But Kansas is also a leading energy State. We rank high in oil and gas production—sixth in gas, eighth in oil. As an industry, energy is No. 2, and obviously a major factor in the economic well being or my State. Unfortunately, it continues to be tough times for both agriculture and energy in the heartlands of America. And when that happens, you have the makings for real trouble. Of course, my good friends in this body from Oklahoma, Texas, and Louisiana know firsthand what I am talking about.

But when you mention the plight of oil and gas it is oftentimes difficult to capture the attention—and sympathy—or those people who do not depend on energy for a living, nor live in a State whose stability is tied to oil rigs, and pipelines. And I can understand and appreciate why this issue can be so puzzling to consumers in every corner of the country. But believe me, our industry is taking a real beating. A front page story in today's Kansas City Times says it all: "Oil Industry in Kansas is Drying Up."

The statistics included in this report make for grim reading—3,000 workers have lost their jobs this year; unemployment in oil producing counties is approaching 10 percent; the number of active rigs has dropped to a mere 36; and exploration has become even more unattractive for drillers. In fact, filings for licenses to drill with the Kansas Corp. Commission has dropped dramatically: Filings have nosedived by one-third so far this year. According to our latest count, 298 wells were shutdown—or plugged—during the first 3 months of 1985. In 1986, during that same time period, almost 500 wells have been plugged.

Let's make it clear. We are not talking about giant gushers, and rivers of oil. In Kansas you've got to drill a long, long way to reach anything; and oftentimes you reach nothing. Most of our wells are so-called "stripper wells," which by law produce 10 barrels of oil a day, or less. In Kansas, our strippers average about three barrels per day: At $15 per barrel of oil—about $2 more than the current price—22 percent of all stripper wells in Kansas will be abandoned. That kind of trend translates into 29,000 barrels of oil of lost production.

Mr. President, my oil State colleagues and I have watched with alarm the decline of this most important industry. We have seen valleys and peaks before, and we hope that the current hard times are temporary. In my view, however, the problems in our oil patch go beyond the boundaries of Kansas. Energy production is a national concern; a national security issue, a priority lesson we learned at the hands of OPEC in the 1970's. I doubt that anyone wants to return to those days again. Our best bet against that kind of foreign squeeze play from happening again is a healthy domestic oil and gas industry.

Mr. President, I request that the following Kansas City Times article be included in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OIL INDUSTRY IN KANSAS IS DRYING UP: DRILLING, JOBS GREATLY CUT

(By Martin Rosenberg)

Kansas' $2.7 billion oil industry, which has taken a beating in the last few months in tandem with international oil prices, is at the point where industry and Kansas officials say it has collapsed.

In March alone, 1,300 Kansas workers lost their jobs because of the industry's rapid contraction. Through March, the latest month for which employment figures are available, about 3,000 workers this year had been thrown out of some of the highest-paying jobs in Kansas.

In the week ended Monday, only 36 drilling rigs were punching holes in search of oil in Kansas—the lowest number in more than a decade, according to a survey by the Hughes Tool Co. in Houston.

The number of active rigs in Kansas is down from 90 a year ago and from 197 five years ago, the company's figures show.

This severe reduction in Kansas drilling also has meant the loss of oil reserves because the crude being pumped has not been matched by new discoveries.

Also, there has been an increase in the number of drilling companies facing bankruptcy.

As bad as the drop in Kansas drilling has been, the downturn has been worse in Texas, Oklahoma and Louisiana, said George McKown, president of DaMac Drilling Inc. in Great Bend, Kan. Mr. McKown is first vice president of the International As-

sociation of Drilling Contractors in Houston.

The most painful consequences of the oil industry collapse probably has been rising unemployment. Kansas officials monitoring the unemployment rate speak of rising joblessness in a crescent of counties extending from south-central to northwestern Kansas.

"You can see it on a map—a change upward in the unemployment rate in a whole band of counties," said Kathy Ketchum, spokesman with the state Department of Human Resources.

Although the overall Kansas jobless rate in March was 6.2 percent, it was 9.9 percent in Ellis County, the state's leading oil-producing county, 9.9 percent in Trego County and 9.4 percent in Boston County, she said. Unemployment in seven additional oil-producing counties exceeded the state average in March.

The March jobless rate in Ellis County was more than two percentage points higher than the rate in January, when the collapse in international oil prices started, and is the highest ever recorded, said Ted Sammons, manager of the state Department of Human Resources' job service center in Hays.

For each rig that is closed, nine persons lose their jobs, Mr. Sammons said.

In Kansas as a whole, the oil and gas extraction industry in March employed 12,300—down 1,300, or 9.6 percent from February and off 3,000, or 19.6 percent, from a year earlier.

And the positions being lost are valuable ones. According to a state study using 1984 figures, the latest available, the oil industry paid the highest average salary of any Kansas industry—$22,824 a year.

If any manufacturing company laid off as many workers as Kansas drillers have in recent months, said John Knightley Jr., president of the D.R. Lauck Oil Co. in Wichita, "City fathers would be screaming bloody murder."

But because the pain of the oil collapse has been spread across remote reaches of the state, government officials have been mute, he said.

"It's just a disaster. I wish people could realize," Mr. Knightley said.

It is not known how many of the 52 drilling companies based in Kansas are floundering.

But one of two fates seems to be common for most drillers, industry observers said.

Those that have borrowed from banks to buy their equipment are either filing for bankruptcy or drilling at a loss to keep their creditors happy.

Those that are not heavily in debt are shutting down their drilling rigs and waiting for a better day.

Mr. Knightley's 55-year-old company shut down the first of its two rigs in June 1982 in response to falling oil prices. It closed down its other rig on Jan. 24 in response to the sharp decline in world oil prices.

"Even if you can find some place to drill, we would lose $200 a day operating our rigs," he said.

Mr. Knightley's company employs 45, down from 125 in 1982.

Mr. McKown of the DaMac company said employment at his firm had plunged from 155 in 1981 to about 25. DaMac, which usually operates five drilling rigs, will have none in operation starting today.

Decreased drilling, in turn, will affect the economy of Kansas for years to come.

To match the oil taken from the state's reserves by existing wells, about 135 drilling rigs would have to be drilling for oil, Mr. McKown said.

But instead of drilling, the rigs are being shut down, and drillers plan to drill fewer wells.

In April, drillers told the Kansas Corporation Commission that they intended to drill 239 wells—down from 336 in March and off from 817 a year earlier, said Rick Claytor, KCC hydrologist in Wichita.

Drilling in the state in the week that ended May 12 was the lowest since the early 1970s, said Dan Guerra, planning coordinator with Hughes Tool, which provides drilling bits to the oil industry.

Nationwide oil companies have cut exploration budgets by $10 billion, and drillers are expected to drill 40,000 wells this year, down from 75,000 in 1985.

Hughes Tool said that nationwide 809 rigs were drilling, the lowest number since April 1943.

For men such as Doyle Folkerts of Great Bend, Kan., who has labored in the oil industry for 43 of his 58 years, the future looks grim, and the present is worse.

Mr. Folkerts said he was laid off in April, the first time in more than 15 years in an industry known for its ups and downs.

He now is trying to support four persons—including one college student—on unemployment benefits of $190 a week.

"I'm not making ends meet," he said.

His analysis of his own predicament—and that of Kansas' oil industry, is simple: "The Arabs are selling oil too cheap."

THE DEATH OF CLARK E. SPENCE, REPUBLICAN COUNTY CHAIRMAN OF ADAMS, PA

Mr. SPECTER. Mr. President, it is with great sadness and deepest sympathy that I advise my colleagues of the recent death of a distinguished Pennsylvanian and renown politican, Mr. Clark E. Spence, former Republican Chairman of Adams County, PA. Clark is survived by his wife, Martha Boyd Spence, and his daughter, Sandra K. Spence.

A fruit farmer by occupation, Clark served his party, his community, and his country honorably and with distinction. I am honored to have known him.

The Republican Party and its commitment to our Nation's welfare was a top priority for Clark. For more than 22 years he served as Republican Chairman of Adams County and, during this tenure, a charter member and secretary of the Central Pennsylvania Republican Conference. Clark also held elected office from 1958 through 1982 in the capacities of Treasurer of Adams County and Adams County Clerk of Courts and Orphan Courts.

In service to his community, Clark held numerous positions including President of the Cashtown Community Fire Co., president of the Pennsylvania Prothonotary and Clerk of Courts Association, a charter member of the Cashtown Lions Club, director of South Central Pennsylvania Lung Association, treasurer of the Adams County Diabetics Association, and director of the Fairfield National Bank.

Clark served his country well as a member of the 80th Infantry Division in the U.S. Army under Gen. George Patton during World War II. For his distinguished service he received a Bronze Star.

Throughout Clark's life he was truly dedicated to his country, and we his friends, family, and other beneficiaries of his goodwill are gratefull. His commitment and leadership will serve as a model for others in the years to come. We will miss Clark E. Spence greatly.

THE 38TH ANNIVERSARY OF THE STATE OF ISRAEL

Mr. KENNEDY. Mr. President, today, May 14, 1986, marks the 38th anniversary of the birth of the State of Israel. I ask that on this special day, we pause and consider all that Israel represents to the United States.

Over the years, Israel has proven itself to be a beacon of liberty and democracy in the Middle East and has been America's closest friend and staunchest ally in the region. A strong Israel is essential for lasting peace in the Middle East and the United States must maintain an unswerving commitment to its security. For this reason, I continue to oppose all attempts to arm the enemies of Israel. Arab nations that refuse to accept the existence of Israel or to begin direct negotiations for peace do not deserve sophisticated weapons from the United States. The people of Israel have demonstrated time and again their commitment to a just and lasting peace. It is time for the Arab nations to do the same.

For 38 years, Israel has served as a source of hope for millions of Jews throughout the world. This year we have a special reason to celebrate the State of Israel—for after years of imprisonment and brutal repression by the Soviet Government, Natan Shcharansky has finally realized the dream of "next year in Jerusalem." We join with Avital and all of Israel in celebrating his long overdue homecoming.

Yet freedom for a few must not lessen our resolve to strive for the liberty of the 400,000 Jews who remain behind in the Soviet Union. Emigration has fallen to its lowest level in two decades and repression of Soviet Jews is on the rise. Last year just 1,140 Jews were permitted to leave the Soviet Union—down from a peak of 51,000 in 1979. Together we must continue the work of reuniting families and freeing prisoners of conscience. In the great cause of human rights, we must never give up or give in.

As President Kennedy said in 1956 before 50,000 people in New York City, on an early anniversary of Israel's birth:

Today we celebrate the eighth birthday of Israel—but I say without hesitation that she

will live to see an 80th birthday—and an 800th. For peace is all that Israel asks, no more; a peace that will beat swords into plowshares and spears into pruninghooks: a peace that will enable the desert to rejoice and blossom as the rose, when the wicked cease from troubling and the weary be at rest. Then all of us here, and there, and everywhere will be able to say to each other, with faith and with confidence, in our coming and in our going: Shalom—peace! Peace be with you, now and forever.

Mr. President, on this occasion, as the Senate pauses to honor the courage and the vision of the founders of Israel, we commend the generations that have followed in the struggle to build a homeland of peace, freedom, and democracy.

ANATOLY SHCHARANSKY AND SOLIDARITY SUNDAY

Mr. MOYNIHAN. Mr. President, this past Sunday was the 15th annual Solidarity Sunday. 300,000 New Yorkers of every race and creed gathered to bear witness to one of the great human dramas of our age: The struggle of the Soviet Jewish community to live and worship in freedom.

This was the 10th consecutive year I had the honor of addressing Solidarity Sunday, which is sponsored by the Coalition to Free Soviet Jews. But this year was different. Our gathering was graced by the presence of Anatoly Shcharansky.

May 11 marked the third month of Anatoly Shcharansky's hard-won freedom. It was on February 11 that he was finally released from the Soviet Gulag, reunited with his beloved Avital and welcomed in triumph to the land for which he sacrificed so much.

For 9 years, the participants in this rally carried Anatoly Shcharansky's picture and demanded his freedom. For 9 years, Avital would not allow the world to forget him. For 9 years his devotion to his people and his faith has been a source of inspiration to all Americans. During these 9 years he came to symbolize an entire people. And on Sunday he stood among his extended family—the family of freedom—to remind us of those who are not yet free. It was a moment of rare emotion and beauty.

Yes, all Americans are happy for Anatoly and Avital, but it would be tragic if our elation at their happiness allowed us to forget the more than 2 million Jews who remain behind in the Soviet Union.

In 1979, 51,320 Soviet Jews were permitted to emigrate. Last year 1,140 were allowed to leave. 400,000 Soviet Jews have begun the difficult process of requesting exit visas. 20,000 have been refused; 380,000 remain in bureaucratic limbo. In February, Anatoly Shcharansky was one of 84 Jews who was permitted to leave the Soviet Union. In March, only 47 were granted their freedom. At the same time, Jews are routinely arrested for teaching Hebrew, harassed for organizing prayer groups, and denied the very rights that are theirs under the Soviet Constitution and numerous international accords to which the Soviet Union is a signator.

The Soviet Government must understand that the people and Government of the United States will neither forget nor ignore the Jews of the Soviet Union. For the American interest in a free and humane world, one in which the rights of individuals are protected and valued, is enduring. It is not the creation of any official or individual in Washington; it springs from the character of the American people and is a consequence of our unique national heritage.

The Government of the Soviet Union is the largest and most powerful threat to human liberty in the world. Other regimes may be more murderous than the Soviet Union today, but none are as powerful or as devoted to construction of a totalitarian world in which the individual has no status save what the state finds convenient to accord. So, on the subject of human rights we inevitably and repeatedly return to the policies of the Soviet regime—and we find these policies sadly wanting.

In order for the United States to accord the Soviet Union the status of a civilized society with which we find it acceptable to deal on a regular and regularized basis—engaging, for instance, in international commerce and exchanges of information and ideas—certain minimum standards of behavior must be met in the area of human rights. This is not the sole requisite to improved bilateral relations certainly, but it is an important one.

If the Soviet Government cannot live with the idea of Jews living as Jews in the privacy of their homes and underground synagogues, minimum decency would dictate they be permitted to emigrate. Ten years ago, speaking at the last Solidarity Sunday rally he would be able to attend, my former colleague in the Senate, Hubert H. Humphrey, said, with his characteristic elegance and eloquence: "Let them live as Jews or let them leave as Jews. It is as simple as that."

And so it is.

And until it happens, we will be back here every May.

We did not forget Anatoly Shcharansky—and we will not forget the 2½ million of his fellow Jews who are left behind.

We have not forgotten them—and we have not forgotten Hubert Humphrey, Scoop Jackson, or Jack Javits, who taught our generation so much about human freedom and human dignity. For our generation was not the first to take up this cause. Seventy-five years ago, a rally was held at Carnegie Hall to protest Russian discrimination against its Jewish citizens. The keynote speaker was Woodrow Wilson—the Governor of New Jersey, who went on to serve two distinguished terms as President of the United States.

Woodrow Wilson's words that night of December 6, 1911, are our words to the Soviet regime today: "This is not Jewry's cause alone," he declared. "It is America's. It is the cause of all who love justice."

Mr. President, Woodrow Wilson's call for justice was well reflected in Anatoly Shcharansky's moving address on Solidarity Sunday.

I ask unanimous consent to place his remarks in the CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS OF ANATOLY SHCHARANSKY'S

Brothers and sisters, exactly ten years ago I addressed you with my message of greetings on this Solidarity Sunday rally from Moscow and soon after that, this very message of solidarity was used as one of the evidences of my treason at my trial. But that very sense of Jewish solidarity supported me in adversity—during all the long and hard years when we together combatted the tyranny which is trying to destroy our Jewish sense of solidarity.

The Soviet leaders today are trying to separate, to remove Soviet Jews from the bonds of their nation. Four hundred thousand Jews are kept as prisoners in the Soviet Union against their will. Veteran refuseniks like Ida Nudel, like Vladimir Slepak, Victor Brailovsky for fifteen and more years have lived in the conditions of constant repression, arrests, exile. New attempts are waged against our Hebrew culture and our language. Iosif Begun, who is now in the same prison where I was only some months ago, became the first victim of this campaign. Aryeh Volvovsky, who just today celebrates his birthday in the prison, Iosif Berenshtein and Edelstein who are languishing in the Soviet prisons, Alexander Magarik who in these days in waiting for trial, were the next victims of the campaign against our Jewish language. Our solidarity with all these people, with all Soviet Jewry is not only the means to reach our goal. Our solidarity with the land of Israel, expressed most fully in the right of every Jew to live as a part of free people in the land of Israel, is our goal by itself.

The call of solidarity breaks the bridges, breaks all the fences which the Soviet leadership tries to build. This voice of solidarity is felt in the cities and camps and prisons of the Soviet Union. It echoes in the dark corriders of repression. My KGB investigators, my persecutors, my prison guards tried their best to convince me that I am alone, that I am powerless in their hands. But I felt, I knew what they only sensed, that I was never alone, that my wife, my people, that all of you are with me. They tried their best to find me a place that was isolated, from labor camp to prison, from local prison to a special restricted regime, from there to solitary confinement, and then to a punishment cell.

But all these resources of a super-power are not enough towards a man who hears the voice of freedom, to an isolated Jew who hears the voice of solidarity with his people,

the voice which he hears from the very chamber of his soul. And then his wife. In every point of my confrontation with them, they had to retreat. They threatened to kill me, but I remained alive. They sarcastically said that they will save me from the counter-influence of my religion, and tried to confiscate my psalm book, but every time they were compelled to throw it back to me. They tried to isolate me from my relatives, but after every hunger strike, new letters were reaching my family. They told me that this day of my freedom will never come if I wouldn't change my beliefs. But today I am here speaking to you after I joined my wife Avital in Israel. And all this has become possible only because of you.

The solidarity of people behind the bars in the Soviet Union can be expressed only in spirit. You, the people of the free world, can do much, much more. The Soviet leaders, who still delude themselves in thinking that they can keep as prisoners 400,000 of our brothers, must be brought to understand that they will never be able to destroy our solidarity, that courage of Soviet Jews is supported by the commitment of all those who are free to the freedom of their brothers.

This commitment, this solidarity must be expressed in concrete ways which can be understood by Soviet leaders because they, exactly like pharoah in Egypt, pretend not to hear the spiritual voice of our solidarity. That is why it is necessary that our spiritual solidarity will be supported by economic and political pressure. That it why it is so important that such things as the Jackson Amendment will be supported by the American people. This policy has succeeded in the past and it will succeed in the future. The Soviet leaders must understand that without fulfilling the obligations of the Helsinki Accords the atmosphere of trust cannot exist, and without this atmosphere of trust, no new agreements can be reached. No public relations, no cosmetic changes can hide the face of a tyranny which tries to deprive a whole nation of its freedom. This freedom must become the base of the new understanding between the East and West.

As a Zionist, as a Jew, I never forget the call for universal justice which is at the very root of our Jewish identity. The redemption from Egypt which we celebrated on Passover is intrinsically connected with the call for universal justice which we were taught on Sinai. And that is why we must never forget such people as Andrei Sakharov and Yuri Orlov, who exactly like Emile Zola in his day raised their voices to speak out courageously for the rights of a humiliated people. They added their voices for the struggle for Soviet Jewry. Brothers and sisters, from this place my wife Avital every year spoke to you and tried to convince you that your help is very important, that your efforts are not in vain. The fact that today I am speaking is the best proof that she was right. But even if I were not free today, even if I were still in the prison, you must have no doubts that your solidarity, that your struggle is very important, is the only and necessary condition for the very survival of Soviet Jewry.

We have won one battle but the war is still ahead. Our solidarity in spirit and in substance can put, can lay down a cornerstone for the justice of human dignity and for freedom of our people, can become the basis for new understanding between East and West and for a real detente to come. 250,000 Soviet Jews have already been released from the Soviet prison. Four-hundred thousand are still waiting.

Together we have won once. Together we will succeed again.

HUMAN SERVICES REAUTHORIZATION ACT

Mr. BYRD. Mr. President, I am pleased to cosponsor the Human Services Reauthorization Act which will authorize the Community Services Block Grant, Low Income Home Energy Assistance, Head Start, and Dependent Care Programs.

West Virginia has not fared well under this administration's economic policies. In February, West Virginia had the second highest unemployment rate in the Nation—13.5 percent. From 1982 to 1985, West Virginia led the Nation in unemployment. We still have counties in our State that have unemployment rates of over 20 percent. Families have not only lost their jobs; they have also lost their homes. Programs, such as those authorized by this act, will lend a helping hand to those individuals who are struggling to make ends meet and to get back on their feet.

The Community Services Block Grant provides a primary focal point for the delivery of services to low-income Americians, and helps low-income Americans to become self-sufficient. This program reached 100,000 West Virginians during 1985.

The Low Income Home Energy Assistance Program provides assistance to low-income families to help pay for their heating bills. This program has proved to be very important to our Nation's elderly citizens living on fixed incomes. In my State of West Virginia, 77,076 households were helped by this program.

The Head Start Program seeks to help children from low-income families to develop social, physical, and language skills in order that these children may successfully master the very basic skills required to begin elementary school. By giving these children a head start we are, in fact, paving the way for them to become successful and productive adults.

The Dependent Care Program authorized in this bill will provide incentives for the development of after-school care for young children whose parents are working. Incentives are also provided to establish a day care referral program to help parents insure that their children are receiving the best possible care

I hope my colleagues will support this bill.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

At 1:09 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolutions:

S. 8. An act to grant a Federal charter to the Vietnam Veterans of America, Inc.;

S. 2308. An act to authorize the President of the United States to award congressional gold medals to Natan (Anatoly) and Avital Shcharansky in recognition of their dedication to human rights, and to authorize the Secretary of the Treasury to sell bronze duplicates of those medals; and

H.R. 4767. An act to deauthorize the project for improvements at Racine Harbor, Wisconsin;

S.J. Res. 251. Joint resolution to designate the week of May 11, 1986, through May 17, 1986, as "National Science Week, 1986"; and

S.J. Res. 323. Joint resolution to designate May 21, 1986, as "National Andrei Sakharov Day".

The enrolled bills and joint resolutions were subsequently signed by the President pro tempore [Mr. THURMOND].

At 5:51 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 251. Joint resolution to designate the week of May 11, 1986, through May 17, 1986, as "National Science Week, 1986".

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1338. An act to amend title 28, United States Code, to allow suit against the United States for acts or omissions of contractors in carrying out the atomic weapons testing program, and to substitute the United States as the party defendant in suits brought against such contractors;

H.R. 2246. An act to reorganize and improve research and statistics in the field of education; and

H.R. 4382. An act to require the Architect of the Capitol to place a plaque at the original site of Providence Hospital.

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 311. Concurrent resolution to permit the 1986 Special Olympics Torch Relay to be run through the Capitol Grounds; and

H. Con. Res. 315. Concurrent resolution to express the sense of Congress that the Secretary of Defense should defer the final award of a contract with respect to Defense Construction Supply Center Solicitation numbered DLA700-85-B-4-4607 (for the purchase of 178 crawler tractors) until Congress completes consideration of the Department of Defense Authorization Act, 1987.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 1338. An act to amend title 28, United States Code, to allow suits against the United States for acts or omissions of contractors in carrying out the atomic weapons testing program, and to substitute the United States as the party defendant in suits brought against such contractors; to the Committee on the Judiciary.

H.R. 2246. An act to reorganize and improve research and statistics in the field of education; to the Committee on Labor and Human Resources.

The following concurrent resolutions were read and referred as indicated:

H. Con. Res 311. Concurrent resolution to permit the 1986 Special Olympics Torch Relay to be run through the Capitol Grounds; to the Committee on Rules and Administration.

H. Con. Res. 315. Concurrent resolution to express the sense of Congress that the Secretary of Defense should defer the final award of a contract with respect to Defense Construction Supply Center Solicitation numbered DLA700-85-B-4-4607 (for the purchase of 178 crawler tractors) until Congress completes consideration of the Department of Defense Authorization Act, 1987; to the Committee on Armed Services.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate announced that on today, May 14, 1986, she had presented to the President of the United States the following enrolled bills and joint resolutions:

S. 8. An act to grant a Federal charter to the Vietnam Veterans of America, Inc.;

S. 2329. An act to make technical corrections in the higher education title of the Consolidated Omnibus Budget Reconciliation Act of 1985;

S.J. Res. 251. Joint resolution to designate the week of May 11, 1986, through May 17, 1986, as "National Science Week"; and

S.J. Res. 323. Joint resolution to designate May 21, 1986, as "National Andrei Sakharov Day".

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated.

EC-3149. A communication from the Secretary of Education transmitting, pursuant to law, a notice of final funding priorities—Auxiliary Activities: In Service Training-Handicapped Children's Early Education Program; to the Committee on Labor and Human Resources.

EC-3150. A communication from the Secretary of Education transmitting, pursuant to law, a notice of final funding priorities—Handicapped Children's Early Education Program; to the Committee on Labor and Human Resources.

EC-3151. A communication from the Director of the Office of Management and Budget transmitting, pursuant to law, the cumulative report on rescissions and deferrals as of May 1, 1986; jointly, pursuant to the order of January 30, 1975, to the Committee on Appropriations and the Committee on the Budget.

EC-3152. A communication from the Assistant Secretary of Defense transmitting, pursuant to law, a report on the value of property, supplies, and commodities provided by the Berlin Magistrate for the quarter ended March 31, 1986; to the Committee on Armed Services.

EC-3153. A communication from the Deputy Secretary of Defense transmitting, pursuant to law, certification that the Pershing II Program, the Army Helicopter Improvement Program, and the Remotely Piloted Vehicle Program are essential to the national security, have no alternatives at less cost, unit costs are reasonable, and that management structure is adequate; to the Committee on Armed Services.

EC-3154. A communication from the Trustee of the St. George Island Trust transmitting, pursuant to law, the progress report and the audited financial statement as of December 31, 1985; to the Committee on Commerce, Science, and Transportation.

EC-3155. A communication from the Deputy Associate Director of the Minerals Management Service transmitting, pursuant to law, a report on 24 refunds of excess oil and gas lease royalty payments; to the Committee on Energy and Natural Resources.

EC-3156. A communication from the USPS Records Officer, U.S. Postal Service, transmitting, pursuant to law, notice of a computer matching program between the Postal Service and the Missouri Department of Social Services; to the Committee on Governmental Affairs.

EC-3157. A communication from the Administrator of GSA transmitting, pursuant to law, GSA's fourth biennial report on excess and surplus personal property programs; to the Committee on Governmental Affairs.

EC-3158. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, the 1985 annual plan for fiscal years 1987-91 for the National Cancer Institute; to the Committee on Labor and Human Resources.

EC-3159. A communication from the Director of the Federal Mediation and Conciliation Service transmitting, pursuant to law, the Service's freedom of Information report for 1985; to the Committee on the Judiciary.

EC-3160. A communication from the chairman of the Reports Committee of the National Council on Educational Research transmitting, pursuant to law, the council's 1985 annual report; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-696. Resolution adopted by the Senate of the State of Hawaii, urging congressional support for the cooperative extension service programs of the U.S. Department of Agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

"SENATE RESOLUTION 186

"Whereas, the creation of the Land-Grant system, consisting of the Land-Grant colleges (Morrill Act, 1862), experiment stations (Hatch Act, 1887), and the Cooperative Extension Service (Smith-Lever Act, 1914) has been one of the major reasons for increased agricultural productivity in the United States; and

"Whereas, increased agricultural productivity has freed workers, formerly occupied with farming, to migrate to urban centers to meet the growing labor demands in industries and services; and

"Whereas, the Land-Grant system, with its teaching, research, and extension programs has served as a model for many countries throughout the world; and

"Whereas, most futuristic thinkers believe that the United States is moving out of the industrial age into a new age, based on information, and the Land-Grant system has an established and proven network to create and distribute up-to-date information and is sufficiently flexible in its organization and its mission to accommodate the emergence of an information-based society; and

"Whereas, the various components of the system (classroom teaching, research on experiment stations, and transfer of technology through extension) are mutually supportive and each of the components would be much less effective without the others; and

"Whereas, proposed reductions in funding threaten the survival of the strong partnership of federal, state, and local governments in agricultural technology development and diffusion; and

"Whereas, under the 1987 budget proposed by President Reagan, the federal funding for the Cooperative Extension Service would be cut by 60 percent resulting in the elimination of many important extension programs in expanded food and nutrition, integrated pest management, urban gardening, farm safety, renewable resources, and rural development; and

"Whereas, the negative impact of federal budget reductions on state and local governments makes it unlikely that individual states will be able to restore much of the federal cut, and indeed states may be forced to make additional cuts in extension activities; now, therefore, be it

"*Resolved by the Senate of the Thirteenth Legislature of the State of Hawaii, Regular Session of 1986*, that the Legislature duly recognize the importance of the Cooperative Extension Service to agricultural and rural development in Hawaii and expresses its support for continued services in the future without excessive reductions; and

"*Be it further resolved* that the President of the United States and the United States Congress are urged to do everything in their power to prevent a major reduction in the federal commitment to the Cooperative Extension Service and the Land-Grant system; and

"*Be it further resolved* that certified copies of this Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Rep-

resentatives, the Hawaii congressional delegation, and the Director of the Hawaii Cooperative Extension Service, College of Tropical Agriculture and Human Resources, University of Hawaii."

POM-697. Joint resolution adopted by the Legislature of the State of Alaska; to the Committee on Agriculture, Nutrition, and Forestry:

"A JOINT RESOLUTION

"Whereas the child nutrition programs in the state serve a wide range of children from all economic backgrounds; and

"Whereas good nutrition is essential to the growth, development, learning, and general well being of children; and

"Whereas the April 1983, National Evaluation of School Nutrition Programs indicated that students who participate in school lunch programs are better nourished than children who do not participate in school lunch programs; and

"Whereas seven affiliated organizations within the state have adopted the Alaska State Nutrition Committee's School Lunch Resolution of January 1984, and this resolution emphasizes the importance of good nutrition; and

"Whereas participation in child nutrition programs is increasing in the state; and

"Whereas the cost of the state's child nutrition programs is also increasing; and

"Whereas approval of the projected cuts in federal funding for child nutrition programs will jeopardize the continuation of the present lunch programs in the state; and

"Whereas the projected federal funding cuts, representing more than a 30 percent reduction from the current funding level of the cash reimbursements for state child nutrition programs, will adversely affect the quality of the existing child nutrition programs and the ability of the state to maintain these programs;

"Be it resolved by the Alaska State Legislature that it urges the United States Congress to maintain the present level of federal funding for child nutrition programs throughout the country."

POM-698. Joint resolution adopted by the Legislature of the State of Illinois; to the Committee on Energy and Natural Resources:

"SENATE JOINT RESOLUTION No. 121

"Whereas, Throughout the history of this nation, women have served bravely, faithfully and tirelessly beside their male counterparts as members of the military; and

"Whereas, Women were an integral force during the nation's first efforts for independence, with several thousand women serving during the American Revolution; and

"Whereas, During World War II, women entered and mastered jobs previously restricted to men, and 265,000 women were recruited into the Armed Forces; and

"Whereas, Today more than 200,000 women are on active duty in the Armed Forces; and

"Whereas, House Joint Resolution 36, which is now before Congress, authorizes the establishment of a memorial in the District of Columbia or its environs honoring the thousands of women who have served in the Armed Forces; therefore, be it

"Resolved, by the Senate of the Eighty-Fourth General Assembly of the State of Illinois, the House of Representatives concurring herein, that we urge Congress to pass the proposed Resolution 36, establishing a memorial in the District of Columbia or its environs honoring the thousands of women who have served in the Armed Forces; and that we commend the brave women who served our country; and be it further

"Resolved, That suitable copies of this preamble and resolution be presented to the leaders of both Houses of Congress, the members of the Illinois delegation to Congress and the President of the United States, with our strongest urgings."

POM-699. Concurrent resolution adopted by the Legislature of the State of Utah; to the Committee on Environmental and Public Works:

"HOUSE CONCURRENT RESOLUTION No. 18

"Whereas, the U.S. Environmental Protection Agency (EPA) has proposed new drinking water regulations which establish new monitoring requirements and concentration standards for toxic chemicals in drinking water;

"Whereas, monitoring drinking water supplies as proposed by the EPA would be costly, and would particularly affect the water costs of small communities, which would be required to test just as the larger communities would, but who woud have to spread the cost over a much smaller number of users;

"Whereas, it is difficult to know just how necessary the proposed monitoring requirements are;

"Whereas, extremely high monitoring costs may force smaller systems to defer needed improvements in operating and maintenance resulting in even greater health risks from bacterial contamination;

"Whereas, the Utah Department of Health held public meetings in late January, where more than 300 water suppliers expressed grave concern over the cost and benefit of the proposed monitoring requirements;

"Whereas, the proposed regulations do not provide for state personnel to exempt water sources from the initial monitoring requirements which are not vulnerable to contamination;

"Whereas, the EPA has estimated the costs to taxpayers to be $280 million yearly, a gross underestimation of the actual cost;

"Whereas, the EPA estimates that the new monitoring requirements will cost state health departments an average of $100,000 the first year, and $50,000 per year thereafter;

"Whereas, the number of illnesses that may be prevented is estimated to be so small that the high cost is not justified on the basis of public health concerns;

"Whereas, if the proposed monitoring requirements were implemented, laboratory capacity in the state would be a serious problem, since there are only three laboratories in the state capable of completing the proposed analyses for nearly 400 community water systems with an average of three sources each, requiring an impossible 1,172 samples the first year for 59 different chemicals from just three laboratories;

"Whereas, even if analyses are done, there is no guarantee they will be accurate, since no nationwide laboratory certification program exists that would assure the value of a completed analysis; and

"Whereas, the proposed EPA monitoring program is clearly not in the best interests of the state of Utah; Now, therefore, be it

"Resolved that the Legislature of the state of Utah, the Governor concurring therein, finds the proposed regulations to be:

"(a) extremely burdensome on small drinking water systems;

"(b) not cost-effective from a public health standpoint;

"(c) premature, since laboratory data is of questionable value without a laboratory certification program, and since compelling health effects data is not yet available; and

"(d) unrealistic, in that they ignore the great diversity in water source vulnerability.

"Be it further resolved that the Legislature and Governor petition the EPA to:

"(a) accept state personnel's evaluation of source vulnerability and monitoring needs, including initial monitoring;

"(b) require monitoring for low vulnerability sources on a voluntary basis until a laboratory certification program and compelling data in health risks are available; and

"(c) strengthen the enforcement of pollution control programs so drinking water sources will be better protected from contamination.

"Be it further resolved that the Legislature and Governor encourage Congress to compare the relative health benefits to be gained from these water testing regulations with the benefits to be gained from other obviously needed health protection programs.

"Be it further resolved that a copy of this resolution be prepared and forwarded to the EPA, both the Washington office and the Denver regional office, the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, and the members of Utah's congressional delegation."

POM-700. Resolution adopted by the Board of Education of Lemont Community Consolidated School District 113, Lemont, IL, opposing certain provisions of H.R. 3838; to the Committee on Finance.

POM-701. Resolution adopted by the Board of Education of School District No. 31, Cook County, IL, opposing certain provisions of H.R. 3838; to the Committee on Finance.

POM-702. Resolution adopted by the House of Representatives of the State of Missouri; to the Committee on Finance.

"RESOLUTION

"Whereas, the members of the Missouri House of Representatives strongly support tax reform which embodies the concepts of equity, simplicity, economic opportunity, progressivity and preserving the historic relationship of state and local governments to the federal government; and

"Whereas, the proposed federal income tax reform plan proposes the elimination of the tax exemption for nearly all state, county and city bonds, the elimination of advance refunding bonds, the elimination of rehabilitation and historic tax credits and the elimination of banks' deductions of costs incurred in buying and carrying municipal bonds; and

"Whereas, the elimination of the tax exemption for many municipal bonds (those where more than five percent of the proceeds flow to any entity other than a state or local government) would jeopardize many public services, including water and sewer projects, low income housing, docks and wharves, airports, hospitals, utilities, bonds for economic development, mortgage revenue bonds, students loan bonds and other important programs; and

"Whereas, the elimination of advance refunding bonds will prevent state and local governments from refinancing their debt at lower interest rates, restructuring their debt

repayment schedule and removing restrictive covenants in the original bond covenants; and

"Whereas, the elimination of banks' deductions of costs incurred in buying and carrying municipal bonds will significantly impact the market for municipal bonds resulting in increased costs to state and local governments; and

"Whereas, significant reforms have already been enacted by the Congress which restrict the use of industrial development bonds and mortgage revenue bonds; and

"Whereas, the elimination of rehabilitation and historic preservation tax credits, along with the elimination of the investment tax credit, jeopardizes the rehabilitation of older commercial buildings, central city downtowns and old, declining neighborhoods; now, therefore, be it

Resolved that we, the Missouri House of Representatives, Eighty-third General Assembly, hereby call upon the President of the United States and Congress to continue to allow the use of tax exempt bonds for important public purposes, including, but not limited to, low and moderate income housing, resource recovery, docks and wharves, airports, water and sewer projects, hospitals and health facilities, utilities, transit, environmental protection, prisons and the like; and that small issue industrial development bonds be available to those areas that need them most; and

"Be it further resolved that advance refunding bonds are necessary for the fiscal management of state and local governments; and

"Be it further resolved that banks' deductions of costs incurred in buying and carrying municipal bonds are necessary to preserve a traditional segment of the municipal bond market; and

Be it further resolved that rehabilitation and historic tax incentives as important tools for revitalizing cities should be retained; and

Be it further resolved that the Chief Clerk of the Missouri House of Representatives be instructed to mail copies of this resolution to the President of the United States, and the Vice President, Treasury Secretary James Baker, Acting Assistant Treasury Secretary for Tax Policy Roger Metz and the Senators and Congressmen representing the State of Missouri with the request that they not support any restrictions on the right of state and local governments to issue tax exempt bonds for public purposes."

POM-703. Resolution adopted by the Council of the Village of McDonald, Ohio supporting the family and friends of American prisoners of war and missing in action in Southeast Asia; to the Committee on Foreign Relations.

POM-704. Joint resolution adopted by the Legislature of the State of Alabama, to the Committee on Foreign Relations.

"HOUSE JOINT RESOLUTION 409

"Whereas, although our federal government does not directly lend money to foreign countries for agricultural or other purposes, the United States is the largest shareholder and a guarantor of such loans made by the World Bank and, for comparative purposes, we are addressing the issue of agricultural loans made by said institution; and

"Whereas, a research of financing reveals that the World Bank consists of two major components:

"a. International Bank for Reconstruction and Development (IBRD), which makes loans to governments on conventional terms, charges all borrowers the same fixed interest rate for relatively long periods; in 1981, the interest rate was 9.6% with an average repayment period of from 15-20 years and this same type of lending continues today, with IBRD charging .5% more than their current borrowing rate, and these loans are available to countries who qualify as "advanced, less-developed countries";

"b. International Development Association (IDA), the second component of the World Bank, lends money to those countries considered "least developed" and which do not qualify for IBRD; loans by IDA must be repaid, but there is no interest charged, except for an administrative fee, and repayment periods may be extended for up to 50 years; and

"Whereas, by comparison, in 1981, long-term (25 years) agricultural loans were available to American farmers through the Federal Land Bank at interest rates in the 11% range and the current rate is up to 12%; this and other favorable loan conditions are in stark contrast to IBRD loans and beyond comparison to no-interest IDA loans, of which $2.5 billion were guaranteed by the U.S. government in 1985, with $5.5 billion in guaranteed loans projected for 1986; and

"Whereas, with the U.S. government's role in the World Bank firmly fixed in mind—that of major shareholder and a guarantor of loans with highly favorable financing—and in knowledge of the unfavorable rates and conditions imposed on our American farmers, we now address the issue of competitive imports by our government; and

"Whereas, according to Statistical Abstract 1985, the U.S. government imported $16.6 billion in agricultural products; this, we are reminded, was in the same year the government guaranteed $2.5 billion in low cost agricultural loans to countries competing with our American farmers in the production of many of the same commodities, but with production costs to our farmers reflecting much more unfavorable loan interest rates and conditions; and

"Whereas, we again point out that such inequities include but, by no means, are limited to agricultural loans, and we are appalled to consider the ramifications of these selfsame inequities applying to the textile and other major U.S. industries; and

"Whereas, the Alabama Legislature finds it totally incomprehensible that our government, through its association with the World Bank, is in fact perpetrating grave injustices against major U.S. industries, and such policies can no longer be tolerated; now therefore, be it

Resolved by the Legislature of Alabama, both Houses thereof concurring, That in consensus of belief that our nation's leaders are charged with the responsibility and duty of protecting the interests and well-being of these United States and all citizens thereof, we hereby call upon the Administration and the Congress to act, and to cause that loans be made available to the various U.S. sectors under the same terms and conditions as comparable loans made to foreign countries by the World Bank; and we further call for the United States' withdrawal from the World Bank in the event that such action is not forthcoming.

"Be it further resolved, That copies of this resolution be forwarded to President Ronald Reagan, to the presiding officers of the U.S. Senate and the House of Representatives, and to each member of the Alabama Congressional Delegation to Washington, D.C."

POM-705. Resolution adopted by the Council of Navarre, Ohio, recognizing June 21, 1986 as Save American Industry/Jobs Day; to the Committee on the Judiciary.

POM-706. Resolution adopted by the Council of the Village of McDonald, Ohio, recognizing June 21, 1986, as Save American Industry/Jobs Day; to the Committee on the Judiciary.

POM-707. Joint resolution adopted by the Legislature of the State of Colorado; to the Committee on the Judiciary.

"HOUSE JOINT RESOLUTION No. 1007

"Whereas, The Congress of the United States lays and collects taxes and disburses federal funds raised from such taxes among the several states in order to provide for the general welfare of the United States; and

"Whereas, The initial allocation and continued disbursement of these federal funds is often conditioned on compliance, by the legislatures of the several states, with specific requirements in federal law, such that the failure or refusal of a state legislature to so comply results in federal funds not being allocated to that state or in the reduction or elimination of federal funds that are being disbursed to that state; and

"Whereas, The threat of refusal to allocate federal funds, and the threat of reduction or elimination of such federal funds as are being disbursed, in effect coerces the legislatures of the several states to enact legislation that complies with specific requirements embodied in federal law; and

"Whereas, This coercion is contrary to the nature of the government of the United States as a government of delegated powers and undermines the ability of the legislatures of the several states to exercise, through their legislation, the powers reserved to the several states under the Tenth Amendment to the Constitution of the United States; Now, therefor, be it

"Resolved by the House of Representatives of the Fifty-fifth General Assembly of the State of Colorado, the Senate concurring herein:

"That the general assembly hereby petitions the Congress of the United States to propose an amendment to the Constitution of the United States, and to submit such amendment to the state legislatures for ratification, in a form substantially as follows:

"ARTICLE—

" 'The United States shall not condition the initial allocation and continued disbursement to the states of federal funds raised by taxation on the states' compliance with specific requirements of federal law.'

"Be it further resolved, That copies of this Resolution be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each member of Congress from the State of Colorado."

POM-708. Joint resolution adopted by the Legislature of the State of Georgia; to the Committee on the Judiciary:

"A RESOLUTION

"Be it resolved by the General Assembly of Georgia: That the State of Georgia urges the Congress of the United States to propose an amendment to the Constitution of the United States which would authorize the public schools to conduct a brief period of voluntary silent prayer, meditation, or contemplation at the opening of each school day.

"Be it further resolved that the State of Georgia requests the Congress to submit to

the several states an amendment to the Constitution of the United States for purposes of ratification.

"Be it further resolved that the State of Georgia also proposes that the legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an amendment to the United States Constitution, as described in this resolution.

"Be it further resolved that this resolution be transmitted to the Secretary of State and presiding officers of the houses of the legislature of each of the other states in the union, to the President and Vice President of the United States, to the Speaker of the United States House of Representatives, to each senator and representative in the Congress of the United States, to the Clerk of the United States House of Representatives, and to the Secretary of the United States Senate."

POM-709. Proclamation of the Mayor of Amherst, Ohio, recognizing June 21, 1986 as Save American Industry/Jobs Day; to the Committee on the Judiciary.

POM-710. Petition from a citizen of Concord, New Hampshire, favoring the adoption of the English language amendment to the Constitution of the United States; to the Committee on the Judiciary.

POM-711. Resolution adopted by the City Council of Massillon, Ohio, recognizing June 21, 1986 as Save American Industry/Jobs Day; to the Committee on the Judiciary.

POM-712. Resolution adopted by the Mayor and Council of the Borough of Brielle, New Jersey, favoring an amendment to the 16th amendment to the Constitution relating to taxation; to the Committee on the Judiciary.

POM-713. Petition from a citizen of Spanish Fork, Utah, favoring the return of the FBI to its domestic intelligence gathering activities; to the Committee on the Judiciary.

POM-714. Resolution adopted by the City Council of Bay Village, Ohio recognizing June 21, 1986 as Save American Industry/Jobs Day; to the Committee on the Judiciary.

POM-715. Joint resolution adopted by the Legislature of the State of Alabama; to the Committee on the Judiciary.

SENATE JOINT RESOLUTION 245

"Whereas, Jens-Peter Berndt is a native of Potsdam, East Germany, who lived for 21 years within a few miles of the West German border and the heavily guarded fences that serve as barriers to personal freedom for East German citizens; and

"Whereas, Peter Berndt, however, lived a life void of the deprivations suffered by the majority of the East German people, as he was one of his nation's most famous athletes and former world record holder in the 400-meter individual medley; and

"Whereas, though financially secure and otherwise enjoying the "good life," it was the lack of personal freedom that led Jens-Peter Berndt to his irreversible decision, on January 7, 1985, to ask for asylum in the United States; and

"Whereas, Peter Berndt, the first East German athlete ever to defect to our country, is now a student and member of the University of Alabama swim tean where he has made extensive contributions, taking second place in last year's NCAA meet in the 400 Individual Medley and also in the 200 IM; and

"Whereas, now the adopted son of Tom and Becky Patterson of Birmingham, Alabama, Jens-Peter Berndt-Patterson is seeking a means to compete in the 1988 Olympics as an American citizen, a process that normally takes a period of five years; and

"Whereas, though a berth in the 1988 Olympics would be virtually assured by his declaration of West German citizenship, for which he is eligible, it is Peter's earnest desire to compete as a representative of our nation, now his, and that of his adoptive parents; and

"Whereas, Peter Berndt-Patterson is a fine young man, an exceptional athlete regarded as one of the most promising swimmers in the world, and a young man of great courage as evidenced by his heart-rending decision to forever leave not only his homeland, but his family as well, for whose safety and well-being he yet fears; his desire for freedom was strong and just as strong is his desire to compete as an American, and for America, in the 1988 Olympics; now therefore, be it

"Resolved by the Legislature of the State of Alabama, both Houses thereof concurring, That we hereby most earnestly beseech of the United States Congress the special dispensation of private legislation granting American citizenship to Jens-Peter Berndt-Patterson of Birmingham, Alabama, to enable him to compete as an American in the 1988 Olympic Games.

"Be it further resolved, That copies of this resolution be dispatched forthwith to the presiding officers of the United States Senate and the House of Representatives, and to the members of the Alabama Congressional Delegation that they may be advised of the Legislature's sincere desire in the case for citizenship for Jens-Peter Berndt-Patterson of Alabama."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 1966. A bill to provide for efficient and equitable use of operating rights at congested airports, and for other purposes (Rept. No. 99-299).

EXECUTIVE REPORTS OF COMMITTEES

By Mr. LUGAR, from the Committee on Foreign Relations:

Paul H. Nitze, of the District of Columbia, to be Ambassador at Large;

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Paul Henry Nitze.

Post: Ambassador at Large.

Contributions, amount, date, donee:

1. Self, $1,000, December 1985, 1986 GOP Victory Fund; $25, December 1985, Cmte for Tim Wirth; $50, September 1985, Citizens for Jack Kemp; $25, September 1985, The Kemp Salute Dinner; $500, September 1985, National Republican Congressional Cmte; $1,500, March 1985, The President's Dinner; $125, January 1985, Richardson for Senate; $250, March 1984, Americans with Hart; $1,500, March 1984, The President's Dinner; $750, July 1984, 1985 GOP Victory Fund; $200, July 1984, Cmte for Tim Wirth; $850, September 1984, Gerald R. Ford New Leadership Cmte; $750, October 1984, 1984 GOP Victory Fund; $50, October 1984, Citizens for Congresswoman Olympia Snowe; $250, 1983, GOP Victory Plan; $100, March 1982, Cmte for Tim Wirth; $200, April 1982, Cmte for Tim Wirth; $250, April 1982, 1982 Republican Senate-House Dinner; $100, September 1982, Thomas for Legislature Cmte; $100, September 1982, Citizens for Emery Cmte; $25, September 1982, Friends of Ham Fish, Jr.; $100, September 1982, Fenwick for Senate Cmte;

$1,000, 1981, Reagan for President; $150, 1981, Marylanders for Mathias; $50, 1981, Anderson for President; $50, 1981, Ravenel for Congress; $200, 1981, Cmte for Tim Wirth; $100, 1981, Hank Brown for Congress; $50, 1981, Democratic Congressional Campaign Cmte; $100, 1981, Democratic Congressional Dinner Cmte; $100, February 1981, Connally for President Cmte; $750, February 1981, 1981 GOP Victory Fund; $100, April 1981, Citizens for Congresswoman O. Snowe; $100, April 1981, Moynihan 1982 Campaign; $50, April 1980, Marylanders for Mathias; $50, March 1980, Anderson for President; $250, April 1980, Reagan for President Cmte; $100, September 1980, Marylanders for Mathias; $50, September 1980, Ravenel for Congress Cmte; $200, September 1980, Cmte for Tim Wirth; $100, October 1980, Hank Brown for Congress; $750, October 1980, 1980 GOP Victory Fund.

2. Spouse, none.

3. Children and Spouses: Peter Paul Nitze, $500, October 1980, Cmte to Re-elect Congressman Bill Green; $100, October 1980, Hank Brown for Congress; $500, May 1982, Cmte for Congressman Bill Green; $150, May 1982, New Yorkers for Lew Lehrman; $300, September 1984, Cmte for Congressman Green; Susan Nitze, none.

William A. Nitze, $100, March 1981, Republicans Abroad International Dues; $200, September 1981, Republicans Abroad—NY Dinner; $100, March 1982, Republican National Cmte Campaigner Membership Fund; $500, April 1982, NY State Republican Finance Cmte (Dues); $100, August 1982, 1982 GOP Victory Fund; $100, August 1982, Republicans Abroad International (Dues); $100, October 1982, 1982 GOP Victory Fund; $100, December 1982, Republican National Cmte—1983 Campaign Membership; $500, March 1983, Republican National Cmte; $200, June 1983, NY Republican State Comm.; $100, June 1983, Friends of Carolyn B. Mahoney (local NY City Councilmember);

$500, July 1983, NY State Republican Finance Cmte (Dues); $250, October 1983, Citizens for Percy 1984; $500, November 1983, Reagan-Bush; $50, December 1983, NY Republican State Comm.; $50, January 1984, Cmte for a Republican Assembly; $250, February 1984, NY Republican State Comm.; $500, March 1984, The Cmte for Congressman Bill Green; $500, April 1984, Republican National Cmte; $100, April 1984, Republican National Cmte; $500, May 1984, Republican Congressional Boosters Club; $1,000.[1], July 1984, Victor Ashe for U.S. Senate $1,000,[1] July 1984, Bethune for Senate (amount originally $2,000 but $1,000 returned); $1,000,[1] July 1984, The Humphrey Team; $1,000,[1] July 1984, Jepson for Senate; $1,000,[1] July 1984, Lousma for U.S. Senate Cmte; $500, August 1984, Armstrong for Senate; $500, August 1984, 500 Club

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[1] Republican Senatorial Trust.

(Dues); $250, October 1984, Cmte for Congressman Bill Green; $250, November 1984, Cmte for Congressman Bill Green; $250, January 1985, National Republican Senatorial Campaign Cmte (Inaugural tickets); $500, February 1985, NY Republican County Cmte (dinner tickets); $1,000, May 1985, Republican Congressional Boosters Club; $1,000,[1] June 1985, Friends of Al D'Amato; $10,000,[1] June 1985, National Republican Senatorial Cmte; $1,000, June 1985, Cmte for Congressman Bill Green.

Ann K. Nitze, $1,000,[1] July 1984, Victor Ashe for U.S. Senate; $1,000,[1] July 1984, The Humphrey Team; $1,000,[1] July 1984, Jepson for Senate; $1,000,[1] July 1984, Lousma for U.S. Senate Cmte.

Phyllis N. Thompson, $250, 1981, John Kerry Campaign; $250, November 1985, Jim Roosevelt Campaign.

4. Parents: Father, William N. Nitze (deceased); Mother, Anina Hilken Nitze (deceased).

5. Grandparents: Grandfather, deceased; grandmother, deceased.

6. Brothers and spouses, none.

7. Sisters and spouses: Sister, Mrs. Walter Paepcke, $1,000, 1980, Anderson for President (she also made small contributions to several senatorial campaigns; Senator Percy is the only one she recalls.) Brother-in-law, Walter Paepcke, deceased.

Warren Zimmerman, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, for the rank of Ambassador in his capacity as Chief of the United States Delegation to the Vienna Conference on Security and Cooperation in Europe Follow-up Meeting;

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Warren Zimmerman.

Post: Ambassador.

Contributions, amount, date, donee:

1. Self, Warren Zimmerman, none.

2. Spouse, Corinne C. Zimmerman, none.

3. Children and spouses names: Corinne A. Zimmerman, Warren Zimmerman, Jr., Elizabeth B. Zimmerman (none has made any contribution).

4. Parents names: Albert W. Zimmerman, deceased; Barbara Shoemaker Zimmerman, deceased.

5. Grandparents names: John Zimmerman, deceased; (don't know paternal grandmother's name—died c. 1917); Dr. William Toy Shoemaker; Mabel Warren Shoemaker, both deceased.

6. Brothers and spouses names: Dr. Albert W. Zimmerman; Mrs. Lenore Zimmerman, $100, 1984 local Republicans.

7. Sisters and spouses names: Dr. Helene Z. Hill, $50, 1984 Hart campaign; Dr. George Hill, $100, 1984 Reagan campaign; Mrs. Melvin T. Johnson, $50, 1984 Local Republicans; Mr. Melvin T. Johnson, $50, 1984 Local Republicans.

Ronald Frank Lehman II, of Virginia, for the rank of Ambassador during his tenure of service as United States Negotiator for Strategic Nuclear Arms:

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Ronald Frank Lehman II.

Post: U.S. Negotiator for Strategic Nuclear Arms.

Contributions, amount, date, donee:

1. Self, none.

2. Spouse, none.

3. Children and spouses names: None.

4. Parents names: Ronald Frank Lehman; Esther Marguerite Lehman, none.

5. Grandparents names: Arthur David Suhr (deceased); Eta Suhr (deceased); Owen W. Lehman (deceased); Grace Lehman (deceased), none.

6. Brothers and spouses names: Jon Frederick Lehman, none.

7. Sisters and spouses names: Janice Loretta Lehman, none.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to appear and testify before any duly constituted committee of the Senate.)

[1] Republican Senatorial Trust.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mrs. KASSEBAUM:

S. 2447. A bill to provide for improved disclosure of certain rail transportation contracts; to the Committee on Commerce, Science, and Transportation.

By Mr. GOLDWATER (for himself, Mr. GARN, and Mr. SASSER):

S. 2448. A bill to repeal Public Law 87-186 relating to the National Armed Forces Museum Advisory Board of the Smithsonian Institution; to the Committee on Rules and Administration.

By Mr. ROTH:

S. 2449. A bill to amend the Tariff Act of 1930 to eliminate the requirement of injury to a U.S. industry in certain section 337 cases; to the Committee on Finance.

By Mr. HEINZ (for himself, Mr. CHILES, Mr. ABDNOR, Mrs. HAWKINS, Mr. RIEGLE, Mr. ANDREWS, Mr. D'AMATO, Mr. DENTON, Mr. DOLE, Mr. DOMENICI, Mr. MOYNIHAN, Mr. LUGAR, Mr. CRANSTON, Mr. KASTEN, Mr. BYRD, Mr. ROTH, and Mr. GLENN):

S. 2450. A bill to amend title II of the Social Security Act of remove permanently the 3-percent threshold requirement for cost-of-living increases; to the Committee on Finance.

By Mr. MELCHER (for himself and Mr. INOUYE):

S. 2451. A bill to provide for entry into the United States of sugar only from friendly developing countries, to provide for entry of sugar from the Philippines on at least as favorable terms as sugar from any other country, and for other purposes; to the Committee on Finance.

By Mr. THURMOND (for himself, Mr. ABDNOR, Mr. DENTON, Mr. DOLE, Mr. BRADLEY, Mr. BURDICK, Mr. LEVIN, Mr. NUNN, Mr. ZORINSKY, Mr. PRYOR, Mr. LAXALT, Mr. MOYNIHAN, Mr. HOLLINGS, Mr. MCCLURE, Mrs. HAWKINS, Mr. DODD, Mr. INOUYE, Mr. LAUTENBERG, Mr. NICKLES, Mr. CHAFEE, Mr. BENTSEN, Mr. METZENBAUM, Mr. MATTINGLY, Mr. RIEGLE, and Mr. STEVENS):

S.J. Res. 344. Joint resolution to designate the week beginning June 8, 1986, as "National Children's Accident Prevention Week"; to the Committee on the Judiciary.

By Mr. DOLE.

S.J Res. 345. Joint resolution to designate the week beginning November 9, 1986, as "National Reye's Syndrome Awareness Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. CRANSTON:

S. Res. 407. Resolution to express the sense of the Senate in support of tax differential for long-term capital gains; to the Committee on Finance.

By Mr. DOLE (for himself, Mr. NICKLES, Mr. QUAYLE, Mr. HELMS, Mr. ZORINSKY, Mr. ABDNOR, Mr. MELCHER, Mr. GRASSLEY, Mr. BAUCUS, Mrs. HAWKINS, Mr. BURDICK, Mr. MATTINGLY, Mr. FORD, Mr. SYMMS, Mr. HOLLINGS, Mr. HATCH, Mr. LEVIN, Mr. DENTON, Mr. BENTSEN, Mr. MCCONNELL, Mr. LEAHY, Mrs. KASSEBAUM, Mr. BOREN, Mr. COCHRAN, Mr. HEFLIN, Mr. BOSCHWITZ, Mr. DIXON, Mr. WILSON, Mr. SIMON, Mr. DANFORTH, Mr. DOMENICI, Mr. MCCLURE, Mr. DURENBERGER, Mr. THURMOND, Mr. WALLOP, Mr. LUGAR, Mr. KASTEN, Mr. PRESSLER, Mr. GORTON, Mr. ARMSTRONG, Mr. ROTH, Mr. NUNN, Mr. HATFIELD, Mr. RIEGLE, Mr. SIMPSON, Mr. EVANS, Mr. EXON, Mr. PACKWOOD, Mr. EAGLETON, Mr. DECONCINI, Mr. GOLDWATER, Mr. BUMPERS, Mr. TRIBLE, Mr. ANDREWS, Mr. PRYOR, Mr. EAST, Mr. SASSER, Mr. LAXALT, Mr. GRAMM, Mr. GARN, and Mr. GORE):

S. Con. Res. 138. Concurrent resolution expressing the sense of the Congress with respect to Farm Credit System agricultural loan restructuring; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. QUAYLE:

S. Con. Res. 139. Concurrent resolution to limit the amount that may be expended in any fiscal year by a Member of Congress for franked mail; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. KASSEBAUM:

S. 2447. A bill to provide for improved disclosure of certain rail transportation contracts; to the Committee on Commerce, Science, and Transportation.

AGRICULTURAL SHIPPER PROTECTION ACT

Mrs. KASSEBAUM. Mr. President, I am introducing today a simple yet necessary piece of legislation. The title, the Agricultural Shippers Protection Act, was carefully chosen to indicate the importance of this legislation, especially to smaller shippers of agricultural commodities.

In 1980, we enacted landmark legislation which effectively deregulated the railroad industry. In most instances, railroads were freed from rate regulation. The level of scrutiny by the Interstate Commerce Commission was reduced in virtually every phase of rail regulation.

I am not here to argue against the Staggers Act. I supported it at the time and remain convinced of its positive contribution to a healthy and viable rail transportation system. I do, however, want to highlight a problem, recognized by Congress in 1980, which continues to this day.

Section 208 of Staggers—49 U.S.C. 10713—authorized railroads and shippers to enter into contracts for the product and commodity shipments. This was a critical step in permitting railroads and shippers the flexibility to meet the transportation demands of today's business. Contracting, in terms of the number of contracts filed with the ICC, has to be considered a success. Tens of thousands of contracts have been entered into by shippers and railroads.

Congress did not, however, sanction all contracts in all situations. In response to the specific concerns of small agricultural shippers, including forest products and paper shippers, special protections were provided in the statute to ensure fair competition in contract rates. Railroads could not engage in unfair discrimination among shippers nor could railroads and shippers engage in destructive competitive practices.

To effectuate these special protections for small grain shippers, we mandated the disclosure of "essential terms" of rail contracts. This disclosure was intended to allow agricultural shippers the opportunity to discover contracts which could potentially affect them and to challenge those contracts before the ICC. By granting this unique measure of protection, Congress sought to provide a particular remedy for discrimination or unfair competition.

Now one would think that 6 years later we could review a record with numerous examples of cases where smaller grain shippers challenged contracts as discriminatory or as a destructive competitive practice. Surprise! Because of the ICC's twisted definition of "essential terms" and its narrow interpretation of this small shipper protection, no shippers have had a realistic chance to make their case at the Commission. After 6 years, it is time to realize that small shippers are still at the mercy of larger competitors and yet have been denied by the ICC the chance to prove their case.

This bill would enhance small shippers chances of discovering and challenging potentially illegal contracts without undermining any contracting party's legitimate or necessary right to confidentiality. The legislation is targeted narrowly to expand the important information available to shippers when a rail contract is filed. With this better information, a grain or forest product shippers can identify potential discrimination or unfair competition, challenge the contract, and have their case decided on the merits by the ICC. No longer will smaller shippers have the ICC door slammed in their face by the ambiguities of current contract disclosure.

This bill would mandate the disclosure of certain terms which I believe everyone in 1980 considered "essential." The identity of the shipper party to the contract, the specific origins, transit points and other shipper facilities, the duration of the contract, and the actual volume requirements, if any, would be disclosed in the nonconfidential contract summary published by the ICC. The ICC would have 60 days to issue regulations providing for the nonconfidential publication of this information. In addition, the ICC would be directed to interpret liberally the disclosure provisions to provide for necessary discovery by shippers.

The bill would treat substantive amendments to any contract, which may remain effectively undiscoverable today, as separate contract, subject to the same disclosure rules as the initial contract. This would ensure that a contract, once approved by the ICC, could not be changed substantially without some notice to competing shippers.

In order to give potentially affected shippers the opportunity to challenge a contract rate before it becomes effective, the bill would prohibit transportation at the contract rate until after ICC approval of the contract. This would eliminate cases where a shipment occurs before the contract rate can be challenged and before ICC approval of the contract.

Finally, the bill would require the ICC to conduct a study assessing the impact on grain shippers of variations between contract rates and published tariff rates. In September of last year, the Department of Agriculture and Kansas State University published a study entitled "Impacts of Rail Deregulation on Marketing of Kansas Wheat." I believe that study was helpful in determining the need for implementing the intent of the Staggers Act disclosure provisions. A broader study by the ICC would improve our understanding of the grain transportation.

Mr. President, there is a great deal of controversy surrounding the Staggers Act and efforts to revise the act. That controversy should not extend to this rather simple change. Passage of this legislation will simply provide the information necessary for free and fair competition. It will signal that the Congress was serious in 1980 when it passed specific protections for small agricultural shippers.

I have no illusion that this small revision will alter the economics of grain transportation. This effort will not save small elevators or small shippers whose facilities or business practices are out of date. What it will do, though, is perhaps more important. It will grant to small shippers their day in court. That much we can and should do.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2447

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled.

SECTION 1. This act may be cited as the Agricultural Shipper Protection Act of 1986."

SEC. 2. Section 10713(b) of Title 49 United States Code is amended by inserting "(1)" after "(b)"; and by adding at the end a new paragraph as follows:

"2(A) The essential terms of any contract for the transportation of agricultural commodities (including forest products and paper) to be made available to the general public in tariff format under this subsection shall include, but shall not be limited to, (i) the identity of the shipper party to the contract; (ii) the specific origins, transit points and other shipper facilities subject to the contract, and destinations served under such contract; (iii) the duration of the contract, including provisions for optional extension; and (iv) the actual volume requirements, if any. The Commission shall liberally interpret this subsection to provide for liberal discovery to shippers seeking remedies created under Subsection (d)(2)(B) of this section.

"(B) Any amendment, supplement or change to any term or provision of any contract described in sub-paragraph (A), including extensions of such contract, changes of origin, transit points, affected shipper facilities, destination points, or negotiated economic terms, shall be deemed to be a separate and new contract for the purposes of this subsection. Such amendments, supplements or changes shall be filed separately with the Commission as provided in section (b) hereof.

"(C) Within 60 days after the enactment of this Act, the Commission shall issue regulations which require that essential terms of contracts described in sub-paragraph (A) shall be made available to the general public in tariff format as provided in this paragraph.

"(D) No rail transportation service may begin under a contract or an amendment to a contract before the date such contract is filed with and approved by the Commission.

"(E) The railroad contract rate advisory service established pursuant to Subsection (m) of this section shall assess the impact on competition among agricultural shippers of variations between contract rates for various shipments and the published single car rates, and submit a report to the Congress not later than 120 days after the enactment date of this Act."

By Mr. GOLDWATER (for himself, Mr. GARN, and Mr. SASSER):

S. 2448. A bill to repeal Public Law 87-186 relating to the National Armed Forces Museum Advisory Board of the Smithsonian Institution; to the Committee on Rules and Administration.

RELATING TO THE NATIONAL ARMED FORCES MUSEUM ADVISORY BOARD OF THE SMITHSONIAN

● Mr. GOLDWATER. Mr. President, today I am introducing legislation to repeal Public Law 87-186 which was enacted August 30, 1961 and established the National Armed Forces Museum Advisory Board in the Smithsonian Institution. The National Armed Forces Museum Advisory Board was directed to "provide advice and assistance to the regents (of the Smithsonian) * * * on matters concerned with the portrayal of the contributions which the Armed Forces of the United States have made to American society and culture." [Sec. 1(a)]

One of its primary functions was to advise and assist the regents "to investigate and survey lands and buildings in and near the District of Columbia suitable for the display of military collections." [Sec. 3(a)] To aid in its investigation and survey of lands and buildings, the advisory board established criteria for use in consideration of potential sites. After studying 15 such sites and embarking on several approaches to acquisition, the advisory board concluded that no completely adequate site was available for the major new museum contemplated by the act.

As an alternative, the National Armed Forces Museum Advisory Board requested the Smithsonian to pursue discussions with the National Park Service on prospects for developing a cooperative outdoor museum program at Fort Washington in Prince Georges County, MD. An agreement for this purpose was entered into on September 20, 1973. However, its implementation was not possible because of problems of public access to Fort Washington, its limited facilities, and the costs that would have been associated with such a venture.

A report of these activities was transmitted by the chairman of the National Armed Forces Museum Advisory Board to the Smithsonian's Board of Regents in December 1974. On January 24, 1975 the regents accepted the report and concurred in its finding. The report was submitted to the President of the Senate and Speaker of the House as required by section 3(a) of Public Law 87-186 on January 29, 1975.

There has been no further activity since that time and, inasmuch as a major new museum of military history in the Washington area is not feasible, it has been concluded that the Board established by Public Law 97-186 and that the other authority that law provides are not necessary.

The 1985 edition of the "Official Museum Directory," published by the American Association of Museums, lists 220 military museums, 102 maritime and naval museums and historic ships, and 38 aeronautics and space museums, all in the United States, that collect and exhibit aspects of military history. I ask unanimous consent that that list of those organizations be printed in the RECORD following my statement. Because of the museums that do exist and are related to military history, and because of the limits on its resources, the Smithsonian Institution has chosen to respond to public interest in the subject by treating it in the context of our historical, cultural, and technological development as a nation. At present the National Museum of American History has an active program of collecting and exhibiting material associated with the military history of the United States, and the collections of the National Air and Space Museum also include a number of significant objects in the area.

At its meeting on May 5, 1986 the board of regents of the Smithsonian Institution on which I serve voted to request its congressional members to introduce and support legislation to repeal Public Law 87-186. I am joined by my colleagues on the board, Senator GARN and Senator SASSER, in sponsoring legislation for that purpose, and understand that the administration has no objection to its enactment.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

MILITARY MUSEUMS

Admiral Nimitz State Historical Park, Fredericksburg, TX. 78624
American Society of Military History, Los Angeles, CA. 90015
Amphibious Museum, Norfolk, VA. 23521
Ancient and Honorable Artillery Company, Boston, MA. 02109
Antietam National Battlefield-Visitor Center, Sharpsburg, MD. 21782
Battleship South Dakota Museum, Sioux Falls, SD. 57102
Bushy Run Battlefield, Jeannette, PA. 15644
Cairo Museum, Vicksburg, MS. 39180
Canaan Historical Society, Inc., Canaan, NY. 12029
Cantigny, Wheaton, IL. 60187
Casemate Museum, Fort Monroe, VA. 23651
Chalmette National Historical Park, Chalmette, LA. 70043
Chickamauga-Chattanooga National Military Park, Fort Oglethorpe, GA. 30742
Citadel Archives-Museum, Charleston, SC. 29409
Civil Engineer Corps/Seabee Museum, Port Hueneme, CA. 93043
The Coast Artillery Museum At Fort Worden, Port Townsend, WA. 98368
Colonial National Historical Park, Yorktown, VA. 23690
Columbus-Belmont Civil War Museum, Columbus, KY. 42032
The Company of Military Historians, Headquarters & Museum, Westbrook, CT. 06498
Confederate Museum, New Orleans, LA. 70130
Confederate Naval Museum, Columbus, GA. 31902
Confederate Research Center And Gun Museum, Hillsboro, TX. 76645
Cowpens National Battlefield, Chesnee, SC. 29323
Crown Point State Historic Site, Crown Point, NY. 12928
Detroit Historical Museum, Detroit, MI. 48202
Don F. Pratt Memorial Museum, Fort Campbell, KY. 42223
Eagle Historical Society, Eagle City, AK. 99738
El Paso Museum of History, El Paso, TX. 79927
F.E. Warren Military Museum, Cheyenne, WY. 82005
Florence Air and Missile Museum, Florence, SC. 29503
Fort Augusta, Sunbury, PA. 17801
Fort Belknap Museum And Archives, Inc., Newcastle, TX. 76372
Fort Bliss Replica Museum, Fort Bliss, TX. 79916
Fort Bowie National Historic Site, Bowie, AZ. 85605
Fort Bridger State Museum, Fort Bridger, WY. 82933
Fort Carson Museum of The Army In The West, Fort Carson, CO. 80913
Fort Casey Interpretive Center, Coupeville, WA. 98239
Fort Capar Museum, Casper, WY. 82601
Fort Columbia State Park, Chinook, WA. 98614
Fort Dalles Museum, The Dalles, OR. 97058
Fort Davis National Historic Site, Fort Davis, TX. 79734
Fort De Chartres State Historic Site, Prairie du Rocher, IL. 62277
Fort Delaware, Delaware City, DE. 19706
Fort Dodge Historical Museum, Fort Dodge, IA. 50501
Fort Donelson National Military Park, Dover, TN. 37058
Fort Douglas Military Museum, Fort Douglas, UT. 84113
Fort Fetterman State Museum, Douglas, WY. 82366
Fort Frederick State Park, Big Pool, MD. 21711
Fort George G. Meade Army Museum, Fort Meade, MD. 20755
Fort Gibson Military Park, Fort Gibson, OK. 74434
Fort Harker Museum, Kanopolis, KS. 67454
Fort Hartsuff State Historical Park, Burwell, NE. 68823
Fort Hays And Frontier Historical Park, Hays, KS. 67601
Fort Huachuca Museum, Fort Huachuca, AZ. 85613
Fort Jackson Museum, Fort Jackson, SC. 29207
Fort Kearny State Historical Park, Kearney, NE. 68847
Fort King George Historic Site, Darien, GA. 31305
Fort Knox State Memorial, Prospect, ME. 04981
Fort Laramie National Historic Site, Fort Laramie, WY. 82212
Fort Larned National Historic Site, Larned, KS. 67550
Fort Laurens State Memorial & Museum, Bolivar, OH. 44612
Fort Leavenworth Museum, Fort Leavenworth, KS. 66027
Fort Leonard Wood Museum, Fort Leonard Wood, MO. 65473
Fort Lewis Military Museum, Fort Lewis, WA. 98433
Fort Lowell Museum, Tucson, AZ. 85710
Fort Mcallister, Richmond Hill, GA. 31324
Fort McKavett State Historic Site, Ft. McKavett, TX. 76841

Fort Meigs State Memorial, Perrysburg, OH. 43551
Fort Morgan Museum, Gulf Shores, AL. 36542
Fort Ontario State Historic Site, Oswego, NY. 13126
Fort Ord And 7th Infantry Division Museum, Fort Ord. CA. 93941
Fort Osage Historic Site, Sibley, MO. 64088
Fort Pike State Commemorative Area, New Orleans, LA. 70129
Fort Pitt Museum, Pittsburgh, PA. 15222
Fort Point And Army Museum Association, San Francisco, CA. 94129
Fort Point National Historic Site, San Francisco, CA. 94129
Fort Polk Military Museum, Fort Polk, LA. 71459
Fort Pulaski National Monument, Tybee Island, GA. 31328
Fort Robinson Museum, Crawford, NE. 69339
Fort Sam Houston Museum, San Antonio, TX. 78234
Fort Savannah Museum, Lewisburg, WV. 24901
Fort Selden State Monument, Radium Springs, NM. 88054
Fort Simcoe Interpretive Center, White Swan, WA. 98952
Fort Spokane Visitor Center And Museum, Coulee Dam, WA. 99116
Fort Stanwix National Monument, Rome, NY. 13440
Fort Sumter National Monument, Sullivan's Island, SC. 29482
Fort Ticonderoga, Ticonderoga, NY. 12883
Fort Towson, Fort Towson, OK. 74735
Fort Union National Monument, Watrous, NM. 87753
Fort Verde State Historic Park, Camp Verde, AZ. 86322
Fort Ward Museum & Historic Site, Alexandria, VA. 22304
Fort Washington Park, Fort Washington, MD. 20744
Fort Washita, Durant, OK. 74701
Fort Wilkins Historic Complex, Copper Harbor, MI. 49918
Fredericksburg & Spotsylvania National Military Park, Fredericksburg, VA. 22405
Fort Sheridan Museum, Fort Sheridan, IL. 60037
General Douglas Macarthur Memorial, Norfolk, VA. 23510
General George Crook House, Omaha, NE. 68111
General Grant National Memorial, New York, NY. 10031
General Jacob Brown Historical Society, Brownville, NY. 13615
Georgia Veterans Memorial Museum, Cordele, GA. 31015
Grand Army of The Republic Memorial & Veteran's Military Museum, Auror, IL 60505
Grand Army of The Republic Memorial Hall Museum, Madison, WI. 53702
Grand Gulf Military State Park Museum, Port Gibson, MS. 39150
Guilford Courthouse National Military Park, Greensboro, NC. 27410
Harbor Defense Museum of New York City, Brooklyn, NY. 11252
Higgins Armory Museum, Worcester, MA. 01606
Historic Fort Wayne, Detroit, MI. 48209
Historic Fort Wayne, Inc., Fort Wayne, IN. 46802
Historical Museum At Fort Missoula, Missoula, MT. 59801
History And Traditions Museum, Lackland Air Force Base, TX. 78236
History Center And Museum, Westfield, NY. 14787
Homeville Museum, Homer, NY. 13077
Horseshoe Bend National Military Park, Daviston, AL. 36256
Independence National Historical Park, Philadelphia, PA. 19106
Indiana War Memorials Commission, Indianapolis, IN. 46204
Intrepid Sea-Air-Space Museum, New York, NY. 10036
JFK Special Warfare Museum, Fort Bragg, NC. 28307
John M. Browning, Memorial, Rock Island, IL. 61299
Johnson County, Jim Gatchell Memorial Museum, Buffalo, WY. 82834
Kennesaw Mountain National Battlefield Park, Marietta, GA. 30060
Kentucky Military History Museum, Frankfort, KY. 40602
Kings Mountain National Military Park, Blacksburg, SC. 29702
The Liberty Memorial Museum, Kansas City, MO. 64108
Lighthouse Military Museum, Key West, FL. 33040
Lone Jack Civil War Battlefield Museum, Lone Jack, MO. 64070
Mackinac Island State Park Commission, Mackinac Island, MI. 49757
Manassas National Battlefield Park, Manassas, VA. 22110
McCoy House, Lewistown, PA. 17044
Mennonite Heritage Complex Museum, Goessel, KS. 67053
Meriden Historical Society, Inc., Meriden, CT. 06450
Milford Museum, Milford, DE. 19963
Military Medal Museum & Research Center, San Jose, CA. 95110
Military Police Corps Regimental Museum, Fort McClellan, AL. 36205
Mississippi County Historical Society, Charleston, MO 63834
Mississippi Military Museum, Jackson, MS. 39201
Moores Creek National Battlefield, Currie, NC. 28435
Museum of Military And Naval History, San Juan, PR. 00905
Museum of The Confederacy, Richmond, VA. 23219
National Atomic Museum, Albuquerque, NM. 87115
National Infantry Museum, Fort Benning, GA. 31905
Naval Aviation Museum, Pensacola, FL. 32508
Naval War College Museum, Newport, RI. 02840
Navy Supply Corps Museum, Athens, GA. 30606
New Market Battlefield Park, New Market, VA. 22844
New Windsor Cantonment State Historic Site, Vails Gate, NY. 12584
Newport Artillery Company Museum, Newport, RI. 02840
Old Barracks Museum, Trenton, NJ. 08608
Old Fort Garland, Fort Garland, CO. 81133
Old Fort Jackson, Savannah, GA. 31404
Old Fort Meade Museum And Historic Research Association, Sturgis, SD. 57785
Old Fort Museum, Fort Smith, AR. 72901
Old Fort Niagara Association, Inc., Youngstown, NY. 14174
Old Stone House Museum, Windsor, NY. 13865
Olustee Battlefield State Historic Site, Olustee, FL. 32643
Pacific Submarine Museum, Pearl Harbor, HI. 96860
Parks, Recreation & Historic Sites Div. Georgia Dept. of Natural Resources, Atlanta, GA. 30334
Patton Museum of Cavalry And Armor, Fort Knox, KY. 40121
Pea Ridge National Military Park, Pea Ridge, AR. 72751
Pennsylvania Military Museum, 28th Division Shrine, Boalsburg, PA. 16827
Perryville Battlefield Museum, Perryville, KY. 40468
Petersburg National Battlefield, Petersburg, VA. 23804
Phillips County Museum, Helena, AR. 72342
Polish Museum of America, Chicago, IL. 60622
Portsmouth Naval Museum, Portsmouth, VA. 23705
Powder Magazine, Charleston, SC. 29401
Presidio Army Museum, San Francisco, CA. 94129
Richmond National Battlefield Park, Richmond, VA. 23223
Rockford Museum Center And Midway Village, Rockford, IL. 61107
Rough Riders Memorial And City Museum, Las Vegas, NM. 87701
Sackets Harbor Battlefield State Historic Site, Sackets Harbor, NY. 13685
Saratoga National Historical Park, Stillwater, NY. 12170
Shiloh National Military Park And Cemetery, Shiloh, TN. 38376
Siege Museum, Petersburg, VA. 23803
Soldiers' Memorial Military Museum, St. Louis, MO. 63103
Stones River National Battlefield, Murfreesboro, TN. 37130
Stony Point Battlefield State Historic Site, Stony Point, NY. 10980
Strategic Air Command Museum, Bellevue, NE. 68005
Sunbury Historic Site, Midway, GA. 31320
Texas Ranger Hall of Fame And Museum, Waco, TX. 76703
Treasure Island Museum, San Francisco, CA. 94130
Tri-State University, General Lewis B. Hershey Museum, Angola, IN. 46703
United States Air Force Museum, Wright-Patterson AFB, OH. 45433
United States Army Engineer Museum, Fort Belvoir, VA. 22060
United States Army Military History Institute, Carlisle Barracks, PA. 17013
The United States Army Quartermaster Corps Museum, Fort Lee VA. 23801
United States Marine Corps Aviation Museum, Quantico, VA. 22134
United States Marine Corps Museum, Washington, DC. 20374
United States Navy Memorial Museum, Washington, DC. 20374
U.S. Air Force Academy Visitor Center, USAF Academy, CO. 80840
U.S. Army Air Defense Artillery Museum, Fort Bliss TX. 79916
U.S. Army Aviation Museum, Fort Rucker, AL. 36362
U.S. Army Chaplain Museum, Fort Monmouth, NJ. 07703
U.S. Army Communications-Electronics Museum, Fort Monmouth, NJ. 07703
U.S. Army Field Artillery and Fort Sill Museum, Fort Sill, OK. 73503
U.S. Army Finance Corps Museum, Indianapolis, IN. 46249
U.S. Army Museum of Hawaii, Fort DeRussy, HI. 96830
U.S. Army Museum, Presidio of Monterey, Presidio of Monterey, CA. 93944
U.S. Army Ordnance Museum, Aberdeen Proving Ground, MD. 21005
U.S. Army Transportation Museum. Fort Eustis, VA. 23604

U.S. Cavalry Museum, Fort Riley, KS. 66442
USS Alabama Battleship Memorial Park, Mobile. AL. 36601
USS Arizona Memorial, Honolulu, HI. 96818
USS Constitution Museum Foundation, Inc. Boston, MA. 02129
USS North Carolina Battleship Memorial, Wilmington, NC. 28401
Victory Aircraft Museum, Mundelein IL. 60060
VMI Museum, Lexington, VA. 24450
War In The Pacific National Historical Park, Assn, GU. 96910
War Library And Museum of The Military Order of The Loyal Legion of The United States, Philadelphia, PA. 19103
The War Memorial Museum of Virginia, Newport News, VA. 23607
Warren Rifles Confederate Museum, Front Royal, VA. 22630
Washington's Headquarters State Historic Site., Newburgh, NY. 12550
Waterloo Memorial Day Museum, Waterloo, NY. 13165
West Point Museum, West Point, NY. 10996
Wilson's Creek National Battlefield, Republic, MO. 65738
Wisconsin Veterans Museum, King, WI. 54946
Women's Army Corps Museum, Fort McClellan, AL. 36205
Yorktown Visitor Center, Yorktown, VA. 23690
1st Cavalry Museum, Killeen, TX. 76545
103rd Ohio Volunteer Infantry Memorial Foundation, Shefield Lake, OH. 44054
2d Armored Division Museum, Fort Hood, TX. 76546
24th Infantry Division And Fort Stewart Museum, Fort Stewart, GA. 31314
3rd Cavalry Museum, Fort Bliss, TX. 79916
45th Infantry Division Museum, Oklahoma City, OK. 73111
82nd Airborne Division War Memorial Museum, Fort Bragg, NC. 28307

MARITIME AND NAVAL MUSEUM AND HISTORIC SHIPS

The Adler Planetarium, Chicago, IL. 60605
Admiral Nimitz State Historical Park, Fredericksburg, TX. 78624
Allen Knight Maritime Museum, Monterey, CA. 93940
Allie Ryan Maritime Collection of The Maine State Museum, Castine, ME. 04421
Apostle Islands National Lakeshore, Bayfield, WI. 54814
Battleship Massachusetts, Fall River, MA. 02721
Battleship Texas State Historical Park, La Porte, TX. 77571
Beverly Historical Society And Museum, Beverly, MA. 01915
Bowers Beach Maritime Museum Inc., Frederica, DE. 19946
Cairo Museum, Vicksburg, MS. 39180
Calvert Marine Museum, Solomons, MD. 20688
Canal Fulton Heritage Society, Canal Fulton, OH. 44614
Canal Museum And Hugh Moore Park, Easton, PA. 18042
Capt. Charles H. Hurley Library, Buzzards Bay, MA. 02532
Charles Towne Landing-1670, Charleston, SC. 29407
Chesapeake Bay Maritime Museum, St. Michaels, MD. 21663
Cigna Museum And Art Collection, Philadelphia, PA. 19103
City Island Historical Nautical Museum, Bronx, NY. 10464
Clark County Historical Society Howard Steamboat Museum, Inc., Jeffersonville, IN. 47130
Cohasset Maritime Museum, Cohasset, MA. 02025
Columbia River Maritime Museum, Astoria, OR. 97103
Confederate Naval Museum, Columbus, GA. 31902
The Connecticut River Foundation At Steamboat Dock, Inc., Essex, CT. 06426
Cumberland County Historical Society, Greenwich, NJ. 08323
The Custom House Maritime Museum of Newburyport, Newburyport, MA. 01950
Detroit Historical Museum, Detroit, MI. 48202
Door County Maritime Museum, Gills Rock, WI. 54210
Dossin Great Lake Museum, Detroit, MI. 48207
East Hampton Town Marine Museum, Amagansett, NY. 11930
Erie Canal Museum, Syracuse, NY. 13202
Essex Shipbuilding Museum, Essex, MA. 01929
Evanston Environmental Association, Evanston IL. 60201
Flagship Niagara, Erie, PA. 16507
Fort Morgan Museum, Gulf Shores, AL. 36542
Francis Russell Hart Nautical Museum, Cambridge, MA. 02139
Franklin D. Roosevelt Library And Museum, Hyde Park, NY. 12538
Fred W. Woodward Riverboat Museum, Dubuque, IA. 52001
Grand Banks Schooner Museum, Boothbay, ME. 04537
Great Lakes Historical Society Museum, Vermilion, OH. 44089
Great Lakes Naval & Maritime Museum, Chicago, IL. 60611
Hampton Roads Naval Museum, Norfolk, VA. 23511
Historic Annapolis, Inc., Annapolis, MD. 21401
Historic Gardner's Basin, Atlantic City, NJ. 08401
Historical Society of Greater Port Jefferson, Port Jefferson, NY. 11777
Interpid Sea-Air-Space Museum, New York, NY. 10036
Islesford Historical Museum, Bar Harbor, ME. 04646
Kendall Whaling Museum, Sharon, MA. 02067
Keokuk River Museum, Keokuk, IA. 52632
Lake Michigan Maritime Museum, South Haven, MI. 49090
Lewes Historical Society, Lewes, DE. 19958
Mackinac Island State Park Commission, Mackinac Island, MI. 49757
Maine Maritime Museum, Bath, ME. 04530
Manitowoc Maritime Museum, Manitowoc, WI. 54220
Marine Museum At Fall River, Inc., Fall River, MA. 02722
The Mariners Museum, Newport News, VA. 23606
Museum of Military And Naval History, San Juan, PR. 00905
Museum of Missouri River History, Brownville, NE. 68321
Muskogee War Memorial Park, Muskogee, OK. 74402
Mystic Seaport Museum, Inc., Mystic, CT. 06355
National Maritime Museum, San Francisco, San Francisco, CA. 94109
Naval Shipyard Museum, Bremerton, WA. 98310
Naval War College Museum, Newport, RI. 02840
Navy Supply Corps Museum, Athens, GA. 30606
North Carolina Maritime Museum, Beaufort, NC. 28516
Ohio River Museum, Marietta, OH. 45750
Old Fort Jackson, Savannah, GA. 31404
Old Lighthouse Museum, Michigan City, IN. 46360
Old State House-The Bostonian Society, Boston, MA. 02109
Patriots Point Naval And Maritime Museum, Mt. Pleasant, SC. 29464
Peabody Museum of Salem, Salem, MA. 01970
Penobscot Marine Museum, Searsport, ME. 04974
Philadelphia Maritime Museum, Philadelphia, PA. 19106
Portsmouth Lightship Museum, Portsmouth, VA. 23704
Portsmouth Naval Museum, Portsmouth, VA. 23705
The P.T. Boat Museum, Fall River, MA. 02720
Queen Mary Shipwalk, Long Beach, CA. 90801
Sailor's Museum, Islesboro, ME. 04848
Salem Maritime National Historic Site, Salem, MA. 01970
San Diego Maritime Museum, San Diego, CA 92101
Sandy Hook Museum, Highlands, NJ. 07732
Seamen's Church Institute of N.Y. & N.J., New York, NY. 10004
Shelburne Museum, Inc., Shelburne, VT. 05482
Ships of The Sea Maritime Museum, Savannah, GA. 31401
Shore Village Museum, Rockland, ME. 04841
Sleeping Bear Dunes National Lakeshore, Frankfort, MI. 49635
The South Street Seaport Museum, New York, NY. 10038
S/S Clipper, Chicago, IL. 60611
S.S. Meteror Maritime Museum, Superior, WI. 54880
Steamship Historical Society Collection At The University of Baltimore Library Baltimore, MD. 21201
Sturgeon Bay Marine Museum, Sturgeon Bay, WI. 54235
Submarine Force Library & Museum, Groton, CT. 06349
Suffolk Marine Museum, West Sayville, NY. 11796
Sunken Treasures Maritime Museum, Port Washington, WI. 53074
Thousand Islands Shipyard Museum, Clayton, NY. 13624
United States Naval Academy Museum, Annapolis, MD. 21402
United States Navy Memorial Museum, Washington, DC. 20374
U.S. Coast Guard Museum, New London, CT. 06320
USS Alabama Battleship Memorial Park, Mobile, AL 36601
USS Constitution, Boston, MA. 02129
USS Constitution Museum Foundation, Inc. Boston, MA. 02129
USS North Carolina Battleship Memorial, Wilmington, NC. 28401

AERONAUTICS AND SPACE MUSEUMS

The Adler Planetarium, Chicago, IL. 60605
Airpower Museum Inc., Blakesburg, IA. 52336

Alabama Space And Rocket Center, Huntsville, AL. 35807
Chesapeake Planetarium, Chesapeake, VA. 23320
Colorado Aviation Historical Society, Aurora, CO. 80012
Confederate Air Force, Harlingen, TX. 78550
Eaa Aviation Foundation, Inc., Oshkosh, WI. 54901
Fleischmann Planetarium, Reno, NV. 89557
Florence Air and Missile Museum, Florence, SC. 29503
Glenn H. Curtiss Museum of Local History, Hammondsport, NY. 14840
Hangar 9/Edward H. White II. Memorial Museum, Brooks Air Force Base, TX. 78235
Hansen Planetarium, Salt Lake City, UT. 84111
History and Traditions Museum, Lackland Air Force Base, TX. 78236
Institute of Meteoritics Meteorite Museum, Albuquerque, NM. 87131
Kansas Cosmosphere and Discovery Center, Hutchinson, KS. 67501
Museum of Astrogeology, Meteor Crater, Flagstaff, AZ. 86001
Museum of Flight Foundation, Seattle, WA. 98108
Museum of History and Science, Louisville, KY. 40202
The Nasa Langley Visitor Center, Hampton, VA. 23665
Nasa Lewis Research Center Visitor Information Center, Cleveland, OH. 44135
Nasa Lyndon B. Johnson Space Center, Houston, TX. 77058
National Air and Space Museum, Washington, DC. 20560
National Soaring Museum, Elmira, NY. 14903
Neil Armstrong Air & Space Museum, Wapakoneta, OH. 45895
New England Air Museum of The Connecticut Aeronautical Historical Association, Inc., Windsor Locks, CT. 06096
New York Hall of Science, Corona, NY. 11368
North Carolina Museum of Life and Science, Durham, NC. 27704
Pima Air Museum, Tucson, AZ. 85706
Republic Airlines Museum, Minneapolis, MN. 55450
San Diego Aero-Space Museum, Inc., San Diego, CA. 92101
Southwest Aerospace Museum, Fort Worth, TX. 76108
Spruce Goose-Howard Hughes Flying Boat, Long Beach, CA. 90801
United States Air Force Museum, Wright-Patterson AFB, OH. 45433
United State Marine Corps Aviation Museum, Quantico, VA. 22134
Victory Aircraft Museum, Mundelein, IL. 60060
Virgil I. Grissom State Memorial, Mitchell, IN. 47446
W. A. Gayle Planetarium, Montgomery, AL. 36106
Wright Brothers National Memorial, Kill Devil Hills, NC. 27948●

By Mr. ROTH:

S. 2449, a bill to amend the Tariff Act of 1930 to eliminate the requirement of injury to a United States industry in certain section 337 cases; to the Committee on Finance.

INTELLECTUAL PROPERTY PROTECTION

● Mr. ROTH. Mr. President, in light of this afternoon's hearing of the Finance Committee on intellectual property protection, I rise to introduce legislation drafted by the administration to amend section 337 of the trade laws, the principal statutory weapon against imports that violate U.S. intellectual property rights. These section 337 amendments are one part of the administration's initiative on intellectual property, the part that falls under Finance Committee jurisdiction.

The administration proposals on section 337 are similar to those introduced by Senator LAUTENBERG and myself last September which were later incorporated into S. 1860, the omnibus Senate trade bill, as S. 1869. Both S. 1869 and the legislation I am introducing today make it easier for owners of intellectual property rights to exclude from the American market products that infringe their intellectual property rights, by eliminating most of the elements of proof in an intellectual property case other than the infringement itself.

On what I see as the most critical issue here—the injury issue—both bills take the same stance. They eliminate the current requirement that the petitioner demonstrate injury. If the petitioner can demonstrate that an import infringes valid intellectual property rights then injury will be deemed to exist.

On other issues the two bills differ in some respects, for example, on the need to establish the existence of a domestic industry, on the application of section 337 changes to grey market imports and on the types of property rights that would be subject to the simplified section 337 process. By introducing the administration's language today, I hope to facilitate full public debate on these differences. We should then be able to arrive at fair solutions in this very technical area, as the legislation works its way through the congressional process.

Since Senator LAUTENBERG and I introduced our legislation, broad support has emerged for changes in section 337 in the Congress, in the business community, and in the labor unions. I am delighted that the administration also sees the protection of intellectual property as a priority trade issue.

America's inventiveness is our competitive edge. We must not let our greatest asset be destroyed by violators of our intellectual property rights. Talented people must be assured that the law will not tolerate theft of their ideas.●

By Mr. HEINZ (for himself, Mr. CHILES, Mr. ABDNOR, Mrs. HAWKINS, Mr. RIEGLE, Mr. ANDREWS, Mr. D'AMATO, Mr. DENTON, Mr. DOLE, Mr. DOMENICI, Mr. MOYNIHAN, Mr. LUGAR, Mr. CRANSTON, Mr. KASTEN, Mr. BYRD, Mr. ROTH, and Mr. GLENN):

S. 2450. A bill to amend title II of the Social Security Act to remove permanently the 3 percent threshold requirement for cost-of-living increases; to the Committee on Finance.

COST-OF-LIVING ADJUSTMENT REFORM ACT

Mr. HEINZ. Mr. President, I rise to introduce a bill with several of my colleagues, a bill which will abolish the outmoded Social Security trigger mechanism. Passage of the legislation will eliminate a costly, inadequate feature of the current law. It will improve the financial health of Social Security, and it will insure that the Social Security benefits are protected from inflation every year that inflation exists, thereby safeguarding the promise we have made to the beneficiaries over the years.

This is a bill that also follows through on the commitment made in the budget resolution to pay a COLA in fiscal year 1987. I am pleased to say I am joined in this proposal by my colleagues Senators CHILES, ABDNOR, HAWKINS, RIEGLE, ANDREWS, D'AMATO, DENTON, DOLE, DOMENICI, BYRD, MOYNIHAN, LUGAR, KASTEN, and CRANSTON. I would particularly point out, of course, that Senator DOMENICI is the chairman of the Budget Committee and Senator CHILES is his ranking member. I am pleased that both of them, with their budgetary responsibilities, feel that this is not only a necessary but a good amendment.

I am pleased that the majority leader, Senator DOLE, is a cosponsor of this amendment, and I am particularly pleased that somebody with whom I have worked for a very long time on issues involving Social Security, namely Senator MOYNIHAN, together with Senator DOLE and myself, who was a member of the National Commission on Social Security Reform, is among those who are cosponsoring this legislation.

Let me say, Mr. President, that the COLA trigger is really an outdated, technical provision of the law that only temporarily postpones the payment of COLA when inflation falls below the entirely arbitrary level of 3 years.

On its surface, the so-called COLA trigger I am sure sounds to a lot of people like some kind of cost-saving measure. Most of us would assume quite naturally enough that postponing a cost-of-living increase, even for 1 year, would produce some kind of substantial savings.

But quite to the contrary, and in this instance, that assumption is dead wrong. Postponing a cost-of-living increase for Social Security benefits through the so-called 3 percent trigger mechanism will actually create a long-term loss for Social Security. It will increase the budget deficit. It will increase the national debt. Indeed, it

will probably increase the deficit over the next few years.

Let me explain, Mr. President, how that increased cost comes about.

Any time that the cost-of-living increase is not paid in a given year, it is deferred and added to the next year's cost-of-living increase, so that benefits catch up in the second year. This means, for example, that 2 straight years of, say, 2-percent inflation will produce no cost-of-living increase after the first year, but a 4-percent COLA after the second year.

That feature creates no problem as far as today's retirees are concerned. But it creates a windfall for those who retire during the second year of the 2-percent inflation under my example. Under the COLA trigger, the way it is written, these retirees, the ones who retire in the second year, are going to receive a full 4-percent COLA the very first year of their retirement instead of the 2 percent that they would otherwise and more properly receive.

In effect, the COLA trigger compensates this group for inflation that occurs prior to retirement. That windfall then becomes a part of all their succeeding benefits, all the other COLA increases for all the future years being figured on that increased base.

This outweighs the one-time savings of the postponed cost-of-living increase and substantially adds to the long-term cost of Social Security.

The costs of the COLA trigger do not end with that benefit windfall, either. Social Security will also lose money on the revenue side because the trigger, as it is written, postpones the automatic increase in the taxable wage base which rises each year at the same rate as the average annual wage base, and, of course, that wage base is the base off of which Social Security taxes are levied. So the loss of revenue just from that provision alone, were we not to repeal the Social Security COLA trigger, would amount to $1.5 billion just for fiscal 1987 by itself.

Another source of loss to the system results from the COLA trigger's cancellation of scheduled increases in the premium paid by Medicare part B beneficiaries. The loss of premium income will increase the Federal share of Medicare costs by an additional $1.7 billion in fiscal year 1987.

Of course, the way that works is that any time there is no cost-of-living increase granted to Social Security beneficiaries, the scheduled increase in the premium that Medicare beneficiaries pay under part B, the Supplemental Medical Insurance Program, is, by law, frozen, frozen by other law, so any increase in the 25-percent share of the senior citizens' contributions to that program would be canceled, would be deferred, and we would lose a considerable amount of money as a result.

So if we total the various short-term costs and savings involved, what we find is that the net effect of the COLA trigger, while it varies with the level of inflation as measured, say, from the third quarter of 1985 to the third quarter of 1986—and it also varies with the corresponding COLA in 1986—what we find, if we look at those relationships, is in the very short term the trigger, if we do not repeal it, will cost money at almost any inflation rate under 2 percent.

If inflation gets down below 1 percent, for example, the trigger will cost at least $1.7 billion net over the next 5 years.

We should note, I think, that the most recent forecast predicts an inflation rate of between 1 and 2 percent, which means that the trigger will almost certainly end up costing money in the short term. I call that, Mr. President, shooting the budget in the foot, if we allow the COLA trigger to stay on the books, to go into effect, and if we do not repeal it.

Mr. President, I have been talking about the short-term cost effects of the near-term budget consequences of the COLA trigger, but the record would be incomplete unless we also noted that even if inflation is over 2 percent, the small short-term savings provided by the trigger—and there are some small short-term savings of between 2 and 3 percent—are more than outweighed by its losses over the long run, which result primarily from the effect of the windfall COLA. In the long run, the net loss to the trust funds because of the trigger will average .02 percent of taxable payroll each year over the next 75 years.

You have to remember the taxable wage base of Social Security is a vast amount, in the hundreds of billions of dollars. What that amounts to in today's dollars is $364 million lost each and every year out as far as the eye can see—in this case, some 75 years, according to the Social Security actuaries.

Let me say a word about where this information comes from. This is not information that I have individually developed, it is not information my staff have themselves developed. The details of the cost of the COLA trigger that I have cited are contained in two reports issued by the Office of the Actuary of the Social Security Administration. They are the authorities on the costs of the Social Security system. These two reports—one is dated August 30, 1985, the other is dated April 10, 1985. So that anybody who doubts these figures, either their authenticity or their accuracy, may be reassured, I ask unanimous consent that the text of those reports be printed in the RECORD at the conclusion of my remarks, together with a table I have prepared that summarizes the short-term costs of the trigger drawing on those reports in largest part.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEINZ. Mr. President, as I was saying a moment ago, an average loss of $364 million annually may not seem like a very big loss in the context of a $200 billion program, but it certainly rebuts the notion that the COLA trigger on the books is a cost saver, as some in the news media seem to have concluded over the last several weeks and months. It might also lead us to question why this complicated and costly provision was ever included in the Social Security Act in the first place. The answer is fairly simple. The COLA trigger was created in 1972, back when the automatic indexing of benefits began. In those days, the Social Security Administration had to go to great lengths to compute and pay annual COLA's for each beneficiary. Social Security's computer capabilities have greatly improved since then however, and the extra cost of computing COLA's has fallen dramatically. That was before the computer age. With the change of those circumstances, therefore, since 1972, the COLA trigger has become nothing more than an expensive relic.

Some of my colleagues may recall, Mr. President, that we faced a similar problem at the end of 1984 regarding whether or not we were going to pay a Social Security cost-of-living increase. In 1984, we enacted legislation to correct that problem, but that legislation, which passed by a margin of some 87 to 3, was enacted for just 1 year only. We waived the 3 percent threshold only to guarantee that the 1985 COLA would be paid. The same problem arose last year and was avoided when inflation nudged over 3 percent at the end of the year. We have now had ample time to examine the COLA trigger and I think it is clear that this nuisance should be eliminated permanently.

Mr. President, eliminating the COLA trigger makes sense for reasons other than purely economic. This Nation has made a promise to its retirees that their Social Security benefits will not be eroded by inflation. Setting a 3 percent threshold on this promise makes no real sense. Postponing the promise makes no sense either. Inflation at any level hurts those on fixed incomes, especially the poor, and we fool only ourselves if we set arbitrary levels below which inflation is presumed to be painless.

This administration's success in bringing inflation under control is a great achievement. For 3 years now, young and old alike have enjoyed the lowest inflation rates in many years. The front page news in recent weeks tells us that we can expect continued low inflation. It is my firm hope and

intention that these low rates will become permanent. At the same time, however, we should ensure that America's victory over inflation doesn't backfire on our older citizens because of some legislative relic that has outlived its usefulness. This body recognized this on May 2, when we passed a budget calling for payment of a 2-percent COLA. Now it is time to follow up on that commitment. I believe it is important that we pass this legislation as soon as possible in order to quickly assure America's elderly that they will be protected from inflation at any level, whether it is 1, 3, 5 percent or more. For this reason, I urge my colleagues to join me in permanently eliminating the 3-percent COLA trigger in Social Security.

Mr. President, I ask unanimous consent that the text of the bill be printed at the conclusion of my remarks, together with the two reports from the Social Security actuaries and the table summarizing the costs of the trigger.

There being no objection, the materials and the text of the bill were ordered to be printed in the RECORD, as follows:

S. 2450

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cost-of-Living-Adjustment-Reform Act of 1986".

SEC. 2. REMOVAL OF THREE PERCENT THRESHOLD FOR COST-OF-LIVING ADJUSTMENTS.

(a) IN GENERAL.—

(1) Section 215(i) of the Social Security Act is amended by striking out "is 3 percent or more" in paragraph (1)(B) and inserting in lieu thereof "is greater than zero".

(2) Section 215(i)(1)(B) of such Act, as in effect in December 1978 and applied in certain cases under the provisions of such Act as in effect after December 1978, is amended by striking out "exceeds by not less than 3 per centum, such Index" and inserting in lieu thereof "exceeds such Index".

(3) Section 215(i)(2)(C) of such Act is amended—

(A) by striking out clause (i) and redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively; and

(B) by striking out "under clause (ii)" in clause (ii) as so redesignated and inserting in lieu thereof "under clause (i)".

(4) Section 215(i)(2)(C) of such Act, as in effect in December 1978 and applied in certain cases under the provisions of such Act as in effect after December 1978, is amended by striking out clause (i) and by striking out "(ii)".

(5) Section 215(i)(4) of such Act is amended by inserting "and by the Cost-of-Living Adjustment Reform Act of 1986" after "Social Security Amendments of 1983".

(6) Section 215(i)(5)(A)(i) of such Act is amended by striking out "because the wage percentage increase was less than 3 percent" and inserting in lieu thereof "because there was no wage percentage increase greater than zero".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to base quarters (as defined in section 215(i)(1)(A) of the Social Security Act) ending on or after September 30, 1986.

DEPARTMENT OF HEALTH AND HUMAN SERVICES, SOCIAL SECURITY ADMINISTRATION,

Baltimore, MD, August 30, 1985.

Hon. BOB PACKWOOD,

Chairman, Committee on Finance, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Enclosed is a report required by Section 2 of Public Law 98-604. That law requires the Office of the Actuary, Social Security Administration, to "conduct a study of improvements which might be made in the application and operation of the cost-of-living adjustment [COLA] provisions in section 215(i) of the Social Security Act . . ." and to submit a full and complete report of the study to your Committee and to the Committee on Ways and Means of the House of Representatives, by September 1, 1985.

In accordance with P.L. 98-604, the study included the following specific areas: (1) the long-term effects of eliminating the "trigger" provision, which requires that the cost of living have increased by at least 3 percent before a COLA can occur, (2) the long-term effects of reducing the trigger percentage from 3 percent to 1 percent, (3) the assumed distribution of future annual changes in the Consumer Price Index (CPI), and (4) an analysis of the periods currently used to measure CPI and wage increases and the long-term effects of changing such periods so as to make the COLA noncumulative for persons who become eligible for benefits in the year following a forgone COLA, or to use different calendar quarters.

Sincerely,

HARRY C. BALLANTYNE,
Chief Actuary.

STUDY OF THE OASDI AUTOMATIC COST-OF-LIVING-ADJUSTMENT PROVISIONS

INTRODUCTION

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INTRODUCTION

This report has been prepared as required by section 2 of Public Law 98-604, enacted into law on October 30, 1984.[1] That law requires the Office of the Actuary, Social Security Administration, to "conduct a study of improvements which might be made in the application and operation of the cost-of-living adjustment [COLA] provisions in section 215(i) of the Social Security Act . . ." and to submit a full and complete report of the study to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate, by September 1, 1985. In accordance with P.L. 98-604, the study included the following specific areas: (1) the long-term effects of eliminating the "trigger" provision, which requires that the cost of living have increased by at least 3 percent before a COLA can occur, (2) the long-term effects of reducing the trigger percentage from 3 percent to 1 percent, (3) the assumed distribution of future annual changes in the Consumer Price Index (CPI), and (4) an analysis of the periods currently used to measure CPI and wage increases and the long-term effects of changing such periods so as to make the COLA noncumulative for persons who become eligible for benefits in the year following a foregone COLA, or use different calendar quarters.

Section I of this study includes a description of the current COLA provisions. Sections II and III include analyses of possible changes in the COLA trigger and the measurement of the increase percentage for the COLA, respectively. Appendix B describes in detail the method used for projecting the distribution of future annual increases in the CPI. Appendix C describes in detail the relative merits of various average-wage indices in the context of the COLA "stabilizer" provision.

I. COLA's and related provisions under present law

A. Current Operation of the COLA

The Social Security Act provides for updating, based on the increase in average wages, the "bend points" of the formula used to determine primary insurance amounts (PIAs), as of each January for persons becoming newly eligible during the calendar year. Adjustments for increases in the cost of living after initial eligibility are provided through automatic COLAs, based on the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W-hereafter referred to as CPI).[2] Whenever the CPI rises by 3 percent or more[3] between specified base periods—currently, the third quarter of the prior year through the third quarter of the current year—a COLA is provided. If the CPI rises by less than 3 percent (or declines) during the period, a COLA is not provided. In the following year, however, the COLA will be based on the accumulated increase in the CPI over 2 years.

The original COLA provisions, enacted into law in 1972, provided for regular automatic COLAs effective for January of each year, beginning with 1975. This automatic procedure was modified in 1973, before it

[1] See Appendix A for the text of section 2.

[2] Under the "stabilizer" provision, the COLA may be based on the increase in average wages, under certain circumstances. However, based on the intermediate (alternative II-B) assumptions of the 1985 OASDI Trustees Report, the stabilizer provision is not expected to be effective until the middle of the next century at the earliest; therefore, this study assumes that COLAs will be based on the CPI only, except when discussing the stabilizer provision.

[3] Because increases are rounded to the nearest one-tenth of 1 percent, an unrounded increase as low as 2.95 percent is sufficient to trigger an automatic COLA.

became effective, to provide COLAs for June of each year, beginning with 1975. In 1976 and later, the June COLAs were based on the change in the CPI from the first quarter of the prior year through the first quarter of the year in which the COLA was effective. This procedure was unchanged until the 1983 amendments delayed both the effective date (from June to December, beginning with the 1983 COLA) and the measuring period (from the first quarter to the third quarter, beginning with the 1984 COLA).

The 1983 amendments also contained a provision to limit future COLAs to the lesser of the increases in the CPI and average wages, if the trust fund ratio—i.e., the level of assets in the OASDI trust funds, as a percentage of annual outgo—is below 15.0 percent, for 1984–88, or below 20.0 percent, for 1989 and later. The law also provides for "catch-up" benefit increases in subsequent years when the trust fund ratio exceeds 32.0 percent. Such catch-up increases would raise the benefit levels of persons whose COLAs had been previously limited under the stabilizer provision to approximately the level at which they would have been without the stabilizer. On the basis of the intermediate (alternative II-B) assumptions of the 1985 OASDI Trustees Report, the trust fund ratio is expected to exceed the applicable threshold level until the middle of the next century; therefore, the stabilizer provision is not expected to be effective before then, at the earliest.

B. COLA Trigger

The requirement that the cost-of-living increase be at least 3 percent before a COLA can be provided is generally known as the COLA trigger. A trigger was included in the law not only to restrain costs, but also to avoid the administrative complexities associated with processing benefit increases of small magnitude. When the original COLA provisions were enacted into law in 1972, the Office of the Actuary was assuming that future inflation would average 2.75 percent annually. The 3-percent trigger level was selected so that automatic COLAs would be provided only if inflation exceeded that average rate. In the mid-1970s, however, the rate of inflation began to rise rapidly, and CPI increases have exceeded the 3-percent trigger in every year since the COLA provisions became effective, in 1975.

In 1984, however, the CPI rose quite slowly, and concern was raised that the 3-percent trigger would not be met.[4] Also, as discussed later, current economic assumptions imply that CPI increases will not exceed the trigger about one-third of the time. The effects of not reaching the trigger on OASDI benefit amounts and program financing are of considerable interest.

Whenever any future increase in the CPI is less than 3.0 percent, there will be several effects, under present law, which can be classified as follows: (1) the direct effect on benefit levels of beneficaries who (a) are eligible to receive benefits for the December for which no COLA is provided, or (b) become eligible in the following calendar year; (2) the effect on the earnings base; and (3) the effect on the retirement earnings test exempt amounts. These three effects are discussed below.

[4] In fact, the CPI increase did exceed the trigger percentage; the COLA effective for December 1984 was 3.5 percent. This and the 3.5-percent COLA for December 1983 have been the smallest automatic COLAs.

1. Direct Effect on Benefit Levels

The first and most obvious effect of not having an automatic COLA triggered in a given year is that benefits payable for the 12-month period beginning with December of that year will not be updated to reflect the change in the cost of living for persons who are then eligible for benefits. This lack of updating is temporary; however, the automatic COLA for the following December will use the same prior quarter as a base, thus accumulating the change in the CPI which was temporarily forgone due to the trigger provision. This 2-year CPI increase would generally be sufficient to trigger a COLA for the following year.

The fact that the first automatic COLA after one or more prior COLAs have been foregone is based on the accumulated change in the CPI over more than a 1-year period, however, creates a distortion for persons who first become eligible in the year that the "accumulated" COLA becomes effective. These beneficiaries receive, in their first COLA, an adjustment for changes in the cost of living that occurred not only for the time after initial eligibility, but also for one or more years prior to initial eligibility. The accumulated adjustment for the year(s) prior to initial eligibility is most likely to be positive—up to 2.9 percent—resulting in a larger increase in the benefit level than would be needed to maintain purchasing power. The accumulated adjustment for year(s) prior to initial eligibility could be negative (though rarely), resulting in a smaller increase than would be needed to maintain purchasing power. In both cases, the effect seems to be inconsistent with the purpose of the COLA provision. This matter is discussed further in subsection II.D.

The financial consequences for the OASDI program of the two direct benefit effects described above—forgoing the COLA in the first year and paying inappropriate COLAs to newly eligible beneficiaries in the subsequent year—are in opposite directions and, in the long run, very nearly offset each other. The lower benefit level—than that which would occur in the absence of the trigger provision—for the 12-month period beginning with December for all persons then eligible, results in an immediate, substantial savings to the OASDI program, almost all of which occurs in the first calendar year. The generally higher benefit level for all future months, beginning with the following December for those who become newly eligible during the year following the forgone COLA, results in small annual cost increases which continue for many years into the future. Expressed as percentages of taxable payroll, the 1-year savings and the many years of small additional cost eventually roughly offset each other. Because long-range actuarial estimates are limited to a 75-year valuation period, some of the years with small additional cost resulting from forgone COLAs between 2030 and 2059 will not be included in current long-range estimates. Thus, the long-range estimate does not fully reflect the cost.

2. Effect on Earnings Base

Section 230(a) of Social Security Act requires that the contribution and benefit base (generally referred to as the earnings base) be increased (based on the change in the average wage) effective with the year following a year in which an automatic COLA becomes effective. (The earnings base cannot be reduced, under present law.) If no automatic COLA becomes effective for December of a year, the law does not provide for an increase in the base for the following year. The next increase in the earnings base will, however, reflect the accumulated increase in the average wage.

The financial impact of delaying the increase in the earnings base for a given year is a significant reduction in the taxable payroll for that year. This is generally only a 1-year effect, however, because the increase in the earnings base for the following year reflects the accumulated change in average wages. The reduction in taxable payroll, and thus in income to the OASDI program for a year in which the base is not increased, would eventually be partially offset by lower benefit levels for workers who had earnings above the base in that year. These earnings would have been at least partially covered and credited for benefit-computation purposes if the base had been increased. This partial offset would be insignificant for several years because it would not be realized until the affected workers become eligible for benefits. Much of this partial offset would occur after the end of the 75-year long-range period, for years after 2000 in which the base would not be increased. Even if the valuation were not limited, however, the offset would be only partial because the workers who would be affected—those with high earnings—generally have high benefit levels, with a marginal PIA-formula factor of 15 percent. Thus, relatively little reduction in benefit levels would result from not increasing the base.

3. Effect of Retirement Earnings Test Exempt Amounts

Section 203(f)(8)(A) of the Social Security Act requires that the exempt amounts for the retirement earnings test be increased (based on the change in the average wage), effective with the year following a year in which an automatic COLA becomes effective. (The exempt amounts cannot be reduced, under present law.) When no automatic COLA becomes effective, the law does not provide for such increase, although as with the earnings base, the next increase in the exempt amounts is cumulative.

The long-range effect on the OASDI program of delaying the increase of the exempt amounts when no COLA is triggered is negligible, for two reasons. First, the number of persons who would receive lower benefits for the year in which the exempt amounts are not increased is relatively small. Second, the reduction in benefit payments for that year would be partially or completely offset by higher benefit payments in later years. These higher benefit payments would be caused by adjustments of actuarial reduction factors and the additional delayed retirement credits that would result from the withholding of more benefits for the year in which the exempt amounts were not increased.

4. Net effect on the OASDI program

The combined effect of all the aforementioned implications of the current COLA trigger is a small long-term cost. This is due to the unintended increase in purchasing power that would apply to the benefits for persons who become eligible in the year after a COLA is forgone. As noted above, the cost of those increases roughly offset the savings that occur in the year immediately following the forgone COLA. If this problem were corrected, the trigger provision would result in a small long-term savings.

II. Possible Changes to the Trigger Provision

This section analyzes the possible changes to the trigger provision specifically men-

tioned in P.L. 98-604. The effect of such changes, however, can be considered in the context of an assumed distribution of future increases in the CPI. Thus, the actuarial assumptions are described first, then the specific proposals are analyzed.

A. Assumed Distribution of Future Annual Increases in CPI

For the purpose of this study, the average level of future annual increases in the CPI is assumed to be 4.0 percent—the level assumed for the intermediate (alternative II-B) assumptions of the 1985 OASDI Trustees Report. Since 1913—the first year for which data are available—the CPI has increased at an average annual rate of 3.3 percent. For the more recent 30-year period ending in 1984, however, the average annual increase has been larger—4.6 percent. This is composed of average annual increases of 3.1 percent for the 20-year period ending in 1974, and 7.6 percent for the 10-year period ending in 1984.

The longer-term past experience, combined with recent success in controlling inflation in the U.S. economy, suggest that the high levels of inflation experienced during the 1970s and the early 1980s are not indicative of future average inflation rates. On the other hand, the relatively low 3.2-percent annual rate of inflation from 1982 through 1984 is not likely to be sustained indefinitely. Therefore, an average annual CPI increase of 4.0 percent is considered to be a reasonable long-range assumption.

The future distribution of annual increases in the CPI for individual years is discussed in detail in Appendix B. Based on the analysis presented therein, the probability that the increase in the CPI for a given future year will be less than 3.0 percent is estimated to be 33 percent; the probability that the increase will be less than 1.0 percent is estimated to be 7 percent; and the probability that a given future year will experience deflation (i.e., a decrease in the CPI) is estimated to be 3 percent.

B. Effect of Eliminating the Trigger

The persent of COLA provisions allow for only increases in benefits. If the CPI actually declined for a measuring period, this would not affect benefits immediately, but would reduce the subsequent COLA, as described previously. For the purpose of analyzing elimination of the trigger, the procedure for reflecting decreases in the CPI is assumed to remain unchanged, but increases as small as 0.1 percent (after rounding to the nearest one-tenth of 1 percent) would result in a COLA being paid.

Permanent elimination of the trigger, as described above, effective for the December 1986 COLA, would result in a net long-range savings to the OASDI program of 0.02 percent of taxable payroll, based on the intermediate (alternative II-B) assumptions of the 1985 Trustees Report. The estimated net savings consist of (1) a savings of 0.02 percent of payroll from the effect on the earnings base, (2) a cost of 0.08 percent of payroll from higher benefits during the 12 months after each COLA of 0.1 to 2.9 percent, inclusive, and (3) a savings of 0.07 percent of payroll from the elimination of unintended accumulations of CPI increases for beneficiaries who become eligible in the year following such a COLA. (The net effect differs from the sum of the components because of rounding.) If the unintended accumulations for newly eligible beneficiaries were eliminated separately (see subsection D), then subsequent elimination of the trigger would have an incremental net cost of 0.06 percent of payroll.

If the trigger were eliminated, the probability of not having a COLA in any given year would be greatly reduced. Years without COLAs would still occur, however, during infrequent periods of deflation or no increase in the CPI, which are expected to occur about 3 percent of the time, based on the intermediate (alternative II-B) assumptions of the 1985 Trustees Report.

C. Effect of Changing the Trigger Percentage to 1.0 Percent

Under a proposal to reduce the COLA trigger percentage from 3.0 percent to 1.0 percent, no COLA would occur—i.e., the CPI increase would be less than 1.0 percent—about 7 percent of the time. This would result in a net long-range savings to the OASDI program of 0.01 percent of taxable payroll, based on the intermediate (alternative II-B) assumptions of the 1985 Trustees Report. The estimated net savings consist of the same three elements described above for the proposal to eliminate the trigger; the separate effect of each element is slightly smaller in magnitude than the value shown for the previous proposal. Reduction of the trigger percentage to 1.0 percent after separate elimination of the unintended accumulations for newly eligible beneficiaries (see below) would have an incremental net cost of 0.06 percent of payroll.

D. Effect of Eliminating Accumulation of CPI Increases for Newly Eligible Beneficiaries

For a beneficiary becoming newly eligible during a year, the benefit level is computed using the PIA formula updated for January of that year. The resulting benefit level is generally increased by automatic COLAs each December, starting with the year of eligibility. If the trigger provision results in no COLA being effective for the December prior to the year of eligibility, however, then the change in CPI is accumulated, and the COLA for the year of eligibility is based on a 2-year increase in the CPI. This generally would result in an unintended permanent increase in the purchasing power of the benefit to a level higher than that of the initial benefit.[5] Elimination of this unintended increase, while retaining the present 3.0-percent trigger level, would result in a long-range savings to the OASDI program of 0.07 percent of taxable payroll, based on the intermediate (alternative II-B) assumptions of the 1985 Trustees Report.

Eliminating the unintended accumulation of CPI increases for newly eligible persons would require separate COLAs to be applied for December of the year following a forgone COLA. The COLA based on the accumulated CPI increase would apply to those beneficiaries who were eligible when the COLA was forgone, and a separate COLA without the accumulation would apply to those beneficiaries who became eligible after the COLA was forgone.

If the COLA trigger percentage were not changed from the present level of 3.0 percent, COLAs would be forgone and the resulting unintended increases in the purchasing power of benefits for subsequently eligible beneficiaries would occur about one-third of the time, based on the intermediate (alternative II-B) assumptions of the 1985 Trustees Report. These unintended accumulations of CPI changes would occur less frequently if the trigger percentage were reduced to 1.0 percent or eliminated. Elimination of the unintended accumulations after reduction to 1.0 percent or elimination of the trigger would have a negligible long-range effect.

III. Measurement of the Increase Percentages

The current method for determining the COLA generally makes use of the CPI (specifically, as noted earlier, the Consumer Price Index for Urban Wage Earners and Clerical Workers—CPI-W). Under certain circumstances related to the stabilizer provision, the COLA may be based on the increase in the SSA average wage index (AWI). (The stabilizer provision is not expected to be effective before well into the next century, at the earliest, as discussed in subsection I.A.) The AWI is also used to index a number of other Social Security program amounts, including the earnings base, the PIA-formula bend points, and the exempt amounts under the retirement earnings test.

The COLA is generally equal to the increase in the CPI from the third quarter of the prior year through the third quarter of the current year. If the stabilizer provision were to be effective, the COLA could be based on the increase in the AWI from the second preceding year to the year preceding the current year.

A. Consumer Price Index

The CPI is produced and published on a monthly basis by the Bureau of Labor Statistics (BLS), Department of Labor. The CPI measures changes in the price of a fixed market basket of goods and services. Changes in purchase patterns which might occur for workers depending upon current wage and price levels are not reflected. The fixed-market-basket concept assumes consistent purchasing patterns, both during relatively bad economic periods when workers may be downgrading purchases due to lower wages, and during good economic periods when workers may be upgrading purchases due to higher wages. Basing COLAs on the CPI, which uses a fixed market basket, is consistent with the OASDI program goal of maintaining the purchasing power of benefits. The CPI for each month is available before the end of the following month. The September CPI is, therefore, available by the end of October, in time to be used in determining the COLA effective in December of the same year. The index is not revised after release.

The CPI-W, which is used for determining the COLA, represents the consumption patterns of urban wage earners and clerical workers, or roughly 40 percent of the noninstitutionalized civilian population. The CPI for All Urban Consumers (CPI-U) is also published by BLS. The biggest difference between the CPI-U and the CPI-W is in the covered population. The CPI-U covers all urban consumers, including a large proportion of OASDI beneficiaries, while the CPI-W covers only urban wage earners and clerical workers, thus including few beneficiaries.

The primary reason that the CPI-U is not used for COLA determinations is that it did not exist when the original COLA provisions were enacted in 1972. Because of its more comprehensive coverage the CPI-U would seem to be superior to the CPI-W for determining COLAs. Analysis of past experience, however, provides no reason to expect significant differences in the COLAs that would result from using the CPI-U, as compared to those using the CPI-W.

[5] The accumulation of CPI changes would result in a decrease in the purchasing power of the benefit if a decrease in the CPI were to occur. This is assumed to occur about 3 percent of the time.

In general, the current third-quarter-to-third-quarter basis used to measure CPI increases seems to be optimal in most respects. The use of an earlier quarter would detract from the goal of reflecting changes in the cost of living on a timely basis, although it would provide more time for the administrative procedures needed to effectuate a COLA; the use of a later period is a practical impossibility at the present time because those administrative procedures require all of the time available between the date when the COLA can be determined and when it is effective.

B. Average Wage Index

The AWI is produced annually as a measure of the average annual amount of wage and salary earnings per person who worked at any time during the year. Since 1978, AWI values have been based on IRS data from income tax returns and the attached W-2 forms. Thus, the AWI for a given year is not available until October of the following year. The AWI represents all wage and salary workers; all persons with net self-employment earnings and no wages are excluded. In the past, the AWI has generally been based on about 96 percent of the tax returns that are ultimately processed for a year. Of course, a small number of workers who do not file returns are excluded. The AWI is not revised after release.

The AWI measures changes in average wage levels, including the effects of changes in hourly wage rates, full-time versus part-time status, the average proportion of the year during which workers are employed, and the mix of employment by type of job, establishment, and industry. Unlike the fixed-market-basket approach used for the CPI, the AWI reflects the dynamic nature of employment. Because of its complete coverage, lack of revision, and sensitivity to the dynamics of employment, the AWI is an excellent index for updating the earnings base and other wage-indexed program amounts. Should the stabilizer provision ever operate, however, the lack of timeliness of the AWI could produce unintended results, as described below.

C. COLA Stabilizer Implications

The stabilizer provision is intended to limit the rise in OASDI benefits, when the trust fund ratio is low, to roughly the rise in the contributions used to finance, to a large extent, those benefits. Accordingly, the provision can act to limit the COLA to the lesser of the CPI increase and the average-wage increase. The use of the AWI, however, to measure the increase in the average wage involves a significant inconsistency in the measuring periods.

The difference between the midpoint of the AWI measuring period—January 1 of the year prior to the year for which the COLA becomes effective—and the midpoint of the CPI measuring period—February 15 of the year the COLA becomes effective—is 13.5 months. This 13.5-month difference between the midpoints of the measuring periods creates a distinct possibility of either not limiting the COLA under the stabilizer provision when such limitation is warranted, or limiting the COLA when, in fact, the CPI has not risen more rapidly than average wages for any recent year. A closer alignment of the measuring periods for the CPI and the average wage would increase the probability that the stabilizer provision—if it is ever needed—will properly fulfill its intended purpose.

The potential problem in the context of the COLA stabilizer provision caused by the significant difference between the measuring periods for the CPI and the AWI could be alleviated by changing the measuring period for the CPI to approximate more closely that for the AWI. This would be detrimental, however, to the primary goal of providing a timely reflection of changes in the cost of living, during the vast majority of the time when the COLA is based on the CPI only.

As described previously, the primary shortcoming of the SSA average wage index (AWI) for the purpose of determining the COLA under the stabilizer provision is the 13.5-month difference between the midpoints of the CPI measuring period and the average-wage measuring period. The BLS produces several wage indices that would result in little or no lag between the CPI and the average-wage measuring periods. Most of these indices are subject to later revision, however, making them unsuitable for use in determining the COLA. The BLS Employment Cost Index (ECI), however, is not subject to revision and, used effectively, would provide a significant improvement in timeliness over the AWI for the purpose of computing the average-wage increase under the stabilizer provision.

Appendix C discusses in detail the advantage and disadvantages of using the ECI, rather than the AWI, in the context of the stabilizer. Although the ECI would provide a more timely measure than the current AWI, this advantage is not important in the choice of a wage index for adjusting the earnings base, the PIA-formula bend points, and other wage-indexed program amounts. The AWI is considered to be the best choice for these adjustments because of its essentially complete coverage of wage and salary workers. If the timeliness criterion were considered to be the most important in the context of the stabilizer provision, and the ECI were substituted for the AWI, no problems would result from the apparent inconsistency that would be introduced by using the ECI for one purpose under the law, while using the AWI for all other purposes involving wage indexing.

APPENDIX A

PUBLIC LAW 98-604—OCT. 30, 1984—98 STAT. 3161

SEC. 2. The Office of the Actuary of the Social Security Administration shall conduct a study of improvements which might be made in the application and operation of the cost-of-living adjustment provisions in section 215(i) of the Social Security Act, giving particular attention to—

(1) the long-term effects of altogether eliminating the COLA trigger (the provision which requires that the CPI increase percentage (or the wage increase percentage) reach a specified level in order to trigger a cost-of-living adjustment in benefits);

(2) the long-term effects of reducing the level of the COLA trigger from 3 per centum to 1 per centum;

(3) long-term assumptions (explained in detail) concerning the frequency of instances in which the applicable increase percentage would be less than 3 per centum, the frequency of instances in which such percentage would be less than 1 per centum, and the frequency of deflationary periods in which there would be no increase in such percentage; and

(4) an analysis of the period currently being used to measure CPI and wage increases, and the long-term effects of changing such period so as to make it noncumulative or to use different calendar quarters.

The Office of the Actuary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, on or before September 1, 1985, a full and complete report of the study conducted under this section.

Approved October 30, 1984.

APPENDIX B. ASSUMED DISTRIBUTION OF FUTURE ANNUAL INCREASES IN THE CPI-W

The basis for developing the distribution of future annual increases in the CPI-W (around the 4.0-percent average annual increase assumed for the intermediate alternative II-B estimates in the 1985 Trustees Report) is analysis of the actual annual change from the third calendar quarter of the prior year through the third calendar quarter to the current year, for 1952 through 1983. This period was chosen because it represents a reasonable range of future experience and follows a fairly smooth trend line. Although the change in the homeownership component of the CPI-W from a homeowners'-cost basis to a rental-equivalency basis, starting with 1985, was a significant change, the historical series of the CPI is the best available consistent series upon which to develop a distribution.

Chart 1 illustrates the series of annual changes in the CPI for 1952 through 1983, along with the trend line [1] based on the historical series. The variation in the annual rates of increase was analyzed relative to the trend line, which therefore represents the "underlying" rate of increase in the CPI through the period, in the same way that the underlying future rate of increase in the CPI is represented as a constant 4.0 percent for alternative II-B. Thus, historical annual deviations are calculated as the differences between the actual CPI increases and the "expected" ones, as shown by the trend line.

Chart 2 illustrates the cumulative distribution function (CDF) of future CPI increases, based on the historical series of deviations, as defined above. For each possible value, the CDF represents the probability that the CPI increase for a given year will be less than or equal to that value. Chart 2 also shows a smooth curve that was fitted to the actual CDF derived directly from the data. This "theoretical" CDF was used to represent the future distribution of CPI increases for developing estimates of the financial effect on the OASDI program of modifying the COLA trigger. This theoretical CDF is fairly close to a normal distribution, but it provides a better fit to the data, especially in the critical range from 1 to 4 percentage points below the underlying trend.

[Charts not reproducible for the RECORD.]

Table B.1 presents the actual percentage changes in the CPI for 1952 through 1983, the underlying rate as shown by the trend line, and the annual deviations. Table B.2 presents the probabilities of having an annual CPI increase in various intervals. These probabilities were calculated based on the theoretical CDF described above and an underlying rate of increase of 4.0 percent per year, as was assumed for the intermediate (alternative II-B) assumptions of the 1985 Trustees Report.

[1] The trend line was determined using regression techniques that minimize the sum of the squares of the differences between the actual and the "expected" values of the dependent variable—in this case, the rate of increase in the CPI.

TABLE B.1.—ACTUAL AND EXPECTED PERCENTAGE CHANGES IN THE CPI, 1952–83

Year	Percentage change in CPI [1]		Deviation (actual—expected)
	Actual	Expected [2]	
1952	2.70	−0.14	2.84
1953	.75	.15	.60
1954	.00	.45	−.45
1955	−.25	.74	−.99
1956	1.99	1.04	.95
1957	3.41	1.33	2.08
1958	2.24	1.63	.61
1959	1.04	1.92	−.88
1960	1.26	2.21	−.95
1961	1.24	2.51	−1.27
1962	1.22	2.80	−1.58
1963	1.32	3.10	−1.78
1964	1.09	3.39	−2.31
1965	1.72	3.69	−1.97
1966	3.17	3.98	−.81
1967	2.86	4.28	−1.42
1968	4.28	4.57	−.29
1969	5.63	4.87	.76
1970	5.78	5.16	.62
1971	4.27	5.46	−1.19
1972	3.03	5.75	−2.72
1973	6.84	6.05	.79
1974	11.53	6.34	5.19
1975	8.67	6.64	2.03
1976	5.52	6.93	−1.41
1977	6.63	7.23	−.60
1978	7.91	7.52	.39
1979	11.98	7.82	4.16
1980	12.78	8.11	4.67
1981	10.79	8.41	2.38
1982	5.64	8.70	−3.06
1983	2.46	9.00	−6.54

[1] Increase in average CPI from third calendar quarter of prior year through third calendar quarter of year. Values for the CPI are taken from the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI–W) starting 1978, the first year for which more than one CPI existed.

[2] Based on trend line through actual values for 1952 through 1983.

TABLE B.2.—*Probability distribution of future annual increases in the CPI, assuming a 4.0-percent underlying rate of increase*

Range of annual increase in CPI (percent)	Probability of increase in the range [1]
Less than 0.0	0.03
0.0 to 0.9	.04
1.0 to 1.9	.08
2.0 to 2.9	.18
3.0 to 3.9	.21
4.0 to 4.9	.18
5.0 to 5.9	.12
6.0 to 6.9	.07
7.0 to 7.9	.05
8.0 or more	.04

[1] The probability distribution shown is based on the theoretical cumulative distribution function illustrated in chart 2.

APPENDIX C. ALTERNATIVE AVERAGE-WAGE INDICES FOR THE COLA STABILIZER PROVISION

Section III of this paper includes a discussion of some alternatives to the current AWI for measuring average-wage increases for the purpose of the stabilizer provision. This appendix provides a more detailed analysis of the merits of the alternative measures of average wages produced by the Bureau of Labor Statistics (BLS), relative to those of the AWI.

a. Appropriateness—The BLS produces several measures of average hourly and weekly wages. Most are subject to revision, however, making them unsuitable for use in determining COLAs. Neither the SSA Average Wage Index (AWI) nor the BLS Employment Cost Index (ECI) is revised after publication. The rest of this appendix focuses on those two measures of average wages.

b. Timeliness—The ECI is produced four times each year, reflecting average wage levels during the months of March, June, September, and December. Each value is available on the last Tuesday of the following month and is not subject to subsequent revision. Therefore, the September ECI is available by the end of October, in time for use in determining the COLA.

Measuring the ECI average-wage change for September of the year of a COLA, as compared to the value for September of the prior year, would result in a small difference between the CPI and average-wage measuring periods. An exact match of measuring periods can be achieved by using a weighted average of the ECI values for June and September (one-third of the June value, plus two-thirds of the September value). With this approach, the comparison of changes in CPI and the average wage could use effectively the same measuring periods, resulting in a highly accurate measure of whether, and by how much, the average-wage increase is less than the increase in the CPI.

The AWI is produced on an annual basis and is not available until the following October. The difference between its measuring period and that of the CPI is 13.5 months (see subsection III.C of this report).

c. Coverage—The ECI is currently based on a survey of about 2,900 establishments, which employ about 3.5 million workers. Starting June 1981, the index represents all private plus State and local government wage and salary workers, or about 80 percent of all U.S. workers. The AWI covers almost all wage and salary workers (see subsection III.B).

d. Comparison of results—Table C.1 presents a comparison of historical percentage changes in the CPI and changes in the AWI and ECI. In each case, the changes are calculated on the basis appropriate for determining the COLA. For ease of comparison, the present-law effective date of December is assumed for automatic COLAs for all historical years.

Percentage changes in the ECI of wages and salaries are shown for the most comprehensive ECI (column 2), which includes the private sector and State and local employment, and for the ECI which includes the private sector only (column 3). Changes for the less comprehensive private-sector ECI are shown only because so few values are available for the more comprehensive ECI, which has been produced only since June 1981.

Table C.2 presents a historical comparison of the differences between the increases in the CPI and in the average wage, based on the various wage indices included in table C.1. Negative values in table C.2 indicate years for which the stabilizer provision would have caused the COLA to be based on the average-wage increase, instead of on the CPI increase, if the applicable trust fund ratio were below the stabilizer threshold.

For 4 of the 8 years in the period 1977–1984, the wage increase was less than the CPI increase (i.e., the value in table C.2 is negative) for each of the average-wage indices. The amount by which the average-wage increase is lower, however, varies significantly because of the different timing and coverage of the indices.

e. Conclusion—Based solely on the numerical results of the past, we cannot conclude that either of the suitable average-wage indices would be the best for use in determining the COLA when the stabilizer provision is involved. Rather, any preference should be based on the appropriateness of the timing and coverage of these average-wage indices.

The 13.5-month difference between the midpoints of the CPI and average-wage measuring periods associated with the AWI involves a significant problem of timeliness in determining the COLA. If the stabilizer provision is ever effective, the crucial comparison between the CPI and the average-wage increases would be based on inconsistent measuring periods, with the possible result that either the average wage might appear to be rising more slowly than the CPI when it is not, or the average wage might not appear to be rising more slowly than the CPI when it is. Thus, the comparison between the CPI and the average-wage increases using the AWI would be an unreliable indicator of the relative rates of change in prices and average wages. In contrast, effective use of the ECI can reduce the difference in measuring periods of zero.

The use of the ECI, rather than the AWI, would represent a significant improvement in timeliness, for the purpose of the stabilizer provision, only. The AWI, however, has the advantage of completeness of coverage, which is a much more important consideration for indexing the OASDI earnings base, the PIA-formula bend points, the retirement earnings test exempt amounts, and other wage-indexed program amounts. If the timeliness criterion was considered to be more important in the context of the stabilizer provision, and the ECI were substituted for the AWI, the use of different indices for these different purposes under the law would not cause any problems.

TABLE C.1.—COMPARISON OF CHANGES IN THE CPI WITH CHANGES IN VARIOUS INDICES OF AVERAGE WAGE LEVELS, 1977–84

Year	Percentage change from same period for prior year			
		ECI [2] for 3d quarter		
	AWI [1] for year 1	Private plus S&L	Private only	CPI–W for 3d quarter
	(1)	(2)	(3)	(4)
1977	6.9	NA	7.1	6.6
1978	6.0	NA	7.8	7.9
1979	7.9	NA	7.7	12.0
1980	8.0	NA	9.3	12.8
1981	9.0	NA	9.2	10.8
1982	10.1	7.1	6.9	5.6
1983	5.5	5.3	5.2	2.5
1984	4.9	4.5	4.3	3.5

[1] The Average Wage Index is based on W–2 forms for wage and salary workers who file income tax returns (see subsection III.B).

[2] The Employment Cost Index for average wages and salaries in the third quarter is calculated as one-third times the June index, plus two-thirds times the September index. The figures shown in column (2) are based on the index for all wage and salary employees in the private nonagricultural sector, plus those employed by State and local governments. The figures shown in column (3) are based on the index for all wage and salary employees in the private nonagricultural sector, only.

TABLE C.2.—COMPARISON OF REAL AVERAGE WAGE CHANGES FOR VARIOUS AVERAGE WAGE INDICES, 1977–84

Year	Percentage change from same period for prior year		
		ECI [2] for 3d quarter	
	AWI [1] for year 1	Private plus S&L	Private only
	(1)	(2)	(3)
1977	0.3	NA	0.5
1978	−1.9	NA	−.1
1979	−4.1	NA	−4.3
1980	−4.1	NA	−3.5
1981	−1.8	NA	−1.6
1982	4.5	1.5	1.3
1983	3.0	2.8	2.7
1984	1.4	1.0	.8

[1] The Average Wage Index is based on W–2 forms for wage and salary workers who file income tax returns (see subsection III.B).

[2] The Employment Cost Index for average wages and salaries in the third quarter is calculated as one-third times the June index, plus two-thirds times the September index. The figures shown in column (2) are based on the index for all wage and salary employees in the private nonagricultural sector, plus those employed by State and local governments. The figures shown in column (3) are based on the index for all wage and salary employees in the private nonagricultural sector, only.

[Memorandum]

APRIL 10, 1986.

From: Harry C. Ballantyne, Chief Actuary.

Subject: Possible Spread in the Short-Range Cost of Eliminating the 3.0-Percent Trigger for the December 1986 Benefit Increase—Information.

In a memorandum dated April 3, Richard S. Foster presented illustrative short-range estimates for a proposal to eliminate the 3.0-percent trigger requirement for the December 1986 benefit increase. The estimates were requested by the staff of the Social Security Subcommittee of the Committee on Ways and Means and, as requested, were based on an assumed increase of 2.9 percent in the CPI-W from the third quarter of 1985 through the third quarter of 1986. Otherwise, the assumptions underlying the estimates were the economic assumptions developed by the Congressional Budget Office in February 1986. The April 3 memorandum indicated that the illustrative estimates would vary substantially if other inflation assumptions were used.

The estimates in the April 3 memorandum received considerable attention from Congressional staff and subsequently from the press. The estimates were quite adequately described in the April 3 memorandum, but in view of the attention given to the estimates and the questions I have received recently, I thought it would be desirable to emphasize a few points that were made in the memorandum, and to indicate the possible range in costs that could result under various other assumptions.

The total net cost of eliminating the trigger requirement, based on the estimates in the memorandum, was $4.1 billion over the 5 fiscal years 1987-91. As pointed out in the memorandum, this cost represented the net effect of the following:

1. Changes in OASDI benefit payments resulting from elimination of the trigger requirement,

2. Changes in OASDI and HI contribution income resulting from changes in the contribution and benefit base, and

3. A relatively small amount of additional income from the taxation of benefits.

Neither the original estimate (as contained in the April 3 memorandum), nor the range of estimates shown in this memorandum, reflect the effects of any other changes, besides the CPI change, that perhaps should be made in the economic assumptions, such as economic growth, average wage levels, and interest rates. Such a wholesale revision in the assumptions was not considered to be feasible for the purpose of the illustrative estimates. Moreover, while such changes in other economic factors could have an important effect on the total income of the Social Security program, they probably would not substantially affect the cost of eliminating the 3.0-percent trigger requirement.

The points I want to emphasize are the following:

1. The contribution and benefit base under present law, based on the particular assumptions used, is $300 higher in each year 1988-91 than it would be if the trigger were eliminated. As the memorandum indicated, this results solely from rounding (to the nearest multiple of $300) at each determination of the base. It is equally likely that the base would be $300 lower, under slightly difference assumptions, or, more likely, the same. The amount included in the net cost of $4.1 billion due to the $300 increment in the base, is $1.2 billion. The net cost would have been only $3.0 billion if the base in each year 1988-91 were the same under present law as it would be if the trigger were eliminated. (Or, if the base under present law were $300 lower, because of rounding, the net cost would be only $1.8 billion over the 5 years.)

2. The illustrative estimates were based on an assumed CPI increase of 2.9 percent. If the CPI increase were lower, the net cost over the 5 years would also be lower. The latest forecast by Data Resources, Inc., (their CONTROL for April 1986) is for an increase in the CPI-W of 1.9 percent from the third quarter of 1985 through the third quarter of 1986. If an increase of 1.9 percent were assumed, instead of 2.9 percent, the net cost over the 5 years would decrease by another $1.6 billion, to a total cost of $1.4 billion, assuming no effect on the contribution and benefit base in 1988-91.

It is obvious, then, that in the absence of other significant changes in the economic assumptions, the net cost of $4.1 billion, based on the illustrative estimates in the April 3 memorandum, represents an upper limit on the range of possible net costs. Based on a 1.9-percent CPI increase, and assuming no difference between the contribution and benefit base amount in 1988-91, the net cost would be only $1.4 billion. (If, additionally, the base under present law were $300 lower in 1988-91, the net cost over the 5 years would be reduced by another $1.2 billion, bringing the total net cost to only $0.2 billion.)

The April 3 memorandum did not include the effects of the COLA trigger on other programs, such as SMI, SSI, Railroad Retirement benefits, and Veteran's pension. If there is no COLA for December 1986, the SMI premiums would not increase in 1987. Current HCFA estimates, based on the alternative II-B assumptions in the 1986 Trustees Report, indicate that the amount of reduction in SMI premium income would be $1.3 billion in fiscal year 1987 and $0.4 billion in fiscal year 1988. With the enactment of the Consolidated Omnibus Reconciliation Budget Act, SMI premium income after fiscal year 1988 would not be effected by elimination of the COLA trigger. With respect to the other programs, elimination of the COLA would probably cost a total of about $0.6 billion over the 5 years, based on a 2.9-percent CPI increase, or $0.4 billion based on a 1.9-percent CPI increase.

In summary, if the CPI increase is only 1.9 percent, if the contribution and benefit base in 1988-91 is not affected by elimination of the trigger, and if the other programs are taken into account, the net cost of eliminating the trigger would be only about $0.1 billion over the 5 years.

The following table shows a possible range of costs, by fiscal year, assuming there is no difference in the contribution and benefit base in 1988-91. Estimates are shown for possible increases of 2.9 percent (as in the April 3 memorandum), 1.9 percent (the DRI CONTROL for April 1986), and 0.9 percent (DRI has an increase as low as 0.7 percent in one alternative projection for April 1986). As in the April 3 memorandum, the effects on the other programs (SMI, SSI, Railroad Retirement benefits, and Veterans' pensions) are not included in these estimates.

NET COST FOR OASDI AND HI BASED ON A CPI INCREASE

[In billions]

Fiscal year	2.9 percent	1.9 percent	0.9 percent
1987	$3.6	$2.2	$0.7
1988	.2	−.3	−.7
1989	−.2	−.1	−.1
1990	−.3	−.2	−.1
1991	−.3	−.2	−.1
Total	3.0	1.4	−.2

HARRY C. BALLANTYNE.

COSTS OF THE TRIGGER

This table summarizes the costs of the COLA trigger as described in the actuaries' memo. Unlike the table used by the actuaries however, this table includes the effect of the trigger on the Medicare Part B program, SSI, and on Railroad Retirement and other federal pensions. Note also that the actuaries' discussion in this memo and earlier memos focused on the worst possible scenario with regard to elimination of the COLA trigger.

EFFECTS OF ELIMINATING COLA TRIGGER PROJECTED OVER 5 YEARS

[Amounts in billions]

	1986 inflation scenarios [1]		
	2.9 percent	1.9 percent	0.9 percent
Increased benefits:			
1987 COLA	5.6	3.7	1.7
Minus windfall	−.9	−.6	−.3
Net increase	4.7	3.1	1.5
Reduced taxes:			
Lower payroll tax base	−1.6	−1.6	−1.6
Lower taxation of benefits	−.1	−.1	−.1
Total	−1.7	−1.7	−1.7
Total increase in SSI, veterans, and other pensions	.6	.4	.2
Reduced SMI premiums	−1.7	−1.7	−1.7
Net cost [2] of eliminating COLA trigger and paying 1987 COLA	1.9	.1	−1.7

[1] The most recent projections (Data Resources Inc.) show a 1.9 percent inflation rate.

[2] Because of an uncertain effect caused by Social Security's practice of rounding off increases in the taxable wage base, under each assumed level of inflation, the net cost of eliminating the COLA trigger has a 25-percent chance of being $1.1 billion higher, and a 25-percent chance of being $1.1 billion lower than the figure listed.

Mr. CHILES. Mr. President, in 1972 Congress enacted legislation providing Social Security cost-of-living increases only when inflation exceeded 3 percent during the previous 12 months.

Today, Senator HEINZ and I are introducing a bill to permanently repeal that provision, and thus allow Social Security COLA's to occur each year, even if inflation is lower than 3 percent.

As things stand now, as the Senator from Pennsylvania has pointed out, Social Security beneficiaries are denied a COLA increase if, for example, inflation in the preceding 12 months was 2.9 percent. However, if inflation was 3 percent or higher, beneficiaries receive an increase in benefits equal to the rate of inflation.

It's the first case—where inflation is below 3 percent—that works a hard-

ship on so many senior citizens living on fixed incomes. The current law allows those beneficiaries to "catch-up" later when the total inflation rate over 24 months exceeds 3 percent. The trouble is they must wait another full year or even longer to see their purchasing power catch up with the realities of the economy.

For that extra period of time, they are running behind the rest of the country in their ability to afford goods and services.

The current 3 percent barrier is artificial, something enacted 14 years ago, and in effect since 1975. It became law when inflation was almost always in excess of 3 percent annually. But today we could have the perverse result that with inflation lower, people can be—and are still—forced to wait longer for their cost-of-living adjustments. Whatever the justification behind the steps taken in 1972, they are no longer in force today.

This is not a gratuitous change we propose to make. The budget resolution passed by the Senate May 1 made allowances for just such a change in the law. Nor it is without precedent.

As far back as 1976, Congress revised the COLA provisions under Federal civil service retirement, and dropped the requirement that inflation rise by a certain amount before a COLA increase was allowed.

A number of other COLA provisions will be affected by the change we propose now. The supplemental security income COLA is governed by the existing procedures under Social Security. Railroad retirement benefits, and pensions for needy disabled and elderly veterans, are also governed by the same rules. So this change will also affect a number of retirement programs other than Social Security.

Mr. President, this change in the law amounts to economic fairness for people in this Nation who normally have scant opportunities to supplement retirement incomes. It essentially says we can see little sense in making people wait 2 years to receive benefits they are entitled to receive as the economy changes.

Congress has made a statutory pledge to allow these people to keep pace with the economy. We believe they should have those rights as events warrant, and not have to sprint fitfully to keep up.

I hope the Senate will endorse this change in the same bipartisan spirit with which they gave overwhelming approval to the budget resolution which allows room for this revision in current law.

Mr. President, I am happy to associate myself with the Senator from Pennsylvania in proposing this legislation.

It makes sense economically because it is fair and so we should be able to see an overwhelming vote of support in the Senate to pass this legislation.

Mr. HEINZ. Will the Senator yield?

Mr. CHILES. I yield to the Senator from Pennsylvania.

Mr. HEINZ. I again express my appreciation to the Budget Committee for recognizing what the Senator accurately described as fairness and commonsense. I might also add that I discussed the administration's support of this proposal down at the White House yesterday with the President. I anticipate, although I cannot speak for the President at this point, that we have his support. I have reason to believe that, but I cannot say that he has as yet endorsed it. It is my hope we will hear possibly as early as today that he has and he will. So I look forward to early enactment of this legislation and I intend to counsel with the majority leader the best way to achieve that at the earliest possible date so we can eliminate any uncertainty.

Mr. CHILES. I thank the Senator from Pennsylvania. I am glad to hear that. As he knows, this has the support of the majority and minority leaders. It has the support of the chairman of the Budget Committee as well as myself as the ranking member and the support of many other Members of the Senate from both sides of the aisle. I hope it will receive early consideration and be passed very quickly in the Senate.

Mr. CRANSTON. Mr. President, I am pleased to join as an original cosponsor of this bipartisan legislation to remove an anachronism from the Social Security Act which, if left unchanged, could very well result in an unjustified delay in payment of the 1987 Social Security cost-of-living adjustment [COLA] as well as future adjustments. This legislation would permanently eliminate the so-called COLA trigger which provides that the adjustment will not be paid in any year where the inflation rate falls below 3 percent. This trigger does not cancel the COLA; it merely postpones its payment until a subsequent year.

Mr. President, it is important to understand that the trigger was originally put into the Social Security Act for administrative purposes. It was intended to alleviate the administrative burden—in a precomputerization era—of calculating a small adjustment. Obviously, that rationale no longer exists. The Social Security Administration is now perfectly capable of efficiently making adjustments below 3 percent.

Mr. President, the Social Security COLA is intended to adjust Social Security benefits in order to keep up with inflation so that the real value of benefits does not decline over time.

There is no logical reason why Social Security beneficiaries should receive a COLA if inflation is at 3 percent but have to wait another year to receive the adjustment if inflation runs at 2.9 percent. Social Security recipients need the COLA in the year that they experience an increase in their cost of living—when their housing, food, and other living expenses increase—not a year later.

According to a report issued by the Office of the Social Security Actuary, because of the interplay between the COLA and other aspects of the Social Security Program, the elimination of the 3-percent trigger would actually result in a long-term savings to the Social Security system.

Mr. President, I would also note that the Senate has already gone on record in the Senate-passed budget resolution in assuming that the trigger will be eliminated for fiscal year 1987 so that Social Security recipients would receive a COLA next January. The legislation we are introducing today would make that change permanent.

I am very pleased that this year there is bipartisan support for ensuring that Social Security recipients receive the cost-of-living adjustments which help ensure that senior citizens living on fixed incomes do not lose the real dollar value of the Social Security benefits they have earned over a lifetime of work. Congress should move swiftly to eliminate this anachronism in the law.

By Mr. MELCHER (for himself and Mr. INOUYE):

S. 2451. A bill to provide for entry into the United States of sugar only from friendly developing countries, to provide for entry of sugar from the Philippines on at least as favorable terms as sugar from any other country, and for other purposes; to the Committee on Finance.

PHILIPPINES SUGAR QUOTA ACT

Mr. MELCHER. The bill I and Senator INOUYE introduce today is the most important step for Philippine economic recovery and the most important step to redress an old wrong perpetrated upon the Philippines in 1982.

Their sugar quota to the United States was set at an abnormally low amount then which decimated their sugar industry impoverishing thousands of Filipino families whose livelihood depended upon sugar production.

This bill would correct that grievance allowing them a greater sugar quota and open the door for greater U.S. trade opportunities with them.

The bill provides for a realignment of U.S. sugar quotas from developed countries that are net importers of sugar, selling sugar to the United States that they purchase on the world market and then ship to the United States at a profit. The sugar quotas were not established in the United States for that purpose.

This bill corrects that flaw and rewards our long time friend, ally, and trading partner—the Philippines.

By Mr. THURMOND (for himself, Mr. ABDNOR, Mr. DENTON, Mr. DOLE, Mr. BRADLEY, Mr. BURDICK, Mr. LEVIN, Mr. NUNN, Mr. ZORINSKY, Mr. PRYOR, Mr. LAXALT, Mr. MOYNIHAN, Mr. HOLLINGS, Mr. MCCLURE, Mrs. HAWKINS, Mr. DODD, Mr. INOUYE, Mr. LAUTENBERG, Mr. NICKLES, Mr. CHAFEE, Mr. BENTSEN, Mr. METZENBAUM, Mr. MATTINGLY, Mr. RIEGLE, and Mr. STEVENS):

S.J. Res. 344. Joint resolution to designate the week beginning June 8, 1986, as "National Children's Accident Prevention Week"; to the Committee on the Judiciary.

NATIONAL CHILDREN'S ACCIDENT PREVENTION WEEK

Mr. THURMOND. Mr. President, I am pleased to introduce today legislation which would designate the week of June 8, 1986, as "National Children's Accident Prevention Week."

The children of the United States are this Nation's most precious resource. Every year approximately 25 percent of all children in the United States under the age of 14 suffer accidental injuries, resulting in more than 10,000 deaths each year. These injuries occur most often during the summer months when children are not in school and are outdoors much of the time. Motor vehicle accidents, bicycle accidents, falls, burns, and swimming mishaps are the leading causes of death.

Some of these tragedies are unavoidable. However, the incidence of such deaths can be greatly reduced by applying accident prevention methods and seeking expert pediatric emergency care at the time of injury.

I urge my colleagues to consider the importance of this resolution, as it relates to the health and well-being of our children, and to lend it their support.

By Mr. DOLE:

S.J. Res. 345. Joint resolution to designate the week begining November 9, 1986, as "National Reye's Syndrome Awareness Week"; to the Committee on the Judiciary.

NATIONAL REYE'S SYNDROME AWARENESS WEEK

Mr. DOLE. Mr. President, today I am introducing a joint resolution requesting the President to designate the week beginning November 9, 1986, as "National Reye's Syndrome Awareness Week."

Reye's syndrome, a disease that affects the liver and the brain, is a frightening, swift acting disease that strikes children and adolescents recovering from viral illnesses. No child is immune. The symptoms are unfamiliar to most parents and many health professionals. This lack of education often leads to misdiagnosis and improper treatment, causing death or irreversible brain damage to its victims.

Reye's syndrome is among the 10 major causes of death in children aged 1 to 10 years. It occurs during all months of the year but with greatest frequency during January, February, and March coinciding with epidemics of influenza. While the Centers for Disease Control [CDC] estimate that the national incidence of the disease is 0.31 cases per 100,000 children, recent research conducted at the Children's Medical Center in Cincinnati, OH, indicates that the prevalence of Reye's syndrome may be underestimated.

Early detection of Reye's syndrome is vitally important if treatment is to be successful. Statistics indicate an excellent chance of recovery when Reye's syndrome is diagnosed and treated in its earliest stages; the later the diagnosis and treatment the more severely reduced chances are for successful recovery and survival.

I know that my colleagues will join me in the war to eradicate one of the deadliest disease of childhood: Reye's Syndrome.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 345

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas Reye's Syndrome can swiftly strike individuals recovering from viral illnesses, particularly children and adolescents;

Whereas the cause of Reye's Syndrome is unknown and the disease has no known cure;

Whereas over 30 percent of individuals with Reye's Syndrome die, and between 15 and 25 percent of survivors of the disease suffer injury to the brain;

Whereas medical research has shown a relationship between the use of salicylate (commonly known as aspirin) by children who are recovering from viral illnesses and the development of Reye's Syndrome is such children;

Whereas warnings against the use of aspirin by such children have been issued by the Surgeon General of the Public Health Service and officials or officers of the Centers for Disease Control, the American Academy of Pediatrics, and the National Reye's Syndrome Foundation;

Whereas most people, including health professionals, are unfamiliar with the symptoms of Reye's Syndrome, and such unfamiliarity often results in misdiagnosis and improper treatment;

Whereas current records with respect to the incidence of Reye's Syndrome are inaccurate because comprehensive records are not maintained throughout the United States;

Whereas the inaccuracy of such current records is evidenced by the fact that more incidences of Reye's Syndrome are reported annually to the National Reye's Syndrome Foundation than are reported to the Centers for Disease Control;

Whereas the National Reye's Syndrome Foundation, which is supported by thousands of parents, is a volunteer organization with affiliates throughout the continental United States;

Whereas the purposes of the National Reye's Syndrome Foundation include providing support to individuals afflicted with Reye's Syndrome and to the families of such individuals;

Whereas such purposes further include efforts to increase the awareness and understanding of Reye's Syndrome by disseminating available information about the disease and by supporting research that can develop a cure for, and preventive measures against, the disease, and

Whereas research with respect to developing a cure for, and preventive measures against, Reye's Syndrome should be increased: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning November 9, 1986, is designated "National Reye's Syndrome Awareness Week", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS

S. 524

At the request of Mr. ARMSTRONG, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of S. 524, a bill to recognize the organization known as The Retired Enlisted Association, Inc.

S. 1801

At the request of Mr. EAST, the name of the Senator from New Hampshire [Mr. RUDMAN] was added as a cosponsor of S. 1801, a bill to amend the Trade Act of 1974 to promote expansion of international trade in furniture with Canada, and for other purposes.

S. 1890

At the request of Mr. THURMOND, the name of the Senator from Colorado [Mr. ARMSTRONG] was added as a cosponsor of S. 1890, a bill to allow States to charge tolls for the use of new highways on the Federal-aid primary or secondary system.

S. 1917

At the request of Mr. BRADLEY, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 1917, a bill to amend the Foreign Assistance Act of 1961 to provide assistance to promote immunization and oral rehydration, and other purposes.

S. 1965

At the request of Mr. STAFFORD, the names of the Senator from Utah [Mr. HATCH], the Senator from South Carolina [Mr. THURMOND], the Senator from Pennsylvania [Mr. HEINZ], the Senator from North Dakota [Mr. ANDREWS] and the Senator from Nebraska [Mr. EXON] were added as cosponsors of S. 1965, a bill to reauthorize

and revise the Higher Education Act of 1984, and for other purposes.

S. 2256

At the request of Mr. QUAYLE, the name of the Senator from Mississippi [Mr. STENNIS] was added as a cosponsor of S. 2256, a bill to amend the Bilingual Education Act to make Federal financial assistance available for children of limited English proficiency without mandating a specific method of instruction, to encourage innovation at the State and local level through greater administrative flexibility, to improve program operations at the Federal level, and for other purposes.

S. 2270

At the request of Mr. SIMON, the names of the Senator from Nebraska [Mr. ZORINSKY], the Senator from Oklahoma [Mr. NICKLES], and the Senator from Minnesota [Mr. BOSCHWITZ] were added as cosponsors of S. 2270, a bill to amend the Immigration and Nationality Act to deter immigration-related marriage fraud and other immigration fraud.

S. 2308

At the request of Mr. LAUTENBERG, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of S. 2308, a bill to authorize the President of the United States to award congressional gold medals to Anatoly and Avital Shcharansky in recognition of their dedication to human rights, and to authorize the Secretary of the Treasury to sell bronze duplicates of those medals.

S. 2348

At the request of Mr. MOYNIHAN, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 2348, a bill to authorize the procurement and installation of cryptographic equipment at satellite communications facilities within the United States, and for other purposes.

S. 2381

At the request of Mr. MURKOWSKI, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 2381, a bill to revise the guaranteed loan limitation amount applicable to chapter 37 of title 38, United States Code, for fiscal year 1986, for the purpose of implementing any order issued by the President for such fiscal year under any law providing for sequestration of new loan commitments.

S. 2398

At the request of Mr. ROTH, the names of the Senator from North Dakota [Mr. ANDREWS], and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of S. 2398, a bill to amend title 18 of the United States Code to ban the production and use of advertisements for child pornography or solicitations for child pornography, and for other purposes.

SENATE JOINT RESOLUTION 134

At the request of Mr. BIDEN, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of Senate Joint Resolution 134, a joint resolution to designate "National Safety in the Workplace Week".

SENATE JOINT RESOLUTION 143

At the request of Mr. GORE, the name of the Senator from Arizona [Mr. GOLDWATER] was added as a cosponsor of Senate Joint Resolution 143, a joint resolution to authorize the Black Revolutionary War Patriots Foundation to establish a memorial in the District of Columbia at an appropriate site in Constitution Gardens.

SENATE JOINT RESOLUTION 314

At the request of Mr. QUAYLE, the names of the Senator from Arizona [Mr. DECONCINI], the Senator from Nebraska [Mr. EXON], and the Senator from Georgia [Mr. NUNN] were added as cosponsors of Senate Joint Resolution 314, a joint resolution to designate the week beginning July 27, 1986, as "National Nuclear Medicine Week".

SENATE JOINT RESOLUTION 326

At the request of Mr. WALLOP, the name of the Senator from Alabama [Mr. HEFLIN], was added as a cosponsor of Senate Joint Resolution 326, a joint resolution to proclaim May 21, 1986, as "Andrei Sakharov Honor and Freedom Day".

SENATE JOINT RESOLUTION 333

At the request of Mr. ANDREWS, the name of the Senator from Vermont [Mr. STAFFORD], the Senator from New York [Mr. MOYNIHAN], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Wisconsin [Mr. KASTEN], the Senator from Oregon [Mr. HATFIELD], and the Senator from California [Mr. CRANSTON] were added as cosponsors of Senate Joint Resolution 333, a joint resolution designating the week of May 18, 1986, through May 24, 1986, as "National Food Bank Week".

SENATE RESOLUTION 403

At the request of Mr. WARNER, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of Senate Resolution 403, a resolution to express the sense of the Senate that the Federal Government should refund the part of the contributions which are made by certain officers and employees of the Federal Government to any retirement system for Federal Government officers and employees and which would not be made if the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 had been extended.

SENATE CONCURRENT RESOLUTION 138—RELATING TO THE FARM CREDIT SYSTEM

Mr. DOLE (for himself, Mr. NICKLES, Mr. QUAYLE, Mr. HELMS, Mr. ZORINSKY, Mr. ABDNOR, Mr. MELCHER, Mr. GRASSLEY, Mr. BAUCUS, Mrs. HAWKINS, Mr. BURDICK, Mr. MATTINGLY, Mr. FORD, Mr. SYMMS, Mr. HOLLINGS, Mr. HATCH, Mr. LEVIN, Mr. DENTON, Mr. BENTSEN, Mr. MCCONNELL, Mr. LEAHY, Mrs. KASSEBAUM, Mr. BOREN, Mr. COCHRAN, Mr. HEFLIN, Mr. BOSCHWITZ, Mr. DIXON, Mr. WILSON, Mr. SIMON, Mr. DANFORTH, Mr. DOMENICI, Mr. MCCLURE, Mr. DURENBERGER, Mr. THURMOND, Mr. WALLOP, Mr. LUGAR, Mr. KASTEN, Mr. PRESSLER, Mr. GORTON, Mr. ARMSTRONG, Mr. ROTH, Mr. NUNN, Mr. HATFIELD, Mr. RIEGLE, Mr. SIMPSON, Mr. EVANS, Mr. EXON, Mr. PACKWOOD, Mr. EAGLETON, Mr. DECONCINI, Mr. GOLDWATER, Mr. BUMPERS, Mr. TRIBLE, Mr. ANDREWS, Mr. PRYOR, Mr. EAST, Mr. SASSER, Mr. LAXALT, Mr. GRAMM, Mr. GARN, and Mr. GORE) submitted the following concurrent resolution; which was referred to the Committee on Agriculture, Nutrition, and Forestry:

S. CON. RES. 138

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) The institutions of the Farm Credit System should pursue a policy of attempting to assist their member/borrowers who face unusual financial difficulties by providing additional time to resolve those problems while continuing to carry out the intent of Congress to maintain a viable credit delivery system.

(2) Each Farm Credit System institution should—

(A) participate to the maximum extent possible with Farmers Home Administration and other Government guarantee programs in order to provide credit to eligible borrowers who otherwise will not be able to qualify for operating loans in the spring of 1986;

(B) pursue a policy of forebearance under which System institutions will stay with a borrower so long as there appears to be a reasonable possibility that the farmer can work out of financial difficulties and reestablish a fully viable farm business;

(C) develop and use loan restructuring programs that will provide means for the adjustment of the interest and principal payment terms of loan contracts to enable borrowers to adequately and totally service the obligations;

(D) emphasize loan servicing approaches that will benefit borrowers who are cooperating with the lender and making an honest effort to meet the conditions of their loan contracts;

(E) resort to foreclosure only when the net cost to the institution as a result of the foreclosure would be less than the cost associated with restructuring or making concessionary adjustments on loans, and when there is no reasonable alternative course of action remaining for the institution;

(F) assure that eligible borrowers and family members of defaulting borrowers are made aware of, and offered the opportunity to participate in, bidding on property subject to foreclosure action by the institution; and

(G) administer its policy of staying with farmers in difficult times, while recognizing the need to follow sound credit practices that protect the financial interests of all shareholders of the cooperative institutions and maintain the good reputation that

Farm Credit System securities have in the financial market so as to assure the System's ability to raise loan funds for American agriculture.

(3) The term "cost of foreclosure" included, but is not limited to—

(A) the difference between the outstanding amount of principal due on a loan made by an institution and the value of collateral used to secure the loan, taking into consideration the lien position of the institution;

(B) the estimated cost of maintaining a loan as a nonperforming asset;

(C) the estimated cost of administrative and legal actions necessary to foreclose a loan and dispose of property acquired as the result of the foreclosure;

(D) the estimated adverse impact of the sale of property acquired as the result of a loan foreclosure on the value of property held by other borrowers of institutions;

(E) the estimated cost of changes in the value of collateral used to secure a loan during the period beginning on the date of the initiation of action to foreclose or liquidate the loan and ending on the date of the disposition of the collateral; and

(F) all other costs incurred as the result of the foreclosure or liquidation of a loan.

(4) The Farm Credit Administration should adopt flexibility in the administration of its regulatory policies similar to the approach announced by other Federal financial regulators in dealing with commercial agricultural banks.

Mr. DOLE. Mr. President, I am submitting today a concurrent resolution calling on member institutions of the Cooperative Farm Credit System to take all possible steps to continue to provide financial assistance to their farm borrowers, many of whom are facing severe financial difficulties. The concurrent resolution also asks the Farm Credit Administration to exercise forbearance in its regulatory policies, similar to the approach announced several weeks ago by Federal regulators for commercial agricultural lenders.

I am particularly pleased to be joined in this initiative by a broad and bipartisan group of 60 Senators including most Senators from agricultural States. I have attempted for several weeks to obtain unanimous consent to consider the concurrent resolution, but have been advised there are objections on the Democratic side.

A number of the provisions of this resolution were called to my attention by the distinguished Senator from Oklahoma (Senator NICKLES) and the distinguished Senator from Indiana (Mr. QUAYLE). Both Senators have been actively involved in developing proposals to ensure more liberal treatment of farm credit system member/borrowers. The so-called minimum cost or loss minimization provision, developed by Senator NICKLES, is a particularly important concept. Language in the Nickles resolution defining the "cost of foreclosure" has accordingly been incorporated into this resolution.

I would also indicate my understanding that, in its present form, this resolution is acceptable to the administration. In addition, I intend to ask nominees to the Farm Credit Administration Board to endorse these provisions.

PROVISIONS OF THE RESOLUTION

The resolution expresses the sense of Congress that Farm Credit System institutions should take specific actions to help their farm borrowers through the current period of high indebtedness and tight cash-flow. These actions include the following:

First, participating to the maximum extent possible in Farmers Home and other Government guarantee programs to provide credit to borrowers who will otherwise not qualify for operating loans for planting 1986 crops;

Second, following forbearance policies of staying with a borrower as long as there is a reasonable possibility of the farmer working out of financial difficulties;

Third, using loan restructuring programs that provide for adjustment in principal and interest payments to enable borrowers to service their obligations;

Fourth, emphasizing loan servicing approaches that help borrowers who make an honest effort to meet contract conditions;

Fifth, restructuring and making concessionary adjustments on loans if the cost of doing so to the institution is less than the cost of foreclosing, and there is no reasonable alternative course of action;

Sixth, assuring that eligible borrowers and family members of defaulting borrowers have the opportunity to bid on property subject to foreclosure; and,

Seventh, administering the above policies while recognizing the need to follow sound credit practices that protect the interest of shareholders and maintain the second reputation of Farm Credit System securities in the financial markets.

Finally, Mr. President, this resolution calls on the Farm Credit Administration to adopt flexibility in its regulatory policies, similar to the agreement announced by the other Federal Regulators in dealing with commercial agricultural banks. An increased, but still responsible level of forbearance is vital if member institutions of the Farm Credit System are to stay with their borrowers.

Mr. President, I hope that both the Farm Credit System and the Farm Credit Administration will use the provisions of this concurrent resolution as guidelines for helping farmer/borrowers out of their current problems.

APPLICATION TO OTHER FARM LENDERS

I would add that it is not the intention of the sponsors of this resolution to single out the Farm Credit System as the only agricultural lender which needs to increase efforts to stay with its borrowers. Other farm lenders must also be encouraged to take up their share of this important responsibility. The role of private commercial banks and other lenders are covered in the so-called farm and energy bank bill, sponsored by the distinguished chairman of the Banking Committee, Senator GARN. In the interest of avoiding jurisdictional problems, this legislation has been kept separate. There is no question, however, that the issues are interrelated, and that similar actions are needed among non-System as well as System lenders.

CONCLUSION

Most of my colleagues know that we are not going to solve the farm credit crisis by legislating new credits or cash outlays. Even if we had the money, which we do not, we would only be repeating and exacerbating costly mistakes of past years. What is truly needed today is a clear and firm commitment on the part of Government, on the part of Farm Credit System institutions, and on the part of their member/borrowers, that we must all play a role in finding a responsible solution. Only by accepting this responsibility, rather than passing the buck—or asking for it—can U.S. agriculture turn its present difficulties around and look toward a brighter and more prosperous future.

Mr. HELMS. Mr. President, I support this resolution expressing the sense of Congress that Farm Credit System institutions take certain actions to assist financially stressed borrowers.

Mr. President, let me first point out that the Federal Farm Credit System, though chartered by the Congress and authorized to carry out various functions by subsequent congressional acts, is entirely a private-sector entity, owned by its member borrowers—the farmers themselves.

Neither the operations of the Farm Credit System nor those of its regulatory body, the Farm Credit Administration, are dependent on the annual appropriation of taxpayers' dollars. Instead, the Farm Credit Administration annually receives authorization from the Congress to tap the operating revenues of the Farm Credit System to conduct its oversight functions.

However, Mr. President, the burden of imprudent management decisions by the Farm Credit System and the Farm Credit Administration would, by virtue of the Federal Government's backing of the Farm Credit System, partly fall on the American taxpayer. For that reason, the Congress has a legitimate interest in oversight of the managerial practices of the Farm Credit System.

I commend the majority leader for his effort to bring forward this nonbinding resolution encouraging good judgment by the Farm Credit System's institutions and forebearance, whenever possible. It provides the Farm Credit System a signal from the Congress to exercise this judgment

and forebearance, while giving the System the flexibility to adjust its standards to best meet the needs of individual member borrowers.

While I support this nonbinding resolution to provide the Farm Credit System the impetus to implement many of these policy changes, I would strongly oppose legislation mandating the categorical adoption of these procedures across the entire Farm Credit System. Any effort by the Farm Credit System to engage in uneconomic, unjustified banking practices can only damage the financial position of the farmer-member borrowers who own the system.

Mr. President, by adopting this resolution, we can provide the Farm Credit Administration the appropriate oversight guidance to make necessary changes in their forebearance policies, without unduly interfering with the operations of the Farm Credit System's institutions.

● Mr. QUAYLE. Mr. President, today, along with several of my colleagues in the Senate, I am joining Senator DOLE in introducing a concurrent resolution that urges the Farm Credit System, our Nation's largest farm lender, to use forbearance in dealing with borrowers under financial stress.

The purpose of this resolution is to send a clear message to the Farm Credit System, the Farm Credit Administration, and the new Farm Credit System Capital Corporation: It is the sense of the Congress that the Farm Credit System should use every available means within the guidelines of sound lending practices to work with borrowers who may be delinquent, yet able to service restructured debt terms.

In addition, I want to express my sincere alarm over the delay we have experienced in naming the third and final member of the new Farm Credit Administration Board of Directors. It is my understanding that two members have been chosen by the President: Assistant Secretary of Agriculture Frank Naylor, an individual of tremendous experience and competence, who has been named to serve as the FCA Board's Chairman, and Marvin Duncan, currently Senior Director at the Farm Credit Administration and a past vice president of the St. Louis Federal Reserve Board. I understand that Senator HELMS will hold confirmation hearings on the two appointees tomorrow before the Committee on Agriculture.

While I can certainly appreciate the difficulty of locating another board member of equal talents and the need to examine the qualifications of possible candidates closely, I cannot overemphasize the need to finalize the appointment and confirmation process required by the Farm Credit Amendments Act. This is vital if the System and its various institutions, under the supervision of the Farm Credit Administration, are to move forward with the timely implementation of the act and with the objectives of this resolution. I am frankly disturbed by the evident lack of attention that has been paid to the important and timely task of nominating these board members. It is worth noting that the Farm Credit Amendments Act stated the sense of the Congress that "the President should ensure that the members of the Farm Credit Administration Board constituted under section 201(1) are appointed not later than 30 days after enactment of this act." We must encourage the President to act swiftly in completing his choices so that the Senate can confirm them.

It is for this reason that I initiated an April 18 letter to President Reagan signed by all eight Senators representing the fourth farm credit district, comprised of Indiana, Kentucky, Ohio, and Tennessee. In that letter, we encouraged the President to act expeditiously to appoint his third and final nominee to the Farm Credit Administration Board of Directors.

The statement of congressional intent provided in this concurrent resolution is needed now to clarify the provisions of the Farm Credit Admendments Act passed by this Congress in December. Over 3 months later, that legislation has yet to be fully implemented, and it appears that the scope of the System's reorganization, along with unacceptable delays in the appointment of System leadership, has resulted in confusion and a further deterioration of the System's portfolio.

For example, in my home State of Indiana, which is served by the fourth farm credit district, the number and value of loans outstanding continue to decline. A comparison of first quarter 1986 statistics with those of 1 year ago clearly illustrates the deterioration of the district's portfolio. In Indiana, Federal land bank loans as of March 31, 1986 were valued at $1.252 billion, down from $1.799 billion a year earlier. While the total number of outstanding Federal land bank loans to Indiana farmers stood at 22,966 as of March 31, 1985, a year later that number had fallen to 19,722.

A similar decline has been experienced by the Production Credit Associations, where there were 11,446 outstanding loans valued at $380 million to Indiana farmers on March 31, 1985, but 9,530 PCA loans worth $233 million to Hoosier borrowers on March 31 of this year. As a result of this erosion in the value of its loan portfolio, the forth district Federal land bank may be forced to borrow from the Farm Credit System Capital Corporation this year.

The need for this congressional call for forbearance on the part of the Farm Credit System is unmistakable. Recent lending practices by System institutions reflect an attempt to cull from its books borrowers with inadequate capital, regardless of the condition of the borrower, his management capabilities or his ability to repay a restructured loan. Understandably, the System is doing so in an attempt to adhere to the strong mandate delivered by Congress in the Farm Credit Amendments Act. That legislation, which I cosponsored, was designed to bring about more accurate and timely reporting of the System's financial condition, intersystem and Federal financial assistance and guidance through the development of the Farm Credit System Captial Corporation and a strengthened role for the Farm Credit Administration.

Clearly, the December Farm Credit System legislation was productive and timely. Its objectives are sound ones that I strongly support. The merit of that legislation is not at issue here, but the short-term impact of that legislation is certainly in question. If the effect of the legislation has been to discourage System lenders from working in a commonsense fashion with viable borrowers who may be experiencing difficulties, then we have a responsibility to correct this interpretation by further defining our intent.

Specifically, a balance needs to be struck between inappropriate lending practices that result in a threat to the financial stability of the System, and the other extreme, which results in long-term borrowers of the System being denied credit, or being foreclosed upon prior to the examination of alternative options. In no way should such practices threaten the health of a specific lender or the System in general.

I believe the implementation of more standardized accounting methods, along with strict reporting and FCA oversight brought about by the legislation passed last December, will facilitate a prudent forbearance policy. The ability to assess more accurately and specifically a bank's financial condition will allow the System institutions to work with borrowers in the restructuring of nonperforming debts, without necessarily threatening the bank's viability. The Farm Credit System Capital Corporation will serve as the agent for this purpose, as well as for other important functions.

Another provision in this resolution calls on the System to participate to the extent possible in the Farmers Home Administration guarantee programs. I feel strongly that the System should participate in this program more actively. Commercial lenders, after a period of resistence, are now beginning to take part in the debt adjustment and guarantee program, yet the level of participation by Farm

Credit System banks has been noticeably low.

Because Federal assistance to the System may be necessary, the Farm Credit System has an obligation to its stockholder/borrowers and to the U.S. taxpayers to participate in the guarantee program where practical. By participating in the guarantee programs, the System can limit the risk of a portion of its portfolio, while providing ongoing credit to borrowers who would not otherwise be eligible for credit.

In summary, Mr. President, I believe that this concurrent resolution, demonstrating congressional interest and calling for changes in the lending practices of the Farm Credit System, is constructive and necessary. I hope that my colleagues will unanimously approve this resolution, and in so doing, clarify the intent of Congress with regard to the important issue of agricultural credit.

I again thank the majority leader and my colleagues for their efforts in developing this resolution, and would ask my colleagues to vote in favor of its passage when it is considered before the Senate.

Mr. President, I ask unanimous consent that a copy of my letter of April 18 to President Reagan concerning the nomination of the third and final Farm Credit Administration Board member be included in the RECORD immediately following my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, DC, April 18, 1986.

The Honorable RONALD REAGAN,
President of the United States,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: As you know, the Farm Credit Amendments Act of 1985, which you signed into law on December 23, 1985, called for the timely appointment and Senate confirmation of a three-member, full-time board to regulate the restructured Farm Credit System. As U.S. Senators for the four States that comprise the Fourth Farm Credit District, we are writing to urge you to act expeditiously to appoint your third and final nominee to the Farm Credit Administration Board of Directors.

While we are aware that you have selected two appointees, Under Secretary of Agriculture, Frank W. Naylor, Jr., and Farm Credit Administration Senior Director Marvin Duncan, it is critical that the third Board member be nominated immediately to enable the Farm Credit Administration to act in a timely manner on matters crucial to the farmer/borrowers of the Fourth Farm Credit District and the rest of the System's borrowers. Further delay in naming the final member of the Farm Credit Administration Board member will only exacerbate the difficulties facing the Farm Credit System as a result of the problems in our farm economy, which Congress sought to address in enacting substantial reform of the System and its regulator late last year.

Without the prompt appointment and Senate confirmation of all three Board members, the Farm Credit Administration and the Farm Credit System, our Nation's largest single farm lender, cannot adequately carry out the will of Congress concerning lending and accounting practices, forbearance regulations, bank mergers, System-wide financial assistance and the formation of the Farm Credit Capital Corporation. Frankly, because of the delay in the naming of the full Farm Credit Administration Board, the transition to the reformed Farm Credit System approved by Congress four months ago has been stymied, and this has taken a serious toll on the System and many of its farmer/borrowers.

We fully understand that it is not an easy task to locate an individual with the experience and character needed to perform the duties and carry out the responsibilities of a Farm Credit Administration Board member. But we must emphasize that further delay in the appointment of the full Farm Credit Administration Board will have a direct and deleterious impact on the economic well-being of the Farm Credit System, its farmer/borrowers and the U.S. farm economy.

On behalf of the stockholder/borrowers of the Fourth Farm Credit District and the rest of the Farm Credit System, we thank you in advance for your immediate attention to this matter.

Sincerely,

Mitch McConnell, Richard G. Lugar, Albert Gore, Jr., Howard Metzenbaum, Dan Quayle, John Glenn, James R. Sasser, Wendell H. Ford.●

SENATE CONCURRENT RESOLUTION 139—LIMITING THE PRIVILEGE OF CONGRESSIONAL FRANKED MAIL

Mr. QUAYLE submitted the following concurrent resolution; which was considered and agreed to.

S. CON. RES. 138

SEC. 1. The total amount which may be incurred by a Member of Congress for official mail costs for any fiscal year (beginning with fiscal year 1987), shall not exceed the amount allocated to such Member for such fiscal year or period, as the case may be, in accordance with this subsection.

Not later than September 30 of each year (beginning in 1986) the Committee on Rules and Administration of the Senate, with respect to Senators, and the Committee on House Administration of the House of Representatives, with respect to Members of the House of Representatives, shall, for the fiscal year beginning on October 1 of such year (beginning with fiscal year 1987)—

"(i) determine, in accordance with this subsection, the allocation of official mail costs for each Senator or each Member of the House of Representatives, as the case may be, for such fiscal year; and

"(ii) provide written notice to each Senator or each Member of the House of Representatives, as the case may be, of the allocation of such Senator or Member of the House of Representatives under this subsection for such fiscal year.

"(3) The allocation of each Member of Congress under this section for a fiscal year (beginning with fiscal year 1987) shall be determined as follows:

"(A) The total amount to be allocated for official mail costs for all Members of Congress for a fiscal year shall be the amount which is equal to the difference between—

"(i) the total amount appropriated under section 3216(a) of this title for such fiscal year, minus

"(ii) the product of the amount described in clause (i) of this subparagraph multiplied by 5 percent.

"(B) The allocation of a Senator under this subsection for a fiscal year shall be an amount which is equal to the product of—

"(i) one-half of the amount determined for such fiscal year under subparagraph (A), multiplied by

"(ii) the ratio that the population of the State represented by the Senator bears to the population of all States, multiplied by

"(iii) 50 percent.

"(C) The allocation of each Member of the House of Representatives under this subsection for a fiscal year shall be equal to the quotient obtained by dividing one-half of the amount determined for such fiscal year under subparagraph (A) by the total number of Members of the House of Representatives.

"(5)(A) In any case in which a Member of Congress is defeated in an election, the allocation of such Member under this subsection for the fiscal year or period in which the term of office of such Member ends shall be divided between such Member and the Member-elect to the office of such Member in proportion to the number of months that such Member and such Member-elect hold such office during such fiscal year or period.

"(B) In any case in which there is a vacancy in the office of a Member of Congress, the allocation of such Member under this subsection for the fiscal year or period in which such vacancy occurs shall be divided between such Member and the successor in office to such Member in proportion to the number of months that such Member and such successor hold such office during such fiscal year or period.

"(6) Not later than 10 days after the date of enactment of this subsection, the Committee on Rules and Administration of the Senate, with respect to Senators, and the Committee on House Administration of the House of Representatives, with respect to Members of the House of Representatives, shall prescribe rules and procedures to ensure that Senators and Members of the House of Representatives, as the case may be, comply with the provisions of this subsection.

"(8) Not later than 15 days after the end of each quarter of a fiscal year, the Committee on Rules and Administration of the Senate, with respect to Senators, and the Committee on House Administration of the House of Representatives, with respect to Members of the House of Representatives, shall make available to the public a statement specifying—

"(A) the amount of official mail costs incurred by each Senator or each Member of the House of Representatives, as the case may be, during such quarter; and

"(B) in the case of—

"(i) fiscal year 1987 and each succeeding fiscal year, the allocation of each Senator or each Member of the House of Representatives, as the case may be, under this subsection for such fiscal year; or

"(9) For purposes of this section, the term 'official mail costs' means the equivalent of—

"(A) postage on, and fees and charges in connection with, mail matter sent through the mails under the franking privilege; and

"(B) those portions of the fees and charges to be paid for handling and delivery

by the Postal Service of Mailgrams considered as franked mail under section 3219 of this title.".

SENATE RESOLUTION 407—FAVORING A TAX DIFFERENTIAL FOR LONG-TERM CAPITAL GAINS

Mr. CRANSTON submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 407

Whereas, the availability of venture capital is critical to the needs of small business ventures whose owners cannot obtain loans from traditional sources of financing; and

Whereas, small businesses provide the greatest numbers of new jobs; and

Whereas, many promising new technologies first are developed commercially by small enterprises; and

Whereas, technological leadership is one of this nation's most important resources; and

Whereas, the vital high technology sector is unusually dependent upon infusions of outside risk capital to meet intensively competitive markets; and

Whereas, the tax reform experiment of 1969 erased a significant differential between capital gains tax rates and ordinary income tax rates; and

Whereas, the flow of risk capital to high technology companies dwindled from $1.6 billion in 1969 to less than $37 million in 1977; and

Whereas, many high technology companies were forced to sell their technology to foreign competitors in order to raise capital; and

Whereas, the Congress in 1978 recognizing the seriousness of the drought of venture capital enacted the Capital Gains Reduction Act of 1978 to lower the rate on long-term gains from a possible maximum of 49% to 28%, thereby providing a meaningful differential for longterm capital investments; and

Whereas, venture capital investment increased dramatically in two years to over $1 billion and exceeded $4 billion in 1984; and

Whereas, the Joint Economic Committee of the Congress in 1984 studied the effect of the reduction in capital gains tax rates since 1978, and concluded, "The capital gains tax differential was, and continues to be, a major factor behind the post 1978 surge in venture capital availability"; and

Whereas, since 1978, the electronics industry has created over one million new jobs; and

Whereas, the availability of venture capital to small businesses has declined in the past year; and

Whereas, the pressure of international competition is driving up the demand for outside risk capital; and

Whereas, the experience of the 1970's has shown the potential harm done to risk investment by eliminating the capital gains differential from our tax system; and

Whereas, wisdom suggests we ought to learn the lessons of history: Therefore, be it

Resolved, It is the sense of the Senate that appropriate tax treatment for long-term capital gains investments should be incorporated into tax reform legislation and, that this can be accomplished by one or both of the following measures:

(1) a meaningful differential for longterm capital gains; or,

(2) proper indexation of invested assets to account for inflation.

AMENDMENTS SUBMITTED

DRUG EXPORT LEGISLATION

METZENBAUM AMENDMENT NO. 1955

Mr. METZENBAUM proposed an amendment to the bill (S. 1848) to amend the Federal Food, Drug, and Cosmetic Act to establish conditions for the export of drugs; as follows:

At the end of the bill, add the following:

SEC. 9. (a) Within 6 months after the date of enactment of this Act, the Director of the Office Technology Assessement shall prepare and transmit to the Congress a report containing the findings and conclusions of the study required by subsection (b).

(b) The Director of the Office of Technology Assessement shall conduct a study on the labeling of drugs sold in the United States and the labeling of drugs sold by United States manufacturers in the foreign countries specified in subsection (c). The study shall—

(1) compare—

(A) the labeling approved for drugs under the Federal Food, Drug, and Cosmetic Act or the Public Health Service Act;

(B) the labeling approved by the governments of the countries specified in section 4 of this Act for drugs sold by United States manufacturers; and

(C) the labeling used for drugs sold by United States manufacturers in the foreign countries specified in subsection (c);

(2) analyze, in the case of a drug which is approved for use in the United States—

(A) whether there are any differences between the labeling approved for the drug in the United States and the labeling used for the drug in the foreign countries specified in subsection (c); and

(B) in the case of any such differences, whether such differences are based on valid scientific evidence, including clinical trials;

(3) analyze, in the case of a drug which is sold by a United States manufacturer and which is not approved for use in the United States—

(A) whether there are any differences between the labeling approved for the drug by the governments of the countries specified in section 4 of this Act and the labeling used for the drug in the foreign countries specified in subsection (c);

(B) in the case of any such differences, whether such differences are based on valid scientific evidence, including clinical trials; and

(C) whether the labeling of the drug used in the foreign countries specified in subsection (c) is based on valid scientific evidence, including clinical trials.

(c) The study required by this section shall include an analysis of the labeling of drugs in the following countries:

Chile.
Egypt.
Greece.
Malaysia.
Mexico.
Nigeria.
Panama.
South Korea.
Tanzania.
Thailand.
Turkey.

Any other country which the Director of the Office of Technology Assessment considers appropriate and which is not a country specified in section 4 of this Act.

(d) The Secretary of State shall assist the Director of the Office of Technology Assessment in conducting the study required by this section by obtaining, through United States embassies in the countries with respect to which the study is conducted, the labeling of drugs sold in such countries by United States manufacturers.

(e) For purposes of this section:

(1) The term "drug" means—

(A) a drug (as such term is defined in section 201(g) of the Federal Food, Drug, and Cosmetic Act);

(B) an antibiotic subject to section 507 of such Act; and

(C) a biological product subject to section 351 of the Public Health Service Act.

(2) The term "labeling" has the same meaning as is prescribed by section 201(m) of the Federal Food, Drug, and Cosmetic Act, except for purposes of this section, such term only includes the parts of the labeling which relate to indications for use, contraindications, warnings, and adverse reactions.

GORE (AND OTHERS) AMENDMENT NO. 1956

Mr. GORE (for himself, Mr. HEINZ, Mr. METZENBAUM, Mr. SIMON, and Mr. HATCH) proposed an amendment to the bill S. 1848, supra; as follows:

At the end, add the following:

SEC. 9. (a) There is established in the Department of Health and Human Services the Food and Drug Administration (hereinafter in this subsection referred to as the "Administration"). The Administration shall be headed by a Commissioner of Food and Drugs (hereinafter in this section referred to as the "Commissioner"). The Commissioner shall be appointed by the President by and with the advice and consent of the Senate and shall serve at the pleasure of the President. The Administration shall be administered under the supervision and direction of the Commissioner. The Commissioner shall, in consultation with the Secretary of Health and Human Services (hereinafter in this section referred to as the "Secretary") appoint a Deputy Commissioner and such Associate Commissioners and Directors of functional centers, bureaus, and other administrative units as shall be needed for the effective and efficient discharge of the authorities and functions administered by the Commissioner.

(b)(1) Except as otherwise provided in this subsection, there are transferred to, and vested in, the Commissioner all of the authorities and functions delegated to the Commissioner or to the Assistant General Counsel of the Food and Drug Division by section 5.10 of title 21, Code of Federal Regulations, as of the date of enactment of this Act, without regard to any reservation prescribed by section 5.11 of title 21, Code of Federal Regulations. The office of the Assistant General Counsel of the Food and Drug Division of the Office of General Counsel within the Office of the Secretary is transferred to the Food and Drug Administration and redesignated the Office of Chief Counsel. The Secretary may delegate to the Commissioner such additional authorities and functions as the Secretary deems appropriate.

(2) The Secretary may require the Commissioner to notify the Secretary of any decisions of the Commissioner which—

(A) establish procedural rules applicable to a general class of foods, drugs, cosmetics, medical devices, or other subjects of regulation; or

(B) present highly significant public issues involving the quality, availability, marketability, or cost of one or more foods, drugs, cosmetics, medical devices, or other subjects of regulations.

(c) The provisions of the third sentence of subsection (a) shall apply to any individual appointed to the position of Commissioner of Food and Drugs after the date of enactment of this Act.

(d)(1) Section 5316 of title 5, United States Code, is amended by striking out the item relating to the Commissioner of Food and Drugs, Department of Health and Human Services.

(2) Section 5315 of such title is amended by adding at the end thereof the following new item:

"Commissioner of Food and Drugs, Department of Health and Human Services".

METZENBAUM AMENDMENT NO. 1957

Mr. METZENBAUM proposed an amendment to the bill S. 1848, supra; as follows:

On page 24, line 21, strike out "and".

On page 25, between lines 21 and 22, insert the following:

"(III) to obtain adequate information concerning drugs, including information concerning the legal status of drugs in the United States; and

On page 25, line 22, strike out "(III)" and insert "(IV)".

OFFICIAL MASS MAILINGS

HUMPHREY AMENDMENT NO. 1958

Mr. HUMPHREY proposed an amendment to the resolution (S. Res. 374) limiting the amount that may be expended by Senators for mass mailings during the remainder of fiscal year 1986; as follows:

At the appropriate place, insert the following new section:

SEC. ——. Section 23 of Senate Resolution 353 of the Ninety-ninth Congress (as agreed to by the Senate on March 13, 1986) is amended—

(1) by striking out in subsection (a)(2) "adoption of this resolution" and inserting in lieu thereof "May 14, 1986";

(2) by amending subsection (c) to read as follows: "(c) None of the funds may be obligated from the contingent fund of the Senate to carry out any provision of this section on or after a date 30 days after the date on which the report described in subsection (a)(2) is submitted.".

NOTICES OF HEARINGS

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER, AND RESOURCE CONSERVATION

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public the rescheduling of a hearing before the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources from May 19, to June 12, 1986, at 9:30 a.m. in room SD-366 of the Senate Dirksen Office Building, Washington, DC 20510. Testimony will be received on the following measures: S. 2204, to amend the Land and Water Conservation Fund Act of 1965, as amended, to permit the use of park entrance, admission and recreation use fees for the operation of the National Park System, and for other purposes; and S. 2130, to preserve, protect, and revitalize the National Park System.

Those wishing to testify should contact the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources, room SD-308, Dirksen Senate Office Building, Washington, DC 20510. Oral testimony may be limited to 3 minutes per witness. Written statements may be longer. Witnesses may be placed in panels, and are requested to submit 25 copies of their testimony 24 hours in advance of the hearing, and 50 copies on the day of the hearing.

For further information, please contact Patty Kennedy or Tony Bevinetto of the subcommittee staff at (202) 224-0613.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry has scheduled a full committee hearing to consider the nominations of Hon. Peter C. Myers, of Missouri, to be Deputy Secretary of Agriculture and Christopher Hicks, of Maryland, to be General Counsel, U.S. Department of Agriculture.

The hearing will begin at 10 a.m., Wednesday, May 21, 1986, in 332 Russell Senate Office Building.

For further information please contact Warren Oxford or Terry Wear at 224-2035.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. WEICKER. Madam President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Wednesday, May 14, to continue the hearing on S. 2232, Federal Management Reorganization and Cost Control Act of 1986; and S. 2141, the Loan Accounting Reform and Deficit Reduction Act of 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. WEICKER. Madam President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, May 14, in closed session, to mark up the fiscal year 1987, intelligence authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. WEICKER. Madam President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, May 14, in order to receive testimony concerning the following nominations:

Alan E. Norris, to be a U.S. circuit judge; David Hittner, to be a U.S. district judge; Alfred J. Lechner, to be a U.S. district judge, and Douglas P. Woodlock, to be a U.S. district judge.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. WEICKER. Madam President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Wednesday, May 14, 1986, in order to conduct a hearing on the GSA fiscal year 1987 building programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. WEICKER. Madam President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Wednesday, May 14, in executive session, to hold a discussion of the appropriations in excess of authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CIVIL SERVICE

Mr. WEICKER. Madam President, I ask unanimous consent that the Subcommittee on Civil Service, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Wednesday, May 14, 1986, in order to conduct a hearing on alternative pay legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH AMENDMENTS OF 1986

(By request of Mr. DOLE, the following statement was ordered to be printed in the RECORD:)

● Mrs. HAWKINS. Mr. President, yesterday, I introduced S. 2443, the "Alcohol, Drug Abuse, and Mental Health Amendments." Inadvertently, the bill's text was not printed in yesterday's RECORD following my introductory statement.

I ask that the bill's text be included in today's RECORD and that it be included in the permanent RECORD following the statement which appeared in yesterday's RECORD.

The text follows:

S. 2443

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Alcohol, Drug Abuse, and Mental Health Amendments of 1986".

REVISION AND REDESIGNATION OF ADAMHA

SEC. 2. (a) Section 501 of the Public Health Service Act (42 U.S.C. 290aa) is amended to read as follows:

"NATIONAL INSTITUTES ON ALCOHOL, DRUGS, AND MENTAL HEALTH

"SEC. 501. (a) The National Institutes on Alcohol, Drugs, and Mental Health (hereafter referred to in this title as the 'National Institutes') is an agency of the Service.

"(b)(1) The following national research institutes are agencies of the National Institutes:

"(A) The National Institute on Alcohol Abuse and Alcoholism.

"(B) The National Institute on Drug Abuse.

"(C) The National Institute of Mental Health.

"(2) For purposes of this title, the term 'national research institute' means a national research institute listed in paragraph (1). A reference to the National Institutes includes the national research institutes.

"(c)(1) The National Institutes shall be headed by an Administrator (hereafter in this title referred to as the 'Administrator') who shall be appointed by the President by and with the advice and consent of the Senate.

"(2) The Administrator, with the approval of the Secretary, may appoint a Deputy Administrator and may employ and prescribe the functions of such officers and employees, including attorneys, as are necessary to administer the activities to be carried out through the National Institutes.

"(d) The Secretary, acting through the Administrator—

"(1) shall supervise the functions of the National Institute of Mental Health, the National Institute on Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse in order to assure that the programs carried out through each such Institute receive appropriate and equitable support and that there is cooperation among the national research institutes in the implementation of such programs; and

"(2) shall assure that research at or supported by the National Institutes and each of the national research institutes is subject to review in accordance with section 507 and is in compliance with section 509.

"(e)(1) There shall be in the National Institutes an Associate Administrator for Prevention to whom the Administrator shall delegate the function of promoting the prevention research programs of the National Institute of Mental Health, the National Institute on Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse and coordinating such programs between the national research institutes and between the national research institutes and other public and private entities.

"(2) By January 1, 1988, and every 3 years thereafter, the Administrator, acting through the Associate Administrator for Prevention, shall submit to the Congress a report describing the prevention activities (including preventive medicine and health promotion) undertaken by the National Institutes, the National Institute of Mental Health, the National Institute on Alcohol Abuse and Alcoholism, and the National Institute on Drug Abuse. The report shall include a detailed statement of the expenditures made for the activities reported on and the personnel used in connection with such activities.

"(f) The Administrator shall establish a process for the prompt and appropriate response to information provided the Administrator respecting (1) scientific fraud in connection with projects for which funds have been made available under this Act, and (2) incidences of violations of the rights of human subjects of research for which funds have been made available under this Act. The process shall include procedures for the receiving of reports of such information from recipients of funds under this Act and taking appropriate action with respect to such fraud and violations.

"(g) The Secretary, acting through the Administrator, shall make grants to schools of the health professions and schools of social work to support the training of students in such schools in the identification and treatment of alcohol and drug abuse. Grants under this subsection shall be made from funds available under this title and section 303.

"(h) To educate the public with respect to the health hazards of alcoholism, alcohol abuse, and drug abuse, the Administrator shall take such actions as may be necessary to ensure the widespread dissemination of current publications of the National Institute on Alcohol Abuse and Alcoholism and the National Institute on Drug Abuse relating to the most recent research findings with respect to such health hazards.

"(i)(1) The Administrator may obtain (in accordance with section 3109 of title 5, United States Code, but without regard to the limitation in such section on the period of service) the services of not more than 20 experts or consultants who have scientific or professional qualifications. Such experts and consultants shall be obtained for the National Institutes and for each of the national research institutes.

"(2)(A) Experts and consultants whose services are obtained under paragraph (1) shall be paid or reimbursed for their expenses associated with traveling to and from their assignment location in accordance with sections 5724, 5724a(a)(1), 5724a(a)(3), and 5726(c) of title 5, United States Code.

"(B) Expenses specified in subparagraph (A) may not be allowed in connection with the assignment of an expert or consultant whose services are obtained under paragraph (1), unless and until the expert or consultant agrees in writing to complete the entire period of assignment or one year, whichever is shorter, unless separated or reassigned for reasons beyond the control of the expert or consultant that are acceptable to the Secretary. If the expert or consultant violates the agreement, the money spent by the United States for the expenses specified in subparagraph (A) is recoverable from the expert or consultant as a debt of the United States. The Secretary may waive in whole or in part a right of recovery under this subparagraph.

"(j) In carrying out this Act, the Administrator may accept voluntary and uncompensated services for the National Institutes and for each of the national research institutes.

"(k)(1) The Alcohol, Drug Abuse, and Mental Health Advisory Board (hereafter in this subsection referred to as the 'Board') shall—

"(A) periodically assess the national needs for alcoholism, alcohol abuse, drug abuse, and mental health services and the extent to which those needs are being met by State, local, and private programs and programs receiving funds under this title and part B of title XIX; and

"(B) provide advice to the Secretary and the Administrator respecting activities carried out under this title and part B of title XIX.

"(2)(A) The Board shall consist of 15 members appointed by the Secretary and such ex officio members from the National Institute on Alcohol Abuse and Alcoholism, the National Institute on Drug Abuse, and the National Institute of Mental Health as the Secretary may designate. Of the members appointed to the Board, at least 6 members shall represent State and private, nonprofit providers of prevention and treatment services for alcoholism, alcohol abuse, drug abuse, and mental illness, at least 6 members shall be individuals with expertise in public education and prevention services for alcoholism, alcohol abuse, drug abuse, and mental illness, and at least 3 members shall be appointed from members of the general public who are knowledgeable about alcoholism, alcohol abuse, drug abuse, and mental illness.

"(B) The term of office of a member appointed to the Board is 4 years, except that of the members first appointed to the Board—

"(i) 5 shall serve for terms of 1 year;

"(ii) 5 shall serve for terms of 2 years; and

"(iii) 5 shall serve for terms of 3 years,

as designated by the Secretary at the time of appointment. Any member appointed to fill a vacancy occurring before the expiration of the term for which the predecessor of such member was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of the member's term until the successor of the member has taken office.

"(3)(A) Except as provided in subparagraph (B), members of the Board shall (i) be paid not more than the daily equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including travel time) during which they are engaged in the actual performance of duties vested in the Board, and (ii) while away from their homes or regular places of business and while serving in the business of the Board, be entitled to receive transportation expenses as prescribed by section 5703 of title 5, United States Code.

"(B) Members of the Board who are full-time officers or employees of the United States shall receive no additional pay, allowances, or benefits by reason of their service on the Board.

"(4) The Board may appoint such staff personnel as the Board considers appropriate.

"(5) The Secretary shall designate the chairman of the Board.

"(6) The Board shall meet at least 3 times each calendar year.

"(7) The Board shall report annually to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate on its activities during the prior year and shall include in such report such recommendations for legislation and administrative action as it deems appropriate.".

(b)(1) The title heading for title V of the Public Health Service Act is amended to read as follows:

"TITLE V—NATIONAL INSTITUTES ON ALCOHOL, DRUGS, AND MENTAL HEALTH".

(2) The heading for part A of such title is amended to read as follows:

"PART A—ORGANIZATION".

(3) Section 506(d) of such Act (42 U.S.C. 290aa-5(d)) is amended by striking out "of the administration" in the first sentence.

(c)(1) The Alcohol, Drug Abuse, and Mental Health Administration is redesignated as the National Institutes on Alcohol, Drugs, and Mental Health, and the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration or any other official of such Administration is redesignated the Administrator or official, as appropriate, of the National Institutes on Alcohol, Drugs, and Mental Health.

(2) Any reference to the Alcohol, Drug Abuse, and Mental Health Administration, the Administrator of Alcohol, Drug Abuse, and Mental Health Administration, or any other official of the Alcohol, Drug Abuse, and Mental Health Administration in any law, rule, regulation, certificate, directive, instruction, or other official paper in force on the date of enactment of this Act shall be deemed to refer and apply to the National Institutes on Alcohol, Drugs, and Mental Health or the Administrator or official, as appropriate, of the National Institutes on Alcohol, Drugs, and Mental Health, respectively.

ADVISORY COUNCILS

SEC. 3. (a) Part A of title V of the Public Health Service Act is amended by redesignating sections 505 and 506 as sections 506 and 507, respectively, and by inserting after section 504 the following new section:

"ADVISORY COUNCILS

"SEC. 505. (a)(1) The Secretary shall appoint an advisory council for the National Institute on Alcohol Abuse and Alcoholism, for the National Institute on Drug Abuse, and for the National Institute of Mental Health. Each such advisory council shall advise, consult with, and make recommendations to the Secretary and the Director of the national research institute for which it was appointed on—

"(A) matters relating to the activities carried out by and through the Institute and the policies respecting such activities; and

"(B) matters relating to activities carried out by the Secretary and the National Institutes respecting the disease, disorder, or other aspect of human health with which the advisory council is concerned.

"(2) Each advisory council for a national research institute may recommend to the Secretary acceptance, in accordance with section 2101, of conditional gifts for—

"(A) study, investigation, or research respecting the diseases, disorders, or other aspect of human health with respect to which the institute was established;

"(B) the acquisition of grounds for the institute; or

"(C) the construction, equipping, or maintenance of facilities for the institute.

"(3) Each advisory council for a national research institute—

"(A)(i) may on the basis of the materials provided under section 507(d)(2) respecting research conducted at the institute, make recommendations to the Director of the institute respecting such research;

"(ii) shall review applications for grants and cooperative agreements for research or training and for which advisory council approval is required under section 507(e)(2), and recommend for approval applications for projects which show promise of making valuable contributions to human knowledge; and

"(iii) may review any grant, contract, or cooperative agreement proposed to be made or entered into by the institute;

"(B) may collect, by correspondence or by personal investigation, information as to studies which are being carried on in the United States or any other country as to the diseases, disorders, or other aspect of human health with respect to which the national research institute was established and with the approval of the Director of the institute make available such information through appropriate publications for the benefit of public and private health entities and health professions personnel and scientists and for the information of the general public; and

"(C) may appoint subcommittees and convene workshops and conferences.

"(b)(1) Each advisory council shall consist of ex officio members and not more than 12 members appointed by the Secretary.

"(2) The ex officio members of an advisory council shall consist of—

"(A) the Secretary, the Administrator, the Director of the national research institute for which the advisory council is established, the Chief Medical Director of the Veterans' Administration, and the Assistant Secretary of Defense for Health Affairs (or the designees of such officers), and

"(B) such additional officers or employees of the United States as the Secretary determines necessary for the advisory council to effectively carry out its functions.

"(3) The members of an advisory council who are not ex officio members shall be appointed as follows:

"(A) Nine of the members shall be appointed by the Secretary from among the leading representatives of the health and scientific disciplines (including public health and the behavioral or social sciences) relevant to the activities of the national research institute for which the advisory council is established.

"(B) Three of the members shall be appointed by the Secretary from the general public and shall include leaders in fields of public policy, public relations, law, health policy, economics, and management.

"(4) Members of an advisory council who are officers or employees of the United States shall not receive any compensation for service on the advisory council. The other members of an advisory council shall receive, for each day (including travel time) they are engaged in the performance of the functions of the advisory council, compensation at rates not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule.

"(c) The term of office of an appointed member of an advisory council is 4 years, except that any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term and the Secretary shall make appointments to an advisory council in such manner as to ensure that the terms of the members do not all expire in the same year. A member may serve after the expiration of the member's term until a successor has taken office. A member who has been appointed for a term of 4 years may not be reappointed to an advisory council before 2 years from the date of expiration of such term of office. If a vacancy occurs in the advisory council among the appointed members, the Secretary shall make an appointment to fill the vacancy within 90 days from the date the vacancy occurs.

"(d) The chairman of an advisory council shall be selected by the Secretary from among the appointed members, except that the Secretary may select the Director of the national research institute for which the advisory council is established to be the chairman of the advisory council. The term of office of chairman shall be 2 years.

"(e) The advisory council shall meet at the call of the chairman or upon the request of the Director of the national research institute for which it was established, but at least 3 times each fiscal year. The location of the meetings of each advisory council is subject to the approval of the Director of the national research institute for which the advisory council was established.

"(f) The Director of the national research institute for which an advisory council is established shall designate a member of the staff of the institute to serve as the executive secretary of the advisory council. The Director of such institute shall make available to the advisory council such staff, information, and other assistance as it may require to carry out its functions. The Director of such institute shall provide orientation and training for new members of the advisory council to provide them with such information and training as may be appropriate for their effective participation in the functions of the advisory council.".

(b) Section 217 of the Public Health Service Act (42 U.S.C. 218) is amended—

(1) by striking out subsections (a), (b), (c), and (d);

(2) by striking out "(e)(1)" and inserting in lieu thereof "(a)";

(3) by striking out "(2)" and inserting in lieu thereof "(b)";

(4) by striking out "(3)" and inserting in lieu thereof "(c)";

(5) by striking out "(4)" and inserting in lieu thereof "(d)"; and

(6) by redesignating clauses (A) and (B) of subsection (c) (as redesignated by the amendment made by paragraph (4) of this subsection) as clauses (1) and (2), respectively.

PUBLIC HEALTH EMERGENCIES

SEC. 4. Part A of title V of the Public Health Service Act (as amended by section 3 of this Act) is further amended by adding at the end thereof the following:

"RESEARCH ON PUBLIC HEALTH EMERGENCIES

"SEC. 508. (a) If the Secretary determines, after consultation with the Administrator, the Commissioner of Food and Drugs, or the Director of the Centers for Disease Control, that a disease or disorder within the jurisdiction of a national research institute constitutes a public health emergency, the Secretary, acting through the Administrator—

"(1) shall expedite the review by advisory councils and by peer review groups of applications for grants for research on such disease or disorder or proposals for contracts for such research;

"(2) shall exercise the authority in section 3709 of the Revised Statutes (41 U.S.C. 5) respecting public exigencies to waive the advertising requirements of such section in the case of proposals for contracts for such research;

"(3) may provide administrative supplemental increases in existing grants and contracts to support new research relevant to such disease or disorder; and

"(4) shall disseminate, to health professionals and the public, information on the cause, prevention, and treatment of such

disease or disorder that has been developed in research assisted under this section.

The amount of an increase in a grant or contract provided under paragraph (3) may not exceed one-half the original amount of the grant or contract.

"(b) Not later than 90 days after the end of a fiscal year, the Secretary shall report to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate on actions taken under subsection (a) in such fiscal year.".

RESEARCH AUTHORIZATION

SEC. 5. (a) Section 513 of the Public Health Service Act (42 U.S.C. 290bb-2) is amended to read as follows:

"AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 513. There are authorized to be appropriated to carry out this subpart $69,000,000 for fiscal year 1987 and such sums as may be necessary for fiscal years 1988, 1989, 1990, and 1991.".

(b) Section 517 of the Public Health Service Act (42 U.S.C. 290cc-2) is amended to read as follows:

"AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 517. There are authorized to be appropriated to carry out this subpart $83,000,000 for fiscal year 1987 and such sums as may be necessary for fiscal years 1988, 1989, 1990, and 1991.".

CHILD ABUSE REPORTING

SEC. 6. (a) Section 523(e) of the Public Health Service Act (42 U.S.C. 290dd-3(e)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting "(1)" before "The"; and

(3) by adding at the end thereof the following new paragraph:

"(2) The prohibitions of this section do not apply to the reporting under State law of incidents of suspected child abuse and neglect to the appropriate State authorities.".

(b) Section 527(e) of such Act (42 U.S.C. 290ee-3(e)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting "(1)" before "The"; and

(3) by adding at the end thereof the following new paragraph:

"(2) The prohibitions of this section do not apply to the reporting under State law of incidents of suspected child abuse and neglect to the appropriate State authorities.".

SUICIDE

SEC. 7. Section 501 of the Public Health Service Act (42 U.S.C. 290aa) (as amended by section 2 of this Act) is further amended—

(1) by redesignating subsection (k) as subsection (l); and

(2) by inserting after subsection (i) the following new subsection:

"(k)(1) The Secretary shall—

"(A) develop and publish information respecting the causes of suicide among individuals under the age of 21 and the means of preventing suicide among such individuals, and

"(B) make such information generally available to the public and health professionals.

"(2) By January 1, 1988, and every 3 years thereafter, the Secretary shall report to the Congress on the activities undertaken under paragraph (1) during the period reported on and shall include in each such report an assessment of the effectiveness of such activities.".

ANIMALS IN RESEARCH

SEC. 8. Part A of title V of the Public Health Service Act (as amended by section 4 of this Act), is further amended by adding at the end thereof the following new section:

"ANIMALS IN RESEARCH

"SEC. 509. (a) The Secretary, acting through the Administrator, shall establish guidelines for the following:

"(1) The proper care of animals to be used in research conducted by and through agencies of the National Institutes.

"(2) The proper treatment of animals while being used in such research. Guidelines under this paragraph shall require—

"(A) the appropriate use of tranquilizers, analgesics, anesthetics, paralytics, and euthanasia for animals in such research; and

"(B) appropriate pre-surgical and post-surgical veterinary medical and nursing care for animals in such research.

Such guidelines shall not be construed to prescribe methods of research.

"(3) The organization and operation of animal care committees in accordance with subsection (b).

"(b)(1) Guidelines of the Secretary under subsection (a)(3) shall require animal care committees at each entity which conducts research with funds provided under this title to assure compliance with the guidelines established under subsection (a).

"(2) Each animal care committee shall be appointed by the chief executive officer of the entity for which the committee is established, shall be composed of not fewer than 3 members, and shall include at least 1 individual who has no association with such entity and at least 1 doctor of veterinary medicine.

"(3) Each animal care committee of a research entity shall—

"(A) review the care and treatment of animals in all animal study areas and facilities of the research entity at least semiannually to evaluate compliance with applicable guidelines established under subsection (a) for appropriate animal care and treatment;

"(B) keep appropriate records of reviews conducted under subparagraph (A); and

"(C) for each review conducted under subparagraph (A), file with the Administrator at least annually (i) a certification that the review has been conducted, and (ii) reports of any violations of guidelines established under subsection (a) or assurances required under paragraph (1) which were observed in such review and which have continued after notice by the committee to the research entity involved of the violations.

Reports filed under subparagraph (C) shall include any minority views filed by members of the committee.

"(c) The Administrator shall require each applicant for a grant, contract, or cooperative agreement involving research on animals which is administered by the Administrator or any agency of the National Institutes to include in its application or contract proposal, submitted after the expiration of the 12-month period beginning on the date of enactment of this section—

"(1) assurances satisfactory to the Administrator that—

"(A) the applicant meets the requirements of the guidelines established under paragraphs (1) and (2) of subsection (a) and has an animal care committee which meets the requirements of subsection (b); and

"(B) scientists, animal technicians, and other personnel involved with animal care, treatment, and use by the applicant have available to them instruction or training in the humane practice of animal maintenance and experimentation, and the concept, availability, and use of research or testing methods that limit the use of animals or limit animal distress; and

"(2) a statement of the reasons for the use of animals in the research to be conducted with funds provided under such grant or contract.

Notwithstanding subsection (a)(2) of section 553 of title 5, United States Code, regulations under this subsection shall be promulgated in accordance with the notice and comment requirements of such section.

"(d) If the Administrator determines that—

"(1) the conditions of animal care, treatment, or use in an entity which is receiving a grant, contract, or cooperative agreement involving research on animals under this title do not meet applicable guidelines established under subsection (a);

"(2) the entity has been notified by the Administrator of such determination and has been given a reasonable opportunity to take corrective action; and

"(3) no action has been taken by the entity to correct such conditions;

the Administrator shall suspend or revoke such grant or contract under such conditions as the Administrator determines appropriate.

"(e) No guideline or regulation promulgated under subsection (a) or (c) may require a research entity to disclose publicly trade secrets or commercial or financial information which is privileged or confidential.".

PREPARATION OF PUBLIC SERVICE ANNOUNCEMENTS

SEC. 9. (a) Section 503 of the Public Health Service Act is amended by adding at the end thereof the following new subsection:

"(e)(1) The Secretary, acting through the Institute and in consultation with the Director of the Office on Smoking and Health, shall prepare for distribution announcements for television to educate the public, particularly women, concerning the dangers resulting from cigarette smoking by women. In the preparation of such announcements, the Secretary shall, to the extent feasible, use appropriate private organizations and business concerns.

"(2) Of the amount appropriated under section 517 for each of the fiscal years 1987, 1988, and 1989, $250,000 shall be available to carry out paragraph (1) for such fiscal year.".

(b) Section 517 of such Act (as amended by section 5(b) of this Act) is further amended by inserting "section 503(e) and" before "this subpart".

ALCOHOLIC CONTENT DISCLOSURE

SEC. 10. (a)(1) Section 5(e)(2) of the Federal Alcohol Administration Act (27 U.S.C. 205(e)(2)) is amended by striking out beginning with "except that" the first place it appears through "State law and".

(2) Section 5(f)(2) of such Act (27 U.S.C. 205(f)(2)) is amended by striking out "malt beverages and" and inserting in lieu thereof "malt beverages are permitted, but are not required, and such statements with respect to".

(3) Section 17(a) of such Act (27 U.S.C. 211(a)) is amended by adding at the end thereof the following new paragraph:

"(9) The term 'alcoholic content' means, with respect to malt beverages, the percentage by volume of the beverage which is comprised of alcohol.".

(4)(A) On and after the date of enactment of this Act, the regulations contained in sections 7.22(b)(3), 7.26, and 7.54(c) of title 27, Code of Federal Regulations, shall cease to be in effect.

(B) Within one year after the date of enactment of this Act, the Secretary of the Treasury shall revise the regulations promulgated under the Federal Alcohol Administration Act to carry out the amendments made by this subsection.

(b)(1) The amendments made by this subsection shall take effect one year after the date of enactment of this Act.

(2) Section 5(e) of the Federal Alcohol Administration Act (as amended by subsection (a)(1) of this section) is further amended—

(A) by inserting "and except that subsection (g) of this section shall apply in lieu of this clause to statements of, or statements likely to be considered as statements of, alcoholic content of malt beverages" before the end parenthesis in clause (2); and

(B) by inserting after subsection (f) the following:

"(g) ALCOHOLIC CONTENT OF MALT BEVERAGES: To sell or ship or deliver for sale or shipment, or otherwise introduce in interstate commerce, or receive therein, or to remove from customs custody for consumption, any malt beverages in bottles, unless the label on the bottle of any such beverage bears an accurate statement of the alcoholic content of such beverage.".

TECHNICAL AMENDMENT

SEC. 11. Section 504(e)(2)(A) of the Public Health Service Act (42 U.S.C. 290aa-3(e)(2)(A)) is amended by striking out the period at the end thereof and inserting in lieu thereof a semicolon.

THE FUTURE OF NUCLEAR POWER

● Mr. McCLURE. Mr. President, over the past several weeks, the Senate Energy Committee has been immersed in a lot of issues concerning the future of nuclear power in this country. On the one hand, we have been closely following the recent nuclear accident that took place in Chernobyl, Russia. While we appreciate the fact that, given the major differences in technology and safety features between United States and Russian reactors, we will never see the kind of consequences here that Russia experienced at its plant, we are nevertheless extremely worried about the indirect impact of this accident on the future of nuclear power in this country. If the Chernobyl accident does nothing more than further taint public perception of the safety of nuclear power in this country, then that accident will have taken a serious toll here.

This brings me to the brighter side of the committee's recent activities, and that is the hearings we held April 29 and May 5 on the Department of Energy's programs in nuclear energy research and development. During these hearings, we heard from a variety of witnesses ranging from the Department of Energy to the National Association of Regulatory Utility Commissioners.

Mr. President, one of the most important messages that came out of these hearings was the fact that not only do we have a proven light-water-reactor technology in hand that produces safe, clean, and economical electricity in this country, but we also have at our fingertips a whole new "second generation" of nuclear plants that promise the kinds of advancements in terms of "walk-away" safety, economic, and proliferation resistance, that can put issues such as the "Chernobyl Syndrome" behind us for good.

I cannot think of a better example of this than what is described in the article in the May 2 issue of the Wall Street Journal. This article summarizes the recent tests conducted at the Experimental Breeder Reactor No. 2 in Idaho. Clearly, these tests demonstrate that reactors can be designed in such a manner that no conceivable event, whether it be mechanical failure or human error, will have any significant impact on public health and safety, nor for that matter any significant impact on the plant itself.

It is research such as that being performed at the Experimental Breeder Reactor No. 2 for the Department of Energy that will leapfrog U.S. nuclear technology into a new era of inherently safe reactor technology. I am certain that, even when subjected to rigorous public scrutiny, these advanced reactor designs can and will endure.

Mr. President, I ask that the May 2 Wall Street Journal article to which I referred be made a part of the RECORD.

The article follows:

ENGINEERS TAKE DIFFERENT PATH IN SEARCH FOR A SAFER REACTOR

(By Jerry E. Bishop)

On the morning of April 3, three weeks before the Chernobyl nuclear disaster in the Ukraine, a small, 20,000-kilowatt atomic reactor in Idaho, operating at full power, suddently underwent one of the most dreaded occurrences in the production of nuclear power: The fluid that is supposed to cool the reactor stopped flowing.

Had this happened in a commercial power reactor, as it did at Three Mile Island in 1979 and possibly at Chernobyl last Saturday, another nuclear disaster would have been in the making. The cooling fluid would have immediately boiled away and temperatures in the reactor would have soared in minutes. Reactor operators would have scrambled frantically to get control rods pushed into the reactor to stop the atomic chain reaction before a "meltdown" of the uranium fuel core occurred.

When the loss-of-coolant incident took place in the Idaho reactor, however, engineers sat quietly, waiting to see what would happen. The temperature of the coolant did rise by 400 degrees Fahrenheit, but it didn't boil and continued to extract heat from the reactor. The atomic reaction stopped, and the coolant temperature dropped within five minutes to its normal 900 degrees.

The incident was the latest test by Argonne National Laboratory engineers of an advanced atomic power reactor that researchers claim is inherently safe. Known as experimental breeder reactor No. 2, or EBR-II, it is markedly different from the reactors that currently power the world's commercial nuclear electric-generating stations. The cooling fluid, which circulates through the reactor core, extracts heat from the reactor and transfers it outside where the heat is used to produce steam, is liquid sodium instead of water. And the uranium fuel is a metallic alloy instead of uranium oxide. These basic changes produce an atomic reactor that, according to the laws of thermodynamics and physics, can't go out of control.

Most commercial power plants use water to cool their reactors. Water boils at 212 degrees. To prevent the water from boiling away and allowing the reactor to overheat and melt, the cooling water has to be kept under pressures more than 100 times atmospheric pressure. Sodium, however, has a boiling point of 1,650 degrees and can keep absorbing the reactor's heat, cooling it, until it reaches that temperature. For this reason, the sodium doesn't have to be kept under pressure, one inherent safety advantage of the EBR-II.

Another safety feature is metallic uranium fuel. The metallic fuel is a far better conductor of heat than the oxide fuel used in commercial reactors. When the metallic fuel begins to overheat, the heat is quickly and efficiently conducted to the sodium coolant instead of building up inside the fuel as it does with the oxide fuel. As the heat spreads out evenly through the fuel, the sodium and the control rods, everything begins to expand. The expansion spreads the uranium atoms apart, slowing down the atomic chain reaction without any human or mechanical intervention. As the reaction slows, the temperature drops back to normal operating levels.

The EBR-II actually was built in 1964 to test out the concept of immersing a reactor in thousands of gallons of liquid sodium. But, says Charles Till, the associate laboratory director in charge of the Argonne program at the Department of Energy's Idaho experimental reactor facility, "Only in the last year or so did it become apparent that the reactor was inherently safe." After extensive experiments and computer simulations, the engineers decided, perhaps for the first time in history, to subject an atomic reactor to the three most dreaded "postulated hypothetical accidents" that could happen to a nuclear reactor.

In the test on April 3, the circulation of the primary sodium coolant through the reactor was stopped. As predicted, the temperature of the sodium rose, and in minutes the power from the reactor dropped to almost zero as the chain reaction stopped, Mr. Till reports. That afternoon, in a second test, the flow of the secondary cooling system, which removes heat from the main system and transfers it outside the reactor, was suddenly shut down. Again, after a brief temperature rise, the atomic chain reaction came to a standstill and temperatures dropped to normal.

The engineers plan soon to put the EBR-II through the third-worst hypothetical accident, "an uncontrolled acceleration of reactivity," as it's called. If, in a conventional reactor, a vital control rod is accidentally pulled out of the reactor, the atomic chain reaction could get out of control, sending out lethal blasts of radiation and resulting in a core meltdown. The Argonne engineers are certain that when they jerk a control rod out of the EBR-II, the same phenome-

non that prevented the other accidents will shut the reactor down.

Argonne, which is operated for the DOE by the University of Chicago, is now developing a prototype commercial power reactor, called the integral fast reactor (IFR), based on the EBR-II concept. If techniques for reprocessing the metallic fuel are worked out, researchers believe such inherently safe reactors could be operating in 15 years.●

VETERANS JOB TRAINING ACT OF 1986

● Mr. ROCKEFELLER. Mr. President, I rise today to address a matter of great concern to hundreds of thousands of unemployed Vietnam era and Korean veterans. On the eve of the scheduled meeting of the Appropriations Committee to consider supplemental appropriations for urgent needs, I want to direct the attention of my colleagues to the importance of providing additional support to the Veterans Job Training Act. Senator DECONCINI, my distinguished colleague on the Senate Veterans' Affairs Committee and a member of the Appropriations Committee, plans to offer an amendment to achieve this important goal.

We came close to obtaining the necessary funding for the Veterans Job Training Program last December when the Senate included $55 million for the Veterans Job Training Act in its version of the fiscal year 1986 continuing resolution. This funding, however, was dropped in conference with the House because the legislation's reauthorization had yet to be enacted. Congress subsequently did pass the reauthorization of VJPTA, and fortunately we now have another opportunity to appropriate the required funds.

Formerly titled the Emergency Veterans Job Training Act, the Veterans Job Training Act of 1986 grants cash incentives to employers who agree to hire and give extensive training to unemployed and underemployed veterans. The goal of VJTA is to enable these veterans to gain permanent and stable employment—based on the view that we owe younger veterans the assistance needed to acquire the skills to adequately provide for their families and compensate for any losses that may stem from serving their country.

A recently released study conducted by the Department of Labor's Bureau of Labor Statistics presents statistics that underscore the need for the continuation of the Veterans Job Training Program. The Bureau reports that service-connected disabled veterans who served in Vietnam had a 9.2 percent unemployment rate in April 1985—this portrays a disturbing contrast with the general population's unemployment rate at that time. This new study also found that Vietnam theater veterans who have been determined by the Veterans Administration to be 30- to 50-percent disabled had an enormously high unemployment rate—16 percent.

A recent 1986 article in the veterans publication Stars and Stripes, entitled, "High Unemployment Plagues Vietnam Veterans," discusses this Bureau of Labor Statistics study in more detail. It also cites the Disabled American Veterans, one of the Nation's finest veterans service organizations, as pointing out that "a full 19 percent of Vietnam theater veterans with disabilities have dropped out of the labor force." Many of these unemployed veterans may have given up hope about their chances of obtaining stable work.

Mr. President, I ask that the Stars and Stripes article I just referred to be placed in the RECORD with my statement.

Mr. President, these statistics on veterans unemployment make the case for immediate action on funding the Veterans Job Training Program. The pending supplemental appropriations bill is an appropriate vehicle, in that the bill's purpose is to respond to the urgent needs of various segments of society. Moreover, the proposal to reprogram existing funds for this program means that we would not exceed the fiscal year 1986 budget ceiling for veterans benefits.

We must not abandon our effort to address the employment-related problem of many Vietnam and Korean conflict veterans. In fact, more than 25,000 veterans have asked for job assistance by applying for the Veterans Job Training Program since February 1—and I am sure that many more will do so once they know the program will be renewed. Our Nation has an obligation to give these veterans the tools to become productive citizens. Now is the time to provide the necessary funds to continue this crucial program.

The statement follows:

HIGH UNEMPLOYMENT PLAGUES VIETNAM VETERANS—DISABLED HIT HARDEST

A recently released study of the unemployment rates among disabled and Vietnam theater veterans has confirmed both groups' unemployment rates far exceed national averages.

The study, conducted by the Department of Labor's Bureau of Labor Statistics (BLS) represents the first time unemployment statistics were gathered on disabled veterans. It came only after repeated efforts by the one-million member Disabled American Veterans (DAV) to have such a study conducted.

The study found that while the unemployment rate for all veterans was 5.5 percent in April 1985, service-connected disabled veterans who served in Vietnam had a 9.2 percent unemployment rate. And all service-connected disabled veterans had a 7.6 percent unemployment rate. Vietnam theater veterans with disabilities rated 30 to 50 percent had the highest unemployment rate—16 percent.

These data are from a special supplement to the April 1985 Current Population Survey, the source of the nation's statistics on employment and unemployment. This supplement, sponsored jointly by the Veterans Administration and the Veterans Employment and Training Service and the Bureau of Labor Statistics within the Department of Labor, included questions on whether those who served during the Vietnam era had duty in Southeast Asia and, for all veterans, the presence of and rating for service-connected disabilities.

Altogether, there were 26.2 million male veterans 18 years of age and over in April 1985. Of these, about 7.9 million had served in the Armed Forces during the Vietnam era (August 1964-April 1975), including 3.7 million who were stationed in the Vietnam theater. The labor force participation rate for this latter group was slightly lower than that of other Vietnam-era veterans, in part because a larger proportion had service-related disabilities that hampered their ability to work. Fourteen percent of Vietnam-theater veterans reported such disabilities, compared with 11 percent for those who served in other wars. The labor force participation rate for Vietnam-theater veterans was 81 percent for those with disabilities and 95 percent for those who were not disabled.

What's even more telling are the number of seriously disabled veterans who've dropped out of the labor force entirely, according to Ronald W. Drach, National Employment Director of the Organization of Wartime Disabled Veterans.

"A full 19 percent of Vietnam theater veterans with disabilities have dropped out of the labor force. That is, they were unemployed but not counted in the job-seeking market as unemployed," said Drach. "Significantly, two-thirds of all disabled Vietnam era veterans with ratings of 60 percent or higher are not even looking for employment."

Drach said the study confirmed what the DAV has long believed, that significant problems exist for disabled veterans seeking meaningful employment in the workplace. "It highlights the deplorable employment situation faced by many service-connected disabled veterans. Many reasons can be offered for these high numbers, but it's obvious that innovative programs must be designed to bring these people into the work force and provide meaningful employment opportunities for them."

The combat-disabled Vietnam veteran also said that the employment profile for minority veterans was disappointing. "Regardless of where they served, black Vietnam era veterans' unemployment is two and a half to three times higher than for white veterans. Black Vietnam theater veterans have a 14.1 percent unemployment rate, while the rate for Hispanic Vietnam theater veterans is 6.3 percent."

Veterans of other wartime periods, principally those who served during the Korean war and World War II, are a group in which no one is younger than 45. Accordingly, this group is far less likely than Vietnam era veterans to be in the labor force, regardless of the degree of disability. About four-fifths of the other wartime group were 55 and older, and nearly one-third were 65 and older. The labor force participation rate for this group was 57 percent—60 percent for those without service-connected disabilities and 36 percent for those with such disabilities. Only 13 percent were in the labor force when their disability rating was 60 percent or higher.

Veterans are more likely to be employed in the public sector than other men. Eighteen percent of all employed veterans and 22 percent of those who served in the Vietnam theater were in Federal, state or local gov-

ernment jobs, compared with 13 percent of all employed men 18 years of age and older. Fully one-third of all employed Vietnam era veterans with service-connected disabilities worked in government jobs.

With respect to occupations, veterans who served in Southeast Asia were distributed in much the same way as other Vietnam era veterans. The only differences were that the former were less likely to be in the managerial and professional job categories, but more likely to be in construction trades and protective service jobs.●

CONGRESSIONAL CALL TO CONSCIENCE

● Mr. ABDNOR. Mr. President, as a participant in the congressional call to conscience, I welcome the opportunity to make this statement concerning the issue of Soviet Jewry.

From our perspective today it becomes more and more apparent and distressful that the Soviets callously use those Soviet Jews desiring to emigrate to Israel as pawns in the Soviets' political maneuvering vis-a-vis the West. The fate of Soviet Jews has been correlated with the West's attempts at bettering relations with the Soviet Union.

Traditionally, Soviet Jews have been allowed to emigrate from the Soviet Union on the condition that they submit an invitation from a relative living in Israel. But before the 1960's, few of the Soviet Jews were allowed to leave the country under this provision. For example, from May 1948 to 1953, only 18 Jews were allowed to emigrate to Israel.

With the improvement in relations between the Soviet Union and the West, emigration totals remarkably improved. The emigration of over 100,000 Soviet Jews occurred in conjunction with détente, The West German policy of Ostpolitik, and the signing of the U.S.-U.S.S.R. Trade Agreement. The emigration of Soviet Jews was again curbed in 1974 when it became apparent that the trade agreement would not go into force due to most-favored-nation restrictions as well as credits contained in the Trade and Export-Import Bank Acts of 1974. From 1975 until 1977, only 44,218 Jews were allowed to emigrate.

Emigration of Soviet Jews improved once again during 1978 and 1979. The Salt II Treaty and the improved chances of Western trade and credits opened the door to 80,184 Jews. These improved emigration statistics came to an end with the Soviet invasion of Afghanistan and the ensuing deterioration of United States-Soviet relations. New restrictions were applied for emigration from the Soviet Union. Jewish citizens wishing to leave the Soviet Union could only submit invitations from immediate family members. For a 5-year period from 1980 to 1984, only 35,816 Soviet Jews have been allowed to emigrate.

The Soviet Union claims that emigration numbers are falling because family reunification and repatriation are almost complete. This official response cannot account for the fact that 400,000 Soviet Jews have applied for visas; 20,000 of these, the refuseniks, have applied and been refused permission to leave. I find it appalling that the Soviet Union would use the fate of a people as a bargaining chip for better relations with the West.

There has been some indication that the current situation with Soviet Jewry might improve. Since the Geneva summit, 13 Soviet Jews have been allowed to leave to join their husbands or wives in the United States. That leaves about 20 cases unresolved. There may be a setback, however, in both the improvement in relations and the Soviet Jewry situation in view of our air strikes against Libya. Regardless of the current situation, I urge that the administration use every opportunity to persuade the Soviets to discontinue their reprehensible practice of linking the plight of Soviet Jews with their negotiations and dealings with the West.●

NAUM AND INNA MEIMAN: LEFT BEHIND

● Mr. SIMON. Mr. President, Naum and Inna Meiman have suffered for long enough. The Meimans are Soviet Jews who have applied to emigrate to Israel and have been refused for over 10 years.

Naum is a founding member, along with Natan Shcharansky, of the Helsinki Watch Group which monitored human rights violations in the Soviet Union. Inna is critically ill with cancer and must travel to the West in order to save her life. Medical authorities in the Soviet Union have told her there is nothing more they can do for her, while Western doctors have offered new technology to treat her cancer.

As we celebrate the presence of Natan Shcharansky in the United States, we cannot let our voices be stilled for those who continue to struggle.

I strongly urge the Soviets to grant permission to Inna and Naum Meiman to emigrate to Israel.●

PLIGHT OF STEEL INDUSTRY IN BALTIMORE

● Mr. SARBANES. Mr. President, yesterday, I met with representatives of the Baltimore Steel Crisis Action Program, a group of steelworkers concerned with the serious condition of the steel industry in this Nation and its impact on the Baltimore area.

In the past 7 years, employment at the Sparrows Point steel plant in Baltimore County, owned by the Bethlehem Corp. has declined by over 10,000 workers. The plant is operating at only 60 percent of capacity. As a thoughtful editorial in yesterday's Baltimore Sun pointed out, this decline in the steel industry "has traumatized families, blighted neighborhoods, and rippled through scores of businesses—both those supplying Sparrows Point and those dependent on the trade of its employees."

The problems of the steel industry in Baltimore and Baltimore County reflect the condition of the industry throughout the county. It is clear that more aggressive action is needed by the administration to improve compliance with the voluntary restraint agreements on steel that have already been negotiated. Pressure is required to assure that our current trade laws are enforced. This will give the industry the time it needs to make the painful adjustments necessary to meet the challenge of foreign competition.

As the Sun editorial pointed out, the Baltimore County plant "must survive if the United States is not to become just a purveyor of hamburgers, microchips, and certificates of deposit * * * if the country loses its ability to manufacture basic industrial products, an important element of national security will be sacrificed."

The meeting yesterday placed the emphasis where it belongs—on fair trade, retention of jobs and competitiveness, and on strict compliance with already negotiated voluntary restraint agreements on steel.●

TELEVISION VIOLENCE

● Mr. SIMON. Mr. President, the question of curbing television violence is one we are going to have to be facing soon.

The Hancock County Journal-Pilot, a weekly newspaper in my State, recently had an editorial commenting on the whole question of television violence and the legislation that is pending before us, and also urging parents to do something about switching off programs that have too much violence.

I ask that the Journal-Pilot editorial be printed in the RECORD, and I urge my colleagues to read it.

The editorial follows:

[From the Hancock County Journal-Pilot, Apr. 23, 1986]

CURBING TELEVISED VIOLENCE: SIMON, SWITCH OFFER HOPE

Can violence on television cause violent behavior elsewhere?

While the American public generally has been led to believe there is no definite correlation, U.S. Sen. PAUL SIMON, who has studied the issue for three years, has compiled some information that bears sober reflection.

The question is an important one, considering that more than 96 percent of American homes have at least one television set. The fact that the average child spends more time watching television than in the classroom is another reason the issue is important.

For starters, SIMON cites a report of the U.S. attorney general's task force on family violence that concluded "evidence is becoming overwhelming that, just as witnessing violence in the home may contribute to normal adults and children learning and acting out violent behavior, violence on television . . . may contribute to the same result."

Researchers also have found that children with aggressive tendencies tend to watch violent programs and are more likely to believe that television violence mirrors real life.

As long ago as 1982, the surgeon general said there is a causal correlation between viewing violence and aggressive behavior, Simon says.

Researchers John Murray and Barbara Lonnberg found viewing television violence can have three effects: children may become less sensitive to the pain and suffering of others; they may be more fearful of the world around them; and they may be more likely to behave in an aggressive or harmful way toward others.

In June 1985 the American Academy of Pediatrics issued a policy statement that "repeated exposure to televised violence promotes a proclivity to violence and a passive response to its practice."

In February last year, Dr. H. James Holroyd concluded: "In one study, children who had watched a violent television program were found to be more likely to hurt another child than were those who had watched a nonviolent program."

Noting that 35 males between the ages of 8 and 31 have killed themselves playing Russian Roulette while imitating a scene from the movie "The Deer Hunter" shown on television, Dr. Robert Wharton and Dr. Frederick Mandell said last June ". . . the pain of victims and anguish of relatives are rarely portrayed. Thus, the child learns that violence may be a quick and easy solution to conflicts while being deprived of any opportunity to feel empathy for the victim."

Simon cites other research that found children's television programs are six times as violent as adults' television programs and several other laboratory studies that have shown children imitate the violence that they have just watched on television.

What do the television networks say? Researchers for NBC found the relationship between viewing television violence and aggressive behavior several years later became insignificant when social class was controlled, according to Diana Zuckerman and Dr. Barry Zuckerman.

But, the Zuckermans add, the NBC-backed study has several key limitations. The study strictly defined children's aggressive behavior to include only "physical or verbal acts intended or known in advance to cause injuries to others" and did not include rough play or other unintended aggressive behavior.

Unfortunately, America's penchant for violence compared to the rest of the western world is reflected in its television programs. The International Coalition on Television, comprised of 88 countries, has determined American viewers have more access to violent television programming than citizens of several other nations, including Canada, England, Australia, New Zealand, Japan, West Germany and Spain.

And the U.S., the coalition has found, is a chief exporter of television violence. The U.S. exports programs accounting for 65 percent of all violence shown on Australian, Canadian, English and New Zealand television.

So recent research indeed does refute psychologists' suggestions in the 1950s that television violence had a cathartic effect, thus reducing viewers' aggressive behavior.

With that in mind, what can be done to lessen the amount of violence on television? Simon, who visited the three major networks' production facilities in January to learn how program content decisions are made, introduced legislation last week that could lead to industry guidelines to curb the viewing of television violence by children.

Simon's two-bill package would provide an exemption from antitrust laws to broadcast stations, including owners or operators of cable television companies and networks, and trade associations. The exemption would be limited to joint action to review, consider, evaluate and take action concerning broadcasts or material intended for television broadcast to determine or lessen their harmful effects.

Second, his legislation would direct the Federal Communications Commission to oversee a definitive study of television violence issues and report to Congress within a year.

Another more immediate way to control television violence is to stop watching violent programs. If enough Americans register their displeasure by switching to other programming or turning their sets off completely, ratings of violent shows will drop and sponsors—the life blood of commercial television—will be lost.

It also behooves parents to monitor their children's viewing habits more closely.●

PROTECTION AND ADVOCACY FOR MENTALLY ILL INDIVIDUALS

● Mr. SIMON. Mr. President, I am pleased to support the conference report for S. 974, the Protection and Advocacy for Mentally Ill Individuals Act of 1986, which was adopted by unanimous consent earlier today.

This legislation is a result of investigations that Senator WEICKER and his staff conducted through site visits to institutions and oversight hearings on the conditions in those institutions. The result of their 9-month investigation, with onsite inspection of 31 facilities for mentally handicapped persons in 12 States, was a disturbing documentation of abuse and neglect of some of the most vulnerable persons in our society. Because of the concern Senator WEICKER has shown, we are now able to add a vital tool to those available for preventing abuse and neglect in facilities which house the mentally ill.

I am pleased that this bill will also permit Protection and Advocacy agencies to assist individuals being discharged from facilities and ensure that their rights are protected as they make the transfer into the community. The conference report provides that the Protection and Advocacy System may pursue appropriate remedies for abuse or neglect which occurs within 90 days of the discharge of the individual from a facility. This provision should help ensure that these individuals are placed successfully into the community and are not found sometime later among the homeless on our streets. The number of homeless in this country is now estimated to be possibly as high as 2 million, and an estimated one-third of our homeless are said to have experienced some form of mental illness. There is no question that the emptying of State institutions, without appropriate followup services, has contributed to this situation. This bill will help prevent the needs of deinstitutionalized persons from being ignored in the future.

I commend my colleagues who worked to reach agreement on this conference report. It is a credit to all of them and should produce results that we can all applaud.●

POLICE OFFICERS MEMORIAL DAY AND POLICE WEEK

● Mr. MOYNIHAN. Mr. President, I rise today to honor the brave men and women who serve as our Nation's law enforcement officers. And, as we commemorate National Police Officers' Memorial Day and Police Week, I would like to offer a special tribute to the 79 officers who, last year, gave their lives while performing their duties. Each of them is a hero. Each officer made the ultimate personal sacrifice to uphold our laws and ensure our safety.

It is always appropriate—and especially fitting today—for us to recommit ourselves to supporting the efforts of our law enforcement officials. In the U.S. Senate, we recently passed legislation I sponsored to ban armor-piercing bullets. These "cop-killer" bullets can penetrate bulletproof vests, and pose a lethal threat to police. A similar bill was approved by the House. Before Congress adjourns this fall, I am hopeful we can reach agreement on this measure, and send it to the President for his signature.

In addition, we must continue to improve, not weaken, provisions of the 1968 Gun Control Act. There were 79 police officers killed in 1985. Seventy of these crimes were perpetrated with firearms. Our law enforcement officers need more protection under the law, not less.

Finally, the Federal Government must decide to allocate sufficient resources to assist with the apprehension and punishment of those who violate the law. We can ill afford the terrible costs paid by the victims of crime and by a society that allows such criminal behavior to go unpunished. With crime rates again on the increase, we must make law enforcement a national budget priority.

This week, as we remember the law enforcement officers who so devotedly and faithfully serve their communities, let us also keep in mind our obli-

gations to help them carry out their responsibilities.●

THE BRADLEY STAMP

● Mr. LAUTENBERG. Mr. President, the Senate will in the near future turn to consideration of comprehensive tax reform legislation. My colleague from New Jersey, Senator BRADLEY, has been a persistent, persuasive, and committed advocate of reform. His original tax reform legislation, which I was pleased to cosponsor, was one against which other proposals have been measured. I am sure that, were it not for my colleague's efforts, the people of the United States would not be as close as they are to real reform of the tax laws. The bill reported by the Finance Committee is the product of many Senators' hard work, but it has the Bradley stamp.

My colleague has received well-deserved praise for his work thus far on tax reform. I ask that editorials and an article from the Newark Star-Ledger and the New York Times be printed in the RECORD.

The material follows:

[From the Newark Star-Ledger, May 13, 1986]

BRADLEY'S KEY ROLE

The signature on the bottom of the historic tax reform measure passed unanimously by the Senate Finance Committee bore the name of the panel's chairman—Bob Packwood, the Oregon Republican. But it just as likely—and perhaps more fittingly—could have taken the name of New Jersey's senior senator, Bill Bradley.

Senator Bradley labored long and valiantly—and more often than not, thanklessly—in behalf of an overdue reform of the nation's inequitable and archaic tax system. He made it a chief legislative commitment of his years in the Senate.

And it finally paid off, a remarkable turnaround after only weeks earlier it appeared to be foundering in an irreversible terminal stage. It was given a born-again legislative status when Senator Packwood and a small cadre of colleagues, including Senator Bradley, reworked a viable new draft that was backed by a strong bipartisan coalition on the tax panel.

In its fiscal "Second Coming," the Senate tax reform version (the House earlier passed a measure similar in principle but which differs in some important aspects) has many of the basic proposals Senator Bradley included in his 1982 Fair Tax Act.

The Senate measure would drastically lower tax rates; most persons would be taxed at 15 percent rate, and the top rates would be reduced to 27 percent for individuals and 33 percent for corporations. Millions of poor Americans would be removed from tax rolls. But many deductions and tax shelters would either be repealed or reduced.

In an unusual bipartisan gesture, Senator Packwood, who was originally opposed to tax reform, praised a colleague from the other side of the Senate aisle. He singled out Senator Bradley as "a key player all the way along . . . (who was) absolutely one of the best performers" during the final crucial weeks that culminated in the decisive committee vote.

The solid affirmation of restructuring of the tax system by the Senate panel, and the enthusiastic backing of President Reagan for "meaningful, historic tax reform," have created a new, buoyant climate for passage of reform legislation that will not be gravely hobbled by special-interest loopholes that have marred and rendered ineffectual these initiatives in the past.

The absence of this name on the bottom line does not detract from Senator Bradley's key, decisive role as the "intellectual conscience" of genuine tax reform.

[From the New York Times, May 9, 1986]

PERSISTENCE OF BILL BRADLEY IS PAYING OFF

(By Robert Pear)

WASHINGTON, May 8.—For five years, Senator Bill Bradley of New Jersey has been trying to build support in Congress and across the country for dramatic changes in the tax code, including much lower rates and the elimination of most itemized deductions.

With the approval of a bill by the Senate Finance Committee this week that incorporates such changes, Mr. Bradley achieved a long-sought personal triumph.

Mr. Bradley, a Democrat, provided counsel and encouragement to the committee chairman, Bob Packwood of Oregon, a Republican, in steering the bill through a thicket of lobbyists for various interests and industries. Mr. Packwood later said he was converted and "came around full circle to think that Bradley was right" on the need for sweeping changes in the tax system.

Mr. Bradley's colleagues said today that he had not pulled a rabbit out of the hat, but rather served as the conscience of the committee, demonstrating that voting against special interests could be a political plus.

The bill approved unanimously by the Finance Committee on Wednesday would make the biggest changes in Federal income tax law in 40 years, abolishing dozens of itemized deductions, slashing the top tax rate to 27 percent, from the current 50 percent, and substituting two tax brackets for the 14 that now exist.

Mr. Bradley, first elected in 1978, is in his second term, but committee members with more seniority looked to him for guidance on both tax policy and technical questions.

"More than any other individual, Bill has contributed to the progress that's been made on tax reform in this country," said Senator George J. Mitchell, a Maine Democrat who also serves on the Finance Committee. "Five years ago, with considerable vision and foresight, he laid out his proposal, and he has advocated it since then with consistency and intellectual force."

Not only Democrats were complimenting Mr. Bradley today. Bruce R. Bartlett, a Republican economist, now a senior fellow at the conservative Heritage Foundation, gave the Senator "enormous credit" for changing the approach of the Finance Committee. As a result of that change, he said, "a pure, radical concept" of tax revision replaced "an attitude of business as usual, catering to the lobbyists and special interests."

James W. Wetzler, an investment banker at Bear, Stearns & Company and former deputy chief of staff of the Congressional Joint Committee on Taxation, said the approval by the Finance Committee was "a remarkable tour de force" by Mr. Bradley.

"I have never seen a situation where a junior Senator exercised as much influence as Bradley did on the House." Mr. Wetzler said, "Nor have I seen a situation where a Republican committee chairman gives a Democrat such credit for helping to change his position on an important issue."

Historically, Mr. Wetzler said, tax policy has oscillated between efforts to guarantee the integrity and equity of the tax code, on the one hand, and efforts to achieve various social or economic goals on the other. After passage of the 1981 tax law, he said, Mr. Bradley was "the first major politician to perceive that it was possible for the pendulum to swing back toward a more equitable tax system, with lower rates and a broader base."

GRANDDADDY OF TAX GIVEAWAYS

Mr. Bradley describes the 1981 tax law as "the granddaddy of tax giveaways," loaded with "a slew of highpriced sweeteners" for businesses.

In an interview today, Mr. Bradley traced his interest in taxation to his days as a highly paid professional basketball player, when he discovered that he was regarded as "a depreciable asset" by his team, the New York Knicks.

In his book "The Fair Tax," Mr. Bradley recalls that his tax attorney told him, when he started playing for the Knicks, that he had to decide how much he wanted to pay in taxes. Mr. Bradley, then 23 years old, was puzzled. The lawyer explained that Mr. Bradley could take his pay in cash, could defer all or part of it, could take part of it as a long-term consulting contract, or as life insurance, or as a pension, among other options.

Mr. Bradley, now 42, retains a firm belief that the tax system is confusing and incomprehensible to most Americans.

"The 20-0 vote on Finance Committee represented the arrival of political maturity for tax reform." Mr. Bradley said. "It meant that seasoned politicians believed that tax reform was a political winner. It showed that tax reform is a powerful political idea which, if persistently advocated, can overcome entrenched opposition."

The legislation has supporters in both parties, but for Democrats, Mr. Bradley said, "it provides the first economic growth issue we have had in more than a decade." Best of all, he said, "it gives us an opportunity to advocate growth and equity simultaneously."

Unlike many lawmakers, who seek to protect local interests in tax bills, Mr. Bradley positioned himself as an advocate of the general interest.

"For a member of Congress," he said, "the question is this: Do you believe your role is to represent the general interest, or is it your job to represent narrower interests—this one, that one—and put together a quilt of service? I believe a legislator's job is to represent the general interest."

[From the New York Times, May 8, 1986]

A TAX TRIUMPH FOR ALL AMERICANS

Sometimes, against all odds, the good guys win. In spite of intense lobbying by special interests and in spite of seeming public apathy, the Senate Finance Committee has voted to revolutionize a tax system which Jimmy Carter was right to call "a disgrace to the human race." It's a victory that reignites visions. Maybe the tax system can yet, after all, be made simpler, fairer and more efficient for all Americans.

This victory, unfortunately, won't win the war. Tax reform must still pass the Senate, and then survive a conference with the House. If the Finance Committee plan is to become law, Congress will have to do some-

thing it's not good at: Recognize the virtue of sacrificing individual interests for the common good.

Banks dislike the Finance Committee bill because it ends deductions for the Individual Retirement Accounts that have brought them new business. Stockbrokers dislike the elimination of special treatment for capital gains. Car dealers dislike restricting the deductibility of interests on car loans. Restaurants dislike reducing deductions for business entertainment. Labor dislikes eliminating the deductibility of union dues. Some governors dislike eliminating the deductibility of sales taxes.

These and scores of other interests can make a case for continuing to receive favored treatment. Together, they pack immense political influence. Then why have Senator Bob Packwood and his colleagues insisted on this radical plan, which evolved directly from the tax plan first proposed two years ago by Senator Bill Bradley and Representative Richard Gephardt? Because all of us would benefit in so many ways that the list is inspiring.

The number of tax brackets would be reduced from 14 to 2, and the top tax rate would drop from 50 percent to 27 percent. Eight taxpayers in 10 would pay just a 15 percent tax on income, and only after deductions for mortgage interest and charity. That would greatly simplify paperwork and record-keeping for most taxpayers.

Just as important, that change would eliminate many of the incentives that distort the economic life of a middle-class taxpayer. There would be little or no point to shifting income from parents to children, or from tax year to tax year, or from dividends to capital gains, or from salary to retirement plan. And there would be less point to hiding income from the I.R.S., cheating that now costs the Treasury tens of billions a year.

Most important, sweeping simplification and base-broadening could change the climate of special-interest lobbying. The current tax system of high rates, offset by hundreds of exemptions, gives practically everyone a justification for demanding favored treatment:

If interest on private housing bonds is tax-exempt, why not interest on private school construction? . . . If investment tax credits can cut the net cost of buying buses for Greyhound, why shouldn't they cut the cost of buying buses for the city of Akron? . . . If I.R.A. contributions are deductible, why not other personal savings?

Not even the Finance Committee bill would create a bias-free tax code. The eleventh-hour decision to preserve privilege for the oil and gas industries carries a particular odor. And while Majority Leader Robert Dole is optimistic about Senate approval, the road to final adoption remains uphill. But the overall direction of change is clear, the distance traveled is long and the possibility for genuine reform is so much advanced that it's worth stopping for a moment to dwell in one word: wonderful.

[From the New York Times, May 11, 1986]

THE INCREDIBLE IMPROVING TAX PLAN

" A second American revolution" is what President Reagan called his sweeping plan to restructure Federal taxes last year. He had the hyperbole right but the details wrong. His complicated package begged to be rewritten and that's what the House did, producing an improved but still-complex bill. Now, miraculously, the Senate Finance Committee, which recently seemed bent on killing reform, has suddenly produced a truly radical plan that tops them both.

The committee bill, grounded in the work of New Jersey's Senator Bill Bradley and master-minded by Chairman Bob Packwood of Oregon, is a shrewd combination of smaller personal tax cuts that look bigger than either the Reagan or House proposals, and less onerous tax increases for most businesses.

The result is real reform: a simpler, fairer tax system in which people and businesses can spend and invest without first considering the tax implications. Most of those implications would be demolished or greatly reduced.

The key to Mr. Packwood's success is dramatically cutting the top personal tax rate, now 50 percent, all the way down to 27 percent. That figure is deceptive; for some upper-level income, the actual rate would be 32 percent. And in dollar terms, the reduction isn't as much as the president proposed or the House adopted, because the Senate bill also repeals more personal deductions. But for impact, the Packwood opening proved startling.

The full Senate will take up the bill early next month, when all the lobbyists who were shut out of the committee's final deliberations will flock back, hoping to save cherished tax advantages that the committee bill would remove.

By then, though, an unfamiliar new influence will be in place. For the first time, Senate sessions will be broadcast on nationwide television. On camera, senators may shy from reinstituting tax shelters and other preferences that are sharply curtailed by the committee bill.

Television may, likewise, encourage senators to rescue tax-exempt Individual Retirement Accounts, which the committee bill would terminate for most people. But the senators know that there is peril in departing from the committee formula. They must weigh the narrow "special interests" of the few against the broad special interests of tens of millions who would come out ahead in this plan.

When the Senate is done, a conference will negotiate a compromise bill. That's when the lobbyists will turn out full force, undeterred by television's sanitizing stare. In the end, the top rate may not be 27 percent, or 32 percent. But it's likely to be well under the House's 38 percent, and the array of deductions and exemptions will probably have been improved. both bills have flaws that could stand cleaning up.

What's important is that there are now two good bills. Tax reform, which two weeks ago seemed to be gasping its last breath, now seems certain. That's a proud prospect for Congress and a progressive one for the nation.●

BENTON HARBOR, MI

● Mr. RIEGLE. Mr. President, I wish to submit an article regarding the city of Benton Harbor, MI. This brave city is currently undergoing a major effort toward revitalization. It is an uphill battle, but one which it is meeting with great energy and confidence.

I am proud at the national recognition that Benton Harbor has gained as evident from this article in the Christian Science Monitor, entitled, "Residents Fight To Change 'Down and Out in Benton Harbor'." Mr. President, I ask that this article be printed in the RECORD.

The article follows:

RESIDENTS FIGHT TO CHANGE "DOWN AND OUT IN BENTON HARBOR"

(By Lucia Moust)

If ever a city has been down and out, Benton Harbor qualifies.

What used to be a popular vacation spot for Chicagoans and a thriving center of Michigan's fruit industry now has an unemployment rate of close to 40 percent. Vacant stores line much of its main thoroughfare. About 60 pecent of its residents are on some form of public assistance.

Benton Harbor and its neighbor across the river, St. Joseph, are known as Michigan's Twin Cities. They have comparable rents but the contrasts are marked. St. Joseph's population is 98 percent white, while Benton Harbor is 86 percent black, and St. Joseph's per capital income is twice as high as that in Benton Harbor.

Benton Harbor faces the kind of challenge other cities in similar straits have walked away from. But a growing number of this city's 15,000 residents and interested onlookers say they see signs of fresh vitality here and a new determination to reverse the economic decline of the last 20 years.

Michigan State University's (MSU) decision last fall, backed by a grant from Benton Harbor's Whirlpool Corporation, virtually to adopt this town is fueling much of that optimism.

While not channeling more dollars directly into the city, MSU experts offer a wide range of technical and research help, lending credibility to the city's own revitalization efforts.

Within the last year a new downtown development authority has been formed and 10 companies have either moved in or expanded here.

"Many have been watching for the right signals for a long time," says Alex Little, who was hired as the city's director of economic and community development a year and a half ago.

Also, there is noticeably, more citizen activity in both new and existing groups. Members of three black churches, for instance, now offer tutoring four days a week to youngsters from a nearby grade school. Last year they sent a group whose behavior was exemplary to summer camp.

"It's an uphill journey, but I'm seeing a much greater sense of community pride, and I feel we're going to go forward," insists the Rev. Clarrissa Blackamore, pastor of the Greater Ebeneezer Spiritual Temple.

Also just this week Benton Harbor is playing host to Artrain, a traveling art collection housed in four railroad cars. It is a special treat for this town with no museum of its own.

There is no easy explanation as to what exactly happened here. Certainly the loss in the 1970s of the city's auto-related industries was a key factor. An exodus of most of Benton Harbor's black middle class and white residents followed. Also low-income blacks from American's South were attracted here by Michigan's unusually high welfare and unemployment benefits.

Though federal and state funds were coming in as the city's tax base was reduced, large sums mysteriously disappeared. Whether it was crooked politics—a charge never proven—or an honest lack of fiscal management experience depends on whom you talk to.

Residents do agree, however, on what the city needs now: a stronger revenue base. Just to keep minimal services going, Benton Harbor city leaders have had to borrow about $500,000 a year from the state. It now owes the State of Michigan $2.5 million.

Mr. Little, a man of irrepressible enthusiasm who stresses that the city's ability to repay will increase as developers come in, has a detailed plan for the city's economic recovery. On a walk around town he tells a visitor the many vacant buildings around are not liabilities but assets that the city is buying up for development and sale.

Little points out that one developer has already converted the city's YMCA into a private health club and points out where another will begin building a riverfront hotel this summer. "This is not working with dreams—these things can happen," he insists. And he says that Benton Harbor's designation in recent months as the state's only enterprise zone should help considerably.

"I'm seeing a lot of improvements here lately, and I hope the enterprise zone [designation] will really set this town going full blast," says Michael Govatos, as he serves up the evening's $3.95 hamburger special to a visiting reporter at the Fifth Wheel, a grill on Main Street he has owned and run for 38 years. Mr. Govatos is also one of the nine current city commissioners.

In addition to money, residents readily admit that Benton Harbor has another great need: a more united approach to its future.

"Nobody ever comes together to do anything in a united way," protests Bill Gaillard, executive director of Mission Basic, a nonprofit group trying to create new jobs in the area. Indeed, there is noticeable friction between some whites and blacks here and also within the black community itself as to how to proceed. "What this city needs is one diplomatic person who is neutral and can talk to anyone—we need something to raise the spiritual morale of the people," says cable TV photographer Lawrence Streeter.

Yet there are promising signs that Benton Harbor is making headway. In January a celebration in honor of Martin Luther King Day, featuring the Twin Cities Symphony Orchestra based in St. Joseph and the choirs of 22 area churches, drew 1,500 people to Benton Harbor's Lake Michigan College.

Esther Clay, a teacher who cochaired the event, says it was the first time in her more than 40 years in this area that she has seen the two communities come together for such an event. "There was a time when it was said that the men living in St. Joe told their wives not to cross the bridge," she recalled.

Also new within the last few months: a lunchtime forum on Benton Harbor issues held every two weeks at Lake Michigan College. "It's not a place to argue but a place to hear," says college president Anne Mulder.

"It's an opportunity to speak to both sides who've never really gotten together because of all the hurts . . . of the past—the important thing is for the networking to begin," adds the Rev. William Moore, pastor of Benton Harbor's First Congregational Church.

Although Michigan State University has helped in a variety of areas from zoning to marketing, its greatest contribution may be to help bridge gaps between individuals and factions who do not trust one another.

"It's hard to get people to work together when the pie is shrinking . . . but we're perceived as neutral and objective—people can't afford not to work with us," notes John Schweitzer, acting director of MSU's Center for Urban Affairs. "We don't expect to see changes overnight, but I think we can make a positive difference."

Adds Joseph Darden, the MSU dean of urban affairs programs: "I think there's a feeling now that something better can happen—the potential is clearly there."●

Mr. QUAYLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1720

Mr. WILSON. Mr. President I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

□ 1750

THE DAIRY TERMINATION PROGRAM

Mr. WILSON. Mr. President Hon. Halbert Woodward, a Federal district court judge in Lubbock, TX, recently issued a preliminary injunction against the Dairy Herd Termination Program contained in the 1985 farm bill. Last Friday, in response, the Department of Agriculture announced changes in the administration of the program in order to minimize the adverse impact which this program has had upon cattle prices. These changes are outlined in a settlement agreement which USDA and the cattlemen who filed the lawsuit have jointly submitted to the court. I ask unamimous consent that the agreement be printed in the RECORD.

There being no objection, the agreement was ordered to be printed in the RECORD, as follows:

SETTLEMENT AGREEMENT

Whereas, Judge Halbert O. Woodward of the United States District Court for the Northern District of Texas issued a preliminary injunction against the defendants on April 30, 1986 in *James Neil Shelton, et al., Plaintiffs v. United States Department of Agriculture, and Richard Lyng, Secretary of Agriculture, Defendants,* U.S.D.C. N.D. Tex., Lubbock Div., No. CA 5-86-81 (hereinafter referred to as "the action").

Whereas, the order in the action issued by the Court on April 30, 1986 provided:

"It is hereby ordered that the defendants, and such agencies, employees, and servants who are under their direction and control, be and are hereby ordered to immediately prepare, promulgate and give proper notice of a regulation that will specify marketing procedures that will limit the total dairy cattle market for slaughter to no more than seven percent (7%) of the national dairy herd per calendar year, and to provide for a proportionate percentage limitation for the five-month period from April of 1986 through September of 1986. The regulation shall further provide for feasible steps to minimize the adverse effect of the marketing of the dairy cattle on the program or contracts of beef, pork, and poultry producers in the United States, all as provided by the Food Security Act of 1985."

The regulation shall be promulgated and announcements in accordance therewith shall be published and become effective as to the slaughter of dairy cattle commencing June 1, 1986.

The preliminary injunction shall be effective until such time as there is a final adjudication on the merits of this case;

Whereas, the parties desire to resolve the controversy involved in the action without further litigation or other proceedings in the action;

Therefore, in full settlement and satisfaction of all claims that were raised or could have been raised in the action, it is hereby AGREED by the parties to the action through their undersigned attorneys that:

1. The United States Department of Agriculture (USDA) will by May 15, 1986, contact participants in the Dairy Termination Program (DTP) on a one-time basis to ascertain the number of cows, heifers and calves they have exported or intend to export and by month the number of such cows, heifers and calves they have had slaughtered or intend to have slaughtered under the DTP. USDA will request that producers provide monthly follow-up reports on animals slaughtered or exported. USDA will also request that producers notify USDA of any change in their plans for the export or slaughter of their dairy cattle. USDA will promptly aggregate and publish the information received regarding slaughter and export.

2. USDA will solicit requests from producers who are participating in the DTP for a mutual modification of their contracts which will permit the producers to sell their dairy cattle for slaughter or export in the second or third contract disposal period rather than in the first contract disposal period. USDA will by May 15, 1986 notify eligible producers that USDA will entertain such requests. Producers will be advised that such requests must be received by the producer's local county ASCS office by May 30, 1986. Such requests for a mutual modification of contracts shall be granted by USDA to the extent that USDA determines that the granting of such requests is consistent with the purposes of the DTP provisions of the Food Security Act of 1985. On or before June 13, 1986, USDA shall send notice to each producer, who has submitted such a request, whether that request has been accepted, and USDA shall promptly announce the extent of requests received and requests granted.

3. USDA will notify DTP participants that, except as provided in paragraph 2 above, there will be no change in the final slaughter and export dates provided for in the DTP contracts. USDA will advise participants in the DTP that those dates are firm and will not be extended because of slaughter capacity problems or related problems. Producers will be further advised that the failure to meet those deadlines can result in a loss of all program benefits and the imposition of penalties of $1,000 for each violation. DTP producers will be urged to plan well in advance for the disposal of their cattle.

4. USDA will make the additional meat purchases required by Section 104 of the Food Security Act of 1985 in a manner that ensures that the purchases in each of the program's three disposal periods will be proportionate to the estimated slaughter of DTP cattle under the program for that period.

5. USDA shall, beginning on or before May 21, 1986, issue a weekly report showing the number of dairy cattle slaughtered under the DTP for the most recent week for which such data are available and the purchases of red meat made by USDA agencies for the most recent week for which such purchase data are available. The report shall also specify the number of dairy cattle sold for export under the DTP for the latest week for which such data are available. The report shall further contain aggregate data covering all reports previously published.

6. USDA shall announce as soon as possible specific quantities and purchase dates for red meat for DOD commissaries purchased by USDA, DOD or any other federal agency pursuant to the Food Security Act of 1985.

7. USDA will undertake all reasonable measures to avoid displacements of purchases of red meat in the domestic market as the result of USDA donations of quantities of red meat which are purchased as a result of the DTP. As part of this effort, USDA will issue a directive to all State distributing agencies receiving such donations requiring them to contact each recipient agency that will receive donations in connection with the DTP to urge such agencies not to reduce their normal expenditures for red meat because of such DTP-related donations and to limit their acquisitions of red meat to the maximum extent practicable to domestically produced meat. Further, USDA's purchases of quantities of red meat in accordance with Section 104 of the Food Security Act of 1985 shall be in addition to those quantities normally purchased and distributed by the Secretary.

8. USDA shall take all reasonable measures to facilitate the export sale of live dairy cattle under the DTP contracts and such measures shall include: (a) instructing all USDA agricultural counselors and USDA agricultural attaches to contact importers, foreign government officials and other interested parties of the availability of DTP cattle; (b) authorizing $50 million in short-term credit guarantees to facilitate the export of cattle to Mexico; (c) providing assistance to public-interest groups for the purpose of promoting donations of cattle to underdeveloped countries; and (d) supplying lists of exporters and DTP participants to State Departments of Agriculture and to other interested parties for purposes of assisting efforts by DTP participants to export their cattle.

9. The parties will file a notice of voluntary dismissal of the action and it is further agreed that the foregoing paragraphs of this agreement shall become effective upon dismissal of the action and the vacating of the April 30, 1986 order entered by the Court in the action. Each party shall bear its own costs and attorneys' fees for the action.

10. This Agreement shall be enforceable by and between the parties in the United States District Court for the Northern District of Texas, Lubbock Division.

It is hereby so agreed.

Mr. WILSON. Mr. President, in my view, Judge Woodward is to be commended for perceiving the flaws in this so-called whole herd buy out or "cow kill" program which a majority of the Congress had unfortunately missed last year. Additionally, I am pleased that the Secretary of Agriculture has taken steps to assure a more orderly implementation of this ill-advised program.

Last year, according to our colleagues in the House who had originally drafted the whole-herd buy out program, it was to be an industry-funded effort which would reduce surplus dairy production and Government expenditures. The dairy industry successfully persuaded Congress to adopt this program, which would pay dairymen to go out of business, instead of reducing the dairy price support level by less than 5 percent.

In late March, the Department of Agriculture announced that 14,000 dairymen owning 1.5 million dairy cows, heifers and calves had signed up to participate in this graceful transition to retirement. Upon reviewing the payment that these farmers will be receiving, I can see why so many of them were enticed to participate.

First, the Federal Government will be paying them as much as $22.50 per hunderedweight of production per cow. On average nationwide, a dairy cow produces 13,000 pounds of milk annually, which would translate into a per cow "buy-out" payment of $3,000. In my State 325 dairymen entered the whole-herd buy out program and will be receiving an average payment of $1,500 per cow or nearly $900,000 per dairyman.

In Wisconsin, 1,600 dairymen will be sharing $125 million in Federal moneys. In Pennsylvania, 400 dairy producers will receive an average of $100,000 each. In Florida, the average Federal payment to 48 dairy farmers to go out of business will be $860,000. And in Arizona, the whole-herd buyout has made instant millionaires of 15 farmers who will average nearly $1.3 million to enter early retirement.

In total, the Department of Agriculture will be spending $1.8 billion over 5 years to pay for the whole herd buy-out program. While that is a staggering amount of money, we were assured last year that the dairy industry would pay for the cost of the program through an assessement on all milk producers. Unfortunately, the assessment formula in the farm bill will generate only $700 million. So guess who will pickup the tab for the remaining $1.1 billion? The American taxpayer.

And all that money is not to buy those cows. No, these payments are just to assure that the participating dairymen will sell them to slaughterers and processors who will pay the dairy farmer an additional $300 per cow.

Given the attractive economics of this program, no wonder 14,000 dairymen agreed to accept Federal money to sell nearly 1.5 million cows, heifers and calves during the next 18 months. Unfortunately, the resulting "glut" of surplus dairy beef on the market sent cattle prices plummeting, and during the first month of the whole-herd buyout, our Nation's cattle industry—which receives no Federal subsidies or price supports—lost an estimated $2 billion in lower sales prices and reduction of inventory value.

Mr. President, no wonder the cattlemen were moved to seek relief in a Federal district court. I shared their motivation when I introduced S. 2280—a bill to suspend this program temporarily in order to provide the Agriculture Department with time to spreadout the marketing of these extra dairy cows to limit the adverse effect on cattle prices. Fifteen of my Senate colleagues have joined me in this effort, and there is a companion bill in the House. I am gratified that what we have sought to achieve through legislation has been achieved through a Federal court order, and I commend the Texas judge for his perceptiveness.

I only wish that the drafters of the buyout program had been more perceptive. Their suspicions that the dumping of 1.5 million dairy cows on the beef market would depress cattle prices has proven to be painfully correct; however, instead of rejecting this ill-conceived program, they compounded its problems by directing the Secretary of Agriculture—who is already spending more than a billion taxpayer dollars to encourage participation—to spend an additional $400 million to buy surplus beef products.

The incredible result is a program which directs USDA to pay dairymen over a billion dollars of incentive money to sell their cows and then requires the Government to spend another $400 million to buy back the beef product after the cow has been sold and processed. In effect, the dairymen are getting paid twice for their cows because the taxpayer is paying for the meat twice. And when the taxpayer is also a cattleman, he is paying twice for the dubious privilege of subsidizing a glut that distorts the beef market, depresses the prices for his cattle and undermines his own livelihood.

Although the whole herd buyout program has become a huge drain on the Federal Treasury, it is only a part of the cost of the dairy program contained in the 1985 farm bill. Because Congress acquiesced in the buyout, instead of simply reducing the price support level, USDA continues to pay $11.60 per hundredweight for any amount of milk which cannot be sold in the marketplace. Simply stated, Uncle Sam provides a guaranteed contract to buy all the milk produced by the dairymen who have decided to remain in business.

Despite the buyout, which its proponents said would eliminate dairy surpluses, USDA estimates that it will spend nearly $2 billion dollars in fiscal year 1986 to purchase 11 billion

pounds of surplus dairy production. So the immediately identifiable costs of the dairy title of the farm bill—including $1.1 billion to assist dairymen who want out of the business and $1.8 billion to subsidize dairymen who want to stay in the business—will reach $3.3 billion. And that figure only includes the cost to the U.S. Treasury, not the indirect cost of $2 billion which our Nation's cattle producers have borne during the past 6 weeks.

There is yet another cost related to this dairy program which is becoming apparent in the county offices of USDA's Agricultural Stabilization and Conservation Service (ASCS). Two weeks ago, the sign-up period for participation in the 1986 commodity programs expired with a rush of farmers who wished to place their acreage in Government programs. A few years ago, only 20 percent of the eligible farmers participated in Federal subsidy programs; however, this year, under the 1985 farm program USDA anticipates that more than 90 percent of our Nation's producers of wheat, corn, cotton and rice have enrolled in these programs.

What may come as a surprise to many of us is that among these farmers of the basic commodities signing-up for the farm programs are a number of dairymen. For example, in Stanislaus County, CA, which did not have a single farmer in last year's corn program, the ASCS office reports that 150 operators have signed up for the program, of which 130 are dairymen. In San Joaquin County, corn program participation has gone from 14 farmers in 1985 to over 100 this year. Not included in that number are the 40 dairymen who signed up for the corn program on the last day and are waiting for ASCS to process their papers and determine their eligibility.

Some of these dairymen are the ones who have agreed to leave the industry via the whole herd buyout. They now find themselves standing next to idle milking equipment, gazing past empty corrals, staring at their fields of corn, which were meant to feed the recently-departed dairy cows. So they have decided to put that acreage into the corn program. Although I have to commend them for their business acumen, I doubt if we in the Congress intended that the result of paying dairymen to leave the dairy subsidy program would be to relocate them in another Federal subsidy program.

Mr. President, it would be incorrect for anyone to construe my remarks as in any way criticizing our Nation's dairymen. They are merely availing themselves of the programs which we in the Congress have regrettably made available to them. In short, they are simply exercising their business judgment. I only wish that the Congress could display such good sense when considering the costs and the results of new subsidy programs, like the whole herd buyout.

If we had, then I suspect the Department of Agriculture would not have found itself on the receiving end of a preliminary injunction. Under the law, USDA—which had opposed the whole herd buyout last year—has implemented an extremely complex and costly program in a commendably short period of time. Whatever shortcomings the Texas judge may have perceived in the program, they have their roots in the statute. And while the Department has agreed to rework the buyout program, it is important for those of us in Congress who may be tempted to criticize the Department to remember that the dairy provision of the farm bill had its origins in the legislative branch not the executive branch of Government.

Similarly, those of us who are concerned about the continuing high cost of dairy subsidies and the persistent surpluses which they create should begin to consider other alternatives to addressing this problem, such as a simple and immediate 50 cent reduction in the price support level or a budgetary limit of, let us say, $500 million which USDA could spend each year to buy surplus dairy products.

That is a kind of business judgment that I think is necessary if we are to begin to seriously attack the problems which this faulty farm bill and this faulty dairy program have created.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

□ 1750

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, let me first announce there will be no further rollcall votes this evening.

EXECUTIVE CALENDAR

Mr. DOLE. Mr. President, I would like to inquire of the distinguished minority leader if he is in a position to confirm the following nominations on the Executive Calendar: Calendar No. 774, Calendar No. 775, Calendar No. 776, and Calendar No. 777.

Mr. BYRD. Mr. President, those nominations have been cleared on this side and we are ready to proceed.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations just identified, that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT ON THE NOMINATION OF ANDREW J. KLEINFELD AS U.S. DISTRICT JUDGE

● Mr. MURKOWSKI. Mr. President, today the Senate has been asked to give its advice and consent to the President on his nomination of Andrew J. Kleinfeld, Esquire, to be a United States District Judge for Alaska. By a unanimous vote, the Senate Judiciary Committee has favorably reported this nomination to the Senate, and I urge my colleagues to support Mr. Kleinfeld for this important position.

Mr. President, I would like to share with my colleagues the reasons I strongly endorse Mr. Kleinfeld to be U.S. District Judge. As I noted when I introduced him to the Judiciary Committee, Mr. Kleinfeld is an attorney in the town where I have lived for many years, Fairbanks, AK. He is a respected member of the local bar, and has been endorsed not only by leading citizens of Fairbanks, but also by State officials and leaders throughout the State.

I also note, Mr. President, that Senator TED STEVENS and Congressman DON YOUNG supported Mr. Kleinfeld's nomination before the Judiciary Committee.

Mr. Kleinfeld graduated from Harvard Law School in 1970, and began his law career by clerking for State Supreme Court Justice Jay Rabinowitz. He then decided to remain in Alaska, and established a law practice in Fairbanks. During his 15 years of law practice he has covered a variety of fields of law, although civil litigation has become his specialty.

Mr. Kleinfeld has held key positions of leadership in local and State bar organizations. He served as president of his local bar association, and was later chosen as a member of the board of governors of the Alaska State Bar Association. In 1984, Mr. Kleinfeld served as president of the Alaska State Bar Association.

Mr. Kleinfeld took his duties seriously as bar association president, and improved two key programs. First, he increased the efficiency of the disciplinary system and made it more responsive. Instead of taking 18 months to 2 years to process the average disciplinary case, the bar, under Mr. Kleinfeld's leadership, disposed of cases within a few months. This suggests that Mr. Kleinfeld, as a trial judge, will be sensitive to the needs of litigants to have justice dispensed fairly and promptly.

As bar association president, Mr. Kleinfeld also changed the bar's continuing legal education program from one that offered a small number of lengthy, expensive programs, attended

mostly by attorneys from a few agencies and large firms, into one providing a large number of inexpensive programs attended by young lawyers all over the State.

I might add that Mr. Kleinfeld improved the disciplinary and legal education programs of the State bar without having to seek increases in bar dues.

Mr. President, in making our recommendations to the President, Senator STEVENS, Congressman DON YOUNG and I worked closely with the State bar association to develop a list of qualified candidates, and to poll its members. Through this process, Mr. Kleinfeld was rated highly by attorneys throughout Alaska. In the Fourth Judicial District, where he practices law, the attorneys rated him far higher than any other candidate.

Mr. Kleinfeld's varied background in the practice of law should bring to the bench a full understanding of the cases that would come before him as a U.S. District Judge. It is my firm belief that Andrew Kleinfeld will be an asset to the Federal judiciary and he will strive to exercise the considerable authority of his position justly and with respect for those who will appear before him.

Mr. President, I have enjoyed working with Senator STEVENS, Congressman DON YOUNG, and the Alaska Bar Association in developing a list of candidates and nominees for this position. Through this process, I have been sincerely impressed by the high caliber of persons who expressed an interest in becoming a Federal judge.

Another pleasant part of this process has been getting to know the family of Mr. Kleinfeld. His mother and father, Irving and Shirley Kleinfeld, have taken an active and proud interest in their son's elevation to the bench. Mr. Kleinfeld's wife Judy, a professor at the University of Alaska-Fairbanks, has provided him strong support and encouragement. Their children—Daniel, 11 years old, Rachel, 10, and Joshua, 8—are a source of joy to their parents and grandparents. As Mr. Kleinfeld assumes his new duties, I am confident he will continue to draw support from his fine family.

Finally, Mr. President, I take this opportunity to pay tribute to the extraordinary leadership of the senior Senator from South Carolina, Senator THURMOND. In so many ways, Senator THURMOND is an inspiration to his colleagues. As chairman of the Judiciary Committee, he consistently provides strong and able guidance. I am deeply grateful for his thoughtfulness and solid support in the handling of the nomination of Mr. Kleinfeld.

Mr. President, I urge my colleagues to support the confirmation of Andrew J. Kleinfeld to be United States District Judge for Alaska.●

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations confirmed en bloc are as follows:

THE JUDICIARY

Andrew J. Kleinfeld, of Alaska, to be U.S. district judge for the district of Alaska.

DEPARTMENT OF JUSTICE

John W. Gill, Jr., of Tennessee, to be U.S. attorney for the Eastern District of Tennessee.

Frank W. Donaldson, of Alabama, to be U.S. attorney for the Northern District of Alabama.

Breckinridge L. Willcox, of Maryland, to be U.S. attorney for the District of Maryland.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNIFORMED SERVICES RETIREMENT COST REDUCTION ACT

Mr. DOLE. Mr. President, I now ask unanimous consent that the Senate turn to the consideration of S. 2395, the Uniformed Services Retirement Cost Reduction Act.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2395) to establish a revised retirement system for new members of the uniformed services, to revise the method of determining cost-of-living adjustments under the revised retirement system, and for other purposes.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. There is no objection.

There being no objection, the Senate proceeded to consider the bill.

PLACEMENT OF A PLAQUE AT THE ORIGINAL SITE OF PROVIDENCE HOSPITAL

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of H.R. 4382, a bill requiring the Architect of the Capitol to place a plaque at the original site of Providence Hospital, just received from the House of Representatives.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (H.R. 4382) to require the Architect of the Capitol to place a plaque at the original site of Providence Hospital.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was considered to have been read the second time.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 4382) was read the third time and passed.

Mr. DOLE. I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDERS FOR THURSDAY

RECESS UNTIL 10 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10 a.m. Thursday, May 15, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. DOLE. Mr. President, I further ask unanimous consent that, following the recognition of the two leaders under the standing order, there be special orders in favor of the following Senators for not to exceed 5 minutes each: Senators BYRD, HAWKINS, CRANSTON, COHEN, PROXMIRE, PRESSLER, GORE, MCCONNELL, and BIDEN.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. DOLE. Following the special orders just identified, I ask unanimous consent that there be a period for the transaction of routine morning business, not to extend beyond the hour of 11 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF S. 2395

Mr. DOLE. Mr. President, following routine morning business on tomorrow, the Senate will resume consideration of Calendar 638, S. 2395, the Uniformed Services Retirement Cost Reduction Act. Votes can be expected throughout the day on Thursday, May 15, 1986.

AGENDA

Mr. DOLE. Mr. President, I am prepared to respond to the distinguished minority leader if he has a question concerning Friday.

Mr. BYRD. I thank the distinguished majority leader.

What is the outlook for a session on Friday, and what will be the outlook for rollcall votes in the event there is a session on Friday?

Mr. DOLE. Mr. President, I am of the opinion if we finish the retirement bill at a fairly early time, we would then move to the consideration of S. 2180, a bill to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974. If we start action on that, there would be no Friday session.

□ 1800

I am prepared to say that at this time, that we will not be in session on Friday.

Mr. BYRD. I thank the distinguished majority leader.

Mr. DOLE. On Monday, if there are any votes, they will occur not before, say, 3 p.m.

Mr. BYRD. Mr. President, I thank the distinguished majority leader.

RECESS UNTIL TOMORROW AT 10 A.M.

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move that the Senate stand in recess until 10 a.m. on Thursday, May 15, 1986.

The motion was agreed to and, at 5:58 p.m., the Senate recessed until tomorrow, May 15, 1986, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate May 14, 1986:

THE JUDICIARY

William D. Stiehl, of Illinois, to be U.S. district judge for the southern district of Illinois vice a new position created by Public Law 98-353, approved July 10, 1984.

John E. Conway, of New Mexico, to be U.S. district judge for the district of New Mexico vice Bobby Ray Baldock, elevated.

Edwin M. Kosik, of Pennsylvania, to be U.S. district judge for the middle district of Pennsylvania vice Malcolm Muir, retired.

DEPARTMENT OF JUSTICE

J. Michael Fitzhugh, of Arkansas, to be U.S. attorney for the western district of Arkansas for the term of 4 years vice W. Asa Hutchinson, resigned.

Leon B. Kellner, of Florida, to be U.S. attorney for the southern district of Florida for the term of 4 years, vice Stanley I. Marcus, resigned.

Hinton R. Pierce, of Georgia, to be U.S. attorney for the southern district of Georgia for the term of 4 years, reappointment.

James G. Richmond, of Indiana, to be U.S. attorney for the northern district of Indiana for the term of 4 years vice R. Lawrence Steele, Jr., resigned.

Jerome G. Arnold, of Minnesota, to be U.S. attorney for the district of Minnesota for the term of 4 years vice James M. Rosenbaum, resigned.

Andrew J. Maloney, of New York, to be U.S. attorney for the eastern district of New York for the term of 4 years vice Raymond J. Dearie, resigned.

Joe B. Brown, of Tennessee, to be U.S. attorney for the middle district of Tennessee for the term of 4 years, reappointment.

Brent D. Ward, of Utah, to be U.S. attorney for the district of Utah for the term of 4 years, reappointment.

John Perry Alderman, of Virginia, to be U.S. attorney for the western district of Virginia for the term of 4 years, reappointment.

Joseph P. Stadtmueller, of Wisconsin, to be U.S. attorney for the eastern district of Wisconsin for the term of 4 year, reappointment.

Warren D. Stump, of Iowa, to be U.S. Marshal for the southern district of Iowa for the term of 4 years, reappointment.

Denny L. Sampson, of Nevada, to be U.S. Marshal for the district of Nevada for the term of 4 years, reappointment.

Donald W. Wyatt, of Rhode Island, to be U.S. Marshal for the district of Rhode Island for the term of 4 years, reappointment.

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

Joyce Doyle, of New York, to be a member of the Federal Mine Safety and Health Review Commission for a term expiring August 30, 1992, reappointment.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Diana D. Denman, of Texas, to be a member of the National Museum Services Board for a term expiring December 6, 1990, vice Liles B. Williams, term expired.

PEACE CORPS NATIONAL ADVISORY COUNCIL

The following-named persons to be Members of the Peace Corps National Advisory Council for the terms indicated, new positions:

For terms of 1 year expiring November 29, 1986:

Frank C. Kiehne, of Pennsylvania.
Gary D. Robinson, of Washington.
Laren R. Robison, of Utah.
Sue Wagner, of Nevada.

For terms of 2 years expiring November 29, 1987:

Paul Koehler, of Texas.
Alice Roxana Thompson, of Virginia.

IN THE NAVY

The following-named Naval Reserve Officers' Training Corps Program candidate to be appointed permanent ensign in the line of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Michael J. Warden

The following-named Navy enlisted commissioning program candidates to be appointed permanent ensign in the line or staff corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Charles S. Bibbs	Randy S. Fenz
Mark K. Borojevich	Paul Griffin, Jr.
Michael V. Cooperwood	David M. Hyden
	Barry L. Miller
Jeffrey J. Dunn	Charles F. Wrightson

The following-named Naval Reserve officers to be appointed permanent ensign in the line or staff corps of the U.S. Navy, pursuant to title 10, United States Code, section 531:

Jon L. Baca	Mark Mastren
Daniel R. Bornarth	Victor M. Mason
William T. Costen	Robert L. McGee, Jr.
William R. Gailmard	Brian A. Osborn
Richard S. Gates	Christoper A. Sullivan
Mark J. Genereaux	
Marius J. Hall	Michael J. Whelan
Barry H. Lucas	

The following-named Navy enlisted candidates to be appointed permanent chief warrant officer, W-2, in the U.S. Navy, pursuant to title 10, United States Code, section 555:

William D. French	Andrew L. Nims
Clifford E. Jones III	

The following-named U.S. Navy officers to be appointed permanent commander in the medical corps of the U.S. Naval Reserve pursuant to title 10, United States Code, section 593:

Walter B. Goff	Mary C. Shen
James C. Jamison	

CONFIRMATIONS

Executive nominations confirmed by the Senate May 14, 1986:

THE JUDICIARY

Andrew J. Kleinfeld, of Alaska, to be U.S. district judge for the district of Alaska.

DEPARTMENT OF JUSTICE

John W. Gill, Jr., of Tennessee, to be U.S. attorney for the eastern district of Tennessee for the term of 4 years.

Frank W. Donaldson, of Alabama, to be U.S. attorney for the northern district of Alabama for the term of 4 years.

Breckinridge L. Willcox, of Maryland, to be U.S. attorney for the district of Maryland for the term of 4 years.

HOUSE OF REPRESENTATIVES—*Wednesday, May 14, 1986*

The House met at 11 a.m.

The Reverend Edward G. Latch, D.D., former Chaplain, U.S. House of Representatives, offered the following prayer:

Trust in the Lord forever; for in the Lord is everlasting strength.—Isaiah 26:4.

O God, our Father, on this day of days when we assemble with our former companions, we pause in Your presence to offer unto You the gratitude of our hearts and to receive the ministry of Your grace. Help us to use these hours to think clearly, to labor industriously, to love wisely, and to keep our spirits on high levels of thought. May we now and always work to keep justice and freedom and good will alive in our world.

We pray for our President, our Speaker, the Members of this body past and present and for all who labor with them on Capitol Hill. Together may we keep ourselves committed to You and to the guidance of Your spirit for the greater good of our Nation and the brighter benefit of all mankind. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3622. An act to amend title 10, United States Code, to strengthen the position of Chairman of the Joint Chiefs of Staff, to provide for more efficient and effective operation of the Armed Forces, and for other purposes.

RECESS

The SPEAKER. Pursuant to the order of the House of May 1, 1986, the Chair declares the House in recess, subject to the call of the Chair, to receive the former Members of Congress.

Accordingly (at 11 o'clock and 2 minutes a.m.), the House stood in recess subject to the call of the Chair.

□ 1103

RECEPTION OF FORMER MEMBERS OF CONGRESS

The SPEAKER of the House presided.

The SPEAKER. It is once again my privilege to welcome the distinguished Members of the Congress of the United States into the Chamber that they served so well.

I want to extend more than a welcome to you, however. I want to express the appreciation of the Congress for your continued dedication to public service and for all the contributions that you have made as Members and as private citizens on behalf of all of us.

This will be the last time that I will address you from this Chair. Though it has been my pleasure to welcome you for the last 10 years, next year I will be out there and will have joined you.

Welcome again. I am delighted to see you and have you all here today.

The Chair now recognizes the distinguished minority leader, the gentleman from Illinois [Mr. MICHEL]. The gentleman has been around here longer than I have. I have only been here 34 years. BOB was an administrative assistant. The gentleman has been here in his forties and the gentleman holds his age very well; he is playing golf better than he ever did.

Mr. MICHEL. Thank you, Mr. Speaker, and my colleagues, present and former.

Mr. Speaker, I have to say, quite frankly, looking at the numbers here this morning, maybe we ought to go back in session and I could quickly call up the rule on the budget and the trade bill and we would fare a heck of a lot better than what we have been faring around here, because, as some of you know, we are behind over here by 71 votes and it is not often we are winning things. The Speaker has things pretty well locked up around here. John, you know that so well.

I got to thinking this morning that here it is my 30th year, and as I look around among the Members whether there is any Member who has been in the minority any longer than I have. But it does get mighty debilitating and discouraging. You folks understand that, I guess.

I am sorry that last year when you all were here I was detained or called away to some darn place and TRENT LOTT had to fill in for me, but there is no greater feeling than when I see some of you plying the Halls from time to time or coming back on occasion. There is just something extra special there. I guess if there is one principle which is at the heart of this institution, it is the reverence for tradition in our rules and, I guess, our rituals, and the very atmosphere in which we conduct our work radiates a reverence for the virtues as well as the forms of the past. That is why I am so glad to see so many of you here again today.

When you all come back, I think it is much more than an exercise in nostalgia. It is a reminder that this House of Representatives is a living institution, dependent upon what has gone on before for its strength and its purpose. I guess you former Members remind us of the invisible but infinitely strong bond that ties together those of us who serve and those who have served. What we have done together here I do not think is ever going to die, the battles and the victories and the defeats and the sense of comity and civility that can be found, however deeply buried beneath the squabbles. All of these come back to us when former Members join us.

And this coming year is going to be an extra special one, I guess, when we celebrate the bicentennial of the Congress. There is a commission now making determinations on whether or not we might take a day and go up to Philadelphia.

Incidentally, we are talking about paying our own way if we go.

It may be that this organization, too, might want to be giving some thought if that comes about to having some representation there at that very historic occasion.

But be that as it may, it is just so good for me to be here and welcoming you. Obviously, through most of my adult life, this has been my home, this has been my work. But the very fact that I have met so many wonderful people who I have now come to know as my closest dearest friends came about through our association and community of interest in the field of politics.

I hope you all have a good meeting and that it will be very rewarding for each and every one of you who made the extra effort to come.

Thank you.

The SPEAKER. The Chair recognizes on behalf of the new young leaders in the House the chairman of the Committee to Reelect the Democratic Congress, the gentleman from California [Mr. COELHO].

Mr. COELHO. Thank you, Mr. Speaker.

It is a pleasure to be here and to welcome you on behalf of the Democratic leadership. Welcome back.

I first want to acknowledge my boss, who is still my boss, an individual I worked with for 14 years, and then I took his place, Congressman Bernie Sisk. I am pleased that he has come back for the first time since the election of 1978 and that the gentleman is here in Washington.

We are pleased that you are here. We, first of all, want to congratulate you and thank you for your efforts to go out across the country and go to the colleges and try to educate people in the colleges with regard to what the Congress does and does not do. That is one of the things that we need a lot of help on. The fact that you people decided to take it on is fabulous as far as we are concerned. You can provide a great service to us as an institution, but you can also provide a great service to this country, because I think you appreciate as much as we do that the institution that you represented and the institution that we are part of today is something that needs to be preserved and needs to be understood. You people appreciate that and can communicate that message better than we who are in it and better than the press and others. So we applaud you and thank you for it.

I was standing in for the gentleman from Texas [Mr. WRIGHT]. I saw the gentleman sneak in to my right. If the Speaker will permit me, I will turn the mike over to the majority leader [Mr. WRIGHT] to say his appropriate remarks.

The SPEAKER. The Chair recognizes the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Speaker, I was enjoying listening to TONY.

I look out among you and I see so many familiar faces that I am reminded of Bacon's line, "Old wood is best to burn; old wine to drink; old friends to trust."

□ 1110

There are floods of memories that come gushing back from the days when we served together. I recognize faces that I have not seen for a long time, although among you are those I have seen as recently as last year and some as recently as last week. I look out and see people who came here when I did. I see before me a gentleman who represented the district in which then President Eisenhower resided and was the President's Congressman. I look over and see Fred Schwengel, who came here the day I did and was sworn in on the same day. He and I were former mayors and assigned to the same committee and there developed a camaraderie and a bond of friendship that transcends party lines. And there developed in those days, as I hope and trust there still does and always will, a kind of a mutual sense of honor and acceptance and friendship that envelops this Chamber with an ambience of good will and civility. That is something we have to keep alive here. We have a little troubles nowadays. Some of the folks coming in are not steeped in the traditions of civility and accepting one another's sincerity in the same degree that they expect others to accept theirs, but we are working on that and trying to preserve and protect those traditions as well as we can.

Welcome. It is nice to see you. It is always good to see you. Keep the organization alive and thriving, because there are some of us who are going to come and join you one of these days—we hope at our own initiative and not that of someone else.

The SPEAKER. For my own personal satisfaction, I would like to see if we can determine the oldest Member of the group that is here. Are there any Members here who served in the 1920's in Congress?

Did anybody serve in the 1930's? Two Members served in the 1930's. That is beautiful.

We normally at this particular time call the roll. The Clerk will call the roll of the former Members.

The Clerk called the roll of the former Members of the Congress, and the following former Members answered to their names:

ROLLCALL OF FORMER MEMBERS OF CONGRESS ATTENDING 16TH ANNUAL SPRING MEETING, MAY 14, 1986

Hugh Q. Alexander of North Carolina;
William H. Ayres of Ohio;
Robert R. Barry of New York;
Laurie C. Battle of Alabama;
J. Glenn Beall, Jr., of Maryland;
J. Caleb Boggs of Delaware;
Donald G. Brotzman of Colorado;
Charles B. Brownson of Indiana;
William T. Cahill of New Jersey;
Elford A. Cederberg of Michigan;
Charles E. Chamberlain of Michigan;
Jeffery Cohelan of California;
Albert M. Cole of Kansas;
W. Sterling Cole of New York;
William C. Cramer of Florida;
Samuel L. Devine of Ohio;
Michael A. Feighan of Ohio;
Paul A. Fino of New York;
L.H. Fountain of North Carolina;
Nick Galifianakis of North Carolina;
Robert P. Hanrahan of Illinois
Ralph R. Harding of Idaho;
Porter Hardy, Jr., of Virginia;
Jeffrey P. Hillelson of Missouri;
Patrick J. Hillings of California;
Chet Holifield of California;
John E. Hunt of New Jersey;
A. Oakley Hunter of California;
Jed Johnson, Jr., of Oklahoma;
Walter H. Judd of Minnesota;
David S. King of Utah;
Horace R. Kornegay of North Carolina;
John V. Lindsay of New York;
Wm. S. Maillard of California
Robert McClory of Illinois;
George Meader of Michigan;
D. Bailey Merrill of Indiana;
John S. Monagan of Connecticut;
William S. Moorhead of Pennsylvania;
Ron Paul of Texas;
Howard W. Pollock of Alaska;
Joel Pritchard of Washington
James M. Quigley of Pennsylvania;
John J. Rhodes of Arizona;
John M. Robsion, Jr., of Kentucky;
Harold S. Sawyer of Michigan;
Fred D. Schwengel of Iowa;
Hugh Scott of Pennsylvania;
William L. Scott of Virginia;
Garner Shriver of Kansas;
Carlton R. Sickles of Maryland;
B.F. Sisk of California;
Henry P. Smith III of New York;
William L. Springer of Illinois;
Robert Taft, Jr., of Ohio;
John H. Terry of New York;
Charles Vanik of Ohio;
Charles W. Whalen, Jr., of Ohio;
Larry Winn, Jr., of Kansas;
Ralph W. Yarborough of Texas;
Herbert Tenzer of New York;
John Blatnik of Minnesota;
Frank Ikard of Texas;
Peter Kyros of Maine;
Jim Lloyd of California;
John Wydler of New York.

The SPEAKER. A quorum has been established.

Before the Chair recognizes the gentleman from Pennsylvania, James M. Quigley, who will run the affair, I will mention that years ago, when I was Speaker of the Massachusetts Legislature, it was customary for us to turn the gavel over to the minority. When the Republicans had control, they would turn the gavel over to the minority. Here in the House, in my 34 years, when Joe Martin was Speaker or Sam Rayburn was Speaker or John McCormack was Speaker or Carl Albert was Speaker or myself, we have never turned the gavel over, and so Republican leaders have looked yearningly with their eyes to the seat up here but never had their seat on the seat. I see John Rhodes, who for 6 years was the opposition party leader. John, would you be kind enough to preside? John Rhodes of Arizona, my very dear friend.

Mr. RHODES (presiding). The Chair recognizes the gentleman from Pennsylvania, the Honorable James M. Quigley, our distinguished president.

Mr. QUIGLEY. Mr. President, it is a privilege and a pleasure for me to present the Annual Report of the Association of Former Members of Congress. We are grateful to you, Mr. Speaker, and to the minority leader, Congressman BOB MICHEL, for arranging for us to be here on the floor of

the House for this the 16th annual meeting of our association.

Mr. Speaker, to be chosen by one's fellow citizens to represent them in the U.S. Congress is an honor which has been bestowed on relatively few Americans in the life of our Republic. In fact, since the first Congress convened on March 4, 1789, to this very day exactly 11,120 Americans have been so honored. Those of us whose lives are forever enriched by the memory of that honor cannot easily shed the sense of responsibility that accompanied it. Nor do most of us want to. Our deep gratitude for having had the privilege of serving in institutions of a free society remains lifelong; and the opportunities to continue to be of service provide unending satisfaction to a great majority of your former colleagues.

Sixteen years ago, our colleagues Dr. Walter H. Judd of Minnesota, who is here with us today, and the late Brooks Hays of Arkansas, created this association because of their own strong desire for continued service after leaving the Congress and because of their confidence that this desire was shared by their fellow alumni of the Congress. The Association is a nonprofit education, research, and social organization whose basic reason for being is to promote the cause of representative government by improving public understanding of the Congress as an institution. Congress gave its formal approval to this purpose when it granted a Federal charter to the association in 1982.

The association strives scrupulously to remain bipartisan. We select one-half of our board of directors from Republican members and one-half from Democratic members. We also seek to balance our officers between former Members of the House and Senate.

None of the work we do could be accomplished without the cooperation of the Congress and its leadership. Many of the programs we undertake are designed to lighten the burden of sitting Members so that they may direct their time and attention to your far more important responsibilities. An excellent example of just such a program is the liaison role we play for members of foreign parliaments and other foreign dignitaries visiting Washington. Serving as a combined protocol and surrogate host, we have been able to extend a warm welcome and enrich the visits of members of legislative bodies from 40 countries. These visitors were also welcomed by many Members of Congress, they were introduced to the workings of Capital Hill and helped in an understanding of important differences between our system and their systems of government.

The Liaison In Washington Program was funded initially by a 2-year grant of $135,250 from the Ford Foundation.

I am pleased to report, Mr. Speaker, that this year our association was able to take a major step well beyond extending hospitality and protocol. One of the hopeful signs of our times is the number of nations that have thrown off repressive regimes and are now moving in the direction of democracy. The news in this regard out of South America is especially encouraging. But achieving a democratic system of government requires much more than high hopes and good intentions. It demands knowledge and dedication. In an effort to provide some of the knowledge, our association has become involved in a program which brings legislators from interested foreign countries to Washington for prolonged and intensive study of the operations of the U.S. Congress.

We began in February when 11 representatives of the Argentine National Congress spent 3 weeks here in Washington. The recently reconstituted Argentine Congress had only a handful of members with any legislative experience. They came here to learn about what you do and how you do it. They were anxious to know more about the working of the congressional committee system, to study the operations of the congressional staff, the technical services available to individual Members of Congress, and to get a better understanding of the role of lobbying. In general, they were overwhelmed by the amount and variety of informational input into Congress and both the power and independence of the individual Members. In this initial educational effort we have had splendid cooperation from not only Members of Congress, but also from the Congressional Research Service, the Congressional Budget Office, the General Accounting Office, and the Office of Technology Assessment, as well as officials of the administration.

Perhaps not surprisingly in the light of their country's history, our Argentine visitors were particularly interested in the American tradition of civilian control of the military. In this regard their visit to the Pentagon for a splendid briefing by our old colleague John Marsh had to be the highlight of their stay.

Mr. Speaker, both of the programs I have just described were experimental in nature. The results have been positive and encouraging. Our association is now exploring ways which would expand these initial efforts and, hopefully, establish them on a permanent basis.

Over the years. our association had been successful in our efforts to build bridges to other democracies. We have sponsored a number of conferences involving Members of Congress and Members of the German Bundestag and the Japanese Diet. This past year, in August 1985, our association sponsored a program at the Scandinavian Seminar College near Copenhagen, Denmark. Members of the Danish, Norwegian, and Swedish Parliaments met for 3 days with a delegation of eight members of the House of Representatives, four Democrats and four Republicans, representing every geographic area of the country. The theme of the meeting was "Political Perspectives on Major Economic Issues." The American participants were unanimous in expressing the opinion that these face-to-face conversations among legislators from different countries was extremely valuable in improving the level of understanding of their respective points of view and the operations of their legislative bodies. Since the meetings were held in a collegial surrounding, there was good opportunity to get to know each other in an informal environment. The meeting was sponsored by the Scandinavian Seminar College, with help from the German Marshall Fund of the United States and the United States Information Agency.

Next month, the association will host a multiparty delegation from the Bundestag of the Federal Republic of Germany. As now planned, our German visitors will each spend a full day with an individual Member of Congress, observing the typical day's work and participating in all of your activities except during the time when the Member is on the floor. The following weekend each Bundestag Member will accompany an individual Member to his own congressional district.

Still under discussion is a somewhat similar program which would bring to the United States Members of the newly elected French National Assembly. During their stay here in Washington they would have the opportunity to observe how our legislature functions in a divided government, something France must now adjust to and for which its legislators have no experience. If the details can be worked out, the program will include also a week-long look at some of the congressional election campaigns which will be going on at that time.

We are hoping also to do an election-time program for a delegation of Members of the Australian and New Zealand Parliaments in late October and early November. This results from a visit to those countries by JOHN LINDSAY of New York and JIM COYNE of Pennsylvania at which the idea for the program received enthusiastic endorsement from the Prime Ministers of both countries and the speakers of their parliaments. It is everyone's hope during this time of concern over the ANZUS Treaty that we will in this way improve opportunity for frank exchanges and mutual understanding between the decisionmakers of our respective countries.

In addition to arranging for contacts between Members of Congress and those of foreign legislatures, the association has been encouraging the formation of counterpart organizations in other countries and strengthening communication with them. It now appears that the existing associations of former members in Argentina, Austria, Brazil, France, Germany, Italy, Switzerland, and the United Kingdom are about to be joined by a similar association being organized in Canada. And recently the Embassy of Denmark called asking for information about how to establish an association there. We hope that in coming years this emerging network will expand to include all democratic countries and that each of these associations will develop comparable programs aimed at advancing the democratic process.

CAMPUS FELLOWS PROGRAM

Since it began in 1977, our Campus Fellows Program has been the association's proudest boast. Under this program, our own congressional alumni visit college campuses to give lectures, conduct seminars, to answer questions so that the members of the younger generation might gain a better understanding of the importance of the Congress and how this institution works. To date, we have made 204 visits to compuses in 49 States. For the past 5 years, the Charles Stewart Mott Foundation has been the chief sponsor of our Campus Fellows Program.

With support from the Ford Foundation, the Rockefeller Foundation, the Exxon Education Foundation and the United States-Japan Foundation, we have been able to give this Campus Fellows Program an international dimension. Under the association's International Fellows Program, former parliamentaries from the United Kingdom, France, Norway, the Federal Republic of Germany, Canada, and Brazil have spent several days each at a total of more than 30 American colleges in every section of our country. These visiting foreign legislators provide a resource heretofore unknown, particularly on the small American campuses, and they contribute to a greater understanding of other countries among students, faculty, and in local communities.

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Mr. Speaker, I am happy to note that present with us today at our annual meeting are two of the people who have participated in this International Fellows Program: George Kahn-Ackermann, a former Member of the German Bundestag, and Alan Lee Williams, who is a former Member of the British House of Commons.

Just this week, Mr. Williams participated in programs at Auburn University and at Georgia University.

At this point, Mr. Speaker, I ask unanimous consent to insert in the RECORD the list of 204 campus visits along with the 216 sponsors of our association who provide the financial support to make these educational programs possible.

Mr. RHODES (presiding). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The material referred to follows:

COLLEGES AND UNIVERSITIES VISITED UNDER THE CONGRESSIONAL ALUMNI CAMPUS FELLOWS PROGRAM

COLLEGE/UNIVERSITY, STATE, AND FELLOW

Alaska Pacific University, Alaska, William S. Mailliard (California).

Albion College, Michigan, David S. King (Utah).

Albion College, Michigan, Ted Kupferman (New York).

Albion College, Michigan, Martha Keys (Kansas).

Alfred University, New York, Frank E. Moss (Utah).

American College in Paris, France, David S. King (Utah).

American College in Paris, France, Byron L. Johnson (Colorado).

Arizona State University, Arizona, Gale W. McGee (Wyoming).

Arizona State University,[1] Arizona, Jacques Soustelle (France).

Assumption College, Massachusetts, Gale W. McGee (Wyoming).

Auburn University, Alabama, William L. Hungate (Missouri).

Auburn University, Alabama, Alan Lee Williams (United Kingdom).

Avila College,[1] Kansas, Karin Hafstad (Norway).

Bainbridge Jr. College, Georgia, Gilbert Gude (Maryland).

Baylor University, Texas, James Roosevelt (California).

Baylor University,[1] Texas, Peter von der Heydt (Germany).

Bradley University, Illinois, Charles W. Whalen, Jr. (Ohio).

Brandeis University, Massachusetts, Abner J. Mikva (Illinois).

Brandeis University, Massachusetts, L. Richardson Preyer (North Carolina).

Brenau College, Georgia, Ralph W. Yarborough (Texas).

Brigham Young University,[1] Utah, Jacques Soustelle (France).

California Poly. State—San Luis Obispo, California, Frank E. Evans (Colorado).

California Poly. State—San Luis Obispo, California, Ralph W. Yarborough (Texas).

California Poly. State—Pomona, California, Robert R. Barry (New York).

Cameron University, Oklahoma, William L. Hungate (Missouri).

Cameron University, Oklahoma, Dick Clark (Iowa).

Cameron University, Oklahoma, William Hathaway (Maine).

Carleton College, Minnesota, William S. Mailliard (California).

Carroll College, Montana, Ralph W. Yarborough (Texas).

Chaminade College, Hawaii, Catherine May Bedell (Washington).

Chatham College, Pennsylvania, Catherine May Bedell (Washington).

Chatham College, Pennsylvania, Martha Keys (Kansas).

Clarke College, Georgia, William L. Hungate (Missouri).

Clarke College, Georgia, William S. Mailliard (California).

Colgate University, New York, William S. Mailliard (California).

College of the Sequoias, California, Gale W. McGee (Wyoming).

Colorado State University,[1] Colorado, Alastair Gillespie (Canada).

Columbia College, South Carolina, Catherine May Bedell (Washington).

Columbia College, South Carolina, Martha Keys (Kansas).

Columbia College, South Carolina, James M. Quigley (Pennsylvania).

Concordia College, Michigan, Walter H. Moeller (Ohio).

Connecticut College, Connecticut, Ralph W. Yarborough (Texas).

Converse College, South Carolina, Jed Johnson, Jr. (Oklahoma).

Dartmouth College, New Hampshire, John O. Marsh, Jr. (Virginia).

Dartmouth College, New Hampshire, William S. Mailliard (California).

Davis & Elkins College, West Virginia, Frank E. Moss (Utah).

Davis & Elkins College, West Virginia, J. Glenn Beall, Jr. (Maryland).

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DePauw University, Indiana, Hugh Scott (Pennsylvania).

Dillard University,[1] Louisiana, Georg Kahn-Ackermann (Germany).

Doshisha University, Japan, Catherine May Bedell (Washington).

Duke University, North Carolina, Georg Kahn-Ackermann (Germany).

Eckerd College, Florida, William L. Hungate (Missouri).

Elmira College, New York, Charles W. Whalen, Jr. (Ohio).

Friends University, Kansas, Henry P. Smith, III (New York).

Furman University, South Carolina, Jed Johnson, Jr. (Oklahoma).

Georgetown University,[1] Washington, DC, Celio Borja (Brazil).

Grinnell College, Iowa, Neil Staebler (Michigan).

Guilford College, North Carolina, Gale W. McGee (Wyoming).

Gustavus Adolphus College, Minnesota, Charles W. Whalen, Jr. (Ohio).

Hamilton College, New York, William S. Mailliard (California).

Hartwick College, New York, Ralph W. Yarborough (Texas).

Hiram College, Ohio, Howard H. Gallaway (Georgia).

Hirman College, Ohio, Roman L. Hruska (Nebraska).

Hope College, Michigan, Walter H. Judd (Minnesota).

Hope College, Michigan, Gale W. McGee (Wyoming).

Hope College, Michigan, Catherine May Bedell (Washington).

Idaho State University, Idaho, John R. Schmidhauser (Iowa).

Indiana State University, Indiana, Gordon L. Allot (Colorado).

Indiana Univ. Northwest, Indiana, Neil Staebler (Michigan).

Indiana Univ. Northwest, Indiana, William L. Hungate (Missouri).

Indiana Univ. Northwest, Indiana, Robert Drinan (Massachusetts).

Jackson State University, Mississippi, Allard K. Lowenstein (New York).

Johns Hopkins University, Maryland, Hugh Scott (Pennsylvania).

Johns Hopkins University,[1] Washington, DC, Celio Borja (Brazil).

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Miami University-Middletown, Ohio, James W. Symington (Missouri).
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Montclair State College, New Jersey, Ralph W. Yarborough (Texas).
Morehead State University, Dan Kuykendall (Tennessee).
Morehouse College, Georgia, William S. Mailliard (California).
Morehouse College, Georgia, William L. Hungate (Missouri).
Morris Brown College, Georgia, William S. Mailliard (California).
Morris Brown College, Georgia, William L. Hungate (Missouri).
Mount Vernon College, Washington, DC, Martha Keys (Kansas).
Murray State University, Kentucky, Brooks Hays (Arkansas).
Nanzan University, Japan, Catherine May Bedell (Washington).
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Northern Kentucky University, Kentucky, Martha Keys (Kansas).
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Northwestern University, Illinois, Karin Hafstad (Norway).
Oklahoma State University, Oklahoma, Ralph W. Yarborough (Texas).
Oregon State University, Oregon, Martha Keys (Kansas).
Otterbein College, Ohio, James Roosevelt (California).
Purdue University Calumet, Indiana, William L. Hungate (Missouri).
Purdue University Calumet, Indiana, Robert F. Drinan (Massachusetts).
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Randolph-Macon College, Virginia, Hugh Scott (Pennsylvania).
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Salem College, North Carolina, Martha Keys (Kansas).
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Sangamon State University, Illinois, Martha Keys (Kansas).
Sangamon State University,[1] Illinois, Alan Lee Williams (United Kingdom).
Sangamon State University,[1] Illinois, Alastair Gillespie (Canada).
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Spelman College, Georgia, William L. Hungate (Missouri).
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SUNY-Plattsburg, New York, L. Richardson Preyer (North Carolina).
State University of Oswego, New York, Martha Keys (Kansas).
Syracuse University, New York, Charles W. Whalen, Jr. (Ohio).
Talladega College, Alabama, Ted Kupferman (New York).
Tougaloo Southern Christian College, Mississippi, Allard K. Lowenstein (New York).
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U.S. Naval Academy, Maryland, John S. Monagan (Connecticut).
U.S. Naval Academy, Maryland, William S. Mailliard (California).
U.S. Naval Academy,[1] Maryland, Alan Lee Williams (Great Britain).
University of Alaska, Alaska, William L. Hungate (Missouri).
University of Alaska, Alaska, William S. Mailliard (California).
University of Arizona,[1] Arizona, Celio Borja (Brazil).
University of Arkansas, Arkansas, Gale W. McGee (Wyoming).
University of Arkansas, Arkansas, Charles W. Whalen, Jr. (Ohio).
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University of California-Berkeley, California, Newton I. Steers, Jr. (Maryland).
University of California-Berkeley,[1] California, Robert Giaimo (Connecticut).
University of Dayton, Ohio, Catherine May Bedell (Washington).
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University of Georgia, Georgia, Georg Kahn-Ackermann (Germany).
University of Georgia, Georgia, Otis Pike (New York).
University of Georgia, Georgia, Alan Lee Williams (United Kingdom).
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University of Michigan-Flint, Michigan, Gale W. McGee (Wyoming).
University of Nevada, Nevada, Gale W. McGee (Wyoming).
University of New Mexico,[1] New Mexico, Alastair Gillespie (Canada).
University of New Mexico,[1] New Mexico, Celio Borja (Brazil).
University of New Orleans,[1] Louisiana, Georg Kahn-Ackermann (Germany).
University of New Orleans,[1] Louisiana, Jacques Soustelle (France).
University of North Dakota, North Dakota, Neil Staebler (Michigan).
University of Oklahoma, Oklahoma, Catherine May Bedell (Washington).
University of Oklahoma, Oklahoma, Martha Keys (Kansas).
University of Oklahoma,[2] Oklahoma, William S. Mailliard (California).
University of Oklahoma,[2] Oklahoma, Dick Clark (Iowa).
University of Oklahoma, Oklahoma, Charles W. Whalen, Jr. (Ohio).
University of Oregon, Oregon, Martha Keys (Kansas).
University of Redlands, California, Catherine May Bedell (Washington).
University of South Carolina, South Carolina, Alan Lee Williams (United Kingdom).
University of South Carolina, South Carolina, Gale W. McGee (Wyoming).
University of South Dakota, South Dakota, William L. Hungate (Missouri).
University of Texas,[1] Texas, Alastair Gillespie (Canada).
University of Texas,[1] Texas, Celio Borja (Brazil).
University of Utah, Utah, Robert N. Giaimo (Connecticut).
University of Utah,[1] Utah, Jacques Soustelle (France).
University of Utah,[1] Utah, Alan Lee Williams (United Kingdom).
University of Washington,[1] Washington, Alan Lee Williams (United Kingdom).
University of West Virginia,[1] West Virginia, Georg Kahn-Ackermann (Germany).
University of West Virginia,[1] West Virginia, Jacques Soustelle (France).
University of Wisconsin,[1] Wisconsin, Georg Kahn-Ackermann (Germany).
University of Wyoming, Wyoming, Frank E. Moss (Utah).
Urbana College, Ohio, David S. King (Utah).
Valparaiso University, Indiana, Neil Staebler (Michigan).
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Vanderbilt University,[1] Tennessee, Celio Borja (Brazil).
Virginia Military Institute, Virginia, Gale W. McGee (Wyoming).
Wake Forest University, North Carolina, William L. Hungate (Missouri).
Wake Forest University,[1] North Carolina, Georg Kahn-Ackermann (Germany).
Washington College, Maryland, Gale W. McGee (Wyoming).
Washington & Lee University, Virginia, Gale W. McGee (Wyoming).

Wayne State College, Nebraska, Gale W. McGee (Wyoming).
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Wofford College, South Carolina, Jed Johnson, Jr. (Oklahoma).
210 Visits—63 Fellows.

[1] International project funded by the Ford and Rockefeller Foundations for visit of Parliamentarians from the United Kingdom, Germany, France, Canada, Brazil and Norway.
[2] Pending.

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193. Hon. Herbert Tenzer.
194. Hon. Lera Thomas.
195. The Tobacco Institute.
196. Hon. Andrew J. Transue.
197. Unilever United States, Inc.
198. U.S. Capitol Historical Society.
199. U.S. Committee on Pacific Economic Corporation.
200. United States-Japan Foundation.
201. University of Alaska.
202. University of Arkansas-Monticello.

203. University of California-Berkeley.
204. University of Dayton.
205. University of Delaware.
206. University of Oklahoma Foundation.
207. University of South Carolina.
208. University of Utah.
209. Hon. Victor V. Veysey.
210. Washington College.
211. Washington Institute for Values in Public Policy.
212. Whalley Charitable Trust.
213. Mr. & Mrs. James Yao.
214. Hon. Ralph W. Yarborough.
215. Yeshiva University.
216. Hon. Samuel H. Young.

[1] Patrons have contributed at least $50,000.
[2] Benefactors have contributed between $10,000 and $50,000.
[3] Sponsors have contributed $1,000 to $10,000.

Mr. QUIGLEY. Mr. Speaker, I am pleased to report that we have completed our 3-year study that former President Gerald Ford suggested we undertake to look at institutional questions between the Presidency and the Congress and the conduct of U.S. foreign policy. This study was done under the cochairmanship of former Secretary of State Edmund S. Muskie as a joint project with the Atlantic Council of the United States. The publication was directed by Francis R. Valeo, former Secretary of the Senate, who serves as a consultant to our association, and the late Francis O. Wilcox, who had served as a chief of staff of the Senate Foreign Relations Committee. The publication consists of an opening chapter by Dr. Kenneth Thompson, director of the Miller Center of Public Affairs at the University of Virginia, followed by 10 case studies by recognized scholars on the Congress and foreign policy issues. Copies of this study will be made available to Members of Congress.

A second publication which I hope will soon also be available to Members of Congress is a comparative study of the U.S. Congress and the German Bundestag. The indepth study by distinguished scholars from both countries has been completed, but we have encountered delays in translation and publication in the language of both countries.

An earlier study entitled "The Japanese Diet and the U.S. Congress," a comparative study of the two legislative bodies, that was also edited by Mr. Valeo, has gone through a second printing. Under a new grant from the Japan-United States Friendship Commission, this volume is being updated to include the election processes of the two countries.

IN MEMORIAM

Mr. Speaker, at this point in our annual meeting it is our custom to pause and give thought to our former colleagues who have died since our last meeting in this Chamber. The names I am about to read were known to you; you served with many of them as they served their country.

Leslie C. Arends, Illinois; John W. Bricker, Ohio; John Young Brown, Sr., Kentucky; Bob Casey, Texas; J. Edgar Chenoweth, Colorado; James O. Eastland, Mississippi; Harris Ellsworth, Oregon; Charles K. Fletcher, California; Abe McGregor Goff, Idaho; Charles A. Halleck, Indiana; Mark W. Hannaford, California; J. Edward Hutchinson, Michigan; DeWitt S. Hyde, Maryland; Jacob K. Javits, New York; John Davis Lodge, Connecticut; Martin B. McKneally, New York; George Mahon, Texas; Harold C. Ostertag, New York; Preston E. Peden, Oklahoma; M. Blaine Peterson, Utah; John Phillips, California; Charles W. Sandman, New Jersey; Henry C. Schadeberg, Wisconsin; Armistead I. Selden, Jr., Alabama; John J. Sparkman, Alabama; Gale H. Stalker, New York; James E. Van Zandt, Pennsylvania; Harold H. Velde, Illinois; and H. Jerry Voorhis, California.

I suggest that we now have a moment of silence in memory of these departed brethren.

Mr. RHODES (presiding). May we rise for a moment of silence in tribute to our departed colleagues.

Mr. QUIGLEY. Another tradition at our annual meeting is the presentation of the association's Distinguished Service Award. Each year, the association's board of directors selects a person who exemplifies the spirit of the Congress and honors that person for a distinguished contribution to the Nation through service in the Congress. These awards are alternated between the parties and it is testimony to the vitality of our system that each of our parties provides many outstanding persons whose service can be regarded, readily, as worthy of such recognition.

In today's presentation, it falls to me to honor a member of the other party, I do so with the deepest personal pleasure. As a young Congressman, I watched and listened from the other side of the aisle to the man we honor today. It was not hard to do because he spoke frequently and sometimes a length. But always he spoke with eloquence and with conviction. And while I did not always share his view of the world or agree on some of his solutions to the Nation's problems, I was impressed nonetheless. You had to be impressed then, now, and forever with Walter Judd's sincerity, intelligence, and integrity.

In subsequent years, I became involved with two groups Walter Judd had a big hand in starting: The Association of Former Members of Congress and the Congressional Prayer Breakfast. One of the rewards for this involvement was the opportunity to get to know Walter close up, not separated by the congressional aisle or party politics or religious differences. It has been one of the great experiences of my life.

The distinguished gentleman from Minnesota whom we honor today was actually born in Nebraska 87 years ago. In a long and active life he has managed to crowd in successful careers in medicine, religion, and politics. He enlisted as a private in the Army in World War I and came out a second lieutenant. That says something about initiative and understanding how the system works. Traits that have been the hallmark of his several careers. After the war he went back to Nebraska, finished college and studied medicine. He went to China in 1925 as a medical missionary and ultimately was forced to leave in 1938.

He returned to the United States as a latter-day Paul Revere speaking across the country in an attempt to arouse Americans to the menace of Japan's military expansion. He practiced medicine briefly in Minneapolis but his outspoken eloquence led to his election to the Congress in November 1942 where he served with distinction for the next 20 years.

Without dwelling on the circumstances that led to his becoming a former Member of Congress, it is clear that Walter Judd could not be content with being just a "used Congresman." There had to be life after Congress—a way in which former Members could continue to perform useful public service. An historic luncheon with Brooks Hayes in 1970, led to the discovery that there were former Members from both sides of the aisle who had the same urge for continuing public service. This is what caused the Association of Former Members of Congress to come into being.

And here we are 16 years later. And here we are to honor Walter Judd. Of the many good things he has done in his life, I suspect that his being the cofounder of the Association of Former Members of Congress may prove to be the one for which he is most remembered. I can't speak for history. But it is the way I will best remember him.

Mr. Speaker, and Members of Congress, and especially members of the Association of Former Members of Congress, it is with great pride that I present the association's 1986 distinguished service award to our cofounder the distinguished gentleman from Minnesota, the Honorable Walter Judd.

□ 1145

This is a special treat for me. Here I am speaking from the Republican podium and it is a special treat to be able to present to you, Walter, this citation:

Presented to the Honorable Walter H. Judd on the floor of the House of Representatives by the United States Association of Former Members of Congress in recognition of his distinguished service to the Republic.

May 14, 1986, Washington, DC.

Mr. JUDD. Thank you so very much.

Jim Quigley, the Chinese have a saying, "Kan Tsae Jin."

"Thank you, without any possible limitation upon it."

Needless to say, I am deeply grateful for this great honor: the Distinguished Service Award of the Former Members of Congress, and for the kind words, the exceptionally kind words that Jim Quigley has said about me.

I don't think you ever heard me read a speech, but I am afraid today it would be better for you and for me if I do read some remarks, and especially with the 5-minute rule, too, that we have in the House.

Everyone here knows that the Congress is a tough place to work. One's shortcomings are soon visible to all, both in what one doesn't do or say, and even more in what one does do and say.

My guess is that you gave the award to me not because of any special contributions to the work of the House of Representatives, but because our distinguished former colleague, Brooks Hays of Arkansas and I, with some 60 former Members living in the Washington area, were the organizers in 1970 of this alumni Association of Former Members of the U.S. Congress.

The fact that the organization already has more members than the sitting Congress—House and Senate—demonstrates that it was long overdue.

One day shortly before his passing, Brooks said to me, "If your name, Walter, and mine are ever mentioned in history, it's more likely to be in connection with the formation of Former Members of Congress than with any acts of special statesmanship by us while serving in the House of Representatives."

I'm sorry indeed that Brooks isn't here today to share in this honor. Nobody knows better than I that it is more than I alone deserve—but I accept it with deep appreciation.

Perhaps a word about my own story is in order.

You probably know that my being in the Congress could be called a fluke. I had been serving for 9 years with great satisfaction as a medical missionary in interior China when Japan's military invaded as the first step in its announced plan to seize what it called its greater East Asia coprosperity sphere—from Korea to Singapore. That would include the Philippines, a possession of the United States that we would have to defend—meaning war. After Japan's attack on China in 1937 I spent days and nights for months removing from the bodies and brains of Chinese men, women and children American scrap iron dropped from planes flown with American gasoline, mostly purchased from the sale to American women of Japanese silk, tea, toys, gadgets, and so forth.

Five months after my area was captured in 1938, including our hospital and myself, I was able by some extraordinary developments to get out and come home. I felt strongly it was my patriotic duty to report the danger to the United States. I spent the next 2 years speaking all over the country, beginning with leaders in the executive branch and the appropriate committees of the Senate and House, trying to get America to stop arming Japan. I was disappointed, though not really surprised, that the effort failed. I knew my warnings of inevitable disaster sounded fantastic. How could a bunch of volcanic islands called Japan attack the great United States? But I kept on warning.

Pearl Harbor came.

Soon several influential groups and leaders in Minnesota urged me to run for Congress to make my first-hand experience available to our Government in dealing with Japan's aggression. Many Members of Congress had come from Europe or had studied there. They were familiar with its history and problems and with Hitler's aggression there. Only one Member of the Senate and one Member of the House had ever spent any time in China.

Frankly, I didn't want to leave my own profession again; and, after all, what could one person hope to accomplish in the Congress? But the pushers clinched the argument with the blunt challenge: "You have no right to go round our city and State making clear to us what our civic duty is in this great emergency, and you yourself refuse to do your civic duty. We ought to have one person in the Congress with your background and experience in Asia where our sons are already giving their lives." I had to try.

I have never ceased to marvel that they won 10 times for so unorthodox a candidate—a nonpolitician from Nebraska who had been out of the country 10 years and had not yet lived in that Minneapolis district long enough to vote.

Well, I did my best—and perhaps was able to make some helpful contributions on some important issues in the next 20 years.

For one instance; it was particularly satisfying to introduce that first year and get through the House a bill to remove all racial discrimination from our immigration and naturalization laws—the first civil rights legislation since right after the Civil War.

But what I personally appreciate most from these years, I assure you, is the warm friendships made, and the deep respect I have for so many able, dedicated, patriots—the noble men and women of the Congress. These associations will always be precious beyond words of mine to express.

Thank you, thank you most sincerely for this very special award.

Mr. RHODES (presiding). The gentleman from Pennsylvania.

Mr. QUIGLEY. Mr. Speaker, I am pleased to announce that at our business meeting yesterday the association has elected as my successor our colleague from Illinois [Edward J. Derwinski], who will become the association's president effective the 1st of July, and along with Mr. Derwinski, Mr. John V. Lindsay of New York has been elected as our association vice president for the next year.

May I conclude, Mr. Speaker, with a word of thanks and a word of welcome.

Standing here at this moment, I am mindful that this is the last time I will ever be privileged to speak from the well of this House. It seems to me appropriate that I thank those who made this moment possible, my peers, my colleagues in the Association of Former Members of Congress. They elected me president of their association and with that office came the privilege of delivering this report this morning. I thank them for this honor.

Maybe I should also extend thanks to the good people of the 19th Congressional District of Pennsylvania. Their votes sent me here in the first place and for that I am and will remain eternally grateful and I extend my thanks, but it seems to me it might also be appropriate if I extend a further thanks to them, for by their subsequent decision to unelect me they qualified me for membership in the Association of Former Members and for that membership I am grateful and I thank those, who however unintended, brought it about.

Finally, Mr. Speaker, I extend to all sitting Members of the Congress an invitation to join our association at some time in the future. The Speaker of the House has indicated that he will be eligible for membership next January. That same welcome will be extended to all Members of Congress if in some future January they may suddenly find themselves former Members of Congress. We will welcome you then. We will welcome you, but there is no need to hurry. When it happens, be assured there is life after Congress. To paraphrase the scriptures, "We have gone before you to prepare a place for those who will come after us."

Now, I would not want to suggest that the place we have prepared is exactly paradise, but for most of us it will do until the real thing comes along.

Mr. Speaker, I yield back the balance of my time.

Mr. RHODES (presiding). Before terminating these proceedings, the Chair would like to invite those former Members who did not respond when the roll was called to give their names to the reading clerk for inclusion on the roll.

I wish to thank all of you who are here today and those of you who have

participated in the affairs of the association.

Most of all, I want to take the prerogative of the Chair in speaking for the association and thanking the gentleman from Pennsylvania for a very fine year as president and for the many things which he has done to make this association stronger and better and even a better place for those who will find themselves in need of our services and our association in the future.

Of course, Jim, we all hope that when that occurs to those who are now Members of the House and the Senate that it will happen not because they suddenly found it, but because they determined that the time had come for them to change positions and become one of us.

I also want to thank the gentleman from Oklahoma, the executive secretary of this association, for his fine work through the years. I think this year has been really a banner year in the history of the association and we all owe the gentleman from Pennsylvania and the gentleman from Oklahoma a vote of thanks and I suggest that we express that appreciation now by giving that expression.

□ 1200

I wish all of you good luck.

At the request of the Speaker, I announce that the House will be in session at the hour of 12:15.

Accordingly (at 12 o'clock noon), the House continued in recess.

□ 1220

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 12 o'clock and 20 minutes p.m.

PRINTING OF PROCEEDINGS HAD DURING RECESS

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that the proceedings had during the recess be printed in the RECORD and that all Members and former Members who spoke during the recess have the privilege of revising their remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

THE FATE OF WHISTLE-BLOWERS IN THE PRIVATE SECTOR

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, the news on the *Challenger* disaster gets worse. Two Morton Thiokol engineers who warned against launching the space shuttle and later told the Presidential Commission about their warnings have been punished.

Allan J. McDonald was head of Thiokol's solid-rocket-motor project and manager of a large staff. He feared that the cold weather at the launch site would prove disastrous and urged that the shuttle not take off. He then became the first to reveal that the *Challenger* had been launched over the objections of many of its designers. Shortly thereafter, Mr. McDonald became "director of special projects" with no real staff of his own.

Roger M. Boisjoly had been in charge of a task force on the O-ring problem and wrote a memo last summer warning of its danger. He, too, told the Presidential Commission of longstanding, but largely ignored, concerns about the shuttle's safety. Mr. Boisjoly, while retaining his title, was eased out of his former job responsibility.

Mr. McDonald and Mr. Boisjoly are whistle-blowers. They dared to tell the truth by puncturing the facade of consensus and good management at Thiokol and NASA. They failed to avert one tragedy but have quite possibly served to prevent further ones. In the process, they have brought severe harm upon themselves. They have learned the high price of honesty.

SANDINISTAS CONTINUE SUBVERSION OF NEIGHBORS

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, the Communist Sandinista regime in Nicaragua tries to portray itself as the injured party in the conflict in Central America. It ignores—actually, denies or refuses to acknowledge—its role in supporting guerrilla subversion of its neighbors. The recent capture of Nicaraguan arms destined for guerrillas in El Salvador has failed to make headlines in the press.

For whatever the reason, it is difficult to disseminate the evidence showing the Sandinistas' policy of subverting their neighbors. One of the recent discoveries of arms for Salvadoran guerrillas occurred in March when a truck constructed with secret compartments was captured by Honduran Armed Forces. The truck carried rocket grenades, rocket propellant charges, blasting caps and blocks of TNT. Guerrilla documents were also uncovered describing the locations of several sites in Honduras of caches of weapons destined for Salvadoran guerrillas as well as efforts for establishing Socialist cells in Honduras.

Despite efforts to conceal the Sandinistas subversive campaign in Central America, no one should doubt their dedication to promote revolution in the region.

JAMES WATT DESERVES PRAISE FOR STATEMENT ON JOURNALISM

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, when James Watt was Secretary of the Interior I did not find much to praise him about. However, I wish to praise him for a statement he made in November 1984 which was reported in today's Washington Post. While addressing a conference entitled "Media Credibility and Social Responsibility," Watt called for an end to journalism which relies on ethnic slurs and innuendo.

Specifically, Mr. Watt made a plea to "eschew journalism based on innuendo and slur and personality as we see so frequently." He cited certain media coverage of the campaign of Geraldine Ferraro for Vice President. Watt charged that Ferraro was "abused" by the media. He added:

> We ought to go after the substance with fact and integrity—not with slur and innuendo and not because she has an Italian name. That is demeaning.

It is a bold but critically important statement from someone who himself generated much media attention. The media—all media—has a responsibility to avoid all degrees of stereotyping—against all ethnic, racial, and/or religious groups. Freedom of the press does not include taking liberties with the reputations of people on the basis of their ethnicity or any other reason.

FRENCH PEOPLE SUPPORT THE AMERICAN MILITARY OVERFLIGHT REQUEST FOR THE LIBYAN ACTION

(Mr. GEKAS asked and was given permission to address the House for 1 minute, and revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, there was not one American citizen who was not bitterly disappointed at the action of the French Government in withholding permission for air flights over France during the Libyan incident. Yet, it became clear very quickly that this was a single-minded action of the French Government itself and was not supported by the body politic, and people of France.

Poll after poll showed that the French people themselves, by an overwhelming majority, wanted to permit an American overflight over their land to help in that Libyan cause, and it was only a governmental action that prevented it.

Not only did these polls substantiate that, but later in the summit meeting

in Tokyo, President Mitterrand of France I believe apologized to the President of the United States for that inaction on the part of the French Government at that time.

On the basis of our long friendship with the French people and because of the forthcoming celebration of the Statue of Liberty which, of course was a gift of France and the French people themselves, I believe that we ought to now as a people begin to forgive and forget about that failure of the French Govenment.

TAX REFORM-TRANSITION HAS ITS COSTS

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, everyone in Washington is energized by great expectations for real tax reform legislation. I share that anticipation. But I also have real concerns for one of the costs of a major change in our tax system.

For some 18 months the taxpayers of the Nation have been bombarded with a succession of tax reform plans, only the latest of which are the House bill and the current Senate proposal. Each of these plans has consequences for the plans and actions of taxpayers great and small.

While it remains unclear what the final contents of the tax reform bill will be, all these taxpayers are forced to postpone decisions which are critical to them and, in some instances critical to the economic health of communities and States. To add to their problems, there is a welter of speculation on effective dates for this massive change in the way the Nation does business.

It is incumbent upon us to limit the disclocations which are a necessary part of real tax reform. Our tax writing committees should immediately and publicly commit themselves to an effective date for tax reform not earlier than January 1, 1987. In so doing they will ease the disruption in the municipal bond market, housing, and many private areas of concern.

ANATOLY SHCHARANSKY'S VISIT TO CAPITOL HILL

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, and my colleagues, a very important page of history is unfolding right before our eyes here on Capitol Hill, and I have a feeling that too many of my colleagues are taking this incredible, historical visit of Anatoly—now Natan—Shcharansky to the U.S. Capitol, for granted.

This man has come, to use Alexandr Solzhenitsyn's term, who proceeded him by almost a decade; this man has come "from the very stomach of the dragon." A man whose remembrance bracelet I wore for 8 years, and a man who I just assumed that I would never see alive again in the Western World.

After his wonderful appearance in the Rotunda, he also appeared at a luncheon yesterday, and only about 15 Members showed up. There are about 15 Members now over in the Rayburn Building listening to his testimony which has gone on for over 2 hours; and it is stunning, the fact that he can communciate with us so effortlessly in our own language. This ability alone is a miracle.

When I met with Soviet dissidents in Kiev Riga, Leningrad and Moscow, I asked them why all of them spoke English; how could we sit up all night long communicating in my language. They said English was the Language of Liberation.

I asked Mr. Shcharansky to explain that to my colleagues yesterday, and he turned even a better phrase. He said English is the road to freedom.

Take advantage of this; talk to him, see him communicate with us about the dragon—the Soviet Union.

DEBAR SHUTTLE CONTRACTOR FOR PUNISHING EMPLOYEES

(Mr. MARKEY asked and was given permission to address the House for 1 minute and to revise and extend this remarks.)

Mr. MARKEY. Mr. Speaker, I urge my colleagues to join me in cosponsoring a joint resolution to correct a outrageous injustice against two engineers of the shuttle contractor, Morton Thiokol, Inc. I am introducing this extraordinary legislation because this injustice goes beyond the internal management of a company to threaten the safety of the entire Space Shuttle Program.

I am referring to shocking revelations published in the Sunday New York Times that those who had the courage to question the safety of the shuttle *Challenger* before it was launched are now being punished after the disaster. At least two engineers, Allan McDonald and Roger Boisjoly, questioned the advisability of launching the shuttle in near-freezing weather, and who have cooperated with the Presidential Commission investigating the shuttle accident, have been reassigned by their employer, Morton Thiokol, Inc.

I urge my colleagues to read the transcripts published last Sunday, but I note in particular the following exchange between Maj. Gen. Donald J. Kutyna of the Commission, and Mr. Ed Garrison, vice president for aerospace group, Morton Thiokol:

Commissioner KUTYNA. There is certainly some impression that these gentleman [Mr. McDonald and Mr. Boisjoly] have been punished or lowered in their responsibilities as a result of the proceedings since the accident.

Mr. GARRISON. Well, everybody can't be in charge.

Mr. Speaker, this is an outrage and an insult. The safety of the Space Shuttle Program is directly undermined when Government contractors punish employees who provide critical information on the safety of NASA operations. These punitive transfers are intended to intimidate employees and hamper the ability of the public from getting at the truth. I think that all of us feel the way Commission Chairman Rogers felt when he noted that it looks like these men were penalized for being right.

If the Morton Thiokol engineers were Federal employees, they would have recourse through the Civil Service Reform Act and the Office of Special Counsel. But as employees of a Government contractor, they have no protection.

It may be that our laws should be expanded to provide protection in cases like this, and I am exploring that general issue. But I am compelled to introduce legislation now which deals with this particular situation alone because I have never seen such blatant, unethical and potentially dangerous corporate behavior as is exhibited here by Morton Thiokol. Even with the eyes of the Nation focussed on what can or will be done to make the shuttle program safe to fly again, the supplier of the suspect rocket boosters is stripping its most conscientious engineers of their staff and responsibilities.

This deserves the strongest condemnation and calls for immediate action. The resolution requires NASA to debar Morton Thiokol, Inc. from participating in NASA contracts unless and until the General Accounting Office finds that it these employees have been fully restored to their former job responsibilities, or that their transfers are unrelated to their cooperation with the shuttle investigation.

CONGRESSIONAL OVERSIGHT HEARINGS REQUESTED TO REVIEW FEMA PROGRAMS

(Mr. RIDGE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RIDGE. Mr. Speaker, yesterday I spoke against some proposed regulations that would take the Federal Emergency Management Agency one step closer to eliminating all Federal disaster assistance. When I got back to my office, I happened to read some press reports of a new FEMA plan to build 3,400 bomb shelters for Govern-

ment officials to use in the event of nuclear war. The price tag for the first 600 shelters would be $1.5 billion, or $2.5 million each. You should also know that one FEMA official praised the effort because the shelters would be used to protect land records so that nuclear war survivors could demonstrate the ownership of property.

My colleagues, before FEMA embarks on a wholesale abandonment of the natural disaster component of its mission and launches a return to the 1950's strategy of a bomb shelter in every yard, I believe that some oversight hearings are in order on the natural disaster assistance portion of FEMA's task. The Federal Government already plays a severely limited role in this whole area: State and local governments already pick up between 75 and 85 percent of the cost of emergency management programs, and charitable, nonprofit organizations also make contributions of millions of dollars of goods and services each year.

As I mentioned, FEMA has proposed drastic reductions in natural disaster assistance. Much, much stricter eligibility requirements and a substantially reduced Federal contribution for those States and communities that become eligible for public assistance programs will be implemented through regulation unless the Congress acts.

I have requested oversight hearings to review Federal disaster programs which are authorized by the House Public Works and Transportation Subcommittee on Water Resources. A number of my colleagues have supported me in this endeavor, and I ask others to join me. Those who represent areas where floods or tornadoes or earthquakes are not unusual need no reminder of the importance of the FEMA disaster program. Those whose home areas have been more fortunate should nonetheless remember that natural disasters strike quickly and without warning. We are all at risk each day. We all have a stake in good emergency preparedness and disaster recovery programs. I urge my colleagues to join me in requesting oversight hearings with regard to the disaster assistance program authorization before the Subcommittee on Water Resources.

THE VERRAZANO EXPERIMENT IS WORKING WELL

(Mr. MOLINARI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOLINARI. Mr. Speaker and my colleagues, yesterday my colleague from New York, Mr. WEISS, mentioned in a 1-minute speech that he has introduced legislation to do away with the one-way toll on the Verrazano Bridge that connects Staten Island to Brooklyn. He says that the traffic plan resulting is an unqualified disaster. I could not disagree more strongly with Mr. WEISS. In my judgment the one-way toll on this great Interstate System, which is one of the most heavily traveled arteries in the Nation, is working exceptionally well. There are no lines anymore for miles like there used to be, traffic is moving well, people are saving a half hour commuting in the morning, pollution levels are down. I would urge my colleagues in this House to hestitate before going on as a cosponsor of that legislation.

ELIMINATION OF SOCIAL SECURITY 3-PERCENT INFLATION TRIGGER FOR COLA ADJUSTMENTS

(Mr. DREIER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER of California. Mr. Speaker, last week I introduced legislation to permanently eliminate the Social Security 3-percent inflation trigger for cost-of-living adjustments.

Social Security recipients are currently entitled to a COLA only when inflation exceeds the arbitrary 3-percent trigger threshold. This adjustment is not canceled, only postponed until inflation rises above the trigger level in a subsequent year, when the shortfall is added on.

The temporary reduction in buying power, however, is an unnecessary financial hardship for Social Security beneficiaries. The uncertainty of a benefit adjustment to reflect the increase in the cost of living creates uncertainty for senior citizens, particularly for those living on fixed incomes, making it difficult for them to plan ahead.

In 1984, Congress enacted legislation to waive the 3-percent trigger threshold to guarantee that the 1985 COLA would be paid. This year, the COLA, at 3.1 percent, came close to the trigger. I am very encouraged by our success in bringing inflation down, but I do not want to see this scramble to guarantee a COLA become an annual event.

First of all, the COLA trigger is no longer necessary. It was instituted in 1972 not only to restrain costs, but to avoid the administrative complexities associated with processing small benefit increases. The Social Security Administration has since updated their computer capabilities.

Second, the trigger threshold actually costs money. Retirees who become eligible in the second year of a deferred COLA receive an adjustment for changes in the cost-of-living that occurred not only for the time after initial eligibility, but also for 1 or more years prior to initial eligibility. This windfall then becomes a permanent part of all succeeding benefits.

In addition, the taxable wage base, retirement earnings test and Medicare Part B premium indexed increases are frozen when the COLA is frozen. The combined effect of freezing benefits and taxes, and the resulting windfall, is a small long-term cost, according to a 1985 report from the Social Security Office of the Actuary.

We have before us a unique opportunity to save money and to protect our senior citizens from cost-of-living increases, and I would urge my colleagues to join me in adopting this legislation.

THE FAIR INSURANCE COVERAGE ACT

(Mr. BATES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BATES. Mr. Speaker, I am here today to remind you that I have introduced the Fair Insurance Coverage Act, a bill to ban insurance discrimination against the blind. I am asking those of you who have not joined the over 184 cosponsors to contact our office and advise us of your support.

The issue here is, simply put, that blind people in some States have been denied insurance coverage or have paid higher premiums for their life insurance without the basis of a sound actuarial study.

In other words, those actuarial studies that have been done have evidenced that the blind are not a greater health risk than the sighted.

Based on this information, I think it is truly discriminatory, and it should be corrected.

I call upon my colleagues to support this legislation.

PERSONAL EXPLANATION

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, due to Nebraska's primary election yesterday, this Member was in the First Congressional District of Nebraska and missed four rollcall votes that occurred. Had I been present I would have voted as follows:

"Nay" on the motion to approve the Journal;

"Yea" on the conference report on S. 124, the safe drinking water amendments;

"Yea" on the conference report on S. 974, to provide protection and advocacy for mentally ill persons;

"Yea" on the rule for H.R. 1, the housing bill.

SAFE DRINKING WATER ACT

Mr. Speaker, I particularly wanted to emphasize the ground water protection provisions in this act for Great Plains States. While I realize that many States are pushing for their own ground water legislation, I believe that the ground water protection provisions in this bill will facilitate and encourage many States to proceed with their own appropriate legislation.

Many communities and rural residents in the Great Plains and Midwestern States are facing serious safe drinking water problems. Excessive fertilizer and chemical applications have threatened the quality of domestic and municipal water supplies throughout extensive agricultural areas. The nitrate level in several small towns scattered throughout my home State of Nebraska has been and is above what EPA considers to be safe for drinking. Even my home town, Utica, NE, is required to bring in drinking water for infant's because the nitrate level of its water has become too high. Although scientists still do not know what all the effects may be on humans, there is some evidence present for consideration that it may be carcinogenic. Studies have shown that approximately 25 to 50 percent of the nitrogen applied to soils for crop production is not really necessary for the crops. Even in heavier soils commonly found in eastern Nebraska, nitrogen leaches through the soil by cracks, worm holes, and root channels. It is definitely a serious problem that is clearly becoming more serious.

The Nebraska Legislature has recently enacted a law to establish a mechanism for dealing with such water quality as nitrate contamination. That legislation would establish a cooperating method for coping with and reducing contamination problems between the Nebraska Department of Environment Control and the local Natural Resource Districts [NRD's]. Although the purpose of this law is certainly worthy, it should be recognized that this law would place very significant pressure on local NRD's to enforce or fail to enforce its implementation. Because many States, including Nebraska, lack an enforceable strategy to protect ground water, passage of the Safe Drinking Water Act is a tentative, but important step in encouraging guidelines for States to preserve their future drinking water supplies in many rural communities.

This legislative body has an obligation to enact safe drinking water legislation and the quicker the better. This is a very critical time in protecting our ground water in the Great Plains and Midwest, as well as other parts of America and I believe that this bill represents an important first step for protecting drinking water supplies of the Nation; therefore I support this conference report, and I hope it can be expeditiously and wisely implemented.

SIMPSON-MAZZOLI IN LIMBO

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, I would like to join my colleague from Kentucky in bringing to the attention of this House the efficiency bill that we were pursuing in the very near future.

Along with my colleague from Kentucky, I must lament the fact that, for whatever reason, the House of Representatives does not appear to be poised to act on immigration reform. Some would think that this reluctance to act is somehow an indication that things are getting better on the border. I must confess that that would only be a statement of ignorance because in fact things are not getting better, they are getting worse. We are averaging something like 2,000 apprehensions per day just in the San Diego section. We have more than 270,000 apprehensions over a 6-month period of time in just the 66-mile section of the border that centers in San Diego.

As testimony has come out in the other body, we are having continuing problems of corruption with the Government of Mexico, leading to tremendous increase in drug trafficking across our southern border. The whole possibility of a conduit for terrorism travel into the United States from Mexico is increasing, not decreasing. Yet against this background the House is poised not for action but for inaction, not for speeches, but for silence.

The American people deserve something better, Mr. Speaker. I hope against all hope, at least as I see it now, that the Congress will act and act soon to do something the American people want us to do, to do our job.

STUCK IN THE JAM ON THE VERRAZANO BRIDGE

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WEISS. Mr. Speaker, this editorial appeared in today's New York Daily News:

STUCK IN THE JAM

The one-way tolls on the Verrazano Bridge have been in effect nearly two months. With four months to go. And while Rep. Guy Molinari, breathing in the purportedly purer air of Staten Island, chortles over the "success" of the plan, motorists in Manhattan—and Brooklyn and New Jersey—choke on exhaust fumes. For those behind the wheel in bumper-to-bumper bridge-avoiding traffic, this experiment is an abject failure.

Is there no remedy for the congressionally ordained misery? Perhaps, if Congress now listens to Rep. Ted Weiss and nine—count 'em nine—other representatives from New York and New Jersey, their co-sponsored bill, introduced yesterday, would repeal the one-way tolls. Which would be wonderful. That can't happen too soon.

The whole thing shouldn't have happened in the first place.

Mr. Speaker, I invite and urge my colleagues to join as cosponsors of this important measure.

EXPRESSING THE SENSE OF CONGRESS WITH RESPECT TO AGRICULTURAL LOAN RESTRUCTURING

The SPEAKER. Pursuant to the provisions of clause 5, rule I, the unfinished business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 310, as amended.

The Clerk read the title of the concurrent resolution.

The SPEAKER. The question is on the motion offered by the gentleman from Texas [Mr. DE LA GARZA] that the House suspend the rules and agree to the concurrent resolution House Concurrent Resolution 310, as amended, on which further proceedings were postponed on Tuesday, May 13, 1986, and on which the yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 407, nays 0, answered "present" 1, not voting 25, as follows:

[Roll No. 123]

YEAS—407

Ackerman	Chappell	Fawell
Akaka	Chappie	Fazio
Alexander	Cheney	Feighan
Anderson	Clay	Fields
Andrews	Clinger	Fish
Annunzio	Coats	Flippo
Anthony	Cobey	Florio
Applegate	Coble	Foley
Archer	Coelho	Ford (TN)
Armey	Coleman (MO)	Fowler
Aspin	Coleman (TX)	Frank
Atkins	Collins	Frost
AuCoin	Combest	Fuqua
Badham	Conte	Gallo
Barnard	Conyers	Gaydos
Bartlett	Cooper	Gejdenson
Barton	Coughlin	Gekas
Bateman	Courter	Gephardt
Bates	Coyne	Gibbons
Bedell	Craig	Gilman
Beilenson	Crane	Gingrich
Bennett	Crockett	Glickman
Bentley	Daniel	Gonzalez
Bereuter	Dannemeyer	Goodling
Berman	Darden	Gordon
Bevill	Daschle	Gradison
Biaggi	Davis	Gray (IL)
Bilirakis	de la Garza	Gray (PA)
Bliley	DeLay	Green
Boehlert	Dellums	Gregg
Boggs	Derrick	Guarini
Boner (TN)	DeWine	Gunderson
Bonior (MI)	Dickinson	Hall (OH)
Bonker	Dicks	Hall, Ralph
Borski	Dingell	Hamilton
Bosco	DioGuardi	Hammerschmidt
Boucher	Donnelly	Hansen
Boulter	Dorgan (ND)	Hartnett
Boxer	Dornan (CA)	Hatcher
Breaux	Dowdy	Hawkins
Brooks	Downey	Hayes
Broomfield	Dreier	Hefner
Brown (CA)	Duncan	Heftel
Brown (CO)	Durbin	Hendon
Broyhill	Dwyer	Henry
Bruce	Dymally	Hertel
Bryant	Dyson	Hiler
Burton (CA)	Early	Hillis
Burton (IN)	Eckart (OH)	Holt
Bustamante	Eckert (NY)	Hopkins
Byron	Edwards (CA)	Horton
Callahan	Edwards (OK)	Howard
Campbell	Emerson	Hoyer
Carney	English	Hubbard
Carper	Erdreich	Huckaby
Carr	Evans (IA)	Hughes
Chandler	Evans (IL)	Hunter
Chapman	Fascell	Hutto

Ireland	Monson	Sisisky
Jacobs	Montgomery	Skeen
Jeffords	Moody	Skelton
Jenkins	Moore	Slattery
Johnson	Moorhead	Slaughter
Jones (NC)	Morrison (CT)	Smith (IA)
Jones (OK)	Morrison (WA)	Smith (NE)
Jones (TN)	Murphy	Smith, Denny (OR)
Kanjorski	Murtha	
Kaptur	Myers	Smith, Robert (NH)
Kasich	Natcher	
Kastenmeier	Neal	Smith, Robert (OR)
Kemp	Nelson	
Kennelly	Nichols	Snowe
Kildee	Nielson	Snyder
Kindness	Nowak	Solarz
Kleczka	O'Brien	Spence
Kolbe	Oakar	Spratt
Kolter	Oberstar	St Germain
Kostmayer	Obey	Staggers
Kramer	Olin	Stallings
LaFalce	Ortiz	Stangeland
Lagomarsino	Owens	Stark
Lantos	Oxley	Stenholm
Latta	Packard	Stokes
Leath (TX)	Panetta	Strang
Lehman (CA)	Parris	Stratton
Lehman (FL)	Pashayan	Studds
Leland	Pease	Stump
Lent	Penny	Sundquist
Levin (MI)	Pepper	Sweeney
Levine (CA)	Perkins	Swift
Lewis (CA)	Petri	Swindall
Lewis (FL)	Pickle	Synar
Lightfoot	Porter	Tallon
Lipinski	Price	Tauke
Livingston	Pursell	Tauzin
Lloyd	Quillen	Taylor
Loeffler	Rahall	Thomas (CA)
Long	Rangel	Thomas (GA)
Lott	Ray	Torres
Lowry (WA)	Regula	Torricelli
Luken	Reid	Towns
Lundine	Richardson	Traficant
Lungren	Ridge	Traxler
Mack	Rinaldo	Udall
MacKay	Ritter	Valentine
Madigan	Roberts	Vander Jagt
Manton	Robinson	Vento
Markey	Rodino	Visclosky
Marlenee	Roe	Volkmer
Martin (IL)	Rogers	Vucanovich
Martin (NY)	Rose	Walgren
Martinez	Rostenkowski	Walker
Matsui	Roth	Watkins
Mavroules	Roukema	Waxman
Mazzoli	Rowland (CT)	Weaver
McCain	Rowland (GA)	Weber
McCandless	Roybal	Weiss
McCloskey	Rudd	Wheat
McCollum	Russo	Whitehurst
McCurdy	Sabo	Whitley
McDade	Savage	Whittaker
McEwen	Saxton	Whitten
McGrath	Schaefer	Williams
McHugh	Schneider	Wilson
McKernan	Schroeder	Wise
McMillan	Schuette	Wolf
Meyers	Schulze	Wolpe
Mica	Schumer	Wortley
Michel	Seiberling	Wright
Mikulski	Sensenbrenner	Wyden
Miller (CA)	Sharp	Wylie
Miller (OH)	Shaw	Yates
Miller (WA)	Shelby	Yatron
Mineta	Shumway	Young (AK)
Mitchell	Shuster	Young (MO)
Moakley	Sikorski	Zschau
Molinari	Siljander	

ANSWERED "PRESENT"—1

Roemer

NOT VOTING—25

Barnes	Frenzel	Mrazek
Boland	Garcia	Scheuer
Daub	Grotberg	Smith (FL)
Dixon	Hyde	Smith (NJ)
Edgar	Leach (IA)	Solomon
Fiedler	Lowery (CA)	Wirth
Foglietta	Lujan	Young (FL)
Ford (MI)	McKinney	
Franklin	Mollohan	

□ 1255

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1987

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 455 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 455

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of The Union for the consideration of the concurrent resolution (H. Con. Res. 337) setting forth the congressional budget for the United States Government for the fiscal years 1987, 1988, and 1989, and the first reading of the resolution shall be dispensed with. All points of order against the consideration of the resolution for failure to comply with the provisions of subsection 305(a)(1) of the Congressional Budget Act of 1974, as amended (Public Law 93-344, as amended by Public Law 99-177), and with the provisions of clause 2(1)(6) of rule XI, are hereby waived. After general debate, which shall be confined to the resolution and shall continue not to exceed five hours, with not to exceed three hours to be equally divided and controlled as provided in section 305(a)(2) of the Congressional Budget Act of 1974, as amended, and with not to exceed two hours, to be equally divided and controlled as provided in section 305(a)(3) of the Congressional Budget Act of 1974, as amended, the resolution shall be considered as having been read for amendment under the five-minute rule. No amendment to the resolution shall be in order except the following amendments, which shall be considered only in the following order, which shall be considered as having been read, which shall not be subject to amendment, and which shall be in order even if a previous amendment in the nature of a substitute has been adopted: (1) the amendment in the nature of a substitute printed in the Congressional Record of May 13, 1986, by, and if offered by, Representative Dannemeyer of California, which shall be debatable for not to exceed one hour, to be equally divided and controlled by Representative Dannemeyer and a Member opposed thereto; (2) the amendment in the nature of a substitute printed in the Congressional Record of May 13, 1986, by, and if offered by, Representative Leland of Texas or his designee, which shall be debatable for not to exceed two hours, to be equally divided and controlled by the proponent of the amendment and a Member opposed thereto; and (3) the amendment in the nature of a substitute printed in the Congressional Record of May 13, 1986, by, and if offered by, Representative Latta of Ohio or his designee, which shall be debatable for not to exceed two hours, to be equally divided and controlled by the proponent of the amendment and a Member opposed thereto. If more than one of the amendments in the nature of a substitute made in order by this resolution has been adopted, only the last such amendment which has been adopted shall be considered as having been finally adopted in the Committee of the Whole and reported back to the House. It shall also be in order to consider the amendment or amendments provided in section 305(a)(5) of the Congressional Budget Act of 1974, as amended, necessary to achieve mathematical consistency. After the adoption of H. Con. Res. 337, it shall be in order to take from the Speaker's table the concurrent resolution S. Con. Res. 120 and to consider said resolution in the House, and it shall then be in order in the House to move to strike out all after the resolving clause of the said Senate resolution and to insert in lieu thereof the provisions contained in H. Con. Res. 337 as adopted by the House.

The SPEAKER. The gentleman from South Carolina [Mr. DERRICK] is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, I yield the customary 30 minutes, for the purpose of debate only, to the gentleman from Ohio [Mr. LATTA], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 455 is a modified closed rule providing for consideration of House Concurrent Resolution 337, the concurrent resolution on the budget for fiscal years 1987, 1988, and 1989. The rule provides for 3 hours of general debate which shall be divided equally between the majority and minority parties, and an additional 2 hours of debate which will be devoted to economic goals and policies pursuant to section 305(a)(3) of the Budget Act.

The rule waives the provisions of section 305(a)(1) of the Budget Act and clause 2(1)(6) of rule XI against consideration of the budget resolution. Section 305(a)(1) of the Budget Act requires that the budget resolution shall not be considered until 5 days after the Budget Committee report on the resolution is available to Members and until 1 day after the Rules Committee report on the resolution is available. Clause 2(1)(6) of rule XI provides a more general requirement for a layover of 3 legislative days following the availability of a committee report prior to consideration in the House of the measure for which the report is provided.

Mr. Speaker, since the chairmen of the Committees on Budget and Rules filed reports from their respective committees on this budget resolution yesterday, these two rules of the House must be waived if we are to move to consideration of the fiscal year 1987 budget this week.

Mr. Speaker, the rule provides for consideration of three amendments in the nature of substitutes to the resolution reported from the Committee on Budget. These are the only substantive nontechnical amendments made

in order under this rule, and they are not subject to amendment. All three amendments are required to have been printed in the CONGRESSIONAL RECORD of yesterday, May 13, 1986.

The first amendment in the nature of a substitute made in order is an amendment by and if offered by Representative DANNEMEYER of California. This amendment shall be debatable for up to 1 hour, the time to be equally divided and controlled by Mr. DANNEMEYER and a Member opposed thereto.

The second amendment in the nature of a substitute made in order by this rule is an amendment by and if offered by Representative LELAND of Texas or his designee. This amendment shall be debatable for up to 2 hours, the time to be equally divided and controlled by a proponent of the amendment and a Member opposed thereto.

The third and final amendment in the nature of a substitute made in order by this rule is an amendment by and is offered by Representative LATTA of Ohio or his designee. This amendment shall be debatable for up to 2 hours, the time to be equally divided and controlled by a proponent of the amendment and a Member opposed thereto.

Mr. Speaker, under the provisions of this rule, each of the amendments in the nature of a substitute I have referred to may be offered notwithstanding the disposition of any prior amendment. Normally, under the rules of the House adoption of an entire substitute would preclude the offering of any further amendments to the resolution. Therefore, this procedure, the so-called king-of-the-mountain procedure, protects the prerogatives of each Member to have full debate and a vote on their substitute. The last such substitute to be approved shall be considered as having been finally adopted in the Committee of the Whole and reported back to the House.

This rule also provides for a technical amendment or amendments to the budget resolution, as provided for under section 305(a)(5) of the Budget Act, to achieve mathematical consistency in the resolution.

Finally, Mr. Speaker, the rule provides for a hookup with the concurrent resolution on the budget adopted in the other Chamber, Senate Concurrent Resolution 120. The rule makes in order motions to take the Senate resolution from the Speaker's table, strike out all after the enacting clause and insert in lieu thereof the text of House Concurrent Resolution 337 as adopted by the House. This procedure has the affect of sending the measure back to the other Chamber for further action.

Mr. Speaker, this is an historic occasion. The budget resolution that would be made in order by this rule is the first budget to be considered under the Gramm-Rudman-Hollings legislation. As you all know, when we adopted that legislation last December we made a commitment to the American people—a commitment that would reduce the Federal deficit to no more than $144 billion in fiscal year 1987 and eliminate the deficit entirely by 1991. That legislation provided that we could honor that commitment by moving through the regular budget process—adopting a budget resolution, enacting a reconciliation bill, providing for funding through the appropriations process and acting on any other legislation necessary to carry out the guidelines of the budget. This would provide an apportunity for Congress to carefully consider priorities, to decide which programs needed more or less funding, and to respond to the needs of our citizens within the constraints of a deficit of $144 billion or less.

But the Gramm-Rudman-Hollings legislation also provided, because some feared that the commitment to a $144 billion deficit might fade in the face of the realities of reaching that deficit, that is we did not reach the deficit target through our regular budget process there would be an automatic reduction in spending sufficient to reach that target. That automatic reduction would not be based on priorities, on changing needs, or on any rational calculation—it would simply reduce every account in the budget by the same percentage. It would cut the defense personnel accounts by the same amount as Air Force or Navy procurement or military bands. It would cut funding for the Drug Enforcement Agency and the FBI by the same percentage as the Honey Support Program.

As my constituents would say, that is no way to run a railroad. I will be ashamed to go back and face the citizens in the Third District of South Carolina if the Congress defaults on the budget process and lets that automatic process occur. I don't think that is going to happen. I think that the budget plan the Budget Committee is recommending is a good budget that a majority in this House will support. I think that the Members of this body are too responsible to turn their back on the budget, let the automatic cuts occur, and then deny responsibility for those cuts. But I admit I worry a little when I hear somebody say "I can't vote for a budget that freezes defenses," "I can't vote for a budget that doesn't fund general revenue sharing," or "I can't vote for a budget that raises taxes more than the President requested."

All of us could think of a hundred reasons not to vote for the budget the Budget Committee has recommended, or for any of the other budgets that will be considered. But we need to face facts. Whether we like to or not, and I don't like it because I voted against it, Gramm-Rudman-Hollings is the law. We have to reach a deficit of no more than $144 billion. And you know something—in order to do that you have to cut something or you have to raise taxes, or you have to do some of both. The alternative to voting for a budget you are not completely happy with is to allow the automatic Gramm-Rudman-Hollings sequestration to occur. A vote against the budgets we will be considering here in the next 2 days is a vote for sequestration.

Mr. Speaker, with that in mind I would like to urge my colleagues to support the budget recommended by the Budget Committee. While it will cause its share of pain, I think that that pain is fairly and reasonably distributed. The committee budget reduces spending for fiscal year 1987 by more than $14 billion and it divides those cuts 50-50 between domestic programs and defense. It essentially freezes new budget authority for defense at the fiscal year 1986 level, but it provides for defense outlays nearly $7 billion higher than the 1986 level. I would also like to point out to those who say we are weakening defense that the outlays for defense in 1987 under this plan would be $276.2 billion. That is more than $90 billion more than we were spending 4 years ago. This budget also cuts domestic spending, but it is reasonable in applying those cuts. It reduces most discretionary programs by 2½ percent below this year's expenditures, cuts some programs by 10 percent or more, and it provides additional spending in areas where the national interest demands it—for drug enforcement, for air traffic safety, and for programs to help our children prepare for a productive future. It also reduces the deficit by increasing user fees, selling some Government assets, and recovering oil overcharge payments. And, it also reduces the deficit by increasing revenues. It calls for $6 billion in increased revenues that the President requested, and for an additional $4.7 billion in new revenues proposed by the other body. This additional $4.7 billion in revenues would be used only to reduce the deficit below the Gramm-Rudman-Hollings deficit target and would be credited to a special deficit reduction account at the Treasury. I know that some Members object strenuously to this extra $4.7 billion in revenues, but for the life of me I cannot see why revenues of $852.5 billion in fiscal year 1987 are perfectly OK, but revenues of $857.2 would wreck the economy and lead to the destruction of the American way of life.

Mr. Speaker, it is imperative that we move forward with the budget resolution so we can move on to the other critical budgetary decisions for next fiscal year—reconciliation and the ap-

propriations bills. This is a fair rule which will expedite consideration of the budget resolution while also affording Members an opportunity to vote on several very clear and distinct policy alternatives from across the political spectrum.

Mr. Speaker, I urge adoption of this rule and urge my colleagues to support the budget resolution reported from the Budget Committee.

□ 1320

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I intend to support this rule because the procedure it provides is reasonable under the circumstances.

One of the circumstances to be considered is that this budget resolution is very late. The Budget Act as amended by Gramm-Rudman provides that Congress will complete all action on the budget resolution by April 15. Yet here it is almost a month after that deadline and we are just now starting action in the House, and there will still have to be a conference with the other body after this.

Mr. Speaker, we have a rule on the budget resolution ready to be considered by the House. The rule first provides for 3 hours of general debate and 2 hours of debate on Humphrey-Hawkins, for a total of 5 hours. Then the rule provides for the consideration of the committee majority bill, and three substitutes. The first substitute is by the gentleman from California [Mr. DANNEMEYER] and will be debated for 1 hour. The second is by the gentleman from Texas [Mr. LELAND] or his designee, and will be debated for 2 hours.

His package represents the position of the Black Caucus. The third alternative under the rule is for a substitute to be offered by myself or my designee and 2 hours of debate time is allocated for this substitute. It is a substantial improvement over the committee bill which cuts defense too much and raises taxes too high.

Mr. Speaker, the rule provides that if more than one of the substitutes is adopted, only the last adopted is reported back to the House.

Mr. Speaker, the substitutes made in order in this rule spans the political spectrum. While there were other substitutes requested to be made in order, the Rules Committee made in order the consideration of only these three. There were also other amendments designed to impact on a specific program, but the Rules Committee followed the policy of making in order only complete substitutes.

While I might agree with some of the specific program amendments suggested, I think such issues should be decided by the appropriate committees, rather than by amendments to the budget resolution. The purpose of a budget resolution is to set priorities, not set spending levels for specific programs.

For all these reasons, Mr. Speaker, I support this rule so that the House may proceed to act promptly on the budget resolution.

Mr. Speaker, I yield 4 minutes to the gentleman from Arizona [Mr. RUDD].

Mr. RUDD. Mr. Speaker, I would like to express my appreciation to the gentleman from Ohio [Mr. LATTA] for yielding time to me.

Mr. Speaker, I rise to voice by opposition to House Concurrent Resolution 337, the fiscal year 1987 budget resolution.

What I find most objectionable in this budget package is a proposed $45.8 billion in new revenues over the next 3 years. Evidently, Congress will look to pass these revenue increases onto the already overburdened American taxpayer in the form of higher taxes.

Furthermore, this budget package reduces fiscal year 1986 budget authority for defense spending by $1.8 billion.

In light of the partisan manner in which this budget was drafted, the revenue increases and defense spending reductions serve only to show the inability of my colleagues from across the aisle to curb spending in domestic social programs.

Mr. Speaker, this resolution also devastates the Bureau of Reclamation construction program. It assumes a 20-percent reduction in total budget authority for the Bureau—a real reduction of $291 million from fiscal year 1986 levels—which would force the cancellation of a majority of ongoing construction contracts. Construction work would be brought to an abrupt halt as most of the remaining funds would be required to pay for contractor losses, demobilization and related costs, in addition to the costs associated with reductions-in-force. Virtually all project completion dates for already approved projects would be delayed.

In my own State, some critical features of the central Arizona project would be delayed at least a year probably 3 years, triggering a loss in repayment to the Treasury of over $30 plus million in present value terms, in accordance with the recently signed cost-sharing agreement—an agreement negotiated with non-Federal entities in Arizona in good faith. A dark cloud will be cast over all future cost-sharing negotiations when it has been demonstrated that the Federal Government cannot keep its end of the bargain.

Let me make it clear that I do believe the Bureau of Reclamation should do its part for deficit reduction. Restraint needs to be exercised in all Federal programs. However, there have already been remarkable efforts made by the Bureau to meet deficit reduction concerns, as evidenced by decreasing obligation figures for fiscal year 1985—$998 million; fiscal year 1986—$886 million; and as projected by the President for fiscal year 1987—$858 million. The Bureau's construction obligations in particular have declined from a level of $711 million in fiscal year 1985 to a projected $576 million for fiscal year 1987. The fiscal year 1987 budget authority request of $576 million represents a minimum to keep all of the existing projects on schedule.

This budget is a disservice to taxpayers. All reclamation projects, including the central Arizona project in my State, will be drastically and fatally affected. The Bureau of Reclamation budget authority figures pose a real risk of employee layoffs, project delays, project shutdowns and work stoppages, increased capital and overhead costs, and payments of liquidating damages on contracts already signed but unable to be fulfilled. In the end the result will be dramatic increases in water prices to citizen-consumers, and great restriction on water availability and without water we cannot survive.

Mr. LATTA. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. I thank the distinguished gentleman from Ohio [Mr. LATTA] for yielding time to me.

Mr. Speaker, there were five budget alternatives presented to the Committee on Rules yesterday. Four of the five were included in the rule, and one was not. That one was the so-called benchmark budget that the gentleman from Minnesota [Mr. FRENZEL], the gentleman from Colorado [Mr. BROWN], and I prepared shortly after the President presented his budget earlier in the year. In fact, it was the second budget that was prepared and presented to the Congress.

It would have provided a comprehensive freeze on outlays in all discretionary spending by function, would have frozen defense outlays at last year's level, would have provided a 2-percent COLA for all Federal retirees and Social Security recipients, would have allowed current-law increases for poverty programs like AFDC, WIC, and SSI, and would have done so without providing any new taxes—in fact, only three small user fees, a small percentage of what the President had offered, totaling about $350 million.

It would have terminated general revenue sharing, would have terminated the Amtrak subsidy, the SBA business and disaster loan programs, honey price supports, would have called for the sale of Conrail, and would have called for a 1-year pay freeze for the military and for civilian employees of the legislative and executive branches. And, Mr. Speaker, it would have made a great deal of sense.

It would have provided, for example, a lower defense spending figure than either the Republican or the Democratic alternative. It would have provided for no new taxes. It would have not provided for draconian cuts in social programs, no increases either, but it would have met Gramm-Rudman and still done so without providing for new revenues. And it seems to me, Mr. Speaker, that it would have provided a fair sharing of the burden of deficit reduction on all the functions of Government, and not exempted any.

The Democratic budget alternative adds new revenues. That is not acceptable to a large number of Members in the House. The Republican budget calls for spending increases in the Department of Defense that are not acceptable to a large number of Members in the House. The Black Caucus alternative is far to the left; the Dannemeyer alternative is far to the right. This budget would have been right in the middle.

It would have been right in holding the line on military spending, right in holding the line on taxes, right in protecting essential social programs while eliminating and cutting back on the unessential, and I think, Mr. Speaker, that it simply made too much good sense.

□ 1330

I suspect that when all the smoke clears and the conference is back upon us that we will be a lot closer to this alternative than we are to any of those presented today in the Senate alternative.

Mr. Speaker, I think the Rules Committee made a great mistake in not allowing all the alternatives presented out before the House for full consideration.

Mr. DERRICK. Mr. Speaker, I yield myself such time as I may consume, just simply to say to the last gentleman's remarks that the Rules Committee came out with what I consider and I think most people consider a very fair rule. We made three substitutes in order. We made two substitutes that might be referred to as minority substitutes in order. We made one in order for the gentleman from Ohio [Mr. LATTA] or his designee, which I assume would not preclude the gentleman from Illinois [Mr. PORTER] from offering his amendment.

Having said that, I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. PURSELL].

Mr. PURSELL. Mr. Speaker, I want to congratulate both the Rules Committee and especially the Budget Committee, the gentleman from Pennsylvania [Mr. GRAY] and the gentleman from Ohio [Mr. LATTA] and Members for turning out a rule which I support today, basically because this is the beginning of a test whether we can as a policymaking body, the Congress of the United States along with the President, establish a budget that is a better alternative than Gramm-Rudman, which will trigger in this fall.

So irrespective of which budget we support today and tomorrow on our final votes, I encourage each one of my colleagues to support a budget that will be offered here on the floor. Hopefully the opportunity on our side to offer what I call taking the high road, offering a constructive budget, lower taxes, a moderate number in defense, and a reasonable freeze in discretionary programs with some terminations is probably the best on balance.

But my point today is simply that I hope that the Congress will pass a good budget here on the House side. The Senate has completed their mission.

Essentially our final goal, which I encourage all of us to support, is a final agreement in the conference committee so that we have a meaningful budget written and debated and passed by the Congress of the United States, rather than the Gramm-Rudman proposal.

So I would be hopeful today that we have an intelligent debate on the details of the respective four budgets.

I congratulate the two committees on both the House and the Senate side and the minority and the majority side, who have turned out constructive alternatives that the House can look at and have a constructive policy debate with respect to the budget that we like the best individually.

So again I congratulate the two committees and I support the rule.

Mr. LOTT. Mr. Speaker, I'm beginning to think that there's nothing wrong with the Budget Act that a little compliance won't cure. Unfortunately, the rule before us doesn't cure the problem; it only compounds it.

Here we are, nearly a month to the day after the April 15 deadline for final action by both Houses on a budget resolution, and this House is just beginning consideration of its resolution.

What's the explanation for this lengthy delay? Was the early work of the Budget Committee destroyed in some mysterious, unreported fire? Did the Earth open up and swallow the House budget resolution on the way to the House floor in early April?

No, the explanation is much simpler than that. The majority powers that be didn't want to take any action until the other body had acted. Keep in mind that this is the same House of Representatives that usually jealously guards its constitutional prerogatives of initiating fiscal legislation, whether it be tax bills, spending bills, or budget resolutions.

And yet, how now is it that we bow, cow, and kowtow before that other body on something as important as the fiscal blueprint for our Government? And I don't intend this in any way as being critical of the other body for acting. It did what it had to do under the Budget Act and moved forward in a courageous way. No, my criticism is aimed at this body for shirking and shrinking from its responsibilities under the Constitution and the Budget Act.

And just what has our Budget Committee been doing in the interim? Was it working together, behind the scenes, on a grand, bipartisan compromise as it could have been doing—as it should have been doing? No, that was not happening, despite assurances from the Budget Committee chairman yesterday before the Rules Committee that it was happening.

Yet, I'm a member of the leadership on this side, and I was certainly not aware of any such negotiations with the minority. I checked with our acting Budget Committee ranking member, and she knew of no such negotiations. Nor did our ranking member upon his return from medical leave.

Frankly, I've been unable to locate any leadership representative on our side who was involved in these mysterious bipartisan negotiations. It must have been the phantom of the Republican cloakroom who carried out these negotiations after we turned out the lights at night.

Now, you might ask, what difference does it make if we are a month or two late in getting a budget resolution. Well, I'd suggest you direct that question at the authorizing and appropriating committees who have been stumbling and fumbling around in the dark for the last 4 months without any idea of what numbers they'll be given to work with.

And then we wonder why Congress never seems to get its work done on time. And this year, more than ever, it's important that we adhere to this new, accelerated budget timetable what with election year recesses and adjournment, and the prospect of Gramm-Rudman-Hollings sequestration staring us in the face come October 1.

The April 15 deadline is in the law for a very important purpose, and not for the purpose of being ignored or flouted.

How does the Budget Committee act when it finally does get the green light from its leadership to proceed with a resolution? Well, judging from the record we gathered at yesterday's hearing, to make up for lost time it decided to violate a few more Budget Act requirements.

After ramming the resolution through the Budget Committee last Thursday, the same day the Chairman's mark was first seen by most Republican members, the measure was rushed to the Rules Committee for an emergency meeting on Tuesday—that's yesterday—despite an earlier announcement on Monday that we wouldn't consider it in Rules until Wednesday.

The budget resolution and report, incidentally, were not even filed until yesterday, meaning we may or may not have printed copies before us when we begin considering it today.

The rule before us waives the Budget Act's 5-day layover requirement for budget resolution reports, the 3-day layover requirement for the resolution itself, and the 1-day layover re-

quirement for the Rules Committee's report on the resolution.

Moreover, to add insult to injury, the Budget chairman asked to cut the 10 hours of debate time provided for in the Budget Act in half, to 5 hours, and to restrict the open amendment process provided for in the Budget Act to major substitutes.

Why this sudden rush to judgment after over a month's delay in bringing this resolution to the floor? Could it be there are some things in this resolution the Budget Committee would rather we not have time to discover or discuss? Such things as counting savings for terminating revenue sharing, then turning around and encouraging its resurrection? Such things as $26 billion in new taxes over the administration's request which are not provided for in the reconciliation process? Such things as withholding part of the defense allocation pending a report from DOD? Now there's a lulu of a precedent for you.

More importantly, what about the low defense numbers that will cut both the muscle and bone of our military posture?

I'm sure I've only scratched the surface of the ramifications of this resolution, and I was only able to do that because I was one of the privileged few to get a xeroxed copy of the report yesterday, a day before most Members will be able to dig into this.

Oh, this resolution has some clever little twists that are politically appealing on the surface. But, will they stand the test of time and close scrutiny? The fact this is being rushed through should be a clue as to the answer to that question.

Mr. Speaker, in conclusion, I must once again strongly protest the way in which we've taken one of the most serious and important issues to come before us this year and made a mockery of it by the procedures we are following.

GENERAL LEAVE

Mr. LATTA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 455.

The SPEAKER pro tempore (Mr. PERKINS). Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. DERRICK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to House Resolution 455 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution, H. Con. Res. 337.

□ 1334

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 337) setting forth the congressional budget for the U.S. Government for the fiscal years 1987, 1988, and 1989, with Mr. NATCHER in the chair.

The clerk read the title of the concurrent resolution.

The CHAIRMAN. Pursuant to House Resolution 455, the first reading of the concurrent resolution is dispensed with.

The gentleman from Pennsylvania [Mr. GRAY] will be recognized for 1½ hours and the gentleman from Ohio [Mr. LATTA] will be recognized for 1½ hours.

After opening statements by the chairman and ranking minority member of the committee on the budget, the Chair will recognize the gentleman from California [Mr. HAWKINS] and the gentleman from Ohio [Mr. LATTA] for 1 hour each to control debate on economic goals and policies. After this 2 hours of debate has been consumed or yielded back, the Chair will recognize the chairman and ranking minority member of the Committee on the Budget to control the remainder of their 3 hours of debate.

The Chair recognizes the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, as I mentioned during the debate on the rule, the Democrat majority is a month late in bringing this budget resolution to the floor, but nevertheless, we are prepared to go forward with it.

As the rule provided, there will be an opportunity not only for full consideration of the committee budget resolution, but also of three substitutes.

We are operating this year under different circumstances than we have operated in the past. This Congress has a mandate to reduce the budget deficit for fiscal year 1987 to no higher than $145 billion. It has made the Budget Committee's job a little more difficult, not only in the House but in the Senate. The Senate has come forth with its product. It has been fully debated. It has been, as the old saying goes, discussed and cussed; but nevertheless, they came forth with a product that they thought was the best way to go.

The product that has come out of our committee—without my support, incidentally—is a different type product. It is different in the numbers throughout. I might refer to those numbers, because it is most important that we know what we are doing.

For example, in function 050 on defense, the Senate number for outlays was $282 billion. The House Budget Committee is $276.2 billion.

On this most important function dealing with the security of this country, the budget authority, which the Defense Establishment relies on more than anything else, has been reduced considerably by the Senate and then reduced considerably more by the House.

In International Affairs, the Senate passed a figure of $14.2 billion and the Budget Committee recommended $13.8 billion.

In function 250, General Science, the Senate passed proposal was $9.1 billion. The House Budget Committee recommended $8.6 billion.

In function 270, Energy, the Senate passed $4.6 billion and the House Budget Committee recommended $4.8 billion.

On function 300, Natural Resources, the Senate passed a figure of $12.6 billion and the House Budget Committee recommended $12.2 billion.

In the very critical area of agriculture, and everybody knows that agriculture is in dire straits, the House Budget Committee recommended $23.6 billion and the Senate Budget Committee was $23.5 billion.

In function 370, Commerce and Housing, the Senate passed bill was $3.5 billion, and the House Budget Committee recommends $2.2 billion.

In function 400, Transportation, the Senate passed figure was $27.8 billion. The House Budget Committee recommends $25.5 billion.

In function 450, Commerce and Regional Development, the Senate passed figure was $7.2 billion. The House Budget Committee was $7 billion.

In function 500, Education, Training and Employment, they are identical, $30.6 billion.

In function 550, Health, the Senate passed figure is $38.3 billion. The House Budget Committee is $38.4 billion.

In function 570, Medicare, the Senate Budget Committee recommended $72.8 billion. The House Budget Committee was $73.2 billion.

In function 600, Income Security, they are identical, $121.4 billion.

On Social Security, they are identical, $209.4 billion.

In Veterans' Affairs, function 700, the Senate passed $26.5 billion, and the House Budget Committee was $26.7 billion.

In function 750, Administration of Justice, the Senate passed figure was $7.2 billion. The House Budget Committee figure is $7.1 billion.

In function 800, General Government, the Senate passed $5.4 billion, and the House Budget Committee is at $5.6 billion.

In function 850, General Purpose and Fiscal Assistance, the Senate was $2.8 billion, and the House Budget Committee is at $2.6 billion.

In function 900, Net Interest, the Senate Budget Committee was $143.9 billion, and the House Budget Committee is at $143.4.

In function 920, Allowances, the Senate was $0.5, and the House Budget Committee is at $0.6 billion.

In function 950, Undistributed Offsets, the Senate passed minus $42.1 billion. The House Budget Committee has a minus $39.2 billion.

This makes a total in the House Budget Committee of $993.70 billion, and in the Senate, $1,001.20 billion.

The revenues in the two budgets are the same, $857.20 billion.

The deficit, however, maintained by the House Budget Committee is $136.50 billion, and the Senate passed $144.00 billion.

A dispute arises as to the manner used in bringing their deficit down. It is through a very new and intriguing method of fencing, whereby they set off the new revenues and say they are going to be used only for deficit reduction, when everybody knows that this Congress or the next Congress can use that money, there is no way they can fence it and make it stick.

As a matter of fact, I would be the first one in line to vote for a piece of legislation that would absolutely make it certain that we could put money into a trust fund and use it only for deficit reduction. I have been informed by the Treasury Department that there is no possible way we can do it, because of the reason I have stated, and that is that one Congress can undo the acts of another.

So Mr. Chairman, during this debate we are probably going to hear a lot from the Democrat side about function 050, little from their side on their new taxes; and little about the work ability of their fencing provision.

□ 1345

We are going to hear that this budget was discussed in the Committee on the Budget in a bipartisan manner. I might say that, as the chairman indicated yesterday before the Committee on Rules, there were several hearings. We had several of the Secretaries before the Committee on the Budget. When it came to writing to the budget, we got this Democrat budget that we now have before us the night before it was considered and reported out. When I say "we," I am talking about the Republican side.

So there will be a lot of debate in the next couple of days about which way we should go, whether or not we ought to be raising taxes to the extent that they are raised in the House Budget Committee plan, or whether we ought to restrict ourselves and cut back on some of the spending provided for in this resolution.

Frankly, I think the American people are asking us not to raise taxes on them again, but to reduce spending. I do not think the House Budget Committee's resolution follows the wishes of the American people in this regard.

Mr. DERRICK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, today we begin consideration of the budget resolution for fiscal year 1987 before the full House.

The Budget Committee has reported a bill which achieves deficit reduction of $307 billion over 3 years. This deficit reduction plan exceeds the Gramm-Rudman-Hollings targets for deficit reduction in fiscal years 1987, 1988, and 1989. The committee plan achieves declining deficits of $137 billion in 1987, $106 billion in 1988 and $64 billion in 1989. In fact, the committee plan achieves greater deficit reduction than the resolution passed by the other body. The committee plan includes a combination of spending cuts, asset sales, user fees and other savings items.

The committee bill also includes $4.6 billion in new revenues over the new revenues in the President's budget request. It includes the same total level of revenues as the Senate resolution. However, our committee plan dedicates these revenues solely for deficit reduction. Unlike the other body's plan, these revenues would not be used for defense spending or domestic spending. Under the committee plan, a special, dedicated trust fund would be established to insure that these revenues could not be used to fund spending increases.

If adopted, the committee plan will allow Congress to avoid the mindless, automatic cuts mandated in Gramm-Rudman-Hollings for defense and domestic programs. Yet, the resolution maintains a 50-50 balance between cuts in defense programs and domestic programs in 1987 and over 3 years. By comparison, the Senate resolution makes 84 percent of its spending cuts in 1987 and 81 percent over 3 years in domestic programs.

Mr. Chairman, I believe the committee's plan will achieve meaningful long-term deficit reduction. It should preclude having to revisit the same issues next year. It should put us on a permanent path of lowering the Federal deficit.

The committee's plan before you today proposes what is virtually a budget authority freeze at last year's level for Pentagon spending. Although the plan provides $1.8 billion less in budget authority than last year, this budget will provide $6.7 billion more in outlays than was spent last year. This recommendation of $285 billion in budget authority will accommodate past procurement commitments, military personnel levels, a freeze in the operation and maintenance accounts and a 3-percent military and civilian pay raise in January. In terms of real growth, this fiscal year 1987 budget represents a cumulative increase in real terms—fiscal year dollars—of some $525 billion since fiscal year 1980 for Pentagon spending.

The committee's plan will allow for the continuation of a strong defense posture. It provides adequately for our defense needs. The committee believes this plan will encourage the Pentagon to achieve reasonable savings through better management practices, especially in the acquisition process, recoupment of unneeded, overstated inflation, multiyear procurements, competition and lower than anticipated fuel prices.

Although the committee plan makes significant deficit reduction, it maintains our national priority of protecting our country's greatest nautral resource—people. The committee plan protects children, senior citizens, low-income people, veterans, Federal workers, and Federal retirees. The committee recognizes the importance of investing in the future growth of the country while maintaining a basic quality of life for all Americans.

The committee plan provides more than $500 million above what is required to cover inflation in 1987 for a children's initiative. This will include expanded Medicaid coverage for mothers and infants, and compensatory education and Head Start Programs.

Adequate health care is a dominant concern for senior citizens living on fixed or limited incomes. The committee plan provides $500 million over 3 years to implement expanded medicaid coverage to the elderly whose incomes are below the Federal poverty threshold. The resolution also provides $1 billion over 3 years to reduce the scheduled increase in the Medicare hospital deductible.

Mr. GRAY of Pennsylvania. I thank the gentleman from South Carolina [Mr. DERRICK] who serves so well on the Committee on Rules, and who is, as well, a senior member of the Committee on the Budget.

Mr. Chairman, as we begin this debate with regard to the fiscal year 1987 budget, I think one thing stands out very clearly and that is that the House Budget Committee has come forth with a different solution, a solution that is balanced and equitable, a solution that provides for our domestic needs, and a solution that provides for stronger deficit reduction.

There have been several solutions this year, the first offered by the President, where over 90 percent of the reductions in the deficit came from one area of the budget—domestic spending areas. It called for the elimination of over 40 programs and with a massive increase in Pentagon spending of over $34 billion or 12-percent growth. Both Houses have rejected that prescription. This body could only find 12 votes for that solution. The other body, in committee, voted against that solution overwhelmingly.

There is pending another solution. That solution is offered by the other body, which gets down to the Gramm-Rudman target of $144 billion by reducing spending, over 80 percent of it, from the domestic side of the budgetary ledger, and then increasing Pentagon spending to cover inflation, while at the same time raising $13 billion in revenues that pay for that increase in spending in the Pentagon, with about $2 billion of it going to domestic spending.

Now we have before the Congress and before this body and the Nation a third solution, a solution that I believe is more balanced, a solution that I believe addresses our domestic needs and at the same time protects against sequestration while reaching the Gramm-Rudman target, and then finally, a solution that gives greater deficit reduction.

What this budget resolution proposes is that there be cuts in spending from both sides of the budgetary ledger, 50 percent from the domestic, 50 percent from the Pentagon.

Second, it also proposes that we protect against the possibility of sequestration and, thus, this budget goes below the Gramm-Rudman target of $144 billion by reaching a target of $141.6 billion through spending cuts and revenues that do not exceed the magnitude of revenues in the President's budget.

□ 1355

Finally, this budget offers the greatest deficit reduction because not only do we provide for greater spending cuts that are equitable, but also say that the additional revenues that are in the other body's budget ought to be put not to spending, domestic or Pentagon, but those additional revenues of about $5 billion, if they are to be achieved with the President's support, and if they are realized, should go to deficit reduction and thus we call upon the appropriate committees of jurisdiction to establish a deficit reduction trust fund for those additional revenues which we hope would be raised with the support of the President and through a separate legislative vehicle.

Therefore, the total deficit presented to the Nation and to this body is a deficit projected at $137 billion for fiscal year 1987, substantially below the Gramm-Rudman target, protecting the American public and the programs of national security and domestic security from sequestration while, at the same time, doing it in a balanced and equitable way.

We maintain our commitment to the low-income persons of our society. We maintain our commitment to the elderly with a strong health care program in Medicare and Medicaid.

We maintain our commitment to the veterans of this Nation who have served us so faithfully by providing full funding for veteran programs. We also maintain our commitment to the people who serve us, whether they are in the military or in the Federal civilian work force with an increase to cover the increasing cost of living.

At the same time, we maintain our commitments to those who are our retirees, both the Social Security recipients as well as military and Federal retirees, with no differentiation but treating all the same.

I think clearly when the American people will look at this solution as we will debate it today and tomorrow, they will find a solution that puts us on a strong glidepath away from high deficits that has the strongest deficit reduction. Second, they will see a solution that does not raise revenues and spends them as in the other body, but a solution that says if there are revenues that are going to be raised with the President's support, they should go to deficit reduction. At the same time, it is a solution that provides for equity and balance.

Mr. Chairman, when one looks at the constraints that we have faced, the fact that we are swimming in a sea of red ink and that our national debt has grown from $914 billion in 1980 to over $2 trillion in 1986, when we remember that in 1980, we were debating $40 and $50 billion deficits and now we are facing deficits over $200 billion, then we face the reality that in order to deal with these deficits, we must reduce spending. We must live within our means and make the tough choices. Given the constraints that we face, I believe that this budget presented by the House Committee on the Budget represents a fair and balanced approach.

I am sure that there will be those on both sides of the aisle who will not be satisfied with every aspect of this budget. There will be those who will say it is too low in defense, but I would point out to those that there is only a $5.7 billion difference between this budget and the Senate-passed budget in outlays. I would also point out to them that the difference between the other body and this body in Pentagon spending over 3 years is less than 3 percent with the other body providing $877 billion over 3 years and we providing over $848 billion.

I would remind them that with that kind of increase for our national security, we will be strong. I would also say to those who are worried about domestic programs, yes, we have made some reductions in the nondefense discretionary area. Those programs that were not identified as high priorities, such as education, health care, nutrition, children's programs and those of our elderly have been reduced. We said we can make reductions there of 2, 5, 10, and 12 percent without eliminating those programs, and at the same time, achieving strong deficit reduction.

I think those voices must look at the entire forest and not just the one tree that grows in their garden. For what we are debating is the prosperity and the future, not of one district, one region, but of this great Nation. And if we do not move in a substantive fashion, if we do not move with strength to reduce these deficits, I submit to you, no matter where we come from, whether it is from Pennsylvania or Texas, whether it is Maine or California, Michigan, or Florida, all of us will suffer.

So I hope that at the end of this debate and at the end of voting on the various alternatives that we will have a budget, and second, that it will be the one that is balanced, the one that protects against sequestration and meets Gramm/Rudman's targets, and finally, the one that calls for the strongest deficit reduction.

That budget, Mr. Chairman, is the budget that was passed bipartisanly out of the House Committee on the Budget. I urge my colleagues to vote for that budget. We are not all satisfied. We are not all pleased. But I suggest to you that it is the best medicine for an America that is getting terribly sick of red ink.

Mr. PURSELL. Mr. Chairman, will the gentleman yield?

Mr. GRAY of Pennsylvania. I yield to the gentleman from Michigan.

Mr. PURSELL. Mr. Chairman, I want to congratulate the gentleman from Pennsylvania for an outstanding presentation. Irrespective of which budget we support, the opportunity is to look at four options today and tomorrow and I think the gentleman's point of taking an option rather than Gramm-Rudman is constructive and beneficial to the House and to the other body and to the country as a whole.

I congratulate the gentleman on his presentation. We will get into the details later, but I think the gentleman's effort to look at a positive budget, hoping that we get a conference agreement with the other body, that we set a course for the country that is constructive rather than relying on Gramm-Rudman. I congratulate the leader of the Committee on the Budget and our chairman, the gentleman from Ohio [Mr. LATTA], for the alternative and that option that we have some choices to look at, rather than doing nothing and not taking the high road.

Mr. GRAY of Pennsylvania. Mr. Chairman, I want to thank the distinguished gentleman from Michigan [Mr. PURSELL] for his comment, a gentleman who has been intimately involved and provided leadership on the question of deficit reduction, introducing and writing a resolution last year.

I think the issue before us is how do we come together and solve the problem? I think all of us on both sides of the aisle, Democrats and Republicans, conservatives, liberals and moderates, all want to reduce the deficit. We will have presented before us during the next 2 days different options, different approaches, different methodologies, different choices, but I want to agree with the gentleman, all of us, Republicans and Democrats, recognize the need for deficit reduction and for action.

I hope that it will be in that spirit that this debate will be carried forth and that at the end of the day, we will have a budget that will represent the position of the House. We will go to conference and hopefully, we will have a conference report quickly, and therefore, give to the American people the belief that we in Congress, bipartisanly, are going to address the issue that faces us, the crisis of growing debt.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HAWKINS].

□ 1405

Mr. HAWKINS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is the purpose of this portion of the budget debate, mandated by the Full Employment and Balanced Growth Act, to put the meat back onto the bones of the budgetary skeleton.

As President John Kennedy said, "To govern is to choose." While post-World War II America has had exemplary peroids where our leaders have chosen high economic performance and good supporting structural programs to provide the vehicles for the attainment of full employment, I am sorry to say that generally speaking, full employment and production have very rarely been the economic policy choices of our elected officials.

From 1980 to 1984, the real average annual economic growth rate was a paltry 2.7 percent. The first quarter 1986 figure of 3.2 percent, while better, is certainly nothing to crow about.

According to Joint Economic Committee analyses, economic growth in the current administration still averages only 2.1 percent a year, the lowest growth rate for any administration in the last 20 years. In order to generate enough overall growth to adequately compensate for current labor force growth and inadequate productivity estimates, we need at least 4- to 4½-percent growth just to maintain the status quo. In order to bring unemployment down, overall growth would need to be at least 5 percent, with commensurate monetary and structural programs.

Thus, even the administration's own growth forecasts, as well as those in this budget resolution, fall below the acceleration needed to move us toward real full employment.

Why are these growth rates assumptions low in relation to what is needed to actively produce enough economic activity to make a dent in the stagnant unemployment rate? The sad fact is that many policymakers and the economists who bend their ears have succumbed to the fallacious theory that excessive overall demand will rekindle inflation and thus hurt the money lenders and hoarders, or as Franklin Roosevelt called them, the economic royalists in the money temples. They believe that we have to maintain these historically high unemployment levels in order to reduce the risk of inflation.

Yes, my friends, the tradeoff theory and Phillips curve ideology are still alive and well in the United States. We find them hiding under the banner of deficit reduction and lurking in the shadows as economists say that 7-percent unemployment represents the new full employment level.

The facts, however, do not support these misguided assumptions. Our economic problems have not been due to excessive economic growth and too many people working. Rather, we have suffered from inflation, unemployment, high deficits, excessive interest rates and tremendous trade imbalances, because of low growth as well as the adverse effects of some outside shocks.

Facts show that when we enjoyed vigorous growth and fuller utilization of our resources, we were able to bring down unemployment and keep prices low. Everybody gained.

So, if we are to choose, as President Kennedy suggested, then what are the choices we have facing us today?

First, we must look at what the needs are. In the field of education, for instance, millions of our youngsters are denied access to cost-effective, deficit-reducing programs despite their eligibility; 82 percent of the eligible preschoolers in our country do not get help from widely respected successful programs like Head Start, because of lack of adequate funding; 65 percent of the eligible low-income elementary school children can't benefit from the remedial assistance chapter one, compensatory education offers.

In the area of employment and training, while 15 million Americans are either unemployed, working part time for economic reasons, or have given up looking for jobs because they have been unable to find one, less than 4 percent of the total population is benefiting from the assistance of jobs and training programs. Proven, cost-effective programs like JTPA, which helps train unemployed adults and young people; Job Corps, which is targeted to the most disadvantaged youth, and WIN, which enables welfare recipients to become self-sufficient, productive members of society, are so underfunded that they are mere drops of water in the massive sea of the jobless.

If we decide to choose the Gramm-Rudman policy path, the next 5 years would see an accelerated retrogression where more and more people would be excluded from programs that could help them to be independent, productive members of society. This choice increases the risk of a major recession.

If we choose to go the route of the Budget Committee's resolution, then we more or less agree to maintain the status quo, continuing the current policy of throwing out a few crumbs to the lucky few, while the larger percentage of eligible people have the doors of opportunity slammed shut on them. This is the expedient choice.

Or, we can choose the path of full employment and balanced growth, where we purposely make incremental yearly improvements in the kind of programs which invest in people and our future. The result of this preferred policy would be successful movement toward the goal of 4-percent unemployment and 3 percent or less inflation, while reducing the excessively high levels of joblessness among youth, minorities, and other groups in our society; a simultaneous large increase in revenues, due to people paying income taxes, rather than taking money out of the Treasury for unemployment compensation, food stamps, and other transfer programs; and an eventual eradication of illiteracy through access to a quality education for all Americans.

A full employment path also requires our monetary policy to be coordinated and made to complement spending and taxing actions. While recent lower interest rates are enthusiastically welcomed by both business and consumer alike, the years of high interest rates, allegedly used to fight inflation, have actually been one of the principal causes of inflation.

In every way they have added to the cost of living: higher mortgages and rents; more costly durable goods and credit charges; more health and transportation costs; and more expensive college educations. High interest rates are a political sham manipulated to help those who lend money and those who selfishly hoard, rather than invest.

If Mr. Volcker and the Open Market Committee wanted to lower the discount rate again, they could easily do so. If they wanted money supply growth rates to expand, they could give the nod.

The Fed refuses to participate in the coordination of overall economic policy even though we created them to do so. Mr. Volcker puts the onus on Congress to reduce budget deficits, as

if the Fed's actions have little or nothing to do with the vitality of the economy. The Federal Reserve Board should put its own house in order instead of dictating actions to the Congress.

Furthermore, all of the statistics being bantered about—growth rates, interest rates, money supply growth, and so forth, have been mere forecasts of what current policy will bring about. The Government should not be in the business of guessing about what may happen next as if those of us who are elected have no responsibility to set goals and then to take appropriate action to achieve them. Why should we even have elected officials if we place our fate in unelected people or phantom staffers to govern us?

We must also address the fact that there are limits on what macroeconomic policy can achieve in terms of employment reduction and increased standards of living. That is why a full employment program depends on effective structural programs which target specific problems experienced by certain labor force groups, areas of the country and sectors of the economy.

We need to increase outlays for education and training, employment and nutrition, housing and economic development. These structural programs do not waste taxpayers' money or throw Federal dollars down a bottomless pit. On the contrary, these investments reap large, tangible rewards. They create jobs, increase workers' productivity and offer a genuine escape from welfare.

Structural programs are an essential element in a full employment program. But, they aren't the whole story. We can make employment and training priority programs in the budget if we want to; we can enforce employment discrimination law so that all citizens have an equal opportunity to work; and we can significantly increase the job experience and educational skills of our young people so they can take their rightful place in the labor market.

But, the sorry fact remains that even if we did address these inadequacies, too many Americans would still be totally left out of the system of income distribution and denied the opportunity to enjoy the rewards of the American way of life because there are still not enough jobs for everyone able and willing to work.

The budget resolution before us today attempts to reconcile vital domestic priorities and defense needs within the limits set by law without inflicting irreparable injury to the economy or our concept of pursuing social and economic justice.

What my colleague, Mr. GRAY, and the other members of the Budget Committee have done on this impossible task is likely the best that can be done under the circumstances.

I want to make it clear, however, that in the long run, we can and must do better. I think it was one of the Greek philosophers who said, "We know the good, we apprehend it clearly, but we can't bring it to achievment." I urge my colleagues to break through the restraining bonds and needless blinders forced upon us by the economic climate created by faulty methods of deficit reduction and instead have the moral courage and economic good sense to support policies and programs that will move our country to full employment and balanced economic growth.

We are not the commercial vendors peddling their goods on the mall—we are the elected representatives of a nation that must set the moral tone for free nations everywhere and responsible free enterprise here at home.

□ 1415

The CHAIRMAN. The gentleman from California [Mr. HAWKINS] has consumed 13 minutes.

Mr. HAWKINS. Mr. Chairman, I yield 6 minutes to the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. Mr. Chairman, once again we are debating budget numbers. Once again the real subject of this numbers game is human beings, our fellow citizens. If we lose that perspective, if we fail to understand that it is human hopes and ambitions that will be helped or hurt by this budget, this debate will be misguided and its result fruitless, futile, or worse.

This congressional budget begins, as all Federal budgets do, with baselines and economic assumptions. It proceeds in terms of priorities, essentials, nonessentials, the possible and the impossible. It is constrained by the oddities of the Gramm Act, the sterile structure of the President's annually unrealistic and annually discarded budget, the realities of the economy and the necessities of politics. It ends with some kind of resolution, which constitutes a kind of fiscal rudder in the shape of self-imposed restraints: Receipts that will not exceed one hoped-for figure, expenditures that will not exceed another hoped-for figure, all held up by the slender shoulders of economic assumptions. My purpose here is not to restate my doubts about this whole process but to discuss the economic assumptions upon which it is based and the monetary policy upon which those assumptions depend.

To be blunt and short, if the Federal Reserve, which controls monetary policy, should suddenly change signals, the economic forecast upon which this budget resolution depends would no longer be valid. Purely and simply, to the extent monetary policy affects economic performance—and it affects economic performance in a profound way—the outcome of any fiscal plan is simply out of our hands. If the Federal Reserve suddenly jacks up interest rates, every assumption we make about economic growth is jeopardized.

If for some reason the Federal Reserve proves unable to arrest the decline in the value of the dollar on international exchange markets, every assumption we make about the rate of inflation and interest rates is also jeopardized. If the Federal Reserve is unable to prevent a catastrophic series of bank failures, which is certainly possible in this world of bad foreign, farm, and oil debt, our economic forecast would also be wrong.

We honestly don't have any way of knowing what monetary policy is going to be 6 months from today. We can only hope that it matches our expectations. But hope is all we have, because the Federal Reserve is receiving two new Governors in a very short time. How they will want to guide monetary policy is anybody's guess. We already know that one Governor tried a power play to change monetary policy, lost and resigned. This doesn't suggest a placid and tranquil boardroom at the Federal Reserve, and it doesn't suggest that monetary policy is going to be predictable. That being the case, we can't predict economic performance, but only assume what we think it will be.

There is another factor that will affect economic performance, which is the value of the dollar on international exchange markets. During this past year, the value of the dollar has declined by about 30 percent. This is raising the cost of our imports, which in turn will probably raise inflationary pressures. This factor has been masked by the dramatic drop in oil prices that has taken place since November, but the same folks who dropped oil prices through the floor could raise those prices just as easily. For the moment, however, the inflationary effect of the lower dollar has been canceled out by the 50-percent drop in world oil prices.

The sharp reduction in the dollar's value may discourage foreign investment in U.S. markets. That could in turn raise interest rates here, which would affect economic performance in an adverse way. Of course, a drop in foreign investment would not hurt so much if there were also a drop in the deficit, which would reduce the need for foreign investment here. But we don't know what the reduction in foreign investment is going to be. Because we do not know if the Fed is going to be able to stabilize the dollar's value.

During this past year the Fed has kept the growth of the money supply

at a fairly steady pace, around 10 percent. Lo and behold, economic growth has likewise been steady and interest rates have been steady. Long-term interest rates have turned down substantially, which has dropped the cost of home mortgage loans and municipal bonds. The growth of the money supply today is about 10.6 percent per year, which is 40 percent greater than the growth rate of 1979. It is no surprise therefore that interest rates and economic growth are much more favorable today than they were then. The point is clear: If the Federal Reserve changes its course, or if it becomes unable to manage the debt crisis, or if it decides to let dollar values slide further, all our hopes about low inflation, low interest rates, and general prosperity will be out the window.

I want to point out that in real terms, interest rates today are still unreasonable, and are still well above historic levels. Clearly, our economy would be in better shape if rates were reduced.

For example, the number of unemployed today, in the midst of the full bloom of so-called recovery, is still one-third higher than the number of unemployed in the bad old days of 1979. There are twice as many long-term unemployed today as there were then. Our industrial capacity utilization today is 5 percent below what it was in 1979, and in fact is no greater today than it was in the midst of the Reagan recession. Have we come to accept as inevitable the unemployment of 8½ million people? Have we come to accept as normal the long-term unemployment of 2½ million people? Have we come to accept as routine the growth of homelessness? Have we come to accept as inevitable the continual reduction of real wages in this country? Have we come to accept a permanent depression in the farm sector? Those are the real economic issues of the day. And every one of those issues is profoundly affected by monetary policy. Monetary policy can ease those problems or complicate them, and the question is which.

It is the aim of the Humphrey-Hawkins Act to make clear the connection between monetary policy and actual economic performance. That is the purpose of my remarks here today. There is a connection, and it is real. Those who construct the budget must accept the fact of that connection. The outcome of the fiscal program in our budget resolution depends directly on monetary policies that we in Congress do not and cannot predict or control. If the Federal Reserve decides to gun the money supply, there will be one outcome; if it decides to choke the money supply, there will be another result. In the past year the Federal Reserve has opted for stability, and that is what we have had. The budget resolution assumes that this will continue to be the case, but that is not a safe assumption. Changes in policy at the Fed have been frequent and unpredictable, and forthcoming changes in the Board of Governors make the future course of events more uncertain than ever.

The fact is that unless we can control the Federal Reserve we cannot control the outcome of the budget we are working toward today. As Chairman HAWKINS knows, economic performance depends on the Fed, not the congressional budget resolution. The House needs to be reminded of that. We will simply pass a budget resolution and hope for the best, because we do not control the monetary policy that will determine the actual result.

Finally, I would again remind my colleagues again that we are not talking about sterile numbers. Every digit in the unemployment index is a soul unemployed, a human being. Every soul deprived of a home because of our penury and the high cost of interest is a human being. Every bankruptcy, every student loan denied, every farm that goes to the auction block, is more than an economic unit; it is the life, the hope, the whole substance of human beings just like you and me. We may be talking economic policy, and we may be discussing numbers, but the subject is still the fate of human beings. That is what Chairman HAWKINS wants us to remember; and that is what I urge my colleagues to remember.

Mr. HAWKINS. Mr. Chairman, I yield 6 minutes to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Chairman, it is always an honor to take part in this portion of the debate on the budgetary process, the Humphrey-Hawkins portion of the debate which was started by two fine, great Americans, the late Senator Hubert H. Humphrey and the present chairman of the Committee on Education and Labor, the gentleman from California, Mr. HAWKINS. They are very concerned about some of the real problems that people have and what they face on a day-to-day basis in this country.

You know, unemployment is what the focus of this debate is about today, because unemployment is something that really reaches out and touches everybody on how they live year to year, month to month, day to day, hour to hour, and minute to minute. It is something that is very poignant and real in the lives of a whole lot of Americans living in this country today.

You know, when the chairman here was referring to fleshing out the debate, let us not just talk about numbers, talk in terms of numbers. Some of the numbers you are hearing are very impressive statistics, but let us talk, rather, about the real live people who are living across America, are living in situations where they do not have jobs, not because they are lazy and shiftless but because there are no jobs to be had.

Let us talk about a situation where this country has people with outstanding abilities who look forward to having a life of decency and respect but are denied that opportunity through no fault of their own.

Let us talk about a situation where you see someone go out and try again and again, 50, 100, I have even a situation that I know of personally where someone has tried 200 different job applications and been turned down, no response from private employers. It is not the fault of that individual that they do not have the job. They are qualified for the jobs for which they are applying. Rather, it is a situation where the economy does not support that job.

Across this country, across this land that we love we have these kinds of people where this has happened, and it has happened.

You know, where I am from is rural eastern Kentucky. I go across rural America, and let me tell you what I see out there: What I see is a situation in some places where in my district 20, 30, 35, 40 percent unemployment exists. You say that is unbelievable, but it is true.

Today in America there is a lost class of people that is out there begging for some sort of assistance. But today our Federal Government as part of our Federal policy has said in essence, "We don't know you are there."

The Federal Government has turned its back on these Americans who desire a better way of life. Whatever we are doing in the budgetary process today, whatever budget that we adopt on this House floor, if we adopt a budget, we are not beginning to really address the problem that these unemployed people have across America.

You know, I would rather personally have someone who is working in a job earning a living than have somebody on welfare. I would rather have somebody that knows the meaning and wants to work, out there achieving something rather than to have some sort of public assistance.

Whether it is private, as we would all prefer, or whether it is a public form of assistance, a Government-assisted job, I want people working because America is about the work ethic, America is about the ability to provide a way of life for your family, and the family is the unit that we all love here in this country.

Mr. Chairman, I would hope that we would consider the type of things that we are going to be looking at in the coming weeks and months and today on this floor, the importance of realizing that we as a Federal Government, as the Congress of the United States

are allowing a great portion of our people, both in rural America and in the cities, to fall by the wayside. We are ignoring their needs; we are ignoring the children of this country; we are letting the children go and hope for a future, but we are not giving them any way to have the future.

□ 1430

Mr. Chairman, when I go out in my coal mining district and I see people who are applying with this mass of unemployment 600 applications for 40 part-time jobs at a Druthers operation in my home county, and then I hear people say, "Well, why don't they work; they are lazy and they are shiftless," I am so tired of hearing that.

Mr. Chairman, in conclusion, I would just like to say a few little things about what it means to be poor in America today.

It means that when you get up in the morning you might not have lights or power to go out there and start up and have a breakfast like everybody else. It means that when your clothes wear out, you do not have anything necessarily to wear and keep you warm in the winter. It means that when you are trying to get something to eat and there is not enough food there that you have to figure out some way to tell that 3-, 4-, and 5-year-old child that they cannot eat today and that you have to make up some excuse while they understand that.

What it means to us today in America, Mr. Chairman, is that we are not addressing the needs of a substantive portion of the people of this country, and we are being too quiet about allowing this to continue. And this debate today is a place for the Representatives of this country who believe that we are ignoring the needs of these people to stand up and say, we need to change. And indeed, as a country, we need to change.

Mr. LATTA. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I just want to take a few minutes out of our time really to compliment the chairman of the committee, the gentleman from California [Mr. HAWKINS], and to draw to the attention of the gentleman from Kentucky who just made an impassioned plea in the area I think of growth policies for our country; the reason I particularly want to compliment the gentleman from California [Mr. HAWKINS] is his recognition of the importance of a good monetary policy in this country. I would hope that some Members on the chairman's side of the aisle would get up to address the importance of this issue, because I think, as the gentleman knows and many of us on this side of the aisle recognize, it is absolutely critical for economic growth and job creation for us to have a monetary policy that encourages the maximum amount of noninflationary growth in this country.

A number of us had concerns back in 1984 that, because monetary policy was inconsistent, choppy, and at times overly restrictive, which had the ramifications of driving interest rates high, we slowed this economy down. It did not have the kind of growth and job creation that we needed to have in America.

Mr. Chairman, I think it is important that the Congress and that the American public is awakening to the importance of monetary policy, the fact that monetary policy has dramatic impact on interest rates, dramatic impact on inflation rates, dramatic impact on growth rates, dramatic impact on employment rates, and affects the industries all across America, including our farm industries which have been dramatically affected because of lowering commodity prices, yet at the same time, higher overhead costs as reflected in interest rates.

I myself am encouraged by the President's appointment or nomination to the Fed of Mr. Heller, who again represents a policy of maximum noninflationary growth.

I think it is absolutely critical that we get interest rates as low as possible. Frankly, I think that most people across this country, both in the lending institutions and those who study the Fed, would agree that we could stand another lowering of that discount rate in this country, even today, because with even lower interest rates in America today, we can maintain our policy, an effective policy, toward combating inflation, yet getting the growth rate up at the levels that this administration seeks, up in the area of 4 percent. I think everybody understands the implications of growth rates at less than 4 percent. It simply would mean higher deficits. Growth rates at or better than the 4-percent mark, according to this administration, would, of course, yield us lower deficits and then higher employment.

So, I again want to compliment the chairman of the committee for recognizing the importance of monetary policy, and I hope that everyone in the Congress in a bipartisan fashion will continue to examine monetary policy and continue to be able to make statements in terms of where we ought to go in America in this vital component of America's economy that affects employment and industries across this great country of ours. Let us get the maximum noninflationary growth that we can possibly get out of the engine monetary policy in this country, the Federal Reserve System.

Mr. HAWKINS. Mr. Chairman, I yield 7 minutes to the gentleman from Maryland [Mr. MITCHELL].

Mr. MITCHELL. Mr. Chairman, something very strange and disturbing is happening in America. In this country, where we once prided ourselves about the Nation by saying here everyone who wants to work should be able to work. Now a strange and disquieting new theme has emerged. It is a theme that gives lip service to full employment, but ignores the fact that 8 million Americans who want work remain unemployed month after month, year after year.

I know of no other condition which has more dire consequences for many of our communities than does this completely unacceptable high rate of unemployment.

In many of our large cities, crime stalks the streets and the answer to that crime is not to build more jails, the answer is to provide jobs and job training for our citizens.

This Government of which you and I are a part, continues to ignore rural unemployment, black unemployment, Hispanic unemployment and youth unemployment. Don't we understand that by ignoring this phenomena we continue to create a condition for some in our society in which unemployment can become an accepted way of life. All of the new studies, analyses, reports, forecast grave dangers for the black family in America. Some of these reports are gross distortions, but the hard fact remains that sustained, unyielding unemployment is indeed destructive of family life.

One of the most astonishing developments around this new theme is the attempt to promote the idea that 6 percent unemployment represents full employment. I simply cannot understand the logic in this. If, at 6 percent unemployment we have 2 million people out of work who want to work, should that be acceptable to America? Does defining full employment as 6 percent unemployment mean that we in this country are willing to accept the idea that we will live with a permanently unemployed class in this Nation?

Last year, during this debate I made the following statements:

As former chairman of the Subcommittee on Domestic Monetary Policy of the House Banking, Finance and Urban Affairs Committee, I have always argued that monetary policy must play an important role in whatever economic policy mix that is implemented, in general. But, the role of monetary policy cannot, by itself, create employment, reduce the trade deficit or the budget deficit. This is the job of the President and the Congress.

A cursory review of the impact of the administration's fiscal policy is evidence that although we have experienced growth, we have done so at the expense of various segments of the labor force and certain sectors of the economy.

That statement still applies today.

The administration continues to implement policies that are almost unre-

lated to the reduction of unemployment. While it is true that many sections of America enjoy a new prosperity, the harsh reality is that for many other parts of the country, more people are slipping back into proverty, more people are becoming unemployed, and more and more we see the prospect of two Americas emerging again.

This my colleagues is, in my opinion, the most sinister threat to America. That threat is of two societies in America, a permanent underclass in America, a festering sore, gnawing at the vitals of America.

This administration must be required to set forth a specific, definitive, realistic plan to reduce unemployment to a rate of 4 percent within 5 years. I say to you, my colleagues, if this administration, or any other administration fails to this, then we have failed the future well being of this country.

□ 1440

Mr. HAWKINS. Mr. Chairman, I yield 6 minutes to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES. Mr. Chairman, I rise in support of the implementation of the Hawkins-Humphrey Full Employment and Balanced Growth Act of 1978, Public Law 95-523.

UNEMPLOYMENT

We are all fully aware of our Nation's urgent need to adopt measures aimed at reducing the high unemployment and putting the American people back to work.

The national figures on officially measured unemployment for April 1986 show that 7.1 percent of Americans are unemployed which means that 8.3 million Americans are looking for work. Unemployment among minorities and minority youth is proportionately much, much worse. Black unemployment is 14.8 percent and black youth unemployment is a staggering 42.6 percent.

The Full Employment Action Council, a coalition of religious, labor, civil rights and youth groups, asserted that after taking account of underemployed workers and those so discouraged that they have dropped out of the labor forces, the real unemployment rate was 13 percent in April.[1]

On May 6, 1986, the Tokyo Economic Declaration, issued by the leaders of the United States, Japan, West Germany, Britain, France, Italy, and Canada at the conclusion of their 3-day summit meeting: among other things stated:

Since our last meeting we have had some success in the creation of new jobs to meet additions to the labor force, but unemployment remains excessively high in many of our countries. Noninflationary growth remain the biggest single contributor to the limitation and reduction of unemployment, but it needs to be reinforced by policies which encourage job creation, particularly in new and high-technology industries, and in small business.

In 1978, the Hawkins-Humphrey Full Employment and Balanced Growth Act was enacted to deal with our Nation's unemployment. The act calls for the President to work toward full employment, but the Reagan administration has made no effort to carry out the mandates of the law.

OVERALL ECONOMIC PLANNING

To address this void, I along with Chairman HAWKINS and nine other Members of the House, introduced the Income and Jobs Action Act of 1985, H.R. 1398. My bill sets up a program for carrying out the Employment Act of 1946 and the Hawkins-Humphrey Full Employment and Balanced Growth Act of 1978—two laws which the Reagan administration has chosen to ignore. The program includes income maintenance—conversion planning—military to civilian production and declining to growing civilian production—declining to growing civilian industries and locally based overall planning. It also requires the President to transmit to the Congress a short-run and long-run financial plan to carry out the act. Unfortunately, instead of helping those citizens who find themselves in the unemployment lines, this administration has chosen to attack the very programs which have been most effective in helping those without work gain decent jobs and decent wages.

The Reagan administration continues a media campaign to convince the American people that we are undergoing a full economic recovery. But the reality of life for most people of ordinary means is that they are not included in the upper class who are experiencing the impact of the occasional upturn in the economy.

The Income and Jobs Action Act of 1985, is designed to create an environment where true sustainable economic recovery is achieved by establishing a Presidential program designed to reduce high unemployment. Our country's strongest line of defense will not be achieved through record military budgets, but through providing for the economic well-being of every American citizen. The greatest threat to people who are stricken by poverty, homelessness and hunger does not come from any external source, but from joblessness. Without a decent, income-providing job it is impossible to plan a decent future, provide for family security or to participate in the mainstream of our society.

H.R. 1398 does not call for any new expenditures or the creation of new regulations, agencies or procedures. It merely gives the President a mandate to comply with provisions of the Full Employment and Balanced Growth Act of 1978. This law, Public Law 95-523, directs the President to submit a detailed plan to Congress on how the administration will reduce unemployment.

With all the debates on deficit reductions have we yet done enough to call attention to the decrease that would be achieved by bringing officially measured unemployment rate down by 1 percent?

A recent Congressional Budget Office [CBO] report—February 1986—estimates that for every 1-percent reduction in the officially measured unemployment would decrease the Federal deficit by $44 billion in fiscal year 1987.[2] A 3-percent reduction in the unemployment rate would reduce the Federal deficit by more than $130 billion.

EFFECT ON CBO BASELINE BUDGET PROJECTIONS OF A ONE PERCENTAGE-POINT LOWER UNEMPLOYMENT RATE BEGINNING JANUARY 1986

[By fiscal year, in billions of dollars]

	Fiscal year—		
	1987	1988	1989
REVENUES:			
Individual income taxes	8.4	9.1	9.5
Corporate income taxes	19.6	20.1	20.7
Social insurance taxes	8.4	6.4	5.6
Other	0.9	0.6	0.9
Total	37.3	36.5	36.8
OUTLAYS:			
Unemployment insurance	−2.1	−2.2	−2.2
Other entitlements	−0.8	−1.0	−1.2
Net interest	−4.1	−7.8	−11.5
Total	−7.0	−11.0	−14.9
DEFICIT	−44.3	−47.5	−51.7

If more people were familiar with these estimates then perhaps we could also begin to formulate goals for bringing officially measured unemployment down to the Hawkins-Humphrey 4-percent goal over a number of years.

If the goals of Hawkins-Humphrey were followed what would the deficit be today.[3]

If we observed the law what would the deficit be in fiscal year 1987? (See table effect on CBO baseline budget projections of a 1-percentage-point lower unemployment rate beginning January 1986). If unemployment were reduced by 1 percent in fiscal year 1987 over a period of years what will the deficit be when we reach the Hawkins-Humphrey unemployment goal?

[1] "April Unemployment Was 7 percent, Labor Department Says," by Robert D. Hershey, Jr., the New York Times, May 3, 1986.

[2] According to the February 1986, Congressisonal Budget Office report, "The Economic and Budget Outlook: Fiscal Years 1987-1991, a Report to the Senate and House Committees on the Budget—Part I," Table II-6 at p. 72

[3] See: Table Unemployment Deficits 1979-85 (attached).

ACTUAL UNEMPLOYMENT STILL IN DOUBLE DIGITS

Much of America never recovered from the 1982 recession, and the real level of joblessness was at double-digit levels throughout 1985.

A report by the Full Employment Action Council and the Roosevelt Centennial Youth Project, titled "Three Years of Recovery: Where Are the Jobs?

It notes that the official unemployment rate for 1985—at 7.2 percent—was higher than the rate for all but 6 of the last 35 years.

As reported in my article "Forty Years After the Employment Act," reported in the Oakland Tribune on February 21, 1986:

We now have 18 million jobless: 8 million people officially unemployed, another 5 million working part time although they want full time work and still about 5 million wanting jobs, but not activley looking. When we count their dependents, the figure triples and reaches more than 50 million. This is the basic factor behind recent increases in poverty and homelessness and the devastation suffered in the inner cities, farms and industrial areas.

What this country needs today is a civilian equivalent of military spending. That means a total legislative package dealing with shorter work year with no reduction in pay, child care, health, housing, environment, Social Security, public works, progressive taxation, and all the other quality of life actions needed to attain the objectives of the Income and Jobs Action Act., H.R. 1398.

The comprehensive approach of the Income and Jobs Action Act requires a White House and a Congress dedicated to the high ideal of expanding genuine freedom for everyone. Indeed, one might say that the Income and Jobs Action Act is a job description for the kind of President that America needs in the White House.

Does that mean that we must sit back and twiddle our thumbs until 1988 comes around?

Not at all. We in the House hope to educate people around the country through hearings on our best proposals like H.R. 1398.

True and meaningful economic recovery must include a substantial reduction in our Nation's unemployment rate because without it, the promise of a full economic recovery remains wholly an illusion.

Mr. Chairman, 56 Members of the House, representing a broad spectrum of our concerned colleagues have cosponsored, H.R. 1398. Our bill is a legislative vehicle which when enacted will significantly reduce unemployment in our country, without inflation, and will also significantly reduce the Federal deficit. I again, invite my colleagues from both sides of the aisle to join as cosponsors of the Income and Jobs Action Act, H.R. 1398. Let your constituents know that you consider unemployment a top priority. To cosponsor, contact me personally or call me in my office on, 225-4372. A copy of the bill is attached.

ATTACHMENT—UNEMPLOYMENT DEFICITS 1979–85

[Dollar amounts in billions]

	Percent unemployment			Unemployment deficits			
	Actual	Hawkins-Humphrey [1]	Difference [2]	High [3]	Low [4]	Total deficits	National debt
1978	6.0						
1979	5.8	5.8	0.0				$833.8
1980	7.1	5.5	1.6	$64	$40	$72.7	914.3
1981	7.6	5.0	2.6	104	65	73.9	1,003.9
1982	9.7	4.5	5.2	208	130	120.0	1,147.0
1983	9.6	4.0	5.6	224	140	208.0	1,381.9
1984	7.5	4.0	3.5	140	88	85.6	1,576.7
1985	7.2	4.0	3.2	128	80	221.6	1,827.5
1986							
Total				868	543	781.8	

[1] Unemployment as reduced over five year period to 4% as mandated in Hawkins-Humphrey Full Employment and Balanced Growth Act of 1978.
[2] Difference between actual unemployment rate and assumed H-H levels.
[3] Unemployment deficit at $40 billion per 1% unemployment (current estimate of Congressional Budget Office).
[4] Lower unemployment deficit, estimated at $25 billion per 1% unemployment.

Note.—Increase in national debt, 1979–1985: $993.7 billion. Unemployment deficits as percent of above: High ($868 billion): 87%. Low ($543 billion): 55%.

H.R. 1398

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Income and Jobs Action Act of 1985".

THE RIGHT TO EARN A LIVING

SEC. 2. (a) Every adult American able and willing to earn a living through paid work has the right to a free choice among opportunities for useful, productive and fulfilling paid employment (part- or full-time) at decent wages or for self-employment.

(b) All Federal departments, agencies, and commissions shall plan and carry out their policies, programs, projects, and budgets in a manner that will contribute to establishing and maintaining conditions under which all adult Americans may freely exercise this right.

(c) Neither the Federal Reserve System nor any Federal department, agency, or commission may directly or indirectly promote recession, stagnation, or involuntary unemployment as a means of reducing wages and salaries or inflation.

THE RIGHT TO AN ADEQUATE STANDARD OF LIVING OF AMERICANS UNABLE TO WORK FOR PAY

SEC. 3. (a) Every adult American unable to work for pay has the right to an adequate standard of living that rises with increases in the wealth and productivity of the society.

(b) No adult American shall be judged unable to work merely because of the unavailability of suitable paid employment opportunities at a given time or place or because of the lack of previous employment.

(c) In the absence of such opportunities and until such opportunities can be provided under section 2, an adult American able and willing to work for pay shall be provided with whatever income is required to maintain a moderate level of living, as defined by the Bureau of Labor Statistics.

CONVERSION TO EXPANDING CIVILIAN SECTORS

SEC. 4. (a) In the first annual message at the beginning of the first session of the Congress after the enactment of this Act, the President shall include specific proposals for a Conversion Planning Fund, to be administered by such agencies as the President shall determine.

(b) The purpose of such Fund shall be to promote short- and long-term plans for coping with declines in civilian or military activities by developing specific policies, programs, and projects (including but not limited to feasibility studies, education, training on the job, and inducements for whatever increased labor mobility may be necessary and desirable) for the expansion of economic activities in sectors where additional or improved goods or services are needed.

(c) In addition to such other funds as may be authorized, such Fund shall include no less than 1 percent of the amount appropriated for military purposes during each subsequent year.

LOCALLY BASED OVERALL PLANNING

SEC. 5. (a) Within six months after the date of enactment of this Act and thereafter in each annual economic report and budget message, the President shall transmit to Congress a staged program to create conditions under which the rights set forth in sections 2 and 3 may be fully and freely enjoyed and to set forth how the Fund created by section 4 may be most productively used.

(b) Such program shall be designed to prevent or counterbalance undue concentration

of Federal or corporate power by fostering recovery and full employment planning by—

(1) town, city, county, and State governments and their agencies in urban, suburban, and agricultural areas of the country;

(2) small and large business enterprises; labor organizations and trade unions; the unemployed; nonprofit, voluntary, and cooperative organizations (including neighborhood, tenant and home owners' associations and corporations); women; and racial and ethnic minorities;

(3) broad-based local partnerships in which the groups referred to in paragraphs (1) and (2) cooperate—

(A) to assess unmet needs in their areas, including the need for voluntary leisure as well as for goods, services, adequate income, employment at good wages, and volunteer activities;

(B) to survey the supply of labor resources and of managerial, professional, and technical skills that might be used in meeting such needs;

(C) to analyze the potential for obtaining necessary funds from various combinations of private and public sources without undue reliance on Federal funding;

(D) to develop goals for the future (through the year 2000) of their area; and

(E) in the light of the activities conducted under subparagraphs (A) through (D), to initiate high priority action projects that attain prompt progress toward such goals through both private and public agencies and market and non-market processes.

(c) Such program shall be designed to promote conditions for more self-empowerment by people victimized by discrimination in hiring, training, wages, salaries, fringe benefits, or promotion on the basis of prejudice concerning race, ethnic background, gender, age, religion, station in life, political or sexual orientation, or personal disability.

(d) Such program shall include, but need not be limited to, general and specific policies and projects designed—

(1) to provide quick action through reductions in real and nominal interest rates, voluntary work-sharing arrangements, and a program of private and public works and services to use the abilities of the unemployed in repairing and improving the Nation's infrastructure of private industry, public facilities, human services, and natural resources;

(2) to provide improved Federal incentives for small and large business enterprises; labor organizations and trade unions; the unemployed; and non-profit, voluntary, and cooperative organizations (including neighborhood, tenant, and home owners' associations and corporations), with the receipt of any Federal incentives by larger corporations conditioned on their performance in living up to well-defined standards of corporate responsibility, including the obligation regularly to certify compliance with laws and regulations governing working conditions, labor relations, affirmative action, environmental protection, taxation, election contributions, and bribery at home or abroad;

(3) to provide for Federal grants to promote creative initiatives by local and State governments and their agencies in planning and budgeting for genuine recovery and a full employment society;

(4) to promote staged reductions in paid working time by reducing the average work week in manufacturing to no more than 35 hours without any corresponding loss in weekly wages;

(5) to vastly increase the opportunities for voluntary part-time employment with full fringe benefits;

(6) to take such other steps as may be needed to cope with the threat of increased unemployment caused by the increased use of technology;

(7) to provide for vastly improved education, training, and retraining of managers, technicians, the employed, and the unemployed;

(8) to prevent plant closings through all feasible means (including conversion to other forms of production and ownership) and provide standards (including measures such as appropriate advance notice, termination payments, and extension of health benefits) for any corporation planning to close, substantially reduce, or relocate its operations;

(9) to promote conversion from military to civilian production; and

(10) to control inflation.

IMPLEMENTATION

SEC. 6. (a) As part of the annual program developed by the President under section 5, the President shall transmit in the annual economic report to Congress a short- and long-range schedule for implementing the purposes of this Act.

(b) The implementation schedule shall include, but need not be limited to—

(1) reductions in the military budget;

(2) recommendations for increased revenues through the reduction or elimination of wasteful tax expenditures and other loopholes in the tax laws;

(3) reduction in interest payments on the Federal debt by reductions in both real and nominal interest rates and Federal deficits;

(4) recommendations for the appropriate use and direction of public and private pension funds; and

(5) the creation or promotion of private and public development banks, particularly in neighborhoods and other areas of high unemployment and poverty.

(c) The implementation schedule shall include, but need not be limited to—

(1) the promotion of educational activities within each State on locally-based overall planning, with special attention to educational processes that promote and use the creative abilities of small, medium, and large business, of labor organizations and the unemployed, and of nonprofit voluntary and cooperative organizations; and

(2) timetables for developing the conditions for progress in attaining the policy goals of this Act.

(d) Any outlays proposed by agencies involved in the implementation of this Act shall be presented in terms not only of gross outlays but also of net outlays, computed with a full estimation of any immediate impact additional employment may have in—

(1) reducing outlays by reducing the number of people receiving unemployment compensation, public assistance, and other transfer payments (without necessarily including reduced outlays resulting from improvements in public health and safety); and

(2) increasing tax receipts as a result of more individuals earning income subject to social security and income taxes and more business enterprises, particularly small business, earning the larger, more stable, and less subsidized total profits possible under conditions of full employment.

HIGHLIGHTS OF THE INCOME AND JOBS ACTION ACT OF 1985, H.R. 1398

The purpose [1] of this bill is to advance the cause of human freedom for all Americans.

It does this by establishing in law an overall economic policy and mandating a coordinated program of implementation.

The policy is to recognize at long last: The right to earn a decent living, and the right to an adequate income for adults unable to earn a living through paid employment.

The mandate is for Presidential submission to Congress of a detailed program for full employment without inflation.[2]

One element in the program would be incentives for planned conversion from areas of declining employment (civilian or military) to those where expansion is needed.

More significantly, the bill mandates the submission of specific proposals to lower interest rates, shorten hours of work, improve education and training, and provide for needed public and private works. Emphasis is placed on cooperative planning by all private sectors, by all levels of Government, and through use of both market and nonmarket processes. Incentives are mandated for bold new local initiatives that would help prevent undue concentration of Federal or corporate power.

Provision is made for short- and long-term implementation schedules that include educational activities and all the States and improved methods of calculating Federal outlays.

The presentation of such a program would be a productive starting point for action by the Joint Economic Committee, and budget committees and the many legislative committees of Congress.

Its presentation would by itself give hope to those in the country's many areas of local recession and depression. Action on this bill with whatever improvements the Congress may determine could be a major step toward reducing the Federal deficit.

Serious attention to this bill would by itself promote more confidence by the many business people who now assume that nothing is going to be done to prevent a future recession that could be even more destructive than the 1981-82 recession.

SUMMARY, "THE INCOME AND JOBS ACTION ACT OF 1985," H.R. 1398

This bill has six sections. It begins with a short title and statement of two fundamental rights: The right to earn a decent living and the right to an adequate standard of living for Americans unable to work for pay. This is followed by sections on conversion to expanding civilian sectors, locally based overall planning and implementation. These would create conditions under which the two rights may be freely exercised.

SECTION 1. SHORT TITLE: "THE INCOME AND JOBS ACTION ACT OF 1985"

This is an "action" act because it can be used to inspire constructive activity throughout the country to:

(1) Get a President and a Congress committed to work together for genuine and substainable recovery based on good jobs and income; and

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[1] H.R. 1398 was formally introduced and discussed on Wednesday, March 6, 1985. See pages H-1068 to H-1078 of the Congressional Record.

[2] This mandate builds on—and improves upon—the "Employment Act of 1946" and the "Full Employment and Balanced Growth Act of 1978."

(2) Prepare a full package of all the many measures—both private and public, local and State as well as national—required to carry out the act's aims.

Why "income" before "jobs"? Income from a good job at decent wages is personally and socially preferable to income from transfer payments. But, if jobs at decent wages are not available, then adequate income must be provided.

The long title refers to a full employment society rather than economy. This stresses the social, ethical, moral and political—as well as economic—aspects of income-job planning and action.

SECTION 2. THE RIGHT TO EARN A LIVING

"Sec. 2(a). Every adult American able and willing to earn a living through paid work has the right to a free choice among opportunities for useful, productive and fulfilling paid employment (full or part-time) at decent wages for self-employment."

This commitment reformulates for the 1980's Franklin Roosevelt's "right to a useful paid employment at fair rates of compensation" in the Hawkins-Humphrey Act of 1978.

The next section, 2(b), requires all Federal agencies to work together to attain and maintain "conditions under which all adult Americans may freely exercise this right".

Subsection 2(c) is a commitment needed today which provides that "Neither the Federal Reserve System nor any Federal department, agency, or commission may directly or indirectly promote recessions stagnation, or involuntary unemployment as a means of reducing wages and salaries or inflation."

SECTION 3. THE RIGHT OF THOSE UNABLE TO WORK FOR PAY

"Sec. 3(a) Every adult American unable to work for pay has the right to an adequate standard of living that raises with increases in the wealth and productivity of the society."

This principle is already embodied in unemployment compensation, public assistance, food stamps, rent subsidies, and other transfer payments to the poor—but in distorted form.

Subsection 3(b) clarifies this dangerous misunderstanding. Distortion one: Many recipients are now regarded "unemployable" even though they are or would be employable if certain minimum conditions—decent job opportunities (including part-time), child day care, relevant job training or education, etc—were met.

Subsection 3(c) clarifies the income amount. Distortion 2: The income received in transfer payments is often inadequate. This subsection, therefore, mandates an adequate standard of living, as defined by the Bureau of Labor Statistics" . . . moderate level of living."

SECTION 4. CONVERSION TO EXPANDING CIVILIAN SECTORS

Sec. 4(a) creates a conversion planning fund, ". . . to be administered by such agencies as the President shall determine." and mandates that the President ". . . shall include specific proposals" for the administration of conversion planning beginning in the first annual message to Congress after enactment of this bill.

Sec. 4(b) provides that this office will "promote short- and long-term plans for coping with declines in civilian or military activities."

This office will promote conversion: (a) from military to civilian, and (b) from civilian sectors (auto, steel, aerospace and many other industries in which employment has been or will be declining because of labor displacing technologies, high interest rates and Third World austerity, to areas of needed civilian expansion.

SECTION 5. LOCALLY BASED OVERALL PLANNING

This section provides for President-Congress cooperation in planning and implementing a staged program to carry out the intent of the previous sections. This is to be done in a manner "designed to prevent or counterbalance any undue concentration of Federal or corporate power." The Government will actively foster non-Federal planning for sustainable recovery and full employment:

Sec. 5(b)(1). Town, city, county, and State governments and their agencies in urban, suburban, and agricultural areas of the country;

Sec. 5(b)(2). Small and large business enterprises, labor organizations and trade unions, the unemployment, nonprofit, voluntary and cooperative organizations (including neighborhood, tenant and home owners associations and corporations), women, and racial and ethnic minorities.

This means inclusive, rather than exclusive, partnerships locally and nationally.

Subsection 5(b)(3) explains how the locally based overall planning works and states what kinds of things local people should be doing.

Subsection 5(d) describes improved Federal incentives (guarantees, loans contracts, tax deductions, etc.) would be provided for all organization listed in subsection 5(b)(1) and (2). Incentives for larger corporations would be conditioned on "their living up to well-defined standards of corporate responsibility". Thus, appropriate advance notice, termination payments, etc., may have required of a company before it decides to "close, substantially reduce, or relocate its operations".

Longer-range measures include (1) the expansion of voluntary part-time employment with fringe benefits, (2) staged reductions in paid working time (with the average work week in manufacturing cut to 35 hours) with no corresponding loss in wages, (3) other steps to cope with technological unemployment, etc.

SECTION 6. IMPLEMENTATION

The program mandated in this bill would be financed by an amount no less than one percent of the amount appropriated for military purposes but also by such larger resource shifts as (1) reductions in the military budget itself, (2) reducing or eliminating wasteful tax loopholes, (3) reducing both real and normal interest rates, and (4) the more appropriate use and direction of the enormous sums in public and private funds, etc.

The implementation schedule shall include the promotion of educational activities within each State and timetables for attaining policy goals of the act.

Mr. HAWKINS. Mr. Chairman, I yield 7 minutes to the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Chairman, I thank my friend and chairman, the gentleman from California, for permitting me this opportunity to express my strong support for the goals set forth in the Humphrey-Hawkins Full Employment and Balanced Growth Act.

The gentleman from California has long been in the vanguard of those who have sought a rational and compassionate employment policy in this country. He is to be congratulated for setting aside this time for us today. For as we begin consideration of the 1987 budget, there is no better time than today for us to reflect on the necessity of comprehensive planning if we are to ever achieve full employment in the country.

It has been more than 7 years now since Humphrey-Hawkins was enacted. Humphrey-Hawkins established as national policy the goal of 3 percent or less unemployment by 1985, and it provided for a comprehensive and coordinated economic, budget and monetary policy to achieve this goal.

Over the next several days, we will make important budget decisions. As we begin our deliberations, we must keep in mind that the budget does not merely determine the size of the deficit. It is also the major tool we have for meeting our national needs and priorities. The decisions we make during the next few days will affect the economic course of countless Americans.

No function of the Budget is more important to our economic future than is education. Education is an investment in the future, and an investment in full employment. Without adequate funding for education programs, full employment would not be possible.

In 1957, the Soviet Union launched Sputnik, the first manmade satellite to orbit the Earth. The National Security Implications of the Soviets beating us to space spurred a Federal commitment to excellence in education that fueled the greatest revolution of knowledge and learning to our Nation's history; 1957 was proclaimed the international geophysical year, and students all over the country studied advanced courses in mathematics and science.

Today, Mr. Chairman, we face a crisis which equals the so-called space gap of the 1950's:

Our existing industries are maturing and seeking new, more modern manufacturing processes;

New, high-technology industries are emerging everyday, requiring a technically skilled work force; and

International competition, often taking unfair advantage, is claiming more and more American jobs for foreign countries.

One would think that at a time like this, we would be dramatically increasing the Federal commitment to education, as we did in 1957.

But instead, we have been asked to severely cutback Federal support for education.

Since 1981, we have cut Federal support for elementary and secondary education by 40 percent.

And in its fiscal year 1987 budget proposal, this administration asked us to make a 1-year cut in all education programs of $2.3 billion, or 17 percent.

This request included a proposal to cut vocational education spending by 50 percent and postsecondary education spending by more than 50 percent.

We can ill afford such a diminished investment in our children, who are enrolled in elementary schools:

In our young adults, who look forward to a future anchored by a college education;

In our young, who are interested in the trades;

In our disadvantaged youth, who need a headstart and adequate follow-through to escape the cycle of poverty;

In our gifted and talented, who need the challenge of special curricula; and

In our mature workers who need to upgrade skills in order to compete in a changing work force.

Tomorrow, we will vote on a budget resolution. I urge my colleagues to support the resolution produced by the House Budget Committee. The House Budget Committee has rejected the administration's shortsighted proposal to slash education spending. Instead, it maintains current services for education programs. It protects America's students from further cuts in education, and to that extent, I am pleased.

However, we must keep in mind that by merely maintaining current services, we are not addressing many of the urgent educational needs which have caused unemployment levels to swell above the goals set forth in the Humphrey-Hawkins Full Employment Act of 1978.

Franklin Delano Roosevelt said, "The school is the last expenditure upon which America should be willing to economize."

His words of warning, issued during the midst of the Great Depression, are as true today as they were then. President Roosevelt recognized, as must we, that our Nation's future depends on our annual investment in education to prepare a new generation of Americans to someday take the place of today's teachers, autoworkers, doctors, and astronauts.

We must recognize not only the cost of education programs, but also their value. To do less would set our great country down a course of false economies—a course which we can ill afford.

I commend Chairman HAWKINS, who has long championed the unemployed, for recognizing the role education plays in bringing about full employment.

□ 1455

Mr. KASICH. Mr. Chairman, I reserve the balance of my time.

Mr. HAWKINS. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. I thank the gentleman for yielding me this time.

Mr. Chairman, I welcome this opportunity during this periodic review of longer range issues to talk about one of the great areas of unmet needs in America, and that is job training and retraining.

Today, we have an economic picture that some people describe as on an upward trend. But we have beneath that trendline, and it is very arguable indeed, some very, very hidden unmet needs and some of them are not so hidden. They are some deep threats to the future economic security of this country.

One of those relates to the area of training and retraining. We have today various groupings of people who are very much in need of training and retraining. We have a large number of dislocated workers. Hundreds of thousands of people who have lost their jobs because of changing technology. The indication is that this trend is going to not only continue, but is going to deepen.

Hundreds of thousands of people, for example, in the auto industry alone have lost their jobs because of changing technology and because of international competition, often unfair international competition.

Where are these people going to go for their next job? What is going to happen and what has happened to these people? Then, there is another grouping within our society. Those who have never really been within the workflow. We have read the statistics. Reports give varying figures for example about illiteracy in America. But whether it is 20 or 25 percent, whatever the figure is, we know that today there are within this country tens of millions of people who have not had the opportunity, the real opportunity, to create for themselves and have created a state of literacy.

Tens of millions who cannot read help-wanted signs, let alone reading the details of what the jobs might entail. We know what the dropout rates are in many places within America. In many inner-city schools those dropout rates exceed 50 percent. We know that one in four high school freshman today will not graduate.

So we have, in a word, these tremendous needs for our education system and these tremendous demands, these compelling demands, for people to receive training and retraining after they have entered the work force. For my generation the assumption was that for most they would enter employment and be there through their work lives. That has changed; today, people, it is estimated, on the average, will change jobs four or five times.

We have in a word these needs. We also have some know-how as to what to do about these needs. We do not have all the answers, but we have some of the answers. We know that there has been some success with job training programs. We know there has been success with intensive education programs. We know there has been success in partnerships between the private and public sectors in terms of training and retraining.

What debate and discussion today, more than anything else, are supposed to do, is to put the spotlight on the unmet needs of America. I congratulate the chairman for his role from the very beginning in turning the focus for just a few minutes, and I wish it were more, on the unmet needs.

America is going to have to face up, we are going to have to confront our new horizons of needs for training and retraining. I congratulate the gentleman for his efforts to turn our attention to this area. Like many others on our side, and I hope there will be some on the other side, we intend to work with them to make a reality out of the promise of America.

Mr. HAWKINS. Mr. Chairman, may I inquire of the gentleman from Pennsylvania [Mr. GOODLING] whether or not we could borrow 5 minutes? We have one remaining speaker on this side, the gentleman from Wisconsin [Mr. OBEY], the chairman of the Joint Economic Committee. I think we have 10 minutes left, and is it possible that we could borrow the 5 minutes from the other side so that Mr. OBEY would have a total of 15 minutes?

Mr. GOODLING. Mr. Chairman, I am happy to yield 5 minutes to the gentleman from California.

Mr. HAWKINS. I wish to thank the gentleman for his cooperation.

Mr. Chairman, I yield 15 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Let me thank the gentlemen on both sides of the aisle for their courtesy in giving me this time.

Mr. Chairman, as I think the House knows, the Humphrey-Hawkins Act requires that each year debate on the budget begin with an examination of the economic policies which are supposed to underlie the various budgets under consideration by the House. I would like to address myself to those economic considerations here this afternoon.

In 1981, this Congress made some crucial decisions along with the President of the United States. It essentially decided that we were going to double military spending at the same time that we were going to be cutting our revenue base by $750 billion over a 5-year period.

It doubled that military spending because we had been told that for the

previous decade the Soviet Union had increased its military spending by about 8 to 10 percent above the inflation rate.

A strange thing, however, the CIA and the Defense Intelligence Agency came before the Joint Economic Committee about a month ago, and they said, "Boys and girls, we were wrong."

This is not DAVE OBEY'S CIA and this is not DAVE OBEY'S Defense Intelligence Agency talking; this is Ronald Reagan's CIA and Ronald Reagan's Defense Intelligence Agency.

□ 1505

What they told us in the hearing before the Joint Economic Committee was that the Soviet Union in their estimate for the past 10 years had increased their military budget after inflation not by the 8 or 10 percent a year, as we had been told before that time, but by 2 percent a year. We were told that in terms of military procurement the Soviet Union had increased its budget by roughly 1 percent a year, most of which went to Afghanistan.

What that means is that the Soviets have been able to modernize their military operations within the context of a virtual freeze. I think we need to ask ourselves why we have not been able to do the same thing in this country. Why is it not possible for the United States, with the greatest technological advantage in the world, to accomplish military modernization within the context of a spending freeze, as the Soviet Union has done? I would certainly think that that would not be beyond the capability of the United States, and I think that this budget presented by the Committee on the Budget today helps us to achieve that by being very tight on that side.

The second thing that we did in 1981, as I said, was to make some judgments about what ought to happen by way of supplyside economics. We were told that if we passed the President's package in 1981, we would see greater growth than we had seen in the past, that we would see greater productivity, that we would see greater savings and investment, and that we would see a balanced budget.

We now have the verdict on those four measurements, and in fact economic growth, while it is certainly better now than it has been for the first 3 years of this administration, for the 5 years during which we have been practicing supplyside economics has been slower than in any other 5-year period since World War II except for one short period.

We also, I think, can see clearly now that over the last 5 years of the economy had grown at the same rate that it grew on average between the end of World War II and 1980, that our economy would today be producing $175 billion more than it is now producing. We also see that productivity growth rather than having increased, has declined over the last 5 years. That is not just the fault of this administration, that has been a continuing problem in this economy really since the sixties.

We also see that personal savings, rather than going up, as we were told would happen if we passed the supplyside approach, are at an all-time low in the economy, which ought to give us pause in terms of what is going to happen to the future ability of this country to invest.

We used to be told that we did not have a worry about deficits, because after all we owed that money to ourselves, to our American citizens. The problem, however, is that because this country has financed its deficits over the last 5 years by borrowing from abroad, we have gone in 5 short years from being one of the major black-ink countries in the world in terms of our trade deficit to being the largest debtor Nation in the world. That also raises serious problems in terms of the long-term ability of this country to grow, because we are going to have to be paying that money back across the waters, and that is going to shrink our ability to grow.

What it means for the future is that we have systematically in our budget been disinvesting in the one portion of the economy that helps us to grow as a nation, and this chart, I think, demonstrates what I mean. I have used it on the floor a number of times before, I know.

If you take a look at this chart, the blue piece represents what we were spending in 1980 for elderly and disabled. We were spending about 37 cents out of every budget dollar for programs for the elderly and disabled in 1980. Under the President's budget today we would still be spending 37 cents out of every dollar. However, we were spending approximately 25 cents out of every dollar on military and foreign operations in 1980. That has grown in the President's request for this year to 31 cents on the dollar, a more than 25-percent increase. Because this military budget increase was financed largely with borrowed money, what we are paying back by way of interest each year in the budget has grown from 9 cents out of every dollar in 1980 to about 15 cents today.

The small green piece on this chart represents what happens to those in this society who do not have any effective lobbyists and who do not have much by way of political champions. It represents the nonelderly poor in this country, and what has happened to them is that since 1980 their share of the Federal budget has gone down from 7 cents on the dollar to 5½ cents on the dollar in the President's budget today.

That means that the remainder portion of the budget, the black piece which you see here, has been cut approximately in half, from 21 cents on the dollar in 1980 to 11 cents on the dollar today. That is the portion of the budget that does two things. It maintains the day-to-day operations of Government by, for instance, paying for the operation of the Customs Service, drug interdiction, keeping our prisons functioning, paying for the IRS, the EPA, all of the other agencies of Government.

But the fundamental thing that that portion of the budget does is to invest in our future. It represents everything that we invest in kids by way of education, everything we invest in workers by way of training. It represents everything we invest by way of research, whether it is medical research or whether it is research to keep us on the cutting edge of technological change, so that we can remain competitive in international markets. It represents everything that we invest in community infrastructure by way of highways and sewage-treatment plants, and all of the things that make a community a good place to do business and enable working people to make a decent wage. That portion of the budget under the President's budget has been cut approximately in half over the last 6 years.

That is why I believe that the budget being brought to the House today by the Committee on the Budget is a far preferable approach, because while it has reductions in virtually every area of the budget, it does not have this dramatic reduction in the investment portion of the budget which, if it is neglected, will result in our inability to compete on world markets over the next 15 and 20 years. And if we cannot compete on world markets, it indicates a tremendous loss of jobs that will inevitably occur over the next 20 to 25 years.

The President's budget suggests that we ought to increase military spending by about $34 billion. It suggests that we ought to increase foreign aid by about $2 billion. And it suggests that we partially pay for that by reducing cancer research by $80 million, by reducing heart and lung research by $60 million, by reducing AIDS research by $30 million, by reducing all medical research by $450 million overall. It suggests that we ought to cut by 25 percent the educational opportunity being made available to middle-class kids to go on to school. It suggests that we ought to cut $8 billion out of agriculture and $5 billion out of transportation to pay for that $34 billion increase in military spending and that $2 billion increase in foreign aid.

Well, I do not think that those are the priorities of northern Wisconsin, I do not think they are the priorities of

the United States, and I do not think that we think that we ought to pass that kind of a budget.

Secretary of State Shultz has made a great deal lately of the fact that foreign aid under the budget resolution now before us is going to be cut substantially below the administration request. I say, "You bet." I congratulate the Budget Committee for recognizing that if we have to make tough choices, we had better pay attention to our own domestic base first.

I want to lay out what the facts are in foreign aid, because one of the hats I wear around this place, in addition to being chairman of the Joint Economic Committee, is to chair the Foreign Operations Appropriations Subcommittee. We handle the foreign-aid budget. I told the Secretary of State in January in a meeting in his office, and I told him again when he appeared before our committee, and I told the Secretary of the Treasury, that if they were not willing to pay for an expansion of our foreign assistance, there is no way that they could expect Congress to provide an expansion in foreign assistance.

I also suggested to them that the country will not tolerate increasing foreign aid by paying for it by gutting cancer research, gutting educational opportunities, squeezing highways, and squeezing the investment portion of the budget here at home.

What this budget does is to make the administration face the consequences of its own refusal to make choices in the area of foreign affairs. I want to tell you what the numbers are in foreign aid since President Reagan became President. In 1980 the United States provided free military assistance to six countries around the world.

□ 1515

Do you know how many countries we are providing free military assistance to today? It is 38.

The President is requesting in his budget a 46-percent increase in low-interest military loans above what we were providing in 1980 when this administration took power. They are suggesting that we pass a foreign aid budget which overall contains a grant military assistance increase of 800 percent.

I challenge you to show me any other program here at home which has grown at anywhere near that rate. I do not think it is responsible for the Secretary of State to condemn the Congress for facing up to the fact that we simply do not have enough money to provide for his wish list for every embassy in the world or for foreign aid program in the world.

The Secretary of State has also suggested that somehow this Congress is endangering his embassy security program. I would point out that some very legitimate questions about expenditures under that program were raised on this floor just last week by a gentleman from the President's own party, and I agree with the questions that were raised.

I would also point out that in the supplemental which we passed we gave the administration the oppportunity to fund that embassy security program, but we required that it not be funded by adding to the deficit. We required that it be funded by taking money away from other programs, as it should be under Gramm-Rudman.

I want to make a few other points. One of the additional reasons why it is essential to pass this budget today is because we need to reduce that deficit by a greater amount than Gramm-Rudman requires if we are to be sure that we are going to avoid sequestration at the end of the process.

We do not want to tell the country what we are going to do by way of establishing budget levels for all programs in the Government and then have to come back in here again in October and tell people, "Sorry, we guessed wrong. We've got to do it again."

The advantage of this budget resolution is that we have an additional $7 billion cushion. The deficit in this package is $7 billion smaller than is required under Gramm-Rudman.

I want to remind you that if the economy moves one-quarter of an inch in terms of what we expect on revenues or what we expect by way of expenditures, or growth, if that economy performs in a way that varies one decimal point from our expectations at this moment, we are going to need that cushion to avoid absolute chaos. That is why it was the responsible thing to do, as the Budget Committee has done, to reduce that deficit below the amount required in order to provide that cushion.

I would like to make one other point. We are often told by the administration and by their allies that the reason the deficits are so large is because we are continuing to spend wildly here at home on domestic programs.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. OBEY] has expired.

All time has expired on debate on economic goals and policies.

The Chair now recognizes the gentleman from Pennsylvania [Mr. GRAY], the chairman of the committee.

Mr. GRAY of Pennsylvania. Mr. Speaker, I yield 5 minutes of my time to the gentleman for him to continue.

Mr. OBEY. Mr. Chairman, I thank the gentleman.

I want to give you some numbers to put in perspective what we are spending on domestic programs in comparison to other programs in the budget.

In 1962, the Congressional Budget Office tells us that we were devoting approximately 4.2 percent of our gross national product to domestic discretionary programs. That increased to about 5.8 percent by 1980.

Today because of all the reductions that have taken place on the domestic side of the ledger, we are providing for domestic discretionary programs to solve some of the social problems that we have known we have had for a long time, programs like education and job training and all the rest; today we are providing a smaller share of our national treasure for those domestic discretionary programs than we were providing in 1962 before we ever heard of the Great Society or heard of Lyndon Johnson's plans, before we decided we had a serious national problem which we needed to address.

If we just leave the budget on automatic pilot, if we do not make one policy change, by 1990 the share of our national treasure that we will be devoting to those same domestic programs will be 3.7 percent of the budget, and if we had adopted the President's budget we would be seeing that share of our national treasure, our economic product, decline to 2.7 percent of the budget, which would be a 30-percent reduction since 1964 when we decided we had to do more, not less, to deal with our domestic social problems.

I suggest to you that even if we pass this House budget, that reduction is only going to be slowed down, it will not be stopped; but at least this resolution has the virtue of spreading the pain more fairly. It has the virtue of making the administration face up to the fact that if they want to continue to expand foreign assistance, if they want to continue to expand their military budget, they are not going to be able to do it under Gramm-Rudman processes on borrowed money. That is the major reason why I think we ought to pass this budget.

Mr. Chairman, I yield back to the gentleman from Pennsylvania what time I have remaining.

Mr. GOODLING. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Virginia [Mr. WHITEHURST].

Mr. WHITEHURST. Mr. Chairman, I would like for a few moments to take us back to 1980, the last year that Harold Brown was Secretary of Defense. We had posture hearings in the Armed Services Committee early that year and Mr. Brown was a witness.

I told him that I was very unhappy about the fact that we were not getting enough funding for operation and maintenance for our military forces. Our fliers were not flying enough. The ships were not steaming enough. We were short of ammunition. We were short of spares.

I asked the Secretary of Defense why we could not do better by oper-

ation and maintenance, and he uttered a great truth that morning. He said, "Well, Mr. WHITEHURST, O&M doesn't have a constituency."

There was a ripple of laughter through the committee room; but I told the Secretary that I thought that he had spoken a truth that all of us needed to hear.

The fact of the matter is that in 1980, American forces in Europe had ammunition supplies for about 18 days.

Our aviators and tactical Air Force were flying about 16 hours a month.

Navy fliers were flying under 20.

We were cannibalizing F-14's in Miramar, CA, to keep other F-14's flying.

This litany could go on and on.

Now, what we did in 1981 was to establish a Readiness Subcommittee in the Armed Services Committee and provide operation and maintenance a constituency which it did not have.

We also did something else. We provided adequate O&M funding and we have spent the last 6 years finally getting our readiness up to a level that our military forces today can fight at a moment's notice.

The ammunition stocks in Europe now stand at 45 days, not 18.

Our fighter pilots are training about 20 hours a month in the Air Force, and about 24 or 25 hours a month in the Navy.

The National Training Center at Fort Irwin, CA, is being used to its maximum.

We have adequate spares, we are ready.

But here is what is going to happen to O&M under this budget. Steaming days for ships will be reduced from 50.5 to approximately 40 days per quarter for deployed ships and from 29 to 22 days for nondeployed ships.

Navy flying hours are going to be down to 20 hours a month. Air Force flying hours back to 16 hours a month.

We will defer or cancel 11 to 13 ship overhauls of 37 that are scheduled.

We will defer or cancel approximately 40 ships from restricted availability.

We are going to ground approximately 150 Navy aircraft.

We are going to seriously reduce support for readiness in all the Guard and Reserve programs.

Significant reductions will occur in all areas of personnel specialized skill training.

There will be a massive cancellation and reduction in scope of Joint Chiefs of Staff exercises.

Very critical supplies and ammunition for war reserve stocks in forward deployment will be stored in the continental United States, rather than shipped overseas.

Quality of life programs are going to decline.

Commissary hours will be reduced.

There will be a dramatic reduction of ROTC scholarships.

I could go on and on. That is the bottom line of a $285 billion budget that is called for by the Budget Committee.

Now, I do not think we can take it. I think when the American people see what we are doing to our military forces in terms of depriving those forces of those readiness requirements that they have, they are going to call us to account.

Mr. Chairman, I urge that we reject this budget, that we adopt one that at least permits us to provide these basic needs.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Texas [Mr. LEATH], a member of the committee.

Mr. LEATH of Texas. Mr. Chairman, there is no one in this House that I have greater admiration for than my dear friend, the gentleman from Virginia, BILL WHITEHURST, who was just in the well here. One of the great losses we will experience is when the gentleman from Virginia, BILL WHITEHURST, goes through with his scheduled retirement.

Certainly I am not here to argue with the statistics that he gave us, because I know that they are accurate.

But let me remind us of something that is absolutely key to this debate. I have a reputation around here as being one who is very concerned about defense, one who really believed strongly in 1981 that we had to correct the deficiencies that had been allowed to accumulate after the Vietnam years in our Department of Defense. I think we did that and I am proud of having been a part of that.

But Mr. Chairman, let me remind you that we started in 1981 with outlays in defense of $154 billion.

This budget resolution in 1986, 5 years later, will have outlays of $276.2 billion.

Now, we have essentially during that 5-year period fulfilled what David Stockman said back at the very beginning was Cap Weinberger's plan of $1.4 trillion in defense in 5 years.

Now, does that mean that we do not need more than the figures in the budget resolution? No. It does not mean that at all, but that is not really the issue here and the reason it is not the issue is because the President, primarily, refuses to admit why it is not the issue. It is not the issue because we are writing this budget in a straitjacket.

This institution over and over has said that we are not going to do anything about the growth in the basic entitlement programs, particularly Social Security and Medicare.

We cannot do anything about interest.

When you take those three areas, you have just consumed 45 percent of the total Federal budget.

Now, you take defense on top of that, which consumes about 30 percent of the total budget, and you are very quickly up to 75 percent of the total budget.

Take out things like Administration of Justice, et cetera, et cetera, some of the basic entitlement poverty programs that we have to take out, and you are very quickly down to about 10 or 15 percent of the budget that you are trying to find the money to balance this deficit problem with, and we just cannot do that.

□ 1530

I think we have to remember something else. This institution, when it admitted last year that we as an institution of government, meaning us and the President, the Congress and the President, did not have the will to govern the country by making the hard decisions, passed ourselves a law, the Gramm-Rudman Act, which says that we are going to make us cut that deficit and we are going to take 50 percent of that out of defense and 50 percent of that out of domestic programs.

That created a psyche around here, whether we like it or not, that essentially half this deficit problem was going to be solved out of defense. Look at this budget resolution and, again, I am going to say it is not where I would like it to be, but in outlays it is only $5 billion below where the Senate is. If you take the 3-year totals of the savings in this budget resolution, you are going to find out really, and I hope my friend, BARBARA BOXER, will close her ears back there, and some of the liberals, because actually we are taking less than a 50-percent cut in the 3-year totals in the budget in defense than we are taking in the domestic side of this program.

You may not like that and I do not like that, but what are you doing to do about it? Are we going to come in here and tell the American people that we not only do not have the courage to make the hard decisions to solve the problems, but we are going to start raising taxes around here so we can spend. Well, let me tell my colleagues something: As far as this Member is concerned, raising taxes to spend on defense is just as bad as raising taxes to spend on domestic programs.

So I think we have to look at the constraints under which this budget was written, and if we do that, we will find it is a pretty good job.

Mr. GOODLING. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. I thank the gentleman for yielding this time to me.

Mr. Chairman, it is said that a budget resolution is a political document. That is a fair conclusion. One might also call it a policy document. It is a blueprint for Congress as it moves

on to the next step in the budget process. It establishes our overall direction and national priorities as they relate to programs the Government has established in order to serve the American people.

But if the budget is going to be helpful to Congress in establishing policy, it must also be specific enough to give guidance to the authorizing committees and to the Appropriations Committee. It cannot, on the one hand, talk about across-the-board spending reductions in a budget program, and say at the same time that all programs will be kept intact with no reductions in funding or service delivery levels. It cannot be all things to all people. But that is exactly what the committee's proposal tries to be in too many instances.

I have been saying since I came to Congress—and before—that we ought to be setting budget priorities and we ought to make spending reductions—not tax increases—to reduce our deficits. In that sense, my criticism is bipartisan; I don't agree with what the other body did in raising taxes, and I certainly don't agree with what the House Budget Committee proposes to do in raising taxes. A tax increase is a surrender to the status quo. It says we are satisfied with the priorities established by previous Congresses—and we are going to make the taxpayer pay for our satisfaction.

We'll hear a lot of discussion about how we are actually going to reduce the deficit below the Gramm-Rudman target set for fiscal year 1987—$144 billion. And we'll hear how we are going to fence those extra revenues, or set them aside, to actually reduce the deficit. Well, we ought to know that is a sham, as phony as a "three dollar" bill.

We had a good lesson in just how phony that is last week when we adopted a supplemental appropriation bill that increased spending by $1.7 billion. Congress can't resist the temptation to go back and restore funds for programs it cut earlier or that Gramm-Rudman cut through the sequestration process. If we can't exercise this discipline in the current Congress, how can we imagine that we will be able to bind a future Congress?

But there is an alternative, and tomorrow we will consider it. It is the substitute put forth by the Republican members of the Budget Committee. It isn't perfect. I don't agree with everything that is in it. But I think it is a more responsible approach to what is necessarily a political process.

It terminates programs. It makes specific reductions in other areas and directs the authorizing committees to make the appropriate changes in those programs. It goes a lot further toward meeting the commitment that this Congress made just months ago to maintain a strong national defense. It doesn't set up a phony "fiduciary" account to be set aside for deficit reduction, and it doesn't raise taxes. It's an honest proposal. I hope this House will give it serious consideration.

But whatever budget resolution we adopt here this week, let us remember that this process is more than a numbers game. We are—or should be—establishing policy that better serves the lives of all Americans.

As George Washington said to our predecessors, "Let us raise a standard to which wise men can repair." In this case a budget standard.

Mr. COLEMAN of Texas. Mr. Chairman, will the gentleman yield for just a second?

Mr. KOLBE. I yield to the gentleman from Texas.

Mr. COLEMAN of Texas. I thank the gentleman for yielding.

Mr. Chairman, I notice the gentleman was talking about the issue of taxes. As I understand the budget proposed by the Committee on the Budget, there is the revenue enhancement that the President had of an equal amount. They are equal, as I understand, to that which the President requested and that which the Committee on the Budget proposed.

Is that the gentleman's understanding? Plus, there is an additional $4 billion or some odd billion dollars in the event that we all agreed that we would pass it. Is that the gentleman's understanding of the revenue part of this budget?

Mr. KOLBE. It is my understanding that there are, and we can call them revenue enhancement or taxes, but there are revenue enhancements and there are taxes in this budget.

Mr. COLEMAN of Texas. They were called user fees by the administration, some $5.9 billion of revenues, and that is what the committee did also; is that correct?

Mr. KOLBE. I do not care whether we call them taxes or whether we call them user fees or revenue enhancements, I do not think we ought to be raising the revenues in this body. I think we ought to be cutting spending, and that has been my position all along.

Mr. COLEMAN of Texas. I think that is the point I wanted to make. This bill does not propose new taxes in the same way that other budgets have done in the past. All this does is reiterate what the President called a user fee.

Mr. DERRICK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have served on the Committee on the Budget longer than anyone in this body with the exception of the majority leader, and I want to say to my colleagues that I think that this is the finest budget that has come out of the Committee on the Budget. It is a well-balanced document. For those who are concerned about domestic programs, there is about a 50-percent cut in the domestic area. For those who are concerned about defense, there is about a 50-percent cut in defense programs.

But regardless of what we pass tomorrow, there has to be an enforcement procedure, and I would like to take just a few moments to speak to Members about this enforcement procedure, as chairman of the Reconciliation Subcommittee of the Committee on the Budget.

Mr. Chairman, I want at this time to point out the reconciliation provisions that are included in this proposed budget plan in order to ensure that we achieve the deficit reduction assumed in the plan and avoid the Gramm-Rudman-Hollings-Mack sequestration order.

The plan includes reconciliation directives to 11 House committees and 9 Senate committees to reduce outlays by $9.5 billion in fiscal year 1987 and $22.5 billion over 3 years. The savings ordered by these directives would be achieved by changing entitlement laws, increasing user fees, and providing for the sale of certain Federal assets. These directives are consistent with reconciliation practices of the last few years, except that for the first time a committee is directed to reduce the amount of loan guarantees provided under a program within its jurisdiction. This is a result of a change in the Budget Act included in Gramm-Rudman-Hollings-Mack, which requires that credit programs be treated in the same manner as spending programs.

I should point out that the Senate-passed budget resolution reconciles 9 Senate and 13 House committees and assumes reconciliation outlay reductions of $7.884 billion in fiscal year 1987 and $31.450 billion over 3 years. The Senate resolution also contains reconciliation directives that revenues be increased by $11.312 billion in fiscal year 1987 and by $48.194 billion over 3 years.

Neither the proposed House budget nor the Senate-passed budget reconcile the assumed COLA legislation which would allow a Social Security COLA if the cost-of-living index increases by less than 3 percent this year.

The Senate requires committees to respond to the reconciliation directives by May 15, while the proposed House budget requires a response no later than June 5.

There may be several questions on your mind concerning reconciliation, and I would like to try to answer those.

Question. Does the House plan contain a directive to reconcile revenues? If so, how much?

Answer. The plan directs the Ways and Means Committee to report legislation which would reduce the deficit by $4.2 billion in fiscal year 1987 and by $11.635 billion over 3 years. The reconciliation directive does not specify whether these reductions are achieved by revenue increases or spending cuts, although, of course, the resolution itself does contain assumptions about the mix of spending cuts and revenue increases. I should point out, however, that some of the new revenues that the President proposed would not flow from legislative action by the Ways and Means Committee. For instance, the President assumes $1.8 billion in additional revenues as a result of increased spending for IRS personnel and automation. Providing this additional spending is the responsibility of the Appropriations Committee, not the Ways and Means Committee. Also, this budget does not assume reconciliation of the $4.7 billion in new revenues above the request of the President. Since this is such a controversial matter and since these new revenues are not needed to reach the Gramm-Rudman-Hollings deficit target, these additional revenues are not reconciled.

Question. Why does the Senate provide nearly $9 billion more in savings over 3 years than does the House?

Answer. The primary difference is that the House does not reconcile the savings from holding Federal pay raises to 3 percent annually over the next 3 years and delaying the pay raises from October to January in each year. The Budget Committee assumes these savings will be achieved but it does not reconcile the Post Office and Civil Service Committee.

RURAL PROGRAMS IN THE BUDGET

Committee recommended budget maintains commodity programs at levels set in the 1985 farm bill. Given the precarious situation of the farmer, this is no time to cut farm supports below the levels set in the farm bill. The President's budget assumed no further cuts beyond the farm bill.

Committee recommends $150 million for an initiative to provide credit assistance to distressed farmers. It is assumed that this will be used as a form of interest subsidy for farm loans.

The administration proposed a phaseout of Federal crop insurance over 5 years, and a 39-percent reduction in outlays for Federal crop insurance in fiscal year 1987. The committee budget rejects this proposal.

The administration proposed a new user fee for meat and poultry inspection that would have cost the livestock industry $366 million in fiscal year 1987. The committee rejected that proposal, although it does recommend $54 million in increased or new user fees for USDA grain inspections, market news services, and veterinary services which were proposed by the administration.

Discretionary agricultural and rural programs are generally reduced 2½ percent below the fiscal year 1986 funding level in the committee's proposed budget. This contrasts with the substantial cuts the administration proposes:

The administration proposed a 58-percent cut in the USDA Extension Service. The committee budget cuts 2½ percent.

The administration proposed elimination of agricultural stabilization and conservation service conservation programs, after an 18-percent cut last year. The committee budget cuts 2½ percent.

The administration proposed a 73-percent cut in soil conservation service watershed and flood prevention spending, after a 20-percent cut last year. The committee budget assumes a cut of 2½ percent.

The administration proposed the elimination of Farmers Home Administration [FmHA] rural housing programs, which were already reduced by 19 percent last year. The committee budget rejects the elimination of rural housing programs and cuts only 2½ percent of spending. The committee budget does, however, assume a sale of some FmHA assets, which would bring in $1.15 billion in receipts in fiscal year 1987.

The administration proposed the elimination of FmHA rural water and waste disposal programs. The committee budget assumes a 2½-percent reduction in spending.

The administration proposed elimination of rural fire protection grants. The committee budget assumes a 2½-percent cut in spending.

The administration proposes reduction of the REA electrification programs by 49 percent, after a 15-percent cut last year. The committee recommended a 2½-percent reduction.

The administration proposes a 67-percent reduction in the Rural Telephone Program. The committee recommends a 2½-percent cut.

The administration proposed the elimination of both the Appalachian Regional Commission and the Economic Development Administration. The committee recommends that both the ARC and EDA be cut by 12½ percent in fiscal year 1987.

Mr. Chairman, the pattern is clear. The administration is proposing to drastically reduce the programs which are so important to our Nation's farmers and rural communities, while at the same time proposing we increase funding for defense by 12 percent. The committee position is that the pain of reducing the Federal deficit should be spread evenly, not concentrated on the one particular segment of our Nation. The committee proposes that rural America take its share of program cuts, with most spending cut by the same 2½ percent we cut other discretionary domestic programs. I believe that the rural programs could use more funding, but I know that the residents of rural America are willing to do their part to bring down the deficit. I also know, however, that it is not fair to ask them to do more than their share. I believe that the committee budget does treat rural America fairly and reasonably, and I urge all Members who care about the survival of rural America to support this budget.

OBLIGATIONS

[Dollars in millions]

Program	Fiscal year— 1985 spending	Fiscal year— 1986 spending	Percentage change 1985–86	Fiscal year 1987 proposed by the President	Percentage change 1986–87	Committee percentage change 1986–87
USDA Extension Service	$350	$350		$147	−58	−2.5
Agricultural Conservation Programs	190	225	18	0	−100	−2.5
Soil Conservation Service watershed and flood prevention	213	255	20	68	−73	−2.5
Rural housing [1]	2,834	2,295	−19	0	−100	−2.5
Rural fire protection grants	3	3		0	−100	−2.5
REA Electrification	2,772	2,350	−15	1,200	−49	−2.5
Rural telephone	392	607	55	199	−67	−2.5
FmHA rural water and waste disposal	129	117	−9	0	−100	−2.5
Appalachian Regional Commission	145	162	12	4	−98	−12.5
Economic Development Administration	227	216	−5	0	−100	−12.5

[1] The President proposes that rural housing be supported through general housing programs administered by HUD. Most of those programs are proposed for cuts.

□ 1540

The CHAIRMAN. The gentleman from South Carolina [Mr. DERRICK] has consumed 11 minutes.

Mr. GOODLING. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Indiana [Mr. HILLIS].

Mr. HILLIS. Mr. Chairman, I rise today in support of the Republican defense budget alternative for the fiscal year 1987 budget.

As a member of the Armed Services Committee I have had the opportunity of reviewing the Defense Department's Budget over the past 14 years. This budget clearly establishes America's defense priorities and policies. It signals whether we are willing to support our role as a superpower, or whether we wish to retreat. The world, especially the Soviet Union, reacts to what we do, and, just as importantly, to what we do not do. A strong defense, supporting a forward-looking foreign policy, is only a facade without sufficient money being spent for our Armed Forces.

Make no mistake, the Soviets closely watch the budget support which Congress gives to back up the administration's defense policy. If we retreat from a strong level of defense budget support at this time, just when the President is planning a second summit with the Soviet leader Mr. Mikhail Gorbachev, it cannot but send a clear signal to our friends and foes alike that we were not serious about our defense policy.

There are, indeed, lessons to be learned from actions that were taken in the Middle East recently on two different occasions. It was only a few short weeks ago that we witnessed our military forces execute a series of precision movements in Libya. Our combined sea and air forces were successful in demonstrating to Col. Qadhafi and those of his persuasion that the United States will not accept terrorist acts against American citizens. We were successful in forcefully conveying this message because our forces on the U.S.S. *Coral Sea*, U.S.S. *America*, and from our four British airbases had the operational readiness to respond to the President's directive. We who serve in this House cannot, with a clear conscience, ask our service personnel to carry out missions of such extreme danger without the necessary equipment and training. Being in a position to respond in this manner requires money—there is simply no way around it.

In contrast, compare the success which our military forces had at desert one in our attempt to rescue American hostages in Iran. Our Armed Forces clearly lacked the necessary operational readiness to carry out this mission. Helicopters and other vital equipment could not be maintained in a state of readiness necessary to accomplish this important mission. In my judgment, this was because defense spending was inadequate to maintain readiness at a sufficient level. This was intolerable, and cannot be allowed to happen again.

It is tempting to look at America's military needs during times of low tension and believe that the defense budget which our Democratic colleagues on the Budget Committee have suggested should be adequate. Unfortunately this is not the case. I propose that as we consider the DOD budget for fiscal year 1987 we remember what happened in Libya and at desert one, and stand in support of budget in this area capable of maintaining our role as a leader and defender of the free world.

The $293 billion budget which we have proposed represents a reasonable compromise which my colleagues on both sides of the aisle can support. It will provide for an adequate defense in the light of our present budgetary restrictions. It recognizes that while we cannot spend as much on our military forces as we would prefer, that we will spend an adequate amount to make certain that our forces are strong so that we may maintain our freedom.

□ 1550

Mr. GRAY of Pennsylvania. May I inquire of the Chair the time remaining?

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GRAY], the chairman of the committee, has 54 minutes remaining and the gentleman from Pennsylvania [Mr. GOODLING] has 66 minutes remaining.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 5 minutes to the gentlewoman from California [Mrs. BOXER], a member of the committee.

Mrs. BOXER. Mr. Chairman, I am very proud to be a part of the Democratic Budget Caucus which, under the leadership of Chairman GRAY, produced this committee budget. I want to tell you why I am proud.

First, this is a commonsense budget, hammered out day after day for several months by a coalition of Democrats who are liberal, conservative, moderate, and every shade in between. We Democrats have a big umbrella, and I believe every part of this Congress can feel comfortable under this umbrella which is really the budget; the budget is the umbrella of our Nation's priorities.

Second, this is a fair budget, reaching the deficit goal by equal cuts in military and domestic spending. In the budget of the other body, 87 percent of the cuts come from the domestic side, and only 13 percent from the military. In our budget, the ratio is 50 percent for military and 50 percent from domestic. This point cannot be stressed enough because it means fairness; fairness across the board. The only budget with this fairness feature.

Third, this budget is fiscally tough, while it is compassionate and caring. We have in it a "Children's Initiative" put together by the gentleman from California [Mr. MILLER] and the gentleman from Montana [Mr. WILLIAMS]. We make an investment in the health of our children and in their education. We nourish their minds and their bodies. We stand up to the Pentagon which somehow cannot locate $44 billion of funds that should have been returned to the people over the past 3 years because inflation was lower than expected.

We stood up and said "No, not this time." We want accountability, we want quality, we want efficiency and we want competition. We budgeted a number for the Pentagon that some of us still think is too high, but one which sends a strong signal that the spend, spend—waste, waste days are over, and this message is implied in all of the budget areas.

Gramm-Rudman would be a travesty for America with an indiscriminate ax. The cuts would come down in all areas unless we act on this budget—get to conference and start to govern.

I say to my colleagues on all sides of the political spectrum and on both sides of the aisle: join together and pass this budget that makes sense for America; a fair deal for our people; an equal sharing of pain between defense and domestic programs; a lower deficit than anyone ever dreamed the Democrats could produce—$137 billion, a deficit lower than the other body, a deficit lower than the President, a deficit lower than that which is required under Gramm-Rudman; and we did it without a penny more in taxes than the other body.

Join together with us and pass this budget and make the Congress the instrument of fiscal responsibility and wise priorities.

Mr. GOODLING. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. BOULTER].

Mr. BOULTER. Mr. Chairman, I rise in opposition to the budget passed out of the House Committee on the Budget. Not so much because the Republican members of the Committee on the Budget were actually ignored and denied the opportunity to participate in the process with our Democrat colleagues; and in fact I want to add a very sincere word of appreciation for the work done by my chairman, the gentleman from Pennsylvania [Mr. GRAY], who I think worked as well as he could within the constraints of his caucus and party leadership.

I rise against this budget resolution because it really is no more than a scaled-down version of the same old tax and spend policy; it is scaled down because of the constraints of Gramm-Rudman-Hollings; but that is what it is nonetheless. It is a product of the

Democrat philosophy of taking cuts out of defense, of weakening defense, and this budget resolution, my colleagues, would actually set defense, our national security, on a 12-percent real decline over the next 2 years while raising taxes on the American people by $54 billion over a 3-year period of time.

Taxes just like happened in 1982 with TEFRA, which will not be used for deficit reduction, but which will be used to further domestic spending programs that ought to be reformed.

I have a low opinion of taxes in general, Mr. Chairman, but I specifically have a low opinion of taxes that are in fact not going to be used to reduce the deficit as the Democrats claim will be done in this case but which I do not believe.

The defense of this country should be the No. 1 priority of this country, and we are not honoring that commitment. I predict, and others do, too, that if this budget resolution passes, we will have to abandon our global commitments, reduce military personnel, reduce operations and maintenance by as much as 15 percent, and devastate the critical readiness factor, and stifle research, modernization, and preparedness.

One other point that I would make to the ladies and gentlemen of this body, and that is in reply to Mr. DERRICK. A lot of us recognize the priority that we do need to give to rural America. The gentleman from South Carolina [Mr. DERRICK] spent some time in administration-bashing as he went over the litany of how the administration quote "trashes," close quote, rural America.

I would remind the membership that only 12 people in the House of Representatives voted for the President's budget, among them very, very few Republicans; and certainly this Member did not vote for that budget. In fact, I am looking forward for an opportunity to vote for a budget which maintains a strong national defense, which does not have a new tax increase and which gives even more priority to rural America.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 4 minutes to the gentleman from Minnesota [Mr. PENNY].

□ 1600

Mr. PENNY. Mr. Chairman, this budget is not everything that I would like. But there is no budget that can satisfy each and every one of us in this Chamber. On balance, this is a budget we can support.

I have advocated for some time now that the best place to begin in terms of reducing the deficit is with an across-the-board freeze in all areas of Federal spending. And then to make reductions below that freeze level where possible, and certainly there are areas that can be cut below the freeze level.

One of the reasons I proposed that approach to budgeting is because I had come to the conclusion that we in Congress were incapable of making the choices. However, this budget resolution demonstrates that, in fact, choices have been made.

While overall funding levels have been virtually frozen, certain areas are taken well below a freeze level because they have been deemed to be of lower priority. That is the kind of choice you have to make when you budget. Then a few areas, such as education and certain health programs, have been allowed modest increases because they have been deemed to have a higher priority. Again that is what budgeting is about, to make the choices that make sense for the American public.

But all in all, this is not a budget proposal that will lead to huge spending increases. This budget is essentially a freeze. If you want to look at a budget that increases spending, look at the budget developed by the other body. They have spending increases that are financed by higher taxes. This House budget plan holds the line on spending and raises taxes only to reduce the deficit further.

We in the House reach our deficit reduction target without taxes and then will add some taxes as a way of cutting the deficit even further. Whereas the other body increases spending and increases taxes to accommodate that higher spending level.

The big differences between our budget and their budget is that we spend less. In most major budget categories we spend less. In a few instances we spend roughly the same amount. But, overall we spend less. Our House budget has some modest growth in only a few areas, education and health care, offset by reductions in other domestic programs. The other body would spend slightly less than we do in each of those areas of education and health care. But then they go out and spend billions more on the Pentagon, while we hold the line on military spending.

I am a bit concerned about some who come to the well of this House and argue that somehow we have a weak defense. We have doubled the Pentagon budget in the last 5 years.

America is strong and it is about time that we admitted that we are a strong nation. This budget proposal will not spend a dime less on the military than we spend in the current fiscal year. But in a time of $200 billion deficits, it is also a time we admit to ourselves we cannot afford to go out and spend billions more. We have to hold the line across the board. This budget resolution gets the job done.

This, again, is not a budget that any one of us would have individually written. But you have to take budgets on balance. Sometimes, on balance, they are not good enough. I think on balance this one is.

Mr. Chairman, I intend to support it.

Mr. GOODLING. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. COURTER].

Mr. COURTER. Mr. Chairman, why is the President's party in Congress responding to a majority defense budget which is all wrong, with one that is half wrong? Look at this alternative defense budget authority figure of $293 billion. What principle underlies that figure, what rationale explains it? Is it some targeted share of the whole budget or some significant portion of the gross national product? No. It doesn't have anything to do with our defense needs at all. It just happens to be a halfway point between what our party carried in the other Chamber's budget and what the majority is proposing in the House. In the strict sense of the word, it is unprincipled.

We should be deciding our defense budget in a principled way. If principle ruled, we would not look to the majority's budget—we would look to the threat to which we are supposed to be responding. The threat, may I say to my fellow party members, isn't the Democrats—it's the Soviet Union. Of course, someone may know more than I do about these matters, but I haven't read anywhere that the Supreme Soviet's equivalent of the Armed Services Committee has cut Defense Minister Ustinov's military buildup recently. We do know that in the next 5 years the Soviets are expected to deploy 40 new nuclear submarines and 500 more ballistic missiles and 18,000 modern tanks. By comparison, even if Congress cuts nothing from the President's proposed budgets over 5 years, the United States will deploy only 25 nuclear subs, 50 ballistic missiles, and 4,200 modern tanks.

Bud McFarlane, our National Security Adviser until a few months ago, recently wrote that:

> In the past 5 years, notwithstanding what we have built, the Soviet Union has produced twice as many fighter aircraft as the United States and her NATO allies, 4 times as many helicopters, 5 times as many artillery pieces, 12 times as many ballistic missiles and 50 times as many bombers. The threat is not diminishing it is getting more severe.

America came out of the 1970's calling it a decade of neglect as far as our defense posture was concerned. Everybody knew our defense forces had to be upgraded and modernized, and the Reagan administration did what it had to do to meet the short-term problem. But building upon what we have accomplished in the last few years is a long-term year-by-year proposition. It is—let me be plain about it—irresponsible for our party to help dismantle what our party was elected to the White House to accomplish. We

cannot rest on our defense laurals; our adversaries in the world will not allow it.

Moreover, we made an agreement last year, a contract, I say to my Republican colleagues, with President Reagan. He accepted a 1-year real freeze on defense spending; we agreed to 3 percent real growth in fiscal year 1987. Have we forgotten our word? Let me remind you that last year's budget resolution set the fiscal year 1987 defense target at $314.7 billion. This year the administration came in with a request of $311 billion, which is within the contract we made with the President.

The Senate, controlled by our party, came in with a $10 billion cut in that request. That cut alone reneges on Congress' word. The House majority's figure of $285 billion doesn't begin to meet the needs set by our adversaries, but what in the world are we Republicans doing slashing $18 billion, a 6-percent cut, from the President's request? Did we of the President's party have an agreement with the President last year or didn't we?

I know that many Members are hypnotized by stories about $600 toilet seats and $435 hammers. But may I say that we in Congress had better learn to stop generalizing about our defense budget needs on the basis of specific abuses. Concerns about the cost and performance of specific weapons systems are not incompatible with supporting the necessary levels of defense spending, but it's time we started speaking the truth to the American people. The truth is that there is no such thing as a cheap defense. Defending our country and providing our young men and women in the Armed Forces with the best possible weapons, equipment, and services we can is expensive—but it is right. Whenever we save $430 on those hammers, those dollars don't go back to the Treasury. They still need to be invested in real capital improvements and human resources in our deterrent system.

We are not talking about competing priorities here. We are talking about preserving and defending America's ability to have priorities, to make the choices only a free people can make.

I cannot support this alternative defense budget, which breaks our word of last year and which is based on no higher principle than the principle of splitting the difference between meeting our needs and refusing to do all we need to do to keep our Nation safe and our people secure.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from Virginia [Mr. OLIN].

Mr. OLIN. I thank Mr. GRAY, the chairman of the committee.

Mr. Chairman, I rise in support of the committees' budget resolution. I do that because I think that the budget resolution represents reasonably good priorities. But most of all because it represents a budget that has a very good chance of achieving the Gramm-Rudman deficit target for next year of $144 billion and avoiding the risk of sequestration in August.

All of us know that we want to reach that objective. We want a budget that reaches the objective. I doubt anybody in this body does not want that. We also need to recognize that in order to reach that objection, the numbers in the budget have got to be real, that we have got to have statements that are conservative, and we have to have a budget that is actually achievable. So that on October 15 we do not have the same situation that we have had many times in the past where we thought what was a deficit reduction ended up being no deficit reduction at all or maybe an increase.

I bring that up because my skepticism comes from the experience that you and I have all had. I remember back in 1984, just 2 years ago, all of us that year who were up for reelection, and we all were, campaigned on the basis that that year we had just finished working on the 1985 budget. We had expected that we were going to achieve a $173-billion deficit. The President campaigned on that information. I campaigned, everybody campaigned. We thought we had done a good job. CBO and OMB were supporting those numbers at that time. Two weeks after election, if I remember right, OMB changed their statement. They said 1985 was not going to be $173 billion, really it was going to be $212 billion. CBO lined up with them right away; never did justify that change.

But we do not want that to happen with this budget. We do not want that to happen with this budget.

I hope and I think that the Budget Committee understands that point and that they have been careful enough in their work on this budget to avoid this situation. I think they have been conservative. They have been very careful not to count on revenue that we have not figured out how we are going to get yet. They have been careful not to take the highest estimate of economic growth. They have been careful not to put in "hope" items, fuzz.

We should be all right on this budget. Mr. Chairman, I support you. You have done a good job. You have a very good chance of carrying off this budget.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. OLIN. I yield to the gentleman.

Mr. WRIGHT. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the House Committee Budget. It is austere, but it is fair. It strikes a delicate balance among our many clamoring priorities while reaching a much lower budget deficit than anyone seriously expected could be done.

The House budget spends less than the Senate budget, but it spends it more wisely. This resolution is approximately $15 billion under the total budget authority contained in the Senate bill. Actual outlays in the House version are $7 billion less than in the Senate version.

The House resolution is preferable to the Senate resolution in three very important ways.

First, it achieves greater deficit reduction than would be achieved under the Senate mandate. The deficit reflected in the House bill is approximately $7 billion lower than that in the Senate bill. It is lower than that recommended by the President, and substantially lower than that requested by Gramm-Rudman.

The House resolution offers an option on additional revenues. By including the same revenues contained in the Senate bill it allows us to reduce the deficit by $7 billion more.

Or if we were to forego some $5 billion in new taxes proposed by the Senate over and above the President's recommendation, we still would have a deficit $2 billion less than the Senate bill.

In other words, our bill without the additional taxes would reach a $2 billion lower deficit than the Senate bill with taxes.

The second way in which the House resolution excels over its counterpart in the Senate is that we are more equitable. We cause the ax to fall equally between defense and nondefense items. We require the burden of spending cuts to be shared proportionately.

The Senate resolution, by contrast, exacts 86 percent of its cuts from programs that directly serve and benefit the American people, and only 14 percent of the cuts come from the military spending side of the ledger. Manifestly, this is unfair—particularly in view of the glaring examples of waste and abuse which have recently been revealed in certain portions of Pentagon spending.

Finally, the House bill is preferable to the Senate bill because it is more responsive to the American people. While achieving lower spending and lower deficit levels we provide $500 million more for education and job training as an investment in the future.

We provide more by $350 million than the Senate does to fill our strategic petroleum reserve so as to reduce our vulnerability to international blackmail. The House bill targets these purchases so as to buy from stripper wells and stop their being shut in.

We offer $20 million more for National Science Foundation research, $75 million more in budget authority for supplemental food coverage for women, infants and children, and $380 million more to make Medicaid services available to the Nation's elderly poor. The Senate by contrast assumes a $260-million reduction in these programs for 1986.

The House assumes $600 million more in budget authority for Medicare funding to prevent an inequitable and unconscionable burden from falling upon our senior citizen who are seeking hospitalization. Under the Senate bill, the amount which a patient would assume out of his or her own pocket would rise next year to almost $600 before that patient would be eligible for any Medicare assistance.

For these reasons, the House bill surely offers a better alternative and one which the American people will find fairer, more equitable and more fiscally prudent.

Mr. OLIN. I thank the gentleman for his comments. I thoroughly agree with them.

I have just one more point: Most of you have confidence that the committee has done a good job in putting this budget together. But as we go through the rest of our appropriation work, if we find that we have got a soft budget, that we have got the chance that we are going to run into sequestration, I hope that this House will recognize the importance of facing up to that case by case as we find it out and making adjustments legislatively so we do not end up on August 15 or, better still, October 1 facing a sequestration action to really make good what we think we have done in our budget right here.

Mr. Chairman, I commend the committee and its chairman for the work they have done up to this point.

Mr. Chairman, I support the resolution.

Mr. GOODLING. Mr. Chairman, I yield 5 minutes to the distinguished gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON. I thank the gentleman very much.

Mr. Chairman, I rise in opposition to the Democrats' budget and urge all my colleagues to support the Republican alternative, and I want to assure those that have not yet examined our alternative, that if they begin examining that alternative now, they will have more time to review it than the Republican members of the Budget Committee had to review the Democrats' proposal.

□ 1615

In the long run, the Republican alternative is not only a balanced, honest, and responsible approach, it is the result of a sound, serious, and broad process.

The Republicans on the Budget Committee met with members of subject matter committees and their staffs, drew on the expertise of those members, and then included all Members who had studied the budget with the 92 Group Budget Task Force to go program by program through each budget function to evaluate each program and set priorities, and though that process to build the consensus on which a sound budget in a democracy has to be based.

Our budget figures have been reviewed by the Congressional Budget Office. They have been checked by that office, and they will yield the savings that are promised.

Our budget is not the result of the broad general language purports to define the spending plan embodied in the Budget Committee's budget, nor is it formula driven as is their budget. We do not talk in terms of across-the-board percent cuts. That is because we believe budgeting requires taking responsibility to make hard choices, to set priorities, to say that indeed in America one thing is more important than another.

Not only was our process sounder, but our figures are sounder, and it does disappoint and amaze me that for the second year the Budget Committee is bringing to the floor of this House, many days—indeed weeks—after the Senate acted, and well beyond the Gramm-Rudman date that we wrote into the law of this land, a budget that was not prepared sufficiently in advance to allow our own Congressional Budget Office to evaluate its figures and to certify that indeed it will accomplish the goals that it adopts.

Last year, if you will recall, the Democratic Budget Committee brought a budget to the floor that CBO had not costed out and they promised us on this House floor that their budget would cut $55 billion. But when the lights were off, the dust had settled, and the rhetoric had cooled, and CBO had reviewed it, it turned out to be worth $35 billion. And on this floor in the budget debate, the House Budget Committee assured us that they had the agreement of their appropriating committee chairman to meet their targets, but again, when the months had passed and the dust had settled and the nitty-gritty of the appropriations process had ground its wheels forward, we were not able to achieve even what CBO said we ought to have achieved, indeed barely half that amount. It was last years performance by the Budget Committee that as much as any single factor, forced Gramm-Rudman upon us.

Yet this year has provided us with repeat performance. They delayed until their document could not be reviewed by the objective Congressional Budget Office. They come to the floor with something that cannot be verified, that will not meet its goals.

On the other hand, we come to the floor with a document that has been reviewed by CBO, not just once, but many times throughout our process. We have provided the leadership to set honest priorities. We have been willing to take the tough responsibility of looking to see if our appropriating committees will be able to reach this bottom line, what they will be compelled to choose between. We know what those decisions are. We know we can say to them, "If you cannot do it, we can do it for you, and there is the plan to do it."

We cannot do that with the House Budget Committee budget, because it says we are starting with a discretionary freeze, adding somethings back, cutting another 2½ percent, and so on. Boilerplate language drives this budget. Feature this: In the international affairs section of the budget, they say, "notwithstanding programs affecting low income children and families." Well, those programs do not affect children and families, but the boilerplate language appears anyway as it does in every function of the budget, applicable or rational or not.

What way is that to establish the priorities of the greatest Nation in the world, of the most free people, of the strongest democracy? What does it say about America when the first meeting of the House of Representatives Budget Committee is to have a picture taken of the committee, and the second meeting is to vote on the budget?

I served on an appropriations committee in the State Senate of Connecticut and I know the hours it takes to propose a responsible document. I have done it here as well and I know the work it takes and I am astounded that the Budget process has for a second year been a complete sham.

I hope the American public will hold the Democrat Budget Committee responsible for not only the slipshod, but the clandestine work that they have done. I hope my colleagues will have the courage to support the budget whose figures are honest, whose process was deep and broad, and whose budget will serve this Nation. When Gramm-Rudman takes that snapshot, if it is our budget, we will pass that important test. If it is the committee's budget, driven by platitudinous language without specific substance, we will be back with the concession budget on the floor as an alternative to the Gramm-Rudman automatic formula budget. We will be back with our budget substitute, because its figures are CBO approved, it is honest and it will work for America's working people.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 5 minutes to the dis-

tinguished gentleman from Washington [Mr. DICKS].

Mr. DICKS. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, first of all, I want to compliment the chairman of the Budget Committee and the members of the Budget Committee for, in a very difficult budgetary year, coming up with a budget document and presenting it to the House of Representatives. The very fact that the committee was able to pull together the compromises necessary to present a budget, I think, is something that they should be applauded for.

Now I must say for those of us who serve on defense-related committees in the Congress that we are certainly cognizant of the fact that the budget figure, $285 billion in budget authority and $276 billion in outlays is going to be a very difficult target for the House Armed Services Committee and for the Defense Appropriations Committee to meet.

We also are cognizant of the fact that in the Senate the number of BA is at $301 billion, and I believe their outlays number is $282 billion. And we also understand that there will be a conference between the House and Senate in which those numbers on BA and those numbers on outlays will have to be adjusted. I would hope that they would be adjusted in a way that will allow us some additional flexibility in the defense area to meet the needs of our country.

I would like to point out that last year, and some people have forgotten this, defense was cut 6 percent in real terms by the House, versus the 1985 levels. We went down from about $293 billion in BA to $286 after sequestration. And this year at $285 we have basically a freeze without inflation.

One of the reasons why the deficit is lower this year is because of the fact that the Appropriations Committee on Defense has, in a sense, frozen defense spending for the last years.

I think it is important for Members to understand that when we appropiate money in defense, it spends out differently than on the domestic side. When we appropriate money for pay for our troops, 99 percent of that is spent in the first year. When we spend money for the operation and maintenance, for the exercise, about 85 percent of that is spent out in the first year. When we do research and development, only 50 percent of that money in the first year. And in procurement, only 11 to 15 percent is spent out in the first year.

Much of the outlays this year in defense, over $100 billion, comes from prior year budget authority. We have in a sense created a bow wave because of the commitments that we have made in the past. That is why it is very difficult to control outlays. It is much easier for us to deal with budget authority. And as we level off budget authority, over a period of time it will affect the level of outlays.

So I want to give the Budget Committee the chance to go to conference. We need a budget. We need desperately to have an alternative to Gramm-Rudman.

Let me explain to my colleagues what happens in defense if Gramm-Rudman goes into effect. It will mean that immediately on September 31, October 1, 350,000 active duty troops will be taken out of the military. It will be the most devastating blow to personnel in the history of the armed services of this country. We will have to breach many contracts, including multiyear contracts. That will mean a tremendous loss of money to the government because those contracts will have to be renegotiated and we will have to pay extensive penalties.

□ 1625

So getting a budget this year is much different than any other year, because if we do not have a document, if we do not have the House and the Senate together with a budget, then Gramm-Rudman goes into effect and, believe me, for defense it is a disaster. And the reason we are here today is because the President of the United States refuses to live up, in my judgment, to his constitutional responsibilities for our national defense by not seeking the necessary revenues to finance that national defense. I think it is irresponsible for him to criticize the House of Representatives for dealing with the budget that has to fit the Gramm-Rudman guidelines when he supported the Gramm-Rudman approach and which requires these deficit reduction steps. It is painful in domestic programs and in defense programs. But if the President does not like it, then he has got to do something, and that is to come off of his no-new-taxes-under-any-circumstances pledge, which I think is wrong.

The CHAIRMAN. The time of the gentleman from Washington [Mr. DICKS] has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 1 additional minute to the gentleman from Washington.

Mr. MACK. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Florida.

Mr. MACK. I thank the gentleman for yielding.

Can the gentleman give me what he feels the outlay number would be in defense if the Gramm-Rudman sequestration took place on October 1.

Mr. DICKS. Well, it is hard to say, because you have to look at the size of the deficit. Let us just say the deficit was $40 billion. Let us just say it was $40 billion more than 144. Let us say it is 184. We would then have to cut $20 billion in budget authority from the defense side. This is outlays. But in order to get that, we would have to cut somewhere between $50 billion and $60 billion in budget authority to get that $20 billion reduction in outlays. And that would be a catastrophe for defense in this country.

Mr. MACK. Would it be lower than 265?

Mr. DICKS. I think it would have to go below 265 to get $20 billion out of outlays, in my judgment.

Mr. MACK. I thank the gentleman.

Mr. GOODLING. Mr. Chairman, I yield 5½ minutes to the distinguished gentleman from Louisiana [Mr. MOORE].

Mr. MOORE. I thank the gentleman for yielding.

My colleagues and ladies and gentlemen who may be following this debate, I am sure many of you are getting a bit confused, your eyes are beginning to glaze over. You have heard a long debate, you are hearing big numbers, billions of dollars, hundreds of billions of dollars, budget authority, outlays, you are beginning to wonder just what all this is about.

Well, let me tell you it is good news. What we are about is good. What is happening here is that the budget process, as was intended when it was passed by the Congress in 1974 and strengthened last year by the passage of Gramm-Rudman, is proceeding. That is the good news.

The Supreme Court has under consideration right now the lawsuit challenging the automatic cut feature of Gramm-Rudman which says if we do not go through this process we are going through today, then there would be an automatic cut in spending to get us down to a balanced budget by 1991. That Court decision worried a lot of American people, including me. It worried me to the point that if the Court says that is unconstitutional, then we are left with not doing very much to balance the budget, and that concerns me, as the Congress has not done very much in its history to balance the budget.

So what I see happening here today is the fact that both Houses of Congress are about to pass a budget resolution that is going to meet the Gramm-Rudman totals, we are going to live up to that law even if we do not have the automatic-cut feature in place. That is the good news. That is the important thing for everybody to remember about what is going on in this process here today.

We could talk about some specific points in the budgets to be considered. I was the only Republican who last year supported the budget resolution that came out of the Budget Committee on which I am privileged to serve. I did so because that budget tried to get and did get at reducing the deficit.

Last year I voted, and was criticized for doing so, to freeze defense spending, as that was in that budget resolution. We froze defense spending after taking into account for inflation, and supposedly we are going to have a 3-percent real increase in defense spending this year. That was in that budget resolution I voted for.

Now the budget resolution that comes out of our committee goes backward. It actually does not even give anything for inflation. It is actually slipping backward. It is not living up to last year's budget which calls for a real increase in spending this year. Maybe we cannot afford a real increase in defense spending this year. But we darn sure ought not do anything more than freeze, and we ought to do something to take care of inflation if we can. This budget resolution we have before us does not do that, so that is a weakness, that is something that ought to be rectified before this is finally enacted, and I predict it will be. I predict what we will get back out of a conference will take care of this flaw.

A second flaw I see in this is the fact that there really is not any permanent cuts in spending. It is true that they go through and freeze domestic spending, and even in some cases reduce it by 2½ percent. That is better than nothing. Do not get me wrong. But if we want to get to that balanced budget deadline in 1991, eventually we have got to get back to the business of permanently changing those spending programs, not justing freezing them, and not just cutting back a little bit each year. But, again, I do not want to be too critical. I compliment the committee for even reaching a Gramm-Rudman budget total, as that was very much in doubt up until about a week or so ago. So I am glad to see the process move forward, even if it is not exactly as I would do it.

The third and final feature in this bill is a very modest—I say that in all candor—increase in taxes, $4 billion next year, a little bit more than that the second and third year. I happen to believe you do not have to raise taxes to balance the budget. I think there is enough spending there that we can find to cut to do that, but there are those that disagree with me. I would simply suggest that if you are going to raise revenue, and it looks like the Senate budget resolution does call for a revenue raiser, and now this one does, as well, it may be that we are going to have to do that. If we are going to do it, I submit the most painless way to do that—and I would urge my colleagues to think about it—is an oil import fee. We are never going to see the prices of things that you make from petroleum cheaper than now. We are never going to see a better time to do something like that, and we could do it for a small number of years, 1 or 2 years, and would easily raise the money necessary for something like that and preserve us from becoming dependent once again on the nations of Saudi Arabia and others for our supplies of oil.

But I think that the Republican substitute that is going to be offered, even without that feature, is better than the bill before us. It is more realistic on defense with a freeze, it does get more at spending, it does not have the tax increases. I think that is a better way to go.

So I would say that there are differences between the substitute that is going to be offered and the resolution before us. I am going to vote for the substitute. It is better. But I want everybody to understand that what is happening here today is good, as the process is continuing. I was so afraid it was not. That is the important good news. Both sides are trying to move forward and reach the Gramm-Rudman deficit goal of $144 billion deficit next year and, eventually, by 1991, a balanced budget and 7-percent interest rates.

Remember the goal we are working for. Seven-percent interest rates if we balance the budget in 1991.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Michigan [Mr. WOLPE] a member of the committee.

Mr. WOLPE. Mr. Chairman, as a member of the Budget Committee, I rise in very strong support of this budget resolution. I want to join in the commendations that have been given earlier to our chairman, the gentleman from Pennsylvania [Mr. GRAY].

Several months ago, there were very few people in this Chamber who anticipated that Congress would in fact be able to meet the Gramm-Rudman deficit target of $144 billion for 1987. I think we all feared the prospect of suddenly seeing the automatic cuts that would be triggered under sequestration if we failed to meet that target.

The fact that we have not only met—but exceeded—that target is very largely attributable to the leadership and the ability of our distinguished chairman.

This is a tough budget. There have been some very difficult choices that have had to be made.

It is useful to contrast this budget with that which was originally presented by the administration if we are to fully understand what an excellent document we have before us. There are 2 points that I would like to underscore: The first point is that the President's budget itself failed to meet the Gramm-Rudman budget target for 1987 and would, if adopted, have triggered sequestration and the automatic reductions we all feared. According to Congressional Budget Office reestimates, that budget called for a $160 billion deficit in 1987, $16 billion over the Gramm-Rudman target for that year, $61 billion over the Gramm-Rudman target for the 3-year budget cycle.

By contrast, the House Budget Committee resolution which we have before us exceeds the Gramm-Rudman target in 1987 by some $7 billion, and exceeds the target by almost $17 billion over the 3-year cycle.

I want to emphasize that that is not simply a macho exercise to see how much pain we can inflict upon ourselves. It is in fact a critical cushion that is an integral part of the House Budget Committee resolution.

The simple reality is that we have no assurance that the economic assumptions that underpin the budget resolutions of both the House and the Senate will in fact be borne out by economic experience.

One quick example: The inflation rate is down. That is good news for America, but it complicates the forecasting of future budget deficits because it means there will probably be less revenue coming in to the Federal Treasury.

So it is critical that we have the cushion that is provided for in the House Budget Committee resolution to prevent the triggering of sequestration.

The second point that needs to be emphasized as we contrast the House Budget Committee resolution to that advanced by the President is the issue if priorities—the very different allocation of burden that is made across the various programs of the Federal budget.

The President came forward with a budget this year that calls for some $22 billion in reductions in domestic programs. He called for the elimination of over 40 domestic programs, ranging from Legal Services Corporation to Urban Development Action Grant programs, and operating subsidies for mass transit. Under the President's recommendations, cuts would be made in vital areas of the budget critical to our future in education. Some 1 million students who now receive financial assistance to colleges and universities would no longer be eligible under the President's budget.

The President, however, not only called for these massive reductions on the domestic side of $22 billion, he also asked for a $31 billion increase in defense outlays. Thirty-one billion dollars. In reality, the domestic reductions the President is calling for are not even going to deficit reduction. They were simply going to finance the very extraordinary increase in Pentagon spending that he has sought from the very beginning.

By contrast, the House budget exceeds the deficit target, but imposes

that burden equally spreading the overall burden of spreading reductions 50–50 between the Pentagon and domestic programs.

I would point out that in that respect the House budget resolution is also much fairer than that which has come out of the Senate which puts 86 percent of the burden of budget cutting on domestic programs critical to Americans in all walks of life all across this county. It takes only 14 percent of the budget cuts out of the Pentagon.

I would also like to make one final point in regard to our committee's budget. The revenue increase in our resolution is of the same size as that in the Senate resolution, but we devote our increase solely to deficit reduction. The Senate uses its revenue increase to protect the Pentagon from making its contribution to a 50–50 formula for deficit reduction. I would also note that the revenue increase in our resolution will not require any kind of income tax increase for average working Americans. Additional revenues can easily be found by closing tax loopholes that currently allow wealthy individuals and profitable corporations from paying their fair share of the tax burden.

□ 1640

In short, this budget is realistic; it is fair. It will do the job of creating the conditions necessary to keep interest rates coming down and sustaining the economic recovery.

Mr. GOODLING. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. DICKINSON].

Mr. DICKINSON. I thank the gentleman for yielding me this time.

Mr. Chairman, to my distinguished friends and colleagues, let me say that what we are doing here today, while historic, is not pleasant. I cannot agree with everything that the Budget Committee has come up with, even though I would like to make my compliments and tribute to the long hours, very long hours, hard work and dedicated service that the members of the committee have put in in studying the problem and trying to address the needs of both defense and nondefense spending, and trying to come up with a solution that has been forced on them by the action of the House and the Senate last year.

As has been pointed out, if I might recap, last year in the final figures, the fiscal year 1986 final figures, we approved $286.8 billion. This is a substantial reduction from that figure that had been requested by the administration, and we wound up with about a negative 6-percent growth.

This year, the President's request, when it came over was $320 billion. The Senate reduced this figure to $301 billion. I am speaking in budget authority. A $19 billion cut.

Now, the House has come in not at 301, but at 285. Can we do this? Well, of course; we can do it. We can do anything the House asks us to do. No proposed level is really impossible. The real issue is whether or not the House really wants to do what these figures would compel us to do.

Do we really know and appreciate what the reduction in these amounts would mean to our defense in this country? A reduction of $35 billion from the President's request can be accomplished but it is a large enough reduction beyond what the House has normally done in the past so that we will be a far cry from doing business as usual.

Perhaps this is good in some peoples' minds. But what will it mean? It will mean substantial cuts in important and well-supported systems. It will mean production levels of most systems will be kept at or below last year's level, and there will be no new program starts. There will be no way to justify congressional add-ons. Two hundred and eighty-five billion is less than last year even after the Gramm-Rudman sequester, and represents a real decrease in defense spending of about $15 billion or 5 to 6 percent.

The outlay figure of $276 billion will necessitate a very large, a very strange and unlikely type of reduction in defense in order to achieve the $285 billion budget authority level or else the budget authority level may have to be driven much lower to achieve the outlay figures.

What does this mean? I do not want to be in a position of crying wolf; trying to scare people by painting a picture of doom and gloom and saying, "Oh, if we do not do this the sky will fall." I have had the staff on the Armed Services Committee make a study and give me the benefit of this, and these are professional people and this is their honest opinion.

The cuts that are being required by this budget that has been presented to us in research and development, and to me this is the lifeblood of our defense because with the cutting edge of technology that we have enjoyed in the past to keep us ahead of our potential adversaries, we would fall further and further behind in our ability to defend ourselves because we cannot match them in numbers of people or in numbers of weapons that are being produced.

We will have to have a reduction of over $6 billion in research and development which will mean the elimination of over 40 different major programs. We will have to reduce a large number of programs for budgetary and not substantive reasons.

In procurement, a reduction of almost $16 billion will be required. That is those weapons systems that we actually need to acquire, to buy, to put into the inventory. Level production rates to the fiscal year 1986 level, that is, cut back, and this will probably cause total program costs to be higher in the future.

We have been trying for a number of years to get our Defense Establishment to procure things at the most reasonable and the most economical production rates, to build up to where the overhead, while it is fixed, we are getting the most for our money. But cutting back and slowing down production we simply drive up the cost of weapons systems and the production thereof so that in the outyears we will be paying more and getting less.

It would eliminate all new starts, although most of these programs that are requested will probably have to be started and certainly need to be started in the near future.

As to personnel, I want everybody to hear this, "No active duty pay raise will be allowed even though the budget process anticipates that this will be the case." Further, there will be no increases in numbers of people. As a matter of fact, we anticipate a serious reduction in the numbers of people.

We will have to cancel two large ships like the DDG's and several smaller ships. In operation and maintenance, over $4 billion in reduction even though these funds are needed to pay for weapons systems that have already been bought in the past.

In military construction, that is family housing, all brick and mortar type fo operations, we will defer a large number, that is 86 of construction programs for future years and prohibit all new starts. Denial of Navy, and listen to this, Navy Home Porting, which is so dear to many people in this Chamber and in this House; it will not be this year. The light division for Alaska; not this year.

The above initial set of reductions assume that no additions to programs requested or amounts requested for programs have occurred and recent experience has been as follows: For the last 2 years, the Congress has had add-ons to what has come over and requested by the administration. In the last 2 years, the House added $115 million and $658 million for fiscal year 1985 and 1986, respectively, just for the Guard and Reserve.

Last week, and we are here today talking about reducing what we are allowed to spend for defense, and just last week we added by action on this floor, added to the budget, $285 million for the Guard and Reserve. We will not be able to do that in the future. As a matter of fact, when you bring up item after item not under this particular budget authority, the Congress always wants to add, just as it did last week, and we cannot do that.

For general congressional add-ons, in addition to what had been requested by the administration, in 1985 the House added $1.25 billion to defense, and in 1986, $1.2 billion was added just last year. So it has been the history that we have adds instead of reductions. So I am telling the Members that if you have got a pet project in your district, forget it; there will not be any add-ons. If you are interested in acquiring or extending the production lines for the B-1, forget that; that is not in the budget. No add-ons. If you are interested in any new programs that are not presently in here such as the T-46 trainer, forget it. We cannot do that. It is not in here.

So while we have the authority, and can cut the budget, cut the spending year, I think the Members need to know the impact of what we are doing here today. I think it is an unrealistic cut that the Defense Department is asked to take.

□ 1650

I think if the sequester is triggered, to take 50 percent of all of the savings out of 29 percent of the budget is unrealistic and unfair, and for this reason I will support an amendment that will restore at least part of the budget authority. I think what we are doing here today, while laudable in its intent and purpose, goes too far.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 4 minutes to a senior member of the committee, the distinguished gentleman from Washington [Mr. LOWRY].

Mr. LOWRY of Washington. Mr. Chairman, I do not want to go over a lot of ground that a lot of other Members have mentioned, but I would like to mention one thing. Having spent hours with the gentleman from Pennsylvania, BILL GRAY, on this budget, he just did an absolutely magnanimous job of bringing together a balance that this House can support. So I do want to copy what a lot of other people are saying on that.

Mr. Chairman, I would like to make a couple of points. The deficit number under the House budget proposal that will be before us tomorrow is $137 billion. Now that is $7 billion below the deficit number of the other body's budget, and that is also exactly the amount of money in revenues we assume above those of the President, $7 billion. The simple fact is, in the House Budget Committee, we met the deficit reduction target of $144 billion of Gramm-Rudman without revenue. And then we just simply go $7 billion further to 137, what I think is a superior approach.

One reason that it is a superior approach is that it is I think perhaps a necessary buffer against sequestration, which would be a disaster in this Government to military preparedness—I think we all understand what the problem would be with sequestration for military preparedness—and to education and investment programs on the domestic side, because of where the cuts are forced to come under sequestration.

I think the other body's number could prove, if we have some new economic assumptions, to be dangerously, dangerously close to bringing in sequestration. So I think that the wisdom of the House budget before us tomorrow, which is "Hit the Gramm-Rudman deficit target of 144 all through budget cuts," which we did, balance defense and domestic, and then take the additional $7 billion of Senate revenue and apply that to deficit, is wise both for deficit reduction and wise as a buffer against sequestration that is going to prove to be very smart next year.

Second, something that I do not know if anybody mentioned earlier, we have some very important language against something that the Defense Department has been doing in inflation for the last 5 years that the taxpayers of this country ought to be outraged about. I am talking about the GAO report that recently came out that shows $44 billion has been overspent in inflation since 1982, more than inflation really was given to the Pentagon, which the Secretary of Defense cannot tell us where it is—$44 billion.

Now how did that happen? Well, it is the inflation index that was used up to this year.

How did this happen? Well, Defense had an inflation index different from everybody else's. What was it? After taking their own commodity and saying only within defense contractors what will inflation be, they then magically got another 30-percent kicker. So if the inflation was estimated to be 4 percent within the defense industries, they got another 30 percent above that, 5.2 percent. Yet inflation was not that, and they got that money—$44 billion over 4 years. The taxpayers of this country ought to demand that we get that money back.

Our budget that will be before us tomorrow puts in language strongly directing statutorily that the inflation index within Defense will no longer have that 30-percent kicker.

Mr. GOODLING. Mr. Chairman, I yield 5½ minutes to the gentleman from Oregon [Mr. DENNY SMITH].

Mr. DENNY SMITH. Mr. Chairman, I want to take a moment to congratulate the chairman of the committee, the gentleman from Pennsylvania [Mr. GRAY]. I think that he has done a masterful job of moving this document through the Committee on the Budget. I must point out, however, that we had two meetings in order to get to this juncture of bringing this Democrat budget to the House floor: the first when we had our picture taken, and the second one last Thursday, when we passed the document out in a very rapid period of time.

I think it is important that we all understand how unbipartisan this document really is.

Mr. Chairman, I do rise in strong opposition to the Democrat committee plan before us today, and I want to urge my colleagues on both sides of the aisle to support the alternative Republican plan.

The committee budget before us today is irresponsible for a number of reasons, but let me touch on two very important reasons why this is so: If you vote for the committee budget, you will be voting to raise taxes on the American working people. I repeat, you will be voting to increase taxes on the American people. The Democrats' budget plan contains a walloping $54 billion tax increase over the next 3 years.

Second, the $282 billion defense budget proposed in the Democrat committee budget is well below a defense budget freeze, a freeze that I think would be acceptable to most Members of this body. If the defense budget is to take such a cut, it would only be fair and reasonable, in the interest of cutting the deficit, to ensure that the rest of the budget received steep cuts as well. The committee's budget plan is inconsistent with an evenhanded, across-the-board treatment of the entire budget, and for this reason, should not be supported.

You know, during the committee meeting last Thursday, our No. 2 meeting, one of the statements that I thought was very important was that this is a political document, this is a policy statement of what our party stands for and what the Democrat Party stands for. I think that nothing is clearer, and there should be no mistake made about it. The committee budget before us calls for almost $12 billion in new taxes for the working people of America in 1987 alone.

You have also heard today that $5 billion of the Democrats' tax increase will be dedicated to a so-called trust fund—call it slush fund or trust fund—to reduce the deficit.

Is there any Member here who seriously believes that this slush fund to reduce the deficit will actually reduce the deficit by a single penny? This tax increase is a Ponzi scheme that would impress the likes of even Harry Houdini.

The Democrat Party is undergoing a conversion, and that conversion is quite evident in this budget.

It no longer wants to be perceived as the party of "tax, tax, spend, spend."

Now it is the party of "tax, tax, launder, launder, and then spend, spend."

This plan is concrete evidence that the Democrat Party wants to continue

raising taxes on the American people, only now it is too gun shy to come right out and say so.

Let this laundering scheme fool no one. If you vote for the committee budget, you are voting for a tax increase.

For my friends on the Democrat side of the aisle, I wonder how many are willing to support a defense budget $10 billion lower than this year's spending level.

The Armed Services Committee will go to markup next week. How many of my Democrat colleagues are ready to make the tough decisions that will have to be made in the defense budget at a $282 billion spending level?

How many important defense projects are going to have to suffer at this spending level because the committee cannot bring itself to cancel out worthless or ill-conceived projects?

How many military bases in their districts are my Democrat colleagues willing to close to reach $282 billion?

How badly will our Armed Forces' readiness suffer because the House will not bring itself to halt assembly lines for weapons with production rates that are ridiculously low?

How many defense contracts are my colleagues ready to truly compete in order to reach the $282 million level?

How many duplicative and just plain silly research and development contracts is the House willing to cancel to meet the $282 billion level?

□ 1700

The Democrat plan before us today is $10 billion below a freeze on defense. I am hard pressed to find many knowledgeable Members who are comfortable with such a level.

This is akin to playing chicken with the defense capabilities of our Nation.

Mr. Chairman, the committee budget before us is a huge step in the wrong direction. It is unfair to the American taxpayers who will have to shoulder even greater taxes in the years to come. It is unfair to the defense of this country because of the foolhardy decisions that will be made to cut the readiness and operational tempo of our forces at the defense spending called for.

It is a bad budget. It was ill-conceived and it does not deserve the support of a majority of the Members in this House.

I urge my colleagues to reject the committee budget and vote instead for passage of a more responsible Republican plan.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. JENKINS], a member of the committee.

Mr. JENKINS. Mr. Chairman, first of all, I want to take this opportunity to express my appreciation to the chairman of the Budget Committee and to the members of the Budget Committee who I feel did an excellent job in trying to address the problems that have been brought to the Congress over the past 4 years.

I happen to agree with our former colleague, Dave Stockman. I believe that many of the problems that we are facing today and will face decades ahead had their origin in 1981 in the tax bill. He calls it a colossal mistake.

I must say that regardless of what our position was at that time, I tend to agree that he was correct. This ordeal we are going through today will be with us year after year because of that terrible mistake.

But that is behind us. We have to look to the future. Gramm-Rudman has now mandated that we reach certain targets. This year it is that the deficit be reduced $144 billion.

Both plans, the Republican plan as well as the Democratic plan, reache that figure.

I commend both sides for doing a good job, a commendable job; but I want to try to eliminate two or three misrepresentations that have been made.

First of all, you would think that the House Budget Committee position on defense is terribly weak—that there is a great deal of difference between these two plans.

Well, let me remind my colleagues of these facts. Over the next 3 years, $848 billion under the House Democratic Budget Committee plan, $848 billion will be spend for defense. Is that weak on defense?

What does the Latta substitute provide? It is $865 billion. There is a big difference of $17 billion that makes the difference between a strong defense and a weak defense, is that it? I cannot believe it and I know my colleagues on this side are really playing around with figures.

We both know that it is less than 2 percent spread over a 3-year period of time.

Now, $848 billion is no small figure for defense; so let us not toy with that too much.

Let us look at revenues. There is $4.9 billion, that is true, which will be raised under the Democratic plan and applied to the deficit.

Now, let me remind you that the President of the United States has to sign into law any tax bill that comes out of this House.

Now, $4.9 billion will not be reconciled if the President of the United States says, as he has in the past, "Yes, I would rather live with deficits from now on and let somebody else deal with it." That is his decision. He can continue to do that and let our children and grandchildren pay for it. Give us a little ease today, but let our children pay for it. Now, that is his decision.

We have blocked off a small amount of $4.9 billion and we say to the President of the United States, "If you want to reduce the deficit by $4.9 billion, you may do so. If not, veto it. We can't override it, we shall not even attempt to override, I'm sure." That is his decision.

We are taking a small niche in an ever growing problem of deficits. I tell you, my colleagues on both sides, the deficit situation has gone beyond partisanship. We have to get together on this problem this year and next year and for the next 4 years to try to bring this under control.

I say in a bipartisan way that over the next 3 or 4 years we need to work together to try to reduce or stabilize the Reagan deficit. The Reagan deficit will be with us for decades to come and we will be wrestling year after year with that deficit. In order to eliminate it, in order to stabilize it, it will take Democrats and Republicans alike.

I urge you on both sides of the aisle to take this small step in the right direction and reverse the curve. That is the very least that this body can do. I urge support for the document from the House Budget Committee.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to our distinguished minority leader on the Budget Committee, the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Chairman, let me say I wish that we could have worked out a bipartisan budget resolution, but we did not. I am going to use my time to talk about just one portion of this budget that perhaps is not as politically attractive as some of the other parts, for some unknown reason; that is function 050, the defense of this country.

I can remember a few years ago when this administration came into power, our defenses were so bad that we were almost down to a rowboat and a slightshot. We had planes that could not fly because we had cannibalized half of them for parts. We had ships that could not go to sea because they did not have adequate manpower to man them. We were in one heck of a shape and everybody knows it; but we have done something since that time.

We were about ready to start up the draft. If you do not believe it, ask somebody in the Armed Services Committee. We could not get adequate people to come into the service of the United States. We reversed that and now they are standing in line to get in and we are getting more qualified individuals; so we have made great strides in defense and I salute the administration and those in this body and in the other body who knew that we had a need and did something about it.

I do not think the defenses of this country, notwithstanding the fact that we have had some tales about high-priced toilet seats and things like that,

that everybody is opposed to, we have made great strides and we have strong defense and we want to maintain it.

But now, what are we about to do in this budget being presented by the Democratic majority? Last year we cut $35 billion from the request of the Commander in Chief. This year, we propose to cut $35 billion more from the request of the Commander in Chief. If I can add, that makes $70 billion—$70 billion in reductions in 2 years.

Now, I am amazed that the chairman of the Armed Services Committee and the Armed Services Committee on the Democratic side remain strangely silent.

Yesterday we were held up in the Rules Committee for half an hour while the chairman of the Armed Services Committee was closeted with the leadership on the Democratic side on the question as to whether or not they could support that figure that is in the Democrat budget. You know and I know that they do not support it. We do not support it in the Armed Services Committee on this side because these people on those committees know where the cuts are going to come from.

How were these cuts arrived at in the Budget Committee? How was this budget put together on defense? Did they bring in people and say, "We want to get down to these numbers. Where are the cuts going to come from?

No, they did not do that. They just picked out a figure that they needed and said this is where we are going to be.

Now, is that responsibility? No, that is total irresponsibility, playing with the defenses of this country.

I would be more concerned that I am if I did not know that we had a conference coming up and that the majority leader of the Senate and the head of the Budget Committee in the Senate said that there is going to be no conference if they do not come up on those figures. That does give me a little solace.

Well, let us get into what we are talking about in the reductions in this proposal.

I might say, this has just come over after being signed off at the White House. Now, here is what you are talking about in reductions. You are getting into the meat and muscle of the Armed Forces of this country and I do not think the American people want that; so that we can have on the Democratic side, keeping all the programs that we have in place. They are not terminating a single program in this budget. You know it and I know it, and we have got thousands of them. They have got a lot of them that are absolutely worthless.

We used to talk around this place about sunsetting. Remember that, sunsetting some programs? They are not even sunsetting any programs in this budget. They are asking this House to go on record in support of it. Even on the Democratic side, you know the defense of the country protects you as well as me.

So let us get into them. What are we talking about?

The total of $35 billion is what we are talking about to start with. Some may believe we can achieve the reductions with modest changes in pricing. For example, we are recognizing the lower price of oil. Right. That is worth $2 billion. That is $2 billion, hardly enough to meet the Senate budget resolution requirement of $19 billion in cuts.

Now, these reductions in defense spending will seriously harm the Nation's military capabilities. We may have to consider canceling some programs, and I have a list of them. Let us look at them.

In the Army, the Trailblazer, $47 million.

Field artillery ammunition support vehicle, $68 million.

The M-9 armored combat earthmover, $30 million.

The Aquila, $141 million.

Army Helicopter Improvement Program, $247 million.

The LHX, new light helicopter, $155 million.

The 120 millimeter mortar/ammunition, $78 million.

The Sincgars (Army radio system), $212 million.

All source analysis system, $116 million.

What are we talking about in the Army, just in this first hit list? We are only talking about $1 billion 94 million. We have not even started on that road to $19 billion.

The Navy, the SH2F (Lamps Mark I helicopter), $53 million.

The AV-8B (Marine attack aircraft), $792 million.

The A-6E/F (Navy attack aircraft), $358 million.

The V-22-Osprey (tilt-rotor aircraft), $387 million.

The P-3C (antisubmarine patrol aircraft), $414 million.

They come up with $2 billion more. We are not on the road yet coming up with that $19 billion.

The Air Force, the ALQ-131 (electronic countermeasures aircraft pod), $114 million.

The C17 (new Air Force transport), $789 million.

The Jstars (new surveillance aircraft), $126 million.

The Lantirn targeting pod, $128 million.

The JTIDS class II terminals, $212 million.

The precision locating strike system, $142 milion.

The air defense competition (F-20), $447 million.

The TR-1 (reconnaissance aircraft), $63 million.

That all adds up to $2.21 billion.

The ones I have given you here on this hit list are only $5 billion, so we have got to go further.

On procurement, the Chaparral, $103.7 million.

The all source analysis systems (Tiara), $115.5 million.

The SH-60F (CV-ASW), $138.8 million.

The advanced lightweight torpedo, $109.9 million.

□ 1715

The AOE, $612 million. The SSN-21 advance procurement, $454 million, and the remaining 24 procurement new starts, $750 million.

R&D, cancel 53 R&D new starts such as the national aerospace plane and the naval air ship.

These add up to $3 billion, only $3 billion, and we have to come up with $19 billion in cuts. Where are they going to come from? Let us go on.

List C: The Bradley fighting vehicle, 270 of them cost $325 million. We are going to have to reduce the production by that amount.

The Tagos, two of them, $148 million. We have to delay the award until fiscal year 1988.

The MSH, four of them, $196 million, slips program 1 year.

The DDG-51, one, $800 million. We have to reduce the procurement.

On the F-15, we will have to reduce the procurement by $235 million, or six aircraft.

On the F-16, we have to reduce by 36 to reach $574 million.

The F/A-18 we reduce by 36 for a total of $780 million.

The M-1 tank we would reduce by 120 tanks to reach $250 million.

The EA-6B we would reduce by six for $120 million.

The UH-60 helicopter we would reduce by eight for $70 million.

The F-14A we would reduce by eight, $180 million.

We would delay for 1 year the small ICBM to get $750 million.

We would defer 25 kits of the KC-135 reengining for $413 million.

The CG-47 Aegis cruiser, $995 million. We would produce it later.

The military construction we would defer by $1,250 million.

How much money would we come up with? We would come up with $7,598 million in reductions.

My friends, I could go on to reach the $19 billion the Pentagon says would have to be done, but I am going to put it in the RECORD so my colleagues can read it all and become familiar with it by tomorrow.

The full list follows:

TERMINATE PROGRAMS?

[Dollars in millions and fiscal year]

LIST A

	1987
Army:	
Trailblazer	$47
Field artillery ammunition support vehicle	68
M9 armored combat earthmover	30
Aquila	141
Army helicopter improvement program	247
LHX (new light helicopter)	155
120mm mortar/ammunition	78
SINCGARS (Army radio system)	212
All source analysis system	116
Total	1,094
Navy:	
SH2F (Lamps Mark I helicopter)	53
AV-8B (Marine attack aircraft)	792
A-6E/F (Navy attack aircraft)	358
V-22-Osprey (Tile-rotor aircraft)	387
P-3C (Anti-submarine patrol aircraft)	414
Total	2,004
Air Force:	
ALQ-131 (electronic countermeasures aircraft pod)	114
C17 (New Air Force transport)	789
JSTARS (new surveillance aircraft)	126
LANTIRN targeting pod	128
JTIDS Class II terminals	212
Precision locating strike system	142
Air Defense competition (F-20)	447
TR-1 (Reconnaissance aircraft)	63
Total	2,021
Grand total	5,119

DELAY ALL FISCAL YEAR 1987 NEW STARTS?

[Dollars in millions]

LIST B

Procurement:	
Chaparral	$103.7
All source analysis systems (TIARA)	115.5
SH-60F (CV-ASW)	138.8
Advanced lightweight torpedo	109.9
AOE	612.7
SSN-21 advance procurement	454.3
Remaining 24 procurement new starts	750.0
R&D: Cancel 53 R&D new starts such as the National Aerospace plane and the Naval Air ship	750.0
Total	3,034.9

FISCAL YEAR 1987 PROGRAM REDUCTIONS (STRETCHOUTS)?

LIST C

[Dollars in millions]

Item	Action	Quantity	Amount
Bradley fighting vehicle	Reduce production	270	$325
TAGOS	Delay award to fiscal year 1988.	2	148
MSH	Slips program 1 year	4	196
DDG-51	Procure two ships	1	800
SSN 688	Reduce procurement	1	512
F-15	Reduce production	6	235
F-16	do	36	574
F/A-18	do	36	780
M-1 tank	do	120	250
EA-6B	do	6	120
UH-60 helicopter	do	8	70
F-14A	Reduce rate	8	180
Small ICBM	Delay 1 year		750
KC-135 reengining	Defer 25 kits		413

FISCAL YEAR 1987 PROGRAM REDUCTIONS (STRETCHOUTS)?—Continued

[Dollars in millions]

Item	Action	Quantity	Amount
CG-47 AEGIS Cruiser	Production at 1 per year	1	995
Military construction	Deferral of military construction projects.		1,250
Total			7,598

REDUCE FORCE STRUCTURE?

[Dollars in millions and fiscal year]

LIST D

	1987
Army:	
Eliminate 6th Division/retain Alaskan brigade	$594
Navy:	
Deactivate all SSN-594's	390
Cancel 14th Active Air Wing	92
Air	
Deactivate 1 F4-E wing	250
Total	1,326

READINESS AND SUSTAINABILITY REDUCTIONS?

[Dollars in millions and fiscal year]

LIST E

	1987
Eliminate military strength increase of 13,730	$371
Reduce depot maintenance 15 percent	1,110
Permit six-ship overhaul backlog	600
End Sparrow missile procurement	345
End GBU-15 procurement (bomb)	139
End Gator procurement	237
Hold combined effects munition procurement at fiscal year 1986 dollar level	167
End laser Maverick procurement	202
Hold vertical launch system to fiscal year 1986 level	34
Procure only one fleet hospital	78
Defer investment in ammunition mobilization facilities	130
Hold light weight multipurpose ammunition to 1986 levels	200
Reduce aircraft spares and combat vehicle spares	560
Reduce Army, Navy and Air Force aircraft modifications	565
Hold missiles to 1986 levels:	
I^2R Maverick	210
Harm (High speed anti-radiation missile)	135
Tomahawk	44
Patriot (Cancels multi-year procurement)	110
Reduce real property maintenance to fiscal year 1986 level	592
Total	5,829

MILITARY PERSONNEL AND QUALITY OF LIFE REDUCTIONS?

[Dollars in millions]

LIST F

Pay and benefits	$1,500
Family housing	250
Total	1,750

As I said earlier, I do not think we are going to be that irresponsible in conference. We are going to have to come up with a figure higher than this. We are not ready to put our defense system out to pasture. We are not going to take those backward strides. We are going to do the responsible thing in conference.

There are not very many times that I say thank God for the Senate, but this is one time I do.

The CHAIRMAN. The Chair would state that the gentleman from Pennsylvania [Mr. GRAY] has 20 minutes remaining and the gentleman from Pennsylvania [Mr. GOODLING] has 18 minutes remaining.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3½ minutes to the gentleman from California [Mr. WAXMAN].

Mr. LUNDINE. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. I am pleased to yield to my colleague, the gentleman from New York.

Mr. LUNDINE. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the resolution.

Mr. Chairman, America's competitiveness is being severely tested in the international marketplace. We are all very familiar with the grim statistics indicating the magnitude of the challenges we face in manufacturing, engineering, technology, innovation, and international trade.

From 1981 to 1985, the United States has an accumulated merchandise trade deficit of $423.6 billion.

By the end of 1985, we were buying almost twice as many goods and services from abroad as we were able to sell.

During the last decade, the United States has lost world market shares in nearly all industrial sectors of our economy including 7 out of 10 in high technology industries.

Two million American workers lost their jobs last year alone due to the imbalance of imports over exports.

Mr. Chairman, there are two basic reasons that we find ourselves in this precarious position. First, the dollar appreciated by more than 40 percent against the major international currencies from 1981 to 1985. While it has come down by 20 percent, it is still very difficult for U.S. firms to compete. The 20-percent overvaluation still gives an unfair advantage to foreign products in this country. The magnitude of the Federal budget deficit is keeping real interest rates at historic highs, thus attracting foreign capital to finance the Federal debt. The large flow of capital into the United States is keeping the value of the dollar abnormally inflated and certainly out of balance with other major currencies.

Second, unfair foreign trade practices and the lack of a coherent U.S. trade strategy make it an uphill battle for U.S. industry in the world marketplace.

In addressing these problems, it is the responsibility of the Federal Government to improve the national environment so that economic development and growth can occur at the local level. First, the United States must reduce the Federal budget deficit and reduce and stabilize the artificially inflated value of the dollar.

Second, Government and industry must act quickly to put in place an effective, forward-looking trade strategy for America.

Mr. Chairman, for the first time in quite some time, I feel optimistic that Congress will take long-needed action to address these problems. The Senate already has adopted a budget for fiscal year 1987 that meets the deficit reduction targets set by Gramm-Rudman and this week, we in the House of Representatives have the opportunity to support a budget which will move us another step closer to meaningful deficit reduction and improved economic health.

Last year, I supported the Gramm-Rudman Emergency Deficit Control Act because I believed it would force the President and Congress to put an end to the fiscal irresponsibility of the last 5 years, in which we have borrowed an extra trillion dollars in order to pay for current defense and domestic programs. I was convinced that the threat of automatic cuts, one-half from defense and one-half from nondefense programs, would force the Federal Government to make the difficult decisions to reduce the deficit.

In this regard, I believe that Gramm-Rudman is having the intended effect. Whether or not the sequestration process is ruled unconstitutional, the House and Senate are closer to agreeing on a budget for the next fiscal year than they have been in quite some time. If we continue on this path and work in a bipartisan way to live up to the assumptions in the budget, we will prevent another round of cuts under Gramm-Rudman.

Mr. Chairman, in judging the various budget proposals before us today, I believe that we should be careful not to exaggerate the differences and hurt our ability to reach an agreement. The House and Senate are very close to agreeing on budget priorities for the next fiscal year. In addition, I commend Mr. LATTA and House Republicans for proposing a responsible substitute. Frankly, there are provisions of their substitute that I prefer over the Budget Committee proposal. However, overall, I believe the House Budget Committee proposal is the best, the fairest, and one that most closely reflects my own priorities.

First, the Budget Committee proposal meets the deficit target of $144 billion set by Gramm-Rudman for the next fiscal year and puts us on a path toward a balanced budget. This proposal would result in a deficit of $137.05 billion in fiscal year 1987, more than $22 billion less than that proposed by the President. The resolution reaches this deficit target through deficit reductions totaling $37.45 billion in fiscal year 1987 that would be achieved by cuts in both defense and domestic spending, new or increased user fees, sales of selected Federal assets, and increases in revenues.

Second, I agree with the spending priorities reflected in the proposal. It continues those programs that have been slated for termination by the President time and time again. These programs, including urban development action grants, community development block grants, the Rental Housing Program, the Appalachian Regional Commission, and the Economic Development Administration would be reduced by 10 percent in fiscal year 1987 under the House plan. These programs have brought private sector investment and thouands of new jobs into economically distressed areas around the country, including the southern tier of New York and I strongly support their retention in the budget.

The proposal recognizes the need to support programs which help provide economic opportunity for all Americans. While most domestic discretionary programs would be cut by 2.5 percent below the fiscal year 1986 level, certain high priority programs would be compensated for inflation and others would receive slight increases above inflation. Programs allowed to grow with inflation include job training programs, needs-based student financial assistance, Older Americans Act programs, food stamps, subsidized housing, aid to families with dependent children, and supplemental security income. Programs that would be increased above inflation include child nutrition, Head Start, maternal and child health, the Job Corps, summer youth employment, and handicapped education.

In my view, by exempting successful Federal programs for low-income children and families from budget cuts, the House recognizes the long-term savings that result from the development of strong, healthy children and youth into self-sufficient productive citizens. This support is more important than ever in light of the staggering statistics on children living in poverty in this Nation.

The House Budget Committee preserves cost-of-living adjustments for all of our Nation's retirees. In addition, it assumes savings in the Medicare Program by limiting payments to certain medical providers and without any reduction in benefits or increases in out-of-pocket payments for Medicare beneficiaries. The measure also provides that $1 billion over 3 years will be used to help limit next year's increase in the hospital deductible.

Finally, the House Budget Committee recognizes that increasing the defense budget does not necessarily enhance national security. It rejects the President's proposal to increase defense spending by 12 percent and instead provides a slight decrease in budget authority in fiscal year 1987 with increases for inflation thereafter. In my opinion, the President's request is unjustifiable. We can provide for a strong national defense with this level of support.

While I fully support the spending decisions of the House Budget Committee, I do not agree with their decision to include $4.7 billion in revenues beyond those requested by the President. Even though the Senate budget resolution includes the same revenue assumption as the House Budget Committee, I think it is unrealistic to propose the additional revenues without the support of the President. In addition, I do not think that it is likely that legislation to raise the additional revenues will be adopted and signed into law. Frankly, if such a measure were to reach the House floor without the President's support, I would vote against it.

Despite my reservations about the revenue provisions, I feel that the Budget Committee proposal is the best proposal before us today. It takes an important step toward reducing the budget deficit while preserving the programs that provide for basic economic and social justice for all Americans. It provides for a strong national defense without giving the Pentagon a blank check. For these reasons, I urge support for this resolution and am hopeful that we will be able to reach an agreement with the Senate in the very near future.

Mr. WAXMAN. Mr. Chairman, I rise to urge those who are concerned about the health of the American people to support House Concurrent Resolution 337. While I have some reservations about portions of this budget resolution, I believe that, in the area of health programs, it has much to recommend it.

I would like to thank Chairman GRAY and the other members of the Budget Committee for their cooperation in fashioning the health targets in this resolution. I look forward to continuing to work closely with them as the resolution moves through what will surely be a difficult conference with the Senate.

Let me just take a moment to review what the Budget Committee proposes in the health area that commends itself to my colleagues:

It protects the Medicaid Program for the poor from any cuts.

It contains a modest set of Medicaid expansions targeted at low-income pregnant women and infants, and at low-income elderly and disabled people.

It contains funding to hold 13 States harmless against losses in Federal Medicaid funds that they will otherwise experience as a result of changes made in the 1986 reconciliation bill.

It protects certain high-priority discretionary programs from funding freezes, including maternal and child health, community and migrant health centers, Indian health, family planning, and childhood immunizations.

It allows an increase in funding of $112 million in fiscal year for research to stem the AIDS epidemic and cure the victims of this scourge.

It contains $534 million in new funding for a badly needed children's initiative, including $75 million for the maternal and child health block grant, $25 million for childhood immunizations, and $125 million for the Southern Governors' Association Medicaid infant mortality initiative.

It provides an additional $450 million in fiscal year 1987 for unspecified high priority health programs, which would allow us to allocate additional funds to such priority areas as biomedical research at the National Institutes of Health.

It provides for $250 million to lower the projected increase in the Medicare hospital deductible next year. This is a step in the right direction.

Unfortunately, it also provides for Medicare cuts in fiscal year 1987 of $450 million. I believe these cuts are too deep.

I agree with the Budget Committee that we cannot ask the elderly and disabled to bear any additional cost burdens. But I also believe that we cannot

continue to subject hospitals and physicians to reimbursement freezes without compromising the quality of care available to Medicare beneficiaries.

Already there is some evidence that the new Medicare hospital payment system is leading to premature discharges that jeopardize the well-being of Medicare patients. Continued pressure on Medicare payment rates to achieve short-term savings will only aggravate this problem. There is no question that the Medicare payment systems, and particularly those for physicians, need reform; but while these reforms may result in savings, the savings will not necessarily accrue immediately.

In conclusion, Mr. Chairman, I would like to urge my colleagues to support this resolution. Of the alternatives before us—the Latta substitute, the Dannemeyer substitute, and the Senate-reported bill—it is far and away the best of the lot.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. WAXMAN. I am pleased to yield to my colleague, the gentleman from Ohio.

Mr. LATTA. I thank the gentleman for yielding.

Mr. Chairman, let me ask the gentleman if he is aware that the Medicare deductible under the Democrat plan would be $540 as opposed to the Republican plan of $492? Is the gentleman aware of that fact?

The CHAIRMAN. The time of the gentleman from California [Mr. WAXMAN] has expired.

Mr. GOODLING. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Iowa [Mr. TAUKE].

Mr. TAUKE. I thank the gentleman for yielding this time to me.

Mr. Chairman, the budget process is a long and tedious process, at least if it is carried out in the way that it should be. Unfortunately, this year the budget process was not pursued as I believe it should be and the result has been a budget coming out of the Budget Committee that is less than satisfactory.

The case has already been made that the first major complaint against the Budget Committee document is that it raises taxes $7½ billion, and I think that tax increase of unspecified nature is a reason to vote against the Democratic budget.

But there is a far greater reason, in my judgment, why the House Budget Committee document should be rejected. Perhaps in explaining that reason, it is worthwhile for us to take a little look at history.

Last year, for example, when the Budget Committee brought its document to the floor, the chairman of the committee suggested to us that we would reduce the deficit $55 billion. By the time the budget document was scrutinized by CBO, that savings was down to $35 billion.

Then of course, as we moved through the appropriations process, the savings dropped by more than 50 percent and the savings was under $20 billion.

Indeed, this year, on the most current run on what the actual expenditures are in relationship to the budget, we find that we are spending over the budget this year at a $20 billion rate.

□ 1725

Why is it that we have a document come forward with that kind of disparity? Why did we have that happen last year? For the same reason that it is likely to happen in fiscal year 1987. Because the House Committee on the Budget document, plain and simple, is not honest.

If you look at the budget offered by the House Committee on the Budget, it is worthwhile to note that last year, we had total outlays of $986 billion. This year, total projected outlays of $993 billion, a $7 billion increase, which does not sound too unreasonable.

The only problem is that the Committee on the Budget suggests that there will be a $7 billion increase in defense, a $5 billion increase in Medicare, a $10 billion increase in Social Security, a $5 billion increase in interest, and in case you have been adding that up, that is $27 billion of increases in those 4 programs alone, which means that there is obviously no growth in the other program, plus a $20 billion cut.

Where does that come from? You cannot find it if you look at the narrative that is provided by the Democrats on their budget. It comes out of thin air. There is only one conclusion that can be reached, and that conclusion is this: The policies articulated by the Democrats in their budget are not matched by the numbers.

There are two things that can happen: Either we have lots of hidden budget cuts out there and lots of hidden policy changes that are not reflected in this budget and not admitted to or otherwise, we have, plain and simply, phony numbers.

The authorizing committees, ladies and gentlemen, are going to have a very tough time trying to meet the budget figures given them by the Committee on the Budget and fulfill the policies that the House Committee on the Budget suggests it wants fulfilled. It just cannot happen.

We will have the same kind of problem in fiscal year 1987 that we are experiencing today. The budget savings that are promised will not be there.

By contrast, ladies and gentlemen, the Republican budget that is offered is an honest budget. We have run our numbers through the Congressional Budget Office. The cuts that we are making are matched by policy changes.

As the gentleman from Ohio [Mr. LATTA] pointed out, there are programs that are terminated. We make some tough choices about changing the way some programs are administered, but we are honest and straightforward. The cuts are real; the numbers are real; and a year from now, if we come back and our budget is adopted, we will have the real savings.

The second point that should be made is that the savings or the cuts are better balanced. We protect the domestic programs. We also protect the international and defense interests of the United States.

That is something, that sense of balance, that is not in the Democratic package. So tomorrow I urge my colleagues to support the Republican alternative and reject the offering of the House Committee on the Budget.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, first I would like to join my colleagues who have saluted not only the chairman of the Committee on the Budget, the gentleman from Pennsylvania [Mr. GRAY], but also my Republican colleagues who serve on that committee.

It is no mean feat to try to craft a budget under the trying circumstances facing this Nation and both sides deserve commendation.

I stand in support of the Democratic budget resolution. I have listened to the debate over the last hour and it seems to focus almost exclusively on the question of defense spending. I find it interesting to hear my colleagues on the other side of the aisle suggest that we have not spent enough money on defense over the years, that we undercut the President's request by $35 billion last year and that the Democratic proposal would undercut him again.

Mr. Chairman, during this same period of time in 5 years, our friends in the Department of Defense not only found ample opportunity to spend the money appropriated, they found an opportunity to create a savings account in the Department of Defense. In fact, the General Accounting Office advises us that over the last 5 years, the Department of Defense amassed some $44.5 billion in excess funds that were not needed, funds that were taken from Congress through the appropriations process, set aside for inflation, and when they were not used, were squirreled away.

Those of us who sit in anguish over the dollars to be spent for important reasons in this country are concerned when one agency of Government can, in fact, declare a dividend and have some $44.5 billion in excess.

Last year during the Department of Defense authorization debate, an amendment was included which I sponsored, asking the Department of Defense to report at least three times each year when they had, in fact, mad money on hand. We have now been advised that the Department of Defense reported on April 24 of this year that it had $2.2 billion in savings from the fiscal year 1986 budget.

It is curious to me that while the Department of Defense was being asked to take cuts of some $36 billion over what the President requested in this year's budget, they were still able to not only take those cuts and end up with $2.2 billion in unspent money.

Now, I would suggest that there are things that could be dedicated for the purposes of spending that money and they might go beyond the Department of Defense. I want to salute the Committee on the Budget because I think they have taken a worthy stand in suggesting that we will withhold $3 billion in next year's budget authority until the Department of Defense submits a report to Congress accounting for all the funds appropriated for defense in fiscal year 1986 in excess of the amounts needed to cover inflation.

Why is it when it comes to the Department of Defense, which we are all very concerned about, and our national security, that we apply accounting and budget procedures that we would not tolerate in any other agency of Government? I do not believe for a minute that the President or anyone on the other side of the aisle wants to excuse or in any way find a reason to accept the expenditures for toilet seats and hammers and the rest of the things we have heard so much about, but yet we tend to gloss over what is a clear misexpenditure when we see this money being set aside.

I salute the Committee on the Budget for their work in this regard and I heartily support their efforts.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Florida [Mr. MACK].

Mr. MACK. Mr. Chairman, I would like to respond to a couple of points that were made earlier. It has to do specifically with the $4.7 billion that is being somehow or other included in the budget resolution but it is not. It is tax increases over and above what the President has suggested that apparently somehow are being fenced in.

One of the reasons that was expressed here today of the need for doing this is that we needed to have some kind of cushion in case the revenues that were projected did not come in to the Federal coffers in 1987. In fact, during the last meeting that we had of the Committee on the Budget, one of the individuals suggested that what we were doing was creating a revenue insurance fund.

The third element was that it was necessary to have this cushion in order to try to keep us from getting into a situation where the automatic sequestering of funds would take place.

I think that on the surface, those are all fairly decent reasons for saying that you want to do something to protect sequestration from taking place.

My point is this: What it really shows up, though, is the priorities that would be established in the two parties. What you have said on the Democratic side is that you would much rather raise revenues through raising taxes to provide a cushion. What those of us on the Republican side say is we would rather reduce spending to provide that cushion.

I think that very clearly that is the choice. That is the philosophical choice between the two parties. You have said it in your document. You have established a cushion and the way you have gone about the establishment of that cushion is to raise taxes.

We, on the other hand, say that the way that that ought to be done is to, in fact, cut spending. But let me tell you the reason that I am a little bit skeptical.

The reason that I am a little bit skeptical is because, again, during this last meeting that we had, it was said that none of these funds would be used for the purpose of increased spending or paying for additional spending. All would go for deficit reduction.

□ 1735

Well, the first amendment that was offered after the budget resolution was explained by the majority party was an amendment to add back in revenue sharing, which would cost $3.3 billion. Now, somehow also this is kind of magically fenced; this budget resolution that we are looking at from the majority side is one that is filled with all kinds of fences. I am not sure if anyone has defined or designed those fences as yet, but on one hand it seems to say that we are going to raise taxes, but yet it cannot be used because it is being fenced; on the other hand, it seems to say that we are going to pay for revenue sharing but somehow or another it is going to be fenced.

I would conclude, Mr. Chairman, by saying this: The choices are pretty clear. The majority party has chosen to establish cushions to meet that target by raising revenues. The minority party has chosen it by reducing spending.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield an additional 30 seconds to the gentleman from Florida [Mr. MACK].

Mr. MACK. I yield to the gentleman.

Mr. GRAY of Pennsylvania. The gentleman correctly points out that we do say that there is a cushion there; it is a cushion of $2.4 billion before you attach the deficit reduction trust fund.

When looking at the substitute that the gentleman from Florida [Mr. MACK] is talking about, I note that its total deficit is $143.8. Is the cushion the gentleman from Florida is talking about, is that the $200 million? Is that the cushion that he refers to that is in the substitute?

Mr. MACK. I would say yes, the answer to the gentleman's inquiry is that the $200 million, a fairly significant number, $200 million; but secondly, I would remind the gentleman that in the Gramm-Rudman bill that was passed last year, there is also a cushion that is built in there, of $10 billion.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Chairman, I want to make a note that there has been considerable debate on both sides of the aisle as to the merits or demerits of our respective budget plans. I think it is important to recall, though, that the differences that I think are amongst us today pale by comparison to those differences which I first witnessed 4 years ago and then 3 years ago, and then 2 years ago; and I am happy to say that from my own perspective, I think we seem to be coming together in a consensus on a budget despite some of the differences that still separate us.

I am happy to say that I think for the first time in the 4 years that I have been here I am going to be able to endorse enthusiastically a budget reported out by the House Budget Committee, and for that I am grateful for the committee chairman and the Members of both sides of the aisle on the Committee on the Budget.

I think we need to ask ourselves a couple of key questions. They have been asked and answered already, and I will briefly repeat them:

Do we meet our Gramm-Rudman deficit targets under this budget as reported by the Committee on the Budget? I think we do. I think we exceed those targets.

Are the spending priorities inherent in that budget consistent with those priorities of the American people? Do they represent what the American people would have us do? People in my district in Delaware say we should restrain spending almost everywhere, keep in place a safety net; do not provide a lot of extra money for foreign aid; do not provide for a great deal of extra spending for defense; look after people who really need help; try to provide something in the way of assistance for the elderly, nutrition pro-

grams, and for education. I think this budget does those things.

Another question we should ask is, do we dangerously undermine national security with this budget? I do not think that we do.

Finally, I would ask, do we drastically raise revenues in some way in this budget plan that would somehow undercut our economic growth in this country? We do not. We simply do not.

I have a couple of concerns. One of those very briefly is that I think we have slipped dangerously past our April 15 deadline, and between now and the fourth of July recess, we have our work cut out for us and need to proceed full steam ahead.

I think there is a need for some kind of enforcement mechanism to force us to focus on trying to meet an April 15 deadline for the budget resolution, and I want to pursue that with the Members on both sides of the aisle here.

Last, I would like to ask a question of the Budget Committee chairman: Some serious concerns have been raised regarding the assumptions that back up this budget plan, assumptions for revenues, assumptions for spending, and I would just ask of the chairman: Are the assumptions that are inherent in this plan, are they such that we will indeed meet our deficit reduction targets?

I yield to the chairman of the Budget Committee.

Mr. GRAY of Pennsylvania. It is my belief, Mr. CARPER, that we have adopted very realistic assumptions this year, agreed upon by Chairman DOMENICI and myself, to play on the realistic field of CBO assumptions; and thus, this budget is based upon CBO assumptions as opposed to last year, when the budget of the House, the Senate and the President was based on OMB assumptions, which had a very rosy scenario.

In fact, those in the White House are calling us a little conservative. There are our best guesstimates. We think that we will be within, firmly within Gramm-Rudman targets and thus will not have to go sequestration.

Mr. CARPER. I thank the chairman for his assurances.

Mr. GOODLING. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Chairman, we are debating in the face of a stalemate. There are some in this body who want to reduce defense; some of us who think we are spending too much on social programs; and then some of us in this body think we Americans are undertaxed.

We have been essentially in stalemate since 1981, if we are honest with ourselves, when the political process in America permits a Republican President to be in the White House and this Chamber to be under control of the Democrats as it has been continuously for the last 30 years plus.

I am suggesting an alternative budget this year which I think addresses the real crux of our problem. Namely, we are now paying the price in terms of interest cost on the national debt of a policy of a dollar backed by nothing which we have pursued since 1968.

If we restore backing for our currency and give the people of America honest money, we can reap the benefits of that restoration whether we are a small businessman or a college student or a homeowner or the U.S. Government in a very real way; namely, a significant reduction in interest rates.

That is the alternative that this Member from California will present tomorrow at 10 o'clock; namely, a reduction of the interest cost expense in connection with the budget where in 1987, all other items in the budget will be in accordance with the projections of the Congressional Budget Office; there will be no reductions in social program spending; the President's request for defense after inflation will increase by 3 percent; those in our country who are dependent upon revenue from the Federal Government will receive their COLA's as called for by the CPI, and we will do this without raising taxes.

The rationale is that in fiscal year 1987 we will reduce the interest cost expense by $53.8 billion and in 1988 by some $123.2 billion. In other words, the reductions to achieve the goal that I have just stated will come in a reduction of money that we will pay on interest on the national debt.

Now, how do we do that? We take a policy step that will correct an error in our ways which we assumed some 18 years ago, namely, in 1968 when we severed the link between the dollar and gold. If we have the courage at this time to make the restoration of backing our currency with gold, the U.S. Government can sell its debt at 2 percent rather than the current average of 10 percent.

We have got close to a $2 trillion national debt. We will be there at the end of this fiscal year, September 30, 1986. The average interest expense gross is approximately 10 percent. We will refinance through the medium of this debt coming due, all but about 10 percent of it within the next 4 years.

With a debt issuance by the U.S. Government backed by gold, we can issue that kind of a debt at a market price of 2 percent.

Now you may say, "Well, where is your authority for that?" I have a letter from Mr. Galbraith, former ambassador of this Nation to France, who in April of this year indicated that we could sell such a debt for 2-percent cost, and that is how we achieve the reduction.

□ 1745

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Florida [Mr. FUQUA], the chairman of the Committee on Science and Technology.

Mr. FUQUA. Mr. Chairman, I appreciate my distinguished friend, the chairman of the Committee on the Budget, for yielding this time to me. I want to thank him for the courtesies, the many courtesies extended to our committee over the course of putting this budget resolution together and to say that I am supporting this, particularly in light of the budget constraints that we are faced with. But I also at the same time must express, while expressing praise, also express disappointment in some of the features of the resolution before us.

One of the areas that I particularly want to support is the fact and the hope that we continue to support science in the future so that we can have a strong science program in meeting the Nation's competition.

I think it is important to maintain a strong science base for the future of this Nation.

I hope that that is continued into conference with the other body once this gets there. I also think for the program which is raised by recognizing the uncertainties caused and answering the flexibility in the budget resolution for the replacement of the shuttle accident that we had earlier this year. One area that I think merits some criticism is the increasing tendency of the Committee on the Budget to add and subtract money within functional categories and in report language that is written with specific jurisdiction which is within the authorizing committee. This is very disturbing especially when it flies in the face of programs and policies endorsed by the House year after year and the efforts of programs that they, they make and progress through authorization and appropriation hearings and reports on the legislation. I am concerned about the specific language of the committee written into the Advanced Communications Technology Satellite Program. This is not their ox to gore. It is my strongest concern that it must be reserved for attempts to dismember the aeronautics R&D budget within the function 400. No recommendation of this came from any member of the Committee on Science and Technology, and no one who understands the absolute key to the central functions of these funds that they play in our aeronautical leadership would propose such a step.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield to me?

Mr. FUQUA. I yield to the gentleman from California, Mr. BROWN.

Mr. BROWN of California. I thank the gentleman for yielding to me.

I want to most emphatically concur in the remarks he has made.

The Aeronautics Research Program comes within the jurisdiction of the subcommittee that I have the privilege to chair. I can only feel that the Budget Committee was unaware of the contribution that this research program makes to the United States total economic and superiority, how closely this program follows the recommendation of the Democratic Caucus in terms of the need for a cooperative industrial policy program involving cooperation between the Federal Government and private enterprise.

Mr. Chairman, I will not belabor this point, but I wish to emphasize it.

Mr. FUQUA. I wish again to state that I do support the resolution. I thank the gentleman.

I hope the committee will be more prudent in future years in some of their language.

Mr. BROWN of California. Mr. Chairman, I wish to associate myself with the remarks of Mr. FUQUA, chairman of the Committee on Science and Technology, by drawing my colleagues' attention to an obscure, but nonetheless, highly significant aspect of this budget resolution—signficiant, because it symbolizes what I believe is a failure to provide for the research programs our Nation will need if we are to remain competitive in a world increasingly dependent on technology.

Buried among the assumptions underlying the figures for the transportation function is a 50-percent cut in NASA's Aeronautical Research Program—sometimes referred to as the small "a" in "NASA." Now, this program is a small one—about $350 million was requested by the administration for fiscal year 1987. But over the years our investments in this area have paid off handsomely—both in terms of keeping our military aircraft preeminent in the world, and giving our civil aircraft an edge in the competition for billions of export sales each year. For example, in 1984, the last year for which figures are available, aerospace products, most of which were civil aircraft, contributed a positive $10.3 billion to our otherwise gloomy trade balance, negative $111 billion.

Many of you may remember when the present administration first took office, it became fashionable, for a time, to characterize NASA's aeronautical research as a subsidy to industry—one that could be eliminated. If the work had commercial value, so the argument went, industry would step in and do it.

But our experience in this country is just the opposite. Over the last 25 years or so, we have watched as industry after industry lost out to aggressive, technically innovative firms in other parts of the world. And one of the big reasons has been a failure of our companies to develop and implement cutting edge technology, both in their products and production methods.

Another misconception implicit in those early assertions was that NASA's research benefited only commercial interests. Yet the facts are that aeronautical research results are usually applied equally to military and civil aircraft. For example, research on improving the lifetime of jet engine components addresses a problem common to all types of jet aircraft.

The administration quickly recognized the error of this kind of thinking. A detailed study by the President's Science Advisor concluded that NASA's Aeronautical Research Program was essential both for national security reasons and because it performs a function that industry is unlikely to undertake, given market realities; namely, far-term, high-risk R&D.

Unfortunately, the ghost of these wrongheaded notions found new expression in the resolution before us. One of the assumptions supporting the aggregate for transportation is a cut of 50 percent in what is characterized as NASA commercial R&D.

Not only does this represent a fundamental misunderstanding of the nature and importance of this work for both military and civil aviation; but, if implemented, a cut of this size would make it impossible even to operate the research facilities on which the military depends. I believe such blind slashing would deeply injure our long-term national interests.

Aviation is one of our few remaining winners. And I am convinced this is true in large measure because of the close relationship between Government and industry in developing new technology—a model the Japanese have adapted with much success in a number of industries. To alter that relationship in a significant way would be a grave mistake.

For those interested in industrial policy generally, I would submit NASA's aeronautical research is precisely the kind of activity that is appropriate for the Federal Government because industry can't do it alone. Also, the agency's basic work in such areas as materials, computer techniques and hydrogen fuels will have broad application, well beyond the aviation field. In my view, we should be expanding the Federal role in these kind of research activities, not reducing them.

Mr. GOODLING. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. BADHAM].

Mr. BADHAM. Mr. Chairman, I am concerned deeply about the whole thrust of what it is we are doing in this budget bill. There are good things, there are bad things. My area, as one might suspect, would be the area of defense.

The Budget Committee bill as it now stands would cause and demand a $15 billion real defense cut, $15 billion for fiscal year 1987.

Now, we can do that, but I think it ought to be in the hearts and minds of the Members of this body what would occur in order to do that. We could go back to the Carter years when defenses were cut in our country, over that whole decade, as a matter of fact, and we could stretch out programs making for inefficient purchasing, we could piecemeal programs which would take away spares and reduce readiness and have airplanes without engines and tanks without guns, and that sort of thing. We could do it in a calculated way, by saying if we do not have enough money, then we will not have enough people. So we could reduce.

Now, to hit readiness and to hit personnel we are talking about possibly reducing up to 200,000 uniformed personnel; just take them out of uniform and put them somewhere else so we do not have to pay for them. Either that or we can reduce the quality of their equipment, or we can buy fewer systems. But those are the things that are going to have to be done if we are going to reduce outlays by $15 billion in this defense bill.

We owe our people in uniform who defend the people of this country and our way of life, we owe them safety, readiness and good equipment. If we take that away from them, we might as well not have them because they would perish very rapidly in battle.

So I just want the membership to know that, if we load this budget onto the backs of the defense of this Nation, we are going to lose readiness, we are going to lose personnel, we are going to lose good equipment, and we are going to lose research and development.

Take your choice, because that is the hard choice that we are going to have to make.

Mr. Chairman, I yield back the balance of my time.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. MACKAY], a member of the committee.

Mr. MACKAY. Mr. Chairman, I would first like to join the other members of the committee in expressing my appreciation to Chairman GRAY for the manner in which he has conducted the committee deliberations. I think that my colleague, Mr. CARPER, raised the proper kinds of questions, not detailed matters of partisan concern but big-picture kinds of questions.

Does this budget reflect a set of priorities? If it does, are those priorities consistent with the needs of this country? I think this budget is extraordinarily significant in that it meets and goes below the deficit reduction targets in Gramm-Rudman. I think that is very important and a first-priority effort.

But even more important is the fact that it not only achieves the reduction but it also establishes priorities which point in the direction of the America of the future. I believe that is an America that will be competing in an international economy where the key to success is technological and scientific superiority and the most valuable resource is the educated human mind.

Look at these priorities: We have increased funding for basic research in the National Science Foundation; we have increased it in the Department of Energy and in the basic research pro-

grams in NASA. These are new initiatives; they are important initiatives for the America of the future.

The children's initiatives, infant mortality, child health, Head Start, expansion of compensatory education, these have to do with the America of the future, the question of whether we can be competitive.

Scholarships to attract and retain gifted teachers, significant funding for worker retraining, all modest but all showing concern for the America of the future, all laying the groundwork for a competitive America, one that is revitalized.

Over the past year, the Gramm-Rudman debate has focused attention on the budget process as the point at which Congress exercises the essence of its responsibility, setting priorities, making choices. This resolution meets that responsibility.

Mr. Chairman, I urge its adoption.

Mr. GOODLING. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. I thank the gentleman for yielding.

Mr. Chairman, I rise to just add one more voice to those in the House who have spoken of their concern about whether or not this budget resolution adequately meets the needs and challenges of America's national security.

Our national defense is the premier constitutional obligation of this Congress. I know we all want to meet it. In my judgment, a $285 billion authorization level does not do that. As the gentleman from California has pointed out, that authorization is going to cause us to have to reduce personnel, to reduce research and development, to reduce procurement, to reduce our operation and maintenance accounts, and, in a way that our national security will not be adequately provided for.

Let me in the seconds remaining point out that comments here earlier in the day about the Pentagon squirreling away about $45 billion is, I think, an exceedingly unfair commentary.

If they had taken $45 billion over the last 5 years, attributed to incorrect estimates of inflation, and squandered it all just because they had it, we would indeed have reasons to complain. I think it ill behooves us to complain that we authorized and appropriated money based upon inflation estimates; they were inaccurate, they had the money, they have come back for reprogramming of at least $26 billion of that. I think every now and then it is only fair that we in the Congress, we politicians, give the Department of Defense and its stewardship of our national defense acquisition system some of the credit, at least, that they deserve. We cannot afford a national defense with a $285 billion outlay limitation.

I would hope it would be the will of the Congress to increase that figure.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GOODLING], has 1 minute remaining and the gentleman from Pennsylvania [Mr. GRAY], the chairman of the committee, has 5 minutes remaining.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to a distinguished member of our committee, the gentleman from Massachusetts [Mr. ATKINS].

Mr. ATKINS. Mr. Chairman, 6 months ago this House charted a new course in budget making. The intractability of the deficit convinced a majority of us, including this Member, to vote for a radical new deficit reduction scheme.

Concern over Gramm-Rudman focused on the potential impact of the automatic, across-the-board cuts. If Congress failed to meet the targets, the blade would fall indiscriminately across virtually the whole spectrum of federal activities. In a number of areas, the effects could be disastrous.

In voting for Gramm-Rudman, many of us hoped for a different outcome. We saw it as the only chance to introduce the Pentagon to the concept of budget restraint. And we hoped that the prospect of mindless cuts would focus Congress' attention on the need to set domestic priorities and reduce the deficit responsibly.

The plan adopted by the Budget Committee justifies that hope. It more than meets the deficit targets and holds the line on Pentagon spending. Most important, it proves that Gramm-Rudman need not be hazardous to children's health.

A basic, underlying principle of this budget is that even in times of budget restraint, it is important that we pursue new initiatives on high priority policy issues. I am especially pleased that this budget includes modest increases in cost-effective programs to fight infant mortality.

Over the past half century, the partnership between medical expertise and public funding has produced tremendous national victories in lowering the infant mortality rate.

The steady improvement since the forties has slowed and even reversed in the eighties. The percentage of women receiving either no prenatal care or only last trimester prenatal care has risen. Infant mortality rates in major U.S. cities exceed those in Third World countries.

In this budget, we say it is not enough to prevent further retreat in the fight against infant mortality. We say that protecting the health of babies is a national priority, and national priorities deserve more than a freeze or a freeze plus inflation.

This budget meets the Gramm-Rudman targets without the devastation of the domestic government that many feared. It does so without excessive revenue increases and without sacrificing national security. I would like to congratulate Chairman GRAY on his leadership and urge a strong vote of approval for the committee budget.

Mr. GOODLING. Mr. Chairman, I yield myself the last minute remaining.

I do so merely to say that after 12 years in the House, I am still rather naive. I had hoped for the good of the country we would come up with a real bipartisan effort, as the other body did, whether right or wrong, in the Finance Committee and as they did on the budget resolution.

I have a problem now because I cannot support the budget resolution because the defense figure is too high and their unspecified increases in revenue are unspecified. I cannot support the House committee recommendation because in my estimation the defense figures are too low and they, too, have unspecified revenue coming into the Treasury. I say too low because, as one who is trying to be very moderate and has always been on the defense issue, we started very carefully and we realize if you go below $280 billion and $293 billion, you are talking about cutting personnel. I do not think there are many people in the Congress that truly want to cut personnel; perhaps civilian personnel but certainly not military personnel.

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And then the question will come up, whose base gets closed? Your district? My district? Whose production lines stop? Your district or my district? And on and on we will go. And then we will come with those great things called supplementals, I suppose, down the line somewhere.

Mr. Chairman, I hope that before it is all over, we will have a good bipartisan budget resolution so that the public will have more faith and trust in us.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Maryland [Mr. BARNES], a member of the committee.

Mr. BARNES. Mr. Chairman, I thank the committee chairman for yielding this time to me.

Mr. Chairman, I rise in support of the budget resolution.

Our task in the committee this year was particularly difficult and distasteful. The budget process last year was rewritten hastily in what I regard as a grossly irresponsible manner. It created an environment which was detrimental to intelligent decisionmaking. We must never give up in this body the ability to base our judgments on what is good for the country, not on the mathematical formulas and unconstitutional processes of the

Gramm-Rudman law. Hopefully this year is the first year and the last year we will be in this mess.

The Budget Committee had to operate under the shadow of Gramm-Rudman. Under the circumstances, Mr. Chairman, the Budget Committee did a commendable job in meeting the Gramm-Rudman targets. We saved many vital domestic programs, even though some of them were cut by much more than I would have preferred. We provided inflation adjustments and real increases for a number of programs affecting the poor and needy, and the children of America. We provided funds sufficient for a strong national defense. But the basic Federal commitment to improve the quality of life for the American people remains. We did not abolish any programs specifically, and we left the door open for continuation of revenue sharing should Congress choose to reauthorize it, which I very much hope will happen.

With respect to programs affecting Federal employees and retirees, the Budget Committee has rejected the Reagan administration's proposals for cuts and postponements in cost-of-living adjustments and other benefits. The committee assumes that Federal civilian and military retirees will receive full cost of living adjustments in fiscal 1987 which will, according to our current estimates, be approximately 2 percent.

Let me stress, that if inflation exceeds the 2-percent estimate, retirees will receive the full COLA. Full COLA, based upon a 2-percent inflation assumption, applies to the Social Security Program. In the case of the Social Security COLA, the committee assumes that the current law which eliminates the COLA in years in which the CPI does not exceed 3 percent will be waived.

My colleagues will recall that Gramm-Rudman provisions we enacted last year snatched a 3.1-percent COLA away from civilian and military retirees—one which we had promised them—literally days before the checks were to go into the mail. Since 1981, we have repeatedly delayed COLA payments to civilian and military retirees. The COLA they received on January 1, 1985 of 3.5 percent represents the single COLA for this group since April 1983. In good conscience, we simply cannot deny those who have served our country so faithfully and well the 1987 cost-of-living adjustment.

The committee assumes enactment of H.R. 3660, the supplemental retirement program for new Federal hires. Hopefully, we will be able to break the deadlock on that important legislation later this week. Hundreds of thousands of Federal employees are anxiously waiting for the White House to sign off on a plan and remove the burden of making contributions to both Social Security and the retirement program of 14 percent. We hope the White House will finally see the light on this matter and sign off on the agreement.

With respect to the Federal pay raise, last year's pay freeze dropped Federal workers 18.9 percent behind their private sector counter parts in pay and 15.7 percent in terms of total compensation. The Budget Committee recommends a 3-percent raise, effective in January 1987. The raise applies to the military as well. In my view, this is the absolute minimum pay raise that we can responsibly consider. The other body pegs the pay raise to inflation, which is wholly inappropriate. The pay increase, by law, reflects the need to maintain rates of pay that are competitive with the private sector. For that reason, the Post Office and Civil Service Committee recommended an increase of 5 percent this year—although even that was far short of the kind of pay increase the Federal service really has to have.

I fully supported the 5-percent increase, and I regret that Gramm-Rudman targets forced us into a posture that made an increase of that level impossible. The consequences of holding down Federal pay year after year below private rates has already badly damaged the Federal Government's ability to compete for and hold skilled professionals such as engineers. The National Association of Professional Engineers warned us this year that "untrained" and "unqualified" engineers occupy and supervise key engineering positions throughout government. I ask my colleagues to think about that for a moment. The experts are telling us that the people we have hired, as expert engineering staff, to safeguard our weapons systems, our nuclear plants, to implement public health and safety programs, are not qualified to do the job that's required. In light of that kind of evidence, the committee's pay proposal seems very modest indeed.

Members concerned about the Social Security Administration's plan to cut Social Security staff by one-fifth by 1990, will also be pleased to learn that the committee's assumptions preclude the proposal to reduce SSA staff by 3,000 in 1987. The Social Security administration's plans to modernize have yet to be adequately presented to Congress and justified. Based upon what we know so far, allowing Social Security to go forward with its program would likely result in the kind of fiasco that embarassed the Internal Revenue Service last year as that agency tried to implement a similar program.

As my friends and colleagues on the committee have demonstrated, we have developed a balanced package. It certainly does not include everything that I believe should be in it. It does not include things that I fought for in committee and urgently wanted, but it represents a responsible effort to meet real needs and I urge my colleagues to support it.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. SILJANDER].

Mr. SILJANDER. Mr. Chairman, I rise in support of the substitute.

Mr. Chairman, you would think a 49-State electoral landslide would have taught the Democrats something. Yet it seems the Democrats in this House are sure President Mondale will sign this budget. One would think the Democrats would be embarrassed by this tax and spent mentality. Actually, make that tax the people, cut defense, and spend more on social budgets.

The biggest problem facing our country now is one of huge Federal deficits. The Federal Government has not been living within a budget—the kind of budget within most American families live. You and I can't spend more than we get in. But America has been living for too long on borrowed money, and our debts are too high.

The debts our Nation now has will have to be paid by our children and grandchildren unless we can balance the country's budget. I believe you share my feelings when I say we don't want that kind of burden left to our families.

In the last 25 out of 26 years, the U.S. Congress has not met its responsibility in bringing spending under control: It has spent more money than it has collected. The liberals in Congress believe that throwing money at the problem will solve it, that we need more Government in our lives, not less. Fortunately, because the American people were finally heard, the Congress passed a law calling for a balanced budget by 1991. This will not be easy. In order to have a balanced budget we will all feel the pinch.

The only good news out of this whole budget process is that unlike the 1974 Budget Act, the Democrats recognize the need to abide by deficit target limits that will result in a balanced budget by 1991. This is an important step. Unfortunately, the Democrats do this by doing what they do best: Raise taxes, cut defense, and increase social spending.

In fact, the Democrats cut defense so much this year that they are returning to the same levels of defense spending that we suffered under Jimmy Carter. As a percent of GNP, the Democrats reduce the budget authority for defense from 7.5 percent in fiscal year 1985 to 6.2 percent in fiscal year 1987. Under the last year of Jimmy Carter's Presidency defense spending was a near identical 6.1 percent of GNP.

The Democrats, as always, cannot be trusted to keep a deal with the President. Last year they promised him a 3 percent real increase in defense spending this year. They have, of course, broken their pledge. In real terms the Democrats cut defense by nearly 3 percent.

This is an attempt to unilaterally disarm, in the true tradition of the "San Francisco Demo-

crats" without, of course, specifying the cuts. It is the height of irresponsibility. Of course, these same Democrats couldn't bring themselves to impose a nominal freeze on social spending.

Besides cutting from our defense muscle, the Democrats also propose higher taxes. There are those in the U.S. Congress who would like nothing better than to ask the American taxpayer to fork over more money to Uncle Sam. I believe that the American people are already overtaxed. It is Government spending that has created the problem.

There is a great deal of pressure being exerted in Washington to reduce the deficit through a tax increase, rather than by cutting spending. In particular, an oil import fee appears to be gaining support as the price of oil slides downward.

Raising taxes will not cure the deficit, for the deficit is not caused by insufficient taxes, but by excessive spending. In the past 10 years, in fact, Federal tax revenues have almost tripled, despite the 1981 reduction in tax rates. The trouble is that Federal spending has grown even faster than revenues. An oil import tax, however, would be a mistake; it would increase the cost of home heating fuel that the people of Michigan need more than other regions of the country, hamper America's international competitiveness, and raise U.S. unemployment.

Rather than giving consideration to tax gimmicks as a means of reducing the deficit, Congress should be pressing ahead with the only solution to the red ink—cutting Federal spending.

People who advocate an oil import tax claim that since oil prices are falling this would be "a painless tax hike," barely noticed by the consumer. Yet a Congressional Budget Office [CBO] study of this idea concluded that the fee would reduce economic growth nationwide by 0.5 percent (around $20 billion) the 1st year. The result of this: A jump of 100,000 in the unemployed and a half a percent increase in the consumer price index.

The CBO also noted that the fee's impact on the deficit may be suprisingly limited. In calculating the revenues raised by the fee, it is misleading simply to multiply U.S. oil imports by $5 per barrel. The relative increase in the cost of oil caused by the fee would reduce demand for oil, slow economic growth, and spur higher Federal expenditures for mounting unemployment and for indexed entitlements boosted by higher inflation. Thus while an oil import fee would yield new revenues, it also would trigger higher Federal expenditures.

Congress should take its responsibility serious. And just what is that responsibility? It is to protect and defend the people of the United States with an adequate military; it is to reduce the dangerously high levels of Federal spending that threaten our children's future? And it is to reform our tax system by cutting rates and loopholes encouraging growth and job creation, not increasing taxes and putting a drag on the economy that will increase unemployment.

Our goal should be full employment without inflation. I don't see how the Democratic budget comes anywhere near this goal. By not cutting the overall level of Federal spending, the Democrats put pressure on interest rates. By proposing a tax increase, the Democrats risk additional unemployment. This budget is indeed an opportunity lost.

If Congress can get serious about cutting the budget our children will have a lot to look forward to: Lower interest rates will help them be able to buy a home, more jobs will be available, and inflation will be a thing of the past. I know that our constituents share the same dreams that we do. Let's work to see that Congress and every department of the Federal Government takes reductions in spending so we can all enjoy the benefits of a growing and prosperous economy.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, I want to thank the gentleman for his support.

Mr. Chairman, I simply want to say to all of us tomorrow we will have the vote on the various amendments, the various substitutes and, hopefully, tomorrow at the end of the day we will have a budget for the House of Representatives so that we can go to conference and produce a budget for the United States of America. That is the important thing.

I do believe that the House committee bipartisantly has produced the best solution, the best alternative, of all.

Mr. BIAGGI. Mr. Chairman, I rise in support of the House budget resolution for fiscal year 1987. I believe it meets every important test a budget resolution for this year should meet. It is fair, it is balanced, it is responsible, and it is a more than legitimate alternative to reducing the budget than Gramm-Rudman would ever be.

I will state at this juncture my views about Gramm-Rudman. I voted against it. I authorized the first bill introduced in the second session of the 99th Congress to repeal it. I authored the only bill in Congress to delay its first round of cuts until after the Supreme Court rules on its constitutionality.

Notwithstanding that position, which is shared by a number of others in the House and Senate, the basic fact of life is simply this: Gramm-Rudman is the law of the land today. It says very clearly that the deficit must be reduced by an amount each year in order to be eliminated entirely by the year 1991. To comply with Gramm-Rudman for fiscal year 1987, the deficit must be reduced to $144 billion.

Gramm-Rudman also says that should Congress fail to adopt a budget resolution which lowers the deficit to this target, a second round of automatic cuts, or the infamous sequestration process, would take hold on October 1. The first round of cuts took effect on March 1. They produced across-the-board cuts of 4.3 percent for nondefense programs and 4.9 percent for defense programs in order to achieve $11.7 billion in savings. The projections needed to achieve the $144 billion level would be determined later this year when the so-called final" snapshot" is taken by the Congressional Budget Office and the Office of Management and Budget. That amount would then determine the percentage of cuts needed in Gramm-Rudman Round II. It is fairly certain that the level could be at least three times greater than those needed for this fiscal year. Some indications point to a cut as high as 18–20 percent—this reduction on top of the 4.3-percent cuts already imposed.

It is true that the Supreme Court could agree with the lower court and determine that this automatic cut process is in fact unconstitutional. If they did so, this would simply mean that the cuts to take effect would have to be voted in by Congress. Picture scenario 1. We are at October 1, we do not have a budget, and Gramm-Rudman Round II kicks in. Scenario 2—Congress is at October 1, we have no budget, and we must reach the deficit reduction figure of $144 billion. We can only do it with across-the-board cuts—not imposed automatically, but voted on by Congress.

Let me state that, to me, neither of those are viable alternatives and we must avoid them ever becoming a reality. Enactment of this budget resolution will take us a long way toward averting such a catastrophe.

The Senate has adopted its budget resolution. In my judgement, considering what could have evolved , it turned out to be a solid foundation upon which to build a budget. It does not presume such absurdities as massive across-the-board spending cuts for key social programs. Nor does it presume that defense is entitled to the 12-percent above inflation increase as proposed in the President's fiscal year 1987 0 budget proposal. Instead, it recognized the inherent fairness of a basic budget freeze and the need for the kind of flexibility that will permit new revenues to be raised.

The House budget resolution substantially improves upon the Senate budget resolution. However, since the basic framework has some similarities, there is real hope for an expeditious conference and final action on the resolution. The one framework that both these resolutions embody is that Gramm-Rudman-Hollings and sequestration should not rule our budget policies for the coming fiscal year.

As has been noted, not only have we produced an improved budget over that of the Senate—we have also achieved a lower-than-required budget deficit. The House budget would produce a deficit of $137 billion, a full $7 billion below the Gramm-Rudman target. In fact, should the House budget be adopted in each of the next 3 fiscal years, it would lower the deficit by more than $16 billion under what Gramm-Rudman would require.

How does this happen? It is accomplished through a package of domestic and defense spending cuts. These are cuts not of 15–20 percent across the board, but more in the order of 2.5 percent below fiscal year 1986 appropriations as adjusted by Gramm-Rudman. It is accomplished by revenue increases of close to $11 billion. The significant feature in the House budget resolution is its provision that says revenues that exceed those requested by the President in this fiscal year 1987 budget shall be earmarked solely to produce additional reductions in the deficit.

The House budget resolution achieves its target by setting a realistic level of defense spending. The budget resolution assumes a defense budget of $285 billion, just under the fiscal year 1986 appropriation level of $286.8 billion. Compare this level to the Senate level of $301 billion—a difference of some $14 billion. For those who would suggest that we are

offering a weak defense budget under this resolution, let us point out the fact that even a $285 billion budget would be almost double the fiscal year 1980 figure of $144 billion. Not too many other programs in the budget can point to that type of largess.

The fairness of this budget is seen in many instances. The budget would provide full cost-of-living adjustments for Social Security, Federal pensions, and other indexed programs. It would provide increases to cover inflation for a host of programs which are targeted to our low-income population. These include programs for education, job training, maternal and child health, and certain programs for senior citizens.

As one deeply concerned about programs under function 500, I was pleased to learn that this budget resolution provides an additional $6 billion in funds for this function over what was proposed in the President's budget.

On this one point alone, we see the preferable nature of the existing budget process over a travesty such as Gramm-Rudman. Programs can in fact be measured on their individual merits, or more importantly, by the particular constituency the program serves. It does not use the indiscriminate meat ax approach of Gramm-Rudman to determine policy.

The House budget resolution has different priorities than the Senate proposal and those different priorities I support. One can see it by examining the large picture and by examining some individual programs. In the area of domestic spending, the Senate proposal would reduce domestic spending by more than $3 billion over the House budget. The House budget, on the other hand, would trim foreign aid spending by a similar amount over the Senate. Yet the House budget resolution would assume full funding of a key foreign policy area—Embassy security. The Senate resolution, on the other hand, would stretch out funding.

The House budget resolution includes an important $500 million in fiscal year 1987 for a new education and training initiative as embodied in H.R. 4728.

The House budget assumes important reforms in the Guaranteed Student Loan Programs resulting in savings of $450 million over 3 years. The Senate version assumes $600 million.

One of the major differences in the two proposals rests with the Medicare Program. The House resolution makes it clear that savings provided for must come at the provider level only and not through an increase in out-of-pocket payments of Medicare beneficiaries. To illustrate that point, the resolution assumes a level of funding that would limit to $540 the scheduled increase in the Part A deductible as compared to the $572 as projected by HHS. I have sponsored legislation which would limit that amount to no higher a percentage than the Social Security COLA for 1987. This resolution is an important move forward to avert the kind of severe increase which can only drive more seniors into poverty.

Another critically important distinction between the two proposals comes in the Medicaid Program. Here we find the House budget assuming $400 million more in budget authority in fiscal year 1987 than the Senate budget for Medicaid. What more significant demonstration of priorities than to provide needed additional funds for a program which provides vital services to our poorest of citizens.

Two other distinctions of note. The House budget proposal assumes considerably more funds and provides for an inflation-based increase in subsidized housing programs. This compares to a proposed 25-percent cut in the Senate budget and tremendous cuts in the President's original budget.

The House budget also believes that our Nation's law enforcement needs will require an inflation-based increase in funds not only for this fiscal year but for the outyears as well. The Senate proposal would limit the increases to this year alone.

The real key to supporting this budget resolution is the signal it sends to the American public. It sends the signal that we are serious about deficit reduction and go beyond the requirement of Gramm-Rudman. It shows the American people that we reject the idea that lowering our deficit has to be done only one way—by cutting spending. We show the American people that we continue to be advocates for the concerns of our young, our old, our sick, and our needy. We recognize that cuts of 15–20–25 percent are an abdication of our responsibility. We show to ourselves that Gramm-Rudman underestimated us. We are not prepared to give up our responsibilities on budgeting. We are not prepared to turn over major decisions to unelected bodies.

We are moving forward in a real sense with this budget. It merits our full support and I urge its adoption and for our House conferees to work to preserve the many good features of the resolution in conference with the Senate.

Mr. BROWN of California. Mr. Chairman, this year's budget resolution, while by no means perfect, holds more promise than most budgets of the past several years. The fiscal year 1987 budget resolution reported out of the House Budget Committee promises to reduce the deficit well below the Gramm-Rudman Emergency Deficit Control Act target levels. Yet it promises to do this without undue hardship on already beleaguered domestic programs. And it promises to do this with the same revenues as proposed by the Senate.

The committee reaches its deficit targets through a package of domestic and defense spending cuts, revenue increases, new and increased user fees, and asset sales. In contrast to previous years, when the burden of deficit reduction was largely on the domestic side of the budget, this year's House resolution splits its total spending cuts evenly between defense and domestic programs. This 50/50 split is similar to what would happen under the automatic deficit reduction formula set forth in Gramm-Rudman.

This 50/50 split seems fair in light of the fact that defense spending has more than doubled since 1980, without the added safety and security such spending should entail. It is long past the time that we stop merely throwing money at the Pentagon, and began to truly analyze and formulate our defense policy. We need not—in fact do not—jeopardize our national security. For while the fiscal year 1987 budget authority for defense would decline slightly next year, actual outlays for defense would continue to rise, growing from $269.5 billion in fiscal year 1986 to $276.2 billion in fiscal year 1987. This continued increase reflects our financial obligations in previous years.

The budget resolution also calls for domestic spending cuts totaling $7.65 billion in fiscal year 1987. It also calls for other deficit reductions on the nondefense side of the budget totaling $9.8 billion. These deficit reductions include user fees, asset sales, funds from recovery of oil overcharges, and assumed cost-of-living adjustment savings resulting from lower-than-expected inflation.

For most domestic discretionary programs, the resolution assumes a 2.5-percent cut in budget authority below the post-Gramm-Rudman fiscal year 1985 level. It also assumes additional spending cuts, both through further reductions in certain discretionary programs and through cuts in selected entitlement programs.

The resolution assumes full cost-of-living adjustments for all indexed programs, including Social Security, and Federal pay raises of 3 percent per year. It also assumes increases to fully offset inflation for certain programs, and increases beyond inflation in a few high priority areas such as education, job training, and health.

The Budget Committee has performed the task of formulating this budget resolution with modest increases in revenues. The committee accepted both the proposals set forth by the President as well as the additional revenue measures as outlined by the Senate. But instead of using the Senate-proposed revenues to fuel the budget, the committee proposes to establish a special deficit reduction trust fund. The new revenues would be set aside and used specifically to reduce the deficit.

As I am reminded each year, no budget is perfect. Each and every budget—even one that I might formulate—may be improved upon. In fact, within my own areas of expertise, I can assure you that I will fight—and fight hard—for those programs which I feel deserve a higher priority. I do this, as I am sure my colleagues do likewise, not out of any sense of selfishness, but out of a conviction that these programs are an essential part of our Federal responsibility.

Nonetheless, in reviewing such a comprehensive document such as the Federal budget, each of us must examine it as part of the whole. I have done so, and have come to the conclusion that this budget meets some very important criteria. It reduces Federal spending as equitably as possible, and it more than meets the Gramm-Rudman deficit targets. I commend the members of the Budget Committee, and particularly its chairman, for the diligent—and all too often unrewarding—work they did. This fiscal year 1987 budget resolution deserves not only my support, but the support of my colleagues as well.

Mr. GARCIA. Mr. Chairman, Chairman GRAY and the Budget Committee should be congratulated for the work they have put into evolving a budget resolution that is truly realistic.

Since Gramm-Rudman was enacted there has been a great deal of debate in this body

with respect to what we would cut. I am proud that we had the courage to come up with a workable budget rather than depend on the contested automatic cutting provisions contained in Gramm-Rudman.

I think the committee has shown that not only do we have a strong conviction to cut the deficit; not only do we have the desire to do the job; but we have the strength and courage to stand up and say this is how it will be done. More importantly, we have shown our constituencies nationwide that we are not guided by strictly parochial concerns, we are guided by our dedication to this great country, and to its citizens.

This budget does not meet the statutory deficit ceilings, it comes in below the numbers set as goals for the next 3 years, and makes the necessary cuts in a fair and effective manner. The budget resolution deserves the support of every Member, and Chairman GRAY and the committee deserve our thanks.

Mr. FAZIO. Mr. Chairman, it was not written in the stars that the U.S. Government would run a $200 billion annual deficit in the mid-1980's. As recently as 1979, the deficit was $40 billion. Where did the rest of the red ink come from?

Here are the facts: The Federal budget has shown a deficit almost every year since World War II, but none has been nearly so large as the annual deficits we have faced since 1981. In each of the last 3 years, the Federal deficit has been nearly three times the size of any single deficit prior to 1981.

And the rosy talk of late from the administration is belied by the fact that the deficit is on the rise and not decline.

The amount of debt that we have run up in just the last 5 years is equal to the total national debt that was accumulated under all previous Presidents, from George Washington through Jimmy Carter. In other words, the size of the total Federal debt has more than doubled since President Reagan took office, and it will double again in the next 6 years if we do not take the necessary steps to control it.

The adverse economic consequences of this huge and growing debt are staggering. The trade deficit of $145 billion this past year alone has deprived our area of thousands of jobs in agriculture and the increasingly important high technology industry.

Our growing national debt guarantees much greater future Government spending because of the much higher interest costs we will have to pay every single year. The cost of interest payments on the debt this year will be $146 billion, three times the cost of interest just 6 years ago. That huge amount, almost 15 percent of all the money the Government will spend, won't be used to buy anything—it will go simply to pay interest on the debt. And the annual interest payment will soar to $234 billion by 1990 if deficits are not reduced.

What caused these enormous deficits? According to the Congressional Budget Office or CBO, the nonpartisan budget analysis office headed by respected conservative economist Rudolph Penner, the sudden explosive increase in the size of the deficit over the past 5 years has occurred not because of the growth of social programs, but because of "large and increasing tax reductions, rapid growth in military spending, and escalating interest payments."

CBO figures show that since 1981, legislative actions initiated largely by President Reagan will have cut $333 billion from domestic spending over the 1982-87 period. But these program cuts have been overwhelmed by increases of $175 billion in defense spending, $604 billion in revenue losses because of tax cuts, and $111 billion in added interest costs just on the increased portion of the debt. The net result has been an increase of $557 billion in Federal deficits over the same period.

By far, the biggest contributor to our large current deficits is the tax cut proposed by the President and enacted by Congress in 1981. More than three-fourths of the entire deficit we face next year will come from that tax cut. Had we not cut taxes in 1981, our deficit this year would be about $40 billion instead of near $200 billion.

The greatest benefits of the 1981 tax legislation went to wealthy individuals and to big corporations—which now pay only about 8 percent of total U.S. taxes compared to the 27 percent they paid 30 years ago. In fact, many of the largest corporations paid no taxes at all last year, a luxury that few American families can claim.

All Americans, whether or not they benefited from the 1981 tax cuts, have been saddled with these enormous deficits, with the tripling of annual interest payments on the debt and, inevitably, with the necessity of paying higher taxes simply to pay for the increased payments on the debt.

We cannot allow this situation to continue. Members of the Budget Committee have banded together to right the inequity.

In a nutshell, we had to bring the deficit down to $144 billion and with 55 percent of the budget off limits—entitlements and interest on the debt—we had to reduce spending in the discretionary side of the ledger.

The President, operating under the same fiscal constraints, handled it one way—and I might add, parenthetically, that he failed to meet the $144 billion Gramm-Rudman target by underestimating his defense budget by $15 billion—we handled it another way. Let me give you a few brief examples:

The real wealth of this country is poorly served by the President's budget. It proposes: to do away with the Power Marketing Administration; we reject that. To sell the naval petroleum reserves; we reject that. To stop filling the SPRO; we reject that. To eliminate the Rural Electrification Administration; we reject that. To eliminate the energy conservation grant program; we reject that. To virtually destroy remaining energy research and development; slash conservation research 58 percent, fossil research 76 percent, renewable R&D 50 percent.

We freeze all these programs, and increase basic energy research $50 million. The President's budget proposes to eliminate: National Crop Insurance Programs; $500 million in agricultural conservation programs; $2.8 billion in rural development programs, including rural housing; $1.2 billion in farmer loan programs; $200 million in extension programs, a 57 percent cut; $18.7 million in animal and plant health programs; $2.5 million in agricultural marketing programs; and $50 million in temporary emergency feeding programs.

We largely freeze these programs and eliminate these cuts. And he proposes significant reductions in REA loans and guarantees, animal damage control, Smith-Lever extension service funds, foreign market development, food stamps, nutrition programs, et cetera; elimination of land acquisition programs by the Department of Interior and Forest Service; slashes of $137 million from the forest sale programs, over 10 percent; of $30 million from the State and private forestry programs, over 60 percent; annihilation of anadromous fish grants from $21 to $1.4 million; and $500 million cuts in clean water sewer grant programs, over 20 percent.

And in transportation: While we have gridlocks on our roads, the President proposes to cut highway funding by $2 billion. The President cuts $2 billion out of transit, that's a 67-percent cut. Our constituents complain of being unable to get to work in less than an hour while the President wants to spend $45 million on the Orient Express so that we can get to Tokyo in two. In 1982 we passed a 5-cent tax—that was to go for highways and transit. The President wants to divert those funds. The President stops all Federal funding for Amtrak in a year with an unusually high rate of airplane accidents and cuts back on FAA funding for research, engineering and development at a time when we need to invest funds in technologies like Doppler radar to detect wind shears.

The House Budget Committee doesn't give short shrift to transportation. We made cuts, but they were reasonable. Highways are cut 5 percent, transit 6 percent, we ensure the continuation of Amtrak, and we increase FAA's budget by $200 million so that more air traffic controllers can be hired, we keep research on a steady course and we increase funds for the Airport Improvement Program—all of which will increase the safety of those who fly.

For Federal employees: The average Federal employee has worked for the Federal Government for 13 years, and earns $26,000 per year. The majority of Federal retirees retire at an average age of 61 years (the same as in the private sector) and receive an average annuity of $12,000.

The President must have a skewed view of the Federal work force, for he submitted a budget that would leave one with the impression that he does not value these individuals. Were it the only time that he submitted a proposal that penalized Government workers and retirees, we could understand the need for cutbacks in these times of enormous deficits. But this is not the case. Rather than a one time only proposal, the President has continuously submitted budgets which are balanced on the backs of Federal employees and retirees.

In fiscal year 1986 the President proposed: a 5-percent pay cut; a 4-percent increase in retirement contribution; an increase in the retirement age; and a freeze on retiree COLA's.

Congress overwhelmingly rejected each and every one of these proposals.

For fiscal year 1987, the President, knowing that Gramm-Rudman resulted in a cancellation of COLA's and a cutback in the Federal

work force went on to propose: a 2-percent increase in retirement contribution; a change in annuity calculation from a high 3 years to a high 5; replacement of health insurance with a voucher system; raising the retirement age and penalizing early retirees; freezing the COLA's again, and limiting future COLA's to CPI minus 2 percent; and cutting 36,000 Federal jobs.

The House Budget Committee rejected all these proposals except for the pay raise. The members of this committee understand the fact that since 1981 inflation has increased by 15 percent and Federal retirees and Federal employees have only received 7.5-percent increase in pay and annuities. In other words, while those in the private sector and those receiving Social Security were keeping up with inflation, Federal retirees and employees were losing ground.

I wish we were able to do more, but the deficit precludes that. We did however, by rejecting the President's other proposals on changes in retirement and health insurance, prevent further damage to those who have chosen to pursue a Government career.

The practical reality is we had very hard choices. But we made them—and we made them in a responsible and nonideological way. I've heard complaints all day, but no one has said this budget is "dead on arrival." Let's go to conference and get on with our job of governing.

Mr. GRAY of Pennsylvania. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. JACOBS] having assumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 337) setting forth the congressional budget for the U.S. Government for the fiscal years 1987, 1988, and 1989, had come to no resolution thereon.

THE TOKYO AGREEMENT—A GENUINE ACHIEVEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska [Mr. BEREUTER] is recognized for 5 minutes.

Mr. BEREUTER. Mr. Speaker, I rise to commend the administration, and particularly Secretary Baker, on achievement of the major new agreement to manage the international monetary system announced at the Tokyo Summit. Although all the details are not yet decided, it does appear that this is a real breakthrough in the efforts of the industrialized democracies to achieve international economic coordination. As I understand it, the most important aspect of the new scheme will be regular and frequent assessment of a number of each nation's economic variables—including, among others, inflation, money supply growth, budget deficits, interest rates, unemployment, gross national product, and exchange rates. If any of these fundamentals is out of line, pressure to correct it will come from the other nations.

One administration source has described the new system as a "managed float" which will force member nations to take remedial action when exchange rates get out of line. Hopefully, even in the short run, the mechanism will eliminate the sharp exchange rate fluctuations which have made life so difficult for businessmen in recent years. In the longer term, the plan provides an opportunity for much closer policy coordination among industrialized nations than has previously been possible. Underpinning this is a recognition that the "fundamentals" must be right if direct government intervention in exchange markets is to be successful.

One other aspect of the new arrangement which deserves comment is that instead of the Group of Five, it will now, with the addition of Italy and Canada, be the Group of Seven which seeks to manage currency rates. This is an important, albeit preliminary, step down the road to what I consider the essential goal of forming a currency group which includes all the major trading nations. For example, statistics released recently in the Labor Department reveal that, overall, against a basket of currencies, the dollar has dropped 20 percent since March 1985. We are all aware of the dollar's dramatic drop against the yen—more than 35 percent over the past 14 months and smaller but still significant declines against certain major European currencies.

Not so well known is the fact that the currencies of a number of major trading nations have not strengthened much if at all in comparison with the dollar. The most glaring example is Canada, with which we suffered a $22 billion trade deficit last year, and whose currency has actually declined against the dollar over the last year. Against the currencies of Taiwan, Hong Kong, and South Korea, with which our collective trade deficit last year reached $20 billion, the dollar has hardly moved. These countries may continue to style themselves "underdeveloped," but in my opinion they are in the big leagues when it comes to international trading and I believe it is time for them to appropriately realign their currencies. Relatively weak currencies in Canada, Australia, and Argentina have, for example, allowed those nations to make major inroads in United States wheat markets. As a consequence, our projected share of world wheat exports will shrink to 30 percent for the year ending June 30, down from 36 percent the previous year. For American grain farmers, the accomplishments of the 6-5 really haven't helped at all that much.

As I said at the beginning, Mr. Speaker, the Tokyo agreement is a genuine achievement, but we cannot stop with these initial achievements. We need to build on this initiative so that the nations which have achieved large trade surpluses with us by maintaining cheap currencies have this option foreclosed. Given the size of our trade imbalance and the precarious position of many of our farmers, businesses, and industries, we can no longer afford to let these mentioned countries write themselves a voucher for a free ride.

□ 1810

THE JOB CORPS PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky [Mr. PERKINS] is recognized for 30 minutes.

Mr. PERKINS. Mr. Speaker, and distinguished colleagues, I have taken this special order today to talk about a situation that, frankly, concerns me greatly. My distinguished colleague, the gentleman from Pennsylvania [Mr. GOODLING] is joining me today in this special order to discuss the problem of the recent action taken by the Labor Department to close six of our functioning Job Corps Centers across this great country.

Now, what this means with these six centers that are already in place that are providing job slots for Job Corps people is that 2,500 students will be denied an opportunity to participate in the Job Corps Program.

Now, what does the Job Corps Program mean? What has it given us in the past?

Studies that we have had indicate that for every dollar that we have invested in a student with the Job Corps Program, we have gotten $1.46 back. That was a study that was done between 1977 and 1983 by the Mathematica Corp. This has also upheld the studies done by the Urban Institute and the National Research Council, as well as the U.S. Labor Department. We have a program that has a record of proven success.

What is a Job Corps participant? Who does the Job Corps impact? Who does this program help? That is the basic question that a lot of people are going to ask about, because a lot of people do not know what the Job Corps does.

Let me tell my distinguished colleagues, Mr. Speaker, what the Job Corps does and who it impacts.

A typical enrollee is an 18-year-old dropout of a minority classification, with a sixth-grade reading level, who has never been employed full time and

whose family receives public assistance, with an annual income of around $6,000; $6,664 I think is the exact figure we have been able to produce.

For the first half of 1985, 40 percent of the people who entered the Job Corps were in fact people who had arrest records. What we are talking about, basically, is a grouping of people who are looking for a last chance to make something out of themselves and be a benefit to society.

This is what the Job Corps Program does, and it fulfills a function and a need that no other area of government does. It is a last-chance program. Since its inception, it has given us over 2 million taxpaying citizens in this country.

I question seriously in my own mind what would be the result if we had not had the Job Corps Center, in terms of an increase in population in the prisons of our country. It costs a lot of money to keep people in prisons. But these citizens have become taxpaying citizens, and they are in fact helping us to become a productive society.

The Job Corps is the primary mover in these people's lives. It has had a direct effect on these people's lives. So it has been an extremely successful program.

In fact, of the people who take part in the Job Corps Program, we have had a participant success rate of 81.3 percent. Now, that is 66 percent that have been placed in unsubsidized employment, with 15.2 percent who either went on for further education or advanced technical training.

Now, this is a tremendous program. This has a proven success rate. You can search the Federal Government all day long and you are not going to find a program that succeeds, that works like the Job Corps. You have the studies, you have the real-life cases of helping people.

Now, the history of this Job Corps Program: It began as a Great Society Program. In 1969 we had a President who decided to close down about one-third of the centers. Later on, in 1977, President Carter decided to phase up the program to 106 centers, from 81. Presently we have 40,544 slots operating across America.

Recently, in the last year, we had a piece of legislation passed that whether you opposed it or whether you were for it, it has become a reality, and that is Gramm-Rudman. Now, as a result of Gramm-Rudman, there was a 4.3-percent cut across-the-board in a variety of programs that began and has affected every area of government.

The Department of Labor says that because of this cut—their year begins July 1, their program year—they have got to close down, they say, six centers in order to meet the requirements financially that are imposed upon them by Gramm-Rudman. But in fact, this is not true. I am going to get more information tomorrow, at a hearing at 10:30. I am going to ask them specifically about a number of things that are troubling me about their study and about some of the things they are relying upon to make this judgment. But I am very concerned about why, with the budget and the resources they have on hand, they are deciding to cut the Job Corps participants, the actual people who are participating in the program.

Let me tell you why I find the decision rather strange. To begin with, the Job Corps was funded this last year at a level of around $640 million. After the Gramm-Rudman cuts, we had the Job Corps reduced in funding to around $613 million.

The other body has passed legislation that would indicate the Job Corps Centers will be funded for the upcoming year at $676 million. If we pass—which, in all likelihood, is going to occur tomorrow—the Democratic alternative on this floor, I have been informed by a member of the Budget Committee on the Democratic side, Mr. WILLIAMS, that we have in there $694 million for the Job Corps Program.

Remember, the funding starts, and somewhere between $676 million and $694 million is the likelihood that we are going to be funding the program for the upcoming fiscal year. By closing these six centers, they are saving, according to their figures—and there is some haziness in them—between $8.5 million and $17 million for a period of time from July 1 through the upcoming operating year. But, in effect, if we pass either the Senate version or the House version of the budget, then what we are going to have is a program, a Job Corps, that is funded in excess of the amount of money that is necessary to operate these centers. But the centers will be closed down in that 4-month interim period of time.

Well, you might say, "How do they make it during the 4 months that they do not have the increased funding?"

Well, the answer is that, contained in their budget that they have for operating expenses, they have around $30 million in building expenses that they can draw from, they have $12.7 million in pilot programs that they can draw from. They have realistic alternatives that can fund the present Job Corps centers if in fact they desire to do so.

So in my own mind I have a serious question as to the intent of the Department of Labor for not proceeding in a fashion that will allow these centers to remain open.

If in fact we are talking about a real commitment to continuing the Job Corps in its present state and continuing to allow the successful program to operate, it would seem only logical and businesslike that we do not shut down physical plants but rather we allow the cooks to go on cooking, we allow the teachers to go on teaching and we allow the students to go on learning in this interim period of time when the money already exists to keep them operating.

This is the serious question that I would pose to my colleagues and I would pose to the Department of Labor: Why have you decided at this stage, given the funding that is available and given the funding that is forecast, to intentionally go about the process of closing these six centers and, in fact, shutting down a very effective, efficient program and attempting to deny the students the opportunity to become productive citizens?

Mr. Speaker, it is very difficult, when you talk about the Job Corps, to realize, "But if you don't have the program, the students are going to be out there on the streets, they are going to be out there involved in the welfare lines, they are going to be out there doing things that are not productive to the long-term aims of our society."

And how in good conscience we can go about attempting to cut back on this program when the funding is available is totally beyond any understanding that I personally have.

Mr. Speaker, I am sure my distinguished colleague from Pennsylvania has some remarks that he would like to make at this point, so I will yield to my good friend and distinguished colleague, Mr. GOODLING.

Mr. GOODLING. I thank the gentleman for yielding.

Mr. Speaker, I want to thank the gentleman from Kentucky [Mr. PERKINS] for taking this time.

Monday, a week ago, I sent out a "Dear Colleague" letter, and in the "Dear Colleague" I said that I read the most disturbing headlines I think I have ever read over the weekend prior to that Monday, and those headlines basically said, "Job Corps Centers will be closed."

It was disturbing because, as the gentleman from Kentucky has also said, this is the last-chance opportunity for these young people to be taxpayers, not tax-takers.

Last year when the administration made this proposal, I encouraged my colleagues before they got on that bandwagon to please go to these Job Corps centers and see exactly what is happening. Serving on the Education and Labor Committee it is my responsibility to do that, and I have done that regularly.

Basically, my colleagues were told by the Department and the administration and by fellow colleagues that, No. 1, the per pupil cost is entirely too high.

Second, they were told that the dropout rate was entirely too high.

Third, they were told that we have alternative programs to take care of these young people.

All three are totally false, and I will tell you why they are totally false: The young people we are talking about positively must leave their environment if as a matter of fact there is any hope that they are going to succeed—not 2 miles away, 3 miles away or 10 miles away. If you go to a Job Corps center in Kentucky you will probably find a large percentage of those people from New York and Florida.

□ 1825

It is designed so that, as a matter of fact, they are far enough from the environment so that it is not easily accessible to get back into that kind of situation.

Second, they must learn discipline. They do not even know what the word means when they come to a Job Corps center. But I will guarantee that if you go to a Job Corps center, you will understand that they are learning very quickly what discipline is all about, and are, in fact, disciplining each other.

Third, they must be taught the three R's. As was mentioned by the gentleman from Kentucky, I would say a sixth grade reading level in many instances is probably high. It is an average, but for many of them it is a very high figure. So they must be taught those three R's.

Then they must be taught a saleable skill. After they are taught the saleable skill and when they graduate, they must be placed. Now, here is part of the beauty of the program. We hear so much talk about the partnership between the private sector and the Government. Here is an ideal program where you have just that cooperation. The private sector has an awful lot of say about what happens in a Job Corps center. They also have a lot to do with the placement of these young people so that they do become productive citizens.

The per pupil expenditure, too high? In relationship to what? The alternative is a life of crime in many instances. Talk about $45,000 or $50,000 a year to keep someone in prison, and then their families on the welfare system while they are in the prison. That is expensive; that is a per pupil expense that we positively cannot have.

The dropout rate, if you can save 50, 60, 40 percent of these people and make them productive citizens, taxpayers rather than tax takers, then, as a matter of fact, that rate looks mighty, mighty good.

We have alternative programs? No. That is totally false. For these young people we have no alternative programs. There are no alternative programs for youngsters who have been in a life of crime or heading for a life of crime who have a reading skill so low that they cannot get a job and who have no saleable skill. There is no alternative program at the present time.

It is my hope, and I am happy to join with the gentleman from Kentucky. It is my hope that, as a matter of fact, my colleagues insist that this program continue and, if anything, expand because it is far cheaper than any other program we can possibly come up with in dealing with youngsters who should be given that last chance opportunity and who, in so many instances, have taken advantage of it and have become positive, productive citizens.

I thank the gentleman again for taking this special order. It is, in my estimation, one of the most important things facing the country at the present time. I hope the Congress will not back away from this responsibility.

Mr. PERKINS. I thank my dear friend and colleague, the gentleman from Pennsylvania, for his very astute remarks regarding the situation of the Job Corps center. I know that his participation is thorough.

BILL GOODLING and I have been at Job Corps centers together in the past. Let me tell my colleagues some of the things that you see when you go to a Job Corps center.

These are students who are awakened at 6 o'clock in the morning on almost a military-like, disciplined schedule, to get up and attend classes. You see them marching; you see them working. You see them doing things for the community that teach things like good citizenship and responsibility. You say, "What specifics?" Let me must give you an example of a Job Corps center that we are talking about closing because of this operation.

In Frenchburg, KY, in the last year, 1985, we saw the Frenchburg Job Corps Center employees or the paritcipants actually go out and perform over 670,000 dollars' worth of community work. Fighting fires, fighting fires across the mountains, not just in Kentucky, but in Idaho, in Nevada, down in North Carolina. Going everywhere, serving actually with the Forest Service as people who are fighting forest fires. It is indeed a very profitable program for people to be involved with and profitable to people who regard forest fires as a dangerous thing. These people have saved us literally millions of dollars in damage that would have accrued because of forest fires.

In local communities, the gentleman from Missouri, Mr. EMERSON, was referring in talking to me the other day about how a Job Corps center in his area that again is being talked about being closed, had done over $2 billion worth of actual work toward the building and maintenance of a community college in his area.

The stories go on. I can tell you about another Job Corps center that I know personally that has worked in terms of doing flood relief. Another one that has worked in terms of building a road to assist the community. Another one that has worked to build a community center. They are involved with programs that go out and help the community. These are the participants of this program, these are the same ones with that 40 percent arrest record.

You take someone like that and put them in a disciplined, structured environment, out of their old home environment where they have had so much difficulty making it in the past. What happens? You are not going to succeed in every case; no question about that. But you know, we succeed in more cases with Job Corps than we do not. Accordingly to studies that I mentioned earlier, time and time again that we have documented, for every dollar that we invest, we get a lot more than that dollar back.

I would like to ask my colleagues: Do we not believe that here in America it is really important that we try to give an opportunity for a future to everyone. Not just the people who make it on the first go-around.

I am a great advocate of elementary and secondary education. I am a great advocate and believer in the importance of a collegiate education. I am a great advocate that we should have more graduate students who are involved in the maths and sciences and philosophy and the humanities programs. But, at the same time, there is another element of society. There are the ones who did not make it on the first shot, the first go-around.

Are we to discard them? Put them in the human trash heap to just cause nothing but a smoldering fire and trouble for society for the next 50 years? Or do we attempt to take those people and transform them into productive, working citizens?

My colleagues, Mr. Speaker, literally the question is answered with Job Corps. Job Corps is the Federal Government's answer to what we should do for people who are in this type of situation. It is literally, as my distinguished colleague from Pennsylvania has said, the last hope, as opposed to incarcerating them at $45,000 a year, we take them out and for a short period of time have a training program where we have in excess of around 85 participant placement in a job or some other advanced educational activity after they have been there for 6 months. Should we deny 2,500 students nationally the opportunity to have that type of chance? Or should, when the proper funding is already available, when the funding we see

coming in both versions of the House and the other body's package of the budget, and when the money is available, short term, in the construction and the pilot project sections of the budget for this year to maintain that program.

□ 1835

Should we allow these centers to close? Should we allow the physical plants that are in operation to shut down? How much would it cost again to start these physical plants? How much would it cost to again bring in the students that are across America that we are only peripherally touching now, but yet, since the sixties, we have been able to have 2 million taxpaying citizens come from those types of Job Corps centers? How much would it cost to reinstitute the program that we are shutting down for apparently no financial reason, but rather because of some bureaucratic or intentional thinking that we would deprive these students of an opportunity for a future?

Mr. Speaker, that is a question that I have a great deal of concern about. It is one that I think we need to address. It is one that I shall be addressing again and again and again until I receive some sort of appropriate response that will indicate to me why we are not trying to address the problems of America's poor. It goes beyond the Job Corps centers. It goes stretching out into all areas. It goes beyond what we are doing in the budget tomorrow. And it goes basically into how people live. It goes into deciding what kind of life these people are going to have in the future. It is as basic as that.

It pays a multiplier effect for every taxpayer citizen we can have. It is hard to have somebody who is ill-trained with no skills with a big family. You know what happens to that kind of family. You know what happens to the people in that family.

What you have to do is take those people and give them some hope, give them a job, give them a trade, give them a future. That is what Job Corps is about. That is what these programs are about. And that is what we need to continue in America today.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BEREUTER, for 5 minutes, today.

(The following Members (at the request of Mr. PENNY) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. BEREUTER) and to include extraneous matter:)

Mr. SILJANDER.
Mr. LENT in two instances.
Mr. LAGOMARSINO.
Mr. REGULA.
Mr. THOMAS of California.
Mr. BEREUTER.
Mr. BOEHLERT in two instances.
Mr. GILMAN in three instances.
Mr. COUGHLIN.
Mr. GEKAS in three instances.
Mr. DORNAN of California.
Mr. HENRY.
Mr. MCEWEN.
Mr. COURTER.
Mr. CRANE.
Mr. LOWERY of California.
Mr. DIOGUARDI in two instances.
Mr. ROWLAND of Connecticut.
Mr. KOLBE.
Mr. WOLF.
Mr. HUNTER.

(The following Members (at the request of Mr. PENNY) and to include extraneous matter:)

Mr. ANDERSON.
Mr. COLEMAN of Texas.
Mr. BARNES.
Mr. GARCIA in two instances.
Mr. COELHO.
Mr. MINETA.
Mr. DE LUGO.
Mr. LEHMAN of Florida.
Mr. SKELTON in two instances.
Mr. STARK in three instances.
Mr. DARDEN.
Mr. HAMILTON.
Mr. FROST.
Mr. SOLARZ.
Mr. LIPINSKI.
Mr. BOLAND.
Mr. BEILENSON.
Mr. UDALL.
Mr. MARKEY.
Mr. LUKEN.
Mr. TORRICELLI in two instances.
Mr. GAYDOS.
Mr. RODINO.
Mr. DYMALLY.
Mr. YATRON.
Mr. FLORIO.
Mr. SUNIA.
Mr. TORRES.
Mrs. BURTON of California.
Mr. GUARINI.
Mr. FASCELL in two instances.
Mr. O'NEILL.
Ms. MIKULSKI.
Mr. DERRICK.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 4767. An act to deauthorize the project for improvements at Racine Harbor, WI.

SENATE ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 8. An act to grant a Federal charter to the Vietnam Veterans of America, Inc.;

S. 2329. An act to make technical corrections in the higher education title for the Consolidated Omnibus Budget Reconciliation Act of 1985;

S.J. Res. 251. Joint resolution to designate the week of May 11, 1986, through May 17, 1986, as "National Science Week, 1986"; and

S.J. Res. 323. Joint resolution to designate May 21, 1986, as "National Andrei Sakharov Day."

ADJOURNMENT

Mr. PERKINS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 37 minutes p.m.), the House adjourned until Thursday, May 15, 1986, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3494. A communication from the President of the United States, transmitting requests for supplemental appropriations for fiscal year 1986, and appropriation language for fiscal year 1987, pursuant to 31 U.S.C. 1107 (H. Doc. No. 99-220); to the Committee on Appropriations and ordered to be printed.

3495. A letter from the Acting Assistant Secretary of State, Legislative and Intergovernmental Affairs, transmitting a copy of Presidential Determination No. 86-9, reporting that it is in the national interest for the Export-Import Bank to extend credit to the People's Republic of China in connection with the purchase of two coal-fired thermal power stations and related equipment services, pursuant to 12 U.S.C. 635(b)(2); to the Committee on Banking, Finance and Urban Affairs.

3496. A letter from the Assistant Secretary for Congressional and Intergovernmental Affairs, Department of Commerce, transmitting a copy of the report, "The U.S. Automobile Industry, 1984," pursuant to 15 U.S.C. 1871; to the Committee on Banking, Finance and Urban Affairs.

3497. A letter from the Chairman, Reports Committee, Department of Education, transmitting the fiscal year 1985 annual report of the National Council on Educational Research, pursuant to 20 U.S.C. 1221e(c)(3); to the Committee on Education and Labor.

3498. A letter from the Acting Director, Defense Security Assistance Agency, transmitting further information concerning a letter of offer to sell certain defense articles or services to Saudi Arabia submitted to the Congress on February 26, 1986, pursuant to

22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

3499. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions by John Dale Blacken, Ambassador-designate to the Republic of Guinea-Bissau, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affair.

3500. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions by Vernon Dubois Penner, Jr., Ambassador-designate to the Republic of Cape Verde, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3501. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions by Patricia Gates Lynch, Ambassador-designate to the Democratic Republic of Madagascar and the Federal and Islamic Republic of the Comoros, and members of her family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3502. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions by Harry W. Shlaudeman, Ambassador-designate to the Federative Republic of Brazil, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3503. A letter from the Administrator, General Services Administration, transmitting the fourth biennial report on excess and surplus personal property programs, covering the period October 17, 1983 through October 16, 1985, pursuant to Public Law 94-519, section 10; to the Committee on Government Operations.

3504. A letter from the Assistant Secretary of the Interior (Indian Affairs), transmitting a report on donations received and allocations made from the funds contributed for the advancement of the Indian race, during the fiscal year ending September 30, 1985, pursuant to 25 U.S.C 451; to the Committee on Interior and Insular Affairs.

3505. A letter from the Secretary of Transportation, transmitting the 1986 annual report on highway safety improvement programs, which deals with the railhighway crossings and hazard eliminating programs, pursuant to 23 U.S.C. 130 nt.; to the Committee on Public Works and Transportation.

3506. A letter from the Assistant Secretary, Conservation and Renewable Energy, Department of Energy, transmitting a copy of the fiscal year 1985 report entitled, "Federal Methanol Fleet Program Report to Congress of First Year Activities"; jointly, to the Committee on Appropriations and Government Operations.

3507. A letter from the Secretary of Health and Human Services, transmitting a report on the status of the Social Health Maintenance Organization [SHMO] demonstration, pursuant to Public Law 98-369, section 2355(d)(i) and (2); jointly, to the Committees on Ways and Means and Energy and Commerce.

3508. A letter from the Comptroller General of the United States, transmitting a report, ADP systems: concerns about the acquisition plan for DOD's composite health care system (GAO/IMTEC-86-12; March 1986), pursuant to Public Law 99-145, section 1203(g) (99 Stat. 719); jointly, to the Committees on Government Operations and Armed Services.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DONNELLY:

H.R. 4819. A bill to amend section 207 of title 18, United States Code, to prohibit Members of Congress and officers and employees of any branch of the United States Government from attempting to influence the United States Government or from representing or advising a foreign entity for a proscribed period after such officer or employee leaves Government service, and for other purposes; to the Committee on the Judiciary.

By Mr. DINGELL (for himself, Mr. BROYHILL, Mr. WYDEN, Mr. ECKART of Ohio, Mr. BLILEY, Mr. SIKORSKI, Mr. OXLEY, Mr. LUKEN, Mr. ECKERT of New York, Mr. BRYANT, and Mr. WHITTAKER):

H.R. 4820. A bill to amend the Federal Food, Drug, and Cosmetic Act to ban the reimportation of drugs produced in the United States, to place restrictions on drug samples, to ban certain resales of drugs purchased by hospitals and other health care facilities, and for other purposes; to the Committee on Energy and Commerce.

By Mr. GLICKMAN (for himself, Mr. HAWKINS, Mr. MICA, Mr. ASPIN, Mr. CONTE, Mr. JEFFORDS, Mr. LEACH of Iowa, and Ms. SNOWE):

H.R. 4821. A bill to authorize appropriations for fiscal years 1987 and 1988 for the United States Institute of Peace; jointly to the Committees on Education and Labor and Foreign Affairs.

By Mr. MACKAY:

H.R. 4822. A bill to amend title II of the Social Security Act to remove permanently the 3 percent threshold requirement for cost-of-living increases; to the Committee on Ways and Means.

By Mr. MAZZOLI:

H.R. 4823. A bill to amend the Immigration and Nationality Act to improve the administration of the immigration and nationality laws, and for other purposes; to the Committee on the Judiciary.

By Mr. MINETA (for himself, Mr. WRIGHT, Mr. HOWARD, Mr. HAMMERSCHMIDT, Mr. ANDERSON, Mr. NOWAK, Mr. MOODY, and Mr. WILLIAMS):

H.R. 4824. A bill to prohibit the buying and selling of certain operating rights at airports and to require implementation of a new rule relating to the allocation of such rights; to the Committee on Public Works and Transportation.

By Ms. OAKAR (for herself, Mr. MYERS of Indiana, Mr. GARCIA, Mr. HORTON, Mr. SIKORSKI, and Mr. YOUNG of Alaska):

H.R. 4825. A bill to amend chapter 89 of title 5, United States Code, to provide authority for the direct payment or reimbursement of certain additional types of health care professionals; to clarify certain provisions of such chapter with respect to coordination with State and local law; and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. UDALL (for himself and Mr. RAHALL):

H.R. 4826. A bill to amend the Act of February 25, 1920, to provide for competitive leasing of oil and gas for onshore Federal lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ALEXANDER:

H.J. Res. 633. Joint resolution to designate April 19 of each year as "Dutch-American Friendship Day"; to the Committee on Post Office and Civil Service.

By Mr. MARKEY (for himself and Mr. BEREUTER):

H.J. Res. 634. Joint resolution debarring Morton Thiokol, Inc., from contracting and subcontracting with NASA until a determination is made by the Comptroller General with respect to actions which were allegedly taken by such corporation against its employees because they gave certain information to the Presidential Commission on the Space Shuttle Challenger Accident; to the Committee on Science and Technology.

By Mr. SHAW (for himself, Mr. ACKERMAN, Mr. EDWARDS of Oklahoma, Mr. FORD of Michigan, Mr. AKAKA, Mr. ANTHONY, Mr. BARTLETT, Mr. BENNETT, Mrs. BENTLEY, Mr. BEVILL, Mr. BIAGGI, Mr. BILIRAKIS, Mr. BLAZ, Mr. BONER of Tennessee, Mr. BONIOR of Michigan, Mr. BORSKI, Mrs. BOXER, Mr. BROOMFIELD, Mr. BROWN of Colorado, Mrs. BURTON of California, Mrs. BYRON, Mr. CHAPPELL, Mr. CLINGER, Mr. COATS, Mr. COBEY, Mr. COBLE, Mr. COLEMAN of Missouri, Mr. COLEMAN of Texas, Mrs. COLLINS, Mr. CONTE, Mr. CONYERS, Mr. COOPER, Mr. CRAIG, Mr. CROCKETT, Mr. DANIEL, Mr. DANNEMEYER, Mr. DARDEN, Mr. DAUB, Mr. DE LA GARZA, Mr. DELAY, Mr. DEWINE, Mr. DOWDY of Mississippi, Mr. DWYER of New Jersey, Mr. FAZIO, Mr. FISH, Mr. FOLEY, Mr. FUSTER, Mr. GORDON, Mr. GRAY of Illinois, Mr. HARTNETT, Mr. HAWKINS, Mr. HEFNER, Mr. HENDON, Mr. HENRY, Mr. HILER, Mr. HOPKINS, Mr. HORTON, Mr. HOWARD, Mr. HUGHES, Mr. HYDE, Mr. JEFFORDS, Mr. JONES of North Carolina, Ms. KAPTUR, Mr. KASTENMEIER, Mr. KEMP, Mrs. KENNELLY, Mr. KILDEE, Mr. KOLBE, Mr. KRAMER, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEHMAN of Florida, Mr. LEVIN of Michigan, Mr. LOEFFLER, Mr. LOTT, Mr. MCDADE, Mr. MANTON, Mr. MARKEY, Mr. MARTIN of New York, Mr. MARTINEZ, Mr. MICHEL, Mr. MINETA, Mr. MONSON, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. NIELSON of Utah, Mr. O'BRIEN, Mr. PANETTA, Mr. PEPPER, Mr. PERKINS, Mr. RAHALL, Mr. REID, Mr. RINALDO, Mr. ROEMER, Mr. ROGERS, Mr. ROSE, Mr. ROWLAND of Connecticut, Mr. SAVAGE, Mr. SCHEUER, Mr. TOWNS, Mr. VALENTINE, Mr. VENTO, Mrs. VUCANOVICH, Mr. WEISS, Mr. WISE, Mr. WORTLEY, Mr. WRIGHT, Mr. YOUNG of Florida, and Mr. YOUNG of Missouri):

H.J. Res. 635. Joint resolution to designate the school year of September 1986 through May 1987 as "National Year of the Teacher" and January 28, 1987, as "National Teacher Appreciation Day"; to the Committee on Post Office and Civil Service.

By Mr. YATRON (for himself, Mr. GREEN, Mr. FASCELL, and Ms. SNOWE):

H. Con. Res. 338. Concurrent resolution expressing the sense of the Congress that the President should take appropriate actions toward the establishment of a coopera-

tive international program to study the greenhouse effect; jointly, to the Committees on Foreign Affairs and Science and Technology.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

373. By the SPEAKER: Memorial of the Senate of the State of Hawaii, relative to the Cooperative Extension Service programs of the U.S. Department of Agriculture; to the Committee on Agriculture.

374. Also, memorial of the Senate of the State of Hawaii, relative to the continuing problem of those missing or otherwise unaccounted for from the war in Southeast Asia; to the Committee on Foreign Affairs.

375. Also, memorial of the Senate of the State of Hawaii, relative to apartheid and the increase of violence in South Africa; to the Committee on Foreign Affairs.

376. Also, memorial of the legislature of the State of New Hampshire, relative to Korean war veterans; to the Committee on House Administration.

377. Also, memorial of the Senate of the State of Hawaii, relative to amending the Jones Act to exclude commercial fishers; jointly, to the Committees on Merchant Marine and Fisheries and Education and Labor.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 585: Mr. AUCOIN, Mr. BONKER, and Mr. BOEHLERT.

H.R. 669: Mr. FEIGHAN, Mr. FOGLIETTA, Mr. BORSKI, Mr. DE LA GARZA, and Mr. NOWAK.

H.R. 782: Mr. ACKERMAN, Mr. FLORIO, and Mr. OBERSTAR.

H.R. 1309: Mr. DICKS, Mr. KANJORSKI, Mr. BRYANT, Mr. CLINGER, and Mr. DURBIN.

H.R. 1398: Mr. OBERSTAR.

H.R. 1705: Mr. MORRISON of Connecticut.

H.R. 1927: Mr. VISCLOSKY.

H.R. 2337: Mr. COBEY and Mr. SILJANDER.

H.R. 2977: Mr. VALENTINE and Mr. HENDON.

H.R. 3006: Mr. ORTIZ and Mr. ROWLAND of Georgia.

H.R. 3419: Mr. GUNDERSON.

H.R. 3429: Mr. SMITH of Florida, Mr. WILSON, Mr. LIPINSKI, and Mr. HAYES.

H.R. 3643: Mr. STANGELAND.

H.R. 3866: Mr. WILLIAMS and Mr. BUSTAMANTE.

H.R. 4126: Mr. DICKINSON and Mr. PURSELL.

H.R. 4300: Mr. MCGRATH, Mr. GEPHARDT, Mr. LENT, and Mr. WIRTH.

H.R. 4311: Mrs. KENNELLY, Mr. YATES, Mrs. LONG, Mr. FAWELL, Mr. DASCHLE, Mr. LOWRY of Washington, Mr. COURTER, Mr. BEREUTER, Mrs. ROUKEMA, Mr. BIAGGI, Mr. MILLER of California, and Mr. KLECZKA.

H.R. 4333: Mr. LOWRY of Washington and Mr. YATRON.

H.R. 4338: Mr. HOWARD, Mr. DWYER of New Jersey, Mr. YATRON, Mr. PEPPER, Ms. KAPTUR, Mr. CLINGER, Mr. EVANS of Illinois, Mrs. HOLT, Mr. WILLIAMS, Mr. TORRES, Mr. PRICE, Mr. MCCAIN, Mr. KASTENMEIER, Mr. DASCHLE, Mr. MOLLOHAN, Mr. HUBBARD, Mr. RALPH M. HALL, Mr. MANTON, and Mr. WEAVER.

H.R. 4344: Mr. BOEHLERT and Mr. WHITEHURST.

H.R. 4349: Mr. GALLO and Mr. STANGELAND.

H.R. 4369: Mr. ROBERTS.

H.R. 4403: Mr. SHAW, Mr. WYDEN, Mr. MURPHY, Mr. WORTLEY, Mr. GEJDENSON, Mr. KOSTMAYER, Mr. WHITEHURST, Mr. PENNY, Mr. ROE, Mr. SMITH of Florida, Mr. SLATTERY, Mr. SWINDALL, Mr. FAZIO, Mr. MATSUI, Mr. SCHEUER, Mr. EDWARDS of Oklahoma, Mr. NEAL, Mr. FLORIO, Ms. KAPTUR, Mrs. KENNELLY, Mr. MORRISON of Connecticut, and Mr. MCGRATH.

H.R. 4471: Mr. PEASE.

H.R. 4643: Mr. BARTLETT.

H.R. 4647: Mr. GUNDERSON and Mr. BOEHLERT.

H.R. 4653: Mr. LOWRY of Washington.

H.R. 4655: Mr. HUGHES, Mr. HORTON, and Mr. MCKERNAN.

H.R. 4671: Mr. BARNES, Mr. OWENS, Mr. FAUNTROY, Mr. DORGAN of North Dakota, Mr. WHITEHURST, Mr. AUCOIN, Mr. KOLBE, Mr. TOWNS, Mr. HALL of Ohio, Mr. BIAGGI, Mr. LELAND, Mr. DICKS, Mr. MCHUGH, Mr. MCCURDY, Mr. HEFNER, Mr. WEAVER, Mr. WORTLEY, Mr. FROST, Mr. HYDE, Mrs. HOLT, Mr. ROWLAND of Georgia, Mr. BONIOR of Michigan, Mr. EVANS of Illinois, Mr. LEVIN of Michigan, Mr. HUGHES, Mrs. BURTON of California, Mr. FUSTER, Ms. KAPTUR, Mr. WIRTH, Mr. ROYBAL, Mr. KINDNESS, Mr. THOMAS of Georgia, and Mr. TAUKE.

H.R. 4696: Mr. SKELTON, Mr. STRATTON, Mr. COLEMAN of Texas, Mr. SUNDQUIST, Mr. PENNY, Mr. FEIGHAN, Mr. MOLLOHAN, Mr. WALGREN, Mrs. HOLT, Mr. DERRICK, Mr. WHITTEN, and Mr. OWENS.

H.R. 4710: Mrs. HOLT, Mr. PURSELL, and Mr. TOWNS.

H.R. 4713: Mr. MURPHY, Mr. COOPER, and Mr. MARKEY.

H.R. 4755: Mr. HORTON, Mr. LAGOMARSINO, and Mr. SKELTON.

H.R. 4802: Mr. DASCHLE.

H.J. Res. 10: Mr. DE LUGO, Mr. FEIGHAN, and Mr. HOYER.

H.J. Res. 498: Mr. DORNAN of California.

H.J. Res. 501: Mr. LAGOMARSINO, Mr. STRATTON, Mr. HORTON, Mr. FUSTER, Mr. WOLF, Mr. FUQUA, Mr. WILSON, Mr. WORTLEY, Mr. HAYES, Mr. BEDELL, Mr. DE LA GARZA, and Mr. DORNAN of California.

H.J. Res. 508: Mr. PURSELL.

H.J. Res. 531: Mr. SAXTON, Mr. BARNARD, and Mr. COUGHLIN.

H.J. Res. 611: Mr. RODINO, Mrs. BENTLEY, Mrs. HOLT, Mrs. BURTON of California, Mrs. ROUKEMA, Mr. SMITH of Florida, Mr. OWENS, Mr. BEDELL, Mr. FISH, Mr. HOYER, Mrs. BOXER, Mr. LEVIN of Michigan, Mr. MARTINEZ, and Mr. DORNAN of California.

H.J. Res. 622: Mr. TAUKE, Mr. PURSELL, and Mrs. BOXER.

H.J. Res. 624: Mr. KINDNESS.

H. Con. Res. 285: Mr. PURSELL.

H. Con. Res. 310: Ms. MIKULSKI, Mr. THOMAS of California, and Mr. KASICH.

H. Con. Res. 321: Mr. FISH, Mrs, MARTIN of Illinois, Mr. LAGOMARSINO, Mr. GLICKMAN, and Mr. EDWARDS of Oklahoma.

H. Con. Res. 325: Mr. BEVILL, Mr. DORNAN of California, Mr. FISH, Mr. LUKEN, Mr. OWENS, Mr. ROE, and Mr. WILSON.

H. Con. Res. 326: Mr. ACKERMAN, Mr. DE LA GARZA, Mr. DORNAN of California, Mr. ECKART of Ohio, Mr. FAZIO, Mr. FRANK, and Mr. VALENTINE.

H. Con. Res. 330: Mr. LANTOS, Mr. WORTLEY, Mr. BUSTAMANTE, Mr. GARCIA, Mr. DIOGUARDI, Mr. JEFFORDS, Mr. BORSKI, Mr. BRUCE, Mr. APPLEGATE, Mrs. BOXER, Ms. OAKAR, and Mr. MCGRATH.

H. Res. 388: Mr. ACKERMAN, Mr. WEISS, Mr. APPLEGATE, Mr. NEAL, and Mr. BEDELL.

H. Res. 404: Mr. MARTINEZ.

H. Res. 413: Mrs. LLOYD, Mr. SMITH of New Hampshire, Mr. CLINGER, Mr. MCKERNAN, Ms. SNOWE, and Mr. RICHARDSON.

H. Res. 451: Mr. ACKERMAN, Mr. ANDERSON, Mr. CHAPPELL, Mr. DYSON, Mr. FRANK, Mr. HORTON, Mr. MANTON, Mr. MCCURDY, Mr. OWENS, Mr. SMITH of New Jersey, Mr. STOKES, Mr. WEISS, Mr. WORTLEY, Mr. YATRON, Mr. FAZIO, and Mr. FAUNTROY.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

350. By the SPEAKER: Petition of the Somerville Board of Aldermen, city of Somerville, MA, relative to a nuclear weapons testing moratorium; to the Committee on Foreign Affairs.

351. Also, petition of the Federal Administrative Law Judges Conference, Washington, DC, relative to the rights of social security claimants, and the decisional independence of social security judges; to the Committee on Ways and Means.

352. Also, petition of the Forest Ridge School District No. 142, Oak Forest, IL, relative to certain provisions of the tax reform bill of 1985, H.R. 3838; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

GOING HOME TO QUEENS

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. O'NEILL. Mr. Speaker, Joe Addabbo was as loved as any person who have ever served in the Congress. My heart still aches from his passing. The tributes paid to him at his funeral service in New York were moving and sincere; yet we all knew it was impossible to adequately express our sorrow, our deep sense of loss.

Phyllis Zagano describes herself as Joe's adopted niece. In a recent article, she describes her special relationship with "Uncle Joe," and in doing so shares with us the warmth and caring he shared with her—and with so many others.

I am pleased to bring Ms. Zagano's article to the attention of my colleagues.

[From the New York City Tribune, Apr. 22, 1986]

GOODBYE UNCLE JOE

(By Phyllis Zagano)

They buried Joe Addabbo the other day, over at St. John's in Middle Village, the Catholic cemetery where all the Queens Catholics go when it is all over. They had the funeral in the city, though, over at St. Patrick's Cathedral. It seemed awfully fancy for Joe Addabbo, but in a way it wasn't good enough.

They were all there, all those famous people he knew. Three busloads of senators and congressmen. The cardinal. The bishop. The mayor. The governor. Nine priests, three ministers, five altar boys, nine military pall bearers, and a master of ceremonies. But mostly there were the people, so many of the people from South Queens—from South Jamaica and St. Albans, from Springfield Gardens and Rosedale and from South Ozone Park. I think they're still in the district. The lines would change with every election, but since 1960 the heart of the district beat in Joe Addabbo's chest.

I met him first when I was so little I don't remember when it was. He was my uncle's campaign manager, and in 1960 they switched roles. When I met him again, at a ship's commissioning, it was long after my uncle had died. I'm sure there were 200 people at that reception, but once he knew I was my uncle's niece, he demanded I meet every person there. They heard, as did I, of his friendship with my uncle. And that day, since my uncle was dead, he proclaimed himself my "Uncle Joe."

We ran into each other a lot, at dinners and at school symposia on this or another issue. We often ended up on the same plane, back or forth from Washington. I'd see him, at National Airport, bouncing down the corridor. His tie was never related to the rest of him; it seemed to have a life of its own. His clothes always looked more rumpled than you remembered them; he looked more tired, or he suffered from the heat. "Hiya, Baby!" he'd grin whenever he saw me. "Hiya, Baby!" Who else in 1986 could get away with that? "Hiya, Uncle Joe!"

We'd talk about the district, and about whatever election he had coming. We never talked about the Congress, or about issues. I suppose we didn't see eye to eye on all of them. We'd talk about our families, and how they were, sounding more sometimes like consulting physicians than a couple of tired travelers. The last time I sat with him at National Airport, waiting for the thunderclouds to let us board, he lectured me on my family's hereditary health problems, sternly ordering me to have this or another test, in order to beat a sudden death. He did agree, however, that the only way to beat death is to live life.

And so he did. So here they all were, in that big Cathedral on Fifth Avenue in New York City, and Joe Addabbo's casket was in the center aisle, next to Tip O'Neill, the Speaker of the House of Representatives. And next to Al D'Amato, the New York Senator.

Once they read the gospel, it sounded a little more normal. The priest, I think it was Joe's pastor, sounded like he knew where he came from, and where he came from was Queens.

We were all his family there. The congressional staffers in their striped suits and yellow ties, the ladies from Queens, and the Addabbos, including Joe's father, who at 90 now had lived long enough to bury his son. The Speaker of the House of Representatives spoke. He said, "Joe Addabbo loved and cared for people." He said, "Joe knew where he came from." He said, "he knew it was nice to be important, but more important to be nice." And, afterward, the whole Cathedral rose as one to applaud Joe Addabbo, because the Cardinal said we could, and because we wanted to.

I don't suppose that if I'd ever really talked to Uncle Joe about the issue we would get on that well. I saw him as the ultimate New York politician. The only wasted defense dollar, I would kid him, was one that wasn't spent in New York. Once the plane landed, wherever it was, he would wink, and grin, and return to the fold—to the waiting staffer, or campaign worker, or family member. Always, the wink, the grin, and "seeya, baby." as he rumbled down the corridor.

When they rolled the casket down the center aisle of the cathedral, they stopped at the front door. The honor guard presented the American flag and unfolded it slowly, slowly, over the casket. They held it out, tight, and slowly draped it over the bronze box in which it lay. Then they carried the casket down the steps of the Cathedral, and all of Fifth Avenue stopped to watch while the Cardinal blessed it with holy water.

The sun has given way to a gunmetal grey overcast, as they put the casket into the waiting herse. He could have had the bands and trumpets, and the flag and the big honor guard, but they kept it simple, and that was good. So there he was, waiting on Fifth Avenue to go home to Queens.

Seeya, Joe.

BEILENSON LEGISLATIVE REPORT

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. BEILENSON. Mr. Speaker, I am taking the liberty of sharing with my colleagues a recent newsletter of mine which briefly discuss four major issues that are facing us this year—the budget deficit, the effect of star wars on nuclear arms control, aid to the Contras in Nicaragua, and tax reform. I have received positive constituent response to the newsletter and thought my colleagues might be interested in seeing it.

FOUR IMPORTANT ISSUES FOR 1986

This report is an effort to bring you up to date on four of the major issues that Congress and the President are now debating in Washington.

We'll be facing a number of other difficult issues as well, such as immigration reform and the U.S. trade deficit, but we shall be making decisions and voting soon on the ones I've discussed below.

It's not possible, of course, to do justice to these issues in so brief a format—each is complicated, and none of the answers is simple or easy. But I have indicated my own feelings about each and, as always, I welcome your comments and questions.

1. CONTROLLING THE DEFICIT

The biggest issue facing Congress and the President—one that overshadows everything else in Washington—is our continuing, enormous federal budget deficit. The U.S. government has run a deficit almost every year since World War II, but none has been nearly so large as the annual deficits we have been faced with since 1981. In each of the last four years, the federal deficit has been more than three times the size of any single deficit prior to 1981.

The amount of debt that we have run up in just the last five years is equal to the total national debt that was accumulated under all previous presidents, from George Washington through Jimmy Carter. In other words, the size of the total federal debt has more than doubled since President Reagan took office, and it will double again in the next several years if we do not take the necessary steps to control it.

It was this doubling of the debt and the government's failure to reduce these $200 billion annual deficits that led to passage last year of the Gramm-Rudman budget law which requires mandatory reductions in the deficit for five years in order to balance the budget by 1991. To comply with the new law, next year's deficit will have to be reduced by about $40 billion.

President Reagan has proposed to meet this target by slashing spending for a wide range of domestic programs, many of which have already been deeply cut during his Administration. However, in early March, the Senate's Republican-dominated Budget

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Committee overwhelmingly rejected the President's budget and passed instead a proposal of its own. Lawmakers of both parties are paying attention to what every nationwide poll taken during the past few months has shown: more than two-thirds of Americans agree that defense spending should not be increased; that there should not be further major cuts in domestic programs; and that some additional revenues must be raised if we are to make a serious effort to reduce the size of the federal budget deficit.

In the past, deficit reduction efforts have failed because too much of the budget was taken off the negotiating table: the President has insisted on continued major defense growth and no new revenues; neither he nor most members of Congress have wanted to touch Social Security; and interest on the national debt (currently 15 percent of total federal expenditures) must be paid. That has left only 35 percent of the entire budget available for reductions. With so small a portion of the budget left to cut, and additional taxes of any kind of limits, it's no wonder that we have been unable to bring deficits below the $200 billion range.

This year, we are going to have to change course. The President, the Senate, and the House of Representatives are all going to have to give some ground in this year's budget battle. There is simply no way that we can comply with the new law if we don't.

The good news is that if, in fact, the President and Congress do put all parts of the budget back on the table, reducing the deficit will be a much less difficult task because we will be able to spread the burden more broadly. If taxes, defense spending, and entitlement programs are all part of the deficit reduction effort, then there are plenty of ways to gradually eliminate the entire deficit over the next four or five years in an equitable manner that would ask very little sacrifice of any American.

That's the way we should have been approaching the problem all along.

2. SLOWING THE ARMS RACE

We haven't made much progress with the Soviets over the past few years on arms control, but the opportunity now exists for an agreement that would benefit both sides: the removal of all medium-range nuclear missiles from Europe, and a 50 percent reduction in the number of long-range nuclear missiles that can reach each other's soil.

The major obstacle to such an agreement is the President's Strategic Defense Initiative (SDI), often referred to as "Star Wars," a plan for a nuclear weapons shield that will probably cost more than a trillion dollars. The Soviet Union has made it clear that such a full-blown program—which would include actual testing and deployment of components in addition to the basic research that both sides are now conducting—is unacceptable and will thwart serious arms control negotiations between the two superpowers.

And, although the Administration contends that we can force Soviet concessions by proceeding with SDI, it is far more likely that going ahead with the program will have the unwanted and opposite effect of prompting the Soviets to build many more nuclear missiles than they have now. Most U.S. arms control experts agree that SDI and arms control are mutually exlcusive: the Soviets won't agree to reducing their nuclear offensive force at the same time that its effectiveness as a deterrent is being threatened by a new U.S. defensive system.

Thus, we face a crucial choice: we will not get the big reductions we seek in the most powerful Soviet land-based nuclear missiles (which the Reagan Administration has, quite properly, made its top arms control priority), while at the same time going ahead full steam with a nuclear defense.

There are also, of course, the many technical difficulties inherent in developing the enormously sophisticated components of an effective and operational SDI system, such as computer programs able to track thousands of incoming missiles, and weapons capable of destroying them all. As we know, mechanical and human errors can combine to destroy even a much simpler, carefully tested, and already functional operation like a space shuttle launch—and an SDI defense would involve thousands of far more complex operations that would have to work right the first time the system is used. And because we don't yet know what kinds of technologies nor what combination of yet-to-be-developed weapons will be used, the system may not work well at all, even years from now after we have spent hundreds of billions of dollars to build it. (Most of those billions, it should be pointed out, will have been shifted away from crucial investment in conventional arms that everyone agrees is badly needed.)

Most important, whatever form an SDI nuclear defense might eventually take, it will not be perfect. It will not, in the President's hopeful words, "render nuclear weapons impotent and obsolete." It will not be able to protect most of the people of the United States. In the unlikely event that the system is eventually even 99 percent effective, thus allowing only one percent of Soviet missiles to get through, 100 American cities would still be devastated, a number sufficient to destroy us as a nation. And that scenario is optimistic in that it assumes the U.S.S.R. has only the 10,000 long-range missiles currently in its arsenal; by then it is likely to have two or three times as many nuclear warheads, plus tens of thousands of decoys, in order to penetrate and defeat our defense.

Even if we are willing to commit ourselves to a vast expenditure of money, we won't know if an SDI will work well for 10, 15 or, more likely, 25 years. So, if we do go ahead in the near future with testing and deployment of initial components of an SDI system, we will lose the chance we have right now to cut back by 50 percent or more the Soviet nuclear weapons that are currently targeted on the U.S.

We thus have a grave choice to make in the coming months, and Congress will continue to examine with increasing concern the Administration's request for almost $5 billion in next year's budget for racing ahead with a full-scale Star Wars program. A majority in Congress believes that we cannot wisely spend so much money so quickly and believes, as well, that we should signal the Administration to proceed at a pace that will not doom all chances of reaching an arms control agreement with the U.S.S.R. that could be very favorable to U.S. security interests.

3. STAYING OUT OF NICARAGUA

As you know, President Reagan is strongly backing the rebels, or "contras," trying to overthrow the Sandinista government of Nicaragua. Last year, Congress refused to continue military aid to the contras, but did approve the President's request for $27 million in "humanitarian" (non-lethal) aid. This year, the President asked for an additional $100 million in aid to the contras—$70 million for military equipment, and $30 million for non-lethal materiel. Although the House of Representatives turned down the President's latest proposal in March, the issue of U.S. aid to the contras will come up again soon as the President continues to press Congress to underwrite a war against a nation with whom we are ostensibly at peace.

The great majority of the American people do not support the President's policy toward Nicaragua. They feel that not liking a government is an inadequate justification for war. There are plenty of Marxist and other undemocratic governments around the world—we would keep ourselves very busy and very bankrupt if we seriously pursued a policy of trying to get rid of them all.

Nicaragua is a very poor, weak nation of 2½ million people that poses no threat to any vital security interests of the United States. If, in fact, it ever does—if, for example, it ever allows Soviet bases on its territory—we can easily and quickly take action that will effectively remove that threat.

And there is virtually no one in Washington who really believes that Central America or other parts of the Western Hemisphere will turn communist if the Sandinistas remain in power. There is, after all, the example of Cuba: a far larger and stronger Marxist state with a charismatic leader which has been utterly unsuccessful in spreading communism beyond its own borders.

Most important, it is foolish and counterproductive for the U.S. to assume arrogantly that we are the only ones who know how to solve Latin American problems. Fortunately, there is a much better way available to meet our legitimate concerns about Nicaragua. That way is to give real support—which we stubbornly continue to refuse to do—to the many Latin American democracies that are pursuing the so-called "Contadora" effort to negotiate a regional settlement with the Sandinistas.

These other nations, after all, are more directly affected than we are by anything Nicaragua might do, since they are its neighbors and since they are much less strong than we. We should offer to help them, to support their efforts to reach a negotiated settlement, even offer to defend them if they are actually ever attacked by Nicaragua—but we should not be trying to impose a U.S.-initiated and U.S.-backed military solution in an area where every single one of our friends and allies has spoken out in opposition to what we are doing.

In the final analysis, the real question is: what policy will produce the results we want? No one in Washington believes the contra rebels can oust the Sandinistas, no matter how much American aid they are given. Meanwhile, the continuation of the war is clearly defeating our other objectives by making the Sandinista government both more repressive and more likely to accept additional Cuban military aid in order to further strengthen their armed forces. A regional negotiated settlement, on the other hand, might resolve the concerns that we and other Latin American nations have about Nicaragua. The U.S. has never given real support to such efforts; we should now give them a chance.

4. REFORMING THE TAX CODE

After a year of intense study and debate, the House of Representatives passed and sent to the Senate last December a major proposal to overhaul the federal income tax code. I supported the measure despite misgivings about some of its provisions, because

on balance I think it represents a substantial improvement over our current tax laws.

The principal provisions of the House-passed bill include:

(1) Reducing taxes for most individuals—the average family would pay about 8 percent less in taxes than it does now. The bill is especially good for middle-class families: over 50 percent of total tax relief would go to those in the $20,000-$75,000 income range.

(2) Legislating, for the first time, a tough "minimum tax"—to ensure that those businesses and individuals who have been able to avoid paying their fair share of taxes by taking advantage of loopholes and tax shelters will hereafter have to pay substantial taxes. This provision will correct the most glaring inequity of our current law, under which 50 corporations earning a total of $56 billion in profits during the past four years paid no taxes whatsoever, and more than 30,000 individuals with annual incomes in excess of $250,000 paid less than 5 percent in taxes.

(3) Reducing tax rates—with the top rate lowered from 50 percent to 38 percent—and reducing the number of brackets from 15 to 4. This is made possible because the bill reimposes on corporations part of the tax burden which has been shifted away from them—during the past three decades the explosive growth of special loopholes has reduced the share of taxes paid by corporations from 25 percent to about 6 percent, leaving individuals forced to make up the difference in ever-higher personal taxes.

(4) Retaining the most popular deductions used by individuals, including state and local taxes, home mortgage interest (for up to two homes), employer-provided fringe benefits, and charitable contributions.

(5) Raising the personal exemption for taxpayers and their dependents from $1,040 to $1,500 for those who itemize, and to $2,000 for those who do not.

(6) Eliminating six million people from the tax rolls by raising the income level at which people begin to be liable to pay taxes: for a family of four which does not itemize, the first $12,800 of gross income would be exempt.

House passage of the measure was only the first significant step toward enactment of a final law. The tax reform bill is now undergoing heated debate in the Senate Finance Committee and faces crucial votes in the full Senate before it can go to the President to be signed into law.

HUMAN RIGHTS IN EL SALVADOR: WHO'S TO TELL?

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mrs. BURTON of California. Mr. Speaker, my colleague, Representative MIKE BARNES, today is holding hearings before his Subcommittee on Western Hemisphere Affairs to seek some answers to questions about human rights in El Salvador. As we consider military aid to El Salvador, we should also more closely consider that government's adherence to promises to restore democracy in that nation.

A group of leaders from the ecumenical religious community in San Francisco visited El Salvador in March and found that the suffering of the general population continues virtually unabated. These findings are similar to those reported by Archbishop John Quinn of San Francisco, who visited El Salvador in January and said, "My overall impression is that the situation for the people of El Salvador is extreme."

If you are interested in learning more about the delegation's findings, contact Tom Ambrogi of the National Sanctuary Defense Fund in San Francisco.

A summary of the delegation's report follows:

The current Administration aid requests for Central America exceed $1 billion. They include $100 million for the Nicaraguan Contras, $144 million for Guatemala, $187 million for Costa Rica, $247 million for Honduras, and an outrageous $514 million for El Salvador.

Of all the items on this shopping list, the $514 million for El Salvador bears the closest scrutiny. The President is bound by law to submit to the Congress twice every year a full report on human rights in El Salvador. As traditionally presented by Elliott Abrams, Undersecretary of State for Inter-American Affairs, these reports have relied almost exclusively upon the myopic and self-serving data received, or even fabricated, within the fortress walls of the U.S. Embassy in San Salvador

Who's to tell of human rights in El Salvador? Rep. Michael Barnes (D-MD) has scheduled hearings on El Salvador for May 14 in the House Subcommittee on Western Hemispheric Affairs. Those hearings deserve national attention. Direct testimony ought to be heard about the widespread bombing of civilian populations throughout the Salvadoran countryside. Honest voices should at last be brought to the public debate on human rights and U.S. involvement in El Salvador.

Six leaders of the ecumenical religious community in San Francisco visited El Salvador from March 17-24, at the invitation of the Base Christian Communities of the Archdiocese of San Salvador. I led that delegation, and the testimonies we heard among the refugees and the displaced directly contradict the Reagan/Abrams account of what is happening in El Salvador under the "democratic" presidency of Jose Napoleon Duarte. Those voices must be amplified in the halls of Congress in the coming weeks.

On the day we arrived in San Salvador, we met with about 60 displaced peasants from Guazapa, victims of "Operation Phoenix", the brutal counter-insurgency program of the Salvadoran military which began on January 11 in an area controlled by rebel forces less than 15 miles from the capital city.

On March 13, six hundred of the displaced from Guazapa had marched on the presidential palace, insisting that President Duarte respond to their demand to return in safety to their lands and to be reimbursed for the "scorched earth" destruction of their homes, their livestock and their crops.

It was an orderly and hushed assembly and they gathered for more than two hours in a large circle to tell us their story, one after another. In a typical attack on the Guazapa villages, the Salvadoran air force bombs for two hours; A-37 "Dragonfly" fighter bombers; "push and pull" rocket-launching planes that can pause in mid-air to fire with pin-point accuracy; A C-47 equipped with three .50-caliber machine guns capable of firing 1500 rounds per minute. The air attacks are often at night, at terror-time.

Then the Army troops come in: the Atlatcati and Bracemonte Battalions, which the American press always identifies as "crack", and "U.S.-trained." They burn everything: houses left standing from the bombing, corn, food supplies, trees, the grass. When they find people, they start shooting, rounding up those who wander around in flight for forcible relocation to other parts of the country. The plan, whose name comes from the infamous "Operation Phoenix" of U.S. forces in Vietnam, is then to repopulate the devastated area with campesinos more politically favorable to government policy.

The refugees spoke again and again of the terror of the bombs and the machine-gun fire, driving women and children and the elderly into caves and shelters wherever they can find them. Their story was corrobrated by many other "testimonies" we heard in the following days. What is happening with "Operation Phoenix" on the Guazapa volcano is also happening now in many other parts of El Salvador, wherever the opposition forces are operating.

It is clear that these indiscriminate attacks on the peasant population are flagrant violations of the Geneva Conventions. We affirm the judgment of Archbiship John R. Quinn of San Francisco, when he said after his visit to these same people just a few weeks earlier: "The bombing of civilians in the countryside cannot be justified, and the use of arms against brothers and sisters who are unarmed is an outrage against God and international law."

In the following days, we visited the major church refugee camps in the San Salvador area. Calle Real is a large and expanding camp run by the Archdiocese of San Salvador, carved in tiers out of a steep hillside above a tiny stream in the wilderness. Last December there were 100 people here; there are now 900, and 60 more arrived on the day after our visit.

We sat around a rough table under the trees and listened to the quiet testimony of recent arrivals from Chalatenango and Guazapo. Lisandro is tall and muscular, with quiet, dark eyes that have seen a lot of pain. He shared with us the 5-year history of the military incursions into the villages of Chalatenango to the north, dwelling at length on the most recent operation which began on March 5 in the areas surrounding San Jose de las Flores.

When the attacks began, a group of 86 men, women and children fled the area to evade the military, walking from canton to canton by night until they arrived at the church of Dulce Nombre de Maria at dawn on March 13. The next day, the military surrounded the church, broke in, and set up their machine-guns inside the church.

"They accused us of being guerrillas," Lisandro said, "and asked the children where the arms were. We were questioned all day. A pinata filled with candy was brought for the children, and a soldier dressed as a clown appeared. 'Tell us of the rebels; we're here to protect you', the soldiers said. We started to pray the rosary."

"The colonel finally got angry and gave us two options: 'go with the Red Cross to a refugee camp, or stay and we'll first investigate you in the garrison and then let you go.' That was no choice. We know of too many who have disappeared in such a deal with the army. So we gave ourselves to the Red Cross and were brought here a few days ago."

We then heard the testimony of Maria and her teenage daughter, Rosita. Although Maria was only 43, her thin and exhausted

body was that of a much older woman. They described their flight from Guazapa, and the details of their story were strikingly identical with those we had heard earlier from the Guazapans in the cathedral. The bombs, the helicopters (which Maria kept referring to as "spiders" hovering over them), the machine-guns, and the burning of the whole earth.

Along with thirty other men, women and children, Maria and Rosita had hidden for twelve days in a steep ravine. The children began to cry from thirst and hunger. They finally gave themselves up when an army patrol discovered them and threatened to drop a grenade into the ravine. They had been in Calle Real for a month.

The stories we heard in the refugee camps which we visited left us with some lasting impressions:

1. The fact that these campesinos have survived for the last five years in the zones of conflict and now have finally been forced out, testifies to the brutal intensity of the current depopulation strategy of the Salvadoran Security Forces.

2. The political analysis of these simple peasants is remarkably well informed and sophisticated. They know what is happening to them, and they know the roots of that oppression. They know that the U.S. Congress will soon be asked to approve $514,000,000 more in military aid to the Duarte government.

Their universal message to us was not that they need food, medicine, shelter, schools in these camps—needs that are all too obvious. Rather, their message was: "Go home and do everything you can to stop the military aid from your country."

Marta, one of the leaders of the Christian Communities at Calle Real, put it passionately: "Transform the military aid into human aid. There is not a single munitions factory in all of El Salvador. The day you stop the aid, we will begin to learn how to understand one another."

On March 20, we left in the early morning to visit the Christian Communities of El Marillo, in the province of Usulutan. Usulutan lies in the southeast, and since it is a stronghold of the opposition forces, it has been the object of sustained military operations in recent months. 1500 campesinos settled here after the army drove them from their villages along the coast. They refuse to go into refugee camps, insisting that they have a right to return to their lands.

We were four hours late when we arrived at El Marillo, but several hundred people were waiting for us around a rough altar under the trees. Since December, military operations in the area had been so intense that the Christian Communities had not dared to gather in such large numbers. When the army operates, pastoral work ceases, since the army considers church workers to be subversives.

But now it was Fiesta time, and the sun was shining through the trees. We told the people that we had heard of their suffering, and we wanted them to tell us how we could help. One of the leaders replied by reading a list of demands which the communities had drawn up. Above all, they demand guarantees of safe haven from the constant military attacks, and guarantees that they can safely go home to their own land. Their list, which had been carefully written out on scraps of note paper, was then handed over to us with some ceremony. And with the hope that we could somehow be their voice to the outside world.

After sharing a meal in a dirt-floored family home, some of us heard testimonies in the large group. In December of last year, a group of North American nuns had visited them and brought them an urgently needed supply of medicines. After the nuns had left, the army came and took away the medical supplies. One of the leaders quietly told us, "We want you to know that between January 15 and January 20, five of our children died for lack of the simplest kinds of medicine."

Life in the communities of the displaced is difficult not only because of the military incursions, but also because the army regularly refuses to allow food and medicine to be brought in. This action against noncombatant civilian populations can only be called what it is: an outrageous violation of international law and fundamental human rights.

As we left the Christian Communities of El Marillo, they urges us to raise an international voice of protest about the interdiction of aid, particularly medical supplies.

That afternoon we went to a "Convivencia", where about 600 people from Christian Communities gathered to celebrate the life of Monsenor Romero. As it was coming to a close, we got a reminder of stark reality when there was a call for silence, and Marta, our friend from Calle Real, stood up to announce that Adela Guardada had been captured that morning while waiting for a bus in Mejicanos. She is one of the refugees in Domus Mariae, caring for her two children and elderly parents there. Five armed men in civilian clothes drove up and took her away.

As a result of our visit to the refugees and the displaced in El Salvador, our delegation recommends:

1. As long as the U.S. continues to supply weapons to the Duarte government, there can be no dialogue and therefore no peaceful solution to the tragic civil war in El Salvador.

There must be full public debate on the appropriations requested by the Reagan Administration for the region of Central America, and especially on the $514 million requested for El Salvador. National attention should be given to the hearings on El Salvador which Rep. Michael Barnes (D-MD) has scheduled for May 14 in the House Subcommittee on Western Hemispheric Affairs. To respond to the President's April 1 Report on Human Rights in El Salvador, direct testimony should be heard on "Operation Phoenix" in Guazapa, and on the widespread bombing of civilian populations throughout the countryside.

2. An international voice of protest should be raised about the Salvadoran military's interdiction of aid, especially medical supplies, to the Displaced in the Zones of Conflict.

HELPING OUT ECUADOR

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. GARCIA. Mr. Speaker, I recently learned that the Treasury Department issued a statement in support of the Government of Ecuador's efforts to obtain additional financial assistance from private international lenders.

The statement, I believe, should be viewed as a broad endorsement of President Febres-Cordero's administration and in particular the way in which he is dealing with the Government's economic problems. These problems have been made worse, however, by the sharp drop in world oil prices which has created a $600 million deficit for the Ecuadorian Government.

Although our Government's response to Ecuador's situation is positive, I believe what is more important now is for our Government to provide Ecuador with additional United States aid for its continued economic and political development.

A few weeks ago, Ecuador's Foreign Minister was in Washington. Several members of the congressional hispanic caucus and myself had the opportunity to sit down with the minister for a wide ranging discussion of issues of mutual concern. I came away from that meeting with a better understanding of the economic and political repurcussions the drop in oil prices has caused to Ecuador. Moreover, I have become convinced that the United States must do more than just issue laudatory statements in support of Ecuador.

Each year we dispense millions in foreign aid to countries around the globe. This year, because of budget constraints, we are not able to be so generous. Despite our fiscal restraints, it seems to me that we could do more for Ecuador. Here is a country that has adopted a sound economic program. The Wall Street Journal reported last month that Febres-Cordero's economic program has been so successful that it is threatening to put the country's black market operations out of business.

Ecuador has come a long way toward helping itself. Yet, because of its recent economic problems, it may lose the ground it has recently gained. We should do what we can to help the Government and people of Ecuador to regain that lost ground and to continue to progress politically and economically. Ecuador has been a loyal ally. It deserves our support.

Ecuador has asked the administration for additional funds to minimize further damage to its economy and democratic institutions.

It is my hope that the administration will respond affirmatively and immediately. The situation is critical, and the need is clear.

Mr. Speaker, for the benefit of my colleagues, I would like to insert at this point in the RECORD the text of the Treasury's statement as well as a copy of the article from the Wall Street Journal.

The material follows:

STATEMENT ON ECUADOR

The United States Government has assured the Government of Ecuador of its support for Ecuador's continuing economic adjustment efforts. The United States praises these efforts particularly in light of the recent difficulties stemming from the oil price drop. In this connection, the Treasury Department is actively considering, in consultation with the appropriate Ecuadoran authorities, provision of additional short-term financing to strengthen Ecuador's financial position.

[From the Wall Street Journal, Apr. 11, 1986]

FREE MARKET THEORIES BECOME PUBLIC POLICY IN ECUADOR

(By David Asman)

GUAYAQUIL, ECUADOR.—Two demure nuns in full white habits scurry out of a one-square-mile maze of shopping alleys, each carrying two, large stainless steel bowls. As I nod my head in greeting, they lower their gazes, as if caught nipping holy wine. All they had done in fact was shop for contraband.

Most of the items in this wild bazaar called La Bahia are either banned from importation, sneaked into the country duty-free or both. Yet the merchants operate openly. You can get almost anything you want, from X-rated video cassettes to washing machines to pharmaceuticals.

Vibrant markets like La Bahia can be found in most Latin American cities. Few Latin governments have seriously addressed themselves to the excessive regulation that gives rise to such illicit commerce. But Ecuador's president, Leon Febres-Cordero, is trying to free the creative potential found in places like La Bahia by chopping away red tape. This has meant taking on the bureaucracy and the elite who benefit from state subsidy and protectionism.

It is fitting that Guayaquil is home both of La Bahia and the president. This steamy port city is distinct in geography and style from the mountainous capital city of Quito—the capital with the world's third highest elevation. For decades, Guayaquil has been the industrial capital of the country. It is looked down on, literally and figuratively, by the Quito elites.

When President Febres-Cordero and his predominantly Guayaquilan cabinet moved into the executive offices in Quito, personalities as well as ideas clashed. "I wouldn't say the president is a fascist," says the Quito-based historian Enrique Ayala Mora, who describes himself as a democratic-socialist. "But he does have a tendency to bully his way through Congress." Though the president's coalition holds only 34 out of 71 seats in the legislature, he has asserted his broad popularity as a mandate for change.

The president's forceful style was evident in his handling of last month's abortive revolt by the nation's Air Force Commander, Gen. Frank Vargas Pazzos. The president cooperated with the rebellious officer until Gen. Vargas's intentions were clearly mutinous. At that point, the president gave orders to dislodge Gen. Vargas from the Quito air base. A short battle that left four dead ended the revolt.

The same swiftness has characterized the government's response to the small terrorist group called Alfaro Vive. The administration's no-negotiation policy was put to a test after an associate of the president's, Guayaquilan banker Nahim Isaias, was kidnapped last year by members of Alfaro Vive and several Colombian guerrillas. After their hideout was discovered, the president refused to accept anything less than unconditional surrender. When the terrorists demanded free passage out of the country, the president ordered the house stormed. Mr. Isaias was killed, along with his seven kidnappers.

The president is no less resolute in dealing with economic policy. While some Latin American governments talk glowingly about the free market, Mr. Febres-Cordero and his economic aides are really trying to create one from the interventionist system they inherited in 1984. Their command center is the Central Bank of Ecuador. There the president's youthful advisers—few in the central bank are over 40—have transformed a slow-moving bureaucratic monolith into a fast-pased laboratory where plans for releasing the Ecuadoran economy from price controls, import substitution laws, fixed interest rates and the like are raced from office to office and quickly brought before congress. "We don't even bother to knock on each other's doors any more," says Alberto Dahik, the 32-year-old president of the Central Bank's monetary board.

Ironically, one of the most successful measures has been a method to decrease the central bank's role in Ecuador's financial market. "In September of 1983," explains 28-year-old Michael Hollihan, one of the three "general assessors" of the central bank, "we were experiencing 60% inflation, but our interest rates were pegged by the Central Bank at 23%. Thus, our banks became decapitalized, we experienced tremendous capital flight, and an illegal market of lenders came out of the woodwork. Essentially, we decided to make this illegal market—which was actually the free market—legal."

Beginning in March 1985, the Central Bank authorized private banks to begin issuing certificates of deposit with floating interest rates. "This gradual adjustment to real rates has not only increased the people's faith in savings," says Mr. Hollihan, "but it has reduced the banking system's dependence on the Central Bank's resources." Currently the Central Bank estimates that CDs account for 30% of the basic money supply.

Other efforts to free up the economy include: the elimination of most price controls; revision and simplification of the foreign exchange system; tariff reform, and the lifting of import restrictions on over 600 items. The positive results of the president's programs have led to a bullish private sector. According to Guayaquil-based Banco del Pacifico director Leonardo Stagg, capital loans to industries and farmers have been increasing steadily in recent months and foreign banks have once again opened up lines of credit to private Ecuadoran banks.

The biggest cloud hanging over the economy at the moment is the tremendous drop in oil revenues due to falling prices on the world market. Victor Eastman, the New York-based vice president of the Central Bank, estimates that every $1 drop in the world market price of oil means $60 million less in annual export revenue for Ecuador. However, Guayaquilan businessmen, and not a few members of the administration, view this development as a blessing in disguise. "All the oil profits have been feeding the Quito bureaucracy and stalling efforts to loosen controls on private sector exporters," says Guayaquilan Chamber of Commerce president Juan Chiriboga Valenzuela. "But now the government will have to focus on other exports, which means moving to a completely floating exchange rate." While the administration simplified the multitiered exchange rate it inherited, exporters still must turn their dollar earnings into the Central Bank at less than market rates.

Private sector complaints touch on more than the exchange rate and in some instances reflect the uncertainty of an economy grown accustomed to government intervention. One Guayaquilan businessman who imports items that are available at much lower prices in La Bahia believes the only way to handle contraband markets is through tighter enforcement. Mr. Chiriboga disagrees: "There are those in the business community who feel comfortable with a protected market. But I don't want an end to La Bahia. What we should do is legalize it by lowering the high tariffs that support it. Then the so-called legitimate businessmen could compete openly with La Bahia entrepreneurs. Finally we have a president who is committed to this idea of an open market."

NATIONAL UNION FOR THE TOTAL INDEPENDENCE OF ANGOLA [UNITA]

HON. MARK D. SILJANDER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. SILJANDER. Mr. Speaker, the issue of whether the United States should support "freedom fighters" in various places around the world is a matter of concern to all Members of Congress. Various bills have been introduced both to provide assistance to freedom fighters and to prohibit such aid.

The House may soon vote on legislation which would prohibit aid to freedom fighters in Angola and restore, in effect, the 1975 Clark amendment.

So that my colleagues can make a more informed judgment on this matter, I have attached a two-part series of articles on the National Union for the Total Independence of Angola (UNITA) which recently appeared in the Boston Globe. I believe this information is helpful in depicting life in Free Angola.

[From the Boston Globe, May 12, 1986]

IN BUSH OF ANGOLA, THE REBELS HAVE BUILT STRUGGLING SOCIETY

(By Colin Nickerson)

With UNITA rebels in Angola—The pilot, a white mercenary who said he hailed originally from Rhodesia, had filed a false flight plan back at the airport in central Namibia, naming an agricultural project near the northern border as the destination.

Now, as the Okavango River hove into view, he brought the twin-engine Piper into a sharp dive—vanishing from the radar screens of whoever might be watching—then hurtled across the muddy, crocodile-infested waters into Angola.

The small aircraft skimmed over the savannah at treetop level, setting herds of wildebeest into a stampede, terrifying elephants. It took more than an hour to reach the landing strip hacked out of the southern African bush.

A trio of men toting automatic weapons emerged from the shade of an acacia thicket. "Welcome to Free Angola," one said.

The Portuguese who ruled Angola for nearly five centuries called the desolate southeast corner of the colony "the end of the earth." To this day the region remains largely unmapped, a vastness of swamp and scrub—the haunt of stinging scorpions, stalking lions and Jonas Savimbi.

For more than a decade, Savimbi's rebel group, UNITA, has waged a guerrilla campaign against the Soviet-backed regime that came to power when Angola gained independence in 1975. Before that, UNITA—whose formal name is the National Union for the Total Liberation of Angola—was one of three major nationalist factions involved in the long struggle to oust the Portuguese.

Today, Savimbi, who recently started receiving military aid from the United States, leads what amounts to a nation within a nation. A society has grown in this forbidding bush country, where the rebels were driven during the early days of the civil war. UNITA, no longer simply a guerrilla group, governs villages and even operates schools and hospitals in a region covering about a third of Angola's total land area.

Deep within the rebel realm lies Jamba, population 14,000, Savimbi's "provisional capital."

The settlement is a sprawl of huts, camouflaged bunkers and hidden machine-gun nests. Flags bearing the rooster-and-sunrise symbol of UNITA flutter in the hot breeze; a captured Soviet truck churns along a rutted track; squadrons of young guerrillas-to-be—children, really, some no more than 11 or 12—drill with wooden weapons that all too soon will become real rifles and real grenade launchers.

STRONGHOLD BENEATH TREES

The Cuban-flown MIGs of the Angolan armed forces have never bombed Jamba. Savimbi's followers claim this is because the enemy has never located the rebel stronghold, which is largely screened beneath thorn trees. "They come looking for us, but they waste their bombs on the bush," said a UNITA colonel.

At an open-air school, children sitting on logs recite a natural history lesson aloud: "The mouse is a small mammal. He lives in the bush. He will destroy all food if you let him."

The teacher, a former guerrilla who had lost a foot during a skirmish in the north, said: "I am just as much a fighter as I was in the field. Now the enemy I fight is ignorance."

But education here also includes political indoctrination. At the close of every class, the children sing the praises of Jonas Savimbi: "Our Guide who sees farther than all other men. . ."

This is a society wholly geared for war. And everywhere are war's reminders.

Not far from the classes is an armory where damaged weapons captured from enemy troops are restored to deadly function. The yard is filled with mortars, heavy machine guns and howitzers, all Soviet-made. There is a T-34 tank and a 132-millimeter cannon capable of firing a shell 16 miles. And stack after stack of Kalashnikov assault rifles.

MAKING COFFINS, RIFLE STOCKS

The armory's carpentry shop serves a dual purpose: workers construct coffins from the same girassonde wood used in make stocks for the rifles.

Nearby, murky light filters through the reed walls of a physical rehabilitation clinic operated by a French volunteer group, Operation Handicapped International. Here, broken human beings attempt to relearn the use of limbs shattered by bullets or mortar bursts.

Beside the clinic is a workshop where peg legs and other crude prosthetic devices are fashioned on a hand-turned lathe. Thousands—perhaps tens of thousands—of Angolans on both sides of the war have lost their limbs to land miles.

The teen-ager lying on a straw mat within the clinic wore a camouflage shirt but his fighting days were over. Sweat popped from his brow, tears streamed from his eyes, as he struggled to lift the contraption of wood and leather that had replaced his left leg.

"It may be years before the learns to use it properly," said a clinic aide. "It may be never."

"WE WORK DAY AND NIGHT"

On the outskirts of Jamba is a collection of thatch-and-pole structures that serves as UNITA's main hospital. A surgeon with gray hair and sorrowful eyes presides over the primitive operating room. "In times of offensive, we work day and night, all through the hours," he said. "There is never enough anesthetic. Never enough antibiotics."

He said he had served in field hospitals for more than two decades, first during the war against the Portuguese, then during the present conflict. "For so many years I have removed bullets and the shrapnel from the young men," he said. "I wonder, now, if ever I shall see peace."

There are only three doctors working in all the territory controlled by the insurgents. One of them is Henrique Afonso Raimundo, an Angolan who trained at London's Royal College of Surgeons. Three years ago the middle-aged Physician abandoned a lucrative practice in Portugal to come out to the bush. "I felt my duty was here; I felt that my countrymen needed me," he said. "I expect to remain until freedom comes to my country."

That may be a long time. Neither side appears to have much chance of winning this war of torched villages and night attacks.

The 80,000-man Angolan army, backed by 30,000 Cuban combat troops as well as 4,000 Russian and East German advisers, boasts an advanced, Soviet-supplied arsenal of battle tanks, helicopter gunships and MIG fighter-bombers.

But the massive firepower is of little avail against roving bands of rebels who blow a bridge here, sabotage a power station there, then disappear into the bush. Nearly every road in Angola has been made impassable by insurgent ambush squads and mines. The country's main rail line has been shut down. More than 600,000 peasants have fled their fields to escape the fighting.

However, like a tsetse fly buzzing around the head of a buffalo, UNITA is capable of inflicting maddening stings but not a fatal wound. "We cannot achieve military victory," conceded Savimbi in an interview. "That is not our aim. We are fighting only to win a voice [in the government] for our people. But the government refuses to talk; so we must continue to attack."

BRIGADES GATHER FOR ATTACK

The rainy season has just ended here. And the end of the rainy season invariably signals the start of the government's offensive season. Already, six brigades of Angolan armored and infantry units—together with a contingent of Cuban troops—have massed in the towns of Cuito Cunavale and Longa for a major strike against UNITA, expected to be launched any day now.

Meanwhile, $15 million worth of US military aid for the rebels started flowing into Angola last month. The supplies are expected to include sophisticated antiaircraft and antitank weapons as well medicine, radios and trucks.

"Every day UNITA is gaining strength and gaining ground," asserted Savimbi. "We have come out to the wilderness, but we have not come out here to die."

[From the Boston Sunday Globe, May 11, 1986]

ANGOLA REBELS PIN HOPES ON US SUPPORT

(By Colin Nickerson)

With UNITA rebels in Angola—The UNITA insurgents talk about the Soviet helicopters with awe and dread.

Of all the machines in the Angolan government's Soviet-supplied arsenal, nothing terrifies the rebels more than the Hind gunships with their peculiar, insect-like snouts and fast-firing cannon capable of pulverizing an acre—and everything on it—in the blink of an eye. When the gunships come, the UNITA men tell each other glumly, there is no place on earth to hide.

Lately, however, the anti-Marxist guerrillas—called UNITA, the acronym, in Portuguese, for the National Union for the Total Liberation of Angola—have begun counting on the United States to even the odds.

"With antiaircraft missiles from your country, we can face even the helicopters without fear," said a young captain leading a detachment of insurgents along a dry river bed toward enemy lines.

Of Africa's dozen or so civil wars, the Angolan conflict is among the bloodiest and most intractable. Tens of thousands of people have died in fighting between the pro-Western insurgents and Angola's Marxist central government. The war has devastated much of the countryside and left the nation's economy in ruins.

It is also the African war with the greatest potential for widening into a serious East-West confrontation.

The Soviet Union and its allies have long been the mainstay of Angola's one-party state, providing weapons—ranging from advanced MIG fighter-bombers to Kalashnikov rifles—together with legions of military advisers and, most significantly, an estimated 30,000 Cuban troops to back up government forces.

Now the United States is wading into the fray in support of the pro-Western guerrilla organization led by a 51-year-old doctor of philosophy named Jonas Savimbi.

The Reagan administration has promised to furnish UNITA with $15 million worth of military aid, a package expected to include sophisticated Stinger antiaircraft missiles, as well as trucks, radios and medical supplies.

The first shipments of American military equipment arrived here late last month, just as Savimbi's fighters were starting to brace for the massive offensive by Cuban and Angolan forces expected to be launched this week or next.

"America's support has given fresh confidence to our men," said Savimbi in a recent interview in the war zone. "We could have survived without it, yes, but our struggle would have been that much longer and that much harder."

FIRST DIRECT US INVOLVEMENT

The assistance marks the first direct American involvement in the Angolan war since the mid-1970s, when the CIA furnished arms to UNITA and another guerrilla group.

After two decades of fighting—first against the Portuguese colonial rulers and then against the Marxist party that seized power when Angola finally won independence—UNITA now controls roughly a third of this 481,351-square-mile nation [about twice the size of Texas].

"The enemy cannot win, for he has forgotten how to fight like a guerrilla," assert-

ed the UNITA captain. "He reaches out to crush us, but we slip like water through his fingers."

In waging its guerrilla campaign against the government, however, UNITA has relied heavily on support from South Africa. This alliance has made Savimbi a pariah even in those African capitals that might otherwise be sympathetic to UNITA's cause. "I am shunned publicly by nations that privately tell me they support my fight," Savimbi said in the interview.

The insurgent leader made no apologies for accepting help from the apartheid republic, saying: "With no one else to turn to, I have had to say that the enemy of my enemy is my ally."

"That does not make me the friend of apartheid," Savimbi said. "It is an evil system, but also it is a doomed system. Already apartheid is dying. To me, the presence of a foreign army on Angolan soil is a far more dangerous threat to Africa [than apartheid]. I take help from South Africa to fight the foreigners who have invaded my land."

TRANSITIONAL GOVERNMENT

He was referring to the Cuban troops fighting on behalf of the Marxist faction—the Popular Movement for the Liberation of Angola, or MPLA—that took power in the chaotic days that followed independence from Portugal in 1975.

After the Portuguese withdrew, a transitional government was formed by the three major guerrilla groups that had dominated the liberation struggle—the MPLA, UNITA, and the Front for the National Liberation of Angola, or FNLA.

UNITA draws most of its followers from the nation's largest single tribe, the Ovimbundu, who represent more than a third of Angola's eight million people. The MPLA consists mainly of mixed-race urban dwellers and members of the Kimbundu tribe, while the FNLA is strongest among the Bakongo people of northern Angola.

At the time of independence, each group had its foreign champions: the MPLA was sponsored by the Soviets; UNITA—once backed by China—had turned to South Africa and the United States; the FNLA also received much of its support from Washington.

The fragile accord between the rival groups disintegrated almost overnight. Angola became an international battleground as South Africa crashed across the border to support UNITA and the Cubans rushed in to prop up the MPLA.

"Instead of elections, Angola got Cuban mercenaries," said one UNITA fighter. "Just when freedom was about to arrive, it was stolen from us."

REBEL LEADER FLED

In 1976, US support for UNITA and the FNLA was abruptly withdrawn by Congress. Overwhelmed by the Soviet-equipped MPLA, the two pro-Western groups retreated to the bush—the FNLA to the forests of the north and UNITA to the arid reaches of the southeast. The FNLA, wracked by internal disputes, fell into disarray. Its leader, Holden Roberto, fled to exile in the United States.

UNITA, however, continued low-level guerrilla operations against the central government. In recent years, the conflict has escalated as Savimbi's group gains strength. The rebels now range quite freely through much of the countryside while the government is entrenched in the large cities and towns.

The Cubans remain in Angola, along with several thousand Russian, East German and North Korean advisers. The Angolan government argues that the foreign presence is necessary to thwart invasions by South Africa, whose forces have repeatedly crossed the border since 1975 to chase Namibian insurgents as well as to assist UNITA.

But Savimbi claims that the real mission of the Cubans is to ensure that the Marxists remain in power. "The Russians and Cubans are Africa's new colonialists. Castro's troops are in Angola suppressing an African nationalist movement."

American military aid started reaching Savimbi's forces in late April, probably smuggled into the rebel-controlled region by way of neighboring Zaire.

The US support for UNITA has been condemned by many African nations. By helping Savimbi, they charge, the United States is signaling support for South Africa's military adventures in the region.

But Savimbi maintains that US support for UNITA will send another signal to black Africa. "The moderate African leaders will see it as sign that America is willing to take a stand in Africa," he said. "They will take heart from this. They will see that the continent does not have to kneel to the Russians."

It is unlikely that US aid to Savimbi will alter the course of the Angolan war. The conflict might best be described as a bloody stalemate; more weapons to either side will simply make it a bloodier stalemate. What the weapons will do, however, is enable UNITA to better weather the coming offensive.

No government helicopters would appear on the day that the small detachment of rebels slogged along the cracked river bed. Already, the sun was sinking behind the dusty acacias. "Another day we have survived," remarked the young UNITA captain. "And for the guerrilla, survival is a form of victory."

VALUES OF THE AMERICAN SOLDIER

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. SKELTON. Mr. Speaker, recently the Secretary of the Army, John O. Marsh, Jr., made an appearance at Fort Leonard Wood, MO, which is in the district I represent. At that time, he addressed a large audience of soldiers on values of the American soldier. It was such a well delivered and thoughtful address that I take this opportunity to share it with the members:

VALUES OF THE AMERICAN SOLDIER

This year's Army theme is "Values."

Since 1981, the Army has annually adopted themes on which to focus. No Army theme is ever abandoned; each builds on previous themes. That first year, the bicentennial of the American Army's victory at Yorktown, the theme was "Yorktown, Spirit of Victory." The next year was "Fitness," as we stressed the physical stamina needed by our soldiers to win in battle. "Excellence" was the 1983 theme, and it involved our recruiting slogan that young people could "be all they could be" in the Army. The theme placed great emphasis on achievement and opportunity, and we wanted soldiers to be aware of the challenges we were inviting young people to accept.

The "Year of the Family" involved a three-dimensional theme—the soldier and his Army family in the unit; the family of Active, Guard, Reserve and Civilian; and the husband-wife, parent-child relationship we all know. Last year we looked at "Leadership," and sought to have leaders at all levels emphasize family matters, tying the theme to the previous one.

We are living today in the closing years of the second millennium. In less than 14 years we will enter the 21st century. Events in the year 2000 will be different from what they are today; things will change. They may or may not change in ways that are in our national best interest. What we do or fail to do in the remaining years in this century can be critical to the shape of our future.

There are in today's world two contrasting value systems, described by Edward R. Murrow as a "challenge of ideas." The one value system is represented by the American Republic, and the other by the Soviet police state.

From my Pentagon office I can see across the Potomac River to the Tidal Basin, where the Jefferson Memorial stands. Inside that white monument, behind the grand statute of Jefferson, are engraved the immortal words of the Declaration of Independence: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness." That is a classic statement of American values, now fully incorporated into the fabric of American life.

At the far end of the Reflecting Pool is another marble memorial to our 16th President. Abraham Lincoln took Jefferson's values and applied them to the common man, expressing them eloquently in his Gettysburg Address: ". . . we here highly resolve . . . that this nation, under God, shall have a new birth of freedom—and that government of the people, by the people, for the people, shall not perish from the earth."

Such memorials as these are not visible in Moscow's Red Square. Where Jefferson and Lincoln—indeed all American statements of values—stressed the importance of the individual, the Soviets emphasize a doctrine of Marxist-Leninist philosophy that subordinates the individual to the state. This philosophy is deficient as an economic and governmental theory, but is extremely dangerous because of Soviet military power.

That Soviet military is formidable with its army of more than 190 divisions, its blue water navy and its ability to project its power anywhere in the world. They are engaged in adventurism around the globe.

Two final monuments are worth considering. In East Berlin is a Soviet monument to glorify the Red Army and remind the German people of their defeat at the hands of the Soviets in World War II. In West Germany there are no monuments to Americans with one notable exception, a monument to those young Americans who gave their lives to break the Berlin Blockade in 1948. That monument was erected, not by Americans but, by the grateful citizens of West Berlin. Such are the contrasting value systems of the Soviet Union and the United States.

The values cherished by the American soldier fall into two categories of tier one and tier two values. The first tier are traditional values of all armies throughout history. They were held in the army of Sparta, the

Roman legions, the British, French and German armies.

Discipline and stamina are two of these tier one, or soldierly, values. During the British attack on Breed's Hill during the American Revolution, 2200 British soldiers in perfect formation advanced uphill against withering fire from the Colonial troops. Twice the well-disciplined soldiers assaulted, carrying their 75-pound packs in the summer heat. Finally, the soldiers ground their packs and attacked a third time, taking the hill from the Americans. Half of those British soldiers fell in the three assaults. Such actions illustrate well those first two values.

Another value is skill, technical and tactical skill which a soldier must master. Whether the soldier is a medic, a cook or an infantryman, he must be well-skilled, to include physical skills.

Certainly loyalty is a soldierly value which all armies throughout history have prized. Washington's "Ragged Continentals" at Valley Forge kept the spirit of the American Revolution alive, tested as they were in the cruel crucible of the Pennsylvania winter. Had those soldiers failed, there could have been no victory at Yorktown, and the Revolution and the Declaration of Independence would have failed. There would have been no Republic. But their loyalty held the army together.

Duty and courage are two more values. Duty is seen in a soldier's accomplishing a particular task at a particular time and place for a particular purpose. It shows responsibility and involves dependency on one another. Courage, another key value, is not the absence of fear, but the overcoming of fear. Few professions require courage like the profession of arms.

Finally, while values relate to the individual, bonding occurs among people who hold similar values. We seek to achieve bonding at the squad level, placing great emphasis on small unit tactics and operations that require individual skills and teamwork. The Vietnam Veterans' Memorial in Washington illustrates magnificently the bonding of American soldiers in combat. The statue of those three soldiers from different racial and ethnic backgrounds bears mute but unmistakable evidence of the bonding that occurs among comrades in arms.

Tier two values are those uniquely American values that set apart our soldiers from those of other countries. The origins of the American military can be traced back to the early frontier where volunteer organizations of citizens banded together for defense. That origin continues today in the American military ethic.

Von Steuben, the German general who trained our Army at Valley Forge, remarked in letters to his European friends that "American soldiers are different." The attitude of our combat soldiers in foreign lands illustrates that difference. They will share candy and laughter with the children in those lands, and have shown throughout history an unselfish, friendly and outgoing nature.

Another key difference about the American military involves the values that are a part of our Western heritage, values expressed in the Ten Commandments and the Sermon on the Mount. "Blessed are the meek," we read, "for they shall inherit the earth." This is not a power doctrine, and it has influenced American foreign policy. The Magna Carta of 1215, the English Bill of Rights of 1688, and of course our own declaration of Independence and Constitution and Bill of Rights affect and codify American values.

The emphasis on human rights and a recognition of the individual as supreme is articulated in our American documents of freedom. The Bill of Rights—the first ten amendments to the Constitution—preserves and assures our basic freedoms: freedoms of press, speech, religion, assembly, petition, the right to bear arms, trial by jury, and a host of other freedoms and rights which are a part of American society.

These values are reflected in our Army in several ways. First, of course, is the Constitutionally established civilian control of the military. Article I, Section 8 of the Constitution gives Congress the power to raise armies and navies. From the Commander-in-Chief to the Secretary of Defense to the individual service secretaries, the military answers to its civilian leadership.

Second, the American soldier operates in a military system described as a duality, or two track, system, containing both a small regular force and a larger militia or Reserve component. Those two tracks come together in our Total Army.

Finally, American values form the basis of the Uniform Code of Military Justice, the justice and disciplinary system of our military. The American soldier has rights which soldiers of other nations cannot imagine and that is because of those tier two values.

As a people and a nation, we have rejected aggression as an international policy. We have always sought peaceable resolution to conflicts, and the enormous unguarded borders with our neighbors to the north and south stands as supreme evidence that we do not stimulate or create wars with other countries. Secondly, we have never sought aggrandizement or empire through our military might. At Arlington National Cemetery is an inscription: "Not for fame or reward, not for place or for rank, not lured by ambition or goaded by necessity, but in simple obedience to duty as they understood it, these men suffered all, sacrificed all, dared all and died."

At the end of World War II, Japan and Germany had each suffered significant damage to their industrial systems and their military forces. The American government immediately extended the olive branch to our former foes and helped rebuild their shattered economies. The Marshall Plan in Europe was later incorporated into the NATO Alliance, and Germany is today, not only an industrial giant, as is Japan, but it is also a cornerstone in the Alliance as we seek to deter the Warsaw Pact.

The Army Chief of Staff, General John A. Wickham, Jr., has expressed the three dimesions of values. First are the values of the individual, that moral code that establishes right and wrong for the individual and governs activities and relationships with others. This dimension requires continual self-improvement in a broad range of skills, as the individual seeks to understand his own values.

In addition, there are values that deal with loyalty to others. This dimension recognizes that in the Army we are intimately tied to one another, that others will help you as you will help them. Such values are extremely important and comforting to the individual soldier.

The third dimension of values must be a dedication to a higher cause—God, the country, mankind. An example of such dedication occurred during the Civil War when a 19-year-old sergeant from the 2d South Carolina surveyed the carnage at the Battle of Fredericksburg. After a day of fierce fighting, the field was littered with the bodies of Union dead and wounded. Sergeant Richard Kirkland sought permission to take water to the wounded, disregarding the danger of sharpshooters still positioned opposite the Confederate line. For two hours he carried canteens of water and put overcoats on the suffering soldiers. The Union sharpshooters recognized the compassion they were witnessing and stopped firing. Kirkland's gesture was an eloquent expression of human values, commemorated in a statue at Fredericksburg Battlefield.

We are asking soldiers today three questions that relate to values: What do you want to be? Why do you want to be that? and How are you going to achieve it?

When a soldier asks "what," he or she is relating to goals, those things that the soldier values as important. Asking "why" drives the individual to use logic in defense of his choice. In a world of conflicting values and contrasting demands, soldiers should be able to explain and defend their goals. "How" demonstrates a person's values in which means are selected to attain those chosen goals. Is cheating or cutting corners a valid means to the end, or will the soldier apply himself and work hard to achieve the goals?

In a recent attitude survey conducted among recent separatees from the Army, 87 percent of those honorably discharged reported their Army experience to have been positive. Even among those separated with less than honorable discharges 79 percent responded favorably of the experience. Pride in their service to country was expressed by 95 percent of honorably discharged veterans; the same was expressed by 87 percent of those with less than honorable discharges. Remarkably, 75 percent said they gained greater independence, 85 percent gained leadership ability, 86 percent gained more self-confidence, 87 percent gained greater pride in themselves, 76 percent gained greater respect for authority and 84 percent gained better self-discipline. These are value expressions.

Next year the country will celebrate the bicentennial of the Constitution, and event of enormous national and international signficance. Those in the Army are sworn to protect and defend that document, so it is particularly important for soldiers to understand more about it.

In the Preamble to the Constitution are six preeminent American values that express what the Constitution sought, and continues, to preserve. These six are to form a more perfect union, to establish justice, to ensure domestic tranquility, to provide for the common defense, to promote the general welfare and to secure the blessings of liberty for ourselves and our posterity.

This Constitution—the oldest written constitution in the world—was described by Gladstone as "the most magnificent document ever struck off by the hand of man." The Army played an essential role in bringing that documant into being. In fact, the Constitution and our sense of nationhood was born in the American Army.

In those years immediately following the Revolution, the Army could have seized control of the country. That suggestion was actually made to Washington! But instead, the Army disbanded and the soldiers returned to civilian pursuits. They had not fought and won their independence to be subjected to a military government.

Many of these soldiers reassembled in May of 1787 in Philadelphia. The Articles of

Confederation were simply too weak for the responsibilities of the government, so a convention was called to write what became our Constitution. Forty Americans signed that document, of whom 23 had served in the Army. It was those former soldiers who gave to Congress the great powers to raise armies, to declare war and to raise taxes. It was those former soldiers who made the Army and the Executive branch the servant of Congress and the people.

After the adoption of the Constitution, those 23 continued to serve the new republic. Eleven became members of the Senate, seven members of the House (one would become Speaker), eight governors, two cabinet officers, two ministers to foreign countries and, of course, one President of the United States.

The Army has a great birthright, and this nation owes the Army a great deal for what it accomplished in winning the Revolution and in helping to establish the republic and the American values we all cherish and which we are pledged to defend.

On the Army flag are 168 streamers recoginzing action from the first campaign at Boston to the rescue operation in Grenada. Those streamers are testimony to the Army's commitment that this nation shall remain the land of the free and the home of the brave. They testify that liberty shall be the birthright of all mankind.

THE FEDERAL EMPLOYEE'S HEALTH CARE FREEDOM OF CHOICE ACT OF 1986

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Ms. OAKAR. Mr. Speaker, today I am introducing the "Federal Employees' Health Care Freedom of Choice Act of 1986." This legislation will guarantee enrollees in the Federal Employees Health Benefits Program [FEHBP] access to licensed, qualified health providers of their choice.

I want to thank the distinguished ranking minority member of the Subcommittee on Compensation and Employee Benefits, Mr. MYERS, as well as my other colleagues on the Post Office and Civil Service Committee, Congressmen GARCIA, HORTON, SIKORSKI, and YOUNG, for being original cosponsors of this legislation. I greatly appreciate the bipartisan support for this bill.

Freedom of choice is a hallmark of the FEHBP. As the largest employer sponsored group health program in the world, the FEHBP includes over 300 plans, offering employees a wide range of options for meeting their health insurance needs.

Freedom of choice is important within plans, as well. However, those Federal employees enrolled in fee-for-service plans do not always have direct access to the qualified health providers of their choice. Currently, FEHBP plans may refuse to reimburse a licensed professional who provides a health care service, simply because that professional is not a physician.

The legislation I am introducing today requires FEHBP plans to directly reimburse qualified nurses, nurse practitioners, nurse anesthetists, clinical social workers, marriage and family therapists, and chiropractors for covered services rendered to Federal enrollees. In order to be reimbursed, these professionals must be licensed or certified as qualified providers under State law.

Expanded access to health providers increases the likelihood that FEHBP enrollees will be able to find the health care they need. This is especially crucial in areas of mental health care and primary care, in which Federal employees' health needs may not always be met. In addition, a greater choice among providers will also promote cost effectiveness within the FEHBP. Often, nonphysician providers charge fees lower than those of physicians.

Mr. Speaker, this is not the first time Congress has faced the issue of direct access to nonphysician providers under the FEHBP. Last year, Congress passed H.R. 3384, a bill which I authored to make a number of improvements in the FEHBP, including mandatory direct access. However, H.R. 3384 was vetoed by President Reagan. The President stated that the issue warranted further study, including congressional hearings. He also cautioned that a direct access policy might be contrary to State laws regulating the practice of health care.

As a result, I introduced new legislation, H.R. 4061, which included a provision directing the Office of Personnel Management [OPM] to study the feasibility of direct reimbursement for nonphysician providers and report to Congress no later than April 1. This bill was enacted on February 27, 1986.

In its study, the OPM reported that it independently encourages FEHBP insurance carriers to allow direct access to a variety of qualified health care providers. Currently, a number of FEHBP plans already permit such access to nurse-midwives, clinical social workers, chiropractors, and other providers. Furthermore, the OPM study concluded that direct access, applied programwide, would not harm the quality of health care for Federal employees and might lead to cost savings.

Following the OPM report, the Subcommittee on Compensation and Employee Benefits, which I chair, held hearings on direct access and the OPM report. Witnesses representing physician and non-physician providers testified on a direct access policy under the FEHBP.

Several concerns were raised about the possible effects of mandatory direct access. First, all witnesses agreed that a Federal law should not conflict with State statutes licensing health care providers and regulating the practice of medicine. These laws protect the quality of health care by ensuring that providers practice according to accepted guidelines and meet professional standards.

Consequently, Mr. Speaker, the legislation I am introducing today restates and strengthens current policy that Federal law governing the FEHBP shall not override State or local laws which relate to the licensing or certification to practice medicine, nursing, or another health profession. FEHBP plans will still be required to reimburse health care providers subject to laws which determine health care practitioners' qualifications and define or limit the scope of their practice.

For example, if a State law requires that a nurse-midwife practice under the supervision of a physician, then FEHBP plans must reimburse nurse-midwives according to that requirement in that State. However, FEHBP insurance plans may not impose their own requirements on practitioners in addition to those mandated by law. To do so restricts freedom of choice, inhibits competition, and denies Federal employees access to health care providers.

Second, Mr. Speaker, concerns were raised that a direct access mandate under FEHBP might raise costs, either by increasing the use of health care services, or by encouraging institutions, such as hospitals, to decouple their fees and submit separate bills for each licensed professional they employ.

It is important to remember that my legislation mandates expanded access to providers, but does not require expanded coverage for health services. Consequently, the expanded availability of qualified providers for existing health services should help to hold down health care costs under the FEHBP.

In addition, my legislation requires that reimbursement for these new providers be administered in the same way as reimbursement for current providers under the FEHBP. For more than a decade the FEHBP has required direct access to qualified optometrists and clinical psychologists. Reimbursement of these providers has operated smoothly during that time. By requiring that the same terms and conditions be applied to reimbursement of new health care providers, my legislation is consistent with existing practice. FEHBP carriers, hospitals, and other institutions will continue to follow the same financial and billing procedures as they do under current law.

Finally, Mr. Speaker, witnesses at our hearing cautioned that a direct access policy should not interrupt the operation of established health care provider teams. This concern was voiced particularly in relation to the field of anesthesia, in which care is often provided through teams of physicians and nurses. As a result, the legislation I am introducing today includes specific language to guarantee FEHBP enrollees direct access to self-employed nurse anesthetists, without interfering with the practice of anesthesia care within surgical institutions.

In conclusion, Mr. Speaker, this legislation has been developed very carefully to expand freedom of choice and promote cost-effectiveness while protecting the quality of health care. It recognizes and respects the role of States in regulating health care standards and practices. It is the result of months of study and discussion. In encourage my colleagues' support for this important reform.

OIL PRICES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, May 14, 1986, into the CONGRESSIONAL RECORD:

OIL PRICES

The price of a barrel of crude oil, $25 in December, recently dipped below $10 for the first time in almost a decade. Oil so cheap is an unexpected windfall for consumers. But the same plunge that benefits consumers has battered the world's oil producers and threatens future economic disruptions.

Although oil prices have been dropping slowly since they peaked at $35 in 1981, the current price collapse began when Saudi Arabia, which owns about 25% of the world's oil reserves, boosted its production last fall and flooded the market. Like the petroleum crises of the 1970s, which bashed industrial nations, the oil price drop is shifting economic power. The big losers are the world's oil-producers and banks with energy loans. The winners will be businesses and consumers in industrial nations, who will have more money to spend, and developing countries which will benefit from both lower fuel bills and increased economic activity in developed nations. The potential savings are colossal. Last year, the US spent $155 billion on oil, at an average price of $24 a barrel. At an average price of $12 a barrel for 1986, US disposable would increase by $69 billion this year, almost $600 for each US wage earner.

The most immediate effect of the price plunge is in the cost of gasoline, heating oil and diesel fuel. The drop in heating oil prices was worth about $1.5 billion to consumers. Lower prices for polyester, records and other items made from oil should appear soon. Eventually, there will be savings in the energy cost of most manufactured goods. For US auto-makers, the question is how lower oil prices will affect car-buying habits. Farmers, who use 2% of the energy consumed in the US, will save over $1 billion on fuel, fertilizer and pesticide costs this year. Cheap oil has also eased global inflation, and should lead to lower interest rates. An economy boosted by cheap fuel could cut $100 billion from the US budget deficit in the next 3 years, though lower oil prices will also reduce government tax revenues. Less costly oil imports should also cut the US trade deficit.

Lower oil prices also have drawbacks. Developing countries like Mexico and Nigeria whose economics depend heavily on oil profits are in severe financial distress, but no producer is immune. Saudi Arabia—still wealthy by any standard—has had its oil revenues drop from $114 billion in 1981 to an estimated annual average of $20 billion in April of this year. Other oil producers, from Egypt to Norway, have assorted problems. One worry is that the price war will increase tension in the Middle East, where oil revenues dropped from $200 billion in 1980 to an estimated $86 billion last year.

Growth in the U.S. from lower oil prices will be moderated by problems in the oil producing states. Texas, Louisiana and Oklahoma account for 10% of U.S. personal income, and problems there can slow growth nationally. U.S. oil companies have cut billions of dollars from their budgets, temporarily offsetting increased consumer spending. Layoffs and bankruptcies plague the oil business and industries connected to it. The national jobless rate has stayed high, partly because of the slump in the oil industry. State and city treasuries suffer from the lost revenue from taxes on energy production.

The most immediate threat to the U.S. is financial. Mexico, which owes $97 billion to foreign lenders, earns 70% of its foreign exchange from oil sales. A multi-billion dollar loss from the oil price plunge could make it nearly impossible for Mexico to meet its obligations. Nigeria, a $17 billion debtor, earns almost all of its foreign exchange from oil sales. U.S. bankers also worry about $60 billion in loans to domestic oil and gas companies, much of it to vulnerable companies. Bad energy loans have already forced the federal bailout of one major U.S. bank, and the surge of bankrupties in the energy belt could cause other banks to collapse.

The chief long-term danger is that low prices will cause a sharp drop in U.S. production and a rise in consumption, increasing our reliance on imports and eventually leading to higher prices. U.S. companies have already shut down thousands of "stripper" wells, which individually produce 10 barrels or less a day but together supply almost 15% of total U.S. production. Once closed, these wells are nearly impossible to restart. Persian Gulf countries can pump oil much more cheaply than U.S. producers since most easily accessible U.S. oil is already gone. As U.S. companies cut their exploration and drilling budgets in response to low prices, their chances of finding more oil drop. Low oil prices are also hurting the development of alternative energy sources, like oil shale, tar sands, and solar power.

We should not assume that abundant oil and low prices will continue indefinitely, and we must take steps to avoid a repeat of the long gas lines and high prices of the 1970s. Our energy security requires us to decrease reliance on unreliable oil sources and to diversify our energy sources. With conservation in the 1970s, the U.S. cut oil imports in half. Much of what we import now comes from new sources like Mexico and Britain. New U.S. cars average about 26 mpg, nearly triple 1973 car mileage. Refrigerators are about 72% more efficient than they were in 1972. Many other conservation efforts have been adopted. Another protection against an oil shortage is the strategic petroleum reserve (SPR) started in 1975. By the end of May, the SPR will have oil to last about 100 days. If we want to avoid the disruptions of the recent past, we should continue to fill the SPR, increase production efficiency and conservation, and pursue alternative energy sources like solar power and clean-burning coal.

My feeling is that the increase in jobs and wealth from falling oil prices will outweigh any negative effects in the short-term. Even a brief era of low-cost oil gives us the chance to improve our prosperity without renewing inflation. Yet we must remember the tough lessons of the past and preserve our oil independence to guarantee our future economic health. The challenge for policymakers is to balance the short-term benefits of lower oil prices against the long-term losses from greater dependence on oil imports and market disruptions.

THE SOVIET HELSINKI GROUP—10TH ANNIVERSARY

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. GARCIA. Mr. Speaker, 10 years ago this past Monday, the Soviet Helsinki Group was formed. Unfortunately, after 6 years it was disbanded because of Government pressure. Its spirit, however, remains intact. Anatoly Shcharansky's visit to the United States reminds us of the continuing struggle for all Soviet Jews and prisoners of conscience.

As chairman of the North Atlantic Assembly's Civilian Affairs Committee, I am constantly reminded of Eastern bloc violations of the Helsinki accords, and of the struggle of men like Mr. Shcharansky to expose these violations. The committee publishes a journal entitled the bulletin that monitors the accords, reporting the violations to the West.

I am inserting in the RECORD three articles from the Washington Post and the New York Times on the Soviet Helsinki Group and on Mr. Shcharansky's visit. I urge my colleagues to take a moment to read them. In addition, I can make available copies of the bulletin to my colleagues if they are interested; just contact my office.

[From the Washington Post, May 14, 1986]

A MAN NAMED YURI ORLOV

Just 10 years ago a handful of Soviet citizens put into effect a simple and audacious idea. It was the day of détente, and the Soviet government had signed a package of commitments on security, trade and human rights—the Helsinki Accords. The accords represented a rare Kremlin acknowledgment that human rights inside a state are a central element of relations between states. They asserted, moreover, a "right of the individual to know and act upon his rights and duties." On this basis, a few souls undertook to keep the world informed of how the Kremlin was delivering on its pledge.

We know how the authorities reacted to the Moscow Helsinki Group. Forced to choose between respecting their international word and asserting their authority, they asserted their authority. By 1982 the group had been decimated by harassment, imprisonment and exile. So many had been arrested, one founder, Yelena Bonner, wife of Andrei Sakharov, said this week, that "finally, when it was the annual political prisoners' day, I had to spend it all by myself." Mrs. Bonner, who was allowed to interrupt internal exile for a few months' medical treatment in the United States, was observing the Moscow Group's 10th anniversary in the company of another founder, former prisoner Anatoly Shcharansky.

Repression provoked a debate that still goes on between those who believe Moscow has undercut any valid basis for perpetuating the Helsinki Accords and those who feel, as we do, that the accords at least allow an international spotlight to be kept on Soviet abuses. This in turn feeds into another debate over whether "quiet diplomacy" or direct pressure will better bring relief to the victims of arbitrary Soviet power. President Reagan, an erstwhile direct-pressure advocate who unhappily declined to receive Mrs. Bonner last month, found a satisfactory way to split the difference between the two approaches yesterday, receiving Mr. Shcharansky privately.

In fact, there is a time and place for both approaches, and both need to be taken in the case of Yuri Orlov. A physicist who fought for his country in World War II, he as much as anyone created the Moscow Helsinki Group. In 1978 he was sentenced to seven years in prison for defaming the state—by telling the truth about its human rights policies. His life in exile to which he was subsequently sentenced was detailed in The New Yorker magazine of April 7. He lives on a small pension in a rough shed—

rat-ridden until he acquired a cat—in a remote village near the Arctic Circle. Hooligans have beat him up, and he is miles from medical care and only sparingly allowed family contacts. This is the way a supposedly proud nation treats someone who asks it to obey its own laws and international commitments.

[From the New York Times, May 13, 1986]

MR. SHCHARANSKY'S MESSAGE

To meet Anatoly Shcharansky is to understand why Soviet prisons could not crack this crystal spirit, even in "punishment cells" four meters square. A principled democrat, skilled at chess and blessed with humor, he is a well-endowed survivor. But as President Reagan will learn first-hand today, what most buoyed this renowned prisioner was the clamor without.

"All the resources of a superpower," Mr. Shcharansky told a New York rally, "cannot isolate a man who hears the voice of freedom, a voice I heard from the very chamber of my soul."

Other Soviet Jews raised their voices the moment he was taken from a Moscow courtroom in 1978 to begin a 13-year sentence for demanding the freedoms promised in the Helsinki Final Act. Western groups devoted to the Helsinki promise took up the cry. And his wife, Avital, fanned the protest to let him feel the life-supporting clamor in his cell. The message is clear: agitation matters.

Even the most despised Soviet dissenters no longer vanish without a trace, as in Stalin's time, because all-out terror finally consumed the Communist Party itself. Some rudiments of law are needed to let a modern society function and, as they are codified, have produced their prisoners of conscience.

So Mr. Shcharansky urges the world to persist in its agitation and not to settle for the private diplomacy that was the proximate cause of his own swap for Soviet spies. He urges relentless protests on behalf of other dissidents and the mistreated members of religious and ethnic minorities who seek to leave the Soviet Union, notably Soviet Jews.

But the Soviet Government, which once paid for trade and détente by allowing 250,000 Jews to emigrate, insists it will not be moved by clamor. It will at best negotiate "humanitarian" cases in back rooms. After prevailing on President Reagan to mute his criticism at last year's Geneva summit, Moscow "rewarded" him with the reunification of a few divided families; a trip West for Yelena Bonner, another of the vociferous Helsinki watchers, and finally, Mr. Shcharansky's release.

What, then, is the most humane and effective response of free societies? Mr. Reagan has kept his word and invited the Russians to make good on their implied promise. He even avoided Miss Bonner when she called at the White House, hoping that this might yet end the cruel banishment of her husband, Andrei Sakharov.

No one doubts Mr. Reagan's view of the Soviet system and he can be trusted to judge how long he should wait to test this private diplomacy. But Mikhail Gorbachev cannot command the silence of Americans at large. Mr. Shcharansky testifies that he was kept alive by sustained, informed and voluble protest, that oblivion, not the K.G.B., is the most dreadful servant of tyranny. Let Mr. Reagan negotiate as he feels he must. Let the rest of us heed the prisoners of conscience and continue to cry out.

[From the New York Times, May 11, 1986]

10 YEARS LATER, THE LEGACY OF THE MOSCOW HELSINKI GROUP

(By Jeri Laber)

It was 10 years ago tomorrow that several daring Soviet citizens got together and formed a group to monitor human rights in the Soviet Union. They knew they were courting disaster by challenging a state that tolerates no challenges, and in the decade since that day they have paid an enormous personal price for their activities. Nevertheless, even as their suffering continues, they have made a stunning contribution to the cause of freedom and peace within and between nations.

The 11 founding members of the Moscow Helsinki Group sought to profit from an ephemeral spirit of détente. They were heartened by the fact that the Soviet Government, after signing the Helsinki Final Act in Finland in August 1975, had published the full text of the agreement—with its explicit commitment to human rights—in Pravda and Izvestia. They saw in the Helsinki accords a guarantee of their right to speak out in defense of their beleaguered countrymen.

Yuri Orlov, the 51-year-old pipe-smoking physicist who became chairman of the group, had curly red hair, a freckled complexion and a youthful, energetic style. More idealist than ideologue, he envisaged a movement for human rights involving citizens in each of the 35 countries that had signed the Helinski accords. He was arrested nine months after the group was founded and served seven years in a labor camp. One photogrpah, sent from the miserable hut where he is now living in Siberian exile, shows a transformed man—white-haired with a haggard, ravaged face, aged not by time but by the suffering that he has endured in a manmade hell of physical cruelty and broken dreams.

The Moscow Helsinki Group lasted little more than six years, until it was disbanded under pressure in September 1982. The 22 men and women who officially joined its ranks, some courageously signing up even as others were being arrested, have all been punished for the "crime" of defending the rights of others. Nine are now in the West. Twelve have been tried and sentenced for their activities, and seven of them are still in prison or in internal exile, along with some 30 other monitors from other Helsinki groups formed in the image of the Moscow Group. The Moscow Group included people whose names are known in the West—like Yelena Bonner, Aleksandr Ginzburg and Anatoly B. Shcharansky—but also others less known, like Tanya Osipova and her husband, Ivan Kovalyov, a couple now in their 30's who are spending their youth in labor camps, separated from each other and the world.

In its brief existence, the Moscow Helsinki Group published 195 well-documented reports on human rights abuses within the Soviet Union. And although it has been formally disbanded, its work continues today, as courageous men and women continue to send reports of human rights violations to the West. Working clandestinely and at great personal risk. The group's achievements also go beyond the actual work it produced.

The Moscow Helsinki monitors dramatized the Helsinki accords, giving them life through personal sacrifice. They thus effectively transformed the Helsinki agreement, which includes provisions about security and economic cooperation, into a human rights document.

They launched a Helsinki movement that spread to other countries—to Czechoslovakia and Poland, where persecuted Helsinki groups persevere to this day, and to the West, where there are now Helsinki monitoring groups in some 10 countries.

They drew worldwide attention to the link between the promotion of peace and respect for human rights. As a result, Western governments came to see that a country's oppression of its own citizens is not an "internal matter" but one that directly affects international trust and understanding.

They helped make human rights an issue in East-West relations and a significant factor in United States foreign policy around the world.

Most important, the Helsinki monitors demonstrated that a basic desire for free expression and individual rights has not been stifled in the Soviet Union, even among a generation raised under totalitarianism. They endowed the human rights movement with moral dignity. By viewing "Helsinki" as a symbol of hope, they made it a force for freedom and for peace.

A CARDINAL UNDER FIRE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. LAGOMARSINO. Mr. Speaker, a report in the May 12 issue of Time magazine describes the continuing clash between the Catholic Church under the leadership of Cardinal Obando y Bravo and the Communist Sandinista regime in Nicaragua. I urge my colleagues to consider carefully the Sandinistas campaign of repression and abuse against the church and its disciples in Nicaragua.

A CARDINAL UNDER FIRE

(By William R. Doerner)

SANDINISTAS AND THE CHURCH ARE LOCKED IN A CLASH OF WILLS

Shortly before fleeing into exile in 1979, Nicaraguan Dictator Anastasio Somoza Debayle erupted in fury over what he regarded as the complicity of the Roman Catholic hierarchy in the Sandinista revolution. In particular, said Somoza, Archbishop Miguel Obando y Bravo of Managua should receive the new title of "Comandante Miguel." In fact, six years of increasingly harsh rule by the Marxist-oriented Sandinistas has brought Obando new prominence—and, indeed, notoriety. In 1985 Pope John Paul II elevated him to the College of Cardinals. He has emerged, in the eyes of Nicaragua's rulers, as their toughest critic. Foreign Minister Miguel d'Escoto Brockmann, himself a suspended Catholic priest, recently charged that Obando is "the principal accomplice of aggression against our people."

That accusation was the strongest yet in a deepening test of wills between Nicaragua's left-wing government, which besides d'Escoto includes two other Catholic priests of Cabinet rank, and the country's mainline church, in which 85% of Nicaraguan citizens profess membership. In proclaiming a state of emergency that suspended most civil rights last October, President Daniel Ortega Saavedra cited as its principal cause the security threat posed by the U.S.-supported contra forces poised on Nicaragua's borders.

But many Nicaraguans believe that the directive was largely aimed at curbing the power of the church. Obando labeled the decree a "step toward totalitarianism."

That stung the Sandinista leadership. It was a prescient observation. One of the government's first steps was to move in on a new church-sponsored group called the Justice and Peace Commission, whose aim was to defend human rights. Marta Patricia Baltodano, a lawyer and longtime human rights activist who helped organize the commission, asserts that she learned of a Sandinista plan to discredit her by forcing an accuser to claim falsely that she had engaged in sexual relations with a priest. Baltodano fled to exile in Costa Rica last December. "We realize we were not going to be able to continue working," she says. "There was too much repression."

The crackdown was in part aimed at Obando. Broadcasts of his sermons, which were yanked from government television six years ago, were banned in January with the forced shutdown of Radio Católica, the church station. The Sandinista emergency decree prevents anyone from holding unauthorized outdoor public gatherings, the setting that the Cardinal frequently chose for celebrating Mass in his travels through the countryside.

It is not difficult to see why the Sandinistas are so anxious to keep a tight rein on Obando. At a May Day Mass last week, the Cardinal used his homily to defend the right to strike, which was among the guarantees suspended in October. He warned sternly that "Marxism does not have the solution for the working class." In the past Obando has attacked Nicaragua's unpopular universal military draft and urged young men to enter seminaries as a way of avoiding it. He has urged the government to negotiate with the contra rebels and declined to condemn the Reagan Administration's effort to provide the guerrillas with $100 million in U.S. funding, a stand that prompted d'Estcoto to label the Cardinal a traitor.

Obando has drawn sharp criticism, not only from radical priests in the government but also from their religious followers. A breakaway church faction, strongly influenced by Marxist-leaning "liberation theology," claims about 20 of Nicaragua's 327 priests and perhaps as many as 50,000 followers, including some members of Nicaragua's "base communities," mostly poor, urban religious groups without priests. The breakaways find the Cardinal's anti-Communism counterproductive and are put off by his insistence that the church, while obligated to take moral positions, must refrain from active political engagement. "The Catholic institution here is folkloric," says the Rev. Miguel Angel Casco, co-director of a progovernment religious think tank. "The revolution cannot make the new man without the church."

Rome has repeatedly placed its support behind Obando. But even without the Vatican's backing, it is doubtful that the Cardinal would turn to political activism. Born to Indian peasant parents in the south-central department of Chontales, he joined the Salesian order and became known as a priest to the poor, riding through rough country on horseback to visit impoverished backwoods villages. Though he has unquestionably gained stature in the course of his showdown with the Sandinistas, Obando remains a humble man, reluctant to venture far into the power game. "We, the bishops and the priests, shouldn't mix the church with party positions," he said last week in an interview with Time. "It will divide the church. It is not our role."

In the increasingly tense political climate of Nicaragua, however, it is becoming more difficult to say what that role should be. Some Catholics urge the Cardinal to try harder to heal the Nicaraguan church's internal rift, which in turn might lessen tensions with the government. Others advise him to speak out against repression even more forcefully. Says Activist Exile Baltodano: "The government of Nicaragua is still sensitive to international pressure." Considering the irreconcilable forces at play, continued confrontation between Obando and the Sandinistas seems virtually inevitable.

U.S.S. "MISSOURI" RECOMMISSIONING ADDRESS: THE WORLD IN 1945

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. SKELTON. Mr. Speaker, this past Saturday I had the pleasure of being a participant in the recommissioning ceremony of the U.S.S. *Missouri* in San Franciso, CA. At that time, this historic ship was put back into the active fleet and will be a major part of our naval sea power. Margaret Truman Daniel, the original sponsor of this ship at its christening in 1944, was present and made an excellent address. I include my remarks at the recommissioning ceremony herewith:

U.S.S. "MISSOURI" RECOMMISSIONING CEREMONY ADDRESS: THE WORLD IN 1945

Today we are gathered on the deck on this historic ship to participate in an important occasion—the recommissioning of the U.S.S. MISSOURI. This ship is named after a state that was settled by the westward moving pioneers of the early 1800's—a state that has never lost its pioneer spirit.

On September 2, 1945, the most destructive conflict in man's long history ended with a brief 23-minute ceremony that took place on board this ship—on these very decks. That was almost 41 years ago, half a world away. At the conclusion of those proceedings in Tokyo Bay, General Douglas MacArthur gave voice to the fervant hopes of all Americans, "Let us pray that peace be now restored to the world and that God's will preserve it always."

On that September morning, America stood supreme in the world. Not only had she been victorious in war but she was the only major power that had been spared the great destruction that comes with war. As a result, the United States stood as the world's only military and economic superpower.

The disaster that befell the Pacific Fleet on December 7th, 1941, not only marked the entry of the United States into the Second World War, but even more important, it signalled the coming of age of the American Republic on the world stage. On that bright Sunday morning events finally forced America to take upon herself the role of world leader. Since then she has played a very large role in the affairs of the world. After the surrender ceremony in Tokyo Bay she did not repeat the mistake made a generation earlier when the United States withdrew from center stage. America had learned the hard and tragic lessons: isolationism did not guarantee peace; appeasement only encouraged dictators.

After the defeat of the Axis powers the United States initially placed its faith in the idea that a well-constructed global organization could and would ensure peace forever. The recent past had proved to many that America's reluctance to join the League of Nations after World War I had been a terrible mistake.

From the beginning, however, the United Nations included countries that did not cherish democratic values and that were not ready to forego the use of force in their own foreign policy. It soon became apparent that victory had not brought peace, but rather the specter of Soviet Communism threatening a prostrate Western Europe. The beginning of the Cold War foiled the cherished hopes of those who wanted to assure America's security and the peace of the world through the Charter of the United Nations.

Through the policy of containment the United States successfully resisted the Soviet threat to Europe. The doctrine that President Harry Truman proclaimed, soon to be associated with his name, provided military and economic aid to Greece and Turkey. It was soon followed by the Marshall plan, which provided economic relief to our devasted European allies. Finally, the signing of the North Atlantic Treaty in 1949 committed the United States to the defense of Western Europe.

We had learned from our mistakes made after the First World War. We remained fully involved in the events of the world and firmly resisted Stalin's efforts to undermine European stability. Idealism tempered by a realistic appreciation of the forces at work in the world has enabled the United States to play a positive role in the post-war era.

THE WORLD IN 1986

The world in 1986 is filled with both peril and promise. Taking the long view of history we realize that this is nothing new. It is, however, more dangerous than the world of 1945. Ours is the nuclear age and the hazards are unprecedented and keenly felt. Thousands of nuclear weapons fill the arsenals of the United States and the Soviet Union. There is much unease in this country and especially in Europe about relying on these weapons of mass destruction to maintain the peace. Yet the paradox of the nuclear age is that Europe has experienced the longest period of peace in its history, partially because of the existence of such weaponry. Somehow, the old Roman maxim continues to apply in the nuclear age—if you want peace prepare for war. Weakness, not strength, encourages potential aggressors.

The postwar period has been an era of peace—albeit a hard and bitter one. We are involved in "a long twilight struggle" against those forces that seek to undermine and ultimately destroy our democratic order. This is especially true of the fight against terrorism. These are challenges that we will continue to face for years to come for which there are no easy alternatives or solutions. As Army Vietnam veteran Chad Colley told me, a man who had lost one arm and both legs, "there is nothing free about freedom".

APPRECIATION OF THE U.S. NAVY

The importance of the US Navy in this struggle cannot be underestimated. On the decks of this very ship during Navy Day ceremonies in October 1945 President Truman stated the enduring truth of the United States seapower: "Control of our sea

approaches and of the skies above them is still the key to our freedom and to our ability to help enforce the peace of the world."

The sea has always given man inexpensive transport and ease of communication over long distances. During the 19th century Britain's Royal Navy assured the survival and prosperity of that island nation. In the last quarter of the 20th century the US Navy fulfills that task not only for our country but for the entire community of Western nations.

You men, bluejackets and officers alike, will soon put to sea on board this magnificent ship. You more than most understand the sacrifices required to uphold the freedoms we cherish. Six month separations from loved ones, standing the mid-watch during the cold months of winter, and dangerous underway nighttime replenishments are but some of the inevitable experiences that await you. On the various deployments that you will soon make you will practice those skills that may be put to use in some distant corner of the globe.

Yours is a sober task but one to which you will bring professionalism, intelligence, and steadiness of purpose. This nation of ours has put a sacred trust in your care. Guard it well. Let me also add that this nation of ours is very fortunate to have men such as you. The sacrifices of sailors willing to go to sea and assume such heavy responsibilities are not well appreciated in our society. Even less appreciated are the sacrifices of Navy wives. To the wives and families of the men who go to the sea in ships let me also express a heartfelt thanks. Your support is crucial to the wellbeing of these men and to our country as a whole. I would not be wrong in saying that as a group sailors in this period of violent peace have the most demanding duty of the four services. At this very moment there are American warships sailing the seven seas. Far from home, day in and day out, the men on board those ships are helping to defend the freedoms of our Western civilization.

Your officers and men of the U.S.S. *Missouri* will do your duty much the way former generations of sailors did theirs on this same ship and its three namesakes. As you prepare to get under way and sail the seas to protect our freedoms, you will carry the pride of the people of the great state of Missouri, as well as the pride of all Americans.

AMERICAN FLAG PRESENTATION

As Missouri's only member of the House Armed Services Committee and an early supporter of the Navy's efforts to bring these modern warships back to active service, I take a special measure of satisfaction in today's proceedings.

On September the 17th 1928, at another ceremony similar to this one the town-fathers of my home town in Lexington, Missouri, dedicated a monument to the Pioneer Mothers of the West. A principal speaker on that occasion was a World War I Army veteran, Judge Harry S Truman. At that ceremony, my father, a World War I Navy veteran who had served aboard the U.S.S. *Missouri* of that era, gave a speech and presented an American flag to be flown on a flagpole beside that Pioneer Mother statue.

Today, this son of that World War I sailor, in the presence of the daughter of that World War I soldier, presents an American flag which has flown over the Capitol of the United States to the Captain of this ship.

Captain Kaiss, I take great pleasure in presenting to you this American flag for the officers and men of the U.S.S. *Missouri*. With it go our hopes and prayers for all who sail on this great ship. (Flag presented to Captain Albert L. Kaiss, Commanding Officer, U.S.S. *Missouri*.)

PROBLEMS WITH THE ACID RAIN CONTROL BILL, H.R. 4567

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. LUKEN. Mr. Speaker, last week 4 days of hearings on H.R. 4567 were concluded. The following is a summary, which I commend to the attention of those who sponsored it or are considering cosponsorship, of the principal concerns about the bill:

SUMMARY OF SOME OF THE PRINCIPAL ISSUES OF CONCERN REGARDING H.R. 4567 IDENTIFIED AT SUBCOMMITTEE HEARINGS

SULFUR DIOXIDE (SO_2) EMISSIONS ARE DOWN

On April 22, 1986, EPA published its "National Air Quality and Emissions Trends Report, 1984" on national progress "in cleaning up" major pollutants from 1975 to 1984. The report states that: "Ambient levels of SO_2, which can irritate the upper respiratory tract and cause lung damage, have decreased 36 percent." To our knowledge, all States, including those heavily hit by H.R. 4567, are in compliance with the National Ambient Air Quality Standards.

STATIONARY SOURCES—UTILITIES

Issue: No Targeting of Acid Deposition Area—H.R. 4567 is a nationwide SO_2 emission reduction bill. By 1997, it, together with other State actions under existing law, including some already taken, is expected to cause a substantial reduction (about 10 million tons) of SO_2 from 1980 levels. But H.R. 4567 will not assure reductions in the so-called "threatened" or "actual" acid deposition areas in the northeast, Canada or in Florida.

The most recent study by the National Research Council of the National Academy of Sciences (March 1986) defines (for purpose of analysis of "spatial patterns and temporal trends") six specific geographical regions of Eastern North America "established as contiguous groups of states and provinces" that in the council's judgment "have experienced similar temporal SO_2 emissions over the past 50 years". Three are:

(Northeastern U.S.): Ct., De., Me., Md., Ma., N.H., N.J., N.Y., Pa., R.I., Vt.

(Southeastern U.S.): Ala., Ark., Fla., Ga., Ky., La., Ms., N.C., S.C., Tn., Va., W.Va.

(Midwestern U.S.): Ill., Ind., Mich., Mo., Oh.

(North central U.S.): Ia., Mn., Wi.

The result is that "trends in environmental indices appear to respond to trends in sulfur emission on a regional basis." In short, long-range transport is not "necessarily unimportant" (indeed, interregional transport near the boundaries of the regions "will be important"), but the regional aspects (i.e., local regional sources) are more important.

There are no provisions in H.R. 4567 aimed at recognizing these trends.

Issue: H.R. 4567 will cause Job Losses—In both phases of the bill, the emission rates will require a mixture of switching from high sulfur coal to low sulfur coal or scrubbers. The choice will be primarily in the hands of the Governors. Coal State Governors may choose scrubbers over switching. But non-coal State Governors may not.

To the extent coal switching occurs, the bill will undoubtedly trigger early termination of existing long-term 20-30 years coal contracts, using "force majeure" clauses which are disruptive and result in *job loss.* Many such contracts expire nationally late in the next decade or later.

The United Mine Workers say that H.R. 4567 will result in displacement of about 130 million tons of annual coal production with the loss of 38,000 direct coal mining jobs. That loss will be on top of job losses already occurring in this industry. It will be harmful economically to communities and will have a ripple effect on small business. Because of the historical nature of coal mining, miners will not move from the East to the West or even to low sulfur mines in the same State (which, in the case of West Virginia and Kentucky, are already in trouble due to job losses).

Also, coal switching could result in increased coal exports from foreign countries, such as Columbia and South Africa which now supply coal to U.S. That means exporting jobs.

In a May 8, 1986 letter to the Subcommittee, the United Mine Workers President, Mr. Trumka said:

The UMWA completely rejects the notion that no one is harmed if coal production is displaced. Real harm will have been done to people who have productive jobs today. Even if you choose to ignore these people, however, and look only at the "net" effect, you still will find that coal miners will suffer. Using ICF's projections, we calculated the regional employment effects of H.R. 4567. The net effect would be the loss of 9,000–14,000 coal mining jobs.

Issue: Emission Rates of 2.0 and 1.2 lb. per million Btu—These rates may not be unreasonable, except that some States are hit hard under the 2.0 level while others escape until the 1.2 level. That is troublesome because later evidence could result in Congress (under the bill) cancelling the second level requirement. The States hit and not hit under the 2.0 level (using OTA's April 9, 1986 table) are:

States hit by 2.0 reduction rate

	Percent of total reduction
Alabama	16
Arkansas	9
Delaware	21
Georgia	33
Illinois	26
Indiana	44
Iowa	13
Kansas	10
Kentucky	45
Maryland	9
Massachusetts	16
Missouri	53
New Hampshire	33
New Mexico	7
New York	1
Ohio	43
Pennsylvania	20
South Carolina	3
Tennessee	45
Virginia	1
Washington	10
West Virginia	29
Wisconsin	36
Wyoming	27

STATES NOT HIT BY 2.0 REDUCTION RATE

Arizona, California, Colorado, Connecticut, Washington, D.C., Florida, Idaho, Lou-

isiana, Maine, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Jersey, North Carolina, North Dakota, Oklahoma, Oregon, Rhode Island, South Dakota, Texas, Utah, Vermont.

The reductions for Ark., De., Ma., N. Mex., Va., and Wyo. probably will not result from the bill, according to OTA, but from other State actions taken before 1993.

Many States will be hit under both phases and utilities could be required to take action in both which adds to the cost.

If the program continues into phase II (*i.e.*, the 1.2 level), the following States will, according to OTA, probably *never* be hit: Az., Ca., Co., Ct., D.C., Ia., La., Me., Nv., N.J., Ok., Or., R.I., Tx., Ut., and Wa.

Issue: Annual vs. Monthly Emission Rates—H.R. 4567 establishes emission rates on an average rather than an annual basis. That has the effect of ratcheting down the emission rates so that instead of voting for a 1.2 statutory level you are really voting for a 1.0 level. Further, a monthly rate does not provide for seasonal factors, emergencies, or scheduled and non-scheduled outages of nuclear or hydro facilities. Monthly averages may make "economic dispatch" of electricity (which is a common utility practice) difficult to follow.

Issue: Deadlines of January 1993 and January 1997 do not allow for Clean Coal Technology—Congress, the utilities, and the Administration have embarked on a Clean Coal Technologies program which could remove both SO_2 and NO_x. Fed believe that the program will yield benefits until the mid 1990's. Commercialization probably will not be available before 1993 and maybe not in time to meet the 1997 deadline. The bill ignores that program. The bill will divert utility money away from this program and possibly contribute to its delay or, even worse, demise.

Issue: Inadequate time to Prepare and Approve State Plans, No Public Participation Required at any Level—The bill requires all the States to submit plans to EPA to implement emission rates within 18 months after enactment. EPA then has six months to approve or disapprove all such plans. No guidance is provided to the States as to what are approvable plans. There is no public participation. The bill is silent on the process for approval.

Issue: Failure of States or EPA to Meet Plan Deadlines Triggers Costly Default—Under the bill, if a State fails to submit a plan on time (*i.e.*, within 18 months after enactment), or if EPA fails to approve a plan on time (*i.e.*, within 24 months after enactment),—and either possibility is very real—then the bill specifies a default provision. The default eliminates the Statewide bubble and requires "each fossil fuel fired electric utility steam generating unit in the State shall comply" with the monthly emissions rate specified as follows:

The reductions for Ark., De., Ma., N. Mex.,

Pollutant	Applicable date	Emission rate
Sulfur dioxide	Jan. 1, 1993	2.0
Sulfur dioxide	Jan. 1, 1997	1.2
Oxides of nitrogen	Jan. 1, 1997	.6

Issue: No Limitation on Rates of Residential, Industrial, or Commercial Customers—The bill does not limit rate increases for any class of rate-payers. The rate impact on industrial and commercial customers has not been established. Rates of more than 10 percent are likely in many utility service areas for even residential customers.

Issue: A Technology To Control NO_x by 1997 Does Not Exist—EEI has raised valid questions for some pre-NSPS utility boilers whether the technology will be available in 1997 for utilities to meet on a Statewide bubble basis a 0.6 lb/MBtu average monthly emission limitation. These have not been witnesses to discuss this technology and its status. If default occurs, they could not do so on a unit-by-unit basis. Costs for NO_x controls have not been estimated.

Issue: Interest Subsidy Probably Not Workable and Inadequate in Any Event—The bill provides that fees be used to subsidize interest on debt for purchased and installed technology if residential rates increase over 10% due solely to installation and purchase of technology O&M costs cannot be considered or subsidized. The increase from debt alone will not result in utilities being eligible. Thus, the subsidy is illusory.

Issue: No Provision for Mid-Course Correction—The bill calls for EPA study by June 1993 of achievements under Phase I and allows six months for Congress to pass new law to specify that Phase II "not take effect." EPA and States have no authority to make corrections, as recommended by the States.

STATIONARY SOURCES—NON-UTILITY INDUSTRIES

Issue: Bill Expands Universe of Controls to Existing Industrial Boilers—H.R. 4567 requires new regulatory controls to a vast array of industries to limit by 1997 SO_2 emissions to a average monthly rate of 1.2 lbs/mBtu of heat input and NO_x at 0.6 lbs/mBtu of heat input. Can industry meet these limits? The hearing records leave serious doubts. Some types of industrial facilities facing these controls (some of which are found in every State) are:

Natural gas processing plants, Refineries, Chemical plants, Metal rolling and finishing plants, Glass making plants, Hazardous waste incinerators, Cement plants, Incinerators, Flour mills, Gas turbines, Paper making, Facilities producing ethanol from grain or methanol from biomass, Offshore oil and gas exploration and production facilities, Enhanced oil recovery steam generation facilities, Cokers, calciners and drying plants, Metal ore smelting, refining or processing plants, Thermal drying units for coal processing, Biomass industrial boilers.

Issue: Industrial Process Emission Requirement is Vague—The bill requires EPA to identify total statewide potential reductions of SO_2 and NOx industrial process emissions that are "economically and technically achievable" by the end of 1996 and requires States to submit plans by 1994 to control those emissions. The bill provides no guidance to EPA. One witness asked "is this an affordability test." No one knows. The cost has not been estimated or the effect on competition from foreign sources.

STATIONARY SOURCES—SMELTERS

Issue: Bill Tightens Exceptions in Law for Smelters—H.R. 4567 tightens present Clean Air Act exceptions requiring smelters to be in compliance with emissions requirements by January 1988 or shutdown. There are at least two smelters in Arizona that would be affected. EPA issued a proposed decision last month on one and the State is considering the other. There were no witnesses from the affected industry regarding these provisions. We do not know their impact or need.

MOBILE SOURCES

Testimony shows that automotive emissions have been reduced by 96 percent for hydrocarbons (HC) and carbon monoxide (CO) and 76 percent for NOx. Since 1981, there have been strict controls for automobiles. Present EPA regulations also control truck emissions. H.R. 4567 seeks to tighten even more mobile source standards by raising the price of vehicles.

Issue: Bill Imposes Part, But Not All, of California Standards on Passenger Cars—Under the Clean Air Act, California can impose a stricter standard for NOx emissions from passenger cars of 0.7 grams per mile (gpm) beginning with model year 1989 which will reduce NOx emissions by 0.3 million tons in 1997. The Federal NOx standard is 1.0 gpm. Under this standard, NOx emissions from passenger cars will be reduced by 0.5 million tons between 1995 and 1997. Chrysler and Ford testified that California has a higher CO standard of 0.7 gpm. (The Federal standard is 3.4 gpm.) Chrysler said: "Meeting 0.7 NOx with the Federal 3.4 CO standard has never been done, and represents a difficult technical challenge, requiring both higher precious metal loadings and more expensive engine control systems. If 0.7 NOx is really needed, serious consideration should be given to adopting the current California CO standard."

Issue: The Precious Metals in Rhodium and It Comes Solely From Russia and South Africa—One of the precious metals used in 3-way catalysts is rhodium. The only significant sources of this metal, which is a by-product of platinum, are Russia and South Africa. It is said that rhodium "reserves" (i.e., underground) is about 72 million troy ounces with 68 million troy oz. in South Africa. Technology to recycle the metal has not been developed. The U.S. auto industry accounts for 50% of the rhodium demand. European countries that do not have standards nearly as stringent as the U.S. standards are moving to tighten them and will be requiring rhodium. This will increase the price, which is already high (i.e.,).

Issue: Bill Sets New Unattainable Heavy Duty Gas-Powered Truck Standard for Model Year 1988—H.R. 4567 adds to present standards a new 1.7 grams per break horsepower-hour (g/bhp-hr) for heavy-duty gasoline-powered trucks for model year 1988 which begins in September 1987. EPA's standard for these trucks is 6.0 g/bhp-hr for MY 1988 and 5.0 g/bhp-hr for MY 1991. The technology to achieve a more stringent standard does not exist. Indeed, on March 15, 1985, EPA, in discussing the 6.0 and 5.0 standards, said "most engines could not comply with a 4.0 g/bhp-hr standard" for MY 1990 "without incurring excessive costs and unreasonable fuel economy penalties." EPA noted that a 4.0 standard would force a 3-way catalyst for these trucks and said:

"The cost of adding three-way-catalyst systems to gasoline-fueled heavy-duty engines would dramatically alter this balance, with the possible effect of forcing at least some gasoline-fueled engines out of the heavy-duty market. Yet the additional reductions in NOx emissions would be insignificant, and the gasoline-fueled engines sales lost would be gained by diesel models that would be permitted higher NOx emission levels. Thus, the benefits of the NOx reductions attributable to such control of gasoline-fueled engines, already slight, would tend to be eliminated. Therefore, EPA is promulgating common NOx standards for both engine types."

EPA also objected to setting different NOx standards for gasoline-fueled and diesel-fueled heavy-duty engines, saying this is "not appropriate."

Issue: Bill Adopts Other EPA-Issued Standards With Changes—The bill purports to merely restate present EPA standards for trucks. But that is not the case. The bill differs from the EPA standards at a time when foreign and domestic manufacturers are certifying or getting ready to certify their vehicles. It will cause an entire new rulemaking, creating uncertainties for the industry. One must ask: "If the EPA regulations 'ain't broke,' why fix-em"? The witness for the Automobile Importers of America, Inc., said:

"Added to the uncertainty associated with this bill are the proposed emission standards in S. 2203, which are virtually impossible to meet under any circumstances, but especially in the time frame provided in that bill. The double impact of H.R. 4567 and S. 2203 could lead to catastrophic consequences for vehicle manufacturers."

Issue: Bill Tells EPA to Issue Regulations on Stage II or On-Board Controls—EPA is currently examining the issue of the health effects of vapor emissions in refueling vehicles, including the issue of volatility of gasoline. It is a complex and difficult issue, as discussed by the General Accounting Office in a December 1985 report.

Despite the complexity, H.R. 4567 tells EPA to issue "nationwide" regulations six months after enactment requiring EPA to adopt a so-called "Stage II" refueling program at the gasoline pump or require onboard controls in "motor vehicles" manufactured in MY 1989. Either requirement may or may not be necessary and this provision ignores the numerous technical and safety issues, as well as the relation of volatility of gasoline. EPA has the authority to deal with the problem. It is doing it. EPA does not need this directive which has nothing to do with acid rain controls.

(Prepared by the Staff of Congressmen Luken and Madigan.)

AMERICAN SAMOA'S ATTORNEY GENERAL DELIVERS SPEECH AT THE UNIVERSITY OF SAN DIEGO

HON. FOFO I.F. SUNIA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. SUNIA. Mr. Speaker, I would like to include in the RECORD for my colleagues' review the speech that the Attorney General of American Samoa, the Honorable Leulumoega Su'esu'e Lutu, delivered at the University of San Diego on Monday, February 3, 1986, at a meeting of the Commission on the Bicentennial of the U.S. Constitution. In his address, the Attorney General reviews the legal status and history of American Samoa and touches on two amendments to the U.S. Constitution that will, he believes, bring greater fairness to the people of American Samoa, the right to vote for electors of the President and Vice President and a vote on the floor of the House for its Member of Congress.

Herewith are Mr. Lutu's remarks:

SPEECH OF LEULUMOEGA SU'ESU'E LUTU

At the request of my Governor and Congressman, I have the distinct pleasure and high honor to represent the Government and people of American Samoa, the only soil under United States sovereignty South of the Equator. Lying 4,150 miles southwest of San Francisco, my territory has an area of seventy-seven square miles. We have seven principal islands, of which six are inhabited, and have a population of 35,300. U.S. Department of Commerce, Bureau of the Census, July 1984.

In February 1900 the United States received all rights and claims over the Eastern Islands of Samoa. Treaty of Berlin, 2nd December 1899, United States-Germany-United Kingdom, 31 Stat. 1878 (1900). In April 1900 the Chiefs of Tutuila and Aunu'u ceded to the United States their sovereignty of those Islands. In July 1904 the King of Manu'a did likewise for his islands. Ever since, American Samoa has been an unorganized, unincorporated territory of the United States. As it does not have an organic act, it is unorganized; as the corpus of the United States Constitution does not apply to American Samoa, it is unincorporated.

In American Samoa, as in all unorganized territories of the United States, Congress has the entire dominion and all sovereignty; it can exercise full legislative power, as it determines. Simms v. Simms, 175 U.S. 162, 168 (1899). Congress has the "power to dispose of and make all needful rules and regulations respecting the territory" of American Samoa. U.S. Const. art. IV, Sec. 3, Cl. 2. For American Samoa, Congress wished to delegate some of its functions to the local legislature, the Fono, and to another branch of the United States Government, the executive. 48 U.S.C. Sec. 1661 (c) (1952 & Supp. 1985). Those functions now vest in these entities except as Congress may further limit. Bimms v. United States, 194 U.S. 486, 491 (1904); Walker v. New Mexico & S.P.R. Co., 165 U.S. 593, 604 (1897).

The President has further delegated his authority from Congress. Until July 1951 the Secretary of the Navy administered American Samoa on behalf of the President. Since that date the Secretary of the Interior has done so. However, in December 1983 Congress returned to itself the power to amend or modify the revised Constitution of American Samoa of 1967. Act of 8th Dec. 1983, Pub. L. No. 98-213, Sec. 12, 97 Stat. 1462 (1983), 48 U.S.C. Sec. 1661 (a) (Supp. 1985).

Shortly after the United States first acquired sovereignty over American Samoa in 1900, the Supreme Court decided the landmark insular cases. In these cases, the Court recognized that the acquisition and government of outlying foreign territories involve unique sovereign powers and that the exercise of such powers must take into account "differences of race, habits, laws, and customs." Downes v. Bidwell, 182 U.S. 244, 283 (1901). Although the insular cases have been subject to subsequent interpretation, the Supreme Court has continued to acknowledge that the Constitution cannot be rigidly applied in the case of unincorporated territories, such as American Samoa, which have "wholly dissimilar traditions and institutions from the continental United States." Reid v. Court, 3 54 U.S. 1, 13 (1957).

Consistent with the need to respect the traditions and institutions of unincorporated territories, the United States has undertaken to protect and preserve the native customs of American Samoa, including the land tenure system which is the cornerstone of Samoan culture. In the instruments through which it obtained sovereignty over American Samoa, the United States agreed to "respect and protect the individual rights of all people * * * to their lands and other property. Cession of Tutuila and Aunuu, April 17, 1900. The United States also promised "That the rights of the chiefs in each village and of all people concerning their property according to their custom shall be recognized." Cessation af Manu'a Islands, July 14, 1904.

The responsibility for adapting U.S. constitutional principles to American Samoan society was initially vested in the Navy Department and was transferred to the Interior Department in 1951. Both departments have followed basic constitutional principles by fostering democratic self-government and by creating local governmental institutions which can apply constitutional requirements in harmony with local conditions.

In 1931, the naval governor of American Samoa promulgated a bill of rights, and similar rights were incorporated in the initial Constitution of American Samoa approved by the Secretary of the Interior in 1960. The current revised Constitution of American Samoa provides fundamental guarantees of freedom of religion, speech, press, assembly, and petition; as well as protection against unreasonable searches and seizures and against deprivation of life, liberty, or property without due process of law. The territorial constitution also prescribes the rights of an accused. limits the quartering of militia, bars involuntary servitude and imprisonment for debt, and prohibits bills of attainder, ex past facto laws, or the impairment of contracts. Revised Constitution of American Samoa, art. I, sec. 1, 2, 5, 6, 7, 8, 9, 10, 13.

In addition, our Constitution provides for the preservation of traditional Samoan culture. It establishes an express policy of protecting native Samoans against alienation of their lands and destruction of the Samoan way of life and language. The constitution also authorizes the enactment of legislation to protect the lands, customs, culture, and traditional family organization of native Samoans. Id., art. I, sec. 3.

The constitution vests the power to make laws in the territorial legislature, which was first established by the naval administration in 1948. The legislature, consisting of a Senate and a House of Representatives, reflects a balance between representative democracy and traditional Samoan culture. Members of the lower House are chosen by popular election, and Members of the Senate are selected in accordance with Samoan custom. Id. art. III, sec. 4.

Constitutional democracy in American Samoa was further strengthen in 1978 by an amendment to provide for a popularly elected Governor and Lieutenant Governor. Historically, these officials were appointed by the Navy and Interior Departments. The amendment providing for popular election was adopted in response to a referendum in which the voters of American Samoa expressed a desire to elect their Governor and Lieutenant Governor.

In the judicial field, the High Court of American Samoa has a long tradition of independence and integrity. The Court is highly respected by the people of American Samoa as a guarantor of their rights and as a protector of their heritage. In addition to its repsonsibility to hear normal civil and criminal matters, the High Court has jurisdiction over the most sensitive and important issues in Samoan custom—the resolution of disputes regarding chiefly titles and rights in native lands.

The High Court is particularly well suited to apply the U.S. Constitution in a manner which takes into account local conditions. The Court consists of a chief justice and associate justices appointed by the Secretary of the Interior. In addition to the full-time justices, the Secretary frequently designates Federal and State court judges as acting associate justices of the High Court. The Court also includes associate judges, who are appointed by the Governor and are typically chosen from the ranks of the senior traditional Samoan Chiefs. These associate judges help the Court understand local conditions and customs.

The High Court regularly hears cases involving interpretation and application of the U.S. Constitution. A leading example is the case of Craddick v. Territorial Registrar, No. 61-78 (H.C.L.T. 1979); No. 10-79 (H.C.A.D. 1980), where the High Court considered the constitutionality of the statutory restrictions on alienation of native Samoan land. Consistent with prior decisions of the High Court, the Court held that the Federal constitutional guarantees of due process and equal protection extend to American Samoa. After considering the history and purpose of the native land system and the strong governmental interest in preserving Samoan culture, the Court concluded that the restrictions on alienation are reasonable and necessary safeguards which do not violate the due process and equal protection clauses of the Constitution.

The leading Federal court case applying the U.S. Constitution in American Samoa is King v. Andrus, 452 F. Supp. 11 (D.D.C. 1977) where the U.S. District Court for the District of Columbia held that the right to jury trial applies to criminal prosecutions in the territory. This constitutional decision was reached after an extensive trial in which local conditions were examined in depth. In the King case, the Court of Appeals emphasized the need for a thorough trial of the constitutional issue:

"The importance of the constitutional right at stake makes it essential that a decision in this case rest on a solid understanding of the present legal and cultural development of American Samoa. That understanding cannot be based on unsubstantiated opinion; it must be based on facts." King v. Morton, 520 F. 2d 1140, 1147 (D.C. Cir. 1975).

The King case establishes that the U.S. district courts have original jurisdiction to resolve genuine Federal constitutional issues arising in American Samoa. In view of the need to consider the relevant facts in depth, the American Samoa Government believes that Federal judicial consideration of such issued should be through the existing trial-level jurisdiction invoked in King. We do not support the creation of Federal appellate jurisdiction to review decisions of our courts. Unlike the careful trial in the King case, Federal appellate review would require the Federal courts to assess local conditions on the basis of a cold legal record.

Furthermore, the American Samoa Government supports legislation to establish exclusive venue for Federal actions arising out of American Samoa in the U.S. District Court for Hawaii. Proposed legislation to establish such exclusive venue has been approved by Judge Anthony M. Kennedy, who is chairman of the Pacific Territories Committee of the Judicial Conference of the United States. The proposed legislation would help assure that local conditions and traditions in American Samoa are understood and honored by the Federal courts. The District Court for Hawaii is familiar with the legal and cultural traditions of the Pacific Islands, and some Federal judges from Hawaii have gained direct experience in American Samoa by serving as temporary justices of our High Court.

In most instances, however, the U.S. Constitution can and should be interpreted and applied by our local courts, which have the greatest familiarity with local conditions. This local judicial responsibility is consistent with the historical Federal policy of developing territorial institutions which are capable of providing democratic government and protecting constitutional rights. If the institutions of our territorial government are to continue gaining strength and viability, they must be allowed to function without unnecessary outside intrusion.

Secretary of the Interior Hodel has eloquently expressed the basic policy of non-interference with out government in rejecting the request by a disappointed litigant for secretarial intervention in a decision by the High Court.

As the Secretary stated:

"When it accepted the deeds of cession and gained sovereignty over the islands of American Samoa, the United States agreed to promote peace and welfare, to establish a good and sound government, and to preserve the rights and property of the people. To this end, the United States has maintained a policy of fostering greater self government and self-sufficiency without disturbing the traditional Samoan cultural values. This requires a measure of confidence in the government and governmental acts, including actions of the executive, legislative, and judicial branches of the American Samoa Government." Letter to Wilford W. Kirton, Esq., June 7, 1985.

There constitutional issues now concern the peoples of the territories. First, the right to vote for the electors of the President and Vice President is supposed to be guaranteed for all Americans. Yet all Americans are not allowed to vote for them. By virtue of where under The United States flag they choose to reside, some Americans have been disenfranchised. That is why in the Congress my Congressman and 187 other Members of Congress have sponsored House Joint Resolution 23 to propose an amendment to the United States Constitution to provide that American Samoa, Guam, the Northern Marianas and the Virgin Islands should appoint electors of the President and Vice President the four territories would have three electors. They would apportion the three votes according to that percentage which each territory's population would bear to the total population of all four territories. This would be the same type of legislation as the 23rd amendment to the United States Constitution, which gave three electors of the President and Vice President to the District of Columbia and which went into effect in 1961 for every Presidential election beginning in 1964.

This is a fair and necessary amendment. Under our laws no American should be penalized because of where on American soil he or she chooses to live. Please inquire of the Member of Congress from the district in which you are registered to vote as to whether he or she supports House Joint Resolution 23.

Second, under the American Samoa Constitution the Fono and Governor have the authority to conduct all day-to-day affairs of the Territory. While the Department of the Interior maintains offices in American Samoa, it does not interfere in the administration of the islands. As the present Secretary of the Interior, the Honorable Donald Paul Hodel, wrote this past June, "when it accepted the * * * cession and gained sovereignty over the islands of American Samoa, the United States agreed * * * to preserve the rights and property of the people. To this end, the United States has maintained a policy of fostering greater self-government and self-sufficiency without disturbing the traditional Samoan cultural values." So, while Congress has granted the Secretary of the Interior broad powers in connection with his administration of American Samoa, it has been the policy of the United States not to interfere in the governance of American Samoa, particularly where it would implicate FA'A Samoa, the Samoan way of life. I respectfully urge that the United States Government maintain this protection of American Samoan traditions and culture.

Third, as you know, the Members of Congress from American Samoa, the District of Columbia, Guam, Puerto Rico and the Virgin Islands have nearly all the privileges that other members enjoy. These five members may vote in House committees, propose legislation on the floor of the House, chair House committees, sponsor and cosponsor all bills and resolutions, conduct party business on the floor of the House and even call for a vote of the other 435 members on a bill or resolution, but they do not have the right, except in party caucus, to vote on the floor of the House. The citizens and nationals of the United States domiciled in its territories earnestly hope that, as the national approaches the 100th Congress, leading jurists, attorneys, legislators and scholars will advocate full voting rights for all.

ARMENIAN GENOCIDE

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. COELHO. Mr. Speaker, I would like to take this opportunity to share with my colleagues a recent editorial from the Los Angeles Times concerning the Armenian genocide resolution:

[From the Los Angeles Times, Apr. 30, 1986]

ANGUISH AND POLICY

The anguish of Armenians regarding the violence that beset their people of World War I is widely shared, remembered by all civilized people as an awful example of the breakdown of law and order. So the indignation expressed so emotionally by Gov. George Deukmejian, the son of Armenian immigrants, on the anniversary of those events, is understandable and heard with widespread sympathy.

But his call, and the call of many within the Armenian community, to support congressional action to designate April 24 as Martyrs Day, commemorating what they regard as the "genocide" of the Armenians, does not enjoy universal support for good reason.

Those seeking that designation see it as part of a campaign to force the government of modern-day Turkey to acknowledge what the governor calls the "historical truth." That is not fair. Whatever happened in Anatolia in those atrocity-filled years came

under the Ottoman Empire and before the revolution of Ataturk created the modern state of Turkey. Furthermore, there remains a debate among scholars as to the circumstances of the atrocities committed against Armenians, but not only against Armenians, as Ottomans warred with invading Russia. Some clarity may come from the indications that long secret archives in Istanbul may be opened to scholars.

The pressure for a congressional resolution has also been resisted because so many calling for it, including the governor, have not matched the fervor of their denunciation of the Turks with a denunciation of the Armenian terrorism that still, 70 years after those dreadful events, preys on Turkish nationals, including diplomats faithfully carrying out their responsibilities.

Turkey is a strategically important member of the Atlantic Alliance. It is slowly returning to full democracy. It is maddeningly stubborn on some issues, including its indefensible occupation of almost half of Cyprus and its sometimes bellicose actions toward Greece in the Aegean. But neither those actions nor the outrages of the Ottoman past can justify congressional action that is but a thinly veiled attack on a faithful and effective ally.

This editorial shocked not only the Armenian community, but many others as well. Many Armenians in southern California as well as throughout the whole country rallied behind the cause. The Times was inundated with letters, including mine, which expressed the anger of Armenians and others for the postion which the Times had chosen. The following is the text of my letter as it appeared in the Times:

[From the Los Angeles Times, May 8, 1986]

ANGUISH AND POLICY OVER MARTYRS DAY RESOLUTION

I am writing in response to your editorial (April 30); "Anguish and Policy," concerning the Armenian genocide resolution. As the author of the resolution and one of its strongest proponents in Congess, I feel compelled to clarify the record and clear up the misconceptions that the editorial further perpetuates.

Perhaps the greatest misconception is that the purpose of our efforts to get this resolution passed is to denigrate Turkey. Your editorial states that "those seeking designation [of Martyrs Day] see it as a part of a campaign to force the government of modern-day Turkey to acknowledge what [Gov. George Deukmejian] calls the 'historical truth'" and that the "resolution is a thinly veiled attack on a faithful and effective ally."

This resolution does not force Turkey to do anything nor does it accuse Turkey. Rather it is a simple commemorative resolution, which observes April 24 and commemorates the killing of 1.5 milliion Armenians by the Ottoman Empire from 1915-1923.,

To truly understand the efforts by the Armenian community to get this resolution passed, one needs to understand why the resolution was introduced in 1983. In August 1982, the State Department published in its monthly Bulletin an article regarding terrorism. The article made reference to the Armenian genocide and included a footnote, which stated that the facts surrounding the genocide were ambiguous. Needless to say, the Armenian community found this to be an affront, if not an insult.

How was it that up until this time there had never been any questions as to what was U.S. policy on the Armenian genocide? Presidents, Congress and the United Nations have readily acknowledged and confirmed the genocide. Congress chartered the Near East Relief organization, which contributed about $113 million to aid the Armenian genocide survivors from 1915 to 1930. Both the House and the Senate have had resolutions confirming the genocide as well. In 1920, Senate Resolution 359 stated that "the testimony adduced at the hearings conducted by the subcommittee of the Senate Committee on Foreign Relations have clearly established the truth of the reported massacres and other atrocities from which the Armenian people have suffered."

Some 55 years later, the House passed Resolution 148, which observed April 24 of that year as a day of remembrance for all the victims of genocide, "especially those of Armenian ancestry who succumbed to the genocide perpetrated in 1915. . . ." And in 1979, the United Nations Commission on Human Rights issued a report that mentioned "passing to the modern era, one may note the existence of relatively full documentation dealing with the massacres of Armenians."

The genocide is an important chapter in the history of the Armenian people. It was an era when the Armenian people were almost destroyed. Today in the Los Angeles area, and throughout the United States and the world, people of Armenian descent have contributed greatly to their communities. I feel that it is only appropriate that we seek to commemorate this tragedy, not only for Armenians, but for mankind.

TONY COELHO,
Member of Congress.

Cowardice is the word I use to describe the past and present Turkish government for not admitting their most heinous crime of the 20th-Century: the Armenian Genocide.

Ignorant is the word I used to describe the editorial writer responsible for writing the slanderous "Anguish and Policy" editorial.

GAYANE MARKARIAN,
La Canada.

In your editorial you wrote "neither the actions nor the outrages of the Ottoman past can justify congressional action." Justify the atrocities? I myself experienced the cruelty during my teen years.

I am now 82 years old. I have lived and felt on my own skin the kind of pain many people suffered. I witnessed many girls my own age sexually abused, raped, then thrown to their death.

I owe my life to the American missionaries who kept me and many like myself alive. They gave us food and comfort and the only thing they wanted in return was a smile. Your blood is no match compared to those beautiful people.

Is it so much to ask for the Turkish government to admit with dignity and in a civilized manner the Ottoman Empire's wrongdoing? This in itself would satisfy the majority of the Armenian people.

There is no doubt, if you would permit me in saying, in your mind as well as theirs that the genocide actually happened, as it did to 6 million Jewish people. In my opinion, admittance brings respect and follows with forgiveness. It would truly open new avenuses such as friendship.

YEBRAKSI ARAKELIAN,
Los Angeles.

Your editorial does a grave disservice, not only to the American-Armenian community, but to all peoples who have been victims of genocide.

You argue that it is "not fair" to call upon the government of modern-day Turkey to acknowledge the historical truth of the Armenian genocide. You state that "whatever happened" came under the Ottoman Empire and before the creation of the modern state of Turkey. Would you also argue that, because the extermination of over 6 million Jews took place under Hitler's Germany, the modern state of Germany should not recognize the Holocaust?

You also cite, inaccurately, a failure on the part of those calling for a congressional resolution recognizing the genocide to denounce what you editorially refer to as "Armenian terrorism" that "preys on Turkish nationals, including diplomats." Any human life is precious but there can be no comparison between a few isolated individual criminal acts and the premeditated and purposeful government-supervised extermination of 1.5 million people over a period of several years.

Members of the American-Armenian community have publicly denounced terrorism against Turkish nationals. Those persons include Gov. George Deukmejian, Justice Armand Arabian and myself.

ROBERT H. PHILIBOSIAN,
Los Angeles.

Thank you for Ellen Goodman's column. She rightly describes the current discussion of our attack on Libya as "a debate about inaction and wrong action."

As I witnessed on TV the technological efficiency with which the bombs, guided by lasers, did their work, a quote from Alexander Woollcott came to mind: "The worst sin of all is to do well that which shouldn't be done at all."

VANCE GEIER,
Los Angeles.

On May 8, the Times printed a retraction and acknowledged it was wrong for the paper to have expressed opposition to the resolution. The following is the text of the retraction:

[From the Los Angeles Times, May 8, 1986]

ARMENIAN ANGUISH

A Times editorial, "Anguish and Policy," published April 30, drew a sharp response from Armenian-Americans, and from others. The letters on this page reflected the range of that response. We wish to make two points.

First, we did not intend our words to imply that we do not believe the well-established fact that hundreds of thousands of Armenians, perhaps as many as a million and a half, perished at the time of the First World War. The Armenians call this genocide. It is the somber privilege of the victims to name it what they will.

Second, we have come to believe, after looking more closely, that we were wrong to oppose, as an unfair insult to Turkey, an ally in the North Atlantic Treaty Organization, a Congressional Resolution that proclaims April 25 as a "National Day of Remembrance of Man's Inhumanity to Man" in honor of the victims of the Armenian genocide. The amended resolution makes it clear it was the old Ottoman Turkey, not modern Turkey, that bore responsibility. To put the Congress of the United States on record as deploring a human calamity still remembered with anguish is to strengthen the hand of that great majority in the Armenian community who seek redress through the legal process, not terror. To

deny a cry for recognition that something dreadful happended in Armenia during a dreadful war is to embitter the agony of its memory.

The Armenians can declare a victory in their struggle to get the genocide recognized by having the Times print a retraction. However, it is unfortunate that the Reagan administration and some of my colleagues in the House and Senate are not as easily convinced that the Armenian genocide is, indeed, a historical fact.

H.R. 4820

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. DINGELL. Mr. Speaker, I am very pleased to introduce H.R. 4820 the Prescription Drug Marketing Act of 1986. Joining me as cosponsors of this bipartisan legislation are Congressmen BROYHILL, WYDEN, ECKART of Ohio, BLILEY, SIKORSKI, OXLEY, LUKEN, ECKERT of New York, BRYANT, and WHITTAKER.

The bill contains several measures urgently needed to correct abuses identified in 5 days of public hearings and during a 1½ year investigation by the Oversight and Investigations Subcommittee. The legislation will protect consumers from the obvious health and safety threats posed by substandard, impotent, adulterated, and counterfeit pharmaceuticals. Manufacturers will benefit from provisions that will eliminate a serious source of fraud and lost sales currently resulting from the reimportation of brand name drugs. And wholesalers and retailers can compete in a marketplace free from unfair competition in the form of below wholesale priced drugs diverted from health care institutions or charities. The only people who will oppose this bill are the fast buck artists and shady dealers who now profit enormously from these various nefarious practices.

In the last 2 years, the pharmaceutical industry has been stunned by revelations of corrupt practices and counterfeiting. A joint State-Federal investigation in Atlanta, GA, has obtained more than 50 guilty pleas from doctors, pharmacists, wholesalers, salespeople, and executives in 12 States for a variety of abuses involving prescription medications. The investigation continues and more guilty pleas or indictments will probably result. Similar investigations are under way in Ohio, where the State board of pharmacy has issued nearly 100 citations, and Missouri, where the Federal Bureau of Investigation has executed three search warrants. Three examples of American brand name products being counterfeited or placed in counterfeit packaging with false markings have also been documented.

In all cases, these counterfeit, adulterated subpotent, or expired medications are intended for sale to unsuspecting consumers. Undercover FBI agents bought such goods in many locations in conjunction with the Atlanta investigation. It is not possible exactly to quantify the volume or value of prescription drugs whose quality is suspect. It is clear that the problem is significant in size and national in scope. The FBI seized $620,000 worth of diverted drugs in the Atlanta investigation. According to the U.S. attorney, drugs of questionable effectiveness were discovered for sale to consumers in literally every city, town, and village investigated. This bill will go a long way toward halting such practices.

The legislation contains several significant elements. Section 3 would prohibit the reimportation of American-produced pharmaceuticals, except by the manufacturer or for emergency purposes. Section 4 prohibits the selling or trading of drug samples, as well as restricts the resale of pharmaceuticals by health care institutions or charities. All have been major sources of diverted pharmaceuticals. Section 5 prohibits manufacturers' sales representatives from directly providing samples to physicians. Rather, the physician must sign a request form, after which samples will be sent directly to the doctor by common carrier. The manufacturer must obtain a receipt and maintain distribution records, which are available to State and Federal authorities. This proposal will allow the continued use of samples by doctors, but will provide the control and accountability that is lacking under the present system. Section 6 will require wholesalers to disclose from whom and where they purchased drugs. This section will also allow the Secretary of the Department of Health and Human Services to establish minimum standards for drug wholesalers engaging in interstate commerce where State licensing requirements do not exist. Section 7 provides criminal penalties for violations of the act. Willful violations of the provisions relating to drug samples and reimportations could result in up to 10 years in jail and a fine of up to $100,000. Willful violations of the other sections could result in up to 3 years in jail and a fine of up to $10,000, as provided in the current statute.

I attach the text of the bill.

H.R. 4820

A bill to amend the Federal Food, Drug, and Cosmetic Act to ban the reimportation of drugs produced in the United States, to place restrictions on drug samples, to ban certain resales of drugs purchased by hospitals and other health care facilities, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND REFERENCE.

(a) SHORT TITLE.—This Act may be cited as the "Prescription Drug Marketing Act of 1986".

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Food, Drug, and Cosmetic Act.

SEC. 2. FINDINGS.

The Congress finds that—

(1) American consumers cannot purchase prescription drugs with the certainty that the products are safe and effective;

(2) the integrity of the distribution system for prescription drugs is insufficient to prevent the introduction and eventual retail sale of substandard, ineffective, or even counterfeit drugs;

(3) the existence and operation of a wholesale submarket, commonly known as the "diversion market", prevents effective control over or even routine knowledge of the true sources of merchandise in a significant number of cases;

(4) increasing amount of drugs are being reimported to the United States as American goods returned. These imports are a health and safety risk to American consumers because they may have become subpotent or adulterated during foreign handling and shipping;

(5) the ready market for prescription drug imports has been the catalyst for a continuing series of frauds against American manufacturers and has provided the cover for the importation of foreign counterfeit drugs;

(6) the existing system of providing samples of drugs to physicians through manufacturer's sales representatives has been abused for decades and has resulted in the sale to consumers of misbranded, expired, and adulterated pharmaceuticals;

(7) the bulk resale of below wholesale priced prescription drugs by health care institutions, for ultimate sale at retail, helps fuel the diversion market and is an unfair form of competition to wholesalers and retailers that must pay otherwise prevailing market prices; and

(8) the effect of these several practices and conditions is to create an unacceptable risk that counterfeit, adulterated, misbranded, subpotent, or expired drugs will be sold to American consumers.

SEC. 3 REIMPORTATION.

Section 801 (21 U.S.C. 381) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following:

"(d)(1) Except as provided in paragraph (2), no drug subject to section 503(b) which is manufactured in a State and exported may be imported into the United States unless the drug is imported by the person who manufactured the drug.

"(2) The Secretary may authorize the importation of a drug the importation of which is prohibited by paragraph (1) if the drug is required for emergency medical care.".

SEC. 4. SALES RESTRICTIONS.

Section 503 (21 U.S.C. 353) is amended by adding at the end the following:

"(c)(1) No person may willfully sell or trade or offer to sell or trade any sample of a drug subject to subsection (b). For purposes of this paragraph and subsection (d), the term 'sample' means a drug which is not intended to be sold and is intended to promote the sale of the drug.

"(2) No person may—

"(A) sell, purchase, or trade, or

"(B) offer to sell, purchase, or trade,

in bulk any drug subject to subsection (b) purchased by a public or private hospital or other health care facility or any other establishment exempt from registration as a pharmacy licensed under State law for the use of the hospital, facility, or establishment, except that a hospital or other health care facility which is a member of a group purchasing organization may purchase or otherwise secure such a drug for its own use from other hospitals or facilities which are members of such organization.

"(3) No person may willfully sell or trade or offer to sell or trade any drug which is subject to subsection (b) and which was donated or supplied at a reduced price to a charitable organization described in section 501(c)(3) of the Internal Revenue Code of 1954, except that such an organization may

sell or trade any such drug to an affiliate of the organization.".

SEC. 5. DISTRIBUTION OF SAMPLES.

Section 503 (as amended by section 4 of this Act) is amended by adding at the end the following:

"(d)(1) Except as provided in paragraph (2), no sales representative, employee, or agent of a drug manufacturer may distribute any sample of a drug subject to subsection (b) which is manufactured by such manufacturer. This subsection does not prohibit the distribution of a drug in connection with its investigational use under regulations promulgated under section 505(i).

"(2) The manufacturer of a drug subject to subsection (b) may, in accordance with this paragraph, distribute samples of such drug to practitioners licensed to prescribe such drugs. Such distribution of samples shall be made by mail or common carrier and shall be made in response to a written request for samples made on a form approved by the Secretary. Practitioners receiving samples distributed under this paragraph shall provide the manufacturer making the distribution a receipt for the samples received. Each drug manufacturer which makes distributions under this paragraph shall maintain the receipts received for samples distributed and maintain a record of distributions which identifies the drugs distributed and the practitioners receiving the drug. Receipts and records required to be maintained by a drug manufacturer shall be made available to Federal and State officials engaged in the regulation of drugs and in the enforcement of law applicable to drugs.

SEC. 6. WHOLESALE DISTRIBUTORS.

Section 503 (as amended by section 5 of this Act) is amended by adding at the end the following:

"(e)(1) Each person who is engaged in the wholesale distribution of drugs subject to subsection (b) shall provide to each purchaser of such drugs a statement identifying—

"(A) the manufacturer of the drug, and

"(B) each sale of the drug (including the date of the sale) before the sale to such purchaser.

"(2)(A) No person may sell at wholesale and in interstate commerce drugs subject to subsection (b) in a State which does not require such persons to be licensed in accordance with standards prescribed under subparagraph (B).

"(B) The Secretary shall issue regulations establishing minimum standards, terms, and conditions for the licensing of persons to make sales at wholesale and in interstate commerce of drugs subject to subsection (b). Such standards shall prescribe requirements for the storage and handling of such drugs and for the establishment and maintenance of records of the sales of such drugs.".

SEC. 7. PENALTIES.

(a) PROHIBITED ACTS.—Section 301 (21 U.S.C. 331) is amended by adding at the end the following:

"(t) The importation of a drug in violation of section 801(d)(1), the sale, purchase, or trade of a drug in violation of section 503(c), the distribution of a drug sample in violation of section 503(d), and the failure to comply with the requirements of section 503(e).".

(b) PENALTIES.—Section 303 (21 U.S.C. 333) is amended—

(1) by inserting "(1)" after "(a)",

(2) by redesignating subsection (b) as paragraph (2) and by striking out "subsection (a)" in such subsection and inserting in lieu thereof "paragraph (1)", and

"(3) by inserting after subsection (a) the following:

"(b) Notwithstanding subsection (a), any person who violates section 301(t) because of an importation of a drug in violation of section 801(d)(1) or because of a sale, purchase, or trade of a drug in violation of section 503(c) shall be imprisoned for 10 years and fined not more than $100,000.".

SEC. 7. EFFECTIVE DATE.

(a) GENERAL RULE.—Except as provided in subsection (b), this Act and the amendments made by this Act shall take effect upon the expiration of 90 days after the date of the enactment of this Act.

(b) WHOLESALE LICENSES.—The Secretary of Health and Human Services shall promulgate the regulations required by section 503(e)(2)(B) of the Federal Food, Drug, and Cosmetic Act (as added by section 5 of this Act) not later than 180 days after the date of the enactment of this Act. Section 503(e)(2)(A) of such Act shall take effect upon the expiration of 2 years after the date such regulations are promulgated and take effect.

POLICE MEMORIAL DAY AND NEWARK POLICE DEPARTMENT AWARD DAY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. RODINO. Mr. Speaker, by an act of Congress, tomorrow—May 15—will be "Police Memorial Day." In addition, this whole week has been designated "National Police Week." Ceremonies are being held throughout the Nation to remember and honor those slain in the past year and the years before.

This is a time to commemorate all the law enrforcement officers who have given their lives to protect their fellow citizens. It is also a time to express our appreciation for the police, who day after day put themselves on the line to keep the peace. The police protect our lives, patrol our neighborhoods, safeguard our homes, and help our families and children. They are our Nation's finest—men and women willing to give themselves for the public good. Our Nation is deeply indebted to them.

In my district, the Newark Police Department today will be holding its annual award day ceremonies in conjunction with this commemorative period. Under the leadership of Police Director Charles Knox, the Newark Police Department has served our community with unmatched dedication and professionalism. During today's ceremonies, the department will bestow its official commendations for meritorious services to all police officers who earned these awards while performing their duties during the past year. The department will also give special recognition to all those citizens who have served their community by assisting law enforcement.

I would like to take this opportunity to honor all the police officers in my district. Daily, they perform with great honor, courage and spirit in what are often very difficult circumstances. They are true guardians of the public safety.

Since 1960, 2,100 law enforcement officers have been killed in the United States in the line of duty. In recent years, one police officer is killed every 3 days. Each police casualty is one too many. Each is a great loss to our Nation.

Police work is one of the most difficult of occupations. Every day police officers face the underside of American life—incidents so gruesome and dangerous that the rest of us would rather avoid them. In their pursuit of public safety, their daily regimen will often consist of criminals, drug addicts, gangsters, thefts, and tragedies. The satisfaction they feel for taking a criminal off the streets, or helping their community create a crime watch program, is frequently overwhelmed by the urgency of solving the next case on the blotter.

It is for this reason that we in Congress have a special responsibility to ensure that our police officers are given the greatest amount of protection possible. This means passing laws that are tough on crime and criminals. It means addressing problems—such as drugs or poverty—that are often at the source of criminal behavior. It means providing enough funding and resources for effective law enforcement programs and prosecution. It means helping to unclog the courts and prisons. And it means giving the proper assistance to crime witnesses and victims—as well as to the families of slain police officers.

I take this occasion to pay tribute to the 61 law enforcement officers killed in New Jersey since 1960. These men and women are heroes in the cause of justice.

Their names follow:

Trooper Arthur J. Abageale, New Jersey State Police. Patrolman Donald Alshire, Mt. Holly. Patrolman Charles D. Bernoskle, Rahway. Patrolman William Birch, Ft. Lee. Sergeant Donald Bourne, Trenton. Patrolman Casper J. Buosocore, Jr., Jersey City K-9 Officer John Burkey, Atlantic City. Officer Raymond T. Bustard, Montclair. Patrolman William Cady, South Plainfield. Trooper William Caroll, New Brunswick Patrolman John Clower, Trenton. Officer Richard H. Conklin, South Plainfield. Sergeant William Connelly, East Orange. Sergeant John F. Crowley, Englewood. Chief Philip De Santis, Woodbine. Trooper Joseph Difriso, New Jersey State Police. Patrolman Danlel Du Ross, Atlantic City. Officer Peter Egnor, Atlantic City.

Corrections Officer Dean Evans, Bordentown, Trooper Werner Fuerster, New Jersey State Police. officer Anthony Garaffa, Irvington. Patrolman John Gottfried, Newark. Patrolman Clayton G. Graham, Atlantic City. Officer Daniel Greer, Nassau County. Detective Nicholas Guirado, Union City, Patrolman Joseph Hagle, Newark. Corrections Officer Donald Hiles, Leesburg. Officer Henry John Koeble, Jr., Gords. Trooper Philip J. Lamonaco, Belvidere. Officer Anthony Lordi, Hillside. Trooper Anthony Lukis, Jr., New Jersey State Police. Officer Michael McEllen, Paramus. Detective Albert MelLea, New Jersey State Police.

State Trooper Carlos Negros, West Trenton. Lieutenant Lester A. Pagano, Wharton. Correction Officer George Parkowski, Elizabeth. Lieutenant Herman Peccarelli, Orange. Officer William J. Perry, Roselle Park. Patrolman Joseph Peters, North Bergen. Patrolman Joseph Pocchio, Essex County. Patrolwoman Abigall Powlett, Plainfield. Patrolman Frederick W. Reihardt, Montclair. Secret Service Agent Donald Robinson, Newark. Sheriff Joseph J.

Rybka, Jr., Rutherford. Sergeant Alfred T. Sellick, Montclair. Patrolman Francis Shannon. Newark. Trooper Milan Shocak, New Jersey State Police. Patrolman Daniel Smith, Bloomfield, Lieutenant George Smith, Montclair.

Officer John W. Snow, Newark. Patrolman Robert D. Strone, Passaic. Sergeant Nathaniel Taylor, Essex County. Patrolman Garry Tedesco, Lodi. Patrolman Robert T. Toblas, Lakehurst. Sergeant Peter Voto, Lodi. Officer Robert E. Walls, Essex County. Patrolman William Waterson, Clark. Chief Fred Witte, Englewood Cliffs. Patrolman Raymond Woods, New Milford. Patrolman J. Wright, Bradley Beach. Patrolman William Werst, Hinesport.

AN INSIDE LOOK AT POLISH LIFE

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. LIPINSKI. Mr. Speaker, I wish to apprise my colleagues of the current situation in Poland as seen through the eyes of a recent visitor to that country. It is an interesting and informative account because it provides a human background to the often sterile nature of government statistics and data. Zbigniew Brezinski, to whom the text had been originally submitted, called it "particularly effective because of its straightforward and direct style."

Taken from the April 1986 edition of New Horizon-Polish American Review, I would like to include excerpts of this account for the RECORD.

[NOTE: The author requested that his/her name not be released in case he/she needs a visa to visit Poland again.]

LIFE IS VERY, VERY DIFFICULT THERE . . .

I am writing this essay to describe a trip I took to Poland last year for three weeks. I visited the families of members of Solidarity who had been imprisoned, to whom I have sent parcels of food since 1982.

I flew into Warsaw and visited the family of an old friend. We saw many paradoxes there. For example, the police guarded St. Anne's Church to prevent people from building a flower cross. But they had let them build a large, beautiful cross of gladiolas at another church nearby!

From Warsaw, I rode a bus to southeast Poland, and learned how difficult and slow it is to travel in Poland. The bus drove for three hours over country roads for a distance which did not seem to be very far.

The family which I was visiting took me to Lancut, Lezajsk, and Czestochowa. I was amazed at the strength, pervasiveness, and wealth of the Catholic Church in Poland. Both parents in this family had been in Solidarity. He was interned, and she had been threatened with internment. She said that in the place where she worked then, only one fourth of the workers had joined the new government trade union.

They had a family of five, and were in shock over the price of food. I heard this everywhere—that food was taking over one half of their budget, and that the percentage was increasing. Because of this and other price increases, they said that they probably would not be able to buy new clothes, or furniture for years.

They took to Czestochowa, where we saw the Black Madonna, which was very moving. On one of the walls outside were many Solidarity banners, carried there by pilgrims.

I noticed two things which surprised me, which were true throughout the trip. One, Poles really do say what they think, without checking first to see if someone is listening. Also, there were posters everywhere, asking people to vote in October.

I returned by train to Warsaw, which took six hours.

I went to Saint Stanislaw Kostka's church, were Father Popieluszko is buried. It was somber and sad. About 300 people were there, even though it was noon on Wednesday. About fifty sang protest songs, but only half made the victory sign.

From there, I rode a train to Gdansk, where I met another family. The father took me around the city, and we saw the Solidarity monument, "gate two" of the shipyard, and St. Bridget's church. The church has many displays about Solidarity, and several dramatic, surreal displays about Father Popieluszko. Surrounding the area were more police than I have ever seen, with a van or truck on every corner. They could have followed someone by remaining in their vans, and talking over the radio! They resembled a beehive, with blue bees swarming everywhere.

Later, my friend in Warsaw took me and his family to a political mass at St. Stanislaw Kostka's church. About 20,000 people attended, overflowing the church. The sermon was about Solidarity, and was applauded about twenty times. It was recorded by British television.

There are two main songs which the people sing at these masses. Throughout them, they made the victory sign. The first one had about eight verses, including a new verse about Solidarity. The words of the other song prayed for a free homeland. When they came to the words "ojczyzna wolna" (free motherland), everyone sang out very loudly and intently, It was very moving and emotional.

Afterwards, as we were leaving, the crowd tried to demonstrate, but we decided to leave. At the bus stop nearby, a loudspeaker from the church played a poetry reading. Meanwhile, a police van with a loudspeaker was telling the crowd to go home, but it was responding by telling the police to be quiet. They also shouted "Solidarity", and Walesa's and Bujak's names.

These are my final impressions: The best monent of the trip occurred when I was riding in the car with one of the men, and we passed the barracks of Russian soldiers. We saw one guard isolated by himself. My friend drove the car around the block three times, each time staring at the soldier with hate, and telling me to do the same, without being afraid. It was amusing, but great.

Life is very, very difficult there, because so many things take so long to do. The telephone system is so difficult to use that I gave up trying. People are worried about the price of food increasing so much that they cannot buy anything else. The people are nice and polite, and the hospitality is overwhelming. But I kept getting the feeling that I was in a very poor country. While America, Western Europe, and Japan were developing quickly, Poland seemed to be moving backward. One lady told me that, in three months before martial law was imposed, the only food they could find in the stores was bread and potatoes. They could sometimes find a little butter and meat, but this they always gave to their baby. So, for three months, they lived off of bread and potatoes!

TEMPLE ISRAEL OF GREATER MIAMI HONORS CANTOR JACOB BORNSTEIN

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. LEHMAN of Florida. Mr. Speaker, my wife Joan and I were very pleased to be able to attend the memorable tribute that was given to Cantor Jacob G. Bornstein by the congregation of Temple Israel of Greater Miami on May 10, 1986. After 34 years of dedicated service as cantor, teacher, and mentor, Cantor Bornstein will be retiring. His association with Temple Israel, with Rabbis Kaplan, Zwitman, Narot, and Bernat personifies what Temple Israel has meant to the south Florida Jewish community these many years. Four generations of my family have received so much from Temple Israel and from Cantor Bornstein.

I would like to include some of the well-deserved remarks that were made on behalf of Cantor Bornstein by Rabbi Haskell Bernat and Temple President Gerald K. Schwartz.

The remarks follow:

MESSAGE FROM THE SENIOR RABBI

DEAR JACK: A great sage completed his tenure as a leader of the community and was asked by his disciples. "How did you manage such a long and successful service?" He responded, *"Lo asiti bet knesset kopandariya"* . . . "I've never made the synagogue a short-cut." In Talmudic times, dwellings were built around a courtyard which could be traversed as a short-cut or stepping stone to a further destination. For him, the synagogue was an end unto itself, never a by-way or stepping stone to an ambition beyond it.

Your life and career in the cantorate is a contemporary echo of this principle. Temple Israel of Greater Miami has been your object of devotion and loyalty for almost three and one-half decades. It was your address for dispensing the word of God with nostrums of love and caring to two generations of young Jews. The bima of our great sanctuary was resplendent with your clarion voice calling the faithful to worship. You uplifted their spirits through the musical arts in quest of the transcendent Beauty and Nobility whom we call God.

Now that the tenure of your professional life a Temple Israel is completed, we need to ask. "What was the formula for your successess," The answer is written in the hearts of the thousands whom your devotion and talent have touched. Gladys and I invoke God's blessings upon you with the hope that the next phase of your life will be filled with its own new fulfillments and joys.

Faithfully,

HASKELL.

REMARKS BY GERALD K. SCHWARTZ

• • • For all that Jack has done for Temple Israel, he is always there to do more. Whatever Jack is doing, he does with style, with class and without anticipated reward. Jack Bornstein gives to Temple

Israel out of love—love for his profession, his Temple and his people.

Too infrequently do we take the opportunity to thank those who have touched our lives to the extent that Jack Bornstein has. Tonight we are fortunate and privileged to have that opportunity.

The history of Temple Israel shines with outstanding clergy. They gave more to Temple Israel than they could ever have hoped to receive. These men not only taught us and counseled us and led us, but also intimately shared their lives with us. Jack Bornstein is very much a living part of this history. As Temple Israel is Jacob Caplan, Coleman Zwitman and Joseph Narot, so too Temple Israel is Jacob G. Bornstein.

EL PAIS: 10 YEARS OF DISTINCTION

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. GARCIA. Mr. Speaker, on May 9 the Christian Science Monitor, published an article on the distinguished Spanish newspaper, El Pais, as it celebrated its 10th anniversary.

I am fortunate enough to be friends with the paper's publisher, Jesus De Polanco, a courageous man who has always maintained his integrity and high journalistic standards. Mr. De Polanco and his capable staff have made El Pais not only Spain's finest newspaper, but one of the world's great papers. Recently, El Pais won the Roosevelt Freedom Medal for its continued tradition of excellence.

I am submitting for the RECORD the Monitor's article on El Pais. I encourage my colleagues to take a moment to read it so that they can become better acquainted with El Pais and its tradition of quality journalism.

[From the Christian Science Monitor, May 9, 1986]

AT AGE 10, SPANISH DAILY HAS GROWN UP WITH DEMOCRACY

(By Kathy White)

MADRID.—Like many Spaniards, Ana Fernandez Virgala has bought "El Pais" from the start.

"Compared to other newspapers, El Pais seems to be the one to most tell the truth," she says.

Sociologist Victor Perez Diaz puts it this way: "El Pais projects credibility."

It is no small compliment for a newspaper which grew up from the ashes of a 40-year dictatorship and a rigidly state-controlled press. El Pais celebrates its 10th anniversary this week.

It is even said that when Prime Minister Felipe González took office, he strongly recommended to his staff that they not read El Pais before the morning's work was over, fearing that the paper might influence policy decisions.

A good start of the newspaper's present success stems from the role it played during the return of democracy, in helping to form opinion and serve as a platform for ideas at a time when political parties were still not legal.

Headed by a young editor, Juan Luis Cebrian, and a similarly youthful team, the paper was launched six months after the death of Gen. Francisco Franco. Untainted by Francoism, El Pais caught the mood of the country and boldly pushed for reform.

It denounced the old political system and supported proposed changes. It helped to build up the image of the King as an institution. In its reporting on the Roman Catholic Church and the Army, it was careful not to stir up anticlerical sentiment or to provoke the military.

Mr. Cebrian received an International Editor of the Year Award for the paper's stance on a coup attempt in 1981. As Army tanks rolled toward Madrid, El Pais rushed out an edition with the banner headline "Constitution" on the front page and a signed editorial by Mr. Cebrian in defense of the democratic system.

The paper's bright layout and balanced presentation of the news also captured an immediate audience among the educated middle class. Cebrian admits that El Pais has borrowed many features from other European and American newspapers.

With its center-left leaning, El Pais stresses in its pages the defense of human rights and minorities, women, prisoners, and religious groups other than Roman Catholic.

The paper has also served as a forum for Latin American writers and journalists, many from countries with repressive regimes. Its extensive coverage of the arts has contributed greatly to Spain's current cultural boom.

Along with the rest of the Spanish press, El Pais still has some traditions to overcome. In the opinion of sociologist Victor Perez Diaz, it's high time for more investigative reporting, deeper analysis, and rigorous writing in the Spanish press in general.

Today, the Spanish press represents a broad range of ideas. Except for extremist papers of the right and left, all Spanish papers seem to suffer somewhat from the practice of self-censorship left over from the Franco regime. Government censorship was officially abolished in 1966, leaving it up to editors to decide what was acceptable.

According to Cebrian the practice still affects news coverage. Even El Pais can be too cautious when it comes to sensitive topics such as the military, he says. However, Cebrian says he is "not too unhappy" about the Spanish press on the whole. He says he is aware that El Pais is often regarded as an institution, and is aware of the danger of readers and journalists becoming too complacent.

"On El Pais we try to be more self-critical than other papers," he says.

El Pais's Sunday magazine regularly carries a satirical version of the paper. Also last November, to guarantee editorial standards, El Pais created the first-ever ombudsman of the Spanish press, to check out complaints or advice from readers. Though relatively common in the US, the ombudsman's role is little known in Europe.

RURAL POVERTY AND THE FUTURE OF ECONOMIC DEVELOPMENT PROGRAMS

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. BOEHLERT. Mr. Speaker, on March 27, the Binghamton Press & Sun-Bulletin of Binghamton, NY, published an eloquent editorial describing the conditions of the rural poor in my district, especially as they compare with the conditions of poor people living in urban areas. I was especially interested to read the editors' long-range prescription for reducing rural poverty: strengthening the economic development programs of the Federal Economic Development Administration [EDA] and the Appalachian Regional Commission [ARC].

Mr. Speaker, we all share the urgent goal of reducing the Federal budget deficit. So does it make sense to eliminate, as the administration has proposed, these two agencies which have been proven successful at increasing private investment in distressed regions? The ultimate result, at a very modest short-run cost to the taxpayers, is to eliminate the burden of supporting the poor in these regions.

H.R. 10, which makes cost-cutting reforms in the EDA, has been passed by the House three sessions in a row, with no action taken by the other body. Doesn't it make sense to pass this bill, and make an investment in the future of poor, rural areas that will ultimately produce greater savings for the Federal Government?

The text of the editorial follows:

THE RURAL POOR

A new report documenting the persistence and apparent intractability of rural poverty says the nation's 13.5 million rural poor outnumber their urban counterparts by 600,000 and tend to have more serious nutritional and health problems than do urban poor.

The study, financed by the Ford Foundation and conducted by Public Voice, a Washington-based health and nutritional public interest lobby, concludes that the rural poor are relatively less well off than the urban poor in part because they are geographically dispersed and receive less government help.

None of this should surprise residents in these parts of New York and Pennsylvania. The rural poor are everywhere. In spite of their numbers, many of us are blind to their existence. When one thinks of poverty it is most often the burned out tenements of the South Bronx and Harlem that come to mind. It is only when we come to a sign announcing we've reached "Poverty Pitch," as an arresting sign on a back road near Oxford in Chenango County announces, that the reality hits us.

Statistics reinforce these perceptions. Otsego County has 15.3 percent of its population below the poverty line, Delaware 14.1 percent, Cortland, 14.7 percent, and Chenango, 12.3 percent. Broome and Tioga counties, by contrast, seem well off with respective rates of 8.8 and 8.7 percent. But anyone who has ever been to the hills and hollows around Harpursville in Broome or Diamond Valley in Tioga, knows the statistics are deceptive. The intermittent squalor in these areas is offset by the relative wealth of a Taft Heights or a Crestview Heights.

These figures for the rural poor are matched against an increasingly smaller federal aid pie and the remnants of the War on Poverty. Taking all the funding mechanics into account, the disparity between antipoverty funds spent in urban as opposed to rural areas is not solely accountable by the relative political clout of urban versus rural lawmakers, the study concludes. Nor, it adds, does the relative visibility of urban over rural poverty pockets account for the eroding situation. The answer, the study notes, may rest in pride.

Rural residents are traditionally more resistant to government programs or accepting government aid—no matter how well-intended. Often help that is available goes unapplied for. In New York City for instance, 61 percent of those eligible for food stamps receive them. In Otsego County—lagging only 4.4 percent behind New York City's poverty rate—only 25 percent of those eligible for food stamps receive them.

Public Voice, with backing from Senate Majority Leader Robert Dole, suggests one answer to the plight of the rural poor is to mandate that a greater share of the federal money and programs go to those areas. Many food and nutrition programs that are now voluntary in nature would be mandated.

While this answer might force state and local governments to set up mechanisms to deal with immediate nutritional and health care problems, the long-range answer is to improve the economic climate of rural areas, thus taking the burden off government. Two agencies designed to accomplish these long-range objectives, the Appalachian Regional Commission (which covers Broome and surrounding counties) and the Economic Development Agency, have been marked for extinction by the Reagan administration.

In light of this report and the direction it suggests be taken, Congress would do well to spare these two agencies and infuse them with new life.

FINANCIAL DISCLOSURE FOR CONGRESSMAN AND MRS. MARTIN FROST

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. FROST. Mr. Speaker, as I have done for each of the years I have served in the House of Representatives, I am today inserting in the RECORD a personal financial report for my wife, Valerie, and me. While this goes beyond what is required of Members, I feel that it is important to provide this additional information.

Balance sheet: Martin and Valerie Frost—As of Dec. 31, 1985

Assets:	
Checking account, 1st National Bank of De Soto	$1,188.52
Condominium, Dallas, TX	47,500.00
House and Lot, Arlington, VA	200,000.00
Home furnishings and other personal effects	35,000.00
Savings, Wright Patman Federal Credit Union	301.95
Checking Account, Wright Patman Federal Credit Union	622.64
Retirement, U.S. Congress	36,122.41
IRA's (Martin and Valerie)	8,835.00
Washington Fringe Benefit Investment Club (Valerie)	3,193.28
Subtotal	332,763.80
Automobiles:	
1979 Chevrolet Chevette	1,275.00
1984 Toyota van	8,550.00
1984 Starcraft pop-up trailer	3,240.00
1985 Pontiac 6000	8,500.00
Subtotal	21,565.00
Stocks and bonds:	
448 Shares Central and Southwest	12,320.00
362 Shares Exxon	19,995.00
100 Shares Federated Department Stores	6,662.00
90 Shares General Motors	6,003.00
116 Shares Greyhound	3,755.00
209 Shares Houston Industries	5,852.00
66 Shares Eli Lily	7,359.00
71 Shares Texaco	2,130
82 Shares Texas Eastern Corp	2,870.00
54 Shares Mobil	1,600.00
358 Shares Westinghouse	15,931.00
34 Shares IBM	5,287.00
643 Shares Fundamental Investors	8,905.00
229 Shares Massachusetts Investors Trust	2,461.00
234 Shares Wellington Fund	3,297.00
138 Shares Eaton Vance Investment Fund	1,188.00
U.S. Savings Bonds	300.00
100 Shares Wal-Mart	3,187.00
8 Shares General Motors (E)	327.00
4 Shares General Motors (H)	153.00
Subtotal	109,542.00
Total assets	463,870.80
Liabilities—Mortgages:	
Alpha Mortgage Corporation (Dallas condominium)	37,500.00
Northern Virginia Savings & Loan (Arlington residence)	135,000.00
Subtotal	172,500.00
Installment loans:	
Open charge accounts (balance)	1,000.00
Wright Patman Federal Credit Union (automobile)	5,841.04
GMAC (automobile)	6,996.89
Subtotal	13,837.93
Total liabilities	186,337.93
Net worth:	
Total assets	463,870.80
Total liabilities	186,337.93
Total net worth	277,532.87

QUEENS COLLEGE STUDENTS STRUGGLE FOR SOVIET JEWRY

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. LENT. Mr. Speaker, in recent months, the struggle for Soviet Jewry has received a much-needed shot in the arm. The release of Soviet human rights activist and dissident Anatoly Shcharansky from the Soviet gulag has brought renewed hope to the human rights movement. In his speeches, Anatoly is adamant that we must keep up the fight for all those he was forced to leave behind the Iron Curtain, all those still waiting for their day of freedom.

In that spirit, I'd like to bring to my colleagues' attention the Queens College Student Struggle for Soviet Jewry [QCSSJ] and their members' efforts to adopt Ida Nudel as their "refusenik of the month."

I am very familiar with Ida Nudel's case as she is also my adopted prisoner of conscience. Known as the guardian angel of the prisoners of conscience, Ida works tirelessly to obtain food, clothing, and other valuable items for Soviet Jews serving sentences in Soviet prisons and labor camps. An extra shirt might keep a prisoner from freezing during the harsh Siberian winter. A piece of chocolate could bribe a guard to allow a relative's letter through the cell of a prisoner's solitude.

Ida has been waiting for an exit visa for over 13 years. During that time she has been separated from her only living relative, her sister Elena Fridman who now lives in Israel.

Four years in a Siberian labor camp have taken their toll on Ida Nudel. She is in poor health and suffers from a serious heart ailment. However, since 1982, she has lived in virtual exile in the small Moldavian town of Bendery and is forbidden from traveling to receive the medical attention she needs. She is not permitted to receive any mail, and her communication with the outside world is severely restricted. Ida believes her continued refusal is nothing more than KGB vindictiveness and even now her every move is closely followed by KGB secret police.

Despite these overwhelming obstacles, the QCSSSJ will try to communicate with Ida to let her know that she is not alone in her struggle for freedom. By publicizing its campaign, the group hopes to interest their fellow students to join them in the battle to protect human rights.

I commend these fine young people for their dedication and commitment to helping their fellow man. It is important to realize that this is not a Jewish issue, but a human rights issue. For when freedom and human rights are denied anywhere in the world, these same freedoms are threatened everywhere in the world. We must be over vigilant, and the Queens College Student Struggle for Soviet Jewry deserves our deepest appreciation and support for their efforts.

ISRAEL'S 38TH INDEPENDENCE DAY AND THE MESSAGE OF SHCHARANSKY

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. TORRICELLI. Mr. Speaker, this month, we marked three significant events. Tuesday, May 6, was Holocaust Memorial Day, the 44th anniversary of the liberation of the Nazi death

camps. Yesterday, May 13, the joint leadership of the U.S. Congress honored Anatoly Shcharansky in the Rotunda of the Capitol. Today, May 14, is the State of Israel's Independence day, marking the 38th anniversary of its founding. These three events have special significance not only to the Jewish people, but throughout this country. Anatoly Shcharansky's release from Soviet imprisonment is a fitting testimony about the State of Israel and its role as a home for the persecuted. The United States played an important role in winning Anatoly Shchransky's freedom, just as it stood with Israel in 1948 when President Truman extended diplomatic recognition as soon as the state was declared. Finally, it should be remembered that only American intervention made it possible to end the Nazi reign of terror.

Although most Americans alive today have no direct recollection of the Holocaust, the memory of its horrors lingers. Every day, it seems, individuals appear who deny that a genocide occurred, or seek to deflect responsibility from the guilty or complicit. This issue has recently arisen in the case of former U.N. Secretary General Kurt Waldheim. Whether or not he can be charged with war crimes has not yet been determined. What is disturbing is his continued insistence those who did their duty during World War II not be held accountable for committing atrocities. We must totally reject this line of reasoning. When following one's orders means violating all human and moral principles, one's duty is to disobey. I believe that our educators and public leaders need to stress this important distinction.

I do not wish to cheapen the memory of the Nazi Holocaust by comparing it to what is happening in the Soviet Union today. The Stalinist era of physical extermination of peoples is over. Nonetheless, we are witnessing a spiritual eradication conducted on a massive scale. Observant Jews, Baptists, and Pentecostalists—or anyone who would defy the state-decreed norms of thought and behavior—are ruthlessly suppressed. In an Orwellian use of language, the Soviet authorities deem as crimes any activities that expand the human spirit. Artists who attempt to express their creativity are sent to psychiatric hospitals, for they rip the facade of Soviet realism. Religious teachers are sent to Arctic prison camps, for their devotion to the sacred texts of their faith destroys the foundations of Marxist determinism.

Each of the three dates commemorated this month each sends an important message. First, that freedom cannot, in the long run, be snuffed out. Though imprisoned for close to a decade, Anatoly Shcharansky never permitted his captors to dominate him. The thought of this courageous man defying the KGB, running zig-zag through the snow when they told him to walk straight, must be one of the most heart-warming images of recent years.

Another important lesson is the worth of the individual. The Nazi and Soviet systems were both premised on the supremacy of the state. In the ideology of totalitarianism, some individuals must suffer in order to assure the good of the majority. But what happens when some becomes thousands, or even millions? The denigration of individual rights inevitably leads to the destruction of the community's rights. Totalitarian states and their dominant elites abuse their subjects just as surely as—and more effectively than—the monarchs and feudal lords of old.

As Americans, we can be proud that our country has indeed fulfilled the promise of the founding fathers to secure the blessings of liberty to their posterity. More than that, Americans have been in the forefront of those that would extend such benefits to all people. When we remember the Holocaust and do our utmost to see that this blot on humanity is never repeated—and when we press the case of the prisoners of the Gulag—we do credit to our finest traditions.

The third message is conveyed by the State of Israel. Founded as a haven for persecuted Jews, Israel embraced Anatoly Shcharansky just as it welcomed the survivors of the Holocaust. More than that, Israel has provided its people with a degree of liberty rare in most of the world. It is no accident that Israel is a center for innovation in medicine, agriculture, and other sciences; its people are free to fulfill their potential. It is no accident that Israel and the United States maintain such close ties—and, similarly, are hated by the same forces. Both countries share the same moral and philosophical underpinning.

The redemption from the depths of Nazi and Soviet oppression and the triumph of Israel's rebirth, though far from these shores, go to the heart of what America is about. For the first century and a half of this country's independence, the turmoil of the rest of the world had but a marginal impact on this country. Today, the fate of the United States and the fate of the world are inextricably linked. We did not ask for global responsibility; it was thrust upon us. We will continue to be tested in how we use our power, for with power comes obligation. If we can use our strength as a lever to pry open the doors of prisons, as a ram to batter down walls of confinement, as a driving force to rebuild that which is laid waste—then we will do honor to those who founded this republic and inspire those who will follow us.

ANATOLY SHCHARANSKY

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. BARNES. Mr. Speaker, there are few moments of such historic import as this time in which we welcome (Natan) Anatoly Shcharansky.

And it is a rare occasion when we can honor, in person, such a dedicated and courageous individual, a man who understands so well—better than most of us—the value of liberty and the great costs that come when one must fight, and be willing to give years of one's life, to gain it.

As a leader in the Soviet Jewish emigration movement and a founding member of the Moscow Helsinki Monitoring Group, Natan Shcharansky became, together with still-exiled Nobel Laureate Andrei Sakharov and imprisoned South African antiapartheid leader Nelson Mandela, among the best known prisoners of conscience in the world. And as a tireless advocate for his freedom, his wife Avital has come to symbolize the kind of persistence that leads to success.

Shcharansky never let his Soviet oppressors win. When they arrested him and made him stand trial on false charges of espionage, Shcharansky never let go of his cause or stopped his fight. When he was denied the right to an attorney of his choice, he insisted on defending himself. When, while in prison, they denied him the right to see his relatives, he went on a 110-day hunger strike to protest these violations by the prison administration. When they did their best to break him, to humiliate him, he never gave up.

On February 11, 1986, millions of us watched television coverage of Anatoly Shcharansky's walk to freedom. In that almost unbelievable moment, a dream came true.

But Shcharansky reminds us that his personal victory is only 1 against 400,000 who are still struggling. He calls on the free world to intensify its pressure on the Soviet Union to abide by the terms of the Helsinki agreement.

About 400,000 Soviet Jews still seek to emigrate to the Soviet Union. The over 2 million Jews living in the Soviet Union continue to face, as Martin Luther King, Jr., once said, "a kind of spiritual and cultural genocide." Hebrew teachers and cultural activists continue to be the targets of Soviet Government harassment and brutality.

I am very grateful that Anatoly Shcharansky continues his quest for human rights on this side of the Iron Curtain. All of us who have spent many years working for the cause of Soviet Jewry look to his leadership and his fine example to help us move to future successes for Soviet Jewry.

Anatoly Shcharansky has taught us a lesson about perserverance, about the power of faith, and the strength of commitment. He has shown us the extraordinary capacity of the human spirit to survive under the most oppressive conditions.

During his trial, Anatoly Shcharansky turned his back on the judges in his trial, and faced his brother Leonid. He delivered a moving and courageous statement. He said, in part:

> I understand that to defend oneself in a semi-closed trial such as this is a hopeless case from the very beginning * * *. Five years ago, I submitted my application for exit to Israel. Now I'm further than ever from my dream. It would seem to be cause for regret. But it is absolutely otherwise. I am happy. I am happy that I lived honestly, in peace with my conscience. I never compromised my soul, even under the threat of death.

It is a great day in America when we can be honored by the visit of a man of such great moral courage. I join every American in welcoming Anatoly Shcharansky to the United States. And I join all freedom-loving people of the world in celebrating his new-found liberty.

THE WORKMEN'S CIRCLE: A VANGUARD FOR FREEDOM

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. SOLARZ. Mr. Speaker, I would like to take this opportunity to pay tribute to one of this country's most significant labor and social organizations—the Workmen's Circle. On May 15–18 of this year, they will be holding their biennial convention in Swan Lake, NY. As a member of the House Committee on Education and Labor, I am proud to be able to honor this historically important group.

The Workmen's Circle was founded at the turn of the century with the purpose of promoting Jewish culture, social justice, and the era's budding trade unionism. Their best known work was done in connection with the labor lyceum, which quickly became know as the Red Cross of Labor Unions. Not only did the lyceum serve as a center for cultural events, providing auditoriums for conventions, lectures and theatrical performances, but it established an extraordinary reputation for answering the most important welfare needs of its community. The lyceum provided medical care, soup kitchens, clothing and books for area residents, and were havens for striking workers and their families.

Characteristic of the group's broad outlook was its great efforts on behalf of union movements nationwide and worldwide. Whether it was steel workers in Pennsylvania or coal miners in New York, the Workmen's Circle was in the forefront of efforts supporting their struggles.

Indeed, it was their close relations with East European labor organizations that led them to be one of the first groups publicizing Hitler's "final solution" and the gassing of the Jews in Nazi extermination camps. They were also a prime source of succor for those victims of Nazi aggression who had been able to come to the United States.

Forty years later the Workmen's Circle is still in the vanguard of the international humanitarian movement. Especially praiseworthy are their efforts on behalf of the Soviet Jewish community, in which their talents and energies have proven decisive. Clearly, if it weren't for groups such as this, the fight to secure Jewish rights throughout the world would be severely weakened.

The circle is still a powerful force in the welfare of the New York City community. They continue to sponsor choral and orchestral groups, youth clubs, sports and recreational activities and their labor lyceums are still going strong.

The Workmen's Circle has made both New York and the Nation a better place to live. Their efforts to improve the life of their fellow men have met with truly resounding success, success which I am sure—given their dedication—will continue in the years ahead. I wish them all the best, and I thank them deeply.

SUPPORT FOR HOUSE CONCURRENT RESOLUTION 310

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 13, 1986

Mr. BEREUTER. Mr. Speaker, due to official business and the primary election in my State it was necessary for me to miss the debate on House Concurrent Resolution 310; however, I want, for the record, to express my strong support of House Concurrent Resolution 310 which expresses the sense of Congress that the Farm Credit System should use every feasible alternative to restructure their troubled loans rather than foreclosure. House Concurrent Resolution 310 would not mandate that the FCS make any changes in loan procedures that would endanger the stability of its resources. Instead, it provides a clear indication that the FCS should apply forebearance to its foreclosure policies.

As a member of the House Banking Committee, I believe that committee has been instrumental in pushing bank regulators to make the changes necessary to enable agricultural banks and farmers to pursue debt restructuring. However, I have become increasingly concerned that in many areas of Nebraska and the Nation, the FCS seems to have taken a "foreclosure" rather than a "forebearance" attitude. It is imperative that Congress registers its concern to the system about that approach. That is the purpose of House Concurrent Resolution 310.

As one considers the magnitude of the agricultural debt problems in my State of Nebraska, it is clear that it not only hurts the individual farmer or rancher—it also has an adverse impact on mainstreet businesses in most Nebraska communities and citizens throughout the State. In Nebraska, the FCS and commercial banks wrote off over $750 million worth of uncollectable agricultural loans last year and farm bankruptcies were at an all time high for recent decades. The number of foreclosures and depressed crop prices has along with other factors, decreased the value of farmland to record lows for recent decades. Farmland values in Nebraska and Iowa have tumbled more than 50 percent since 1981 which is by far one of the most dramatic decreases in farmland sale value anywhere in the Nation. Rather than stand by while farmland is dumped on this depressed market, I have urged the FCS to do everything possible to restructure loans to keep those family farmers which are good operators in business.

After considerable pressure from Congress and several farm organizations, I was pleased to learn that last week the FCS announced that it plans to implement a nationwide loan restructuring policy to help some of the System's troubled farm borrowers. I am also pleased to hear that the System is seeking lower interest rates to keep its rates more competitive with other credit institutions. It is my hope that the FCS fully implements this policy and that it uses every feasible alternative to restructure loans.

While I realize that the FCS has announced a new loan restructuring policy, I believe that the FCS should be aware of the depth of our congressional concerns. Since Congress passed legislation designed to restructure the FCS and provide it with certain lines of emergency credit from the Federal Government, it was entirely appropriate that we adopt this resolution and declare our intent on what the FCS's policy direction should be to keep quality farmers and ranch operators in business. As a cosponsor of House Concurrent Resolution 310, I wholeheartly support the passage of this resolution.

KNOGO CORP.'S 20TH ANNIVERSARY

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. LENT. Mr. Speaker, America's small businesses are the backbone of our vigorous economy. I would like to rise today to bring to the attention of my colleagues a small business success story. This year, the Knogo Corp., of Hicksville, NY, located in my Fourth Congressional District, celebrates its 20th anniversary. During that time, the Knogo Corp. has made outstanding contributions to Long Island's growing economy and has helped revolutionize the retail garment and sales industry.

Knogo's founder, Arthur Minasy, started his company as a one-man operation. Today, Knogo is a $30 million corporation with 400 employees worldwide, 300 of whom work in Knogo's Hicksville headquarters. Arthur Minasy's success is living testament to the entrepreneurial spirit which has made America great.

As a consultant with the New York City Police Department nearly 20 years ago, Arthur Minasy became acutely aware of the growing problems of shoplifting and pilferage in the retail industry. In May 1966, Minasy began work on a device which would detect and deter the shoplifting of soft good items. His efforts helped launch the electronic article surveillance [EAS] industry.

Minasy's invention consists of two basic components: a plastic wafer attached to individual articles by store personnel and removed by sales staff at the point of sale; and detection gates that monitor store exits, triggering an alarm when an unremoved wafer passes through the antenna's field, allowing store personnel to retrieve merchandise.

With continued research, Minasy expanded his product to the hard goods market with the development of electromagnetic [EM] technology. Knogo's EM system uses two types of magnetic targets that can be hidden within a product or attached to the outside with an adhesive strip. Knogo's disposable EM targets are made for one-way items, such as groceries, liquor, shoes, drugstore items. Reusable EM targets, which can be activated or deactivated, are used to protect circulating items, such as library books, records, tapes, and video cassettes.

Despite growing competition in the industry, Knogo has remained a leader in its field by continuing to develop state-of-the-art EAS

technology. Its many surveillance products are used extensively throughout all areas of the retail industry.

Knogo's most recent contribution to the EAS industry is its patented electro thred. About the size of a human hair, electro thred has revolutionized the industry due to its small size and low cost. It can be attached or inserted in merchandise during and after manufacture. This capability reduces cost to the retailer and increases the number of applications.

Arthur Minasy and the Knogo Corp., are a remarkable success story. It is a shining example of American ingenuity and entrepreneurial spirit at work. I congratulate Arthur Minasy and all the Knogo Corp., employees on their 20th anniversary, and I offer my best wishes for continued success.

LEGISLATION TO RESTRICT LOBBYING

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. DONNELLY. Mr. Speaker, I am today introducing legislation to restrict lobbying by former Federal employees. My bill would restrict all Federal employees from lobbying the Federal Government for 1 year after they leave Government service, and 2 years if they work for a foreign entity. Further, Federal officials at the Cabinet level are prohibited from ever representing, assisting, advising, or lobbying on behalf of a foreign government.

Anyone who has followed recent news reports recognizes the need for this legislation. Former Federal officials are now openly selling their influence to foreign governments, and bragging about it in the press. These individuals have made it clear, through their actions and their words, that they view their government service as a mere "résumé-builder," a minor inconvenience necessary to achieve the financial rewards they believe they deserve for having endured the government service detour. They sometimes offer nothing to their clients in the way of expertise or legal advice; such individuals merely trade on their influence with the rich and powerful.

These most recent, highly-publicized incidents of influence-peddling starkly illustrate the deficiencies of current laws affecting lobbying activities. My legislation, a companion bill to that introduced in the other body by Senator THURMOND, provides a simple way to prevent those who are employed by the Federal Government from leaving Federal service and marketing their influence for private gain. It prohibits all Federal employees from lobbying the Government for a reasonable length of time. This includes Members of the Congress and the military. The bill also imposes a lifetime prohibition on lobbying by those who have access to the most important Government secrets: Cabinet Secretaries, the Director of the CIA, the U.S. Trade Representative, and high-ranking White House officials. There are mandatory criminal penalties for violations of the law, up to $500,000 in fines and/or imprisonment for 4 years.

Government service is the most important and satisfying work one can choose, and Federal law should be designed to attract the best people to government work. My legislation will ensure that we attract only the most qualified and dedicated employees, and those who view the Federal Government as a mere "stepping stone" will be weeded out. This bill will restore badly eroded public confidence in the integrity of public officials. I look forward to its speedy passage.

THE FIRST BAPTIST CHURCH OF KALAMAZOO: CELEBRATING A BIRTHDAY

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. WOLPE. Mr. Speaker, I want to pay special tribute to the First Baptist Church of Kalamazoo on the occasion of its sesquicentennial celebration. Organized in 1836 with 14 members, the church in 1986 continues to serve the individual needs of its members and to be deeply involved in the life of the Kalamazoo community.

Since its founding, the First Baptist Church has remained located at its original downtown Kalamazoo site at 315 W. Michigan. In the year of its founding, the church's pastor, Jeremiah Ball, persuaded the Michigan Huron Institute to settle in Kalamazoo as well. Now known as Kalamazoo College—one of the Nation's most outstanding private liberal arts colleges—this educational institution and the First Baptist Church have histories that are closely interwoven.

There are many dates important to the history of the First Baptist Church of Kalamazoo: 1853, when the present sanctuary—now the city's oldest—was built; 1855, when the trustees of the church and the trustees of the Village of Kalamazoo agreed that the tower clock would serve as the village clock and the tower bell would serve as the village fire alarm; the Civil War, during which 41 church members served the Union and 7 gave their lives; and 1969, when the church renewed its commitment to the central city of Kalamazoo and decided to remain in its existing sanctuary.

Mr. Speaker, the members of the First Baptist Church of Kalamazoo take understandable pride in its historical commitment to an ecumenical spirit and to its involvement in social issues confronting the wider community. The sesquicentennial celebration commemorates the church's founding. It is a very special event, reflective of the church's sense of its own history and its confidence in its future. I feel privileged to represent the members of the First Baptist Church of Kalamazoo and to work with constituents who use the celebration of their history as a means of recommitting and rededicating themselves to their religious heritage and to service to their community.

ESTABLISH A COOPERATIVE INTERNATIONAL PROGRAM TO STUDY THE GREENHOUSE EFFECT

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. YATRON. Mr. Speaker, today I am introducing a resolution calling on the President to work toward the establishment of a cooperative international program to study the greenhouse effect. The purpose of this measure is to focus and expand research efforts on this phenomenon.

The greenhouse effect refers to the warming of the Earth resulting from the buildup of certain gases (of which carbon dioxide and methane are the most prominent) that block the escape of heat from the planet's surface. Many scientists have developed models which indicate that the greenhouse effect could have far-reaching and perhaps catastrophic social and economic consequences. Climatic changes resulting from the continued buildup of greenhouse pollutants could turn prime agricultural areas of the United States and elsewhere into dust bowls. It could also melt polar ice caps, raise sea levels, and put most major world ports under water. Deforestation, desertification, and loss of wildlife would also be aggravated.

It is thought that appreciable greenhouse warming has already occurred and that the rate of warming will accelerate in the future. According to a draft of international scientific report by 150 scientists from 11 countries coordinated by NASA, greenhouse warming over the next 50 years is expected to be about twice that which has occurred during the previous 130 years. Over the next 100 years, the atmosphere could be warmed by as much as 9 degrees Fahrenheit and ocean levels could rise by 7 feet.

The buildup of greenhouse pollutants in the atmosphere is primarily a consequence of the industrial revolution through the burning of fossil fuels. In fact, carbon dioxide levels have doubled since 1955.

While there are a range of views within the scientific community on what the greenhouse effect means for present and future generations, there is a consensus that the problem is real and threatening. Present knowledge is incomplete, but we continue to proceed with the massive pollution of the atmosphere without knowing the consequences. This is a most dangerous gamble. As legislators, we have a responsibility to anticipate potential dangers to society and act to prevent, or mitigate them.

I believe that my resolution is a first step in that direction. It does not prescribe specific actions, but recognizes the need for more precise information as a prelude to prudent policy. It endeavors to accelerate efforts to eliminate the remaining areas of uncertainty. Because of the international dimension of the problem, the measure specifically calls on the President, in cooperation with other international organizations and actors, to establish a long-term study on the greenhouse effect and to coordinate actions with other nations.

The international community has been addressing other atmospheric pollution problems. A Convention on Ozone Depletion has been negotiated under the auspices of the U.N. Environment Program, and acid rain is being extensively examined by the Economic Commission for Europe and other organizations. I am hopeful that my measure will precipitate similar action on the serious greenhouse problem. As chairman of the House Foreign Affairs Subcommittee on Human Rights and International Organizations, which has jurisdiction over global environmental issues, I will continue my efforts to address atmospheric pollution.

ESTABLISH A COOPERATIVE INTERNATIONAL PROGRAM TO STUDY THE GREENHOUSE EFFECT

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. GREEN. Mr. Speaker, today I join with three of my colleagues in introducing a resolution calling on the President to take appropriate actions to establish a cooperative international program to study the greenhouse effect. This measure is intended to encourage a United States led, focused effort by all nations to understand and document the existing state of greenhouse gases in the atmosphere, and the potential for future changes, in order to develop strategies so that we may ameliorate their detrimental effects.

Man is presently conducting an unintended, global experiment which may affect our own as well as many future generations. Human activities, such as the burning of fossil fuels, deforestation, and industrialization, are releasing gases into the atmosphere and oceans which are likely to cause global temperatures to rise steadily from now into the distant future. A recent meeting of international scientists observed that an "appreciable" greenhouse warming may have already occurred and that the rate of warming may "accelerate in the future." Among the gases of concern are: carbon dioxide, methane, and chlorofluorocarbons. Some of these gases are increasing at rates ranging up to 7 percent per year, some of them have lifetimes of hundreds of years, and all of them can contribute to global warming.

The problem of increasing greenhouse gases and their expected effect on global temperatures is directly related to many other major environmental issues such as climate change, acid rain, ozone depletion, deforestation, and the melting of glacial ice. The potential impact of this global warming will directly affect almost all aspects of our national economy, ranging from the effects of changes in rainfall patterns on agricultural productivity to the consequences of sea level rise on our coastlines.

The United States has been studying this phenomenon for several years throughout many branches of government, in universities, and in research institutes. Internationally, groups of scientists have gathered to discuss and compare their research results. It is time now to ask all nations to join us in a cooperative effort to understand the potential effects on the environment of their national activities. Our goal is to generate a coordinated global response to probable harmful effects before they occur.

Mr. Speaker, I recently joined with over 150 of my colleagues in introducing a major bipartisan resolution to amend the Clean Air Act to reduce acid deposition. I look forward to the day when the proposed international year of study of the greenhouse effect will lead to similar bipartisan legislation to take action to reduce the risks of global warming on the United States, and also to join with other nations to reduce its global impact.

The resolution follows:

H. CON. RES. 338

Concurrent resolution expressing the sense of the Congress that the President should take appropriate actions toward the establishment of a cooperative international program to study the greenhouse effect

Whereas it has been documented that a continuing increase in the concentration of certain trace gases in the global atmosphere may result in a phenomenon known as the greenhouse effect;

Whereas it has been predicted that the greenhouse effect could result in many adverse global impacts, including changes in climatic patterns which would cause alterations in agricultural productivity and patterns of land use; deforestation, desertification, and loss of wildlife diversity; and the melting of glacial ice, resulting in a rise in sea levels worldwide;

Whereas human activities, including the burning of fossil fuels and tropical deforestation, are primarily responsible for changes in the release of "greenhouse" gases into the atmosphere;

Whereas all nations may be adversely affected if the greenhouse effect occurs, and each nation has an interest in protecting the Earth from the environmental threat; and

Whereas the magnitude of the impact of the occurrence of the greenhouse effect is only beginning to be understood: Now, therefore, be it.

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the United States should promote and support—

(A) domestic and international efforts to study the greenhouse effect and its impact;

(B) studies of methods to reduce the rate increase in the concentration of "greenhouse" gases in the global atmosphere; and

(C) efforts to prevent degradation of the environment of the Earth by the greenhouse effect;

(2) the President should take all appropriate actions, in cooperation with relevant organizations (such as the United Nations Environment Program, the World Meteorological Organization, the Intergovernmental Oceanographic Commission, and any other international, regional, or nongovernmental organization which the President determines to be appropriate), to establish a long-term study, beginning with a 1-year cooperative international program, with respect to the greenhouse effect with the purposes of—

(A) increasing the worldwide dissemination of information with respect to the cause of the greenhouse effect and methods to alleviate or avoid the effect;

(B) coordinating the efforts of the participating nations to study the greenhouse effect;

(C) fostering cooperation among nations to develop more extensive efforts to study the greenhouse effect;

(D) preparing a report on the accomplishments of the program;

(E) identifying the potential alternative policies necessary to avoid a buildup of "greenhouse" gases beyond levels which could have catastrophic results; and

(F) developing a long-term plan for future efforts to study the greenhouse effect;

(3) this cooperative international program should be started during or before the calendar year 1990; and

(4) United States participation in this cooperative international program should be planned and coordinated by the Secretary of State and other appropriate Government officials.

FRANK HARRISON: YAVAPAI INDIAN, ARIZONAN AND CIVIL LIBERTARIAN

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. UDALL. Mr. Speaker, on Sunday, April 6, Frank Harrison of the Fort McDowell Indian Community in Arizona, passed away. While there are few who will recognize the name of Frank Harrison, he was well-known and respected among the Indians of Arizona and played a central role in a famous civil liberties case decided by the Arizona Supreme Court when my father was a member of the Court.

It was through Frank Harrison's personal courage and efforts in concert with that of his fellow tribesman, Harry Austin, that a 1948 decision of the Arizona Supreme Court reversed a 20-year-old decision prohibiting Indians from voting in State and national elections.

I am rather proud that my father, Judge Levi S. Udall, wrote the opinion of the court in Harrison versus Laveen. Judge Udall, quoting from the noted Indian law scholar Felix S. Cohen, stated in his decision:

In a democracy suffrage is the most basic civil right, since its exercise is the chief means whereby other rights may be safeguarded. To deny the right to vote where one is legally entitled to do so, is to do violence to the principles of freedom and equity.

While the full right to vote was not secured by Arizona Indians until the mid-1960's, the decision in the case of Harrison versus Laveen provided a firm foundation for the eventual attainment of that right and the many other civil rights for Indian citizens.

Frank Harrison will be missed by his family and friends and should not be forgotten as one who fought a small, but important battle for Indian rights.

Mr. Speaker, I am inserting at the end of my remarks the transcript of a slide-tape program developed by the Intertribal Council of Arizona on the history of Arizona Indian voting rights and the role of Frank Harrison.

THE HISTORY OF ARIZONA INDIAN VOTING RIGHTS

(Slide-tape Program Script)

"When we went, Roger Laveen was still living. We tried to get registered, one time. A young man—he refused to register us: 'You're under the ward of government'."—(Frank Harrison)

To live harmoniously, the American Indian peoples developed ways to solve problems that affected their communities. Forms of public decision-making or governments were evolved to meet the varying needs of different Indian peoples.

The United States government recognized these independent political organizations and treated them as sovereign nations through the process of making formal treaties with tribes. As non-Indians pushed into Indian lands the government of the United States forced tribes onto reservations that were only fractions of the former territorities on which Indian people had lived. Although forced to give up vast tracts of their homelands, tribes did retain governmental rights on the lands they kept. In this process, Indian people were put into a unique position. They remained tribal citizens but also became citizens of the United States though their full rights of citizenship did not come until this century and only as a result of the efforts of Indian people with the support of Indian rights organizations and their allies.

One of the major issues in this struggle has been the right of Indian people to vote, a basic right in a democracy. In Arizona, the right of Indian people to vote in national and state elections has been realized through the initiative and courage of people such as Frank Harrison and the late Harry Austin.

Before World War I, Indian people in Arizona who lived on reservations were not legal citizens of the United States. When the United States entered the war in 1917, Indians were exempt from the draft. However, more than 8,000 Indian men and women voluntarily served in the armed forces; many of them giving their lives in defense of their homes. In response to the contribution of Indian people in the war and through a major political effort of Indian rights leaders such as Dr. Carlos Montezuma, a Yavapai Indian, Congress passed the Indian Citizenship Act in 1924.

The fact that Indians were U.S. citizens did not make them eligible voters in Arizona. In an attempt to gain recognition of the right of Indians to vote in Arizona, a lawsuit was filed in 1928 by Peter Porter, a Pima Indian from the Gila River Reservation. But the Arizona Supreme Court ruled against the case asserting that Indians were under FEDERAL GUARDIANSHIP and that the State Constitution denied the vote to "mental incompetents and people under guardianship."

Facing World War II and the need for a universal draft, Congress again affirmed the citizenship of all Indian people—on or off reservations—in the Nationality Act of 1940.

Over 25,000 Indian men and women served in the United States armed forces in World War II. Many served with highest distinction, and some became national heroes such as Ira Hayes, the Pima Indian famous for the raising of the U.S. flag at Iwo Jima.

At the end of World War II, many Indian veterans returned to their reservation homes in Arizona. These veterans learned that the country which had willingly accepted their sacrifices in the name of democracy on the battlefield, denied them the opportunity to protect democracy through political action—that is the right to vote.

Frank Harrison, a Yavapai Indian, returned from his service in World War II to the Fort McDowell Indian Reservation. Before the war he had worked for the Federal Government, participating with other Indian men in the construction of Bartlett Dam on the Verde River. Although Indian men were repeatedly turned away from jobs on the project, some had continued to apply for construction work insisting that they were qualified. Finally, Indian men were admitted to unions and hired. Frank Harrison observed that persistence led to success.

After the war Frank Harrison saw the elderly in his community facing hard times. His own parents were doing heavy labor to make ends meet. But under the same 'federal guardianship' rationale as with voting, Indians in Arizona were denied Old Age Assistance and other federal benefits. These benefits were denied even though, just as with other Americans, payroll taxes were deducted from Indian peoples' paychecks to finance federal programs.

Frank Harrison decided to do something about this problem of benefits. He got in touch with Arizona Congressman Richard Harless and with Lemuel and Ben Mathews.

Congressman Harless and Lemuel Mathews had served as attorneys in numerous suits on behalf of individual Indians and tribes. They decided to challenge the legal barrier—the idea of denying rights to Indians because of the misleading "federal guardianship" issue. This challenge would simultaneously enable Indians to vote and to receive other citizens' benefits that were continually denied them.

Another member of the Fort McDowell community joined the battle. Tribal Chairman Harry Austin had long been known as an outspoken fighter for Indian rights. On November 8, 1947 Harry Austin and Frank Harrison both walked into the Maricopa County Recorders office in Phoenix to register to vote.

The County Recorder refused to register the two Yavapai men. Their attorneys immediately filed suit and when the Superior Court ruled against the case, they appealed the decision to the Arizona Supreme Court.

Civil libertarians and Indian rights activists throughout the country followed the progress of the lawsuit. The American Civil Liberties Union, the National Congress of American Indians and the U.S. Attorney's office actively participated by contributing legal briefs in support of the case.

On July 15, 1948 the Supreme Court of Arizona unanimously overruled the previous opinions. Judge Levi S. Udall, father of Congressman Morris Udall, quoted the Indian law scholar Felix Cohen and stated in his decision:

"In a democracy suffrage is the most basic civil right, since its exercise is the chief means whereby other rights may be safeguarded. To deny the right to vote where one is legally entitled to do so, is to do violence to the principles of freedom and equality."!

After the court decision, Arizonans, both Indian and non-Indian saw new opportunities—they also anticipated new problems and the intensification of old problems.

Some Indian people were unsure about their newly won voting rights. Many did not see themselves as active participants in the federal and state political process—simply because they did not view it as their process. Some feared that involvement in this non-Indian process would lead to taxation, further loss of reservation lands, and the termination of their special relationship with the federal government. These fears stemmed in large part from statements generated by the non-Indian community.

Despite these fears, the decision in the voting-rights lawsuit set a firm basis for the eligibility of Indian people to the rights of full citizenship in education, health and social services.

But other legal barriers still had to be overcome. In 1948 an article in the Arizona Republic newspaper noted:

"To be eligible to register and vote, Indians must meet all the customary requirements, Including age, residency, ability to write and to read the Constitution without prompting. * * *

"It was estimated that 80 to 90 percent of the State's Indian population could not meet all these requirements, primarily because of illiteracy."

Arizona was made subject to the Federal Voting Rights Act requirements in 1965 because of discrimination against Mexican-Americans and Indian citizens. Increased educational opportunities for Indian people reduced the impact of the literacy requirements when they were struck down by the Voting Rights Act Amendments of 1970. But problems, some intentional and some the result of insensitivity, continued to exist until 1976, when the Arizona State legislature passed a law which allowed a voter to bring someone of his or her own choosing to help in voting.

There were also physical barriers which remain obstacles even today. Geographical isolation and long travel distances make it difficult for many Indian people living on reservations to register and to vote.

The actions of Harry Austin and Frank Harrison are part of a historical process that began before their time and which continues today. Many of the issues raised at the conclusion of the lawsuit in 1948 are still controversial. For instance there is continued resistance to the election of Indian citizens to official positions in Navajo and Apache county. These issues can also be seen in the San Carlos Apache Tribe's successful objection in 1982 to the proposed redistricting plan which would have split and diluted the strength of the Apache vote.

Indian peoples are citizens of their state as well as their tribes. If Indian citizens cannot participate in the state electoral processes—if they cannot vote—then the principles of democracy are seriously weakened. If Indian citizens cannot or will not vote, then the achievements of Harry Austin and Frank Harrison can be lost and their sacrifices made meaningless.

Frank Harrison continues to set a goal for all of us when he states:

"Well, that's one thing we all look for—Freedom. We don't think about fighting each other, from now on we know better. My only hope is to help each other and get along.

ALLOCATION OF OPERATING RIGHTS AT AIRPORTS

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. MINETA. Mr. Speaker, today I have introduced legislation H.R. 4824, to set aside a

regulation of the Department of Transportation which permits airlines to buy and sell take-off and landing rights at four of the busiest airports in the country, LaGuardia, Kennedy, O'Hare, and National. I am joined in cosponsoring this legislation by Majority Leader WRIGHT, Congressman HOWARD, chairman of the Committee on Public Works and Transportation, Congressman HAMMERSCHMIDT, ranking minority member of the Subcommittee on Aviation, Congressman ANDERSON, former chairman of the Subcommittee on Aviation, my Public Works Committee colleagues, Congressmen NOWAK and MOODY, and Congressman WILLIAMS.

The DOT buy-sell regulation is highly objectionable because it would allow the airlines to sell valuable operating rights—slots—which they received from the public at no cost. It is estimated that there are about 4,200 slots at the four airports and that the average value of a slot will be more than $100,000. The airlines holding slots at the four airports received them from airline scheduling committees. These committees were composed of airline executives from the carriers serving each airport and the committees operated under an antitrust exemption.

The DOT rule permits the airlines to retain 95 percent of the slots they received from the scheduling committee and to sell these slots to the highest bidder. This giveaway to the private sector is unconscionable at a time when we are cutting needed domestic programs to reduce the massive budget deficits created by Reagan administration policies.

The administration believes that allowing slots to be bought and sold is the best way to allocate the slots because, in their opinion, the process will result in the slots going to the carriers willing to pay the most for them. In the administration's view, the airlines willing and able to pay the most for the landing and takeoff rights would be the carriers which would provide the service most desired by the public.

I am not fully convinced that a market mechanism, such as buy-sell, is the best way for the Government to allocate the limited resource of airport slots. However, as was brought out at our extensive hearings on this issue last fall, other methods of slot allocation—scheduling committees, lotteries, et cetera—all have their disadvantages and there is no perfect solution to the problem. I am willing to accept a market mechanism, but only if we can be sure that some of the proceeds from the sale of slots will accrue to the public which gave the airlines this valuable resource in the first place. Under my bill, a portion of the profits from slot sales will go to the Airport and Airway Trust Fund where the money can be used to improve the capacity of the airport system.

The bill I have introduced would set aside the DOT rule permitting slots to be sold and give DOT 120 days to establish a new system for allocating slots. In view of the many difficult technical and policy issues involved in allocating slots, the bill does not require DOT to use a particular method of allocation, but gives DOT discretion to choose between several market and nonmarket mechanisms. Basically, DOT is given a choice between continuing the historic method of allocating slots through scheduling committees, or going to a market system. These options are described in detail in the section-by-section analysis below.

If the scheduling committee option is chosen, DOT is required to adopt a deadlocking breaking mechanism that uses either a lottery to reallocate at least 5 percent of slots to new entrants, or a 6-month lease by the Government of at least 5 percent of the slots. The lease proceeds would go into the trust fund and any interested carrier—new entrant or existing carrier—could be lessees.

If DOT chooses the market option, the Government would sell slots with the proceeds going into the Airport and Airway Trust Fund. Following the original sale, carriers could sell the slots they have purchased from the Government with 20 percent of the profits going into the trust fund.

Under my legislation, there are several principles which DOT must follow, whichever method of allocation it chooses. To protect service to small and medium size communities, there must be separate slots for air carriers and commuters and slots must be made available for essential air service. In addition the bill requires FAA to establish a use-it-or-lose-it mechanism so that unused slots will be returned to the Government and reallocated. Furthermore, slots must be made available as needed for scheduled and charter foreign air transportation.

Under my legislative proposal, buying and selling of slots would be allowed in specific instances. However, unlike the buying and selling permitted under the present DOT rule, my bill requires that the proceeds from the first sale or lease go into the Airport and Airway Trust Fund. This will ensure that the public receives at least some of the benefits accruing from the sale of the valuable operating rights created by public action. It will also explicitly and firmly establish that these slots are not property rights. Rather, they are operating priviliges within the exclusive control and jurisdiction of the Administrator of the FAA and the Congress.

Although my bill gives DOT some discretion to choose between two methods of slot allocation, each of the methods provides opportunities for new entrants and existing carriers to obtain slots to compete with the carriers now holding the slots. This competition will carry out the objectives of airline deregulation, and ensure that the carriers serving the four restricted airports operate efficiently, and provide the service most needed by the traveling public.

A section-by-section analysis of the bill follows:

SECTION-BY-SECTION ANALYSIS OF BILL ON ALLOCATION OF OPERATING RIGHTS AT HIGH DENSITY AIRPORTS

SECTION 1—EXISTING RULES ON SLOT ALLOCATION

The Department of Transportation and the Federal Aviation Administration are directed to repeal recently enacted regulations on the allocation of slots at high density airports. New rules on slot allocation must be consistent with this legislation. Until a new method of allocation is established, the slot allocations in effect on date of enactment shall continue, and slots may not be transferred, except for a trade of slots at the same airport.

SECTION 2—PROMULGATION OF NEW RULE

FAA is directed to establish a new method of allocation within 120 days. The new method shall be either allocation by scheduling committee, or allocation by sale or lease, as further described below.

(a) *General Requirement:*

Whichever method of allocation is chosen, there must be separate slots for air carriers and commuters, and guaranteed slots for foreign air transportation (including charters) and essential air service.

(b) *Allocation by Scheduling Committees:*

If FAA decides to use scheduling committees the following requirements apply:

(i) There must be separate scheduling committees for air carriers and commuters;

(ii) Each scheduling committee must consist of all the carriers currently serving the airport and all carriers wishing to serve the airport with the ability to do so within a reasonable period of time;

(iii) The scheduling committee may reach agreement only by unanimous vote;

(iv) Allocations by a Committee or by a deadlock breaking mechanism shall be effective for six months;

(v) The Administrator must establish a deadlock breaking mechanism to take effect if the scheduling committee has not reached agreement 30 days before the beginning of a six-month period. The deadlock breaking mechanism must make at least 5% of the slots at the airport available for redistribution either by lottery or lease from the government.

If a lottery is used to break deadlocks, the slots shall be given to new entrants, defined as a carrier that does not currently serve the airport or a carrier that currently has fewer than eight slots at the airports. There is a limit on the number of slots a new entrant may get through the lottery. A new entrant may not receive lottery slots which would give it more than eight slots at the airport.

If the slots are leased to break a deadlock the lease may be either by auction to the highest bidder or at a price set by the Administrator to reflect a fair market value. If the price is set by the Administrator, a lottery will be used to select between interested carriers willing to pay the price. The proceeds from leasing shall go into the Airport and Airway Trust Fund. Any slots which a carrier leases from the government may be subleased to another carrier (for the remainder of the six-month lease) either for cash or in a trade for a leased slot at another airport.

There may be a limit established on the total number of slots which a carrier would have to give up through the scheduling committee and deadlock breaking processes. The limit may not be less than 25%. In determining the limit, credit may be given for air carrier slots given up since March 1986 or slots given up by commuters since May 21, 1983.

(vi) The only permissible transfer of slots obtained from scheduling committees or a deadlock breaking mechanism is a trade of slots at the same airport, and the subleasing of leased slots as described above.

(c) *Allocation by Sale or Lease of Slots:*

As an alternative to the scheduling committees, the Administrator may allocate by selling or leasing slots, through an auction or by establishing a fair market price. If a fair market price is set it may be necessary to have a lottery to select between interest-

ed carriers willing to pay the price. The proceeds of the sale or lease shall be placed in the Trust Fund. Slots that are purchased or leased by a carrier may be sold or leased to another carrier. If a slot is sold or leased and the seller or lessor receives more than it paid for the slot, 20% of the profits must be remitted to the Trust Fund.

(d) *Withdrawal of slots:*

The bill provides that slots are not property rights and that slots may be withdrawn by the government in accordance with this legislation or subsequent legislation. The legislation specifically provides that slots may be withdrawn for reasons of aviation safety, airspace efficiency, for deadlock breaking mechanisms established by the Administrator, or to permit allocation by sale or lease. Slots must be withdrawn for nonuse, and to provide slots needed for foreign air transportation or essential air service.

(e) *Limitation on New Slots:*

Before establishing slot restrictions at other airports or cutting back on the slots available at the currently restricted airports, FAA must give Congress 90 days notice. This requirement does not apply in case of an emergency.

(f) *Biennial Review and Reauthorization:*

Not later than January 1, 1987, and every two years thereafter, FAA is required to review the need for slot restrictions at each high density airport. Unless FAA decides to reauthorize a high density rule, the rule will cease to be effective. However, if the rule ceases to be effective, FAA still will have authority to impose restrictions on an emergency basis.

H.R. 1309: STEP ONE IN THE WAR ON WORKPLACE CANCERS

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. GAYDOS. Mr. Speaker, earlier today, the House took the first major step toward eliminating and preventing the cancers that affect America's working men and women.

At an unusual joint subcommittee markup, the Subcommittees on Health and Safety and Labor Standards favorably reported H.R. 1309, the High Risk Occupational Disease Notification and Prevention Act by large margins to the full Committee on Education and Labor.

After extensive hearings, it became clear that some changes in H.R. 1309 were necessary. The bill reported favorably today embodies those changes.

But, even with the changes, the goal is still the same: To prevent and eliminate cancers caused by workplace substances.

The functions of H.R. 1309 can be described in three words—identification, notification, and prevention.

Very simply, the bill provides for the identification of workers who are at risk of diseases as a result of exposures to a number of hazardous and toxic substances during the course of their specific jobs.

The Risk Assessment Board, created in H.R. 1309, is charged with reviewing existing research work, including epidemiological, clinical and laboratory studies, to identify those specific worker populations at risk of specific diseases related to toxic substances, but starting with the 23 substances for which OSHA has promulgated permanent standards.

Second, the bill provides for individual notification to those workers about their risk of the specific disease or diseases by the Secretary of Health and Human Services or by State and local health departments and employers whom the Secretary would certify to handle notifications.

The substitute also provides an opportunity for employers who feel a decision to notify a specific class or category of workers would have an adverse effect to seek judicial review in the appropriate appellate court.

And, finally, the bill provides a system for preventing these diseases by encouraging notified employees to enter into a program of testing, evaluation, and medical surveillance so that the employees' health status can be monitored. It also would offer counseling services to assist employees in making changes with regard to occupation and lifestyle to prevent the disease from arising. But, if it did arise, these changes would reduce the intensity of the disease and allow for treatment at the earliest stage when intervention is most likely to be successful.

The substitute version of H.R. 1309 also revises the role of the health centers who now will provide education, training, and technical assistance to physicians and other health and social service professionals who will conduct the testing, evaluation, medical monitoring, and counseling of notified employees.

The substitute also provides for an authorization of $25 million a year for each of the first 2 years to develop the notification and identification program and for the selection of the first 10 health centers.

For information purposes, Mr. Speaker, I am including a copy of the substitute to H.R. 1309, as reported today.

As I said at the beginning, the purpose of H.R. 1309 is to identify groups of workers in specific occupations who are at risk of diseases because of their jobs and the substances to which they are exposed; to notify those workers of their risks and to encourage them to enter a program of medical surveillance; and finally, to prevent the onset of the diseases or to reduce the intensity of them.

I find it difficult to believe that anyone can oppose the concepts embodied in H.R. 1309. And, since there is nothing in place now that provides for those purposes, I cannot understand how anyone can oppose this bill, and I urge my colleagues who have not yet cosponsored the bill to do so.

The American Cancer Society, in a letter last month, said that it had reviewed the bill and supported it. As they said, "Enactment of your legislation will help prevent and modify risks of occupationally induced cancer."

I think that sums up the purpose of H.R. 1309 as succinctly as possible.

AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 1309 OFFERED BY MR. GAYDOS

Strike everything after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "High Risk Occupational Disease Notification and Prevention Act of 1986".

SEC. 2. FINDINGS AND PURPOSE.

(1) FINDINGS.—The Congress finds that—

(1) many toxic and hazardous substances, physical agents, materials, and processes are in wide industrial and commercial use in the United States;

(2) a significant number of workers suffer disability or death or both from occupational diseases caused by hazardous occupational exposures;

(3) diseases caused by hazardous occupational exposures constitute a substantial burden on interstate commerce and have an adverse effect on the public welfare;

(4) workers have a basic and fundamental right to know they have been and are being exposed to an occupational hazard and are at risk of contracting an occupational disease;

(5) social and family services that reinforce health promoting behavior can reduce the risk of contracting an occupational disease;

(6) there is a period of time between exposure and the onset of disease when it often is possible to intervene medically in the biological process of disease either to prevent or, by early detection, successfully treat many disease conditions;

(7) a significant number of identifiable occupational populations are at risk of developing diseases because of hazardous occupational exposures;

(8) by means of established epidemiological, clinical, and laboratory studies, it is possible to define and identify very specific worker populations at risk of contracting occupational diseases;

(9) there is no established national program for identifying, notifying, counseling, and medically monitoring worker populations at risk of occupational disease;

(10) there is a lack of adequately trained medical and human service professionals, as well as appropriately staffed and equipped health facilities to recognize, diagnose, and prevent occupational diseases;

(11) there is a need for increased research to identify and monitor worker populations at risk of occupational disease; and

(12) through prevention and early detection of occupational disease the staggering costs of medical treatment and care in the United States can be substantially reduced.

(b) PURPOSES.—It is the purpose of this Act—

(1) to establish a Federal program to notify individual employees within populations at risk of occupationally induced disease that they are at risk because of a hazardous occupational exposure, and to counsel them appropriately;

(2) to authorize and direct the certification of occupational and environmental health facilities which have a primary purpose of educating, training, and advising physicians and social service professionals in local communities throughout the United States to recognize, diagnose, and treat occupational disease;

(3) to expand Federal research efforts to improve means of identifying and monitoring worker populations at risk of occupational disease; and

(4) to establish a set of protections prohibiting discrimination against employees on the basis of identification and notification of occupational disease risk.

SEC. 3. DEFINITIONS.

For the purposes of this Act—

(1) the term "employee" means—

(A) any individual employed by an employer, or

(B) any individual formerly employed by an employer as to whom any Federal agency

maintains records pertaining to work history, or the employer maintains personnel records, medical records, or exposure records;

(2) the term "employer" means any person engaged in commerce or in an industry or business affecting commerce, or any agency of Federal, State, or local government;

(3) the term "Secretary" means Secretary of Health and Human Services;

(4) the term "insurance carrier" means any stock company, mutual company or association, or any other person or fund, or State compensation insurance fund, which is authorized under the laws of the United States to engage in the business of writing insurance;

(5) the term "health care financing system" means a public system for financing health care in the United States, including public health insurance programs, and programs providing health insurance benefits under part A or B of title XVIII of the Social Security Act, medical assistance under a State plan approved under title XIX of such Act, and benefits based on disability under title II or XVI of such Act;

(6) the term "population at risk" means an employee population exposed to hazardous occupational exposures within which an associated disease occurs at a rate 30 percent greater than a comparable population not exposed to the hazardous occupational exposure;

(7) the term "hazardous occupational exposure" means—

(A) any harmful chemical, physical, or biological agent found in the workplace;

(B) any industrial or commercial process or activity found in the workplace which is associated with the risk of disease; or

(C) any occupational activity which is associated with the risk of disease;

(8) the term "medical monitoring" means periodic medical examinations of employees who are at risk of occupational disease;

(9) the term "ethical manner" means conduct that recognizes the voluntary nature of the patient-physician relationship and the confidentiality of information evolving from that relationship; and

(1) the term "Board" means the Risk Assessment Board established by section 4 of this Act.

SEC. 4. RISK ASSESSMENT BOARD.

(a) ESTABLISHMENT.—(1) There is hereby established within the Department of Health and Human Services the Risk Assessment Board. The Board shall consist of five members who shall be career or commissioned Public Health Service employees designated by the Secretary to serve terms of five years except that initially one member shall be appointed for three years, two members for four years, and two members for five years. The Board shall include an epidemiologist, toxicologist, industrial hygienist, physician, and occupational health nurse. The Secretary shall designate one member to serve as Chairman of the Board.

(2) The Board shall report to the Assistant Secretary for Health.

(3) The Secretary shall provide a full-time staff necessary to carry out the functions of the Board.

(b) FUNCTIONS.—(1) The Board shall—

(A) review current medical and other scientific studies and reports concerning the incidence of disease associated with employment;

(B) report to the Secretary on the state of current research with respect to such diseases; and

(C) designate from this review employee populations at risk of disease associated with hazardous occupational exposures, including the size, nature, and composition of the population at risk.

(2) In identifying the population at risk of disease, the Board shall consider the following factors based upon the best available scientific evidence—

(A) agents, materials, or processes, or combinations thereof, that may be toxic based upon epidemiologic and clinical observations of human populations, or animal and laboratory studies;

(B) estimates of increased risk of death and disease in specific sites, systems, or organs of the body in exposed human populations; and

(C) estimates of increased risk of death or disease in exposed human populations related to industrial classifications, job categories, and durations of exposure.

(3) If the Board determines that a class or category of employee is a population at risk of disease, it shall make such a finding and, within ten days of making such a finding, transmit to the Secretary a recommendation that the individuals within such a population at risk be notified under section 5 of this Act.

(4) In making the determination under this subsection, the Board shall not consider the factor of economic feasibility.

(c) PRIORITY.—The Board shall undertake as its first priority to review employee populations exposed to hazardous occupational exposures for which there exists a permanent standard under section 6(b)(5) of the Occupational Safety and Health Act of 1970. The Board shall transmit to the Secretary its findings and recommendations on no less than five of these employees populations within one year from the effective date of this Act.

(d) PROCEDURES.—(1) The Board shall provide notice and opportunity to interested persons for written submission of views prior to making the findings and recommendations described in subsection (b)(3) of this section.

(2) The notification shall—

(A) be published in the Federal Register;

(B) set forth which classes or categories of employees are being considered for inclusion as an employee population to be notified and the reason for such notification; and

(C) take into account the need for prompt action by the Board to meet the objectives of this Act.

SEC. 5. EMPLOYEE NOTIFICATION AND COUNSELING.

(a) Determinations of the Secretary.—(1) The Secretary shall determine whether a class or category of employees is a population at risk of disease based upon the findings and recommendations made by the Board under section 4 of this Act. The Secretary shall review the findings and recommendations without further notice and without public comment.

(2) The Secretary shall make a determination required by this subsection based upon findings and recommendations of the Board unless the Secretary concludes that—

(A) procedural requirements set forth in section 4(d) are not met, or

(B) to do so will endanger the health and safety of a class or category of employees.

(b) NOTIFICATION OF POPULATION AT RISK.—(1) Upon determination by the Secretary that a given class or category of employee is a population at risk of occupational disease, the Secretary shall notify each individual within such population of that risk.

(2) In addition, the Secretary shall make simultaneous use of public service announcements and other means of notification appropriate to reach the population at risk.

(c) CONTENTS OF NOTIFICATION.—The Secretary's notification shall include—

(1) an identification of the hazardous occupational exposure, including the name, composition, and properties of known chemical agents;

(2) the disease or disease associated with the hazardous occupational exposure;

(3) any known latency periods from time of exposure to time of clinical manifestation of the disease;

(4) counseling appropriate to the nature of the risk including, but not limited—

(A) the advisability of initiating a personal medical monitoring program;

(B) the most appropriate type of medical monitoring for the disease associated with the risk;

(C) the name and address of the nearest health center certified under this Act;

(D) the prohibitions against discrimination for notified employees as established under section 8 of the Act;

(E) the availability of health care coverage for notified employees, as established under section 8 of this Act; and

(F) the telephone number of the hot line established under subsection (d) of this section.

(d) TELEPHONE INFORMATION.—The Secretary shall establish a telephone "hot line" for the employees notified under this section for their personal physicians for the purpose of providing additional medical and scientific information concerning the nature of the risk and its associated disease.

(e) DISSEMINATION OF INFORMATION.—The Secretary shall prepare and distribute other medical and health promotion materials and information on any risk subject to notification under this section and its associated disease as the Secretary deems appropriate.

(f) ACCESS TO INFORMATION.—In carrying out the notification responsibilities under this section, the Secretary shall have access to information and data contained in the records—

(1) of any Federal agency solely for the purpose of obtaining names, addresses, and work histories of employees subject to notification under this section; and

(2) of any employer insofar as Federal access is provided for under the Occupational Safety and Health Act of 1970 and the Mine Safety and Health Act of 1977 and regulations promulgated pursuant thereto, including title 29 of the Code of Federal Regulations, section 1910.20, and title 42 of the Code of Federal Regulations, section 85a.

(g) COOPERATION WITH PRIVATE EMPLOYERS AND STATE AND LOCAL GOVERNMENTS.—(1) In carrying out the notification responsibilities under this section, the Secretary is encouraged to cooperate to the extent practicable with private employers and State and local departments of health and may certify a private employer or a State or local government to conduct notification under this section, pursuant to standards to be issued by the Secretary.

(2) Private employers and State and local departments of health certified by the Secretary to conduct notifications pursuant to

subsection (g)(1) of this Act shall assume the costs associated with such notification.

(3) A private employer who has been found to willfully violate a recordkeeping, notification, or hazards communication requirement as promulgated under the Occupational Safety and Health Act of 1970 or the Mine Safety and Health Act of 1977 may not be certified by the Secretary to fulfill the notifications pursuant to subsection (g)(1) for a period of five years from the date of such finding or may have its certification revoked for a period of five years from such finding.

(h) LIABILITY.—The Secretary and the agents of Secretary, including any employer or government acting pursuant to subsection (g) of this seciton, shall not be liable under Federal law for monetary damages with respect to any omission or act performed pursuant to this section.

(i) JUDICIAL REVIEW.—(1) an employer adversely affected or aggrieved by a determination of the Secretary under this Act that is a given class of cateory of employees is a population at risk is entitled to judicial review of that determination in the appropriate United States Court of Appeals upon a petition filed in such court by any interested person. Any petition filed pursuant to this section shall be filed within 30 days after such determination by the Secretary.

(2) The court may set aside the determination of the Secretary under subsection (a) of this section only if the determination is found to be—

(A) arbitrary, capricious, or an abuse of discretion;

(B) contrary to constitutional right, power, privilege or immunity;

(C) in excess of statutory jurisdiction, authority, or limitations; or

(D) without observance of procedure required by law.

(3) The commencement of proceedings under this subsection shall not operate as a stay of the determination of the Secretary to notify employees unless the court specifically orders a stay based upon a determination by the court that the complaining party is highly likely to succeed on the merits.

SEC. 6. HEALTH CENTERS.

(a) SELECTION FROM AMONG EXISTING FACILITIES.—(1) Within 90 days after the effective date of this Act, the Secretary shall establish and certify 10 health centers. The Secretary shall select the 10 health centers from among education resource centers of the National Institute for Occupational Safety and Health and similar facilities of the National Institute for Environmental Health Sciences, the National Cancer Institute, and other private and governmental organizations who may compete for such designation by the Secretary. At a later date, but not more than five years after the effective date of this Act, the Secretary shall establish and certify additional health centers from among the health care facilities described in this paragraph so as to obtain no less than one center per State throughout the United States.

(2) Such centers and personnel assigned to them—

(A) shall be selected on the basis of (i) their demonstrated ability and experience in the recognition, diagnosis, and treatment of occupationally related diseases in an ethical manner, and (ii) their capability to offer training and assistance to physicians and social service professionals engaged in the management of populations and individuals at risk of occupational disease, and to fulfill other functions assigned to them under this section, and

(B) shall be certified as such under criteria developed by the Secretary.

(b) FUNCTIONS OF CENTERS.—The centers shall provide education, training, and technical assistance to personal physicians and social service professionals who serve employees notified under section 5 of this Act. The centers also shall be capable of providing research resources, diagnosis, treatment, medical monitoring, and family services for employees notified under section 5 of this Act.

(c) COST OF TRAINING AND EQUIPMENT.—The Secretary shall be responsible for developing a training program and procuring specialized equipment required under the certification criteria developed pursuant to subsection (a) of this section.

SEC. 7. RESEARCH, TRAINING, AND EDUCATION.

(a) IMPROVED METHODS OF MONITORING AND IDENTIFICATION.—The Secretary shall, primarily through the health centers established and certified under section 6 of this Act, conduct research, training, and education aimed at improving the means of medically assisting employees exposed to occupational health hazards and the means of identifying worker populations exposed to such hazards. Such research, training, and education shall include, but not be limited to, the following areas:

(1) studying the etiology and development of occupationally related diseases and the disabilities resulting from such diseases;

(2) developing means of medical surveillance of employees exposed to occupational health hazards;

(3) examining the medical treatment of workers exposed to occupational health hazards, and means of medical intervention to prevent the deterioration of the health and functional capabilities of employees disabled by occupational disease;

(4) studying and developing medical treatment and allied social services for employees exposed to occupational health hazards;

(5) developing education programs designed to train physicians and social services professionals to assist employees and their families in undertaking measures which ameliorate the effects of those diseases; and

(6) sponsoring epidemiological, clinical, and laboratory research to identify and define additional employee populations at risk of disease from hazardous occupational exposures.

(b) ACCESS TO RECORDS.—In conducting its research, training, and education, the Secretary shall have access to prior and current employment, occupational, and health-related data and information maintained by agencies of the Federal Government.

(c) AUTHORITY TO EMPLOY EXPERTS AND CONSULTANTS.—In carrying out activities under this section, the Secretary is authorized to engage the services of experts and consultants as deemed necessary.

SEC. 8. EMPLOYEE TESTING, EVALUATION, MEDICAL MONITORING, AND DISCRIMINATION.

(a) ALLOCATING COSTS.—The costs of testing, evaluation, and medical monitoring required by an employee as a result of a hazardous occupational exposure and subsequent notification by the Secretary that such employee is in a population at risk—

(1) shall be assumed by the current employer if any part of the hazardous occupational exposure occurred in the course of that employment;

(2) may be assumed by the current employer or shall be made available by that employer at cost if no part of the hazardous occupational exposure occurred in the course of that employment; or

(3) shall be made available at cost for an individual purchaser of health care as provided for in subsection (b).

(b) PROVIDING SERVICES.—The means of providing for employee testing, evaluation, and medical monitoring may include, but are not limited to—

(1) employer self-insurance and employer-provided health care programs;

(2) contractual agreement between an employer or a health care financing system and—

(A) a health maintenance organization;

(B) a public hospital;

(C) a public health clinic; or

(D) a health facility owned or operated by employees or an employee organization.

(c) QUALIFICATION OF HEALTH CARE FINANCING SYSTEM.—Each health care financing system shall provide for appropriate testing, evaluation, and medical monitoring services to employees in order to carry out the purposes of this Act.

(d) DISCRIMINATION PROHIBITED.—No employer or other person shall discharge or in any manner discriminate against any employee on the basis that the employee is or has been a member of a population that has been determined by the Secretary to be at risk of disease and shall not discriminate against such an employee by refusing to provide for testing, evaluation, and medical monitoring at cost.

(e) BENEFIT REDUCTION PROHIBITED.—If, following a determination by the Secretary under this Act, it is medically determined by the employee's personal physician in consultation with the employer and his medical representative, that such employee should be transferred to a less hazardous or nonexposed job, the employee shall maintain the earnings, seniority, and other employment benefits as though the employee had not been transferred from the former job.

(f) REVIEW OF DISCRIMINATION COMPLAINTS.—(1) Any employee who believes that he or she has been discriminated against by any employer or employer's agent in violation of subsection (d) or (e) of this section, may, within six months after such violation occurs, apply to the Secretary of Labor for a review of such alleged violation. Upon receipt of such application, the Secretary of Labor shall cause an investigation to be made as he deems appropriate. If upon such investigation the Secretary of Labor determines that the provisions of subsection (d) or (e) of this section have been violated, he shall bring an action in any appropriate United States district court. In any such action, the United States district courts shall have jurisdiction for cause shown to restrain violations of subsection (d) or (e) of this section and order all appropriate relief under subsection (g) or (h) of this section.

(2) Within 90 days of the receipt of the application filed under this subsection, the Secretary of Labor shall notify the complainant of his determination under paragraph (2) of this subsection. If the Secretary of Labor finds that there was no such violation, he shall issue an order denying the application.

(g) REINSTATEMENT AND OTHER RELIEF.—Any employee who is discriminated against in violation of this section shall be restored to his or her employment and shall be compensated for—

(1) any lost wages (including fringe benefits and seniority);

(2) costs associated with medical monitoring; and

(3) costs associated with bringing the allegation of violation.

(h) CIVIL PENALTIES.—Any person or institution that discriminates against an employee in violation of this section shall be liable for a civil penalty of not less than $1,000 or more than $10,000 for each violation as may be determined by the Secretary of Labor.

SEC. 9. ENFORCEMENT AUTHORITY.

(a) INJUNCTIVE RELIEF.—Whenever the Secretary determines that any person or institution is engaged or is about to be engaged in an act or practice constituting a violation of this Act or any rule or regulation promulgated under this Act, the Secretary may bring an action in the proper United States district court to enjoin such acts or practices, and upon a proper showing an injunction or permanent or temporary restraining order shall be granted without bond. The provisions of section 5(h) shall not limit the authority of the Secretary under this subsection.

(b) EFFECT ON OTHER LAWS.—The notification of an employee pursuant to this Act that such employee is in a population at risk and the initiation of medical evaluation and monitoring shall not constitute or in any way affect a claim for compensation, loss, or damage arising out of the hazardous occupational exposure, except that the results of such medical evaluation and monitoring may be introduced as evidence with respect to such a claim. Notification pursuant to this Act shall not toll any statute of limitations with respect to filing a timely claim.

SEC. 10. AUTHORIZATIONS.

There are authorized to be appropriated $25,000,000 for each of the fiscal years 1987 and 1988 to carry out the provisions of this Act.

SEC. 11. EFFECTIVE DATE.

Except as may be otherwise provided therein, the provisions of this Act shall become effective six months after the date of enactment of this Act.

FREE TRADE MUST PREVAIL

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. COURTER. Mr. Speaker, I would like to bring to the attention of my colleagues a very appropriate article on trade between New Jersey and Canada recently written by Mr. Patrick Witmer of the New Jersey State Chamber of Commerce.

Even though the U.S. economy is experiencing one of the longest expansions on record, critics of Reaganomics have, in desperation, turned to the trade deficit. Critics claim that the United States has lost jobs to foreign competitors. The United States, in fact, has added far more jobs than all other industrial countries combined. Ten million new jobs have been created since the expansion began in 1983.

As Alan Reynolds of Polyconomics has pointed out, U.S. imports always expand rapidly when the U.S. economy is expanding rapidly; U.S. exports likewise grow when the economies of our trading partners are doing well. The protectionist solution, reducing imports by implementing quotas, could produce a recession by raising costs at home and bankrupting debtor countries abroad.

I commend the following excellent essay by Pat Witmer in Garden State Report to my colleagues.

PARTNERS IN TRADE—NEW JERSEY AND CANADA PERFECT TOGETHER

(by Patrick J. Witmer)

Can a jobs program requiring no public funding and which, according to the United States Department of Commerce, has resulted in the creation of more than 55,000 jobs in New Jersey be improved upon? Absolutely, say many international trade analysts and government officials.

The program is the growing, but undernourished trade relationship that exists between Canada and New Jersey. In 1984, trade between Canada and the Garden State surpassed $2.4 (U.S.) billion. But this relationship, which has such a dramatic effect on our economy, remains virtually unnoticed by most New Jerseyans. Now, however, myriad ideas aimed at expanding the state's trade relationship with Canada are surfacing and deserve the attention of the business community as well as state government. First, however, an overview of United States, Canada and New Jersey trade relations is in order.

Canada and the United States have the largest bilateral trade and economic relationship in the world. In 1984, two-way trade between our countries exceeded $112 (U.S.) billion. American exports to Canada during that year accounted for more than 21 percent of all United States exports. Ontario alone buys more from the United States than does Japan. Meanwhile, America reaffirmed its position as Canada's best customer in 1984 by absorbing about 75 percent of Canada's total exports: One of every five Canadian jobs is dependent on United States purchases.

In 1984, New Jersey ranked tenth of all states in total exports—including chemicals, industrial machinery, tools and equipment and agricultural—to Canada. Meanwhile, Canada's exports to New Jersey were dominated by lumber, paper, aluminum and other precious metals: These items represented over 25 percent of all imports to our state from Canada.

Ming Hsu, director of the New Jersey Division of International Trade, predicts that Canada and New Jersey will continue to strengthen their interdependent relationship. One problem Ming Hsu cites, however, is that "the Canadian market is seen as a domestic market by many United States firms. Often there is little specialized market efforts generated to Canada." Ming Hsu believes few people realize how important Canadian trade is and she thinks New Jersey "may be able to export more if our firms would develop a better understanding of (the Canadian) market." If the diverse Canadian marketplace is changing as rapidly as its economic policy, this could be a very difficult task.

Over the past year, Canada has undertaken a significant program aimed at attracting more United States investment dollars into its economy. From the establishment of the Investment Canada Act to the sponsorship of programs and seminars such as Canada Visits New Jersey (held last February in Princeton), Canada is serious about increasing the $90 billion plus United States investment—which represents more than 75 percent of all foreign direct investment in Canada—into its economy.

The Investment Canada Act (IC Act)—which replaced the Foreign Investment Review Act—makes a dramatic break with the past investment policies initiated in Ottawa. According to James S.A. Sotvedt, consul and senior trade commissioner at the Canadian Consulate General Office in Philadelphia, "Investment Canada provides a focus to make Canadians and non-Canadians alike aware of Canada's go-ahead mood, our enterprising spirit, and our tremendous potential."

The new Canadian spirit, in fact, offers a more attractive business environment. As Robert Johnstone, the Consul General of Canada in New York, describes it the "change in policy and attitude of Canada has shifted the very mechanism of the Canadian government." Investment Canada's mandate is to:

Encourage business investment by appropriate means

Assist Canadian businesses to exploit opportunities for investment and technological advancement

Carry out research and analysis pertaining to domestic and international investment

Provide investment information services and other investment services to facilitate economic growth in Canada

Assist in the development of industrial and economic policies that affect investment in Canada

If this new pro-investment policy sounds familiar—it is. In fact, it has been the stated goal of the present and many past New Jersey governors to provide incentives for business investment. Governor Kean, in his 1986 State of the State Message, stated that sometimes "it is necessary to do more than merely remove roadblocks for business. In some cases, especially with job-creating small businesses, it is a wise investment to actually help business grow. This is why we have developed myriad programs to provide direct assistance to new or expanding firms." With the support of their individual governments, New Jersey and Canada have become two of the world's most competitive facilitators of economic growth. But they are also two of the most cooperative business partners.

William M. Landolt, international sales manager of SL Industries in Marlton expresses strong feelings about the importance of the Canadian market which represents about 30 percent of its export business. SL Industries has been considering the opening of an assembly and light manufacturing facility in Canada. Landolt explains that such a facility may be needed to meet Canadian competition in the production of aviation and industrial ignitors—the Canadian-imposed duty on those products is about 14 percent. SL Industries, however, plans to delay any decision on expansion until sometime after the spring trade talks between the United States and Canada. Landolt is hopeful that these talks will "lead to a reduction or abolition of tariffs between the two countries."

Free trade with the United States has been a top priority since the beginning of Prime Minister Brian Mulroney's term. In a September 26, 1985, speech before the Canadian Parliament, the Prime Minister reaffirmed his pledge "to explore all possible ways to reduce and eliminate existing barriers in our bilateral trade." He pointed out that the removal of these barriers is so important to Canada because few countries in the world are so dependent on trade: Almost one-third of what Canada produces is ex-

ported. Many New Jersey firms are echoing the position of SL Industries that free trade would not only benefit Canada, but would provide much larger incentives to export to Canada and produce more of their products in New Jersey.

Eugene Wahl, president of Vibra Screw Inc. in Totowa, said the "removal of trade barriers would help his company's export business a great deal." The firm currently directs about 20 percent of its total exports to Canada. Wahl explained that if a 25 percent tariff is placed on a given product, Vibra Screw Inc. would be more inclined to manufacture that product in Canada to compete with Canadian firms not facing the trade barrier.

According to Abraham Dranetz, president of Dranetz Technologies Inc., Edison, Canada is a "true brother," a good customer and a very close friend. Until last year. Dranetz said his company considered Canada a domestic market. Special complications required to do business in Canada led to the decision to recognize its Canadian business as part of the company's international department. Bill Biega, the company's vice president for international sales, believes the removal of trade barriers would only tend to benefit the state's relationship with Canada. "Not only would companies in New Jersey be better able to compete with Canadian firms, they would be placed on a more even footing with companies exporting to Canada from England," states Biega, adding that the "basically barrier-free" trade relationships England enjoys with Canada provides a more competitive edge for British companies. If New Jersey firms were granted the same preferential rates, Biega feels exports from our state to Canada would increase.

The intermodal connections available between New Jersey and Canada—air, water, rail and truck—as well as our proximity, are primary reasons why trade between the two areas is so high. The Port Authority of New York and New Jersey reported that in 1985: oceanborne general cargo imports from Canada to the Port Authority of New York-New Jersey were $109 million; oceanborne exports to Canada were $1.3 million; airborne air cargo imports from Canada were more than $1 billion; airborne air cargo exports to Canada from the Port Authority of New York-New Jersey were over $896 million.

Legislation is pending in the New Jersey Senate and Assembly which could result in the Port of New York-New Jersey becoming more involved in encouraging exports to Canada. Assembly Speaker Chuck Hardwick and Senator Leanna Brown are the sponsors of a bill which they believe is a key ingredient to expanding the export potential of small and medium-size businesses. According to Speaker Hardwick, the bill—A-1452—would permit the Port Authority to establish an export trading program. He believes the bill will "test the capability and benefits of allowing the Port Authority to supplement the private sector services already available, and to open up new markets in Canada and other foreign locations."

Tourism also plays a key role in the economic partnership New Jersey shares with Canada. Victoria Schmidt, director of travel and tourism for the New Jersey Department of Commerce, expects tourism from Canada to be especially high in 1986. "Despite the fact that the Canadian currency last year declined to a record low against the U.S. dollar, Schmidt says "Canadian visitors to New Jersey increased in 1985 and the numbers are expected to rise again this year." Special efforts including ad campaigns are made by both countries to attract visitors to distinct vacation spots in Canada and New Jersey. New Jersey and Cape May County have shared a highly successful "Welcome center" in Montreal for more than 16 years.

The Atlantic City casino industry, however, has not embarked on any major marketing programs designed to attract visitors from Canada. Lynn Oberst, chairperson of the Greater Atlantic City Travel Industry Sales and Marketing Association, says that "over 99 percent of Atlantic City's 28 million visitors in 1985 arrived via ground transportation." She believes one factor that would result in more Canadian visitors to the Casino Resort would be to resolve the political problems which have hindered the growth and development of the airport facilities serving Atlantic City.

New Jerseyans have always been among the many visitors to vacation spots in Canada, especially the Ontario and Quebec provinces. This year, many Canadians are hoping that large numbers of New Jerseyans will venture to "Expo 86" which will take place in Vancouver, British Columbia, May 2 to October 13, 1986. Over 40 nations, including the United States, the Soviet Union, and the People's Republic of China, are expected to participate.

New Jersey's economy is flourishing and a large part of the strength of the state's recovery can be credited to its trade relationship with Canada. Yet, the potential for expanding our export capacity is enormous. If a concerted effort is made to develop that potential the trade relationship between New Jersey and Canada can be a remarkable, lasting partnership.

A TRIBUTE TO OLAF WIEGHORST

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. HUNTER. Mr. Speaker, I rise today to call attention to a truly great American, my friend and the distinguished artist, Olaf Wieghorst. Olaf Wieghorst is a man who has inherited the mantle of the greatest western artist from his illustrious predecessors, Frederick Remington and Charles Russell. On April 30th, he celebrated his 87th birthday.

Far from retiring, he is painting and sculpting as busily as ever, and is working on, among other things, a series of pictures of the U.S. Cavalry when it was on its last duty in our country. This was in the Big Bend of Texas, where our cavalry was sent in 1919 to protect outlying ranches from marauding bandits from south of the Rio Grande.

Like Remington and Russell, Olaf Wieghorst has participated in the life he portrays, cavalry on the Mexican border and cowboys working on cattle on Southwestern ranches two generations ago. A Danish immigrant who came to the United States at a young age, Olaf, shortly after his arrival, enlisted in the U.S.I Cavalry, and after training at Fort Bliss, served with the 5th Cavalry at Marfa, TX; Presidio, TX, and Douglas AZ. Mustered out in July 1952, he and two other ex-cavalrymen, Bud Jones and Fred Stark, cowboyed on Arizona and New Mexico ranches for several years. While traveling over the great Southwest on horseback, Olaf started drawing what he saw, cowboys, Mexican vaqueros, the cavalry—often on the walls of bunkhouses.

He met his future wife in New York shortly after his arrival in the United States and he had kept in correspondence with her. In 1923, he worked his way to Chicago on a cattle train, then went to New York, where he became a mounted policeman and earned enough money to be married. Due to his skill as a horseman, he was on the New York Police Show Team for several years. During this period, he visited many museums and art galleries, began painting on a regular basis, and in 1930, started selling his work for modest prices.

In 1944, Mr. Wieghorst retired from the New York Police Department. With his wife, Mabel, and son, Roy, he headed for a career in painting in his beloved Southwest. We are fortunate that he decided to make his home in El Cajon, in southern San Diego County. By 1955, his paintings were in great demand, one being acquired that year by President Eisenhower.

Since then, Olaf has had his paintings acquired by two other Presidents, Gerald Ford and Ronald Reagan—as well as by leading museums and galleries across the country. Recently, two of his paintings sold for more than $500,000 each, making him the highest-priced living artist. A recent magazine article, "Framed Investment," lists 50 artists whose work is considered to be the best investment in art. Olaf is the only living artist on the list, which includes such masters as Cezanne, Chagall, Homer, Degas, Matisse, Renoir, Sargent, and Remington.

As Senator BARRY GOLDWATER has written of Olaf: "I knew that here was a man deeply in love with the West and its people and its way of life * * * a man possessed with the talent to create on canvas this love." Along with this love of the West is a love of country, that we, who know Olaf, have the honor to receive. Olaf Wieghorst, like many other immigrants, has perhaps a keener appreciation of the beauty of our land, the freedoms that we take for granted, and the opportunities that we enjoy.

The Wieghorst pictures are characterized by a fidelity to detail and a feeling for the country; these are also the trademarks of Remington and Russell. Olaf Wieghorst was a cavalryman and cowboy in the years immediately following World War I, and the cowboys, their equipment, the ranches, chuck wagons, corrals, bunkhouses, Indians, and glimpses of small towns are of that time and place. The cavalry in which he served was on its last mission, scouting the vast, lonely country of the Big Bend of Texas, before being replaced by mechanization. His paintings of the Southwest 65 years ago are correct to the last detail.

The horse has always been important to Olaf, from the time he learned to ride as a child. As he writes in the preface of a book about him,

Like some, I never went to an art school or belonged to an art league. To say that I have never had any lessons is not exactly true. I have had thousands of lessons in my life. As long as I can remember, my time has

been spent around horses, and the horse has been my greatest teacher.

But he was not alone. The rolling prairies, the snowcapped mountains, the desert, the cow-camps, the breaking-corrals, the bawling calf, running iron, and the dusty trail of a cattle drive have all been of help to me . . . I have sat on the rim of some canyons for hours at a time, watching rolling thunderclouds, clear summer skies, arid desert, and blue-green mountain country. As I watched nature's wonders, it dawned on me how small and insignificant I was.

. . . If I can succeed in putting a tiny fraction of nature's wonders on canvas and into people's homes, whether they be mud huts or mansions; if my paintings add some enjoyment and pleasure to people, and dignity and warmth to their homes, then I will be content that my effort has not been in vain.

Mr. Speaker, I have the privilege of enjoying copies of Olaf Wieghorst's magnificent oils and watercolors, which are within reach of all of us. Beyond that, I have the privilege of knowing this remarkable American, his lovely wife, his son and son's family. I know of no one who, aside from his truly unique contribution of art depicting an era in the American frontier that is past, is more an embodiment of the spirit of America, and an inspiration to all of us. Knowing Olaf Wieghorst helps me to partially understand the greatness of our country.

PROTECTIONISM AT THE EXPENSE OF CONSUMERS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. CRANE. Mr. Speaker, with trade legislation currently before the House of Representatives, we must not forget the growing concern of consumers as they suffer the consequences of measures restricting free trade. In light of the numerous proposals to correct unfair foreign trade barriers, we must be aware of the critical dangers in tampering with our economy. We simply cannot correct a wrong with another wrong. And indeed, that is what we will be doing if any kind of protectionist measure were passed. We would be, in a sense, leaving an open door to all retaliatory actions by our trading partners.

Whether it be trade remedies or retaliatory actions, the fact remains, "protectionism by any other name is still the same," as Doug Bandow recently wrote in the Washington Times. He describes U.S. trade with Japan as a "give-and-take proposition—our money for their cars—that benefits us." In just this past year alone, consumers were forced to bear the burden of $50 billion in excess due to U.S. import barriers while Detroit automakers reap record profits of $8.1 billion. We, as consumers, must foot the bill, so to speak, as protectionist measures place a lid over free trade.

Not only is special protection costly to consumers, but in terms of increasing employment, the benefits are relatively small in comparison. In 1984, import restraints on the shoe industry cost the consumers $55,000 per job saved. This figure represents a high price for the goal usually announced—namely to preserve blue collar employment in the afflicted industry.

Surely, we cannot expect our trading partners to sit idly by as we impose quotas and tariffs on imported goods. Perhaps it is a "give-and-take proposition," yet we are "taking" from our consumers in that the profits of U.S. industries are gained at the expense of the consumer's bill. Automobiles, alone, cost $26.6 billion more than they should to the consumer in the first 2 years of "voluntary restraints." And this is just one example of the many burdens that are placed upon consumers.

Each and every one of us is a consumer and, indeed, we are fully aware of the crucial impact on our limited resources to cope with this surge in prices of manufactured goods. It is unfair to the consumer to compensate for problems encountered by U.S. industries in dealing with competition from abroad. I have included the article by Mr. Bandow that appeared in the February 21, 1986 issue of the Washington Times. I would urge my colleagues to give it serious thought in considering trade reform legislation.

PROTECTIONISM BY ANY OTHER NAME IS STILL THE SAME

(By Doug Bandow)

As the American economy steams ahead, Detroit's automakers continue to reap record profits: $8.1 billion last year and $9.8 billion in 1984. Chrysler made more in 1984 than in its 60 previous years combined.

This would be wonderful news—were Detroit not getting a lot of help at consumer expense. For four years the United States imposed "voluntary" import quotas on Japanese autos; last year the government of Japan began limiting sales in this country.

The administration imposed quotas in 1981 to give the industry some "breathing room." As a result, auto production, employment and profits are all up sharply.

But the cost to American consumers has been staggering. Quotas inflated Japanese auto prices by $2,500 and American models by $1,000 each. Over the last two years alone American consumers have been forced to spend $26.6 billion more than they should have.

Last year the administration dropped the "voluntary" limits, but the Japanese, fearful of stoking protectionist pressures in Congress, kept the lid on their exports. And similar concerns caused Japan's mid-February announcement that it will "extend for one year the same measures"—i.e., quotas.

The administration, officials say, promised the Nakasone government not to criticize its decision. It seems President Reagan believes in free trade, but not enough to fight for it.

Industry and labor officials, of course, were delighted to learn they would face only limited competition for another year. UAW president Owen Bieber says he is "relieved," even though he thinks Japan's market share still "is far too high."

Congressional leaders like John Danforth, R-Mo., had a similar reaction. Danforth pronounced himself "pleased" with a decision that will cost consumers billions: "It appears to signal a recognition on the part of Japan that trade is a give-and-take proposition."

Of course, Japan should open up its markets, but cutting off Japanese imports teaches the Japanese a lesson more at our expense than theirs. In fact, precisely because trade is a "give-and-take proposition"—our money for their cars—that benefits us, we should not cut it off.

Anyway, U.S. complaints about unfair Japanese trade practices are self-righteous hypocrisy at best. Average tariffs in this country are as high as those in Japan; nontariff barriers, such as quotas, affect far more of our goods than theirs.

In fact, according to Georgetown University economist Gary Hufbauer, offical American import barriers cover more than a quarter of all manufactured goods in the United States and add in excess of $50 billion to the consumers' bill every year.

Sugar costs treble or more what it should; clothing runs 24 percent more. Prices for rubber footwear and vinyl handbags are inflated a fifth, leather handbags run an extra 10 percent, and radio and book prices are up significantly as well. Mushrooms, ceramic tiles, motorcycles, clothespins, trucks, and steel also cost far more than they should.

Nevertheless, Sen. Danforth and his protectionist friends want to continue sacrificing American consumers on the alter of political expediency. In fact, one administration official predicts that auto quotas will persist till the trade deficit—and political heat from Congress—disappears.

Yet waging war with trade statistics makes no sense at all. For the trade deficit is merely an accounting measure that shows we've received more goods than we've sent in return.

That's not a bad deal: the Japanese can't drive our dollars around. All they can do is eventually spend them in America, to buy our products and services.

Moreover, our trade balance with any one nation is meaningless in an interdependent world like the one we live in today. We have trade surpluses with Eastern Europe, Australia, New Zealand and South Africa: should we ask them to increase their tariffs?

And for years we sold more to Western Europe than they shipped to America. Was Danforth complaining about trade deficits then?

President Reagan says that he believes in free trade, despite the fact that he has imposed quotas and tariffs on steel, sugar, motorcycles, trucks and cars. Everyone is entitled to make a few mistakes, of course, but he also bears an extra burden to prove that he's a man of his word.

HOW TO FIGHT TERROR FROM THE AIR

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. FASCELL. Mr. Speaker, I would like to take this opportunity to call to the attention of our colleagues a New York Times editorial calling for an aviation boycott of states which support terrorism. The most obvious case for such sanctions is Libya.

As I have always believed, one must use all available tools to fight state-sponsored terrorism. Whenever there is evidence that international terrorism is being coordinated and sponsored by a state, then one response should be the imposition of a civil aviation boycott. In fact, the Foreign Airport Security Act, which was signed into law last August calls for such

a measure as a means of isolating countries which support international terrorism.

The Committee on Foreign Affairs has been conducting a series of oversight hearings on the implementation of the Foreign Airport Security Act and recently received testimony from the Air Line Pilots Association, which has called on international airline pilots to boycott airports of countries which are found to be engaged in state-sponsored terrorism.

Mr. Speaker, the time is ripe to follow up on the steps taken at the Tokyo economic summit to gain international cooperation for a civil aviation boycott.

The New York Times editorial follows:

HOW TO FIGHT TERROR FROM THE AIR

Britain has expelled three Syrian diplomats after they scorned to answer questions about their suspected role in the recent plot to blow up an El Al airliner . . . Israel says it has also detected Syria's hand in the plot. In a related episode, West German police suspect Syrian involvement in the March 29 bombing of an Arab-German friendship society in West Berlin.

Such suspicions prompt the question of punishment, particularly following the United States raid on Libya last month and the call now from the Tokyo summit for joint action against state-sponsored terrorism.

Syria's offense, if proven, would be comparable to Libya's. Very possibly the same terrorists work for both states, drawing double pay in an amoral trade. Yet no one clamors for an aerial strike against Damascus, a pivot of the Arab world and a pervading presence in Lebanon, where shadowy gangs still hold Americans hostage.

Syria's case is more complicated. The regime of President Hafez al-Assad, Soviet supported, selectively indulges in terrorism but he is no mad dog and Western governments treat him with wary restraint. Besides, there's a better way to express collective condemnation—aviation sanctions.

These sanctions would close airports to planes from an offending country and forbid other carriers to land in the offender's airfields. Such sanctions work, as President Carter recalled in an interview last week. In 1978 the seven big democracies sent a private message to Colonel Qaddafi threatening to boycott Libya's airports if he continued to shelter hijackers. This followed a declaration at Bonn by the seven leaders warning that if hijackers were not extradited or punished, civil aviation sanctions would follow: Thus warned, Libya closed its airfields to hijacked planes.

These sanctions applied only to hijacking. But at the Tokyo summit, the industrial democracies broadened the Bonn formula to apply to "all forms of terrorism affecting civil aviation." Having enlarged their policy, the allied democracies now need to make plain their intention to enforce it.

More than any other, the aviation sanctions are likely to command support, here and in Europe. They accord with civil aviation treaties adopted at The Hague and Montreal. They have been urged by airline pilots. They reinforce the European Convention on terrorism. A total civil aviation boycott is easier to impose than any other penalty. It is a punishment related to the offense. And it can hurt.

Yet some countries are reluctant to use a weapon that might momentarily jeopardize lucrative air routes even when there's a flagrant case on the books. Consider Iran, which has yet to extradite or punish those who hijacked a Kuwaiti airliner and killed two Americans in December, 1984. Yet there are hints of change in Teheran; Americans have been indirectly informed that a trial is finally in preparation.

Are the democracies finally willing to impose collective aviation sanctions instead of just talking about them? That could speed this old case—and deter new ones, in Syria and elsewhere.

A TRIBUTE TO FATHER NICHOLAS A. FEDETZ, OF BAYONNE, ON THE 40TH ANNIVERSARY OF HIS PRIESTHOOD

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. GUARINI. Mr. Speaker, a dedicated man of God, Archpriest Nicholas Andrew Fedetz, is being saluted by his religious community on the 40th anniversary as a priest in the Russian Orthodox Greek Catholic Church.

Father Nicholas Andrew Fedetz, on May 18, 1986, in the Villa Nova Restaurant, Bayonne, NJ, will be honored by hundreds of friends, parishioners, community and religious leaders. He is pastor of Sts. Peter and Paul Russian Orthodox Greek Catholic Church, 94 West 28th Street, Bayonne, NJ.

Born on April 17, 1923, Father Nicholas graduated from Columbia University in 1945 and St. Vladimir's Orthodox Theological Seminary in Crestwood, NY, in 1946. He was ordained July 7, 1946, at the Cathedral in New York City.

Father Nicholas' first pastorate was in Springfield, VT, from August 1, 1946 to September 1, 1948. He was then transferred to Cannonsburg, PA, where he served from September 1, 1948 to May 1, 1961, transferred to Detroit, MI, May 1961 to May 1981, and on May 15, 1981, was assigned to Sts. Peter and Paul Russian Orthodox Greek Catholic Church in Bayonne, NJ.

Father Nicholas was married in June 1946 to Geraldine Shevchuk, and they have two daughters, Kyra and Tais.

Mrs. Fedetz is the daughter of Archpriest Theodot and Mrs. Eva Shevchuk. Archpriest Theodot Shevchuk served in parishes in Maryland and Pennsylvania for over 50 years.

Father Nicholas is the son of the late Archpriest Andrew Fedetz and Mrs. Mary Fedetz. Archpriest Andrew Fedetz served for over 50 years in the Pennsylvania area.

The parishioners of Father Fedetz's church are part of the more than 900,000 descendants of the southern Poland area in the Galicia region.

In our community they have earned the respect of all those who have come in contact with them since they first migrated to the United States at the turn of the century. They are hard working, God-fearing, family-loving people who have earned their way. Indeed there have been very very few, if any, problems created in our community by these good people who not only had dreams about America, but built foundations under these dreams with their bare hands, devotion, industry, and respect for their new land.

Just a few weeks ago I met with religious leaders and families of this great church at a meeting marking the protest regarding the nuclear explosion in the Ukraine area of Europe. It was my pleasure to discuss this terrible problem with priests and families regarding the accident and what steps we here in America can take to alleviate the problem and to avoid any recurrence.

It was my privilege to speak to the congregation of the above churches just a week ago last Saturday.

In the history of these religious followers to Metropolitan Theodosius, there are countless martyrs, both in ancient or more recent times. Those whose names are known and those who are unknown and thousands who have given their lives rather than abandon their faith.

Indeed they are a people and a church with proven fidelity and suffering, remaining faithful to the gospel and in union with the successor of St. Peter. They have preserved special spiritual patrimony with their liturgical language, ecclesiastical music, and forms of piety which have developed over the centuries and continue to nourish their lives.

Their appreciation of these treasures of their tradition is further demonstrated in the manner they have maintained their attachment to the church and to live the faith according to its traditions.

They are pleased with a real unity doctrine binding all as one. They practice mutual charity. They share the joys and sorrows—they are benevolent—they are giving—they are strong in their faith which has proven to be the strength of their people. Their loving intercession in their fellow man has truly been a cause for their joy.

Father Fedetz, through his sterling leadership, has melded the minds and bodies of his parishioners into the greatness of America. They have become a beautiful part of the giant mosaic which is made up of more than 100 nationality groups in the 14th District I represent.

On other occasions I have noted how fortunate I am to be able to take the best of each of the nationalities, especially Father Nicholas' parishioners in my district, and learn so very much from them.

Father Nicholas' leadership indeed echoes the words of Pope John Paul II, who on his visit to America on October 5, 1979, at a Mass for the Polish community said:

I would like to express thanks for all the contributions that the sons and daughters of our first homeland, Poland, have made to the history and to the life of their second homeland across the ocean: all their toil, efforts, struggles and sufferings; all the fruits of their minds, hearts and hands; all the achievements of the individuals, families and communities. But also all the failures, pains and disappointments; all the nostalgia for their homes, when forced by great poverty they went across the ocean; all the price of love they had to part with in order to look here anew for multiplied family, social and all human threads.

This fine community salute takes special significance in this year 1986, which marks the 100th anniversary of the Statue of Liberty, our fair lady in the harbor, which has been in-

spirational of all freedom-loving people throughout the world.

I also wish to acknowledge that next month will mark the 40th anniversary of Father Nicholas' marriage to his beloved Geraldine.

I am certain that all my colleagues here in the House of Representatives will join me in this salute to Father Nicholas, servant of God and man.

ISRAEL INDEPENDENCE DAY

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Ms. MIKULSKI. Mr. Speaker, it is an honor and a pleasure for me to salute the people of Israel on the occasion of the 38th anniversary of the founding of the State of Israel. We must continue to commemorate this important anniversary every year because it is so very important that Israel continues to exist as a nation.

World War II and the Holocaust left the Jewish people without a home. But in 1948 an old, rusty ship named *Exodus* sailed out of Baltimore harbor on its way to a new homeland for the Jews—Israel. Today Jews throughout the world have a place to call home.

That is the happy side of this story. But we must also remember the pain Jews went through before their independence.

In November 1976 I went to Poland. I had read the lessons of history but I wanted to learn those lessons firsthand. I went to Auschwitz to see the death camp, the barracks, the gas chambers, the liberation films. I never made it all the way through the tour. The bins of children's shoes broke my heart and I could go no further.

During the Passover-Easter season in 1983 I revisited Israel and felt that sense of renewal that Auschwitz was not the final chapter. From Yad Vashem, the Holocaust Memorial, to the new settlements, we celebrated the lives of the survivors—as we do today.

But we are also left with a legacy of warning: Zachor, remember. Remember the genocide. Remember those who were killed. Remember the religious persecution. Our pledge after World War II is the pledge we take today: never again.

The land of Israel was once a desert. Since 1948 it has been transformed into a flowering oasis. This physical transformation has been accompanied by spiritual, intellectual, and cultural achievements by its people that proclaim Israel's rightful place in this world as a great nation.

I wish peace and prosperity for the people of Israel. And I extend my greetings to all people of Jewish descent, in the city of Baltimore as well as Maryland, and throughout the world who are joining in this celebration. To you I say, Yom Haatzmaut!

CONGRESSIONAL CALL TO CONSCIENCE VIGIL FOR SOVIET JEWS

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. KOLBE. Mr. Speaker, yesterday Members of the House and Senate welcomed Natan Shcharansky to the Capitol rotunda. I personally was deeply moved by Mr. Shcharansky's description of his ordeal as a Soviet refusenik and his commitment to helping the 400,000 Soviet Jews still denied their right to emigrate. He gave a stern warning to Congress: we must never settle for an agreement where our goal of freeing all of the Soviet refuseniks is compromised. We must never lower our expectations or adopt the illusion that the Soviets will follow through on their commitment to respect human rights without our continuous prodding. The United States and the rest of the free world must persistently demand freedom for the Soviet Jews.

Recently, I asked my colleagues to sign a letter to Secretary Gorbachev on behalf of Veniamin Bogomolny, who has been trying to emigrate from the Soviet Union for over 19 years. I would like to thank my colleagues who signed this letter and I would like to take this time to describe the plight of Veniamin and his wife, Tatiana.

In 1966, Veniamin Bogomolny's family applied for exit permits. At the end of 1970, Veniamin's parents and three sisters were allowed to emigrate to Israel, but Veniamin was not allowed to leave the Soviet Union. Instead, he was issued a draft notice and inducted into the army. After his discharge, Veniamin again reapplied unsuccessfully for an exit visa in 1972 and his subsequent efforts to leave the Soviet Union have been fruitless.

Veniamin has been subjected to relentless harassment. In 1976, his apartment was ransacked and his personal property vandalized and destroyed. In 1977, Veniamin's apartment was broken into again and his belongings were confiscated. Among other items, his Hebrew books have been confiscated. Moreover, his life has been threatened repeatedly and, occasionally, his telephone has been disconnected.

Ironically, among the records that are listed in the Guinness Book of World Records, Veniamin Bogomolny is mentioned as the longest waiting refusenik. It is a dubious distinction. Certainly, he never aspired to hold such a record. His desire is to emigrate to Israel and be united with his family.

In recent months, Veniamin's wife, Tatiana, has been diagnosed as having cancer. Finally, she and more recently, Veniamin have been invited to apply for exit visas. There is still no indication when or if their applications will be approved. We can only hope there is some shred of humanity in the Soviet bureaucracy, some respect for world opinion, that will move them to allow the Bogomolny couple to emigrate as soon as possible.

Those of us who can and who are must continue to work to help people like the Bogomolnys and Natan Shcharansky. The Soviet refuseniks will not be forgotten. We will help Natan continue the struggle for those oppressed by the Soviet Union.

TRIBUTE TO ROBERT H. BENSON, SR.

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. DARDEN. Mr. Speaker, I want to call the attention of my colleagues to the recent passing at age 66 of Robert H. Benson, Sr., a decorated Navy pilot of World War II who was a resident of the Seventh District of Georgia.

Bob Benson received two Navy crosses and two Distinguished Flying Crosses for his heroics as a pilot of Douglas SBD dive bombers in the Pacific. He took part in the sinking of two Japanese aircraft carriers and saw action at Midway, Truk, Guadalcanal, Iwo Jima and Okinawa. Bob also escorted B–29 bombers in their raids against Tokyo late in World War II.

He remained in the Navy until 1963, becoming executive officer of Naval Air Station Atlanta in 1959 and retiring with the rank of commander.

Bob was a native of San Francisco, but he continued to live in Cobb County, GA, after his retirement from the military. I met him while I was district attorney of Cobb County and he was performing jury duty. From that time on, we were good friends, and I always appreciated his support and advice.

One would never know, because of Bob's modesty, about his heroics in World War II.

Bob's wife, Frances Chiles Benson, has said that a key to his survival during the Pacific Air War was a pair of lucky red socks. He kept them with him in his flight bag from his first solo flight in training at Oakland, CA, in 1941 until his retirement—never letting his wife touch them, or launder them.

Mr. Speaker, I ask my colleagues to join me in expressing sympathy to Frankie Benson and to the Benson's two sons, Robert H. Benson II and Michael B. Benson, and to join me in honoring Bob Benson—a modest hero of World War II.

TRIBUTE TO PAUL BEERS

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. GEKAS. Mr. Speaker, when the President of the United States needs information he calls on his top advisers. When Members of Congress need information they call on the Library of Congress. When anyone needs information about Harrisburg, PA, they call on Paul Beers, "Reporter at Large."

The name Paul Beers is recognized by just about everyone in the Harrisburg area simply because Paul Beers, at one time or another, has written about them in one of his 3,599 Reporter at Large columns, spanning 20 years, published three times a week for the Patriot-News Co.

On May 4, 1986, I had the great pleasure of attending a dinner honoring Paul Beers—writer, reporter, historian, and friend—that was attended by more than 350 well-wishers, representing a cross section of the Harrisburg community, who simply wanted to say "thank you Paul Beers for the causes you promoted through your column."

Paul developed the Reporter at Large column—a catchall of local events and happenings—28 years ago. The majority of his thrice weekly columns were devoted to the history of the area, the political personalities who shaped the capital city, members of the business community, sports; you name it and Paul Beers was able to capture the flavor of what was happening in the area. Paul has a keen ability to see the trends in the old family political bosses and lions who created the change in Harrisburg's history. Over the years, Paul became in effect a resource for other writers and reporters in the area.

Paul has been cited by many as the first person to have promoted cultural events in the Harrisburg area. If one wanted to know what cultural activities were up and coming, all one had to do was read Paul's column. He featured an annual Sadie Hawkins Day bachelor's column, which listed the names of prominent widowers, singles, and divorced men who were available for marriage. Some may have seen this more as a disservice to women than a service. Another well-known column featured the birthdays of prominent central Pennsylvanians. Many people used the birthday column as a reference source in sending birthday cards and greetings.

Paul Beers has retired from the Patriot-News Co., but has not retired in the true sense of the word by any stretch of the imagination. Last January Paul began a newly created position as historian of the Pennsylvania State Legislature. Being able to fully utilize his knowledge on the city of Harrisburg, Paul has been charged with establishing a research center about the legislature and then ultimately running it.

Mr. Speaker, I ask my colleagues to join me in saluting Paul Beers. He has truly enriched the lives of all who have been privileged to know him and work with him.

A TRIBUTE TO WACOUSTA ELEMENTARY SCHOOL

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. WOLPE. Mr. Speaker, I want to pay tribute to an elementary school in my district—Wacousta Elementary School—for its having been named as one of the top 20 outstanding elementary schools in Michigan. Wacousta Elementary earned this distinction because of its consistently high scores on achievement tests, its high student and teacher attendance records, its parental involvement in the classroom, and its use of innovative teaching techniques and programming methods.

Since its construction, when teachers, parents, and the community-at-large were involved in designing the building, Wacousta Elementary has dedicated itself to utilizing new and progressive educational techniques. The highly structured academic program housed in a physically unstructured facility, reflects its philosophical commitment to making a school "a place where kids can learn and enjoy at the same time." Wacousta Elementary School is the only elementary school in the Greater Lansing, MI, area with a computerized library. Wacousta's teachers have created a highly productive reward system for exceptional behavior and work. Moms and dads are found volunteering in its classroom, and participate with their children in the work of the school. It is for these reasons that Wacousta Elementary School has been recognized as one of Michigan's best.

Mr. Speaker, the Wacousta School community takes understandable pride in being recognized as one of Michigan's top elementary schools. It has received a very special award that is reflective of the commitment and dedication of Wacousta students, parents, administrative and support staff, and teachers. I feel privileged to represent constituents who understand the value of education for young Americans and have dedicated their lives to such high ideals.

MICHIGAN'S 1986 SMALL BUSINESS PERSON OF THE YEAR, DOROTHY LEE ZIMDAR OF GRAND RAPIDS, MI

HON. PAUL B. HENRY

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. HENRY. Mr. Speaker, it is an honor and privilege for me to offer congratulations to Michigan's 1986 Small Business Person of the Year, Dorothy Lee Zimdar of Grand Rapids, MI.

Mrs. Zimdar, president of Frames Unlimited/Zimdar Enterprises, has over a period of 12 years achieved remarkable success. Opening her own framing shop in 1971 with six employees, the business has expanded to a 23-outlet chain located in three States with 188 employees and sales exceeding $5 million. Five years ago, Mrs. Zimdar founded Zimdar Enterprises—the wholesaling and manufacturing arm of Frames Unlimited which has become a profitable addition to the business. Future plans include the addition of 10 new stores to the chain.

The success of Frames Unlimited/Zimdar Enterprises has resulted in the creation of many new jobs in three States, Michigan, Indiana, Ohio, and in the not-too-distant future, Illinois. Through the targeted Jobs Tax Credit Program, the company has hired handicapped and disadvantaged individuals, contributing to the Nation's economy.

With the phenomenal growth of this family-operated business, in 1983, Frames Unlimited was named by INC. magazine as one of the fastest growing privately held firms.

When Dorothy Zimdar opened the first Frames Unlimited store, her background in accounting and retailing gave her an edge in operating a business. But most of her technical knowledge in custom framing came primarily from attending seminars, reading technical books and asking questions. Realizing that professional workmanship is the key to success, Mrs. Zimdar developed manuals, specific procedures, and with her innovative ideas, became a pioneer in the business of offering custom framing at moderate prices for the average consumer.

Dorothy Zimdar's determination, perseverance, high standards of customer service and satisfaction, plus the highest quality of workmanship in her products has made Frames Unlimited the success it is today. Mrs. Zimdar's goal is twofold: to become the very best framing business in the country and to begin a family business that will pass on to many other generations.

Not content just to run the business, Mrs. Zimdar is actively involved in numerous business and civic organizations—something she encourages her employees to do as well. Further, both the corporation and Mrs. Zimdar donate untold time and merchandise to charitable causes throughout the community.

Mr. Speaker and colleagues, please join with me today in offering congratulations to an outstanding woman and entrepreneur, Dorothy Lee Zimdar—Michigan's 1986 Small Business Person of the Year.

TAKOMA PARK MATHEMATICS TEAM WINS STATE CONTEST

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. BARNES. Mr. Speaker, the mathematics team of the Takoma Park Intermediate School in my district of Montgomery County, MD, has been selected to participate in the National Mathematics Championship Competition to be held in Washington, DC this weekend.

I congratulate the students of Takoma Park Intermediate School for their outstanding academic achievement, and submit the following article from the Montgomery County Suburban Record which describes this important competition:

[From the Montgomery County Suburban Record, April 25, 1986]

TAKOMA PARK MATHEMATICS STUDENTS WIN STATE CONTEST

The Takoma Park Intermediate School Mathematics team captured first place in the Maryland State Mathematics Championship Competition, held at the Naval Academy in Annapolis on April 5. Takoma students Joshua Fischman and Sarah Manchester finished first and fourth, respectively, in the individual competition. Fischman and Manchester have been selected as members of the state team, which will represent Maryland in the National Championship, to be held in Washington, D.C., on Sat. May 17. The state team will be coached by Takoma Mathematics teacher Darlyn Counihan.

The competition is sponsored by Mathcounts, a cooperative project of the National Society of Professional Engineers, the CNA Insurance Companies, the National Council of Teachers of Mathematics, the National Aeronautics and Space Administra-

tion, and United States Department of Education.

Thirteen regional champions took part in the state championship. Friends School of Baltimore finished second, followed by Roland Park, also of Baltimore, Cockeysville, and Tilden Intermediate of Rockville. A special team consisting of four top individual scorers from schools not represented as teams placed sixth.

The members of the victorious Takoma Park team, coached by Mrs. Darlyn Counihan, are Daniella Berry, Joshua Fischman, Sarah Manchester, Matthew Neimark, and David Weinstock (alternate). Neimark is a seventh-grade student; all others are in the eighth grade.

The National Championship will be held at the Sheraton Washington Hotel in Washington, members of the state team will receive an award from Governor Hughes at the Statehouse in early May.

Mathcounts competitions consists of four rounds:

(1) The Written Round includes 40 problems which are given to individual competitors, with sufficient time so that only the most capable students will be able to complete all items.

(2) The Individual Round includes 10 problems, presented in five pairs, to competitors. This contest demands accuracy and a race against time.

(3) The Team Round consists of 10 problems on which the entire team collaborates for solutions.

(4) The Special Topics Oral Round is a special competition in which the top individual scorers are asked to provide verbal solutions to problems presented by a panel of judges.

THE OCCASION OF THE 350TH ANNIVERSARY OF SPRINGFIELD, MA

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. BOLAND. Mr. Speaker, I want to advise the Members of the House that today, May 14, 1986, marks the 350th anniversary of the founding of my hometown, Springfield, MA. It was on this day that William Pynchon acquired the deed to the land on which he would establish a settlement that would become the city of Springfield. While today marks the city's official birthday, the celebration of Springfield's trecenoquinquagenary has been taking place all year, and will continue through the remaining months of 1986. It was my great pleasure to take part in one of the highlights of that celebration this morning, the cutting of the city's birthday cake in historic Court Square in downtown Springfield. Thousands of city residents, both young and old, were on hand to salute the city for reaching this milestone.

Mr. Speaker, as you know, Springfield is situated in the Pioneer Valley of western Massachusetts. Bordered by the Connecticut River, Springfield sits comfortably surrounded by the rolling hills, pastures, and forests that lured William Pynchon there in 1636. Springfield has enjoyed a distinguished history. Nicknamed the "City of Homes," for its many beautiful neighborhoods and residences, Springfield has also been the home of great ideas. The automobile was invented there, as was a game called basketball. In addition, many nationally prominent companies, such as Friendly Ice Cream Corp., Milton Bradley, and Massachusetts Mutual Life Insurance Co., were established in Springfield.

As was brought home to me again at this morning's ceremony, there is one overriding reason for Springfield's rich history and bright future, the spirit of its citizens. Although it has not been immune from tribulations caused by the economy, vagaries of nature, or acts of man, the city and its people have persevered and flourished. I have no doubt but that that spirit, and the civic pride that has been evident throughout this year of celebration, will continue long past the conclusion of the festivities. On behalf of the Congress of the United States, I want to extend congratulations to the citizens of Springfield on this important occasion in the history of their city.

A CONGRESSIONAL SALUTE TO EDWARD CHEETHAM

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. ANDERSON. Mr. Speaker, I rise today to pay tribute to Edward Cheetham, a leader in the education community in my district, who will be honored at a retirement dinner on June 11, 1986 in San Pedro, CA.

A native of Wisconsin, Edward Cheetham graduated from Ripon College in 1943. Following graduation, he served in the U.S. Army for 3 years. Upon his discharge from the Army, Mr. Cheetham attended the University of California-Los Angeles, where he received his teaching credentials. In 1953, he received his master's degree from California State University at Los Angeles.

In 1948, with the opening of Westchester Junior High School, Mr. Cheetham accepted a position as a teacher of biology and leadership. He taught at Westchester Junior High School till 1963, when he accepted a position as the registrar at Sun Valley Junior High School. Mr. Cheetham was rapidly promoted, and served as the boy's vice principal for Banning High School from 1963 to 1968. In 1968, he was then promoted to boys' vice principal of Fairfax High School. Mr. Cheetham was in charge of administering the West Side Program of gradual integration. In 1976, he was promoted to principal of Fairfax High School. In 1983, he accepted a position as principal of Narbonne High School. He is retiring from this position at the end of the school year.

In addition to his fine work in the academic community, Mr. Cheetham is active in a number of civic and social organizations. He received the Order of Merit from Centinela District of the Los Angeles Scout Council for 15 years of service as a Scout leader. He is also the secretary of the Southern California Chapter of Railway and Locomotive Historical Society, and a member of the national board of directors of the Railway and Locomotive Historical Society. Clearly, Edward Cheetham has been a positive force in the academic and community activities of the people in the Los Angeles area.

It is with great pride that my wife, Lee, joins me in wishing Edward Cheetham and his wife, Mary Jane, all the best in the years ahead.

FOREBEARANCE—NOT FORECLOSURE

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. McEWEN. Mr. Speaker, the passage of House Concurrent Resolution 310 by the House today is, finally, a sign to the beleaguered farmer that this Congress will hear his plea. "It is the sense of the Congress that the Farm Credit Administration and its lending institutions should take * * * actions immediately to help alleviate the unusual financial situation facing many thousands of agricultural producers * * * by providing additional time to resolve these problems * * *."

As the sponsor of H.R. 4369, the Landowner Protection Act of 1986, it is certainly a pleasure for me to see that the Congress has adopted this resolution so similar to my bill, encouraging the Farm Credit System to do the right thing for its borrowers and for this difficult time in agriculture by practicing forebearance rather than foreclosure. H.R. 4369 and House Concurrent Resolution 310 both seek the support of the Farm Credit System in policy changes that meet the changing needs for agricultural loans in these times. While many banking institutions and agricultural lenders have adopted the regulatory changes necessary to work with their farmer borrowers, the FCS seems to be lagging behind. As a lifetime borrower/stockholder in the System has told me

(Our family) only asks for a chance to get through this difficult time by following the objectives that the Land Bank has hanging on their office wall. "Objective: It is the objective of the Federal Land Bank and its stockholders Federal Land Bank Associations to extend to farmers on a cooperative basis constructive long-term farm real estate mortgage credit service at the lowest cost possible consistent with sound business practices under prevailing economic conditions."

This farmer, by the way, has never missed a payment since their first loan in 1966—until now. This farmer, and his family, have been good, productive farmers—until now. Now, the Farm Credit System wants someone else to own their land and their operation. Forebearance? I don't think so.

The Congress has expressed its concerns and now the Farm Credit System should respond to its borrowers by comparing the costs of foreclosure to the costs of restructuring. We don't need more land for sale on the market, we need outstanding debts to be paid through a two-tier system or whatever it takes.

I would welcome the support of my colleagues for H.R. 4369 to further encourage the Farm Credit System to hear our plea.

TEENSCENE: MAKING A DIFFERENCE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. DORNAN of California. Mr. Speaker, I would like to take this time to bring to your attention a new publication born in Orange County, CA. It is called "Teenscene-Orange County" and is published by Thomas R. Huff and Patricia Paraman. The objective of Teenscene-Orange County is to provide Orange County teens with a free, fresh, clean, healthy, wholesome magazine in which they may find timely information on all teen-oriented programs available to them in Orange County, from Federal, State, county and city agencies, and from other credible teen-oriented, nonprofit organizations. To support this, Teenscene-Orange County is selling reasonably priced advertising space to selected local and national businesses. It will not accept advertising from tobacco, alcohol, or "X" rated entertainment.

Teenscene-Orange County covers such topics as teen job market, entrepreneurial opportunities, role models, educational, financial, and career planning for teens, teen news and classified ads, sports, diet, exercise, grooming, etiquette, information on Orange County teen clubs, movies, books, travel, acting, modeling and restaurants. The really great thing about this publication is that it provides a forum by teens to link them to, and involve them with, the community. Serious articles on drugs, alcohol and child abuse, teen suicide, street gangs, teen pregnancy and abortion will come from various sources: Federal to city agencies, other experts, and teens. In addition to all of this, Teenscene-Orange County is offering every city in Orange County a complimentary page each month to announce teen activities offered by their respective community services/recreation departments. Every police department in the county will also have a complimentary page each month. Teenscene-Orange County is developing a scholarship fund as well.

Teenscene-Orange County will be distributed through participating high schools, teen employment offices, police departments, city community services/recreation departments and other teen-oriented organizations. It will also be available at the business locations of those, who by advertising in Teenscene-Orange County magazine, sponsor this free publication for Orange County teens.

In short, I heartily commend the publishers of this magazine for their creative efforts to involve the youth of Orange County with the community in such active and positive directions.

MEDICAL PRACTICE VARIATION

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. GEPHARDT. Mr. Speaker, I would like to say a few words about H.R. 4797, legislation introduced last Thursday by Congressman WALGREN, Congressman WAXMAN and myself in an effort to improve the effectiveness and efficiency of health care in the United States.

Briefly, medical practice variation describes the situation in which similar medical problems are treated differently. This variation occurs among doctors, between different geographical locations, and for other reasons. Some of the reasons are understood; others are not.

A tremendous number of Federal dollars are spent to provide health care to millions of America's aged and disabled. In contrast, very little money is appropriated to evaluate whether the care these people receive is either effective or appropriate. We are aware of these variations in the practice of medicine; however, it is not obvious how these variations affect the quality and cost of care patients receive.

Because medicine is not a perfect science, certain variations in medical practice are expected and even useful as we search for the most effective methods of treatment. A percentage of practice variation cannot be explained away, however, and may in fact be a result of the current reimbursement system or due to the lack of a network through which medical information on the most effective means of treatment is disseminated throughout the medical community.

The intent of this bill is to uncover the reasons for differences in methods of treatment. Assessing the effectiveness of one medical treatment versus another will be a second research objective and, finally, disseminating the results of the research to health care providers is the third objective.

Two issues which dominate discussions of health care today are quality and cost. Information gathered as a result of this bill will enable us to address these issues more competently and with greater confidence. If existing medical practice variations are artifacts of how we reimburse health care providers for their services and not responses to differences in patients' conditions, there may be an opportunity to deliver appropriate services at less cost. Equally important, by evaluating medical practice variations, we may discover that one procedure is more effective than another and, by disseminating this information to health-care providers, we may improve the quality of health care provided to American citizens.

KURT WALDHEIM PAST—UNITED STATES SEEKS THE TRUTH

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. DioGUARDI. Mr. Speaker, I rise to discuss an issue which I believe has not been given adequate attention by this Congress, the Nazi past of former U.N. Secretary General Kurt Waldheim.

While two items surrounding this issue are of significant concern and importance, the heart of this matter is not Mr. Waldheim's bid to become President of Austria or his past leadership of the United Nations; the real issue is whether or not the world community, and especially the United States, is willing to make the commitment to learn the truth about Mr. Waldheim's history and, upon learning the truth, to take those steps to ensure that justice is served.

How soon we forget. Unfortunately, many people who pay lipservice to the needs of remembering the lessons of the Holocaust and Nazi war crimes now appear willing to sweep historical facts under the rug and allow the matter to die.

I commend the efforts of the Jewish community in taking the lead in order to learn the truth. However, this issue should concern not only the Jewish people; it should ignite the passions of all men and women who have been victimized by Nazi-like manifestations of racism and bigotry. If we choose to ignore the past of Kurt Waldheim, how soon will it be before we choose to ignore the plight of Soviet Jews in the present? Will we lay down the welcome mat for the likes of Pol Pot, responsible for the death of 2 million Cambodians?

It is very interesting to note recent findings disclosing that Kurt Waldheim may have played a major role in transporting Italian prisoners-of-war to labor camps near the end of World War II. Where is the Italian community in expressing its outrage?

I believe that the United States must take an active role in determining what really should be included in Kurt Waldheim's past, not just what he put on his resume. Congressman TED WEISS has introduced House Resolution 409, expressing the sense of the Congress that Attorney General Ed Meese should examine the evidence surrounding Waldheim's activities during the Second World War. The evidence will determine whether or not Waldheim should be denied admission into the United States. I have cosponsored this resolution and urge my fellow Congressmen to join the effort and assist in its passage.

As the leader of the free world, and as a nation of high moral standing, it is not only our responsibility to learn the truth about Kurt Waldheim, it is our duty.

NORWALK-LA MIRADA UNIFIED SCHOOL DISTRICT HONORS EMPLOYEE DEDICATION

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. TORRES. Mr. Speaker, I ask my colleagues in the House to join me in recognizing the employees of the Norwalk-La Mirada Unified School District.

On May 20 the school district will honor their devotion at a special reception. Many of the employees being honored have given 30, 35, and 40 years of service to the students and people of the Norwalk-La Mirada School District.

These individuals set an important example for all of us. The welfare and future of our young are well cared for and safety secured by the dedication of these outstanding employees. It takes special people to take care

of and educate our Nation's students. I am proud that these fine people have chosen to work in my community for so many years.

Mr. Speaker, the Norwalk-La Mirada Unified School District is one of the finest school districts in the State of California. Its outstanding record is reflected by the loyalty of the people being honored today. I want to send my best wishes and call attention to the following individuals for adding something special to education.

Bruce B. Butler, assistant superintendent, business services; Thomas Cartwright, garage foreman, transportation department; Juanita B. Cirelli, teacher, Foster Road Elementary School; John F. Crippen, teacher, John Glenn HIgh School; Anna B. Kerr, teacher, Norwalk High School; Wallace G. Moore, teacher, La Pluma Elementary School; Gladys M. Sayers, teacher, Lampton Elementary School; Mattie C. Bagley, substitute teaching; Dorcas M. Baldwin, teacher, Morrison Elementary School; Joan R. Borkenhagen, teacher, Waite Elementary School; John E. Ciulik, Jr., teacher, La Pluma Elementary; Lyle L. Ferry, teacher, Norwalk High School; Lucy I. Iha, counselor, La Mirada High School; Geneva G. Kuafmes, teacher, Moffitt Elementary School; Jesses L. Kinder, teacher, Dolland Elementary School; Richard L. Laing, teacher, Norwalk High School; William D. Lantrip, teacher, Norwalk High School; William J. McMasters, Jr., teacher, La Mirada High School; Orval Rodgers, teacher, Norwalk Adult Center; Elizabeth M. Romero, teacher, Moffitt Elementary School; Keith E. Shattuck, director, categorical aid; Barbara L. Summers, secretary, educational support services; Jesse D. Taylor, director, transportation department.

JOSEPH V. GALATI HONORED

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. GEKAS. Mr. Speaker, I would like to bring to the attention of my colleagues in the U.S. Congress the distinguished honor being bestowed upon Mr. Joseph V. Galati of Harrisburg, PA, on Sunday, May 18, at a banquet hosted by District 9 of the Sons of Italy in America. He is being honored for demonstrating leadership in the Sons of Italy lodges throughout the State of Pennsylvania.

District 9 of the Sons of Italy in America consists of 15 lodges in central Pennsylvania. Beginning this year, the members decided to honor a statewide Sons of Italy member once every 4 years. The district unanimously selected Joe Galati to be the first recipient of this distinguished honor.

He has served the Sons of Italy lodges in several leadership capacities beginning in 1957 as the Lodge Orator at the local level. Throughout the years he has assumed many leadership positions at the State level and in 1983 he was appointed to the national arbitration commission.

Mr. Galati received his high school education from the Harrisburg area school system. He received his bachelor's degree in State and local government in 1954 from Penn State University. Continuing his education, he earned his master's degree in government administration from the University of Pennsylvania in 1968. He is currently employed at PennDOT, Bureau of Traffic Engineering, where he has headed the research and studies section in the bureau of traffic engineering.

Mr. Galati is well respected by his peers in his professional work and in his community. Mr. Speaker, there is no finer honor than to be recognized by one's peers. I would like to extend my congratulations to Joe Galati on receiving this most distinguished honor.

NORTHROP CORP.'S HIP PROGRAM CELEBRATES 15TH ANNIVERSARY

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. DYMALLY. Mr. Speaker, I want to take this opportunity to bring to the attention of the House a most successful partnership program between the public and private sectors for the benefit of our youth.

The program is called HIP, which stands for the High School Involvement Program. HIP is celebrating its 15th year of service to high school youth of the greater Los Angeles area. Over 2,500 young people have graduated from the program since 1971. HIP was developed and is sponsored by the Northrop Corp. and is conducted at Northrop's Aircraft Division main facility in Hawthorne, CA; which I am proud to represent.

The basic idea of HIP is that high school seniors are given the opportunity to gain real world work experience as part of their high school education, for which they earn credits. Northrop funds and administers the program and provides the instructors, their own employees who volunteer to work with these students, mostly one-on-one. The company benefits by gaining future employees who are already trained and acclimated to the working world. Since 1971, nearly 600 students have been hired immediately after graduation from HIP into summer jobs at Northrop, and about 10 percent of all HIP graduates have taken permanent jobs at the company.

In 1985, 248 students participated in the HIP program. Of these, 50 percent were black, 24 percent were Caucasian, 21 percent were Hispanic, and 5 percent were Asian. HIP also takes students from continuation schools who have been dismissed or have dropped out of regular high schools; last year, six continuation students graduated from HIP.

How does the program work? From February to May every day after lunch, about 250 HIP students are bused from their high schools to the big Northrop plant in Hawthorne where the F-5, the F-18 Navy fighter, and 747 structures for Boeing are built. At 1:30 work begins for 2 hours. During those 2 hours, students work—just like a company employee—at a job of their choosing from among 40 jobs classifications available to them. These jobs range widely and include office clerk, accounting clerk, fireman, graphic arts, engineering assistants, automotive mechanics, drafters, construction workers, mechanical drawing, computer operator, et cetera. The specific job assignment for each student is carefully chosen in an attempt to match the interests of the students to the career positions available. At 3:30 the students board their buses and return home.

At some point during the 16-week period, each student attends a 2-day job development workshop. The workshop stresses setting career goals, completing job applications, writing résumés, and completing a successful job interview. Mock job interviews are video taped so that individuals can evaluate their own performance first hand.

At the completion of the program, there is a graduation ceremony. Many parents say this is one of their proudest moments for their children.

The real benefit of HIP is to the students. They develop their own talents and skills in areas of their own interest. They choose an occupation they would like to pursue. They receive industrial work experience they can show on a job application. And they gain a more realistic view of the demands and responsibilities of the world of work.

Northrop conceived the idea of HIP in 1970 and began the first program in 1971, largely as an affirmative action program. The program is purely voluntary on Northrop's part. Students, school administrators, teachers, and parents are unanimous in their praise of the program—it does work. High school students learn the benefits of seeing a job done well, of acquiring a skill that is employable in the workplace, and the earning of self-esteem that is so often lacking in youth.

In 1980 the California Legislature passed a joint resolution honoring HIP. The resolution commends the program for "its exemplary display of concern for the youth of the area by providing them with an opportunity to learn entry-level business and industrial skills." HIP has just been nominated by the National Alliance of Business for a Presidential Award for Summer Jobs for Youth.

The success of the HIP program can be replicated elsewhere. Wherever there is a company which has a commitment to its community and a desire to perform a service that is truly meaningful to that community and to itself, I suggest that company emulate the fine spirit of volunteerism found at Northrop.

A TRIBUTE TO SOL BLATT

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. DERRICK. Mr. Speaker, I am deeply saddened to note the passing of one of South Carolina's greatest leaders. Speaker Emeritus Solomon Blatt, the country's longest serving State legislator, died this morning at the age of 91. He was my friend and mentor.

Born February 27, 1895, Blatt was the son of a poor Jewish immigrant who arrived in Charleston, SC. His father walked to Barnwell County, where he later became a merchant. Sol started working in his father's store, but later became interested in something which

would guide the rest of his life—the law. His interest in the law profession came after writing trial testimonies for a local magistrate. Blatt moved from the magistrate's courtroom to the University of South Carolina, where he graduated from law school in 1917. He became one of the State's most respected attorneys. "I plead guilty to being a pretty darn good country lawyer," said Blatt to a reporter in 1981. He maintained his ties with USC years after his graduation, serving on its board of trustees for 12 years.

His love for the law was shared with a love of politics. First elected to the South Carolina House of Representatives in 1933, he served as Speaker from 1937 to 1941 and again from 1951 to 1973, which earned him the nickname "Mr. Speaker." In 1973, he was named Speaker Emeritus and continued to serve the State. In fact, Sol roamed the statehouse in Columbia for more than a half century, overseeing all house activities.

I am thankful our paths crossed during my tenure as a State lawmaker. Sol honored me with an unprecedented appointment as a freshman to the Budget Conference Committee. Many years later, my interest in the budget process continues—thanks to Sol Blatt.

He shared with me both political and personal philosophy. Much of it was one and the same. He was a man of great dedication, great integrity, and great compassion. Last year, he said:

If I was going to pick out one thing that I am happy about, it is the fact that I tried my best to live the life of an honest legislator, trying to do something for the welfare of his people.

Even more recently, Sol said:

If I could say that I am satisfied with what I have done for my people, I'd die a happy man.

There can be no question that Sol Blatt died a happy man.

I mourn his passing, but will be eternally grateful for his tutelage. I am a better public servant because of it.

FLORIO RECOGNIZES WOMEN AGAINST RAPE FOR PUBLIC SERVICE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. FLORIO. Mr. Speaker, I would like to bring to the attention of my colleagues an outstanding group in my congressional district, Women Against Rape [WAR]. WAR is a nonprofit organization which, since 1973, has been assisting rape victims and their families through the provision of volunteer escort and counseling services. In addition, it performs a valuable public service as it has developed crime prevention programs with particular emphasis on rape prevention techniques; and disseminates information regarding these programs, along with guidelines for rape victims, to school and church groups, community organizations, and clubs.

Clearly, Mr. Speaker, any violent crime is tragic, but rape is one of the most difficult for the victim to overcome. Women Against Rape understands the special needs of rape victims. By encouraging and supporting private citizens and community organizations in their effort to reduce the violent crime rate and to educate the public, the work of WAR has become invaluable.

During the month of May, WAR is sponsoring "Rape Prevention Month," and has scheduled a month-long series of special programs and events designed to raise public awareness about rape, rape prevention, and the needs of rape victims.

Mr. Speaker, I am certain that my colleagues would want to join me in recognizing Women Against Rape on its many years of valuable service to rape victims and the south Jersey community, and in commending its members and staff on a job well done.

SALUTE TO BUN BRAY

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. WOLF. Mr. Speaker, I rise today to commend a man who is well known to many of our colleagues as an outspoken and effective spokesman for fair pay and benefits in the Federal work force through his work with the Federal Managers Association. I am speaking about Bun Bray, who recently retired as the executive director of the FMA.

Bun Bray's leadership was seen in so many areas pertaining to the civil service, and included the reform of the merit pay system created under the Civil Service Reform Act and calling attention to the current contracting-out process which is overtaking many agencies in the Federal Government.

He began his successful career with FMA after 30 years in the civil service including 4 years at the Department of Defense in the Office of Manpower Utilization and 3 years as special assistant to the Secretary of the Navy. He established the national FMA office in July 1972 and served as the association's executive director until his retirement this past December.

Many of us who are concerned about an effective and efficient civil service system often consulted with him for advice on how to better manage the Federal Government and increase efficiency and productivity. We also sought his able tutellage as we developed legislative initiatives affecting civil servants. He has always been an effective source with good insight on the Federal work force. We will miss his voice of reason and expertise as we continue to fight to protect the integrity of the civil service.

I commend Bun Bray for his significant contributions over the years, for his achievements with the Federal Managers Association and I thank him for being a loyal friend many years before I was elected to the U.S Congress. Bun, I wish you the best.

TRIBUTE TO LETHA ZUSPAN

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. COELHO. Mr. Speaker, on May 30, 1986, my hometown of Dos Palos, CA, will take the opportunity to honor one of its most valued citizens, Mrs. Letha Zuspan, for 30 years of distinguished service to her community. Mrs. Zuspan has long served the people of Dos Palos and deserves our praise and admiration.

Mrs. Letha Zuspan began her work for the city in 1957 when she was hired as a clerk. Since that time she has worked under five city administrators and two city managers. From clerk she was promoted to bookkeeper in April of 1969.

In 1964 she began work as secretary-treasurer for the Dos Palos District Chamber of Commerce and was instrumental in establishing the first county fair. She held this position until January of 1970.

With the assistance of the police department, Mrs. Zuspan organized a bicycle safety club from 1961 to 1964. She also organized the president's club and was secretary during its existence from June 1981 until December of 1983. From 1981 to 1983 she was the senior citizens information and referral director.

She is past president of the American Legion Auxiliary and remains active after 35 years of service. In 1967 she was honored for being an outstanding American by the auxiliary.

She has also worked as a member of the Dos Palos Seniors Club as well as the Los Banos Golden Agers. As a mother of two, she was a den mother, 4-H leader, girls softball coach, Sunday school teacher at the First Christian Church and member of the PTA. She is now involved with her grandchildren in scouting, 4-H, and swim club.

I am glad to join in with the people of Dos Palos in paying this richly deserved tribute to Letha Zuspan. Mrs. Zuspan is truly a selfless public servant and should serve as an example to all generations. Thanks to her efforts, life in Dos Palos is better for all of us.

TRIBUTE TO PAUL H. SMUCKER

HON. RALPH REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. REGULA. Mr. Speaker, I rise today to pay tribute to Mr. Paul H. Smucker. Mr. Smucker, the chairman and chief executive officer of the J.M. Smucker Co., recently received, along with Illinois Senator PAUL SIMON, the 14th Annual Charles E. Wilson Awards given by Religion in American Life, Inc. [RIAL].

RIAL is a national, nonprofit interreligious organization in which 52 national religious groups participate—Catholic, Jewish, Eastern Orthodox, Protestant and other Christian. The

group was founded in 1949 to promote moral and religious ethics in all aspects of American life.

The Charles E. Wilson Memorial Award is given annually to the business leader "whose actions demonstrate, on a national scale, devotion to religion, distinction in career and dedication to humanity," according to RIAL.

Paul Smucker, who lives and works in my congressional district, is an outstanding businessman who uses his religious ethics every day in his business and community activities. He started out when he was 13 in the company founded by his grandfather and worked his way through the organization until he began taking over the reins from his father in 1961. At that time, annual sales were $14.6 million. This year sales are expected to be over $270 million. Yet the ethic of old-fashioned quality his grandfather began has not changed, making Smucker's leader in the jelly and preserves business in America.

Paul Smucker is a director of the Grocery Manufacturers of America and the Kellogg Co. He was awarded an honorary doctor of laws degree from his alma mater Miami University of Ohio in 1979 and the Food Marketing Institute's William H. Albers Trade Relations Award in 1984.

Certainly, Paul Smucker of Orrville, OH—recipient of the Religion in American Life Award for 1986—was the type of man John W. Gardner had in mind when he said: "Some people strengthen the society just by being the kind of people they are."

THE SPECIAL OLYMPICS

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. DioGUARDI. Mr. Speaker, I rise today to pay tribute to some of our Nation's most honorable and dedicated athletes, the participants in the Special Olympics.

This Saturday, hundreds of physically and mentally disabled individuals will gather in Briarcliff, NY, to compete in the 14th Annual Westchester-Putnam Special Olympics.

Participation in Saturday's games will represent a momentous occasion for all of the competitors, culminating a year of determined training in preparation for events ranging from track and field to swimming. In addition, these games will serve as qualifiers for the New York State Special Olympics and the international games which will be held next summer at Notre Dame University.

In fact, the winner of an international gold medal in swimming, Rick Damman of Chappaqua, will begin his quest for another gold medal in Briarcliff. Rick may have an unfair advantage, however, he has been seen training with Rick Carey, medal winner at the 1984 Los Angeles Olympic games.

While we are all very proud of Rick's accomplishments, the best part of this Saturday is that you don't have to finish first to be a winner at these games; all of the athletes who compete in Briarcliff will have proven to the world that they deserve the distinction as champions.

I congratulate everyone who is responsible for making these games possible, including Jerry Peters, the executive director of the Westchester-Putnam Special Olympics. His spirited commitment and that of others is responsible for enriching so many lives. Finally, I wish the best of luck to Saturday's entrants. God bless you.

HONORING ANN ENGLEMAN: LITTLE LAKE CITY SCHOOL DISTRICT'S TEACHER OF THE YEAR

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. TORRES. Mr. Speaker, I ask my colleagues in the House to join me in honoring Little Lake City School District's Teacher of the Year, Ann Engleman. Today, May 14, has been declared "Day of the Teacher" by the board of education for the Little Lake School District.

Ms. Engleman will be honored today during a reception for teachers at the Santa Fe Springs Town Center Hall. Ms. Engleman has been selected because of her commitment to education and her outstanding work with students, parents, and the community. She teaches second grade at Cresson School. She has been at Cresson School for the past 5 years and been teaching for over 18 years.

Ms. Engleman received her degree from the State University of New York and teaching credentials from the California State University. Her philosophy of teaching is based on the belief that education should be an opportunity to provide positive experiences for all children.

Mr. Speaker, I commend the devotion and service Ms. Ann Engleman has given to the students of the Little Lake City School District. It is my honor and pleasure to recognize her extra efforts in achieving excellence in the classroom.

CHARLES EMMETT BROADFIELD RECOGNIZED

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. GEKAS. Mr. Speaker, I would like to bring to the attention of my colleagues in the U.S. Congress a man who has devoted his entire life to the service of our country—Lt. Col. (Retired) Charles Emmett Broadfield, Jr., of Susquehanna Township, PA. He is being honored at a testimonial dinner hosted by the Disabled American Veterans, chapter 50 on Saturday, May 17, 1986, as the outgoing commander of the Department of Pennsylvania, Disabled American Veterans.

He began his military career in 1956 as a second lieutenant in the Medical Service Corps through the college's ROTC program. He then served in positions of staff and command from detachment size units to group headquarters. He was last assigned as an Army advisor to the Pennsylvania National Guard units and the U.S. Army Reserve components in Pennsylvania. After 20 years of service with the military he retired and assumed a position with the State Council of Civil Defense, Commonwealth of Pennsylvania as a civil defense specialist.

Lieutenant Colonel Broadfield has also been very active within his community. He was elected to the school board of the Susquehanna Township School District. He is a member of the Susquehanna Employment Private Industry Council and Training Corp., and was appointed to the Susquehanna Township Planning Board. He also served on the board of trustees of the Dauphin County Library System in Harrisburg.

Mr. Speaker, I would like to commend Lt. Col. Charles Emmett Broadfield, Jr., for his commitment to excellence while serving as State commander of the Disabled American Veterans. He has truly enriched the lives of all who have been privileged to know him and work with him.

TRIBUTE TO LEONARD LONDON

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. TORRICELLI. Mr. Speaker, I rise today to honor Mr. Leonard London. On May 18, 1986, Mr. London will be honored with a testimonial dinner by the New Milford Jewish Center.

Mr. London has contributed countless hours in service to his community. Honoring him with this dinner is a most fitting way to recognizing the achievements of this warm, caring, and highly motivated and intelligent individual.

As a public servant, Lenny London has served in a variety of positions. He has had the honor of serving on the borough zoning board and the borough council, as well as on the auxiliary police force. In addition, Lenny has found the time to run the borough blood program for 5 years and to be elected post commander of the Jewish War Veterans.

Lenny has also contributed his many abilities to the Jewish Community of New Milford. He has been a member of the board of directors for several terms and has served as chairman of the centers' board of education and youth groups. Lenny has also had the honor of serving as president of the center.

The many achievements of Lenny London would fill several volumes. It is with great honor that I join with so many of Lenny's friends in honoring him with this testimonial dinner.

HOUSE CONCURRENT RESOLUTION 310

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. DAUB. Mr. Speaker, I rise in strong support of this resolution by the distinguished gentleman from Georgia.

Because of the primary in Nebraska yesterday, I was unable to be present for this vote. However, I am a cosponsor of House Concurrent Resolution 310 which urges the Farm Credit System to make forebearance, not foreclosure, its watchword.

Many farmers find themselves caught in an economic pincher whose origins lie in drought, embargo, plunging crop prices, high operating costs, declining land values and high interest rates.

When the farmer loses, there is a rippled effect throughout rural America. From the local merchants on main street to the more distant crop suppliers, the farm community suffers.

This resolution is designed as an inducement for the Farm Credit System to use forebearance under all possible circumstances and encourage restructure of debt for farm borrowers where feasible.

The legislation is a signal that the Congress wants to keep the farmer on the land, not in the lawyer's office. I join the overwhelming number of my colleagues in the House in support of this resolution.

HANDS REACH ACROSS AMERICA

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. STARK. Mr. Speaker, a human chain of 5.5 million people, literally Hands Across America, will connect our east coast to our west coast on Sunday, May 25, 1986. This chain will symbolize the united effort of many different Americans to take action on behalf of our country's hungry and homeless people.

Hands Across America's purpose is to raise money for our neediest people. It will remind us that the American dream is a remote reality for 35.5 million Americans who live below the poverty level. It will offer us a tangible way of expressing solidarity with others who desire to help our less fortunate neighbors.

Holding hands is a tender gesture of love and friendship. The people united by this gesture will comprise the broadest spectrum of America. People of different cultures, races, religions, and political persuasions will be connected. Each individual will be important.

The high visibility and popularity of the co-chairs was vital to lend credibility in undertaking such a monumental event. The expertise and associations of the planners was crucial to ensuring necessary publicity and well orchestrated organization. The early financial support and sponsorship of corporations provided the needed initial capital. But the event depends on the involvement of ordinary Americans to succeed.

Mr. Speaker, the American people are known for their compassion and generosity. I am confident they will respond to the call to participate in Hands Across America. I urge my colleagues to promote this event in any and every way they can.

RICHARD D. ECKBURG RETIRES

HON. JOHN G. ROWLAND

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. ROWLAND of Connecticut. Mr. Speaker, it has come to my attention today that one of the leading executives in the U.S. transportation industry and a resident of Connecticut, retired on May 2. Richard D. Eckburg retired from United Parcel Service after 32 years. He began his service with UPS as a driver in his home town of Amboy, IL, after serving in the Army during the Korean conflict. He rose through the ranks of United Parcel Service to become the vice president in charge of public affairs. Prior to receiving that assignment, he was the district manager for the State of Florida and for UPS's major operation in the Chicago area. Richard also served with distinction on the executive committee of the American Trucking Association.

In addition to performing his duties as the vice president of public affairs, Richard led the United Way efforts of UPS to record heights. On an individual basis, he and his wife Judy were benefactors of Little Friends, Inc., a local organization in Naperville, Il, that recently named their Community Residential Alternative Program building "The Eckburg Residential Center" in their honor.

Dick will be missed in Washington, but will be equally successful in his new business endeavors in the Savannah area.

IN APPRECIATION OF RUTH AND JOSEPH LOW

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. DE LUGO. Mr. Speaker, my district's year round beautiful weather makes it an appealing winter home for many. Two such winter residents are Ruth and Joseph Low. What makes Ruth and Joseph so special is that during their time in the Virgin Islands, St. John specifically, they truly become part of our islands and culture. Proof of their immersion and love for St. John is clear in their collaboration with one of St. John's greatest cultural historians, Lito Valls, in the production of "backtime," a book which captures the unique history, lifestyle and culture of St. John, through the quotes of early and present residents.

What greater compliment can the community of St. John have than to have people like the Lows who care enough about their part time home, that they help to create a book on the spirit and character of St. Johnians and the very special island of St. John.

TRIBUTE TO SID HARRINGTON

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 14, 1986

Mr. THOMAS of California. Mr. Speaker, my fellow Representatives, I ask you to join me in paying tribute to the retiring principal of the Antelope Valley Adult School in Lancaster, CA.

Friends and colleagues of Sid Harrington will be gathering to honor him on his retirement, which begins July 1, 1986.

Sid has served as principal of the school for 12 years. He received his bachelor of science degree and master's degree from California Polytechnic State University, in San Luis Obispo in June 1950. Before becoming principal of the Antelope Valley Adult School Sid was an agriculture teacher for Antelope Valley Union High School District. He then served as vice principal in the three district high schools for several years and as an administrative assistant for 2 years.

His experience as a teacher gave him special insight into the importance of a good relationship between teachers and administrators. The slogan of the Antelope Valley Adult School is "where everybody is somebody." And it's the dedication of people like Principal Harrington that makes this school a special place for adults seeking to enrich their lives by returning to the classroom.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, May 15, 1986, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 16

9:30 a.m.

Commerce, Science, and Transportation

To hold hearings on the nominations of Vice Admiral Paul A. Yost, Jr., to be

Commandant, U.S. Coast Guard, with the grade of admiral, and Rear Admiral James C. Irwin, to be Vice Commandant, U.S. Coast Guard, with the grade of vice admiral.
SR-253

10:00 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To hold oversight hearings on the government approved release of genetically-engineered organisms.
SD-406

10:15 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on proposed legislation authorizing funds for the Maritime Administration, Department of Transportation, and proposed legislation authorizing funds for the Federal Maritime Commission.
SR-253

MAY 20

9:00 a.m.
Energy and Natural Resources
To hold hearings on S. 1302, proposed Natural Gas Regulatory Reform Act of 1985, S. 1251, proposed Natural Gas Utilization Act of 1985, S. 2205, to eliminate certain restrictions on the use of natural gas and petroleum, S. 2285, to promote competition in the natural gas market, to ensure open access to transportation services, to encourage production of natural gas, to provide natural gas consumers with adequate supplies at reasonable prices and to eliminate demand restraints, and S. 834, to increase competition in the transportation of natural gas.
SD-366

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Labor, Health and Human Services, Education, and related agencies.
SD-116

Environment and Public Works
Transportation Subcommittee
To hold hearings on S. 2405, authorizing funds for fiscal years 1987-1990 for the Federal-aid highway program.
SD-406

Foreign Relations
To hold hearings to review the results of the Economic Summit and the implementation of the Baker plan designed to meet the global debt crisis.
SD-419

Judiciary
To hold hearings to examine the constitutionality of certain penalties imposed on individuals or companies which submit false claims to the government.
SD-226

Veterans' Affairs
To hold hearings on S. 2174, to require that non-Federal providers of hospital care and services receiving direct payment of Medicare funds for services to Medicare beneficiaries provide similar services to VA beneficiaries under similar VA payment policies, S. 2388, proposed VA Health-Care Programs Extension and Improvement Act of 1986, S. 2445, proposed Veterans' Health Care Programs Improvements Act of 1986, S. 2422, to increase the rates of disability compensation for disabled veterans, S. 2168, to improve veterans benefits for former prisoners of war, S. 2304, to extend the period of time during which veterans' readjustment appointments may be made, and S. 2423, and the provisions of S. 2186 and S. 2187, bills to exempt certain VA programs from any sequester order.
SR-418

10:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold hearings on committee amendments to S. 100 and S. 1999, bills to provide for a uniform product liability law.
SR-253

Governmental Affairs
Business meeting, to consider pending calendar business.
SD-342

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Indian Health Service, Department of Health and Human Services.
SD-192

MAY 21

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the U.S. Information Agency, and the National Endowment for Democracy.
S-146, Capitol

Judiciary
To resume hearings on S. 2160 and S. 2022, bills to clarify and improve the analysis of mergers under the antitrust laws.
SD-226

Judiciary
Patents, Copyrights and Trademarks Subcommittee
Business meeting, to mark up S. 1739, to legalize the home taping of copyrighted music and other audio material in exchange for a royalty on audio recording equipment.
SR-485

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on the nominations of Peter C. Myers, of Missouri, to be Deputy Secretary of Agriculture, and Christopher Hicks, of Maryland, to be General Counsel, Department of Agriculture.
SR-332

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold oversight hearings on strategies to reduce hunger in America.
SD-430

Select on Indian Affairs
To hold oversight hearings on certain issues resulting from a decision of the 10th Circuit Court of Appeals in the case of the Ute Indian Tribe v. the State of Utah.
SD-538

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

Labor and Human Resources
To hold hearings on the organ transplant task force report.
SD-430

JUNE 3

9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Energy and Natural Resources
To hold oversight hearings on the implementation of the Public Utility Regulatory Policies Act (P.L. 95-617).
SD-366

Finance
To hold hearings on S. 2331, to assure the quality of inpatient hospital services and post-hospital services furnished under the Medicare program, and related matters.
SD-215

10:00 a.m.
Environment and Public Works
To hold hearings on the expansion of the Old Post Office Pavilion in the District of Columbia.
SD-406

Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on statistical policy for an aging America.
SD-342

2:00 p.m.
*Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for fossil energy and clean coal technology.
SD-192

JUNE 4

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Commerce, Justice, and State, the Judiciary, and certain related agencies.
S-146, Capitol

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on S. 1935, to provide for certain vessels to be documented under the laws of the United States to entitle them to engage in domestic coastwise trade.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold oversight hearings to review the imposition of user fees in FDA approval procedures for new drugs.
SD-430

JUNE 5

9:30 a.m.
*Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 2256, to remove certain requirements relating to reservations of funds for special alternative instructional programs and transitional bilingual educational programs.
SD-430

10:00 a.m.
Energy and Natural Resources
To resume oversight hearings on the implementation of the Public Utility Regulatory Policies Act (P.L. 95-617).
SD-366

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the National Endowment for the Arts, and the Institute of Museum Services.
SD-192

JUNE 10

9:30 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings on ozone depletion, the greenhouse effect, and climate change.
SD-406

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of the Secretary and Office of the Solicitor, Department of the Interior.
SD-192

JUNE 11

9:30 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To continue oversight hearings on ozone depletion, the greenhouse effect, and climate change.
SD-406

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold hearings on efforts to improve the health status of children.
SD-430

JUNE 12

9:30 a.m.
*Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2204, to permit the use of park entrance, admission, and recreation use fees for the operation of the National Park System, and S. 2130, to preserve, protect and revitalize the National Park System.
SD-366

Select on Indian Affairs
To hold hearings on S. 830, to expand Indian education programs to include Native Hawaiians.
SR-485

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume joint oversight hearings with the House Committee on Education and Labor's Subcommittee on Elementary, Secondary and Vocational Education on illiteracy in America.
2175 Rayburn Building

JUNE 17

9:00 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on S. 1235 and S. 2291, bills to promote more effective and efficient nuclear licensing and regulation.
SD-406

9:30 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2055, to establish the Columbia Gorge National Scenic Area.
SD-366

10:00 a.m.
Labor and Human Resources
To resume hearings on S. 1804, to establish a program to provide development and incentive grants to States for enacting medical malpractice liability reforms.
SD-430

Select on Indian Affairs
To resume hearings on S. 902, to establish Federal standards for gaming activities on Indian lands.
SD-106

JUNE 18

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JUNE 25

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold hearings on the administration of the Mine Safety and Health Review Commission.
SD-430

JULY 17

9:30 a.m.
Finance
Social Security and Income Maintenance Programs Subcommittee
To hold joint hearings with the Committee on Labor and Human Resources' Subcommittee on Employment and Productivity on work and welfare issues.
SD-430

Labor and Human Resources
Employment and Productivity Subcommittee
To hold joint hearings with the Committee on Finance's Subcommittee on Social Security and Income Maintenance Programs on work and welfare issues.
SD-430

JULY 22

9:30 a.m.
Finance
Social Security and Income Maintenance Programs Subcommittee
To resume joint hearings with the Committee on Labor and Human Resources' Subcommittee on Employment and Productivity on work and welfare issues.
SD-430

Labor and Human Resources
Employment and Productivity Subcommittee
To resume joint hearings with the Committee on Finance's Subcommittee on Social Security and Income Maintenance Programs on work and welfare issues.
SD-430

JULY 29

10:00 a.m.
Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings to review the response for home health care services.
SD-430

JULY 30

10:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

AUGUST 13

10:00 a.m.
Labor and Human Resources
To hold hearings to review the private sector initiatives in human services.
SD-430

SEPTEMBER 10

10:00 a.m.
Labor and Human Resources
To hold hearings to review the human resources impact on drug research and space technology.
SD-430

SEPTEMBER 16

10:00 a.m.
Labor and Human Resources
To hold hearings on pending nominations.
SD-430

SEPTEMBER 24

10:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

CANCELLATIONS

MAY 15

1:00 p.m.
Judiciary
Security and Terrorism Subcommittee
To resume hearings in closed session to examine legal mechanisms to combat terrorism.
S-407, Capitol

MAY 16

9:30 a.m.
Judiciary
Immigration and Refugee Policy Subcommittee
To hold hearings to review the progress of this year's refugee resettlement program, and on the Administration's proposed regional refugee admissions level for fiscal year 1987.
SD-226

JUNE 12

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Hazardous Materials Transportation Act.
SR-253

SENATE—*Thursday, May 15, 1986*

(Legislative day of Monday, May 12, 1986)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

God of justice, truth and compassion, many voices are heard on Capitol Hill—sometimes they come in torrents, sometimes sporadically—some are loud and demanding—others speak softly and humbly. Many, whose rights are most often neglected, are voiceless.

Midst all the jumble and jangle, help us to hear the "still small voice" of the spirit of God. Grant, Righteous Lord, that voices will not prevail simply because they are noisy or impressive or authoritarian or because they speak only for selfish interests. Grant that the voices of truth and justice and love may prevail. And help us, Lord, to be aware of the voiceless, who have no advocate. May we remember that we will most likely hear them: the oppressed, the poor, the forgotten and forsaken, if we listen to the voice of God. In the name of Him Who was compassion incarnate. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator DOLE is recognized.

Mr. DOLE. Mr. President, I thank the distinguished Presiding Officer, Senator THURMOND.

SCHEDULE

Mr. DOLE. Mr. President, first I would indicate that under the standing order the leaders have 10 minutes each, followed by special orders in favor of Senators BYRD, HAWKINS, CRANSTON, COHEN, PROXMIRE, PRESSLER, GORE, MCCONNELL, and BIDEN for not to exceed 5 minutes each.

Following routine morning business, which will expire at 11 o'clock, we will then turn to the Uniformed Services Retirement Reduction Act, S. 2395, and following that we will turn to S. 2180, the Federal Fire Prevention and Control Act. I advise my colleagues that votes can be expected throughout the day and perhaps into the evening. As we stated yesterday, we will not be in session on Friday. On Monday, if there are rollcall votes, they will not occur before 3 p.m.

FINANCIAL ASSISTANCE TO FARM BORROWERS

Mr. DOLE. Mr. President, yesterday I introduced a concurrent resolution calling on member institutions of the Cooperative Farm Credit Institution to take all possible steps to continue to provide financial assistance to their farm borrowers, many of whom are facing severe financial difficulties. The resolution also asks the Farm Credit Administration to exercise forbearance in its regulatory policies, similar to the approach announced several weeks ago by Federal regulators for commercial agricultural lenders. I point out that I have been joined in this effort by 60 of our 100 colleagues, and I think many more will cosponsor the resolution. Democrats and Republicans are cosponsors. It is bipartisan.

I have attempted for several weeks to obtain unanimous consent to consider this resolution, but there has been an objection. It is being discussed this morning in the Senate Agriculture Committee. In fact, I have had a brief visit with the distinguished Senator from Iowa [Mr. HARKIN], who has had a hold on the resolution or objected to bringing it up. He has indicated that if Mr. Naylor, one of the nominees being considered this morning in the Agriculture Committee, indicates that it will serve some purpose, he might be willing to join us in passing this resolution.

I understand that, in its present form, this resolution is acceptable to the administration. In addition, I intend to ask nominees to the Farm Credit Administration Board to endorse these provisions.

Yesterday the House voted 407 to 0 on a nonbinding resolution urging the Farm Credit System to restructure problem loans where possible, rather than foreclose. So, it seems to me, there is widespread concern that Congress express its view to the Farm Credit System, and that we should do so soon. I hope that whatever problems Senators on the other side of the aisle might have with my resolution could be discussed, so that the Senate might act expeditiously on the measure.

My resolution is straightforward. It expresses the sense of Congress that Farm Credit System institutions should take specific actions to help their farm borrowers through the current period of high indebtedness and tight cash-flow. Among these actions would be participation in Farmers Home and other Government guarantee programs to provide credit to farmers who will otherwise not qualify for operating loans for planting 1986 crops; staying with a borrower as long as there is a reasonable possibility of the farmer working out of financial difficulties; using loan restructuring programs that provide for adjustment in principal and interest payments to enable borrowers to service their obligations; restructuring and making concessionary adjustments on loans if the cost of doing so to the institution is less than the cost of foreclosing, and there is no reasonable alternative course of action; and assuring that eligible borrowers and family members of defaulting borrowers have the opportunity to bid on property subject to foreclosure; and, we ask that these policies be administered while recognizing the need to follow sound credit practices that protect the interest of shareholders and maintain the sound reputation of Farm Credit System securities in the financial markets.

Finally, this resolution calls on the Farm Credit Administration to adopt flexibility in its regulatory policies, similar to the agreement announced by the other Federal regulators in dealing with commercial agricultural banks. An increased but still responsible level of forbearance is vital if member institutions of the Farm Credit System are to stay with their borrowers.

I hope and trust that both the Farm Credit System and the Farm Credit Administration would use the provisions of this resolution as guidelines for helping farmer/borrowers out of their current problems.

So there are a number of features that I think will be very helpful. I would like to pass the resolution, if not today, certainly next week.

NO VISA FOR ARAFAT

Mr. DOLE. Mr. President, there is some rumor around that PLO leader Arafat may be coming to the United States to visit the United Nations on June 6. It disturbs me that we seem to keep the door open for people like Arafat to come and spread their poison either at the United Nations or anywhere in the United States. His and the PLO record on terrorism, I think in the view of most Americans,

is rather clear cut. They have been active participants. I believe it is an insult to Americans who have been the victims of terrorism around the world that we have to sit back and listen to people like Mr. Arafat, especially in a forum like the United Nations, which is supposed to be dedicated to civilized behavior. I have asked my staff to look into the legalities of the visa situation, whether or not there is any way to prevent the issuance of a visa to Mr. Arafat, and I expect to say more on that either later this week or early next week.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. SYMMS). Under the previous order, the Democratic leader is recognized. The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the Chair.

AGENDA

Mr. BYRD. Mr. President, before the distinguished majority leader has to leave the floor, might I ask again for the record what the outlook is for today as to rollcall votes—it was the understanding on yesterday that there could not be any session on Friday—and if the distinguished majority leader could indicate what might be the outlook for Monday at this point. If today is the last day of session this week, our colleagues on both sides—I know my colleagues on this side—would very much appreciate the majority leader's outlook for today and Monday and beyond if possible at this time.

Mr. DOLE. In response to the distinguished minority leader, we will not be in session tomorrow. I do expect votes today. I am advised by the chairman of the Armed Services Committee there could be two or three votes on the so-called retirement bill. There could be a vote or two on the bill that follows that which deals with daylight saving time. But if we do not complete that at some reasonable hour this evening, we will just carry that over until Monday. I do not expect a late session this evening. Hopefully we could conclude by 6 o'clock or shortly thereafter because the bill that will be pending is not that urgent. We would resume consideration of that bill on Monday unless the supplemental appropriations bill is available. I will try to determine that from the distinguished chairman, Mr. HATFIELD.

If there should be rollcall votes ordered on Monday, they would not occur until after 3 p.m., and we will stick by the rule of no votes after 6 p.m. on Monday.

On Tuesday and Wednesday, I assume, we will be tied up with the supplemental appropriations bill.

As previously announced, we will adjourn for the Memorial Day recess the evening of the 21st, Wednesday.

We have had a discussion, and it might be well to announce that when we return on the 2d of June, we will convene at 2 p.m. I think that will satisfy the concerns on both sides and will enable Members to be here at that time.

□ 1010

Mr. BYRD. Mr. President, I thank the majority leader for his clear enunciation of the program for today and with respect there being no session on tomorrow, and his clear statement with respect to Monday, Tuesday, and Wednesday, as well as the emphasis that the major bill before the Senate will be the supplemental appropriations bill, before the Senate goes on the Memorial Day recess.

I thank the majority leader.

Mr. DOLE. I think we have made it clear that initially we had been scheduled to return on the 29th and be here on the 29th and 30th. But we decided that that would not be the good use of our time, so we will not be in session on the 29th and 30th of May.

Mr. BYRD. I thank the majority leader. I agree with him that it would not be a good use of the time.

MEDICARE HEARINGS

Mr. BYRD. Mr. President, I would like to remark on a subject dear to my heart and crucial to the well-being of millions of elderly Americans. I speak of the Medicare Program.

On June 3, 1986, the Senate Finance Committee will conduct hearings on the Medicare Program's prospective payment system. According to the committee's chairman, Senator PACKWOOD, the hearings will examine allegations that Medicare's prospective payment system is resulting in premature hospital discharges and a growing unavailability of appropriate posthospital services such as home health care and skilled nursing facilities.

I am pleased that such hearings are being conducted, because I share the committee's concerns. If Medicare's prospective payment system is adversely affecting the health and well-being of America's elderly citizens, then Congress must devise the remedies necessary to ensure continuation of quality health care for the 28 million elderly citizens served by Medicare.

Many of my distinguished colleagues will remember that before Congress enacted Medicare in 1965, many of our elderly citizens did not receive proper health care. They often did not go to a doctor, either because they could not find one nearby, or because they could not afford the cost of a physician's services. For example, in 1958, 52 percent of Americans who were 65 years of age or older did not see a physician—not even one time that year.

Medicare changed all that. Now, almost 80 percent of the elderly see a physician at least once a year and over 93 pecent of our elder citizens have some regular source of medical care. And most receive this care not in hospital emergency rooms, but in the offices of private doctors and comprehensive medical clinics.

Medicare has brought our elderly citizens into the mainstream of American health care. Medicare has eliminated the most shameful differences in the quality of health services available to those elderly who are poor and not so poor.

This success of Medicare was guided by a special vision of Congress. When Congress first authorized Medicare, it made some very difficult decisions and demonstrated some very strong commitments. For example, Congress decided that all of our elderly citizens should receive uniformly high quality health care. As a means of guaranteeing this, Congress required all hospitals and other health care facilities participating in the Medicare Program to adopt nondiscriminatory admission policies.

In addition, Congress was determined that its bold vision of a first class, fully accessible health care system would not be undermined by skeptical providers of health services. So Congress worked with these providers and brilliantly fashioned a piece of legislation that both institutionalized its vision and assured effective cooperative relations between the Medicare Program and the Nation's providers of health services.

Mr. President, Congress repeatedly has reaffirmed its commitment to a Medicare Program that works for our elderly citizens. Among other important adjustments we have made in the program since its inception, we have legislated program reforms that curtailed Medicare Program costs, increased the solvency of Medicare's trust funds, limited beneficiary premium expenses, and extended coverage to disabled persons and to health maintenance organizations.

As a result of such reforms, notable changes have occurred in Medicare's financing structure. For example, during the 20-year period from 1966 to 1986, the maximum annual worker's payroll contribution for Medicare's hospital insurance—that is, part A—increased over 2,200 percent, from $23.10 to $534.60. And enrollees' monthly premiums for Medicare's supplementary medical insurance—that is, part B—have increased over 415 percent, from $3 to $15.50.

But despite these reforms, there remains a significant difference between the rate of increase in Medicare expenditures and the rate of growth of

the Nation's aggregate taxable payroll. Per capita health costs for persons 65 years and older increased 525 percent during the 15 years between 1965 and 1980.

It has been repeatedly noted that Congress must develop proposals to ensure the financial solvency of Medicare. But these must be thoughtful, carefully crafted, comprehensive proposals that achieve the proper balance between costs and quality care. These proposals must maintain that kind of cooperative relationship between Government and health providers which is absolutely essential if Medicare is to work.

Mr. President, I believe the more disturbing aspects of the current Medicare Program illustrate the need for the careful investigation and review that is being undertaken by the Senate Finance Committee. I strongly support this effort.

We on the Democratic side of the aisle have repeatedly and unequivocally demonstrated our commitment to the fundamental purpose of the Medicare Program—to provide comprehensive, accessible, affordable, quality health care to our elderly citizens. I believe Democrats will demonstrate such commitment in the future, and I pledge my efforts to such ends.

I am sure that such efforts will receive bipartisan support, because this program affects people of all colors and races and all parties. I want to express my appreciation to the Finance Committee for the work it has done, is doing, and will continue to do with this extremely important program.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The minority leader has 5 minutes remaining of the leadership time, plus 5 minutes on a special order.

Mr. BYRD. Mr. President, I ask unanimous consent that I may reserve the remaining time under the leadership order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. As to the 5 minutes that I have remaining on a special order, I yield that to the distinguished minority whip for his use or for his yielding to any other Senator who may need such time.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR CRANSTON

The PRESIDING OFFICER. Under the previous order, the Senator from California [Mr. CRANSTON] is recognized for not to exceed 5 minutes, plus the 5 minutes that the minority leader had yielded to him.

HUMAN RIGHTS IN SRI LANKA

THE CASE OF RAMANUJAM MANIKKALINGAM

Mr. CRANSTON. Mr. President, Ramanujam Manikkalingam graduated last June from MIT with a bachelor's degree in physics. Because Ram was committed to using his scientific education in his homeland, Sri Lanka, he returned there last July.

On March 27, Ram Manikkalingam disappeared from his home in Colombo, Sri Lanka.

When he vanished from his house without his shoes or wallet, his family and friends feared the worst—that he has been taken into custody by the government. For weeks, the Sri Lankan security forces denied he was being detained.

After a month without word of his whereabouts, Sri Lankan officials finally admitted that Ram was taken into custody, allegedly on April 23. The authorities claim his arrest occurred on or about this same date, April 23, although Ram was last seen on March 27.

This is most significant, because Ram is alleged to have committed criminal acts on April 17, almost 3 weeks after his family believes he was taken by the security forces. When Ram's mother was finally allowed to see him on May 2, Ram confirmed that he had been in custody since March 28.

Although he has not yet been formally charged with any illegal activities, unconfirmed rumors report that he was arrested for a curfew violation. This type of treatment frequently occurs in Sri Lanka, according to numerous reports from human rights groups and individuals. Members of the Tamil minority in that country have suffered arbitrary arrests, arbitrary killings, torture, and long-term incommunicado detention for real or alleged separatist activities.

"Disappearances" were first reported in 1983, and particularly since 1984. Amnesty International has received an increasing number of reports that families of people reported to have been arrested by the security forces are unable to establish the detainees' whereabouts. In many cases, officials deny knowledge of the arrest or detention. Reports of these activities have sharply increased.

In its January 1986 report, the United Nations working group on enforced or involuntary disappearances stated that it had transmitted to the Sri Lankan Government 194 cases of enforced or involuntary disappearances.

Ram is, by all appearances, another such case. Ram was an active member of the ADP Fraternity—many of whose members have contacted my office in recent weeks to express their deep concern for Ram's welfare.

I have also received word from Ram's brother, Sudarshan, currently a student at Hampshire College, that Ram is scheduled to appear before a board this Friday, May 16, as a result of his mother's direct plea to the Sri Lankan Attorney General. This board has the power to release him.

Ram's many friends, relatives, and supporters in the United States are not trying to make a political issue out of his detention. They ask only that he be promptly charged and that, if he is not released, that he receive a fair and speedy trial.

I strongly urge Sri Lankan President Jayewardene and Attorney General Shiva Pasupathy to insure that Ram receives fair treatment on Friday and that if he is not released by the board tomorrow that he be formally charged and receive defense counsel.

If he is not released by the Minister of National Security on Friday, I urge President Jayewardene to see that Ram receives a prompt and fair trial, and receives full access to all necessary medical care in the interim.

□ 1020

RECOGNITION OF SENATOR COHEN

The PRESIDING OFFICER. Under the previous order, the Senator from Maine [Mr. COHEN] is recognized for not to exceed 5 minutes.

S. 2453—ENHANCEMENT OF CAPABILITIES TO COMBAT TERRORISM

Mr. COHEN. Mr. President, I rise today to introduce S. 2453, a bill to enhance the ability of the United States to combat terrorism and other forms of unconventional warfare.

A new form of warfare has emerged in recent years, a form of warfare that we have not properly understood, and that we have not effectively deterred. This war has not been openly declared, but is being waged across the globe. It takes the form of terrorist attacks and guerrilla insurgencies.

In both cases, the objectives and modes of operation are similar. Terrorists and guerrillas, both operating from sanctuaries, seek to attract media attention, to instill fear, to undermine the stability and prosperity of target governments, and in some cases to drive a wedge between the United States and its allies.

The dimensions of this problem are clear, as is the threat to U.S. interests. Currently, over 40 nations and 4 million people are engaged in some form of armed conflict. In our own hemisphere, there are nine active insurgencies, in addition to serious problems created by drug-traffickers and other armed subversive groups.

International terrorism has now reached epidemic proportions. In 1968, the year that statistics on terrorism

were first compiled, there were 20 fatalities worldwide attributed to terrorism. Last year, there were over 900 deaths resulting from terrorism. At the same time, guerrilla forces, often actively nurtured and supported by the Soviet Union and client states, continue to undermine stability in various parts of the world. While the threat to U.S. interests from a single insurgent movement or terrorist incident may be small, the cumulative impact of these assaults is potentially devastating.

This situation has highlighted a relatively new term in the lexicon of war: "Low-intensity conflict." Such conflicts—irregular battles and attacks perpetrated by irregular armies and individuals—are a lethal product of a world in which ideas and beliefs are pushed on the world's consciousness by grisly acts of violence.

Hence, while the United States must remain well-prepared to deter nuclear and conventional warfare, the day-to-day challenge for the foreseeable future seems destined to fall in that gray area between millenial peace and all-out war. This places a premium on our ability to conduct "special operations"—missions carried out through forces which must be specially trained and equipped to engage in this new type of conflict.

The task is difficult but by no means impossible. Israeli successes in special operations are legendary. The British, too, have had marked success in this area. They have defeated Communist insurgencies in Malaya and Oman. They stormed the Iranian Embassy in a counterterrorist operation in 1980, killing all of the terrorists involved without the loss of life to any of their military personnel or civilian hostages. The British also demonstrated the value of special forces during the Falkland Island campaign, destroying Argentinian aircraft on the runway at Pebble Beach, capturing the South Georgia Islands, and operating behind Argentinian lines, gathering intelligence and harassing and demoralizing the Argentinian defenders. Despite the intensity and duration of the Falkland Islands conflict, British special forces suffered only one loss to enemy fire.

The United States, by contrast, for all its resources, has suffered repeated setbacks. During the mission to rescue the U.S. merchant vessel *Mayaquez* from Cambodia, we lost more men than we saved. The Iranian hostage rescue mission ended in confusion and disaster. In the Granada operations, which pitted overwhelming U.S. forces against a tiny island nation, disturbing questions have been raised by the unexpected difficulty of our victory, including the failure of some of our special forces to achieve their objectives.

I do not believe that this record is attributable to persistant bad luck or an inadequate caliber of men in the armed services. In my view, we have not been effectively organized to fight the most likely battles of the present or the future.

U.S. special forces are scattered among the armed services, underfunded, and misunderstood. There are serious problems in the way we are organized to conduct the planning of special operations and provide the necessary personnel and equipment. The United States also lacks the necessary coordination among different Government organizations to implement a coherent strategy for combating unconventional warfare.

In short, we are not well organized for unconventional conflicts—and it shows.

The legislation I am introducing today will not solve all these ills. We must, however, go to the root of the problem and revamp the organization on which our special forces are built. We must also address problems in the coordination of our military, political, and economic efforts.

The bill would establish a joint military organization for special forces, create a structure within the National Security Council to coordinate planning for low-intensity conflict, and establish an office in the Defense Department, headed by a high-level official, to ensure that funding needs and policy considerations related to low-intensity warfare are factored into United States planning.

The need for greater integration of U.S. special forces is evident from historical experience. As retired Army Maj. Gen. John K. Singlaub noted about the ill-fated mission in Iran, "We tried to bring disparate units from all over the Armed Forces, from all over the world—and then put them into an ad hoc arrangement to do a very complicated plan." Under these circumstances it is not surprising that the mission failed. Six years later, we still do not have an adequate combined special forces capability.

In 1984, a Joint Special Operations Agency [JSOA] was created to provide greater coordination. However, it only "advises" the Joint Chiefs of Staff. As such, it does not have the authority necessary to function effectively. The Army has established the Joint Special Operations Command, but this is essentially a single-service operation which cannot achieve the effective integration of different service elements.

The chief Pentagon official responsible for special operations, Noel Koch, has continually emphasized the inadequacy of the current organizational structure. In a recent interview, Mr. Koch noted, "We need to create something that doesn't depend on the mercy of the existing services . . . something that makes special operations function jointly."

Given the politically sensitive nature of special operations, we need a clear and uncluttered chain of command and control from the highest level. We also need forces that integrate personnel from each branch of service and which, when possible, are deployed close to potential areas of operation.

This legislation addresses these needs through the establishment of an organization with elements from each of the military services—a "unified command" in military parlance—to conduct counterterrorist operations and prepare special operations units for deployment near potential operating areas. I believe that such a structure would greatly improve the efficiency and effectiveness of U.S. special forces in a number of ways:

PLANNING

In the attempt to rescue U.S. prisoners of war at Son Tay, North Vietnam, and in the Iranian rescue mission, our Military Establishment formed commissions to produce plans and achieve interservice coordination. After months of planning, both missions failed. With a unified command for special operations, we would have a self-contained multiservice organization that could perform similar missions more quickly and efficiently. The missions would be planned and carried out by personnel with special operations backgrounds and training. In short, a unified command would bring operations and planning together under one roof.

INTELLIGENCE SUPPORT

A unified command would help ensure the receipt of timely intelligence—a serious problem at present. It could also help to facilitate the flow of information in the opposite direction, since intelligence collection is one of the principal tasks of special forces.

MORALE

Special operations are regarded as a virtually dead-end career path. Only last month, the Army bypassed all of its special forces personnel and selected an armor officer to head the Joint Special Operations Agency. The message seems to be clear—if you want to get ahead, don't serve in special forces. It is my hope that a unified command for special forces will increase promotion opportunities for special forces personnel and the desirability of serving in this demanding career field.

The successes of the Israeli Army in special operations, such as the Entebbe raid, are well known. What is less well known is that there is not a single general in the Israeli Army that has not served in special forces.

In addition to problems of command and control, U.S. special forces suffer from inconsistent and often inadequate funding.

The average age of our special operations aircraft for transporting troops and equipment to crisis areas is in

excess of 20 years, and the status of these aircraft is further degraded by the extraordinary stresses they are subjected to, including low-altitude flying and landings on unimproved runways. In January of this year, the Armed Services Committee received testimony that 6 years after the failed Iranian hostage rescue mission, the United States still does not have the capability to perform a similar mission. In fiscal year 1985, despite the guidance of the Pentagon's civilian leadership, the Military Airlift Command placed special forces airlift 59th on its list of priorities.

Inadequate funding for special forces is not a problem unique to the Air Force. As one special forces officer stated last year in an article in Military Review, the professional journal of the Army:

> The U.S. Army still does not regard guerrilla warfare, insurgency and counterinsurgency as unique and is unwilling to devote resources to our most likely form of involvement. The state of preparedness for this role is at its lowest state in 20 years.

This bill should help remedy the funding problems which have hampered our special forces capability by establishing an Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict. As a member of the Defense Resources Board, the new Assistant Secretary would be able to give special operations forces the advocate they need in decisions affecting personnel and equipment.

In addition, under the provisions of the Defense Reorganization Act now before the Congress, the four-star general who commands the unified command for special forces would be reporting to a strengthened Chairman of the Joint Chiefs and his Vice Chairman, who would have greater responsibility for preparing the national strategy and budget.

These factors will not guarantee that special forces receive everything they want, but they will guarantee that special forces have their day in court.

The Vice President's Task Force on Combating Terrorism issued its report recently, calling for, among other things, a new National Security Council position to strengthen coordination of our national counterterrorism program. The legislation I am introducing today calls for the establishment of a Deputy Assistant to the President for National Security Affairs for Low-Intensity Conflict and a coordinating board for low-intensity conflict within the National Security Council. These initiatives, in my view, are necessary to ensure that counterterrorist and counterinsurgency operations are properly integrated into the overall framework of U.S. policy.

Mr. President, the Reagan administration deserves credit for its initiatives on special operations, including the recent increases in the number of troops, equipment, and dollars spent. Despite these efforts, however, serious problems remain.

As a member of the Senate Select Committee on Intelligence and the Senate Armed Services Committee, I have had ample opportunity to examine the threat to our country from unconventional warfare and our ability to respond to this threat. In my view, we are not adequately prepared to fight the most likely battles of the present or the future.

Simply increasing the funding that we devote to special operations and low-intensity conflict will not solve this problem. We must also take immediate steps to repair a flawed organizational structure that leaves special operations forces at the mercy of interservice rivalries and a military bureaucracy in which support for special operations runs counter to mainstream thought and careers. We also need to more effectively coordinate the efforts of the various civilian institutions which have roles to play in low-intensity conflict. I hope that my colleagues in Congress, the stewards of our national security in the administration, and the American people will support this effort.

Mr. President, I would like to say before yielding the floor to my colleague from Georgia that I have the privilege of serving on the Armed Services Committee and the Select Committee on Intelligence with the Senator from Georgia. I think we both share the view that this threat is increasing; that we are ill prepared to deal with it; that time has not been a factor in our favor; that we are no better prepared today than we were 6 years ago to carry out an Iranian rescue-type mission. Noel Koch, the man who has been assigned the responsibility for beefing up this capability, is reportedly prepared to resign. He made the statement not too long ago that our military bands are in a higher state of readiness than some of our special operations forces. That is not an exaggeration, and Mr. Koch would not make that statement without some basis in fact.

This may not be the most perfect form of legislation to accomplish our objective. We have just gone through a major reorganization of the entire Department of Defense. But no one is paying sufficient attention to this problem. And if it takes legislation—which may not be the best route to achieve it, since it should be done by the executive branch—I am prepared to push the legislation.

But it seems to me, Mr. President, that this problem is going to intensify, and we are going to have mounting casualties. And if we continue to experience confusion, and lack a coherent plan, then I think we will have abdicated our responsibility by our failure to take action.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2453

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONGRESSIONAL FINDINGS

The Congress finds—

(1) that the threat to the United States and its allies from unconventional warfare, including terrorism and insurgency, is increasing each year at an alarming rate;

(2) that although the United States must continue to maintain and improve its strategic and conventional forces in order to deter aggression and protect the security of both the United States and its allies, the use of force by the United States since the end of the Korean conflict has increasingly been in response to guerrilla insurgencies against allies of the United States and against terrorist attacks directed at the United States;

(3) that the use of armed force by the United States in the foreseeable future will most likely be in counterterrortist, counterinsurgency, and other unconventional operations;

(4) that the capabilities needed to respond to unconvential warfare are not those traditionally fostered by the Armed Forces of the United States;

(5) that the Department of Defense has placed an overwhelming emphasis on planning and preparation to fight a large scale war and, as a consequence, units assigned counterterrorist, counterinsurgency, and other special operations missions have not been adequately supported, particularly in airlift capability;

(6) that the Department of Defense has not given sufficient attention to the tactics, doctrines, and strategies associated with those combat missions most likely to be required of the Armed Forces of the United States in the future;

(7) that problems at command and control have repeatedly beset military forces of the United States engaged in counterterrorist and counterinsurgency operations and other low intensity conflicts;

(8) that such problems were evident during the Mayaguez incident, the Iranian hostage rescue mission, the Grenada operation, and the Beirut peacekeeping mission;

(9) that the establishment of a unified command for special operations would help to eliminate problems of command and control;

(10) that a unified command should be assigned responsibility for coordinating the planning of special operations and for the joint training of units whose principal missions involve counterterrorism, counterinsurgency, or other special operations;

(11) that a unified command should also exercise operational control over units whose principal missions involve special operations when such units are not assigned to other commands;

(12) that the establishment of a unified command for special operations will create promotional opportunities thereby removing a barrier which has deterred many officers in the past from pursuing careers in the field of special operations;

(13) that establishing a unified command for special operations will facilitate the exchange of information between special operations units and other commands and agencies of the United States;

(14) that a unified command for special operations will enhance civilian oversight of special operations and provide the Chairman of the Joint Chiefs of Staff and civilian authorities with a greater diversity of military advice and options;

(15) that the Secretary of Defense has placed increased emphasis on increasing the capabilities of the United States to respond to terrorism, insurgency, and other unconventional warfare threats, but while some progress has been made, the persistence of inadequate service support for units assigned counterterrorist, counterinsurgency, and related special operations missions further emphasizes the need for organizational reform;

(16) that the creation of an Assistant Secretary of Defense for Special Operations and Low Intensity Conflict and a unified command for special operations would greatly improve the effectiveness, funding levels, readiness, force structure, and command and control of special operations forces; and

(17) that greater coordination of policies with respect to unconventional warfare operations is greatly needed within the National Security Council.

SEC. 2. ESTABLISHMENT OF ASSISTANT SECRETARY OF DEFENSE FOR SPECIAL OPERATIONS AND LOW INTENSITY CONFLICT

Section 136(b) of title 10, United States Code, is amended by inserting at the end the following new paragraph:

"(7) One of the Assistant Secretaries shall be the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict. He shall have as his principal duty the overall supervision of special operations and low intensity conflict affairs of the Department of Defense.".

SEC. 3. REQUIREMENT FOR ESTABLISHING A UNIFIED COMMAND FOR SPECIAL OPERATIONS FORCES

Section 124(a) of title 10, United States Code, is amended—

(1) by striking out "and" at the end of clause (1);

(2) by striking out the period at the end of clause (2) and inserting in lieu thereof a semicolon and "and"; and

(3) by inserting after clause (2) the following new clause:

"(3) establish a unified command for special operations forces, unless the President determines such action is not in the national interest.".

SEC. 4. ESTABLISHMENT OF COORDINATING BOARD

Section 402 of the National Security Act of 1947 (50 U.S.C. 402) is amended by inserting at the end the following new subsection:

"(e) The Council shall establish within the Council a coordinating board to be known as the 'Board for Low Intensity Conflict'. The Board shall have as its principal duty the coordination of low intensity conflict policy for the United States.".

SEC. 5. SENSE OF THE CONGRESS REGARDING THE APPOINTMENT OF A DEPUTY ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS FOR LOW INTENSITY CONFLICT

It is the sense of the Congress that the President should establish within the Executive Office of the President the position of Deputy Assistant to the President for National Security Affairs for Low Intensity Conflict. It is further the sense of the Congress that the President should designate such Deputy Assistant as the chairman of the Board for Low Intensity Conflict established under section 402(e) of the National Security Act of 1947 (50 U.S.C. 402(e)), as added by section 4 of this Act.

Mr. COHEN. Mr. President, I yield the floor to my colleague, the Senator from Georgia.

Mr. NUNN. Mr. President, what time is remaining under the special order?

The PRESIDING OFFICER. The Senator from Maine has 2 minutes remaining.

Mr. NUNN. Mr. President, I rise to support the bill just introduced by Senator COHEN. I am pleased to be a cosponsor.

Mr. President, I will just take a very brief period of time. First, I wish to congratulate the Senator from Maine for putting his finger on a very serious problem. The question is often asked, Why is Congress micromanaging the operations of the Defense Department? The reason is because the executive branch is not managing it, and that is a regrettable statement of fact. Congress should be a board of directors. This legislation should not be necessary but, in fact, it is necessary because we have to get the attention of some people in the executive branch, particularly in the Department of Defense, and make them understand that the Congress of the United States knows that this problem is being neglected.

The Senator from Maine has done an outstanding job of bringing this to the attention of our body. We have just gone through a major reorganization bill. We delegated a broad amount of authority to the Secretary of Defense under that bill. There may be some details in this legislation that might contravene at least the philosophy of the reorganization bill, so we are going to have to proceed cautiously as we examine this legislation.

□ 1030

But the Senator from Maine is exactly correct in saying that we have a serious problem. We are not better equipped now than we were 6 years ago to carry out an Iranian hostage-type rescue mission, primarily in the transportation area. The Air Force has been, in my opinion, dragging its feet in terms of dealing with the problem of transportation of special operations forces. They are now beginning to do better at it. I am hopeful that this improvement will be something that is not just a short-term trend.

It is really regrettable that we cannot report to the American people that the situation is improved. But it has not. Last year I sponsored an amendment to deal with these problems, which was included in the authorization bill. This amendment was simple and direct. It requires the Secretary of Defense to certify that he is providing sufficient funds in the fiscal year 1987 5-year defense plan to meet his own guidance to the military departments so as to ensure that the special operation requirements of the war-fighting commanders in the field are met by 1991. We finally received that certification on April 1, 1986. It took a long time to get it because the fiscal year 1987 5-year defense plan submitted in February fails to meet the guidance of the Secretary of Defense. The problem here is not the Secretary of Defense's guidance. It is very clear the problem is that no one has carried out the guidance. The Secretary has not required it to be carried out. The services have not budgeted sufficient resources to meet the Secretary's guidance, and evidently the Secretary was not prepared to change the services' plans to see that it did.

That situation now appears to be changing somewhat. The Secretary has finally forced the services to comply with his own policy guidance in the 5-year defense plan. This is a positive step forward, and is long overdue.

On the negative side, however, I think we ought to note that the commitment to meet these requirements is still in the future because the certification calls for no changes in the pending budget request. In other words, all of the improvements that are going to be made in this particular area are going to be in the outyears, as we call it, after the fiscal year we are dealing with now. That will not take place until 1991.

I think it is a sad state of affairs when we have the kind of problem we had 6 years ago with transportation of special forces, and yet 6 years later, after spending billions and billions of dollars, we still cannot report to the American people that we are in better condition than we were then.

So I congratulate the Senator from Maine. I look forward to working with him on this in the Armed Services Committee. We are going to be in conference with the House on legislation in this overall area. I think it is important that he has taken this leadership step. I am proud to be a coauthor with him of this amendment.

Mr. President, Senator COHEN has accurately recounted the recent history of employment of our special operations forces and the problems we have experienced. Let me add some of my own thoughts.

In my view, the most likely use of force by the United States in the foreseeable future is by our special operations forces. The threat that we face from terrorism and other forms of low intensity conflict mean that we must be prepared to deter, and respond if necessary, with special operations forces. In some instances, we must be ready to respond in a matter of hours which puts an extreme premium on

operational readiness. In addition, democratic forces around the world are being challenged by insurgencies and we must have special operations forces that can assist in meeting that challenge.

Finally, our special operations forces must be prepared to play their vital role in a major war. Too frequently, Mr. President, we think of special operations forces only in their capacity to combat terrorism or to engage in counterinsurgency. We forget that they will perform extremely important missions to augment our conventional forces in a war. For example, special operations forces were the first American forces ashore in Grenada. In future such operations it is likely that they would perform a similar role.

Mr. President, this year the Committee on Armed Services held several hearings on the capabilities of our special operations forces. We learned about serious deficiencies in this area, both in terms of the readiness of those forces and the resource levels allocated to support them. We learned that our warfighting commanders in the field did not have the capabilities they needed. After one particularly alarming hearing Chairman GOLDWATER and I wrote to the Secretary of Defense.

Mr. President, I ask unanimous consent to have that letter printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit No. 1.)

Mr. NUNN. In that letter we stated:

> We are particularly concerned that six years after the tragedy at Desert One [the Iranian hostage rescue mission], we appear to have made few significant improvements in this essential capability.

This is a disgrace. After the massive commitment of defense resources over the past 5 years we are not as prepared as we should be to fight some of the most likely conflicts we face. Because many of the capabilities in this area are sensitive, I cannot go into the specific details of the very serious deficiencies.

The administration has maintained that revitalization of special operations forces is one of their most important policy objectives. On October 3, 1983, then Under Secretary of Defense Paul Thayer issued a memorandum directive to the military departments which outlined this key policy objective:

> U.S. national security requires the maintenance of Special Operations Forces (SOF) capable of conducting the full range of special operations on a worldwide basis, and the revitalization of those forces must be pursued as a matter of national urgency.

The memo went on to issue some specific policy directives. Two merit attention here.

> Necessary force structure expansion and enhancements in command and control, personnel policy, training, and equipment will be implemented as rapidly as possible and will be fully [emphasis in original] implemented not later than the end of Fiscal Year 1990.

And

> Each Service will assign SOF and related activities sufficient resource allocation priority and will establish appropriate intensive management mechanisms to ensure that these objectives are met.

Despite the clear and unequivocal direction, we know from our hearings and examination of the budgets that the services have not followed this guidance. The Secretary of Defense has failed to insist that the services follow his own guidance. And quite frankly, the stated goal of having the capability 10 years down the road isn't exactly what I call a high priority, especially considering the woeful lack of readiness in certain key assets that has existed in the past several years.

For these reasons, I sponsored an amendment to deal with these problems, which was included in last year's defense authorization bill. My amendment was simple and direct: it required the Secretary of Defense to certify that he has provided sufficient funds in the fiscal year 1987 5-year defense plan to meet his own guidance to the military departments so as to insure that the special operations requirements of the warfighting commanders in the field are met by 1991.

We finally received that certification on April 1, 1986. It took a long time to get it because the fiscal year 1987 5-year defense plan submitted in February fails to meet the Secretary's guidance, and evidently the Secretary was not prepared to change the service's plans to see that it did.

Fortunately, that situation has changed. The Secretary has finally forced the services to comply with his own policy guidance. The services have been directed to make major adjustments in their plans for special operations forces. This is a positive constructive step forward that is long overdue in my opinion. I do want to note, however, that the commitment to meet these requirements is still in the future, because the certification called for no changes in the pending budget request. All the increases are scheduled for future years and much of the capability still will not be in place in 1991. The challenge we now face is to insure that the services do not walk away from this latest directive.

The primary culprit in this sad story, unfortunately, is the Air Force, because the Air Force has the major procurement programs required to support the defense guidance. I state here that the Air Force, at least in the past, has failed to award priority to this key mission. The facts are compelling.

Special operations aircraft are among the oldest in the Air Force inventory. The average SOF aircraft is over 20 years old. This average will increase virtually year-for-year until the next decade.

The current readiness of the special operations aircraft is disappointing. The precise numbers are classified. But it is telling to note that by a very large margin, Air Force tactical fighter squadrons are consistently more combat ready than are special operations squadrons. These special operations squadrons are crucial to our counterterrorism capability and the low readiness state in this area is a shameful indictment of Air Force priorities.

During the past 4 years the Primary Special Operations Airlift Program has been the Combat Talon Program. The Combat Talon Aircraft is a modified C-130 transport, fitted with special systems designed to support long-range covert insertion and removal of special operations forces. During the past 4 years there have been eight program managers. The program has been repeatedly stretched out.

This is a very sad history of the Air Force's commitment to special operations forces. Let me say to my colleagues, that I chose the word "history" explicitly, because I believe the Air Force has come to realize the very serious nature of our requirement for special operations forces and has made recent changes to improve our capabilities.

I hope in coming months that we will start to see signs of improvement. Prior to March 1983, Air Force special operations elements were spread across several Air Force commands. This resulted in fragmented logistics support, a lack of long-range planning, no practical commonality between aircraft subsystems, and poor overall reliability and maintainability.

In March 1983, these elements were consolidated under the Military Airlift Command and efforts are underway to improve the situation. They established a new branch for special operations logistics at MAC headquarters. A large number of immediate quick fix programs have been or are being implemented. This is good news. But it is not enough.

MAC still consistently places other major new starts as a higher priority than its special operations forces and SOF modernization. Indeed, much of the SOF modernization plan remains unfunded in the Military Airlift Command's list of priorities.

Mr. President, at the core this represents a model case study of why we need to reorganize the Department of Defense. Senator COHEN recently wrote an excellent article in Armed Forces Journal International on the

state of our special operations forces. In that article he noted:

Special Operations Forces (SOF), as indicated by the U.S. experience during the Grenada and Iranian rescue missions, are one aspect of the defense establishment that is most assuredly broken and must be fixed.

It is evident that the ills which beset SOF are in part a microcosm of the ills that occasioned the overall Senate Armed Services committee staff report on defense organization. [T]he United States still lacks joint military institutions capable of effectively integrating the forces of the different Services in combined operations.

The services do not give very high priority to special operations forces because they do not consider them major missions and do not require massive resources. The service's are more interested in preparing to fight the next world war, not the current ongoing war against state sponsored terrorism. And despite the fact that the administration has placed special operations forces as one of the Nation's highest priorities, it has failed to insist that the service's follow that national guidance.

Because these are the forces we are most likely to employ in the near term, how they perform will have an impact on our national security far beyond the scope of any operation. Our entire Armed Forces—and hence our military capacity—will be judged on whether these forces succeed or fail. If they succeed, the perception of American forces as strong and highly competent will be reinforced. If they fail, the world will conclude—wrongly, in my view—that the United States is a big bungling giant that cannot conduct effective military operations. We cannot afford to leave the world with this perception and unless we improve our current abilities we run this risk.

After the Vietnam war, funding and support for special operations dropped dramatically. Units deteriorated, equipment was not replaced, officers were not promoted and morale sank to rock bottom. In the late 1970's, that began to change. The growing threat of terrorism began to shake us out of our lethargy. The tragic failure of special operations forces at Desert I in the Iranian hostage rescue mission was the most dramatic evidence of the serious shortcoming of our special operations forces.

In the wake of the failure of the Iranian rescue mission, first President Carter and then President Reagan, began to put increased emphasis on the reinvigoration of our special operations forces. The Joint Special Operations Agency was created in the office of the Joint Chiefs of Staff, and the Joint Special Operations Command was created at Fort Bragg. A number of memoranda and directions were written, and more money was provided.

However, this is not enough. We discovered in the operation in Grenada that the integration of special operations forces into combat operations conducted by regular units was not as smooth as it should be. We know from other examples that the command and control over these forces is not adequate. We know that readiness levels of key units has been spotty at best. Confusion often reigns, particularly in their relationship to the unified commanders in the field.

Senator COHEN has explained the purposes of this bill and I will not repeat them. However, let me say that I believe that the President should consider creation of a unified command for special operations forces. That is probably the most important step that he can take, particularly because the DOD reorganization bill recently passed by the Senate, gives increased authority to unified commanders.

I also support the other provisions in Senator COHEN's bill; namely, the creation of a senior official on the NSC staff, a coordinating body within the National Security Council, and the designation of an Assistant Secretary of Defense, all with responsibility for special operations and low intensity conflict. We do not need to create an additional Assistant Secretary of Defense position because the reorganization bill we just adopted provides for several Assistant Secretaries of Defense, but does not specify their titles in law. Thus, the Secretary of Defense has flexibility to designate one of those Assistant Secretary of Defense positions as the Assistant Secretary for Special Operations and Low Intensity Conflict.

I have some reservations about the wisdom of placing these, all of these requirements in law. As Members of the Senate know, the DOD reorganization bill recently enacted by the Senate seeks to give the President and the Secretary of Defense as much flexibility as possible in organizing the Department of Defense. In addition, we were very aware of the President's constitutional responsibilities as Commander in Chief. Therefore, the reorganization bill does not specify any unified or specified commands in law. Moreover, it does not specify any Assistant Secretaries of Defense except one, the Assistant Secretary for Reserve Affairs.

Notwithstanding these concerns, Mr. President, I continue to believe that Senator COHEN's bill deserves serious consideration by the Armed Services Committee. I believe the administration should move in the direction suggested by Senator COHEN's bill and that it should be the focus for debate on these important issues, both in the Congress and in the public.

[EXHIBIT No. 1]

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, January 29, 1986.

Hon. CASPAR WEINBERGER,
Secretary of Defense,
Washington, DC.

DEAR CAP: The condition of our Special Operations airlift assets continues to be a matter of considerable interest to our Committee. We are particularly concerned that six years after the tragedy at Desert One, we appear to have made few significant improvements in this essential capability.

It is discouraging to note that today we have exactly the same number of MC-130 Combat Talon aircraft (14) and AC-130 A/H gunships (10/10) as we had at the time of Desert One, and two fewer HH-53 Pave Low helicopters than we had in May, 1980 (7 today, compared with 9 in 1980).

The apparent failure of the Department of Defense to overcome existing shortfalls in a timely fashion raises serious questions regarding the Department's ability to establish priorities.

Section 152 of the Fiscal Year 1986 Defense Authorization act was passed in an effort to assist the Congress in performing our oversight responsibilities in this area. As you know, that provision requires the submission to Congress of a plan for meeting both the immediate and near-term airlift requirements for the Joint Special Operations Command (JSOC) and special operations forces of the Unified Commander-in-Chief. Section 152 also requires a certification that the funds needed to meet these airlift requirements are included in the Fiscal Year 1987 Five Year Defense Plan.

This airlift plan will be a critical element in our deliberations on the Fiscal Year 1987 Defense Authorization bill. We request that you take whatever steps are necessary to ensure its timely delivery.

With best wishes,

BARRY GOLDWATER,
Chairman.

SAM NUNN,
Ranking Minority Member.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 5 minutes.

WHY SECRETARY HICKS SHOULD BE FIRED

Mr. PROXMIRE. Mr. President, the biggest military and fiscal decision the Congress must make in the next few years is whether or not to proceed with the strategic defense initiative or star wars. This decision will hinge primarily on its technological feasibility. If it is realistic to expect American scientists to design a system that will largely protect this country from a Soviet nuclear attack, the Congress will proceed. If not, we will not. The central question is, How do the great majority of Members of the Congress who are not physicists and who have almost no scientific training or experience make this decision in which technology is crucial? Answer: We rely

heavily on the judgment of scientists who can speak their minds objectively and honestly. Our decision will be no better than the truth of the scientific advice we get.

Will Congress be able to rely on the scientific community to give us this truth? An article that appeared in the Washington Post by Fred Hiatt reports that it is going to be very hard for us as we make that decision to get the truth we must have.

Donald Hicks is the Under Secretary of Defense for Research and Engineering. Secretary Hicks has the central role in determining precisely who gets the billions of dollars in research money expended each year by the Department of Defense. For the coming year, that will total the astonishing sum of $44.4 billion. In fact, Secretary Hicks' defense research and development represents a mammoth one-third of all the research and development spending in the United States, public and private, for all purposes. No one speaks with anything even close to the force and power that Mr. Hicks can summon when he speaks to the American scientific community.

So, what has Mr. Hicks told the scientific community loudly and publicly? He has bluntly said that those who oppose the Reagan administration's military policies should not receive Federal grants for basic research from the Defense Department. Here is what Secretary of Defense for Research Hicks told Science magazine, and I quote directly:

> If they want to get out and use their roles as professors to make statements, that's fine, it's a free country. But freedom works both ways. They're free to keep their mouths shut * * * I'm also free not to give the money.

And, during Secretary Hicks' confirmation hearing last July, he told the Armed Services Committee he is "not particularly interested" in giving basic research funds to scientists who are "outspoken" critics of SDI or star wars.

Mr. President, what this means is, if a university or a corporation is employing a professor who speaks his mind and speaks out on star wars, that is it. There goes the contract. There goes $1 or $10 billion. Obviously, an awful lot of professors are going to be intimidated by this kind of treatment.

Mr. President, in this Senator's judgment Secretary Hicks should be fired forthwith. And I mean today. He should be fired for two reasons: First, Secretary Hicks is announcing that the billions of dollars in military research will not be awarded on the basis of merit or quality. Research contracts will be awarded on the basis of support for this administration's military position. This means that the quality of research—not simply in the star wars program but in all military programs will be less. It means that independent minded scientists who speak their minds freely on any military program can forget about contributing their genius to our national defense in any capacity at all.

Mr. President, one of the reasons why American technology leads Soviet technology in so many respects is because our scientists have been free to speak their minds whether they are right or wrong. Out of the debate and clash of expert opinion has come scientific advances including military advances far superior to the Soviet technology which is the product of Soviet scientists who keep their mouth shut when they disagree or lose their jobs.

Second, the Hicks policy is designed to shut the Congress and the American public out of an understanding of the objective, unbiased opinion of our best scientists. This policy will seriously handicap this Congress today. But that's only the beginning. As time goes on, it will get worse, much worse. Here's why: The administration is proposing an immense increase in research on star wars. Over the next few years this program alone is likely to absorb $25 billion and perhaps twice that much in research money alone. Money talks; $25 billion will shout. We can't do much about that. What we can and must do is to make sure that money does not, to use Secretary Hicks' words, shut up American scientists and keep them from giving both the Congress and the American public their expert views. Many Members of the Congress have feared that once the star wars program got under way the momentum of its huge spending would carry all before it, sweeping scientists and Members of the Congress along as they seek some of the billions of dollars for their State or their university or corporation. But Secretary Hicks has added a new and more menacing dimension. The money Congress appropriates for military research will not just talk in the usual way. It will be much worse. It will slap a "Do Not Open" gag over the mouths of those American scientists whose honest judgment Congress has a right and a duty to know.

Mr. President, I ask unanimous consent that the article to which I referred in the Washington Post be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 13, 1986]

OFFICIAL SEEKS LIKE MINDS IN "STAR WARS"

(By Fred Hiatt)

The Defense Department's research director has angered and worried some of the nation's top scientists by stating that researchers who oppose Reagan administration policies should not receive federal grants for basic research.

"If they want to get out and use their roles as professors to make statements, that's fine, it's a free county," Donald A. Hicks, under-secretary of defense for research and engineering, told Science magazine in a recent interview. But "freedom works both ways. They're free to keep their mouths shut. . . . I'm also free not to give the money."

Hicks' comments to Science echoed a position he presented to the Senate Armed Services Committee during his confirmation hearing in July. At that time, Hicks said he is "not particularly interested" in giving basic research funds to scientists who are "outspoken" critics of the administration's Strategic Defense Initiative (SDI), the controversial "Star Wars" program aimed at finding a defense against nuclear missiles.

Sidney Drell, a Stanford University physicist who is president of the American Physical Society, said basic science grants should be awarded on the basis of quality, not political views.

"I must say I was dismayed and I found it chilling to find the suggestion that political loyalty to Defense Department programs would be used as a criterion for support of basic research by the Department of Defense," Drell said. "After all, they control something above 72 percent of the federally supported research and development work in this country."

Philip Anderson, a Nobel Prize-winning physicist at Princeton University who is leading a scientists' campaign to shun SDI-related research, said he was "incredulous" at Hicks' statement.

"It's a form of thought control that is so far from what has ever been done in the research-granting area that it's hard to believe."

John M. Deutch, provost of the Massachusetts Institute of Technology and frequent contributor to Pentagon advisory panels, said he had a "very strong reaction" to Hicks' comments. Deutch said he has known and respected Hicks for many years, when Hicks was a Northrop Corp. executive.

"I do not understand the report in Science," Deutch said. "My expectation is that he will be a steward of federal funds without regard to the personal political views of any principal investigators."

In his interview with Science, Hicks said he "probably would not stand in the way" of awarding a grant to a critic whose work was vital to the Defense Department.

"I'm just saying that for someone who is not vital, who is showing that he is not really a supporter, I don't see why I should make his life easier," Hicks said. "He's made ours tougher".

Asked for comment yesterday, Hicks said through a spokesman that he was quoted accurately in Science, but that his statements represented a "hypothetical opinion" and not policy. Science reporter R. Jeffrey Smith said, however, that Hicks did not call his opinions "hypothetical" during their conversation and that in a more recent interview Hicks restated the view.

Robert L. Park, a University of Maryland physicist and spokesman for the physical society, said it is "ironic" that Hicks' comments were published April 25, the day of the Chernobyl nuclear power plant accident in the Soviet Union, which Parks called "a frightening reminder of the risks of suppressing expert debate over government policy."

THE MYTH OF THE DAY: IMMIGRATION TO AMERICA IS AT AN ALL-TIME HIGH

Mr. PROXMIRE. Mr. President, the myth of the day is that immigration to America is at an all-time high.

As you can see from this chart, there has been a significant increase in the last decade in the number of immigrants coming to our shores. Much of this increase is represented by the political asylum we have granted to refugees in that period as well as an increase in the number of legal immigrants. But the whopping increase we have faced in the number of illegal entrants to this country, sneaking across our borders, has been legitimate reason for concern.

But it is important to keep this recent increase in historical perspective and that is just what Courtenay Slater, a former senior economist with the Joint Economic Committee and now president of CEC Associates, has done in an article in the March issue of American Demographics magazine.

Instead of focusing on the last decade of this chart, Dr. Slater asks us to look at the entire period since 1920. While foreign-born residents comprise 7.5 percent of our population today that is far below the 8.8 percent they represented in 1940 or the 13 percent they represented in 1920.

While there is no question that we need to address the policy issues raised by the unprecedented rise in illegal immigration to this country, we need to take a hard, sober look at the available data before responding to the often emotional nature of this debate. Dr. Slater has examined the impact of immigration, both legal and illegal, on job opportunities in areas such as Los Angeles and has provided an important perspective to this debate.

I ask unanimous consent that her article be reprinted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DON'T KNOCK IMMIGRATION

The rise in the number of immigrants coming to the United States in recent years, especially illegal immigrants, is widely viewed as a national problem. But immigrants make up a smaller share of the population today than they did in 1940. The foreign born are about 7.5 percent of U.S. residents today, compared to 8.8 percent in 1940 and over 11 percent in 1930.

The proportion of the population born in another country reached its low around 1970, when only 4.7 percent of Americans were foreign born. The increase since then reflects the recent wave of new immigration—both legal and illegal. Although the total proportion of foreign born is well within the range of past experience, new immigrants' proportion of all foreign born is higher than it has been since early this century.

The new immigrants come primarily from Asia and Latin America, a marked shift from earlier periods when the majority of immigrants came from Europe. Of the 14 million residents identified as foreign born in the 1980 census, 5.4 million had entered the United States before 1960. Europeans accounted for well over half these long-time residents, while Asians made up only 6 percent, Mexicans 8 percent, and other Latin Americans just 5 percent. Among those who came to the U.S. between 1975 and 1980, however, Asians accounted for more than one-third, Mexicans for over 20 percent, and other Latin Americans for about 17 percent, while Europeans made up only 12 percent.

Though recent immigrants are from different parts of the world than earlier ones, they came to the United States for the same reasons as immigrants in the past—for economic and political freedom. Within the United States, they live where they think jobs are available and where others from their homeland are living. This results in geographic concentrations of immigrants. Of 2.2 million Mexican-born individuals counted in the 1980 census, 1.3 million were living in California, 498,000 in Texas, and 168,000 in Illinois. Sixty percent of Cubans were living in Florida, 78 percent of Dominicans and 54 percent of Jamaicans in New York State. One-third of Asian immigrants were living in California.

THE ILLEGALS

The Census Bureau estimates that slightly over 2 million illegals were counted by the 1980 census—one-half of whom were from Mexico. The results of several recent studies suggest that about 1 million illegals were not counted by the 1980 census, mostly recent arrivals, with over one-half of them from Mexico.

Illegal immigrants live in the same places as legal immigrants. About three-quarters of the illegals counted in the 1980 census were in 12 metropolitan areas and one nonmetropolitan area: Los Angeles-Long Beach, Anaheim-Santa Ana-Garden Grove, San Francisco-Oakland, San Diego, Riverside-San Bernadino-Ontario, and San Jose, California; Houston, Dallas-Fort Worth, and nonmetropolitan Texas; New York City, Chicago, Washington, D.C., and Miami.

Notably absent from this list are the Texas border cities, which do not have large numbers of permanent illegal residents. They do have large numbers who cross the border every day—legally and illegally—to work in the U.S.

Except for Chicago, all the areas with large illegal populations are found on the East and West Coasts and along the southern border of the United States. Elsewhere in the country, there are few areas with large numbers of illegals.

Most illegals are recent immigrants. Among all the foreign born counted by the 1980 Census, 60 percent had lived here ten years or more. Among illegals, only about one-fourth had been here that long and nearly one-half had been here less than five years. This high proportion of recent entrants among illegals reflects not only the increased numbers of illegals coming to the U.S. in the 1970s, but also the fact that many who came here years ago have since returned to their home countries.

Since 1980, the number of illegal residents has been growing by an estimated 100,000 to 300,000 a year, according to Census Bureau studies. If there were 3 million illegals living here in 1980 (2 million counted in the census and 1 million missed), the net increase since then would bring the total number of illegals in the U.S. today to between 3.5 and 4.5 million. While the exact number is uncertain, there is enough evidence from recent studies to say with confidence that the estimate of 3 to 5 million is closer to the true number than are the much larger numbers that often have been cited in the past.

Even at 3 to 5 million, the illegal population is large. But not that large in comparison to the 18 million foreign born in this country (including the illegals), or in comparison to the total U.S. population of 240 million. Since the foreign-born population, and especially the illegal population, is highly concentrated in a few metropolitan areas, the national problems created by the new immigrants may not be as staggering as is often alleged.

ECONOMIC IMPACT

One reason for the widespread concern over immigration is the belief that immigrants take jobs away from American workers. Immigrants, especially the illegals, are prepared to work hard for low wages. Employers thus find immigrant labor attractive, often preferring immigrants to native-born workers.

On the other hand, the availability of lower-cost labor may draw new industry to an area, creating jobs. In addition, immigrants are consumers as well as workers, and growing consumer markets means more jobs.

But do immigrants create more jobs than they take from native-born workers? While no definitive answer is available, recent studies by the Urban Institute suggest that immigration's impact is more positive than negative.

Among all the metropolitan areas in the nation, Los Angeles has the highest proportion of recent immigrants. Mexicans are the largest single group of foreign born in Los Angeles. There were 700,000 Mexican immigrants counted in the 1980 census in Los Angeles County, of whom 456,000, or 65 percent, had arrived since 1970. The average educational level of these recent Mexican immigrants is low; only 22 percent of those aged 25 and over had completed high school. Their knowledge of English is limited, with about two-thirds of adults speaking English poorly or not at all. If an influx of low-skill, low-wage immigrant workers displaces native-born workers, then the flow of Mexicans into Los Angeles must have cut into domestic employment, raising unemployment rates.

Yet the Urban Institute's researchers found "no evidence of an immigration-induced increase in unemployment in the Los Angeles metropolitan area." While the national unemployment rate was rising from 4.9 percent in 1970 to 7.1 percent in 1980, unemployment rates in Los Angeles fell. Labor force participation rates in Los Angeles exceed the national average, and black workers in Los Angeles upgraded their occupational status between 1970 and 1980.

Underlying the progress was an employment increase of 645,000 jobs, including a 113,000—or 14 percent—increase in manufacturing jobs. This compares with only a 5 percent growth in manufacturing employment nationally. Immigration did not prevent, and may well have spurred, employment growth in Los Angeles during the 1970s.

Urban Institute researchers also examined the relationship of Hispanic immigration to black unemployment rates in 247 metropolitan areas across the country. They found no evidence linking increased unemployment of native-born black workers to immigration.

What the researchers found, however, was that the flow of immigrants into Los Ange-

les occurred simultaneously with a reduced flow of low-wage workers to Los Angeles from other parts of the United States. The researchers do not know whether this was because immigrants were taking the low-wage jobs, or because Americans became less interested in moving to Los Angeles for some other reason.

The jury is still out on whether immigration reduces the national pool of job opportunities for low-wage workers. But because there is no evidence that recent Hispanic immigration has systematically led to black unemployment, and because the metropolitan area with the most immigration showed stronger than average employment growth and falling unemployment rates, the argument that immigration takes jobs away from native-born workers begins to look weak.

Some areas of the United States are characterized today by distressingly high unemployment, but other places have labor shortages—especially of less-skilled, low-wage labor. American companies continue to relocate manufacturing plants in countries where labor costs are lower. Perhaps it is time to stop seeing immigration only as a problem and to start asking how immigrants can help to meet our nation's need for workers.

RECOGNITION OF SENATOR PRESSLER

The PRESIDING OFFICER. Under a previous order, the Senator from South Dakota [Mr. PRESSLER], is recognized for not to exceed 5 minutes.

REPORT ON U.S. RELATIONS WITH THE SMALLER STATES OF EUROPE

Mr. PRESSLER. Mr. President, several months ago I initiated a study of the smaller states of Europe in my capacity as chairman of the European Affairs Subcommittee of the Senate Committee on Foreign Relations. The focus of this investigation was the U.S. relationship with these small states. I became interested in this issue over a year ago, when in January 1985 I visited two small states in South Asia: Bhutan and Nepal. At that time, I became concerned that these states were not receiving adequate attention in United States diplomatic relations, largely due to their small size and the presence of India as the major regional power.

□ 1040

I was also impressed by the 1984 report of our distinguished colleague, Senator PELL of Rhode Island, on the struggle of the small state of Sikkim to retain its cultural and political identity in the face of Indian power.

On the premise that many small European states could be important actors in European and international affairs, I decided to examine United States relations with the Principality of Andorra, the Republic of Cyprus, the Principality of Liechtenstein, the Grand Duchy of Luxembourg, the Republic of Malta, the Principality of Monaco, the Republic of San Marino, and the State of the Vatican City. Although Cyprus is larger, it was included in the analysis.

I wrote to the leadership of these states, and asked them each to respond to the following questions:

First. How would you characterize or evaluate the quality of your relations with the United States? Are there problems of which we should be aware?

Second. Would you please identify any areas in which you believe improvements would be desirable in these relations?

Third. Concerning treaties with the United States, do you have specific concerns, problems, or desires for possible changes?

Fourth. Would you be able to offer advice or recommendations on the enhancement of your relationship with the United States?

To date, I have received responses from His Royal Highness Prince Hans-Adam, the Hereditary Prince of Liechtenstein, and from Mr. Hans Brunhart, the Head of Government of Liechtenstein. His Royal Highness Prince Rainier has also responded, as has Mr. Giordano Bruno Reffi, the Secretary of State of San Marino. Prime Minister Karmenu Mifsud Bonnici of Malta sent his Executive Secretary to Washington, Mr. Maurice Abela, to discuss the Maltese response. I also personally visited San Marino in April to attend the ceremony observing the change of the two Captains Regent and to discuss United States relations with the San Marino Government. I also visited Monaco on that same trip, and personally discussed many issues with Prince Rainier. Mr. Spyros Kyprianou, the President of the Republic of Cyprus, also responded in writing.

Mr. President, I would like to briefly share the results of these communications. Hans-Adam, Hereditary Prince of Liechtenstein, responded in an extremely throughtful fashion. He indicated that Liechtenstein's relations with the United States are excellent, and that any small problems that have occurred in the past have been "quickly solved in a very informal way." Indeed, Prince Hans-Adam indicated that "considering the excellent relations between the two countries, we have difficulties in identifying any area where these relations could be further improved." He did suggest, however, that there is room for private initiative, and mentioned that Liechtenstein had arranged for the largest art exhibition ever to leave his nation. It was open to the public at the Metropolitan Museum in New York from October 1985 through the end of April 1986.

Prince Hans-Adam did make one request: an appeal for United States support should Liechtenstein decide to apply for membership in the United Nations. The Prince believes that Liechtenstein could support U.N. initiatives in favor of human rights, democracy, and free trade.

Liechtenstein's head of government, Hans Brunhart, concurred with the Prince's response. He emphasized that Liechtenstein's engagement in foreign policy is primarily concentrated on multilateral cooperation in Europe. Liechtenstein has a special interest in the Conference on Security and Cooperation in Europe [CSCE] and its followup conferences, where the United States and Liechtenstein have the opportunity to work together on human rights and other important issues.

During my conversations with Prince Rainier of Monaco, I found that he has strong views regarding the issue of small states and their relations with the United States. Prince Rainier emphasized that Monaco and the United States have longstanding ties of family, friendship, and commerce dating back to 1874. He indicated that Monaco's reputation as a "true friend of the United States can never be questioned," and that it has "cooperated intimately" with the United States, "especially when crucial votes are involved in an international meeting." Prince Rainer stated, however, that:

> Although I have been more than pleased to fully cooperate whenever a request for assistance is received from the Government of the United States, I am presently most concerned and disappointed to learn that the United States will no longer be represented in the Principality from Nice.

The Prince argued that the closing of the United States consulate at Nice would be a "false economy" that would inconvenience the 500 Americans who live in Nice as well as the 150,000 Americans who visit the Cote d'Azur annually. Prince Rainier indicated that as a Chief of State himself, he understands the need to conserve resources, but that he hopes that the United States is not "sending a signal of lessening of interests in this area of the world."

I also met with San Marino's Secretary of State for Foreign and Political Affairs, Hon. Giordano Bruno Reffi. Mr. Reffi wrote that relations between the United States and San Marino are long standing and very friendly. Mr. Reffi also argued that the smaller states of Europe are in a position—

> To offer a solid moral and idealistic contribution in the biggest of battles undertaken by the United States on the international scene.

Precisely because the very existence of small, neutral nations must be based on the ideal of peace, Mr. Reffi believes that these states must be sincere upholders of human rights and liberty. As a consequence, he feels that:

The larger nations might do well to call for the cooperation of the smaller at the international level, in pursuing those longed-for aims of establishing and maintaining peace, and creating internal regimes that fully respect the liberty and the rights of the individual.

Mr. Reffi cites the "long, useful, and fruitful activity" of smaller neutral and nonaligned states in the Conference on Security and Cooperation in Europe as indicative of the effectiveness of smaller European states in "playing mediative and conciliatory roles between opposing factions, both encouraging and creating the opportunity for dialog." It is in this context that San Marino is evaluating the possibility of joining the United Nations, and hopes for United States support.

Mr. Spyros Kyprianou, the President of the Republic of Cyprus, stated that United States-Cypriot relations are on a "very satisfactory level," with "common values of democracy, respect for human rights, a free enterprise system, freedom of the press, and independence of the judiciary * * *." Mr. Kyprianou also indicated his government's deep appreciation of United States aid to Cyprus. However, he also stated that the Turkish invasion took place with United States arms, and that the United States remains in a positive position to play "a decisive role in remedying the injustice done to Cyprus as a result of the 1974 illegal Turkish invasion * * *"

Mr. Karmenu Mifsud Bonnici, Prime Minister of Malta, sent his personal representative, Mr. Maurice Abela, to meet with me in Washington. We had a very fruitful discussion of Malta's role in the Mediterranean, its aspirations for greater involvement in European consultative bodies, and its desire to work for peace in the Mediterranean.

Mr. Chairman, now that I have briefly summarized the official responses from some of the European states that I contacted, I would like to report the results of my investigation of the role of small states.

WHAT IS A SMALL STATE?

For more than 30 years, analysts have wondered how the dozens of small states that have become independent since World War II affect the international system. Unfortunately, the effects of these states are sometimes easier to assess than their nature. In 1968, noted British historian Hedley Bull wondered "whether, however viable the small state might be in international politics, it really presents a viable subject of study."

It appears that "the" small state is as meaningless a category as "the" international system, which varies with time, its members, the type of threat, and differing power alignments. Thus, for the purposes of this analysis, I have focused on states with a population of less than 1 million, and with an area of less than 1,000 square miles—the larger area of Cyprus and Luxembourg are the only exceptions.

I found that the smallest states of Europe are atypical in comparison with the dozens of small states in Africa or Central America, or even those in Europe. For example, the smallest states of Europe can be contrasted with Holland or Denmark, which are definitely small, but which have more influence in determining international economic and political issues, and sometimes even military issues, such as the recent deployment of United States intermediate range missiles. Outside of Europe, high-visibility, high-leverage small states such as Israel, Taiwan, and Hong Kong exert great military, economic, and or diplomatic effects far beyond their size and indigenous capabilities. The smallest states of Europe do not have that sort of impact.

Nevertheless, life in these smallest states offers major compensations for a lack of major world political impact. Andorra, for example, has no prisons, no taxes, and has never gone to war. Liechtenstein has no army, and has no unemployed. Luxembourg's over 100 foreign banks have turned the capital, a medieval fortress, into a global financial center, and there have been no strikes since 1942, during the German occupation. San Marino is the world's smallest and oldest independent republic; it had its own constitution by the 10th century. Monaco's land mass is less than 2 square miles, yet it has a global tourist reputation and is one of the safest places on Earth. The Vatican City possesses only one citizen for life, the Pope; no one owns property there except the Pope, and no one pays taxes. In Malta, life expectancy is 73 years, and the largest employer is the nonpolluting firm of Wrangler Blue Jeans. These attributes sketch out the unusual nature of the smallest states of Europe.

The smallest states of Europe do not exhibit many of the characteristics of small states studied in the academic literature. For example, the international system is now sufficiently different from the pre-World War II period that the small states of Europe are no longer weak states at the mercy of great powers. Before and between the two World Wars, small European states pursued an illusory search for neutrality guarantees that were wiped out by German invasions and the policy of appeasement. Indeed, Luxembourg's foreign policy from 1867, when the Treaty of London was imposed upon it to end an alarming test of strength between Napoleon III and Bismarck, to 1945 was so oriented toward neutrality that the principle was institutionalized in its 1868 constitution.

HOW DO THESE SMALL STATES AFFECT THE INTERNATIONAL SYSTEM?

These states no longer are viewed as the "shoals" of the international system that might draw the unwary great power into a power vacuum born of their weakness and their inability to settle their differences. As noted above in the statements by leaders of these small states, their relations with the United States are excellent, but hardly intertwined. The main foreign policy focus of these smallest European states is their immediate region, and not international affairs in general. Indeed, these small European states are almost all pacific, on good terms with their neighbors, and some are only now beginning to consider joining the United Nations.

This is not to say, of course, that they cannot make important contributions to the international system. The vast changes of the past 50 years in war, technology, communications, industry, agriculture, population, mass education, and international organization have inevitably altered the means of political conflict and cooperation. The great political philosopher Raymond Aron has said that in contrast to 1919, the entire world now takes part in international politics, although the two superpowers have risen like Popocatepetl and Ixtaccihuatl above their surroundings. In this vastly altered setting, the smallest states of Europe have a worthwhile role to play.

The smallest states of Europe offer three types of international contributions that could set the tone for small states elsewhere in the world: Active involvement in international consultative bodies and human rights issues, and participation in cooperative defense arrangements. Despite its size, at least one state has enormous clout. The Vatican's unique status as leader to nearly a billion of the world's faithful offers it unusual opportunities for mediation and reconciliation, involvement with which even the most abusive totalitarian states must reckon.

The other states are also actively invovled, although on a smaller scale. For example, San Marino takes an active interest in CSCE and a variety of human rights issues, and the Principality of Monaco belongs to 12 international bodies, including Intelsat, the International Hydrographic Union, and UNESCO. Luxembourg, the second largest of these small states, abrogated the wavering and uncertainty of its 80-year old neutral status and approved the United Nations Charter without reservations. Similarly, it played an important role in developing a system of security based on mutual assistance, first through accession to the Brussels Treaty of 1948 and then the North Atlantic Treaty [NATO] the following year.

The rapid growth of international organizations has given even the smallest states both life and a voice on international affairs. Indeed, the new small states are close to a majority in the United Nations and each enjoys the rule of one nation-one vote (although there is weighted voting in the Security Council and some specialized agencies). Small states make up an important part of other key bodies, such as the Eighteen Nation Disarmament Committee that urges the smaller states to sign the Non-Proliferation Treaty. Half of the members of the European Economic Community, the largest economic bloc in the world, are clearly small, as are most of the European Free Trade Association members.

SUMMARY CONCLUSIONS

If the contributions of small states in general were as constructive as those of the smallest states on the European continent have been, then their net contribution to international politics would be substantial. Unfortunately, most small states often tend not to emulate their sister states in Europe, with their emphasis on pacific settlement, mutual security enhancement and defense, human rights, consultation, mediation, and diplomacy.

It is only through the vigorous pursuit of these qualities that the small states of Europe can safeguard their future. For if the past is any lesson, periods of impending war and war itself wreak havoc with small states. For ruthless larger powers, vulnerable small states standing alone have always seemed easier to defeat than woo. In this century, small states in Europe have been illegally seized by the Soviets, such as the three independent Balkan states; others like Poland and Yugoslavia saw 6 percent and 11 percent, respectively, of their populations killed in World War I alone. Others lost important territory and exchanged masters, but not the status of satellite, such as the Eastern European states.

The strength of an approach oriented toward pacific settlement, mutual security, and human rights has been an effective one for the smallest states of Europe. While there have been over 200 outbreaks of violence in the world since the end of World War II, largely a result of the proliferation of small states, and while there have been two major military invasions, the imposition of martial law, and great suffering behind the Iron Curtain, there has been no armed conflict on the Western European continent since World War II. Of course, the continuing division of the island of Cyprus remains unresolved while Turkish troops garrison the northern section of the republic. With the serious exception of Cyprus, it is in this relatively calm and prosperous environment that I hope our friends, the smallest states of Europe, will continue to thrive.

RECOGNITION OF SENATOR GORE

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee [Mr. GORE] is recognized for not to exceed 5 minutes.

STRATEGIC DEFENSE INITIATIVE

Mr. GORE. Mr. President, yesterday, in the second of this series of speeches on the strategic defense initiative, I began to explore that program's implications for arms control and vice versa. Today, I will continue upon that theme.

The fundamental purpose of arms control is to diminish the risk of war by limiting—through negotiations—two dangerous phenomena: "arms race instability" and "crisis instability."

Arms race instability exists when competition in the development and deployment of weapons intensifies to such an extent that it becomes a major source of political tension.

Such instability exists when the arms race gains momentum from a cycle of response and counterresponse, action and reaction. Arms race stability, by contrast, exists when the competition is slowed and provocative surges of development or deployment on either side are avoided.

Crisis instability is a tendency for imbalances in the military forces of either side, whether real or perceived, to become driving factors in the behavior of governments in the midst of political or military confrontation.

It exists when the relationship between the arsenals of the two superpowers confers a kind of first-strike advantage or a premium to the nation striking first to either of the superpowers. Crisis stability, by contrast, exists when neither superpower can gain even a hypothetical advantage from launching a first strike.

Although the language describing these two phenomena is technical and even academic, what it describes is human enough. In the nuclear age, arms control assumes that the greatest risk of war is by miscalculation, rather than design. Arms control further assumes that the major source of catastrophic miscalculation would have to be fear: fear powerful enough to drive governments into nuclear war.

Our Government fears circumstances in which some unintended vulnerability can be politically exploited by the Soviets, to the detriment of our vital interests. Beyond that by orders of magnitude, it is the fear that national survival itself might be upset should some critical form of vulnerability go undetected or unattended.

One of these fears is political, and the other is mortal, but they overlap in at least one major area. And that is our fear that the Soviet Union might acquire a first-strike capability. That is to say, an ability—be it only theoretical—to attack us so effectively as to physically block or psychologically inhibit our ability to retaliate.

It is precisely in this area—the fear of a first-strike capability—that the strategic defense initiative works most effectively against the objectives of arms control. Even if a perfect defense were possible, or a near-perfect defense, the construction of such a system is not an overnight affair, but a process that could take decades, particularly, if we put it up as a series of installments as is currently advocated.

□ 1050

During this time, each side must inevitably see the effectiveness of its own nuclear forces diminishing, while the effectiveness of the other side's forces is growing. Human nature dictates that result. When military planners consider how they might fare under attack, they inevitably will assume the worst performance for their defenses and the best for the opponents' offenses; and, if they contemplate launching an attack, then they will assume the best for the other side's defenses, and the worst for their own offensive forces.

The result is that even the mere prospect of defenses can feed a cycle of response and counterresponse contributing to both arms race and crisis instability. Moreover, if this is true for the President's long-term version of SDI, then it is bound to be much more vivid in the case of what I have been calling SDI II: The emerging program for a space-based defense of our ballistic missiles as a crash project for the 1990's.

How can there be any other expected and natural consequence than a double arms race, pitting offense against defense, as each side tries to preemptively compensate itself for the other's programs. Our Secretary of Defense makes it very clear that our response to Soviet defenses of this sort would be to expand our offensive forces on a crash basis. Why should it not be the same from Moscow's perspective?

After all, where nuclear weapons are concerned, capabilities matter far more than intentions. And I would amend that by saying that it is not only observed capabilities, but the fear of first-strike capabilities that matters most of all. Arms control exists to deal with that kind of fear. It must now, unfortunately, contend with the potential of the strategic defense initiative to make the fear of a first strike worse than ever.

Mr. President, I shall return to the arms control implications of SDI in another speech. Tomorrow, however, I plan to address its implications for our national security.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR HAWKINS' SPECIAL ORDER

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. GOLDWATER. Mr. President, today I shall read Senator HAWKINS' special order entitled "Mexico: A Sorry Tale of Drugs, Graft, and Corruption."

MEXICO: A SORRY TALE OF DRUGS, GRAFT, AND CORRUPTION

Mrs. HAWKINS. Mr. President, this week, Senator Helms, chairman of the Western Hemisphere Affairs Subcommittee of the Senate Foreign Relations Committee, has been conducting a series of hearings on U.S. relations with Mexico. He could not have chosen a more appropriate time to inquire about what is going on there. As he so aptly described the stiuation: "We see a condition of flight from Mexico. We see a flight of capital. We see a flight of workers. We see a flight of drugs." And Senator Helms observed: "These events are affecting the United States deeply. We cannot sit back passively."

Billions of dollars have fled Mexico in the last 3 years. Mexican citizens are making incredible investments in U.S. real estate and other ventures. They are buying big houses and expensive automobiles, and making large bank deposits in this country and Switzerland. The Mexican economy is in disarray. Unemployment is rising, exports are falling, and revenues from oil are tumbling, reflecting the decline in prices on the world market. With the drop in oil prices, Mexico is unable to keep up with interest payments on its foreign debt.

I completely agree with Senator Helms that "Mexico's socialized economy is exploiting the Mexican people" and that a way has to be found out of this chaos and if we can, we should help our neighbor. But the neighbor has certain responsibilities also and those responsibilities include the obligation to help itself and to help us.

The aspect of the Mexican problem that concerns me most is the flight of drugs. Narcotics trafficking spells degradation and misery in the consuming country. Its offspring in the producing country is corruption and breakdown of the social order. Senator Helms cited as an example of the violence that drug trafficking can lead to the peasant massacre last month in Oaxaca in southern Mexico. Some 500 drug traffickers massacred 80 peasants who were trying to recover the bodies of four compatriots who had been killed the day before for speaking out against drugs. Mindless, senseless violence engendered by the knowledge that the authorities would do nothing about it. They, too, are afraid unless of course they have been bought off. The month before, in March, drug traffickers killed 17 policemen in the same area.

Elliott Abrams, Assistant Secretary of State for Inter-American Affairs, testified that "the problem of drug-related corruption is a common occurrence in every drug producing, transiting or consuming nation . . . Like a cancer, the corruption induced by those in the drug traffic must be removed." Abrams warned that the hour is already late and the traffickers' influence in the Mexican Government may become so strong "it is hard or impossible to root it out."

Another witness at the hearings, David Westrate, Assistant Administrator of the Drug Enforcement Administration, said there has been some improvement in the Mexican program to spray herbicides on marijuana and opium poppy fields in recent weeks. But he emphasized that corruption makes it unlikely that "progress can be made in the short term" in investigations and prosecutions of Mexican drug trafficking.

Heavy guns were also fired at corruption in the Mexican Government and bureaucracy by U.S. Customs Commissioner William von Raab. Von Raab blasted what he termed "a massive and ingrained corruption in the Mexican law enforcement establishment . . . all the way up and down the ladder." Von Raab also sounded a warning: "Until it is corrected, we will never solve the problem."

How high corruption reaches is anybody's guess. It has already been noted that Miguel Felix Gallardo, a notorious trafficker wanted in connection with the murder of DEA agent Enrique Camarena last year, was a house guest at the ranch of the Governor of Sinoloa. There has been speculation that Gallardo has also been a guest of the Governor of Sonoro state. Customs Commissioner von Raab declined to confirm that, but he said that the Governor owns four ranches that are believed to grow marijuana and opium and these ranches are under the protection of the Federal Judicial Police. Asked about whether relatives of Mexican President Miguel de la Madrid are involved in drug trafficking, von Raab responded that he could not comment on that "at a public hearing."

This, Mr. President, is the sorry state of things in Mexico. It is sad, very sad indeed.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will be a period for the transaction of routine morning business not to extend beyond the hour of 11 a.m., with Senators permitted to speak therein for 5 minutes each.

NEW GI BILL

Mr. MURKOWSKI. Mr. President, I am taking this opportunity today to voice my strong opposition to the premature termination of the new GI bill. A proposal to end this educational program was contained in the President's fiscal year 1987 budget request for the Veterans' Administration.

The new GI bill was enacted on October 19, 1984, after long and arduous negotiations between House and Senate passed versions. The program is a 3-year pilot which began on July 1, 1985. My distinguished colleague and friend, SONNY MONTGOMERY, chairman of the House Veterans' Affairs Committee, was instrumental in the passage and enactment of this important piece of legislation. He recognized the importance that educational benefits would have on the recruitment of high quality youth into our Armed Forces, and more importantly, into critical skills, such as, combat arms. From his tenure and experience on both the Veterans' Affairs Committee and Armed Services Committee, he was well aware of the precipitous decline in the number of service age youth during the latter part of this decade and of the need to establish a program that would not only attract college bound youth to military service, but to ensure that they would complete their obligation of duty honorably. Pay and upfront bonuses alone would not accomplish these purposes. A properly designed educational program on the other hand could do so.

The new GI bill was enacted as a 3-year pilot program to see if this new approach would be a model worthy of adoption as a permanent program. Herein lies the key to my opposition to the termination of this program at this time. It is important that this test program be allowed to run its course. How else can we accurately determine if an educational program such as the new GI bill should continue?

There are those who opposed its creation from the start, and now wish to end the test in its very first year of implementation. The fact is, the conferees did work out a test program, albeit with much difficulty and I believe that a premature end to this test would violate the principles on which this agreement was hammered out.

The Veterans' Educational Assistance Program [VEAP] was the predecessor to the new GI bill. Unfortunately, VEAP encountered many problems and was generally considered to be a failure. The Army did not meet its recruiting objectives between 1977 and 1979 during the time VEAP was available. Many people believed that a more comprehensive education program would help with recruitment problems. A 1983 Army Research Institute Study found that 32 percent of category I and category II (highest level) recruits placed money for college as the most important reason for enlisting.

It became apparent that a replacement benefit was needed. Throughout our military history, educational programs have been an essential part of readjustment to civilian life. Since 1944, the Nation has provided its veterans with the means to obtain an education upon separation from active duty. In 1944, the original GI bill provided education benefits to the veterans of World War II and similar benefits followed for veterans of the cold

war period following Korea and the Vietnam era.

The General Accounting Office [GAO] reported in March of this year that:

First, Army statistics show a marked recruiting improvement as a result of this new program; second, the Military Service Program managers believe that a return to VEAP would have a negative impact on their ability to attract quality recruits; and third, participation in the new GI bill is already considerably higher than the VEAP Program it replaced.

Because the new GI bill was launched after much painful negotiation, it must be given a chance to run its 3-year course. I will oppose its early demise. I will also oppose changing the ground rules of the basic pilot program in midstream.

Once the test has been run and the results are in, it will then be appropriate to evaluate the GI bill's successes and failures and propose any modifications or enhancements if indicated by the report on the results of the pilot program.

In the meantime, I urge all my colleagues to join me in wishing this program well and living by the rules we ourselves established—to allow the full time to elapse before any changes are made to a program provides an opportunity for a college education for all our Nation's peacetime veterans.

DEFENSE SPENDING

Mr. DOLE. Mr. President, I ask unanimous consent to place in the RECORD an excellent article written by the distinguished Senator from Indiana, Senator QUAYLE, concerning defense spending.

In this article, Senator QUAYLE puts the defense spending controversy in the right context. He points out that, contrary to a great deal of propaganda, the President's defense spending requests have been drastically cut in recent years, to the extent that last year's spending was a reduction in real terms over the previous year—the first time that has happened in 15 years. He also dispels the notion that defense spending is responsible for our massive Federal deficits, pointing out that nondefense spending growth outpaced defense spending increases by more than 7 to 1 over the past 20 years.

Mr. President, coming up with a fiscally sound budget that meets our real national security needs is one of the greatest challenges facing this Congress. Senator QUAYLE's article is essential reading for any Senator who wants to approach this challenge rationally.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HACKING AWAY AT DEFENSE

(By Dan Quayle)

After weeks of painstaking give and take, the U.S. Senate on May 2 voted 70-25 to approve a budget for the 1987 fiscal year that meets the Gramm-Rudman-Hollings deficit target in a responsible manner—by further reducing domestic spending, by curbing the amount of new revenues, and by sustaining the investment we must make to safeguard our national security.

A majority of Senate Republicans and Democrats voted for the compromise budget package, which calls for the bare minimum we should allocate for defense spending $301 billion.

At long, last, the U.S. House of Representatives is preparing its version of the 1987 budget. Given that the House Budget Committee has now reported a plan that cuts new military spending authority from this year's level of $287 billion to $285 billion—and that House Republicans are proposing $292 billion for defense in 1987—I think it's time to set the record straight on defense spending.

As a candidate for re-election, I recognize the political advantages of railing against the Pentagon. With the electorate still reeling from spare-parts "horror stories," anyone calling for defense cuts is on politically safe ground.

But before members of the Congress begin the stampede to see who can cut defense the most, they should consider carefully the consequences of hacking away at defense for the fourth consecutive year.

Last year the Congress cut $36 billion from the president's defense request. For the first time in 15 years, that produced a defense budget with negative real growth (6 percent less than the preceding year's budget). While the budget the Senate has approved for 1987 provides $19 billion less than the president requested for defense , it at least allows for enough growth in defense spending to cover inflation costs: But the defense levels being discussed by both House Democrats and Republicans would, if adopted, yield two consecutive years of negative defense growth just eight months after Congress committed itself to maintaining 3 percent *real growth* for defense in both 1987 and 1988. Some commitment!

Some members of Congress have encouraged the popular but spurious notion that growth in the defense budget created the deficit and must therefore be slashed. That idea is directly contradicted by the facts. During the last two decades (during which most of our national debt was amassed), for every dollar of growth realized in the defense budget, non-defense programs grew seven dollars. That's right: non-defense growth (including all domestic and entitlement programs) outpaced defense spending increases by more than 7-to-1 over the past 20 years. Defense spending did not create the deficit.

It will surprise some members of Congress to learn that the defense budgets proposed by the president will actually decline as a share of gross national product over the next four years. From a high of 6.4 percent of GNP in 1985, the defense share declines steadily until it levels off at 6.1 percent in the years 1988-90. Since 1940, only during the 1970s have we maintained a lower average share of GNP for defense (6 percent) than would be maintained under the Reagan defense budgets (6.2 percent). And all of us remember the calamities brought about by that "decade of neglect" as we systematically underfunded our defense requirements. We are paying today for our shortsightedness of the 1970s.

The question is not whether we can afford to spend 6.2 percent of GNP for defense, but whether we can afford not to. A second year of severe defense reductions will have serious long-term consequences. They include:

Slowing our conventional and strategic force modernization.

Dramatic cuts will lead to program stretch-outs delaying the delivery of new equipment to the inventory. Our forces, already at a numerical disadvantage, will gradually lose their qualitative edge as Soviet technological advances continue. Critically important but expensive programs such as the Advanced Tactical Fighter, Advanced Tactical Aircraft, MV-22 Osprey (JVX), LHX light helicopter, and C-17 airlift programs—all designed to maintain our technological advantage—will likely be terminated under further defense cuts. Our inability to maintain adequate conventional forces will compel a greater reliance on nuclear weapons. The capabilities of our strategic forces and our national military communications, warning, and surveillance systems will be diminished, shifting the delicate balance between the United States and the Soviet Union.

Prospects for meaningful arms control agreements will be reduced.

Many of the staunchest advocates of defense reductions are also the most vocal in support of arms control agreements. Yet by slashing the defense budget, we hand the Soviets results they could not hope to achieve at the negotiating table. Such unilateral reductions only encourage Soviet intransigence and delays: why negotiate at all when the U.S. Congress is willing to hand over one concession after another for nothing in return?

Defense cuts will jeopardize procurement stability and drive up costs.

Efficient production rates and vigorous competition cannot be maintained in a declining budget. Defense cuts will force a return to sole-source procurements and stretched-out, uneconomical production rates for aircraft, ships, tanks, missiles, and other weapons systems.

One of the Packard Commission's key recommendations is simply this: if you want to cut the cost of defense, stabilize the budgeting process.

Defense cuts will jeopardize readiness and sustainability.

Invariably, when major defense reductions are made, a significant share is taken from the Operations and Maintenance accounts and other areas that directly affect readiness and sustainability. The rapid spendout rates of these accounts produce attractive outlay "savings" unlike the slower spending procurement accounts. These reductions in flying hours, training days, steaming hours, spare parts, and munitions may contribute to solving short-term budgetary problems, but in the long run will cost us dearly.

Must we repeat the cycle that led to the defense crises of the late 1970s when we had ships that couldn't sail, aircraft that couldn't fly, and a "hollow" Army filed with Category IV recruits (those having the lowest aptitude for military service)?

Will we have to wait until another Desert One disaster awakes us and the headlines shout "U.S. Military Unprepared" before we realize we have skimped just a little too much in our attempt to buy defense "on the cheap"?

Investment in national security is the insurance we pay for our freedoms. Freedom is America's most cherished commodity, and we ought to be willing to pay for it.

TAXPAYER INDEPENDENCE DAY!

Mr. HATCH. Mr. President, Tuesday, May 20, marks "Taxpayer Independence Day." As you know, the Tax Foundation annually calculates the day of the calendar year when taxpayers are finally earning money for themselves and not for local, State, or Federal Government, and this year it is May 1. I commend the foundation for reminding us of the burden of Government taxes, but I feel that we should also recognize the additional burden of the spending incurred beyond the revenues received by the various government treasuries.

I have expanded on the Tax Foundation computation because the real burden of Government spending is better measured by adding Government borrowing to total taxes collected. The Tax Foundation uses total tax receipts in its calculation, but excludes borrowing by the Government. This Government borrowing is not an insignificant amount, particularly when one considers that the taxpayer will have to work an extra 19 days to pay for Government spending financed by borrowed money. Current borrowing is the equivalent of future tax liabilities to pay interest in future years just to cover this year's expenses, so in an economic sense it is the same as the explicit tax burden.

Government borrowing is analogous to an individual's borrowing via MasterCard, with the exception that the Government's balance due is astronomical in comparison. The net interest payment on this national MasterCard bill is currently estimated at $148 billion. While the interest payment is staggering, the national debt of nearly $2 trillion—the sum of years of borrowing—is without question a debt which will not be paid back in our lifetime, nor our children's or grandchildren's lifetime.

What is the impact on individuals, commerce, and the overall health of the economy from all this taxing, borrowing, and spending by "Big Brother"? Taxes and borrowing of the magnitude found in the recent Senate-passed fiscal year 1987 budget will smother business expansion as the Government exhausts capital needed by the private sector to translate creativity and initiative into invention and employment. Taxing and borrowing will suppress the free market drive to improve productivity. Spending will be the demise of this great democracy if we in Congress fail to stem the heavy flow of the spending spigot.

"Taxpayer Independence Day" is a reminder that Government spending, and the uncontrolled growth in this spending, will cause the average taxpayer to work 140 days this year to pay the sum of all taxes he or she owes to Government. How many days will the taxpayer have to work next year to meet his or her tax obligation? Taxing and borrowing are vices which perpetuate the growth of uncontrollable spending, yet many Members of Congress view taxing and borrowing as the panacea for difficult budgetary problems.

TESTIMONY OF DR. TELLER ON SDI

Mr. STEVENS. Mr. President, on Friday of last week the Defense Subcommittee heard testimony on the strategic defense initiative from Dr. Edward Teller. Dr. Teller's testimony was sought by our subcommittee because of his great expertise in the field of nuclear weapons development and management of large-scale research and development programs. As we all know, Dr. Teller participated in the Manhattan project, the development of the hydrogen bomb, and in the founding of the Lawrence Livermore National Laboratory.

Dr. Teller's remarks were very useful to us—and I might add—made extemporaneously. Dr. Teller emphasized that it will be difficult to attract high quality young scientists and engineers to work on the SDI Program if funding levels are constrained. Dr. Teller also noted that many of the basic technology for strategic defense applications comes from the open Soviet literature. He also made strong endorsements of the SDI Program and the work being done by Lieutenant General Abrahamson.

Dr. Teller's written statement is also of great interest to us. It summarizes the background of President Reagan's decision to start SDI, the purpose of SDI, Soviet strategic defense developments, funding requirements, and the prospects for realistic and effective means of strategic defense.

I recommend reading this most important statement from Dr. Teller on the SDI Program, and request that it be inserted into the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PREPARED STATEMENT OF DR. EDWARD TELLER

SUMMARY

Shortly after the discovery of fission, forty-seven years ago, it became clear to me that development of weapons of mass destruction based on nuclear energy had become inevitable. From that time on it became increasingly clear to me that in a new and more dangerous age scientists had to play their role in making it clear to free people what their dangers are and in what way these dangers may be avoided or diminished. My dedication to this effort took final shape when I heard President Roosevelt's response to Hitler's invasion of the lowlands in 1940. He challenged scientists to work on the weapons without which freedom would perish. At that time Roosevelt had been informed of the possibility of atomic explosions.

Forty-three years later President Reagan made a similar appeal which was based, according to my knowledge, on years of careful consideration. He challenged scientists to find methods of defense against weapons of mass destruction.

Following Roosevelt's appeal the atomic bomb was developed in little more than five years by the joint effort in the United States by scientists from several countries. The war effort, both in radar and in nuclear weapons, was so intense that publications on pure science dwindled to a small fraction of what they are in peacetime. While we were working so did Nazi Germany and Soviet Russia. It is not easy to judge which of the two made more progress, but the Soviet Union tested a nuclear explosive in the late summer of 1949, much earlier than had been generally expected. Our own wartime record led to the result that the first atomic bomb did not become available to a dictatorship, but a democracy. In this way the war was ended and American power was used to help recovery both among our competitors and among or former enemies. Had the bomb first been developed by a dictator, his absolute power would have been extended over the world.

After the successful Soviet test of a nuclear explosion some of us argued that our work during the war had been incomplete and that with a moderate amount of additional work a thermonuclear weapon could and should be developed. Many scientists argued at that time that if we did not develop the hydrogen bomb neither would anyone else. It is now clear from the publications of Sakharov [1] that he, the inventor of the Soviet hydrogen bomb, had been drafted to work on that super weapon a year and a half before the thermonuclear debate started in the United States. President Truman made the decision to proceed with work on the hydrogen bomb and fortunately we finished work on that subject a short time before the corresponding Soviet success.

Today we are engaged for a third time in a similar competition with the Soviet Union, but there are two differences. One is that in the two earlier competitions weapons of aggression were developed. On this occasion we are looking on President Reagan's initiative for methods of defense against aggressive instruments of mass destruction. The second difference is that, while on two earlier occasions we started from a technological advantage, in the field of defensive weapons the Soviets have worked diligently for two decades while our own efforts have been meager and hesitant. Indeed, in contrast to our wartime effort, few academic scientists participate in our work.

The Strategic Defense Initiative should be properly called Strategic Defense Response. According to President Reagan's instructions we start with a vigorous research effort which is not in conflict with the letter or spirit of any treaty. A number of dedicated scientists are participating in this effort and we are seeking the collaboration of our allies. Agreements are taking shape with England and Germany. Further collaboration looks hopeful with Israel, Japan, and Italy. Eventually, President Reagan has

[1] Sakharov, Andrei D., "Sakharov Speaks" (Knopf, New York, 1974), p 30.

suggested that the art of defense should be shared with the whole world including the Soviet Union.

THE PURPOSE OF SDI

It is a mistake to believe that we are pursuing a plan for an impenetrable shield protecting the United States. Our purpose is to deter war by making the success of aggression less likely, thereby, we can contribute to deterring aggression. While we are in research it is important to maintain the effectiveness of our offensive deterrent. As the research is successful, we can emphasize a defensive deterrence and a more stable basis for peace. Such policy is surely in consonance with the feelings of the American people, and modern developments show that it is technically the sound direction to pursue.

Defense will become practical only if it is effective. Feasibility is not the only criterion. It is also necessary that defense should be less expensive in effort and money than countermeasures. It should also be less expensive than a compensating increase in instruments of aggression. Research on defense performed thus far encourages us that these aims can be attained. Soviet protests are further evidence that they do not consider defense as an unimportant or infeasible activity.

The purely economic criterion cannot be met quantitatively in the face of uncertainties. In case of any doubt we should do what is affordable to enhance the chance for peace.

Early concrete successes could be of great importance, even if the successes are partial. Thus, tactical defense against short range missiles would be important for our allies, could decrease the threat of submarines to the United States, and would serve as a first step toward a more total defense of the United States.

Predeployment in space appears to be difficult because according to the current situation it seems at present more expensive to launch a satellite than to shoot it down. The question, however, needs to be included in the present research phase because the Soviets may well pursue this possibility, because launching of satellites could become less expensive and finally because destruction of satellites could be made more difficult by any of several methods.

The defensive program on which we are embarking is a broad one and it is unreasonable to determine at this time any particular plan of deployment. My experience with research and specifically with research on defense is that new initiatives lead much farther than was originally planned. This was true in atomic explosives, in electronics, in computer development, and in the magnificent space enterprise.

SOVIET DEFENSE

The Soviet Union started on the strategic defense of Moscow at least two decades ago. By now they have upgraded their system. Probably two layers of defense are presently available, and such defense can be carried out with the help of appropriate nuclear explosives which will do no damage on the ground and are adapted to destroying incoming missiles. This "terminal defense " is made more easy because light and cheap decoys are slowed down and burned up as they reenter the atmosphere.

The Soviets have ample opportunity to train their people in terminal defense. They also may have prepared components for a dozen or more sites that they plan to defend. Such defenses could be put in place in the Soviet Union in less than a year.

The one particularly expensive and time-consuming element in this type of strategic defense is the big radar system. Such radars have been limited in the ABM Treaty of 1972; the Soviet Union had disregarded these limitations. The well-known example is the radar at Krasnoyarsk. When this instrument is completed the Soviets will be in the position to use terminal defense in an effective way for the whole of the Soviet Union, with the exception of the easternmost tip of Siberia.

Rockets are most vulnerable in their boost phase while they are accelerated. The fragility of this stage has been tragically demonstrated in the recent Challenger accident. The Soviet Union has been working on various instruments of defense that could attack rockets in their boost phase or in mid-course. In my opinion, the most important of these are various kinds of lasers. According to estimates published by the Pentagon,[2] the Soviet Union has spent on the appropriate high-intensity lasers at least a billion dollars annually for several years. Our planned laser budget has not reached this level as yet. The Soviets have also deployed an effective prototype at the test site Sary Shagan, located in Siberia on the shore of Lake Balkash. This establishment appears to be far ahead of any American experimental laser facilities.

The x-ray laser is a novel variety of laser whose energy penetrates into the skin of the attacked missile, but which can act only in space or in the uppermost fringes of the atmosphere. As a defensive instrument, it probably will have to be popped up when an enemy launch is noticed. Our own efforts in that field have been stimulated by Soviet publications which stopped abruptly in the late 1970s.

Lasers may be the most effective directed energy weapons which are not weapons of mass destruction but can be used to destroy aggressive weapons at definite locations at great distances. Other weapons of this kind are electron beam weapons and neutral particle beam weapons. These also can be used to discriminate between decoys and rockets. The Soviet Union has lead the way in both these developments.

Still another important development which could be useful both in the terminal phase and in space are rockets guided to their high altitude targets from ground launch points. The Soviet Union has developed several generations of these. Some of them have been used in the 1972 war in the Middle East. The much more modern SA-12 is probably highly useful in missile defense as well as conventional air defense.

A POSSIBLE SCENARIO

I do not believe that the Soviet Union plans to attack us. It is, however, obvious that Russian imperialism and the expansion of Russian influence did not come to an end when the czars were deposed. In the Persian Gulf, in Central America, or elsewhere conflicts may arise and a Soviet nuclear strike could become possible. The best way to diminish this danger or to eliminate it is to make its success improbable. Predictions cannot be made reliably, but it is useful to consider a possible scenario.

Assuming that the Soviets plan to launch a nuclear strike, they may establish instruments to prevent our retaliation and deploy them in Cuba and on ships or submarines in the Atlantic and Pacific. The Soviets would expect our retaliation and with simple instruments from satellites or ground-based radar they could observe the launching of our retaliatory missiles. Upon such an American launch, Russian instruments could be popped-up. These could be mirrors to reflect and direct high intensity laser light or they could be x-ray lasers driven by nuclear explosives. The latter are novel developments and at the present time we cannot judge whether they will be relatively unimportant or exceedingly useful.

When both our retaliatory rockets and the Soviet instruments have reached a 50 or 100 miles altitude, the Russian instruments will be in a line-of-sight with our retaliatory missiles. Our missiles will be still accelerating and, therefore, highly vulnerable. Most of them could be destroyed in the boost phase.

The Soviets have a triple chance to render our retaliation harmless: preventive strike on our missiles, destruction of our missiles in the boost phase as described above, and terminal defense as discussed in the previous section. Under these conditions, the Soviets may be tempted to attack. The primary purpose of SDI is to discourage attack. Its secondary purpose is to limit the effects of attack if it should occur nevertheless.

THE AMERICAN ADVANTAGE

The United States has one potential advantage over the Soviet Union. Our computers are far better developed than theirs. This gives us a great potential advantage in battle management.

However, as long as we have no defensive instruments to manage and as long as we do not perfect the appropriate computers to serve in the battle management, this advantage will not be realized.

Battle management is a full-scale nuclear war will be obviously difficult. This is particularly true if we are caught by surprise and, since the United States will not execute a first strike, we must be prepared to absorb a massive and elaborate attack. Therefore, it will not be easy to realize the full advantage that our advanced computer technology can give us.

THE NEEDED BUDGET

The President has asked for a little less than 2% of our military budget to spend on SDI research in fiscal 1987. This is certainly not as much money as the Soviets will spend on the same general purpose in the same period. Considering the fact that in true defensive measures we are late comers, this requested amount is desperately needed.

Our efforts on SDI are of recent origin and one cannot expect that in spending money in this direction no mistakes will be committed. It is, of course, necessary that Congress review both spending and progress. It seems to me very difficult to earmark funds for special expenditures. Directing research by those who do not participate in it in a direct manner has always proved to be difficult and in the long run unrewarding. At the same time, constructive criticism and advice are of high value.

The SDI efforts proceed under exceptionally difficult circumstances. The present leader of the project, Lt. General James Abrahamson, is eminently suited for this task both in his technical knowledge and in his organizational efforts. His performance is without parallel in my four-and-one-half decades of experience in such matters.

OBSOLESCENCE OF AGGRESSION

Our government has taken the initiative to collaborate on defense with our friends

[2] "Soviet Strategic Defense Programs," released by the Department of Defense and Department of State, October 1985.

and allies. The President has stated that the end results should be shared even with the Soviet Union.

The purpose of rendering weapons of mass destruction "impotent and obsolete" can be accomplished by international cooperation which is directed in general against aggression and at the moment more specifically against the launching of aggressive rockets, particularly when great numbers of rockets are launched at the same time. We are beginning to succeed in finding methods of defense against such instruments.

Our flexibility in seeking cooperation from other nations in any form in which we can obtain it is both unprecedented and encouraging.

One should not expect that aggression will become impotent and obsolete overnight, but as we demonstrate step-by-step that defense can be made less expensive and more effective than aggression, everyone will be convinced in his own interest that defense is preferable. In this gradual way the threat of aggression, the most dreadful concomitant of technological development, can indeed be lifted from mankind.

At this time the Soviet Union enjoys a monopoly in defensive weapons and also in most of the research leading to such weapons. They do not intend to lose this monopoly; hence, their opposition to SDI and their lack of interest in sharing information.

As we make progress toward realistic and effective methods of defense and as we gain participation of more and more nations in this effort, the interest of the Soviet leaders will increase. The Soviets have already returned to the conference table. They proved in the past to be flexible and also open to accept reasonable peaceful compromises where such can be had without danger to themselves.

Due to the open discussion generated by the democratic process at home and abroad, it is becoming perfectly clear that the purpose of SDI is not to isolate America, not to obtain superiority over the Soviet Union, but to preserve peace for ourselves and for everybody else. This was the announced purpose of our President on the 23rd of March 1983. It should be a non-partisan issue.

During the Second World War I participated in practically all phases of the Manhattan Project which was an effort to avert the most terrible consequences to which this war might have led. The challenge today is to avert a third world war. I believe this deserves the full support of Congress. The large majority of the American people have already demonstrated their support.

TRIBUTE TO ROBERT L. HADDAD, NATIONAL SMALL BUSINESS ACCOUNTANT ADVOCATE OF 1986

Mr. KENNEDY. Mr. President, today I rise to recognize the outstanding achievements of Robert L. Haddad, a tax partner at Price-Waterhouse in Boston, who has been named National Small Business Accountant Advocate of the Year by the U.S. Small Business Administration. He will be honored in Washington, DC, during National Small Business Week, May 18-24, 1986.

As a valuable member of my small business advisory task force, chairman of the tax committee and a director of the Smaller Business Association of New England [SBANE], Bob Haddad has contributed his considerable expertise on tax issues affecting small business. He is widely respected for his dedication, committing his energies, in addition to his extensive responsibilities at Price-Waterhouse, to assist members of Congress recognize the impact of proposed tax reform legislation on the Nation's 15 million small businesses.

Last year, Bob Haddad testified before the Senate Small Business and Finance Committees to express the position of small businesses across our Nation—the need to simplify the existing tax system and to achieve an equitable distribution of the tax burden on all corporations. In his testimony, Bob Haddad explained that the Nation's small businesses would experience the brunt of the tax increase proposed by the Reagan administration. He testified as to the effect that the payroll tax and the proposed elimination of the graduated tax rates would have on small business, supported the continuation of industrial development bonds and emphasized that the proposed taxation on fringe benefits would harm New England small business disproportionately as a result of the labor-intensive nature of our region's industry. His advocacy on these and many other issues has been a tremendous contribution to the recent progress achieved to realize a reformed and equitable tax distribution system.

In my home State of Massachusetts, more than 99 percent of the businesses are small enterprises with less than 500 workers. It is reassuring to know these businesses have an articulate and knowledgeable advocate in Bob Haddad.

Today, I am pleased to commend Bob Haddad for his tireless advocacy on behalf of small business in Massachusetts, New England and across our Nation. The small business sector is critical to the economic health of our Nation—the strength of small business lies in the energies of people like Bob Haddad.

TESTIMONY OF DR. MARTIN J. HOFFERT ON SDI

Mr. STEVENS. Mr. President, the Defense Subcommittee held an outside witnesses hearing last week on the strategic defense initiative and heard testimony from Dr. Martin Hoffert, representing the Science and Engineering Committee for a Secure World. This committee, composed of prominent scientists and engineers from around the country, was formed in support of the Strategic Defense Initiative Program earlier this month.

Dr. Hoffert's appearance marked the public debut of the Science and Engineering Committee for a Secure World. This group of respected scientists and engineers will undoubtedly have a very positive and important impact on the level of debate on the SDI Program in this country. It will also help serve as a conduit for transmission of open, scientific information on strategic defense research and technology development to the Congress and the public at large.

At our hearing I personally requested this committee to provide us with background information from unclassified literature on the nature and extent of Soviet scientific efforts in strategic defense research predating the creation of the SDI Program by the President.

I ask unanimous consent that Dr. Hoffert's written statement, as well as a statement from the committee and a partial listing of its membership, be placed into the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TESTIMONY OF DR. MARTIN J. HOFFERT, REPRESENTING SCIENCE AND ENGINEERING COMMITTEE FOR A SECURE WORLD

Mr. Chairman and distinguished members of the Committee, it is a pleasure and an honor to be here today to discuss an issue of major significance to the survival of our planet. I want to express my Organization's appreciation for the opportunity to present our views to you.

The Science and Engineering Committee for a Secure World is a recently formed group of distinguished scientists and engineers, about 80 in number now, but certain to increase significantly in the future, who strongly endorse the Strategic Defense Initiative research and development program. This is our first public appearance. We are confident that there are thousands of scientists and engineers across America and elsewhere who agree with us that it is unscientific and unwise to hastily oppose the promising Strategic Defense Initiative proposal at this early stage of its research and development, and who believe that the concept of developing a defensive system to protect our people from a nuclear attack makes good common and good moral sense.

Our acting Chairman is Dr. Fred Seitz, former president of the National Academy of Sciences and President Emeritus of Rockefeller University, who sends his regrets that another obligation has prevented him from appearing here today.

The Committee will actively work to inform the media and the public about the nature and importance of the Strategic Defense Initiative for America's future peace and security.

I will now present to you the Committee's policy statement on SDI.

STATEMENT ON SDI BY THE SCIENCE AND ENGINEERING COMMITTEE FOR A SECURE WORLD

At present the American people, by past government policy and to some extent by previous limitations of science and technology, have essentially no defense whatsoever against a nuclear missile attack or even a single accidental launch. The U.S. can only respond to an approaching Soviet first strike by killing millions of Soviet citizens in revenge, or by doing nothing.

Not only America, but the whole world lives with the fear and insecurity caused by the unstable balance of nuclear terror. This "balance" rests on the premise that both the U.S. and the Soviet Union follow the controversial doctrine of Mutually Assured Destruction—a doctrine rendered increasingly obsolete by powerful new Soviet missiles and technological advances on both sides.

The genius of American scientific and engineering professionals helped, however well meaning, create this world of nuclear terror. But today scientists and engineers from America and around the world have the opportunity to play a positive and critically important part in reducing and perhaps eventually eliminating the threat of nuclear war by means of America's Strategic Defense Initiative program.

As professionals trained in scientific methodology, we believe that the feasibility of a promising scientific or technical proposal should not be judged in advance of proper research, experimentation and testing. Therefore, we believe that the Strategic Defense Initiative should not be hastily, unscientifically or ideologically rejected without this necessary thorough evaluation to determine its feasibility, its effectiveness and its practicality—which is the very purpose of the SDI program.

Indeed, we ask our fellow scientists and engineers, is it not our responsibility as professionals and as concerned human beings to utilize our talents and energies now to see if we can render the nuclear threat militarily ineffective and therefore obsolete?

New technological breakthroughs have significantly increased the prospect that the U.S. can successfully devise effective systems which will destroy attacking Soviet nuclear missiles long before they can come close to their targets in America, Europe or elsewhere. Included are such things as electronic miniaturization, super computers, infrared sensors, "rubber mirrors", greatly enhanced laser beam power, the scramjet concept, and optical synthetic aperture imaging. These and other recent scientific and engineering achievements are providing the world with the possibility that the nuclear superpowers can move away from reliance on the threat of using nuclear weapons designed for the mass destruction of humanity in order to maintain security, and instead to reliance on defensive weapons designed to increase stability in periods of crisis, to protect countries from attack, and to save lives.

The Strategic Defense Initiative (SDI) undertaken by President Reagan and the Congress seeks to utilize such new technological means to turn America's strategic military policy away from the unreliable, outdated MAD doctrine and its death dealing nuclear missiles, to a Mutually Assured Survival policy based on new, life protecting defensive systems.

As such, SDI embodies a strategy surely ethically superior to the MAD policy, as well as a concept of strategic deterrence that is very likely more sound from a military standpoint.

By developing the defensive means to shoot down Soviet (or other) nuclear missiles or warheads in space or the atmosphere before they explode on earth, SDI is intended to significantly increase America's deterrence to a Soviet nuclear attack, as well as to eliminate the danger from an accidental launch. Even a less than 100% perfect defense system could nonetheless render an attack militarily ineffective, and therefore greatly reduce the probability that an attack would ever be launched in the first place. In the quite unlikely event that an attack did occur, strategic defenses would tremendously reduce the loss of life and damage that would otherwise result without any such defense system in place.

In addition, the technology being developed by the SID program could also readily be utilized to help provide successful defenses against bombers and cruise missiles, as well as shorter range nuclear missiles.

SDI is not designed to cause a war in the heavens, as some charge, but to prevent nuclear war on earth. It would not lead to the militarization of space, which was already militarized by the first sputnik satellite and the first ICBM. Instead, SDI is intended to render space and the atmosphere militarily useless for nuclear missiles—to stop nuclear weapons in space so they cannot hit the earth.

The fact that the Soviet Union began serious research, development, and testing of advanced strategic defense systems some 10 years before the U.S., and is continuing to expand its offensive nuclear capabilities, makes the Strategic Defense Initiative more accurately a response to this Soviet effort and buildup.

Furthermore, even without additional technological advances on its part, growing evidence indicates that the Soviet Union is producing the capability, in violation of the ABM Treaty, to rapidly deploy a non-exotic strategic defense system of antiballistic missile (ABM) missiles. This defense system could be effective against a ragged U.S. retaliation in response to a Soviet first strike on U.S. nuclear weapons. It is estimated that the Soviet Union could deploy such a system by the early 1990's or sooner, regardless of whether the U.S. proceeds with its SDI. (See "Soviet Strategic Defense Programs", Departments of State and Defense, October 1985, etc.) Such a development could significantly enhance the Soviet Union's nuclear blackmail capability and tempt it in very dangerous new ways.

These developments make the case for America's SDI effort an even more compelling one. Indeed, it can be argued that it is imperative for America's continued security and for world peace that the SDI Research and Development program proceed with all deliberate speed.

At the same time, we believe that in the long run the most realistic and best path towards international stability, better U.S.-Soviet relations, and world peace is likely to be found in the United States and the Soviet Union engaging in a mutual transition from offensive strategic weapons to defensive ones, aimed at the flight corridors of potentially approaching nuclear weapons, rather than at human beings. Such a change in policy would vastly increase real security for both countries and therefore considerably reduce fear and mistrust on both sides.

For the above reasons, therefore, it is our judgment that the Strategic Defense Initiative program is worth pursuing and deserves the full support of the scientific community, Congress, and the American people.

Under the less restrictive interpretation of the ABM Treaty of 1972 which the U.S. government has stated is the correct one, the necessary testing of potential defensive systems can and should be done so that Congress has the required information about the effectiveness of particular systems in order to make a sound decision concerning eventual deployment.

If Strategic Defenses prove to be feasible and practical after careful testing and assessment of cost and effectiveness—particularly in relation to possible Soviet counteractions—and in light of Soviet SDI programs, we recommend that a new ABM Treaty be negotiated which embraces Stratetic Defenses, and also equitable, verifiable reductions in offensive nuclear weapons. Such a treaty should encourage mutual deployment of defensive systems so that the era of Mutually Assured Survival, instead of Destruction, can be ushered incooperatively.

In the absence of Soviet agreement to such a new treaty, and in view of the extensive Soviet work on advanced strategic defenses and Soviet violations of the current treaty, U.S. withdrawal from the Treaty—in "the supreme interests" of the American people (as provided for by use the terms of the Treaty itself)—and deployment of its own strategic defenses should be seriously evaluated. Unilateral U.S. compliance with the existing treaty would serve neither America's interests nor the world's.

In conclusion, as professional scientists and engineers, we want to express our earnest hope that history will record that in our day America's and the world's best scientific and technical minds sought to develop the technology which helped humanity move back from the nuclear precipice—and succeeded. We can do no less.

SCIENCE AND ENGINEERING COMMITTEE FOR A SECURE WORLD

The Committee was formed in support of the Strategic Defense Initiative program to develop effective, deterring protection from a nuclear attack for the U.S. and its allies. It was recently established (May '86), with some 80 scientists and engineers as founding members. (See attached list).

It will seek to inform the public about the Strategic Defense Initiative and will undertake the following effort:

(1) Demonstrate to the public that there is significant support for SDI from informed, respected and articulate scientists and engineers.

(2) Establish a responsible academic, scientific and engineering base of support for the Strategic Defense Initiative program.

(3) Maintain contact with and supply information to the media relating to SDI and our activities.

(4) Provide the media and others with a timely source of interviews and speakers concerning SDI and related issues.

(5) Communicate with fellow scientists, engineers and science and engineering groups, etc. on a regular basis.

(6) Sponsor factual reports and professional conferences concerning SDI and related issues.

(7) Prepare and publish critiques of materials by opponents of SDI in terms of errors, omissions, bias, faulty reasoning, etc.

Dr. Fred Seitz, former president of the National Academy of Sciences and president emeritus of Rockefeller University, is the acting chairman of the group.

Listing of the Founding Members of the Science and Engineering Committee for a Secure World (organizations listed for identification only):

Dr. Fred Seitz former President of the National Academy of Science, President Emeritus of Rockefeller University.

Prof. Arthur Broyles, Dept. of Physics, University of Florida.

Prof. Martin Hoffert, Chm,. Dept. of Applied Science, New York University.

Dr. Eugene Wigner, Dept. of Physics, Princeton University.

Prof. Robert Jastrow, Dept. of Earth Sciences, Dartmouth.
Prof. Fred Singer, Dept. of Physics George Mason University.
Prof. Robert Clack, Emeritus, Nuclear Engineering, Kansas State University.
Dr. Edward Teller, Hoover Institution, Staford University.
Dr. Hugh Ellsaesser, Atmospheric & Geophysical Sciences, Lawrence Livermore National Labortory.
Prof. Kenneth Bell, Dept. of Chemical Engineering, Oklahoma State University.
Dr. Emma Brossard, Director of Policy Analysis, Center for Energy Studies, Louisiana State University.
Dr. Hans Mark, Chancellor, University of Texas System.
Dr. Alvin Weinberg, (former Director, Oak Ridge National Laboratory), Institute for Energy Analysis, Oak Ridge Associated Universities.
Dr. John A. Wheeler, Dept. of Physics, University of Texas.
Dr. Robert McCrory, Dir. Laser Energetics, University of Rochester.
Walter Cunningham, former Astronaut, Houston, Texas.
Dr. Edward Lozansky (Physics), Dtr, The Sakharov Institute, Washington, D.C.
Dr. Robert Whitelaw, Dept. of Mechanical Engineering, Virginia Polytechnic Institute.
Dr. Harold Agnew, former Director, Los Alamos National Laboratory, San Diego, CA.
Dr. Evgene Shustorovich, Quantum Chemistry, Rochester, NY.
Prof. R. H. Miller, Aeronautics and Astronomy, M.I.T.
Dr. Merle Potter, Dept. of Mechanical Engineering, Michigan State U.
Dr. Gough Cooper Reinhardt, Physicist, and Arms Control consultant, San Leandro, CA.
Dr. William Nierenberg, Scripps Institution for Oceanography, University of California, San Diego.
Dr. William Orthwein, Dept. of Engineering, Mechanics, and Materials, Southern Illinois University.
Dr. Rudolf F. Kazarinov, Physics, Solid State Electronics, AT&T Bell Laboratories.
Dr. Donovan H. Van Osdol, Department of Mathematics, University of New Hampshire.
Dr. Elmer Hansen, Ph.D., Asst. Prof. Mechanical Engineering, University of Florida.
Ralph Burgess, Research Engineer, MIT.
Professor Harry Gatos, Dept. Material Science & Engineering, MIT.
Prof. Lev. B. Levitan, Ph.D., College of Engineering, Boston University.
Eugene Ustorovich, Ph.D., Dr. SCI, Theoretical (Quantum) Chemistry, Rochester, NY.
Gary Kellogg, M.S., P.E., Regional Engineer, Universal Engineering Testing Co.
Dr. Hans Coll, Ph.D., Electrical Engineering, University of Colorado.
Robert K. Squire, Ph.D., Physics, Eagle Research Group, Inc., Arlington, VA.
Prof. Petr Beckmann, Ph.D., Electrical Engineering, University of Colorado.
Nicholas Zumbulyadis, Ph.D., Physical Chemistry, Rochester, NY.
Dr. John J. McKetta, Jr., Dept. Chemical Engineering, University of Texas.
Raphael G. Kazmann, Prof. Emeritus Civil Engineering, Louisiana State University.
Dr. Raymond J. Krizek, Department of Civil Engineering, Technological Institute, Northwestern University.
Dr. Harvey Smith, Department of Mathematics, Arizona State University.
Dr. Bernard Piersma, Department of Chemistry, Houghton College.
Dr. Robert Breffler, Physics Consultant, Santa Fe, New Mexico.
Gilbert Stubbs, M.A.E.E., Aerospace Engineer, Wellesly, MA.
Dr. Joseph Douglass, Electrical Engineering, Falcon Associates, McLean, VA.
Dr. Bernell Stone, Computer and Systems Analysis, Georgia Institute of Technology.
Samuel Cohen, Nuclear Engineering Consultant, Los Angeles, Calif.
Al Worden, former Astronaut, M.S. Aeronautics, Instrumentation Engineering, Orlando, Florida.
Dr. Yuri Tuvim, Mechanical Engineering, Boston, Massachusetts.
Dr. Joseph Weber, Department of Physics, University of Maryland.
Dr. Igor Levin, Computer Science, Washington, D.C.
Dr. Carl Gottschall, Jr., Department of Chemistry, University of Colorado.
Dr. Marcello Alonso, Physics, Director, Fla. Inst. of Technology, Research and Engineering.
Dr. Wojciech Slusarek, Chemistry, San Diego, Calif.
Dr. Thomas Dillon, Chemical Physics, San Diego, California.
Dr. Dixy Lee Ray, Marine Biology, Former Governor, State of Washington.
Prof. David Kottick, Dept. of Physics, Purdue University.
Prof. Rolf P. Scharenberg, Dept. of Physics, Purdue University.
Dr. Robert Budwine, Physicist, Lauwrence Livermore Laboratory.
Prof. Neal C. Gallagher, School of Electrical Engineering, Purdue University.
Prof. Paul Coleman, Institute Geophysics, Planetary Physics, UCLA.
Margaret Renton, Systems Engineer, Systems Control Technology, Inc.
Prof. Gabriel Miller, Dept. of Applied Sciences, New York University.
Hon. John H. Morse, M.S. Aeronautical Engineering, Former Deputy Asst. Sec'y of Defense.
Dr. Cornelius Leondes, Engineering and Applied Sciences, UCLA.
Prof. Fred Decker, Emeritus, Dept. of Physics, Oregon State University.
Dr. Jerry Pournelle, Aerospace Engineers, Board of Directors, L-5 Society.
Perry Anthony, Research Assistant, High Energy Physics, Fermi National Accelerator Laboratory.
Dr. Joseph Goldman, Dept. of Physics, American University.
Dr. Fred Samson, Director, University of Kansas Medical Center, Kansas City, Kansas.
Dr. Henry Miranda, Physicist, Optics Space Instrumentation, Bedford, Massachusetts.
Dr. William R. Havender, Genetics, Specialist in Environmental Carcinogens, Berkeley, Calif.
Prof. Sami Beraha, Dept. of Mathematics, Queens College, New York.
Dr. Kenneth Watson, Scripps Institution for Oceanography, University of California, San Diego.
Prof. John McCarthy, Dept. of Computer Science, Stanford University.

NATIONAL POLICE WEEK—GREENBELT POLICE DEPARTMENT

Mr. SARBANES. Mr. President, the policemen and policewomen of this Nation put their lives on the line every day to protect our citizens; and it is fitting and proper that we take time to reflect on the enormous contributions made by these dedicated officers.

On May 17, 1986, the Greenbelt Police Department and the Beltway Plaza Mall Merchants Association will once again join together to commemorate "National Police Week." This annual observance has become a noteworthy and exciting tradition in Greenbelt, and 1986 will be no exception. The Merchants Association and the Greenbelt Police Department have scheduled a very special day to bring attention to this yearly event.

Highlighting the scheduled ceremonies will be an appearance by the star of the television series, "Miami Vice," Mr. Don Johnson. Mr. Johnson will be honored for his efforts in connection with National Police Week.

Mr. President, I know the citizens of Greenbelt join me in commending the Greenbelt Police Department, the Beltway Plaza Merchants Association, and Mr. Don Johnson for their efforts in bringing recognition to National Police Week and America's law enforcement officers.

EXPERTS TESTIFY ON SDI

Mr. STEVENS. Mr. President, the Defense Appropriations Subcommittee recently conducted a hearing on the strategic defense initiative in which we heard testimony from outside experts. Former Defense Secretaries Robert McNamara and Harold Brown offered their views as to the political and technical feasibility of accomplishing the SDI objective as enunciated by the President.

On Friday, April 11, the New York Times reported that the former Secretaries strongly opposed the strategic defense initiative and urged the fiscal year 1987 funding of no more than $2.5 billion for the program.

I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MCNAMARA AND BROWN QUESTION MISSILE DEFENSE

(By Charles Mohr)

WASHINGTON, April 10.—Two former Secretaries of Defense suggested today that the pace of research in defenses against long-range missiles be slowed and that spending for them be cut.

The former Secretaries, Robert S. McNamara, who served in the Kennedy and Johnson Administrations, and Harold Brown, who served in the Carter Administration, also said they believed the cost of building and operating an antimissile defense could reach astronomical proportions without providing effective protection.

Mr. McNamara and Mr. Brown testifed before the Defense Subcommittee of the Senate Appropriations Committee on the Reagan Administration's request for $4.8

billion in the fiscal year 1987 for an antimissile shield. Administration officials say the program is aimed at making possible an "informed decision" by the early 1990's as to whether to begin full-scale development and ultimate deployment of a missile defense.

CONCERN OVER SPECTACULARS

The two former officials said they doubted the wisdom or utility of such a schedule, and Mr. McNamara suggested that spending be limited to about $2.5 billion.

In purely technological terms, Mr. Brown said, a sizable spending cut "wouldn't hurt it and it might help."

Mr. Brown, a physicist who is a former director of the Livermore National Weapons Laboratory in California, said he was concerned that expensive technology tests, which he called "spectaculars" designed to bolster Congressional and public support for the program, might be conducted at the expense of basic research.

Both witnesses said they supported basic research on technologies related to missile defense, partly as insurance against the possibility that the Soviet Union would use similar research and then abandon the 1972 treaty limiting antimissile systems.

However, Mr. McNamara suggested that the schedule and character of the Administration's program might encourage Soviet leaders to assume that the United States would deploy a missile defense system, thus encouraging the abrogation of the treaty and an expanded race in nuclear weapons.

COST SEEN AS VERY HIGH

Defense Department officials have declined to give Congress even tentative estimates of the cost of a missile defense system. In answer to questions, however, Mr. Brown and Mr. McNamara suggested that the cost of developing and operating such a system would be very high.

Mr. Brown said it might cost $100 billion just to put weapons, sensors and other components of an antimissile system into space.

With continued research, development and maintenance costs, the former Secretary said, a deployed system might require an annual budget ranging from $100 billion to $200 billion.

Mr. McNamara suggested that limited defense of missile silos and some other military installations by ground-based interceptor rockets could cost $300 billion.

Both witnesses expressed doubt that a system effective enough to offer much protection to the civilian population could be devised.

FOCUS ON FEASIBILITY

The question of whether an antimissile shield was feasible occupied much of the hearing.

Both Mr. Brown and Mr. McNamara stressed that to be workable a defense system must not only be able to shoot down missiles or warheads in tests but also must be militarily operable and able to survive if attacked, effective against enemy countermeasures and worth the cost per unit of defense.

"That has not been proven," Mr. Brown said.

He said his own visits to research centers showed that caution about the technical feasibility of an antimissile shield "was not universal, but very widespread."

He also said it would be "very hard" to build a system that could survive a nuclear attack, but added that it was not "completely unequivocal" that such survivability was impossible.

Mr. STEVENS. Mr. President, this is a somewhat incomplete account of what was discussed at the hearing. Both Secretaries McNamara and Brown supported continued SDI research. Their specific objections addressed the pacing of the SDI research effort and potential arms control implications. Although the New York Times reported Secretary McNamara's statement that spending be limited to about $2.5 billion, they neglected to add the context in which this suggestion was made. Quoting Secretary McNamara:

I maintain and believe that the technical experts will support this, that a very strong SDI program, strong enough to serve as a strong bargaining platform and strong enough to explore all the desirable technical avenues out of opportunity can be supported at $2.5 billion.

In a similar vein, former Secretary Brown addressed the impact of our arms control negotiating position if SDI funding were reduced significantly. Secretary Brown stated that "a major decrement in funding, halving in the funding by Congress would certainly make the negotiating process more difficult." When asked from what base Brown considered this impact to occur, he stated:

Yes, cutting it in half (FY 1986) or even cutting this year's in half. The Soviets are clearly looking at what the Congress will do. They are now pretty sophisticated. This is new style Soviet leadership. They watch what the Congress does. They try to influence Congress. They try to influence public opinion. They would certainly like to see the strategic defense program, about which they worry for some good reasons and some bad reasons, decrease without having to pay anything for that. If the Congress were to level it or decrease it, that would certainly reduce the price they might be willing to pay.

Secretary Brown primarily addressed himself to the technical feasibilities and the ability of a research and development program, like SDI, to efficiently utilize funds appropriated. While he did conclude that budget growth much in excess of 25 percent might be excess to the technical ability to use such resources, this position argues favorably for a level of funding approximating $3.5 billion for SDI related research. When discussing the level of funding which could be efficiently utilized, former Secretary Brown stated "if you are now at $2.7, and that is not expenditures, that is obligational authority, 25 percent would be say $3.25 to $3.5 billion."

Secretary Brown also commented on the effect reductions in SDI funding would have on our arms control negotiations. He argued, accurately, I might add, that perturbations in the budgetary resources dedicated to this research are not particularly relevant as long as the thrust of the President's initiative remains intact to keep the Soviets at the bargaining table. With regard to the SDI funding level, Brown stated:

If Congress were to level it or decrease it, that would certainly reduce the price they—the Soviets—might be willing to pay. On the other hand, the difference between appropriating $4.8 billion and $3.3 billion is not going to be seen by them as greatly reducing their concerns.

The New York Times faithfully reported McNamara's and Brown's criticisms, but failed to mention the comments by these experts pertaining to the impact on the arms control negotiations. I do not believe the views of the two former Secretaries of Defense argue against congressional support for SDI. At a minimum, Secretary Brown's testimony supports a level of funding between $3.25 billion and $3.5 billion as sufficient to ensure an efficient management of the SDI program and keep the SDI issue on the table at Geneva.

□ 1100

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

UNIFORMED SERVICES RETIREMENT COST REDUCTION ACT

The PRESIDING OFFICER. The Senate will now resume consideration of S. 2395, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 2395) to establish a revised retirement system for new members of the uniformed services, to revise the method of determining cost-of-living adjustments under the revised retirement system, and for other purposes.

The Senate resumed consideration of the bill.

Mr. GOLDWATER. Mr. President, yesterday a hold was put on this piece of legislation and we did not learn of the withdrawal of that hold until late last evening. Consequently, the two members of our committee who would handle the personnel problem are off on different duties, so it probably will be another 20, maybe 30 minutes, before I feel adequately capable of going forward with this piece of legislation. So if anybody wants to utilize the time in between now and then, I will be very happy to yield that time to them.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. I know the Senator from Illinois has an amendment he is going to propose to the military retirement bill. Would the Senator want to utilize this time? We have about 20 minutes of down time now while waiting on a couple of Members to come over and manage the bill. Would the Senator from Illinois wish to go ahead and discuss his amendment now? We would

prefer not to lay it down; we would like to have the opening statements first and proceed in an orderly fashion, but we would like to expedite it by going ahead and having him discuss his amendment if he chooses to do so.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. I thank the Senator from Georgia and the chairman of the committee, Senator GOLDWATER. I would be pleased to discuss my amendment for a short time right now. I do not think it is an amendment that should require lengthy discussion. It is fairly simple. And then when we get to presenting the amendment, I will maybe use another 3 minutes so Members will understand what the amendment is at that point.

What my amendment does is relatively simple. It changes the bill so that we give the full cost-of-living increase to those who enlist after the effective date of the bill but does not compound the cost-of-living increase.

Now, what does that mean? Let us say that you retire and you get $100 and there is a 5-percent cost-of-living increase. Then you get $105. The second year, if there is a 5-percent cost-of-living increase, we now calculate on the basis of $105. What I do is go back to the $100 base to calculate the second and succeeding years. Eventually, while you give the full cost of living, by not compounding you do two things. One is you save a significant amount of money. You save about a billion dollars a year, according to CBO, 20 years from now, and the second thing you do that I think is equally significant is you have a deflationary factor. Compounding becomes dangerous when we have inflation. Now, I hope we do not have inflation any time in the future. But the reality is none of us know whether or not we are going to have inflation. And so this amendment is one which says we are going to give you your full cost of living but we are simply not going to compound it.

Ninety percent of military retirees take a second job after they retire. The average retirement age for enlistees is 39. It is 42 for officers.

What we do through this amendment is save a significant amount of money without impairing enlistments. And I would point out that the Congressional Budget Office—and I have to say I do not know how they calculate these things, but however they calculate it, they say we might reduce enlistments 8,000 personnel a year. In terms of a 2.2 million armed service, that is almost a nonexistent factor. In fact, I do not think it is going to impair enlistments at all. I do not think that when people enlist in the Army, Navy, Air Force, Marines, or Coast Guard, they ask, "Are you going to compound my cost-of-living increase?" I do not think it is a factor.

□ 1110

Here is a very practical way for us to save a billion dollars a year down the road and at the same time have an anti-inflationary impact. So I hope my colleagues will permit us to go ahead. I do not think it works an unfairness on anyone.

While people in the military are not being overpaid, it is still a heck of a lot better than when I was a buck private in the Army. As I recall, we got $75 a month. But there are advantageous. Unlike other branches of Government or other systems, the military does not pay into their retirement plan.

The basic argument is simply this: We do not discourage people from enlisting. We save some money. We do not work an unfairness on anyone.

The argument can be made: Why do it on this program and not on other retirement programs? The reality is that I think we should be looking at this on all retirement programs. But it becomes much more significant in the military retirement program because you have so many years. If the average enlisted person retires at 39 and lives to be 79 or 75, you have 35 to 40 years of compounding. So it becomes a very costly thing.

We are spending a lot of time around here trying to figure out how we can save money. Here is a practical way of saving money without doing harm to anyone.

We are not going to save money this fiscal year; we are not going to save money next fiscal year. But, according to CBO, starting next year, we will save about $1 billion a year and not cause harm to anyone. I hope we can move in this direction, and I think we will do a favor for the Nation when we do, and not impair the military one iota.

So I hope my colleagues will adopt my amendment when we get to that point in the discussion here.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MURKOWSKI). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1110

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, what is the order of business?

The PRESIDING OFFICER. The bill is presently open for amendment.

Mr. GOLDWATER. Thank you. That is S. 2595?

The PRESIDING OFFICER. The Senator from Arizona is correct.

Mr. GOLDWATER. Mr. President, on April 16, the Armed Services Committee voted to report to the Senate a bill to alter the military retirement system for personnel entering the service in the future. I want to emphasize that—in the future. Those people who are now in service are what we call grandfathered. This legislation will not affect them a bit. I lay before you today that bill.

□ 1130

I will briefly explain its major features. First, the bill would reduce the multiplier used to determine retired pay from 2.5 percent per year of service to 2.1 percent for each of the first 20 years. Thereafter, the multiplier would be 3.1 percent for each year after 20 years of service up to a maximum of 75 percent of the average high-three of basic pay at the 30-year-of-service point. Additionally, the bill will change the cost-of-living adjustment formula for those who come under the bill to provide annual cost-of-living adjustments of a percentage amount of the change in the Consumer Price Index minus 1 percentage point. At the 40th anniversary of service, when retirees begin to reach old age, the retired pay will be restored to the level it would have been if full CPI cost-of-living adjustments had been paid. The bill would continue to provide for cost-of-living adjustments of CPI minus 1 thereafter.

Mr. President, I do not like bringing this kind of bill to the floor. I said last year when my committee decided to start work on the military retirement system, that the men and women in uniform should not have to be the ones to suffer from cuts in the defense budget. It does not take much tampering with military retirement before people in uniform begin to vote with their feet. The real harmful effect of tampering with retirement is that it is your most qualified people who get the picture first—those that you need the most if our Armed Forces are going to be ready to defend the Nation.

But at the same time, Mr. President, Congress has been talking about cutting military retirement for 10 years or more. The real harm we do to morale in the Armed Forces by talking about military retirement cuts may well outweigh the harm we will do by actually making changes to the system, if that will be the end of it. I hope that if this bill is enacted, we will hear no more about cutting military retirement because I promise you that there is only so much you can expect military personnel to take, and we are getting close to that point.

Mr. President, Senator WILSON, the chairman of the Manpower and Personnel Subcommittee, and Senator GLENN, the ranking minority member

of that subcommittee, have both spent a full year working on this issue. They both have operated on the assumption that Congress must be fair to military retirees and that fairness is far more important than how much can be cut out of military retirement. Neither of them was especially happy with the bill that came out of the full committee and I know they plan to offer an amendment to make some minor changes to the bill. Mr. President, I want to commend both Senator WILSON and Senator GLENN for their service and hard work on this issue. I look forward to hearing their comments and to listening to the debate.

Mr. President, I have just one more thing to say. There is presently a requirement that military retirement reform be completed by June 1—I repeat, June 1—or the Secretary of Defense will have to start removing hundreds of thousands of military personnel from active duty and the Reserves. How we got ourselves into this mess is just another example of the way we operate around here. Now we can either debate military retirement and make decisions and go to conference before that June 1 deadline, or we can let this bill become bogged down. I hope we will not do that because if we do, we may find that this bill is not on the fast track that everyone seems to think it is on. I am not going to say anymore about that; it is up to you. But it would be a real shame if the Senate sits here and helps dismantle the finest and most ready military force we have ever had because we cannot restrain our urges to attach amendments to this bill.

Mr. President, Senator NUNN is here, and I would like to ask if he has any comments to make before we call on the chairman and the ranking member.

Mr. NUNN. Mr. President, I support this bill. As the chairman has already described, I do so reluctantly. No one likes to deal with the subject of reducing any kind of retirement benefits. I think it ought to be stressed, though, clearly and loudly, that this bill does not reduce the benefit of any military retiree who is already retired, nor does it reduce the benefit of any active duty member today. This bill is entirely prospective in nature. It will affect the benefits of those who join the service after the date of enactment.

It does not affect the benefits of any in service today. So it certainly should not affect retention. It should not affect retention one iota because it is prospective in nature. It is one of those things we have to do as part of our unpleasant duties to get the budget under control.

This mandate to save $2.9 billion originated on the House side. It came out of conference last year. Our conferees, after a great deal of debate, decided to come to this figure. We came to it in good faith with the House. I feel, as a member of this committee, we have an obligation to save this money based on the authorization bill last year. So we are doing what our law requires.

There may or may not be amendments on the floor offered which would reduce the savings in this bill. If there are amendments that reduce the savings, I would have to say in advance that I intend to oppose those and I intend to vote against them, not because they do not have merit but because we would not be fulfilling our duty here. We talk about doing something about the deficit. Now the question is: When it comes down to it, are we going to do it? So if there are amendments—and I hope there will not be—that would reduce the savings that we have in this legislation, I will feel duty bound to oppose those amendments.

I thank the chairman for yielding to me. I want to say that Senator GLENN and Senator WILSON have done an outstanding job in dealing with this difficult subject. They have had long hearings, and I have been in some of them as a member of the Manpower Subcommittee. This is one of those bills that is not easy to handle. You have an awful lot of people involved and a lot of emotion involved in any kind of retirement changes. They have done, I think, a very commendable job, and I congratulate both of them for their outstanding leadership. I know they will be handling this bill on behalf of both the Republican and Democratic side of the committee this morning.

Mr. DIXON. Mr. President, I wonder if I might make just a brief statement before my distinguished friend from California goes ahead with respect to what he and the Senator from Ohio want to do.

Mr. President, as has been pointed out by the distinguished chairman of the Armed Services Committee and the ranking member, we spent a considerable amount of time in committee devoted to this subject matter. The distinguished Senator from California and his colleague on this side of the aisle, the distinguished Senator from Ohio, had certain different ideas about what ought to constitute the method by which we treated military retirement in this bill. All of that was carefully considered in the committee.

Regrettably, the numbers in either of their alternatives did not meet the guidelines that we were directed to conform to this year. As a consequence of that, it was my motion in the committee, Mr. President, that ultimately resulted in this bill being reported to the floor in the form that it is in now.

I would simply like to bring this to the attention of the Members of the Senate. Last year, in the fiscal year 1986 DOD Authorization Act, Congress took steps designed to require DOD to submit to Congress legislative proposals to change the military retirement system. The act placed a ceiling on the total amount of dollars that could be obligated from the military personnel appropriation accounts in each service for basic pay and retirement accrual costs in fiscal year 1986. This ceiling on obligations was $2.9 billion, or 16 percent below the level required by present retirement entitlements, basic pay rates, and force size requested in the fiscal year 1986 defense budget for military basic pay and costs.

In order to live within this obligation ceiling in fiscal year 1986, DOD must either make reductions in the size of the current military force or Congress must reduce the fiscal year 1986 military retirement accrual charge by changing the current military retirement entitlement for future retirees.

As a consequence of that, Mr. President, what we have here—and I think all of us have expressed that we have it here with some reluctance—is a bill that meets that $2.9 billion threshold requirement. For that reason, it would be the intention of this Senator, as a member of the committee, to support the chairman of the committee and the ranking member and others who I think will oppose various amendments that would adversely affect the adoption of this bill in its present form.

□ 1140

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. Mr. President, more than a year ago I offered an amendment during a meeting of the Armed Services Committee, an amendment to the 1986 Defense Authorization Act, to set in motion a comprehensive review of the military retirement system. I did not offer that amendment purely for the purpose of saving money, although as you have heard we have been under an injunction to do just that: to save money, to reduce retirement, and to reduce the Federal deficit.

I did not offer that amendment or that request for a pursuit of this subject, the investigation, of how we might perform retirement purely because I thought the system was overly generous. That was not my motive. I pursued it and sought an amendment to the system because I thought that men and women who dedicated a career of service to the Nation in uniform deserved a fair and equitable retirement system when completing that career.

It was not purely to reduce funds that this investigation had been undertaken. Rather, it was time to undertake a complete review of military retirement as part of the larger com-

pensation program of the All Volunteer Force; to determine if it was appropriate to reduce the level of dollars spent for military retirement in light of the increases and improvements that have been made in other segments of the military compensation system, and to determine if some retirement dollars could be focused more on up-front compensation—in other words, if there might not be a more realistic shift more repsonsible to the needs of military personnel and their families at the same time that we sought to make changes to, in part, relieve that budget deficit.

The first direct result of that investigation and the amendment that I offered at that time was to make it possible for Congress to authorize a 3-percent pay raise for military personnel effective October 1, 1985, rather than January 1, 1986, as had been proposed to the amendment.

The second result was that the Manpower and Personnel Subcommittee which I chair, and which my friend, the distinguished Senator from Ohio, as the ranking member, conducted a detailed and lengthy review of the military retirement system. That review began with 2 days of hearings during which the subcommittee heard from Members of the Senate, from the Department of Defense, from each of the military services, from the General Accounting Office, and from the Congressional Budget Office as well as from a number of interested organizations and individuals.

Following those hearings, the subcommittee reviewed the major studies of military retirement which had been conducted over the past 15 years. These studies included those of the President's fifth quadrennial review on military compensation; the President's private sector survey on cost control, better known as the Grace Commission; the Defense Manpower Commission; and the President's Commission on Military Compensation, better known as the Zwick Commission.

Additionally, the subcommittee received a proposal drafted by Senator SIMON, as well as two proposals drafted by the Department of Defense as required by the Department of Defense Authorization Act of 1986.

Among the issues raised by these studies and proposals, and reviewed by the subcommittee were:

First, whether there should be an early withdrawal or lump-sum feature included in the system;

Second, whether there should be an integration or retired pay with the Social Security benefit earned as a result of military service;

Third, whether there should be an early vesting feature added to the system;

Fourth, whether the immediate annuity of 20 years of service should be retained or whether that annuity should be available only after 25 or 30 years of service;

Fifth, whether the full Consumer Price Index cost-of-living adjustment formula should be changed;

Sixth, whether there should be different retirement formulas for officers and enlisted personnel;

Seventh, whether the high 3 years' average basic pay should be retained as the basis for computing retired pay;

Eighth, whether the present system could be reduced in any manner without having unacceptable adverse effects on the number of high quality personnel who would voluntarily elect to remain in the service and make it a career;

And, ninth, whether the present system could be reduced in any manner and still provide a fair and equitable retirement system for those who dedicate the most productive years of their lives to serving the defense of our Nation in uniform.

Through this past year, and in fact since 1979, the Department of Defense and the military services have almost constantly asserted that no changes could be made to the present system without unacceptably harming the All Volunteer Force and without unfairly treating those who would retire under any changes in the system. After a year's study of all these issues, I do not agree with those assertions.

I might say that the single exception to that is that some within the Navy have themselves a volunteer plan very similar to the fifth quadrennial review. It is deserving of serious attention. Regrettably it has not yet enjoyed that attention. But I will say more on that later.

But the question, Mr. President, is can the military retirement be changed and the retirement benefits for those entering the service in the future—again, like those who have preceded me, I underscore "in the future"—be reduced without treating those personnel unfairly and without unacceptably reducing the number of personnel who will wish to continue to make the military a career?

The bill before the Senate today is an effort to reduce costs. It reduces costs. It will reduce the total cost of military retirement by more than 16 percent or about $2.9 billion a year if it does not undergo amendment. And those are in 1986 dollars, and uses 1986 actuarial procedures.

Mr. President, I believe that reductions can be made in the military retirement system in a way that will not be unfair, and in fact it is possible by a change that we are not considering today regrettably to do so in a way that distinctly advantages the military family, the military retiree, both officer and enlisted.

I also believe that military retirement, were it correctly viewed, could be truly reformed. Unfortunately, the bill before the Senate today which you have heard already damned with faint praise by the chairman, and you will hear it damned with faint praise by others—the ranking member from Georgia has expressed something less than wholehearted support for it. He is right. This is not an easy or a pleasant process.

The bill before the Senate today does not in my view represent the kind of reform that we really should have before us. It represents a reduction in benefits, and the argument is that the reduction in benefits can be made without unacceptably damaging the services, without persuading enough who otherwise might make it a career to change their minds.

But I do not think it is really reform even though I think that claim is probably valid. Only time will tell. We make these judgments based on actuarial projections. The projection is that this pending proposal for a reduction in benefits will have a relatively small effect.

□ 1150

But I think that we have not completed this business and will not when we have acted on this bill today. Real reform requires additional effort. I say that what we are doing today is unfortunate because we did have an opportunity to bring about meaningful reform of the structure of the military system which would have saved the taxpayers about $2 billion a year in 1986 dollars while providing a retirement option that I am convinced would have been truly attractive to our military personnel.

Such reform could have been accomplished by a proposal first described by the President's fifth quadrennial review of the military compensation and which incorporated a lump-sum payment which would have vested at the 20th year of service point.

Under that proposal, military members who served at least 20 years would become entitled to lifetime monthly payments of almost 25 percent less than under the present system. What would have made it attractive to them was the offsetting advantage that they would have received in a lump-sum payment. In order to offset the negative effects of the substantial reduction in monthly retired pay, military members who served at least 20 years would be entitled to a one-time payment of three times annual basic pay for enlisted personnel and two times annual basic pay for officers.

I repeat, this could have been achieved and could be achieved at a savings to the taxpayers of $2 billion per year.

Under today's pay scales, it would provide a lump-sum payment for en-

listed retirees at the time of retirement amounting to $57,000; for officers, $83,000.

Mr. President, that sounds like a lot of money, but the overall result of the change would be an 11-percent reduction in the overall cost to the Nation of military retirement. But unlike almost all the other proposals for changing military retirement over the past 10 to 15 years, including the bill pending before the Senate today, this proposal would have not only made substantial savings in military retirement costs; it would have substantially improved retirement for military personnel. This proposal would have fulfilled many of the needs identified by our military personnel as critical to them at the time that they make the transition from active duty to retirement. It would have permitted them to enjoy an ability to finally be able to afford to buy a home after having moved 12 to 15 times during a 20-year military career. That is the average, 12 to 15 times during a military career.

It would have allowed them to enjoy an ability to attend school and gain professional training for a second career immediately after retirement but while still supporting a family in order to make that transition and turn military skills into truly marketable civilian skills. It would have provided the retiring father or mother an ability to establish a small business after retirement in order to continue to support a family when one's military skills practiced for the last 20 to 25 years do not easily translate into the civilian employment market.

It would have permitted the retiree the ability to send children of college age to college, and to do so while making this difficult transition.

It is in this transition period that the greatest need actually exists. This has been the repeated consistent testimony of the representatives of virtually every organization that has come before this subcommittee.

Mr. President, I found it surprising and in fact regrettable that while this approach to military retirement was endorsed by some of these very organizations, the Noncommissioned Officers' Association of the United States and the National Association of Military Families, it was strongly opposed by each of the services. I say this is regrettable because rather than support a proposal which I believe would be welcomed by a vast majority of the men and women in uniform, the services elected to interpose their own political judgment as to what would be possible, politically, and on that basis made the decision to oppose what was clearly a highly desirable alternative to not only what is being proposed today but to what the Departments themselves propose in response to a requirement of the 1986 authorization bill.

It is regrettable that they chose to do so, Mr. President, because their political view was predicated on a view of Congress that I hope is wrong. What they thought, to put it in simplest terms, was that the 25-percent reduction in monthly pay would become a fact but not the lump-sum payment. They were afraid that that figure of $57,000 for enlisted retirees and $83,000 for officers would seem like too large a figure to be politically palatable to people running for reelection.

Well, perhaps they are right. I hope they are wrong.

It is clear that it is an idea whose time has not yet come and that more time needs to be taken in order to sell this proposal, which would save the taxpayers money and provide for that very difficult transition the necessary funding to allow far greater options than can be enjoyed by the current military retiree.

But the view of the services was that if Congress were to be persuaded to enact such a proposal it would ultimately renegotiate on the lump-sum portion.

Mr. President, I find several things regrettable in the scenario that has unfolded in this year.

First and most important, it is regrettable that in this year we will miss the opportunity to truly reform military retirement while saving the American taxpayers billions of dollars.

Second, it is regrettable that the services felt it appropriate to take that view because by doing so they have been guilty, in my judgment, of a self-fulfilling prophesy; they have in fact contributed to this alternative which, in my judgment, is distinctly second best and perhaps third best.

It is necessary that we act for the reason the chairman mentioned. If we do not act, then by virtue of the so-called Johnston amendment to the appropriations measure of last year the Secretary of Defense, as of the first of the next month, is compelled to discharge hundreds of thousands of uniformed personnel, a result which no one intends and no one desires.

I find it regrettable that we are placed in this position.

Fourth and finally, I regret that the services may have been right and that at least in this year Congress is not ready to really reform military retirement in the way that it deserves and is focusing instead purely on cost reductions.

Mr. President, I yield to no man or woman on this floor in my sense of urgency of the deficit reduction. I have told my administration that I thought they were spending more time than they should on tax reform and less than they should on deficit reduction. I made a rather unscheduled appearance on this floor in the wee hours of one morning last year to demonstrate exactly how important I felt it was to bring about deficit reduction.

But, Mr. President, there are ways to bring it about that are more responsible than others. I would suggest to those who may wish to bring amendments today that would have the effect of savaging military retirement that they are engaged in an unwise course and it remains unwise and they cannot justify it even if they attempt to do so in the name of deficit reduction.

Having said that, Mr. President, let me turn to the bill now before the Senate.

It is my intention in the coming year to work to bring about a consensus in this Congress so that the view that has been reflected on the part of the services will be proved wrong, so that we can bring about true reform. But that is not what is before us now. What is before us now is the exigency to act before the first of the month in a way that will, in effect, reduce the cost of military retirement and do so in a way that is as responsible as possible, given the limited framework in which we are compelled to operate.

□ 1200

Having said all that, Mr. President, let me turn to the bill now before the Senate. On April 16, 1986, the Committee on Armed Services voted to report to the full Senate the bill before you today. The provisions of this bill will make changes in the military retirement entitlement structure, which if they had been enacted at the beginning of this fiscal year would have reduced defense budget authority, defense outlays, and Federal budget authority each by $2.9 billion. Since this bill does not reduce military retirement for those persons already retired or even for those now serving in the uniformed services, it has no short-term effects on Federal outlays. Let me repeat that again, there will be no short-term effects on Federal outlays because the bill does not reduce retirement for those already retired—they are grandfathered—or already serving in the uniformed services. They are grandfathered.

It has no short-term effects on Federal outlays.

Let me repeat that: There will be no short-term effects on Federal outlays, because the bill does not reduce retirement for those already retired or already serving in the uniformed services.

For those who enter the service after the bill is enacted, their military retired pay at 20 years of service would be reduced from the present 50 percent of the high 3 average of basic pay to 44 percent of that high 3 average. Each year of service after 20 years would add 3.5 percent to that high 3 average, up to a total of 75 percent of

the high 3 average at the 30-year-of-service point.

Additionally, the bill would alter the cost-of-living adjustment formula for those entering the service after enactment of the bill. Presently, the law provides for a once a year cost-of-living adjustment reflecting the full change in the Consumer Price Index. Under the bill, this would be altered by providing that the annual adjustments would be the percentage change in the Consumer Price Index less one percentage point. Under this revised formula, the retired pay base will be restored one time, at the 40th anniversary of service—the 40th anniversary of the date of entering the armed services—to the point it would have been if full CPI increases had been in effect. Finally, as now pending before the Senate, the bill would provide for CPI minus 1 thereafter. Shortly, I will join with Senator GLENN and others offering an amendment to this one particular segment of the bill to provide full CPI cost-of-living adjustments after the 40th anniversary of service when military retirement has truly become an old age pension like Social Security.

Mr. President, I shall support this bill's provisions on military retirement reluctantly, with the amendment I have just described, which Senator GLENN will set forth at greater length. It is a step in the right direction. I would have preferred a different step and indeed, I do intend to pursue a different step. But this one will save the taxpayers billions of dollars in the future while still making it possible to retain the high-quality career force that we need.

Mr. President, in closing, let me say that I think it is important to end the debate about reducing military retirement, in order to reduce the kind of uncertainty that has led to people leaving the service, perhaps under a misapprehension, but nonetheless because of the kind of lingering uncertainty that inevitably accompanies this protracted debate. Yet, as seriously as I take that point, as emphatically as I hope to make it to my colleagues when we have brought about true reform, I tell the Chair that we have not yet reached that point. We need to act today on the pending proposal. I hope we will adopt only the Glenn-Wilson amendment. I hope that we will not be compelled to resist a great many amendments that would undo the work of the subcommittee.

I simply remind those who have heard this statement that we came to this not unanimously, but after a protracted and very careful study of a number of other efforts, the efforts of many who had studied this subject in great detail over a period of years.

Many high-quality personnel have left the service because it appeared that Congress would decimate the retirement that has been a part of their expectation in addition to the satisfaction they have received from years of dedicated service in uniform to their Nation.

While I intend to continue to work for no-cost improvements in military retirement, and specifically for the addition of a feature providing for a long-sum payment option, I shall resist those additional efforts that seek to savage retirement or which seek to add to it that which will provide for irresponsible cost increases. I think that what we have before us is a step in the right direction. I urge that we get on with it so that we may get on with the other business before this body.

We owe to the uniformed personnel of this Nation a debt of gratitude that we made clear in part by the way in which we deal with retirement. We owe no less to our Nation than to see to it that we have that kind of quality All-Volunteer Force with reasonable expectations predicated upon the service they have done.

Mr. President, I yield now to the distinguished ranking Member, the Senator from Ohio [Mr. GLENN].

The PRESIDING OFFICER (Mr. EAST). The Senator from Ohio is recognized.

Mr. GLENN. I thank the Chair.

Mr. President, I am pleased to join my colleague, the distinguished Senator from California [Mr. WILSON], in bringing to the floor the Uniformed Services Retirement Cost Reduction Act of 1986.

Having said that, I would have preferred that no such bill be brought to the floor at all, that no changes be made, because I think the military retirement program has been working well as an incentive for recruitment and retention. The Pentagon preferred no changes and I preferred no changes, but that is not part of the ground rules under which we operate.

Mr. President, we have an enormous national debt. The Senate Armed Services Committee was proscribed, like other committees, on what our role would be in trying to bring that debt under control. Our subcommittee was given the onerous task of cutting out of military retirement some $2.9 billion.

I would have preferred a measure that I proposed in committee that would have cut $2.1 billion out of military retirement, because $2.9 billion was an arbitrary figure. This figure was not based on anything except prorating down to the different committees what we thought could be cut. It had no basis in what might happen to recruitment retention, and morale. Picking a figure out of the sky is no way to attain our goals. But these are the ground rules under which we are operating.

This legislation is the culmination of over a year's careful study and analysis by the Manpower and Personnel Subcommittee of the Armed Services Committee, by the Department of Defense, and by the Congressional Budget Office and the General Accounting Office.

It has been studied and analyzed by the Department of Defense, the Congressional Budget Office, and the General Accounting Office. Not everyone involved in this process supports the bill in the form in which it appears before the Senate today. There are changes I would like to see made in the bill. As a matter of fact, as the distinguished Senator from California has indicated, we shall probably have an amendment to the bill today relating to the cost-of-living allowance mechanism. But, as reported by the Armed Services Committee, this bill represents the very carefully considered consensus opinion of the Armed Services Committee on the issue of military retirement reform.

□ 1210

This bill will make prospective changes. I emphasize the word prospective, which means that nobody in the service right now will be affected by whatever we do. This bill will apply to new people coming in, and therefore will only have an effect on those people 20 years out when this bill takes effect. But we still have to put the money for the retirement accounts in between now and then.

But I repeat, all the concern that has been expressed in service publications, magazines, and expressed to us personally on the committee and to me personally in my office by people in the military now or those retirees who think we are about to gut their retirement system that they depend on, they have nothing to fear because this bill is prospective only.

This bill makes prospective changes to the military retirement system that will allow us to continue to properly man our military services and still provide an equitable retirement system for military members. It will also reduce the future costs of the military retirement system.

I indicated that I will probably offer an amendment to one part of the bill. I believe, however, that the overall bill is well crafted and sound; it is the best job we could have done, and I will support it. I urge my colleagues to do likewise.

Mr. President, I want to take a few moments to briefly describe the current military retirement system. Today, military retired pay is calculated on the basis of the active duty basic pay of the highest grade held times 2½ percent for each year of service. There is no retirement vesting—in other words, there is no qualification required to be put on the retired rolls and receive pay—prior to 20 years of

service. You cannot retire earlier than 20 years. But after 20 years of service a service member becomes eligible to receive 50 percent of his or her basic pay—not total active duty pay, just basic pay. That retirement pay then continues to increase 2½ percentage points for each additional year of service above 20 years to a maximum of 75 percent of basic pay for 30 or more years of service.

The difference between the amount that is received while a person is on active duty and what he or she receives upon retirement is not that well understood by most people. Total pay while you are in the service includes not only basic pay for the rank held, but also a quarters allowance and a subsistence allowance. Now, these forms of pay have a tax advantage in that they are nontaxable.

In addition, many people in the service who are on hazardous duty earn flight pay, submarine pay or hazardous duty pay of one kind or another. This is also not considered part of basic pay.

Now, basic pay for a retiree is normally somewhere between 65 and 70 percent of the total compensation that person received while on active duty receiving full pay. So it is not a matter of receiving so much a month and multiplying it by the multiplier I just described and classifying these people as living high off the hog. That is not the case. We are talking about a percent of that total and it is only the basic pay that is considered when we are talking about computing retirement pay.

Prior to 1980, military retirement pay was calculated on the basis of the basic pay of the military member on the day of retirement. Now, this gave rise to some things that probably were not so good because we had many so-called tombstone promotions—promotions given to people in the last few months of their career which would raise their retirement pay.

Now, that was changed in 1980. In 1980 a change was enacted which required that military retirement pay from that time on would be calculated on the basis of the average of the high 3 years of basic pay for individuals entering military service after September 8, 1980. That change alone was estimated by the Department of Defense to have reduced the future costs of military retirement by some 13 percent. I supported that; I think that it is reasonable not to make so-called tombstone retirements and increase retirement pay arbitrarily, whether deserved or not. That happened in too many cases.

Military retirees now receive one cost-of-living adjustment, or COLA, each year, which under current law must be equal to the annual COLA for Federal civilian retirees. Military retirement is a noncontributory system. However, while on active duty, military members contribute to the Social Security system and thereby earn Social Security retirement benefits. But these two systems are entirely separate. The receipt of military retirement pay has no effect on one's Social Security benefits, nor does receipt of Social Security have any effect on one's military retirement benefits.

In analyzing the military retirement system, it is very important that people understand that this system serves a dual purpose. First, it is an integral part of the military compensation package and serves as a retention incentive to encourage people to stay in military service. If we were to cut out retirement pay, what incentive is there to give a full 20 years of service to the Federal Government? It is not always a pleasant life. It may involve combat. It may involve long periods of time away from your family—it does for most military members. I know that all too well. I spent several years overseas and almost had to get reacquainted with my wife when I came back.

You put up with some things which are not very pleasant. So you need an incentive to get people to stay in the military at least 20 years. That is one purpose of the retirement system.

But, Mr. President, the military retirement system is also an important forced management tool. Through retirement and separation the military services keep the age, skill, and experience levels of their forces in balance with the force profile—the force requirements necessary for them to carry out their national defense mission. That is a highly important difference between the military career and the civilian career.

Now, there have been two major criticisms of the military retirement system over the years. The first is that the system as a whole is too expensive. OK, fine. I am one who wishes we did not need a single nickel spent for military service, equipment, retirement, or anything else. I wish we lived in a perfect world. But, unfortunately, we do not. The system is expensive.

I saw some figures just a couple days ago that some 63 percent of our military dollars appropriated goes for personnel compared to the 9 percent the Soviets spend on personnel. So is it expensive? You bet it is. But it is expensive to live in a democracy, too, and that is one of the things we have to consider here.

Critics argue that with the increases in military compensation under the All-Volunteer Force military, retirement benefits are higher than necessary to retain military members in sufficient number to man the career force of the military services. These critics also argue that bonuses and special pay targeted to personnel with critical skills are a more cost-effective retention tool than across-the-board retirement benefits.

The second criticism is that the current retirement system provides a large incentive for military members to retire after 20 years and does not provide sufficient incentive to encourage military members to stay in service for longer careers. Well, there are arguments to counter these criticisms.

For a number of years military retirement has been described as deferred compensation for the unique hardships of military life. I agree with that. When I was in the service that is exactly the way we looked at it. We did not look at retirement as something that was a freebie at the end of a career. You looked at it as though you were putting up with some deprivation and inconveniences. At that time, you put up with lower pay than our civilian counterparts because you had a decent retirement system to look forward to and it was regarded as deferred compensation.

□ 1220

In addition, military retirees remain subject to recall to active duty.

Finally, the military manpower management system is based on the need for a youthful and vigorous force and therefore must continue to have a mechanism like the 20-year retirement to keep the force from becoming too old or too stagnant.

Are people going to stay in for 20 years when they know that many of them will be bounced out because of this requirement to keep a young and vigorous force? The 20-year retirement keeps them in that long, but it also lets them know that they are subject to being weeded out.

So we do keep that young and vigorous force which the military must have. In that respect, it is different from almost every business in civilian pursuits, because that requirement to have the physical activity and the strength and vigor to pursue a military career is something that is not equalled, that I know of, in the civilian ranks.

Frankly, Mr. President, I am more in sympathy with the arguments in support of the current military retirement system than I am with the traditional criticisms of the military retirement system. Over the years, the current military retirement system has served the Nation well. Today we have a well-trained, capable and professional military force, and the military retirement system is one of the tools—not the only one—that have allowed us to build and sustain this force.

But I am also a realist, Mr. President. I think there is a strong consensus within the Congress to reform the military retirement system. It has been building for some years. Those of

us on the Armed Services Committee with the responsibility for legislative oversight of defense manpower recognize this consensus. The bill before the Senate today represents our effort to balance the Congress' desire to reduce the future costs of military retirement with our need to recruit and retain qualified men and women in our military services.

LEGISLATIVE BACKGROUND

Before discussing the details of the committee's proposal, I would like to briefly summarize the legislative process that resulted in this bill reaching the floor today and that requires us to complete action on a conference report so the President can sign it before June 1. That is a big order.

Last year, in the fiscal year 1986 Defense Authorization Act, Congress required the Defense Department to submit to Congress legislative proposals to change the military retirement system.

Section 666 of the fiscal year 1986 Defense Authorization Act placed a ceiling on the total amount of dollars that could be obligated from the military personnel appropriation accounts in each service for basic pay and retirement accrual costs in fiscal year 1986. This ceiling on obligations was $2.9 billion, or 16 percent below the level required by present retirement entitlements, basic pay rates, and force size requested in the fiscal year 1986 defense budget for military basic pay and costs. In order to live within this obligation ceiling in fiscal year 1986, the current fiscal year, DOD must either make large reductions in the size of the current military force or Congress must reduce the fiscal year 1986 military retirement accrual charge by changing the current military retirement entitlement for future retirees.

Section 667 of the fiscal year 1986 Defense Authorization Act required the Secretary of Defense to submit to the Congress two legislative proposals to change the military retirement system which, if effective on October 1, 1985, would achieve the required $2.9 billion in savings. Section 667 required that one of these proposals could not obtain savings by changes to the current cost of living allowance [COLA] adjustment mechanism for military retirement. This section also required the Secretary of Defense to report on the recruiting and retention impact of reductions in military retirement accrual costs ranging from $1.8 billion to $5.4 billion in fiscal year 1986, including the $2.9 billion options in the actual legislative proposal.

Mr. President, last year I opposed the idea of picking some savings target out of the air that would force us to make changes to the military retirement system without knowing what the impact of the changes might be. I was overruled by the full Senate on this issue. However, throughout our consideration of this issue, we have tried to determine what was best for the military services and the country without picking a savings target in advance.

In other words, I felt that in this area it is important that we not just whack away with a giant figure we are going to cut out, without knowing what the retention rates were going to be or what the effect on recruiting might be.

One responsibility that the Federal Government has is to keep our people alive, independent, and free; and that consideration is not amenable sometimes to the normal rigors of cost accounting. So, just to pick a figure out of the air and say that we will meet it, without considering what the retention or recruiting rates would be, is putting the cart before the horse.

In addition to these sections of the fiscal year 1986 Defense Authorization Act, the fiscal year 1986 Defense Appropriations Act included a provision dealing with fiscal year 1986 military retirement accrual costs. Section 8103 of this act provided that after May 1, 1986, obligations from the fiscal year 1986 military personnel appropriation accounts shall not exceed a rate in excess of the rate required to limit total obligations to the obligation ceilings established in the fiscal year 1986 Defense Authorization Act for fiscal year 1986. In the absence of legislation reducing future military retirement accrual costs by May 1, 1986, section 8103 would have required the Defense Department to begin reducing the military strengths of the services by several hundred thousand personnel in order to live within the current obligation ceilings on the fiscal year 1986 military personnel appropriation accounts.

To avoid a military manpower crisis in the Defense Department, on the same day it ordered reported the bill before us today, the committee ordered reported another bill extending the May 1 deadline in section 8103 of the Department of Defense Appropriations Act, 1986 for 1 month to June 1, 1986. This measure was attached to House Joint Resolution 220, which passed the Senate on April 23, 1986. It was agreed to by the House on April 29, 1986, and subsequently signed by the President.

We only have a short reprieve, however. We must complete action on this bill and get a conference agreement to the President by June 1, or the Defense Department will have to begin the onerous process of laying off hundreds of thousands of military personnel.

DEFENSE DEPARTMENT PROPOSALS

Mr. President, the Defense Department submitted the report required by section 667 of the fiscal year 1986 Defense Authorization Act to the Congress on November 15, 1985. This report included two legislative proposals that would change the military nondisability retirement system. Each of these proposals would have resulted in a reduction in military retirement accrual funding of $2.9 billion if they had been enacted into law by October 1, 1985. However, in transmitting DOD's report to the Congress, Secretary Weinberger indicated that the Defense Department was opposed to any changes to the current military retirement system.

The committee's review of military retirement began with 2 days of hearings on the Defense Department's report to the Congress. During these hearings, the committee heard testimony from witnesses from the Department of Defense and from each of the military services. The committee also heard testimony from witnesses from the General Accounting Office and from the Congressional Budget Office.

Following these hearings, the committee conducted a thorough analysis of the two legislative proposals to change the military retirement system submitted by the Defense Department. The committee also reviewed the major studies of the military retirement system conducted over the last 15 years.

COMMITTEE RECOMMENDATION

The committee bill recommends adoption of the so-called combination change to the military retirement system included in the Defense Department's report to the Congress. The term "combination" refers to a change in both the structural part of the system and a change in the current cost-of-living allowance formula.

□ 1230

The changes proposed by the committee are easy to explain and understand. For individuals who first enter military service after the date of enactment of this change, this proposal would provide 44 percent of the retired pay base, high 3 at 20 years of service instead of the current 50 percent, rising to the same 75 percent at 30 years of service that is available today. Instead of an annual full CPI COLA this proposal would provide an annual COLA of CPI minus 1 percentage point until the retiree's 40th anniversary of service. At that point the monthly payment would be restored to what it would have been had the retiree received a full CPI COLA from the time of retirement. However, after the one-time restoral the annual COLA will still be 1 percentage point less than the CPI increase for the remainder of the retiree's life.

Later on in this debate, Mr. President, Senator WILSON and I will offer an amendment to this COLA mechanism that will provide a full CPI COLA after the restoral at the 40th

anniversary of service rather than reverting to CPI minus 1 percentage point as provided in the committee bill.

At this point, I would like to emphasize a critical factor in the bill. The changes, as I said before and I would like to emphasize again, the changes in the committee bill are completely prospective, and would not affect the retirement benefits of anyone serving in uniform today. They will not change any factors as far as retirement benefits go for those already retired. Only those people who enter military service after the bill is enacted into law will be affected by these changes.

Another important factor to note is that the changes would apply only to nondisability Active duty and Reserve retirement benefits. The committee proposal has the effect of reducing the multipliers for Reserve retirement proportional to the reductions proposed for Active duty retirees. The change in the COLA mechanism also would apply both to Active duty and to Reserve nondisabililty retirement benefits. However, disability retirement benefits and survivor benefits would not change from current law under the committee proposal.

Mr. President, the committee bill achieves a reasonable and appropriate level of savings in future military retirement costs through a balanced combination of reductions to the retired pay multipliers and to the current COLA mechanism. This bill will result in annual savings of 16 percent in future military retirement costs. If it had been enacted on October 1, 1985, it would have saved the full $2.9 billion in fiscal year 1986 retirement accrual costs anticipated in the fiscal year 1986 Defense Authorization Act. However, the changes proposed by the committee do not cut as deeply into the base of military retired pay while unrealistically leaving the full annual CPI COLA intact as would the second, so-called structural change included in the DOD report, or as would the bill passed by the House which is based in substantial part on a structural approach.

The committee bill will encourage military members to stay in service beyond the 20-year point by steepening the slope of military retirement benefits between 20 and 30 years of service. However, this change does not reduce the 20-year benefit to the point that it is no longer a meaningful and equitable benefit for the more arduous enlisted skills and ratings.

Finally, Mr. President, it is important to note that all of the Defense Department witnesses who testified before the committee indicated that if Congress is going to enact legislation reforming the military retirement system, they would prefer the combination change included in the November 1985, DOD report to the Congress, which is the basis for this legislation.

Mr. President, the military retirement system has been the subject of debate for a number of years. The continuing uncertainty about the future of military retirement benefits has undermined morale in the Armed Forces, led many of our fine young men and women in uniform to pursue careers elsewhere, and created an atmosphere of distrust for the Congress by our service personnel. Through all the talk, they have not known what they could rely on into the future. So it may well be that this uncertainty has had more adverse effects on retention in the Armed Forces than would the changes to military retirement now recommended by the committee. In reporting this bill to the Senate, the committee intends to end the long debate over the appropriate level of benefits provided under the military retirement system so that we need not revisit the issue.

Mr. President, I hope the Senate can act expeditiously on this bill so that we can go to conference with the House and get a final bill to the President before the June 1 deadline. It is important to take all the dissention away from this. It is important to take the uncertainty away from it. It is very important to both the military services and the Nation that we do so and we do so promptly.

Mr. President, I yield the floor.

AMENDMENT NO. 1959

(Purpose: To express the sentiment of Congress regarding postponement of the award of a certain contract by the Department of Defense)

Mr. HARKIN. Mr. President, I have an amendment I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, Mr. DIXON, and Mr. GRASSLEY, proposes an amendment numbered 1959.

Mr. HARKIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment reads as follows:

At the end of the bill add the following new section:

SEC. 13. CONGRESSIONAL POLICY REGARDING POSTPONEMENT OF A CERTAIN DEPARTMENT OF DEFENSE CONTRACT.

It is the sense of Congress that the Secretary of Defense should postpone the final award of a contract with respect to Defense Construction Supply Center Solicitation numbered DLA700-85-B-4-4607 (for the purchase of 178 crawler tractors) until Congress has enacted legislation authorizing appropriations for the Department of Defense for fiscal year 1987.

Mr. HARKIN. Mr. President, I am joined by my colleague, my neighbor from Illinois, Senator DIXON, and also my colleague from the State of Iowa, Senator GRASSLEY, in offering this amendment to S. 2395, the Uniform Services Retirement Cost Reductions Act.

I also want to thank my colleague from Illinois [Mr. SIMON] for permitting me to proceed, even though he has been sitting here patiently waiting to bring his amendment up.

Mr. President, this amendment, which is similar to a concurrent resolution approved unanimously by the House 2 days ago, expresses the sense of Congress that the Secretary of Defense should defer the final award of a contract for procurement of 178 Crawler tractors until the Congress completes consideration of the Defense Authorization Act for fiscal 1987.

The Department of Defense is prepared to award a $7.9 million contract for these tractors to Fiat-Allis North America, Inc. However, the Government of Libya holds a 15-percent ownership in Fiat SPA, the corporate parent of Fiat-Allis North America, and what would happen is the ultimate benefit from this award would go to the nation of Libya. I might also point out that Libya has two members on Fiat's board of directors.

So, Mr. President, this decision not only undercuts our campaign against international terrorism, but directly contributes to the loss of American jobs.

At the same time the Defense Department is prepared to offer this contract to Fiat, the American firm that was the low bidder on this contract—the next low bidder underneath Fiat—J.I. Case, Inc., has announced it is going to close three American plants, costing over 1,500 American jobs.

Two of those plants are in the quad cities area, Rock Island, IL, and Bettendorf, IA. The plant in Bettendorf now builds the same tractors the Defense Department has decided will be built by Fiat, whose parent company is, in turn, owned 15 percent by the Government of Libya. I do not think, Mr. President, we can underestimate the impact of this plant closure on the city of Bettendorf or on the city of Moline, IL. Case is Bettendorf's second largest employer, with about 650 production and salaried workers now on the job. The plant shutdown was the latest blow to an already devastated economy in the eastern area of Iowa, where unemployment has been in double figures for most of the 1980's.

□ 1240

So, Mr. President, how can we possibly justify sending the sons of those workers to fight a war against terrorism and against a terrorist regime that is being financed with their own taxpayers' dollars? How can we mount an

international campaign against terrorism while we are contributing to financing that same terrorist regime we are bent on defeating?

All this amendment would do is ask the Secretary of Defense to defer the award of this contract until the Congress completes its consideration of the Defense Authorization Act where I understand the Armed Services Committee is considering a proposal to preclude the awarding of this contract to Libya.

We all want to send a message to the administration, to our European allies, and to our own citizens that we are serious about terrorism, that we are serious about Qadhafi, that we are serious about economic sanctions, and that we are serious about making Libya the kind of pariah nation that it in fact is.

So, Mr. President, we want to ensure that our U.S. defense dollars do not end up in the coffers of Mu'ammar Qadhafi. I hope Senators will support this amendment which was unanimously adopted by the House just 2 days ago.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIXON. Mr. President, I rise in support of this amendment by my colleague, the distinguished Senator from Iowa. I have a bill presently pending, S. 2152, which is before us at this time in the Acquisition and Policy Subcommittee of the Armed Services Committee in which we provide that in the future, every company that attempts to do business with any agency of the U.S. Government must make a public disclosure of any interest held in the foreign company by any hostile nation.

The facts in this situation are that Fiat of Italy is 15 percent owned by Libya, and two members of the board of directors of Fiat are Libyans. In this circumstance, 178 small bulldozers would be purchased by the Marine Corps from Fiat unless we stop this contract.

I am very pleased, Mr. President, with the position taken by the Secretary of Defense the other day when Secretary Weinberger indicated that they were going to make every attempt to prevent the execution of this contract. I would just like to relate to my friends in the Senate the experience we had in the Acquisition Subcommittee on the day that the hearing was held on S. 2152.

The subcommittee was chaired by the chairman, the distinguished Senator from Indiana, Senator QUAYLE. Senator WARNER was there that day, the Senator from Virginia. Senator LEVIN of Michigan and myself were there. Senator QUAYLE has a similar bill to mine now pending in that subcommittee.

Certain members of the administration appeared before our subcommittee, and testified about the legislation. Frankly, they indicated there is some need for some kind of legislation. And I am happy to tell the Members of the Senate that I believe Senator QUAYLE and I have fully agreed on a bill that will accommodate the points of view of both of us so that we will have legislation that will be offered on the defense authorization bill that we both have agreed upon that I think addresses the problem for the future, and simply says in the future that any company that wants to do business with any agency of the U.S. Government has to make a full disclosure of any interest, or any substantial interest owned by hostile nations, and then the agency of government has to make a full report on that to the jurisdictional committees of the House and Senate before any contract would be entered into with at least a 30-day notice, so the Congress can take necessary steps in the future to prevent this sort of thing from happening.

I thought the interesting thing, Mr. President, when we had this subcommittee hearing a week or so ago was this: One of the representatives of the Defense Department who appeared before us as a witness said to us that they thought they had no legal authority to cancel this contract notwithstanding the known 15 percent interest by Libya in the company which would profit from this contract, to which my colleague from Michigan, Senator LEVIN, replied to the witness, "Are you telling me that we have the constitutional right to bomb Libya but we do not have the constitutional right to refuse to enter into a contract with a company that has a substantial interest owned by Libya?" The witness found that quite difficult to explain to us. I think every member of the subcommittee felt that there was no sensible explanation for that position.

So I hope we pass this resolution as a sense of the Congress—this has already passed the House—that supports the position of the Secretary of Defense, Mr. Weinberger, that we should not proceed with a contract that would benefit Libya.

I might say, Mr. President, for the information of the Members of the Senate, the interest owned by Libya is worth well in excess of $2 billion, and perhaps as much as $3 billion.

The President has asked our allies to present sanctions against Libya. We have presented our sanctions against Libya, and I think it would be a strange anomaly for us to now suggest that we ought to enter into a contract to buy 78 bulldozers from a company that has a 15-percent interest owned by that country which is hostile to the interests of the United States of America.

So I certainly urge my colleagues to support this resolution.

I think if we are calling upon economic interests in our country to cease and desist from doing business with Libya, if we are asking our allies to do the same, we ought not to sanction this kind of a contract.

I urge my colleagues to support the resolution.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. GRASSLEY. Mr. President, I rise in support of the amendment being offered by my colleague from the State of Iowa [Mr. HARKIN]. This amendment is identical to a concurrent resolution that passed the House of Representatives this past Tuesday. Briefly, the amendment expresses the sense of Congress that the Secretary of Defense should suspend the award of a contract for the sale of 178 bulldozers to the Marine Corps. This contract has been awarded to Fiatallis, a wholly owned subsidiary of Fiat of Italy.

For my colleagues who might not know, but who would be interested in knowing, the Government of Libya owns 15 percent of the Fiat Co. In addition to owning a substantial share of Fiat, Colonel Qadhafi is represented on Fiat's board by two representatives.

Mr. President, I believe that Congress ought to carefully weigh any transaction at this time that would have the effect of financially benefitting Libya. This amendment does not prohibit the contract from going through, it merely delays it until after Congress has completed consideration of the fiscal year 1987 defense authorization bill in order to give Congress an opportunity to consider the implications of the purchase more carefully.

I commend my colleague from Iowa for offering this amendment, and I am pleased to join him as an original cosponsor of the amendment. I urge the adoption of the amendment.

Mr. WILSON. Mr. President, this amendment deals with matters that are under the jurisdiction of the Defense Acquisition Subcommittee rather than the Manpower and Personnel Subcommittee. I am told that the chairman of that subcommittee, Senator QUAYLE, is enroute to the Chamber.

We could, I suggest, do one of two things. If that is agreeable with the Senator from Iowa, we could simply, by unanimous consent, temporarily lay aside his amendment to take it up later in the day.

The PRESIDING OFFICER. Is that the request the Senator is putting?

Mr. WILSON. I ask unanimous consent.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

Mr. WILSON. Mr. President, as I understand it, the pending business is the bill itself.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. WILSON. I thank the Chair.

Mr. GLENN. Mr. President, if the Senator will yield, might I ask a question, please?

Mr. President, did the distinguished Senator from Illinois submit his amendment or just make his statement?

Mr. SIMON. I made a statement. But I have not submitted the amendment, and I did not want to do that until the Senator was here.

Mr. GLENN. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

AMENDMENT NO. 1960

(Purpose: To amend the cost-of-living provisions applicable to the retired pay of persons who first enter the uniformed services on or after the date of enactment of the new program)

Mr. SIMON. Mr. President, I offer an amendment. It is at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. SIMON] proposes an amendment numbered 1960.

Mr. SIMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 10, beginning with line 17, strike out all down through line 3 on page 12 and insert in lieu thereof the following:

"(B) shall increase the retired pay base of each member and former member of the armed forces entitled to such pay who first became a member of a uniformed service (as defined in section 407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Reduction Act of 1986, other than a member or former member retired for disability under chapter 61 of this title, by the same percent by which the retired pay of members and former members referred to in clause (1) is increased.

"(2) Increases in the retired pay of a member or former member referred to in paragraph (1)(B) shall be cumulative and may not be compounded.

□ 1250

Mr. SIMON. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. SIMON. Mr. President, let me stress what is contained in the basic bill. We say that for anyone who enlists after the effective date of this bill, the military retirement system will be changed slightly. What my amendment does is, instead of the COLA minus 1 percent or the CPI minus 1 percent, to say you get the full cost-of-living increase, but that it not be compounded.

There are two reasons for doing that. One is the savings you make. The second is it restricts the inflationary impact.

It is a somehow much easier thing to get into a lengthy debate on this floor, Mr. President, on a specific, one-time savings. But when we talk about entitlements, we make minor changes and we can save infinitely more than we do on most of the one-time savings.

The amendment that I offered back when I was a Member of the House was adopted and resulted in the creation of the housing component of the Consumer Price Index, which ultimately will save billions of dollars for this Government. I think it got about three lines in the Wall Street Journal and that was about it. These are not dramatic things, but in the long run they have tremendous impact.

Let me just say I do not want to harm the system. I do not want to do harm to the military nor to my colleagues, Senator WILSON or Senator GLENN, who I understand will oppose my amendment.

The present military system is a very costly one. In addition to the obvious costs, there are hidden costs.

For example, I served in the Army for 2 years. That goes on my congressional retirement. That is not counted as a cost of military retirement, but, in a sense, it is.

There are a variety of hidden costs.

The average enlisted person retires at the age of 39. The average military retiree lives about another 35 years. When you compound the cost-of-living increases for 35 years, you are talking about huge expenditures by the Federal Government.

What do we mean when we say we do not compound? Let us just say that the retiring pay was $500 a month and the cost of living increase was 5 percent. What you do now is you pay $525.

What I would say is you pay the full $525. In the second year, if there is a 5-percent increase, you base it not on $525, but you base it on the original $500 base.

Only 12 percent—and I stress this to my colleagues—of those who enter the military ultimately do retire. So we are not talking about something that has a huge impact.

It is very interesting that on my amendment, which will save $1 billion a year—not tomorrow, not next year, but starting 20 years from now—the Congressional Budget Office estimates, and I do not know how they calculate these things, that there will be 8,000 fewer people who would enlist out of a total force of 2.2 million. Frankly, I do not think even the 8,000. I do not think when someone who is 18, 19 or 20 walks into the enlistment office to enlist in the Army, Navy, Air Force, Marines or Coast Guard they ask, "Am I going to get the full cost of living? Will it be compounded?" I just do not think that is the fact.

The reality is that 90 percent of those who retire take another job. So it is not a retirement for retirement only that we are talking about.

The present system was inaugurated, and the Presiding Officer, I think, along with me, and a few of the other Senators remember, when pay in the Army was $21 a month. The chairman of the Armed Services Committee can remember when that pay was $21 a month. When I was in the Army it was $75 a month.

So we established a very generous retirement system, as we should have.

I guess the final question, and I do not want to prolong this, is, what harm will be done if we go ahead on this and we save $1 billion a year?

CBO says you might have 8,000 fewer people. If you took one-tenth of that $1 billion and added some bonuses for people for reenlisting or enlisting, you would more than make up for that 8,000.

So, in fact, there is no harm done and we can save $1 billion.

So we have two effects: One, we save $1 billion a year, plus, we have a deflationary factor. Indexing is, in and of itself, inflationary, whether it is indexing of tax rates or indexing of any of the retirement systems, or anything else. Frankly, in theory I have to say I would favor doing away with indexing but it just is not going to happen. But here we can get ahold of something without doing any harm to the armed services and we can save $1 billion a year.

I hope we have the courage and the good sense to do it.

I heard the Senator from Georgia, Senator NUNN, say we all like to talk about saving money but when it comes down to doing it; we do not seem to be willing to do it.

Here is a practical way of saving $1 billion a year with no harm whatsoever to the Armed Forces of this country or the retirees. Again, it applies to no one in the service now. It applies to no one who is a retiree now. It applies to those who enlist after the effective date of this bill.

I hope we will have the good sense to adopt this amendment.

Mr. WILSON. Mr. President, before addressing the amendment of my friend from Illinois, I wonder if he would agree that we might temporarily lay aside his amendment. Senator QUAYLE has arrived in the Chamber now. I believe we can quickly deal with the amendment offered by the Senator from Iowa. If that is agreeable to the junior Senator from Illinois——

Mr. SIMON. I have no objection.

Mr. WILSON. Then I make that unanimous-consent request, Mr. President, that we temporarily lay aside the amendment of the Senator from Illinois and turn to the amendment offered by the Senator from Iowa.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 1959

Mr. QUAYLE. Mr. President, I rise to clarify where we are concerning the disposition of this defense construction supply center solicitation, which is the purchase of 178 crawler tractors. The lowest bidder on this solicitation was Fiat-Allis.

Mr. President, this issue has been one that has been of intense concern to me and the Senator from Illinois, Senator DIXON, who also is on the Armed Services Committee and who attended the hearing we had on this. Libya owns 15 percent of Fiat's stock and this has raised a lot of serious questions on why this contract would be awarded to that business, even though it is the low bidder.

□ 1300

I believe that it certainly is the sense of the Senate, which this resolution expresses, that we would not want to award any contract to any business if that business is controlled or owned by Libya or any other nation that supports terrorism. I believe that position is one that the Senate certainly wants to go on record on.

I can assure my colleagues that this position is shared by the administration. In our hearing on Senator DIXON's legislation, the Senator from Illinois, myself, the Senator from Michigan, and the Senator from Virginia all violently opposed the awarding of a contract that would, in fact, benefit Libya. There was no disagreement from the Under Secretary for Policy, Dr. Ikle, or the Assistant Secretary of State, Dr. William Schneider. Both voiced concerns identical to those we expressed.

At issue today is the Harkin amendment, which basically says it is the sense of Congress that we shall postpone the final award of this contract until Congress has enacted legislation authorizing the appropriations for the Department of Defense for fiscal year 1987. I can tell the Senate that the Defense Department is going to do a lot better than that, because I had a conversation with the Secretary of Defense this morning on this issue and he told me in no uncertain terms that he, as Secretary of Defense, has in fact denied the awarding of this contract to Fiat-Allis. He has denied the awarding of this contract even though Fiat-Allis was the low bidder, under the national security clause of the contract. That is a standard clause in any contract that goes before the Department of Defense.

The Secretary of Defense indicated that he is denying this contract on the national security clause and he has the authority to do this.

Therefore, Mr. President, the issue before us is really moot. The issue is not terribly relevant. I can understand that the Senate wants to express its feelings on this particular issue, and I have no desire to thwart that intention that the resolution speaks toward. But I do want to point out that, as of now, the Secretary has, in fact, denied the contract. There is no reason to fear that this issue can possibly come back up after the appropriations bill or the authorization bill, because I can tell my colleagues what the Secretary of Defense feels and said: That he is simply not going to award any contract to a business that has the potential of benefiting a country like Libya or any other country that has state-supported terrorists. That is his unequivocal position. It is a position I strongly endorse. I believe the entire body would support that decision.

(Mr. GRAMM assumed the chair.)

Mr. QUAYLE. Therefore, Mr. President, I wish only to clarify the issue before us. I have no opposition to the resolution. I think the resolution is very straightforward, but I do want to point out that this decision has already been made. It has been made by the Secretary of Defense. It is a decision that was made in the last few days. Therefore, I just point this out for the membership so that they know this issue is not really a matter of controversy. There is no controversy on this issue. It has, in fact, been settled. I simply wanted to point that out.

I express my deep appreciation to my colleague from Illinois, the senior Senator, Mr. DIXON, who has been very active on this committee. As a matter of fact, he is one of the instigators of these hearings. He and I are working on legislation to clearly define the authority of the Secretary of Defense to deny any similar future contracts. It is our opinion that he already has this authority, but we want to make certain that we are not going to allow business to go to companies that are controlled or owned by state sponsors of terrorism.

With regard to Fiat-Allis, a contractor that wants to continue to do business with the Department of Defense and with other businesses in this country, I hope they can work themselves out of this particular predicament they find themselves in. I have talked to members of that company. They have referred to the problem that Libya invested in their firm a decade ago. At the time the company was desperate for foreign investment. That is in the past. We have to deal with the present. The present situation, unfortunately, is that 15 percent of the company is owned by Libya. Therefore, they are going to have to do something about it.

There are a lot of things that can be done. You can actually freeze assets. You can figure out a way to get the stock out from under Fiat-Allis. There are all sorts of possibilities of things that can in fact be done to alleviate and get this contractor, which does business within this country, out from under their present cloud. Until such steps are taken, there is absolutely no way that this contract will be let to a business that has that kind of relationship with Libya.

Again, I just want to underscore that the Secretary of Defense has, in essence, said that this contract has been denied, it will be denied. Therefore, the resolution is simply going to be the sense of the Senate expressing its will but it will not be terribly relevant to the contract that has been disputed over these last few weeks.

Mr. GOLDWATER addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Arizona, the chairman of the Committee on Armed Services, is recognized.

Mr. GOLDWATER. Mr. President, knowing there are a number of our colleagues who are unavoidably detained, which will mean that we have to put off any voting for not too long a time, I thought I might take advantage of this little lull so that I could make more clear to the man in uniform the fact that he is not affected by what we are doing on the floor today.

Military retirement has always been one of the bright spots of the uniformed man's life. It has gotten sort of our of hand, not through any purposeful action on our part but just as a result of actions that we have taken that we felt would be helpful but which have not been.

It has always been the custom in our military that when a man signed up, he knew that if he kept his nose clean and he was going up the enlisted man's ladder and he reached the highest point that he could in that, that little rung at the top of the ladder is always silver. He knew that he could retire with a pension into which he had paid no money.

It was the same way with the officer. He went on duty as a second lieutenant knowing that if he did everything right, if he did not stumble, he would retire as a lieutenant colonel, a full colonel, or even a general, and he would have coming to him a retirement fund, again into which he had paid no money, but which we as American citizens from the time of George Washington have been willing to pay him out of gratitude for his willingness to serve.

It was George Washington who said at one time that every free man owed something in the line of service, whether it be in uniform, whether it be in the church, whether it be in teaching, whether it just be in general service to his fellow man.

□ 1310

I think this has always guided the American, and I think it has been a very wonderful guidance. I do not think any other country in the world has been as responsive to their feelings of their debt to freedom as have the Americans.

Oh, we have always had those people who have bitched and screamed about putting on a uniform and going off to war, but it was a very small percentage of them, and in spite of them, we have managed to win every war we have ever fought but two, and we hope that those two will be the last two we ever lose.

What we are finding today that is very objectionable, especially to those of us who have made the military more or less a life's work, is the fact that we are losing good men at an age that we do not want to lose them. If we get down to the serious work of trying to write a retirement program that will do away with this, it is going to take a long time, it is going to take some drastic changes in all of our thinking. But I think, for example, of losing the Chief of the Air Force sometime in the next few days. He is 55 years old. That is a young age. I can say that now without any trouble. But I can recall when I was in a corporation. I looked on 55 to 60, 65, as a very, very productive age. A person had learned enough to be valuable to the company just as a general officer today who has reached the four-star rank, or three-star rank, or two, has become very, very valuable to his service because of his expertise. Yet, they go out, and what do they do? They go home and try to find something to do or they take employment someplace else. The same way with the enlisted man. We allow an enlisted man to serve 20 years and he can get out at age 40, 42, or 45 or 46. I see my good friend JOHN GLENN sitting over here, and I think he would agree with me that when he taxis an airplane up to the line and complains about something that does not work, he would rather see some gray-haired old guy with a monkeywrench than an 18-year-old boy who does not know what a monkeywrench is. This is another thing that is happening to our services all the way through. We are getting rid of people who are too young, especially the enlisted man who is forced to leave at a young age, at an age when many, many men are beginning to look for employment in our markets, and they are finding it difficult.

I am hopeful that in the coming years, not just the Armed Services Committee of the Congress, the House and the Senate, but the Pentagon will apply some real thought to this idea of retirement so that we are going to be able to keep people in the service a long time and therefore better all the services.

I think the older a person gets the better he gets, with some exceptions. I may be one of them. But age has nothing to do with ability. Age has nothing to do with mental ability. I have known morons at 32 years of age and some of the smartest people I have ever known were in their nineties. But when we force people to get out of our military service who have just reached a productive age, whether they are enlisted or officer, I think we are wrong.

I know there is an inclination on the part of the Joint Chiefs to correct this. I know there is a desire on the part of the present Secretary of Defense to correct this. I know of no general officer who is in command anyplace who wants to get out because he is feeling old when he is in effect is not old.

I really make this statement today for two purposes. One, to assure and reassure the man in uniform that he is what we call grandfathered. He is already in. There is no way we can touch him. He is going to get the retirement that was promised to him. But for the man who is enlisting tomorrow or graduating the day after tomorrow from our academies or ROTC, they have to take another hard look at retirement where they previously did not have to worry about it.

I think we can provide a retirement service comparable to civil service, comparable to what we live under here in the Congress, where we pay a certain amount of our income every month to retirement. I think that is a fair way to do it and I think it is allowed under the military now after retirement.

I close by pointing out how ridiculous this whole thing has gotten. One of my best friends, who was a lieutenant general in the Army, retired getting $18,000 a year. I know many, many noncommissioned officers who reached the rank of sergeant and retired after 58 who now make more retirement money than that lieutenant general who in his military life after West Point earned three stars. This points out the kind of crazy system under which we work.

Mr. President, I apologize for taking the time of the Senate. I know others want to speak, but somehow it seems that when it comes time to vote around this place, there is more darned things going on downtown than up here. Maybe we ought to offer tea or ice cream or crumpets about this time of the day and they could stay away from downtown. There is nothing down there that we have not seen before. There is a lot of work going on up here, and our Members should be here. I would much rather be home doing something else, but we are here.

I urge my colleagues to start paying attention to the duties of the floor, get here on time so they can vote, get here on time so we can have meetings of committees, and get here on time so we can get the business of the country handled.

I thank the Chair, and I suggest the absence of a quorum.

Mr. QUAYLE. Will the Senator withhold?

Mr. GOLDWATER. I will.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. The pending business is the amendment offered by the Senator from Iowa, and I think the Senator from Indiana has quite adequately addressed that issue and made clear that the idea embodied in the resolution that is contained in the amendment of the Senator from Iowa has in fact been dealt with, so I see no point really in prolonging the debate and am prepared to accept that as an amendment on behalf of the majority.

Mr. GLENN. Mr. President, let the RECORD show that the minority also agrees with the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 1959) was agreed to.

Mr. WILSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DIXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILSON. Mr. President, while we have both Senators QUAYLE and DIXON on the floor, I would ask the further indulgence of our colleague, Senator SIMON, of Illinois, in that we address another issue that I understand the Defense Acquisition Subcommittee has that is an agreed to matter.

The PRESIDING OFFICER. The Simon amendment is currently under consideration.

Mr. WILSON. Now, Mr. President, I ask unanimous consent that we temporarily lay aside the Simon amendment for the purpose of dealing with the matter to be proposed by the Senator from Indiana.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Indiana.

AMENDMENT NO. 1961

(Purpose: To establish the position of Under Secretary of Defense for Acquisition)

Mr. QUAYLE. Mr. President, I send an amendment to the desk on behalf

of myself and the Senator from Illinois.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Indiana [Mr. QUAYLE], for himself and Mr. DIXON, proposes an amendment numbered 1961.

□ 1320

Mr. QUAYLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

SEC. 13. UNDER SECRETARY OF DEFENSE FOR ACQUISITION

(a) CREATION OF POSITION.—Section 135 of title 10, United States Code, is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) There are two Under Secretaries of Defnese, one of whom shall be the Under Secretary of Defense for Acquisition and one of whom shall be the Under Secretary of Defense for Policy. The Under Secretaries of Defense shall be appointed from civilian life by the President, by and with the advice and consent of the Senate.";

(2) in subsection (b), by striking out the second sentence; and

(3) in subsection (c), by striking out the second sentence.

(b) EXECUTIVE SCHEDULE II PAY GRADE FOR UNDER SECRETARY OF DEFENSE FOR ACQUISITION.—Section 5313 of title 5, United States Code, is amended by adding at the end the following new item:

"Under Secretary of Defense for Acquisition.".

Mr. QUAYLE. Mr. President, this is a very simple amendment. It is an amendment that we dealt with on the military reorganization bill. However, the military reorganization bill is going to take some time before it becomes law. We have to go to conference with the House of Representatives. It is hoped that this bill will become law much quicker.

In essence, this amendment establishes the position of Under Secretary of Defense for Acquisition. I want to pay my respects for the origination of this amendment to the Senator from Illinois, who has been in the forefront throughout this whole debate on procurement reform and dealing with the Packard Commission on calling for the Under Secretary of Defense for Acquisition. As a matter of fact, it was Senator DIXON who came before our Subcommittee on Defense Acquisition and testified to the need to have an Under Secretary of Defense for Acquisition.

Mr. President, this is a simple amendment because it only establishes the Office of Under Secretary of Defense for Acquisition. It does not do anything beyond that. It does not get into who is going to report to him. It does not get into a lot of the particulars about this Under Secretary of Defense for Acquisition. Those matters will be heard and deliberated before the full Armed Services Committee when we go to markup next month. As a matter of fact, next week we will have a hearing on the issue on the Office of Testing and Evaluation and its relationship to the Under Secretary of Defense for Acquisition. This will be an additional hearing that my friend and colleague from Michigan, Senator LEVIN, requested. We hope to hear from other Senators who are interested in this issue. It will be resolved before we take it to the full committee. Those will be the details of this Under Secretary of Defense for Acquisition.

It has been requested by the Packard Commission to move this amendment forward today. It establishes the office; it establishes it at a level 2 position. They want to get on with the program. If we do not have this office established, their recruitment, their idea of putting somebody on the job, will be delayed.

So this will be an attempt to create the position of Under Secretary of Defense for Acquisition, created now in this legislation, which is on a very fast track to becoming law. By having it on a fast track, it will be a clear indication to the Department of Defense that they can get on with the recruitment and can put that person in place and start some acquisition, reforms that are vitally necessary.

This is a straightforward amendment. It was dealt with in the military reorganization bill, Senator DIXON's amendment. It will be dealt with in more substance on the defense authorization bill. But I think it is important at this time that we just create the position at a level 2.

Again, I pay my high respects and gratitude to Senator DIXON for all the hard work he has done on this issue. He has taken the lead on the issue, he has testified, and he has worked with us in trying to sort out the details of how this Under Secretary is going to function. He has worked with the Packard Commission and Members of the Senate on this issue. Credit for the creation of this acquisition position really belongs to him and all the work he has done. I want the record to show that, in no uncertain terms. If it had not been for this hard work and diligence, I am sure we would not be here in a bipartisan matter. This amendment has strong bipartisan support. It is supported on both sides of the aisle. I presume it will be accepted, and it is in the spirit of trying to do something in a bipartisan way to improve our acquisition system.

I believe the Packard Commission said, candidly and clearly, that we can do a better job; and one of the ways we can do a better job is to give the authority, the power, the responsibility, and the accountability to this new Under Secretary of Defense for Acquisition. We will know who is responsible for some of the problems that go on. We will now have accountability as to where we can go to get information on how we can make our procurement more efficient. It is a tough job. He is going to be responsible for 15 million procurement transactions a year. Certainly there will be mistakes. We are all human. But at least we will have a place we can go to find out why mistakes occurred.

I think the Senator from Illinois has pointed out time and time again the usefulness and the need for this Under Secretary of Defense for Acquisition. I am glad to be a part of it today and offer it on this fast track vehicle, so that we can have procurement reform and more efficiency not only in the letting of the contracts and the efficacy of those contracts, but also the whole cycle of procurement, from the concept stage through to the full-scale production and seeing the systems going out to the field for their use.

Mr. DIXON. Mr. President, I want to express my profound appreciation to my warm friend, the distinguished Senator from Indiana, who has chaired the Subcommittee on Acquisition with such distinction. That subcommittee, I think everyone knows by now, has been a very productive subcommittee, responsible for legislation I had the honor of sponsoring in the past session involving the Competition in Contracting Act, responsible for all the significant work we have done in this session. I am indebted to my friend, the distinguished Senator from Indiana, for his bipartisan cooperation on many occasions in connection with this and other legislation.

Every Member knows that the Armed Services Committee was in markup for over a month on the DOD reorganization bill. We dealt with 80 amendments to that bill and finally determined by a unanimous vote, 19 to zero, that we agree in principle to an Under Secretary of Defense for Acquisition. We then decided that we would submit to the Subcommittee on Acquisition, chaired by the Senator from Indiana [Mr. QUAYLE], the whole issue of how this should be done.

We have had a great many hearings in that subcommittee. When the DOD authorization bill comes along, we will be prepared to flesh out completely everything involving the line authority of the Under Secretary of Defense for Acquisition, how he controls procurement and acquisition absolutely in the office of the Department of Defense, and the other provisions that are pertinent to this issue.

For now, however, it is important to adopt this amendment. We already put most of the language in this amendment on the DOD reorganization bill we passed a week or so ago, by a vote of 95 to zero. So every Member who has looked at this issue and heard

it discussed voted in favor of what we are doing here.

What we are doing here is providing for the Under Secretary of Defense for Acquisition, in this bill, which will be on a faster track, and we are providing for the Under Secretary of Defense for Acquisition to be at a level 2 position. That is important, because it places the Under Secretary of Defense for Acquisition at level with the Deputy Secretary and at the same level with the three service secretaries. We will provide later for his primary authority in acquisition matters over these service secretaries. But in this amendment we make the necessary provision to give him level 2 salary status. That is important, because it reflects the wishes of the Packard Commission and because of the Secretary of Defense and others have indicated to us that they want this done as soon as possible so that they can put a person in this important position of Under Secretary of Defense for Acquisition.

So I thank my colleague from Indiana, my warm friend, for his support. I thank the Subcommittee on Acquisition and the Committee on Armed Services for their support.

I urge the adoption of this amendment, which will hasten our ability, in short order, to provide for a new Under Secretary of Defense for Acquisition in the Department of Defense, in the very near and foreseeable future, at a level 2 status, to do this very tough job of acquisition and procurement for the Department of Defense.

The PRESIDING OFFICER. Is there further debate?

Mr. WILSON. Mr. President, there is no further debate, I believe.

I only say that I think that both the Senator from Indiana, the chairman of the Defense Acquisition Subcommittee, and the ranking member, the Senator from Illinois, are to be congratulated on the successful work that has gone into the portions of the reorganization bill that the Senate passed earlier, the legislation that bears the name of our distinguished chairman.

□ 1330

I think today the Senator from Indiana and the Senator from Illinois have improved their handiwork. I agree with the contention that this new post is necessary and that it be given the full authority required to do the job. It is an immense job and one that should have with it the requisite authority.

On behalf of the majority, there are no objections and we will gladly accept this amendment.

Mr. GLENN. Mr. President, it is my understanding that David Packard, who headed up this commission, was very concerned about this. This does not involve whether it will or will not be a position, it is a matter of timing, speeding up getting someone, getting someone started, getting the person on duty. The fact that this authorization for this position was on the reorganization bill, which will take a little more time to get through, was of some concern. And that is the only reason this is being transferred to this bill. It is not any new authorization. It is just to put it on a faster track so we can get that person on the job and on duty.

With that understanding, the minority agrees with the proposal.

Mr. NUNN. Mr. President, I wish to echo what has already been said by the Senator from California and the Senator from Ohio. This is a good provision. I appreciate very much the Senator from Illinois' and the Senator from Indiana's sponsoring the provision. It is the same provision we had on the defense reorganization bill. It has some technical amendments to it that were not on the defense reorganization bill that are absolutely essential for the negotiations to begin toward hiring this Under Secretary for Acquisition. So I think it is very important we put this on this legislation.

I might add, I am delighted the Senator from Ohio is optimistic about this retirement bill moving through conference very rapidly. I hope he is correct on that. We do have differences with the House on it, so we will have to see that develops. But right now it does appear that this retirement bill may be on the fastest track and reorganization, hopefully, will be right behind it.

Mr. GLENN. Will the Senator yield?

Mr. NUNN. I am glad to yield.

Mr. GLENN. My reason for that comment was we are under the June 1 restriction of getting this through conference and signed by the President by June 1. That is about as fast a track as you can go on.

Mr. NUNN. I hope we meet that deadline.

Mr. GLENN. I hope we do, too.

Mr. WILSON. Mr. President, I ask unanimous consent that I be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendment (No. 1961) was agreed to.

Mr. DIXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WILSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1960

Mr. WILSON. Mr. President, it is my understanding the pending business is the Simon amendment.

The PRESIDING OFFICER. The Senator is correct. The pending business is the Simon amendment.

Mr. WILSON. Mr. President, I thank the Chair.

I rise with no great pleasure to express my total opposition to what is clearly a well-intended amendment but one that I think would have an unintended and really insidious effect. I mean no disrespect whatever to my colleague, the junior Senator from Illinois.

I do reject the characterization that he has made of this amendment as a simple cost-of-living adjustment in the cost-of-living formula. It is a good deal more than that. After only 2 years under what he proposes as an amendment to the formula, there is no longer any real connection between the cost of living and the retired pay level resulting under the formula. And that is because what he has done is chose as the baseline the year in which retirement is entered. Thereafter, in contrast to virtually every other provision I can think of that seeks to provide a cost-of-living adjustment, he would use that base-year year after year. There would not be a reflection of the reality of inflation and what it has done over a period of years in adding to the cost of living. And that results, very simply, whether intended or not, in the greatest possible unfairness.

I think that, to put it in the clearest terms, to provide just one example, what this means is that the annual military retirement annuity of an enlisted member 25 years after this retirement in real terms would be worth only 66 percent, or two-thirds, of what it was worth at the time of retirement. Thirty-five years after retirement, the enlisted retiree's annuity would be worth exactly half, 50 percent, in real terms of what it was when he retired.

Now that, I repeat, is simply unfair. And I am unaware of any precedent for this kind of treatment.

I think Senator GOLDWATER, the distinguished chairman of the Armed Services Committee, in his brief comments a few moments ago, made clear why the United States owes a special debt of gratitude to those who have chosen to wear the uniform of the armed services for enough years so that they can call it a career. It seems to me that, by focusing purely upon the cost aspects of retirement, what the Senator from Illinois has done is to go in precisely the wrong direction. He has in fact given special treatment, or would give special treatment, but treatment of the wrong kind.

Senator SIMON was invited to and did testify before the Manpower and Personnel Subcommittee about his proposal. At that hearing, Senator SIMON discussed this very same formula, the one that he is now offering in this amendment. I think I can say that the members of the subcommittee at that hearing unanimously rejected

this formula as being unfair and inequitable. The subcommittee spent more than a year considering various options on military retirement. And although the members of the subcommittee were fully aware of this proposed formula, no member suggested that members of the Armed Forces who spend an entire career in uniform should be asked to bear this type of cross.

Mr. President, I have not seen nor have I heard of a proposal to add such a formula to any other retirement system—not civil service retirement; not congressional retirement, surely; not judicial retirement, not veterans' benefits, not Social Security. Why then should it be appended to the retirement system of those who have worn military uniforms for the United States?

Mr. President, we have lines of people waiting to sign up for jobs in the civil service. There is apparently no shortage of those who are willing to become employees in the Federal service. We have no such lines, Mr. President, of those waiting to become members of the armed services. We have done better in recent times, certainly, in recruiting and in retention. I hope no one deludes themselves that that has been easily achieved. It is because this body and the other have conscientiously set about trying to provide a compensation which in all aspects, including the most important aspect of retirement, would induce the kind of volunteers of a quality that are required to produce an All-Volunteer Force.

Mr. President, I would suggest to you that this is not the kind of change that we owe to those people who are not standing in lines but who are willing to come and stand watch over the Beirut Airport or spend months at sea, spend months separated from their families and loved ones; those who move 10 to 12 to 15 times in a 20-year career. I do not think that we are being just to them when we say that we will, as they grow older and move into that period of life when they really require an old age pension, reduce their retirement in the critical aspect of cost-of-living adjustment to 50 percent of what it was on the day that they retired.

I suspect that it is very likely not exaggerated if we say that it threatens a sharp reduction in the All-Volunteer Force if we ask those in uniform to bear the brunt of such a sharp reduction. It would save money. There is no question about that. I give full measure to the Senator from Illinois on that.

The measure that is before us, not his amendment but the basic underlying bill, will cut retirement by $2.9 billion a year and his would cut it by $3.9 billion. Mr. President, we could cut it still further. We could do away with retirement.

Now, I will simply say that too many times in the past and in the recent past we have asked the military to bear the brunt of cost savings.

□ 1340

This is asking too much. This amendment was fully heard at the time Senator SIMON came before the committee. It was considered thoroughly, and it was thoroughly rejected. That is what should happen again at the appropriate time. This amendment should be tabled.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I, too, strongly oppose Senator SIMON's amendment to this military retirement reform legislation. I admire greatly the Senator from Illinois. I wish it was not necessary to oppose this. He is a very active Member of the Senate, and very concerned about expenses and cutting expenses. I share that concern with him. We worked together on issues in the past. But I have to depart from this amendment which he has proposed.

I oppose it for two reasons:

First, I think it cuts far too deeply into the future retirement benefits of military members.

Second, and more importantly, most of the additional savings in this amendment relative to S. 2395 are made at the expense of the most vulnerable group of military retirees, those in their 60's, 70's, 80's, even some living into their 90's; and that is when they would be cut the most—just at a time when they need help more than ever before.

Mr. President, the committee bill as reported would save about $2.9 billion on an annual basis in fiscal 1986 military retirement accrual costs. This means we will save approximately 16 percent of future retirement costs from those people who enter military service after the date of enactment, and this is a prospective bill. Do not forget, as our distinguished committee chairman, Senator GOLDWATER, stressed a little while ago, and Senator WILSON and I expressed earlier. I am sure there will be some who have not heard us yet. This bill does not affect anybody in the military now. It affects only those who come in later on, and who come in after enactment of this bill.

When they begin to retire 20 years from now, and when you add the savings in this bill today and the savings we achieved in 1980 by moving to the average high 3 years of basic pay as the base for retired pay, the total reduction in future military retirement costs from these two changes is 27 percent.

If you are a potential enlistee in the military services today, and you are concerned about what your retirement may be, what are you to think? Do you think you are going to be given the same opportunity that has been there in the past as a good, attractive package to get people into our military, and our All-Volunteer Services? What do people think about this?

You cannot continually cut away at military benefits and expect those people to still sign up out there, and still have some of our best people going into the military. We do not want people in the military who cannot do anything else. We want some good people in the military. But you cannot continue getting good people if you are going to severely cut their retirement benefits.

The Simon amendment would result in annual fiscal 1986 retirement accrual savings of $3.9 billion as opposed to the $2.9 billion that I mentioned, and $1 billion more than the committee bill as reported. This would equal a reduction of 21.4 percent in future retirement costs. When added to the effect of the high three changes in 1980, the total reduction in future military retirement costs would be almost 32 percent—nearly one-third.

I cannot stand here today and honestly tell my colleagues that we know precisely what the impact of the Simon proposal will be in terms of retaining people. I do not know that. I cannot tell you with any certainty. Our retention models that we have, the computer modeling used to predict how military members would react to this change just are not precise enough that I can stand here and tell you with any real degree of confidence what the retention effect of the Simon amendment would be relative to the committee bill. But I would hasten to add that just plain common sense tells us that you cannot reduce military retirement benefits by almost one-third without hurting the retention of the qualified, the best qualified, and the most capable service members.

I think, Mr. President, the manner in which the Simon amendment achieves the additional savings over the committee bill would exacerbate the negative retention impact of this proposal. Military members know a bad deal when they see one. The regressive cost-of-living allowance or COLA formula in the Simon amendment I feel is a very bad deal for the individual military members, especially if he or she hopes to achieve a ripe old age and long life because that is where it is going to hit them the hardest.

Mr. President, if we adopt the simple COLA for military retirement benefits in this amendment the people who will bear the brunt of the savings will be military retirees in their 60's, 70's, 80's

and 90's. That is when they get impacted the most. In fact, we have a diagram here that compares what would happen under this Simon proposal with other proposals, the committee bill and the one that Senator WILSON and I will propose probably later this afternoon. I will give some examples a little bit later.

As a result, under current law, and under the committee bill the annual COLA is compounded; that is, each year the base against which the COLA is applied includes the effect of all previous COLA's. That is what keeps people's buying power, and their living standards constant. But this would no longer be true under Senator SIMON's COLA formula. Under his proposal the annual COLA would be applied only to the base amount which the retiree received at the time he retired regardless of how long he lived or how many COLA's he received. In other words, his effective buying power starts eroding and going downhill constantly from his age of retirement on.

As a result, under the Simon amendment the military retiree's annual retirement pay would drop significantly below what most of us would consider full inflation protection after 25 or 30 years' retirement, and just when they need it the most—65, 70, or up, however long they live.

Let me illustrate with an example. Let us take the military retiree who leaves the service at age 40 after 20 years of service. It is not uncommon. Let us assume this is an enlisted man. Let us assume his annual retirement pay at the time he retires is some $10,000 per year. The COLA formula in the committee bill as reported provides an annual COLA of 1-percentage point less than the CPI increase with a one-time restoral of the base at the 40th anniversary of that person's entry in the service. He may retire at 20. Nothing happens until he gets out here at that 40th anniversary. Under this committee formula when our enlisted retiree reaches age 65 he will receive in constant dollar terms 95 percent of the amount he received when he retired at age 40. However, under the Simon COLA formula at age 65 the annual annuity of our enlisted retiree in legal terms would be only worth 66 percent, two-thirds of what it was when he retired at age 40.

If our enlisted retiree is fortunate enough to live to age 75 he will find the real value of his annuity is exactly half of what it was when he retired.

Mr. President, the COLA formula in the committee bill evenly spreads out the savings from the reduced COLA formula among younger and older military retirees. But if the amendment that Senator WILSON and I intend to offer is accepted, the savings from reduced COLA's would be made only at the expense of military retirees below age 58 to 62.

So the COLA formula proposed by Senator SIMON just does the opposite by achieving the largest amount of savings from the older military retirees. I find it difficult in my own mind to justify a COLA for military retirement that requires the greatest sacrifice from the most vulnerable group of military retirees.

I do not know whether the Senator would be willing to apply this same standard to Social Security. Would we apply it to civil service retirees? Would we put it on other veterans' benefits? Even banks give compound interest. They do not say when you put money in your bank account that it is simple interest from then on. Why should we expect our military retirees to take the brunt of something that no one else is taking? We are not applying this to Social Security. We are not applying it, as I understand it to railroad retirement, civil service benefits, or other veterans' benefits.

So, Mr. President, this regressive, simple COLA formula proposed today for military retirement does not apply to other Federal retirement programs, and with very good reason.

□ 1350

We should not adopt it for the military retirement system.

I urge my colleagues to oppose this amendment. At the appropriate time I will move to table.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, first, let me commend my colleagues. Senator WILSON chairs the subcommittee which held the hearings. I think it was about a year ago that I stood up with an amendment to the retirement system. The chairman of the full committee, Senator GOLDWATER, agreed that hearings would be held. Senator WILSON said that hearings would be held.

I hate to differ with one of my heroes, one of the heroes of many Americans, Senator GLENN. Every time I see that small capsule that he went up into space in, I am amazed at the man who would get into that little thing. I have long admired his work here in the Senate.

But the reality is, as the distinguished Presiding Officer, Senator GRAMM knows, because he has had some practical experience in this, talking about saving money in the abstract everybody is for. As soon as you start getting specific, then all of a sudden we are going to have to step on some toes.

And what are the realities? What I am asking for is simply that we not compound the cost-of-living effect, that it would have a full impact on it.

The Senator from California says there is an incidental effect, and that this is the same bill that I presented to the committee.

Frankly, I would like to pass the same bill that I presented to the committee. The bill that I presented to the committee did not go nearly as far as Mr. Grace suggested we ought to go. The bill I presented to the committee said you had to serve 25 years instead of 20 years in order to retire. I do not call for that here, though frankly, if someone else would offer the 25-year requirement, I would vote for it. I still think it is sound.

But we do not make that change.

I recognize there is a recruitment value in 20 years rather than 25 years.

It is very difficult to find any recruitment value in the compounding of the retirement. As I said before, I just do not believe anyone walks into a recruitment office and says, "Are you going to compound my cost of living when I get to the point of retirement?"

CBO says, of 2.2 million people in the Armed Forces, we might lose 8,000 with this amendment. I frankly do not know whether they are right or wrong.

I would stress to my colleagues, indexation is in and of itself inflationary, and when you compound it you add to the inflationary impact.

As to the harm done to retirees, I would point out two things: One, the present system was established when military pay was much, much, much smaller than it it today. Second, two-thirds of those who retire are now getting other jobs, and everyone who retires now is covered by Social Security. Only 12 percent of those who enlist ever get to the point of retirement.

I would underline the point that my two colleagues have made here already: This is prospective. It does not apply to anyone who is in the armed services at the present time.

My good friend from Ohio says, What Social Security?

There is this tremendous difference, my friends. That is, in Social Security the normal payments are ended 9 years after a person retires. Compounding does not have the problem that it has when you live 35 or 34 years after you retire. Then, when you retire, you are talking about massive losses to the Treasury.

My good friend from Ohio says, when you have a bank account, that is compounded.

The difference on the bank account and the retirement is you compound on the bank account when you have the money in. You do not compound when you take the money out. We are talking about taking the money out and still compounding. That is the inequity here.

One of my colleagues said every other system compounds. The reality is, virtually no system in the private sector has cost-of-living indexing. It is only, for all practical purposes, the governmental systems that have that.

The effects of compounding are clearly inflationary.

When it is said that this action would be unprecedented, we are living in times when we are going to have to take unprecedented actions.

The Presiding Officer introduced a bill that was unprecedented. I voted for it because I thought it was needed.

If something is right and it makes sense, we ought to do it.

Finally, when it is said we owe a debt of gratitude to those who serve in the Armed Forces, believe me, I could not agree more. I have been one of those who has fought for veterans' benefits, for health benefits, for other things, and I will continue to. But those of us who had the honor, and it was an honor, to wear the uniform of our country, we serve—those of us who wore the uniform of our country—best by seeing to it that the economy of this country stays in good shape. One of the things we have to do is to get our fiscal house in order. Here is a practical, simple way of saving $1 billion a year starting 20 years from now, when studies show that there will be virtually no impact at all on recruitment.

The question is, Do we have the courage to cast a vote that is going to save $1 billion a year? I hope we have the courage to do it. I hope we will resist the motion of my friend from Ohio to table this amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. GLENN. Mr. President, I agree that people do not walk into a recruitment station and inquire about retirement benefits. But I will tell you when they start looking at them. They start looking at them after they have been in the service for a few years. Then they think, "Should I get out? Should I begin another job? Should I retire now, with no retirement benefits, after serving for 4 or 5 years?"

Then they think, "I like this. I am getting good experience and I am proud to serve my country. Maybe if I stay in for 20 years, it is not a bad idea. They have a pretty good retirement system."

That is when people start thinking about what the retirement system situation may be. That is when how we treat retirement becomes very important. I think it is a rare person who walks in and makes the retirement program that is presented at the recruiting office a major issue in whether they sign up or not. That would be rare. I would agree with the Senator on that.

At the same time, I would say that I think it is flat wrong to set up a situation where we decrease the standard of living, when we make it worse the longer that person lives after retirement.

What we are talking about is keeping the buying power, a reasonable standard of living, that the retirees thought they were getting, thought they were signing up for, and thought their Government had a contract with them that would be honored.

To have a proposal like this that would apply only to military retirees, those who have already made greater sacrifices than most people in the country—I agree with the Senator completely on that—and then ask them to sacrifice more in retirement, even, than other retirement systems is really the nub of this whole thing. It really is a factor, keeping people in, keeping that experience in, through a good retirement program. But are we dealing fairly with these people when we say we will let their buying power, their standard of living, decrease and become worse the longer they live and apply that only to military retirees and to no one else?

□ 1400

Mr. President, I move to lay the amendment on the table.

The PRESIDING OFFICER (Mr. COHEN). The question is on agreeing to the motion to lay the amendment on the table.

Mr. SIMON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Illinois. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Maryland [Mr. MATHIAS], the Senator from Oregon [Mr. PACKWOOD], and the Senator from Wyoming [Mr. WALLOP] are necessarily absent.

I further announce that, if present and voting, the Senator from Florida [Mrs. HAWKINS] would vote "yea."

Mr. CRANSTON. I announce that the Senator from Florida [Mr. CHILES] and the Senator from Montana [Mr. MELCHER] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 86, nays 7—as follows:

[Rollcall Vote No. 100 Leg.]

YEAS—86

Abdnor	Bradley	Danforth
Andrews	Bumpers	DeConcini
Armstrong	Burdick	Denton
Baucus	Byrd	Dixon
Bentsen	Chafee	Dodd
Biden	Cochran	Dole
Bingaman	Cohen	Domenici
Boren	Cranston	Durenberger
Boschwitz	D'Amato	East
Evans	Johnston	Pryor
Exon	Kassebaum	Quayle
Ford	Kasten	Riegle
Garn	Kennedy	Rockefeller
Glenn	Kerry	Roth
Goldwater	Lautenberg	Rudman
Gore	Laxalt	Sarbanes
Gorton	Leahy	Sasser
Gramm	Levin	Simpson
Grassley	Lugar	Specter
Harkin	Matsunaga	Stafford
Hart	Mattingly	Stennis
Hatch	McConnell	Stevens
Hatfield	Mitchell	Symms
Hecht	Moynihan	Thurmond
Heflin	Murkowski	Trible
Heinz	Nickles	Warner
Helms	Nunn	Weicker
Hollings	Pell	Wilson
Inouye	Pressler	

NAYS—7

Eagleton	Metzenbaum	Zorinsky
Long	Proxmire	
McClure	Simon	

NOT VOTING—7

Chiles	Mathias	Wallop
Hawkins	Melcher	
Humphrey	Packwood	

So the motion to lay on the table amendment No. 1960 was agreed to.

□ 1420

Mr. GLENN. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1962

Mr. GOLDWATER. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. GOLDWATER] proposes an amendment numbered 1962.

At the end of the bill add the following new section:

Section . Denial of funds for T-46 trainer aircraft program.

Of the funds appropriated for "Aircraft Procurement, Air Force" for fiscal year 1986, none may be obligated or expended for the procurement of the T-46 trainer aircraft.

Mr. GOLDWATER. Mr. President, this is a rather short amendment. I do not like to call it simple, because no amendment is simple. It applies to the T-46 aircraft trainer.

Mr. President, there is no question that last year, the Senate and the House, the two bodies acting together, approved the acquisition of the T-46 Program. But the Air Force has terminated the T-46 Program.

The decision was first made by the Secretary of the Air Force, Verne Orr. It was reaffirmed by Secretary of the Air Force Russ Rourke, reaffirmed by Secretary of the Air Force Edward Aldridge, and confirmed by Secretary of Defense Caspar Weinberger. They want no funds in the fiscal year 1987 budget for the T-46.

The current Air Force trainer, the T-37, can be extended from 15,000 to 18,000 hours at no cost; and for only $200 million, the service life of the T-37 can be extended to 25,000 hours. By comparison, the T-46 Program will cost more than $3.5 billion for development and procurement and will have a life cycle cost in excess of $6 billion.

The Air Force intends—and this is very important—to procure the T-46 data package but will defer procurement until sufficient funds are available to support the program. When such funds are available in the early 1990's—in other words, when we can afford it—following the procurement of other major systems currently in production, the Air Force will be in a position to procure the T-46 aircraft.

The Senate budget resolution reduces the President's request for defense expenditures by $20 billion.

Some programs must inevitably be terminated as a result of such drastic action and reductions.

Mr. President, we are faced with further reductions. I can only guess now at them, but they will be something in the neighborhood of $25 billion or $30 billion. So there are going to be a lot of reductions in the military. The Air Force decision to terminate the T-46 is proof that the Pentagon can terminate programs.

Mr. President, for those who wonder why the T-46 has been terminated when both bodies accepted the aircraft last year, I want to describe briefly why, and I will do it in as much layman's talk as I can.

The aircraft is made by the Fairchild Aircraft Co., which made the A-10, made many of our other fine aircraft. But the Fairchild Aircraft Co. has gone through some changes in personnel, mostly in the production end of it, the direction end of it, the ability to supervise the manufacture of a rather sophisticated small airplane. Let us see what happened.

The first aircraft that was delivered to Edwards Air Force Base had a wing incident angle improperly manufactured, causing imbalanced flight which could not be trimmed out, and they had to rerig the ailerons.

Mr. President, as a pilot, if you have anything wrong with the main spar that requires any work at all, you have an airplane that is in trouble. The main spar is the most important part of an aircraft, and if there is any weakness or tendency to twist or break, you are in trouble.

There was miscalculated drag and weight of the aircraft, which has significantly reduced the range. The aircraft may require inlet redesign to meet specifications. The inlet is where the air comes into the engine. It is not anything big, but it is a manufacturing procedure that will take quite a bit of thought and redesign. It is referred to by the test pilots as the "flying speed broke."

The aircraft looks like it was built with a hammer. The panel seams are mismatched, and large gaps are evident between the panels.

The aircraft was grounded—and this is the important part, because all these other items occurred before what I am going to read now—the aircraft was grounded on May 5, 1986, due to severe structural vibrations and wing flutter. The wings were observed vibrating 12 to 18 inches at 8 hertz. A hertz is one cycle, so they are talking about eight cycles per second. A vibration of 12 to 18 inches in a wing that is not very big—probably from here to the end of that desk—might shake the pilot to death when he saw that thing going like that.

This airplane is not due to refly until the end of the month at the earliest. I had every intention of going out over the Memorial Day weekend and having a flight in it. But if it is still doing these things, I will just get in the cockpit and look at it.

The aircraft has no adequate stall warning and will need a stall warning system integrated into the aircraft prior to production.

They had to resize the longitudinal trim tab to meet trim requirements.

Mr. President, as I have said to everybody who has approached me on this, the decision has been made by the Secretary of the Air Force and by the Secretary of Defense that this airplane is not coming into the inventory this year.

We are trying to keep what became of the A-37. We call it the T-37. It is a small jet trainer that has done yeoman service, and it has life left in it. But by the time we get the money and get ready to produce a new training aircraft, which we hope will be by 1990, 1991, or 1992, we will have finished with the use of the T-37, and we will then go ahead with an aircraft built something like the T-46.

□ 1430

So, Mr. President, I am offering this amendment. I have nothing else to say about it, unless somebody wants to ask questions.

Mr. THURMOND. Will the distinguished Senator yield to me?

Mr. GOLDWATER. Yes.

Mr. THURMOND. Mr. President, I rise in support of the amendment by the able and distinguished chairman of the Armed Services Committee. I talked to the Secretary of the Air Force last night. He told me that they do not need this plane and they do not want this plane. And as tight as finances are, why should we impose something on them that the Air Force does not want? We will have hardly enough time to raise the money for the things they do want. It seems to me this amendment ought to be adopted without delay.

Mr. GOLDWATER. I thank my friend from South Carolina.

That is all I have to say. I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, I rise to strongly oppose the amendment offered by the distinguished chairman of the Armed Services Committee which will delete funding for the T-46A Air Force trainer in fiscal year 1986.

Mr. President, this amendment is not germane to this bill. Congress has duly authorized and appropriated funds for the T-46. This amendment is in effect, a rescission. It is a unilateral rescission, Mr. President. The procedures for rescissions are rather specific. The Senate and House Appropriations Committees have to agree to a rescission. The fact is Mr. President, that, both of these committees, as well as the House Armed Services Committee, strongly support the T-46.

The Air Force continues to need a new trainer. For 7 years, the Air Force lobbied Congress heavily to fund a new trainer. They should not abandon it now.

We are not trying to force upon the Air Force a trainer it does not want or need. In fact, this is an issue of fiscal responsibility. It will be more cost effective to keep the T-46 production line going, possibly at a reduced rate, than to stop it now. Although the Air Force is, like all services, experiencing tight budget constraints, canceling the T-46 is shortsighted, The Air Force admits that, in the near future, they may have to rebid the T-46. Rebidding is estimated to cost taxpayers an extra $1 billion more than keeping the program going now. A reduced production line for the T-46 in fiscal year 1987, an option that the manufacturer of the T-46A has suggested, would have a minimal budgetary impact in comparison.

Mr. President, my staff personally visited Edwards Air Force Base where they are testing the flight of the T-46. The Air Force Training Command there said they loved and wanted the T-46. It is performing well at Edwards. The Air Force cannot and will not deny that.

I met with General Gabriel, Chief of Staff for the Air Force and other Air Force personnel on this matter. They are not saying this plane does not perform well. Their only problem is in terms of prioritizing expenditures of dollars.

I have to admit my distinguished colleague was absolutely correct when he indicated there were many problems with respect to the production. There were serious problems. But, the Air Force will admit, Mr. President, that

those flaws have been substantially corrected.

I recognize this is a case where reasonable people can disagree. But I have to suggest to characterize the plane as not being fit and worthly of production is not the case. The question is whether we undertake to build this trainer now or whether we deny our young Air Force pilots the modern, effective, and efficient trainer they deserve. We also have to ask whether we want to lose the productive capacity of the Fairchild Republic facility.

For fiscal year 1987 the administration has asked for increased funding for highly advanced aircraft. The increase for the F-16 and C-5B aircraft alone totals over $600 million over this fiscal year. The Air Force has put the new generation trainer low on its priority list. I have to question that move, Mr. President. Not only does it effect the quality of our young Air Force pilots, but it will effect their safety as well.

The current trainer, the T-37, is 30 years old. It does not have the pressurized cabin to permit all-weather training. It does not have the side-by-side seating for student and instructor training. The T-46 has both features and the T-46 consumes 66-percent less fuel and costs 30-percent less to operate and maintain.

Again, I would suggest, Mr. President, that we go ahead with the T-46 Program, that we possibly do it on a reduced production level, that we not jeopardize the strategic production capabilities of the Fairchild Republic facility, and that we save the taxpayer's money by putting into service a much more cost-effective trainer.

Mr. President, the House Armed Services Committee, and both Defense Appropriations Committees strongly support the T-46A Program. The T-46A Program can—and should—proceed.

The T-46A is a successful aircraft that deserves the support of the Air Force and Congress.

Mr. President, I strongly oppose the amendment, notwithstanding the fact that I have deepest respect and admiration for the chairman of the Armed Services Committee who has always been a strong supporter of the Air Force as well as a strong national defense.

Thank you, Mr. President.

Mr. GOLDWATER. Mr. President, I will be very brief. I have been a pilot for 57 years of my life. And they say there are old pilots and bold pilots. Well, I am an old pilot. I quit being a bold pilot a long time ago.

But, Mr. President, this airplane, from the first one delivered, has had troubles. I have been to Edwards. I have talked to the test pilots. In fact, I have a test pilot on my staff. While he did not fly this aircraft, he flew the 14's and the 15's. Nevertheless, he reports that, yes, when the airplane was flying without these bugs that I have listed that just came to my attention the night before last, there was not anything too wrong with the airplane. As I say, when you have got a main spar that might act up, I do not want any part of that airplane.

But when we find out that it was grounded on May 5 and it will not refly until the end of the month at the earliest, it means they have got some problems. Frankly, they do not know what is causing this structural vibration and wing flutter.

I talked to the representatives at Edwards. I talked to the men who have been test flying it. They say, "We do not know what is causing it, but we are not going to fly that airplane while it has that flutter." Because when you get a flutter of 8 hertz or 8 cycles a second, anything can happen. And we do not want anything happening to a plane that is training the young men of this country.

So, Mr. President, I am insisting on a vote or the passage or the acceptance of this amendment, anything to get it on the books.

Mr. GLENN. Mr. President, we have some people on our side of the aisle that were interested in speaking on this proposal. I believe they are on the way to the floor. We are checking right now. I have no statement to make myself.

Does the distinguished manager have a statement? If not, we will put in a quorum call.

Mr. WILSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1440

Mr. WILSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1963

(Purpose: To make technical corrections in the bill)

Mr. WILSON. Mr. President, there are technical amendments at the desk. They have been agreed to by both sides. They are to cure purely typographical errors.

The PRESIDING OFFICER. There is a pending amendment at the desk.

Mr. WILSON. I ask unanimous consent that we temporarily lay aside the pending amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from California [Mr. WILSON] proposes an amendment numbered 1963.

Mr. WILSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, line 21, strike out the quotation marks and the second period.

On page 9, between lines 21 and 22, insert the following:

"(D) 'retired pay' includes retainer pay.".

On page 10, line 8, insert "Cost" before "Reduction".

On page 10, line 23, insert "Cost" before "Reduction".

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. GLENN. Mr. President, as I understand it, these are mainly clerical amendments as much as anything else. They are just technical. I am sure it does not change the intent or the content of the proposal at all. We would be glad to accept them.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from California.

The amendment (No. 1963) was agreed to.

Mr. WILSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILSON. Mr. President, I suggest the absence of a quorum.

I withdraw that.

AMENDMENT NO. 1962

Mr. GLENN. Mr. President, on the pending amendment by the distinguished Senator from Arizona, I am putting out a hot line on our side to make sure there are not other people who want to speak for or against this since it came before us rather suddenly. I understand the Senator from New York wishes to speak. I will have a report on that hot line by the time he finishes.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I thank the Chair.

I thank my distinguished friend from Ohio for the opportunity. I have to be at about nine different places at the moment when I am on the floor to speak in opposition to the amendment.

First, I would ask unanimous consent that a statement by Senator CHILES of Florida be included in the RECORD at this point. He, too, is concerned about this proposal.

The PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. CHILES. Mr. President, I am concerned about this amendment to deauthorize fiscal year funding for the Air Force T-46A trainer.

Earlier this year Secretary of the Air Force Russell Rourke announced a decision not to seek production funds in fiscal year 1987 for the aircraft. Although the Air Force admits the T-46 has performed satisfactorily in the flight test program, Secretary Rourke cited manufacturing problems, schedule delays, coupled with budget restraints as reasons for the decision.

I understand from reliable sources that the problems which forced the Air Force to suspend progress payments last year have either now been corrected or are in the final process of being corrected.

The Air Force had planned to request $548 million in fiscal year 1987 for the T-46A and purchase 650 planes over the life of the program. Under current plans, the Air Force will only buy the first lot of 10 T-46A's, continue to use the 30-year-old T-37's for undergraduate pilot training for the near term, and restart the T-46 program in the 1990's.

While I feel the Air Force should have primary input in making these types of decisions, I have to question the way this particular one was made, since Air Force representatives have testified time and time again in the Defense Appropriations Subcommittee of the need for replacing the aging T-37 aircraft as the Air Force's primary trainer. In fact, Secretary of the Air Force Verne Orr stated in testimony before our committee 2 years ago that "* * * The T-46 trainer, a trainer that we desperately need, because our trainers are T-37's and very, very old* * *". There is no question of the requirement to build a new trainer. The only questions are when and by whom.

The American taxpayer has made a substantial investment in the RDT&E of a next generation trainer for the Air Force. To cancel this program now when these aircraft are about to go into production just doesn't make good sense to me. Especially when it appears the selected alternative to continuing the T-46 program will cost an additional $900 million. The T-46A represents an important new asset in the Air Force inventory. With the T-46's ability to train new pilots quickly, effectively and at reduced costs in maintenance and fuel savings, our defense posture should be significantly improved.

I can understand the reasoning behind the Air Force's cancellation of this program for the time being, in hope of a better future budgetary climate. But, quite frankly, I don't think this will happen, and in the long run we are going to be saddled with an outdated, less capable Air Force trainer and new program startup costs whenever the T-46 program is recompeted, not to mention costs associated with the cancellation. It seems to me that this could result in a bigger waste of money.

The Air Force has taken significant and important action. It has signaled the prime contractor that it will not tolerate nonperformance. The contractor has responded by making a significant investment of its own to correct prior deficiencies. Now Congress and the Air Force should closely work together to determine whether the contractor can perform and a quality aircraft can be produced at a reasonable cost.

Clearly, in the 1987 budget cycle, Congress will have an ample opportunity to review the Air Force decision and take appropriate action. I think this is the better option than going ahead at this time and deauthorizing an existing program which just several months ago Congress authorized and appropriated funding for.●

Mr. MOYNIHAN. Mr. President, I think we know the likely outcome of any amendment offered by the distinguished, revered, and respected chairman of the Armed Services Committee on this floor today. I have talked with him many times in private about this matter. I am altogether sympathetic to his efforts to strengthen the Air Force, and yet we are facing the constraints of the Gramm-Rudman legislation. These two forces have met on the wings of the T-46 trainer.

I have been informed that the Secretary of Defense has stated that under no circumstance will any money be spent on this program in this year's budget because it would divert funds needed more urgently elsewhere. I question the priority of buying more and more fighters while training our pilots in aircraft that are older than they are.

And the fact that this will kill Fairchild Republic is simply an incidental aspect of a decision being forced on the Air Force in consequence of the constraints which we placed upon ourselves last fall. But it is not incidental to me. I opposed Gramm-Rudman at the time because an event such as this would surely come and we would end up making serious mistakes, because we had put ourselves in the position of having no alternative, but conveniently having an excuse.

On more than one occasion in that debate I recalled John F. Kennedy saying to govern is to choose, and I found myself saying that this was the abdication of choice, and that it would end up with events such as this. I fear we have lost the ability to choose the best and most cost effective trainer for our pilots.

The facts are that the Navy—excuse me, the Air Force—needs a new trainer. The facts are that the Cessnas will reach the limit of their useful life toward the end of the eighties, and that a new trainer would have to be brought on line soon. That is indisputable.

Mr. GOLDWATER. I advise my friend from New York with whom I have discussed this matter once or twice that it is an Air Force trainer. It is not a Navy trainer. I will have to admit that we were all for it a year ago, and we voted for it in conference. But there has been some things happen that I have enumerated, and I have enumerated to my friend from New York. But since I talked with him, there have been some other things happen. In fact, I wanted to go with the airplane but it cannot be until after the end of this month. It has developed a structural vibration and a wing flutter. They do not know what is causing it. I have talked personally with the director of training. But it vibrates about 12 to 18 inches, and it is a very short wing. To have a vibration cycle of that size is most disturbing.

□ 1450

The Air Force intends to continue research and development, not of a gigantic nature. They have not asked for funds for that. But they intend to procure the T-46 data package and defer procurement until such funds are available. On sufficient funds, we have not been cut over $20 billion in the military department. The House is planning another $8 billion cut, and an additional $25 billion cut.

When we get through, what we are looking at is probably something around $50 billion to $60 billion.

I think this is just one of the programs that will be cut.

We do have a training airplane that I will admit is a little bit old. It is not too old. But at the expenditure of $200 million, not billions, we can get 25,000 hours out of the T-37 trainer.

The Air Force desires that when funds are available, probably in the early 1990's, they will follow procurement of other major systems currently in production and the Air Force then will be in a position, if they care to, to buy the T-46.

As I have said to both the colleague of the Senator and to him, if he can change the mind of the Chief of the Air Force, if he can change the mind of the Secretary of Defense, I am not standing here and saying personally it is an airplane we should not buy. I am just repeating the decisions of those people who have to buy it and use it.

I voted for the darn thing but I can see now where I was wrong.

Mr. MOYNIHAN. Will the Senator yield?

Mr. GOLDWATER. Yes.

Mr. MOYNIHAN. I do not think he was wrong at all. I think he was acting under the constraints that have been set by Gramm-Rudman. The budget was cut $20 billion here and in the

House it will be $50 billion or $60 billion. I stood on this floor for 5 days predicting what would happen and it is happening. I would like to say this to the Senator from Arizona, and he knows this much better than I: The present trainers are very old craft. To spend $200 million to stretch them another 5 years is all right, though I have seen higher estimates, but this is a plane that has long been scheduled to be replaced. There is no guarantee that delaying the purchase will save money. And it will, I think, cost us money. The T-37 is a 25-year-old plane. There are certain weather conditions in which it cannot be flown, but the T-46 can. The T-46 has a greater ceiling, allowing more training flights in the same airspace. The T-46 can provide adequate training hours for pilots who will fly such costly aircraft as the F-15. The T-37 cannot.

Is it not the case that in the 1990's, as the chairman said, the Air Force will have to go forward with new trainers, and likely it will be very much this model? Fairchild will not survive to bid again on its own trainer if we kill the program here today.

Mr. GOLDWATER. Getting back to the Navy, the Navy bought a new trainer and there was no problem with it. It is not too unlike the T-46, but it works. The T-37 which the Senator refers to happens to fly right near my home. It is a very dependable airplane. It will only require $200 million to make it fly all the time that we are going to need a training airplane to fly between now and the 1990's.

I can tell my friend from New York that if he thinks this is a cut, he has not seen anything yet.

Mr. MOYNIHAN. I have not seen anything yet. I recognize that.

I say to my friend from Arizona he is acting under duress of a kind he should not face. I say this will end up with two things: We will train pilots for the next 5 years in aircraft that will not provide adequate training for the fighter planes they may be asked to fly in combat, and, second, in the end these planes will cost twice as much as they would if we get the bugs out of them, the flutter that they had a problem with, and go ahead with the program.

Mr. President, the Air Force has publicly announced its decision not to exercise its option for the second lot of 33 aircraft and reconfirmed that it will not seek funds for fiscal year 1987 for budgetary reasons. The T-46 design and performance has met with increasing satisfaction, but for the flutter I am confident will be fixed. The Air Force has acknowledged a need, within a finite period, to acquire a new primary flight trainer to replace the T-37 fleet, which was first flown in 1954 and which, in terms of the existing Air Force inventory, is almost entirely of 1950's design vintage. A modified version of the T-37 was rejected by the Air Force in the 1982 competition for the new primary trainer which led to the T-46 award. As late as 1984, Air Force Secretary Orr described the Air Force's need for the T-46 as "very desperate," and its eventual procurement on the basis of the T-46 prototype and data package, from whatever manufacturer, is almost certainly forthcoming.

If the production run is delayed for budgetary reasons, penalties to the taxpayers will be dramatic. I understand Air Force officials presented to the Secretary of the Air Force on March 18 a report indicating an increase of approximately $900 million can be expected for a 5-year delay in T-46 procurement. Fairchild believes the Air Force estimate can be rougly broken down as follows:

Inflation effects, $600 million;

T-37 inspection, $50 million;

Stop/start inefficiencies, $250 million, and

RDT&E changes, $50 million.

In addition, if the T-37 is minimally modified, but not reengined, during any interim period, another $200 million would be added.

I understand there are many factors which would add significant cost to the T-46 program if production is interrupted and then restarted 5 years later with a new prime contractor. In addition, the Air Force estimate may understate these stop/start inefficiencies.

Tooling concepts, manufacturing procedures, and material handling methods are unique to particular prime contractors. Although the basic aircraft configuration of the T-46 could remain the same, the detail design and construction would change significantly to accommodate the manufacturing procedures of a new prime contractor. Hence, new detail and assembly tooling, along with new planning and instructions for fabricating detail parts and assembly, would be required. Without regard to differences in production methods, costs and risks will increase as procured parts and equipment items are no longer available and new parts and equipment have to be developed and qualified.

In summary, the cost of reprocurement of an existing T-46 design by a new prime contractor is likely to add an additional $250 million to the Air Force's $900 million estimate in order to cover the added efforts described above.

The term "hiccup" is used within the industry to describe the additional costs incurred by a stop-start procurement process. As such, "hiccup" procurements are the costliest versions of procurement stretch-outs which are themselves increasingly criticized as imprudent and highly expensive means of acquiring weapons systems. It is critical to note that the T-46 issue does not involve a priority decision to forego or restrict a weapon system, such as with the Sergeant York missile, the Bradley Fighting Vehicle, or the number of MX placements, in which a hard decision is made, on priority or other grounds, to cancel or reduce a procurement. Rather, because a new primary flight trainer must be acquired by the Air Force in the reasonably near term, adding $1 billion to the cost of eventually acquiring a replacement trainer fleet merely stretches out the procurement at a grossly unacceptable incremental cost.

A billion dollars is a high cost for the "pay me latter" strategy implicit in the present term concellation of the T-46, on which the Air Force has already spent $600 million. Indeed, a strong case can be made, and has been made by the Air Force, that for a variety of reasons there is an immediate need for the T-46.

I am confident that Fairchild can produce top quality aircraft at the price it agreed it would. To kill the program and the company because the Air Force insists on spending its limited funds on more fighters would be an abdication of our responsibility to see that defense dollars are spent wisely. Perhaps it is cheaper over the next 5 years to upgrade the T-37's than to proceed with the T-46. But over 20 years, continuing the T-46 program is the most cost-effective course, and I urge my colleagues to support it.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GOLDWATER. I might say to my friend that the aircraft that the young cadet advances to from the T-37 is a T-48 made by Northrup that will be flying still in the year 2021. I will admit I will not be around.

Mr. MOYNIHAN. I view with great alarm that proposition and, in fact, I ask that it be struck from the record.

Mr. GOLDWATER. I will leave it in. I would say I would be wrong if I thought any different. Why the hell anybody would want to stick around this place that long, I do not know. [Laughter.]

Mr. MOYNIHAN. Mr. President, that concludes my remarks.

CANCEL PRODUCTION FUNDS FOR T-46

Mr. DOLE. Mr. President, the Senator from Kansas is in wholehearted support of this amendment. While the press has tried to portray this matter as a battle between the Kansas and New York congressional delegations, let's keep in mind here that what we are really talking about here is good government.

The Air Force awarded the T-46 contract in 1982 to Fairchild Industries—over my objections, it might be added.

The Senator from Kansas felt at the time that the proposal by Cessna was superior to the Fairchild proposal. But that would have been water under the bridge—if in fact the contract had been performed satisfactorily and within budget. But Mr. President, that has simply not been the case.

Difficulties with the T-46 contract have been well documented by Senator GOLDWATER. The design is faulty, and the entire manufacturing process has been fraught by continual pitfalls. Plain and simply, the airplane simply doesn't fly properly. Among other things, the wing vibration on the plane is so severe that it has been grounded yet again.

The Air Force has announced, and reaffirmed, its intention of cancelling production of the T-46 contract. Given the condition of the contract, and given the condition of the Federal budget it would have been difficult for them to have done otherwise.

No funds were requested by the administration for fiscal year 1987. And the Air Force has again indicated its interest in completing certain research and development functions, but in halting production of the plane. This amendment would simply ensure that no further production of the T-46 occur.

Frankly, the Senator from Kansas is not 100 percent convinced that we absolutely have to procure the data package and complete the R&D on the T-46. Advocates of that approach—and there are many in Congress and in the Pentagon—seem to feel that our budget problems will just fade away. It is argued that sometime in the 1990's when budget funds are available, we can resume production of the T-46. It seems to me we ought to go all the way and cancel the entire program, production and all, and that when we redefine our trainer needs at sometime in the next few years, we can simply start over.

But, Mr. President, let's at least make sure we make the right decision here and prevent further production of the T-46. We have serious budget problems around here. The Defense Department portion of the overall budget is substantial—too high by some standards, not high enough to others. But we must make sure that we spend these precious defense dollars wisely. And here we have an opportunity to cancel a poorly executed contract that would end up costing the taxpayers more than $6 billion before it is all said and done. And again: the Air Force itself doesn't want to complete the production.

In this case, a perfectly acceptable scenario is available to the Air Force: Extending the life of the existing trainers at a tremendous cost savings to the Government. This is not the preference of Cessna Airplane Manufacturing Co., by the way. They have offered to spend their own money developing a new technology T-37 to meet the needs of the Air Force over a longer period of time. The T-37's will not last forever, but they have had a tremendous record to date. At such time as the Air Force can again seriously address trainer needs through the rest of the century, they should not overlook allowing the T-37 suppliers to update the T-37.

Mr. President, the Air Force decision to terminate T-46 production is a sign that they are willing to examine their own programs and take responsible action. Their decision will help establish additional credibility, and should be applauded.

In my view, if Congress were to reverse the Air Force, and to force upon them a program they don't want, our own credibility would be seriously undermined in the defense area. This is a simple amendment which would halt T-46 production. This action is long overdue. We simply cannot waste additional taxpayers' money producing T-46 airplanes.

Again, this is not fundamentally a dispute between Kansas and New York. It is a simple question of good government versus bad. T-46 production must be brought to a halt. Let's get on with it.

The PRESIDING OFFICER. Is there further debate?

The Senator from Ohio.

Mr. GLENN. Mr. President, we have put out a hotline request for anyone else who wanted to speak pro or con on this proposal. We do not have an answer back yet. I think we will have it in a few minutes. If no one else wishes to speak, I would suggest——

Mr. GRAMM. Mr. President, I had not intended to speak but I sense the refrain from an old song called Gramm-Rudman. In response to that refrain, since we have to wait anyway, I would like to make a few remarks.

Mr. GLENN. We have our answer back now. So when you are finished we will vote.

Mr. GRAMM. I have accepted the fact that for the next 5 years when the first sergeant at Fort Hood does not have enough money to order toilet paper or the street department does not have enough to repair potholes there will be two magic words to excuse everything. Those two magic words will generally be Gramm-Rudman. We here in the Senate know that it is really Gramm-Rudman-Hollings. The media leaves his name off because they like him better.

The basic truth is that the T-45, namely, an aircraft for the Navy, is on track, doing well, performing well, and will be built. The T-46, a companion ship, as a new trainer for the Air Force, is not doing well, is not performing well. In an era of tight budgets we have had a decision made not by one Secretary of the Air Force, not by two, but by three, with the new Secretary-designate, Secretary Aldridge.

These three Secretaries of the Air Force have all concluded that this plane does not perform up to standard and under the budgetary circumstances should not be built.

There are a lot of reasons that we can always give for continuing a program and we all find ourselves in a position of having to make those arguments from time to time. As I listened to them, I wondered if Jesse James ever had a trial and somebody had shown up and said, "I am not saying anything about Jesse James. I am not saying what he did was right. But don't you realize that he bought a lot of bullets, he bought a lot of rope, he bought a lot of blankets, and if you hang him you are going to have an economic impact on the general store and the community."

That is the same single-entry bookkeeping we have all become accustomed to in the political process.

The truth is not spending the money here on the T-46 will not be money that will be lost. An aircraft manufacturer has problems—and I can go through and read all of the problems that have been listed by the Air Force and they are numerous but I do not think that will change many people's minds. The money will not be lost if we do not spend it. We can spend it on the advance technology bomber. We can spend it to reduce the deficit. We can give it back to the working men and women of America. All of those are preferable uses to building the T-46.

I am hopeful that we will adopt an amendment offered by the one man here who clearly has looked into it in detail, who has the interest of our military services and their objective of preserving peace and freedom in mind probably as much or more than anyone in this body.

□ 1500

I hope that we will decide to support his amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Is there further debate?

The Senator from Ohio.

Mr. GLENN. Mr. President, the indications on our side of the aisle are that no one wishes to speak either pro or con on this. I might add my own personal statement, however.

As I understand it, this item is covered in a bill we have acted on in the Senate Armed Services Committee. This is part of a package of things that we are unauthorizing, even though we have previously authorized this particular airplane. As I understand it, this is part of a proposal that it will be unauthorized but it has not been submitted to the floor yet. In

effect, this is acting in advance of submission to the floor. Is that correct, Mr. President?

Mr. GOLDWATER. Mr. President, that is correct. The Senator will remember there were four items. One was the matter of ships, one was the matter of $200,000 for the air defense aircraft flyoff. One was the T-46, and the other was the Navy tankers. Those four we expected to debate on the floor but we have taken the T-46 as an example. We do have the right to deauthorize. The Secretary of Defense can say no to anything we bought.

The PRESIDING OFFICER (Mr. SPECTER). The Senator from California.

Mr. WILSON. Mr. President, I am unaware of anybody desiring to speak further on this matter on our side.

The PRESIDING OFFICER. There being no further debate, the question is on agreeing to the amendment of the Senator from Arizona [Mr. GOLDWATER]. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Minnesota [Mr. DURENBERGER], the Senator from Florida [Mrs. HAWKINS], the Senator from Maryland [Mr. MATHIAS], the Senator from Oregon [Mr. PACKWOOD] and the Senator from Wyoming [Mr. WALLOP], are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Florida [Mr. CHILES] and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 79, nays 14—as follows:

[Rollcall Vote No. 101 Leg.]

YEAS—79

Abdnor	Garn	McConnell
Andrews	Glenn	Melcher
Armstrong	Goldwater	Metzenbaum
Baucus	Gore	Mitchell
Bentsen	Gorton	Murkowski
Biden	Gramm	Nickles
Bingaman	Grassley	Nunn
Boren	Harkin	Pell
Boschwitz	Hart	Pressler
Bradley	Hatfield	Proxmire
Bumpers	Hecht	Pryor
Burdick	Heinz	Quayle
Byrd	Helms	Riegle
Chafee	Hollings	Rockefeller
Cohen	Humphrey	Roth
Cranston	Inouye	Rudman
Danforth	Kassebaum	Simon
Denton	Kasten	Simpson
Dixon	Kennedy	Stafford
Dodd	Kerry	Symms
Dole	Lautenberg	Thurmond
Domenici	Leahy	Trible
Eagleton	Levin	Warner
East	Long	Wilson
Evans	Lugar	Zorinsky
Exon	Matsunaga	
Ford	Mattingly	

NAYS—14

Cochran	Johnston	Sasser
D'Amato	Laxalt	Specter
DeConcini	McClure	Stevens
Hatch	Moynihan	Weicker
Heflin	Sarbanes	

NOT VOTING—7

Chiles	Mathias	Wallop
Durenberger	Packwood	
Hawkins	Stennis	

So the amendment (No. 1962) was agreed to.

□ 1520

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WILSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DURENBERGER. Mr. President, I am recorded as having missed rollcall vote No. 101, on the Goldwater amendment to prohibit obligation of funds for the T-46 trainer. I support the amendment and would have voted for it were I here.

Unfortunately, in my capacity as chairman of the Intelligence Committee I was involved in a closed meeting in a secured area of the committee, which does not have the normal bells and equipment which tell us when votes are occurring. We fall back on a human warning system, which in this case failed. For that reason, I was unaware of the fact that a vote was taking place and did not come to the floor to record my vote.

While my vote would not have made a difference in the outcome, I regret deeply that due to these special circumstances my vote was not recorded.

Mr. WILSON addressed the Chair.

The PRESIDING OFFICER. The Senate will be in order. The Senator from California is recognized.

Mr. WILSON. Mr. President, I appreciate the Chair's insistence upon order.

At this time we are prepared to offer what is probably the next-to-the-last amendment; and for the purpose of offering it I yield to my colleague and partner in this effort, the distinguished ranking minority member of the subcommittee, the Senator from Ohio.

AMENDMENT NO. 1964

(Purpose: To provide for full cost-of-living increases in the retired pay of certain persons after completion of 40 years as a member of a uniformed service)

Mr. GLENN. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposed an amendment numbered 1964.

Mr. GLENN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, strike out lines 1, 2, and 3 and insert in lieu thereof the following:

"(B) After the retired pay of a member or former member has been recomputed under subparagraph (A), increases in such member's retired pay shall be made in the manner prescribed in paragraph (1)(A) rather than in the manner prescribed in paragraph (1)(B).

Mr. GLENN. Mr. President, Senator WILSON, Senator HAWKINS, Senator KENNEDY, Senator DENTON, and I are offering an amendment to this military retirement reform legislation to restore full inflation protection for the annual cost of living allowance, or COLA, for old-age military retirees.

Under current law, military retirees receive an annual COLA equal to the percentage change in the average of the Consumer Price Indexes [CPI] for July, August, and September over the averaged indexes for the same 3 months of the previous year.

Under S. 2395 as reported by the Armed Services Committee, the annual full CPI COLA under current law would be changed to an annual COLA of the annual change in the CPI minus 1 percentage point, with a one-time restoral of the base at the 40th anniversary of entry in the service.

What that means is that none of this would apply now, with what is proposed under this bill, until at least 40 years from the date of enactment of this legislation. The 40th anniversary of entry into the service would be when this would apply.

In other words, when a military member retires, his or her annual COLA would be 1 percentage point less than the annual increase in the CPI. When the retiree reaches his or her 40th anniversary of service—generally age 58 to 62—his or her retired pay would be restored to what it would have been if he or she had received an annual full CPI COLA from the time of retirement. However, under the committee bill, after this one-time restoral of the retired pay base, the military retiree would continue to receive an annual COLA of 1 percentage point below the change in the CPI.

□ 1530

Mr. President, our amendment is very simple: it would provide that after the one-time restoral of the retired pay base at the 40th anniversary of service—after approximately age 60—military retirees would receive a full CPI COLA each year instead of the COLA of 1 percentage point below the annual CPI change in S. 2395 as reported. In other words, my amendment would ensure that military retirees would continue to receive full inflation protection for their pensions during their old age just as they do today.

This amendment is simply a matter of equity.

Retired military members remain subject to recall to active duty. Our

military manpower mobilization plans call for all of the military services to make extensive use of this important group of former military members in times of emergency. But when the military retiree receives the one-time restoral of his retired pay base at his 40th anniversary of service—at an average age of 60—he no longer can be considered reasonably to be on retainer pay and subject to recall to active duty as he was previously. At this point he becomes an old-age annuitant similar to anyone else receiving an old-age pension.

The COLA formula of 1 percentage point less than the CPI increase in S. 2395 as reported means that the military member's retired pay would be reduced in real terms during his most vulnerable years. A 75-year-old military retiree, for example, will have suffered a 16-percent real decline in the value of his retired pay as a result of the COLA formula in the committee bill. And the longer he lives, the greater the decline in the purchasing power of his annuity. In effect, if he lives 30 years, that would be a 30-percent reduction over what his buying power was, and those declining years occur at a time when he would need it the most and can least afford to have it cut back. So that is a catch-22 situation if I ever heard of one.

Mr. President, as long as we continue to provide full CPI COLA protection for Social Security recipients, I think we should do no less for the men and women who made a career of serving their country in uniform.

I would repeat something that has been said often here today, and that is that none of this legislation applies to current retirees; none of it applies to people currently in the military. This is prospective. It would be the new retirement proposal for those who would be signing up after the bill is passed.

Military retirees below the normal retirement age of approximately 60 would continue to receive less than full inflation protection for their annuity. But our amendment guarantees full inflation protection for military retirees in their old age.

Mr. President, I repeat again the amendment under this bill would be effective 40 years from the date of enactment. We want to protect the people who are interested in their retirement for the future. We want to let them know that we are interested in their retirement and we are working to protect it.

To get to the bottom line budget figures, what this does with this amendment would permit us to save $2.1 billion, as opposed to the target of $2.9 billion that has been suggested to us in committee. But those objectives we were given in committee have not been that sacrosanct in other committees. And I think to try and take out our budget problems on the backs, or planning, at least, of taking it out on the backs of military retirees in the future is the wrong way to go.

We do not know what impact this would have specifically on retention or on original recruitment, as I said earlier when we were discussing other aspects of the proposal that we have been debating here today. But to me, this is fairness and it is equity. I urge my colleagues to adopt this amendment.

Mr. WILSON. Mr. President, as chairman of the Manpower and Personnel Subcommittee of the Armed Services Committee, I join with my friend and colleague, Senator GLENN, the ranking minority member of that subcommittee in offering this amendment to insure that military retirees in their old age are neither forgotten or left without full protection from the ravages of inflation.

Our amendment is quite simple. The committee bill provides for a number of years following retirement the cost-of-living adjustments made in military retired pay will be the percentage increase in the Consumer Price Index less 1 percentage point. Now, I agree with this formula and so does the ranking minority member, the Senator from Ohio, because most nondisability military retirees are then still at an age when they are quite capable of earning other income. However, the committee bill also provides that after providing a one-time restoral to retired pay base at the 40th anniversary of service, that further cost-of-living adjustments will also be the Consumer Price Index minus 1 percentage point, and it is on that particular point with which we disagree, that feature, that take away in their old age, past the age of earning other income, of the full cost of living.

Mr. President, there is a lot of misunderstanding of the military retirement system. Perhaps it would be more accurate to say that the glass is about one-eighth full. There is very little understanding of it. Some who have virtually no knowledge of, or desire to learn about, the military retirement system think of it as an old-age pension, pure and simple. They think of it as some sort of a social welfare program. Well, nothing could be further from the reality.

First, military retirement is an integral part of the personnel management system of the Armed Forces. It is an instrument of controlling size and an instrument of recruitment and retention. And I think people really need to understand that. People must have a reason to voluntarily elect a career in the military, to subject themselves and their families to 20 to 30 years of the uncertainties and in many cases the dangers of military service, if we are to succeed in adequately managing our armed services with the kind of quality Volunteer Force that we currently enjoy.

Second, military retirees make their retirement the old fashioned way—they earn it. It is not a gift. It is not a dole. It is not a social welfare program. It is true that over a period of years we have improved compensation, as we desperately needed to do, because we had reached a time when the decline in our armed services reflected a decline in compensation. Well, it is true and we should be pleased and a little bit proud that we have cured some of the defects in a system that was discouraging quality people from choosing a military career.

But the point is that even though we have improved compensation, we cannot afford to rest upon our laurels. There is still a gap—and I might say a growing gap—between what young enlistees in the services can earn in military compensation and what they could be earning on the average in the civilian sector.

In a time when compensation was less generous than now, in a time when it was not at all generous, the retirement system was looked upon as deferred compensation, as a necessary adjunct to the kind of rather modest pay that Active duty personnel received in order to allow them the prospect of some security when their Active duty was completed.

Now some argue that personnel retire from the military at too young an age. Well, we are well aware in the subcommittee that the 20 years of service which we seek as the immediate goal of the career force that we hope we gain does allow them to go into a second career. Disincentives to 20-year retirement have been very much the subject of our concern and we have sought to eliminate them. There are many who will serve, and whom we should desire to serve, more than 20 years, and the bill before us takes into account the difference between the size of the force that we need to serve 20 years and that which we seek to retain for a full 30 years.

□ 1540

We recognize it by rewarding at a more handsome rate of compensation those who remain past 20 years of service. But our real concern is that we are able to attract a sufficient number of people of the quality that we require for this All-Volunteer Force to see to it that we can adequately man for 20 years all of the services to the requirements that are in their judgment not yet fully manned. But we must assure that we are able to attract the right kind of people to remain at least 20 years—the kind of career NCO's and the kind of junior officers who will become seasoned professional military leaders.

Let me suggest to my colleagues that there are many in the military who perform duties which we should not demand be performed for more than 20 years. Those that require a particularly high degree of physical activity come obviously to mind.

While I would agree that we do not wish to keep some for longer than that, there are many who perform critically needed administrative and technical duties, and increasingly technological duties in an increasingly technological Air Force, Navy, Army, and Marine Corps who should be urged to serve longer than 20 years. We do not say that for some of the combat soldiers and sailors who spend years in the field or on board ships away from their families.

Mr. President, military personnel deserve their retirement. I do not think it is unfair that we ask that they supplement their military retirement pay while they are young enough to do so, and young enough to have a productive second career as scores of productive citizens in our economy. But at some time in their lives, military retirement pay becomes the primary sources of their income in their old age when they can no longer continue in a second career.

Mr. President, at that time when they are no longer active wage earners, military retirees need to be given full protection for inflation. This bill with this amendment would continue to make that important distinction between the time in the life of the military retiree when he is fully capable of earning added income to supplement his retired pay, and that point at which he is entirely dependent or may be entirely dependent upon that retired pay, and whatever cost-of-living adjustment has been made to it.

That is why Senator GLENN and I support the formula that says that for the period prior to that 40th anniversary restorer, the COLA adjustment will be at the Consumer Price Index minus 1 percentage point. It is why we also insist that there should be full coverage thereafter because we are then dealing with people who are no longer able to earn an income to supplement their retirement pay.

The amendment before the Senate will provide that old age protection by providing that cost-of-living adjustments after the 40th anniversary of service, normally at about age 60, will be the full amount of the change in the Consumer Price Index—the full amount of inflation.

Mr. President, this is a fair amendment. It is fair to military retirees. It is fair to the American taxpayer. With the Glenn-Wilson amendment, the pending legislation will still save $2 billion a year from the retirement accounts. It will assist the Senate in conference with the House on military retirement in assuring that the outcome of that conference is fair and equitable while still saving these billions of tax dollars.

Mr. President, I strongly urge this amendment be adopted.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I rise in opposition to the amendment.

Mr. President, I am in every way swayed and convinced by every argument that has been made here by the distinguished chairman of the subcommittee and by the ranking member. I think the argument for paying the full COLA is a good argument, and it is one that I am in great sympathy with. There is, however, a fundamental problem with this amendment.

The problem is that when we wrote the armed services authorization bill for fiscal year 1986, we wrote into that bill a requirement that there be a change in a law in such a way as to achieve $2.9 billion worth of savings. So we have heard very good and strong arguments for this amendment, but they are irrelevant to the question that is before us. And the question that is before us is a simple question. When we wrote the defense authorization bill for fiscal year 1986, we committed ourselves to achieve savings of $2.9 billion—not $2.1 billion that would be achieved as a result of this amendment, but $2.9 billion.

Having claimed those savings, we went ahead and spent that money in our authorization bill so that to come back now and not achieve the commitment we have made is to basically betray a commitment that is written into law to achieve $2.9 billion in savings in the military retirement program.

Mr. President, if this were an amendment to restore the full COLA on the 40th anniversary of the induction into the military, and it were going to be paid for by eliminating some other portion of benefit so as to be neutral in terms of our $2.9 billion commitment, I can assure you, Mr. President, and my colleagues that I would vigorously support it.

But the amendment is not simply to pay the full COLA starting on the 40th anniversary of induction, and meet the $2.9 billion. The amendment is to eliminate $800 million worth of savings. Having made the commitment in the authorization bill, I do not see how we now can in good faith go back and not meet that commitment. So as strong as the arguments are that are being made for our failure to meet the commitment, those arguments should have been made when we were here on the authorization bill. Those arguments are not relevant to the debate today. The debate today is about how we are going to fulfill a commitment we made in law in the defense authorization bill for 1986.

As appealing as this amendment is, as popular as it would be in my State, this amendment violates the commitment that this Senate and this Congress made, and therefore if we are to have any credibility in terms of our legislative actions, if we are to address the deficit problem that looms large and imperils the security of the Nation, we are going to have to take the very unpleasant and unpopular path of rejecting this amendment.

I know in the defense authorization bill that we asked the Defense Department to give us proposals that were related to other levels of savings. But that request was in the form of a study. The commitment in the authorization bill could not be clearer. It is a commitment to $2.9 billion worth of savings.

This amendment lowers those savings from $2.9 billion to $2.1 billion. No matter how popular it may be, this is the wrong thing for us to do. This is another example of where we have to take the long road, bite the bullet, and I think we have to reject this amendment.

I am happy to yield to the Senator from Illinois.

Mr. SIMON. I commend my colleague from Texas. I want to say I could not agree with him more. The reality is, and I think we have to stress this again, that we are not talking about anyone in the service now. We are not talking about anyone who is retired now. We are talking about prospectively those who come in.

Let us be candid. This thing has been a sacred cow that everybody is afraid to tackle. We are not going anywhere near as far in my opinion in this amendment, in the basic proposal as we ought to. When you talk about an $800 million savings, that is for 1 year. This is a year after year after year cost that we are going to add if we accept this Glenn-Wilson amendment.

I hope we do the thing that makes sense, that is a little tough for us, and that may cause a few letters to us that we do not like. But we have to get ahold of this deficit. Here is a practical kind of answer that we have to come up with.

□ 1550

I commend my colleague from Texas and I hope we defeat this amendment.

Mr. GRAMM. I thank the Senator from Illinois. I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. Mr. President, I, too, want to commend my colleague from Texas in connection with the remarks he has made.

As a member of the Armed Services Committee, I attended all of the markup sessions concerning this sub-

ject matter. My colleague, my friend from Texas, and myself were very much involved in this process in the committee.

I think the Members of the Senate ought to understand that at one point in time in the committee we had two alternative plans concerning military retirement savings, one by the distinguished Senator from California, who is the chairman of the subcommittee, and another one by the distinguished Senator from Ohio, who is the ranking member of the subcommittee.

Each of those plans failed to meet the $2.9 billion savings requirement that this Senate and the Congress imposed upon itself. I want to stress that, that this Senate and the Congress imposed upon itself by its vote in the last DOD authorization bill.

The distinguished chairman of the subcommittee and the distinguished ranking member worked very hard on this problem. They are to be congratulated on their concern about the military retirement system and their concern to try to effect some savings. Frankly, the ultimate compromise that these two distinguished colleagues of mine have agreed upon does effect some savings.

But I think this point has to be understood. It falls short of what we directed ourselves to do. It does not achieve the $2.9 billion savings we are required to achieve. So it fails on that ground.

I think beyond that we ought to understand that the bill before us, the bill we are asking our colleagues to vote on here in the Senate, is a bill that we have worked very closely on with the Department of Defense to achieve the amounts of the savings directed in the last authorization bill.

This is not a product of the members of the committee or, for that matter, the subcommittee. It is not a product of the Senators on the Armed Services Committee. It is a product that the staff has crafted after close consultation with the Department of Defense, service chiefs, and others, and reflects not what they like. Mr. President, I do not mean to represent to this Senate that this is what the military folks would like; but it represents what they have indicated to us they can live with to achieve that $2.9 billion savings.

Why do I think it so important that we pass the bill?

We are called upon time after interminable time in this place to make all kinds of cuts. We are asked at every turn to make all kinds of hard choices.

We recently passed the Gramm-Rudman-Hollings legislation that imposes substantial reductions in the deficit in the future, through 1991, when the deficit, if we follow that course, will be eliminated.

I say it is a serious mistake to shrink from that task as this amendment is presented to us today by our distinguished friends. I have the highest regard for them, but we have something here that is the final act in compliance with something we have already done. We have something here that the Department of Defense, in effect, has signed off on. We have something here that the committee, after very careful hearings, very lengthy hearings, finally marked up by a vote of—and I do not want to misrepresent this fact, and I will be subject to correction—I believe everyone on the committee voted for it but the two distinguished Senators who are offering this amendment.

I am advised it was finally a voice vote in the committee. I remember very well that most members were there that day and everyone knew what was taking place. My recollection is that the distinguished Senator from California and the distinguished Senator from Ohio asked to be recorded in the negative. But I think the committee well knew and, with the exception of those distinguished Senators, approved in principle everything that was taking place there.

This is not a pleasant thing to do, quite obviously, but I think it is a necessary step.

My distinguished colleague from Illinois pointed out this is not just $800 million the first year. This is $800 million as far into the future as the eye can see. I think it is significant to understand that we are talking about a very substantial sum of money.

Let me say in conclusion that the committee bill, the bill before us, meets our direction in the authorization bill to save $2.9 billion. The Glenn-Wilson amendment would save only $2.1 billion. The Glenn-Wilson amendment will save $800 million less in military retirement costs on an annual basis. The reduction in future military retirement costs of the committee bill is 16 percent. A reduction in future military retirement costs of the Glenn-Wilson amendment is 11 percent.

I would hope that my colleagues do not shrink from the challenge here and will follow the committee. I think the committee product is the correct result. I think the committee product keeps our own commitment of honor that we made in the vote on the DOD authorization bill last year. I would urge my colleagues to vote against this amendment and ultimately to support this bill.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I want to thank my friend and colleague from New Mexico who has been waiting to speak and who I asked if I could move ahead. I will only be taking a couple of minutes. I thank him for his consideration.

Mr. President, the Members of the Senate who have spoken on this measure are basically all members of the Armed Services Committee and I think for the most part are members of the Manpower Subcommittee of the Armed Services Committee.

This has been one of those issues that I think we are not sure where we should be. In a different era, at a different time, I would strongly support the amendment pending offered by the chairman and ranking member of the Manpower Subcommittee.

The matter was discussed at great length in the subcommittee. It was discussed at great length in the full committee. I would simply say that I feel that under the circumstances that we are facing right now, where those of us who serve on the authorizing committee of one of our most expensive and most necessary program, that being national defense, are forced into a position, and I think it is a good force under the conditions of runaway deficits, that we have to make some tremendously hard choices. This was one of them.

I take no relish in opposing the amendment which has been offered, but I think if we are going to make the decisions that we have to make, if we have to reach compromises that reward, as best we can, those who serve long tenure in the armed services of the United States, we have to recognize what is a good compromise and what is not.

Therefore, I urge my colleagues to turn down the amendment, not because I would not like to vote for it, not because I am convinced that Senator WILSON and Senator GLENN do not have every rationale from an historic sense to present this. But I simply say that if this goes forward, it is going to be more difficult in the future for us to make choices on properly compensating in their retirement the people who serve the United States of America well over a long, long time. It is not just a matter of conscience, it seems to me, but it is a matter of making the right choice at the right time and obtaining the best compromise that we can.

Mr. President, I yield the floor.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I also rise in opposition to the amendment offered by Senators GLENN and WILSON and in support of the bill as reported by the Armed Services Committee.

The fundamental point which has been made several times already is that we as a Congress made a commitment last year to try to find $2.9 billion in savings in this account on an annualized basis, and we drew up an

authorization bill with the assumption that we would find $2.9 billion in savings.

The Defense Department gave us proposals for achieving that level of savings last fall and the committee adopted one of those proposals after long and careful deliberation on the issue.

□ 1600

The committee chose the DOD proposal which involved a combination of structural changes in the retirement system and somewhat less generous cost-of-living allowances for those future retirees who enter service after enactment of the bill. We rejected the approach taken by the House Armed Services Committee of making structural changes alone. The danger with such an approach is that, long before the year 2006, when military retirees will first come under the restructured retirement system, the Congress could make changes in the COLA formula in addition to the changes in structure. Certainly, the experience of the past several years with regard to COLA's for military and civil service retirees would lend credence to such fears.

The approach taken by the committee with regard to COLA's, providing a COLA equal to the Consumer Price Index minus 1 percentage point, with a one-time restoral of the full value of the retired pay at the 40th anniversary of entry into service, compares favorably with the action being proposed in the conference report on the civil service retirement reform bill, to which the White House reacted positively yesterday. My understanding with regard to that conference report is that civil service employees who entered service after January 1, 1984, will receive no COLA on their retired pay until age 62 and a COLA equal to the Consumer Price Index minus 1 percentage point after age 62.

The question really before us is whether we are going to attempt to meet the $2.9 billion target set last year on an annual basis. The amendment before us does not attempt to meet that target. If the authors of the amendment had tried to do so while providing a full CPI COLA after the 40th anniversary of entering service, they would have had to make some further reductions in the percentage of base pay provided at the 20-year mark, or they would have to change the pay base from the high 3-year approach taken in the committee's bill to something like a high 5-year approach. That is a step toward the approach taken in the House bill. I would not favor it and I am sure the proponents of this amendment, the Senator from Ohio and the Senator from California, would not support it either.

I rise to oppose this amendment, frankly, with great reluctance. Last year, I was one of those who suported Senator GLENN in his attempt to provide for more orderly consideration of military retirement reform. As I recall, we were on the losing side of an 85 to 9 vote. As a result of that vote and later votes on the authorization bill conference report, there was a clear congressional mandate, I believe, last year for a military retirement reform which would meet the $2.9 billion savings target on an annualized basis. There was a clear mandate that this retirement reform should apply only prospectively to those who entered service after the enactment of the new retirement bill.

Mr. President, the bill which the committee has recommended to the Senate meets those mandates and I urge its adoption as reported. I urge the Senate to reject the pending amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. I thank the Chair.

Mr. President, I oppose the amendment offered by Senator GLENN, Senator WILSON, and others to provide an annual cost of living allowance—COLA—for military retirees after their 40th anniversary of service equal to the full annual increase in the Consumer Price Index [CPI].

I truly regret being on the opposite side of this issue from Senator GLENN and Senator WILSON. They have done an outstanding job as chairman and ranking member of the Manpower and Personnel Subcommittee.

They both put in long hours on this military retirement reform bill. I threatened to introduce an amendment to call this the Wilson-Glenn military retirement bill. I have not done that yet, and I shall refrain from doing so. No one likes to deal with cutting any retirement. I think it is important for us to understand that nothing in this bill nor anything in this amendment affects people already retired nor does it affect anyone who is in the military nor does it affect anyone who was in the military before the date of enactment. So we are not talking about taking away anyone's benefits who is already retired or anyone's benefits who is in the military service today. That is the case whether you vote for or against this amendment because the amendment itself does not affect anyone nor does the bill nor the part being amended.

Senator WILSON and Senator GLENN have performed a great service to the Senate in bringing this bill to the floor over the concerted opposition of the Defense Department and the individual military services. But I must oppose this amendment for two basic reasons.

The first reason is that this amendment would substantially reduce the savings in future military retirement costs included in the committee bill.

Last year, in passing the fiscal year 1986 Defense Authorization Act, Congress removed $2.9 billion from the military personnel appropriation accounts. In doing so, we directed the Defense Department to submit legislative proposals to the Congress which, if enacted, would result in savings of $2.9 billion in future military pay and retirement costs in fiscal year 1986 if enacted by October 1, 1985.

I must say, Mr. President, this initiative came primarily from the House side but we had a good-faith conference. We engaged in good-faith negotiations with the House conferees, the Senate and House both passed that authorization bill. I do not contend everyone is bound by that number. I do contend if we are going to have any sense of budgetary discipline, we have to start being bound by what we did last year in terms of setting priorities and goals.

Clearly, Congress intended last year that this military retirement reform bill would save $2.9 billion in fiscal year 1986 on an annual basis, which is roughly 16 percent of future military retirement costs.

Again, I emphasize that this does not affect anyone in the military today or anyone who has retired.

In considering this bill, the committee made a conscious decision that we should meet this savings target. The bill reported by the committee achieves this $2.9 billion in savings on an annual basis.

If the Glenn/Wilson amendment is adopted, the fiscal year 1986 savings on an annual basis would be only $2.1 billion, $800 million or 30 percent below the level of savings Congress envisioned last year when we passed the fiscal year 1986 Defense Authorization Act.

Because this bill will not become effective until June 1, or 8 months into fiscal year 1986, the actual fiscal year 1986 savings in the committee bill will be $1.0 billion.

If the Glenn/Wilson amendment is adopted, the actual savings this fiscal year would be only $700 million. In other words, if the Glenn/Wilson amendment is adopted, DOD will have to spend approximately $300 million more for military retirement accrual cost in fiscal year 1986 than under the committee bill.

If the retirement provisions in the committee bill were in effect today, the cost of the Glenn/Wilson amendment would be $800 million per year more than under the committee bill. Over the next 20 years, the additional funds that will have to be set aside for future military retirement costs will be $14 billion more under the Glenn/Wilson amendment than under the committee bill.

The bottom line, Mr. President, is that last year in the fiscal year 1986 Defense Authorization Act, Congress went on record to require a 16 percent—$2.9 billion in fiscal year 1986—reduction in future military retirement costs. The Armed Services Committee felt bound by this level of savings, and the committee bill saves this 16 percent. The Glenn/Wilson amendment, if adopted, would reduce future military retirement costs by only 11 percent, well short of the goal we set last year.

The second reason I oppose this amendment, Mr. President, is that it unwisely severs the traditional link between COLA's for civil service retirement and military retirement.

Since 1970, military and civil service retireees have received the same annual COLA increases. Since 1980, the annual COLA's for military and civil service retirement have actually been linked in law.

The COLA formula in the committee bill provides an annual COLA for military retirees equal to 1 percentage point less than the annual CPI increase, with a one-time restoral of the retired pay base at the retiree's 40th anniversary of service—generally age 58-62.

The current conference on the civil service retirement reform bill has almost concluded.

□ 1610

I see my distinguished colleague from Missouri here on the floor. He is the ranking member on the Government Operations Committee and has had a vital role to play in that. That, too, has been a very difficult undertaking. It has been long and hard. It has been tough. Everything done in that bill is opposed by some very worthy group that is against making the cuts. So none of these issues are easy. The difficulty is that most of the time when you are making these changes the only people who know you are making them are those who are being hurt to some extent so it is not like you have a group of cheerleaders out there saying "Rah, rah, go ahead and cut that retirement program." That is not what is happening. So the Senator from Missouri has undertaken that. It is my understanding that the conference agreement which has recently emerged—in fact, it was reported this morning in the news media—provides no cost-of-living increase for civil service retirees before age 62. For civil service retirees age 62 and over, the cost-of-living increase would be generally equal to the CPI minus 1-percentage point.

Now, the committee bill provides a COLA for military retirees from the time they retire until their retired base pay is restored at the 40th anniversary of service, generally ages 58 to 62. Although there would be no COLA at all for civil service retirees before age 62, I think this difference in treatment is justified.

In other words, even without the Glenn-Wilson amendment, there is a distinction here between civil service retirees under the emerging conference report and military retirees if this committee bill passes. The military retirees are being treated more generously and I think there is a reason for that.

The military retirees' personnel management policies are based on having a youthful and vigorous force and many military members have to leave service before they want to leave service. So there is a reason for this basic distinction.

But while these are valid distinctions between military retirees and their civilian counterparts prior to age 62, it is very difficult for me to make an intellectual case that military retirees are so different from civil service retirees after age 62 that military retirees should receive a more generous cost-of-living increase than civil service retirees after that point.

I want to make it clear to everyone that if this amendment is adopted, we will be treating civil service retirees and military retirees fundamentally different after the age 62. Civil service retirees will not have as generous a retirement plan as military retirees. The committee bill provides that military members at their 40th anniversary of service will receive a one-time restoral of their retired base pay to the level it would have been if they had received full cost-of-living increases from the time of retirement. After this one-time restoral, however, under the existing bill without the amendment they would continue to receive an annual cost-of-living increase of CPI minus 1 percentage point which to my understanding is similar to the cost-of-living allowance for civil service retirees in the civil service retirement conference agreement.

The Glenn-Wilson amendment would provide full CPI COLA's for military retirees after their 40th anniversary of service. If we adopt this amendment, we would be providing a COLA mechanism for old-age military retirees that is substantially more generous than the COLA mechanism for old-age civil service retirees.

In my view after the age of 62, I do not see the justification for this different treatment.

Finally, Mr. President, I think all of us are coming to the unpleasant realization that full inflation protection for all Federal entitlement programs, if we are going to ever get the fiscal house in order, is going to have to be a thing of the past. We can handle it the best we can and we can be sensitive to the needs and certainly we ought to exempt those people who are presently employed. We ought to exempt those people with whom, in effect, we have had an implicit contract and apply it to people in the future. We must get our fiscal house in order. This bill is the way to do that, and I suggest we will fulfill our commitment to the fiscally responsible proposal that is called Gramm-Rudman-Hollings if we begin to adhere to our own targets from last year. Suffice it to say, the committee bill on an annual basis saves $2.9 billion. The Glenn-Wilson amendment would save $2.1 billion on an annual basis. That is $800 million less in military retirement savings than we would achieve under the bill. The committee bill achieves a 16-percent reduction in retirement costs. The Glenn-Wilson amendment achieves 11 percent. These dollars do add up. Over the next 20 years there is a $14 billion difference between the Glenn-Wilson amendment and the existing committee bill. So you are talking about very substantial amounts of money. You are talking about $14 billion over a 20-year period.

I yield the floor.

Mr. EAGLETON addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. EAGLETON. Mr. President, I rise to speak in opposition to the Glenn-Wilson amendment.

For years and years and years the overgenerosity of the Nation's military retirement system has been studied and criticized.

In 1969, for example, there was what was called the First Quadrennial Review of Military Compensation. It made recommendations for reforming the military retirement system. Where did they go? Wastebasket.

In 1971, there was a Department of Defense review entitled the Interagency Committee of 1971, which led to the Retirement Modernization Act proposal of 1974. Where did that end up with respect to military retirement compensation? In the wastebasket.

Then there was the Defense Manpower Commission of 1976. It, too, recommended reforms. The same end result, the wastebasket.

Then there was the Third Quadrennial Review of Military Compensation. Parenthetically, I do not know what happened to the second but they lept to the third, and that was in 1976. Where did that one go? In the wastebasket.

Then there was the President's Commission on Military Compensation. That was back in 1978. It, too, ended up in the wastebasket. And then there was a Department of Defense review which culminated in the Uniformed Services Retirement Benefits Act of 1979. The same result. Then there was the President's private sector survey on cost control in 1984. The same result. And then there was the Fifth

Quadrennial Review of Military Compensation in 1984. The same result.

Now, it addition, Mr. President, to these special studies, there have been numerous reports on military retirement by such agencies as the General Accounting Office, the Congressional Research Service, The Congressional Budget Office, and so forth.

All of these studies that have made recommendations for sweeping changes in the military retirement system so as to effecuate cost reductions, what have they wrought? Nothing.

Today, however, we do have before us the beginning of reform. S. 2395, the Uniformed Services Retirement Cost Reduction Act, is a serious attempt to change the status quo. In my thinking, it doesn't go nearly far enough. Those of us who spent the last 3 years revising the civil service retirement system would have been far happier had we been able to include the military in our bill and simply equate military retirees with other special classes such as police officers and firefighters, but I do applaud the Armed Services Committee for finally dusting off the decades of reports and making some fundamental changes.

There is one feature of the bill, however, which I think needs to be clarified—the cost-of-living adjustment that will be paid to military retirees. Until this legislation military and civilian retirees have always been given the same COLA's—full COLA's. This year the full COLA's were suspended for both military and civilian retirees, and a twice-a-year COLA for both of these groups of retirees was reduced to a once-a-year COLA in 1981, but Federal retirees, like Social Security recipients, have traditionally received full COLA's.

The Federal Employees Retirement System, the new civil service retirement plan, changes the full-COLA philosophy for Federal workers. Under FERS—the conference report for which will be considered by the Senate in the next few days—civilian retirees will receive no COLA if they retire before age 62, and after age 62 they will receive, not a full COLA, but a COLA based on the Consumer Price Index, minus 1 percent. This COLA change was the most hard-fought and difficult provision of the civil service retirement legislation.

However, during the 3 years the Governmental Affairs Committee spent working on FERS, it became strikingly clear to everyone closely involved with the bill that full COLA's are astronomically expensive and absorb funds which are better allocated to basic features of a retirement plan, such as the accrual rate. It is to the immense credit of the Federal employees unions that they saw fit not to block FERS once both the Senate and the House determined to legislate less than a full COLA for Federal civilian employees who will retire under FERS. I cannot overemphasize how difficult it was for the Federal unions to accept this decision and still support the FERS.

S. 2395 would provide similar treatment for military retirees. While the bill does not track the reduced COLA in FERS exactly, it, too, bases its COLA on the concept of CPI minus 1. I applaud this reduction, and while the military retirement system will remain far more generous than either the current civil service retirement system or FERS, at least the two systems will retain the historical pattern of the same or nearly the same COLA treatment.

Senators GLENN and WILSON, in the amendment now before us, drastically change that civilian-military link and ask the Congress to acknowledge in this area, as in all others, that the military is more deserving, more in need, and more important than the rest of the Federal work force. I cannot accept that philosophy for overall spending levels, and I certainly cannot accept it for military retirees' COLA's.

We should defeat the Glenn-Wilson amendment on the basic inequity of their proposal. If no future Federal civilian retirees will receive a full COLA, then no future military retirees should receive a full COLA.

However, if this basic consideration escapes my colleagues, then I appeal to their sense of fiscal responsibility. If the Glenn-Wilson amendment passes, the $2.9 billion in annual savings now attributed to S. 2395 will drop to $2.1 billion. Is a full COLA for a selected group of Federal personnel worth $800 million a year?

I certainly think not, and I urge my colleagues to defeat this amendment.

Mr. WILSON. Mr. President, I ask unanimous consent that on amendment 1964 at the appropriate place in the RECORD, Mrs. HAWKINS, Mr. KENNEDY, and Mr. DENTON be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER (Mr. EVANS). Is there further debate?

Mr. WILSON. Mr. President, I have listened with keen interest to the debate from my colleagues. I must say that I look forward in the future to equally fervent attacks on spending with regard to COLA's for other groups, but I am not so certain that we will see the same fervor if we are talking about Social Security or veterans.

□ 1620

Beyond that, I point out that those who are legitimately concerned with the deficit can take a little comfort, I think, from the fact that we are talking about an impact that is 40 years hence—40 years from the date of enactment. That is how long it would be before the increased spending that this amendment contemplates would actually take place.

I suspect that somehow between now and then there will be supervening events. But one thing I would make clear to my colleague from Missouri that there is indeed a distinction between military service and other highly useful and worthwhile things performed by civil servants. It is precisely because of the differences between military service and virtually every other form of activity that the military has consistently had a different retirement system. That has been true for half a century or more.

I also listened with great interest as he chronicled the various efforts to review the retirement system. Had he been here earlier, he could have been treated to the list I read into the RECORD. One distinction is that I have had the fun of looking through most of these recommendations, and it is true that Congress has turned away from reform.

The reason why one generation after another of investigations took place, with no result, is that Congress ignored those recommendations. In my judgment we are doing that again today.

I do not wish to be churlish or uncharitable, but I have to say that this is a modest beginning because it is focused purely on cost. When the military retirement system is one that is used as a force manager, when it is an integral part of the strategy of recruitment and retention, then I think it deserves to be treated differently, and it is inevitable that it will have implications that are quite different from all other retirement systems.

What we are looking at is a system that will cost somewhat more, but it is an amendment that will still result in the pending bill saving $2.1 billion annually from the military retirement accounts.

The reason for the difference between what we are proposing in this amendment, brought by the ranking minority member and myself, and the underlying bill has to do with the nature of military service. It has to do with those 12 to 15 moves that are made in a 20-year career. It has to do with the separations, extending 6 months and longer, sometimes 2 years, from family and loved ones. It has to do with danger, with the physical peril that occurs, not just in time of war but also in time of peace, because this is a dangerous business.

It is a very different way to make a living. Those who are induced to choose it, I concede, make that decision primarily because it is what they want to do. They want to serve their country. They like the military life. But they also have the same obliga-

tions as the rest of us, about the time we take on the responsibilities of a family, to see to it that, in a time when they can no longer run those hills, when they can no longer qualify for performance in a high-performance fighter aircraft, these men and women of the service be able to look forward to a second career, a productive one, in the civilian sector. But it is to a time when they are beyond that, that we are looking and directing the provisions of this amendment.

I think I have an honest disagreement with my friend from Georgia. He finds no reason to differentiate between people who are 62 years old, regardless of whether they attain that age as the result of a career in the military or another career. I think there is a difference, an enormous difference.

If we are to succeed in continuing, particularly in a time when we have turned to an All-Volunteer Force, to attract the kind of people who are essential to maintaining the quality of that All-Volunteer Force, then I think we need to be concerned with their compensation, of which this is one part; and if it is not the most important part, I would say the second most important part.

With regard to the money, the $2.9 billion that has been spoken of has been fully appropriated by the Appropriations Committee. I do not deny that what we are proposing by way of this amendment will result in a lesser saving; nonetheless, as amended with this amendment, the bill would save $2.1 billion annually.

So I guess what we come down to is a difference in our evaluation of the importance of seeing to it that there is that added increment of security for those who in the first years of their lives, for 20 years or more, choose a life of real insecurity. It seems to me that that is a fair trade. For that reason, I urge the adoption of this amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. NUNN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I move to lay the amendment on the table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. The motion is not debatable, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Maryland [Mr. MATHIAS], the Senator from Oregon [Mr. PACKWOOD], the Senator from South Dakota [Mr. PRESSLER], the Senator from Wyoming [Mr. WALLOP], and the Senator from Florida [Mrs. HAWKINS] are necessarily absent.

I further announce that, if present and voting, the Senator from Florida [Mrs. HAWKINS] would vote "nay."

Mr. BYRD. I announce that the Senator from Florida [Mr. CHILES] and the Senator from California [Mr. CRANSTON] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 64, nays 29, as follows:

[Rollcall Vote No. 102 Leg.]

YEAS—64

Abdnor	Exon	Melcher
Andrews	Gore	Metzenbaum
Baucus	Gorton	Mitchell
Bentsen	Gramm	Moynihan
Biden	Grassley	Murkowski
Bingaman	Hart	Nickles
Boren	Hatfield	Nunn
Boschwitz	Hecht	Proxmire
Bradley	Heflin	Pryor
Burdick	Heinz	Rockefeller
Byrd	Humphrey	Roth
Chafee	Johnston	Rudman
Cochran	Kassebaum	Simon
Danforth	Kerry	Simpson
DeConcini	Lautenberg	Stafford
Dixon	Levin	Stennis
Dodd	Long	Stevens
Dole	Lugar	Symms
Domenici	Matsunaga	Trible
Durenberger	Mattingly	Zorinsky
Eagleton	McClure	
Evans	McConnell	

NAYS—29

Armstrong	Harkin	Quayle
Bumpers	Hatch	Riegle
Cohen	Helms	Sarbanes
D'Amato	Hollings	Sasser
Denton	Inouye	Specter
East	Kasten	Thurmond
Ford	Kennedy	Warner
Garn	Laxalt	Weicker
Glenn	Leahy	Wilson
Goldwater	Pell	

NOT VOTING—7

Chiles	Mathias	Wallop
Cranston	Packwood	
Hawkins	Pressler	

So the motion to lay on the table amendment No. 1964 was agreed to.

□ 1650

Mr. WILSON. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. NUNN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILSON. Mr. President, I am not aware of any other amendments.

Mr. QUAYLE. Mr. President, I support S. 2395, the Uniformed Services Retirement Cost Reduction Act of 1986.

We, in the Armed Services Committee, faced a difficult situation when we addressed the question of modifying or reforming the military retirement system. There has been a longstanding concern over the cost and structure of the current system. At the same time, it is a clear imperative that we ensure the military retirement system remains both an incentive and a reward for the dedicated service and efforts of the members of our armed services.

I am pleased that the committee and the full Senate here today have found an approach to this situation that I believe meets both criteria. We have proposed very carefully considered prospective changes. This legislation will achieve needed cost savings in the retirement system, but it will not deprive any current members of our armed services of promised benefits. Nor will it so reduce benefits to individuals who join the military in the future that there remains no motive to do so except patriotism.

Because of this success in achieving such disparate goals, and because S. 2395 contains other amendments pertaining to the Department of Defense's procurement process which are of great interest and concern to me, I am happy to vote for this legislation.

Mr. THURMOND. Mr. President, I rise in support of S. 2395, the Uniformed Services Retirement Cost Reduction Act of 1986. The Manpower and Personnel Subcommittee of the Armed Services Committee worked for many months reviewing numerous proposals for retirement reform.

The chairman of the subcommittee, Senator PETE WILSON, and the ranking minority member, Senator JOHN GLENN, have worked long and hard to bring about equitable adjustments in the military retirement system.

The Congress has discussed changing the military retirement system periodically for about 10 years. Last year, the Department of Defense Authorization Act for fiscal year 1986 mandated reform in the system.

Mr. President, for a long time I opposed changing the retirement system because of the adverse impact that it might have on retention of our most qualified personnel. The changes that we recommend in this proposal are modest, and I sincerely believe there will be little adverse impact on the career force if these changes are enacted into law.

I firmly believe that this legislation will resolve congressional concerns about the military retirement system. To open up the issue of military pensions annually will severely impact upon our ability to attract and keep quality personnel.

Mr. President, one of the most important provisions of this legislation is that all personnel currently on active duty are "grandfathered" under the present system. There will be no change in retirement benefits for current retirees or those personnel on active duty today.

Only those personnel who enter the service after this bill is signed into law will be under the new retirement system. The major change recommended in this bill reduces the amount of retired pay for a retiree with 20 years of service from 50 percent of his basic pay to 44 percent of his basic pay. Anyone who remains on active duty for 30 years will receive 75 percent of his basic pay.

Mr. President, adjusting any form of Federal retirement compensation is never popular, but in the current fiscal environment in which we find our country, we must make some hard decisions and tighten our belts. The military retirement changes contained in this legislation are equitable and fair, and I urge all my colleagues to support this bill.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no further amendments to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. WILSON. Mr. President, I ask unanimous consent that the Committee on Armed Services be discharged from further consideration of H.R. 4420, the House companion bill to S. 2395.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILSON. Mr. President, I further ask unanimous consent that the Senate now turn to the consideration of H.R. 4420.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 4420) to amend title 10, United States Code, to revise the retirement system for new members of the uniformed services, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed immediately to the consideration of the bill.

Mr. WILSON. Mr. President, I move to strike all after the enacting clause of H.R. 4420 and to substitute the text of S. 2395, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. NUNN. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I would like to inquire of the distinguished majority leader whether or not there will be more rollcall votes tonight.

Mr. DOLE. Mr. President, this will be the last rollcall vote, unless there be some request for reconsideration. It is my guess the bill will pass easily. We will take up another matter for discussion and after we do that, we will go out until Monday.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS], the Senator from Maryland [Mr. MATHIAS], the Senator from Oregon [Mr. PACKWOOD], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Wyoming [Mr. WALLOP] are necessarily absent.

I further announce that, if present and voting, the Senator from Florida [Mrs. HAWKINS] would vote "nay."

Mr. BYRD. I announce that the Senator from Florida [Mr. CHILES] and the Senator from California [Mr. CRANSTON] are necessarily absent..

The PRESIDING OFFICER (Mr. MCCONNELL). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 92, nays 1, as follows:

[Rollcall Vote No. 103 Leg.]

YEAS—92

Abdnor	Goldwater	Melcher
Andrews	Gore	Metzenbaum
Armstrong	Gorton	Mitchell
Baucus	Gramm	Moynihan
Bentsen	Grassley	Murkowski
Biden	Harkin	Nickles
Bingaman	Hart	Nunn
Boren	Hatch	Pell
Boschwitz	Hatfield	Proxmire
Bradley	Hecht	Pryor
Bumpers	Heflin	Quayle
Burdick	Heinz	Riegle
Byrd	Helms	Rockefeller
Chafee	Hollings	Roth
Cochran	Humphrey	Rudman
Cohen	Inouye	Sarbanes
Danforth	Johnston	Sasser
DeConcini	Kassebaum	Simon
Denton	Kasten	Simpson
Dixon	Kennedy	Specter
Dodd	Kerry	Stafford
Dole	Lautenberg	Stennis
Domenici	Laxalt	Stevens
Durenberger	Leahy	Symms
Eagleton	Levin	Thurmond
East	Long	Trible
Evans	Lugar	Warner
Exon	Matsunaga	Weicker
Ford	Mattingly	Wilson
Garn	McClure	Zorinsky
Glenn	McConnell	

NAYS—1

D'Amato

NOT VOTING—7

Chiles	Mathias	Wallop
Cranston	Packwood	
Hawkins	Pressler	

So the bill (H.R. 4420), as amended, was passed, as follows:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 10, UNITED STATES CODE

(a) This Act may be cited as the "Uniformed Services Retirement Cost Reduction Act of 1986".

(b) REFERENCES TO TITLE 10.—Except as otherwise expressly provided, whenever in this act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 10, United States Code.

SEC. 2. AMENDMENTS AFFECTING GENERAL COMPUTATION OF RETIRED PAY

(a) COMPUTATION OF RETIRED PAY.—Section 1401 is amended—

(1) in the first sentence—

(A) by inserting "(a)" before "The monthly"; and

(B) by inserting "who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, or who is retired for disability under chapter 61 of this title" after "subtitle"; and

(2) by adding at the end thereof the following new subsection:

"(b) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, and who has been retired other than for disability under chapter 61 of this title, is computed according to the following table. For each case covered by a section of this title named in the column headed "For sections", retired pay is computed by taking, in order, the steps prescribed opposite it in columns 1 and 2. The amount computed, if not a multiple of $1, shall be rounded to the next lower multiple of $1. However, if a person would otherwise be entitled to retired pay computed under more than one pay formula of this table or of any other provision of law, he is entitled to be paid under the applicable formula that is most favorable to him. Section references below are to sections of this title.

"Formula No.	For Sections	Column 1 Take	Column 2 Multiply by
1	1331	Monthly retired pay base as computed under section 1407(b).	2½ percent of years of service credited to him under section 1333 multiplied by the percentage factor prescribed in section 1407a(b) for years of service credited to him under section 1332.
2	564 1263 1293 1305	Monthly retired pay base as computed under section 1407(b).	The percentage factor prescribed in section 1407a(a) for years of service credited to him under section 1405.

"Formula No.	For Sections	Column 1 Take	Column 2 Multiply by
3	633 634 635 636 1251	Monthly retired pay base as computed under section 1407(b)..	The percentage factor prescribed in section 1407a(a) for years of service credited to him under section 1405.".

(b) RECOMPUTATION OF RETIRED OR RETAINER PAY TO REFLECT LATER ACTIVE DUTY.—Subsection (a) of section 1402a is amended—

(1) by inserting "(1)" after "(a)";

(2) by inserting "but before the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986," after "September 7, 1980,";

(3) by adding after paragraph (1) the following new paragraph (2):

"(2) A member of an armed force who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, who has become entitled to retired pay or retainer pay, and who thereafter serves on active duty (other than for training), is entitled to recompute his retired pay or retainer pay upon his release from that duty according to the following table. The amount computed, if not a multiple of $1, shall be rounded to the next lower multiple of $1.

"Column 1 Take	Column 2 Multiply by
Monthly retired or retainer pay base under section 1407 of this title which he would be entitled to use if— (1) he were retiring upon release from that active duty; or (2) he were transferring to the Fleet Reserve or Fleet Marine Corps Reserve upon that release from active duty.	The percentage factor prescribed in section1407a of this title for the sum of— (1) the years of service credited him in computing retired pay or retainer pay; and (2) his years of active service after becoming entitled to retired pay or retainer pay.".

(c) TAX TREATMENT OF DISABILITY RETIRED PAY.—Section 1403 is amended by inserting "(a)" after "1401".

(d) COMPUTATION OF YEARS OF SERVICE.—Section 1405 is amended—

(1) by inserting "(a)" after "1401";

(2) by striking out "3991 (formula A), 3992" and inserting in lieu thereof "1401(b) (formulas 2 and 3), 3991 (a) and (b) (formula A), 3992 (a) and (b)"; and

(3) by striking out "8991 (formula A), or 8992" and inserting in lieu thereof "8991 (a) and (b) (formula A), or 8992 (a) and (b)".

(e) DEFINITIONS.—(1) Section 1407(a)(2) is amended to read as follows:

"(2) In this section:

"(A) 'Uniformed service' means—

"(i) any of the armed forces;

"(ii) the commissioned corps of the Public Health Service; or

"(iii) the commissioned corps of the National Oceanic and Atmospheric Administration.

"(B) 'First became a member of a uniformed service' means the initial date a person was enlisted or appointed in a uniformed service as an officer, an enlisted member, or a cadet or midshipman.".

(2) Section 1407(b)(3) is amended—

(A) by inserting "(A)" after "(3)"; and

(B) by striking out "In" and inserting in lieu thereof "Except as provided in subparagraph (B), in"; and

(C) by adding after subparagraph (A) the following new subparagraph (B):

"(B) The monthly retired pay base of a member who is retired under section 1331 of this title who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, shall be computed under subparagraph (A), except that in determining the months which may be included in the 36 months referred to in subparagraph (A) there shall be excluded any month after the date he is first transferred to the inactive status list or to the Retired Reserve if such month follows the date such member was notified under section 1331(d) of this title. The monthly retired pay base computed under the preceding sentence shall be increased by the percentage by which the Consumer Price Index (all items, United States city average) published by the Bureau of Labor Statistics has increased from the last of such 36 months to the month preceding the date the member is entitled to retired pay.".

(f) RETIRED PAY MULTIPLIER.—(1) Chapter 71 is amended by inserting after section 1407 the following new section:

"§ 1407a. Retired pay multiplier for members who first became members on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986

"(a) Except as provided in subsection (b), in computing the retired pay or retainer pay of a person who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, and who has been retired other than for disability under chapter 61 of this title or transferred to the Fleet Reserve or the Fleet Marine Corps Reserve, the percentage factor shall be the one listed in column 2 of the following table which corresponds to the applicable years of service in column 1.

"Column 1 Years of service [1]	"Column 2 Percentage factor [2]
20	44.0
21	47.1
22	50.2
23	53.3
24	56.4
25	59.5
26	62.6
27	65.7
28	68.8
29	71.9
30 and over	75.0

[1] Before applying percentage factor in the case of a member with 20 but less than 30 years of service, add to the number of full years of service creditable to the member one-twelfth of a year for each full month of service that is in addition to such full years and disregard any remaining fractional part of a month.

[2] In the case of a member who has had one-twelfth of a year added to his years of service under footnote 1 for each full month of service that is in addition to his full years of service, the percentage factor to be applied is determined by mathematical interpolation between the appropriate percentage factors.

"(b) In computing the retired pay of a person retired under section 1331 of this title who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, the percentage factor shall be the one listed in column 2 of the following table which corresponds to the applicable years of service in column 1.

"Column 1 Years of service under section 1332 of this title	"Column 2 Percentage factor
20	88.00
21	89.71
22	91.27
23	92.70
24	94.00
25	95.20
26	96.31
27	97.33
28	98.29
29	99.17
30 and over	100.00.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1407 the following new item:

"1407a. Retired pay multiplier for members who first became members on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986.".

SEC. 3. AMENDMENTS AFFECTING ADJUSTMENTS OF RETIRED AND RETAINER PAY TO REFLECT CHANGES IN THE CONSUMER PRICE INDEX

(a) DEFINITIONS.—Subsection (a) of section 1401a is amended—

(1) by inserting "(1)" after "(a)";

(2) by striking out the second sentence; and

(3) by adding at the end the following new paragraph:

"(2) In this section:

"(A) 'Price index' means the Consumer Price Index (all items, United States city average) published by the Bureau of Labor Statistics.

"(B) 'Base quarter' means the calendar quarter ending on September 30 of each year.

"(C) 'Price index for the base quarter' means the arithmetical mean of the price index for the three months comprising the base quarter.

"(D) 'Retired pay' includes retainer pay.".

(b) REQUIREMENT FOR SECRETARY OF DEFENSE TO INCREASE RETIRED AND RETAINER PAY.—Subsection (b) of such section is amended to read as follows:

"(b)(1) Effective on December 1 of each year, the Secretary of Defense—

"(A) shall increase the retired pay of each member and former member of the armed forces entitled to such pay who first became a member of a uniformed service (as defined in section 407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, or who was retired for disability under chapter 61 of this title, by the percent (adjusted to the nearest one-tenth of 1 percent) by which—

"(i) the price index for the base quarter of such year, exceeds

"(ii) the price index for the base quarter of the preceding year in which an adjustment under this subsection was made; and

"(B) if the percent determined under subparagraph (A) is greater than 1 percent, shall increase the retired pay of each member and former member of the armed forces entitled to such pay who first became a member of a uniformed service (as defined in section 407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, other than a member or former member retired for disability under chapter 61 of this title, by the difference between—

"(i) the percent determined under subparagraph (A); and

"(ii) 1 percent.

"(2)(A) In the case of a member or former member who first entered a uniformed service on or after the date of the Uniformed Services Retirement Cost Reduction Act of

1986, when the first increase in such member's retired pay is required to be made under this subsection on or after the date the member completes 40 years as a member of a uniformed service, the retired pay of such member shall be recomputed so as to be the amount equal to—

"(i) the retired pay to which the member was entitled on the date of his retirement, increased by

"(ii) the percent (adjusted to the nearest one-tenth of 1 percent) by which—

"(I) the price index for the base quarter immediately preceding the date he completes 40 years as a member of a uniformed service, exceeds

"(II) the price index for the base quarter immediately preceding the date on which he first became entitled to retired pay.

"(B) After any such recomputation, increases under paragraph (1)(B) shall be applied to such retired pay as so recomputed.

"(3) Any increase in retired pay under this subsection shall be made in accordance with regulations prescribed by the Secretary of Defense.

"(4) For purposes of this subsection, a member's years as a member of a uniformed service shall be determined by crediting—

"(A) all periods of service creditable in computing the member's basic pay under section 205 of title 37 at the time the member became entitled to retired pay; and

"(B) all periods on a retired list while entitled to retired pay.

A period of time may not be counted more than once.".

SEC. 4. AMENDMENTS AFFECTING COMPUTATION OF RETIRED PAY OF ARMY PERSONNEL

(a) COMPUTATION OF RETIRED PAY.—Section 3991 is amended—

(1) in the first sentence—

(A) by inserting "(a)" before "The monthly"; and

(B) by inserting "who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986," after "subtitle";

(2) in the fourth sentence by inserting "(a)" after "1401"; and

(3) by adding at the end thereof the following new subsection:

"(b) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, is computed according to the following table. For each case covered by a section of this title named in the column headed "For sections", retired pay is computed by taking, in order, the steps prescribed opposite it in columns 1, 2, and 3, as modified by the footnote. The amount computed, if not a multiple of $1, shall be rounded to the next lower multiple of $1. However, if a person would otherwise be entitled to retired pay computed under more than one pay formula of this table or the tables in section 1401 of this title, he is entitled to be paid under the applicable formula that is most favorable to him. Section references below are to sections of this title.

"Formula	For Sections	Column 1 Take	Column 2 Multiply by	Column 3 Add
A	3911 3918 3920 3924	The monthly retired pay base as computed under section 1407(c).	The percentage factor prescribed in section 1407a(a) for the years of service credited to him under section 1405.	
B	3914	The monthly retired pay base as computed under section 1407(c).	The percentage factor prescribed in section 1407a(a) for the years of service credited to him under section 3925.	10% of product of columns 1 and 2 for extraordinary heroism in line of duty, but in no case shall his pay be more than 75 percent of his monthly retired pay base as computed under section 1407(c).[1]
C	3817	The monthly retired pay base as computed under section 1407(c).	The percentage factor prescribed in section 1407a(a) for the years of service credited to him under section 3925.	

[1] The Secretary of the Army's determination as to extraordinary heroism is conclusive for all purposes".

(b) RECOMPUTATION TO REFLECT ADVANCEMENT ON RETIRED LIST.—Section 3992 is amended—

(1) by striking out the first sentence and inserting in lieu thereof:

"(a) An enlisted member of the Army who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, who is advanced on the retired list under section 3964 of this title is entitled to recompute his retired pay under formula A of the following table, and a warrant officer of the Army who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, who is so advanced is entitled to recompute his retired pay under formula B of that table."; and

(2) by adding at the end thereof the following new subsection:

"(b) An enlisted member of the Army who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, who is advanced on the retired list under section 3964 of this title is entitled to recompute his retired pay under formula A of the following table, and a warrant officer of the Army who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, who is so advanced is entitled to recompute his retired pay under formula B of that table. The amount recomputed, if not a multiple of $1, shall be rounded to the next lower multiple of $1.

"Formula	Column 1 Take	Column 2 Multiply by
A	The monthly retired pay base as computed under section 1407(c) of this title.	The percentage factor prescribed in section 1407a(a) of this title for the number of years credited to him under section 3925 of this title.
B	The monthly retired pay base as computed under section 1407(c) of this title.	The percentage factor prescribed in section 1407a(a) of this title for the number of years credited to him under section 1405 of this title.".

SEC. 5. AMENDMENTS AFFECTING COMPUTATION OF RETIRED PAY OF NAVY AND MARINE CORPS PERSONNEL

(a) HIGHER RETIRED PAY FOR MEMBERS WHO SERVE UNDER TEMPORARY APPOINTMENTS.—Section 6151 is amended—

(1) in subsection (b)—

(A) by striking out "on or after September 8, 1980," in clause (B) of paragraph (1) and inserting in lieu thereof "after September 7, 1980, but before the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986,";

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following new paragraph (2):

"(2) Each member, other than a former member of the Fleet Reserve or the Fleet Marine Corps Reserve, who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, who is advanced on the retired list under this section is, unless otherwise entitled to higher retired pay, entitled to retired pay at the rate determined by taking the monthly retired pay base computed under section 1407(d) of this title and multiplying that amount by the percentage factor prescribed under section 1407a(a) of this title for the years of service that may be credited to him under section 1405 of this title."; and

(2) in subsection (c)—

(A) by striking out "on or after September 8, 1980," in paragraph (2) and inserting in lieu thereof "after September 7, 1980, but before the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986."; and

(B) by inserting after paragraph (2) the following new paragraph (3):

"(3) Each former member of the Fleet Reserve or the Fleet Marine Corps Reserve who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, who is advanced on the retired list under this section is entitled to retired pay at the rate determined by taking the monthly retired pay base computed under section 1407(d) of this title and multiplying that amount by the percentage factor prescribed under section 1407a(a) of this title for the years of service creditable for his retainer pay at the time of retirement.".

(b) RETIREMENT OF AN OFFICER AFTER COMPLETING MORE THAN 20 Years of Active Service.—Section 6323(e) is amended—

(1) by inserting "(1)" after "(e)";

(2) by redesignating paragraphs (1) and (2) as clauses (A) and (B), respectively, and in such clause (B) (as so redesignated) by striking out "on or after September 8, 1980," and inserting in lieu thereof "after September 7, 1980, but before the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986,"; and

(3) by inserting after paragraph (1) the following new paragraph (2):

"(2) Unless otherwise entitled to higher pay, an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, who is retired under this section is entitled to retired pay at the rate determined by taking the monthly retired pay based computed under section 1407(d) of this title and multiplying that amount by the percentage factor prescribed under section 1407a(a) of this title for the years of service that may be credited to him under section 1405 of this title.".

(c) RETIRED PAY OF CERTAIN OFFICERS.—(1) Clause (2) of section 6325(a) is amended to read as follows:

"(2) unless otherwise entitled to higher pay, is entitled to retired pay—

"(A) in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before September 8, 1980, at the rate of 2½ percent of the basic pay of the grade in which he retired multiplied by the number of years of service that may be credited to him under section 1405 of this title, but the retired pay so computed may not be more than 75 percent of the basic pay upon which the computation of retired pay is based;

"(B) in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) after September 7, 1980, at the rate of 2½ percent of the monthly retired pay base computed under section 1407(d) of this title multiplied by the number of years of service that may be credited to him under section 1405 of this title, but the retired pay so computed may not be more than 75 percent of the monthly retired pay base upon which the computation of retired pay is based; or

"(C) in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, at the rate determined by taking the monthly retired pay base computed under section 1407(d) of this title and multiplying that amount by the percentage factor prescribed in section 1407a(a) of this title for the years of service that may be credited to him under section 1405 of this title.".

(2) Clause (2) of section 6325(b) is amended to read as follows:

"(2) unless otherwise entitled to a higher pay, is entitled to retired pay—

"(A) in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before September 8, 1980, at the rate of 2½ percent of the basic pay of the grade he would hold if he had not received such an appointment multiplied by number of years of service that may be credited to him under section 1405 of this title, but the retired pay so computed may not be more than 75 percent of the basic pay upon which the computation of retired pay is based;

"(B) in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) after September 7, 1980, but before the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, at the rate of 2½ percent of the monthly retired pay base computed under section 1407(d) of this title multiplied by the number of years of service that may be credited to him under section 1405 of this title, but the retired pay so computed may not be more than 75 percent of the monthly retired pay base upon which the computation of retired pay is based; or

"(C) in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, at the rate determined by taking the monthly retired pay base computed under section 1407(d) of this title and multiplying that amount by the percentage factor prescribed in section 1407a(a) of this title for the years of service that may be credited to him under section 1405 of this title.".

(d) RETAINER PAY FOR ENLISTED MEMBERS TRANSFERRED TO THE FLEET RESERVE OR THE FLEET MARINE CORPS RESERVE.—Section 6330(c)(1) is amended—

(1) by striking out "; or" at the end of clause (A) and inserting in lieu thereof "multiplied by the number of years of active service in the armed forces;";

(2) by striking out "on or after September 8, 1980," in clause (B) and inserting in lieu thereof "after September 7, 1980, but before the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986,";

(3) by striking out clause (B) and all that follows and inserting in lieu thereof the following:

"(B) in the case of a member who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) after September 7, 1980, at the rate of 2½ percent of the monthly retainer pay base computed under section 1407(d) of this title, or

"(C) in the case of a member who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, at the rate determined by taking the monthly retainer pay base computed under section 1407(d) of this title and multiplying that amount by the percentage factor prescribed in section 1407a(a) of this title for the years of his active service in the armed forces.".

(e) RETIRED PAY OF CERTAIN REGULAR OFFICERS INVOLUNTARILY RETIRED.—Section 6383(c)(2) is amended to read as follows:

"(2) is entitled to retired pay—

"(A) in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before September 8, 1980, at the rate of 2½ percent of the basic pay to which he would be entitled if serving on active duty in the grade in which he retired multiplied by the number of years of service credited to him under section 1405 of this title, but the retired pay may not be more than 75 percent of the basic pay upon which the computation of retired pay is based;

"(B) in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) after September 7, 1980, but before the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, at the rate of 2½ percent of the monthly retired pay base computed under section 1407(d) of this title multiplied by the number of years of service credited to him under section 1405 of this title, but the retired pay may not be more than 75 percent of the monthly retired pay base upon which the computation of retired pay is based; or

"(C) in the case of an officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, at the rate determined by taking the monthly retired pay base computed under section 1407(d) of this title and multiplying that amount by the percentage factor prescribed under section 1407a(a) of this title for the number of years of service credited to him under section 1405 of this title.".

SEC. 6. AMENDMENTS AFFECTING COMPUTATION OF RETIRED PAY OF AIR FORCE PERSONNEL

(a) COMPUTATION OF RETIRED PAY.—Section 3991 is amended—

(1) in the first sentence—

(A) by inserting "(a)" before "The monthly"; and

(B) by inserting "who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986," after "subtitle";

(2) in the fourth sentence by inserting "(a)" after "1401"; and

(3) by adding at the end thereof the following new subsection:

"(b) The monthly retired pay of a person entitled thereto under this subtitle who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, is computed according to the following table. For each case covered by a section of this title named in the column headed "For sections", retired pay is computed by taking, in order, the steps prescribed opposite it in columns 1, 2, and 3, as modified by the footnote. The amount computed, if not a multiple of $1, shall be rounded to the next lower multiple of $1. However, if a person would otherwise be entitled to retired pay computed under more than one pay formula of this table or the tables in section 1401 of this title, he is entitled to be paid under the applicable formula that is most favorable to him. Section references below are to sections of this title.

"Formula	For sections	Column 1 take	Column 2 multiply by	Column 3 add
A	8911 8918 8920 8924	The monthly retired pay base as computed under section 1407(e).	The percentage factor prescribed in section 1407a(a) for the years of service credited to him under section 1405.	

"Formula	For sections	Column 1 take	Column 2 multiply by	Column 3 add
B	8914	The monthly retired pay base as computed under section 1407(e).	The percentage factor prescribed in section 1407a(a) for the years of service credited to him under section 8925.	10% of product of columns 1 and 2 for extraordinary heroism in line of duty, but in no case shall his retired pay be more than 75 percent of his monthly retired pay base as computed under section 1407(e).[1]
C	8917	The monthly retired pay base as computed under section 1407(e).	The percentage factor prescribed in section 1407a(a) for the years of service credited to him under section 8925.	

[1] The Secretary of the Air Force's determination as to extraordinary heroismis conclusive for all purposes.".

(b) RECOMPUTATION TO REFLECT ADVANCEMENT ON RETIRED LIST.—Section 8992 is amended—

(1) by striking out the first sentence and inserting in lieu thereof:

"(a) An enlisted member of the Air Force who first became a member of a unformed service (as defined in section 1407(a)(2) of this title) before the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, who is advanced on the retired list under section 8964 of this title is entitled to recompute his retired pay under formula A of the following table, and a warrant officer of the Air Force who first became a member of a uniformed service before the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, who is so advanced is entitled to recompute his retired pay under formula B of that table."; and

(2) by adding at the end thereof the following new subsection:

"(b) An enlisted member of the Air Force who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, who is advanced on the retired list under section 8964 of this title is entitled to recompute his retired pay under formula A of the following table, and a warrant officer of the Air Force who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, who is so advanced is entitled to recompute his retired pay under formula B of that table. The amount recomputed, if not a multiple of $1, shall be rounded to the next lower multiple of $1.

"Formula	Column 1 take	Column 2 multiply by
A	The monthly retired pay base as computed under section 1407(e) of this title.	The percentage factor prescribed in section 1407a(a) of this title the number of years credited to him under section 8925 of this title.
B	The monthly retired pay base as computed under section 1407(e) of this title.	The percentage factor prescribed in section 1407a(a) of this title for the number of years credited to him under section 1405 of this title".

SEC. 7. AMENDMENTS AFFECTING COMPUTATION OF RETIRED PAY OF COAST GUARD PERSONNEL

(a) COMPUTATION OF RETIRED PAY OF CAPTAINS.—Section 288(b) of title 14, United States Code, is amended by striking out "section 423(b)" and inserting in lieu thereof "subsection (b) or (c) of section 423".

(b) COMPUTATION OF RETIRED PAY IN GENERAL.—Section 423 of such title is amended—

(1) in the first sentence of subsection (a), by striking out "subsection (b)"and inserting in lieu thereof "subsections (b) and (c)";

(2) in the fourth sentence of subsection (a), by inserting "or by which the percentage factor is determined under subsection (c) after "multiplied";

(3) in subsection (b) by inserting "but before the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986," after September 7, 1980,"; and

(4) by adding at the end thereof the following new subsection:

"(c) Notwithstanding any other provision of this title, the retired pay of each officer or enlisted member of the Coast Guard who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10) on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, is determined by taking the monthly retired base computed under section 1407(f) of title 10 and multiplying that amount by the percentage factor prescribed under section 1407a(a) of title 10 for the number of years of service that may be credited to him under section 1405 of title 10.".

(c) LIMITATIONS ON RETIREMENT AND RETIRED PAY.—Section 424 of such title is amended in the first sentence by striking out "The" and inserting in lieu thereof "Except as provided in subsections (b) and (c) of section 423 of this title, the".

SEC. 8 AMENDMENTS AFFECTING COMPUTATION OF RETIRED PAY OF COMMISSIONED OFFICERS OF THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Section 16(a) of the Coast and Geodetic Survey Commissioned Officer's Act of 1948 (33 U.S.C 853o) is amended—

(1) by inserting "(1)" after "(a)";

(2) by redesignating clauses (1) and (2) as clauses (A) and (B), respectively;

(3) in clause (B) (as redesignated), by striking out "on or after September 8, 1980," and inserting in lieu thereof "after September 7, 1980, but before the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986,", and

(4) by adding at the end thereof the following new paragraph (2):

"(2) Each commissioned officer who first became a member of a uniformed service (as defined in section 1407(a)(2) of title 10, United States Code) on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, who is on the retired list shall receive retired pay at the rate determined by taking the monthly retired pay base computed under section 1407(g) of title 10, United States Code, and multiplying that amount by the percentage factor prescribed under section 1407a(a) of title 10, United States Code, for the number of years of service that may be credited to him under section 1405 of title 10, United States Code, as if his service were service as a member of the Armed Forces. Retired pay, if not a multiple of $1, shall be rounded to the next lower multiple of $1.".

SEC. 9. AMENDMENTS AFFECTING COMPUTATION OF RETIRED PAY OF COMMISSIONED OFFICERS OF THE PUBLIC HEALTH SERVICE

(a) COMPUTATION OF RETIRED PAY FOR OFFICERS INVOLUNTARILY RETIRED.—Section 210(g)(3) of the Public Health Service Act (42 U.S.C. 211(g)(3) is amended—

(1) by striking out "or" at the end of subclause (A);

(2) in subclause (B)—

(A) by striking out "on or after September 8, 1980," and inserting in lieu thereof "after September 7, 1980, but before the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986,"; and

(B) by striking out the period at the end thereof and inserting in lieu thereof "; or"; and

(3) by adding at the end of subclause (B) a new subclause (C) as follows:

"(C) in the case of an officer who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, at the rate determined by taking the monthly retired pay base computed under section 1407(h) of title 10, United States Code, and multiplying that amount by the percentage factor prescribed under section 1407a(a) of title 10, United States Code, for the number of years, not in excess of thirty, of his active commissioned service in the Service.".

(b) COMPUTATION OF RETIRED PAY OF OFFICER IN GENERAL.—Section 211(a) of such Act (42 U.S.C. 212(a)) is amended—

(1) in paragraph (4), by inserting "or (7)" after "paragraph (6)";

(2) by redesignating paragraph (7) as paragraph (8); and

(3) by adding after paragraph (6) the following new paragraph (7):

"(7) The retired pay under paragraph (4) in the case of a commissioned officer who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, is determined by taking the monthly retired pay base computed under section 1407(h) of title 10, United States Code, and multiplying that amount by the percentage factor prescribed under section 1407a(a) of title 10, United States Code, for the number of years of service credited to him under paragraph (4).".

SEC. 10. REQUIREMENT OF RESERVE-COMPONENT MEMBERSHIP FOR RECEIPT OF NON-REGULAR-SERVICE RETIRED PAY

Section 1331(a) is amended—

(1) by striking out "and" at the end of clause (3);

(2) by striking out the period at the end of clause (4) and inserting in lieu thereof "; and"; and

(3) by inserting after clause (4) the following new clause (5):

"(5) in the case of a person who first became a member of a uniformed service (as defined in section 1407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, he is a member of a reserve component.".

SEC. 11. UNREDUCED RETIRED PAY AS BASIS FOR SURVIVOR BENEFIT PLAN ANNUITIES

(a) IN GENERAL.—Subchapter II of chapter 73 is amended by adding at the end thereof the following new section:

"§ 1456. Unreduced retired pay as basis for annuities

"(a) In determining the amount of an annunity to be paid under this subchapter to the beneficiary of any person who first became a member of a uniformed service after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986, the amount of the annuity shall be determined on the basis of provisions of law in effect with respect to the computation of retired pay on the day before the date of the enactment of such Act.

"(b) For purposes of section 1451 and section 1452 of this title, computation of the retired pay of a member or former member who first became a member of a uniformed service on or after the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986 shall be made on the basis of provisions of law in effect with respect to the computation of retired pay on the day before the date of the enactment of the Uniformed Services Retirement Cost Reduction Act of 1986.

"(c) As used in subsection (a), the term 'first became a member of a uniformed service' has the same meaning as provided in section 1407(a)(2)(B) of this title.".

(b) CONFORMING AMENDMENTS.—The table of sections at the beginning of subchapter II of chapter 73 is amended by adding at the end the following item:

"1456. Unreduced retired pay as a basis for annuities.".

SEC. 12. REPEAL OF LIMITATION ON PAYMENTS TO ACCRUAL FUND FOR FISCAL YEAR 1986

Section 666 of the Department of Defense Authorization Act, 1986 (Pub. Law 99-145; 99 Stat. 659), is repealed.

SEC. 13. CONGRESSIONAL POLICY REGARDING POSTPONEMENT OF A CERTAIN DEPARTMENT OF DEFENSE CONTRACT

It is the sense of Congress that the Secretary of Defense should postpone the final award of a contract with respect to Defense Construction Supply Center Solicitation numbered DLA700-85-B-4-4607 (for the purchase of 178 crawler tractors) until Congress has enacted legislation authorizing appropriations for the Department of Defense for fiscal year 1987.

SEC. 14. UNDER SECRETARY OF DEFENSE FOR ACQUISITION

(a) CREATION OF POSITION.—Section 135 of title 10, United States Code, is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) There are two Under Secretaries of Defense, one of whom shall be the Under Secretary of Defense for Acquisition and one of whom shall be the Under Secretary of Defense for Policy. The Under Secretaries of Defense shall be appointed from civilian life by the President, by and with the advice and consent of the Senate.";

(2) in subsection (b), by striking out the second sentence; and

(3) in subsection (c), by striking out the second sentence.

(b) EXECUTIVE SCHEDULE II PAY GRADE FOR UNDER SECRETARY OF DEFENSE FOR ACQUISITION.—Section 5313 of title 5, United States Code, is amended by adding at the end the following new item: "Under Secretary of Defense for Acquisition.".

SEC. 15. DENIAL OF FUNDS FOR T-46 TRAINER AIRCRAFT PROGRAM

Of the funds appropriated for "Aircraft Procurement, Air Force" for fiscal year 1986, none may be obligated or expended for the procurement of the T-46 trainer aircraft.

□ 1710

Mr. WILSON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXTENSION OF LIMITATION OBLIGATIONS—MILITARY PERSONNEL ACCOUNTS

Mr. WILSON. Mr. President, I send a bill to the desk for immediate consideration. This has been cleared on both sides.

Mr. BYRD. Mr. President, I have no objection to the introduction of the bill or to its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 2460) to extend until June 30, 1986 the date on which certain limitations become effective with respect to obligations that may be made from the Military Personnel accounts of the Department of Defense for fiscal year 1986.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. WILSON. Mr. President, the clerk's recitation of the title describes the entire effect of the bill. We are simply seeking once again to extend the deadline for action by the Congress in accord with what was earlier enacted as the Johnston amendment. The purpose is to avoid the involuntary discharge of hundreds of thousand of uniformed personnel.

Mr. NUNN. Mr. President, I agree with this amendment. I think it is a good amendment. I think it is necessary. I would hope that we do not need this much time. I hope we will be able to complete this conference before June 30. But I see no reason to have to pass another delaying mechanism in the middle of June if we do not reach that goal. So I will agree with the amendment and I urge its passage.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2460

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third proviso of section 8103 of the Department of Defense Appropriations Act, 1986 (as contained in section 101(b) of Public Law 99-190; 99 Stat. 1221), relating to obligations from Military personnel accounts for fiscal year 1986, is amended by striking out "May 1, 1986" and inserting in lieu thereof "June 30, 1986".

Mr. WILSON. I move to reconsider the vote by which the bill was passed.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILSON. Mr. President, before I relinquish the floor, let me take a moment to express my gratitude and appreciation for the long hours, in fact days, that have been expended by my colleague, the Senator from Ohio, who is the ranking member of the subcommittee. His cooperation and his great dedication have been a source of comfort to me. I think they have improved our work product. I note that his very busy schedule requires his absence from the floor at this moment, but the hard work and leadership he has exhibited during the several months it has taken us to actually bring this to the floor are greatly appreciated. I express appreciation as well to the members of the subcommittee. The former chairman of that committee, who just left the floor, the ranking member of the Armed Services Committee from Georgia, has also on every occasion that his schedule permitted been in attendance and has made significant contributions for which I am grateful.

Finally, let me conclude, Mr. President, by expressing my gratitude and my admiration for the superb work that has been done by the staff on both sides of the aisle. They have given us prompt, very thorough analyses. The amount of work that was in-

volved has been described earlier this afternoon in several floor speeches. They had to shift through and analyze the work of any number of different panels through the years which had sought to bring about reform in the military retirement system. Notwithstanding my earlier comments that we have not yet quite achieved that, it is certainly not because the staff has not provided us with the abundant opportunity to do so.

□ 1720

In particular, Mr. Lyles for the minority and Mr. Tucker for the majority have performed more than yeoman service. They really have done an excellent job, under great time pressure too often, but their energy has been more than equal to the task. Their skill and competence have been more than equal to the task. It has been a great pleasure for me to work with both of them. They are thoroughgoing gentlemen and professionals, and they made the task of the chairman and the ranking minority member much easier.

I yield the floor.

Mr. SIMPSON. Mr. President, on behalf of the majority leader, I sincerely thank Senator WILSON for his extraordinary efforts in working to get this piece of legislation before us and passed. He and Senator GLENN, the ranking minority member of the subcommittee, have done a superb job, and we thank them. It has been a long and arduous task, and they have accomplished it with great steadiness, which is a trait of Senator WILSON, as I have noted it in my time here—great steadiness and thoughtfulness—and those are similar attributes of Senator GLENN.

I also thank Senator GOLDWATER and Senator NUNN for their stewardship and support of the legislation.

On behalf of the majority leader, it makes the job as much lighter one when we have that kind of procedure, with that kind of result, within this parameter of time. We thank them very much.

Mr. President, I ask unanimous consent that S. 2395, the military retirement bill, be returned to the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL FIRE PREVENTION AND CONTROL ACT AUTHORIZATION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 581, S. 2180, to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974.

Mr. FORD. Mr. President, reserving the right to object—and I probably will not object—this is like putting on no witnesses during a defense, because we are not going to have any votes.

On Monday, we probably will take up something else, and this means that it will be late in June before any consideration of this measure, as it relates to daylight savings time. That is the reason why this bill is being brought up—daylight saving time.

I wonder if the distinguished acting majority leader feels that it is important, under the circumstances, that we even go to this bill tonight.

Mr. SIMPSON. Mr. President, it is the intent of the majority leader that we proceed on this measure in this form this evening.

I believe it is still the intent of the leader that we would likely close our proceedings this evening within the half-hour but this would be then the pending activity.

Mr. FORD. As I understood the distinguished majority leader, we would go out tonight around 6 o'clock and that we would come back in around 3 o'clock on Monday and the pending business that you are attempting to bring up tonight would be set aside for other items that probably would be coming out of the Appropriations Committee that has to be done by Wednesday. That will take precedence over this. We are going to get 30 minutes to talk about something that we will not get to bring up until the middle of June and then we will be into the tax bill and I wonder if we want to go ahead and bring it up.

I am going to have to take a certain stand on this as will my distinguished friends from the State of Washington and the State of Maine. But I just wonder if we want to go through that scenario with the understanding that the pending business in all probability would be set aside until June. Then when we come back in June, we will be on the tax bill and this is a piece of legislation that is going to be down the pike considerably before we have an opportunity to vote on it.

□ 1730

Mr. SIMPSON. Mr. President, I am making an inquiry of the majority leader at this time, but I believe it is the intent of the majority leader that we go to this on Monday. We will pursue this measure on Monday. There will be no votes before 3 o'clock and this would not be set aside. It would be addressed this evening with opening statements and then on Monday we would return to it. That is the intent of the leader.

Mr. FORD. Still reserving my right to object, Mr. President, would it be in order to have a unanimous-consent agreement for an amendment in the second degree when I get it prepared—I do not have it prepared right now—to this amendment on daylight savings time? I would like to reserve the right to put on an amendment in the second degree sometime on Monday.

Mr. SIMPSON. Mr. President, I am not prepared to respond to that.

Mr. GORTON. Will the Senator yield?

Mr. SIMPSON. Let me yield to Senator GORTON who will be the floor manager of this measure, and I do so yield.

Mr. GORTON. Mr. President, as the distinguished junior Senator from Kentucky knows, this bill, which is the Federal Fire Prevention and Control Act, will be the vehicle for a discussion of the extension of daylight saving time for 3 weeks in the month of April. We also have been informed through the Senator from Kentucky and others that they would like to use this bill as an opportunity at least to discuss the scrambling of television signals from satellites.

This Senator, the Senator from Washington, obviously can have no objection to the use of the bill for that purpose. His own amendment is nongermane but is within the jurisdiction of the Commerce Committee. And the proposal by the Senator from Kentucky is nongermane but it is also within the jurisdiction of the Commerce Committee.

It would be my intention, however, to offer two amendments, a first- and second-degree amendment, on daylight saving time simply in order to see to it that we are able to discuss that matter without the slightest intention of attempting to deprive or discourage Members from also discussing a proposed amendment to this bill on the question of scrambling of television signals.

Mr. FORD. Mr. President, under those circumstances, the Senator from Washington will be precluding any amendment in the second degree until the discussion on daylight saving time has been completed. I would just like to reserve the right to have the opportunity to lay down an amendment in the second degree before we proceed. If we are going to proceed, I think the parliamentary procedure would be that you would have to move on the motion to proceed and, under those circumstances, since the majority leader has said that there will be no more votes today and none until after 3 o'clock on Monday, most of our colleagues are gone and I do not want to preclude another 30 minutes of eloquent debate as it relates to this particular piece of legislation.

But I would like to have some acknowledgement of the right to put on an amendment in the second degree. So we are sparring a little bit here as it relates to parliamentary procedure. I do not mind that, as long as we do not get rough.

So I would like for the Senator to agree that I can offer my amendment in the second degree rather than for

him to lock me out from having an opportunity to offer my amendment in the second degree.

Mr. GORTON. Mr. President, if I may inquire of the Senator from Kentucky, is there any particular reason why his amendment should be an amendment to an amendment as opposed to an amendment to the bill and have the two subjects discussed separately?

Mr. FORD. They could, but under the circumstances I feel I would have more leverage if my amendment was in the second degree rather than wait until after the discussion of the daylight savings time has been completed and then to bring up my amendment.

So what I am trying to do here is just assure myself and others—I am not speaking primarily for myself, I am speaking for others who have asked me to use this procedure. I think it is incumbent upon me to protect their interests, as well as mine.

Mr. GORTON. Would the distinguished Senator suggest the absence of a quorum?

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1750

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Mr. President, concerning this bill, the Senator from Kentucky and the Senator from Washington, along with the Senator from Maine, have discussed the issues. Let me then renew my unanimous-consent request.

Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar item No. 581, S. 2180, to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974. Then I believe that the Senator from Kentucky or the Senator from Washington will have further procedural aspects to discuss with regard to that unanimous-consent request.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2180) to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the bill.

Mr. GORTON. Mr. President, as the distinguished assistant majority leader said, there have been extensive discussions involving myself, the Senator from Maine, and the Senator from Kentucky on how we should proceed on this bill. The bill authorizes appropriations for the Federal Fire Prevention and Control Act of 1974 and was reported favorably by the Commerce Committee.

This Senator has an amendment in the first degree, in which he is joined by the distinguished Senator from Maine, which would shift the day for the beginning of daylight saving time each year from the last Sunday in April to the first Sunday in April.

The distinguished Senator from Kentucky, along with the Senator from Arkansas, wishes, at the very least, to be able to discuss the form of a second-degree amendment, an amendment relating to the scrambling of television satellite signals.

I would be prepared at an appropriate time, which may well be now, simply to guarantee or to enter into a unanimous-consent agreement that will not preclude the right at the beginning of the discussion of this bill on Monday for such a second-degree amendment to be placed.

Mr. FORD. Mr. President, will the distinguished Senator yield?

Mr. GORTON. I yield.

Mr. FORD. The Senator has stated my understanding. I would like to have a unanimous-consent agreement, such as we discussed during the quorum call, that Senator BUMPERS and I be allowed on Monday, if we so desired——

Mr. GORTON. Mr. President, I note the presence on the floor of the distinguished minority leader who is better at this game than anybody else in the body. I hope he will make sure that I phrase this in the proper parliamentary language. I would appreciate it.

□ 1800

UNANIMOUS-CONSENT AGREEMENT

Mr. GORTON. Mr. President, I ask unanimous consent that the distinguished Senator from Maine and I be permitted to offer an amendment in the first degree this evening and that we begin discussion of that amendment; that no second-dgree amendment be in order until the beginning of the discussion on this bill on Monday next, at which time the Senators from Kentucky and Arkansas be recognized for the purpose of introducing a second-degree amendment if they should desire to do so.

Mr. FORD. Mr. President reserving the right to object, and I shall not, I hope that we are not tied to the beginning of the debate on Monday. It may be a little bit later, maybe things are working and we will not want to bring it up. I hope that we just say we be allowed—the distinguished Senator from Arkansas is here now. Before we proceed any further, will the distinguished Senator from Washington ask for a quorum call so I may discuss this? I do not know if that would be proper. He has the floor.

Mr. GORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I say to my distinguished friend from the State of Washington that what he has just proposed, provided it meets all the requirements, has the agreement of the Senator from Arkansas and myself—if he would not limit this to the beginning of the session on Monday.

Mr. GORTON. Mr. President, the Senator from Washington modifies his unanimous consent to say that if debate occurs on such a second-degree amendment, it can take place any time on Monday during which this bill is under consideration.

Mr. BUMPERS. Mr. President, is it understood that we are going to be here and voting on Monday? That is a problem for me if that is what it means.

Of course, I cannot control whether we are going to be voting or not on Monday. I just want to find out if that has been definitely decided.

I see the assistant majority leader here. Perhaps he can shed some light on that. I ask the assistant majority leader to comment on that.

Mr. SIMPSON. Mr. President, the closing procedure this evening will reflect that we shall come in at the hour of noon and that there will be no votes before 3 o'clock on Monday. That is the present status of matters for Monday.

Mr. BUMPERS. Mr. President, in light of that, would the Senator from Washington be kind enough now to state fully the unanimous-consent request as modified according to the request of the Senator from Kentucky?

Mr. GORTON. The request is that this evening, after debate begins on S. 2180, the Senators from Washington and Maine jointly be authorized to offer an amendment with respect to daylight saving time; that no second-degree amendment be in order to that amendment until the Senators from Kentucky and Arkansas have had an opportunity to offer a second-degree amendment on the subject of the scrambling of television signals, which can take place at any time during which this bill is under debate on Monday next.

Mr. BUMPERS. Mr. President, reserving the right to object and I shall not object, I wonder why it would not be better, as long as we are entering

into a unanimous-consent request, to simply go ahead and dispose of the amendment dealing with daylight saving time and allow this amendment to go on.

Mr. GORTON. The Senator from Washington would be more than happy to do that.

Mr. BUMPERS. I rescind that.

I have no objection, Mr. President. I would be willing to do that, to make it a little cleaner, if the Senator from Washington would agree to include in the unanimous-consent request that no amendments in the second degree be in order on our amendment and that we may be permitted to offer that amendment immediately after a vote on his amendment.

Mr. GORTON. Is the Senator from Arkansas saying that he would just as soon debate the daylight saving time amendment until it has been voted on and then take up the amendments proposed by the Senators from Kentucky and Arkansas on television scrambling, simply on the basis that they not be subject to amendment?

Mr. BUMPERS. I do not have any strong feeling about it. It is just that I would like to get a nice clean debate on this issue and not have it diluted or confused with the daylight saving amendment. My colleague from Kentucky has been over here discussing that. I defer to him on that.

Mr. GORTON. The Senator from Washington would prefer that course of action as well. The Senator from Kentucky did have certain objections to it earlier during the course of this discussion.

The Senator from Arkansas has the floor.

Mr. BUMPERS. Would the Senator withhold just one moment?

Mr. GORTON. Yes; Mr. President.

□ 1810

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, I believe that, when the Senator from Arkansas is ready, we are ready to renew the unanimous-consent request.

Mr. FORD. Will the Chair repeat the unanimous-consent request so we will be sure that we all understand it, that there is not a problem with it?

The PRESIDING OFFICER. The unanimous-consent request is that the Senator from Washington [Mr. GORTON] and the Senator from Maine [Mr. MITCHELL] may offer an amendment today on daylight saving time and that no second-degree amendment may be proposed to that amendment until Monday next, and that that first second-degree amendment to the amendment proposed by the Senator from Kentucky [Mr. FORD] and the Senator from Arkansas [Mr. BUMPERS] dealing with television scrambling.

Mr. GORTON. Mr. President, I suggest the absence of a quorum once again. We have another possible objection.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. WILSON). Without objection, it is so ordered.

Mr. GORTON. Mr. President, I withdraw the unanimous-consent request which I made earlier.

The PRESIDING OFFICER. The request is withdrawn.

Mr. GORTON. Mr. President, it will not be my intention to offer my daylight saving time amendment this evening. We will work over the weekend on both the procedure for dealing with that amendment and the requests of the distinguished Senators from Kentucky and Arkansas.

Mr. President, the bill now being considered by the Senate, S. 2180, reauthorizes the Federal Fire Prevention and Control Act of 1974. It authorizes the appropriation of $18.3 million, in fiscal year 1987, for the National Fire Academy [NFA] and the U.S. Fire Administration [USFA], both of which are within the Federal Emergency Management Agency.

Reauthorization of this act is critical in treating a serious national problem. Fire is one of the largest causes of accidental death and property damage in the United States. There are close to 2.5 million fires reported in this country every year. The United States has the second worst fire death rate in the industrialized world. In 1984 alone, fire killed more than 6,000 people, injured 120,000, and destroyed nearly $7.7 billion worth of property. These deaths were disproportionately high among the poor, the elderly, and the very young.

Although fire prevention and control is primarily a local concern, the Federal program provides vital support for local activities. The USFA serves as the Federal focus of fire prevention and control through its activities in public education, arson control, firefighter health and safety data collection and analysis, and fire policy coordination. The NFA has an extensive program of courses, as well as series of outreach programs offered in cooperation with State and local fire service organizations. Both the Fire Administration and the Fire Academy are located at the National Emergency Training Center in Emmitsburg, MD.

The Subcommittee on Science, Technology and Space held a hearing on the Federal Fire Prevention and Control Act on February 20, 1986. On March 11, 1986, I introduced this legislation along with Senators RIEGLE, GORE, MATHIAS, and SARBANES. Senators ROTH and BIDEN were subsequently added as cosponsors. The Committee on Commerce, Science, and Transportation considered S. 2180 and ordered it reported favorably without amendment on March 13, 1986.

Mr. President, this bill rejects the administration's proposal to terminate the USFA, and to eliminate funding for the travel stipends and lodging costs for students at the NFA. It is clear to me that the Federal fire programs provide a necessary function which will not be provided by the private sector, and cannot be undertaken as efficiently by State and local government.

S. 2180 authorizes appropriations in fiscal year 1987 of $7.4 million for the USFA, which is a freeze at the fiscal year 1986 appropriation level. It authorizes $10.9 million for the NFA, which would maintain the current level of service at the NFA, and restore the student travel stipends and lodging costs. This bill is 17 percent below the level authorized for fiscal year 1986 and 4 percent below the current appropriation.

Mr. ROTH. Mr. President, there is no question, nor debate, concerning the invaluable and courageous role American firefighters assume in our modern society.

Communities throughout America depend on the willingness, skill, and preparation of fire service organizations to provide a fundamental protection. Local fire companies in Delaware and across the Nation have, in silent but steady dedication, fought and prevented countless fires, on budgets that are funded by chicken dinners, bingo, and some limited help from State and local governments.

It's clear that the network of fire service agencies that has been established here in America represents a very successful equation—one that includes both public and private willingness and participation. But another very important component is the sum total of the National Fire Academy, the U.S. Fire Administration, and the Center for Fire Research. Together, these entities allow our firefighters to receive training and instruction, and then in turn they can take what they've learned and share it with their colleagues.

Unfortunately, we are risking a serious disruption of our equation by proposing to cut back or eliminate these programs.

Therefore, it's essential that we support S. 2180, the Federal Fire Prevention and Control Act. We must maintain the funds to promote the research of firefighting and prevention technology. Because in a nation that loses 6,000 precious lives to fire each year, we can't afford to do otherwise.

Mr. BIDEN. Mr. President, I know that Senator GORTON shares my concern about the future of the fire programs at the Federal level, and I would like to commend him for his leadership and effort in bringing this reauthorization bill before the Senate today.

However, while we are restating our commitment to the U.S. Fire Administration and the National Fire Academy, I am concerned that the administration may be on the road to contradicting congressional intent with regard to these programs. I refer specifically to a report proposing major changes in the structure and operation of the National Fire Academy, which has been prepared for the Federal Emergency Management Agency, and is now undergoing review by the Associate Director of the Training and Fire Programs Directorate.

I would like to ask the distinguished Senator from Washington for his initial impression of the report.

Mr. GORTON. First, Mr. President, I would like to thank the distinguished Senator from Delaware [Mr. BIDEN] for his kind words and, more importantly, his interest in, and support for, the Federal fire programs. I would note both he and Senator ROTH are cosponsors of S. 2180, the bill before us today, and this is not surprising since fire service personnel from the State of Delaware have been active in developing the Federal fire program from its earliest conception.

Let me say to the Senator from Delaware that I have heard of the concerns of several members of the fire service community about a Management Study Report conducted by FEMA in its review of the Training and Fire Programs Directorate. I understand that although FEMA is still in the process of reviewing and evaluating the management changes recommended in the report, agency officials have already begun to take steps to carry out some of the proposed changes. I am also aware that some of the recommended changes contained in this report, if implemented, would dramatically alter the work and mission of the National Fire Academy. Thus I can understand, and indeed do share, the Senator's concern about the reaction of the fire service organizations to this report.

Mr. BIDEN. If I may ask the Senator a question about the Management Study Report, would FEMA be able to implement all, or any portion of, the recommendations of the report on its own, without any congressional approval?

Mr. GORTON. Let me assure the Senator from Delaware that his action alone, in raising this issue before the Senate today will greatly encourage the officials at FEMA to be certain that concerned Members of Congress are fully aware of which recommendations the agency intends to carry out.

Beyond that, I can say to the Senator that, as chairman of the Senate Subcommittee on Science, Technology, and Space, which has oversight jurisdiction over the Federal fire programs, I will guarantee that no significant changes in the purpose and management of these programs will occur without full consideration by the interested Members of the Senate, and by the fire service community.

It is with a great deal of pride that I point out to the Senator from Delaware that no State, on a per capita basis, takes greater advantage of the programs at the National Fire Academy than the State of Washington. Only California sends more fire personnel through the NFA's training programs. For that reason I am keenly aware of how important these programs are to the State and local fire services. I know that fire experts from the State of Washington are currently evaluating the Management Study Report and will make recommendations to the Director of FEMA on behalf of the International Association of Fire Chiefs. I also know that there are fire service representatives from the State of Delaware who have the report, and whose highly respected opinions will be listened to throughout the entire fire community, and here in the Senate.

Mr. BIDEN. I thank the Senator from Washington for clarifying this situation. He is well known as a supporter of a strong Federal fire education and training progam, as this legislation now before us shows. I realize he does not want to restrict FEMA unnecessarily from making normal management decisions, but at the same time does not want to give the agency free rein to completely alter and, in my opinion, weaken the Federal fire program.

Mr. GORTON. Mr. President, the Senator was about to ask unanimous consent that we go into routine morning business. Do either of the Senators from Kentucky or Arkansas wish to speak?

Mr. BUMPERS. Mr. President, what is the parliamentary situation? What is the pending business?

The PRESIDING OFFICER. The pending business before the Senate is S. 2180.

Mr. BUMPERS. Mr. President, I have no objection to going into morning business. I was going to speak on this subject of scrambling satellite television signals just hopefully for the edification of some of the Members before they go home over the weekend so that they can be meditating about what is involved. But if the Senate is about to adjourn, I do not want to hold that up.

Mr. GORTON. Will the Senator allow this Senator to move into morning business, at which time it would be perfectly appropriate to duscuss that subject?

Mr. BUMPERS. No objection, Mr. President.

□ 1820

ROUTINE MORNING BUSINESS

Mr. GORTON. Mr. President, I ask unanaimous consent that there now be a period for the transaction of routine morning business, not to extend beyond 6:30 p.m.

Will that be sufficient for the Senator from Arkansas?

Mr. BUMPERS. That is fine.

Mr. GORTON. Until 6:30.

The PRESIDING OFFICER. Without objection, it is so ordered.

TELEVISION SATELLITE DISHES

Mr. BUMPERS. Mr. President, I want to make a very few points for the benefit of Senators regarding the amendment that the Senator from Kentucky and I will offer on Monday or Tuesday on this bill.

First, it is not our intention to work something out to the disadvantage of the cable industry or Hollywood or the networks. Our amendment does not exclusively favor the rural areas of this country, many of which have these satellite dishes. Although, the way the situation has developed and the way it seems to be pointed, it is very discriminatory against rural America. I might also say that is the reason why I have become involved in the issue.

Rural America has not requested any big favors. They are willing to pay for a signal at a reasonable price, a price in accordance with what their city cousins are paying who are on cable television. They are willing to pay a reasonable price for a decoder to unscramble the signals that are increasingly being scrambled. They are willing for the cable operators in the various communities around the country to have franchises covering the rural areas, so that they will purchase their decoders from the cable companies. They will be happy to remit to them for the services they get, just as city customers who are on cable remit monthly to the cable companies. I do not understand how anybody could object to that.

Senator FORD and I have repeatedly asked for hearings. It is a very complicated thing to work our procedurally,

but the philosophy of it is very simple to understand.

We want the people who live in rural America, some of whom have invested as much as $10,000 in their satellite dishes, to be able to get the same programming that their city cousins get. We want them to get it at a reasonable price, not a hijack price.

The M/A Com Corp., which developed this decoding technology, deserves a lot of credit. I understand that they made a tremendous investment in developing this decoder. I applaud them for it. That is what we give people incentives to do, and that is what we reward people for under our incentive system in this country. But we need some standardization of this decoder.

M/A Com can license the manufacture of this decoder or they can make all of them. But, in my opinion, there needs to be some competition in it, so that the people who are now paying $395 for a decoder can buy at significantly less price than that.

I have heard that this thing is all going to take care of itself. They say: "Senator, don't you worry about it. It's all going to wash out."

Let me tell you how it has washed out in my State. We are probably the biggest manufacturer of satellite dishes in America. Not only because of what scrambling has been done heretofore, but because of the threat of scrambling virtually every signal they get off satellites, satellite dish sales are down 80 percent. Hundreds of workers have been thrown out of work in my State because of the confusion.

Win, lose, or draw, some stability and certainty need to be introduced into this business. People need to know when they buy a satellite that they are going to be able to get a signal at some price. It may be exorbitant or it may be reasonable, but they need to know what the rules of the game are going to be. The reason why nobody is buying a dish now is that they do not know how it is going to wind up. They are entitled to be told, not 5 years from now, when everybody says it is washed out—they are entitled to know now.

Some of my people paid up to $10,000 for those dishes because they live in a rural area. That is a pretty big sacrifice, just because they do not happen to live in the city and do not have access to the cable.

So, what we are saying in the amendment we will offer next week is that we want a moratorium established until January 31, 1987, during which time we want the Justice Department to complete their investigation on any antitrust implications of the present market structure in the industry. We want the FCC to come out with a report, as the Justice Department would be required to do.

I do not relish the idea of getting Congress involved in this mess. But, at the present time, it can only be described as a mess.

Jerry Clower, the great standup comic, used to tell the story about the fellow who went coon hunting in the middle of the night. He climbed up in a tree and got in a big fight with a coon and started hollering at his friends below. He said: "Shoot up here and kill this coon."

One of his friends shouted back: "We're afraid we're going to hit you."

He said: "Well, just shoot up here among us. One of us has got to have some relief."

These satellite dish owners have to have some relief, and that is all our amendment does. We are not trying to tell HBO or Cinemax or Showtime or C-SPAN or CNN or the networks that they cannot scramble. We are saying: "We want you to scramble, if you want to, but we want to make sure that our people can buy a decoder at a reasonable price and that they can use that decoder to receive this signal at a reasonable price."

Nobody is asking for anything more. How can anybody disagree with that proposition?

We are even saying in this: "Keep the scrambling you have right now, but don't increase it and don't start until we end this mass confusion, this chaos."

The Federal Communications Commission does not let anybody have a CB radio without an application. They do not give away radio station licenses willy-nilly.

□ 1830

They are the ones who are issuing all these cellular phone permits. They are deeply involved in the regulation of communications. I am not concerned with whether or not they regulate this thing deeply or not, but I want it regulated to the extent that the rural people of this country are not discriminated against.

There have been no hearings held here. It is one of those big voids. And when we have a big void like that, as we used to say in Arkansas, "Everybody's business is nobody's business." The people are suffering. They are entitled to have their Senator cognizant of their concern. I am going to do my very best to redress what I think right now is a serious wrong developing toward them.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL PEACE OFFICERS' MEMORIAL DAY SERVICE

Mr. SIMPSON. Mr. President, we commemorate today the fifth annual "National Peace Officers' Memorial Day Service" which was conducted in the Senate park on the grounds of the U.S. Capitol. This annual service is sponsored by the Grand Lodge Ladies Auxiliary of the Fraternal Order of Police to honor those police officers who were killed in the line of duty during the past year.

This year's service holds special significance for one fine Wyoming family because one of the officers remembered was Robert A. Van Alyne, Jr., a member of the Cheyenne Police Force, who died in a terrible flood which occurred in that community last summer.

I have had the privilege to come to know his parents; and a great friend of mine, Dick Brown, is the brother of the mother of this fine young man. I know many members of the immediate family, and an extraordinary, lovely family, they are.

He gave up his life while trying desperately to save four persons trapped in a car by flood waters. Certainly the giving of one's life to save another is among the most noble of human efforts. His death was a deep and anguishing tragedy within his own family, of course, and within the Cheyenne community and throughout the State of Wyoming as well. He was the only police officer in the State of Wyoming to lose his life in the line of duty last year within our State.

I appreciate this opportunity to join in the solemn, grateful tribute conducted today in the memory of Bob Van Alyne, and the other peace officers who gave their lives while in the service to their communities and to their Nation.

COMMISSION TO STUDY AVIATION SAFETY

Mrs. KASSEBAUM. Mr. President, I would like unanimous consent to be added as a cosponsor of legislation introduced last week by the Democratic leader, Senator BYRD, to create an independent commission to study aviation safety. I have never been a great fan of Presidential commissions, but I believe the legislation offered by the minority leader is worthwhile, and that a carefully devised commission could play a useful and important role in evaluating the current state of aviation safety.

The minority leader has spoken eloquently as always about his own views of the need for this commission. In joining as a cosponsor of this legislation I want to make clear my own concerns.

First, I want to note that the Secretary of Transportation, Elizabeth

Dole, has made aviation safety a top priority. I also have enormous respect for Admiral Engen who has done an outstanding job as head of the Federal Aviation Administration.

Since Admiral Engen has assumed office, the FAA has undertaken a number of much-needed initiatives to address problems in airline inspection programs, and the air traffic control system. Despite my confidence in Admiral Engen I believe it is important for the Congress and the public to have a thorough and thoughtful independent assessment of where we are, and where we should be going in our continuing effort to safeguard air travelers. Even the best administrator can benefit from a well-informed and constructive review of his agency.

An independent commission of management experts could provide both the FAA and the Congress with a fresh perspective on problems that have existed for many years such as among air traffic controllers, and on new challenges such as the complete replacement of the air traffic control computer system.

As the minority leader noted, a panel of outside experts also can provide us with a very useful evaluation of whether airline deregulation has had any effects on safety and what steps, if any, should be taken.

Mr. President, in July the Aviation Subcommittee will hold another aviation safety hearing, and will review this legislation at that time. It is my hope that a consensus can be reached to move forward with this legislation or something very similar to it. It is my hope that this can be supported not only by a majority of the Senate, but by the Department of Transportation and the FAA.

I commend the Democratic leader for his proposal and look forward to working with him and other cosponsors on what I believe is an important initiative.

(Later the following occurred:)

Mr. BYRD. Mr. President, I have been informed that the distinguished Senator from Kansas [Mrs. KASSEBAUM] spoke a little earlier with reference to S. 2417, a bill which I introduced on May 7 to establish an Aviation Safety Commission. I understand that the distinguished Senator from Kansas has asked unanimous consent, and received consent, to add her name as a cosponsor.

Mr. President, I am grateful for the cosponsorship of Senator KASSEBAUM. She indicated to me earlier today that she had studied my proposed legislation and that she wanted to be a cosponsor of it. I am indeed pleased that Senator KASSEBAUM has now become a cosponsor of the legislation. I welcome her as a cosponsor, and I shall be working with Senator KASSEBAUM and others to secure hearings on the bill. I shall welcome her advice and counsel as we join in our efforts to establish such a Commission.

Mr. President, I am only sorry that I was not aware at the time she was addressing the Senate that she was speaking in support of the legislation and that at that time she was joining in cosponsorship. I was informed of that later. I was on the floor at the time, but I was engrossed in a conversation with other Senators about the measure that is pending before the Senate and consequently unaware that she was speaking in support of that bill. So, I beg the Senator's pardon, and I thank her.

Mr. President, I yield the floor.

ARMED FORCES DAY

Mr. DOLE. Mr. President, each year we set aside May 17 as a time to say "thank you" to the thousands of men and women in our armed services.

Those of us who were once a part of the Armed Forces have a special appreciation of the dedication and self-sacrifice that these individuals make day in and day out. But every American knows instinctively that without the commitment of the people in the Armed Forces we would not enjoy what we often take for granted—the freedom to live, to work, to play in a protected land.

By observing Armed Forces Day, we show the armed services that we do not take them or their work for granted.

Over the past 6 years America's national security apparatus has been rebuilt and reinvigorated. Not just the machinery, but the civilian and military personnel who make our defense establishment work, have a renewed sense of pride in what they do and sense of certainty about why they are doing it.

No one deserves more credit for this renaissance than President Reagan—our Commander in Chief. And every man and woman in the Armed Forces is well aware of the President's commitment to guaranteeing the United States' defense is second to none and his commitment to them.

Mr. President, we all now that the finest military machine in the world means nothing if there are not honest, dedicated military personnel to utilize it. We, in the United States, are blessed with Armed Forces that deserve both our trust and admiration. And I hope the country will show its appreciation, show its pride in them this weekend on Armed Forces Day.

RESEARCH FUNDS

Mr. DANFORTH. Mr. President, I ask unanimous consent that the attached article from today's Washington Post be inserted in the RECORD. The article reviews the use of the appropriations process to direct scarce Federal research and development funds to favored colleges and universities. This process circumvents the competitive peer review system of awarding research grants on the basis of merit. I commend this article to my colleagues as we prepare to debate the emergency supplemental.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 15, 1986]

FUNNELING FUNDS BY FORMULA

(By George C. Wilson)

A band of influential senators has quietly mapped a plan to force the Pentagon to give colleges and universities in their home states a total of $55.6 million for research and construction while bypassing the usual competitive process.

Led by Sen. Alfonse M. D'Amato (R-N.Y.), they have attempted since last fall to circumvent the normal channels for awarding research funds. And they may make a major move as early as today during the Senate Appropriations Committee markup of the fiscal 1986 "urgent supplemental appropriations" bill.

A seven-sentence amendment has been drafted to direct Defense Secretary Caspar W. Weinberger to take money out of various military accounts and give it to specified colleges and universities. If the amendment is approved by the full committee, adopted by the full Senate and House and signed into law, the Pentagon would have no choice but to proceed with what one senator critical of the awards has called "pork barrel science."

Weinberger and at least two national educational organizations have been fighting the effort. They contend that awarding the contracts without competition would turn the military research program into a pork barrel, in which the colleges and universities with the most political clout, not the most capability, would win.

Early this month, Weinberger wrote to seven senators at the forefront of the battle, saying that disbursing money "without merit competition" would "jeopardize" the "preeminence" that American colleges and universities have achieved through competition. The Association of American Universities and the National Association of State Universities and Land-Grant Colleges have made similar arguments in bulletins sent to their members.

The seven senators are D'Amato, Majority Leader Robert J. Dole (R-Kan.), Don Nickles (R-Okla.), Tom Harkin (D-Iowa), Edward M. Kennedy (D-Mass.), Paul Laxalt (R-Nev.) and defense appropriations subcommittee Chairman Ted Stevens (R-Alaska), whose staff drafted the amendment that will be taken up today. The seven signed a letter to Weinberger in February demanding that he comply with instructions in the defense appropriations conference report for fiscal 1986 and apportion funds to the institutions shown above.

In addition to those funds, another $1 million covered by the draft amendment would go for research contracts to Oregon Graduate Center, in the home state of Appropriations Committee Chairman Mark O. Hatfield (R-Ore.). On top of the total $55.6 million in research awards that would be mandated under the amendment, Hatfield has pressed the Pentagon to award $10 million in research contracts to Floating Point Systems, an Oregon firm, for a super computer

to be operated at Cornell University in D'Amato's home state.

The money that would pay for the noncompetitive contract is scattered in the fine print of the fiscal 1986 defense authorization bill. For example, the $2 million for the University of Kansas, in Dole's state would come from the budget line called "Military Desease Hazards Technology, Army."

D'Amato gave birth to the $55.6 million draft amendment last October. During a meeting of the defense appropriations subcommittee, he sought to require that $29.5 million from a fund known as the University Research Initiative go to his alma mater, Syracuse University in New York, for an advanced computer engineering complex. Senators balked at this request.

Sen. Warren B. Rudman (R-Vt.) said, "I am an alumnus of Syracuse University and I oppose it! I want that clarly understood by all the piranha in this room!"

Later in the meeting, however, the subcommittee earmarked $12 million for Syracuse from the Defense Advanced Research Projects Agency account. Sen. Lawton Chiles (D-Fla.), an engineer of the compromise, observed, "Twelve million dollars . . . still is a very large sum of money, but in contrast to $29.5 million is not that large."

Since October, other senators and House members have followed D'Amato's lead and tried to carve money from the Pentagon budget for colleges and universities in their states. Two days after the subcommittee's $12 million Syracuse decision, D'Amato introduced an amendment to appropriations bill earmarking $32.1 million for projects at Rochester, Northeastern and Nevada, and for a $4 million research and development project in South Carolina that called for participation by the Univeristy of South Carolina.

Sen. Ernest F. Hollings (D-S.C.) is ranking minority member of the subcommittee responsible for the bill to which the amendment was attached.

Since then, the Syracuse allocation has been something of a lightning rod, focusing the debate. Weinberger so far has refused to give the $12 million to Syracuse on the basis of language in a committee report. In response, backers are trying—with the amendment scheduled for consideration today—to force his hand.

Sen. William Proxmire (D-Wis.) last year tried to delete the $12 million for Syracuse from the joint resolution continuing money for the Pentagon, declaring: "Congress has no business inserting language in a defense bill, or any other bill, which instructs the executive department to make contract awards to particular academic institutions without going through the normal awards process."

Stevens, in arguing against Proxmire's effort, said there was nothing new about Congress earmarking funds for certain colleges and universities. He said of Syracuse, "I do not know of a better investment in this bill in the interest of national security than to pursue the capabilities of that university in this area."

Proxmire's amendment was defeated 55 to 35.

Sen. Jeff Bingaman (D-N.M.) decried the special designations of funds in a speech last week, declaring that "pork barrel science" has found its way into the defense budget. Praising Weinberger's resistance to spending the money without competition, Bingaman said, "My sense is that there is going to be increasing opposition in the Congress to such a pork barrel approach . . . as more members come to recognize the zero-sum game that is being played."

THE LIABILITY INSURANCE CRISIS

Mr. McCONNELL. Mr. President, the season for summer vacations is rapidly approaching and this year, Americans are expected to be touring the United States in particularly large numbers. But consider the feelings of a family, which, upon arriving at a long-awaited recreation spot or festival, finds the place closed.

And it is closed not because there is anything wrong with the facility or event, but because liability insurance needed to keep the facility open was too expensive or not available at any cost.

This dilemma is actually plaguing parks and events in the New York area, as documented in an article in the May 12 New York Times titled "Insurance Costs Imperil Recreation Industry." As the article states, insurance premiums have doubled, tripled, or quadrupled for recreation facilities in recent weeks in New York and much of the rest of the Nation.

For example, the famed Cyclone roller coaster on Coney Island is closed because its operator could obtain only $1 million of the $3 million in coverage that the city has demanded. The fireworks display has been dropped from the city's 10-day Lilac Festival and the event's evening concerts have been reduced in number from eight to five because of liability insurance problems.

In Queens, the Ozone Park Little League was told it needed to increase its liability coverage to $25 million to use the fields it leases. When the league could only come up with $11 million in coverage, it had to shut down, ending summer baseball for 900 boys. Mr. President, summer Little League is one of the institutions that defines the American way of life.

The wide-reaching effects of the national liability insurance crisis must be addressed and brought under control. A campground operator was quoted as saying, "We've never had a claim, yet my premium's up 500 percent." I have introduced legislation, S. 2046, which if enacted, would bring long overdue reforms to our civil litigation system. These reforms would affect liability insurance as they would bring damage awards back to a point of common sense, punish those who file nuisance suits, make sure that fault was apportioned fairly in suits and introduce other reforms.

Mr. President, because this New York Times article points out yet another facet of American life suffering from the liability insurance crisis, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INSURANCE COSTS IMPERIL RECREATION INDUSTRY

(By Robert Hanley)

Soaring costs for liability insurance are buffeting recreation facilities and businesses on the eve of the summer vacation season.

Premiums in many cases have doubled, tripled or quadrupled in recent weeks, following a year-old trend of sharply increased insurance rates for towns and cities across the New York metropolitan region and much of the nation.

Inevitably, recreation industry officials say, fun-seekers will have to help absorb the increases by paying higher prices, or will have to make do with less or, in some cases, without. The cost of insurance is already affecting a wide range of attractions and activities, from the Cyclone roller coaster at Coney Island to neighborhood ball fields, from fairs and fireworks displays to riding stables and campgrounds. The new restrictions include the following:

At Candlewood Lake in Connecticut, beer has been banned at park picnic areas.

In Queens, the Ozone Park Little League has been barred from the field it leases from the New York Racing Association until it comes up with $25 million in liability coverage.

In Rochester, fireworks displays have been dropped from the city's 10-day Lilac Festival, and its evening concerts have been reduced to five from eight.

At the Astroland amusement park at Coney Island, which is owned by New York City, the famed Cyclone has remained shut down because its operator could obtain only $1 million of the $3 million in coverage that the city demanded. City and company officials are now discussing ways to open the ride, including one proposal to pledge Astroland's assets to cover claims beyond $1 million.

The liability premium for the Rochester Lilac Festival, which usually draws about 250,000 people, is $10,000, up 400 percent. Organizers for the festival, which opens Friday, say they found an insurance carrier only a month ago, after agreeing to drop the festival's fireworks display and cancel three of its evening concerts.

"I don't think it's fair because every community-type thing, every festival, is suffering," said James Welch, the festival's chairman. "We never had a claim of any significance that would give us such a rate increase."

Variations on Mr. Welch's protest are common now in New York city and in towns across New York State, New Jersey and Connecticut.

"IN TERRIBLE SHAPE"

"The whole fireworks industry is in terrible shape," said August Santore, owner of Garden State Fireworks in New Jersey. "Maybe 98 percent of the companies haven't been able to get insurance since last November. Probably 75 percent of them won't be able to do displays this year."

Some Long Island tour bus operators are raising ticket prices by one-third because of 850 percent increases in insurance premiums, according to Eleanor Simpson, president of the Long Island Tourism and Convention Bureau.

Riding stables on the Island are having trouble finding coverage. "You can get a lovely apartment for what it costs us to

board a horse," said David L. Gibbons, owner of Knoll Farms, a stable-in Brentwood.

"We're having a crisis," said Robert Klos, executive director of Campground Owners of New York, which represents 252 private campgrounds in the state.

Like many other businesses, campgrounds are paying considerably higher rates for less coverage, Mr. Klos said. Until last year, his site, Sugar Creek in Dansville, N.Y., had $1 million in coverage. It was cut to $500,000. To restore the other $500,000, Mr. Klos had to pay $398 last year and $2,000 this year. Mr. Klos is raising the nightly rate for each campsite to $13 from $11.

EARLY CLOSING FOR PARKS

Private country clubs are also having difficulty obtaining insurance, and some may be operating without full coverage between the time one policy lapses and another begins, according to industry officials.

"In the main they seem to be able, after much aggravation, to find individual coverage," said Gerald F. Hurley, executive vice president of the National Club Association, a Washington-based group of about 1,000 private golf, tennis and yacht clubs.

On Candlewood Lake in New Milford, Conn., beer and liquor have been banned at picnics. And the town's five parks close now just after sunset, instead of at 11 p.m., because of troubles with insurance coverage.

In Stamford, Conn., officials have refused to allow sailboard races on Long Island Sound. In Kings Park, L.I., an ice-skating rink shut down last month after its annual premium went to $94,000 from $20,000.

And in Aurelius, near Auburn, N.Y., the Pat Kelly Field has been dismantled because its $1 million policy was cut to $350,000 and the premium doubled to $1,122. The field had a pavilion for picnics, a field for softball, and pits for clambakes—all opened three years ago as a memorial to Pat Kelly, a victim of muscular dystrophy who died in 1984, a year after throwing out the first ball on opening day at the field.

"A lot of love went into this place," the youth's nurse, Roxy Sherman, said, crying, as the field's P.J. Pavilion was torn down last month.

Insurance and government officials say the soaring cost and reduced availability of liability coverage is due to several factors: price cuts spurred by heavy competition a few years ago, a decline in interest rates that has since eroded their investment income, and high damage awards by the courts. The industry is campaigning for limits on jury awards and settlements.

Insurance critics argue, however, that the industry is trying to recoup from underwriting mistakes of a few years ago.

These developments, critics say, have prompted the industry to stop covering some risks and to increase costs for others. As a result, customers with good records are suffering.

NOW BASED ON RISK

Previously, said Mr. Klos of the New York campgrounds group, premium costs were pegged to a client's claims history. Now, he said, they are based on risk. "We've never had a claim, yet my premium's up 500 percent," Mr. Klos said of his campground.

"There are people with no accidents in the past who have had premium increases of 600 and 700 percent," said Michael Redpath, executive director of the New Jersey Amusement Association, which represents about 150 licensed rides and boardwalk games on the Jersey shore.

Two major amusement parks in New Jersey just managed to find summer insurance recently at sharply increased rates, Mr. Redpath said. Higher prices, smaller staffs of workers and fewer updated facilities will result, he said.

The liability coverage for New York State's three major race tracks—Belmont, Aqueduct and Saratoga—has been cut from $175 million to $6 million, leaving them "dreadfully underinsured," said Martin Lieberman, general counsel of the tracks' operator, the New York Racing Association.

Consequently, he said, community groups can no longer use track grounds. Recently, the racing association told the Ozone Park Little League, which plays on leased fields at Aqueduct, to increase its coverage to $25 million from $1 million. The league could obtain only $11 million from the national Little League headquarters in Williamsport, Pa. Thus, baseball for about 900 boys was stopped.

In an offshoot of the liability problem, the Little League and national organizations for youth hockey, soccer and football have joined forces to seek Federal legislation that would make volunteer coaches immune from "frivolous lawsuits" by parents.

Governor Kean is expected to sign similar legislation this week for New Jersey.

In Connecticut, the State Insurance Department is now trying to find coverage for some amusement, carnival and firework companies. And the New York State Insurance Department's new Liability Hot Line for those having trouble getting coverage is busy.

State-owned parks and beaches are self-insured and not having trouble. But leased refreshment stands at them are. Some concessionaires, especially "mom and pop" operations, plan sharply higher food prices this summer. Officials fear their future is threatened.

"Next year will tell whether we'll be able to continue with many of them," said William Petronis, director of concession management for the New York State Office of Parks and Recreation.

MAY 15—ANOTHER GRAMM-RUDMAN-HOLLINGS MILESTONE PASSES

Mr. HATFIELD. Mr. President, today is May 15. Under the terms of the Budget Act prior to the amendments of Public Law 99-177, otherwise known as the Gramm-Rudman-Hollings bill, today was the day when Congress was supposed to adopt a conference report on a first concurrent resolution on the budget. Of course, Gramm-Rudman-Hollings changed that date in the original Budget Act, and moved the deadline for final action on a budget resolution to April 15. As Members will recall, Congress did not meet that first deadline. In fact, since the House is still debating its version of the budget resolution and we are some weeks away from a conference agreement on a resolution, Congress will obviously miss even the old deadline on the original Budget Act.

Today is significant in another regard, Mr. President, in addition to its being emblematic of further delay in a budget process that was supposely cleansed of sin by the hocus-pocus rituals of Gramm-Rudman-Hollings. Thanks to the Gramm-Rudman-Hollings bill, today is the day when the House Appropriations Committee may proceed to report, and the House of Representatives consider, appropriations bills for fiscal year 1987 even though no budget resolution for the fiscal year 1987 has been adopted.

In the old days, before the new high priests brought us their new religion, no bill providing spending for a given fiscal year could be considered in either the House or the Senate unless the budget resolution for that fiscal year had been adopted. That made sense. The idea was to agree on an overall framework for the entire Federal budget before proceeding with individual appropriations bills or authorization measures providing direct spending authority. But now, under the new catechism, it doesn't matter whether we have agreed on a comprehensive plan or not. The House, the body most often characterized by Members of my party as the big, bad wolf and Federal spending, is liberated from the restraints of the new order and may proceed with consideration of appropriations bills.

Not so in the Senate. Here in this body, which is rightly regarded as the champion of fiscal discipline and budgetary restraining in recent years, we may not move forward with appropriations bills until there is final agreement on a budget resolution, no matter how long that takes. Why the authors of Gramm-Rudman-Hollings chose to take this step is an utter mystery to me. It is as though the Senate, and in particular, the Senate Appropriations Committee, was singled out to do penance for the sins of the entire Congress, and our penance will serve to sanctify a hopelessly flawed process.

When we find ourselves here in the fall, Mr. President, with a number of House-passed appropriations bills and no action in the Senate, let us remember this day. Let us remember that the Gramm-Rudman-Hollings bill allows the House of Representatives to go briskly about its business in providing the funds necessary for Government operations, while the Senate appears confused and inept in its inability to perform. And when Members of this body bitterly complain about the shortcuts of a massive continuing resolution, and the brief time for debate, let them not complain to the Appropriations Committee, for we will find some way to proceed with appropriations bills and report them to the Senate with or without a resolution. If we find ourselves in that logjam in the fall, let us remember the provisions of Gramm-Rudman-Hollings, that have hamstrung the Senate and liberated the House of Representatives.

THE NATIONAL SPELLING BEE

Mr. ANDREWS. Mr. President, I would like to bring to my colleagues' attention a fine, time-honored annual tradition that will again take place in Washington at the end of May. It is the 59th Annual Spelling Bee sponsored by the Scripps Howard Newspapers.

The last week of May, Kyle Lucke, an outstanding young eighth grade student from Schroeder Junior High School in Grand Forks, will be representing North Dakota in Washington at this 59th annual event. Kyle's road to the "National" has been a long one, similar to the one traveled by the many other talented students who will be here to participate in this championship event. In North Dakota, Kyle initially competed against his own schoolmates and was selected as one of the two representatives from Schroeder Junior High School; he then became one of the two finalists in county competition; and then won the State championship by besting 105 other young North Dakotans. Kyle's journey to the National Spelling Bee competition would not have been possible without the support of the North Dakota Newspaper Association who is sponsoring our State champion in the Washington finals.

The Scripps Howard Newspaper Association, which has hosted this event since 1941, once again will bring to this annual spring competition our Nation's brightest young people to test their skills against each other. Kyle will be competing against 173 other students from 48 States, the District of Columbia, Guam, Puerto Rico, and Mexico. This year Scripps Howard will provide $10,800 worth of prizes in cash and gifts to the finalists. Their generosity demonstrates that private industry in America cares deeply about fostering traditional, educational values amoung our most valuable resource for the future: our young people.

I appreciate having this opportunity to congratulate Kyle Lucke and all the other students who through talent, perseverance, and dedication have come to Washington to compete in the National Spelling Bee. I would also like to thank the North Dakota Newspaper Association and the Scripps Howard Newspaper Association for sponsoring such a worthy event.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON ESTABLISHING AN INTERNATIONAL SPACE YEAR—MESSAGE FROM THE PRESIDENT—PM 142

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I am pleased to submit the attached report on the desirability of establishing an International Space Year in 1992. The year 1992 will be very special indeed. It will mark not only the 500th anniversary of Christopher Columbus' historic voyage of discovery, but also it will be the 35th anniversary of the International Geophysical Year, which ushered in the space age.

A major objective of an International Space Year should be maximize, through international cooperation, the achievements and benefits of the current and prospective space programs of the participating world community. Such efforts should emphasize the involvement of both the developed countries and the developing countries in ways that demonstrate the benefits to everyone from discoveries in space science and the practical utilization of space.

In consulting the space agencies of other nations, the National Aeronautics and Space Administration found substantial international support for the idea of an International Space Year.

I am directing NASA to continue to lead an interagency effort to develop the idea of an International Space Year so that the United States will be fully prepared to move this concept forward internationally. I would also expect the National Academy of Sciences to play a key role in focussing discussion within the United States' scientific community regarding the scientific content of an International Space Year.

RONALD REAGAN.

THE WHITE HOUSE, *May 15, 1986.*

NATIONAL PROGRAM FOR FLOODPLAIN MANAGEMENT—MESSAGE FROM THE PRESIDENT—PM 143

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with the provisions of Section 1302(c) of the National Flood Insurance Act of 1968 (42 U.S.C. 4001(c)), I herewith transmit a report entitled, "A Unified National Program for Floodplain Management."

RONALD REAGAN.

THE WHITE HOUSE, *May 15, 1986.*

ANNUAL REPORT OF THE FEDERAL COUNCIL ON AGING—MESSAGE FROM THE PRESIDENT—PM 144

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 204(f) of the Older Americans Act of 1965, as amended, I hereby transmit the Annual Report for 1985 of the Federal Council on the Aging.

RONALD REAGAN.

THE WHITE HOUSE, *May 15, 1986.*

PRESIDENTIAL APPROVALS

A message from the President of the United States announced that he had approved and signed the following enrolled bills and joint resolutions:

On May 12, 1986:

S. 1952. An act to provide for the striking of medals to commemorate the Young Astronaut Program.

S.J. Res. 187. Joint Resolution designating Patrick Henry's last home and burial place, known as Red Hill, in the Commonwealth of Virginia, as a National Memorial to Patrick Henry.

S.J. Res. 285. Joint Resolution to designate the week of May 11, 1986, through May 17, 1986, as "National Osteoporosis Awareness Week of 1986".

On May 13, 19886:

S. 2308. An act to authorize the President of the United States to award congressional gold medals to Natan (Anatoly) and Avital Shcharansky in recognition of their dedication to human rights, and to authorize the Secretary of the Treasury to sell bronze duplicates of those medals.

S.J. Res. 293. Joint Resolution to designate the month of May 1986 as "National Child Safety Month".

On May 14, 1986:

S.J. Res. 281. Joint Resolution to designate the week of May 11 through May 17, 1986, as "Senior Center Week".

S.J. Res. 284. Joint Resolution to designate the month of May 1986 as "Better Hearing and Speech Month".

MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 10:16 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks,

announced that the Speaker has signed the following enrolled bills:

S. 974. An act to provide for protection and advocacy for mentally ill individuals, and for other purposes; and

H.R. 1349. An act to reduce the costs of operating Presidential libraries, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore (Mr. THURMOND).

At 6:38 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolutions, without amendment:

S.J. Res. 246. Joint resolution to designate May 25, 1986, as "Hands Across America Day", for the purpose of helping people to help themselves, and commending United Support of Artists for Africa and all participants for their efforts toward combating domestic hunger with a four thousand mile human chain from coast to coast;

S.J. Res. 266. Joint Resolution to authorize and request the President to designate the month of June 1986 as "Youth Suicide Prevention Month";

S.J. Res. 271. Joint resolution designating "Baltic Freedom Day"; and

S.J. Res. 337. Joint resolution designating May 18-24, 1986 as "Just Say No to Drugs Week".

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 6) to provide for the conservation and development of water and related resources and the improvement and rehabilitation of the Nation's water resources infrastructure; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as managers of the conference on the part of the House:

From the Committee on Public Works and Transportation, for consideration of all matters except title XV of the House bill and title VIII of the Senate amendment: Mr. HOWARD, Mr. ANDERSON, Mr. ROE, Mr. BREAUX, Mr. MINETA, Mr. OBERSTAR, Mr. SNYDER, Mr. HAMMERSCHMIDT, Mr. STANGELAND, and Mr. CLINGER.

Appointed as additional conferees:

Mr. Nowak, for consideration of sections 510, 605(b), 752, 1110(b), 1159, and 1185 of the House bill, and modifications thereof committed to conference.

Mr. Rahall, for consideration of the paragraph entitled "Island Creek Basin, West Virginia" of section 301(a), and sections 302 and 813(21) of the House bill, and section 701 (a)(1) and (b) of the Senate amendment.

Mr. deLugo, for consideration of the paragraph entitled "Crown Bay Channel-St. Thomas Harbor, Virgin Islands" of section 102 and section 813(4) of the House bill, and section 609(29) of the Senate amendment.

Mr. Bosco, for consideration of section 536 of the House bill, and modifications thereof committed to conference.

Mr. Wise, for consideration of the paragraphs entitled "Gallipolis Locks and Dam Replacement, Ohio River, Ohio and West Virginia" and "Winfield Locks and Dam, Kanawha River, West Virginia" of section 201(a), the paragraph entitled "Cabin Creek, West Virginia" of section 501(a), and sections 507, 538, and 1120 of the House bill, and sections 317, 502(2), and 703(g) of the Senate amendment.

Mr. Shaw, for consideration of section 1199E of the House bill, and section 333 of the Senate amendment.

Mr. Packard, for consideration of the paragraph entitled "Santa Ana River Mainstem, California" of section 301(a) of the House bill, and section 703(a)(10) of the Senate amendment.

From the Committee on Interior and Insular Affairs, for consideration of the paragraph entitled "Saipan Harbor, Commonwealth of the Northern Mariana Islands" of section 102, sections 814, 1102(c), 1121, 1199B, 1199G, and title XII of the House bill, and sections 218, 233(c), 238, 308, 314, 338, 339, 340, 348, 358, 504, 701(a)(2), and 703(b)(7) of the Senate amendment: Mr. Udall, Mr. Miller of California, Mr. deLugo, Mr. Young of Alaska, and Mr. Cheney.

From the Committee on Merchant Marine and Fisheries, for consideration of sections 104, 107, 109, 110, 112, 113, 115, 116, 605, 1114, 1121, 1122, 1186, 1199E, 1199P, and titles XIII, and XIV of the House bill, and sections 209, 221, 224, 316, 326, 333, 351, 504, 604, 605, 606, 608, 703(e)(2), and 704 of the Senate amendment: Mr. Jones of North Carolina, Mr. Biaggi, Mr. Studds, Ms. Mikulski, Mr. Lowry of Washington, Mr. Hughes, Mr. Lent, Mr. Young of Alaska, Mr. Davis, Mr. Carney, and Mr. Fields (in lieu of Mr. Young of Alaska, for consideration of section 1121 of the House bill, and section 504 of the Senate amendment).

From the Committee on Ways and Means, for consideration of title XV of the House bill and title VIII of the Senate amendment: Mr. Rostenkowski, Mr. Gibbons, Mr. Pickle, Mr. Rangel, Mr. Stark, Mr. Duncan, Mr. Vander Jagt, and Mr. Frenzel.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, May 15, 1986, she had presented to the President of the United States the following enrolled bill:

S. 974. An act to provide for protection and advocacy for mentally ill individuals, and for other purposes.

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator James Sasser:									
Honduras	Lempira	208.00	75.00					208.00	75.00
Costa Rica	Colon	4,046.45	75.00					4,046.25	75.00
Michael Walker:									
Guatemala	Quetzale	150.00	75.00					150.00	75.00
Honduras	Lempira	208.00	75.00					208.00	75.00
Costa Rica	Colon	4,046.25	75.00					4,046.25	75.00
Warren Kane:									
United Kingdom	Pound	139.04	173.00					139.04	173.00
Russia	Ruble	139.63	184.08	71.70	94.52			211.33	278.60
Finland	Fin Mark	1,062.30	196.00					1,062.30	196.00
Netherlands	Guilder	250.40	90.00					250.40	90.00
John G. Shank:									
United Kingdom	Pound	153.58	224.23					153.58	224.23
Russia	Ruble	163.63	215.72					163.63	215.72
Finland	Fin Mark	1,062.30	196.00					1,062.30	196.00
Jeffrey F. Boothe:									
Italy	Lira	924,000	550.00					924,000	550.00
United States	Dollar				1,500.72				1,500.72
Richard Collins:									
Tunisia	Dollar		300.00						300.00
Egypt	Dollar		300.00						300.00
Italy	Dollar		150.00						150.00
Guatemala	Dollar		450.00						450.00
Total			3,404.03		1,595.24				4,999.27

MARK O. HATFIELD,
Chairman, Committee on Appropriations, Apr. 15, 1986.

AMENDED CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM JULY 31 TO AUG. 13, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Sean O'Keefe:									
Italy	Lira	302,600	178.00					302,600	178.00
Germany	Mark	630	225.00					630	225.00
Belgium	Franc	17,085	335.00					17,085	335.00
Great Britain	Pound	248.50	350.00					248.50	350.00
United States	Dollar				1,161.48				1,161.48
Total			1,088.00		1,161.48				2,249.48

MARK O. HATFIELD,
Chairman, Committee on Appropriations, Jan. 23, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John Warner:									
France	Franc	4,474.40	476.00					4,474.40	476.00
Switzerland	Franc	282.80	109.00					282.80	109.00
Andrew Wahlquist:									
France	Franc	3,233.60	476.00					3,233.60	476.00
Switzerland	Franc	282.80	109.00					282.80	109.00
England	Pound	237.20	302.00					237.20	302.00
Total			1,472.00						1,472.00

BARRY GOLDWATER,
Chairman, Committee on Armed Services, Mar. 25, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Gregory B. Craig:									
Switzerland	Dollar		180.00						180.00
Total			180.00						180.00

BARRY GOLDWATER,
Chairman, Committee on Armed Services, Mar. 25, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator David Boren:									
England	Dollar		296.00		784.24				1,080.24
Total			296.00		784.24				1,080.24

JESSE HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, Jan. 31, 1966.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
W. Lamar Smith:									
Costa Rica	Colon	16,260	300.00					16,260	300.00
Patrick Mulloy:									
Costa Rica	Colon	16,260	300.00					16,260	300.00
Total			600.00						600.00

JAKE GARN,
Chairman, Committee on Banking, Housing, and Urban Affairs,
Apr. 24, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Jeff M. Bingham:									
United Kingdom	Dollar		168.50						168.50
Germany	Dollar		331.00						331.00
Switzerland	Dollar		174.00						174.00
M. Danny Wall:									
Korea	Won	371,070	416.00					371,070	416.00
United States	Dollar				1,989.00				1,989.00
Carolyn D. Jordan:									
Korea	Won	649,380	728.00					649,380	728.00
United States	Dollar				2,101.00				2,101.00
Patrick A. Mulloy:									
Korea	Won	463,840	520.00					463,840	520.00
United States	Dollar				2,101.00				2,101.00
Steven B. Harris:									
Korea	Won	463,840	520.00					463,840	520.00
United States	Dollar				2,101.00				2,101.00
Total			2,857.50		8,292.00				11,149.50

JAKE GARN,
Chairman, Committee on Banking, Housing and Urban Affairs,
Dec. 13, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
W. Lamar Smith:									
Korea	Won	649,380	728.00					649,380	728.00
United States	Dollar				1,340.28				1,340.28
Total			728.00		1,340.28				2,068.28

JAKE GARN,
Chairman, Committee on Banking, Housing, and Urban Affairs,
Dec. 13, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE BUDGET, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Richard Brandon:									
Italy	Dollar		52.50						52.50
Saudi Arabia	Dollar		318.00						318.00
Israel	Dollar		429.50						429.50
Douglas Olin:									
Italy	Dollar		52.50						52.50
Saudi Arabia	Dollar		318.00						318.00
Israel	Dollar		429.50						429.50
Charles Flickner:									
Panama	Dollar		300.00						300.00
Costa Rica	Dollar		200.00						200.00
United States	Dollar				831.00				831.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE BUDGET, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1985—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Total			2,100.00		831.00				2,931.00

PETE DOMENICI,
Chairman, Committee on the Budget, Apr. 17, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Loretta L. Dunn:									
United States	Dollar		700.00		1,077.80				1,777.80
Robert E. Eisenbud:									
England	Pound	488.14	675.00	32	44.16			520.14	719.16
United States	Dollar				919.58				919.58
Walter B. McCormick, Jr.:									
Switzerland	Franc	1,096.40	486.00					1,096.40	486.00
United States	Dollar				1,523.35				1,523.35
Catherine Phillips:									
Switzerland	Franc	1,904.30	810.00					1,904.30	810.00
United States	Dollar				320.00				320.00
Karen B. Phillips:									
United States	Dollar		326.79		1,148.99		48.58		1,524.36
William Phillips:									
England	Pound	433.92	600.02	121	167.32			554.92	767.34
United States	Dollar				1,846.49				1,846.49
Senator Ted Stevens:									
England	Pound	108.48	150.01	312	431.43			420.48	581.44
United States	Dollar				1,846.49				1,846.49
Total			3,747.82		9,325.61		48.58		13,122.01

JOHN DANFORTH,
Chairman, Committee on Commerce, Science and Transportation,
Mar. 20, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Peter B. Perkins:									
Sweden	Krona	8,461.50	1,064.00			1,800	225.00	10,261.50	1,289.00
Soviet Union	Ruble	340	432.02	319.41	410.03	15.70	19.95	675.11	862.00
Soviet Union	Dollar		200.00				50.40		250.40
United States	Dollar				1,157.00				1,157.00
Martin P. Kress:									
Sweden	Krona	8,461.50	1,064.00			1,800	225.00	10,261.50	1,289.00
Soviet Union	Ruble	340	432.02	319.41	410.02	15.70	19.95	675.11	861.99
Soviet Union	Dollar		200.00				50.40		250.40
United States	Dollar				1,157.00				1,157.00
Bradley D. Gilman:									
Japan	Yen	109,220	508.00					109,220	508.00
United States	Dollar				2,004.00				2,004.00
Total			3,900.04		5,138.05		590.70		9,628.79

JOHN DANFORTH,
Chairman, Committee on Commerce, Science, and Transportation,
Mar. 21, 1986.

CONSOLIDATED REPORT OF EXPENDITURES OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1745(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES, AMENDMENT TO REPORT FILED OCT. 7, 1985, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Bill Bradley:									
Great Britain	Pound			70.50	92.89			70.50	92.89
William Taylor:									
Great Britain	Pound			70.50	92.88			70.50	92.88

CONSOLIDATED REPORT OF EXPENDITURES OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1745(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES, AMENDMENT TO REPORT FILED OCT. 7, 1985, FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1985—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Gina Despres:									
Great Britain	Pound			70.50	92.88			70.50	92.88
Total					278.65				278.65

JAMES A. McCLURE,
Chairman, Committee on Energy and Natural Resources, Dec. 20, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FINANCE, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Max Baucus:									
Korea	Won	429,870	483.00					429,870	483.00
Japan	Yen	145,440	720.00					145,440	720.00
Hong Kong	Dollar	3,687.70	474.00					3,687.70	474.00
Leonard Santos:									
Belgium	Franc	14,774	303.00					14,774	303.00
Switzerland	Franc	1,139.30	565.00					1,139.30	565.00
France	Franc	988.90	134.00	268	36.32			1,256.90	170.32
United States	Dollar				1,727.00				1,727.00
Joshua Bolten:									
Belgium	Franc	14,774	303.00					14,774	303.00
Switzerland	Franc	1,139.30	565.00					1,139.30	565.00
France	Franc	988.90	134.00	268	36.32			1,256.90	170.32
United States	Dollar				1,727.00				1,727.00
Total			3,681.00		3,526.64				7,207.64

BOB PACKWOOD,
Chairman, Committee on Finance, Apr. 30, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Thomas Eagleton:									
Korea	Won	336,100	377.64					336,100	377.64
Japan	Yen	145,440	720.00					145,440	720.00
Hong Kong	Dollar	3,687.70	474.00					3,687.70	474.00
Senator Larry Pressler:									
Switzerland	Franc	1,592.10	791.00					1,592.10	791.00
England	Pound	293.62	414.00					293.62	414.00
United States	Dollar				2,908.93				2,908.93
Frederick Brown:									
Philippines	Peso	1,206.46	56.11					1,206.46	56.11
United States	Dollar				1,121.00				1,121.00
Philippines	Peso	759.20	40.00					759.20	40.00
Thailand	Baht	8,769	330.00					8,769	330.00
Laos	Dollar		75.00						75.00
Vietnam	Dollar		75.00						75.00
Senator Charles McC. Mathias:									
Saudi Arabia	Riyal	262.80	72.00					262.80	72.00
Saudi Arabia	Riyal	1,378.35	377.63					1,378.35	377.63
Syria	Dollar		186.00						186.00
Jordan	Dinar	68.715	192.00				108.61	68.715	300.61
Israel	Dollar		300.00						300.00
Egypt	Dollar		375.00						375.00
France	Franc	950.06	134.00					950.06	134.00
United States	Dollar				4,637.00				4,637.00
Jeffry M. Burnam:									
Great Britain	Pound	306	442.00	212	307.00			518	749.00
Sweden	Pound	58	84.00					58	84.00
Denmark	Pound	70	101.00					70	101.00
France	Franc	5,294	705.00					5,294	705.00
United States					2,096.00				2,096.00
Gerald Connolly:									
Colombia	Peso	30,307.2	176.00			21,147.20	122.80	51,454.40	298.80
Peru	Intis	9,145.5	525.00	1,868.48	107.26	8,640.50	496.01	19,654.48	1,128.27
Bolivia	Dollar		350.00		48.63				398.63
United States	Dollar				1,590.71				1,590.71
Frederic B. Hill:									
Saudi Arabia	Riyal	525.60	144.00					525.60	144.00
Saudi Arabia	Riyal	1,378.35	377.63					1,378.35	377.63
Syria	Dollar		186.00						186.00
Jordan	Dinar	68.715	192.00				108.60	68.715	300.60
Israel	Dollar		300.00						300.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1986—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Egypt	Dollar		375.00						375.00
France	Franc	950.06	134.00					950.06	134.00
United States	Dollar				4,637.00				4,637.00
Ryan Malarkey:									
Colombia	Peso	30,307.2	176.00			21,147.20	122.80	51,454.40	298.80
Peru	Intis	9,145.5	525.00	1,868.48	107.26	8,640.50	496.01	19,654.48	1,128.27
Bolivia	Dollar		350.00		48.63				398.63
United States	Dollar				1,590.71				1,590.71
Richard E. Messick:									
Argentina	Australe	499.59	546.00					499.59	546.00
Peru	Intis	5,879.25	337.50					5,879.25	337.50
Chile	Peso	98,790	534.00					98,790	534.00
United States	Dollar				2,179.00				2,179.00
Barry Sklar:									
Argentina	Australe	334	365.00					344	365.00
Peru	Intis	5,286.97	303.00					5,286.97	303.00
Chile	Peso	101,340	563.00					101,340	563.00
Panama	Dollar		46.50						46.50
United States	Dollar				2,405.00				2,405.00
William C. Tripletti:									
Hawaii	Dollar		167.39						167.39
Taiwan	Dollar	12,654	316.35					12,654	316.35
Hong Kong	Dollar	3,658.90	472.11					3,658.90	472.11
Thailand	Baht	10,042.97	401.72					10,042.97	401.72
United States	Dollar				2,602.00				2,602.00
Casimir A. Yost:									
Saudi Arabia	Riyal	525.60	144.00					525.60	144.00
Saudi Arabia	Riyal	1,378.35	377.63					1,378.35	377.63
Syria	Dollar		186.00						186.00
Jordan	Dinar	68.715	192.00				108.60	68.715	300.60
Israel	Dollar		300.00						300.00
Egypt	Dollar		375.00						375.00
France	Franc	950.06	134.00					950.06	134.00
United States	Dollar				4,637.00				4,637.00
Amendments to the 2d quarter of 1985:									
Senator Daniel Evans:									
Israel	Shekel	698,250	798.00	104,125	119.00			802,375	917.00
Egypt	Pound	154.7	119.00	9.37	7.21			164.07	126.21
Jordan	Dinar	4,015	236.00					4,015	236.00
Christine L. Dawson:									
Israel	Shekel	698,250	798.00	104,125	119.00			802,375	917.00
Egypt	Pound	154.7	119.00	9.37	7.21			164.07	126.21
Jordan	Dinar	4,015	236.00					4,015	236.00
United States	Dollar				2,976.00				2,976.00
William C. Triplett:									
Japan	Yen	25,500	106.00				158.51	25,500	264.51
Singapore	Dollar		330.00				95.41		425.41
Korea	Won	255,390	300.00					255.390	300.00
United States	Dollar				3,322.04				3,322.04
Amendment to 3d quarter of 1985:									
Bradford Penney:									
Netherlands	Guilder	714	238.00					714	238.00
Germany	Mark	515	180.00					515	180.00
Sweden	Krona	4,396.40	524.00					4,396.40	524.00
Norway	Krone	841.50	102.00					841.50	102.00
United Kingdom	Pound	269.20	372.00					269.20	372.00
United States	Dollar				1,999.50				1,999.50
Amendment to 4th quarter of 1985:									
Geryld B. Christianson:									
Guatemala	Dollar		185.00						185.00
Amendment to 1st quarter of 1984:									
Christopher Manion:									
El Salvador	Dollar		300.00						300.00
Guatemala	Quetzal	225	225.00					225	225.00
Honduras	Lempira	300	150.00					300	150.00
United States	Dollar				719.50				719.50
Total			21,211.21		40,292.59		1,817.35		63,321.15

RICHARD G. LUGAR,
Chairman, Committee on Foreign Relations, Apr. 19, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE JUDICIARY, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Jerry M. Tinker:									
Switzerland	Franc	580.50	270.00					580.50	270.00
Austria	Schilling	3,865.65	208.00					3,865.65	208.00
United States	Dollar				2,099.00				2,099.00
Total			478.00		2,099.00				2,577.00

STROM THURMOND,
Chairman, Committee on the Judiciary, Dec. 17, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON LABOR AND HUMAN RESOURCES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Joseph Lopes:									
Germany	Dollar		375.00		60.00				435.00
United States	Dollar				1,040.00				1,040.00
Total			375.00		1,100.00				1,475.00

ORRIN G. HATCH,
Committee on Labor and Human Resources, Feb. 14, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 175(b), AUTHORIZED BY THE MAJORITY LEADER, FROM JAN. 1 TO MAR. 31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Susan Sherwood:									
Philippines	Peso	759.20	40.00					759.20	40.00
Thailand	Baht	14,628	550.50					14,628	550.50
Yvonne Hopkins:									
Pakistan	Rupee	2,559.90	161.00					2,559.90	161.00
People Republic of China	Yuan	717.75	225.00					717.75	225.00
Taiwan	Dollar	3,842.20	97.00					3,842.20	97.00
Korea	Won	185,120	208.00					185,120	208.00
Senator Alan Simpson:									
South Korea	Won	331,080	372.00					331,080	372.00
Japan	Yen	145,440	720.00					145,440	720.00
Hong Kong	Dollar	3,687.70	474.00					3,687.70	474.00
Jan Paulk:									
South Korea	Won	370,240	416.00					370,240	416.00
Japan	Yen	145,440	720.00					145,440	720.00
Hong Kong	Dollar	3,687.70	474.00					3,687.70	474.00
Sally Walsh:									
South Korea	Won	370,240	416.00					370,240	416.00
Japan	Yen	145,440	720.00					145,440	720.00
Hong Kong	Dollar	3,687.70	474.00					3,687.70	474.00
Total			6,067.50						6,067.50

ROBERT J. DOLE,
Majority Leader, Feb 24, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER FROM OCT. 1 TO DEC. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Ernest E. Garcia:									
Israel	Dollar		399.00						399.00
United States	Dollar				3,800.13				3,800.13
Total			399.00		3,800.13				4,199.13

ROBERT J. DOLE,
Majority Leader, Mar. 25, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), AS AUTHORIZED BY THE MAJORITY LEADER FROM AUG. 15–29, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Robert Dole:									
South Korea	Won	141,182.87	159.89					141,182.87	159.89
Japan	Yen	55,337.38	232.51					55,337.38	232.51
Taiwan	Dollar	7,662	189.42					7,662	189.42
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,813.90	625.01					1,813.90	625.01
Senator William Cohen:									
South Korea	Won	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), AS AUTHORIZED BY THE MAJORITY LEADER FROM AUG. 15–29, 1985—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Pete Domenici:									
South Korea	Won	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
Senator Daniel Evans:									
South Korea	Won	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
Senator James McClure:									
South Korea	Won	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
Senator Daniel Patrick Moynihan:									
South Korea	Won	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
Senator Pete Wilson:									
South Korea	Won	148,964.10	168.70					148,964.10	168.10
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	8,648.21	213.80					8,648.21	213.80
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,813.88	625.00					1,813.88	625.00
Jo-Anne L. Coe:									
South Korea	Won	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
Howard O. Greene:									
South Korea	Won	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
James Baker:									
South Korea	Won	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
Elizabeth Baldwin:									
South Korea	Dollar	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
Sheila Burke:									
South Korea	Won	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
Dean Burridge:									
South Korea	Won	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
Rod DeArment:									
South Korea	Won	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
Ira H. Goldman:									
South Korea	Dollar	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,604.91	553.00					1,604.91	553.00
John Gordley:									
South Korea	Won	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
Basil Jewell:									
South Korea	Won	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
Phil Jones:									
South Korea	Won	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
K.P. Lau:									
South Korea	Won	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), AS AUTHORIZED BY THE MAJORITY LEADER FROM AUG. 15–29, 1985—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
Al Lehn:									
South Korea	Won	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
Robert Lighthizer:									
South Korea	Won	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
Joyce McCluney:									
South Korea	Won	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
Jan Paulk:									
South Korea	Won	234,880	266.00					234,800	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
Walt Riker:									
South Korea	Won	234,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
Susan Sherwood:									
South Korea	Won	231,880	266.00					234,880	266.00
Japan	Yen	72,828	306.00					72,828	306.00
Taiwan	Dollar	10,517	260.00					10,517	260.00
Hong Kong	Dollar	2,365.10	304.00					2,365.10	304.00
People's Republic of China	Yuan	1,845.80	636.00					1,845.80	636.00
Delegation expenses:[1]									
South Korea							5,440.14		5,440.14
Japan							4,796.95		4,796.95
Taiwan							5,891.04		5,891.04
Hong Kong							5,378.15		5,378.15
People's Republic of China							5,053.06		5,053.06
Total			43,801.33				26,559.34		70,360.67

[1] Delegation expenses include direct payments and reimbursements to the Department of State and the Department of Defense under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95–384, and S. Res. 179, agreed to May 25, 1977.

ROBERT J. DOLE,
Majority Leader.

AMENDED CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER FROM JULY 1 TO SEPT. 30, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Ted Stevens:									
Switzerland	Franc	3,393.55	1,482.00					3,393.55	1,482.00
United States	Dollar				4,071.00				4,071.00
Wallace Burnett:									
Switzerland	Franc	3,910.15	1,710.00					3,910.15	1,710.00
United States	Dollar				1,844.00				1,844.00
Total			3,192.00		5,915.00				9,107.00

ROBERT J. DOLE,
Majority Leader, Apr. 18, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), AS AUTHORIZED BY THE MAJORITY LEADER FROM MAY 25 TO JUNE 3, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Ted Stevens:									
Belgium	Franc	20,111	324.00					20,111	344.00
France	Franc	5,593	595.00					5,593	595.00
Switzerland	Franc	282.80	109.00					282.80	109.00
Howard O. Greene:									
Belgium	Franc	20,111	324.00					20,111	324.00
France	Franc	6,711.6	714.00					6,711.6	714.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), AS AUTHORIZED BY THE MAJORITY LEADER FROM MAY 25 TO JUNE 3, 1985—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Kathleen Bridenbaugh:									
Belgium	Franc	20,111	324.00					20,111	324.00
France	Franc	6,711.6	714.00					6,711.6	714.00
Malin Jennings:									
Belgium	Franc	20,111	324.00					20,111	324.00
France	Franc	6,711.6	714.00					6,711.6	714.00
George Murphy:									
Belgium	Franc	20,111	324.00					20,111	324.00
France	Franc	5,593	595.00					5,593	595.00
Switzerland	Franc	282.80	109.00					282.80	109.00
Jan Paulk:									
Belgium	Franc	20,111	324.00					20,111	324.00
France	Franc	6,711.6	714.00					6,711.6	714.00
Delegation expenses:									
Belgium							3,853.22	3,853.22	
France	Franc						3,628.86		3,628.86
Switzerland	Franc						42.82		42.82
Total			6,208.00				7,524.90		13,732.90

Delegation expense include direct payments and reimbursements to the Department of State and the Department of Defense under authority of Sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L.95–384, and S. Res. 179, agreed to May 25, 1977. The following individuals traveled with the delegation under committee authorizations as noted: Senator James A. McClure, Committee on Energy and Natural Resources; Senator Edward Zorinsky, Committee on Foreign Relations; Senator J. James Exon, Committee on Armed Services; James McGovern, Committee on Armed Services; Gerald J. Smith, Committee on Armed Services, Dwight Dyer, Committee on Appropriations. Reports of their expenditures appear under the report of the authorizing committee.

TED STEVENS,
Chairman of delegation, Dec. 20, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE DEMOCRATIC LEADER FROM JAN. 1 TO MAR. 31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Paul Simon:									
United States	Dollar				2,913.00				2,913.00
Israel	Dollar		795.63		32.00		18.80		846.43
Cyprus	Dollar		298.40				8.05		306.45
Greece	Dollar				6.00		14.50		20.50
Ireland	Dollar		441.90				6.15		448.05
Total			1,535.93		2,951.00		47.50		4,534.43

ROBERT C. BYRD,
Democratic Leader, Apr. 18, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE PRESIDENT PRO TEMPORE FROM JULY 1 TO SEPT. 30, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Scott H. Green:									
Mexico	Peso	65,486	192.60					65,486	192.60
United States	Dollar				348.00				348.00
Total			192.60		348.00				540.60

STROM THURMOND,
President pro tempore, Mar. 25, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), ARMS CONTROL OBSERVER GROUP, AUTHORIZED BY THE MAJORITY AND MINORITY LEADERS FROM OCT. 24–28, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Ted Stevens:									
Switzerland	Franc	996.72	461.45					996.72	461.45
Senator Sam Nunn:									
Switzerland	Franc	265.68	123.00					265.68	123.00
United States	Dollar				1,703.00				1,703.00
Senator Edward Kennedy:									
Switzerland	Franc	996.72	461.45					996.72	461.45
Senator Malcolm Wallop:									
Switzerland	Franc	996.72	461.45					996.72	461.45

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), ARMS CONTROL OBSERVER GROUP, AUTHORIZED BY THE MAJORITY AND MINORITY LEADERS FROM OCT. 24–28, 1985—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Pete Wilson:									
Switzerland	Franc	752.76	348.50					752.76	348.50
Senator Albert Gore, Jr.:									
Switzerland	Franc	265.68	123.00					265.68	123.00
United States	Dollar				1,703.000				1,703.00
Robert Bell:									
Switzerland	Franc	798.90	369.00					798.90	369.00
Wallace Burnett:									
Switzerland	Franc	798.90	369.00					798.90	369.00
Lucia M. Chavez:									
Switzerland	Franc	798.90	369.00					798.90	369.00
Richard D'Amato:									
Switzerland	Franc	798.90	369.00					798.90	369.00
Yvonne L. Hopkins:									
Switzerland	Franc	756.35	350.16					756.35	350.16
George Murphy:									
Switzerland	Franc	798.90	369.00					798.90	369.00
Delegation expenses: [1]									
Switzerland							7,259.90		7,259.90
Total			4,174.01		3,406.00		7,259.90		14,839.91

[1] Delegation expenses include direct payments and reimbursements to the Department of State and to the Department of Defense under authority of Sec. 502(b) of the Mutual Security Act of 1954, as amended by Sec. 22 of P.L. 95–384, and S. Res. 179, agreed to May 25, 1977.

ROBERT J. DOLE,
Majority Leader, Apr. 24, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), ARMS CONTROL OBSERVER GROUP, FOR TRAVEL AUTHORIZED BY THE MAJORITY AND MINORITY LEADERS FROM JUNE 27 TO JULY 7, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Ted Stevens:									
Switzerland	Franc	1,977.8	775.00					1,977.8	775.00
Great Britain	Pound	166.16	216.00					166.16	216.00
Senator Sam Nunn:									
Switzerland	Franc	1,977.8	775.00					1,977.8	775.00
Great Britain	Pound	166.16	216.00					166.16	216.00
Senator Claiborne Pell:									
Switzerland	Franc	798.78	313.00	1,950	764.89			2,750.78	1,077.89
Senator Edward M. Kennedy:									
Switzerland	Franc	1,120.3	439.00					1,120.3	439.00
Senator Charles Mathias:									
Switzerland	Franc	1,977.8	775.00	642	251.57			2,619.80	1,026.57
Great Britain	Pound	166.16	216.00					166.16	216.00
Senator Gary Hart:									
Switzerland	Franc	1,862.96	730.00					1,862.96	730.00
Great Britain	Pound	166.16	216.00					166.16	216.00
Senator Albert Gore:									
Switzerland	Franc	1,977.8	775.00					1,977.8	775.00
Great Britain	Pound	166.16	216.00					166.16	216.00
Jo-Anne Coe:									
Great Britain	Pound	83.08	108.00					83.08	108.00
David Pratt:									
Switzerland	Franc	1,735.36	680.00					1,735.36	680.00
Great Britain	Pound	166.16	216.00					166.16	216.00
George Ashworth:									
Switzerland	Franc	1,977.8	775.00					1,977.8	775.00
Great Britain	Pound	156.93	203.91					156.93	203.91
Robert Bell:									
Switzerland	Franc	1,977.8	775.00					1,977.8	775.00
Great Britain	Pound	166.16	216.00					166.16	216.00
Wallace D. Burnett:									
Switzerland	Franc	1977.8	775.00					1,977.8	775.00
Great Britain	Pound	166.16	216.00					166.16	216.00
Lucia M. Chavez:									
Switzerland	Franc	1,977.8	775.00					1,977.8	775.00
Great Britain	Pound	166.16	216.00					166.16	216.00
Richard D'Amato:									
Switzerland	Franc	1,977.8	775.00					1,977.8	775.00
Great Britain	Pound	166.16	216.00					166.16	216.00
Kenneth Myers:									
Switzerland	Franc	1,977.8	775.00					1,977.8	775.00
Great Britain	Pound	166.16	216.00					166.16	216.00
Ruth Ann Neely:									
Switzerland	Franc	1,977.8	775.00					1,977.8	775.00
Great Britain	Pound	166.16	216.00					166.16	216.00
Jan Paulk:									
Switzerland	Franc	1,977.8	775.00					1,977.8	775.00
Great Britain	Pound	166.16	216.00					166.16	216.00
Alan Safran:									
Switzerland	Franc	1,957.5	767.05					1,957.5	767.05
Great Britain	Pound	166.16	216.00					166.16	216,00
Delegation expenses: [1]									
Switzerland							13,838.61		13,838.61
Great Britain							5,398.82		5,398.82

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), ARMS CONTROL OBSERVER GROUP, FOR TRAVEL AUTHORIZED BY THE MAJORITY AND MINORITY LEADERS FROM JUNE 27 TO JULY 7, 1985—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Total			15,564.96		1,1016.46		19,237.43		35,818.85

[1] Delegation expenses include direct payments and reimbursements to the Department of State and the Department of Defense under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by section 22 of P.L. 95–384, and S. Res. 179, agreed to May 25, 1977.

TED STEVENS,
Chairman, Arms Control Observer Group, Dec. 20, 1985.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMISSION ON SECURITY AND COOPERATION IN EUROPE FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Samuel Wise:									
Switzerland	Franc	533.25	276.00	52	2,036.53			585.25	2,312.53
France	Franc			300	44.24			300	44.24
Belgium	Franc	9,310	202.00					9,310	202.00
John Finerty:									
Sweden	Krona	4,537.10	624.00					4,537.10	624.00
United States	Dollar				1,987.00				1,987.00
Samuel Wise:									
Russia	Dollar		200.00		2,703.00				2,903.00
France	Franc	988.32	142.00					988.32	142.00
Total			1,444.00		6,770.77				8,214.77

ALFONSE D'AMATO,
Chairman, Commission on Security and Cooperation in Europe,
Apr. 15, 1986.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMISSION ON SECURITY AND COOPERATION IN EUROPE FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1985

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Michael Hathaway:									
Hungary	Dollar		975.00		2,133.00				3,108.00
Samuel Wise:									
Hungary	Dollar		975.00		2,133.00				3,108.00
Barbara Edwards:									
Hungary	Dollar		1,050.00		1,694.00				2,744.00
John Finerty:									
Hungary	Dollar		1,200.00		2,133.00				3,333.00
Rebecca Maestri:									
Hungary	Dollar		1,050.00		2,133.00				3,183.00
Orest Deychakiwsky:									
Hungary	Dollar		1,200.00		2,133.00				3,333.00
Lynne Davidson:									
Hungary	Dollar		3,300.00		2,133.00		78.50		5,511.50
Deborah Burns:									
Hungary	Dollar		1,200.00		2,133.00		78.50		3,411.50
Mary Sue Hafner:									
Hungary	Dollar		600.00		2,133.00				2,733.00
Robert Hand:									
Hungary	Dollar		1,200.00		2,133.00				3,333.00
Yugoslavia	Dinar	45,158	150.00					45,158	150.00
Switzerland	Franc	1,200.70	570.00					1,200.70	570.00
Samuel Wise:									
Hungary	Dollar		1,200.00		2,133.00				3,333.00
Austria	Dollar		75.00				23,95		98.95
Sweden	Krona	6,588.10	852.00					6,588.10	852.00
Catherine Cosman:									
United Kingdom	Pound	193.96	276.00					193.96	276.00
Total			15,873.00		23,024.00		180.95		39,077.95

ALFONSE D'AMATO,
Chairman, Commission on Security and Cooperation in Europe,
Jan. 31, 1986

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), U.S. SENATE CAUCUS ON INTERNATIONAL NARCOTICS CONTROL, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1986

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
David G. Shoultz:									
Republic of China	Dollar	11,590.50	291.00					11,590.50	291.00
South Korea	Won	462,800	520.00					462,800	520.00
Japan	Yen	119,346	588.00					119,346	588.00
United States	Dollar				2,213.36				2,213.36
John Dudinsky, Jr.:									
Republic of China	Dollar	11,590.50	291.00					11,590.50	291.00
South Korea	Won	462,800	520.00					462,800	520.00
Japan	Yen	119,346	588.00					119,346	588.00
United States	Dollar				2,213.36				2,213.36
David G. Shoultz:									
Ecuador	Sucre		300.00	3,000	27.78			3,000	327.78
United States	Dollar				907.89				907.89
Total			3,098.00		5,362.39				8,460.39

PAULA HAWKINS,
Chairman, U.S. Senate Caucus on International Narcotic Control,
Mar. 31, 1986.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GOLDWATER, from the Committee on Armed Services, without amendment.

S. 2459. A bill to provide supplemental authorization of appropriations for fiscal year 1986 for certain programs of the Department of Defense, and for other purposes (Rept. No. 99-300).

By Mr. HATFIELD, from the Committee on Appropriations, with amendments:

H.R. 4515. An act making urgent supplemental appropriations for the fiscal year ending September 30, 1986, and for other purposes (Rept. No. 99-301).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HOLLINGS (for himself and Mr. THURMOND):

S. 2452. A bill to designate the U.S. Post Office to be constructed in Barnwell, S.C., as the "Solomon Blatt, Sr., Post Office Building"; to the Committee on Governmental Affairs.

By Mr. COHEN (for himself and Mr. NUNN):

S. 2453. A bill to enhance the capabilities of the United States to combat terrorism and other forms of unconventional warfare; to the Committee on Armed Services.

By Mr. MURKOWSKI (for himself, Mr. WARNER, Mr. SIMON, Mr. CRANSTON, Mr. DECONCINI, and Mr. DENTON):

S. 2454. A bill to repeal section 1631 of the Department of Defense Authorization Act, 1985, relating to the liability of Government contractors for injuries or losses of property arising out of certain atomic weapons testing programs, and for other purposes; to the Committee on the Judiciary.

By Mr. MITCHELL:

S. 2455. A bill entitled the National Organ and Tissue Donor Act; to the Committee on Labor and Human Resources.

By Mr. DANFORTH (for himself and Mr. EAGLETON):

S. 2456. A bill for the relief of Milanie C. Escobol Norman; to the Committee on the Judiciary.

By Mr. LAXALT (for himself and Mr. HECHT):

S. 2457. A bill to grant the consent of Congress to the California-Nevada Interstate Compact; to the Committee on the Judiciary.

By Mr. SIMON:

S. 2458. A bill to clarify the antitrust exemption of the business of insurance, and for other purposes; to the Committee on the Judiciary.

By Mr. GOLDWATER:

S. 2459. An original bill to provide supplemental authorization for appropriations for fiscal year 1986 for certain programs of the Department of Defense, and for other purposes; from the Committee on Armed Services; placed on the calendar.

By Mr. WILSON (for himself and Mr. GLENN):

S. 2460. A bill to extend until June 30, 1986, the date on which certain limitations become effective with respect to obligations that may be made from the military personnel accounts of the Department of Defense for fiscal year 1986; considered and passed.

By Mr. HOLLINGS:

S. 2461. A bill to amend part C of the Balanced Budget and Emergency Deficit Control Act of 1985 to exempt certain benefits payable from the military retirement fund from sequestration or reduction under an order issued by the President under section 252 of such act; to the Committee on Governmental Affairs.

By Mr. KENNEDY (for himself, Mr. LUGAR, Mr. STENNIS, Mr. PELL, Mr. DANFORTH, Mr. ANDREWS, Mr. KERRY, and Mr. MOYNIHAN):

S. 2462. A bill to provide for the awarding of a special gold medal to Aaron Copland; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. RIEGLE (for himself and Mr. CRANSTON):

S. 2463. A bill to amend the Internal Revenue Code of 1954 to permit individuals to receive tax-free distributions from an individual retirement account or annuity to purchase their first home, and for other purposes; to the Committee on Finance.

By Mr. METZENBAUM (for himself, Mr. HEINZ, Mr. STENNIS, Mr. DIXON, Mr. LEVIN, Mr. THURMOND, Mr. ZORINSKY, Mr. KENNEDY, Mr. SIMON, Mr. RIEGLE, Mr. BAUCUS, Mr. BURDICK, Mr. SPECTER, Mr. GORE, Mr. SARBANES, Mr. EAGLETON, Mr. MOYNIHAN, Mr. LAUTENBERG, Mr. HEFLIN, Mr. BUMPERS, Mr. ROCKEFELLER, Mr. KERRY, Mr. MITCHELL, Mr. NUNN, Mr. PRYOR, Mr. MATTINGLY, Mr. STAFFORD, Mr. GRASSLEY, Mr. BRADLEY, Mr. HOLLINGS, Mr. QUAYLE, and Mr. GLENN):

S.J. Res. 346. Joint resolution to designate June 21, 1986, as "National Save American Industry and Jobs Day"; to the Committee on Judiciary.

By Mr. LEVIN (for himself, Mr. MOYNIHAN, Mr. ROCKEFELLER, Mr. D'AMATO, Mr. BRADLEY, Mr. ANDREWS, Mr. RIEGLE, Mr. METZENBAUM, Mr. MATSUNAGA, Mr. EAGLETON, Mr. KERRY, Mr. ZORINSKY, Mr. LAUTENBERG, Mr. DIXON, Mr. NUNN, Mr. PRYOR, Mr. BIDEN, Mr. BOREN, Mr. STENNIS, Mr. SIMON, Mr. CHILES, and Mr. KENNEDY):

S.J. Res. 347. Joint resolution to designate the week of May 19, 1986, through May 24, 1986, as "National Homelessness Awareness Week"; to the Committee on the Judiciary.

By Mr. GLENN (for himself, Mr. HEINZ, Mr. DOLE, Mr. BRADLEY, Mr. ANDREWS, Mr. BURDICK, Mr. CHILES, Mr. DODD, Mr. WILSON, Mr. RIEGLE, Mr. PRYOR, Mr. HOLLINGS, Mr. KERRY, Mrs. HAWKINS, and Mr. COHEN):

S.J. Res. 348. Joint resolution to designate the week beginning November 24, 1986, as "National Family Caregivers Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MOYNIHAN:

S. Res. 408. Resolution calling for the elimination of funding of Kurt Waldheim's retirement allowance from the United Nations; to the Committee on Foreign Relations.

By Mr. SIMPSON (for Mr. HELMS):

S. Con. Res. 140. Concurrent resolution to pay tribute to the late William C. Lee and to designate June 6, 1986, as "William C. Lee Day"; ordered held at the desk.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HOLLINGS (for himself and Mr. THURMOND):

S. 2452. A bill to designate the U.S. Post Office to be constructed in Barnwell, SC, as the "Solomon Blatt, Sr., Post Office Building;" to the Committee on Governmental Affairs.

SOLOMON BLATT, SR. POST OFFICE

Mr. HOLLINGS. Mr. President, I send to the desk for myself and my senior colleague, Mr. THURMOND, legislation to name the soon to be built Post Office in Barnwell, SC, in honor of Solomon Blatt, Sr. A native of Barnwell, and a long-time legislator representing Barnwell in the South Carolina House of Representatives, "Mr. Sol" died early this morning. With his death comes the end of an era in which he, as part of the famous "Barnwell Ring," greatly influenced the direction of South Carolina government for over 50 years.

Mr. President, this outstanding man's achievements are many, and I will submit several inserts outlining his record in more detail at the end of my remarks. "Mr. Sol" was a great friend to me, and in politics he was like a father. I served as Speaker protem to Speaker Blatt from 1951 to 1954 and worked closely with him as Lieutenant Governor and Governor. When he died today at age 91, "Mr. Sol" was the Nation's oldest legislator. He holds the record of being speaker of the South Carolina House of Representatives longer than anyone. As a long-time friend and observer of "Mr. Sol's" considerable talents, I can say without hesitation, Mr. President, that he exerted a greater influence on the direction of South Carolina's government than any other person in the last 50 years.

I learned a lot from him. He always had South Carolina's interest at heart. South Carolina always came first. He believed in pay-as-you-go government and sound fiscal management. And he never stopped working to make South Carolina a better place to live. It's a tribute to his many skills that he was respected and admired by friends and foes alike. The years I spent with him the State legislature really shaped my thinking and made me a better public servant.

Mr. President, one of the last things he discussed with me was the location of the new Post Office for Barnwell. He was determined that the new facility would be built on a site that would best serve the community. Characteristically, he was tireless in working out the details with Mayor Rodman Lemon and other local officials, and he got me to go to bat for Barnwell with the Postal Service. Like so many things in which he was involved, this, too, had a successful conclusion. Just yesterday, Mayor Lemon notified me that the Postal Service had agreed to the preferred Main Street site. So, Mr. President, it is a fitting tribute to this outstanding man that we name the postal facility, soon to be built, for him.

Mr. President, I ask unanimous consent that several articles I now send to the desk to be inserted in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Columbia Record, May 14, 1986]

DEATH OF "MR. SPEAKER" MARKS END OF LEGENDARY POLITICAL ERA

Solomon Blatt, the nation's oldest legislator and the man who held the S.C. House speakership longer than anyone in state history, died today after battling cardiac and respiratory problems for months.

Blatt, 91, was admitted to Barnwell County Hospital at 7:45 p.m. yesterday and died at 3:10 a.m. today, according to his personal physician, Dr. Henry Gibson.

"He has had recurrent difficulties with his cardiac and respiratory systems in the last three to four months," Gibson said.

Graveside services are to be held at 11 a.m. tomorrow next to Holy Apostle Episcopal Church in Barnwell.

Blatt's desk in the House chamber was draped this morning with a black cloth and on top of that was a white vase with a single white carnation.

House members agreed with a suggestion by House Speaker Ramon Schwartz that they meet briefly today, then recess for the week out of respect to Blatt.

Gov. Dick Riley immediately ordered the flags at the State House flown at half staff, and the House and Senate chambers were to hold abbreviated sessions out of respect to Blatt's memory.

Blatt's last day at the State House was May 6.

He attended the House session and spent about an hour talking privately with Gov. Riley about several matters, including pending legislation and the governor's family, which is from Barnwell.

Blatt and the governor's father, Ted Riley, grew up in homes near one another in Barnwell. They used to play baseball together. The elder Riley called Blatt "one of the strongest steadying forces in our history."

Gov. Riley and other state leaders were saddened by Blatt's death and praised his accomplishments.

Gov. Dick Riley said state government here will always carry Blatt's mark.

'He brought strong legislative leadership hallmarked by fairness, a balanced budget, and sound fiscal management," Riley said.

"He loved the state of South Carolina. And he knew his physical condition . . . but he still wanted to serve," Chief Justice Julius "Bubba" Ness said.

Ness knew Blatt most of his life, and said their relationship was like that of father and son.

Blatt was a generous man and lent Ness the money to go to college and, in his law practice, representing clients whether or not they could pay him, Ness said. "He always had time for everybody. He took time to talk to them," he said.

Blatt had announced earlier this year that he would seek a 27th term to the House, where he served as a representative from his native Barnwell County for 53 years.

Blatt was one of the four cornerstones and the last survivor of the famous "Barnwell Ring," which influenced South Carolina politics for decades and flowered fully in the 1940s.

Other members included Sen. Edgar A. Brown, then chairman of the Senate Finance Committee; Winchester Smith, then chairman of the House Ways and Means committee; and J. Emile Harley, former lieutenant governor and governor.

Blatt set a 33-year record of longevity as speaker of the House.

He was elected speaker in 1937. He retained the title until his retirement July 31, 1973, except for four years when he did not run. When he stepped down, his House colleagues named him speaker emeritus.

The son of Russian immigrants, Blatt's election to that powerful role in state government was noteworthy, because he was a Jew in control of an almost exclusively gentile House membership. When he assumed the gavel in 1937, Blatt pointed out emotionally, "I am a living example of the tolerance of the people of South Carolina."

He did not run for speaker in 1947 but remained a member of the House. Then in 1951 he again was elected speaker and presided until 1973, when he agreed to step down after growing pressure for fresh leadership.

Former Rep. Rex Carter of Greenville succeeded Blatt as speaker, but neither Carter nor Ramon Schwartz of Sumter, the current speaker, wielded the formidable power or tight rein on his fellow colleagues that Blatt did.

As one reporter noted, Blatt presided "with an iron hand encased in a velvet glove."

Blatt fought hard for the causes he believed in.

His reputation for toughness not only extended to his control over fellow House members and aides but to pages as well.

Once during the 1960s, when he had ordered the doors to the House chamber closed during a roll-call vote, Blatt dressed down a page for opening the door in the upper gallery to let a spectator leave.

On other occasions, he ramrodded legislation through the House, sometimes refusing to recognize opponents who wished to be heard on issues.

His stances over the years were sometimes controversial and unpopular. He opposed the compulsory school attendance law and the change to single-member House districts.

"The thing that has done more to hurt South Carolina," he complained in 1980, "has been single-member districts. A county delegation all worked together for a county—now you have people fighting for a smaller area. There's been a deterioration in statesmanship."

Blatt was one of the state's strongest supporters of nuclear energy and urged the licensing of the Barnwell Nuclear Fuels Plant as a reprocessing facility.

He was a sticker for a balanced budget and always praised the House's rule requiring revenue sufficient to meet expenses. He once said, "My father taught me that you can't spend what you haven't got."

He stood for an improved highway system, continuing industrial development and

against a return to Prohibition. And over the years, he became one of the most vocal advocates of shorter legislative sessions and speedier processing of bills.

Born in the small town of Blackville, Blatt was the son of the late Nathan and Mollie Blatt and remained in his native county throughout his life.

Blatt's father was an itinerant peddler who walked around Barnwell County selling goods from a 150-pound pack he carried on his back. He later opened a small store. Solomon was the Blatts' second son. His brother, Nathan, was born in Russia and died in this country in 1918.

After graduating from the Blackville public schools and the University of South Carolina law school, Blatt served 11 months in the U.S. Army during World War I as a member of the 81st Division in France.

He returned to the states in 1919 and joined Harley in the practice of law. On March 19, 1920 he married Ethel Green of Sumter, who died last year.

Subsequently, Blatt moved into a practice of his own and laid the groundwork for his present firm.

Blatt's first try at politics was a failure. He ran for the House in 1930 and was defeated. He vowed he would never run again, but in 1933 friends persuaded him to make another bid and he was elected. By 1935 he had become speaker pro tempore and two years later was elected speaker.

Through the years "Mister Speaker," as he was called by friends and colleagues, was a major influence on the legislation and, consequently, the life of South Carolina.

He said his career began at a time when the Ku Klux Klan was a major political force, when men campaigned on their Civil War records and when "women were never seen on the streets on Saturday."

His terms came in a period of sharp transition for this state, which was changing from a largely agrarian to a dominantly industrial economy. And his decisions as speaker, his powers of committee appointment and his persuasive, booming oratorical talents were often decisive factors in the General Assembly.

Blatt's leadership in the Legislature began when the state was moving, in a big program, from dirt and scattered pave roads to a comprehensive highway system. In fact, it was on what was known as the "highway issue" that he first became speaker.

This was during the first gubernatorial term of the late Olin D. Johnston.

As part of a move to gain a larger voice in highway matters, Johnston ran his own candidate for speaker, Rep. Caston Wannamaker of Chesterfield. Blatt ran as the champion of the highway department, then administered under the late Chief Highway Commissioner Ben M. Sawyer.

It was a close, bitter battle, but Blatt was the winner and usually, thereafter, he was re-elected without opposition.

However, when Strom Thurmond became governor in 1947, he sponsored the candidacy of then Rep. C. Bruce Littlejohn, now retired chief justice of the state Supreme Court.

Faced with a battle he probably would have lost, Blatt did not run and Littlejohn became speaker. But when Thurmond's term expired in 1951, the House again elected Blatt.

"It wouldn't have helped the legislature, Barnwell County or me to become further involved with the Thurmond forces," Blatt recalled in John K. Cauthen's biography, *Speaker Blatt—His Challenges Were Greater.*

Blatt said Thurmond had won the governorship "by resorting to demagoguery against Eggar (Brown) and me I felt I could be more effective for Barnwell and the state by working on the floor of the House for what I thought was right."

Thurmond had attacked the power and influence of the Barnwell Ring. But there were periods when the members themselves were rivals for political leadership and other matters in their home county.

One such example was the split between Blatt and Brown over the gubernatorial candidates in 1958. Blatt supported his old friend, University of South Carolina President Donald Russell, while Brown pushed the successful candidacy of Earnest F. Hollings.

But four years later, the two united behind Russell, who defeated Burnet R. Maybank.

As Hollings pointed out, the "ring" was a ring only when there was agreement among the Barnwell politicos, and often there was anything but harmony among them.

The speaker faced recurrent criticism through the years, in and out of the General Assembly, but the complaints and charges were largely general allegations of too much power or political favoritism.

However, in March, 1962, the late Sen. James P. "Spot" Mozingo III of Darlington shocked the Legislature by attacking Blatt with scathing accusations ranging from obtaining a private secretary at taxpayers' expense to an unethical transaction involving a legal fee.

But Blatt's fellow House members rushed to his defense and adopted a resolution supporting his integrity.

In addition to his legislative duties, Blatt was one of the state's most colorful trial lawyers. The senior partner in the law firm of Blatt and Fales, Blatt practiced law in Barnwell for 67 years.

Among the most controversial cases he tried was the civil lawsuit between former Lexington County Sen. Norma Russell and then House Clerk Sylvia Orange Risher, a Blatt protege.

The two got into a legal battle after a 1977 row at the Southern Legislative Conference in Charleston. Blatt was one of the lawyers who represented Mrs. Risher in court when she obtained a $22,000 verdict against Mrs. Russell, although the verdict was later overturned by the state Supreme court.

In 1981, Blatt came under fire again when he made an impassioned courtroom speech and obtained light sentences for two Barnwell adults who had pleaded guilty to criminal conspiracy and contributing to the delinquency of minors.

The case arose when Billie Joe Stewart and Gloria Jean Hair were accused of luring several young girls, aged 12 to 16, to a mobile home to engage in "sex parties."

But Blatt argued at the sentencing that the girls "voluntarily played a part" in the acts.

Stewart received a three-year sentence suspended on service of three months on weekends, a $1,500 fine and five years probation. Mrs. Hair was sentenced to three years, suspended on service for 60 days and five years probation.

Blatt's life was subsequently threatened because of his defense in the case, and he was given round-the-clock protection for a short time by State Law Enforcement Division agents.

In addition to his legislative and legal influence, Blatt's clout in USC affairs was legend. For 12 years, from 1936 through 1948, he was a member of the university's Board of Trustees and a powerful defender of the institution.

When dual office-holding was held unconstitutional in 1948, he resigned from the USC board and also from his chairmanship of the Barnwell public school board.

In 1953, Blatt was mentioned as a possible candidate for a state Supreme Court judgeship, but he declined to run even though State House observers said his election would have been a certainty.

Blatt's friend, the late Gov. James F. Byrnes, was one influence in the negative decision. Byrnes told the speaker he probably would not be happy in the "sanctuary" of the court.

Byrnes himself had left the U.S. Supreme Court for high wartime assignments under Franklin Roosevelt, and friends had doubted he was happy as a justice.

Over the years, Blatt mended fences with some of his earlier foes, including Johnston, Mozingo and Thurmond.

Blatt often said that his son, Solomon Jr., was his superior as a lawyer, and by 1971, the speaker was grateful to his enemy-turned-friend Thurmond, who helped successfully sponsor Blatt's son as a U.S. district judge.

Blatt received many honors during his long career.

In 1975 he was given the "Legislative Award" from the state division of the Veterans of Foreign Wars. On April 7, 1976, Barnwell County celebrated Solomon Blatt Day. In May 1979, the House office building was dedicated in his name. And on Jan. 12, 1982, the House opened its legislative year by honoring Blatt as he began his 50th year of service as a representative.

His portrait hangs in the House chamber and in the Barnwell County Courthouse. A bronze bust stands in the lobby of the Solomon Blatt building.

He has received honorary doctor of laws degrees from the Augusta Law School, Lander College and his alma mater.

He is survived by his son, U.S. District Judge Solomon Blatt Jr. and three grandchildren.

[From the Charlotte Observer, May 15, 1986]

S.C.'s Rep. Sol Blatt—Barnwell Democrat Was Still Legislator After 54 Years

(By John Monk)

Columbia.—Solomon Blatt, the feisty grand old man of S.C. politics, died early Wednesday at Barnwell County Hospital of heart and respiratory problems. He was 91.

At his death, Rep. Blatt, a Democrat, was still serving in the S.C. House of Representatives and was the longest-serving active legislator in the nation.

First elected in 1932, Rep. Blatt was House speaker from 1937 to 1946, and again from 1951 to 1973. In his early years as speaker, he exercised enormous power, power that began to wane in the late 1960s after he made a public speech construed by many as racist.

During his ascendant years, however, Rep. Blatt was a consummate power broker who, with the late Sen. Edgar Brown, controlled the S.C. General Assembly for decades.

"Our state government will always carry his mark," said Gov. Dick Riley in a tribute. "South Carolina has lost a true leader."

Rep. Blatt had been ailing in recent years. His familiar figure—he had a large shiny bald head and usually wore a dark suit—was seen only occasionally at the legislature.

Wednesday, his desk was draped in black cloth. On top, a single white carnation stood in a glass vase.

Graveside services are today at 11 a.m. next to Holy Apostle Episcopal Church in Barnwell.

Rep. Blatt's base of power was tiny Barnwell County, his birthplace, where voters returned him to office for 26 consecutive two-year terms.

He was powerful, in part, because the speaker of the House controls debate and makes committee assignments. He also was powerful because of his personality—a workaholic drive that led him to master parliamentary tactics and use them with skill and ruthlessness.

Despite his position, Rep. Blatt was not aloof, He took pains to meet and court young legislators and do them favors. His speeches were sometimes so fervent that tears ran down his cheeks.

In his later years, as his power slipped, he even begged fellow legislators for votes on matters he thought crucial, reminding them in a strong but shaky voice that he might die any day.

Another legislator, Rep. Ben Thrailkill, R-Horry, said Wednesday that several months ago he had agreed to pledge a vote for state Supreme Court justice candidate Rodney Peeples because Rep. Blatt had entreated his pledge, saying, "I don't know how many days I've got."

In his book "The Provincials," Eli Evans wrote of Rep. Blatt's style at its height:

"King Sol keeps it moving all session long, lunching with lobbyists, granting an interview, adjusting the language of bills, ramroding an amendment, standing aside, compromising with the Senate and making the law. . . . Sol doesn't just guide the House, he drives it."

In 1973, facing a challenge to his power from then-Rep. Rex Carter, Rep. Blatt resigned as speaker. But first, he negotiated an agreement that guaranteed him secretarial help, a carpeted office, and the title "speaker emeritus" to soften the transition.

Some said the real beginning of Rep. Blatt's fall came in 1966, when he made an emotional speech opposing reenactment of the state's compulsory school law, which had been repealed earlier to allow whites not to send their children to integrated schools.

"Do you want some 16-year-old so-and-so holding the hand of your little granddaughter In the classroom? Sol Blatt doesn't want that. For God's sake, help me out," said Rep. Blatt, who later denied he was referring to blacks when he said "so-and-so."

Throughout his long career, Rep. Blatt's name was never attached to any major legislation.

But his influence was such that former Gov. John West said, "If he was against an issue, it would almost surely fail."

Rep. Blatt's favored projects included his alma mater, the University of South Carolina (USC), and the Savannah River Plant, a massive, controversial federal plant in Aiken and Barnwell counties that manufactures materials for nuclear weapons.

In a state where powerful people have roads and buildings named after them while still living, Rep. Blatt accumulated his share of memorials.

Things named for him include three roads, a five-story state office building in Columbia, the physical education center at USC, a building at Barnwell County State Park and a gym at Barnwell High School.

Even with his health failing, Rep. Blatt—a lawyer—in recent years could still give an impassioned speech on the House floor or in the courtroom.

In June 1985, he took to his feet to beg House members to compromise with the Senate on the state budget. "My days as a public servant are about over. This may be my last trip to this House. . . . Grab your neighbor's hand and say, 'I love you, but I love South Carolina more.' "

A month later, Rep. Blatt asked a federal judge in Charleston to be lenient to a drug dealer.

"Show him mercy, because we all must face our Maker. Shortly—it can't be long—I must face my God," said Rep. Blatt.

He was a member of a four-man political band in the 1940s and 1950s many called "The Barnwell Ring." The others, from the Barnwell area, were Brown, who controlled the Senate Finance Committee. Gov. Emile Harley and former Rep. Winchester Smith.

"Blatt, by his policy of appointing no more than one member from any county to the Ways and Means Committee . . . ensured that the eight counties with half the population would have no more than one-third the vote," wrote author Jack Ba in his book "The Transformation of Southern Politics," describing how Rep. Blatt symbolized the ring's power.

Rep. Blatt once told a reporter he had no hobbies, never went swimming or golfing, had fished once and never took a vacation.

"If I went to Florida, what could I do? I'd just stay in a motel room all day."

Rep. Blatt's father, Nathan Blatt, was a Jewish Russian immigrant, who went to Charleston after arriving in New York and became a peddler in the Lowcountry, carrying a 150-pound pack of goods on his back. At first unable to speak English, he managed to open a store in Blackwell in Barnwell County. Young Solomon worked in it.

Doing secretarial work for a magistrate, Rep. Blatt became interested in law. He attended USC and graduated from law school in 1917—the year the United States entered World War I.

Enlisting, Rep. Blatt was sent to France and served on the western front. Coming home, he practiced law before being elected to the House in 1932.

His wife, Ethel, died in December 1985. He is survived by a sister, Mrs. Rebecca Mirmow of Orangeburg; a son, U.S. District Judge Solomon Blatt Jr.; and three grandchildren.

[From the South Carolina Legislative Manual, 1986]

SPEAKER EMERITUS

BLATT, Solomon [D] (Dist. No. 91, Barnwell-Allendale Cos.)—Lawyer, firm of Blatt & Fales, residing at Barnwell; *b.* Feb. 27, 1895, at Blackville; *s.* Nathan and Mollie (Blatt) Blatt of Blackville; *g.* Univ. of S.C., LL.B., 1917; Mar. 18, 1920 *m.* Ethel Green of Sumter; Trustee, Barnwell School 34 yrs.; on Gov. Blackwood's staff; Military Service: WW I Veteran, Supply Co., 323rd Inf., USA 81st Div., Apr. 1918–Mar. 1919; Trustee, Univ. of S.C. 1936–48; previous service in House, 1933–85; elected Speaker *Pro Tempore,* without opposition, Jan 8, 1935, elected Speaker over one opponent Jan 12, 1937, re-elected in 1939–1945 without opposition, did not offer for Speaker in 1947 & 1949. Elected Speaker again Jan. 9, 1951 over one opponent; re-elected 1953–73 without opposition; unanimously elected Speaker Emeritus June 6, 1973, effective upon resignation as Speaker, July 31, 1973.

Mr. THURMOND. Mr. President, I am pleased to cosponsor legislation which would designate the U.S. Post Office to be constructed in Barnwell, SC, as the "Solomon Blatt, Sr., Post Office."

South Carolina suffered a great loss when Speaker Emeritus Solomon Blatt died earlier this week at the age of 91.

Solomon Blatt, better known to his friends as "Sol", served in the South Carolina House of Representatives for over half a century. He served as presiding officer of a legislative body longer than any other person in the Nation. Because of his outstanding service, Solomon Blatt was elected speaker emeritus of the South Carolina House of Representatives in 1973. He served in that capacity until his death.

Solomon Blatt began his legislative service in 1933. He made many contributions to South Carolina in the areas of education and economic development. He was a hallmark of fiscal responsibility, and helped the South Carolina government to gain and to maintain its nationally respected, high financial rating.

His dedication to his legislative duties was an inspiration, not only to the legislators who served with him, but to the people of our State. He will be sorely missed.

It is fitting that the new U.S. Post Office in Barnwell, where Blatt resided most of his life, be named in his honor. I urge my colleagues to lend their support to the prompt passage of this legislation.

By Mr. COHEN (for himself and Mr. NUNN):

S. 2453. A bill to enhance the capabilities of the United States to combat terrorism and other forms of unconventional warfare; to the Committee on Armed Services.

(The remarks of Mr. COHEN and Mr. NUNN and the text of the legislation appear earlier in today's RECORD.)

By Mr. MURKOWSKI (for himself, Mr. WARNER, Mr. SIMON, Mr. CRANSTON, Mr. DECONCINI, and Mr. DENTON):

S. 2454. A bill to repeal section 1631 of the Department of Defense Authorization Act, 1985, relating to the reliability of Government contractors for injuries or losses of property arising out of certain atomic weapons testing programs, and for other purposes; to the Committee on Armed Services.

REPEAL OF SECTION 1631 OF THE DEPARTMENT OF DEFENSE AUTHORIZATION ACT

Mr. MURKOWSKI. Mr. President, as chairman of the Senate Committee on Veterans' Affairs, I am introducing today, along with my distinguished colleagues, Senator JOHN WARNER, from Virginia, Senator PAUL SIMON from Illinois, Senator ALAN CRANSTON from California, Senator DENNIS DECONCINI from Arizona, and Senator

JEREMIAH DENTON from Alabama, a bill to repeal section 1631 of the Department of Defense Authorization Act of 1985 related to the right of individuals to seek redress in court for acts or omissions of nuclear weapons contractors in carrying out the atomic weapons testing program. This matter is of great concern to Senator WARNER and me because of the impact that section 1631 may have on veterans, who, at the time of the U.S. nuclear weapons test program, were serving in the Armed Forces, and were participating in the tests. Senator WARNER, who at the request of the Department of Energy, inserted section 1631 into the 1985 Department of Defense Authorization Act, urged my committee to conduct hearings to consider the impact of the provision on the rights of veterans to seek redress for their disabilities.

Mr. President, ever since the nuclear test program, concern has been expressed about the long-term health effects of radiation exposure. Today that question has a deeper, more urgent significance. More than 80,000 scientific studies have already been done on the health effects of ionizing radiation. The United Nations, the National Academy of Sciences, and the National Institutes of Health, to name a few, have published their findings concerning radiation-related diseases. The Congress has held numerous hearings on these matters, particularly as it pertains to the possible long-term health effects of radiation exposure on those veterans who participated in the nuclear test program. As a result in 1984, Congress passed the "Veterans' Dioxin and Radiation Exposure Compensation Standards Act"—Public Law 98-542—to require the Veterans' Administration to establish a uniform process for adjudicating disability claims related to ionizing radiation exposure.

Though the VA's disability compensation system provides an administrative avenue for veterans who were exposed to ionizing radiation to seek redress for the disabilities they believe were related to that exposure, as a result of section 1631 these veterans no longer have access to the courts to seek redress from the contractors involved in the test program. Prior to October 1984, suits could be brought against contractors who participated in the testing program, but the contractors were indemnified by the government for all costs of litigation, judgments or settlements. Section 1631 of the Department of Defense Authorization Act of 1985—Public Law 98-525—established the United States as defendant in these cases, but provided that such cases would fall under the jurisdiction of the Federal Tort Claims Acts [FTCA]. However, the FTCA provides the United States with certain defenses that effectively bar judgments on behalf of many claimants. For example, the Feres doctrine established by the Supreme Court precludes judgments against the U.S. Government under the Federal Tort Claims Act for injuries to servicemen incurred in the course of their service. Thus, veterans are entitled to seek compensation and service-related injuries from the Veterans' Administration, but cannot sue the Government if their claims are not approved. Between 1978 and September 1985, the Veterans' Administration granted benefits for less than 3 percent of claims from veterans for exposure to radiation resulting from atomic weapons tests. Prior to enactment of Public Law 98-525, such claimants were able to sue private contractors. Similarly, suits by civilian employees are precluded by the Federal Employees Compensation Act. In response to the concerns raised by Senator WARNER and representatives of atomic veterans' organizations, I held hearings on November 14, 1985, to review the VA's implementation of Public Law 98-542 and to consider the effect of section 1631 on our Nation's veterans.

As a result of the information and testimony received at these hearings, I have determined that it is essential that this matter be discussed in the committee of jurisdiction, the Judiciary Committee, to resolve, what I believe to be some very serious matters. I am concerned that the VA's administrative system can only go so far in providing a suitable remedy for veterans.

Senator STROM THURMOND, Judiciary Committee chairman, has assured me that he will hold hearings on June 23 or 24 to consider these matters. I believe that at that time would be appropriate for the Judiciary Committee to consider all aspects of this issue, including total and partial repeal of section 1631, possible modifications to the Feres doctrine, and alternative systems of compensation. I intend to provide Senator THURMOND with copies of the November 14 hearing transcripts and additional materials to assist him in considering all relevant issues.

It is for these reasons that I introduce this measure today. I have reached no conclusion prematurely on the best course of action that should be taken. I do strongly believe that a full and open discussion should take place in the appropriate committee forum before any action is taken by the full Senate. The philosophical and legal issues raised by section 1631 merit comprehensive and thoughful consideration by the Congress. My intent today is to add an important option to that discussion. I hope this legislation will serve as a vehicle for discussion and aid in the resolution of the serious question of access to Federal courts by veterans exposed to ionizing radiation.

Mr. President, I ask unanimous consent that my February 13, 1985, April 2, 1985, and April 29, 1986 letters on this matter as well as a letter from the Department of Energy be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, February 13, 1985.

Hon. JOHN W. WARNER,
U.S. Senate, Washington, DC.

DEAR JOHN: Thank you for your letter of recent date requesting that the Senate Committee on Veterans' Affairs hold a hearing to assess the impact on the legal rights of certain veterans of section 1631 of the Department of Defense Authorization Act for Fiscal Year 1985, P.L. 98-525.

Under section 1631 of P.L. 98-525, contractors participating in United States atomic weapons testing activities are considered to be instrumentalities of the federal government. Accordingly, the Federal Tort Claims Act, 28 U.S.C. sections 1346(b) and 2672, or the Suits in Admiralty Act, 46 U.S.C. sections 741-752 and 781-790, as appropriate, is made the exclusive legal remedy for third parties alleging loss of property, personal injury of death due to the acts or omissions of the contractors. Specifically, section 1631 provides a remedy against the United States for loss of property, personal injury or death due to exposure to radiation based on acts or omissions by a contractor conducting atomic weapons tests under a contract with, and under the direction and control of, the United States. This section expressly precludes any other civil action by private individuals against a contractor for the purpose of determining civil liability from acts or omissions of the contractor. Section 1631 provides that the Attorney General of the United States will defend civil actions brought against such contractors.

As you state, individual veterans and veteran groups have expressed the opinion that section 1631 has denied certain veterans sufficient remedy to redress personal injury allegedly due to exposure to radiation while on active military duty resulting from the acts or omissions of a contractor. There is the apparent concern among these veterans and veteran groups that the Veterans Dioxin and Radiation Exposure Compensation standards Act. P.L. 98-542, may not adequately compensate the affected veterans and that a civil suit under section 1631 seeking a fuller recovery would be barred by application of the *Feres* doctrine. In *Feres* v. *United States*, 340 U.S. 135, 144 (1950), the Supreme Court held that the United States "is not subject to liability under the Federal Tort Claims Act for injuries to servicemen where the injuries arise out of or are in the course of activity incident to military service."

In light of the strong interest of the Senate Committee on Veterans' Affairs in all matters relating to veterans, I intend to honor your request and schedule a hearing for the purpose of evaluating the effect on the legal rights of certain veterans of section 1631 of P.L. 98-525. At this time, I am unable to determine whether this matter will be the subject of a separate hearing or will be heard in conjunction with a hearing on other veterans' issues. As soon as more information with regard to scheduling is developed, I will be back in touch with you.

Thank you for your interest in the welfare of this country's veterans.

Sincerely,

FRANK H. MURKOWSKI,
Chairman.

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, April 2, 1985.

Hon. STROM THURMOND,
Chairman, Senate Committee on the Judiciary, U.S. Senate, Washington, DC.

DEAR STROM: I am writing to request that you consider scheduling a hearing of the Senate Committee on the Judiciary, to be conducted jointly with the Senate Committee on Veterans' Affairs, for the purpose of assessing the impact on the legal rights of certain veterans of section 1631 of the Department of Defense Authorization Act for Fiscal Year 1985, P.L. 98-525.

Please permit me to provide background information. Under section 1631 of P.L. 98-525, contractors participating in United States nuclear weapons testing activities are considered to be instrumentalities of the federal government. Accordingly, the Federal Tort Claims Act, 28 U.S.C. section 1346(b) and 2672, or the Suits in Admiralty Act, 46 U.S.C. sections 741-752 and 781-790, as appropriate, is made the exclusive legal remedy for persons alleging loss of property, personal injury or death due to the acts or omissions of the contractors.

Specifically, section 1631 provides a remedy against the United States for loss of property, personal injury or death due to exposure to radiation based on acts or omissions by a contractor conducting nuclear weapons tests under a contract with, and under the direction and control of, the United States. This section expressly precludes any other civil action by private individuals against a contractor for the purpose of determining civil liability from acts or omissions of a contractor. Section 1631 provides that the Attorney General of the United States will defend actions brought against such contractors.

Veterans whose military service involved participation in nuclear weapons testing, have expressed the view that section 1631 denies them the constitutional right of due process under the laws by preventing them from obtaining a legal remedy to redress personal injuries allegedly due to exposure to radiation which on active military duty. There is the concern among these veterans that a civil suit under section 1631, seeking compensatory damages, would be barred by application of the principle of sovereign immunity and the *Feres* doctrine. In *Feres v. United States*, 340 U.S. 135, 144 (1950), the Supreme Court held that the United States "is not subject to liability under the Federal Tort Claims Act for injuries to servicemen where the injuries arise out of or are in the course of activity incident to military service."

In light of the vital interest of the Senate Committee on Veterans' Affairs in all matters relating to veterans, I have indicated my intention to schedule a hearing for the purpose of evaluating the effect on the legal rights of certain veterans of section 1631 of P.L. 98-525. However, since the legal questions presented bear on the Federal Tort Claims Act, I believe that a joint hearing of the Senate Committee on the Judiciary and the Senate Committee on Veterans' Affairs would be the preferable forum for discussion of this matter. The Senate Committee on the Judiciary has jurisdiction over the Federal Tort Claims Act and would be the proper committee to conduct oversight of the legal issues raised by section 1631, the Federal Tort Claims Act and the relevant case law.

I appreciate your attention to my request and look forward to hearing from you.

Sincerely,

FRANK H. MURKOWSKI,
Chairman.

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, April 29, 1986.

Hon. STROM THURMOND,
Chairman,
Hon. JOSEPH R. BIDEN, Jr.,
Ranking Minority Member, Committee on the Judiciary, U.S. Senate, Washington, DC.

DEAR STROM AND JOE: We are writing to urge that your Committee hold hearings to consider the issue of whether there is a need for legislative changes to section 1631 of Public Law 98-525 to the FY 85 DoD Authorization Act. This section provides that suits for personal injury or death due to radiation exposure resulting from a federal government contractor's activities in carrying out nuclear weapons tests must be brought against the federal government and may not be brought against the contractor.

Because one of the groups of individuals most directly affected by this section, the so-called "Warner Amendment", comprises individuals who were exposed to radiation while serving in the Armed Forces, Senator Warner requested that our Committee hold an oversight hearing to consider the impact of his amendment on those veterans who believe that they were injured during the test program. Such a hearing was held last November 14.

After considering the issues and testimony before the Committee, we have concluded that, although our Committee does have jurisdiction over matters of concern to veterans, we do not have jurisdiction over this legislation. Rather, we believe that the specific issue addressed by the "Warner Amendment"—that is, the right of individuals to seek redress in federal court for harm they believe is due to exposure to radiation as a result of the actions of government contractors—is under the jurisdiction of the Judiciary Committee. We, therefore, urge that your Committee conduct a hearing on this issue. We would, of course, be happy to share with you the information we gathered in connection with our Committee's hearing last November.

We thank you for your attention to our request and look forward to hearing from you in the near future.

Sincerely,

FRANK H. MURKOWSKI,
Chairman.
ALAN CRANSTON,
Ranking Minority Member.

THE SECRETARY OF ENERGY,
Washington, DC, May 15, 1986.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Veterans Affairs, U.S. Senate, Washington, DC.

DEAR SENATOR MURKOWSKI: I have been advised that on May 13, 1986, the House of Representatives passed H.R. 1338, a bill that would allow suits against the United States for acts or omissions of contractors in carrying out the atomic weapons testing program, and to substitute the United States as party defendents in suits brought against such contractors.

As you know, H.R. 1338 would make a significant change in the Federal Tort Claims Act. In order to ensure that the extremely critical and complex issues of law and public policy raised in H.R. 1338 are properly addressed, I would ask that before the full Senate considers this or any similar measure, it receive a full examination in hearings before the Senate Judiciary Committee. I would also ask that the Department be allowed to testify on this bill when such hearings are held.

Thank you for your consideration on this issue of such great importance.

Yours truly,

JOHN S. HERRINGTON.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the full text of the proposed legislation be printed in the RECORD, also.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2454

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1631 of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2646) is repealed effective on October 19, 1984.

(b) The period during which section 1631 of the Department of Defense Authorization Act, 1985, was in effect shall not be taken into account in computing the period provided in any Federal or State statute of limitations applicable to any civil action for an injury, loss of property, personal injury, or death described in subsection (a)(1) of such section.

Mr. WARNER. Mr. President, I would like to take this opportunity to thank the distinguished chairman of the Judiciary Committee for scheduling hearings to consider the legal issues regarding appropriate compensatory measures for veterans who consider themselves harmed by radiation from atomic tests conducted by our Government.

In 1983, and again in 1984, the administration proposed legislation which provided that contractors for the Government involved in atomic energy defense activities are considered instrumentalities of the Federal Government and, as such, are not subject to suit by private individuals for effects thought to be derived from those activities associated with the research, development and testing of nuclear weapons.

This measure was enacted into law as section 1631 of Public Law 98-525, the DOD authorization bill.

Prior to introducing this provision, I was assured by the Veterans' Administration and the Department of Justice that veterans' interests would be effectively protected by the "Veterans Dioxin and Radiation Exposure Compensation Act", Public Law 98-542, which was signed into law in the spring of 1984.

My assessment at that time, based on information I received from the administration, was that the atomic vet-

erans cases would be dealt with more fairly and equitably under the provisions of Public Law 98-542 than if these cases were allowed to proceed on an individual basis in the State courts.

The veterans themselves have since indicated that Public Law 98-542 has not been effective in addressing their claims.

Further, these veterans feel that section 1631 has denied their legal rights and treats them unfairly.

Since my intentions were never to harm the legal rights of this group of veterans, several months ago I requested the chairman of the Veterans Affairs Committee to hold hearings on this issue.

I would like to thank my good friend and distinguished colleague from Alaska, the chairman of the Veterans Affairs Committee, for scheduling and chairing an exhaustive set of hearings on this matter.

I appreciate the opportunity to participate in those hearings, and would like to thank the staff director of the Veterans Affairs Committee, Mr. Tony Principi, for his assistance and wise counsel.

I am hopeful that the hearings chaired by Chairman MURKOWSKI, coupled with the hearings Chairman THURMOND has now scheduled, will lead to a fair and equitable treatment of the atomic veterans as well as adequate protection for our Nation's atomic defense programs.

To ensure that all aspects of this issue—the bill recently passed in the House as well as other alternatives—are presented for consideration by the Judiciary Committee, I am joining the chairman of the Veterans Affairs Committee in introducing legislation to repeal section 1631.

If the Judiciary Committee concludes that this is an appropriate measure to address this issue, then we will pursue rapid enactment of this legislation.

Again, I would like to express my sincere appreciation to the Senator from South Carolina and the Senator from Alaska for their assistance and support on this important matter.

Mr. Chairman, I request unanimous consent that my letters of January 29, 1985, July 10, 1985, and three letters of May 5, 1986, on this subject be entered into the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, January 24, 1985.

Hon. FRANK H. MURKOWSKI,
Chairman, Veterans' Affairs Committee, U.S. Senate.

DEAR MR. CHAIRMAN: Section 1631 of Public Law 98-525 provides that contractors for the government involved in atomic energy defense activities are instrumentalities of the federal government and, as such, are not subject to suit by private individuals for effects thought to be derived from those activities associated with the research, development and testing of nuclear weapons. This provision, requested by the Administration in both 1983 and 1984, was passed by the Senate and finally incorporated in P.L. 98-525.

Prior to the enactment of Section 1631, I was assured by the Veterans Administration and the Department of Justice that the veterans' interests would be protected by the "Veterans Dioxin and Radiation Exposure Compensation Standards Act" (P.L. 98-542), which was signed into law last spring. Since the enactment of P.L. 98-525 individual veterans and veterans groups have indicated that Section 1631 may deny veterans sufficient remedy to redress any illness or injury they perceive as connected to atomic energy activities.

My assessment, based on the information I have received from the Veterans Administration and the Department of Justice, was that these veterans' cases would be dealt with more fairly and equitably under the provisions of P.L. 98-542 than if these cases were allowed to proceed on an individual basis in the state courts.

Since the veterans themselves have indicated that they feel that under Section 1631 they have been denied their legal rights and are not being dealt with fairly, I am writing to request that you hold hearings in your Committee on this matter as soon as possible. I am prepared to testify and present the background and my views on Section 1631 if you desire.

It is certainly not my intention to support any legislation that is damaging to the interests of our veterans. To the contrary, I feel that our veterans deserve fair and prompt consideration for their service to the country.

Thank you for your attention to this matter.

Sincerely,

JOHN W. WARNER.

U.S. SENATE,
Washington, DC, July 10, 1985.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Veterans' Affairs, U.S. Senate.

DEAR FRANK: I appreciate very much your scheduling a hearing to assess the impact on the legal rights of certain veterans of Section 1631 of the Department of Defense Authorization Act for Fiscal Year 1985, P.L. 98-525.

I understand that the hearing will be chaired by you on July 23 at 1:30 p.m. I want to offer to be of service in any way that you consider that I can be helpful.

Because of their obvious, intense interest in the issue, I would like to request that members of the National Association of Atomic Veterans be provided the opportunity to testify at the hearing.

Thank you again for your consideration, and please let me know if I can be of assistance.

With kindest regards,

Sincerely,

JOHN W. WARNER.

U.S. SENATE,
Washington, DC, May 5, 1986.

Hon. FRANK MURKOWSKI,
Chairman, Committee on Veterans' Affairs, U.S. Senate.

DEAR MR. CHAIRMAN: I appreciate very much your sending me a copy of your recent letter to the Chairman of the Judiciary Committee proposing that he consider hearings on the plight of atomic veterans.

You are very much aware of my role in introducing legislation (Section 1631, P.L. 98-525) in the FY 1984 Defense Authorization bill, which made contractors participating in atomic weapons testing programs instrumentalities of the federal government and precluded any other civil action by private individuals against a contractor for the purpose of determining civil liability from acts or omissions of the contractor.

I have also written a letter to the Chairman of the Judiciary Committee supporting your proposal that he chair hearings on this issue. I am enclosing a copy of that letter.

It has never been my intent to damage the legitimate interests of the atomic veterans. At the time the legislation described above was passed, I was assured by the Veterans Administration and the Department of Justice that the claims of these veterans would be dealt with more fairly and equitably by the then-recently passed P.L. 98-542, the "Veterans Dioxin and Radiation Exposure Compensation Standards Act". The atomic veterans continue to feel that this act does not provide a sufficient vehicle to address their claims.

In addition to joining in your proposal that the Committee on the Judiciary hold hearings on Section 1631 of P.L. 98-525, I would appreciate it very much if you would advise me of any findings and/or conclusions your committee may have reached on the atomic veterans issue as a result of your hearings.

Thank you again for your support and assistance in this matter. Please let me know if I can be of any assistance.

Sincerely,

JOHN W. WARNER.

U.S. SENATE,
Washington, DC, May 5, 1986.

Hon. STROM THURMOND,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to request that your committee hold hearings on Section 1631 of PL 98-525, the Federal Tort Claims Act and relevant case law.

Section 1631, which I introduced at the request of the Administration, provides that contractors for the government involved in atomic energy defense activities are instrumentalities of the federal government and, as such, are not subject to suit by private individuals for effects thought to be derived from those activities associated with the research, development and testing of nuclear weapons. This provision, requested by the Administration in both 1983 and 1984, was passed by the Senate and finally incorporated in PL 98-525.

Prior to the enactment of Section 1631, I was assured by the Veterans Administration and the Department of Justice that the veterans' interests would be protected by the "Veterans Dioxin and Radiation Exposure Compensation Standards Act" (PL 98-542), which was signed into law in the spring of 1984. Since the enactment of PL 98-525, individual veterans and veterans groups have indicated that Section 1631 denies veterans sufficient remedy to redress any illness or injury they perceive as connected to atomic energy activities.

My original assessment, based on the information received at the time of the Veterans Administration and the Department of Justice, was that these veterans' cases would be dealt with more fairly and equitably under the provisions of PL 98-542 than if these cases were allowed to proceed on an individual basis in the state courts. The vet-

erans themselves have indicated that they feel that under Section 1631 they have been denied their legal rights and are not being dealt with fairly.

I consider it appropriate that you hold hearings in your committee on this matter as soon as possible, since your committee has jurisdiction over the Federal Tort Claims Act. I understand that Chairman Murkowski and Ranking Minority Member Senator Cranston of the Veterans Affairs Committee have written to you and Senator Biden with a similar request to hold hearings on this matter. It was at my earlier suggestion that the Veterans Committee held hearings on this issue.

It was never my intent to damage the legitimate interests of our veterans. I am hopeful that hearings by the Committee on the Judiciary, along with those hearings already held by the Veterans Affairs Committee, will produce a just and fair solution for our veterans who feel they have been harmed by radiation.

Thank you for your consideration and support. Please let me know if I can be of assistance.

Sincerely,

JOHN W. WARNER.

U.S. SENATE,
Washington, DC, May 5, 1986.

Hon. JOHN S. HERRINGTON,
Secretary of Energy, Department of Energy, Independence Avenue SW., Washington, DC.

DEAR MR. SECRETARY: As you are aware, I introduced legislation at the request of the Administration in the FY 84 Defense Authorization Act to limit the liability of civilian contractors participating in our nuclear weapons testing activities.

Section 1631 of Public Law 98-525 provides that contractors for the government involved in atomic energy defense activities are instrumentalities of the federal government and, as such, are not subject to suit by private individuals for effects thought to be derived from those activities associated with the research, development and testing of nuclear weapons. This provision, requested by the Administration in both 1983 and 1984, was passed by the Senate and finally incorporated in PL 98-525.

Prior to the enactment of Section 1631, I was assured by the Veterans Administration and the Department of Justice that the veterans' interests would be protected by the "Veterans Dioxin and Radiation Exposure Compensation Standards Act" (PL-98-542), which was signed into law in the spring of 1984. Since the enactment of PL 98-525, individual veterans and veterans groups have indicated that Section 1631 may deny veterans sufficient remedy to redress any illness or injury they perceive as connected to atomic energy activities.

My original assessment, based on the information received at the time from the Veterans Administration and the Department of Justice, was that these veterans' cases would be dealt with more fairly and equitably under the provisions of PL 98-542 than if these cases were allowed to proceed on an individual basis in the state courts. The veterans themselves have indicated that they feel that under Section 1631 they have been denied their legal rights and are not being dealt with fairly.

In January, 1985 I requested that Chairman Murkowski hold hearings on this issue in the Veterans Affairs Committee. These hearings were held last November 14. Both Chairman Murkowski and I have now proposed to the Chairman of the Committee on the Judiciary that he hold hearings on Section 1631 of PL 98-525, the Federal Tort Claims Act and relevant case law.

I would appreciate being advised of the Administration's current position and recommendations on this matter based on the result of the hearings in the Veterans Affairs Committee and any other related developments.

Thank you for your assistance.

Sincerely,

JOHN W. WARNER.

● Mr. SIMON. Mr. President, I would like to support with my cosponsorship, Senator MURKOWSKI's amendment to repeal section 1631 of the Department of Defense Authorization Act of 1985. This amendment relates to the liability of Government contractors for injuries or losses of property arising out of atomic weapons testing programs. The amendment allows suits against contractors for acts or omissions of these contractors in conducting the Atomic Weapons Testing Program.

In June 1983, the Judiciary Committee asserted that section 1631 may be unfair to current and potential plaintiffs. The amendment deprives claimants of any right to sue for damages in negligence arising out of the Atomic Weapons Testing Program. Prior to passage of section 1631, known as the Warner amendment, civilians, veterans, and military personnel could bring suit against contractors for damages arising out of the Atomic Weapons Testing Program under State tort law.

The results of the Warner amendment, stipulating that suits brought against contractors involved in the Nuclear Testing Program would substitute the United States as a litigant, combined with the Feres doctrine prohibiting suits against the United States by military personnel for injuries sustained on active duty, block any adjudications of a veteran's claim.

I am an advocate for those seeking redress for injuries suffered during nuclear testing. They should not be forced to sacrifice their right to be heard in a court of law. I strongly urge my colleagues to support the repeal of section 1631 of the Department of Defense Authorization Act of 1985. I commend Senator MURKOWSKI for introducing this bill.●

Mr. CRANSTON. Mr. President, I am pleased to join with my friend from Alaska [Mr. MURKOWSKI], the chairman of the Veterans' Affairs Committee on which I serve as the ranking Democratic member, and with the other original cosponsors, Senators WARNER, SIMON, DECONCINI, and DENTON, in introducing S. 2454, a measure that would repeal section 1631 of the Department of Defense Authorization Act for fiscal year 1985, Public Law 98-525, effective on October 19, 1984, the date of the enactment of that provision. I have been interested in such legislation for some time and, in fact, had been working actively with Senators SIMON and DECONCINI in the preparation of such a measure when Senator MURKOWSKI invited us to join with him in introducing this bill. I am pleased to join with him so as to demonstrate our unity of purpose on this important issue.

Mr. President, section 1631 of Public Law 98-525, the so-called Warner amendment, provides that suits for personal injury or death due to radiation exposure resulting from a Federal Government contractor's activities in carrying out nuclear weapons tests must be brought against the Federal Government and may not be brought against the contractor. This provision originated in the Armed Services Committee and, although it relates to judicial remedies for actions involving the U.S. Government and makes specific references to various provisions in title 28, United States Code, it was not, prior to its enactment, considered by the committee of proper jurisdiction in the Senate, the Judiciary Committee.

As a result of my service on the Veterans' Affairs Committee, I have had a longstanding and very deep interest in issues relating to the concerns of veterans exposed to ionizing radiation during their military service. I chaired the first hearings in the Senate on this matter in 1979 and have actively pursued getting the Federal Government to shoulder its proper responsibilities vis-a-vis these veterans, and their survivors, who that Government deliberately exposed to ionizing radiation. In this regard, I have authored, and the Congress has enacted, legislation to provide health care to radiation-exposed veterans for conditions not caused by another factor; legislation to require the VA to develop, through a process allowing for public participation, special regulations prescribing uniform guidelines for resolving claims for VA compensation benefits; and legislation calling for a major study of the health of veterans exposed to nuclear test radiation.

I have also requested major investigations by the General Accounting Office—one of which, regarding safety precautions at "Operation Crossroads," was completed last December—into various aspects of the Nuclear Weapons Test Program.

Both by virtue of the numbers of veterans exposed to radiation in the Nuclear Weapons Test Program—estimates vary but it seems clear that there were at least 200,000 service members who participated in the Nucler Weapons Test Program while on active duty—and as a result of the Feres doctrine, the doctrine which derives from a 1950 Supreme Court decision, which bars suits against the United States by veterans for injuries or illnesses resulting from events while

on active duty, these veterans and their survivors were particularly adversely affected by section 1631.

Mr. President, in recognition of the very significant impact of section 1631 on veterans exposed to radiation during their military service, I early on sought to have the impact of section 1631 made the subject of hearings in the Senate. In that regard, I twice wrote Senator WARNER, on November 27, 1984, and on February 11, 1985. Later, on March 18, 1986, after the Veterans' Affairs Committee had held a hearing last November 14 on this issue at Senator WARNER's request, I wrote to Senator MURKOWSKI and asked that he join me in a letter to the Chairman [Mr. THURMOND] and ranking minority member [Mr. BIDEN] of the Judiciary Committee, urging that committee to hold a hearing to consider this issue. Finally, on April 29, 1986, Senator MURKOWSKI and I wrote to Senators THURMOND and BIDEN. I ask unanimous consent that these letters appear in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I am delighted that there is now a legislative measure for the Judiciary Committee to consider and that, the Judiciary Committee staff has advised, in response to our request of April 29, that that committee will hold a hearing on this issue and this legislation next month.

Mr. President, I am very pleased with this result. As I noted earlier, I have a longstanding interest in issues relating to veterans exposed to radiation during their service and was very surprised to learn of the existence of section 1631 following its enactment. Without making any judgment about the liability of any of the contractors involved with the Nuclear Weapons Test Program, I certainly believe that veterans who are concerned that they were adversely affected by radiation as a result of a contractor's negligence during the Nuclear Weapons Test Program should not be blocked from having their claims determined in court. With specific reference to the question of the liability of the various contractors who were involved with the Nuclear Weapons Test Program, it should be noted that, in light of the contractual relationship between the Government and the contractors, pursuant to which the Government has agreed to indemnify the contractors against any damages and to defend any lawsuits seeking such damages, it is not at all clear whether individual contractors will be at any risk, even if section 1631 is repealed.

Mr. President, I want to congratulate our colleague from Virginia [Mr. WARNER] for joining as an original cosponsor of this measure. His action in this regard is a tangible expression of his position that his original sponsorship of the provision that became section 1631 was premised on the view that it would not adversely affect anyone. He now recognizes, as a result of many contacts from veterans and their survivors and as a result of participating in the Veterans' Affairs Committee hearing last November, that there is a significant question as to the impact of the provision. It is very much to his credit that he is willing to have the matter reviewed and corrected as it should be.

Mr. President, I look forward to working with Senators MURKOWSKI and WARNER, as well as with Senators SIMON, DECONCINI, and DENTON and our other colleagues on the Judiciary Committee as we pursue this matter. In this regard, I note that, prior to the Judiciary Committee's hearing next month, I will introduce an amendment to this measure that would provide that in the event that on the date of the enactment of section 1631, an individual veteran or a veteran's survivor could have brought a civil suit under the applicable statute of limitations, that individual would have not less than 12 months following the date of the enactment of this repeal measure in which to initiate a civil suit against a contractor. I believe that such an additional period of time is needed so as to ensure that individuals who understood that they had lost the right to bring such an action as the result of the enactment of section 1631 have adequate time to learn of its repeal before again being barred from bringing suit by virtue of application of the relevant statute of limitations, even as our bill would propose to extend the period by the period of time that elapses from the date of the enactment of section 1631 to the date of the enactment of our bill.

There being no objection, the letters mentioned earlier were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, November 27, 1984.

Hon. JOHN W. WARNER,
U.S. Senate,
Washington, DC.

DEAR JOHN: As you know, as a result of my service on the Veterans' Affairs Committee, I have had a longstanding and very deep interest in issues relating to the concerns of veterans exposed to ionizing radiation during their military service. In this regard, I attempt to remain current on the status of matters that might affect these veterans and their dependents and was, therefore, quite surprised to learn of the provisions in section 1631 of Public Law 98-525, the FY 1985 DOD Authorization Act, which appear to make substantial changes in the rights of these individuals to seek redress for health problems which may be related to radiation exposure.

I was very pleased, therefore, to read in the November 14, 1984, Washington Post of your intention to hold hearings in the next Congress to investigate the impact of this provision. I believe that such hearings are extremely important. I urge you to schedule them as early as possible and to give as much advance notice of the proposed hearing schedule as is possible so that the many individuals concerned about this issue (including the civilians who were exposed to radiation as a result of their participation in the nuclear weapons test program or living downwind from test sites) can have a full opportunity to participate in the hearings.

I look forward to following these hearings closely and to working with you and others, as appropriate, on any legislative action.

With warm regards,

Cordially,

ALAN CRANSTON,
Ranking Minority Member.

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, February 11, 1985.

Hon. JOHN W. WARNER,
U.S. Senate,
Washington, DC.

DEAR JOHN: I am writing in follow-up to my November 27, 1984, letter to you regarding your announced plans, as a member of the Armed Services Committee, to hold a hearing on the provisions in section 1631 of Public Law 98-525 that appear to have made substantial changes in the rights of individuals exposed to radiation to seek redress for health problems which may be related to their exposure. Having not heard from you on this matter, I am writing to request information about your plans in this regard. Enclosed is a copy of my earlier letter in case it did not reach you over the recess.

Since sending that first letter to you, I understand that, in some informal, staff-level discussions, it has been suggested that you may have concerns about whether the subject matter of the section 1631 provisions is properly within the jurisdiction of the Armed Services Committee and that, in light of those concerns, you may be seeking to have the Veterans' Affairs Committee conduct such a hearing. Athough I would agree with any reservations you have regarding the Armed Services Committee's jurisdiction over this legislation—notwithstanding the fact that your Committee has twice acted on such provisions and apparently believed there was some basis for asserting jurisdiction—I do not believe that the Veterans' Affairs Committee is the proper Committee of jurisdiction. (For one thing, the section 1631 provisions affect the rights of civilians, such as those who lived downwind of the Nevada test site, who may have been exposed to radiation—an issue clearly not within the Veterans' Affairs Committee's jurisdiction.)

Rather, inasmuch as the section 1631 provisions in question relate to judicial remedies for actions against the United States and make specific references to various provisions in title 28, United States Code, I believe the Judiciary Committee, either alone or jointly with the Armed Services Committee, has the jurisdiction to hold such a hearing.

In light of Strom Thurmond's leadership role on both the Judiciary and Armed Services Committees, I am sending Strom a copy of this letter and will follow up with him regarding his views and plans on this issue. You may wish to take similar action.

In any event, I would like to reiterate the recommendations set forth in my November 27 letter and applaud your commitment to these hearings. I look forward to hearing from you on this issue at your earliest convenience.

With warm regards,
Cordially,

ALAN CRANSTON,
Ranking Minority Member.

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, March 18, 1986.

Hon. FRANK H. MURKOWSKI,
Chairman, Veterans' Affairs Committee, U.S. Senate, Washington, DC.

DEAR FRANK: I am writing in follow-up to my December 3, 1985, letter to you regarding the so-called "Warner Amendment" which, as you know, bars certain suits against nuclear test contractors and was the subject of a hearing before our Committee last November 14. In that letter, I asked that you consider joining with me in a letter to the Judiciary Committee urging that Committee to hold hearings to consider the need for changes in the "Warner Amendment".

As you may recall, in my opening statement at our Committee's hearing in November, I expressed my view that "Our Committee is not the correct forum in which that legislation should be evaluated." Later in the hearing, in a colloquy with Senator Warner, you also noted that any change to the "Warner Amendment" "would be done in the Judiciary Committee as opposed to the Veterans' Committee."

I continue to believe strongly that the specific issue addressed by the "Warner Amendment"—that is, the right of individuals who believe they may have been harmed by exposure to radiation as a result of the actions of non-governmental contractors—has not been appropriately addressed by the Committee of jurisdiction in the Senate, the Judiciary Committee. This failure can and should be addressed and thus I renew my request to you to consider joining with me in a letter to the Judiciary Committee to urge that Committee to hold hearings on this issue.

In this regard, I note that Senator Warner, in an interview reported in the January 25, 1986, Richmond News Leader (a copy of the article is enclosed) said he would "support revision of [the 'Warner Amendment'] that hindered [atomic veterans'] ability to sue defense contractors" However, Senator Warner indicated that "he was awaiting a recommendation by the Senate Veterans Affairs Committee" before taking further action.

Inasmuch as we both agree that this legislation is not within the jurisdiction of our Committee, I do not believe that it would be appropriate for our Committee to make any recommendation other than that the Judiciary Committee review this issue. Although I have not discussed this directly with Senator Warner, I would anticipate that he would support such a recommendation.

Frank, I congratulate you on your strong interest in seeking answers to the many questions relating to the issue of veterans' exposure to ionizing radiation from nuclear detonations. I look forward to continuing to work with you on that issue. With reference to the specific issue of the "Warner Amendment", however, I strongly believe that the most appropriate action that we and our Committee can take at this time is to urge the Judiciary Committee to under-take an inquiry into the matter. I ask for your support in that regard.

With warm regards,
Cordially,

ALAN CRANSTON,
Ranking Minority Member.

[From the Richmond News Leader, Jan. 25, 1986]

WARNER WOULD BACK CHANGE IN ATOMIC VETERANS LAW

(By Peter Hardin)

WASHINGTON.—U.S. Sen. John W. Warner, apparently bowing to complaints by veterans exposed to atomic radiation, says he would support revision of a law he sponsored that hindered the veterans' ability to sue defense contractors.

Congress heard testimony last fall from members of atomic veterans groups about their hardships and battles with government insensitivity. They appealed for changes in the law that Warner had introduced as an amendment in 1984.

In an interview yesterday, Warner didn't specify what kind of revision he would back but said he was awaiting a recommendation on by the Senate Veterans Affairs Committee, which held several of the hearings.

"I thought the atomic veterans, in a very responsible way, brought that issue to the focus," he said, "and we'll have to wait and see what the chairman and the members of that (veterans affairs) committee recommend."

If the committee recommends a change in the provision, he would support it, Warner added.

Asked whether he considered himself wrong for having sponsored the measure, Warner said, "No. Neither I nor the administration nor others were aware of all of the facts that have come to light."

The Virginia Republican said at another point, "Congress can and should undo things it has done when it is shown that we were in error. We're not infallible, any more than anybody else."

Was the atomic veterans policy in error, Warner was asked.

"I'm not going to make that judgment," he replied.

Representatives of atomic veterans' groups welcomed the development, which appeared to go beyond Warner's previous statements.

"It's excellent news from our point of view," said Tom J. Houser of Washington, who is with the National Association of Atomic Veterans.

"It represents a change of attitude, which really is a basic problem up on Capitol Hill."

"I'm very pleased to hear that Sen. Warner has seen the injustice that his amendment has brought . . ." said Dorothy Legarreta of Berkeley, Calif., administrative director of the National Association of Radiation Survivors.

"We're sure that thousands of atomic veterans and civilians will be gratified to hear that he is willing to consider a change in his amendment."

Alvin Guttman, a lawyer who has represented the veterans association in the past, called on Warner to help take care of the problems caused by his legislation.

"We hope he would be lending support and advice to the Veterans Affairs Committee in trying to remedy this problem," Guttman said.

Veterans exposed to atomic tests have said they were effectively blocked from suing by the Warner provision, which was an amendment to the 1985 Defense Appropriations Act, and a separate doctrine. Called the Feres doctrine, it bars suits by veterans against the government over injuries sustained on active duty.

Warner's amendment replaced defense contractors who are being sued in atomic-test cases with the government as defendant.

The Feres doctrine, when combined with the Warner provision, has barred atomic veterans' suit over injury or disease allegedly arising during the atomic tests, according to Guttman.

Warner said earlier he sponsored the amendment at the Reagan administration's request.

Rep. Frederick C. Boucher, D-9th District, has proposed creating an exemption to the Feres doctrine for atomic veterans to allow them to sue the federal government.

Warner said yesterday he didn't favor Boucher's route.

"If we cut one chink in the Feres doctrine, there's likely to be a series of cases of equal importance come along to cut successive chinks in it," he said.

Legislators have estimated that about 250,000 servicemen participated in the atomic weapons testing excercises.

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, April 29, 1986.

Hon. STROM THURMOND, *Chairman,*
Hon. JOSEPH R. BIDEN, JR.,
Ranking Minority Member, Committee on the Judiciary, U.S. Senate, Washington, DC.

DEAR STROM AND JOE: We are writing to urge that your Committee hold hearings to consider the issue of whether there is a need for legislative changes to section 1631 of Public Law 98-525 to the FY 85 DoD Authorization Act. This section provides that suits for personal injury or death due to radiation exposure resulting from a federal government contactor's activities in carrying out nuclear weapons tests must be brought against the federal government and may not be brought against the contractor.

Because one of the groups of individuals most directly affected by this section, the so-called "Warner Amendment", comprises individuals who were exposed to radiation while serving in the Armed Forces, Senator Warner requested that our Committee hold an oversight hearing to consider the impact of his amendment on those veterans who believe that they were injured during the test program. Such a hearing was held last November 14.

After considering the issues and testimony before the Committee, we have concluded that, although our Committee does have jurisdiction over matters of concern to veterans, we do not have jurisdiction over this legislation. Rather, we believe that the specific issue addressed by the "Warner Amendment"—that is, the right of individuals to seek redress in federal court for harm they believe is due to exposure to radiation as a result of the actions of government contractors—is under the jurisdication of the Judiciary Committee. We, therefore, urge that your Committee conduct a hearing of this issue. We would, of course, be happy to share with you the information we gathered in connection with our Committee's hearing last November.

We thank you for your attention to our request and look forward to hearing from you in the near future.

Sincerely,

FRANK H. MURKOWSKI,
Chairman.
ALAN CRANSTON,
Ranking Minority Member.

By Mr. MITCHELL:

S. 2455. A bill entitled the "National Organ and Tissue Donor Act"; to the Committee on Labor and Human Resources.

NATIONAL ORGAN AND TISSUE DONOR ACT

● Mr. MITCHELL. Mr. President, today I am introducing the National Organ and Tissue Donor Act. This law will assist the States in their efforts to increase the number of organs and tissues available for transplantation. The need is critical. A few weeks ago, members of the Kidney Foundation of Maine told me about patients who have waited as long as 5 years for a donor kidney. Some have died. Just this week, a 9-month-old infant, in a neighboring State, died because a donor liver was located 24 hours too late. Across the country, more than 8,000 Americans are waiting for a chance for a new life.

Recent medical advances, including better matching techniques and the development of a more effective and safer antirejection drug, have greatly improved the survival rates of transplant recipients. Those who receive new kidneys, for instance, enjoy a survival rate of over 95 percent. They are able to leave the very restricted existence of a dialysis patient and return to work and resume normal family life.

Kidney and other organs for transplant must come from young victims who are brain dead but maintained mechnically. There are approximately 20,000 such deaths each year, usually from auto accidents or cerebral hemorrhages. Only about 15 percent become donors now, because in most cases the family is never asked to consider donation.

Donor cards, often printed on drivers licenses, are recognized in every State as legal authority for organ retrieval, but hospitals require the consent of the next of kin. Some hospitals have personnel trained to discuss donation with grief-stricken families, but many do not. Surveys indicate that 80 percent of families would consent, if they were asked, and donor families have testified that knowing that other lives were saved has helped them to accept their own loss.

I am proud that Maine has acted to give life to those who wait and some consolidation to those who grieve. Maine's new law provides for staff training and sets procedures for discussing donation with the families of potential donors. Early indications are that donations will double or even triple in the dozen States that have laws like the one in Maine. However, unless more act the shortage will continue and Maine and other States will become net exports of life-saving organs. Every State has a responsibility to participate.

My proposal, therefore, will direct the Secretary of Health and Human Services to encourage and assist States to enact and implement routine request legislation. It will further require the Secretary to report to the Congress in 1 year on the activity of the Department and on the progress made by the States.

Routine inquiry legislation has already saved lives, but it is not a panacea. In 1984, the Congress passed major legislation which provided for the computerization of organ and tissue distribution. As the number of donations increases in routine inquiry States, efficient distribution will become all the more critical. It is imperative that the 1984 act be implemented without further delay.

Organ and tissue transplantation is a modern medical miracle. If we fail to significantly increase donation and improve distribution, it will be available only to a few. I urge you to support routine inquiry legislation in your own States and to join me in this national initiative.●

By Mr. LAXALT (for himself and Mr. HECHT):

S. 2457. A bill to grant the consent of Congress to the California-Nevada Interstate Compact; to the Committee on the Judiciary.

CONSENT OF CONGRESS TO THE CALIFORNIA-NEVADA INTERSTATE COMPACT

● Mr. LAXALT. Mr. President, I introduce with my distinguished colleague, Senator HECHT, a bill to provide for the approval of Congress to an interstate compact on the development, use, conservation, and control of water within the Lake Tahoe, Truckee River, Carson River, and Walker River Basins.

Final conditions of the compact were drafted in 1968 after some 12 years of negotiations and approved by the Legislature of California on September 19, 1970, and by the State of Nevada on March 5, 1971. It has never been ratified by the Congress, although 15 years have passed since it was approved by the two States. Both States have abided by its provisions since the date of approval by the State legislatures and neither has found reason to alter the basic allocation scheme.

The compact essentially recognizes existing water uses and apportions to each of the States those waters not needed to meet existing uses. All water over and above that not needed to meet existing uses is distributed to each State on a percentage basis. In ratifying the compact, the State legislatures added language designed to ensure that the compact would not deny anyone rights to use water within its allocations.

I will not attempt a lengthy historical outline of the reasons the compact has not been ratified, to date. Questions were raised about the allocations to certain of the parties, mainly Indian tribes, which have been the subject of several lawsuits. The Pyramid Lake Tribe claims all of the currently unappropriated water of the Truckee River system against both California and Nevada and feels the compact could adversely affect that claim. The two main lawsuits involving water rights on the Truckee River and allocations from Stampede Reservoir have been settled and the remaining suits can be litigated whether or not the compact is ratified. I believe it is time to bring some finality to the very sensitive matter of division of waters between the two States by ratifying this agreement which both States have found appropriate and fair.

Mr. President, I ask that a statement explaining the compact and the need for its ratification be printed in the RECORD.

Mr. President, I will not claim there are not differences remaining within Nevada. This compact will not deny, and cannot deny, relief of grievances which may be proven by any aggrieved party. But I do not expect any changes to occur to the compact regarding the basic allocation between the States. Moreover, any reopening of the basic allocations of the compact will be a reopening of long settled, historic uses. Thus, I urge swift and favorable action by the Congress on this important compact.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT ON CALIFORNIA-NEVADA INTERSTATE COMPACT

INTRODUCTION

The California-Nevada Interstate Compact was formulated to provide each of the States of California and Nevada their equitable share of the interstate waters of Lake Tahoe and the Truckee, Carson and Walker River Basins. The compact is intended to resolve many of the problems rising from each state's increasing use of a limited, common water supply. These problems, which finally resulted in the determination to negotiate an interstate compact, first came to public light in the late 1940's when the State Engineers of California and Nevada faced difficulties in the administration of water rights on the Truckee, Carson and Walker River Systems. The principal water using agencies in the lower basins were protesting all new water right applications on these streams which were not supported by long-term carryover storage. These agencies took the position that there was no unappropriated water available from natural flow in excess of their rights.

Need for compact

In 1947–48 an attempt was made to resolve this water right problem in the Lake Tahoe Basin. An investigation of the use of water in the Lake Tahoe watershed was made jointly by the two states in 1948, and results were reported in June 1949. The report concluded that granting applications then pending or those to be filed within the then foreseeable future for use within the Tahoe Basin for domestic purposes and recreational uses would have little effect, if any toward depleting Lake Tahoe to the detriment of downstream users. The report went on to recommend that as regards applications for appropriation of water for domes-

tic and recreational use in the Lake Tahoe watershed, it should be the general policy to continue to grant such applications. Subsequently, the State Engineers of the two states issued permits for water for domestic purposes over the protests of downstream water user organizations.

During the early 1930's, the Lake Tahoe Interstate Water Conference Committee, created by the Governors of Nevada and California, was actively engaged in adjusting conflicting differences raised by the then proposed "Truckee River Agreement". The Federal Government proposed to execute this agreement with Nevada water users as a supplement to the 1915 Truckee River Decree. As a result of the Conference Committee's efforts, provisions were incorporated into the decree establishing a maximum permissible water level for Lake Tahoe of 6229.1 feet above sea level. This maximum stands today and provides protection against avoidable flooding for all the properties adjacent to the Lake. Many other conflicting differences considered by the Committee were not solved at that time. Some of these, such as desirability of a reduction in the fluctuations of the level between maximum and minimum permissible limits, still plague the Lake Tahoe Basin.

In the Carson River Basin, from 1941 through 1949, the California State Engineer provided watermaster service on the West Carson River. In 1950, the State watermaster was replaced by a Federal watermaster acting under a preliminary adjudication and temporary restraining order filed in the case of the *United States* v. *Alpine Land and Reservoir Company, et al.* This case, initiated in 1925, was being pushed after many years of inactivity, in order that the water rights of the Carson River System would be adjudicated prior to construction of the Washoe Project of the U.S. Bureau of Reclamation.

As to the Walker River Basin, about 1950 there had been changes in membership of the Board of Directors of the Walker River Irrigation District and the Board of U.S. Water Commissioners which administers Decree C-125 of the Federal District Court of Nevada. These Boards instituted a strict administration of the rights defined in the decree affecting the Walker River. The watermaster was required to adhere to the letter of the Decree, causing great distress among users under vested rights, especially users in California. At the same time, the Walker River Irrigation District instituted engineering studies of potential water projects on the Walker River for the benefit of the District lands in Nevada. These would utilize nearly all of the remaining unappropriated waters of this river. Again, this alarmed the Walker River water users in California.

As a result of all of these water conflicts, the desirability of an interstate compact between California and Nevada was discussed by the two states. However, it was not until 1955 that legislation was obtained initiating compact negotiations. The legislation received further impetus at that time from the pending authorization of the Washoe Project, a Bureau of Reclamation Project to develop additional waters in the Lake Tahoe, Truckee River and Carson River Basins.

Establishment of commissions

Under similar legislation passed by the legislatures of California and Nevada in 1955, each state established a commission for the purpose of negotiating an interstate compact which would provide for the equitable distribution and use of the waters of Lake Tahoe and the Truckee, Carson and Walker River Basins.

Federal legislation was also passed authorizing these negotiations and providing for the appointment and participation of a federal representative.

Basis of negotiations

In general, provisions of the interstate compact, which were arrived at after nearly thirteen years of negotiations, reflect several basic principles. These can be summarized as follows:

1. Existing rights and beneficial uses are recognized as having the highest priority of use of available waters.

2. Waters not needed to satisfy these recognized existing rights and beneficial uses are to be divided in proportion to water needs of the two states.

3. Uses of water made under federal claims of right in each state are to be considered as benefiting the state in which the use is made and hence are to be charged against the allocation of that state.

Summary of major provisions of compact

Article IV—California-Nevada Interstate Compact Commission

Article IV establishes a permanent commission, provides for the selection of members and provides for the funding for the work of the commission. The ex officio chairman of the commission is a representative of the United States to be chosen by the President of the United States.

Article V—Lake Tahoe Basin

Upon construction and completion of an overflow weir at the source of the Truckee River above the existing structure at the outlet of the Lake, the total annual gross diversion from all sources in the Lake Tahoe Basin shall not exceed 34,000 acre-feet. The State of California is allocated 23,000 acre-feet annually and the State of Nevada is allocated 11,000 acre-feet annually for use within the Basin.

Existing transbasin diversions as of December 31, 1959, from the Lake Tahoe Basin in both states may be continued if such rights were recognized as vested rights under the laws of the state in which the diversion is made. The existing transbasin diversions recognized by the compact are: (1) In California, a diversion from Echo Lake, a tributary of the Upper Truckee River Basin, into the American River Basin in California averaging approximately 1,700 acre-feet per year. (2) A Nevada transbasin diversion is from North Creek (Third Creek), a tributary of Lake Tahoe, into Washoe Valley of 5.5 cubic feet of water per second. (3) A second Nevada transbasin diversion of a maximum of 3,000 acre-feet annually from Marlett Lake for use in Nevada.

These three transbasin diversions recognized by the Compact are historical uses and in existence on December 31, 1959. In Nevada the diversion from North Creek into Washoe Valley was determined by a District Court in Washoe County, Nevada, in 1892. The Marlette Lake diversion represents a part of the water system started in 1872 by the predecessors of the Virginia City Water Company to bring water from the Sierras to Virginia City to operate the ore reduction mills of the newly discovered silver bonanza.

Article VI—Truckee River Basin

The first allocation to Nevada is for water for use on the Pyramid Lake Indian Reservation in the amounts provided in the 1944 Truckee River Decree (Final decree in *United States* v. *Orr Ditch Company, et al.*, U.S. District Court for the District of Nevada, Equity No. A-3). This allocation recognizes the authority of the Federal Court Decree to serve an early priority (1859) of water to the Pyramid Lake Indian Reservation of some 30,000 acre-feet annually.

There is allocated to California: (1) The right to divert 10,000 acre-feet of water per calendar year within the Truckee River Basin in California. This water may be stored in reservoirs at times when the flow in the Truckee River at the Iceland gauge exceeds 500 cubic feet per second. This is the provision in the compact to allocate water from the Truckee River for use in California which was not a part of the Truckee River Decree of 1944. (2) The amount of water as decreed to the Sierra Valley Water Company by judgment in the case of the *United States* v. *Sierra Valley Water Company* in the U.S. District Court for Northern California. The amount of water decreed to the Sierra Valley Water Company totaled 60 cubic feet per second for irrigation, domestic and stockwatering during the irrigation season of March 15 to September 30 of each year. (3) Six thousand acre-feet of water annually from the conservation yield of Stampede Reservoir having a storage capacity of 225,000 acre-feet. California may divert all or any portion of the said 6,000 acre-feet from Stampede Reservoir directly or by exchange from any source on the Truckee River or its tributaries or from Lake Tahoe. (4) When the 16,000 acre-feet allocated to California is being used or its total use is imminent, California will be permitted to develop additional yields of water for use in California, either directly or by exchange if all existing beneficial uses in Nevada are recognized. Nevada may share in such additional yield by bearing a proportionate cost of the development. (5) The right to store in Prosser Creek Reservoir a maximum of 30,000 acre-feet of water annually. There is allocated to Nevada all water in excess of the allocations made to California.

Article VII—Carson River Basin

There is allocated to the State of California: (1) The right to divert from the West Fork Carson River for existing nonirrigation uses and for direct irrigation use commencing on March 15 and ending on October 31 of each year or presently irrigable lands determined to be approximately 5,600 acres, an aggregate flow of water equal to a thirty-day average of 3 cubic feet per second per 100 acres or 168 cubic feet per second for the area as a whole but not to exceed a maximum aggregate diversion of 185 cubic feet per second. One unique feature of the Compact is that it provides for the rotation of all or a portion of the flow of the West Fork between California and Nevada users if the flow falls below 175 cubic feet per second. (2) The right to divert from the East Fork Carson River for existing nonirrigation uses and for direct irrigation use commencing on March 15 and ending on October 31 of each year on presently irrigable lands, determined to be approximately 3,820 acres, an aggregate flow of water equal to a thirty-day average of 3 cubic feet per second or 115 cubic feet per second for the area as a whole. (3) The right to store 2,000 acre-feet of water per annum within Alpine County for supplemental use on presently irrigated lands adverse to Lahontan Reservoir.

There is allocated to the State of Nevada: (1) The right to divert water from the Carson River and its tributaries commenc-

ing March 15 and ending October 31 of each year at the rate of 3 cubic feet per second per 100 acres for use on presently irrigated lands above Lahontan Reservoir determined to be approximately 41,320 acres. The rate of 3 cubic feet per second per 100 acres is based on a thirty-day average for the area as a whole and shall not exceed 700 cubic feet per second on the East Fork Carson River, 300 cubic feet per second on the West Fork Carson River, and 220 cubic feet per second on the Main Carson below the confluence. (2) The right to divert or store water in Lahontan Reservoir for use on the Newlands Project subject to the diversion for existing irrigation use and to the right of each state to store waters upstream from Lahontan Reservoir.

Both states are allocated the right to store water in existing reservoirs upstream from Lahontan Reservoir to the extent of existing capacities. Present uses of Water on National Forest Lands in the Toiyabe National Forest are confirmed and recognized by both states. Additional yields shall be available for development under the currently authorized Washoe Project in excess of existing beneficial uses in Nevada as recognized by Nevada Law. Such additional yields shall be allocated between the State with equal priority, 20 percent allocated to California and 80 percent to Nevada. Each state has the right to participate in any development project by bearing a proportionate cost of such development. In the event a joint development is not feasible or desirable, each state may develop separately its proportionate share of the remaining water. Waters of the Carson River are not to be used outside the Carson River Basin except by exchange of other allocated waters from the Lake Tahoe or the Truckee River Basins.

Article VIII—Walker River Basin

The provisions of the decree in the case of *United States* v. *Walker River Irrigation District, et al.*, known as Decree C-125, are recognized and confirmed. (2) the right under Decree C-125 to store 85,000 acre-feet of water from the West Walker River in Topaz Reservoir is recognized and confirmed subject to certain exceptions. The first is that a maximum of 85,000 acre-feet of water less reservoir evaporation may be rediverted for use annually from November 1 through October 31 of the following year. The second is that the maximum rate of diversion to each reservoir is 1,000 cubic feet per second. And third, that water qualifed for storage and allowed to pass through the reservoir and not rediverted in Nevada will be deemed to have been held in storage. (3) The right under Decree C-125 to store 57,000 acre-feet of water from the East Walker River in Bridgeport Reservoir is recognized and confirmed subject to certain exceptions. The first being that a maximum of 57,000 acre-feet of water less reservoir evaporation may be rediverted for use annually from November 1 to October 31 of the following year; and secondly, water may be stored upstream from the Bridgeport Reservoir without loss to the quantity allocated for storage in the Bridgeport Reservoir. (4) Each state is allocated an amount for existing diversions and uses of water from the Walker River upstream from the Weber Reservoir and not specifically covered in Decree C-125. The Commission after being established to administer the compact will ascertain the amounts and priorities of such uses.

In addition to the allocation to recognize and confirm the provisions of the Walker River Decree C-125, there is allocated to Nevada for use on the Walker River Indian Reservation a maximum of 13,000 acre-feet for storage in Weber Reservoir and a later rediversion to use and in addition 9,450 acre-feet per year, both allocations to have a priority of 1933. The season for diversion of water to storage shall be from November 1 to October 31 of the following year. The season for diversion of water directly for use shall be from March 1 to October 31 and at a maximum rate of 60 cubic feet per second.

California is allocated the right to divert water from the West Walker River at the time Topaz Reservoir is storing water, if such diversions have no net effect on the Topaz Reservoir storage for the season.

There is allocated to the State of California, 35 percent of unused waters or waters in excess of the amounts allocated or required to satisfy all rights and uses recognized and confirmed. There is allocated to the State of Nevada 65 percent of such unused water. The reregulation of storage waters allocated are not to be considered as the development of "unused water".

Separate development may be undertaken by either state for surface storage of unused water of the West Walker River so allocated. The State Engineer of Nevada and the California Department of Water Resources have been directed to prepare and present a joint report by July 1, 1969. This report is to include a review of all potential developments of unused water of the West Walker River with the benefits to be obtained from each such development.

Article X—Interbasin Transfers of Use

Article X provides that either state may, directly or by exchange, use the allocations of the Truckee River in the Lake Tahoe or Carson River Basin and the waters of the Carson River in the Lake Tahoe or Truckee River Basin. It further provides that Lake Tahoe may be used as a physical facility to accomplish such an exchange.

Article XIII—Fish, Wildlife and Recreation

This article determines that the use of water for preservation, protection and enhancement of fish, wildlife and recreation is recognized as a beneficial use.

Article XXI—Non-Impairment of Rights of United States

Article XXI provides that, except as provided in Article XXII, the Compact cannot be construed as affecting the obligations of the United States to the Indians and Indian tribes or any right owned or held by or for Indians or Indian tribes subject to the jurisdiction of the United States. Nor shall it affect any rights or powers of the United States or its agencies in or to the waters of the Truckee, Carson or Walker River Basin or the Lake Tahoe Basins or the capacity of the United States to acquire rights in and to the use of those waters. Nor may it be construed as subjecting any property of the United States to taxation by either state. Nor may it be construed as subjecting any property of the United States to the laws of any state to an extent other than the extent to which such laws be applied in the absence of the Compact.

Article XXII—Ratification and Consent

Article XXII provides that the Compact shall be effective as it has been ratified by the legislators of Nevada and California and has been consented to by act of Congress of the United States and that Congress has provided in its consent legislation or by separate legislation that certain provisions of the Compact shall be binding upon the agencies, wards and instrumentalities of the United States.

Consideration of comments and suggestions

In 1965, a provisional draft of Compact was adopted by the two states. This was submitted to all interested agencies for comments and suggestions. Many federal agencies including Interior, Justice, Agriculture, and Commerce responded with comments and suggestions on how the Compact might be improved. Following the receipt of the comments of the federal agencies, California and Nevada spent two more years negotiating. The comments of the federal agencies were considered and utilized, and resulted in many changes in the proposed Compact. In some few instances the two states felt that the suggestions of the federal agencies could not be incorporated in the Compact.

In 1968, following the completion of the present Compact, the two states answered comments of the federal agencies to the 1965 draft. In many cases the suggestions had been adopted and in those instances in which they could not be used, the commission explained the reasons therefor.

Need for compliance by the United States

Those provisions which the two states believe the United States should agree to be bound are found in Article XXIII of the Compact and concern only the total amount of water allocated to each state.

It is of utmost importance for the governing agencies of the United States to understand that the United States is not bound to any particular use within either of the two states nor to any particular development of any future project within the states, but would only be bound with respect to the allocations of water between the two respective states. Consequently, for effective administration and effective allocation, the states of California and Nevada believe most strongly that it is necessary for the United States to consent to enter into a binding contract insofar as Article XXII of the Compact is concerned.

The United States owns or controls almost all the storage and diversion facilities on the Truckee and Carson Rivers and Lake Tahoe. Its failure to agree to the allocations provided in the Compact would nullify the force and effect of the substantive provisions of said Compact. As an example, the United States claims the rights to all water stored in Lake Tahoe between elevations 6223 and 6229.1, or approximately 720,000 acre-feet of water. The Compact provides for use within the Tahoe Basin of 34,000 feet allocated on the basis of approximately two-thirds to California and one-third to Nevada. Failure of the United States to agree to this use in each of the states would preclude the development of perhaps one of the greatest recreational resources in the country.

The area to which the Compact applies is one which unfortunately cannot claim either a firm or sufficient supply of water for its potential domestic, industrial and recreational development. Thus, present uses are provided for in the Compact in terms of allocation of the water to the respective states with the hope that conservation use may allow some development for the future in these areas.

Should the United States refuse to agree to these allocations and refuse to consent to be bound by them, neither state can plan, develop or assume its indiviual obligation for what appears to be its future destiny. Certainly presently unused waters that are available and could be developed in the

future would entail partnership of the United States as a party to the development. Each of the two states look to the United States as a partner in such development rather than as a partisan. The waters in excess of present uses have been allocated as between the two states and if the United States as a partner in the development of any future project, which at present appears to be the only realistic approach, were not bound by the allocations of water, the agreements between the two states would be of no effect.●

By Mr. SIMON:

S. 2458. Joint resolution to clarify the antitrust exemption of the business of insurance, and for other purposes; to the Committee on the Judiciary.

INSURANCE ANTITRUST COMPETITION

● Mr. SIMON. Mr. President, the insurance crisis that currently confronts this Nation is serious and extremely perplexing. This crisis cuts across every sector of the economy and has rapidly developed into the No. 1 problem of interstate commerce.

Businesspeople, public entity officials, and people in virtually every profession are appealing to Congress with increasing urgency for relief from skyrocketing insurance premiums.

This crisis defies facile analysis and a quick fix. Insurance industry people say the price increases are necessary largely because of excessive litigation an multimillion-dollar settlements. They are calling for changes in the Nation's tort laws.

Others contend that the insurers themselves are responsible for the situation. They say insurance companies are raising rates to recoup losses resulting from artifically low premiums in the early 1980's and that this huge socially and economically important industry needs tighter regulation.

The ultimate role of the Federal Government in solving this crisis is still unclear. Many State governments are attempting to address the insurance crisis administratively and in their legislatures. It has been charged that the States are moving too slowly or not far enough and that the possible mish-mash of reforms may need to be sorted out at the Federal level.

While I am not prepared to support Federal regulation of the insurance industry or massive changes in our tort system, there is merit in some of the suggestions that have been made on both sides of this issue.

As a first priority we must do everything possible to alleviate the intense problems of liability insurance availability and affordability that are wreaking havoc on the lives and livelihoods of many Americans.

The country cannot remain captive to grotesquely exaggerated and disruptive insurance market cycle fluctuations.

The bill I am introducing today—the Insurance Competition Act of 1986—is a first, significant step in addressing some of these complex problems. It embodies a long overdue reform of the McCarran-Ferguson Act. It is based on recommendations made by the National Commission for the Review of Antitrust Laws and Procedures in 1979. I ask that the portion of that report that deals with insurance be inserted into the RECORD at the end of my remarks.

While the price of insurance will be reduced significantly in the short term if this bill becomes law, it will improve the competitive environment in which the insurance business operates and will help prevent future liability insurance crises.

The purpose of the Insurance Competition Act of 1986 is to promote full and open price competition in the insurance business and in particular in the commercial property and casualty lines. It does not reduce the ability of States to regulate rates.

Since the McCarran-Ferguson Act was passed in 1945, the insurance industry has been virtually exempt from the Federal antitrust laws. Current law permits insurance companies to engage in joint activities that would be illegal for companies in other industries.

In 1979, the bipartisan National Commission for the Review of the Antitrust Laws recommended that "the broad antitrust immunity granted by the McCarran-Ferguson Act should be repealed" and that narrowly drawn legislation "affirming the lawfulness of a limited number of essential collective activities" be adopted. The Commission also recommended that the States adopt regulatory schemes that place maximum reliance upon "independent behavior." This bill takes a major step toward accomplishing these goals.

The Insurance Competition Act will require insurance companies to think, plan and operate in a more competitive framework. Although companies will be permitted to exchange information regarding losses and other information necessary to generate credible data about expected losses for various classes and lines of insurance, they will be prohibited—for the purposes of Federal antitrust law—from exchanging data concerning each company's cost of doing business. And they will be prohibited from joint action to establish rates.

The "overhead" factor represents between 25 to 45 percent of the final premium charged to consumers. Insurance companies do not need to exchange such information to price their products knowledgeably and this added competition will promote industry efficiency and help keep insurance rates reasonable.

In order to assure that this competitive policy is implemented to the maximum extent possible without unduly limiting the authority of States to regulate insurance rates, the bill preempts State laws or regulations to the extent that those laws permit but do not require joint activities that might otherwise violate Federal antitrust law. The bill will not affect State laws which require insurance companies to obtain the prior approval of insurance rates by a State insurance commissioner, but it would preempt a State law which allows companies to jointly set final rates.

This limited preemption of permissive State laws and regulations will apply only to commercial risk insurance. This is a type of liability insurance which businesses, municipal governments and nonprofit organizations have found difficult to obtain. The States remain free to establish any system of regulation they consider appropriate for automobile, homeowners' and other types of "personal" insurance—which is more local in nature and whose purchasers are often less sophisticated than buyers of commercial liability policies.

This bill will not affect the ability of the States to require insurance companies to maintain adequate reserves to cover potential losses on the policies those companies write. If an insurer sold policies at rates that were too low to cover losses on those lines in an effort to maximize premium income or to increase market share, the State would retain the authority to require the insurer increase its reserves. Failure to comply with these orders could cause a company to lose its license.

The insurance industry claims that it suffers from too much competition—not a lack of it. If this is so, then the McCarran Act antitrust immunity is not needed and should be narrowed as proposed in this legislation.

The real problem with the current regulatory structure under the McCarran Act is that the insurance companies can engage in price competition when it suits their interests, but when restrictions on coverage and higher prices suits their interests, they are free to engage in joint action to implement those policies under the shield of the antitrust laws.

This freedom to choose or reject competition is a privilege that is not enjoyed by any other industry. This policy serves no compelling public or private interest.

There being no objection, the material mentioned earlier was ordered to be printed in the RECORD, as follows:

NATIONAL COMMISSION FOR THE REVIEW OF ANTITRUST LAWS AND PROCEDURES

CHAPTER ELEVEN: INSURANCE

Recommendations

1. The current broad antitrust immunity for the business of insurance granted by the McCarran-Ferguson Act should be repealed. In its place, narrowly drawn legislation should be adopted to affirm the lawfulness of a limited number of essential collective activities under the antitrust laws.

2. States should place maximum reliance on competition in pursuing their regulatory objectives. Although the Commission recognizes that the state action doctrine would exempt from antitrust scrutiny private action compelled and effectively regulated by the state to achieve legitimate social goals, we nonetheless believe that narrowly targeted antidiscrimination, disclosure, and similar statutes are preferable to such anticompetitive economic regulation as state ratesetting.

3. Further study of economic regulation of insurance should be undertaken by the relevant Congressional committees or by a special commission established by the President. The study should include:

(a) the appropriate regulatory response to problems of equity and discrimination in insurance rates;

(b) the relationship between such regulation and the availability and affordability of insurance;

(c) procedures by which such regulatory goals may be achieved in the least anticompetitive manner; and

(d) the appropriate role, if any, of federal legislation with respect to the business of insurance.

Under the McCarran-Ferguson Act of 1945, the "business of insurance" is exempted from the Sherman, Clayton, and Federal Trade Commision Acts to the extent that it is "regulated by state law." Utilizing the freedom granted by that statute, the states have enacted regulatory schemes of various types to supervise the ratesetting activities of property and liability insurance, including the activities of industry-controlled rate bureaus. Under the prevailing interpretation of McCarran-Ferguson, insurance company activities may be exempted from the coverage of the antitrust laws by the mere presence of a state regulatory scheme, without regard to whether these regulatory powers have been utilized to supervise the insurance industry effectively. As a result, various types of collective insurance company behavior are, as a practical matter, wholly free from control be either state regulation or the federal antitrust laws.

The Commission believes that the current immunity is not only overly broad, but also unnecessary: those collective activities by insurers that are essential to the fuctioning of an efficient, competitive industry would likely pass muster under the traditional rule of reason analysis of Sherman Act Section 1. Similarly, where collective activity or other insurance company behavior is affirmatively mandated by a state in its capacity as sovereign, and effectively supervised by independent state officials, such behaviour would fall within the judicially recognized "state action" exception to the antitrust laws.

Although there is general consenus that most segments of the industry are competitively structured, and that enhanced competition is an appropriate goal of state regulatory policy, many states adhere to regulatory schemes requiring prior approval of insurance rates, thereby discouraging independent pricing behavior. The costs of continuing the present system are not insignificant: where members of a competitively structured industry are allowed collectively published industry-wide rates—often without effective state supervision—in a regulatory environment that encourages uniform pricing, insurance premiums are likely to be higher than under a system that relies more heavily on independent pricing decisions. In some prior approval states, regulation may in fact keep rates below levels that would be produced by competition. Unduly low rates, however, may exacerbate availability problems.

Critics of proposals for reform do not argue that the existing broad antitrust immunity and state regulatory mechanisms are necessary. Instead, some argue that complete removal of antitrust immunity will create undue uncertainty concerning the lawfulness of a few joint activities regarded as essential. Others contend that unregulated competition among insurers will have effects that are contrary to important social policies.

While the Commission has substantial sympathy for some of those arguments, it does not believe that they justify retention of the present system. Rather, the current broad antitrust immunity for insurance should be repealed, with provisions made for statutory assurance of the lawfulness of a limited number of essential collective activities. Further, state regulatory schemes should be structured to place maximum reliance on independent, competitive behavior. The Commission recognizes, however, that additional study is necessary to resolve questions of social policy raised by the functioning of the insurance market and to determine the appropriate role of the federal government in resolving problems of insurance policy.

A number of Commissioners believe that social policy goals of equity and availability of insurance are better addressed by disclosure and antidiscrimination laws than by state economic regulation. These Commissioners believe the further study recommended here should aim toward a federal statute prohibiting certain types of anticompetitive state regulation to complement McCarran-Ferguson repeal.

The Insurance Industry

With assets of approximately $434 billion and annual premium payments of about $130 billion, the insurance industry is clearly an important sector of the economy. The industry is itself as complicated and diverse as is the set of risks from which consumers desire protection. In general, this industry is divided into two major components: life-health insurance, and property-liability insurance.

A key feature of all insurance "products" is that the insurance company does not know its costs at the time of sale. Faced with this uncertainty, insurers need accurate information based on credible data to estimate future losses and set premium rates. The information and risk problems faced by life and health insurers are less severe than those of the property-liability industry, with life expectancy tables and health data being readily accessible and more predictable for future periods. As a result, life-health insurers have generally not engaged in extensive cooperative activities. Nor have they been subject to extensive state rate regulation. Thus there is no justification for continued antitrust immunity in these areas. Consequently, the debate concerning the application of the antitrust laws to cooperative insurance activities and the reduction of state regulation of insurance ratemaking has focused on the property-liability lines. The Commission, therefore, targeted its inquiry on the property and liability lines.

In order to minimize uncertainty, property-liability insurers have engaged in cooperative assembling of loss statistics and in the sharing of large risks through pooling or other reinsurance mechanisms. Traditionally, property-liability insurers have utilized "industry advisory organizations" or rate bureaus. The activities of these organizations often go beyond the collection of industry loss data, and include the averaging of such information for specific risk classifications and the "trending" of the data for past years to predict probable loss expenses for specified future rate periods. After an expense component (administrative and sales overhead) is added, the resulting prices are published as "bureau rates" for the use of a bureau's members.

Characterized by a lack of significant economies of scale, relatively standardized policies, and low barriers to entry, the property-liability industry appears competitively structured. There are about 2,886 property-liability insurance companies of which the eight largest earned only 31.9 percent of total industry premiums in 1977, and only 38.7 percent of auto premiums. In several lines, including automobile insurance, many firms deviate significantly from bureau rates except where such independent behavior is prohibited by state law. Additionally, some of the larger automobile insurers do not utilize bureau rates since their policyholder base is large enough to permit them to use their own loss experience in setting premiums.

The Development of State Regulation of Insurance and the Industry's Exemption

In 1868, the Supreme Court ruled that an insurance contract did not constitute "commerce" within the meaning of the Commerce Clause of the Constitution, and thus placed the industry outside the federal government's powers. Beginning in 1911, several states passed statutes authorizing the fixing of fire insurance rates by rating bureaus under the general supervision of their insurance departments. In the two-thirds of the states that had rate regulation in 1994, effective control over private bureau rates was often nonexistent. Thus, insurance ratemaking for property-liability lines was largely in the hands of industry-controlled rate bureaus.

In its 1944 *South-Eastern Underwriters* decision, the Supreme Court, reversing precedent, held that transactions in insurance across state lines constituted interstate commerce and were subject to the federal antitrust laws. The Supreme Court's action distressed much of the insurance industry. Similarly, state regulators feared that many state controls over insurance companies, especially tax statutes, might be invalidated as undue burdens on interstate commerce.

To alleviate these concerns, in 1945 Congress passed the McCarran-Ferguson Act. The Act specifically reaffirmed the power of the states to regulate and tax insurance companies. In addition, it provided that no act of Congress, unless specifically relating to the business of insurance, was to be construed to invalidate or supersede state insurance regulation. The antitrust laws were to remain applicable to the business of insurance but only "to the extent that such business is not regulated by State Law." By 1951, in response to McCarran-Ferguson, all states had adopted fire and casualty rating laws. Generally these statutes were patterned after a model law developed by the National Association of Insurance Commissioners (NAIC). That law required prior approval of insurance rates by state officials.

Although the model statute contained language making it technically possible for member insurance companies to deviate from bureau rates, independent behavior

was difficult and many insurers adhered to agreements not to deviate from bureau rates. In the late 1950's, market conditions began to change, and some insurers began to establish independent rates. This movement was given a strong impetus by the growing number of direct insurance writers, who were able to charge significantly lower premiums. Many insurers also desired a rate structure more responsive to loss experience and inflationary pressures. As a result, some states adopted statutory changes making it easier for member companies to deviate from bureau rates and for insurers to participate in the activities of a bureau for some lines of insurance and not for others.

Today, there are a variety of state insurance regulatory mechanisms reflecting varying degrees of reliance on competition. In a few states, such as Massachusetts, a state agency sets rates. Other states require that insurers join a rate bureau and adhere to their rates, although deviations from bureau rates may be allowed with insurance department approval. At the other extreme, Illinois, since 1971, has had no rating law at all and insurers are free to set their rates without state supervision.

The majority of states continue to use the prior approval mechanism, which permits states to review premiums before they come into effect and disapprove them if they are found to be excessive, inadequate, or unfairly discriminatory. Under most prior approval statutes, a rate is deemed approved if it is not disapproved within a specific period of time. At least 17 states, however, now utilize various "open competition" statutes which permit insurers to introduce new rates without delay. States generally do retain power to investigate rates once they are in effect to determine their lawfulness under the traditional standards utilized in prior approval states. According to the NAIC, open competition states account for approximately 48 percent of personal property and liability premiums, although certain regulatory mechanism in some of these states may limit the extent to which actual open competition occurs.

In sum, the property-liability industry has undergone a significant change since the passage of the McCarran-Ferguson Act in 1945. No longer can the industry be characterized as dominated by tight cartels, or by uniform regulatory supervision of collective ratemaking. The justification for antitrust immuntiy and of state regulation must therefore be evaluated in light of present industry conditions and emerging concerns about the role of competition in achieving particular social goals.

The Present Broad Insurance Immunity

Both the language of the McCarran-Ferguson Act, and the Act's legislative history, make clear that the purpose of the insurance immunity was to permit state regulatory mechanisms to function without federal intervention, and not to give the industry broad license to operate without antitrust scrutiny. As the Supreme Court recently noted, the purpose of making antitrust immunity dependent on state regulation was to end the "'system of private government'" prevalent in the insurance industry before McCarran-Ferguson, and while agreements among insurers might be permittd, "'public supervision of agreements is essential.'"

Nevertheless, as historically interpreted by the courts, the exemption has in fact served as a broad grant of immunity for unsupervised collective behavior by insurers. Courts have refused to require that the state regulation be comprehensive or effective as a condition for permitting immunity to attach. Rather, as one court put it, "if a State had generally authorized or permitted certain standards of conduct, it is regulating the business of insurance under the McCarran Act." Moreover, the effectiveness of state regulation does not invalidate the immunity. Once Court of Appeals simply brushed aside allegations that the state of Ohio had never investigated a rate filing and did not possess the actuarial personnel to do so. It ruled that nothing in the McCarran-Ferguson Act supports "the thesis that the Act does not apply when the state's scheme of regulation has not been effectively enforced." While some judges have disagreed with this approach, their views have been confined to dissent or dictum.

The breadth of the antitrust immunity created by the prevailing interpretation of state regulation has been further expanded by the broad interpretation given to the "business of insurance." These activities include not only "the type of policy which could be issued, its reliability, interpretation and enforcement," but also the setting of agents' commissions and the relationship between insurance companies and agents, and the selling and advertising of insurance policies.

As presently interpreted, the McCarran-Ferguson Act effectively may immunize from the antitrust laws a broad range of anticompetitive activities which, in fact, serve no federal or state objectives. As one witness put it:

This indiscriminate immunity is granted whether or not the practice is necessary for the effective functioning of the insurance industry, the improvement of the insurance product, or the fulfillment of state regulatory goals; whether or not the practice is condoned, authorized or punished by state authorities; and whether or not it is anticompetitive or anticonsumer.

Just as importantly, the presence of antitrust immunity has permitted insurers and state regulators to avoid any inquiry into the appropriate limits that should be placed on insurance companies' collective activities. "[T]he states never at any point seriously considered what ought to be the minimum permissible limits of concerted activity on automobile and homeowners' ratemaking." The need for a discriminating approach to collective activity is demonstrated by Illinois' experience. In many states, insurance companies receive from the bureau a "bureau rate" reflecting not only loss data but projected average administrative expenses for the insurers. On the other hand, Illinois, which has no rating law, permits rate bureaus only to collect and compute statistics based on the loss component of insurance premiums. Consequently, unlike insurers in other states, each Illinois insurer is responsible for developing rates that reflect its own expense projections. This more limited role for rate bureaus apparently has been functioning in a satisfactory manner, thereby indicating the unnecessary breadth of collective information sharing in a number of states.

While the Commission is not aware of any studies that directly estimate the cost of the insurance exemption, we believe that, on the basis of the analytic framework developed in Chapter Nine, and by the Economic Advisory Panel Report, the cost is significant. Under McCarran-Ferguson, competing insurers are able collectively to publish industry rates for future periods based on industry average costs, often without effective government supervision and under regulatory mechanisms that, in many states, discourage independent pricing behavior. It seems likely that the resulting rates exceed those that would exist in a fully competitive environment.

The Commission found little, if any, evidence in favor of the present blanket immunity. Rather, some testimony and submissions to the Commission argued that application of the antitrust laws might undercut the ability of states to regulate insurance, or that it would place in doubt the legality of a few, specified practices that were argued to be essential to the functioning of a competitive industry.

With respect to the first concern, we note that application of the antitrust laws to a particular industry does not oust a state regulatory agency from its jurisdiction. States remain free to implement programs designed to further the public interest as they define it. State attempts to deal with problems of discrimination, equity, affordability and availability clearly fall within this principle. Moreover, under the state action exemption, private activities properly mandated and effectively supervised would not give rise to antitrust liability on the part of the private participants. Elimination of the existing insurance antitrust immunity thus does not threaten the primary role of the states as regulators of insurance activities.

On the second point, the extensive testimony before the Commission concerning the potential impact of the full application of the antitrust laws to traditional collective behavior by insurance firms does involve significant policy questions. In its 1977 report, *The Pricing and Marketing of Insurance*, the Department of Justice states that, under traditional antitrust theory and precedent, competing businesses can undertake joint activities in which there are economices of scale and which competing businesses can not undertake along as long as such activities do not involve unnecessarily anticompetitive restraints. The Report, however, cautioned that the projection of future prices, or of large components of future prices, would raise serious antitrust questions. Consequently, the Report suggested that, where possible, insurance firms should rely on independent consulting organizations, rather than industry-controlled rate bureaus, to make those calculations. By so doing, antitrust risks could be minimized.

While the basic accuracy of the Report's legal analysis was not disputed before the Commission, several witnesses argued that it was unwise to entrust a determination of the lawfulness of particular activites to case-by-case adjudication. Not only would the govenment's legal arguments not bind either private plaintiffs or the courts, but the issue of ultimate lawfulness of specific practices under a rule of reason analysis would require careful balancing of possible anticompetitive effects against procompetitive benefits. Since such a rigorous analysis had not been necessary previously due to the presence of antitrust immunity, insurers might remain unceratin whether activities they believe essential, or otherwise procompetive, were legal. A wrong guess could subject the insurers to substantial antiturst liability, while an overly cautions posture might deny insurers and the public the benefits of lawful efficiencies.

Given this concern, the Commission believes that new legislation, designed to confirm the lawfulness of enumerated essential collective activities, should replace the existing overly broad immunity.

The Joint Activities that Should Be Lawful for Antitrust Purposes

The Commission's recommendation that Congress adopt legislation setting out specific behavior that would be lawful for antitrust purposes is not intended to be a recommendation for antitrust immunity in the usual sense. That is, we do not recommend that Congress determine specific areas of insurance company behavior in which the principles of competition and methods of antitrust analysis are to be put aside becasue of a legislative determination that competition is either undesirable or unworkable in those circumstances.

Rather, we believe that Congress should pursue this task from a much more limited perspective, namely, that of assisting the transition of the insurance industry from that of a sector of the economy that has developed essentially devoid of antitrust scrutiny to one in which the antitrust statutes are applicable, consistent with federalism principles. In endorsing this approach, caution must be exercised to ensure that the occasion is not utilized as an indirect method for reintroducing broad antitrust immunity for the industry.

Consequently, in determining the kinds of activities that should be included in any such affirmative legislation, three criteria should be used: first, is the proposed joint activity so important to the insurance process that uncertainty as to its legal status would severely limit the ability of the industry to function in an efficient and competitive manner; second, is the activity in question one presently subject only to antitrust principles of broad generality rather than relatively detailed case law that would illuminate its antitrust legality, i.e., is its lawfulness truly uncertain; third, under a rule of reason analysis would the activity in question be found to have the probable effect of not lessening competition within the industry. These are broad, decisional criteria. Particular conduct must be shown to meet these criteria by the proponents of the inclusion of that conduct.

The Commission does not have a sufficient record to make a recommendation with respect to each specific area of potential concern to insurers. On the basis of the information presented, however, we can offer some initial recommendations regarding the areas of key concern articulated by Commission witnesses.

The Commission heard extensive testimony that it is necessary for many insurers to utilize pooled statistics concerning past losses to develop actuarially sound data on the expected future losses for particular risk classifications. In addition, it was argued that joint activity is necessary to "trend" past data to make it useful for projecting expected losses in future rate periods, to compile and disseminate information concerning the administrative expense component of rates, and to promulgate bureau rates to its members in a form which might be more directly usable as an actual insurance rate without significant actuarial modification.

Witnesses also stated that failure to permit several or all of these activities could have a harsh impact on many insurers, particularly small insurers, who would be unable on their own to develop economically all the data needed to establish their insurance premiums. As a result, some insurers might have to withdraw from particular lines or geographic markets, thus reducing the number of competitors. In the face of such claims, the issue becomes "[p]recisely where . . . the costs of cooperative behavior, in terms of price rigidity and a retardation in innovative ratemaking, outweigh the benefits associated with economies of scale" in rate calculation.

We agree that in the case of joint pooling and calculation of past loss data efficiencies are likely to be great, and the anticompetitive potential small. As noted in the Department of Justice's Report, calculation of past cost data by an industry association for use by its members generally has been considered lawful by the antitrust courts. Moreover, in the case of the insurance industry, where many firms will not have a sufficiently large policyholder base to make their own actuarially sound computations, such collective activity is likely to have a procompetitive effect. Increased numbers of small firms will be able to participate in the market on the basis of actuarial data as sound as that available to large firms.

In addition, some witnesses testified that many small firms could not independently trend past loss data supplied by bureaus. They argued that the number of actuaries is limited, and that independent consulting organizations might not be available. The Commission, while questioning such claims, recognizes that this contention deserves inquiry by Congress.

The justification for bureau compilation and projection of the administrative expense component of bureau rates is even less clear. Relevant expense data will normally be in the exclusive control of each individual company. Thus, we are unable to conclude that the vast majority of insurers would not be capable of developing independent premiums from pooled loss data. The satisfactory operation of Illinois rate bureaus which limit their activities to only the collection of loss data indicates that the joint collection of expense data and publication of advisory rates is unnecessary.

The Commission also received testimony that arrangements by which insurers provide for the reinsurance of risks by the pooled underwriting of large risks merit special antitrust consideration. On the record before us, we are unable to reach a conclusion with respect to this contention, but agree that it also merits Congressional attention. We do note, however, that many firms, such as those engaged in construction and securities underwriting, frequently utilize joint ventures to permit firms to share the risks of a major undertaking or to enable small firms to participate collectively in activities when their resources are insufficient to permit them to participate individually. Proponents of this position thus have the clear burden of demonstrating why traditional antitrust analyses applicable to joint ventures in other sectors of the economy would not adequately protect both the need of insurers to spread risk and the interest of the public in being protected from joint ventures that unduly eliminate competition.

These recommendations are not dependent on changes in state law. Application of the antitrust laws—with the appropriate legislative clarification of the lawfulness of specific practices—should not only help achieve the competitive goals of antitrust, but also should accommodate and supplement the goals of state insurance regulation while preventing unneeded uncertainty in the provision of insurance services.

The Need to Maximize Competition Under State Insurance Regulation

There remains the matter of state economic regulation itself. Given the competitively structured nature of the insurance industry, it is not surprising that the evidence presented to the Commission appears to demonstrate the regulatory schemes requiring prior state approval of rates have had an adverse effect on competition. The 1977 Department of Justice Report found that the benefits of open competition, when compared with prior approval regulation, included less adherence to bureau advisory rates, rates as reasonable or lower than in other states, and greater efficiency in distribution. Other studies and economic commentaries generally have confirmed these findings. Indeed, two recent reports concerning insurance company behavior in Illinois, the only state having no insurance rate regulation, came to the identical conclusion that performance was, on average, as good or better than that in comparable, more regulated states.

While some submissions to the Commission attempted to refute particular technical aspects of these studies, the consensus of the comments received by the Commission was that studies showing that open competition provided a better environment than did prior approval regulation were essentially correct. For example, the American Insurance Association concluded that the Justice Department Report "develops a convincing case that competitive rate laws serve the public much more effectively than laws requiring prior approval of rates."

Many of those who favor substantial state regulatory intervention do so not from a belief that the industry is structured noncompetitively, but from a fear that unregulated competition may have adverse social effects. Many states require individuals to have specified levels of insurance coverage as a prerequisite for operating an automobile. Consequently, society, it is argued, has an interest in the availability of insurance to all individuals at a price that is within their reach, and at premiums that do not unfairly discriminate among individuals on the basis of certain arbitrary characteristics.

The central concern of those who believe that unregulated rate competition is at odds with the achievement of social objectives is "selection competition," the process by which competitive insurance markets tend to classify people by risk groups and charge them accordingly. The impetus of competition is to segment markets into finer and finer classifications. Since premiums from each classification must cover expected losses from that class, groups with presumed high risk potential will be charged higher rates. In practice, such classifications may be seen as unfair, since they may place a particular driver in a high cost category despite "clean behavior". Moreover, those charged higher rates may be individuals, such as young inner-city males, with minimal financial resources. Insurance for them thereby becomes unaffordable. Conversely, the individuals with higher income may well turn out to be those charged the lowest rates.

Thus, some of the categories that have been traditionally utilized to determine insurance premiums have been argued to be unfair because they may be based on socially "suspect" criteria or classifications over which the individual has little or no control, i.e., age, location (density of traffic or potential for theft), sex, and marital status.

Critics of selection competition argue that regulators may have an obligation to intervene in the functioning of the market to ensure that the pricing and availability of insurance comport with social objectives of

equity and fairness. Such concerns may also include the notion that the burden of higher expected losses in places like the inner city should be shared by all since some of the factors contributing to higher risks may be viewed as the responsibility of society at large.

The Commission believes that such concerns are legitimate and must be carefully evaluated in terms of defining the appropriate role of state insurance regulation. The Commission, however, is also impressed by arguments, including the testimony of our economic advisory panel, that establishment of regulatory solutions to ensure availability and affordability may lead to possible distortions requiring additional state intervention.

For example, to the extent that classifications are restricted by regulation and contain individuals of varying potential risk, insurers have an incentive to reject those whose predicted losses are supposedly greater than the premium established for the class. Similarly, if a state limits rates that may be charged for certain individuals, insurers may not write coverage for those groups for whom the expected loss is greater than the premium. Such difficulties may also lead to an increased use of "residual market" mechanisms for those who cannot obtain insurance in the voluntary market. Although the evidence is relatively sparse, it does show that participation in such assigned-risk pools for automobile insurance tends to be higher in states that have stricter regulation of rates. Finally, some states may require, as Massachusetts does, that property-liability insurers write insurance for all individuals within a given regulated classification.

In some circumstances, utilization of the insurance mechanism as a means of carrying out cross subsidization may pose questions of fairness and efficiency. For example, the low-risk policyholders who must pay the subsidies from being placed in the same category as high-risk individuals may be individuals, such as retired persons, who are less financially able to pay high insurance rates than are those to whom the subsidy is directed. It is also argued that, ironically, "taxing" low-risk drivers through such cross-subsidization may discourage such drivers from operating automobiles, while encouraging greater automobile use by those more likely to be involved in accidents.

The Commission takes no position on the ultimate merits of the issues raised by arguments for and against increased regulation of insurance to achieve social objectives. We do, however, believe that it is important that states not preclude reliance on market forces to establish rates for the majority of policyholders as part of an effort to ensure equitable, affordable, and available insurance for all its citizens.

The Commission's fundamental conclusion, reached in Chapter Nine, is the regulation should eliminate competition only when truly essential to the achievement of articulated public objectives and that the regulatory techniques chosen should operate in the least anticompetitive manner possible. It is important for public officials to attempt to reconcile the maintenance of competition in the insurance industry with the objectives of those who favor social regulation of the industry. Such an effort requires creative analyses and may encompass various new regulatory approaches. We believe the use of specifically targeted antidiscrimination, disclosure, and similar statutes or publicly subsidized residual market mechanisms can prove to be satisfactory methods for achieving the objectives of encouraging competitive and independent pricing, while ensuring that societal goals for insurance are also protected.

The Need For Further Study of the Insurance Industry

Our inquiry into state regulation of insurance raises several difficult issues involving a complex and diverse industry. We have concluded, however, that regulatory mechanisms existing in many states unduly restrict independent pricing and that true open competition laws are the preferable means of achieving available, reasonably priced insurance for a majority of consumers. In those instances in which the dynamics of the insurance market lead to results which are deemed unacceptable as a matter of public policy, *e.g.*, rates that are unfairly discriminatory or unaffordable for some, concerned state officials should seek to find regulatory solutions that do not needlessly eliminate the forces of competition that encourage insurers to set prices on the basis of their own costs and relative efficiencies.

In contrast to the issue of antitrust immunity, the Commission has not had the resources to go beyond these basic observations about competition and insurance regulation. Additionally, we recognize that a national statute affecting the ability of a state to regulate insurance in the manner of its own choosing poses significant issues of federalism. It is for these reasons that we recommend that further inquiry into state regulation of insurance promptly be undertaken by the appropriate Congressional committees or by a new study commission to be established by the President.

This insurance industry study should have several objectives:

1. To identify and analyze ways in which state regulation of insurance acts to restrict, and acts to strengthen, competition and independent pricing behavior in the various lines of insurance;

2. To identify ways in which states could ensure the achievement of social objectives without needlessly restricting competition in insurance markets; and

3. To suggest the appropriate mix, if any, of state and federal legislation with respect to the business of insurance and to determine the appropriateness of limiting the ability of states to achieve their regulatory objectives in an anticompetitive manner.

Several Commissioners wish to note that they do not believe an additional study is needed since techniques are presently available to adequately deal with problems of equity and discrimination. These Commissioners believe that open competition should be federally mandated now.

In any event, we do not believe that repeal of the current broad immunity should await the results of this inquiry. There is simply no justification for retention of the immunity in its present form. Adoption of a statute to affirm the lawfulness of specific essential collective activity, as recommended by the Commission, will deal adequately with the industry's legitimate fears concerning the transition to an environment of antitrust scrutiny. Moreover, in the interim between repeal of the current immunity and the conclusion of the recommended study, the states' important social interests in regulation designed to achieve equity, affordability, availability and nondiscrimination will be protected from inappropriate antitrust attack by the application of the state action exemption.

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[Separate views on this chapter were filed by Commissioners McClory and Hatch, and are contained in Appendix B.]

ORDERS FOR MONDAY, MAY 19, 1986

ADJOURNMENT UNTIL MONDAY, MAY 19, 1986

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader, I ask unanimous consent that once the Senate completes its business today it stand in adjournment until the hour of 12 noon, Monday, May 19, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. SIMPSON. Mr. President, I further ask unanimous consent that following the recognition of the two leaders under the standing order, there be special orders in favor of the following Senators for not to exceed 5 minutes each: Senator HAWKINS, Senator MATTINGLY, and Senator PROXMIRE.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. SIMPSON. Mr. President, following the special orders just identified, I ask unanimous consent that there be a period for the transaction of routine morning business for not to extend beyond the hour of 1 p.m. with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

READING OF JOURNAL DISPENSED WITH

Mr. SIMPSON. Mr. President, I ask unanimous consent that when the Senate reconvenes on Monday, May 19, 1986, the reading of the Journal be dispensed with, no resolution come over under the rule, the call of the calendar be dispensed with, and that the morning hour be deemed to have expired.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. SIMPSON. Mr. President, on Monday, following routine morning business, the Senate will resume consideration of S. 2180, the Federal Fire Prevention and Control Act.

Rollcall votes will not occur prior to the hour of 3 p.m. on Monday, May 19, 1986.

Following the recognition of the two leaders under the standing order, there will be special orders in favor of the following Senators for not to exceed 5 minutes each: Senators HAWKINS, MATTINGLY, and PROXMIRE, to be followed by a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m.

with Senators permitted to speak therein for not more than 5 minutes each.

At the conclusion of routine morning business, the Senate will resume consideration of S. 2180, the Federal Fire Prevention and Control Act. There will be no rollcall votes prior to the hour of 3 p.m. on Monday, May 19. I inquire of the Democratic leader if he has further business.

Mr. BYRD. Mr. President, in response to the distinguished acting Republican leader, as it is so characteristic of him—and it is deeply appreciated—there is nothing further on this side for action today. I thank him.

Mr. SIMPSON. Mr. President, I thank the Democratic leader. I came upon the floor about 2 hours ago just to kind of check on things and the Democratic leader and I were suddenly raveled in scrambling or unscrambling satellite dishes and watching or not watching later hours or earlier hours with daylight saving time, and it was a pleasure to have his good counsel on that particular bit of unravelment.

Mr. BYRD. Mr. President, I thank the distinguished acting Republican leader for unraveling the situation. I look forward to our being able to leave this Chamber and get some rest over the weekend and continue our work for our constituents and come back with renewed vigor and vision and determination on Monday next.

Mr. SIMPSON. That has me ready to go.

ADJOURNMENT UNTIL MONDAY, MAY 19, 1986

Mr. SIMPSON. Mr. President, there being no further business, in accordance with the previous order, I move the Senate stand in adjournment until 12 noon on Monday, May 19, 1986.

The motion was agreed to, and at 6:53 p.m. the Senate adjourned until Monday, May 19, 1986, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate May 15, 1986:

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be general

Gen. William R. Richardson, [redacted] age 56, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be general

Lt. Gen. Carl E. Vuono, [redacted] U.S. Army.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. Edward C. Peter II, [redacted] age 56, U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Maj. Gen. Frederic J. Brown, [redacted] U.S. Army.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

To be lieutenant general

Lt. Gen. Robert W. RisCassi, [redacted] U.S. Army.

The following-named officer for appointment to the position indicated under the provisions of title 10, United States Code, section 711:

To be senior Army Member of the Military Staff Committee of the United Nations

Lt. Gen. Robert W. RisCassi, [redacted] U.S. Army.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 15, 1986:

DEPARTMENT OF STATE

Paul H. Nitze, of the District of Columbia, to be Ambassador at Large.

Warren Zimmermann, of Virginia, a career member of the Senior Foreign Service, class of Minister-Counselor, for the rank of Ambassador in his capacity as Chief of the U.S. Delegation to the Vienna Conference on Security and Cooperation in Europe Follow-up Meeting.

Ronald Frank Lehman II, of Virginia, for the rank of Ambassador during his tenure of service as U.S. Negotiator for Strategic Nuclear Arms.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

By Mr. HOLLINGS:

S. 2461. A bill to amend part C of the Balanced Budget and Emergency Deficit Control Act of 1985 to exempt certain benefits payable from the Military Retirement Fund from sequestration or reduction under an order issued by the President under section 252 of such act; to the Committee on Governmental Affairs.

COLA'S FOR DISABLED VETERANS AND SURVIVORS OF VETERANS UNDER THE MILITARY RETIREMENT SYSTEM

● Mr. HOLLINGS. Mr. President, the Balanced Budget Act of 1985, the Gramm-Rudman-Hollings Bill, contains provisions dealing with certain exempt and nonexempt Federal programs for the purposes of the sequestration of funds required by the act. These programs are mainly entitlements and payments to the poor. Today I am introducing a bill to correct a serious deficiency in the application of the nonexempt standard as it applies to the cost-of-living adjustments [COLA] for disabled veterans and survivors of veterans under the military retirement system.

For several years prior to passage of the legislation, I had offered, along with several of my colleagues, budget proposals requiring a freeze of reduction in essentially every Federal program except those for the national defense and for low-income recipients. My freeze called for an across-the-board, share sacrifice to reduce the Federal deficit and balance the budget. This sacrifice extended to all COLA's for entitlement programs except as noted above. Although my freeze plan received as many as 38 votes in the Senate, it was continually turned down not on its merits but for the political expediency of don't rock the boat with the Social Security voters. President Reagan and House Speaker O'NEILL said, hands off Social Security. We need those votes.

In passing the Balanced Budget Act, the Senate accepted the facts about what was politically achievable and what was not. Thus, Social Security was put off limits—its COLA was made exempt from cuts. Deficit production and balancing the budget were to happen exclusive of Social Security. Well, there are obvious problems with this approach. The concept of a shared sacrifice was sacrificed. Exempting Social Security and not other entitlement COLA's created an inequity. However, the need to control Federal spending and reduce the deficit was considered more critical than this inequity, and the act was passed.

The Senate hoped to block out the inequity by essentially not requiring a sequestration of funds in fiscal year 1986 and more or less limiting the inequity to Social Security. The view was that the Congress would work its will during the normal legislation process in 1986 toward the fiscal year 1987 deficit target of $144 billion, and the disparity in paying entitlement COLA's would not occur. The conference with the House produced a drastically different outcome. The House insisted and won on the point that virtually every entitlement COLA and payments of low-income recipients were exempt except those COLA's affecting military and Federal civilian retirees. Still, the need to reduce the deficit was overriding, and the legislation was passed.

Several bills have been offered in both the Senate and the House to provide equitable treatment for all COLA's. These bills center on two actions. The first ensures the COLA for everyone only for fiscal year 1987 to avoid a second consecutive COLA loss for military and civilian retirees. The second would make military and civil-

ian retiree COLA's exempt from sequestration. It is too soon to tell which, if either of these, will pass, though I intend to support—as a minimum—the payment of the fiscal year 1987 COLA. With the uncertainty surrounding the outcome of these bills, I believe it is imperative that some adjustment be made to address the most flagrant inequity created in the law.

The bill I am introducing today would correct the inequity involving the disabled veteran receiving benefits under the military retirement system who is denied a COLA available to other disabled veterans. It further addresses the survivors' benefit program (SBP) under the military retirement system. Let me explain why, if we do nothing else to correct the overall inequity in COLA payments, we must correct these two aspects.

The Balanced Budget Act exempts from sequestration the COLA's provided under the Veterans' Compensation Program. What this approach failed to recognize was the nearly 140,000 disabled veterans under the military retirement program. It seems totally unfair to pay a COLA to a disabled veteran under one program and not pay a COLA to a veteran under the other. A prime responsibility of the Government must be to honor its commitments to those who have earned benefits. The Government definitely has an obligation in this respect.

As far as the Survivor Benefits Program (SBP) is concerned, I need not say more than that 106,000 current survivors receive an average benefit of $5,300—only $5,300 a year. Under all budget proposals of past years, any entitlement recipient at this income level was always provided a COLA. It is wrong to ignore this group of beneficiaries, and the law should be changed.

Mr. President, I believe we made a mistake in neglecting these beneficiaries, and it is time to correct our error. This bill will do it, and I hope the Senate can act soon on it.●

By Mr. KENNEDY (for himself, Mr. LUGAR, Mr. STENNIS, Mr. PELL, Mr. DANFORTH, Mr. ANDREWS, Mr. KERRY, and Mr. MOYNIHAN):

S. 2462. A bill to provide for the awarding of a special gold medal to Aaron Copland; to the Committee on Banking, Housing, and Urban Affairs.

SPECIAL GOLD MEDAL FOR AARON COPLAND

● Mr. KENNEDY. Mr. President, I am pleased to introduce, on behalf of myself and Senators LUGAR, STENNIS, PELL, DANFORTH, ANDREWS, KERRY, and MOYNIHAN, legislation to award a special Congressional Gold Medal to Aaron Copland.

I believe that this medal would appropriately recognize the extraordinary role that Mr. Copland has played in our musical heritage. Perhaps more than any other classical composer, Aaron Copland is authentically American.

Over the years, Aaron Copland has helped our Nation celebrate, mourn, prosper, and mature. His music is a loving evocation of the American national spirit. His "Rodeo" is a lively and affectionate tribute to the pioneers and the pioneering spirit that settled—but never tamed—the West.

Two of his most recognized and heralded works were created in 1942, as America endured the hardships of World War II. The sensitive "Lincoln Portrait" libretto is based on Lincoln's own observations of a war-torn country. Copland's musical narration captures the essence of Lincoln and the rugged strength of America.

So, too, "Fanfare for the Common Man" endures as a patriotic tribute to our hardy national optimism and our fundamental values.

Copland has made a difference in our national history. He once remarked that he could not imagine the course of American music without his mentor, Serge Koussevitzky. The same can also be said of Copland himself.

He has brought distinction to the American musical heritage and earned nearly every prestigious award in the process. He was the first composer to receive a Guggenheim Fellowship. He has also received a Pulitzer Prize for his "Appalachian Spring," which also earned a Music Critics Circle award. He has received an Oscar and the Presidential Medal of Freedom.

I believe that we in the Congress should act to recognize this important contribution to our cultural heritage. Aaron Copland has enriched our lives, and this special medal will acknowledge his gift to America.

Congressman Vic Fazio has introduced companion legislation in the House of Representatives. I hope that my colleagues will join me in supporting this bill, and I urge its prompt consideration and enactment.

I also ask that a biography of Mr. Copland be printed in the RECORD, along with the text of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2462

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS AND STATEMENT OF POLICY.

(a) Findings.—The Congress finds that—

(1) Aaron Copland has contributed to American music as a composer, a pianist, a lecturer, an author, and an organizer of various musical societies;

(2) Aaron Copland has composed patriotic musical works, such as "Lincoln Portrait", which was composed during World War II as a patriotic tribute to the United States and distributed worldwide;

(3) Aaron Copland has enjoyed great popularity and critical acclaim as evidenced by his receiving many awards, including a Guggenheim Fellowship, a Pulitzer Prize, an Academy Award, and the Presidential Medal of Freedom; and

(4) Aaron Copland is referred to as the "dean" of American musical composition as the result of his contributions to American music.

(b) Statement of Policy.—The incomparable contributions of Aaron Copland to American musical composition should be recognized by awarding him a special congressional gold medal.

SEC. 2. AUTHORIZATION TO PRESENT GOLD MEDAL.

The President is authorized to present on behalf of the Congress 1 gold medal of appropriate design to Aaron Copland.

SEC. 3. PRODUCTION OF GOLD MEDALS AND PRODUCTION AND SALE OF BRONZE MEDALS.

(a) Production of Gold Medal.—The Secretary of the Treasury shall coin 1 gold medal and shall deliver the medal to the President for presentation under section 2. The gold medal shall contain suitable emblems, devices, and inscriptions to be determined by the Secretary.

(b) Production and Sale of Bronze Duplicate Medals.—The Secretary of the Treasury shall coin and sell bronze medals which are duplicates of the gold medal coined pursuant to subsection (a) under such regulations as the Secretary may prescribe, at a price sufficient to cover the cost of the gold medal and such duplicates, including the cost of labor, materials, dies, use of machinery, and overhead.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for any fiscal year beginning on or after October 1, 1986, such funds as may be necessary to carry out the purposes of this Act.

SEC. 5. EFFECT ON OTHER LAW.

The medals provided for in this Act are national medals for the purpose of section 5111 of title 31, United States Code.

[From Contemporary Authors 1969]

COPLAND, Aaron 1900–

PERSONAL: Born November 14, 1900, in Brooklyn, N.Y.; son of Harris Morris and Sarah (Mittenthal) Copland. *Education:* Studied piano under Leopold Wolfson, Victor Wittgenstein, Clarence Adler, and (briefly) Ricardo Vines; studied composition with Rubin Goldmark, 1917-21 with Nadia Boulanger at Fontainbleau School of Music, 1921, and in Paris, 1921-24. *Address: C/o Boosey and Hawkes, 30 West 57th St., New York, N.Y.*

CAREER: Composer of music for orchestra, ballet, stage, films, chamber music, voice, 1920–; pianist. Lecturer on contemporary music at New School for Social Research, 1927-37; was a teacher of composition, and Charles Eliot Norton Professor of Poetry at Harvard University, 1951-52; chairman of faculty and head of composition, Berkshire Music Center; public lecturer throughout the United States. Organizer with Roger Sessions, of Copland-Sessions Concerts, 1928-31; founder of American Festival of Contemporary Music at Yaddo, 1932. Piano soloist with New York Philharmonic, Boston Symphony, Los Angeles Philharmonic; conductor of own works with other orchestras in United States, Europe, Mexico, South America; pianist and conductor on government-sponsored tours of Latin American countries, 1941, 1947. Vice-president, Koussevitsky Music Foundation; president of Edward MacDowell Association; director of Walter W. Naumburg Music Foundation, American Music Center.

MEMBER: National Institute of Arts and Letters, American Academy of Arts and Letters, American Society of Composers, Authors and Publishers, League of Composers (director), International Society for Contemporary Music (director); Royal Academy of Music, Royal Society of Arts (both London); Accademia Nazionale di Santa Cecilia (Rome). *Awards, honors:* Guggenheim Foundation, first composer to receive fellowship, 1925, renewed, 1926; RCA Victor Co., $5,000 award for "Dance Symphony," 1930: Pulitzer Prize in music and New York Music Critics Circle Award for "Appalachian Spring," 1945; New York Music Critics Circle Award for "Third Symphony," 1946; Oscar, Academy of Motion Picture Arts and Sciences, for musical score for "The Heiress," 1950; American Academy of Arts and Letters Gold Medal for Music, 1956; Edward MacDowell Medal, 1961; Presidential Medal of Freedom, 1964. Honorary degrees include Mus. D., Princeton University, 1956, Oberlin College, 1958, Illinois Wesleyan University, 1958, Temple University, 1959, University of Hartford, 1959; H.H.D., Brandeis University, 1957, Harvard University, 1961, Syracuse University, 1964, University of Rhode Island, 1964.

WRITINGS—Books: "What to Listen for in Music," McGraw, 1939, revised edition, 1957; "Our New Music," McGraw, 1941, revised edition, Norton, 1968; "Music and Imagination," Harvard University Press, 1952; "Copland on Music," Doubleday, 1960.

Music: "Cortege Macabre," 1923, "Symphony for Organ and Orchestra," 1924, "Music for the Theatre," 1925, "Dance Symphony," 1925, "Piano Concerto," 1926, "First Symphony," 1928, "Symphonic Ode," 1929, "Short Symphony," 1933, "Statements," 1934, "El Salon Mexico," 1936, "Music for Radio," 1937, "Outdoor Overture," 1938, "Billy the Kid" (ballet), 1938, "Our Town" (film), 1940, "John Henry," 1940, "Quiet City" (play), 1940, "Music for the Movies" (film scores), 1942, "Lincoln Portrait," 1942, "Rodeo" (ballet), 1942 "Danzon Cubano," 1942, "Fanfare for the Common Man," 1942, "Appalachian Spring" (ballet), 1944, "Third Symphony," 1946, "The Red Pony" (film), 1948, "Preamble for a Solemn Occasion," 1949, "The Tender Land" (opera), 1954 (all published by Boosey and Hawks).

Published works also include music for string orchestra, chamber music, band music, choral music, various instrumental and vocal compositions, mainly published by Boosey and Hawkes).

BIOGRAPHICAL SOURCES: Arthur Berger, "Aaron Copland," Oxford University Press, 1953; Julia Smith, "Aaron Copland: His Work and Contribution to American Music," Dutton, 1955.●

By Mr. RIEGLE (for himself and Mr. CRANSTON):

S. 2463. A bill to amend the Internal Revenue Code of 1954 to permit individuals to receive tax-free distributions from an individual retirement account or annuity to purchase their first home, and for other purposes; to the Committee on Finance.

FIRST-TIME HOME BUYER OPPORTUNITY ACT

Mr. RIEGLE. Mr. President, I am introducing today the First-Time Home Buyer Opportunity Act, which I believe will bring homeownership within the reach of thousands of additional American families. I am pleased that my distinguished colleague, Senator ALAN CRANSTON, is joining me in this initiative. Our bill will permit individuals to use funds in their individual retirement accounts for purchasing a first home.

The dream of owning a home has been a primary motivation for generations of American families. For most Americans, homeownership has been the only realistic way to build family assets and provide a nest egg for their retirement years. I believe homeownership contributes enormously to the quality of our community life and the stability of our society.

Recently, a welcome drop in interest rates has created a new surge in home buying. That is a development we all applaud. Single family housing sales hit a record annual rate of 903,000 in March. Realtors and mortgage lenders have rarely been busier. The home building industry has had reason for new confidence. Thousands of families have taken this opportunity to improve the quality of their housing. All of that is good for homeowners and good for the economy.

The glare of this good news may obscure the fact that Americans who don't already own a home remain at a significant disadvantage. And that disadvantage will widen now that interest rates are beginning to raise home prices. Families who sell one home when they go to buy another can use their tax deferral capital gains to help with the downpayment and other closing costs. But a young family that is seeking to buy their first home often finds that the benefits of lower interest rates are largely offset by higher housing prices, downpayments, and closing costs.

Mr. President, I believe it is in the national interest to insure that homeownership is within the reach of all American families who want it and are willing to work for it.

Unfortunately, the country's recent performance on homeownership is not as good as it should be or even as good as it has been in the past. Here is some evidence.

First, the rate of homeownership has been declining every year since 1980 after having previously risen steadily since the end of the Second World War. The percentage of American families owning their own home fell from 65.6 percent in 1980 to 63.9 percent in the third quarter of last year, the lowest level since 1968.

Second, families are having to wait longer and longer before they can buy their first home. The age of a typical first-time home buyer was 2½ years older in 1985 than it was in 1979.

Third, families buying their first home are having to rely more heavily on a second income to make home ownership possible. In 1985, 68.7 percent of all first-time home buyers relied on a second income, compared to 65.2 percent in 1983.

The U.S. League of Saving Institutions recently found that "in spite of the recent improvements in affordability, home ownership is becoming more difficult to achieve."

Mr. President, enactment of the First-Time Home Buyer Act would provide important assistance to thousands of Americans who are still trying to buy their first home. The bill would permit individuals to withdraw funds from their individual retirement accounts or annuities without penalty if the funds are used to buy a principal residence within 90 days of the withdrawal.

Our bill is designed to increase savings for home ownership and to provide the kind of assistance that is most important to first-time home buyers. An individual could not withdraw funds under our bill unless they had been invested in the IRA for at least 12 months. The total amount of home ownership withdrawals for each individual could not exceed $10,000 in the aggregate across all taxable years. An individual's tax basis in a property would be reduced by the amount of any withdrawal. For reasons of administrative feasibility, those who have not had an ownership interest in a principal residence for 3 years would be considered first-time home buyers.

Mr. President, the Riegle-Cranston bill places no new burden on the U.S. Treasury. Its effect would be to make investment in a first home a permitted form of IRA investment. Individuals already have wide latitude in investing their IRA funds: stocks, bonds, real estate investment trusts, certificates of deposit and other forms of financial assets. It is ironic that investment in a person's own home is not already a permitted form of investment since home ownership has long proven to be one of the best ways for Americans to build up assets for their retirement years.

The Riegle-Cranston bill uses a proven incentive to save for home investment. It would give American first-time home buyers help that has for many years been available to people in Germany, Canada, Japan, France, the United Kingdom and other industrial nations.

Mr. President, I believe the bill we introduce today provides a straightforward, efficient way to enable many more Americans to share in the dream of home ownership. I believe the bill deserves prompt consideration in the Senate, and I invite my colleagues to cosponsor it.

Mr. CRANSTON. Mr. President, I join with my colleague, Senator RIEGLE, in introducing a bill to allow first-time home buyers to make a one-time withdrawal without penalty of up to $10,000 from an individual retire-

ment account [IRA] for downpayment on a principal residence. Funds so utilized would be taxed as ordinary income if the home is sold and the proceeds not reinvested in a new home within 18 months.

In the last 5 years, the increasing cost of home ownership has prevented an estimated 800,000 young households from purchasing homes. The 1981–82 recession was disastrous for housing affordability and even though the economy has recovered somewhat, home ownership cost still remains high according to a 1985 study of home ownership and housing affordability by the Massachusetts Institute of Technology. Indeed this study goes on to conclude that even though the peak of the baby boomers are now hitting their prime home-buying years, home ownership rates for young households are declining and will continue to do so. Some 42 million Americans, 1 out of 6 people in the country, will reach the age of 30 during the 1980's. These prospective home buyers will have to save substantially more than in the past to meet higher downpayment requirements. Higher down payments will almost certainly mean that young households will achieve home ownership a bit later in life than those who preceded them in the 1970's. I view declining home ownership rates with concern, because the dream of home ownership must be kept alive in America. Until the cost of home ownership returns to more traditional levels, many households will be denied an essential part of the American dream.

California faces a substantial set of housing problems in the mid-1980's due to increased land prices, large increases in net migration to California, and increasing demand for housing, a surge in household formations reflecting the baby boom of World War II, along with land use and growth management techniques that will slow and stop new housing production. All of these problems assure that first-time home buyers will face a continuing affordability crisis. The most recent event contributing to the affordability crisis is the tremendous inflationary rise in house prices and interest rates during the 1970's. While interest rates have fallen dramatically over the last year, house prices still continue to reflect the price increases from prior periods. These housing prices will continue to stay high because of strong demand for housing and declining Government support for homeownership.

It is a fairly well-known fact that California in general, and the San Francisco and Los Angeles areas particularly, have house prices that are the highest in the Nation, exceeding the national median by over 70 percent. The median price in Los Angeles/Long Beach is $123,000 and San Francisco, $152,000, the highest median home price in the Nation. Statistics show that for first-time home buyers, the greatest stumbling block to home ownership is coming up with cash for downpayments. This proposal would help many potential buyers who invest in individual retirement accounts and encourage others to invest in these accounts. Individual retirement accounts allow people to save up to $2,000 a year, on a tax-deferred basis, for retirement. The Internal Revenue Service imposes a tax penalty on IRA users who withdraw money from the account before they are 59 years old, except in disability or death.

From 1968 through the late 1970's, the cost of owning a home took about 15 percent of a family's income. Today it is 30 percent or more according to the MIT-Howard Joint Center for Housing Studies. Seventy-five percent of first time home buyers make a down payment of $10,000 or less. Especially vulnerable to escalating prices—the study said—is "young households" under the age of 35, the group most likely to be buying a first home. They are likely to use and need two incomes to afford a house, and many put off having children to get a home. Despite these financial hurdles, young people are still trying to buy homes. Their ideal remains the single-family home.

The immediate effect of this proposal on the budget deficit would be negligible because money in IRA accounts isn't currently being taxed and in the long term it would raise revenue, and because of the overall revenue generated by increased homebuilding. Buying a home is the single most important investment most people make toward retirement. Shifting IRA funds to equity in a home, will stimulate economic growth while maintaining the concept of planning for a secure retirement.

I believe that our bill is consistent with the traditional values of exploring innovative ways of helping our young families realize the cornerstone of the American dream—home ownership.

By Mr. METZENBAUM (for himself, Mr. HEINZ, Mr. STENNIS, Mr. DIXON, Mr. LEVIN, Mr. THURMOND, Mr. ZORINSKY, Mr. KENNEDY, Mr. SIMON, Mr. RIEGLE, Mr. BAUCUS, Mr. BURDICK, Mr. SPECTER, Mr. GORE, Mr. SARBANES, Mr. EAGLETON, Mr. MOYNIHAN, Mr. LAUTENBERG, Mr. HEFLIN, Mr. BUMPERS, Mr. ROCKEFELLER, Mr. KERRY, Mr. MITCHELL, Mr. NUNN, Mr. PRYOR, Mr. MATTINGLY, Mr. STAFFORD, Mr. GRASSLEY, Mr. BRADLEY, Mr. HOLLINGS, Mr. QUAYLE, and Mr. GLENN):

S.J. Res. 346. Joint resolution to designate June 21, 1986, as "National Save American Jobs and Industry Day"; to the Committee on the Judiciary.

NATIONAL SAVE AMERICAN JOBS AND INDUSTRY DAY

Mr. METZENBAUM. Mr. President, on behalf of myself and Senator HEINZ, I rise to introduce a joint resolution designating June 21, 1986, as "National Save American Industry and Jobs Day." Joining us in cosponsoring this resolution are Senators STENNIS, DIXON, LEVIN, THURMOND, ZORINSKY, KENNEDY, SIMON, RIEGLE, BAUCUS, BURDICK, SPECTER, GORE, SARBANES, EAGLETON, MOYNIHAN, LAUTENBERG, HEFLIN, BUMPERS, ROCKEFELLER, KERRY, MITCHELL, NUNN, PRYOR, MATTINGLY, STAFFORD, GRASSLEY, BRADLEY, HOLLINGS, QUAYLE, and GLENN.

Throughout America's history, U.S. manufacturing industries have spurred economic growth and raised the standard of living for millions of Americans. Innovative thinking and a commitment to hard work and excellence have produced innumerable consumer goods and helped this Nation and its allies meet their defensive needs and obligations. Our lives have been made better, easier and safer because of the efforts of American manufacturing industries.

Indeed, Mr. President, it is hard to imagine where this Nation and the rest of the world would be today if not for the American workers and the manufacturing sector of our economy. The sad truth is, however, that unless we take some action, we will wind up without a strong manufacturing base in this country.

Although the manufacturing sector of the U.S. economy accounts for over $1.5 trillion of the gross national product, individual firms are continuing to fail at an alarming rate. Steel and textile mills, auto plants, shoe factories, and machine tool companies are continuing to shut down. Manufacturing jobs, once the economic backbone of the Nation, are being permanently lost to overseas competition. As a result, many communities and livelihoods have been destroyed.

Part of the problem is that our foreign trading partners refuse to deal fairly with us. While subsidizing their own industries' exports to the United States, these same foreign governments continue to erect barriers which prevent the sale of U.S. goods in their own markets. It is not a two-way street.

We cannot allow the drain on our manufacturing base to continue. We must demand better treatment from our trading partners and we must continue to make improvements within our own industries to become more competitive. And, finally, we must stand together as a nation in support of the "Made in America" label and the American worker.

The joint resolution I am offering today is a step in this direction. By designating June 21, 1986 as "Save American Industry and Jobs Day," we can help focus national attention on the need to buy American and demonstrate our firm support for American jobs and industry.

By Mr. LEVIN (for himself, Mr. MOYNIHAN, Mr. ROCKEFELLER, Mr. D'AMATO, Mr. BRADLEY, Mr. ANDREWS, Mr. RIEGLE, Mr. METZENBAUM, Mr. MATSUNAGA, Mr. EAGLETON, Mr. KERRY, Mr. ZORINSKY, Mr. LAUTENBERG, Mr. DIXON, Mr. NUNN, Mr. PRYOR, Mr. BIDEN, Mr. BOREN, Mr. STENNIS, Mr. SIMON, Mr. CHILES, and Mr. KENNEDY):

S.J. Res. 347. Joint resolution to designate the week of May 19, 1986, through May 24, 1986, as "National Homelessness Awareness Week"; to the Committee on the Judiciary.

NATIONAL HOMELESSNESS AWARENESS WEEK

● Mr. LEVIN. Mr. President, every day, in every American community, there are people living in the streets—men and women without homes, without clothes, without money, without food, and, most frightening of all, without hope.

Most of us, who have been blessed with material comfort, are uneasy when we see these human symbols of social imperfection. We may try to look away from them; but we cannot avoid seeing them. They are there, lodged in our minds and our souls, disquieting remainders that all is not well with the world even if it is well with us.

Mr. President, these "street people" are usually seen through a stereotype. Some think of them as "bums" or "crazy people" because that makes it easier to ignore them. And it's probably that some are mentally impaired and others are emotionally incapable of dealing with the complexity of modern life. But it is equally true that those conditions do not justify society's indifference or decrease the suffering these people feel or diminish the essential humanity they share with us.

But there are also people out there who are sane as the rest of us, as ambitious as the rest of us—but just not as lucky as the rest of us.

The streets are home to children who have been abandoned, women who have been abused, men who have been rejected by a system they want to understand.

Mr. President, what we need to keep in mind is that all these "street people" are people, all of them. They are our brothers and sisters, our parents and our children.

Homelessness is not a political issue—though some have tried to make it one. If there are 300,000 homeless or 3 million homeless there are too many. And, whatever their number, there is a need to respond to their problems.

Americans are a generous people, and we do respond. But that response tends to be seasonal and cyclical. We give the most, we do the most, in the winter. Stories about people freezing and starving at Christmas time touch us. And we respond.

But death and despair do not take a holiday when the weather turns warm. Indeed, some shelter providers believe that spring and summer are the worst times to be on the streets. Public resources are reduced, but personal problems increase. The warm weather brings out gangs—the sort of street people we really need to fear—who prey on the homeless. They steal their few belongings; they threaten them verbally, they attack them physically.

So now, in this spring season of renewal, there is a need for all of us—as individuals, as organizations, as a government—to renew our commitment to provide help to those in need. That renewed commitment, though, cannot be made until all of us are aware of the nature of the problem.

On Monday night, May 19, at 8:30, millions of Americans may get a better sense of the reality that so many of their fellow citizens face when they see a movie depicting the efforts of the Community for Creative Non-Violence [CCNV], to provide shelter for people here in Washington. That movie, of course, is a drama; but the real-life struggle which face organizations like the CCNV, Luther Place, the House of Ruth, the National Coalition for the Homeless, headquartered in New York; LIFE (Love Is Feeding Everyone) in East and South Los Angeles; and Saint Peter's Coalition on Temporary Shelter in Detroit are not fiction and they do not make a pretty picture.

Mr. President, dealing with the homeless on a personal level is a difficult task. Not many of us have the compassion and the courage to do it. But that "failure" is not a flaw in our character—not as long as we recognize it and compensate for it by doing those things we can do to deal with the problems that our people face.

The millions of Americans who will participate in the Hands Across America event designed to fight hunger are doing something to deal with a problem. Their action may not be as dramatic as the acts of a Mitch Snyder or a John Steinbruck—but it is real and it is valid and it is valuable.

We appreciate and applaud that sort of action. And we ought to appreciate and applaud the action of the dedicated volunteers and professionals who try to deal with the plight of the homeless on a daily basis.

That is why, Mr. President, I am joining with Representative EDWARD J. MARKEY in introducing a joint resolution to declare the week of May 19, 1986, "National Homelessness Awareness Week." This joint resolution is designed to help increase public awareness of the problems that the homeless face; to applaud the efforts of organizations who are dedicated to dealing with those problems; and to recognize the role that government, at all levels, has in responding to this problem.

Mr. President, all religions call upon human beings to share God's gifts with those in need. In Isaiah we are told to:

> Cease to do evil and learn to do right, pursue justice and champion the oppressed; give the orphan his rights, plead the widow's cause.

And in Matthew, by analogy, praise is given to those who help:

> I was hungry and you fed me, thirsty and you gave me drink; I was a stranger and you received me in your home, naked and you clothed me; I was sick and you took care of me, in prison and you visited me.

The religious roots of care are well known. And the human obligations to provide it is widely recognized. John Stuart Mill, rarely recognized as being driven by excessive concern for the poor, wrote:

> * * * it will be admitted to be right that human beings should help one another; and the more so in proportion to the urgency of the need. * * * The claim to help, therefore, created by destitution is one of the strongest that can exist; and there is a prima facia the amplest reason for making the relief of so extreme an exigency as certain to those who require it as by any arrangements of society [that] can be made.

Mr. President, there are real people in need. And there is a real need for people to respond. This joint resolution is one way for us to respond. It is not a sufficient response, but it is a necessary one. I hope that the Senate will act promptly on it.●

● Mr. D'AMATO. Mr. President, I rise today to bring attention to a serious problem that affects every community in this Nation—homelessness. We are all aware of the overwhelming problem that homelessness poses for communities and individuals alike. As a nation we must address this issue.

There are an estimated 3 million homeless individuals across the country. The rapid rise in homelessness is marked by the increased demand for emergency shelters. In 1985, the demand increased by as much as 20 percent in 22 cities.

Homelessness is the result of a number of social and individual problems. Deinstitutionalization has pushed many mentally ill individuals into the streets. Problems with alcohol and drug abuse and unemployment also have pushed individuals to desperate levels of despair: Homelessness has been the result.

Communities across the Nation are pulling together to help these individ-

uals find food, clothing, and shelter. More importantly, communities are seeking long-term assistance for the homeless. Providing counseling and jobs for these individuals is a first step toward helping these individuals become more self-sufficient.

The Federal Emergency Management Agency has made rigorous efforts to confront the homeless problem. In 1984, $110 million was provided for meals and shelter. I am pleased with these efforts, and I am committed to continuing our efforts to confront the problem.

I appreciate my colleague, Senator LEVIN, introducing this important legislation. I am delighted to be an original cosponsor and I urge my colleagues to join this effort.●

By Mr. GLENN (for himself, Mr. HEINZ, Mr. DOLE, Mr. BRADLEY, Mr. ANDREWS, Mr. BURDICK, Mr. CHILES, Mr. DODD, Mr. WILSON, Mr. RIEGLE, Mr. PRYOR, Mr. HOLLINGS, Mr. KERRY, Mrs. HAWKINS, and Mr. COHEN):

S.J. Res. 348. Joint resolution to designate the week beginning November 24, 1986, as "National Family Caregivers Week"; to the Committee on the Judiciary.

NATIONAL FAMILY CAREGIVERS WEEK

Mr. GLENN. Mr. President, as the ranking minority member of the Special Committee on Aging, I am introducing a joint resolution to designate the week of November 24, 1986, as "National Family Caregivers Week." I am pleased to be joined by Senator HEINZ, chairman of the Aging Committee, and 13 of our colleagues in drawing attention to the dedicated—and often heroic—efforts of those who provide support and care to their family members who are frail and no longer able to fully care for themselves.

Personal care for the frail elderly is provided largely by family members, not by the Federal Government or outside social service agencies. For every person 65 years of age and older residing in a nursing home, it is estimated that there are twice as many persons residing in the community requiring similar levels of care. Eighty percent of the disabled elderly receive care from family members, most frequently from wives, daughters, and daughters-in-law. For many, this is a round-the-clock responsibility that often leaves the caregiver emotionally and physically exhausted.

Most studies examining family caregiving in our society document that the major issue of concern is the stress experienced by caregivers. At a recent Aging Committee hearing that I conducted as a part of my series "Women in Our Aging Society," I received testimony from Mrs. Bernadette Tatman, of Cincinnati, OH, a mother of 10 who is the sole provider of care to her 88-year-old mother and retarded adult brother. She stated that "there was a 6- to 8-month period of time I did not leave the house except for church and the store." Mrs. Tatman's experience is not a typical, and demonstrates the tremendous need for respite care to alleviate some of this stress.

Frequently, caregivers are forced to sacrifice employment opportunities to provide care. The economic status of the caregiver's old age can be jeopardized by this sacrifice, which is another source of stress. Mrs. Tatman stated that "each year I must remain out of the work force, my earning power decreases. Will I be able to get a job again at my age * * *?" Those caregivers who continue to work outside the home face an equally stressful situation in attempting to balance the demands of their jobs and families with their caregiving role. Although women have entered the work force in unprecedented numbers, their traditional responsibilities often have not diminished. The workload for many women has simply doubled.

As Americans are living longer, more and more of us will find ourselves responsible for the care of a loved one. This is especially true for women. It is estimated that 70 to 80 percent of caregivers are women, many of whom are aging themselves. More than 1 in 3 impaired men are cared for by their wives, while only 1 in 10 impaired women are cared for by their husbands. This reflects the fact that women not only tend to marry men older than themselves, but that they live an average of 7 years longer than men. Women also have a higher incidence of long-term chronic diseases than men, and the likelihood of becoming chronically disabled increases with age. The fastest growing segment of our population is those age 85 and older—70 percent of whom are women. Caregiving, then, is in many ways a woman's issue. Growing numbers of women will find themselves at both ends of the caregiving role, first giving care to a loved one, and eventually in need of that care themselves.

Mr. President, I am disturbed by the myth that persists in our society that families are abandoning their elderly family members and "unloading" them to nursing homes and public programs. Nothing could be further from the truth. "National Family Caregivers Week" would recognize the vital role played by families who provide the bulk of personal care for the elderly in our communities.

Family caregivers make enormous sacrifices to provide their loved ones with care; their contributions help to maintain strong family ties, and strengthen intergenerational support. The cash value of caregiving services provided by families far exceeds the combined cost of government and professional services to the elderly living both in the community and in institutions.

We must recognize that the demands for and on caregivers are increasing due to several major trends. The implementation of Medicare's prospective payment system, resulting in many elderly patients being discharged "sicker and quicker," has increased the demand for family members to serve as caregivers. Demographic changes such as the aging of our population, and the decreasing numbers of the "typical" American family in which the husband works and the wife stays home to care for their children will have a profound effect on the caregiving role. The combined impact of Gramm-Rudman budget cuts, Reagan administration initiatives to reduce essential health care services and our concern over the Federal deficit are reducing the availability of services at a time when the need is escalating. For families already burdened to their physical, emotional, and financial limits in caring for a loved one, there appears to be little relief in sight.

"National Family Caregivers Week" recognizes and acknowledges the contributions of family caregivers. However, I believe they deserve a great deal more. It is clear, Mr. President, that we must address this Nation's need for a community-based system of long-term care for chronically ill older Americans. Respite, home health, and adult day care, as well as transportation and other services for the frail elderly need to be expanded. This resolution should not only honor the Nation's dedicated family caregivers but should also signal our intent, despite the realities of the current economic climate, to seek ways to assist them in their critical efforts.

I urge my colleagues in the Senate to join me in establishing "National Family Caregivers Week."

ADDITIONAL COSPONSORS

S. 1622

At the request of Mr. MELCHER, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 1622, a bill to promote the development of Native American Culture and Art.

S. 2064

At the request of Mr. WARNER, the names of the Senator from Utah [Mr. HATCH], the Senator from Pennsylvania [Mr. HEINZ], and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of S. 2064, a bill to require the President to make an annual report on the national strategy of the U.S. Government to certain committees of Congress and to require joint committee meetings to be held on such report.

S. 2134

At the request of Mr. HEFLIN, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 2134, a bill to amend title 39, United States Code, to extend to certain officers and employees of the Postal Service the same procedural and appeal rights with respect to certain adverse personnel actions as are to Federal employees under title 5, United States Code.

S. 2152

At the request of Mr. DIXON, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of S. 2152, a bill to amend title 10, United States Code, to require the Department of Defense to exclude from consideration for contracts those firms in which a hostile foreign government or a covered foreign national owns or controls a significant interest.

S. 2160

At the request of Mr. THURMOND, the name of the Senator from Idaho [Mr. SYMMS] was added as a cosponsor of S. 2160, a bill to clarify and improve the analysis of mergers under the antitrust laws.

S. 2181

At the request of Mr. D'AMATO, the name of the Senator from Maryland [Mr. MATHIAS] was added as a cosponsor of S. 2181, a bill entitled the "Construction Industry Labor Law Amendments of 1986."

S. 2206

At the request of Mr. NICKLES, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 2206, a bill to amend the Internal Revenue Code of 1954 to repeal the windfall profit tax on crude oil.

S. 2208

At the request of Mr. KENNEDY, the names of the Senator from New Mexico [Mr. BINGAMAN] and the Senator from Ohio [Mr. METZENBAUM] were added as cosponsors of S. 2208, a bill to establish the African Famine, Recovery and Development Fund for the relief, recovery, and long-term development of sub-Saharan Africa, and for other purposes.

S. 2269

At the request of Mr. D'AMATO, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 2269, a bill to amend title 10, United States Code, to permit members of the Armed Forces to wear, under certain circumstances, items of apparel not part of the official uniform.

S. 2280

At the request of Mr. WILSON, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of S. 2280, a bill to amend the Agricultural Act of 1949 to suspend the application of the milk production termination program in order to minimize the adverse effect of the program on beef, pork, and lamb producers.

S. 2294

At the request of Mr. WEICKER, the name of the Senator from Illinois [Mr. SIMON] was added as cosponsor of S. 2294, a bill to reauthorize certain programs under the Education of the Handicapped Act, to authorize an early intervention program for handicapped infants, and for other purposes.

S. 2332

At the request of Mr. BOREN, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 2332, a bill to provide credit assistance to borrowers of loans made by commercial lending institutions, Farm Credit System institutions, and the Farmers Home Administration, and for other purposes.

2333

At the request of Mr. DURENBERGER, the name of the Senator from Florida [Mrs. HAWKINS] was added as a cosponsor of S. 2333, a bill to amend title XIX of the Social Security Act to strengthen and improve medicaid services to low-income pregnant women and children.

S. 2336

At the request of Mr. ABDNOR, the name of the Senator from North Dakota [Mr. ANDREWS] was added as a cosponsor of S. 2336, a bill to protect United States cattlemen from imports of live Canadian cattle, and to require the International Trade Commission to conduct a Section 201 investigation of such imports.

S. 2354

At the request of Mr. MITCHELL, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 2354, a bill to amend the Nuclear Waste Policy Act of 1982 to provide for the disposal of high-level radioactive waste and spent nuclear fuel in a single repository, and for other purposes.

S. 2401

At the request of Mrs. KASSEBAUM, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 2401, a bill to prohibit the manufacture or distribution in, or the importation into, the United States of certain firearms.

S. 2411

At the request of Mr. D'AMATO, the name of the Senator from Virginia [Mr. TRIBLE] and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of S. 2411, a bill to prohibit possession, manufacture, sale, importation, and mailing of ballistic knives.

S. 2422

At the request of Mr. MURKOWSKI, the name of the Senator from South Dakota [Mr. ABDNOR] was added as a cosponsor of S. 2422, a bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans and the rates of dependency and indemnity compensation for surviving spouses and children of veterans; to improve the Veterans' Administration home loan guaranty program; to authorize certain debt collections; to authorize the Administrator of Veterans' Affairs to require additional information from certain fiduciary agents of veterans to revise the authority of the Administrator of Veterans' Affairs to construct, alter, acquire, operate, and maintain parking facilities at Veterans' Administration medical facilities; and to authorize an administrative reorganization in the Veterans' Administration.

S. 2435

At the request of Mr. WILSON, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of S. 2435, a bill to improve international intellectual property protection, to improve foreign market access for U.S. companies that rely on intellectual property protection, and for other purposes.

S. 2445

At the request of Mr. MURKOWSKI, the name of the Senator from South Dakota [Mr. ABDNOR] was added as a cosponsor of S. 2445, a bill to amend title 38, United States Code, to improve certain Veterans' Administration health-care programs.

SENATE JOINT RESOLUTION 143

At the request of Mr. GORE, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of Senate Joint Resolution 143, a joint resolution to authorize the Black Revolutionary War Patriots Foundation to establish a memorial in the District of Columbia at an appropriate site in Constitution Gardens.

SENATE JOINT RESOLUTION 304

At the request of Mr. SIMON, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of Senate Joint Resolution 304, a joint resolution to designate the week of November 16 through 22, 1986, as "National Arts Week."

SENATE JOINT RESOLUTION 333

At the request of Mr. ANDREWS, the names of the Senator from Oklahoma [Mr. BOREN], the Senator from Texas [Mr. BENTSEN], the Senator from Oregon [Mr. PACKWOOD], and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of Senate Joint Resolution 333, a joint resolution designating the week of May 18 through 24, 1986, as "National Food Bank Week."

SENATE JOINT RESOLUTION 334

At the request of Mr. LAUTENBERG, the name of the Senator from Alabama [Mr. DENTON] was added as a cosponsor of Senate Joint Resolution 334, a joint resolution allowing quali-

fied persons representing all the States to be naturalized on Ellis Island on July 3 or 4, 1986.

SENATE JOINT RESOLUTION 342

At the request of Mrs. HAWKINS, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of Senate Joint Resolution 342, a joint resolution to designate May 25, 1986, as "Missing Children Day."

SENATE RESOLUTION 394

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of Senate Joint Resolution 394, a resolution expressing the sense of the Senate regarding the shipment to Poland of dried milk to replace milk contaminated as a result of the nuclear disaster in the Soviet Union.

SENATE RESOLUTION 400

At the request of Mr. ROTH, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of Senate Resolution 400, a resolution to retain current tax treatment of Individual Retirement Account.

SENATE RESOLUTION 402

At the request of Mr. SPECTER, the name of the Senator from Pennsylvania [Mr. HEINZ] was added as a cosponsor of Senate Resolution 402, a resolution on minority set-aside programs.

AMENDMENT NO. 1823

At the request of Mrs. KASSEBAUM, the name of the Senator from New Hampshire [Mr. RUDMAN] was added as a cosponsor of amendment No. 1823 intended to be proposed to S. 100, a bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes.

SENATE CONCURRENT RESOLUTION 140—DESIGNATING WILLIAM C. LEE DAY

Mr. SIMPSON (for Mr. HELMS) submitted the following concurrent resolution; which was ordered held at the desk by unanimous consent until Monday, May 19, 1986:

S. CON. RES. 140

Whereas Major General William C. Lee of Dunn, North Carolina, served the United States with distinction in World Wars I and II;

Whereas General Lee was instrumental in conceiving and establishing the use of parachute and glider troops in the United States Army;

Whereas General Lee played a primary role in planning the assault on Nazi forces in France by over 10,000 United States paratroopers in connection with D-Day operations;

Whereas General Lee has become known as the "Father of the United States Airborne"; and

Whereas on June 6, 1986, the homeplace of General Lee in Dunn, North Carolina, will be opened as the William C. Lee Airborne Museum: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring, That the Congress of the United States recognizes the notable contribution of Major General William C. Lee to his country; expresses to his family the appreciation and gratitude of the Nation for his long, faithful, and outstanding military service; and designates June 6, 1986, as "William C. Lee Day".

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the family of Major General William C. Lee.

● Mr. HELMS. Mr. President, I send to the desk a concurrent resolution in honor of Maj. Gen. William C. Lee of Dunn, NC, for his outstanding military service to his country during World Wars I and II, and especially for his role in developing airborne troops as a major part of our Army. On June 6, 1986, the homeplace of General Lee in Dunn will be opened to the public as the William C. Lee Airborne Museum.

Mr. President, this resolution recites several of the achievements of General Lee, including his becoming recognized, deservedly, as the "Father of the United States Airborne"; it further resolves that Congress recognize the contribution of General Lee to his country, expressing the gratitude of the Nation to his family, and declaring June 6, 1986, as William C. Lee Day.

Mr. President, let me also mention that the driving force in giving General Lee the honor he deserves is Hoover Adams of Dunn, editor and publisher of the Dunn Daily Record. Mr. Adams is a longtime friend of mine, a true American patriot, and a dedicated member of his community. Without his efforts and the efforts of others in Dunn, I am confident that there would be no General Lee Airborne Museum. Mr. Adams is owed a debt of gratitude.

Mr. HELMS. Mr. President, I ask unanimous consent that two articles about General Lee be printed in the RECORD. They are "Father of United States Airborne," which appeared in the summer 1958 edition of Airborne Quarterly, and "General From N.C. Immortalized by D-Day Troops," by Dennis Rogers, which appeared in the June 5, 1984, edition of the Raleigh News and Observer.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

FATHER of United States Airborne

(The Airborne Association is resolved to honor the memory of the late General William C. Lee with an Airborne Memorial Library in his home town of Dunn, North Carolina.)

At the Third Annual Meeting of The Airborne Association in 1957, the membership adopted a resolution to endorse and promote the erection of an Airborne Memorial dedicated to the memory of the late Major General William C. Lee.

General "Bill" Lee is known affectionately as the "Father of United States Airborne." Long before there was even a "first test platoon" his sole interest as a young War Department officer was that of laying the groundwork for Army parachute troops.

While serving in the office of the Chief of Infantry, he became interested in applying the use of parachuting to military tactics as a medium for increased mobility in modern war.

At that time, several European countries, including Russia, had piled up a significant lead in airborne experimentation. General (then Major) Lee was the leading member of a small group of officers who, by a combination of vision, persuasiveness and daring, convinced the Army that airborne must be an element of the U.S. armed forces.

In July of 1940, he directed the organizing, equipping and testing of a group of parachutists who are now identified as the "original test platoon." The leaders of this platoon were First Lieutenant (now Colonel) William T. Ryder and Second Lieutenant (later Colonel) James F. Bassett. The latter lost his life in a helicopeter crash at Fort Bragg. The XVIII Airborne Corps Chapter of The Airborne Association is named the Colonel James E. Bassett Chapter in his memory.

Part of the story of the original test platoon is told in the March 1956 issue of Airborne Quarterly in an article titled "Jumping for Centuries."

Through General "Bill" Lee's efforts, the test platoon was expanded on October 1, 1940 into the 501st Infantry Parachute Battalion. In March of 1941 the Battalion was further expanded to form the Provisional Parachute Group at Fort Benning, Georgia, with Lee, by then a Colonel, in command.

Under his inspired direction, additional airborne units, including glider elements, were formed and trained in the new concept of vertical envelopment. In March of 1942, "Bill" Lee was promoted to Brigadier General and ordered to head the new Airborne Command, at Fort Bragg, North Carolina. Airborne Command was the over-all headquarters of all parachute and glider troops.

He personally participated in the numerous tests and experiments involving parachutes and gliders, including body-shocking glider snatch, and was twice injured in these tests.

When Pearl Harbor startled the world in December of 1941, General Lee was in the hospital at Fort Benning in a plaster cast because he had broken his back in a parachute jump. The following day, he borrowed some civilian clothes and went AWOL from the hospital to Washington to plead and argue for expansion of U.S. parachute forces.

It was General Lee's recommendation that one of the infantry divisions being readied for combat in 1942 be converted into two airborne divisions. The 82d Infantry Division, commanded by General Bradley at first, was considered by Army Ground Forces to be the best of the new divisions, General Lee was instrumental in the selection of the 82d to be split up into the 82d and 101st Airborne Divisions in July of 1942.

On General McNair's recommendation, Brigadier General William C. Lee was given command of the 101st Airborne Division and the added star of a major general. The formation of two airborne divisions under command of General Matt Ridgway and Bill Lee was eloquent recognition of the vision of General Lee.

Both the 82d and the 101st were moved from Louisiana to Fort Bragg, North Carolina. There General Lee devoted himself tirelessly to the task of whipping the 101st into shape, setting a constant example of selfless dedication to perfecting his division in the new art of vertical warfare. Typically, on

one occasion, he jumped in a training maneuver while recuperating from pneumonia.

General Lee took the 101st Airborne Division overseas and continued its training in Southern England. Shortly before the Normandy invasion, he was stricken with a heart attack which forced his retirement from active duly in October of 1944.

Only those who worked personally with Bill Lee can appreciate the tremendous outpouring of mental and physical effort that he put into airborne from 1939 to the eve of D-Day in 1944. His was the pick-and-shovel work before promotion and glory. His was the vision that conceived of glider troops before gliders had even been developed. His was the foresight that coined the word "airborne" to allay jealousy between parachute and glider troops.

And his were the dreams and convictions back in 1940 that U.S. Airborne would go into action as divisions, as a corps, and even as part of an allied airborne army. Others were then calling his dreams just figments of imagination that would never become reality.

When hostilities ended and the troops were back home in 1946, historians took time to evaluate the birth and growth of airborne. Every avenue of research into the past of American airborne led back inevitably to Bill Lee. Even before he died in June of 1948, General Lee was called the "Father of U.S. Airborne." And when all else is forgotten about the beginnings of American airborne, Bill Lee will always be remembered as the brilliant visionary who converted a dream of space warriors into the reality of airborne units starting with the first test platoon through to the great Allied Airborne Army of 1944 and 1945.

It is in recognition of the great contributions General Lee made toward the development of a new idea in war that The Airborne Association is resolved to promote an Airborne Memorial in his memory.

Should the memorial be merely a symbolic monument? Should it be located overseas where troopers bled and died? Should it be spotted in the Nation's capital? Or should it be something utilitarian which might serve more fittingly to preserve for posterity the memories of both the living and the dead who helped achieve the glory that surrounds everything associated with American airborne?

These and a host of other considerations were resolved in the decision to promote a utilitarian Airborne Memorial dedicated to the memory of the "Father of United States Airborne"—a memorial to be located in the town of his birth a short half-hour's journey from Fort Bragg, North Carolina, the present day "Home of the Airborne."

Many suggestions have been examined. They range from a $300,000 civic community center to an airborne memorial library in the home of General Lee in Dunn, North Carolina. Mrs Lee has graciously offered to sell the magnificent Lee family home to the Memorial for far less than the cost of constructing a comparable building. This last suggestion seems to be the choice of nearly everyone with whom it has been discussed.

Contributions started coming in immediately after the resolution was adopted in 1957. To handle the financing of the Memorial project separately from normal Association activities, The Association has established "The Airborne Association Memorial Fund." All contributions are segregated in this fund for the specific purpose designated by a donor.

At present, in addition to the Lee Memorial, the fund will eventually provide money for educational scholarships for children of deceased airborne troopers. All donations are entered on a standard form and given a number. The donors are rostered in numerical sequence and the rosters and signed donation forms become a permanent record of the Fund.

A form for your contribution is printed on page 24 of this issue. You are invited to share in the first and only Airborne Memorial for all of airborne and the distinguished "Father of United States Airborne"—General William C. Lee.

GENERAL FROM N.C. IMMORTALIZED BY D-DAY TROOPS

DUNN.—It was 40 years ago tonight when Bill Lee of Dunn became a legend.

He wasn't there when it happened. He was at home in his mansion on Divine Street in Dunn, still trying to recover from a heart attack almost a year earlier.

He didn't know that shortly after midnight, when the first U.S. combat troops landed in the fields and hedgerows of France, it would be his name they would shout as their victory cry.

It was the privates' way of honoring the small-town general from North Carolina they had followed from the swamps of Louisiana to the sandy hills of Cumberland County to the meadows of England to the burning night skies over Normandy.

"Not being there with his men that day was his greatest heartbreak," said Hoover Adams, a Dunn newspaper publisher who served as Bill Lee's aide and friend during World War II.

Maj. Gen. William C. Lee of Dunn did not win his fame or his stars in combat. His was a more thankless task. He was a planner, an organizer and a trainer. But the men he sent into combat—and would have led had his heart not failed—ignited the world's imagination on the day of America's greatest military victory.

It was D-Day, 40 years ago tomorrow, when the military gospel according to Bill Lee was proved true.

More than 10,000 U.S. paratroopers jumped into the darkened skies of France on the night of June 5, 1944, many hours before the troops landed on the Normandy beaches we remember as Omaha, Utah, Gold, Sword and Juno.

Bill Lee had taken a small test platoon of paratroopers and in four years molded them into a crack unit of elite soldiers. They landed behind enemy lines that dark night and, often fighting alone or in small groups hastily put together, bought time for the men who landed on the beaches. That was what Bill Lee had said they could do, and they did it.

And that night, when they leaped from the planes, they did not shout "Geronimo!" as they had been trained. Loaded down with up to 100 pounds of equipment and all the guns and ammunition they could carry, the paratroopers shouted "Bill Lee!" as they hit the silk.

Lee won accolades and medals and the friendship of the famous, but no soldier was ever paid a higher tribute.

Bill Lee grew up in Dunn. He was a hotshot athlete, a big strapping kid who haunted the playing fields and hunting grounds of Harnett County. He went away to college on a baseball scholarship, and they still say he knocked the longest home run ever hit at N.C. State University.

But his would be the life of a professional soldier. He fought in World War I, but it was his peacetime service that made him famous. He was a fast-tracker in the Army, going to all the right schools and serving in all the right, but almost invisible, jobs.

When Hitler was planning his conquest of the world, Bill Lee was there as a military observer, reporting to a disbelieving military that a madman was building a mighty army. Lee also saw Hitler's use of paratroopers and came home convinced that paratroopers could make the difference.

No one wanted to hear that. Lee became such a proponent of air borne training that he once was forbidden to discuss the subject because his bosses were tired of hearing it. But he was right and he knew it, and so did President Franklin D. Roosevelt.

The President listened to the young officer from Dunn and, despite the objections of most of the military brass in Washington, told him to go ahead and see what he could do with his idea of sky soldiers.

"General Lee had been to the World's Fair in New York and seen those parachute towers they were using as rides," Adams said. "He ordered two of them for Fort Benning, Ga."

Using carnival rides and his own belief in what he was doing, Lee took a handful of soldiers with their out-of-date equipment and untried techniques. And when the dust had settled, he was the commanding general of the crack 101st Airborne Division.

Lee was at Eisenhower's side when D-Day was planned. He trained his paratroopers hard for their mission, and to this day the manual on airborne operations he wrote is still being used.

"There is no doubt that Bill Lee would have been the first American to hit France on D-Day," said Adams. "He would have been the first man out of the first airplane."

But it was not to be. Lee suffered a heart attack before the invasion and was sent home to Dunn to recuperate. He died four years later. His heart never healed.

The people of Dunn will remember their most famous son Friday night with a black-tie dress ball. The proceeds will be used to finish the museum the town is putting in Lee's home. Tickets are $100 a couple. You can get information by calling 892-4113 in Dunn.

A reporter once asked Bill Lee who the most important man in the military was. Lee said, "The buck private, of course."

Forty years ago tonight, 10,000 of those buck privates he loved and led painted their faces black, jumped out of airplanes and shouted his name in gratitude.

They were living up to another comment he once made: "You do not have a history," he told his first band of paratroopers. "But you have a rendezvous with destiny."●

SENATE RESOLUTION 408—ELIMINATION OF UNITED NATIONS RETIREMENT ALLOWANCE FOR KURT WALDHEIM

Mr. MOYNIHAN submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 408

Whereas Kurt Waldheim has lied repeatedly about his past, particularly his service as intelligence officer for convicted war criminal General Alexander Lohr;

Whereas such mendacity allowed Kurt Waldheim to rise to the position of Secretary General of the United Nations;

Whereas Kurt Waldheim currently receives $81,650 a year as a retirement allowance for his service in that position; and

Whereas the allowance rewards him for having lied about matters that are at the very heart of the existence and purposes of the United Nations: Now, therefore, be it

Resolved, That the Senate hereby calls upon the President to instruct the Permanent Representative of the United States to the United Nations to introduce in the General Assembly—

(1) an amendment to the 1986-1987 United Nations Regular Program Budget eliminating funding of Kurt Waldheim's retirement allowance; and

(2) a resolution denying Kurt Waldheim a retirement allowance in all budgets after 1987.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

Mr. MOYNIHAN. Mr. President, I rise today to call for the elimination of Kurt Waldheim's retirement allowance from the United Nations budget.

Kurt Waldheim never would have become U.N. Secretary General had he revealed the truth about his Nazi past. But Waldheim was and is a liar. Thanks to the efforts of the World Jewish Congress, the extent of his mendacity is finally becoming known, particularly concerning his service as intelligence officer to convicted war criminal Gen. Alexander Lohr.

Should we now reward Waldheim for having deceived us so thoroughly, so brazenly, and for so long? That is what his retirement allowance represents: $81,650 a year for lying about matters that are at the very heart of the existence and purpose of the United Nations.

If the United States does nothing, we accept what has happened. There is something called shame even at the United Nations.

Mr. President, the resolution I am submitting today would demonstrate our refusal to let Kurt Waldheim benefit from covering up the past. Let that past never be forgotten.

AMENDMENTS SUBMITTED

UNIFORMED SERVICES RETIREMENT COST REDUCTION ACT

HARKIN (AND OTHERS) AMENDMENT NO. 1959

Mr. HARKIN (for himself, Mr. DIXON, and Mr. GRASSLEY) proposed an amendment to the bill (S. 2395) to establish a revised retirement system for new members of the uniformed services, to revise the method of determining cost-of-living adjustments under the revised retirement system, and for other purposes; as follows:

At the end of the bill add the following new section:

SEC. 13. CONGRESSIONAL POLICY REGARDING POSTPONEMENT OF A CERTAIN DEPARTMENT OF DEFENSE CONTRACT.

It is the sense of Congress that the Secretary of Defense should postpone the final award of a contract with respect to Defense Construction Supply Center Solicitation numbered DLA700-85-B-4-4607 (for the purchase of 178 crawler tractors) until Congress has enacted legislation authorizing appropriations for the Department of Defense for fiscal year 1987.

SIMON AMENDMENT NO. 1960

Mr. SIMON proposed an amendment to the bill S. 2395, supra; as follows:

On page 10, beginning with line 17, strike out all down through line 3 on page 12 and insert in lieu thereof the following:

"(B) shall increase the retired pay base of each member and former member of the armed forces entitled to such pay who first became a member of a uniformed service (as defined in section 407(a)(2) of this title) on or after the date of the enactment of the Uniformed Services Retirement Reduction Act of 1986, other than a member or former member retired for disability under chapter 61 of this title, by the same percent by which the retired pay of members and former members referred to in clause (1) is increased.

"(2) Increases in the retired pay of a member or former member referred to in paragraph (1)(B) shall be cumulative and may not be compounded.

QUAYLE (AND OTHERS) AMENDMENT NO. 1961

Mr. QUAYLE (for himself, Mr. DIXON, and Mr. WILSON) proposed an amendment to the bill S. 2395, supra; as follows:

At the end of the bill add the following new section:

SEC. 13. UNDER SECRETARY OF DEFENSE FOR ACQUISITION

(a) CREATION OF POSITION.—Section 135 of title 10, United States Code, is amended—

(1) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) There are two Under Secretaries of Defense, one of whom shall be the Under Secretary of Defense for Acquisition and one of whom shall be the Under Secretary of Defense for Policy. The Under Secretaries of Defense shall be appointed from civilian life by the President, by and with the advice and consent of the Senate.";

(2) in subsection (b), by striking out the second sentence; and

(3) in subsection (c), by striking out the second sentence.

(b) EXECUTIVE SCHEDULE II PAY GRADE FOR UNDER SECRETARY OF DEFENCE FOR ACQUISITION.—Section 5313 of title 5, United States Code, is amended by adding at the end the following new item:

"Under Secretary of Defense for Acquisition.".

GOLDWATER AMENDMENT NO. 1962

Mr. GOLDWATER proposed an amendment to the bill S. 2395, supra; as follows:

At the end of the bill add the following new section:

SECTION . DENIAL OF FUNDS FOR T-46 TRAINER AIRCRAFT PROGRAM

Of the funds appropriated for "Aircraft Procurement, Air Force" for fiscal year 1986, none may be obligated or expended for the procurement of the T-46 trainer aircraft.

WILSON AMENDMENT NO. 1963

Mr. WILSON proposed an amendment to the bill S. 2395, supra; as follows:

On page 9, line 21, strike out the quotation marks and the second period.

On page 9, between lines 21 and 22, insert the following:

"(D) 'Retired pay' includes retainer pay.".

On page 10, line 8, insert "Cost" before "Reduction".

On page 10, line 23, insert "Cost" before "Reduction".

On page 11, line 8, insert "Cost" before "Reduction".

On page 35, line 1, strike out "paragraph (1)" and insert in lieu thereof "subsection (a)".

GLENN (AND OTHERS) AMENDMENT NO. 1964

Mr. GLENN (for himself, Mr. WILSON, Mrs. HAWKINS, Mr. KENNEDY, and Mr. DENTON) proposed an amendment to the bill S. 2395, supra; as follows:

On page 12, strike out lines 1, 2, and 3 and insert in lieu thereof the following:

"(B) After the retired pay of a member or former member has been recomputed under subparagraph (A), increases in such member's retired pay shall be made in the manner prescribed in paragraph (1)(A) rather than in the manner prescribed in paragraph (1)(B).

MOTOR VEHICLE SAFETY AND COST SAVINGS AUTHORIZATION

STAFFORD AMENDMENT NO. 1965

Mr. SIMPSON (for Mr. DANFORTH) proposed an amendment to the bill (S. 863) to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1986 and 1987, and for other purposes; as follows:

On page 10, line 14, strike "$51,825,000 for fiscal year 1986,".

On page 10, line 20, strike "$331,000 for fiscal year 1986,".

On page 11, line 2, strike "$1,943,000 for fiscal year 1986,".

On page 11, line 8, strike "$475,000 for fiscal year 1986,".

On page 13, strike all from line 19 through page 16 and insert in lieu thereof the following:

SIDE IMPACT PROTECTION

SEC. 302. Not later than 60 days after the date of enactment of this Act, the Secretary shall reopen the rulemaking proceeding terminated on July 12, 1982, to implement Federal Motor Vehicle Safety Standard 214 (49 CFR 571.214). The Secretary shall, not later

than one year after the date of enactment of this Act—

(1) establish performance criteria for improved occupant protection in side impact; and

(2) issue an Advance Notice of Proposed Rulemaking to extend the applicability of such Standard to light trucks, vans, and multipurpose passenger vehicles.

AUTOMOBILE CRASHWORTHINESS DATA

SEC. 303. (a) Section 201 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1941) is amended by adding at the end thereof the following:

"(f)(1) The Secretary shall enter into appropriate arrangements with the National Academy of Sciences to conduct a comprehensive study and investigation regarding means of establishing a method for calculating a uniform numerical rating which will enable consumers to compare meaningfully the crashworthiness of different passenger automobile models.

"(2) Such study shall include examination of current and proposed crashworthiness tests and testing procedures and shall be directed to determining whether objective, accurate and relevant information regarding the comparative crashworthiness of different passenger automobile models reasonably can be provided to consumers by means of a crashworthiness rating rule. Such study shall include examination of at least following proposed elements of a crashworthiness rating rule:

"(A) information on the degree to which different passenger automobile models will protect occupants across the range of motor vehicle crash types when in use on public roads;

"(B) a repeatable and objective test which is capable of identifying meaningful differences in the degree of crash protection provided occupants by the vehicles tested, with respect to such aspects of crashworthiness as occupant crash protection with and without use of manual seat belts, fuel system integrity, and other relevant aspects;

"(C) ratings which are accurate, simple in form, readily understandable and of benefit to consumers in making informed decisions in the purchase of passenger automobiles;

"(D) dissemination of comparative crashworthiness ratings for consumers either at the time of introduction of a new passenger automobile model or very soon after such time of introduction; and

"(E) the development and dissemination of crashworthiness data at a cost which is reasonably balanced with the benefits of such data to consumers in making informed purchase decisions.

"(3) Any such arrangement shall require the National Academy of Sciences to report to the Secretary and the Congress not later than 18 months after the date of enactment of this subsection on the results of such study and investigation, together with its recommendations. The Secretary shall, to the extent permitted by law, furnish to the Academy upon its request any information which the Academy considers necessary to conduct the investigation and study required by this subsection.

"(4) Within 60 days after transmittal of the report of the National Academy of Sciences to the Secretary and the Congress under paragraph (3) of this subsection, the Secretary shall initiate a period (not longer than 90 days) for public comment on implementation of the recommendations of the National Academy of Sciences with respect to a rule promulgated under this title establishing an objectively based system for determining and publishing accurate comparative crashworthiness ratings for different passenger automobiles.

"(5) Not later than 180 days after the close of the public comment period provided for in paragraph (4) of this subsection, the Secretary shall determine, on the basis of the report of the National Academy of Sciences and the public comments on such report, whether an objectively based system can be established by means of which accurate and relevant information can be derived that reasonably predicts the degree to which different makes and models of passenger automobiles provide protection to occupants against the risk of personal injury or death as a result of motor vehicle accidents. The Secretary shall promptly publish the basis of such determination.

"(g)(1) If the Secretary determines that the system described in subsection (f)(5) of this section can be established, the Secretary shall, subject to the exception provided in paragraph (2) of this subsection, not later than three years after the date of enactment of this subsection, promulgate a rule under this title establishing an objectively based system for determining and publishing accurate comparative crashworthiness ratings for different passenger automobiles. The rule promulgated under this subsection shall be practicable and shall provide the public relevant objective information in a simple and readily understandable form in order to facilitate comparison among the various makes and models of passenger automobiles so as to contribute meaningfully to informed purchase decisions.

"(2) The Secretary shall not promulgate such rule unless (A) a period of 60 calendar days have passed after the Secretary has transmitted to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Energy and Commerce of the House of Representatives a summary of the comments received during the period for public comment specified in subsection (f)(4) of this section, or (B) each such committee before the expiration of such 60-day period has transmitted to the Secretary written notice to the effect that such committee has no objection to the promulgation of such rule.".

(b)(1) Section 201 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1941), as amended by this Act, is further amended by adding at the end thereof the following:

"(h) If the Secretary promulgates a rule under subsection (g) of this section, not later than 3 years after the date of enactment of the National Highway Traffic Safety Administration Authorization Act of 1985, the Secretary shall by rule establish procedures requiring passenger automobile dealers to make available to prospective passenger automobile purchasers information developed by the Secretary and provided to the dealer which contains data comparing the crashworthiness of passenger automobiles.".

(2) Section 2 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901) is amended by adding at the end thereof the following new paragraph:

"(19)(A) The term 'passenger automobile' means a motor vehicle with motive power, except that the term does not include a multipurpose passenger vehicle, a motorcycle, a bus, a truck, or a trailer designed for carrying 10 persons or less.

"(B) As used in subparagraph (A) of this paragraph, the term 'multipurpose passenger vehicle' means a motor vehicle with motive power, other than a trailer, which is designed to carry 10 persons or less and which is constructed either on a truck chassis or with special features for occasional off-road operation.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 304. Section 403 of title 23, United States Code, is amended by adding at the end thereof the following:

"(g) There is authorized to be appropriated for purposes of carrying out this section not to exceed $31,000,000 for fiscal year 1987.".

INOUYE (AND RUDMAN) AMENDMENT NO. 1966

Mr. BYRD (for Mr. INOUYE (for himself and Mr. RUDMAN)) proposed an amendment to the bill S. 863, supra; as follows:

On page 17, strike all from line 1 through line 14 on page 20, and insert in lieu thereof the following:

TITLE IV—CONTROL OF IMPORTATION OF CERTAIN VEHICLES TO ENSURE COMPLIANCE WITH SAFETY STANDARDS

AMENDMENTS TO THE NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACT OF 1966

SEC. 401. (a) Section 108(b) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1397(b)) is amended—

(1) by striking paragraphs (3) and (4); and

(2) by redesignating paragraph (5) as paragraph (3).

(b) Section 108 of such Act (15 U.S.C. 1397) is amended—

(1) by redesignating subsection (c) as subsection (f); and

(2) by inserting after subsection (b) the following:

"(c)(1) Except as provided in this subsection and subsection (d), a motor vehicle or item of motor vehicle equipment offered for importation in violation of subsection (a)(1)(A) shall be refused entry into the United States.

"(2) In the case of any vehicle imported under this subsection, the person importing the vehicle shall furnish a bond in the amount of the dutiable value of the vehicle plus the duty, and shall comply with such terms and conditions as it appears to the Secretary appropriate to ensure that any such vehicle—

"(A) will be brought into conformity by such person with all applicable Federal motor vehicle safety standards prescribed under this title within a reasonable time after such importation (as specified by the Secretary); or

"(B) will be exported (at no cost to the United States) or abandoned to the United States.

"(3)(A) Subsection (a)(1)(A) and paragraph (1) of this subsection shall not apply to any motor vehicle if—

"(i) the vehicle is imported by an importer registered under procedures established by the Secretary;

"(ii)(I) the vehicle is determined under subparagraph (C) to be substantially similar to motor vehicles originally manufactured for importation into the United States and is capable of being readily modified to conform to all applicable Federal motor vehicle safety standards; or

"(II) where there is no substantially similar United States motor vehicle, as determined by the Secretary, the Secretary determines that the safety features of the ve-

hicle comply with or are capable of being modified to comply with all applicable Federal motor vehicle safety standards, as determined on the basis of destructive test data and such other evidence as the Secretary determines to be adequate;

"(iii) the registered importer pays upon registration and annually each year thereafter (I) such fee as the Secretary reasonably establishes to cover the cost of administering the requirements of this subsection, except those referred to in clause (iv), and (II) such other fee or fees as the Secretary reasonably establishes to cover the cost of processing the bond furnished under paragraph (2), making the determinations under clause (ii), and conducting tests and investigations pursuant to subparagraph (D);

"(iv) the person making modifications to the motor vehicles pays upon registration such fee as the Secretary reasonably establishes to cover the cost of registration and inspection of facilities at which modifications are performed; and

"(v) any modifications to the motor vehicle are performed pursuant to procedures described in support of the petitions approved under subparagraph (C) and are performed at a facility which has been registered by the Secretary under procedures established by the Secretary.

"(B)(i) The amount or rate of fees under subparagraph (A) (iii) and (iv) shall be reviewed by the Secretary and adjusted, if appropriate, by the Secretary at least every 2 years.

"(ii) The amount or rate of any such fee applicable in any calendar year shall be established by the Secretary before the beginning of such year.

"(iii) Fees collected shall be available, to the extent provided in advance by appropriation Acts, solely for use by the Secretary in the administration of the requirements of this subsection.

"(iv) The Secretary shall publish such regulations as may be necessary to ensure that the requirements of this section are fully met.

"(C)(i) The Secretary shall make determinations under subparagraph (A)(ii) upon the petition of a registered importer, and shall expend every reasonable effort to make any such determination within 45 days after the receipt of such a petition. The Secretary shall establish by regulation the information required in any such petition, except that each such petition shall contain information that clearly shows that the vehicle is capable of being brought into compliance with all applicable Federal motor vehicle safety standards. Such information shall include a complete description of all the work to be performed, an engineering analysis (where applicable), and evidence that any modification to be made for purposes of such compliance does not appear to create a violation of any applicable Federal motor vehicle safety standard or a defect relating to motor vehicle safety.

"(ii) In considering any such petition, the Secretary shall give due consideration to any tests or other information available to the Secretary, including any information provided by the manufacturer or other interested parties. The Secretary shall in a timely manner compile a list of petitions received, and shall make such lists available to the public. After such a determination is made, petitioners shall be offered an opportunity to present views and evidence relevant to the determinations made by the Secretary.

"(iii) The Secretary shall annually publish in the Federal Register a list of all determinations made under subparagraph (A)(ii) and shall make available to the public all information and evidence submitted by petitioners after such determinations are made. Other interested parties may also comment on such information.

"(iv) The approval of any such petition shall be sufficient authority for any other importer or manufacturer, to take any action which the registered importer or manufacturer who submitted such petition was authorized to take under such approved petition, if the other importer or manufacturer complies with all terms and conditions of such petition.

"(D) The Secretary shall establish procedures for periodically conducting inspections and tests, including destructive tests, of vehicles pursuant to this subsection to determine compliance with all applicable Federal motor vehicle safety standards. The Secretary shall also establish procedures for periodically inspecting facilities registered under this subsection to ascertain whether such facilities are performing modifications pursuant to this section. The Secretary shall inspect each such facility within one year after the effective date of regulations promulgated under this section or six months after a facility is registered under this subsection, whichever is later. The Secretary may, to the extent funds for such purposes are available, retain the services of temporary employees for the performance of such inspections, if the Secretary determines that it is necessary to retain such services. Such employees shall not, by reason of such employment, be deemed to be Federal employees for any purposes.

"(E) Determinations made under subparagraph (C)(i) shall be revoked if, on the basis of tests and inspections conducted by the Secretary, the Secretary finds that a clear pattern of noncompliance exists with respect to motor vehicles covered by any such determination. The Secretary shall give due consideration to any relevent information submitted to the Secretary under this subsection.

"(4)(A) In order to acquire and maintain registration under this subsection, an importer shall comply with all requirements which the Secretary shall establish under this subsection. Such requirements shall include requirements for recordkeeping, including a record of the make and model of each vehicle and its vehicle identification number, inspection of records and facilities relating to each vehicle which such person has imported or modified, or both, and, for purposes of maintaining registration under this subsection, annual payment and documentation of payment of any applicable taxes and duties provided for under section 201(a) of the Energy Tax Act of 1978 (26 U.S.C. 4064) and penalties due under section 508(b)(1) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2008(b)(1)). Upon terminating or transferring its business, such importer shall submit such records to the Secretary.

"(B) The Secretary shall establish procedures for (i) the revocation or suspension of a registration issued under this subsection for failure to comply with any requirement of this Act, including the requirements of subparagraph (A), or regulations issued under this Act, (ii) automatic suspension of registrations for failure to pay any fee referred to in paragraph (3)(A) (iii) or (iv) in a timely manner, and (iii) reinstatement of suspended registrations.

"(5)(A) Prior to the date described in subparagraph (B), a registered importer shall not—

"(i) release custody of an imported motor vehicle to any person for license or registration for use on public roads, streets, or highways; or

"(ii) license or register an imported vehicle for use on public roads, streets, or highways or otherwise operate such vehicle (other than for testing).

"(B) An importer shall not take any action set forth in subparagraph (A) until—

"(i) the registered importer has filed a certification statement with the Secretary signed and containing the following statement: 'This vehicle has been modified in accordance with procedures established in an approved determination and conforms to all applicable Federal motor vehicle safety standards in effect on .' (with the date such certification statement is filed being inserted in the blank space);

"(ii) the Secretary has reviewed and accepted such certification as valid;

"(iii) the Secretary has confirmed that the importer has labeled the vehicle and that the label is prominently displayed in a form to be determined by the Secretary, stating that the vehicle was not originally manufactured to comply with all applicable Federal motor vehicle safety standards but has been modified by the registered importer to comply with standards, and stating the obligations of the registered importer under this subparagraph; and

"(iv) the Secretary has confirmed that the importer has established the fuel economy ratings for purposes of determining the tax due under section 201(a) of the Energy Tax Act of 1978 (26 U.S.C. 4064) and has labeled the vehicle to meet the requirements of section 506(a)(1)(C) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2006(a)(1)(C)).

Within 30 days after the date on which a certification statement is filed under clause (i) of this subparagraph, the Secretary shall accept such certification statement and issue a bond release letter, or reject such certification statement.

"(C) A State may require the registered importer to provide to appropriate State authorities a notarized English translation of all title and ownership documentation.

"(D) The Secretary may require that any such certification statement be accompanied by such evidence of compliance as the Secretary considers appropriate, or that the vehicle be inspected by the Secretary, or both.

"(6) For purpose of part B of this title—

"(A) the registered importer shall be deemed to be the manufacturer with respect to all motor vehicles imported by such importer;

"(B) in the case of any defect or failure to comply with any applicable motor vehicle safety standard in or regarding any motor vehicle which was originally manufactured for importation into the United States, any imported motor vehicle that has a valid certification under this subsection and that is determined to be substantially similar to such motor vehicle shall be treated as having the same defect or failure unless the manufacturer or registered importer demonstrates otherwise to the Secretary;

"(C) the Secretary shall publish in the Federal Register notice of any defect or failure referred to in subparagraph (B), and any defect in or failure to comply regarding any motor vehicle imported under this subsection which is reported by the manufacturer of such motor vehicle; and

"(D) the registered importer shall be treated as the manufacturer with respect to

the motor vehicles imported, except that in the case of defects referred to in subparagraphs (B) and (C), the Secretary shall establish procedures to ensure that the original manufacturer of the vehicle or one of its domestic subsidiaries or affiliates shall, at the time of any recall determination affecting such vehicle, cooperate with the Secretary to facilitate a successful and timely recall.

"(7) The Secretary shall, by regulation, establish requirements to ensure that the registered importer (or any successor in interest) will be capable of carrying out the importer's responsibilities under part B of this title. The Secretary shall require each registered importer to provide evidence of sufficient financial responsibility to meet such obligations. Such evidence may include the posting of a prepaid surety bond for each motor vehicle or similar guarantee measures.

"(8) Section 109 shall apply in the case of any violation of the requirements of this subsection, except that the amount of any civil penalty imposed under such section for any such violation shall not exceed $5,000 for each such violation and shall not exceed $800,000 for any related series of violations.".

(c) Section 108 of such Act (15 U.S.C. 1397) is amended by inserting after subsection (c), as added by subsection (b) of this section, the following:

"(d) Subsection (a)(1)(A) and subsection (c)(1) shall not apply to any motor vehicle or item of motor vehicle equipment if—

"(1) it requires further manufacturing to perform its intended function (as determined under regulations prescribed by the Secretary); and

"(2) it is accompanied at the time of entry by a written statement issued by the manufacturer of the incomplete vehicle or item of equipment which indicates the applicable Federal motor vehicle safety standard with which such vehicle or item is in compliance.".

(d) Section 108 of such Act (15 U.S.C. 1397) is amended by inserting after subsection (d), as added by subsection (c) of this section, the following:

"(e)(1) Subsections (a)(1)(A) and (c)(1) shall not apply to any motor vehicle if the vehicle is imported for personal use, and not for resale, by a member of the uniformed services (as defined in section 2101 of title 5, United States Code) or the foreign service (as defined in section 103 of the Foreign Service Act of 1980 (22 U.S.C. 3903))—

"(A) whose permanent duty station or assigned place of employment is outside the United States;

"(B) who has not previously imported a vehicle into the United States under the authority of this section (or subsection (b)(3) with respect to the period before the date of enactment of the National Highway Traffic Safety Administration Authorization Act of 1985); and

"(C) who agrees to have the vehicle modified to meet all applicable Federal motor vehicle safety standards at a facility registered under subsection (c)(3)(A)(iv).

"(2) Subsections (a)(1)(A) and (c)(1) shall not apply to any motor vehicle if the vehicle is imported on a temporary basis for personal use, and not for resale, by any individual who is a member of—

"(A) the personnel of a foreign government on assignment in the United States who is within the class of persons for whom free entry of vehicles has been authorized by the Secretary of State;

"(B) the armed forces of a foreign country on assignment in the United States; or

"(C) the Secretariat of a public international organization so designated under the International Oganizations Immunities Act (22 U.S.C. 288 et seq.).

The Secretary may require such verification of such status as the Secretary considers appropriate. The Secretary shall ensure that any vehicle entered under this subsection will be exported (at no cost to the United States) or abandoned to the United States when the individual involved ceases to reside in the United States and to hold such status.

"(3) The Secretary may exempt any motor vehicle or item of motor vehicle equipment from subsections (a)(1)(A) and (c)(1) upon such terms and conditions as the Secretary may find necessary solely for the purpose of research, investigations, studies, demonstrations or training, or competitive racing events.".

(e)(1) The first sentence of section 501(8) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2001(8)) is amended by inserting immediately before the period the following: "and any importer registered to import vehicles pursuant to section 108(c) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1397(c))".

(2) Section 502(c)(1) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2002(c)(1)) is amended by inserting immediately after "manufacturer" the first time it appears the following: "(expect a manufacturer registered to import vehicles pursuant to section 108(c) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1397(c))".

(f) Section 108(a)(1)(A) of such Act (15 U.S.C. 1397(a)(1)(A)) is amended by inserting immediately after "such standard" the following: "and is covered by a certification issued under section 114,".

(g) Section 114 of such Act (15 U.S.C. 1403) is amended—

(1) by inserting ", as appropriate," immediately after "dealer";

(2) by striking "or distributor" wherever it appears;

(3) by inserting immediately after the first sentence the following: "Every distributor of a motor vehicle or item of motor vehicle equipment shall furnish to a dealer or subsequent distributor at the time of delivery of such vehicle or item of equipment the manufacturer's certification that was previously furnished to the distributor."; and

(4) by adding at the end thereof the following: "As used in this section and section 108, the term 'manufacturer' means any person engaged in the manufacturing or assembling of motor vehicles or items of motor vehicle equipment, including any other person who acts for or is under the control of such person with respect to the importation of such vehicles or items of equipment.".

(h)(1) Section 108(a)(1)(A) of such Act (15 U.S.C. 1397(a)(1)(A)) is amended by striking "subsection (b)" and inserting in lieu thereof "subsections (b), (c), (d), and (e)".

(2) Section 108(b)(2) of such Act (15 U.S.C. 1397(b)(2)) is amended by striking "or importer".

(i) The General Accounting Office shall prepare and submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives on July 1, 1988 and on or before July 1 of each year thereafter a comprehensive report on the administration of sections 108 (c), (d) and (e) of the National Traffic and Motor Vehicle Safety Act of 1966, as added by this section. Such report shall include, but need not be restricted to—

(1) a listing of the registered importers and the determinations made by the Secretary under section 108(c)(3)(C) of such Act;

(2) a description by model year and make of the vehicles entered under such section;

(3) an itemization of the number of such vehicles entered, segregated by model number and year;

(4) the degree of observed compliance with applicable Federal motor vehicle safety standards;

(5) a description of the efforts undertaken by the Secretary under section 108(c) (3) and (4) of such Act, including tests and investigations conducted and the results of such tests and investigations;

(6) an accounting of the fees collected and expended by the Secretary pursuant to section 108(c)(3)(A) (iii) and (iv) of such Act;

(7) an assessment of the Secretary's compliance in processing certification statements under section 108 of such Act in a timely manner and a compilation of the number of certification statements received;

(8) compliance with any requirement of applicable taxes and duties provided for under section 201(a) of the Energy Tax Act of 1978 (26 U.S.C. 4064); and

(9) such other information as the General Accounting Office considers appropriate.

The report shall contain such recommendations for additional legislation as is considered necessary to ensure that motor vehicles not originally designed or manufactured for compliance with all applicable Federal motor vehicle safety standards are being properly brought into compliance following importation into the United States.

(j) The Secretary of Transportation shall prepare and make available to the public information on the importation of motor vehicles into the United States and procedures to be followed to bring such vehicles into conformity with Federal motor vehicle standards.

(k) The Secretary of Transportation shall conduct a study on the effectiveness of the amendments made by this section in ensuring compliance with applicable motor vehicle safety standards and enhancing motor vehicle safety. Such study shall be submitted to the Congress not later than 36 months after the date of enactment of this Act. Following receipt of such study, the Congress shall determine and enact, if any, those changes to existing law which it considers appropriate. Such changes may include termination of the conditional importation of nonconforming vehicles, repeal of this title, or appropriate modifications of procedures provided for under this title.

(l)(1) The Secretary of Transportation shall promulgate such regulations as may be necessary to implement the provisions of this title as soon as practicable, but in no case later than eight months after the date of enactment of this Act. The amendments made by this title shall take effect three months after such regulations become effective, except that such amendments shall take effect prior to the expiration of such three-month period with respect to any model of a vehicle for which a determination is made under section 108(c)(3)(C) of the National Traffic and Motor Vehicle Safety Act of 1966 (as added by subsection (a) of this section), as soon as such determination is made.

(2) Any person may commence a civil action on such person's own behalf against the Secretary of Transportation to compel the Secretary to promulgate regulations under this section where there is alleged a failure by the Secretary to promulgate such regulations by the date specified in paragraph (1) of this subsection. The United States Court of Appeals for the District of Columbia shall have jurisdiction over such action and may award costs of litigation (including reasonable attorney's fees) to the prevailing party (other than the United States Government) whenever the Court determines that such award is appropriate. Any petition under this paragraph shall be granted an expedited hearing by the Court.

(3) As soon as possible after the date of enactment of this Act, the Secretary of Transportation shall take steps designed to encourage notification regarding the changes made by this section to members of the uniformed services and other individuals who may be affected by such changes.

NOTICES OF HEARINGS

SUBCOMMITTEE ON CIVIL SERVICE, POST OFFICE, AND GENERAL SERVICES

Mr. STEVENS. Mr. President, I wish to announce that the Subcommittee on Civil Service, Post Office and General Services, Senate Governmental Affairs, will hold a joint hearing with the House Post Office and Civil Service Committee on Wednesday, June 18, 1985, at 10 a.m. in room SD-342, Dirksen Senate Office Building. The purpose of this hearing will be to receive testimony from the members of the Postal Rate Commission on the results of their study, which will be released on that date, on the use and abuse of the preferred mail rate.

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that the Senate Small Business Committee will hold an oversight hearing on the implementation of the Prompt Payment Act, Public Law 97-177, on Thursday, July 19, 1986. The hearing will commence at 10 a.m. and will be held in room 428A of the Russell Senate Office Building. For further information, please call William B. Montalto, procurement policy counsel for the committee at 224-5175.

Mr. President, I would like to announce that the Senate Small Business Committee will hold a full committee markup on Wednesday, May 21, 1986 on S. 2147, a bill to reauthorize the eligibility of sheltered workshops to compete on Federal procurement contracts and H.R. 2787, a bill to extend the Small Business Administration Pilot programs under section 8 of the Small Business Act. The markup will commence at 10 a.m. in room 428A of the Russell Senate Office Building. For further information, please call Bob Wilson, chief counsel for the committee, at 224-5175.

Mr. DOLE submitted the following notice on behalf of Mr. MATHIAS:

COMMITTEE ON RULES AND ADMINISTRATION

● Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR-301, Russell Senate Office Building, on Wednesday, May 21, 1986, at 2 p.m., to conduct a business meeting.

On the legislative agenda, the committee will be considering S. 2255, concerning official mail costs; an original bill to authorize appropriations for the Federal Election Commission for fiscal year 1987; an original bill that would amend 2 U.S.C. 58a in order to authorize the Senate Sergeant at Arms to pay for State long-distance telephone charges based on the amount of time the service is used; Senate Concurrent Resolution 123, to permit the 1986 Special Olympics Torch Relay to be run through the Capitol Grounds; two printing resolutions for the House of Representatives (H. Con. Res. 288 and H. Con. Res. 301); an original resolution to amend rule XXXV of the Standing Rules of the Senate so that the chairman of the Ethics Committee can give notice in the CONGRESSIONAL RECORD of approval of foreign travel by a Member, officer, or employee after the foreign travel has concluded; and several original resolutions to pay gratuities to survivors of deceased Senate employees.

Administrative business scheduled to be considered includes the following: use of the official office expense account to defray the cost of drug testing for Senate staff, and requests from the Sergeant at Arms that his office assume responsibility for office automation training and that funds from the Computer Center budget be reprogrammed.

For further information concerning this meeting, please contact Carole Blessington of the Rules Committee staff on extension 40278.●

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER, AND RESOURCE CONSERVATION

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public that a public hearing has been scheduled before the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources on Thursday, July 17, 1986, at 10 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC 20510. Testimony will be received on S. 2412, to withdraw and reserve certain public lands.

Those wishing to testify should contract the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources, room SD-308, Dirksen Senate Office Building, Washington, DC 20510. Oral testimony may be limited to 5 minutes per witness. Witnesses may be placed in panels, and are requested to submit 25 copies of their testimony 24 hours in advance of the hearing, and 50 copies on the day of the hearing. For further information, please contact Tony Bevinetto or Patty Kennedy of the subcommittee staff at (202) 224-0613.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce, for the information of the Senate and the public, that on Monday, June 9, and Tuesday, June 10, 1986, the full Committee on Energy and Natural Resources will convene oversight hearings on clean coal technology and strategies for acid rain control.

The general purpose of these hearings is to provide, from the macroperspective, a review of the relationships between implementation of the DOE Clean Coal Technology Program and proposed strategies for the control of acid rain. In this regard, the hearings will examine the relationship between the timetables for both the demonstration of clean coal technologies and those proposed for the control of acid rain. The hearing also will examine the relationship between these timetables and current utility planning schedules.

The primary objectives of these hearings are to first review the recent United States-Canadian agreement on acid rain, including the administration's position; second, review of the types of proposals received under the clean coal technology solicitation, for example, whether these proposals reflect utility and regulatory requirements—for example, whether the proposals are suitable for retrofit, repowering, or new construction; third, examine the potential regulatory and other barriers to the development and deployment of clean coal technologies; fourth, review the comparative costs of current and proposed sulfur oxide and nitrogen oxide controls with current and future clean coal technologies; and fifth, review, from the perspective of State regulatory bodies—for example State public utility commissions—and industry, the economic and environmental implications of proposed acid rain controls.

Other objectives for the hearings, as time permits, are first, to provide an update on current knowledge with respect to the causes and effects of acid precipitation since the committee's April 30, 1984, hearing on the subject; second, to review current knowledge on identification and assessment of cost-effective approaches for the reduction of emissions of pollutants linked to acid rain; and third, to examine the energy, environmental, and economic implications of recent legislative and regulatory proposals for reducing sulfur oxide emissions from fossil fired energy sources.

These hearings will begin at 10 a.m. in room SD-366 of the Dirksen Senate Office Building. Those wishing to submit written statements for the record should transmit 10 copies to the Senate Committee on Energy and Natural Resources, room SD-358, Dirksen Senate Office Building, Washington, DC 20510. For further information, please contact Richard D. Grundy, director of oversight and investigations, at (202) 224-2564 or Jeffrey Arnold, professional staff member, at (202) 224-5205.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public, that the Committee on Energy and Natural Resources has scheduled an oversight hearing on Thursday, June 19, 1986, beginning at 9:30 a.m. in room SD-366 of the Senate Dirksen Office Building, Washington, DC.

The purpose of this hearing is to receive testimony on the Chernobyl accident and implications for the domestic nuclear industry. Those wishing to testify or submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information regarding this hearing, please contact Ms. Marilyn Meigs or Mr. K.P. Lau at 202-224-4431.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. WILSON. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Thursday, May 15, to hold a hearing on S. 2197, Federal Employees Optional Early Retirement Act of 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

Mr. WILSON. Mr. President, I ask unanimous consent that the Subcommittee on Science, Technology and Space, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on Thursday, May 15, 1986, in order to conduct a hearing on the fiscal year 1987, National Science Foundation authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. WILSON. Mr. President, I ask unanimous consent that the Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, May 15, in closed session, to markup the fiscal year 1987 intelligence authorization.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. WILSON. Mr. President, I ask unanimous consent that the Committee on Agriculture be authorized to meet until 1 p.m. during the session of the Senate on Thursday, May 15, 1986, in order to conduct a hearing on the possible impact on agriculture due to the explosion in the Soviet Union of the nuclear plant, Chernobyl.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

GARRISON DIVERSION UNIT

● Mr. McCLURE. Mr. President, on April 28, 1986, the Senate took from the desk and passed without amendment H.R. 1116, the Garrison Diversion Unit Reformulation Act of 1986, thereby clearing the measure for signature into law by the President.

Mr. President, the quick passage of H.R. 1116 reconfirms the longstanding policy of the Senate Committee on Energy and Natural Resources that in authorizing or reauthorizing water resource development projects to be undertaken by the Department of the Interior's Bureau of Reclamation, each legislative proposal should be crafted on a project-by-project basis. This policy of crafting authorizing legislation to reflect the unique circumstances surrounding a particular project has held in good stead over the years and is reflected in the outstanding performance of the reclamation program.

I know of no Government program that has returned more to the taxpayer or the Nation at large than the investment the Congress has made in the reclamation program. I attribute much of that success to the thorough examination each project and related legislation must undergo and the recognition by the Congress that each project is unique and may require specific legislative language to address unusual circumstances. In that regard, I can think of no better example of unusual circumstances than those surrounding the passage of the Garrison Diversion Unit Reformulation Act of 1986.

Mr. President, my colleagues are all familiar with the legislative history of the Garrison diversion project and the controversy which has surrounded the project for over 20 years. Since initial authorization in 1944, the Congress has repeatedly held out to the farmers and citizens of North Dakota the promise of comprehensive water resource development for their State; only to snatch it away when confronted with criticism or objections. With passage of H.R. 1116, that time has passed and I hope that we can move ahead in fulfilling that promise. It has been a long process, but I am confident that each of the objections to the Garrison diversion unit has been addressed by the provisions of H.R. 1116.

The Garrison project is unique in its regional, national, and international implications. The process by which the Garrison Diversion Unit Reformulation Act was achieved was also unique. The Garrison Diversion Unit Commission, created by act of Congress, recognized not only the special circumstances of the resource base upon which to reformulate the project, but also the unusual historical context as well. I admire the efforts of the Commission and the courage of the North Dakota congressional delegation in recommending and adopting elements of the legislation which may be contrary to the historic and traditional methodology which the Congress has adopted in authorizing water resource development projects, but for which there is application to the unique Garrison situation.

I would briefly cite several elements which are applicable only to the Garrison project:

The House report (99-525) provides that mitigation "is to precede, or at least be concurrent with * * * construction * * *" I think my colleagues will agree that this is a novel concept; that is, that the Federal Government is in the position of obligating funds and undertaking fish and wildlife mitigation efforts for a project which has not yet been constructed and may in fact never be constructed.

The act also provides for straight line repayment of irrigation costs allocated to power revenues for repayment in a period not to exceed 40 years. This is an unusual requirement given the vagaries of precipitation and the resultant impact on hydroelectric power production. It will be interesting to note the response on the part of the consumer and dependent utilities to rate changes resulting from this unwise policy.

The act also provides for a 10-percent "full cost" surcharge on water delivered for use in the production of surplus crops. I am very aware of the philosophical debate which is taking place regarding the production of surplus crops on lands served by reclamation projects and I believe that the imposition of such a surcharge strikes at the very heart of the reclamation program—efforts to promote the family farm. Under reclamation law, the farmer already pays all that he can based upon his ability to pay. The surcharge is over and above that amount and frankly, I don't know how the Garrison farmer will be able to afford it.

There are also several other elements of the bill dealing with fish and

wildlife resources which are unique to a reclamation project authorization and I would cite the creation of a wetlands trust and the Commission's recommendation of a binational program for acquisition of wildlife habitat in Canada and the United States. Both are interesting concepts, but unrelated to the Garrison project and the mitigation of adverse environmental impacts should the project be constructed.

I would also note in passing the rather bizarre rationale contained in the House report on H.R. 1116 as to why indexing was not included for the authorization of construction funds for the irrigation portion of the project. Apparently, the "committee believes this is the best way to ensure oversight of the construction progress on the project." As my colleagues understand and appreciate, the respective appropriation and authorizing committees of the House and Senate are kept well advised by the President's annual budget submittal to the Congress as to the progress of all Bureau projects under construction. To single out the irrigation portion of the Garrison project as requiring additional authorizing legislation or oversight activities is without parallel. As for forcing oversight on the part of a congressional committee by not authorizing indexing of construction costs, this is novel indeed.

There are also elements of the bill in keeping with past committee and congressional practice. I would note, for example, two elements of the act. First, there is no requirement for an up-front financial contribution by a non-Federal party. This is in keeping with the Committee on Energy and Natural Resources' policy on cost-sharing whereby such requirements are crafted to meet the economic viability of each project proposal. Next I would cite authorization of a $200 million grant for construction of rural water supply systems in the State of North Dakota. This application of the grant concept is similar to what Congress provided for in the authorization for the WEB pipeline in South Dakota and what is being contemplated for other rural water supply systems.

Given the circumstances, there is no question in my mind that it was necessary to adopt unique provisions for the Garrison project to ensure passage of a bill. As Senator ANDREWS noted in his comments during final passage of the bill: "That Commission has acted. The report has been studied by the other body, and while the final results in the other body after 7 long months are not what we in North Dakota nor perhaps too many others would like, it is a compromise. It is the best package we can get and we would hope that we can pass it through the Senate because we are long behind the time that we needed to get it." In response to the good Senator's remarks I can only respond with a strong "amen."●

JEWISH HERITAGE WEEK

● Mr. GLENN. Mr. President, this week is Jewish Heritage Week and we take this opportunity to recognize the enormous richness and diversity of the heritage of the Jewish people.

The inspiring history of the Jewish people has been one of both great trials and great accomplishments. It is a legacy that has touched the human spirit since ancient times. In our time, the Jewish community has enriched our Nation in virtually every field of endeavor and has contributed to the diversity of American life. It is difficult to think of a single dimension of American life that has not been touched, if not strongly influenced, by the contributions of the Jewish community.

But while we remember the accomplishments of the Jewish people, we must also remember the grave trials of the past. The tragic past of the Jewish people—the horrors of the Holocaust and the pervasiveness of anti-Semitism—must never be forgotten. This is why America must not forget the tragic plight of Soviet Jewry that exists today. The Jewish people have endured enormous hardship and persecution for centuries and the Soviet Union has been a leading force in anti-Semitism in the 20th century. I am pleased to have been a cosponsor of Senator MOYNIHAN's resolution expressing support for last Sunday's Solidarity Sunday for Soviet Jewry. Such events are vital to keep the plight of Soviet Jewry alive in our consciences.

Mr. President, in recognizing Jewish Heritage Week, we recognize both the contributions of Jews to civilization and the unique tribulations Jews have been forced to bear throughout human history. As Americans, we must continue to stand up for the basic principles of human rights and religious freedom by which this Nation was created.●

FRAUD AGAINST THE GOVERNMENT

● Mr. McCLURE. Mr. President, recently the Wall Street Journal had an interesting editorial concerning S. 1134 and S. 1562, which are both bills written with the good intention of trying to deal with the problem of fraud against the Government.

I found the editorial to be a very succinct analysis of why the approach taken in the bills may, however, be somewhat misguided and even dangerous.

In particular, a number of organizations and individuals have expressed their dismay at the new powers these bills would give to the Federal bureaucracy. They question, as do I, the wisdom of these broad grants of power to unelected officials who are not part of the judicial system.

The organizations include the American Farm Bureau, the Aerospace Industries Association of America, Inc., the American Electronics Association, the Associated General Contractors of America, the Computer and Business Equipment Manufacturers Association, the Electronic Industries Association, the National Association of Manufacturers, the National Council of Technical Service Industries, the Professional Services Council, the Scientific Apparatus Makers Association, the Semiconductor Industry Association, and the U.S. Chamber of Commerce.

Mr. President, I ask that the Wall Street Journal editorial be printed in full as if read at the conclusion of these remarks. I further ask that my colleagues, at least those who may not already have done so, to study the content of these bills and to reflect on their possible implications for civil liberties should they be enacted.

The editorial follows:

OPEN-ENDED ASSAULT ON LIBERTIES

(By Paul Craig Roberts)

The next time you make a careless mistake on your federal income-tax return it could cost you $10,000. At least, that will be the case if Sen. Charles Grassley (R., Iowa) and Sen. William Cohen (R., Maine) succeed in getting their bills passed. S. 1562 and S. 1134 are legislative responses to sensational reports of defense contractors billing the Pentagon for $600 toilet seats and $100 screwdrivers. Designed to beef up the government's ability to deal with fraud and abuse, the bills would expose ordinary citizens to unusual legal procedures.

The bills would cross the lines between civil and criminal law and strip the accused of the rights of criminal defendants and the protections of the evidentiary rules and discovery process provided in civil-court proceedings. Under the bills, fraud would no longer be premised upon the motives of the accused or require proof of knowledge, culpability or intent. Defendants could be fined $10,000 for each false statement made to a federal agency, regardless, in the case of S. 1134, of whether the defendant knew the statement was false or the government suffered a loss as a consequence. Moreover, the bills taken together would establish a procedure whereby the defendant would be accused, investigated, tried and sentenced by the federal agency itself without any trial in court. Indeed, provisions such as Section 803(f)(2)(B) of S. 1134 do not seem to grant the accused any real right to be heard.

Proponents of the bills claim that these changes are necessary to catch defrauders who claim lack of knowledge or intent to defraud as a legal defense. However, the net would be so wide it could as easily catch anyone who makes an honest mistake.

S. 1134 would also establish new and apparently unlimited subpoena powers in the office of the inspector general of each federal agency. Anyone could be subpoenaed and compelled to testify. The government would not be required to inform a subpoenaed person of the reason for the subpoena nor of the subject of investigation. The bill does

not even provide for the accused to have access to the testimony taken from other people in the investigation. This procedure would be a marked departure from the normal discovery proceedings in civil litigation in which all parties are entitled to representation at all depositions and in all discovery proceedings. In effect, the bills would give the government the powers of criminal investigation in civil proceedings, while stripping the defendant of the normal protection of the law.

It would be an unusual development in the American legal system to give such power to the federal bureaucracy. It is therefore, disturbing that the Senate Judiciary Committee and Governmental Affairs Committee have voted to report the bills to the Senate—and without any outcry from the Civil Division of the Department of Justice. In Washington the lust for power is overwhelming, and it is combining with political demagogy about defense contractors to lead the country away from its legal traditions. The silence of the hardcore liberals is as extraordinary as the bills themselves.

Another feature of the ususual legislation now before the Senate is worthy of notice. S. 1562 would permit private *qui tam* suits by people who have no connection whatsoever to a perceived abuse. In other words, anyone and everyone who heard on the evening news that a defense contractor overcharged or made a false statement could sue the contractor in court. The provision would not be limited to defense contractors and, obviously, could be widely used to settle personal grudges. This is an extraordinary development for a Reagan administration that was going to get government off people's backs.

If these bills become law, the cost of doing business with the federal government would rise and could become prohibitive for many. Not only would new federal procurement procedures be piled on top of existing procedures, greatly multiplying paper work, but also the risks of doing business with the government would be greatly increased. Federal contractors would have to adopt the excruciating legal evaluation of each word that characterizes filing before the Securities and Exchange Commission. The same risks would be faced by people who apply for Social Security, Medicare, food stamps, student loans or any federal program.

Perhaps these bills have the Machiavellian purpose of cutting back the size of government by making it too costly for anyone to have any dealings with the government. It is hard to imagine people voluntarily doing business with the government when the activity would expose them to star chamber proceedings.●

HELPING MINORITY BUSINESS WORK

(By request of Mr. BYRD, the following statement was ordered to be printed in the RECORD:)

● Mr. CHILES. Mr. President, there has been a justifiable and spirited debate over the role of race and gender set-asides in contractual awards and procurement. It is not a debate that is new to government. Neither is it an issue that is new to this Senator nor others in the Congress who have worked in this vineyard.

In 1977 and 1978, I conducted an investigation into the 8(a) set-aside program in the Small Business Administration, through my Subcommittee on Governmental Affairs. We found some very definite problems in relationship to those procurement awards, particularly in the food service industry. However, the investigation did more than "point with alarm." We also suggested some reforms that would get rid of the so-called "fronts" and restore credibility to the set-aside program in SBA. Some of those reforms were implemented and some were not. Nevertheless, significant strides were made in assisting minority and women-owned businesses in the SBA.

The Civil Rights Commission draft report which called for a 1-year moratorium on Federal set-asides for minority and women-owned businesses was quite properly returned to the staff for further review. I hope in laymen's terms, this action effectively kills that report. If the Commission seriously desires to study the problems facing minority and women-owned businesses and want to make the program work more effectively and more efficiently, then I certainly would applaud their attempt to do that.

Minority business persons are making some headway toward the economic mainstream in this country and a constituent of mine, John W. Ruffin, Jr., is part of that story. John Ruffin is a 60-percent owner of station WRBD in Fort Lauderdale and also chairs the Broward Urban League.

Mr. President, recently Marlene Sokol of the Miami Herald wrote a very interesting article on John Ruffin and his struggle to make WRBD a strong radio voice in south Florida.

I ask that the article by Ms. Sokol be printed in the RECORD.

The article follows:

STATION OWNER TUNES IN ON BLACK CONCERNS

(By Marlene Sokol)

John Ruffin did not set out to make WRBD, 1470-AM, the only black-owned radio station in South Florida. But it was no accident.

"I asked plenty of white people to invest in this station," he says, barely two months into his new job as general manager and 60 percent owner of the station. "But no one in South Florida would help me. I didn't even get my financing from Florida; it came from Chicago."

Today Ruffin, 44, is trying to boost profits at the 23-year-old station and looking back on two turbulent years.

His former employer, Pantry Pride, escaped takeover by Devon Stores in 1984, but was swallowed by the MacAndrews & Forbes investment firm in 1985. Ruffin, then vice president for general merchandise, lost his job last February.

He tried for a year to earn a living as a marketing consultant. That didn't work. He sank his energies into a newsstand concession at the Fort Lauderdale/Hollywood International Airport. The business, of which he owns 20 percent, has eaten $250,000 but is years from profitability.

In between, Ruffin became "a professional meeting-goer"—active in dozens of community organizations.

Finally, he got together with his college roommate, his sister-in-law and an old family friend from New Jersey. They raised $2 million and bought WRBD from Sconnix Broadcasting—which also owned and still owns WMXJ-FM—in March.

"What did I know about radio?" he says in a rare glib moment. "How to turn it on and how to turn if off."

Somewhat unintentionally, he has become an outspoken advocate of black enterprise. Not just a radio manager, but manager of South Florida's only black-owned station. In addition: Chairman of the Broward Urban League, co-chairman of Project Horizon's minority business task force and first vice chairman of the Broward Employment and Training Administration.

Carlton Moore, president of Broward branch of the National Association of Colored People, calls Ruffin "one of the few people I know who are both willing and able to do things for the African American community—willing to offer his time and able, with his educational and professional background."

Six months ago, at a heated meeting of Project Horizon's steering committee, Ruffin convinced the economic development organization to devote one of its five task forces to minority business development.

"I've lived in Broward County for more than five years, and I've seen this place change from a rural community to a megalopolis," he says, seeming comfortable in a windowless, nondescript office personalized by life-sized photographs of his two small children.

"And there ain't no black folks taking part in this. We've doubled our office space in the past two years, and I don't know any blacks who have had contracts to build any of those buildings—not even to sweep the floors."

Hardly radical statements. But Ruffin has not always been known as an activist. He has assumed that role relatively recently, having learned some painful lessons about corporate America at Pantry Pride and in his search for financing for his radio station.

For much of his life, his image has been that of corporate climber.

"He always seemed to have a business sense about him," said Jacksonville lawyer Reese Marshall, Ruffin's former roommate and 25-percent owner of the station. "John always seemed to know exactly what he was doing and where he was going."

Ruffin, an only child, was born in rural North Carolina and raised in Virginia, Tennessee, and New York. His parents were divorced when he was 5. He went from Morgan State University in Baltimore to New York in 1963 to work in the city's welfare department.

After a year as a case worker, he grew bored and frustrated. He quit his $5,400-a-year job and signed up as a management trainee—"a glorified clerk"—at a Grand Union supermarket.

"He was always the first person in the store in the morning and always seemed to be closing the place up at night," Marshall recalls. Ruffin describes the experience as "humbling." He became an assistant store manager, then a store manager, then national merchandising manager.

He took a year off in 1970 to earn a master's degree at Cornell University, writing his thesis on *Attitudes and Behavior of*

Black Low Income Urban Food Shoppers. In it, he tried to dispel the myths that black shoppers try to avoid white-owned stores, that poor blacks prefer mom-and-pop stores to supermarkets, and that black shoppers are less inclined to buy name-brand products. Then he returned to Grand Union.

But by 1979, he was looking for another challenge. So he joined Food Fair, which was then reorganizing under Chapter 11 of the U.S. Bankruptcy Code.

Food Fair spun off Fort Lauderdale of Pantry Pride and Ruffin was named vice president. In addition to marketing nonedible products, he supervised Pantry Pride's store in the Bahamas. Under his supervision, he says, the Bahamas Pantry Pride increased 45 percent.

But Pantry Pride was not long for the supermarket world. Management realized that the company's best asset was, paradoxically, the fact that it had lost more than $300 million. These paper losses could best be used if Pantry Pride bought a large manufacturing company that needed to shelter its pretax earnings.

Eventually, Pantry Pride sold its supermarkets and swallowed Revlon, a cosmetics manufacturer three times its size. Ruffin, proud of his success in the Bahamas, assumed his job would be safe.

He was wrong.

In February 1985, Ruffin was one of several Pantry Pride executives who were let go as the company began its retreat from the grocery business. "I couldn't believe it—not after I had done that many flips and turns, after I had had such success in an operation that they had sworn would not make another cent," he said.

Supermarket President Leonard Slider says that though Ruffin was an excellent buyer and merchandiser, he was no longer needed as the firm's supermarket operations shrank. Ruffin says he's not sure.

"The reality set in, the reality that there is a limit to how far you can go in a corporation," he said. "They'll let you go pretty far—very far. But there's always a limit, and you cannot go beyond it."

Today, few would describe Ruffin as all-business. His life is governed by a black appointment book that is always filled. Breakfast with Fort Lauderdale's Downtown Council. Lunch with Slider of Pantry Pride. Night-time promotions for the station. Weekend duties as his church's finance chairman. He often does not see his Coral Springs home until 10 or 11 p.m. Dorothy, his wife, helps run the airport concessions.

At civic functions, Ruffin is part salesman, selling commercial time on WRBD, a lively station that broadcasts everything from Prince to Motown from southern Palm Beach County to the Bahamas.

He laments the reluctance of some white advertisers to buy his product. "They'll tell me, 'That's really not our market,'" he said. "And meanwhile, I was in a shop Saturday, trying on suits, and I must have seen five [black] people in there besides me. All buying. I must have seen $1,000 worth of business go into that store in five minutes. But these people are like the guy in Ralph Ellison's book, *The Invisible Man.* They don't exist."

At work, he is as much activist as businessman, trying to blend political programming into the station's musical format. Already, he is changing WRBD's logo from "where the music is fresh" to "your community station," community meaning black. Moore applauds WRBD's additional public service announcements and its support for such events as NAACP membership drives and Urban League workshops.

Ruffin resents assumptions that his success has come easily. "People look at me and they say, 'It can't be that hard to go into business,'" he said. "What they don't realize is that it took me 10 months to put this deal together, and that I had to travel all over the country for financing."

And he hardly considers WRBD a model for black business investment. Ideally, he says, he should have been able to buy a controlling interest without ending up with a totally black-owned station.

On the subject of revenues, Ruffin only says that the station is and always has been profitable. He will not divulge dollar amounts.

Already, Ruffin says he is in preliminary negotiations to buy other stations. He hopes to buy at least one within 18 months. Said Moore: "I don't know how political he intends to make his programming. But he has the potential to really mobilize the community." ●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the notification which has been received. The classified annex referred to in the covering letter is available to Senators in the office of the Foreign Relations Committee, room SD-423.

The material follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, DC, May 13, 1986.

Hon. RICHARD C. LUGAR,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 86-32 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter(s) of Offer to Egypt for defense articles and services estimated to cost $42 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

GLENN A. RUDD,
Acting Director.

[Transmittal No. 86-32]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b)(1) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Egypt.

(ii) Total estimated value: Major defense equipment,[1] $36 million; other, $6 million; Total, $42 million.

(iii) Description of articles or services offered: Five hundred sixty AIM-9L SIDEWINDER missiles, spares, support equipment and services.

(iv) Military department: Navy (AAP).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: May 13, 1986.

POLICY JUSTIFICATION

EGYPT—AIM 9L SIDEWINDER MISSILES

The Government of Egypt has requested the purchase of 560 AIM-9L SIDEWINDER missiles, spares, support equipment and services. The estimated cost is $42 million.

This sale will contribute to the foreign policy and national security of the United States by helping to improve the security of a friendly country which has been and continues to be an important force for political stability and economic progress in the Middle East.

These AIM-9L missiles are needed by Egypt to use with their F-16 aircraft. Egypt previously purchased AIM-9L missiles from the United States; accordingly, Egypt will have no difficulty absorbing these missiles into its armed forces.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractors for this sale will be the Raytheon Corporation of Lowell, Massachusetts and Ford Aerospace Corporation of Newport Beach, California.

No additional U.S. Government personnel or contractor representatives will be required in Egypt to implement this proposed sale.

There will be no adverse impact on U.S. defense readiness as a result of this sale. ●

PORK-BUSTER AMENDMENT

● Mr. QUAYLE. Mr. President, I plan to introduce the pork-buster amendment to the urgent supplemental to put a permanent stop to pork-barrel politics on approriations. As Congress struggles to meet the Gramm-Rudman-Hollings deficit limit, efforts to eliminate unnecessary, ill-advised spending become even more crucial. The urgent supplemental is a good place to begin such efforts of fiscal responsibility.

I have been a proponent of granting the President use of a line-item veto, but I am aware that many have argued that such authority would erode the constitutionally defined separation of powers between the execu-

[1] As defined in section 47(6) of the Arms Export Control Act.

tive and legislative branches of Government. Furthermore, others have presented a cogent argument that the policy deferral process is inextricably linked to the one-House veto, and is therefore suspect under the Supreme Court's 1983 Chadha decision. These uncertainties, in my estimation, point toward the larger problem of the lack of a mechanism under the Budget Act which promotes fiscal responsibility. I, therefore, intent to propose my Federal spending control initiative, Senate Concurrent Resolution 65, as an amendment to the urgent supplemental appropriation bill, to prevent pork-barrel spending through a clearly defined, balanced procedure. I look forward to working with both the administration and the chairman of the Appropriations Committee to develop this much needed procedure.

This amendment would give the President greater power over excessive spending while at the same time addresses the concerns of those who oppose the line-item veto by forcing Congress to give timely and careful reconsideration to those items in appropriations bills that the President considers excessive or unnecessary. We have all voted for an appropriation bill without being committed to each and every line-item it may include. If the President believes strongly that an appropriation is excessive or unnecessary, it does not seem unreasonable to require Senators and Representatives to vote publicly on the need for that item. It is our belief that this process will make it easier to eliminate unnecessary spending without disturbing the constitutional balance of powers.

Using the rulemaking powers of each House, the Federal spending control initiative would guarantee an up-down vote on rescission bills submitted by the President under certain conditions. A bill, or bills, implementing the President's message would be introduced in both Houses and referred to their respective Appropriations Committees, which, within 5 days, would be required first to determine whether the President's rescission message meets specified conditions for expedited consideration and then to report the rescission bill to the floor without amendment. The bill would be guaranteed consideration on the floor within 10 days with no amendments in order.

This process differs significantly from the current system for authorizing Presidential rescissions provided under title X of the Congressional Budget and Impoundment Control Act. Under that system, unless Congress acts to approve a President's rescission message within 45 days of its transmittal, the funds in question must be spent. Under the current procedure, inaction assures no change, whereas under this proposal, action is assured on rescission requests but the outcome is not prejudged.

The huge Federal deficit is a real threat to continued economic growth. We must utilize every possible mechanism to promote fiscal discipline. Since the 1986 fiscal year began last October 1, the President has submitted 77 rescission proposals, yet not one has had a record vote. Given the critical need to reduce the Federal deficit—and to do so by curbing runaway spending—we believe the Federal spending control initiative is just the tool Congress requires to promote fiscal responsibility and deal with unnecessary and wasteful spending in a manner that does not fall under a cloud of constitutional uncertainty.●

NATIONAL SCIENCE WEEK

● Mr. GORTON. Mr. President, National Science Week, 1986, is a good time for reflection. Ten, twenty, or fifty years from now, historians will look back at 1986 as a turning point for American science and engineering. After World War II, we made a national commitment to scientific research. The Soviet's launch of Sputnik led us to increase sharply our support for science and engineering to meet the challenge of competition in scientific achievement. Today, the loss of the space shuttle *Challenger* and the destruction of the nuclear powerplant in Chernobyl are tragic events, discouraging to scientists throughout the world.

As dark as these times may seem, however, they offer us the opportunity to renew our commitment to science and engineering and to proceed with programs that are better than those that went before. We in Congress and those in the science and engineering community must make a critical assessment of our priorities, of the adequacy of our investment, and of the quality of our execution in science and engineering.

Recent events remind us that we can never finish the job of scientific investigation. Our commitment in science is to discovery, to change, to challenge our assumptions, and to build steadily on the successes—and failures—of the past. The real secret to scientific and technological success is hard work, patience, and faith that the payoffs, though not always obvious, will be worth the wait.

Fortunately for American science, Congress and the administration recognize the importance of basic research in science and engineering. The budget request for the National Science Foundation, for example, can only be described as generous in these days of Federal budget cuts. Thus far, congressional support for that budget has been strong. Chairman DOMENICI, my fellow members of the Senate Budget Committee, and I were able to see that the Senate budget resolution supports the administration's request for the National Science Foundation. It protects the foundation by supporting NASA's programs, as well.

The Senate Committee on Labor, I understand, will report out an authorization bill for the National Science Foundation next week. We on the Commerce Committee look forward to receiving that legislation, which will be referred to the Commerce Committee for 30 days under an agreement we reached last year. I would like to note that the chairman of that committee, Senator HATCH, along with its ranking member, Senator KENNEDY, have been a pleasure to work with in support of the Foundation and its programs.

I want to commend the National Science Foundation for its support of National Science Week. At schools and science centers throughout the country, community groups are sponsoring events which will boost public understanding of science and technology, will make us more aware of how science affects our lives, and will attract young people to science, mathematics, and engineering.

In my home State of Washington, the following people are conducting science week programs: Karen Bliss, of Spiritridge Elementary School in Bellevue; Robert Phipps, of Parkersburg South School in Parkersburg; Glenn Terrell, the president of Washington State University; Gloria Tinder, of Lincoln Middle School in Pullman; Ashfaq Shirazee of the Liason Committee in Seattle; Ann Cowan of the Hanford Science Center; Cheryl Lydon of St. John School in Seattle; David Taylor of the Pacific Science Center in Seattle; Jeffrey Morse of Charles Wright Academy in Tacoma; Joy McBride of Reed Elementary School in Tacoma; and Michael Markley of Boeing Computer Services in Tukwila. I congratulate my constituents for their initiative and for their support of science during National Science Week.●

POLICE MEMORIAL DAY

● Mr. SYMMS. Mr. President, May 15 has been designated as "Police Memorial Day" this year. I want to take this opportunity to offer a few words of thanks for the invaluable public service rendered each day by police officers in cities, counties, and States across the Nation.

In 1985, the Department of Justice reported that 167 police officers were killed in the line of duty. Sworn to defend our Constitution and the laws of their local government, these men and women died in the performance of an essential public service and have left loving families and friends behind. Mr. President, many of my colleagues will be shocked, as I was, to learn that a majority of the officers killed in the line of duty are under 26 years of age.

They make the ultimate sacrifice in the prime of their lives, often before marrying or starting a family. It is appropriate that Congress has set aside this day to pay our respect to those who have given their lives in an effort to enforce our laws and protect our freedom.

Mr. President, I am pleased to see so many cities and towns participating in "Police Memorial Day." In Boise, ID, Mayor Dick Kempthorne has proclaimed today as "Police Memorial Day," and the ceremonies will include a color guard and speeches honoring the 10 Idaho police officers who have been killed in the line of duty. Similar ceremonies will be held across the Nation, including Washington DC. Mrs. Irene Sudano, the chairperson of the Survivors of Law Enforcement Officers Killed in the Line of Duty and the mother of an officer killed in 1982, will be joined by Sheriff Dennis Martin, who serves on the board of the Police Hall of Fame, in a memorial ceremony on the Capitol Grounds. Today, we recognize the men and women killed in the line of duty, but let us not forget the mothers and fathers such as Mrs. Sudano, and the wives and children of officers killed, whose sorrow will last throughout their lives.

As I have said before on this floor, I have the highest respect and admiration for the Nation's police officers and agents. They can be proud of their daily brave efforts in the service of a peaceful and just society. Saying a few words on their behalf today is a small but heartfelt token of my appreciation for their efforts.

Mr. President, over the past 5 years, violent crime rates have dropped significantly. The murder rate is down 23 percent, the aggravated assault rate is down 3 percent, the rape rate is down 3 percent, and the robbery rate is down 18 percent. Citizens feel safer in their cities, neighborhoods, and their homes. This is due in part to the criminal code reform Congress has enacted since 1981, and in part, to the development of effective crime prevention programs. But the frontline soldiers in this war against crime are the Nation's police officers, and the Nation owes them a debt of gratitude.●

DEMOCRATS AND DEFENSE

● Mr. GOLDWATER. Mr. President, an interesting article appeared in the Washington Times the other morning asking a simple question, yet a very obvious question, "Will Democrats Sell Out Defense?"

I have to start out by saying that the Republicans in the Senate have done a pretty good job in denying our military the funds they need to maintain their present strength and capabilities. If the Republicans in the House go through with their intended cut and the Democrats with theirs, our military is going to sink to a point lower in strength than it has been since World War II.

Right at this moment, we have a very strong military. It is not strong in numbers, but strong in quality of men and equipment, in spite of what some Johnny-come-latelies would have you believe. To have the funds cut by both parties, Republican and Democrat, any further is going to cause havoc with the military of the future.

Mr. President, I ask that the article I refer to be inserted in the RECORD at this point in my remarks.

The article follows:

WILL DEMOCRATS SELL OUT DEFENSE?

Most American monetary experts have been shocked by how rapidly the dollar has fallen against world currencies—much more than monetary policies alone would have suggested.

They are ignoring the one non-monetary fundamental that has been changing even more rapidly than our monetary policies: our rapid abandonment of the original Carter-Reagan defense buildup, signaled both by the 1986 defense budget freeze, and the dangerous proposals by the Democrats on the House Budget Committee to slash 1987-1989 defense spending back to pre-Afghanistan and pre-Reagan levels.

Weak defense has always meant weak currency, and vice versa. It is no accident that from 1974 to 1979, while national defense spending was slashed from 5.8 percent of GNP to 4.7 percent (the lowest in postwar history), the U.S. dollar plunged from 101 percent of the 1973 index to 84, also its lowest level in modern history.

It is equally no accident that under the defense buildup started by President Jimmy Carter in 1980-81 (after the invasion of Afghanistan) and carried on by President Ronald Reagan which raised defense outlays from 4.7 to 5.9 percent of gross national product in Mr. Carter's last budget (FY 1982) and 6.4 percent in FY 1985, the U.S. dollar soared from 88 to 157.

But since April 1985, the dollar has plunged to 113 percent of its 1973 value—a shocking 29 percent decline which actually began at the precise moment that President Reagan was forced by his own Senate to agree to a 1986 defense freeze—a sure signal the defense buildup was over.

That declining defense posture picture was reinforced not only by the recent Senate decision to cut Mr. Reagan's defense budget authority for 1987 from $320 to $301 billion ($253 billion in constant 1982 dollars) but by the ominous proposals now coming out of the House Budget Committee to slash that budget authority still further, to $285 billion ($240 billion in 1982 dollars).

That proposal amounts to a 10 percent real (constant dollar) cut in budget authority from 1985 and, as a percent of GNP, would take us back to the same level of spending we had in 1981, before the Reagan buildup.

In short, the House Democrats are proposing to abort the entire Reagan defense revival, long before it has even reached the timid 1986 levels which a frightened Jimmy Carter suddenly proposed in January of 1980, after the fall of Kabul.

The fact they are willing to risk such a savage assault on national security shows how skillfully the liberal Democrats and their media colleagues have been able to paint the Reagan defense buildup in so much bigger and more wasteful terms than actually took place.

Last February, the House Budget Committee published a highly misleading table showing the "huge" Reagan defense buildup, comparing it to defense spending since 1950—but it deliberately left out any factor for inflation making all spending since 1973 look far larger than it really was, when for most of those years, it was plunging in real value.

This chart was sent out, with stunning impact, to their constituents by a large number of liberal, anti-defense Democrats such as Rep. Ed Markey of Massachusetts.

Yet, had they been really honest with their constituents, they would have sent out the other chart you see here, which shows defense spending as a share of GNP—and how steeply it has actually fallen since the peacetime budgets of the Eisenhower administration, when it averaged more than 10 percent, compared with only 6.2 percent as proposed by Mr. Reagan for 1987, which, in turn, is nearly 40 percent less than the pre-Vietnam Kennedy budgets of 1962 and 1963.

That kind of information might have forestalled the kind of outrageous proposals Democrats are now making that would cut current defense outlays back to 6.1 percent of GNP, the lowest level since 1982, and budget authority back to 6.2 percent, the lowest since 1981, a dangerous drawback in defense posture.

During the peak of the Reagan defense buildup in 1984 and 1985, a buildup that followed closely the Carter proposals of 1980-81, budget authority reached 7.6 percent of GNP—and Mr. Reagan's proposal for 1987, at 7.0 percent, was actually a substantial fallback from that level, as is the 6.6 percent level recently passed by the Senate.

Now the House proposes to cut that back to 6.2 percent, or just about where it was before Mr. Carter got hit in the head by Soviet reality in Afghanistan.

House Democrats would have you believe this is all because of Gramm-Rudman-Hollings—but actually the House proposes to go below the GRH targets by $10 billion or so—even without allowing for lower total outlays and deficits due to falling interest rates.

More important, the Senate tax reform bill, like the House version, already contains a $31 billion windfall for FY 1986 and FY 1987 because it repeals the Investment Tax Credit as of January 1, 1986, even though individual rates are not cut until 1987. This alone would obviate any need either for tax increases in FY 1987 or draconian defense cuts.

In short, they are cutting defense because that's what they have always done—and the Russians are smiling, again.●

JEWISH HERITAGE WEEK

● Mr. RIEGLE. Mr. President, I am pleased to mark the beginning of Jewish Heritage Week, by joining my colleagues in a congressional call to conscience which recognizes the suffering of 400,000 Jews who are being held prisoner in the Soviet Union as they wait to be granted permission to emigrate.

Just a few months ago, after years of effort by concerned individuals and nations in the West, Anatoly Shchar-

ansky was finally allowed to emigrate to Israel. He has brought a renewed sense of vitality to the campaign on behalf of Soviet Jews. At a Solidarity Sunday rally in New York City this past weekend, Shcharansky shared his energy with a crowd of 300,000. They not only listened to his pleas, but they heard them. Mr. President, so must we.

Shcharansky has become a symbol of the human rights movement both in the Soviet Union and in the free world. While in the Soviet Union, he became a spokesman for Jewish refuseniks. His efforts lead to his arrest as he advocated human dignity and freedom. On September 27, 1983, Shcharansky began a hunger strike to protest the nondelivery of his mail in prison. As a result of his outcry, he received an additional 5-month sentence in solitary confinement. But his commitment was unfaltering as he endured physical and emotional abuse.

As he was silenced by prisons and labor camps, his wife Avital, who had emigrated in 1974, fought for his release in the West. She spoke at hundreds of rallies in a courageous campaign for human justice which focused the world's attention on the injustices her husband and other Jews suffered in the Soviet Union. On February 11, 1986, 13 years after applying to emigrate, and after over a decade of work dedicated to a human rights campaign which cost him his job and contact with his wife, Anatoly Shcharansky was released from the Soviet Union.

I am pleased that earlier this week Anatoly Shcharansky and his wife were honored with the congressional gold medal. To both of them I extend my deepest respect and appreciation, not only for the personal sacrifices they have made, but for the inspiration they have provided to others.

There are many more like Shcharansky who want to leave, and who need to leave the Soviet Union, but who have been continually denied that privilege. Many who have been turned down are harassed by the KGB, dismissed from their place of work, and denied medical care. Some are forced to live in internal exile for speaking out against the demolition of synagogues, while others live in constant fear of being imprisoned and forgotten.

Unfortunately, some do not share the exemplary courage of Shcharansky and have been "cured" through reeducation in Soviet political prisons. Many have recanted following incarceration, physical intimidation, and psychological repression. They have been forced to publicly denounce their past positions. One such man, Mr. Berdnyk, could not withstand the authorities' threats and abuses any longer. He folded to threats and consequently publicly described " 'ambitions, discontents, false concepts and self-deception' that he now claims led him to a 'flirtation with the world of imperialism and in the camp of the enemies of the mother country.' " These are the words of someone who once advocated freedom.

Our help is critical for the future of these repressed people. They must know that they are not alone. In Scharansky's words:

> My KGB interrogators, my prison guards, tried to convince me that I was alone, powerless in their hands. But I knew I was never alone. I knew my wife, my people and all of you were with me. They tried their best to find a place where I was isolated. But all the sources of a superpower cannot isolate a man who hears the voice of freedom, a voice I heard from the chamber of my soul.

We must help these people. The University of Michigan Student Struggle for Soviet Jewry has worked to help many dissidents, including Beniamin Bogomolny. Beniamin was cited in the 1982 Guinness Book of Records as "The Most Patient Refusenik." He has waited patiently for his freedom since 1966. He is a talented young man who has been dismissed from employment and has been detained by the KGB more than once. His apartment was ransacked, but only objects relating to his Judaism were destroyed. His wife, Tanya, was also dismissed from her job. Isolated from their friends abroad and not permitted to receive their mail, they continue to patiently wait for their emigration visas.

The Student Coalition for Soviet Jewry is also very concerned about the plight of Jews in the Soviet Union. They have brought to my attention the hardships of Albert Burnstein. Albert applied for an exit visa and was refused. In protest he staged a work strike which was cut short when he was arrested and sentenced to 15 days in prison. He urgently needs medical attention to heal a decay in his shin bone. Soviet doctors say they must amputate, but Israeli hospitals say that they can definitely cure him. Albert is a 20-year-old young and able man who may lose his leg because Soviet authorities will not allow him to seek adequate medical treatment in the West.

We, as Americans, must not forget these people who have been deprived the most basic right to sustain a healthy life. And so, today, as we rejoice in the justice which has come to Anatoly Shcharansky, we must redouble our efforts to be tireless advocates for the rights of those who cannot speak for themselves. Through our words and our deeds, we must let Beniamin and Tanya Bogomolny, and Albert Burnstein, and the hundreds of thousands of refuseniks like them know that we are with them, and will be, until they are free.●

FORMER MEMBERS RECEIVE WORLD HUMOR AWARD

● Mr. ABDNOR. Mr. President, two former members of the U.S. Congress were honored by the Workshop Library on World Humor when the Honorable John A. Blatnik and the Honorable Ben Reifel received the 1986 World Humor Award. The citations were presented "for recognizing the need for and the fostering of WLWH efforts to advance the constructive use of humor in domestic and international affairs to enrich life, increase creativity, and promote world peace."

Participating in the presentation on Capitol Hill were Richard Peet, chairman of the Workshop Library, and Herbert J. Cummings, the organization's founder and president.

It was noted that John Blatnik was teaching chemistry until he became the youngest State senator ever elected to the Minnesota Legislature. During World War II he served in the Army Air Corps intelligence as chief, OSS Mission, and spent nearly a year behind Nazi enemy lines in Yugoslavia with local and other friends of freedom including Randolph Churchill, Fitzroy Maclean and Evelyn Waugh. In 1950 he personally carried the first word to President Truman that the Tito-Stalin break was real and President Truman then set in motion policies and programs to improve the United States-Yugoslav relations to ensure Yugoslav sovereignty and independence. Blatnik was elected to the U.S. Congress from Minnesota in 1946 and served 28 years, becoming chairman of the House Committee on Public Works in 1981.

The citation for John Blatnik noted:

> John's unique background—growing up under the wise guidance of immigrant parents during a severe economy depression in a multi-ethnic mining and agricultural area that he later represented for nearly three decades—contributed to making him a natural selection for a seat on the board of directors of a budding nonprofit organization devoted to the exploration of the use of humor from the earliest societies to the present. He enlightened us with his stories of his father's advice—broken but pointed English—to his congressional son. John can laugh at himself and deeply appreciates the keen and craftily directed wit of his late father. John has been an active supporter and member of the WLWH since its inception, and members and friends of the organization here and abroad are in his debt for his wholehearted cooperation and understanding of the importance of humor in easing tensions in domestic and foreign affairs and its effects on increasing the prospects for world peace.

Ben Reifel was born in a log cabin on the Rosebud Indian Reservation in South Dakota and is an enrolled member of the Rosebud Sioux Tribe. He graduated from the University of South Dakota in 1932 and entered the Indian Service, which was interrupted between 1942 and 1945 to serve in the

U.S. Army, and again between 1949 and 1952 to attend Harvard for his master's and doctorate degrees in public administration. In 1960 Dr. Reifel left the Bureau of Indian Affairs to run for Congress from South Dakota. He served five terms before retiring in 1971. He has continued his interest in Indian affairs and a wide variety of other activities which included chairman of the board, American Indian National Bank; Commissioner of Indian Affairs in the Ford administration; director of Indian programs for the National Park Service; member of the board of the National Easter Seal Society of Crippled Children and Adults; and membership on the Episcopal Blue Ribbon Committee to advise on ministry among Indians. He is president of the Washington-based ARROW, Inc., which works with Indian tribes on education and tribal court programs and is chairman of the board of the Lower Brule Sioux Farm Corp., a tribal enterprise primarily engaged in irrigation agriculture.

His citation noted:

Ben has been called a number of things since he left the Rosebud Indian Reservation in South Dakota many moons ago. During his five terms in the House, many of his friends and colleagues referred to him as "the only genuine American in the U.S. Congress." When he returned from a House committee study of peat production in some boglands of Ireland, he was spoken of with pride as "that Indian with the best damn Irish brogue in America." These were some positive factors in considering his qualifications to guide and advise a newly organized group in getting on with the task of assessing our world humor heritage, but we noted some other outstanding characteristics that made him a shoo-in for the WLWH board—a deep insight into the many and varied facets of intercultural cooperation in the arts, sciences and professions. In committee hearings, Ben could lend an attentive and discerning ear to comments of distinguished leaders in education and the arts as well as comments of bigots, phonies and professional fourflushers who insist on dumping their respective negative cultural claptrap on congressional committees. This award represents a small token of our admiration and respect for Ben, a world citizen of genuine good will combined with engaging wit and humor. We are grateful to him for his early and continuing support and his contribution to world peace where levity, not nuclear confrontation, could be the global pastime.

Mr. President, it was an honor to serve with John Blatnik on the House Public Works Committee, and Ben Reifel has been my esteemed friend for many, many years. It has been my privilege to work with both on projects of great importance and intensity, and to witness their application of good will, wit and humor in resolving thorny issues. This recognition of what is certainly a key to their success is richly deserved.

The Workshop Library of World Humor is a nonprofit organization founded by H.J. Cummings in 1975 to explore the uses of humor and to examine our humor heritage from the earliest societies to the present. The Honorable MORRIS K. UDALL is its honorary chairman. Its international advisory council includes Agam, Steve Allen, Art Buchwald, Norman Cousins, George Cruikshank, Bill Dana, Antal Dorati, John Fobes, Patrick Hayes, A.J.N. Judge, Marcel Marceau, Dr. Ronald Paulson, Desmond Rushe, Henryk Szeryng and Peter Ustinov. Their newsletter "Humor Events and Possibilities, Old New, Important, Marginal Wise and Otherwise," is an "occasional commentary on cultural turbulence as registered on the Humor Events and Possibilities [HEP] scale."●

U.N. VOTING PATTERNS SEND DISTURBING SIGNALS

● Mr. KASTEN. Mr. President, this is the Year of Liberty, the year during which we will rededicate the Statue in New York Harbor that for the past century has welcomed to our shores and to a new life the oppressed, impoverished citizens of the world.

In rededicating ourselves to the principles of liberty that make this Nation great, we also are renewing our commitment as a nation blessed by prosperity to help those countries less fortunate than ourselves.

American largesse is historic. It also is taken for granted. And while we should never as a nation turn our backs on those in need, we must seriously consider our priorities in giving aid to the world.

Consider this disturbing fact: The 159 member states of the United Nations voted against American interests in the General Assembly last year on average 80 percent of the time.

Mr. President, that is the conclusion of the third annual "Kasten Report," the study of U.N. voting patterns done by the U.S. State Department in accordance with legislation I sponsored requiring these annual reports.

The report shows that once again Israel is our staunchest ally, siding with us on 91.5 percent of the votes before the General Assembly. A number of our NATO allies—the United Kingdom, 86.6 percent; West Germany, 84.4 percent; France, 82.7 percent, up from 72 percent in 1984; Belgium, 82.3 percent; and Italy, 81.9 percent; all increased their support for the United States.

But, unfortunately, they were the exceptions to what is becoming a disturbing rule.

Mr. President, most of the time, on most of the critical issues facing our Nation, we stand almost alone in the United Nations.

According to the State Department analysis, the key issues before the General Assembly included positions taken by the United Nations on terrorism, the Soviet invasion and continued occupation of Cambodia, the Arab-Israeli conflict, apartheid, human rights abuses in several countries, and efforts to delete instances of name calling against various U.S. foreign policy positions.

It is a sad reality, Mr. President, that we cannot even count on other NATO allies to support our positions with any consistency. Turkey and Greece, particularly, two countries which receive hundreds of millions of dollars in aid each year, voted consistently against us—Turkey 60 percent of the time and Greece 66 percent of the time.

Turkey refused to criticize human rights abuses in Iran and supported name-calling attacks against United States policy in the Middle East—both considered key votes by the State Department.

It should not be surprising that the strongest opposition to our position, in addition to Communist bloc nations in Eastern Europe, comes from the 21-member Arab group. It supported America on only 12.2 percent of the votes.

African nations, many of which look to America for the very survival of their people, gave us their support on only 15.1 percent of the votes.

There is a bright spot in the most recent "Kasten Report." Since our liberation of Grenada, that country has become an increasingly dependable friend of America at the United Nations. In 1983, Grenada opposed our position in the General Assembly more than 80 percent of the time. But in 1984, it supported us in 60 percent of the votes, and it has since raised its level of support to over 70 percent.

Mr. President, we are not attempting to buy votes with the aid we send to the needy nations of the world. But we do have the right to expect that if these nations aggressively seek our assistance, our money, and our protection, they in turn will support the positions that continue to keep our Nation strong enough and vital enough to continue sending such assistance.

Yet, many of these nations are no where in sight when we need their support in the United Nations.

According to the most recent U.N. vote analysis, Egypt, a major recipient of United States foreign aid, opposed our positions a shocking 85 percent of the time. Even the Philippines supported us on only 22 percent of the General Assembly votes.

I urge all of my colleagues to carefully consider the pattern of voting by those nations who seek, and receive, our aid. In these times of cutting back we must place priorities not only on how our dollars are spent, but where.

The American people expect no less of their elected representatives.

Mr. President, I ask that the General Assembly voting record be printed in the RECORD.

The material follows:

U.N. voting record,[1] 40th General Assembly—all UNGA plenary votes [2]

[Percent coincidence with U.S. votes (Yes/No)]

Africa:	
Ivory Coast	27.3
Malawi	26.9
Liberia	23.7
Zaire	23.1
Mauritius	22.1
Swaziland	22.0
Equatorial Guinea	21.2
Central African Republic	20.9
Gabon	19.7
Senegal	19.3
Togo	19.0
Sierra Leone	18.3
Cameroon	18.0
Chad	18.0
Niger	17.6
Botswana	17.4
Rwanda	17.4
Kenya	16.7
Somalia	16.3
Mauritania	16.1
Lesotho	16.0
Burundi	15.9
Morocco	15.9
Sudan	15.5
Egypt	15.3
Gambia	14.9
Zambia	14.9
Nigeria	14.7
Zimbabwe	14.6
Djibouti	14.3
Tunisia	13.9
Ghana	13.2
Uganda	13.2
Burkina Faso	13.1
Guinea Bissau	12.2
Comoros	12.1
Guinea	12.1
Cape Verde	11.9
Seychelles, The	11.9
Congo	11.3
Tanzania	11.3
Mali	11.1
Madagascar	10.6
Sao Tome and Principe	10.3
Ethiopia	9.3
Benin	8.8
Libya	6.9
Mozambique	5.9
Algeria	5.1
Angola	3.5
Group average	15.1
Asia and the Pacific:	
Japan	66.3
Australia	60.2
New Zealand	55.3
Solomons	48.1
Samoa	27.4
Fiji	26.0
Singapore	23.6
Papua New Guinea	23.1
Thailand	22.4
Philippines	22.3
Kampuchea	21.4
Nepal	18.0
Burma	17.1
Sri Lanka	16.8
Malaysia	16.3
Bangladesh	16.1
Pakistan	16.1
China	15.9
Brunei	15.3
Indonesia	14.3
Jordan	14.2
Bhutan	13.9
Oman	13.6
Saudi Arabia	13.6
Vanuatu	13.4
Lebanon	13.1
Bahrain	12.8
Qatar	12.8
Emirates	12.8
Maldives	12.5
Kuwait	12.2
Cyprus	11.6
Iran	11.3
Mongolia	9.9
Yemen (A.R.)	9.0
India	8.9
Iraq	8.7
Syria	8.1
Viet Nam	6.5
Afghanistan	6.2
Laos	5.9
Yemen (P.D.R.)	5.7
Group average	17.0
The Americas:	
Grenada	71.7
Canada	69.8
St. Christopher and Nevis	50.0
Belize	37.8
Paraguay	35.4
St. Vincent and Grenadines	32.7
Chile	31.4
El Salvador	30.2
Honduras	29.8
Costa Rica	29.1
Colombia	27.9
St. Lucia	26.2
Guatemala	25.2
Antigua and Barbuda	25.0
Dominican Republic	25.0
Ecuador	24.6
Dominica	24.2
Haiti	23.8
Jamaica	22.7
Barbados	20.3
Panama	19.7
Venezuela	19.0
Bahamas	18.6
Bolivia	18.5
Uruguay	18.1
Trinidad and Tobago	17.9
Peru	17.8
Argentina	16.4
Suriname	16.2
Brazil	16.0
Mexico	14.5
Guyana	13.9
Nicaragua	8.4
Cuba	6.2
Group average	23.7
Western Europe:	
United Kingdom	86.6
Federal Republic of Germany	84.4
France	82.7
Belgium	82.3
Italy	81.9
Luxembourg	80.2
Netherlands	76.3
Portugal	75.0
Iceland	62.4
Norway	61.2
Denmark	58.3
Spain	55.6
Ireland	51.0
Sweden	42.2
Austria	40.0
Finland	39.8
Turkey	38.1
Greece	33.3
Malta	16.5
Group average	59.2
No affiliation:	
Israel	91.5
Eastern Europe:	
Poland	14.8
Romania	14.6
Hungary	12.3
Ukraine	12.3
Bulgaria	12.2
Byelorussia S.S.R.	12.2
Czechoslovakia	12.2
German Democratic Republic	12.2
U.S.S.R.	12.2
Yugoslavia	11.9
Albania	6.7
Group average	12.4

[1] Table contains all countries which participated in the 40th UNGA, September-December 1985.

[2] Table reflects all votes recorded in UNGA plenary, including votes on separate paragraphs.●

BIRTHDAY OF COL. DANIEL N. SUNDT

● Mr. ROTH. Mr. President, today I wish to honor the 79th birthday of Col. Daniel N. Sundt of Newark, DE.

Colonel Sundt served in the U.S. Army for 30 years including a 4-year stint at the U.S. Military Academy at West Point, duty with the 24th Artillery Regiment in the Philippines, duty with the 1st Artillery Observation Battalion at Fort Bragg, NC, and command of the 867th Field Artillery Battalion of the 65th Infantry Division at Le Havre during World War II.

After retiring from active duty, Colonel Sundt served on the staff of the University of Delaware where he commanded the ROTC Program and taught mathematics. He has served as parade marshal of the Newark Memorial Parade since 1956 and will do so again this year, marching the entire route of the parade.

Colonel Sundt is truly a great American and one of which all Delawareans are justifiably proud. I join with his family and friends in extending him best wishes for continued health and prosperity in the years to come.●

KOREA

● Mr. SIMON. Mr. President, many of us are deeply concerned about the continued unrest in Korea. As Senators may remember, in February, 1985, Korean opposition leader Kim Dae Jung returned to Korea after years of exile. He was accompanied by a number of U.S. observers, including several Members of Congress and a former State Department official. We all viewed his arrival at the airport in Seoul and watched, with great dismay, the treatment he received from South Korean security forces.

Since that time, I have had the opportunity to talk with Kim Dae Jung on the phone, to be reassured that he is healthy and safe. Recently, I re-

ceived a letter from him updating me on his current status. He also included a lengthy memo he has prepared giving his views on the current political situation in Korea. As we in Congress continue to review the relationship between our two countries, I believe Kim Dae Jung's analysis should be read by my colleagues, and I ask that his letter and his memorandum be printed in full in the RECORD.

The material follows:

KIM DAE JUNG,
178-1 Dong Kyo-dong,
Mapo-ku, Seoul, Korea, March 27, 1986.

Hon. PAUL SIMON,
U.S. Senator,
Washington, DC.

DEAR MR. SIMON: You are always in my memory, and I am looking forward to seeing you again. I feel grateful to you whenever I think about how kindly you have aided me and how much you have supported our efforts for the recovery of democracy.

I have lived in persistent strict surveillance and restriction since I returned home in February last year. My civil rights are not restored yet and the hitch of 17 and a half years still remains against me. That has prevented me from doing party activities and I have been put under house arrest as much as 12 times during past year. However, I have exerted the best efforts possible for the recovery of our democracy by overcoming such difficulties with patience and courage. Such efforts of mine are completely attributable to the ardent support of the Korean people and the encouragement of my friends of the world including you. I feel really grateful.

Although I am still in trouble, I think it has been better that I returned home and have stayed here. Now I am really happy. That is because I can share troubles and difficulties with our people and directly encourage and help them in this land.

The Korean people have been greatly encouraged by the recent recovery of democracy in the Philippines and are consolidating the resolution to exert further efforts believing that it is time for us to recover democracy in this land of Korea. The Korean government is dazzling our people and international public opinions by alternately appropriating suppression and appeasement.

Faced by such circumstances, I have felt it necessary to explain the current situation of Korea to my most intimate friends of limited number; therefore I have executed a memorandum as attached. I sincerely hope the writing will help you grasp the Korean situation.

If you have something to inquire or inform, please write to me via your Embassy in Seoul. Unfortunately, it is not safe to use normal mails.

I pray that God may bless you and all your family members.

Sincerely yours,

KIM DAE JUNG,
Co-chairman of the Council
for Promotion of Democracy, Seoul,
Korea.

RECENT POLITICAL STATE OF KOREA

(By Kim Dae Joong, Cochairman of the Council for Premotion of Democracy)

1. Suppression of Government and 10-million Signature Movement:

(A) Increasement of Suppression—Government has been increasing Suppression on the opposition party and general democratic forces since the latter half of the last year. Now the democratic forces are on the brink of extinction.

(B) Infringement of Human Rights—Now more than 1000 political prisoners are in jails; and tortures are inflicted frequently in investigation organizations and jails; and about 500 dissidents have been deprived of civil rights; and tortures on anti-government persons, closing of their offices, and confiscation of anti-government bulletins are occurring every day.

(C) Denial of Fundamental Rights—Freedom of press, and freedom of assembly and association are denied completely. Because local self-government does not exist, all public servants are under control of President and Government. People are deprived of their fundamental rights systematically, and live under the control and intimidation of Government.

(D) Suppression on 10-million-person-signature Movement—As the 10-million-person-signature Movement by the opposition party to petition the parliament for revision of constitution into a direct presidential election system seems to be met by people's eager agreement, Government tried to stop it with undisguised suppression. However, as the resistance of the opposition party and people is strong and criticism from foreign countries boils up, Government gave up undisguised suppression, but instead switched to disguised one, mobilizing all the employees of Government organizations, government-run firms and big private firms. It instructed those organizations, and firms to fire any member of them who signed for revision of constitution. It is also increasing all kinds of intimidations on general people not to sign.

2. Real Purpose of Government in Insisting on Constitutional Revision in 1989:

(A) Change of Attitude—Government had opposed the revision of Constitution all along. But since January of this year, it has been proposing that Constitution be revised in 1989 into one among presidential government system, parliamentary government system, and double executive system; and the president who will swear in 1988 step down with the revision of Constitution in 1989.

(B) Election in 1988 and the real purpose of the Government—This means that Government wants the presidential election in 1988 be done by the method of indirect election in accordance with the current Constitution. The indirect election in Korea is different from that of the U.S.A. Its results rely absolutely upon Government. The reasons are: First, Korean population is 40 millions but its electoral college are more than 5000, which is ten times of American electorate college. Second, people should vote to each elector, not to the presidential candidate as in America. Third, electors' election campaigns are limited, and the presidential candidates cannot even go out on the stump. Third, Opposition presidential candidates cannot secure more than 5000 reliable elector candidates throughout the country, because local self-rule governments do not exist in Korea. Therefore, if the Government's line of maintaining current election system is not changed, people's ardent wish for direct election system and a change of regime will be obstructed.

(C) Constitutional Revision in 1989 and Chun's Reappearance—Current Constitution rules only one term of the President and its amendment rules that term-lengthening or another term be denied to President Chun Doo-Hwan if those systems will be newly added to the constitution. Therefore, political analysts think, the present Government, which plans Chun's permanent rule, is proposing revision of constitution in 1989, expecting that one who will follow Chun's line obediently be revised in 1989, and after that the one-year term President resign, and Chun grasp power again under the new Constitution.

(D) Our Opinion—Everyone knows that Korean people supported eagerly revision of Constitution into direct presidential election system in the Parliamentary election done in February last year. People know that direct presidential election, in which all the people can rise around one opposition candidate, is the only way of realizing a change of regime on the present state in which basic conditions of democracy such as freedom of press, local self-rule government, institutional guarantee of fair election do not exist. On the other hand, we want that Olympic of 1988 will be held successfully. We expect to realize democracy first and carry out the Olympic successfully on the basis of stabilized political state. To do so, we think the revision of Constitution into direct presidential election system by the autumn of 1986, election of the President in the autumn of 1987, and the Olympics in the autumn of 1988 is the most reasonable and surest schedule for success.

3. The Philippines' Political State and Korea:

(A) Reasons of Success in the Philippines on our Viewpoint—We welcome eagerly restoration of democracy in the Philippines, and list reasons of its success as follows: First, great democratic ability of the Philippino people; second, the opposition parties' success in nominating one candidate for presidency; third, acquisition of overall support, home and abroad, through non-violent struggle; fourth, the Philippino people's cherished memory and sympathy for the late Mr. Aquino; fifth, American efficient aid to Philippino people's efforts for the restoration of democracy, respecting the wish of the majority of the Philippino people.

(B) Encouragement and Model for Us—The Philippino democratic revolution gave us a great deal of encouragement and courage. It is thought to be the Korean people who have expressed greatest interest and pleasure in the recent Philippino political state. The process of the Philippino democratic revolution is a good model for us. To achieve democracy in Korea, the power of the people should lead a struggle for restoration of democracy as it did in Philippine, and the violent and radical line should be avoided absolutely, and our basic line of peaceful struggle, anti-Communism, and cooperation with friendly nations including the U.S.A. should be clearly declared to the people and the world, because it conforms to the wish of the absolute majority of our people, and with the wish of democratic friendly nations.

(C) Our Fears—The reason that the Philippino revolution could be settled smoothly without severe confusion or encounters consists not only in efforts and attitudes of Anti-Marcos forces led by Corazon Aquino. Also in Marcos regime there were some passable points. In spite of severe dishonesty in voting and counting of the votes, the Philippines guaranteed considerably free atmosphere of election such as freedom of assembly and demonstration, direct election of president, and freedom of election campaign. However, none of them exists in Korea. Therefore, we fear, struggle for democratization and its result in Korea would

become much more radical than in the Philippines.

4. Korea People's Opinion on the U.S.A:

(A) Opinion in the Past—So far, Koreans, especially students, intellectuals and workers were convinced that the U.S.A. was supporting the autocratic regime partially. This opinion brought violent criticisms on the U.S.A., and in some Koreans' mind anti-American sentiments were growing remarkably.

(B) Beginning of New Perception—However, with the Philippino revolution as a start, considerable change begins to appear in the Koreas' opinion on the U.S.A. Everyone concedes that the Philippino democratic revolution could not result in success without the positive role of the U.S.A. Majority of Koreans think that American role in favor of the Philippino people's human rights and fundamental political rights cannot be regarded as intervention in the domestic affairs of another country. They believe it is the duty of friendly nations which share democratic ideal and common interests as free nations.

(C) Historical Outlook—Although there were many ups and downs, Amercian attitudes shown through the whole process of the Philippino presidential election and appearance of Aquino regime, were a far cry from the former ones. This transformation was more clearly displayed in contrast with the Soviet Union's foolish support for Marcos. Now the U.S.A. seems to depart from old political failures of supporting autocrats and minority around them of the Third World countries, for spirit of American Revolution of being on the side of majority of the people and justice. We hope such expectation of ours be met for the interests of us, Korean people, American people, and all the peoples of the world, who love freedom.

5. Future Course of Korean Democratic Forces:

(A) Basic Line—We support democracy, and oppose Communism. We advocate economic, social justice, but believe that justice could be achieved richly only through free economic system. We insist on strict neutrality of the Army in politics, and seek for powerful security preparedness which will erase any miscalculation of the Communists.

(B) Right Way of Security—We absolutely oppose war, and believe permanent peace should be realized in Korean peninsula through direct dialogue between South and North Korea and agreement of four great nations—the U.S.A., Japan, China, the Soviet Union. The basis of security is democracy. Forced security without giving the people the value to defend, that is democracy, will help Communists as proved in China, Vietnam and Cuba. We guaranteed people's democratic freedom even during the Korean War, and so could beat off the invasion of one million Chinese communist army and North Korean army. Then our per capita income was $60 but now it amounts to $2000.

(C) Realization of Common Interests of Korea and the U.S.A.—We believe political stability and security could be realized only under a democratic government, successful, smooth economic cooperation with the developed countries including the U.S.A. could be possible, as proved in the European countries and Japan after World War II. Also in the fields of security and economic cooperation, democracy is the only way of realizing common interests of Korea and the U.S.A.

(D) To Achieve Restoration of Democracy in Korea—Now we have no reasons for postponing restoration of democracy in Korea, and should not postpone it. For the peaceful change of regime through free, honest election, and for the successful Olympic Games in 1988, the schedule of Revision of Constitution in 1986, Presidential Election in 1987, Olympics in 1988 should be followed. True democratization requires democratic revision of Constitution including direct presidential election, effectuation of local self-rule government, restoration of freedom of press, revision of parliamentary and presidential election laws that make possible honest election, and guarantee of equal opportunities for obtaining money for political activities, as preconditions. We are convinced that democracy will be restored in Korea by the people's forces by 1988. How smooth and peaceful the process will be depends on the attitude of the Government. That's because our demand is nothing more than guarantee of least preconditions for free election.●

NATIONAL POLICE WEEK

● Mr. DOMENICI. Mr. President, I wish to take this oportunity to pay tribute to a group of men and women who keep our communities safe from the perils of crime night and day. Even at the risk of their own lives, these dedicated individuals fight to protect our persons and property against the elements of crime. It is only proper that we should honor the law enforcement officers of this country for their hard work, devotion, and service that benefits our society.

Every day, when law enforcement officers put on their uniforms they become the most visible representatives of society, protecting our safety and freedom. These public servants are in the closest contact with the public. They are always available both night and day, and they can be contacted with little effort. In times of danger or crisis, we look first to our law enforcement officers for assistance and safety. They are the most immediate link between the people and their Government.

At times, routine police work can seem menial and tedious, but all police work is essential in their struggle to keep public order. Other times, these individuals are put in a situation where their life is on the line. The office has to determine the severity of the situation, evaluate the danger to himself and innocent bystanders, and take into account the rights of the suspect, and respond without hesitation. Hesitation or an error in judgment can have tragic consequences. These courageous individuals know the risks and uncertainties of being a police officer, yet they put their lives on the line every day so that our laws and safety can be preserved.

The President has proclaimed this week to be National Police Week. It is an honor to pay tribute to all the men and women who keep our persons and property safe. The law enforcement officers of ths Nation make many sacrifices so that we may all be shielded from the effects of crime. We must do what we can do to support and assist our police officers so that they may do their job as effectively as possible. The observance of National Police Week will bring a high degree of public awareness to the honorable deeds, commitments, and contributions to society that these courageous individuals have brought about. I urge all my colleagues and all Americans to join me in recognition of these very special people.

I thank the Chair.●

SOCIAL SECURITY COLA

● Mr. D'AMATO. Mr. President, I speak at this time in support of active legislation for the senior citizens of this country. Senator HEINZ, has introduced S. 2450, legislation which insures that senior citizens continue to receive Social Security benefits which take into account the rate of inflation. As with the Senator's previous legislation which addressed this issue, Senate Resolution 375, I wholeheartedly support this effort.

Senator HEINZ's legislation eliminates an unnecessary payment provision of Social Security benefits. Currently, Social Security beneficiaries receive a cost-of-living adjustment when the Consumer Price Index rises by at least 3 percent in a single year. However, without a 3-percent increase in the CPI, Social Security benefits receive no adjustment for an increase in the cost of living. No cost-of-living adjustment is made for recipients until the combined CPI for 1 or more years is greater than 3 percent.

This type of system could create a great deal of hardship for beneficiaries. While a 2.9-percent increase may not seem like a large increase in the cost of living, it is a very significant increase for many senior citizens who rely on their Social Security payments as a key source of income. As the system currently exists, these senior citizens will be forced to stretch last year's payments to meet this year's prices.

In addition, a postponed COLA would result in a long-term loss to the Federal Government. Beneficiaries who retire the year of the postponed COLA would eventually drain the Social Security trust funds of a greater amount than they would have had there not been a postponement of the cost-of-living adjustment. When these individuals receive their first year of payments, their COLA would include compensation for inflation that occurred before their retirement.

A 1985 report by the Actuary's office at the Social Security Administration confirms this inequity. An August 1985 report from the Office of the Actuary of the Social Security Administration estimates that the cost of this COLA

trigger could be as much as $364 million per year at 1986 levels.

In addition, no COLA would mean less taxable income and less income for the Social Security trust funds. The country would lose part of its taxable wage base—revenues which significantly contribute in our efforts to eliminate our Federal deficit.

The 3-percent COLA trigger was designed to cut administrative costs. With increased computerization, these savings are not very substantial. The initial purpose of the trigger no longer seems to exist.

In 1984, Congress realized the futility of postponing the COLA. The COLA trigger was canceled for that year. I believe we should make that decision a permanent one, and I am pleased that my colleague from Pennsylvania has moved to do so, for the well-being of our senior citizens and the Nation as a whole.●

COMMENDATION OF ALEXANDER NACLERIO

● Mr. D'AMATO. Mr. President, I speak at this time in recognization of the outstanding services of Mr. Alexander Naclerio, our "Man of the Year." He has shown a special dedication to meeting the housing needs of all Americans. He has demonstrated a commitment and dedication to our citizenry for more than 40 years.

Mr. Naclerio majored in real estate principles and appraisals and attended Manhattan College and Columbia University. He learned the housing business from the bottom up, starting with the VA Home Guaranty Program in 1946. Since that time, he has played an integral part in meeting the changing needs for housing in America. Alexander C. Naclerio has been a member in Federal service for 43 years.

Throughout his many years of service he has served in positions of increasing responsibility. These responsibilities have included dealing with urban renewal, metropolitan revitalization, and innovative programs to house the poor, handicapped, and elderly. Most recently, Mr. Naclerio served as Director, Office of Housing, Region II, of the U.S. Department of Housing and Urban Development.

He has been the recipient of numerous awards and recognition which include: Public Service Award—Southern Brooklyn Community Organization, Man of the Year Award—B'Nai Brith Youth Service Real Estate and Construction Industry, honorary member—New York Society of Architects, and special recognition by the National Housing Conference.

Mr. President, I ask that my colleagues join me in honoring Alexander Naclerio who has so diligently served the American public. His dedication to housing is recognized by many who affectionately refer to him as "Mr. FHA." Mr. Alexander C. Naclerio is deserving of this special commendation and recognition.●

NAUM AND INNA MEIMAN: THE WAIT CONTINUES

● Mr. SIMON. Mr. President, Inna Meiman and her husband, Naum, continue to lanquish in their Moscow apartment. Naum's secret work making mathematical calculations for his institute ended 25 years ago. With Inna ill and Naum's age advancing, there is no reason for keeping the Meimans in the Soviet Union.

The Soviets gain only negative publicity by refusing to grant a couple like the Meimans permission to emigrate. By releasing the Meimans, they could demonstrate that they are concerned about human dignity and human rights.

I strongly encourage the Soviets to allow the Meimans to go to Israel.●

□ 1850

NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACT AUTHORIZATION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar item No. 122, S. 863, to amend the National Traffic and Motor Vehicle Safety Act.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 863) to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1986 and 1987, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike out all after the enacting clause and insert the following:

That this Act may be cited as the "National Highway Traffic Safety Administration Authorization Act of 1985".

DEFINITIONS

SEC. 2. As used in this Act, the term—

(1) "multipurpose passenger vehicle" means a motor vehicle with motive power, other than a trailer, which is designed to carry 10 persons or less and which is constructed either on a truck chassis or with special features for occasional off-road operation;

(2) "passenger automobile" means a motor vehicle with motive power, except that the term does not include a multipurpose passenger vehicle, a motorcycle, a bus, a truck, or a trailer designed for carrying 10 persons or less; and

(3) "Secretary" means the Secretary of Transportation.

TITLE I—AUTHORIZATIONS OF APPROPRIATIONS

GENERAL AUTHORIZATIONS

SEC. 101. (a) Section 121 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1409) is amended—

(1) by striking "and"; and

(2) by striking the period and inserting in lieu thereof ", $51,825,000 for fiscal year 1986, and $54,157,125 for fiscal year 1987.".

(b) Section 111 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1921) is amended—

(1) by striking "and"; and

(2) by striking the period and inserting in lieu thereof ", $331,000 for fiscal year 1986, and $345,895 for fiscal year 1987.".

(c) Section 209 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1949) is amended—

(1) by striking "and"; and

(2) by striking the period and inserting in lieu thereof ", $1,943,000 for fiscal year 1986, and $2,030,435 for fiscal year 1987.".

(d) Section 417 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1990g) is amended—

(1) by striking "and"; and

(2) by striking the period and inserting in lieu thereof ", $475,000 for fiscal year 1986, and $496,375 for fiscal year 1987.".

OCCUPANT CRASH PROTECTION PROGRAM

SEC. 102. In order to carry out a national program to encourage the use of safety belts and passive restraints in passenger automobiles, as authorized by section 403 of title 23, United States Code, the Secretary may derive an additional amount not to exceed $20,000,000 from unobligated balances of funds made available for highway safety programs under title 23, United States Code. Not less than one-half of the total of such amounts shall be used for educational efforts related to the use of air bags. Of the funds allocated to such efforts, not less than $5,000,000 shall be used to carry out a program to demonstrate the effectiveness of air bag technology, with emphasis on lowest-cost technologies. Such amounts shall remain available until expended.

TITLE II—HIGHWAY SAFETY GRANTS

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. (a) Section 203(a)(1) of the Surface Transportation Assistance Act of 1982 (Public Law 97-424; 96 Stat. 2138) is amended—

(1) by striking "and" after "1985,"; and

(2) by inserting immediately before the period at the end thereof the following: ", and $132,000,000 for the fiscal year ending September 30, 1987".

(b) Section 203(b) of the Surface Transportation Assistance Act of 1983 (Public Law 97-424; 96 Stat. 2138) is amended—

(1) by striking "and" after "1985," wherever it appears;

(2) by inserting immediately after "1986," the following: ", and $132,000,000 for the fiscal year ending September 30, 1987,"; and

(3) by inserting immediately before the period at the end thereof the following: ", and September 30, 1987".

DRUNK DRIVING INCENTIVE GRANTS

SEC. 202. The first sentence of section 408(g) of title 23, United States Code, is amended by striking all after "Fund," and inserting in lieu thereof "$29,232,000 for the fiscal year ending September 30, 1987.".

TITLE III—AUTOMOBILE CRASHWORTHINESS

PURPOSE AND FINDINGS

SEC. 301. (a) This title is part of the continuing effort by Congress to address the critical highway safety problems facing this Nation.

(b) The Congress finds that—

(1) the Department of Transportation should be given explicit direction as to actions to be taken to save lives, reduce injuries, and decrease consumer costs of accidents;

(2) the current trend toward purchases of smaller and lighter passenger automobiles increase the importance of and the need for effective occupant crash protection;

(3) crashworthiness information should be available upon the introduction of each new passenger automobile model, and a systematic effort must be made to disseminate this information.

SIDE IMPACT PROTECTION

SEC. 302. (a) Not later than 60 days after the date of enactment of this Act, the Secretary shall reopen the rulemaking proceeding terminated on July 12, 1982, to implement Federal Motor Vehicle Safety Standard 214 (49 CFR 571.214). The Secretary shall—

(1) establish performance criteria for improved occupant protection in side impact; and

(2) extend the applicability of such Standard to light trucks, vans, and multipurpose passenger vehicles.

(b) The final regulations implementing such Standard shall be issued not later than 1 year after the date of enactment of this Act.

AUTOMOBILE CRASHWORTHINESS DATA

SEC. 303. (a) Part A of title I of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1391-1410b) is amended by adding at the end thereof the following:

"SEC. 126. (a) Not later than 60 days after the date of enactment of this section, the Secretary shall promulgate a Federal motor vehicle safety standard establishing passenger automoble crashworthiness rating and labeling requirements in accordance with this section. Such amendment shall take effect not later than 120 days after such date of enactment, and shall apply to passenger automobiles manufactured on or after September 1, 1986.

"(b) The standard required in subsection (a) of this section shall provide a method for calculating a uniform numerical rating which will enable consumers to compare the crashworthiness of different passenger automobile models.

"(c)(1) The standard required in subsection (a) of this section shall also require that—

"(A) each passenger automobile manufacturer certify to the Secretary, not later than 90 days before any passenger automobile model produced by such manufacturer is offered for sale to consumers, the crashworthiness rating achieved by that model;

"(B) each passenger automobile manufacturer affix a label to each passenger automobile indicating that model's crashworthiness rating; and

"(C) the Secretary prepare a booklet for purposes of disseminating comparative information regarding the crashworthiness of passenger automobiles.

"(2) The Secretary may include in the booklet to be prepared pursuant to paragraph (1)(C) of this subsection such other information relating to the purchase and ownership of passenger automobiles as the Secretary determines may be useful to consumers. Copies of such booklet shall be furnished by the Secretary to passenger automobiles manufacturers for distribution to passenger automobile dealers.

"(d) The labeling and certification required under this section shall be based upon performance criteria established by the Secretary relating to—

"(1) crash protection for occupants with and without manual seatbelts;

"(2) windshield mounting;

"(3) windshield zone intrusion;

"(4) fuel system integrity; and

"(5) such other aspects affecting crashworthiness as the Secretary may consider appropriate.".

(b)(1) Section 201 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1941) is amended by adding at the end thereof the following:

"(f) Not later than 1 year after the date of enactment of the National Highway Traffic Safety Administration authorization Act of 1985, the Secretary shall by rule establish procedures requiring passenger automobile dealers to make available to prospective passenger automobile purchasers information developed by the Secretary and provided to the dealer which contains data comparing the crashworthiness of passenger automobiles.".

(2) Section 2 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901) is amended by adding at the end thereof the following new paragraph:

"(19)(A) the term 'passenger automobile' means a motor vehicle with motive power, except that the term does not include a multipurpose passenger vehicle, a motorcycle, a bus, a truck, or a trailer designed for carrying 10 persons or less.

"(B) As used in subparagraph (A) of this paragraph, the term 'multipurpose passenger vehicle' means a motor vehicle with motive power, other than a trailer, which is designed to carry 10 persons or less and which is constructed either on a truck chassis or with special features for occasional off-road operation.".

TITLE IV—GRAYMARKET AUTOMOBILES

AMENDMENTS TO THE NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACT OF 1966

SEC. 401. (a) Section 102(5) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1391(5)) is amended by striking all after "motor vehicle equipment," and inserting in lieu therof "or who has express written authorization of any such person to import such motor vehicles or motor vehicle equipment for resale.".

(b) Section 108(a)(1)(A) of such Act (15 U.S.C. 1397(a)(1)(A)) is amended by inserting "and is covered by a certification issued by the manufacturer under section 114," immediately after "such standard".

(c) Section 108(b) of such Act is amended—

(1) in paragraph (2), by striking "or importer";

(2) by amending paragraph (3) to read as follows:

"(3) a motor vehicle or item of motor vehicle equipment offered for importation in violation of paragraph (1)(A) of subsection (a) shall be refused admission into the United States, except under any of the following circumstances:

"(A) The Secretary may exempt any motor vehicle or item of motor vehicle equipment from the prohibition against importation in such paragraph upon such terms and conditions as the Secretary finds necessary for the purpose of research, investigations, studies, demonstrations or training, competitive racing events, or for reasons of national security.

"(B) The Secretary of the Treasury and the Secretary may, by joint regulations, authorize the temporary importation into the United States of a motor vehicle or item of motor vehicle equipment upon such terms and conditions (including the furnishing of bond) as may appear to the Secretary of the Treasury and the Secretary to be appropriate to ensure that any such motor vehicle or item of motor vehicle equipment will be exported from or abandoned to the United States.

"(C) The Secretary of the Treasury and the Secretary may, by joint regulations, authorize importation into the United States of a motor vehicle or item of motor vehicle equipment where an individual, who has never before imported a nonconforming motor vehicle or item of motor vehicle equipment, seeks to import such a motor vehicle or item of motor vehicle equipment for personal use and not for resale and demonstrates that such importation is necessary to meet unforeseen cases of extreme hardship or unforeseen extraordinary circumstances. In any such case, the motor vehicle or item of motor vehicle equipment may be imported into the United States upon such terms and conditions (including the furnishing of a bond) as may appear to the Secretary of the Treasury and the Secretary to be appropriate to ensure that any such motor vehicle or item of motor vehicle equipment will be brought into conformity with applicable Federal motor vehicle safety standards prescribed under this subchapter.

"(D) An incomplete motor vehicle or incomplete item of motor vehicle equipment (as defined by the Secretary) shall not be refused admission into the United States where such motor vehicle or item of motor vehicle equipment is accompanied at the time of importation by a statement issued by the person who first manufactures or assembles the incomplete vehicle or incomplete item of equipment, indicating the Federal motor vehicle safety standards in effect at the time of manufacture with which such incomplete vehicle or item of equipment is in compliance. The Secretary shall prescribe the form and contents of such statement."; and

(3) by striking paragraph (4) and by redesignating paragraph (5) as paragraph (4).

(d) Section 114 of such Act (15 U.S.C. 1403) is amended—

(1) by inserting ", as appropriate," immediately after "dealer";

(2) by striking "or distributor" the second time it appears; and

(3) by inserting "Every distributor of a motor vehicle or motor vehicle equipment shall furnish to a dealer, at the time of delivery of such vehicle or equipment, a certification which was previously furnished to the distributor by the manufacturer." immediately after the first sentence.

AMENDMENT NO. 1965

(Purpose: To make various amendments, including amendments on side impact protection and crashworthiness)

Mr. SIMPSON. Mr. President, I send an amendment to the desk on behalf of Senator DANFORTH to the committee substitute and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. SIMPSON], for Mr. DANFORTH, proposes an amendment numbered 1965.

Mr. SIMPSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 10, line 14, strike "$51,825,000 for fiscal year 1986,".

On page 10, line 20, strike "$331,000 for fiscal year 1986,".

On page 11, line 2, strike "$1,943,000 for fiscal year 1986,".

On page 11, line 8, strike "$475,000 for fiscal year 1986,".

On page 13, strike all from line 19 through page 16 and insert in lieu thereof the following:

SIDE IMPACT PROTECTION

SEC. 302. Not later than 60 days after the date of enactment of this Act, the Secretary shall reopen the rulemaking proceeding terminated on July 12, 1982, to implement Federal Motor Vehicle Safety Standard 214 (49 CFR 571.214). The Secretary shall, not later than one year after the date of enactment of this Act—

(1) establish performance criteria for improved occupant protection in side impact; and

(2) issue an Advance Notice of Proposed Rulemaking to extend the applicability of such Standard to light trucks, vans, and multipurpose passenger vehicles.

AUTOMOBILE CRASHWORTHINESS DATA

SEC. 303. (a) Section 201 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1941) is amended by adding at the end thereof the following:

"(f)(1) The Secretary shall enter into appropriate arrangements with the National Academy of Sciences to conduct a comprehensive study and investigation regarding means of establishing a method for calculating a uniform numerical rating which will enable consumers to compare meaningfully the crashworthiness of different passenger automobile models.

"(2) Such study shall include examination of current and proposed crashworthiness tests and testing procedures and shall be directed to determining whether objective, accurate and relevant information regarding the comparative crashworthiness of different passenger automobile models reasonably can be provided to consumers by means of a crashworthiness rating rule. Such study shall include examination of at least the following proposed elements of a crashworthiness rating rule:

"(A) information on the degree to which different passenger automobile models will protect occupants across the range of motor vehicle crash types when in use on public roads;

"(B) a repeatable and objective test which is capable of identifying meaningful differences in the degree of crash protection provided occupants by the vehicles tested, with respect to such aspects of crashworthiness as occupant crash protection with and without use of manual seat belts, fuel system integrity, and other relevant aspects;

"(C) ratings which are accurate, simple in form, readily understandable and of benefit to consumers in making informed decisions in the purchase of passenger automobiles;

"(D) dissemination of comparative crashworthiness ratings to consumers either at the time of introduction of a new passenger automobile model or very soon after such time of introduction; and

"(E) the development and dissemination of crashworthiness data at a cost which is reasonably balanced with the benefits of such data to consumers in making informed purchase decisions.

"(3) Any such arrangement shall require the National Academy of Sciences to report to the Secretary and the Congress not later than 18 months after the date of enactment of this subsection on the results of such study and investigation, together with its recommendations. The Secretary shall, to the extent permitted by law, furnish to the Academy upon its request any information which the Academy considers necessary to conduct the investigation and study required by this subsection.

"(4) Within 60 days after transmittal of the report of the National Academy of Sciences to the Secretary and the Congress under paragraph (3) of this subsection, the Secretary shall initiate a period (not longer than 90 days) for public comment on implementation of the recommendations of the National Academy of Sciences with respect to a rule promulgated under this title establishing an objectively based system for determining and publishing accurate comparative crashworthiness ratings for different passenger automobiles.

"(5) Not later than 180 days after the close of the public comment period provided for in paragraph (4) of this subsection, the Secretary shall determine, on the basis of the report of the National Academy of Sciences and the public comments on such report, whether an objectively based system can be established by means of which accurate and relevant information can be derived that reasonably predicts the degree to which different makes and models of passenger automobiles provide protection to occupants against the risk of personnel injury or death as a result of motor vehicle accidents. The Secretary shall promptly publish the basis of such determination.

"(g)(1) If the Secretary determines that the system described in subsection (f)(5) of this section can be established, the Secretary shall, subject to the exception provided in paragraph (2) of this subsection, not later than three years after the date of enactment of this subsection, promulgate a rule under this title establishing an objectively based system for determining and publishing accurate comparative crashworthiness ratings for different passenger automobiles. The rule promulgated under this subsection shall be practicable and shall provide the public relevant objective information in a simple and readily understandable form in order to facilitate comparison among the various makes and models of passenger automobiles so as to contribute meaningfully to informed purchase decisions.

"(2) The Secretary shall not promulgate such rule unless (A) a period of 60 calendar days has passed after the Secretary has transmitted to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Energy and Commerce of the House of Representatives a summary of the comments received during the period for public comment specified in subsection (f)(4) of this section, or (B) each such committee before the expiration of such 60-day period has transmitted to the Secretary written notice to the effect that such committee has no objection to the promulgation of such rule.".

(b)(1) Section 201 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1941), as amended by this Act, is further amended by adding at the end thereof the following:

"(h) If the Secretary promulgates a rule under subsection (g) of this section, not later than 3 years after the date of enactment of the National Highway Traffic Safety Administration Authorization Act of 1985, the Secretary shall by rule establish procedures requiring passenger automobile dealers to make available to prospective passenger automobile purchasers information developed by the Secretary and provided to the dealer which contains data comparing the crashworthiness of passenger automobiles.".

(2) Section 2 of the Motor Vehicles Information and Cost Savings Act (15 U.S.C. 1901) is amended by adding at the end thereof the following new paragraph:

"(19)(A) The term 'passenger automobile' means a motor vehicle with motive power, except that the term does not include a multipurpose passenger vehicle, a motorcycle, a bus, a truck, or a trailer designed for carrying 10 persons or less.

"(B) As used in subparagraph (A) of this paragraph, the term 'multipurpose passenger vehicle' means a motor vehicle with motive power, other than a trailer, which is designed to carry 10 persons or less and which is constructed either on a truck chassis or with special features for occasional off-road operation.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 304. Section 403 of title 23, United States Code, is amended by adding at the end thereof the following:

"(g) There is authorized to be appropriated for purposes of carrying out this section not to exceed $31,000,000 for fiscal year 1987.".

Mr. DANFORTH. Mr. President, in April of 1985, I introduced S. 863, the National Highway Traffic Safety Administration Authorization Act of 1985 on behalf of Senator PACKWOOD, Senator GORTON, Senator LAUTENBERG, Senator MURKOWSKI, and myself. Later that month, the Senate Commerce Committee ordered the bill favorably reported with certain amendments, including one to restrict the importation of "gray market" automobiles that do not meet U.S. safety standards. After the committee acted, further progress on the bill through the Senate was stopped, primarily because of concern that the gray market amendment went too far and was anticompetitive. Moreover, some concerns were raised regarding the bill's provisions on side impact protection and automobile crashworthiness data.

Last December, Senator INOUYE and Senator RUDMAN announced that after extensive negotiations they had reached a compromise agreement on gray market automobiles. Since then, they have reduced their agreement to amendment form, and will be offering that today. I also will be offering an

amendment that addresses the concerns raised with other provisions of the bill and strikes the bill's fiscal 1986 authorizations, which have been rendered unnecessary by the passage of time. With the adoption of these two amendments, I believe we finally will have a bill that all our colleagues can and should support.

The National Highway Traffic Safety Administration [NHTSA] of the U.S. Department of Transportation [DOT] has been charged with the responsibility of saving lives and preventing injuries on our Nation's highways. NHTSA administers three landmark statutes: The National Traffic and Motor Vehicle Safety Act of 1966; the Highway Safety Act of 1966; and the Motor Vehicle Information and Cost Savings Act. These statutes direct NHTSA to establish safety standards, mandate compliance, undertake safety research, order recalls, and provide consumers with information on motor vehicles.

It is clear that many of NHTSA's programs are actively promoting highway safety. In testimony before the Commerce Committee last year, NHTSA Administrator Diane Steed noted that the highway accident fatality rate in 1984 declined to an all-time low of 2.55 deaths per hundred million vehicle miles traveled. I have no doubt that many of NHTSA's efforts, such as in the areas of drunk driving and child passenger safety, along with improved motor vehicle design and construction and other factors, have been important contributors to this improvement.

Nevertheless, the fact remains that roughly 44,000 people died in highway accidents in 1984. It is clear that NHTSA must continue to work aggressively to improve highway safety in a broad range of areas. I also believe there are specific actions that NHTSA can take which will enhance highway safety.

The following is a description of the bill as amended by my amendment today. Title I authorizes funding for NHTSA's highway safety programs for fiscal 1987. This title also authorizes DOT to reprogram $20 million of existing funds to enable DOT to conduct the National Seat Belt/Passive Restraint Education Program established as part of Secretary Dole's July 1984 occupant crash protection standard. We intend, however, that DOT spend half of the reprogramed funds for air bag education efforts. The bill further directs DOT to use at least $5 million of these reprogramed funds to carry out a program to demonstrate the effectiveness of air bag technology, with emphasis on lowest cost technologies.

Title II of this legislation authorizes funding for fiscal 1987 for the State and community highway safety grant program, the so-called section 402 program. This legislation authorizes funding of $132 million for this important safety program; this is equivalent to the fiscal 1986 authorization provided in Public Law 98-363.

In addition, title II authorizes funding for fiscal year 1987 for the Drunk Driving Incentive Grant Program established in 1982. This program, which encourages States to enact tougher drunk driving laws, has been working well. According to NHTSA 17 States have qualified thus far for a basic grant; 14 of these States have also qualified for a supplemental grant which requires a State to meet additional criteria. I understand that seven other States are working to meet the grant criteria of the 1982 law.

Title III of the legislation directs NHTSA to take action in two specific areas:

One, side impact protection—more than 9,000 Americans die each year in side impact crashes and another 20,000 suffer serious, nonfatal injuries. The current side impact protection standard is effective in preventing death and serious injury in single-vehicle crashes, where about 30 percent of the life-threatening injuries occur, but it is not effective in vehicle-to-vehicle crashes.

Research in the 1970's showed that the side impact crashworthiness of cars could be significantly improved using existing technology. In December 1979, NHTSA issued an advance notice of proposed rulemaking to upgrade the side impact protection standard, No. 214. The new standard would have required testing procedures which more closely resemble real-world crashes, and also would have been extended to apply to light trucks, vans, and multipurpose passenger vehicles. In July 1982, however, NHTSA terminated this rulemaking, stating that many complex issues needing resolution had arisen. NHTSA indicated, however, that the rulemaking would be reopened after further research and analysis had been completed and appropriate test methods had been developed.

I believe that motor vehicle side impact protection can be improved now. The bill requires NHTSA to reopen its rulemaking on standard 214 within 60 days after the enactment of this act. Not later than 1 year after the enactment of this act, NHTSA would be required to establish performance criteria for improved occupant protection in side impact and would be required to issue an advance notice of proposed rulemaking to extend the applicability of standard 214 to light trucks, vans, and multipurpose passenger vehicles.

Two, automobile crashworthiness data—the bill requires NHTSA to make arrangements with the National Academy of Sciences to conduct a study to determine an appropriate method for calculating a uniform numerical rating which will enable consumers to compare meaningfully the crashworthiness of different passenger automobile models. No later than 18 months after the date of enactment, the National Academy of Sciences shall report to NHTSA and to Congress on the results of its study together with its recommendations. In turn, NHTSA shall determine, on the basis of the report and public comments on the report, whether an objectively based system can be established that can be used to compare the crashworthiness of different modes. If NHTSA determines that such a system can be established, it shall promulgate a rule not later than 3 years after the date of enactment. If such a rule is promulgated, then NHTSA shall establish procedures requiring automobile dealers to make crashworthiness data available to prospective automobile purchasers.

The current statute requires NHTSA to compile information regarding the crashworthiness of automobiles. Furthermore, consumers want this type of information. A 1981 NHTSA survey of 2,231 recent or prospective new car purchasers found that 78 percent of those surveyed agreed with the statement made by interviewers that they "like the idea of government rating of things, like safety and maintenance costs." Further, more than 71 percent of the respondents said they would be willing to spend an additional $400 for a safer car. I believe we need to ensure that every effort is made to try to find a way to provide meaningful information to consumers on automobile crashworthiness.

Title III also authorizes fiscal 1987 funding for DOT's Highway Safety Research and Development Program. This program provides research funds for such things as training or education of highway safety personnel and studying the relationship between drug consumption and highway safety. Continued support for this program is vital to efforts to reduce highway deaths and injuries. This provision is identical to one that was included in S. 1529, which the Senate passed on July 31, 1985.

Title IV of the bill deals with the importation of gray market automobiles. I do not believe it is necessary to describe the details of this title here, primarily because Senators INOUYE and RUDMAN will do so in their statements on their amendment. However, I would like to use this opportunity to congratulate both Senators and to say that I appreciate their efforts to come up with a compromise and to allow this bill to move forward. I would be remiss not to mention that I voted against the gray market amendment when it was offered in the committee, because I thought it was overly broad and anticompetitive. Today, I support the Inouye-Rudman gray market

amendment. In my view, it strikes an appropriate balance between the need to ensure that cars operating in the United States meet our safety standards and the need to encourage competition in automobile sales.

Mr. President, it is essential that we do all that we can to promote highway safety in this country. This bill, as amended, will help us to meet this important goal.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 1965) was agreed to.

AMENDMENT NO. 1966

(Purpose: To amend provisions regarding graymarket automobiles)

Mr. BYRD. Mr. President, I send an amendment to the desk on behalf of Senators INOUYE and RUDMAN to the committee amendment in the nature of a substitute to title 4 dealing with gray market autos.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for Mr. INOUYE and Mr. RUDMAN, proposes an amendment numbered 1966.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 17, strike all from line 1 through line 14 on page 20, and insert in lieu thereof the following:

TITLE IV—CONTROL OF IMPORTATION OF CERTAIN VEHICLES TO ENSURE COMPLIANCE WITH SAFETY STANDARDS

AMENDMENTS TO THE NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACT OF 1966

SEC. 401. (a) Section 108(b) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1397(b)) is amended—

(1) by striking paragraphs (3) and (4); and

(2) by redesignating paragraph (5) as paragraph (3).

(b) Section 108 of such Act (15 U.S.C. 1397) is amended—

(1) by redesignating subsection (c) as subsection (f); and

(2) by inserting after subsection (b) the following:

"(c)(1) Except as provided in this subsection and subsection (d), a motor vehicle or item of motor vehicle equipment offered for importation in violation of subsection (a)(1)(A) shall be refused entry into the United States.

"(2) In the case of any vehicle imported under this subsection, the person importing the vehicle shall furnish a bond in the amount of the dutiable value of the vehicle plus the duty, and shall comply with such terms and conditions as it appears to the Secretary appropriate to ensure that any such vehicle—

"(A) will be brought into conformity by such person with all applicable Federal motor vehicle safety standards prescribed under this title within a reasonable time after such importation (as specified by the Secretary); or

"(B) will be exported (at no cost to the United States) or abandoned to the United States.

"(3)(A) Subsection (a)(1)(A) and paragraph (1) of this subsection shall not apply to any motor vehicle if—

"(i) the vehicle is imported by an importer registered under procedures established by the Secretary;

"(ii)(I) the vehicle is determined under subparagraph (C) to be substantially similar to motor vehicles originally manufactured for importation into the United States and is capable of being readily modified to conform to all applicable Federal motor vehicle safety standards; or

"(II) where there is no substantially similar United States motor vehicle, as determined by the Secretary, the Secretary determines that the safety features of the vehicle comply with or are capable of being modified to comply with all applicable Federal motor vehicle safety standards, as determined on the basis of destructive test data and such other evidence as the Secretary determines to be adequate;

"(iii) the registered importer pays upon registration and annually each year thereafter (I) such fee as the Secretary reasonably establishes to cover the cost of administering the requirements of this subsection, except those referred to in clause (iv), and (II) such other fee or fees as the Secretary reasonably establishes to cover the cost of processing the bond furnished under paragraph (2), making the determinations under clause (ii), and conducting tests and investigations pursuant to subparagraph (D);

"(iv) the person making modifications to the motor vehicles pays upon registration such fee as the Secretary reasonably establishes to cover the cost of registration and inspection of facilities at which modifications are performed; and

"(v) any modifications to the motor vehicle are performed pursuant to procedures described in support of the petitions approved under subparagraph (C) and are performed at a facility which has been registered by the Secretary under procedures established by the Secretary.

"(B)(i) The amount or rate of fees under subparagraph (A) (iii) and (iv) shall be reviewed by the Secretary and adjusted, if appropriate, by the Secretary at least every 2 years.

"(ii) The amount or rate of any such fee applicable in any calendar year shall be established by the Secretary before the beginning of such year.

"(iii) Fees collected shall be available, to the extent provided in advance by appropriation Acts, solely for use by the Secretary in the administration of the requirements of this subsection.

"(iv) The Secretary shall publish such regulations as may be necessary to ensure that the requirements of this section are fully met.

"(C)(i) The Secretary shall make determinations under subparagraph (A)(ii) upon the petition of a registered importer, and shall expend every reasonable effort to make any such determination within 45 days after the receipt of such a petition. The Secretary shall establish by regulation the information required in any such petition, except that each such petition shall contain information that clearly shows that the vehicle is capable of being brought into compliance with all applicable Federal motor vehicle safety standards. Such information shall include a complete description of all the work to be performed, an engineering analysis (where applicable), and evidence that any modification to be made for purposes of such compliance does not appear to create a violation of any applicable Federal motor vehicle safety standard or a defect relating to motor vehicle safety.

"(ii) In considering any such petition, the Secretary shall give due consideration to any tests or other information available to the Secretary, including any information provided by the manufacturer or other interested parties. The Secretary shall in a timely manner compile a list of petitions received, and shall make such lists available to the public. After such a determination is made, petitioners shall be offered an opportunity to present views and evidence relevant to the determinations made by the Secretary.

"(iii) The Secretary shall annually publish in the Federal Register a list of all determinations made under subparagraph (A)(ii) and shall make available to the public all information and evidence submitted by petitioners after such determinations are made. Other interested parties may also comment on such information.

"(iv) The approval of any such petition shall be sufficient authority for any other importer or manufacturer, to take any action which the registered importer or manufacturer who submitted such petition was authorized to take under such approved petition, if the other importer or manufacturer complies with all terms and conditions of such petition.

"(D) The Secretary shall establish procedures for periodically conducting inspections and tests, including destructive tests, of vehicles pursuant to this subsection to determine compliance with all applicable Federal motor vehicle safety standards. The Secretary shall also establish procedures for periodically inspecting facilities registered under this subsection to ascertain whether such facilities are performing modifications pursuant to this section. The Secretary shall inspect each such facility within one year after the effective date of regulations promulgated under this section or six months after a facility is registered under this subsection, whichever is later. The Secretary may, to the extent funds for such purposes are available, retain the services of temporary employees for the performance of such inspections, if the Secretary determines that it is necessary to retain such services. Such employees shall not, by reason of such employment, be deemed to be Federal employees for any purposes.

"(E) Determinations made under subparagraph (C)(i) shall be revoked if, on the basis of tests and inspections conducted by the Secretary, the Secretary finds that a clear pattern of noncompliance exists with respect to motor vehicles covered by any such determination. The Secretary shall give due consideration to any relevent information submitted to the Secretary under this subsection.

"(4)(A) In order to acquire and maintain registration under this subsection, an importer shall comply with all requirements which the Secretary shall establish under this subsection. Such requirements shall include requirements for recordkeeping, including a record of the make and model of each vehicle and its vehicle identification number, inspection of records and facilities relating to each vehicle which such person has imported or modified, or both, and, for purposes of maintaining registration under

this subsection, annual payment and documentation of payment of any applicable taxes and duties provided for under section 201(a) of the Energy Tax Act of 1978 (26 U.S.C. 4064) and penalties due under section 508(b)(1) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2008(b)(1)). Upon terminating or transferring its business, such importer shall submit such records to the Secretary.

"(B) The Secretary shall establish procedures for (i) the revocation or suspension of a registration issued under this subsection for failure to comply with any requirement of this Act, including the requirements of subparagraph (A), or regulations issued under this Act, (ii) automatic suspension of registrations for failure to pay any fee referred to in paragraph (3)(A)(iii) or (iv) in a timely manner, and (iii) reinstatement of suspended registrations.

"(5)(A) Prior to the date described in subparagraph (B), a registered importer shall not—

"(i) release custody of an imported motor vehicle to any person for license or registration for use on public roads, streets, or highways; or

"(ii) license or register an imported vehicle for use on public roads, streets, or highways or otherwise operate such vehicle (other than for testing).

"(B) An importer shall not take any action set forth in subparagraph (A) until—

"(i) the registered importer has filed a certification statement with the Secretary signed and containing the following statement: 'This vehicle has been modified in accordance with procedures established in an approved determination and conforms to all applicable Federal motor vehicle safety standards in effect on .' (with the date such certification statement is filed being inserted in the blank space);

"(ii) the Secretary has reviewed and accepted such certification as valid;

"(iii) the Secretary has confirmed that the importer has labeled the vehicle and that the label is prominently displayed in a form to be determined by the Secretary, stating that the vehicle was not originally manufactured to comply with all applicable Federal motor vehicle safety standards but has been modified by the registered importer to comply with standards, and stating the obligations of the registered importer under this subparagraph; and

"(iv) the Secretary has confirmed that the importer has established the fuel economy ratings for purposes of determining the tax due under section 201(a) of the Energy Tax Act of 1978 (26 U.S.C. 4064) and has labeled the vehicle to meet the requirements of section 506(a)(1)(C) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2006(a)(1)(C)).

Within 30 days after the date on which a certification statement is filed under clause (i) of this subparagraph, the Secretary shall accept such certification statement and issue a bond release letter, or reject such certification statement.

"(C) A State may require the registered importer to provide to appropriate State authorities a notarized English translation of all title and ownership documentation.

"(D) The Secretary may require that any such certification statement be accompanied by such evidence of compliance as the Secretary considers appropriate, or that the vehicle be inspected by the Secretary, or both.

"(6) For purpose of part B of this title—

"(A) the registered importer shall be deemed to be the manufacturer with respect to all motor vehicles imported by such importer;

"(B) in the case of any defect or failure to comply with any applicable motor vehicle safety standard in or regarding any motor vehicle which was originally manufactured for importation into the United States, any imported motor vehicle that has a valid certification under this subsection and that is determined to be substantially similar to such motor vehicle shall be treated as having the same defect or failure unless the manufacturer or registered importer demonstrates otherwise to the Secretary;

"(C) the Secretary shall publish in the Federal Register notice of any defect or failure referred to in subparagraph (B), and any defect in or failure to comply regarding any motor vehicle imported under this subsection which is reported by the manufacturer of such motor vehicle; and

"(D) the registered importer shall be treated as the manufacturer with respect to the motor vehicles imported, except that in the case of defects referred to in subparagraphs (B) and (C), the Secretary shall establish procedures to ensure that the original manufacturer of the vehicle or one of its domestic subsidiaries or affiliates shall, at the time of any recall determination affecting such vehicle, cooperate with the Secretary to facilitate a successful and timely recall.

"(7) The Secretary shall, by regulation, establish requirements to ensure that the registered importer (or any successor in interest) will be capable of carrying out the importer's responsibilities under part B of this title. The Secretary shall require each registered importer to provide evidence of sufficient financial responsibility to meet such obligations. Such evidence may include the posting of a prepaid surety bond for each motor vehicle or similar guarantee measures.

"(8) Section 109 shall apply in the case of any violation of the requirements of this subsection, except that the amount of any civil penalty imposed under such section for any such violation shall not exceed $5,000 for each such violation and shall not exceed $800,000 for any related series of violations.".

(c) Section 108 of such Act (15 U.S.C. 1397) is amended by inserting after subsection (c), as added by subsection (b) of this section, the following:

"(d) Subsection (a)(1)(A) and subsection (c)(1) shall not apply to any motor vehicle or item of motor vehicle equipment if—

"(1) it requires further manufacturing to perform its intended function (as determined under regulations prescribed by the Secretary); and

"(2) it is accompanied at the time of entry by a written statement issued by the manufacturer of the incomplete vehicle or item of equipment which indicates the applicable Federal motor vehicle safety standard with which such vehicle or item is in compliance.".

(d) Section 108 of such Act (15 U.S.C. 1397) is amended by inserting after subsection (d), as added by subsection (c) of this section, the following:

"(e)(1) Subsections (a)(1)(A) and (c)(1) shall not apply to any motor vehicle if the vehicle is imported for personal use, and not for resale, by a member of the uniformed services (as defined in section 2101 of title 5, United States Code) or the foreign service (as defined in section 103 of the Foreign Service Act of 1980 (22 U.S.C. 3903))—

"(A) whose permanent duty station or assigned place of employment is outside the United States;

"(B) who has not previously imported a vehicle into the United States under the authority of this section (or subsection (b)(3) with respect to the period before the date of enactment of the National Highway Traffic Safety Administration Authorization Act of 1985); and

"(C) who agrees to have the vehicle modified to meet all applicable Federal motor vehicle safety standards at a facility registered under subsection (c)(3)(A)(iv).

"(2) Subsections (a)(1)(A) and (c)(1) shall not apply to any motor vehicle if the vehicle is imported on a temporary basis for personal use, and not for resale, by any individual who is a member of—

"(A) the personnel of a foreign government on assignment in the United States who is within the class of persons for whom free entry of vehicles has been authorized by the Secretary of State;

"(B) the armed forces of a foreign country on assignment in the United States; or

"(C) the Secretariat of a public international organization so designated under the International Oganizations Immunities Act (22 U.S.C. 288 et seq.).

The Secretary may require such verification of such status as the Secretary considers appropriate. The Secretary shall ensure that any vehicle entered under this subsection will be exported (at no cost to the United States) or abandoned to the United States when the individual involved ceases to reside in the United States and to hold such status.

"(3) The Secretary may exempt any motor vehicle or item of motor vehicle equipment from subsections (a)(1)(A) and (c)(1) upon such terms and conditions as the Secretary may find necessary solely for the purpose of research, investigations, studies, demonstrations or training, or competitive racing events.".

(e)(1) The first sentence of section 501(8) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2001(8)) is amended by inserting immediately before the period the following: "and any importer registered to import vehicles pursuant to section 108(c) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1397(c))".

(2) Section 502(c)(1) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2002(c)(1)) is amended by inserting immediately after "manufacturer" the first time it appears the following: "(expect a manufacturer registered to import vehicles pursuant to section 108(c) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1397(c))".

(f) Section 108(a)(1)(A) of such Act (15 U.S.C. 1397(a)(1)(A)) is amended by inserting immediately after "such standard" the following: "and is covered by a certification issued under section 114,".

(g) Section 114 of such Act (15 U.S.C. 1403) is amended—

(1) by inserting ", as appropriate," immediately after "dealer";

(2) by striking "or distributor" wherever it appears;

(3) by inserting immediately after the first sentence the following: "Every distributor of a motor vehicle or item of motor vehicle equipment shall furnish to a dealer or subsequent distributor at the time of delivery of such vehicle or item of equipment the manufacturer's certification that was previously furnished to the distributor."; and

(4) by adding at the end thereof the following: "As used in this section and section 108, the term 'manufacturer' means any person engaged in the manufacturing or assembling of motor vehicles or items of motor vehicle equipment, including any other person who acts for or is under the control of such person with respect to the importation of such vehicles or items of equipment.".

(h)(1) Section 108(a)(1)(A) of such Act (15 U.S.C. 1397(a)(1)(A)) is amended by striking "subsection (b)" and inserting in lieu thereof "subsections (b), (c), (d), and (e)".

(2) Section 108(b)(2) of such Act (15 U.S.C. 1397(b)(2)) is amended by striking "or importer".

(i) The General Accounting Office shall prepare and submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives on July 1, 1988 and on or before July 1 of each year thereafter a comprehensive report on the administration of sections 108(c), (d) and (e) of the National Traffic and Motor Vehicle Safety Act of 1966, as added by this section. Such report shall include, but need not be restricted to—

(1) a listing of the registered importers and the determinations made by the Secretary under section 108(c)(3)(C) of such Act;

(2) a description by model year and make of the vehicles entered under such section;

(3) an itemization of the number of such vehicles entered, segregated by model number and year;

(4) the degree of observed compliance with applicable Federal motor vehicle safety standards;

(5) a description of the efforts undertaken by the Secretary under section 108(c)(3) and (4) of such Act, including tests and investigations conducted and the results of such tests and investigations;

(6) an accounting of the fees collected and expended by the Secretary pursuant to section 108(c)(3)(A)(iii) and (iv) of such Act;

(7) an assessment of the Secretary's compliance in processing certification statements under section 108 of such Act in a timely manner and a compilation of the number of certification statements received;

(8) compliance with any requirement of applicable taxes and duties provided for under section 201(a) of the Energy Tax Act of 1978 (26 U.S.C. 4064); and

(9) such other information as the General Accounting Office considers appropriate.

The report shall contain such recommendations for additional legislation as is considered necessary to ensure that motor vehicles not originally designed or manufactured for compliance with all applicable Federal motor vehicle safety standards are being properly brought into compliance following importation into the United States.

(j) The Secretary of Transportation shall prepare and make available to the public information on the importation of motor vehicles into the United States and procedures to be followed to bring such vehicles into conformity with Federal motor vehicle standards.

(k) The Secretary of Transportation shall conduct a study on the effectiveness of the amendments made by this section in ensuring compliance with applicable motor vehicle safety standards and enhancing motor vehicle safety. Such study shall be submitted to the Congress not later than 36 months after the date of enactment of this Act. Following receipt of such study, the Congress shall determine and enact, if any, those changes to existing law which it considers appropriate. Such changes may include termination of the conditional importation of nonconforming vehicles, repeal of this title, or appropriate modifications of procedures provided for under this title.

(l)(1) The Secretary of Transportation shall promulgate such regulations as may be necessary to implement the provisions of this title as soon as practicable, but in no case later than eight months after the date of enactment of this Act. The amendments made by this title shall take effect three months after such regulations become effective, except that such amendments shall take effect prior to the expiration of such three-month period with respect to any model of a vehicle for which a determination is made under section 108(c)(3)(C) of the National Traffic and Motor Vehicle Safety Act of 1966 (as added by subsection (a) of this section), as soon as such determination is made.

(2) Any person may commence a civil action on such person's own behalf against the Secretary of Transportation to compel the Secretary to promulgate regulations under this section where there is alleged a failure by the Secretary to promulgate such regulations by the date specified in paragraph (1) of this subsection. The United States Court of Appeals for the District of Columbia shall have jurisdiction over such action and may award costs of litigation (including reasonable attorney's fees) to the prevailing party (other than the United States Government) whenever the Court determines that such award is appropriate. Any petition under this paragraph shall be granted an expedited hearing by the Court.

(3) As soon as possible after the date of enactment of this Act, the Secretary of Transportation shall take steps designed to encourage notification regarding the changes made by this section to members of the uniformed services and other individuals who may be affected by such changes.

Mr. INOUYE. Mr. President, I am pleased to join with my colleague from New Hampshire in offering for consideration a substitute for title IV of S. 863, the National Highway Traffic Safety Administration Act of 1985. As my colleagues are aware, the bill as reported out of committee on April 18, 1985, effectively would have brought an immediate end to the so-called gray market in automobiles. After months of extensive negotiations, we have agreed on compromise language that will more effectively regulate the current importation and modification process.

As many of you may recall, the Senator from New Hampshire and I inserted a summary of our amendment in the CONGRESSIONAL RECORD on December 19, 1985. At that time, the chairman of the Commerce Committee informed us that he would push for prompt consideration of this measure. We are very pleased to have the opportunity to pass this bill today and wish to again thank the chairman and the staff of the Commerce Committee for assisting us in that effort.

Our compromise is rather complicated and differs fundamentally from title IV as reported out of committee. Moreover, a few technical changes have been made to the draft since December 19, 1985. I therefore thought my colleagues would find it helpful if I described the specifics of this substitute amendment. This discussion should help clarify and amplify the summary we had printed in the CONGRESSIONAL RECORD.

Mr. President, at the outset I want to emphasize that I and many Members of Congress have become increasingly concerned that in many instances persons engaged in the business of bringing into compliance gray market motor vehicles have failed to modify the vehicles as required by existing safety and pollution laws and regulations. We have become further concerned that certain modifications made by these gray market modifiers have increased the risk of harm to human life and health, thereby undermining the longstanding efforts of the Congress to promote the protection of motor vehicle passengers through the enactment of motor vehicle safety laws. Finally, we have become concerned that gray market importers and modifiers are operating outside of the existing regulatory framework that governs both the manufacturing of motor vehicles by manufacturers in the United States and abroad and the sale of vehicles in the United States through their authorized dealers.

Our purpose in developing this compromise amendment has been to bring gray market importers and modifiers within the existing regulatory framework that governs the manufacturing and the sale of vehicles through authorized dealers. We have sought to level the playing field and hope our colleagues will agree that this objective has been accomplished.

Mr. President, under the program we are establishing, gray market vehicles may generally be imported into the United States only if they are substantially similar to a model manufactured for the U.S. market and are modified at an approved facility. We have included a special provision to ensure that military personnel and foreign service personnel returning from abroad may import an automobile for personal use and have it modified to meet U.S. safety and emission standards here in the United States. We also have included a provision providing that, even in those instances in which a substantially similar U.S.-made vehicle does not exist, a vehicle made for a foreign market may be imported and then modified if the Secretary determines, on the basis of destructive test data and other information, that the vehicle can be modified to comply with all applicable Federal motor vehicle safety standards.

To ensure that this new program does not drain taxpayer resources, registered importers must pay upon registration and annually thereafter what-

ever fee the Secretary calculates is necessary to cover the cost of administering the entire program. Such fees must cover, among other things, the cost of processing bonds, making determinations, and conducting tests and investigations. Additionally, persons registering to make modifications must pay upon registration and annually thereafter a sum sufficient to cover the cost of inspecting the facilities at which modifications may be made. We felt it was appropriate in this limited instance to require the payment of such fees by registered importers and modifiers because this new program is being established solely for their benefit and will continue to permit them to stay in business.

For the benefit of my colleagues, let me explain how this new process works. In short, the Secretary of Transportation makes a determination whether a vehicle can be modified to meet all applicable safety standards. The registered importers—or modifier—must make the modifications as approved by the Secretary and then file a statement confirming he has done so. At that point, the Secretary, if she approves the certification statement, provides the necessary paperwork authorizing release of the customs bond on the vehicle.

Once a determination has been made by the Secretary of Transportation with respect to a particular line or model of vehicle that the vehicle can meet the applicable standards, any other registered importer may, on the basis of that approval, modify the same line or model of vehicle. Of course, such a registered importer must perform the work in the same manner provided for in the approved petition. This should help lessen the regulatory burden that otherwise might have been imposed on the agency. We trust the Secretary will ensure that this provision is not abused to allow registered importers to make modifications without regard for the precise methods and procedures in the petition on which the determination was premised. Moreover, we trust the Secretary will be vigilant in ascertaining whether vehicles modified pursuant to the description provided for in petitions actually meet all applicable Federal motor vehicles safety standards. If she finds, for example, that modifications are not being made, the determination must be revoked. Once a determination has been revoked, vehicles of the same model or line may not be modified in accordance with the determination. These vehicles only can be modified after a new determination is made pursuant to the procedures established for making the initial determination.

With respect to this process, we have not required that the Secretray make such determination through traditional notice and comment rulemaking. However, while we have minimized the regulatory burden, the Secretary nonetheless must include the public in the process prior to making any determination on the merits. We do not want these determinations made solely on the basis of information supplied by petitioners. The petitions must be made available to the public, including original equipment manufacturers, so that they may submit comments and information relevant to the determination before it is made.

To monitor compliance with the law, the Secretary must conduct inspections and tests, including destructive tests, of vehicles imported under this new program. The Secretary also must periodically inspect approved facilities at which modifications are made. The status quo, under which voluntary compliance has been assumed, has proven to be ineffective in ensuring compliance with existing laws and regulations. We trust the Secretary will vigorously carry out her responsibilities to ensure that this pattern of noncompliance is brought to an end.

This amendment addresses other concerns aired in hearings held before the Commerce Committee. As my colleagues are aware, one of the principal concerns that has been raised is the failure of gray-market importers to pay the applicable gas guzzler tax due on each imported low-mileage vehicle. Recently, the Internal Revenue Service issued a revenue ruling confirming that the law has always required the payment of gas guzzler taxes on gray-market vehicles. To ensure that this tax avoidance comes to an end, we have included two provisions in the amendment. The first requires these importers to establish the fuel economy ratings on the vehicles they import for purposes of calculating the gas guzzler tax due. Once those ratings have been established and provided to the relevant Government agencies, no basis will exist for avoiding payment of gas guzzler taxes. The second provision requires registered importers to document payment of this tax in order to maintain their registration.

As a related matter, the amendment provides that each registered importer will be treated as a manufacturer for purposes of CAFE. Each registered importer will calculate a fleet fuel economy average on the basis of the vehicle he imports during each calendar year. To preclude registered importers from avoiding the responsibilities that come with being treated as a manufacturer under the Motor Vehicle Information and Cost Savings Act, the amendment specifically precludes them from claiming to be "small volume" manufacturers. To maintain a registration, each registered importer must document payment of any CAFE penalties due for the prior year.

Mr. President, there also has been a great deal of concern raised about vehicles being released to consumers before modifications have been made or in violation of the terms and conditions of the customs bond placed on each vehicle. To get at this problem, the amendment provides that it shall be unlawful to release custody of a vehicle, operate it—other than for testing—or ignore the conditions imposed by the applicable bond until the registered importer has filed a certification statement with the Secretary that the vehicle has been properly modified, the Secretary has reviewed the certification as valid, the Secretary has confirmed a consumer disclosure label has been placed on the vehicle, and the fuel economy ratings for the vehicle have been established and provided to the relevant Government agencies. We would hope this process would be completed within 30 days for each vehicle.

The amendment also provides that States may require registered importers to provide appropriate State authorities with a notarized English translation of all title and ownership documentation. This should assist those States that wish to enact such measures as part of their traditional police power function of setting the conditions under which vehicles may be titled and registered. We fully recognize that the gray-market presents unique and unanticipated concerns for State governments.

In an effort to reduce the opportunities for the unscrupulous to avoid making the modifications required under existing law, we have built a number of safeguards into the system.

First, the types of vehicles which may be imported generally are limited to those which are "substantially similar" to vehicles originally manufactured and certified for importation into the United States and which are capable of being readily modified to meet all U.S. standards. For certain safety features of a motor vehicle, such as the structural features protecting the passenger compartment, it is impossible to assess compliance with U.S. safety regulations merely by visual inspection. Destructive crash testing is needed. Because gray-market vehicles will not be crash tested before importation, these "concealed" safety features of the gray-market vehicles must be substantially the same as those on U.S. certified models before importation and modification. The term "readily modified" in the statute should be taken to mean the replacement or addition of components to a motor vehicle without significant change to the integrity of its structure.

Second, vehicles may be modified only at a facility inspected, approved, and registered by the Secretary.

Third, before any vehicles may be modified, a registered importer must first establish—with respect to the

particular line or model of vehicle involved—that the vehicle can be modified to meet all applicable Federal motor vehicle safety standards and that any modifications made for the purpose of compliance with any applicable law or regulation will not appear to create a violation of these standards or a defect relating to motor vehicle safety. The petition submitted to the Secretary should include an analysis by a qualified professional engineer certifying that this is the case with respect to the safety features of the vehicle.

Fourth, the Secretary must approve a certification statement filed by each registered importer before issuing the bond released letter applicable to each imported motor vehicle.

Finally, the Secretary by regulation must establish requirements to ensure that the registered importers who will be making these modifications have the financial capability to meet their obligations under our safety laws and regulations. We have suggested requiring the posting of a prepaid surety bond on each vehicle as one means of protecting consumers from financially irresponsible importers.

So that we can monitor how this new program works in operation, the amendment requires the GAO to provide us with an annual report beginning in 1988. Also, the Secretary must conduct a study of the effectiveness of the program within 3 years. At that point, the Congress will be in a good position to access whether modifications to the program are necessary.

In closing, I might add that we are very concerned that the provisions in this legislation may not be promptly implemented and the program may not be put into effect. I am sure each of my colleagues has shared the frustration of imposing statutory deadlines, only to have them ignored. Our legislation explicitly provides that the Secretary must publish regulations implementing this amendment within 8 months. We feel this is more than adequate time and, if the Secretary has not done so, any person may commence a civil action in the U.S. Court of Appeals for the District of Columbia Circuit. The court must grant an expedited hearing. We also have suggested that the court award reasonable attorney fees to private litigants if the Government fails to promulgate the regulations and thus occasions an otherwise unnecessary lawsuit. This should provide but one more incentive for the agency to comply with the law and meet the deadline we have set. We do not want to be in a position where through inadvertance or calculated delay the administration can keep the current, unworkable program in effect beyond the time period specified in the amendment.

Mr. President, I want to remind my colleagues that many months of negotiations were necessary to craft this compromise. My colleague from New Hampshire and I have put a great deal of thinking and effort into this amendment. We hope our colleagues will support us in agreeing to it without any further delay.

Mr. HOLLINGS. Mr. President, current regulations covering the importation of vehicles by individuals who intend to have foreign cars upgraded to U.S. specifications were developed over a decade ago to alleviate hardships for U.S. military and foreign service personnel returning to the United States from Europe with cars purchased overseas. Since the mid-1960's, these special importation provisions have become a loophole through which entrepreneurs, operating outside of the importing and distributing companies of manufacturers, have created a gray market for importing vehicles into the United States which do not meet U.S. safety and emissions standards. The vehicles are then supposed to be upgraded to meet these standards. At hearings held by the Commerce Committee, testimony was received that many of these cars are not modified correctly, and consequently, do not meet all U.S. safety standards.

When the Commerce Committee reported S. 863, an amendment, offered by Senators INOUYE and FORD, was added to the bill. This amendment would have prohibited the importation of gray market cars with a few limited exceptions. After the Commerce Committee acted, several Senators expressed concerns about this provision. Senator RUDMAN and Senator INOUYE as well as Senators FORD, RIEGLE, and DANFORTH met for months in an effort to work out a compromise. A compromise was reached at the end of our last session and Senators RUDMAN and INOUYE outlined the compromise on the Senate floor on December 19, 1985.

This is the language being offered today as a substitute to title IV of S. 863. I want to commend all the Senators who worked diligently on this amendment. I think it is a reasonable approach to the problem.

It provides for stricter supervision of those who import and modify these cars and better enforcement of the laws and regulations which govern the gray market.

I believe this program will result in safer cars and fewer injuries on our highways and I urge my colleagues to support this amendment.

(By request of Mr. BYRD, the following statement was ordered to be printed in the RECORD:)

● Mr. CHILES. Mr. President, I would like to rise in support of the so-called gray market amendment that was put together by Senators RUDMAN and INOUYE.

This amendment, which is the result of rather extensive negotiations and compromise on both sides of the issue, is a product of the legislative process at its best. The result is one in which a small but valuable market for automobile consumers has been preserved, while at the same time it preserves the design and safety standards that all domestic U.S. cars must meet.

I feel it is important to retain the direct import market for automobiles because the price and choice competition that it creates is good for the American consumer.

But that competition should not be retained at the price of sacrificing needed and proven Federal motor vehicle safety standards.

This amendment meets both of those objectives.

First, it allows the continued direct marketing of automobiles from abroad so long as those cars meet American safety standards.

Second, a set of procedures is set up—including bonding and certification—to assure that direct import automobiles do indeed meet those standards once they are brought here. That, of course, includes modification of the automobiles when necessary.

Third, to assure that there is no cost to the Government, the importers will pay fees necessary to finance the program.

When the car is imported, the importer must post a bond with the U.S. Department of Transportation which is equal to the dutiable value of the car plus the duty pending its modification to meet U.S. safety standards.

After modification, the importer must submit a certification statement to DOT showing that the car has been modified in compliance with Federal safety standards. This certification statement must be approved or rejected by the Secretary within 30 days.

This set of procedures and the amendment itself establish an important principal—we will keep our markets open, but we will insist that safety standards be upheld.

I congratulate the sponsors of this statement for coming up with a workable compromise.●

Mr. RUDMAN. Mr. President, the Inouye-Rudman amendment addresses the importation of so-called gray market or direct import automobiles. This amendment represents a compromise worked out by the distinguished senior Senator from Hawaii, myself, and other members of the Commerce Committee. Its purpose is to ensure that gray market cars may continue to be imported into the United States so long as they are brought into compliance with applicable Federal motor vehicle safety standards.

Direct import cars, commonly known as gray market cars, are foreign-manufactured cars that are imported direct-

ly by independent importers. This activity is entirely legal provided that certain procedures are followed to ensure that these cars, which may not have been originally manufactured for distribution in the United States, are brought into compliance with Federal environmental and safety standards prior to their release into interstate commerce. It should be noted that there is a gray market for many products other than automobiles. The gray market generally arises when foreign manufacturers implement discriminatory pricing strategies whereby American consumers are charged a higher price for a product than is charged for the same or comparable item sold overseas. For example, a Mercedes-Benz sold in this country may cost $20,000 more than a comparable Mercedes sold in Germany. Independent importers take advantage of this dual pricing system by importing items directly and selling them to the American consumer for a price considerably lower than that offered by the foreign manufacturer's U.S. distributor.

The gray market provides enormous benefits to the consumers of this country by ensuring the existence of price and choice competition and, in this way, keeping prices down. When gray market importers introduced competition in other markets, the cost of products such as Seiko watches, Nikon cameras, and Canon cameras all dropped by about one-third. The U.S. Department of Justice recently estimated that the cost to the consumer of eliminating the gray market in automobiles would be millions of dollars.

When S. 863 was reported out of the Commerce Committee, it included an amendment sponsored by my good friend, Senator INOUYE, which had the effect of shutting down the gray market entirely. This provision was unacceptable to me. Free competition is the basis for our economy and one that should be preserved. As already indicated, any effort to prohibit the importation of gray market cars would cost our citizens millions of dollars. Furthermore, I see no justification for the discriminatory pricing schemes perpetrated by some foreign manufacturers and am not prepared to protect their profits by eliminating the gray market.

I do, however, understand my colleague's concern that some gray market cars are not adequately being brought into compliance with safety standards. Frankly, I believe that most gray market automobile importers are conscientiously modifying vehicles so that they are in complete compliance with Federal standards. I was nonetheless willing to work with the Senator from Hawaii to devise a program which will tighten up on enforcement of the gray market. I would like to take this opportunity to summarize the major provisions of our compromise.

The amendment requires importers to register with the Secretary of Transportation and pay such fees as are necessary to cover any additional costs to the Department of Transportation resulting from its administration of the provisions of this amendment, except those associated with registration of persons performing modifications and inspection of their facilities. Accordingly, individuals performing modifications to gray market cars, in the case where such person is not the importer, must also register with the Secretary and pay an appropriate fee. Thus, this amendment will allow the Department to meet its obligations without adding to the Federal budget deficit.

The amendment requires the Secretary to make determinations, upon the petition of registered importers, as to which cars are capable of being modified to meet Federal safety standards. The Secretary may make such determinations based on one of two findings. The first is that a vehicle is substantially similar to a vehicle originally manufactured for importation into the United States and the petitioner demonstrates that the car can be modified to fully comply with applicable standards. The second applies in the case where there is no substantially similar domestic vehicle but where the importer provides test data and other information required by the Secretary to show that the car can also be modified to meet all applicable Federal motor vehicle safety standards. Once a determination is made by the Secretary for a particular type of vehicle, any importer may bring in cars covered by the petition so long as the car is modified in accordance with procedures established in the petition. Petitioners shall be afforded an opportunity to appeal a negative determination by submitting additional evidence.

A registered importer may then import a vehicle covered by an approved determination and modify the vehicle in accordance with established procedures. Upon importation, the importer will post a bond equal to the dutiable value of the car plus the duty pending its modification to comply with U.S. standards. Once a vehicle has been modified, the importer submits a certification statement indicating that the vehicle has been modified to comply with applicable Federal motor vehicle safety standards. The Secretary must approve or reject the certification statement within 30 days and issue a bond release letter. It should be noted that the effective motor vehicle standards applicable to any vehicle, including gray market vehicles imported under this section, are those in effect on the date of its original manufacture. This is in conformance with the basic requirements of the Motor Vehicle Safety Act and its implementing regulations. Title 49, section 571.7 of the Code of Federal Regulations states that "each standard set forth in subpart B of this part applies according to its terms to all motor vehicles * * * the manufacture of which is completed on or after the effective date of the standard." Thus, when a new safety standard is issued, it applies only to vehicles manufactured after the effective date specified in the standard. This amendment does not intend that an older vehicle be modified to conform to standards that went into effect after it had been manufactured.

The Secretary is authorized to inspect and test vehicles to determine compliance with the requirements of this amendment. The Secretary is also directed to inspect facilities performing modifications. The direct importer will be responsible for recordkeeping, payment of applicable gas guzzler taxes, and compliance with CAFE requirements. Failure to meet the requirements of this amendment may result in revocation or suspension of registrations or civil penalties of up to $5,000. The registered importer is responsible for defect recalls as is the case with the original manufacturers. In the case of a recall, however, the original manufacturer must cooperate to facilitate a successful and timely recall.

We have also mandated a Department of Transportation study of the effectiveness of this amendment as well as regular GAO reports. The Secretary is directed to promulgate regulations within 8 months after enactment of this legislation. This amendment shall take effect 3 months after the effective date of regulations as established by the Secretary. This 3-month grace period is intended to ensure that importers will be able to continue to import vehicles after the effective date of the regulations and while the Secretary is making determinations. Even within this 3-month period, however, once a determination has been made for a type of vehicle, the regulations shall be effective for vehicles imported under that determination.

This amendment is the product of many hours of negotiation and compromise. I believe it represents a workable program which will meet the concerns of the Senator from Hawaii without closing down the gray market and denying the American consumer the greatest choice at the best price. I urge my colleagues to act favorably on this measure.

Mr. SPECTER. Mr. President, I am pleased to support the amendment being offered today by my colleagues, Senator INOUYE and Senator RUDMAN. The amendment represents a compromise proposal that addresses impor-

tant issues relating to the importation of gray market automobiles. The compromise will allow the continued importation of these cars into the United States, provided that these cars are brought into compliance with applicable Federal motor vehicle safety standards.

In the past, there has been real concern that cars were being brought into the country and being sold to consumers without complying with safety standards. I have met with authorized dealers, whose business and reputation is affected by illegal imports, to discuss this matter. I have also met with gray market importers who believe that a regulatory scheme can be devised which will prevent bad apples from selling cars which are not in compliance while permitting legitimate business people to continue operations while complying with safety standards. I am hopeful that this proposal will resolve this problem and insure that consumers are properly protected.

My colleagues on the Senate Commerce Committee and Appropriations Committee—in particular, Senator DANFORTH, Senator INOUYE, Senator FORD, and Senator RUDMAN—worked many hours to reach this agreement. I wish to commend them for their efforts. This solution appears reasonable and fair to all sides and I urge my colleagues to join me in support of this amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 1966) was agreed to.

Mr. BYRD. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. SIMPSON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there further amendments? If not, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. HOLLINGS. Mr. President, I urge my colleagues to vote for S. 863, the NHTSA authorization bill. The National Highway Traffic Safety Administration of the Department of Transportation is responsible for motor vehicle safety on our Nation's highways. While many advances have been made in highway safety, the toll from death and injury from highway accidents remains too high. S. 863 authorizes appropriations for NHTSA for fiscal year 1987 to carry out its highway safety programs.

Senator DANFORTH, chairman of the Commerce Committee, and Senator RIEGLE have worked on some amendments to the bill, as reported, to further improve the bill. First, S. 863 directs NHTSA to reopen its side impact crash protection standard. More than 9,000 Americans die each year in side crashes and this standard needs to be reexamined and strengthened, if technologically feasible. Second, S. 863 requires the National Academy of Sciences [NAS] to do a study on the feasibility of establishing a crashworthiness ratings system for cars. After the NAS study is completed, the Secretary of Transportation would be required to examine their recommendations and solicit public comments on them. If DOT determines that a crashworthiness system is feasible, it is required to promulgate a rule setting up such a system.

I would like to commend both Senator DANFORTH and Senator RIEGLE for their cooperative efforts on S. 863. They have worked long and hard to reconcile their differences and I am pleased they have arrived at a compromise.

A provision on gray-market automobiles was added to S. 863 by Senators INOUYE and FORD when the Commerce Committee considered the bill. Gray-market automobiles are automobiles which do not meet all U.S. safety and environmental standards. These cars must be modified to comply with U.S. law. At hearings held by the committee, testimony was received that many of these cars are not modified correctly and often do not meet U.S. standards. Senators INOUYE, RUDMAN, FORD, RIEGLE, and DANFORTH have crafted a compromise on this issue. This compromise would provide stricter supervision of the people who modify these cars to help ensure that the cars do meet all U.S. safety and emissions standards.

This bill is the result of months of effort by many Senators interested in highway safety. This work has produced a bill which will further improve safety on our highways and I urge my colleagues to vote for passage of S. 863.

Mr. FORD. Mr. President, I rise in support of S. 863, the National Highway Traffic Safety Administration [NHTSA] authorization bill.

There is no doubt that since it was created by Congress two decades ago, NHTSA has made great strides in reducing our Nation's highway accident fatality rate. In 1984, that rate hit an all-time low of 2.55 deaths per hundred million vehicle miles. NHTSA is to be commended for its initiatives intended to further reduce this rate, particularly its drunk driving and child passenger safety programs.

But the death toll is still far too high. In 1984, nearly 44,000 people were killed in highway accidents in the United States. Think about it. That is four-fifths the population of the entire city of Owensboro, KY, my hometown—or the capacity of some major league baseball stadiums.

We simply cannot sit back and accept that figures as the highest level of safety we can achieve on our highways. We must do better.

S. 863, which authorizes appropriations for NHTSA for fiscal years 1986 and 1987 to carry out its highway safety programs, contains several provisions designed to improve highway safety. They are the products of months of negotiation and compromise. I believe we now have a good bill, one that deserves Senate approval.

One of the compromise provisions concerns gray-market automobiles. These are cars which are privately imported from other countries, and thus are not designed to comply with U.S. safety and environmental standards. Commerce Committee hearings produced testimony pointing to a large increase in the number of gray-market automobiles which are not modified to meet these standards, as is required under current law. Senator INOUYE and I originally added an amendment to S. 863 in the Commerce Committee, one which would have prevented the importation of these gray-market autos in all but a few cases. After lengthy negotiations involving Senators INOUYE, DANFORTH, RIEGLE, and RUDMAN, we have crafted an agreement which will provide strict supervision of the people who modify these cars. I am hopeful that this compromise language will go a long way toward ensuring that gray-market automobiles are brought into compliance with U.S. standards. I would like to commend Senator INOUYE and his staff for their efforts on this compromise.

In addition, I am pleased to see that Senators DANFORTH and RIEGLE have worked out a compromise on the side impact standard and crashworthiness ratings. Their amendments will further improve safety on our highways. One requires NHTSA to reexamine its side impact crash protection standard. The other directs the National Academy of Sciences to perform a study on the feasibility of establishing a crashworthiness rating system for automobiles and submit the results to the Department of Transportation. If DOT determines from this study that a crashworthiness system is feasible, it is required to promulgate a rule creating such a system.

Mr. President, it is important that we in the Congress exercise our oversight responsibilities to ensure that NHTSA effectively carries out its mandate to save lives, reduce injuries, and reduce the consumer costs of accidents. S. 863 is a clear demonstration that we are doing so. I urge my colleagues to approve this bill.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 863) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 863

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Highway Traffic Safety Administration Authorization Act of 1985".

DEFINITIONS

SEC. 2. As used in this Act, the term—

(1) "multipurpose passenger vehicle" means a motor vehicle with motive power, other than a trailer, which is designed to carry 10 persons or less and which is constructed either on a truck chassis or with special features for occasional off-road operation;

(2) "passenger automobile" means a motor vehicle with motive power, except that the term does not include a multipurpose passenger vehicle, a motorcycle, a bus, a truck, or a trailer designed for carrying 10 persons or less; and

(3) "Secretary" means the Secretary of Transportation.

TITLE I—AUTHORIZATIONS OF APPROPRIATIONS

GENERAL AUTHORIZATIONS

SEC. 101. (a) Section 121 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1409) is amended—

(1) by striking "and"; and

(2) by striking the period and inserting in lieu thereof ", and $54,157,125 for fiscal year 1987.".

(b) Section 111 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1921) is amended—

(1) by striking "and", and

(2) by striking the period and inserting in lieu thereof ", and $345,895 for fiscal year 1987.".

(c) Section 209 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1949) is amended—

(1) by striking "and"; and

(2) by striking the period and inserting in lieu thereof ", and $2,030,435 for fiscal year 1987.".

(d) Section 417 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1990g) is amended—

(1) by striking "and"; and

(2) by striking the period and inserting in lieu thereof ", and $496,375 for fiscal year 1987.".

OCCUPANT CRASH PROTECTION PROGRAM

SEC. 102. In order to carry out a national program to encourage the use of safety belts and passive restraints in passenger automobiles, as authorized by section 403 of title 23, United States Code, the Secretary may derive an additional amount not to exceed $20,000,000 from unobligated balances of funds made available for highway safety programs under title 23, United States Code. Not less than one-half of the total of such amounts shall be used for educational efforts related to the use of air bags. Of the funds allocated to such efforts, not less than $5,000,000 shall be used to carry out a program to demonstrate the effectiveness of air bag technology, with emphasis on lowest-cost technologies. Such amounts shall remain available until expended.

TITLE II—HIGHWAY SAFETY GRANTS

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. (a) Section 203(a)(1) of the Surface Transportation Assistance Act of 1982 (Public Law 97-424; 96 Stat. 2138) is amended—

(1) by striking "and" after "1985,"; and

(2) by inserting immediately before the period at the end thereof the following: ", and $132,000,000 for the fiscal year ending September 30, 1987".

(b) Section 203(b) of the Surface Transportation Assistance Act of 1982 (Public Law 97-424; 96 Stat. 2138) is amended—

(1) by striking "and" after "1985," whenever it appears;

(2) by inserting immediately after "1986," the following: ", $132,000,000 for the fiscal year ending September 30, 1987,"; and

(3) by inserting immediately before the period at the end thereof the following: ", and September 30, 1987".

DRUNK DRIVING INCENTIVE GRANTS

SEC. 202. The first sentence of section 408(g) of title 23, United States Code, is amended by striking all after "Fund," and inserting in lieu thereof "$29,232,000 for the fiscal year ending September 30, 1987.".

TITLE III—AUTOMOBILE CRASHWORTHINESS

PURPOSE AND FINDINGS

SEC. 301. (a) This title is part of the continuing effort by Congress to address the critical highway safety problems facing this Nation.

(b) The Congress finds that—

(1) the Department of Transportation should be given explicit direction as to actions to be taken to save lives, reduce injuries, and decrease consumer costs of accidents;

(2) the current trend toward purchases of smaller and lighter passenger automobiles increases the importance of and the need for effective occupant crash protection;

(3) crashworthiness information should be available upon the introduction of each new passenger automobile model, and a systematic effort must be made to disseminate this information.

SIDE IMPACT PROTECTION

SEC. 302. Not later than 60 days after the date of enactment of this Act, the Secretary shall reopen the rulemaking proceeding terminated on July 12, 1982, to implement Federal Motor Vehicle Safety Standard 214 (49 CFR 571.214). The Secretary shall, not later than one year after the date of enactment of this Act—

(1) establish performance criteria for improved occupant protection in side impact; and

(2) issue an Advance Notice of Proposed Rulemaking to extend the applicability of such Standard to light trucks, vans, and multipurpose passenger vehicles.

AUTOMOBILE CRASHWORTHINESS DATA

SEC. 303. (a) Section 201 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1941) is amended by adding at the end thereof the following:

"(f)(1) The Secretary shall enter into appropriate arrangements with the National Academy of Sciences to conduct a comprehensive study and investigation regarding means of establishing a method for calculating a uniform numerical rating which will enable consumers to compare meaningfully the crashworthiness of different passenger automobile models.

"(2) Such study shall include examination of current and proposed crashworthiness tests and testing procedures and shall be directed to determining whether objective, accurate and relevant information regarding the comparative crashworthiness of different passenger automobile models reasonably can be provided to consumers by means of a crashworthiness rating rule. Such study shall include examination of at least the following proposed elements of a crashworthiness rating rule:

"(A) information on the degree to which different passenger automobile models will protect occupants across the range of motor vehicle crash types when in use on public roads;

"(B) a repeatable and objective test which is capable of identifying meaningful differences in the degree of crash protection provided occupants by the vehicles tested, with respect to such aspects of crashworthiness as occupant crash protection with and without use of manual seat belts, fuel system integrity, and other relevant aspects;

"(C) ratings which are accurate, simple in form, readily understandable and of benefit to consumers in making informed decisions in the purchase of passenger automobiles;

"(D) dissemination of comparative crashworthiness ratings to consumers either at the time of introduction of a new passenger automobile model or very soon after such time of introduction; and

"(E) the development and dissemination of crashworthiness data at a cost which is reasonably balanced with the benefits of such data to consumers in making informed purchase decisions.

"(3) Any such arrangement shall require the National Academy of Sciences to report to the Secretary and the Congress not later than 18 months after the date of enactment of this subsection on the results of such study and investigation, together with its recommendations. The Secretary shall, to the extent permitted by law, furnish to the Academy upon its request any information which the Academy considers necessary to conduct the investigation and study required by this subsection.

"(4) Within 60 days after transmittal of the report of the National Academy of Sciences to the Secretary and the Congress under paragraph (3) of this subsection, the Secretary shall initiate a period (not longer than 90 days) for public comment on implementation of the recommendations of the National Academy of Sciences with respect to a rule promulgated under this title establishing an objectively based system for determining and publishing accurate comparative crashworthiness ratings for different passenger automobiles.

"(5) Not later than 180 days after the close of the public comment period provided for in paragraph (4) of this subsection, the Secretary shall determine, on the basis of the report of the National Academy of Sciences and the public comments on such report, whether an objectively based system can be established by means of which accurate and relevant information can be derived that reasonably predicts the degree to which different makes and models of passenger automobiles provide protection to occupants against the risk of personal injury or death as a result of motor vehicle accidents. The Secretary shall promptly publish the basis of such determination.

"(g)(1) If the Secretary determines that the system described in subsection (f)(5) of this section can be established, the Secretary shall, subject to the exception provided in paragraph (2) of this subsection, not later than three years after the date of enact-

ment of this subsection, promulgate a rule under this title establishing an objectively based system for determining and publishing accurate comparative crashworthiness ratings for different passenger automobiles. The rule promulgated under this subsection shall be practicable and shall provide the public relevant objective information in a simple and readily understandable form in order to facilitate comparison among the various makes and models of passenger automobiles so as to contribute meaningfully to informed purchase decisions.

"(2) The Secretary shall not promulgate such rule unless (A) a period of 60 calendar days has passed after the Secretary has transmitted to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Energy and Commerce of the House of Representatives a summary of the comments received during the period for public comment specified in subsection (f)(4) of this section or (B) each such committee before the expiration of such 60-day period has transmitted to the Secretary written notice to the effect that such committee has no objection to the promulgation of such rule.".

(b)(1) Section 201 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1941), as amended by this Act, is further amended by adding at the end thereof the following:

"(h) If the Secretary promulgates a rule under subsection (g) of this section, not later than 3 years after the date of enactment of the National Highway Traffic Safety Administration Authorization Act of 1985, the Secretary shall by rule establish procedures requiring passenger automobile dealers to make available to prospective passenger automobile purchasers information developed by the Secretary and provided to the dealer which contains data comparing the crashworthiness of passenger automobiles.".

(2) Section 2 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1901) is amended by adding at the end thereof the following new paragraph:

"(19)(A) The term 'passenger automobile' means a motor vehicle with motive power, except that the term does not include a multipurpose passenger vehicle, a motorcycle, a bus, a truck, or a trailer designed for carrying 10 persons or less.

"(B) As used in subparagraph (A) of this paragraph, the term 'multipurpose passenger vehicle' means a motor vehicle with motive power, other than a trailer, which is designed to carry 10 persons or less and which is constructed either on a truck chassis or with special features for occasional off-road operation.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 304. Section 403 of title 23, United States Code, is amended by adding at the end thereof the following:

"(g) There is authorized to be appropriated for purposes of carrying out this section not to exceed $31,000,000 for fiscal year 1987.".

TITLE IV—CONTROL OF IMPORTATION OF CERTAIN VEHICLES TO ENSURE COMPLIANCE WITH SAFETY STANDARDS

AMENDMENTS TO THE NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACT OF 1966

SEC. 401. (a) Section 108(b) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1397(b)) is amended—

(1) by striking paragraphs (3) and (4); and

(2) by redesignating paragraph (5) as paragraph (3).

(b) Section 108 of such Act (15 U.S.C. 1397) is amended—

(1) by redesignating subsection (c) as subsection (f); and

(2) by inserting after subsection (b) the following:

"(c)(1) Except as provided in this subsection and subsection (d), a motor vehicle or item of motor vehicle equipment offered for importation in violation of subsection (a)(1)(A) shall be refused entry into the United States.

"(2) In the case of any vehicle imported under this subsection, the person importing the vehicle shall furnish a bond in the amount of the dutiable value of the vehicle plus the duty, and shall comply with such terms and conditions as it appears to the Secretary appropriate to ensure that any such vehicle—

"(A) will be brought into conformity by such person with all applicable Federal motor vehicle safety standards prescribed under this title within a reasonable time after such importation (as specified by the Secretary); or

"(B) will be exported (at no cost to the United States) or abandoned to the United States.

"(3)(A) Subsection (a)(1)(A) and paragraph (1) of this subsection shall not apply to any motor vehicle if—

"(i) the vehicle is imported by an importer registered under procedures established by the Secretary;

"(ii)(I) the vehicle is determined under subparagraph (C) to be substantially similar to motor vehicles originally manufactured for importation into the United States and is capable of being readily modified to conform to all applicable Federal motor vehicle safety standards; or

"(II) where there is no substantially similar United States motor vehicle, as determined by the Secretary, the Secretary determines that the safety features of the vehicles comply with or are capable of being modified to comply with all applicable Federal motor vehicle safety standards, as determined on the basis of destructive test data and such other evidence as the Secretary determines to be adequate;

"(iii) the registered importer pays upon registration and annually each year thereafter (I) such fee as the Secretary reasonably establishes to cover the cost of administering the requirements of this subsection, except those referred to in clause (iv), and (II) such other fee or fees as the Secretary reasonably establishes to cover the cost of processing the bond furnished under paragraph (2), making the determinations under clause (ii), and conducting tests and investigations pursuant to subparagraph (D);

"(iv) the person making modifications to the motor vehicle pays upon registration such fee as the Secretary reasonably establishes to cover the cost of registration and inspection of facilities at which modifications are performed; and

"(v) any modifications to the motor vehicle are performed pursuant to procedures described in support of the petitions approved under subparagraph (C) and are performed at a facility which has been registered by the Secretary under procedures established by the Secretary.

"(B)(i) The amount or rate of fees under subparagraph (A) (iii) and (iv) shall be reviewed by the Secretary and adjusted, if appropriate, by the Secretary at least every 2 years.

"(ii) The amount or rate of any such fee applicable in any calendar year shall be established by the Secretary before the beginning of such year.

"(iii) Fees collected shall be available, to the extent provided in advance by appropriation Acts, solely for use by the Secretary in the administration of the requirements of this subsection.

"(iv) The Secretary shall publish such regulations as may be necessary to ensure that the requirements of this section are fully met.

"(C)(i) The Secretary shall make determinations under subparagraph (A)(ii) upon the petition of a registered importer, and shall expend every reasonable effort to make any such determination within 45 days after the receipt of such a petition. The Secretary shall establish by regulation the information required in any such petition, except that each such petition shall contain information that clearly shows that the vehicle is capable of being brought into compliance with all applicable Federal motor vehicle safety standards. Such information shall include a complete description of all the work to be performed, an engineering analysis (where applicable), and evidence that any modification to be made for purposes of such compliance does not appear to create a violation of any applicable Federal motor vehicle safety standard or a defect relating to motor vehicle safety.

"(ii) In considering any such petition, the Secretary shall give due consideration to any tests or other information available to the Secretary, including any information provided by the manufacturer or other interested parties. The Secretary shall in a timely manner compile a list of petitions received, and shall make such lists available to the public. After such a determination is made, petitioners shall be offered an opportunity to present views and evidence relevant to the determinations made by the Secretary.

"(iii) The Secretary shall annually publish in the Federal Register a list of all determinations made under subparagraph (A)(ii) and shall make available to the public all information and evidence submitted by petitioners after such determinations are made. Other interested parties may also comment on such information.

"(iv) The approval of any such petition shall be sufficient authority for any other importer or manufacturer to take any action which the registered importer or manufacturer who submitted such petition was authorized to take under such approved petition, if the other importer or manufacturer complies with all terms and conditions of such petition.

"(D) The Secretary shall establish procedures for periodically conducting inspections and tests, including destructive tests, of vehicles imported pursuant to this subsection to determine compliance with all applicable Federal motor vehicle safety standards. The Secretary shall also establish procedures for periodically inspecting facilities registered under this subsection to ascertain whether such facilities are performing modifications pursuant to this section. The Secretary shall inspect each such facility within one year after the effective date of regulations promulgated under this section or six months after a facility is registered under this subsection, whichever is later. The Secretary may, to the extent funds for such purposes are available, retain the services of temporary employees for the performance of such inspections, if the Secre-

tary determines that it is necessary to retain such services. Such employees shall not, by reason of such employment, be deemed to be Federal employees for any purpose.

"(E) Determinations made under subparagraph (C)(i) shall be revoked if, on the basis of tests and inspections conducted by the Secretary, the Secretary finds that a clear pattern of noncompliance exists with respect to motor vehicles covered by any such determination. The Secretary shall give due consideration to any relevant information submitted to the Secretary under this subsection.

"(4)(A) In order to acquire and maintain registration under this subsection, an importer shall comply with all requirements which the Secretary shall establish under this subsection. Such requirements shall include requirements for recordkeeping, including a record of the make and model of each vehicle and its vehicle identification number, inspection of records and facilities relating to each vehicle which such person has imported or modified, or both, and, for purposes of maintaining registration under this subsection, annual payment and documentation of payment of any applicable taxes and duties provided for under section 201(a) of the Energy Tax Act of 1978 (26 U.S.C. 4064) and penalties due under section 508(b)(1) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2008(b)(1)). Upon terminating or transferring its business, such importer shall submit such records to the Secretary.

"(B) The Secretary shall establish procedures for (i) the revocation or suspension of a registration issued under this subsection for failure to comply with any requirement of this Act, including the requirements of subparagraph (A), or regulations issued under this Act, (ii) automatic suspension of registrations for failure to pay any fee referred to in paragraph (3)(A) (iii) or (iv) in a timely manner, and (iii) reinstatement of suspended registrations.

"(5)(A) Prior to the date described in subparagraph (B), a registered importer shall not—

"(i) release custody of an imported motor vehicle to any person for license or registration for use on public roads, streets, or highways; or

"(ii) license or register an imported vehicle for use on public roads, streets, or highways or otherwise operate such vehicle (other than for testing).

"(B) An importer shall not take any action set forth in subparagraph (A) until—

"(i) the registered importer has filed a certification statement with the Secretary signed and containing the following statement: 'This vehicle has been modified in accordance with procedures established in an approved determination and conforms to all applicable Federal motor vehicle safety standards in effect on .' (with the date such certification statement is filed being inserted in the blank space);

"(ii) the Secretary has reviewed and accepted such certification as valid;

"(iii) the Secretary has confirmed that the importer has labeled the vehicle and that the label is prominently displayed in a form to be determined by the Secretary, stating that the vehicle was not originally manufactured to comply with all applicable Federal motor vehicle safety standards but has been modified by the registered importer to comply with such standards, and stating the obligations of the registered importer under this subparagraph; and

"(iv) the Secretary has confirmed that the importer has established the fuel economy ratings for purposes of determining the tax due under section 201(a) of the Energy Tax Act of 1978 (26 U.S.C. 4064) and has labeled the vehicle to meet the requirements of section 506(a)(1)(C) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2006(a)(1)(C)).

Within 30 days after the date on which a certification statement is filed under clause (i) of this subparagraph, the Secretary shall accept such certification statement and issue a bond release letter, or reject such certification statement.

"(C) A State may require the registered importer to provide to appropriate State authorities a notarized English translation of all title and ownership documentation.

"(D) The Secretary may require that any such certification statement be accompanied by such evidence of compliance as the Secretary considers appropriate, or that the vehicle be inspected by the Secretary, or both.

"(6) For purposes of part B of this title—

"(A) the registered importer shall be deemed to be the manufacturer with respect to all motor vehicles imported by such importer;

"(B) in the case of any defect or failure to comply with any applicable motor vehicle safety standard in or regarding any motor vehicle which was originally manufactured for importation into the United States, any imported motor vehicle that has a valid certification under this subsection and that is determined to be substantially similar to such motor vehicle shall be treated as having the same defect or failure unless the manufacturer or registered importer demonstrates otherwise to the Secretary;

"(C) the Secretary shall publish in the Federal Register notice of any defect or failure referred to in subparagraph (B), and any defect in or failure to comply regarding any motor vehicle imported under this subsection which is reported by the manufacturer of such motor vehicle; and

"(D) the registered importer shall be treated as the manufacturer with respect to the motor vehicles imported, except that in the case of defects referred to in subparagraphs (B) and (C), the Secretary shall establish procedures to ensure that the original manufacturer of the vehicle or one of its domestic subsidiaries or affiliates shall, at the time of any recall determination affecting such vehicle, cooperate with the Secretary to facilitate a successful and timely recall.

"(7) The Secretary shall, by regulation, establish requirements to ensure that the registered importer (or any successor in interest) will be capable of carrying out the importer's responsibilities under part B of this title. The Secretary shall require each registered importer to provide evidence of sufficient financial responsibility to meet such obligations. Such evidence may include the posting of a prepaid surety bond for each motor vehicle or similar guarantee measures.

"(8) Section 109 shall apply in the case of any violation of the requirements of this subsection, except that the amount of any civil penalty imposed under such section for any such violation shall not exceed $5,000 for each such violation and shall not exceed $800,000 for any related series of violations.".

(c) Section 108 of such Act (15 U.S.C. 1397) is amended by inserting after subsection (c), as added by subsection (b) of this section, the following:

"(d) Subsection (a)(1)(A) and subsection (c)(1) shall not apply to any motor vehicle or item of motor vehicle equipment if—

"(1) it requires further manufacturing to perform its intended function (as determined under regulations prescribed by the Secretary); and

"(2) it is accompanied at the time of entry by a written statement issued by the manufacturer of the incomplete vehicle or item of equipment which indicates the applicable Federal motor vehicle safety standard with which such vehicle or item is in compliance.".

(d) Section 108 of such Act (15 U.S.C. 1397) is amended by inserting after subsection (d), as added by subsection (c) of this section, the following:

"(e)(1) Subsections (a)(1)(A) and (c)(1) shall not apply to any motor vehicle if the vehicle is imported for personal use, and not for resale, by a member of the uniformed services (as defined in section 2101 of title 5, United States Code) or the foreign service (as defined in section 103 of the Foreign Service Act of 1980 (22 U.S.C. 3903))—

"(A) whose permanent duty station or assigned place of employment is outside the United States;

"(B) who has not previously imported a vehicle into the United States under the authority of this section (or subsection (b)(3) with respect to the period before the date of enactment of the National Highway Traffic Safety Administration Authorization Act of 1985); and

"(C) who agrees to have the vehicle modified to meet all applicable Federal motor vehicle safety standards at a facility registered under subsection (c)(3)(A)(iv).

"(2) Subsections (a)(1)(A) and (c)(1) shall not apply to any motor vehicle if the vehicle is imported on a temporary basis for personal use, and not for resale, by any individual who is a member of—

"(A) the personnel of a foreign government on assignment in the United States who is within the class of persons for whom free entry of vehicles has been authorized by the Secretary of State;

"(B) the armed forces of a foreign country on assignment in the United States; or

"(C) the Secretariat of a public international organization so designated under the International Organizations Immunities Act (22 U.S.C. 288 et seq.).

The Secretary may require such verifications of such status as the Secretary considers appropriate. The Secretary shall ensure that any vehicle entered under this subsection will be exported (at no cost to the United States) or abandoned to the United States when the individual involved ceases to reside in the United States and to hold such status.

"(3) The Secretary may exempt any motor vehicle or item of motor vehicle equipment from subsections (a)(1)(A) and (c)(1) upon such terms and conditions as the Secretary may find necessary solely for the purpose of research, investigations, studies, demonstrations or training, or competitive racing events.".

(e)(1) The first sentence of section 501(8) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 2001(8)) is amended by inserting immediately before the period the following: "and any importer registered to import vehicles pursuant to section 108(c) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1397(c))".

(2) Section 502(c)(1) of the Motor Vehicle Information and Cost Savings Act (15 U.S.C.

2002(c)(1)) is amended by inserting immediately after "manufacturer" the first time it appears the following: "(except a manufacturer registered to import vehicles pursuant to section 108(c) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1397(c))".

(f) Section 108(a)(1)(A) of such Act (15 U.S.C. 1397(a)(1)(A)) is amended by inserting immediately after "such standard" the following: "and is covered by a certification issued under section 114,".

(g) Section 114 of such Act (15 U.S.C. 1403) is amended—

(1) by inserting ", as appropriate," immediately after "dealer";

(2) by striking "or distributor" wherever it appears;

(3) by inserting immediately after the first sentence the following: "Every distributor of a motor vehicle or item of motor vehicle equipment shall furnish to a dealer or subsequent distributor at the time of delivery of such vehicle or item of equipment the manufacturer's certification that was previously furnished to the distributor."; and

(4) by adding at the end thereof the following: "As used in this section and section 108, the term 'manufacturer' means any person engaged in the manufacturing or assembling of motor vehicles or items of motor vehicle equipment, including any other person who acts for or is under the control of such person with respect to the importation of such vehicles or items of equipment.".

(h)(1) Section 108(a)(1)(A) of such Act (15 U.S.C. 1397(a)(1)(A)) is amended by striking "subsection (b)" and inserting in lieu thereof "subsections (b), (c), (d), and (e)".

(2) Section 108(b)(2) of such Act (15 U.S.C. 1397(b)(2)) is amended by striking "or importer".

(i) The General Accounting Office shall prepare and submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives on July 1, 1988 and on or before July 1 of each year thereafter a comprehensive report on the administration of sections 108(c), (d) and (e) of the National Traffic and Motor Vehicle Safety Act of 1966, as added by this section. Such report shall include, but need not be restricted to—

(1) a listing of the registered importers and the determinations made by the Secretary under section 108(c)(3)(C) of such Act;

(2) a description by model year and make of the vehicles entered under such section;

(3) an itemization of the number of such vehicles entered, segregated by model number and year;

(4) the degree of observed compliance with applicable Federal motor vehicle safety standards;

(5) a description of the efforts undertaken by the Secretary under section 108(c)(3) and (4) of such Act, including tests and investigations conducted and the results of such tests and investigations;

(6) an accounting of the fees collected and expended by the Secretary pursuant to section 108(c)(3)(A)(iii) and (iv) of such Act;

(7) an assessment of the Secretary's compliance in processing certification statements under section 108 of such Act in a timely manner and a compilation of the number of certification statements received;

(8) compliance with any requirement of applicable taxes and duties provided for under section 201(a) of the Energy Tax Act of 1978 (26 U.S.C. 4064); and

(9) such other information as the General Accounting Office considers appropriate.

The report shall contain such recommendations for additional legislation as is considered necessary to ensure that motor vehicles not originally designed or manufactured for compliance with all applicable Federal motor vehicle safety standards are being properly brought into compliance following importation into the United States.

(j) The Secretary of Transportation shall prepare and make available to the public information on the importation of motor vehicles into the United States and procedures to be followed to bring such vehicles into conformity with Federal motor vehicle safety standards.

(k) The Secretary of Transportation shall conduct a study on the effectiveness of the amendments made by this section in ensuring compliance with applicable motor vehicle safety standards and enhancing motor vehicle safety. Such study shall be submitted to the Congress not later than 36 months after the date of enactment of this Act. Following receipt of such study, the Congress shall determine and enact, if any, those changes to existing law which it considers appropriate. Such changes may include termination of the conditional importation of nonconforming vehicles, repeal of this title, or appropriate modifications of procedures provided for under this title.

(l)(1) The Secretary of Transportation shall promulgate such regulations as may be necessary to implement the provisions of this title as soon as practicable, but in no case later than eight months after the date of enactment of this Act. The amendments made by this title shall take effect three months after such regulations become effective, except that such amendments shall take effect prior to the expiration of such three-month period with respect to any model of a vehicle for which a determination is made under section 108(c)(3)(C) of the National Traffic and Motor Vehicle Safety Act of 1966 (as added by subsection (a) of this section), as soon as such determination is made.

(2) Any person may commence a civil action on such person's own behalf against the Secretary of Transportation to compel the Secretary to promulgate regulations under this section where there is alleged a failure by the Secretary to promulgate such regulations by the date specified in paragraph (1) of this subsection. The United States Court of Appeals for the District of Columbia shall have jurisdiction over such action and may award costs of litigation (including reasonable attorney's fees) to the prevailing party (other than the United States Government) whenever the Court determines that such award is appropriate. Any petition under this paragraph shall be granted an expedited hearing by the Court.

(3) As soon as possible after the date of enactment of this Act, the Secretary of Transportation shall take steps designed to encourage notification regarding the changes made by this section to members of the uniformed services and other individuals who may be affected by such changes.

□ 1900

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. SIMPSON. Mr. President, I inquire now of the minority leader if he is in a position to pass or indefinitely postpone the following calendar items: Calendar No. 644 (S.J. Res. 334) indefinitely postpone; and Calendar No. 650 (H.J. Res 613) to be passed.

Mr. BYRD. Mr. President, the items that have been identified by the distinguished acting Republican leader have been cleared on this side and we are ready to proceed.

Mr. SIMPSON. I thank the distinguished Democratic leader.

SENATE JOINT RESOLUTION 344 INDEFINITELY POSTPONED

Mr. SIMPSON. Mr. President, I ask unanimous consent that Calendar Item No. 644 (S.J. Res. 334), be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATURALIZATION OF CERTAIN QUALIFIED PERSONS ON ELLIS ISLAND ON JULY 3 OR 4, 1986

The Senate proceeded to consider the Joint Resolution (H.J. Res. 613) allowing qualified persons representing all the States to be naturalized on Ellis Island on July 3 or 4, 1986.

JULY 3 NATURALIZATION CEREMONIES ON ELLIS ISLAND

● Mr. LAUTENBERG. Mr. President, I rise in support of House Joint Resolution 613, a resolution to provide for national participation in the naturalization ceremonies planned on July 3 on Ellis Island. This measure is a companion bill to Senate Joint Resolution 334, which I introduced on April 29. It was approved by the Senate Judiciary Committee last week.

Mr. President, I would like to thank the leadership of the Senate Judiciary Committee for its expeditious consideration of this resolution. Senators SIMPSON and KENNEDY, chairman and ranking minority member of the Immigration Subcommittee, cosponsored this legislation and were instrumental in its swift passage.

Mr. President, immigration regulations state that residents must be naturalized at the place where they file their papers, and where they have resided for the required period of time. Under these rules, the naturalization ceremonies surrounding Liberty Weekend would have been open only to residents of New York.

As the son of immigrant parents who, along with thousands of other new citizens, first entered this country through Ellis Island, I felt that this limited participation was the wrong way to celebrate the rededication of the Statue of Liberty. Only a truly national ceremony can symbolize what the Statue of Liberty continues to

mean to all Americans—an affirmation of the spirit of freedom and opportunity.

This legislation has the support of the Immigration and Naturalization Service, whose regulations were the source of the earlier restrictions. The INS recognizes that becoming a naturalized citizen of the United States is a lifelong dream for the great numbers of people who have emigrated here and settled in every State.

Mr. President, this legislation will ensure that representatives of each of the 50 States will have the opportunity to participate in this once-in-a-lifetime ceremony. Given the complicated logistices of arranging this ceremony, I am pleased that the bill has moved so quickly through the legislative process. Our speedy consideration of House Joint Resolution 613 will allow the INS as much time as possible to carry out this plan.

Mr. President, I urge adoption of the resolution.●

● Mr. BRADLEY. Mr. President, this July Fourth holiday is a special one. Not only do we remember the 210th anniversary of this Nation's birth, but we also celebrate the renovation of one of this Nation's most cherished and revered landmarks. Of course, I am speaking of the Statue of Liberty. After extensive effort and at considerable expense, the "Lamp of Liberty" will shine once again.

The Statue of Liberty is one of the greatest symbols of the freedom for which this Nation stands. Her lamp is a beacon to the world, calling forth those who Emma Lazarus deemed the "huddled masses yearning to be free." But, while the Statue of Liberty was the first sight American immigrants saw as they arrived in America, until only a few decades ago, Ellis Island was the first bit of American ground they touched.

Like the Statue of Liberty, Ellis Island is also a national landmark. Mr. President, the United States is a nation of immigrants, and nothing so symbolizes our great melting pot as Ellis Island. In order to commemorate our heritage, a special naturalization ceremony on Ellis Island has been set for July 1986.

Since every State in the Union has enjoyed the fruits of immigration, I believe that it is only appropriate that every State should be allowed to participate in this ceremony. And this is why I joined with my colleague from New Jersey [Mr. LAUTENBERG] in introducing a bill that requests each Governor to designate two persons to participate in the Ellis Island naturalization cermony scheduled for July 1986.

Mr. President, this ceremony promises to be both moving and meaningful for its participants. I urge my colleagues to join us in this effort to allow future American citizens from each State to participate.●

● Mr. MOYNIHAN. Mr. President, I rise today in strong support of House Joint Resolution 613, to allow qualified residents of all 50 States to participate in the naturalization ceremonies on Ellis Island scheduled during the Statue of Liberty centennial celebration this July.

As we all know, the Statue of Liberty and Ellis Island are monuments which belong to all Americans, native born and naturalized. Ellis Island served as the principal immigration station for the United States from 1892 to 1954. During its years of peak operation, from 1892 to 1928, more than 15 million immigrants passed through its gates in New York. Of those millions, many stayed in New York City and New York State, but many more moved on to populate every State and territory in America. Were we not to pass this measure, only those qualified for naturalization within the jurisdiction of the U.S. District Court serving the Bronx and Manhattan would be eligible to be sworn in on Ellis Island.

As we celebrate the centennial of the Statue of Liberty this summer, we celebrate as a nation. It is only fitting, then, that on this unique occasion, we ensure that residents of all 50 States are eligible to be sworn in on Ellis Island.●

The joint resolution (H.J. Res. 613) was ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. SIMPSON. I move to reconsider the vote by which the House joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JUDICIARY COMMITTEE DISCHARGED—H.J. RES. 427

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the following joint resolutions:

S.J. Res. 342, designating May 25, 1986, as "Missing Children's Day;"

S.J. Res. 344, designating the week of June 8 as "Children's Accident Prevention Week;"

H.J. Res. 234, designating the week of May 18 as "National Food Bank Week;" and

H.J. Res. 492, designating the week of June 1 as "National Neighborhood Services Week."

Mr. BYRD. Mr. President, there is no objection to discharging the committee from further consideration of the joint resolutions that have been identified.

The PRESIDING OFFICER. Without objection, it is so orderd.

MISSING CHILDREN'S DAY

The Senate joint resolution (S.J. Res. 342) to designate May 25, 1986, as "Missing Children's Day" was considered, ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

S.J. RES. 342

Whereas on May 25, 1979, six-year old Etan Patz disappeared from his home in New York City and is still missing;

Whereas over one million eight hundred thousand children disappear from home annually;

Whereas children who are missing from home and are not living in a family environment are frequently the victims of sexual and physical exploitation;

Whereas an estimated 60 per centum of missing children are sexually abused while away from home;

Whereas the search for missing children is frequently a low-priority investigation in many law enforcement agencies;

Whereas efforts between Federal and local law enforcement agencies in child abduction cases are usually uncoordinated, haphazard, and ineffective; and

Whereas the problem of the missing child has been plagued by misinformation and there is a need to increase public understanding and awareness of this problem: Now, therefore, be

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 25, 1986, is designated as "Missing Children Day", and the President is authorized and requested to issue a proclamation calling upon all Government agencies and the people of the United States to observe the day with appropriate ceremonies, programs, and activities.

Mr. SIMPSON. I move to reconsider the vote by which the joint resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL CHILDREN'S ACCIDENT PREVENTION WEEK

The Senate joint resolution (S.J. Res. 344) to designate the week beginning June 8, 1986, as "National Children's Accident Prevention Week" was considered, ordered to be engrossed for a third reading, was read the third time and passed.

The preamble was agreed to.

The joint resolution, with its preamble, is as follows:

S.J. RES. 344

Whereas the children of the United States are the most precious resource of the United States;

Whereas approximately 25 percent of all children in the United States under the age of 14 suffer accidental injuries each year;

Whereas accidental injury is the leading cause of death among children in the United States, resulting in more than 10,000 such deaths each year;

Whereas the incidence of such deaths can be greatly reduced by taking precautions to prevent such accidental injuries and seeking expert pediatric emergency care when such accidental injuries do occur;

Whereas the incidence of accidental injuries among children is greatest during the summer months of each year, when children are usually not in school and are outdoors much of the time; and

Whereas the adults of the United States should become aware of the significant incidence of accidental injuries to children, the increased incidence of such accidental injuries during the summer months, and the need to take precautions to prevent such addicental injuries: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning June 8, 1986, is designated "National Children's Accident Prevention Week", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

Mr. SIMPSON. I move to reconsider the vote by which the joint resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL FOOD BANK WEEK

The House joint resolution (H.J. Res. 234) designating the week of May 18, 1986, through May 24, 1986, as "National Food Bank Week," was considered, read the third time, and passed.

The preamble was agreed to.

Mr. SIMPSON. I move to reconsider the vote by which the joint resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL NEIGHBORHOOD HOUSING SERVICES WEEK

The House joint resolution (H.J. Res. 492) designating the week beginning June 1, 1986, as "National Neighborhood Housing Services Week," was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. SIMPSON. I move to reconsider the vote by which the joint resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL ASTHMA AND ALLERGY AWARENESS WEEK

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of House Joint Resolution 427, designating the week beginning on May 11, 1986, as "National Asthma and Allergy Awareness Week," and ask for its immediate consideration.

Mr. BYRD. Mr. President, there is no objection that the committee be discharged and that the Senate proceed immediately to the consideration of the joint resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the joint resolution by title.

The assistant legislative clerk read as follows:

A House joint resolution (H.J. Res. 427) to designate the week beginning on May 11, 1986, as "National Asthma and Allergy Awareness Week."

The Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. The question is on passage of the joint resolution.

The joint resolution (H.J. Res. 427) was passed.

The preamble was agreed to.

Mr. SIMPSON. I move to reconsider the vote by which the joint resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MEASURE HELD AT DESK

Mr. SIMPSON. Mr. President, I send a concurrent resolution (S. Con. Res. 140) to the desk on behalf of Senator HELMS and ask that it be held at the desk until Monday, May 19, 1986.

Mr. BYRD. Mr. President, this is a request that has been agreed to on this side of the aisle. There is no objection.

Mr. SIMPSON. Mr. President, the resolution pays tribute to General Willim Lee.

The PRESIDING OFFICER. Without objection it is so ordered.

EXECUTIVE CALENDAR

Mr. SIMPSON. Mr. President, I inquire now of the minority leader if he is in a position to confirm the following nominations on the Executive Calendar:

Calendar No. 784, Paul H. Nitze.

Calendar No. 785, Warren Zimmermann.

Calendar No. 786, Ronald Frank Lehman II.

Mr. BYRD. Mr. President, the nominations that have been identified by the distinguished acting Republican leader have been cleared on this side. There is no objection to proceeding to their consideration.

Mr. SIMPSON. I thank the Democratic leader.

EXECUTIVE SESSION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate go into executive session in order to consider the nominations.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The clerk will state the nominations.

DEPARTMENT OF STATE

Mr. SIMPSON. I ask unanimous consent that the nominations be considered en bloc and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

Mr. SIMPSON. I move to reconsider the vote.

Mr. BYRD. Mr. President, I move to lay that motion to reconsider on the table.

The motion to lay on the table was agreed to.

The nomination considered and confirmed en bloc are as follows:

DEPARTMENT OF STATE

Paul H. Nitze, of the District of Columbia, to be Ambassador at Large;

Warren Zimmermann, of Virginia, for the rank of Ambassador in his capacity as Chief of the United States Delegation to the Vienna Conference on Security and Cooperation in Europe Follow-up Meeting; and

Ronald Frank Lehman II, of Virginia, for the rank of Ambassador.

□ 1850

Mr. SIMPSON. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. SIMPSON. Mr. President, I move that the Senate now resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR FILING OF REPORT

Mr. SIMPSON. Mr. President, I ask unanimous consent, at the request of the Committee on Governmental Affairs, that conferees may have until the hour of 4 p.m. Friday, May 16, to file a conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSE OF REPRESENTATIVES—*Thursday, May 15, 1986*

The House met at 10 a.m.

The Reverend A. John Wilson III, director of pastoral services, Greenleaf Health Systems, Chattanooga, TN, and former chaplain, U.S. Military Academy, West Point, NY, offered the following prayer:

Almighty and eternal God, at the beginning of another day we lift our prayers to Thee. We thank Thee for the gift of life, for Thy guiding presence with us, and for the revelation of Thy love within us. Grant that in the midst of difficult and demanding responsibilities we may be sustained by Thy goodness and strengthened by Thy grace.

Enable us to remove our prejudices and indifferences, keep us from self-centered pride, quiet our fears, and deepen our affections. Make us instruments of Thy peace and, for that end, grant us patience, courage, and faith.

Patience: To discipline our wills and control our powers;

Courage: To fulfill our responsibilities and to overcome our weaknesses; and

Faith: To maintain our commitments to serve Thee and the people who place their trust in us.

We offer this prayer in Thy holy name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 4382. An act to require the Architect of the Capitol to place a plaque at the original site of Providence Hospital.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 974) "An act to provide for protection and advocacy for mentally ill persons."

APPOINTMENT OF CONFEREES ON H.R. 6, WATER RESOURCES CONSERVATION, DEVELOPMENT, AND INFRASTRUCTURE IMPROVEMENT AND REHABILITATION ACT OF 1985

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6) to provide for the conservation and development of water and related resources and the improvement and rehabilitation of the Nation's water resources infrastructure, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey? The Chair hears none, and appoints the following conferees:

From the Committee on Public Works and Transportation, for consideration of the House bill (except title XV), and the Senate amendment (except title VIII): Messrs. HOWARD, ANDERSON, ROE, BREAUX, MINETA, OBERSTAR, SNYDER, HAMMERSCHMIDT, STANGELAND, and CLINGER.

As additional conferees:

For consideration of sections 510, 605(b), 752, 1110(b), 1159, and 1185 of the House bill, and modifications committed to conference: Mr. NOWAK.

For consideration of the paragraph entitled "Island Creek Basin, West Virginia" of section 301(a), and sections 302 and 813(21) of the House bill, and section 701 (a)(1) and (b) of the Senate amendment: Mr. RAHALL.

For consideration of the paragraph entitled "Crown Bay Channel-St. Thomas Harbor, Virgin Islands" of section 102 and section 813(4) of the House bill, and section 609(29) of the Senate amendment: Mr. DE LUGO.

For consideration of section 536 of the House bill, and modifications committed to conference: Mr. Bosco.

For consideration of the paragraphs entitled "Gallipolis Locks and Dam Replacement, Ohio River, Ohio and West Virginia" and "Windfield Locks and Dam, Kanawha River, West Virginia" of section 201(a), the paragraph entitled "Cabin Creek, West Virginia" of section 501(a), and sections 507, 538, and 1120 of the House bill, and sections 317, 502(2), and 703(g) of the Senate amendment: Mr. WISE.

For consideration of section 1199E of the House bill, and section 333 of the Senate amendment: Mr. SHAW.

For consideration of the paragraph entitled "Santa Ana River Mainstem, California" of section 301(a) of the House bill, and section 703(a)(10) of the Senate amendment: Mr. PACKARD.

From the Committee on Interior and Insular Affairs, for consideration of the paragraph entitled "Saipan Harbor, Commonwealth of the Northern Mariana Islands" of section 102, sections 814, 1102(c), 1121, 1199B, 1199G and title XII of the House bill, and sections 219, 223(c), 238, 308, 314, 338, 339, 340, 348, 358, 504, 701(a)(2), and 703(b)(7) of the Senate amendment: Messrs. UDALL, MILLER of California, DE LUGO, YOUNG of Alaska, and CHENEY.

From the Committee on Merchant Marine and Fisheries, for consideration of 104, 107, 109, 110, 112, 113, 115, 116, 605, 1114, 1121, 1122, 1186, 1199E, 1199P, and titles XIII and XIV of the House bill, and sections 209, 221, 224, 316, 326, 333, 351, 504, 604, 605, 606, 608, 703(e)(2) and 704 of the Senate amendment: Messrs. JONES of North Carolina, BIAGGI, and STUDDS, Ms. MIKULSKI, and Messrs. LOWRY of Washington, HUGHES, LENT, YOUNG of Alaska, DAVIS, CARNEY, and FIELDS (in lieu of Mr. YOUNG of Alaska for consideration of section 1121 of the House bill and section 504 of the Senate amendment).

From the Committee on Ways and Means, for consideration of title XV of the House bill, and title VIII of the Senate amendment: Messrs. ROSTENKOWSKI, GIBBONS, PICKLE, RANGEL, STARK, DUNCAN, VANDER JAGT, and FRENZEL.

PERMISSION TO HAVE UNTIL 6 P.M. TOMORROW, FRIDAY, MAY 16, 1986, TO FILE CONFERENCE REPORT ON H.R. 2672, NEW JERSEY INTERNATIONAL AND BULK MAIL CENTER AND MICHAEL McDERMOTT PLACE

Mr. FORD of Michigan. Mr. Speaker, I ask unanimous consent that the managers may have until 6 p.m. on Friday, May 16, 1986, to file a conference report on the bill (H.R. 2672) to redesignate the New York International and Bulk Mail Center in Jersey City, NJ, as the "New Jersey International and Bulk Mail Center," and to honor the memory of a former postal employee by dedicating a portion of a street at the New York International and Bulk Mail Center in Jersey City, NJ, as "Michael McDermott Place."

The SPEAKER. Is there objection to the request of the gentleman from New Jersey.

There was no objection.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

□ 1010

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1987

The SPEAKER. Pursuant to House Resolution 455 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution, House Concurrent Resolution 337.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 337) setting forth the congressional budget for the U.S. Government for the fiscal years 1987, 1988 and 1989, with Mr. NATCHER in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, May 14, 1986, all time for general debate had expired.

Pursuant to House Resolution 455, the concurrent resolution is considered as having been read for amendment under the 5-minute rule. No amendments are in order except the following amendments, which shall be considered only in the following order, shall not be subject to amendment, shall be considered as having been read, shall be in order even if a previous amendment in the nature of a substitute has been adopted, and shall be debatable as specified in House Resolution 455:

First, the amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD of May 13, 1986, by, and if offered by, Representative DANNEMEYER;

Second, the amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD of May 13, 1986, by, and if offered by, Representative LELAND, or his designee; and

Third, the amendment in the nature of a substitute printed in the CONGRESSIONAL RECORD of May 13, 1986, by, and if offered by, Representative LATTA, or his designee.

It shall also be in order to consider the amendment or amendments provided in section 305(a)(5) of the Congressional Budget Act of 1974, as amended, necessary to achieve mathematical consistency.

The text of the concurrent resolution, House Concurrent Resolution 337, is as follows:

H. CON. RES. 337

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1987 is established and the appropriate budgetary levels for fiscal years 1988 and 1989 are set forth.

(a) The following levels and amounts are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1987: $857,200,000,000.
Fiscal year 1988: $941,200,000,000.
Fiscal year 1989: $1,011,900,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1987: $1,086,350,000,000.
Fiscal year 1988: $1,159,650,000,000.
Fiscal year 1989: $1,205,350,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1987: $994,250,000,000.
Fiscal year 1988: $1,047,050,000,000.
Fiscal year 1989: $1,076,150,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1987: $137,050,000,000.
Fiscal year 1988: $105,850,000,000.
Fiscal year 1989: $64,250,000,000.

(b) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1986, October 1, 1987, and October 1, 1988:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1987: $643,850,000,000.
Fiscal year 1988: $700,550,000,000.
Fiscal year 1989: $750,750,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1987: $10,700,000,000.
Fiscal year 1988: $17,400,000,000.
Fiscal year 1989: $17,700,000,000.

and of those amounts by which revenues should be increased, the following amounts shall be used solely for the purpose of reducing the deficits below the maximum deficit amounts:

Fiscal year 1987: $4,700,000,000.
Fiscal year 1988: $11,200,000,000.
Fiscal year 1989: $10,500,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1987: $55,700,000,000.
Fiscal year 1988: $60,150,000,000.
Fiscal year 1989: $64,250,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1987: $873,000,000,000.
Fiscal year 1988: $918,950,000,000.
Fiscal year 1989: $944,050,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1987: $798,200,000,000.
Fiscal year 1988: $840,150,000,000.
Fiscal year 1989: $857,650,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1987: $154,350,000,000.
Fiscal year 1988: $139,600,000,000.
Fiscal year 1989: $106,900,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1987: $2,319,600,000,000.
Fiscal year 1988: $2,516,900,000,000.
Fiscal year 1989: $2,685,100,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1986, October 1, 1987, and October 1, 1988, are as follows:

Fiscal year 1987:
(A) New direct loan obligations, $34,250,000,000.
(B) New primary loan guarantee commitments, $85,400,000,000.

Fiscal year 1988:
(A) New direct loan obligations, $32,250,000,000.
(B) New primary loan guarantee commitments, $87,300,000,000.

Fiscal year 1989:
(A) New direct loan obligations, $30,600,000,000.
(B) New primary loan guarantee commitments, $87,650,000,000.

(c) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1987 through 1989 for each major functional category are:

(1) National Defense (050):

Fiscal year 1987:
(A) New budget authority, $285,000,000,000.
(B) Outlays, $276,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $295,500,000,000.
(B) Outlays, $281,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1989:
(A) New budget authority, $306,500,000,000.
(B) Outlays, $290,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1987:
(A) New budget authority, $17,000,000,000.
(B) Outlays, $13,800,000,000.
(C) New direct loan obligations, $7,150,000,000.
(D) New primary loan guarantee commitments, $11,400,000,000.

Fiscal year 1988:
(A) New budget authority, $17,300,000,000.
(B) Outlays, $13,550,000,000.
(C) New direct loan obligations, $7,100,000,000.
(D) New primary loan guarantee commitments, $11,400,000,000.

Fiscal year 1989:
(A) New budget authority, $15,900,000,000.
(B) Outlays, $12,850,000,000.
(C) New direct loan obligations, $7,100,000,000.
(D) New primary loan guarantee commitments, $11,400,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1987:
(A) New budget authority, $8,800,000,000.
(B) Outlays, $8,750,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $8,750,000,000.
(B) Outlays, $8,750,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1989:
(A) New budget authority, $8,800,000,000.
(B) Outlays, $8,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1987:
(A) New budget authority, $4,900,000,000.
(B) Outlays, $4,850,000,000.
(C) New direct loan obligations, $1,950,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $4,650,000,000.
(B) Outlays, $4,150,000,000.
(C) New direct loan obligations, $1,950,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $4,800,000,000.
(B) Outlays, $3,750,000,000.
(C) New direct loan obligations, $1,950,000,000.
(D) New primary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1987:
(A) New budget authority, $11,950,000,000.
(B) Outlays, $12,250,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $12,000,000,000.
(B) Outlays, $12,150,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $11,800,000,000.
(B) Outlays, $12,200,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1987:
(A) New budget authority, $23,800,000,000.
(B) Outlays, $23,550,000,000.
(C) New direct loan obligations, $14,300,000,000.
(D) New primary loan guarantee commitments, $8,000,000,000.
Fiscal year 1988:
(A) New budget authority, $26,000,000,000.
(B) Outlays, $24,800,000,000.
(C) New direct loan obligations, $12,100,000,000.
(D) New primary loan guarantee commitments, $8,500,000,000.
Fiscal year 1989:
(A) New budget authority, $25,300,000,000.
(B) Outlays, $21,550,000,000.
(C) New direct loan obligations, $11,350,000,000.
(D) New primary loan guarantee commitments, $8,650,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1987:
(A) New budget authority, $9,800,000,000.
(B) Outlays, $2,200,000,000.
(C) New direct loan obligations, $4,450,000,000.
(D) New primary loan guarantee commitments, $38,750,000,000.
Fiscal year 1988:
(A) New budget authority, $9,350,000,000.
(B) Outlays, $5,100,000,000.
(C) New direct loan obligations, $4,600,000,000.
(D) New primary loan guarantee commitments, $39,100,000,000.
Fiscal year 1989:
(A) New budget authority, $7,550,000,000.
(B) Outlays, $1,300,000,000.
(C) New direct loan obligations, $4,850,000,000.
(D) New primary loan guarantee commitments, $38,450,000,000.
(8) Transportation (400):
Fiscal year 1987:
(A) New budget authority, $24,600,000,000.
(B) Outlays, $25,500,000,000.
(C) New direct loan obligations, $500,000,000.
(D) New primary loan guarantee commitments, $50,000,000.
Fiscal year 1988:
(A) New budget authority, $26,350,000,000.
(B) Outlays, $26,450,000,000.
(C) New direct loan obligations, $400,000,000.
(D) New primary loan guarantee commitments, $50,000,000.
Fiscal year 1989:
(A) New budget authority, $26,300,000,000.
(B) Outlays, $26,350,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $50,000,000.
(9) Community and Regional Development (450):
Fiscal year 1987:
(A) New budget authority, $6,300,000,000.
(B) Outlays, $7,000,000,000.
(C) New direct loan obligations, $950,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1988:
(A) New budget authority, $6,450,000,000.
(B) Outlays, $7,050,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1989:
(A) New budget authority, $6,500,000,000.
(B) Outlays, $6,600,000,000.
(C) New direct loan obligations, $1,050,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1987:
(A) New budget authority, $33,750,000,000.
(B) Outlays, $30,600,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $10,300,000,000.
Fiscal year 1988:
(A) New budget authority, $32,850,000,000.
(B) Outlays, $32,300,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $10,700,000,000.
Fiscal year 1989:
(A) New budget authority, $33,800,000,000.
(B) Outlays, $33,100,000,000.
(C) New direct loan obligations, $1,250,000,000.
(D) New primary loan guarantee commitments, $10,950,000,000.
(11) Health (550):
Fiscal year 1987:
(A) New budget authority, $38,650,000,000.
(B) Outlays, $38,350,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1988:
(A) New budget authority, $40,500,000,000.
(B) Outlays, $40,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1989:
(A) New budget authority, $42,700,000,000.
(B) Outlays, $42,800,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(12) Medicare (570):
Fiscal year 1987:
(A) New budget authority, $83,000,000,000.
(B) Outlays, $73,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $91,400,000,000.
(B) Outlays, $81,850,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $101,450,000,000.
(B) Outlays, $91,350,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1987:
(A) New budget authority, $165,250,000,000.
(B) Outlays, $121,400,000,000.
(C) New direct loan obligations, $1,800,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $172,900,000,000.
(B) Outlays, $127,200,000,000.
(C) New direct loan obligations, $1,900,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $176,500,000,000.
(B) Outlays, $130,600,000,000.
(C) New direct loan obligations, $1,450,000,000.
(D) New primary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1987:
(A) New budget authority, $5,500,000,000.
(B) Outlays, $5,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $6,150,000,000.
(B) Outlays, $6,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $6,850,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1987:
(A) New budget authority, $27,050,000,000.
(B) Outlays, $26,700,000,000.
(C) New direct loan obligations, $1,550,000,000.
(D) New primary loan guarantee commitments, $16,300,000,000.
Fiscal year 1988:
(A) New budget authority, $27,450,000,000.
(B) Outlays, $27,050,000,000.
(C) New direct loan obligations, $1,500,000,000.

(D) New primary loan guarantee commitments, $16,950,000,000.
Fiscal year 1989:
(A) New budget authority, $27,300,000,000.
(B) Outlays, $26,900,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $17,550,000,000.
(16) Administration of Justice (750):
Fiscal year 1987:
(A) New budget authority, $7,200,000,000.
(B) Outlays, $7,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $7,150,000,000.
(B) Outlays, $7,250,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $7,250,000,000.
(B) Outlays, $7,350,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1987:
(A) New budget authority, $5,750,000,000.
(B) Outlays, $5,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $6,150,000,000.
(B) Outlays, $6,050,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $6,150,000,000.
(B) Outlays, $6,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(18) General Purpose Fiscal Assistance (850):
Fiscal year 1987:
(A) New budget authority, $1,850,000,000.
(B) Outlays, $2,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $1,900,000,000.
(B) Outlays, $1,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $2,000,000,000.
(B) Outlays, $2,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(19) Net Interest (900):
Fiscal year 1987:
(A) New budget authority, $148,150,000,000.
(B) Outlays, $148,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $157,950,000,000.
(B) Outlays, $157,950,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $158,050,000,000.
(B) Outlays, $158,050,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(20) Allowances (920):
Fiscal year 1987:
(A) New budget authority, $550,000,000.
(B) Outlays, $600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $1,600,000,000.
(B) Outlays, $1,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $2,650,000,000.
(B) Outlays, $2,850,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 1987:
(A) New budget authority, $−35,850,000,000.
(B) Outlays, $−36,050,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $−33,400,000,000.
(B) Outlays, $−33,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $−34,150,000,000.
(B) Outlays, $−34,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

RECONCILIATION

SEC. 2. (a) Not later than June 5, 1986, the committees named in subsections (b) through (u) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

HOUSE COMMITTEES

(b) The House Committee on Agriculture shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $80,000,000 and outlays by $79,000,000 in fiscal year 1987; decrease budget authority by $83,000,000 and outlays by $83,000,000 in fiscal year 1988; and decrease budget authority by $84,000,000 and outlays by $84,000,000 in fiscal year 1989.

(c) The House Committee on Banking, Finance, and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: increase budget authority by $642,000,000 and decrease outlays by $1,158,000,000 in fiscal year 1987; decrease budget authority by $0 and outlays by $23,000,000 in fiscal year 1988; and increase budget authority by $164,000,000 and decrease outlays by $46,000,000 in fiscal year 1989.

(d)(1) The House Committee on Education and Labor shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $25,000,000 and outlays by $25,000,000 in fiscal year 1987; decrease budget authority by $150,000,000 and outlays by $135,000,000 in fiscal year 1988; and decrease budget authority by $250,000,000 and outlays by $235,000,000 in fiscal year 1989.

(d)(2) The House Committee on Education and Labor shall report changes in laws within its jurisdiction which provide credit authority as defined in section 3(10) of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce direct loan obligations by $0 in fiscal year 1987, $18,000,000 in fiscal year 1988, and $97,000,000 in fiscal year 1989; and to reduce primary loan guarantees by $235,000,000 in fiscal year 1987, $15,000,000 in fiscal year 1988, and increase primary loan guarantees by $55,000,000 in fiscal year 1989.

(e) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $2,713,000,000 and outlays by $2,955,000,000 in fiscal year 1987; decrease budget authority by $415,000,000 and outlays by $886,000,000 in fiscal year 1988; and decrease budget authority by $402,000,000 and outlays by $1,114,000,000 in fiscal year 1989.

(f) The House Committee on Interior and Insular Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $448,000,000 and outlays by $448,000,000 in fiscal year 1987; decrease budget authority by $383,000,000 and outlays by $383,000,000 in fiscal year 1988; and decrease budget authority by $374,000,000 and outlays by $374,000,000 in fiscal year 1989.

(g) The House Committee on Merchant Marine and Fisheries shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $170,000,000 and outlays by $170,000,000 in fiscal year 1987; decrease budget authority by $180,000,000 and outlays by $180,000,000 in fiscal year 1988; and decrease budget authority by $200,000,000 and outlays by $200,000,000 in fiscal year 1989.

(h) The House Committee on Post Office and Civil Service shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: increase budget authority by $950,000,000 and decrease outlays by $700,000,000 in fiscal year 1987; increase budget authority by $1,500,000,000 and decrease outlays by $950,000,000 in fiscal year 1988; and increase budget authority by $850,000,000 and decrease outlays by $2,150,000,000 in fiscal year 1989.

(i) The House Committee on Public Works and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $836,000,000 and outlays by $119,000,000 in fiscal year 1987; decrease budget authority by $836,000,000 and outlays by $479,000,000 in fiscal year 1988; and decrease budget authority by $836,000,000 and outlays by $544,000,000 in fiscal year 1989.

(j) The House Committee on Science and Technology shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $50,000,000 and outlays by $50,000,000 in fiscal year 1987; decrease budget authority by $0 and outlays by $0 in fiscal year 1988; and decrease budget authority by $0 and outlays by $0 in fiscal year 1989.

(k) The House Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $438,000,000 and outlays by $343,000,000 in fiscal year 1987; decrease budget authority by $399,000,000 and outlays by $55,000,000 in fiscal year 1988; and decrease budget authority by $223,000,000 and outlays by $14,000,000 in fiscal year 1989.

(l) The House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee sufficient to reduce the budget deficit by $4,200,000,000 in fiscal year 1987; to reduce the budget deficit by $3,695,000,000 in fiscal year 1988; and to reduce the budget deficit by $3,740,000,000 in fiscal year 1989.

SENATE COMMITTEES

(m) The Senate Committee on Agriculture, Nutrition, and Forestry shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $80,000,000 and outlays by $79,000,000 in fiscal year 1987; decrease budget authority by $83,000,000 and outlays by $83,000,000 in fiscal year 1988; and decrease budget authority by $84,000,000 and outlays by $84,000,000 in fiscal year 1989.

(n) The Senate Committee on Banking, Housing, and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: increase budget authority by $642,000,000 and decrease outlays by $1,158,000,000 in fiscal year 1987; decrease budget authority by $0 and outlays by $23,000,000 in fiscal year 1988; and increase budget authority by $164,000,000 and decrease outlays by $46,000,000 in fiscal year 1989.

(o) The Senate Committee on Commerce, Science, and Transportation shall report (1) changes in laws within its juridiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its juridiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $170,000,000 and outlays by $170,000,000 in fiscal year 1987; decrease budget authority by $180,000,000 and outlays by $180,000,000 in fiscal year 1988; and decrease budget authority by $200,000,000 and outlays by $200,000,000 in fiscal year 1989.

(p) The Senate Committee on Energy and Natural Resources shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $2,185,000,000 and outlays by $2,377,000,000 in fiscal year 1987; increase budget authority by $82,000,000 and outlays by $61,000,000 in fiscal year 1988; and increase budget authority by $78,000,000 and outlays by $66,000,000 in fiscal year 1989.

(q) The Senate Committee on Environment and Public Works shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $1,124,000,000 and outlays by $407,000,000 in fiscal year 1987; decrease budget authority by $1,101,000,000 and outlays by $744,000,000 in fiscal year 1988; and decrease budget authority by $1,088,000,000 and outlays by $796,000,000 in fiscal year 1989.

(r) The Senate Committee on Finance shall report changes in law within the jurisdiction of that committee sufficient to reduce the budget deficit by $4,200,000,000 in fiscal year 1987; to reduce the budget deficit by $3,695,000,000 in fiscal year 1988; and to reduce the budget deficit by $3,740,000,000 in fiscal year 1989.

(s) The Senate Committee on Governmental Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: increase budget authority by $950,000,000 and decreased outlays by $700,000,000 in fiscal year 1987; increase budget authority by $1,500,000,000 and decrease outlays by $950,000,000 in fiscal year 1988; and increase budget authority by $850,000,000 and decrease outlays by $2,150,000,000 in fiscal year 1989.

(t)(1) The Senate Committee on Labor and Human Resources shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $25,000,000 and outlays by $25,000,000 in fiscal year 1987; decrease budget authority by $150,000,000 and outlays by $135,000,000 in fiscal year 1988; and decrease budget authority by $250,000,000 and outlays by $235,000,000 in fiscal year 1989.

(2) The Senate Committee on Labor and Human Resources shall report changes in laws within its jurisdiction which provide credit authority as defined in section 3(10)

of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce direct loan obligations by $0 in fiscal year 1987, $18,000,000 in fiscal year 1988, and $97,000,000 in fiscal year 1989; to reduce primary loan guarantees by $235,000,000 in fiscal year 1987, $15,000,000 in fiscal year 1988; and increase primary loan guarantees by $55,000,000 in fiscal year 1989.

(u) The Senate Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $438,000,000 and outlays by $343,000,000 in fiscal year 1987; decrease budget authority by $399,000,000 and outlays by $55,000,000 in fiscal year 1988; and decrease budget authority by $223,000,000 and outlays by $14,000,000 in fiscal year 1989.

ESTABLISHMENT OF DEFICIT REDUCTION ACCOUNT

SEC. 3. (a) Revenues increased through legislative action above $6,000,000,000 in fiscal year 1987, $6,200,000,000 in fiscal year 1988, and $7,200,000,000 in fiscal year 1989, shall be used solely for the purpose of reducing the Federal deficit.

(b) These additional revenues shall be set forth separately in the congressional budget and clearly identified as for the purpose of deficit reduction only.

(c) The President shall immediately take such steps as are necessary to establish a separate account in the Treasury into which revenues referred to in subsection (a) shall be deposited. The account shall be administered in such a way as to insure that moneys deposited in the fund are available solely for the purpose of deficit reduction. The President shall report on an annual basis to the Congress on the financial condition of the fund and the extent to which the fund has reduced the Federal deficit.

RESERVATION OF DEFENSE BUDGET AUTHORITY

SEC. 4. (a) Of the recommended level of fiscal year 1987 budget authority set forth in section 1 of this resolution for Function 050 (National Defense), $3,000,000,000 is hereby reserved from allocation to the Committee on Appropriations under section 302(a) of the Congressional Budget Act of 1974.

(b) The Secretary of Defense is directed to transmit a report to the Speaker of the House of Representatives and the President pro tempore of the Senate setting forth a full and complete accounting of all moneys appropriated to the Department of Defense for fiscal year 1986 in excess of sums needed to cover inflation. Such report shall be referred to the Committee on Appropriations and Committee on Armed Services of each House. The Committee on the Budget of each House shall be notified upon the transmittal of such report.

(c) The report described in subsection (b) shall also be submitted to the General Accounting Office which shall report to the Congress within a period of fourteen days on its findings as to that report.

(d) After the date on which the report of the General Accounting Office described in subsection (c) is transmitted, the Committee on the Budget of each House is authorized and directed to report to its respective House within five legislative days a revised allocation pursuant to section 302(a) of the Congressional Budget Act of 1974 of new budget authority to the Committee on Appropriations reflecting the full amount of budget authority described in subsection (a).

(e) For fiscal years 1988 and 1989, the Secretary of Defense shall, within ninety days of the close of each such fiscal year, issue to the Speaker of the House of Representatives and the President pro tempore of the Senate, a report accounting for any moneys appropriated for each respective prior fiscal year to cover inflation, which have not been obligated for such purposes.

GNP DEFLATOR

SEC. 5. The Committees on Armed Services of the House and Senate shall report legislation prohibiting the Department of Defense from using an arbitrary deflator (one not based on historical or factual data) for major weapons systems which would provide funding for major weapons systems inflation in excess of the GNP deflator.

SHUTTLE ORBITER REPLACEMENT

SEC. 6. Notwithstanding the spending levels contained in section 1 of this resolution, funding for a shuttle orbiter to replace NASA's Challenger, lost on January 28, 1986, would be appropriate if an authorization for such funding is enacted into law.

GENERAL REVENUE SHARING

SEC. 7. The spending levels contained in section 1 of this resolution would not preclude funding for an extension of general revenue sharing under the State and Local Assistance Act of 1972 through the end of fiscal year 1989 if an authorization for such funding is enacted into law.

STRATEGIC PETROLEUM RESERVE

SEC. 8. It is the sense of the Congress that the policy to fill the Strategic Petroleum Reserve to an ultimate capacity of 750 million barrels be reaffirmed. It is also recommended that the Federal Government purchase oil for the Reserve in a way designed to help domestic stripper oil well producers so as to minimize the shutting-in of stripper production.

COOPERATIVE EXTENSION SERVICE

SEC. 9. It is the sense of the Congress that Federal funds for the Cooperative Extension Service of the Department of Agriculture should be maintained at a level sufficient to carry out fully the vital services it is providing to rural America during a time of extreme stress. It is further assumed that this funding will be used especially to support and strengthen such core programs as 4-H Youth Development, Home Economics and Family Living, Natural Resources and Community Development, and services that provide agricultural financial analysis and farm management instruction.

FOREIGN AGRICULTURAL INVESTMENT REFORM

SEC. 10. It is the sense of the Congress that the use of foreign aid funds for financing the foreign production for export use of agricultural commodities already in surplus on world markets is a counter-productive use of American tax dollars as well as devastating to the American farmer who loses export markets from the unfairly subsidized competition.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. DANNEMEYER

Mr. DANNEMEYER. Mr. Chairman, I offer an amendment in the nature of a substitute that has been made in order under the rule.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. DANNEMEYER: Strike everything after the resolving clause and insert in lieu thereof the following:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1986, October 1, 1987, and October 1, 1988:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1987: $630,600,000,000.
Fiscal year 1988: $678,200,000,000.
Fiscal year 1989: $727,300,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1987: $0.
Fiscal year 1988: $0.
Fiscal year 1989: $0.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1987: $871,764,000,000.
Fiscal year 1988: $859,330,000,000.
Fiscal year 1989: $913,196,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1987: $771,136,000,000.
Fiscal year 1988: $752,463,000,000.
Fiscal year 1989: $799,228,000,000.

(4)(A) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1987: $140,536,000,000.
Fiscal year 1988: $74,263,000,000.
Fiscal year 1989: $71,928,000,000.

(B) For purposes of the maximum deficit amount mandated by the Balanced Budget and Emergency Deficit Control Act of 1985 and section 301(i) of the Congressional Budget Act of 1974 only, the appropriate levels of total new budget authority, budget outlays, Federal revenues, and deficits, including receipts and disbursements of the Federal Old-Age and Survivors Trust Fund and the Federal Disability Trust Fund, are as follows:

New budget authority:
Fiscal year 1987: $1,086,794,000,000.
Fiscal year 1988: $1,104,556,000,000.
Fiscal year 1989: $1,180,760,000,000.
Outlays:
Fiscal year 1987: $971,117,000,000.
Fiscal year 1988: $967,241,000,000.
Fiscal year 1989: $1,027,612,000,000.
Revenues:
Fiscal year 1987: $844,000,000,000.
Fiscal year 1988: $918,100,000,000.
Fiscal year 1989: $987,400,000,000.
Deficit:
Fiscal year 1987: $127,117,000,000.
Fiscal year 1988: $49,141,000,000.
Fiscal year 1989: $40,212,000,000

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1987: $2,319,600,000,000.
Fiscal year 1988: $2,516,900,000,000.
Fiscal year 1989: $2,685,100,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1986, October 1, 1987, and October 1, 1988, are as follows:

Fiscal year 1987:
(A) New direct loan obligations, $30,510,000,000.

(B) New primary loan guarantee commitments, $79,765,000,000.
(C) New secondary loan guarantee commitments, $55,357,000,000.
Fiscal year 1988:
(A) New direct loan obligations, $27,961,000,000.
(B) New primary loan guarantee commitments, $81,701,000,000.
(C) New secondary loan guarantee commitments, $51,875,000,000.
Fiscal year 1989:
(A) New direct loan obligations, $24,746,000,000.
(B) New primary loan guarantee commitments, $83,340,000,000.
(C) New secondary loan guarantee commitments, $52,632,000,000.
(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new loan guarantee commitments for fiscal year 1987 through 1989 for each major functional category are:
(1) National Defense (050):
Fiscal year 1987:
(A) New budget authority, $320,340,000,000.
(B) Outlays, $282,238,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $341,572,000,000.
(B) Outlays, $299,129,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $363,229,000,000.
(B) Outlays, $322,282,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(2) International Affairs (150):
Fiscal year 1987:
(A) New budget authority, $20,217,000,000.
(B) Outlays, $15,294,000,000.
(C) New direct loan obligations, $8,087,000,000.
(D) New primary loan guarantee commitments, $12,150,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $20,791,000,000.
(B) Outlays, $15,782,000,000.
(C) New direct loan obligations, $8,221,000,000.
(D) New primary loan guarantee commitments, $12,150,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $24,367,000,000.
(B) Outlays, $15,840,000,000.
(C) New direct loan obligations, $8,335,000,000.
(D) New primary loan guarantee commitments, $12,000,000,000.
(E) New secondary loan guarantee commitments, $0.
(3) General Science, Space, and Technology (250):
Fiscal year 1987:
(A) New budget authority, $9,285,000,000.
(B) Outlays, $9,070,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $9,722,000,000.
(B) Outlays, $9,435,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $10,189,000,000.
(B) Outlays, $9,859,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(4) Energy (270):
Fiscal year 1987:
(A) New budget authority, $5,178,000,000.
(B) Outlays, $5,198,000,000.
(C) New direct loan obligations, $2,506,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $5,707,000,000.
(B) Outlays, $5,264,000,000.
(C) New direct loan obligations, $2,025,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $6,021,000,000.
(B) Outlays, $5,250,000,000.
(C) New direct loan obligations, $1,657,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1987:
(A) New budget authority, $12,956,000,000.
(B) Outlays, $13,065,000,000.
(C) New direct loan obligations, $48,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $13,303,000,000.
(B) Outlays, $13,145,000,000.
(C) New direct loan obligations, $37,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $13,723,000,000.
(B) Outlays, $13,511,000,000.
(C) New direct loan obligations, $42,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1987:
(A) New budget authority, $23,937,000,000.
(B) Outlays, $23,683,000,000.
(C) New direct loan obligations, $13,023,000,000.
(D) New primary loan guarantee commitments, $5,500,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $26,482,000,000.
(B) Outlays, $25,227,000,000.
(C) New direct loan obligations, $11,940,000,000.
(D) New primary loan guarantee commitments, $6,000,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $25,619,000,000.
(B) Outlays, $21,852,000,000.
(C) New direct loan obligations, $9,812,000,000.
(D) New primary loan guarantee commitments, $6,500,000,000.
(E) New secondary loan guarantee commitments, $0.
(7) Commerce and Housing Credit (370):
Fiscal year 1987:
(A) New budget authority, $10,852,000,000.
(B) Outlays, $4,655,000,000.
(C) New direct loan obligations, $1,790,000,000.
(D) New primary loan guarantee commitments, $37,514,000,000.
(E) New secondary loan guarantee commitments, $55,357,000,000.
Fiscal year 1988:
(A) New budget authority, $11,257,000,000.
(B) Outlays, $7,077,000,000.
(C) New direct loan obligations, $1,613,000,000.
(D) New primary loan guarantee commitments, $37,442,000,000.
(E) New secondary loan guarantee commitments, $51,875,000,000.
Fiscal year 1989:
(A) New budget authority, $9,405,000,000.
(B) Outlays, $3,061,000,000.
(C) New direct loan obligations, $1,481,000,000.
(D) New primary loan guarantee commitments, $37,392,000,000.
(E) New secondary loan guarantee commitments, $52,632,000,000.
(8) Transportation (400):
Fiscal year 1987:
(A) New budget authority, $29,107,000,000.
(B) Outlays, $27,381,000,000.
(C) New direct loan obligations, $168,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $29,749,000,000.
(B) Outlays, $27,358,000,000.
(C) New direct loan obligations, $87,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $30,577,000,000.
(B) Outlays, $28,066,000,000.
(C) New direct loan obligations, $65,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1987:
(A) New budget authority, $7,023,000,000.

(B) Outlays, $7,679,000,000.
(C) New direct loan obligations, $430,000,000.
(D) New primary loan guarantee commitments, $30,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $8,390,000,000.
(B) Outlays, $7,844,000,000.
(C) New direct loan obligations, $122,000,000.
(D) New primary loan guarantee commitments, $25,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $8,467,000,000.
(B) Outlays, $7,953,000,000.
(C) New direct loan obligations, $72,000,000.
(D) New primary loan guarantee commitments, $20,000,000.
(E) New secondary loan guarantee commitments, $0.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1987:
(A) New budget authority, $32,087,000,000.
(B) Outlays, $31,023,000,000.
(C) New direct loan obligations, $1,567,000,000.
(D) New primary loan guarantee commitments, $9,756,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $33,531,000,000.
(B) Outlays, $32,364,000,000.
(C) New direct loan obligations, $1,716,000,000.
(D) New primary loan guarantee commitments, $11,420,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $34,922,000,000.
(B) Outlays, $33,630,000,000.
(C) New direct loan obligations, $1,806,000,000.
(D) New primary loan guarantee commitments, $12,888,000,000.
(E) New secondary loan guarantee commitments, $0.
(11) Health (550):
Fiscal year 1987:
(A) New budget authority, $38,404,000,000.
(B) Outlays, $33,527,000,000.
(C) New direct loan obligations, $3,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $41,016,000,000.
(B) Outlays, $40,865,000,000.
(C) New direct loan obligations, $3,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $43,628,000,000.
(B) Outlays, $43,246,000,000.
(C) New direct loan obligations, $3,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
(E) New secondary loan guarantee commitments, $0.
(12) Medical Insurance (570):
Fiscal year 1987:
(A) New budget authority, $83,573,000,000.
(B) Outlays, $75,252,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $92,236,000,000.
(B) Outlays, $84,645,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $102,052,000,000.
(B) Outlays, $94,772,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1987:
(A) New budget authority, $163,919,000,000.
(B) Outlays, $124,082,000,000.
(C) New direct loan obligations, $1,722,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $171,553,000,000.
(B) Outlays, $130,560,000,000.
(C) New direct loan obligations, $1,124,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $176,415,000,000.
(B) Outlays, $135,226,000,000.
(C) New direct loan obligations, $488,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1987:
(A) New budget authority, $5,522,000,000.
(B) Outlays, $5,522,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $6,156,000,000.
(B) Outlays, $6,156,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $6,864,000,000.
(B) Outlays, $6,864,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1987:
(A) New budget authority, $27,618,000,000.
(B) Outlays, $27,020,000,000.
(C) New direct loan obligations, $1,166,000,000.
(D) New primary loan guarantee commitments, $14,715,000,000.
(E) New secondary loan guarantee commitment, $0.
Fiscal year 1988:
(A) New budget authority, $28,245,000,000.
(B) Outlays, $27,770,000,000.
(C) New direct loan obligations, $1,073,000,000.
(D) New primary loan guarantee commitments, $14,564,000,000.
(E) New secondary loan guarantee commitment, $0.
Fiscal year 1989:
(A) New budget authority, $28,545,000,000.
(B) Outlays, $28,124,000,000.
(C) New direct loan obligations, $985,000,000.
(D) New primary loan guarantee commitments, $14,440,000,000.
(E) New secondary loan guarantee commitment, $0.
(16) Administration of Justice (750):
Fiscal year 1987:
(A) New budget authority, $6,936,000,000.
(B) Outlays, $7,004,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitment, $0.
Fiscal year 1988:
(A) New budget authority, $7,116,000,000.
(B) Outlays, $7,145,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $7,176,000,000.
(B) Outlays, $7,261,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1987:
(A) New budget authority, $5,737,000,000.
(B) Outlays, $5,706,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $5,909,000,000.
(B) Outlays, $5,915,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $5,854,000,000.
(B) Outlays, $5,916,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(18) General Purpose Fiscal Assistance (850):
Fiscal year 1987:
(A) New budget authority, $6,561,000,000.
(B) Outlays, $6,177,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $6,610,000,000.
(B) Outlays, $6,609,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $6,674,000,000.
(B) Outlays, $6,673,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(19) Net Interest (900):
Fiscal year 1987:
(A) New budget authority, $91,300,000,000.
(B) Outlays, $91,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $31,400,000,000.
(B) Outlays, $31,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $39,000,000,000.
(B) Outlays, $39,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(20) Allowances (920):
Fiscal year 1987:
(A) New budget authority, $1,048,000,000.
(B) Outlays, $1,096,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $2,996,000,000.
(B) Outlays, $3,184,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $5,128,000,000.
(B) Outlays, $5,501,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 1987:
(A) New budget authority, −$35,898,000,000.
(B) Outlays, −$35,898,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, −$39,756,000,000.
(B) Outlays, −$39,756,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, −$41,103,000,000.
(B) Outlays, −$41,103,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

The CHAIRMAN. Pursuant to House Resolution 455, the amendment in the nature of a substitute is considered as having been read.

The gentleman from California [Mr. DANNEMEYER] will be recognized for 30 minutes and a Member opposed will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, when we consider the budget process this year, there is one note that is dominant in our consideration, namely, the realization that from the beginning of the history of our Republic, 1789 until about 1980, we developed a national debt of close to a trillion dollars. The sobering reality is that, in the intervening 5 or 6 years since that time, we have added almost another trillion dollars to our national debt. We are in an era of $200 billion annual deficits. The national debt by the end of this fiscal year, September 30, will be close to or in excess of $2 trillion, and the annual interest expense on that debt is about $196 billion, which represents on the chart to my left 43 percent of the undesignated revenue coming to the Federal Government. "Undesignated revenue" means revenue exclusive of trust fund money, such as that which comes to the Social Security Trust Fund or the Highway Trust Fund or the Unemployment Insurance Trust Fund.

Just as early as 9 years ago, the percentage of money going to service the national debt was in the range of 18 percent. If projections continue as the course now indicates, by 1990 we will be spending about 48 percent of our undesignated revenue to the Federal Government as interest on the national debt. Truly it is a course that we cannot continue.

The budget alternative that I am offering to the House this morning is an alternative I believe whose time has come, namely, to cut the interest expense in servicing the national debt.

All of us experience varying degrees of political pain when we think about implementing the cuts that are called for by Gramm-Rudman, some $36 billion in fiscal year 1987, whether they relate to slowing down the projected increase in defense spending or reducing certain social programs or causing a freeze to certain beneficiaries who now receive money from various Federal programs or, in the alternative, in order to reduce the deficit, the suggestion that we raise taxes. The American people in November 1984, made very clear that they did not choose to pursue an option of raising taxes as a means of reducing the deficit. They desire to have the deficit reduced by cutting spending as opposed to raising taxes. And it is in this spirit that this alternative is being offered to the House this morning.

The gross debt, as indicated, is close to $2 trillion. The annual interest expense is carried at almost a 10-percent annual rate, or $196 billion in fiscal year 1986. We have it within our means to reduce that annual interest cost on the national debt down to around 2 percent or 2¼ percent.

I have sent to the Members for their consideration a letter from a former Ambassador of this country to France under President Reagan, Mr. Galbraith, of Morgan Stanley in New York, confirming the fact that we can sell a bond of the U.S. Government backed by gold at an interest cost of 2 percent. This, of course, is crucial to the whole approach that this Member from California is urging the House to adopt at this time.

Specifically, we refinance the national debt. We can do so at an interest cost of some 2 percent. We are currently paying 10. If you take 8 points off of the existing national debt of some $2 trillion, you can see that we can drive $160 billion out of the annual interest cost expense.

This chart to my left is one of the most sobering that we can look at. It indicates that of the debt held by private investors today—these total a little over a trillion dollars of the total, the rest is in public-entity hands—maturing within a year is $464 billion of debt. That comes due within a year. The Treasury has to refinance that debt every week at auctions or every 2 weeks, whatever the demands of the cash flow appear to be. And then within 1 to 5 years, it is $367 billion and on up to the top, $19 trillion.

In the management of the economy of our Federal Government, this is the way the chart should read: The quantity of debt that is coming due within a year should be $19 trillion rather than the other way around. We have virtually no long-term debt in this country today. Why? Because the investors who loan the money are fearful that we in Congress will pursue policies that will result in the resumption of inflation. That is why the inflation premium is in the interest rate that all of us have to pay, whether we are the U.S. Government, the homebuyer or a car-buyer or a college student, or what have you. What this means to the consumers of the country is the ability to have a first trust deed mortgage rate of 5 percent or 6 percent and the same rate to a college student. Again, a student loan of 5 per-

cent to 6 percent, and also a person in business of 5 percent or 6 percent, in order to reduce the cost of borrowing money to run the economy of our Nation.

It may be appropriate to observe as to how we got ourselves into this dilemma that I am speaking about. Back in 1968, President Johnson had a very severe problem on his hands, namely, how do we pay for the Great Society and the Vietnam war all at the same time, in the face of a Congress that did not want to increase taxes to pay for either?

Mr. Johnson at that time chose to ask Congress to remove the coverage of gold behind our currency in circulation, currently at that time required to be backed by 25 percent.

Congress obliged that request of President Johnson, and in so doing we removed the requirement that our currency be backed by 25 percent of gold.

In taking that step, one of the results that was inevitable was that we incurred a period of inflation that reached a virulent stage during the 1970's. It resulted in 20 percent interest rates and inflation rates of over 14 percent or 15 percent and resulted in the action taken by the Federal Reserve Board in October 1979, to change its policy of managing the money supply of the country, which up until that time had been on the basis of managing price, irrespective of what happened to quantity, and the quantity went through the roof.

And then in October 1979 Mr. Volcker changed that policy from price to quantity and we followed a quantity rule from October 1979 to July 1982, and we experienced a squeezing of inflation out of our economy but at a terrible price of high interest rates. Since July 1982 this country has been essentially following a mixed policy of price and quantity and, as a result, we have maintained high interest rates that are still threatening to choke the economy of our world.

When you reflect on the fact that today 15 percent to 20 percent of the farmers in America are in default or close to it, that Third World nations are unable to finance the huge debts that they carry, that we have a $160 billion negative trade balance with the rest of the world, and the interest cost of the national debt is 43 percent of the undesignated revenue, these are all manifestations of the fact that we have unstable currency in the country.

When we back our currency with gold, we supply a rudder to our ship of state. We reduce the interest cost expense for all of us, including the Federal Government, and permit our Federal Government to sell its debt at 2 percent rather than 10 percent, and drive out over the course of the next 3 or 4 years $150 billion of annual interest cost expense.

Mr. GONZALEZ. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Texas.

Mr. GONZALEZ. I appreciate the gentleman's yielding, because I think the gentleman would not want the record to show a misstatement in relation of an historical fact.

The gentleman stated that President Johnson in 1968 removed the gold backing. The truth of the matter is that in 1968 what you had was the Rossa two-tier gold formula that enabled the country to go until 1971, when President Nixon removed the gold stabilization system and devalued the dollar, in effect.

Mr. DANNEMEYER. That is right.

Mr. GONZALEZ. Also I think history should show that President Johnson, as early as 1966, on the urging of some of us—I ought to know because I wrote him several letters, pointing out that the soft underbelly of the economy was beginning to be impacted because the war in Vietnam and the heavy call on labor and essential material, copper, lumber, and the like.

□ 1025

My school districts were reporting that their bond issues were inadequate because of the increase in the cost of materials. The President finally recommended to Wilbur Mills, and he left it open to Congress.

The CHAIRMAN. The time of the gentleman from California [Mr. DANNEMEYER] has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. GONZALEZ].

Mr. GONZALEZ. I thank the gentleman from Pennsylvania for yielding me this time.

Mr. Chairman, Lyndon Johnson has been treated pretty roughly by history, and the fact is that I spoke with the then chairman of the Ways and Means Committee who said in 1967 and 1968 that over his dead body would he even consider a tax increase.

Finally, in 1968, in July, there was no alternative, they passed the 10-percent surtax if you remember. It had a sunset; it lasted 1 year. The truth of the matter is that the gold exchange system was not abolished until President Nixon did it in 1971.

Mr. DANNEMEYER. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman.

Mr. DANNEMEYER. I thank the gentleman.

Mr. Chairman, in 1968, when President Johnson asked Congress to do what Congress then did, we had gold valued at the time of $35 an ounce of $11.9 billion. We had claims against our gold in central banks of foreign countries at $31 billion.

Mr. GONZALEZ. That is right.

Mr. DANNEMEYER. Then, 3 years later, our gold stock had declined to $10.5 billion, and the claims against that gold in foreign central banks had risen to $46.3 billion, and that dilemma was what President Nixon was faced with in 1971 and caused him to close the gold window.

Mr. GONZALEZ. There is no question. But what I am saying, and I wish the RECORD to show, is that the gentleman was in error in placing the date of the actual removal of the United States from the gold exchange system, not in 1968, but in 1971. In 1968, our monetary expert——

Mr. DANNEMEYER. Listen, there is enough blame to go around.

Mr. GONZALEZ. No, no, no; I just think the RECORD ought to show. Now what Mr. Nixon did, of course, history shows it was inevitable. He had not one but two devaluations of the dollar within 2 years.

Mr. DANNEMEYER. There was another option that President Nixon I think could have taken in 1971. If he had elected to issue U.S. bonds on which the interest would be payable in gold, at 2-2¼ percent, gold would have flowed to the United States and convinced the world that the United States would continue with the gold standard.

Mr. GRAY of Pennsylvania. Mr. Chairman, I reserve the balance of my time.

Mr. DANNEMEYER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding me this time.

Mr. Chairman, let me congratulate the gentleman from California for the budget that he has brought to the floor today. This is the only idea-driven budget that we will have on the floor during the consideration of the budget this year.

I say it is idea-driven because it is in fact a budget that proposes a major policy change so that we can in fact achieve the priorities that we want to meet as a nation, and at the same time, meet the overwhelming priority of having to reduce our national deficit.

I would characterize the budget that was brought before this body by the gentleman from California as an honest-money budget. This is the honest-money budget. I mean that to be contrasted with the other budgets that we will consider that are in fact corrupt-money budgets.

What do I mean by corrupt money? I mean corrupt money in the sense that they are based upon money that is manipulated politically. That, in fact, every other budget proposal will be brought out there with the assumption that interest rates are in fact partially based upon the fact that there is no faith in the economy by investors;

that we will not have a manipulation of the money supply by the politicians.

We pay a terrible price for all of that manipulation. We pay, really, a nonconfidence premium on all of the interest in this country, be that consumer interest or be it interest that the Government pays. In the case of the gentleman's budget, what he is suggesting is that because of that nonconfidence factor, because of the corrupt money that we use in our society, that we are in fact paying a terrible premium in the third largest budget item of the Federal Government: payment on the national debt.

What the gentleman is suggesting is that if we would go to honest money, money backed by a true international commodity, money in which there was confidence about the stability of its worth, that you could lower those interest premiums dramatically. By bringing down those interest premiums, we could afford to do the things that we want to do as a society, and at the same time, we could begin the process of lowering the deficits.

Let us think for a minute what corrupt money has done. The farmers in the Midwest who are now suffering deflation on their farms are in large part victims of corrupt money. At a time when inflation was driving the economy, they felt that the politicians were accommodating to inflation. They in fact accommodated too and bought land at higher and higher prices.

Now, all of a sudden, the politicians found that we could not live with long periods of inflation, and, in fact, what we began then is a process of devaluation. The devaluation has gone to the farm crisis and so on and has devalued the land, and these fellows find themselves in major, major difficulty. But that is as a result of corrupt money.

What the gentleman from California is saying is, "Let us have honest money." The same kind of situation is faced by small businessmen. It is faced by individual people who are in the marketplace; the consumers of this country. The gentleman from California brings forth an honest-money, idea-driven budget that says, "Let us change it. Let us make a real change."

It seems to me that we ought to listen to the gentleman, and if the gentleman from California would just answer a couple of questions for me, I think maybe we would help clear up just exactly how far down the line we go toward meeting the legitimate needs of this country and yet taking the money out of the interest payments.

Can the gentleman tell me, does your budget gut defense the way the Budget Committee's budget tends to do in order to get down their deficit figures?

I yield to the gentleman for his response.

Mr. DANNEMEYER. I thank the gentleman.

On the contrary, the defense numbers in the budget alternative are what the President has requested which is really 3 percent after inflation for budget authority, and I think it is a fair assessment of the need for the defense budget.

Mr. WALKER. I might say to the gentleman that I think maybe that figure is a little high. I suggest you can cut defense, but I also suggest that you cannot gut defense. That at this point in our history we cannot afford to be gutting the defense establishment the way the Budget Committee does. So what the gentleman is saying that the defense priority of this country is met in his budget?

How about raising taxes? Does the gentleman's budget anticipate a tax increase like the Budget Committee proposal in order to lower deficits?

Mr. DANNEMEYER. Not at all. It assumes that the revenue which will come to the Government in fiscal year 1987 is a result of the existing tax structures. No tax increases are contemplated.

Mr. WALKER. There are no tax increases; the American people would not have to pay additional taxes in order to get down deficit numbers as you do in your budget?

Mr. DANNEMEYER. None at all.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. WALKER] has expired.

Mr. DANNEMEYER. Mr. Chairman, I yield an additional 2 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding me additional time.

I would ask the gentleman: Does the gentleman have to cut the priority social programs of this country in order to bring down deficit numbers?

I yield to the gentleman for his response.

Mr. DANNEMEYER. There is no reduction of any social program in this budget at all. The only thing we cut is interest rates.

Mr. WALKER. The gentleman does not have to take away Social Security COLA's or COLA's from Federal retirees or COLA's from Federal employees and so on in his budget?

Mr. DANNEMEYER. Any person that is now receiving benefits from the Federal Government that is entitled to a COLA will receive the full COLA as contemplated in the CBO estimate for fiscal year 1987.

Mr. WALKER. In other words, the priorities that we have set into law over a period of years are maintained under the gentleman's budget, and yet he brings down the deficit numbers, as I understand it, $16 billion to $17 billion below what Gramm-Rudman requires of us this year. His budget deficit figure is $127 billion versus $144 billion that Gramm-Rudman requires, and versus the $137 billion of the Budget Committee.

So the gentleman is much lower in deficits and yet does not make the cut and he does it by taking away from interest payments. I would say that some people will say that what the gentleman is doing is practicing the voodoo economics that we hear about around here every so often. The gentleman is not, however.

□ 1035

Let it be made absolutely clear: The gentleman is suggesting a major change in policy, a rightful change in policy, that in fact would improve this economy, bring about additional growth, and bring about reduced deficits. This is truly the honest-money budget, and I urge my colleagues to support it.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. RUSSO].

Mr. RUSSO. Mr. Chairman, we have no speakers, and we reserve the balance of our time.

Mr. DANNEMEYER. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. CRANE].

Mr. CRANE. Mr. Chairman, I, too, want to join in congratulating my colleague from California. I think this is the most significant proposal that I will have had the opportunity to vote on in almost 17 years in this Congress.

I say that as a former student of history, one who fought for restoration of gold ownership for 5 years as a member of the Banking Committee when I first came here. We managed to succeed in that effort, and it was a first step, it struck me, toward restoration of honest money.

Honest money is the component of this budget that enables us to achieve the objectives that everybody in this Chamber has embraced from time to time with regard to defense, as the gentleman from Pennsylvania pointed out, and with regard to the social issues, many of which I have been critical of, but on this side of the aisle you do not have to sacrifice anything in this budget. Conversely, those of us who are concerned about the security of the country do not have to make sacrifices either, and we simultaneously reduce that deficit $77 billion instead of the lesser figures proposed by the House Budget Committee. More importantly, and it goes back to the chart that the gentleman from California had down here in the well, that short-term refinancing cost, as he noted, the pyramid that you saw in that chart really should be turned upside down, and it will not be so long as people are not sure what the value of money will be 10 or 20 years into the future.

The dollar today is worth only approximately 30 cents—less than 30 cents—of the 1967 dollar. If you go back to a pre-World War II dollar, this dollar today is probably worth somewhere in the neighborhood of 2 or 3 cents. In fact, according to projections made of increased governmental expenditures over the next 15 years in this country, if we spend at the rates that are the average of the previous 20 years, we will reduce the value of our dollar by the year 2000 to roughly 2 cents—less than 2 cents—of the 1967 dollar.

The importance of this should have been brought home to people who have studied history in the past. I used one of the great classic examples to illustrate this when I was teaching students about the importance of honest money.

In 1914 in Germany they printed this note. This was a 50-mark note. It is pretty careworn from the time I have had it in my wallet. This 50-mark note at that time was worth roughly $12.50 American. The German national debt at that time was in the neighborhood of 400 million marks, an astronomical sum of money. Nine years after they printed this 50-mark note they printed this note. This is a 500-million-mark note. They did not even bother to print these on both sides, and no German, if he saw one of these lying in the gutter, would have bothered to bend over and pick it up.

That is why you have the $454 billion 1-year debt turnover, and $19 billion lying out there 30 years from this point, because people do not trust their Government. Governments are designed to protect life, liberty, and property, and when they commit these depredations against thrift and industry and savings, they have themselves become the instruments of chief trespass against life, liberty, and property.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. CRANE. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I suggest that the gentleman is absolutely historically correct. In retrospect, the German Government inflated the mark 25 quintrillion times, and it turned out to where a postage stamp in 1919, which was but a shade of that, cost a million marks by 1923, August, and it caused the collapse of democracy ultimately in Germany.

Mr. CRANE. That, I think, is a second point that has to be stressed, and I am glad the gentleman brought that up. The German society did not die just because everyone now had worthless paper money. The farmers continued to come into the cities, and they swapped their foodstuffs for gold wedding bands and the ladies' earrings and art treasures. Finally there were no more art treasures to swap in exchange for food, and the farmers decided that they would ride it out, they would sit on their farms, feed their families, and wait until order was restored.

The fact is that the city populations got hungry, they started fanning out over the countryside plundering the farmers and order was restored at bayonet point. They struggled to try to reestablish a sound-money system desperately, and then they got hit with the crash of 1929 on the heels of this, and their whole economy collapsed, as ours did. But theirs led to the loss directly of their political institutions as well, and that led to the rise of Adolf Hitler, and we all know the rest of that story.

In short, what I am suggesting is that when you engage in unsound money practices, sooner or later you are led down the garden path that this Congress has been led down in terms of mortgaging the future of our children. We have a chance to do something about that: Not only restore honest money, not only get our budgets back in balance, preserve all of our social and defense priorities simultaneously, but, God willing, preserve our political institutions as well.

The gentleman from California is probably before his time, but sooner or later he is going to be recognized for the great accomplishment that he has achieved in even getting this before this Congress for debate.

Mr. DANNEMEYER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. KEMP].

Mr. RUSSO. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. KEMP].

The CHAIRMAN. The gentleman from New York [Mr. KEMP] is recognized for 9 minutes.

Mr. KEMP. Mr. Chairman, I thank my colleague, the gentleman from California [Mr. DANNEMEYER], and my friend, the gentleman from Illinois [Mr. RUSSO] for their extraordinary generosity in yielding time to me so that I might attempt to share with my colleagues some important ideas about what the gentleman from California and we are attempting to do with the amendment.

My friend, the gentleman from Pennsylvania [Mr. WALKER] called this the honest money amendment. That is interesting and very accurate. The gentleman from Illinois [Mr. CRANE] alluded to the fact that with honest money, interest rates would be low and with a currency that is debased, interest rates are high. Equally accurate.

Clearly, bringing honest money to America to our constituents and to the world, would have a positive impact upon commerce, industry, jobs, entrepreneurship, and trade. And it would reduce tensions between nations.

John F. Kennedy in 1961 suggested that the linchpin of the whole world's trading system and its financial system was the fact that the dollar in 1961 was as good as gold. In other words, it was honest money.

The gentleman from California was called a prophet by our friend, the gentleman from Illinois [Mr. CRANE]. Prophets, it seems to me, are not people who predict the future. More importantly, they are people who can interpret the present. And that's what we need more of today. What the gentleman from California is saying today is that there is a disequilibrium being caused in our economy and in the world by the failure of the United States to maintain a predictable, sound, honest, long-term policy for the dollar that will once again guarantee its value. If we had that type of dollar, this type of currency, the interest rates would be cut in half, in my view. The gentleman from California says it might even be lower.

Then ask yourself—How do you think the budget would look with an interest rate of 5 percent or even lower? How do you think automobile sales and home sales would be doing in an economy where consumer interest rates were 6 percent, mortgage rates were 7 percent, long-term rates were 1½ or 2 or even 3 percent.

The honest-money budget amendment is, in my view, ahead of its time, but I think that it would help to bring the budget into balance by bringing the American economy into balance.

What we are saying here today is that there is only one real way to balance a budget, and that is to create through economic policy the conditions for full employment without inflation. We are also saying you can't balance the Federal budget by unbalancing the family balance with a tax increase.

Incidentally, if you look at the economy and the assumptions upon which the budgets are made—including the major Republican alternative and the Democratic Party's budget—they accept inflation, they accept unemployment, they accept a less than full utilization of the resources—both physical and human—in our American economy.

Think about assumptions for a moment. The assumptions, unfortunately, upon which the Republican budget and the Democratic budget have been based are predicated upon high-interest rates and higher energy prices. Actually they are lower now than they were predicted to be.

□ 1045

I think most of us know that the price of a barrel of oil is closer to $13.50, not $26.

Assumptions are important, because all those assumptions drive those long-term deficit figures. It used to be the assumption that deficits caused infla-

tion. Then some said, deficits cause recession.

I can remember the assumption made just a few years ago when the dollar was rising inordinately against the yen and the deutsche mark that the deficit is causing a strong dollar. Back in the seventies, the deficit was accused of causing a weak dollar. Assumptions are important. The assumption, the predicate, the linchpin that bolds the Dannemeyer budget together is the basic premise that with sound money, honest money, low long-term-interest rates and a modified flat tax, or the flat tax that is moving through the Senate and hopefully will come to conference along the lines that some of us have been talking about for a long time, with less spending for Government and more investment by the working and saving Americans who make up the real driving engine behind the American economy, the budget comes into balance.

Every 1 percent drop in interest rates drops the deficit, over 5 years by about $25 billion. Every 1 percent drop in unemployment drops the deficit by $35 to $40 billion. Every 1 percent of gross national product drives the deficit down by over $320 billion over 5 years.

The Dannemeyer budget recognizes that high interest rates are causing the deficit. Let me say it again. It is the high interest rates that have been held inordinately high from 1980 through 1986 that are exacerbating the economic climate in America which is manifesting itself in deficits.

The fastest rising part of the deficit is debt service. I think the point has been made by three or four previous speakers. I think it is up to about $120 to $125 billion a year. If we have interest rates half of what they are today, debt service would drop in 1 year by roughly $30 billion.

Now, obviously that will not happen, but it can happen. Right policies can create the conditions for the honest money that we want in this country.

I want to make a point to all my colleagues who are either in the Chambers or watching on television. We do not have honest money. I am not accusing anybody of dishonesty. I am just suggesting that today we do not have a standard. There is no measure. There is no reliable way to decide what the value of the dollar is going to be.

Listen to the Chairman of the Federal Reserve Board just a few weeks ago, quoted in the New York Times. He was asked what the Federal Reserve Board was doing with regard to the value of the dollar in the previous meeting and he said, "We did what we did and we didn't do what we didn't do."

We now have a Volcker standard. That is what I call the Volcker standard. No standard. It is a rumor standard. Lest you think I am exaggerating, here is an article from the Financial Times of several weeks ago. Listen to this:

A turbulent day in the foreign exchange market yesterday saw the dollar fluctuate sharply as traders tried to make sense of U.S. official policy towards the currency's weakness. The dollar plunged against the Deutsche mark . . ., only to recover on rumors that Japan and West Germany might move together to reduce their interest rates. If fell back again when these rumors were denied.

Then it goes on to suggest what was happening in Japan.

The report quoted Preston Martin, Vice Chairman of the U.S. Federal Reserve Board, who quickly denied that he had suggested Japan should cut its discount rate. And then the dollar fell again. It was weaker for much of the day as traders interpreted remarks on Wednesday by Paul Volcker, Federal Reserve Board Chairman, and Karl Otto Pohl, president of the German Bundesbank, as signals that the dollar would fall even further. Then, the article continues, U.S. bond prices "surged on hopes that a Group of Five meeting would lead to lower world interest rates. Although the rally pursued after Mr. Martin's denial, it resumed shortly afterward."

How is it possible, my colleagues, how is it possible to conduct international trade and international commerce, make an investment or make long range plans with regard to one's own family or business or commercial interest or to save for a college education or put something away for something that someone wants to buy in the future, and not know that the value of the currency will maintain its integrity?

I want to say, even though the budget will not pass, I know that is a shock to some of my bleeding heart conservative friends, it may not pass, my friends, but it is important for us to consider today what would be the impact upon the deficit of sound, honest, predictable money.

One other point I want to make. I am disappointed in the Democratic budget, primarily because it buys the hysteria that was created by the former Director of the Office of Management and Budget, David Stockman. Dave said that the deficit would be about $300 billion in the year in which we are working on the budget. Well, it did not turn out to be $300 billion.

Mr. CHAIRMAN. The time of the gentleman from New York has expired.

Mr. RUSSO. Mr. Chairman, I yield 1 additional minute to the gentleman from New York [Mr. KEMP].

Mr. KEMP. Mr. Chairman, the gentleman is gracious and a good friend and I deeply appreciate his willingness to allow us to continue.

The deficit is not $300 billion. It is not $200 billion. Frankly, Mr. Miller of OMB, Stockman's successor, is now saying it is about $172 billion. My friend Paul Craig Roberts recently wrote "The deficit hysteria turned out to be based in politics and not analysis." And he is right. The deficit is coming down. The deficit is coming down because the economy, interest rates, unemployment rates, all have an impact upon this deficit and the assumptions that Dave made were wrong. His book is wrong. Reagan did not fail. Dave failed. The American people know it. Even the gentleman from Michigan, Mr. Stockman, knows it.

I want to suggest that we don't have to gut the social safety net programs of this country. We need a safety net or platform under which all people should not be allowed to fall, but we also need a ladder of opportunity upon which all people can climb. That is what more jobs and economic growth can help accomplish.

The answer to welfare is jobs and economic growth, not austerity and sacrifice.

The answer to balancing the budget—this will shock my friends—is more growth, more jobs, lower interest rates, a flat tax, sound money, sound trade policies, enterprise zones, and those liberal democratic values upon which our Judeo Christian Nation and free enterprise economy is based.

Mr. Chairman, I would also like to say a few words about our defense budget for next year. In my judgment, both the House and Senate budget resolutions do not provide enough money for our defense needs. Defense is not cheap. But it makes all other priorities possible. It is our first and foremost responsibility.

The sort of defense reductions we are being asked to endorse are unnecessary to balance the budget, would do severe damage to our long-term defense capabilities, and, as a continuing pattern, would halt the march of freedom in the world, just as it was beginning to gather momentum in such places as Grenada, El Salvador, and Afghanistan.

Last year, Congress made a 6-percent real cut in the fiscal year 1985 defense budget, the first absolute cut in defense spending levels in 15 years. This year, the House Democratic budget cuts $35 billion from Reagan's request and $16 billion from a real freeze level—nearly a 6-percent real defense reduction from fiscal year 1986 levels. Thus the combined cut from the Democrat's proposal amounts to almost a 12-percent real decline from the fiscal year 1985 defense budget.

It is not too strong to say that the Democrat's defense number is sheer capitulation, but even the House Republican defense level is inadequate. The House Republican alternative would cut a $8 billion below the Senate-agreed level, which is the bare minimum necessary to just cover inflation. This pattern of real defense reductions is extremely disappointing and dangerous to our national security.

President Reagan was right in his recent letter to Representative ROBERT MICHEL:

The decisions we make about our defense budget today determine the strength with which we can underwrite our security for years to come. The threat we anticipate, unfortunately, continues to grow. The House Budget Committee's proposed level for defense spending would increase the risks to each one of us by reversing the progress we have made and causing the gap between our national security requirement and our military capabilities to widen once again.

The fiscal year 1986 congressional budget resolution promised 3 percent real growth in defense for the next 3 years. That commitment was agreed to by both parties. Now every budget proposal is reneging on that commitment, threatening to go back to the days of underfunding our defense needs. We will pay the consequences of inadequate preparedness if this pattern is not halted immediately.

I must oppose any plan—whether Democratic or Republican—which threatens to lead us down the road to weakness and isolationism. Defense must be a continuing commitment, it cannot be an effort that is given up after 4 or 5 years. We absolutely must avoid feast and famine cycles of defense spending.

We cannot go hacking away at defense for the fourth year in a row without serious consequences for our efforts to fight state-terrorism, respond to the continuing unprecedented Soviet military buildup, and promote the cause of freedom-fighters throughout the world.

How U.S. forces might fare in any potential conflict will hinge upon our willingness to vote an adequate defense budget today. I am deeply disappointed that the budget this year breaks faith with the promises we made last year and sacrifices our defense to short-term deficit reduction.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. DANNEMEYER], who has 2 minutes remaining.

Mr. DANNEMEYER. Mr. Chairman, may I ask, was the gentleman from Pennsylvania [Mr. GRAY] going to yield some time to the gentleman from Michigan?

Mr. GRAY of Pennsylvania. Mr. Chairman, I am glad to yield some time to the gentleman from Michigan [Mr. SILJANDER], so that the gentleman from California [Mr. DANNEMEYER] can save his last 2 minutes for his closing remarks. I will be glad to yield 3 minutes from my side to the gentleman from Michigan so that the gentleman from California may have 2 minutes for closing.

Mr. DANNEMEYER. Mr. Chairman, I thank the gentleman. I would like to reserve 2 minutes for closing comments, and the gentleman from Michigan now has 3 minutes.

The CHAIRMAN. The gentleman from California [Mr. DANNEMEYER] reserves his 2 minutes and the gentleman from Michigan [Mr. SILJANDER] is recognized for 3 minutes.

Mr. SILJANDER. Mr. Chairman, I would like to thank both the chairman and the gentleman from California [Mr. DANNEMEYER] for their generosity in giving of their time.

The gentleman from New York [Mr. KEMP] said that the gentleman from California [Mr. DANNEMEYER] is prophetic, and indeed, he is prophetic, but prophets often are not recognized within their own time. I appreciate the gentleman bringing up this debate. There is no question that there will be a very select few that will vote for his particular budget, but there will be a day in American history when we will debate the issues that were brought up by so many of the eloquent speakers this afternoon.

Mr. Chairman, it gives me a great deal of pleasure to rise in support of the Dannemeyer substitute. I don't think any of us expect this budget will pass, yet I believe my good friend from California has done a great service to this country by opening this debate. This issue of floating exchange rates and the return to a price rule is extremely important. I look forward to the day when we will debate what type of fixed exchange rate system we will return to rather than whether or not we should abandon the present nonworking system.

The final abandoment of the gold standard in 1971 by Richard Nixon will be recorded in history as a greater error than the Watergate coverup. The problem of historically high interest rates, dangerous international debt, and the huge trade deficit can be directly linked to the U.S. departure from the international gold standard.

My congressional district is predominantly agricultural. It is interesting to see how the monetary policy of the Federal Reserve and the system of floating exchange rates has ignited the latest farm crisis. By reducing the money supply to control the economy the Fed caused a deflation in commodity prices. Inflation tends to rob lenders because debtors pay back their loans in dollars that are worth less. Deflation robs the debtors, because they have to pay back their loans in dollars that are worth more than they borrowed. When deflation occurs, farm loans begin to default and the value of the land which is held in collateral begins to shrink. At the same time, farmers need to grow as many crops as possible so they can get the cash to pay off their existing loans. Naturally, the market becomes oversaturated with crops, driving farm prices down, giving farmers fewer dollars to pay back their loans. At the same time, the Fed pushes interest rates even higher, due to its monetarist paranoia, which prevents farmers from refinancing their debt.

Increasing interest rates to artificially high levels also increases the value of the dollar in foreign exchange rates. When interest rates are high, foreign investors are attracted to American markets, thus making the value of other currencies comparatively less. When that happens, imports become cheap, since Americans are buying them with overvalued dollars, but exports become expensive, since foreigners have to buy U.S. exports with currencies that are shrinking in value.

The cycle thus deepens for the farmer. Since the largest U.S. export is agriculture, a high U.S. dollar is easier for other nations to compete with us. American farmers suddenly find that they cannot sell their goods abroad. This means that there are now more farm products being dumped on U.S. domestic markets driving the price of agriculture goods down further. Eventually, the price of the products become lower than the cost to produce it and an agriculture-led depression becomes possible.

Perhaps the single greatest cause for our trade deficit is the monetary policy of the Federal Reserve which has promoted artificially high interest rates in the United States. These interest rates make the dollar attractive to foreign investors in relation to other currencies, thus causing the dollar's value to rise. American farmers, manufacturers, and mineral producers, industries that are the backbone of U.S. exports, have been priced out of the world market by the dollar's rise. Just as the fall of the dollar in the early 1970's provoked protectionism abroad, the high value of the dollar in the 1980's has led to calls for protectionism in the United States. The instability of exchange rates has cost jobs in both the United States and the Third World.

The obvious answer to a monetary policy that permits a rising dollar or a falling dollar is a monetary policy that preserves a stable dollar. We need a domestic monetary policy geared to the value rather than the quantity of money. The way to accomplish this would be to have the Federal Reserve tie the dollar to a price rule—an index based on gold, silver, and other valuable minerals. Since the abandonment of the international gold standard in 1971, world trade has been on a roller coaster and the value of the dollar has been erratic.

A gold-based economy is after all a simple matter of justice. By lenders and borrowers, sellers and buyers, exporters and importers all knowing the fixed value of a currency, speculation and fear are removed from purchases. The key to restoring low interest rates and a stable world trading system would be for the Federal Reserve to abandon floating exchange rates and the targeting of the money supply for a price rule based on the value of gold.

Once again, I wish to thank my colleague [Mr. DANNEMEYER] for his leadership on this issue.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. DANNEMEYER] for his remaining 2 minutes.

Mr. DANNEMEYER. Mr. Chairman, there is a statesman in the history of America who spoke eloquently to the issue that we are addressing this morning, Daniel Webster, who spoke in 1832 in a room down the hall from where we are speaking today. This is what he said, and I think it is appropriate for his words to be repeated today:

Of all the contrivances for cheating the laboring classes of mankind, none have been more effectual than that which deludes them with paper money. This is the most effectual of inventions to fertilize the rich man's field by the sweat of the poor man's brow. Tyranny, oppression, excessive taxation—these bear lightly, compared with fraudulent currencies and the robberies committed by depreciated paper.

They were true then. They are true today.

We should not kid ourselves about the status of the international banking system. It is close to hemorrhage.

When the Mexican Government—pray that they do not, but if they choose to do it—declares a default on their loans, that places those loans in default in the banks which have lent the money in New York City and elsewhere. Those banks will offset those defaulting loans against their reserves and then against equity and they are then in effect bankrupt. At that point they are knocking at the door of the Federal Reserve Board for liquidity and we have the choice of granting that request or ignoring it. If we grant it, we run the risk of pursuing a policy of hyperinflation that the gentleman from Illinois [Mr. CRANE] depicted took place in the Weimar Republic in Germany in the early part of this century.

□ 1100

We are at a crossroads in terms of a policy option that is desperately needed in America for the sake of leading the Western World out of this high-interest-rate mode in which we find ourselves.

I hope that this House will have the courage to adopt the policy option that is called for and approve this budget.

Mr. Chairman, I include at this point a letter dated April 29, 1986, from Mr. Galbraith of Morgan Stanley, on the point of the viability of the U.S. Government insuring a bond at a 2-percent rate.

The letter follows:

MORGAN STANLEY & CO., INC.,
New York, NY, April 29, 1986.

Hon. WILLIAM E. DANNEMEYER,
U.S. House of Representatives, Longworth House Office Building, Washington, DC.

DEAR CONGRESSMAN: Thank you for your letter of April 15th. I think the United States Government could sell $100 billion of 30 year bonds convertible into gold (not indexed—actually exchangeable for the metal) at an interest rate of no more than 2 percent. Moreover, there probably would be a conversion premium of at least 5 percent over the price of gold at the time of sale. The bonds should be non-callable for ten years. The underwriting and sales commission would be less than 1 percent.

These bonds would become the preferred way to hold gold and would soon fluctuate in value along with the price of gold. If the United States wished to issue another tranche they could, in my opinion, buy an option on additional gold from several reserve banks in the world and still, after paying the cost for the option, effect a reduction in the Treasury's present borrowing costs.

This effort to use our gold and the gold of other countries to reduce the Treasury's borrowing cost would have a beneficial effect on the world economy. I congratulate you on your efforts, but I am not optimistic that we will be able to convince the Treasury. I have tried for almost ten years. Perhaps we can discuss the matter sometime at your convenience.

Best regards.

Sincerely,

EVAN G. GALBRAITH.

Mr. GRAY of Pennsylvania. Mr. Chairman, I believe that it is my privilege to close in opposition and I yield myself such time as I may consume.

Mr. Chairman, I will take only one moment. I will simply say that I thank the gentleman from California [Mr. DANNEMEYER] for his substitute. However, I would point out that the gentleman uses the President's defense outlay proposals and estimates which, as we remember, according to the CBO have been underestimated by almost $15 billion.

Therefore, with the debt service there would actually not be a deficit of $127 billion. It would be closer to around $142 billion. Adding the $52 billion of additional interest costs which would not be realized in the first year but perhaps be realized in the out years as a result of going to the gold standard, it is my best judgment and that of the Committee on the Budget that the first year deficit would be substantially higher than the Gramm-Rudman targets.

Therefore, Mr. Chairman, I urge a "no" vote.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from California [Mr. DANNEMEYER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DANNEMEYER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 73, noes 338, not voting 22, as follows:

[Roll No. 124]

AYES—73

Anderson	Emerson	Parris
Archer	Fiedler	Pursell
Armey	Fields	Quillen
Badham	Gekas	Roth
Barton	Hammerschmidt	Rudd
Bentley	Hansen	Schuette
Bilirakis	Hartnett	Sensenbrenner
Broyhill	Hiler	Shumway
Burton (IN)	Hopkins	Shuster
Callahan	Hunter	Siljander
Carney	Hyde	Skeen
Chappie	Kasich	Smith, Robert (NH)
Cheney	Kemp	Solomon
Cobey	Lagomarsino	Strang
Courter	Lewis (CA)	Stratton
Craig	Livingston	Stump
Crane	Lowery (CA)	Taylor
Daniel	Lungren	Vander Jagt
Dannemeyer	Mack	Vucanovich
Daub	Marlenee	Walker
DeLay	McCandless	Weber
Dickinson	Miller (OH)	Whitehurst
Dornan (CA)	Moorhead	Young (AK)
Dreier	Nielson	
Duncan	Packard	

NOES—338

Ackerman	Florio	Mazzoli
Akaka	Foley	McCain
Alexander	Ford (MI)	McCloskey
Andrews	Ford (TN)	McCollum
Annunzio	Fowler	McCurdy
Anthony	Frank	McDade
Applegate	Frenzel	McGrath
Aspin	Frost	McHugh
Atkins	Fuqua	McKernan
AuCoin	Gallo	McKinney
Barnes	Garcia	McMillan
Bartlett	Gaydos	Meyers
Bateman	Gejdenson	Mica
Bates	Gephardt	Michel
Bedell	Gibbons	Miller (CA)
Beilenson	Gilman	Miller (WA)
Bennett	Gingrich	Mineta
Bereuter	Glickman	Mitchell
Berman	Gonzalez	Moakley
Bevill	Goodling	Molinari
Biaggi	Gordon	Mollohan
Bliley	Gradison	Monson
Boehlert	Gray (IL)	Montgomery
Boggs	Gray (PA)	Moody
Boland	Green	Moore
Boner (TN)	Gregg	Morrison (CT)
Bonior (MI)	Guarini	Morrison (WA)
Bonker	Gunderson	Mrazek
Borski	Hall (OH)	Murphy
Bosco	Hall, Ralph	Murtha
Boucher	Hamilton	Myers
Boulter	Hatcher	Natcher
Boxer	Hawkins	Neal
Breaux	Hayes	Nelson
Brooks	Hefner	Nichols
Broomfield	Henry	Nowak
Brown (CA)	Hertel	Oakar
Brown (CO)	Hillis	Oberstar
Bruce	Holt	Obey
Bryant	Horton	Olin
Burton (CA)	Howard	Ortiz
Bustamante	Hoyer	Owens
Byron	Hubbard	Oxley
Campbell	Huckaby	Panetta
Carper	Hughes	Pashayan
Carr	Hutto	Pease
Chandler	Jacobs	Penny
Chapman	Jeffords	Pepper
Chappell	Jenkins	Perkins
Clay	Johnson	Petri
Clinger	Jones (NC)	Pickle
Coats	Jones (OK)	Porter
Coble	Jones (TN)	Price
Coelho	Kanjorski	Rahall
Coleman (MO)	Kaptur	Rangel
Coleman (TX)	Kastenmeier	Ray
Collins	Kennelly	Regula
Combest	Kildee	Reid
Conte	Kindness	Richardson
Cooper	Kleczka	Ridge
Coughlin	Kolbe	Rinaldo
Coyne	Kolter	Ritter
Crockett	Kostmayer	Roberts
Darden	Kramer	Robinson
Daschle	LaFalce	Rodino
Davis	Lantos	Roe
Dellums	Latta	Roemer
DeWine	Leach (IA)	Rogers
Dicks	Leath (TX)	Rose
Dingell	Lehman (CA)	Rostenkowski
DioGuardi	Lehman (FL)	Roukema
Dixon	Leland	Rowland (CT)
Donnelly	Lent	Rowland (GA)
Dowdy	Levin (MI)	Roybal
Downey	Levine (CA)	Russo
Durbin	Lewis (FL)	Sabo
Dwyer	Lightfoot	Savage
Dymally	Lipinski	Saxton
Dyson	Lloyd	Schaefer
Early	Loeffler	Schroeder
Eckart (OH)	Long	Schulze
Eckert (NY)	Lott	Schumer
Edwards (CA)	Lowry (WA)	Seiberling
Edwards (OK)	Luken	Sharp
English	Lundine	Shaw
Erdreich	MacKay	Shelby
Evans (IA)	Madigan	Sikorski
Evans (IL)	Manton	Sisisky
Fascell	Markey	Skelton
Fawell	Martin (IL)	Slattery
Fazio	Martin (NY)	Slaughter
Feighan	Martinez	Smith (FL)
Fish	Matsui	Smith (IA)
Flippo	Mavroules	Smith (NE)

Smith (NJ)	Swift	Weaver
Smith, Denny (OR)	Swindall	Weiss
Smith, Robert (OR)	Synar	Wheat
Snowe	Tallon	Whitley
Snyder	Tauke	Whittaker
Solarz	Tauzin	Whitten
Spence	Thomas (CA)	Williams
Spratt	Thomas (GA)	Wirth
St Germain	Torres	Wise
Staggers	Torricelli	Wolf
Stallings	Towns	Wolpe
Stangeland	Traficant	Wortley
Stark	Traxler	Wright
Stenholm	Udall	Wyden
Stokes	Valentine	Wylie
Studds	Vento	Yatron
Sundquist	Visclosky	Young (FL)
Sweeney	Volkmer	Young (MO)
	Watkins	
	Waxman	

NOT VOTING—22

Barnard	Grotberg	Scheuer
Conyers	Heftel	Schneider
de la Garza	Hendon	Walgren
Derrick	Ireland	Wilson
Dorgan (ND)	Lujan	Yates
Edgar	McEwen	Zschau
Foglietta	Mikulski	
Franklin	O'Brien	

□ 1110

Messrs. BROOKS, HEFNER, COBLE, and WHITTAKER changed their votes from "aye" to "no."

Mr. LEWIS of California changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

□ 1120

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. LELAND

Mr. LELAND. Mr. Chairman, I offer an amendment in the nature of a substitute made in order under the rule.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. LELAND: Strike out all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1987 is established and the appropriate budgetary levels for fiscal years 1988 and 1989 are set forth.

(a) The following levels and amounts are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1987: $868,100,000,000.

Fiscal year 1988: $955,000,000,000.

Fiscal year 1989: $1,024,800,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1987: $1,088,670,000,000.

Fiscal year 1988: $1,155,960,000,000.

Fiscal year 1989: $1,206,300,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1987: $1,011,910,000,000.

Fiscal year 1988: $1,058,220,000,000.

Fiscal year 1989: $1,087,380,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1987: $143,810,000,000.

Fiscal year 1988: $103,220,000,000.

Fiscal year 1989: $62,580,000,000.

(b) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1986, October 1, 1987, and October 1, 1988:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1987: $654,700,000,000.

Fiscal year 1988: $714,300,000,000.

Fiscal year 1989: $763,600,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1987: $14,890,000,000.

Fiscal year 1988: $25,470,000,000.

Fiscal year 1989: $29,840,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1987: $55,700,000,000.

Fiscal year 1988: $60,150,000,000.

Fiscal year 1989: $64,250,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1987: $85,320,000,000.

Fiscal year 1988: $909,180,000,000.

Fiscal year 1989: $1,022,310,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1987: $813,590,000,000.

Fiscal year 1988: $847,770,000,000.

Fiscal year 1989: $865,440,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1987: $158,890,000,000.

Fiscal year 1988: $133,470,000,000.

Fiscal year 1989: $101,840,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1987: $2,319,600,000,000.

Fiscal year 1988: $2,516,900,000,000.

Fiscal year 1989: $2,685,100,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1986, October 1, 1987, and October 1, 1988, are as follows:

Fiscal year 1987:

(A) New direct loan obligations, $34,250,000,000.

(B) New primary loan guarantee commitments, $85,400,000,000.

Fiscal year 1988:

(A) New direct loan obligations, $32,250,000,000.

(B) New primary loan guarantee commitments, $87,300,000,000.

Fiscal year 1989:

(A) New direct loan obligations, $30,600,000,000.

(B) New primary loan guarantee commitments, $87,650,000,000.

(c) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1987 through 1989 for each major functional category are:

(1) National Defense (050):

Fiscal year 1987:

(A) New budget authority, $255,390,000,000.

(B) Outlays, $264,960,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $259,980,000,000.

(B) Outlays, $261,660,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $264,730,000.

(B) Outlays, $260,390,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1987:

(A) New budget authority, $20,180,000,000.

(B) Outlays, $13,950,000,000.

(C) New direct loan obligations, $7,150,000,000.

(D) New primary loan guarantee commitments, $11,400,000,000.

Fiscal year 1988:

(A) New budget authority, $20,790,000,000.

(B) Outlays, $14,860,000,000.

(C) New direct loan obligations, $7,100,000,000.

(D) New primary loan guarantee commitments, $11,400,000,000.

Fiscal year 1989:

(A) New budget authority, $24,340,000,000.

(B) Outlays, $15,220,000,000.

(C) New direct loan obligations, $7,100,000,000.

(D) New primary loan guarantee commitments, $11,400,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1987:

(A) New budget authority, $9,450,000,000.

(B) Outlays, $9,190,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $9,960,000,000.

(B) Outlays, $9,280,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $11,030,000,000.

(B) Outlays, $10,160,000,000.

(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1987:

(A) New budget authority, $4,760,000,000.

(B) Outlays, $4,740,000,000.

(C) New direct loan obligations, $1,950,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1988:

(A) New budget authority, $5,710,000,000.

(B) Outlays, $5,270,000,000.

(C) New direct loan obligations, $1,950,000,000.

(D) New primary loan guarantee commitments, $0.

Fiscal year 1989:

(A) New budget authority, $6,020,000,000.

(B) Outlays, $5,250,000,000.

(C) New direct loan obligations, $1,950,000,000.

(D) New primary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1987:

(A) New budget authority, $12,900,000,000.

(B) Outlays, $12,740,000,000.

(C) New direct loan obligations, $100,000,000.

(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $13,320,000,000.
(B) Outlays, $14,100,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $13,750,000,000.
(B) Outlays, $13,930,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1987:
(A) New budget authority, $23,770,000,000.
(B) Outlays, $23,170,000,000.
(C) New direct loan obligations, $14,300,000,000.
(D) New primary loan guarantee commitments, $8,000,000.
Fiscal year 1988:
(A) New budget authority, $25,210,000,000.
(B) Outlays, $23,610,000,000.
(C) New direct loan obligations, $12,100,000,000.
(D) New primary loan guarantee commitments, $8,500,000,000.
Fiscal year 1989:
(A) New budget authority, $24,310,000,000.
(B) Outlays $20,090,000,000.
(C) New direct loan obligations, $11,350,000,000.
(D) New primary loan guarantee commitments, $8,650,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1987:
(A) New budget authority, $10,890,000,000.
(B) Outlays, $3,980,000,000.
(C) New direct loan obligations, $4,450,000,000.
(D) New primary loan guarantee commitments, $38,750,000,000.
Fiscal year 1988:
(A) New budget authority, $11,300,000,000.
(B) Outlays, $5,310,000,000.
(C) New direct loan obligations, $4,600,000,000.
(D) New primary loan guarantee commitments, $39,100,000,000.
Fiscal year 1989:
(A) New budget authority, $9,450,000,000.
(B) Outlays, $3,630,000,000.
(C) New Direct loan obligations, $4,850,000,000.
(D) New Primary loan guarantee commitments, $38,450,000,000.
(8) Transportation (400):
Fiscal year 1987:
(A) New budget authority, $30,470,000,000.
(B) Outlays, $28,610,000,000.
(C) New direct loan obligations, $500,000,000.
(D) New primary loan guarantee commitments, $50,000,000.
Fiscal year 1988:
(A) New budget authority, $30,980,000,000.
(B) Outlays, $28,590,000,000.
(C) New direct loan obligations, $400,000,000.
(D) New primary loan guarantee commitments, $50,000,000.
Fiscal year 1989:
(A) New budget authority, $31,820,000,000.
(B) Outlays, $29,300,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $50,000,000.
(9) Community and Regional Development (450):
Fiscal year 1987:
(A) New budget authority, $7,430,000,000.
(B) Outlays, $8,170,000,000.
(C) New direct loan obligations, $950,000,000.
(D) New primary loan guarantee commitments, $300,000,000
Fiscal year 1988:
(A) New budget authority, $8,930,000,000.
(B) Outlays, $8,130,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1989:
(A) New budget authority, $9,250,000,000.
(B) Outlays, $8,450,000,000.
(C) New direct loan obligations, $1,050,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1987:
(A) New budget authority, $38,060,000,000.
(B) Outlays, $33,310,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $10,300,000,000.
Fiscal year 1988:
(A) New budget authority, $39,170,000,000.
(B) Outlays, $36,040,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $10,700,000,000.
Fiscal year 1989:
(A) New budget authority, $40,230,000,000.
(B) Outlays, $37,010,000,000.
(C) New direct loan obligations, $1,250,000,000.
(D) New primary loan guarantee commitments, $10,950,000,000.
(11) Health (550):
Fiscal year 1987:
(A) New budget authority, $40,180,000,000.
(B) Outlays, $39,610,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1988:
(A) New budget authority, $42,790,000,000.
(B) Outlays, $42,640,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1989:
(A) New budget authority, $45,360,000,000.
(B) Outlays, $45,020,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(12) Medicare (570):
Fiscal year 1987:
(A) New budget authority, $83,570,000,000.
(B) Outlays, $72,250,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $92,240,000,000.
(B) Outlays, $84,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $102,050,000,000.
(B) Outlays, $94,770,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1987:
(A) New budget authority, $166,670,000,000.
(B) Outlays, $127,010,000,000.
(C) New direct loan obligations, $1,800,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $174,640,000,000.
(B) Outlays, $133,680,000,000.
(C) New direct loan obligations, $1,900,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $179,500,000,000.
(B) Outlays, $138,350,000,000.
(C) New direct loan obligations, $1,450,000,000.
(D) New primary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1987:
(A) New budget authority, $5,500,000,000.
(B) Outlays, $5,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $6,150,000,000.
(B) Outlays, $6,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $6,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitment, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1987:
(A) New budget authority, $28,240,000,000.
(B) Outlays, $28,080,000,000.
(C) New direct loan obligations, $1,550,000,000.
(D) New primary loan guarantee commitments, $16,300,000,000.
Fiscal year 1988:
(A) New budget authority, $28,850,000,000.
(B) Outlays, $28,540,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $16,950,000,000.
Fiscal year 1989:
(A) New budget authority, $29,350,000,000.
(B) Outlays, $29,370,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $17,550,000,000.
(16) Administration of Justice (750):
Fiscal year 1987:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $7,070,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $7,190,000,000.
(B) Outlays, $7,210,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $7,250,000,000.
(B) Outlays, $7,340,000,000.
(C) New direct loan obligations, $0.

(D) New primary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1987:
(A) New budget authority, $5,730,000,000.
(B) Outlays, $5,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $5,890,000,000.
(B) Outlays, $5,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $5,820,000,000.
(B) Outlays, $5,880,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(18) General Purpose Fiscal Assistance (850):
Fiscal year 1987:
(A) New budget authority, $6,560,000,000.
(B) Outlays, $6,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $6,610,000,000.
(B) Outlays, $6,610,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $6,670,000,000.
(B) Outlays, $6,670,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(19) Net Interest (900):
Fiscal year 1987:
(A) New budget authority, $148,830,000,000.
(B) Outlays, $148,830,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $154,540,000,000.
(B) Outlays, $154,540,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $154,690,000,000.
(B) Outlays, $154,690,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(20) Allowances (920):
Fiscal year 1987:
(A) New budget authority, $1,050,000,000.
(B) Outlays, $1,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $3,000,000,000.
(B) Outlays, $3,180,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $5,130,000,000.
(B) Outlays, $5,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 1987:
(A) New budget authority, −$29,500,000,000.
(B) Outlays, −$29,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $31,900,000,000.
(B) Outlays, $31,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $32,450,000,000.
(B) Outlays, $32,450,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

The CHAIRMAN. The gentleman from Texas [Mr. LELAND] is recognized for 1 hour.

Mr. LELAND. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, before I begin my overtures about the budget, let me first commend the gentleman from the District of Columbia for this yeoman's leadership on developing this document. He served as chairman of the task force on behalf of the Congressional Black Caucus to develop and fashion this budget in the manner in which we will present it today.

Mr. Chairman, in 1981 President Reagan challenged the Congressional Black Caucus to propose a budget that reflected the problems confronting the Nation at that time.

Mr. Chairman, we met that challenge, although we received little support in this body and none from the White House when we offered our constructive alternative budget. Had we been given the kind of consideration we thought we were due, this Nation would be much better off today; our economy, of course, would have been much healthier.

Once again, this year we are faced with a similar challenge. We are challenged to develop a budget that provides needed domestic services, a strong defense and reduces this country's staggering deficit.

To meet this new challenge, we in the Congressional Black Caucus forged a new coalition—a coalition of Members from diverse regions of the country, but with shared concern for the future of our Nation. As a result, we have been successful in meeting the budget challenge of 1986.

This endeavor was made more difficult with the passage of Gramm-Rudman-Hollings. While I and many others did not support Gramm-Rudman-Hollings, I do support sensible and responsible efforts to reduce the hemorrhaging Federal budget deficit. Congress—and no other body—is given the responsibility for determining this Nation's spending priorities.

This is a responsibility we cannot and must not neglect.

Mr. Chairman, as chair of the Congressional Black Caucus, I am proud to present the fiscal year 1987 quality of life budget.

This year, as in previous years, we seek to reach out to all Americans who are in need. We have crafted a budget that improves, not the quality of government, but the quality of life for the American people.

Although our Nation is truly bountiful and blessed with an abundance of natural and human resources, many in this Nation do not share in that abundance. In fact many Americans do not enjoy the basics of decent housing, quality education, adequate health care, and freedom of opportunity.

There are millions of elderly poor who have seen Medicare costs rise 4 out of the last 5 years. Over half of the thousands of black and Hispanic children born in our country each year are born into poverty. The physically and mentally handicapped continue to face barriers to meaningful employment. And there are millions of unemployed men and women who have given up hope of ever finding a job.

We are not talking about faceless, anonymous Americans. We are talking about the constituents your and my district offices serve. I see them and you see them. We simply cannot pretend this group of underprivileged Americans does not exist.

The President's fiscal year 1987 budget continues the mean-spirited attack on the quality of life of economically depressed and politically disenfranchised Americans. Congress must address the needs of the poor, the elderly, and children since the Reagan administration repeatedly and callously ignores their pleas for assistance.

These, Mr. Chairman, are not the only people in need. We are seeing the emergence of a "new poor." These are the millions of Americans who because of economic dislocations are now suffering hardship.

These new poor includes families in our Farm Belt who are suffering from depressed crop prices; residents of the oil patch who are watching as energy prices collapse; and Rust Belt workers who are losing their jobs due to the technological revolution. These Americans have sacrificed to build America into the great nation we are today.

The budget we are presenting today is the only budget that addresses the attack on the quality of life of these Americans.

The quality of life budget is supported by a broad and regionally diverse coalition of members. The budget reflects responsible fiscal policy and confronts the goal of deficit reduction.

The quality of life budget provides for $1,011.91 billion in outlays in fiscal year 1987, and generates $868 billion in revenues. This results in a deficit of $143 billion—$190 million below the Gramm-Rudman-Hollings target.

Under the quality of life budget, the Federal deficit would decline to $62.58 billion by 1989—more than $9 billion below the third year goal of the Balanced Budget and Emergency Deficit Control Act of 1985.

Clearly the quality of life budget not only meets but beats the deficit targets contained in Gramm-Rudman-Hollings. And it does this in a responsible and human fashion.

Specifically, the quality of life budget reaffirms our Nation's promise to its senior citizens by taking Social Security programs off-budget, and increasing benefit payments. At the same time this budget attacks the problems of the very young through increased funding for programs targeted toward reducing—and eventually eliminating—the unacceptable rates of infant mortality.

As the quality of life budget addresses the needs of rural Americans by shifting agriculture programs away from large commercial farms back to smaller, family-owned farms; it also emphasizes a continued strong Federal role in urban development and housing programs to assist in rebuilding our core cities.

While our budget offers hope and compassion to millions starving in Africa and elsewhere around the world, it also fully funds the food and nutrition programs combating the problems of hunger in America.

The centerpiece of the quality of life budget is the increased allocation of resources toward education and employment.

The guiding principles of a truly just and democratic society are the education and employment of its citizens. It is incomprehensible that in the most powerful economic nation in the world, we cannot adequately combat illiteracy and unemployment.

The quality of life budget restores funding for all education programs targeted for reduction by the Reagan administration. The budget fully funds those programs authorized under the Job Training Partnership Act.

It proposes $278 million for the Work Incentive Program—a program that has assisted welfare recipients to move into jobs and away from public assistance.

The quality of life budget proposes an Omnibus Productivity and Trade Incentive Program, aimed at curtailing the continued decline in American industry and lessening the Nation's trade deficit.

The quality of life budget increases the efficiency and equity of the Tax Code by closing tax loopholes, and eliminating tax shelters.

At the same time, it ensures that those Americans living at or near the poverty line will no longer be subject to taxation. This budget broadens the tax base through 1989 and removes from the income tax rolls those earning less than the baseline poverty index by increasing the standard deduction from $3,540 to $4,000.

Mr. Chairman, a budget is not mearly a collection of stated ideas and goals, but the real life choice of how our Government cares and provides for its people. The quality of life budget addresses the difficult and complicated spending questions facing the Congress and the Nation in the most fair and humane manner.

Our budget provides for a strong and adequate defense, while it keeps our Nation's commitment to all of our peoples. And it accomplishes this, Mr. Chairman, with a continued emphasis toward true deficit reduction.

Mr. Chairman, I ask my colleagues to support this sensible alternative.

□ 1130

The CHAIRMAN. The gentleman from Texas [Mr. LELAND] has consumed 10 minutes.

Mr. DENNY SMITH. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Texas [Mr. LELAND].

The CHAIRMAN. The gentleman from Oregon [Mr. DENNY SMITH] is recognized for 1 hour.

Mr. DENNY SMITH. Mr. Chairman, I yield myself such time as I may consume.

You know, we talk about quality of life. I wonder what kind of quality of life we are really trying to provide for the citizens of this Nation. First off, with a tax increase in this budget of some $34.5 billion, we are talking about an increase in taxes that is unnecessary to solve the problem in this country. When I came to the Congress, I believe, in 1981 we had tax revenues of some $600 billion. The estimates in the budget are close to $850 billion this year. So we have had an increase of $250 billion. In this particular budget, however, you have decided that you are going to tax and tax, and spend and spend some more. I think that is wrong. So that is the first thing and the first reason I would not want to vote for this particular budget.

In the defense numbers I think it is important to know what kind of a quality of life we are going to have in this country if we do not have a credible defense capabiltiy.

You and I both would like to have that, I think, for the people we represent. We are talking about a defense budget that is maligned, and I suppose we are all a little guilty of that, but I think maybe a little review of where we are in the defense numbers is in order.

In 1980 we had a budget outlay of some $133 billion to where in 1986 we have grown to some $262 billion estimated for outlays.

So a doubling from 1980 to 1986 in outlays on the defense spending. In fact, the defense budget authority level is even more confusing. I might run through that.

The original 1986 budget resolution was $302.5 billion. The defense appropriation bill was $297.6 billion. Then we went through sequestration, and we got to $286.1 billion. Then we carried over the pay raise. So the budget that we are really talking about, comparing this year to 1987, next year, the quality of life budget, is $290 billion in budget authority.

One of the things that I stressed throughout the last couple of years is the importance to freeze the spending, not allow any of the spending to grow or to become greater than it was last year. Had we done that in 1981 or 1982, we would today have a balanced budget. Unfortunately, we did not. The combined wisdom of this Congress provided increasing amounts of money to spend. But I think that the area of $290 billion is responsible for this period of time that we are talking about.

Now, if I understand your budget correctly, you are taking the budget authority down to $255 billion. I think there are some savings can be made there. Certainly the Department of Defense has not been well managed. We have 138,000 more civilians working for the Department of Defense than we had in 1980. I think that is an outrage and a complete mismanagement of the Defense Department civilian force.

So I would like to see us take the fuel savings that are undoubtedly going to accrue because of the lower oil prices we are paying in the Department of Defense, and many other areas of government, and take those savings. But we do not know what they are. Certainly they are not going to take the level some $65 billion lower than the President has requested and $35 billion lower than what we are spending this year.

We can eliminate the military pay raise. We probably should. They have had some 40-percent pay increase in the last 5 years. We should treat everyone the same, however, and I think that means freezing other pay increases proposed in the Government.

We can try through attrition to eliminate some of these close calls on employment. We need to reduce the number of people working for the Federal Government and the Department of Defense. But I do not think you are going to get $35 billion by doing that. You are not going to get it from the fuel savings. So I guess my question would be for the gentlemen who are purporting to sponsor this amendment to the budget, which R&D projects, which research and development do you think we ought to cutback on? Which programs that have very low rates of production, weapons systems

in this instance, would you like to see eliminated completely?

Sure, we can do procurement reform. I think that is important. I have been involved in that. I think it is one of the things that this country needs and certainly one of the things that we can do in trying to remodel the way we operate the Department of Defense or, for that matter, any part of the Government.

I think the last thing—and my question to the gentlemen really goes right to the heart of the matter—if you are going to cut $35 billion of authority from the present authority that we are operating under, which bases are you going to close? Specifically, in each one of your districts I would like to see which military bases you are going to see completely cut out, because as far as this Member goes, my State is 49th in the Nation and there is no military spending.

I do not have to worry about having any bases cut out from my district. I will vote with you, though, if you would like to take some part of the defense budget, specifically. Let us look at a base, let us see what it does, let us see if we can reduce the cost to the taxpayer and still not reduce the quality of life, and that is the protection of this society with the defense spending that we have.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. DENNY SMITH. I yield to the gentleman from California.

Mr. DELLUMS. I thank the gentleman for yielding.

Let me first suggest that I would assume that my distinguished colleague on the other side of the aisle voted in favor of the Gramm-Rudman proposition, is that not correct?

Mr. DENNY SMITH. The gentleman is correct. I did vote for that. I think it is important we try to bring this budget into halt.

I felt that was the best alternative that we had.

Mr. DELLUMS. I appreciate that very much.

As my colleague very well knows, the Congressional Budget Office estimated that if sequestration became a reality, that the outlays for the military function in this fiscal year, 1987, would be approximately $265 billion. I would say to my colleague that the outlay figure contained in the Congressional Black Caucus' alternative for the military function is $265 billion.

The point that this gentleman makes is that we took the issue of the politics of deficit reduction and Gramm-Rudman seriously. So we came to $265 billion, which means that if my colleague voted for Gramm-Rudman, he in fact then was prepared in the final analysis, at the bottom line, to support a budget that went down as far as $265 billion, if we had to implement sequestration.

Now, just one last quick point: If that then is the case, I would think my colleague would agree with me that you could come to a $265 billion outlay figure through the mindless approach of across-the-board cuts that Gramm-Rudman proposes, or you could take that $265 billion and start with a zero-base mentality, challenging the assumptions upon which a much larger military budget was based, develop alternative policies and come to a $265 billion budget that makes sense.

That is what this budget seeks to do. We did not thwart readiness, we did not thwart personnel benefits, but we do establish seven goals and priorities upon which we established our budget.

Mr. DENNY SMITH. If I could reclaim my time.

Mr. DELLUMS. I thank the gentleman for yielding.

Mr. DENNY SMITH. The way I view Gramm-Rudman-Hollings-Mack, however many other names you want to add on, it is a crisis. It has created a crisis for the Congress. We never do anything around here until there is a crisis.

□ 1145

So one of the reasons we passed that was to try to give ourselves enough corporate courage to do what needs to be done here.

Now we always get up and talk in these budget debates each year and talk about how we ought to do things for our people. If we are going to raise $34.5 billion more in taxes and we are going to take this defense number to this level, I think the gentleman missed the essence of the crisis that we have upon us. It is a lack of courage here for going in and specifically doing things like I would suggest.

Would the gentleman like to see the Alameda Naval Air Station shut down in Oakland? I doubt that the gentleman on the other side of the aisle would agree to do that. I think that whether we take the new *Missouri* that has just been moved into San Francisco Bay by the Navy or Travis Air Force Base, where in California would the gentleman say that we ought to remove some of the defense spending?

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. DENNY SMITH. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I appreciate the gentleman yielding to me.

Mr. Chairman, I think my colleague in some way, and I appreciate the gentleman's sincerity, does this gentleman some disservice, because this gentleman in the 16 years that I have been here has never taken the well to argue on the basis of a parochial concern. This gentleman has always said that national defense is something that should take us above and beyond our local jurisdictions and above and beyond the narrow confines of our parochial interests. That is what this gentleman chooses to do here today.

Let me make just one comment in response to the gentleman. There is nothing sacrosanct about these figures.

I might point out that our distinguished former colleague, Mr. Stockman, who is now receiving national and international acclaim for his most recent foray into the literary arena, he states in his book in a very interesting way that he thought he was basing the President's 4- or 5-year budget projection upon President Carter's 1980 base figure of $142 billion. When he then projected out for 5 years, he realized that he had made a tragic mistake and that he had based the President's budget projection for 4 or 5 years into the future, not on $142 billion, but on $220 billion.

He then called on the phone and said, "I have made a tragic mistake. We have to rethink the figures."

The response that he received from the Pentagon and the White House was, "You made a deal; you have to live with it."

The point is that we have built this mighty military budget on the basis of a $70 billion to $80 billion mistake that no one allowed David Stockman and OMB to back off of. So when we talk about dollars here, there is plenty of room to save billions of dollars for the American taxpayer.

Mr. DENNY SMITH. Mr. Chairman, if I could reclaim my time, I think to try to defend what the previous OMB Director has to say, whether it is in the media or in a book, is unimportant here, other than the fact that we are talking about real numbers. This year we are spending, according to what numbers we have, and they are certainly confusing, some $290 billion and we are going to go down to $255 billion.

Now, if we are going to do that, if it is going to require going in and picking line by line, then I think we need, each one of us, to be willing to stand up, not taking a parochial interest—I will take a parochial interest in the gentleman's district and the gentleman can take one in mine—but we are going to have to go down there and cut away on some of these programs.

What I am saying to those who are sponsoring this amendment to the Budget Act is, which specific basis are you going to go after?

Mr. FRANK. Mr. Chairman, will the gentleman yield?

Mr. DENNY SMITH. I am happy to yield to the gentleman from Massachusetts.

Mr. FRANK. Mr. Chairman, I want to answer the gentleman's question.

I come from Massachusetts, and we do not have many bases left, because

the previous Republican administration took them all.

In my district there is no base, but we do get in all of Massachusetts, my district included, a lot of money from the MX missile. We are in terms of expenditures for the MX the third largest State. And I would make the Treasury a present to that.

So if the gentleman wants us to come forward Billy Graham style and join in here, let me say that I have no base to contribute, because Richard Nixon took them all back. We do get a substantial amount for the MX.

I think the gentleman from California spoke eloquently when the gentleman said the defense budget ought not to be treated in a parochial way.

The MX missile is one with a lot of money, and I would vote for the MX missile.

Mr. DENNY SMITH. Mr. Chairman, if I could regain my time, I could not agree more. The gentleman had the opportunity to vote on the MX missile a number of times. We could probably go in and specifically work on many of these areas.

But I think the important thing that we need to recognize here is if we are going to have a real budget, and this is important, the $255 billion number appears to be lower than even the individuals who would be faced with that parochial interest would like to vote on specifically.

Mr. FRANK. Mr. Chairman, will the gentleman yield?

Mr. DENNY SMITH. I am happy to yield to the gentleman from Massachusetts.

Mr. FRANK. Mr. Chairman, the gentleman was challenging us saying the gentleman could not reach the specific number without there being loss in certain of our districts. I simply wanted to make my contribution to say that, if there is going to be an MX vote, obviously I think the qualified people in Massachusetts ought to be able to compete as well as any other, but I think the Nation would be better off if we did not have it. That would cost us money in Massachusetts, and it is a contribution to deficit reduction and sensible fiscal planning that we would be willing to make.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield to me?

Mr. DENNY SMITH. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I appreciate my colleague yielding to me. Frankly, I deeply appreciate the fact that the gentleman is prepared to engage us at this level of discussion and debate.

When we come to the military authorization bill, we will pose this alternative again and we will have a greater opportunity.

But let me simply say that we tried to base our alternative military budget upon an alternative set of policies. For example, we believe that it is our responsibility to the next generation to reduce and ultimately remove the risk of nuclear war from our lives. If you apply that principle to the budget, then we can stop these first-strike weapons, we can stop these war-fighting weapons.

We oppose star wars. We oppose all the weapons that lead us into a first-strike capability or a nuclear war-fighting capability.

Mr. DENNY SMITH. Mr. Chairman, if I may reclaim my time, let me just pose some of the questions I asked the gentleman before.

Which systems in low rate production would the gentleman like to see terminated, the bases we have already talked about? And which research and development programs is the gentleman willing to terminate?

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. DENNY SMITH. I am happy to yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, we propose to eliminate all funding for the production or development of additional nuclear weaponry.

We eliminate all funds for 21 additional MX missiles, saving $1.5 billion; for the 21 Trident II [D-5] missiles, saving $1.4 billion; or for the production of additional sea-launched cruise missiles and ground-launched cruise missiles, $1 billion. Supplemental funding for the Pershing missile is rejected in our proposal.

We end new research authority for the B-1 bomber, the MX missile, the Trident II [D-5] missile, the Midgetman and for tactical missiles. We reject certain research moneys for programs, moneys in this bill that are yet unspent.

We would terminate funding for the development of chemical and biological warfare. We ought to move into the 21st century rather than back into the 19th century.

We make large reductions in Department of Energy atomic warhead production.

We establish a substantial new research program aimed at improving verification so that the issue of arms control can go forward intelligently, rationally, and sanely.

We cancel the purchase of the next Trident submarine. We reduce star wars.

We can show you specifically line by line how we arrived at $265 billion in outlays.

Mr. DENNY SMITH. Mr. Chairman, if I may reclaim my time, I am told that the total payroll for the Pentagon for military personnel is some $74 billion, and the civilian personnel some $28 billion, for $102 billion total.

With the gentleman's number of $255 billion, what level of employment does the gentleman see? Did the gentleman work that out in the budget?

Mr. Chairman, I yield to the gentleman from California for a response.

Mr. DELLUMS. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, let me just say that, with respect to the quality of life, we feel very deeply and very profoundly. In fact, we entitled this budget the "Quality of Life Budget." That not only includes civilian personnel, it includes military personnel.

We believe that there are forward deployments of our American troops that we oppose on policy grounds. But if we are going to deploy them, then they ought to live in good housing, they ought to work in healthy conditions, they ought to live in a steady environment. We do that.

We keep the pay raise for our troops. We try to bring back troops from Europe and other places where they are not needed. We do not close any bases here in this country. We do not thwart the quality of life for our troops.

Frankly, we believe that we can intelligently and rationally argue that we preserve readiness even more capably than the budget presented by the President of the United States.

Mr. DENNY SMITH. Mr. Chairman, I thank the gentleman for his response.

It just looks to me like if we go down to $255 billion and you take $102 billion off for personnel, it starts to pinch someplace. We are either going to have to close bases or we are going to have to shut down some procurement.

The gentleman has given me a list of the procurement, and I appreciate that.

Mr. Chairman, I reserve the balance of my time.

□ 1155

Mr. LELAND. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Chairman, I thank the gentleman for giving me this time, and it is very interesting to see, for the first time, that Gramm-Rudman has been described as legislation that created crises. Those of us in the Congressional Black Caucus thought that it would do just that. And that is the reason why we voted against it, because we thought we had a higher responsibility rather than to create crises, but to do what the people sent us down here to do, and that is to recognize the Nation's problems, to see what it costs to try to bring some resolution to those problems and to raise the revenues that are necessary to do that and at the same time deal with balancing the budget.

Now, I know that it is much easier for us to deal with the titles that the legislation has rather than dealing with the substance of the legislation. That is why we have Gramm-Latta, Gramm-Rudman, and even we go by this when the President in 1981 talked about the Economic Recovery Tax Act. It is so easy to talk about what the description is of the bill rather than what the impact of the bill is. And so today we are all hung in there supporting the concepts of tax reform, and there are some people in the House who believe that when you say "tax reform" that necessarily you are talking about tax reduction. Well, I think that we had enough of that reduction in 1981 when the President of the United States decided that he wanted to reduce taxes by some $750 billion. Now, at that time the President was not too concerned about the working poor, the low-income working people or the middle-income working people. But if you see where that amount of revenue losses and tax cuts really lie, it was for the very, very rich of this country and for the very profitable corporations. That is why it is sometimes shocking for me to hear that, notwithstanding my unequivocal support for H.R. 3838, we will think that this is a bill, just because we call it reform, that is designed to take care of just the working poor. Taking care of the 6-million working people who are paying taxes and should not be paying taxes is just a right and equitable thing to do.

If you think about what the President has truly achieved since 1981 that has nothing to do with tax reform but has been put together in that package, it is something that the Congressional Black Caucus at this time would like the House to focus attention on, and that is this: The high-income individual tax bracket when the President took office was 70 percent. He then was able to have that reduced to 50 percent. H.R. 3838 brought it down to 38 percent. And now the Senate is coming in and saying no matter how many billions of dollars an individual makes, the top bracket should be 27 percent.

In the course of talking about closing loopholes we never took the time to find out who put the loopholes in the tax law, in the first place. And a good look at the 1981 Economic Recovery Act will see that the President provided so many incentives, investment tax credits, rapid depreciation, that it was not a question as to whether or not the corporations will be paying a tax, but the question really was how much did the Federal Government owe them in terms of credits for not paying taxes.

So every time we talk about tax reform, the White House trots out the 6-million working poor that are paying more of their disposable income than the very rich in the United States.

Do not threaten me with Gramm-Rudman. Gramm-Rudman merely says that we should do something with the deficit. Let us see who does the most with the deficit, those of us who have worked with a program to say that we reduce it or those people who say that the bill has to be revenue neutral. Nothing in the Constitution, the House rules, the Democratic Party or the Republican Party says that you have to have revenue neutrality in order to bring about reform.

So what have we done? We have taken all of the reforms and attempted to improve upon them. We say with a great deal of pride that ever since Ronald Reagan has been in the White House he has brought out the best in the Congressional Black Caucus. There is not a reform in his tax bill that we have not always had in our alternative budget.

The only thing that he has done that we have not done is that he has taken care of his friends on the high-income side and we have said that it is better to take care of the Nation's business and our domestic policies than to give those cuts that we cannot afford, cannot afford because we are not willing to take a back seat to the programs which the U.S. Government and the House of Representatives have committed themselves, but, more importantly, we are not prepared to take a back seat and say that we have to deal with the deficit at some later date.

That is why when we came up with our bill we thought that the most serious thing that was facing us is not just the $2 trillion that we owe, not just the $230 billion deficit, but what concerns us in our district is that the third highest Federal expenditure that we are dealing with, and the President is dealing with neutrality, is just paying the interest on your indebtedness. You have to be poor or at least know somebody who has been poor to understand the frustration of trying to pay off the principal and you cannot get past the interest. The President of the United States thinks that it is far more important to bring the top individual tax rate down from 50 percent to 27 percent than to bring down our deficit in such a way that not only would the rich get a break today but maybe our kids and our grandkids would get a break sometime in the future because what we have done is reform the system and at the same time paid off the deficit without reducing the taxes.

So I am asking my colleagues to take a hard look at what has been presented to us. We have increased the standard deduction from $3,500 to $4,000, the personal exemption from $1,040 to $2,000. We have increased the investment tax credit to make certain that we can say that the bill is honest, it is equitable, it is fair, because what we have done is really dropped the responsibility of paying taxes off of the poor altogether. The most important thing I think that we have done is present a bill that reduces the deficit, brings tax reform and at the same time does not take care of the rich in the same manner as the Economic Recovery Act of 1981.

Mr. LELAND. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. I thank the gentleman from Texas for yielding and I thank him and his colleagues who have brought forward this extraordinarily thoughtful budget. None of us agree 100 percent with any budget that we vote for because we are presenting a broad conceptual thrust. This is a thoughtful, well-documented and very important budget.

The gentleman from California, in his colloquy which the gentleman from Oregon very graciously allowed to go forward, has presented, I think, the justification which many of us feel is quite compelling for the military number.

I want to talk about the other side of that, which is that this budget precisely because it is realistic in the military—and I would just add, parenthetically, I do not see how anyone can argue that we are going to lose anything important to the United States with this kind of budget. As nearly as I can tell, having spent all of what we spent over the last 5½ years, the net result was that we beat Grenada, which I think the Chicago Police Department probably could have done a little bit in 1981.

But now we get a chance to address also the issue of this enormous domestic damage that has been done. David Stockman has been quoted before, and people have said, "Well, we are not going to pay attention to him." I wish the people who do not want to pay attention to David Stockman now were not paying attention to him in 1981 and 1982 and 1983 when they were voting in lockstep on a document which he sent down here which they did not read, which did very serious damage.

We have had, overall, some reasonable economic results. But that has not meant uniform prosperity. The rising tide, even when it rises better than it is today, does not lift all boats. We have serious unemployment problems. The overall unemployment number, the one we use, has stayed about the same, at a high rate. Discouraged workers have not come down from this last recession. Ordinarily, the number of people counted by the Bureau of Labor Statistics as discouraged workers were dropped. It has not dropped. There are well over 1 million who are

not reflected in that in that 7-percent figure, who are discouraged workers. We have people who have worked hard all their lives who, because of unfairly subsidized imports, find themselves out of work. We have an increased number of homeless.

The budgets that this administration has sent year in and year out, first led by David Stockman and now continuing with the same lack of social concern, have done damage to the most vulnerable and needy people in our society.

In budget authority, the budget that the President sent us, if you take the major Federal income-support programs, Aid to Families with Dependent Children, Food Stamps, and Supplemental Security Income, the three programs whereby people are kept alive, and if you add up the budget authority that Ronald Reagan has requested for them, they are smaller in total in Federal funds than the increase he seeks for the Pentagon.

Now, who is responsible for a growing deficit with that kind of number? Take every penny, not just the abuses, not just the excesses—and I am being checked up on, so if I am wrong, we will hear from the other side, but I am sure I am right on this one—take the Federal budget authority for those three programs, and they want more to increase defense.

Mr. LELAND. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Chairman, it is with a great deal of pride and pleasure that I present the military budget function of the Congressional Black Caucus' alternative budget for fiscal year 1987.

I might point out at the beginning that our alternative provides, in our estimation, for a secure national defense; it meets the Gramm-Rudman outlay target for fiscal year 1987 without sacrificing personnel benefits or readiness.

I might say to my distinguished colleague that if you look at our proposal, we fully fund personnel and we give a pay raise to all personnel.

Our alternative proposal rejects, Mr. Chairman—and I might repeat: rejects—three fundamental tenets of the Reagan military buildup: First, that we need nuclear first-strike and war-fighting capabilities; second, that our forces should be used to impose our will in Third World nations; and, third, that we should prepare to refight World War II in Europe.

Rather, Mr. Chairman, our plan aims at seven goals:

First, reducing and ultimately removing from our lives the risk of nuclear war.

Increasing readiness while cutting forces committed to Third World intervention.

Reducing the number of troops stationed in Europe and Asia.

Eliminating overlapping and unnecessary weapons systems.

Reforming the procurement process to end waste.

Fully funding program for military families.

Finally, creating a capital investment and employment conversion program.

Mr. Chairman, under this alternative, budget authority would be $255.4 billion and outlays would be $265 billion.

As I indicated in my colloquy with my distinguished colleague, $265 billion outlays contained in this budget alternative is precisely the figure that the Congressional Budget Office estimates would be the budget outlay figure for fiscal year 1987 if sequestration were to take place.

So there is nothing sacrosanct about the figures. We do not have to talk about credibility at the level of numbers but at the level of policy.

This compares with the Reagan request of $320.3 billion in authority and outlays to the tune of $297 billion.

Mr. Chairman, despite the importance of the budgetary arithmetic, it is our belief that defense spending should be analyzed in terms of our foreign and military objectives, not in terms of some fallacious percentages of real growth or other statistical measures that have no meaning in the real world.

In our view, if high levels of spending are necessary to ensure national security, then sufficient moneys should be provided. If they are not necessary, then we should make those reductions, even substantial ones.

□ 1210

The deficit and Gramm-Rudman simply force us to do, for budgetary reasons, what we believe, in our humble opinion, should be the reasons for national security. That is to craft a defense budget that gives us a strong defense posture at an acceptable price.

The defense budget should be based on the verified reality of the national security threat and our military and foreign policy objectives. We should spend what we have to spend to meet those goals. But we should not waste money to meet arbitrary growth goals.

We strongly disagree with this administration's view as to what is in fact necessary for national security. In our view, the national security role of the United States must be to assert, aggressively, our international leadership to bring the world closer to peace; to have the audacity to think beyond the absurdity of war.

Military tensions must be eased; détente must be revived and the threat of nuclear war must be reduced and ultimately removed.

This latter point takes on even greater significance, Mr. Chairman, when we consider the human tragedy that is evolving in the Soviet Union at this very moment that not only endangers the lives of Soviet citizens but citizens of the entire world. I ask you to pause and reflect for a moment, if that level of threat occurs as a result of an explosion at a nuclear powerplant, multiply that several hundred times in terms of nuclear war and we understand the incredible absurdity of moving toward the development of greater levels of capacity to fight nuclear war which has only one ultimate result, and that is to destroy human life on this planet. Our responsibility is to turn the world over to our children.

The three tenets of the buildup I would like to speak to now. The extraordinary buildup over the last few years, however, has not been directed at our national defense, Mr. Chairman, instead it has been directed at three policy areas, all of which we find contrary to the national interest and to the interests of national security.

First, nuclear programs have been directed at developing a first-strike and nuclear war-fighting capability rather than deterrence. It is dangerous, unnecessary and frightening.

Second, a substantial part of the military buildup has been directed not at our defense nor at the Soviet Union, but in increasing our capacity to intervene in the Third World.

Third, somewhere between one-third and one-half, Mr. Chairman, of our military expenditures are dedicated to the preparation of refighting a World War II-type land war on European soil. We reject these premises which have been at the center of the administration's buildup.

Finally, in our view, the basic policy rationale of the enormous increases in the military budget are incorrect. Substantial reductions in military spending would be possible if Congress were to challenge these basic, underlying assumptions.

In our alternative, we make substantial efforts in this direction. The proposal before the body with respect to the military function, in our humble opinion, is in no way an ideal military budget. Rather, it is our view of what is immediately possible given the current world realities as well as the realities of the present budgetary considerations, and further, it gives us the opportunity, Mr. Chairman, to turn the corner, to begin to move in a direction that does not have us preparing for war but moving aggressively for peace.

Mr. LELAND. Mr. Chairman, I yield 5 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. I thank the gentleman for yielding me this time.

Mr. Chairman, as Oliver Hardy might say, "This is a fine pickle you have got us in." The pickle is that, when you mate Gramm-Rudman with Rambo, you end up with a military stocked with high-tech gizmos but no soldiers who know how to use them. You end up with ray guns but no Buck Rogers to fight with them. You end up with Starship Enterprise but no Captain Kirk and no Mr. Spock. Let me explain.

We made a commitment last year in Gramm-Rudman to reduce the deficit to $144 billion in fiscal year 1987. Whether or not the Supreme Court upholds this law, we should get the deficit down to $144 billion. Since the deficit is calculated by subtracting revenues from outlays, Gramm-Rudman forces us to reduce outlays.

On the other hand, the foreign policy of the Reagan administration seems to be set by Sylvester Stallone. We all have to show how tough we are. There is more macho in Washington than in most fraternity houses. When it comes to budget resolutions, we show we are tough by jacking up the defense budget authority figures. The Senate set it at $301 billion, but the President demands $320 billion.

The result will likely be that we set budget authority high and outlays low. That would be a disaster. It would mean that we would obligate ourselves to buying billions of dollars' worth of new equipment but would not have the money to pay for the maintenance of our existing equipment. It would mean that we spend billions to research new ways to fight wars, but do not have the money to pay the men and women who we ask to fight wars today.

Simply put, if we buy nothing new in 1987 and maintain current levels of personnel, readiness, and research, we will have budget authority of $201 billion and outlays of $269 billion. For each new dollar of procurement we want, we raise outlays in fiscal year 1987 by 13 cents. For each new dollar of research we want, we raise outlays by 20 cents.

If we are serious about having outlays of $276 billion, as the resolution provides, and we want to protect personnel and readiness, we should have budget authority of around $255 billion. On the other hand, if we are serious about having $285 billion in budget authority, and we want to protect personnel and readiness, we have to assume outlays of $286 billion.

This means one of two things: either the various budget proposals do not contemplate full funding of military personnel and readiness or the outlay numbers are hokey. I regret this situation, but see how we got into it.

I would prefer if we could adopt a serious defense proposal, like the Dellums-Schroeder alternative, which is part of the Black Caucus budget. In that budget, we provide budget authority of $255 billion and outlays of $265 billion. By having the authority figure lower than the outlay figure we ensure that personnel and readiness are protected. And, we do not create enormous obligations in future years. Rather, we provide for the purchase of new equipment we need, but not just to get up to some arbitrary spending figure to show how tough we are.

Our Nation's defense is tough because we have motivated soldiers, sailors, and aviators. Our Nation's defense is tough because we have equipment ready to fight close to where it is needed. Our Nation's defense is tough because we have the logistics to sustain combat. This is the tough defense we should preserve. Fighting over how high we can ante up defense spending, while controlling outlays, is a sure way to weaken us.

□ 1220

Mr. DENNY SMITH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Mr. Chairman, when I look at these budgets, I do not find any of them that I like. There are deficiencies with regard to national defense which are alarming. And the attitude toward national defense is even more alarming, putting so much money into nuclear redundancy, going into outer space for war, which is like adding another weapon to the world, another plateau of destruction.

This kind of spectacle is disturbing to me. When I hear the Black Caucus presentation, I am inspired by the courage of these people to tells us things that we have not been listening to, to point out, as was pointed out a minute ago, reducing the tax structure from 70 percent, now fighting about whether it is going to be 30 or 27 percent.

Have the people that produce ideas like that ever been poor? Have they ever struggled? Have they ever seen people that have been poor? Have they seen that kind of problem in the world? Or do they totally overlook it, and think that poor people are to blame for all the poorness they have?

It is touching, it is disturbing to me, to see this great country of mine be so indifferent—or at least in its legislative policies—to the problems of little people in this country. It is really disturbing to me.

Then when I see them approach national defense with another big bang, another big atomic explosion when we have such tremendous redundancy in that field and to go head over heel for SDI, outer space weaponry, we ought to be doing everything that we can to prevent that from occurring.

The best thing that has ever been done by the President with regard to the SDI is to put a bargaining chip out there. We might get everybody to stop doing that, and everybody to stop trying to blow up the world like we are presently trying to blow it up.

So, Mr. Chairman, I must say that I am very, very sad that our country is approaching this matter in this way.

Mr. Chairman, the Constitution of the United States says the Federal Government is solely responsible for national defense. This makes sense. National security is the prerequisite for all other functions of Federal, State, and local government, yet it can only be effectively provided at the Federal level.

This is simply not so for many other programs currently paid for by the Federal Government.

We should evaluate any budget proposal with these facts in mind. Our top priority should be providing for the national defense. Providing for the national defense includes paying for it. Any budget that fails to do this should not pass the House or Senate.

This body should remember that dollars do not defend us, military capability does. We cannot evaluate how much security a given budget will provide merely by looking at the number it allocates to defense. It is our duty to go farther than that.

We must ask what are our defense priorities? I submit that our top, most urgent priority is to improve our conventional warfare capability.

This can be achieved only by spending considerably more on defense than we are spending today, in fact more than any of the budgets we are considering. We can safely enhance our security by spending less on strategic arms, and using the money saved to improve our ability to fight and win at the conventional level. No one can win a nuclear war—funds for such arms have value to deter such war and we are more than adequately funding atomic arms deterrence.

Neither budget resolution before us is based on such a redirection of our defense effort to conventional capabilities. Neither bill will provide sufficient funds for our conventional forces if we continue to spend large sums on ill-advised strategic programs such as MX and SDI.

Reductions in overall defense spending would not necessarily make us less secure, just as increases in defense spending do not automatically make us more secure. It is how we spend the defense budget that is important. I don't intend to support either budget resolution before us today because, without cuts in strategic weapons spending and increased spending on conventional forces, neither one will sufficiently provide for our security.

Mr. LELAND. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES. Mr. Chairman, I rise in strong support of the quality-of-life budget amendment.

While it is the fairest, the most progressive, and the most equitable budget that we will consider, I do not wish to repeat the same things that so many of my colleagues have already stated. Let me concentrate instead, on what I feel is the heart and soul of our

budget—or of any budget that sincerely speaks to the needs of our citizens: education, training, employment and social service. This is where our budget began. We could not begin with what President Reagan proposed, because the President's proposals would be a disaster for our Nation. Unlike the President, who seems not to notice the unemployed or the undereducated, we cannot ignore them.

That is why the quality-of-life budget allocates $7.8 billion for elementary and secondary education and $8.63 billion for higher education. That is why this budget allocated $7.36 billion for employment and training programs. Some will ask how we can afford to spend so much for these programs. My responsed is, "How can we afford not to?"

The quality-of-life budget is a prime example of how our Nation should adequately fund the programs that support our Nation's human infrastructure—to ensure the education of our children, the employment and training of our citizens, and to preserve our Government's basic responsibilities to it's people.

Mr. LELAND. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, I want to commend the gentleman from Texas [Mr. LELAND] for offering this substitute. I fully support it.

I also want to respond to our good friend, the gentleman from Florida [Mr. BENNETT], one of the foremost thinkers in the area of defense. What he is saying is so true. We have already militarized the Earth with nuclear weapons, and now they want to militarize the heavens. This is the only budget that has a sensible approach in the whole area.

Defense is certainly covered. As Congresswoman SCHROEDER and Congressman DELLUMS said, it is a quality budget, not quantity. It has fairness to all the American people. It treats the retirees of this country fairly. It treats our young people fairly with respect to their educational needs and their nutrition programs. And frankly, it treats the American family fairly.

I want to compliment the gentleman from Texas and all those responsible for this budget, and I am proud to say that once again I am going to vote for the best budget offered to this Congress.

Mr. LELAND. Mr. Chairman, I yield 5 minutes to the gentleman from the District of Columbia, the Honorable WALTER FAUNTROY, the chairman of the Task Force on the Budget for the Congressional Black Caucus.

Mr. FAUNTROY. Mr. Chairman, I rise in support of the quality of life budget, and in so doing, I need not remind the Members that this budget is clearly the most socially responsible and fiscally responsible budget before us today. It is socially responsible because recognizing that the 20 percent of our national budget that has addressed human need sustained 60 percent of the cuts over the past 5 years, we have said "Enough is enough." We have said that we will maintain those programs at current service levels. That is socially responsible.

It is a fiscally responsible budget, as the distinguished gentleman from New York [Mr. RANGEL] has clearly pointed out. We go farther in reducing the deficit—paying on the principal, and not just the interest—than any budget before us. We deposit $18.8 billion on the principal over the next 3 years, which is $2 billion more than the House Budget Committee resolution, and $16 billion below what the Gramm-Rudman requirements are. We are fiscally responsible—fiscally responsible in that in addition we expand the investment tax credit so that those who want to invest to create jobs for the American people and to improve the quality of life for them will in fact be rewarded. We are fiscally responsible in that we raise the minimum corporate tax in the face of the fact that last year 40,000 corporations which made over $1 million in profits paid absolutely nothing in Federal taxes. That is fiscally irresponsible to allow that to continue, and we raise $3.5 billion with a minimum corporate tax of 25 percent and $28 billion in order to contribute to that deficit-reduction effort.

In the areas of housing and community development the budget is most clear in terms of supporting the quality of life. It supports local development efforts and the need of individuals and businesses to finance housing for the American people.

Even in these days of fiscal austerity and Gramm-Rudman-Hollings, the alternative budget rejects the proposals of the administration and cries out for social responsibility. Let me give you a few examples. Secion 202, which allocates money to housing for the elderly and the handicapped would have been eliminated under the administration's program, but the quality of life budget rejects this proposal and proposes $605 million in budget authority, enough money to build 12,000 new units. That does better than even the House budget proposal, which contains really a 3.5-percent cut, because if freezes the levels.

Similarly, the President's budget would eliminate the Farmers Home Loan Administration in 1986, choosing to combine it with HUD. Here again we reject this proposal, and we make it possible for 52,000 housing units to be built for the rural citizens of our Nation, and that does better than the House Budget Committee proposal, because it allows the 3.5-percent rise in current services dictated by inflation.

In addition, to contrast again with the President's budget, which proposes the elimination of credit programs of the Small Business Administration, our quality of life budget urges that these continue, and again we do not cut the Small Business Administration as does the freeze in the House committee budget proposal, but we allow that 3.5-percent increase or adjustment for inflation.

In the area of community and regional development, the quality of life budget again rejects the administration's proposals to decimate HUD-federally funded programs in housing. Instead, we retain the commitment at least at the present level, and thus do not cut it by 3.5-percent, as does the House Budget Committee proposal.

In support of housing for all Americans and their right to home ownership, we also reject the administration's efforts to assess user fees on Fannie Mae and to increase fees levied on Ginnie Mae.

Finally, we reject the administration's intent to cut both UDAG and the community development block grants. We not only reject the cuts, but we provide the increase in terms of adjustment for inflation.

These programs serve an indispensable role in revitalizing areas in which many poor and disadvantaged people live. Additionally, these funds will stimulate additional investments that will lead to new job opportunities, with increased employment and more taxpaying citizens, thereby enabling us to lower our deficit and the cost of unemployment.

The CHAIRMAN. The time of the gentleman from the District of Columbia [Mr. FAUNTROY] has expired.

Mr. FAUNTROY. Mr. Chairman, may I ask the distinguished gentleman from Oregon [Mr. DENNY SMITH] for 1 additional minute?

Mr. DENNY SMITH. I am sorry, I do not have the time.

Mr. FAUNTROY. The gentleman refuses, and I therefore terminate my presentation at this point.

Mr. LELAND. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, let me say as a member of the House Committee on the Budget, and as the chairman of the House Select Committee on Children, Youth and Families, that the challenge that this budget brings to the Congress is whether or not we as policymakers are going to match the rhetoric that we espouse on a daily basis to our constituents with the money to provide the benefits of the goals that we say we want to achieve in this country. And that is whether or not we want healthy families with healthy children, with healthy infants in those families. Because if we do not adopt this budget, it is just so much rhetoric, because both the House budget or the committee budget, the President's budget, and the alternatives by the other side fail to address the epidemics that are running amok in our society within our families.

□ 1230

They fail to address the 54 percent of our children in households headed by females who are living in poverty. They fail to address the headlong rush of women and children in this country, be they black, be they white, be they Hispanic, into poverty in numbers that we have never seen before.

They fail to address the political fact that all the numbers concerning families in this country are worse today than they were in 1980. We have more children in poverty, more women in poverty, more households split up, more youngsters on drugs, more youngsters taking their lives in suicide than in 1980.

We have tried this administration's plan and it has failed the American family.

For those politicians who recently participated in the Special Olympics around the country in their districts, you ought not to go back next year if you do not vote for this budget, because this is the only budget that addresses the serious problems of damaged pregnancies, of damaged children, because this is the only budget that expands the women's, infant's, and children's program at any meaningful level, the most vital program that we have in fighting the problem of retarded children, physically defective children through pregnancies that are at high risk.

The rest of the budget suggests that those women who are pregnant, who are at risk of giving birth to a low birth weight baby, they should just have to wait. Well, it may be news to people in this Congress, but pregnancies do not wait for fiscal years. They do not wait for continuing resolutions. They just continue to go along.

What we see is that we have a program that now dramatically reduces the incidence of low birth rate babies, the incidence of defective children being born and we refuse to fund it. This budget funds it.

This budget is the only budget that addresses what every one of us has talked about to our constituencies, teenage pregnancies, because it funds programs that in the last several years have been effective in reducing the teenage pregnancies where those programs exist by better than half, a 50-percent reduction in the pregnancies of babies having babies, and yet the other budgets refuse to address that problem.

What this budget does, it invests in our children. What the other budgets do is spend money on our failures. The choice is ours. Do we want to invest in these future generations so their opportunities and their chances for success, their opportunities to participate in American lifestyles that we cherish and hold dear, will we invest in an expansion of that opportunity or will we simply do as we have now done for many, many years, spend money on the failures? We will spend money on children in institutions. We will spend money on broken families. We will spend money on the handicapped, but we will not spend money to prevent it.

We know now today through all the medical studies, through all the changes in technology, we can now dramatically reduce those tragic incidents that occur in all American families should we desire to. Unfortunately, I think what the House will say today is that they really do not desire to.

Mr. LELAND. Mr. Chairman, I yield 5 minutes to the gentleman from Memphis, Tennessee [Mr. FORD].

Mr. FORD of Tennessee. Mr. Chairman, I rise in support of the Congressional Black Caucus alternative budget. As chairman of the Ways and Means Subcommittee on Public Assistance and Unemployment Compensation, I am deeply concerned that the Reagan administration's pro family rhetoric has translated into antifamily policy.

The administration has consecutively proposed and implemented budgetary policies which have resulted in the loss of $10 billion annually to programs serving the poor and children since 1980.

Today, as we debate the 1987 Federal budget, over 13 million children in America are poor; 12.4 percent of our elderly have incomes below the poverty line; and America ranks 14th in infant mortality. The plights of our poor, our elderly and our children are well documented.

The CBC alternative budget represents sound budgetary policy which not only reduces the Federal deficit below Gramm-Rudman-Hollings targets, but places the quality of life as its No. 1 priority.

We in this Congress must ensure future generations of a solvent government and a decent quality of life. The alternative budget does just that. I am pleased that the alternative budget contains provisions to help combat the rising tide of teen pregnancy and expansion of the AFDC Program to include unemployed parents.

The teen pregnancy grant allocations contained in this budget allows professionals and private citizens to work together in addressing ways in which to decrease the rising incidents of teen pregnancy and to promote the development of responsible, self sufficient teen parents.

The increased funding under the AFDC Program would allow for the implementation of AFDC benefits for unemployed two-parent families in all States.

Currently, it is estimated that 100,000 eligible families are falling deeper into poverty or facing the decision to break up their families in an effort to survive.

The CBC alternative provides $11.8 billion in budget authority for AFDC Programs. In contrast, the President's $9.2 billion budget authority is $278 million less than the 1986 budget authority level.

The Food Stamp Program, our Nation's major line of defense against hunger, calculates food costs based on June figures from the previous year. It would be unconscionable to prevent many of our Nation's poor from full access to nutritionally balanced meals.

The alternative budget would update the determination of food stamps to reflect an entire fiscal year.

The budget would also provide an additional 100 million to allow approximately 200,000 low-income women, infants and children at nutritional risk to receive desperately needed benefits.

Mr. Chairman, the alternative budget provides for $20.4 billion in food and nutritional assistance.

The administration's $18.1 billion budget authority is $775 million less than the 1986 budget authority to feed the poor, the elderly and most importantly, the children.

The 1987 quality of life budget proposes $1.01 trillion in outlays and $868.1 billion in revenues for a deficit of $143.81 billion, a figure below the specified Gramm-Rudman target of $144 billion.

The CBC alternative budget will not solve all of our problems, but it does address our Nation's social needs in a responsible and fiscally prudent manner.

We must remember that an investment in our basic needs today will pay long-range dividends in the future.

The alternative budget is a budget that I am prepared to support and I urge my colleagues to join with me in this effort.

Mr. LELAND. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. RODINO].

Mr. RODINO. Mr. Chairman, I rise to give my strong support to the "quality of life budget" substitute offered by the Congressional Black Caucus. As an original sponsor of this proposal, I believe that this budget satisfies our national budget priorities in a fair, balanced, and effective manner.

Most important, this budget meets our national deficit reduction goals without hurting the people who need Government assistance the most. It fully funds our social safety net and maintains the integrity of our domestic programs. It provides increased funding for hunger programs here in the United States. It targets money to meet the enormous challenges our Nation faces in education, housing, transportation, health, agriculture, and industry. And it will bring us into the future by rebuilding the country's

infrastructure and providing resources for essential research and development.

At the same time, the "quality of life budget" makes sure that our military is adequately funded to protect our Nation by maintaining sufficient spending for military personnel and readiness.

This budget achieves these goals by making sure that those who can afford it shoulder their proper burden in paying for our National Government. It calls for a reformed and equitable tax structure in which loopholes are closed and new revenues are raised through selected corporate and individual tax increases. At the same time, it reduces the tax burden on low- and moderate-income families.

Mr. Chairman, this is a fair budget—a "People" budget. It preserves "People Programs," maintains a strong defense, and lowers the deficit. I urge that we vote for this budget—make it a vote for our quality of life.

Mr. LELAND. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS. Mr. Chairman, I rise as a determined advocate of compassionate Federal spending. I rise to urge my colleagues to join with me in support of the Congressional Black Caucus alternative budget.

This alternative is as much an important statement of national policy as it is a prudent, efficient blueprint for Federal spending. This alternative is aimed at achieving objectives which no Member of this House would dispute—preserving a decent quality of life for all Americans while reducing the Federal deficit. This alternative offers an option we all can support. Indeed, I believe this is an alternative we all should support.

In crafting this alternative, quality of life budget, the Congressional Black Caucus has issued a challenge to this distinguished body. It is a challenge to exercise leadership; a challenge to set a new course; a challenge to forge public-private partnerships; not for the purpose of cutting back on social programs, but because we want to provide for the social good.

Certainly we all recognize the important responsibility we have to encourage the maximum use of all of our human resources—providing for a sensible, effective defense, while also guarding against any assaults on critical domestic programs.

We must question whether the proposals we have seen up to now really help us to meet our responsibility. I say no.

Recently, there have been many among us who have fought long and hard for some questionable goals. Instead of realizing efficiency in Federal spending, we have only experienced a painful shift in our national priorities.

THE ADMINISTRATION BUDGET

In recent years, we have heard a call to arms on one front, while we have thrown in the towel in fighting the good fight to protect the most defenseless among us. We have seen an unparalleled peacetime military buildup at the same time we have been witness to a cut and slash assault on programs that deal with real human need.

I am particularly concerned about the impact the administration budget will have for our Nation's cities. The city of Chicago—my home—offers a good example of this impact. Cuts in the Community Development Black Grant Program threaten dozens of programs providing for real need—everything from day care centers to home-delivered meals for senior citizens.

Cuts in urban development action grants could cost my city literally thousands of needed jobs along with the progress of many of our small businesses.

Other areas also are threatened. Millions of dollars are being diverted from health care for the poor, from education, from job training. The ability of cities, like Chicago, to provide a whole array of needed social services, to undertake critically needed improvements in housing and mass transit and to spark continued economic growth, all of these valid local interests stand to be seriously limited. Unquestionably, it is essential to the livelihood of our urban centers that drastic cuts be avoided.

Not only does the quality of life budget meet Gramm-Rudman goals, but it also meets important social goals. The quality of life budget truly lives up to its name in this regard: It restores life to education programs which have been targeted for reduction. It restores life to federally assisted housing programs threatened with decimation. It breathes life into health care programs—the Medicare and Medicaid Programs—relied upon by so many among us who have no alternatives.

The quality of life budget promises new life for the millions of Americans who need training to keep pace in a dynamic workplace. It avoids pulling the plug on our life supports in the area of farming—ensuring that we can provide the necessary food to wipe out hunger and malnutrition in this country.

Just as important, the quality of life budget provides for the effective protection of all our lives by providing for sensible defense funding—securing the national defense without sacrificing personnel benefits or readiness.

Just a word, Mr. Chairman, on this budget's proposed $300 million reduction for the Military Assistance Program [MAP]: A $300 million reduction in ESF—which still provides the levels proposed by the House Foreign Affairs Committee for Israel and Egypt.

There is no question that we have a duty to be mindful of fiscal responsibility as we attempt to balance competing needs and interests for the overall good. The Congressional Black Caucus quality of life budget is a shining example of just that kind of balance—ensuring that, while we are striving for fiscal responsibility, we do not, in turn, foresake other compelling responsibilities.

I urge my colleagues to consider the responsible alternative and vote in support of the Black Caucus quality of life budget.

Mr. LELAND. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. OWENS].

Mr. OWENS. Mr. Chairman, as previous speakers have noted, this quality of life budget is far more than just for the poor. It is budget for all American families. The quality of life budget is also a budget which takes into full consideration the long-term security of America in more ways than one. It not only has a budget amount for defense, which is above what Gramm-Rudman would be, but in many other ways it seeks to bolster the long-term security of America by addressing itself to the basic problems that we are facing over a long period of time.

Nobody wants a hot war. Nobody looks forward to a hot war, so there will be a long-term struggle between the Soviet Union's way of life and the way of life of the United States. In that long-term struggle, the winner will be that nation which addresses the problem of education and does it best.

Our star wars program, with the funding decreased in this budget, is a program which many of the leading scientists of this country have declared not only a wasteful program, but a dangerous program.

Of the brain power we need for the weapons of the future or the brain power we need to solve the problems of the future, whether those are problems in international diplomacy or problems of productivity, those problems will be solved by those coming from our colleges and universities.

This budget increases the amount of money for education. It launches a new initiative under the Effective Schools and Education Development Act.

It also has even with those increases the paltry sum of $16.2 billion. Both elementary and secondary education funding and higher education together amount to only about $16.2 billion. That total figure of $16.2 billion is actually only 6 percent—6 percent of the total Department of Defense budget in the regular budget offered by the Budget Committee.

This is a paltry sum when you stop to think that the security of the Nation in the long-run is dependent on the brain power pool that we have, the number and the quality of people we have who are able to do things that we have not yet even dreamed of.

Our elementary schools, our secondary schools, our higher education institutions will provide that kind of brain power. We will have that brain power only with Federal participation. Even though the Federal Government has only a small role to play, that role is a stimulant role. It is a role that if it were not there, many things would not happen as a result.

We have documented what the Federal involvement has already accomplished in the area of Head Start. We have documented how the Federal dollars have demonstrated what early childhood education can do. We have documented the role of the Federal Government in providing the funding for any youngster who wants to go to college, who has the ability to be able to do that under the various aid programs that we offer.

So education is for national security as well as for the improvement of the quality of life and this budget provides adequately for the funding of education.

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Mr. LELAND. Mr. Chairman, I yield 4½ minutes to the gentleman from Ohio [Mr. STOKES].

Mr. STOKES. I thank the gentleman for yielding this time to me.

Mr. Chairman, the Congressional Black Caucus quality of life budget for fiscal year 1987 is a budget that distributes this Nation's massive Federal resources in a way that is fair, equitable, and economically responsible. The CBC budget proposes $1.012 trillion in outlays, $868.1 billion in revenues, resulting in a deficit of $143.81 billion. By meeting and exceeding the fiscal year 1987 Gramm-Rudman deficit target of $144 billion, the CBC quality of life budget casts aside the conventional wisdom that our Nation lacks the necessary resources to maintain socially productive investments in education, health care, housing, and the public infrastructure, at the same time that we provide for the national defense.

Four years ago, the Reagan administration decided that reducing taxes and expanding the defense budget were more critical than protecting our most vulnerable citizens. As a result, from 1980 to 1983, Federal spending for low-income individuals dropped more than 15 percent, after adjusting for inflation. From 1979 to 1984, the average family income for the poorest fifth of all families, adjusted for inflation, dropped by nearly 24 percent. Thirteen million of America's children now live in poverty—half of them black children.

We as a nation no longer have any margin for human neglect. The CBC quality of life budget promotes a new investment policy in our Nation's children, youth, families, workers—our human resources.

An important element of this investment policy is a renewed commitment to the health of our Nation's citizens. The CBC has long believed that poor health, inadequate nutrition, and poverty can form a vicious cycle leading to loss of employment, productivity, and well-being. Ultimately, the progress and prosperity of the Nation rests upon a populace that is healthy and fit.

The CBC budget includes $40.2 billion in budget authority and $39.6 billion in outlays for function 550—Health. Compared to the amounts required to maintain current health services, after adjusting for inflation, the CBC budget recommends an additional $1.8 billion in budget authority and $1.1 billion in outlays for Medicaid and discretionary health programs. These recommendations will continue the Medicaid Program as it currently operates, including newly expanded services to pregnant women, children, and two-parent, low-income families. Additionally, the CBC budget includes the full amount required in fiscal year 1987 to maintain current law Medicare benefits and rejects proposed administration cuts.

The CBC budget also includes long overdue resources to expand health services provided in community health and mental health centers, family planning clinics, child and maternal health clinics, and through the National Health Service Corps. The need to expand the capacity of these programs has grown dramatically as the number of families living in poverty and without health insurance has multiplied and the number of elderly Americans unable to afford the high cost of medical care has grown. More than 10 million Americans, many living in medically underserved areas, now rely upon these programs for basic health care needs. Increasing the level of Federal support in this area is not only a cost-effective method of providing health care to those who need it, but also it is sound economic policy. Finally, the CBC budget includes $527 million over current services for health research activities and maintains current spending on health education and training activities, in contrast to the reductions proposed by the Reagan administration in these areas. The administration would set back our Nation's efforts to ameliorate the morbidity and mortality associated with diseases that kill millions of Americans each year. Moreover, the administration's budget proposals do not seriously consider the real health status gap that exists among blacks and whites in this Nation and the coexisting disparity among health professionals.

Mr. Chairman, today we face a major choice. We can continue down a bleak and desolate path of retreat and retrenchment in health care, or we can support the CBC quality of life budget which puts us on the road toward a responsible and compassionate Federal health policy. I urge you to adopt the CBC alternative. It leads us in the right direction.

Mr. LELAND. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. I thank the gentleman for yielding this time to me.

Mr. Chairman, it was said here today that we cannot do everything for everybody, but one thing is for sure: When we are overspending almost $50 billion in defense that is unnecessary and the Pentagon cannot even find, or has led us to believe it has not even expended almost $40 billion, that certainly will not do very much for this country.

The Black Caucus budget, and I commend the gentleman from Texas [Mr. LELAND], and all those Members who put this vehicle together, truly addresses the needs of the American people in the living rooms and the streets and in the actual life that they lead.

I am just hoping that the Members of this House take a look at this budget, because many people have a tendency, when they hear Black Caucus, not to look at it. This is the finest budget we have. Unfortunately it probably does not have a shot.

That is all I have to say. Mr. Chairman, I commend you, I commend the gentleman from California [Mr. DELLUMS], the gentlewoman from Colorado [Mrs. SCHROEDER], the gentleman from Florida [Mr. BENNETT], and all of you who have come together here who have let this country know that we are overexpending money for defense and we should start dealing with it equitably for all of our people.

Mr. LELAND. Mr. Chairman, I yield the remainder of my time to the honorable gentleman from Michigan [Mr. CONYERS], one of the greatest statesmen who has ever come to this body.

The CHAIRMAN. The gentleman from Michigan [Mr. CONYERS] is recognized for 1½ minutes.

Mr. CONYERS. I thank the gentleman for yielding this time to me.

Mr. Chairman, this marks the sixth year that the Congressional Black Caucus has introduced a budget, and in light of the priorities manifested in the administration's initial budget proposal, it is clear that the fiscal year 1987 alternative is greatly needed.

The alternative is the most far-reaching reform proposal to be offered

for consideration by the House because it is built on the premise that President Reagan's budget policies must be reversed and not reinforced.

In developing this budget, the caucus has sought to preserve our national commitment to fair treatment for urban and rural America, the elderly, the economically disadvantaged, students, the disabled, and small businesspersons. The alternative boldly challenges existing fiscal policies which have created the enormous mismatch between huge increases in military spending, on the one hand, and major reductions in human resource programs on the other.

The quality of life budget for fiscal year 1987 proposes $1,011.91 billion in outlays and $868.10 billion in revenues. This will produce a deficit of $143.8 billion for fiscal year 1987, an amount only $6 billion more than that produced by the House Budget Committee proposal. However, over the next 3 years, through a combination of military spending cuts and revenue increases, the quality of life budget plan would reduce the deficit to $62.58 billion, which is more than $9 billion below the third year goal of Gramm-Rudman.

We have rejected the wasteful excess in military expenditures by eliminating funding for such destabilizing weapons systems as the MX, Trident II, Pershing II, and cruise missiles. In addition, the caucus budget proposes a reduction in the number of troops stationed in Europe and Asia, changes in procurement policies which will reduce military waste and abuse, and a lessening of the threat of nuclear war through the support of a nuclear freeze and other arms control initiatives.

With respect to domestic program areas, the quality of life budget represents the best hope for our country, our communities, and our people for a budget policy which requires sacrifices of all, not just some. The Reagan administration's systematic retreat from its obligation to ensure economic and social justice for all citizens makes the approval of the alternative an imperative if we are to improve the quality of life of those who are least able to provide for themselves.

This budget also proposes to increase the efficiency and equity of the current Tax Code by eliminating various loopholes and tax shelters. At the same time it ensures that those at or near the poverty line would no longer be subject to taxes. Our tax proposal will raise $24.1 billion in additional revenues in fiscal year 1987, $34.0 billion in fiscal year 1988, and $33.5 billion in fiscal year 1989.

The quality of life budget is the one budget which across the United States is perhaps the most popular budget of all. It would find favor with more Americans than the President's or the House Budget Committee's budgets if America's citizens had a chance to vote on it.

One of the greatest misconceptions about the Congressional Black Caucus' budgets is that they only serve the interests of Black America. This is not true. It's a budget for everybody, designed to maintain the integrity of our national defense, propose significant tax reform, and maintain an effective level of funding for domestic programs. This budget is a carefully crafted and fiscally sound plan and I urge all of my colleagues to support it.

Mr. TOWNS. Mr. Chairman, yesterday, the House adopted House Concurrent Resolution 310, a measure expressing the sense of Congress that the farm loan system should be restructured. Unfortunately, this measure is only an expression of sentiment and does not carry the force of law. There is no doubt that the Nation's farmers are in the midst of a crisis and that something more than platitudes and rhetoric must be done to help them.

Mr. Chairman, the "quality of life" budget speaks to the needs of small family farmers. First, this budget resolution maintains the Farmers Home Administration as the major lender for new and established small-and mid-sized farm operators. FmHA was created to serve farmers who were unable to obtain credit anywhere else. We believe that the current direct loan structure, in FmHA, should be maintained. Moving to a guaranteed loan structure would virtually wipe out the small family farmer who would be unable to obtain credit from commercial lenders.

Second, this budget targets Federal support for farmers to those at greatest financial risk. It limits target price income support to farms primarily dependent on farm income and with gross product sale of no more than $200,000. Further, we raise target price levels to more adequately reflect costs of production for small and mid-sized farms. Producers with high off-farm income or corporate income are excluded from eligibility for deficiency payments.

In addition to these general concerns, the resolution reflects a particular concern about the plight of black farmers who are losing their land 2.5 times faster than white farmers. For example, in 1920, there were 1 million black farmers in the United States. In 1982, that number was 33,000, a drop of 97 percent. In 1910, blacks owned 16 million acres of farmland. By 1980, that number had dropped well below 4 million acres. FmHA has done little or nothing to reverse these statistics. The farm ownership loans are disproportionately low for minority farmers. For example, in the State of North Carolina in fiscal year 1984, 323 loans were awarded, 302 went to whites, 20 to blacks, and 1 to an American Indian. In Mississippi, during the same time period, 250 loans were awarded, 236 went to whites and 14 went to blacks.

Certainly, if the farm ownership loans are not being given to black and other minority farmers, we can expect a continuing decline in the number of minority farmers for the remainder of this century. Our resolution promotes the expansion of the limited resource loan program to address the particular needs of low-equity farmers, which are largely minority and small acreage farmers. I believe that this kind of effort, as represented in our budget resolution, will go a long way toward preserving the American family farmer. I hope those of my colleagues who are concerned about this issue will support the quality of life budget resolution.

Mr. HAWKINS. Mr. Chairman, I rise today in support of the fiscal year 1987 Alternative Quality of Life Budget. The alternative budget was cosponsored by a coalition of Members of this body under the leadership of the Congressional Black Caucus. CBC Chairman MICKEY LELAND deserves a sincere "thank you" for bringing together a cross section of this body's membership in order to offer a comprehensive, sound, and sane approach to this country's economic and fiscal future. This quality of life alternative budget is evidence that fiscal austerity does not have to translate into faulty economic policy or budget targets that deprive our Nation of future balanced economic growth. Moreover, this alternative budget does not deprive this Nation of its ongoing commitment to use foresight by investing in its most fragile, but still its most critical asset—its people.

The quality of life budget sets priorities for our national economy and for the needs of our people. It recognizes that chief among the determinants of a just and prosperous democratic society is an educated citizenry who are able to be productive participants in our economy. This budget aims to lessen and hopefully at some point to discontinue economic waste and the human tragedy of continued poverty, illiteracy, and unemployment throughout this Nation.

Specifically, the alternative budget proposes $1,011.91 billion in outlays for 1987, with $868.10 billion in revenues for a deficit of $143.81 billion; which is $190 million below the Gramm-Rudman targets. Under the quality of life budget outlays, the Federal deficit would decline to $62.58 billion by 1989 which is more than $9 billion below the third year goal of the Balanced Budget and Emergency Deficit Control Act of 1985 (Gramm-Rudman).

The beauty of this alternative budget is that it reaches the deficit reduction targets of Gramm-Rudman, while at the same time maintaining a reasonable level of funding for domestic programs whose number of eligible recipients are constantly increasing, and in many instances, the need and demand for certain domestic assistance programs by our constituents has surpassed present funding levels. Granted this administration offers privatization of historically Federal Government responsibilities as the alternative to several domestic programs, but the hope and promise of privatization is quickly outstripped by reality.

The reality is that America's prosperity is overshadowed by the fact that 34 million Americans live at or below the poverty level. Moreover, estimates indicate approximately 26 million Americans are illiterate with 46 million classed as marginally illiterate. And still over 8 million Americans remain unemployed. Private sector efforts will not harness enough of an initiative to stop this wave of loss resources. Thus, the quality of life budget takes note of the real suffering in this Nation, and moves

with compassion to lessen such suffering by investing in sound and efficient domestic programs.

The fiscal year 1987 alternative budget restores funding for all education programs targeted for reduction and provides funding for educational development initiatives such as effective school programs. Outlays for fiscal year 1987 are $7.8 billion for elementary and secondary education and $8.63 billion for higher education programs.

The alternative budget is designed to revive and fully implement the spirit of the Full Employment Act of 1946 and the Full Employment and Balanced Growth Act of 1978. The alternative budget provides reasonable funding for those programs authorized under the Job Training Partnership Act and proposes $278 million for the Work Incentive Program targeted for elimination by the administration. Included in the programs covered by the alternative budget's outlay of $7.36 billion for employment and training programs are the Summer Youth Employment Program, the Jobs Corps Program, and the Dislocated Workers Program.

The alternative budget also proposes the enactment of an Omnibus Productivity and Trade Incentive Program. This legislation's primary aim would be to curtail the continued decline in America's industries and to lessen the Nation's trade deficit. The measure would permit States and regions to execute plans that permit declining industries to retool and retrain their work forces to secure jobs in expanding sectors of the economy.

This Nation must take steps now to avert the pattern of shrinking industries and technological shortcomings in order to compete in expanding international markets. We must assure a decent quality of life for all Americans by maintaining our Nation's competitive edge and expanding our work force.

This quality of life budget alternative clearly gives the members of this body a real opportunity to vote for a package which will put us on a course toward full employment, balanced economic growth, and reduced suffering across this great Nation.

Mr. DIXON. Mr. Chairman, the Congressional Black Caucus alternative quality of life budget represents a joint effort by Members of Congress who are seriously concerned about the direction of this Nation's domestic and international policies under the Reagan administration. What has emerged is a major fiscal initiative that realigns our national priorities to ensure a decent and sustainable quality of life for all citizens.

The alternative budget calls for restoring domestic spending programs or health, education, housing, and transportation, while simultaneously funding programs that fight poverty and hunger in developing countries. It includes full funding for the Small Business Administration, which was targeted for elimination under the Reagan plan.

Although we believe that military reductions are necessary to balance domestic spending, we do not compromise nor jeopardize national security. In the area of international affairs, the alternative budget is well below the President's proposals, but it is far superior in terms of shifting priorities from security assistance to basic human and development needs of our allies and the poorest countries in the world.

Between fiscal year 1981 and fiscal year 1986, the President's military and security assistance programs have grown disproportionate to development assistance. Our Nation cannot afford to continue to seek military solutions to global problems. The alternative budget attempts to slow the rapid growth of security and military assistance, while at the same time increasing development assistance programs.

Americans are sympathetic to ending hunger, disease, and poverty throughout the world and the alternative budget continues slight increases in development assistance programs, including a 1-percent increase in the Public Law 480 food and peace assistance and refugee assistance, and an 8-percent increase for the Peace Corps and refugee assistance. The baseline funding is retained for international organizations and foreign information and exchange activities.

The alternative budget continues funding levels for multilateral development banks of $1.4 billion, that includes $75 million for the special facility for Africa to address the critical economic crisis in Africa. It also provides $75 million for the African Development Fund and $6.5 million for the African Development Foundation.

The confidence of the American people in our foreign policy emphasis may have been partially restored by several recent events including the forced exile of two totalitarian leaders with a record of human rights abuses—Ferdinand Marcos of the Philippines and Jean Claude Duvalier of Haiti. We must continue to shift the emphasis of our foreign policy initiatives to promote human rights and development assistance.

The alternative budget offers the best hope of returning to a more reasoned foreign policy based on basic human needs, humanitarian and development assistance, and less on military buildups in developing countries. For those Members who are really concerned about providing an alternative strategy to the current military focus on American foreign policy and improving development assistance to fight world hunger and disease in developing countries, I urge Members of Congress to support the substitute to the budget resolution offered by Representative LELAND.

Mr. GARCIA. Mr. Chairman, as a cosponsor of the Congressional Black Caucus' alternative quality of life budget, I would like to extend my support, and congratulate the caucus for the excellent work that they have done. The results of their efforts truly have produced a budget that enhances the quality of life of all Americans. Unlike the administration budget, which was a so-called family budget aimed at higher income families, the Black Caucus has maintained workable levels of spending for some very necessary programs. One important example is that it restores spending for educational programs the administration sought to reduce. Our schools, and the education of many of our children have fallen behind the levels of quality education offered by other countries to their children. How can we ignore our children's education and expect to maintain our level of leadership in the world? These children are tomorrow's leaders, and we cannot send them forth unprepared. The budget continues to fund programs under the Job Training Partnership Act—this program has been a fundamental source of job training for people in New York and nationwide. In the area of housing the CBC budget provides sufficient funding for 12,000 new units of elderly/handicapped housing—a program that despite Presidential promises to the contrary were scheduled for termination in the administration budget.

I think my colleagues will agree with me when I say that this is a budget we can live with, and one to be proud of. I would like to congratulate my friend MICKEY LELAND and the Congressional Black Caucus for the leadership they have shown in the fight for a fair budget.

Mr. DENNY SMITH. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Texas [Mr. LELAND].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. DENNY SMITH. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2, rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question, following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 125]

Ackerman	Bonker	Collins
Akaka	Borski	Combest
Alexander	Bosco	Conte
Anderson	Boucher	Conyers
Andrews	Boulter	Cooper
Annunzio	Boxer	Coughlin
Anthony	Breaux	Courter
Applegate	Brooks	Coyne
Archer	Broomfield	Craig
Armey	Brown (CA)	Crane
Aspin	Brown (CO)	Crockett
Atkins	Broyhill	Daniel
AuCoin	Bruce	Dannemeyer
Badham	Bryant	Darden
Barnard	Burton (IN)	Daschle
Barnes	Bustamante	Daub
Bartlett	Byron	Davis
Barton	Callahan	de la Garza
Bateman	Campbell	DeLay
Bates	Carney	Dellums
Bedell	Carper	DeWine
Beilenson	Carr	Dickinson
Bennett	Chandler	Dicks
Bentley	Chapman	DioGuardi
Bereuter	Chappell	Dixon
Berman	Chappie	Donnelly
Bevill	Cheney	Dorgan (ND)
Biaggi	Clay	Dornan (CA)
Bilirakis	Clinger	Dowdy
Bliley	Coats	Downey
Boehlert	Cobey	Dreier
Boggs	Coble	Duncan
Boland	Coelho	Durbin
Boner (TN)	Coleman (MO)	Dwyer
Bonior (MI)	Coleman (TX)	Dymally

Dyson
Early
Eckart (OH)
Eckert (NY)
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Fawell
Fazio
Feighan
Fiedler
Fields
Fish
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Fowler
Frank
Frenzel
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hansen
Hartnett
Hatcher
Hawkins
Hayes
Hefner
Henry
Hertel
Hiler
Hillis
Holt
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kastenmeier
Kemp
Kennelly
Kildee
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Long
Lott
Lowery (CA)
Lowry (WA)
Luken
Lundine
Lungren
Mack
MacKay
Madigan
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mitchell
Moakley
Molinari
Mollohan
Monson
Montgomery
Moody
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Oxley
Packard
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Perkins
Petri
Pickle
Porter
Price
Pursell
Quillen
Rahall
Rangel
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Rudd
Russo
Sabo
Savage
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Schumer
Seiberling
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Snyder
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Strang
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whitehurst
Whitley
Whittaker
Whitten
Williams
Wilson
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

□ 1305

The CHAIRMAN. Four hundred eighteen Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Oregon [Mr. DENNY SMITH] for a recorded vote. Five minutes will be allowed for the vote.

Does the gentleman from Oregon [Mr. DENNY SMITH] insist upon his request?

Mr. DENNY SMITH. I demand a recorded vote, Mr. Chairman.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 61, noes 359, answered "present" 1, not voting 12, as follows:

[Roll No. 126]

AYES—61

Ackerman
Akaka
Alexander
Barnes
Bedell
Beilenson
Berman
Boggs
Bonior (MI)
Boxer
Brown (CA)
Burton (CA)
Clay
Collins
Conyers
Coyne
Crockett
Dellums
Dixon
Dymally
Edwards (CA)
Evans (IL)
Foglietta
Ford (TN)
Frank
Garcia
Gonzalez
Hawkins
Hayes
Hoyer
Jacobs
Kastenmeier
Kildee
Lehman (FL)
Leland
Lowry (WA)
Markey
Martinez
Mikulski
Miller (CA)
Mineta
Mitchell
Moody
Oakar
Owens
Perkins
Rangel
Rodino
Roybal
Savage
Schroeder
Stark
Stokes
Torres
Towns
Traficant
Visclosky
Waxman
Weiss
Wheat
Yates

NOES—359

Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Badham
Barnard
Bartlett
Barton
Bateman
Bates
Bennett
Bentley
Bereuter
Bevill
Biaggi
Bilirakis
Bliley
Boehlert
Boland
Boner (TN)
Bonker
Borski
Bosco
Boucher
Boulter
Breaux
Brooks
Broomfield
Brown (CO)
Broyhill
Bruce
Bryant
Burton (IN)
Bustamante
Byron
Callahan
Campbell
Carney
Carper
Carr
Chandler
Chapman
Chappell
Chappie
Cheney
Clinger
Coats
Cobey
Coble
Coelho
Coleman (MO)
Coleman (TX)
Combest
Conte
Cooper
Coughlin
Courter
Craig
Crane
Daniel
Dannemeyer
Darden
Daschle
Daub
Davis
de la Garza
DeLay
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Donnelly
Dorgan (ND)
Dornan (CA)
Dowdy
Downey
Dreier
Duncan
Durbin
Dwyer
Dyson
Early
Eckart (OH)
Eckert (NY)
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Fascell
Fawell
Fazio
Feighan
Fiedler
Fields
Fish
Flippo
Florio
Ford (MI)
Fowler
Frenzel
Frost
Fuqua
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Goodling
Gordon
Gradison
Gray (IL)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hansen
Hartnett
Hatcher
Hefner
Henry
Hertel
Hiler
Hillis
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jeffords
Jenkins
Johnson
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kasich
Kemp
Kennelly
Kindness
Kleczka
Kolbe
Kolter
Kostmayer
Kramer
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Loeffler
Long
Lott
Lowery (CA)
Luken
Lundine
Lungren
Mack
Madigan
Manton
Marlenee
Martin (IL)
Martin (NY)
Matsui
Mavroules
Mazzoli
McCain
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
McKinney
McMillan
Meyers
Mica
Michel
Miller (OH)
Miller (WA)
Moakley
Molinari
Mollohan
Monson
Montgomery
Moore
Moorhead
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oberstar
Obey
Olin
Ortiz
Oxley
Packard
Panetta
Parris
Pashayan
Pease
Penny
Pepper
Petri
Pickle
Porter
Price
Pursell
Quillen
Rahall
Ray
Regula
Reid
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Roe
Roemer
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Rudd
Russo
Sabo
Saxton
Schaefer
Schneider
Schuette
Schulze
Schumer
Seiberling
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Sikorski
Siljander
Sisisky
Skeen
Skelton
Slattery
Slaughter
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Snyder
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stenholm
Strang
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torricelli
Traxler
Udall
Valentine
Vander Jagt
Vento
Volkmer
Vucanovich
Walgren
Walker
Watkins
Weaver
Weber
Whitehurst
Whitley
Whittaker
Whitten
Williams
Wilson
Wirth
Wise
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yatron
Young (AK)
Young (FL)
Young (MO)
Zschau

ANSWERED "PRESENT"—1

Gray (PA)

NOT VOTING—12

Derrick	Grotberg	Lujan
Edgar	Heftel	MacKay
Foley	Hendon	O'Brien
Franklin	Hunter	Scheuer

□ 1315

The Clerk announced the following pair:

On this vote:

Mr. Scheuer for, with Mr. O'Brien against.

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. LATTA

Mr. LATTA. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. LATTA: Strike out all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1987 is established and the appropriate budgetary levels for fiscal years 1988 and 1989 are set forth.

(a) The following levels and amounts are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1987: $849,700,000,000.
Fiscal year 1988: $929,700,000,000.
Fiscal year 1989: $999,200,000,000.

(2) The appropriate levels of total budget are as follows:

Fiscal year 1987: $1,081,500,000,000.
Fiscal year 1988: $1,156,500,000,000.
Fiscal year 1989: $1,204,800,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1987: $993,500,000,000.
Fiscal year 1988: $1,044,700,000,000.
Fiscal year 1989: $1,074,100,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1987: $143,800,000,000.
Fiscal year 1988: $115,000,000,000.
Fiscal year 1989: $74,900,000,000.

(b) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1986, October 1, 1987, and October 1, 1988:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1987: $636,400,000,000.
Fiscal year 1988: $689,100,000,000.
Fiscal year 1989: $738,100,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1987: $5,700,000,000.
Fiscal year 1988: $8,700,000,000.
Fiscal year 1989: $7,900,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1987: $55,700,000,000.
Fiscal year 1988: $60,150,000,000.
Fiscal year 1989: $64,250,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1987: $859,100,000,000.
Fiscal year 1988: $902,600,000,000.
Fiscal year 1989: $926,800,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1987: $789,600,000,000.
Fiscal year 1988: $827,700,000,000.
Fiscal year 1989: $842,500,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1987: $153,200,000,000.
Fiscal year 1988: $138,600,000,000.
Fiscal year 1989: $104,400,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1987: $2,319,600,000,000.
Fiscal year 1988: $2,516,900,000,000.
Fiscal year 1989: $2,685,100,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1986, October 1, 1987, and October 1, 1988, are as follows:

Fiscal year 1987:
(A) New direct loan obligations, $32,676,081,000.
(B) New primary loan guarantee commitments, $99,104,636,000.

Fiscal year 1988:
(A) New direct loan obligations, $30,574,032,000.
(B) New primary loan guarantee commitments, $90,174,950,000.

Fiscal year 1989:
(A) New direct loan obligations, $28,468,058,000.
(B) New primary loan guarantee commitments, $92,047,691,000.

(c) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1987 through 1989 for each major functional category are:

(1) National Defense (050):

Fiscal year 1987:
(A) New budget authority, $293,000,000,000.
(B) Outlays, $280,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $303,500,000,000.
(B) Outlays, $287,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1989:
(A) New budget authority, $315,100,000,000.
(B) Outlays, $297,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(2) International Affairs (150):

Fiscal year 1987:
(A) New budget authority, $17,200,000,000.
(B) Outlays, $14,100,000,000.
(C) New direct loan obligations, $7,200,215,000.
(D) New primary loan guarantee commitments, $12,213,177,000.

Fiscal year 1988:
(A) New budget authority, $17,900,000,000.
(B) Outlays, $14,200,000,000.
(C) New direct loan obligations, $7,413,000,000.
(D) New primary loan guarantee commitments, $12,717,771,000.

Fiscal year 1989:
(A) New budget authority, $21,600,000,000.
(B) Outlays, $13,700,000,000.
(C) New direct loan obligations, $7,668,591,000.
(D) New primary loan guarantee commitments, $13,233,992,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1987:
(A) New budget authority, $8,900,000,000.
(B) Outlays, $8,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $8,900,000,000.
(B) Outlays, $8,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1989:
(A) New budget authority, $8,900,000,000.
(B) Outlays, $8,800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1987:
(A) New budget authority, $4,500,000,000.
(B) Outlays, $4,400,000,000.
(C) New direct loan obligations, $2,018,355,000.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $4,600,000,000.
(B) Outlays, $4,200,000,000.
(C) New direct loan obligations, $2,001,095,000.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1989:
(A) New budget authority, $4,800,000,000.
(B) Outlays, $3,700,000,000.
(C) New direct loan obligations, $1,982,755,000.
(D) New primary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):

Fiscal year 1987:
(A) New budget authority, $12,000,000,000.
(B) Outlays, $12,400,000,000.
(C) New direct loan obligations, $69,992,000.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1988:
(A) New budget authority, $11,700,000,000.
(B) Outlays, $12,000,000,000.
(C) New direct loan obligations, $69,992,000.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1989:
(A) New budget authority, $11,500,000,000.
(B) Outlays, $11,900,000,000.
(C) New direct loan obligations, $69,992,000.
(D) New primary loan guarantee commitments, $0.

(6) Agriculture (350):

Fiscal year 1987:
(A) New budget authority, $23,900,000,000.
(B) Outlays, $23,700,000,000.
(C) New direct loan obligations, $14,279,705,000.
(D) New primary loan guarantee commitments, $8,006,000,000.

Fiscal year 1988:
(A) New budget authority, $26,300,000,000.
(B) Outlays, $25,000,000,000.
(C) New direct loan obligations, $12,077,605,000.
(D) New primary loan guarantee commitments, $8,506,000,000.
Fiscal year 1989:
(A) New budget authority, $25,600,000,000.
(B) Outlays, $21,800,000,000.
(C) New direct loan obligations, $11,285,451,000.
(D) New primary loan guarantee commitments, $8,506,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1987:
(A) New budget authority, $9,400,000,000.
(B) Outlays, $2,600,000,000.
(C) New direct loan obligations, $3,306,039,000.
(D) New primary loan guarantee commitments, $53,730,610,000.
Fiscal year 1988:
(A) New budget authority, $9,500,000,000.
(B) Outlays, $5,400,000,000.
(C) New direct loan obligations, $3,230,546,000.
(D) New primary loan guarantee commitments, $43,234,530,000.
Fiscal year 1989:
(A) New budget authority, $6,600,000,000.
(B) Outlays, $600,000,000.
(C) New direct loan obligations, $3,515,126,000.
(D) New primary loan guarantee commitments, $44,169,950,000.
(8) Transportation (400):
Fiscal year 1987:
(A) New budget authority, $27,300,000,000.
(B) Outlays, $27,100,000,000.
(C) New direct loan obligations, $502,138,000.
(D) New primary loan guarantee commitments, $70,000,000.
Fiscal year 1988:
(A) New budget authority, $27,800,000,000.
(B) Outlays, $26,200,000,000.
(C) New direct loan obligations, $401,166,000.
(D) New primary loan guarantee commitments, $70,000,000.
Fiscal year 1989:
(A) New budget authority, $28,300,000,000.
(B) Outlays, $26,000,000,000.
(C) New direct loan obligations, $201,237,000.
(D) New primary loan guarantee commitments, $70,000,000.
(9) Community and Regional Development (450):
Fiscal year 1987:
(A) New budget authority, $6,000,000,000.
(B) Outlays, $7,200,000,000.
(C) New direct loan obligations, $642,122,000.
(D) New primary loan guarantee commitments, $202,149,000.
Fiscal year 1988:
(A) New budget authority, $6,500,000,000.
(B) Outlays, $6,700,000,000.
(C) New direct loan obligations, $900,794,000.
(D) New primary loan guarantee commitments, $204,149,000.
Fiscal year 1989:
(A) New budget authority, $6,100,000,000.
(B) Outlays, $6,000,000,000.
(C) New direct loan obligations, $722,614,000.
(D) New primary loan guarantee commitments, $205,149,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1987:
(A) New budget authority, $30,500,000,000.
(B) Outlays, $30,000,000,000.
(C) New direct loan obligations, $1,271,420,000.
(D) New primary loan guarantee commitments, $8,980,000,000.
Fiscal year 1988:
(A) New budget authority, $30,400,000,000.
(B) Outlays, $30,200,000,000.
(C) New direct loan obligations, $1,110,420,000.
(D) New primary loan guarantee commitments, $9,285,000,000.
Fiscal year 1989:
(A) New budget authority, $30,500,000,000.
(B) Outlays, $30,500,000,000.
(C) New direct loan obligations, $922,420,000.
(D) New primary loan guarantee commitments, $9,500,000,000.
(11) Health (550):
Fiscal year 1987:
(A) New budget authority, $37,900,000,000.
(B) Outlays, $38.000,000,000.
(C) New direct loan obligations, $21,650,000.
(D) New primary loan guarantee commitments, $275,000,000.
Fiscal year 1988:
(A) New budget authority, $39,800,000,000.
(B) Outlays, $40,000,000,000.
(C) New direct loan obligations, $22,900,000.
(D) New primary loan guarantee commitments, $275,000,000.
Fiscal year 1989:
(A) New budget authority, $42,000,000,000.
(B) Outlays, $41,900,000,000.
(C) New direct loan obligations, $29,900,000.
(D) New primary loan guarantee commitments, $275,000,000.
(12) Medicare (570):
Fiscal year 1987:
(A) New budget authority, $82,500,000,000.
(B) Outlays, $73,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $90,500,000,000.
(B) Outlays, $81,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $99,900,000,000.
(B) Outlays, $90,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1987:
(A) New budget authority, $159,600,000,000.
(B) Outlays, $121,500,000,000.
(C) New direct loan obligations, $1,796,527,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $166,500,000,000.
(B) Outlays, $127,900,000,000.
(C) New direct loan obligations, $1,811,569,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $169,100,000,000.
(B) Outlays, $133,000,000,000.
(C) New direct loan obligations, $689,196.000.
(D) New primary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1987:
(A) New budget authority, $5,500,000,000.
(B) Outlays, $5,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $6,100,000,000.
(B) Outlays, $6,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $6,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1987:
(A) New budget authority, $27,100,000,000.
(B) Outlays, $26,600,000,000.
(C) New direct loan obligations, $1,567,918,000.
(D) New primary loan guarantee commitments, $15,627,700,000.
Fiscal year 1988:
(A) New budget authority, $27,600,000,000.
(B) Outlays, $27,200,000,000.
(C) New direct loan obligations, $1,534,855,000.
(D) New primary loan guarantee commitments, $15,882,500,000.
Fiscal year 1989:
(A) New budget authority, $27,800,000,000.
(B) Outlays, $27,400,000,000.
(C) New direct loan obligations, $1,380,776,000.
(D) New primary loan guarantee commitments, $16,087,600,000.
(16) Administration of Justice (750):
Fiscal year 1987:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $7,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $7,100,000,000.
(B) Outlays, $7,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $7,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1987:
(A) New budget authority, $5,200,000,000.
(B) Outlays, $5,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $5,300,000,000.
(B) Outlays, $5,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $5,200,000,000.
(B) Outlays, $5,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(18) General Purpose Fiscal Assistance (850):
Fiscal year 1987:

(A) New budget authority, $1,800,000,000.
(B) Outlays, $2,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $1,900,000,000.
(B) Outlays, $1,900,000,000.
(C) New direct loan obligations, $0.
(D) New Primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $1,900,000,000.
(B) Outlays, $1,900,000,000.
(C) New direct loan obligations, $0.
(D) New Primary loan guarantee commitments, $0.
(19) Net Interest (900):
Fiscal year 1987:
(A) New budget authority, $144,000,000,000.
(B) Outlays, $144,000,000,000.
(C) New direct loan obligations, $0.
(D) New Primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $153,000,000,000.
(B) Outlays, $153,000,000,000.
(C) New direct loan obligations, $0.
(D) New Primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $151,000,000,000.
(B) Outlays, $151,000,000,000.
(C) New direct loan obligations, $0.
(D) New Primary loan guarantee commitments, $0.
(20) Allowances (920):
Fiscal year 1987:
(A) New budget authority, $700,000,000.
(B) Outlays, $800,000,000.
(C) New direct loan obligations, $0.
(D) New Primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $2,400,000,000.
(B) Outlays, $2,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $3,900,000,000.
(B) Outlays, $4,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 1987:
(A) New budget authority, $−44,900,000,000.
(B) Outlays, $−44,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $−44,700,000,000.
(B) Outlays, $−44,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $−46,900,000,000.
(B) Outlays, $−46,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

RECONCILIATION

SEC. 2. (a) Not later than June 5, 1986, the committees named in subsections (c) through (l) of this section shall submit their recommendations to the House Budget Committee. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

"(b) The following rules shall apply in the House of Representatives with respect to any reconciliation bill reported or considered pursuant to this resolution:

(1) No provision shall be reported in the House in any reconciliation bill pursuant to this resolution or be in order as an amendment thereto in the House or Committee of the Whole, which is not related to achieving the purposes of the directives to House committees contained in this resolution.

(2) Nothing in this subsection shall be construed to prevent the consideration of any provision in a reconciliation bill, or any amendment thereto, which achieves savings greater than those directed of a committee and which conforms to paragraph (3) of this subsection, or to prevent the consideration of motions to strike made in order by the Committee on Rules to achieve the purposes of the directives.

(3) For the purposes of this subsection, a provision shall be considered related to achieving the purposes of directives contained in this resolution on the budget if it is estimated by the House Committee on the Budget, in consultation with the Congressional Budget Office, to effectuate or implement a reduction in budget authority or in new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act, or to raise revenues, or both, and, in the case of an amendment, if it is within (in whole or in part) the jurisdiction of any committee instructed in this resolution.

(4) The point or order established by this subsection shall not apply to Senate amendments or to conference reports.

HOUSE COMMITTEES

(c) The House Committee on Agriculture shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $−94,000,000 in budget authority and $−119,000,000 in outlays in fiscal year 1987, $−53,000,000 in budget authority and $−53,000,000 in outlays in fiscal year 1988, and $−49,000,000 in budget authority and $−49,000,000 in outlays in fiscal year 1989.

(d) The House Committee on Banking, Finance and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $−2,000,000,000 in budget authority and $−2,579,000,000 in outlays in fiscal year 1987, $−2,000,000,000 in budget authority and $−2,314,000,000 in outlays in fiscal year 1988, and $−2,000,000,000 in budget authority and $−2,000,000,000 in outlays in fiscal year 1989.

(e) The House Committee on Education and Labor shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $−289,000,000 in budget authority and $−266,000,000 in outlays in fiscal year 1987, $−484,000,000 in budget authority and $−439,000,000 in outlays in fiscal year 1988, and $−574,000,000 in budget authority and $−554,000,000 outlays in fiscal year 1989.

(f) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $−1,719,000,000 in budget authority and $−2,421,000,000 in outlays in fiscal year 1987, $−321,000,000 in budget authority and $−1,651,000,000 in outlays in fiscal year 1988, and $−308,000,000 in budget authority and $−2,591,000,000 outlays in fiscal year 1989.

(g) The House Committee on Interior and Insular Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $−135,000,000 in budget authority and $−135,000,000 in outlays in fiscal year 1987, $−136,000,000 in budget authority and $−136,000,000 in outlays in fiscal year 1988, and $−137,000,000 in budget authority and $−137,000,000 in outlays in fiscal year 1989.

(h) The House Committee on the Judiciary shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $−26,000,000 in budget authority and $−17,000,000 in outlays in fiscal year 1987, $−26,000,000 in budget authority and $−25,000,000 in outlays in fiscal year 1988, and $−25,000,000 in budget authority and $−25,000,000 in outlays in fiscal year 1989.

(i) The House Committee on Merchant Marine and Fisheries shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and

outlays, or (3) any combination thereof, as follows: $-75,000,000 in budget authority and $-75,000,000 in outlays in fiscal year 1987, $-75,000,000 in budget authority and $-75,000,000 in outlays in fiscal year 1988, and $-75,000,000 in budget authority and $-75,000,000 in outlays in fiscal year 1989.

(j) The House Committee on Post Office and Civil Service shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $0 in budget authority and $-1,057,000,000 in outlays in fiscal year 1987, $0 in budget authority and $-1,711,000,000 in outlays in fiscal year 1988, and $0 in budget authority and $-2,906,000,000 in outlays in fiscal year 1989.

(k) The House Committee on Public Works and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays, (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays, or (3) any combination thereof, as follows: $-1,283,000,000 in budget authority and $-331,000,000 in outlays in fiscal year 1987, $-1,317,000,000 in budget authority and $-545,000,000 in outlays in fiscal year 1988, and $-1,351,000,000 in budget authority and $-636,000,000 in outlays in fiscal year 1989.

(l) The House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee sufficient to reduce the budget deficit by $-2,579,000,000 in fiscal year 1987; to reduce the budget deficit by $-4,958,000,000 in fiscal year 1988; and to reduce the budget deficit by $-4,018,000,000 in fiscal year 1989.

FOREIGN AGRICULTURAL INVESTMENT REFORM

SEC. 3. It is the sense of the Congress that the use of foreign aid funds for financing the foreign production for export use of agricultural commodities already in surplus on world markets is a counter-productive use of American tax dollars as well as devastating to the American farmer who loses export markets from the unfairly subsidized competition.

COOPERATIVE EXTENSION SERVICE

SEC. 4. It is the sense of the Congress that Federal funds for the Cooperative Extension Service of the Department of Agriculture should be maintained at a level sufficient to carry out fully the vital services it is providing to rural America during a time of extreme stress. It is further assumed that this funding will be used especially to support and strengthen such core programs as 4-H Youth Development, Home Economics and Family Living, Natural Resources and Community Development, and services that provide agricultural financial analysis and farm management instruction.

STRATEGIC PETROLEUM RESERVE

SEC. 5. It is the sense of the Congress that the policy to fill the Strategic Petroleum Reserve to a capacity of 750 million barrels be reaffirmed. It is also recommended that the Federal Government purchase oil from domestic stripper suppliers to fill the Strategic Petroleum Reserve.

GENERAL REVENUE SHARING

SEC. 6. The spending levels contained in section 1 of this resolution would not preclude funding for an extension of general revenue sharing under the State and Local Assistance Act of 1972 through the end of fiscal year 1989 if an authorization for such funding is enacted into law.

DEBT COLLECTION

SEC. 7. It is the sense of the Congress that, despite recent emphasis, there is more that can be done to identify and accelerate the collection of debts owed to the United States Government. It is further the sense of the Congress that the administration should redouble its efforts to make debt collection its highest management priority and to formalize government-wide procedures to identify and collect debts.

The Office of Management and Budget shall submit to the Speaker of the House and to the President pro tempore of the Senate, for referral to the appropriate Committees of jurisdiction, by September 1, 1986, a report on the administration's debt collection efforts. The report shall address the following topics: (1) the latest estimate of the outstanding volume of debt owed to the United States Government, (2) the amount of debt collection that is assumed in the administration's fiscal year 1987 budget, (3) the formal procedures established within the Executive Branch to identify and collect debts, (4) additional administrative actions that could accelerate debt collections above the level already assumed, including the possibility of consolidated administration of debt management and collection, and (5) legislative proposals to further improve debt collection.

The House and Senate Budget Committees request that the appropriate Committees of the House and Senate carefully review this report, hold hearings and formulate in an expeditious fashion legislation to improve the collection of debt owed to the government.

COMMITTEE REVIEW OF THE PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

SEC. 8. It is the sense of the Congress that—

(1) each of its standing committees should review and study on a continuing basis those portions of the President's Private Sector Survey on Cost Control affecting subjects within its jurisdiction; and

(2) each report of any such committee on a bill or joint resolution of a public character should contain an identification of each recommendation of the President's Private Sector Survey on Cost Control related to such bill or resolution and the estimated dollar amount of program cost savings or revenue enhancement as a result of the implementation of each such recommendation.

RED RIVER WATERWAY

SEC. 9. It is the sense of the Congress that amounts within major functional category 300 (Natural Resources and Environment) be made available to continue construction of the Red River Waterway, Mississippi River to Shreveport, Louisiana project, as authorized in the Rivers and Harbors Act of 1968.

The CHAIRMAN. Pursuant to House Resolution 455, the amendment in the nature of a substitute is considered as having been read.

The gentleman from Ohio [Mr. LATTA] will be recognized for 1 hour, and a Member opposed thereto will be recognized for 1 hour.

The Chair recognizes the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Chairman, I yield myself 5½ minutes.

Mr. Chairman, the substitute we propose calls for revenues slightly lower than the administration requested and much lower than those called for in the Democrat budget, as a matter of fact, the Democrat budget calls for $54 billion in new taxes over the next 3 years.

We call for setting budget authority for the defense function at a level somewhat less than the other body approved, but substantially above the disastrously low level proposed by the Democrats. Our budget authority figure of $293 billion for defense would permit 2-percent growth beyond the fiscal year 1986 level following this spring's Gramm-Rudman sequestration. It would permit pay increases for military and civilian personnel of 3 percent this coming January 1.

During the past 5 years the Reagan administration reversed an alarming decline in defense and strengthened our military capabilities. It seems more than foolish to start dismantling our defense at a time when we need it most, to bargain from a position of strength with the Soviet Union on arms control and other issues of vital concern to the free world and to counter threats to world peace from Soviet satellites and terrorists.

We have budgeted improvements in a number of important nondefense programs. For example, we provide for improved State Department and embassy security to meet the terrorist threat. The FHA mortgage insurance levels would be further increased to accommodate the growth in housing sales. Law enforcement programs would be increased by $165 million. Additional customs inspectors would be hired to improve customs collections and better monitor the flow of imports. Funding of the Internal Revenue Service would be increased to provide better taxpayer service and improve collections. Nondefense personnel also would get the same 3-percent pay increase going to defense personnel January 1.

Civilian and military retirees of the Federal Government would get the same 2-percent cost-of-living adjustment in pensions that we are assuming for Social Security recipients in January.

In order to get to the $144 billion maximum deficit for fiscal year 1987 stipulated by Gramm-Rudman, we are freezing most nondefense discretionary spending, terminating some unnecessary programs, and cutting some programs below the freeze level.

We would cut the legislative branch appropriations 8 percent below the freeze level. This would demonstrate that Congress is willing to share in the sacrifices needed to achieve a balanced budget.

Our farmers need help and for this reason we provide more for agriculture than any other proposed budget.

In Medicare we would avoid increasing the out-of-pocket costs to beneficiaries. The deductible now stands at $492—a figure too high for many elderly Americans. We would freeze this deductible so that it would not go up to $579 as scheduled next year. The Democrat budget would increase the deductible to $540.

We would increase Head Start to postsequester levels. The Women's, Infants, and Children's Supplemental Food Program would not be subjected to the freeze.

Sufficient funding is allowed for continued construction and filling of the strategic petroleum reserve at currently authorized levels.

We assume the sale of Conrail, the sale of the college housing and loan portfolio, and the marketing of new nonrecourse loans. There would be some new user fees, to help recover the cost of government activities that only benefit certain groups.

The Economic Development Administration, urban development action grants, and community development block grants would be retained, but trimmed by 10 percent.

The Amtrak subsidy would be reduced by 20 percent, and transit operating subsidies by 15 percent.

The programs we would terminate have outlived their usefulness such as the Appalachian Regional Commission and the HoDAG rental housing development grants. The latter program is an expensive, untargeted housing construction program which has proved not cost effective when compared to other approaches to low-income housing. We also would terminate the Interstate Commerce Commission, which has had its workload cut in half by transportation deregulation, and transfer its remaining functions to other agencies. We would end impact aid to education, part B, to all but the most severly impacted districts. General revenue sharing's future would be left to the authorizing committee.

It is important to terminate those programs found to be unnecessary or beyond the capabilities of the Federal Government at this time. If we keep them alive at a reduced level, special interests may ultimately persuade the big congressional spenders to restore the higher levels. The net result is the public continues to be saddled with programs we do not need and cannot afford and nothing is accomplished in deficit reduction.

Mr. Chairman, this is a budget the majority should support. There are no tax increases. Money is provided for keeping the strength we have in national defense. We make improvements in other programs where they will do the most good. We weed out or reduce other programs where the spending is wasteful. And we are below the Gramn-Rudman target of $144 billion for fiscal year 1987.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Chairman, I want to associate myself with the remarks of the gentleman from Ohio [Mr. LATTA], I commend him and his colleagues for bringing this budget before us, and I urge its support.

Mr. Chairman, I rise today in opposition to House Concurrent Resolution 337 and in support of the Republican alternative. Although the Republican alternative is not perfect, it is clearly a more realistic policy statement in light of recent budget history. I would like to focus on two specific areas in which there is significant disagreement.

First, I believe that it is necessary to sustain an appropriate level of American strength so that we can defend ourselves and meet this Nation's global commitments in an increasingly dangerous world. Although I wish we lived in a world where defense spending was unnecessary, the realities of the current situation such as the brutal Soviet invasions of Hungary, Czechoslovakia, and Afghanistan, international interventions by Castro and state-sponsored terrorism by Qadhafi and Khomeini point to a different conclusion. Arms control negotiations are more likely to succeed if we deal from a position of strength. In addition, the American people should understand that unlike most social programs which can also be performed by State and local governments, defense program is the primary responsibility of the Federal Government and cannot be performed by other entities.

Mr. Chairman, the U.S.S.R. applies 17 percent of its GNP and 50 percent of its budget to defense. However, defense spending in the United States amounts to only 6.4 percent of our GNP and 26 percent of the Federal budget, reducing defense spending at this time to the amount proposed in the Democratic budget would be irresponsible. It is interesting to note that President Kennedy's last budget had defense spending at 9 percent of GNP and 50 percent of the Federal budget. Frankly, I don't think the defense figures in the alternative are high enough. I hope they can be increased in conference.

Second, I find it unacceptable that the Democrat budget proposal would increase taxes by $54 billion over the next 3 years under the premise that it would be used in reducing the deficit and that no more social spending reductions are available. Who are they trying to fool. This has already been tried and what occurred was increased social spending and larger deficits. Moreover, Federal revenues are already projected to increase from $776 billion in fiscal year 1986 to $844 in fiscal year 1987 even without a tax increase due to strong economic growth. The electorate decided in the 1984 election that deficits should be tamed through spending cuts and not tax increase. Maybe some of my colleagues need to be reminded of that again this year. Mr. Chairman, I urge my colleagues to oppose the House Concurrent Resolution 337 and support the Republican alternative.

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Mr. GRAY of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. LATTA. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. GRADISON].

Mr. GRADISON. Mr. Chairman, I am sure there will be an unreal quality about the debate on the Republican substitute. Those who favor the Democratic version know its weaknesses: that it is too high on taxes, that it is too low on defense. And they know their numbers won't hold up in conference with the Senate. Privately we are being told by Democrats about their own plan: "not to worry, more realistic figures will be agreed to later."

But, why wait? Why go on record in favor of numbers that cannot be defended on this floor to say nothing of back home? We can vote now for the right numbers. We can vote now for numbers likely to come out of conference. We can vote now for a truly bipartisan plan.

Let there be no mistake. The Budget Committee has not brought us a bipartisan budget. I suppose that's because they don't want one, although it may be because they don't know how it's done. It's not very difficult. It can be done as we've seen in the other body which approved a truly bipartisan plan by a 3-to-1 margin.

It's puzzling to this Republican Member to see Democrats in the House adopt a party-line approach to the budget rather than following the example of their Democratic counterparts in the other body. Here, of course, we have a blatantly partisan document developed with absolutely no input from 182 duly elected Members of the House who were left out only because they happen to be Republicans.

Our plan has already been well-described. It reaches the Gramm-Rudman deficit target for the next fiscal year without a tax increase while providing $293 billion in budget authority for defense, less than the other body and far more than the Democratic plan—a level adequate to fund 2-percent real growth in defense beyond the postsequestration level and to allow for a 3-percent military pay increase. This is done without a tax increase. The Committee bill—while appearing to raise revenues to cut the deficit—actually raises a pool

of money almost certain to be used to pay for higher spending.

Mr. Chairman, the substitute deserves the support of the House. I strongly urge an "aye" vote.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I would just like to point out a few things here.

First of all, I guess the overriding difference is over the defense numbers. But if you look at the defense numbers over a period of 3 years out of a defense budget of over $800 billion, there is only a $17 billion difference in the substitute and the committee bill. I sit on the Defense Subcommittee and I know this is absolutely not going to devastate our defense effort around the world. About $1 billion the first year will come of my subcommittee, which is military construction which deals with the quality of life.

So what we have to do to meet these goals is we will have to set priorities from the Pentagon, which they have absolutely refused to do, and they talk about the wolf being at the door and setting no priorities and throwing out a bunch of strawmen.

Now on the substitute, Mr. LATTA pointed out what their budget does do. Some of the things the gentleman left out that the budget does the gentleman did not explain to us.

For instance, in international affairs, the substitute has $1 billion over the committee markup. And to get these moneys, we go to areas like conservation and weatherization for the poor, hoping that we will have a nice warm winter this year so we can have the money to put into the foreign aid account.

On filling the strategic reserve, the cut this. If it is a good buy at $35 a barrel, it seems to me it is a better buy at $15 a barrel to fill up to give us some assurances against another Middle East crisis.

We also go to recreation fees. Mr. LATTA said we had some user fees, and what have you. To get to our numbers and add this billion dollars to international affairs, we go to some areas like recreation user fees, so that you can pay to go to your parks like Yellowstone and down into the Smoky Mountains and places like that.

Mr. LATTA also said in his substitute that they had put in some extra money for Headstart. The substitute adds back the Gramm-Latta money which is $47 million, as compared to the committee's Headstart Program, which everybody agrees is a good program, we add $158 million. I assume some of these moneys are going to be used to get this extra billion for foreign aid.

Income security. On subsidized housing, we have a cut in half, $4.13 billion or 45 percent in funding for subsidized housing. We have not done any of this in the past few years, very little. We had $9.77 billion, which would provide for about 100,000 new units, which leaves us still very, very short.

It seems that our priorities are not in order on this substitute.

The committee has worked very, very hard to put together a package that we believe is responsible and a package that the American people will support.

If you want to talk about new revenues, let us talk about the revenues for a bit. You have some revenues in your package, just as we do in our package. We assume in your package that you have what the President calls revenues. It is not taxes, it is revenues, and you use it.

We have fenced the difference in the President's number and the Senate numbers and say you are not going to use this for defense, you are not going to use it for domestic programs. If it is used, if the President sees fit to sign whatever compromise comes about, if you see fit to use this, you will use it for debt reduction or you will not use it.

On the package that was passed by the other body, if you go to conference, and you talk about going to conference, with your bill, they cannot reconcile their bill with your bill unless they use all these numbers, because they use every dime of the revenue.

So that is a false assumption, and it is a strawman that you threw up to try to pass this budget.

We have revenues. We claim nothing more than what the other body has claimed. We used the President's numbers in a responsible manner. We have gotten below the $144 billion number without using any of the taxes, and we have a little bit of a hedge in case our numbers do not prove to be exact because of inflation or what have you. We even have a little hedge blow the $144 billion number.

This is a budget that is responsible. You can defend it whether you are a conservative, moderate or liberal. Nobody likes the entire package. Nobody likes all of any of the packages that have been offered. But this is a responsible package and it merits the respect and the support of the Members of the House. I hope that you would reject the substitute and vote for the committee package.

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentlewoman from Illinois [Mrs. MARTIN].

Mrs. MARTIN of Illinois. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of the Republican substitute.

Before I speak in favor of the Republican substitute, let me just inform my colleagues that I have a fact sheet in the rear addressing the claim that the Democratic budget is the result of a bipartisan effort. Perhaps there are some closet Republicans among the Democrats; otherwise the claim of bipartisanship is preposterous.

During our markup session a member of the other party called the budget resolution a "political document." Apparently politics dictates our actions instead of the good of the people. I sincerely regret this lack of bipartisanship but do believe we can achieve bipartisanship with our Republican alternative.

Since the Democrats on the committee would not talk to us, we decided to formulate an alternative knowing what we could expect from the Democrats: higher taxes and lower defense spending, the Republicans on the committee met with members of each authorizing committee and members of the appropriations committee, and we held several Republican conference meetings to discuss a possible alternative.

There were certain parameters within which we conducted our deliberations. First, an alternative may not be necessary if we could support a Senate plan or a House Budget Committee plan. It is clear that we can do neither. Second, our alternative would not, could not, please everyone. We were not drafting a document to please one faction of our party, or one House of Congress. We were drafting a responsible budget for our Nation. This budget is a responsible budget with real and accurate numbers, not gimmicks. If this House passes the Republican alternative, you can be sure that what you see is what you get. If you pass the Democratic Budget, some of your special programs are going to suffer cutbacks which you don't see anywhere in their document. I guess the philosophy of the Democratic Budget is what you don't know can't hurt you. Don't be fooled.

I will predict that, even if we do not pass the Republican alternative, the final budget resolution adopted after conference will look very much like the Republican alternative. It will look like our alternative because we are right on tax policy, because we are right on the defense numbers, and because we have been honest with the American people about programs that are necessary and programs that do not deserve to be continued.

What is the real difference between the Republican and Democratic Plans? Taxes. The Democratic budget contains a major tax increase and the Republican budget holds revenue increases to those requested by the

President. I believe the American people reject the notion that higher taxes are necessary to reduce the deficit. The Democratic budget calls for a $54 billion tax increase over 3 years. This would push the overall tax burden to 19.6 percent of the GNP. Do we want to return to the days of President Carter?

Don't think for a minute that these taxes will be used only for deficit reduction. Our colleagues on the Budget Committee demonstrated their commitment to this goal by accepting amendments to increase spending but rejecting every amendment offered to decrease spending. Wait until the authorizing committees see this pot of revenues.

The Speaker of the House said that he would not accept increased revenues unless he had bipartisan support. Mr. Speaker, the message is loud and clear: There is no bipartisan support for increased taxes. Furthermore, the President has repeatedly stated that he will veto any legislation calling for higher taxes.

The second difference is defense. The defense figure in the Democratic budget is simply unreasonable. They have proposed $285 billion in BA which is $2 billion less than the post sequester 1986 level of $287 billion. It is $6 billion less than current services. Combined with cuts in fiscal year 1986 this budget represents a 2-year decline of 12 percent. In addition to this being below a nominal freeze, the Democrats have erected a fence around $3 billion of this BA. This in essence is an impoundment of funds. I thought the other party was against the impoundment procedure.

The Democratic budget would mean a $4.7-billion cut in military personnel; $4.9 billion in O&M; $6 billion in procurement; $2 billion in R&D, testing and evaluation. The Democrats during committee markup said they did not intend to cut the personnel account. If this is true then the effects of the budget would be even sharper reductions in other accounts: $4.6 billion in O&M; $9.2 billion in procurement; $3.3 billion in R&D.

This budget document represents a 22-percent reduction in R&D funding from the President's request and a 12-percent reduction from the CBO baseline. What would happen if Congress accepts this drastic reduction in R&D funding? It would have a substantial negative impact on major weapons systems. The Midgetman missile, Trident II missile, the Stealth bomber, and SDI would all be subject to elimination or, at the least, drastic reductions.

Should the Defense Department decide to continue funding these systems we would force upon them the same inefficient development practices that we have all criticized. Stretchouts in weapons systems procurement would result in delayed deployment and also increased costs of production.

The Democratic plan for defense as written is not that much different from sequestration. I think we all agree further sequestrations are unacceptable for other programs and it should be unacceptable for the Defense budget. I know many of my Democratic colleagues do not support the defense numbers in their party's budget. My friends, there is an alternative which you can support.

Mr. Chairman, these are the major differences between the Democratic budget and the Republican alternative but there are some other differences as well. The Republican budget actually terminates some programs. Can you believe it? Some Members of Congress actually have the gall to terminate some programs. My friends, if we cannot cut a single program in the face of tremendous deficits, we don't deserve to be here. These terminations do not affect essential programs but rather trim the deadwood from the budget which various special interests are able to maintain. When I meet with groups, I tell them if they want more money from the Federal Government, the answer is "No." I suggest my colleagues try this approach. It is an honest assessment of our ability to provide greater services in times of tremendous deficits. Maybe girls learn to say "no" better than boys.

I urge my colleagues to support the Republican alternative, a budget which I sincerely believe Republicans and Democrats can support and achieve a true bipartisan budget.

□ 1340

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. DOWNEY], a member of the committee.

Mr. DOWNEY of New York. Mr. Chairman, probably the most astonishing thing about the Latta substitute is what it says about defense. Imagine the Latta substitute 3 years ago or 4 years ago. The Republicans who are offering it today would have said that it drastically harms defense.

What the Republicans are saying as loudly and as clearly as possibly can be said is that the New Year's Day defense spending binge is over. But it is time for us to recognize that defense spending has to be brought into balance with domestic spending. The Republicans do that and I congratulate them for doing it.

The point that Mr. LATTA has made about the fact that if their substitute is not accepted that this will somehow deeply affect our defense posture bears closer scrutiny when we take a look at the numbers. The differences between what the House Budget Committee has produced and what Mr. LATTA has produced is remarkably small when it is viewed in a 3-year context. Indeed, the difference in outlays for fiscal year 1987 is $3.8 billion, 1.4 percent, and over 3 years it is $18 billion, and a difference in 3 years is less than 2 percent. It is pretty hard to assume that we are going to have to make the drastic cuts in personnel and in weaponry that Mr. LATTA talks about with a 2-percent difference in budgets.

The reality is quite clear. The House of Representatives is most reflective of American public opinion. And what the American people have been telling us about defense spending is that "We want a strong defense but we think we can have one, in fact we can have one, by spending a little bit less money and spending it more wisely."

What we attempted to do in the Budget Committee was very simple. The sinew of American defense strength is the soldier, the sailor, and the airman. We want to make sure that they get absolute increases in pay, that they are trained properly, and that they have the money to operate the equipment that we have given them over the last 3 years. We have done that in our budget.

What we are saying, however, in terms of procurement and in R&D and in investment accounts is that we have grown too quickly, we have grown too fast, and we have not gotten a dollar's worth of defense for a dollar's worth of spending.

What we do here is set a pause in defense spending for 2 years, last year and this year, next year potentially, so that we can lay the groundwork for slow and steady increases in defense spending in the out years. That is what makes sense. It is clear to me that if we are to provide for a strong national defense, you cannot have the wild gyrations that we have seen in the past. In the 1970's we saw periods of negative defense growth, and in the last year of the Carter administration and in the early years of the Reagan administration we went from 2 percent to 12 percent real increases in defense. We did not have the money to pay for it, and force-feeding the system has resulted in weapon systems that cost too much.

This is never an easy thing to say when one comes, as I do, from a defense-contracting area. But on Long Island, as in the rest of the country, we understand one thing, that a national defense is one that has a balance between spending for people and spending for arms. We have achieved that balance. We have even gone so far as to understand that the Gramm-Rudman dictates of 50-50 cuts should be mirrored in our budgeting here. We have done that. Indeed we have gone even a little further by providing defense a little richer mix than domestic spending.

The House budget provides for the national defense. It provides for a lower deficit. It deserves, richly so, the support of all of the Members here today because it achieves, at last, the balance that we ultimately will need.

Mrs. MARTIN of Illinois. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. DENNY SMITH].

Mr. DENNY SMITH. Mr. Chairman, I rise in strong support of the Republican alternative budget. I think it is a good budget. It is a consensus budget. It is a fair budget and it is a budget that deserves the support of my colleagues on both sides of the aisle.

This alternative budget represents a sound and reasonable fiscal plan. It represents a lot of hard work, a lot of compromise, and a lot of input from every Member on our side of the aisle.

What separates this budget from the budget passed by the Budget Committee?

First, if you look at our alternative, you will not find a tax slush fund in the Republican budget. There is no laundering of American tax dollars here. This alternative contains half the revenue increase of the Democratic committee budget.

If you vote for the substitute, you can go home tonight knowing you tried to limit the tax burden on working Americans for next year. If you vote for the committee budget, you ought to buy yourself a shovel so that when you do go home this weekend you can spend your time trying to shovel some of that tax money. If all 435 of us had shovels, we could not shovel that much money into the Treasury in 10 years.

On defense, the defense spending level in the alternative before us is $293 billion; $293 billion represents a freeze on defense spending at the current level.

For my colleagues on the Democratic side of the aisle who believe that $293 billion is too much to spend on defense, I invite them to enter into the RECORD today a list of the defense projects or military bases from their own districts that they would like to see cut or closed to bring us in under the $293 billion level.

For my colleagues on my side of the aisle who believe $293 billion is too little to spend on defense, I have but one message: Our party, like it or not, has got to wean itself away from the myth that you can equate a strong defense with a strong defense spending level.

Very simply, it is what we get in return for defense spending that gives us our security—$293 billion for defense spending in 1987 is a workable, reasonable level.

I urge my colleagues to support the alternative budget before us. It is responsible and it is fair.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 8 minutes to the gentleman from Kansas [Mr. SLATTERY], a member of the committee.

Mr. SLATTERY. Mr. Chairman, I rise to support the committee resolution, and to oppose the Latta substitute.

The committee proposal represents a major change in fiscal policy.

We are suggesting real, strong, effective action to deal with deficits.

It represents a renewed commitment to America's kids.

We are proposing a new children's initiative, designed to support our youth, and therefore our future.

It represents an important moment for the Democratic Party.

We are embracing a new fiscal realism, combining spending restraint with some wise investments.

Our deficit, in fiscal 1987, is almost $24 billion below the President's

Our deficit is significantly below the deficit in the Latta substitute.

And our deficit, in the coming 3 years, is almost $80 billion below the deficits recommended in the President's proposal.

So I say to my colleagues, if you remember anything, please remember this:

The committee proposal authorizes almost $50 billion less spending than the President's budget, over the next 3 years.

Certainly, I do not agree with every provision in the budget resolution. I doubt if anybody does.

But we live in a new fiscal world.

We live in a world of hard choices, a world of difficult decisions, a world that requires honest compromise.

In the past, I have criticized the President, because too often he has measured our commitment to national security by how much money we are willing to throw at the Pentagon.

In the past, I have criticized my own party as well.

Too often we measure our commitment to social justice by how much money we are willing to throw at domestic problems.

In the process, both parties have avoided the difficult choices.

But today, in the pending proposal, we have made some of those choices.

We have reported a budget that is credible, honest and fair.

I believe the committee resolution strikes the appropriate balance.

Our deficit is well below the Gramm-Rudman target.

Our revenues are modest, and reasonable.

We recognize the crisis in rural America, but we also recognize that agricultural spending, like all spending, must be brought under control.

And contrary to what some might suggest we do not cut defense spending in fact, we increase defense outlays by almost $7 billion from fiscal 1986.

I am confident that the conferees will agree to reasonable levels of defense spending.

Mr. Chairman, we have included in the committee proposal a new children's initiative.

This is a major difference between our proposal and the Latta substitute, which does not, and which in fact would cut many children's programs.

America's children represent our hope, our future, and our strength in the coming decades.

America's children did not cause the deficit.

But they suffer from budgetary neglect.

Today, as we debate: 13 million American children live in poverty; almost one-fourth of all American children are poor, which is a 25 percent increase since 1981; over half of the children of female-headed households are poor.

For these children, we provide additional support for Head Start, compensatory education, maternal and child health care, and Indian education.

I believe that cutting programs for children, which the Latta substitute will do—is the wrong thing to do.

I believe that increasing our commitment to children, which the committee proposal suggests, is the right thing to do, the smart thing to do, and the cost-effective thing to do.

For every $1 we invest in prenatal care, we save between $3 and $11 in lower costs for medical care after birth.

For every $1 we invest in WIC, we save perhaps three times as much from lower hospital costs.

For every $1 we invest in Head Start, we save many times that amount in lower education costs down the road.

And for every child who lives, every child who learns, every child who leads a better life, we have done something important, something special, something to be proud of.

Ultimately, a budget is not a collection of numbers, but a statement of values.

By providing support for children, we make an important statement, which will have an important impact on our Nation's future.

By restraining spending generally, we deal strongly with deficits.

By dealing with deficits, we strengthen our economy—more than the President, more than the Senate, and more than the Latta substitute.

Interest rates will continue down.

The value of the dollar will stabilize at lower levels.

Exports will rise.

The level of opportunity will increase.

And our economic prospects will brighten.

For these reasons, I urge my colleagues to support the committee pro-

posal, and to reject the Latta substitute.

□ 1355

Mr. LATTA. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. I thank the gentleman for yielding me this time.

Mr. Chairman, I want to, first of all, publicly thank both Mr. LATTA and also the chairman of the House Budget Committee, Mr. GRAY, for both recognizing a serious problem that exists in the Federal Government. What is really encouraging about it is that both parties now recognize that we have serious problems in management within the Federal Government in the specific area of debt collection. We are all trying to make people more responsive and responsible.

Let me tell the Members about some of the numbers, because I think they are frankly going to blow your mind. There is, right now, outstanding to the Federal Government $60 to $70 billion in delinquent debt owed to the Federal Government. That is growing at a rate of $50 million a day.

We spend our time talking about tax increases; we spent a lot of time talking about cuts. Yet, here we have an area where we have this debt growing at absolutely incredible proportions and virtually nothing is being done to clean it up. Virtually nothing is being done to manage these programs. In fact, the credit area of the Federal Government is the most rapidly growing area of Federal involvement.

At a time when we have approximately $1 trillion in outstanding obligations that could ultimately come due on the Federal Government, we certainly need to improve our management.

Let me tell you about some of the money that is owed to the Federal Government, because I think this will drive you right up the wall; it drives my constituents up the wall.

Twenty-seven million dollars owed from people who borrowed money under the Commercial Fishing Boat Program. Sixty-eight million dollars owed from people who were paid reenlistment bonuses to continue in the services who walked away from their responsibility. Thirty million dollars that the HHS gave to doctors for free education, and they were required to serve in rural areas. They got the $30 million and they flatout walked away from their obligations.

Three hundred and seventy-four million dollars due to the Maritime Administration out of the ship financing fund. Two hundred and nine million dollars in fines in two thick books that are at least, in total, about a foot thick in money owed by companies to the Federal Government in the Office of Surface Mining.

Let me give you some of the numbers. In the Department of HHS, 35 percent of all the receivables are currently delinquent to the Federal Government. Eighty-one percent of the receivables are currently delinquent in the Department of the Interior. Eighty-two percent are currently delinquent in the Department of Justice. It goes on and on and on.

With about $1 trillion outstanding both in obligations that are due and in loan guarantees, we certainly have to get this area under control, because if we do not, we simply have a ticking time bomb that is going to blow up in our face. From 1982 to 1986, when we passed the Debt Collection Act, which has been virtually ignored across the Federal Government, we have almost had a doubling of the amount of delinquent debt owed to the taxpayers. The taxpayers want this $60 to $70 billion collected.

In Mr. LATTA's budget and in Mr. GRAY's budget there is a recognition of the problem, and we are finally going to put people on the spot, and we finally are going to demand that we have proper management of the credit and loan programs that exist in the Federal Government.

I want to take this opportunity to thank them and hope that this is just an important first step in solving this overall problem.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 9 minutes to the gentleman from Illinois [Mr. RUSSO].

Mr. RUSSO. I thank the gentleman for yielding me this time.

Mr. Chairman, a mere 6 months ago, this Congress accepted the challenge of the Gramm-Rudman-Hollings Act and agreed to take serious steps toward cutting and eventually eliminating the deficit. Among Members of Congress from both Houses, a bipartisan consensus emerged in support of a fair and equitable approach.

Gramm-Rudman was presented to us all as the cure-all for the deficit crisis. The President and an overwhelming number of Republican Members of both bodies welcomed Gramm-Rudman with open arms. In theory, they put the deficit reduction before their pet programs.

Now that it is time to live up to their commitment, their promise to the American people, they run away. Although the President committed himself to this 50–50 split when he signed the Gramm-Rudman legislation, his budget which was submitted in January, violated the spirit as well as the letter of the law.

The deficit in the President's original budget did not meet the $144 billion target. Rather, CBO estimated that it was $15 billion over the Gramm-Rudman limits. Once again, the Department of Defense underestimated the true cost of many of its programs; this time by a mere $15 billion.

Furthermore, the President's budget cuts would have come 90 percent from domestic programs, while giving a $34 billion increase in defense. Clearly his priorities were out of line with the rest of America's and his budget was defeated by overwhelming margins, both here in the House and in the other body.

I think we should also examine the budget priorities of the other body. They ignored the mandate stated by Gramm-Rudman by approving a budget document which cuts 86 percent from the domestic side, while cutting only 14 percent from defense. This is the body that said we had the answer and the way of solving the deficit crisis in America. We had to pass Gramm-Rudman, which says 50–50, and they did 86–14.

Now we are considering the Latta substitute. This plan would invest billions more in military hardware and shadowy inflationary costs. In order to pay for these unnecessary increases, the Latta budget would cut programs that have suffered the most over the last 5 years. As compared to the committee plan, the Latta alternative will provide $5 billion less for domestic programs this year and $26 billion less over the next 3 years.

The cuts come from very essential programs such as low-income weatherization, which is vital to my area of the country, child nutrition, transit, Amtrak, and scores of other programs. Clearly, the President's, the other body's, and the Latta alternatives would balance the budget on the backs of middle Americans.

They also refuse to follow the mandate of Gramm-Rudman: That 50 percent of the reductions come from defense, and that 50 percent of the reductions come from domestic spending. The committee budget, on the other hand, reaches the Gramm-Rudman targets in a fair manner: a 50–50 split.

Although we in the House may have different spending priorities, we must all agree that defense spending and domestic spending are at least equal in importance to the national well-being. Each fund is vital to programs which are essential. Our national defense is important, but so are funding programs for our children. So are education programs, job training programs and all the others which provide important services to our people.

Thus, we should treat them equally. It is not easy or pleasant to cut to the $144 billion deficit level by sacrificing programs which benefit our districts, but it must be done and our budget achieves the goal in an equitable manner.

Another advantage of our budget is that we require accountability from the Defense Department for the first time.

We ensure that funds allocated to the defense of this Nation are not squirreled away somewhere in some "inflation" accounts. As we know, the GAO estimated that over the last 5 years, $44.5 billion of moneys appropriated by Congress consisted of overestimations by the Defense Department for inflation costs—$44.5 billion. And what happened to this money? GAO conducted an investigation and could not find out where all the money went. The Defense Department also could not even tell them. So when I see my good friend from Ohio [Mr. KASICH] talk about all the moneys that are owed to the Government, and both the Latta substitute and the committee budget recognize that, I do not understand why the budget of the gentleman from Ohio [Mr. LATTA] does not recognize the fact that all this money that was given to the Defense Department for inflation was not utilized, and we cannot even find out where it went. I think that we have to deal with that, and our budget deals with it. The Latta substitute does not.

It seems to me that there are always two standards in the Congress: One standard for the Defense Department, and one standard for the rest of the programs. I do not think it is fair. Do we really think that our Nation is stronger, safer and more secure by providing a $44.5 billion inflationary windfall for Defense contractors?

The budget passed in the other body recognized this fact and admitted that over $7 billion in fiscal year 1986 alone was unaccounted for. The House Budget Committee incorporated my amendment, which requires the same level of accountability that we require in all other programs. My amendment calls on the Pentagon to give the Congress an accounting of the missing $7 billion in fiscal year 1986, as well as mandate similar accountings for the next 3 years. Finally, my amendment prohibits the use of a special 30-percent multiplier for inflation which is only unique to the Defense Department. They do not use the GNP deflator; they do not use the CPI. They use a special "Defense Department multiplier"—30-percent increase over and above what inflation is. What other department, what other program in Congress, is treated that way? We should not allow it to happen. The House Budget Committee deals with that; the Latta substitute totally ignores it. Again, a double standard. We attack social programs and let the Defense Department spend on and on. If no other Federal agency is allowed to hide funds, then we should force the Pentagon to be forthcoming and honest in its accounting. This budget starts that important process by requiring an accounting for this current fiscal year.

Our colleague, the gentleman from Virginia [Mr. SISISKY], just found out that on 12 minor weapons systems, there is a $250 million overestimation this year and over a 3-year period, it is a billion dollars.

Let me just describe one of the small weapons systems, a 9mm pistol for which the Army pays $207. However, the Air Force, for the same weapon, pays $353. Now what happens? It is not that the Air Force is going to pay the $353. What happens is, they will pay the $207, and then they will take that difference and put it away and reprogram and spend it however they want.

We need accountability in the Congress, we need that to happen, and that is why this budget is an important part, and we have to make sure that this particular amendment stays in conference.

One of the principal strengths of the committee budget is that it takes into account the realities of today's world, but it also responds to the challenges that the world may present tomorrow. With this in mind, there is no more important investment in our future than our children—they deserve health care, good nutrition, and the best education that we can provide. This budget addresses these priorities by creating a children's initiative which tries to provide a good start in life for underprivileged children.

An additional one-half billion dollars over last year's levels is provided for immunizations, child nutrition, and health programs. Over and above this initiative, the House Budget Committee provides $1½ billion for existing high-priority education and training programs. The House Budget Committee provides $500 million more than the other body did for education, training, and social service programs, $3.25 billion more than the Latta substitute, and $6.8 billion over the President's request. This makes a very strong statement about our priorities. I think that the fact that we are willing to invest in our youth, in our potential, is a basic reason why each Member should support the Budget Committee's approach.

I feel that each child is entitled to a fair opportunity at all life has to offer. If children are denied adequate health and nutritional care, chronic health problems may limit their future potential. If our children don't have access to a solid educational background, they will be denied the opportunity to enlarge their minds, to expand their horizons. They will be denied the opportunity to become productive adults and our society will be the real loser. We will have wasted our country's potential by not developing our most valuable resource—the youth of America.

The House should support this budget because it's reasonable, it's balanced, and it's fair. Our plan incorporates the basic Gramm-Rudman mandate, which is the mandate of the American people. The budget is cut, the deficit is reduced, and no one sector is asked to bear more than its fair share of the burden. We all share the pain of cutting programs which have improved our lives, but we will all share the benefits which will result in the form of a brighter economic future. Finally, I feel our budget matches the priorities of the American people. We prefer to invest America's resources accordingly: Our budget provides for a strong national defense, and insists that the Pentagon account for waste and misappropriation of dollars. We put our children first, where they should be. We provide for a strong educational system which will help develop the minds and potential of America's youth. We are committed to a healthy society and support this belief by providing for adequate health care and health research. We provide adequate funding to programs which are essential to America. I believe in these priorities, as I am sure you do, and I hope that you will join me in supporting the budget reported by the House Budget Committee.

I thank the gentleman for yielding time to me.

Mr. LATTA. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. BOULTER].

Mr. BOULTER. Mr. Chairman, I rise in strong support of the Republican consensus budget offered by our ranking member of the Committee on the Budget, the gentleman from Ohio [Mr. LATTA].

Mr. Chairman, this is a very responsible budget, and I would be much more impressed with the argument presented by the gentleman from Illinois if I heard the Democratic chairman of the House Committee on Armed Services making that same argument. If he does, I will be much more impressed. I am talking about what the gentleman said concerning the unobligated balances in the Department of Defense.

The gentleman surely knows that many other departments have unobligated balances totaling about a trillion dollars throughout our Government, and that Housing and Urban Development itself has unobligated balances of even more than Defense.

Our budget, Mr. Chairman, does not give the President everything he asked for. It does not fund defense at near the level that the Senate did, but it does provide a realistic 2-percent growth, and I think that that is responsible and right.

Then, to my colleagues who represent rural districts, let me say in truthfulness and in fact that our Republican consensus budget provides more funds for agricultural interests than the Democrat budget. It includes a

$200 million agriculture credit initiative, as compared with $150 million found in the Democrat budget. Plus our budget contains another $100 million in additional ag funding for high-priority programs that are not found in the Democrat budget.

Let me just say that farmers and ranchers and ag producers of all kinds are on their knees. Their problems are traceable to bad Government policies in the past. I cannot imagine anyone, especially who represents a rural district, not wanting to vote for the Republican consensus budget.

Finally, the thing that makes me also very proud of our budget is that what you see with the Republican consensus budget is what you get. It does not contain blue smoke and mirrors, it does not purport to fence in money for deficit reduction that will eventually be used to restore spending levels, it does not try to fool the American people, it does not need to try to fool the American people. It is what the people have been asking for. It is not a continuation of the failed tax-and-spend philosophies that have devastated our economy in the past. It realistically looks at our national financial picture. It makes the kinds of reductions that allow us to meet the Gramm-Rudman target. It does so in a realistic way, paying special attention to programs deserving of special attention like defense and agriculture.

It is a budget born of hard work and hard decisions with tough decision-making, which is what I think the American people sent us here to do.

Mr. ANTHONY. Mr. Chairman, will the gentleman yield?

Mr. BOULTER. I am happy to yield to the gentleman from Arkansas.

Mr. ANTHONY. Mr. Chairman, I happen to represent a rural agricultural area, and I can safely tell you that I am going to vigorously vote against your resolution. My farmers are going broke because of Republican policies.

Mr. BOULTER. If the gentleman votes against our resolution, it will not be because of the way we fund the ag function, because it fully funds it at $100 million more than his.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BOULTER] has expired.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, I rise in opposition to the Latta amendment, for the following reasons: His amendment would cut student aid; it would cut school aid; it would cut farm aid, but it will increase foreign aid by $1 billion.

I think America should come first, and I think it comes first in the prioritizing of our dollars that are committed toward the operation of our government within our States and the world.

In addition to that, I cannot state that the gentleman from Ohio [Mr. LATTA] has not done a fine job. If you look at the President's budget and if you look at Mr. LATTA's budget, I commend him for bringing in a budget that may be within reason negotiable with the fine budget brought forward by the gentleman from Pennsylvania [Mr. GRAY], who now deserves a pat on the back after much maligning.

I would hope that both sides now get together. I am not satisfied with UDAG, revenue sharing, community development block grant money, with my unemployment. But while none of us are going to be totally satisfied, we cannot be with the situation our country faces with the deficits and some of the other problems.

While I will not perhaps be satisfied, and all Members will not be, we can work together now within a reasonable parameter reflecting the Republican issue from Mr. LATTA, and the Democrat issue brought forward by our fine chairman.

□ 1415

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. Mr. Chairman, I thank my friend, the gentleman from Ohio, for yielding to me at this time.

I rise in support of the Latta substitute as the fiscal year 1987 budget resolution. I believe it represents a balanced approach toward meeting necessary deficit reduction goals.

In particular I applaud the efforts of Mr. LATTA and other members of the Budget Committee as they relate to housing and community development. These programs fall under the jurisdiction of the Banking Committee.

Earlier this year, the minority members of the Banking Committee met and adopted with but three dissenting votes recommendations for programs under our jurisdiction which were then forwarded to the Budget Committee. The figures in the Latta substitute follows those recommendations, I am pleased to say.

For assisted housing the Latta substitute has $5.2 billion as opposed to $9.7 billion in House Concurrent Resolution 337. I believe that our total is sufficient if these funds are distributed through more costly effective programs, such as modernization of existing structures rather than building new ones. HUD tells us there are 35,000 new public housing units in the pipeline now. It is a total we think will provide a good housing program, meet the needs for housing, and meets the constraints of budget limitations.

In Community Development, the Latta substitute provides $2.9 billion for CDBG and $284 million for UDAG. The Latta substitute also eliminates funding for HODAG and anticipates reductions or elimination of several other small programs, along the lines of the Wylie-Bartlett substitute to H.R. 1.

The bottom line is the Latta substitute will provide as much housing and community development programs for $10.8 billion as House Concurrent Resolution 337 would for $17.5 billion.

I would like to correct a serious piece of misinformation put out by someone I think from the majority staff of the Budget Committee with reference to our budget. They attribute the Latta amendment as "eliminating available flood insurance by cutting $21 million in budget authority and $88 million in the National Flood Insurance Program."

Mr. Chairman, as the ranking member on the Banking Committee, we have authorizing jurisdiction over flood insurance. For there to be any savings attributable to flood insurance, it would have to be done through appropriated funds, and flood insurance is not an appropriated account.

The statement in the handout is not accurate. The gentlewoman from Illinois mentioned other similar misinformation.

I believe the Latta substitute is a well-rounded piece of legislation that is fiscally responsible.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 4 minutes to the gentleman from Georgia [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, I want to concentrate on two or three issues that I think are important in comparing the two budgets.

Let me say in the very beginning that I think the gentleman from Ohio [Mr. LATTA] did a reasonably good job in coming up with a substitute. It is very close, as a matter of fact, to the committee measure that we are debating. Now, I do not really understand the debate between the two, except maybe a small difference in priorities.

Now, I want to talk about foreign aid and I do not want to demagog the issue. I understand the President's need for foreign aid. I understand his problems in the world, but when you say that you do not increase foreign aid in the Latta proposal by $1 billion, you are simply in error. Foreign aid in the Republican substitute is increased by $1 billion over the Democratic bill.

Now, it is true that in that entire function you reduce the embassy security that the President asks for by about $500 million. You take it out of security and say, "Well, we'll take care of that later."

All of us know that we will ultimately provide the funds for embassy security, so you have simply increased economic and military foreign aid by $1 billion and you have cut the security

of our embassies by $500 million and taken a little out of the Export-Import Bank to make your figures work.

Well, I tell you as one Member of this House, foreign aid must take its reductions along with domestic programs. They must take their reductions along with education for our children, along with Appalachia, which you eliminate entirely.

Even the Republican Senate saved the entire Appalachia program. They did not cut it one dime. You eliminated its $100 million funding entirely and gave it to foreign aid. I do not think that is right.

You talk about rural development. You talk about rural programs. You have reduced funding for wastewater treatment through rural America. Development funds that need to be channeled into rural America to give them an opportunity for industrial growth, you have reduced it, you have destroyed it, and that thinking is in the wrong direction. Your priorities are absolutely wrong.

For you Members on the Republican side from oil States, you have been telling me that you have problems. You are telling me that stripper wells are going to be shut in, that we will never open them back up. Well, the House Budget Committee believed you. You know what we did? We said now is the time to give some help to Texas, Louisiana, and Oklahoma. We will buy that stripper well oil for the strategic petroleum reserve, or SPRO. We will add $300 million to do that. It is good for our national security. You take it away in the Republican substitute, so if you are from Texas, Louisiana, and Oklahoma, when you vote for the Latta substitute you are taking away the money from SPRO for stripper well oil. Do so if you wish. I do not think that it is good common sense to do that.

If you are from any of the 13 States of Appalachia, from North Carolina, Pennsylvania, New York, and all the rest, you now have a measley $100 million for the entire program. This substitute eliminates it entirely.

When you vote for the Latta substitute, I want you to go back home and say, "I thought that foreign aid was so important that I wanted to do away with Appalachia." I want you to say that in your districts. I want to hear you say it. I would love to hear you say it.

I say to my friends that this is a good resolution. We have worked hard. It deserves bipartisan support. I would hope that Members from both sides of the aisle will think about the differences in these two bills. I would hope that we would get a lot of Republican votes.

Above all, I would hope you would think about it before you vote. If you do, I am convinced that you will vote against the Latta substitute and for the committee resolution.

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, most Americans consider a budget resolution to be the law of the land. It isn't, of course.

In this House a budget resolution is, first, a political platform, and, second, a wish list, or a letter to Santa Claus. The budget resolution is a dream, often based on erroneous or obsolete assumptions, shot full of now-you-see-it-now-you-don't numbers.

The House Budget Committee's proposal is as close to the House Democratic platform as the House Democratic caucus could make it. Although a partisan budget is unfortunate, I see no reason to be embarrassed about it. A bipartisan budget would be better, but that is not in the nature of this body's majority group.

It does seem to have been built in a partisan manner in one day. That seems to be a remarkable achievement, until it is examined carefully. Then the flaws become apparent. Inflation estimates for revenue purposes are over 4 percent. For COLA's, the inflation estimate is only 2 percent. That is having one's cake, and eating it, too.

Revenue sharing, it seems, is either in or out of this budget. Actually it is both in and out. That's not a bad phrase to describe the whole budget.

The one day wonder is, in short, infected by the same diseases which have plagued its predecessors. It is based on questionable assumptions, spends too much, and raises taxes too much.

It is important to know what the budget resolution is, and is not. The resolution does not change the law. The letter to Santa Claus has no effect until a reconciliation bill is passed. Reconciliation, like winning, is not everything, it's the only thing.

It has already been said here that the Democrat budget and the Republican substitute are relatively close, both for fiscal year 1987 and for the 3-year period. That stretches my definition of "close" a bit. I see major differences.

The Democrat budget has $13 billion in new taxes. The Republican budget has $6 billion. That alone is enough of a difference to command my attention and my vote.

The defense figure in the Democrat budget comes closer to my ideal than the Republican version does. I prefer a freeze, not only for domestic programs but for military programs as well.

Remember, however, reconciliation is the keystone of the budget. The Democrats reconcile $22 billion in savings while the Republicans reconcile $30 billion. In the most important test of all, the Republican substitute finishes $8 billion ahead.

I don't think the Democrat budget is all bad. It's a little expensive, a little fuzzy, but like the glass of water, it is half full compared to past years' budget. Compared to the need, it is half empty. Still this year's Democrat budget is much better than the empty glasses they have been bringing in here since 1975.

I think the Democrats ought to be encouraged to do even better in the future. One way to teach them is by example. The House should pass the Republican substitute. I believe the Democrat budget next year would be substantially improved if we did.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. PANETTA], a former member of the committee.

Mr. PANETTA. Mr. Chairman, first of all, I want to commend the chairman and the members of the Budget Committee for the work that they have done on this budget resolution. It is never easy. It never will be easy. There are certain things that all Members hope that budget resolutions can be, that will never be. They can never be 100-percent accurate or 100-percent certain or 100-percent perfect. You have to depend on assumptions to determine where you can go as far as the numbers are concerned.

You will always have problems of enforcement, whether it is user fees or whether it is asset sales or tax increases or defense outlays. It can never be perfect in terms of balancing everybody's priorities.

But the test of a budget resolution is not what it can never be, but what it can be.

There are three basic guidelines to judge a budget resolution. The first and the most important issue in a budget resolution is what does it do about the deficit? That is the name of the game in a budget resolution, for two reasons, because it is right and it has to be done to reduce the massive deficits that are facing this country, but also because it is important this year and in the next 5 years to avoid the trigger that has been built into the Gramm-Rudman law. Whether it is constitutional or not, the fact is that the trigger and the deficit target we have to hit to avoid that trigger remains the same.

The lowest deficit number has the best chance of avoiding the Gramm-Rudman trigger. The committee budget resolution has a deficit of $137 billion. The Latta substitute has a deficit of $144 billion. That is a difference of $7 billion. Now, $7 billion could determine whether or not the trigger on Gramm-Rudman is pulled.

The deficit projections by both OMB and CBO indicate a deficit next year

of somewhere in the vicinity of $174 billion.

There are now economists who are looking at the state of the economy and assume that the deficit could be as high as $180 billion to $190 billion.

Obviously I and others in the House would prefer a lower deficit number, but the fact is that you have here a cushion against the Gramm-Rudman trigger and it is essential to protect that.

Second, is the resolution balanced and fair in terms of its priorities? What is fair? Again we need to look at the formula established under Gramm-Rudman that was passed by a majority of the Congress. It was signed into law and it remains the law in terms of how we judge the issues that come before us.

Gramm-Rudman requires that in any deficit reduction you take 50 percent from defense and 50 percent from domestic spending. Why? Because defense over the last 5 years has increased $150 billion, almost 80 percent.

At the same time that was happening, we cut domestic spending by $300 billion. So the point of Gramm-Rudman is this: If you want to deal with budget issues, everybody, defense and domestic, has to play on the same field.

□ 1430

The committee resolution does that: $8 billion off of defense; $8 billion off of domestic spending. The Latta substitute takes $4 billion off of defense and $12 billion off of the domestic area—75 percent of the total deficit reduction is from the domestic side.

That says it all. what we are doing is again taking from health care, from education, from child nutrition, from AFDC, from housing, in order to pay for increase on the defense side.

The last point is: Is it enforceable? We know there are going to be compromises. We know there are going to be changes in the conference held with the other body. The committee resolution gives us the best chance of coming back with a compromise that will be enforceable on both the Senate and the House side.

The Latta substitute gives those issues up. It gives up on defense, it gives up on the domestic area, and it gives up on revenues. The committee resolution, in my mind, meets, those tests. It reduces the deficit, it is balanced and fair, and it is enforceable.

For those reasons, the committee resolution ought to be supported and the Latta substitute rejected.

Mr. LATTA. Mr. Chairman, I yield 3½ minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of the Republican alternative and oppose the Democrat budget. I am pleased that I have the opportunity to follow my colleague, the gentleman from California [Mr. PANETTA], because indeed, I believe he has asked the critical question, but in considering it, I come to exactly the opposite conclusion.

What are the prime tests by which a budget can be judged? In my mind, they are twofold: First, what priorities does the budget set; and second, will it work? I think by both of those measures, the Republican budget is far superior to that offered by the House Budget Committee.

First of all, as to priorities, the Republican budget, as has been pointed out, relies on minimal tax increases and does not solve a whopping $13 billion of our $38 billion problem with tax increases—which I might remind my colleagues are unlikely to pass in time to balance the 1987 budget.

Second, by anyone's measure, if we are trying to save $38 billion, we have to look at what we actually cut. The Democrats' budget cuts $22 billion, the Republicans' cut $30 billion through carefully thought-out initiatives. This year particularly, we should strive to meet Gramm-Rudman's tax cuts without tax increases because we have identified spending cuts that we have agreed to in the past but not yet actually accepted. This and the generally strong economy make this a year to solve our problems with discipline and thoughtful action.

But I want to get to what I consider the heart of this matter. Will it work? Will the committee's budget work? We all voted for Gramm-Rudman. This year life is going to change for us. In August, somebody outside our process is going to look not at our rhetoric here today but at our actions tomorrow. What will we actually have accomplished by August on this important project of deficit reduction that is so important to the American public and to the future of our Nation?

When that snapshot is taken in August, it will not be judged by what we have said; it will be graded on the basis of what we did. So I ask you: Can the budget of the committee be actually implemented so that in August our appropriation actions will have brought us in compliance, with Gramm-Rudman? I don't believe the House budget can be so implemented. Take, for example the foreign aid function. In this function, the House Budget Committee's budget says cut foreign aid accounts 10 percent, then cut $650 million from unspecified accounts in the same function, then cut an additional 2.7 percent in discretionary accounts, and then add back for diplomatic security? What does that mean? Where is the policy here? What judgments are being made about America's foreign policy interests and obligations? This is not a budget. It's double talk that could end up endangering our closest allies.

If you look, second, at the general science budget, you will see another serious problem with this budget. The committee claims savings for things that the Congressional Budget Office has already specifically said will not accumulate savings.

So from the point of accuracy, of specific proposals, of being an instrument and guide for achieving the goal of deficit reduction in America, and avoiding the mindless formula budget of Gramm-Rudman, only the Republican budget document will do what America needs, do it honestly, do it fairly, leave us with protection for our seniors on the matter of Medicare copayments, provide needed support for our farmers, a responsible defense, budget that will serve our interests, and in general serve America in the years ahead. I commend the ranking member of the Budget Committee, Mr. LATTA, on his outstanding work and urge my colleagues to support the Republican budget.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 3 minutes to the distinguished chairman of the Committee on Ways and Means, the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. I thank the gentleman for yielding this time to me.

Mr. Chairman, the Budget Committee has done a good job of fashioning a budget resolution for fiscal 1987 and I commend Chairman GRAY. It meets the Gramm-Rudman deficit targets. It limits reductions in domestic programs and protects safety net, low-income programs. It provides for a reasonable level of defense budget authority.

This budget calls for revenue increases similar to those proposed in the budget passed in the other body, which is the correct policy.

However, I have steadfastly maintained that Democrats should not raise taxes without the support of a majority of House Republicans and the White House. When the Committee on Ways and Means reports a bill to raise revenues, it must be a bipartisan bill, not a bill supported only by Democrats. The President must realize that he will not get his way on defense and military foreign aid without participating in a balanced approach which includes revenues.

The resolution before you requires the Committee on Ways and Means to achieve deficit reduction of $11.3 billion over the next 3 years. There is an additional $26.4 billion of revenues in the Budget Committee resolution that are unreconciled. I would have preferred a vote on these revenue increases in order to test the level of bipartisan support for increasing revenues. Let me say most emphatically that it is my intention and expectation

that the Committee on Ways and Means will not raise revenues beyond those required in the reconciliation instruction, unless a majority of Republicans support such an effort. This is the position of the leadership and Chairman GRAY, as well as my position.

I urge your support for the budget resolution. I believe it offers us the best chance of achieving the correct policy, in a politically acceptable manner. I hope that the Budget Committees in conference can work out an agreement that is acceptable to both parties and one which the President will support.

Mr. LATTA. Mr. Chairman, I yield 3 minutes to the gentlewoman from Maine [Ms. SNOWE].

Ms. SNOWE. I thank the gentleman for yielding this time to me.

Mr. Chairman, if anyone is feeling a certain sense of deja vu, there is good reason. This House is matching step for step the path we traveled on the budget resolution last year, and it is a path that led us straight to Gramm-Rudman. If we do not adopt the Republican consensus budget, we will be right on the path this year to sequestration.

Let me first tell my colleagues why the Republican budget is a superior one. It is not a 72-hour special. It reflects 5 months of hard work, tough decisions and compromises on the part of many of my colleagues.

This budget provides us with real reductions that translate into genuine reductions in the deficit. The revenues it raises are specific as well as realistic. It does not rely significantly on tax increases to get to the $144 billion. And most importantly, this budget provides the proper balance between defense and domestic programs.

We, as Republicans, have met our responsibilities under Gramm-Rudman by presenting to this House today a sound CBO-verified budget. The budget brought forth by the majority on the House Committee on the Budget, however, is every bit the progeny of last year's similarly flawed Democratic budget. Adoption of Gramm-Rudman is the direct result of this kind of fiscal irresponsibility. Once again, their budget has not been verified by the Congressional Budget Office, but if I were introducing it, I would not want CBO to look at it, either.

It is riddled with inconsistencies and peppered with numbers of dubious parentage. First and foremost, we all know it gets an $8 billion bonanza by changing the CBO baseline deficit from $182 billion to $174 billion. I can only wonder whatever happened to the majority's insistence that we should start using the CBO's baseline and to have CBO establish that baseline.

Second, they get a discretionary freeze and they achieve greater savings in their discretionary freeze than we do, and yet they start at a lower baseline.

For example, in function 450, our freeze saves $20 million in outlays; their freeze savings $100 million in outlays.

□ 1440

Another example, in fuction 300. We save $252 million in outlay savings; they save $450 million in outlay savings.

So while a reasonable person would expect that a discretionary freeze would achieve indentical savings in identical categories, the Democratic budget confounds that expectation.

In addition, they provide for $8 billion in unspecified revenues. We all know that the budget presented by the Democratic majority in the House Committee on the Budget has no specific underpinnings. We also know that the budget document does not require us to make line-by-line changes, but the authorizing committees have a right to know where they are getting their dollars.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I include in the RECORD at this point a letter from Dr. Rudolph Penner of the Congressional Budget Office.

CONGRESSIONAL BUDGET OFFICE,
Washington, DC., May 13, 1986.

Hon. WILLIAM H. GRAY, III,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: At your request, the Congressional Budget Office has reviewed H. Con. Res. 337, the First Concurrent Resolution on the Budget for Fiscal Year 1987, as reported by the House Committee on the Budget. Using CBO's February economic and technical assumptions, we estimate that the resolution is consistent with the deficit target for fiscal year 1987 established in the Balanced Budget and Emergency Deficit Control Act of 1985.

With best wishes,
Sincerely,

RUDOLPH G. PENNER,
Director.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, I rise in strong support of the committee's budget resolution.

This resolution deserves the support of every Member of this House, for several important reasons. This budget makes a serious and immediate downpayment to reduce the deficits that constitute a major threat to the long-term fiscal security of this Nation.

Unlike past budgets, however, our Budget Committee has written a proposal which equitably reduces Federal spending. Our cuts are divided almost exactly 50–50 between defense and domestic spending, as directed by the deficit reduction law. In the past, our budgets imposed enormous domestic cuts, awarded huge increases in spending to the Pentagon—but paid for them by increasing the deficit. We are all indebted to former OMB Director David Stockman for his cogent analysis of how this deceitful strategy was practiced by the White House and OMB over the last several years.

We should support this budget for another reason, too. For after years of mindless retreat, the Congress must refuse to continue to ratify additional cutbacks in successful programs that provide essential health, nutrition, and education services to the people we represent, including children, who are the poorest of all Americans.

As the chairman of the Select Committee on Children, Youth, and Families, which I am honored to chair, I am especially pleased that the House is going to pass a budget which recommits this Government to intelligent and humane domestic policies that invest in the future instead of stealing from it to pay for the Pentagon and the deficit.

POVERTY, ILLNESS AFFECTING CHILDREN

We are all paying—and we will continue to pay—an enormous price for our habit of stealing from the future:

Three million newly impoverished children since 1979, the greatest 5-year increase in three decades;

Over half of the black preschoolers are inadequately immunized against childhood disease;

Postneonatal mortality and low birthweight rates are rising, in a country with the most sophisticated medical technology and best trained practitioners in history.

And what was the response of the administration? They proposed cutting children's programs $5 billion below the inadequate services we currently provide.

Those cuts would be in addition to the nearly $3 billion cut from children's discretionary programs in the last 6 years.

The staff of the House Select Committee on Children, Youth, and Families has prepared a summary of the real cuts in basic support services for children since 1980, which I am submitting for the RECORD at the end of my remarks today. This analysis demonstrates that each year, our most vulnerable children are protected by a bipartisan Congress from the President's budget.

Mr. Chairman, there is something very wrong when the leaders of this Nation look down from their positions of power and privilege and tell the poorest, the sickest, the most vulnerable and powerless among us that they must sacrifice more.

There is something very wrong, Mr. Speaker, when year after year, the

greatest burden for reducing the deficit must fall on those who have given up the most and who have the least.

There is something terribly wrong when the defenseless must sacrifice food, education, and housing so that the Defense Department can spend $800 million of our tax money every day—and far more if the administration gets its way.

This year, we are going to reach different conclusions because of Gramm-Rudman—which I didn't support, but which is the law—because of the size of the deficits, and because of the failure of the administration to propose serious and equitable ways to reduce the deficit.

This year this Congress and the American people are going to have to do something that I have been calling for since I first proposed the pay-as-you-go budget back in 1981: We are going to have to make tough choices.

And I believe that when this Congress, like the Budget Committee, makes those tough decisions, we will not abandon our children, our families, and our poor.

One of the important reasons for that change is that these programs make good economic sense, as well as good social policy. All the studies, including those by this administration, prove it.

SOUTHERN GOVERNORS' INITIATIVE

Let me quote from a recent address by the distinguished Governor of the State of South Carolina, Richard W. Riley, who has been an outstanding leader in promoting cost-effective health policies in his State and throughout the South:

FROM REMARKS OF GOV. RICHARD W. RILEY (SC) BEFORE NATIONAL GOVERNORS' ASSOCIATION HUMAN RESOURCES COMMITTEE, FEBRUARY 24, 1986

In Virginia, women who received comprehensive prenatal care had a low birth weight rate of 73.7 per 1000 live births, in contrast to 262.5 for those without prenatal care—a three-fold difference.

In Kentucky, the perinatal death rate for women with prenatal care was 15 per 1000, compared to 77 per 1000 for those without prenatal care.

In Missouri, babies born to white women who had prenatal care had a prematurity rate of 50 percent lower than those born to white mothers who had no prenatal care.

The cost effectiveness is clear.

The American Academy of Pediatrics reported in 1984 that cost effectiveness estimates range from two to ten dollars saved for every dollar spent on prenatal care.

Oregon officials found that cost of treating five high risk babies would pay for providing prenatal care to 149 women.

The Virginia State Perinatal Services Advisory Council found that by providing better prenatal care, the state could save $49.8 million in state expenditures for long term care for the mentally retarded per year.

The California Department of Health Services estimates that $6-7 million in neonatal intensive care expenses for 3700 low birth weight babies could have been saved if their mothers had had prenatal care. This care would have cost only $2.8 million, less than half of what the immediate intensive care costs were. If one were to include the long term care costs, the savings would be even higher.

Michigan state officials found that over six dollars could be saved on every dollar spent by the state to provide prenatal care to 14,000 uninsured women. Without prenatal care 6000 of the babies born to these women would need NICU care. With prenatal care, at least 1500 of these babies would not need neonatal intensive care services, saving over $30 million.

Colorado Department of Health officials, considering the savings prenatal care could bring by prevention of prematurity, estimate that nine dollars would be saved for each dollar spent for prenatal care. If long term costs were included, the savings could be as much as eleven dollars for each one dollar spent on prenatal care.

In order to provide all poor women whose incomes are below the federal poverty level with access to prenatal care services, we need to amend the Medicaid law so that states may target preventive services to improve birth outcomes. The Medicaid program is currently paying a high cost for illnesses and disabilities. A new direction is needed.

This year, our budget includes a "children's initiative" to target additional funds to proven programs that save money, and save lives at the same time.

Let use be very clear: Many programs for children and families are still going to be cut in this budget. Under this budget, we will cut an additional $43 billion from the domestic budget over the next 3 years. More than half that amount will come from nondefense discretionary programs; another $18 billion will come from entitlements, many of which serve poor, elderly, handicapped, and undernourished people.

But we are going to make a modest effort, because to continue to ignore the growing human need in this country—in order to feed the Pentagon—is unconscionable, as well as bad economics.

THE CHILDREN'S INITIATIVE

In function 400, we add about $25 million for Indian child welfare service above current levels, a tiny effort to address the chronic problems faced by native American children.

In function 500, we support several of the key education programs, because education has lost about 22 percent of its budget since the Reagan administration came to office. So we restore some support to the programs for the handicapped, to disadvantaged children, and to Indian children.

We provide an additional $100 million for Head Start, a program the administration loves to compliment but forgets to fund. Head Start is one of those highly successful programs that reaches only a fraction of the eligible population, even though we know that children who participate will perform better in later schooling.

We provide a very modest increase in title IV-B, child services, which is the preventive service program which helps prevent unnecessary and excessively long placements in foster care and other types of costly maintenance programs.

And we meet the funding target for graduate student loans which is contained in H.R. 3200, which we have approved.

In function 550, we provide $25 million for an expanded Childhood Immunization Program, and $75 million for the maternal and child health block grant. And we adopt the unanimous recommendation of the Southern Governors' Association to expand Medicaid eligibility to families which are below the poverty line. If there is any serious question whether we need this expanded medical coverage, let us recall that one-third of our Nation's poor children either have no medical insurance or are covered for only a portion of the years.

Medicaid, which provides health care to the poorest children, reached only 49 percent of the poor—compared to 65 percent in 1969. In my own State of California, surely one of the wealthiest States, access to prenatal care for low-income women is also sorely inadequate because reimbursement rates are insufficient to keep most private practitioners in the program.

We provide an increase of about $70 million for the WIC—the Women, Infants, and Children Supplemental Feeding Program—which today reaches fewer than half the high-risk people who need it. And many States—Florida, Kansas, Washington, Arizona, Idaho, Alaska, Utah, Arkansas, Hawaii, and my own State of California—serve 30 percent or less.

Now this is a very modest and responsible plan. We are investing in successful programs, and we are investing in the future of these families and these children. For we know that if we fail to respond today, they will revisit us for a generation and more to come, costing more each step of the way in remedial, unemployment, health care, and law enforcement.

As the man in the television commercial used to say, "You can pay me now, or pay me later."

To those in this House who say we cannot afford these minor increases, I challenge you to tell us your alternative for avoiding the poverty, the sickness, the illiteracy, the joblessness, the crime, the dispair, and the social unrest which we know are the inevitable results of Government's indifference: "Growth in the economy," as promised by Mr. Stockman and Professor Laffer? The evidence shows that, despite a booming recovery, millions of Americans, especially children, are being left behind, and will stay behind

for their entire lifetimes if we leave their well-being to the luck of the marketplace.

CHILDREN NOT A PARTISAN ISSUE

Let us not make this into a Democrat versus Republican, big spender versus deficit cutter, liberal versus conservative issue. Our research on the select committee shows we can overlook those traditional efforts to polarize issues and come together behind fiscally sound policies that help kids.

That is the select committee's message in our "Opportunities for Success" report, which was endorsed by committee members of both parties. That is the message of the Southern Governors, Democrat and Republican, who endorsed the health initiative we have incorporated in our budget.

Let's stop the inflamed and inflated rhetoric around this budget. The American people recognize bombast when they hear it. They know tough choices have to be made.

The American people aren't expecting miracles from this Congress, but they are expecting the truth, some compassion and decency, and the courage to say "no" to an insatiable, $800-million-a-day military machine.

They don't believe that the Pentagon is going to starve to death on the $285 billion this budget will give it next year, and they are right.

And they know that we cannot continue to demand more and more sacrifice from those who have less and less—our schools, our children, our poor, our troubled teenagers, our single-parent families, our elderly, and our sick.

So I call upon Members of both parties to support the committee's budget as a responsible, if painful, effort to move this country back to fiscal health. It is a budget which shows compassion, realism, and is honest with the American people about what we must spend and what we must do to fulfill our promise to every American and to restore this country to greatness.

REPORT OF THE STAFF OF THE SELECT COMMITTEE ON CHILDREN, YOUTH AND FAMILIES

A 1986 CONSTANT DOLLAR ANALYSIS OF FUNDING FOR PROGRAMS WHICH ASSIST CHILDREN: HIGHLIGHTS OF THE REAGAN RECORD

1980–1986: Real Cuts in Basic Support Services for Children

Total spending on major discretionary program assisting children declined by over $2.9 billion or nearly 15 percent over the last six years.

Social Services

Hardest hit among programs for children were those funded through the Social Service Block Grant (SSBG). Over the past six years, the SSBG was cut by over $1.2 billion. Funding in FY 86 was one-third less than in FY 80.

Funding for child abuse prevention and treatment suffered a 19 percent decline between 1980 and 1986.

Education

Compensatory Education Programs for Disadvantaged Children (Chapter I) lost over $870 million since 1980.

In addition to Chapter I cuts, vocational education was cut by $250 million, bilingual education by nearly $100 million, and Indian Education by $40 million. Overall spending for major education programs declined by over $1.25 billion, a 22 percent reduction.

Health

Spending on major health care programs (apart from Medicaid) declined by over $800 million or 32 percent.

Despite a national problem of teenage pregnancy and rising numbers of single parent families, funding for family planning services was cut by nearly one-third between FY 80 and FY 86.

Spending on programs under the Preventive Health Block Grant in FY 86 was less than one-third the amount budgeted in FY 80. Programs under the Alcohol, Drug Abuse, and Mental Health Block Grant were cut by nearly 50 percent over the last six years.

Child Nutrition

Child nutrition programs were cut by over $400 million or by nearly 10 percent since 1980. The school lunch program alone was slashed by nearly 50 percent.

Entitlement Programs

Since 1980, nearly two million children have fallen into poverty, a 16 percent increase. Yet funding for AFDC, the primary income support entitlement program for children in poor families, declined by nearly $300 million.

Food Stamp benefits rose by only $60 million between 1980 and 1986, an increase of less than 1 percent.

THE PRESIDENT'S FY 1987 BUDGET PROPOSES STILL MORE DEVASTATING CUTS

Funding for all programs assisting children, including entitlement and discretionary programs, would be reduced by over $4 billion in FY 1987. The amount budgeted would be $5 billion below the amount needed to maintain current service levels.

Discretionary programs alone would suffer over $1 billion in cuts, bringing the total to over $4 billion through FY 1987, a 20 percent decline since the beginning of the decade.

Social Services

FY 1987 funding for the Head Start program, proven effective in preventing early school failure among low income children, would be $22 million below the amount needed to maintain current enrollment levels.

Education

Combined with earlier cuts, overall spending on major education programs would be nearly 30% lower in FY 1987 than in FY 1980.

Funding for vocational education would be slashed by over 50% in FY 1987. Total funding for the program would be two-thirds below the FY 1980 level.

Child Nutrition

The President would further reduce spending on child nutrition by $625 million, bringing the total amount cut from the program to over $1 billion through FY 1987. The school lunch program would be targeted for a $500 million cut, reducing spending from FY 1986 levels by 95%, and effectively eliminating the program for thousands of moderate *and* low income children.

Entitlement Programs

The Reagan budget would cut FY 1987 funding for AFDC by over 1.5 billion, the single largest proposed cut in children's programs.

Funding for health care services under Medicaid would be cut by over $700 million in FY 1987. The amount would be 1.2 billion below the amount projected by CBO needed to maintain current service levels.

FY 1987 cuts in funding for child nutrition programs combined with a cut of over three quarters of a billion dollars in Food Stamps would reduce spending for the two primary nutrition programs serving children by $1.4 billion.

Mr. LATTA. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. WEBER].

Mr. WEBER. Mr. Chairman, let me begin by saying that I have noted the chairman's frequent references to their bipartisan budget in the last couple days, and when I cast the lone Republican vote in committee for that budget, I had no idea that the chairman would lavish such attention on my meager efforts. I just want to thank him for all that attention.

I did support the committee's budget in committee and I did so because the chairman and the committee's majority, I felt, dealt most fairly with me throughout the process and because their budget is not all that bad in my view.

I was particularly grateful for the work they did on the agricultural section of the budget.

I may be one of the few people that come down here today and do not say that one budget is all bad and the other is all good. I tend to think that our institution is responding to Gramm-Rudman pretty well, and when we are done today, we are going to basically be proud of the work that we have done. But we did not have a Republican alternative in committee. We do have one today, and I rise today in support of that Republican alternative. I believe on balance it is superior to the committee's work. I believe that it is a budget that reflects broad consultation in the Republican conference, a budget that reflects Republican priorities. It cuts spending a little more than the Democrats do, it raises taxes a little less than the Democrats do, and it meets the challenge of Gramm-Rudman and avoids the automatic cuts of sequestration.

Sequestration is a compelling incentive for fiscal responsibility, but it would be a disastrous way to reduce the deficit. Thirty percent of the budget, including important farm programs, military readiness and law enforcement activities would all be salvaged by a deep sequestration. That is why what we are doing today is so critical. We must remove the need for that sequestration.

Our Republican budget reflects a responsiveness to the agricultural problem that we feel so serious in my part

of the country and others. Our budget provides actually a little bit more for agriculture than the other body did or than the House Committee on the Budget did about $100 million.

Let me mention just a couple of areas that it supports and strengthens as reasons for support for the Latta alternative. We provide $600 million over the next 3 years to fund a farm credit initiative. With that money, we'll be able to work together with State governments and local lenders on an interest buydown. Our program can reduce interest rates to farmers by a substantial amount, as much as 5 percent, which would be a real kick for the agricultural economy. We should be able to couple that with provisions that will help farmers restructure their debt and bring stability back to agricultural credit.

There are few programs as valued in rural America today as the cooperative extension service. In the midst of extreme stress, the extension service is providing critical support. One of its programs, 4-H, is helping develop the next generation of rural leaders. Other programs provide farmers with financial analysis and the latest developments in farm management. Our Republican budget fully funds these services.

The Republican budget has addressed the priorities of our country. It deserves the support of the membership.

Mr. GRAY of Pennsylvania. Mr. Chairman, I would like to inquire as to how much time is remaining.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GRAY] has 19 minutes remaining, and the gentleman from Ohio [Mr. LATTA] has 24 minutes remaining.

Mr. LATTA. Mr. Chairman, I yield 3 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I rise today in support of the Republican substitute for the 1987 budget as the only reasonable plan available to meet the mandatory Gramm-Rudman deficit targets. However, I do have reservations about the defense numbers in this substitute. I would have preferred to see them frozen. Secondly, I am concerned about the health and Medicare section, as well. But, overall, I believe that the Republican substitute should be supported to fulfill our responsibilities under Gramm-Rudman.

One obvious benefit of Gramm-Rudman is that it has awakened the House to the need to examine defense spending more closely and to recognize that there are competing priorities. We all agree on the need for a strong defense. But throwing money at the Pentagon does not make us secure. Money wasted on extravagant coffee makers or unnecessary weapons systems does not buy us strength. Money wasted by the Defense Department does not pay one soldier and does not buy us one more missile, one more submarine or one more fighter jet. This budget number is an improvement but a freeze would have been better. The Democrats' slashes would undermine legitimate defense needs. At the same time, we are sticking our heads in the sand regarding Medicare and the needs of our elderly. I am constrained to warn my colleagues that we have a day of reckoning approaching with respect to Medicare. We must not deny our senior citizens; we must not fashion budgets which say to the Pentagon, "You have a blank check, whether you can think of ways to spend it or not," and which say to the elderly, "We can not adequately provide for your health care even though you desperately need our help."

I want to reiterate the point that some of my colleagues made yesterday, and I know that this is a very technical point, but one which may mean the difference between fact and fiction in deficit reduction. The Republican substitute is the only plan whose numbers, whose policy changes, have been verified by the nonpartisan and independent Congressional Budget Office. We have specific plans to reach our deficit reduction numbers.

The Budget Committee resolution, on the other hand, has never been verified. How can they assure us that they can meet the deficit reduction numbers they put forward when no independent authority has verified them? Certainly, no one can guarantee any economic forecasts, but the Republican substitute offers the best wisdom and accuracy that our most respected budget and economic experts retained by this Congress can offer.

Despite my strong support for this Republican budget substitute, I still have intense concern over the total health and Medicare spending. We should not compromise the quality of care or the access to care for our senior citizens. Their lives, their work, their families, have helped build this country and make it stronger. We owe them more than we can give at this point.

I do not like the numbers on Medicare in the Republican substitute and I want to give fair warning to my colleagues that I will fight, within these approved budget levels, to assure beneficiaries that we will not renege on the quality of health care, the necessary delivery of health care, nor availability of health care to those who need it in this country. In conscience, I can do no less.

I am greatly encouraged, however, by the fact that the Republican substitute, and only the Republican substitute, maintains the current $492 deductible for Medicare part A. The Democrats, despite their rhetoric, would allow this deductible to rise to $540 next year, about, a 10-percent increase during a time when inflation is not nearly so high.

Mr. Chairman, I have similar doubts about the defense numbers and would like to discuss my concerns here for just a moment. The Defense budget, I believe, is central to our discussion today. Our responsibility is twofold: First, to ensure that the defenses of this Nation are strong enough to prevent aggression and keep the peace * * * second, to ensure that the American people's hard-earned tax dollars are spent wisely—that the military has an incentive to be more efficient, and that the deficits, which endanger our Nation, can be reduced.

Through the first part of the decade, Pentagon spending rose from $144 billion to over $286 billion per year. That's a jump of 100 percent over 5 years. With those same figures adjusted for inflation, the increase is still over 50 percent. I supported that growth—it was a necessary response to the state of neglect that our Armed Forces were subjected to in the 1970's. There were shortages of skilled manpower, spare parts, fuel and ammunition. Further, in the face of a Soviet buildup, we needed to improve our strategic nuclear deterrent.

However, with all of our increased spending, we have improved our readiness and enhanced our nuclear deterrence, but the improvement is far out of line with our increased spending. The uncontrolled growth of defense entitlement is the major reason for this lackluster improvement. Since I was elected to Congress in 1980, I have warned against the ticking time bomb of defense entitlements. The explosion in defense expenditures for which the bills will come due throughout the coming decade need to be checked. The biggest bills for weapons approved since 1981 will not fall due until the second half of the decade and beyond. Giving budget authority is like planting a seed—the real growth comes later. This growth is illustrated by the numbers we are debating today—the Latta substitute would reduce defense spending authority by over $7 billion from the CBO baseline, but defense outlays would only be cut by $4 billion.

True, we took an important first step toward controlling defense spending by approving Gramm-Rudman last December. The March 1 round of Gramm-Rudman cuts kept $13 billion in spending authority out of the Pentagon's hands. And yet, despite these cuts, the Pentagon last month reported to Congress that it had $2 billion that it could not spend.

With this in mind, the 1-percent growth for defense included in the Latta substitute today is, I believe, pushing the upper limits for defense

spending. However, we must keep in mind that this is only the starting point in the debate on defense spending—the process will continue through deliberations in the months ahead on the defense authorization and appropriations bills.

Other Members have stood in this well over the past 2 days and declared that 1-percent growth is the minimum level acceptable if we are to maintain our personnel levels and combat readiness. The Pentagon has repeatedly told us that it is these vital programs that will be cut if we give defense anything less than the $320 billion that the President's budget has called for. But my colleagues, let us not be played for fools. The defense budget must be held to the same accountability and management standards we are requiring from other departments.

If we need to cut unnecessary weapons programs in order to preserve our current force levels and readiness, then let us cut those programs. Last year, the House Armed Services Committee found 23 unnecessary weapons programs and wrote them out of the Defense authorization legislation. And yet, these programs are still with us today because they were preserved in the final conference report.

The bottom line is we are not getting a dollar's worth of defense for a dollar spent. The reasons are twofold. The Pentagon has not established firm spending priorities based on long-range defense strategy and we are saddled with an inefficient and outmoded defense management system.

My colleagues, the realities of our fiscal situation put the Pentagon budget at a crossroads. We can capitalize on the momentum generated by the President's Blue Ribbon Commission report and undertake a new conservative approach to defense spending, or we can continue "business as usual" at the Pentagon which will ultimately lead to an unbearable-tax increase, unacceptably high deficits, or both.

Reservations notwithstanding we can all agree that there is room to cut Government spending and a need to get our spending priorities straight. Budget deficits in the range of $200 billion will seriously hurt our economy, endanger our national defense and undermine our ability to provide even the most basic Government services. Just as clearly, the budget process that has driven us to a $2 trillion national debt has not worked effectively. We can no longer put our children's future in danger by continuing to borrow and spend without regard for the consequences.

For these reasons, Mr. Chairman, I urge my colleagues to support this substitute as the only responsible way to meet the Gramm-Rudman targets and avoid the harsh across-the-board cuts. We cannot push reality off any longer.

□ 1450

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. FAZIO], a member of the committee.

Mr. FAZIO. Mr. Chairman, without wanting to be critical of any of my colleagues on either side of the aisle, I think what we are having today is by anybody's definition a rather desultory debate.

Perhaps we are going through the motions, we budgeteers here, because in fact when you think of the total construction of the Federal budget, a trillion dollars, and the fact that we have about $450 billion in tax expenditures, and billions more in off-budget financing, arguing about $7.5 billion is really not a fundamental debate about the future course of the Federal budget.

Obviously, this is an important debate on priorities but in fact, most of us are aware of the fact that the CR, not the BR, is really where it's at. There are very few real bullets being fired in this budget resolution, as Mr. FRENZEL said earlier, and I think it is very important that we focus on the fact that essentially we are arguing around the margins because we can no longer ignore the question of deficits.

I think the members of the Committee on Appropriations on both sides of the aisle, who are very reluctant to support any of these resolutions today are very close to the essence of our dilemma. They realize that we are really not meeting very many, if any, of our needs in this country to the extent that we understand them and define them. We are not doing enough for children or homeless people. We are not doing enough for infrastructure, and there are many who think we have reversed the thrust of our defense buildup with too great an alacrity.

So we are really not arguing about where we need to be taking this country except in the context that we can no longer ignore the burgeoning deficits; and everybody's budget alternative today faces that. It is Gramm-Rudman, but it far more than that. It is a trade deficit we can no longer ignore; the loss of jobs to overseas; the failure to have the kind of savings and investment we need for the future of our country.

So I think no matter whose budget resolution passes and no matter what we reach in agreement with the Senate, we have at least come to some common ground: we can no longer ignore the deficits.

Mr. LATTA. Mr. Chairman, I yield 4 minutes to the gentleman from Iowa [Mr. TAUKE].

Mr. TAUKE. Mr. Chairman, we are now down to the point, ladies and gentlemen, where we have two budgets before us; one is the Republican consensus budget, the other is the House Budget Committee-Democrat alternative.

I believe very strongly that the Republican package is the superior package, primarily because in the Republican package the policies match the numbers; in the Democratic package, there are no policies to match the numbers.

Over the past several years, the Democratic packages presented in the House of Representatives simply have not stood the test of time. For example, last year, the Committee on the Budget brought us a package that allegedly saved $55 billion. By the time CBO ran the figures, it was down to $35 billion. Now we are spending in excess of $19 billion above that figure, so the budget that we adopted last year has yielded about a quarter of what the Democrats told us it would yield.

This year's budget package, in my judgment, will do essentially the same, and that is the primary reason why it ought to be rejected. The reason it does the same is that the policies that are articulated by the Democrats are not matched by their numbers.

Look to the bottom line. The Democrats suggest that their outlays will increase $7 billion over current spending. All of that $7 billion is used up in the amount of increased spending that we will have for defense. So they have no additional money for all other programs, but yet they increase spending for Social Security by $10 billion.

Because of current law, increases for Medicare will go up $5 billion. Increases in interest will go up $5 billion. That is $20 billion of increases in just those programs, with no additional money.

So where are the cuts that allow us to pay for those increases? Well, ladies and gentlemen, the cuts are not articulated in the Democrats' budget documents.

There are two conclusions we can reach: We can conclude either that the House Budget Committee's numbers are phoney, or otherwise you can conclude that the House Budget Committee has refused to tell us what policies they are changing in order to find these cuts that they say their budget provides.

I think we can get an example of this by looking at the Medicare function in the budget. First of all, of course, the Republicans ensure that beneficiaries will not have to pay any more in the Medicare deductible. The Democrats allow the Medicare deductible to increase from $492 to $540, a 10-percent increase.

So how do Republicans do that? Well, we specify, in detail, exactly what changes will be made in the Med-

icare Program in order to ensure that the dollars are there to fund health care benefits for the elderly.

What do the Democrats do? They say, for example, they will come up with $450 million in provider reforms, but not one provider reform is articulated by the Democrats.

Mr. JENKINS. Will the gentleman yield?

Mr. TAUKE. I yield to the gentleman.

Mr. JENKINS. Of course what the Republicans do in Medicare, while it is true that they try to keep it down in 1987, what really is being done is to go up twice as much in 1988. So the Republicans increase it in 1988 and simply defer for a year—somewhat smoke and mirrors.

Mr. TAUKE. I thank the gentleman for his comment. I would note that the Republicans, in this year's budget package, reconcile our Medicare savings; we specify what they will be, and we protect the beneficiaries in the next year.

I might also note that the gentleman earlier talked about how we were not reducing foreign aid when we cut it $3 billion below last year; and I noted the gentleman, then, last week, had voted for a $250 million package for Ireland, and refused to trim that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LATTA. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. TAUKE. I guess the point is this, ladies and gentlemen, that somewhere along the line, the Democrats' rhetoric has to match the budget figures. Somewhere along the line, the policies have to match the numbers; and so far the Democrats, year in and year out have failed to do that.

Once again they bring us a package that fails to do that. They do not come in with real numbers; they do not reconcile; consequently they do not get the savings and all the other wonderful benfits that they hope to claim.

So although there has been some suggestion that the budgets are similar, and a lot of lavish praise heaped on the members of the Committee on the Budget, I have to say to you that the Budget Committee has failed us in the past; it has failed us again. This budget is not a good budget; the one coming from the Committee on the Budget should not be adopted; if you want a real budget with real savings that will meet the Gramm-Rudman targets and solve our problems, we have to go with the only package before us that matches numbers and policies, and that is the Republican budget.

Mr. GRAY of Pennsylvania. May I inquire of the Chair the amount of time remaining on both sides?

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GRAY] has 17 minutes remaining and the gentleman from Ohio [Mr. LATTA] has 16 minutes remaining.

Mr. LATTA. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. MCDADE].

□ 1500

Mr. McDADE. I thank my good friend from Ohio for yielding this time to me, and I want to compliment him and the gentleman from Pennsylvania for the long and hard work they have both extended in bringing to us these budget resolutions.

I am unable to support the numbers allocated to the defense function in the chairman's budget. I am therefore unable to support their budget numbers. I thought I would spend a few minutes telling my colleagues what I conclude about the committee's defense allocations.

Mr. Chairman, the resolution produced by the Budget Committee has the appearance of freezing the defense budget at last year's level. But it will not. If we are held to the outlay numbers contained in that resolution—and we must remember Gramm-Rudman deals in outlays only—we will be faced with painful choices, all of which will seriously impair our military posture.

For the defense function, the committee resolution proposes $285 billion in budget authority and $276 billion in outlays. That outlay figure enabled the committee to come in under the Gramm-Rudman deficit ceiling, and so, it is fair to ask what sort of defense bill would result from holding to the $276 figure for outlays.

As a member of the Appropriations Committee, we have tried to answer that question. We asked the Congressional Budget Office to determine, based on past congressional priorities in defense, what we would have to do to meet the outlay target of $276 billion in the committee resolution.

As determined by CBO, to meet that outlay target, we would have to write a bill providing $270 billion in new budget authority. This is $15 billion less than the figure advertised in the Budget Committee resolution. It is $16 billion below what the Congress provided last year, after Gramm-Rudman. This number would put us at near the level in defense we were at 3 years ago.

How would we reach that number?

If we were to act in a manner consistent with congressional action over the past 4 years, we would try to protect the personnel accounts as well as operations and maintenance, the readiness accounts.

But that means we have to look for a lot of money from the procurement and research areas.

In procurement, we would have to reduce the President's budget by $22 billion, almost one-quarter of the request. How do we achieve that?

Let me give you a feel for the magnitude of a reduction of that size. We could totally eliminate funds for the five largest items in the procurement budget: the F-16 fighter, the F-18 fighter, the Aegis-class destroyers, the *Los Angeles*-class attack submarines, and the F-15 fighter. We zero all of these. How much of a reduction will we see? Would that get us $22 billion?

No, it only gets us a bit over halfway there, $13 billion. In order to get to $22 billion, we would have to zero the top 10 programs.

What about research and development? We would have to cut that almost $9 billion, one-fifth of the budget. And again, where do we find that kind of money? We could zero the Midgetman; the new Navy attack sub, the SSN-21; the C-17 transport; and yes, even zero the request for SDI. Would that do the trick? No, we'd still have a billion and a half dollars to go.

Now, those are the magnitude of the cuts we'd have to make, if we marked the defense bill reflecting past congressional priorities. But, the Budget Committee has a resolution which says we can come up with $276 billion in outlays while providing $285 billion in budget authority. The committee doesn't say how we can do that.

It is theoretically possible. We can reach these targets by hitting hard those accounts which spend out rapidly—personnel, and readiness.

Let me describe the only way we can hit both the BA and outlay targets in the committee's budget resolution. We would have to take out about $9 billion out of the military personnel accounts. This translates into letting go 200,000 soldiers, 9 percent of our active force; 200,000—a number larger than 10 of our Army divisions, or equivalent to the entire U.S. Marine Corps.

What about readiness, operations and maintenance funding? That would have to be cut by 15 percent, $13 billion. And over night, we would find ourselves back to where we were in the 1970's—ships tied up at dockside for lack of spare parts and fuel, airplanes grounded in hangars.

To do what the Budget Committee directs, we would have to dismantle the two biggest achievements of the defense buildup—the quality of our force, and its readiness for times of crisis.

Mr. Chairman, there will be no easy choices, no quick-fix for us to deal with defense if the Budget Committee resolution numbers hold. Both the Armed Services Committee and we on Appropriations will have to cut deep and hard. This is no idle suggestion, it is a statement of fact.

Vote as you will, but know that if the committee resolution passes, we will have to make measures that will take years to recoup. Once our soldiers are let go, they and their experience are gone. When we stop training or

maintaining equipment, we begin a cycle that cannot be corrected overnight.

Weigh the consequences of this vote, and realize that the Budget Committee's numbers for defense do not accurately reflect either fiscal reality, or the reality of a troubled world in which our military forces operate.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SCHUMER], a member of the committee.

Mr. SCHUMER. Mr. Chairman, I rise in support of the committee budget and in opposition to the Latta amendment.

First, I would like to add my accolades to those of so many others, to our chairman, BILL GRAY, who has worked very, very hard, very, very diligently and very, very skillfully, I think, to produce a document that sort of bull's-eyes just where the American people are.

Budgets really measure a party, an institution such as this House and the body politic better than any other kind of measure. The American people have certain needs as well as certain demands that they place upon us.

This budget, weighing all those considerations, comes out right on target as to where they are. It is a balanced and responsible approach to Federal spending.

Mr. Chairman, I have been surprised that we have not heard more people on the other side of the aisle telling us, praising us, or for putting deficit reduction as our greatest priority. This is a new day for the Democratic Party. It is a new day for many people from my part of the Democratic Party when we say balancing that budget, keeping spending in line is more important than just about any other budgetary consideration. That is what the American people think, that is what this budget talks to.

Yet we do it in a fair and balanced way. Defense has taken its cut. It is a significant cut. But I would remind my colleagues that in the latest polls only 14 percent of the American people are for an absolute increase in the defense budget. This is an absolute increase in the defense budget, so if anything, it leans on the side of a tougher and more full defense than at least the polls reveal.

Mr. LATTA. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. HENRY].

Mr. HENRY. Mr. Chairman, as we debate the two major budget alternatives, I would simply like to address my remarks to the implications of the proposal offered by the chairman of the Budget Committee on the General Science, Space, and Technology Function, function 250. A close examination of the budget authority and outlays proposed elicit serious concerns over the proposal's impact on the activities within that function.

As budget functions go, function 250 is relatively simple. There are four subfunctions: General science and basic research; space flight; space science, applications, and technology; and supporting space activities.

Function 250 funding goes to two major agencies, the National Science Foundation [NSF] and the National Aeronautics and Space Administration [NASA]. A relatively small amount goes to the Department of Energy general science programs.

In this quite simple function there are few opportunities to reduce Federal spending. Any budgetary reductions must be done with great care, and even then there is not much room. To illustrate this fact, I simply refer my colleagues to the floor debate last July 25 by my friend and colleague the chairman of the Science and Technology Committee, when I offered a freeze amendment to the NASA and NSF appropriations. There was, in fact, a great deal of opposition to a simple 2-percent reduction in the four NASA appropriations accounts. Members pointed out very carefully and at great length the implications of even a small reduction.

I point this out only to put into perspective what the chairman of the Budget Committee proposes to do in this function. And that is to reduce budget authority $700 million below and outlays $520 million below, an already very tight baseline. Beyond the freeze level, this means a $300-million cut in budget authority and a $270-million cut in outlays. These are essentially 8-percent cuts in budget authority, and 6-percent cuts in outlays.

In contrast, the Republican alternative, having run all its proposed reductions past the independent Congressional Budget Office, found that this level of cuts are both disingenuous and severely crippling to the important national goals carried out in this function. As such, the Republican alternative proposes a simple discretionary freeze.

Supporters of NASA should be especially concerned over how the majority proposes to reach these very low numbers. First, the majority increases certain non-NASA accounts. In funding for NSF, the majority proposes to increase budget authority $150 million, and outlays $100 million, above what they otherwise would be.

In funding basic research, increases are also suggested, with a total of $50 million in new budget authority.

These new initiatives are entirely meritorious, and I commend the chairman for his courage in supporting this new spending. But mathematics tells me that what you add to NSF, to DOE, to basic science, you must take away from the rest of the function. On this function you can't hide and say the authorizing committee will find some cuts. On top of that you are freezing at post-Gramm-Rudman levels. That leaves you with cutting NASA programs in this function $500 million in budget authority and $400 million in outlays below a freeze.

This might be all right if the Congress could find some savings in NASA programs under this function. Maybe it could save some money by not flying the shuttle. In fact, this is what the chairman of the Budget Committee proposes to do. But according to CBO and to sworn testimony by NASA officials before the authorizing committees of the House and Senate—there are no savings from reducing shuttle flights. We know, we tried it, CBO says it can't be done.

Whatever savings may result are soaked up by additional costs in the aftermath of the explosion of the Shuttle *Challenger.* Estimating conservatively, the CBO states, and I quote from a CBO working paper entitled "Budget Effects of the Challenger Accident" that the accident "will raise total spending for the National Aeronautics and Space Administration [NASA] in fiscal years 1986 and 1987, even if a new orbiter is not procured." It will raise total spending.

The point is, Mr. Chairman, that when one looks carefully at this function, the inevitable conclusion is that the committee's budget devastates NASA programs. It hits space flight. It hits space science. It hits space supporting activities. No part of NASA is exempt in this budget; function 400 also cuts NASA aeronautics in half.

Mr. Chairman, the majority budget simply does not add up. It doesn't add up for NASA. It doesn't add up in function 250. It doesn't add up in other areas. It doesn't reach the Gramm-Rudman target, no matter what its phony numbers say. You simply can't get there from here with this budget. It ought to be opposed.

Mr. LATTA. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. ROWLAND].

Mr. ROWLAND of Connecticut. I thank the gentleman for yielding this time to me.

Mr. Chairman, first I would like to congratulate the ranking member on the Budget Committee along with the House 92 Committee, which worked so hard on this issue, especially my friend NANCY JOHNSON from Connecticut, who spearheaded the compromise from the House 92 Committee.

Mr. Chairman, I was one of the 24 Republicans last year who joined with the Democrats in supporting that Democratic proposal. I would also point out that many of the previous speakers were part of those 24 Republicans.

However, this year I cannot and I believe many of my colleagues cannot support this Democratic proposal.

The Republican alternative is a moderate compromise. It should appeal to everyone. It does not devastate our national security, it does not devastate the domestic programs that we hold so true to our hearts, and it does not have the new and increased taxes that the Democratic proposal has.

Mr. Chairman, I think we are going to have a tall order trying to explain to our constituents or justifying to our constituents why we want to increase taxes, new and increased taxes by up to $54 billion over the next 3 years.

Mr. Chairman, we need a new, fair, reasonable approach. I have heard it said many times over the past month that tax increases should be looked at as a last resort.

I would contend that today is not a last resort. Therefore, I would urge support for the Republican proposal.

Mr. LATTA. Mr. Chairman, I yield 1 minute to the gentlewoman from Kansas [Mrs. MEYERS]

Mrs. MEYERS of Kansas. Mr. Chairman, I rise in support of the Republican budget alternative as the most responsible, balanced proposal before us. The Republican budget alternative meets the deficit targets in each of the next 3 years, and I believe, its components reflect the views of a majority of the American people, whose interests we are representing here today.

First of all, this budget begins with the honest premise that Americans do not want their taxes raised. The Republican budget calls for an increase in revenue slightly below the President's request. In contrast, the committee proposal imposes $54 billion in tax increases on working Americans over the next 3 years. The Democrats' use of a fenced "deficit reduction fund" does not change that fact. Past budgets have also pledged to apply tax increases to deficit reduction and have failed to do so. I don't believe it is fair to make this claim before proving clearly that we have the discipline to cut the growth in Federal spending.

A second reason to support the Republican proposal is that it presents a reasonable alternative on defense spending. My constituents have told me over the past 2 to 3 years that they are willing to fund a strong defense program, if we can avoid waste of defense dollars. The Republican alternative presents a defense plan allowing 2 percent real growth in budget authority beyond the post-sequestration level, so that we can maintain the strong program we now have while requiring reform and cost-cutting measures in a responsible manner.

A third reason to vote for the Latta substitute, is its plan for nondefense spending. The budget provides a freeze at post-sequester budget authority levels for most programs. Low-income and Social Security programs are protected, and COLA's are provided. The plan represents the consensus views and best judgments of our Members of what can be achieved this year. In contrast, the committee alternative leaves unstated many of the reductions its totals would force on various programs, and implies cuts which would be much deeper than the freeze or 2.5-percent cuts stated in the budget because of their new spending initiatives crowding out current programs.

The Republican budget alternative does not promise large spending increases. Although each of us who support it might want to change components of it, I believe it treats programs fairly. The reductions it recommends are achievable, and given our Gramm-Rudman requirements, we must ensure that outcome. I know that many of my Democratic colleagues are uncomfortable with the defense levels and tax increases in the committee budget. I would urge them to vote for what is truly the "consensus" budget before us today—the Latta substitute.

Mr. LATTA. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. I thank the gentleman for yielding.

Mr. Chairman and Members, I want to focus for just a second on the education area because this has been most troubling to me. The fact is, when you look at the two alternatives in front of us, there is a great deal of difference. Each of them makes about $600 to $700 million in general cuts to start out from the baseline. The problem is, the way the Democrats calculate the numbers, their freeze only saves $300 million when in fact CBO says a freeze should save $1.1 billion if it is going to be an honest freeze. So they are obviously wrong in that area.

They really conclude in three areas by saying they are going to have a child initiative of $250 million, an educational initiative of $450 million, a trade initiative of $50 million, increasing and giving us the difference in spending of about $600 million in the two programs. You and I both know nobody is going to vote for tax increases. That is not going to happen.

But I would suggest anyone before they vote for these budgets, take a look at what their budget does exactly in the nonprotected education areas: it cuts chapter 2 $15 million, cuts vocational education $20 million, cuts adult education $2.5 million, cuts library $2.5 million, and cuts training services $42 million. We do not know whether or not the Pell grant is protected. If it is not, it is in big, big trouble under their budget proposal.

Mr. LATTA. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Chairman, I rise in support of the Republican alternative.

Mr. Chairman, I rise in strong support of the budget substitute offered by the gentleman from Ohio [Mr. LATTA] and I want to say in the strongest terms possible that this is a budget that my colleagues from both sides of the aisle can support. It is balanced, it is honest, and it meets the goals we all share.

The Republican budget is honest—our assumptions are realistic and our savings have been documented by CBO. It provides the certainty that Federal spending will be brought under control in 1987. There are no empty promises to the American people in this budget—it is both fiscally and socially responsible.

The Republican budget is a balanced approach to national priorities. We have preserved at their current level many of the most important domestic programs, things like education, health, income security, general science, agriculture—in fact, if you will actually look at our figures, we provide for an increase in Head Start, Social Security, and priority health programs. Through carefully crafted cutbacks in some areas, we are actually able to be more generous in other areas than our friends on the other side of the aisle.

Perhaps most important, the Republican budget provides an adquate spending level for our national defense. We have not provided a blank check for the Defense Department at the expense of so many important domestic programs—but neither have we made drastic cutbacks that will hamper needed defense efforts. We even provide for a 3-percent pay raise for the valiant women and men who defend our country.

Finally, we have achieved a budget that meets the Gramm-Rudman targets. In short, the Latta substitute achieves what some Members may have thought was impossible—we offer a deep reduction in the budget deficit, we protect needed programs and treat all spending fairly, we provide for an adequate national defense, and we avoid burdening the working people of America who make it all possible.

I strongly encourage my colleagues on both sides of the aisle to look closely at the Republican budget alternative. Let's put partisanship aside and agree on a budget that makes sense for all Americans.

Mr. LATTA. Mr. Chairman, I yield such time as he may consume to the gentleman from Vermont [Mr. JEFFORDS].

Mr. JEFFORDS. Mr. Chairman, I rise in support of the Republican substitute, the Latta substitute.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield 10 minutes to the

gentleman from Texas [Mr. LEATH], a member of the committee.

□ 1515

Mr. LEATH of Texas. Mr. Chairman, as I have for several years now, I listened to most of the debate we have had the last 2 days on the fiscal year 1987 budget, and there is one thing that comes through loud and clear—enormous frustration. No matter who the speaker is or what the rhetoric is, frustration is the salt of this debate.

Whether it be my friend, GEORGE MILLER, talking about child nutrition or my friend, BILL WHITEHURST talking about defense, frustration is the common thread.

Late last night, as I often do, I sat in my recliner-back chair in the den and pondered our dilemma, and wished that some way, somehow, I could have the ability and the wisdom to come here today and say something to make things right, but I'm afraid the Lord really didn't give me such a revelation.

So I must do as we all do, and attempt to work within the human frailties we all face at this time, and somehow deal with that same frustration as best we can. In spite of that frustration—we have a great Nation to govern.

As I sat there, my thoughts rambling and searching for the answers, I remembered 1979 when I first came to Congress.

As part of our orientation, the Speaker had a dinner for us in the rotunda of the Capitol, and after dinner he opened the Chamber of this great House, and allowed us and our wives to come into the Chamber for a while.

I won't ever forget that moment as long as I live. I had just finished a campaign that lasted 18 months, I had just spent over $600,000, and I was bloodied from a primary and general election that had made me walk through the fire. You all know what I mean, because we have all been there.

Yet as I stood here in this Chamber, I knew once again why it had been worth all that misery. I stood here that night, and I wept—the awesome sense of history—the awesome responsibility suddenly was here, and it was real. The race was over—the prize was a piece of America's future. Now, it was time to place the politics behind—it was time to govern.

I have, my friends, as you do, an enormous respect for this institution.

Though we seldom realize it, we are very special people. In the 210-year history of our great Republic, with all the hundreds of millions of people who have lived, less than 10,000 have had the privilege that you and I have—to serve, to do something, to affect history. we bang upon each other a lot, but the truth is we are special people; 525,000 of our friends and neighbors have entrusted their future to us.

I may be totally naive, but I truly believe that to the man and to the woman, we all want to do that, to accept that responsibility. But, my friends, we have one very serious problem. Unfortunately, when we walk though these doors, into this beautiful Chamber, we are not required to check the politics at the door.

Politics follows us and permeates debate and sours the well.

We're like a group of folks playing dominoes, and we don't have a full deck. We are constrained because we cannot deal with the whole. The problem is clear, but we can only nibble at it.

We have a trillion dollar budget, but we can't deal with a trillion dollars in taxes. Then on the spending side, we have a trillion dollar budget, but we can't deal with cuts in the basic entitlements—proof. A $300 billion domino left the deck—we could call that, I guess, the old double 6. Then, there is defense—we can't cut that, it must be raised—poof! Another $280 billion off the table—the old double 5 gone.

Then there is the old double 4—interest on the national debt—poof. Another $143 billion that we can't control. What about the $23 billion agriculture budget—well, everybody knows how bad the farm economy is—can't cut that. We shouldn't cut the $26 billion in veterans benefits. That is, after all, the very basic entitlement.

Where are we? Well, we just eliminated $772 billion of that trillion dollar budget, and we haven't even talked about law enforcement, or science, or programs for the poorest of the poor, or education, or many other programs that simply cannot or will not be reduced.

The bottom line is that we don't have much to work with that is politically achievable and that is, after all, the key phrase: "politically achievable." We are long on rhetoric, but short on courage.

Obviously, this budget is not the solution I would give. I would cut defense, freeze entitlements, cut domestic programs, and then raise taxes—how many votes would I get—maybe the 56 we received last year—surely no more. After all, this is an election year.

Most of the solutions we hear today are no better—they simply will not achieve a consensus. That is the box the committee and the institution are in.

David Stockman is indeed right—politics has been triumphant. Unfortunately, today, it still is.

Ladies and gentlemen, until such time as we decide to govern instead of posture for the campaign committee—until such time as the President decides to become an honest broker in the process instead of merely a critic—until such time as we accept our responsibility to govern—this is the very best we can do.

Within all of those constraints, I am proud of this budget. It is by far the most responsible document I have seen come out of that committee in my 8 years here, and I intend to vote for the resolution, and I urge you all to do the same.

The day we all decide to come to the table, including the President, and make up our minds to truly and realistically solve this problem. I am ready to get on with it. I am ready to turn off the computer generated political demagoguery. I am ready to accept the risk of reponsibility, and I truly believe that most of my colleagues are, too.

In the meantime, this is the best that we can do. Make no mistake about it, the alternative of having no budget, the alternative of sequestration by a mindless, heartless formula is disastrous.

Mr. Chairman, I would urge my colleagues today to accept this budget for what it is. It is not a budget full of phony numbers. That makes me sick. It is a budget that has been slaved over and worked and delved over and reached the consensus between all the great elements of this society, liberals, conservatives, moderates, hawks, doves, whatever you want to call us.

But the truth of the matter is we cannot merely stand here day after day and accuse each other of this, that and the other. We have to govern the country, and we can only do that when we can reach consensus.

We should have all of the dominoes on the table, ladies and gentlemen, but they are not. And until they are, I commend my chairman, Mr. GRAY, and I commend the members of this committee for doing the best that we could with what we had to work with.

Mr. GRADISON. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New York [Mr. KEMP].

Mr. KEMP. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise to make some comments about this debate over the budget. I serve on the Budget Committee and I enjoy serving with the gentleman from Pennsylvania [Mr. GRAY], and also my colleague, the gentleman from Ohio [Mr. LATTA].

There are many different opinions on what we should do. I heard my colleague and friend, the gentleman from Texas [Mr. LEATH] talking about the courage to cut defense and freeze Social Security and cut the safety net. Well, no budget before us reflects the policy prescription; nor do I believe the American people would commend courage in the services of such misdirected goals.

I want to say that I am equally conservative fiscally speaking and sit on the Republican side of the aisle, but I think we are making a mistake in cutting defense and letting deficits drive public policy instead of the other way around. I think it would be a mistake to freeze Social Security, and I think it would be a mistake to cut the social safety net for the poor and besides we don't need to.

The deficit is not the only issue in America. Interest rates are an issue. Tax rates are an issue. Unemployment rates are an issue. And our national security requirements are an issue. By and large, despite the deficit, interest rates are coming down, energy prices are coming down, unemployment rates are coming down and they need to come down further. But the more we do to establish good economic policy, the more we can do to get that deficit down and get the budget into equilibrium. You cannot bring the budget to balance as long as you have factories operating at 80 percent of capacity and you have 8.5 million Americans unemployed and large numbers of minority people unemployed.

We ought to be talking about a policy of full employment, not just the policy of cutting defense, freezing Social Security or cutting the safety net for the poor.

□ 1525

Mr. KEMP. Mr. Chairman, I want to take the remainder of my time to remind my colleagues about national defense. President Reagan, on February 26 of this year, issued an appeal for our help on a bipartisan basis, to help secure necessary resources for defending this Nation and its vital security interests. He said in that speech: "Each generation of Americans has to live with the challenge that history delivers. We can't cope with these challenges by evasion."

The defense figures for this budget are too low. I must say that I am disappointed that our own budget is too low on this side of the aisle. With all due respect to the honest and decent and hard-working men and women in both parties and on both sides of this aisle, I think it is making a mistake to suggest that defense should be held accountable to the deficit that we face in this very difficult world.

Last year we enacted a budget resolution that called for a 1-year freeze in defense spending, followed by a 3 percent annual growth. Subsequent congressional action has resulted in a fiscal year 1986 budget for defense 6 percent below last year's level in real terms and the first absolute decline in defense spending in 15 years.

Now the agreed 3 percent increase for this year is under assault. Under the House Budget Committee resolution, defense spending would be cut more than 5 percent below the fiscal year 1986 level. Some have speculated that this may be explained as a rather transparent political ploy to box the administration into proposing a tax increase. It would be a sad commentary if our vital national security requirements were subordinated to partisan political gambits.

Still others explain low defense figures as an unfortunate but necessary consequence of the need to address the deficit. Yes; the deficit is a concern, to be sure; but it is not the only focus of national policy. If we allow fiscal concerns alone to drive national defense, we risk losing the momentum of our historic turn around in the military balance and forfeiting our foreign policy goals.

We are far from having compensated for the deterioration in our defenses that resulted from consistent underfunding during the 1970's. If we become sanguine, while the Soviet threat continues to grow, we can yet lose the modest advances we have achieved over the last 5 years.

Contrary to liberal myth, the deficit isn't caused by defense spending. Between fiscal years 1980 and 1985, total Federal spending increased by $335 billion. Only about one third of that amount ($119 billion) was for defense.

More importantly, our recent military buildup has occurred during the period of greatest economic expansion in the postwar era. Yet as a result of last year's defense budget reductions, we have taken a step backward toward the previous pattern of costly neglect. How will future generations judge us, if we falter in meeting our essential defense requirements during a time of unparalleled prosperity?

There is no question that America can afford to defend itself. Nor is there any question that the American people expect Congress to fulfill our responsibility to provide for the common defense. The only question is what level of resources is necessary to accomplish this job.

In this context, what are the implications of a decision to reduce defense spending? It would be reasonable to assume that one had reached the conclusion that last year's level of spending is more than adequate to meet this year's threat. That America's defense requirements had declined. That we have, in 5 short years, reached a point of equilibrium where we have compensated for the past decade, when the Soviets spent $450 billion more in weapons investment alone than the United States. That the threat has attenuated, rather than grown.

None of these predicates is true.

None of us is ignorant about the unprecedented growth in the Soviet threat throughout the decade of the 1970's, while U.S. defense spending declined by 20 percent in real terms. By what magic can it be that now all this has been erased in a short 5 years?

Some 17 percent of the Soviet GNP is devoted to defense. The magnitude of their effort occasioned Brezhnev to declare in 1973, "A decisive shift in the correlation of forces will be such that by 1985 we will be able to exert our will whenever we need to." They have fallen short of that mark, but have given no sign of abandoning Brezhnev's goal. Today, we have lost our former military advantage. Soviet armaments production continues to exceed ours in virtually every category of weapons. Despite the President's strategic modernization effort, comparisons of strategic capability continue to favor the Soviet Union. And the threat continues to grow.

If we abort our defense buildup, we would be saying not only that we accept a continued Soviet advantage, but that we will knowingly allow that disparity to deepen. Are we prepared to take these risks with our security today, knowing that the risks for future generations will be even greater?

In the President's words, "We've come so far together these last 5 years—let's not falter now." I urge you to support a budget resolution that provides the vital defenses resources our Nation's security demands.

Mr. GRADISON. Mr. Chairman, I yield the balance of the time remaining for our side to the gentleman from Illinois [Mr. MICHEL], the Republican leader.

Mr. MICHEL. Mr. Chairman, we began this year under some very extraordinary restraints because of the passage of Gramm-Rudman-Hollings. The President submitted his budget also under those very same restraints. We know, if we go back to January and February, after the submission of that budget, how it was kicked around for probably no other reasons than political reasons, a road show ensued, and all the rest.

This would or should have been a year when we really worked together in a bipartisan manner. I have to assume that both parties' objective is eventually to avoid sequestration of any kind.

There were no easy choices to make this year, but I certainly would have been amenable to sharing the pain with the majority, in the interest of getting closer together than we are today in our respective alternatives. It is quite obvious that the Democratic strategy was to beat the hell out of the defense program in order to placate all of the social welfare pleaders. And I will be frank to say that I really feel what the majority has done on the defense figure is irresponsible. To my discerning Democratic friends who also know in their hearts that it is a bad figure, you are being told not to worry about it because it will be taken care of in conference. Well, ask Members on both sides of the aisle who serve on that Armed Services Committee how they can ever report out a responsible bill under the 301(b) restraints of the committee's bill.

Today the President sent me a 3½ page "Dear Bob" letter which I include at this time for the RECORD. The President said:

THE WHITE HOUSE,
Washington, May 15, 1986.

Hon. Robert H. Michel
Minority Leader, U.S. House of Representatives, Washington, DC.

DEAR BOB: I am writing to express my deep concern regarding large reductions in our defense program recommended by the House Budget Committee. The Committee

has proposed that my request for defense budget authority in 1987 be reduced by $35 billion, from $320B to $285B.

The Committee-proposed level amounts to nearly a six percent real decline from FY86 levels. The FY86 level for defense was itself a six percent decline from the FY85 budget. Thus, the Committee's proposal amounts to almost a twelve percent real decline from the FY85 defense budget.

Bob, a twelve percent real decline in defense spending is hardly the "leveling-off" depicted by some. The Committee recommendations, if approved, would cripple the combat readiness of our conventional forces and take unacceptable risks with our national security at time when the immense Soviet military build-up continues uninterrupted. This radical anti-defense budget would tear down much of what we have built, together, these past five years, and return us to that era of the 1970's when the national defense was neglected, and our country paid worldwide and dearly for that neglect. Has the Congress so soon forgotten the consequences of short-changing national defense? I cannot believe the American people—given the facts—would approve of what the House Budget Committee would have us do. Its recommendations, taken together, represent nothing less than a breach of faith with our common duty to protect this nation.

While the impact of a $35 billion reduction in FY87 would be severe, this Administration would seek to protect, to the extent possible, those programs and capabilities most vital to our national defense. These include the strategic modernization program, which also includes the Strategic Defense Initiative and improvements in command-and-control; our military personnel and the current force structure; and sensitive classified programs. Even so, there is no possibility that the large improvements in military personnel and readiness that have been achieved to date could be sustained in the face of a $35 billion reduction recommended by the House Budget Committee. It would be very difficult to support the increases in size of U.S. forces already approved by the Congress; and program terminations and cancellation of proposed new starts would be unavoidable.

We would have to cut an entire Division from the Army, an Aircraft Carrier Battle Group, and tactical fighter wings from both the Air Force and the Navy. Termination of critical mobility programs such as the C-17 airlifter would further postpone the capability we need to deploy forces rapidly over long distances. Other critical programs would be terminated as well. These would include programs like a new field artillery support vehicle, the Army helicopter improvement program, a new 120mm mortar and ammunition, the AV-8B and A6E/F attack aircraft, the F-15, the JSTARS new surveillance aircraft, the TR-1 reconnaissance aircraft, and a number of other needed programs.

We would have to stretch-out or shelve research and development for over 50 programs. In addition, stretch-outs in the procurement of over 25 weapon systems would result not only in later than planned deployment but also in rising costs because of production inefficiencies. Programs like the M-1 tank, the Bradley fighting vehicle, F-16 and F-18 fighters, the EA-6B electronic warfare aircraft, the SSN-688 and SSN-21 class attack submarines, the CG-47 AEGIS cruisers, and many military construction programs would be affected. As you can see, planned and required force expansion across the spectrum of military capabilitly would have to be cut back.

Munitions cutbacks would reduce our ability to sustain forces in combat. We would see direct impact on programs like the GBU-15 bomb, Maverick, Harm, Tomahawk, Sparrow and Patriot missiles, light weight multipurpose ammunition, and ammunition mobilization facilities. Reductions in spare parts, support equipment, and communications equipment would lead to lower operational readiness. Depot maintenance capability would be reduced. Ship repair backlogs would increase. Operations accounts already severely cut in 1986 would not increase sufficiently to support forces and equipment; or satisfy essential readiness and training needs. In short, the impact on our defense capability would be pervasive and severe across the board.

In the final analysis, it is Congress that will determine specific funding levels for the programs I have discussed. While the priorities I have outlined are clear, it is impossible for me to predict the results of authorization and appropriation action. If such cuts are sustained, however, an action clearly damaging to our national security, I will make every effort to see them carried out in the manner I have outlined.

The accomplishments of the past five years are now in jeopardy because of the defense reductions being considered in Congress. Congress approved and set in motion our program for rebuilding America's military strength. It would be wasteful and irresponsible to cut short this program by denying the funding necessary to carry it out. We did not spend the last five years making our military more competitive and America secure again, only to undo it all in our second term. We must not return to the short-sighted and discredited policies of the past which destroyed the confidence of our military personnel, undermined our military capabilities, and jeopardized America's security. The threat has not changed; this only increases the risk.

The decisions we make about our defense budget today determine the strength with which we can underwrite our security for years to come. The threat we anticipate, unfortunately, continues to grow. The House Budget Committee's proposed level for defense spending would increase the risk to each one of us by reversing the progress we have made and causing the gap between our national security requirements and our military capabilities to widen once again.

I know you and your colleagues will appreciate the profound importance of these issues to our defense and foreign policy as you consider the implications of the Budget Committee's recommendation.

Sincerely,

RONALD REAGAN.

Now, what have we done in our Republican substitute? We take a very responsible approach to the problem. The defense figure is not what it ought to be; but far better, in my judgment, that figure of $293 billion budget authority, with $280 billion outlays in the Republican substitute, than that which is carried in the Democratic bill today.

It reduces the deficit by $39 billion in the fiscal year 1987, by $160 billion between the fiscal years 1987 and 1989, and it does all this without raising taxes, gutting national defense or slashing social welfare programs. The restraints on domestic spending are accomplished through a nondefense discretionary freeze at fiscal year 1986 budget authority levels and through targeted spending programs.

We have eliminated some programs, more so than what our Senate brethren have done. We have major domestic spending reforms, including 10 percent cuts in EDA, UDAG, CDBG, CSBG, and termination of general revenue sharing; sale of Government assets—Conrail and college housing loans; user fees; minor reforms in guaranteed student loans, Medicare and Federal employee health benefits; reducing Government travel expenses; the "Market Plan" sale of new loans; minor restraints in transportation; minor restraints in subsidized housing and child nutrition. So we have bit the bullet over on this side in making some very difficult cuts in some of those programs that are not all that easy to reduce. But, in aggregate, with what we fell is a much more reasonable figure on defense, we are still within those guidelines established by Gramm-Rudman at $144 billion.

So I would urge my colleagues on both sides of the aisle to support the substitute here today. I am going to support it, and very enthusiasticlly so. I know that as far as a consensus to get on either side of the aisle, let alone between the two sides, on a budget resolution, no one gets his way. Working together, I submit, we have got a good substitute and it ought to be supported.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN of Texas. Mr. Chairman, I regretfully rise in opposition to House Concurrent Resolution 337, the Fiscal Year 1987 House Budget Resolution.

I commend the members of the House Budget Committee for the work that they have done to produce a budget, which on its face, is a good budget. In the areas of law enforcement, health care, job training and education, and income security of our elderly they have done well. In these areas, the goals of the American people are met, and I can support those goals.

The proposed budget meets the deficit targets required by the Gramm-Rudman-Hollings Act and keeps us on a path toward a balanced budget. In fact, the deficit contained in this budget resolution is below that of the Senate, and the administration.

However, this bill contains three provisions which I find unacceptable: Increased taxes, customs user fees, and inadequate defense spending levels.

The President proposed a tax increase of $6 billion in fiscal year 1987

and the Senate proposed the same $6 billion increase plus a tax increase of $4.7 billion over the President's request to spend on defense.

This bill would increase taxes by the same $6 billion requested by the President plus a tax increase of $4.7 billion above that requested by the President to apply to reducing the deficit for fiscal year 1987. I oppose any tax increase to meet the Gramm-Rudman deficit targets at this time. This bill is $6.95 billion below the Gramm-Rudman deficit target for fiscal year 1987. I would have preferred a separate vote on the need for a tax increase, but unfortunately, this House passed a rule not allowing such a separate vote. Because the Speaker has informed the Committee on Ways and Means not to report a tax bill unless requested by the President, there is certainly no reason to include the extra $4.7 billion in taxes in the budget resolution, and I disagree with the President, the Senate, and the House on the need for the $6 billion in user fees and revenue enhancements.

It sends the wrong signal to the American people that we cannot cut spending and reduce the deficit without more taxes. I think we can and therefore I cannot support this budget proposal in its present form.

I have never voted for a tax increase since I came to Congress, and I have stated repeatedly that I never will unless it is specifically requested by the President and justified to the people of west Texas.

The budget before us today also contains a provision to impose $300 million in additional annual customs user fees for processing imports entering this country. I would remind the House that $200 million in annual customs user fees were imposed by last year's budget resolution. These so-called fees are nothing more than a regressive tax on the American people, including those along the Southwest border who already suffer from the volatility of the Mexican economy.

Finally, Mr. Chairman, I am concerned about the defense spending levels contained in this budget proposal. While I agree that defense spending must be constrained along with nondefense spending to reduce the deficit, the levels of budget authority and budget outlays for defense contained in this budget might result in reducing the readiness of our Armed Forces.

The budget before us today provides for $285 billion in Defense budget authority and $276.2 billion in budget outlays. Unfortunately, because of the relationship between budget authority and budget outlays, the ratio of funding in this budget will provide the bulk of savings from the personnel and operations and maintenance accounts.

I have consistently supported adequate funding for personnel and for operations and maintenance. Without the personnel and operations and maintenance accounts fully funded, we will have nothing but a hollow deterrent.

The level of defense funding contained in this budget is $15 billion below the current service baseline for budget authority and $7.8 billion below the current services baseline for budget outlays, although $6.7 billion above the fiscal year 1986 outlay level. In order to bring the budget authority and budget outlay levels in line with the committee resolution, more cuts will have to be made in personnel and operations and maintenance accounts because of the way in which funds are expended in those two accounts. Outlays in personnel and operations and maintenance are made almost completely in the same year they are appropriated, whereas for other defense accounts, such as research and development, procurement, and military construction, outlays occur over a multiyear period. Therefore, in order to achieve the outlay level allowed for defense, the bulk of reductions will have to come from personnel and operation and maintenance. I do not think this is a wise defense posture to take at this time.

Over the past 5 years, this Congress has provided for a real increase in defense spending of approximately 6 percent annually. However, in the age of Gramm-Rudman-Hollings, we must constrain all spending while still attempting to achieve our goals and priorities. The investment in qualified military personnel and adequate operations and maintenance must remain a priority. Under the formula contained in this budget proposal, this priority will not be met.

Unfortunately, Mr. Chairman, the Latta substitute budget is sadly deficient in a number of areas as well. This Republican substitute would impose even more user fees than the committee budget, and it contains $1 billion more in foreign aid than the Democratic one. It freezes funding for the strategic petroleum reserve, which could exacerbate even further the downturn in the Texas oil economy. It would eliminate Federal impact aid, which compensates local school districts for the cost of children who live on Federal and military districts and thus do not pay the property taxes that fund our schools. Furthermore, the Latta substitute would cut Medicare by $750 million, $400 million more than the Budget Committee. The Latta substitute cuts health programs and child nutrition below current services levels, and it does not adequately fund Federal mass transit assistance which will ultimately force those costs back on the local taxpayers. And in this age of rampant terrorism, Mr. Chairman, the Republican budget would cut funds for Embassy security by an incredible $500 million.

Mr. Chairman, we can have a good budget if we address the areas I mentioned above. If we allow for separate debate on the issue of a tax increase, I believe we will find that we do not need new taxes to reduce the deficit. By removing the new taxes contained in House Concurrent Resolution 337, we will still be under the fiscal year 1987 budget deficit target. We should reconsider the customs user fees by assuming the negative economic impact they will have on the border areas of the Nation. And finally, we should reconsider the formula in which defense spending targets are set, because I believe they will result in inadequate defense spending levels.

A vote against this particular budget should not be continued as support for the automatic spending cuts under Gramm-Rudman. As a member of the House Appropriations Committee, even should this budget pass. I intend to make sure that we establish priorities in each appropriations bill and meet the Gramm-Rudman targets without across-the-board cuts.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. GRAY].

Mr. GRAY of Illinois. Mr. Chairman, I rise in support of the committee's budget and in opposition to the Latta substitute. Mr. Chairman, at a time when we have farmers going into bankruptcy by the thousands, unemployed coal miners, a 20-percent unemployment rate in most of the counties I represent in Illinois, and with our great education systems, this is a time when we must oppose the administration's request for more foreign assistance and more defense spending and put our very scarce dollars into American programs. Putting it simply, Mr. Chairman, America should come first.

The Latta substitute would cut education and other vital domestic programs and provide a billion dollars more for foreign assistance this year and increasing amounts in fiscal year 1988 and 1989. I would like to congratulate Chairman GRAY and all the Democrats on the House Budget Committee and the one Republican, Mr. WEBER of Minnesota, who voted for the pending budget. This budget keeps existing programs primarily at last year's level which means we will be able to save soil conservation funds, home extension service, our education budget, our Job Corps Center budget, flood control, food stamps, child nutrition, senior citizen programs, housing, public works, highways and other important domestic programs while still maintaining an adequate defense budget. The defense budget, Mr. Chairman, in this bill, after cuts, is still almost 300 percent greater than the defense budget when I retired from this body 11 years ago. The defense budget at that time was under $100 billion.

Therefore, I don't believe any prudent thinking person could say we are cutting defense to a dangerously low level. This is an all

American budget, because the best defense we can have in this country is a strong and vibrant American economy. The best part is our budget cuts below the numbers required in the Gramm-Rudman Balanced Budget Act.

I encourage a vote against the Republican substitute and a "Yes" vote for the Democratic committee budget.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin [Mr. MOODY].

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. BRYANT].

Mr. BRYANT. Mr. Chairman, the budget resolution we are considering today has a lot to recommend it. As many of my colleagues have said, it is, in large measure, a good budget. It fulfills the pledge we took to the American people when we voted for the Gramm-Rudman Deficit Reduction Act, reducing the 1987 deficit to $137 billion, or $7 billion less than Gramm-Rudman required of us. This is better than the Senate has done by $7 billion, and better than the President has recommended by $23 billion.

The budget resolution we are considering today puts a stop to the uncontrolled spiraling of Pentagon costs that have eroded public support for our legitimate defense needs and encouraged the biggest ripoff of American taxpayers by defense contractors in our history.

I wish I could give my wholehearted and unreserved support to this budget. But I am concerned that it leaves room for a congressional pay raise at the same time it is asking most programs to make do with less.

I am going to vote for this budget, because it makes most of the right kinds of decisions necessary to start bringing our Government back on a pay-as-you-go basis. We absolutely must set spending ceilings under the limits of Gramm-Rudman. But I am going to oppose any legislation which seeks to put into effect any congressional pay raise while we are making major cuts in other programs.

Mr. BEDELL. Mr. Chairman, I rise in support of House Concurrent Resolution 337, the fiscal year 1987 budget resolution. I am particularly pleased that Democratic Members of the House of Representatives have united to propose and approve a budget for next year that promptly fulfills our responsibilities in the Federal budget process.

This resolution, which received unanimous support from Democratic members of the House Budget Committee, decisively rejects President Reagan's warped budget priorities. The resolution is a fiscally responsible budget that produces deficits below those proposed by the President and Senate and below the Gramm-Rudman deficit reduction target. It provides for a strong defense, limits tax increases, protects agriculture and rural programs and spreads the pain of deficit reduction evenly. It does not avoid hard choices with soft numbers.

Unlike the budgets proposed by the President and passed by the Senate, the resolution seeks a balance. Earlier this year, the President began the budget process by submitting a proposal to Congress that would have increased defense spending by $34 billion during 1987 while cutting agriculture programs by $6.4 billion and eliminating over 40 domestic programs.

Senate Republican leaders pronounced the President's budget "dead on arrival." The nonpartisan Congressional Budget Office took a close look at the President's calculations and reported that he had underestimated next year's probable defense outlays by $14 billion, therefore his budget would actually miss the Gramm-Rudman deficit reduction target. In March, the House of Representatives voted 312–12 to reject the President's plan.

Frustrated by the President's refusal to negotiate on defense spending and other issues, the Senate recently passed its own version of a budget that is better but still skewed. The Senate budget (S. Con. Res. 120) would increase defense spending authority by $13 billion over this year's level, increase taxes by $10.7 billion—slightly more than the President proposed—and achieve most of its spending cuts in domestic programs.

The Democratic budget alternative is the most balanced budget of the three. It would increase taxes by $10.7 billion over the next year—the exact same amount as the Senate budget. These new revenues would come from better tax enforcement, increased taxes on producers of toxic chemicals, and other minor adjustments. Unlike the Senate resolution, the House resolution provides that the additional revenues beyond those proposed by the President, $4.7 billion, would be placed in a separate Treasury account to be available only for deficit reduction. In fact, these additional revenues would lower the resolution's budget deficit next year to $137 billion, well below the maximum deficit of $144 billion allowed by Gramm-Rudman.

Time after time, Iowans have told me that they are willing to take their share of budget cuts if everyone else will, too. This budget embodies that principle. Measured from the Congressional Budget Office's budget baseline for next year—which represents CBO's estimate of the amounts needed to keep pace with inflation and population increases—the House Budget Committee's resolution would distribute spending cuts evenly between domestic and defense programs. This 50–50 split is the same as the Gramm-Rudman budget law's formula for automatic deficit reductions. In contrast, the Senate budget, measured from the same baseline, makes 92 percent of its spending cuts on the domestic side.

The biggest difference between the three proposed budgets is their levels of military spending. This year, defense spending authority will total $286 billion. For next year, President Reagan proposed increased defense spending of $34 billion for a total of $320 billion—an increase of 8 percent over inflation. The Senate proposed an increase of $15 billion for a total of $301 billion. The House committee resolution would spend a total of $285 billion next year, slightly less new defense spending authority than this year.

However, even under the House committee's lower number for defense spending authority, actual outlays for defense will continue to rise next year from $269 billion to $276 billion. This is because the Department of Defense has amassed a huge backlog of spending authority appropriated during the last 5 years. In fact, the nonpartisan General Accounting Office reports that the Defense Department may have accumulated a windfall of up to $40 billion in extra funds since 1982 because of overestimates for inflation. For this reason, I voted for the Leland amendment that would have lowered new defense spending authority next year by $32 billion for a total of $254 billion. I am pleased to note that the House committee budget provides that $3 billion of next year's defense funds would be withheld until the Defense submits a report accounting for funds provided this year that exceeded the amount needed to cover inflation.

This budget will be attacked by the President and others. Because it does not give him every penny of defense spending increase he seeks, he will claim that this budget recklessly endangers our national security. This is false. Earlier this year, the Central Intelligence Agency and the Defense Intelligence Agency testified to the Joint Economic Committee in Congress that according to their best estimates, U.S. defense spending had far outpaced Soviet spending increases during the last 10 years. According to the best U.S. intelligence available, between 1975 and 1985, total U.S. military spending increased by an average of 3.5 percent per year. During the same period, Soviet military spending poked along at a 2-percent rate of increase per year. Since 1981, U.S. military spending has increased by a whopping 7.2 percent—more than three times as fast as overall Soviet military spending.

In fact, besides having the strongest fighting force in the world, America's greatest strengths are its people and its economy. In an era of global economic competition and rapid technological change, true concern for American national security interests requires that we invest in education, social stability and economic opportunity here at home.

The President proposed $23 billion in domestic program cuts. He would cut agriculture income support programs by 20 percent. The President would eliminate the Small Business Administration, several housing programs for the elderly, the Legal Services Corporation, rural water and sewer grants, a new GI education program and others. He proposed cutting education aid by 15 percent, Federal student aid by 25 percent, and vocational education funding by 50 percent. He proposed large cuts in rural housing, crop insurance, conservation, extension services, and nutrition programs.

The House committee budget recognizes the need to invest in America's domestic economy and its people. It would hold agriculture spending programs at current levels. Although the budget would cut many domestic discretionary programs by 2.5 percent below this year's funding level, it would make deeper cuts in certain programs and protect certain low-income programs. It would provide full cost-of-living adjustments for all indexed programs.

Most important of all, this budget resolution represents fulfillment of the House of Representative's budget responsibilities. Coming soon after the Senate passed its budget resolution, it signals that Congress is meeting its obligations. Because it would actually reduce

the deficit below the Gramm-Rudman level, this budget resolution allows a $7 billion cushion in case economic assumptions are not borne out by events.

Late last year, the President signed into law the Gramm-Rudman legislation passed by Congress. Even Gramm-Rudman's strongest supporters said that their intention was that Congress and the President should work together on the budget in order to avoid automatic sequestrations under Gramm-Rudman. The budget resolution we have passed is a fair one. The President should work with us to achieve a House-Senate compromise budget that reflects the same balanced priorities.

I call on the President to abandon his insistence on continued rapid growth in the defense budget and deep cuts in people programs. By insisting on a borrow-and-spend policy to finance his doubling of the defense budget during the last 5 years, the President has doubled the national debt in the last 5 years, from $1 trillion to $2 trillion. As former budget director David Stockman said recently of this administration's record, "We have conducted the greatest free lunch fiscal policy of modern times." It is time to recognize that those policies were wrong, and to work together on policies that are balanced and workable.

Mr. LIGHTFOOT. Mr. Chairman, I am encouraged by the quality of debate I've witnessed today as we've debated our first budget resolution under the constraints of Gramm-Rudman.

It's been a difficult time for all of us as we strive to meet the deficit reduction targets we have set for ourselves. A number of my colleagues have commented today that not one of the budget alternatives presented is entirely acceptable, and I couldn't agree more.

Of utmost importance in considering the various alternatives, is that they all, roughly, meet the budgetary guidelines set by Gramm-Rudman. This is commendable, and eliminates deficit reduction needs as a solitary argument against any of these packages.

While each package does present some worthwhile provisions, today we must select the one that best meets our needs. I am pleased with some aspects of the Democratic budget, such as the $450 million new emergency farm credit package.

Unfortunately, what the Democratic package adds in new spending it takes away from existing programs. Resulting in overall reductions in farm program spending. Furthermore, the Democratic package assumes $54 billion in tax increases, which I believe are premature, if necessary at all. The Democratic package, worst of all, adds new programs and spending at, or all times, when we need to cut spending.

Although the Republican alternative provides more in farm program funding than the Democratic budget proposal, the Republican proposal, is far from perfect. Both packages eliminate the entire honey program within USDA, assume higher user fees for mandatory food inspection, and assume cut backs in some necessary USDA personnel—all at one of the worst times in history for the American farmer.

Another problem I have with both budgets is that neither removes the transportation trust funds from the unified budget. These proposals would continue the biased accounting practices of the past that are intended to make the Federal deficit look smaller than it actually is. The transportation trust fund revenues by law are dedicated to fund badly needed improvements in our highways, airways, waterways, and transit systems and can't be used for any other purpose. Nonetheless, both proposals would keep these trust funds under the artificial spending limitations in the unified budget.

With respect to income security programs, revenue sharing, and community development programs which are important for Iowa, the Republican and Democratic versions differ little. Both packages preserve 2 percent cost-of-living adjustments for social, Federal, and military retirement recipients.

Unfortunately, to be responsible, we must have a budget which meets the required spending reductions. The Republican package is the best package, of the available alternatives, for Iowans. For this reason, I lend the package my qualified support.

Mr. GALLO. Mr. Chairman, when this Congress approved the Gramm-Rudman Balanced Budget and Deficit Reduction Act last December, I believed that this House would work together to meet this challenge and respond to the mandate of the American public to reduce the Federal deficit.

Unfortunately, this has not been the case and I am gravely disappointed.

Instead, the chairman of the Budget Committee and the Democrats in this House developed a budget plan in closed caucuses and the Republican Members of this House were not given any opportunities to participate in setting this Nation's priorities.

The House Budget Committee's proposal, considered on this floor today, in no way reflects a bipartisan effort or the priorities of Members on both sides of the aisle.

The Democrats set forth in their budget resolution, their response to our deficit crisis. It is this—increased spending and increased taxes.

For these reasons, I rise in opposition to the budget proposed by Representative GRAY and in favor of the Latta substitute.

While the Latta substitute meets the mandated deficit target by trimming both domestic and defense spending and limiting new revenues, the Gray budget maintains runaway spending, drastically reduces defense, and increases taxes.

Rather than setting priorities and reviewing all Federal programs for cost savings, the Budget Committee's resolution avoids the issues, avoids the hard choices. Instead, they propose to close the budget gap by raising taxes and severely cutting back on funding for our national defense.

Whatever course this House takes on this budget today, it is most important that we commit ourselves to reversing this course of destructive partisanship and begin to work together to reduce this deficit, make fair budgetary decisions and avoid the automatic cuts that threaten us in the very near future.

Mr. BRUCE. Mr. Chairman, I rise in support of House Concurrent Resolution 337, the budget resolution for fiscal year 1987. The resolution as reported by the House Budget Committee is a sound and fiscally responsible budget and deserves our serious consideration and strong support.

The budget we consider today, provides deficit savings of $37.5 billion for 1987 and $164 billion over 3 years; it lowers the deficit further than required by Gramm-Rudman and moves us closer and sooner to balancing the budget than either the administration's budget or the resolution passed by the Senate. The House budget also takes a balanced approach to spending reductions. Following the principles of Gramm-Rudman, it proposes that cuts be distributed evenly between defense and domestic programs. This is a striking contrast to the Administration's budget where 90 percent of the cuts came from domestic programs and the Senate budget which took 80 percent of the reductions from the domestic side of the ledger.

The budget ensures a strong national defense by providing $285 billion in defense spending for 1987. Actual spending for this year will rise by $6 billion to accommodate commitments made in previous years. While maintaining a strong defense, the budget also reflects appropriate restraint to counter against continued waste in defense contracting.

On the domestic side of the budget, the resolution makes a number of recommendations which deserve special note. By passing this budget, we maintain our commitment to the elderly. The 65,000 senior citizens in my district will receive their Social Security cost-of-living adjustment, and health care benefits under Medicare and Medicaid will be preserved. The budget also ensures that programs which serve the 20,000 veterans in my district will not be cut.

For farmers, the budget maintains commodity programs at levels set in the 1985 farm bill and puts forth a new initiative to provide credit assistance to distressed farmers. Given the pain that many farmers have already experienced, this is not the time to drastically reduce the programs which are so important to our Nation's farming community. And finally, this budget establishes a priority for investing in this country's real future—our children—by increasing important education programs that provide remedial help for children, assistance for the handicapped, and student financial assistance for our college-bound young.

While we have established priorities in this budget, we have also made hard choices to reach the deficit reductions necessary to a healthy economy. Overall, this budget makes real cuts of $8 billion worth of spending on the domestic side of the budget. For most programs, this will mean that they will be cut by 2½ percent; some will be cut back even further. However, I believe that many are willing to share in the pain of deficit reduction as long as it is spread evenly—and that is precisely what this budget does.

Mr. Chairman, I believe that no one wants to experience Gramm-Rudman automatic cuts again this year. This budget takes us one step closer to ensuring that it will not happen. Adoption of this resolution makes significant reductions in the deficit, establishes important priorities and maintains a strong national security. I urge my colleagues to join me in successfully passing this budget today.

Mr. FORD of Michigan. Mr. Chairman, I rise in support of House Concurrent Resolution 337, the first concurrent resolution on the budget for fiscal year 1987. I want to commend my colleagues on the Budget Committee for reporting to the full House a budget plan that meets, and even surpasses, the Gramm-Rudman deficit-reduction target.

House Concurrent Resolution 337 would cut the fiscal year 1987 deficit to $137 billion—$7 billion under the Gramm-Rudman deficit-reduction target. I opposed Gramm-Rudman because of the sequestration procedure. I recognize, however, that it is imperative that the Congress act to adopt a budget and take further action to cut the deficit to avoid a second round of Gramm-Rudman cuts. The $7 billion buffer in the committee's budget plan is sufficient to ensure that a second round of sequestration will not occur. The President's budget, on the other hand, would not reach the Gramm-Rudman target. The Congressional Budget Office estimates that the President's February budget request, which garnered only twelve votes on the House floor two months ago, woud exceed the Gramm-Rudman target by over $16 billion.

Not only does House Concurrent Resolution 337 meet the Gramm-Rudman target, but it does so in a fair and equitable manner. Unlike the President's budget request, which recommended that over 90 percent of total spending cuts come from the domestic portion of the budget, the Committee's resolution would split cuts 50–50 between domestic and military spending. House Concurrent Resolution 337 is also a substantial improvement over the budget passed by the other body that would extract 84 percent of the spending cuts from domestic programs. Under the House Budget Committee plan, the same amount of spending savings would come from the domestic side as from the Pentagon. This 50–50 agreement is the same proportional mechanism as that contained in Gramm-Rudman.

House Concurrent Resolution 337 would allow for a modest increase in outlays for Pentagon spending of approximately $7 billion over the current level. At the same time, this resolution would reduce Pentagon budget authority by $1.8 billion compared to the fiscal year 1986 level. This is in stark contrast to the President's proposed military increase of 12 percent over the current level. The $285 billion for defense—nearly double the FY80 level of $144 billion—is adequate to protect our Nation and national interests.

I was pleased that the Budget Committee rejected the drastic cutbacks and program eliminations sought by the President. At the same time, House Concurrent Resolution 337 cuts domestic spending by $7.65 billion in FY87 and $41 billion over 3 years.

These cuts, however, are made carefully and selectively. This is in contrast to the meataxe approach of both Gramm-Rudman and the President's budget request. Under House Concurrent Resolution 337, most domestic programs will be cut by 2.5 percent from the current level while other programs will be increased and still others cut further.

Under this budget resolution, Urban Development Action Grants (UDAG), the Economic Development Administration [EDA], and the Appalachian Regional Commission, all of which were slated for elimination by the President's budget request, would be cut by 10 percent. Funding for certain low-income programs would increase at the rate of inflation.

I appreciate very much the significant attention given to education funding by the House Budget Committee. My colleagues are to be congratulated for identifying, as one of their highest priorities, education programs serving students at the elementary, secondary, and postsecondary levels, as well as for recognizing other priorities among the Nation's social services programs such as child care, summer jobs for youth, vocational rehabilitation, and older Americans programs, to name only a few.

The people of this country responded with joy when the Senate's budget resolution exceeded the President's fiscal year 1987 recommendations by $6.3 billion for education, training, employment, and social services programs in function 500, while still meeting the deficit reduction targets required by Gramm-Rudman. But the Nation was given an even greater benefit when the committee budget resolution for function 500 exceeded both the President's budget by $6.8 billion and the budget of the other body by $500 million.

The protections given to programs in education, specifically those aiding the economically disadvantaged and the handicapped, and for social services and training, including teacher training initiatives, illustrates the wisdom of the Budget Committee in recognizing the need to invest in our Nation's human capital. These actions signaled a doubting Nation that there is a deep awareness in Congress of the importance of an educated and healthy citizenry, and that a Federal role in these types of beneficial people programs is not only appropriate, but will continue to grow over time.

H. Con. Res. 337 is also fair to our senior citizens. This budget plan assumes that Social Security recipients will receive a full cost-of-living adjustment [COLA]. Equally important, this budget will not cut the COLA for Federal civilian and military retirees. As my colleagues well know, these retirees were denied a COLA this year by Gramm-Rudman and would not receive a COLA next year if sequestration were to take effect. In addition, it also assumes that the Congress will waive a provision of existing law that eliminates the Social Security COLA when inflation falls below 3 percent.

The committee's resolution also rejects the drastic cuts in Medicare sought by the administration. The resolution includes Medicare cuts of $1.75 billion over 3 years, but assumes that these cuts will be made without any reduction in benefits or increases in out-of-pocket payments for beneficiaries. House Concurrent Resolution 337 also assumes that $1 billion will be used to limit the skyrocketing Medicare hospital deductible.

The committee's plan recognizes that, while spending for important domestic programs is cut or frozen, our Nation cannot afford to send additional money overseas. As a result, this budget cuts foreign aid by 10 percent rather than increasing this portion of the budget.

In major areas under the jurisdiction of the Committee on Post Office and Civil Service, the budget resolution assumes a 3-percent pay raise for civilian employees in January 1987. It also includes a full cost-of-living adjustment [COLA] for Federal retirees in January 1987. Based on cost-of-living projections, that adjustment is expected to be 2 percent.

The resolution presumes savings of $700 million as a result of enactment of a new Civil Service Supplemental Retirement Program, the final details of which were worked out within the last few days. I am pleased that the budget resolution provides for a pay raise for civilian employees and a COLA for retirees. Given the sacrifice that Federal employees and retirees have been forced to make over the last 5 years (when they lost $25 billion in pay and benefits) I would have liked to see a somewhat larger pay raise. There is no question in my mind that the harsh treatment of Federal employees over the last few years has seriously damaged the morale and complicated the recruitment of the very best candidates. Nevertheless I am happy with today's action and hope it is a signal that we have quit beating up Federal workers and retirees.

In the postal area, I am pleased that the committee has soundly rejected the administration's proposal that all authorizations for nonprofit rate subsidies be eliminated. Adoption of the administration's proposal would have resulted in immediate postal rate increases of up to 75 percent for organizations such as the Salvation Army, the Crippled Childrens' Society, the Paralyzed Veterans of America—not to mention schools, churches, libraries, and tiny rural newspapers all across America.

I wish that the Budget Committee had recommended full funding of the rate subsidy program, but we have come a long way from the starting point of zero funding that the administration handed us in January.

This budget plan also contains $10.7 billion in revenue increases—the same amount as that included in the Senate-passed budget and only $4.7 billion more than the $6 billion requested by the President. Further, this additional revenue beyond the President's request will be used only for deficit reduction, not for increased spending.

Mr. Chairman, I urge my colleagues to join me in supporting the committee's budget resolution.

Mr. GREEN. Mr. Chairman, I rise in opposition to the Budget Resolution passed by the House Budget Committee (H. Con. Res. 337). The proposal is so fraught with loopholes, fudged economic assumptions, and unrealistic policy decisions that it will surely force the Federal Government to reach our deficit targets through the imposition of across-the-board cuts mandated by the Gramm-Rudman-Hollings balanced budget law. The Budget Committee has abdicated its responsibilities by approving a proposal whose actual deficit will probably come nowhere near the $144 billion target mandated by the Gramm-Rudman law.

Although I shall continue to work with my colleagues to hold the line on defense spending and ensure that programs such as AIDS research and maternal health are protected from budget cuts, I cannot, in good conscience, vote for this budget proposal. Its eco-

nomic assumptions are spurious at best, and it will not accomplish its purpose.

For example, the budget assumes a 2-percent level of inflation to provide a 2-percent cost-of-living adjustment [COLA] for all Federal retirees and Social Security recipients. It is probably the case that inflation will not rise above 2 percent for 1986, and it is laudable that the Budget Committee wants to give our senior citizens and other retirees a 2-percent cost-of-living adjustment. At the same time, however, the committee also assumes that tax revenues will increase due to a 3.4-percent rate of inflation. Mr. Chairman, you can't have it both ways. The committee should assume either a 2-percent rate of inflation throughout the entire budget document, or 3.4 percent rate. Instead, by assuming two different rates of inflation, the committee either overestimates revenues or underestimates expenses, or a combination of both.

In addition, the Budget Committee proposal has readjusted the budget estimates provided for the Congress by the impartial Congressional Budget Office (CBO). CBO has estimated that the Federal Government will run a deficit of about $182 billion in fiscal year 1987 under current economic conditions and assumptions. However, the Budget Committee has arbitrarily assumed that the deficit will be approximately $8 billion less than the CBO estimate. No other budget proposal, either in the Senate or in the House, assumes any budget deficit other than that estimated by CBO. Why does the House Budget Committee—simply to avoid $8 billion of hard choices?

Just as important, the Budget Committee's estimates have not been run through CBO's computers for confirmation. I cannot help but remember the debate last year over the Budget Committee's proposal which promised to reduce our deficit by about $55 billion. However, its estimates were never confirmed by CBO, and it ended up saving only $35 billion. I have few doubts that today's proposal is a repeat of last year's.

What these fudged figures and creative accounting add up to is a budget whose deficit target will not be met by a longshot. The Budget Committee has played around with the figures in order to appear as though the proposal will meet the deficit target imposed on us by Gramm-Rudman. When push comes to shove, however, the combination of the inflation cheating, baseline fudging, and unrealistic assumptions will doom this budget to failure. If any Member of Congress wants the Gramm-Rudman ax to fall in October, he should vote for this budget.

From a more parochial viewpoint, the Budget Committee's proposal would have a seriously detrimental effect on both mass transit in New York and on our elderly citizens. The Budget Committee cuts both operating assistance and capital assistance for mass transit by 10 percent across-the-board, I, as well as the MTA, have actively lobbied to keep any mass transit budget cuts confined to operating assistance funds, because the MTA—and other large mass transit systems—depend more heavily upon the Federal Government for capital assistance than for operating assistance. For the senior citizens in my congressional district, Mr. Chairman, I should note that the Budget Committee proposal would raise the Medicare part A deductible to about $540 per year. Interestingly, the Republican budget alternative would have cut mass transit operating assistance without touching capital assistance, as requested by the MTA, and would have frozen the Medicare part A deductible.

As I have said publicly on more than one occasion, I cannot vote for any budget resolution which increases defense spending in any way, shape, or form. That is one reason why I could not support the "consensus" Republican budget, which proposed to increase defense spending by the rate of inflation. However, assuming an artificially low rate of outlays in the defense budget would force cuts in our operations and maintenance, while preserving funding for long-term weapons systems such as the MX missile.

One further note, Mr. Chairman. Some would accuse those of us who have opposed all four budget proposals presented here today as obstructing the budget process and forcing the Federal Government to implement the destructive Gramm-Rudman cuts. However, I should note that our budget process takes place throughout the entire year, and there will be further opportunities to cut our budget deficit down to the Gramm-Rudman deficit target. I shall work with my colleagues on the Appropriations Committee throughout the year to lower Federal spending in a responsible and equitable manner. In addition, should we find ourselves above the Gramm-Rudman target after the CBO and the Administration's Office of Management and Budget review the budget in August, we still have a month to get our spending in line with the Gramm-Rudman.

I shall vote against the Budget Committee's resolution today, Mr. Chairman, but I do so in the hope that the Appropriations Committee and the Congress as a whole will stop playing the dangerous game of "budget chicken" which has occurred during the past few months. We need a real budget—one which will get our fiscal year 1987 deficit down to $144 billion to avoid Gramm-Rudman. It is clear that the House Budget Committee resolution does not meet this responsibility.

Mr. JONES of North Carolina. Mr. Chairman, today I rise in great concern for the continued existence of a service which is vital to this great Nation. In the event that budget resolution that we are debating today survives its legislative journey, the U.S. Coast Guard, as we know it, will cease to exist. The funding levels proposed are $144 million less than the President's request, $197 million less than the unanimously passed House authorization, and $386 million less than the Senate budget proposal.

Last year I came before this great body to warn of the grave consequences of a $230 million cut being ventured in the Senate's Coast Guard appropriation bill. We heard of the fatal impact that cut would have had. The closing of many, many Coast Guard stations, the mothballing of vessels, and the grounding of aircraft. Fortunately, with broad support from House Members, the Senate concurred in conference with the levels appropriated by the House.

I cannot even fathom the reductions which will be necessary in the event that the assumptions pertaining to the Coast Guard, as found in the House budget resolution, prevail. We must not allow this service to be gutted while simultaneously expecting it to: Step up its war on drugs, halt the migration of illegal immigrants onto our shores, and police the Fourth of July flotilla in New York Harbor.

Even more amazing, at the same time this resolution proposes to slash Coast Guard spending by $282 million from last year's funding, it proposes to exact new user fees totaling $150 million a year. How realistic is it to expect the authorizing committee to approve controversial user fees at the same time funding is savaged by this resolution?

I know there's not much to be done about this program today, but I must put the Members of the House on notice that this grave mistake must be corrected in the House-Senate conference on the budget resolution. We must, I repeat must, fend off these proposed cuts or they shall serve as the death knell for the U.S. Coast Guard.

Mr. TRAFICANT. Mr. Chairman, today, Members of this body will be voting on the budget for fiscal year 1987. The only budget presented that features a fair consensus budget is the proposal reported by the House Budget Committee. As so many have done, I, too, commend Chairman BILL GRAY for his leadership and diligent work in producing a budget that reaches and exceeds the Gramm-Rudman deficit targets while at the same time preserving the integrity of such important programs as education, job training, and health services.

The important aspect of this budget is its delicate balance between fiscal restraint in domestic and defense spending so as to meet—and in this case go beyond—the targets established under Gramm-Rudman. Clearly, Congress was able to dodge a dangerous, program-gutting bullet by avoiding the sequestration of funds for these important Government programs.

To say that I fully support the committee budget proposal in total is incorrect. I would prefer the Black Caucus budget. While I strongly favor the treatment of children, veterans, and retirees in this budget, I am dismayed and disappointed in the cuts to general revenue sharing for our cities who use these funds to provide such basic services as police and fire protection; the 10-percent reduction in community and regional development programs like urban development action grants and EDA moneys that help areas like mine who have not achieved the economic prosperity as promised; and the 25-percent cut in the small business disaster loans that will prevent family businesses from rebuilding after a natural catastrophe like the tornado disaster that hit my district last year. Hopefully we can address this issue in near future.

No, this budget is far from ideal. But what it will do is set the necessary blueprint for spending in 1987 and hopefully, do so through a unique consensus in the House. I urge my colleagues to support the budget resolution as reported by the House Budget Committee.

Mr. MANTON. Mr. Chairman, I rise in strong support of the fiscal year 1987 budget resolution as reported by the House Budget Committee. I want to commend the chairman of

the Budget Committee, the gentleman from Pennsylvania, for crafting a fair and responsible budget resolution.

Mr. Chairman, this budget is a sharp contrast to the budget submitted by President Reagan. The House defeated the President's budget by an overwhemling margin. Democrats and Republicans alike defeated the President's proposal and with good reason—90 percent of President Reagan's proposed spending reductions would have come out of domestic programs. Forty domestic programs would have been terminated, including housing for the elderly and handicapped, rental housing development and rehabilitation grants, urban development action grants, community service block grants, and mass transit assistance. In all, the President's budget would have slashed domestic programs by $28 billion to pay for a whopping 8-percent increase in defense spending. The President's budget would have continued to fatten up an already bloated and wasteful Pentagon at the expense of desperately needed domestic programs. Finally, although the President signed the Gramm-Rudman Balanced Budget Act, his fiscal year 1987 budget would have exceeded the Gramm-Rudman deficit target by more than $15 billion.

Mr. Chairman, the House Budget Committee plan reduces the deficit in a more balanced and equitable manner than the Reagan proposal, and meets the fiscal year 1987 Gramm-Rudman deficit target with room to spare. Under the House budget, half of the spending reductions come from defense, and half come from domestic programs. This balanced approach is reason enough to vote for the House Budget Committee Plan. However, there are three more important reasons.

First, important domestic programs are protected by the House budget. I am concerned that some domestic programs will be slightly reduced below last year's spending levels. However, in order to make certain that these vital programs are not terminated or forced to absorb debilitating cuts, some spending reductions are necessary and justified.

The House budget gives high priority to programs that serve the needs of the Nation's elderly and low-income people. Social Security beneficiaries and Federal retirees will receive their full cost-of-living adjustment under the House budget. Funding would be increased to offset the effects of inflation for programs targeted to the poor including, assisted housing, emergency food and shelter programs, child nutrition, and supplemental security income for the elderly poor. The House budget also provides much needed spending increases for programs designed to educate our children, retain our unemployed workers, and fight illegal drug trafficking.

Second, the House budget would require the Pentagon make its fair contribution to reducing the deficit. Under the House Budget Committee plan, budget authority for defense would be slightly below last year's level, although actual outlays for defense would still continue to increase.

Mr. Chairman, I strongly disagree with those who claim the House budget cuts too much from the defense budget. Since 1981, President Reagan has increased defense spending by more than 45 percent. Billions of dollars have been wasted on extravagant needless weapons systems, and the cost overruns and unscrupulous practices of some defense contractors. The House budget only begins to trim the thick layer of fat the Pentagon has accumulated under the Reagan administration. This budget provides for a strong national defense. However, It is the responsibility of the administration to make certain these funds are spent in a cost-effective manner.

Finally, Mr. Chairman, the House budget accepts the Senate initiative to increase revenues by almost $5 billion more than the $6 billion requested by the President. However, the Senate would use the extra revenue to boost defense spending while the House budget would wisely use the revenue to further reduce the Federal deficit. This is the correct approach, and I believe we could make an even greater dent in the deficit by imposing a tough minimum corporate tax. It is a national disgrace that many profitable multimillion dollar corporations pay little or no Federal income taxes.

Mr. Chairman, the House budget plan sets us on a path toward a balanced budget without inflicting unnecessary pain on vital domestic programs that protect the poor and elderly, create jobs, and promote economic growth and development. I want to commend the chairman of the Budget Committee for reporting to the House this responsible, compassionate, commonsense alternative to the President's harsh, mean-spirited budget proposal.

Mr. Chairman, I believe this budget accurately reflects the priorities and goals of the American people. I urge my colleagues to support the budget reported by the House Budget Committee.

Mr. DINGELL. Mr. Chairman, I rise in support of House Concurrent Resolution 337, the concurrent resolution on the budget. I want to commend the distinguished chairman of the House Budget Committee, Mr. GRAY, for once again assembling a budget package that is both sensible given the Nation's staggering Reagan deficits and yet sensitive to the needs of the American people.

The Budget Committee has produced a responsible and balanced package of domestic and military spending cuts, coupled with modest revenue increases. This package will hopefully enable us to avoid the drastic and irresponsible cuts that may be visited upon us next fall if we do not meet the Gramm-Rudman deficit reduction target.

Some of my colleagues, Mr. Chairman, may be concerned that this resolution cuts too much from defense. That is certainly what the administration has said. And yes, the Nation wants an adequate and strong defense—but we also want affordable defense.

Real growth in defense is desirable, but real growth is possible under this budget resolution if the Pentagon has the will to eliminate the waste, fraud, and abuse that now prevails there.

Secretary Weinberger undoubtedly is out there today crying wolf and, as my good friend Mr. GRAY said in today's Washington Post, warning us that even as we speak the Russians are sailing up the Potomac. But have we seen in the last year any effort whatsoever on the part of the Defense Establishment to curtail the abuses with which we are all too familiar?

No! In fact, the evidence points in the other direction. Only last month, General Dynamics was slurping once again at the Pentagon's trough—this time with more contracts than any other defense contractor in history, just 2 short months after a suspension for misbilling.

I know that it is difficult for many of my colleagues to vote for cuts in defense spending. But by voting for the budget before us today, you will be casting a vote for responsible defense spending.

If the rest of the Federal Government must trim the fat in these difficult days, it is high time that our most obese agency went on a diet. I urge a vote for the resolution.

Mr. MONTGOMERY. Mr. Chairman, in February, the Committee on Veterans' Affairs recommended a current services budget for veterans' programs. I believe the resolution reported by the Budget Committee comes close to what the Committee on Veterans' Affairs proposed for the next fiscal year.

I would like to commend the chairman, Mr. GRAY, and the ranking minority member, Mr. LATTA, for the fair treatment which veterans have received from the Budget Committee. We've had to come up with our share of savings during the past several years, but veterans have done reasonably well overall. In recognition of the leadership displayed by the gentleman from Pennsylvania and the gentleman from Ohio, the Disabled American Veterans honored the chairman and the ranking minority member for their strong support of veterans' programs.

This budget is fair for veterans. It does not authorize any new programs. It requires the Veterans' Administration to continue to examine cost-effective ways to deliver health care to eligible veterans. It continues a very restrained approach to renovating and replacing aging VA hospitals. I do not know if we can continue to ignore some of the most pressing construction needs which exist today, but for this year, as well as fiscal year 1987, the VA will have to make do with what is in this resolution.

This budget is approximately $350 million higher than the administration's request in budget authority for 1987, and $250 million higher in outlays. It will permit the VA to provide hospital care to all of the veterans to whom the VA must provide inpatient care. The VA is not authorized to deny treatment to service-connected and low-income veterans, and by providing a sufficient level of budget authority for this purpose, the Congress is rejecting the administration's plan to deny care to "low priority" veterans.

This resolution also provides for a full cost-of-living adjustment for veterans drawing compensation and pension. If any Federal beneficiary is going to get a COLA, veterans certainly deserve one.

I would like to make one final comment. I have discussed the definition of what constitutes a current services budget for the VA medical program in some correspondence with the chairman of the committee. I hope the committee will continue to make adjustments in the funding provided for the medical program in recognition of the shortfall which is

created by the CBO baseline for this account. I know the chairman will keep this in mind when he is in conference with the other body.

Again, I thank the distinguished chairman and all members of the committee for their work in behalf of our Nation's veterans.

Mr. CRAIG. Mr. Chairman, I rise today to express my concerns over two provisions that are included in House Concurrent Resolution 337 and in the Republican alternatives that will be offered later today. I want to address proposals calling for the termination of the honey price-support program, and discuss the status of the General Revenue Sharing Program.

First of all, I see no justification for the termination of the honey price-support program. This issue was addressed during last year's debate on the 1985 Food Security Act, in which a vote was taken specifically on this issue. Obviously, based on its own merits, the honey program had majority support.

As many of you know, I am not a strong advocate of government supported programs, but I fail to understand why the honey program was singled out among all the commodity price-support programs for termination, especially after the issue was fairly debated just months ago.

If the bottom line of this decision was deficit reduction, then it would have been only logical to propose termination of all price-support programs. I would still argue that the budget is not the proper forum for this debate. If opponents of the honey price-support program are determined to let honey producers go it alone, then they should bring a bill to the floor that does that, and only that.

As it would appear that one form of a budget will pass this body today, I would ask my colleagues who will ultimately sit on the budget conference committee, to reject his provision and allow the honey program to continue as it was passed in the 1985 farm bill.

Second, I will be supporting one of the Republican alternatives to House Concurrent Resolution 337 today, despite the fact that neither would reauthorize the General Revenue Sharing Program. Recently, the House Government Operations Committee, on which I serve, passed a bill, H.R. 1400, to reauthorize General Revenue Sharing for 3 years at the fiscal year 1986 level. I supported this bill because it is the only proper course to pursue in phasing out this program.

Last year, Congress voted to phase-out the General Revenue Sharing Program in 1-year, leaving little time for local entities to adjust their budgets. In my home State of Idaho, which is 65 percent owned by the Federal Government, almost all the cities are very small and have consequently become dependent on programs like revenue sharing. This unreasonable 1-year termination would seriously jeopardize the citizens' safety and basic services in these cities.

I would ask my colleagues that, although the Republican alternatives do not reauthorize revenue sharing at a freeze level, they join me in supporting H.R. 1400 when it comes to the House floor.

Mr. WEISS. Mr. Chairman, I want to take this occasion to express my support of House Concurrent Resolution 337, the congressional budget resolution for fiscal year 1987.

This budget year is strikingly similar to recent budget year's under President Reagan. As in past years, the President proposed a budget that seriously endangers the future or our Nation by ignoring the pressing needs of the American people. The Senate then produced a budget resolution that improves on the President's misguided plan, but is still unacceptably flawed. This, it has once again been left up to the House of Representatives to bring some moderation and fairness to the Federal budget.

However, there is one crucial difference this year. Not only are the American people threatened by the President's budget and the Senate's budget, they also face the ongoing threat of mandatory budget cuts under the newly passed Gramm-Rudman balanced budget law. This law has already imposed significant hardships across America by mandating $12 billion in budget cuts in March. If the Gramm-Rudman law is upheld by the Supreme Court, and if Congress fails to enact a budget that meets the Gramm-Rudman deficit targets, we will face massive budget cuts of $50 billion or more this fall.

It is in the face of these serious threats to our Nation's well-being that the House Budget Committee has prepared a budget resolution that, while not perfect, improves significantly upon all the major alternatives. It is far better for our Nation than the President's budget. It is far better for our Nation than the Senate's budget. And it is far better for our Nation than large and indiscriminate budget cuts under the Gramm-Rudman law.

Let us look at the facts. The President's budget would increase defense spending by $27 billion next year, a 12-percent increase. Domestic spending would be reduced by $18 billion, and more than 40 programs would be eliminated entirely.

The Senate budget also contains grossly distorted priorities. A full 84 percent of the spending cuts in the Senate resolution are aimed at domestic spending programs.

The House budget, on the other hand, calls for an equal amount of reductions in defense programs and domestic programs. This is the first time we have been able to achieve some parity in deficit reductions between defense and nondefense programs, and it is an important step forward in the fight to create a Federal budget that preserves the quality of life for American citizens.

While the House budget calls for reductions of 2.5 percent in most domestic programs, the budget provides significantly more funding for vital human needs programs than either the President's budget or the Senate budget. The budget provides level funding for job training programs and includes $500 million for a new program of worker education and retraining. The Compensatory Education Program and Head Start would each receive an increase above inflation in the coming year.

The budget also provides a higher level of funding for guaranteed student loans than any of the alternatives. And it would allow other financial aid programs, such as Pell Grants, to maintain their current level of services.

This budget refuses to compromise on the needs of the elderly. Despite the President's request for $53 million in Medicare cuts over the next 5 years, the House budget does not make any cuts in Medicare benefits or increase the costs to Medicare beneficiaries.

The benefits of our Nation's retirees, including Social Security recipients and Federal civilian and military retirees, would be fully protected under the House plan. The budget assumes that all of these programs will receive a full cost-of-living adjustment.

Further, the House budget would give Federal workers, who have been asked to bear a disproportionate share of recent deficit reduction efforts, a much-needed and well-deserved 3 percent pay increase in each of the next 3 years.

One aspect of this budget which I strongly support is the inclusion on $346 million for research and other activities to battle against AIDS. Over 20,500 cases of AIDS have been reported to the Centers for Disease Control to date, and it is expected that 30,000 or more will be reported before the end of the year. Over 11,000 Americans have already died of AIDS. Because the resources necessary to fight this disease do not exist at other levels of Government or in the private sector, it is imperative that the Federal Government take the lead in responding to AIDS funding requirements.

The President's budget would actually have cut funds from the currently appropriated level of $244 million, down to $213 million. I am ardently opposed to any cutbacks in AIDS funding, and I am greatly pleased that the House has rejected this ill-conceived proposal.

It is equally important that the Budget Committee has included specific language providing for the consideration, at a later time, of H.R. 1400, legislation I have authored to continue the Federal General Revenue Sharing [GRS] Program.

GRS efficiently serves the people in 39,000 communities across the country, providing assistance for vital services such as police, fire, education, and health services. Because the current authorization for GRS will expire on September 30, 1986, legislation has been approved by the Committee on Government Operations to extend the program for an additional 3 years at the current level of funding, $4.56 billion per year.

In allowing for consideration of an extension of general revenue sharing later this year, the committee went well beyond what has been achieved in the Senate. The Senate budget resolution will only permit a continuation of GRS if new dedicated revenues are provided to cover the costs of the program. I am hopeful that the conference report on the budget will directly provide for a continuation of GRS.

Finally, the House has not permitted any further erosion of the basic programs of assistance to our Nation's poor. The House budget contains a small rise in the Medicaid Program over the next 3 years. And programs such as the women, infants, and children [WIC] supplemental nutrition program, food stamps, child nutrition, SSI, subsidized housing, low-income energy assistance, and emergency food and shelter programs will be funded at or above the level needed to compensate for inflation.

This House budget is also notable because it begins the process of raising sufficient revenue to support the activities of the Federal

Government. This budget will raise additional revenues of $10.7 billion next year and $45.8 billion over the next 3 years, the same amount as contained in the Senate budget resolution. New revenues in excess of the amount of the President's request are to be placed into a special trust fund for the specific purpose of reducing the Federal deficit.

The result of these changes is a House budget resolution that treats deficit reduction with more fairness than in the past and manages to reduce the deficit by a larger amount than any of the competing plans. The President's budget failed entirely to meet the Gramm-Rudman deficit target, and would have resulted in a fiscal year 1987 budget deficit of $160 billion. The Senate budget manages to reach the Gramm-Rudman target of $144 billion, but the House budget cuts the deficit by $7 billion more than the Gramm-Rudman target.

However, there are elements of this budget which I do not support. In particular, I am concerned bythe decision of the Budget Committee to cut operating assistance and capital grants for mass transit by 10 percent. These funds are absolutely vital for the operation of New York City's subway system. In addition, I am opposed to the deep cuts that are called for in community and regional development programs, including urban development action grants and rental housing assistance programs.

But perhaps the chief flaw of this budget resolution is that it does not go far enough in challenging the false promises and empty policies of the current administration. The budget continues to target many vital human needs programs that have already been victimized by large cuts in recent years. It does not go far enough toward ensuring that corporate and individual tax dodgers, who have found comfort in the Reagan tax policy, will pay their share of tax. And it fails to acknowledge that a small cut in military spending will not compensate for years of compulsive overspending on dangerous and wasteful weaponry.

One substitute to this budget resolution, offered by Mr. LELAND, would have reversed, not just slowed, our current policies. I voted for this quality of life budget because I am convinced that it would provide American citizens with real opportunity and real equity, having received the specific assurance from the sponsor that levels of aid for Israel and Egypt would not be cut beneath the levels called for by the House Foreign Affairs Committee, on which I serve.

In the years to come, we must work diligently to reverse the misguided policies of this administration, which is bent on destroying the progressive achievements of the last 50 years. We must act to restore funding for vital human needs programs. We must act to create an equitable Tax Code. And we must act to promote peace and national security by reducing excessive military expenditures.

We owe it to the American people to demand these changes from now until the day that they are accomplished. Because it is only by fundamentally reordering our priorities that we will be able to ensure a prosperous and peaceful future for our Nation.

I urge my colleagues to support this budget. But I urge them to bear in mind that we have many miles to travel before we return our Nation to its proper course.

Mr. PORTER. Mr. Chairman, I have looked long and hard at the Budget Committee's budget and the alternative offered by the Republicans, and I have come to the disappointing conclusion that I cannot support either of these proposals. Both budgets have some meritorious aspects but neither will, in my opinion, achieve what they intend.

Those of us who voted for Gramm-Rudman, with some reservations, did so because we hoped that it would motivate Congress to budget responsibly. Last year's budget agreement purported to reduce the deficit to about $170 billion. At the time of its adoption in August, months late, I called that budget a joke and a sham. And indeed, the projected fiscal year 1986 deficit is now some $40 billion higher than that resolution projected.

Some of us hoped that Gramm-Rudman reforms in the budget process would result in a budget agreement earlier in the year giving Congress more time to carry out the mandated changes in policy. I introduced a budget—the "Benchmark Budget"—on March 5 which proposed a comprehensive freeze on outlays because I hoped to encourage some serious consideration of the tough choices necessary to hit the Gramm-Rudman target.

When we missed the new deadline for this year's budget conference agreement—a deadline which passed 1 month ago today—some of us were concerned. The chairman of the Budget Committee told us that the deadline was not important, that the content of the document was what mattered. Some of us urged the committee to get on with its business. We argued that the spending and revenue decisions would not get any easier with the passage of time and that this body should not wait for the other body to act first.

In reality, however, the spending and revenue decisions did get easier. Late at night, near the end of debate, the other body selectively lowered its inflation estimate for COLA's without measuring the probable impact of lower inflation on revenues. By waiting, by allowing the other body to go first, we allowed them to set the economic assumptions. The other body fudged the numbers and, gutlessly, we went along with them.

Will the assumed savings in these budgets be achieved? Certainly some will, but some may never come through. The 2-percent COLA is assumed, not reconciled. If some Members of Congress opt to play politics with this issue, the savings assumed will never be reached.

Will Conrail be sold in fiscal year 1987 for almost $2 billion? It may be, and I certainly hope it will be. But the leader of the committee of jurisdiction, Mr. DINGELL, has recently indicated his opposition to the administration's sale proposal—and I agree with the gentlemen that the administration is backing the wrong buyer. Hopefully we can agree to sell Conrail in fiscal year 1987, but failure to do so will have an obvious and substantial budgetary impact.

Conrail is a good example to dwell on momentarily. Both of these budgets employ extensive use of asset sales to offset domestic spending and hold down total outlays. College housing loan portfolios, rural housing portfolios, SBA disaster loans, the gas centrifuge plant in Ohio and Conrail are all assumed to provide substantial receipts to offset current spending. The sale of assets and portfolios is a relatively new idea and, I think, a good one. It is, however, dangerous budget policy to assume large revenues from such sales which may not occur at all, which may experience some implementation problems, or which may not produce the assumed level of revenues.

Indeed, we see in the various budgets different savings numbers applied to these proposals. The Democratic budget assumes that rural housing loan sales, currently slated to bring in some $280 million in fiscal year 1987, will in fact bring in almost four times that amount. We see similar variance in assumptions about the recoupment of oil overcharge funds—anywhere from $900 million in the other body's budget to $2 billion in the House Democratic budget.

These various anticipated receipts are used to offset domestic spending in the committee budget. With these receipts, the committee increases education spending—a worthwhile initiative in and of itself, but an inappropriate proposal in light of our fiscal problems—and makes some minor and some unspecified reductions in domestic spending which leave substantially untouched several programs which should be terminated. Needless to say, if the receipts from asset sales do not match the budget assumptions, net outlays will exceed the resolution targets.

A more important concern with asset sales, however, is that they do very little to reduce the structural deficit. After the assets—whether loan portfolios or railroads or oil fields—are sold they cannot be sold again. Receipts from asset sales decline in the out years and, in many cases, the loss of interest payments or other revenues generated by these assets produces a net rise in outlays in fiscal year 1989 and beyond.

This does not mean that selling these assets is a bad idea. It simply means that the committee—by using the revenues from these sales to offset new spending proposals and avoid the termination of unnecessary programs—is laying the groundwork for tomorrow's budget deficit headaches. When the receipts from the sales are gone, and the country has adjusted to the new spending levels made possible by these receipts, the structural deficit will remain as ominous as ever, or more so.

Lastly, there is the issue of new revenues. The Republican alternative has a handful of them while the committee budget has taken the full amount proposed by the other body. It is to the committee's credit that they have not used all of these new revenues to justify new spending on defense, preferring to produce a resolution deficit which, at least on paper, is below the Gramm-Rudman target.

The committee claims, however, that it is not proposing more revenues than were advocated by the President for the purpose of meeting Gramm-Rudman and that additional revenues proposed will be held in a special account to insure that they will be used for deficit reduction, not spending. If the President objects, these extra revenues will not be necessary.

This claim of "no revenues beyond those proposed by the President" must be put to rest now. In his original budget, the President proposed $6.3 billion in new, specific revenues for fiscal year 1987. The President's proposals included revenues from the recoupment of oil overcharges, a permanent extension of the temporary 16 cents per pack cigarette excise tax, reform of the Civil Service Retirement Program, and several user fee initiatives.

In its budget, the committee included many of these proposals and counted them, not as new revenues but as offsets to spending proposals. The biggest revenue raiser—the cigarette tax—was permanently doubled in March with passage of the Consolidated Omnibus Budget Reconciliation Act of 1985 [COBRA] and was counted in the committee estimate of baseline revenues.

The committee budget, therefore, does not meet Gramm-Rudman without new taxes in excess of those proposed by the President, but requires "unspecified" revenues above and beyond those offered by the President in order to offset spending in other areas. The argument can certainly be made that new revenues are needed to close the deficit gap, but the committee is not being very forthright about how much in the way of new revenues—whether user fees, higher retirement contributions, excise taxes or "unspecified" increases—are included in their budget. Furthermore, by counting many receipts against outlays under certain functions, and calling this "domestic savings," the committee attempts to obscure the fact that its budget really doesn't cut as much from the domestic side as it does from defense—there are no user fees or asset sales used to offset the hard freeze on defense budget authority.

The Republican alternative, for its part, has the same tendency to rely on user fees and asset sales. However, the GOP budget includes solid spending reduction proposals for the domestic side. Unfortunately, it also includes a substantial $10 billion increase in defense spending. There is, quite simply, no reason why defense spending should be given a substantial increase, with billions from inflation overestimates still in the pipeline.

At the outset I said I was disappointed to realize that I could support neither budget alternative offered today. Both have some merit—the committee budget for its willingness to restrain defense growth, the Republican alternative for its substantiated domestic reductions and commitment to hold the line against increased taxation of working Americans. Perhaps these better elements will emerge from a conference with the other body. I certainly hope so, Mr. Chairman.

Mr. GRAY of Pennsylvania. Mr. Chairman, I yield myself such time as I may consume.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GRAY], the chairman of the Budget Committee, is recognized for 5 minutes.

Mr. GRAY of Pennsylvania. Mr. Chairman, we have had a lengthy debate. We have been working on the process of deficit reduction since the first day that the Congress opened this year, and I want to take a moment and thank the members of the committee, both Democrats and Republicans, because I truly believe that all of us want to reduce the deficits.

I also want to thank the staffs, the majority staff and the minority staff, for their contributions.

And then I want to say to the American public that the debate here is not about whether we should reduce the deficits. The debate here is about what are the choices you make in achieving that reduction.

I think that there are three important questions.

First, which one has the best balance?

The Republican substitute takes 70 percent of its reduction out of the domestic side. And that is good. That is better than the President, who took over 90 percent. That is better than the Senate that took over 80 percent. But it still cuts low-income weatherization, it freezes SPRO, at a time when we should be concerned about the energy area. It also cuts $750 million from health care and $880 million from child nutrition. It is good, but it is not as good as the House Budget Committee. That is 50-50—50 percent of the reductions from domestic, 50 percent from the Pentagon.

Second, which budget will provide for us to reach the target and prevent sequestration under Gramm-Rudman, the target of 144?

Well, the House Budget Committee, even without using additional revenues beyond the President, reaches a target of 141.6, $2.4 billion below Gramm-Rudman.

Yet the Republican substitute is 143.8, a $200 million cushion. However, it does not reach the targets in the out years, 1988 and 1989.

So if you want to have a cushion—because some of the speakers are right: sometimes we do make a mistake in judging the economic growth, sometimes we do make a mistake in terms of where the economy is going. And under that budget, if you vote "yes" on it, you are setting yourself up for potential sequestration, whereas under our budget you have got a cushion. So if there is a mistake in economic assumptions, we protect America's national defense from gutting through Gramm-Rudman and the domestic side.

Then, finally, the last point is: Which budget provides the strongest deficit reduction?

Well, I think it is clear. Theirs is at 143.8; ours is 137.05, when we add the deficit reduction trust fund.

Let me answer, quickly, two charges. "There those Democrats go again, taxing and spending."

Well, I think those people who are saying that have been looking at the Senate's budget, because they raised $13 billion in new revenues and they spend it all on the Pentagon.

We say any new revenues about the President should go to deficit reduction, no spending, domestic or Pentagon, and only with the President's help. That is an entirely different approach and, therefore, it is the strongest deficit reduction.

There is one other charge, and that is that somehow we are irresponsible and irrational on defense.

Democrats want a strong defense. Many of them have voted that way. But let me tell you what the difference is. The difference between our budget and their budget is 2 percent on defense over 3 years. They are going to do $856 billion of new defense spending. We are going to do $848 billion.

Now, certainly no one in America in their right mind thinks that because of a $17 billion difference the Russians are coming up the Potomac. No.

And the difference in 1987 between their substitute and ours is only $3.8 billion.

Surely those criticisms are not fair and not accurate.

But we do have a choice to make. And I hope, when the bells have rung and we close the door today, that there will have been a choice made. I urge a "no" vote, because the Latta substitute is not balanced, it does not provide for a margin of error against sequestration. We have the strongest deficit reduction. They do not.

I urge a "no" vote on theirs and a "yes" vote on the committee's.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Ohio [Mr. LATTA].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. LATTA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 145, noes 280, not voting 8, as follows:

[Roll No. 127]

AYES—145

Archer	Craig	Hammerschmidt
Armey	Crane	Hansen
Badham	Dannemeyer	Hartnett
Bartlett	Daub	Henry
Barton	Davis	Hiler
Bateman	DeLay	Hillis
Bentley	DeWine	Holt
Bliley	Dornan (CA)	Hopkins
Boehlert	Dreier	Hunter
Boulter	Duncan	Hyde
Broomfield	Edwards (OK)	Ireland
Brown (CO)	Emerson	Jeffords
Broyhill	Evans (IA)	Johnson
Burton (IN)	Fawell	Kasich
Callahan	Fiedler	Kindness
Campbell	Fields	Kolbe
Chandler	Fish	Lagomarsino
Chappie	Frenzel	Latta
Coats	Gallo	Leach (IA)
Cobey	Gekas	Lent
Coble	Gingrich	Lewis (CA)
Coleman (MO)	Gradison	Lewis (FL)
Combest	Gregg	Lightfoot
Coughlin	Gunderson	Loeffler

Lott
Lowery (CA)
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCain
McCandless
McEwen
McKernan
McKinney
McMillan
Meyers
Michel
Miller (OH)
Miller (WA)
Molinari
Moore
Moorhead
Nielson
O'Brien
Oxley
Packard
Parris
Pashayan
Petri
Pursell
Quillen
Regula
Ridge
Ritter
Roberts
Roth
Roukema
Rowland (CT)
Rudd
Saxton
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Siljander
Skeen
Slaughter
Smith (NE)
Smith, Denny (OR)
Smith, Robert (NH)
Snowe
Snyder
Spence
Stangeland
Strang
Stump
Sundquist
Sweeney
Swindall
Tauke
Taylor
Thomas (CA)
Vander Jagt
Walker
Weber
Whitehurst
Whittaker
Wolf
Wortley
Wylie
Young (FL)
Zschau

NOES—280

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Barnes
Bates
Bedell
Beilenson
Bennett
Bereuter
Berman
Bevill
Biaggi
Bilirakis
Boggs
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Breaux
Brooks
Brown (CA)
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Carney
Carper
Carr
Chapman
Chappell
Cheney
Clay
Clinger
Coelho
Coleman (TX)
Collins
Conte
Conyers
Cooper
Courter
Coyne
Crockett
Daniel
Darden
Daschle
de la Garza
Dellums
Derrick
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart (OH)
Eckert (NY)
Edgar
Edwards (CA)
English
Erdreich
Evans (IL)
Fascell
Fazio
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hall, Ralph
Hamilton
Hatcher
Hawkins
Hayes
Hefner
Hertel
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jacobs
Jenkins
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kastenmeier
Kemp
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
Kramer
LaFalce
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lipinski
Livingston
Lloyd
Long
Lowry (WA)
Luken
Lundine
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McDade
McGrath
McHugh
Mica
Mikulski
Miller (CA)
Mineta
Mitchell
Moakley
Mollohan
Monson
Montgomery
Moody
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Panetta
Pease
Penny
Pepper
Perkins
Pickle
Porter
Price
Rahall
Rangel
Ray
Reid
Richardson
Rinaldo
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Rowland (GA)
Roybal
Russo
Sabo
Savage
Schaefer
Schneider
Schroeder
Schumer
Seiberling
Sharp
Shelby
Sikorski
Sisisky
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NJ)
Smith, Robert (OR)
Solarz
Solomon
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Vucanovich
Walgren
Watkins
Waxman
Weaver
Weiss
Wheat
Whitley
Whitten
Williams
Wilson
Wirth
Wise
Wolpe
Wright
Wyden
Yates
Yatron
Young (AK)
Young (MO)

NOT VOTING—8

Feighan
Franklin
Goodling
Grotberg
Heftel
Hendon
Lujan
Scheuer

□ 1550

The Clerk announced the following pair:

On this vote:

Mr. Goodling for, with Mr. Scheuer against.

Messrs. RANGEL, BILIRAKIS, and DIOGUARDI changed their votes from "aye" to "no."

Mr. MADIGAN changed his vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Mr. GRAY of Pennsylvania. Mr. Chairman, I move that the Committee do now rise and report the concurrent resolution back to the House with the recommendation that the concurrent resolution be agreed to.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. FOLEY] having assumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 337) setting forth the congressional budget for the U.S. Government for the fiscal years 1987, 1988, and 1989, had directed him to report the concurrent resolution back to the House with the recommendation that the concurrent resolution be agreed to.

The SPEAKER pro tempore. Under statute, the previous question is ordered.

The question is on the concurrent resolution.

The question was taken; and the speaker pro tempore announced that the ayes appeared to have it.

Mr. GRAY of Pennsylvania. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 245, nays 179, not voting 9, as follows:

[Roll No. 128]

YEAS—245

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Barnes
Bates
Bedell
Beilenson
Bereuter
Berman
Bevill
Bliley
Boggs
Boland
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Breaux
Brooks
Brown (CA)
Bruce
Bryant
Burton (CA)
Bustamante
Carper
Chapman
Chappell
Clay
Coelho
Collins
Conte
Conyers
Cooper
Coughlin
Coyne
Crockett
Daniel
Darden
Daschle
Davis
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Dowdy
Downey
Durbin
Dwyer
Dymally
Early
Eckart (OH)
Edgar
Edwards (CA)
Erdreich
Evans (IL)
Fascell
Fazio
Feighan
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gilman
Glickman
Gonzalez
Gordon
Gray (IL)
Gray (PA)
Guarini
Hall (OH)
Hamilton
Hatcher
Hawkins
Hayes
Hefner
Hertel
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Jacobs
Jones (NC)
Jones (OK)
Jones (TN)
Kanjorski
Kaptur
Kastenmeier
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lipinski
Long
Lowry (WA)
Luken
Lundine
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McHugh
McKinney
Mica
Mikulski
Miller (CA)
Miller (WA)
Mineta
Mitchell
Moakley
Mollohan
Montgomery
Moody
Morrison (CT)
Morrison (WA)
Murphy
Murtha
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Olin
Ortiz
Owens
Panetta
Pease
Penny
Pepper
Perkins
Pickle
Price
Rahall
Rangel
Ray
Richardson
Rinaldo
Robinson
Rodino
Roe
Roemer
Rose
Rostenkowski
Rowland (GA)
Roybal
Russo
Sabo
Savage
Schneider
Schroeder
Schumer
Seiberling
Sharp
Shelby
Sikorski
Sisisky
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NJ)
Spratt
St Germain
Staggers
Stangeland
Stenholm
Stokes
Stratton
Studds
Synar
Tallon
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weaver
Weber
Weiss
Wheat
Whitley
Whitten
Williams
Wilson
Wise
Wolpe
Wright
Wyden
Yatron
Young (MO)

NAYS—179

Archer	Hall, Ralph	Petri
Armey	Hammerschmidt	Porter
Badham	Hansen	Pursell
Bartlett	Hartnett	Quillen
Barton	Henry	Regula
Bateman	Hiler	Reid
Bennett	Hillis	Ridge
Bentley	Holt	Ritter
Bilirakis	Hopkins	Roberts
Boehlert	Hunter	Rogers
Boner (TN)	Hutto	Roth
Boulter	Hyde	Roukema
Broomfield	Ireland	Rowland (CT)
Brown (CO)	Johnson	Rudd
Broyhill	Kasich	Saxton
Burton (IN)	Kemp	Schaefer
Byron	Kindness	Schuette
Callahan	Kolbe	Schulze
Campbell	Kramer	Sensenbrenner
Carney	Lagomarsino	Shaw
Carr	Latta	Shumway
Chandler	Leach (IA)	Shuster
Chappie	Lent	Siljander
Cheney	Lewis (CA)	Skeen
Clinger	Lewis (FL)	Slaughter
Coats	Lightfoot	Smith (NE)
Cobey	Livingston	Smith, Denny (OR)
Coble	Lloyd	
Coleman (MO)	Loeffler	Smith, Robert (NH)
Coleman (TX)	Lott	
Combest	Lowery (CA)	Smith, Robert (OR)
Courter	Lungren	
Craig	Mack	Snowe
Crane	Madigan	Snyder
Dannemeyer	Marlenee	Solarz
Daub	Martin (IL)	Solomon
DeLay	Martin (NY)	Spence
DeWine	McCain	Stallings
Dickinson	McCandless	Stark
DioGuardi	McCloskey	Strang
Dornan (CA)	McCollum	Stump
Dreier	McCurdy	Sundquist
Duncan	McDade	Sweeney
Dyson	McEwen	Swindall
Eckert (NY)	McGrath	Tauke
Edwards (OK)	McKernan	Taylor
Emerson	McMillan	Thomas (CA)
English	Meyers	Vander Jagt
Evans (IA)	Michel	Vucanovich
Fawell	Miller (OH)	Walker
Fiedler	Molinari	Whitehurst
Fields	Monson	Whittaker
Fish	Moore	Wirth
Frenzel	Moorhead	Wolf
Gallo	Mrazek	Wortley
Gekas	Myers	Wylie
Gingrich	Nielson	Yates
Gradison	Oxley	Young (AK)
Green	Packard	Young (FL)
Gregg	Parris	Zschau
Gunderson	Pashayan	

NOT VOTING—9

Biaggi	Grotberg	Lujan
Franklin	Heftel	Scheuer
Goodling	Hendon	Swift

□ 1615

The Clerk announced the following pair:

On this vote:

Mr. Scheuer for, with Mr. Goodling against.

Mr. LEACH of Iowa changed his vote from "yea" to "nay."

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

Mr. GRAY of Pennsylvania. Mr. Speaker, pursuant to House Resolution 455, I call up from the Speaker's table the Senate concurrent resolution (S. Con. Res. 120) setting forth the congressional budget for the U.S. Government for the fiscal years 1987, 1988, and 1989, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

MOTION OFFERED BY MR. GRAY OF PENNSYLVANIA

Mr. GRAY of Pennsylvania. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. GRAY of Pennsylvania moves to strike all after the resolving clause of Senate Concurrent Resolution 120 and to insert in lieu thereof the provisions contained in House Concurrent Resolution 337 as passed by the House.

The motion was agreed to.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

A similar House concurrent resolution (H. Con. Res. 337) was laid on the table.

GENERAL LEAVE

Mr. GRAY of Pennsylvania. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material in the RECORD, on House Concurrent Resolution 337, the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mrs. Emery, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On April 22, 1986:

H.J. Res. 582. Joint resolution to designate April 20, 1986, as "Education Day U.S.A."

On April 24, 1986:

H.J. Res. 599. Joint resolution commemorating the 25th anniversary of the Bay of Pigs invasion to liberate Cuba from Communist tyranny; and

H.R. 4551. An act to extend for 3 months the emergency acquisition and net worth guarantee provisions of the Garn-St Germain Depository Institutions Act of 1982.

On May 2, 1986:

H.J. Res. 220. Joint resolution to reaffirm Congress' recognition of the vital role played by members of the National Guard and Reserve in the national defense, and for other purposes; and

H.R. 4602. An act to authorize the Federal Housing Administration and the Government National Mortgage Association to enter into additional commitments to insure loans and guarantee mortgage-backed securities during fiscal year 1986, and for other purposes.

May 7, 1986:

H.J. Res. 544. Joint resolution to designate May 7, 1986, as "National Barrier Awareness Day."

May 8, 1986:

H.J. Res. 569. Joint resolution to designate May 8, 1986, as "Naval Aviation Day."

May 12, 1986:

H.R. 1116. An act to implement certain recommendations made pursuant to Public Law 98-360.

May 14, 1986:

H.R. 4022. An act to release restrictions on certain property located in Calcasieu Parish, LA, and for other purposes.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will note that Mrs. Sara Currence Emery is the first woman to be designated by the current or any other President of the United States to deliver a message in writing to the House of Representatives.

WELCOME TO SARA CURRENCE EMERY

(Mr. STAGGERS asked and was given permission to address the House for 1 minute.)

Mr. STAGGERS. Mr. Speaker, I want to mark this historic moment as the first woman did deliver a message to the House.

Sara Emery is from Marlinton, WV, the same county which produced another lady who had a message sent to the world, Pearl Buck, from Hillsboro.

This may not be home to Sara, but I want to welcome Sara to the House.

PROVIDING FOR CONSIDERATION OF H.R. 4800, OMNIBUS TRADE BILL OF 1986

Mr. BEILENSON, from the Committee on Rules, reported the following privileged resolution (H. Res. 456, Rept. No. 99-604), which was referred to the House Calendar and ordered to be printed:

H. RES. 456

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4800) to enhance the competitiveness of American industry; and for other purposes, and the first reading of the bill shall be dispensed with. All points of order against the consideration of the bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed three and one-half hours, with one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, with 30 minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, with 30 minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, with 30 minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, with 30 minutes to be equally di-

vided and controlled by the chairman and ranking minority member of the Committee on Agriculture, and with 30 minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce, the bill shall be considered as having been read for amendment under the five-minute rule. The amendments set forth in section 2 of this resolution shall be considered to have been adopted in the House and in the Committee of the Whole. No other amendments to the bill shall be in order except the following amendments printed in the Congressional Record of May 15, 1986, by, and if offered by, the designated Members or their designees, said amendments shall be considered only in the following order and shall be considered as having been read, said amendments shall not be subject to amendment or to a demand for division of the question in the House or in the Committee of the Whole, and each of said amendments shall be debatable for not to exceed 30 minutes, or one hour in the case of amendments (8) and (12), to be equally divided and controlled by the proponent of the amendment and a Member opposed hereto:

(1) the amendment by Representative Crane of Illinois to subtitle A of title I;

(2) the two amendments by Representative Frenzel of Minnesota to subtitles A and B of title I;

(3) the amendment by Representative AuCoin of Oregon to title I;

(4) the amendment by Representative Dingell of Michigan to title II;

(5) the amendment by Representative Coleman of Texas to title III;

(6) the amendment by Representative Roth of Wisconsin to title III;

(7) the two amendments by Representative Bonker of Washington to title IV;

(8) the amendment by Representative Wylie of Ohio to title IV;

(9) the amendment by Representative Evans of Illinois to title V;

(10) the amendment by Representative Jeffords of Vermont to title V;

(11) the amendment by Representative Broyhill of North Carolina to title VII; and

(12) the amendment by Representative Michel of Illinois, and all points of order against said amendment, except under clause 7 of rule XVI, are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, which may not contain instructions.

SEC. 2. Amendments considered as adopted:

Page 317, line 4, insert "not to exceed an amount" after "sum".

Page 317, line 6, strike out "5315" and insert in lieu thereof "5313".

Page 384, lines 18 and 19, strike out "while knowing, or recklessly disregarding a substantial risk, that" and insert "while knowing or recklessly disregarding that".

Page 389, strike out line 23 and all that follows through line 2 on page 392 and insert the following:

"(2) a person meets the 'knowing' standard for purposes of subsection (a)(3) if—

"(A) that person is aware of substantially certain, or

"(B) that person is aware of a high probability, which he or she consciously disregards in order to avoid awareness or substantial certainty, and does not have an actual belief to the contrary,

that a third party will offer, pay, promise, or give anything of value to a foreign official, foreign political party or official thereof, or candidate for political office for purposes prohibited by subsection (a)(3);

"(3) a person meets the 'recklessly disregarding standard of subsection (a)(3) if that person is aware of a substantial risk that a third party will offer, pay, promise, or give anything of value to a foreign official, foreign political party or official thereof, or candidate for political office for purposes prohibited by subsection (a)(3), but disregards that risk; and

"(4) the term 'substantial risk' means a risk that is of such a nature and degree that to disregard it constitutes a substantial deviation from the standard of care that a reasonable person would exercise in such a situation.".

(b) VIOLATIONS.—Section 32(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78ff) is amended to read as follows:

"(c)(1)(A) Any issuer that—

"(i) violates section 30A(a)(1) or (2); or

"(ii) violates section 30A(a)(3) and meets the 'knowing' standards of that section (as defined by section 30A(f)(2)),

shall be fined not more than $2,000,000.

"(B) Any issuer that violates section 30A(a) shall be subject to a civil penalty of not more than $10,000 imposed in an action brought by the Commission.

"(2)(A) Any officer or director of an issuer, or stockholder acting on behalf of such issuer, who—

"(i) willfully violates section 30A(a)(1) or (2); or

"(ii) willfully violates section 30A(a)(3) and meets the 'knowing' standard of that section,

shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

"(B) Any employer or agent of an issuer who is a United States citizen, national, or resident or is otherwise subject to the jurisdiction of the United States (other than an officer, director, or stockholder acting on behalf of such issuer), and who—

"(i) willfully violates section 30A(a)(1) or (2); or

"(ii) willfully violates section 30A(a)(3) and meets the 'knowing' standard of that section,

shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

"(C) Any officer, director, employee, or agent of an issuer, or stockholder acting on behalf of such issuer, who violates section 30A(a) shall be subject to a civil penalty of not more than $10,000 imposed in an action brought by the Commission.

"(3) Whenever a fine is imposed under paragraph (2) upon any officer, director, employee, agent, or stockholder of an issuer, such fine may not be paid, directly or indirectly, by such issuer.".

Page 394, lines 1 and 2, strike out "while knowing, or recklessly disregarding a substantial risk, that" and insert "while knowing or recklessly disregarding that".

Page 399, strike out line 4 and all that follows through line 19 on page 400, and insert the following:

"(f) VIOLATIONS.—(1)(A) Any domestic concern that—

"(i) violates subsection (a)(1) or (2); or

"(ii) violates subsection (a)(3) and meets the 'knowing' standards of that subsection (as defined by subsection (h)(4)),

shall be fined not more than $2,000,000.

"(B) Any domestic concern that violates subsection (a) shall be subject to a civil penalty of not more than $10,000 imposed in an action brought by the Commission.

"(2)(A) Any officer or director of a domestic concern, or stockholder acting on behalf of such domestic concern, who—

"(i) willfully violates subsection (a)(1) or (2); or

"(ii) willfully violates subsection (a)(3) and meets the 'knowing' standard of that subsection,

shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

"(B) Any employee or agent of a domestic concern who is a United States citizen, national, or resident or is otherwise subject to the jurisdiction of the United States (other than an officer, director, or stockholder acting on behalf of such domestic concern), and who—

"(i) willfully violates subsection (a)(1) or (2)"; or

"(ii) willfully violates subsection (a)(3) and meets the 'knowing' standard of that section,

shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

"(C) Any officer, director, employee, or agent of a domestic concern, or stockholder acting on behalf of such domestic concern, who violates subsection (a) shall be subject to a civil penalty of not more than $10,000 imposed in an action brought by the Commission.

"(3) Whenever a fine is imposed under paragraph (2) upon any officer, director, employee, agent, or stockholder of a domestic concern, such fine may not be paid, directly or indirectly, by such domestic concern.".

Page 402, strike out line 15 and all that follows through line 22 on page 402 and insert the following:

"(4) a person meets the 'knowing' standard for purposes of subsection (a)(3) if—

"(A) that person is aware or substantially certain, or

"(B) that person is aware of a high probability, which he or she consciously disregards in order to avoid awareness or substantial certainty, and does not have an actual belief to the contrary,

that a third party will offer, pay, promise, or give anything of value to a foreign official, foreign political party or official thereof, or candidate for political office for purposes prohibited by subsection (a)(3);

"(5) a person meets the 'recklessly disregarding' standard of subsection (a)(3) if that person is aware of a substantial risk that a third party will offer, pay, promise, or give anything of value to a foreign official, foreign political party or official thereof, or candidate for political office for purposes prohibited by subsection (a)(3), but disregards that risk; and

"(6) the term 'substantial risk' means a risk that is of such a nature and degree that to disregard it constitutes a substantial deviation from the standard of care that a reasonable person would exercise in such a situation.".

Page 396, line 17, strike out "FOR COMPLIANCE" and insert in lieu thereof "BY THE ATTORNEY GENERAL".

Page 387, beginning on line 11, and page 396, beginning on line 23, strike out "representatives of the business community and other interested" and insert in lieu thereof "all interested".

Page 387, line 13, and page 396, line 25, strike out "and in public hearings" and insert in lieu thereof "procedures".

Page 387, beginning on line 21, and page 397, beginning on line 8, strike out "the Attorney General determines constitute compliance" and insert in lieu thereof "for purposes of the Department's present enforcement policy, the Attorney General determines would be in conformance".

Page 387, strike out line 24 and all that follows through line 3 on page 388, and insert in lieu thereof the following:

"(2) general precautionary procedures which issuers may use on a voluntary basis to conform their conduct to the Department's present enforcement policy regarding the preceding provisions of this section.

Page 397, strike out lines 11 through 15 and insert in lieu thereof the following:

"(2) general precautionary procedures which domestic concerns may use on a voluntary basis to conform their conduct to the Department's present enforcement policy regarding the preceding provisions of this section.

Page 388, strike out lines 9 through 15, and insert in lieu thereof the following:

"(e)(1) The Attorney General, after consultation with appropriate departments and agencies of the United States and after obtaining the views of all interested persons through public notice and comment procedures, shall establish a procedure to provide responses to specific inquiries by issuers concerning conformance of their conduct with the Department's present enforcement policy regarding the preceding provisions of this section. The Attorney General shall, within 30 days after receiving such a request, made in accordance with that procedure, issue an opinion in response to that request. The opinion of the Attorney General shall state whether or not certain specified prospective conduct would, for purposes of the Department's present enforcement policy, violate the preceding provisions of this section. Additional requests for opinions may be filed with the Attorney General regarding other specified prospective conduct that is beyond the scope of conduct specified in previous requests. In any action brought under the applicable provisions of this Act, there shall be a rebuttable presumption that conduct, which is specified in a request by an issuer and for which the Attorney General has issued an opinion that such conduct is in conformity with the Department's present enforcement policy, is in compliance with the preceding provisions of this section. Such a presumption of compliance may be rebutted by a preponderance of the evidence. In considering the presumption of compliance for purposes of this subparagraph, a court shall weigh all relevant factors, including but not limited to whether the information submitted to the Attorney General was accurate and complete and whether it was within the scope of the conduct specified in any request received by the Attorney General. The Attorney General shall establish the procedure required by this paragraph in accordance with the provisions of subchapter II of chapter 5 of title 5, United States Code, and that procedure shall be subject to the provisions of chapter 7 of that title.

Page 397, strike out line 21 and all that follows through line 3 on page 398, and insert in lieu thereof the following:

"(e) OPINIONS OF THE ATTORNEY GENERAL.—(1) The Attorney General, after consultation with appropriate departments and agencies of the United States and after obtaining the views of all interested persons through public notice and comment procedures, shall establish a procedure to provide responses to specific inquiries by domestic concerns concerning conformance of their conduct with the Department's present enforcement policy regarding the preceding provisions of this section. The Attorney General shall, within 30 days after receiving such a request, made in accordance with that procedure, issue an opinion in response to that request. The opinion of the Attorney General shall state whether or not certain specified prospective conduct would, for purposes of the Department's present enforcement policy, violate the preceding provisions of this section. Additional requests for opinions may be filed with the Attorney General regarding other specified prospective conduct that is beyond the scope of conduct specified in previous requests. In any action brought under the applicable provisions of this Act, there shall be a rebuttable presumption that conduct, which is specified in a request by a domestic concern and for which the Attorney General has issued an opinion that such conduct is in conformity with the Department's present enforcement policy, is in compliance with the preceding provisions of this section. Such a presumption of compliance may be rebutted by a preponderance of this evidence. In considering the presumption of compliance for purposes of this subparagraph, a court shall weigh all relevant factors, including but not limited to whether the information submitted to the Attorney General was accurate and complete and whether it was within the scope of the conduct specified in any request received by the Attorney General. The Attorney General shall establish the procedure required by this paragraph in accordance with the provision of subchapter II of chapter 5 of title 5, United States Code, and that procedure shall be subject to the provisions of chapter 7 of that title.

Page 388, line 19, and page 398, line 7, strike out "for a statement" and insert in lieu thereof "under the procedure established".

Page 388, beginning on line 20, and page 398, beginning on line 8, strike out "concerning compliance with the preceding provisions of this section".

Page 388, line 22, and page 398, line 10, after "Code," insert "and shall not be made publicly available,".

Page 388, line 23, and page 398, line 11, strike out "Department of Justice" and insert in lieu thereof "Attorney General".

Page 388, beginning on line 25, and page 398, beginning on line 13, strike out the sentence beginning with "The Attorney General".

Page 389, strike out lines 6 through 15, and insert in lieu thereof the following:

"(3) Any issuer who has made a request to the Attorney General under paragraph (1) may withdraw such request prior to the time the Attorney General issues an opinion in response to such request. Any request so withdrawn shall have no force or effect.

"(4) The Attorney General shall, to the maximum extent practicable, provide timely guidance concerning the Department's present enforcement policy with respect to the preceding provisions of this section to potential exporters and small businesses that are unable to obtain specialized counsel on issues pertaining to such provisions. Such guidance shall be limited to responses to requests under paragraph (1) concerning conformity of specified prospective conduct with the Department's present enforcement policy regarding the preceding provisions of this section and general explanations of compliance responsibilities and of potential liabilities under the preceding provisions of this section.

Page 398, strike out line 19 and all that follows through line 3 on page 399, and insert in lieu thereof the following:

"(3) Any domestic concern who has made a request to the Attorney General under paragraph (1) may withdraw such request prior to the time the Attorney General issues an opinion in response to such request. Any request so withdrawn shall have no force or effect.

"(4) The Attorney General shall, to the maximum extent practicable, provide timely guidance concerning the Department's present enforcement policy with respect to the preceding provisions of this section to potential exporters and small businesses that are unable to obtain specialized counsel on issues pertaining to such provisions. Such guidance shall be limited to responses to requests under paragraph (1) concerning conformity of specified prospective conduct with the Department's present enforcement policy regarding the preceding provisions of this section and general explanations of compliance responsibilities and of potential liabilities under the preceding provisions of this section.

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 456 and ask for its immediate consideration.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution.

□ 1625

The SPEAKER pro tempore. The question is, Will the House now consider House Resolution 456?

The question was taken; and—two-thirds having voted in favor thereof—the House agreed to consider House Resolution 456.

The SPEAKER pro tempore. The gentleman from California [Mr. BEILENSON] is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, I ask unanimous consent that Representative MICHEL or his designee be permitted to offer to H.R. 4800, as his amendment made in order under the rule, the text of H.R. 4830 which he has introduced today, rather than printing his amendment in the CONGRESSIONAL RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BEILENSON. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Mississippi [Mr. LOTT] for purposes of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, the resolution before us will permit the House to proceed expeditiously to the consideration of a very important piece of legislation, the Trade and International Economic Policy Reform Act of 1986.

The rule waives all points of order against consideration of the bill, pro-

viding for 3½ hours of general debate. One hour of the debate time is to be controlled by the chairman and ranking minority member of the Committee on Ways and Means. The remaining time is allotted to five other committees, Foreign Affairs; Banking, Finance and Urban Affairs; Education and Labor; Agriculture; and Energy and Commerce, each of which will control 30 minutes of the debate time.

The rule provides that three amendments which are printed in section 2 of the rule shall be considered to have been adopted upon adoption of the rule. The first and second amendments replace language now in the bill amending the Foreign Corrupt Practices Act with language reflecting agreements reached between the Foreign Affairs, Judiciary, and Energy and Commerce Committees.

The first amendment concerns the binding nature of advisory opinions issued by the Department of Justice.

The second amendment clarifies the knowing standard for criminal liability.

And the third amendment corrects two drafting errors in title IV, the Banking Committee title. It corrects a technical violation of the Budget Act and an erroneous citation.

The rule also provides that 14 additional amendments are to be in order, if offered for consideration by the 12 Members specifically named in the rule or their designees, and if printed in today's CONGRESSIONAL RECORD.

Each of the amendments is to be debated for no more than 30 minutes, except for the amendment to be offered by Mr. WYLIE and the amendment to be offered by Mr. MICHEL. Those two amendments may be debated for 1 hour each.

The amendment which the distinguished minority leader, Mr. MICHEL, may offer to the bill will be the last amendment to be considered.

The rule waives all points of order against that amendment, except for clause 7 of rule XVI, the rule prohibiting nongermane amendments.

The minority leader's amendment will consist of a comprehensive substitute that will give Members an opportunity to consider and vote on an alternative approach to that which is embodied in H.R. 4800.

Finally, the rule makes in order one motion to recommit which may not include instructions. The Committee on Rules is recommending the prohibition on the right to include instructions because we anticipate that all issues of controversy which may be settled through amendments will be discussed during the amendment process in the Committee of the Whole. As I have already mentioned, that process will likely include consideration of a comprehensive substitute which may be offered by the distinguished minority leader, the gentleman from Illinois [Mr. MICHEL].

Mr. Speaker, the rule recommended today by the Committee on Rules is appropriate for the consideration of a large and complex trade bill which has been considered by 6 different committees. The rule limits the length of the process, while still allowing the consideration of amendments addressing specific, deeply held concerns. The rule thereby ensures that a full debate will take place on the bill by allowing Members who have specific recommendations for its improvement the opportunity to offer changes to the bill.

Some of the amendments which are made in order represent an opportunity to resolve disagreements between the various committees having jurisdiction over the bill; some of the amendments reflect opposing approaches to the solution of specific problems addressed by the bill itself.

Mr. Speaker, H.R. 4800 is a historic measure designed to enhance the competitiveness of American industry. It is regarded by the leadership of this House, as well as by many Members on both sides of the aisle, as an enormously important measure whose passage is crucial to our Nation's well-being. The competitive position of the United States has deteriorated rapidly and our economy has been jolted by record-breaking trade deficits in each of the last 4 years. During that time, the United States has accumulated a total merchandise trade deficit approaching $400 billion.

For the first time since World War I, we are a net debtor nation. If current trends continue, our net external debt will exceed $500 billion by 1990. Our declining trade position threatens to undermine the Nation's industrial and agricultural base and to reduce our standard of living. This trade bill would help restore American competitiveness.

H.R. 4800 forces the administration to take a tough stand against foreign trade practices that deny fair opportunities for U.S. firms and workers and mandates action against countries that have displayed a pattern of excessive bilateral trade surpluses with the United States. It would enhance our exporting capacities, reform the Foreign Corrupt Practices Act, and improve education and training for American workers.

Mr. Speaker, H.R. 4800 is, indeed, a timely and significant measure. The rule before Members provides for full, fair, and orderly debate of the major issues, and I urge adoption of the rule.

GENERAL LEAVE

Mr. LOTT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 456.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 456, which has already been described by the gentleman from California [Mr. BEILENSON] is designed for the consideration of H.R. 4800. It is certainly a complicated bill, and it is a complicated rule, but I want to emphasize at the beginning that I think it is a fair rule and it is probably the only logical way that the rule can be handled when you take into consideration the fact that we have several different legislative committees that are involved with pieces of the bill and that there are a number of legitimate amendments that have been requested by Members on this side of the aisle and the other side of the aisle. And they will have their opportunity.

So I must say that our leadership, the gentleman from Illinois [Mr. MICHEL] and the gentleman from Texas [Mr. WRIGHT] have worked very closely on this rule to make sure that it does give every Member the proper opportunity to vote against certain sections or to have an alternative.

So the result was that we have a modified open rule providing for 3½ hours of general debate—1 hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, and the remaining time to be equally divided between the six other committees having jurisdiction over this legislation.

Mr. Speaker, the rule waives section 303(a)(2) of the Congressional Budget Act against consideration of the bill. Section 303(a)(2) prohibits consideration of any measure which provides an increase or decrease in revenues to become effective during a fiscal year until the concurrent resolution on the budget for such fiscal year has been adopted. Title I of H.R. 4800 would decrease revenues by approximately $70 million, first effective in fiscal year 1987. Since the concurrent resolution on the budget has not yet been agreed to, this provision would be subject to a point of order.

The rule makes in order 14 amendments, 7 amendments offered by Republicans and 7 offered by Democrats, which are not subject to amendment. One of the 14 amendments is the Michel amendment which is to be considered only after the disposition of all other amendments. The rule waives all points of order against the Michel amendment H.R. 4830, except for failure to comply with clause 7 of rule XVI, the germaneness rule.

Finally, Mr. Speaker, the rule provides for one motion to recommit which may not contain instructions. I

do want to indicate for the RECORD, as I did in the Rules Committee, that I strongly object to the provision in this rule which prohibits instructions in the motion to recommit. This is a mistake. The motion to recommit dates back to our first Congress in 1789, and, under the precedents, priority recognition is given to the minority. This is one of our most important rights on the minority side and one of the few things which the Rules Committee cannot set aside in a rule. House rule XI, clause 4(b) states that the Rules Committee may not report, and I quote, "any rule or order which would prevent the motion to recommit from being made as provider in clause 4 of Rule XXVI." To the extent that the majority attempts to restrict our right to offer a motion to recommit, as it does in this resolution, it is violating the spirit of that rule.

The right to offer instructions in a motion to recommit is traditionally reserved to the minority so that it may have a final vote on a proposition on which it feels strongly. In the future, the majority should not make a practice of restricting this important minority right.

This bill is the result of the work of several subcommittees and full committees, and it addresses a number of competing trade interests and viewpoints.

Mr. Speaker, I believe in open, fair, and competitive trade, and this trade bill is a measure that is intended to help alleviate an extremely unfair trading situation. It is not protectionist legislation, but is designed to try to get foreign countries to open up their doors just as we have so freely opened up ours.

For years we have had a free and open market, but we can no longer tolerate the unfair trading practices of our partners short of destroying our own industries. We must now concentrate on fair trade which is in the best interest for American industries and workers.

Mr. Speaker, it is with some reluctance I urge adoption of this less than open rule. Adoption of this rule will permit us to proceed to consider this vital legislation and a step to deal with our trading partners' unfair trade practices. Such an action is long overdue. I urge adoption of this rule.

□ 1635

Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. DAUB].

Mr. DAUB. Mr. Speaker, although generally debate on a rule is not a place where a good deal ought to be said about the substance, I think I will take time, if I might, to talk a little bit about the bill because we are going to intervene this debate with a weekend and 2 or 3 days of time to think about the importance of the subject and the debate on the substance, which will occur in the week ahead of us.

I am particularly concerned about two amendments that are in the bill. One is known as the Gephardt amendment; the other is known as the Pease amendment.

I am including two editorials at the conclusion of my remarks. I think that both editorials ought to be read by each and every Member before they decide on their votes next week.

Let me spend just a minute on the Gephardt amendment and on the Pease amendment. The total agricultural exports for 1985 from our country to the regions whose trade with the United States would most likely be affected by the Gephardt legislation are Japan, $5.4 billion; Taiwan, $1.2 billion; and Europe, $6.5 billion. West Germany is named as currently eligible for arbitrary import reductions that would occur under the Gephardt amendment, but any such action would precipitate against United States exports by the entire European Economic Community because they all have to act under their rules legally as a block.

The net disaster for agriculture if this trade bill would pass containing the Gephardt amendment would be to cost us at least a net of $13 billion worth of our ag trade, from the countries that are preliminarily estimated to be affected by the gentleman from Missouri's amendment.

The supplies; those commodities are available elsewhere in the world, and the real problem we have got with Spain and Portugal, now coming into the European Common Market Community, is that the admission of those two countries clearly has taken with it the willingness by the ECC to utilize their retaliation capability to accommodate the enlargement of the European Common Market.

So what will happen, of course, is the same thing that happened to the United States when the textile discussion occurred several years ago. When we tried to protect $50 million worth of our textile business, China canceled $500 million in wheat sales. I cannot believe that that would be a fair trade compromise of any equality: $50 million for $500 million.

The lesson is a very current one; one that we should take to heart, and is one reason why I will support the Crane amendment which is designed and in order to strike not only the Gephardt amendment which I wish to brand as a strichnine capsule, a poison pill, for any Member and/or any Member's constituency engaged in production agriculture.

The Pease amendment would internationally recognize labor rights and essentially affects section 301. This puts politics and foreign policy right back in the way of trade policy. Carter did it with his grain embargo. This bill will do it against our best prospects for agricultural exports. The sad thing about the combination of the Gephardt amendment and the Pease amendment is, that it ignores the greatest damage on the theory that a little bit of retaliation will teach the rest of our trading partners to somehow be fair toward our country.

The markets for ag products and for many other products from industry in this country are no longer with the developed countries. Our markets, our foreign trade markets for expansion are with the LDC's, the lesser developed countries.

This bill will allow the developing countries with whom we now trade to essentially target the LDC's and become their market, and essentially what will happen, I say to my colleagues, is that if it is not retaliation in direct dollars, it will simply be a decision on the part of our competitors not to buy from America. They just will not give us any orders. That will be the retaliation; a very silent kind of retaliation.

Indeed, if you are interested in foreign policy, you cannot want to harm the potential for the development of trade with our lesser developed partners. It certainly will be a devastating blow to those countries we are trying to help.

So for those reasons, next week I will be trying to do my best to support the Crane amendment, and I think that will make it a much better bill.

Mr. Speaker, I am including for the RECORD the Washington Post editorial of May 14, 1986, and the Wall Street Journal editorial of May 15, 1986:

[From the Washington Post, May 14, 1986]

A SHIN-KICKER BILL

The trade bill now moving rapidly through the House is an anthology of all the congressional grievances and irritations accumulated through five years of Mr. Reagan's presidency. With a few notable exceptions, Mr. Reagan has not been very sympathetic to the kind of pain that a surge of imports inflicts on a specific industry, or the towns that depend on it. An open market will best serve the country and its economic growth, the president says. That's correct, but not very comforting to congressmen from troubled districts—or their constituents. This bill, now reported by the Ways and Means Committee, is the House Democrats' counterattack.

It would make litigation easier for Americans fighting imports. That would lead to lower imports, and consequently lower exports, and consequently fewer jobs for Americans. For example, the most objectionable section of the bill says that countries selling too much to this country, and buying too little, will have to bring their trade surpluses down by 10 percent a year for the next four years. That is aimed, of course, at Japan, Taiwan and West Germany. The size of their surpluses is largely the result of American mistakes that sent the dollar's exchange rate sailing too high for the past several years. The proper remedy is the decline of the exchange rate that has al-

ready taken place. But a lot of people in Congress don't trust economics and, instead, want to rely on litigation.

The bill gets into the troubling subject of the status of foreign workers. The author of this provision, Rep. Don Pease of Ohio, cites the imported clothing made by child labor in Asia. He also speaks of imports from countries that prohibit labor unions and require little or nothing in the way of standards for wages, hours and safety. Those are important concerns, and he is surely right when he says that trade has to benefit producers, as well as consumers and trading companies. But he would try to ensure it by allowing American companies to cite denials of workers' rights when fighting imports. That will do more to reduce imports here than to improve working conditions abroad. A more promising approach, as the administration urges, is to negotiate international standards in the next round of trade talks—although, to give Mr. Pease a point, that argument would carry more weight if the administration were pressing workers' rights more actively in its trade policy.

Frustration rarely produces good legislation. This bill is a shin-kicker, intended to attract attention. In that, it is succeeding very effectively. But among American industries, it will hurt the most competitive and help only the least competitive.

[From the Wall Street Journal, May 15, 1986]

TRADE BILL TERPSICHORE

That outrageously protectionist trade bill House Democrats have concocted is described by the Washington Post as a "shin-kicker," intended to make President Reagan pay heed to companies and labor unions protesting about competition from foreign goods.

Rep. Bill Frenzel (R., Minn.) comes closer to the mark in saying that the House leadership "prefers an issue to a law."

In short, this bill, now scheduled for floor debate in the House next week, is an exercise in political grandstanding. With it, House Democrats want to show they are willing to get tough with foreigners who so deviously scheme to sell Americans Sonys and Audis. No president with any regard for the health of the international economy could sign it. But a veto, the progenitors believe, will cost Republicans votes in November.

We would urge them not to be quite so certain. Congressmen spend their time preoccupied with parochial concerns, failing to discern that Americans are becoming more internationalist in their economic thinking. Americans need only look around to see that they derive some very large benefits from internationalized innovation and competition. Moreover, the trade bill's authors have so overplayed their hands that knowledgeable people doubt their seriousness. It's not nice to play games with legislation.

It's not nice partly because it demeans lawmaking, but partly as well because it carries certain dangers. There is always a possibility that events will conspire to allow a bad bill to actually become law.

Something of that sort happened in 1970-71. A Democratic Congress set a political trap for Richard Nixon not unlike the one now being laid for Ronald Reagan. Congress gave Mr. Nixon something he did not want, the discretionary power to control prices and wages, burying it in a veto-resistant defense production bill.

The Democrats then piously proclaimed that Mr. Nixon had all the authority he needed to "control inflation," then 5.5 percent. Republicans were furious over being set up to be blamed for inflation. They called it "devious Democratic demagoguery."

Almost a year to the day after Mr. Nixon accepted those unwanted powers, the collapse of the Bretton Woods international monetary system prompted him to use them. He applied "temporary" controls. They disrupted U.S. production, helping precipitate, among other things, the first oil "crisis." Underlying inflationary pressures rose and eventually exploded, real incomes fell and the nation's economic policy debate degenerated into confusion and acrimony.

The trade bill is cut from the same cloth. One of its more mindless provisions would require 10 percent annual reductions in the U.S. trade deficits with Japan, Taiwan and West Germany. To accomplish that pointless feat would necessitate market interference of the most ham-handed type, disrupting capital flows as well as trade. It would also be a gross violation of international trade rules hard on the heels of Mr. Reagan's success in Tokyo in engendering a new round of trade-liberalization talks.

Stil another section would attempt to legislate "workers' rights" in countries shipping goods to the U.S. Every U.S. trading partner will see the hypocrisy. The intent isn't to protect workers abroad but to keep the goods they make out of the U.S. market.

The bill would make it mandatory for the president to retaliate by a date certain against any nation deemed guilty of an "unfair" practice. This, too, is ham-handed. An arbitrary deadline could simply cut off talks on some issue at a crucial point, quite possibly losing some U.S. exporter a sale. To argue that Congress can legislate in advance the outcome of negotiations betrays, among other unattractive qualities, a streak of arrogance.

As we say, these and other exercises in economic demolition in the bill have led us and a good many other people to conclude that the Democratic leadership is not serious. Maybe things look different from inside the Beltway, but from, our perspective it's hard to see how playing fast and loose with public policy can be regarded as good politics.

Mr. BEILENSON. Mr. Speaker, the gentleman from California thanks the gentleman from Mississippi for his remarks in support of the rule that is currently before the Members, acknowledges the gentleman's remarks with respect to the motion to recommit, and assures the gentleman that the majority members on the Committee on Rules understand the gentleman's concern, and we are hopeful that the situation will not arise again in the future.

Mr. Speaker, for purposes of debate only, I yield 10 minutes to the gentleman from Texas [Mr. WRIGHT] the distinguished majority leader.

Mr. WRIGHT. Mr. Speaker, this bill and the effort that has gone into it represent a truly historic undertaking. Quite probably this bill, H.R. 4800, is the most comprehensive trade legislation undertaken by the House in the last 45 or 50 years; since the Reciprocal Trade Agreements Act was created by the leadership of Franklin Roosevelt and Cordell Hull, then Secretary of State.

Our trade deficit in these last 4 or 5 years has ballooned to nearly 5 times what it was 5 years ago. We cannot permit it to continue in that direction. The growth of the trade deficit, now standing at some $150 billion this year, has brought with it an erosion of our American industrial base; it has created unemployment, throwing Americans out of work as it transported their jobs overseas; it has given a problem to American agriculture which for a very long while had led the way in creating a trade balance for us. It has made us, for the first time in 72 years, a net debtor nation.

In 1982, the United States was the world's largest creditor nation. We had the largest surplus in world credits of any nation on Earth. At this moment, today, we are the world's largest debtor nation with $100 billion in net debt; and if this trend is not reversed by affirmative direct action and creative approaches toward greater competitiveness, then in a very short while and by the end of this decade according to most experts, the United States not only will be the world's greatest debtor nation, and the greatest in the history of the world, but we will suffer a credit deficit of some $500 billion among other nations, on top of the enormous deficit that we suffer in our own national debt.

□ 1645

And so it is time that we do something constructive about it.

Mr. Speaker, I want to compliment the leadership on all of the committees that have participated. This has been truly a team effort. This bill has been more than a year in the process of creation. I want to extend my congratulations to the gentleman from Washington, DON BONKER, the gentleman from Florida, Mr. GIBBONS, for the efforts that they have put forth to try to help craft a sensitive idea of legislation.

Let me express my regards and congratulations to the members of the House Committee on Ways and Means, the House Committee on Energy and Commerce, the House Committee on Education and Labor, the House Committee on Foreign Affairs, the House Committee on Banking, Finance and Urban Affairs, because each of those committees as well as the Committee on Agriculture has contributed significantly to this result.

I want to thank members of the staff as well as members of the committees, themselves, for the creative and imaginative and cooperative way in which they have submerged their sometimes serious and sometimes petty differences and have harmonized jurisdictions in such a way as to bring this bill with these separate

titles. In that connection, Mr. Speaker, I am inserting in the RECORD two letters from the Speaker, one to the chairman of the Committee on Ways and Means and one to the Committee on Energy and Commerce with respect to the question of jurisdiction in this matter.

The letters referred to are as follows:

THE SPEAKER'S ROOMS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, May 7, 1986.

Hon. JOHN DINGELL,
Chairman, Committee on Energy and Commerce, Rayburn House Office Building, Washington, DC.

DEAR MR. CHAIRMAN: In an attempt to clarify the jurisdictional questions raised at this morning's meeting, I have sent the attached letter to Chairman Rostenkowski, outlining my perception of the jurisdiction of the Committees on Energy and Commerce and Ways and Means over the bill H.R. 7450.

The main point of that letter is that today's sequential referral to your Committee which was drafted in the broad terms you requested does not change the jurisdiction of the two Committees involved.

As Jim Wright expressed in this morning's meeting the mutual cooperation of both Committees is essential in putting together the trade package. My letter indicates that your Committee has and may continue to propose legislation in this subject area.

With every good wish,

Sincerely,

THOMAS P. O'NEILL, Jr.,
The Speaker.

THE SPEAKER'S ROOMS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, DC, May 7, 1986.

Hon. DAN ROSTENKOWSKI, *Chairman, Committee on Ways and Means, U.S. House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: Due to the concern which has been expressed relative to the nature and extent of the jurisdiction of the Committee on Energy and Commerce over H.R. 4750, to reform the trade laws, a bill which the Committee on Ways and Means reported to the House on May 6, 1986, I am sending you this letter in order to clarify the purpose and scope of the referral in question.

As you know, I referred H.R. 4750 sequentially to the Committee on Energy and Commerce for the consideration of such portions of title I of the bill as fall within that committee's jurisdiction pursuant to clause 1(h) of Rule X (the clause containing the jurisdiction of that committee). While I, and my predecessor Speaker Albert, have in appropriate instances made a more specific sequential referral designating sections and topics within the jurisdiction of a secondary committee, such as where a portion of the bill can be clearly and discretely defined, the language of the referral in question contains the more usual format for sequential referrals. I do not intend in making this referral to alter the existing jurisdictional precedents and requirements as to trade legislation.

The form of the referral does not indicate that the Committee on Energy and Commerce shares plenary jurisdiction over title I of the bill, under the rules and precedents of the House. I have frequently advised committees of sequential jurisdiction, in consultation with the Parliamentarian, as to the limits of their jurisdictional authority over specific bills and committee amendments. Therefore, I am taking this opportunity to elaborate upon the extent of the bill over which the Committee on Energy and Commerce may properly exercise jurisdiction based on the rules of the House and previous referrals and enactments.

H.R. 4750 modifies, in chapters 1 and 2 of title I, the application of trade remedies under section 301 of the Trade Act of 1974, as amended by the Trade and Tariff Act of 1984. Among those remedies is the authority of the President under subsecton 301(b) of the Trade Act to impose Fees or restrictions on the services of foreign countries, and the authority of the President under subsecton 301(c) of the Trade Act, as amended by the 1984 Act, to restrict or deny service sector access authorizations. The 1984 service-related amendments were developed with the active participation of the Committee on Energy and Commerce, which reported H.R. 2848, the Service Industries Commerce Development Act of 1983; that bill was sequentially referred to the Committee on Ways and Means and became part of the conference agreement on the omnibus Trade and Tariff Act of 1984, on which members of the Energy and Commerce Committee were appointed as conferees. The involvement of that Committee in reporting service-related amendments to the Trade Act, and its jurisdiction over interstate commerce and other specific types of domestic regulation, give that Committee a clear and legitimate claim over Trade Act amendments which directly affect the service sanctions as those sanctions are defined in the Trade Act. It was primarily for that reason that I referred H.R. 4750 to the Committee on Energy and Commerce. A joint referral of the bill would not have been appropriate since the vast majority of other provisions of the bill were solely within your committee's jurisdiction. While there are some other incidental portions of title I of your bill which relate to issues which the Committee on Energy and Commerce has addressed in separate, jointly referred legislation, my review of title I of H.R. 4750, with the assistance of the Parliamentarian, does not indicate any substantial jurisdiction by that Committee over any provisions, other than the service-related provisions referred to above, in title I of your bill.

I am aware that the Committee on Energy and Commerce has reported its own version of legislation designed to protect and assist American industry, as well as a major bill on regulation of the foreign communications industry within our borders (sequentially referred to, and reported by, the Committee on Ways and Means). The telecommunications provision which you have reported (chapter 2 of title I of H.R. 4750) addresses competition in that industry from a Trade Act perspective, however, in a way exclusively in your jurisdiction, subject to my comments regarding the jurisdiction of the Committee on Energy and Commerce over service sanctions under section 301 of the Trade Act.

As the House of Representatives moves to develop and enact major trade legislation within the jurisidiction and expertise of so many of its major committees, I am certain that through our mutual efforts, and cooperation, it will be possible to fashion the best possible legislation while airing and resolving all competing views through fair and complete consideration on the floor of the House. To that end I pledge my full support.

Sincerely,

THOMAS P. O'NEILL, Jr.,
Speaker.

Mr. WRIGHT. What does the bill do? It does a great many things which we can discuss in the general debate. I will not attempt to be comprehensive in this brief period with you.

It does these things, however: it gives the President new tools and techniques for opening up overseas markets. The bill seeks a more open trading system through new trade negotiations. It improves our ability to respond to unfair trading practices of other countries. By protecting the intellectual property rights of American individuals and companies, this bill will improve American competitiveness. That is the key word. It sharpens and hones up the capacity of the United States to compete on world markets to the end that "made in the U.S.A." once again may be a badge of quality and value throughout the world.

By addressing the injurious export targetting, natural resource subsidies, diversionary dumping and other forms of exclusionary practices by which other countries in some cases have participated in direct and indisputable exclusion of American goods from their markets, this bill permits America to compete and to cooperate with our trading partners on a level playing field.

The bill creates an adjustment assistance trust fund to enable American firms to adapt to foreign competition, and American workers displaced from their jobs by the flood of imports from other countries are given valuable aids in being able to get job retraining to the skills that are currently needed in the marketplace.

Perhaps most importantly in the long run, this bill lays down a firm foundation by way of enhanced education and training that will enable the American worker to compete, in the newly needed, sophisticated skills, with any worker anywhere on Earth.

This bill demonstrates that the United States at a time when we are celebrating the 100th anniversary of the Statue of Liberty, on the very threshold of the bicentennial of the Constitution, is not prepared to settle for the deindustrialization of the United States. We are not prepared to agree to the drift in the direction in which we increasingly sell raw products to other countries, who then process and refine them into finished products and sell those finished products on American markets, displacing American workers, eroding the American industrial base and deindustrializing our country. That is not our destiny. We have a better destiny than that. This bill will help us achieve it.

I want to thank and congratulate Members on the Republican side, the minority side, for their cooperation in helping to bring this rule and this bill to us. Most of the provisions contained in this large bill are bipartisan, are nonpartisan in their fundamental character.

There are provisions which are and will be controversial. Those will be fully discussed under the rule. There is no need at this particular time for us to get into those subjects.

Suffice it to say that the thrust and purpose of the bill is not to exclude imports so much as it is to promote exports, to give the United States the tools that we need to make America competitive on world markets again. And to that end I ask and urge the active and enthusiastic support of all of the Members of the House to the end that we can make an historic contribution to a freer and more reciprocal and fairer world trading system.

I yield back the balance of my time.

Mr. LOTT. Mr Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. CRANE].

Mr. CRANE. I thank the gentleman for yielding.

I think in this whole debate one has to put the trade imbalances into some proper perspective. We had Under Secretary of Commerce Bruce Smart before the committee during the hearings in anticipation of a markup on this bill. He indicated and it was subsequently confirmed by Ambassador Clayton Yeutter that, if the whole world practiced totally free trade right now, it would have at best a 20-percent impact on our trade imbalance of $150 billion, and it could be as slight as 10 percent.

So I think anyone should dismiss the notion, if he is entertaining it, that a trade package trying to promote freer world trade is the real solution to our problem. Frankly, in many regards we are still failing to live up to the standards of productivity of such industrial countries as West Germany and Japan.

In addition to that, we have to recognize that another component of competitiveness is tax policy.

The tax bill that we reported out of the House by every econometric study does violence to capital formation. Frankly, the Senate product that I have seen reported in the papers is a modest improvement, but it, too, does violence to capital formation, another important ingredient in trying to restore a competitive edge for us.

Then in addition to that there is Government policy. If we really wanted to do something about trade imbalances, why have we not for years been selling Alaskan oil to Japan? And why do we insist upon FDA regulations meeting U.S. standards for any pharmaceutical products that are shipped into foreign markets? That has had the practical effect of causing our pharmaceutical plants here to open up plants outside the borders of the United States.

My real criticism of the action of the Committee on Rules was a failure to make in order an amendment I had sought to introduce. That amendment dealt with negotiating authority to try and reach some multilateral agreements with regard to opening up markets more freely than they are today. The committee bill provides for only a 2½-year timeframe to achieve this objective, with a possible 2-year extension. My amendment would have provided for 8 years with a possible 2-year extension. I think anyone who is at all conversant with these kinds of negotiations will acknowledge the fact that 2½ years is utterly impossible, even 4½ years improbable. So for all practical purposes, the committee bill simply pays lipservice to the idea of serious negotiations with our major trading partners.

In addition, my amendment would have eliminated the exclusions in the committee bill on taking up the subject of a wide variety of products in any such kind of trade negotiations.

Finally, the committee bill insists that such negotiations cannot go forward until after an international monetary conference is held. And that, too, suggests, as I indicated, that the committee position and the bill itself is sheer tokenism on the subject of multilateral trade negotiations, and I deeply lament the fact that the Committee on Rules did not see fit to make such an amendment in order so we could have done something in a substantive way to improve the committee's actions on the trade bill.

I have never voted for rules that were in any way restrictive or waived points of order. For that reason, I do not intend to support this rule. However, I can certainly understand the concerns of our distinguished Trade Subcommittee chairman, Mr. GIBBONS, because he very eloquently stated before the Rules Committee what happened when the Congress of the United States in 1930 attempted to write a trade bill on the floor. So, while I will not support his rule, I understand why he pleaded for restrictions.

I yield back the balance of my time.

Mr. BEILENSON. Mr. Speaker, for the purpose of debate only, I yield 2 minutes to the gentleman from New York [Mr. LUNDINE].

Mr. LUNDINE. Mr. Speaker, I rise in support of this rule to make in order House consideration of H.R. 4800, the Trade and International Economic Policy Reform Act of 1986.

H.R. 4800 is an historic and critical bill. The huge $150 billion U.S. trade deficit is unsustainable. Our future economic prosperity depends on whether or not we can fashion an effective trade strategy for our future. Trade ultimately and always means jobs for Americans. We have already lost millions of jobs because of our ineffective trade policies. This bill will help create high quality jobs for our future through expanded world trade.

I commend the Rules Committee for the fine job they did in fashioning this rule. H.R. 4800 involves provisions drawn by six House committees. Arriving at consensus given this many players was a difficult task. They deserve our gratitude.

This is a fair rule. On a bill this size which deals with a subject as important as this, it is impossible to have a totally open rule. The Rules Committee has appropriately considered the merits of proposed amendments and made those in order which will ensure a full debate of this issue.

I urge the support of this rule.

Mr. LOTT. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. BEILENSON, Mr. Speaker, for purposes of debate only. I yield 4 minutes to the gentlemen from Washington [Mr. BONKER].

Mr. BONKER. Mr. Speaker, I shall be brief. The majority leader and others have noted what is obvious now, that H.R. 4800 is an extraordinary effort to address one of the most important issues of our times, when we attempt to deal with the related problems of the trade deficit, the external debt and America's competitiveness.

Mr. Speaker, I, too, would like to commend first of all the Speaker for having the foresight to set up a trade task force so that we could take a closer look at this important issue. Second, by bringing together all of the committee chairmen and the subcommittee chairmen with jurisdiction over this issue so that we could develop a process and a timeframe that would enable us to take action on a comprehensive trade bill. I would like to commend the committee chairmen for meeting the deadlines imposed by the Speaker.

When one considers the enormity of this trade bill, one can only appreciate the effort it required and the leadership necessary to bring all of these various trade bills to fruition.

□ 1700

And then I would like to commend the majority leader for attempting successfully to work out many of the jurisdictional problems that necessarily accompany a bill like this; and then finally the Rules Committee, which had to deal with the potential of all kinds of amendments coming forth protecting certain industries or changing provisions or adding new ones in something like a trade bill.

The overriding concern was to avoid a repeat of Smoot-Hawley. Chairman SAM GIBBONS made an eloquent plea before the Rules Committee to avoid that kind of repeat action so that we would not end up with a trade bill that was generic in form, turning out to be a central issue bill that would attract all kinds of protectionist action.

Indeed, the entire process is to be commended because we have attempted to deal with all aspects of our trade and international monetary problems, and yet we have not crossed the line into protectionism. We did not allow votes that would open up that problem.

Mr. Speaker, this legislation's main goal is to restore America's competitiveness. I believe it will do so in a way that is positive and consistent with international trade law. It relies not on import restrictions, but on opening markets and promoting exports.

H.R. 4800 is an extraordinary effort overhaul and update our trade laws and to provide an alternative to the failed policies and the trade deficits that threaten our domestic economy.

H.R. 4800 is a responsible trade bill that is worthy of our support.

Mr. BEILENSON. Mr. Speakgr, for purposes of debate only, I yield 5 minutes to the gentleman from Ohio [Mr. PEASE].

Mr. PEASE. Mr. Speaker, I rise also to commend the Rules Committee for making possible an excellent rule which will give us a chance to fully debate this issue next week in an expeditious manner.

I also would like to take this opportunity to comment on one section of the bill for which I am responsible, since other Members here on the floor today have made reference to it.

Mr. Speaker, to hear some people talk it is none of our business whether imports flooding into this country are made by workers whose most basic rights are repressed, but I submit, Mr. Speaker, you might get a different answer from the thousands of 10-, 11-, 12-, and 13-year-old girls who are sold into factory work by one of our trading partners in Southeast Asia, sold as factory workers by impoverished rural parents for $20 to $100 per year.

They typically work 15 hours a day, 7 days a week. They sleep in factory storerooms. They are fed only rice and vegetables.

In the name of humanity, we Americans ought to be concerned about these young children forced into factory work. American textile and garment company owners ought to be concerned, too. Trying to keep factory doors open in the Carolinas, in Alabama, and in Georgia, how are they to compete with products made by children forced into indentured servitude?

American workers, too, should be concerned about these children, because efficient U.S. factories close down and multinational corporations take advantage of exploited child labor in foreign sweatshops where, according to an article in the National Catholic Reporter:

> There is no ventilation. The sound of the machines is deafening, and the air is filled with lint which makes breathing difficult in stifling heat.

These are 10-, 11-, 12-, and 13-year-old children.

The worker rights section of the trade bill due on the House floor next week tries to deal with the repression and exploitation of workers who make the products which some countries ship into the American market.

Mr. Speaker, this is an important point. The amendment that I have sponsored does so in a way which is fully consistent with existing current American law. Under current American law, section 301 of the Trade Act of 1974, American companies can go before the U.S. Trade Representative and allege an unfair trade practice via foreign competitor, under a section dealing with unreasonable trade acts. And these are acts which we as Americans unilaterally by ourselves define as unreasonable. It does not require a determination by GATT or any other international body that they are unreasonable.

Already in the law, the current law, there are three types of unreasonable actions mentioned. One is denial of market access, another is the opportunity to establish a business in a foreign country, and another is the denial of intellectual property rights.

We in the worker rights section merely are adding a fourth clause to the three that already exist in current law. The new trade bill in no way seeks to impose American labor standards on foreign countries. It does not do that in any way. It cannot be construed as a minimum wage for the world approach. It simply requires trading nations to respect basic worker rights to which they are committed under international law and to which our country has committed itself in our own laws for 50 years or more.

Mr. Speaker, I look forward to the opportunity to discuss this section and the entire bill at greater length next week. I think this could be the most important piece of trade legislation which we have considered in decades.

Mr. BEILENSON. Mr. Speaker, I yield myself such times as I may consume.

Mr. Speaker, in concluding this debate on the rule, the Committee on Rules notes we appreciate, as did the gentleman from Texas, the work of the six committees involved, the work of the chairmen and ranking members of those committees, and expecially the efforts of the gentleman from Texas himself for successfully shepherding through the committees and then binding together successfully this complex mass of legislation. We acknowledge also the help of the distinguished gentleman from Illinois, the minority leader, Mr. MICHEL, for bringing this bill to the floor in an orderly and a timely fashion.

Mr. CRANE. Mr. Speaker, as we consider major trade legislation next week, we should be presuaded by facts not partisan rhetoric. The administration should continue to press for fair and equitable treatment for U.S. products in international markets and fairly traded imports at home. Unlike the claims made by some of my colleagues, this administration has indeed taken decisive action to ensure free and fair trade and to reject protectionism.

The facts as outlined below demonstrate that existing law provides adequate tools for the protection of U.S. trade interests and the President is using these tools effectively. What we do not need is protectionist legislation in the guise of trade reform. We do not need legislation that will threaten U.S. exports—especially agriculture and high-tech interests—reduce employment at home, raise prices for consumers and users, and hurt the national economic interest.

TRADE POLICY ACTIONS

As a part of the President's trade policy announced September 23, 1985, the Administration has:

Taken the unprecedented step of self-initiating section 301 unfair trade cases on:

Brazilian informatics market and investment restrictions (September 13, 1985,);

Korean fire and life insurance market restrictions (September 13, 1985);

Japanese market restrictions on tobacco products (September 13, 1985);

Korean lack of protection for intellectual property rights (October 16, 1985).

Ordered retaliatory action against Brazil on informatics and investment restrictions (May 15, 1986).

Self-initiated for the first time a section 305 investigation to gather information on the potential trade barrier posed to U.S. meat exports by the proposed EC Third Country Meat Directive (Mar. 31, 1986).

Initiated the first case ever brought under Section 307, initiating an investigation of Taiwan's automotive export performance requirements (Mar. 31, 1986).

Achieved a negotiated resolution on the issue of Japan's market restrictions on leather and leather footwear (December 20, 1985). Japan agreed to compensation through reduced tariffs worth $236 million in increased market access and the U.S. will impose prohibitive tariffs on $24 million of Japanese leather exports to the U.S.

Announced a GATT Subsidies Code case against European Community wheat export subsidies (October 16, 1985).

Secured market-opening concessions from Taiwan on tobacco, wine, and beer in response to the threat of a 301 case (Oct. 16, 1985).

The Administration has formed the President's Strike Force on Trade, chaired by Commerce Secretary Baldrige, to identify specific trade barriers which may require further action. To date, the Strike Force has:

Recommended to the Economic Policy Council in November 1985 that the U.S. Government initiate an antidumping investigation on 256K DRAM (Dynamic Random Access Memory) and above semiconductors from Japan. The USG self-initiated the

antidumping investigation December 6, 1985. This is the first time ever that the Department has self-initiated an unfair trade investigation outside an established program such as the Steel Trigger Price Mechanism. The International Trade Commission found preliminary injury (5-0) on January 22, 1986. The Department of Commerce announced preliminary dumping margins on March 13. A final dumping determination is expected by May 30.

Recommended to the Economic Policy Council in January 1986 that the United States Government undertake informal consultations with Airbus governments (France, Federal Republic of Germany, United Kingdom) to contain or eliminate unfair trade practices on current and future Airbus programs. The first round of discussions took place March 20-21 in Geneva. As the issue remains open, a second round of discussions will take place in June.

Recommended to the Economic Policy Council that a comprehensive strategy for dealing with unfair intellectual property rights practices be undertaken. This strategy, announced April 7, 1986, includes: a legislative initiative; intensified bilateral pressure through consultations, possible denial of GSP benefits, and possible 301 cases; heightened multilateral efforts; and an Administration policy statement on intellectual property rights.

The working group level of the Strike Force is considering many issues, some of which are being developed further. These issues will be forwarded to the Strike Force over the next few weeks.

The Administration has moved to resolve four disputes with the European Community:

We have reached agreement with the EC under the President's steel program which provides for voluntary restraints on most European steel exports to the United States through September 1989. To remedy the problem of diversion by EC exporters from licensed products to semi-finished steel, as of January 1, 1986, the U.S. imposed quotas on imports of EC semi-finished steel.

In December 1985, we negotiated resolution of the EC canned fruit case, obtaining an EC commitment to reduce its production subsidy by 25 percent by July 1986 and eliminate it entirely by July 1987.

Following the failure of the U.S. and EC to reach a solution on the citrus problem by the agreed October 31 deadline, on November 1 the U.S. imposed duties of 40 percent ad valorem on EC-origin pasta products not containing egg and 25 percent ad valorem on EC pasta containing egg. We have, however, continued to discuss this case with the EC and would prefer a negotiated solution which would enable us to put this case behind us.

On March 31, 1986, responded to new EC restrictions on U.S. grain and oilseeds exports to Spain and Portugal as a part of the terms under which those countries joined the EC in January 1986. The U.S. will impose quotas on oilseeds and increased tariffs on grains to produce a comparable loss of trade to the EC. With respect to the variable levy imposed in Spain, the U.S. will withdraw tariff "bindings" (GATT agreements not to raise tariffs above a certain level) and increase those tariffs if the EC does not provide adequate compensation by July 1.

On the bilateral/multilateral front, the Administration has:

Welcomed Canada's initiative for a possible bilateral free trade arrangement and have begun discussions on Canadian softwood lumber imports.

Secured agreement of our GATT trading partners to establish a preparatory committee for a new round of multilateral trade negogiations. We expect the round to be launched at a meeting of trade ministers scheduled for September 1986.

Undertook Market-Oriented Sector-Specific (MOSS) discussions with the Japanese in four areas: telecommunications, medical equipment and pharmaceuticals, electronics, and forest products. Major problems related to implementation of Japan's new telecommunications laws as well as the radio wave law have been resolved. In the medical equipment and pharmaceuticals area, agreement has been reached in most of the contentious areas including acceptance of foreign clinical test data, faster approval procedures and transparency in the insurance reimbursement system. Key achievements in the electronics sector are chip protection legislation, software copyrights and computer parts duty elimination. In addition, an agreement has been reached on wood product tariff cuts as well as on a significant reduction in paper duties.

Initiated Market-Access Fact-Finding (MAFF) talks on telecommunications trade barriers in Europe. The first market access discussions were initiated with Germany last December. The discussions allowed us to gain useful information on procurement practices, standards and regulations governing enhanced services. We will now assess the detailed, technical information which was provided and evaluate the "openness" of the German telecommunications market to U.S. suppliers. We held similar talks with the Italian Government and expect to begin consultations with other European countries in the near future.

Signed an agreement with Japan on the elimination of tariffs on computer equipment and parts and with Canada on the elimination of tariffs on computer parts and semiconductors.

The Administration is continuing vigorous enforcement of AD/CVD laws. We have 47 investigations ongoing and there has been over a 200 percent increase in AD/CVD cases processed from 1980 (50) to 1985 (133).

Most significant AD/CVD cases since September 1985.

Completed cases with affirmative findings of dumping or government subsidization:

Japan/celluar mobile telephones on October 24, 1985;

Brazil/fuel ethanol on January 21, 1986 (n.b. the International Trade Commission found "no injury" so case was terminated);

Saudia Arabia/carbon steel wire rod on January 27, 1986;

Canada/groundfish on March 14, 1986;

Japan/256K semiconductors on June 2, 1986.

Pending cases of dumping or government subsidization:

Japan/64K semiconductors due April 23, 1986;

Japan/EPROM semiconductors due May 27, 1986.

The Administration has also moved forcefully to deal with unfairly subsidized competition in our export markets:

Countered foreign subsidized agricultural exports by concluding sales under the Export Enhancement Program valued at over $465 million.

Countered foreign subsidized export financing. Pending Congressional acceptance of the President's War Chest proposal, the Export-Import Bank has offered grants to help American companies win sales worth about $328 million in eleven pending overseas contracts. By aggressively using mixed credits, we hope to persuade our trading competitors, particularly France, Italy and Belgium, to support negotiations to eliminate predatory financing practices. In March 1986, to counter a Brazilian bid using non-competitive financing in the U.S. market, Eximbank took the unprecedented step of extending concessionary financing to a U.S. company for a sale in the U.S.

Mr. LOTT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BEILENSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

NATIONAL INTERSTATE HIGHWAY DAY

Mr. HOWARD. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 636) designating June 26, 1986, as "National Interstate Highway Day."

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 636

Whereas the 42,500-mile National System of Interstate and Defense Highways is the world's largest transportation and public works project and connects the various regions of the Nation;

Whereas June 1986 is the 30th anniversary of the enactment of the Federal-Aid Highway Act of 1956 under which construction of the Interstate System commenced and which established the Highway Trust Fund; and

Whereas the design and construction of the Interstate System has provided substantial employment and economic growth for all segments of our society: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That June 26, 1986, is designated as "National Interstate Highway Day". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that day with appropriate ceremonies and activities to recognize the 30th anniversary of the establishment of the National System of Interstate and Defense Highways and the Highway Trust Fund.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

□ 1710

BALTIC FREEDOM DAY

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 271) designating "Baltic Freedom Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object but I simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation of objection, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I rise in support of Senate Joint Resolution 271, designating June 13, 1986, as Baltic Freedom Day.

Baltic Freedom Day is our annual reminder that the Baltic States of Latvia, Lithuania, and Estonia have been forcibly incorporated into the Soviet Union, and are not free. As "captive nations" in the truest sense of the word, they are subject to domination by Russians within the Soviet Union's political structure.

The people of the United States stand shoulder-to-shoulder with the people of the Baltic States. We sincerely respect the efforts of Americans of Baltic descent to bring the plight of their loved ones to the attention of the American people.

Our concern for the fate of the people of the Baltic States will not diminish as time passes. Each year brings one event or another which concentrates our attention on new aspects of Soviet rule which is so detrimental to the welfare of the Baltic people.

This year, the tragic events at the Chernobyl nuclear plant, resulting in the spread of atomic waste over the Baltic States—without any warning to the population—serve to illustrate the problems faced by those under Soviet rule.

As we celebrate Baltic Freedom Day, we look forward to the day when the Baltic people will indeed be free.

Mr. CARNEY. Mr. Speaker, it is with great pleasure that I ask my colleagues to support House Joint Resolution 500, Baltic Freedom Day.

Mr. Speaker, this measure serves as an important reminder to the American people. It asks that we join with the President in commemorating June 14 as Baltic Freedom Day, and in the course of this observance to remember the desire of the people of Estonia, Latvia, and Lithuania for freedom.

The Baltic people have suffered under Soviet rule for 46 years. The United States Government has throughout the years refused to recognize the illegal Soviet occupation of the Baltic States. We in the United States have condemned the acts of brutality by the Soviets against the Baltic people, including the mass deportations in June 1941. The anniversary of the deportations coincide with our yearly observance of Baltic Freedom Day. It is only appropriate that on the anniversary of that black day, we reaffirm our support for the Baltic people, and protest the continued Soviet occupation of these nations.

Mr. Speaker, I urge my colleagues to join with the more than 230 cosponsors of House Joint Resolution 500, and support Baltic Freedom Day.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 271

Whereas the people of the Baltic Republics of Lithuania, Latvia, and Estonia have cherished the principles of religious and political freedom and independence;

Whereas the Baltic Republics have existed as independent, soverign nations belonging to and fully recognized by the League of Nations;

Whereas the Union of Soviet Socialist Republics (U.S.S.R.) in collusion with Nazi-Germany signed the Molotov-Ribbentrop Pact which allowed the U.S.S.R. in 1940 to illegally seize and occupy the Baltic States and by force incorporated them against their national will and contrary to their desire for independence and sovereignty into the U.S.S.R.;

Whereas due to Soviet and Nazi tyranny, by the end of World War II, the Baltic nations had lost 20 per centum of their total population;

Whereas the people of the Baltic Republics have individual and separate cultures, national traditions, and languages distinctively foreign to those of Russia;

Whereas the U.S.S.R. since 1940 has systematically implemented its Baltic genocide by deporting native Baltic peoples from their homelands to forced labor and concentration camps in Siberia and elsewhere, and by relocating masses of Russians to the Baltic Republics, thus threatening the Baltic cultures with extinction through russification;

Whereas the U.S.S.R. has imposed upon the captive people of the Baltic Republics an oppressive political system which has destroyed every vestige of democracy, civil liberties, and religious freedom;

Whereas the people of Lithuania, Latvia, and Estonia find themselves today subjugated by the U.S.S.R., locked into a union they deplore, denied basic human rights, and persecuted for daring to protest;

Whereas the U.S.S.R. refuses to abide by the Helsinki accords which the U.S.S.R. voluntarily signed;

Whereas the United States as a member of the United Nations has repeatedly voted with a majority of that international body to uphold the right of other countries of the world to determine their fates and be free of foreign domination;

Whereas the U.S.S.R. has steadfastly refused to return to the people of the Baltic States of Lithuania, Latvia, and Estonia the right to exist as independent republics separate and apart from the U.S.S.R. or permit a return of personal, political, and religious freedoms; and

Whereas 1986 marks the forty-sixth anniversary of the United States continued policy of nonrecognition of the illegal forcible occupation of Lithuania, Latvia, and Estonia by the U.S.S.R.: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) the Congress recognizes the continuing desire and the right of the people of Lithuania, Latvia, and Estonia for freedom and independence from the domination of the U.S.S.R.;

(2) the Congress deplores the refusal of the U.S.S.R. to recognize the sovereignty of the Baltic Republics and to yield to their rightful demands for independence from foreign domination and oppression;

(3) the Congress reaffirms the indictment against the U.S.S.R. of the Copenhagen Manifesto signed by the Baltic Tribunal on July 26, 1985, by Doctor Theodor Veiter, Reverend Michael Bourdeaux, Sir James Fawcett, Per Ahlmark, and Jean Marie Daillet;

(4) the fourteenth day of June 1986, the anniversary of the mass deportation of Baltic peoples from their homelands in 1941, be designated "Baltic Freedom Day" as a symbol of the solidarity of the American people with the aspirations of the enslaved Baltic people; and

(5) the President of the United States be authorized and requested to issue a proclamation for the observance of Baltic Freedom Day with appropriate ceremonies and activities and to submit the issue of the Baltic Republics to the United Nations so that the issue of Baltic self-determination will be brought to the attention of the United Nations General Assembly.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a moton to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, I have asked for this time for the purpose of ascertaining the schedule for next week.

Mr. Speaker, I yield to the gentleman from California [Mr. COELHO].

Mr. COELHO. I thank the gentleman for yielding, and I will be happy to discuss the schedule with the gentleman from Pennsylvania.

Mr. Speaker, on Monday the House will consider six suspensions, which are as follows:

H.R. 4775—eliminate ceiling on VA home loan guaranty programs;

H.R. 4718, Computer Fraud and Abuse Act of 1986;

H.R. 4588, Administrative Conference authorizations;

H.R. 2971, Susquehanna River Basin compact;

H.R. 4434, Federated Women's Clubs charter; and

H.R. 4529, Mint authorization bill.

Any recorded votes on the Suspension Calendar on Monday will be postponed until Wednesday.

On Tuesday the House will meet at noon and will consider H.R. 4800, the omnibus trade bill of 1986, general debate only.

On Wednesday the House will meet at 11 a.m., and it is expected that the House will continue in session until about 7 p.m.

On Thursday the House will complete consideration of the Omnibus trade bill.

I will later ask for unanimous consent that there be a special District day on Thursday for consideration of H.R. 4479, increasing Federal payment to District of Columbia to $444.5 million, the level in the President's budget.

The last item of business on Thursday will be H.R. 1, Housing Act of 1985. We hope to complete consideration.

Mr. WALKER. I thank the gentleman.

I have just a couple of questions. It is not expected that we will have any votes on Tuesday; is that right?

Mr. COELHO. That is right. We have two primaries, as the gentleman knows, in his own State of Pennsylvania, and also the State of Oregon. So in order to help the Members out, we will not have any votes on Tuesday. All votes will be postponed until Wednesday.

Mr. WALKER. That will be any recorded votes on suspensions considered on Monday.

From the looks of the schedule, we could, if we go back to the Housing Act of 1985, go over until Friday. Is it expected that we will have a Friday session?

Mr. COELHO. We do not expect to have a Friday session at this point. We expect to conclude our business on Thursday. We hope to complete H.R. 1, but we will have to see how we do on the trade bill next week.

Mr. WALKER. So it is expected that at the close of business Thursday we will break for the Memorial Day recess.

Is it my understanding that the House will then be adjourned until noon on June 3, for the Memorial Day district work period?

Mr. COELHO. Yes. We will be on district work period until Tuesday, June 3, at noon.

Mr. WALKER. Are votes expected on Tuesday, June 3?

Mr. COELHO. That is a primary day, also, as the gentleman knows. So we will have business on Tuesday, June 3, but any votes will be postponed until Wednesday.

Mr. WALKER. So Members can expect votes beginning on Wednesday, June 4?

Mr. COELHO. Wednesday, June 4, right.

Mr. YOUNG of Alaska. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Is my understanding correct that we will be out of here on the 22d, on Thursday, and break for the Memorial Day recess?

Mr. COELHO. If the gentleman will yield, we will break for the district work period until the 3d of June.

Mr. YOUNG of Alaska. And did the gentleman mention about what time that would be on Thursday? Is there any concept at this time?

Mr. COELHO. Is the gentleman talking about Thursday, the 22d?

Mr. YOUNG of Alaska. Yes.

Mr. COELHO. We hope to complete consideration of the trade bill, H.R. 4479 and H.R. 1. We would hope to get out at a decent hour, but we will have to wait to see how we do with the trade bill before we can make that decision.

Mr. YOUNG of Alaska. I thank the gentleman.

Mr. WALKER. Just one more point for clarification: We could, of course, end up with votes if Members call for procedural votes on Tuesday, for instance, a vote on the Journal or something like that?

Mr. COELHO. Of course, as the gentleman knows, there is no way to prevent that. So there could be votes. But we hope not.

Mr. WALKER. I understand.

I thank the gentleman.

ADJOURNMENT TO MONDAY, MAY 19, 1986

Mr. COELHO. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

HOUR OF MEETING ON WEDNESDAY NEXT

Mr. COELHO. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday next, it adjourn to meet at 11 a.m. on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was on objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. COELHO. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

SPECIAL DISTRICT DAY

Mr. COELHO. Mr. Speaker, I ask unanimous consent that Thursday next be a special District Day.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

HANDS ACROSS AMERICA DAY

Mr. GARCIA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 246) to designate May 25, 1986, as "Hands Across America Day," for the purpose of helping people to help themselves, the commending United Support of Artists for Africa and all participants for their efforts toward combating domestic hunger with a 4,000-mile human chain from coast to coast, and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, but I would simply like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation of objection, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I rise in strong support of Senate Joint Resolution 246, legislation to designate May 25, 1986, as "Hands Across America Day" for the purpose of helping people to help themselves and commending United Support of Artists for Africa for their efforts toward combating domestic hunger with a nationwide

coast-to-coast human chain linkup, 4,000 miles long.

As a member of the Select Committee on Hunger, I have heard testimony from States and local health and welfare officials attesting to the growing numbers of American families whose daily diets are nutritionally deficient. Millions of needy Americans, are under current law, unserved by the Food Stamp Program: Participants in the Food Stamp Program total 19.8 million, however, right now 33.7 million Americans are living in poverty. Hunger in the United States is not new, nor is it diminishing. Health indicators such as infant mortality and low-birth weight are on the rise in rural America. Growth stunting among urban, poor children due to inadequate nutrition is also present today. The postneonatal death rate is on the upswing nationally for the first time in 20 years, and it is largely attributed to inadequate prenatal nutrition and care.

Contrary to the opinion of many, hunger in our country does exist and if we do not take steps to generate resources to ensure that low-income families are provided with the means for adequate nutrition, then hunger will persist in America. "Hands Across America" is one excellent way to accomplish this.

Food is a basic human need. Access to adequate food should remain a right for every American. It is important, therefore, that the Congress assist the United Support of Artists for Africa. Accordingly I urge my colleagues to support Senate Joint Resolution 246 and to take part in this important humanitarian project, "Hands Across America."

Mr. GARCIA. Mr. Speaker, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from New York.

Mr. GARCIA. Mr. Speaker, I would like to join in the remarks of my colleague, the gentleman from New York [Mr. GILMAN]. There is no question in my mind that there is a serious problem in America today. In spite of the affluence of so many, there are so many who just do not have. I believe when we have reached a point where people are looking in garbage pails and other places where people discard food, that we see Americans like no other time in the history of our time. I commend those people who have organized this project, "Hands Across America," because I believe that while it is our business and responsibility to help those nations and those continents that need help, there is no doubt that in America today there is a serious problem. I am delighted that this will highlight the problems that we face right here domestically.

I thank my colleagues for yielding.

Mr. LELAND. Mr. Speaker, in just a few short days, the American public will be joining together in a spirit of solidarity for the specific reason of combatting hunger and homelessness in the United States. On May 25, 1986, nearly 10 million people will link up coast-to-coast to demonstrate this commitment.

Mr. Speaker, while hunger and homelessness exist in this prosperous land of ours, there is disagreement as to the number of people affected. Yet, it is a grave problem by any standards and the subject of numerous studies. We know this to be so by the proliferation of soup kitchens, temporary shelters, and food pantries; the consistently higher number of long-term unemployed; and, the reduction of Federal moneys for food assistance programs. The quibbling over numbers expressed by our colleagues in both Chambers of the Congress cannot mask the fact that over 33 million people are living below the poverty line; 1 out of every 4 children under the age of 6 live in poverty; and, over 8 million people are unemployed.

We should be compelled to provide the basic human right of an adequate diet to our less fortunate neighbors; to begin placing the issue of hunger as a higher priority by the U.S. Government. Actions, not rhetoric, are needed. Senate Joint Resolution 246 commemorating May 25, 1986, as Hands Across America Day, gives recognition to the organizers and the participants of an event that seeks to act on the problems facing our Nation. While this resolution is not as forceful as I believe it should be, it is the responsibility of our Government to recognize our common problems, and to act together with the American people to alleviate the burdens they create.

Let us not become passive on May 26, the day after this unprecedented show of compassion. Let us instead renew our commitment to improving the quality of life of all Americans. We all share the responsibility of meeting the basic human needs that include food and shelter.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 246

Whereas thousands of recruits were rejected during World War II because of physical and mental problems associated with malnutrition;

Whereas our Government committed itself to ending this national problem by successfully devising programs to eliminate malnutrition in America;

Whereas our people became the best-fed, healthiest people in the world;

Whereas a Physicians Task Force on Hunger recently estimated that at least twenty million American citizens now suffer from hunger, and that hunger is increasing rather than declining;

Whereas physicians around the Nation are reporting an increase in nutrition-related health problems among the elderly and children, including diseases which are usually limited to third world countries;

Whereas homelessness is an ever-increasing national problem and more than half the homeless population in the United States is comprised of children and women;

Whereas it has been estimated that there are only enough shelters to house one hundred and eleven thousand men, women, and children on a given night, and there are as many as three million people in need of shelter;

Whereas the General Accounting Office reports that the principal causes of homelessness in America are: unemployment, a lack of resources for deinstitutionalized mental patients, increases in personal crises, cuts in public assistance programs, reduced availability of low-income housing, and alcohol and drug abuse;

Whereas participation by all citizens who are intersted in helping to address this enormous problem should be encouraged;

Whereas a private fund-raising effort by United Support of Artists for Africa entitled "Hands Across America" is planned for May 25, 1986;

Whereas millions of participants in this effort who will joint hands across this country on that day should be commended for asking all Americans to rededicate themselves to fulfilling the most basic needs of our people in this land of compassion and abundance, by expending every effort to eradicate hunger and homelessness in our Nation; Now, therefore, be it,

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 25, 1986, is designated as "Hands Across America Day", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YOUTH SUICIDE PREVENTION MONTH

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 266) to authorize and request the President to designate the month of June 1986 as "Youth Suicide Prevention Month," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object, I simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, under my reservation, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Speaker, I urge my colleagues to adopt House Joint Resolution 549, designating the month of June 1986 as

"Youth Suicide Prevention Month." As a cosponsor of this measure, which was introduced by my colleague, the gentleman from New York [Mr. DIOGUARDI], I feel it is vitally important that we in Congress recognize the important role that mental health, counseling, and simple acts of friendship can serve in preventing suicide among out young persons.

The growing incidence of suicide among our youth is a troubling matter for parents, teachers, and legislators alike. In the past 5 years, suicide has become the second leading cause of death, following accidents, for young persons ages 15 to 24. Although the suicide rate for the population at large has remained essentially steady for many decades, for young people it has increased 25 percent between 1960 and 1983.

Experts tell us that most suicide is preventable. A nationwide effort to educate and publicize the critical nature of this tragic, current epidemic is a vital first step in stemming the tide of hopelessness that has overcome so many of our young people. Education efforts geared toward helping teenagers understand and accept normal reactions to pain and loss, peer counseling groups, referral services, as well as improved education initiatives for parents and teachers, can make a significant difference in suicide prevention efforts.

In that regard, I urge my colleagues to take this opportunity to review legislation recently introduced by Congressmen LANTOS and ACKERMAN. This legislation, H.R. 4650, the Youth Suicide Prevention Act, creates a special $10 million grants program within the Department of Education to assist school districts and private nonprofit organizations in establishing suicide prevention programs. This measure is pending in the Committee on Education and Labor, where, as a cosponsor, I am hopeful action can be taken prior to Youth Suicide Prevention Month in June.

Accordingly, I urge my colleagues to join together in supporting this legislation and joining in appropriate programs and activities observing June 1986 as Youth Suicide Prevention Month.

Mr. GARCIA. Mr. Speaker, will the gentleman yield?

Mr. HANSEN. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from New York.

Mr. GARCIA. Mr. Speaker, I would like to once again commend my colleague, the gentleman from New York [Mr. GILMAN] for his hard work on this project.

Mr. HANSEN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 266

Whereas the youth of society represent the hope for the future;

Whereas the rate of youth suicide has increased more than threefold in the last two decades;

Whereas over five thousand young Americans took their lives last year, many more attempted suicide, and countless families were affected;

Whereas youth suicide is a phenomenon which must be addressed by a concerned society; and

Whereas youth suicide is a national problem which can only be solved through the combined efforts of individuals, families, communities, organizations, and government to educate society: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of June 1986 is designated as "Youth Suicide Prevention Month" and the President is authorized and requested to issue a proclamation calling upon the Governors of the several States, the chief officials of local governments, and the people of the United States to observe such month with appropriate programs and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JUST SAY NO TO DRUGS WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 337) designating May 18–24, 1986, as "Just Say No to Drugs Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HANSEN. Mr. Speaker, reserving the right to object, I do not object. I would simply like to inform the House that the minority has no objection to the legislation now being considered.

Mr. HUTTO. Mr. Speaker, I would like to express my sincere thanks to my distinguished colleagues, Mr. FORD, Mr. HANSEN, and Mr. GARCIA, for allowing the House to join with the Senate in passing Senate Joint Resolution 337, commemorating the week of May 18 through May 24, 1986, as "Just Say No to Drugs Week." Senate Joint Resolution 337 is identical to House Joint Resolution 629, which I introduced on May 7. I am very pleased to note that over the past week 164 of my colleagues have joined me in this worthwhile endeavor by cosponsoring House Joint Resolution 629.

This resolution underscores the efforts of the Just Say No Clubs that are working to prepare elementary and junior high school students to stand against future pressures of experimenting with and using drugs. I think we all realize how difficult growing up is for today's children. They may appear to act and dress in a grownup manner much more quickly than their parents. Inside, however, they are still children and the overwhelming desire for acceptance by their peers is important. The Just Say No Clubs that are being organized will help to provide them with the support that they so desperately need to fight the temptation to use drugs.

This effort is being made with good reason as the most recent figures on drug use among today's youth reveal a tremendous problem. Five percent of high school seniors smoke marijuana on a daily basis and 6 percent use cocaine. We cannot let drugs destroy the lives of our teenagers any longer.

The Just Say No Program will send out a message of hope to America's youth. On May 22, thousands of young people, their teachers, and parents across the Nation will participate in "Just Say No Walks." These walks will be a courageous declaration that students can just say "No" to drugs. These children need to know that the leaders of America are standing behind them in their belief that drugs don't have to be a part of growing up. I firmly believe our young people deserve every possible chance to reach their potential and attain their goals so that they will become responsible citizens. Although it has been said many times, we must not allow ourselves to forget that today's youth are tomorrow's leaders.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 337

Whereas America's youth are our Nation's most precious resource;

Whereas young people are contributing to drug abuse prevention by starting "Just Say No" clubs and saying "no" to drugs;

Whereas children across America will participate in a Walk Against Drugs on May 22; and

Whereas America's youth should be recognized and encouraged for their efforts in the fight against drug abuse: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in recognition of this Nation's young people to publicly fight drug abuse by just saying "no" to drugs and thereby contributing to the end of drug abuse in America, the President is directed to issue a proclamation designating the week of May 18, 1986, through May 24, 1986, as "Just Say No to Drugs Week", and calling on the people of the United States to observe this week with appropriate programs, ceremonies, and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to

revise and extend their remarks on Senate Joint Resolution 271, Senate Joint Resolution 246, Senate Joint Resolution 266, and Senate Joint Resolution 337, the Senate joint resolution just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

REPORT ON DESIRABILITY OF ESTABLISHING AN INTERNATIONAL SPACE YEAR IN 1992—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. Doc. No. 99-221)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Science and Technology and ordered to be printed:

(For message, see proceedings of the Senate of today, Thursday, May 15, 1986.)

□ 1725

A UNIFIED NATIONAL PROGRAM FOR FLOODPLAIN MANAGEMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Banking, Finance and Urban Affairs:

(For message, see proceedings of the Senate of today, May 15, 1986.)

ANNUAL REPORT OF THE FEDERAL COUNCIL ON THE AGING—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor.

(For message, see proceedings of the Senate of today, Thursday, May 15, 1986.)

GENERAL LEAVE

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include therein extraneous material, on the subject of the special order today by the gentleman from California [Mr. LANTOS].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

GORBACHEV WAS WRONG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GEKAS] is recognized for 5 minutes.

Mr. GEKAS. Mr. Speaker, Gorbachev was wrong when, in his televised statement, he said that the U.S. Government did not know anything about Three Mile Island for a significant period of time after that incident happened.

Gorbachev was wrong when he implied that the Congress of the United States did not know anything about the Three Mile Island incident after it had happened.

Gorbachev was wrong when he stated that notification was not given to the world at large about the events at Three Mile Island for a significant period after the incident occurred.

He was dead wrong in these assertions as the televised message he gave to the Soviet people was made known itself to the world. I, myself, was at Three Mile Island on the date of that incident within hours after the first news came out about the mishap. I greeted Members of Congress, four Members of the Senate and Members of the House, Congressman HERTEL and Congressman GOODLING who came in shortly thereafter and were briefed and conducted a press conference as to the events at Three Mile Island.

Moreover, on the same date, on March 29, March 28, 1979, the President of the United States was informed about 9 a.m., within hours after the incident occurred, and President Carter himself as a direct response of that communication, came to Three Mile Island and toured the facility and was given a full briefing on those events on the following Sunday.

You see a stark contrast between what had happened at Three Mile Island and the recent nuclear disaster in the Ukraine in the Soviet Union. Moreover, the international press corps, in all its elements, swarmed into Middletown, PA, and into Harrisburg at the time of the Three Mile Island incident, again, within hours after the incident had occurred, and the news was flashed, the shock that was heard around the world right from the very first moment that it became known that the mishap had occurred.

Again, a contrast between what is asserted by Gorbachev and what actually happened at Three Mile Island. What a contrast, Mr. Speaker, when the nuclear disaster happened in the Soviet Union it remained for a cloud that hovered over Scandinavia days later to give the world first notice that a disaster of major proportions had occurred.

Gorbachev was dead wrong, first of all, in allowing his nation not to give immediate and concise information as to what was occurring. Gorbachev was wrong the other day when he intimated that the U.S. Government or the American people or the mechanisms that were at work in the nuclear industry at that time failed to do their duty at the time of the Three Mile Island incident with respect to notification to the world.

Again we see a contrast, Mr. Speaker, between what can happen and what does happen in an open society where people can know of something immediately, and in the instance of Three Mile Island, to give people choices right away as to how to act for their families; whether to leave town; whether to evacuate; whether to stay on, and what had happened in the Soviet Union when many people, if it feared, were consigned to their death because they never knew, and still do not know in some quarters, what actually happened on the date of that incident and what followed.

Mr. Speaker, Gorbachev was wrong.

□ 1735

MY ADVICE TO THE PRIVILEGED ORDERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, yesterday the headlines reported that two prominent administration officials had accused the Government of Mexico of corruption, insinuating in a most insinuative, in fact, if not a direct, way that the President of Mexico, Mr. de la Madrid, or his relatives, were involved in corrupt practices and also in the illegal drug trade.

Two individuals making the charges were, one, Elliott Abrams, who happens to be the Under Secretary of State for Latin American Affairs. The other was one von Raab, of the Customs Bureau.

Now I think that the harm that has been perpetrated by these two spokesmen without any kind of a clearance, but with the approval of the President or the Cabinet members directly superior to these individuals, indicating that the impact on the diplomatic front particularly, and specifically in Mexico, has been so adverse to the best interests of this country that some kind of an apology should be forthcoming forthwith.

In the first place, it does not surprise me. Elliott Abrams came into the service of the United States and the State Department not with any particular background of experience, but was one of those political hirelings

that then Ambassador to the United Nations Kirkpatrick brought in her very steadfast and absolute inexorable pursuit of dismissing all of the career diplomats in our U.N. staff in New York, and hiring hacks that had no experience, but who met her ideological litmus test. Elliott Abrams was hired because he happened be to the son-in-law of Norman Podhoretz, the editor of "Commentary," which was the one that brought the attention of the administration to one Ambassador Kirkpatrick.

So, we have the irresponsible remarks of a man who has absolutely no serious background for diplomacy, much less in this particular area now as the Deputy Assistant Secretary for Latin American Affairs.

Second, the record will show that if any administration in Mexico, if any President in recent history, has been considered above question an honest administrator, it is President de la Madrid. But on top of that, it is a very, very insidious intervention in the purely domestic and internal affairs of the sovereign neighbor to the south of our border. It has aroused such resentment that any responsible official from the President on down who has the authority should offer an apology forthwith.

Also, it is hypocritical. If there is any corruption in Mexico, it can be more than matched in our country. The kind of drug traffic which is experienced in our country by way of international traffic and particularly with Mexico would not be possible, were it not for the joinder of the political, the official governmental, all the way from local to State to national officials, and organized crime.

I have pointed this out since 1970. There is no question about it. It was this kind of activity that led to the first murder of a member of the Federal judiciary, Judge John Wood. Finally, after 3 years, the Justice Department was able to bring at least some culprits to justice, but never have gotten to those behind the scenes that are still in power, that are still reaping billions of dollars from this illicit trade.

Our corruption in the United States is what gives rise to the demand for the drugs to begin with. Second, Mexico above all, has been the most steadfast—under pressure from us, of course, but also on our insistence—in stamping out the raising of the poppy fields and the like, and attempting to do what they can to stem the tide of this illicit drug trade.

LEGISLATION TO REMEDY PROBLEMS CAUSED BY JOINT AND SEVERAL LIABILITY IN ANTITRUST CASES

The SPEAKER pro tempore (Mr. CARPER). Under a previous order of the House, the gentleman from Texas [Mr. BROOKS] is recognized for 5 minutes.

Mr. BROOKS. Mr. Speaker, I am introducing today a bill that provides a long-awaited consensus solution for remedying the problems caused by joint and several liability in antitrust cases. This legislation has gained the support of the business community, the administration, and the bar. It is a much needed remedy for inequities which occur in antitrust cases through joint and several liability combined with mandatory treble damages—a problem of continuing concern to the business community and the Congress.

Under current antitrust damage law, each defendant in an antitrust action, regardless of size, degree of culpability, or market share, can be held liable for an entire industry's treble damages. Consequently, tremendous pressure exists on defendants to settle out of court than risk litigation. This pressure builds as fellow defendants settle early, often for small sums, leaving the reamining defendants subject to greater and greater liability. At this point, innocent, or less culpable, companies may pay substantial sums rather than defend themselves and risk liability for an entire industry's treble damages.

The bill that I am introducing today would modify current law so as to require the courts to reduce the claim of an antitrust plaintiff who has released a person from liability by the greater of the consideration paid for the release or the damages allocable to the person being released from liability.

Additionally, the legislative provides that, in horizontal pricefixing and similar cases, if a person whose undercharges or overcharges would have been included in the calculation of damages has not been joined as a defendant, the court shall conclusively presume that such a person has been released from liability and reduce the plaintiff's claim by a proportionate amount. The bill expressly preserves the doctrine or joint and several liability, but vitiates its unintended and unfair results. Further the legislation covers all antitrust actions where these problems may arise.

This legislation would solve the serious problems inherent in the existing system of antitrust damage law. First, the bill helps prevent plaintiffs from threatening the least culpable, or even innocent companies with industry-wide treble liability. Whipsaw settlement tactics would be impossible, because a plaintiff would no longer be able to force the remaining defendants to shoulder the share of treble damages attributable to settling defendants.

Additionally, since the bill requires all allegedly culpable parties in a horizonal pricefixing or similar case to be joined in the lawsuit if their overcharges or undercharges are to be included in the plaintiff's damage claims, a plaintiff's ability to selectively sue some coconspirators in order to engage in coercive whipsaw settlement tactics is eliminated.

The legislation expressly preserves the doctrine of joint and several liability in all antitrust cases and, to the extent that such liability helps to deter anticompetitive behavior or is otherwise throught to be desirable, these benefits are retained.

A true consensus solution to the problems that have plagued the business community and with which congress has grappled for more than a decade has finally been found. I urge my colleagues to join with me in a bipartisan effort to achieve this important and long-awaited reform of antitrust law.

HONORING NATAN (ANATOLY) SHCHARANSKY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. LANTOS] is recognized for 5 minutes.

Mr. LANTOS. Mr. Speaker, I am pleased to sponsor today's special order honoring one of the most courageous, moral, and inspirational individuals in the world today. I am especially pleased that my cochairman of the Congressional Human Rights Caucus, Congressman JOHN PORTER, and Congressmen BEN GILMAN and STENY HOYER joined me in calling for this opportunity to pay tribute to Natan Shcharansky.

This week many of us had the opportunity to meet Mr. Shcharansky in a special event in the Capitol Rotunda. His presence in the Rotunda spoke volumes for the need to continue our efforts on behalf of all Soviet citizens who yearn to practice their religion freely or emigrate. Even as Mr. Shcharansky thanked Congress for the efforts we have done as a collective body to secure his release from the Gulag, many of us felt that we should be thanking him instead.

We should thank Shcharansky for giving us an example of how conviction eventually triumphs over corruption. We should thank him for his tireless work on behalf of human rights, work which cost him 9 years of his life spent in prison. Not least, we should thank his tremendous wife, Avital, for preserving through the years of darkness, making numerous trips here and throughout the world to bring her husband's case to the attention of the world.

The Rotunda event was truly a joyous event of this Congress. On one level it was a pleasure to simply see the man on whose behalf we have worked for many years. Over the years, dozens of Dear Colleague letters and hundreds of individual letters were sent to the Soviet leadership on Shcharansky's behalf. His eventual release is proof that these efforts, as well as all the numerous efforts organized by Avital and such dedicated organizations such as the Union of Councils for Soviet Jews and the National Conference for Soviet Jewry, can pay off.

On a different level, Shcharansky brings an important message to us all. Shcharansky teaches us that human rights are indivisible. That is the lesson of Natan Shcharansky as Shcharansky told us in the Rotunda, however, we cannot rest simply because one individual has been released; on the contrary, we have to continue and renew our efforts on behalf of persecuted individuals in the Soviet Union, Latin America, Africa, and Asia.

I am proud to join with my colleagues today in praising the great work that Natan Shcharansky has done, and also to look forward to the coming years when Natan will be on the vanguard for human rights throughout the world.

71-059 O-87-23 (Pt. 8)

Mr. COUGHLIN. Mr. Speaker, sometimes a strange and fortunate coincidence will occur in Congress that makes our undertakings here all the more interesting.

Today is such a day for me.

Sometime last month I arranged to speak out once again on the continuing plight of Soviet Jewry as part of the 1986 Congressional Call to Conscience Vigil on behalf of Soviet Jewry. Through the office of our colleague and this year's vigil chairman, TOM KINDNESS, it was agreed that today would be the date I would make my remarks.

As we all know, Mr. Speaker, today also happens to be the day that we welcome Anatoly Shcharansky to our Nation's Capital.

The significance of this coincidence should not be overlooked, for indeed the relationship between these events is direct and clear.

Anatoly Shcharansky is out of the Soviet gulag today for two important reasons. First, he is free because he is a man of great conviction, courage, and faith, who knew that he would one day rejoin his wife Avital in Israel. Second, he is free because his many friends, throughout this country and others, kept up a long and vocal fight on his behalf. Even when things looked bad, his supporters—foremost among them Avital—pursued his release at every opportunity.

Today we can see the results. Anatoly is at last in our midst physically as well as spiritually. His presence here is proof that justice, dignity, and liberty can triumph over tyranny and oppression when freedom-loving people speak with one united voice.

Today, we need to speak out again with one voice. Tomorrow, and the day after, too. Indeed, we must speak out everyday until all Soviet Jews have the right to emigrate freely.

Fortunately, we have a new voice joining our chorus. It is a voice of experience and indomitable spirit. It is, of course, the voice of Anatoly.

I am informed that later this week in the Soviet Union another Soviet Jew, one who has both very little and very much in common with Anatoly Shcharansky, will be appearing before a Soviet kangaroo court on a false charge of drug-trafficking. The absurd charge is the product of a plot by the KGB to imprison Alexei Magarik of Tblisi, whose real "crime" is wanting to study and teach about his Jewish heritage. There would seem to be little doubt about the short-term outcome of this trial.

What matters, though, is the long-term result. As in Anatoly's case, we must join together to protest this travesty of justice, as well as the myriad of others that have victimized the Soviet Union's many Prisoners of Conscience. We must speak out as one on behalf of the literally hundreds of thousands of Soviet Jews who wish to live in their true homeland, Israel.

Mr. Speaker, from January of this year through the end of April, only 282 Soviet Jews have been allowed to exit the U.S.S.R.—even fewer than the paltry number of emigrants permitted to leave last year, when one averages for the year. This is unacceptable.

It is clear now that the Soviets released Anatoly because they hoped the West would be satisfied and diverted from the issue at hand—freedom for all Soviet Jews. We must indicate in no uncertain terms that we are not satisfied with the freedom of one man alone, even if he is one as great and inspiring as Anatoly Shcharansky. We must tell the Soviets that Alexei Magarik and hundreds of others who wish to leave will never be forgotten.

Mr. Speaker, I am honored to be able to join Anatoly Shcharansky in the continuing effort to free Soviet Jewry. With his wisdom and energy, I am confident this fight for freedom will be won.

Mr. BROOMFIELD. Mr. Speaker, we in Congress have been very privileged to welcome and honor Anatoly (Natan) Shcharansky and his wife, Avital, to Washington and to the Congress. He is a hero in every sense of the word.

Until recently, Natan was the symbol of Soviet repression. Now, he is the symbol of hope for the countless others who languish in Soviet prisons. Throughout his darkest moments, he was never alone. All of us were with him. There was always hope. There still is hope.

The forces of darkness tried to silence him, but failed. Now, we salute him in this historic place far from the prison camps in the Soviet Union.

Through his sufferings, he has become the great champion of human rights and a symbol of courage throughout the world.

I recently visited the Soviet Union and discussed the question of human rights abuses in that country with Mr. Gorbachev, and met with many of those whose rights are being denied. I got a glimpse of their plight, and it left me grateful for the rights we often take for granted.

Mr. Speaker, it is an honor to welcome Natan and Avital. Side-by-side, they have fought on behalf of all those Jews in the Soviet Union who are denied basic freedoms. They have also fought for all of us.

I know that Natan and his wife will continue the human rights struggle for those he left behind. Those suffering souls are the victims of a cruel tyranny that defies the imagination of many of us in the free world. We did not forget Natan. We will not forget those still in the Soviet Union.

I am delighted to have this opportunity to publicly pay tribute to this brave couple. We are glad and honored to have them with us.

Mr. PEPPER. Mr. Speaker, it is with great honor that I join my colleagues in this special order organized by the gentleman from California [Mr. LANTOS] and the gentleman from Illinois [Mr. PORTER] to celebrate the courage and commitment by Anatoly "Natan" Shcharansky to the preservation of human rights in the Soviet Union.

Early this year, we watched with joy and relief as Natan stepped across Kleinicke Bridge to the freedom which had been his dream during the long years of harassment, interrogation, isolation, and imprisonment.

He had been convicted of treason, espionage, and agitation against the Soviet Union. His so-called crime was to speak out for human rights and the rights of tens of thousands of Jews who wished to emigrate from the Soviet Union.

Just a few days ago, here in the Capitol Rotunda, he greeted us as his "accomplices in crime", and challenged us to continue together our "criminal" activities in pursuit of justice and individual liberty. I am honored to stand in his company.

Natan Shcharansky understands suffering. And he knows that he is not the last in his country who will suffer. We are so very fortunate that his captors have not been able to break his spirit or silence his words.

We will work together with him to keep the light shining on those left behind—on Andrey Sakharov, and Yuriz Orlov, and Josef Begun, and Ida Nudel, and on the thousands of others who are still struggling for their beliefs and their freedom.

We will work together to hold those in Moscow accountable to their pledge of respect for religious belief and individual freedoms as embodied in the Helsinki agreement.

And we will work together to further human rights and Jewish emigration by continuing to press our interest in matters and by insisting that real progress is essential to our agenda for improved relations and for peace.

The release of Natan Shcharansky is a hopeful sign. Today, we salute him, and welcome this opportunity to tell him how grateful we are for what he has done to ensure that human rights and individual freedom will not be undermined. His faith, his ability to lead, his wit, his courage to stand up against his oppressors for his principles, and his love of freedom stand as a beacon to those who will follow.

Again, I thank my colleagues for arranging this special order so that we might express our feelings and reaffirm our commitment to the course of human rights in the world.

Mr. GILMAN. Mr. Speaker, I am pleased to join my colleagues of the Congressional Human Rights Caucus, the gentleman from California [Mr. LANTOS], the gentleman from Illinois [Mr. PORTER], and the distinguished cochairman of the Helsinki Committee, the gentleman from Maryland [Mr. HOYER] in providing this opportunity to recognize Anatoly Shcharansky for his courageous dedication to human rights and his ongoing commitment to all those denied basic human freedom.

Throughout his 9 years of imprisonment on false charges of being a U.S. agent, Anatoly Shcharansky displayed courage and an unyielding iron will. His struggle began as a founding member of the Moscow Helsinki monitoring group, and as an outspoken proponent of the rights of Soviet Jews. Anatoly Shcharansky and his devoted wife Avital, who waged an indefatigable campaign on behalf of Anatoly and others like him, have brought the pursuit of freedom, and the issue of human rights to the forefront of world attention.

During his 9 years of unjust imprisonment, Congress often adopted legislation in support of Anatoly Shcharansky. We have p;raised his devotion for his fellow man, and call upon the President to join us in our fight for his release. I am proud that the House has approved a bill that I sponsored with over 230 of my colleagues, awarding Anatoly and his devoted wife, Avital Shcharansky Congressional Gold Medals. These medals are in recognition of their dedication to human rights.

Anatoly's address earlier this week in the Rotunda of our Captiol takes on added meaning. Throughout the world our Capitol is

viewed as a symbol of everlasting freedom. Two of our most cherished liberties are the freedom of speech and the freedom of religion, both routinely denied in the Soviet Union. These rights are guaranteed to us by our Constitution, but we so often take them for granted. As Thomas Jefferson once said, "My God! How little do my countrymen know what precious blessings they are in possession of, and which no other people on Earth enjoy!"

Anatoly Shcharansky knows just how very precious freedom truly is, and speaks for the many millions of men and woman who are not free to speak themselves.

While we were gratified by Anatoly's presence in our midst, and mindful of his joyous reunion with Avital, who is now expecting their first child, we cannot forget the millions who are still denied their own freedom. In the Soviet Union, despite the threat of Government reprisals and bureaucratic obstacles, over 400,000 Jews have applied to emigrate. Avital and Anatoly Shcharansksy are an inspiration and a symbol of hope to all throughout this world who love freedom. We want to assure them that my colleagues and I intend to continue unabated our fight for human justice behind the Iron Curtain.

Mr. STOKES. Mr. Speaker, it is indeed a great honor to participate in this special order in honor of Anatoly and Avital Shcharansky in recognition of their past, present, and continuing work on behalf of human rights around the world. While I join with my colleagues in the U.S. Congress in celebrating the triumph of the Shcharanskys over the oppressive regime of the Soviet Union in their denial of basic human rights to Soviet Jews, I cannot help but think of the thousands of refuseniks who remain captive in the Soviet Union. Not only are many Soviet Jews denied the right to emigate to Israel or any other free nation, they are also harassed and persecuted in their own homes.

Mr. Speaker, I gained firsthand knowledge of the suffering of Soviet Jews during my trip, taken with several congressional colleagues, to the Soviet Union in July 1985. During this trip, taken under the auspices of the National Conference on Soviet Jewry, we had the opportunity to meet with many refuseniks and their families. Many of the persons with whom we met have names that have become legends in the human rights struggle in which the dissidents and refuseniks are involved.

In some cases, we met with wives of those who are imprisoned in the Soviet Union. We learned of arrests under bizarre and unusual circumstances, in the middle of the night, of imprisonment for charges such as hooliganism and parasitism, of planted evidence, of 12-hour searches of homes, and of a prisoner, now 90-percent blind as a result of being stabbed in his eyes in his jail cell, which authorities say was self-inflicted.

We learned of people who have now been refused the right of emigration and repatriation for as long as 12, 14, even 16 years. They are painfully aware that the number of Jews being permitted to emigrate has been steadily declining since 1982.

Those with whom we visited are part of approximately 350,000 Soviet Jews who desire to emigrate. Ten thousand of these are refuseniks, those who have applied and who have been refused. Many of the refuseniks with whom we met were learned individuals with extensive degrees and educational backgrounds who, after applying for exit visas now find themselves either doing menial work or altogether unemployed.

Mr. Speaker, while we celebrate the freedom of Anatoly Shcharansky today, it is of the utmost importance that we do not forget those refuseniks who remain trapped in the Soviet Union. We must continue to apply pressure to President Gorbachev and other Soviet authorities to allow these people the fundamental right of emigration. We must publicize the plight of the refuseniks and other Soviet Jews who suffer oppression, live in fear, and are the victims of anti-Semitism every day of their lives.

Mr. Speaker, despite the great suffering he endured, Anatoly Shcharansky retained his dignity, compassion, and commitment to human rights. He and the Soviet Jews who remain in the Soviet Union deserve nothing less than the support, good will, and dedicated effort of people of all nationalities throughout the world in their struggle for freedom and human dignity. We, the Members of the U.S. Congress have the facilities to provide such support. Our collective conscience should compel us to dedicate and commit ourselves to giving that support.

Mr. RUSSO. Mr. Speaker, I am honored to pay tribute to the work of Natan (Anatoly) Shcharansky. The cause of human rights throughout the world has been advanced by this brave man and his courageous wife Avital. As an individual prisoner of conscience, Natan has suffered personally to advance the freedom of many. To endure confinement and continue his unyielding struggle, including a 109-day hunger strike, is an incredible act of courage.

It was my privilege to meet with Mr. Shcharansky's mother and brother when I visited the Soviet Union last spring. This trip, and this visit in particular, were a personal reaffirmation to me of the plight of Soviet Jews and of the lengths to which totalitarian regimes go to silence dissension or trample the free human spirit. It is an appalling truth to face. My admiration is limitless for those who, with unwavering commitment and great personal sacrifice and risk, continue to fight. It is a humbling experience for those of us so easily blessed with freedom.

There are people, such as those in the Soviet Government, who cannot fathom the importance of human rights and freedom. They are quite peripheral to their philosophy and their politics and so it is with only grudging acknowledgement of the importance we assign to them that they will come to even discuss human rights. They still lack the perception that human rights are the core of our belief system, and are fundamental to freedom-loving people throughout the world. It becomes, then, the work of relentless advocates to keep pressing, petitioning, speaking out, lest the Soviets think the world is no longer concerned. Absent the concern and the eyes of the world upon them, the Soviets have no compunction when it comes to treatment of dissidents.

Natan Shcharansky drew the world's attention into the dark recesses of repression. His struggle came to symbolize for all to see what punishment can come to a man of dignity and compassion with a commitment to freedom. Because this voice would not be silenced, because over and over we knew what was happening, the Soviets could not hope that their Iron Curtain would hide the view, that the outside world would forget.

We learned what goes on behind that curtain because of the indomitable human spirit of Natan Shcharansky and his family. They would not be still. We all, each and every citizen of the world, owe a debt of gratitude to Natan Shcharansky and to the other brave citizens of this world who refuse to submit to injustice and who, in acting in accord with their beliefs, serve the cause of freedom for all.

Mr. OWENS. Mr. Speaker, it is a pleasure to be able to welcome Anatoly Shcharansky to the United States. Both he and his wife are to be commended for their long and difficult struggle. Each bore a different burden. Mr. Shcharansky was faced with the rigors of imprisonment in the Soviet Union while Mrs. Shcharansky took on the task of keeping his plight before the world.

The trials of the Shcharanskys began because of Anatoly Shcharansky's role as a founding member of the Moscow Helsinki Monitoring Group. Marked as a dissenter to the policies and actions of his government, he was imprisoned for 9 years. Although no government is included to appreciate those who dissent, we can only be grateful that we live in a nation which has come to accept dissent even if it fails to appreciate it at the time that it is occurring.

I fully support the authorization of the presentation of gold medals to the Shcharanskys. However, we must all recognize that any material object cannot convey our complete sense of appreciation to those who have suffered for the cause of human rights for all people. The Shcharanskys' ordeal was not undergone to gain any personal benefit but to support all those who stand in vulnerable positions where they can be denied basic human rights by their government.

Perhaps the most remarkable aspect of Anatoly Shcharansky's imprisionment has been his ability to cope with it through his own courage, determination, and humor. Although one can endure an ordeal with grim determination, Mr. Shcharansky's ability to survive with wit and humor intact is a tribute to his inner strength and his commitment to the cause of human rights for all those who suffer under the burden of oppression.

Mr. LOWERY of California. Mr. Speaker, we stand in awe of Anatoly and Avital Shcharansky, for it is hard to understand 12 years of commitment. Commitment not only to human rights and the plight of Soviet jewry, but to each other. Who was the stronger in this trial, Anatoly enduring imprisonment and pain, or Avital in her guest without hope?

But their hope and endurance were rewarded. Yesterday Anatoly came to the halls of Congress as a free man. Free to change his name to the Hebrew, Natan. Free to speak his heart and to renew his commitment. For upon

his shoulders and upon ours, rests the responsibility for those remaining refuseniks.

When he arrived in Israel, February 11, Shcharansky said,

On this happiest of days of our lives, I am not going to forget those who I left in the camps, in the prisons, who are still in exile or who still continue their struggle for their right to emigrate, for their human rights.

In my district in San Diego there is a family who has waited nine years for the release of Naum Kogan and his family from the Soviet Union.

Naum's sister, Anessa Weintraub, their parents, her husband and two children were able to emigrate to the United States in 1976. Naum, his wife Zhanna and their 12-year-old twins Yevgeny and Elena, requested visas in 1977, but were denied.

Naum, 39, was a basketball star for Odessa University in the Ukraine. He went to work at the Academy of Sciences in Moscow doing research in microelectronics for satellites. His wife Zhanna was an engineer with the Institute of Communications.

Labeled refuseniks for applying for visas in 1977, both lost their jobs and have been surviving through Zhanna's sewing and small electronics jobs Naum has been able to do. But at the moment Naum is suffering from kidney disease and is very near kidney failure. He needs an operation that he cannot get in the Soviet Union.

Once again we wait. Family members grieve and worry and there appears to be little acknowledgement from the Soviets that Naum is suffering. But these are the same people who when asked about the meltdown at the Chernobyl plant told us, "everything is normal."

Sixty-seven of my colleagues have signed a letter to General Secretary Mikhail S. Gorbachev, asking permission for the Kogan's to emigrate.

Another San Diego family, the Wolfsons, have been waiting for 6 years for the Roytsteyn family to be allowed to emigrate from Russia. Eleanora Wolfson's 79-year-old mother, Elena, her brother, Gary and his wife Ludmila, have been seeking freedom to leave Leningrad since 1980.

Seventy-four of my colleagues signed a letter to Gorbachev on their behalf. And I have signed more than 50 letters in the past year for my colleagues who wrote on behalf of families across this Nation who endure the pain of separation. Sometimes we feel we are tilting at windmills, and it is for this reason that the release of Shcharansky is so important.

Let us take heart from the example of the Shcharansky's. That in deep despair we can find hope for families like the Kogan's. That faced with Soviet intransigence, we find people who continue their quest over many years. The work starts now in the conscience of all of us and the Shcharansky's have given us a model—for that we are very grateful.

Mr. ERDREICH. Mr. Speaker, today, we in the U.S. Congress took a few moments from our legislative agenda to honor a man in the Capitol Rotunda who is a living example that right can ultimately conquer wrong, that infinite strength of convictions and unflagging and enduring faith can make seemingly unattainable dreams a reality.

Anatoly Shcharansky represents the triumph of the human spirit in the face of immeasurable adversity. The story of Anatoly and his wife, Avital, is one that deserves to be told over and over again, not just to pay homage to two truly modern-day heroes who risked everything on behalf of human rights and the need to speak out for religious freedom, but also, to give hope and renewed faith to the thousands who continue to struggle and live under oppressive states that deny them life's basic freedom of religious pursuit.

After all, Anatoly and Avital sought no more from life than to exercise in the Soviet Union a cherished freedom that we here in this country exercise every day: the freedom to gather, recognize, and practice our religious beliefs. Because he dared to speak out against the tyrannies of the police state that denied this God-given right to him and thousands and thousands of other Soviet Jews, he was sentenced to a 13-year imprisonment designed to break not only his spirit, but also, the family that shared his dream.

But this undeserved punishment did not break his spirit, nor tear apart his family. In fact, it only served to strengthen his resolve, as well as that of his wife, mother and brother, to work with a strong alliance of nations that respects the rights of the individual to secure the freedom of the refuseniks in the Soviet Union who shared a dream unfulfilled.

Today's ceremony in the Capitol in honor of Anatoly Shcharansky is proof of the profound and powerful impact that world opinion can command. But while his is a victory in which we all can share, it is also one that continues to elude the grasp of thousands of other whose desire for freedom is just as great. There are today over 300,000 Soviet Jews who have expressed a desire to emigrate and who are unable to do so because of Soviet governmental refusal to adhere to international treaty obligations.

It is my hope that today's national recognition of this courageous man signals our renewed efforts to redouble our commitment to help those who ask only to exercise their basic human rights, to practice their religion, to emigrate and be reunited with their families. Perhaps in the not too distant future, we will gather again in the Rotunda of this great symbol of freedom, not to honor one or two people who endured and triumphed despite the Soviets' refusal to acknowledge basic human freedoms, but to celebrate the fulfillment of the dream of freedom for all refuseniks through the establishment of a true East-West accord that recognizes the inextricable link between international peace and human dignity.

Mr. FISH. I am honored to contribute these words today in recognition of Natan (Anatoly) Shcharansky and the work he has done and continues to do on behalf of Soviet Jews and on behalf of human rights worldwide. This is his first trip out of Israel since he arrived there after serving 8 years in prison, and it is thus altogether fitting that we take this opportunity to recognize Anatoly and his devoted spouse Avital, and to reaffirm our own dedication to the plight of Soviet Jews.

Mr. Shcharansky is a leader in the Soviet Jewish emigration movement, and is a founding member of the Moscow Helsinki Monitoring Group. As such he became a internationally acknowledged symbol for human rights and of the need to speak out for religious freedom and freedom of emigration.

I first met Shcharansky in 1975 in the Soviet Union. I had traveled to Russia with several colleagues of a special study subcommittee of the House Committee on the Judiciary to review Soviet emigration policy and procedures, and to personally convey to Soviet authorities the deep concern of the U.S. Congress and the American people regarding obstacles to Jewish emigration. On May 27 we met at the house of Professor Alexander Lerner with 10 Soviet Jews whose applications for exit had been refused. Anatoly organized the visit and interpreted for us. On May 28 we had the great good fortune to spend time with Andrei Sakharov and his wife Yelena at their home. Again Anatoly arranged the visit and acted as interpreter. We also visited refuseniks in Leningrad, and met with Soviet emigration officials and our counterparts in the Supreme Soviet in each of the cities. On each occasion we condemned their policies. Anatoly spoke freely of his commitment to freedom of religion and human rights. A subsequent report entitled "Emigration of Soviet Jews" was issued by the special study subcommittee. Ironically, our visit was on the eve of deliberations of the final act of Helsinki, during the period of heightened détente. Thus the Soviets did not interfere with our activities. Although our meetings were supposedly clandestine, Anatoly was our constant companion. He publicly bade us farewell at our hotel and kissed us goodby. He paid a price for his visible association with Members of Congress.

As the world knows well, Anatoly Shcharansky was soon to be sentenced to 13 years in prison for the alleged crime of requesting that his human rights and those of others be observed. Among his final words on conclusion of the trial were the following:

During the preliminary interrogations, those conducting the investigation warned me that in view of the position taken by me during the investigation, the one which I have maintained during the course of this trial, I will be likely to be given the death sentence or, as a minimum, 15 years of confinement. I was told that if I agreed to collaborate with the KGB in order to destroy the Jewish emigration movement, than I will be given a short sentence, quick release and even the possibility of joining my wife * * * I am happy that I have lived honestly, in peace with my conscience, and have never betrayed my soul, even when I was threatended with death. I am happy that I have helped people. I am proud to have known and to have worked with such honorable, brave people as Sakharov, Orlov, Ginsburg, they who are continuing the finest traditions of the Russian intellectuals. I am happy that I can be a witness to the redemption of the Jews of the U.S.S.R. These absurd accusations against me and against the whole Jewish emigration movement will not hinder the liberation of my people.

These are moving and heroic words from one man facing callous totalitarian oppression and on the brink of prison.

Throughout his 9 years of suffering in Soviet prison, Shcharansky retained his dignity, compassion, and commitment to human rights. He is truly a modern hero.

So too is Avital Shcharansky, whose relentless advocacy on behalf of her husband and other Soviet Jews, including countless meetings with Western leaders, demonstrations and petitions, symbolizes the indomitable will of a loving and devoted spouse. I understand she is not accompanying Anatoly during his tour of the United States, due to her first pregnancy. Their creation of new life symbolizes the undying determination of a people sorely oppressed.

It warmed my heart and rejuvenated my faith in the human spirit to greet Anatoly Shcharansky today, 11 years after I last saw him and 8 years after his imprisonment. Shcharansky's release demonstrates that public and private initiatives can achieve results. In honoring Anatoly Shcharansky, however, we recognize not only one man, but all those who still suffer in the Soviet Union. Our support has been strong, and it must remain strong. Despite the fact that at least 400,000 other Soviet Jews seek to emigrate to Israel, the Soviet Government has severely restricted Jewish emigration. Oppression of Soviet Jewish activists, arrests, searches, and threats continue unabated.

The success of the Soviet Jewry movement has always depended on four interdependent factors: First, the courage and determination of Soviet Jews themselves to assert their identity and to seek the right to leave; second, the existence of the State of Israel as the home of the Jewish people and the support Israel has given to the advocacy effort; third the strength of Western public opinion, generated by people of conscience who have spoken out, demonstrated, visited Jews in the U.S.S.R. and prayed for their redemption; and fourth, the role of Western governments, particularly the United States, in pressing the Soviet Jewry issue, both publicly and privately.

Anatoly and Avital Shcharansky epitomize the courage and determination of Soviet Jews. Our support of Israel remains strong. Western public opinion continues to apply pressure on the Soviet Government. Let us reaffirm today our Government's commitment to the plight of Soviet Jews, so that we may have the opportunity to recognize and honor many more champions of human rights from the Soviet Union, as we so honor Anatoly and Avital Shcharansky today.

Mr. SEIBERLING. Mr. Speaker, I am pleased to join in this special order in tribute to the heroic efforts on behalf of human rights by Anatoly and Avital Shcharansky.

For 9 long years, Anatoly Shcharansky was a prisoner in Soviet labor camps, for the crime of attempting to emigrate from the Soviet Union. He suffered terribly from physiological and psychological abuse during that imprisonment. Yet he refused to give up hope that he would one day be free and reunited with his wife, Avital. For that tremendous strength of will and for the courage they both displayed in the face of terrible odds, Anatoly and Avital Shcharansky became living symbols of the human rights movement throughout the world, and particularly to Soviet Jews who sought, and who still seek, to emigrate to Israel.

The free world rejoiced last February when the Soviet government at last agreed to release Mr. Shcharansky. We in Congress were deeply moved to see him emerge from his years in captivity with his courage and will intact, and to join at last his beloved Avital, whose own courage and dedication are indisputable.

Today we pause to honor Avital and Anatoly—or Natan—Shcharansky, as he has now chosen to be called. Yet I think they would approve if we also used this opportunity to rededicate ourselves to the pursuit of human rights for all people, all over the world.

Mr. PORTER. Mr. Speaker, I am proud to join my colleagues in this special order today, as we welcome Anatoly Shcharansky to the United States. His arrival is a historic event and it gives us the opportunity to unite our voices with Shcharansky, who long ago became a cornerstone in the human rights movement.

The reunion of Anatoly and Avital Shcharansky in February was a victory for the human spirit and a triumph for freedom. His walk to freedom over the Glienicke Bridge was clearly the high point in a year that has been marked by both joys and frustrations for Soviet Jews wishing to emigrate.

The November summit between President Reagan and Soviet leader Gorbachev and the release of other prominent refuseniks such as Yakov Gorodetsky and Dr. Mark Nashpitz, raised our hopes that things might get better. But, since Shcharansky's release, whatever faint hopes may have faded.

The signs that the Soviets are sending to us are not encouraging. In March, only 53 Jews were allowed to emigrate, which is the smallest number since last August. Last year only 1,140 Soviet Jews emigrated compared to the peak year of 1979 when over 51,000 Jews left the Soviet Union. Brutal arrests continue for no other reason that these Russian citizens have expressed a desire to emigrate.

Anatoly Shcharansky, upon his release announced he will continue to fight for the hundreds of Soviet Jews who remain in the Soviet Union waiting for their freedom. Shcharansky and his wife, Avital, are modern day heroes and represent the cause to freedom and human rights.

We should be inspired by the battle that Avital Shcharansky waged on behalf of her husband. I witnessed Avital's strength and dedication to the cause of human rights when I stood with her on the steps of the Capitol on a cold, January day last year to participate in the congressional prayer and fast vigil. I was not only impressed with her courage, but was touched and inspired by her sincerity.

Anatoly and Avital Shcharansky have taught us a lesson that individual commitment and undying efforts can lead to the freedom of one man. We must follow the leadership of the Shcharanskys and join with them as they fight for the freedom of thousands.

Now that Anatoly is free, we can focus on Benjamin Bogolomy, who has been waiting to emigrate for 20 years, for Ida Nudel, who has been waiting for 15 years, for Josef Begun, who is now serving his third prison sentence for teaching Hebrew, and for Zachar Zunshine who was imprisoned for simply expressing his desire to emigrate to Israel.

Mr. Speaker, Anatoly and Avital Shcharansky's courage and dedication to the cause of human rights is without equal. Their strength and determination should be a lesson to all of us who must continue to work on behalf of Soviet Jewry. Being able to see Anatoly and Avital Shcharansky together after their years of separation is truly a victory for freedom.

Mr. Shcharansky, we welcome you to the United States and, like you, we in the Congress will not forget the hundreds of thousands of people still yearning to be free. We join you in one strong united voice speaking for those who are unable to speak for themselves.

Our voice will not be silenced until all who want to emigrate are freed and all who want to practice their religion are allowed to worship freely.

Mr. DORNAN of California. Mr. Speaker, I rise to express my support for a hero among us today, an individual whose case transcends the partisan politics of this body precisely because he is the embodiment of an internationally acknowledged symbol for human rights and religious freedom—Mr. Natan (Anatoly) Shcharansky.

Today in the Capitol rotunda, Mr. Shcharansky pointed out that this country, the beacon of freedom throughout the world, cannot settle for "cosmetic compromises" with the Soviet Union. More specifically, Mr. Shcharansky was saying that we must hold the Soviets to the very letter of the Helsinki agreements which the U.S.S.R. so brazenly ignores. Mr. Speaker, I would like to underscore the importance of holding the Soviet Union accountable to the guarantee of religious freedoms. I ask my colleagues, how can we continue to enter into and abide by international treaties of any kind when the Soviets have no intention or feel no moral obligation to fulfill. Treaties like the Helsinki accords are meaningless without compliance or verification.

Natan has made it very clear that the real struggle to secure freedom for Soviet Jews is just beginning. It is now obvious that the collective outrage of the international community did exert considerable pressure on the leaders of the U.S.S.R., and must be used today to win the release of the majority who remain.

In preparation for his export to the West, Mr. Shcharansky's Soviet captors increased his caloric intake precisely because they were concerned about their methods of physical, mental and emotional deprivation would trigger a backlash of world opinion. These actions show us that to a certain extent the effort of freedom loving peoples throughout the world can have an impact on the Soviets systematic and insidious persecution syndrome. Although it often appears that the efforts to secure the release of only one man are unimportant, the release of Natan Shcharansky has shown us otherwise. As Anthony Lewis wrote in the New York Times in June 1983: "Moving the Soviet Leadership on an individual human rights case often seems a hopeless business. But if you meet Avital Shcharansky * * * you will know there is no alternative to trying."

Mr. Speaker, we must bring the weight of the international community to bear on the Soviet Union to cease this senseless persecution and abuse of basic human rights. Natan Shcharansky was released only as a result of the effective, sustained and coordinated pres-

sure from all angles. These undying efforts are the sustenance of the refusnik movement. International solidarity feeds the courage and determination of the Soviet Jews themselves to fearlessly assert their identity and to seek the right to leave the U.S.S.R.

The question remains though whether or not the release of Natan Shcharansky represents a fundamental policy shift regarding the Soviet attitude toward Jewish emigration. I maintain Mr. Speaker, that the Soviet Union long ago recognized the value of symbolic gestures in the human rights sphere. The release of Mr. Shcharansky is clearly another cosmetic attempt by the Communists to improve its international image in the West. I say this because of the fact that the situation remains largely unchanged for tens of thousands of Jews in the Soviet Union.

In 1985 less than 100 Jews per month were issued exit visas, representing a drop of more than 95 percent from a high in 1979.

Paralleling this decline has been a sharp increase in officially sanctioned anti-Semitic campaigns by organizations such the Anti-Zionist Committee of Soviet Citizens.

Other forms of the discrimination continue such as loss of jobs, restrictions on Jewish university enrollment, and blatant arrests of Jewish activists. This cannot be allowed to continue.

Natan's memorable arrival in Israel is a tribute ot the unbreakable spirit of a man whose commitment to his faith and heritage is unshakable. Natan Shcharansky is sheds the light of truth on a society steeped in the darkness of deception. God Bless you Natan.

Mr. LEVINE of California. Mr. Speaker, the release this past February of Anatoly Shcharansky after a decade in the Soviet gulag represented one of those rare moments when the hearts of men and women everywhere sang in unison.

Both Jew and non-Jew alike were moved by the liberation of a man whose indomitable spirit could not be crushed by a regime which used all forms of physical and psychological abuse in order to sap his will and shatter his dream of one day emigrating to Israel. For the last 10 years, all those concerned with the plight of Soviet Jewry and with human rights have marveled at the ability of this remarkable individual to withstand the harassment, exile, and torture of the Soviet system with a sense of dignity and a sense of humor. Many of us have often wondered how he was able to do this.

Yesterday, Mr. Speaker, Members of Congress were able to ask Anatoly Shcharansky this question face to face. Frankly, it was one of the most memorable experiences of my life. To be able to sit with Anatoly and talk about life in the Soviet camps and how he was able to survive with his spirit unbroken, to talk with him about his fellow refuseniks, to talk with him about Soviet treatment of dissidents, and about the most effective way for concerned citizens everywhere to continue the fight for Soviet Jewry, was quite simply unforgettable. I never thought I would have this opportunity.

Here was the man who symbolized the plight of Soviet Jewry and was himself its symbol and conscience. Here was the man who helped found the Helsinki Watch Monitoring Group in Moscow and was an eloquent spokesman not only for the religious and cultural rights of Soviet Jews but for all those in the Soviet Union whose fundamental human rights were being denied. Here was the man who dared defy the Soviet authorities merely by speaking out for these oppressed peoples and was imprisoned on trumped-up espionage charges as a result. Here was the man who waged hunger strikes as a form of protest against his Soviet captors when his life literally hung in the balance, and when many of us did not know if he was alive or dead.

Here was the man whose wife, Avital, fought a courageous and tenacious fight for his freedom for 9 long years so that he would not be forgotten by those in the West, and so that the Soviets would know that we would not forget him. Clearly, without Avital's efforts, the prospects for Anatoly's release and ultimately for his survival would have been significantly reduced. And here was the man who quite literally galvanized a movement in this country and in this Congress on behalf of Soviet Jewry so that his release is seen as a milestone, certainly, but is also seen as the continuation, and not the end, of the struggle to have Slepak, Nudel, Edelshtein, Meiman, and so many others released.

Mr. Speaker, the joint leadership of the House and Senate yesterday welcomed Anatoly Shcharansky in a ceremony in the great rotunda of the U.S. Capitol. There could have been no more fitting place to honor him. The Capitol is America's citadel of freedom and democracy; Anatoly Shcharansky has for a decade demonstrated his commitment to these principles in conditions under which few could endure.

Today Congress is presenting him and his wife, Avital, with Congressional Gold Medals of Honor. The purpose of these medals is to recognize outstanding qualities and achievements. Mr. Speaker, there is no doubt that Anatoly and Avital are especially deserving of these medals. The Shcharanskys have strengthened and deepened the commitment to human rights and human dignity around the world, and have demonstrated a cougage in those convictions that are an inspiration to us all. I am proud to serve in a body which recognizes their tremendous achievements, and their contributions to a cause so dear to the heart of all Americans.

Finally, Mr. Speaker, I just want to cite a remark Anatoly made yesterday at a meeting of the House Foreign Affairs Committee. When asked whether Mr. Gorbachev was a "new" kind of Soviet leader who would allow increased Jewish emigration, Anatoly replied, "I was told that I had to put a tie on to meet leaders of Congress, that I needed to change my image. But just because I changed my image does not mean that I changed my beliefs." Not only is that response indicative of his remarkable sense of humor, but it tells us that we should not expect significant improvements in the plight of the 400,000 Soviet Jews still seeking to emigrate. That is why, as Anatoly reminded us, we must keep the pressure on, both public and private pressure. If Anatoly Shcharansky can stand up to the Soviet system for a decade under the threat of death in order to sustain his sense of freedom and Jewish identity, we certainly can muster the courage to continue the fight in every fashion possible. It is our duty, and it is our obligation.

Mr. DOWNEY of New York. Mr. Speaker, I rise today with my colleagues to salute Anatoly and Avital Shcharansky, two remarkable human beings whose struggle for freedom represents the basic tenets on which this country was founded.

For 13 years, we have stood in the well of the House of Representatives telling and retelling the story of Anatoly Shcharansky that was told to us from information that his loving wife and mother gleaned from Russia. We protested his imprisonment and prayed that efforts by the Soviets to break his resolve to speak out for Russian Jews seeking to leave Russia would not work, admired his courage and fortitude to maintain hunger strikes and cried when we learned of his release earlier this year.

But as Anatoly and Avital can tell us much more poignantly, the joy we experience today is marred by the hundreds of thousands of Soviet Jews whose desire to emigrate and follow the beliefs of their forefathers is blocked by the Russian Government. We are all well aware that the emigration figures for Soviet Jews are at a dismal low and that other heroes such as Andrei Sakharov, Ida Nudel, and Josef Begun are still caught in the Soviet web. There is much that needs to be done to impress upon the Russians that we will not forget those Jews who want to emigrate. We must not let them think that we have forgotten them as the Soviet Government would have them believe. Anatoly Shcharansky's release and presence in the West has strengthened our resolve and efforts and will be cause for the Soviet regime to tremble.

Mr. BARNES. Mr. Speaker, there are few moments of such historic import as this time in which we welcome (Natan) Anatoly Shcharansky.

And it is a rare occasion when we can honor, in person, such a dedicated and courageous individual, a man who understands so well—better than most of us—the value of liberty and the great costs that come when one must fight, and be willing to give years of one's life, to gain it.

As a leader in the Soviet Jewish emigration movement and a founding member of the Moscow Helsinki monitoring group, Natan Shcharansky became, together with still-exiled Nobel Laureate Andrei Sakharov and imprisoned South African antiapartheid leader Nelson Mandela, among the best-known prisoners of conscience in the world. And as a tireless advocate for his freedom, his wife Avital has come to symbolize the kind of persistence that leads to success.

Shcharansky never let his Soviet oppressors win. When they arrested him and made him stand trial on false charges of espionage, Shcharansky never let go of his cause or stopped his fight. When he was denied the right to an attorney of his choice, he insisted on defending himself. When, while in prison, they denied him the right to see his relatives, he went on a 110-day hunger strike to protest these violations by the prison administration. When they did their best to break him, to humiliate him, he never gave up.

On February 11, 1986, millions of us watched television coverage of Anatoly Shcharansky's walk to freedom. In that almost unbelievable moment, a dream came true.

But Shcharansky reminds us that his personal victory is only one against 400,000 who are still struggling. He calls on the free world to intensify its pressure on the Soviet Union to abide by the terms of the Helsinki agreement.

About 400,000 Soviet Jews still seek to emigrate to the Soviet Union. The over 2 million Jews living in the Soviet Union continue to face, as Martin Luther King, Jr. once said, "a kind of spiritual and cultural genocide". Hebrew teachers and cultural activists continue to be the targets of Soviet Government harassment and brutality.

I am very grateful that Anatoly Shcharansky continues his quest for human rights on this side of the Iron Curtain. All of us who have spent many years working for the cause of Soviet Jewry look to his leadership and his fine example to help us move to future successes for Soviet Jewry.

Anatoly Shcharansky has taught us a lesson about perserverance, about the power of faith, and the strength of commitment. He has shown us the extraordinary capacity of the human spirit to survive under the most oppressive conditions.

During his trial, Anatoly Shcharansky turned his back on the judges in his trial, and faced his brother Leonid. He delivered a moving and courageous statement. He said, in part:

I understand that to defend oneself in a semiclosed trial such as this is a hopeless case from the very beginning. * * * Five years ago, I submitted my application for exit to Israel. Now I'm further than ever from my dream. It would seem to be cause for regret. But it is absolutely otherwise. I am happy. I am happy that I lived honestly, in peace with my conscience. I never compromised my soul, even under the threat of death.

It is a great day in America when we can be honored by the visit of a man of such great moral courage. I join every American in welcoming Anatoly Shcharansky to the United States. And I join all freedom-loving people of the world in celebrating his newfound liberty.

Mr. GEPHARDT. Mr. Speaker, Mr. Shcharansky's ordeals—the official harassment, his 9 years of incarceration, the 3½ month hunger strike, and the solitary confinement—would have broken the spirit of many. Yet he and his wife, Avital, persevered. And earlier this year he won his freedom.

It is a great pleasure to join my colleagues in welcoming Anatoly and Avital Shcharansky to Washington and in recognizing their dedication to the request for freedom.

Their story gives hope to all of us. And it should give us pride as well because his struggle is a reminder of the value of our freedoms.

In welcoming Mr. Shcharansky, we remember the 2 million Soviet Jews whose religion is under constant assault by the state, and who are liable to job loss and abuse if they ask for permission to emigrate. We remember the 400,000 who have already asked to leave. We remember the 14,000 refuseniks whose lives are controlled by the state and who live as internal refugees. We remain concerned by the incarceration and abuse that the refuseniks must endure.

With permitted emigration down to 1 or 2 percent of the levels that prevailed just 7 years ago, these remain sobering numbers. Yet if we can rededicate ourselves to their freedom, we may collectively overcome the odds. Mr. Shcharansky has already shown us it can be done.

Mr. KOLBE. Mr. Speaker, it is an honor to have the opportunity today to welcome Natan Shcharansky to the United States. The strength that Natan and Avital showed through their years of separation and suffering is certainly inspiring to us all. So, I feel privileged to be able to share some of my thoughts about the Shcharanskys, their ability to endure and overcome a virtually hopeless situation, and their willingness to continue the struggle for the thousands of others who remain under harsh, Soviet rule.

I would first like to take a moment to speak about freedom because this is the vision of every Soviet refusenik. The freedom to be able to practice his/her religion openly, without fear of persecution.

Freedom is a word that we use often in the United States and we as a people know that we have more liberty than any other nation on Earth. We are the heirs of more than two centuries of democracy and general prosperity, and we are the product of at least two decades of real commitment to equality of all races and creeds.

We have the privilege of being able to practice religion, to express our opinions publicly, to select our leaders through a free election process. We can begin with a dream and pursue that dream freely, from integration of our public schools to the development of a specific technology.

Yet living in a free society does not automatically make us experts on freedom. I wonder if we don't sometimes abuse this term. Freedom is a good marketing term—we see it as ambiguous enough and positive enough to describe just about everything. For example, according to advertisements, Americans can now sleep comfortably at night knowing we have the freedom to choose between three, maybe four, different major brands of cola. Also, our media exercises its sometimes unique version of freedom of the press, which may not get us the minute-by-minute details on the liberation of Grenada, but at least we can have words of wisdom transmitted live from a terrorist while our President joins allies in condemning state terrorism. Here in Washington, we can join the ranks in freedom marches, express our views at freedom rallies, and socialize at freedom galas.

I don't use these examples to denigrate freedom as we know it in the United States. I would only suggest that today we should ask ourselves if we appreciate the liberties and rights that we have, and if we can really understand what the brave Shcharanskys have endured. Can we imagine, for example, spontaneous incarceration, hours of relentless interrogation, prison labor, and long periods of solitary confinement? Can we visualize entering our homes and finding many of our possessions destroyed and/or confiscated by our benevolent government? Could we endure persecution of our families, having them suffer simply because we feel we have been inspired by a higher authority? And could we, after finally being liberated from persecution and solitude, could we once again pick up the gauntlet and vow that others like us will join us in freedom?

These are questions which we may feel compelled to answer in the affirmative. And perhaps some of us, such as former prisoners of war, can do so in good conscience.

Today, as we greet Natan and Avital Shcharansky, we should, if for a brief moment, make a genuine effort to assume their life struggles, to reflect on their hardships, and to rejoice in their victories so far.

Mr. Speaker, as a Member of this body I extend my warmest welcome to Natan and Avital Shcharansky. I express my admiration for their commitment to freedom and my gratitude for their willingness to join world leaders struggling for the freedom to practice religion and the freedom to express ideas openly. I also thank them for reminding us of our freedoms, for inspiring us at least to be grateful for such a rare and valuable gift, if not to work to see that our country and our country's allies are always free.

Mrs. BOXER. Mr. Speaker, I thank the Congressional Human Rights Caucus for this important and timely special order.

I cannot overstate the joy we continue to feel now that Anatoly Shcharansky is free to live with his wife in his chosen land of Israel. He is a most remarkable person.

Unfortunately, not all of those in the Soviet Union who are in jail, or exile, or simply not allowed to emigrate, are as strong as Mr. Shcharansky. We will continue to focus all of our efforts to see that Andrei Sakharov, Yuri Orlov, Vladimir Lifschitz and all of those who want to leave, will be allowed to leave. We will not rest or be silent on this issue.

Our efforts are made stronger by the knowledge that Anatoly Shcharansky is going to be there fighting alongside of us. Once again, I welcome Mr. Shcharansky and thank him for all he has done for the cause of human rights in the world. He is proof once again that some causes are indeed worth fighting for.

Mr. HERTEL of Michigan. Mr. Speaker, I rise to join with my colleagues in paying tribute to Anatoly Shcharansky.

This individual has sacrificed so much of himself to advance human rights throughout the world.

I am honored to have had the privilege of hearing Mr. Shcharansky address Members of Congress today. He enlightened us today by sharing his compassion and understanding for those throughout the world who are so flagrantly deprived of religious freedom.

Mr. Shcharansky has displayed through his suffering how the Soviet Union continually deprives honorable citizens of the freedom to express their religious beliefs. Moreover, it has been shown through Mr. Shcharansky's courage and dignity that even the Soviet Union must address the issue of religious persecution.

It has been a great privilege to associate myself with the comments of my colleagues and I am certain we are all better prepared to address the issues of religious freedom and

the importance of honoring human rights, now that we have been enlightened by a tremendous human being, Anatoly Shcharansky.

Mr. BIAGGI. Mr. Speaker, I am extremely proud to join my colleagues today in welcoming Anatoly Shcharansky to the United States. His contribution to the Soviet Jewry cause, and the human rights movement worldwide is immeasurable and like so many of my colleagues, I am deeply moved by his presence here today.

The name of Anatoly Shcharansky has been spoken on this House floor during the past 9 years perhaps more than any other. His commitment to human rights is our commitment to human rights; his suffering was our suffering; and, now, his happiness is our happiness. I welcome Anatoly Shcharansky here today with open arms and salute him for his absolute courage, convictions, and compassion.

Anatoly Shcharansky was imprisoned 9 years ago for founding a group that monitored his countries adherence to the human rights issues of the Helsinki accords. His attempt to monitor and consequently ensure human rights for all citizens of the Soviet Union cost him his own freedom, and a 9-year separation from his new wife, Avital. Mr. Shcharansky's release was a great moment that symbolizes for all of us who have followed and supported him throughout the years, the idea of human rights in the face of suppression.

But even as we rejoice for Anatoly Shcharansky we cannot forget the 400,000 Jews who have been refused exit visas by the Soviet authorities. For those Jews who took the risk of requesting an exit visa, their only hope is that we here in the United States do not forget them, for if we do, they are lost forever.

Within the Soviet Union Jews are not allowed to publish Hebrew books or Bibles. Nor are they allowed to study, teach, or practice anything related to their culture, or religion. At the same time, the number of emigration visas permitted each year has declined from a high of 51,320 in 1979 to 896 in 1984. Last year there were 1,139 Jews permitted to emigrate and this year it looks even bleaker. All this has occurred in the face of the Soviet Union's agreement under the Helsinki accords to respect each individuals rights of religious and cultural beliefs.

We must not allow Anatoly's freedom to placate us into a false sense of optimism with regard to the Soviet Union's atrocious human rights policy. Mr. Shcharansky, himself, even after giving up 9 years of his own freedon, is committed to aiding those he left behind.

As he said on the day of his freedom:

I am not going to forget those who I left in the camps, in the prisons, who are still in exile or who still continue their struggle for their right to emigrate for their human rights.

We, too, must continue to push for the freedom of the Slepaks, Andrei Sakharov, Mr. Lifshitz, and all the Jews who wish to emigrate. We cannot allow one small but sweet victory to cause us to lose site of the larger issue, that we are forever committed to seeing that the Jewish people and all peoples are permitted to act on their beliefs and follow their conscience as they best see fit.

Mr. Shcharansky went full circle yesterday when he met with Yelena Bonner, the wife of Andrei Sakharov, a former Nobel Prize winner and leading human rights activist. They were the cofounders of the group to monitor the Soviet Union's performance in regard to the Helsinki accords, and what led to Anatoly's arrest. Yesterday, they declared their solidarity and continued support for their brethren they left behind.

As the two great dissidents reaffirmed their ongoing commitment to the Soviet Jews after such great costs to themselves, so should we reaffirm our continued support for commitment to the Jews of the Soviet Union.

The Soviet Union has little regard for even the most basic of human rights, and it is only through public and private pressure that they are persuaded to adhere to the values that are fundamental to all Americans. We must be certain to keep the Soviet Jewry issue at the forefront of United States-Soviet policy decisionmaking, and must raise the issue at any forum that presents itself, especially at any future summit meetings between United States and Soviet leaders.

If ever there was a reason to press with renewed vigor for the improved plight of Soviet Jews, it is Anatoly Shcharansky's struggle for freedom. He has not forgotten his fellow Soviet Jews, and we certainly must not forget.

Mr. SMITH of Florida. Mr. Speaker, today is a monumentous occasion filled with joy and happiness for all freedom-loving people. Members of Congress welcome Anatoly Shcharansky to the United States as a free man. A little over a year ago, many of my colleagues gathered on the House steps to show our solidarity with Avital Shcharansky and the Soviet Jewish emigration movement as we marked the 8th anniversary of Anatoly Shcharansky's arrest, trial, and imprisonment.

This year the gathering on the House steps will be very different. Our prayers, hopes, and dreams have been answered. After 9 years, we celebrate the release of Anatoly Shcharansky and applaud all the efforts on his behalf as evidence that our pursuit of human rights is not in vain. Shcharansky's freedom illustrates that only constant and consistent public pressure will force the Soviet Union to change its treatment of Soviet Jews.

Anatoly Shcharansky may have been the international symbol of human rights, but let us not forget the symbol of courage and strength, his wife Avital. She is responsible for making "Shcharansky" a household name all over the world. Avital is to be commended for her outstanding achievement—gaining freedom for a fellow human being. Her determination and her devotion exceeds all known bounds. Let us honor Anatoly and Avital Shcharansky in their struggle for freedom to maintain their Jewish identity and live in peace.

As we celebrate this day, let us not forget the thousands of others, such as my adopted refusenik Dr. Yuri Tarnopolsky, who remain in the Soviet Union commiting no crimes other than endlessly awaiting permission to emigrate to Israel. Let us vow to redouble our efforts on behalf of those who remain behind the Iron Curtain.

Mr. FLORIO. Mr. Speaker, I am pleased to be able to join my colleagues in welcoming to Washington, Anatoly (Natan) Shcharansky, a man who has spent the greater part of his life in struggling for freedom and for human rights. For 9 years, Natan Shcharansky withstood torture and degradation in Soviet prisons and labor camps because of his commitment to the fundamental human rights of freedom of speech, of religion, of political expression, and of movement. Today, Natan Shcharansky joins us as one of the fortunate few for he was able to leave the Soviet Union and join his wife, Avital in Israel.

In 1978, Natan was convicted of "treason" and "anti-Soviet agitation and propaganda." For 9 long years, Natan did not give up the struggle to gain freedom not only for himself and for his family but also for the thousands of Soviet Jews that live day to day in fear of persecution. Their human rights are ignored; their religious traditions are suppressed; their right to speak and to be heard is ridiculed by Soviet authorities. For these 9 long years, Natan Shcharansky became a symbol for the hundreds of thousands of Soviet Jews that have sought to leave the Soviet Union and pursue a life of freedom.

Natan's strong persistence through hunger strikes and protests and through the refusal to bend before his torturers and deny his rights to a free life was instrumental in ensuring that he could leave the Soviet Union and live in freedom. But the most important component in this success story is the fact the international community did not forget Natan's troubles and continued to call for his freedom. For years, I and my colleagues in Congress have held special orders, have cosigned letters, have sponsored resolutions and have focused attention on the plight of Natan Shcharansky and the thousands in similar situations. For years, Natan's wife, Avital has agitated for his release and has won the respect and admiration of government leaders for her dedication to this worthy cause. It is this continuation of concern that has resulted in Natan's freedom.

A lesson to be learned from the happy conclusion of the struggle of Avital and Natan Shcharansky is the fact that only through constant pressure and continuous attention can we ever be successful in ensuring that Soviet Jewry will be permitted its day of freedom and that the Soviet authorities will desist from withholding from the Soviet people the fundamental human rights that should not be suppressed by any government.

A tribute to Natan's dedication and concern is the fact that he continues to speak out against the glaring violations of human rights in the Soviet Union and continues to focus attention on the plight of the many thousands that are still trying to leave. I have adopted an elderly refusenik couple, Yosef and Lilya Kalman of Kursk, who have repeatedly requested the right to join their son in Israel where they can be cared for. Their pleas have fallen on deaf ears. We must continue to focus attention on the plight of Soviet Jewry and we have the example of Natan Shcharansky that this method can be successful in helping those in need.

As a member of the Congressional Coalition for Soviet Jews of the 99th Congress, I join my colleagues in congratulating Natan and Avital on their newly found freedom and in

commending them for their efforts in this area. They have truly demonstrated dedication, dignity and compassion and have set an example that should be mirrored by all.

Mr. LENT. Mr. Speaker, as long as there are countries like the Soviet Union, which participate in human rights violations, we will have heroes like Anatoly Shcharansky who persevere. Anatoly Shcharansky has become the undisputed ambassador of hope and freedom for millions around the world who are persecuted for their religious beliefs. His personal triumph transcends language barriers and national borders to become a worldwide human rights victory.

For almost 10 years, Shcharansky endured brutal torture through deprivation at the hands of the Soviet government. Separated from his wife and family, denied all contact to the outside world, he was subjected to months of solitary confinement, death threats, and near-starvation. All this because of his religious beliefs and his desire to be free.

Many people would have succumbed to such savage treatment. That Shcharansky persisted is remarkable. Perhaps that is why the title "modern day hero" so suits the man. For throughout all this, Shcharansky maintained his dignity, his determination, and his conviction that through his perseverance others might be saved.

President Kennedy once said that "if we all can persevere, if we can in every land and office look beyond our own shores and ambitions, then surely the age will dawn in which the strong are just and the weak secure and the peace preserved." Anatoly Shcharansky has brought us closer to that dream.

For Anatoly the long nightmare is finally over. But for others he knows it is still a reality. He offers encouragement to those left behind in the Soviet gulag: "They [the KGB] assured me every month that I would never leave that country. My release without making any concessions proves our struggle can really be successful despite all the pessimism we hear."

The man who comforted and sustained so many during his confinement brings a new message of hope through his freedom. We take time today to recognize his achievement and to welcome Anatoly Shcharansky, at long last, to the free world.

Thank you.

Mr. ERDREICH. Mr. Speaker, today, we in the U.S. Congress took a few moments from our legislative agenda to honor a man in the Capitol rotunda who is a living example that right can ultimately conquer wrong, that infinite strength of convictions and unflagging and enduring faith can make seemingly unattainable dreams a reality.

Anatoly Shcharansky represents the triumph of the human spirit in the face of immeasurable adversity. The story of Anatoly and his wife, Avital, is one that deserves to be told over and over again, not just to pay homage to two truly modern-day heroes who risked everything on behalf of human rights and the need to speak out for religious freedom, but also, to give hope and renewed faith to the thousands who continue to struggle and live under oppressive states that deny them life's basic freedom of religious pursuit.

After all, Anatoly and Avital sought no more from life than to exercise in the Soviet Union a cherished freedom that we here in this country exercise every day: the freedom to gather, recognize, and practice our religious beliefs. Because he dared to speak out against the tyrannies of the police state that denied this God-given right to him and thousands and thousands of other Soviet Jews, he was sentenced to a 13-year imprisonment designed to break not only his spirit, but also, the family that shared his dream.

But this undeserved punishment did not break his spirit, nor tear apart his family. In fact, it only served to strengthen his resolve, as well as that of his wife, mother, and brother, to work with a strong alliance of nations that respects the rights of the individual to secure the freedom of the refuseniks in the Soviet Union who shared a dream unfulfilled.

Today's ceremony in the Capitol in honor of Anatoly Shcharansky is proof of the profound and powerful impact that world opinion can command. But while his is a victory in which we all can share, it is also one that continues to elude the grasp of thousands of others whose desire for freedom is just as great. There are today over 300,000 Soviet Jews who have expressed a desire to emigrate and who are unable to do so because of Soviet governmental refusal to adhere to international treaty obligations.

It is my hope that today's national recognition of this courageous man signals our renewed efforts to redouble our commitment to help those who ask only to exercise their basic human rights, to practice their religion, to emigrate and be reunited with their families. Perhaps in the not too distant future, we will gather again in the rotunda of this great symbol of freedom, not to honor one or two people who endured and triumphed despite the Soviets' refusal to acknowledge basic human freedoms, but to celebrate the fulfillment of the dream of freedom for all refuseniks through the establishment of a true East-West accord that recognizes the inextricable link between international peace and human dignity.

Mr. BOLAND. Mr. Speaker, I am pleased to take part in this special order honoring Anatoly and Avital Shcharansky, and am delighted to join in welcoming them to the Capitol of the United States.

The triumph of Anatoly Shcharansky over the forces of repression is as genuine an example of courage and commitment to cherished values as the world is likely to witness. His was a victory for human rights in a state that chooses to devote a sizable part of its bureaucratic machinery to placing every possible roadblock in the path of the free exercise of those rights.

The Shcharansky's names have become synonymous with unwavering dedication to human rights. By enduring 8 long years of being harassed, interrogated, threatened, and separated, they have demonstrated the kind of strength and spirit of which heroes are made. Each day they were tested, each day they fought to be free and they have prevailed.

We all share in the joy of Mr. Shcharansky's release from prison. That joy is felt not only in these Halls, but in communities throughout the Nation. Last Friday was Shcharansky day in my hometown of Springfield, MA. The Springfield Jewish Federation organized a very meaningful ceremony of tribute and thanksgiving for the triumph of the Shcharansky's and I am sure that similar events have taken place in many other American cities and towns. However, at this time of celebration we must not loose sight of the fact that thousands of Jews continue to be denied the right to emigrate from a country which punishes them for their religious beliefs and belittles their values. This treatment by Soviet authorities makes a mockery of their supposed adherence to the principles of the Helsinki accords and the universal declaration of human rights. As Americans, we must continue to call attention to the treatment of Soviet refuseniks. For it is our vocal concern that provides them with the encouragement, and the confirmation of the justness of their cause, and which helps them to go on.

Mr. Speaker, the Shcharansky's have reminded the world of two great truths; that the yearning for basic human rights is universal, and that to keep silent in the face of repression is to guarantee its perpetuation. I hope that their presence in our citadel of liberty will cause us to redouble our national and individual efforts to extend the precious gift of freedom to all those who seek it.

Mr. DWYER of New Jersey. Mr. Speaker. I would like to join my colleagues today in recognizing former Soviet refusenik Natan Shcharansky. Mr. Shcharansky's quest for freedom has been an inspiration to feedom-loving people of all nations for the past 10 years. His release should be heralded as a wonderful accomplishment of all who have worked so hard to bring it about, particularly his wife Avital.

However, we must not forget over 14,000 other refuseniks and prisoners of conscience currently in the Soviet Union. Immigration of Soviet Jews has slowed to a mere trickle since 1980. Although Soviet leaders have sought to explain this decline by suggesting that few Jews now seek to leave, the Israeli Government has over 375,000 requests from Soviet Jews for vyzov (affadavits) as the first step in the emigration process.

As many as 14,000 refuseniks, that is people whose exit applications have been denied, currently live as internal refugees within the Soviet Union some for as many as 20 years, such as Beniamin Bogonolny who has the dubious distinction of being the world's longest standing refusenik. Many of these prisoners of conscience remain in Soviet labor camps and prisons where they are often subject to especially harsh treatment. Vladikmir Lifshits, a Leningrad refusenik, was arrested shortly after the November Geneva summit meeting for the crime of writing about the Soviet Jewish situation to people in the West. In early February, Lifshits was badly beaten by criminal inmates and suffered a brain concussion.

While the freeing of Natan Shcharansky is a great triumph, we must not forget the others who seek freedom. We must not let these violations of basic human rights go unnoticed. As long as even one refusenik remains in the Soviet Union, we must continue the same

drumbeat which helped in freeing Mr. Shcharansky.

Mr. LEACH of Iowa. Mr. Speaker, I am honored to join with my colleagues today in extending a warm welcome to Anatoly Shcharansky on the occasion of his visit to the United States and in celebrating his long-awaited release from Soviet imprisonment.

Anatoly Shcharansky's name is virtually a household word in every freedom-loving country in the world. During the long years of his harsh prison confinement, thousands of Americans, most of whom he will never meet, took a special interest in the case of this remarkable young computer programmer who, as a monitor of Soviet compliance with the Helsinki human rights accords, displayed enormous courage in confronting the awesome power of the Soviet state. For that, he was eventually charged with treason and sentenced to 13 years in prison.

Happily, his story does not end there. His courage of conviction and the tireless efforts of his wife, Avital, eventually prevailed and stand as an inspiration to free men and women around the world. The Shcharanskys give us faith that man is stronger than the state and that faith is stronger than man.

However, even as we celebrate Anatoly Shcharansky's release from the Soviet Union, we should remember the fate of those who remain incarcerated for standing up for religious and political rights around the world. It is an embarrassment to our age that any government anywhere finds the exercise of free speech and religion a challenge to its legitimacy.

It is accordingly impossible to celebrate too triumphantly Mr. Shcharansky's newly found freedom as long as individuals anywhere, particularly in the Soviet bloc, continue to languish in prison, toil under slavish conditions in labor camps, or suffer persecution and harassment because of a desire to hold their governments accountable to the rule of law and reason. The greatest respect we can pay to Anatoly Shcharansky today is to renew our efforts on behalf of those who remain behind.

Again, I join my colleagues in extending a warm welcome to Mr. Shcharansky and best wishes to him and his wife for every success and happiness in the years ahead.

Mr. MRAZEK. Mr. Speaker, it is with a great deal of pleasure that I join my colleagues today in this special ceremony to welcome Anatoly and Avital Shcharansky to the United States.

As we all know, Mr. Shcharansky spent 9 brutal years in Soviet prisons and work camps, suffering both mental and physical tortures, for the crime of wanting to live freely as a Jew. Today we can all celebrate and honor the strength, determination, and courage of a free man who has come to symbolize the principles of human rights for all who wish to express their beliefs freely—here, in the Soviet Union, and elsewhere. Today we also salute the strength of Mr. Shcharansky's wife, Avital, who fought relentlessly for her husband's release, and their eventual reunification.

Today we celebrate. But we must pause and reflect, however, for we only revel in a victory of the moment. The release of Anatoly Shcharansky cannot be the end of the struggle, but the beginning of an even greater one. We must ask ourselves what the future holds for the thousands of Soviet Jews who also wish to emigrate. Unfortunately, Mr. Shcharansky's release may not portend a change in status for the majority of Soviet Jews. All indications are that the Soviet Union will continue its maltreatment and imprisonment of Jews, as well as its highly restrictive emigration policy.

Perhaps the release of Mr. Shcharansky has given us some cause for hope. Regardless, we must use our Nation's power and influence to continue the battle until the Soviets begin to comply with internationally recognized human rights.

Mr. HEFTEL of Hawaii. Mr. Speaker, this House has been greatly honored by the visit today of Anatoly Shcharansky. Anatoly Shcharansky symbolizes the hope shared by people throughout the world that we may all someday live in liberty and peace. As we record the history of the human struggle for freedom, we must always remember the trials that Anatoly Shcharansky endured during his 9 years in captivity, his triumphant release from imprisonment, his reunification with his family, and his continued dedication to the ideals of human rights.

Protecting human freedoms is an arduous task. Let us learn from Anatoly Shcharansky and take up his quest for human dignity and compassion. Let us use the spark provided us by this man's courage to help light our journey to a world ruled, not by the tyranny of a few, but by the liberty and justice prized by all.

Mr. BEILENSON. Mr. Speaker, today we welcome Natan Shcharansky on the occasion of his first visit to the United States, and we celebrate with him his victory over the Soviet political system. The decision by Soviet authorities last February to release Mr. Shcharansky from prison and allow him to emigrate to Israel and rejoin his wife, Avital, is one that gives hope to those of us all over the world who value human rights.

This joyous event, however, must not make us forget those who have been left behind in the Soviet Union. The plight of Mr. Shcharansky's brother, Leonid, and his mother, Ida, whom the Soviet authorities have denied permission to emigrate, is made even more poignant in the light of Natan's release. Beniamin Bogomolny, Ida Nudel, and Iosif Begun, as well as an estimated 14,000 less-famous "refuseniks," have been denied the permission they seek to leave the Soviet Union. And there are uncounted others who would like to leave, but who are discouraged from seeking exit visas by the Soviet Government's harsh treatment of those who do.

We are therefore obliged, while we honor the triumph of Natan Shcharansky, not to forget those thousands of others who suffer from Soviet repression. It is up to us to do our part by letting the Soviet Government know that we remember these citizens until that Government grants them the basic human rights of choosing where they and their families shall live.

Mr. ANDREWS. Mr. Speaker, I am proud to join my colleagues today in honoring a man of conscience and extraordinary courage—Anatoly Shcharansky. His struggle to speak out on behalf of the refusenik movement in the Soviet Union deserves the praise of free people everywhere.

Yet at the same time as we honor Anatoly Shcharansky, let us take this occasion to remember the 14,000 Soviet Jews who have been refused exit visas and remain in the U.S.S.R. against their will. Let us remember the thousands upon thousands of Soviet Jews who have taken the first step toward emigrating to Israel and are paying for the opening of the gates that bar their freedom. Unfortunately, the arbitrary and insensitive government in Moscow that controls their fate has chosen to reduce the flow of emigrants from the U.S.S.R. to a trickle.

This state of affairs is clearly unacceptable, and each of us needs to do all that is possible to change it. I, like many of my colleagues, have adopted a refusenik family; and I look to the day when the Raiz family of Vilnus can escape the fetters that today bind their fate.

Anatoly Shcharansky embodies courage born of faith. In celebrating his deliverance today, let us renew our faith in and commitment to freedom for all the refuseniks and prisoners of conscience.

Mr. HALL of Ohio. Mr. Speaker, I join my colleagues today in welcoming Mr. Anatoly Shcharansky to the United States. As a spokesperson for Soviet Jewry, Mr. Shcharansky has become an international symbol for the struggle for religious freedoms and basic human rights. Today we recognize Mr. Shcharansky's dedication to justice, and we honor his contributions and personal sacrifices toward the betterment of mankind.

Speaking on behalf of Soviet Jews, Mr. Shcharansky related firsthand knowledge to the outside world concerning the imprisonment, persecution, and emigration denials experienced by Jews currently living in the Soviet Union. As a result of his struggle for liberation from a repressive government, Mr. Shcharansky sympathizes with human rights activists the world over, and hopes to see social change come about in those countries violating fundamental human rights.

Mr. Shcharansky's biographical profile reveals him to be a learned man, and a man of strong moral conviction. He has gained great international respect as both a scholar and a human rights activist. As a student in the Soviet Union, Mr. Shcharansky was awarded high honors from the prestigious Physics and Mathematics Institute in Moscow, and later pursued a career in research. Mr. Shcharansky's professional success, however, was short-lived due to his activism. As a controversial figure in the Soviet Union, Anatoly Shcharansky was barred from social and employment opportunities, and became somewhat of a social outcast.

Unable to realize his spiritual fulfillment in the Soviet Union, Anatoly Shcharansky applied for emigration from the Soviet Union to Israel in 1973. His application was met with denial on unclear terms spurring Mr. Shcharansky to appeal to Soviet law for legal assistance and just representation. Mr. Shcharansky's appeal to justice had the reverse effect, as he was run the gamut of harassment and emigration refusals, and eventually sentenced to 9 years imprisonment for treason and espionage.

As one of the founders of the Congressional Friends of Human Rights Monitors, I have great faith in the power of men and women such as Mr. Shcharansky who monitor and speak out against human rights abuses. As a bipartisan and bicameral coalition of over 130 members, the Congressional Friends of Human Rights Monitors seeks to ensure that human rights monitors remain free and able to carry on their vital work.

Today, in welcoming Mr. Anatoly Shcharansky to our Nation's Capital, we reaffirm our Nation's commitment to the preservation of human rights, not only within the United States, but throughout the world. We thank Mr. Shcharansky for his contributions to humanity, and offer him our continued support in his ongoing efforts to protect international human rights.

Mrs. SCHNEIDER. Mr. Speaker, in the past, Congress has often honored women and men for their outstanding talent, remarkable professional accomplishment, or heroic action in life-threatening circumstances. Today, we recognize two individuals, Anatoly and Avital Shcharansky, who certainly possess each of these qualities. The Shcharanskys are, however, more deserving of our recognition for their integrity than for their talent, more deserving of our respect for their strength than their professional accomplishments. Their perseverance in the face of overwhelming odds makes acts of impulsive heroism seem trivial by comparison.

Perseverance of the spirit is the lesson the Shcharanskys give to the world. They had the courage to defy authority for principles, to risk career, friends, status in the community, and eventually their own freedom as a statement of their beliefs. While we aspire to be as brave and committed as the Shcharanskys, for most of us, it is an ideal that we find frightening to confront. Who among us, if faced with the proposition of standing alone amidst state sanctioned hostility, would sacrifice everything to remain true to our principles?

The Shcharanskys' experience highlights the struggle of Jews in the Soviet Union, but it also has a universal lesson. They have shown the world through their courage and triumph that we must listen to the voices of the oppressed wherever they occur. The invincible spirit of humanity knows no nationality, no race, no ethnicity. Their struggle impresses upon us that even the most repressive forces can be overcome by the self-evident truths of basic human rights.

It is ironic that, as a country founded on the principles of freedom of speech and religion, we recognize these traits most easily when they occur in a foreigner. We should not forget that our Founding Fathers rocked the boat and fearlessly questioned authority; they built a nation which respected human rights. The Shcharanskys' experience should remind us that we have a duty to protect those rights at home and around the globe.

The courage and perseverance of Anatoly and Avital Shcharansky calls for a celebration that goes far beyond our small ability for public recognition. The honor that we bestow commemorates the completion of one struggle. It also marks the beginning of a renewed effort to awaken the world to abuses of human rights wherever they occur.

Mr. CARR. Mr. Speaker, we gather here to pay special tribute to Anatoly Shcharansky, who survived 9 years in Soviet prisons and labor camps and honors us with his presence today.

There are few who do not know the story of this mathematician whose name has appeared in triumphant headlines throughout the free world. His story is one of personal triumph in the face of enormous adversity, of inner strength, and the power of faith.

Mr. Shcharansky is a great champion of human rights and a symbol of courage throughout the world. Yet this cannot truly be called a celebration. For how can we celebrate the freedom of one man when as many as 400,000 Jews remain trapped and persecuted within the Soviet Union?

There are approximately 1.81 million Jews in the U.S.S.R., according to the 1979 Soviet census, making it the third largest Jewish population in the world after the United States and Israel. Our understanding of life for these people paints a dismal picture of persecution and despair:

Not a single Jewish periodical is permitted in the Russian language, which is spoken by over 95 percent of Soviet Jews.

The Hebrew language cannot be taught or studied by Jews.

Many Jewish cemeteries have been and continue to be desecrated and converted to other uses.

Jews are not permitted to have official contacts with coreligionists abroad, to produce or import devotional articles or to publish prayer books, periodicals, and religious calendars.

None of the approximately 50 synagogues are permitted to join one another in regional or national associations.

Because Jews are denied the fight to pass on their traditions to younger generations, the Jewish religion may well face extinction in the Soviet Union. And Jews have little hope of emigrating to freedom. In 1979, the peak year for Jewish emigration, over 51,000 Jews departed. In 1985, only 1,139 were allowed to leave. Soviet authorities claim that those who wanted to leave have already done so. Many find this hard to believe.

The Soviet Union is a signatory to the Helsinki accords and the International Covenant of Civil and Political Rights and subscribes to the principles of the Universal Declaration on Human Rights. They have agreed to honor freedom of worship, freedom of expression, and the right to emigrate to the country of one's choice.

Yet the Soviet Union refuses to allow Jews to emigrate to their homeland and live with dignity and in freedom.

The Soviet Union must honor these agreements and allow Soviet Jews to exercise their basic human rights.

It is most unfortunate that the fate of Soviet Jews has been linked to the ebb and flow of superpower relations, effectively making them hostages and pawns in an international game of strategy. During these days of improved dialog with the Soviet leadership, we can only hope to increase the numbers of Jews allowed to emigrate.

We must call on President Reagan and Soviet Leader Gorbachev to address the human rights of Soviet Jews at their next summit meeting. It is imperative that we, in the United States, make our voices heard and continue to show our concern for the plight of the Soviet Jews.

TRIBUTE TO THE HONORABLE CLAUDE PEPPER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma [Mr. MCCURDY] is recognized for 5 minutes.

Mr. MCCURDY. Mr. Speaker, as a young Member of the other body, CLAUDE PEPPER was one of the most sought-after speakers for Democratic candidates in the 1940 campaign. Forty-six years later, he is more popular and respected than ever. He has become not only a central figure in American politics, but a national folk hero as well. The Almanac of American Politics rightly calls him the least cynical of politicians.

On May 6, together with former Gov. Charles Robb of Virginia, our beloved colleague from Florida received the 1986 Henry M. Jackson Friend of Freedom Award from the Coalition for a Democratic Majority. Everyone who had the privilege, as I did, to hear Chairman PEPPER speak that evening will long remember his stirring message on behalf of the freedoms we all hold so dear.

Surely no Member of this body has been more intimately involved with the great events of the 20th century than CLAUDE PEPPER. No one has a stronger commitment to freedom, and no one has been a more eloquent spokesman and fighter for it, both at home and abroad. I am honored to share Chairman PEPPER'S wise words with his colleagues, who hold him in such high esteem.

COALITION FOR A DEMOCRATIC MAJORITY, 1986 HENRY M. JACKSON FRIEND OF FREEDOM AWARD DINNER, CONGRESSMAN CLAUDE PEPPER, CHAIRMAN, HOUSE COMMITTEE ON RULES, MAY 6, 1986

It is a distinct honor to be associated with this great organization and with the name and illustrious career and character of one of the great men of the past, Senator "Scoop" Jackson. And it is with particular pride this evening that I share the honor of this occasion with one of America's illustrious sons and leaders, former Governor Charles Robb.

I believe it is important that we Democrats again study the past. I think there are many parallels in the attitude of America towards its duty and obligations toward the other peoples of the world between the present time and the period leading up to World War II, when I served on the Foreign Relations Committee as a member of the Senate. There were many occasions during this time when I had the privilege to work with an alert and able young Congressman named Lyndon Johnson. We worked together to try to help President Roosevelt pull America along toward recognizing the necessity for this nation to face the stern facts about the menace of Hitlerism to our country and to freedom in the world. And I remember in those days the almost impenetrable veil of isolationism that prevailed in our country.

Somehow after each war there seems to be a period of reaction. Forty-four years passed between 1870 and 1914, so that by the time World War I began the people's

memories of the Franco-Prussian War had pretty will dimmed. However, it was only 21 years from the end of World War I to the beginning of World War II. So maybe it is not surprising that the people didn't want to get involved in that war. They thought that like the ostrich who reputedly puts his head into the sand, by not looking it would be safe from the danger of the threatened aggression.

I, with my dear wife, had the privilege of attending the Nuremberg Congress in 1938. We heard Hitler speak and we saw manifestations of his character and power. We saw a Nazi flag draped in every window that faced the street. I shall never forget the sight of 200,000 brown shirts goosestepping, 12 abreast, each carrying one of those high flaming torches, singing the Horst Wessel song. You can imagine what a spectacle that presented in the night. In Munich a little later, we had a chance to watch Hitler at close range one afternoon while he was having a late tea at the House of German Art. On these occasions as we saw Hitler with his followers, it became very obvious to me what the evil and fearful portents of the Nazis were for mankind. And already at that time the world was frightened by the proximity of war. Hitler had occupied a great deal of Europe; he had already manifested his cruel and mendacious tendencies and character, and it should have been obvious to anybody what a menace he constituted to mankind.

But here at home President Roosevelt had to pull and tug and strain with every authority that he possessed to try to ensure that America would help the allies before it was too late. Many Members of Congress and Americans of that time didn't understand that the uppermost goal in the heart of Franklin Roosevelt was to help achieve the defeat of Adolph Hitler and eliminate his ominous menace to the world. FDR was not bothered by technicalities, even aspects of international law, when freedom in the world was at stake and in dangerous jeopardy. But it was very difficult for the President to get done what he wanted to do. Congress passed the Neutrality Act to try to keep us out of the War. I was even hanged in effigy one afternoon on a tree in front of the Capitol, with a sign across my chest reading "Claude Benedict Arnold Pepper" because I advocated selective service and aid to the allies.

I see an analogy between that time and this. There is no lack of evidence for the average American, indeed for all the Members of Congress and members of our national government, that one of the nations of the world today is reaching out to increase its domain, to expand its authority, enlarge its control over all the world's area and to exercise more of its power over various parts of the world. When Columbus discovered this great Western Hemisphere the people here thought there had been established a new land that we could keep safe from the oppressions of the European powers which had fomented tragedy throughout so many ages upon so many unfortunate people. We developed what we called the "Monroe Doctrine" whose purpose was to keep this Western Hemisphere, this chosen part of the world, free to develop and grow as God would have it.

Now, however, we are seeing a new aggressive power in spite of its failure at home reaching out more and more into our fertile Western Hemisphere. We see it establishing its system, deploying its arms and personnel, exercising various aspects of power, using coercion in one form or another to influence and repress others. And yet, in the face of all of this, we remain a torn nation, a government divided against itself: house divided against house, parts of Congress divided against the Executive, and our people with very striking differences of opinion about what ought to be done.

In Nicaragua, for example, every time there is an international Communist gathering, the government sends its top people to speak for its Communist Party. When one of the leaders of the Communist world dies, the Nicaraguans must endure three official days of solemn mourning with all the effusions of sorrow that accompany those occasions. And if you go into any of the bookstores and newsstands in Nicaragua you will find a great predominance of the Communist propaganda. There is an old saying that if a fowl waddles like a duck, and quacks like a duck and looks like a duck, it must be a duck. We must not give up our Monroe Doctrine or ignore what must be our response to this intruder in our hempishere. It must be our major effort to marshall the might of the nations in the Western Hemisphere, in concert, to do the job of keeping out the invaders—we should not have to do it alone. As our President said, nine times he has tried to negotiate with the Sandinistas and he has had no success. Therefore he has had to resort to something else. I think we are justified in helping any people in the world who are the victims of aggression and whose human rights are being impaired, whose chance of living a free life under one God is diminished, whether it be in Afghanistan or Angola or Nicaragua, or anywhere else in the world.

I want to say to my distinguished fellow Democrats, that we have every reason to be proud of our illustrious past. It was Thomas Jefferson, our father and founder who wrote in the Declaration of Independence that all men are created equal. Not just the men of the 13 colonies along the Atlantic Seaboard; but all men "are endowed by their creator with certain inalienable rights, among them, life, liberty and the pursuit of happiness". Woodrow Wilson nobly held up the flame of leadership for a new order on earth among nations and men. And the gallant fight that he led is one of the epic struggles of history. After him came others, but President Roosevelt was the personification of our most illustrious dreams. It was he who made possible the salvation of the oppressed peoples and of the cause of freedom in the world against Hitler. He is the author of the Four Freedoms: freedom of worship, everywhere in the world; freedom of speech and expression, everywhere in the world; freedom from want, everywhere in the world; freedom from fear, everywhere in the world. That was the universal, global concept of our greatest leader. And that is where America's heart is still.

Let America again remember the story of the Alamo where Colonel Crockett drew a line across the sand and said to those assembled there, "I challenge all those who will stay here and die with me to walk across that line". And all the men crossed the line with Colonel Crockett. I think that the time has come for America without apology, without embarrassment, without hesitation, without timidity, but with firmness and belief in the righteousness of the cause of freedom, to affirm human dignity and human rights. And where human rights and the right of men to live free under their God are involved, then let us say to those fighting for those rights that you are on our side of the line.

Let those who would demean God's children and strip them of their glorious rights, let them know that in us they have an unremitting, implacable foe—a foe that will stand firm, as long as we still live, for the principles that we hold dear. And so I hope that in America we will soon come to an understanding of what the truths are, and what the facts are and what principles should guide and govern our decisions. And may this mighty America rise up again in the noble spirit that it has shown so many times and again become the leader of mankind to walk on higher ground and in peace.

Thank you very much.

JOINT COMMITTEE ON THE LIBRARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, on Wednesday, May 7, the Joint Committee on the Library, which I am proud to chair, held hearings on the recent budget reductions at the Library of Congress. The Librarian of Congress, Dr. Daniel J. Boorstin, presented a statement speaking of the three constituencies of the Library—the past, the present and the future. I commend to my colleagues the Librarian's remarks which follow:

STATEMENT BY DANIEL J. BOORSTIN, THE LIBRARIAN OF CONGRESS, BEFORE JOINT COMMITTEE ON THE LIBRARY, MAY 7, 1986

Mr. Chairman and Members of the Committee. We welcome this opportunity to appear before this Committee and share our hopes and concerns and have the benefit of your wisdom and experience. In my statement to the House Subcommittee on Legislative Appropriations, I described the implications of the current budget policy and the double cuts in the appropriations of the Library of Congress, for our nation, for the Congress, and for the world of learning. In my brief remarks today, I would like to share with you some of the problems unique to the Library of Congress which arise when we are forced to make the difficult choices imposed by the cuts in our appropriations. These cuts bring the current resources of the Library of Congress below those appropriated for the 1983 fiscal year.

Of course, our primary responsibility is to the needs of the Congress which this Committee can help us define. But there are two other invisible constituencies, which it is the unique responsibility of the Library of Congress to serve. One is the community of all past Americans who have built our nation and enriched our culture. We are mandated by law to collect and preserve their work in countless ways. We edit the "Letters of the Continental Congress," we preserve the "Notes of James Madison," and other members of the Constitutional Convention, the writings of the Presidents from George Washington to Calvin Coolidge, the draft of Abraham Lincoln's Gettysburg Address, as well as the manuscript of Walt Whitman's "Leaves of Grass," the records of the NAACP, and the National American Woman Suffrage Association, including the personal papers of Elizabeth Cady Stanton, the music of Irving Berlin, George Gershwin, and Aaron Copeland, the photographs of Mathew Brady and Lewis Hine, the photographs of the American continent, the maps

of the growth of all our American communities. We give all these creators and builders of America their voice. We must see that they are not forgotten or neglected, that our nation has a cumulative record of those who came before us.

There is also the constituency of our childen and our grandchildren. It is our responsibility, supported by Congressional appropriations, to preserve the copious and comprehensive record of the American culture past and present, for Americans in future centuries. The pioneering work of the Library of Congress, which you have generously supported, to preserve the books, maps, and photographs and all our other records is climaxed in the appropriation of $11.5 million for building the book preservation facility at Fort Detrick, Maryland. To our pioneering in the world of library science, the cataloging of books, and the computerizing of information you have also given generous support. While these efforts preserve the record of history, they also make history. For no other nation has been so scrupulous in its concern for the knowledge and culture of future citizens.

Our three constituencies, of the past, of the present, and of the future, all make costly demands on us. The recent extreme and disastrous cuts in the budget of the Library of Congress have made the competition among our obligations more than ever apparent and have made our choices more than ever painful. The constituencies of the past and of the future are without a voice. They are easily neglected in favor of the vocal demands of the present generation and the neighborhood. In order to meet the legal mandate of Gramm-Rudman, the Library found it necessary to subtract an additional $626,000 from our budget of current material and $1,280,000 from our appropriations for cataloging. By these cuts we are depriving our children and grandchildren of the ample record of their nation. Some three-fourths of the patrons of the Library tell us that they come to the Library of Congress to find what they cannot find anywhere else.

At the same time that we find it necessary to make the cuts in acquisitions and services for future generations we found it necessary to reduce the hours of service in our reading rooms and to close several entrances to the Library in order to reduce costs. This was one of the most painful decisions I have had to make in my decade as the Librarian of Congress. For my colleagues and I in these years have tried to make the Library of Congress more open and more accessible than ever before. Reducing our hours of service amounted to a savings of $585,000. If we had not made this reduction we would have had to acquire $585,000 less of current material, or catalogued that amount less, or committed some other cut to the damage of future generations. We made a cut of only 2.8 percent in our expense for reader services, as against a 22 percent cut in acquisitions. It would be unfair if the living generation did not share to this small extent in our common sacrifice.

In the past the Congress by its foresight has made it possible for the Library of Congress to serve adequately our three constituencies. But while the ballots of the living can be counted, the makers of our nation—the George Washingtons, the Thomas Jeffersons, the Lincolns, the Whitmans, the Frederick Douglasses, the Clara Bartons, the Mathew Bradys, the Gershwins, and thousands less well known cannot cast ballots and cannot write letters to their congressmen. It is our duty to see that their voices and work will continue to be heard and seen. We would fail them, too, if, in giving in to the vocal demands of the present generation and neighborhood, we spend fewer resources in preserving the historic record of our nation.

An institution which has a duty to three constituencies—the illustrious dead, the vocal living, and the voiceless unborn—has no easy problem. The more the Congress cuts our resources—as it has for some inexplicable reason, doubling the cut imposed on most other Federal agencies—the more difficult and more painful and less satisfying are our priorities in service to one or another of our constituencies.

Our nation is unique in many ways. In the way it was founded—in the bright light of history—so that we at the Library of Congress can preserve the visible and vivid record. And in the fact that the founders and builders of our nation have been so vividly aware of the duty of this New World to posterity. We enlist your sympathy, your wisdom and your assistance in helping us make the difficult choices. We hope that in providing the Library adequate resources, Congress can keep this great institution alive and flourishing—and continue to allow us, as we serve you today, to fulfill our duties to those who made America in the past—and those who will build America in the future.

We will be happy to answer any questions you may have.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, I was absent yesterday for roll No. 122, House Resolution 450, the rule on H.R. 1, the Housing Act. Had I been present, I would have voted "yea."

LEGISLATION TO ESTABLISH PILOT PROGRAM FOR MILITARY RENTERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, I am pleased to rise today to introduce legislation which directs the Secretary of Defense to establish a pilot program involving military personnel and their civilian landlords. This program, if implemented, would remove perhaps the largest financial burden imposed on our military families.

I would like to take a few minutes today to describe what this legislation would do. First of all, it would give the Secretary of each military department the authority to designate one military installation in the United States for participation in this program. Second, as part of this pilot program, civilian landlords who rent to military personnel would agree to waive security deposits when renting housing units to military personnel.

In return, the military post would agree that if for any reason the service member leaves without making final payments for rent or damage, the post would make those final payments. These payments could not exceed, however, the amount of an ordinarily required security deposit. Any outlay of funds on the part of the military post would then be deducted from the service member's paycheck.

In other words, let us say that a service member wants to rent an apartment for $500 per month. Under this program, the landlord would agree to accept only a first month's rent without any required security deposit or last month's payment. Right away, we are saving the service member up to $1,000. If the service member is transferred to another post or is assigned to onpost housing and leaves his apartment without paying his last month's rent, the post to which he is assigned would meet the last month's rent payment of $500. This $500 would then be deducted from the service member's paycheck.

This pilot program would run for 1 year, and at the end of that time we could evaluate its results and consider the possibility of enlarging the program.

All of my colleagues are aware of the tremendous financial and emotional pressures inflicted on our military personnel and their families. This already tense situation is made even worse during a permanent change of station move. Travel and relocation expenses come out of the pockets of our servicemen and women. Reimbursement comes later, although in the past only $1 out of every $4 spent on a PCS move has been reimbursed, according to an Air Force study. And when military families arrive in a new location, they must meet the immediate costs of security deposits, first and last month's rent, utility deposits, and more. Before you can even blink, a military family can be thousands of dollars in debt. And 2 years later the whole process is repeated.

In this Congress, we have come a long way in dealing with the pressures and inequities inflicted on our men and women in uniform and their families. I am pleased that my own legislation, H.R. 1371, was the first legislative effort in this area. Many of my proposals regarding PCS moves and travel expenses were incorporated in the Department of Defense authorization for last year.

This year, however, I am reintroducing this proposal to initiate a pilot program involving military personnel and their landlords. No appropriation of funds is necessary because the service member would be ultimately responsible for meeting the costs of any damage or breach of lease.

I know that the landlords on the Monterey Peninsula are interested in this program. They understand the hardships imposed on the military family, and they understand that this program guarantees payment for damages and breach of lease, up to the amount of the usual security deposit. They realize, also, that this program would relieve some of the difficulties they experience in renting to military personnel. This program would give landlords one point of contact for all their military tenants and a source of information regarding military personnel who may soon be transferred, thus

enabling landlords to prepare for a change in the lease.

Mr. Speaker, I believe the success of this pilot program could lead to service-wide program that would solve one of the major problems facing our military personnel, and do away with certainly one of their largest financial burdens. What is more, no one loses in this program; everybody wins. Landlords are guaranteed payment, our military personnel are able to use their hard-earned dollars for necessities, and the services are guaranteed reimbursement for any outlays to landlords.

When the House voted in the last session to accept many of my proposals to ease the burdens on our military personnel, servicemen and women all over the world breathed a sigh of relief. But we have not yet addressed one the most pressing, and financially disabling, issues. The test program I propose would address this issue, and I urge my colleagues to support it, so that one day our military men and women will not look on military service as a financially crippling experience.

H.R. 4840

A bill to provide a rental housing lease indemnity program by the Department of Defense

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. OFF-POST RENTAL HOUSING LEASE INDEMNITY PILOT PROGRAM.

(a) ESTABLISHMENT OF PROGRAM BY SECRETARY OF DEFENSE.—(1) The Secretary of Defense shall establish a pilot program to test the feasibility of implementing a program under which each Secretary of a military department may guarantee compensation of any person who leases a rental unit to any member of the armed forces under the jurisdiction of the Secretary for any breach of the lease or any damage to the rental unit by the member.

(2) The program referred to in paragraph (1) shall be established before the expiration of the 90-day period following the date of the enactment of this Act, but not before October 1, 1986.

(b) ACTIONS BY SECRETARIES OF MILITARY DEPARTMENTS.—(1) In accordance with action taken by the Secretary of Defense under subsection (a), each Secretary of a military department shall designate one military installation in the United States that is under the jurisdiction of such Secretary to participate in the program established under subsection (a).

(2) For purposes of carrying out this section, any Secretary of a military department may, to the extent approved in advance in appropriation Acts, enter into an agreement with any person who leases a rental unit to any member of the armed forces who is under the jurisdiction of the Secretary. Any agreement under this paragraph shall provide that—

(A) the term of the agreement shall not be for more than one year;

(B) the member shall not pay a security deposit;

(C) the Secretary (except as provided in subparagraphs (D) and (E)) shall compensate the lessor for any breach of the lease by the member and for any damage to the rental unit caused by the member or by any guest or dependent of the member;

(D) the total liability of the Secretary for any breach of the lease or for any damage described in subparagraph (C) shall not exceed an amount equal to the amount that the Secretary determines would have been required by the lessor as a security deposit absent the agreement authorized in this paragraph;

(E) the Secretary shall not compensate the lessor for any breach of the lease or for any damage described in subparagraph (C) until the lessor exhausts any remedies available to the lessor against the member for the breach or damage; and

(F) the Secretary shall be subrogated to the rights of the lessor in any case in which the Secretary compensates the lessor for any breach of the lease or for any damage described in subparagraph (C).

(3) Any authority of a Secretary of a military department under this subsection shall be exercised pursuant to regulations issued by the Secretary of Defense.

(c) GARNISHMENT OF PAY OF MEMBER OF ARMED FORCES.—Any Secretary who compensates any lessor under subsection (b) for any damage to a rental unit or any breach of a lease by a member of the armed forces may issue a special order under section 1007 of title 37, United States Code, to authorize the withholding from the pay of the member of an amount equal to the amount paid by the Secretary to the lessor as compensation for the breach or damage.

(d) REPORT REQUIREMENT.—(1) The Secretary of Defense shall submit to the Congress a report concerning the pilot program established under subsection (a), including—

(A) findings and conclusions of the Secretary with respect to the pilot program; and

(B) recommendations as to the feasibility of implementing a program similar to the pilot program on all military installations.

(2) The report referred to in paragraph (1) shall be submitted before the expiration of the 18-month period following the date of the establishment of the pilot program under subsection (a).

(e) TERMINATION OF AUTHORITY.—The authority of any Secretary of a military department to enter into any contract under subsection (b) shall terminate upon the expiration of the 18-month period following the date of the establishment of the pilot program under subsection (a).

(f) DEFINITIONS.—For purposes of this section:

(1) The term "armed forces" has the meaning given such term in section 101(4) of title 10, United States Code.

(2) The term "military department" has the meaning given such term in section 101(7) of title 10, United States Code.

NEW YORK TIMES DETAILS LOAN TO ECUADOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. CHAPMAN] is recognized for 5 minutes.

Mr. CHAPMAN. Mr. Speaker, according to the New York Times, the Reagan administration yesterday agreed to lend $150 million to Ecuador—a member of OPEC—in so-called bridge financing to help it through the tough financial times resulting from the oil price slump while Ecuador negotiates final details on a new loan accord with the International Monetary Fund, the World Bank, and commercial lenders.

The New York Times article indicates that this $150 million loan may only be the beginning of the administration's efforts to assist foreign nations, most significantly Mexico, that have been battered by the oil slump.

It is apparent from the Times article and other news accounts that the Reagan administration is prepared to lead the cavalry charge to assist nations, even OPEC nations, that are hurt by a slumping oil economy through the Department of the Treasury, the IMF, and the World Bank.

Why is the administration willing to help OPEC nations in trouble because of the oil collapse when it is unwilling to lift a finger to assist our domestic oil producers? Does the administration have a program for the domestic producers?

On April 3 of this year, the Dallas Morning News reported the White House program to assist the domestic petroleum industry. Reagan spokesman Larry Speakes told reporters, "We have a number of programs in place that certainly help those who have been displaced by various economic forces." Specifically, when asked to be specific, Larry Speakes said that the White House program to help domestic producers in trouble because of the oil decline included, and I quote, "Unemployment, welfare programs, things like that."

Mr. Speaker, it is a sad day when the priorities of an American administration in dealing with the oil price plunge are that much out of sync. The administration opens the U.S. Treasury for OPEC nations to help them through the tough times in international oil prices and the oil price collapse, but when it comes to our domestic energy producers, this administration's answer is, "Tough luck."

I could not disagree more with those policies. We need to help our own before we trot off to the rescue of OPEC nations. The callous, snide response of the White House to the pleas of American producers being crushed by an oil collapse—while throwing U.S. taxpayers' money at OPEC—cannot, and should not, be condoned.

TORT REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. LUNGREN] is recognized for 60 minutes.

Mr. LUNGREN. Mr. Speaker, this evening the subject of my special order is on tort reform.

Before I get into that subject, I must just make some comment on the two previous special orders. I am really confused. The speaker before the last one said that we have embarrassed Mexico and we owe them an apology. Now I hear from the last speaker that in fact we are trying to help out Mexico and not help our own out. It is

in fact a confusing time we find ourselves in.

I would say with respect to the question of comments made to two members of the administration concerning the Mexican Government that I think that we ought to just flesh out that whole question. I think that we ought to have a full-ranging debate on what in fact is the participation by the Mexican Government, if any, in drug-running or allowing drug-running to go on in that country. I think that we ought to have a full investigation of a DEA agent who was tortured to death under excruciating circumstances, and some suggest with the aid and abetting of certain members of the Mexican local police on the border there. I think that we ought to have a full debate on what the consequences are for the United States in terms of the lenient attitude expressed thus far by the Mexican Government on drug-running through that country as it comes into the United States.

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Rather than ordering an apology, I think we ought to have a full hearing of the issue. It seems to me that if the problem is as asserted by the gentleman who appeared before the Senate committee just the other day that instead of owing an apology to Mexico, we owe an apology to the young people of America, because by not standing up to what the reality is, we are allowing more and more of the poison to go into the veins of our children. That to me is a concern that we ought to have in this House, not that we are somehow reluctant to criticize our neighbor if the neighbor in fact is not acting as a neighbor should, but rather because we are not doing all we should to eradicate the problem of drugs in this country.

Mr. Speaker, let me speak today on my special order on tort reform.

There is no doubt that few private attorneys in America equal the fame of Melvin Belli, the celebrated "king of torts." Mr. Belli has earned millions of dollars for himself and his clients through decades of litigation. Yet today even Mr. Belli can no longer afford insurance premiums, a development he blames on the insurance agencies who have "milked us long enough."

Mr. Belli has contributed to the conflicting crescendo of allegations, anecdotes, statistics, and ostensible solutions that, by their sheer volume, mandate an investigation into the liability panic and its sources. Waves of anecdotal evidence suggest that even the most essential insurance services now lie beyond the grasp of many Americans. Prominent businessmen, journalists and legislators place the onus for that scenario at the feet of the legal system. Yet attorneys continue to question both the evidence and these conclusions. The existence of such a strenuous dispute between the most influential groups in America may lead to severe and destructive societal tensions. If not resolved by careful evaluation, it may also bring about inappropriate—and therefore dangerous—legislative responses.

Thanks to Time, the Wall Street Journal, and Peter Jennings, America has discovered the national liability crisis. Yet, Mr. Speaker, average citizens, workers and employers alike, have felt the impact of this crisis on the local level long before it caught the attention of our national elite.

Municipalities, physicians, and businessmen have deluged the media with tales of woe that would rival Job. I fear these anecdotes suggest that if insurance premiums are not lowered and if the legal system does not accept some restraints on its tort system, the superstructure of American society may become paralyzed. Cities may have to shut down services, physicians may have to stop performing needed but risky operations, and businesses may have to stop making products that could, under the most bizarre circumstances, conceivably cause injury to someone, somehow, sometime.

The President's Tort Policy Working Group, which issued its report in February, voiced specific alarm over such eventualities. The Working Group noted that some cities presently face insurance premium increases of up to 1,000 percent. Other localities confront renewal rates that have climbed by as much as 40 percent, and report that the availability of insurance for cities is "diminishing to nothing." The Working Group adds that a survey by the U.S. Conference of Mayors revealed that over half of the cities polled expected premium increases of 100 percent or more.

According to a March edition of Time magazine, even the capital city of America's insurance companies, Hartford, CT, has suffered from rising insurance premiums. Its own municipal liability coverage was slashed to only $4 million, as compared with $31 million in the 1984-85 fiscal year, despite a 20 percent rise in total premiums. This rise is to the neighborhood of $1.8 million. The city of Dallas, once the symbol of Southwestern economic vitality, experienced premium increases of 1,000 percent, and opted instead for self-insurance, mid-size cities like Greeley, CO, population 55,000, fared no better, Greeley canceled its liability policies last summer. Although Greeley paid for expensive insurance coverage for its police service, the rest of the city's services are "going bare." On a smaller level, Time reports that hundreds of small towns in New York State and my home State of California have decided to do without insurance that they can no longer afford. And the fear of lawsuits has apparently led the town of Blue Lake, CA to shut its skating rinks, parks, and tennis court. If this evidence conforms to a nationwide pattern, it seems that expensive insurance and expensive lawsuits have placed cities either in fiscal straitjackets or on financial precipices.

Physicians, unfortunately, have frequently found themselves in such positons thanks to the mercurial premiums of malpractice insurance. We all laughed at the thought of the Philadelphia woman who recently won a $1 million claim against doctors who had done nothing more than perform a CAT scan on her and had thereby, she claimed and thereby a jury believed, eliminated her psychic powers. Yet I find nothing amusing about the fate of the woman of Molokai, who must fly to Oahu or Maui to give birth with a physician in attendance. What is the reason for their inconvenience? According to Time magazine, the five Molokai doctors who once delivered babies have stopped doing so because malpractice insurance would cost them more than the total of any obstetrical fees they could hope to collect." Time goes on to add even more depressing statistics:

> Six out of every ten babies born in Rhode Island draw their first breath in the Women and Infants' Hospital of Providence, a 102-year-old institution that handles only obstetrical and gynecological cases. The facility also takes high-risk cases from nearby hospitals, a practice not of course calculated to attract insurance salemen. Women and Infants' has managed to hold on to a $3 million primary malpractice policy, but it has been trying vainly since last October to renew its $10 million supplemental coverage.
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> No field in medicine has been harder hit by the insurance crisis than obstetrics. According to the American College of Obstetricians and Gynecologists, 73 percent of its 24,500 members have been sued for malpractice at least once—almost three-quarters. To escape the soaring cost of malpractice protection, some 3,000 Ob-Gyns have abandoned the specialty.

Close to home, my wife found that her own ob-gyn several years ago decided no longer to be involved in obstetrical operations. Then in just the last year and a half he abandoned practice altogether. Now, even though he may have retired to a comfortable position, the fact of the matter is he was an outstanding ob-gyn in our community. He was still healthy. He was still capable of providing services. He had many patients who were desirous of those services, but in fact the malpractice rates became onerous and in fact he abandoned that specialty.

Physicians, not surprisingly, have created their own statistical facts. According to the AMA News, one-third of California obstetricians now limit the number of deliveries they perform and 46 percent restrict the number of high-risk cases they handle. Almost 40

percent of surgeons across America, the publication reports, now refuse to accept high-risk cases because of liability fears.

The President's Tort Policy Working Group contends that these figures reflect a malpractice insurance crisis across America. Malpractice insurers for pediatricians, dentists, nurse/midwives and obstetricians/gynecologists have reduced coverage limits by 50 percent. St. Paul's Insurance Co., which writes coverage for approximately 20 percent of the Nation's doctors, has placed a moratorium on new policies. In a related development, certain nurse/midwives have also found themselves playing financial jeopardy. The American College of Nurse/Midwives includes some 2,500 individuals. Of this number, 1,400 were covered by a blanket insurance policy through the association. In July of last year, that policy was cancelled. The association has been unable to obtain other coverage.

Over 50 percent of the medical liability coverage in America is now managed by doctor-held mutual insurance companies. But can doctors function more effectively as insurers than insurance agencies? Reporters for Time doubt that they can. They note that 10 years ago, "doctors organized a number of companies, promptly dubbed 'bedpan mutuals', to write malpractice insurance at lower premiums. But several of the bedpan mutuals are said to be in financial trouble, and as a group they too are raising premiums rapidly." It seems that like characters in a famous existentialist play, doctors increasingly find themselves with "no exit."

Apparently, American businesses have also found roles to play in this theater of the absurd. The President's Tort Policy Working Group has compiled a phalanx of dismal statistics to confirm this view. Their surveys note severe insurance difficulties among grocers, architects, engineers, day care centers, toy manufacturers, household appliance manufacturers, automobile repair firms, medical equipment manufacturers, biotechnology companies, oil and gas drilling contractors, construction contractors, national gas transportation firms, machine tool manufacturers, battery recycling companies, power equipment manufacturers, general aviation manufacturers, ski facility operators and aerospace manufacturers. If we look more closely at two of the most important of these business sectors, the picture becomes even more bleak.

The National Association for Education of Young Children conducted a survey of day care providers. They covered family day care providers who care for children in a home setting, day care centers and head-start programs. The survey found that 40 percent of the respondents had had their insurance canceled or not renewed and the majority of those with coverage had premium increases, most of which rose 200 percent to 300 percent.

The Working Group paper also notes that 20 percent of the members of the Health Industry Manufacturers Association have recently lost insurance coverage, and premium increase of five to tenfold have led other members to seek alternative insurance solutions.

Two months ago, the AMA News featured a series of reports on the growing consensus behind the need for action vis-a-vis the liability crisis. The publication noted a wide variety of individual cases of the insurance plague.

A Pennsylvania couple who run a tiny auto salvage yard had to take out a bank loan this year to pay their liability insurance premium, which increased by 100 percent * * *. A motorized wheelchair manufacturer in Bridgeport, Michigan, which has never had a successful claim brought against it, saw its liability rates increase from $30,000 to $150,000 * * *. An Omaha manufacturer of manlift cranes saw his coverage decrease while his premiums increased 500 percent—from $43,000 per year to $216,000 per year * * *. Operators of Soldier Field, home of the Chicago Bears, found their insurance coverage canceled just before the Bears' first playoff game against the Los Angeles Rams. The Bears went bare until the next playoff game with the New York Giants, when they purchased one-game coverage from Lloyds of London for $100,000 * * *. A Fort Worth, TX, machinery manufacturer paid $7,800 for $5 million in liability coverage 2 years ago. This year, after going bare for 38 days while searching for someone who would insure him, he finally bought $500,000 worth of coverage for $132,000 * * *. A few years ago, 13 companies made football helmets. After an avalanche of lawsuits brought on behalf of players who suffered head, neck or back injuries, only three manufacturers still produce helmets.

Mr. Speaker, if such incidents do reflect a widespread insurance famine, they may suggest why the U.S. Chamber of Commerce has identified tort reform as its No. 1 priority for 1986.

In addition to the AMA, the Chamber of Commerce and a variety of other business groups, leading newspapers and magazines have now endorsed tort reform as an answer to the apparent crisis in insurance availability. Citing one horror story after another, the Wall Street Journal has repeatedly concluded in its editorials that softhearted judges must share the blame for rising insurance rates.

The current "Journal of Legal Studies," published at the University of Chicago, describes how fault has been replaced by a notion called "enterprise liability." This scheme, devised by liberals in the early 1960's, says that business enterprises should be responsible for any injuries caused by products they introduce into commerce, no matter if the products were as safe as technology allowed or were misused.

The Journal asserts that these policies led to crushing lawsuits and escalating insurance premiums more damaging to the poor and small businesses than anyone else. The tiny ski lodge in Tennessee may crumble under the weight of insurance, but the resorts of Aspen will muddle through.

Even Business Week magazine, though skeptical of the actions of insurance companies, has criticized excesses in the legal system and called for tort reform. Its editors have supported caps on pain and suffering awards; a restriction of strict liability to those products that are demonstrably hazardous; the encouragement of alternative dispute mechanisms. These editors have also called for a modification of the "joint and several liability" practice, whereby persons sharing a small portion of the blame for an incident may have to pay the entire amount of damages. According to Business Week, "this encourages plaintiffs to sue everybody in sight who can in any way be dragged into the case, especially those with deep pockets." Business Week thus advises that the amount of payment for damages be linked to the degree of responsibility.

The State governments and Washington have not ignored the pleas of the U.S. Chamber of Commerce, the American Medical Association, and other organizations. Political leaders across the country now accept the view that the Nation faces a crisis of insurance availability. And many also accept the view that the legal system is largely responsible for this crisis. Tort reform measures have passed or are pending in 42 State legislatures this year. Legislation to cap damages has been introduced in 31 States and the District of Columbia. Five States have passed such legislation, while three have rejected it. New regulation of attorney contingency fees has been introduced in 18 States and the District of Columbia. Three States have passed such bills, and one has rejected it. Joint and several liability measures are under consideration in 20 States.

Members of the U.S. House and Senate have introduced a wide variety of bills affecting tort reform. But they may be superseded in fact, by President Reagan, who last week proposed three bills. They affect the liability of government contractors, product liability and Federal tort claims. Provisions in these bills include the elimination of joint and several liabilities (except in cases where concerted action was the cause of injury); a $100,000 cap on noneconomic damages; the use of periodic payments when damages exceed $100,000; the imposition of a sliding scale on contingency fees; the encouragement of alternative forms of dispute resolution; and the rejection of product liability when unreasonable or unforeseeable use occurs or where there is adequate warning.

The President's Tort Policy Working Group laid the foundations for these legislative recommendations. Its

report concluded that three afflictions of the present judicial system represent the major sources of the apparent liability crisis. First, it called the growth of the number of product liability suits "astounding." The number of these cases filed in Federal district courts has increased from 1,579 in 1974 to 13,554 in 1985. Similarly, the number of medical malpractice suits filed against physician-owned companies has climbed from 10,568 in 1979 to 23,545 in 1933. The study adds that "the number of medical malpractice lawsuits per 100 physicians more than doubled from 1976 to 1981, and for obstetricians/gynecologists actually tripled during this period." Municipalities, according to a survey of over 1,200 cities, experienced a 141-percent growth in suits between 1979 and 1981.

The President's study places great emphasis on the growth in the amount of damages awarded. While one might attribute the increase in the numbers of suits to increased recklessness on the part of businesses and professionals, it is far more difficult to explain away a significant rise in the money given to plaintiffs in the cases. Victims of product malfunctions or medical malpractice suffered just as much before the trend of increased lawsuits as after. Why then is it that the average medical malpractice jury verdict rose from $220,000 in 1975 to $1,017,000 in 1985? Why is it that average product liability awards darted in the same period from $393,000 to $3,850,000? Why is it that there were just 3 medical malpractice awards of over $1 million in 1975, and 71 in 1984? Finally, why is it that there were only $9 million in verdicts in product liability cases in 1975 and a whopping $86 million in 1984?

The President's Working Group made the obvious conclusions from this information, incomplete though it may be. If the amount of awards and the number of cases are rising sharply, then insurance companies face a sharp reduction in their reserves. They therefore must increase premiums and avoid risky policies to compensate for these losses. Since potential losses appear severe, these companies must be severe in their adoption of policies and imposition of premiums. The tumult that has characterized tort law has generated an uncertainty that only accentuates these difficulties. The study group regarded this instability as the third of the critical afflictions facing the judicial system.

Based on these conclusions, the Working Group derived recommendations used by the President. It contended, for example, that joint and several liability can lead to highly inequitable results. "Joint and several liability," the report states, "has led to the inclusion of many 'deep pocket' defendants such as governments, larger corporations, and insured entitities whose involvement is only tangential and who probably would not be joined except for the existence of joint and several liability." The existence of these practices, in the Justice Department's view, thus allows for an unfair gauging of defendants like cities or counties that inevitably drives up their insurance premiums.

The Working Group cited noneconomic damages as another important area of necessary reform. It emphasized that such awards are subjective, open-ended, unpredictable and potentially obstructive in the settlement process. In regard to the latter charge, the report notes that plaintiffs and defendants may quickly come to an agreement on economic damages, but disagree on others. Thus legal conflicts may lengthen, even when it would be to the clients' interest to obtain a quick settlement.

In the Justice Department's view, one should also be concerned with potential abuses of the punitive damages practice. The Working Group cited the case of Johnson versus American Cyanamid Co., where the jury awarded $8 million in punitive damages against the defendant for its decision to produce the Sabin vaccine. The Working Group's report states:

> Despite the fact that the defendant had complied in this decision with the well-established judgment of the U.S. Government and virtually the entire medical community, the jury apparently decided to use punitive damages to overrule this judgment and to force the Sabin vaccine off the market. Ironically, the Sabin vaccine has proven far more effective than the Salk vaccine in combatting polio. The case presently is on appeal to the Kansas Supreme Court, and the Federal Government has filed an amicus brief urging reversal.

If Federal and State judges should not make social engineering decisions, it seems unreasonable to give juries in civil suits absolute power over medical and business decisionmaking, particularly in the area of awards which may be designated as punitive.

Third, the President's legislative recommendations concur with recommendations of the Working Group for periodic rather than lump-sum payment of damages. Periodic payments allow defendants to digest large judgments. They benefit society by providing plaintiffs with a guaranteed stream of income. Such a continuous line of funds insures that even plaintiffs with severe injuries will not become wards of the State.

□ 1800

Mr. Speaker, I might say in one of the last years I was practicing law before I was elected to this body I had the pleasure of being involved in a case where we had one of the very first periodic-payment schedules established in a major accident case. I would just say, Mr. Speaker, that as far as the client is concerned, in most cases it is more beneficial than a lump-sum payment, and that is because oftentimes when someone is severely injured and they get a lump-sum payment, there may be a tendency to spend it all at one point in time, or they may be unable to do that type of work that they were used to doing and therefore use that lump sum perhaps in a venture in which they are not very well trained. In other words, there is a tendency in some cases to lose the money right away.

Where you have a periodic payment, the requirement is that a specified amount of money is given to that individual and guaranteed to that individual for the rest of his or her life and, therefore, they are protected with a continuous stream of income.

Not so coincidentally, however, that purchase, or the purchase of such an annuity, is of a lesser cost to the insurance company or the defendant, if he or she is paying individually, than a lump-sum payment. So the societal costs are less because obviously if an insurance company pays less for an annuity than they would in a lump-sum payment, the amount they will have to charge for insuring individuals in the future will be less than it would otherwise be.

The President recommends that a limitation be placed on the consideration of collateral sources of compensation. When collateral sources of income were provided by the plaintiff himself, the Working Group states, it was justifiable to take the effect of injury on them into account in awarding damages. But today governments and employers often provide such sources of income. The Working Group objected in particualr to consideration of collateral sources of income from State or Federal Governments. When this factor is introduced into the calculation of awards, citizens must pay for the award made in two instances: First as taxpayers, and second as consumers of the product causing injury. The Working Group charged that such provisions too often allow for windfall recoveries by plaintiffs.

The President adopted the schedule for contingency fees advocated by the Working Group. The latter justified these changes for four reasons:

> Verdicts often are inflated by judges and juries to compensate plaintiff for what is well understood to be high attorneys' fees. Defendants thus pay for such fees through higher insurance premiums for awards which, in turn, are passed on to consumers through higher prices. It is difficult to justify placing such a burden on American consumers for the purpose of paying what often amounts to exorbitant attorneys' fees.
>
> Similarly, in order to compensate plaintiffs for very high contingency fees, settlements often are higher than otherwise would be the case. As with high awards, these payments ultimately are passed through to the consumer. More problemat-

ic, however, is that attorneys' fees often can become a major impediment to settlements since defendants may balk at paying a higher than justified award in order to compensate plaintiffs for exorbitant attorneys' fees. In such situations, attorneys' fees create an additional burden by causing cases not to be settled that otherwise would be settled.

Contingency fees also distort the incentives of attorneys. Such fees may lead plaintiffs' attorneys to hold out for high noneconomic damages (and, potentially, windfall profits for the attorney requiring only minimal additional work on the attorney's part), while the clients may be best served with obtaining economic damages and more limited noneconomic damages as promptly as possible.

Scheduling contingency fees also should substantially reduce the excessive transaction costs presently plaguing the tort system. This is particularly important in such areas as the asbestos litigations where there are only limited resources available to compensate a large pool of plaintiffs.

□ 1810

Of the major recommendations of the Tort Policy Working Group, the President bypassed only one. The Working Group strongly criticized laxity in the evaluation of witnesses in lawsuits, arguing that unqualified individuals often lent undue credibility to the arguments of plaintiffs. The study also noted that judges do not possess adequate familiarity with scientific issues, although they handle many cases requiring such knowledge. The Working Group advised that courts give greater deference to organizations and agencies that have long-standing familiarity with complex scientific affairs. It also suggested that "studies and opinions that have not been subjected to the peer review process should be presumed invalid." While the President did not adopt these proposals, it remains highly significant that he accepted all the other suggestions of a commission highly critical of the present judicial system.

Flooded with one tale of woe after another, America's political leaders have responded with a deluge of legislation. Yet certain elements of the attorneys bar, the group that would be the most affected by these initiatives, have stood aloof. Some lawyers argue that claims of an insurance debacle are exaggerated, and that the data so far presented on the question is unreliable. These attorneys also claim that the insurance companies must bear the blame for whatever ills may in fact exist in the liability system. These firms, it is alleged, have mismanaged their investments and now manipulate Americans on a grand scale.

Aside from the fact that the stories reflect isolated incidents, are there other reasons to doubt the reliability of the anecdotal evidence heretofore presented? The complexity of the cases involved may provide some reason. In its March 24 cover story on the liability insurance issue, Time magazine provided four possible illustrations of this complexity. It will suffice to bring the key point home:

According to the frequently cited tale, a body builder competing in a foot race with a refrigerator strapped to his back was injured when one of the straps came loose; he sued several defendants, including the strapmaker, and won $1 million.

Now some have said this is not as atrocious or unreasonable an example as might be expected, and they explain it this way:

The facts, according to [the Association of Trial Lawyers of America]: ten athletes competed in a televised stunt race, each with a 400 pound refrigerator strapped to his back; each received a written contract guaranteeing that the equipment had been tested for safety. Franco Columbo, a world-champion body builder, did fall and suffered total knee displacement that required extensive knee surgery. At the trial, testimony showed that the equipment had never been tested on anyone of Columbo's size while running. In fact, the engineer for the fitness center that developed the contest said that he had warned the organizer, Trans World International, that the whole race was unsafe. Columbo did win slightly less than $1 million from Trans World, but the strapmaker was not sued because the strap never broke.

The Association of Trial Lawyers provided Time with the details of an equally famous case in Pennsylvania:

Another tale allegedly involves a fat man with a history of coronary disease who suffered a heart attack while trying to start a Sears lawn mower, sued Sears and the manufacturer, contending that too much force was required to pull the rope, and won $1,750,000. The real story is that a 32-year-old doctor, who had no history of heart trouble, fell victim to a heart attack after futilely yanking the lawn mower's starter cord 15 times. A Philadelphia jury found that the mower's exhaust valve failed to meet the manufacturer's own specifications, hindering start-up to the extent that the rope had indeed to be pulled with excessive force. The jury did award $1,750,000, but the case was subsequently settled for an undisclosed amount.

Now, the Association of Trial Lawyers used these two and two more examples to show that, in fact, the stories about gross abuse of the judicial system make sensational headlines, but sometimes prove to be an unreliable source of information about the system. I would leave it to the other Members of Congress and others, average American citizens, to see whether or not they think that these cases show that the tort system is working the way it should be working.

I would ask other Members of Congress whether or not these two cases suggest that perhaps we have become too litigious a society and that we in Congress, as informed lawmakers, ought not to make some changes in the system.

Leaving aside refrigerators and lawn mowers, opponents of an overhaul of the tort system have marshaled more general criticisms of the data I described earlier. First, they insist that stories or statistics about huge awards often reflect only one part of the possible proceedings in a case. It is quite possible that such awards could be lowered during the appeals process. Second, they stress that the use of averages in describing the level of awards misleads the public. Figures prepared by jury verdict research, opponents of reform say, reflect a relatively small number of substantial awards.

I might just interject at this point, Mr. Speaker, that when I was practicing law and doing some defense work, I recall we used the jury verdict research figures not because we wanted to assault the system, but so that we would have a better understanding of what the verdicts were, so that we might be better prepared when we went to settlement conference to compromise a case, and that we might advise our clients about what they might expect in terms of jury verdicts.

Let me just assure my colleagues that members of the bar take those figures very, very seriously as prepared by the jury research organization.

The Association of Trial Lawyers of America also contends that more than two-thirds of the million dollar verdicts benefit victims or relatives of victims of genuinely serious injuries, such as death or permanent paralysis.

A recent court case in Houston illustrates the severe difficulties in passing judgment on awards. The families of Joseph Valley, William McKinnon and Jennie Jones sued the owner of the Blalock Nursing Home in Houston. The plaintiffs received an award of $4.5 million, the largest in the history of nursing home lawsuits. The plaintiffs alleged that extreme negligence on the part of the home had led to the deaths of their loved ones. More specifically, AMA News states that:

Blalock North and its owners were accused of understaffing the facility, failing to provide adequate health care, and failing to abide by Federal standards governing facilities receiving Medicaid payments. The home was accused of neglecting to feed patients adequately and of being remiss in reporting abuse and patient neglect. In addition, corporation employees allegedly failed to transfer patients to hospitals when their conditions became too critical to treat at the facility.

Significantly, six other suits are currently pending against the home. One may argue that the amount of the award is huge and will more likely raise costs at the home than bring real comfort to those who are now grieving. Yet the apparently extreme degree of negligence at Blalock leads one to wonder if a lesser amount would have really communicated anything to the multibillion-dollar corporation that owns it. Subjectivity may not only be a factor in individual lawsuits, but in our ability to decide the

level of awards courts should have at their disposal.

Mr. Speaker, I might just say that I am not suggesting in any way that certain of these cases are not legitimate and are not justified, and are not meritorious. What I am suggesting is the overall trends in my view very firmly places the evidence on the side of those who suggest that the system needs to be revamped in some serious ways.

The American Bar Foundation, a research branch of the American Bar Association, recently released a study of punitive damages that challenges earlier conclusions. The ABF surveyed six cities: Houston, Phoenix, Los Angeles, New York, Atlanta, and Chicago. In those localities, the ABF found that punitive awards are not routine, seldom involve huge sums, and occur infrequently in product liability cases. Judge and juries awarded such verdicts in these cities in less than 20 percent of cases, the study says. Jurors in New York are particularly stingy, recommending punitive damages in only 1.6 percent of cases. In five of the six cities, the median value of awards with punitive damages did not exceed $100,000. Further, the percentage of product liability cases with punitive damages fell well below the 20-percent margin in five of the cities.

□ 1820

The ABF concludes that media and government sources have exaggerated the scope of the punitive damage problem.

Attorneys, consumer advocates, and other opponents of wide-ranging tort reform have not been satisfied, however, with a mere rebuttal of charges about the judicial system. They have counterattacked with severe criticism of the insurance industry. Insurance agencies, in this view, engaged in poor management and investment practices in recent years and now gouge consumers of insurance in order to compensate. The March 10 edition of Business Week summarized this argument:

The price hikes on liability coverage are coming just as the industry is engaged in a desperate attempt to repair the damage from a fratricidal 8-year price war that ended only in the autumn of 1984. Although the higher premiums and reduced coverage since are boosting stock prices, insurers' traumas are far from over.

Even company insiders were stunned when insurance giant Cigna Corp. announced that it had underestimated its need to reserve against future claims on policies issued before 1985. Cigna charged a massive $1.2 billion against last year's fourth quarter earnings, though it put aside only half that amount—raising commensurately big questions. "When some other corporations have managed their balance sheets better, what else do you call it but some type of mismanagement?" Demands Myron Picoult, an insurance analyst at Oppenheimer & Co.

During the price war, a popular technique called cash-flow underwriting probably caused the most damage to insurance balance sheets. Abandoning traditional underwriting standards, insurers competed fiercely for premium dollars, which they could invest in high yield debt. They planned to pay losses against policies with the earnings generated by high interest rates. When interest rates fell just as claims began to pour in, the party ended. Insurers are widely thought to be underreserved for future losses by as much as 20 percent.

Mr. Speaker, not everyone concurs with this gloomy assessment. Gerry Spence, a famous Wyoming trial lawyer, argues that the insurance companies have actually recovered financially, but continue to hike premiums up out of sheer greed, "What the insurance companies have done," Spence says," Is to reverse the business so that the public at large insures the insurance companies," To support their position, Spence and other consumer advocates say that the industry achieved an after-tax profit of $5 billion last year, and that Wall Street stock traders have consistently bid up the price of property-casualty insurance shares.

As attorneys replied to criticisms of the legal system, so too have proponents of tort reform replied to charges that the insurance system requires overhaul. The President's Tort Policy Working Group rejected blanket assertions that insurance firms must bear the burden of blame for the effects of sharply increasing premiums. The report states:

The reasons why the loss recoupment (or excessive pricing) theories advocated by some make little economic sense can briefly be summarized as follows:

1. Insurers, like all profit maximizing companies, charge the price which maximizes their profits. Past gains or past losses are irrelevant to setting the price today which will maximize profits tomorrow. The argument that insurers are charging higher premiums to recoup past losses suggests that absent such losses their premiums would be lower—that it, that they would not be charging premiums that maximize their profits. That makes little sense.

2. Even if excessive premiums were being charged by some insurers to recoup their past losses * * * other insurers would offer the same coverage at lower price reflecting the actual risk, or insured would retain such excess profits for themselves through self-insurance or the formation of captives.

3. The commercial lines of insurance, which are at the center of the availability/affordability crisis, in fact are relatively competitive. For example, the 1977 report of the Task Force on Antitrust Immunities found that the property liability insurance industry "appears to possess an atomistic market structure," including over 900 companies. The Task Force also found that the restrictions to entry do not appear significant in the property liability insurance industry, and that there appears to be price competition in this line as a result of "an industry structure that favors competition." It is, of course, difficult to conceive how premiums are being kept at artificially high levels for a line of insurance in which prices appear to be competitively determined.

4. Finally, many of the strongest proponents of the loss recoupment theory also contend that these losses were the result of excessive price competition in the industry. Obviously, it is difficult to reconcile these arguments."

The Working Group has thus demonstrated that in addition to legal complexities, legislators who wish to deal intelligently with the insurance issue must cross the barriers of economics.

The national media, State and Federal political leaders, powerful private sector interest groups and an array of angry individual citizens have spun a tangled web of allegations and data that appears extremely intimidating. Yet Congress has no choice but to attempt to sort through this web by means of comprehensive and consistent analyses of the situation. If we allow a huge amalgam of anger and conflicting information to persist, we run the risk of permitting the generation not only of deep distrust between the constituents or our society, but of increasing cynicism. This would be especially disastrous for our legal system, which relies so heavily on the confidence of our citizens for its proper operation.

As a starting point, Congress might wish to consider an evaluation of the effect of changing insurance rates on the productivity and global competitiveness of U.S. companies.

At a time when we are discussing certain trade policies, would it not be interesting for us to also have an analysis of the impact, if any, of this increase in litigation, increase in insurance policy rates and in fact unavailability of insurance coverage for many actors in our economic system.

At bottom, Mr. Speaker, it is essential that Congress begin this process soon. Public pressure may force the House and Senate to act quickly, without the benefit of independent and thorough studies. Inappropriate revisions of either the judicial system or the insurance system might have disastrous consequences, given the critical roles they both play in the health, welfare and economic prosperity of Americans. The recent insurance turmoil in West Virginia may be suggestive of such consequences.

Some 7 or 10 years ago, Mr. Speaker, in my home State of California, we faced an immediate problem of crisis proportions concerning medical malpractice. We made major changes. It has taken over 7 years for us to go through the entire court process, to make sure that in fact the changes made by the legislature were constitutional.

Those changes now have been determined to be constitutional and in spirit and in fact parallel the very recommendations the President has made in the legislation that has been introduced.

Mr. Speaker, it seems to me this is a challenge which is upon us of crisis proportions; we are hearing from constituencies all across the board, all across the country. We must act; we must act now.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HENDON (at the request of Mr. MICHEL), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BURTON of Indiana, for 60 minutes, on May 20.

(The following Members (at the request of Mr. GEKAS) to revise and extend their remarks and include extraneous material:)

Mr. GEKAS, for 5 minutes, today.

Mr. JEFFORDS, for 15 minutes, today.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. BROOKS, for 5 minutes, today.

Mr. LANTOS, for 5 minutes, today.

Mr. MCCURDY, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mrs. SCHROEDER, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. CHAPMAN, for 5 minutes, today.

Mr. COLEMAN of Texas, for 60 minutes, on May 21.

Mr. CROCKETT, for 60 minutes, on June 12.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DANNEMEYER, to include extraneous matter on House Concurrent Resolution 337, in the Committee of the Whole, today.

Mr. GARCIA, prior to the vote on the Leland amendment to House Concurrent Resolution 337 in the Committee of the Whole today.

(The following Members (at the request of Mr. GEKAS) and to include extraneous matter:)

Mr. COATS.

Mr. DENNY SMITH.

Mr. SUNDQUIST.

Mr. RITTER.

Mr. MCGRATH.

Mr. KEMP in two instances.

Mr. WYLIE.

Mr. HUNTER.

Mr. JEFFORDS.

Mr. GILMAN in three instances.

Mr. DANNEMEYER.

Mr. COURTER.

Mr. TAUKE.

Mr. CRANE in two instances.

Mr. GOODLING.

Mr. CHENEY.

Mr. DORNAN of California.

Mr. HORTON.

Mr. GALLO.

Mrs. SCHNEIDER.

Mr. CRAIG.

Mr. BROOMFIELD.

Mr. LIGHTFOOT.

Mrs. JOHNSON.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. COLEMAN of Texas.

Mr. LIPINSKI.

Mr. SKELTON in two instances.

Mr. YOUNG of Missouri.

Mr. BARNES in two instances.

Mr. ANNUNZIO.

Mr. MINETA.

Mr. STUDDS in two instances.

Mrs. LLOYD.

Mr. DOWNEY of New York.

Mr. HAWKINS.

Mr. RAHALL in two instances.

Mr. TRAFICANT.

Mr. PANETTA.

Mr. KANJORSKI in three instances.

Mr. FAZIO.

Mr. MONTGOMERY in two instances.

Mr. RODINO in two instances.

Mr. BOLAND.

Mr. MANTON.

Mr. WAXMAN.

Mr. STARK.

Mr. DORGAN of North Dakota.

Mr. BONKER.

Mr. FORD of Michigan

Mr. HOYER.

Mr. HERTEL of Michigan

Mr. TRAXLER.

Mr. MURTHA.

Mr. BOSCO.

Mr. DYMALLY.

Mr. DURBIN.

Mr. JONES of Tennessee.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1349. An act to reduce the costs of operating Presidential libraries, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 974. An act to provide for protection and advocacy for mentally ill individuals, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following day present to the President, for his approval, a bill of the House of the following title:

On May 14, 1986:

H.R. 4767. An act to deauthorize the project for improvements at Racine Harbor, WI.

ADJOURNMENT

Mr. LUNGREN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 28 minutes p.m.) under its previous order, the House adjourned until Monday, May 19, 1986, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3509. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report of the value of property, supplies and commodities provided by the Berlin Magistrate for the quarter January 1, 1986, through March 31, 1986, pursuant to Public Law 99-190, section 8014; to the Committee on Appropriations.

3510. A letter from the Secretary of Education, transmitting a copy of final regulations for the assistance to States for education of handicapped children—State plan disapproval, pursuant to 20 U.S.C. 1232(d)(i); to the Committee on Education and Labor.

3511. A letter from the Secretary of Education, transmitting a copy of the notice of final funding priorities for postsecondary education programs for handicapped persons—regional centers for deaf individuals, pursuant to 20 U.S.C. 1232(d)(i); to the Committee on Education and Labor.

3512. A letter from the Secretary of Commerce, transmitting the annual report on the activities of the U.S. Travel and Tourism Administration for fiscal year 1985, pursuant to 22 U.S.C. 2123a; to the Committee on Energy and Commerce.

3513. A letter from the Director, Federal Mediation and Conciliation Service, transmitting a report of the agency's activities under the Freedom of Information Act during calendar year 1985, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3514. A letter from the Deputy Associate Director for Royalty Management, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

3515. A letter from the Trustee of the St. George Island Trust, transmitting a copy of the audited financial statement of the St. George Island Trust, as of December 31, 1985, pursuant to 16 U.S.C. 1166(g) (Pub. L. 89-702, sec. 206(g) (97 Stat. 842)); to the Committee on Merchant Marine and Fisheries.

3516. A letter from the Director, Office of Personnel Management, transmitting the interim report on the Senior Executive Service; in addition to the nine required parts, a tenth part covering 5 U.S.C. 4314 is attached, pursuant to 5 U.S.C. 3135 and

4314(d); Public Law 95-454, section 415(b)(4); to the Committee on Post Office and Civil Service.

3517. A letter from the Administrator, General Services Administration, transmitting a copy of a lease prospectus to acquire 132,000 occupiable square feet of space for the Internal Revenue Service in Philadelphia, PA, pursuant to Public Law 86-249, section 7(a) (86 Stat. 217); to the Committee on Public Works and Transportation.

3518. A letter from the Administrator of Veterans Affairs, Veterans Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to eliminate or modify statutory requirements for the Veterans' Administration [VA] to prepare reports which no longer serve their original purposes; to the Committee on Veterans' Affairs.

3519. A letter from the Administrator of Veteran's Affairs, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to make certain improvements in the educational assistance programs for veterans eligible persons; to repeal the education loan program; and for other purposes; to the Committee on Veterans' Affairs.

3520. A letter from the Archivist, National Archives and Records Administration, transmitting a report on the plan for improving the management, maintenance, storage and preservation of military records, pursuant to Public Law 99-145, section 1626(b) (99 Stat. 778); jointly, to the Committees on Armed Services and Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WOLPE: Committee on Foreign Affairs. H.R. 4276. A bill to require that any United States Government support for military or paramilitary operations in Angola be openly acknowledged and publicly debated (Rept. 99-508, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. GLICKMAN: Committee on the Judiciary. H.R. 4588. A bill to authorize appropriations for the Administrative Conference of the United States, and for other purposes. (Rept. 99-603). Referred to the Committee of the Whole House on the State of the Union.

Mr. BEILENSON: Committee on Rules. H. Res. 456. Resolution providing for the consideration of H.R. 4800, a bill to enhance the competitiveness of American industry; and for other purposes. (Rept. 99-604). Referred to the House Calendar.

Mr. MONTGOMERY: Committee on Veterans' Affairs. H.R. 4775. A bill to amend title 38, United States Code, to provide an exemption for the veterans' housing loan programs from any provision of law providing for the sequestration of budget authority generally throughout the Federal Government, and for other purposes. (Rept. 99-605). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GLICKMAN (for himself, Mr. FRANK, Mr. BERMAN, Mr. BOUCHER, Mr. STAGGERS, Mr. BRYANT, Mr. IRELAND, Mr. BEDELL, and Mr. STARK):

H.R. 4827. A bill to amend title 31, United States Code, with respect to the fraudulent use of public property or money; to the Committee on the Judiciary.

By Mr. BARTON of Texas (for himself and Mr. STENHOLM):

H.R. 4828. A bill to amend the Internal Revenue Code of 1954 to impose a tax on the importation of crude oil and petroleum products; to the Committee on Ways and Means.

By Mr. BOLAND (for himself, Mr. CONTE, and Mr. MINETA):

H.R. 4829. A bill to repeal Public Law 87-186 relating to the National Armed Forces Museum Advisory Board of the Smithsonian Institution; to the Committee on House Administration.

By Mr. MICHEL (for himself, Mr. LOTT, Mr. CHENEY, Mr. LEWIS of California, Mrs. MARTIN of Illinois, Mr. LAGOMARSINO, Mr. VANDER JAGT, Mr. DUNCAN, Mr. MADIGAN, Mr. HILLIS, Mr. CRANE, Mr. ROTH, Mr. BROOMFIELD, Mr. THOMAS of California, Mr. FRENZEL, Mr. ARCHER, Mr. LOEFFLER, Mr. KINDNESS, Mr. BROYHILL, Mr. CAMPBELL, and Mr. DAUB):

H.R. 4830. A bill to reform the trade laws; and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs; Ways and Means; Foreign Affairs; Energy and Commerce; Agriculture, and the Judiciary, for consideration of such portions of the bill as fall within the jurisdiction of those committees pursuant to paragraphs (d), (v), (i), (h), (a), and (m) of rule X, respectively.

By Mr. BROOKS:

H.R. 4831. A bill to provide for antitrust law violators to be subject to individual responsibility for treble the amount of damages attributable to their violations, and to assure fairness in the allocation and award of antitrust damages; to the Committee on the Judiciary.

By Mr. DANNEMEYER:

H.R. 4832. A bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes; jointly, to the Committees on the Judiciary and Energy and Commerce.

By Mr. DASCHLE:

H.R. 4833. A bill to integrate the West Potter Water Project District, SD, into the Pick-Sloan Missouri Basin program; to the Committee on Interior and Insular Affairs.

By Mr. DAVIS:

H.R. 4834. A bill to enhance boating safety by requiring the display on gasoline pumps of the type of alcohol, the percentage of each type of alcohol, and the percentage of cosolvents, if any, contained in the gasoline, and for other purposes; jointly, to the Committees on Energy and Commerce and Merchant Marine and Fisheries.

By Mr. GEJDENSON:

H.R. 4835. A bill to amend the Energy Reorganization Act of 1974 to create an Office of Inspector General in the Nuclear Regulatory Commission; to the Committee on Interior and Insular Affairs.

By Mr. HAMMERSCHMIDT:

H.R. 4836. A bill to amend section 403 of the Federal Aviation Act of 1958 to ensure fair treatment of airline employees in airline mergers and similar transactions; to the Committee on Public Works and Transportation.

By Mrs. JOHNSON:

H.R. 4837. A bill to exclude from importation for certain periods all goods and services of persons who engage in the dumping of goods into the United States; to the Committee on Ways and Means.

By Mr. MINETA (for himself, Mr. HOWARD, Mr. SNYDER, Mr. ANDERSON, Mr. STANGELAND, Mr. ROE, Mr. CLINGER, Mr. BREAUX, Mr. MOLINARI, Mr. OBERSTAR, Mr. MCEWEN, Mr. NOWAK, Mr. SUNDQUIST, Mr. EDGAR, Mrs. JOHNSON, Mr. YOUNG of Missouri, Mr. BOEHLERT, Mr. RAHALL, Mr. GALLO, Mr. APPLEGATE, Mrs. BENTLEY, Mr. DE LUGO, Mr. ROWLAND of Connecticut, Mr. SAVAGE, Mr. BOSCO, Mr. MOODY, Mr. BORSKI, Mr. KOLTER, Mr. TOWNS, Mr. LIPINSKI, Mr. WISE, Mr. GRAY of Illinois, Mr. VISCLOSKY, Mr. TRAFICANT, Mrs. LONG, and Mr. PERKINS):

H.R. 4838. A bill to amend section 408 of the Federal Aviation Act of 1958 to ensure fair treatment of airline employees in airline mergers and similar transactions; to the Committee on Public Works and Transportation.

By Mr. MONTGOMERY (for himself and Mr. HAMMERSCHMIDT):

H.R. 4839. A bill to establish a pilot program for the improvement of the efficiency and economy of Veterans' Administration medical centers; to the Committee on Veterans' Affairs.

By Mr. PANETTA:

H.R. 4840. A bill to provide a rental housing lease indemnity program by the Department of Defense; to the Committee on Armed Services.

By Mr. PERKINS (for himself and Mr. GOODLING):

H.R. 4841. A bill to amend the Carl D. Perkins Vocational Education Act with respect to State allotments under the Act; to the Committee on Education and Labor.

By Mrs. SCHROEDER (for herself and Mr. DORGAN of North Dakota):

H.R. 4842. A bill to provide for a phased reduction in the number of members of the United States Armed Forces stationed ashore outside the United States; to the Committee on Armed Services.

By Mr. SHARP (for himself, Mr. BRYANT, Mr. EDGAR, Mr. RALPH M. HALL, Mr. LELAND, Mr. RICHARDSON, Mr. SHELBY, Mr. SYNAR, Mr. TAUZIN, and Mr. WALGREN):

H.R. 4843. A bill to amend the Energy Policy and Conservation Act for the purpose of improving national energy policy; jointly, to the Committees on Armed Services and Energy and Commerce.

By Mr. STALLINGS:

H.R. 4844. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the North Side Pumping Division Extension, Minidoka Project, ID, for irrigation, fish and wildlife, and other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HOWARD (for himself, Mr. SNYDER, Mr. ANDERSON, and Mr. SHUSTER):

H.J. Res. 636. Joint resolution designating June 26, 1986, as "National Interstate Highway Day"; considered and passed.

By Mr. CARPER:

H.J. Res. 637. Joint resolution proposing an amendment to the Constitution relating to Federal budget procedures; to the Committee on the Judiciary.

By Mr. ROBERTS:

H.J. Res. 638. Joint resolution to designate the week beginning November 9, 1986, as "National Reye's Syndrome Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. SCHULZE:

H. Res. 457. Resolution amending the Rules of the House of Representatives to reduce the number of pieces of franked mass mail that may be sent by each Member and to authorize each Member to establish a newsletter fund as a special office account; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, a memorial was presented and referred as follows:

378. The SPEAKER presented a memorial of the Senate of the State of Hawaii, relative to peaceful uses of space by the United States and the Soviet Union; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 128: Mr. FRENZEL.

H.R. 585: Mr. BOSCO.

H.R. 1029: Mr. BUSTAMANTE and Mr. TORRICELLI.

H.R. 1059: Mr. WEBER.

H.R. 1219: Mr. RAY and Mr. SILJANDER.

H.R. 1575: Ms. SNOWE, Mr. GLICKMAN, Mrs. MARTIN of Illinois, Mr. DELLUMS, Mr. WEISS, Mr. OBERSTAR, Mr. MATSUI, Mr. HEFTEL of Hawaii, Mr. BARNES, Mr. KOSTMAYER, and Mr. PURSELL.

H.R. 1840: Mr. SWIFT.

H.R. 1946: Mr. ROE, Mr. PURSELL, and Mr. WHITTAKER.

H.R. 2109: Mr. JEFFORDS.

H.R. 2127: Mr. DORGAN of North Dakota.

H.R. 2361: Mr. RAHALL, Mr. MCHUGH, and Ms. MIKULSKI.

H.R. 2406: Mrs. BURTON of California, Mr. MINETA, AND Mrs. BOXER.

H.R. 2573: Ms. MIKULSKI.

H.R. 2697: Mr. ROWLAND of Georgia.

H.R. 2793: Mr. YATES and Mr. SKEEN.

H.R. 3388: Mr. ROBERTS, Mr. SLAUGHTER, Mr. BARNARD, Mrs. BYRON, Mr. JENKINS, Mr. TAYLOR, Mr. DWYER of New Jersey, Mr. MOLINARI, Mr. BROOMFIELD, Mr. HOPKINS, Mr. STENHOLM, Mrs. LLOYD, Mr. MONTGOMERY, Mr. ANTHONY, Mr. EMERSON, Mr. SPENCE, Mr. RALPH M. HALL, Mr. YOUNG of Alaska, Mr. WEBER, Mr. MACK, Mr. ARMEY, Mr. DANNEMEYER, Mr. LEWIS of California, Mr. BADHAM, Mr. DREIER of California, Mr. LOTT, Mr. LEATH of Texas, and Mr. MICHEL.

H.R. 3799: Mr. TRAFICANT, Mr. DONNELLY, Mr. PEPPER, Mr. BRYANT, Mr. DOWNEY of New York, Mr. DOWDY of Mississippi, Mr. COYNE, Mr. MITCHELL, and Mr. LEVINE of California.

H.R. 3814: Mr. HYDE.

H.R. 3817: Mrs. LONG, Ms. MIKULSKI, and Mr. TAUZIN.

H.R. 3906: Mr. SHELBY.

H.R. 3950: Mr. BARNES and Mr. ANDERSON.

H.R. 4003: Mr. HEFTEL of Hawaii, Ms. MIKULSKI, and Mr. LOWERY of California.

H.R. 4096: Mr. SAVAGE, Mr. GINGRICH, Mrs. VUCANOVICH, Mr. LEVINE of California, Mr. MONSON, Mr. BADHAM, Mr. STANGELAND, Mr. FORD of Tennessee, Mr. HOPKINS, and Mr. RICHARDSON.

H.R. 4182: Mr. FRANK, Mr. TOWNS, Mr. LELAND, Mr. LAFALCE, Mr. BONIOR of Michigan, Mrs. BENTLEY, Mr. FAZIO, Mr. RANGEL, Mr. BARNES, Mr. RAHALL, Mr. VENTO, Mr. ROE, Mr. NEAL, Mr. HAYES, Mr. MARTINEZ, and Mr. KOLBE.

H.R. 4278: Mr. PURSELL.

H.R. 4391: Mr. WILLIAMS, Mr. ANDERSON, Mr. RICHARDSON, Mr. MOORE, Mr. BOEHLERT, and Mr. MCCLOSKEY.

H.R. 4442: Mr. OXLEY and Mr. PACKARD.

H.R. 4460: Mr. BARTON of Texas.

H.R. 4488: Mr. DICKS, Mr. LAFALCE, Mr. TRAFICANT, Mr. MARKEY, Mr. EDWARDS of California, and Mr. FAUNTROY.

H.R. 4524: Mr. SMITH of New Jersey, Mr. LIGHTFOOT, Mr. MONSON, and Mr. MITCHELL.

H.R. 4538: Mr. MCEWEN, Mr. DAUB, Mr. SHUMWAY, Mr. ECKERT of New York, Mr. VENTO, Mr. COATS, Mr. SAXTON, Mrs. HOLT, Mr. LIVINGSTON, Mr. WYLIE, Mrs. JOHNSON, Mr. LOTT, Mrs. MARTIN of Illinois, Mr. STENHOLM, Mr. RIDGE, Mr. RITTER, and Mr. TAUKE.

H.R. 4604: Mr. ANTHONY, Mr. WILSON, Mr. WALKER, Mr. VANDER JAGT, Mr. DORNAN of California, Mr. SKEEN, Mr. PORTER, Mr. ARMEY, and Mr. GINGRICH.

H.R. 4630: Mr. SPENCE, Mr. YATES, Mr. GEJDENSON, Mr. MOAKLEY, and Mr. ATKINS.

H.R. 4638: Mr. YATRON, Mrs. SCHNEIDER, Mr. RIDGE, Mr. LAFALCE, Mr. DOWNEY of New York, Mr. MRAZEK, Mr. PENNY, Mr. MILLER of Washington, Mr. MACKAY, Mr. PANETTA, Mr. LEACH of Iowa, Mr. HOWARD, and Mrs. KENNELLY.

H.R. 4650: Mr. MCCLOSKEY, Mr. OWENS, and Mr. LELAND.

H.R. 4668: Mr. RAY, Mrs. SCHNEIDER, Mr. SENSENBRENNER, and Mr. VALENTINE.

H.R. 4675: Mr. WORTLEY, Mr. DORNAN of California, and Mr. RALPH M. HALL.

H.R. 4682: Mr. WHITEHURST, Mr. DICKS, Mr. PURSELL, Mr. MOODY, Mr. HUNTER, Mrs. COLLINS, Mr. MONSON, Mrs. SCHNEIDER, Mr. SILJANDER, and Mr. RIDGE.

H.R. 4694: Mr. FRENZEL and Mr. TAUKE.

H.R. 4697: Mr. MRAZEK, Mr. YOUNG of Florida, and Mr. BEDELL.

H.R. 4698: Mr. FRANK, Mr. ACKERMAN, and Mr. WEAVER.

H.R. 4766: Mr. LATTA.

H.R. 4787: Mr. GEJDENSON, Mr. LAGOMARSINO, Mr. BEDELL, and Mr. DE LUGO.

H.R. 4794: Mr. LUJAN and Mr. EMERSON.

H.R. 4805: Mr. ROWLAND of Connecticut.

H.R. 4812: Mr. TAUKE.

H.J. Res. 131: Mr. CARPER, Mr. CLINGER, Mr. IRELAND, Ms. OAKAR, and Mr. FASCELL.

H.J. Res. 381: Mr. COBEY.

H.J. Res. 385: Mr. PRICE, Mr. BENNETT, Mr. LEVINE of California, Mr. CONYERS, Mr. TOWNS, Mr. DIOGUARDI, Mr. BADHAM, Mr. BIAGGI, Mr. LUNDINE, Mrs. VUCANOVICH, Mr. MONSON, Mr. TALLON, Ms. KAPTUR, Mr. ARCHER, Mr. SWIFT, Mr. FIELDS, Mr. JONES of North Carolina, Mr. ANDREWS, Mr. BUSTAMANTE, Mr. BARTON of Texas, Mr. ARMEY, Mr. SMITH of New Hampshire, Mr. REGULA, Mr. HARTNETT, Mr. SKELTON, Mr. FORD of Tennessee, Mr. NELSON of Florida, Mr. ANNUNZIO, Mr. BOULTER, Mr. DICKINSON, Mr. STUMP, Mr. LOWERY of California, Mr. FAUNTROY, Mr. FUQUA, Mr. JACOBS, Mr. BLAZ, Mr. SAVAGE, Mr. ECKART of Ohio, Mr. RITTER, Mr. ZSCHAU, Mr. DYMALLY, Mr. BOEHLERT, Mr. MANTON, Mr. FOGLIETTA, Mr. CALLAHAN, Mr. MCGRATH, Mr. SUNIA, Mr. FUSTER, Mr. RINALDO, Mr. SAXTON, Mr. MYERS of Indiana, and Mr. LELAND.

H.J. Res. 410: Mrs. JOHNSON, Mr. CARPER, Mr. SISISKY, Mr. BEVILL, Mr. MARKEY, Mrs. MARTIN of Illinois, Mr. TORRICELLI, Mr. MANTON, Mr. NIELSON of Utah, Mr. BENNETT, Mr. NOWAK, Mr. OBERSTAR, Mr. HANSEN, Mr. GILMAN, Mrs. HOLT, Mr. TAUZIN, Mr. KLECZKA, and Mr. BARNARD.

H.J. Res. 500: Mr. BUSTAMANTE.

H.J. Res. 527: Mr. O'BRIEN, Mr. FRENZEL, Mr. GILMAN, Mr. RODINO, Mr. JACOBS, Mr. GREGG, Mr. HYDE, Mr. DE LA GARZA, Mr. BENNETT, Mr. BROWN of Colorado, Mr. BOEHLERT, Mr. CARPER, Mr. STENHOLM, Mr. CAMPBELL, Mr. TORRES, Mr. MURPHY, Mrs. BURTON of California, Mrs. LLOYD, Mr. FRANKLIN, and Mr. FOWLER.

H.J. Res. 529: Mr. FRANK and Mr. EVANS of Illinois.

H.J. Res. 535: Mr. HORTON, Mr. MILLER of Washington, Mr. LANTOS, Mr. DE LA GARZA, Mr. BEDELL, Mr. MARTINEZ, Mr. TRAXLER, Mr. DANNEMEYER, Mr. JONES of North Carolina, Mrs. VUCANOVICH, Mr. RICHARDSON, Mr. GIBBONS, and Mr. LEWIS of Florida.

H.J. Res. 577: Mr. MARTINEZ, Mr. COELHO, Mr. UDALL, Mr. GONZALEZ, Mr. MURPHY, Mrs. BURTON of California, Mrs. BYRON, and Mr. COURTER.

H.J. Res. 580: Mr. FORD of Michigan, Mr. YATES, Mr. HUTTO, Mr. BARNES, Mr. YOUNG of Alaska, Mr. MILLER of California, Mr. BEILENSON, Mr. HAWKINS, Mr. FUQUA, Mr. GIBBONS, Mr. ROWLAND of Georgia, Mr. JENKINS, Mr. CRAIG, Mr. PRICE, Mr. MAZZOLI, Mr. TAUZIN, Mr. HUCKABY, Mr. BREAUX, Mrs. LONG, Mr. DYSON, Ms. MIKULSKI, Mr. DONNELLY, Mr. CARR, Mr. DINGELL, Mr. OBERSTAR, Mr. MONTGOMERY, Mr. GEPHARDT, Mr. FLORIO, Mr. HOWARD, Mr. TORRICELLI, Mr. RODINO, Mr. RANGEL, Mr. GARCIA, Mr. LAFALCE, Mr. NOWAK, Mr. LUNDINE, Mr. JONES of North Carolina, Mr. ECKART of Ohio, Mr. STOKES, Mr. AUCOIN, Mr. WYDEN, Mr. WEAVER, Mr. FOGLIETTA, Mr. KANJORSKI, Mr. GAYDOS, Mr. ST GERMAIN, Mr. DASCHLE, Mr. BONER of Tennessee, Mr. FORD of Tennessee, Mr. PICKLE, Mr. DELAY, Mr. DANIEL, Mr. MOLLOHAN, Mr. STAGGERS, Mr. RAHALL, and Mr. ROTH.

H.J. Res. 590: Mr. GILMAN, Mr. CROCKETT, Mr. FEIGHAN, Mr. ACKERMAN, Mr. BONIOR of Michigan, Mr. FLIPPO, Mr. DINGELL, Mr. TORRICELLI, Mr. WOLPE, Mr. DUNCAN, Mr. COURTER, Mrs. BOXER, Mr. O'BRIEN, Mr. TORRES, Mr. QUILLEN, Mr. DURBIN, Mr. GUARINI, Mr. BATES, Mr. BURTON of Indiana, Mr. LUNDINE, Mr. LANTOS, Mr. CHAPMAN, Mr. SMITH of Florida, and Mr. WHEAT.

H.J. Res. 618: Mr. WHEAT, Mr. PURSELL, Mr. AUCOIN, Mrs. HOLT, Mr. MRAZEK, Mr. DE LA GARZA, Mr. WORTLEY, Mr. DEWINE, Mr. LELAND, Mr. DWYER of New Jersey, Mr. COYNE, Mr. FISH, Mr. HOYER, Mr. HORTON, Mr. HUGHES, Mr. FAZIO, Mr. WAXMAN, Mr. DIXON, Mr. DASCHLE, Mr. MCGRATH, Mrs. COLLINS, and Mr. ORTIZ.

H.J. Res. 619: Mr. GARCIA, Mr. MORRISON of Connecticut, Mr. BEILENSON, Mr. MANTON, Mr. HARTNETT, Mr. WORTLEY, Mr. DWYER of New Jersey, Mr. IRELAND, Mr. BOLAND, Mr. MACKAY, Mr. COUGHLIN, Mr. HUTTO, Mr. NELSON of Florida, Mr. HUNTER, Mrs. BYRON, Mr. FUSTER, Mr. RINALDO, Mr. FLIPPO, Mr. KOSTMAYER, Mr. SMITH of Florida, Mr. ANNUNZIO, Mr. CROCKETT, Mr. DYMALLY, Mr. EVANS of Iowa, Mr. KEMP, Mr. HOWARD, Mr. HEFNER, Mr. DENNY SMITH, Mr. FUQUA, Mr. LELAND, Mr. WOLF, Mr. LEHMAN of Florida, Mr. MOORE, Mr. Jones of North Carolina, Mr. DIXON, Mr. O'BRIEN, Mr. HERTEL of Michigan, Mr. DANIEL, Mr. DEWINE, Mr. COELHO, Mr. MCKINNEY, Mr. CHAPPELL, Mr. GUARINI, Mr. DASCHLE, Mr. MARKEY, Mr. TAUZIN, Mr. DE LA GARZA, Mr.

BRYANT, Mr. LAGOMARSINO, Mr. FAUNTROY, and Mrs. HOLT.

H.J. Res. 623: Mr. SPENCE, Mr. FIELDS, and Mr. KLECZKA.

H.J. Res. 629: Mrs. BENTLEY, Mr. MCKINNEY, Mr. DE LA GARZA, Mr. HYDE, Mr. SKELTON, Mr. RANGEL, Mrs. BYRON, Mr. LOTT, Mr. MCEWEN, Mr. MONTGOMERY, Mr. GIBBONS, Mr. NICHOLS, Mr. ERDREICH, Mr. SHELBY, Mr. MYERS of Indiana, Mr. YOUNG of Florida, and Mr. HAWKINS.

H. Con. Res. 26: Mr. WEAVER.

H. Con. Res. 27: Mr. JACOBS.

H. Con. Res. 36: Mr. MINETA.

H. Con. Res. 244: Mr. BEILENSON, Mrs. BENTLEY, Mr. BERMAN, Mr. BONIOR of Michigan, Mr. BONKER, Mr. BOSCO, Mrs. BOXER, Mr. BUSTAMANTE, Mr. CLAY, Mr. COELHO, Mr. CONTE, Mr. COOPER, Mr. DELLUMS, Mr. DONNELLY, Mr. DORGAN of North Dakota, Mr. DORNAN of California, Mr. EDGAR, Mr. EDWARDS of California, Mr. EVANS of Illinois, Mr. FAUNTROY, Mr. FAZIO, Mr. FOGLIETTA, Mr. FRANK, Mr. GARCIA, Mr. GEJDENSON, Mr. GRAY of Pennsylvania, Mr. GREEN, Mr. HAYES, Mr. HORTON, Mr. HOWARD, Mr. HUGHES, Ms. KAPTUR, Mr. KASTENMEIER, Mr. KOSTMAYER, Mr. LANTOS, Mr. LEHMAN of Florida, Mr. LEVIN of Michigan, Mr. LEVINE of California, Mr. LOWRY of Washington, Mr. MARTINEZ, Mr. MATSUI, Mr. MAVROULES, Mr. MCEWEN, Mr. MCHUGH, Mr. MILLER of California, Mr. MOAKLEY, Mr. MOODY, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. NEAL, Ms. OAKAR, Mr. OBERSTAR, Mr. PEPPER, Mr. PORTER, Mr. ROBINSON, Mr. RODINO, Mr. ROE, Mr. SAVAGE, Mr. SCHEUER, Mrs. SCHNEIDER, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SEIBERLING, Mr. SMITH of New Jersey, Mr. STUDDS, Mr. SYNAR, Mr. TOWNS, Mr. UDALL, Mr. VENTO, Mr. WALGREN, Mr. WAXMAN, Mr. WOLPE, Mr. WORTLEY, and Mr. WYDEN.

H. Con. Res. 277: Mr. PURSELL.

H. Con. Res. 308: Mr. MOLLOHAN, Mr. STENHOLM, Mr. THOMAS of Georgia, Mr. BRUCE, Mr. VOLKMER, Mr. NIELSON of Utah, Mr. DAUB, Mr. STAGGERS, Mr. EVANS of Iowa, Mr. DASCHLE, Mr. ROTH, Mr. WISE, Mr. COLEMAN of Missouri, Mrs. SMITH of Nebraska, Mr. CARR, and Mr. TRAXLER.

H. Con. Res. 321: Mr. BEDELL.

H. Con. Res. 328: Mr. SEIBERLING, Mr. SCHEUER, and Mr. KOSTMAYER.

H. Con. Res. 333: Mr. BEDELL, Mr. CRAIG, Mr. KINDNESS, Mr. KASTENMEIER, Mr. LIGHTFOOT, Mr. MARLENEE, Mr. SMITH of Iowa, Mr. STALLINGS, Mr. SCHUETTE, Mr. WEBER, Mr. EVANS of Iowa, Mr. EMERSON, Mr. GALLO, Mr. SCHAEFER, Mr. SKEEN, Mr. ROBERT F. SMITH, Mr. NIELSON of Utah, Mr. TAYLOR, Mr. MONSON, Mr. DASCHLE, Mr. CHENEY, Mr. STRANG, Mr. TAUKE, Mr. WATKINS, Mr. DORGAN of North Dakota, Mr. MACKAY, Mr. ROBERTS, Mr. BEREUTER, Mrs. VUCANOVICH, and Mr. ROEMER.

H. Con. Res. 336: Mr. MRAZEK, Mr. AUCOIN, Mr. FORD of Michigan, Mr. HERTEL of Michigan, Mr. SPRATT, Mr. WILSON, Mr. FRANK, and Mr. BEDELL.

H. Res. 386: Mr. DORGAN of North Dakota, Mr. BEILENSON, Mr. WORTLEY, and Mr. DAVIS.

H. Res. 426: Mr. TOWNS, Mr. SCHEUER, Mr. MRAZEK, Mr. SCHUMER, Mr. EVANS of Illinois, Mr. HAYES, Mr. RANGEL, Mr. VENTO, Mr. MORRISON of Connecticut, Mr. ROE, Mr. EDWARDS of California, and Ms. KAPTUR.

H. Res. 454: Mr. MINETA, Mr. EDWARDS of California, Mr. LUJAN, Mr. ZSCHAU, Mr. MORRISON of Connecticut, Mr. BEDELL, Mr. KINDNESS, Mr. WEAVER, Mr. FRANK, and Mr. UDALL.

PETITIONS, ETC.

Under clause 1 of rule XXII,

353. The SPEAKER presented a petition of the Board of Education, Unit District No. 205, Elmhurst, IL, relative to certain provisions of H.R. 3838, the Tax Reform Act; which was referred to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 4800

By Mr. AUCOIN:

—Page 185, between lines 10 and 11, insert the following:

SEC. 179. SENSE OF CONGRESS REGARDING ACCESS TO THE JAPANESE SEMICONDUCTOR MARKET.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the maintenance of a healthy domestic semiconductor industry is essential to the development of the United States economy and the preservation of the national security of the United States;

(2) the United States semiconductor industry is a world leader in semiconductor technology and has demonstrated its competitiveness in all markets to which it has had free access;

(3) in 1983, the Department of Commerce and the United States Trade Representative concluded that evidence "suggested that the intent of the Government of Japan . . . has been to offset the effects of liberalization" of the semiconductor market;

(4) on June 14, 1985, the Semiconductor Industry Association filed a petition with the United States Trade Representative requesting the President to take action to open the Japanese semiconductor market to United States semiconductor manufacturers, and, on July 11, 1985, the United States Trade Representative initiated an investigation into the allegations supporting such request;

(5) negotiations are underway with the Government of Japan to resolve the issue of free access to the Japanese semiconductor market, but such negotiations have not progressed; and

(6) the semiconductor trade issue should be resolved through a program to increase, rather than restrict, international semiconductor trade.

(b) SENSE OF CONGRESS.—In view of the findings under subsection (a), it is the sense of Congress that—

(1) the Government of Japan should allow United States semiconductor manufacturers full and substantial access to the Japanese semiconductor market; and

(2) the President should immediately—

(A) take all appropriate and feasible action in his power to achieve full and substantial access to the Japanese semiconductor market for United States semiconductor manufacturers, and

(B) determine if the actions of the Government of Japan in restricting access to its semiconductor market warrant Presidential action under section 301 of the Trade Act of 1974.

Amend the table of contents of the bill by inserting after the entry for section 178 the following:

"Sec. 179. Sense of Congress regarding access to the Japanese semiconductor market.".

By Mr. BONKER:

—Strike section 452 and insert the following:

SEC. 452. AMENDMENTS TO TRADE AND DEVELOPMENT ENHANCEMENT ACT OF 1983.

(a) FUNCTIONS OF NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL POLICIES.—Section 646 of the Trade and Development Enhancement Act of 1983 (12 U.S.C. 635s) is amended—

(1) in subsection (a)(2) by striking "without the unanimous consent of the members of the National Advisory Council on International Monetary and Financial Policies" and inserting "unless a majority of the members of the National Advisory Council on International Monetary and Financial Policies approve the financing"; and

(2) by adding at the end the following:

"(b)(1) It shall be the duty of the National Advisory Council on International Monetary and Financial Policies to—

"(A) establish policy and procedure guidelines for the development, implementation, and coordination of the programs authorized by sections 644 and 645;

"(B) oversee the operation of those programs;

"(C) recommend improvements in the manner in which those programs are carried out;

"(D) encourage private financial institutions to participate in those programs; and

"(E) develop a system, incorporating both public and private sources of information, for monitoring the use of tied aid credits by foreign governments.

"(2) In connection with the establishment of policy and procedure guidelines pursuant to paragraph (1)(A), the National Advisory Council shall—

"(A) recommend procedures which would assure that if an application is submitted to the Export-Import Bank or the Agency for International Development for assistance under section 644 or 645, the application can be processed and the assistance made available within 30 calendar days after the application is submitted;

"(B) establish a policy with regard to—

"(i) the degree to which proof is required, in order to receive assistance under section 644 or 645, that a foreign offer of a tied aid credit has been made or (on the basis of past practice or a course of dealing) can reasonably be expected; and

"(ii) the time at which and the manner in which evidence of such offer shall be submitted;

"(C) devise a method for determining the number of American jobs which will be created or retained through assistance under this Act, and give such factor consideration in making assistance available; and

"(D) describe the method of publicizing the availability of financing under sections 644 and 645, and the terms and conditions under which such assistance is available to both large and small exporters.".

(b) REPORT TO CONGRESS AND TERMINATION OF ACT.—The Trade and Development Enhancement Act of 1983 is amended by adding at the end the following new sections:

"SEC. 648. REPORT TO CONGRESS.

"The President shall transmit to the Congress, on a quarterly basis, a report setting forth the activities carried out under sections 644 and 645. Each such report shall include—

"(1) information on applications used by the Export-Import Bank and the Agency for International Development for making as-

sistance available under sections 644 and 645;

"(2) information on the disposition of such applications;

"(3) an identification of the foreign governments whose behavior the President is trying to influence by the use of such assistance, and an explanation of why the assistance involved is deemed likely to influence that behavior;

"(4) evidence that clearly demonstrates that assistance under sections 644 and 645 has been used for the purposes of this Act;

"(5) information on any progress that has been made in negotiations on agreements within the Organization for Economic Cooperation and Development to limit the use of tied aid credits;

"(6) information on the extent to which tied aid credits are being used at the time of such report by major trading countries within such Organization, the terms of any such credits, and the market sectors with respect to which such credits are being used; and

"(7) information on the extent to which assistance under this Act has been effective—

"(A) in discouraging the use of tied aid credits for commercial purposes by other countries; and

"(B) in helping to protect United States exporters from unfair and predacious official export competition.

"SEC. 649. TERMINATION OF AUTHORITIES.

"The authorities contained in this Act shall cease to be effective upon a certification by the President to the Congress that a majority of the members of the National Advisory Council on International and Monetary Financial Policies have determined that—

"(1) the United States has reached an agreement with the governments of the other member countries of the Organization for Economic Cooperation and Development which ends abuse of tied aid credits in pursuit of national commercial benefits; and

"(2) these governments are honoring the terms of that agreement.".

(c) FUNDING BY THE AGENCY FOR INTERNATIONAL DEVELOPMENT.—Section 645(d) of Trade and Development Enhancement Act of 1983 (12 U.S.C. 635r(d)) is amended by striking "allocated for Commodity Import Programs".

—Add the following at the end of title IV (page 324, after line 18):

Subtitle E—Export Trading Companies

SEC. 481. EXPORT TRADING COMPANIES.

(a) REPORT ON EXPORT TRADING COMPANIES.—The Export Trading Company Act of 1982 (15 U.S.C. 4001 et seq.) is amended by inserting after section 104 the following new section:

"SEC. 105. REPORT ON EXPORT TRADING COMPANIES.

"Not later than one year after the date of the enactment of the Trade and International Economic Policy Reform Act of 1986 and annually thereafter, the Secretary of Commerce shall submit a report to the Congress on the activities of the Department of Commerce to promote and encourage the formation of export trade associations and export trading companies. The report shall include a survey of the activities of export management companies and export trade associations, as well as an analysis of the operating experiences of those export trading companies established pursuant to this Act. The report shall not contain any information subject to the protections from disclosure provided in this Act.".

(b) DEFINITION OF EXPORT TRADING COMPANY.—Section 4(c)(14)(F)(i) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(14)(F)(i)) is amended by striking "for purposes of exporting goods or services produced in the United States" and inserting "for purposes of exporting goods or services produced in the United States by that company, its affiliates, or unaffiliated persons,".

(c) DEFINITION OF PRINCIPALLY ENGAGED IN EXPORTING.—Section 4(c)(14)(F) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(14)(F)) is amended—

(1) by striking the period at the end of clause (i) and inserting a semicolon;

(2) By striking "and" at the end of clause (iii);

(3) by striking the period at the end of clause (iv) and inserting a semicolon; and

(4) by inserting after clause (iv) the following new clauses:

"(v) an export trading company shall be treated as organized and operated principally for the purposes described in clause (i) if that company derives more than one-half of its revenues in each consecutive five-year period from—

"(I) the export of goods or services produced in the United States by that company, its affiliates, or unaffiliated person, or

"(II) from facilitating the export of goods or services produced in the United States by unaffiliated persons by providing one or more export trade services; and

"(vi) for the purpose of clause (v), revenues from third party trade, and the value of goods or services taken back by the export trading company as part of a countertrade transaction, shall be treated as export revenues if such third party trade or countertrade transaction (as the case may be) involves the export of goods or services produced in the United States.".

(d) RELATIONS WITH AFFILIATES.—Section 23A(d) of the Federal Reserve Act (12 U.S.C. 371c(d)) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting "; and"; and

(3) by adding at the end the following:

"(8) transactions with an affiliate which is an export trading company, as defined in section 4(c)(14)(F)(i) of the Bank Holding Company Act of 1956.".

(e) INVENTORY.—Section 4(c)(14)(A) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(14)(A)) is amended—

(1) by redesignating clauses (v) and (vi) as clauses (vi) and (vii), respectively; and

(2) by inserting after clause (iv) the following:

"(v) The Board may not impose, by regulation, a dollar limit on the amount of goods which export trading companies may maintain in inventory; except that the Board may impose, by order, a dollar limit on the amount of goods which a particular export trading company may maintain in inventory after such company has been operating for a reasonable period of time if, under the particular facts and circumstances, it finds that such limit is necessary to prevent risks that would affect the financial or managerial resources of an investor bank holding company to an extent which is likely to have a materially adverse effect on the safety and soundness of any subsidiary bank of such bank holding company.".

By Mr. BROYHILL:

—Page 382, strike out lines 20 and 21 and insert the following:

PRACTICES, ADJUSTMENT PLAN REVIEW, AND TEXTILE IMPORT ADJUSTMENTS

Page 407, between lines 3 and 4, insert the following:

SEC. 703. ENTRY PROCESSING FOR TEXTILES AND APPAREL.

The Congress determines that it is vital to the purposes of the Multi-Fiber Arrangement that bilateral limitations on shipments of textiles and apparel, and periodic adjustments to those limitations, be carried out on a timely basis in order to respond to the changing United States market for textiles and apparel. The Secretary of Commerce shall, within 90 days after the date of the enactment of this Act, institute procedures to expedite the interagency process for recommending and approving the issuance of notices requesting consultations and negotiations on such limitations and periodic adjustments.

Amend the table of contents to the bill accordingly.

By Mr. COLEMAN of Texas.

—Page 255, after line 9, insert the following new section (and redesignate existing section 352 as section 353):

SEC. 352. RELATIONS WITH MEXICO.

(a) FINDINGS.—The Congress finds that—

(1) Mexico and the continued stability of its governing structure is of vital strategic importance to the national security interests of the United States;

(2) while the economic, cultural, and historical ties between Mexico and the United States are both varied and strong, foreign relations between the governments of these countries continue to be carried out on an ad hoc basis and in a crisis-to-crisis context;

(3) the failure by the United States to establish a comprehensive and ongoing foreign policy with respect to Mexico manifests itself in legislative and administrative policies which often have unintended adverse or contradictory results in the two countries;

(4) the absence of an established United States foreign policy with respect to Mexico also works against the possible resolution of myriad bilateral issues now confronting the two countries; and

(5) in order to improve relations with Mexico, the United States Government must take actions, conducted in the spirit of mutual respect and cooperation, which prioritize its foreign and economic policies toward Mexico.

(b) UNITED STATES-MEXICO BILATERAL COMMISSION.—(1)(A) The President shall establish an interagency group to be known as the "United States-Mexico Bilateral Commission" (hereafter in this subsection referred to as the "Commission").

(B) Membership on the Commission shall be composed of the Secretary of State, the Secretary of the Treasury, the Attorney General, the Secretary of Commerce, and the United States Trade Representative.

(C) The Chairman of the Commission shall be the Secretary of State (or a delegate of the Secretary).

(D)(i) The members of the Commission shall (not later than 3 months after the date of enactment of this Act) execute a written memorandum of understanding which includes the goal of the Commission. The goal of the Commission shall be—

(I) to serve as a formal mechanism by which economic relations between the United States and Mexico are conducted in a comprehensive manner which allows input from any concerned agency of the United States; and

(II) to provide a channel of communication between the Government of the United States and the Government of Mexico pertaining the economic relations.

(ii) Not later than six months after the execution of the memorandum of understanding, each member of the Commission shall present to the Commission a review of all United States-Mexico issues which affect that member's agency. Each presentation shall include an assessment of, as well as recommendations for, action by that member.

(2)(A) Not later than three months after the date of the enactment of this Act, the President shall report to the Congress on the actions taken and the progress made to establish the Commission. The report shall include any necessary legislative recommendations to assist the President in establishing the Commission as well as a time certain for the Commission's establishment.

(B) Not later than six months after the date of enactment of this Act and every three months thereafter, the Chairman of the Commission shall report to the Congress on the activities of the Commission. Each such report shall include the specific projects, issues, and agency actions taken to achieve the goal of the Commission which occurred in the three-month period preceding the last such report as well as proposed projects, issues, and agency actions.

(3) The Commission shall endeavor to meet semiannually with representatives of Mexico in order to carry out the goal of the Commission.

(d) BILATERAL SUMMIT ON ECONOMIC RELATIONS.—(1) It is the sense of the Congress that, consistent with the goal of strengthening political and commercial relations between the United States and Mexico, a bilateral summit on economic relations as they pertain to trade and commerce, between these two countries should be held. The objectives of the summit should include—

(A) a discussion of the question of Mexico as a contracting party to the General Agreement on Tariffs and Trade;

(B) a discussion of the pending graduation from the Generalized System of Preferences of those Mexican products currently covered under such System;

(C) the promotion of direct investment in Mexico by United States businesses;

(D) the resolution of problems related to United States fishing rights within the territorial waters of Mexico;

(E) the resolution of problems related to the trucking and transportation of products between the United States and Mexico, including a discussion of the construction of international bridges as a means to help alleviate these trucking and transportation problems;

(F) a discussion of the possibility of eventually establishing a free-trade zone along both sides of the United States-Mexico border;

(G) promotion of the development of industry along the United States-Mexico border regions in order to encourage increased employment opportunities;

(H) a discussion of the policies related to the development of the petroleum industry and alternative energy sources in the United States and Mexico;

(I) a discussion of the issues related to pollution arising from sources within the United States or Mexico which affects the other country, including water pollution, air pollution, soil pollution, and sewage treatment;

(J) a discussion on the development and coordination of border crossings between the United States and Mexico;

(K) a review and evaluation of all joint research and development projects currently being conducted between the United States and Mexico at both private and public levels, including projects in the areas of business, health, technology, and public policy;

(L) a discussion of mutual problems and concerns that confront both the United States and Mexico in the development of a comprehensive national policy regarding immigration; and

(M) a discussion of mutual problems and concerns that confront both the United States and Mexico on the issues of external debt and foreign investment.

(2) The President is urged to enter into negotiations with representatives of the Government of Mexico for the purpose of commencing talks between the United States and Mexico in order to achieve the objectives described in paragraph (1).

By Mr. CRANE:

—Amend subtitle A of title I. On page 12, line 18, strike the word "because" and all that follows thereafter through line 24, and insert in lieu thereof: ", in which case the President must announce alternative measures which may include a continuation of negotiations".

On page 13, strike lines 6 through 14; on line 18, place a period after the word "targeting" and strike all that follows through line 21 on page 14. On page 21, beginning on line 4, strike section 113.

On page 19, strike line 9 and all that follows thereafter through line 9 on page 20.

Beginning on page 37, strike section 119.

By Mr. DINGELL:

—Page 195, line 23, insert before the period at the end of subparagraph (B) of section 205(b)(3) the following: ", and for purposes of applying this subparagraph, references in subsections (c) and (e)(6) of such section to services and to service sectors shall be considered to include telecommunications products and services and telecommunications product and service sectors, respectively".

By Mr. EVANS of Illinois:

—Page 355, line 14, after "international trade" insert the following: ", including the mass layoffs and plant closings that are caused by or substantially related to the conduct of government procurements in accordance with title III of the Trade Agreements Act of 1979".

By Mr. FRENZEL:

—Amend subtitle B of title I. On page 57, strike line 17 and all that follows thereafter through line 13 on page 61. On page 404, strike line 14 and all that follows thereafter through line 3 on page 407.

On page 68, lines 12 and 22, and on page 69, lines 1, 10 and 17, strike "Trade Representative" and insert "President". Make conforming changes to maintain Presidential authority to provide relief.

On page 94, beginning on line 9, strike section 122.

—Amend subtitle B, chapter 2, of title I. On page 111, beginning on line 12, strike section 135.

On page 19, between line 15 and 16, insert the following:

"(A) constitutes unfair government pricing of natural resources or of the right to remove or extract natural resources."

On page 119, beginning on line 1, strike section 137.

On page 123, beginning on line 5, strike section 138.

By Mr. JEFFORDS:

—Strike out all of title V of the bill and insert in lieu thereof the following:

TITLE V—EDUCATION AND TRAINING

Subtitle A—Education

SEC. 501. REPLACEMENT AND MODERNIZATION OF COLLEGE RESEARCH FACILITIES.

(a) PURPOSE.—It is the purpose of this section to assist in revitalizing the Nation's academic research programs through capital investments in laboratories and other research facilities at universities and colleges.

(b) PROGRAM ESTABLISHMENT.—To carry out this purpose, the Secretary of Education shall, from the sums available under subsection ( ) to carry out this section in any fiscal year, establish and carry out a new university research laboratory modernization program that will provide assistance for the replacement or modernization of such institutions' obsolete laboratories and other research facilities.

(c) COMPETITIVE GRANTS; REGULATIONS.—The university research laboratory modernization program established pursuant to subsection (b) shall be carried out through projects which involve the replacement or modernization of specific research facilities at the universities and colleges involved and for which funds are awarded in response to specific proposals submitted by such universities and colleges, in accordance with regulations prescribed by the Secretary of Education to carry out the purpose of this part. The regulations so prescribed shall contain such terms, conditions, and guidelines as may be necessary in the light of that objective, but shall in any event provide that funds to carry out the program will be awarded on a competitive basis, and that the funds so awarded to any university or college will be in an amount not exceeding 50 percent of the cost of the replacement or modernization involved (with the funds required to meet the remainder of such cost being provided by the institution involved or from other non-Federal public or private sources).

(d) CRITERIA FOR AWARD.—Criteria for the award of funds to any institution for a project under a university research laboratory modernization program shall include—

(1) the quality of the research and training to be carried out in the facility or facilities involved;

(2) the congruence of the institution's research activities with the future research mission of the agency making the award; and

(3) the contribution which the project will make toward meeting national, regional, and State research and related training needs.

(e) EQUALIZATION OF FEDERAL FUNDS.—At least 15 percent of the amount available under this section in any fiscal year shall be available only for awards to universities and colleges that received less than $10,000,000 in total Federal obligations for research and development (including obligations for the university research laboratory modernization program) in each of the two preceding fiscal years.

(f) CONSULTATION.—In prescribing regulations and conducting the program under this section, the Secretary of Education shall consult with—

(1) the National Science Foundation;

(2) the Department of Health and Human Services;

(3) the Department of Defense;

(4) the Department of Energy;

(5) the National Aeronautics and Space Administration; and

(6) the Department of Agriculture.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $185,000,000 for each of the fiscal years 1987 and 1988.

SEC. 502. EDUCATIONAL PARTNERSHIP PROGRAMS AUTHORIZED.

(a) PROGRAM AUTHORIZED.—From the funds available to carry out this subtitle, the Secretary shall make grants in accordance with the requirements of this subtitle to institutions of higher education to establish and operate educational partnership programs in accordance with the requirements of this section.

(b) COMPETITIVE SELECTION OF GRANT RECIPIENTS.—The Secretary shall award grants under this section competitively, on the basis of the quality of the proposal contained in the institution's application under subsection (d).

(c) LIMITATIONS ON AWARDS.—In making awards under subsection (a), the Secretary shall ensure that—

(1) there is an equitable geographic distribution of the funds awarded under this subtitle; and

(2) the award to any institution or consortium of institutions is not less than $100,000 or more than $500,000 for any fiscal year.

(d) APPLICATIONS.—An institution of higher education or consortium of such institutions that desires to obtain a grant under this subtitle shall submit an application to the Secretary that contains—

(1) a description of the activities that will be performed with funds made available under this section;

(2) assurances that the institution will obtain from donors, or otherwise provide from non-Federal sources, not less than one-half of the costs of the programs conducted with funds made available under this section;

(3) a description of the resources available to meet the requirements of paragraph (2); and

(4) such other information and assurances as the Secretary may require by regulation.

(e) USE OF FUNDS.—Funds made available pursuant to this section may be used for costs associated with establishment and operation of educational partnerships between institutions of higher education and local educational agencies to provide advanced instruction to students in—

(1) mathematics, science, or computer technology;

(2) a language determined by the Secretary to be critical to the capability of American business to compete in international trade; or

(3) another area of national need as determined by the Secretary.

(f) SPECIFICALLY PERMITTED USES.—Permissible uses of funds under this section include—

(1) costs associated with entering into resource sharing with government, private business, industry, and institutions;

(2) stipends or salary supplements for university faculty and staff involved in the educational partnership program under this title;

(3) development of curriculum that provides superior preparation in any one or more of the areas of mathematics, science, and technology;

(4) acquisition of textbooks, materials, and supplies to be utilized in instructional programs to be used under this title; and

(5) additional transportation costs for students as a result of their participation in the educational partnership program under this title.

(g) USE FOR GENERAL OVERHEAD PROHIBITED.—Funds made available pursuant to a grant under this section may not be used in connection with the general overhead costs of the applicant.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $50,000,000 for each of the fiscal years 1987 and 1988.

Subtitle B—Training

SEC. 521. WORKER READJUSTMENT AND PLACEMENT COMMITTEES.

(a) GRANTS TO WORKER READJUSTMENT AND PLACEMENT COMMITTEES.—From the funds available to carry out this section, the Secretary shall award, on a competitive basis, grants to worker readjustment and placement committees to provide not more than one-half of the cost of establishing and operating programs of training, retraining, and education for eligible workers.

(b) ELIGIBILITY FOR GRANTS.—To be eligible for a grant under this section, a worker readjustment and placement committee shall demonstrate to the Secretary in its application that—

(1)(A) the committee was established by a voluntary cooperative agreement, between the employer and the employees employed at or operating out of a single site, that complies with the requirements of subsection (e), and (B) the employer has certified that it will comply with the terms of such agreement;

(2) the committee does not have, as one of its purposes, the discouragement of the exercise of rights contained in section 7 of the National Labor Relations Act (29 U.S.C. 157) or the interference with collective bargaining in any plant or industry;

(3) the employer is undertaking a modernization or other production adjustment program in order to remain or become competitive in international markets;

(4) the employer has undertake to provide or to secure from non-Federal sources the remaining one-half of the costs of program under this section;

(5) the programs to be provided will be in addition to training programs already provided or required to be provided;

(6) an identification of (A) the persons or agencies from whom services will be obtained for employees under this section and (B) the specific services that will be provided; and

(7) a description of any arrangements that have been made with the administrative entity for a service delivery area in the vicinity for the purpose of—

(A) obtaining information concerning (and improved access to) educational and training services available in the locality, such as institutional skill training, on-the-job training, training programs operated by employers or labor organizations, or on-site, industry-specific training supportive of industrial or economic development;

(B) providing, through the service delivery area, local providers of education and training with information concerning the needs of the committee for their services; and

(C) assessing such training and educational needs, providing information and recommendations regarding such needs to local educational and training service providers, and matching such training needs to the programs available.

(c) ELIGIBLE WORKERS.—For the purpose of programs under this section, an eligible worker is a worker who is or may be at risk of losing employment because of skill obsolescence or because of a moderization or other production adjustment program which his or her employer is undertaking in order to remain or become competitive in international markets.

(d) USE OF FUNDS FOR SERVICES.—A worker readjustment and placement committee may use funds under this section to provide to or obtain for eligible workers any one or more of the following services:

(1) early warning adjustment services in the event of mass layoffs or plant closings including such services as personal and financial counseling, referral to community services, career counseling, job search assistance, job development, retraining, and relocation assistance;

(2) aptitude testing and career counseling;

(3) on-the-job training;

(4) institutional training;

(5) tuition assistance;

(6) upgrading of skills; and

(7) education, including basic skills and literacy training as well as more advanced education intended to increase the proficiency and adaptability of workers in a changing work environment.

(e) REQUIREMENTS FOR AGREEMENTS.—The cooperative agreement providing for the establishment of a worker readjustment and placement committee meets the requirements of this subsection if the agreement—

(1) provides that there shall be at least as many representatives of employees on the committee as there are representatives of the employer;

(2) provides that where eligible employees have designated one or more exclusive representatives under the National Labor Relations Act, each of those representatives shall serve on the committee as representatives of those employees;

(3) provides that eligible employees who have not designated an exclusive representative under the National Labor Relations Act may be represented on the committee by such a representative or by one of such employees as chosen in a secret ballot election, except that the ratio of the number of employee representatives chosen pursuant to this paragraph to the number of representatives selected under paragraph (2) may not exceed the ratio of the number of employees who are not represented by an exclusive representative as provided under the National Labor Relations Act to the number of employees who are so represented;

(4) provides that all decisions of the committee shall be by mutual agreement of a majority of the employer representatives and a majority of employee representatives on the committee; and

(5) provides that (A) committees may designate, by mutual agreement of employer and employee representatives on the committee, one individual, not otherwise employed by or under contract to the employer, to act as chairperson of the committee, and (B) where such an individual is not so designated, the chairperson shall be designated by mutual agreement of the employer and employee representatives on the committee from among the employee representatives on the committee.

(f) CONTRACT FOR PERFORMANCE OF SERVICES.—Upon approval of a grant request but prior to providing any funds, the Secretary shall require the committee and the employer to enter into a contract with the Secretary to perform the services for which the Secretary is providing funds under this section.

(g) TERMINATION OF FUNDING.—The Secretary shall not provide any additional financial assistance to any committee after receiving notice from the chairperson selected under subsection (e)(5) that the representatives of either the employer or the employees on the committee, or both, have expressed, in writing, an unwillingness to participate in the further activities of the committee. A chairperson shall so notify the Secretary within 10 days after receiving an expression of such unwillingness, unless it is earlier withdrawn.

(h) REGIONAL TECHNICAL ASSISTANCE.—The Secretary shall identify individuals, including employees of the Department of Labor, who shall be available on a regional basis to provide planning, operational, and technical assistance to worker readjustment and placement committees described in subsection (b).

(i) NO DISCRIMINATION BASED ON EMPLOYEE REPRESENTATION.—In administering the assistance authorized under this section, the Secretary shall not discriminate on the basis of employee representation or the lack thereof.

(j) AFFECT ON COLLECTIVE BARGAINING RIGHTS.—(1) Nothing in this subsection shall be construed to affect the terms or conditions of any collective bargaining agreement, whether entered into before or after the date of entry into an agreement under subsection (d).

(2) No money or other things of value provided by an employer to a committee pursuant to this section shall be held to be a violation of paragraph (1) or (2) of section 302(a) of the Labor Management Relations Act, 1947, or section 8(a)(2) of the National Labor Relations Act.

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $10,000,000 for fiscal year 1987 and $15,000,000 for fiscal year 1988.

SEC. 522. TRANSFERS TO APPROPRIATIONS FOR CERTAIN PROGRAMS UNDER THE LABOR MANAGEMENT RELATIONS ACT.

Section 205A of Labor Management Relations Act, 1947 is amended—

(1) in subsection (a)(1), by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) have been organized jointly by employers and (i) labor organizations representing employees in that plant, area or industry, or (ii) representatives selected by such employees in a secret ballot election, in the case of employees not represented by a labor organization; and";

(2) in subsection (b), by striking out paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(3) by striking out subsection (d) and inserting in lieu thereof the following:

"(d) There are authorized to be appropriated to carry out the provisions of this section, $5,000,000 for fiscal year 1987, $8,000,000 for fiscal year 1988, and such sums as may be necessary for each succeeding fiscal year.".

—Strike out all of title V of the bill and insert in lieu thereof the following:

TITLE V—EDUCATION AND TRAINING

Subtitle A—Education

SEC. 501. REPLACEMENT AND MODERNIZATION OF COLLEGE RESEARCH FACILITIES.

(a) PURPOSE.—It is the purpose of this section to assist in revitalizing the Nation's academic research programs through capital investments in laboratories and other research facilities at universities and colleges.

(b) PROGRAM ESTABLISHMENT.—To carry out this purpose, the Secretary of Education shall, from the sums available under subsection () to carry out this section in any fiscal year, establish and carry out a new university research laboratory modernization program that will provide assistance for the replacement or modernization of such institutions' obsolete laboratories and other research facilities.

(c) COMPETITIVE GRANTS; REGULATIONS.—The university research laboratory modernization program established pursuant to subsection (b) shall be carried out through projects which involve the replacement or modernization of specific research facilities at the universities and colleges involved and for which funds are awarded in response to specific proposals submitted by such universities and colleges, in accordance with regulations prescribed by the Secretary of Education to carry out the purpose of this part. The regulations so prescribed shall contain such terms, conditions, and guidelines as may be necessary in the light of that objective, but shall in any event provide that funds to carry out the program will be awarded on a competitive basis, and that the funds so awarded to any university or college will be in an amount not exceeding 50 percent of the cost of the replacement or modernization involved (with the funds required to meet the remainder of such cost being provided by the institution involved or from other non-Federal public or private sources).

(d) CRITERIA FOR AWARD.—Criteria for the award of funds to any institution for a project under a university research laboratory modernization program shall include—

(1) the quality of the research and training to be carried out in the facility or facilities involved;

(2) the congruence of the institution's research activities with the future research mission of the agency making the award; and

(3) the contribution which the project will make toward meeting national, regional, and State research and related training needs.

(e) EQUALIZATION OF FEDERAL FUNDS.—At least 15 percent of the amount available under this section in any fiscal year shall be available only for awards to universities and colleges that received less than $10,000,000 in total Federal obligations for research and development (including obligations for the university research laboratory modernization program) in each of the two preceding fiscal years.

(f) CONSULTATION.—In prescribing regulations and conducting the program under this section, the Secretary of Education shall consult with—

(1) the National Science Foundation;

(2) the Department of Health and Human Services;

(3) the Department of Defense;

(4) the Department of Energy;

(5) the National Aeronautics and Space Administration; and

(6) the Department of Agriculture.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $185,000,000 for each of the fiscal years 1987 and 1988.

SEC. 502. EDUCATIONAL PARTNERSHIP PROGRAMS AUTHORIZED.

(a) PROGRAM AUTHORIZED.—From the funds available to carry out this subtitle, the Secretary shall make grants in accordance with the requirements of this subtitle to institutions of higher education to establish and operate educational partnership programs in accordance with the requirements of this section.

(b) COMPETITIVE SELECTION OF GRANT RECIPIENTS.—The Secretary shall award grants under this section competitively, on the basis of the quality of the proposal contained in the institution's application under subsection (d).

(c) LIMITATIONS ON AWARDS.—In making awards under subsection (a), the Secretary shall ensure that—

(1) there is an equitable geographic distribution of the funds awarded under this subtitle; and

(2) the award to any institution or consortium of institutions is not less than $100,000 or more than $500,000 for any fiscal year.

(d) APPLICATIONS.—An institution of higher education or consortium of such institutions that desires to obtain a grant under this subtitle shall submit an application to the Secretary that contains—

(1) a description of the activities that will be performed with funds made available under this section;

(2) assurances that the institution will obtain from donors, or otherwise provide from non-Federal sources, not less than one-half of the costs of the programs conducted with funds made available under this section;

(3) a description of the resources available to meet the requirements of paragraph (2); and

(4) such other information and assurances as the Secretary may require by regulation.

(e) USE OF FUNDS.—Funds made available pursuant to this section may be used for costs associated with establishment and operation of educational partnerships between institutions of higher education and local educational agencies to provide advanced instruction to students in—

(1) mathematics, science, or computer technology;

(2) a language determined by the Secretary to be critical to the capability of American business to compete in international trade; or

(3) another area of national need as determined by the Secretary.

(f) SPECIFICALLY PERMITTED USES.—Permissible uses of funds under this section include—

(1) costs associated with entering into resource sharing with government, private business, industry, and institutions;

(2) stipends or salary supplements for university faculty and staff involved in the educational partnership program under this title;

(3) development of curriculum that provides superior preparation in any one or more of the areas of mathematics, science, and technology;

(4) acquisition of textbooks, materials, and supplies to be utilized in instructional programs to be used under this title; and

(5) additional transportation costs for students as a result of their participation in the educational partnership program under this title.

(g) USE FOR GENERAL OVERHEAD PROHIBITED.—Funds made available pursuant to a grant under this section may not be used in connection with the general overhead costs of the applicant.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $50,000,000 for each of the fiscal years 1987 and 1988.

Subtitle B—Training

SEC. 521. WORKER READJUSTMENT AND PLACEMENT COMMITTEES.

(a) GRANTS TO WORKER READJUSTMENT AND PLACEMENT COMMITTEES.—From the funds available to carry out this section, the Secretary shall award, on a competitive basis, grants to worker readjustment and placement committees to provide not more than one-half of the cost of establishing and operating programs of training, retraining, and educaton for eligible workers.

(b) ELIGIBILITY FOR GRANTS.—To be eligible for a grant under this section, a worker readjustment and placement committee shall demonstrate to the Secretary in its application that—

(1)(A) the committee was established by a voluntary cooperative agreement, between the employer and the employees employed at or operating out of a single site, that complies with the requirements of subsection (e), and (B) the employer has certified that it will comply with the terms of such agreement;

(2) the committee does not have, as one of its purposes, the discouragement of the exercise of rights contained in section 7 of the National Labor Relations Act (29 U.S.C. 157) or the interference with collective bargaining in any plant or industry;

(3) the employer is undertaking a modernization or other production adjustment program in order to remain or become competitive in international markets;

(4) the employer has undertaken to provide or to secure from non-Federal sources the remaining one-half of the costs of programs under this section;

(5) the programs to be provided will be in addition to training programs already provided or required to be provided;

(6) an identificaton of (A) the persons or agencies from whom services will be obtained for employees under this section and (B) the specific services that will be provided; and

(7) a description of any arrangements that have been made with the administrative entity for a service delivery area in the vicinity for the purpose of—

(A) obtaining information concerning (and improved access to) educational and training services available in the locality, such as institutional skill training, on-the-job training, training programs operated by employers or labor organizations, or on-side, industry-specific training supportive of industrial or economic development;

(B) providing, through the service delivery area, local providers of education and training with information concerning the needs of the committee for their services; and

(C) assessing such training and educational needs, providing information and recommendations regarding such needs to local educational and training service providers, and matching such training needs to the programs available.

(c) ELIGIBLE WORKERS.—For the purpose of programs under this section, an eligible worker is a worker who is or may be at risk of losing employment because of skill obsolescence or because of a modernization or other production adjustment program which his or her employer is undertaking in order to remain or become competitive in international markets.

(d) USE OF FUNDS FOR SERVICES.—A worker readjustment and placement committee may use funds under this section to provide to or obtain for eligible workers any one or more of the following services:

(1) early warning adjustment services in the event of mass layoffs or plant closings including such services as personal and financial counseling, referral to community services, career counseling, job search assistance, job development, retraining, and relocation assistance;

(2) aptitude testing and career counseling;

(3) on-the-job training;

(4) institutional training;

(5) tuition assistance;

(6) upgrading of skills; and

(7) education, including basic skills and literacy training as well as more advanced education intended to increase the proficiency and adaptability of workers in a changing work environment.

(e) REQUIREMENTS FOR AGREEMENTS.—The cooperative agreement providing for the establishment of a worker readjustment and placement committee meets the requirements of this subsection if the agreement—

(1) provides that there shall be at least as many representatives of employees on the committee as there are representatives of the employer;

(2) provides that where eligible employees have designated one or more exclusive representatives under the National Labor Relations Act, each of those representatives shall serve on the committee as representatives of those employees;

(3) provides that eligible employees who have not designated an exclusive representative under the National Labor Relations Act may be represented on the committee by such a representative or by one of such employees as chosen in a secret ballot election, except that the ratio of the number of employee representatives chosen pursuant to this paragraph to the number of representatives selected under paragraph (2) may not exceed the ratio of the number of employees who are not represented by an exclusive representative as provided under the National Labor Relations Act to the number of employees who are so represented;

(4) provides that all decisions of the committee shall be my mutual agreement of a majority of the employer representatives and a majority of employee representatives on the committee; and

(5) provides that (A) committees may designate, by mutual agreement of employer and employee representatives on the committee, one individual, not otherwise employed by or under contract to the employer, to act as chairperson of the committee, and (B) where such an individual is not so designated, the chairperson shall be designated by mutual agreement of the employer and employee representatives on the committee from among the employee representatives on the committee.

(f) CONTRACT FOR PERFORMANCE OF SERVICES.—Upon approval of a grant request but prior to providing any funds, the Secretary shall require the committee and the employer to enter into a contract with the Secretary to perform the services for which the Secretary is providing funds under this section.

(g) TERMINATION OF FUNDING.—The Secretary shall not provide any additional financial assistance to any committee after receiving notice from the chairperson selected under subsection (e)(5) that the representatives of either the employer or the employees on the committee, or both, have expressed, in writing, an unwillingness to participate in the further activities of the committee. A chairperson shall so notify the Secretary within 10 days after receiving an expression of such unwillingness, unless it is earlier withdrawn.

(h) REGIONAL TECHNICAL ASSISTANCE.—The Secretary shall identify individuals, including employees of the Department of Labor, who shall be available on a regional basis to provide planning, operational, and technical assistance to worker readjustment and placement committees described in subsection (b).

(i) NO DISCRIMINATION BASED ON EMPLOYEE REPRESENTATION.—In administering the assistance authorized under this section, the Secretary shall not discriminate on the basis of employee representation or the lack thereof.

(j) EFFECT ON COLLECTIVE BARGAINING RIGHTS.—(1) Nothing in this subsection shall be construed to affect the terms or conditions of any collective bargaining agreement, whether entered into before or after the date of entry into an agreement under subsection (d).

(2) No money or other things of value provided by an employer to a committee pursuant to this section shall be held to be a violation of paragraph (1) or (2) of section 302(a) of the Labor Management Relations Act, 1947, or section 8(a)(2) of the National Labor Relations Act.

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $10,000,000 for fiscal year 1987 and $15,000,000 for fiscal year 1988.

SEC. 522. TRANSFERS TO APPROPRIATIONS FOR CERTAIN PROGRAMS UNDER THE LABOR MANAGEMENT RELATIONS ACT.

Section 205A of Labor Management Relations Act, 1947 is amended—

(1) in subsection (a)(1), by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) have been organized jointly by employers and (1) labor organizations representing employees in that plant, area or industry, or (ii) representatives selected by such employees in a secret ballot election, in the case of employees not represented by a labor organization; and";

(2) in subsection (b), by striking out paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(3) by striking out subsection (d) and inserting in lieu thereof the following:

"(d) There are authorized to be appropriated to carry out the provisions of this section, $5,000,000 for fiscal year 1987, $8,000,000 for fiscal year 1988, and such sums as may be necessary for each succeeding fiscal year.".

Subtitle C—Import Surcharge

SEC. 531. TRUST FUND.

(a) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a trust fund to be known as the Education and Training for American Competitiveness Trust Fund (hereinafter referred to as the "trust fund"), consisting of such amounts as may be credited to the Trust Fund as provided in this section.

(b) TRANSFERS TO FUND; MANAGEMENT.—(1) The Secretary of the Treasury shall transfer, at least monthly, to the trust fund out of the general fund of the Treasury of the United States amounts determined by the Secretary of the Treasury to be equivalent to the amounts received into the general fund that are attributable to the import surcharge imposed by section 532.

(2)(A) The Secretary of the Treasury shall invest such portion of the Trust Fund as is not, in his judgment, required to meet cur-

rent expenditures. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired—

(i) an original issue at the issue price, or

(ii) by purchase of outstanding obligations at the market price.

(B) Any obligation acquired by the Trust Fund may be sold by the Secretary of the Treasury at the market price.

(C) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(c) EXPENDITURES FROM FUND.—(1) Amounts in the Trust Fund shall be available in accordance with section 533.

SEC. 532. IMPORT SURCHARGE.

(a) IN GENERAL.—Except as provided in subsection (b), there is imposed on the entry, or withdrawal from warehouse for consumption, in the customs territory of the United States of each article an import surcharge which is equal to the lesser of—

(1) 0.3 percent ad valorem, or

(2) a percentage that is sufficient to provide funding necessary to carry out the provisions of this Title.

(b) EXCEPTION.—Subsection (a) does not apply to any article that is, without regard to this section, duty-free.

(c) TREATMENT OF IMPORT SURCHARGES.—An import surcharge imposed under subsection (a)—

(1) shall be treated as a regular customs duty for the purposes of the administration of the customs laws; and

(2) is in addition to any other duty imposed under law on an article.

(d) EFFECTIVE PERIOD.—This section shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

SEC. 533. ALLOCATION OF PROCEEDS.

(a) ALLOCATIONS.—From the amount deposited in the Trust Fund as of October 1, 1987, and as of October 1 of each succeeding fiscal year, the Secretary of the Treasury shall make available such sums as may be appropriated for the programs in Title V of this Act.

(b) RATABLE REDUCTIONS.—If the amount deposited in the Trust Fund as of October 1 of any fiscal year is not sufficient to make available all the appropriated amounts for the programs established by Title V of this Act, then each of such amounts shall be ratably reduced.

—Page 327, line 17, strike out "80 percent" and insert "50 percent"; on line 18, strike out "chapter 1" and insert "chapters 1 and 4"; and on line 19, strike out "20 percent" and insert "50 percent".

Page 335, line 14, strike out "or", and after such line insert the following new paragraphs (and redesignate the succeeding paragraph accordingly):

(4) for the modernization of research laboratory equipment under section 537;

(5) to operate a graduate work-study program under section 449 of the Higher Education Act of 1965 (as added by section 538 of this Act); or

Page 336, strike out lines 1 through 3 and insert in lieu thereof the following:

(1) 15 percent of such funds will be used for activities under sections 534 and 536, 55 percent for activities under sections 535 and 537, and 30 percent for activities under section 538;

Page 339, after line 23 insert the following new sections:

SEC. 537. REPLACEMENT AND MODERNIZATION OF COLLEGE RESEARCH FACILITIES.

(a) PURPOSE.—It is the purpose of this section to assist in revitalizing the Nation's academic research programs through capital investment in laboratories and other research facilities at universities and colleges.

(b) PROGRAM ESTABLISHMENT.—To carry out this purpose, the Secretary of Education shall, from the sums available under section 532(b) to carry out this section in any fiscal year, establish and carry out a new university research laboratory modernization program that will provide assistance for the replacement or modernization of such institutions' obsolete laboratories and other research facilities.

(c) COMPETITIVE GRANTS; REGULATIONS.—The university research laboratory modernization program established pursuant to subsection (b) shall be carried out through projects which involve the replacement or modernization of specific research facilities at universities and colleges. Funds shall be awarded in response to specific proposals submitted by such universities and colleges, in accordance with regulations prescribed by the Secretary of Education to carry out the purpose of this part. Funds to carry out the program shall be awarded on a competitive basis. The funds so awarded to any university or college shall be in an amount not exceeding 50 percent of the cost of the replacement or modernization involved (with the funds required to meet the remainder of such cost being provided by the institution involved or from other non-Federal public or private sources).

(d) CRITERIA FOR AWARD.—Criteria for the award of funds to any institution for a project under a university research laboratory modernization program shall include—

(1) the quality of the research and training to be carried out in the facility or facilities involved;

(2) the congruence of the institution's research activities with the future research needs of the agencies referred to in subsection (f); and

(3) the contribution which the project will make toward meeting national, regional, and State research and related training needs.

(e) EQUALIZATION OF FEDERAL FUNDS.—At least 15 percent of the amount available under this section in any fiscal year shall be available only for awards to universities and colleges that received less than $10,000,000 in total Federal obligations for research and development (including obligations for the university research laboratory modernization program) in each of the two preceding fiscal years.

(f) CONSULTATION.—In prescribing regulations and conducting the program under this section, the Secretary of Education shall consult with—

(1) the National Science Foundation;

(2) the Department of Health and Human Services;

(3) the Department of Defense;

(4) the Department of Energy;

(5) the National Aeronautics and Space Administration; and

(6) the Department of Agriculture.

SEC. 538. GRADUATE WORK-STUDY GRANTS IN AREAS OF NATIONAL NEED.

Part C of title IV of the Higher Education Act of 1965 is amended by adding at the end thereof the following new section:

"GRADUATE WORK-STUDY IN AREAS OF NATIONAL NEED

"SEC. 449. (a) From the amounts available pursuant to section 511 of the Education and Training for American Competitiveness Act to carry out this section in any fiscal year, the Secretary shall make grants to institutions of higher education participating in the program conducted under this part which offer courses of study leading to a graduate degree for the purpose of supporting work-study in areas of national need, as determined by the Secretary under subsection (e) of this section. Such grants shall be awarded competitively on the basis of applications containing (or accompanied by) such information and assurances as the Secretary may require by regulation.

"(b) For purposes of subsection (a), the term 'work-study in areas of national need' includes part-time work in an area of national need (such as mathematics, biology, physics, chemistry, engineering, computer technology, science, and foreign languages) combined with full-time, half-time, or less-than-half-time study leading to a graduate degree in a related field at the participating institution of higher education.

"(c)(1) The Secretary shall review the established areas of national need at least once evey five years, but not more than every three years. If the Secretary determines that redesignation of areas of need is warranted, the Secretary shall consult with the agencies and organizations specified in subsection (e) of this section. Notwithstanding any such redesignation, students participating in the work-study program established under this section at such time may continue to be eligible for participation for one academic year beyond such redesignation (if the area of study involved is determined no longer one of national need).

"(2) The Secretary shall report to the appropriate Committees of Congress within five years of enactment of this section recommended changes to the program under this section, including the feasibility of expanding the proportion of work-study participation in the private sector, and removing the graduate study restriction.

"(d) Work-study programs conducted with funds provided under this section shall be subject to the same terms and conditions as are work-study programs conducted with funds provided under section 441.

"(e) After consultation with the National Science Foundation, the National Academy of Sciences, the National Endowment for the Arts and the Humanities, and other appropriate Federal and nonprofit agencies and organizations, the Secretary shall designate areas of national need, such as mathematics, biology, physics, chemistry, engineering, computer science, and foreign languages and area studies. In making such designations, the Secretary shall take into account the extent to which the interest is compelling and the extent to which other Federal programs support post-baccalaureate study in the area.".

Page 340, line 3, redesignate section 541 as section 540 and after line 25, insert the following new chapter:

CHAPTER 4—GIFTED AND TALENTED CHILDREN AND YOUTH

SEC. 541. SHORT TITLE.

This chapter may be cited as the "Gifted and Talented Children and Youth Education Act of 1986".

SEC. 542. STATEMENT OF PURPOSE.

It is the purpose of this chapter to provide financial assistance to State and local educational agencies, institutions of higher education, and other public and private agencies and organizations, to initiate a coordinated program of research, demonstration

projects, personnel training, and similar activities designed to build a nationwide capability in our elementary and secondary schools to identify and meet the special educational needs of gifted and talented children and youth. It is also the purpose of this chapter to supplement and make more effective the expenditure of State and local funds, and of Federal funds expended under chapter 2 of the Education Consolidation and Improvement Act of 1981 and the Education for Economic Security Act of 1984, for the education of gifted and talented children and youth.

SEC. 543. DEFINITIONS.

(a) DEFINITIONS.—For the purposes of this chapter the following terms have the following meanings:

(1) The term "gifted and talented children and youth" means children and youth who give evidence of high performance capability in areas such as intellectual, creative, artistic, or leadership capacity, or in specific academic fields (including areas of national need), and who require services or activities not ordinarily provided by the school in order to fully develop such capabilities.

(2) The term "Secretary" means the Secretary of Education.

(3) The term "institution of higher education" has the same meaning given such term in section 435(b) of the Higher Education Act of 1965.

(b) DEFINITION BY REFERENCE.—Any term used in this chapter and not defined in subsection (a) shall have the same meaning as that term is given under chapter 1 of the Education Consolidation and Improvement Act of 1981.

SEC. 544. AUTHORIZED PROGRAMS.

(a) ESTABLISHMENT OF PROGRAM.—From the sums available under section 511 to carry out this chapter in any fiscal year, the Secretary (after consultation with the advisory committee established pursuant to section 547) shall make grants to or contracts with State educational agencies, local educational agencies, institutions of higher education, or other public and private agencies and organizations to assist them in carrying out programs or projects authorized by this section that are designed to meet the educational needs of gifted and talented children and youth, including the training of personnel in the education of gifted and talented children and youth or in supervising such personnel.

(b) USES OF FUNDS.—Programs and projects funded under this section may include—

(1) preservice and inservice training (including fellowships) for personnel (including leadership personnel) involved in the education of gifted and talented children and youth;

(2) establishment and operation of model projects and exemplary programs for the identification and education of gifted and talented children and youth, including summer programs and cooperative programs involving business, industry, and education;

(3) strengthening the capability of State educational agencies and institutions of higher education to provide leadership and assistance to local educational agencies and nonprofit private schools in the planning, operation, and improvement of programs for the identification and education of gifted and talented children and youth;

(4) programs of technical assistance and information dissemination; and

(5) carrying out through the National Center for Research and Development in the Education of Gifted and Talented Children and Youth established pursuant to subsection (c)—

(A) research on methods and techniques for identifying and teaching gifted and talented children and youth, and

(B) program evaluations, surveys, and the collection, analysis, and development of information needed to accomplish the purposes of this Act.

(c) ESTABLISHMENT OF NATIONAL CENTER.—The Secretary shall establish a National Center for Research and Development in the Education of Gifted and Talented Children and Youth through grants to or contracts with one or more institutions of higher education or State education agencies, or a combination or consortium of such institutions and agencies, for the purpose of carrying out clause (5) of subsection (b). Such National Center shall have a Director. The Director shall consult with the advisory committee appointed by the Secretary pursuant to section 547 with respect to the agenda of the National Center. The Secretary may authorize the Director to carry out such functions of the National Center as may be agreed upon through arrangements with other institutions of higher education, State or local educational agencies, or other public or private agencies and organizations.

(d) LIMITATION.—Not more than 30 percent of the funds available in any fiscal year to carry out the programs and projects authorized by this section may be used for the conduct of activities pursuant to subsections (b)(5) or (c).

SEC. 545. PROGRAM PRIORITIES.

In the administration of this chapter, the Secretary (and the advisory committee established pursuant to section 547) shall give highest priority—

(1) to the identification of gifted and talented children and youth who may be identified through traditional assessment methods (such as the limited-English speaking, economically disadvantaged, handicapped, and women) and to education programs designed to include gifted and talented children and youth from such groups; and

(2) to programs and projects designed to develop or improve the capability of schools in an entire State or region of the Nation through cooperative efforts and participation of State and local educational agencies, institutions of higher education, and other public and private agencies and organizations (including business, industry, and labor), to plan, conduct, and improve programs for the identification and education of gifted and talented children and youth.

SEC. 546. PARTICIPATION OF PRIVATE SCHOOL CHILDREN AND TEACHERS.

In making grants and contracts under this chapter, the Secretary shall ensure, where appropriate, that provision is made for the equitable participation of children and teachers in private nonprofit elementary and secondary schools, including the participation of teachers and other personnel serving such children in preservice and inservice training programs.

SEC. 547. SECRETARY'S ADVISORY COMMITTEE.

(a) APPOINTMENT AND MEMBERSHIP.—The Secretary shall appoint a committee composed of at least five persons who are not Federal employees to advise on the administration of this chapter, including the content of regulations governing the administration of this chapter. The committee shall have as members at least one person who is a director of programs for gifted and talented children and youth in a State educational agency, one person who has substantial responsibility in an institution of higher education for preparing teachers of such children and youth, one person who is nationally recognized as an authority on research in the field of special education of such children and youth, one person who is currently engaged as a teacher in a special program for such children and youth, and one person who is a parent of a child currently enrolled in an elementary or secondary school program for such children and youth.

(b) DUTIES.—The Secretary shall meet with the advisory committee at least twice during each fiscal year for which funds are made to carry out this chapter, and shall seek the advice and counsel of the committee with respect to—

(1) identification of the most urgent needs for strengthening the capability of elementary and secondary schools nationwide to plan and operate effective programs for the identification and education of gifted and talented children and youth, and for addressing the program priorities set forth in section 135;

(2) the kinds of programs and projects authorized by this Act that are best calculated to help meet the needs identified by the Secretary and the committee pursuant to clause (1);

(3) the assessment of the effectiveness of programs and projects funded under this chapter, and of progress under this chapter in expanding and improving educational opportunities and programs for gifted and talented children and youth; and

(4) such other matters relating to the administration of this chapter as the Secretary may find useful.

SEC. 548. ADMINISTRATION.

The Secretary shall establish or designate an administrative unit within the Department of Education to administer the programs authorized by this chapter, to coordinate all programs for gifted and talented children and youth administered by the Department, and to serve as a focal point of national leadership and information on the educational needs of gifted and talented children and youth and the availability of educational services and programs designed to meet those needs. The administrative unit established or designated pursuant to this section shall be headed by a person of recognized professional qualifications and experience in the field of the education of gifted and talented children and youth.

SEC. 549. TRUST FUND.

(a) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a trust fund to be known as the Education and Training for American Competitiveness Trust Fund (hereinafter referred to as the "trust fund"), consisting of such amounts as may be credited to the Trust Fund as provided in this section.

(b) TRANSFERS TO FUND; MANAGEMENT.—(1) The Secretary of the Treasury shall transfer, at least monthly, to the trust fund out of the general fund of the Treasury of the United States amounts determined by the Secretary of the Treasury to be equivalent to the amounts received into the general fund that are attributable to the import surcharge imposed by section 550.

(2)(A) The Secretary shall invest such portion of the Trust Fund as is not, in his judgment, required to meet current expenditures. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired—

(i) an original issue at the issue price, or

(ii) by purchase of outstanding obligations at the market price.

(B) Any obligation acquired by the Trust Fund may be sold by the Secretary of the Treasury at the market price.

(C) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(c) EXPENDITURES FROM FUND.—(1) Amounts in the Trust Fund shall be available in accordance with section 551.

SEC. 550. IMPORT SURCHARGE.

(a) IN GENERAL.—Expect as provided in subsection (b), there is imposed on the entry, or withdrawal from warehouse for consumption, in the customs territory of the United States of each article an import surcharge which is equal to the lesser of—

(1) 0.3 percent ad valorem, or

(2) a percentage that is sufficient to provide funding necessary to carry out the provisions of this Title.

(b) EXCEPTION.—Subsection (a) does not apply to any article that is, without regard to this section, duty-free.

(c) TREATMENT OF IMPORT SURCHARGES.—An import surcharge imposed under subsection (a)—

(1) shall be treated as a regular customs duty for the purposes of the administration of the customs laws; and

(2) is in addition to any other duty imposed under law on an article.

(d) EFFECTIVE PERIOD.—This section shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

SEC. 551. ALLOCATION OF PROCEEDS.

(a) ALLOCATIONS.—From the amount deposited in the Trust Fund as of October 1, 1987, and as of October 1 of each succeeding fiscal year, the Secretary of the Treasury shall make available such sums as may be appropriated for the programs in Title V of this Act.

(b) RATABLE REDUCTIONS.—If the amount deposited in the Trust Fund as of October 1 of any fiscal year is not sufficient to make available all the appropriated amounts for the programs established by Title V of this Act, then each of such amounts shall be ratably reduced.

By Mr. ROTH:

—In title III, strike subtitle B and insert the following:

Subtitle B—Export Controls

SEC. 321. NATIONAL SECURITY CONTROLS.

(a) MULTIPLE LICENSE AUTHORITY.—Section 4(a)(2)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2403(a)(2)(A)) is amended in the first sentence by inserting "(except the People's Republic of China)" after "controlled countries".

(b) EXPORTS OF LOW TECHNOLOGY ITEMS.—Section 5(b)(2) of such Act (50 U.S.C. App. 2404(b)(2)) is amended to read as follows:

"(2) No authority or permission to export may be required under this section for the export to any country other than a controlled country of any goods or technology which is at such a level of performance characteristics that the export of the goods or technology, were it made pursuant to the agreement of the group known as the Coordinating Committee, would require only notification of participating governments of the Committee. The Secretary may require any person exporting any such goods or technology to a country other than a controlled country to notify the Department of Commerce of those exports.".

(c) LIST REVIEWS.—

(1) CONTROL LIST.—Section 5(c)(3) of such Act (50 U.S.C. App. 2404(c)(3)) is amended—

(A) in the first sentence—

(i) by striking "shall review" and inserting "shall conduct partial reviews of"; and

(ii) by striking "year" and inserting "calendar quarter";

(B) in the second sentence—

(i) by striking "annual" the first place it appears and inserting "quarterly"; and

(ii) by striking "annual" the second place it appears;

(C) in the third and fifth sentences by striking "such" and inserting "each"; and

(D) by adding at the end the following: "All goods and technology on the list shall be reviewed at least once each year.".

(2) LIST OF MILITARY CRITICAL TECHNOLOGIES.—Section 5(d)(5) of such Act (50 U.S.C. App. 2404(d)(5)) is amended in the first sentence by striking "at least annually" and inserting "on an ongoing basis".

(d) FOREIGN AVAILABILITY DETERMINATIONS.—Section 5(f)(3) of such Act (50 U.S.C. App. 2404(f)(3)) is amended by inserting after the second sentence the following:

"In a case in which an allegation is received from an export license applicant, the Secretary shall respond in writing to the applicant, and publish in the Federal Register, within 30 days after receipt of the allegation, that—

"(A) the foreign availability does exist and the requirement of a validated license has been removed or the applicable steps are being taken under paragraph (4);

"(B) the foreign availability may exist but further examination of the issue is necessary in order to make a determination; or

"(C) the foreign availability does not exist.

In the case in which subparagraph (B) applies, the Secretary shall, within 6 months after the initial response and publication, respond in writing to the applicant and publish in the Federal Register, that—

"(i) the foreign availability does exist and the requirement of a validated license has been removed or the applicable steps are being taken under paragraph (4); or

"(ii) the foreign availability does not exist.

In any case in which the application is not made within that 6-month period, the Secretary may not require a license for the export of the goods or technology with respect to which the foreign availability allegation was made.".

(e) AGREEMENTS ON EXPORT CONTROLS.—Section 5(k) of such Act (50 U.S.C. App. 2404(k)) is amended by adding at the end the following: "In any case in which such negotiations produce an agreement on export controls on any goods or technology which are comparable in practice to those export controls imposed under this section, and the Secretary of State determines, 1 year after the country involved has maintained such export controls, that such controls are comparable in practice to those imposed under this section, the Secretary may not, while that determination is effective, require a validated license for the export to that country of the goods or technology that are subject to the agreement.".

SEC. 322. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 18(b) of the Export Administration Act of 1979 (50 U.S.C. App. 2417(b)) is amended to read as follows:

"(b) AUTHORIZATION.—There are authorized to be appropriated to the Department of Commerce to carry out the purposes of this Act—

"(1) $35,935,000 for the fiscal year 1987, of which $12,746,000 shall be available only for enforcement, $2,000,000 shall be available only for foreign availability assessments under subsections (f) and (h)(6) of section 5, and $21,189,000 shall be available for all other activities under this Act;

"(2) $35,935,000 for the fiscal year 1988, of which $12,746,000 shall be available only for enforcement, $2,000,000 shall be available only for foreign availability assessments under subsections (f) and (h)(6) of section 5, and $21,189,000 shall be available for all other activities under this Act; and

"(3) such additional amounts for each of the fiscal years 1987 and 1988 as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs.".

(b) ENFORCEMENT ACTIVITIES OF THE CUSTOMS SERVICE.—Section 12(a)(6) of the Export Administration Act of 1979 (50 U.S.C. App. 2411(a)(6)) is amended by striking "$12,000,000 in the fiscal year 1985 and not more than $14,000,000 in the fiscal year 1986" and inserting "$14,000,000 in the fiscal year 1987 and not more than $14,000,000 in the fiscal year 1988".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1986.

SEC. 323. GAO REPORT.

The Comptroller General of the United States shall conduct an evaluation of activities of the Department of Defense conducted pursuant to the Presidential Directive of January 4, 1985, regarding the review of export license applications, under the Export Administration Act of 1979, for the export of goods and technology to countries other than controlled countries. One purpose of the study is to determine if Department of Defense activities provide information about the diversion of United States technology from sources outside the United States to controlled countries that would not otherwise be available to other agencies with enforcement responsibilities under the Act. The study shall include a review of all Department of Defense activities in determining export control policy, making foreign availability determinations, and reviewing the control list, and the relationship between the Department of Defense and other agencies responsible for implementing the Export Administration Act of 1979. In conducting the study, the Comptroller General shall make a special effort to gather information from United States exporters, particularly those that have had applications for proposed exports to countries other than controlled countries reviewed by the Department of Defense. The Comptroller General shall submit a report on the evaluation to the Congress not later than 6 months after the date of the enactment of this Act. If necessary, the report may be submitted on a classified basis.

By Mr. SCHUMER:

—Page 299, after line 9, insert the following new chapter:

CHAPTER 8—ENSURING SUSTAINABLE DEBT BURDENS AND LONG-TERM EXPANSION OF WORLD TRADE

SEC. 448. FINDINGS.

The Congress finds the following:

(1) The debt crisis has become a long-term economic and political barrier to Third World development and this lack of development is, in turn, restraining world economic growth.

(2) The debt crisis is adversely affecting the entire United States economy, not just

the financial sector, as declining United States export opportunities are translated into significant numbers of lost jobs.

(3) Unsustainable debt service burdens have forced developing countries to take drastic steps to reduce imports and bolster exports in an attempt to generate foreign exchange surpluses for debt service repayment which has lead to the erection of barriers to United States trade with the Third World.

(4) These trade surpluses are often mandated by austerity programs required by the International Monetary Fund and agreed to after negotiations with international organizations and private creditors.

(5) Improvements in developing country trade balances have been achieved at the cost of the economic, political, and social well being of citizens of such countries; standards of living have plummeted, poverty and malnutrition have soared, and political discontent has risen.

(6) The Third World poverty and political instability bred by the debt crisis represent a serious external threat to the national security of the United States.

(7) Developing countries cannot purchase more imports with their limited foreign exchange as long as their debt service requirements remain unsustainably high. Thus, the United States trade deficit with the Third World cannot be rectified without first finding long-term solutions to the Third World debt crisis.

(8) More new lending, without any restructuring of the existing debt, will simply increase the unsustainable debt burden carried by Third World countries and therefore will not provide a lasting solution to either the debt crisis or its global ramifications.

(9) Debt relief for the Third World must be provided if the Third World is to grow and develop, if the United States trade deficit is to be reduced, and if United States export industries are to experience long-term, sustainable benefits.

(10) Therefore, for economic, political, and humanitarian reasons, it is in the United States' interest to propose a concrete plan for such debt relief.

SEC. 449. DEBT RELIEF REPORT.

(a) REPORT REQUIRED.—The Board of Governors of the Federal Reserve System, working in consultation with the Secretary of the Treasury, the International Bank for Reconstruction and Development, the United Nations Economic Commissions for Africa, Asia, and Latin America, the Committee on Banking, Finance and Urban Affairs of the House of Representatives, and the Committee on Banking, Housing, and Urban Affairs of the Senate, shall prepare a report describing in detail an illustrative country-by-country plan to restructure the debt of developing countries in a manner that would reduce the annual debt service of each such country to a sustainable level while ensuring the overall stability of the United States financial sector.

(b) TOPICS TO BE INCLUDED.—The debt relief report prepared under subsection (a) shall include the following determinations and proposals:

(1) SUSTAINABLE LEVEL OF ANNUAL DEBT SERVICE.—

(A) IN GENERAL.—A determination of the amount of debt relief necessary to reduce annual debt service payments by each developing country included in the report to a sustainable level.

(B) ILLUSTRATIVE BASELINE.—To provide an illustrative baseline as an example, a determination of the amount of debt relief necessary so that annual interest payments by a developing country would not exceed an amount equal to 25 percent of the country's annual export earnings.

(C) RECOMMENDATION FOR DIFFERENT PERCENTAGE.—Any recommendation the Board of Governors of the Federal Reserve System may make regarding the use of a percentage which is either higher or a lower than the one referred to in subparagraph (B) with respect to a developing country if the Board—

(i) finds that such percentage of debt service is sustainable; and

(ii) includes an explanation of the reasons for the recommendation in the report.

(2) PERCENTAGE OF DEBT WHICH IS NONPERFORMING.—A determination of the percentage of the total debt to the Third World currently being carried by banks at face value which—

(A) is nonperforming or is backed by value-impaired or nonperforming assets; and

(B) the debtor countries are being forced to service as if such debt were performing.

(3) FAIR VALUE OF NONPERFORMING DEBT.—A determination of the fair value of debt described in paragraph (2)—

(A) as estimated through a survey of secondary debt market swap rates; or

(B) as calculated through in-depth country-specific analyses of the assets backing such debt and the cash flows produced from these assets.

(4) WRITE-OFF OF PORTION OF DEBT.—

(A) PROPOSAL REQUIRED.—A proposal for restructuring a portion of the debt described in paragraph (2) by reducing the face amount or maturity amount of such debt—

(i) to an amount which approximates the fair value of such debt as determined under paragraph (3); and

(ii) in a manner which is consistent with ensuring the overall stability of the United States financial sector.

(B) SPECIFIC RECOMMENDATIONS REQUIRED.—Specific recommendations of the Board on methods by which reductions could be achieved in the manner proposed in subparagraph (A) without threatening the stability of financial institutions, including—

(i) a recommendation concerning the extent to which financial institutions should be required to reduce the payment of dividends until such reductions have been accounted for; and

(ii) recommendations for regulatory or statutory relief (such as providing for multi-year amortization of such debt or the application of generally accepted accounting principles for troubled debt restructuring currently being applied to troubled farm and energy loans).

(5) MODIFICATION OF OTHER TERMS.—To the extent any action proposed under paragraph (4) is insufficient to reduce the annual debt service of a developing country to a sustainable level, a proposal for providing further debt relief through the conversion of short-term, high-interest bank debt into longer term debt by reducing interest rates on such debt (to below market levels, if necessary) and extending the repayment period for such debt.

(6) CARTEGENA CONSENSUS GROUP PROPOSALS.—Consideration of debt reform proposals currently being offered by the Cartegena Consensus Group as well as by developed countries other than the United States whose banks are also carrying troubled Third World debt.

(c) REPORT TO CONGRESS.—The Board of Governors of the Federal Reserve System shall prepare and transmit the report prepared under subsection (a) to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate before the end of the 3-month period beginning on the date of the enactment of this Act. The report shall include a section discussing the reform proposals referred to in subsection (b)(6) and their applicability to domestic financial institutions.

By Mr. WYLIE:

—On page 255, strike out line 16 and all that follows through the remainder of title IV and insert in lieu thereof the following (and conform the table of contents accordingly):

TITLE IV—BANKING COMMITTEE PROVISIONS

SEC. 401. EXCHANGE RATE STABILITY.

(a) FINDINGS.—The Congress finds that—

(1) the Economic Declaration of May 6, 1986, reaffirmed the support of the seven major industrialized countries for the improvement in the functioning of the world monetary and trading system;

(2) the policies adopted at earlier economic summits have helped to bring about world economic expansion, a reduction in the rate of inflation, and a shift in exchange rates which better reflect fundamental economic conditions;

(3) the implementation of new procedures, through the Group of Five and the Group of Seven Finance Ministers, for effective coordination of international economic policy should lead to smaller swings in exchange rates, the further opening of the international trading system, and the promotion of noninflationary growth;

(4) the Reagan administration has taken significant policy actions to stabilize exchange rate fluctuations and, in conjunction with the Board of Governors of the Federal Reserve System and other central banks, has succeeded in bringing down the value of the dollar in successive stages, thereby improving the competitiveness of United States exporters;

(5) the drop in oil prices has dampened a possible inflationary impulse from the falling dollar and less expensive oil with a lower dollar will mean a large improvement of the United States current account balance in the coming months;

(6) leading experts are unable to agree on what constitutes an appropriate and sustainable level for the dollar in relation to the other key countries of the world; and

(7) global leaders are divided on the need to implement a formal and highly structured exchange rate system, such as a target zone approach, but are united in their determination to better manage the system of floating rates through a policy of enhanced economic cooperation and surveillance.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Reagan administration has substantially reduced the value of the dollar and is successfully coordinating its economic policies to the maximum degree possible with our major trading partners;

(2) the Reagan administration should continue the progress achieved in the recent Tokyo Economic Summit and in the Group of Five initiative last year to promote long-term exchange rate stability and sustain noninflationary economic growth; and

(3) any congressional action on the exchange rate issue at this time is unneeded and potentially harmful in that it might further weaken the dollar and stimulate inflation.

SEC. 402. DEBT RESOLUTION.

(a) FINDINGS.—The Congress finds that—

(1) the Reagan administration, under the leadership of Secretary of the Treasury James A. Baker, has put in place a comprehensive debt strategy in coordination with other industrialized countries, the International Monetary Fund, and the World Bank;

(2) The Tokyo Economic Declaration of May 6, 1986 reaffirms the importance of the so-called "Baker Plan" which, under a framework of structural and policy reforms aimed at economic growth, would provide additional public and private resources for the largest debtor nations;

(3) this initiative reinforces, and in no way replaces, the continued need for a case-by-case approach to the international debt problem;

(4) the administration's debt strategy will over time increase United States exports to those developing countries which have been most affected by the debt crisis;

(5) the leading industrialized countries should maintain and, where appropriate, expand bilateral and multilateral financial flows to developing countries and in return, recipient countries must continue to carry out structural adjustment policies coupled with international capital repatriation and domestic capital mobilization measures;

(6) there is an immediate need to improve the climate for foreign direct investment in developing countries and to promote more open trading policies;

(7) all multilateral development bank lending should continue to be measured against stringent economic performance criteria; and

(8) there is a need for closer cooperation between the World Bank and the International Monetary Fund, for increased commercial bank lending, and for flexibility in rescheduling debts.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Reagan administration should continue to have the maximum amount of discretion and flexibility in implementing its cooperative debt strategy and

(2) the objectives of such a strategy should continue to emphasize the need for adjustment policies and sound economic planning in developing countries to promote sustained, noninflationary economic growth.

SEC. 403. COMPETITIVE TIED AID FUND.

The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 15. COMPETITIVE TIED AID FUND.

"(a) FINDINGS.—The Congress hereby finds that—

"(1) tied and partially untied aid credits offered by other countries are being used in a predacious manner to distort competitive markets and undercut American exporters;

"(2) the predacious use of tied and partially untied aid credits undermines export credit discipline under the Arrangement of Guidelines for Officially Supported Export Credits established through the Organization for Economic Cooperation and Development; and

"(3) the establishment of a temporary Competitive Tied Aid Fund in the Treasury of the United States to target the export markets of countries which exploit or abuse tied or partially untied aid credits for commercial purposes and which impede progress in negotiating greater discipline over the use of such credits will facilitate negotiations to eliminate the use of such credits for commercial purposes and will thereby help protect American exporters from unfair and predacious official export competition.

"(b) COMPETITIVE TIED AID FUND.—

"(1) ESTABLISHMENT BY SECRETARY OF THE TREASURY.—In order to provide a means for inducing other countries to pursue negotiations on a comprehensive arrangement to restrict the use of tied aid and partially untied aid credits for commercial purposes, the Secretary of the Treasury shall establish a fund in the Treasury of the United States to be known as the 'Competitive Tied Aid Fund', consisting of such amounts as may be appropriated to the Fund.

"(2) EXPENDITURES FROM FUND.—Amounts in the Fund may be used to supplement the financing of United States exports to foreign markets which are actual or potential export markets for any country which—

"(A) engages in predacious official export financing through the use of tied or partially untied aid credits; and

"(B) impedes negotiations to eliminate the use of such credits for commercial purposes.

"(3) ADDITIONAL REQUIREMENTS.—In carrying out this section, the Secretary—

"(A) should avoid using the total amount in the Fund to provide financing for only 1 or 2 export projects;

"(B) should seek to use amounts in the Fund to make financing available only for United States exports that would be reasonably competitive in the absence of the predatory export financing practices of the other country; and

"(C) shall ensure that amounts in the Fund are used only to assist exportation by persons described in paragraph (1), (2), or (3) of section 238(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2198(c)).

"(4) CONSULTATION WITH ADVISORY COUNCIL.—The Secretary shall consult with the National Advisory Council on International Monetary and Financial Policies in—

"(A) determining the foreign countries which offer predacious tied or partially untied aid credits and which impede negotiations to restrict their use to legitimate foreign aid; and

"(B) reviewing proposed transactions under this section.

"(5) POLICY AND PROCEDURE GUIDELINES.—The Secretary shall establish policy and procedure guidelines for the development and implentation of the Fund. In establishing such guidelines, the Secretary shall—

"(A) devise a method for determining the number of American jobs which will be created or retained through assistance from the Fund, and give such factor consideration in making assistance available; and

"(B) describe the method of publicizing the availability of assistance from the Fund, and the terms and conditions under which such assistance is available to both large and small exporters.

"(c) DEFINITIONS.—For purposes of this section—

"(1) TIED AID AND PARTIALLY UNTIED AID CREDIT.—The term 'tied aid credit' and 'partially untied aid credit' mean any official credit which has a grant element greater than zero percent, as determined by the Development Assistance Committee of the Organization for Economic Cooperation and Development, and which is, in fact or in effect, tied to—

"(A) the procurement of goods or services from the donor country, in the case of tied aid credit; or

"(B) the procurement of goods or services from a restricted number of countries, in the case of partially untied aid credit.

"(2) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

"(3) FUND.—The term 'Fund' means the Competitive Tied Aid Fund established pursuant to subsection (b)(1).

"(d) REPORT TO CONGRESS.—The Secretary shall transmit to the Congress, on a quarterly basis, a report setting forth the activities carried out under this section. Each such report shall include—

"(1) information on applications used by the Secretary for making assistance available under subsection (b)(2);

"(2) information on the disposition of such applications;

"(3) an identification of the foreign governments whose behavior the Secretary is trying to influence by the use of such assistance, and an explanation of why the assistance involved is deemed likely to influence that behavior;

"(4) evidence that clearly demonstrates that assistance under subsection (b)(2) has been used for the purposes of this section;

"(5) information on any progress that has been made in negotiations on agreements within the Organization for Economic Cooperation and Development to limit the use of tied aid credits and partially united aid credits;

"(6) information on the extent to which tied aid credits and partially untied aid credits are being used at the time of such report by major trading countries within such Organization, the terms of such any credits, and the market sectors with respect to which such credits are being used; and

"(7) information on the extent to which assistance under this section has been effective—

"(A) in discouraging the use of tied aid credits and partially untied aid credits for commercial purposes by other countries; and

"(B) in helping to protect United States exporters from unfair and predacious official export competition.

"(e) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There is hereby authorized to be appropriated to the Fund for the fiscal year beginning on October 1, 1986, $300,000,000. Except as provided in paragraph (2), such sums shall remain available until expended.

"(2) RESCISSION AUTHORITY.—

"(A) DETERMINATION BY PRESIDENT.—If the President determines that any amount appropriated to the Fund is not required to achieve the purpose of the Fund, the President shall transmit a special message of such determination to the Congress in the manner provided in section 1012(a) of the Impoundment Control Act of 1974.

"(B) SPECIAL MESSAGE.—Any message under this paragraph shall be treated as a special message under such section for purposes of such Act.

"(f) EXPORT-IMPORT BANK.—

"(1) IMMEDIATE IMPLEMENTATION.—Until such time as the funds authorized to be appropriated under subsection (e) become available for expenditure, the Bank shall make aggressive use of the Bank's authority to offer tied aid credits, in accordance with any recommendation of the Secretary of the Treasury as to how such credits could most effectively and efficiently promote the purposes of this section.

"(2) SUBSEQUENT REIMBURSEMENT.—The Bank shall be reimbursed for the cost of any tied aid credits the Bank authorizes pursuant to this subsection from the appropriated funds authorized by this section, when such funds become available.".

SEC. 404. LOAN GUARANTEES TO PROMOTE EXPORTS FROM SMALL, MEDIUM-SIZED, AND MINORITY BUSINESSES OR AGRICULTURAL CONCERNS.

(a) SHARE OF LOAN GUARANTEES.—Section 206 of the Export Trading Company Act of 1982 (12 U.S.C. 635a-4) is amended by striking out "major share" in the next to the last sentence and inserting in lieu thereof "significant share".

(b) REPORT.—Not later than one year after the effective date of this section, the Board of Directors of the Export-Import Bank shall report to the Congress on the implementation of the amendment made by subsection (a).

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the first day of the first fiscal year beginning after the date of the enactment of this Act.

SEC. 405. ENHANCED PROCUREMENT OPPORTUNITIES AT THE MULTILATERAL DEVELOPMENT BANKS.

(a) PROJECTS IN RECIPIENT COUNTRIES.—The United States Executive Director of each of the multilateral development banks shall promote procurement opportunities relating to the assistance provided by such banks in recipient countries for United States firms. In promoting procurement opportunities, each such Executive Director shall—

(1) keep United States firms fully informed of bidding opportunities in recipient countries and publicize such opportunities to the greatest extent possible;

(2) assist United States firms in focusing on those projects in which they have a particular interest or competitive advantage;

(3) when appropriate and required, assist United States firms in completing and submitting accurate and timely bidding documents;

(4) thoroughly investigate complaints regarding the awarding of contracts; and

(5) ensure that contract procedures and rules are strictly observed.

(b) ASSIGNMENT OF FOREIGN COMMERCIAL SERVICE OFFICERS.—

(1) WORLD BANK.—The Secretary of Commerce should continue to assign one foreign commercial service officer to the office of the United States Executive Director of the International Bank for Reconstruction and Development.

(2) OTHER MULTILATERAL DEVELOPMENT BANKS.—The Secretary of Commerce shall assign on a part-time basis—

(A) one foreign commercial service officer to the office of the United States Executive Director of the Inter-American Development Bank;

(B) one foreign commercial service officer to the office of the United States Executive Director of the Asian Development Bank; and

(C) one foreign commercial service officer to the office of the United States Executive Director of the African Development Bank.

(3) DUTIES.—Each foreign commercial service officer assigned under this subsection shall assist the Executive Director in the performance of the duties described in subsection (a).

SEC. 406. MULTILATERAL DEVELOPMENT BANK POLICIES TO PROMOTE FAIR TRADE AND INVESTMENT.

(a) FINANCIAL ASSISTANCE POLICIES TO PROMOTE FAIR TRADE AND INVESTMENT PRACTICES.—

(1) INSTRUCTIONS TO EXECUTIVE DIRECTORS.—The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development and the regional development banks to initiate a wide consultation with the presidents of their respective institutions with regard to the development of financial assistance policies which, to the maximum feasible extent—

(A) reduce obstacles to and restrictions on international trade and investment in goods and services;

(B) eliminate unfair trade and investment practices; and

(C) promote mutually advantageous economic relations.

(2) COORDINATION WITH TRADE POLICY COMMITTEE.—The Secretary of the Treasury shall work closely in this effort with the Trade Policy Committee.

(3) COORDINATION WITH GATT.—As part of this effort, the Secretary of the Treasury shall also instruct the United States Executive Director of the International Bank for Reconstruction and Development to encourage close cooperation between the staff of the Bank and the Secretariat of the Contracting Parties to the General Agreement on Tariffs and Trade (GATT).

(b) FAIR TRADE AND INVESTMENT PRACTICE PROVISIONS IN COUNTRY LOAN AGREEMENTS.—

(1) INSTRUCTIONS TO WORLD BANK EXECUTIVE DIRECTOR.—The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development to work to have the Bank obtain, prior to the extension to any country of loans by the Bank, the agreement of such country to eliminate (in a manner consistent with such country's balance of payments adjustment program) unfair trade and investment practices with respect to goods and services which the United States Trade Representative, after consultation with the Trade Policy Committee, has determined have a significant deleterious effect on the international trading system.

(2) UNFAIR TRADE AND INVESTMENT PRACTICES DEFINED.—Unfair trade and investment practices include—

(A) the provision of predatory export subsidies, employed in connection with the exporting of agricultural commodities and products thereof to foreign countries;

(B) the provision of other export subsidies, such as government subsidized below-market interest rate financing for commodities or manufactured goods;

(C) unreasonable import restrictions;

(D) the imposition of trade-related performance requirements on foreign investment; and

(E) practices which are inconsistent with international agreements.

(c) DIRECTIONS TO UNITED STATES EXECUTIVE DIRECTORS OF MULTILATERAL DEVELOPMENT BANKS.—The Secretary of the Treasury shall instruct the United States Executive Directors of the multilateral development banks to ensure that project loans by the respective multilateral development banks for commodities, materials, or products do not contribute to a surplus in world markets in which—

(1) the prices of such commodities, materials, or products are low or are falling; and

(2) the commodities, materials, or products could cause material injury to United States producers of the same, similar, or competing commodities, materials, or products.

REGULATION OF LOBBYING ACT

In compliance with Public Law 601, 79th Congress, title III, Regulation of Lobbying Act, section 308(b), which provides as follows:

(b) All information required to be filed under the provisions of this section with the Clerk of the House of Representatives and the Secretary of the Senate shall be compiled by said Clerk and Secretary, acting jointly, as soon as practicable after the close of the calendar quarter with respect to which such information is filed and shall be printed in the CONGRESSIONAL RECORD.

The Clerk of the House of Representatives and the Secretary of the Senate jointly submit their report of the compilation required by said law and have included all registrations and quarterly reports received.

REGISTRATIONS

The following registrations were submitted for the first calendar quarter 1986:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective headings.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19.....

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).
(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, ☐ place an "X" in the box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out items "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

Organization or Individual Filing	Employer/Client
A-K Associates, Inc, 1225 8th Street, #590 Sacramento CA 95814	American Ambulance Assn
Do	Unitary Tax Campaign
Samuel F. Abernethy, Four World Trade Center, 8th Fl. New York NY 10048	Coffee Sugar & Cocoa Exchange, Inc
Matthew T. Adams, 1200 18th Street, NW Washington DC 20036	Lee Toomey & Kent (For: Cargill, Inc, et al.)
Akin Gump Strauss Hauer & Feld, 1333 New Hampshire Ave., NW, #400 Washington DC 20036	InterFirst Corporation
Donald C. Alexander, Cadwalader Wickersham & Taft 1333 New Hampshire Ave., NW Washington DC 20036	Texas Industries, Inc
Alliance for Capital Access, 1919 Pennsylvania Ave., NW, #704 Washington DC 20006	
American Apparel Manufacturers Assn, Inc, 1611 N. Kent Street, #800 Arlington VA 22312	
American Soc of Hospital Pharmacists, 4630 Montgomery Avenue Bethesda MD 20814	
Anderson Hibey Nauheim & Blair, 1708 New Hampshire Ave., NW Washington DC 20009	Japan Machine Tool Builders Assn
Do	Navajo Nation
Do	Pacific Theatres Corp
Do	Riviana Foods, Inc
Do	Taylor & Mizell (for Int'l Futures Management Co)
Do	Walt Disney Productions
John Andreu, P.O. Box 66062 Washington DC 200356062	
Paul Arneson, 1701 Pennsylvania Ave., NW, #940 Washington DC 20006	National Assn of Water Cos
Arnold & Porter, 1200 New Hampshire Ave., NW Washington DC 20036	Amok, Ltd, et al.
Do	Asea AB
Do	Canadian Meat Council
Do	Grain & Feed Trade Assn
Do	Inter-Local Pension Fund of the Graphic Communications...
Do	International Commodities Clearing House
Do	London Commodity Exchange Co, Ltd
Do	Philip Morris Cos, Inc
Do	State of Israel
Do	Wisconsin Public Power Incorporated System
Azanian Coalition, 212 E Street, NE Washington DC 20002	
APCO Associates, 1200 New Hampshire Ave., NW Washington DC 20036	Amok, Ltd, et al.
Do	ASEA AB
Do	Canadian Meat Council
Do	Corporacion Nacional del Cobre de Chile
Do	Korean Traders Assn
Do	Outboard Marine Corp
William T. Bagatelas, 1730 K Street, NW, #319 Washington DC 20006	American Hellenic Institute Public Affairs Committee, Inc
James Michael Bailey, 1701 K Street, NW, #803 Washington DC 20006	Association of U.S. Night Vision Manufacturers
Barnes Richardson & Colburn, 1819 H St. NW, #400 Washington DC 20006	Meat Importers Council of America, Inc
Robert E. Barrett, 69844 Highway, 111 Suite C Rancho Mirage CA 92270	Rockwell International Corp
Barrett Smith Schapiro Simon & Armstrong, 1201 Pennsylvania Avenue, NW, #821 Washington DC 20004	Commodity Exchange, Inc
Do	New York Cotton Exchange
Beatrice Companies, Inc, One Farragut Square 12th Floor, #1200 Washington DC 20006	
Gerald F. Beavan, 190 Highland Drive Centerville MA 02632	Capital Holding Corp
M. Wendell Belew Jr., 1800 M Street, NW, #950 North Washington DC 20036	American Electronics Laboratories, Inc
Do	American Fed of State County & Municipal Employees
Do	Coalition for the Advancement of Industrial Technology
Do	Coalition Against Double Taxation, Inc
Do	Crowley Maritime Corp
Do	Massachusetts Mutual Life Insurance Co
Matt Langley Bell III, 302 Polk Avenue Pensacola FL 32507	
Christopher Berka, 3 Embarcadero Center San Francisco CA 94111	McCutchen Doyle Brown & Enersen (For: Castle & Cooke)
Do	McCutchen Doyle Brown & Enersen (For: Rohr Industries, Inc)
Berman Bergner & Boyette, 1016 16th Street, NW, #700 Washington DC 20036	Blaw Knox
Do	First Atlantic Investment Corp
Do	Flo-Sun Land Corp
Do	Kingdom of Saudi Arabia
Do	Malone and Hyde
Do	Natural Gas Supply Assn
Do	Okeelanta Corp
Do	Salomon Brothers, Inc
Do	Solar Energy Industries Assn
Bernstein Shur Sawyer & Nelson, One Monument Square Portland ME 04101	Penobscot Energy Recovery Co
Leonard Bickwit Jr., Miller & Chevalier, Chtd. 655 15th Street, NW Washington DC 20005	Chevy Chase Savings & Loan Assn
Do	Perpetual American Bank, F.S.B.
Do	Western Savings & Loan Assn
Do	1st Home Federal of the Carolinas
James N. Bierman, 1775 Pennsylvania Ave., NW Washington DC 20006	Foley & Lardner (For: City of Kenosha, Wisconsin)
Do	Foley & Lardner (For: Kohlberg Kravis Roberts & Co)
Robert Bingaman Jr., 1424 K Street, NW, #300 Washington DC 20005	National Abortion Rights Action League
Bingham Dana & Gould, 1724 Massachusetts Avenue, NW Washington DC 20036	Disabled American Veterans
Joseph W. Blackburn, P.O. Box 55727 2222 Arlington Ave., So. Birmingham AL 35255	Sirote Permutt Friend Friedman Held & Apolinsky, P.C. (For: University of Alabama Health Services, et al.)
Edward Blankstein, 322 State Road Princeton NJ 08540	Edward Blankstein, Inc
Edward Blankstein, Inc, P.O. Box 88 Research Park Princeton NJ 08542	
Bryant C. Blewett, P.O. Box 24305 Oakland CA 94623	Clorox Company
Nancy I. Bluewiss, 45 Bromfield Street Boston MA 02108	Edward Blankstein, Inc
Jon L. Boisclair, 1025 Thomas Jefferson Street, NW, #502e Washington DC 20007	Transit Advertising Assn
Do	Winston Network, Inc
Benjamin C. Bolusky, 1250 Eye Street, NW, #500 Washington DC 20005	American Assn of Nurserymen
Laura L. Bourne, 1750 K Street, NW Washington DC 20006	Food Marketing Institute
Bracewell & Patterson, 1825 Eye Street, NW, #1200 Washington DC 20006	American Insurance Assn
Do	National Cable Television Assn, Inc
Anna-Liza Brennan, 1411 K Street, NW, #850 Washington DC 20005	Americans for Democratic Action
David A. Brinkhaus, 1115 Broadway, #108 Denver CO 80203	Task Force Omega, Inc, et al.
Broadhurst Brock Mangham & Hardy, 1730 Pennsylvania Ave., NW, #300 Washington DC 20006	U.S. Conference of Mayors
E. R. Brooks, P.O. Box 2121 Corpus Christi TX 78403	Central Power & Light Co
Brown & Finn, Chtd, 1920 N Street, NW, #510 Washington DC 20036	Regency Electronics, Inc
Bryan Cave McPheeters & McRoberts, 1015 15th Street, NW, #1000 Washington DC 20005	McDonnell Douglas Corp
W. Scott Bryant, American Express Plaza 39th Floor New York NY 10004	American Express Co
Judith A. Buckalew, 1667 K Street, NW, #500 Washington DC 20006	International Assn for Financial Planning, Inc
Robert G. Buley, 3328 Glenmore Drive Falls Church VA 22041	Robert Schneider & Associates
Bunnie L. Bunch, 1725 K Street, NW, #1001 Washington DC 20006	ConAgra, Inc
Burson-Marsteller, 1850 M Street, NW, #900 Washington DC 20036	Arthur Andersen & Co
Do	Morgan Stanley & Co, Inc
Do	Philadelphia Industrial Development Corp
Do	Philip Morris, Inc
Do	Port of Wilmington
M. Caldwell Butler, P.O. Box 720 Roanoke VA 24004	Norfolk Southern Corp
Butler & Binion, 1747 Pennsylvania Ave., NW Washington DC 20006	National Assn of Wholesaler-Distributors
Mrs. H. E. Butt, 3700 Ocean Drive Corpus Christi TX 78411	
Arthur E. Cameron, 316 Pennsylvania Ave., SE, #402 Washington DC 20003	Hall Signs, Inc, et al.
Do	3M Company
Bruce P. Cameron, 1725 17th Street, NW, #109 Washington DC 20006	Council on Democracy Education & Assistance
Camp Carmouche Barsh Hunter Gray Hoffman & Gill, 2550 M St., NW, #275 Washington DC 20037	Bellsouth Corp
Do	Goldman Sachs & Co
Capitol Associates, Inc, 1156 15th Street, NW, #1102 Washington DC 20005	Joint Council of Allergy & Immunology
Caplin & Drysdale, Chtd, One Thomas Circle, NW Washington DC 20005	Ad Hoc Comm on Dual Resident Companies
Carmen Leof & Associates, Inc, 1667 K Street, NW, #950 Washington DC 20006	CareerCom
Eugene R. Case Jr., 1115 Broadway, #108 Denver CO 80203	Task Force Omega, Inc, et al.
Cassidy and Associates, Inc, Metropolitan Square 655 15th St., NW, #1100 Washington DC 20005	Alloy Technology
Do	Arizona State University
Alan W. Cathcart, 1200 18th Street, NW Washington DC 20036	Lee Toomey & Kent (For: R.J. Reynolds Industries, Inc, et al.)
Michael F. Cavanagh, 1919 Pennsylvania Avenue, NW, #300 Washington DC 20004	Electronic Mail Assn
Chadbourne & Parke, 1101 Vermont Avenue, NW Washington DC 20005	ENESCO

Organization or Individual Filing	Employer/Client
Do	Fieldcrest Mills, Inc
Do	PLM Power Company
Do	Ruan Companies
Do	Wells Fargo Leasing Corp
Chadwell & Kayser, Ltd, 8500 Sears Tower Chicago IL 606066592	Harza Engineering Co
Alan C. Chase, 5137 Pumphrey Drive Fairfax VA 22032	Lockheed Corporation
Chwat/Weigend Associates, 400 First Street, NW, #816 Washington DC 20001	Coalition on Alcoholic Beverage Procurement
Tyson A. Coker, 1750 Princeton Drive Dayton OH 45406	J.S. Griffin & Associates
Colby Bailey Werner & Associates, 2550 M Street, NW, #450 Washington DC 20037	Companhia Siderurgica de Tubarao
Do	Embassy of Korea
Do	Instituto Latinoamericano del Fierro y el Acero (ILFA)
Collier Shannon Rill & Scott, 1055 Thomas Jefferson St., NW, #308 Washington DC 20007	Secondary Lead Smelters Assn, Inc
William P. Collins, 444 No. Capitol St., NW, #711 Washington DC 20001	Keefe Company (For: Budget Marketing, Inc)
Do	UNIAO Nacional Para Independencia Total DeAngola
Clark S. Colvin, P.O. Box 16321 Seattle WA 98116	Washington State Public Lands Assn
Comiskey & Hunt, 4023 Chain Bridge Road Fairfax VA 22030	Computer Systems & Resources
Corman Law Offices, 1420 16th Street, NW Washington DC 20036	Solar Energy Industries Assn
Coudert Brothers, One Farragut Square South Washington DC 20006	Bune Management Corp, et al.
Council on Democracy Education & Assistance, 729 15th Street, NW, #940 Washington DC 20005	
James Cousins, 1709 New York Avenue, NW, #801 Washington DC 20006	U.S. League of Savings Institutions
Covington & Burling, 1201 Pennsylvania Avenue, NW P.O. Box 7566 Washington DC 20044	Coalition for Effective Tax Reform
Do	CEO Tax Group
Do	ERISA Industry Committee
Do	Solar Energy Industries Assn
James K. Coyne, 1015 15th Street, NW, #802 Washington DC 20005	American Consulting Engineers Council
William C. Cramer, 818 Connecticut Ave., NW Washington DC 20006	Cramer Haber & Lukis, P.C. (For: Florida Alliance)
Do	Cramer Haber & Lukis, P.C. (For: Greater Orlando Airport Authority)
Cramer Haber & Lukis, P.C., 818 Connecticut Ave., NW Washington DC 20036	Florida Alliance
Do	Greater Orlando Airport Authority, et al.
Eric F. Craven, P.C. Box 2943 Fort Worth TX 76113	Texas-New Mexico Power Co
Crowell & Moring, 1100 Connecticut Ave., NW Washington DC 20036	Sterling Drug, Inc
Do	United Cities Gas Co
Mary Elizabeth Curry, 444 North Capitol St., NW Washington DC 20001	American Hospital Assn
Damrell Damrell & Nelson, P.C., 1625 I Street Modesto CA 95354	Norfolk Southern Corp
Davis & Harman, 655 15th Street, NW Washington DC 20005	Coalition Against Double Taxation, Inc
Michael K. Deaver and Associates, Inc, 1025 Thomas Jefferson St., NW, #800 Washington DC 20007	C.B.I. Sugar Group, Inc
Do	Daewoo Corporation
Do	Embassy of the Government of Canada
Do	Government of Singapore
Do	International Cultural Society of Korea
Do	Ministry of Commerce & Industrial Development, Gov't of Mex
Do	Royal Embassy of Saudi Arabia
Claire L. Del Real, 655 15th Street, NW 300 Metropolitan Square Washington DC 20005	International Medical Centers, Inc
George H. Denison, 4801 Massachusetts Ave., NW, #400 Washington DC 20016	N U S Corporation
Dewey Ballantine Bushby Palmer & Wood, 1775 Pennsylvania Ave., NW Washington DC 20006	Criswell Development
Do	Historic Landmarks for Living
Do	Housing Resources Corp
Do	South Carolina Heritage, Inc
Do	Sybedon Corporation
Do	Tobacco Row Associates
Law Offices of Paul H. DeLaney, Jr., 1920 N Street, NW, #610 Washington DC 20036	Groth Air Services, Inc
Dickstein Shapiro & Morin, 2101 L St., NW Washington DC 20037	Advance Publications
Do	Federal National Mortgage Assn
Do	Symbion, Inc
Barry B. Direnfeld, Rivkin Radler Dunne & Bayh 1575 I Street, NW, #1025 Washington DC 20005	New Energy Co of Indiana
Kevin L. Dorn, 4816 South 29th Street Arlington VA 22206	General Aviation Manufacturers Assn
Dow Lohnes & Albertson, 1255 23rd St., NW Washington DC 20037	Cox Enterprises, Inc
Do	Multimedia, Inc
Do	National Cable Television Assn, Inc
Amy K. Dunbar, 403 Marlborough Street Boston MA 02115	National Assn of Bond Lawyers and Palmer & Dodge
Margaret A. Durbin 1850 K Street, NW Washington DC 20006	American Council of Life Insurance, Inc
Dutko & Associates, 412 First St., SE, #40 Washington DC 20003	Hart-Culp International
Do	Large Scale Program Institute
Do	MedMax
Do	R-Max
Earle Grovatt & Assoc, Inc, 55 W. Main Street Freehold NJ 07728	
Robert C. Eckhardt, 323 D ST., NE Washington DC 20002	Central & Southwest Corp
Joseph J. English, 1010 Vermont Avenue, NW Washington DC 20005	Stewart-Warner Corp
Richard Engram Jr., P.O. Box 506 Merchants & Miners Bank Bldg. Welch WV 24801	
Andreas W. Evans, 1016 16th Street, NW Washington DC 20036	National Fed of Federal Employees
C. Lawrence Evans Jr., 51 Louisiana Avenue, NW Washington DC 20001	Acacia Mutual Life Insurance Co
Elaine Evans, 1133 21st Street, NW, #500 Washington DC 20036	National Hydropower Assn
F/P Research Associates, 1700 K St., NW, #303 Washington DC 20006	CEO Tax Group
Marcus G. Faust, 2121 K St., NW, #880 Washington DC 20037	Central Utah Water Conservancy District
Do	Desert Research Institute
Do	Edison Electric Institute
Do	Public Service Co of New Mexico
Richard H. Fay, 1150 Connecticut Avenue, NW, #900 Washington DC 20036	Reed Smith Shaw & McClay (For: Hammermill Paper Co)
Federation of Aids-Related Organizations/Aids Action Council, 729 8th Street, SE, #200 Washington DC 20003	
Bruce E. Fein, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Korean Air Lines)
Do	Gray & Co Public Communications Int'l, Inc (For: U S West, Inc)
Roberta Feinstein, 1201 16th Street, NW, #222 Washington DC 20036	Save Our Security
Randolph Fenninger, 10,000 Falls Road, #306 Potomac MD 20854	American Assn of Colleges of Osteopathic Medicine
Do	Federation of Assns of Schools of the Health Professions
William Ferguson Jr., The Ferguson Company 1875 Eye Street, NW, #1275 Washington DC 20006	Berg-Revoir Corp
Do	City of Alhambra
Do	Long Beach Transit
Nelson L. Fink, 378 Valley Oak Court Waldorf MD 20601	Air Force Sergeants Assn, Inc
Finley Kumble Wagner Heine Underberg Manley & Casey, 1120 Connecticut Ave., NW, #465 Washington DC 20036	AVW Electronic Systems, Inc
Do	Giant Food, Inc
Deborah A. Fischione, 2000 Pennsylvania Ave., NW Washington DC 20006	Chicago Mercantile Exchange
Patrick E. Fitch, 1755 Jefferson Davis Highway, #900 Arlington VA 22202	Gould, Inc
Lauri J. Fitz, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Government of Angola/SONANGOL)
David H. Fleck, 777 East Wisconsin Avenue Milwaukee WI 532025367	Foley & Lardner (For: City of Kenosha, Wisconsin)
Foley & Lardner, 1775 Pennsylvania Ave., NW Washington DC 20006	City of Kenosha, Wisconsin
Do	Kohlberg Kravis Roberts & Co
Gary L. Fontana, Thelen Marrin Johnson & Bridges 2 Embarcadero Center San Francisco CA 94111	Hawaiian Electric Co, Inc
Do	Thermal Power Co
Ronna Freiberg, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Government of Angola/SONANGOL)
French & Company 1317 F St., NW, #307 Washington DC 20004	Wheels, Inc
Fried Frank Harris Shriver & Jacobson, 600 New Hampshire Ave., NW, #1000 Washington DC 20037	Lonza, Inc
Raymond Garcia, 1745 Jefferson Davis Highway, #1200 Arlington VA 22202	Rockwell International Corp
Mary Leslie Garmon, 1010 Massachusetts Avenue, NW Washington DC 20001	National Food Brokers Assn
Nancy Whorton George, 499 South Capitol Street, SW, #400 Washington DC 20003	Enron
Kenneth W. Gideon, 1150 Connecticut Avenue, NW Washington DC 20036	Weston Municipal Utility District
Sue Gift, 2550 M Street, NW, #275 Washington DC 20037	Camp Carmouche Barsh Hunter Gray Hoffman & Gill, P.C.
Maureen Gilman 1730 K Street, NW, #1100 Washington DC 20006	National Treasury Employees Union
Jere W. Glover, 1725 K Street, NW, #308 Washington DC 20006	National Assn for the Self-Employed
Stephanie R. Godley, 1611 N. Kent Street, #800 Arlington VA 22209	American Apparel Manufacturers Assn, Inc
Gold & Liebengood, Inc, 1050 Connecticut Avenue, NW, #980 Washington DC 20036	Bank of America
Do	Chemical Bank
Do	Citicorp
Do	City of Pueblo, et al.

Organization or Individual Filing	Employer/Client
Do	Conrail Acquisition Corp, Inc
Do	Professional Services Council
Do	Public Securities Assn
Do	Texas Commerce Bank
Do	Washington Metropolitan Area Transit Authority
Benson S. Goldstein, 1010 North Fairfax Street Alexandria VA 22314	National Soc of Public Accountants
Lee M. Goodwin, Wickwire Gavin & Gibbs P.c. 1133 21st Street, NW Washington DC 20036	National Hydropower Assn
Do	Purpa Coalition, Inc
Robert K. Gray, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Hyundai Motor America)
Do	Gray & Co Public Communications Int'l, Inc (For: Tesoro Petroleum Corp)
John D. Gregory, Lewis Babcock Gregory & Pleicones P.O. Box 11208 Columbia SC 29211	Norfolk Southern Corp
Joseph S. Griffin, 761 Kenilworth Avenue Dayton OH 45405	J.S. Griffin & Associates
Groom & Nordberg, Chtd, 1775 Pennsylvania Avenue, NW, #700 Washington DC 20006	R.J. Reynolds
Mary Scott Guest, 1919 Pennsylvania Ave., NW, #800 Washington DC 20006	Kidder Peabody & Co, Inc
Do	LF Rothschild Unterberg Towbin, Inc
Paul D. Guth, 1200 Four Penn Center Philadelphia PA 19103	Philadelphia Stock Exchange
William G. Haddeland, 1025 Connecticut Avenue, NW Washington DC 20036	Ashland Oil, Inc
Gene P. Haflich, Indiana Petroleum Council 714 Harrison Building Indianapolis IN 46204	American Petroleum Institute
Hagedorn-Cando, Inc., 1704 23rd St., So. Arlington VA 22202	Manatt Phelps Rothenberg... (for Pyramid Corp)
Do	Manatt Phelps Rothenberg... (for Rollins Environment Servs)
Kenneth C.O. Hagerty, 1612 K Street, NW, #1100 Washington DC 20006	American Electronics Assn
Edwin K. Hall, 1133 19th Street, NW Washington DC 20036	MCI Communications Corp
Thomas H. Hanna, 300 New Center Building Detroit MI 48202	Motor Vehicle Manufacturers Assn of the U.S., Inc
Robert G. Hayes, Bogle and Gates One Thomas Circle, NW, #900 Washington DC 20005	American Fishing Tackle Manufacturers Assn
R. Michael Haynes, 1156 15th Street, NW, #1101 Washington DC 20005	National Assn of Small Business Investment Companies
Health Tech, Inc, 1401 Walnut Street, #1000 Philadelphia PA 19102	Forbes Health Systems
William N. Hedeman Jr., Beveridge & Diamond, P.C. 1333 New Hampshire Avenue, NW Washington DC 20036	Superfund Contractors Coalition
Edward D. Heffernan, 1513 16th St., NW, 4th Fl. Washington DC 20036	Harza Engineering Co
Dennis A. Henigan, 1775 Pennsylvania Ave., NW Washington DC 20006	Foley & Lardner (For: City of Kenosha, Wisconsin)
Heron Burchette Ruckert & Rothwell, 1025 Thomas Jefferson St., NW, #700 Washington DC 20007	California Assn of Rehabilitation Professionals
Do	Central Utah Water Conservancy District
Do	Desert Research Institute
Do	Granite Rock Co
Do	Mid-Valley Water Authority
Do	University of Nevada/Reno
Jo-Ann T. Herrick, 1800 K Street, NW, #530 Washington DC 20006	Tesoro Petroleum Corp
F. Nordy Hoffmann and Assoc, Inc, 400 N. Capitol St., NW, #327 Washington DC 20001	Conrail Acquisition Corp, Inc
Hogan & Hartson, 815 Connecticut Ave., NW Washington DC 20006	Manufacturers Hanover Trust Co
Do	Rohn & Haas Co
Do	Timex Corporation
Holland & Knight, 888 17th St., NW Washington DC 20006	Sikes Corp
Do	Spanish International Communications Corp
John Holton, 2550 M Street, NW, #275 Washington DC 20037	Camp Carmouche Barsh Hunter Gray Hoffman & Gill, P.C.
Hoving Group, 910 17th St., NW, #318 Washington DC 20006	John H. Shepherd & Associates (for Republic of Liberia)
Charles O. Howard, 2501 Girard Avenue South Minneapolis MN 55105	Great Northern Iron Ore Properties
Allynn Howe, 80 F Street, NW Washington DC 20001	American Fed of Government Employees
Sharon M. Hughes, 1401 New York Avenue, NW, #400 Washington DC 20005	National Food Processors Assn
Vester T. Hughes Jr., Hughes & Hill 1000 Mercantile Dallas Building Dallas TX 75201	Mrs. H. E. Butt
Do	National Realty Committee
Do	Sammons Enterprises, Inc
Floyd H. Hyde Associates, 815 15th St., NW Washington DC 20005	Alameda, California
Do	Clark County, Nevada
Do	Fresno County, California
Do	Gary, Indiana
Do	Patterson, New Jersey
Do	San Bernardino, California
Do	San Leandro, California
Gary Hymel, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Government of Angola/SONANGAL)
Do	Gray & Co Public Communications Int'l, Inc (For: Hyundai Motor America)
Charles E. Ing, 919 18th Street, NW, #600 Washington DC 20006	Toyota Motor Sales, USA, Inc
James E. Ingram, 1801 K Street, NW, #1200 Washington DC 20006	IBM Corp
Robert A. Ingram, 1050 17th Street, NW, #650 Washington DC 20036	Merck & Co, Inc
Ivins Phillips & Barker, Chtd, 1700 Pennsylvania Avenue, NW Washington DC 20006	Aramco Services Co
Do	Limited, Inc
William P. Jackson Jr., Jackson & Jessup, P.C. 3426 N. Washington Boulevard Arlington VA 22201	City of Tuscaloosa
Sonia S. Jasso, 815 16th Street, NW, #707 Washington DC 20006	Labor Council for Latin American Advancement
Jenner & Block, 21 Dupont Circle, NW Washington DC 20036	Walker Urquhart & Co
Bruce Johnson, Law Offices of Bruce Johnson 1718 Connecticut Ave., NW Washington DC 20009	Columbia Savings & Loan Assn
Stephen M. Johnson, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Government of Angola/SONANGOL)
Beverly E. Jones, Wickwire Gavin & Gibbs, P.c. 1133 21st Street, NW, #500 Washington DC 20036	Purpa Coalition, Inc
Jones & Winburn, 50 E Street, SE Washington DC 20003	Catholic Health Assn
Jones Day Reavis & Pogue, 655 15th St., NW Washington DC 20005	Competitive Telecommunications Assn
Do	Los Angeles Memorial Coliseum Commission
Do	National Assn of State Auditors Comptrollers & Treasurers
James W. Kanouse, 1700 North Moore Street, 21st Floor Rosslyn VA 22209	Boeing Company
Wayne S. Kaplan, 1200 18th Street, NW Washington DC 20036	Lee Toomey & Kent (For: Cargill, Inc, et al.)
Do	Lee Toomey & Kent (For: R.J. Reynolds Industries, Inc, et al.)
Eric H. Karp, 45 Bromfield Street Boston MA 02108	Edward Blankstein, Inc
Kaye Scholer Fierman Hays & Handler, 1575 I Street, NW, #1150 Washington DC 20005	Morgan Guaranty Trust Co of New York
Lisa E. Kazel, 1776 F Street, NW Washington DC 20006	National Assn of Manufacturers
Robert J. Keefe, 444 N. Capitol Street, #711 Washington DC 20001	Keefe Company (For: UNIAO Nacional Para Independencia Total DeAngola)
Keene Monk & Associates, Inc, 919 Prince Street Alexandria VA 22314	Government of Republic of Liberia
Robin E. Keeney, 1828 L Street, NW Washington DC 20036	American Land Title Assn
Kelley Drye & Warren, 1333 New Hampshire Ave., NW Washington DC 20036	ITT Consumer Financial Corp
Carol A. Kelly, 1285 Avenue of the Americas New York NY 10019	Equitable Life Assurance Society of the U.S.
Anne S. Kerman, 122 C Street, NW, #380 Washington DC 20001	National Family Planning & Reproductive Health Assn, Inc
Kilpatrick & Cody, Suite 500 2501 M St., NW Washington DC 20037	City of Atlanta
Do	Pepsico, Inc
Do	Sierra Club Legal Defense Fund
Eun Sang Kim, 1030 15th Street, NW, #776 Washington DC 20005	Korean Traders Assn
Hee Jim Kim, 1030 15th Street, NW, #776 Washington DC 20005	Korean Traders Assn
Ann Ottoson King, 1620 Eye Street, NW, #800 Washington DC 20006	Taft Stettinius & Hollister (For: Recordings Import Trade Committee)
King & Spalding, 1730 Pennsylvania Ave., NW, #1200 Washington DC 20006	Camberent Financial Group
Do	National Assn of Bond Lawyers
Do	Noro Realty Advisors, Inc
Do	State of Georgia
John A. Knebel, 1920 N Street, NW, #300 Washington DC 20036	American Mining Congress
Paul A. Korody Jr., 1725 K St., NW, #1001 Washington DC 20006	ConAgra, Inc
Joseph H. Kramer III, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Budd Company)
Do	Gray & Co Public Communications Int'l, Inc (For: Transit America)
Steven R. Lainoff, 1200 18th Street, NW Washington DC 20036	Lee Toomey & Kent (For: R.J. Reynolds Industries, Inc, et al.)
Lester P. Lamm, 1776 Massachusetts Avenue, NW Washington DC 20036	Highway Users Federation for Safety & Mobility
Virginia A. Lampley, 1818 N St., NW, #600 Washington DC 20036	DGA International, Inc (For: Dir Intl Aff of the Gen Del for Armements)
Lane & Mittendorf, 1750 K Street, NW, #1200 Washington DC 20006	Floating Point Systems, Inc
Do	Nike, Inc
Adrienne C. Lang, 1201 Pennsylvania Avenue, NW Washington DC 20004	American Soc of Anesthesiologists
Rebecca K. Lawler, 4013 Seventh Street, NE, #3 Washington DC 20017	Americans for Tax Reform
Laxalt Corporation, 214 Massachusetts Ave., NE, #380 Washington DC 20002	Continental Airlines, Inc
Do	Norfolk Southern Corp
Do	Purolator Courier
Do	Riviana Foods
Do	R. T. Vanderbilt Co, Inc
Sally Ann LaHue, 1101 15th Street, NW, #400 Washington DC 20005	National Council of Savings Institutions

Organization or Individual Filing	Employer/Client
Lee Toomey & Kent, 1200 18th Street, NW Washington DC 20036	Cargill, Inc, et al.
Do	R.J. Reynolds Industries, Inc, et al.
L. Courtland Lee, Inc, 3814 West Stree Landover MD 20785	Minerals Exploration Coalition, Inc
Lesher and Associates, Inc, 517 C Street, NE Washington DC 20002	Klein Bros, Ltd
Howard C. Liggett, 6552 Oakcliff Road Pensacola FL 32506	
Lillick McHose & Charles, 21 Dupont Circle, NW Washington DC 20036	Global Marine, Inc
Andrew D. Lipman, Pepper Hamilton & Scheetz 1777 F Street, NW Washington DC 20006	MCI Telecommunications Corp
Lipsen Hamberger Whitten & Hamberger 1725 Desales St., NW, #800 Washington DC 20036	Federal National Mortgage Assn
Richard D. Lloyd, 600 Maryland Avenue, SW, #520 Washington DC 20024	GPU Service Corporation
Kathy K. Luhn, 5205 Leesburg Pike, #505 Falls Church VA 22041	National Beer Wholesalers Assn, Inc
Sylvester Lukis, 818 Connecticut Ave., NW Washington DC 20006	Cramer Haber & Lukis, P.C. (For: Florida Alliance)
Do	Cramer Haber & Lukis, P.C. (For: Greater Orlando Airport Authority)
J.C. Luman & Associates, 1030 15th Street, NW, #720 Washington DC 20005	National Assn of Personnel Consultants
Timothy C. Mack, 910 17th Street, NW, #318 Washington DC 20006	Hoving Group (For: Republic of Liberia)
Sheila MacDonald, 3231 Beech Street, NW Washington DC 20015	National Taxpayers Union
Wendy L. MacDonald, 1957 E Street, NW Washington DC 20006	Associated General Contractors of America
Cliff Madison Government Relations, Inc, P.O. Box 3482 Granada Hills CA 91344	Patrick & Henderson, Inc
Manatt Phelps Rothenberg Tunney & Evans, 1200 New Hampshire Ave., NW, #200 Washington DC 20036	Coalition for Tax Reform
Do	Indian Gaming Assn
Do	Philip Morris, Inc
Do	Superior Training Services
Katherine T. Mance, 1616 H Street, NW Washington DC 20006	American Retail Federation
Frank Mankiewicz, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Government of Angola/SONANGAL)
Do	Gray & Co Public Communications Int'l, Inc (For: Lane Industries)
Marc L. Marks, 1801 K Street, NW Washington DC 20006	Westinghouse Electric Corp
Ernest Robert Marlow, 1126 16th Street, NW, #410 Washington DC 20036 1081	International Chemical Workers Union
Ronald L. Marschirg, 41 East Hill Road Woodbury CT 06798	Timex Group Ltd
Scott Marshall, 1909 K Street, NW Washington DC 20049	American Assn of Retired Persons
Donald F. Massey, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Stroh Brewery Co)
Do	Gray & Co Public Communications Int'l, Inc (For: Tesoro Petroleum Corp)
Jerry C. May, 1957 E Street, NW Washington DC 20006	Associated General Contractors of America
Mayberry and Leighton, 1667 K St. NW 9th Fl. Washington DC 20006	ALPO Petfoods, Inc
Do	GTE Products Corp
Do	Johnson & Johnson
Do	Leprino Foods, Inc
Do	Merrick's, Inc
Mayer Brown & Platt, 2000 Pennsylvania Avenue, NW, #6500 Washington DC 20006	Inland Steel Corp
Martin Mayfield, 8001 Braddock Road Springfield VA 22160	National Right to Work Committee
McAllister & Jennings, 912 Kings Highway Shreveport LA 71104	Kast Metals Corp
Do	Standard Manufacturing Co
James F. McConnell Jr., 1020 19th Street, NW, Second Floor Washington DC 20036	County of Orange
Do	Orange County Transportation Commission
Do	Orange County Water District
Do	Santa Ana River Flood Protection Agency
McDermott Will & Emery, 1850 K St., NW, #500 Washington DC 20006	Regional Municipal Securities Assn
Gale W. McGee, 122 C Street, NW, #740 Washington DC 20001	American League for Exports & Security Assistance, Inc
McGough & Associates, Inc, 65 East State Street, #1510 Columbus OH 43215	Timken Co
McGuiness & Williams, 1015 15th Street, NW, #1200 Washington DC 20005	American Polygraph Assn
Do	Borg-Warner Corp
Do	City of West Lafayette
Do	Coin Dept Corp
Do	International Theatrical Agencies Assn
Do	National Assn of Orchestra Leaders
Do	National Manufactured Housing Assn
Do	Pony Express Courier Corp
Do	Wells Fargo Armored Service Corp
Do	Balch & Bingham (For:Southern Company Services, Inc)
Steven G. McKinney, P.O. Box 306 Birmingham AL 35201	Merrell Dow Pharmaceuticals, Inc
John P. McLaughlin, 1747 Pennsylvania Avenue, NW Washington DC 20006	Pharmaceutical Manufacturers Assn
Do	Bell South Corp
McNair Glenn Konduros Corley Singletary Porter & Dibble, 1155 15th Street, NW Washington DC 20005	E. F. Hutton & Co, Inc
Do	Rolls-Royce Motors, Inc
Edward L. Merrigan, 6000 Connecticut Ave., NW Washington DC 20815	Berg-Revoir Corporation
Noah D. Mesel, The Ferguson Company 1875 Eye Street, NW, #1275 Washington DC 20006	City of Alhambra
Do	City of Baldwin Park
Do	City of Inglewood
Do	City of Oceanside
Do	City of Provo
Do	City of Redondo Beach
Do	City of South Salt Lake
Do	Imperial Irrigation District
Do	Irvine Company
Do	Long Beach Transit
Do	Oceanside Redevelopment Agency
Do	Santa Cruz Properties
Laurie J. Miccione, 3900 Wisconsin Avenue, NW Washington DC 20016	Fannie Mae
Harris Miller & Associates, 1655 N. Fort Myer Drive Arlington VA 22209	Western Range Assn
Miller & Chevalier, Chtd, Metropolitan Square 655 15th Street, NW Washington DC 20005	Association of Thrift Holding Cos
Do	Chevy Chase Savings & Loan Assn
Do	Consolidated Edison Co of New York, Inc
Do	General Public Utilities Corp
Do	Lincoln Savings & Loan Assn
Do	Perpetual American Bank, F.S.B.
Do	Section 64I(e) Group
Do	Western Savings & Loan Assn
Do	1st Home Federal of the Carolinas
Jeanne Milliken, 1101 16th Street, NW Washington DC 20036	Independent Petroleum Assn of America
Alfredo C. Montoya, 815 16th Street, NW, #707 Washington DC 20006	Labor Council for Latin American Advancement
Morgan Lewis & Bockius, Suite 800 North 1800 M St., NW Washington DC 20036	Republic National Bank of New York
Morgan Thomas International, Ltd, P.O. Box 6553 McLean VA 22106	Kastle Systems, Inc
Do	Norfolk Southern Corp
Do	Russo Watts Rollins & Platt, Inc
Morrison & Foerster, 2000 Pennsylvania Ave., NW Washington DC 20006	Institute for Community Econ, Inc
Mudge Rose Guthrie Alexander & Ferndon, 2121 K Street, NW Washington DC 20037	Footwear Retailers of America
Daniel J. Murphy, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For:Government of Angola/SONANGOL)
George F. Murphy Jr., 410 First Street, SE Washington DC 20003	American Nuclear Energy Council
Michael D. Muth, Rt. 1, Box 7 Leonardtown MD 20650	Maryland State Police
Timothy D. Naegele & Associates, 1850 K Street, NW, #1280 Washington DC 20006	First Independent Trust Co
Do	Hibernia Bank
Neill Mullenholz Shaw & Seeger, 900 17th St., NW, #400 Washington DC 20006	Florida East Coast Railway Co
Donald W. Nelson, 2300 S. 9th Street, #104 Arlington VA 22204	Federal Managers Assn
Gordon E. Nelson, Inc, 12005 Millstream Drive Bowie MD 20715	Harlan Ranch Co, Inc
James R. Nicholas, 8659 Bay Pine Road, #305 Jacksonville FL 32216	
Elizabeth O'Brien, 2550 M Street, NW, #275 Washington DC 20037	Camp Carmouche Barsh Hunter Gray Hoffman & Gill, P.C.
Terrence M. O'Connell II, 444 N. Capitol Street, #711 Washington DC 20001	Keefe Company (For: UNIAO Nacional Para Independencia Total DeAngola)
K. James O'Connor Jr., 2501 M Street, NW Washington DC 20037	Chemical Manufacturers Assn, Inc
O'Connor & Hannan, 1919 Pennsylvania Ave., NW, #800 Washington DC 20006	Children's Hospital National Medical Center
Do	Investment Company Institute
Grady O'Cummings III, P.O. Box 653 Brooklyn NY 11240	Gifford A. Finch
O'Melveny & Myers, 1800 M St., NW Washington DC 20036	Dulles Access Transit Corp
O'Neill and Haase, P.C., 1333 New Hampshire Ave., NW, #1110 Washington DC 20036	Conrail Acquisition Corp, Inc
Do	New England Deaconess Hospital
Ronald C. Paddock, 2710 N. Campbell Avenue Tucson AZ 85719	Anderson Corporation

Organization or Individual Filing	Employer/Client
Frances J. Paris, 655 15th Street, NW 300 Metropolitan Square Washington DC 20005	International Medical Centers, Inc
Parker and Associates Corporation, 8120 Aspen, NE Albuquerque NM 87110	
Benjamin G. Parks III, 1919 Pennsylvania Avenue, #300 Washington DC 20006	National Inholders Assn
Parry and Romani Associates, Inc, 233 Constitution Avenue, NE Washington DC 20002	Association for the Advancement of Human Rights in Japan
Do	Herbalife International
Do	Heron Burchette Ruckert & Rothwell
Do	Hotel Employees & Restaurant Employees Int'l Union
Do	Kirkland & Ellis
Do	Manville Corporation
Do	Pharmaceutical Manufacturers Assn
Do	T.I.M.E.-DC, Inc
Do	Techamerica, Inc
Do	United Food & Commercial Workers International Union
Patton Boggs & Blow, 2550 M St., NW, #800 Washington DC 20037	Chippendale Investment Co
Do	Coalition on State Use Taxes
Do	Consolidated Rail Corporation
Do	Council of Graduate Schools
Do	Fiart Cantieri Italiani, S.P.A.
Do	National Assn of Independent Colleges & Universities
Paul Weiss Rifkind Wharton & Garrison, 1615 L Street, NW Washington DC 20036	Insilco Corp
Do	Metromedia, Inc
Rich Pennell, 725 15th Street, NW Washington DC 20005	National Grain & Feed Assn
Pepper Hamilton & Scheetz, 1777 F Street, NW Washington DC 20006	Mutual Life Insurance Co of New York
Do	North American Telephone Assn
James W. Perkins, 1 Beacon Street, Rm. 2200 Boston MA 02108	National Assn of Bond Lawyers and Palmer & Dodge
Sheryl L. Peterson, 122 C Street, NW, #875 Washington DC 20001	American Osteopathic Assn
Pettit & Martin, 1800 Massachusetts Avenue, NW, #600 Washington DC 20036	Nippon Yusen Kaisha (NYK) Line
Sueanne Pfifferling, 1350 New York Avenue, NW, #400 Washington DC 20005	New York Power Authority
Dennis J. Phelan, 1401 New York Avenue, NW, #400 Washington DC 20005	National Food Processors Assn
Pierson Ball & Dowd, 1200 18th St., NW Washington DC 20036	Lee Enterprises - Call-It-Co
Pierson Semmes & Finley, 1054 31ST STREET, NW Washington DC 20007	Hershey Trust Co
Martha Rachel Plotkin, 2300 M Street, NW, #910 Washington DC 20037	Police Executive Research Forum
Fran Politi, 10 Crescent Beach Drive Burlington VT 05402	Edward Blankstein, Inc
Susan Pollack, 900 Minnesota Street San Francisco CA 94107	American Fair Trade Council
Donna Potemken, 444 North Capitol St., NW Washington DC 20001	American Hospital Assn
A. M. Powers, 256 North Thomas Street, #1 Arlington VA 22203	Household International
Preston Thorgrimson Ellis & Holman, 1735 New York Avenue, NW, #500 Washington DC 20006	American Nuclear Insurers
Do	COMPACT
Do	COMPACT (for Electronic Industries Assn), et al.
Do	Martin Marietta Corp
Do	McDonnell Douglas Corp
Do	Montana Power Co
Do	Mutual Atomic Energy Liability Underwriters
Do	Templeton Growth Fund, Ltd
Do	Tri-City Industrial Development Council
Lesley Primmer, 2010 Massachusetts Avenue, NW, 5th Fl. Washington DC 20036	Planned Parenthood Fed of America, Inc
Jerry Prince, 351 Ellery Avenue Newark NJ 07106	Basic Education Outreach Group, Inc
W. Bruce Quackenbush Jr., 8400 Corporate Drive, #506 Landover MD 20785	Research/Strategy/Management
D. R. Quartel, Jr., Inc, 67 Observatory Circle, NW Washington DC 20008	International Taxicabs Assn
John D. Raffaelli, Law Offices of John D. Raffaelli 499 South Capitol St., SW, #407 Washington DC 20003	City of Dallas
Thomas F. Railsback, Blum Nash & Railsback 1133 15th St., NW, #1100 Washington DC 20005	National Council of U.S. Magistrates
John Vernon Rainbolt II, 1701 Pennsylvania Avenue, NW, #500 Washington DC 20006	Grain & Feed Trade Assn
Do	International Commodities Clearing House, Ltd
Do	London Commodity Exchange Co, Ltd
Do	London International Financial Futures Exchange, Ltd
Do	Metal Market & Exchange Co, Ltd
J. Mitchell Reese, 1700 K Street, NW, #1204 Washington DC 20006	Chevron USA, Inc
Reese Communications Companies, Inc, 1925 North Lynn St., #1140 Arlington VA 22209	Blue Cross & Blue Shield Assn
Reid & Priest, 1111 19th Street, NW Washington DC 20036	Connecticut Natural Gas Corp
Do	Duke Power Co, et al.
Do	Kentucky Utilities Co
John J. Rhodes, Hunton & Williams 2000 Pennsylvania Avenue, NW Washington DC 20006	Central Arizona Water Conservation District
Richard Richards, Law Office of Richard Richards 1050 Thomas Jefferson Street, NW, 6th Fl Washington DC 20007	Hughes Aircraft Company
Do	Universidad Autonoma de Guadalajara
Steve Richardson, 1400 Eye Street, NW Washington DC 20005	Wilderness Society
Glenn Wadsworth Riddell, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington DC 20037	Laurel Steel Products Ltd, et al.
Rivkin Radler Dunne & Bayh, 1575 I Street, NW, #1025 Washington DC 20005	Nippon Yusen Kaisha (NYK) Line
William A. Roberts, 444 North Capitol Street, #711 Washington DC 20001	Keefe Company (For: UNIAO Nacional Para Independencia Total DeAngola)
William F. Roberts, 1101 Vermont Avenue, NW Washington DC 20005	American Medical Assn
Gordon C. Robertson, 1412 16th Street, NW Washington DC 20036	International Assn of Fish & Wildlife Agencies
Rogers & Wells, 1737 H Street, NW Washington DC 20006	Investment Partnership Assn
Do	Liga Agricola Industrial de la Cana de Azucar
Mike I. Rothfeld, 450 Maple Avenue, E., #204 Vienna VA 22180	U.S. Defense Committee
Eugene F. Rowan, 2550 M Street, NW Washington DC 20037	Seattle Professional Engineering Employees Assn
Royer Shacknai & Mehle, 1747 Pennsylvania Avenue, NW Washington DC 20006	Municipal Finance Industry Assn
Do	John Nuveen & Co, Inc
Do	Trans Continental Services, N.V.
James S. Rubin, 1150 Connecticut Ave., NW, #700 Washington DC 20036	Allied-Signal, Inc
Thomas A. Russo, Cadwalader Wickersham & Taft 1333 New Hampshire Avenue, NW, #700 Washington DC 20036	Dean Witter Reynolds, Inc, et al.
Russo Watts Rollins & Platt, Inc, 1033 N. Fairfax Street, #205 Alexandria VA 22314	Campbell Soup Co
Do	Presidential Airways, Inc
David A. Ruth, American Express Tower World Financial Center New York NY 10285	American Express Co
Thomas L. Ryan, 219 North Washington Street Alexandria VA 22314	Non Commissioned Officers Assn of the USA
Sammons Enterprises, Inc, 403 South Akard Dallas TX 75202	
T. Irene Sanders, Sanders & Company 1815 H Street, NW, #1000 Washington DC 20006	Technicon
Mary Jane Saunders, 1300 N. 17th Street, #300 Arlington VA 22209	ADAPSO, the Computer Software & Services Industry Assn
Oakley H. Saunders, 3505 Springdale Avenue Baltimore MD 21216	Chas R. Drew Post Grad Med School
John D. Sawyer, 2101 L Street, NW, #501 Washington DC 20037	
Mark S. Schacht, 1900 K St., #200 Sacramento CA 95814	California Rural Legal Assistance, Inc
Mary L. Schapiro, 1825 Eye St., NW, #1040 Washington DC 20006	Futures Industry Assn, Inc
Edward Schmeltzer, Schmeltzer Aptaker & Sheppard, P.C. 1800 Massachusetts Avenue, NW, #500 Washington DC 20036	Chemical Tankers of America, Inc
Do	Flota Mercante Grancolombiana, S.A.
Do	Transportadora de Liquidos a Granel de Colombia S.A.
Matthew Schneider, 1155 Connecticut Avenue, NW Washington DC 20036	
Thomas J. Schneider, 1300 19th Street, NW, #400 Washington DC 20036	AFL-CIO Maritime Committee
Leah Webb Schroeder, 1030 15th Street, NW, #100 Washington DC 20005	Health Industry Manufacturers Assn
Hugh Scott, Scott Harrison & McLeod 2501 M Street, NW, #400 Washington DC 20037	Federal National Mortgage Assn
Scribner Hall & Thompson, Suite 700 1875 Eye Street, NW Washington DC 20006	Unionmutual Life Insurance Co
Do	USLIFE Corporation
Seward & Kissel, 818 Connecticut Avenue, NW, #800 Washington DC 20006	Daily Dollar Reserves, Inc
Do	Furman Selz Mager Dietz & Birney, Inc
Do	Gordon Forte Management Co
Do	GT Partners
Do	KAR Management, Inc
Jonah Shacknai, 1747 Pennsylvania Avenue, NW Washington DC 20006	Merrell Dow Pharmaceuticals, Inc
Do	Pharmaceuticals Manufacturers Assn
Shea & Gould, 330 Madison Avenue Washington DC 20006	Coast-Fed Properties
Do	MCI Communications Corp
Do	Park Tower Times Square Associates
Zack H. Shelley Jr., 1331 Pennsylvania Avenue, NW Washington DC 20004	General Electric Co
Robert G. Shepherd Jr., 300 Maryland Avenue, NE Washington DC 20002	Federal Express Corp
Frank A. Sherer, Munson Road Middlebury CT 06762	Timex Group Ltd
Norman Sherman, 910 17th Street, NW, #318 Washington DC 20006	Hoving Group (For: Republic of Liberia)

Organization or Individual Filing	Employer/Client
Siegel Mandell Davidson, P.C., One Whitehall Street New York NY 10004	Sigallo, Ltd
William A. Signer, 444 North Capitol St., NW, #711 Washington DC 20001	Keefe Company (For: Committee for Employment Opportunities)
Do	Keefe Company (For: Dormitory Authority)
Do	Keefe Company (For: Securities Industry Assn of Puerto Rico)
Skadden Arps Slate Meagher & Flom, 919 18th Street, NW Washington DC 20006	Anheuser-Busch Companies, Inc
Do	Beecham, Inc
Do	Coalition Against Double Taxation, Inc
Do	General Development Corp
Do	JMB Realty Corp
Do	Mojave Pipeline Co
Do	Morton-Thiokol, Inc
Do	U.S. Defense Committee
Joshua J. Slavitt, 450 Maple Ave., E., #204 Vienna VA 22180	Chlorine Institute, Inc
Robert G. Smerko, 4725 Bel Pre Road Rockville MD 20853	American Psychiatric Assn
Ellen S. Smith, 1400 K Street, NW Washington DC 20005	Exxon Corporation
William D. Smith, 1899 L Street, NW Washington DC 20036	Illinois Diversatech Corp
Smith Dawson Associates, Inc, 1000 Connecticut Ave., NW, #304 Washington DC 20036	
Metin Sonay, 2101 L Street, NW, #501 Washington DC 20037	
Sonosky Chambers and Sachse, 1050 31st St., NW Washington DC 20007	Shakopee Mdewakanton Sioux Community of Minnesota
Do	Yukon-Kuskokwim Health Corp
Thomas J. Spangler, 1730 K Street, NW, #1100 Washington DC 20006	National Treasury Employees Union
John D. Sparks, 6th Floor 1050 Thomas Jefferson Street, NW Washington DC 20007	Consumers United for Rail Equity (C.U.R.E.)
Spiegel & McDiarmid, 1350 New York Ave., NW Washington DC 20005	Ft. Pierce Utilities Authority, et al.
Do	Public Transportation Facilities
Do	Sacramento Municipal Utility District
Do	Service Employees International Union, AFL-CIO
Spriggs Bode & Hollingsworth, 1015 15th St., NW Washington DC 20005	Altra Corporation
Do	BEH Chemical Corporation
Do	RAJ Chemicals, Inc
Mark G. Spurrier, 400 Kenilworth Drive Towson MD 21204	Baltimore County Police Department, et al.
Dean E. Steel, 1655 N. Ft. Myer Drive, #1120 Arlington VA 22209	Varian Associates, Inc
J. Michael Stern, 1317 F Street, NW, #400 Washington DC 20004	R. Duffy Wall & Associates, Inc (For: Ad Hoc Comm on Coal Taxation)
Do	R. Duffy Wall & Associates, Inc (For: Balcor Co)
Do	R. Duffy Wall & Associates, Inc (For: Footwear Retailers of America)
Do	R. Duffy Wall & Associates, Inc (For: Hong Kong Trade Development Council)
Do	R. Duffy Wall & Associates, Inc (For: JMB Realty Corp)
Do	R. Duffy Wall & Associates, Inc (For: Life of Virginia)
Do	R. Duffy Wall & Associates, Inc (For: Morgan Guaranty Trust Co)
Do	R. Duffy Wall & Associates, Inc (For: Torchmark Corporation)
Do	R. Duffy Wall & Associates, Inc (For: Wine & Spirits Wholesalers of America, Inc)
Steven F. Stockmeyer, 1800 M St., NW, #950 North Washington DC 20036	Verner Liipfert... (for Assoc Ferrari Dealers of N. America)
Do	Verner Liipfert... (for Mutual of Omaha), et al.
Lisa Stoltenberg, 1101 14th Street, NW Washington DC 20005	American Financial Services Assn
Jay Stone, Jay Stone and Associates, Inc 412 First Street, SE, #50 Washington DC 20003	Manville Corporation
Richard B. Storey, 307 East Brunswick Street Sterling Park VA 22170	Pennsylvania Restaurant Assn
John W. Strayer III, 5201 Leesburg Pike, #809 Falls Church VA 22041	National Assn of Convenience Stores
Ann Sullivan, 1660 L Street, NW, #601 Washington DC 20036	Interstate Natural Gas Assn of America
Sutherland Asbill & Brennan, 1666 K Street, NW, #800 Washington DC 20006	National Liberty Corp
Douglass W. Svendson Jr., 1730 Rhode Island Avenue, NW, #417-19 Washington DC 20036	Union Pacific Corp
Deborah Swartz, Economic Consulting Services, Inc 1320 19th St., NW Washington DC 20036	Outboard Marine Corp
Robert Taft Jr., 1620 Eye St., NW, #800 Washington DC 20006	Taft Stettinius & Hollister (For: Recordings Import Trade Committee)
Jefferson D. Taylor, 777 14th Street, NW Washington DC 20005	National Assn of Realtors
James Terrell, 600 Maryland Avenue, SW Washington DC 20024	American Farm Bureau Federation
Thacher Proffitt & Wood, Suite 512 1140 Connecticut Ave., NW Washington DC 20036	American Resort & Residential Development Assn
Do	Council of State Housing Agencies
Do	U.S. League of Savings Institutions
Bruce E. Thompson, 1828 L Street, NW, #906 Washington DC 20036	Merrill Lynch & Co, Inc
Marilyn A. Berry Thompson, 444 North Capitol Street, #711 Washington DC 20001	Keefe Company (For: Dormitory Authority)
Thompson Mann & Hutson, 1730 Pennsylvania Ave., NW, #1250 Washington DC 20006	Daniel International Corp
Tighe Curhan & Piliero, 1750 Pennsylvania Avenue, NW Washington DC 20006	Town of Andover, Massachusetts
Do	Villa Banfi, USA
Timmons & Co, Inc, 1850 K St., NW, #850 Washington DC 20006	Northern Telecom, Inc
James S. Todd, 535 North Dearborn Street Chicago IL 60610	American Medical Assn
Vincent G. Torrusio, 12374 Sparrow Hawk St. Louis MO 63146	MICO, Inc
Jeffrey B. Trammell, 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Hyundai Motor America)
Grayce K. Uyehara, 1730 Rhode Island Avenue, NW, #204 Washington DC 20036	Japanese American Citizens League Legislative Education Comm
Van Ness Feldman Sutcliffe & Curtis, P.C., 7th Floor 1050 Thomas Jefferson St., NW Washington DC 20007	Ad Hoc Group for Geothermal Energy
Do	Alaska Eskimo Whaling Commission
Jay N. Varon, Suite 1000 1775 Pennsylvania Avenue, NW Washington DC 20006	Foley & Lardner (For: Kohlberg Kravis Roberts & Co)
Vinson & Elkins, 1101 Connecticut Ave., NW, #900 Washington DC 20036	Bank of America
Do	Chemical Bank
Do	Citicorp
Do	Federal Express Corp
Do	Federal Land Bank Assns of Texas Stockholders' Defense Fund
Do	Alfred C. Glassell Jr.
Do	John Hancock Mutual Life Insurance
Do	Saloman Brothers, Inc
Do	Texas Commerce Bank
Do	Travelers Insurance Co
Do	National Rifle Assn of America
Do	Akin Gump Strauss Hauer & Feld
Rene C. Vos, 1600 Rhode Island Avenue, NW Washington DC 20036	CSX Corporation
Charls E. Walker Associates, Inc, 1730 Pennsylvania Ave., NW Washington DC 20006	Green Bay Packaging, Inc
Do	Korn/Ferry International
Do	Shell Oil Co
Do	Transamerica Corporation
Do	Uniroyal, Inc
Do	Vulcan Materials Co
Do	Wometco Broadcasting Corp
Do	American Council on Education
R. Duffy Wall & Associates, Inc, 1317 F Street, NW, #400 Washington DC 20004	Fiber Fabric & Apparel Coalition for Trade
Wallace & Edwards, 1150 Connecticut Ave., NW, #507 Washington DC 20036	DGA International, Inc (For: Dir Intl Aff of the Gen Del for Armements)
Ernest R. Warner Jr., 1816 N St., NW Washington DC 20036	American Assn of Homes for the Aging
Suzanne Weiss, 1129 20th Street, NW, #400 Washington DC 20036	VMS Realty
Wellford Wegman Krulwich & Hoff, 1775 Pennsylvania Ave., NW, #450 Washington DC 20006	Planned Parenthood Fed of America, Inc
Andrew F. Westwood, 2010 Massachusetts Avenue, NW, 5th Fl. Washington DC 20036	Coalition for Motor Carrier Regulatory Reform
Wexler Reynolds Harrison & Schule, Inc, Suite 600 1317 F Street, NW Washington DC 20004	Macfadden Holdings, Inc
Do	MCI Communications Corp
Do	Training Media Distributors Assn
Do	Wilmer Cutler & Pickering
Do	Kidder Peabody & Co, Inc
Clyde A. Wheeler Jr., Bishop Liberman Cook Purcell & Reynolds 1200 17th Street, NW Washington DC 20036	Pacific Texas Pipeline Co
Do	National Medical Enterprises, Inc
Lucinda L. Williams, 1155 15th Street, NW, #400 Washington DC 20005	Association of Progressive Rental Organizations
Williams & Jensen, P.C., 1101 Connecticut Ave., NW Washington DC 20036	Miller and Leher
Do	Chemical Manufacturers Assn, Inc
Wilmer Cutler & Pickering, 1666 K St., NW Washington DC 20006	Thomas H. Lee Co
Do	City of Tucson
Winston & Strawn, #500 2550 M St., NW Washington DC 20037	National Council of Health Facilities Finance Authorities
Do	Northeastern Power Co
Do	Syntex Laboratories, Inc
Do	Gray & Co Public Communications Int'l, Inc (For: Government of Angola/SONANGAL)
Robert V. Witeck, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Hyundai Motor America)
Do	Gray & Co Public Communications Int'l, Inc (For: Stroh Brewery Co)
Do	

Organization or Individual Filing	Employer/Client
Rebecca Wodder, 1901 Pennsylvania Ave., N.w. Washington DC 20006	Wilderness Society
S. Roy Woodall Jr., 655 15th Street, NW, #530 Washington DC 20005	National Assn of Life Companies
Worldwide Information Resources, Ltd, 1717 K Street, NW, #706 Washington DC 20006	Transportation Group, Inc
Frances C. Wright, 2550 M Street, NW, #275 Washington DC 20037	Camp Carmouche Barsh Hunter Gray Hoffman & Gill, P.C.
Kenneth Wu, 1755 Jefferson Davis Highway, #900 Arlington VA 22202	Gould, Inc
Paul Yestrumskas, Gate Post Lane Southbury CT 06488	Timex Group Ltd
Thane Young, The Ferguson Company 1875 Eye Street, NW Washington DC 20006	Berg-Revoir Corp
Do	Oceanside Redevelopment Agency
John R. Zagame Associates, inc, 1001 Prince Street, #116 Alexandria VA 22314	National Music Publishers Assn, Inc
Michael J. Zimmer, 1133 21 St., NW, #500 Washington DC 20036	Purpa Coalition, Inc

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following quarterly reports were submitted for the first calendar quarter 1986:

(NOTE.—The form used for reporting is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective headings.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19.....

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:

1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§302(e).
(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out items "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

NOTE ON ITEM "D."—(a) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $.....Dues and assessments
2. $.....Gifts of money or anything of value
3. $.....Printed or duplicated matter received as a gift
4. $.....Receipts from sale of printed or duplicated matter
5. $.....Received for services (e.g., salary, fee, etc.)
6. $.....TOTAL for this Quarter (Add items "1" through "5")
7. $.....Received during previous Quarters of calendar year
8. $.....TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $.....TOTAL now owed to others on account of loans
10. $.....Borrowed from others during this Quarter
11. $.....Repaid to others during this Quarter

12. $.....'Expense money" and Reimbursements received this Quarter

Contributors of $500 or more (from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": .....

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and address of Contributor* ("*Period*" from Jan. 1 through....., 19.....)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $.....Public relations and advertising services
2. $.....Wages, salaries, fees, commissions (other than item "1")
3. $.....Gifts or contributions made during Quarter
4. $.....Printed or duplicated matter, including distribution cost
5. $.....Office overhead (rent, supplies, utilities, etc.)
6. $.....Telephone and telegraph
7. $.....Travel, food, lodging, and entertainment
8. $.....All other expenditures
9. $.....TOTAL for this Quarter (Add "1" through "8")
10. $.....Expended during previous Quarters of calendar year
11. $.....TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $.....TOTAL now owed to person filing
13. $.....Lent to others during this Quarter
14. $.....Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Robert J. Aagre, 1615 H Street, NW Washington DC 20062	Chamber of Commerce of the U.S.	640.00	24.00
Julie Abbot, 2030 M Street, NW Washington DC 20036	Common Cause	5,375.04	413.75
Paul C. Abenante, 3rd Floor 1111 14th St., NW Washington DC 20005	American Bakers Assn	314.03	413.75
Thomas G. Abernethy Sr., 3973 Stuart Place Jackson MS 39211	U.S. Cane Sugar Refiners' Assn		
Ablondi & Foster, P.C., 1776 K Street, NW, #606 Washington DC 20006	Taiwan Textile Federation		
Elaine Acevedo, 1601 Duke Street Alexandria VA 22314	Society of American Florists		
Charles A. Acquard, 1400 K Street, NW, #500 Washington DC 20005	Handgun Control, Inc	7,305.00	
Action for Children's Television, 20 University Road Cambridge MA 02138		13,350.96	54.84
Action, Inc, 333 Pennsylvania Ave., SE Washington DC 20003	American Indian Higher Education Consortium		
John J. Adams, 2000 Pennsylvania Ave., NW, #900 Washington DC 20006	Ethyl Corporation		
Do	Vepco		
Sam Adams, 600 Maryland Ave., SW, #700 Washington DC 20024	National Fed of Independent Business	375.57	200.00
Thomas L. Adams Jr., 1201 Pennsylvania Ave., NW Washington DC 20004	American Soc of Anesthesiologists	1,260.00	
Adams Quackenbush Herring & Stuart, P.O. Box 394 Columbia SC 29202	U.S. Capital Corporation	326.25	23.85
Sandra Lee Adamson, P.O. Box 44026 Washington DC 20026	L/5 Society	2,000.00	226.12
Robert O. Aders, 1750 K Street, NW Washington DC 20006	Food Marketing Institute	200.00	
Terrance M. Adlhock, 1111 19th St., NW, #303 Washington DC 20036	Southern California Edison Co	2,000.00	2,303.64
Aerospace Industries Assn of America, Inc, 1725 Desales St., NW Washington DC 20036		20,631.25	20,631.25
Agendas International, 820 Second Avenue, #1302 New York NY 10017	Ministerio del Exterior, Republic of Nicaragua		
Samuel J. Agger, 1818 N Street, NW Washington DC 20036	DGA International, Inc (For: SNECMA)		
Robert S. Agman, 100 Indiana Ave., NW Washington DC 20001	Labor Management Maritime Committee, Inc	1,987.20	94.46
Creigh H. Agnew, 1625 Eye Street, NW, #902 Washington DC 20006	Weyerhaeuser Company		
David J. Aho, 1090 Vermont Avenue, NW Washington DC 20005	Baxter Travenol Laboratories, Inc	2,000.00	170.00
Herbert Allen Ailsworth, 1615 L Street, NW, #420 Washington DC 20036	Sandoz, Inc		42.00
Air Conditioning & Refrigeration Institute, 1501 Wilson Boulevard, #600 Arlington VA 22209			
Air Products & Chemicals, Inc, 1730 Pennsylvania Ave., NW, #265 Washington DC 20006			2,145.30
Air Traffic Control Assn, Inc, 2020 North 14th Street, # *0 Arlington VA 22201			
Randolf H. Aires, 633 Pennsylvania Avenue, NW, #600 ,,ashington DC 20004	Sears Roebuck & Co	3,300.00	144.03
Michael A. Aisenberg, 1331 Pennsylvania Ave., NW, #600 Washington DC 20004	Digital Equipment Corp	13,750.00	
Donna A. Akers, 1800 M Street, NW, #700 South Washington DC 20036	Dow Chemical Co		
Akin Gump Strauss Hauer & Feld, 1333 New Hampshire Ave., NW, #400 Washington DC 20036	Adler & Shaykin	250.00	
Do	Amerada Hess Corporation	825.00	19.00
Do	American International Group, Inc		
Do	American Telephone & Telegraph Co	900.00	19.00
Do	Archer Daniels Midland Company		
Do	Atcor, Inc		
Do	Beneficial Corporation	3,100.00	57.00
Do	Celanese Corp	5,425.00	95.00
Do	Coalition of Service Industries, Inc	850.00	19.00
Do	Continental Airlines, Inc		
Do	E & J Gallo Winery	2,900.00	57.00
Do	Embassy of the People's Republic of China	100.00	
Do	Fair Marketing Coalition	175.00	
Do	Farm Credit Banks of Springfield		
Do	Frupac International Corp		
Do	Geico Corporation	200.00	
Do	General Motors Corp		
Do	Goldman Sachs & Co		
Do	Gulf & Western Industries, Inc	2,100.00	38.00
Do	International Assn of Auditorium Managers	875.00	19.00
Do	International Taxi Assn		
Do	InterFirst Corporation	1,550.00	38.00
Do	Peter Kiewit Sons', Inc		
Do	Kohlberg Kravis Roberts & Co	550.00	19.00
Do	Levi Strauss & Co	7,350.00	133.00
Do	Lone Star Steel Co	825.00	19.00
Do	Marriott Corporation		
Do	Mesa Petroleum Co	2,300.00	38.00
Do	Metropolitan Transit Authority of Harris County	6,550.00	114.00
Do	Military Accessories Service Assn, Inc		
Do	Morgan Stanley & Co, Inc	29,225.00	551.00
Do	Motion Picture Assn of America, Inc	11,945.00	228.00
Do	National Football League	9,800.00	190.00
Do	Nederlander Theatres	1,000.00	19.00
Do	New York Air		
Do	North County Resource Recovery Assn	1,300.00	19.00
Do	Prairie Producing Co	500.00	
Do	Purolator, Inc	4,500.00	76.00
Do	Rauscher Pierce Refsnes, Inc		
Do	Ringling Bros Barnum & Bailey Combined Shows, Inc		
Do	Southern California Edison Co	5,700.00	114.00
Do	Texaco, Inc		
Do	Texas Air Corp	150.00	
Do	Tipperary Corp		
Do	Wertheim & Co	1,150.00	19.00
Do	Western Governors Policy Office		
Do	Zale Corporation		
Alaska Pulp Corp, c/o James F. Clark 240 Main St., #800 Box 1211 Juneau AK 99802			1,500.00
James J. Albertine, 1575 Eye Street, NW Washington DC 20005	American Soc of Assn Executives	300.00	
Frederick K. Alderson, 1730 M Street, NW, #607 Washington DC 20036	Arizona Public Service Company	900.00	965.84
C. Eddie Aldrete, P.O. Box 9527 Austin TX 78766	Texas Agricultural Cooperative Council		
Donald C. Alexander, Cadwalader Wickersham & Taft 1333 New Hampshire Ave., NW Washington DC 20036	Air Transport Assn of America	62.50	
Do	Alignpac	12.50	
Do	American Financial Corp		
Do	Baldwin-United Corporation		
Do	Bechtel Group, Inc	50.00	
Do	Disabled American Veterans		
Do	Eastern Air Lines, Inc		
Do	GSF Energy, Inc	312.50	
Do	Pepsico, Inc	12.50	
Do	Scott Paper Co	12.50	
Do	Texas Industries, Inc	25.00	
Karen D. Alexander, 1615 H Street, NW Washington DC 20062	Chamber of Commerce of the U.S.		
Nancy L. Alexander, 245 Second Street, NE Washington DC 20002	Friends Comm on National Legislation	4,018.14	
John D. Allan, c/o Doh Lohnes & Albertson 1255 23rd St., NW Washington DC 20037	Stelco, Inc		
Maxton Allcox, 400 First St., NW, Rm 801 Washington DC 20001	Brotherhood of Maintenance of Way Employes	14,373.81	
Dorothy D. Allen, 1615 H Street, NW Washington DC 20062	Chamber of Commerce of the U.S.		
Alliance of American Insurers, 1501 Woodfield Road, #400 West Schaumburg IL 60195			11,698.20
Alliance to Save Energy, 1925 K Street, NW, #507 Washington DC 20006			29.41
Allied Acid Rain Prohibition, 11573 Embers Court Reston VA 22091			
Alltel Corporation, 100 Executive Parkway Hudson OH 44236			3,480.50
Joseph C. Allwarden, 220 Daniel Webster Hwy South Merrimack NH 03054	Kollsman Instrument Co		300.00
Harvey Alter, 1615 H Street, NW Washington DC 20062	U.S. Chamber of Commerce	3,200.00	
Michael J. Altier, 1000 Connecticut Avenue, NW Washington DC 20036	National Retail Merchants Assn	250.00	20.00
Thomas H. Altmeyer, 1575 I Street, NW, #525 Washington DC 20005	Mining & Reclamation Council of America	3,000.00	70.00
Ricardo R. Alvarado, 2550 M Street, NW, #600 Washington DC 20037	Allied-Signal Companies	3,328.00	
Susan E. Alvarado, 1771 N Street, NW Washington DC 20036	National Assn of Broadcasters	1,500.00	2,658.53
Amalgamated Transit Union, AFL-CIO, 5025 Wisconsin Avenue, NW Washington DC 20016			5,000.00
Amalgamated Transit Union, Natl Cap Div. 689, 2001 9th Street, NW, #300 Washington DC 20001			
Robert P. Ambrose, 14615 Lone Oak Road Eden Prairie MN 55344	Cooperative Power Association	4,000.00	119.54
American Academy of Family Physicians, 1740 West 92nd St. Kansas City MO 64114		13,720.33	13,720.33
American Advertising Federation, 1400 K Street, NW, #1000 Washington DC 20005			6,643.00
American Assn for Counseling & Development, 5999 Stevenson Avenue Alexandria VA 22304		50,715.59	27,940.72

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
American Assn for Respiratory Therapy, 1720 Regal Row Dallas TX 75235		2,306.46	18,711.54
American Assn of Blood Banks, 1117 North 19th St., #600 Arlington VA 22209			
American Assn of Equipment Lessors, 1300 North 17th St., #1010 Arlington VA 22209			
American Assn of Meat Processors, P.O. Box 269 Elizabethtown PA 17022		929.48	33.00
American Assn of Presidents of Independent Colleges & Univs, Box 723 Rexburg ID 83440		6,080.00	12,749.12
American Automobile Assn, 8111 Gatehouse Rd. Falls Church VA 22047			
American Bankers Assn, 1120 Connecticut Avenue, NW Washington DC 20036		44,356.26	44,356.26
American Camping Association, Bradford Woods Martinsville IN 46151		5,959.24	5,938.16
American Council for Capital Formation, 1850 K Street, NW, #520 Washington DC 20006		15,073.00	6,866.00
American Farm Bureau Federation, 225 Touhy Ave Park Ridge IL 60068		113,547.00	113,547.00
American Fed of Labor & Congress of Industrial Organizations, 815 16th St., NW Washington DC 20006			119,902.70
American Feed Industry Assn, 1701 N. Ft. Myer Dr. Arlington VA 22209		3,240.00	3,240.00
American Financial Services Assn, 1101 14th St., NW Washington DC 20005			250.00
American Frozen Food Institute, 1700 Old Meadow Rd., #100 Mclean VA 22102		6,000.00	6,000.00
American Health Care Assn, 1200 15th Street, NW Washington DC 20005		230,132.40	58,388.35
American Hellenic Institute Public Affairs Committee, Inc, 1730 K St., NW Washington DC 20006		2,500.00	
American Honey Producers Assn, P.O. Box 368 Minco OK 73059		13,665.00	8,276.61
American Hospital Assn, 840 N. Lake Shore Dr. Chicago IL 60611		57,767.25	57,767.25
American Hotel & Motel Assn, 888 Seventh Ave. New York NY 10019		22,900.57	11,108.94
American Institute of Merchant Shipping, 1000 16th Street, NW, #511 Washington DC 20036			2,542.50
American Insurance Assn, 85 John St. New York NY 10038		5,082.00	5,082.00
American Israel Public Affairs Comm, 500 N. Capitol St., NW, #300 Washington DC 20001		84,414.00	118,517.74
American Land Title Assn, 1828 L St., NW Washington DC 20036			
American League for Exports & Security Assistance, Inc, 122 C St., NW, #740 Washington DC 20001		14,565.00	9,854.22
American Library Assn, 50 E. Huron St. Chicago IL 60611		5,629.00	8,657.00
American Malting Barley Assn, Inc, 735 North Water Street, #908 Milwaukee WI 53202		17,043.86	3,696.41
American Meat Institute, PO Box 3556 Washington DC 20007			6,500.00
American Medical Assn, 535 North Dearborn St. Chicago IL 60610			46,937.32
American Medical Care & Review Assn, 5410 Grosvenor Lane, #210 Bethesda MD 20814			
American Medical Peer Review Assn, 440 First Street, NW, #510 Washington DC 20001			
American Metal Detectors Manufacturers' Assn, 2814 National Dr. Garland TX 75401			
American Movers Conference, 2200 Mill Road Alexandria VA 22314			3,391.00
American Newspaper Publishers Assn, Box 17407 Dulles International Airport Washington DC 20041		4,788.02	4,788.02
American Nuclear Energy Council, 410 1st St., SE Washington DC 20003		19,428.31	56,095.52
American Nurses' Assn, 2420 Pershing Rd Kansas City MO 64108		34,478.44	34,478.44
American Optometric Assn, c/o Dr. John D. Tumblin 600 Maryland Avenue, SW, #400e Washington DC 20024		64.88	305.73
American Orthotic and Prosthetic Assn, 717 Pendleton St. Alexandria VA 223141885			
American Paper Institute, Inc, 260 Madison Ave. New York NY 10016			6,372.80
American Petroleum Institute, 1220 L St., NW Washington DC 20005		340,311.55	253,085.63
American Physical Therapy Assn, 1111 N. Fairfax St. Alexandria VA 22314		4,689.89	4,689.89
American Podiatric Medical Assn, 20 Chevy Chase Circle Washington DC 20015			19,532.95
American Postal Workers Union, AFL-CIO, 817 14th St., NW Washington DC 20005		59,091.57	50,621.59
American Public Transit Assn, 1225 Connecticut Ave., NW Washington DC 20036		69,566.00	69,566.00
American Pulpwood Assn, 1025 Vermont Avenue, NW Washington DC 20005			
American Retreaders' Assn, P.O. Box 17203 Louisville KY 40217		1,000.00	1,000.00
American Seed Trade Assn, 1030 15th Street, NW, #964 Washington DC 20005			14,585.00
American Short Line Railroad Assn, 2000 Massachusetts Ave., NW Washington DC 20036			
American Soc for Medical Technology, 1725 Desales St., NW, #403 Washington DC 20036		2,775.00	5,324.73
American Soc of Anesthesiologists, 1201 Pennsylvania Avenue, NW Washington DC 20004			8,862.00
American Soybean Association, 600 Maryland Avenue, SW, #510 Washington DC 20024		12,600.00	6,907.39
American Textile Machinery Assn, 7297 N. Lee Hwy. Falls Church VA 22042			
American Veterans of World War II, Korea & Vietnam (AMVETS), 4647 Forbes Boulevard Lanham MD 20706		6,950.47	6,950.47
American Veterinary Medical Assn, 1522 K Street, NW, #828 Washington DC 20005			
American Waterways Operators, Inc, 1600 Wilson Bculevard, #1000 Arlington VA 22209		190,631.00	215.22
Americans for Immigration Control, Inc, P.O. Box 11839 Alexandria VA 22312		10,134.97	10,134.97
Americans for Tax Reform, 1800 M Street, NW, #475 Washington DC 20036		9,200.00	28,675.87
Morris J. Amitay, P.C., 444 N. Capitol Street, NW, #712 Washington DC 20001	Nathan Lewin (for 47th Street Photo)	7,500.00	
Do	Northrop Corp	3,000.00	
Do	Pan American World Airways, Inc	4,500.00	
Do	Solar Energy Industries Assn	6,000.00	
Do	Thompson Medical	3,000.00	
Jan S. Amundson, 1776 F Street, NW Washington DC 20006	National Assn of Manufacturers		
Edward Andersen, 1616 H St., NW Washington DC 20006	National Grange	8,450.00	8,450.00
Arne Anderson, 1325 Massachusetts Avenue, NW Washington DC 20005	American Fed of Government Employees	7,893.32	
Byron Anderson, 777 14th St., NW Washington DC 20005	National Assn of Realtors	2,500.00	191.96
H. Kim Anderson, Virginia Petroleum Council 1809 Staples Mill Road Richmond VA 23230	American Petroleum Institute	666.00	506.65
J. Lem Anderson, 4111 Franconia Rd. Alexandria VA 22310	Temple-Inland	250.00	
James A. Anderson Jr., 1725 K Street, NW, #710 Washington DC 20006	National Assn of Wholesaler-Distributors		
Robert L. Anderson, John Deere Rd. Moline IL 61265	Deere & Company		
Romilda R. Anderson, 10 Westport Road Wilton CT 06897	Richardson-Vicks, Inc	1,600.00	2,321.75
Steven C. Anderson, 1700 Old Meadow Rd. Mclean VA 22102	American Frozen Food Institute	5,000.00	
Wayne C. Anderson, P.O. Box 1933 E. Hanover NJ 07936	Nabisco Brands, Inc	10,000.00	1,341.44
William C. Anderson, 1101 16th St., NW Washington DC 20036	Independent Petroleum Assn of America		110.00
Anderson & Pendleton, 1000 Connecticut Avenue, NW, #707 Washington DC 20036	Canned & Cooked Meat Importers' Assn		
Anderson Benjamin & Read, Inc, 1020 19th St., NW, #520 Washington DC 20036	U.S. Banknote Corp		
Lisa Andrews, 51 Louisiana Avenue, NW Washington DC 20001	Acacia Mutual Life Insurance Co	1,000.00	40.78
Robert B. Andrews, 1100 Connecticut Avenue, NW, #620 Washington DC 20036	Mobil Oil Corp	500.00	
Andrews & Kurth, 1747 Pennsylvania Avenue, NW Washington DC 20006	Space Services Inc of America		
Jack R. Angell, 1101 17th Street, NW, #704 Washington DC 20036	United Gas Pipe Line Co		
Anglo American Auto Auctions, Inc, 2 International Plaza Dr., #600 Nashville TN 37217			
J. Donald Annett, 1050 17th St., NW, #500 Washington DC 20036	Texaco, Inc	500.00	
Philip H. Anns, 1101 Vermont Avenue, NW, #405 Washington DC 20005	A. H. Robins Co	800.00	81.00
Reynold V. Anselmo, 460 W. 42nd Street, 4th Fl New York NY 10036	Pan American Satellite Corp		
Tobias Anthony, 1819 H Street, NW, #510 Washington DC 20006	American Coal Ash Association, Inc		
Patrick S. Antrim, 1800 K Street, NW Washington DC 20006	Bankamerica Corporation	98.40	13.65
Apartment & Office Building Assn of Metropolitan Wash, DC, 1413 K Street, NW, #600 Washington DC 20005			
John D. Aquilino Jr., 1600 Rhode Island Ave., NW Washington DC 20036	National Rifle Assn of America		
Paul W. Arcari, 201 N. Washington Street Alexandria VA 22314	Retired Officers Assn	2,122.00	
John Archer, 8111 Gatehouse Rd. Falls Church VA 22047	American Automobile Assn		
R. M. Julie Archuleta, 1747 Pennsylvania Avenue, NW, 3rd Fl. Washington DC 20006	Occidental Chemical Corp	60.00	52.13
Arent Fox Kintner Plotkin & Kahn, 1050 Connecticut Avenue, NW Washington DC 20036	American Soc of Travel Agents; Sitmar Cruises, Inc	8,094.50	147.57
Do	Ameritech		204.31
Do	Breed Corporation	20,000.00	
Do	Central States SE & SW Areas Health Welfare & Pension Funds	7,567.98	373.02
Do	Guardian Life Insurance Co of America	23,248.92	167.58
Do	Hoesch Rohr Ag	27,521.74	774.28
Do	Hoesch Tubular Products Co		
Do	Insurance Servicing & Information Systems Corp	12,319.84	217.94
Do	Motor and Equipment Manufacturers Association		
Do	Toshiba America, Inc	7,697.85	1,117.94
Do	Toyota Motor Corporation	1,163.80	1,117.94
Do	Tubular Corp of America, Inc	9,408.46	120.42
Do	TVW Paper Machines, Inc	3,915.02	14.55
Arkansas Assn of Bank Holding Companies, 2121 K St., NW, #830 Washington DC 20037			
R. G. Armistead, 8613 Janet Lane Vienna VA 22180			
John A. Armstrong, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington DC 20037	Dofasco, Inc		
Paul Arneson, 1701 Pennsylvania Ave., NW, #940 Washington DC 20006	National Assn of Water Cos	1,200.00	28.02
G. Ray Arnett, 1600 Rhode Island Avenue, NW Washington DC 20036	National Rifle Assn of America	3,750.00	
Julie L. Arnold, 1667 K St., NW, #710 Washington DC 20006	Baxter Travenol Laboratories, Inc		
Arnold & Porter, 1200 New Hampshire Ave., NW Washington DC 20036	Asea AB		169.76
Do	Canadian Forest Industries Council	6,487.50	209.78
Do	Canadian Meat Council		
Do	Consejo Empresarial Mexicano Para Asuntos Internacionales		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	CSX Corporation	1,655.00	
Do	Fluor Corporation		
Do	Grain & Feed Trade Assn		
Do	Hamilton Brothers Oil & Gas Corp		
Do	International Commodities Clearing House		
Do	London Commodity Exchange Co, Ltd		
Do	London International Financial Futures Exchange, Ltd		
Do	Metal Market & Exchange Co, Ltd		
Do	Philip Morris Cos, Inc		
Do	Recording Industry Assn of America, Inc	4,158.75	
Do	Sacramento Public Utility District, et al.	7,942.50	567.71
Do	Securities Industry Assn		
Do	State Farm Mutual Automobile Insurance Co	4,778.75	69.60
Do	Venezolana de Cementos Ca	16,801.25	136.72
Do	Wisconsin Public Power Incorporated System	861.75	136.72
Nan Aron, 600 New Jersey Avenue, NW Washington DC 20001	Alliance for Justice		
Asbill Junkin Myers & Buffone, 1607 New Hampshire Ave., NW Washington DC 20009	Coalition on Smoking or Health	18,650.00	15,095.29
Lud Ashley, P.C., 1735 New York Avenue, NW, 6th Fl. Washington DC 20006	American International Group, Inc	2,000.00	
Do	Federal Home Loan Mortgage Corp	5,000.00	
Do	Irving Trust Co	10,000.00	
Do	ISFA Corporation	16,100.00	
Do	Manville Corporation		
Do	National Assn of State Savings & Loan Supervisors	15,000.00	
Do	J. C. Penney Co, Inc	20,860.00	
Joseph Ashooh, 1957 E St., NW Washington DC 20006	Associated General Contractors of America		
Asian Pacific Economic Educational Cultural Organization, P.O. Box 891 Manila, Philippine			
Asphalt Roofing Manufacturers Association, 6288 Montrose Road Rockville MD 20852			
Associated Credit Bureaus, Inc, P.O. Box 218300 16211 Park 10 Place Houston TX 77084		1,500.00	
Associated Employers, Inc, 1222 N. Main, #315a San Antonio TX 78212			
Associated General Contractors of America, 1957 E St., NW Washington DC 20006			
Associated Satellite Television Receiver Owners, Inc, 2530 S. Parker Road, #600 Aurora CO 80014			
Association for a Better New York, 355 Lexington Avenue New York NY 10017		16,500.00	233,613.15
Association for the Improvement of the Mississippi River, 10 Broadway St. Louis MO 63102			
Association of American Law Schools, One Dupont Circle, NW, #370 Washington DC 20036			
Association of American Publishers, 2005 Massachusetts Ave., NW Washington DC 20036		7,965.29	7,965.29
Association of American Railroads, American Railroads Building 50 F Street, NW Washington DC 20001		76,837.28	76,837.28
Association of American Veterinary Medical Colleges, 1522 K Street, NW, #828 Washington DC 20005			
Association of Data Processing Service Organizations, 1300 North 17th Street, #300 Arlington VA 22209			
Association of Thrift Holding Companies, 900 17th Street, NW, #500 Washington DC 20006		4,511.00	
Association of Trial Lawyers of America, 1050 31st St., NW Washington DC 20007		12,705.00	12,705.00
Association of Urban Universities, 1225 Connecticut Ave., NW, #300 Washington DC 20036		3,000.00	6,702.38
George J. Aste, 1825 K St., NW, #607 Washington DC 20006	United Airlines, Inc	500.00	
Atlantic Richfield Co, 515 South Flower Street Los Angeles CA 90071			1,416.57
Lloyd G. Ator Jr., 1801 K St., NW, #700 Washington DC 20006	Price Waterhouse (For: Security Pacific National Bank)	600.00	
Fritz E. Attaway, 1600 Eye St., NW Washington DC 20006	Motion Picture Assn of America, Inc		
John J. Auciello, P.O. Box 269 Elizabethtown PA 17022	American Assn of Meat Processors		
Audio Recording Rights Coalition, P.O. Box 33705 1145 19th Street, NW Washington DC 20033		130,000.00	126,156.34
Claire H. Austin, 214 Massachusetts Ave, NE, #350 Washington DC 20002	Russell Corporation	1,000.00	190.00
Automotive Parts Rebuilders Assn, 6849 Old Dominion Drive Mclean VA 22101			
John S. Autry, 2000 L Street, NW, #810 Washington DC 20036	Sperry Corporation	2,500.00	2,200.00
William H Axtman, 950 N. Glebe Rd., Rm. 160 Arlington VA 22203	American Boiler Manufacturers Assr, Inc		
Pamela Aycock, Aycock Associates 1899 L Street, NW, #605 Washington DC 20036	Edison Electric Institute	1,900.00	610.36
Michael G. Ayre, P.O. Box 130 Levis P.Q. Canada G6V 6N7	Versatile Davie, Inc		
Azanian Coalition, 212 E Street, NE Washington DC 20002			
AFL-CIO Maritime Committee, 100 Indiana Ave., NW Washington DC 20001		6,065.00	4,947.52
Hope M. Babcock, 645 Pennsylvania Avenue, SE Washington DC 20003	National Audubon Society		
Dale R. Babione, 1700 N. Moore St. Rosslyn VA 22209	Boeing Company	2,366.00	
Robert A. Bacha, 1111 14th Street, NW Washington DC 20005	Cook and Bacha (For: Contractors Liability & Indemnification Alliance)		
Do	Cook and Bacha (For: Westinghouse Electric Corp)	3,200.00	185.45
L. A. Bafalis, Governmental Consulting Services, Inc 241 S. Woods Road Palm Beach FL 33480	Davis & Harman		
Carl E. Bagge, Coal Building Washington DC 20036	National Coal Assn	3,310.00	803.25
Joan N. Baggett, 815 15th St., NW Washington DC 20005	International Union of Bricklayers & Allied Craftsmen	8,000.00	119.80
Brent A. Baglien, 725 15th Street, NW Washington DC 20005	National Grain & Feed Assn		
George F. Bailey Jr., P.O. Box 21 Montgomery AL 36101	Alabama Railroad Assn		
James Michael Bailey, 1701 K Street, NW, #803 Washington DC 20006	Association of U.S. Night Vision Manufacturers		
Paul C. Bailey Jr., 108 Columbus St. Arlington VA 22204	Southern Company Services, Inc	744.70	483.66
William W. Bailey, 1050 17th Street, NW, #650 Washington DC 20036	Merck & Co, Inc	2,000.00	315.00
Judith L. Baird, 1333 New Hampshire Ave., NW Washington DC 20036	Atlantic Richfield Co	200.00	
John Baize, Capitol Gallery Bldg., #510 600 Maryland Avenue, SW Washington DC 20024	American Soybean Association	2,025.00	298.36
Edward R. Bajer, 1015 15th St., NW, #802 Washington DC 20005	American Consulting Engineers Council	400.00	
David Baker, 1730 M Street, NW Washington DC 20036	League of Women Voters of the U.S.	4,273.47	175.37
Emil F. Baker, 1303 New Hampshire Ave., NW Washington DC 20036	Fleet Reserve Assn		
Gerald E. Baker, 1625 Massachusetts Avenue, NW Washington DC 20036	Air Line Pilots Assn	6,000.00	485.80
James Jay Baker, 1600 Rhode Island Ave., NW Washington DC 20036	National Rifle Assn of America	976.25	194.54
Quinter S. Baker, P.O. Box 8091 Falls Church VA 22041	Friendship Hill Assn		
Baker & Botts, 1701 Pennsylvania Ave., NW Washington DC 20006	Houston Lighting & Power Company		
Baker & Hostetler, 1050 Connecticut Ave., NW Washington DC 20036	Cleveland Institute of Electronics		
Baker & McKenzie, 815 Connecticut Ave., NW Washington DC 20006	Cambridge Research & Development Group		
Do	National Building Granite Quarries Assn	25,364.00	
S. Eason Balch, P.O. Box 306 Birmingham AL 35201	Balch & Bingham (For: Southern Company Services, Inc)	2,100.00	496.14
Patricia A. Baldi, 645 Pennsylvania Ave., SE Washington DC 20003	National Audubon Society	945.00	3,968.00
H. R. Balikov, 333 Thornall St. Edison NJ 08818	J. M. Huber Corp		
Catherine A. Ball, 2300 S. 9th St., #104 Arlington VA 22204	Federal Managers Assn	7,313.00	301.00
Christian Ballantyne, 214 N. Henry Street, #203 Madison WI 53703	Sierra Club	1,250.00	524.14
Ballard Spahr Andrews & Ingersoll, 1850 K Street, NW, #1100 Washington DC 20006	Arthur Andersen & Co		
Do	U.S. Committee for UNICEF		
Thomas M. Balmer, 888 16th Street, NW Washington DC 20006	Milk Industry Foundation/Int'l Assn of Ice Cream Mfrs		
Philip A. Bangert, 1010 Wisconsin Avenue, NW, #800 Washington DC 20007	Grocery Manufacturers of America, Inc	1,250.00	
Charles E. Bangert, P.C., 1825 Eye Street, NW, #300 Washington DC 20006	Business Roundtable		
Bank of Boston Corporation, 100 Federal St. Boston MA 02110			
James T. Banks, 1155 Connecticut Avenue, NW, #800 Washington DC 20036	Waste Management, Inc	5,000.00	
Robert D. Bannister, 15th & M streets, NW Washington DC 20005	National Assn of Home Builders of the U.S.	30,634.63	71.91
Samuel J. Baptista, 1101 14th St., NW Washington DC 20005	American Financial Services Assn	250.00	
E. W. Baragar, 1700 North Moore St., 20th Fl. Rosslyn VA 22209	Boeing Company	1,185.13	1,205.29
Maurice A. Barboza, 1800 M Street, NW Washington DC 20036	American Bar Assn	400.00	50.00
Judy Bardacke, 555 New Jersey Avenue, NW Washington DC 20001	American Fed of Teachers		
David J. Bardin, 1050 Connecticut Avenue, NW Washington DC 20036	Solmecs Corporation		
Robert O. Barker, 801 Northland Towers West Southfield MI 48075	National Assn of Manufacturers	1,500.00	30.00
William J. Barnds, 1000 Connecticut Avenue, NW Washington DC 20036	Japan Economic Institute of America	500.00	
Barnes Richardson & Colburn, 1819 H St., NW, #400 Washington DC 20006	Brown-Forman Corp		
Do	Heublein, Inc		
Do	Hiram Walker & Sons, Inc		
Do	Rukert Marine Corp		
Do	Schieffelin & Co		
Do	Joseph E. Seagram & Sons, Inc, et al.		
Do	Stratton Hats, Inc		
Do	Texas Citrus and Vegetable Import Association		19.02
Barnett & Alagia, 1000 Thomas Jefferson Street, NW, #900 Washington DC 20007	Cuban American Public Affairs Council		
Barnett Sivon Schott & Shay, P.C., 1090 Vermont Ave., NW, #810 Washington DC 20005	Citibank, N.A.	2,550.00	28.00
Neil D. Baron, Booth & Baron 122 East 42nd St. New York NY 10168	Standard & Poor's Corporation		
James C. Barr, 1840 Wilson Blvd Arlington VA 22201	National Milk Producers Federation	3,300.00	
Robert W. Barrie, 1331 Pennsylvania Avenue, NW Washington DC 20004	General Electric Co	2,000.00	
Roger V. Barth, 1735 Eye St., NW, #715 Washington DC 20006	American Assn for Clinical Chemistry Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Linda L. Bartlett, 1100 17th Street, NW, #601 Washington DC 20036	Kraft, Inc	750.00	
James E. Bartley, 1090 Vermont Avenue, NW, #410 Washington DC 20005	National Industrial Transportation League	7,000.00	24.75
Do	Procompetitive Retail Steering Committee		
Mark A. Bartner, 100 Maryland Avenue, NE Washington DC 20002	Religious Coalition for Abortion Rights, Inc	5,749.98	22.80
Robin Bass-Garnto, 1121 Westbriar Drive, #125 Richmond VA 23233	Nansemond Indian Tribe		
Walter F. Batchelor, 1200 17th Street, NW Washington DC 20036	American Psychological Assn		
Diane Bateman, 1015 18th Street, NW Washington DC 20036	Fertilizer Institute	15,000.00	2,929.42
Robert E. Bates Jr., 1100 Connecticut Ave, NW Washington DC 20036	Mobil Oil Corp	1,125.00	
Laurie C. Battle, 1709 New York Ave., NW, #801 Washington DC 20006	U.S. League of Savings Institutions	1,563.00	
John F. Battles, Massachusetts Petroleum Council 11 Beacon St., #515 Boston MA 02108	American Petroleum Institute	3,000.00	794.52
John L. Bauer Jr., 1667 K St., NW, #650 Washington DC 20006	Armco, Inc	2,500.00	811.71
Robert J. Baughman, 717 Pendleton St. Alexandria VA 22314	American Orthotic and Prosthetic Assn		
Barbara Bauman, 1990 M Street, NW, #480 Washington DC 20036	Detroit Edison Company	450.00	35.00
James R. Baxter, 2033 K St., NW, #200 Washington DC 20006	National Construction Employers Council		
Tina Marts Beach, 1331 Pennsylvania Avenue, NW, #700 Washington DC 20004	General Electric Co	372.00	
Bruce A. Beam, 1667 K St., NW, #450 Washington DC 20006	American Electric Power Service Corp	179.06	1,026.15
Beatrice Companies, Inc, One Farragut Square 12th Floor, #1200 Washington DC 20006			
Donald S. Beattie, 400 First St., NW Washington DC 20001	Railway Labor Executives' Assn	2,879.65	
Christine T. Beatty, 1627 K Street, NW, #200 Washington DC 20006	St. Joe Minerals Corp	7,500.00	212.48
Hubert Beatty, 1957 E St., NW Washington DC 20006	Associated General Contractors of America		
Laura L. Beaty, 806 N. Jefferson St. Arlington VA 22205	National Parks & Conservation Association	389.82	373.18
Orren Beaty Jr., 700 Jefferson Building 1225 19th Street, NW Washington DC 20036	Western Fuels Association, Inc	8,695.00	500.00
Gerald F. Beavan, 190 Highland Drive Centerville MA 02632	Capital Holding Corp	15,000.00	5,195.00
Edward A. Beck III, 1220 L Street, NW Washington DC 20005	American Petroleum Institute	8,958.33	228.55
Steven M. Beckman, 1757 N Street, NW Washington DC 20036	Int'l Union, United Auto Aerospace & Agric Implement Workers	6,103.17	12.00
William W. Beddow, 1101 15th St., NW Washington DC 20005	National Constructors Association	1,750.00	
Jon Charles Bednerik, 11 Embarcadero West, #202 Oakland CA 94607	Western Independent Bankers	500.00	
Robert M. Beers, 2101 E Street, NW Washington DC 20037	American Foreign Service Assn	4,430.00	1,223.00
Mark Belanger, 805 Third Avenue New York NY 10022	Major League Baseball Players Assn		
Donald K. Belch, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington DC 20037	Stelco, Inc	1,125.00	1,019.63
Denise Bell, 777 14th Street, NW Washington DC 20005	National Assn of Realtors	2,500.00	40.89
Howard H. Bell, 1400 K St., NW, #1000 Washington DC 20036	American Advertising Federation		
Winston Everett Bell, P.O. Box 26543 Las Vegas NV 89126			
Mary K. Bellamy, 1600 M St., NW Washington DC 20036	Investment Company Institute		
James P. Bellis, 1629 K St., NW, #1100 Washington DC 20006	Palumbo & Cerrell, Inc (For: American Soc of Composers Authors & Publishers)	9,600.00	
Do	Palumbo & Cerrell, Inc (For: G. D. Searle)	9,600.00	
Do	Palumbo & Cerrell, Inc (For: Southern California Rapid Transit District)	9,600.00	
Benchmark Technologies Corp, 1995 Tremainsville Rd. Toledo OH 43613			
Bendixen & Law, 1029 Vermont Avenue, NW, #505 Washington DC 20005	Panamsat		
Cleve Benedict, 8400 Corporate Drive, #560 Landover MD 20785	R/S/M, Inc		
Bruce Benefield, 1000 Wilson Blvd., #2600 Arlington VA 22209	TRW, Inc	500.00	
Benner Burnett & Coleman, 1401 New York Avenue, NW Washington DC 20005	Messerschmitt Bolkow-Blohm Gmbh	800.00	68.70
Do	Omninet Corporation		
Do	Schnitzer Steel Products Co		
Beverly L. Bennett, 1850 K Street, NW Washington DC 20006	American Council of Life Insurance, Inc	2,500.00	
Benoit Smith & Laughlin, 2001 Jefferson Davis Highway, #501 Arlington VA 22202	Econopure		
Do	Hughes Aircraft Company		
Frederick S. Benson III, 1625 Eye Street, NW, #902 Washington DC 20006	Weyerhaeuser Company		
Nancy C. Benson, 1575 Eye St., NW, #220 Washington DC 20005	American Cyanamid Co	455.00	442.84
Tom Benson, 501 Union Street, #506 Nashville TN 37219	Tennessee Railroad Assn		
James E. Benton, N. J. Petroleum Council 170 W. State St. Trenton NJ 08608	American Petroleum Institute		128.04
George L. Berg Jr., 600 Maryland Avenue, SW Washington DC 20024	American Farm Bureau Federation	5,437.50	53.16
Rebecca J. Berg, 900 17th Street, NW, #1100 Washington DC 20006	Sea-Land Corporation	450.00	
Richard Scott Berg, 1250 Connecticut Avenue, NW, #210 Washington DC 20036	National Forest Products Assn		
O. M. Berge, 12050 Woodward Ave. Detroit MI 48203	Brotherhood of Maintenance of Way Employes		
Bob Bergland, 1800 Massachusetts Avenue, NW Washington DC 20036	National Rural Electric Cooperative Assn	630.00	125.00
Edwin M. Bergsmark, Three Seagate Toledo OH 43603	Toledo Trust Company		
Jane W. Bergwin, 1050 17th Street, NW, #490 Washington DC 20036	Consumers Power Co	3,448.00	1,266.00
Peter A. A. Berle, 950 Third Avenue New York NY 10022	National Audubon Society	1,000.00	
Jason S. Berman, 1133 21st Street, NW, #400 Washington DC 20036	Warner Communications, Inc	15,000.00	10,474.41
Jay Harris Berman, 400 N. Washington St. Alexandria VA 22314	National Assn of Professional Agents		
William R. Berman, 8111 Gatehouse Rd. Falls Church VA 22047	American Automobile Assn		
Berman Bergner & Boyette, 1016 16th Street, NW, #700 Washington DC 20036	Blaw Knox	1,500.00	1,562.63
Do	First Atlantic Investment Corp	1,000.00	1,088.00
Do	Flo-Sun Land Corp	2,000.00	2,176.00
Do	Natural Gas Supply Assn	1,800.00	1,945.67
Do	Okeelanta Corp	2,000.00	2,176.00
Do	Salomon Brothers, Inc	1,500.00	1,622.00
Do	Solar Energy Industries Assn	5,000.00	5,134.00
Mary E. Bernhard, 1090 Vermont Avenue, NW, #500 Washington DC 20005	Flexible Packaging Association		
Charles Bernhardt, 2020 K St., NW, #200 Washington DC 20006	National Fed of Federal Employees	53.52	
Donald C. Berno, 1615 H St., NW Washington DC 20062	U.S. Chamber of Commerce	7,500.00	86.33
Bernstein Shur Sawyer & Nelson, One Monument Square Portland ME 04101	Penobscot Energy Recovery Co	5,258.50	5,626.76
Max N. Berry, 3213 O St., NW Washington DC 20007	American Importers Meat Products Group		
Do	Centre National Interprofessionnel de L'Economic Laitiere		
Do	Committee to Assure the Availability of Casein		
Do	Federation des Exportateurs de Vins & Spiritueux de France		
Willard M. Berry, 900 17th Street, NW, #514 Washington DC 20006	National Foreign Trade Council, Inc	5,000.00	475.00
Eve Berton, 2020 K Street, NW, #200 Washington DC 20006	National Fed of Federal Employees		
John F. Betar, 730 15th Street, NW Washington DC 20005	Association of Bank Holding Cos	1,000.00	97.00
Robert Betz, 1101 14th Street, NW, #1100 Washington DC 20005	Robert Betz Associates, Inc (For: Alabama Hospital Association)	5,250.00	245.54
Beverly Enterprises, Inc, 1901 N. Fort Myer Drive, #302 Rosslyn VA 22209			25,324.85
Cheryl Beversdorf, 1200 15th Street, NW Washington DC 20005	American Health Care Assn	2,873.44	471.54
Leonard Bickwit Jr., Miller & Chevalier, Chtd. 655 15th Street, NW Washington DC 20005	Chevy Chase Savings & Loan Assn	9,753.75	91.58
Do	Consolidated Edison Co of New York, Inc		
Do	General Public Utilities Corp	12,000.00	170.78
Do	Lincoln Savings & Loan Assn	3,455.94	381.43
Do	Perpetual American Bank, F.S.B.	9,753.75	91.58
Do	Western Savings & Loan Assn	9,753.75	91.58
Do	1st Home Federal of the Carolinas	19,507.00	183.16
Joan T. Bier, 1726 M Street, NW, #701 Washington DC 20036	International Minerals & Chemical Corp		
James N. Bierman, 1775 Pennsylvania Ave., NW Washington DC 20006	Foley & Lardner (For: City of Kenosha, Wisconsin)		
Do	Foley & Lardner (For: Kohlberg Kravis Roberts & Co)		
Moe Biller, 817 14th St., NW Washington DC 20005	American Postal Workers Union, AFL-CIO	10,552.00	
Billig Sher & Jones, P.C., 2033 K St., NW, #300 Washington DC 20006	Barber Blue Sea Line		
Do	Hapag-Lloyd, A.G.		
Do	Maersk Line		
Do	Nedlloyd Lines		
Do	Port Users	8,000.00	125.00
Do	Private Truck Council of America, Inc		
Do	South Dakota Dept of Transportation, Div of Railroads		
Kevin W. Billings, 410 First Street, SE Washington DC 20003	American Nuclear Energy Council	2,775.01	742.25
Leon G. Billings, Inc, 1660 L St., NW, #809 Washington DC 20036	Irvine Company	14,256.88	
Do	State of Montana	13,600.00	
Bingham Dana & Gould, 1724 Massachusetts Avenue, NW Washington DC 20036	Disabled American Veterans	380.00	
Vitina Biondo, 1050 17th Street, NW, #770 Washington DC 20036	American Assn of Homes for the Aging	244.00	
Bipartisan Budget Appeal, P.O. Box 9 Bowling Green Station New York NY 10004			
Birch Horton Bittner Pestinger & Anderson, 12th Floor 1155 Connecticut Ave., NW Washington DC 20036	Alascom, Inc		
Do	Alaska Power Authority		
Do	Alaska Teamsters-Employer Pension Trust		
Do	Alaska Teamsters-Employer Welfare Trust		
Do	Amerada Hess Corp		
Do	Calista Corp		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	City of St. George		
Do	CP National Corp		
Do	First Federal Bank of Alaska, S.B.		
Do	Houston Metropolitan Transit Authority		
Do	Sealaska Corp		
Do	St. George Tanaq Corp		
Do	Teamsters Local 959		
Do	Westinghouse Electric Corp.		
Do	Yukon Pacific Corp		
Robert J. Bird, 888 16th Street, NW Washington DC 20006	Zachry, Inc.		
Charles O. Bishop, 1225 Connecticut Ave., NW Washington DC 20036	American Public Transit Assn	6,365.00	266.00
H. Radford Bishop II, P.O. Box 946 Holly Hill FL 32017	National Health Care Financing Assn		
Do	National Health Care Retirement Assn		
Bishop Liberman Cook Purcell & Reynolds, 1200 17th Street, NW, 7th Fl. Washington DC 20036	Manufacturers Hanover Bank		
Do	National Mass Retailing Institute	3,500.00	
Do	Pipeline Gas Transmission Coalition	2,135.00	
Do	Rio Grande Industries	623.00	
Dennis A. Bitz, P.O. Box 3965 San Francisco CA 94119	Bechtel Power Corporation		
Gerrie Bjornson, 1800 K St., NW, #929 Washington DC 20006	B.F. Goodrich Co	100.00	
Black Manafort Stone & Kelly, P.C., 324 North Fairfax Street Alexandria VA 22314	Allied Signal Companies	22,500.00	632.84
Do	American Health Care Assn	18,750.00	206.87
Do	Bethlehem Steel Corp	22,500.00	311.89
Do	Chicago RTA	9,000.00	276.22
Do	Chrysler - Mitsubishi Joint Venture	30,000.00	85.82
Do	Derecktor Shipyards	7,500.00	1,043.97
Do	Dominican Republic	15,000.00	764.66
Do	Fina Oil & Chemical Co.	7,500.00	243.60
Do	Government of the Bahamas	45,000.00	
Do	International Medical Centers, Inc	4,500.00	
Do	Johnson & Johnson	30,000.00	493.91
Do	Kaman Aerospace	45,000.00	867.24
Do	Natural Gas Supply Assn	11,250.00	18.99
Do	Purolator Courier	9,375.00	158.39
Do	Salomon Brothers, Inc	54,000.00	1,120.34
Do	Tobacco Institute	22,500.00	19.00
Do	Trans World Airlines, Inc.	18,000.00	158.39
Do	U.N.I.T.A.	75,000.00	4,181.39
Do	U.S. Lines	18,750.00	
Do	Union Pacific Corp	24,000.00	441.44
Joseph W. Blackburn, P.O. Box 55727 2222 Arlington Ave., So. Birmingham AL 35255	Sirote Permutt Friend Friedman Held & Apolinsky, P.C. (For: Norwood Clinic, Inc, et al.).		200.00
Do	Sirote Permutt Friend Friedman Held & Apolinsky, P.C. (For: University of Alabama Health Services, et al.).	40,000.00	8,200.00
Robert J. Blackwell, One Thomas Circle, NW Washington DC 20002	American Trading Transportation Co, Inc		
Do	Cove Maritime Companies		
Do	Enserch Corporation	2,813.00	885.87
Do	Equity Carriers I, Inc		
Do	Equity Carriers III, Inc		
Do	Falcon Tankers, Inc		
Do	Keystone Shipping Co		
Do	Sun Transport, Inc		
Do	Trinidad Corporation		
Do	Victory Carriers, Inc		
Bev D. Blackwood, 1899 L Street, NW, #1100 Washington DC 20036	Exxon Corporation		
Bowen Blair Jr., 519 S.w. Third Ave., #810 Portland OR 97204	Friends of the Columbia Gorge	105.00	
David A. Blair, 1000 16th Street, NW, #800 Washington DC 20036	Bethlehem Steel Corp	85.80	
Neal B. Blair, Suite J 11244 Waples Mill Rd. Fairfax VA 22030	Free the Eagle & Target, Inc	16,753.62	
Michael D. Blanchard, P.O. Box 2943 Fort Worth TX 76113	Texas-New Mexico Power Co	12,812.10	83.00
Helen Blank, 122 C Street, NW Washington DC 20001	Children's Defense Fund	930.75	
Douglas J. Blass, 1600 M Street, NW Washington DC 20036	Investment Company Institute		
Kenneth T. Blaylock, 1325 Massachusetts Ave., NW Washington DC 20005	American Fed of Government Employees	18,729.06	5,458.84
Bryant C. Blewett, P.O. Box 24305 Oakland CA 94623	Clorox Company		
Donald T. Bliss, 1800 M Street, NW Washington DC 20036	O'melveny & Myers (For: Santa Fe International Corp)		
Virginia B. Bliss, 1725 K Street, NW Washington DC 20006	Courtney McCamant & Turney	300.00	
Jerald Blizin, 1201 Pennsylvania Avenue, NW, #700 Washington DC 20004	Hill & Knowlton, Inc.		
L. Thomas Block, One Wall Street New York NY 10015	Irving Trust Co.	4,000.00	1,500.00
Peter L. Blocklin, 1120 Connecticut Ave., NW Washington DC 20036	American Bankers Assn	2,800.00	
Holton E. Blomgren, 1015 15th Street, NW, #1220 Washington DC 20005	National Manufactured Housing Federation	1,500.00	150.00
Douglas M. Bloomfield, 500 N. Capitol St., NW, #300 Washington DC 20001	American Israel Public Affairs Comm	18,250.02	200.19
Mark Bloomfield, 1850 K St., NW, #520 Washington DC 20006	American Council for Capital Formation	1,313.00	
Nancy I. Blueweiss, 45 Bromfield Street Boston MA 02108	Edward Blankstein, Inc	1,012.50	20.00
Jared O. Blum, 1776 K Street, NW Washington DC 20006	Direct Selling Association	300.00	52.30
Robert A. Blum, Three Embarcadero Center 28th Floor San Francisco CA 94111	Mccutchen Doyle Brown & Enersen (For: Permanente Medical Group, Inc)		4,834.90
Milly S. Blumel, 1050 Connecticut Avenue, NW, #760 Washington DC 20036	Union Oil Co of California		654.22
Charles R. Blumenfeld, Bogle & Gates 2100 The Bank of California Center Seattle WA 98164	Pacific Seafood Processors Assn		
Samuel D. Blunt, 444 N. Capitol Street, #828 Washington DC 20001	Radio Officers Union	1,657.38	
William J. Boarman, P.O. Box 157 Colorado Springs CO 80901	International Typographical Union		
Boat Owners Assn of the U.S., 880 S. Pickett St. Alexandria VA 22304		50,000.00	56,500.00
Larry J. Boccarossa, 460 Twin City Bank Bldg. One Riverfront Place North Little Rock AR 72114	American Petroleum Institute		
David A. Bockorny, 777 14th St., NW Washington DC 20005	National Assn of Realtors		
Harold Boel, 444 N. Capitol Street, NW, #718 Washington DC 20001	Pacific Telesis Group	12,000.00	
Larry A. Boggs, 1920 N St., NW Washington DC 20036	American Mining Congress		
Timothy A. Boggs, 1133 21st Street, NW, #400 Washington DC 20036	Warner Communications, Inc	14,400.00	11,156.35
Bogle and Gates, One Thomas Circle, NW, #900 Washington DC 20005	Alaskan Factory Trawlers Assn	2,000.00	
Do	Alliance for Fair Trade	35,000.00	
Do	American Fair Trade Council		
Do	Coalition for Clean Water	1,000.00	
Do	Northwest Apparel & Textile Assn		
Do	Pacific Seafood Processors Assn	300.00	
Robert Z. Bohan, 1101 16th St., NW Washington DC 20036	National Soft Drink Assn		
Patricia Boinski, 1333 New Hampshire Ave., NW Washington DC 20036	Atlantic Richfield Co	37.50	
Robert J. Bolger, P.O. Box 1417-D49 Alexandria VA 22313	National Assn of Chain Drug Stores, Inc	1,500.00	
William F. Bolger, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Kingdom of Morocco)		
Do	Gray & Co Public Communications Int'l, Inc (For: Republic of Turkey)		
Bernadette Bolton, 400 First Street, NW, #800 Washington DC 20001	Brotherhood of Railroad Signalmen	300.00	
Benjamin C. Bolusky, 1250 Eye Street, NW, #500 Washington DC 20005	American Assn of Nurserymen		
Sharon E. Bomer, 727 N. Washington Street Alexandria VA 22314	United Fresh Fruit & Vegetable Assn	980.00	476.22
Joseph C. Bonanno Jr., 1785 Hacienda Drive Campbell CA 95008			
A. Dewey Bond, P.O. Box 3556 Washington DC 20007	American Meat Institute	500.00	
Edward N. Bond, 1700 North Moore St. Rosslyn VA 22209	Boeing Company	850.00	184.94
Russell F. Bonham III, P.O. Box 38 Huntsville TX 77344			
John E. Bonitt, 1050 Connecticut Ave., NW, #800 Washington DC 20036	Allied-Signal, Inc.	510.00	90.00
Sharon Lee Bonitt, 1025 Connecticut Ave., NW, #200 Washington DC 20036	Shell Oil Co	500.00	
Bonner & Associates, Inc, 1625 K Street, NW, #300 Washington DC 20006	Blue Cross & Blue Shield Assn	115,765.59	84,234.41
Gaylon B. Booker, 1918 N. Parkway Memphis TN 38112	National Cotton Council of America	1,012.50	22.11
W. Dan Boone, 345 Park Ave. New York NY 10154	Union Pacific Corp and Alliance for Clean Energy		
John K. Booth, 1850 K Street, NW Washington DC 20006	American Council of Life Insurance, Inc		
Diane Boratyn, 1230 31st St., NW, #5 Washington DC 20007	D Boratyn, Ltd.		
Edward T. Borda, 1625 Eye St., NW, #1023 Washington DC 20006	Association of General Merchandise Chains	4,000.00	
Richard H. Bornemann, 410 First Street, SE Washington DC 20003	American Nuclear Energy Council	2,000.01	471.12
Laurence D. Bory, 1015 15th St., NW, #802 Washington DC 20005	American Consulting Engineers Council	900.00	
G. Stewart Boswell, 1611 North Kent St., #800 Arlington VA 22209	American Apparel Manufacturers Assn, Inc	3,049.98	123.75
M. L. Boswell, 1235 Jefferson Davis Highway, #500 Arlington VA 22202	Italian Advanced Industries, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Charles G. Botsford, 1730 M St., NW, #515 Washington DC 20036			
John E. Bouchard, 1667 K Street, NW, #350 Washington DC 20036	Moller Steamship Co, Inc	1,500.00	
James G. Bourie, 4647 Forbes Boulevard Lanham MD 20706	AMVETS	6,800.00	150.47
Frank J. Bowden Jr., Associated Petroleum Industries of Pa P.O. Box 925 Harrisburg PA 17108	American Petroleum Institute		
James J. Bowe, 4 World Trade Center New York NY 10048	Coffee Sugar & Cocoa Exchange, Inc		
Rodney A. Bower, 8701 Georgia Avenue, #701 Silver Spring MD 20910	International Fed of Professional & Technical Engineers		
Robert R. Bowers, West Virginia Petroleum Council Suite 714 Atlas Bldg. Charleston WV 25301	American Petroleum Institute	500.00	317.15
Doug B. Bowles, 205 Spring Hill Terrace Roswell GA 30075	Georgia Power Co	9,745.50	10,380.88
Richard P. Bowling, 1020 Princess Street Alexandria VA 22314	Truck Trailer Manufacturers Assn	1,000.00	
Jim D. Bowmer, P.O. Box 844 Temple TX 76503	Tribal Council of the Coushatta Tribe of Louisiana		588.23
Bowmer Courtney Burleson Pemberton & Normand, P.O. Box 844 Temple TX 76503	Tribal Council of the Coushatta Tribe of Louisiana		3,326.21
Joan Costain Bowyer, 1015 15th St., NW Washington DC 20005	Phelps Dodge Corp	150.00	
John G. Boyd, 1801 K St., NW Washington DC 20006	International Business Machines Corp	213.60	36.20
Bracewell & Patterson, 1825 Eye Street, NW, #1200 Washington DC 20006	American Gas Assn	500.00	199.50
Do	American Insurance Assn		
Do	Appalachian Energy Group	500.00	199.50
Do	Chemical Manufacturers Assn, Inc	250.00	99.75
Do	Dresser Industries, Inc		
Do	Gallagher, Chtd		
Do	HNG/Internorth		
Do	Liberty Bank & Trust of New Jersey	875.00	349.13
Do	Louisiana Land & Exploration Co	525.00	209.48
Do	National Cable Television Assn, Inc		
Do	Pennsylvania Natural Gas Associates		
Do	Southdown/Pelto Oil Company	400.00	159.60
Do	U.S. Tuna Foundation		
Do	Valero Energy Corporation	2,625.00	1,047.38
Bracy Williams & Company, 1000 Connecticut Avenue, NW, #304 Washington DC 20036	American Southwest Financial Co	30,000.00	830.00
Do	California Nickel Corp		
Do	City of Tucson	7,000.00	225.00
Do	CSX Corporation	12,000.00	345.00
Do	Daylight Saving Time Coalition	5,000.00	160.00
Do	Energy Absorption Systems, Inc	8,000.00	155.00
Do	Estes Company	3,000.00	170.00
Do	Pratt & Whitney Aircraft Group	5,000.00	165.00
Do	Singapore Airlines Ltd		
Do	Southern Arizona Water Resources Association	3,000.00	245.00
Frank W. Bradley, 1700 K St., NW Washington DC 20006	Chevron USA, Inc	3,000.00	
Wayne W. Bradley, 1101 Vermont Ave., NW Washington DC 20005	American Medical Assn	500.00	
Dennis M. Bradshaw, 1957 E St., NW Washington DC 20006	Associated General Contractors of America		
Charles N. Brady, 8111 Gatehouse Rd. Falls Church VA 22047	American Automobile Assn		
John J. Brady III, 2111 Jefferson Davis Highway Arlington VA 22207	International Trade & Development Agency, Inc		
Carren Bragg, 1901 L Street, NW, #303 Washington DC 20036	Colt Industries, Inc		
Charles G. Bragg, P.O. Box 12285 Memphis TN 38182	National Cotton Council of America		
Raymond F. Bragg Jr., 2135 R Street, NW Washington DC 20008	Agrifuels Refining Corp, et al	100.00	
Do	American Independent Refiners Assn	300.00	
Brand & Lowell, 923 15th Street, NW, Fifth Fl. Washington DC 20005	Coalition on Beverage Issues		
Do	General Dynamics Corp		
Do	Metropolitan Transportation Authority		
Do	Zenith Radio Corp		
Richard D. Brannick, P.O. Box 550 Dexter NY 13634	National Border Patrol Council		
William C. Brashares, Mintz Levin Cohn Ferris Glovsky & Popeo 1825 Eye St., NW, #1201 Washington DC 20006	Smith Barney Harris Upham & Co, Inc	1,000.00	
Christian N. Braunlich, 1776 F Street, NW Washington DC 20006	National Assn of Manufacturers	125.00	
Roy Braunstein, 817 14th St., NW Washington DC 20005	American Postal Workers Union, AFL-CIO	9,775.35	357.69
Bun B. Bray Jr., 2300 S. 9th St., #104 Arlington VA 22204	Federal Managers Assn		
Donald H. Brazier, P.O. Box 12266 Seattle WA 98102	Dollar Savings Bank, et al		
Harold E. Brazil, 1900 Pennsylvania Avenue, NW Washington DC 20068	Potomac Electric Power Co	49.59	
Noel Brazil, 600 Maryland Avenue, SW, #400 Washington DC 20024	American Optometric Assn		
H. Anthony Breard Jr., P.O. Box 3151 Houston TX 77253	Cecos International		
Edward T. Breathitt, 1050 Connecticut Ave., NW Washington DC 20036	Norfolk Southern Corp	1,000.00	
Roy S. Bredder, 1111 14th St., NW, #1200 Washington DC 20005	American Dental Assn	1,000.00	140.50
Breed Abbott & Morgan, 1875 Eye St., NW, #1000 Washington DC 20006	Empire Blue Cross & Blue Shield		
Bregman Abell Kay & Simon, 1156 15th St., NW, #1212 Washington DC 20005	Air Transport Assn of America	800.00	
Do	American Car Rental Assn	5,000.00	
Do	American Fed of Labor & Congress of Industrial Organizations	5,000.00	
Do	Committee for Tax Equity	10,000.00	
Do	National Car Rental System, Inc		
Do	Norfolk Southern Corp	2,000.00	
Do	Ryder Systems, Inc	1,500.00	
Do	Trans World Airlines, Inc	5,000.00	
Do	Truck Renting & Leasing Assn	5,000.00	
James Patrick Brennan, 5999 Stevenson Avenue Alexandria VA 22304	American Assn for Counseling & Development	5,327.00	147.01
Peter E. Brereton, 900 Euclid Avenue Cleveland OH 44101	Ameritrust Co, Nat'l Assn	403.00	510.36
Thomas M. Bresnahan III, 1700 K Street, NW, #1204 Washington DC 20006	Chevron USA, Inc	400.00	
Albert E. Brewster, 1000 Wilson Blvd., #2300 Arlington VA 22209	Northrop Corp		124.96
Belva B. Brissett, 1771 N St., NW Washington DC 20036	National Assn of Broadcasters	1,500.00	2,800.49
Elizabeth Y. Britton, 2550 M Street, NW Washington DC 20037	RJR Industries, Inc	162.35	214.09
Broadhurst Brook Mangham & Hardy, 1730 Pennsylvania Ave., NW, #300 Washington DC 20006	At-Sea Incineration, Inc		
Do	Columbia Gas System Service Corp		
Do	CSX Corporation	10,806.25	1,424.85
Do	GNB, Inc		
Do	Phillips Petroleum Co		
Do	Texas Gas Transmission Corp		
Do	U.S. Conference of Mayors	900.00	984.27
Stephen W. Broadie, 1629 K Street, NW Washington DC 20006	Alliance of American Insurers	1,500.00	38.80
William M. Brodhead, 900 Marquette Building Detroit MI 48226	Plunkett Cooney Rutt Watters Stanczyk & Pedersen (For: Bracy Williams & Company).		
Do	Plunkett Cooney Rutt Watters Stanczyk & Pedersen, P.c. (For: City of Detroit, Michigan).	7,500.00	1,427.31
Do	Plunkett Cooney Rutt Watters Stanczyk & Pedersen (For: Detroit Educational TV Foundation).	757.50	
Do	Plunkett Cooney Rutt Watters Stanczyk & Pedersen, P.c. (For: Michigan Consolidated Gas Co).	12,847.50	3,739.05
Do	Plunkett Cooney Rutt Watters Stanczyk & Pedersen (For: National Bank of Detroit)	3,555.00	716.34
David A. Brody, 1640 Rhode Island Ave., NW Washington DC 20036	Anti-Defamation League of B'nai B'rith	2,775.00	
Nancy B. Broff, 600 New Jersey Ave., NW Washington DC 20001	Alliance for Justice	550.00	
Phillip J. Broman, 919 18th Street, NW, #600 Washington DC 20006	Toyota Motor Sales, USA, Inc	80.00	26.60
Michael D. Bromberg, 1111 19th St., NW, #402 Washington DC 20036	Federation of American Hospitals	4,500.00	
Brook Associates, Inc, 605 14th Street, NW, #405 Washington DC 20005	Northern Textile Assn	6,000.00	6,000.00
E. R. Brooks, P.O. Box 2121 Corpus Christi TX 78403	Central Power & Light Co	1,342.40	1,805.40
Mary E. Brooks, 1730 M Street, NW Washington DC 20036	League of Women Voters of the U.S.	4,676.87	83.50
David W. Broome, 1726 M Street, NW, #401 Washington DC 20036	Burlington Industries, Inc	8,755.00	575.00
Daniel T. Bross, P.O. Box 1478 Houston TX 77001	United Gas Pipe Line Co		
Mario Brossi, 1776 K Street, NW Washington DC 20006	Direct Selling Association	300.00	23.14
Brotherhood of Railway Airline & Steamship Clerks, 815 16th Street, NW Washington DC 20006		15,100.00	26,036.79
Donald G. Brotzman, 1400 K St., NW Washington DC 20005	Rubber Manufacturers Assn	10,000.00	
David S. J. Brown, 1101 17th St., NW, #604 Washington DC 20036	Monsanto Co	700.00	105.84
Donald K. Brown, 1121 L St., #810 Sacramento CA 95814	Crowley Maritime Corp		
Do	Summa Corporation		
Doreen L. Brown, 1001 Connecticut Ave., NW Washington DC 20036	Consumers for World Trade		
Ellen B. Brown, 1615 H Street, NW Washington DC 20062	Chamber of Commerce of the U.S	2,400.00	808.03
George L. Brown, 1000 Wilson Boulevard Arlington VA 22209	Grumman Corporation	1,250.00	739.94
James P. Brown, Brown & Associates 301 Sovereign Court, #102 St. Louis MO 63011	City of St. Louis - City Hall		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Jesse P. Brown Jr., 1918 N. Parkway Memphis TN 38112	National Cotton Council of America		
S. M. Henry Brown Jr., 411 Fayetteville Street Mall, #2035 Raleigh NC 27601	Carolina Power & Light Co	694.79	895.51
Vincent D. Brown, Nebraska Petroleum Council P.O. Box 95063 Lincoln NB 68509	American Petroleum Institute	1,500.00	1,124.64
Virginia Brown, 15th & M streets, NW Washington DC 20005	National Assn of Home Builders of the U.S.		
William E. Brown, 815 Connecticut Ave., NW Washington DC 20006	Ford Motor Co	80.00	27.91
William R. Brown, 122 C Street, NW, #200 Washington DC 20001	Council of State Chambers of Commerce	292.95	
William Y. Brown, 1155 Connecticut Ave., NW, #800 Washington DC 20036	Waste Management, Inc	5,000.00	
Brown & Finn, Chtd, 1920 N Street, NW, #510 Washington DC 20036	Regency Electronics, Inc	1,615.00	
Do	Satellite Television Industry Assn/S.P.A.C.E.	19,668.75	
Do	Satellite TV Viewing Rights Superfund, Inc	19,668.75	
Brown & Seymour, 100 Park Avenue, #2606 New York NY 10017	Gray Panthers		
Brownstein Zeidman & Schomer, 1401 New York Ave., NW, #900 Washington DC 20005	Roosevelt Raceway Associates Limited Partnership		
Gary W. Bruner, P.O. Box 2159 Dallas TX 75221	American Petrofina, Inc		
Kathryne M. Bruner, 1025 Connecticut Ave., NW Washington DC 20036	GA Technologies, Inc	750.00	369.32
J. Charles Bruse, 633 Pennsylvania Ave., NW, #600 Washington DC 20004	Allstate Insurance Group	900.00	309.35
Bryan Cave McPheeters & McRoberts, 1015 15th Street, NW, #1000 Washington DC 20005	Miller & Chevalier Chtd (for Western Savings & Loan Assn...)		
Dawn M. Brydon, 888 16th Street, NW Washington DC 20006	Milk Industry Foundation/Int'l Assn of Ice Cream Mfrs		
Buchanan Ingersoll, P.C., 1667 K Street, NW, 9th Fl. Washington DC 20006	Federation of Apparel Manufacturers		
Do	Norfolk Southern Corp		
Lana Buck, 1319 F Street, NW Washington DC 20004	National Assn of Private Psychiatric Hospitals	100.00	
Judith A. Buckalew, 1667 K Street, NW, #500 Washington DC 20006	International Assn for Financial Planning, Inc		23,588.85
G. N. Buffington, 2230 California Street, NW Washington DC 20008	National Assn of Real Estate Investment Trusts, Inc	5,320.00	30.14
Building Owners & Managers Assn International, 1250 Eye St., NW, #200 Washington DC 20005			
Douglas W. Bulcao, 1101 Connecticut Ave., NW, #300 Washington DC 20036	American Textile Manufacturers Institute, Inc	4,800.00	36.00
Robert G. Buley, 3328 Glenmore Drive Falls Church VA 22041	Robert Schneider & Associates		
Bunnie L. Bunch, 1725 K Street, NW, #1001 Washington DC 20006	ConAgra, Inc	60.00	
Darrel D. Bunge, Minnesota Petroleum Council 386 N. Wabasha St., #1025 St. Paul MN 55102	American Petroleum Institute	1,453.80	1,750.51
David A. Bunn, 1211 Connecticut Avenue, NW, #406 Washington DC 20036	Hearst Corporation	1,000.00	
Do	Magazine Publishers Assn, Inc	3,000.00	
Do	Parcel Shippers Assn	2,000.00	
Norman D. Burch, 1101 Vermont Ave., NW, #401 Washington DC 20005	College of American Pathologists	5,200.00	109.55
Paul F. Burdett, Suite 700 South 1800 M Street, NW Washington DC 20036	Merrell Dow Pharmaceuticals, Inc		69.40
Clair W. Burgener, P.O. Box 8186 Ranch Santa Fe CA 92067	G A Technologies, Inc	3,000.00	1,873.83
Kevin Burke, 1771 N Street, NW Washington DC 20036	National Assn of Broadcasters	1,500.00	944.84
Sally J. Burke, Scott Harrison & Mcleod 2501 M Street, NW, #400 Washington DC 20037	American Assn of Crop Insurers	67.50	
Do	United Egg Producers	135.00	
Francis X. Burkhardt, 1750 New York Ave., NW Washington DC 20006	International Brotherhood of Painters & Allied Trades		
Burley & Dark Leaf Tobacco Export Assn, 1100 17th St., NW Washington DC 20036		37,441.50	900.00
Bill D. Burlison, 601 Indiana Avenue, NW, #505 Washington DC 20004	McDonnell Douglas Corp		
Mahlon A. Burnette III, 631 Walker Road Great Falls VA 22066	Grocery Manufacturers of America, Inc		
Charles S. Burns, 1015 15th St., NW Washington DC 20005	Phelps Dodge Corp	1,200.00	
Timothy F. Burns, 2501 M St., NW Washington DC 20037	Chemical Manufacturers Assn, Inc	2,000.00	287.00
Burr Pease & Kurtz, Inc, 810 N St. Anchorage AK 99501	Eklutna, Inc		
Burson-Marsteller, 1850 M Street, NW, #900 Washington DC 20036	Blue Cross & Blue Shield Assn		
Do	City of Philadelphia		
Do	CBS, Inc		
Do	Morgan Stanley & Co, Inc	4,425.00	287.00
Do	Pennsylvania Economic Development Assn		
Do	Philadelphia Port Corp		
Do	Sears Roebuck & Co		
Do	South Jersey Port Corp		
Do	Temple University	270.00	287.00
Frank Burtnett, 5999 Stevenson Avenue Alexandria VA 22304	American Assn for Counseling & Development	1,041.87	
Busby Rehm and Leonard, P.C., 1330 Connecticut Ave., NW, #200 Washington DC 20036	European Confederation of the Footwear Industry		
Do	Timex Corporation		
Do	Universal Leaf Tobacco Co, Inc		
Barbara L. Bush, 1220 L St., NW Washington DC 20005	American Petroleum Institute	200.00	
E. Philip Bush, 300 Lincoln Plaza, Lb-5 Dallas TX 75201	Taylor & Mizell		
Helen C. Butler, 1630 Connecticut Avenue, NW, #202 Washington DC 20009	Taiwan Power Company	4,500.00	
Patrick Butler, 1875 Eye Street, NW, #1110 Washington DC 20006	Times Mirror Co		
William A. Butler, 645 Pennsylvania Avenue, SE Washington DC 20003	National Audubon Society	5,000.00	150.00
Butler & Binion, 1747 Pennsylvania Ave., NW Washington DC 20006	Association of Executive Search Consultants, Inc		
Do	Corning Associates		
Do	Jacques Borel Enterprises, Inc and Accor North American, Inc		
Do	National Fed of Independent Business	2,250.00	200.00
Mrs. H. E. Butt, 3700 Ocean Drive Corpus Christi TX 78411			1,815.00
Cadwalader Wickersham & Taft, 7th Floor 1333 New Hampshire Ave., NW Washington DC 20036	Asphalt Roofing Manufacturers Association		
John R. Cady, 1711 King Street Alexandria VA 22314	Potato Chip/Snack Food Assn		
John D. Cahill, 444 N. Capitol Street, NW Washington DC 20001	Massachusetts Bay Transportation Authority	3,000.00	
Do	Massachusetts Port Authority	11,625.00	
C. Richard Cahoon, 1120 Vermont Ave., NW, #1130 Washington DC 20005	Petroleum Marketers Assn of America	4,000.00	637.63
Roy C. Cahoon, 6100 Knollwood Dr. Falls Church VA 22041	National Automatic Merchandising Assn		
Morrison G. Cain, 1625 I St., NW, #1023 Washington DC 20006	Association of General Merchandise Chains	6,250.00	
Alan Caldwell, 2550 M Street, NW, #770 Washington DC 20037	RJR Industries, Inc	1,200.00	63.58
Charles D. Calhoun, 30 Montgomery Street Jersey City NJ 07302	Radio Officers Union	2,133.62	
Frank W. Calhoun, 3400 Texas Commerce Tower Houston TX 77002	Houston Endowment, Inc		
Peter E. Callanan, 1100 Connecticut Ave., NW Washington DC 20036	Honeywell, Inc	275.00	490.00
John C. Callihan, 299 Park Avenue New York NY 10171	Westvaco Corporation		184.50
Gordon L. Calvert, Box 34-531 Bethesda MD 20817	Commericial Law League of Amer, Comm Coll. Agency Section	3,375.00	152.28
Cambridge International, Inc, 1600 Wilson Boulevard, #713 Arlington VA 22209	Avco Lycoming	200.00	
Do	Ford Aerospace & Communications Corp	175.00	
Do	FMC Corporation	175.00	
Do	General Dynamics Land Systems	200.00	
Do	Lockheed-Georgia Co	150.00	
Do	Norden Systems, Inc	150.00	
Arthur E. Cameron, 316 Pennsylvania Ave., SE, #402 Washington DC 20003	Amerace Corporation, et al	6,008.00	
Do	American Greyhound Track Operators Assn	3,000.00	
Do	Hall Signs, Inc, et al	2,499.00	
Do	Safetran Systems Corporation	5,975.00	
Do	Signal Communications		
Do	3M Company	7,718.00	
Nancy Camm, 1800 K Street, NW, #900 Washington DC 20006	Bankamerica Corporation	109.13	124.90
Camp Carmouche Barsh Hunter Gray Hoffman & Gill, 2550 M St., NW, #275 Washington DC 20037	Allied-Signal, Inc		
Do	Allstate Insurance Cos	125.00	
Do	Bellsouth Corp		
Do	Champlin Petroleum Company	300.00	
Do	Chemical Manufacturers Assn, Inc	1,325.00	
Do	Georgia-Pacific Corp		
Do	Goldman Sachs & Co		
Do	Mobil Oil Corp		
Do	Natural Gas Supply Assn	500.00	
Do	Pennzoil Co		
Do	PPG Industries, Inc		
Do	Sears Roebuck & Co	10,130.00	9,234.34
Do	South Central Bell		
Do	Texaco, Inc		
C. R. Campbell Jr., 1120 Connecticut Avenue, NW, #900 Washington DC 20036	GTE Corporation	1,000.00	
Carl C. Campbell, 1030 15th St., NW, Suite 700 Washington DC 20005	National Cotton Council of America	400.00	
Charles Argyll Campbell, 1776 F Street, NW Washington DC 20006	National Assn of Manufacturers		
Charles O. Campbell, 1745 Jefferson Davis Highway, #511 Arlington VA 22202	Manufactured Housing Institute	900.00	100.00
Jeanne Campbell, Campbell-Raupe Associates, Inc 1015 15th Street, NW, #907 Washington DC 20005	Algonquin Gas Transmission		
Do	American Nuclear Energy Council		
Do	Invest to Compete Alliance		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	LTV Aerospace & Defense Co		
Do	New England Life		
Do	Pitney Bowes		
Do	Riffe Petroleum Co		
Do	Texas Air Corp		
Do	Texas Utilities Services, Inc		
Do	Westinghouse Electric Corp		
Jerry L. Campbell, 1201 Chestnut St. Chattanooga TN 37402	Tennessee Valley Public Power Assn		
Thomas D. Campbell & Associates, Inc, 517 Queen Street Alexandria VA 22314	Cyprus Minerals Co	5,000.00	182.78
Canadian Coalition on Acid Rain, 112 St. Clair Avenue, #504 Toronto, Ontario Canada M4v 2y3		1,648.24	34,032.68
Robert P. Canavan, 1201 16th St., NW Washington DC 20036	National Education Assn	2,808.00	23.00
Candlelighters, 123 C St., SE Washington DC 20003			
Anne C. Canfield, 1331 Pennsylvania Avenue, NW Washington DC 20004	General Electric Co	390.00	
H. Spofford Canfield, 1015 15th Street, NW, #900 Washington DC 20005	HNG/Internorth	2,000.00	
William F. Canis, 1730 Pennsylvania Avenue, NW, #450 Washington DC 20006	Caterpillar Tractor Co	2,500.00	833.73
Dave Cannard, 113 W. 1st Vancouver WA 98660	Friends of the Columbia Gorge		
Sharon F. Canner, 1776 F Street, NW Washington DC 20006	National Assn of Manufacturers	186.80	
W. Dean Cannon Jr, 9800 S. Sepulveda Blvd., #500 Los Angeles CA 90045	California League of Savings Institutions	3,000.00	5,170.00
David L. Cantor, 1133 15th Street, NW, #1200 Washington DC 20005	Porter Wright Morris & Arthur (For: Coalition for Environmental Energy Balance)	272.50	
Richard A. Cantor, P.O. Box 8293 Washington DC 20024	Oil Investment Institute		
Gary Capistrant, 1200 15th Street, NW Washington DC 20005	American Health Care Assn	3,764.50	206.36
Capitol Associates, Inc, 1156 15th Street, NW, #1102 Washington DC 20005	Albert & Diane Kaneb		
Do	American Academy of Allergy & Immunology/Asthma & Allergy		
Do	Citizens Comm for Medical Research & Health Education	825.00	
Do	Emory University Medical School	781.25	
Do	Endocrine Society	350.00	
Do	National Assn of Pediatric Nurse Associates & Practitioners	250.00	
Do	National Multiple Sclerosis Society	525.00	
Do	Rehabilitation Institute of Chicago	687.50	
Do	Terri Gotthelf Lupus Research Institute	350.00	
Do	Worcester Business Development Corp		
Caplin & Drysdale, Chtd, One Thomas Circle, NW Washington DC 20005	Council on Foundations, Inc		179.00
Constantine G. Caras, 2828 Pennsylvania Avenue, NW, #205 Washington DC 20007	Ogden Corporation		
Norval E. Carey, 1025 Connecticut Ave., NW #704 Washington DC 20036	Gulf Oil Corp (for GA Technologies, Inc)	3,481.38	102.65
Robert B. Carleson, 1201 Pennsylvania Ave., NW Washington DC 20004	KMG Main Hurdman (For: Mercedes Benz of North America, Inc)		
Edward J. Carlough, 1750 New York Avenue, NW Washington DC 20006	Sheet Metal Workers International Assn	25,987.00	
Anne E. Carlson, 1620 Eye Street, NW, #1000 Washington DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc	110.00	
Robert E. Carlstrom Jr., 1627 K Street, NW, #200 Washington DC 20006	St. Joe Minerals Corp	6,000.00	115.08
Carmen Leof & Associates, Inc, 1667 K Street, NW, #950 Washington DC 20006	CareerCom	45.00	
Bertram W. Carp, 1724 Massachusetts Avenue, NW Washington DC 20036	National Cable Television Assn, Inc	3,625.00	
Cy Carpenter, 12025 E 45th Ave. Denver CO 80251	Farmers' Educational & Co-Operative Union of America	12,814.73	377.55
George D. Carpenter, 6110 Center Hill Road Cincinnati OH 45224	Procter & Gamble Manufacturing Co		
Susan Carr, 1709 New York Avenue, NW, #801 Washington DC 20006	U.S. League of Savings Institutions	1,063.00	
John R. Carson, 20 Chevy Chase Circle Washington DC 20015	American Podiatric Medical Assn	16,000.00	
David C. Carter, 1156 15th St., NW, #1019 Washington DC 20005	U.S. Beet Sugar Assn		
John R. Carter, 1000 Wilson Blvd., #2600 Arlington VA 22209	TRW, Inc	4,469.00	
Joseph L. Carter Jr., 412 First St., SE, #200 Washington DC 20003	Association of American Railroads	1,013.23	295.73
Terrie M. Carter, 1667 K Street, NW, #370 Washington DC 20006	Deere & Company	75.00	
James P. Carty, 1776 F St., NW Washington DC 20006	National Assn of Manufacturers	500.00	
Susan B. Carver, 1130 17th Street, NW Washington DC 20036	National Coal Assn	1,112.00	1,544.63
Allen R. Caskie, 1850 K Street, NW Washington DC 20006	American Council of Life Insurance, Inc	4,062.00	
Eugene I. Casraiss Jr., 1757 N St., NW Washington DC 20036	United Auto Aerospace & Agricultural Implement Workers	12,538.74	114.40
J. Warren Cassidy, 1600 Rhode Island Avenue, NW Washington DC 20036	National Rifle Assn of America	1,937.50	
Lawrence J. Cassidy, 1750 New York Avenue, NW Washington DC 20006	Sheet Metal Workers International Assn	13,929.00	
Cassidy and Associates, Inc, Metropolitan Square 655 15th St., NW, #1100 Washington DC 20005	Alexander Graham Bell Assn for the Deaf		
Do	Anatolia College Board of Trustees		
Do	Atlanta University	400.00	
Do	Barry University	300.00	
Do	Boston College	100.00	
Do	Boston University	50.00	
Do	Broadhead Investments, Inc	100.00	
Do	Brown University	100.00	
Do	Catholic University of America	50.00	
Do	Centex Communications, Inc		
Do	Columbia University	50.00	
Do	Command Control & Communications Corp		
Do	Community Care Systems, Inc		
Do	Drexel University	250.00	
Do	Indiana University	100.00	
Do	Mount Sinai Medical Center		
Do	NeoRx		
Do	New England College of Optometry	50.00	
Do	Northwestern University		
Do	O'Connell Management Co	50.00	
Do	Ocean Spray Cranberries, Inc	100.00	
Do	Oceanic Institute	50.00	
Do	Pirelli Cable Corporation	350.00	28.00
Do	Polytechnic Institute of New York	150.00	
Do	Pyramid Companies	100.00	
Do	Rochester Institute of Technology	350.00	
Do	Rocky Mountain Energy Co		
Do	Tufts University	200.00	
Do	U.S. Repeating Arms		
Do	United Hospitals		
Do	University of Alabama in Huntsville	300.00	
Do	University of Bridgeport	200.00	
Do	University of Southern Mississippi	50.00	
Mark A. Casso, 1015 15th Street, NW, #802 Washington DC 20005	American Consulting Engineers Council	700.00	
Luis Eduardo Castaneda, P.O. Box 364 Buena Vista Station Miami FL 33137	New Generation Lobby		
John J. Castellani, 27th Floor 1000 Wilson Blvd. Arlington VA 22209	TRW, Inc	11,000.00	
Rita L. Castle, 100 NE Adams Peoria IL 61629	Caterpillar Tractor Co		
G. Thomas Cator, 1050 17th Street, NW Washington DC 20036	Neece Cator & Associates, Inc (For: Association of Small Business Development Centers).	1,400.00	1,400.00
Do	National Assn of Development Companies (NADCO)	1,300.00	1,300.00
Do	Neece Cator & Associates, Inc (For: Small Business United)	1,350.00	1,350.00
Do	Neece Cator & Associates, Inc (For: Southeastern Lumber Manufacturers Assn)	1,300.00	1,300.00
Michael Caudell-Feagan, 215 Pennsylvania Ave., SE Washington DC 20003	U.S. Public Interest Research Group	3,015.38	
Joseph E. Cavanagh, 1125 15th St., NW Washington DC 20005	International Brotherhood of Electrical Workers, AFL-CIO-CLC	6,000.00	28.25
Gordon Cavanaugh, 509 C Street, NE Washington DC 20002	Roisman Reno & Cavanaugh (For: Council of Large Public Housing Authorities)	11,618.73	294.34
Red Cavaney, 260 Madison Avenue New York NY 10016	American Paper Institute, Inc	3,200.00	
Nicholas G. Cavarocchi, 6th Floor 2010 Massachusetts Avenue, NW Washington DC 20036			
Cederberg & Associates, 7100 Sussex Place Alexandria VA 22307	Grumman Corporation	200.00	
Do	Martin Marietta Corp	200.00	
Cellular Telecommunications Industry Assn, 1150 17th St., NW, #607 Washington DC 20036			435.36
Chadbourne & Parke, 1101 Vermont Avenue, NW Washington DC 20005	Applied Energy Services, Inc	1,320.00	435.36
Do	Catalyst Energy Development Corp	10,193.05	289.05
Do			
Do	ENESCO	462.00	289.05
Do	Fieldcrest Mills, Inc	500.00	
Do	Independent Power Systems International, Inc	1,000.00	50.00
Do	Lawson Mardon Group Limited		
Do	Manufacturers Life Insurance Co & Maine Fidelity Lic		
Do	Napp Chemicals, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	PLM Power Company	450.00	
Do	Ruan Companies	1,000.00	
Do	Wells Fargo Leasing Corp	200.00	
Chadwell & Kayser, Ltd, 8500 Sears Tower Chicago IL 606066592	Harza Engineering Co	750.00	
Dean S. Chalios, 1350 New York Avenue, NW, #900 Washington DC 20005	International Franchise Assn		
Durwood Chalker, P.O. Box 660164 2121 San Jacinto Street, #2500 Dallas TX 752660164	Central & South West Corp		1,298.00
Mark G. Chalpin, 1735 New York Avenue, NW Washington DC 20006	American Institute of Architects	1,970.00	
Charles E. Chamberlain, 1747 Pennsylvania Avenue, NW Washington DC 20006	Committee for 806.30 and 807, Inc		
Terry M. Chamberlain, 1957 E Street, NW Washington DC 20006	Associated General Contractors of America		
Ed Chandler, 7901 Westpark Drive Mclean VA 22102	National Machine Tool Builders' Assn	9,900.00	500.00
Nancy Chapman, 1728 Church Street, NW Washington DC 20036	Nan Chapman Associates (For: National Assn of Margarine Manufacturers)	1,050.00	52.00
William C. Chapman, 1660 L St., NW Washington DC 20036	General Motors Corp		
John E. Chapoton, 1100 Connecticut Ave., NW Washington DC 20036	Paribas Asset Management, Inc		
Charles Karalekas McCahill & Wilson, 1250 Connecticut Avenue, NW, #318 Washington DC 20036	Independent Insurance Agents of America		
Richard M. Charlton, 1331 Pennsylvania Avenue, NW, #1300N Washington DC 20004	Electronic Data Systems Corp	96.00	119.00
Peggy Charren, 971 Memorial Drive, #504 Cambridge MA 02138	Action for Children's Television		
Leslie Cheek III, 1025 Connecticut Avenue, NW, #414 Washington DC 20036	Crum & Forster Corp	26,000.00	1,354.25
Chemical Specialties Manufacturers Assn, Inc, 1001 Connecticut Avenue, NW, #1120 Washington DC 20036			1,702.36
William B. Cherkasky, 1025 Connecticut Avenue, NW, #707 Washington DC 20036	International Franchise Assn		
Stephan E. Chertoff, 1709 New York Avenue, NW, #303 Washington DC 20006	Blue Cross & Blue Shield Assn		
Marlana Chickos, 1101 14th Street, NW, #804 Washington DC 20005	National Apartment Assn	5,000.00	110.00
Joseph R. Child, 3328 Glenmore Drive Falls Church VA 22041	Robert Schneider Associates		
Blair G. Childs, P.O. Box 7610, Bf Station Washington DC 20044	Senior Executives Assn		
Michael W. Chinworth, 1000 Connecticut Avenue, NW Washington DC 20036	Japan Economic Institute of America		
Robert A. Chlopak, 1201 Pennsylvania Ave., NW, #807 Washington DC 20004	Coalition Against Double Taxation, Inc	24,700.00	1,128.77
Chlorine Institute, Inc, 70 West 40th Street New York NY 10018		3,923.92	3,923.92
J. Samuel Choate Jr., 300 Crown View Drive Alexandria VA 22312	J. Samuel Choate, Jr., P.c. (For: Association of Progressive Rental Organizations)		
Leslie Christensen, 600 Maryland Ave., SW, #700 Washington DC 20024	National Fed of Independent Business	368.56	200.00
William T. Christian, 2211 Congress Street Portland ME 04122	Union Mutual Life Insurance Co		
James T. Christy, 1730 Pennsylvania Ave., NW, #265 Washington DC 20006	Air Products & Chemicals, Inc	1,800.00	345.30
Chugach Electric Assn, Inc, P.O. Box 196300 Anchorage AK 995196300			95.54
Donald T. Chunn, Route 2, Box 89 Columbia TN 38401	Title Associates, Inc		
Chwat/Weigend Associates, 400 First Street, NW, #816 Washington DC 20001	American Home Sewing Assn, Inc	500.00	500.00
Do	American Pipe & Accessories League (apal)	3,000.00	3,000.00
Do	Associated Locksmiths of America	1,200.00	1,200.00
Do	Coalition on Alcoholic Beverage Procurement	1,000.00	1,000.00
Do	National Assn of Companion Sitter Agencies & Referral Serv	375.00	375.00
Do	National Assn of Tobacco Distributors	3,000.00	3,000.00
Do	National Licensed Beverage Assn	3,000.00	3,000.00
Do	National Weather Service Employees Organization	300.00	300.00
Do	Retail Tobacco Dealers of America, Inc	300.00	300.00
Do	Wholesale Beer Distributors of Texas		
Charisse Victoria Ciambrone, 2029 Griffith Avenue Las Vegas NV 89104			
Donna M. Cirolia, 1518 K Street, NW, #401 Washington DC 20005	Water Quality Association		
Citizens for Sensible Control of Acid Rain (CSCAR), 1225 Connecticut Avenue, NW, #300 Washington DC 20036		1,528,314.00	
Citizens Comm for the Right to Keep & Bear Arms, Liberty Park, 12500 NE Tenth Place Bellevue WA 98005		437,527.82	117,906.67
Citizens Political Action Committee, P.O. Box 645 228 South A Street, #2 Oxnard CA 93032			
Donald D. Clancy, 6507 Leeds Lane Cincinnati OH 45215	Grocery Manufacturers of America, Inc		83.00
Bob Clark, Suite 1908 400 Madison St. Alexandria VA 22314	Ryder Systems, Inc		
Gilbert Clark, 1117 N. 19th Street, NW, #600 Arlington VA 22209	American Assn of Blood Banks		
James F. Clark, Robertson, Monagle, Eastaugh & Bradley 240 Main St., # 800, PO Box 1211 Juneau AK 99802	Alaska Pulp Corp	300.00	
James W. Clark Jr., 600 Maryland Avenue, SW, #400 Washington DC 20024	American Optometric Assn	64.88	19.85
Joseph J. F. Clark, 1725 K St., NW, #1111 Washington DC 20006	Eaton Associates, Inc		
Julie Clark, 1625 K St., NW Eighth Floor Washington DC 20006	National Legal Aid & Defenders Assn	10,631.25	154.98
Phillip A. Clark, 1050 17th St., NW, #700 Washington DC 20036	National Ocean Industries Assn	2,150.00	
Robert A. Clark, 2033 M Street, NW, #900 Washington DC 20036	National Assn of Arab Americans	2,425.33	222.50
Rudy I. Clark, 5342 Woodbury Woods Lane Fairfax VA 22032	Air Force Sergeants Assn, Inc		
Vernon A. Clark, 1899 L St., NW, #403 Washington DC 20036	Outdoor Advertising Assn of America, Inc	2,438.00	359.00
Wade P. Clarke Jr, John Deere Rd Moline IL 61265	Deere & Company		
Scott Charles Clarkson, 1155 Connecticut Ave., NW, #800 Washington DC 20036	Waste Management, Inc	2,000.00	224.24
Cleary Gottlieb Steen & Hamilton, 1752 N Street, NW Washington DC 20036	Bear Stearns & Co		224.24
Do	Lonza, Inc		224.24
Do	Public Securities Assn	7,450.00	18.60
Do	Synthetic Organic Chemical Manufacturers Assn, Inc		
Jacqueline W. Clements, 1015 15th Street, NW, #900 Washington DC 20005	HNG/Internorth	1,500.00	
Ronald D. Clements, 1111 19th St., NW, 9th Floor Washington DC 20036	Edison Electric Institute	2,327.14	554.98
Cleveland Electric Illuminating Co, 55 Public Square P.O. Box 5000 Cleveland OH 44113			1,633.77
W. M. Click, Box 719 Dallas TX 75221	Southland Corporation		
Clifford & Warnke, 815 Connecticut Ave., NW Washington DC 20006	Australian Meat & Live-Stock Corp	1,200.00	400.00
Do	Joint Corporate Comm on Cuban Claims	600.00	180.00
Do	J. C. Maxtone-Mailer	600.00	180.00
Do	Proprietary Association		
Dexanne Clohan, 1101 Vermont Ave., NW Washington DC 20005	American Medical Assn	3,769.00	
Stanley A. Cmich, 1700 Gateway Boulevard, SE Canton OH 44707	Fiscal Associates, Inc		
Do	Gibbons & Grable Co		
Do	Timken Co		
Do	White Engines, Inc		
Coalition for Alternatives in Nutrition & Healthcare, Inc, P.O. Box B-12 Richlandtown PA 18955		2,950.00	3,612.00
Coalition to Keep Alaska Oil, AFL-CIO Building 815 16th Street, NW, #309 Washington DC 20006		707.50	707.50
Coalition Against Double Taxation, Inc, c/o Kiernan O'brien & Larocca 1050 Thomas Jefferson St., NW, 6th Fl. Washington DC 20007		178,993.44	153,565.67
Coan Couture Lyons & Moorhead, 1625 Eye St., NW, #1015 Washington DC 20006	A - C Valley Corporation		
Do	Vietnam Veterans of America, Inc		
Do	Westinghouse Electric Corp		
Coastal Properties Institute, Inc, 66 Surfwatch Drive Johns Island SC 29455			
Alan J. Cobb, 1120 Vermont Avenue, NW Washington DC 20005	Petroleum Marketers Assn of America	7,500.00	326.00
Richard B. Cobb, Petroleum Council of Ga 230 Peachtree St., NW, #1500 Atlanta GA 30303	American Petroleum Institute	750.00	1,392.14
Coffee Sugar & Cocoa Exchange, Inc, 4 World Trade Center, 8th Fl. New York NY 10048			
John J. Coffey, 1700 K Street, NW, #1204 Washington DC 20006	Chevron USA, Inc	900.00	
Don V. Cogman, 1100 Connecticut Avenue, NW, #535 Washington DC 20036	MAPCO, Inc	4,750.00	29.30
Dan Cohen, 500 North Capitol Street, NW, #300 Washington DC 20001	American Israel Public Affairs Comm	9,894.24	346.67
Daniel L. Cohen, 1050 31st Street, NW Washington DC 20007	Association of Trial Lawyers of America	2,000.00	100.00
David Cohen, 1616 P St., NW, #320 Washington DC 20036	Professionals' Coalition for Nuclear Arms Control	8,750.00	207.20
Herbert B. Cohn, Morgan, Lewis & Bockius 1800 M St., NW Washington DC 20036	Committee for Cap Formation Through Dividend Reinvestment		
Colby Bailey Werner & Associates, 2550 M Street, NW, #450 Washington DC 20037	Companhia Siderurgica de Tubarao		100.00
Do	Embassy of Korea		
Do	Instituto Latinoamericano del Fierro y el Acero (ILFA)	35,000.00	6,086.19
Do	Royal Thai Embassy	9,000.00	7,500.00
E. William Cole, 1050 Connecticut Avenue, NW, #760 Washington DC 20036	Union Oil Co of California	700.00	46.00
Randall I. Cole, 1050 Connecticut Avenue, NW, #200 Washington DC 20036	El Paso Natural Gas Co	1,000.00	741.37
Stacey W. Cole, New Hampshire Petroleum Council 23 School St. Concord NH 03301	American Petroleum Institute		
Cole & Corette, P.C., 1100 Vermont Avenue, NW, #900 Washington DC 20005	Ad Hoc Ski Footwear Committee		25.59
Do	Chase Manhattan Bank, N.A.	310.00	25.59
Do	Government of the Netherlands Antilles	155.00	11.09
Do	James D. & Lois M. Larosa and James D. Larosa		
Do	Lotus Development Corp		
Do	Medtronic, Inc		
Do	Millipore Corporation	310.00	
Do	World Zionist Organization Jerusalem, Israel		
John M. Collier, 4436 Perrier St. New Orleans LA 70115	Southern Forest Products Assn	11,732.76	
Collier Shannon Rill & Scott, 1055 Thomas Jefferson St., NW, #308 Washington DC 20007	American Frozen Food Institute		
Do	American Meat Institute		
Do	American Textile Machinery Assn		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Bicycle Mfgrs Assn of Amer, Inc		
Do	Crop Insurance Research Bureau		
Do	Cylinder Manufacturers Association		
Do	Ferros Scrap Consumers Coalition		
Do	Food Marketing Institute		
Do	Huffy Corporation		
Do	Independent Lubricant Manufacturers Assn	750.00	750.00
Do	Inland Steel Corp	1,275.00	1,275.00
Do	Kaiser Steel Corp	13,150.00	13,150.00
Do	National Assn of Convenience Stores	450.00	450.00
Do	National Broiler Council		
Do	National Hairdressers & Cosmetologists Assn		
Do	Norris Industries		
Do	Outdoor Power Equipment Institute		
Do	Pittsburgh Corning Corporation		
Do	Society of Independent Gasoline Marketers of America	4,150.00	4,150.00
Do	Specialty Steel Industry of the United States		
Paul Edward Michael Collin, U.S. P.O. Box 17022 Irvine CA 927137022			
Terese Colling, 2062 N. 14th St. Arlington VA 22201	Media General, Inc	640.00	76.27
Eileen M. Collins, 444 North Capitol Street, NW Washington DC 20001	American Hospital Assn	2,045.93	246.85
Mary M. Collins, 1120 20th Street, NW, #600 South Washington DC 20036	Union Pacific Corp	1,500.00	
Michael A. Collins, 13106 Ivy Drive Beltsville MD 20705	United Assn of Jnymen & Appren of Plmbg & Pipeftg Industry	6,000.00	175.94
William P. Collins, 444 No. Capitol St., NW, #711 Washington DC 20001	Keefe Company (For: Budget Marketing, Inc)		
Dominique Colon, 2000 L Street, NW Washington DC 20036	Medtronic, Inc	60.00	53.34
Colorado Ski Country USA, Inc, Suite A-201 1410 Grant Street Denver CO 80203			
Kent W. Colton, 15th & M streets, NW Washington DC 20005	National Assn of Home Builders of the U.S.		
Columbia Gorge United, Box 328 Stevenson WA 98648			
Comiskey & Hunt, 4023 Chain Bridge Road Fairfax VA 22030	Computer Systems & Resources	2,676.15	2,808.51
Committee for a Responsible Tax Policy, Inc, 1750 Pennsylvania Ave., NW, #1201 Washington DC 20006			
Committee for Cap Formation Through Dividend Reinvestment, c/o Herbert Cohn 1800 M St., NW, #800 North Washington DC 20036.			
Committee for Constitutional Integrity, 1156 15th St., NW, #1212 Washington DC 20005			
Committee for Humane Legislation, Inc, 11 West 60th St. New York NY 10023		4,320.76	73,996.70
Committee for Private Education, 1025 Michigan Avenue, NE Washington DC 20036			
Committee for Proposition Thirty, P.O. Box 915 Hartselle AL 35640			
Committee for Reasonable Inventory Accounting Rules, 1700 Pennsylvania Ave., NW, #600 Washington DC 20006			3,771.25
Committee to Assure the Availability of Casein, 3213 O St., NW Washington DC 20007		21,000.00	
Common Cause, 2030 M St., NW Washington DC 20036		2,873,646.00	490,103.26
Community Nutrition Institute, 2001 S St., NW, #530 Washington DC 20009			
Lance Compa, 1411 K St., NW, #410 Washington DC 20005	United Electrical Radio & Machine Workers of America	6,028.24	
Competitive Enterprise Institute, 611 Pennsylvania Avenue, SE Washington DC 20003			
Computer & Communications Industry Assn, 1500 Wilson Blvd., #512 Arlington VA 22209			
Bert M. Concklin, 1500 Planning Research Drive Mclean VA 22102	Planning Research Corporation		555.76
Edward C. Cone Jr., P.O. Box 1788 Forest Park GA 30051	Southeastern Lumber Manufacturers Assn		
Gary L. Conkling, P.O. Box 500, Y3-439 Beaverton OR 97077	Tektronix, Inc	7,500.00	4,473.37
Raymond F. Conkling, 1600 S. Lynn Street Arlington VA 22202	Diamond Shamrock Corp	500.00	
Jeanne K. Connelly, 1875 Eye St., NW, #540 Washington DC 20006	Champion International Corp		
Stephen N. Conner, Route 1, Box 506 Easton MD 21601	Foreign Ministry of Kingdom of Saudi Arabia		
Susan Connolly, 1615 H St., NW, Washington DC 20061	Chamber of Commerce of the U.S	2,500.00	
Brian L. Connor, 1420 King Street Alexandria VA 22314	National Society of Professional Engineers	2,000.00	
Catherine Connor, 1015 15th Street, NW, #802 Washington DC 20005	American Consulting Engineers Council	700.00	
Richard J. Connor Jr., 1201 Pennsylvania Avenue, NW, #220 Washington DC 20004	Joseph E. Seagram & Sons, Inc	562.50	
Jerry C. Connors, 1745 Jefferson Davis Highway, #511 Arlington VA 22202	Manufactured Housing Institute	1,000.00	100.00
Gregory E. Conrad, 1920 N St., NW Washington DC 20036	American Mining Congress		
Kathy P. Conrad, 1420 King St. Alexandria VA 22314	National Society of Professional Engineers	1,250.00	
Mark R. Conrad, 1200 Peavey Building Minneapolis MN 55479	Norwest Corporation	8,000.00	1,657.00
Lori C. Consadori, 1615 H Street, NW Washington DC 20062	Chamber of Commerce of the U.S	100.00	43.45
Sheila A. Consaul, 1020 19th St., NW Washington DC 20036	Balcor/American Express, Inc	7,250.00	5,477.69
Consumers for World Trade, 1001 Connecticut Ave., NW Washington DC 20036		19,990.00	20,743.00
John J. Contney, 1250 E. Hollandale Beach Blvd. Hollandale FL 33009	Textile Rental Services Assn of America		
Daniel J. Conway, 1025 Connecticut Avenue, NW, #512 Washington DC 20036	Reinsurance Assn of America		20.00
John A. Conway, 1201 16th Street, NW Washington DC 20036	National Education Assn		
Emery S. Conyers, P.O. Box 1706 Midland MI 48640	Dow Chemical Co		
Peter W. Coogan, Foley Hoag & Eliot One Post Office Square Boston MA 02109	Mutual Savings Central Fund, Inc		
Alexandra W. Cook, 1331 Pennsylvania Avenue, NW, #1300N Washington DC 20004	Electronic Data Systems Corp	224.00	298.85
Frederck N. Cook, Vermont Petroleum Association P.O. Box 566 Montpelier VT 05602	American Petroleum Institute	450.00	831.39
Harry N. Cook, 1130 17th St., NW Washington DC 20036	National Waterways Conference, Inc		
K. Richard Cook, 1331 Pennsylvania Avenue, NW Washington DC 20004	General Electric Co	300.00	
Thomas M. Cook, 1301 Pennsylvania Ave., NW, #300 Washington DC 20004	National Cattlemen's Assn	1,000.00	
Eileen D. Cooke, 110 Maryland Ave., NE, Suite 101, Box 54 Washington DC 20002	American Library Assn	2,259.00	
Edward Cooney, 1319 F St., NW, #500 Washington DC 20004	Food Research & Action Center	4,100.20	
Chester L. Cooper, 1616 P St., NW, #410 Washington DC 20036	American Academy of Arts & Sciences		
Jesse D. Cooper, 345 Petroleum Bldg Denver CO 80202	Rocky Mountain Oil & Gas Assn	2,600.00	151.04
Josephine S. Cooper, 1619 Massachusetts Ave., NW Washington DC 20036	American Paper Institute, Inc		
Kathy J. Cooper, 1700 K St., NW, #1204 Washington DC 20006	Chevron USA, Inc	100.00	
Mitchell J. Cooper, 1001 Connecticut Ave., NW Washington DC 20036	Footwear Div, Rubber Mfgrs Assn	16,500.00	
Coordinating Comm for Rail Competition, 1511 K Street, NW, #643 Washington DC 20005			
Darrell Coover, 499 South Capitol St., SW, #401 Washington DC 20003	National Assn of Independent Insurers	2,000.00	638.00
Michael J. Copps, 1660 L St., NW, #1000 Washington DC 20036	Collins and Aikman Corp	9,542.00	5,082.27
John F. Corcoran, 1050 Connecticut Ave., NW, #740 Washington DC 20036	Norfolk Southern Corp	1,000.00	
William M. Corcoran, 1100 15th Street, NW, #900 Washington DC 20005	Pharmaceutical Manufacturers Assn	4,000.00	209.10
Alfred C. Cordon, 1920 N St., NW Washington DC 20036	Buffalo Broadcasting Co, Inc		
Corman Law Offices, 1420 16th Street, NW Washington DC 20036	American Bakers Assn		
Do	Baity & Joseph	7,300.00	
Do	Bank Amerilease Group	90.00	
Do	Cargill Leasing Corp	90.00	
Do	Connell Finance Co, Inc	90.00	
Do	CCS Automation Systems, Inc		
Do	Dominion Property Company	4,450.00	
Do	EDS Financial Corporation	90.00	
Do	First Chicago Leasing Corp	90.00	
Do	First National Bank of Boston	90.00	
Do	First National Bank of Minneapolis	90.00	
Do	General Electric Credit Corp	90.00	
Do	GATX Corporation	1,750.00	
Do	GATX Leasing Corp	90.00	
Do	Kelso & Company	1,500.00	
Do	Manufacturers Hanover Leasing Corp	90.00	
Do	Music Corp of America, Inc	10,100.00	
Do	Petersen Publishing Co	2,350.00	
Do	Republic National Bank of New York	5,000.00	
Do	Solar Energy Industries Assn	800.00	
Do	State of Michigan	600.00	
Do	Systems & Applied Sciences Corp		
Do	Systems & Applied Sciences Corp Technologies		
Do	Texas Air Corp		
Do	U.S. League of Savings Institutions	950.00	
Do	United Energy Corp	1,500.00	
Bennett J. Corn, Four World Trade Center New York NY 10048	Coffee Sugar & Cocoa Exchange, Inc		
Corn Refiners Assn, Inc, 1001 Connecticut Ave., NW Washington DC 20036		7,098.00	2,438.00
Ernest J. Corrado, 1000 16th St., NW, #511 Washington DC 20036	American Institute of Merchant Shipping	1,732.50	59.50
Mary Marcotte Corrigan, 1600 Rhode Island Ave., NW Washington DC 20036	National Rifle Assn of America		
Richard L. Corrigan, 1201 Pennsylvania Avenue, NW, #250 Washington DC 20004	CH2M Hill	2,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Allan D. Cors, 1800 K St., NW, Suite 1104 Washington DC 20006	Corning Glass Works	3,000.00	
William R. Corson, 1707 H St., NW Washington DC 20006	Penthouse International, Ltd.		
Philip S. Corwin, 1120 Connecticut Ave., NW Washington DC 20036	American Bankers Assn	1,500.00	
R. H. Cory, 1005 Congress Avenue, #795 Austin TX 78701	Central & South West Services, Inc	396.00	3,708.70
Cosmetic Toiletry & Fragrance Assn, Inc, 1110 Vermont Ave., NW, #800 Washington DC 20005			
J. Daniel Costello, 1615 H St., NW Washington DC 20006	U.S. Chamber of Commerce	5,900.00	180.00
Michael E. Costello, 1090 Vermont Avenue, NW, #600 Washington DC 20005	Texas Eastern Transmission Corp		686.37
Mary Alice Cotter, 410 First Street, SE Washington DC 20003	American Nuclear Energy Council	312.50	
Coudert Brothers, One Farragut Square South Washington DC 20006	Bune Management Corp, et al		3,208.89
Council for Languages and Other Int'l Studies, 20 F Street, NW, 4th F. Washington DC 20001		16,937.50	9,771.96
Council for Rural Housing and Development, 2300 M St., NW Washington DC 20036		4,000.00	4,000.00
Council of State Chambers of Commerce, 122 C St., NW, #200 Washington DC 20001		5,511.66	788.32
William R. Courtney, P.O. Box 844 Temple TX 76503	Tribal Council of the Coushatta Tribe of Louisiana		
James Cousins, 1709 New York Avenue, NW, #801 Washington DC 20006	National Council of Savings Institutions		
Do	U.S. League of Savings Institutions	11,250.00	
Mark Covall, 1319 F Street, NW, #1000 Washington DC 20004	National Assn of Private Psychiatric Hospitals	100.00	
John F. Cove, 918 16th St., NW, #702 Washington DC 20006	Cove Associates, Inc (For: Association of U.S. Night Vision Manufacturers)		
Covington & Burling, 1201 Pennsylvania Avenue, NW P.O. Box 7566 Washington DC 20044	American Assn of Oral & Maxillofacial Surgeons	16,200.00	
Do	American Watch Assn	23,000.00	370.00
Do	Association of Maximum Service Telecasters, Inc		
Do	Coalition for Effective Tax Reform		
Do	Coalition to Preserve The Integrity of American Trademarks		
Do	Commonwealth of Puerto Rico		
Do	CEO Tax Group		37.58
Do	ERISA Industry Committee		27.50
Do	Investment Company Institute	1,200.00	
Do	Lutheran Brotherhood		
Do	Midwest Television, Inc		
Do	National Football League	1,500.00	
Do	Norfolk Southern Corp		
Do	Pacific Stock Exchange, Inc		
Do	Post-Newsweek Stations, Inc		
Do	Solar Energy Industries Assn		
Do	Telocator Network of America		39.67
Do	Wesleyan University, Amherst College, et al		16.10
Eugene S. Cowen, 1150 17th St., NW Washington DC 20036	American Broadcasting Co, Inc	105.00	
C. Deming Cowles, 6th Floor 1050 Thomas Jefferson Street, NW Washington DC 20007	Bering Sea Fishermen's Assn		
Do	Municipality of Anchorage	9,211.96	655.94
Do	United Fishermen of Alaska	500.00	98.24
Archibald Cox, 2030 M St., NW Washington DC 20036	Common Cause	5,350.02	
C. Bryan Cox, PO Box 139 Kansas City MO 64141	Kansas City Life Insurance Co		
Jeffrey T. Cox, 1420 King St. Alexandria VA 22314	National Society of Professional Engineers	1,250.00	
Tamara Cox, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Iowa Pork Producers Assn)		
John Cozart, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Agriculture for Market Oriented Policies)		
Do	Gray & Co Public Communications Int'l, Inc (For: Iowa Pork Producers Assn)		
W. O. Craft Jr., Craft & Loesch 1050 Thomas Jefferson St., NW, 6th Fl. Washington DC 20008	Allis-Chalmers Energy & Minerals Systems Co		
Do	Consumers United for Rail Equity (C.U.R.E.)		
Do	Edison Electric Institute		
Do	Illinois Dept of Energy & Natural Resources		
Donald Forsyth Craib III, 633 Pennsylvania Avenue, NW, #600 Washington DC 20004	Sears Ruebuck & Co	100.00	
William C. Cramer, 818 Connecticut Ave., NW Washington DC 20006	Cramer Haber & Lukis, P.c. (For: Canaveral Port Authority)		
Do	Cramer Haber & Lukis, P.c. (For: City of Miami)		
Do	Cramer Haber & Lukis, P.c. (For: City of Miami Beach)		
Do	Cramer Haber & Lukis, P.c. (For: Dade County)		
Do	Cramer Haber & Lukis, P.c. (For: Dade County International Airport)		
Do	Cramer Haber & Lukis, P.c. (For: Department of Education, State of Florida)		
Do	Cramer Haber & Lukis, P.C. (For: Florida Alliance)		
Do	Cramer Haber & Lukis, P.C. (For: Greater Orlando Airport Authority)		
Cramer Haber & Lukis, P.C., 818 Connecticut Ave., NW Washington DC 20036	Canaveral Port Authority	9,000.00	
Do	City of Miami	15,000.00	803.51
Do	City of Miami Beach	7,500.00	536.54
Do	Dade County	3,300.00	
Do	Dade County International Airport	8,000.00	
Do	Department of Education, State of Florida		
Do	Florida Alliance	16,666.66	
Do	Greater Orlando Airport Authority, et al	4,000.00	
Eric F. Craven, P.O. Box 2943 Fort Worth TX 76113	Texas-New Mexico Power Co	5,000.00	587.30
William D. Crawford, 400 First St., NW Washington DC 20001	Brotherhood of Railway Carmen of the U.S. & Canada	2,032.53	
John P. Cregan, 1330 New Hampshire Avenue, NW, #111 Washington DC 20036	U.S. Business & Industrial Council	8,500.00	
Douglas P. Crew, 100 N.e. Adams Street Peoria IL 61629	Caterpillar Tractor Co		
Anne Crichton Crews, 8787 Stemmons Freeway Dallas TX 75247	Mary Kay Cosmetics, Inc		
Joseph M. Cribben, 6900 Valley Brook Dr. Falls Church VA 22042	United Assn of Jnymen & Appren of Plmbg & Pipefttg Industry	1,750.00	
P. H. Croft, 2000 Massachusetts Ave., NW Washington DC 20036	American Short Line Railroad Assn		
Robert W. Cromartie, 1800 Massachusetts Ave., NW Washington DC 20036	National Rural Electric Cooperative Assn	170.00	
Charles H. Cromwell, Inc, 6709 Georgia St. Chevy Chase MD 20815	General Electric Co		
Do	McDonnell Douglas Helicopters		
Do	Northrop Corp		
Rae E. Cronmiller, 1800 Massachusetts Avenue, NW Washington DC 20036	National Rural Electric Cooperative Assn	130.00	
John M. Cross, 1201 Pennsylvania Ave., NW, #700 Washington DC 20004	Hill & Knowlton, Inc		
Crowell & Moring, 1100 Connecticut Ave., NW Washington DC 20036	Asarco Inc		
Do	Associated Gas Distributors		20.00
Do	Avon Products, Inc	145.00	20.00
Do	Brooklyn Union Gas Co		20.00
Do	Burlington Northern, Inc		
Do	Central Nebraska Public Power & Irrigation District	175.63	20.00
Do	Communications Satellite Corp		
Do	Contractors Liability & Indemnification Alliance	72.50	
Do	Control Data Corporation		
Do	Cook Inlet Region, Inc		
Do	Eli Lilly & Company	900.00	
Do	Emery Worldwide	500.00	20.00
Do	National Assn of Wholesaler-Distributors	1,800.00	20.00
Do	Nebraska Public Power District		
Do	Pan American World Airways, Inc; Pan Am World Services	1,027.50	30.00
Do	Regional Airline Association		
Do	Tiffany & Co		30.00
Do	Trust for Public Lands	562.50	30.00
Do	United Cities Gas Co		30.00
Do	Western Governors Assn		
Cuba Claims Association, PO Box 014004 Miami FL 33101			
Cuban American Public Affairs Council, 1000 Thomas Jefferson St., NW Washington DC 20007			
Cummings and Kershaw, P.C., One Thomas Circle, NW, #350 Washington DC 20005	LTV Corporation	375.00	
Scott S. Cunningham, 1100 15th Street, NW Washington DC 20005	Union Carbide Corp		
John T. Curran, 815 16th St., NW, #603 Washington DC 20006	Laborers' Intl Union of North America, AFL-CIO	17,018.75	310.90
Do	National Coordinating Comm for Multiemployer Plans		
Mary Beth Curry, 1050 17th Street, NW, #770 Washington DC 20036	American Assn of Homes for the Aging		
Edward P. Curtis Jr., Genesee Public Affairs, Inc 36 W. Main Street Rochester NY 14614	Lake Ontario Cement Limited	900.00	303.18
Everett E. Cutter, 620 SW Fifth Avenue Bldg., Suite 912 Portland OR 97204	Oregon Railroad Assn		
CF Industries, Inc, Salem Lake Dr. Long Grove IL 60047			1,000.00
Norman E. D'Amours, 1809 Melbourne Drive Mclean VA 22101	Alcalde Henderson O'Bannon & Rousselot	20,000.00	
Do	Credit Union National Assn, Inc	4,000.00	
Do	Marine Midland Banks, Inc	18,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
William D. D'Onofrio, 1800 W. 8th St. Wilmington DE 19805	National Assn for Neighborhood Schools, Inc		
William K. Dabaghi, Arter & Hadden 1919 Pennsylvania Ave., NW, #400 Washington DC 20006	Coalition for Regional Banking & Economic Development	4,695.00	793.42
Do	Houston Clearing House Assn	1,200.00	
Stephen J. Daigler, 1601 Duke Street Alexandria VA 22314	Society of American Florists		
William Kay Daines, 1616 H St., NW Washington DC 20006	American Retail Federation	600.00	165.00
Dairy Farmers for Responsible Farm Policy, 517 C Street, NE Washington DC 20002		505.00	43,779.00
Lewis I. Dale, 1660 L Street, NW, #401 Washington DC 20036	General Motors Corp	3,000.00	3,572.38
Donald W. Dalrymple, 1575 I St., NW Washington DC 20005	American Cynamid Company (For: Lederle Laboratories)	2,120.00	947.56
James G. Dalton, 1420 King St. Alexandria VA 22314	National Society of Professional Engineers	2,500.00	
Robert C. Daly, 919 18th Street, NW, #600 Washington DC 20006	Toyota Motor Sales, USA, Inc		
John M. Damgard, 1825 Eye Street, NW, #1040 Washington DC 20006	Futures Industry Assn, Inc		
John E. Daniel, 1133 15th Street, NW, #1200 Washington DC 20005	Ohio Edison Co		
David C. Daniels, 1608 K Street, NW Washington DC 20006	American Legion	5,607.00	27.65
David S. Danielson, 600 Maryland Avenue, SW, #400-E Washington DC 20024	American Optometric Assn		
Dan Danner, 1667 K St., NW, #650 Washington DC 20006	Armco, Inc	2,100.00	438.44
Charles Franklin Daoust, P.O. Box 12910 Charleston SC 29412	Kiawah Island Co Ltd		
Colleen A. Darling, 1730 Rhode Island Avenue, NW, #204 Washington DC 20036	Japanese American Citizens League		
Richard C. Darling, 1156 15th St., NW Washington DC 20005	J. C. Penney Co, Inc	100.00	50.00
Diane Davenny Darneille, 1726 M St., NW, #300 Washington DC 20036	Schering-Plough Corp	1,080.00	5,127.99
Craig D. Dart, 1957 E Street, NW Washington DC 20006	Associated General Contractors of America		
John C. Datt, 600 Maryland Ave., SW Washington DC 20024	American Farm Bureau Federation	10,824.99	
John B. Davenport Jr., 1800 Massachusetts Ave., NW Washington DC 20036	National Rural Electric Cooperative Assn	140.00	
Davenport & Seay, One Thomas Circle, NW, #375 Washington DC 20005	City of Detroit, Michigan	18,523.92	17,142.01
Theodore S. J. Davi, 371-106 Burgundy Ln. Longwood FL 32779			
Earl F. David, 1825 K St., NW, #1107 Washington DC 20006	Phillips Petroleum Co	1,000.00	
James H. Davidson, 1250 Connecticut Ave., NW, #650 Washington DC 20036	American Newspaper Publishers Assn	3,663.02	
James H. Davidson & Associates, Inc. 1250 Connecticut Ave, NW, #650 Washington DC 20036	Magazine Publishers Assn, Inc	15,411.30	
Do	National Assn of Industrial & Office Parks	17,908.95	
Do	Rouse Company	30,668.04	
Brenda S. Davis, 1050 Connecticut Ave., NW, #800 Washington DC 20036	Allied-Signal, Inc		
David R. Davis, Indiana Petroleum Council 714 Harrison Bldg. Indianapolis IN 46204	American Petroleum Institute	1,238.48	800.55
Drew M Davis, 1101 16th St., NW Washington DC 20036	National Soft Drink Assn	80.78	800.55
Edward M. Davis, 410 First St., SE Washington DC 20003	American Nuclear Energy Council	6,875.01	1,126.50
Fred G. Davis, 1111 19th Street, N.w. Washington DC 20036	Edison Electric Institute	3,716.88	541.08
Kenneth E. Davis, Suite 1210 1667 K St., NW Washington DC 20006	Rohm & Haas Co	500.00	25.26
Ovid R. Davis, P.O. Drawer 1734 Atlanta GA 30301	Coca-Cola Company		
Robert Davis, 815 Connecticut Ave., NW Washington DC 20006	Ford Motor Co	412.00	839.00
W. Kenneth Davis, P.O. Box 3965 San Francisco CA 94119	Bechtel Group, Inc		
Davis & Harman, 655 15th Street, NW Washington DC 20005	American General Life Insurance Co	2,465.10	25.00
Do	American Horse Council	425.00	
Do	Bankers Trust Co		
Do	Bethlehem Steel Corp	4,800.00	91.61
Do	Capital Holding Corp	244.55	
Do	Chicago Board of Trade	1,075.00	26.17
Do	Coalition Against Double Taxation, Inc	905.00	26.17
Do	Committee of Annuity Insurers	2,508.90	95.00
Do	CNA Insurance	600.00	
Do	Florida Power & Light	800.00	
Do	Florida Sugar Cane League, Inc	750.00	79.56
Do	Hill Country Life Insurance Co		35.86
Do	Jacksonville Electric Authority		
Do	Lincoln Life Improved Housing, Inc	200.90	
Do	Lincoln National Life Insurance Co		
Do	National Assn of Life Companies		
Do	National Cattlemen's Assn	350.00	
Do	Property/Casualty Group	1,038.50	15.00
Do	Stock Information Group	800.00	
Do	Sunrise Company	310.00	32.25
Do	Winthrop Financial Assn	833.00	
Do	Woodstream Corporation		
Davis Graham & Stubbs, 1001 22nd St., NW, #500 Washington DC 20037	Municipal Subdistrict, No. Colorado Water Conservancy Dist		
Do	Northern Colorado Water Conservancy District	4,573.80	4,573.80
Davis Hockenberg Wine Brown & Koehn, 2300 Financial Center Des Moines IA 50309	Northwestern Bell (Iowa Div)	40.00	
Davis Polk & Wardwell, 1575 Eye St., NW Washington DC 20005	Ernst & Whinney	780.00	39.50
Do	Manville Corporation		
Do	Norwest Corporation		
Do	U.S. Trust Corp		
Davis Wright Todd Riese & Jones, 1752 N St., NW, #800 Washington DC 20036	Grocery Manufacturers of America, Inc		
Donald S. Dawson, 1220 L St., NW, #310 Washington DC 20005	Opticians Assn of America		
Do	Virgin Islands Gift & Fashion Shop Assn		
Do	Virgin Islands Merchants Association		
Gaston De Bearn, 1050 Connecticut Avenue, NW, #401 Washington DC 20036	Hoffmann-La Roche, Inc		
Ralph De La Cruz, 1225 Connecticut Avenue, NW Washington DC 20036	American Public Transit Assn	2,790.00	
O. Mark De Michele, 411 North Central Avenue P.O. Box 21666 Phoenix AZ 85014	Arizona Public Service Company		
Dealer Bank Assn, 1800 K St., NW, #1014 Washington DC 20006			
John Russell Deane III, 1607 New Hampshire Ave., NW Washington DC 20009	American Metal Detectors Manufacturers, Inc		
Do	Auto International Assn	591.25	273.13
Do	Coalition of Automotive Assns	199.80	93.66
Do	Specialty Equipment Market Assn	1,465.20	686.76
Michael K. Deaver and Associates, Inc, 1025 Thomas Jefferson St., NW, #800 Washington DC 20007	C.B.I. Sugar Group, Inc		
Do	Embassy of the Government of Canada		
Do	International Cultural Society of Korea		
Do	Ministry of Commerce & Industrial Development, Gov't of Mex		
Do	Royal Embassy of Saudi Arabia		
Debevoise & Plimpton, 1777 F St., NW Washington DC 20006	Sony Corp of America	4,411.00	850.69
Do	Statue of Liberty-Ellis Island Foundation, Inc		
Dechert Price & Rhoads, 1730 Pennsylvania Avenue, NW, #1100 Washington DC 20006	Center for Civic Education	1,375.00	336.13
Do	Constitutional Rights Foundation		164.40
Do	Templeton Growth Fund, Ltd		251.47
Do	Yonkers Racing Corp		251.47
Mark O. Decker, 1120 Vermont Ave., NW, #1130 Washington DC 20005	National Assn of Real Estate Investment Trusts, Inc	3,000.00	
Winston M. Decker, 1522 K St., NW, #828 Washington DC 20005	American Veterinary Medical Assn		
Do	Association of American Veterinary Medical Colleges		
Richard A. Deem, 1101 Vermont Avenue, NW Washington DC 20005	American Medical Assn	25.00	
Brian Deery, 1957 E St., NW Washington DC 20006	Associated General Contractors of America		
Donald H. Defoe, 100 N.e. Adams Street Peoria IL 61629	Caterpillar Tractor Co		
John J. Degnan, Shanley & Fisher, P.c. 131 Madison Avenue Morristown NJ 07960	Sharp Electronics Corp		
Mary Elise Degonia, 600 Maryland Avenue, SW West Wing, Suite 300 Washington DC 20024	70001 Training & Employment Institute	500.00	20.00
Gene A. Del Polito, 1341 G Street, NW, #500 Washington DC 20005	Third Class Mail Association	600.00	
Claire L. Del Real, 655 15th Street, NW 300 Metropolitan Square Washington DC 20005	International Medical Centers, Inc		
Stephen T. Delamater, 2600 Southland Center 400 N. Olive St. Dallas TX 75201	Halliburton Co		
John W. Delaney, 100 Federal St. Boston MA 02110	Bank of Boston Corporation		
Do	First National Bank of Boston		
Thomas J. Delaney, 1111 North 19th Street, #700 Arlington VA 22209	National Assn of Federal Credit Unions	1,500.00	139.35
Delaney & Young, Chtd, 1629 K Street, NW, #1000 Washington DC 20006	National Assn of Independent Insurers	12,000.00	1,963.55
Do	Transamerica Insurance Services	15,075.00	414.63
John L. Delano, 7 Edwards - Box 1172 Helena MT 59624	Montana Railroad Assn		
Robert B. Delano, 225 Touhy Ave. Park Ridge IL 60068	American Farm Bureau Federation	521.00	
Gail Deloach, P.O. Box 8091 Falls Church VA 22041	Friendship Hill Assn		
Tania Demchuk, 499 South Capitol St., SW, #401 Washington DC 20003	National Assn of Independent Insurers	100.00	
Willard L. Demory, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Bell Atlantic Management Services)		
Do	Gray & Co Public Communications Int'l, Inc (For: United Airlines, Inc)		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
George H. Denison, 4801 Massachusetts Ave., NW, #400 Washington DC 20016	Cruise America Line, Inc		
Do	National Office Products Assn		
Do	Westinghouse Electric Corp	300.00	
Ray Denison, 815 16th St., NW Washington DC 20006	American Fed of Labor & Congress of Industrial Organizations	9,704.00	266.90
John H. Denman, Missouri Oil Council 428 E. Capital St., #203 Jefferson City MO 65101	American Petroleum Institute	665.00	849.31
Robert A. Denman, 600 Maryland Avenue, SW, #202w Washington DC 20024	Farmers' Educational & Co-Operative Union of America	5,137.44	33.96
Thomas J. Dennis Sr., 1667 K St., NW, #450 Washington DC 20006	American Electric Power Service Corp		
Wells Denyes, 1919 Pennsylvania Ave., NW Washington DC 20006	Eastman Chemicals Division	1,150.00	269.69
Department for Professional Employees, AFL-CIO, 815 16th St., NW Washington DC 20006		14,413.27	14,143.27
Martin L. Depoy, 777 14th St., NW Washington DC 20005	National Assn of Realtors	2,500.00	405.94
Gregory L. Depriest, 1735 Desales Street, NW Washington DC 20036	Association of Maximum Service Telecasters, Inc		
Lloyd J. Derrickson, 1828 L St., NW, #906 Washington DC 20036	Merrill Lynch & Co, Inc	6,500.00	
Michael Desanto, 11436 Schuykill Rd. Rockville MD 20852	Greater Washington/Maryland Service Station Assn	1,000.00	
James T. Devine, Leonard & Mcguan, P.c. 900 17th St., NW, #1020 Washington DC 20006	Bowling Proprietors Assn of America		
Samuel L. Devine, 888 17th St., NW Washington DC 20006	Grocery Manufacturers of America, Inc	500.00	450.00
R. Daniel Devlin, 1825 Eye Street, NW, #350 Washington DC 20006	Trans World Airlines, Inc	325.00	
Dewey Ballantine Bushby Palmer & Wood, 1775 Pennsylvania Ave., NW Washington DC 20006	Amax, Inc		
Do	American Can Co	2,092.50	
Do	American Stock Exchange, Inc		
Do	Benefecial Corporation	2,542.50	30.00
Do	Browning-Ferris Industries, Inc		
Do	Chase Manhattan Corp		
Do	Chrysler Corporation		
Do	Committee for Future Investment in America's Past	1,800.00	
Do	Criswell Development		
Do	Digital Equipment Corp		
Do	Federal National Mortgage Assn		
Do	Federation of American Hospitals		
Do	General Electric Pension Trust		
Do	GTE Service Corp		
Do	Hanschell Inniss, Ltd		
Do	Hershey Foods Corp		
Do	Historic Landmarks for Living		
Do	Housing Resources Corp		
Do	Integrated Resources, Inc	5,750.00	
Do	Labor-Industry Coalition for International Trade	1,870.00	
Do	Warner Leroy		
Do	Marriott Corporation	1,012.50	
Do	National Assn for Home Care		
Do	Nynex Corporation		
Do	Phibro-Salomon, Inc		
Do	Joseph E. Seagram & Sons, Inc	6,300.00	
Do	Semiconductor Industry Association	1,725.00	
Do	Sheet Metal Workers International Assn		
Do	South Carolina Heritage, Inc		
Do	Sybedon Corporation		
Do	Teachers Insurance & Annuity Assn of America	900.00	
Do	Tobacco Row Associates	562.50	
Do	U.S. Coalition for Fair Lumber Imports	1,670.00	870.00
Doris J. Dewton, 1025 Connecticut Ave., NW, #507 Washington DC 20036	Ashland Oil, Inc	2,000.00	
Kendall P. Dexter, 9 Country Club Road Mobile AL 36608	MacMillan Bloedel, Inc		
James U. DeFrancis, 1025 Connecticut Ave., NW, #1014 Washington DC 20036	Enserch Corporation	3,000.00	711.00
Law Offices of Paul H. DeLaney, Jr., 1920 N Street, NW, #610 Washington DC 20036	Bowater Industries PLC	588.31	
Do	Continental Grain Co	500.00	
Do	Groth Air Services, Inc	406.61	
Do	Howard Hughes Medical Institute	1,134.28	
Do	Staley Continental	3,171.03	
Diamond Shamrock Corp, 919 18TH ST., NW WASHINGTON DC 20006			
Charles J. Dibona, 1220 L St., NW Washington DC 20005	American Petroleum Institute	1,875.00	
John M. Dickerman, 1015 15th St., NW, #700 Washington DC 20005	National Lumber & Building Material Dealers Assn		
Chester T. Dickerson Jr., 1101 17th St., NW, #604 Washington DC 20036	Monsanto Co		671.43
Elaine Dickinson, 880 S. Pickett Street Alexandria VA 22304	Boat Owners Assn of the U.S.	4,000.00	
Gary Alan Dickinson, 2 International Plaza Dr., #600 Nashville TN 37217	Anglo American Auto Auctions, Inc		
William E. Dickinson, 206 N. Washington St., #300 Alexandria VA 22314	Salt Institute	250.00	250.00
Dickstein Shapiro & Morin, 2101 L St., NW Washington DC 20037	Advance Publications	450.00	
Do	American Greyhound Track Operators Assn	15,601.41	
Do	Bear Stearns & Co	7,000.00	
Do	Boundary Gas, Inc	181.25	
Do	Car Audio Specialists Assn (CASA)		
Do	Children's Hospital	1,632.50	
Do	Federal National Mortgage Assn	1,757.75	
Do	Federated Cash Management Systems	10,240.00	
Do	Herbalife International		
Do	Marine Engineers' Beneficial Assn	1,364.00	
Do	National Assn of Gov't Guaranteed Lenders, Inc		
Do	National Fed of Societies for Clinical Social Work	4,000.00	
Do	Paulucci Enterprises	1,235.00	
Do	Providence Hospital	1,442.43	
Do	Saco Defense, Inc	360.00	
Do	States of Arkansas Delaware Iowa Louisiana, et al		
Do	Symbion, Inc	8,400.00	
Do	Universal Hovercraft		
Rick Diegel, 1125 15th Street, NW Washington DC 20005	International Brotherhood of Electrical Workers, AFL-CIO-CLC	2,281.25	150.00
George Dillard, 5128 Sauer, Suite A Houston TX 77004	Kaleidoscope Research & Marketing Group		
Timothy V. A. Dillon, 1331 Pennsylvania Ave., NW, #905 Washington DC 20004	Sacramento Municipal Utility District	3,600.00	83.73
Do	Westlands Water District	3,000.00	253.80
Thomas A. Dine, 444 North Capitol St, NW, #412 Washington DC 20001	American Israel Public Affairs Comm	15,937.50	1,353.97
Margaret R. Dipaula, 1700 K Street, NW, #1204 Washington DC 20006	Chevron USA, Inc	135.00	
Direct Selling Association, 1776 K Street, NW Washington DC 20006			675.44
Barry B. Direnfeld, Rivkin Radler Dunne & Bayh 1575 I Street, NW, #1025 Washington DC 20005	New Energy Co of Indiana		
Harley M. Dirks, 400 First Street, NW, #712 Washington DC 20002	Health & Medicine Counsel of Washington		
Do	Professional Services Council		
Patsy B. Dix, 1201 16th St., NW Washington DC 20036	National Education Assn	2,517.00	258.00
Barbara A. Dixon, 1600 Eye Street, NW Washington DC 20006	Motion Picture Assn of America, Inc		
Steven P. Doehler, 1615 L Street, NW, #1230 Washington DC 20036	Mortgage Insurance Companies of America		
Julie Domenick Doerr, 1600 M St., NW Washington DC 20036	Investment Company Institute	228.00	40.00
James F. Doherty, 624 9th Street, NW, #700 Washington DC 20001	Group Health Assn of America, Inc		
John D. Doherty Jr., 900 17th Street, NW, #706 Washington DC 20006	Chase Manhattan Bank, N.A	196.00	45.88
James M. Dolan Jr., 220 Eye Street, NE, #210 Washington DC 20002	Patlex Corporation	6,185.00	222.69
Robin C. Dole, 1101 CONNECTICUT AVE., NW, #500 Washington DC 20036	Century 21 Real Estate Corp		
Domestic Wildcatters Assn, P.O. Box 53660 Houston TX 77052			
Brian J. Donadio, 122 C St., NW, #875 Washington DC 20001	American Osteopathic Assn	3,240.00	
John F. Donelan, Donelan Cleary Wood & Maser, P.c. 1275 K St., NW, #850 Washington DC 20005	Procompetitive Rail Steering Committee	6,525.00	36.05
Andrew J. Donelson, 1101 15th Street, NW Washington DC 20005	Minnesota Mining & Manufacturing Co	2,500.00	
Thomas E. Donley, 1615 H St., NW Washington DC 20062	U.S. Chamber of Commerce		
Kevin J. Donnellan, 1909 K Street, NW Washington DC 20049	American Assn of Retired Persons	1,706.25	194.24
Sally S. Donner, 4th Fl. 1710 Rhode Island Ave., NW Washington DC 20036	General Foods Corporation	1,114.58	46.95
Paul M. Donovan, Laroe Winn & Moerman 1120 G Street, NW, #800 Washington DC 20005	Chlorine Institute, Inc	3,907.50	
Do	Coordinating Comm for Rail Competition		
William Donovan, 1111 N. 19th St. #700 Arlington VA 22209	National Assn of Federal Credit Unions	2,500.00	250.00
Francis X. Dooley, 525 School St., SW Washington DC 20024	American Road & Transportation Builders Assn	7,500.00	315.00
Ira Dorfman, 3rd Floor 1111 14th St., NW Washington DC 20005	American Bakers Assn	526.93	315.00
May Del Rio Dorfman, 380 Second Avenue New York NY 10010	Planned Parenthood of New York City, Inc		136.31

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
James A. Dorsch, 1750 K St., NW Washington DC 20006	Health Insurance Assn of America, Inc		
Dean R. Dort II, 1667 K Street, NW, #370 Washington DC 20006	Deere & Company	1,168.75	
Sally L. Douglas, 600 Maryland Ave., SW, #700 Washington DC 20024	National Fed of Independent Business	587.50	200.00
Theodore Douglas, 6554 Coventry St. Louis MO 63033			
Dow Lohnes & Albertson, 1255 23rd St., NW Washington DC 20037	Algoma Steel Corp, Ltd, et al	9,437.00	1,847.76
Do	Arrowhead Metals, Ltd		
Do	Beeman and Gould	1,096.00	
Do	Canadian Tubular Producers Assn		
Do	Chicago City Colleges		
Do	Cox Enterprises, Inc		
Do	Harris Steel Group, Inc	700.00	107.48
Do	Laurel Steel Products, Ltd	1,696.00	
Do	Multimedia, Inc		
Do	National Cable Television Assn, Inc		
Do	Ontario Ministry of Industry Trade & Technology	1,486.00	14.78
Charles P. Downer, 7901 Westpark Drive Mclean VA 22102	National Machine Tool Builders' Assn	4,450.00	250.00
Jane Lind Downey, 2200 Mill Rd Alexandria VA 22314	American Movers Conference	863.00	
John H. Downs Jr., 1101 16th Street, NW Washington DC 20036	National Soft Drink Assn		
John P. Doyle Jr., 8600 Boundbrook Lane Alexandria VA 22309	J. P. Doyle Enterprises, Inc	1,000.00	
William A. Doyle, 2346 S. Rolfe Street Arlington VA 22202	Harris Corporation	2,850.00	1,534.81
David P. Drake, 1747 Pennsylvania Ave., NW, #700 Washington DC 20006	Ciba-Geigy Corp	3,000.00	90.37
James E. Drake, 1101 Vermont Ave., NW Washington DC 20005	American Medical Assn	5,272.00	
Paul A. Drazek, 600 Maryland Avenue, SW Washington DC 20024	American Farm Bureau Federation	7,812.51	
Dressendorfer-Laird, Inc, 1730 Rhode Island Avenue, NW, #210 Washington DC 20036	Briggs & Stratton	250.00	
Do	General Dynamics Corp	250.00	
Do	Science Applications, Inc	250.00	
Joan Albert Dreux, 600 Pennsylvania Avenue, SE, #211 Washington DC 20003	National Assn of Casualty & Surety Agents	2,400.00	1,167.29
Jerome L. Dreyer, 1300 N. 17th St. Suite 300 Arlington VA 22209	Association of Data Processing Service Organizations		
Stephen D. Driesler, 1250 Connecticut Ave., NW, #620 Washington DC 20036	National Multi Housing Council	2,438.33	20.50
William B. Driggers, 1745 Jefferson Davis Highway, #605 Arlington VA 22202	Texas Instruments, Inc	200.00	
John P. Dring, 1331 Pennsylvania Ave., NW, #565 Washington DC 20004	Texas Gas Transmission Corp	1,500.00	98.32
Kevin J. Driscoll, 1800 M St., NW Washington DC 20036	American Bar Assn	400.00	50.00
Fran Du Melle, 1101 Vermont Avenue, NW, #402 Washington DC 20005	American Lung Assn		
Ernest Dubester, 815 16th Street, NW Washington DC 20006	American Fed of Labor & Congress of Industrial Organizations	14,116.83	256.59
Morgan D. Dubrow, 1800 Massachusetts Ave., NW Washington DC 20036	National Rural Electric Cooperative Assn	165.00	
Tim Dudgeon, 1250 Eye Street, NW, #900 Washington DC 20005	Distilled Spirits Council of the U.S., Inc	2,000.00	200.00
Jane McPike Dudley, 1101 15th Street, NW, #1000 Washington DC 20005	National Constructors Association	1,250.00	
Mary Jane C. Due, 1920 N St., NW Washington DC 20036	American Mining Congress		
Ann Anderson Duff, 1776 F St., NW Washington DC 20006	National Assn of Manufacturers	1,200.00	
Michael J. Duff, 1101 16th Street, NW Washington DC 20036	Scientific Apparatus Makers Assn	1,400.00	208.03
Michael F. Duffy, 1920 N St. NW Washington DC 20036	American Mining Congress		
Joseph R. Dugan, 888 16th Street, NW Washington DC 20006	Milk Industry Foundation/Int'l Assn of Ice Cream Mfrs		
C. R. Duggan, 815 16th St., NW Washington DC 20006	Brotherhood of Railway Airline & Steamship Clerks	2,800.00	2,800.00
Francis J. Duggan, 50 F Street, NW, #12800 Washington DC 20001	Association of American Railroads	861.21	291.71
Evelyn Dukovic, 475 Riverside Drive, #239 New York NY 10115	Morality in Media, Inc		
Mervin E. Dullum, 1629 K St., NW, #204 Washington DC 20006	Delta Air Lines, Inc	200.00	64.75
Amy K. Dunbar, 405 Marlborough Street Boston MA 02115	National Assn of Bond Lawyers and Palmer & Dodge		5,256.31
Don R. Duncan, 1825 K St.,nw Suite 1107 Washington DC 20006	Phillips Petroleum Co	4,500.00	333.63
Leslie Delong Duncan, 1925 K Street, NW, #206 Washington DC 20006	Alliance to Save Energy	29.41	
William C. Duncan, 1050 17th Street, NW, #410 Washington DC 20036	Japan Automobile Manufacturers Assn	1,800.00	1,101.50
Duncan Weinberg & Miller, P.C., 1615 M Street, NW, #800 Washington DC 20036	Guam Power Authority		
Do	Mid West Electric Consumers' Assn, Inc		
Do	State of Nevada		
Do	State of North Dakota		
Do	Western Fuels Association, Inc		
Louise C. Dunlap, 218 D St., SE Washington DC 20003	Environmental Policy Institute		
Mari Lee Dunn, 1850 K St., NW, #520 Washington DC 20006	American Council for Capital Formation		
Patrick W. Dunn, 4400 Seattle First National Bank Bldg. Seattle WA 98154	Riddell Williams Bullitt & Walkinshaw (For: Friends of the Columbia River Gorge)		
John H. Dunne, 818 Roeder Rd., #702 Silver Spring MD 20910	International Fed of Professional & Technical Engineers		
James A. Dupree, 815 Connecticut Ave., NW Washington DC 20006	Ford Motor Co	4,015.00	2,067.00
Joseph L. Duran, 100 Federal St. Boston MA 02110	First National Bank of Boston		
Judy C. Durand, 1120 20th Street, NW, #600s Washington DC 20036	Union Pacific Corp	666.00	978.91
Margaret A. Durbin, 1850 K Street, NW Washington DC 20006	American Council of Life Insurance, Inc	2,000.00	
B. J. Durham, P.O. Box 2121 Corpus Christi TX 78403	Central Power & Light Company	552.00	1,025.86
Ed Durkin, 101 Constitution Avenue, NW Washington DC 20001	United Brotherhood of Carpenters & Joiners of America		
Duryea Murphy Davenport & Van Winkle, 711 Capitol Way Olympia WA 98501	State of Nevada, Nuclear Waste Project Office	5,646.50	2,033.35
Dutko & Associates, 412 First St., SE, #40 Washington DC 20003	Miguel H. Agosto	8,000.00	
Do	American Consumer Trade Council	22,937.50	
Do	Anchor Industries, Inc		
Do	Associates of North America		
Do	Bill's Coal Co		
Do	Cenergy Exploration Co	9,490.59	
Do	Cherokee Coal Co		
Do	D & B Wholesale Cosmetics, Inc	943.75	
Do	DSC Communications	21,893.75	
Do	Granger Associates		
Do	Gulf & Western Industries, Inc	22,500.00	
Do	Large Scale Program Institute	1,503.00	
Do	Mitchell Energy & Development Corp		
Do	Oklahoma State University	10,000.00	
Do	Patch Coal Co		
Do	Pitts Energy Group		
Do	Smokeless Tobacco Council, Inc	22,500.00	
Do	Southland Corporation		
Do	M. Stevens Cosmetics Co	1,406.25	
Do	Sweetwater Coal Co		
Do	Texas Oil & Gas Corp	3,415.57	
Do	Trade Max, Inc	5,568.75	
Do	United Telecom Communications, Inc	14,737.50	
Do	Wessely Energy Corp	3,415.57	
L. L. Duxbury, 210 7th Street, SE, #517 Washington DC 20003	Railroad Retirement Assn		403.96
Peggy L. Duxbury, 1776 F Street, NW Washington DC 20006	National Assn of Manufacturers	120.00	
Duncan Dwelle, Esprit 900 Minnesota Avenue San Francisco CA 94107	American Fair Trade Council	5,000.00	
Denis J. Dwyer, 700 North Fairfax St. Alexandria VA 22314	Railway Progress Institute	525.00	
Roderick T. Dwyer, 1920 N Street, NW Washington DC 20036	American Mining Congress		
Dynalectron Corporation, 1313 Dolley Madison Blvd. Mclean VA 22101			
Talis Dzenitis, 633 Pennsylvania Avenue, NW, #600 Washington DC 20004	Sears Roebuck & Co	500.00	105.40
DGA International, Inc, 1818 N Street, NW Washington DC 20036	Dir Intl Aff of the Gen Del for Armements		
Do	Societe Nationale D'Etude et de Const de Moteurs D'Aviation	14.00	
Do	Sofreavia	2,103.75	674.51
Jack D. Early, 1155 15th St., NW, #514 Washington DC 20005	National Agricultural Chemicals Assn	431.00	13.00
George H. Eatman, 1800 Connecticut Ave., NW Washington DC 20009	Slurry Technology Assn	1,000.00	
Charles H. Eaton, 1725 K St., NW, #1111 Washington DC 20006	Eaton Associates, Inc		
Robert E. L. Eaton, 1725 K St., NW, #1111 Washington DC 20006	Eaton Associates, Inc		
Eaton Associates, Inc, 1725 K St., NW, #1111 Washington DC 20006			
Robert E. Ebel, 1025 Connecticut Ave., NW, #1014 Washington DC 20036	Enserch Corporation	1,450.00	996.00
N. Boyd Ecker, 1100 Connecticut Ave., NW Washington DC 20036	Mobil Oil Corp	1,500.00	41.00
Robert C. Eckhardt, 323 D ST., NE Washington DC 20002	Central & Southwest Corp	3,333.34	
Do	Certain Texas Claimants Lawyers		
Do	Investment Company Institute	5,000.00	
Do	State of Texas		
Do	Western Fuels Association, Inc	6,000.00	
Patricia K. Economos, 15th & M Streets, NW Washington DC 20005	National Assn of Home Builders of the U.S.		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Mitchell H. Edelstein, 1411 K St., NW, #850 Washington DC 20005	Americans for Democratic Action	2,716.80	40.23
William R. Edgar, 1620 Eye St., NW, #501 Washington DC 20006	Gates Learjet Corporation		
Helen H. Edge, 700 N. Fairfax St. Alexandria VA 22314	Railway Progress Institute	487.50	
Arthur B. Edgeworth Jr., 1709 New York Ave., NW, #801 Washington DC 20006	U.S. League of Savings Institutions	4,688.00	
Edison Electric Institute, 9th Floor 1111 19th St., NW Washington DC 20036		454,250.38	118,106.72
V. Anne Edlund, 1620 Eye St., NW, #1000 Washington DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc		
Ed Edmondson, Box 11 Muskogee OK 74401	American Inland Waterways Committee		
Do	Cherokee Nation		
Do	Doss Aviation, Inc		
Do	IU International Management Corp		
Do	Oklahoma Assn of Electric Coops		
Do	U.S. Maritime Committee, Inc		
John M. Edsall, 1120 20th Street, NW, #600s Washington DC 20036	Union Pacific Corp	218.00	1,225.76
Christine A. Edwards, 633 Pennsylvania Ave., NW, #600 Washington DC 20004	Sears Roebuck & Co	492.68	18.50
J. Rodney Edwards, 260 Madison Ave. New York NY 10016	American Paper Institute, Inc		
Michael D. Edwards, 1201 16th Street, NW Washington DC 20036	National Education Assn		
William A. Edwards, 1111 19th Street, NW Washington DC 20036	Edison Electric Institute	5,610.38	701.77
Edwards Associates, 507 Second St., NE Washington DC 20002	Confederated Tribes of Warm Springs		
Paul S. Egan, 1608 K St., NW Washington DC 20006	American Legion	9,750.00	250.76
Karen Ehrman, 1522 K Street, NW, #1120 Washington DC 20005	American College of Nurse-Midwives		
Yvonne B. Elder, 400 First Street, NW, #800 Washington DC 20001	Friends of Animals, Inc		371.48
Jill W. Eiland, 507 Second Street, NE Washington DC 20002	Portland General Electric Co		
Robert F. Eisen, 111 West 40th Street New York NY 10018	Greenwood Mills Marketing Co		2,625.00
Albert C. Eisenberg, 1735 New York Avenue, NW Washington DC 20006	American Institute of Architects	9,000.00	164.33
Adelaide K. Eisenmann, 607 G St., SW Washington DC 20024	Panamanian Comm for Human Rights		
Richard Eisenmann, 607 G St., SW Washington DC 20024	Panamanian Comm for Human Rights		
Linda S. Eisnaugle, 225 W. 34 Street New York NY 10001	National Commercial Finance Assn	10,750.00	1,097.07
H. J. Elam III, 1201 Maple St. Greensboro NC 27405	Cone Mills Corp	26,000.00	8,253.00
Jane Elder, 214 N. Henry St., #203 Madison WI 53703	Sierra Club	2,145.00	1,952.20
Timothy L. Elder, 1730 Pennsylvania Ave., NW, #450 Washington DC 20006	Caterpillar Tractor Co	2,500.00	1,546.02
George K. Eliades, 7297 Lee Highway Falls Church VA 22042	Society of American Wood Preservers, Inc	1,000.00	1,050.00
J. Burton Eller Jr., 1301 Pennsylvania Ave., NW, #300 Washington DC 20004	National Cattlemen's Assn	1,000.00	
Charles W. Elliott, Wisconsin Petroleum Council 25 W. Main St., #703 Madison WI 53703	American Petroleum Institute	516.66	826.14
John M. Ellis, 1120 Fairfield Avenue Roseville CA 95678	Nor-Cal Federal Coalition		
Emergency Committee for American Trade, 1211 Connecticut Ave. Washington DC 20036		52,536.30	67,155.63
Emerson Electric Co, 8000 Florissant St. Louis MO 63136			1,112.51
Employee Relocation Council, 1627 K St., NW, #600 Washington DC 20006			
Irene R. Emsellem, 1800 M Street, NW Washington DC 20036	American Bar Assn	400.00	50.00
Lowell J. Endahl, 1800 Massachusetts Ave., NW Washington DC 20036	National Rural Electric Cooperative Assn		
Energy Consumers & Producers Assn, Box 1726 Petroleum Plaza Seminole OK 74868		29,015.00	2,127.85
Ralph Engel, 1001 Connecticut Ave., NW, #1120 Washington DC 20036	Chemical Specialties Manufacturers Assn, Inc	43.00	18.00
Steven L. Engelberg, 2033 M St., NW, #404 Washington DC 20036	American Assn for Marriage & Family Therapy		
Joseph J. English, 1010 Vermont Avenue, NW Washington DC 20005	Stewart-Warner Corp	9,375.00	197.90
Patricia A. English, 777 14th St., NW Washington DC 20005	National Assn of Realtors		
Christopher Engquist, 1957 E St., NW Washington DC 20006	Associated General Contractors of America		
Richard Engram Jr., P.O. Box 506 Merchants & Miners Bank Bldg. Welch WV 24801			
Clinton W. Ensign, 2600 Virginia Avenue, NW, #901 Washington DC 20037	Sinclair Oil Corporation	500.00	349.58
J. Barry Epperson, P.O. Box 42464 Houston TX 77242	Associated Wire Rope Fabricators	500.00	4,139.70
Epstein Becker Borsody & Green, 1140 19th St., NW, #900 Washington DC 20036	National Cable Television Assn, Inc	8,070.00	
John M. Erskine Jr., 1122 Colorado, Suite 208 Austin TX 78701	Amoco Corporation		
Martha M. Escutia, 20 F Street, NW, #200 Washington DC 20001	National Council of La Raza	2,000.00	800.00
Ingolf G. Esders, 815 16th Street, NW Washington DC 20006	International Longshoremen's Assn, AFL-CIO	7,256.85	
John T. Estes, 2550 M St., NW, #770 Washington DC 20037	RJR Industries, Inc	2,500.00	85.00
Stephen E. Eure, 1711 King Street Alexandria VA 22314	Potato Chip/Snack Food Assn	5,250.00	5,250.00
Andreas W. Evans, 1016 16th Street, NW Washington DC 20036	Federal Managers Assn		
Joseph O. Evans, Apartment 21 4401 Lee Hwy. Arlington VA 22207			
Robert B. Evans, 1101 14th Street, NW Washington DC 20005	American Financial Services Assn		
Robert D. Evans, 1800 M St., NW Washington DC 20036	American Bar Assn	400.00	50.00
William J. Evans Jr., 1660 L St., NW, #901 Washington DC 20036	Pan American World Services, Inc	950.00	785.77
Fawn K. Evenson, 1611 N. Kent St., #900 Arlington VA 22209	Footwear Industries of America	2,000.00	36.20
Ellen E. Eves, New Murphy Rd. and Concord Pike Wilmington DE 19897	ICI Americas, Inc		
Ky P. Ewing Jr., 1101 Connecticut Avenue, NW Washington DC 20036	Vinson & Elkins (For: Federal Land Bank Assns of Texas Stockholders' Defense Fund).	289,322.86	338.92
Do	Vinson & Elkins (For: Alfred C. Glassell Jr.)	27,746.04	285.55
Do	Vinson & Elkins (For: Public Service Board of the City of El Paso, TX)	29,913.85	12.50
Do	Vinson & Elkins (For: Travelers Insurance Co)	113,941.66	349.33
Wayne S. Ewing, Associated Petroleum Industries of Pa P.O. Box 925 Harrisburg PA 17108	American Petroleum Institute		
Paul K. Eyer, 122 C Street, NW, #875 Washington DC 20001	American Osteopathic Assn	1,400.00	22.88
EDS Corporation, 1331 Pennsylvania Ave., NW, #1300 Washington DC 20004			2,476.29
F/P Research Associates, 1700 K St., NW, #303 Washington DC 20006	CEO Tax Group	1,000.00	
Do	National Cable Television Assn, Inc	500.00	
Michael W. Faber, Reid & Priest 1111 19th Street, NW, #1100 Washington DC 20036	Committee of Corporate Telecommunications Users		
Robert R. Fahs, 1101 15th St., NW, #205 Washington DC 20005	Cargill Inc	2,500.00	
Dale W. Fallat, P.O. Box 119 Maumee OH 43537	Andersons		
F. S. Fallon Jr., P.O. Box 888-HB Ashland KY 41101			
Peter M. Fannon, 1818 N Street, NW, #410 Washington DC 20036	National Assn of Public Television Stations	600.00	150.00
Thomas B. Farley II, 1220 L St., NW Washington DC 20005	American Petroleum Institute	7,000.00	115.80
David M. Farmer, 1629 K Street, NW, #1010 Washington DC 20006	Alliance of American Insurers	1,450.00	
Farmers' Educational & Co-Operative Union of America, 600 Maryland Ave., SW, #202w Washington DC 20024		261,101.00	76,930.22
John W. Farquhar, 1750 K St., NW Washington DC 20006	Food Marketing Institute	300.00	
Robert M. Farquhar, P.O. Box 130 Levis, Quebec, Canada G6v 6n7	Versatile Davie, Inc		
Dagmar T. Farr, 1750 K Street, N.w. Washington DC 20006	Food Marketing Institute	450.00	
Christopher G. Farrand, 1120 20th Street, NW, #720 Washington DC 20036	Peabody Holding Co, Inc		114.02
Michael Farrar, 1250 Connecticut Avenue, NW Washington DC 20036	American Paper Institute, Inc	200.00	
Joseph A. Farrell, 1600 Wilson Boulevard, #1000 Arlington VA 22209	American Waterways Operators, Inc		11.00
Marcus G. Faust, 2121 K St., NW, #880 Washington DC 20037	Central Utah Water Conservancy District	6,419.56	143.61
Do	Desert Research Institute	1,750.00	
Do	Edison Electric Institute	600.00	
Do	Public Service Co of New Mexico	11,257.42	113.44
Do	Sierra Pacific Power Co	19,026.25	1,309.97
Do	Standard Oil Co (Ohio)	11,250.00	
Richard H. Fay, 1150 Connecticut Avenue, NW, #900 Washington DC 20036	Reed Smith Shaw & McClay (For: Hammermill Paper Co)		
William D. Fay, 1130 17th Street, NW Washington DC 20036	National Coal Assn	6,430.00	5,631.79
Federal Judges Association, 1355 Market Street, #155 San Francisco CA 94103		21,900.00	14,263.25
Federal Managers Assn, 2300 S. 9th St., #104 Arlington VA 22204		10,000.00	17,264.00
Federation for American Afghan Action, 11244 Waples Mill Road, Suite J Fairfax VA 22030			5,617.92
Federation of Aids-Related Organizations/Aids Action Council, 729 8th Street, SE, #200 Washington DC 20003		24,526.13	46,027.71
Federation of American Controlled Shipping, 50 Broadway New York NY 10004		4,728.33	4,728.33
Federation of American Health Systems, 1111 19th St., NW, #402 Washington DC 20036		9,000.00	9,000.00
Federation of American Scientists, 307 Massachusetts Ave., NE Washington DC 20002			3,462.11
Federation of Behavioral Psychological & Cognitive Sciences, 1200 17th Street, NW Washington DC 20036		60.00	60.00
Federation Employment & Guidance Service, 114 Fifth Avenue New York NY 10011			
Robert Feenstra, 13545 Euclid Avenue Ontario CA 91761	Milk Producers Council (For: Dairy Farmers for Responsible Dairy Policy)		
Donald M. Fehr, 805 Third Ave. New York NY 10022	Major League Baseball Players Assn		
Bruce E. Fein, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Bell Atlantic Management Services).		
Do	Gray & Co Public Communications Int'l, Inc (For: Korean Air Lines)		
Do	Gray & Co Public Communications Int'l, Inc (For: Republic of Turkey)		
Do	Gray & Co Public Communications Int'l, Inc (For: U S West, Inc)		
Geoffrey A. Feiss, 1612 K Street, NW, #1100 Washington DC 20006	American Electronics Assn	2,000.00	100.00
Claudia Feller, 1200 17th Street, NW Washington DC 20036	Federation of Behavioral Psychological & Cognitive Sciences	26.00	
Kenneth E. Feltman, 1660 L Street, NW, #715 Washington DC 20036	Employers Council on Flexible Compensation	200.00	
Randolph Fenninger, 10,000 Falls Road, #306 Potomac MD 20854	American Gastroenterological Assn		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	American Soc for Gastrointestinal Endoscopy		
Do	American Soc of Anesthesiologists		
Do	American Urological Assn/Amer Assn of Clinical Urologists		
Judith W. Fensterer, 242 E. 80th Street New York NY 10021	Generic Pharmaceutical Industry Assn	695.00	1,371.00
Fensterwald Alcorn & Bowman, P.C., 1000 Wilson Blvd., #900 Arlington VA 22209	Equity for National Guard Technicians	1,198.50	119.05
George F. Fenton Jr., 1920 N Street, NW Washington DC 20036	American Mining Congress		
Edward T. Fergus, 100 Gold St. New York NY 10292	Prudential-Bache Securities, Inc	750.00	
Betsy Ferguson, 1875 Eye St., NW, #1110 Washington DC 20006	Times Mirror Co		
William Ferguson Jr., The Ferguson Company 1875 Eye Street, NW, #1275 Washington DC 20006	City of Alhambra	4,500.00	63.80
Do	City of Baldwin Park		
Do	City of Inglewood		
Do	City of Oceanside		
Do	City of Provo		
Do	City of Redondo Beach		
Do	City of South Salt Lake		
Do	Imperial Irrigation District		
Do	Irvine Company	5,312.50	218.01
Do	Long Beach Transit		
Do	Oceanside Redevelopment Agency		
Do	Santa Cruz Properties, Inc		
John L. Festa, 1250 Connecticut Avenue, NW Washington DC 20036	American Paper Institute, Inc		
Fiber Fabric & Apparel Coalition for Trade, 1800 M St., NW, #950 North Washington DC 20036		42,068.67	262,705.27
Fred C. Fielding, 1725 Jefferson Davis Hwy, #900 Arlington VA 22202	AM General Corporation		
C. H. Fields, 600 Maryland Ave., SW Washington DC 20024	American Farm Bureau Federation	6,937.50	29.21
Herbert A. Fierst, 610 Ring Bldg. 1200 18th St., NW Washington DC 20036	Council of Forest Industries of B.C.	31,251.00	1,155.00
Marshall S. Filler, 2033 M Street, NW, #700 Washington DC 20006	Air Transport Assn of America		
Lawrence A. Fineran, 1776 F Street, NW Washington DC 20006	National Assn of Manufacturers	125.00	
William A. Finerfrock, 1117 N. 19th Street, #300 Arlington VA 22209	American Academy of Physician Assistants	10,750.00	134.00
Matthew P. Fink, 1600 M St., NW Washington DC 20036	Investment Company Institute	96.15	
Finley Kumble Wagner Heine Underberg Manley & Casey, 1120 Connecticut Ave., NW, #465 Washington DC 20036	Association of British Insurers	21,108.25	330.77
Do	AVW Electronic Systems, Inc	3,875.00	
Do	Development Corp for Israel		
Do	Direct Broadcast Satellite Corp		
Do	General Dynamics Corp		
Do	Giant Food, Inc		
Do	Golden Nugget, Inc		
Do	Government of Antigua & Barbuda	5,750.00	
Do	Group Hospitalization & Medical Services, Inc		
Do	Home Insurance Co		
Do	Mutual Protection Trust Cooperative of American Physicians	14,320.00	
Do	Population Crisis Committee	2,360.00	
Do	RCA Corp		
Do	State of Maryland	9,084.00	
Do	Tel-Optik, Ltd		
Do	Transit Advertising Assn		
Do	Turner Broadcasting System, Inc		
Do	TDI Winston Network, Inc		
Do	TRT Telecommunications Corp		
Do	United Satellite Action		
Stephen A. Finn, P.O. Box 520783 - General Mail Facility Miami FL 33152	Burger King Corp		
Finnegan Henderson Farabow Garrett & Dunner, 1775 K Street, NW Washington DC 20006	International Communications Assn	1,000.00	250.00
Thomas D. Finnigan, 1100 15th Street, NW, 12th Fl. Washington DC 20005	Union Carbide Corp		
Jill Finsen, 923 15th St., N.w. Washington DC 20005	Transportation Institute		
M. J. Fiocco, 1090 Vermont Ave., NW, #410 Washington DC 20005	National Industrial Transportation League	5,000.00	44.75
First Data Resources, Inc, 1900 N. Beauregard St., #110 Alexandria VA 22311			
First National Bank of Boston, 100 Federal St. Boston MA 02110			17,721.59
Richard L. Fischer, 1615 M St., NW, #200 Washington DC 20036	Amoco Corporation		
Donald W. Fisher, 3814 Ivanhoe Lane Alexandria VA 22310	American Group Practice Assn, Inc		
Dwight R. Fisher, 600 Maryland Avenue, SW, #700 Washington DC 20024	National Fed of Independent Business	700.00	100.00
Janet S. Fisher, 1333 New Hampshire Avenue, NW Washington DC 20036	Atlantic Richfield Co		
Charles L. Fishman, P.C., 1717 K Street, NW, #502 Washington DC 20036	Consolidated Edison Co of New York, Inc		
Do	Stone & Webster Engineering Corp		
Do	Westinghouse Electric Corp		
Patrick E. Fitch, 1755 Jefferson Davis Highway, #900 Arlington VA 22202	Gould, Inc		
Lauri J. Fitz, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Government of Angola/SONANGOL)		
Do	Gray & Co Public Communications Int'l, Inc (For: Republic of Haiti)		
Mary Clare Fitzgerald, 1025 Thomas Jefferson St., NW, #301 Washington DC 20007	Golembe Associates, Inc		
Thomas H. Fitzpatrick, 410 Asylum Street Hartford CT 06103	American Petroleum Institute	500.00	144.04
Alan M. Fitzwater, 3800 Continental Plaza 777 Main Street Fort Worth TX 76102	Burlington Northern Railroad	20,000.00	1,796.43
Hilliard J. Fjord, 602 Main St., #600 Cincinnati OH 45202	Ohio River Co	3,000.00	981.63
Susan G. Flack, 1825 K St., NW, #603 Washington DC 20006	Batus D.C.	2,000.00	15.00
James J. Flanagan, 25 Research Dr. Westborough MA 01581	New England Power Service Co	727.50	152.00
David H. Fleck, 777 East Wisconsin Avenue Milwaukee WI 532025367	Foley & Lardner (For: City of Kenosha, Wisconsin)		
Michael Fleming, 1300 17th St., #1010 Arlington VA 22209	American Assn of Equipment Lessors		
Florida Business Associates, 2000 L St., NW, #200 Washington DC 20036	ETA Systems, Inc		
Do	Florida State University		
Do	Jacksonville Transportation Authority		
Ruth Flower, 245 Second St., NE. Washington DC 20002	Friends Committee on National Legislation	4,367.49	
Richard A. Flye, Mckenna Conner & Cuneo 1575 Eye Street, NW Washington DC 20005	Fertilizer Institute	8,046.00	
David H. Foerster, 1201 16th St., NW Washington DC 20036	National Education Assn		
Howard W. Fogt, Foley Lardner Hollabaugh & Jacobs 1775 Pennsylvania Ave., NW, Suite 1000 Washington DC 20006	Phosphate Rock Export Association		
Foley & Lardner, 1775 Pennsylvania Ave., NW Washington DC 20006	City of Kenosha, Wisconsin		
Do	Kohlberg Kravis Roberts & Co	215.00	
Do	Phosphate Rock Export Association	145.50	15.65
R. D. Folsom, 1317 F Street, NW, #400 Washington DC 20004	R. Duffy Wall & Associates, Inc (For: Ad Hoc Comm on Coal Taxation)		
Do	R. Duffy Wall & Associates, Inc (For: Brinks, Inc)		
Do	R. Duffy Wall & Associates, Inc (For: Footwear Retailers of America)		
Do	R. Duffy Wall & Associates, Inc (For: Hong Kong Trade Development Council)		
Do	R. Duffy Wall & Associates, Inc (For: Life of Virginia)		
Do	R. Duffy Wall & Associates, Inc (For: Morgan Guaranty Trust Co)		
Do	R. Duffy Wall & Associates, Inc (For: Pharmaceutical Manufacturers Assn)		
Do	R. Duffy Wall & Associates, Inc (For: Torchmark Corporation)		
Do	R. Duffy Wall & Associates, Inc (For: Wine & Spirits Wholesalers of America, Inc)		
Gary L. Fontana, Thelen Marrin Johnson & Bridges 2 Embarcadero Center San Francisco CA 94111	Hawaiian Electric Co, Inc	3,325.00	1,655.30
Do	Thermal Power Co	857.50	37.32
Food & Allied Service Trades Dept, AFL-CIO, 815 16th Street, NW, #408 Washington DC 20006		15,403.00	15,403.00
Food Marketing Institute, 1750 K St., NW Washington DC 20006			6,820.30
Food Research & Action Center, 1319 F Street, NW Washington DC 20004		7,416.00	7,041.82
James E. Ford, 1333 New Hampshire Avenue, NW Washington DC 20036	Atlantic Richfield Co		
Laurence S. Fordham, Fordham & Starrett 260 Franklin Street Boston MA 02109	C & S Wholesale Grocers, Inc		
John H. Forehand III, 12216 Fleming Lane Bowie MD 20715	Computervision		
Donald D. Foreman, 200 E. Randolph Dr. Chicago IL 60601	Amoco Corporation		
Foreman and Company, 1826 Jefferson Place, NW, #201 Washington DC 20036	Audio Recording Rights Coalition	450.00	
Do	Camp Carmouche Barsh Hunter Gray Hoffman & Gill, P.C.	3,560.00	79.30
Do	Gray & Co Public Communications Int'l, Inc		
Do	Greene O'Reilly Agnew & Broillet		
Foresight Science & Technology, Inc, 2000 P St., NW, #305 Washington DC 20036	National Coalition for Science & Technology	675.00	1,227.64
Do	Society for American Archaeology	2,824.50	2,927.46
Forest Farmers Assn, P.O. Box 95385 Atlanta GA 30347			
Mark A. Forman, 345 Park Ave., 31st Fl New York NY 10154	Union Pacific Corp	625.00	
Marti Forman, 2400 E. Commercial Blvd., #500 Ft. Lauderdale FL 33308	Ameriserv, Inc		
Sallie H. Forman, 1825 K St., NW Washington DC 20006	National Broadcasting Co, Inc	1,500.00	60.40
Luise Forseth, 3055 Old Highway 8 P.O. Box 1453 Minneapolis MN 55440	Medtronic, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
D. Lee Forsgren, 1625 K Street, NW, #1000 Washington DC 20006	American Institute of Merchant Shipping	634.50	116.00
Richard C. Fortuna, 2916 Stephenson Pl., NW Washington DC 20015	Hazardous Waste Treatment Council	1,500.00	1,500.00
Fox Group, USA Ltd, P.O. Box 1831 Charleston SC 29402	Camp Carmouche Barsh (for Sears Foebuck & Co)	4,500.00	
Donald Fraher, 633 E Street, NW Washington DC 20004	American Symphony Orchestra League	9,274.98	399.25
Douglas L. Francisco, 1101 16th St., NW Washington DC 20036	Independent Petroleum Assn of America		96.50
David C. Frankil, 918 16th Street, NW, #402 Washington DC 20006	American Furniture Manufacturers Assn	750.00	694.36
Walter L. Frankland Jr., 1717 K St., NW Washington DC 20006	Silver Users Assn, Inc	2,130.00	126.80
James R. Franklin, 1185 Avenue of The Americas New York NY 10036	J. P. Stevens & Co, Inc		7,138.76
Thomas C. Franks, 5th Floor 1220 L St., NW Washington DC 20005	American Resort & Residential Development Assn	1,500.00	29.48
John B. Franz, P.O. Box 10568 Pompano Beach FL 33061			
Marian C. Franz, 2121 Decatur Place, NW Washington DC 20008	National Council for a World Peace Tax Fund	645.00	159.00
Gregory W. Frazier, P.O. Box 427 Englewood CO 80151	International Energy Brokers, Inc		
Robert M. Frederick, 1616 H St., NW Washington DC 20006	National Grange	5,000.00	5,000.00
Frederick Service Group, 102 W. Church Street Frederick MD 21701			
Ann Todd Free, 1120 Connecticut Avenue, NW Washington DC 20036	American Bankers Assn	500.00	
Free the Eagle, 11244 Waples Mill Rd., Suite J Fairfax VA 22030		1,500.00	131,523.55
D. Michal Freedman, 2030 M Street, NW Washington DC 20036	Common Cause	8,022.00	66.00
Joel Freedman, 1600 M St., NW, 5th Floor Washington DC 20036	Hartford Fire Insurance Co	5,000.00	
James O. Freeman, 1709 New York Ave., NW, #801 Washington DC 20006	U.S. League of Savings Institutions	5,300.00	
Lewis R. Freeman Jr., 1025 Connecticut Ave., NW, #409 Washington DC 20036	Society of the Plastics Industry, Inc		
Mary Ann Freeman, 1331 Pennsylvania Ave, NW Washington DC 20005	General Electric Co	112.00	
Paula A. Freer, 1800 M St., NW, #975 Washington DC 20036	Marathon Oil Co		
Ronna Freiberg, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Budd Company)	150.00	
Do	Gray & Co Public Communications Int'l, Inc (For: Government of Angola/SONANGOL)		
Do	Gray & Co Public Communications Int'l, Inc (For: Joint Maritime Congress)		
Do	Gray & Co Public Communications Int'l, Inc (For: Kingdom of Morocco)		
Do	Gray & Co Public Communications Int'l, Inc (For: Republic of Turkey)		
Do	Gray & Co Public Communications Int'l, Inc (For: Shaklee Corporation)		
Do	Gray & Co Public Communications Int'l, Inc (For: Shirco Infrared Systems, Inc)		
Do	Gray & Co Public Communications Int'l, Inc (For: Stroh Brewery Co)	300.00	
Do	Gray & Co Public Communications Int'l, Inc (For: Title Insurance Industry Coalition)		
Do	Gray & Co Public Communications Int'l, Inc (For: Tobacco Institute)		
Do	Gray & Co Public Communications Int'l, Inc (For: Transit America)		
Do	Gray & Co Public Communications Int'l, Inc (For: Warner Communications, Inc)		
Verrick O. French, French & Company 1317 F Street, NW Washington DC 20004	Hong Kong Trade Development Council	2,155.00	
French & Company, 1317 F St., NW, #307 Washington DC 20004	Artery Organization, Inc	2,570.00	
Sara Hamric Freund, 260 Madison Ave. New York NY 10016	American Paper Institute, Inc		
Annette P. Fribourg, 3900 Wisconsin Ave., NW Washington DC 20016	Federal National Mortgage Assn	18,750.00	822.01
Fried Frank Harris Shriver & Jacobson, 600 New Hampshire Ave., NW, #1000 Washington DC 20037	American Indian National Bank		
Do	Assiniboine Tribe		
Do	Cheyenne River Sioux Tribe		
Do	Doyon, Limited		
Do	Klamath Tribe		
Do	Miccosukee Tribe of Indians of Florida		
Do	Nez Perce Tribe		
Do	Pueblo of Laguna		
Do	Schenley Industries, Inc	250.00	
Do	Seneca Nation of Indians		
Philip P. Friedlander Jr., 1250 Eye Street, NW, #400 Washington DC 20005	National Tire Dealers & Retreaders Assn		
James M. Friedman, 1100 Citizens Bldg. Cleveland OH 44114	Cleveland Electric Illuminating Co	20,026.00	1,008.22
Do	Coalition for Environmental Energy Balance	13,730.00	1,001.17
Friends of the Columbia Gorge, 519 SW Third, #810 Portland OR 97204		89.19	1,286.82
Friends of Animals, Inc, 400 First Street, NW, #800 Washington DC 20001			4,272.78
Friends Committee on National Legislation, 245 2nd St., NE Washington DC 20002			24,288.62
Owen V. Frisby, 900 17th St., NW Washington DC 20006	Chase Manhattan Bank, N.A	230.00	35.88
Susan T. Fritschler, 1111 19th Street, NW Washington DC 20036	Edison Electric Institute	1,528.33	367.89
William D. Fritts Jr., 1025 Connecticut Ave., NW Washington DC 20035	Health Insurance Assn of America, Inc		
Charles H. Fritzel, 499 S. Capitol St., SE, #401 Washington DC 20003	National Assn of Independent Insurers	400.00	500.00
Jeffrey Fritzlen, 1120 20th Street, NW, #600-S Washington DC 20036	Union Pacific Corp	2,000.00	
Robert F. Froehlke, 1285 Avenue of The Americas New York NY 10019	Equitable Life Assurance Society of the U.S	800.00	
Catherine J. Frompovich, P.O. Box B-12 Richlandtown PA 18955	Coalition for Alternatives in Nutrition & Healthcare, Inc		
Marcy Stephens Frosh, 2030 M Street, NW Washington DC 20036	Common Cause	7,587.54	217.00
Albert E. Fry, 1615 L Street, NW, #1350 Washington DC 20036	Business Roundtable	1,600.00	
Full Employment Action Council, 815 16th Street, NW Washington DC 20006		15,758.00	1,994.36
David A. Fulton, P.O. Box 7305, Dept. 77 Kansas City MO 64116	Farmland Industries, Inc		
Claudia R. Fuquay, 727 North Washington Street Alexandria VA 22314	United Fresh Fruit & Vegetable Assn	1,230.00	270.48
Futures Industry Assn, Inc, 1825 Eye Street, NW, #1040 Washington DC 20006			
David H. Fyock, 600 Maryland Ave., SW, #520 Washington DC 20024	GPU Service Corporation	2,304.00	963.25
Terry Gabrielson, 490 L'enfant Plaza, SW, #3202 Washington DC 20024	Transco Energy Company		
James E. Gaffigan, 1899 L St., NW, #607 Washington DC 20036	Travel & Tourism Government Affairs Policy Council	1,875.00	
Norman S. Gaines, 2550 M St., NW, #770 Washington DC 20037	RJR Industries, Inc	2,200.00	637.07
Joe H. Galis, P.O. Box 221 Raiford FL 32083			
Karl Gallant, 8001 Braddock Road Springfield VA 22160	National Right to Work Committee	3,000.00	532.05
William R. Ganser Jr., 4804 Folse Dr. Metairie LA 70002	Southern Forest Products Assn	2,950.00	
Nicole Gara, 1117 North 19th Street, NW, #300 Arlington VA 22209	American Academy of Physician Assistants		
Harry D. Garber, 1285 Avenue of The Americas New York NY 10019	Equitable Life Assurance Society of the U.S	800.00	15.00
Gardner Carton & Douglas, 1875 I St., NW Washington DC 20006	Midcon Corp		
Nancy Garland, 600 Maryland Avenue, SW, #400 Washington DC 20024	American Optometric Assn		
Edward A. Garmatz, 2210 Lake Ave. Baltimore MD 21213	Baltimore Gas & Electric Co		
Garrett & Company, 1630 Connecticut Avenue, NW, #202 Washington DC 20009	Taiwan Power Company	3,000.00	4,500.00
Grenville Garside, 1050 Thomas Jefferson St., NW, 7th Fl. Washington DC 20007	Van Ness Feldman Sutcliffe & Curtis, P.c. (For: Central & South West Corp)		
Ann Lakin Garver, 1101 Connecticut Ave., NW, #300 Washington DC 20036	American Textile Manufacturers Institute, Inc	50.00	20.00
Garvey Schubert Adams & Barer, 1000 Potomac St., NW Washington DC 20006	Contractors Bonding & Insurance Co	700.00	
Do	CSX Corporation	14,812.50	
Do	GTE Service Corp		
Do	Japan Fisheries Association	927.50	
Do	Northwest Marine Iron Works	10,000.00	
Do	Paccar, Inc		
Do	Port of Tillamook Bay & Tillamook County	4,000.00	
Do	Sonatrach		
Do	Totem; Ocean Trailer Express, Inc	1,872.50	
Do	Trailways, Inc		
Do	Washington Citizens for World Trade		
E. June Garvin, Ohio Petroleum Council 88 E. Broad, #1960 Columbus OH 43215	American Petroleum Institute	3,600.00	2,930.93
W. Bradford Gary, 1050 17th Street, NW, #1126 Washington DC 20036	Baxter Travenol Laboratories, Inc		
Mary A. Garza, P.O. Box 152777, 5b-7 Irving TX 75015	Zale Corporation	2,208.33	1,925.30
Gas Appliance Manufacturers Assn, Inc, 1901 North Moore Street Arlington VA 22209			
Vernon Gasaway, 191 Sands Street, Apt. 5j Brooklyn NY 11201			
Lillian B. Gaskin, 1800 M St., NW Washington DC 20036	American Bar Assn	400.00	50.00
Frank T. Gasper, 8104 River Falls Drive Potomac MD 20854	Moog, Inc		
Philip Gasteyer, 1709 New York Ave., NW, #801 Washington DC 20006	U.S. League of Savings Institutions	3,625.00	
Bruce A. Gates, 201 Park Washington Court Falls Church VA 22046	National-American Wholesale Grocers' Assn	3,000.00	
Gay Rights National Lobby, Inc, P.O. Box 1892 Washington DC 20013			
Fred Gebler, 1331 Pennsylvania Ave., NW, #1300 Washington DC 20004	Electronic Data Systems Corp	96.00	125.44
Margaret L. Gehres, 1828 L Street, NW, #402 Washington DC 20036	Business Roundtable	2,100.00	11.50
Ruthann Geib, 1156 15th Street, NW, #1020 Washington DC 20005	American Sugarbeet Growers Assn		
Ronald L. Geigle, 1030 15th Street, NW, #1100 Washington DC 20005	Health Industry Manufacturers Assn		
Carole Sonnenfeld Geithner, 2030 M Street, NW Washington DC 20036	Common Cause	3,800.01	
Morton A. Geller, 100 Federal St. Boston MA 02110	First National Bank of Boston		
General Aviation Manufacturers Association, 1400 K Street, NW, #801 Washington DC 20005			6,122.00
General Instrument Corporation, 767 5th Ave. New York NY 10153		600.00	
Generic Pharmaceutical Industry Assn, 200 Madison Ave., #2404 New York NY 10016		9,479.36	9,479.36
Fred J. Gentile, 195 Montague Street Brooklyn NY 11201	Brooklyn Union Gas Co		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
John Gentille, 1957 E St., NW Washington DC 20006	Associated General Contractors of America		
Nancy Whorton George, 499 South Capitol Street, SW, #400 Washington DC 20003	Houston Natural Gas Corp		
Do	Transco, Inc		
George W. Gephart, P.O. Box 1475 Baltimore MD 21203	Baltimore Gas & Electric Co		
Joseph G. Gerard, 918 16th St., NW, #402 Washington DC 20006	American Furniture Manufacturers Assn	1,500.00	1,339.06
Louis Gerber, 1925 K St., NW Washington DC 20006	Communications Workers of America	6,227.52	219.40
Daniel R. Gerkin, 1575 I Street, NW, #525 Washington DC 20005	Mining & Reclamation Council of America	1,000.00	
Phyllis H. Gerstell, 1850 K St., NW Washington DC 20006	American Council of Life Insurance, Inc	1,500.00	
David Troy Saxton Getty, P.O. Box 7000-A, Box 639 Texarkana TX 75501			
Danny Ghorbani, 10506 Cavalcade Street Great Falls VA 22066	Association for Regulatory Reform	3,400.00	193.00
William C. Gibb, 1050 Thomas Jefferson St., NW, 6th Fl Washington DC 20007			
William T. Gibb, 1850 K St., NW Washington DC 20006	American Council of Life Insurance, Inc		
Wayne Gibbens, 1919 Pennsylvania Ave., NW, #503 Washington DC 20006	Mid-Continent Oil & Gas Assn	15,000.00	230.00
Anne Marie Gibbons, Third Floor 2301 M Street, NW Washington DC 20037	American Public Power Assn	500.00	
Theresa Gibson, 1771 N Street, NW Washington DC 20036	National Assn of Broadcasters	1,500.00	1,179.21
Gibson Dunn & Crutcher, 1050 Connecticut Avenue, NW Washington DC 20036	Wheeling-Pittsburgh Steel Corp	26,973.75	3,313.54
Kenneth W. Gideon, 1150 Connecticut Avenue, NW Washington DC 20036	Weston Municipal Utility District		
William L. Gifford, 100 Interpace Parkway Parsippany NJ 07054	GPU Nuclear Corp		
Pamela Gilbert, 215 Pennsylvania Avenue, SE Washington DC 20003	U.S. Public Interest Research Group	3,461.52	
Richard Gilbert, 1015 15th Street, NW Washington DC 20005	American Public Health Assn	1,222.00	
Michael Gildea, 815 16th St., NW Washington DC 20006	American Fed of Labor & Congress of Industrial Organizations	14,590.03	
John E. Giles, 1600 Eye St., NW Washington DC 20006	Motion Picture Assn of America, Inc	1,000.00	861.48
Floyd H. Gilkey, 2111 Harbor Drive Annapolis MD 21401	Chesapeake Industries, Inc		
Mary Ann Gilleece, 1713 Maple Hill Place Alexandria VA 22302	Allied Defense Industries		
Maureen Gilman, 1730 K Street, NW, #1100 Washington DC 20006	National Treasury Employees Union	3,300.00	46.00
William Gilmartin, 2010 Massachusetts Ave., NW, #500 Washington DC 20036	Planned Parenthood Fed of America, Inc		
Ginn Edington Moore & Wade, 803 Prince Street Alexandria VA 22314	American Polygraph Assn	16,000.00	188.85
Do	Garrett Corporation	2,000.00	22.89
Do	Gulfstream Aerospace Corp		
Do	Lockheed Corporation		
Do	Lockheed-Georgia Co	5,000.00	57.23
Do	Mechanical Technology, Inc	7,350.00	85.84
Do	Professional Insurance Agents	6,000.00	74.39
Do	Rockwell International Corp	1,000.00	11.44
Do	Texas Instruments, Inc	6,000.00	71.53
Do	Turner Broadcasting System, Inc		
Do	U.S. Cane Sugar Refiners' Assn	3,000.00	74.39
Do	Watkins Associated Industries, Inc	1,500.00	14.30
Gerard Giovaniello, 777 14th St., NW Washington DC 20005	National Assn of Realtors	2,500.00	243.95
Brenda M. Girton, 633 Pennsylvania Avenue, NW, #600 Washington DC 20004	Sears Roebuck & Co	225.00	114.58
Francis J. Gist, 1511 K Street, NW, #809 Washington DC 20005			
Sol Glasner, 2000 L St., NW, #810 Washington DC 20036	Sperry Corporation		
Donna Gleason, 2000 L Street, NW, #810 Washington DC 20036	Sperry Corporation		
John P. Gleason, 11490 Commerce Park Dr. Reston VA 22041	Brick Institute of America		
Law Offices of Thos Gleason, 90 Broad Street, #600 New York NY 10004	International Longshoremen's Assn, AFL-CIO		
Robert Gleason, 815 16th Street, NW Washington DC 20006	International Longshoremen's Assn, AFL-CIO	8,958.66	63.04
Donald R. Glenn, 1627 K Street, NW, #200 Washington DC 20006	Energy Research Corp		
Elmer G. Gleske, 300 Metropolitan Square 655 15th Street, NW Washington DC 20005	Flight Safety Intl inc		
Global USA, Inc, Global House 1823 Jefferson Place, NW Washington DC 20036	Fanuc Ltd		
Do	Hitachi Ltd		
Do	Komatsu Ltd		
Do	Kyocera Corporation		
Do	Mazak Corporation		
Jere W. Glover, 1725 K Street, NW, #308 Washington DC 20006	National Council for Industrial Innovation		
James W. Godlove, 1825 K Street, NW, #1107 Washington DC 20006	Phillips Petroleum Co	1,020.00	11.18
Jean C. Godwin, Laroe Winn & Moerman 1120 G Street, NW, #800 Washington DC 20005	Coordinating Comm for Rail Competition		
Richard P. Godwin, P.O. Box 3965 San Francisco CA 94119	Bechtel Civil & Minerals, Inc		
Judith M. Goff, 375 Jackson Street St. Paul MN 55101	Farm Credit Services	600.00	902.01
A. James Golato, 2300 M St., NW, #800 Washington DC 20037	H&R Block, Inc	175.00	63.20
Donna Gold, 1201 16th Street, NW Washington DC 20036	National Education Assn		
Harvey S. Gold, 8100 Oak Street Dunn Loring VA 22027	National Pest Control Assn		
Gold & Liebengood, Inc, 1050 Connecticut Avenue, NW, #980 Washington DC 20036	American Academy of Ophthalmology	4,200.00	1,625.00
Do	ALIGNPAC	3,517.00	1,323.00
Do	Bank of America	306.00	
Do	Chemical Bank		306.00
Do	Citicorp		306.00
Do	City of Pueblo, et al	750.00	1,225.00
Do	College of American Pathologists	5,000.00	1,625.00
Do	Conrail Acquisition Corp, Inc	15,000.00	1,625.00
Do	Doremus & Co	9,750.00	1,625.00
Do	Electronic Data Systems Corp	12,500.00	1,625.00
Do	Energy Research Corp #200	9,800.00	1,381.00
Do	Equitable Life Assurance Society of the U.S	20,000.00	1,625.00
Do	Eye Bank Assn of America	1,000.00	1,326.00
Do	Federated Investors, Inc	6,250.00	1,625.00
Do	Ford Motor Co	2,218.00	1,234.00
Do	Handgun Control, Inc		
Do	Investment Company Institute	1,775.00	1,405.00
Do	Mariott Group/Marriott Corp	2,250.00	1,401.00
Do	Marist College		1,446.00
Do	Martin Marietta Corp	5,000.00	1,625.00
Do	MCI Communications	24,375.00	1,625.00
Do	National Football League	34,650.00	1,625.00
Do	National School Transportation Assn	3,843.00	1,348.00
Do	National Venture Capital Assn	4,315.00	1,422.00
Do	Outdoor Advertising Assn of America, Inc	4,800.00	1,625.00
Do	Phillips Petroleum Co	10,825.00	1,625.00
Do	Professional Services Council		1,225.00
Do	Public Securities Assn	16,530.00	1,225.00
Do	Texas Cattlefeeders Assn	5,412.00	1,625.00
Do	Texas Commerce Bank		306.00
Do	Ticor Title Insurance Co	15,525.00	1,597.00
Do	Times Mirror Co		1,225.00
Do	Tobacco Institute	20,000.00	1,625.00
Do	Washington Metropolitan Area Transit Authority		1,225.00
Jane A. Golden, 1775 Pennsylvania Ave., NW Washington DC 20006	Phosphate Rock Export Association		
Golden Freda & Schraub, P.C., 1625 Massachusetts Avenue, NW, #300 Washington DC 20036	Atlantic Satellite Comm, Inc & Earth Station Satellite		
Patricia R. Goldman, 444 North Capitol Street, NW Washington DC 20001	American Hospital Assn	4,819.28	384.52
Robert H. Goldsborough, 5508 Lombardy Place Baltimore MD 21210	Americans for Immigration Control, Inc	5,000.00	
Benson S. Goldstein, 1010 North Fairfax Street Alexandria VA 22314	National Soc of Public Accountants	849.00	52.65
Jack Golodner, 815 16th St., N.w. Washington DC 20006	Department for Professional Employees, AFL-CIO	5,647.73	
Linda F. Golodner, 815 15th Street, NW, #516 Washington DC 20005	National Consumers League		
Ruth M. Goltzer, 1785 Massachusetts Avenue, NW Washington DC 20036	National Trust for Historic Preservation	1,991.12	135.16
John Gonella, 412 First St., SE, #200 Washington DC 20036	Association of American Railroads	906.49	180.40
Ruth Gonze, Third Floor 2301 M Street, NW Washington DC 20037	American Public Power Assn	500.00	
David R. Goode, 8 N. Jefferson Street Roanoke VA 24042	Norfolk Southern Corp		345.00
Charles E. Goodell, King & Spalding 1730 Pennsylvania Avenue, NW, #1200 Washington DC 20006	DGA International, Inc (for Sofreavia)		
Do	DGA International, Inc (for SNECMA)		
Do	Thomson-CSF	16,960.00	
Robert F. Goodwin, 1850 K St., NW, Suite 275 Washington DC 20006	Meredith Corp	40.00	26.50
Goodwin Procter & Hoar, 28 State Street Boston MA 02109	Polaroid Corporation		
Randall C. Gordon, 725 15th Street, NW Washington DC 20005	National Grain & Feed Assn		
Stephen Gordon, 2020 K St., NW, #200 Washington DC 20006	National Fed of Federal Employees		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Irmgard Gordos, 5 Culp St., Box #40 Inman SC 29349	American Security Council		
Millicent Gorham, 600 Maryland Ave., SW, #400e Washington DC 20024	American Optometric Assn		
James D. Gormley, 1400 K Street, NW, #801 Washington DC 20005	General Aviation Manufacturers Association	2,010.00	
Ann M. Gosier, 1920 N St., NW Washington DC 20036	American Mining Congress		
John T. Gould Jr., One Champion Plaza Stamford CT 06921	Champion International Corp		
Hugh J. Gownley, 1818 N St., NW Washington DC 20036	DGA International, Inc (For: SNECMA)		
Edmund Graber, 1957 E Street, NW Washington DC 20006	Associated General Contractors of America	1,000.00	500.00
John R. Graff, 1025 Vermont Ave., NW, #330 Washington DC 20005	International Assn of Amusement Parks & Attractions	55.00	697.15
Donald E. Graham, Mcdermott, Will & Emery 1850 K Street, NW, #500 Washington DC 20006	National Council of Farmer Cooperatives		
Elaine Graham, 201 Park Washington Court Falls Church VA 22046	National-American Wholesale Grocers' Assn	3,000.00	
Lawrence T. Graham, 1401 New York Avenue, NW, #400 Washington DC 20005	National Food Processors Assn	500.00	27.50
Frances Turk Granahan, 1090 Vermont Avenue, NW, #600 Washington DC 20005	Texas Eastern Transmission Corp		60.69
James I. Granger, 1911 Jefferson Davis Highway, #1002 Arlington VA 22206	Piper Aircraft Corporation	500.00	475.00
James L. Granum, 1050 Connecticut Ave., NW Washington DC 20036	Norfolk Southern Corp	1,000.00	
Alan W. Granwell, Cadwalader Wickersham & Taft 1333 New Hampshire Ave., NW Washington DC 20036	Squibb Corporation		
Grassroots, Nat'l Assn of Farm Credit System Stockholders, 501 Alabama Street P.O. Box 1070 Jacksonville TX 75766			
Karla L. Graue, 1724 Massachusetts Avenue, NW Washington DC 20036	National Cable Television Assn, Inc	892.00	
Thomas P. Graves, 1800 Massachusetts Avenue, NW Washington DC 20036	National Rural Electric Cooperative Assn	125.00	
David C. Gray, 2939 Van Ness Street, NW, #108 Washington DC 20008	American Camping Association	6,000.00	1,415.19
James A. Gray, 7901 Westpark Dr. Mclean VA 22102	National Machine Tool Builders' Assn	906.00	25.00
Neil A. Gray, 6811 Kenilworth Ave. Riverdale MD 20737	National Asphalt Pavement Assn		
Robert K. Gray, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Agriculture for Market Oriented Policies).		
Do	Gray & Co Public Communications Int'l, Inc (For: Bell Atlantic Management Services).		
Do	Gray & Co Public Communications Int'l, Inc (For: Budd Company)		
Do	Gray & Co Public Communications Int'l, Inc (For: Canadian Asbestos Information Centre).		
Do	Gray & Co Public Communications Int'l, Inc (For: Electronic Industries Assn of Japan).		
Do	Gray & Co Public Communications Int'l, Inc.		
Do	Gray & Co Public Communications Int'l, Inc (For: Grumman Corporation)		
Do	Gray & Co Public Communications Int'l, Inc (For: HRH Prince Talal Bin Abdul Aziz Al Saud).		
Do	Gray & Co Public Communications Int'l, Inc (For: HTB Corporation)		
Do	Gray & Co Public Communications Int'l, Inc (For: Iowa Pork Producers Assn)		
Do	Gray & Co Public Communications Int'l, Inc (For: Joint Maritime Congress)		
Do	Gray & Co Public Communications Int'l, Inc (For: Mutual of Omaha)		
Do	Gray & Co Public Communications Int'l, Inc (For: Republic of Turkey)		
Do	Gray & Co Public Communications Int'l, Inc (For: Shaklee Corporation)		
Do	Gray & Co Public Communications Int'l, Inc (For: Stroh Brewery Co)		
Do	Gray & Co Public Communications Int'l, Inc (For: Title Insurance Industry Coalition)		
Do	Gray & Co Public Communications Int'l, Inc (For: Tobacco Institute)		
Do	Gray & Co Public Communications Int'l, Inc (For: U.S. Banknote)		
Do	Gray & Co Public Communications Int'l, Inc (For: United Airlines, Inc)	350.00	
Mark E. Grayson, 1201 Pennsylvania Ave., NW, #700 Washington DC 20004	Hill & Knowlton, Inc		
Mary R. Grealy, 1111 19th Street, NW, #402 Washington DC 20036	Federation of American Health Systems	1,500.00	
Great American Reserve Insurance Co, 2020 Live Oak P.O. Box 388 Dallas TX 75221			
Greater Washington Board of Trade, 1129 20th St., NW Washington DC 20036			
Greater Washington/Maryland Service Station Assn, 9420 Annapolis Rd., #307 Lanham MD 20706		1,500.00	1,500.00
James R. Greco, P.O. Box 3151 Houston TX 77001	Browning-Ferris Industries, Inc		
Donald R. Greeley, 1101 17th St., NW, #307 Washington DC 20036	Celanese Corp	2,500.00	284.06
Edward M. Green, 1920 N St., NW Washington DC 20036	American Mining Congress		
George R. Green, 1750 K St., NW Washington DC 20006	Food Marketing Institute	450.00	
Isiah Carl Green, 8154 Talton Houston TX 77078			
James W. Green, 1201 16th St., NW Washington DC 20036	National Education Assn		
Kaylene H. Green, 555 New Jersey Ave., NW, #880 Washington DC 20001	Congoleum Corporation	300.00	82.30
Laura Marie Green, 8001 Braddock Road Springfield VA 22160	National Right to Work Committee	267.00	243.22
Leon Green Jr., 1133 21st Street, NW, #500 Washington DC 20036	Clean Coal Coalition, Inc		
Randy Green, 600 Maryland Avenue, SW, #510 Washington DC 20024	American Soybean Association	2,225.00	215.50
Allen Greenberg, 2000 P St., NW, #708 Washington DC 20036	Public Citizen Health Research Group		
Eldon V. C. Greenberg, Galloway & Greenberg 1835 K St., NW, #801 Washington DC 20006	Southeastern Fisheries Assn, Inc	2,222.08	826.16
H. Thomas Greene, 412 1st St., SE Washington DC 20003	National Automobile Dealers Assn		
Dale W. Greenwood, 612 Hoge Bldg Seattle WA 98104	Washington Railroad Assn		
Sarah Massengale Gregg, 1667 K Street, NW, #710 Washington DC 20006	Baxter Travenol Laboratories, Inc		
Saunders Gregg, PO Box 2628 Houston TX 77252	Entex, Inc		190.00
John D. Gregory, Lewis Babcock Gregory & Pleicones P.O. Box 11208 Columbia SC 29211	Camp Carmouche Barsh... (for Sears Roebuck & Co)		
William G. Greif, 1155 15th St., NW Washington DC 20005	Bristol-Myers Co	2,500.00	
Ginny Grenham, 2501 M Street, NW Washington DC 20037	Chemical Manufacturers Assn, Inc	280.00	592.79
Ellen Griffee, 1413 K Street, NW, 10th Fl. Washington DC 20005	Association of Science-Technology Centers	6,994.00	174.91
Tom W. Griffith, 1448 Duke St., #100 Alexandria VA 22314	National Rural Letter Carriers Assn	18,209.00	
Mark N. Griffiths, Smith Bucklin & Associates 1101 Connecticut Ave, NW, #700 Washington DC 20036	National Assn of Metal Finishers	750.00	
Jack Grimes, 8100 Oak Street Dunn Loring VA 22027	National Pest Control Assn		
Norman E. Grimm Jr., 8111 Gatehouse Road Falls Church VA 22047	AAA Potomac		
Olga Grkavac, 1300 North 17th St., #300 Arlington VA 22209	Association of Data Processing Service Organizations		
Grocery Manufacturers of America, Inc, 1010 Wisconsin Ave., NW, #800 Washington DC 20007			105.82
James N. Groninger, 777 14th Street, NW Washington DC 20005	National Assn of Realtors	2,500.00	618.89
Groom & Nordberg, Chtd, 1775 Pennsylvania Avenue, NW, #700 Washington DC 20006	Aluminum Company of America		
Do	American Petroleum Institute	200.00	618.89
Do	Bankers Life Company		
Do	Baxter Travenol Laboratories, Inc		
Do	Chevron Corporation	200.00	618.89
Do	Colorado-Ute	200.00	618.89
Do	Connecticut General Insurance Co		
Do	Eli Lilly & Company		
Do	Equitable Life Assurance Society of the U.S		
Do	Goldman Sachs & Co		
Do	John Hancock Mutual Life Insurance Co		
Do	Minnesota Mutual Life Insurance Company		
Do	Murphy Oil USA, Inc	50.00	618.89
Do	New York City Teachers Retirement System		
Do	Ocean Drilling & Exploration Co		
Do	Phillips Petroleum Co	100.00	618.89
Do	Physicians Mutual Insurance Co	100.00	618.89
Do	Prudential Insurance Co of America	500.00	25.00
Do	Puerto Rico, USA Foundation	600.00	8,250.00
Do	R.J. Reynolds	50.00	8,250.00
Do	Reading & Bates Corporation		
Do	Southern California Edison Co	100.00	8,250.00
Do	Union Texas Petroleum Corp		
Do	Westinghouse Electric Corp	100.00	8,250.00
Nina G. Gross, 1120 Connecticut Ave., NW Washington DC 20036	American Bankers Assn	1,500.00	900.57
Richard A. Gross, 1300 19th Street, NW Washington DC 20036	Wald Harkrader & Ross (For: General Motors Corp)		
Ed Grosswiler, 920 SW Sixth Avenue 1400 Public Service Building Portland OR 97204	Pacific Power & Light Co	1,779.00	
Walter B. Grubbs, P.O. Box 841 Abilene TX 79604	West Texas Utilities Co	565.20	717.00
Gerald M. Guarilia, 70 North Main Street Wilkes-Barre PA 18711	Blue Cross of Northeastern Pennsylvania		
Mary Scott Guest, 1919 Pennsylvania Ave., NW, #800 Washington DC 20006	Dillon Reed & Co, Inc	25,000.00	
Do	O'Connor & Hannan	6,000.00	
Do	South Carolina State Family Farm Development Authority	2,000.00	
Clark J. Guild Jr., Guild Hagen & Clark, Ltd 102 Roff Way Reno NV 89505	Motion Picture Assn of America, Inc		
James E. Guirard Jr., 1730 Rhode Island Avenue, NW, #419 Washington DC 20036	Bell Aerospace Textron		
Do	BASF Wyandotte Corp	1,500.00	25.00
Do	KMS Fusion, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Tano Corporation		
Do	Walk-Haydel, Inc	3,500.00	425.00
Jerome R. Gulan, 1155 15th St., NW, #710 Washington DC 20005	National Small Business Assn		
Gun Owners of America, Inc, 5881 Leesburg Pike, #204 Falls Church VA 22041		384,770.92	389,199.91
Dan A. Gunderson, Minnesota Petroleum Council 386 N. Wabasha St., #1025 St. Paul MN 55102	American Petroleum Institute		
John E. Gunther, 1615 L Street, NW, #1230 Washington DC 20036	Mortgage Insurance Companies of America		
David Gusky, 2020 K St., NW, #200 Washington DC 20006	National Fed of Federal Employees	1,153.36	
Susan L. Gustafson, 8111 Gatehouse Road Falls Church VA 22047	American Automobile Assn		
Paul D. Guth, 1200 Four Penn Center Philadelphia PA 19103	Philadelphia Stock Exchange		
Robert F. Guthrie, 815 16th St., NW, #608 Washington DC 20006	Department for Professional Employees, AFL-CIO	7,467.22	
Alvin M. Guttman, 818 Connecticut Ave., NW, #300 Washington DC 20006	National Assn of Atomic Veterans		
Do	Towing & Recovery Assn of America, Inc	843.00	
Dallas E. Gwynn, Balcor Plaza 4849 Golf Road Skokie IL 60077	Balcor Co	19,500.00	80.79
GA Assn of Petroleum Retailers, Inc, 900 N. Hairston Road, Suite D Stone Mountain GA 30083			
Jane Scherer Haake, 1667 K Street, NW, #420 Washington DC 20006	Mead Corporation	240.00	
Dana W. Haas, 1920 N St., NW, #720 Washington DC 20036	Kansas City Power & Light Co, et al	3,000.00	5,274.37
George Hacker, 1501 16th Street, NW Washington DC 20036	Center for Science in the Public Interest		
Craig Hackler, 400 N. Capitol St., NW, #320 Washington DC 20001	Beneficial Management Corp of America	1,000.00	
Do	Cadillac Fairview U.S., Inc	9,000.00	
Do	International Chiropractic Assn		
Loyd Hackler, 1616 H St., NW Washington DC 20006	American Retail Federation	1,000.00	31.50
Charles W. Hackney Jr., 15th & M Sts., NW Washington DC 20005	National Assn of Home Builders of the U.S.		
Thomas M. Hagan, 1005 Congress Ave., #795 Austin TX 78701	Central & South West Services, Inc	1,822.80	12,241.10
Hagedorn-Cando, Inc, 1704 23rd St., So. Arlington VA 22202	Hansen Engine Corp		
Do	Manatt Phelps Rothenberg... (for Pyramid Corp)	5,000.00	515.00
Do	Manatt Phelps Rothenberg... (for Rollins Environment Servs)	5,000.00	
Do	Davy McKee Corp		
Do	Yankee Energy Co	3,800.00	
Ann Hagemann, 1735 Desales St., NW, #400 Washington DC 20036	Association of Maximum Service Telecasters, Inc		
Kenneth C.O. Hagerty, 1612 K Street, NW, #1100 Washington DC 20006	American Electronics Assn	2,000.00	100.00
Bruce N. Hahn, 9300 Livingston Rd. Ft. Washington MD 20744	National Tooling & Machining Assn	12,923.10	1,045.57
Peter H. Hahn, 1100 17th St., NW, #1000 Washington DC 20036	Chromalloy American Corp		
Thomas F. Hairston, 1050 Connecticut Ave., NW, #760 Washington DC 20036	Union Oil Co of California	6,000.00	1,348.58
Hale and Dorr, 1201 Pennsylvania Ave., NW, #807 Washington DC 20004	Indian Land Claim Committee		
Do	Town of Gay Head	10,273.95	1,037.02
Do	Town of Mashpee		
Beverly Halem, P.O. Box 1419 Cocoa FL 32922	Halem Industries, Inc		
Cheryl A. Haley, 444 North Capitol St., NW, #500 Washington DC 20001	American Hospital Assn	1,868.87	369.32
George W. Haley, 1511 K Street, NW, #940 Washington DC 20005	Grocery Manufacturers of America, Inc		
Martin Haley Companies, Inc, 1015 15th St., NW Washington DC 20005	M&M/Mars		
Edwin K. Hall, 1133 19th Street, NW Washington DC 20036	MCI Communications Corp	5,000.00	189.51
John F. Hall, 1250 Connecticut Avenue, NW Washington DC 20036	National Forest Products Assn		
Richard F. Hall, 2501 M Street, NW, #540 Washington DC 20037	Pacific Resources, Inc	500.00	
William F. Hall, P.O. Box 7658 Chicago IL 60680	William Hall Public Affairs-Management Consulting Group		
Marian Hall-Crawford, 316 Pennsylvania Avenue, SE, #301 Washington DC 20003	San Diego Gas & Electric	1,275.00	2,938.49
Paul Hallisay, 1625 Massachusetts Avenue, NW Washington DC 20036	Air Line Pilots Assn	6,250.00	269.89
Joseph Halow, 1747 Pennsylvania Ave., NW, #1175 Washington DC 20006	North American Export Grain Assn, Inc		
Maurice E. Halsey, P.O. Box 190 Aurora IL 60507	Northern Illinois Gas Company	2,000.00	
J. Phillip Halstead, P.O. Box 24305 Oakland CA 94623	Clorox Company		
Paul T. Haluza, 1120 19th St., NW, #333 Washington DC 20036	Motor and Equipment Manufacturers Association	3,000.00	14.00
Hamel & Park, 888 16th Street, NW Washington DC 20006	Beneficial Foundation		
Do	Estate of Helen Wodell Halbach		
Do	Graeper-Van Noy-Wagner, Inc		
Do	Grand Trunk Corp	10,714.00	964.24
Do	Skylink Corporation, Inc		
Do	Tandy Corporation		
J. Lee Hamilton, 1776 F Street, NW Washington DC 20006	National Assn of Manufacturers	228.96	
James L. Hamilton III, 818 Connecticut Ave., NW Washington DC 20006	U.S. Steel Corporation	595.00	29.48
Philip W. Hamilton, 1825 K St., NW Washington DC 20006	American Soc of Mechanical Engineers		
Stanley Hamilton, 2200 Mill Rd. Alexandria VA 22314	Interstate Carriers Conference	500.00	150.00
Violet B. Hamilton, 4-21 Astoria Blvd., #5b Long Island City NY 11102	Astoria Tenants Organization		780.00
Wilbur H. Hamilton III, 1010 Massachusetts Ave., NW Washington DC 20001	National Food Brokers Assn		
Susan Woodward Hamlin, 1957 E Street, NW Washington DC 20006	Associated General Contractors of America		
Amy R. Hammer, 1899 L St., NW, #1100 Washington DC 20036	Exxon Corporation	1,666.00	419.31
Timothy A. Hanan, 1100 Connecticut Avenue, NW Washington DC 20036	Mobil Oil Corp	1,500.00	
Ted Handel, Third Floor 2301 M Street, NW Washington DC 20037	American Public Power Assn	4,000.00	
Handgun Control, Inc, 1400 K Street, NW, #500 Washington DC 20005		675,172.00	290,238.00
James M. Hanley, 300 Metropolitan Square 455 15th Street, NW Washington DC 20005	Alliance of Non-Profit Mailers	7,500.00	250.00
Elisabeth Hanlin, 2000 L St., NW, #810 Washington DC 20036	Sperry Corporation		
Thomas H. Hanna, 300 New Center Building Detroit MI 48202	Motor Vehicle Manufacturers Assn of the U.S., Inc	12.50	
Arnita Hannon, 218 D Street, SE Washington DC 20003	Environmental Policy Institute		
Hansell & Post, 1667 K St., NW, #500 Washington DC 20006	Rockwell International Corp	2,000.00	
J.E. Hansen, 400 1st St., NW Washington DC 20001	Brotherhood of Railroad Signalmen	350.00	
Daniel J. Hanson Sr., 525 School St., SW Washington DC 20024	American Road & Transportation Builders Assn	22,662.00	509.00
Peter J. Hapworth, 1015 15th Street, NW, #200 Washington DC 20005	National Pork Producers Council	2,000.00	509.00
Robert N. Harbor, 1050 Connecticut Avenue, NW, #200 Washington DC 20036	El Paso Natural Gas Co	18.50	18.50
Charles G. Hardin, 815 Connecticut Ave., NW, #800 Washington DC 20006	Mercedes-Benz of North America, Inc	3,000.00	
Ralph Harding, Suite 717 Watergate 2600 Virginia Avenue, NW Washington DC 20037	Philippine Sugar Commission	60,000.00	34,739.33
William E. Hardman, 9300 Livingston Road Ft. Washington MD 20744	National Tooling & Machining Assn		
Eugene J. Hardy, 1100 17th St., NW, #1000 Washington DC 20036	Gerber Products Co	500.00	22.50
Gilbert Hardy, Wald, Harkrader & Ross 1300 19th Street, NW Washington DC 20036	National Conference of Black Mayors		
Stuart B. Hardy, 1615 H Street, NW Washington DC 20062	Chamber of Commerce of the U.S.		
Charles N. Harkey, 453 New Jersey Avenue, SE Washington DC 20003	Beneficial Management Corp of America	1,216.00	
Dan R. Harlow, 717 N. Harwood Street Dallas TX 75201	Diamond Shamrock Corp	1,000.00	
Patricia L. Harmening, 316 Pennsylvania Ave., SE, #301 Washington DC 20003	San Diego Gas & Electric	575.00	2,699.95
Wiley C. Harrell Jr., 1211 Connecticut Ave., NW, #502 Washington DC 20036	Anheuser-Busch Companies, Inc		200.00
Toni Harrington, 955 L'enfant Plaza North, SW, #905 Washington DC 20024	American Honda Motor Co, Inc	200.00	299.28
Crane B. Harris, 1735 New York Avenue, NW Washington DC 20006	American Institute of Architects	1,000.00	82.50
Marilyn A. Harris, 818 Connecticut Avenue, NW Washington DC 20006	U.S. Steel Corporation	900.00	
Milton E. Harris, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington DC 20037	Harris Steel Group, Inc		
Richard M. Harris, 525 School St., SW Washington DC 20024	American Road & Transportation Builders Assn	16,920.00	274.76
Sandra Zeune Harris, 1120 20th Street, NW, #700 Washington DC 20036	Williams Companies	100.00	
Harris & Berg, 1101 30th St., NW, #103 Washington DC 20007	Association of Food Industries, Inc		
Do	Cheese Importers Assn of America, Inc	1,350.00	
Do	Committee of Domestic Steel Wire Rope & Specialty Cable Mfrs		
Do	P. L. Thomas & Co, Inc, et al		
Jim Harrison, 1225 Connecticut Ave., NW, 306 Washington DC 20036	Association of Urban Universities	5,625.00	
Anne Harrison-Clark, 1725 K Street, NW, #814 Wsahington DC 20006	March of Dimes Birth Defects Foundation	4,125.00	41.00
William H. Harsha, 1102 Delf Drive Mclean VA 22101	William H. Harsha & Associates, Inc (For: Norfolk Southern Corp)	7,500.00	
Jayne A. Hart, 1101 Vermont Avenue, NW Washington DC 20005	American Medical Assn	3,750.00	
Lynn S. Hart, 1111 19th St., NW, #402 Washington DC 20036	Federation of American Health Systems	3,000.00	
Susan P. Hart, 1600 M Street, NW Washington DC 20036	Investment Company Institute	50.54	59.65
Hartford Fire Insurance Co, Hartford Plaza Hartford CT 06115			35,800.00
Gabriel A. Hartl, 2020 N. 14th Street, #410 Arlington VA 22201	Air Traffic Control Assn, Inc		
Arthur W. Hartmann, 1800 Massachusetts Avenue, NW Washington DC 20036	National Rural Electric Cooperative Assn		
Edwin Harold Harvey, 2020 K Street, NW, #200 Washington DC 20006	National Fed of Federal Employees	12.97	
Jay Harvey, 815 16th Street, NW, #408 Washington DC 20006	Food & Allied Service Trades Dept, AFL-CIO		
Holly Hassett, 1730 Rhode Island Avenue, NW, #206 Washington DC 20036	Hershey Foods Corp		
Walter A. Hasty Jr., 801 18th Street, NW, #400 Washington DC 20006	Procter & Gamble Manufacturing Co	332.28	
Gary R. Hattal, 8701 Georgia Avenue, #701 Silver Spring MD 20910	International Fed of Professional & Technical Engineers		
Howard M. Haug, 100 East 42nd St. New York NY 10017	National Foreign Trade Council, Inc	16,000.00	1,951.44
James N. Haug, 55 E. Erie Street Chicago IL 60611	American College of Surgeons		
Barbara S. Haugen, 1401 New York Ave., NW, #720 Washington DC 20005	National Assn of Insurance Brokers, Inc	2,700.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Marilyn Beth Haugen, 1250 Connecticut Avenue, NW Washington DC 20036	American Paper Institute, Inc		
Barbara J. Haugh, 1050 Connecticut Avenue, NW, #760 Washington DC 20036	Union Oil Co of California		1,479.79
Mary W. Haugh:, 1800 K St., NW, #820 Washington DC 20006	Sun Co, Inc	725.00	
Charles W. Havens III, 1333 New Hampshire Avenue, NW Washington DC 20036	Leboeuf Lamb Leiby & Macrae		
Kathryn Joann Hawes, 818 Roeder Rd., #702 Silver Spring MD 20910	International Fed of Professional & Technical Engineers		
Sidney G. Hawkes, 1667 K St., NW, #420 Washington DC 20006	Mead Corporation	1,250.00	
John H. Hawkins Jr., 600 N. 18th St. Birmingham AL 35291	Alabama Power Co	16,173.00	
Wesley F. Hayden, 5224 Cherokee Ave. Alexandria VA 22312	International Assn of Fish & Wildlife Agencies	11,594.33	187.43
David J. Hayes, 815 Connecticut Ave., NW Washington DC 20006	American Electronics Assn		88.13
Do	Hogan & Hartson (For: Semiconductor Industry Association)		33.36
Robert G. Hayes, Bogle and Gates One Thomas Circle, NW, #900 Washington DC 20005	Kalama Chemical, Inc	1,000.00	
Robert A. Haynos, 4711 Hunt Circle Harrisburg PA 17112	Harsco Corporation	16,248.00	877.01
Holly Elisabeth Hazard, 400 First Street, NW, #800 Washington DC 20001	Committee for Humane Legislation, Inc		
Do	Friends of Animals, Inc	6,000.00	190.46
Health Insurance Assn of America, Inc, 1025 Connecticut Ave., NW Washington DC 20036			
Robert L. Healy, 1333 New Hampshire Ave., NW Washington DC 20036	Atlantic Richfield Co	300.00	
Keith Heard, 1030 15th St., NW, #700 Washington DC 20005	National Cotton Council of America	5,375.00	
Charles L. Hebner, New Murphy Road & Concord Pike Wilmington DE 19897	ICI Americas, Inc		
Herbert A. Hedden, 1350 New York Ave., NW, #900 Washington DC 20005	International Franchise Assn		
Jay Hedlund, 2030 M St., NW Washington DC 20036	Common Cause	10,546.26	562.44
Edward D. Heffernan, 1513 16th St., NW, 4th Fl. Washington DC 20036	Camp Carmouche Barsh Hunter Gray Hoffman & Gill, P.C	1,000.00	
Do	CSX Corporation	1,875.00	
Do	Ductile Iron Pipe Research Assn		
Do	Harza Engineering Co	300.00	
John Heffner, 1957 E Street, NW Washington DC 20006	Associated General Contractors of America		
Robert E. Heggestad, 1827 Phelps Place, NW Washington DC 20008	Casey Scott & Canfield, P.C. (for Unification Church)	330.00	
Robert M. Heine, 1701 Pennsylvania Avenue, NW Washington DC 20006	Conoco, Inc	1,000.00	
Helicopter Assn International, 1619 Duke Street Alexandria VA 22314			27,825.00
Richard L. Hellwege, 1911 Jefferson Davis Highway, #1002 Arlington VA 22202	Lear Siegler, Inc		
Thomas M. Helscher, 1101 17th Street, NW, #604 Washington DC 20036	Monsanto Co	450.00	191.16
Carol C. Henderson, 110 Maryland Ave., NE, #101, Box 54 Washington DC 20002	American Library Assn	977.00	
Kathleen M. Henderson, 1025 Connecticut Ave., NW, #500 Washington DC 20005	Miles Laboratories, Inc		
Carol Diane Hendricks, 2601 Park Center Drive, #c804 Alexandria VA 22302	American Maritime Officers Service		
Dennis A. Henigan, 1775 Pennsylvania Ave., NW Washington DC 20006	Foley & Lardner (For: City of Kenosha, Wisconsin)		
C. Dayle Henington, 2000 Pennsylvania Ave., NW, #6200 Washington DC 20036	Chicago Mercantile Exchange		
Edmund P. Hennelly, 150 E. 42nd St. New York NY 10017	Mobil Oil Corp		
Hennessy Associates, 152 Washington Avenue Albany NY 12210		7,250.00	2,907.00
George F. Hennrikus Jr., 201 N. Washington St. Alexandria VA 22314	Retired Officers Assn	6,031.00	
LeAnn Hensche, 2550 M St., NW, #770 Washington DC 20037	RJR Industries, Inc	205.00	128.08
David A. Henson, 100 N.e. Adams Street Peoria IL 61529	Caterpillar Tractor Co	450.00	1,032.28
Bruce Heppen, 2020 K St., NW, # 200 Washington DC 20006	National Fed of Federal Employees		
George B. Herbert Sr., 6601 Southpoint Drive, #245 Jacksonville FL 32216	J M Family Enterprises, Inc	52.50	29.12
Stephen Herm, 2020 K St., NW, #200 Washington DC 20006	National Fed of Federal Employees		
William Hermelin, 1200 15th Street, NW Washington DC 20005	American Health Care Assn	4,768.81	452.60
Catherine L. Heron, 1600 M St., NW Washington DC 20036	Investment Company Institute		
Heron Burchette Ruckert & Rothwell, 1025 Thomas Jefferson St., NW, #700 Washington DC 20007	Aerojet General Corp	1,875.00	452.60
Do	American Grape Growers Alliance for Fair Trade	48,178.62	844.07
Do	Association of Floral Importers of Florida	24,334.15	765.27
Do	Automobile Import Compliance Assn		
Do	Bay Area Rapid Transit District		
Do	California Almond Growers Exchange	11,250.00	2,354.81
Do	California Assn of Rehabilitation Professionals	1,250.00	120.09
Do	California Student Loan Finance Corp		
Do	Cellular Telecommunications Industry Assn	2,268.34	310.95
Do	Central Utah Water Conservancy District		
Do	Chicago Mercantile Exchange	12,713.36	5,131.18
Do	Farm Labor Alliance	7,500.00	5,017.37
Do	G.C. Services Corp	3,521.75	1,827.88
Do	Granite Rock Co		
Do	Grocery Manufacturers of America, Inc	963.29	690.69
Do	GSF Energy, Inc	2,155.93	2,917.00
Do	Independent Cement Corp		
Do	Massport/Commonwealth of Massachusetts	3,347.04	1,810.63
Do	Mid-Valley Water Authority		
Do	National Assn of Insurance Commissioners	8,483.62	603.08
Do	National Assn of Manufacturers		
Do	National Medical Care	3,638.91	1,241.73
Do	National Potato Council	2,134.45	2,463.03
Do	NTEC - Northeast Texas Electric Cooperative, Inc	29,225.78	1,627.96
Do	Piedmont Aviation, Inc	3,017.20	3,354.13
Do	Rice Growers Assn of California	1,792.62	521.97
Do	Royal Silk, Ltd		
Do	Safecard Services, Inc		
Do	Sun-Diamond Growers of California	28,090.28	6,620.29
Do	Sunkist Growers, Inc	40,923.79	8,411.31
Do	Tex-La	45,972.30	1,128.66
Do	Time Energy Systems, Inc		
Do	Tri/Valley Growers	3,303.52	1,057.42
Do	U.S. Telephone Association		
Do	University of Nevada/Las Vegas	900.00	301.49
Do	University of Nevada/Reno		
Do	Westlands Water District	1,774.65	56.21
Herrick & Smith, 100 Federal Street Boston MA 02110	Smith College		
Esther Herst, 236 Massachusetts Avenue, NE, #406 Washington DC 20002	National Comm Against Repressive Legislation	5,700.00	
Fred Hervey, P.O. Box 52084 Phoenix AZ 85072	Circle K Corporation		
Dale E. Heydlauff, 1050 Thomas Jefferson St., NW, 6th Fl. Washington DC 20007	Allis Chalmers Energy & Minerals Systems Co		
Do	Clean Coal Technology Coalition		
Do	Consumers United for Rail Equity (C.U.R.E.)	2,600.00	
Do	Illinois Commerce Commission		
Do	Illinois Dept of Energy & Natural Resources		
Do	Illinois Environmental Protection Agency		
G. Brockwel Heylin, 1957 E Street, NW Washington DC 20006	Associated General Contractors of America		
Robert G. Hibbert, P.O. Box 3556 Washington DC 20007	American Meat Institute	1,000.00	
Paul T. Hicks, Rhode Island Petroleum Assn 154 Francis St. Providence RI 02903	American Petroleum Institute	225.00	
Edward Hidalgo, 1828 L St., NW, #1111 Washington DC 20036	Norfolk Southern Corp	19,000.00	63.00
J. Thomas Higginbotham, One Mellon Bank Center, #2002 Pittsburgh PA 15258	Mellon Bank N.A. and Mellon National Corp	2,000.00	1,572.76
Carol A. Higgins, 1600 M Street, NW Washington DC 20036	Investment Company Institute	112.08	53.60
Vern F. Highley, 1735 I Street, NW, #716 Washington DC 20006	Highley Dolphin & Brock (For: Dolphin Group and Donald E. Brock)	6,000.00	267.10
Sharon L. Hildebrandt, 444 N. Capitol Street, NW Washington DC 20001	American Hospital Assn		
William F. Hildenbrand, Gold & Liebengood, Inc 1050 Connecticut Avenue, NW, #980 Washington DC 20036	Chemical Manufacturers Assn, Inc	9,896.00	1,484.00
Clifton T. Hilderley Jr., 1025 Connecticut Ave., NW, #507 Washington DC 20036	Ashland Oil, Inc	2,000.00	
Gerald 'Jerry' Hill, 6 Executive Park Drive Atlanta GA 30329	Amoco Corporation		
J. Eldred Hill Jr., 600 Maryland Ave., SW, #603 Washington DC 20024	UBA, Inc	2,000.00	
Patricia Hill, 1619 Massachusetts Avenue, NW Washington DC 20036	American Paper Institute, Inc	1,312.50	36.80
Robert B. Hill, 2501 M Street, NW, Washington DC 20037	Chemical Manufacturers Assn, Inc	400.00	156.45
Edward Joseph Hillings, 1015 15th St., NW, #900 Washington DC 20005	Houston Natural Gas Corp		
Do	HNG/Internorth	7,500.00	
John L. Hills, Rt. 1, Box 645 Purcellville VA 22132	Sundstrand Corporation	2,193.65	
Heidi A. Hiltgen, 1957 E Street, NW Washington DC 20006	Associated General Contractors of America	1,000.00	500.00
Stanley E. Hilton, Laroe Winn & Moerman 1120 G Street, NW, #800 Washington DC 20005	Coordinating Comm for Rail Competition		
John M. Himmelberg, Scott Harrison & Mcleod 2501 M Street, NW, #400 Washington DC 20037	Florida Fruit & Vegetable Assn	3,000.00	
Do	Florida Tomato Exchange	1,500.00	
Rick Hind, 215 Pennsylvania Avenue, SE Washington DC 20003	U.S. Public Interest Research Group	4,153.80	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Stephen Hitchner, 2030 M Street, NW Washington DC 20036	Common Cause	14,094.76	16.00
Lawrence S. Hobart, 2301 M St., NW Washington DC 20037	American Public Power Assn	1,000.00	
Claude E. Hobbs, 1801 K St., NW Washington DC 20006	Westinghouse Electric Corp	2,000.00	55.00
Scott Hodes, 180 North La Salle St., #3800 Chicago IL 60601	Zalman C. Bernstein		
Do	Investment Company Institute	1,500.00	
Irvin A. Hoff, 20 N. Live Oak Rd. Hilton Head Island SC 29928	U.S. Cane Sugar Refiners' Assn	1,250.00	432.50
Adonis E. Hoffman, 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Government of Haiti)		
Do	Gray & Co Public Communications Int'l, Inc (For: Republic of Korea)		
Do	Gray & Co Public Communications Int'l, Inc (For: Republic of Turkey)		
Elmo R. Hoffman, Parker, Johnson, Owen & Mcguire 108 East Hillcrest Street P.O. Box 2867 Orlando FL 32801	Global Exploration & Development Corp		
Thomas F. Hoffman, 1701 Pennsylvania Avenue, NW, #900 Washington DC 20006	Consolidation Coal Co	155.00	90.00
William L. Hoffman, 516 First St., SE Washington DC 20003	American University of Beirut	11,856.00	1,187.30
F. Nordy Hoffmann and Assoc, Inc, 400 N. Capitol St., NW, #327 Washington DC 20001	Archer Daniels Midland Company		
Do	Conrail Acquisition Corp, Inc	4,000.00	
Do	International Telephone & Telegraph Corporation		
Do	Marine Engineers' Beneficial Assn	1,000.00	
Do	Wilmorite, Inc		
Hogan & Hartson, 815 Connecticut Ave., NW Washington DC 20006	Cleveland Clinic Foundation		
Do	Council of European & Japanese National Shipowners' Assn		214.48
Do	Economics Laboratory, Inc	2,231.25	25.00
Do	Home Health Services & Staffing Assn		
Do	International Comm of Passenger Lines (ICPL)		458.19
Do	Manufacturers Hanover Trust Co		196.66
Do	May Department Stores Co	436.25	
Do	Medtronic, Inc		
Do	Meharry Medical College	337.50	13.76
Do	Mercedes-Benz of North America, Inc	2,298.75	
Do	Methodist Hospital		
Do	National Hospice Organization	4,986.01	15.45
Do	National Soft Drink Assn		
Do	Toyota Motor Sales, USA, Inc	3,507.50	28.00
Richard F. Hohlt, 1709 New York Ave., NW, #801 Washington DC 20006	U.S. League of Savings Institutions	6,413.00	18.75
Walter Holan, 20 North Wacker Drive Chicago IL 60606	Profit Sharing Council of America		
Bruce E. Holbein, 111 Powdermill Rd. (b79) Maynard MA 01754	Digital Equipment Corp	16,000.00	
Michele O'Donnell Holbrook, 10 Lafayette Squrae, Rm. 900 Buffalo NY 14203	National Fuel Gas Distribution Corp, et al	900.00	1,427.26
Niels C. Holch, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Hoopa Valley Indians)	225.00	
Do	Gray & Co Public Communications Int'l, Inc (For: Kingdom of Morocco)		
Do	Gray & Co Public Communications Int'l, Inc (For: Lane Industries)	600.00	
Do	Gray & Co Public Communications Int'l, Inc (For: Republic of Turkey)		
Do	Gray & Co Public Communications Int'l, Inc (For: Shaklee Corporation)		
Do	Gray & Co Public Communications Int'l, Inc (For: Title Insurance Industry Coalition)	2,700.00	
Do	Gray & Co Public Communications Int'l, Inc (For: Tobacco Institute)		
Do	Gray & Co Public Communications Int'l, Inc (For: U.S. Banknote)		
Holden Group, Inc, 11365 West Olympic Boulevard Los Angeles CA 90064			26,385.65
Holden Kidwell Hahn & Crapo, P.O. Box 129 Idaho Falls ID 83402	Blaine Larsen, R. Lavon Walker, Martin Bros Produce, et al		
Philip C. Holladay, 1025 Connecticut Avenue, NW, #200 Washington DC 20036	Shell Oil Co	500.00	
Brigid A. Holleran, 2550 M Street, NW, #640 Washington DC 20037	CF Industries, Inc	500.00	187.00
Thomas L. Holloway, 1920 N Street, NW, #720 Washington DC 20036	Union Electric Co, Kansas City Power & Light Co, et al	2,345.00	4,579.45
Wendell M. Holloway, 815 Connecticut Ave., NW, #900 Washington DC 20006	Ford Motor Co	1,245.00	1,603.12
Diane S. Holmes, 410 First Street, SE Washington DC 20003	American Nuclear Energy Council	337.50	26.83
Moses D. Holmes Jr., 1201 16th St., NW Washington DC 20036	National Education Assn	2,808.00	61.00
E. Y. Holt Jr., 1111 North 19th St., #700 Arlington VA 22209	National Assn of Federal Credit Unions		
Fred H. Holt, 119 Oronoco Street Box 1417-D50 Alexandria VA 22313	Animal Health Institute	20.00	
John F. Holtz, Nj Petroleum Council 150 West State Street Trenton NJ 08608	American Petroleum Institute		
Home Recording Rights Coalition, P.O. Box 33576 Washington DC 20033			408.51
Pete Homer Jr., 2653 A.S. Walter Reed Drive Arlington VA 22206			
Karen C. Hontz, 1875 Eye St., NW, #940 Washington DC 20005	Gulf & Western Management Company	2,000.00	85.00
Edwin M. Hood, 1725 K Street, NW, #1102 Washington DC 20006	National Steel & Shipbuilding Co	2,498.00	63.50
Hoog & Associates, 1877 Broadway, #405 Boulder CO 80302	National Assn of Broadcasters		
Candice Shy Hooper, 1025 Connecticut Ave., NW, #1014 Washington DC 20036	Enserch Corporation	5,570.00	2,243.80
Lillie E. Hoover, P.O. Box 1085 Martinsburg WV 25401	National Peach Council		
Marian Hopkins, 1615 H Street, NW Washington DC 20062	Chamber of Commerce of the U.S	12,125.00	1,094.57
Virginia E. Hopkins, 1620 Eye St., NW, #800 Washington DC 20006	Taft Stettinius & Hollister (For: Kings Entertainment Co)		
Do	Taft Stettinius & Hollister (For: Taft Broadcasting Company)		
Do	Taft Stettinius & Hollister (For: Telephone & Data Systems, Inc)		
Do	Taft Stettinius & Hollister (For: Wald Manufacturing Co, Inc)		
Sheri L. Hoptman, 1000 Connecticut Ave., NW Washington DC 20036	Japan Economic Institute of America	500.00	
Robert Jack Horn, 1990 M St., NW, #480 Washington DC 20036	Detroit Edison Company	750.00	35.00
Steven Hornburg, 1050 17th Street, NW, #770 Washington DC 20036	American Assn of Homes for the Aging	187.00	126.16
Hospital Corp of America, 2000 L Street, NW, #200 Washington DC 20035			
William J. Hotes, 919 18th St., NW, #400 Washington DC 20006	Diamond Shamrock Corp	1,000.00	206.69
Margaret A. Houlihan, 1620 I St., NW, #703 Washington DC 20006	Bechtel Power Corporation		
Thomas B. House, 1700 Old Meadow Rd. Mclean VA 22102	American Frozen Food Institute	1,000.00	
Housley Goldberg & Kantarian, P.C., 2301 M St., NW, #500 Washington DC 20037			
Jack W. Houston, 900 N. Hairston Road, Suite D Stone Mountain GA 30083	GA Assn of Petroleum Retailers, Inc		
Hoving Group, 910 17th St., NW, #318 Washington DC 20006	Eagle-Picher Industries, Inc	500.00	
Do	John H. Shepherd & Associates (for Republic of Liberia)	22,500.00	4,900.00
Do	Western Southern	500.00	
Charles O. Howard, 2501 Girard Avenue South Minneapolis MN 55105	Great Northern Iron Ore Properties	6,622.00	688.49
John Howard, 1615 H Street, NW Washington DC 20062	Chamber of Commerce of the U.S		
Robert M. Howard, 815 Connecticut Avenue, NW Washington DC 20006	Ford Motor Co	835.20	912.37
Senga Howat, 1155 15th Street, NW, #710 Washington DC 20005	National Small Business Assn	1,231.00	
Allynn Howe, 80 F Street, NW Washington DC 20001	American Fed of Government Employees	3,131.93	
Gary Howell, 1745 Jefferson Davis Highway, #1006 Arlington VA 22202	Texas Instruments, Inc	400.00	
J. William Howell, 1801 K St., NW Washington DC 20006	International Business Machines Corp		
John B. Howerton, 1730 Rhode Island Ave., NW, #209 Washington DC 20036	ASARCO, Inc	2,000.00	
John A. Howes, 1050 17th St., NW, #490 Washington DC 20036	Consumers Power Co	6,000.00	1,266.00
Clifford T. Howlett Jr., 1875 Eye St., NW, #400 Washington DC 20006	Georgia-Pacific Corp	1,200.30	
Karl T. Hoyle, 1730 Rhode Island Ave., NW, #810 Washington DC 20036	Credit Union National Assn, Inc	300.00	142.79
Paul R. Huard, 1776 F Street, NW Washington DC 20006	National Assn of Manufacturers	4,672.50	
Henry W. Hubbard, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Republic of Turkey)		
Margaret Renken Hudson, 600 Maryland Avenue, SW, #695 Washington DC 20024	National Fed of Independent Business	2,250.00	200.00
Steven D. Huff, 111 East Wisconsin Avenue, #1800 Milwaukee WI 53202	National Employee Benefits Institute		
David Emery Hughes, 2211 Congress St. Portland ME 04122	Union Mutual Life Insurance Co		
Gary E. Hughes, 1850 K St., NW Washington DC 20006	American Council of Life Insurance, Inc		
Vester T. Hughes Jr., Hughes & Hill 1000 Mercantile Dallas Building Dallas TX 75201	Mrs. H. E. Butt	500.00	1,315.00
Do	National Realty Committee	1,000.00	2,380.00
Do	Sammons Enterprises, Inc	500.00	1,635.00
William Hughes, 1522 K St., NW, #836 Washington DC 20005	National Assn of Federal Veterinarians	19.86	
Hughes Hubbard & Reed, 1201 Pennsylvania Ave., NW, #300 Washington DC 20004	American Institute of Certified Public Accountants	875.00	
Do	Anglo American Auto Auctions, Inc		
Do	Continental Airlines, Inc		
Do	Grocery Manufacturers of America, Inc	410.00	
Do	Texas Air Corp		
Do	Viacom International, Inc		
Do	47th Street Photo		
Edward L. Huie, Wheaton Plaza North, #415 Wheaton MD 20902	National Assn of Air Traffic Specialists	6,636.48	817.72
Cordell W. Hull, 50 Beale St., P.O. Box 3965 San Francisco CA 94119	Bechtel Power Corporation		
Randall K. Hulme, 618 A Street, SE, #25 Washington DC 20003	Peter Fenn & Associates, Inc		
D. Eric Hultman, Van Ness Feldman Sutcliffe & Curtis 1050 Thomas Jefferson St., NW 7th Fl. Washington DC 20007	Recording Industry Assn of America, Inc	875.00	
Margot Smiley Humphrey, 1150 Connecticut Avenue, NW Washington DC 20036	Koteen & Naftalin (For: Alascom, Inc)		
Do	Koteen & Naftalin (For: Telephone & Data Systems, Inc)		
Francis M. Hunt, 1800 M Street, NW, #700s Washington DC 20036	Dow Chemical Co	550.00	294.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Peter C. Hunt, 195 Montague St. Brooklyn NY 11201	Brooklyn Union Gas Co		
Harriet Hunt-Burgess, 82 2nd St. San Francisco CA 94105	Trust for Public Land	4,320.00	2,673.00
James C. Hunter, 1747 Pennsylvania Avenue, NW, #300 Washington DC 20006	Cities Service Oil & Gas Corp	370.00	103.03
Michael M. Hunter, 1600 M St., NW Washington DC 20036	International Telephone & Telegraph Corporation	1,700.00	61.00
Milton F. Huntington, Maine Petroleum Assn 283 Water St. Augusta ME 04330	American Petroleum Institute	375.00	1,273.00
Hunton & Williams, 2000 Pennsylvania Ave., NW Washington DC 20006	American Insurance Assn	3,285.00	219.35
Do	Bernstein Carter & Deyo	24,625.00	375.00
Do	Edison Electric Institute	7,413.75	522.23
Do	Historic Ricefields Assn		
Do	Long Island Lighting Co		
Adele M. Hurley, 112 St. Clair Ave., West, #504 Toronto, Ontario Canada M4V 2Y3	Canadian Coalition on Acid Rain	2,978.40	263.51
Ronald A. Hurst, 5410 Grosvenor Lane, #210 Bethesda MD 20814	American Medical Care & Review Assn		
Hurt Richardson Garner Todd & Cadenhead, 1100 Peachtree Center Harris Tower 233 Peachtree Street, NE Atlanta GA 30043	National Assn of Pension Consultants & Administrators, Inc	730.00	263.51
Benjamin Melvin Hurwitz, 1925 K St., NW, #200 Washington DC 20006	Mitchell Energy & Development Corp		45.00
Geoffrey B. Hurwitz, 1667 K St., NW, #1210 Washington DC 20006	Rohm & Haas Co	500.00	
Dewey M. Hutchins, 1919 Pennsylvania Ave., NW, #705 Washington DC 20006	Eastman Kodak Co	500.00	222.00
Philip A. Hutchinson, 490 L'enfant Plaza, #3210 Washington DC 20024	Volkswagen of America, Inc	250.00	
Robert E. Hutchinson, P.O. Box 52084 Phoenix AZ 85072	Circle K Corporation		
James L. Hutchison, 260 Madison Avenue New York NY 10016	American Paper Institute, Inc		
Jean Hutter, 1730 M Street, NW Washington DC 20036	League of Women Voters of the U.S	4,081.26	136.11
Helena C. Hutton, 1101 15th Street, NW Washington DC 20005	Minnesota Mining & Manufacturing Co	2,500.00	
Randy Huwa, 2030 M St., NW Washington DC 20036	Common Cause	8,415.95	
B. F. Hyde, Tennessee Petroleum Council 211 7th Avenue, North, 4th Fl. Nashville TN 37219	American Petroleum Institute	1,250.00	703.78
Floyd H. Hyde Associates, 815 15th St., NW Washington DC 20005	Alameda, California	600.00	1,363.61
Do	Clark County, Nevada	1,700.00	1,667.49
Do	Fresno City, California	700.00	1,578.59
Do	Fresno County, California	800.00	1,577.63
Do	Gary, Indiana	1,249.49	1,932.01
Do	Patterson, New Jersey	750.00	1,252.12
Do	San Bernardino, California	1,249.99	1,692.57
Do	San Leandro, California	603.99	1,135.20
Gary Hymel, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Agriculture for Market Oriented Policies)		
Do	Gray & Co Public Communications Int'l, Inc (For: Budd Company)		
Do	Gray & Co Public Communications Int'l, Inc (For: Canadian Asbestos Information Centre)		
Do	Gray & Co Public Communications Int'l, Inc (For: Government of Angola/SONANGAL)		
Do	Gray & Co Public Communications Int'l, Inc (For: Hitachi America Ltd)		
Do	Gray & Co Public Communications Int'l, Inc (For: HTB Corporation)		
Do	Gray & Co Public Communications Int'l, Inc (For: Joint Maritime Congress)	75.00	
Do	Gray & Co Public Communications Int'l, Inc (For: Kingdom of Morocco)	250.00	
Do	Gray & Co Public Communications Int'l, Inc (For: Lane Industries)		
Do	Gray & Co Public Communications Int'l, Inc (For: Mutual of Omaha)	300.00	
Do	Gray & Co Public Communications Int'l, Inc (For: Rauschenberg Overseas Cultural Interchange)		
Do	Gray & Co Public Communications Int'l, Inc (For: Republic of Korea)		
Do	Gray & Co Public Communications Int'l, Inc (For: Republic of Turkey)	155.00	
Do	Gray & Co Public Communications Int'l, Inc (For: Shaklee Corporation)		
Do	Gray & Co Public Communications Int'l, Inc (For: Shirco Infrared Systems, Inc)		
Do	Gray & Co Public Communications Int'l, Inc (For: Stroh Brewery Co)	25.00	
Do	Gray & Co Public Communications Int'l, Inc (For: Title Insurance Industry Coalition)	75.00	
Do	Gray & Co Public Communications Int'l, Inc (For: Tobacco Institute)		
Do	Gray & Co Public Communications Int'l, Inc (For: U.S. Banknote)		
Do	Gray & Co Public Communications Int'l, Inc (For: United Airlines, Inc)		
Robert D. Hynes Jr., 1825 K St., NW, #807 Washington DC 20006	National Broadcasting Co, Inc	500.00	
Richard H. Ichord, 499 S. Capitol St., SW, #520 Washington DC 20003	AAI Corporation	548.75	328.79
Do	Emerson Electric Co	630.00	1,122.39
Do	Washington Industrial Team, Inc	600.00	
Ronald K. Ikejiri, 1000 Potomac Street, NW, #401 Washington DC 20007	Francis McGinnis & Rees		
Annelise Ilschenko, 120 Cameron Street, #203 Alexandria VA 22314			
Tom Imeson, 920 S.w. Sixth Avenue 1400 Psb Portland OR 97204	Pacific Power & Light Co	1,500.00	
Catherine L. Imus, 1000 16th Street, NW, #800 Washington DC 20036	Bethlehem Steel Corp		
Independent Consultants, Inc, 400 North Capitol St., NW, #320 Washington DC 20001	Cadillac Fairview/California, Inc	5,000.00	
Independent Data Communications Manufacturers Assn, c/o Squire Sanders & Dempsey 1201 Pennsylvania Ave., NW Washington DC 20004.			5,326.06
Independent Lubricant Manufacturers Assn, 1055 Thomas Jefferson Street, NW Washington DC 20007		750.00	750.00
Independent Producers Group, 240 Page Court 220 W. Douglas Wichita KS 67202			
Indiana Hi-Rail Corporation, Rr 1, Box 242 Connersville IN 47331			40.00
Indiana Railroad Assn, 143 W. Market Street, #201 Indianapolis IN 46204		3,000.00	1,167.84
Industrial Biotechnology Assn, 2115 E. Jefferson St. Rockville MD 20852		210.00	
Industrial Union Department, AFL-CIO, 815 16th St., NW Washington DC 20006		22,793.82	22,793.82
Charles E. Ing, 919 18th Street, NW, #600 Washington DC 20006	National Automobile Dealers Assn	3,000.00	
Do	Toyota Motor Sales, USA, Inc	220.00	144.00
Andrea L. Innes, 1130 17th Street, NW Washington DC 20036	National Coal Assn	5,562.00	241.50
Institute of Foreign Bankers, Suite 303 East, Rm. 23 200 Park Ave. New York NY 10017		2,394.00	2,394.00
Institute of Makers of Explosives, 1575 Eye Street, NW, #550 Washington DC 20005			
Insurance Economics Society of America, 1700 Pennsylvania Ave., NW, #590 Washington, DC 20006			
Int'l Union, United Auto Aerospace & Agric Implement Workers, Workers of America (uaw) 8000 E. Jefferson Detroit MI 48214.		124,994.40	124,994.40
Integrated Resources, Inc, 666 Third Avenue, 4th Fl. New York NY 10017			15,750.00
International Brotherhood of Painters & Allied Trades, 1750 New York Ave., NW Washington DC 20006			
International Brotherhood of Teamsters, 25 Louisiana Ave., NW Washington DC 20001			87,559.13
International Business & Economic Research Corp, 2121 K St., NW, #700 Washington DC 20008	American Assn of Exporters & Importers/Textile & Apparel Grp		
Do	Trade Industry & Customs Dept, Gov't of Hong Kong		
International Communications Industries Assn, 3150 Spring St. Fairfax VA 22031		288,674.00	4,425.00
International Gold Corporation Limited, 900 Third Avenue New York NY 10022			5,000.00
International Longshoremen's Assn, AFL-CIO, 17 Battery Place, #1500 New York NY 10004			52,632.48
International Taxicab Assn, 3849 Farragut Avenue Kensington MD 20895			1,000.00
International Union of Bricklayers & Allied Craftsmen, 815 15th St., NW Washington DC 20005			14,690.64
Investment Company Institute, 1600 M St., NW Washington DC 20036			7,242.68
Investment Counsel Assn of America, Inc. 50 Broad St. New York NY 10004			262.50
Peter Iovino, Karalekas McCahill Wilson & Iovino 1250 Connecticut Ave., NW, #318 Washington DC 20036	American Ref-Fuel		
Charles C. Irions, 2200 Mill Rd. Alexandria VA 22314	American Movers Conference	1,670.00	
Thomas L. Irmen, P.O. Box 119 Maumee OH 43537	Andersons		
Iron Ore Lessors Assn, Inc, 1500 First Natl Bank Bldg. Saint Paul MN 55101		20,895.84	15,489.34
Itel Container Corp, 55 Francisco Street, 6th Fl San Francisco CA 94133			275.17
Ivins Phillips & Barker, Chtd, 1700 Pennsylvania Avenue, NW Washington DC 20006	American Textile Manufacturers Institute, Inc		
Do	Blount, Inc	3,112.50	38.50
Do	Committee for Reasonable Inventory Accounting Rules	3,771.25	
Do	Employee Relocation Council		
Do	Sir James Goldsmith		
Do	Oberlin College	1,400.00	
Do	Pechiney Corporation	87.50	
Do	Rochester Tax Council	1,552.50	
Charles L. Jackson, 1990 M St., NW, #450 Washington DC 20036	Shooshan & Jackson, Inc (For: Rogers U.S. Cablesystems, Inc)		
Charles R. Jackson, 219 North Washington Street Alexandria VA 22314	Non Commissioned Officers Assn of the USA	6,250.00	8,363.41
Glenn Jackson, 1660 L Street, NW, #601 Washington DC 20036	Interstate Natural Gas Assn of America	300.00	
William P. Jackson Jr., Jackson & Jessup, P.C. 3426 N. Washington Boulevard Arlington VA 22201	City of Tuscaloosa	3,500.00	3,937.50
Do	Osborne Truck Line, Inc, et al	11,207.12	8,688.84
Stephen Jacobs, 1771 N Street, NW Washington DC 20036	National Assn of Broadcasters	1,500.00	1,550.70
Roy T. Jacobsen, 1667 K St., NW, #525 Washington DC 20006	Baumann, Inc		
Do	Beztak Company		
Do	Detroit & Mackinac Railway Company		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	EDSI		
Do	Global Communications		
Do	Grand Traverse Development, Inc		
Do	Primark Corporation		
Do	Safekeeper Systems, Inc		
Do	Saflok/Computerized Security Systems, Inc		
Do	U.S. Manufacturing Company		
Do	Urban Revitalization, Inc		
Do	Wedtech Corp		
E. A. Jaenke & Associates, Inc, 777 14th St., NW, #666 Washington DC 20005	Agricultural Export Initiatives		
Do	Farm Credit Council		
Do	Farmland Industries, Inc	500.00	
Do	University of Kansas	250.00	
Daniel L. Jaffe, 1725 K Street, NW, #601 Washington DC 20006	American Advertising Federation		
Do	Association of National Advertisers		556.00
Jaffe Snider Raitt & Heuer, P.C., 1800 First National Building Detroit MI 48226			
Edward L. Jaffee, 1730 Rhode Island Avenue, NW, #713 Washington DC 20036	PPG Industries, Inc		
Raymond C. Janus, c/o Christopher L. Meyer P.O. Box 88 E Unit Ashland KY 41101	New Generation Lobby		
Japan Economic Institute of America, 1000 Connecticut Ave., NW Washington DC 20036		1,388.92	1,388.92
Japanese American Citizens League, 1765 Sutter Street San Francisco CA 94118			
Joseph J. Jaquay, 5025 Wisconsin Ave., NW Washington DC 20016	Amalgamated Transit Union, AFL-CIO		
Evelyn Jarvis-Ferris, 444 Market Street San Francisco CA 94111	Shaklee Corporation		
Jerry J. Jasinowski, 1776 F Street, N.W, Washington DC 20006	National Assn of Manufacturers	2,000.00	
Jacob K. Javits, 1211 Avenue of The Americas New York NY 10036	Parker Chapin Flattau & Klimpl (For: Association for a Better New York)		1,905.00
Philip F. Jehle, 1150 Connecticut Ave., NW, #310 Washington DC 20036	SmithKline Beckman Corp	1,000.00	
Joseph S. Jenckes, Suite 300 1710 Rhode Island Ave., NW Washington DC 20036	Abbott Laboratories	5,000.00	
Linda Jenckes, 1025 Connecticut Avenue, NW Washington DC 20036	Health Insurance Assn of America, Inc		
David M. Jenkins II, 1025 Vermont Avenue, NW, #500 Washington DC 20005	Miles Laboratories, Inc		
Jenner & Block, 21 Dupont Circle, NW Washington DC 20036	Adhesive & Sealant Council, Inc		
Do	American Assn of Electromyography & Electrodiagonosts		
Do	American Assn of Nurse Anesthetists		
Do	American Dental Assistants Assn		
Do	American Dental Trade Assn		
Do	American Film Marketing Assn		
Do	American Portrait Society		
Do	American Soc for Cataract & Refractive Surgery		
Do	American Soc of Assn Executives		
Do	Association of Operating Room Nurses		
Do	Auto Glass Industry Comm		
Do	Cable TV Admin & Marketing Society, Inc		
Do	Citicorp Capital Investors, Ltd	9,362.50	113.27
Do	Dental Gold Institute		
Do	International Soc for Hybrid Microelectronics		
Do	Metropolitan Transit Authority	3,554.46	70.54
Do	National Glass Association		
Do	San Francisco Public Utilities Commission	3,927.65	72.35
Do	Walker Urquhart & Co	6,615.00	87.79
James C. Jennings, 3255 Grace St., NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc		
Jennings Strouss & Salmon, 111 West Monroe Phoenix AZ 85003	Shamrock Foods Co		
Rusty L. Jesser, 1120 Connecticut Avenue, NW Washington DC 20036	American Bankers Assn	1,000.00	
Nancy H. Jessick, 1331 Pennsylvania Ave., NW, #720 Washington DC 20004	Hiram Walker & Sons, Inc		
Guy E. Jester, 2150 Kienlen Ave. St. Louis MO 63121	Association for the Improvement of the Mississippi River		
Carl T. Johnson, 1800 K St., NW, #1104 Washington DC 20006	Corning Glass Works	600.00	
Clifford T. Johnson, 1700 North Moore Street Rosslyn VA 22209	Boeing Military Airplane Company		
James A. Johnson, 2550 M St., NW, #500 Washington DC 20037	Shearson Lehman Brothers; Norfolk Southern Railway		
James E. Johnson, 11510 Georgia Avenue, #115 Wheaton MD 20902	J. E. Johnson & Associates, Inc		
Jess Johnson Jr., 1025 Connecticut Ave., NW, #200 Washington DC 20036	Shell Oil Co	500.00	
Joel L. Johnson, 122 C St., NW, #740 Washington DC 20001	American League for Exports & Security Assistance, Inc	4,000.00	83.99
John B. Johnson, Alabama Petroleum Council P.O. Box 4220 Montgomery AL 36195	American Petroleum Institute	1,933.75	988.75
Kay Johnson, 122 C Street, NW Washington DC 20001	Children's Defense Fund	270.00	
Kenneth A. Johnson, Pillsbury Center Minneapolis MN 55402	Pillsbury Company		
Larry W. Johnson, P.O. Box 3000 Leesburg VA 22075	Vocational Industrial Clubs of America, Inc		
Linda Meyer Johnson, 2070 Chain Bridge Road, #510 Vienna VA 22180	Rolm Corporation		
Mark R. Johnson, 1667 K Street, NW, #350 Washington DC 20036	Moller Steamship Co, Inc		
Nancie S. Johnson, 1701 Pennsylvania Avenue, NW, #900 Washington DC 20006	Conoco, Inc	1,200.00	
Nicholas Johnson, Box 1876 Iowa City IA 52244	National Citizens Communications Lobby		
Rady A. Johnson, 1000 16th St., NW, #500 Washington DC 20036	Amoco Corporation	800.00	
Richard W. Johnson Jr., 219 N. Washington Street Alexandria VA 22314	Non Commissioned Officers Assn of the USA	7,274.88	121.89
Spencer A. Johnson, 1101 Vermont Ave., NW, #411 Washington DC 20005	Paperboard Packaging Council		
Stephen M. Johnson, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Government of Angola/SONANGOL)		
Do	Gray & Co Public Communications Int'l, Inc (For: Republic of Turkey)		
Thomas G. Johnson, One Shell Plaza, #4868 P.O. Box 2463 Houston TX 77001	Shell Oil Co		
David Johnston, 1957 E St., NW Washington DC 20006	Associated General Contractors of America		
Ernest Johnston, 1825 K Street, NW, #1107 Washington DC 20006	Phillips Petroleum Co	1,075.00	
James D. Johnston, 1660 L St., NW Washington DC 20036	General Motors Corp	3,600.00	6 189.73
Joint Task Force on Fed Financial Assist. for Law Students, 11 Dupont Circle, NW Washington DC 20006			
Herbert A. Jolovitz, 900 17th Street, NW Washington DC 20006	Owens-Corning Fiberglas Corporation	1,431.00	
Cheryl L. Jones, 1331 Pennsylvania Ave., NW, #565 Washington DC 20004	Texas Gas Transmission Corp		
Ernest W. Jones, 1957 E St., NW Washington DC 20006	Associated General Contractors of America		
James E. Jones, 40 Franklin Rd., SW P.O. Box 2021 Roanoke VA 24022	Appalachian Power Company		
James E. Jones Jr., 1629 K St., NW, #1010 Washington DC 20006	Alliance of American Insurers	260.00	53.80
Roy C. Jones, 717 2nd St., NW, #300 Washington DC 20002	Moral Majority, Inc	8,603.00	
Wiley N. Jones, 1667 K St., NW, #600 Washington DC 20006	Southern Pacific Transport Co	1,000.00	500.00
Jones Day Reavis & Pogue, 655 15th St., NW Washington DC 20005	Automotive Dismantlers & Recyclers Assn, Inc		
Do	Competitive Telecommunications Assn	1,045.00	500.00
Do	Embassy of the People's Republic of China		33.35
Do	Los Angeles County	31,566.44	150.00
Do	Los Angeles Memorial Coliseum Commission	1,145.00	75.00
Do	Mississippi Chemical Corp		
Do	National Assn of State Auditors Comptrollers & Treasurers		20.00
Do	Pfizer, Inc	12,000.00	300.00
Do	SCM Corporation	2,305.00	38.94
Do	Westinghouse Electric Corp		
Alexander H. Jordan, 1201 Pennsylvania Avenue, NW, #730 Washington DC 20004	Kimberly-Clark Corp		
De Soto Jordan, 1331 Pennsylvania Ave., NW, #1300 Washington DC 20004	Electronic Data Systems Corp	484.00	168.00
Mary Lou Joseph, 2025 M Street, NW Washington DC 20036	National Public Radio	1,700.48	413.48
David W. Joyner, 777 14th Street, NW Washington DC 20005	National Assn of Realtors		
Robert E. Juliano, 1219 28th St., NW Washington DC 20007	Hotel & Restaurant Employees & Bartenders Intl Union	16,238.64	688.84
Thomas W. Jurika Jr., 649 Mission Street San Francisco CA 94105	URS Corporation		
Geza Kadar, 1750 K Street, N.W. Washington DC 20006	Health Insurance Assn of America, Inc		
James A. Kaitz, 1101 16th Street, NW Washington DC 20036	Scientific Apparatus Makers Assn	1,100.00	288.47
James L. Kane Jr., 1315 Vincent Place Mclean VA 22101			
Donald J. Kaniewski, 905 16th St., NW Washington DC 20006	Laborers' Intl Union of North America, AFL-CIO	11,749.99	162.40
Dennis R. Kanin, Foley Hoag & Eliot One Post Office Square Boston MA 02109	Humane Society of the U.S., et al	11,984.00	691.84
Do	Leading Edge Products, Inc		
Do	Mutual Savings Central Fund, Inc		
James W. Kanouse, 1700 North Moore Street, 21st Floor Rosslyn VA 22209	Boeing Company	152.30	246.61
Kaplan Russin & Vecchi, 1218 16th Street, NW Washington DC 20036	American Chamber of Commerce of the Dominican Republic		
David A. Karcher, 3700 Pender Drive, #108 Fairfax VA 22030	American Soc of Cataract & Refractive Surgery		
Eric H. Karp, 45 Bromfield Street Boston MA 02108	Edward Blankstein, Inc	4,005.00	152.22
Gene Karpinski, 215 Pennsylvania Avenue, SE Washington DC 20003	U.S. Public Interest Research Group	5,250.00	
Patricia L. Katson, 300 Independence Ave., SE Washington DC 20003	Liberty Lobby, Inc	5,500.00	245.66
Howard C. Katz, 4 World Trade Center New York NY 10048	J. Aron & Co (For: Coffee Sugar & Cocoa Exchange, Inc)		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Everett E. Kavanaugh, 1110 Vermont Ave., NW, #800 Washington DC 20005	Cosmetic Toiletry & Fragrance Assn, Inc		
Robert A. Kay, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington DC 20037	Arrowhead Metals, Ltd		
Lisa E. Kazel, 1776 F Street, NW Washington DC 20006	National Assn of Manufacturers		
Richard F. Keating, 1211 Connecticut Ave., NW, #502 Washington DC 20036	Anheuser-Busch Companies, Inc		
Keck Mahin & Cate, 1730 Pennsylvania Avenue, NW, #350 Washington DC 20006	Schwinn Bicycle Co	281.50	
Robert J. Keefe, 444 N. Capitol Street, #711 Washington DC 20001	Keefe Company (For: Westinghouse Electric Corp)		
Vicki R. Keenan, 1015 15th Street, NW, #802 Washington DC 20005	American Consulting Engineers Council	700.00	
Keene Monk & Associates, Inc, 919 Prince Street Alexandria VA 22314	Government of Republic of Liberia	22,500.00	236.46
Robert C. Keeney, 727 N. Washington St. Alexandria VA 22314	United Fresh Fruit & Vegetable Assn	2,006.00	201.25
Robin E. Keeney, 1828 L Street, NW Washington DC 20036	National Assn of Small Business Investment Cos		
Kendell W. Keith, 725 15th Street, NW Washington DC 20005	National Grain & Feed Assn		
Keleher & McLeod, P.C., One Thomas Circle, NW, #325 Washington DC 20005	A&C Building & Industrial Maintenance	1,080.00	
Do	Alliance of American Insurers	375.00	
Do	Bear Stearns & Co	405.00	
Do	Chambers Associates, Inc		
Do	Coalition for Jobs Growth & Int'l Competitiveness	3,720.00	
Do	Continental Health Affiliates	2,835.00	
Do	Charlie Crowder	1,125.00	
Do	International Raw Materials, Ltd	615.00	
Do	Pennzoil Co	480.00	
Do	Public Service Co of New Mexico	3,105.00	
William D. Kelleher, 1615 H Street, NW Washington DC 20062	Chamber of Commerce of the U.S.	2,500.00	
Keller & Heckman, 1150 17th Street, NW, #1000 Washington DC 20036	Specialty Advertising Assn Int'l	1,050.00	115.00
Ty Kelley, P.O. Box 1417-D49 Alexandria VA 22313	National Assn of Chain Drug Stores, Inc	1,500.00	
Kelley Drye & Warren, 1333 New Hampshire Ave., NW Washington DC 20036	ITT Consumer Financial Corp	585.00	94.24
Do	Society of the New York Hospital	1,833.50	185.00
Stephen G. Kellison, 1835 K St., NW, #515 Washington DC 20006	American Academy of Actuaries		
Stephen S. Kellner, 1001 Connecticut Ave., NW, #1120 Washington DC 20036	Chemical Specialties Manufacturers Assn, Inc		
Edward L. Kelly, 1319 F Street, NW, #1000 Washington DC 20004	National Assn of Private Psychiatric Hospitals	80.00	
Ernest B. Kelly III, 950 L'enfant Plaza, SW Washington DC 20024	Communications Satellite Corp	1,500.00	473.67
Harold V. Kelly, 1025 Thomas Jefferson St., NW, #511 W. Washington DC 20007	LTV Corporation		
John F. Kelly, 1828 L Street, NW # 906 Washington DC 20036	Merrill Lynch & Co, Inc	2,000.00	
Peter M. Kelly, Bell Boyd & Lloyd 70 W. Madison, #3200 Chicago IL 60602	Balcor/American Express, Inc		
Mark L. Kemmer, 1660 L Street, N.W. Washington DC 20036	General Motors Corp	2,500.00	2,877.41
William T. Kendall, 50 E St., SE Washington DC 20003	Alliance for Free Enterprise		
Kendall & Associates, Inc, 50 E St., SE Washington DC 20003	Heller Ehrman White & McAuliffe		
Do	Hogan & Hartson (for Volume Shoe Corp)		
Do	Manville Corporation	750.00	
Do	Toyota Motor Sales, USA, Inc	1,000.00	
Do	Williams Technologies, Inc	500.00	
Do	Worldwide Information Resources, Inc		
Joseph W. Kennebeck, 490 L'enfant Plaza, SW, #3210 Washington DC 20024	Volkswagen of America, Inc	300.00	
Art Kennedy, Box 200576 Anchorage AK 99520	Alaska Resource Analysts, Inc		
Do	Koniag, Inc		
Michael E. Kennedy, 1957 E Street, NW Washington DC 20006	Associated General Contractors of America		
Jeremiah J. Kenney Jr., 12th Fl. 1100 15th St., NW Washington DC 20005	Union Carbide Corp		
Edward E. Kenney & Associates, inc, 499 S. Capitol St., SW, #520 Washington DC 20003	Lockheed-Georgia Co		
Brendan Kenny, 1625 Massachusetts Avenue, NW Washington DC 20036	Air Line Pilots Assn	5,050.00	485.80
J. H. Kent, Kent & O'connor 1211 Connecticut Avenue, NW Washington DC 20036	American Dental Hygienists Assn		
Do	American Soc of Plastic & Reconstructive Surgery		
Do	American Supply Association	9,497.39	5,021.76
Do	American Warehousemen's Association		
Do	Gould, Inc		
Do	Los Angeles Alliance for Equitable Customs Staffing		
Do	National Customs Brokers & Forwarders Assn of America	8,140.24	4,327.69
Do	Transportation Lawyers Assn		
Vytautas Kerbelis, P.O. BOX 4533 Key West FL 33041	ARAS		
Paul T. Kerrigan, 400 First Street, NW, #819 Washington DC 20001	Brotherhood of Locomotive Engineers	415.17	53.68
Frederick A. Kessinger, 1201 4th St., SW Washington DC 20024	Animal Health Institute		
Dale Rodney Ketcham, 1980 N. Atlantic Ave., #918 Cocoa Beach FL 32931			
Robert M. Ketchel, 1331 Pennsylvania Ave., NW, #895 Washington DC 20004	General Electric Co		50.00
Dorothy A. Keville, 2215 Constitution Ave., NW Washington DC 20037	American Pharmaceutical Assn	75.00	76.69
Gilbert W. Keyes, P.O. Box 3999 (mail Stop 8c-68) Seattle WA 98124	Boeing Aerospace Co	725.17	1,248.87
G. Chandler Keys III, 1301 Pennsylvania Avenue, NW, #300 Washington DC 20004	National Cattlemen's Assn	1,000.00	
Earline A. Keyser, 1620 I St., NW, #703 Washington DC 20006	Bechtel Power Corporation		
Kiawah Island Co Ltd, P.O. Box 12910 Charleston SC 29142			
Richard F. Kibben, 200 Park Ave. New York NY 10166	Business Roundtable		
William S. Kies, 1750 K St., NW Washington DC 20006	Food Marketing Institute	200.00	
Ingolf N. Kiland Jr., 1660 L Street, NW Washington DC 20036	General Motors Corp	3,000.00	3,413.95
Brian M. Kilbury, 815 16th Street, NW Washington DC 20006	Brotherhood of Railway Airline & Steamship Clerks	1,100.00	1,100.00
Maryann Kilduff, 923 15th St., N.W. Washington DC 20005	Transportation Institute		
Mary K. Killorin, 1101 15th Street, NW Washington DC 20005	Minnesota Mining & Manufacturing Co	1,500.00	
Kilpatrick & Cody, Suite 500 2501 M St., NW Washington DC 20037	Chemical Fuels Corp	32,090.00	1,111.75
Do	City of Atlanta		1,111.75
Do	B. W. Croswell	1,800.00	
Do	Furniture Rental Assn of America	400.00	719.20
Do	Pepsico, Inc	11,238.00	153.29
Eun Sang Kim, 1030 15th Street, NW, #776 Washington DC 20005	Korean Traders Assn		
Hee Jim Kim, 1030 15th Street, NW, #776 Washington DC 20005	Korean Traders Assn		
Richard H. Kimberly, 1201 Pennsylvania Avenue, NW, #730 Washington DC 20004	Kimberly-Clark Corp	1,550.00	141.04
Kimberly-Clark Corp, 401 North Lake Street Neenah WI 54956			2,116.04
James L. Kimble, 1025 Connecticut Ave., NW, #415 Washington DC 20036	American Insurance Assn	340.00	21.50
Ann Ottoson King, 1620 Eye Street, NW, #800 Washington DC 20006	Taft Stettinius & Hollister (For: Recordings Import Trade Committee)		
Charles L. King, 1850 K St., NW Washington DC 20006	American Council of Life Insurance, Inc		
Edward H. King, 200 Wilmot Rd. Deerfield IL 60015	Walgreen Co		
W. Russell King, 1730 Rhode Island Ave., NW, #400 Washington DC 20036	Freeport McMoran, Inc	500.00	106.00
King & Spalding, 1730 Pennsylvania Ave., NW, #1200 Washington DC 20006	Alabama State Docks Department		55.26
Do	Antitrust Remedies Reform Group		
Do	Damson Oil Corp		
Do	Dorchester Partners		
Do	General Aviation Manufacturers Association		
Do	General Electric Credit Corp	4,350.00	
Do			557.88
Do	Lincoln Property Co		359.68
Do	Matra S.A. Sofretu S.A. and Combustion Engineering, Inc		1,936.79
Do	Milliken & Company		
Do	National Assn of Bond Lawyers		1,156.57
Do	State of Georgia		
Do	Woodruff Foundation		
Ruby King-Williams, 1201 16th Street, NW Washington DC 20036	National Education Assn		
Daniel T. Kingsley, 1655 N. Ft. Myer Dr., #700 Arlington VA 22209	National Venture Capital Association	23,000.00	13,594.36
Roger P. Kingsley, 10801 Rockville Pike Rockville MD 20852	American Speech-Language-Hearing Assn		
Marcia Y. Kinter, 1600 Wilson Boulevard, #1000 Arlington VA 22209	American Waterways Operators, Inc		
Cecilia Anne Kirby, 1819 L Street, NW, #600 Washington DC 20036	American Hotel & Motel Assn	1,198.44	
Kirby Gillick Schwartz & Tuohey, P.C., 1220 L Street, NW, #310 Washington DC 20005	America West Airlines, Inc		
Do	National Vehicle Leasing Assn		
Alan G. Kirk II, 1900 Pennsylvania Ave., NW Washington DC 20068	Potomac Electric Power Co	21.36	
John R. Kirk, Bingham, Dana & Gould 100 Federal St. Boston MA 02110	First National Bank of Boston		
Kirkpatrick & Lockhart, 1900 M St., NW Washington DC 20036	Search Group, Inc		
Kirlin Campbell & Keating, 1150 Connecticut Ave., NW, #800 Washington DC 20036	Council of European & Japanese National Shipowners' Assn		80.82
Robert A. Kirshner, 1250 Connecticut Avenue, NW Washington DC 20036	National Forest Products Assn	500.00	
Richard L. Klass, 1818 N St., NW, #600 Washington DC 20036	DGA International, Inc (For: Dir Int'l Aff of the Gen Del for Armements)		
Dean Kleckner, 225 Touhy Avenue Park Ridge IL 60068	American Farm Bureau Federation	2,292.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Richard P. Kleeman, 2005 Massachusetts Ave., NW Washington DC 20036	Association of American Publishers		
James A. Klein, 1615 H Street, NW Washington DC 20062	Chamber of Commerce of the U.S.	1,750.00	217.34
Kenneth Klein, Cadwalader Wickersham & Taft 1333 New Hampshire Ave., NW Washington DC 20036	Federation of American Controlled Shipping		
Kline Knopf & Wojdak, Inc, 355 N. 21st Street, #105 Camp Hill PA 17011	General Public Utilities Corp		
William J. Klinefelter, 815 16th St., NW, #706 Washington DC 20006	United Steelworkers of America	9,559.24	
Michael R. Klipper, 1600 I St., NW Washington DC 20006	Motion Picture Assn of America, Inc	583.25	141.50
David M. Klucsik, 1415 Wyckoff Road, P.O. Box 1464 Wall NJ 07719	New Jersey Natural Gas Co		1,465.29
James E. Kneale, 2335 South Meade St. Arlington VA 22202	Lockheed Corporation	3,187.50	186.63
John A. Knebel, 1920 N Street, NW, #300 Washington DC 20036	American Mining Congress		
Peter E. Knight, 1101 15th Street, NW, #400 Washington DC 20005	National Council of Savings Institutions	8,000.00	267.73
Knights of Columbus, Columbus Plaza New Haven CT 06507			
Keith R. Knoblock, 1920 N St., NW Washington DC 20036	American Mining Congress		
Albert B. Knoll, 1800 K Street, NW, #820 Washington DC 20006	Sun Co, Inc	1,500.00	1,032.50
Robert L. Knous Jr., 1410 Grant Street #a-201 Denver CO 80203	Colorado Ski Country USA, Inc		
Mark S. Knouse, 1825 K St., NW, #603 Washington DC 20006	Batus D.C.	2,000.00	12.00
Ruth E. Kobell, 600 Maryland Ave., SW, #202 Washington DC 20024	Farmers' Educational & Co-Operative Union of America	3,235.68	11.10
Bradley R. Koch, 1800 Massachusetts Ave., NW Washington DC 20036	National Rural Electric Cooperative Assn	143.77	
Gary J. Kohn, 1600 M Street, NW Washington DC 20036	Investment Company Institute	304.16	58.30
Kojm Asssociates, 2906 S. Grant Street Arlington VA 22202	Technicum Int'l Corp and Pacific-Sierra Research Corp		
Michael S. Koleda, 1301 Pennsylvania Ave., NW, #325 Washington DC 20004	Council on Synthetic Fuels		
John C. Kolojeski, Laroe Winn & Moerman 1120 G Street, NW, #800 Washington DC 20005	Chlorine Institute, Inc	3,907.50	
Nicholas Kominus, 1001 Connecticut Ave., NW Washington DC 20036	U.S. Cane Sugar Refiners' Assn	806.25	118.02
Eugene P. Kopp, Suite 600 South 1120 20th Street, NW Washington DC 20036	Union Pacific Corp	1,250.00	
Steven Kopperud, 1701 N. Ft. Myer Drive Arlington VA 22209	American Feed Industry Assn	3,240.00	
Horace R. Kornegay, 1875 I St., NW, #800 Washington DC 20006	Tobacco Institute		
Kerrill K. Kornegay, 1025 Connecticut Ave., NW, #1014 Washington DC 20036	Enserch Corporation	1,875.00	2,235.65
Paul A. Korody Jr., 1725 K St., NW, #1001 Washington DC 20006	ConAgra, Inc	640.00	
Ronald W. Kosh, 8111 Gatehouse Road Falls Church VA 22047	AAA Potomac		
Bernard Koteen, 1150 Connecticut Avenue, NW Washington DC 20036	Koteen & Naftalin (For: Storer Communications, Inc)		
Do	Koteen & Naftalin (For: Taft Broadcasting Company)		
Gerald J. Kovach, 1133 19th Street, NW Washington DC 20036	MCI Communications Corp	5,000.00	33,982.49
Kenneth S. Kovack, 815 16th St., NW, #706 Washington DC 20006	United Steelworkers of America	10,180.69	
Mylio S. Kraja, 1608 K St., NW Washington DC 20006	American Legion	3,088.02	346.70
Joseph H. Kramer III, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Budd Company)		
Do	Gray & Co Public Communications Int'l, Inc (For: HTB Corporation)		
Do	Gray & Co Public Communications Int'l, Inc (For: Transit America)		
Stephen W. Kraus, 1850 K St., NW Washington DC 20006	American Council of Life Insurance, Inc	1,000.00	
Raymond R. Krause, Pillsbury Center Ms 3771 Minneapolis MN 55402	Pillsbury Company	1,500.00	585.00
Jeffrey Krauss, 1350 Piccard Drive, #304 Rockville MD 20850	M/A-Com, Inc	2,500.00	150.00
Earl R. Kreher, 1620 Eye Street, NW, #1000 Washington DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc	548.00	
Katherine Krell, 1901 L St., NW, #320 Washington DC 20036	Ogilvy Mather & Washington		
Jay Kriegel, Kriegel Communications 437 Madison Avenue, 19th Fl. New York NY 10022	Association for a Better New York	60,000.00	3,119.29
Kroger Company, 1014 Vine St. Cincinnati OH 45201			5,819.18
James C. Krone, 1152 Haslett Road P.O. Box 99 Haslett MI 48840	Roses, Inc	300.00	
Keith R. Krueger, 600 Maryland Ave., SW, #400 Washington DC 20024	American Optometric Assn		
Paul R. Kruse, 1155 15th St., NW Washington DC 20005	Pennzoil Co	625.00	
Thomas A. Kube, 8111 Gatehouse Road Falls Church VA 22047	American Automobile Assn		
Philip Kugler, 555 New Jersey Ave., NW Washington DC 20001	American Fed of Teachers		
Lloyd R. Kuhn, 1725 Desales St., NW Washington DC 20036	Aerospace Industries Assn of America, Inc	18,802.00	
Sara E. Kuhn, 1735 New York Avenue, NW Washington DC 20006	American Institute of Architects	2,000.00	
Thomas R. Kuhn, 1111 19th Street, NW Washington DC 20036	Edison Electric Institute	5,272.73	363.58
Rebecca L. Kupper, 655 15th Street, NW 300 Metropolitan Square Washington DC 20005	American Medical International	2,600.00	103.00
Ester Kurz, 500 North Capitol St., NW, #300 Washington DC 20001	American Israel Public Affairs Comm	13,562.52	349.73
Kutak Rock & Campbell, 1101 Connecticut Avenue, NW Washington DC 20036	Citicorp Investment Bank	3,518.79	3,552.21
Do	District Heating Development Co		
Do	Hayes, Inc		
Do	National Electrical Manufacturers Assn		676.22
Do	Valmont Industries, Inc		66.04
James La Sala, 5025 Wisconsin Avenue, NW Washington DC 20016	Amalgamated Transit Union, AFL-CIO		
Labor Bureau, Inc, 1101 15th Street, NW, #1010 Washington DC 20005			
Labor Management Maritime Committee, Inc, 100 Indiana Avenue, NW Washington DC 20001		8,091.00	9,636.00
Laborers' Intl Union of North America, AFL-CIO, 905 16th St., NW Washington DC 20006			29,242.04
Joseph L. Lach, 1025 Connecticut Avenue, NW, #214 Washington DC 20036	Manville Products Corp	500.00	
John D. Lacopo, 1331 Pennsylvania Ave., NW, #1300 Washington DC 20004	EDS Corporation	112.00	58.00
Robert A. Ladig, Scott Plaza Philadelphia PA 19113	Scott Paper Co	3,650.00	2,079.58
Sandra L. Lafevre, 2500 Riva Road, SE Annapolis MD 21401	Nationwide Insurance Co		
Robert Lamb, 1220 L Street, NW Washington DC 20005	American Petroleum Institute	5,000.00	118.67
David F. Lambert III, 1401 New York Ave., NW, #720 Washington DC 20005	National Assn of Insurance Brokers, Inc	2,000.00	
David R. Lambert, 1030 15th St., NW, #964 Washington DC 20005	American Seed Trade Assn	6,000.00	
Rebecca F. Lambert, 410 E. 57TH STREET New York NY 10022	Wiley & Rein (for Comsat)		
James E. Lamble, 1620 Eye Street, NW, #703 Washington DC 20006	Bechtel Power Corporation		
Stephen K. Lambright, One Busch Place St. Louis MO 63118	Anheuser-Busch Companies, Inc		
Virginia B. Lamp, 1615 H Street, NW Washington DC 20062	Chamber of Commerce of the U.S.	2,400.00	762.90
Virginia A. Lampley, 1818 N St., NW, #600 Washington DC 20036	DGA International, Inc (For: Dir Intl Aff of the Gen Del for Armements)		
Do	DGA International, Inc (For: Societe Nationale D'Etude et de Const de Moteurs D'Aviation)		
John W. Lampmann, 2000 L Street, NW, #810 Washington DC 20036	Sperry Corporation		
Linda L. Lanam, 1709 New York Avenue, NW, #303 Washington DC 20006	Blue Cross & Blue Shield Assn		
Ray H. Lancaster, 1331 Pennsylvania Ave., NW, #565 Washington DC 20004	Texas Gas Transmission Corp	3,000.00	151.39
L. Charles Landgraf, 1333 New Hampshire Avenue, NW Washington DC 20036	Leboeuf Lamb Leiby & Macrae		
Thomas M. Landin, One Franklin Plaza Philadelphia PA 19101	SmithKline Beckman Corp		
Landis Cohen Singman & Rauh, 1019 19th St., NW, #500 Washington DC 20036	American Soc of Composers Authors & Publishers	8,000.00	
Do	NFL Players Association	3,000.00	
Frederick Landman, 460 W. 42nd Street, 4th Fl. New York NY 10036	Pan American Satellite Corp		
Moon Landrieu, 717 Girod Street New Orleans LA 70130	Mainstreets Coalition	1,000.00	779.67
David W. Landsidle, 1710 Rhode Island Avenue, NW, #300 Washington DC 20036	Abbott Laboratories	2,000.00	
Bruce Alan Landy, 2601 Virginia Ave., NW Washington DC 20037	B.A.L. Co		
Do	Cryogenic Vacuum Technology Co		
Do			
Albert E. Lane, P.O. Box 37152 Cincinnati OH 45222	Media-Independence-Competition-Medcom-Mic		
Do	People Opposed to Energy Lobby - Potel		
Scott H. Lane, 412 First Street, SE Washington DC 20003	National Automobile Dealers Assn	2,700.00	
Lane & Edson, P.C., 2300 M Street, NW Washington DC 20036	City of Baltimore	600.00	
Do	Council for Rural Housing and Development	4,000.00	
Do	National Leased Housing Assn	900.00	
Joseph L. Lang, 1121 L Street, #1000 Sacramento CA 95814	Dairy Farmers for Responsible Dairy Policy	1,000.00	
Do	West Coast Fabricators & Steel Industry Assn	10,000.00	14,990.17
Robin W. Lanier, 1000 Connecticut Ave., NW Washington DC 20036	National Retail Merchants Assn	250.00	20.00
Wayne R. Lapierre Jr., 1600 Rhode Island Ave., NW Washington DC 20036	National Rifle Assn of America	1,276.25	2,500.00
Clifford Laplante, 1331 Pennsylvania Avenue, NW Washington DC 20004	General Electric Co	1,230.00	
J. Stephen Larkin, 9225 Katy Freeway, #401 Houston TX 77024	Petroleum Equipment Suppliers Assn	1,430.00	1,748.55
William L. Larsen, 1025 Connecticut Avenue, NW, #415 Washington DC 20036	American Insurance Assn		
Reed E. Larson, 8001 Braddock Road, #600 Springfield VA 22160	National Right to Work Committee		
Michael Lashbrook, 1600 Rhode Island Ave., NW Washington DC 20036	National Rifle Assn of America	1,201.25	
Karl F. Lauenstein, 1745 Jefferson Davis Highway, #1000 Arlington VA 22202	General Dynamics Corp	1,000.00	441.39
Joan H. Lavor, 1957 E Street, NW Washington DC 20006	Associated General Contractors of America		
Rebecca K. Lawler, 4013 Seventh Street, NE, #3 Washington DC 20017	Americans for Tax Reform	675.00	
Elizabeth Lawson, 1730 M Street, NW Washington DC 20036	League of Women Voters of the U.S.	4,387.20	179.70
Janie L. Lawson, 1025 Connecticut Avenue, NW, #200 Washington DC 20036	Shell Oil Co	500.00	
Laxalt Corporation, 214 Massachusetts Ave., NE, #380 Washington DC 20002	Continental Airlines, Inc	1,463.00	
Do	Motion Picture Assn of America, Inc	3,250.00	
Do	Norfolk Southern Corp	1,850.00	
Do	Purolator Courier	1,250.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Riviana Foods	1,000.00	
Do	R. T. Vanderbilt Co, Inc	1,120.00	
Ernest M. Le Sueur, 453 New Jersey Avenue, SE Washington DC 20003	Beneficial Management Corp of America		
Leach Biesty & McGreevy, 1919 Pennsylvania Ave., NW Washington DC 20006	Washington Psychiatric Society	5,250.00	12.15
Lead-Zinc Producers Committee, 180 Maiden Lane New York NY 10038		30,317.54	8,859.90
League of Women Voters of the U.S., 1730 M St., NW Washington DC 20036		84,179.37	84,129.37
League to Save Lake Tahoe, 2197 Lake Tahoe Blvd. P.O. Box 10110 South Lake Tahoe CA 95731			8,001.49
Thomas B. Leary, Hogan & Hartson 815 Connecticut Avenue, NW Washington DC 20006	Business Roundtable	3,465.21	
Richard J. Lease, 2145 Boise Drive Las Cruces NM 88001			
Leboeuf Lamb Leiby & Macrae, 1333 New Hampshire Ave., NW, #1100 Washington DC 20036	British Insurance Assn		
Do	General Conf of the 7th Day Adventists Church Risk Mgt Svcs	5,000.00	264.58
Do	Underwriters at Lloyd's London		
Gerard Lavery Lederer, 1620 Eye Street, NW Washington DC 20006	Tonya, Inc (For: City of Philadelphia, PA and City of Birmingham, AL)		
Robert F. Lederer, 1250 I Street, NW, #500 Washington DC 20005	American Assn of Nurserymen		
Thomas J. Lee Jr., P.O. Box 2628 Houston TX 77252	Entex, Inc		
L. Courtland Lee, Inc, 3814 West Street Landover MD 20785	Minerals Exploration Coalition, Inc	120.00	264.58
Leff & Mason, 1700 Pennsylvania Ave., NW, #450 Washington DC 20006	County of Orange		
Do	Orange County Transportation Commission		
Do	Orange County Water District		
Do	Santa Ana River Flood Protection Agency		
Peter A. Lefkin, 1025 Connecticut Avenue, NW, #415 Washington DC 20036	American Insurance Assn		
Leslie A. Lehmann, 111 SW Columbia, #800 Portland OR 97201	Nerco, Inc	6,765.00	783.84
Lehrfeld & Henzke, P.C., 1301 Pennsylvania Ave., NW, #1110 Washington DC 20004	Knights of Columbus		
Terry L. Leitzell, Bogle and Gates One Thomas Circle, NW, #900 Washington DC 20005	American Shrimpboat Association		
Do	Marine Construction & Design Co		
Do	Oceantrawl Corporation		
Do	Port of Seattle	2,000.00	
Joseph L. Leitzinger, 900 4th Ave. Seattle WA 98164	Simpson Timber Co	350.00	419.00
Lynn H. Lemaster, 1111 19th Street, NW Washington DC 20036	Edison Electric Institute	1,129.22	252.59
Robert A. Lembo, 1050 31st Street, NW Washington DC 20007	Association of Trial Lawyers of America	2,000.00	100.00
Laverne Still Lemen, 1030 15th St., NW, #700 Washington DC 20005	National Cotton Council of America	1,100.00	25.28
Michael R. Lemov, 1319 F Street, NW, #500 Washington DC 20004	Food Research & Action Center		
Lynette Lenard, 1050 Connecticut Avenue, NW, #300 Washington DC 20036	Nabisco Brands, Inc	2,500.00	
Thomas J. Lengyel, 1625 K Street, NW, #1000 Washington DC 20006	American Institute of Merchant Shipping		
Betty Jane Leonard, P.O. Box 19109 Greensboro NC 27419	Unifi, Inc		
Burleigh C. W. Leonard, 2550 M Street, NW, #770 Washington DC 20037	RJR Industries, Inc	600.00	735.49
Earl T. Leonard Jr., P.O. Drawer 1734 Atlanta GA 30301	Coca-Cola Company	2,560.00	3,196.47
Lloyd Leonard, 1730 M St., NW Washington DC 20036	League of Women Voters of the U.S.	6,413.28	53.24
Rodney E. Leonard, 2001 S Street, NW, #530 Washington DC 20009	Community Nutrition Institute		
Leonard & McGuan, P.C., 900 17th Street, NW, #1020 Washington DC 20006	International Union of Police Associations, AFL-CIO		
Do	Kansas Corporation Commission		
Do	Wisconsin Dairies		
Charles Leppert Jr., 801 18th Street, NW, #400 Washington DC 20006	Procter & Gamble Manufacturing Co		
Richard L. Lesher, 1615 H St., NW Washington DC 20062	Chamber of Commerce of the U.S.		
William Gene Lesher, 517 C Street, NE Washington DC 20002	Lyng and Lesher, Inc		
Lesher and Associates, Inc, 517 C Street, NE Washington DC 20002	Dairy Farmers for Responsible Dairy Policy		
Do	Farm Credit Council		
Do	Klein Bros, Ltd	25,000.00	13,500.00
William J. Lessard Jr., 1300 19th Street, NW, #310 Washington DC 20036	National Comm to Preserve Social Security & Medicare	6,250.00	
Dale Lestina, 1201 16th St., NW Washington DC 20036	National Education Assn	3,134.00	306.81
Leva Hawes Mason & Martin, 1220 19th St., NW, #700 Washington DC 20036	Finnigan Corporation		
Do	Scientific Apparatus Makers Assn		306.81
Milton Levenson, P.O. Box 3965 San Francisco CA 94119	Bechtel Power Corporation		
Leventhal & Senter, 1001 22nd Street, NW, #550 Washington DC 20037	Pan American Satellite Corp		
Barbara W. Levine, 1015 15th Street, NW Washington DC 20005	American Public Health Assn	634.50	
Bertram J. Levine, 1667 K Street, NW, #410 Washington DC 20006	Johnson & Johnson	1,000.00	225.00
Harry Levine Jr., 1331 Pennsylvania Ave., NW Washington DC 20004	General Electric Co	513.00	
Kenneth S. Levine, 1201 Pennsylvania Ave., NW, #220 Washington DC 20004	Joseph E. Seagram & Sons, Inc	977.50	
Lawrence E. Levinson, 1875 Eye St., NW, #940 Washington DC 20006	Gulf & Western Industries, Inc	2,450.00	320.00
David Levy, 7000 Central Avenue, NE P.O. Box 1453 Minneapolis MN 55432	Medtronic, Inc	75.00	724.21
Leslie Levy, 500 North Capitol St., NW, #300 Washington DC 20001	American Israel Public Affairs Comm	600.00	235.19
Michael R. Lewis, 1133 15th St., NW, #640 Washington DC 20005	International Longshoremen's & Warehousemen's Union	10,150.00	664.85
Richard Lewis, 1025 Vermont Ave., NW Washington DC 20005	American Pulpwood Assn		
Stuart A. Lewis, 1919 Pennsylvania Ave., NW, #300 Washington DC 20006	Manufacturers Hanover Corp	700.00	
Do	National Bank of Detroit	500.00	
John F. Leyden, 815 16th Street, NW, #308 Washington DC 20006	Public Employee Department, AFL-CIO	4,187.49	
William J. Lhota, 215 N. Front Street Columbus OH 43215	Columbus and Southern Ohio Electric Co	1,125.00	335.77
Herbert Liebenson, 1155 15th Street, NW, #710 Washington DC 20005	National Small Business Assn	2,250.00	
William C. Lienesch, 238 10th St., SE Washington DC 20003	National Parks & Conservation Association	862.00	64.40
Terry L. Lierman, 1156 15th Street, NW, #1102 Washington DC 20005	Albert and Diane Kaneb		
Howard C. Liggett, 6552 Oakcliff Road Pensacola FL 32506			
Ross W. Lillard, 920 Main Street Kansas City MO 64105	Stinson Mag & Fizzell (For: Farmland Industries, Inc)		
Diane Palmer Lilly, 1200 Peavey Building Minneapolis MN 55479	Norwest Corporation		
Stephen R. Lindauer, 1957 E Street, NW Washington DC 20515	Associated General Contractors of America		
Kathleen M. Linehan, 1875 Eye St., NW, #500 Washington DC 20006	Philip Morris, Inc	1,250.00	190.00
Linton Mields Reisler & Cottone, 1015 18th St., NW, #200 Washington DC 20036	Iowa Department of Transportation	4,834.00	
Do	Lake Superior District Power Co	477.00	
Do	Madison Gas & Electric Co	1,129.00	
Do	Metropolitan Sanitary District of Greater Chicago	6,743.00	
Do	Michigan Dept of Transportation	4,400.00	
Do	Northern States Power Co	1,261.00	
Do	Oregon Department of Transportation	3,146.00	
Do	State of Colorado, Dept of Highways	3,054.00	
Do	State of IL, Dept of Trans, Div of Water Res	5,595.00	
Do	State of IL, Dept of Transportation	6,579.00	397.00
Do	Superior Water Light & Power Co	208.00	
Do	Wisconsin Electric Power Co	3,363.00	449.00
Do	Wisconsin Fuel and Light Co	324.00	
Do	Wisconsin Natural Gas Co	940.00	
Do	Wisconsin Power & Light Co	1,919.00	
Do	Wisconsin Public Service Corp	2,077.00	
Hershel Lipow, 1735 New York Avenue, NW Washington DC 20006	American Institute of Architects	3,625.00	
Lisboa Associates, Inc, 1317 F St., NW, #400 Washington DC 20004	College of the Virgin Islands	2,062.50	
John M. Lison, 16100 South Lathrop Avenue Harvey IL 60426	Atcor, Inc	6,000.00	58.75
David H. Lissy, 1 Gulf & Western Plaza New York NY 10023	Gulf & Western Industries, Inc	1,000.00	500.00
Charles B. Little, 600 Maryland Ave., SW, #603 Washington DC 20024	UBA, Inc	1,000.00	
Thomas W. Little, 1750 K Street, NW Washington DC 20006	Food Marketing Institute	750.00	
William F. Little, 815 Connecticut Ave., NW Washington DC 20006	Ford Motor Co	487.00	689.45
Roy Littlefield, 15900 Pinecroft Lane Bowie MD 20716	American Retreaders' Assn	1,000.00	
Do	Greater Washington/Maryland Service Station Assn	500.00	
E. Geoffrey Littlehale, 1100 15th Street, NW Washington DC 20005	Pharmaceutical Manufacturers Assn	4,000.00	49.50
Theodore M. Littman, 2230 E. Imperial Ave. El Segundo CA 90245	Rockwell International Corp		
E. F. Livaudais Jr., 1333 New Hampshire Ave., NW Washington DC 20036	Atlantic Richfield Co	170.00	49.50
Robert W. Lively, 1800 Massachusetts Avenue, NW Washington DC 20036	National Rural Electric Cooperative Assn	115.00	
Lobel Novins & Lamont, 1275 K St., NW, #770 Washington DC 20005	Generic Pharmaceutical Industry Assn	6,955.07	109.51
Paul Locigno, 25 Louisiana Avenue, NW Washington DC 20001	International Brotherhood of Teamsters	20,906.55	
Robert F. Lockhart Jr., 490 L'enfant Plaza East, SW Washington DC 20024	Tenneco, Inc		
Karen Lockwood, 444 North Capitol St., NW Washington DC 20001	American Hospital Assn	1,378.46	266.04
Robert S. Long, 919 18th Street, NW, #400 Washington DC 20006	Diamond Shamrock Corp	1,000.00	319.95
John H. Lonnquist, 1025 Connecticut Ave., NW, #214 Washington DC 20036	Manville Corporation	1,500.00	
Susan J. Loomis, 1957 E Street, NW Washington DC 20006	Associated General Contractors of America	5,000.00	500.00
Gerald D. Lore, 1050 Connecticut Avenue, NW, #401 Washington DC 20036	Hoffmann-La Roche, Inc		
Philip J. Loree, 50 Broadway New York NY 10004	Federation of American Controlled Shipping	750.00	806.29

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Robert E. Losch, P.C., 1716 New Hampshire Ave., NW Washington DC 20009	American Dredging Co, et al	20,000.00	3,282.68
Timothy Lovain, 3713 Gunsten Rd. Alexandria VA 22302	Denny Miller Associates	9,000.00	
James F. Lovett, 1801 K St., NW Washington DC 20006	Westinghouse Electric Corp	500.00	200.00
Paula D. Lucak, 815 16th Street, NW, #308 Washington DC 20006	Public Employee Department, AFL-CIO	8,250.06	97.50
Daniel P. Lucas, 777 14th St., NW, Washington DC 20005	National Assn of Realtors	1,250.00	1,189.15
James D. Lucas, 25 South Charles Street Baltimore MD 21201	First Maryland Bancorp		
Do	First National Bank of Maryland		1,265.00
Mrs. Freddie H. Lucas, 1660 L St., NW Washington DC 20036	General Motors Corp	3,000.00	1,645.99
William L. Lucas, 2021 K Street, NW, #300 Washington DC 20006	Primark Corporation	500.00	
Charles Emmet Lucey, Manatt Phelps Rothenberg Tunney & Evans 1200 New Hampshire Avenue, NW, #200 Washington DC 20036.	Catholic Press Assn	250.00	
Do	McDermott Will & Emery		
Kathy K. Luhn, 5205 Leesburg Pike, #505 Falls Church VA 22041	National Beer Wholesalers Assn, Inc		
Sylvester Lukis, 818 Connecticut Ave., NW Washington DC 20006	Cramer Haber & Lukis, P.C. (For: Canaveral Port Authority)		
Do	Cramer Haber & Lukis, P.C. (For: City of Miami)		
Do	Cramer Haber & Lukis, P.C. (For: City of Miami Beach)		
Do	Cramer Haber & Lukis, P.C. (For: Dade County)		
Do	Cramer Haber & Lukis, P.C. (For: Dade County International Airport)		
Do	Cramer Haber & Lukis, P.C. (For: Department of Education, State of Florida)		
Do	Cramer Haber & Lukis, P.C. (For: Florida Alliance)		
Do	Cramer Haber & Lukis, P.C. (For: Greater Orlando Airport Authority)		
J.C. Luman & Associates, 1030 15th Street, NW, #720 Washington DC 20005	National Assn of Personnel Consultants	1,200.00	1,283.50
Luman & Schoor, 1030 15th St., NW, #720 Washington DC 20005	National Assn of Personnel Consultants		
Michael L. Lunceford, 8787 Stemmons Freeway Dallas TX 75247	Mary Kay Cosmetics, Inc		
Milton F. Lunch, 1420 King St. Alexandria VA 22314	National Society of Professional Engineers	1,000.00	
Christian J. Lund, 1825 I Street, NW, #700 Washington DC 20006	United Technologies Corporation	15,750.00	
Lund & O'Brien, 1625 Eye St., NW Washington DC 20006	Federation of American Controlled Shipping	900.00	83.57
Do	Pennsylvania Power & Light Co	2,544.00	188.52
Francis M. Lunnie Jr., 1776 F Street, NW Washington DC 20006	National Assn of Manufacturers		
David C. Luttrell, 1422 W. Peachtree St., NW, #612 Atlanta GA 30309	National Assn of Manufacturers		
Timothy P. Lynch, 1501 Wilson Boulevard, #910 Arlington VA 22209	Roadway Express, Inc	425.00	200.00
Richard E. Lyng, 517 C Street, NE Washington DC 20002	Lyng and Lesher, Inc		
John E. Lynn, 1735 New York Avenue, NW Washington DC 20006	American Institute of Architects	1,600.00	
William T. Lyons, 1747 Pennsylvania Ave., NW, #700 Washington DC 20006	Ciba-Geigy Corp	5,057.00	4,149.00
M/A-Com, Inc, 1350 Piccard Drive, #304 Rockville MD 20850			4,900.00
Joseph H. Macaulay, 300 Metropolitan Square 655 15th Street, NW Washington DC 20005	U.S. Surgical Corporation		
Anthony R. Macchia, 4 World Trade Center New York NY 10048	Coffee Sugar & Cocoa Exchange, Inc		
James E. Mack, 9005 Congressional Court Potomac MD 20854	National Assn of Mirror Manufacturers		
Do	Peanut Butter & Nut Processors Assn		
James H. Mack, 7901 Westpark Dr. Mclean VA 22102	National Machine Tool Builders' Assn	15,534.00	500.00
Timothy C. Mack, 910 17th Street, NW, #318 Washington DC 20006	Hoving Group (For: Republic of Liberia)	3,300.00	
Timothy MacCarthy, 1620 I Street, NW, #1000 Washington DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc	341.00	
Russell MacCleery, 1250 I Street, NW, #400 Washington DC 20005	National Tire Dealers & Retreaders Assn		
Jack A. MacDonald, 1901 N. Fort Meyer Drive, #302 Rosslyn VA 22209	Beverly Enterprises, Inc	6,250.00	75.00
Miriam A. MacDonald, 1025 Connecticut Avenue, NW, #1010 Washington DC 20036	Metropolitan Life & Affiliated Cos	1,000.00	
Sheila MacDonald, 3231 Beech Street, NW Washington DC 20015	National Taxpayers Union	3,981.00	
MacMeekin and Cutler, 1331 H Street, NW, #901 Washington DC 20005	Yangtzekiang Garment Manufacturing Co, Ltd		48.57
John H. Madigan Jr., 1575 Eye Street, NW, #1025 Washington DC 20005	American Cancer Society	20,000.00	565.00
Cliff Madison Government Relations, Inc, P.O. Box 3482 Granada Hills CA 91344	Burbank-Glendale-Pasadena Airport Authority	2,000.00	
Do	City of Avalon	750.00	
Do	Mark Air, Inc	4,000.00	
Do	Southern California Rapid Transit District	2,500.00	
Susan Magaw, P.O. Box 3556 Washington DC 20007	American Meat Institute	2,000.00	
James N. Magill, 200 Maryland Avenue, NE Washington DC 20002	Veterans of Foreign Wars of the U.S.		
A. John Maguire, 1030 15th Street, NW Washington DC 20005	National Cotton Council of America	18,750.00	760.78
W. Terry Maguire, Box 17407 Dulles International Airport Washington DC 20041	American Newspaper Publishers Assn	1,125.00	
John F. Mahoney, 1101 Vermont Ave., NW Washington DC 20005	American Medical Assn	5,378.00	
Terence P. Mahony, 1825 K Street, NW, #807 Washington DC 20006	National Broadcasting Co, Inc	500.00	216.81
Robert L. Maier, 900 17th St., NW, #1000 Washington DC 20006	Kaiser Aluminum & Chemical Corp		
Steven R. Maimon, P.O. Box 7579 Washington DC 20044			
Major League Baseball Players Assn, 805 Third Avenue New York NY 10022			
K. Wayne Malbon, 1250 I Street, NW, #400 Washington DC 20005	National Tire Dealers & Retreaders Assn	128.00	15.00
Daniel C. Maldonado, 10000 Falls Rd., #306 Potomac MD 20854	American Soc of Anesthesiologists	7,602.00	597.37
Do	Association of Univ Programs & Occupational Health & Safety	1,576.39	111.32
Do	Los Angeles Alliance for Equitable Customs Staffing		
Do	National Hemophilia Foundation		
Do	University of Nevada, Las Vegas		
David Mallino, 815 16th Street, NW Washington DC 20006	Industrial Union Department, AFL-CIO	6,791.40	1,077.11
J. Wilson Malloy Jr., 1919 Pennsylvania Ave., NW Washington DC 20006	Eastman Chemicals Division	700.00	72.00
Eugene J. Malone Jr., 16002 Edgewood Drive Dumfries VA 22026	CSX Corporation		
Robert H. Maloney, 490 L'enfant Plaza East, SW Washington DC 20024	Tenneco, Inc		
William R. Maloni, 3900 Wisconsin Avenue, NW Washington DC 20016	Federal National Mortgage Assn	24,250.00	1,632.48
Management & Government Resources, 1305 Mt. Holly Road Burlington NJ 08016	Burlington Coat Factory	13,441.06	8,292.38
Manatt Phelps Rothenberg Tunney & Evans, 1200 New Hampshire Ave., NW, #200 Washington DC 20036	Alliance for a Capital Access	1,375.00	
Do	American Bankers Assn	3,360.00	
Do	American Petrofina, Inc	315.00	
Do	Auto Importers Compliance Association		
Do	Boeing Company		
Do	Chronar Corporation	3,575.00	
Do	Connecticut National Bank		
Do	Empire Blue Cross & Blue Shield	5,140.00	
Do	First Pennsylvania Bank	1,375.00	
Do	Flying Tiger Line, Inc	420.00	
Do	Government of Cyprus		
Do	Government of Jamaica		
Do	Housing America Foundation		
Do	Indian Gaming Assn	3,900.00	
Do	Jamaican Broadcasting Corp		
Do	Manufacturers Hanover Leasing Corp	1,365.00	
Do	Money Store		
Do	New World Pictures		
Do	Northrop Corp	2,880.00	
Do	Pyramid Companies	13,750.00	
Do	Rollins Environmental Services	4,400.00	
Do	RLC Corporation		
Do	Security First Group	4,145.00	
Do	Southern California Rapid Transit District	3,675.00	
Do	Donald T. Sterling & Associates		
Do	Superior Training Services	5,775.00	
Do	Traweek Investment Co, Inc	3,555.00	
Manchester Associates, Ltd, 1155 15th Street, NW, #811 Washington DC 20005	Corporacion Nacional del Cobre de Chile		
Do	Nissan Motor Company, Ltd		
Susan Manes, 2030 M Street, NW Washington DC 20036	Common Cause	11,250.00	617.45
Frank Mankiewicz, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: American Express Co)		
Do	Gray & Co Public Communications Int'l, Inc (For: Government of Angola/SONANGAL)	450.00	
Do	Gray & Co Public Communications Int'l, Inc (For: Lane Industries)	150.00	
Do	Gray & Co Public Communications Int'l, Inc (For: National Broadcasting Co, Inc)		
Do	Gray & Co Public Communications Int'l, Inc (For: Republic of Turkey)	750.00	
Do	Gray & Co Public Communications Int'l, Inc (For: Title Insurance Industry Coalition)	150.00	
Richard J. Mannix, 195 Montague St. Brooklyn NY 11201	Brooklyn Union Gas Co		
Manufactured Housing Institute, 1745 Jefferson Davis Highway, #511 Arlington VA 22202			4,900.00
March for Life, Inc, PO Box 2950 Washington DC 20013		96,790.03	67,673.70
Daine K. Maresco, 1899 L Street, NW, #403 Washington DC 20036	Outdoor Advertising Assn of America, Inc	338.00	726.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
R. V. Mariani, 815 16th St., NW Washington DC 20006	Brotherhood of Railway Airline & Steamship Clerks	1,200.00	1,200.00
Maritime Institute for Research & Industrial Development, 1133 15th St., NW, #600 Washington DC 20005			14,528.00
Richard Mark, 1616 P St., NW, #320 Washington DC 20036	Professionals' Coalition for Nuclear Arms Control	8,400.00	1,741.17
Lawrence D. Markley, P.O. Box 196300 Anchorage AK 99519	Chugach Electric Assn, Inc	71.26	24.28
Marc L. Marks, 1801 K Street, NW Washington DC 20006	Westinghouse Electric Corp	2,090.00	
Ronald Anthony Marks, 10 Waterside Plaza, #2b New York NY 10010			
Luther A. Markwart, 1156 15th St., NW, #1019 Washington DC 20005	American Sugarbeet Growers Assn		
Ernest Robert Marlow, 1126 16th Street, NW, #410 Washington DC 200361081	International Chemical Workers Union	2,000.00	
Howard Marlowe, 655 15th Street, NW, #300 Washington DC 20005	Coalition to Keep Alaska Oil	687.50	20.00
Do	Graphic Communications International Union, AFL-CIO, CLC	4,400.00	48.00
Chalmers H. Marquis, 1818 N St., NW, #410 Washington DC 20036	National Assn of Public Television Stations	600.00	150.00
Dan Marriott, 900 Kennecott Building Salt Lake City UT 84133	Guardian Life Insurance Co of America		
Lori A. Marsden, 1015 15th Street, NW, #802 Washington DC 20005	American Consulting Engineers Council	200.00	
Catherine A. Marshall, 1750 K Street, NW Washington DC 20006	U.S. Brewers Assn, Inc		
Thomas A. Martens, P.O. Box 10110 SO. Lake Tahoe CA 95731	League to Save Lake Tahoe	8,000.00	
Danea Kehoe Martin, 1922 F Street, NW Washington DC 20006	National Assn of Life Underwriters	475.00	
David F. Martin, 2020 14th Street, North Arlington VA 22201	American Standard Inc	750.00	
Fred J. Martin Jr., 1800 K Street, NW Washington DC 20006	Bank of America	817.36	384.04
J. Ross Martin, Kansas Petroleum Council 1414 Merchants Nat'l Bank Bldg. 8th & Ja Topeka KS 66612	American Petroleum Institute	675.00	632.17
John M. Martin Jr., 1750 K Street, NW Washington DC 20006	Food Marketing Institute	100.00	
Katherine E. Martin, 412 First St., SE, #200 Washington DC 20003	Association of American Railroads	425.72	224.42
Larry K. Martin, 1611 North Kent Street, #800 Arlington VA 22209	American Apparel Manufacturers Assn, Inc	2,600.00	75.00
Robert L. Martin, 1615 H Street, NW Washington DC 20062	Chamber of Commerce of the U.S	2,500.00	
Stephen I. Martin, Hartford Plaza Hartford CT 06115	Hartford Fire Insurance Co		
James C. Martinelli, 1025 Connecticut Avenue, NW, #300 Washington DC 20036	Environmental Management Consultants, Inc		
Vilma S. Martinez, 612 S. Flower Street, 5th Floor Los Angeles CA 90017	Munger Tolles & Rickershauser (For: Spanish International Communications Corp)	1,650.00	60.50
Ernest Marty, 85 Ridge St. North Sidney, Nsw 2060 Australia			
Judith Marty, 85 Ridge St. North Sydney, Nsw 2060 Australia			
Mike M. Masaoka, Suite 520, The Farragut Bldg. 900 17th St., NW Washington DC 20006	American Japanese Trade Comm		
Do	Japan Telescopes Manufacturers Assn	200.00	
Do	Nisei Lobby		
Do	Toyota Motor Sales, USA, Inc	750.00	
Do	West Mexico Vegetable Distributors Assn	500.00	
Mark A. Maslyn, 600 Maryland Avenue, SW Washington DC 20024	American Farm Bureau Federation	5,687.49	63.15
W. A. Mason, P.O. Box 21106 Shreveport LA 71156	Southwestern Electric Power Co	113.43	78.89
Ned W. Massee, 299 Park Avenue New York NY 10171	Westvaco Corporation		287.36
Donald F. Massey, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Agriculture for Market Oriented Policies).		
Do	Gray & Co Public Communications Int'l, Inc (For: Canadian Asbestos Information Centre).		
Do	Gray & Co Public Communications Int'l, Inc (For: Hitachi America Ltd)		
Do	Gray & Co Public Communications Int'l, Inc (For:Hoopa Valley Indian Reservation)	180.00	
Do	Gray & Co Public Communications Int'l, Inc (For: Joint Maritime Congress)	120.00	
Do	Gray & Co Public Communications Int'l, Inc (For: Kingdom of Morocco)	160.00	
Do	Gray & Co Public Communications Int'l, Inc (For: Lane Industries)		
Do	Gray & Co Public Communications Int'l, Inc (For: Mutual of Omaha)		
Do	Gray & Co Public Communications Int'l, Inc (For: Rauschenberg Overseas Cultural Interchange).		
Do	Gray & Co Public Communications Intl, Inc (For: Republic of Korea)		
Do	Gray & Co Public Communications Int'l, Inc (For: Republic of Turkey)	400.00	
Do	Gray & Co Public Communications Int'l, Inc (For: Tesoro Petroleum Corp)	20.00	
Do	Gray & Co Public Communications Int'l, Inc (For: Title Insurance Industry Coalition)	1,400.00	
Do	Gray & Co Public Communications Int'l, Inc (For: United Airlines, Inc)	80.00	
James D. Massie, 1730 Rhode Island Avenue, NW, #400 Washington DC 20036	Freeport McMoran, Inc	300.00	270.00
Richard D. Mathias, 1660 L St., NW, #901 Washington DC 20036	Pan American World Airways, Inc		
Dawson Mathis, 1800 M Street, NW, #950 North Washington DC 20036	Dawson Mathis & Associates (For: American Electronic Laboratories, Inc)		
Do	Jack Mcdonald Co (For: Coalition for the Advancement of Industrial Technology)		
Do	Coalition Against Double Taxation, Inc		
Do	Dawson Mathis & Associates (For: Consumers Power Co)		
Do	Dawson Mathis & Associates (For: Crowley Maritime Corp)		
Do	Jack Mcdonald Co (For: Fiber Fabric & Apparel Coalition for Trade)		
Do	Dawson Mathis & Associates (For: Massachusetts Mutual Life Insurance Co)		
Do	Dawson Mathis & Associates (For: Pacific Gas & Electric Co)		
Do	Dawson Mathis & Associates (For: Southeastern Peanut Assn)		
Do	Dawson Mathis & Associates (For: Westinghouse Electric Corp)		
Mary Helen Mathis, 444 North Capitol St., #711 Washington DC 20001	Keefe Company (For: Carteret Savings & Loan)	180.00	
Do	Keefe Company (For: Cordish & Embry Associates)		
Do	Keefe Company (For: Essex County)	1,500.00	
Do	Keefe Company (For: New York University)	1,300.00	
Do	Keefe Company (For: Precision Conversion & Recovery)		
Do	Keefe Company (For: University of Medicine & Dentistry of New Jersey)	260.00	
Dawson Mathis & Associates, 1800 M Street, NW, #950 North Washington DC 20036	American Electronic Laboratories, Inc		
Do	Consumers Power Co		
Do	Crowley Maritime Corp		
Do	Massachusetts Mutual Life Insurance Co		
Do	Pacific Gas & Electric Co		
Do	Southeastern Peanut Assn		
Do	Westinghouse Electric Corp		
Charles D. Matthews, 1050 17th St., NW, #700 Washington DC 20036	National Ocean Industries Assn	3,000.00	
Robert A. Matthews, 700 North Fairfax St. Alexandria VA 22314	Railway Progress Institute	1,071.87	
Suzette Matthews, 2020 N. 14th Street, #410 Arlington VA 22201	Air Traffic Control Assn, Inc		
Joanne E. Mattiace, 633 Pennsylvania Avenue, NW, #600 Washington DC 20004	Sears Roebuck & Co	390.00	249.40
Joseph M. Mattingly, 1901 North Moore Street Arlington VA 22209	Gas Appliance Manufacturers Assn, Inc		
William C. Mattox, 1285 Avenue of The Americas New York NY 10019	Equitable Life Assurance Society of the U.S	800.00	25.00
Marshall L. Matz, Scott Harrison & Mcleod 2501 M Street, NW, 4th Fl. Washington DC 20037	American School Food Service Assn	9,000.00	1,604.62
C.V. & R.V. Maudlin, 1511 K Street, NW, #535 Washington DC 20005	Brass and Bronze Ingot Institute		
Anthony F. Mauriello, New York State Petroleum Council 150 State Street Albany NY 12207	American Petroleum Institute	1,187.72	814.14
Michael Mawby, 2030 M Street, NW Washington DC 20036	Common Cause	9,750.00	468.55
Thomas H. Maxedon, Kentucky Petroleum Council 612-A Shelby Street Frankfort KY 40601	American Petroleum Institute	489.16	550.48
William A. Maxwell, 311 First Street, NW, #500 Washington DC 20001	Computer & Business Equipment Manufacturers Assn	1,400.00	
Walter R. May, 7004 Park Terrace Drive Alexandria VA 22307	Yellow Freight System, Inc	12,000.00	2,167.00
Mayberry and Leighton, 1667 K St. NW, 9th Fl. Washington DC 20006	ALPO Petfoods, Inc		
Do	Clorox Company		
Do	Express Foods Co, Inc		
Do	General Instrument Corporation		
Do	GTE Products Corp		
Do	Johnson & Johnson		
Do	Leprino Foods, Inc		
Do	Merrick's, Inc		
Do	Whey Products Institute		
Mayer Brown & Platt, 2000 Pennsylvania Avenue, NW, #6500 Washington DC 20006	Bank of America		
Do	Brunswick Corp		
Do	Chemical Bank		
Do	Citibank, N.A.		
Do	Comdisco, Inc		
Do	Continental Illinois Nat'l Bank & Trust Co		
Do	Copeland Companies		
Do	Goldman Sachs & Co		
Do	GATX Corporation		
Do	Inland Steel Corp		
Do	Invest to Compete Alliance		
Do	JMB Realty Corp		
Do	Lasalle Partners, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Merrill Lynch Capital Markets		
Do	National Assn of Broadcast Employees & Technicians		
Do	RTS Capital Corp		
Do	Sears Roebuck & Co		
Do	Union Station Venture		
G. Mark Mayfield, P.O. Box 7305, Dept. 77 Kansas City MO 64116	Farmland Industries, Inc		
Martin Mayfield, 8001 Braddock Road Springfield VA 22160	National Right to Work Committee	300.00	124.64
Jeffrey G. Mays, 600 Maryland Ave., SW, #400e Washington DC 20024	American Optometric Assn		
Michael J. McAdams, 1015 18th Street, NW Washington DC 20036	Fertilizer Institute	10,000.00	2,760.05
H. Wesley McAden, 1155 15th St., NW, #504 Washington DC 20005	J. G. Boswell Co	3,000.00	
Do	New York Cotton Exchange	2,000.00	
Do	Supima Association of America	2,000.00	
Richard G. McAlee, 233 East Redwood Street Baltimore MD 21202	Gordon Feinblatt Rothman Hoffberger & Hollander (For: Sinai Hospital of Baltimore, Inc).		
Ann McBride, 2030 M St., NW Washington DC 20036	Common Cause	14,148.78	349.16
R. G. McBride, Mississippi Petroleum Council P.O. Box 42 Jackson MS 39205	American Petroleum Institute	900.00	1,052.04
Stephen C. McCaffrey, 1828 N. Meridian Street Indianapolis IN 46202	United Way of Indianapolis		
John A. McCahill, 1250 Connecticut Ave, NW Washington DC 20036	U.S. Olympic Committee		
Julie P. McCahill, 1101 16th Street, NW Washington DC 20036	National Soft Drink Assn		
Ross L. McCall, 11510 Georgia Avenue, #115 Wheaton MD 20902	St. Ella Ltd, Inc		
John D. McCallum, 1900 Pennsylvania Ave., NW Washington DC 20068	Potomac Electric Power Co	11.45	
Katherine S. McCarter, 1015 15th Street, NW Washington DC 20005	American Public Health Assn	2,566.00	
Carolyn Kim McCarthy, 7901 Westpark Drive Mclean VA 22102	National Machine Tool Builders' Assn	1,700.00	500.00
James R. McCarthy, 1220 L Street, NW Washington DC 20005	American Petroleum Institute	200.00	
McCarty Noone & Williams, 490 L'enfant Plaza East, SW, #3306 Washington DC 20024	American Medical Technologists	900.00	46.35
Robin W. McClung, 1667 K St., NW, #1210 Washington DC 20006	Rohm & Haas Co	500.00	173.22
McClure & Trotter, 1100 Connecticut Ave., NW, #600 Washington DC 20036	Coca-Cola Company		519.93
Do	Gulf & Western Industries, Inc		502.53
Do	Mobil Oil Corp	4,138.75	407.38
Do	National Assn of Small Business Investment Cos	2,500.00	
Mark L. McConaghy, 1801 K St., NW, #700 Washington DC 20006	Price Waterhouse (For: Ceo Tax Group)	1,750.00	15.00
Robert S. McConnaughey, 1850 K St., NW Washington DC 20006	American Council of Life Insurance, Inc		
James F. McConnell Jr., 1020 19th Street, NW, Second Floor Washington DC 20036	Leff & Mason (For: Carma-Sandling Group)		
Hugh T. McCormick, 520 Madison Avenue New York NY 10022	General Conf of the 7th Day Adventists Church Risk Mgt Svcs	5,000.00	264.58
John L. McCormick, 218 D St., SE Washington DC 20003	Environmental Policy Institute		
Margaret M. McCormick, 5017 Forbes Avenue Pittsburgh PA 15213	Carnegie-Mellon University	4,416.39	1,004.37
Alvin McCoy, 2020 K St., NW, #200 Washington DC 20006	National Fed of Federal Employees		
Dennis R. McCoy, 1101 17th Street, NW Washington DC 20036	United Gas Pipe Line Co		
Albert L. McDermott, 1819 L Street, NW, #600 Washington DC 20036	American Hotel & Motel Assn	2,114.00	
Mark T. McDermott, Joseph, Powell, Mcdermott & Reiner, P.c. 1300 19th Street, NW, #400 Washington DC 20036	Civil Pilots for Regulatory Reform		
McDermott Will & Emery, 1850 K St., NW, #500 Washington DC 20006	Federation of Japan Salmon Fisheries Cooperative Assn		
Do	Tuna Research Foundation, Inc		
E. T. McDonald, 815 16th St., NW Washington DC 20006	Brotherhood of Railway Airline & Steamship Clerks	4,000.00	4,000.00
Jack McDonald, 1800 M Street, NW, #950 North Washington DC 20036	Jack Mcdonald Co (For: American Express Corp)		
Do	Jack Mcdonald Co (For: Coalition for the Advancement of Industrial Technology)		
Do	Jack Mcdonald Co (For: Dow Corning Corp)		
Do	Jack Mcdonald Co (For: Fiber Fabric & Apparel Coalition for Trade)		
Do	Jack Mcdonald Co (For: Mutual Benefit Life Insurance Co)		
Do	Jack Mcdonald Co (For: Royal Zenith Corp)		
Michael D. McDonald, Maryland Petroleum Assn 60 West St. Annapolis MD 21401	American Petroleum Institute	150.00	
Norris McDonald, 218 D St., SE Washington DC 20003	Environmental Policy Institute		
Jack McDonald Co, 1800 M Street, NW, #950 North Washington DC 20036	American Express Corp		
Do	Coalition for the Advancement of Industrial Technology		17,909.10
Do	Dow Corning Corp		
Do	Fiber Fabric & Apparel Coalition for Trade		32,209.18
Do	Mutual Benefit Life Insurance Co		
Do	Royal Zenith Corp		
Patrick J. McDonough, 5999 Stevenson Avenue Alexandria VA 22304	American Assn for Counseling & Development		
Marian E. McDowell, 1111 19th Street, NW Washington DC 20036	Edison Electric Institute	2,050.45	530.31
Dinah D. McElfresh, 1255 23rd Street, NW, #850 Washington DC 20037	Hauck & Associates (For: National Assn for Child Care Management)		
Rick McElheny, 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: International Brotherhood of Teamsters).		
Do	Gray & Co Public Communications Int'l, Inc (For: Kingdom of Morocco)		
Robert H. McFadden, 1620 Eye Street, NW, #1000 Washington DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc		
Joseph M. McGarry, 16 Munson Rd. Farmington CT 06032	Heublein, Inc		65.00
Paul J. McGeady, 27 Hampton Place Nutley NJ 07110	Morality in Media, Inc		
Gale W. McGee, 122 C Street, NW, #740 Washington DC 20001	American League for Exports & Security Assistance, Inc	2,000.00	21.50
Michael McGehee, 1411 E. Abingdon Drive Alexandria VA 22314	Research to Prevent Blindness, Inc	4,187.50	812.50
P. Anne McGhee, 1750 K St., NW Washington DC 20006	Food Marketing Institute	450.00	
Robert M. McGlotten, 815 16th St., NW Washington DC 20006	American Fed of Labor & Congress of Industrial Organizations	14,286.78	909.23
McGough & Associates, Inc, 65 East State Street, #1510 Columbus OH 43215	Timken Co	12,000.00	9,520.00
Phyllis M. McGovern, 1875 Eye Street, NW, #800 Washington DC 20006	Tobacco Institute		
Jeanne H. McGowan, 1025 Connecticut Avenue, NW, #415 Washington DC 20036	American Insurance Assn		
Christopher C. McGrath, New York State Petroleum Council 156 William St. New York NY 10038	American Petroleum Institute		
Jerome J. McGrath, 1660 L St., NW, #601 Washington DC 20036	Interstate Natural Gas Assn of America	500.00	
Richard L. McGraw, 950 L'enfant Plaza, SW Washington DC 20024	Communications Satellite Corp		
Joseph M. McGuire, 1501 Wilson Blvd. Arlington VA 22209	Air Conditioning & Refrigeration Institute		
McGuire Woods & Battle, One James Center Richmond VA 23219	CSX Corporation		
Do	United Coal Co		
McHenry & Staffier, P.C., 1300 19th St., NW, #408 Washington DC 20036	Foothills Pipe Lines (Yukon) Ltd		
Do	Nova, An Alberta Corp		
Do	Novacor Chemicals, Ltd		
Do	Pan-Alberta Gas Ltd		
James E. McInerney Jr., 122 C Street, NW, #740 Washington DC 20001	American League for Exports & Security Assistance, Inc	3,000.00	132.73
Clarence M. McIntosh Jr., 400 First St., NW Washington DC 20001	Railway Labor Executives' Assn	1,225.70	
Dennis McIntosh, 1771 N Street, NW Washington DC 20036	National Assn of Broadcasters		
James T. McIntyre Jr., Hansell & Post 1667 K Street, NW, #500 Washington DC 20006	CSX Corporation	3,622.50	
Do	Ogden Corporation	11,112.50	18.16
Do	United Family Life Insurance Co	1,400.00	11.80
William F. McKenna, 2301 M St., NW, #500 Washington DC 20037	Housley Goldberg & Kantarian, P.C		
Jan E. McKenzie, 1111 19th St., NW, #702 Washington DC 20036	Edison Electric Institute	1,830.00	271.05
Robert T. McKernan, 1619 Massachusetts Ave., NW Washington DC 20036	American Paper Institute, Inc	250.00	
William Colm McKeveny, 30 Rockefeller Plaza New York NY 10112	American Pulpwood Assn		
C. A. 'Mack' McKinney, 219 North Washington Street Alexandria VA 22314	Non Commissioned Officers Assn of the USA	10,025.00	197.64
Steven G. McKinney, P.O. Box 306 Birmingham AL 35201	Balch & Bingham (For: Southern Company Services, Inc)	80.00	16.63
Thomas I. McKnew Jr., 1667 K St., NW, #600 Washington DC 20006	Santa Fe Southern Pacific Corp	1,500.00	
James D. McLaughlin, 1120 Connecticut Ave., NW Washington DC 20036	American Bankers Assn	750.00	
John P. McLaughlin, 1747 Pennsylvania Avenue, NW Washington DC 20006	Merrell Dow Pharmaceuticals, Inc		
Do	Pharmaceutical Manufacturers Assn	4,162.50	208.14
William F. McManus, 1331 Pennsylvania Avenue, NW Washington DC 20004	General Electric Co	355.00	
James D. McMillan, 1899 L St., NW, #1100 Washington DC	Exxon Corporation	850.00	737.50
Kurt Charles McMillan, 1010 Wisconsin Avenue, NW, #800 Washington DC 20007	Grocery Manufacturers of America, Inc		
McNair Glenn Konduros Corley Singletary Porter & Dibble, 1155 15th Street, NW Washington DC 20005	Air Transport Assn of America		
Do	Alignpac		
Do	Chase Manhattan Bank, N.A		
Do	Committee for Financing Public Transportation Facilities		
Do	CBS, Inc	4,119.05	245.49
Do	General Mills Corporation		
Do	Georgia-Pacific Corp	6,435.40	77.09
Do	GTE Corporation		
Do	GTE Sprint Communications		
Do	Intellectual Property Owners, Inc	2,460.00	11.08
Do	National Cable Television Assn, Inc		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	National Football League		
Do	Norfolk Southern Corp	32,436.00	2,070.47
Kathryn M. McNamara, 633 Pennsylvania Avenue, NW, #600 Washington DC 20004	Sears Roebuck & Co	132.00	122.00
Laramie Faith McNamara, 1000 Wilson Blvd., #2700 Arlington VA 22209	TRW, Inc	1,000.00	
Patrick H. McNamara, McNamara & Associates, Inc 450 Fifth Street, NW, #900 South Washington DC 200015130	Dow Chemical USA		
Cynthia A. McNeill, 1217 Elm Street Denver CO 80220	McNeill & Company		
McNeill & Company, 1217 Elm Street Denver CO 80220			
Peter F. McNeish, 1156 15th Street, NW, #1101 Washington DC 20005	National Assn of Small Business Investment Cos	3,000.00	
Michael J. McShane, 1101 30th Street, NW, #500 Washington DC 20007	National Computer Systems		
Robert McVicker, 2001 Jefferson Davis Hwy Arlington VA 22202	Kollsman Instrument Co		
Ronald E. McWilliams, 1700 N. Moore St. Rosslyn VA 22209	Boeing Marine Systems		
George G. Mead, 1908 Ednor Road Cloverly MD 20904	North American Van Lines, Inc	2,500.00	
Joseph F. Meadow, 7100 Baltimore Avenue College Park MD 20740	United Action for Animals, Inc	1,250.00	
John K. Meagher, 1025 Thomas Jefferson Street, NW Washington DC 20007	LTV Corporation	3,000.00	900.00
Joseph J. Meder, 1050 17th St., NW, #1100 Washington DC 20036	Interlake, Inc	10,500.00	
Medtronic, Inc, 3055 Old Highway 8 P.O. Box 1453 Minneapolis MN 55440			1,671.69
Colise G. Medved, 1701 Pennsylvania Ave., NW, #830 Washington DC 20006	Penn Central Corporation		
William H. Megonnell, 1111 19th St., NW, 9th Floor Washington DC 20036	Edison Electric Institute	909.09	36.20
Richard A. Mehler, 1818 N Street, NW, #200 Washington DC 20036	Automotive Parts Rebuilders Assn		
Larry Mehlhaff, 23 N. Scott Sheridan WY 82801	Sierra Club	6,500.00	3,931.91
Michelle Meier, 2001 S Street, NW, #520 Washington DC 20009	Consumers Union of U.S., Inc	1,000.00	
Stephen E. Meili, 600 New Jersey Avenue, NW Washington DC 20001	Institute for Public Representation		
Kenneth F. Melley, 1201 16th Street, NW Washington DC 20036	National Education Assn	1,749.00	20.00
Edward L. Menning, 1522 K St., NW, #836 Washington DC 20005	National Assn of Federal Veterinarians	17.57	
Jane Mentzinger, 2030 M Street, NW Washington DC 20036	Common Cause	5,600.04	35.00
Edward A. Merlis, 1724 Massachusetts Avenue, NW Washington DC 20036	National Cable Television Assn, Inc	2,925.00	
Edward L. Merrigan, 6000 Connecticut Ave., NW Washington DC 20815	Central Gulf Lines, Inc	5,000.00	226.48
Do	National Assn of Recycling Industries, Inc	4,000.00	64.20
Do	John Tudor		16.00
Nancy Jo Merrill, 1725 K St., NW, #814 Washington DC 20006	March of Dimes Birth Defects Foundation	900.00	
Merrill Lynch & Co, Inc, 1828 L St., NW, #906 Washington DC 20036			8,500.00
Thomas L. Meskan, 777 14th Street, NW Washington DC 20005	National Assn of Realtors	1,250.00	763.40
Neil T. Messick, 1331 Pennsylvania Ave., NW Washington DC 20004	General Electric Co	1,500.00	
Jean L. Mestres, 1747 Pennsylvania Avenue, NW, #300 Washington DC 20006	Cities Service Oil & Gas Corp	415.80	116.68
Andrea L. Methven, 1050 17th Street, NW, #500 Washington DC 20036	Texaco, Inc		
Christopher L. Meyer, P.O. Box 888, E Unit Ashland KY 41101	New Generation Lobby		
M. Barry Meyer, 818 Connecticut Ave., NW Washington DC 20006	Aluminum Assn		
Larry D. Meyers, 412 First Street, SE Washington DC 20003	American Beekeeping Federation	6,000.00	
Do	CPEX Pacific, Inc		
Do	Hucheng International Co		
Do	Lema Properties, Inc		
Do	National Peanut Growers Group	4,500.00	
Do	Rice Belt Warehouse, Inc	7,500.00	
Do	Sam Kane Packing		
Do	Texas Production Credit Assn		
David R. Mica, Florida Petroleum Institute 325 John Knox Rd., #f-210 Tallahassee FL 32303	American Petroleum Institute	696.92	1,075.25
Laurie J. Micciche, 3900 Wisconsin Avenue, NW Washington DC 20016	Fannie Mae	1,738.46	46.77
James G. Michaux, P.O. Box 70297 Washington DC 20088	Federated Dept Stores, Inc	350.00	
Laurie Michel, 1850 K Street, NW, #1100 Washington DC 20006	Ballard Spahr Andrews & Ingersoll		
Thomas A. Micheletti, 1111 19th Street, NW, #303 Washington DC 20036	Southern California Edison Co	3,750.00	1,964.75
Kathleen Michels, 1101 14th Street, NW, #200 Washington DC 20005	American Nurses' Assn	4,410.13	618.11
Ronald A. Michieli, 1301 Pennsylvania Ave., NW, #300 Washington DC 20004	National Cattlemen's Assn	1,000.00	
Mid Continent Wildcatters Assn, 200 Douglas Bldg. Wichita KS 67202		10,000.00	
Mid-Continent Oil & Gas Assn, 711 Adams Office Bldg. Tulsa OK 74103		52,286.63	22,197.04
Roger E. Middleton, 1615 H Street, NW Washington DC 20062	Chamber of Commerce of the U.S	2,400.00	145.00
Paul J. Mignini Sr., 815 16th Street, NW, #310 Washington DC 20006	Amalgamated Clothing & Textile Workers Union	3,646.00	145.00
Migrant Legal Action Program, Inc, 2001 S St., NW, #310 Washington DC 20009			
Milbank Tweed Hadley & Mccloy, 1825 Eye St., NW Washinton DC 20006	Joint Task Force on Fed Financial Assist. for Law Students		
Miles & Stockbridge, 1701 Pennsylvania Ave., NW, #500 Washington DC 20006	Black and Decker Manufacturing Company		300.00
Do	Pepsico, Inc		
Do	Pizza Hut, Inc		450.00
Dale Miller, 4000 Reno Road, NW Washington DC 20008	Texasgulf, Inc	1,125.00	776.94
David H. Miller, 900 17th Street, NW Washington DC 20006	Chase Manhattan Bank, N.A	166.25	50.88
Deborah Imle Miller, 15th & M sts., NW Washington DC 20005	National Assn of Home Builders of the U.S		
Grant Miller, 1725 Jefferson Davis Highway, #900 Arlington VA 22202	LTV Aerospace & Defense Co	2,500.00	125.00
Harris C. Miller, 1747 Pennsylvania Avenue, #300 Washington DC 20006	Occidental Chemical Corp	1,180.00	
Jeffrey T. Miller, P.O. Box 1933 East Hanover NJ 07936	Nabisco Brands, Inc		
Joseph E. Miller Jr., 1608 K Street, NW Washington DC 20006	American Legion	7,386.00	135.48
Marye T. Miller, 114 3rd Street, SE Washington DC 20003	Ray F. Bragg, Inc (For: American Independent Refiners Assn)	50.00	
Nancy A. Miller, 1101 14th Street, NW Washington DC 20005	American Financial Services Assn		
Paul J. Miller, 8000 Sears Tower Chicago IL 60606	Investment Counsel Assn of America, Inc		
Richard G. Miller, 1101 14th Street, NW, #200 Washington DC 20005	American Nurses' Assn	3,836.64	804.44
Robert H. Miller, 490 L'enfant Plaza East, SW, #2202 Washington DC 20024	Tenneco, Inc		
Robin Miller, 1925 K Street, NW Washington DC 20006	Alliance to Save Energy		
Steven T. Miller, 1607 New Hampshire Avenue, NW Washington DC 20009	American Metal Detectors Manufacturers, Inc		
Do	Auto Internacional Assn	591.25	273.13
Do	Coalition of Automotive Assns	199.80	93.66
Do	Specialty Equipment Market Assn	1,465.20	686.76
W. Kirk Miller, 735 North Water Street, #908 Milwaukee WI 53202	American Malting Barley Assn, Inc	1,669.50	1,276.91
Harris Miller & Associates, 1655 N. Fort Myer Drive Arlington VA 22209	Agricultural Producers	4,500.00	364.75
Do	Equity Group	552.50	
Do	Florida Fruit & Vegetable Assn	6,200.00	307.00
Do	National Assn for Foreign Student Affairs	292.50	
Do	U.S. English	318.75	
Do	Western Range Assn	495.00	651.26
Miller & Chevalier, Chtd, Metropolitan Square 655 15th Street, NW Washington DC 20005	Motor Vehicle Manufacturers Assn of the U.S., Inc	16,522.50	196.10
Do	National Assn of Temporary Services, Inc	2,992.81	
Do	Nuclear Fuel Services, Inc		
Do	Section 641(e) Group	68,560.00	363.19
Miller Cassidy Larroca & Lewin, 2555 M St., NW, #500 Washington DC 20037	47th Street Photo		
C.G. Pete Milligan, 4360 N.e. Joe's Point Stuart FL 33494	American Telephone & Telegraph Co	2,400.00	
Jeanne Milliken, 1101 16th Street, NW Washington DC 20036	Independent Petroleum Assn of America		11.50
John C. Milliner Jr., P.O. Box 1788 Forest Park GA 30051	Southeastern Lumber Manufacturers Assn	73.00	
Amy J. Millman, 1875 Eye St., NW, #500 Washington DC 20006	Philip Morris, Inc	850.00	175.00
Robert G. Mills, 3238 Wynford Drive Fairfax VA 22031	U.S. Defense Committee	2,400.00	
Richard V. Minck, 1850 K St., NW Washington DC 20006	American Council of Life Insurance, Inc	1,500.00	
Minerals Exploration Coalition, Inc, P.O. Box 15638 Denver CO 80215			
Mining & Reclamation Council of America, 1575 I Street, NW, #525 Washington DC 20005			
Joseph G. Minish, 66 Sheridan Avenue West Orange NJ 07052	Bayamon Federal Savings		
Do	Chrysler Corporation		
Do	U.S. League of Savings Institutions		
Edward F. Mitchell, 1900 Pennsylvania Avenue, NW Washington DC 20068	Potomac Electric Power Co	480.97	
Joanne Mitchell, 2020 K Street, NW, #435 Washington DC 20006	Commodity Exchange, Inc	2,000.00	1,985.00
Thomas F. Mitchell, 1875 Eye St., NW, #400 Washington DC 20006	Georgia-Pacific Corp		380.00
Stacey J. Mobley, 1701 Pennsylvania Avenue, NW, #900 Washington DC 20006	E. I. du Pont de Nemours & Co		
David T. Modi, 1701 Pennsylvania Avenue, NW, #900 Washington DC 20006	E. I. du Pont de Nemours & Co		
Robert M. Moliter, 1331 Pennsylvania Ave., NW, #865 Washington DC 20004	General Electric Co		
John V. Moller, 1155 15th Street, NW, #1010 Washington DC 20005	Manchester Associates (For: Corporacion Nacional del Cobre de Chile)		
Do	Manchester Associates, Ltd (For: Nissan Motor Company, Ltd)		
Robert A. Molofsky, 5025 Wisconsin Avenue, NW Washington DC 20016	Amalgamated Transit Union, AFL-CIO	5,000.00	96.80
Michael J. Molony, 1800 Massachusetts Ave., NW Washington DC 20036	National Rural Electric Cooperative Assn	60.00	
C. Manly Molpus, P.O. Box 3556 Washington DC 20007	American Meat Institute	1,000.00	
Christopher Monek, 1957 E St., NW Washington DC 20006	Associated General Contractors of America		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Michael Monroney, 1000 Wilson Blvd., #2700 Arlington VA 22209	TRW, Inc	1,000.00	
James P. Mooney, 1724 Massachusetts Ave., NW Washington DC 20036	National Cable Television Assn, Inc	5,375.00	
Alan J. Moore, 1667 K St., NW, #600 Washington DC 20006	Santa Fe Southern Pacific Corp	1,000.00	
Carlos Moore, 1101 Connecticut Avenue, NW, #300 Washington DC 20036	American Textile Manufacturers Institute, Inc	150.00	
Francis B. Moore, 3003 Butterfield Road Oak Brook IL 60521	Waste Management, Inc	5,000.00	3,292.20
Walter K. Moore, 840 North Lake Shore Drive Chicago IL 60611	American Hospital Assn		1,060.03
William D. Moore, Commerce Center 30 Exchange Terrace Providence RI 02903	Greater Providence Chamber of Commerce		
Morality in Media, Inc, 475 Riverside Dr., #239 New York NY 10115			
Judith Morehouse, 1700 N. Moore Street Rosslyn VA 22209	Boeing Company	1,568.00	
Vincent L. Morelli, 555 New Jersey Ave., NW, #880 Washington DC 20001	Congoleum Corporation	2,000.00	272.00
Dudley Digges Morgan III, 4900 Baronne New Orleans LA 70115	Southern Forest Products Assn	11,812.50	
E. Joyce Morgan, 1920 N St., NW Washington DC 20036	American Mining Congress		
Morgan Lewis & Bockius, Suite 800 North 1800 M St., NW Washington DC 20036	Business Roundtable		
Do	Consolidated Natural Gas Co		
Robert E. Morin, 600 New Hampshire Avenue, NW, #354 Washington DC 20037	Society of Real Estate Appraisers		
William R. Morisse, 1110 Carroll Avenue South Milwaukee WI 53172	Morisse Company		
James A. Morrill, Scott Plaza I Philadelphia PA 19113	Scott Paper Co	6,000.00	188.36
Janelle Morris, 1828 L Street, NW, #906 Washington DC 20036	Merrill Lynch & Co, Inc		
Loretta C. Morris, 1725 K Street, NW, #814 Washington DC 20006	March of Dimes Birth Defects Foundation	968.75	14.75
Tessa Morris, 1155 Connecticut Ave., NW, #1130 Washington DC 20036	Security Pacific National Bank		
W. Patrick Morris, 1110 Vermont Avenue, NW Washington DC 20005	Shipbuilders Council of America	2,400.00	
William C. Morrison, 2001 North Adams St. Arlington VA 22201	Meat Importers Council of America, Inc	875.90	
Morrison & Foerster, 2000 Pennsylvania Ave., NW Washington DC 20006	Community Redevelopment Agencies Assn	10,765.00	
Do	Consolidated Freightways	1,000.00	
Do	Crocker National Bank	210.00	
Do	National Electrical Manufacturers Assn		
Do	Rosenberg Real Estate Equity Fund, Inc	2,002.50	
Colleen T. Morrow, 676 Fourth Street, NE, #403 Washington DC 20002	Americans for Tax Reform	1,875.00	
Valerie T. Morse, 453 New Jersey Ave., SE Washington DC 20003	Beneficial Management Corp of America	800.00	
Frank D. Moruzzi, 1235 Jefferson Davis Highway, #500 Arlington VA 22202	Italian Advanced Industries, Inc		
George R. Moses, 1518 K St., NW, #202 Washington DC 20005	M/A-Com, Inc	2,400.00	
Do	TRW, Inc	960.00	
Russell N. Mosher, 950 N. Glebe Rd., #160 Arlington VA 22203	American Boiler Manufacturers Assn, Inc		
Dorothy J. Moss, 1101 Vermont Avenue, NW Washington DC 20005	American Medical Assn	25.00	
Moss Associates, Inc, 2450 Virginia Ave., NW Washington DC 20037	Association of Bank Holding Cos	900.00	
Gerald J. Mossinghoff, 1100 15th Street, NW, #900 Washington DC 20005	Pharmaceutical Manufacturers Assn	1,000.00	
Beth Moten, 2020 K Street, NW, #200 Washington DC 20006	National Fed of Federal Employees	6,991.77	
Motion Picture Assn of America, Inc, 1600 Eye Street, NW Washington DC 20006		25,397.69	25,397.69
John J. Motley, 600 Maryland Ave., SW, #695 Washington DC 20024	National Fed of Independent Business	2,250.00	200.00
L. A. Motley and Company, 1800 K Street, NW, #1000 Washington DC 20006	Adical	44,980.00	1,200.00
Motor and Equipment Manufacturers Association, 1120 19th St., NW, #333 Washington DC 20036			3,014.00
Motor Vehicle Manufacturers Assn of the U.S., Inc, 300 New Center Bldg. Detroit MI 48202		1,627.22	1,627.22
Mountain West Associates, 2121 K St., NW, #880 Washington DC 20037	Public Service Co of New Mexico		
Mudge Rose Guthrie Alexander & Ferndon, 2121 K Street, NW Washington DC 20037	American Assn of Exporters-Importers-Textile & Apparel Group		
Do	Basin Electric Power Cooperative		
Do	Government of Hong Kong		
Do	Japan Lumber Importers Assn		
James S. Mulhern, 1840 Wilson Boulevard Arlington VA 22201	National Milk Producers Federation	3,225.00	
Albert E. Mullin Jr, 111 Powdermill Rd. (b79) Maynard MA 01754	Digital Equipment Corp	15,000.00	
Tracy Mullin, 1000 Connecticut Ave., NW, #700 Washington DC 20036	National Retail Merchants Assn	300.00	25.00
Robert J. Mullins, Suite 202-W 600 Maryland Avenue, SW Washington DC 20024	Farmers' Educational & Co-Operativ- Union of America	9,878.40	114.90
W. H. L. Mullins, 1745 Jefferson Davis Highway, #1000 Arlington VA 22202	General Dynamics Corp	2,000.00	60C.69
Donna T. Mundy, 2211 Congress Street Portland ME 04122	Union Mutual Life Insurance Co	500.00	4,506.76
Daniel J. Murphy, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Government of Angola/SONANGOL)		
Do	Gray & Co Public Communications Int'l, Inc (For: Kingdom of Morocco)		
Do	Gray & Co Public Communications Int'l, Inc (For: Republic of Turkey)		
Jeanne Marie Murphy, 1730 Rhode Island Avenue, NW, #810 Washington DC 20036	Credit Union National Assn, Inc	300.00	174.86
Lester L. Murphy Jr., P.O. Box 4267 Topeka KS 66604	Kansas Electric Cooperatives, Inc		
Paul T. Murphy, 900 17th St., NW, #514 Washington DC 20006	National Foreign Trade Council, Inc	5,000.00	495.00
Richard E. Murphy, 1313 L St., NW Washington DC 20005	Service Employees International Union, AFL-CIO		
Gordon L. Murray, 1911 Jefferson Davis Highway, #1002 Arlington VA 22202	Lear Siegler, Inc/energy Products Div	118.99	118.99
Murray & Scheer, 2550 M St., NW, #695 Washington DC 20037	American Cyanamid Co	500.00	
Do	Chemical Manufacturers Assn, Inc	250.00	
Do	Chicago Milwaukee St. Paul & Pacific Railroads	400.00	
Do	Cleveland Cliffs Iron Co	250.00	
Do	Connecticut Mutual Life Insurance Co	500.00	
Do	Industry Council for Tangible Assets	400.00	
Do	Iron Ore Lessors Assn, Inc	250.00	
Do	LTV Corporation	450.00	
Do	Massachusetts Mutual Life Insurance Co	500.00	
Do	Mutual Benefit Life	500.00	
Do	National Business Aircraft Assn	500.00	
Do	National Council of Coal Lessors	300.00	
Do	New England Mutual Life Insurance Co	500.00	
Do	Penn Mutual Life Insurance Co	500.00	
Do	Swaziland Sugar Assn	400.00	
Michael D. Muth, Rt. 1, Box 7 Leonardtown MD 20650	Maryland State Police		
Robert J. Muth, 180 Maiden Ln. New York NY 10038	Asarco Inc		
Lawrence P. Mutter, 6849 Old Dominion Dr. Mclean VA 22102	Automotive Parts Rebuilders Assn		
Fred J. Mutz, 1120 Connecticut Ave., NW Washington DC 20036	American Bankers Assn	3,000.00	
Gary D. Myers, 1015 18th Street, NW Washington DC 20036	Fertilizer Institute	4,500.00	
Timothy D. Naegele & Associates, 1850 K Street, NW, #1280 Washington DC 20006	Baybanks, Inc		
Do	First Independent Trust Co		
Do	Hibernia Bank		
Alan Y. Naftalin, 1150 Connecticut Avenue, NW Washington DC 20036	Koteen & Naftalin (For: Alascom, Inc)		
Do	Koteen & Naftalin (For: Telephone & Data Systems, Inc)		
Stephen M. Nagler, 533 South Avenue West Westfield NJ 07090	Patlex Corporation	15,000.05	29.35
John Francis Nash Jr., 214 Massachusetts Ave., NE, #420 Washington DC 20002	Milliken & Company	5,000.00	2,600.00
Frances E. Nathan, 455 Fifth Avenue New York NY 10016	New York Public Library	5,588.70	
Hardy L. Nathan, 1750 K St., NW Washington DC 20006	Food Marketing Institute	750.00	
Raymond Nathan, 4242 East-West Hwy Chevy Chase MD 20815	American Ethical Union	600.00	417.60
National Agricultural Chemicals Assn, 1155 15th St., NW Washington DC 20005		9,839.84	9,839.84
National Air Carrier Assn, 1730 M St., NW, #710 Washington DC 20036			
National Assn for Biomedical Research, 1275 K Street, NW, #900 Washington DC 20005		114,375.00	11,289.47
National Assn for Neighborhood Schools, Inc, 335 Locust St. Pittsburgh PA 15218		1,586.06	229.97
National Assn for Uniformed Services, 5535 Hempstead Way Springfield VA 22151		7,181.25	3,007.34
National Assn of Air Traffic Specialists, Wheaton Plaza North, #415 Wheaton MD 20902			7,635.85
National Assn of Aircraft & Communications Suppliers, Inc, 23871 Madison Torrance CA 90505		10,100.00	4,201.14
National Assn of Atomic Veterans, P.O. Box 409 Eldon MO 65026			
National Assn of Chain Drug Stores, Inc, P.O. Box 1417-D49 Alexandria VA 22313			10,623.58
National Assn of Federal Veterinarians, 1522 K St., NW, #836 Washington DC 20005			37.43
National Assn of Insurance Brokers, Inc, 1401 New York Ave., NW, #720 Washington DC 20005		4,700.00	4,700.00
National Assn of Manufacturers, 1776 F St., NW Washington DC 20006		82,385.89	82,385.89
National Assn of Mutual Insurance Cos, 3707 Woodview Trace P.O. Box 68700 Indianapolis IN 46268			
National Assn of Pension Consultants & Administrators, Inc, 359 E. Paces Ferry Rd., NE Atlanta GA 30305		8,300.00	2,199.50
National Assn of Real Estate Investment Trusts, Inc, 1101 17th St., NW, #700 Washington DC 20036		51,955.90	10,872.38
National Assn of Temporary Services, Inc, 119 South Saint Asaph Street Alexandria VA 22314		10,101.55	2,992.81
National Assn of Truck Stop Operators, Inc, 1199 N. Fairfax Street, #801 Alexandria VA 22314			
National Broiler Council, 1155 15th St., NW Washington DC 20005		2,750.00	2,750.00
National Business Aircraft Assn, 1200 18th St., NW Washington DC 20036			
National Cable Television Assn, Inc, 1724 Massachusetts Ave., NW Washington DC 20036		36,919.99	36,919.99
National Cattlemen's Assn, 1301 Pennsylvania Ave., NW, #300 Washington DC 20004			5,000.00
National Citizens Communications Lobby, P.O. Box 1876 Iowa City IA 52244			

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
National Coal Assn, 1130 17th Street, NW Washington DC 20036		1,018,734.67	15,746.63
National Comm for Citizens in Education, Wilde Lake Village Green, #410 Columbia MD 21044			
National Comm on Small Issue Industrial Development Bonds, Box 1, 900 South 1800 M St., NW Washington DC 20036			
National Comm to Preserve Social Security & Medicare, 1300 19th Street, NW, #310 Washington DC 20036		876,968.00	876,968.00
National Comm Against Repressive Legislation, 236 Massachusetts Avenue, NE, #406 Washington DC 20002		11,227.00	8,242.22
National Cotton Council of America, P.O. Box 12285 Memphis TN 38182		31,106.05	31,106.05
National Council of Savings Institutions, 1101 15th St., NW, #400 Washington DC 20005		842,095.30	
National Electrical Manufacturers Assn, 2101 L St., NW Washington DC 20037		2,238.54	2,238.54
National Fed of Federal Employees, 2020 K St., NW, #200 Washington DC 20006		20,780.22	20,780.22
National Fed of Independent Business, 150 W. 20th Ave. San Mateo CA 94403		17,672.45	17,672.45
National Food Processors Assn, 1401 New York Avenue, NW, #400 Washington DC 20005		4,477.50	4,477.50
National Foreign Trade Council, Inc, 100 East 42nd St. New York NY 10017		48,858.44	48,858.44
National Grain & Feed Assn, 725 15th St., NW Washington DC 20005			
National Grange, 1616 H St., NW Washington DC 20006		20,700.00	20,700.00
National Guard Assn of the U.S., One Massachusetts Ave., NW Washington DC 20001		443,827.75	116.02
National Health Care Financing Assn, P.O. Box 946 Holly Hill FL 32017			
National Industrial Transportation League, 1090 Vermont Ave., NW, #410 Washington DC 20005		14,000.00	12,759.50
National League of Postmasters of the U.S., 1023 North Royal Street Alexandria VA 22314			43,529.00
National Leased Housing Assn, 2300 M St., NW, #260 Washington DC 20037		900.00	900.00
National Milk Producers Federation, 1840 Wilson Blvd. Arlington VA 22201		12,587.38	12,587.38
National Multi Housing Council, 1250 Connecticut Ave., NW, #620 Washington DC 20036			7,979.50
National Office Machine Dealers Assn, 2121 K ST., NW, #830 Washington DC 20037			
National Organization for Women, 1401 New York Ave., NW, #800 Washington DC 20005			288.80
National Peach Council, P.O. Box 1085 Martinsburg WV 25401			
National Pest Control Assn, 8100 Oak St. Dunn Loring VA 22027			
National Public Affairs Corp, 900 17th Street, NW Washington DC 20006	Westinghouse Electric Corp	300.00	
National Realty Committee, 1250 Connecticut Ave., NW, #303 Washington DC 20036		6,235.54	6,235.54
National Retail Merchants Assn, 1000 Connecticut Avenue, NW Washington DC 20036			3,865.00
National Right to Work Committee, 8001 Braddock Rd., #600 Springfield VA 22160		7,089.77	7,089.77
National Rural Electric Cooperative Assn, 1800 Massachusetts Ave., NW Washington DC 20036			3,895.88
National Rural Letter Carriers Assn, 1448 Duke St., #100 Alexandria VA 22314		11,671.00	21,179.00
National Security Traders Assn, Inc, One World Trade Center, #4511 New York NY 10048			4,375.00
National Small Business Assn, 1155 15th Street, NW, #710 Washington DC 20005		7,000.00	2,115.64
National Society of Professional Engineers, 1420 King Street Alexandria VA 22314		12,500.00	10,100.00
National Soft Drink Assn, 1101 16th St., NW Washington DC 20036			98.78
National Solid Wastes Management Assn, 10th Floor 1730 Rhode Island Ave., NW Washington DC 20036			
National Tire Dealers & Retreaders Assn, 1250 Eye Street, NW, #400 Washington DC 20005		5,720.00	5,720.00
National Venture Capital Association, 1655 N. Fort Meyer Dr., #700 Arlington VA 22209			13,636.00
National-American Wholesale Grocers' Assn, 201 Park Washington Court Falls Church VA 22046		9,000.00	9,000.00
Karen J. Neale, 2501 M Street N.w. Washington DC 20037	Chemical Manufacturers Assn, Inc	465.00	118.25
Jeffrey Nedelman, 1010 Wisconsin Avenue, NW, #800 Washington DC 20007	Grocery Manufacturers of America, Inc	67.94	
Allen Neece Jr., 1050 17th Street, NW Washington DC 20036	Neece Cator & Associates, Inc (For: Association of Small Business Development Centers):	1,400.00	1,400.00
Do	Neece Cator & Associates, Inc (For: National Venture Capital Association)	1,300.00	1,300.00
Do	Neece Cator & Associates, Inc (For: Small Business United)	1,350.00	1,350.00
Neece Cator & Associates, Inc, 1050 17th Street, NW Washington DC 20036	Association of Small Business Development Centers	1,400.00	1,400.00
Do	National Assn of Development Companies (NADCO)	1,300.00	1,300.00
Do	National Assn of Small Business Investment Cos		
Do	National Venture Capital Association	1,300.00	1,300.00
Do	Small Business United	1,350.00	1,350.00
Do	Southeastern Lumber Manufacturers Assn	1,300.00	1,300.00
Mary Elizabeth Neese, 1101 15th St., NW, #400 Washington DC 20005	National Council of Savings Institutions	2,000.00	57.19
Laura C. Nehf, 1101 Connecticut Avenue, NW, #500 Washington DC 20036	J. Samuel Choate, Jr., P.c. (For: Association of Progressive Rental Organizations)		
Stanley Nehmer, 1320 19th Street, NW, #600 Washington DC 20036	Lead-Zinc Producers Committee	500.00	350.00
Neill & Company, Inc, 900 17th St., NW, #400 Washington DC 20006	Arab Republic of Egypt		2,250.00
Do	Hashemite Kingdom of Jordan	55,000.00	700.00
Do	Kingdom of Morocco		450.00
Do	Republic of Gabon		7,450.00
Neill Mullenholz Shaw & Seeger, 900 17th St., NW, #400 Washington DC 20006	Florida East Coast Railway Co	1,350.00	
Do	Hashemite Kingdom of Jordan		
Do	Kingdom of Morocco		
Do	National Council Social Security Management Assns, Inc	2,000.00	600.00
Do	National Farm & Power Equipment Dealers Assn	1,500.00	
Do	PHH Group, Inc		
Do	Senior Executives Assn	5,000.00	250.00
Do	Soo Line Corporation	2,500.00	
Douglas J. Neilson, 8111 Gatehouse Road Falls Church VA 22047	AAA Potomac		
Carolyn B. Nelson, #2 Metroplex Dr., Suite 500 Birmingham AL 35209	Metropolitan Properties, Inc		
Gordon E. Nelson, 12005 Millstream Dr. Bowie MD 20715	Farm Water Alliance		69.55
Mark D. Nelson, 1701 Pennsylvania Ave., NW, #900 Washington DC 20036	E. I. du Pont de Nemours & Co		
Nelson & Yudin, 1707 H St., NW, #500 Washington DC 20006	Bus Transit Caucus	1,631.00	196.83
Mark Nestlen, 1616 H Street, NW Washington DC 20006	National Grange	4,500.00	4,500.00
Network, 806 Rhode Island Ave., NE Washington DC 20018		40,015.56	37,141.64
E. John Neumann, 1100 Connecticut Ave., NW, #820 Washington DC 20036	Baltimore Gas & Electric Co	699.60	830.98
New Generation Lobby, 410 8th Avenue Dayton KY 41074			
New York Comm of Intl Comm of Passenger Lines, 74 Trinity Place New York NY 10006			
Leslie F. Newcomer, 226 W. Rittenhouse Square Philadelphia PA 19103	Philadelphia National Bank		
Newman & Holtzinger, P.C., 1615 L St., NW, #1000 Washington DC 20036	Utility Nuclear Waste Management Group		
Janet G. Newport, 1050 17th Street, NW, #320 Washington DC 20036	FHP, Inc	2,187.00	113.22
Nicholas John Nichols, 1620 Eye St., NW Washington DC 20006	American Inst of Certified Public Accountants	500.00	10,591.58
Thomas Nickels, 1101 14th Street, NW, #200 Washington DC 20005	American Nurses' Assn	5,143.96	605.71
Nickerson Ingram Vento & Associates, 8508 Mt. Zephyr Dr. Alexandria VA 22309	Systems Control Technology, Inc		
Patrick J. Nilan, 817 14th St., NW Washington DC 20005	American Postal Workers Union, AFL-CIO	12,793.08	2,186.49
Nissan Motor Corporation in U.S.A., 1919 Pennsylvania Avenue, NW, #707 Washington DC 20006			
Nixon Hargrave Devans & Doyle, One Thomas Circle, NW, #800 Washington DC 20005	American Free Trade Assn, Inc	185.00	
Do	Bausch & Lomb		
John L. Noble, One Baxter Parkway Deerfield IL 60015	Baxter Travenol Laboratories, Inc		
Barbara D. Nocera, 955 L'enfant Plaza, SW, #905 Washington DC 20024	American Honda Motor Co, Inc	200.00	131.36
Robert W. Nolan, 1303 New Hampshire Ave., NW Washington DC 20036	Fleet Reserve Assn	100.00	
Walker F. Nolan, 1111 19th St., NW, 9th Fl. Washington DC 20036	Edison Electric Institute	6,347.08	828.24
H. Christopher Nolde, 2501 M St., NW Washington DC 20037	Chemical Manufacturers Assn, Inc	750.00	138.00
Robert I. Nooter, 600 Maryland Avenue, SW Washington DC 20024	American Farm Bureau Federation	5,750.01	68.00
David F. Norcross, 2201 State Highway 38 Cherry Hill NJ 08002	Pittsburgh & Lake Erie Railroad Co	30,775.00	12,073.59
Grover G. Norquist, 718 North Carolina Ave., SE Washington DC 20003	Americans for Tax Reform	3,750.00	
Julia J. Norrell, 1850 K St., NW Washington DC 20006	American Council of Life Insurance, Inc	5,325.00	
North American Export Grain Assn, Inc, 1747 Pennsylvania Ave., NW, #1175 Washington DC 20006			
North American Telecommunications Assn, 2000 M St., NW, #550 Washington DC 20036		17,280.00	17,280.00
Northeast Utilities Service Co, Selden St. Berlin CT 06037			1,565.62
Northern Telecom, Inc, 600 Maryland Avenue, SW, #605 Washington DC 20024			
Mary Jane Norville, 600 Maryland Avenue, SW, #695 Washington DC 20024	National Fed of Independent Business	2,250.00	200.00
P. Michael Nugent, Suite 1300, North Tower 1331 Pennsylvania Ave., NW Washington DC 20004	Electronic Data Systems Corp	32.00	38.00
Cynthia H. Null, 1200 17th Street, NW Washington DC 20036	Federation of Behavioral Psychological & Cognitive Sciences	34.00	
Carol Beim Nulsen, 730 Hennepin Avenue, #330 Minneapolis MN 55403	National Audubon Society		
Ralph D. Nurnberger, 500 North Capitol Street, NW, #300 Washington DC 20001	American Israel Public Affairs Comm	11,763.48	688.74
C. D. Nyberg, P.O. Box 800 Austin MN 55912	Geo. A. Hormel & Co		
George O'Bea Jr., 815 16th Street, NW, #701 Washington DC 20006	United Paperworkers International Union		
Coleman C. O'Brien, 1709 New York Ave., NW, #801 Washington DC 20006	U.S. League of Savings Institutions	7,800.00	14.00
John F. O'Brien, Connecticut Petroleum Council 410 Asylum St. Hartford CT 06103	American Petroleum Institute		
Mary Eileen O'Brien, 1800 M St., NW, Suite 710 South Washington DC 20036	Dow Corning Corp		
Raymond V. O'Brien, 1600 M St., NW Washington DC 20036	International Telephone & Telegraph Corporation	1,000.00	60.00
Rosemary L. O'Brien, 2550 M St., NW, #640 Washington DC 20037	CF Industries, Inc	500.00	102.57
Thomas H. O'Brien, 2600 Virginia Avenue, NW, #800 Washington DC 20037	Harris Corporation	2,500.00	2,255.00
David S. O'Bryon, 7297 Lee Highway, Unit N Falls Church VA 22042	American Textile Machinery Assn		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
James J. O'Connell, 1201 Pennsylvania Avenue, NW Washington DC 20004	Control Data Corporation	388.50	177.62
Richard T. O'Connell, Richard T. O'Connell & Associates, Inc 3208 Traveler Street Fairfax VA 22030	Chocolate Manufacturers Assn of the USA		
Do	National Confectioners Assn of the U.S.		
Terrence M. O'Connell II, 444 N. Capitol Street, #711 Washington DC 20001	Keefe Company (For: Westinghouse Electric Corp)		
William B. O'Connell, 111 East Wacker Dr. Chicago IL 60601	U.S. League of Savings Institutions	21,437.00	5,203.71
Emily O'Connor, 777 14th Street, NW Washington DC 20005	National Assn of Realtors		
George E. O'Connor, 600 New Hampshire Avenue, NW Washington DC 20037	New York Life Insurance Company	6,000.00	3,200.00
Patrick C. O'Connor, Kent & O'connor, Inc 1211 Connecticut Avenue, NW Washington DC 20036	American Dental Hygienists Assn		
Do	American Supply Association	9,497.39	5,046.19
Do	American Warehousemen's Association		
Do	National Fleet Administrators Assn	5,114.34	2,707.71
Do	Steel Tank Institute		
Do	Transportation Lawyers Assn		
O'Connor & Hannan, 1919 Pennsylvania Ave., NW, #800 Washington DC 20006	Alliance for Capital Access	2,000.00	
Do	American Bus Assn	4,184.69	
Do	American Clinical Laboratory Assn	1,250.00	
Do	American Family Life Assurance Co		
Do	American Inst of Certified Public Accountants	4,807.00	
Do	American Insurance Assn	8,429.00	
Do	American Soc of Assn Executives	594.38	
Do	American Trucking Assns, Inc		
Do	Armco, Inc		
Do	Association of Independent Television Stations, Inc		
Do	Automotive Parts & Accessories Assn		
Do	California Student Loan Finance Corp	4,113.32	
Do	Center for Environmental Education, Inc		
Do	Chamber of Commerce of the U.S.		
Do	Chemwaste	1,912.50	
Do	City of Minneapolis	1,000.00	
Do	Connaught Laboratories, Inc	1,166.25	
Do	Consolidated Rail Corporation	8,108.75	
Do	CNA Insurance	3,173.38	
Do	Dimensions, Inc	2,561.25	
Do	Eastern Michigan University	308.87	
Do	Electronic Data Systems Corp	3,500.00	
Do	Embassy of Ecuador	5,000.00	
Do	Employers Council on Flexible Compensation		
Do	Glass Packaging Institute		
Do	Health Care Financing Study Group	2,200.00	
Do	Hennepin County	1,250.00	
Do	Historic Landmarks for Living		
Do	Hules Mexicanos, S.A.	2,000.00	
Do	Industrias Negromex, S.A. de C.V.	1,000.00	
Do	Insurance Assn of Connecticut	1,464.00	
Do	International Racquet Sports Assn	2,475.25	
Do	Kawasaki Kisen Kaisha, Ltd	18,681.40	
Do	Mercedes-Benz of North America, Inc	1,300.00	
Do	Merrill Lynch & Co, Inc	2,515.00	
Do	Mexican Cement Chamber	5,000.00	
Do	Miller & Schroeder Financial, Inc	12,000.00	
Do	National Apartment Assn	2,678.00	
Do	National Club Association		
Do	Optical Coating Laboratory, Inc	1,620.04	
Do	Pacific Telesis Group	8,287.00	
Do	J. C. Penney Co, Inc	200.00	
Do	Prudential Insurance Co of America	1,641.00	
Do	Joseph E. Seagram & Sons, Inc	2,272.66	
Do	Securities Industry Assn	8,481.00	
Do	SmithKline Beckman Corp	703.75	
Do	U.S. Tuna Foundation	4,350.00	
Do	Westinghouse Electric Corp	3,000.00	
John B. O'Day, 1700 Pennsylvania Ave., NW, #590 Washington DC 20006	Insurance Economics Society of America		
Thomas A. O'Day, 1629 K St., NW, #1010 Washington DC 20006	Alliance of American Insurers	300.00	
Ashton J. O'Donnell, 50 Beale St., P.O. Box 3965 San Francisco CA 94119	Bechtel National, Inc		
Daniel J. O'Grady, 815 16th Street, NW, #408 Washington DC 20006	Food & Allied Service Trades Dept, AFL-CIO	384.00	
Jane O'Grady, 815 16th St., NW Washington DC 20006	American Fed of Labor & Congress of Industrial Organizations	15,019.03	292.00
Terri O'Grady, 1600 Rhode Island Avenue, NW Washington DC 20036	National Rifle Assn of America	788.75	284.30
Anne Marie O'Keefe, 1200 17th Street, NW Washington DC 20036	Association for the Advancement of Psychology		
Michael A. O'Malley, 4647 Forbes Boulevard Lanham MD 20706	AMVETS	6,800.00	150.47
O'Melveny & Myers, 1800 M St., NW Washington DC 20036	Amax, Inc		
Do	Association of Telephone Telegraph & Related Telematics Inds		94.42
Do	Holden Group, Inc (Public Employer Benefits Council)	23,500.00	1,239.02
Joseph O'Neil, 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Kingdom of Morocco)		
Sarah E. O'Neil, 1600 M St., NW Washington DC 20036	Investment Company Institute		
Joseph P. O'Neill, 1616 H Street, NW Washington DC 20006	American Retail Federation	2,200.00	175.00
O'Neill and Haase, P.C., 1333 New Hampshire Ave., NW, #1110 Washington DC 20036	Allegheny County Commission		
Do	Association of Progressive Rental Organizations		
Do	Bank of New England		
Do	Beer Industry Alliance		
Do	BHC, Inc		
Do	Chris-Craft Industries, Inc		
Do	Commerical Union Insurance Companies		
Do	Connecticut Bank & Trust Corp		
Do	Conrail Acquisition Corp, Inc	2,650.00	
Do	Cruise America Line, Inc	1,475.00	
Do	Glass Packaging Institute		
Do	Housing America Foundation	1,250.00	
Do	Marathon Manufacturing Co		
Do	Marriott Corporation		
Do	Massachusetts General Hospital	1,200.00	
Do	Milk Industry Foundation/Int'l Assn of Ice Cream Mfrs		
Do	Northwestern Mutual Life		
Do	Sears Roebuck & Co	1,150.00	
Do	Texas Utilities Services, Inc		
Do	U.S. Football League		
Do	U.S. Steel Corporation	950.00	
J. Denis O'Toole, 1120 Connecticut Ave., NW Washington DC 20036	American Bankers Assn	6,500.00	
M. Diane O'Toole, 1000 Wilson Blvd., #2300 Arlington VA 22209	Northrop Corp		
Patricia M. O'Toole, 461 S. Boylston Street Los Angeles CA 90016	Union Oil Co of California		
Stephen E. O'Toole, 1660 L St., NW Washington DC 20036	General Motors Corp	3,000.00	3,207.92
Jana R. Oakley, 1776 F Street, NW Washington DC 20006	National Assn of Manufacturers		
Paul C. Oakley, 50 F Street, NW Washington DC 20001	Association of American Railroads		36.61
Harry R. Obley, One Mellon Bank Center Pittsburgh PA 15258	Mellon Bank N.A. and Mellon National Corp	2,000.00	1,640.26
Thomas J. Oden, 1840 Wilson Boulevard Arlington VA 22201	National Milk Producers Federation	4,062.48	349.90
Bradford C. Oelman, 900 17th Street, NW, #508 Washington DC 20006	Owens-Corning Fiberglas Corporation		
Neil H. Offen, 1776 K Street, NW Washington DC 20006	Direct Selling Association		
Donald G. Ogilvie, 1120 Connecticut Ave., NW Washington DC 20036	American Bankers Assn	2,500.00	
Oil Investment Institute, PO Box 8293 Washington DC 20024			
Philip M. Ola, 1919 Pennsylvania Avenue, NW, #400 Washington DC 20006	Steel Service Center Institute		
Michael D. Oldak, 1800 Masssachusetts Avenue, NW Washington DC 20036	National Rural Electric Cooperative Assn	100.00	
R. Teel Oliver, 1050 17th Street, NW, #650 Washington DC 20036	Merck & Co, Inc	687.50	500.00
Van R. Olsen, 1156 15th St., NW, #1019 Washington DC 20006	U.S. Beet Sugar Assn		
Gerald L. Olson, Pillsbury Center, Ms 3771 Minneapolis MN 55402	Pillsbury Company		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Richard C. Olson, 1313 Dolley Madison Blvd. Mclean VA 22101	Dynalectron Corporation		
Roy E. Olson, 260 Madison Ave. New York NY 10016	American Paper Institute, Inc.		
Clark Onstad, 1201 Pennsylvania Ave., NW, #300 Washington DC 20004	Texas Air Corp and Continental Air Lines		
Philip C. Onstad, P.O. Box 7100 Greenwich CT 06836	Control Data Corporation	200.00	
Charles J. Orasin, 1400 K Street, NW, #500 Washington DC 20005	Handgun Control, Inc.	6,940.00	
Organ. for Protection & Advancement of Small Telephone Cos, 2301 M Street, NW, #530 Washington DC 20037			
Abraham Orlofsky, 2020 K St., NW, #200 Washington DC 20006	National Fed of Federal Employees	1,217.84	
Elvira J. Orly, 1050 Connecticut Ave., NW, #800 Washington DC 20036	Allied-Signal, Inc.	120.00	
David S. Osterhout, 1000 Wilson Boulevard Arlington VA 22209	Allied Signal, Inc/Bendix Aerospace Sector	3,000.00	
J. F. Otero, 815 16th Street, NW Washington DC 20006	Brotherhood of Railway Airline & Steamship Clerks	1,000.00	300.00
Kevin D. Ott, 1776 F Street, NW Washington DC 20006	National Assn of Manufacturers	255.00	
Cliff Ouse, 1800 Massachusetts Ave., NW Washington DC 20036	National Rural Electric Cooperative Assn	25.00	
Gene E. Overbeck, 1101 17th Street, NW Washington DC 20036	American Airlines, Inc.	2,125.00	84.00
Cathy E. Overly, 1730 K Street, NW Washington DC 20006	National Treasury Employees Union	9,500.00	339.50
Jack W. Owen, 444 North Capitol St., NW, #500 Washington DC 20001	American Hospital Assn		20.50
Thomas J. Owens, P.O. Box 12266 Seattle WA 98102	Dollar Savings Bank, et al.	17,280.25	7,204.68
William J. Owens, 1745 Jefferson Davis Highway, #511 Arlington VA 22202	Manufactured Housing Institute	900.00	100.00
Joanne M. Oxley, 1228 17th Street, NW Washington DC 20036	Air Conditioning Contractors of America	5,750.00	61.70
R. Ray Paabo, 1667 K St., NW, #600 Washington DC 20006	Santa Fe Southern Pacific Corp.	1,000.00	
Allen Scott Pack, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington DC 20037	Algoma Steel Corp, Ltd, et al.		
Joel Packer, 1201 16th Street, NW Washington DC 20036	National Education Assn.	2,227.00	117.50
Lee W. Paden, P.O. Box 201 Tulsa OK 74102	Public Service Co of Oklahoma		
Pagonis & Donnelly Group, 1120 Connecticut Ave., NW, #335 Washington DC 20036	Algoma Steel Corp, Ltd, et al.		
Do	Brown Boveri Corp.		
Do	Dow Chemical USA	5,000.00	101.04
Do	Harrah's, Inc.	1,640.63	31.58
Do	Holiday Corp.	3,078.75	41.68
Do	Nord Resources Corp.		
Geri Palast, 1313 L St., NW Washington DC 20015	Service Employees International Union, AFL-CIO, CLC	9,375.00	144.25
John M. Palatiello, 210 Little Falls Street Falls Church VA 22046	American Cong. on Survey & Mapp./Amer Soc of Photogrammetry	9,528.00	5,612.44
Henry S. Palau, 201 N Washington St. Alexandria VA 22134	Retired Officers Assn.		
Cindy Grant Pallatino, 1101 Vermont Avenue, NW, #405 Washington DC 20005	A. H. Robins Co	200.00	81.00
Benjamin L. Palumbo, 1629 K St., NW Washington DC 20006	Marriott Corporation		
Do	G. D. Searle	15,000.00	
Palumbo & Cerrell, Inc, 1629 K St., NW Washington DC 20006	American Soc of Composers Authors & Publishers	30,000.00	
Do	R.J. Reynolds Tobacco Co.	9,000.00	
Do	Southern California Rapid Transit District	15,000.00	
Pan American Satellite Corp, 460 W. 42nd Street, 4th Fl. New York NY 10036			
Peter J. Pantuso, 7900 Westpark Drive, #514 Mclean VA 22102	National Confectioners Assn of the U.S.		400.00
Marcia Pape-Daniels, 1201 Pennsylvania Ave., NW, #250 Washington DC 20004	CH2M Hill	750.00	
Paperboard Packaging Council, 1101 Vermont Ave., NW, #411 Washington DC 20005			
G. Oliver Papps, N.j. Petroleum Council 170 W. State St. Trenton NJ 08608	American Petroleum Institute		
Juley R. Para, 3238 Wynford Drive Fairfax VA 22031	U.S. Defense Committee	1,000.00	
Herschell E. Parent, 460 Twin City Bank One Riverfront Place North Little Rock AR 72114	American Petroleum Institute	579.22	948.66
Frances J. Paris, 655 15th Street, NW 300 Metropolitan Square Washington DC 20005	International Medical Centers, Inc.		
Alan A. Parker, 1050 31st Street, NW Washington DC 20007	Association of Trial Lawyers of America	5,000.00	100.00
John N. Parker, 1100 Connecticut Ave., NW, #620 Washington DC 20036	Mobil Oil Corp.	375.00	
Sara Lynn Parker, 1319 F St., NW, #500 Washington DC 20004	Food Research & Action Center	440.50	
Parker Chapin Flattau & Klimpl, 1211 Avenue of The Americas New York NY 10036	Association for a Better New York	20,000.00	2,120.27
Benjamin G. Parks III, 1919 Pennsylvania Avenue, #300 Washington DC 20006	National Inholders Assn.	5,500.00	900.00
Carl M. Parks, 633 Pennsylvania Avenue, NW, #600 Washington DC 20004	Allstate Insurance Group	500.00	70.75
Ken Parmelee, 1448 Duke Street Alexandria VA 22314	National Rural Letter Carriers Assn	14,269.00	1,822.00
Parry and Romani Associates, Inc, 233 Constitution Avenue, NE Washington DC 20002	American Family Life Assurance Co.	1,500.00	
Do	Association for the Advancement of Human Rights in Japan	1,400.00	
Do	Care Enterprises	3,225.00	
Do	Generic Pharmaceutical Industry Assn.	1,500.00	127.13
Do	Herbalife International	4,000.00	
Do	Heron Burchette Ruckert & Rothwell	700.00	
Do	Hotel Employees & Restaurant Employees Int'l Union		
Do	International Brotherhood of Teamsters	2,250.00	182.95
Do	Johnson & Johnson	5,000.00	
Do	Kirkland & Ellis	3,600.00	
Do	Knudsen Corporation	600.00	
Do	Manville Corporation	1,500.00	
Do	Motion Picture Assn of America, Inc	3,600.00	240.46
Do	National Beer Wholesalers of America	1,500.00	89.47
Do	Pharmaceutical Manufacturers Assn	750.00	
Do	Sony Corp of America	2,800.00	
Do	T.I.M.E.-DC, Inc.	3,600.00	
Do	Techamerica, Inc	2,400.00	149.25
Do	United Food & Commercial Workers International Union		
Charles C. Partridge, 5535 Hempstead Way Springfield VA 22151	National Assn for Uniformed Services	1,820.04	
Jack Partridge, 1014 Vine St. Cincinnati OH 45201	Kroger Company	2,500.00	612.18
John V. Parziale, 1800 M Street, NW Washington DC 20036	Marathon Oil Co.		
Paskus Gordon & Hyman, 2005 Massachusetts Ave., NW Washington DC 20036	National Music Publishers Assn, Inc		
David J. Passamaneck, 4647 Forbes Boulevard Lanham MD 20706	AMVETS	6,800.00	150.47
Kris Pathuis, 8500 Byron Road Zeeland MI 49464	Herman Miller, Inc		
Gary B. Patterson, Delaware Petroleum Council P.O. Box 1429 Dover DE 19903	American Petroleum Institute	111.54	268.22
Richard M. Patterson, 1800 M St., NW, #700 South Washington DC 20036	Dow Chemical Co	500.00	239.50
William H. Patterson, 1331 Pennsylvania Ave., NW Washington DC 20004	General Electric Co.	274.00	
Kenton H. Pattie, 3150 Spring St. Fairfax VA 22031	International Communications Industries Assn.	3,913.00	
David J. Pattison, 1025 Connecticut Ave., NW Washington DC 20036	Health Insurance Assn of America, Inc		
Patton Boggs & Blow, 2550 M St., NW, #800 Washington DC 20037	Air Products & Chemicals, Inc.	1,500.00	
Do	Aiwa America, Inc	1,500.00	
Do	Akai America, Ltd.	1,500.00	
Do	Aluminum Company of America		
Do	American Broadcasting Co, Inc.		
Do	American Congress on Surveying & Mapping	28.75	
Do	American Express Co.		
Do	American Insurance Assn	80.00	
Do	American International Automobile Dealers Assn		
Do	American Maritime Assn	190.00	1,161.39
Do	American Public Power Assn.	66.67	
Do	Association of Private Pension & Welfare Plans, Inc.		
Do	Association of Trial Lawyers of America	3,197.50	623.43
Do	AT&T		
Do	Biogen		
Do	Brownsville Shrimp Assn		
Do	California State University		
Do	Carlson Companies, Inc.		
Do	Castle & Cooke, Inc		
Do	Champion International Corp		
Do	Chelsea Property Owners		
Do	Chicago Board Options Exchange		
Do	Chippendale Investment Co	1,150.00	
Do	Chrysler Corporation		
Do	City of Azusa	66.67	
Do	City of Banning	66.67	
Do	City of Colton	66.67	
Do	City of Riverside	66.67	
Do	City of Santa Clara	66.67	
Do	Coalition for National Airport	5,267.50	
Do	Columbia, Inc.	5,267.50	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Committee of Railroad Shippers	317.50	
Do	Computerland Corporation		
Do	Council of Graduate Schools	150.00	
Do	Crowley Maritime Corp		
Do	Dealer Action Association	120.00	
Do	Dredging Industry Size Standards Committee (DISSC)	4,060.00	
Do	Duty Free Shoppers, Ltd	1,400.00	216.58
Do	Fiart Cantieri Italiani, S.P.A.	9,487.50	
Do	Flint Industries		
Do	Ford Motor Co		
Do	Freeman		
Do	Fuji Photo Film USA, Inc	9,487.50	
Do	GTE Corporation		
Do	Hitachi Sales Corp of America	36.87	
Do	E. F. Hutton Life Insurance Company		
Do	Institute of Scrap Iron & Steel, Inc		
Do	Intermedics, Inc		
Do	Investment Partner Assn	2,625.00	
Do	IC Industries		
Do	Johnson & Johnson		
Do	Kaiser Aluminum & Chemical Corp		
Do	Kenwood USA Corporation	2,625.00	
Do	Laundry Cleaning Council		
Do	Lazard Frere & Co	650.00	
Do	Liggett Group, Inc		
Do	Litton Industries, Inc		
Do	Loan America Financial Corp		
Do	Loop, Inc		
Do	Mars, Inc	1,555.00	498.57
Do	Matson Navigation Co		
Do	Matsushita Electric Corp of America	26.55	
Do	Maxell Corp of America	26.55	
Do	Mitsubishi Electric Sales of America, Inc	13.55	
Do	Mocatta Metals Corp		
Do	MCI Telecommunications, Inc	217.50	
Do	Nakamichi USA Corp	217.50	
Do	National Assn of Chain Drug Stores, Inc		
Do	National Assn of Independent Colleges & Universities	3,000.00	
Do	National Cable Television Assn, Inc	268.75	
Do	National Marine Manufacturers Assn	3,900.00	94.85
Do	National Soft Drink Assn		
Do	New Process Co		
Do	Northern California Power Agency	66.67	
Do	NEC Electronics (USA) Inc	66.67	
Do	Ocean Catch		
Do	Onkyo USA Corp	66.67	
Do	Overseas Military Sales Group	460.00	
Do	OSG Bulk Ships, Inc		
Do	Paine Webber, Inc		
Do	Pioneer Electronics (USA), Inc	460.00	
Do	Pittston Coal Co		
Do	Public Utilities Department	66.67	
Do	Reader's Digest Assn, Inc		
Do	Redwood Industry Park Comm		
Do	Republique D'Haiti	165.00	
Do	Retail Industry Trade Action Coalition	1,410.00	508.18
Do	Retail Tax Committee	4,615.00	1,194.18
Do	Rice Millers' Assn		
Do	Sacramento Public Utility District	66.67	
Do	Sansui Electronics Corp	66.67	
Do	Sanyo Electronics, Inc	31.68	
Do	Sharp Electronics Corp	19.87	
Do	Shell Oil Co		
Do	Smokeless Tobacco Council, Inc	880.00	
Do	Sony Corp of America	20.19	
Do	Squibb Corporation		
Do	State of LA, Dept of Conservation		
Do	Sultantate of Oman		
Do	Teac Corp of America	20.19	
Do	Toshiba America, Inc	12.03	
Do	TDK USA Corp	12.03	
Do	U.S. Fisheries Development Assn		
Do	U.S. Lifesaving Manufacturers Assn		
Do	U.S. Tuna Foundation		
Do	Union Camp Corporation		
Do	Union Pacific Corp	750.00	
Do	US JVC Corporation	22.05	
Do	Yamaha Electronics Corp, USA	22.05	
Andrew R. Paul, 1875 Eye Street, NW, #940 Washington DC 20006	Gulf & Western Management Company	3,750.00	288.61
Paul Hastings Janofsky & Walker, 6th Floor 1050 Thomas Jefferson St., NW Washington DC 20007	Aspirin Foundation of America, Inc		
Do	Associated Life Ins Group Nat'l Policyholder Advisory Comm	2,902.50	39.75
Do	CalMat Company	9,180.25	
Do	GAF Corporation	1,314.00	
Do	National Business Aircraft Assn		
Do	Oglethorpe Power Corp		
Do	Security Life of Denver	2,507.50	
Paul Weiss Rifkind Wharton & Garrison, 1615 L Street, NW Washington DC 20036	Alliance for Capital Access	177.00	
Do	Insilco Corp		
Do	Korea Iron & Steel Assn		53.20
Do	Metromedia, Inc		
Do	NEC Corp and NEC America, Inc	5,281.30	192.00
Richard A. Paysor, 1415 Elbridge Payne Rd., #135 St. Louis MO 63017	First Capitol Associates - Gateway, Inc		
Ronald Pearson, 422 First Street, SE, #208 Washington DC 20003	Embassy of South Africa		
Russell H. Pearson, 1156 15th Street, NW, #1015 Washington DC 20005	J. C. Penney Co, Inc		
Pearson and Pipkin, Inc, 422 First Street, SE, #208 Washington DC 20003	Embassy of South Africa	9,000.00	
James M. Peirce Jr., 2020 K St., NW, #200 Washington DC 20006	National Fed of Federal Employees	1,781.52	
LeeAnn Pelham, 2030 M Street, NW Washington DC 20036	Common Cause	4,733.65	938.36
Pelton Research Center, 1400 S. Joyce Street Arlington VA 22202	Help, Inc		
Humberto R. Pena, 1155 15th St., NW Washington DC 20005	Bristol-Myers Co	500.00	
Cristsandra M. Penn, 1346 Chestnut, #800 Philadelphia PA 19107	Greater Philadelphia Chamber of Commerce		
James C. Pennington, 5535 Hempstead Way Springfield VA 22151	National Assn for Uniformed Services	868.94	
Pennsylvania Power & Light Co, 2 N. 9th St. Allentown PA 18101			2,732.52
Dominic V. Pensabene, 1700 K St., NW, #1204 Washington DC 20006	Chevron USA, Inc	1,263.00	
Gregory M. Pensabene, 1667 K St., NW, #600 Washington DC 20006	Santa Fe Southern Pacific Corp	2,700.00	
Pension Rights Center, 1701 K Street, NW Washington DC 20006			760.96
Pepper & Corazzini, 1776 K St., NW Washington DC 20006	Satellite Syndicated Systems, Inc	1,498.00	760.96
Victor J. Perini Jr., 1776 Massachusetts Ave., NW Washington DC 20036	Highway Users Federation for Safety & Mobility		
Perito Duerk & Pinco, P.C., 1140 Connecticut Avenue, NW, #400 Washington DC 20036	American College of Neuropsychopharmacology		
Do	American Protestant Health Assn		
Do	American Soc for Pharmacology & Experimental Therapeutics		
Do	Combined Health Resources, Inc		
Do	Committee on Problems of Drug Dependence, Inc		
Do	Johnson & Johnson		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	National Assn of Alcoholism Treatment Programs, Inc		
Do	Samaritan Health Service		
Do	Samcor, Inc		
Do	Society of Real Estate Appraisers		
James W. Perkins, 1 Beacon Street, Rm. 2200 Boston MA 02108	National Assn of Bond Lawyers and Palmer & Dodge		6,451.80
Perkins Coie, 1110 Vermont Ave., NW, #1200 Washington DC 20005	Aerospace Industries Assn of America, Inc		
Do	Boeing Company		
Do	Burlington Northern, Inc		
Do	Kootznoowoo, Inc		
Do	Ormat Systems, Inc		
Gary J. Perkinson, 453 New Jersey Avenue, SE Washington DC 20003	Beneficial Management Corp of America	750.00	
Ernest Michael Perley, 112 St Clair Avenue, West, #504 Toronto, Ontario M4v 2y3	Canadian Coalition on Acid Rain	2,606.10	581.39
Jeffry L. Perlman, 1615 H St., NW Washington DC 20062	Chamber of Commerce of the U.S.	2,400.00	274.82
Leonard Perlman, 5999 Stevenson Avenue Alexandria VA 22304	American Assn for Counseling & Development		
Kate M. Perry, 1785 Massachusetts Avenue, NW Washington DC 20036	National Trust for Historic Preservation		
Susan Perry, 1025 Connecticut Avenue, NW Washington DC 20036	American Bus Assn	2,687.50	75.00
John J. Pesch, 3422 Stoneybrae Drive Falls Church VA 22044	Northrop Corp		
Phillips S. Peter, 1331 Pennsylvania Avenue, NW Washington DC 20004	General Electric Co	150.00	
Geoffrey G. Peterson, 1250 Eye St., NW, #900 Washington DC 20004	Distilled Spirits Council of the U.S., Inc	2,000.00	400.00
Lars E. Peterson, 1750 K Street, NW Washington DC 20006	Food Marketing Institute	450.00	
Mary B. Peterson, 1660 L St., NW Washington DC 20036	General Motors Corp	3,000.00	1,973.97
Mary Jo Peterson, 1957 E Street, NW Washington DC 20006	Associated General Contractors of America	1,000.00	500.00
Sheryl L. Peterson, 122 C Street, NW, #875 Washington DC 20001	American Osteopathic Assn	450.00	
Peterson Engberg & Peterson, 1730 M St., NW, #907 Washington DC 20036	Federated Research Corp	22,800.00	252.03
Susan F. Petniunas, 1025 Connecticut Ave., NW, #214 Washington DC 20036	Manville Corporation	500.00	
Michael J. Petrina Jr., 1110 Vermont Avenue, NW, #800 Washington DC 20005	Cosmetic Toiletry & Fragrance Assn, Inc		
Petroleum Marketers Assn of America, 1120 Vermont Ave., NW, #1130 Washington DC 20005		189,495.53	19,873.85
Brian T. Petty, 1901 L St., NW, #702 Washington DC 20036	International Assn of Drilling Contractors		
Sueanne Pfifferling, 1350 New York Avenue, NW, #400 Washington DC 20005	New York Power Authority	4,345.00	
James R. Phalen, 1100 Connecticut Avenue, NW, #535 Washington DC 20036	MAPCO, Inc	3,400.00	
Pharmaceutical Manufacturers Assn, 1100 15th Street, NW Washington DC 20005		24,953.05	24,953.05
Marshall A. Pharr, 6103 Adirondack Amarillo TX 79106	Southwestern Public Service Co	4,209.75	87.01
Dennis J. Phelan, 1401 New York Avenue, NW, #400 Washington DC 20005	National Food Processors Assn	3,750.00	200.00
Do	Pacific Seafood Processors Assn	7,500.00	580.00
William C. Phelps, 2929 Allen Parkway Houston TX 77019	American General Corporation	6,800.00	10,997.22
Barbara Phillips, 2000 M St., NW, #230 Washington DC 20036	Telocator Network of America	8,500.00	217.73
Bernard R. Phillips III, P.O. Box 4267 Topeka KS 66604	Kansas Electric Cooperatives, Inc		
Deborah M. Phillips, 2033 M St., NW, #800 Washington DC 20036	General Instrument Corporation		
Deirdre B. Phillips, 100 Federal Street Boston MA 02110	Bank of Boston Corporation		
Do	First National Bank of Boston	190.00	575.67
William G. Phillips, 417 Sixth Street, SE Washington DC 20003	Air Quality Research International, Inc		
Do	Association of Univ Programs & Occupational Health & Safety	7,400.00	1,407.28
Do	Association of University Environmental Health Centers	4,800.00	551.73
Do	Harvard School of Public Health		
Do	Metal Trades Department, AFL-CIO	5,125.00	682.38
Paul J. Phoenix, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington DC 20037	Dofasco, Inc		
W.d. Pickett, 400 First St. Washington DC 20001	Brotherhood of Railroad Signalmen	350.00	
Paulette C. Pidcock, 1100 Connecticut Avenue, NW, #530 Washington DC 20036	Baltimore Gas & Electric Co	418.31	230.55
Robert R. Pierce, 1701 18th St., NW Washington DC 20036	National Parks & Conservation Association	109.00	36.00
Wayne Pierce, 101 Constitution Avenue, NW Washington DC 20001	United Brotherhood of Carpenters & Joiners of America	21,125.00	60.00
Stuart F. Pierson, Verner, Liipfert, Bernhard, & Mcpherson 1660 L St., NW, #1100 Washington DC 20036	Pan AM, et al		
Pierson Ball & Dowd, 1200 18th St., NW Washington DC 20036	American Academy of Pediatrics	3,381.11	
Do	Dun & Bradstreet Corp		
Do	El Pomar		
Do	Genentech	31,204.24	
Do	Infectious Diseases Society of America	7,656.51	
Do	International Futures Exchange (Bermuda) Ltd		
Do	Intex Holdings (Bermuda) Ltd		
Do	Lee Enterprises - Call-It-Co		
Do	National Assn for Biomedical Research	14,394.66	
Do	National Assn of Casualty & Surety Agents		
Do	Securities Industry Assn	2,750.00	
Do	Stewart & Stevenson Services, Inc		
Pierson Semmes & Finley, 1054 31ST STREET, NW Washington DC 20007	Hershey Trust Co		14.78
Do	Oklahoma Natural Gas Company	155.00	14.78
Do	Six Flags Corporation		
John H. Pilcher, 1776 F Street, NW Washington DC 20006	National Assn of Manufacturers	125.00	
Pillsbury Madison & Sutro, 1667 K St., NW, #1100 Washington DC 20006	Dental Care of America, Inc; R.J. Reynolds Development Corp		
Do	Pfizer, Inc	757.50	
Do	Quadrex Corporation		
Do	Temis Ramires de Arellano		
Do	Transpace Carriers, Inc		
Valerie F. Pinson, 1724 Massachusetts Avenue, NW Washington DC 20036	National Cable Television Assn, Inc	1,113.00	
Piper & Marbury, 36 S. Charles Street Baltimore MD 21201	Consolidated Rail Corporation		41.10
Do	First Maryland Bancorp		
Do	First National Bank of Maryland		
Robert Pipkin, 422 First Street, SE, #208 Washington DC 20003	Embassy of South Africa		
Virginia L. Pitcher, 2000 L St., NW, #200 Washington DC 20036	American College of Emergency Physicians	1,528.00	20.80
Plains Cotton Growers, Inc, 4510 Englewood Lubbock TX 79414			
Reuben C. Plantico, 111 SW Columbia, #800 Portland OR 97201	Nerco, Inc	4,475.00	906.01
Wyll W. Pleger, 1730 Rhode Island Ave., NW, #213 Washington DC 20036	Brown & Root, Inc		
Martha Rachel Plotkin, 2300 M Street, NW, #910 Washington DC 20037	Police Executive Research Forum	2,121.13	
John A. Poindexter, 3805 West Alabama Houston TX 77027	Columbia Gulf Transmission Co		
Jean S. Polatsek, 1919 Pennsylvania Ave., NW, #300 Washington DC 20006	American College of Surgeons		
Mindy Pollack, 1025 Connecticut Ave., NW, #512 Washington DC 20036	Reinsurance Assn of America		20.00
Richard J. Pollack, 444 North Capitol Street, NW Washington DC 20001	American Hospital Assn		327.89
Alfred M. Pollard, 1155 Connecticut Ave., NW, #1130 Washington DC 20036	Security Pacific National Bank	578.00	
Raymond K. Pope, 2000 L Street, NW, #200 Washington DC 20036	Amfac, Inc	3,500.00	
Edward T. Porcaro, 1025 Connecticut Ave., NW, #1010 Washington DC 20036	Metropolitan Life & Affiliated Cos	1,000.00	
Paula D. Porpilia, 1120 Connecticut Ave., NW, 7th Fl. Washington DC 20036	American Bankers Assn	1,250.00	189.97
Port of Seattle, P.O. Box 1209 Seattle WA 98111			3,799.30
Carol Alice Porter, 1612 K St., NW, #1101 Washington DC 20036	Wildlife Legislative Fund of America	4,765.44	
Porter Wright Morris & Arthur, 41 South High Street Columbus OH 43215	Coalition for Environmental Energy Balance		3,089.82
Donna Potemken, 444 North Capitol St., NW Washington DC 20001	American Hospital Assn	4,680.49	81.96
Carol Jean Poulos, 122 C Street, NW, #800 Washington DC 20001	Concerned Women for America	1,000.00	
John Michael Powderly, 815 16th St., NW, #706 Washington DC 20006	United Steelworkers of America	9,559.24	
Robert D. Powell, 1300 19th St., NW, #400 Washington DC 20036	National Business Aircraft Assn		
Powell Goldstein Frazer & Murphy, 1110 Vermont Ave., NW, #1050 Washington DC 20005	Coalition for the Advancement of Industrial Technology	5,662.00	
Do	Council of State Housing Agencies	400.00	
Do	Federal National Mortgage Assn		
Do	National Investment Development Corp		
Do	National Multi Housing Council	1,275.00	
John J. Power, 815 16th St., NW Washington DC 20006	American Fed of Labor & Congress of Industrial Organizations	15,019.03	578.93
Frederick W. Powers III, 223 Perimeter Center Parkway P.O. Box 89000 Atlanta GA 30338	Siemens-Allis, Inc		
Graydon R. Powers Jr., 1101 16th St., NW Washington DC 20036	Scientific Apparatus Makers Assn		
Prather Seeger Doolittle & Farmer, 1101 16th St., NW Washington DC 20036	Banker's Assn for Foreign Trade	15,225.00	90.00
Robert L. Pratt, 101 First Ave. Waltham MA 02254	Thermo Electron Corporation	6,325.00	2,032.31
Preston Thorgrimson Ellis & Holman, 1735 New York Avenue, NW, #500 Washington DC 20006	Alaska Pulp Corp		
Do	Alleghany Corporation		
Do	American Nuclear Insurers		
Do	American President Lines	7,827.00	
Do	Bellingham Cold Storage		
Do	Boeing Company		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Calista Corp		
Do	Coalition for the Advancement of Industrial Technology	2,100.00	
Do	Council of American-Flag Ship Operators	13,981.00	
Do	CH2M Hill		
Do	COMPACT		
Do	Grant County Public Utility District		
Do	Hudson Waterways	418.00	
Do	Martin Marietta Corp		
Do	McDonnell Douglas Corp		
Do	Meat Price Invetigators Assn		
Do	Montana Power Co		
Do	Moore McCormack Resources, Inc		
Do	Mutual Atomic Energy Liability Underwriters		
Do	National Assn of State Directors of Commun & Junior Colleges		
Do	National Council on Compensation Insurance		
Do	Port of Seattle		
Do	Reinsurance Assn of America		
Do	Spokane County		
Do	Templeton Growth Fund, Ltd		
Do	Tennessee Gas Pipeline Co	247.50	
Do	Transportation Institute	5,850.00	
Do	Tri-City Industrial Development Council		
Do	University of Michigan Hospitals		
Keith A. Pretty, 322 W. Ottawa Lansing MI 48933	Amoco Corporation		
James M. Price, P.O. Box 11248 Knoxville TN 37919	Sierra Club	457.50	
Thomas J. Price, 410 First Stret, SE Washington DC 20003	American Nuclear Energy Council	4,262.51	329.70
Patricia Pride, 1129 20th St., NW Washington DC 20036	Financial Accounting Foundation	375.75	46.65
Sharon D. Prinz, 2121 K Street, NW, #830 Washington DC 20037	Stephens Overseas Services, Inc		
Gwenyth Pritchard, 600 Maryland Ave., NW, #700 Washington DC 20024	National Fed of Independent Business	2,250.00	200.00
Jerry C. Pritchett, 5410 Grosvenor Ln., #120 Bethesda MD 20814	Mechanical Contractors Assn of America, Inc		
Pro-Life CDAC 12, P.O. Box 7145 Menlo Park CA 94025		481.70	128.85
Sydney Probst, 1250 Eye Street, NW, #900 Washington DC 20005	Distilled Spirits Council of the U.S., Inc	2,000.00	200.00
Procompetitive Rail Steering Committee, 1090 Vermont Avenue, NW, #410 Washington DC 20005		32,000.00	7,318.16
Professional Managers' Assn, P.O. Box 7762, Ben Franklin Station Washington DC 20044		4,928.00	3,565.39
Profit Sharing Council of America, 20 N. Wacker Drive Chicago IL 60606			
Proprietary Association, 1150 Connecticut Ave., NW, #1200 Washington DC 20036			3,431.25
Prudential-Bache Securities, Inc, 100 Gold St. New York NY 10272			750.00
James C. Pruitt, 1050 17th St., NW, #500 Washington DC 20036	Texaco, Inc	90.00	
Pryor Cashman Sherman & Flynn, 410 Park Avenue New York NY 10022	O. Edmund Clubb		
Do	Population Crisis Committee	175.00	
Public Employee Department, AFL-CIO, 815 16th St., NW Washington DC 20006		59,442.25	20,771.09
Public Employer Benefits Council, 1800 M Street, NW Washington DC 20036			
David E. Pullen, 1025 Connecticut Ave., NW, #214 Washington DC 20036	Manville Corporation	1,000.00	
William E. Pursley, 1025 Connecticut Avenue, NW Washington DC 20036	Shell Oil Co	500.00	
Sue P. Purvis, P.O. Box 14042(d2b) St. Petersburg FL 33733	Florida Power Corp	2,300.00	599.00
Do	Florida Progress Corp	550.00	409.00
Earle W. Putnam, 5025 Wisconsin Avenue, NW Washington DC 20016	Amalgamated Transit Union, AFL-CIO		
Cassandra Walker Pye, 1750 K Street, NW Washington DC 20006	Food Marketing Institute	100.00	
Howard Pyle III, 4930 Quebec St., NW Washington DC 20016	Houston Lighting & Power Company	3,600.00	
Robert N. Pyle & Associates, 1701 K St., NW, #1004 Washington DC 20007	Elkem Metals Company	4,250.00	84.00
Do	Indepencent Bakers Assn	3,000.00	440.00
Do	International Medical Centers, Inc	500.00	
John R. Quarles Jr., Morgan Lewis & Bockius 1800 M St., NW Washington DC 20036	National Environmental Development Assn Clean Air Act Proj		
D. R. Quartel, Jr., Inc, 67 Observatory Circle, NW Washington DC 20008	International Taxicabs Assn	3,000.00	300.00
James M. Quigley, 1875 Eye St., NW, #540 Washington DC 20006	Champion International Corp		
William A. Quinlan, 3045 Riva Rd. Riva MD 21140	National Candy Wholesalers Assn, Inc		
Do	Retail Bakers of America		
George Gregory Raab, 2000 L Street, NW Washington DC 20036	Medtronic, Inc	85.00	110.14
Clifford Raber, One Mcdonald's Plaza Oak Brook IL 60521	McDonald's Corp		
Alex Radin, 2301 M St., NW Washington DC 20036	American Public Power Assn	1,442.40	
W. A. Radziewicz, 400 First Street, NW Washington DC 20001	Brotherhood of Railroad Signalmen	350.00	
Tess A. Rae, 1850 K Street, NW Washington DC 20006	American Council of Life Insurance, Inc		
John D. Raffaelli, Law Offices of John D. Raffaelli 499 South Capitol St., SW, #407 Washington DC 20003	Dean Witter Realty, Inc		
Do	National Council for Higher Education Loan Programs		
Do	R. Duffy Wall & Associates, Inc (For: Taylor & Mizell)		
Robert A. Ragland, 1776 F Street, NW Washington DC 20006	National Assn of Manufacturers	75.00	
Tanya A. Rahall, 2033 M Street, NW, #900 Washington DC 20036	National Assn of Arab Americans	1,916.67	58.20
Roderic W. Rahe Jr., 1015 15th Street, NW, #802 Washington DC 20005	American Consulting Engineers Council	700.00	
Railroad Retirement Assn, 210 7th St., SE, #517 Washington DC 20003		523.64	523.64
Railway Labor Executives' Assn, 400 First St., NW, #804 Washington DC 20001		67,200.00	112,426.64
Railway Progress Institute, 700 North Fairfax St. Alexandria VA 22314			
John Vernon Rainbolt II, 1701 Pennsylvania Avenue, NW, #500 Washington DC 20006	Grain & Feed Trade Assn		
Do	International Commodities Clearing House, Ltd		
Do	London Commodity Exchange Co, Ltd		257.20
Do	London International Financial Futures Exchange, Ltd		
Do	Metal Market & Exchange Co, Ltd		
Rainbow Alliance, 1010 Vermont Ave., NW, #315 Washington DC 20005			1,400.00
Maggy H. Ralbovsky, 1101 15th Street, NW, #400 Washington DC 20005	National Council of Savings Institutions	1,000.00	
John C. Ramig, 1730 M Street, NW, #900 Washington DC 20036	Stoel Rives Boley Fraser & Wyse (For: Association of O & C Counties)		
Do	Stoel Rives Boley Fraser & Wyse (For:Pacificorp)	3,323.45	1,004.76
Kathleen Marie Ramsey, 1010 Wisconsin Avenue, NW, #800 Washington DC 20007	Grocery Manufacturers of America, Inc	18.50	
Craig J. Rancourt, 2000 Pennsylvania Ave., NW, #3700 Washington DC 20006	American Assn of Classified School Employees	12,859.52	12,942.74
Jeannette H. Randall, 2400 E. Commercial Blvd, #500 Fort Lauderdale FL 33306	Ameriserv, Inc		
Donald A. Randall, P.C., 321 D Street, NE Washington DC 20002	Automotive Service Councils, Inc	1,655.00	
Do	National Independent Dairy-Foods Assn	5,820.00	
Randolph & Truitt, 1752 N Street, NW, #801 Washington DC 20036	Tanadgusix Corporation		
James D. Range, 1155 Connecticut Ave., NW, #800 Washington DC 20036	Waste Management, Inc	5,000.00	71.40
D. Michael Rappoport, P.O. Box 52025 Phoenix AZ 85072	Salt River Project	1,680.00	4,235.83
Magda Ratajski, One Commercial Place Norfolk VA 235102191	Norfolk Southern Corp		
Carol L. Raulston, 1619 Massachusetts Ave., NW Washington DC 20036	American Paper Institute, Inc	415.00	25.50
Craig Raupe, Campbell-Raupe Associates, Inc 1015 15th Street, NW, #907 Washington DC 20005	Algonquin Gas Transmission		
Do	American Nuclear Energy Council		
Do	Invest to Compete Alliance		
Do	LTV Aerospace & Defense Co		
Do	New England Life		
Do	Pitney Bowes		
Do	Riffe Petroleum Co		
Do	Texas Air Corp		
Do	Texas Utilities Services, Inc		
Do	Westinghouse Electric Corp		
G. David Ravencraft, 1025 Connecticut Ave., NW, #507 Washington DC 20036	Ashland Oil, Inc	2,000.00	
John K. Rayburn, 1801 K Street, NW Washington DC 20006	Westinghouse Electric Corp	235.00	30.00
Raymark Corporation, 100 Oakview Drive Trumbull CT 06611			
David A. Raymond, 1025 Connecticut Ave., NW, #1014 Washington DC 20036	Enserch Corporation	3,187.00	731.00
Richard J. Razook, 200 South Biscayne Blvd. 4900 Southeast Financial Center Miami FL 33131	Thomson Zeder Bohrer Werth Adorno & Razook (For: Burger King Corp)	84.00	
Julian O. Read, 1005 Congress Avenue, #500 Austin TX 78701	Central & South West Corp		
Sydney C. Reagan, NO. 10 Duncannon Ct. Dallas TX 75225	Southwestern Peanut Shellers Assn		
Recon/Optical, Inc, 550 West Northwest Highway Barrington IL 60010			
John M. Rector, 205 Daingerfield Rd. Alexandria VA 22314	National Assn of Retail Druggists	700.00	150.00
Robert E Redding, 7315 Wisconsin Ave. Bethesda MD 20814	Shippers National Freight Claim	1,187.20	
Robert O. Redding, 3519 S.w. 147th Lane Road Ocala FL 32673			
Michael L. Reed, 1100 15th Street, NW, #900 Washington DC 20005	Pharmaceutical Manufacturers Assn	4,000.00	23.00
Reed Roberts Tax Credit Assistance Corp, 55 Charles Lindbergh Blvd., #cs-101 Uniondale NY 11553			

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Pauline B. Reeping, 1750 New York Avenue, NW Washington DC 20006	New York Shipping Assn, Inc		
Joseph M. Rees, Francis Mcginnis & Rees, Inc 1000 Potomac Street, NW, #401 Washington DC 20007	Delta Dental Plans Association	4,000.00	
Reese Communications Companies, Inc, 1925 North Lynn St., #1140 Arlington VA 22209	Blue Cross & Blue Shield Assn	164,190.00	144,923.00
Benjamin F. Reeves, 1100 17th Street, NW Washington DC 20036	Burley & Dark Leaf Tobacco Export Assn	900.00	
J. Ronald Reeves, Washington National Airport Washington DC 20001	U.S. Air, Inc	2,000.00	225.00
John T. Reggitts Jr., 95 Booton Ave. P.O. Box 470 Boonton NJ 07005			
Reichler & Appelbaum, 888 17th St., NW, #1101 Washington DC 20006	Permanent Mission of the Republic of Seychelles		
Do	Republic of Nicaragua	6,000.00	
Charlotte Reid, 2466 Chatham Road Aurora IL 60506	Motorola, Inc		
Michael W. Reid, 1925 K Street, NW, #206 Washington DC 20006	Alliance to Save Energy		
Reid & Priest, 1111 19th Street, NW Washington DC 20036	Associated Natural Gas Company, et al		
Do	City of Philadelphia		
Do	Dillon Read & Co, Inc	3,038.12	319.76
Do	Edison Electric Institute	117.00	
Do	Pennsylvania Shipbuilding Co		
Do	People Express Airlines, Inc		
Reid & Riege, P.C., One State Street Hartford CT 06103	Wesleyan University	2,700.00	
Thomas K. Reilly, 1750 New York Ave., NW Washington DC 20006	International Assn of Fire Fighters		
Kathleen Reinburg, 2000 P Street, NW, #305 Washington DC 20036	Foresight Science & Technology, Inc (For: Society for American Archaeology)	937.00	
Nooley Reinheardt, Nooley Reinheardt & Assoc. P.O. Box 23190 Washington DC 20024	Rural Builders Council of California		
Harry O. Reinsch, 50 Beale St. P.O. Box 3965 San Francisco CA 94119	Bechtel Power Corporation		
Reinsurance Assn of America, 1025 Connecticut Avenue, NW, #512 Washington DC 20036			20.00
Religious Coalition for Abortion Rights, Inc, 100 Maryland Avenue, N.e. Washington DC 20002		245,977.48	7,438.92
Zev M. Remba, 1111 14th Street, NW Washington DC 20005	Academy of General Dentistry		
John W. Rendon Jr., 1439 Rhode Island Ave., NW Washington DC 20005	Rendon Company		
Rendon Company, 1439 Rhode Island Ave., NW Washington DC 20005			
W. W. Renfroe, 69 Fountain Pl. - P.O. Box 417 Frankfort KY 40602	Kentucky Railroad Assn		
Diane Rennert, 2005 Massachusetts Avenue, NW Washington DC 20036	Association of American Publishers	4,300.00	774.16
Lee P. Reno, 509 C Street, NE Washington DC 20002	Roisman Reno & Cavanaugh (For: National Assn of Housing Cooperatives)		
David M. Repass, 1801 K Street, NW, #700 Washington DC 20006	Price Waterhouse (For: Eagle-Picher Industries, Inc)		25,000.00
Resources Fund, Inc, 810 18th St., NW, #804 Washington DC 20006		82,570.00	104,737.00
Retired Officers Assn, 201 N. Washington St. Alexandria VA 22314	New York Comm of Intl Comm of Passenger Lines		
John H. Reurs, 74 Trinity Place New York NY 10006	Metropolitan Insurance Cos	1,000.00	
Vincent P. Reusing, 1025 Connecticut Avenue, NW, #1010 Washington DC 20036	United Auto Aerospace & Agricultural Implement Workers	15,241.06	310.40
Alan V. Reuther, 1757 N Street, NW Washington DC 20036	Proprietary Association	3,281.25	150.00
Allan R. Rexinger, 1150 Connecticut Ave., NW, #1200 Washington DC 20036	National Forest Products Assn	1,500.00	
Mark E. Rey, 1250 Connecticut Avenue, NW Washington DC 20036	National Assn of Manufacturers		
Renee Reymond, 1776 F Street, NW Washington DC 20006	Granada Management Corp	3,000.00	50.00
Reynolds Allen & Cook, 1667 K Street, NW, #300 Washington DC 20006	Rocky Mountain Energy Co	3,000.00	
John J. Rhodes, Hunton & Williams 2000 Pennsylvania Avenue, NW Washington DC 20006	Western Savings & Loan Assn		
Do	American Hospital Assn	6,010.95	
Edmund B. Rice, 444 North Capitol St., NW, #500 Washington DC 20001	American Farm Bureau Federation	6,750.00	57.76
Grace Ellen Rice, 600 Maryland Ave., SW Washington DC 20024	Shipbuilders Council of America	2,100.00	
M. Lee Rice, 1110 Vermont Avenue, NW Washington DC 20005	Conoco, Inc		
Theron J. Rice, 1700 Pennsylvania Ave., NW, #900 Washington DC 20006			264.58
Rice Genocide Research, 3046 Roosevelt Street Detroit MI 48216	Shell Oil Co	500.00	
James E. Rich Jr., 1025 Connecticut Ave., NW, #200 Washington DC 20036	Grocery Manufacturers of America, Inc		
Heather S. Richards, 1010 Wisconsin Ave., NW, #800 Washington DC 20007	Esquel Enterprises Ltd		
Richard Richards, Law Office of Richard Richards 1050 Thomas Jefferson Street, NW, 6th Fl Washington DC 20007	National Armored Car Assn, Inc		
Do	Sikorsky Aircraft	1,666.66	82.99
Do	American Public Power Assn	5,000.00	
Alan H. Richardson, 2301 M St., NW Washington DC 20037	American Nurses' Assn	4,932.01	66.95
Donna Richardson, 1101 14th Street, NW, #200 Washington DC 20005	Leboeuf Lamb Leiby & Macrae (For: British Insurance Assn and Lloyd's of London)		
John C. Richardson, 520 Madison Avenue New York NY 10022	Brotherhood of Railway Airline & Steamship Clerks	3,000.00	111.42
K. O. Richardson, 815 16th St., NW Washington DC 20006	National Cable Television Assn, Inc	981.00	
Lois Richerson, 1724 Massachusetts Avenue, NW Washington DC 20036	Coordinating Comm for Rail Competition		
Gerald L. Richman, Laroe Winn & Moerman 1120 G Street, NW, #800 Washington DC 20005	Lawyers Title Insurance Co		
Judy Noel Riddle, 6630 W. Broad St. Richmond VA 23230	American Petroleum Institute	632.00	935.05
Lowell J. Ridgeway, North Dakota Petroleum Council P.O. Box 1395 Bismarck ND 58502	International Telephone & Telegraph Corporation	3,000.00	200.00
E. George Riedel, 1600 M Street, NW Washington DC 20036	American Legion	12,141.00	404.57
E. Philip Riggin, 1608 K St., NW Washington DC 20006	National Fed of Federal Employees		
Pat Riley, 2020 K St., NW, #200 Washington DC 20006	National Multi Housing Council	1,921.25	
Susan Riley, 1250 Connecticut Ave., NW, #620 Washington DC 20036	International Brotherhood of Teamsters		
John F. Ring, 25 Louisiana Avenue, NW Washington DC 20001	Federal National Mortgage Assn		
Dale P. Riordan, 3900 Wisconsin Avenue, NW Washington DC 20016	Chevron USA, Inc	315.00	190.00
Kevin J. Riordan, 1700 K St., NW, #1204 Washington DC 20006	Association of Bank Holding Cos	1,325.00	60.00
John S. Rippey, 730 15th St., NW Washington DC 20005	Professional Managers' Assn	800.00	10.82
Riselli & Pressler, 2033 M Street, NW, #504 Washington DC 20036	Association of American Publishers	2,000.00	
Carol A. Risher, 2005 Massachusetts Ave., NW Washington DC 20036	American Council of Life Insurance, Inc		
Jeanne M. Ritchie, 1850 K Street, NW Washington DC 20006	American Petroleum Institute		
Stark Ritchie, 1220 L St., NW Washington DC 20005	Gaming Industry Assn of Nevada, Inc	3,200.00	3,977.77
James E. Ritchie & Associates, 499 S. Capitol St., SW, #400 Washington DC 20003	Golden Nugget, Inc		
Do	National Assn of Off-Track Betting	1,900.00	5,608.03
Do	National Assn of Optometrists & Opticians, Inc	8,325.00	6,481.39
Do	Nevada Resort Assn	4,800.00	5,966.66
Do	Associated General Contractors of America		
Valentin Riva, 1957 E St., NW Washington DC 20006	Texaco, Inc	82.35	
Phillip W. Rivers, 1050 17th St., NW #500 Washington DC 20036	Alc Communications Corp	2,693.75	150.00
Rivkin Radler Dunne & Bayh, 1575 I Street, NW, #1025 Washington DC 20005	American Can Co	938.34	45.81
Do	American Cancer Society	7,500.00	500.00
Do	Borg-Warner Corp	4,325.17	150.00
Do	Food Marketing Institute	1,074.00	150.00
Do	National Basketball Assn	26,544.63	6,165.00
Do	Nippon Yusen Kaisha (NYK) Line		15.00
Do	Sugar Users Group	7,666.67	600.00
Bradley H. Roberts, 1899 L Street, NW Washington DC 20036	American Assn of Advertising Agencies	2,500.00	750.00
Patricia L. Roberts, 1825 K St., NW, #1107 Washington DC 20006	Phillips Petroleum Co	600.00	75.86
Perry A. Roberts, 8000 Florissant St. Louis MO 63136	Emerson Electric Co		389.55
Richard R. Roberts, 1629 K Street, NW, #500 Washington DC 20006	American Council of Highway Advertisers	500.00	1,484.98
Richard W. Roberts, 100 East 42nd St. New York NY 10017	National Foreign Trade Council, Inc	500.00	
William A. Roberts, 444 North Capitol Street, #711 Washington DC 20001	Keefe Company (For: Westinghouse Electric Corp)		
Betty S. Robinson, 1757 N St., NW Washington DC 20036	United Auto Aerospace & Agricultural Implement Workers	12,428.73	90.75
Charles A. Robinson Jr., 1800 Massachusetts Ave., NW Washington DC 20036	National Rural Electric Cooperative Assn	241.15	
Ernestine S. Robinson, 1575 Eye Street, NW Washington DC 20005	American Soc of Assn Executives	300.00	
Kenneth L. Robinson, 1111 N. 19th Street, #700 Arlington VA 22209	National Assn of Federal Credit Unions		
Thomas E. Robinson, 1101 17th St., NW, #700 Washington DC 20036	National Assn of Real Estate Investment Trusts, Inc	2,400.00	
Robinson Silverman Pearce Aronsohn & Berman, 230 Park Ave. New York NY 10169	National Realty Committee		
Antoinette K. Roche, 1025 Connecticut Avenue, NW Washington DC 20036	GA Technologies, Inc	2,000.00	350.00
James Anthony Rock, 1730 M Street, NW, #607 Washington DC 20036	Montana Power Co & Washington Water Power Co	750.00	2,218.99
Michael J. Rock, 444 North Capitol Street, NW Washington DC 20001	American Hospital Assn	1,473.22	187.86
David W. Roderer, 3900 Wisconsin Avenue, NW Washington DC 20016	Federal National Mortgage Assn		
Rodey Dickason Sloan Akin & Robb, P.O. Box 1888 Albuquerque NM 87103	Navajo Tribe		
Quincy Rodgers, 2033 M Street, NW, #800 Washington DC 20036	General Instrument Corporation	600.00	
Jose Luis Rodriguez, 1000 Thomas Jefferson St., NW Washington DC 20007			
Donald L. Rogers, 730 15th St., NW Washington DC 20005	Association of Bank Holding Cos	2,387.50	
Margaret Rogers, 1025 Connecticut Ave., NW, #409 Washington DC 20036	Society of the Plastics Industry, Inc	2,500.00	
Nancy Rogers, 815 16th Street, NW Washington DC 20006	Industrial Union Department, AFL-CIO	5,596.50	221.58
Terrence L. Rogers, 1325 Massachusetts Ave., NW Washington DC 20005	American Fed of Government Employees	10,145.17	13,152.12
Rogers & Wells, 1737 H Street, NW Washington DC 20006	American Express Co	7,200.00	182.58
Do	Associated Press		1,031.89
Do	Candle Corp		347.00
Do	Cementos Anahuac del Golfo, S.A		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Liz Claiborne, Inc	1,000.00	400.00
Do	Desert Palace, Inc		
Do	Dreyfus Corporation	2,000.00	235.07
Do	Franzia, Fred T. John C. & Joseph S.		100.00
Do	Grocery Manufacturers of America, Inc	8,500.00	936.57
Do	William Anthony Hogan		
Do	Internoor Trade, Inc		
Do	Investment Partnership Assn		176.57
Do	Kamehameha Schools/Bernice P. Bishop Estate		
Do	Liga Agricola Industrial de la Cana de Azucar		
Do	Merrill Lynch & Co, Inc		
Do	Merrill Lynch Hubbard		
Do	Morris & Gwendolyn Cafritz Foundation		
Do	National Assn of Bedding Manufacturers		
Do	Pan American World Services, Inc	865.00	99.29
Do	Paribas Corporation		
Do	Pfizer, Inc		
Do	Rutgers, The State University of New Jersey		212.00
Do	Teachers Insurance & Annuity Assn/College Ret. Equities Fund		
Carole M. Rogin, 1255 23rd Street, NW, #850 Washington DC 20037	Hauck & Associates, Inc (For: Hearing Industries Assn)		
Richard A. Rohrbach, 1615 M Street, NW, #570 Washington DC 20036	Boise Cascade Corp	22,250.00	156.96
John F. Rolph III, 1200 New Hampshire Ave., NW, #350 Washington DC 20036	Citibank, N.A.	1,000.00	600.84
Kenneth S. Rolston Jr, 1025 Vermont Ave., NW, #1020 Washington DC 20005	American Pulpwood Assn		
Emil A. Romagnoli, 180 Maiden Lane New York NY 10038	Asarco Inc		
Michael J. Romig, 1850 K Street, NW Washington DC 20006	American Council of Life Insurance, Inc	2,500.00	
Fred B. Rooney, 1050 Connecticut Ave., NW, 12th Fl. Washington DC 20036	American Iron & Steel Institute	1,050.00	
Do	Association of American Railroads	1,150.00	
Do	CalMat Company	950.00	
Do	Crawford Fitting Co	950.00	
Do	Denver & Rio Grande Western Railroad Co	1,000.00	
Do	Lone Star Industries, Inc	950.00	
Do	M Life Insurance Co	1,150.00	
Do	Paul Hastings Janofsky & Walker (For: Security Life of Denver)	1,050.00	
John C. Roots, 1333 New Hampshire Ave., NW, #1001 Washington DC 20036	Atlantic Richfield Co	329.17	
Raymond W. Roper, 1601 Duke Street Alexandria VA 22314	Society of American Florists		
Rose Schmidt Chapman Duff & Hasley, 1825 Eye St., NW, #300 Washington DC 20006	Annual Charges Policy Group	330.00	
Do	Cigar Assn of America, Inc		
Burt Rosen, 1700 Pennsylvania Ave., NW Washington DC 20006	Pfizer, Inc	1,000.00	351.12
Lester L. Rosen, 1025 Vermont Avenue, NW, #500 Washington DC 20005	Miles Laboratories, Inc		
David B. Rosenauer, 1317 F Street, NW, #400 Washington DC 20004	R. Duffy Wall & Associates, Inc (For: Balcor Co)		
Do	R. Duffy Wall & Associates, Inc (For: Cantor Fitzgerald & Co, Inc)		
Do	R. Duffy Wall & Associates, Inc (For: Esslete Business Systems, Inc)		
Do	R. Duffy Wall & Associates, Inc (For: Footwear Retailers of America)		
Do	R. Duffy Wall & Associates, Inc (For: JMB Realty Corp)		
Do	R. Duffy Wall & Associates, Inc (For: Life of Virginia)		
Do	R. Duffy Wall & Associates, Inc (For: Morgan Guaranty Trust Co)		
Do	R. Duffy Wall & Associates, Inc (For: New York State Bankers Assn)		
Do	R. Duffy Wall & Associates, Inc (For: Pharmaceutical Manufacturers Assn)		
Do	R. Duffy Wall & Associates, Inc (For:Torchmark Corporation)		
Do	R. Duffy Wall & Associates, Inc (For: Wine & Spirits Wholesalers of America, Inc)		
Richard Rosenbaum, 666 Third Ave., 4th Fl. New York NY 10017	Committee for a Responsible Tax Policy, Inc		
Do	Integrated Resources, Inc	10,000.00	160.00
Sara Rosenbaum, 122 C Street, NW Washington DC 20001	Children's Defense Fund	2,200.00	
Roger C. Rosenthal, 2001 S St., NW, #310 Washington DC 20009	Migrant Legal Action Progran, Inc		
Roses, Inc, 1152 Haslett Road P.O. Box 99 Haslett MI 48840		782.20	2,654.83
Joe Ross, P.O. Box 1582 Little Rock AR 72201			
Nancy Ross, 1010 Vermont Avenue, NW Washington DC 20005	Rainbow Alliance		20.00
William F. Ross, South Carolina Petroleum Council 716 Keenan Bldg. Columbia SC 29201	American Petroleum Institute	657.00	1,133.59
Lesley A. Rosse, 1220 L St., NW, 5th Fl. Washington DC 20005	American Resort & Residential Development Assn		
Stephen O. Rossetti, 1434 Duke Street Alexandria VA 22314	International Military Club Executives		
Barry N. Roth, 1120 20th Street, NW, #700 Washington DC 20036	Williams Companies	100.00	
Rhond Rudolph Roth, 1255 23rd Street, NW Washington DC 20037	Hauck & Associates, Inc	15,900.00	638.03
John C. Rother, 1909 K Street, NW Washington DC 20049	American Assn of Retired Persons	865.39	
Donald D. Rounds, South Dakota Petroleum Council P.O. Box 669 Pierre SD 57501	American Petroleum Institute		
Michael O. Roush, Capital Gallery East, #695 600 Maryland Ave. Washington DC 20024	National Fed of Independent Business	2,250.00	200.00
John H. Rousselot, 1101 15th St., NW, #400 Washington DC 20005	National Council of Savings Institutions	10,000.00	12.00
Ann M. Rowan, One Thomas Circle, NW, #900 Washington DC 20005	National Comm to Preserve Social Security & Medicare		
Do	Oakland Coliseum		
Do	Port of Oakland		
Eugene F. Rowan, 2550 M Street, NW Washington DC 20037	National Assn of Chain Drug Stores, Inc	612.50	
Do	Revco D.S., Inc	175.00	
Do	Seattle Professional Engineering Employees Assn	87.50	
Charles Rowton, 1899 L Street, NW, #1100 Washington DC 20036	Exxon Corporation	600.00	93.65
Roxton, Inc, 2000 S. Eads Street, #1003 Arlington VA 22202	Global Identification Corp		
Robert S. Royer, Royer & Shacknai 1747 Pennsylvania Ave., NW Washington DC 20006	American Military Sales		
Do	City of Akron, Ohio		
Do	Harley-Davidson Military Sales		
Do	International Futures Exchange		
Do	Intex Holdings (Bermuda) Ltd		
Do	Michigan Trade Exchange		
Do	Morgan Stanley & Co, Inc		
Do	Overseas Military Sales Group		
Do	Phillips Petroleum		
Do	Securities Industry Assn		
Royer Shacknai & Mehle, 1747 Pennsylvania Avenue, NW Washington DC 20006	Municipal Finance Industry Assn		
Do	John Nuveen & Co, Inc		
Do	Trans Continental Services, N.V.		
Tobi Z. Rozen, 888 16th St., NW Washington DC 20006	Milk Industry Foundation/Int'l Assn of Ice Cream Mfrs		
James S. Rubin, 1150 Connecticut Ave., NW, #700 Washington DC 20036	Allied-Signal, Inc	3,062.50	
Barbara A. Rudolph, 1901 N. Fort Myer Drive, #302 Rosslyn VA 22209	Beverly Enterprises, Inc	3,375.00	140.10
Camille Kearns Rudy, 1346 Chestnut, #800 Philadelphia PA 19107	Greater Philadelphia Chamber of Commerce		
Henry C. Ruempler, 1200 New Hampshire Avenue, NW, #350 Washington DC 20036	Citibank, N.A.	500.00	625.61
Nicholas L. Ruggiere, 1667 K Street, NW, #410 Washington DC 20006	Johnson & Johnson	1,000.00	225.00
Ronald R. Rumbaugh, 5205 Leesburgh Pike, #505 Falls Church VA 22041	National Beer Wholesalers of America		
Morgan S. Ruph, 4647 Forbes Boulevard Lanham MD 20706	AMVETS	6,800.00	150.47
Robert A. Rusbuldt, 1025 Connecticut Ave., NW, #415 Washington DC 20036	American Insurance Assn	275.00	23.20
Domenic R. Ruscio, 6th Floor 2010 Massachusetts Avenue, NW Washington DC 20036			
Barry Russell, 1101 16th St., NW Washington DC 20036	Independent Petroleum Assn of America		40.00
Dorothea L. Russell, 1120 Vermont Avenue, NW, #1120 Washington DC 20005	National Candy Wholesalers Assn, Inc		
Nancy Russell, 4921 SW Hewett Blvd. Portland OR 97221	Friends of the Columbia Gorge		
Randall M. Russell, 517 C Street, NE Washington DC 200025809			
Robert M. Russell, 2170 Piedmont Rd., NE Atlanta GA 30324	Orkin Pest Control	306.00	1,177.00
Russo Watts Rollins & Platt, Inc, 1033 N. Fairfax Street, #205 Alexandria VA 22314	Bag Bazzar Ltd		
Do	Louis F. Beechrel Jr.	2,000.00	
Do	CIC Enterprises	500.00	
Do	Henry-Richard Company, Inc		
Do	Holiday Fair, Inc		
Do	Management Insights, Inc	500.00	
Do	Metropolitan Analysis & Retrieval Systems, Inc	500.00	
Do	Norfolk Southern Corp	5,000.00	
Do	Reed Roberts Tax Credit Assistance Corp	500.00	
Do	Russ Berrie & Co, Inc	1,000.00	
Do	Sarne Corporation	250.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Sears Roebuck & Co		
Do	Serko & Simon		
Do	Sirco International Corp		
Do	Transohio Financial Corp		
Do	U.C. Consultants, Inc	250.00	
Wally Rustad, 1800 Massachusetts Ave., NW Washington DC 20036	National Rural Electric Cooperative Assn	50.00	
Herman Max Ruth, P.O. Box 1000 Otisville NY 10963			
J. T. Rutherford & Associates, Inc, 1301 N. Courthouse Rd., #1802 Arlington VA 22201	American Assn of Bioanalysts/Intl Soc of Clinical Lab Techs		311.20
Do	American College of Radiology		420.00
Do	American Optometric Assn		295.00
Frank T. Ryan, 1400 K Street, NW Washington DC 20005	Rubber Manufacturers Assn	2,500.00	
George J. Ryan, 915 Rockefeller Building Cleveland OH 44113	Lake Carriers' Assn		
John F. Ryan, 1600 M Street, NW Washington DC 20036	International Telephone & Telegraph Corporation		
Joseph Ryan, 2033 M St., NW, #800 Washington DC 20036	General Instrument Corporation		
RBC Associates, 324 Fourth Street, NE Washington DC 20003	Bangor & Aroostook Railroad	6,750.00	3,685.10
Do	Chicago & North Western Transportation Corp	28,500.00	3,713.82
Do	Delaware Otsego System	16,000.00	4,135.96
Do	Genesee & Wyoming Corp	750.00	3,572.92
Do	Pittsburg & Shawmut Railroad	2,100.00	3,572.92
RJR Industries, Inc, 1100 Reynolds Blvd. Winston-Salem NC 27106			11,148.26
Paul R. Sacia, Suite 202, West Wing 600 Maryland Avenue, SW Washington DC 20024	Farmers' Educational & Co-Operative Union of America	4,523.06	20.22
David J. Sadd, 2033 M Street, NW, #900 Washington DC 20036	National Assn of Arab Americans	2,000.00	
Dean Sagar, 1050 17th Street, NW, #770 Washington DC 20036	American Assn of Homes for the Aging	341.00	
John K. Sage, One Post Street, #3275 San Francisco CA 94104	McKesson Corp	600.00	378.50
Anthony J. Saggese Jr., 1050 17th St., NW, #500 Washington DC 20036	Texaco, Inc		
Gregory A. Sahd, 2033 M Street, NW Washington DC 20036	National Assn of Arab Americans	1,166.67	181.85
Frank Max Salinger, 1101 14th St., NW Washington DC 20005	American Financial Services Assn		
James H. Sammons, 535 North Dearborn Street Chicago IL 60610	American Medical Assn	1,200.00	
Sammons Enterprises, Inc, 403 South Akard Dallas TX 75202			2,135.00
David W. Sanasack, 2300 S. 9th St., #104 Arlington VA 22204	Federal Managers Assn	4,350.00	50.00
Sanders Schnabel & Brandenburg, P.C., 1110 Vermont Avenue, NW, #600 Washington DC 20005	American Soc of Assn Executives	2,538.50	38.75
Stephen E. Sandherr, 1957 E Street, NW Washington DC 20006	Associated General Contractors of America		
Myron G. Sandifer III, 1800 M St., NW, #950 North Washington DC 20036	Jack Mcdonald Co (For: Coalition for the Advancement of Industrial Technology)		
Do	Jack Mcdonald Co (For: Dow Corning Corp)		
Do	Jack Mcdonald Co (For: Royal Zenith Corp)		
Charles E. Sandler, 1220 L Street, NW Washington DC 20005	American Petroleum Institute	6,000.00	
Peter G. Sandlund, 1725 Eye St., NW, #315 Washington DC 20006	Council of European & Japanese National Shipowners' Assn	300.00	
Donald E. Santarelli, Suite 700 2033 M St., NW Washington DC 20036	Empresa Brasileira de Aeronautica, S.A		
Do	Sturm Ruger Co, Inc		
James D. Santini, Bible Santini Hoy Miller & Lrachok 1025 Thomas Jefferson St., NW, #700 Washington DC 20007	Greens Creek Joint Venture	2,500.00	574.51
Do	Homestake Mining Co	875.00	692.25
Do	ISL Ventures, Inc		692.25
Do	Lorimar Productions	11,000.00	53.64
Do	Marlene C. McGuirl	1,000.00	
Do	National Tour Assn, Inc	9,000.00	2,189.15
Do	Noranda Exploration, Inc		516.27
Charles Sapp, 3500 Texas Commerce Tower Houston TX 77002	Houston Endowment, Inc		
Klara B. Sauer, 9 Vassar Street Poughkeepsie NY 12601	Scenic Hudson, Inc		
Albert C. Saunders, 1100 15th St., NW #900 Washington DC 20005	Pharmaceutical Manufacturers Assn	4,000.00	40.20
Mary Jane Saunders, 1300 N. 17th Street, #300 Arlington VA 22209	ADAPSO, the Computer Software & Services Industry Assn		11.00
Richard N. Sawaya, 1333 New Hampshire Ave., NW Washington DC 20036	Atlantic Richfield Co	300.00	
John D. Sawyer, 2101 L Street, NW, #501 Washington DC 20037			
Thomas C. Sawyer, 1825 K Street, NW Washington DC 20006	National Broadcasting Co, Inc	5,000.00	1,022.97
Robert Wayne Sayer, 4545 42nd Street, NW Washington DC 20016	GCA Corp		
Laurie S. Schaffer, 1120 Connecticut Ave., NW Washington DC 20036	American Bankers Assn		
Harold A. Schaitberger, 1750 New York Ave. Washington DC 20006	International Assn of Fire Fighters	13,763.94	
Jerome D. Schaller, 1101 15th St., NW Washington DC 20005	Minnesota Mining & Manufacturing Co		
William T. Schapaugh, 1030 15th Street, NW Washington DC 20005	American Seed Trade Assn	5,000.00	
Mary L. Schapiro, 1825 Eye St., NW, #1040 Washington DC 20006	Futures Industry Assn, Inc		
C. M. Schauerte, P.O. Box 3247 Houston TX 77253	American General Corporation		
Dale E. Schell, 1919 Pennsylvania Ave., NW, #300 Washington DC 20006	GATX Corporation		
Joseph Scherer, 1801 North Moore St. Arlington VA 22209	American Assn of School Administrators		
Kenneth D. Schloman, 1600 Rhode Island Avenue, N.w. Washington DC 20036	National Rifle Assn of America	976.25	134.95
Edward Schmeltzer, Schmeltzer Aptaker & Sheppard, P.C. 1800 Massachusetts Avenue, NW, #500 Washington DC 20036	Chemical Tankers of America, Inc		
Do	Flota Mercante Grancolombiana, S.A		
Do	Transportadora de Liquidos a Granel de Colombia S.A		
Richard M. Schmidt Jr., Suite 600 1333 New Hampshire Ave., NW Washington DC 20036	Association of American Publishers	500.00	
Robert Richard Schmitt, 430 S. 20th St. Omaha NB 68102			
Schnader Harrison Segal & Lewis, Suite 1000 1111 19th St., NW Washington DC 20036	Savin Corporation		
Do	Toyota Motor Corporation	1,100.50	184.90
Robert V. Schneider, 3328 Glenmore Drive Falls Church VA 22041	Telesciences Corp	1,200.00	389.55
Theresa A. Schneider, 1575 Eye Street, NW, #550 Washington DC 20005	Institute of Makers of Explosives		
Leonard Schneidman, Foley Hoag & Eliot One Post Office Square Boston MA 02109	Mutual Savings Central Fund, Inc		
Abraham Schneier, 600 Maryland Ave., SW, #700 Washington DC 20024	National Fed of Independent Business	565.25	200.00
Frank Schneller, 1957 E St., NW Washington DC 20006	Associated General Contractors of America		
Paul Schoellhamer, 888 17th Street, NW Washington DC 20003	Republic Airlines	1,000.00	100.00
Nancy L. Schoenig, 25 Louisiana Avenue, NW Washington DC 20001	International Brotherhood of Teamsters		
Jack J. Schramm, 1155 Connecticut Ave., NW, #800 Washington DC 20036	Waste Management, Inc	5,000.00	68.21
H. B. W. Schroeder, 1050 17th Street, NW, #490 Washington DC 20036	Consumers Power Co	8,000.00	1,266.00
Leah Webb Schroeder, 1030 15th Street, NW, #100 Washington DC 20005	Health Industry Manufacturers Assn		
N. Donald Schroeder, Maryland Petroleum Council 60 West St., #403 Annapolis MD 21401	American Petroleum Institute	335.00	190.17
Debra L. Schultz, 354 Longacre Avenue Woodmere NY 11598			
Mark Schultz, 1615 H St., NW Washington DC 20062	Chamber of Commerce of the U.S	5,000.00	32.00
William B. Schultz, Suite 700 2000 P St., NW Washington DC 20036	Public Citizen, Inc		
Robert L. Schulz, c/o Iowa Petroleum Council 1012 Fleming Bldg. Des Moines IA 50309	American Petroleum Institute	709.00	1,007.42
Ralph D. Schumack, 1800 M Street, NW, #790 South Washington DC 20036	Dow Corning Corp		36.90
Walter A. Schumann III, 1511 Natalie Joy Ln. Mclean VA 22101	Potomac Overlook Associates		
James H Schuyler, 15th & M sts., NW Washington DC 20005	National Assn of Home Builders of the U.S		
Elinor Schwartz, 318 S. Abingdon Street Arlington VA 22204	California State Lands Commission	7,800.00	891.73
Richard Schwartz, 880 S. Pickett St. Alexandria VA 22304	Boat Owners Assn of the U.S	4,000.00	
Steve Aaron Schwartz, 818 Roeder Rd., #702 Silver Spring MD 20910	International Fed of Professional & Technical Engineers		
Richard S. Schweiker, 1850 K Street, NW Washington DC 20006	American Council of Life Insurance, Inc	1,350.00	
Scientific Apparatus Makers Assn, 1101 16th St., NW Washington DC 20036		6,989.57	1,285.96
Michael Sciulla, 880 S. Pickett St. Alexandria VA 22304	Boat Owners Assn of the U.S	6,000.00	
Harold B. Scoggins, 1101 16th St., NW Washington DC 20036	Independent Petroleum Assn of America		39.00
Douglas W. Scott, 730 Polk Street San Francisco CA 94108	Sierra Club		
Ellen Scott, 1750 New York Avenue, NW Washington DC 20006	Sheet Metal Workers International Assn	6,325.00	
Gregory R. Scott, 1875 Eye St., NW, #500 Washington DC 20006	Philip Morris, Inc	945.00	224.25
Hugh Scott, Scott Harrison & McLeod 2501 M Street, NW, #400 Washington DC 20037	Federal National Mortgage Assn	7,500.00	224.25
James L. Scott, 1919 Pennsylvania Ave., NW, #703 Washington DC 20006	American Healthcare Institute		10,607.69
James M. Scott, 66 Surfwatch Drive Johns Island SC 29455	Scott Company		
John N. Scott, 1825 K Street, NW, #1107 Washington DC 20006	Phillips Petroleum Co	222.00	1,043.19
Scott Company, Inc, 66 Surfwatch Drive Johns Island SC 29455	Coastal Properties Institute, Inc		
Scribner Hall & Thompson, Suite 700 1875 Eye Street, NW Washington DC 20006	CNA Financial Corp	22,000.00	8,238.35
Do	Provident Life & Accident Insurance Co	17,430.00	8,238.35
Do	Security Life of Denver Insurance Co	34,500.00	
Do	St. Paul Companies	3,100.00	
Do	Transamerica Corporation	3,500.00	
Do	Transamerica Occidental Life Insurance Co	6,375.00	
Do	Unionmutual Life Insurance Co		
Do	USLIFE Corporation		
Timothy Scully, 25 Louisiana Avenue, NW Washington DC 20001	International Brotherhood of Teamsters	9,646.86	
Earl W. Sears, P.O. Box 12285 Memphis TN 38112	National Cotton Council of America	342.50	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Law Offices of John Sears, 818 Connecticut Avenue, NW Washington DC 20006	Embassy of the Republic of South Africa	15,000.00	439.40
Pamela Sederholm, Box 719 Dallas TX 75221	Southland Corporation		250.00
Maria Mccrea Segal, 2033 M Street, NW, #900 Washington DC 20036	National Assn of Arab Americans	2,234.82	66.30
J. Peter Segall, 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: International Brotherhood of Teamsters).		
Do	Gray & Co Public Communications Int'l, Inc (For: Kingdom of Morocco)	10,000.00	
H. Richard Seibert Jr., 1776 F St., NW Washington DC 20006	National Assn of Manufacturers	696.00	
George H. Seidel Jr., Associated Petroleum Industries of Pa P.O. Box 925 Harrisburg PA 17108	American Petroleum Institute		
M. Frank Sellers, 1615 H Street, NW Washington DC 20062	U.S. Chamber of Commerce (For: Business Alliance on Government Competition)	5,000.00	334.57
Richard C. Semack, 17000 Executive Plaza Drive Dearborn MI 48126	Automobile Club of Michigan		
Stanton P. Sender, 633 Pennsylvania Ave., NW Washington DC 20004	Sears Roebuck & Co	2,600.00	139.04
Terry L. Serie, 1619 Massachusetts Ave., NW Washington DC 20036	American Paper Institute, Inc	500.00	28.00
Stuart D. Serkin, 1800 Connecticut Avenue, NW Washington DC 20009	Slurry Technology Assn	1,000.00	
Seven Months Session for Congress, 4210 Spicewood Road, #202 Austin TX 78759			204.00
Seward & Kissel, 818 Connecticut Avenue, NW, #800 Washington DC 20006	Daily Dollar Reserves, Inc	112.50	
Do			
J. Richard Sewell, 1111 19th St., NW, #1102 Washington DC 20036	Florida Power & Light Co	2,100.00	402.68
Seyfarth Shaw Fairweather & Geraldson, 1111 19th St., NW Washington DC 20036	Agricultural Producers	26,387.33	
Do	American Soc of Pension Actuaries	12,600.00	517.55
Do	Fixible Corp	3,300.53	
Do	Johnson & Higgins		
Jonah Shacknai, 1747 Pennsylvania Avenue, NW Washington DC 20006	Merrell Dow Pharmaceuticals, Inc		
Donna S. Shaffer, Dulles International Airport P.O. Box 17309 Washington DC 20041	Pride Air, Inc		
Victoria McKenzie Shain, 1710 Rhode Island Avenue, NW, #300 Washington DC 20036	Abbott Laboratories	1,000.00	
Thomas A. Shallow, 1220 L Street, NW Washington DC 20005	American Petroleum Institute	200.00	
James M. Shamberger, 1025 Connecticut Ave., NW, #512 Washington DC 20036	Reinsurance Assn of America		
Shamrock Foods Co, 2228 N. Black Canyon Phoenix AZ 85009			
Deborah L. Shannon, 1250 Connecticut Ave., NW, #620 Washington DC 20036	National Multi Housing Council	1,325.00	36.89
Bernrad M. Shapiro, 1801 K Street,nw, #700 Washington DC 20006	Price Waterhouse (For: Eagle-Picher Industries, Inc)	250.00	
Gary J. Shapiro, 2001 Eye Street, NW Washington DC 20006	Electronic Industries Assn		500.00
Norman F. Sharp, 1100 17th Street, NW, #1201 Washington DC 20036	Cigar Assn of America, Inc		
Daniel E. Shaughnessy, 1008 N. Randolph St., #206 Arlington VA 22201			
Luther W. Shaw, 1155 15th St., NW, #900 Washington DC 20005	National Agricultural Chemicals Assn	5,625.00	17.00
Shaw Pittman Potts & Trowbridge, 1800 M St., NW, #900-S Washington DC 20036	Americans for Tax Reform		
Do	Association for the Improvement of the Mississippi River		
Do	Atlas Minerals Division	5,133.00	
Do	Committee for Private Education		
Do	Emerson Electric Co		
Do	Institute of Foreign Bankers	2,394.00	
Do	Investment Company Institute		
Do	Investment Counsel Assn of America, Inc	262.50	
Do	Knights of Columbus		
Do	National Automobile Dealers Assn	5,696.25	299.53
Do	National Comm on Small Issue Industrial Development Bonds		
Do	Utility Nuclear Waste Management Group		
Donald B. Shea, 1750 K Street, NW Washington DC 20006	U.S. Brewers Assn, Inc		
James V. Sheahan, 223 Perimeter Ctr. Pkwy. P.O. Box 89000 Atlanta GA 30338	Siemens-Allis, Inc		
Shearman & Sterling, 153 East 53rd St. New York NY 10005	Business Roundtable		
John J. Sheehan, 815 16th St., NW, #706 Washington DC 20006	United Steelworkers of America	12,477.24	
Monica M. Sheehan, 840 North Lake Shore Drive Chicago IL 60611	American Hospital Assn		
Patricia Q. Sheehan, 1667 K Street, NW, #410 Washington DC 20006	Johnson & Johnson		
Kathleen Sheekey, 3rd Floor 2030 M Street, NW Washington DC 20036	Common Cause	10,862.52	857.91
Deborah A. Sheiman, 1350 New York Avenue, NW Washington DC 20005	Natural Resources Defense Council, Inc	358.00	
C. Douglas Shelby, Florida Petroleum Council 325 John Knox Rd., #f-210 Tallahassee FL 32303	American Petroleum Institute	815.40	999.87
Zack H. Shelley Jr., 1331 Pennsylvania Avenue, NW Washington DC 20004	General Electric Co	200.00	
Seymour Sheriff, 1126 Woodward Bldg. Washington DC 20005	Man-Made Fiber Producers Assn, Inc		
Norman Sherman, 910 17th Street, NW, #318 Washington DC 20006	Hoving Group (For: Republic of Liberia)	1,600.00	
Nelson T. Shields, 1400 K St., NW Washington DC 20015	Handgun Control, Inc	2,700.00	
Russell L. Shipley Jr, 1120 Vermont Avenue, NW, #1120 Washington DC 20005	National Candy Wholesalers Assn, Inc	200.00	
Shipley Smoak Henry & Holdgreiwe, 910 17th Street, NW, #320 Washington DC 20006	Bluejay Oil Company		
Do	Fort Sill Gardens, Inc		
Do	Steadman Mutual Funds		
Do	Steadman Security Corporation		
Do	WBNO Radio and WLKM Radio		
Harvey A. Shipman, 1800 Diagonal Road, #500 Alexandria VA 22314	Penn Central Corporation		
Shippers National Freight Claim Council, Inc, 120 Main Street Huntington NY 11743			1,187.20
Mary Frances Shlagel, Suite 760 1050 Connecticut Ave., NW Washington DC 20036	Union Oil Co of California		
Harry M. Shooshan III, 1990 M St., NW, #450 Washington DC 20036	Shooshan & Jackson, Inc (For: Rogers U.S. Cablesystems, Inc)		
Shooshan & Jackson, Inc, 1990 M St., NW, #450 Washington DC 20036	Rogers U.S. Cablesystems, Inc		
A. Z. Shows, Rm 203 1801 Columbia Rd., NW Washington DC 20009			
John Shuey, P.O. Box 3151 Houston TX 77253	Browning-Ferris Industries, Inc		
Norman D. Shutler, 1607 New Hampshire Ave., NW Washington DC 20006	Clayton Manufacturing Co		
Sidley & Austin, 1722 Eye Street, NW Washington DC 20006	Peoria Journal Star, Inc	3,793.11	
Mark A. Siegel & Associates, Suite 368 400 North Capitol Street, NW Washington DC 20001	Archer Daniels Midland Company		
Do	Commonwealth of Puerto Rico	32,229.87	4,651.23
Do	Money Store		
Do	Power Authority of the State of New York		
Siegel Mandell Davidson, P.C., One Whitehall Street New York NY 10004	Sigallo, Ltd	10,000.00	700.00
James V. Siena, 1735 New York Avenue, NW Washington DC 20006	American Institute of Architects	2,000.00	
William A. Signer, 444 North Capitol St., NW, #711 Washington DC 20001	Keefe Company (For: Chamber of Commerce of Puerto Rico)		
Do	Keefe Company (For: Committee for Employment Opportunities)	175.00	
Do	Keefe Company (For: Greater New York Hospital Assn)	1,150.00	
Do	Keefe Company (For: Management Insights, Inc)	2,800.00	
Do	Keefe Company (For: Puerto Rico Economic Development Administration)	10,000.00	
Do	Keefe Company (For: Securities Industry Assn of Puerto Rico)	9,300.00	
Do	Keefe Company (For: Solar Lobby)	1,200.00	
Do	Keefe Company (For: Targeted Management Consultants)	4,000.00	
Do	Keefe Company (For: Zuckert Scoutt Rasenberger & Johnson)	2,500.00	
David Silver, 1600 M St., NW Washington DC 20036	Investment Company Institute	126.38	
Steve Silver, Robertson Monagle Eastaugh & Bradley 1050 Thomas Jefferson St., NW, 6th Fl. Washington DC 20007	Alaska Pulp Corp	1,200.00	
Do	Apex Marine Corp	312.50	
Do	Bollinger Machine Shop & Shipyard, Inc	300.00	
Do	Bristol Bay Native Corp	3,777.50	
Do	Moore McCormak Bulk Transport, Inc	770.00	
Do	Noranda Mining, Inc	740.00	
Silver Users Assn, Inc, 1717 K St., NW Washington DC 20006		5,624.50	3,484.44
Silverstein & Mullens, 1776 K St., NW Washington DC 20006	Association for Advanced Life Underwriting	5,000.00	
Do	Bristol-Myers Co		
Do	GATX Corporation		
Do	Music Corp of America, Inc		
Do	National Assn of Home Builders of the U.S.		
M. P. Simmons, P.O. Box 860 Valley Forge PA 19482	Certainteed Corp		
Gary D. Simms, 1720 EYE ST., NW Washington DC 20006	American Academy of Actuaries		
Marsha J. Simon, 1334 G St., NW, 3rd Fl. Washington DC 20005	Food Research & Action Center		
Neil A. Simon, 1350 New York Ave., NW, #900 Washington DC 20005	International Franchise Assn		
Philip Simon, 2030 M Street, NW Washington DC 20036	Common Cause	4,100.17	
Stanley C. Simon, Ginsberg & Forman 820 Hartford Building Dallas TX 75201	Southland Corporation	51,175.00	6,975.91
William Douglas Simon, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington DC 20037	Dofasco, Inc		
Talmage E. Simpkins, 100 Indiana Ave., NW Washington DC 20001	AFL-CIO Maritime Committee	300.00	810.70
Do	Labor Management Maritime Committee, Inc	1,508.40	272.80
C. Kyle Simpson, 9 Greenway Plaza, #714 Houston TX 77046	Coastal Corporation		
William G. Simpson, 1155 15th St., NW Washington DC 20005	First Mississippi Corporation	2,000.00	
Do	Mississippi Power & Light Company	2,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	J. R. Scribner Equipment		
Do	State of Mississippi	4,000.00	
Albert M. Sims, 1935 Wilson Lane, #204 Mclean VA 22102	Performance Engineering, Inc		
Ivan E. Sinclair, 1000 Wilson Boulevard, #2700 Arlington VA 22209	TRW, Inc	1,000.00	
James W. Singer III, 1100 15th Street, NW Washington DC 20005	Pharmaceutical Manufacturers Assn	4,000.00	
Richard L. Sinnott, One Thomas Circle, NW, #900 Washington DC 20005	National Comm to Preserve Social Security & Medicare	9,000.00	
Richard L. Sinnott & Co, Suite 900 One Thomas Circle, NW Washington DC 20005	Oakland Coliseum	3,500.00	
Do	Port of Oakland	3,000.00	
Skadden Arps Slate Meagher & Flom, 919 18th Street, NW Washington DC 20006	Air Products & Chemicals, Inc	1,500.00	
Do	Beecham, Inc	2,500.00	
Do	California Student Loan Finance Corp		
Do	Cities Service Oil & Gas Corp		
Do	Coalition Against Double Taxation, Inc	4,000.00	
Do	Drexel Burnham Lambert, Inc	12,500.00	
Do	JMB Realty Corp	1,250.00	
Do	Mojave Pipeline Co	1,500.00	
Do	Morton-Thiokol, Inc	800.00	
Do	Ocean Thermal Corp		
Do	Revlon, Inc		
Do	Transco Energy Company		
James H. Skidmore, 1156 15th St., NW, #1201 Washington DC 20005	NCR Corporation		
Cynthia Elliot Skiff, 8111 Gatehouse Road Falls Church VA 22047	American Automobile Assn		
Barney J. Skladany Jr., 1100 Connecticut Ave., NW, #620 Washington DC 20036	Mobil Oil Corp	1,125.00	
Ruth L. Sky, 2211 Congress St. Portland ME 04122	Union Mutual Life Insurance Co		
F. Slatinshek & Associates, Inc, 1102 Belle Vista Dr. Alexandria VA 20007	Grumman Aero Corp; D.L. Lynch & Assocs	300.00	
Robert G. Slaughter, 1615 M ST., NW, #200 Washington DC 20036	Amoco Corporation	1,500.00	66.77
Barry S. Slevin, 1000 Potomac Street, NW Washington DC 20007	Seifman Semo Slevin & Marcus, P.C. (For: United Food & Commercial Workers International Union).	2,349.00	1,715.92
William T. Slider, 15th & M streets, NW Washington DC 20005	National Assn of Home Builders of the U.S.		
Ronald J. Slinn, 260 Madison Avenue New York NY 10016	American Paper Institute, Inc		
Deborah Sliz, 2301 M Street, NW Washington DC 20037	American Public Power Assn		
Catherine Reiss Sloan, 1990 M St., NW, #450 Washington DC 20036	Shooshan & Jackson, Inc (For: Rogers U.S. Cablesystems, Inc)		
John E. Sloan Jr., Capital Gallery East, #695 600 Maryland Avenue, SW Washington DC 20024	National Fed of Independent Business	1,150.00	200.00
Slurry Technology Assn, 1800 Connecticut Ave., NW Washington DC 20009		28,944.77	2,000.00
Small Business Council of America, Inc, P.O. Box 4299 Columbus GA 31904		64,645.00	39,427.22
Smathers Hickey & Riley, 1050 Connecticut Avenue, NW, #1230 Washington DC 20036	American Horse Council	3,666.00	
Do	Florida East Coast Railway Co	750.00	
Do	National Hockey League	1,500.00	
Do	Pennzoil Co	6,000.00	
Do	Republic of South Africa		
Donald E. Smiley, 1899 L St., NW, #1100 Washington DC 20036	Exxon Corporation		
James R. Smircina, P.O. Box 5000 Cleveland OH 44101	Cleveland Electric Illuminating Co	1,277.00	1,633.77
Christine M.B. Smith, 2501 M Street, NW, #540 Washington DC 20037	Pacific Resources, Inc	500.00	
Diane E. Smith, 8881 Rosemont Detroit MI 48228	Artists Products Celebrity Development	900.00	900.00
Elizabeth M. Smith, 815 16th St., NW, #310 Washington DC 20006	Amalgamated Clothing & Textile Workers Union	5,667.00	10,139.78
Frederick P. Smith Jr., 1575 Eye Street, NW, #550 Washington DC 20005	Institute of Makers of Explosives		
Gordon L. Smith, 1201 Pennsylvania Ave., NW, #700 Washington DC 20004	Hill & Knowlton, Inc (For: Florists' Transworld Delivery Assn)	2,500.00	
James P. Smith, 2000 L Street, NW, #200 Washington DC 20036	Hospital Corp of America		
Jeffrey A. Smith, 919 18th Street, NW, #600 Washington DC 20006	Toyota Motor Sales, USA, Inc		
Jeffrey A. Smith, 1600 Wilson Boulevard, #1000 Arlington VA 22209	American Waterways Operators, Inc		
Jennifer L. Smith, 900 17th Street, NW, #520 Washington DC 20006	West Mexico Vegetable Distributors Assn	300.00	
Julian H. Smith Jr., 600 North 18th Street Birmingham AL 35291	Alabama Power Co	17,511.00	6,497.39
Michael E. Smith, 55 Public Square, Rm. 624 P.O. Box 5000 Cleveland OH 44113	Cleveland Electric Illuminating Co		
Michael P. Smith, 485 Lexington Ave. New York NY 10017	New York State Bankers Assn	21,200.00	77,350.00
Ronald E. Smith, 2501 M Street, NW Washington DC 20037	Chemical Manufacturers Assn, Inc	6,000.00	4,563.34
Shalah Smith, 1130 17th Street, NW Washington DC 20036	National Coal Assn	2,450.00	153.78
Susan Snyder Smith, 7900 Westpark Drive, #514 Mclean VA 22102	Chocolate Manufacturers Assn of the USA	300.00	191.91
Smith Dawson Associates, Inc, 1000 Connecticut Ave., NW, #304 Washington DC 20036	City of Eugene, Oregon	8,499.00	
Do	Colorado Dept of Labor	4,275.00	
Do	Illinois Diversatech Corp		
Do	N.Y. Metropolitan Transportation Agency	16,888.00	17,663.00
Do	Power Packaging, Inc	5,150.00	180.00
Do	San Francisco P.V.C.	10,350.00	
Wayne H. Smithey, 815 Connecticut Ave., NW Washington DC 20006	Ford Motor Co	7,012.00	1,430.10
Larry S. Snowhite, 1825 Eye St., NW Washington DC 20006	Envirite Corporation		
Do	GSX Corporation		
Do	Liberty Mutual Insurance Co	371.00	
Do	Mintz Levin Cohn Ferris Glovsky & Popeo (For: Lion Lines, Ltd)		
Do	Mintz Levin Cohn Ferris Glovsky & Popeo (For: Mass. Construction Indus. Council Truck Weight Comm).		
Do	Massachusetts Education Loan Authority	1,547.00	
Do	New England Education Loan Marketing Corp	1,645.00	
Do	Mintz Levin Cohn Ferris Glovsky & Popeo (For: Securities Industry Assn)		
David F. Snyder, 1000 Nationwide Dr. Harrisburg PA 17105	Nationwide Insurance Co	600.00	
Edward F. Snyder, 245 2nd St., NE Washington DC 20002	Friends Committee on National Legislation	5,516.64	
J. R. Snyder, 400 1st St., NW, #704 Washington DC 20001	United Transportation Union		1,436.00
John M. Snyder, 600 Pennsylvania Ave., S.e. Suite 205 Washington DC 20003	Citizens Comm for the Right to Keep & Bear Arms	9,000.00	
Wallace S. Snyder, 1400 K Street, NW, #1000 Washington DC 20005	American Advertising Federation	6,388.00	
Snyder Bail Kriser & Assoc, Inc, 499 S. Capitol St., SW, #520 Washington DC 20003	General Motors Corp		
Alan C. Sobba, 1301 Pennsylvania Ave., NW, #300 Washington DC 20004	National Cattlemen's Assn	1,000.00	
Society for Animal Protective Legislation, P.O. Box 3719 Georgetown Station Washington DC 20007		58,004.37	65,114.80
Edmund T. Sommer Jr., 1627 K Street, NW, #1200 Washington DC 20006	Council of American-Flag Ship Operators		
Edward J. Sondey, 195 Montague Street Brooklyn NY 11201	Brooklyn Union Gas Co		
Charles R. Sonnier, Sonnier & Hebert P.O. Drawer 1040 Abbeville LA 70511	Coushatta Tribe of Louisiana		
Sonosky Chambers and Sachse, 1050 31st St., NW Washington DC 20007	Assiniboine and Sioux Tribes		
Do	Devils Lake Sioux Tribe		
Do	Mackenzie Turnipseed		
Do	Multi-Housing Laundry Assn, Inc		
Do	Standing Rock Sioux Tribe		
E. Richard Soper, 1957 E Street, NW Washington DC 20006	Associated General Contractors of America		
Roberta Lee Sorensen, 1101 Vermont Ave., NW, #604 Washington DC 20000	College of American Pathologists	6,360.00	90.30
Walter Larke Sorg, 1625 Eye St., NW, #204 Washington DC 20006	Southeastern Dredge Owners Assn Size Standard Appeal Comm	16,000.00	213.08
Southern Forest Products Assn, P.O. Box 52468 New Orleans LA 70152		392,411.80	30,464.82
Southwestern Peanut Shellers Assn, 10 Duncannon Ct. Dallas TX 75225			
Charles E. Southwick, 1627 K Street, NW, #200 Washington DC 20006	Fluor Corporation	15,000.00	373.57
Space Services, Inc (SSI) of America, 7015 Gulf Freeway, #140 Houston TX 77087			
Thomas J. Spangler, 1730 K Street, NW, #1100 Washington DC 20006	National Treasury Employees Union	9,500.00	63.00
John D. Sparks, 6th Floor 1050 Thomas Jefferson Street, NW Washington DC 20007	Consumers United for Rail Equity (C.U.R.E.)	890.00	49.50
Ian D. Spatz, 1785 Massachusetts Avenue, NW Washington DC 20036	National Trust for Historic Preservation	1,693.50	
Specialized Carriers & Rigging Association, Suite 616 2200 Mill Rd. Alexandria VA 22314			
John F. Speer Jr., 888 16th Street, NW Washington DC 20006	Milk Industry Foundation/Int'l Assn of Ice Cream Mfrs		
William C. Spence, 3805 W. Alabama Houston TX 77027	Columbia Gulf Transmission Co		
Philip Speser, 2000 P St., NW Washington DC 20036	Foresight Science & Technology, Inc (For: National Coalition for Science & Technology).		
Do	Foresight Science & Technology, Inc (For: Society for American Archaeology)	1,100.00	
Spiegel & McDiarmid, 1350 New York Ave., NW Washington DC 20005	Ft. Pierce Utilities Authority, et al		
Do	Northern California Power Agency, et al	455.00	
Do	Public Transportation Facilities	1,300.00	
Do	Sacramento Municipal Utility District	140.00	
Do	Service Employees International Union, AFL-CIO		
Larry N. Spiller, 1015 15th St., NW, #802 Washington DC 20005	American Consulting Engineers Council	200.00	
Peter A. Spina, 150 East 42nd Street New York NY 10017	Mobil Oil Corp	900.00	
Frances Spivy-Weber, 645 Pennsylvania Avenue, SE Washington DC 20003	National Audubon Society	2,000.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Earl C. Spurrier, The Madison Building, #514 1155 15th Street, NW Washington DC 20005	National Agricultural Chemicals Assn	120.00	
Mark G. Spurrier, 400 Kenilworth Drive Towson MD 21204	Baltimore County Police Department, et al	276.00	
Squire Sanders & Dempsey, 1201 Pennsylvania Ave., NW Washington DC 20004	American Cement Trade Alliance, Inc		
Do	American Chamber of Commerce in Germany		
Do	American Soc of Anesthesiologists		
Do	Association of Data Processing Service Organizations		
Do	Can-Am Corporation	907.50	
Do	Independent Data Communications Manufacturers Assn	5,295.00	
Do	Microband Corp of America		
Do	National Collegiate Athletic Assn		
Do	Public Securities Assn		
Do	Tymnet, Inc		
John W. Sroka, 1957 E St., NW Washington DC 20006	Associated General Contractors of America		
Carl F. St. Cin, 1101 17th Street, NW, #604 Washington DC 20036	Monsanto Co		
Robert P. St. Louis, Suite 880 555 New Jersey Ave., NW Washington DC 20001	Congoleum Corporation	1,000.00	520.76
Connell Stafford, P.O. Drawer 1734 Atlanta GA 30301	Coca-Cola Company	400.00	840.79
Melvin R. Stahl, Suite 1410 1235 Jefferson Davis Hwy. Arlington VA 22202	Motorcycle Industry Council, Inc		
Elvis J. Stahr Jr., 1815 H Street, NW, #600 Washington DC 20006	Cassidy & Associates, Inc		
Do	National Audubon Society	200.00	840.79
Tyrone Stallworth, 220 North Devillers Street Pensacola FL 32501			
David P. Stang, P.C., Suite 601 1629 K St., NW Washington DC 20006	Amoco Corporation	3,921.06	
Do	Employee Stock Ownership Assn	822.86	
Do	McDermott, Inc	793.11	
Do	National Assn of Royalty Owners, Inc	577.99	
Do	Small Business Council of America, Inc	466.59	
Michael J. Stanton, 1620 Eye Street, NW, #1000 Washington DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc		
Bette Anne Starkey, 1030 15th Street, NW, #1100 Washington DC 20005	Health Industry Manufacturers Assn		
Lois Starkey, Suite 511 1745 Jefferson Davis Hwy. Arlington VA 22202	Manufactured Housing Institute	900.00	100.00
John F. Stasiowski, 5205 Leesburg Pike, #505 Falls Church VA 22041	National Beer Wholesalers of America		
Frank M. Staszesky Jr., 1620 Eye St., NW, #703 Washington DC 20006	Bechtel Power Corporation		
David Michael Staton, 1615 H Street, NW Washington DC 20062	Citizen's Choice, Inc	2,000.00	
James D. Staton, 320 Timberbrook Drive Waldorf MD 20601	Air Force Sergeants Assn, Inc		
Samuel E. Stavisky, 1725 Desales Street, NW, #804 Washington DC 20036	Samuel E. Stavisky & Associates, Inc (For: Broadcast Music, Inc)		
Samuel E. Stavisky & Associates, Inc, 1725 Desales Street, NW, #804 Washington DC 20036	Broadcast Music, Inc		
Randolph J. Stayin, 1620 Eye St., NW, #800 Washington DC 20006	Taft Stettinius & Hollister (For: Effective Spray Control Organization)	995.00	77.75
Do	Taft Stettinius & Hollister (For: James Graham Brown Foundation)		
Do	Taft Stettinius & Hollister (For: Machinery Dealers National Association)		39.17
Do	Taft Stettinius & Hollister (For: Special Comm for Workplace Product Liability Reform).		
Do	Taft Stettinius & Hollister (For:Wald Manufacturing Co, Inc)	112.00	
John Howard Stecker, 2020 Live Oak Dallas TX 75221	Great American Reserve Insurance Co		
Dean E. Steel, 1655 N. Ft. Myer Drive, #1120 Arlington VA 22209	Varian Associates, Inc		
Steele Simmons & Fornaciari, 2020 K Street, NW, #850 Washington DC 20006	K Mart Corp		
Ramona C. Stelford, 1818 N Street, NW Washington DC 20036	DGA International, Inc (For: Societe Nationale D'Etude et de Const de Moteurs D'Aviation).	14.00	
Jack L. Stempler, 1725 Jefferson Davis Highway, #900 Arlington VA 22202	LTV Aerospace & Defense Co	2,500.00	75.00
Stephens Overseas Services, Inc, 2121 K Street, NW, #830 Washington DC 20037	National Office Machine Dealers Assn		
Do			
Stephens, Inc, 2121 K St., NW, #830 Washington DC 20037			
Victor Stepsay, 1750 New York Avenue, NW Washington DC 20006	Sheet Metal Workers International Assn	13,298.00	
J. Michael Stern, 1317 F Street, NW, #400 Washington DC 20004	R. Duffy Wall & Associates, Inc (For: Ad Hoc Comm on Coal Taxation)		
Do	R. Duffy Wall & Associates, Inc (For: Balcor Co)		
Do	R. Duffy Wall & Associates, Inc (For: Footwear Retailers of America)		
Do	R. Duffy Wall & Associates, Inc (For: Hong Kong Trade Development Council)		
Do	R. Duffy Wall & Associates, Inc (For: JMB Realty Corp)		
Do	R. Duffy Wall & Associates, Inc (For: Life of Virginia)		
Do	R. Duffy Wall & Associates, Inc (For: Morgan Guaranty Trust Co)		
Do	R. Duffy Wall & Associates, Inc (For: Torchmark Corporation)		
Do	R. Duffy Wall & Associates, Inc (For: Wine & Spirits Wholesalers of America, Inc)		
Richard W. Sternberg, 1800 Massachusetts Ave., NW Washington DC 20036	National Rural Electric Cooperative Assn	90.00	
Michael E. Steward, 7957 Revenna Lane Springfield VA 22153	Puget Sound Power & Light Co	4,966.00	533.77
Eugene L. Stewart, 1001 Connecticut Ave., NW, #910 Washington DC 20036	Roses, Inc	1,050.00	178.66
Imagene Stewart, 214 P Street, NW Washington DC 20001	American Women's Clergy Assn		
Walter J. Stewart, Suite 700 1100 15th St., NW Washington DC 20005	Sonat, Inc		
Warren E. Stickle, Suite 1120 1001 Connecticut Avenue, NW Washington DC 20036	Chemical Specialties Manufacturers Assn, Inc	1,401.21	240.15
Don Stillman, 1757 N Street, NW Washington DC 20036	Int'l Union, United Auto Aerospace & Agric Implement Workers	1,471.04	240.15
Edward W. Stimpson, Suite 801 1400 K St., NW Washington DC 20005	General Aviation Manufacturers Association	3,432.00	
John J. Stirk, 1745 Jefferson Davis Highway, #1000 Arlington VA 22202	General Dynamics Corp	1,000.00	658.13
John J. Stocker, 1110 Vermont Avenue, NW Washington DC 20005	Shipbuilders Council of America	3,300.00	
Stockholders of America, Inc, 1625 Eye St., N.w. # 724a Washington DC 20006		4,800.00	519.84
Steven F. Stockmeyer, 1800 M St., NW, #950 North Washington DC 20036	Allnet Communications Services, Inc	675.00	
Do	Jack Mcdonald Co (For: Coalition for the Advancement of Industrial Technology)		
Do	Jack Mcdonald Co (For: Fiber Fabric & Apparel Coalition for Trade)		
Do	Manville Corporation	4,875.00	
Do	Verner Liipfert Bernhard... (for Icahn & Co, Inc)		
Do	Verner Liipfert Bernhard... (for Norfolk Southern)		
Do	Verner Liipfert Bernhard... (for Travelers Corp)		
Do	Verner Liipfert Bernhard... (for Turner Broadcasting System)		
Do	Verner Liipfert... (for Assoc Ferrari Dealers of N. America)		
Do	Verner Liipfert... (for Mutual of Omaha), et al		
Dennis C. Stolte, 600 Maryland Avenue, SW Washington DC 20024	American Farm Bureau Federation	5,687.49	119.19
Jane S. Stone, 51 Gibraltar Drive Morris Plains NJ 07950	National Assn of Manufacturers	600.00	
Jay Stone, Jay Stone and Associates, Inc 412 First Street, SE, #50 Washington DC 20003	Manville Corporation	2,000.00	
Do	Massachusetts Mutual Life Insurance Co	2,000.00	
Martin F. Stone, 1411 K Street, NW, #850 Washington DC 20005	Americans for Democratic Action	4,500.00	219.67
Floyd E. Stoner, 1120 Connecticut Avenue, NW Washington DC 20036	American Bankers Assn	1,000.00	
William M. Stover, 2501 M St., NW Washington DC 20037	Chemical Manufacturers Assn, Inc	1,000.00	
Luther J. Strange III, 1100 15th Street, NW, #700 Washington DC 20005	Sonat, Inc		
Terrence D. Straub, 818 Connecticut Avenue, N.w. Washington DC 20006	U.S. Steel Corporation	250.00	352.15
W. Melvin Street, Suite 400 1627 K Street, NW Washington DC 20006	National Newspaper Assn		
Richard H. Streeter, 1729 H Street, NW Washington DC 20006	Cast North America Ltd		
Roger J. Stroh, 727 N. Washington Street Alexandria VA 22314	United Fresh Fruit & Vegetable Assn		
Stroock & Stroock & Lavan, 1150 17th St., NW Washington DC 20036	J. Aron & Co, Inc	600.00	352.15
Do	Dreyfus Corporation		
Do	Dreyfus Dollar Fund		
George Strumpf, 624 9th St., NW, 7th Fl. Washington DC 20001	Group Health Assn of America, Inc		
Susan Stuebing, 311 First St., NW, #500 Washington DC 20001	Computer & Business Equipment Manufacturers Assn	1,400.00	132.00
Walter B. Stults, 1156 15th Street, NW, #1101 Washington DC 20005	National Assn of Small Business Investment Cos	4,000.00	
Eugene F. Sturgeon, 182 Crater Lane Kensington CT 06037	Northeast Utilities Service Co	1,178.48	387.14
Austin P. Sullivan Jr., P.O. Box 1113 Minneapolis MN 55440	General Mills, Inc		
Charles S. Sullivan, 11 15th Street, NE, #6 Washington DC 20002	Citizens United for Rehabilitation of Errants	6,049.85	1,720.33
Gael M. Sullivan, 1025 Thomas Jefferson St., NW, #511 Washington DC 20005	LTV Corporation	2,344.00	755.40
Harold R. Sullivan, 1750 K St., NW Washington DC 20006	Food Marketing Institute	750.00	
John H. Sullivan, 2924 Columbia Pike Arlington VA 22204	Development Associates, Inc (For: Government of the Federated States of Micronesia).		
Judy M. Sullivan, 1120 20th Street, NW, #700 Washington DC 20036	Williams Companies		
Margaret Cox Sullivan, 1625 Eye St., NW, #724a Washington DC 20006	Stockholders of America, Inc		
Marfy R. Sullivan, P.O. Box 970 Ft. Worth TX 76101	Texas Electric Service Co	105.00	133.17
Patrick J. Sullivan, 815 Sixteenth Street, N.w. Washington DC 20006	International Longshoremen's Assn, AFL-CIO	10,094.45	1,411.27
Pauline Sullivan, #11 15th St., NE, #6 Washington DC 20002	Citizens United for Rehabilitation of Errants	300.00	
Sullivan & Cromwell, 1775 Pennsylvania Ave., NW Washington DC 20006	American International Group, Inc		42.76
Do	BP North America, Inc		
Do	Esselte Business Systems, Inc		23.75

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Goldman Sachs & Co		
Do	Grand Met USA, Inc		
Do	Kidder Peabody & Co, Inc		
Do	Securities Industry Assn		13.20
Fern Summer, P.O. Box 17402 Dulles Int'l Airport Washington DC 20041	Water & Wastewater Equipment Manufacturers Assn, Inc		
John B. Summers, 1771 N Street, NW Washington DC 20036	National Assn of Broadcasters	1,500.00	171.97
Surrey & Morse, 1250 Eye Street, NW Washington DC 20005	Westinghouse Electric Corp	762.00	15.00
Sutherland Asbill & Brennan, 1666 K Street, NW, #800 Washington DC 20006	Association of Businesses Advocating Tariff Equity		
Do	Committee Against Revising Staggers		
Do	Council of Industrial Boiler Owners		
Do	Howard Rose Company		
Do	Industrial Oil Consumers Group		
Do	Process Gas Consumers Group		
W. Thomas Suttle, 1755 Willard St., NW, #4 Washington DC 20009	Institute of Electrical & Electronics Engineers	2,750.00	600.00
William W. Suttle, 1025 Connecticut Ave., NW, #415 Washington DC 20036	American Insurance Assn	530.00	18.50
Douglass W. Svendson Jr., 1730 Rhode Island AVenue, NW, #417-19 Washington DC 20036	Union Pacific Corp	300.00	20.00
David L. Swanson, Craft & Richards 1050 Thomas Jefferson St., NW, 6th Fl. Washington DC 20007	Allis-Chalmers Energy & Minerals Systems Co		
Do	Clean Coal Technology Coalition	323.75	131.29
Do	Consumers United for Rail Equity (C.U.R.E.)		
Do	Edison Electric Institute	2,674.50	63.01
Do	GA Technologies, Inc	1,500.00	77.48
Do	Illinois Dept of Energy & Natural Resources		
Irving W. Swanson, 11212 Farmland Drive Rockville MD 20852	Harris Corporation	16,200.00	1,199.08
David A. Sweeney, 25 Louisiana Ave., NW Washington DC 20001	International Brotherhood of Teamsters	19,049.31	
William R. Sweeney Jr., 220 Eye St., NE, #210 Washington DC 20002	National Investment Development Corp	4,915.12	84.88
Robert D. Swezey Jr., 1133 19th St., NW Washington DC 20036	MCI Communications Corp		
Swidler & Berlin, Chtd, 1000 Thomas Jefferson St., NW #500 Washington DC 20007	Airco, Inc		
Do	American Electronics Assn		
Do	Finnigan Corporation		
Do	Lucasfilm, Ltd		
Do	MD People's Counsel (Natl Assn of State Util. Consumer Advo)	112.50	
Do	National Council of Community Hospitals	1,793.75	
Richard P. Swigart, 1010 Wisconsin Ave., NW, #800 Washington DC 20007	Grocery Manufacturers of America, Inc		
Russell A. Swindell, P.O. Box 2635 Raleigh NC 27602	North Carolina Railroad Association		1,618.40
Randall Swisher, 2301 M Street, NW Washington DC 20037	American Public Power Assn	2,500.00	
Ronald G. Sykes, 1660 L Street, NW Washington DC 20036	General Motors Corp	2,500.00	5,121.18
David A. Sykuta, Illinois Petroleum Council P.O. Box 5034 Springfield IL 62705	American Petroleum Institute	980.00	2,349.43
Christopher U. Sylvester, 1831 Briar Ridge Court Mclean VA 22101	Garrison Diversion Conservancy District	6,000.00	518.22
Merribel Symington, Suite 540 1875 Eye Street, NW Washington DC 20006	Champion International Corp		
Systematics, Inc, 2121 K St., NW, #830 Washington DC 20037			
Z. Michael Szaz, 6415 Franconia Court Springfield VA 22150	American Hungarian Federation	800.00	
Do	Embassy of the Democratic Republic of Somalia		
Robert Taft Jr., 1620 Eye St., NW, #800 Washington DC 20006	Taft Stettinius & Hollister (For: Grocery Manufacturers of America, Inc)		
Do	Taft Stettinius & Hollister (For: Inmont Corp)		
Do	Taft Stettinius & Hollister (For: James Graham Brown Foundation)	3,800.00	
Do	Taft Stettinius & Hollister (For: Kings Entertainment Co)		
Do	Taft Stettinius & Hollister (For: Machinery Dealers National Association)		
Do	Taft Stettinius & Hollister (For: Recordings Import Trade Committee)		
Do	Taft Stettinius & Hollister (For: Special Comm for Workplace Product Liability Reform).		
Do	Taft Stettinius & Hollister (For: Taft Broadcasting Company)	500.00	
Do	Taft Stettinius & Hollister (For: Telephone & Data Systems, Inc)	749.00	134.57
Do	Taft Stettinius & Hollister (For: Wald Manufacturing Co, Inc)		
Taggart & Associates, Inc, 1015 15th Street, NW, #200 Washington DC 20005	Animal Health Institute		
Do	Association of American Railroads		
Do	Marion Laboratories, Inc		
Do	Telephone & Data Systems, Inc		
Walter G. Talarek, Suite 405 1945 Gallows Rd. Vienna VA 22180	American Wood Preservers Institute		
Doyle Talkington, 1015 15th Street, NW, #200 Washington DC 20005	National Pork Producers Council	1,000.00	134.57
Susan Tannenbaum, 2030 M St., NW Washington DC 20036	Common Cause	5,281.26	130.50
Augustine D. Tantillo, 214 Massachusetts Ave., NE, #350 Washington DC 20002	Russell Corporation	4,500.00	255.00
Target, Inc, 11244 Waples Mill Road, Suite J Fairfax VA 22030			5,500.00
Keith Tarr-Whelan, 3626 N. Kensington St. Arlington VA 22207	Save Our Security		
John F. Tate, 450 Maple Avenue, E., #204 Vienna VA 22180	U.S. Defense Committee	2,400.00	
M. Louise Tate, 450 Maple Avenue, E., #204 Vienna VA 22180	U.S. Defense Committee	900.00	
Graca Da Silva Tavares, 17 Perkins Street West Newton MA 02165			
Charles A. Taylor III, 499 South Capitol St., SW, #401 Washington DC 20003	National Assn of Independent Insurers	1,000.00	
Charles E. Taylor, 1801 K Street, NW, #1200 Washington DC 20006	IBM Corporation	2,000.00	900.00
Margie A. Taylor, P.O. Box 21 Montgomery AL 36101	Alabama Railroad Assn		
Peggy Taylor, 815 16th St., NW Washington DC 20006	American Fed of Labor & Congress of Industrial Organizations	15,115.18	403.23
R. William Taylor, 1575 Eye Street, NW Washington DC 20005	American Soc of Assn Executives	300.00	
Robert C. Taylor, 3000 Lincoln Plaza, Lb-5 Dallas TX 75201	Taylor & Mizell		
Taylor & Mizell, 3000 Lincoln Pl., Lb5 Dallas TX 75201			
Elayne L. Tempel, 2020 K St., NW, #200 Washington DC 20006	National Fed of Federal Employees		
Norman J. Temple, 155 Dresden Avenue Gardiner ME 04345	Maine Yankee - Central Maine Power Co	1,800.00	515.40
Paul M. Tendler, 1110 Vermont Avenue, NW, #840 Washington DC 20005	Tendler & Biggins (For: Advanced Cellular Phone Co)		
Do	Paul Tendler Associates, Inc (For: American Licensed Practical Nurses Assn)		
Do	Paul Tendler Associates, Inc (For: Bascom, Inc)		
Do	Tendler & Biggins (For: Geodesco)		
Do	Paul Tendler Associates, Inc (For: National Institute of Tenants)		
Do	Paul Tendler Associates, Inc (For: Rasch Elektronik)		
Do	Paul Tendler Associates, Inc (For: Schoeneman, Inc)		
Do	Tendler & Biggins (For: Solargistics Corp)		
Do	Paul Tendler Associates, Inc (For: Southeastern Exporters)		
Tennessee Home Medical Providers Assn, Inc, P.O. Box 421 Knoxville TN 37901			
Betty-Grace Terpstra, 1726 M St., NW, #901 Washington DC 20036	Scott Paper Co	4,000.00	325.14
James Terrell, 600 Maryland Avenue, SW Washington DC 20024	American Farm Bureau Federation	3,847.76	153.95
Michelle C. Tessier, 1818 N Street, NW, #410 Washington DC 20036	National Assn of Public Television Stations	600.00	150.00
Textron, Inc, 40 Westminster St. Providence RI 02903		2,850.00	580.00
Thacher Proffitt & Wood, Suite 512 1140 Connecticut Ave., NW Washington DC 20036	American Resort & Residential Development Assn		295.44
Do	Amoskeag Savings Bank		
Do	Bank of Vermont		
Do	Council of State Housing Agencies		290.44
Do	Ensign Savings Bank	100.00	240.00
Do	Maine Savings Bank		
Do	Mutual Savings Central Fund, Inc	268.83	300.44
Do	New Hampshire Savings Bank		
Do	Salomon Brothers, Inc	6,200.00	332.94
Do	Savings Banks Assn of Massachusetts	302.81	300.44
Do	U.S. League of Savings Institutions		
Mary Kay Thatcher, 600 Maryland Avenue, SW Washington DC 20024	American Farm Bureau Federation	5,124.99	89.48
Karen E. Theibert, 1750 K Street, NW Washington DC 20006	Food Marketing Institute	200.00	
Alan J. Thiemann, 1199 N. Fairfax Street, #801 Alexandria VA 22314	National Assn of Truck Stop Operators, Inc		
Douglas E. Thierwechter, 1800 M Street, NW Washington DC 20036	Marathon Oil Co		
Third Class Mail Association, 1341 G St., NW, #500 Washington DC 20005		600.00	600.00
Edlu J. Thom, 919 18th Street, NW, #400 Washington DC 20006	Diamond Shamrock Corp		
Doris I. Thomas, 15th & M sts., NW Washington DC 20005	National Assn of Home Builders of the U.S.		
Gordon M. Thomas, 1090 Vermont Avenue, NW, #1100 Washington DC 20005	Textron, Inc	600.00	150.00
James M. Thomas Jr., 2001 9th Street, NW, #300 Washington DC 20001	Amalgamated Transit Union, Natl Cap Local 689		
John W. Thomas, 119 Oronoco Street Box 1417-D50 Alexandria VA 22313	Animal Health Institute	50.00	
Patricia Thomas, 1016 16th Street, NW Washington DC 20036	National Fed of Federal Employees	9,448.40	
Randi Parks Thomas, 1101 17th Street, NW, #603 Washington DC 20036	Tuna Research Foundation, Inc	895.33	
Robert L. Thomas, 1319 F St., NW Washington DC 20004	National Assn of Private Psychiatric Hospitals	50.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Thomas E. Thomason, 1620 Eye Street, NW, #703 Washington DC 20006	Bechtel Power Corporation		
Bruce E. Thompson, 1828 L Street, NW, #906 Washington DC 20036	Merrill Lynch & Co, Inc		
Ellen Dowd Thompson, 1010 Wisconsin Avenue Washington DC 20007	Grocery Manufacturers of America, Inc		
Kenneth W. Thompson, 2021 K Street, NW, #300 Washington DC 20006	Primark Corporation	2,200.00	
Marilyn A. Berry Thompson, 444 North Capitol Street, #711 Washington DC 20001	Keefe Company (For: American Business Coalition, Inc)		
Do	Keefe Company (For: Carteret Savings & Loan)	900.00	
Do	Keefe Company (For: Cordish & Embry Associates)		
Do	Keefe Company (For: Essex Company)	7,500.00	
Do	Keefe Company (For: Mutual Benefit Insurance Co)	7,000.00	
Do	Keefe Company (For: New York University)	6,500.00	
Do	Precision Conversion & Recovery/Envirocare		
Do	Keefe Company (For: University of Medicine & Dentistry of New Jersey)	1,300.00	
Michael F. Thompson, 1745 Jefferson Davis Highway, #511 Arlington VA 22202	Manufactured Housing Institute	700.00	100.00
Nancy Thompson, 1600 Eye Street, NW Washington DC 20006	Motion Picture Assn of America, Inc		
Robert L. Thompson Jr., P.O. Box 70 Fort Mill SC 29715	Springs Industries, Inc		2,000.00
Roger G. Thompson, 117 Bellefonte Drive Ashland KY 41101	Kentucky Power Co	7,500.00	2,979.70
W. Reid Thompson, 1900 Pennsylvania Ave., NW Washington DC 20068	Potomac Electric Power Co		
Thompson & Mitchell, One Mercantile Center, #3400 St. Louis MO 63101	American Inland Waterways Committee	27,500.00	4,814.87
Do	Cold Finished Steel Bar Institute		
Do	Contact Lens Manufacturers Assn	3,000.00	
Do	Crown Life Insurance Co	15,000.00	3,566.50
Thompson Hine & Flory, 1920 N St., NW, #700 Washington DC 20036	Alltel Corporation	3,480.50	
Do	National Pork Producers Council	4,400.00	27.00
Thompson Mann & Hutson, 1730 Pennsylvania Ave., NW, #1250 Washington DC 20006	CSX Corporation	1,870.00	27.00
Parker D. Thomson, 200 South Biscayne Blvd. 4900 Southeast Financial Center Miami FL 33131	Thomson Zeder Bohrer Werth Adorno & Razook (For: Burger King Corp)		
Thomson Zeder Bohrer Werth Adorno & Razook, 200 South Biscayne Blvd. 4900 Southeast Financial Center Miami FL 33131	Burger King Corp	2,412.38	3,397.00
John A. Thorner, 1250 Connecticut Avenue, NW Washington DC 20036	National Forest Products Assn		
William R. Thornhill, P.O. Box 2511 Houston TX 77001	Tennessee Gas Pipeline Co		
Margo Thorning, 1850 K St., NW, #520 Washington DC 20006	American Council for Capital Formation	222.00	
Tighe Curhan & Piliero, 1750 Pennsylvania Avenue, NW Washington DC 20006	Ad Hoc Comm of Mutual Fund Managers	1,271.89	
Do	American Stock Exchange, Inc	1,500.00	
Do	Integrated Resources, Inc		
Do	Investment Company Institute	1,111.95	
Do	NL Industries		
Do	Prudential Lines, Inc	1,975.00	
Do	Town of Andover, Massachusetts	500.00	
Do	Villa Banfi, USA	3,250.00	
Wallace Tillman, 1800 Massachusetts Ave., NW Washington DC 20036	National Rural Electric Cooperative Assn	149.00	
Martin R. Tilson Jr., PO Box 2563 Birmingham AL 35202	Southern Natural Gas Co		
Patti A. Tilson, Suite 520 900 17th Street, NW Washington DC 20006	Toyota Motor Sales, USA, Inc	500.00	
C. H. Timberlake, 1825 K St., NW, #1107 Washington DC 20006	Phillips Petroleum Co	1,064.00	383.60
Gary G. Timmons, 1201 16th Street, NW Washington DC 20036	National Education Assn	2,372.00	81.00
Timmons & Co, Inc, 1850 K St., NW, #850 Washington DC 20006	American Inland Waterways Committee	467.50	
Do	American Petroleum Institute	1,417.50	
Do	Amoco Corporation	430.00	
Do	Anheuser-Busch Companies, Inc	2,400.00	
Do	Association of Trial Lawyers of America	1,007.50	
Do	Boeing Company		
Do	Brown Group, Inc	1,343.75	
Do	Capital Cities/ABC, Inc	500.00	
Do	Capital Markets Group	322.50	
Do	Chrysler Corporation	850.00	
Do	Eastern Air Lines, Inc	1,343.75	
Do	H. J. Heinz Co	698.75	
Do	Major League Baseball	1,450.00	
Do	Middle South Services, Inc	1,102.50	
Do	Morgan Stanley & Co, Inc	1,128.75	
Do	National Rifle Assn of America	1,236.25	
Do	Northern Telecom, Inc		
Do	Northrop Corp	1,050.00	
Do	G. D. Searle & Co	861.25	
G. Wayne Tingle, 1725 Jefferson Davis Highway, #900 Arlington VA 22202	LTV Aerospace & Defense Co	2,500.00	125.00
William C. Tinklepaugh, 888 16th Street, NW Washington DC 20006	Milk Industry Foundation/Int'l Assn of Ice Cream Mfrs		497.00
Constance D. Tipton, 888 16th Street, NW Washington DC 20006	Milk Industry Foundation/Int'l Assn of Ice Cream Mfrs		
E. Linwood Tipton, 888 16th St., NW Washington DC 20006	Milk Industry Foundation/Int'l Assn of Ice Cream Mfrs		347.90
Eben S. Tisdale, 1550 Wilson Blvd., #600 Arlington VA 22209	Hewlett-Packard Co	3,000.00	55.00
Title Associates, Inc, Rt.2, Box 89 Columbia TN 38401			
Francis M. Tivnan, Massachusetts Petroleum Council 11 Beacon Street Boston MA 02108	American Petroleum Institute		
Tobacco Associates, Inc, Suite 912 1101 17th St., NW Washington DC 20036			4,229.73
James R. Tobin, One Becton Drive Franklin Lakes NJ 07653	Becton Dickinson & Co	2,000.00	
James S. Todd, 535 North Dearborn Street Chicago IL 60610	American Medical Assn	500.00	
M. Douglas Todd, Suite 2300 1000 Wilson Boulevard Arlington VA 22209	Northrop Corp		
William R. Tolley Jr., PO Box 37 Melbourne FL 32919	Harris Corporation		610.72
Edward Tonat, 6723 Brigadoon Drive Bethesda MD 20817	Robert Goff & Associates, Inc		
William D. Toohey, 1899 L St., NW, #600 Washington DC 20036	Travel Industry Assn of America		
Peter W. Tooker, 1920 N Street, NW Washington DC 20036	American Mining Congress		
John G. Toth, 2408 Wanda Way Reston VA 22091	Reston Adviser Committee		
Frank V. Toti Jr., 600 Maryland Ave., SW, #700 Washington DC 20024	National Fed of Independent Business	375.57	200.00
Gilbert D. Tough, 70 North Main St. Wilkes-Barre PA 18711	Blue Cross of Northeastern Pennsylvania		
Wanda Townsend, 1724 Massachusetts Ave., NW Washington DC 20036	National Cable Television Assn, Inc	962.00	
Joseph P. Trainor, 815 16th St., NW Washington DC 20006	Brotherhood of Railway Airline & Steamship Clerks	2,000.00	425.37
Jeffrey B. Trammell, 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Budd Company)		
Do	Gray & Co Public Communications Int'l, Inc (For: Joint Maritime Congress)	460.00	
Do	Gray & Co Public Communications Int'l, Inc (For: Kingdom of Morocco)		
Do	Gray & Co Public Communications Int'l, Inc (For: Miami Chamber of Commerce)		
Do	Gray & Co Public Communications Int'l, Inc (For: Mutual of Omaha)		
Do	Gray & Co Public Communications Int'l, Inc (For: Republic of Turkey)		
Do	Gray & Co Public Communications Int'l, Inc (For: Shaklee Corporation)		
Do	Gray & Co Public Communications Int'l, Inc (For: Title Insurance Industry Coalition)		
Travel & Tourism Government Affairs Policy Council, Suite 607 1899 L Street, NW Washington DC 20036		1,885.00	1,885.00
Travel Industry Assn of America, 1899 L St., NW Washington DC 20036			
Ernest B. Tremmel, Inc, 5908 Rossmore Drive Bethesda MD 20014	Burns & Roe, Inc		
Sally A. Triplett, 1725 Desales Street, NW, #804 Washington DC 20036	Samuel E. Stavisky & Associates, Inc (For: Broadcast Music, Inc)		
Eugene M. Trisko, 9817 Rosensteel Avenue Silver Spring MD 20910	Stern Bros, Inc		
Vincent Trivelli, 815 16th Street, NW Washington DC 20006	American Fed of Labor & Congress of Industrial Organizations	11,091.39	70.87
Michael G. Troop, 1709 New York Avenue, NW, #801 Washington DC 20006	U.S. League of Savings Institutions	5,750.00	70.87
Robert C. Troup, 730 Smith Ridge Rd. New Canaan CT 06840			
George G. Troutman, Suite 1100 1090 Vermont Ave., NW Washington DC 20005	Bell Helicopter Textron, Inc	150.00	
Alexander B. Trowbridge, 1776 F Street, NW Washington DC 20006	National Assn of Manufacturers	1,125.00	
Trust for Public Land, 82 Second St. San Francisco CA 94105			12,434.00
Paul E. Tsongas, Foley Hoag & Eliot One Post Office Square Boston MA 02109	Humane Soc of the U.S. and M.S.P.C.A.	3,780.00	13.51
Do	Leading Edge Products, Inc		
Do	Mutual Savings Central Fund, Inc		
Motoyuki Tsutsui, 919 18th Street, NW, #600 Washington DC 20006	Toyota Motor Sales, USA, Inc		
Tucker & Vaught, Western Federal Savings Bldg., #1330 718 17th St. Denver CO 80202	Manville Corporation	2,000.00	
Tuna Research Foundation, Inc, 1101 17th St., NW Washington DC 20036		747.42	2,313.06
Brian Turner, 815 16th Street, NW Washington DC 20006	Industrial Union Department, AFL-CIO	7,593.23	414.00
Jane L. Turner, 1920 N Street, NW Washington DC 20036	American Mining Congress		
Richard F. Turney, 1725 K St., NW Washington DC 20006	Courtney McCamant & Turney	300.00	
S. Diane Turpin, 1919 Pennsylvania Ave., NW, #300 Washington DC 20006	American College of Surgeons		
Twentieth Century Enterprises, 3615 Wisconsin Avenue, NW Washington DC 20016			
U.S. Cane Sugar Refiners' Assn, 1001 Connecticut Ave., NW Washington DC 20036		3,656.40	5,721.67
U.S. Defense Committee, 450 Maple Avenue, E., #204 Vienna VA 22180		13,213.00	13,213.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
U.S. League of Savings Institutions, 111 E. Wacker Dr. Chicago IL 60601			142,634.12
U.S. Public Interest Research Group, 215 Pennsylvania Avenue Washington DC 20003		41,178.85	44,512.28
U.S. Recreational Ski Association, 221 West Dyer Road Santa Ana CA 92707			
Jerry G. Udell, 1616 H St., NW Washington DC 20006	American Retail Federation	350.00	100.00
Kenji Ueno, 919 18th Street, NW, #600 Washington DC 20006	Toyota Motor Sales, USA, Inc		
Philip J. Ufholz, 1025 Connecticut Avenue, NW, #1010 Washington DC 20036	Metropolitan Insurance Cos	1,000.00	
Unifi, Inc, P.O. Box 19109 Greensboro NC 27419			
Union Mutual Life Insurance Co, 2211 Congress St. Portland ME 04122			
United Brotherhood of Carpenters & Joiners of America, 101 Constitution Ave., NW Washington DC 20001			21,185.00
United Fresh Fruit & Vegetable Assn, 727 N. Washington St. Alexandria VA 22314		4,216.00	947.95
United Gas Pipe Line Co, PO Box 1478 Houston TX 77001			
United International Consultants, 1800 Diagonal Road Alexandria VA 22314		90,000.00	
United Irish & American Society of Illinois, Box 219 3400 W. 111th Street Chicago IL 60655			
United Services Automobile Assn, 9800 Fredericksburg Road San Antonio TX 78288			
United Way of Indianapolis, Community Service Council of Metro Indianapolis 1828 N. Meridian Street Indianapolis IN 46202			
Lloyd N. Unsell, 1101 16th St., NW Washington DC 20036	Independent Petroleum Assn of America		30.00
A. Russell Upshaw Jr., 1030 15th Street, NW Washington DC 20005	Eastern Airlines		175.00
Uranium Producers of America, c/o Covington & Burling 1201 Pennsylvania Ave., NW P.O. Box 7566 Washington DC 20044		164,794.07	212,207.35
Marian S. Urnikis, 1120 Connecticut Avenue, NW Washington DC 20036	American Bankers Assn	1,050.00	
Utility Nuclear Waste Management Group, c/o Edison Electric Institute 1111 19th St., NW Washington DC 20036			
Anthony Valanzano, 1850 K Street, NW Washington DC 20006	American Council of Life Insurance, Inc	5,000.00	
Jack J. Valenti, 1600 Eye St., NW Washington DC 20006	Motion Picture Assn of America, Inc	1,000.00	
Van Dyk Associates, Inc, 2550 M St., NW, #300 Washington DC 20037	American Gas Assn	6,250.00	900.00
Juliane H. Van Egmond, Suite 220 1575 Eye Street, NW Washington DC 20005	American Cyanamid Co	393.75	75.60
Van Fleet Associates, Inc, Suite 102 499 South Capitol St., SW Washington DC 20003	Cadillac Gage	11,250.00	
Do	Ford Aerospace & Communications Corp	3,300.00	
Do	Marconi Electronics	3,700.00	
H. B. Van Gieson, 1700 North Moore Street Rosslyn VA 22209	Boeing Company	1,235.65	237.00
C. D. Van Houweling, 1015 15th St., NW, #200 Washington DC 20005	National Pork Producers Council		
Nick L. Van Nelson, Suite 540 1875 Eye Street, NW Washington DC 20006	Champion International Corp		
Van Ness Feldman Sutcliffe & Curtis, P.C., 7th Floor 1050 Thomas Jefferson St., NW Washington DC 20007	American Inst of Certified Public Accountants	4,025.00	
Do	American President Lines	540.00	
Do	Arctic Slope Regional Corp		
Do	BRAE Corporation	1,312.50	
Do	Castle & Cooke, Inc		
Do	Clean Coal Technology Coalition		
Do	Clean Energy Coalition	840.00	25.00
Do	Cominco Alaska		
Do	Consumers United for Rail Equity (C.U.R.E.)	12,075.00	285.86
Do	Hawaiian Electric Company, Inc	175.00	20.00
Do	Jacobs Engineering Group, Inc		
Do	Northwest Power Co		
Do	Peabody Holding Co, Inc		
Do	Republic of Palau		
Do	Republic Geothermal, Inc		
Do	State of Alaska		
Do	State of LA, Dept of Natural Resources		
Do	Texas Air Corp		
Do	Thermal Power Company		
Do	Tranquility Irrigation District	262.50	
Do	Union Carbide Corp		
Debra J. Vanderbeek, 1575 Eye Street, NW, #200 Washington DC 20005	American Cyanamid Co	29.67	36.50
Martha A. Vanier, 119 Oronoco Street P.O. Box 1417-D50 Alexandria VA 22313	Animal Health Institute		
Karl VanVeen, 1957 E Street, NW Washington DC 20006	Associated General Contractors of America		
Robert C. Varah, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington DC 20037	Dofasco, Inc	475.00	457.94
Variable Annuity Life Insurance Co, 2929 Allen Parkway Houston TX 77019			164,443.46
Jay N. Varon, Suite 1000 1775 Pennsylvania Avenue, NW Washington DC 20006	Foley & Lardner (For: Kohlberg Kravis Roberts & Co)		
George F. Vary, 1667 K St., NW Washington DC 20006	Armco, Inc	500.00	394.51
Jennifer Vasiloff, 1730 M Street, NW Washington DC 20036	League of Women Voters of the U.S	3,815.17	217.38
Donald R. Vaughan, P.O. Box 1288 Asheboro NC 27204	Stedman Corporation		
Robyn E. Vaughan, 1600 M St., NW Washington DC 20036	Investment Company Institute	300.38	231.60
Christine L. Vaughn, 1101 Connecticut Ave., NW, #900 Washington DC 20036	Paribas Asset Management, Inc		
Kristin Lea Vehrs, 1110 Vermont Avenue, NW, #1160 Washington DC 20005	American Assn of Zoological Parks & Aquariums	1,500.00	1,101.18
Do	Texas Shrimp Assn	2,000.00	596.20
Venture Entrepreneurs, Inc, 1201 San Marco Blvd., #204 Jacksonville FL 32207			
Jerry T. Verkler, 1660 L Street, NW, #601 Washington DC 20036	Interstate Natural Gas Assn of America	6,250.00	176.95
John Veronikas, P.O. Box 888, Unit E Ashland KY 41101	New Generation Lobby		
Do			
Frank Verrastro, 1155 15th Street, NW, #600 Washington DC 20005	Pennzoil Co	937.50	
Linda Vickers, 1706 23rd St., South Arlington VA 22202	Communicating for Agriculture, Inc		
Michael F. Vigil Jr., 900 Third Avenue New York NY 10022	International Gold Corporation Limited		
Anne L. Vignovic, 1750 K Street, NW Washington DC 20006	U.S. Brewers Assn, Inc		
Ralph Vinovich, 1875 Eye Street, NW, #800 Washington DC 20006	Tobacco Institute	5,000.00	139.56
Vinson & Elkins, 1101 Connecticut Ave., NW, #900 Washington DC 20036	Bank of America		75.00
Do	Canadian Bank Note Co, Ltd		
Do	Chemical Bank		75.00
Do	Citicorp		75.00
Do	Conwood Corporation		
Do	Federal Express Corp		
Do	Glendinning Companies of Connecticut, Inc		
Do	Guardian Savings & Loan		
Do	John Hancock Mutual Life Insurance		
Do	Merrill Lynch & Co, Inc		
Do	Pacific Texas Pipeline Transportation Co		
Do	Provident Life & Accident Insurance Co		
Do	Saloman Brothers, Inc		
Do	Section 936 Steering Committee		
Do	Shearson Lehman/american Express, Inc		
Do	Texas Commerce Bank		75.00
Do	Warburg Pincus Capital Corp		
Do	Warner Amex Cable Communications, Inc		
Walter D. Vinyard Jr., Zuckert, Scoutt, Rasenberger & Johnson 888 17th St., NW, 7th Fl. Washington DC 20006	Continental Insurance Companies	10,000.00	
Do	National Fraternal Congress of America	5,000.00	
Virginia Association of Railway Patrons, P.O.box 867 Richmond VA 23207		5,000.00	24.49
George A. Viverette Jr., 8111 Gatehouse Road Falls Church VA 22047	American Automobile Assn		
Jesse S. Vogtle, 600 North 18th Street Birmingham AL 35291	Alabama Power Co	101,694.86	1,360.72
Nick J. Volcheff, 2509 E. San Miguel Phoenix AZ 85016	AT&T		
Volkswagen of America, Inc, 490 L'enfant Plaza, SW, #3210 Washington DC 20024			605.00
Douglas K. Vollmer, 801 18th St., NW Washington DC 20006	Paralyzed Veterans of America	25,464.67	
Volpe Boskey & Lyons, Suite 602 918 16th Street, NW Washington DC 20006	American Assn of Equipment Lessors		
Marcos Von Goihman, 1835 K St., NW, #600 Washington DC 20006	Guyana Airways Corp		
Ingrid A. Voorhees, 1957 E St., NW Washington DC 20006	Associated General Contractors of America	2,000.00	500.00
Kurt Vorndran, 2030 M Street, NW Washington DC 20036	Common Cause	372.50	500.00
Vorys Sater Seymour & Pease, 1828 L Street, NW, #1111 Washington DC 20036	Cabot Corporation	16,813.85	553.05
Do	Committee of Publicly Owned Companies		
Do	Grocery Manufacturers of America, Inc		
Do	Norfolk Southern Corp	3,720.00	223.94
Do	Ohio Deposit Guaranty Fund		
Do	Pittsburgh & Lake Erie Railroad Co	28,692.50	2,739.75
Do	SCM Corporation	3,000.00	
Do	Toledo Trustcorp	15,600.00	4,539.50
Do	Winrock International Agricultural Development Service	4,500.00	235.25
W.A.W. War Against Women, 1224 Freemont Roseburg OR 97470			

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
R. B. Wackerle, 1000 Wilson Boulevard, #2300 Arlington VA 22209	Northrop Corp		
Sadami Wada, 9 West 57th Street New York NY 10019	Sony Corp of America		
Robert J. Wager, 3rd Floor 1111 14th St., NW Washington DC 20005	American Bakers Assn	585.38	235.25
Kerri Wagner, 1155 15th Street, NW Washington DC 20005	National Broiler Council	1,250.00	
Howard W. Wahl, 15740 Shady Grove Rd. Gaithersburg MD 20877	Bechtel Power Corporation		
Christine M. Waisanen, New Murphy Road & Concord Pike Wilmington DE 19897	ICI Americas, Inc		
Herbert R. Waite, 100 Federal St. Boston MA 02110	Bank of Boston Corporation		
Do	First National Bank of Boston	8,000.00	8,955.92
Andrew B. Waldo, 1330 Connecticut Ave., NW, #300 Washington DC 20036	Synthetic Organic Chemical Manufacturers Assn, Inc	18,800.00	206.97
Angela S. Waldorf, N.c. Petroleum Council P.O. Box 167 Raleigh NC 27602	American Petroleum Institute		
Robert E. Waldron, Associated Petroleum Industries of Michi 930 Michigan Natl Tower, PO Box 10070 Lansing MI 48901	American Petroleum Institute	875.00	901.75
Charls E. Walker Associates, Inc, 1730 Pennsylvania Ave., NW Washington DC 20006	Agrico Chemical Company, et al	6,000.00	
Do	Alabama Power Co	6,000.00	
Do	Aluminum Company of America	750.00	
Do	American Telephone & Telegraph Co	750.00	
Do	Arthur Anderson & Co	1,875.00	
Do	Anheuser-Busch Companies, Inc	5,625.00	
Do	Champion International Corp	750.00	
Do	Coalition for Jobs Growth & Int'l Competitiveness	9,375.00	
Do	CBS, Inc	4,500.00	
Do	CSX Corporation		
Do	Dealer Bank Assn	9,000.00	
Do	Dresser Industries, Inc	3,000.00	
Do	E. I. du Pont de Nemours & Co	750.00	
Do	Ford Motor Co	750.00	
Do	Goodyear Tire & Rubber Co	750.00	
Do	GTE Corporation	750.00	
Do	Independent Refiners Coalition	6,750.00	
Do	IBM	750.00	
Do	Korn/Ferry International		
Do	Lone Star Steel Co		
Do	Northville Industries Corp	3,000.00	
Do	Northwestern Mutual Life Insurance Co	1,563.00	
Do	Owens-Illinois	750.00	
Do	Procter & Gamble Manufacturing Co	750.00	
Do	Public Securities Assn	15,000.00	
Do	Scott Paper Co	750.00	
Do	SimuFlite Training International, Inc	2,250.00	
Do	Songwriters Guild	3,563.00	
Do	Transamerica Corporation	7,500.00	
Do	U.S. Fidelity & Guaranty Co	7,500.00	
Do	Union Carbide Corp	750.00	
Do	Vulcan Materials Co		
Do	Weyerhaeuser Company	750.00	
Martin A. Wall, 1025 Vermont Avenue, NW, #800 Washington DC 20005	American Osteopathic Hospital Assn	2,225.00	575.00
R. Duffy Wall & Associates, Inc, 1317 F Street, NW, #400 Washington DC 20004	Ad Hoc Comm on Coal Taxation	1,500.00	300.00
Do	American Council on Education	1,000.00	300.00
Do	Balcor Co	1,000.00	300.00
Do	Brinks, Inc	1,000.00	300.00
Do	Cantor Fitzgerald & Co, Inc	1,000.00	300.00
Do	Esselte Business Systems, Inc	1,500.00	300.00
Do	Footwear Retailers of America	1,500.00	600.00
Do	Hong Kong Trade Development Council	1,500.00	300.00
Do	JMB Realty Corp	1,000.00	300.00
Do	Life of Virginia	1,000.00	600.00
Do	Morgan Guaranty Trust Co	1,500.00	600.00
Do	New York State Bankers Assn	1,500.00	300.00
Do	Pharmaceutical Manufacturers Assn	1,500.00	600.00
Do	Torchmark Corporation	1,000.00	600.00
Do	Wine & Spirits Wholesalers of America, Inc	1,000.00	600.00
Henry Scott Wallace, 1815 H Street, NW, #550 Washington DC 20006	National Assn of Criminal Defense Lawyers	10,500.00	50.00
Raymond C. Wallace, 5025 Wisconsin Avenue, NW Washington DC 20016	Amalgamated Transit Union, AFL-CIO		
Wallace & Edwards, 1150 Connecticut Ave., NW, #507 Washington DC 20036	Alabama Farm Bureau Federation	1,500.00	
Do	American Meat Institute	500.00	
Do	American Sugar Cane League of the USA, Inc	2,812.50	
Do	Cotton Warehouse Assn of America	4,550.00	
Do	Fiber Fabric & Apparel Coalition for Trade		
Do	Merchants Grain & Transportation, Inc	2,500.00	
Do	National Cotton Council of America	312.50	
Do	National Wool Growers Assn		
Do	Service Corporation International	600.00	
Lionel L. Wallenrod, 260 Madison Ave. New York NY 10016	American Paper Institute, Inc		
R. Douglas Wallin Jr., 1235 Jefferson Davis Hwy. Arlington VA 22202	Emerson Electric Co		722.96
Charles S. Walsh, Fleischmen & Walsh 1725 N St., NW Washington DC 20036	National Cable Television Assn, Inc		
James P. Walsh, Davis Wright Todd Riese & Jones 1752 N St., NW, #800 Washington DC 20036	American Tunaboat Assn		
Henry L. Walther, 450 Maple Avenue, E., #204 Vienna VA 22180	U.S. Defense Committee	3,000.00	
G. L. 'Lew' Walts, 11319 Sunset Hills Road Reston VA 22090	National Turkey Federation		
William C. Wampler, 412 First Street, SE Washington DC 20003	American Meat Institute		
Bonnie B. Wan, 1201 Pennsylvania Avenue, #730 Washington DC 20004	Kimberly-Clark Corp		
John F. Wanamaker, 201 N. Washington, St. Alexandria VA 22314	Retired Officers Assn	2,127.00	
Alan S. Ward, 1050 Connecticut Ave., NW, #1100 Washington DC 20036	Baker & Hostetler (For: Soap & Detergent Assn)	50.00	
Justin R. Ward, 1350 New York Avenue, NW, #300 Washington DC 20005	Natural Resources Defense Council, Inc	759.81	11.00
Stephen E. Ward, 1919 Pennsylvania Avenue, NW. #503 Washington DC 20006	Mid-Continent Oil & Gas Assn	4,347.55	119.50
Thomas J. Ward, 70 N. Main Street Wilkes-Barre PA 18711	Blue Cross of Northeastern Pennsylvania		
Richard D. Warden, 1757 N St., NW Washington DC 20036	United Auto Aerospace & Agricultural Implement Workers	17,807.46	163.00
Jack Ware, 1220 L Street, NW Washington DC 20005	American Petroleum Institute	6,990.00	343.65
Michael O. Ware, 1701 Pennsylvania Avenue, NW, #900 Washington DC 20006	Conoco, Inc	1,750.00	
Peter F. Warker, Suite 2700 1000 Wilson Boulevard Arlington VA 22209	TRW, Inc	1,250.00	
Ernest R. Warner Jr., 1818 N St., NW Washington DC 20036	DGA International, Inc (For: Dir Intl Aff of the Gen Del for Armements)		
Do	DGA International, Inc (For: Sofreavia)	2,103.75	674.51
Do	DGA International, Inc (For: SNECMA)		
William H. Warner, 1201 Pennsylvania Avenue, NW Washington DC 20004	Control Data Corporation	91.00	92.19
Warner Cable Communications, Inc, 75 Rockefeller Plaza New York NY 10019			
Christine M. Warnke, Suite 300 1101 Connecticut Avenue, NW Washington DC 20036	American Textile Manufacturers Institute, Inc	400.00	207.30
B. Jack Warren, P.O. Box 95385 Atlanta GA 30347	Forest Farmers Assn		
Barbara J. Washburn, 1201 Pennsylvania Avenue, NW, #370 Washington DC 20004	Control Data Corporation	681.50	114.56
Washington Independent Writers, Inc, 1341 G St., NW, #205 Washington DC 20005			
Washington Industrial Team, Inc, 499 S. Capitol St., SW, #520 Washington DC 20003	Boeing Company		
Do	Hughes Aircraft Company	1,800.00	879.46
Do	Rockwell International Corp	1,800.00	879.46
Washington Resources and Strategy, Inc, 220 Eye Street, NE Washington DC 20002	American Nuclear Energy Council	1,000.00	30.36
Do	American Resort & Residential Development Assn		
Waterbed Manufacturers Assn, 2500 Wilshire Boulevard, #603 Los Angeles CA 90057			
Millie Waterman, 5656 Corduroy Road Mentor OH 44060	National Congress of Parents & Teachers		1,261.19
Clarke R. Watson, 655 Broadway, #425 Denver CO 80203	Westland Companies, Inc		
John L. Watson III, One World Trade Center, #4511 New York NY 10048	National Security Traders Assn, Inc	4,375.00	
Leroy Watson, 1616 H Street, NW Washington DC 20006	National Grange	2,750.00	2,750.00
Stephen L. Watson, 143 W. Market St., #201 Indianapolis IN 46204	Indiana Railroad Assn	600.00	567.84
Carolyn Herr Watts, 1800 Massachusetts Ave., NW Washington DC 20036	National Rural Electric Cooperative Assn	50.00	
Douglas R. Watts, 1724 Massachusetts Avenue, NW Washington DC 20036	National Cable Television Assn, Inc	1,488.24	
George B. Watts, 1155 15th St., NW Washington DC 20005	National Broiler Council	1,500.00	
Bruce H. Watzman, 1130 17th Street, N.w. Washington DC 20036	National Coal Assn	6,200.00	376.46
William H. Weatherspoon, North Carolina Petroleum Council PO Box 167 Raleigh NC 27602	American Petroleum Institute	1,000.00	952.11

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
A. Vernon Weaver, 2121 K Street, NW, #830 Washington DC 20037	Stephens Overseas Services, Inc		
Mary Webb, 1050 17th Street, NW, #770 Washington DC 20036	American Assn of Homes for the Aging	189.00	27.81
Andrew H. Webber, 440 First Street, NW, #510 Washington DC 20001	American Medical Peer Review Assn		
Frederick L. Webber, 1101 16th Street, NW Washington DC 20036	National Soft Drink Assn		
Webster & Sheffield, 1200 New Hampshire Ave., NW, #350 Washington DC 20036	Asarco Corporation		
Do	Mazda Motor Manufacturing (USA) Corp	200.00	
Do	Pinkerton Tobacco Co		
Do	Pogo Producing Co		
Webster Chamberlain & Bean, 1747 Pennsylvania Ave., NW, #1000 Washington DC 20006	Beer Industry Alliance		
Do	International Taxicab Assn	1,000.00	
Do	Miller Brewing Co	1,600.00	320.00
Do	Waterbed Manufacturers Assn		
Charles W. Wegner Jr., 600 Pennsylvania Avenue, SE, #203 Washington DC 20003	National Assn of Professional Insurance Agents	500.00	6,280.00
Weil Gotshal & Manges, 1101 14th St., NW Washington DC 20005	All-Industry Committee	31,550.00	
Do	Antitrust Remedies Reform Group	31,250.00	
Do	National Venture Capital Assn		
Eileen J. Weiner, 233 East Redwood Street Baltimore MD 21202	Gordon Feinblatt Rothman Hoffberger & Hollander (For: Sinai Hospital of Baltimore, Inc).		
Weiner Mccaffrey Brodsky & Kaplan, P.C., 1350 New York Ave., NW, #800 Washington DC 20005	Chicago Central & Pacific RR		
Do	Coordinating Council on Manufactured Housing Finance	502.00	18.75
Do	Foremost Insurance Co		
Do	Gulf & Mississippi Railroad	315.00	19.50
Do	National Manufactured Housing Finance Assn		
Do	Task Force on Usury Legislation	1,108.00	23.60
Donald G. Weinert, 1420 King St. Alexandria VA 22314	National Society of Professional Engineers	1,500.00	
Tamara Weinstein, 1830 17th Street, NW, #704 Washington DC 20036	Rainbow Alliance		50.00
Arthur E. Weisberg, 2200 First Bank Place East Minneapolis MN 55402	Dorsey & Whitney		
Arthur A. Weiss, 1800 First National Building Detroit MI 48226	Jaffe Snider Raitt & Heuer, P.C		
Stanley A. Weiss, Suite 401 21 Dupont Circle, NW Washington DC 20036	Business Executives for National Security		
Don Welch, P.O. Box 841 Abilene TX 79604	West Texas Utilities Co		
John F. Welch, 655 15th Street, NW, #1200 Washington DC 20005	Safe Buildings Alliance		
Kathleen Welch, 215 Pennsylvania Ave., SE Washington DC 20003	U.S. Public Interest Research Group	3,730.74	
Jerry Welcome, P.O. Box 3556 Washington DC 20007	American Meat Institute	2,000.00	
Paul S. Weller Jr., Agri/washingotn 1629 K St., NW, #1100 Washington DC 20006	American Soc of Composers Authors & Publishers	6,000.00	
Wellford Wegman Krulwich & Hoff, 1775 Pennsylvania Ave., NW, #450 Washington DC 20006	Canadian Embassy	3,750.00	
Do	Coalition to Save Revenue Sharing	2,500.00	
Do	Coalition Against Double Taxation, Inc	21,918.00	
Do	CBS, Inc		
Do	Department of Natural Resources, Province of Manitoba	3,750.00	
Do	Family Service America		
Do	Grants & Contracts Projects, United Way of America	250.00	
Do	Long Lake Energy Corp	1,500.00	
Do	Lukens, Inc		
Do	Manville Corporation	2,000.00	
Do	Ministry of the Environment	3,125.00	
Do	Mitex		
Do	National Corp for Housing Partnerships	2,000.00	
Do	Pharmaquest Corporation; Oclassen Pharmaceuticals, Inc		
L. H. Wells, Suite 200 1025 Connecticut Avenue, NW Washington DC 20036	VMS Realty	700.00	
Fred Wertheimer, 2030 M St., NW Washington DC 20036	Shell Oil Co	500.00	
Roland Wesley, 1159 Quail Run Bolingbrook IL 60439	Common Cause	16,050.00	402.86
Charles M. West, 205 Daingerfield Road Alexandria VA 22314	Committee for Minor. Access to Post Second. School Ownership		
Ford B. West, 1015 18th Street, NW Washington DC 20036	National Assn of Retail Druggists	1,500.00	300.00
W. P. West Jr., 1629 K St., NW Room 204 Washington DC 20006	Fertilizer Institute	25,000.00	932.42
West Coast Fabricators & Steel Industry Assn, 2324 Navy Drive Stockton CA 95206	Delta Air Lines, Inc	273.00	172.76
West Mexico Vegetable Distributors Assn, PO Box 848 Nogales AZ 85621		25,500.00	16,306.53
Harry H. Westbay III, 1615 H Street, NW Washington DC 20062			1,000.00
Western Fuels Association, Inc, 1625 M St., NW Washington DC 20036	Chamber of Commerce of the U.S	250.00	135.43
Mary Louise Westmoreland, 1400 K Street, NW Washington DC 20005		14,500.00	2,990.42
John F. Wetzel Jr., 412 First St., SE, #200 Washington DC 20003	Handgun Control, Inc	10,894.00	
William Wewer, 1300 19th Street, NW, #310 Washington DC 20036	Association of American Railroads	221.76	101.81
Wexler Reynolds Harrison & Schule, Inc, Suite 600 1317 F Street, NW Washington DC 20004	National Comm to Preserve Social Security	10,275.00	
Do	Aetna Life & Casualty	75.00	
Do	Allied Corporation	250.00	20.00
Do	American Airlines, Inc	14,500.00	114.86
Do	American Cyanamid Co		51.50
Do	American Low Power Television Assn		
Do	Blue Cross & Blue Shield Assn	11,230.00	105.50
Do	Coalition for Motor Carrier Regulatory Reform	1,000.00	74.51
Do	Communications Satellite Corp	1,110.00	
Do	Coopers & Lybrand	100.00	50.00
Do	Dealer Bank Assn	2,600.00	73.31
Do	Dyco Petroleum Co		
Do	Foothills Pipe Lines (Yukon) Ltd		
Do	General Motors Corp	5,625.00	24.50
Do	Manville Corporation	1,947.50	555.75
Do	Morgan Stanley & Co, Inc	12,300.00	1,073.57
Do	Motion Picture Assn of America, Inc	2,550.00	211.00
Do	MCI Communications Corp	800.00	25.00
Do	National Cable Television Assn, Inc	9,700.00	20.00
Do	New England Electric System		
Do	Northwest Airlines, Inc	3,625.00	79.00
Do	Nova, An Alberta Corp		
Do	Novacor Chemicals, Ltd	330.00	12.00
Do	Security Investment Co		
Do	Training Media Distributors Assn	105.00	
Do	Viacom International, Inc		
Robert G. Weymueller, 1101 Vermont Avenue, NW, #402 Washington DC 20005	American Lung Assn	3,870.00	3,909.00
Brian B. Whalen Jr., 401 N. Michigan Ave. Chicago IL 60611	Navistar International Corp	1,250.00	1,726.91
Curtis E. Whalen, 490 L'enfant Plaza, SW, #3202 Washington DC 20024	Transco Energy Company	5,000.00	3,172.90
Ellan Wharton, 1701 Pennsylvania Avenue, NW, #900 Washington DC 20006	E. I. du Pont de Nemours & Co	60.00	
Charles W. Wheeler, 1120 Connecticut Avenue, NW Washington DC 20036	American Bankers Assn	1,500.00	124.00
Clyde A. Wheeler Jr., Bishop Liberman Cook Purcell & Reynolds 1200 17th Street, NW Washington DC 20036	American Petroleum Institute	3,000.00	
June M. Whelan, Suite 600 S 1120 20th Street, NW Washington DC 20036	Union Pacific Corp	1,250.00	
John C. Whitaker, Suite 39 1850 K St., NW Washington DC 20036	Union Camp Corporation	1,115.00	36.32
Deborah A. White, 1333 New Hampshire Ave., NW Washington DC 20036	Atlantic Richfield Co	75.90	
Diane White, 122 C St., NW, #800 Washington DC 20001	Concerned Women for America	3,600.00	
John C. White, 1899 L Street, NW, #500 Washington DC 20036	Coastal Corp & Chicago Mercantile Exchange	1,750.00	
John Thomas White II, Suite 2202 490 L'Enfant Plaza East, SW Washington DC 20024	Tenneco, Inc		
Margita E. White, 1730 M Street, NW, #407 Washington DC 20036	Television Operators Caucus, Inc		
Richard C. White, 1122 First City Bank Bldg. El Paso TX 79999	Edward Downs		
Sam White, 412 First Street, SE Washington DC 20003	American Beekeeping Federation	2,000.00	
Do	Independent Cattlemen's Assn		
Do	National Peanut Growers Group	7,500.00	
Do	Sam Kane Packing		
Do	Texas Production Credit Assn	2,000.00	
Richard M. Whiting, 730 15th Street, NW Washington DC 20005	Association of Bank Holding Cos	1,100.00	
James A. Whitman, P.O. Box 1417-D49 Alexandria VA 22313	National Assn of Chain Drug Stores, Inc	500.00	
Robert L. Whitmire, 1745 Jefferson Davis Highway, #1000 Arlington VA 22202	General Dynamics Corp	1,000.00	488.72
Steven C. Whitney, 14 W. Wyatt Ave. Alexandria VA 22301	National Parks & Conservation Association	510.00	75.00
William F. Whitsitt, 1800 K St., NW Suite 820 Washington DC 20006	Sun Co, Inc	1,280.00	495.96
William E. Wickert Jr., 1000 16th Street, NW, #800 Washington DC 20036	Bethlehem Steel Corp	395.00	
Wickwire Lewis Goldmark & Schoor, 500 Maynard Bldg. Seattle WA 98104	Arctic Slope Regional Corp, et al	450.00	74.20

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Mary Frances Widner, 1620 Eye St., NW Washington DC 20006	American Inst of Certified Public Accountants	500.00	15.00
Judy A. Wiedemeier, 1875 I Street, NW, #800 Washington DC 20006	Tobacco Institute		
Phillip R. Wiedmeyer, 600 North 18th Street Birmingham AL 35291	Alabama Power Co	15,362.34	10,628.56
Andrew F. Wiessner, Kogovsek & Associates 3600 S. Yosemite, #830 Denver CO 80237	American Ski Federation	10,000.00	506.00
W. Scott Wilber, 1101 Vermont Avenue, NW Washington DC 20005	American Medical Assn	3,975.00	
Robert E. Wilbur, 3000 Lincoln Pl., Lb5 Dallas TX 75201	Taylor & Mizell		
Harry G. Wiles II, 499 S. Capitol Street, SW, #401 Washington DC 20003	National Assn of Independent Insurers	1,500.00	219.00
Wiley & Rein, 1776 K Street, NW Washington DC 20006	CBS, Inc		
Guenther O. Wilhelm, Suite 1100 1899 L Street, NW Washington DC 20036	Exxon Corporation		
Carl B. Wilkerson, 1850 K Street, NW Washington DC 20006	American Council of Life Insurance, Inc		
Wilkinson Barker Knauer & Quinn, 1735 New York Ave., NW Washington DC 20006	American Assn of Presidents of Independent Colleges & Univs	11,620.50	1,128.62
Do	Bonneville International Corp	2,460.50	26.86
Do	Manville Corporation	47,825.60	1,298.73
Do	Metropolitan Life & Affiliated Cos	21,277.00	892.36
Do	Mountain States Telephone & Telegraph Co	6,062.88	73.62
Do	Nana Regional Corp, Inc		
Do	Northwestern Bell Telephone Co	6,062.88	73.62
Do	Pacific Northwest Bell Telephone Co	6,062.88	73.62
Do	J. C. Penney Co, Inc	14,140.00	192.74
Do	Shee Atika, Inc		
Do	U.S. West, Inc	6,062.88	73.62
Do	United Airlines, Inc		
Ralph E. Willham, 1750 New York Ave., NW Washington DC 20006	Sheet Metal Workers International Assn	11,850.00	
Floyd L. Williams, 15th & M streets, NW Washington DC 20005	National Assn of Home Builders of the U.S.		
Harding Dec. Williams, 1101 15th Street, NW, #400 Washington DC 20005	National Council of Savings Institutions	4,000.00	
Lee Williams, 1616 H St., NW Washington DC 20006	American Retail Federation	1,700.00	
Leonard B. Williams, 1000 16th Street, NW, #800 Washington DC 20036	Bethlehem Steel Corp	205.00	
Robert E. Williams, 1825 K St., NW, #607 Washington DC 20006	United Airlines, Inc	1,500.00	
Steven W. Williams, 450 Maple Avenue, E., #204 Vienna VA 22180	U.S. Defense Committee	1,250.00	
Thomas F. Williams, 6812 Old Kent Road Amarillo TX 79109	Southwestern Public Service Co	769.90	804.22
David K. Willis, 1620 Eye Street, NW, #1000 Washington DC 20006	Motor Vehicle Manufacturers Assn of the U.S., Inc		
Willkie Farr & Gallagher, 818 Connecticut Avenue, NW Washington DC 20036	American Red Cross Retirement System		
Do	American Trucking Assns, Inc		
Do	Comptroller of the State of New York		
Do	National Venture Capital Assn		
Charlotte M. Wilmer, 1800 Massachusetts Ave., NW Washington DC 20036	National Rural Electric Cooperative Assn	130.00	
Wilmer Cutler & Pickering, 1666 K St., NW Washington DC 20006	American Cyanamid Co	858.60	
Do	Apache Corporation		
Do	Boeing Company		26.15
Do	Capital Cities/ABC, Inc		
Do	Chemical Manufacturers Assn, Inc		26.15
Do	Citicorp		
Do	CBS, Inc	166.25	
Do	G-4 Children's Coalition	15,326.09	17.00
Do	Handgun Control, Inc		88.93
Do	Thomas H. Lee Co	1,000.00	88.93
Do	Motor Vehicle Manufacturers Assn of the U.S., Inc		
Do	People of Enewetak		
Charles D. Wilson, 1850 K St., NW, #390 Washington DC 20006	Union Camp Corporation	1,845.00	1,925.00
Dena L. Wilson, Suite 1000 1600 Wilson Blvd. Arlington VA 22209	American Waterways Operators, Inc	4,400.00	204.22
Don T. Wilson, 1250 I Street, NW, #400 Washington DC 20005	National Tire Dealers & Retreaders Assn	550.00	27.00
Dorothy Wilson, 4201 Cathedral Avenue, NW, #607-E Washington DC 20016	Coalition of Concerned Charities		
G. Peter Wilson, 249 Maitland Avenue P.O. Box 1119 Altamonte Springs FL 32701	Institute of Internal Auditors, Inc		
H. Graham Wilson, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington DC 20037	Dofasco, Inc		
Reid Wilson, 215 Pennsylvania Avenue, SE Washington DC 20003	U.S. Public Interest Research Group	3,138.44	
Robert C. Wilson, 499 S. Capitol St., SW, #520 Washington DC 20003	RMI, Inc	380.00	
Do	Washington Industrial Team, Inc	600.00	
Robert Gary Wilson, 1730 Rhode Island Avenue, NW Washington DC 20036	PPG Industries, Inc	40.00	
Judy Winchester, 3900 Wisconsin Avenue, NW Washington DC 20016	Federal National Mortgage Assn		
Windels Marx Davies & Ives, 51 W. 51st Street New York NY 10019	Chelsea Property Owners		
Joseph B. Winkelmann, 777 14th St., NW Washington DC 20005	National Assn of Realtors	2,500.00	35.75
Kathleen J. Winn, 1155 15th St., NW Suite 602 Washington DC 20006	Pennzoil Co	475.00	
Marie Winslow, 2020 K St., NW, #200 Washington DC 20006	National Fed of Federal Employees		
David A. Winston, 1922 F Street, NW Washington DC 20006	National Assn of Life Underwriters	543.75	48.50
Winston & Strawn, #500 2550 M St., NW Washington DC 20037	American Assn of Museums	150.00	
Do	Association of Seat Lift Manufacturers		
Do	Beatrice Foods Co		
Do	Building Owners & Managers Assn International		
Do	City of Tucson		
Do	CNA Financial Corp		
Do	Gould, Inc		
Do	International Boutique, Inc		
Do	International Council of Shopping Centers	1,000.00	
Do	Lease Management Corp		
Do	Mercedes-Benz of North America, Inc		
Do	National Audubon Society		
Do	National Council of Health Facilities Finance Authorities		
Do	Northeastern Power Co		
Do	Queen City Home Health Care		
Do	Syntex Laboratories, Inc		
Do	Terson Company, Inc		
Winthrop Stimson Putnam & Roberts, 1155 Connecticut Ave., NW, #1000 Washington DC 20036	E. F. Hutton & Co, Inc		45.12
Do	Singer Co	11,500.00	1,143.78
Robert V. Witeck, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Agriculture for Market Oriented Policies)		
Do	Gray & Co Public Communications Int'l, Inc (For: Canadian Asbestos Information Centre)		
Do	Gray & Co Public Communications Int'l, Inc (For: Government of Angola/SONANGAL)		
Do	Gray & Co Public Communications Int'l, Inc (For: Joint Maritime Congress)		
Do	Gray & Co Public Communications Int'l, Inc (For: Kingdom of Morocco)		
Do	Gray & Co Public Communications Int'l, Inc (For: Lane Industries)		
Do	Gray & Co Public Communications Int'l, Inc (For: Mutual of Omaha)		
Do	Gray & Co Public Communications Int'l, Inc (For: Republic of Turkey)		
Do	Gray & Co Public Communications Int'l, Inc (For: United Airlines, Inc)	300.00	
Herman C. Witthaus, 1660 L St., NW Washington DC 20036	General Motors Corp	3,000.00	2,728.32
Clinton Wolcott, 2020 K St., NW, #200 Washington DC 20006	National Fed of Federal Employees	16.79	
James Wolf, 1925 K St., NW, #206 Washington DC 20006	Alliance to Save Energy		
James E. Wolf, 2020 14th St., North Arlington VA 22201	American Standard Inc	250.00	
Sidney M. Wolfe, 2000 P St., NW, #708 Washington DC 20036	Public Citizen Health Research Group	69.05	97.47
Bernard Wolfman, c/o Foley Hoag & Eliot One Post Office Square Boston MA 02109	Mutual Savings Central Fund, Inc	517.00	
Ronald Wolsey, P.O. Box 507 Baltimore MD 21203	Amoco Corporation		
Don Womack, Suite 303 1825 K St., NW Washington DC 20006	Texas Utilities Services, Inc	2,575.00	52.63
Charles A. Wood, 10 Lafayette Square Buffalo NY 14203	National Fuel Gas Distribution Corp, et al		
John L. Wood, 2121 San Jacinto St. P.O. Box 660164 Dallas TX 75266	Central & South West Corp		
S. Roy Woodall Jr., 655 15th Street, NW, #530 Washington DC 20005	National Assn of Life Companies	1,287.51	4,961.13
G. Kent Woodman, 818 Connecticut Ave., NW Washington DC 20006	Baskin & Steingut, P.c. (For: Norfolk Southern Corp)	2,500.00	
Thomas C. Woods, 1660 L Street, NW Washington DC 20036	General Motors Corp	2,500.00	2,890.38
Perry W. Woofter, Suite 530 1800 K St. NW Washington DC 20006	Tesoro Petroleum Corp	3,000.00	
Howard E. Woolley, 1771 N Street, NW Washington DC 20036	National Assn of Broadcasters	1,500.00	1,196.17
Linda Anzalone Woolley, 1600 M St., NW Washington DC 20036	International Telephone & Telegraph Corporation	34.00	60.00
Worldwide Information Resources, Ltd, 1717 K Street, NW, #706 Washington DC 20006	Equitable Life Assurance Society of the U.S		
Do	Pan American World Airways, Inc		
Do	State of Montana		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Toyota Motor Sales, USA, Inc		
Do	Transportation Group, Inc		
W. Robert Worley, 1736 Creek Crossing Road Vienna VA 22180	Southern Company Services, Inc	1,140.00	1,585.55
Steven M. Worth, 3255 Grace St., NW The Power House Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Electronic Industries Assn of Japan)		
Do	Gray & Co Public Communications Int'l, Inc (For: Kingdom of Morocco)		
Do	Gray & Co Public Communications Int'l, Inc (For: Republic of Korea)		
Worthen Banking Corporation, 2121 K Street, NW, #830 Washington DC 20037			
Joseph T. Wrabek, Box 70 Cascade Locks OR 97014	Columbia Gorge United		
David L. Wright, Anderson Hill Rd. Purchase NY 10577	Pepsico, Inc		
Frances C. Wright, 2550 M Street, NW, #275 Washington DC 20037	Camp Carmouche Barsh Hunter Gray Hoffman & Gill, P.C		
Kenneth Wu, 1755 Jefferson Davis Highway, #900 Arlington VA 22202	Gould, Inc		
Wilson W. Wyatt Jr., 1825 K St., NW, #603 Washington DC 20006	Batus D.C	2,000.00	12.00
Thomas L. Wylie, 1800 K Street, NW, #820 Washington DC 20006	Sun Co, Inc	5,355.00	158.30
Wyman Bautzer Rothman Kuchel & Silbert, Suite 580 600 New Hampshire Ave., NW Washington DC 20037	American Boiler Manufacturers Assn, Inc		
Do	Automotive Dismantlers & Recyclers Assn, Inc		
Do	Bristol Bay Native Corp		
Do	Eklutna, Inc		
Do	Filmways, Inc		
Marc D. Yacker, 1619 Massachusetts Avenue, NW Washington DC 20036	American Paper Institute, Inc	405.00	
T. Albert Yamada, Suite 520 900 17th St., NW Washington DC 20006	Toyota Motor Sales, USA, Inc	500.00	
Do	West Mexico Vegetable Distributors Assn	500.00	
Nancy Foster Yanish, 1750 K Street, NW Washington DC 20006	Food Marketing Institute	200.00	
Debra T. Yarbrough, 1819 L St., NW, #900 Washington DC 20036	U S West, Inc		
Edward R. Yawn, 1111 19th St., NW Washington DC 20036	Edison Electric Institute	546.49	178.61
Linda Yeldezian, 2030 M Street, NW Washington DC 20036	Common Cause	4,625.04	478.11
Kim Yelton, 8120 Fenton St. Silver Spring MD 20910	Americans United for Separation of Church and State	7,343.17	92.95
Jack Yelverton, 1303 New Hampshire Ave., NW Washington DC 20036	Fleet Reserve Assn		
Richard K. Yep, 5999 Stevenson Avenue Alexandria VA 22304	American Assn for Counseling & Development	6,132.50	101.93
Edward L. Yingling, 1120 Connecticut Ave., NW Washington DC 20036	American Bankers Assn	6,000.00	20.00
D. Scott Yohe, 1629 K St., NW, #204 Washington DC 20006	Delta Air Lines, Inc	390.00	219.00
Edward A. Yopp, P.O. Box 1072 El Paso TX 79958	MBank, N.A		
John Andrew Young, 1899 L Street, NW, #500 Washington DC 20036	Coastal Corporation		
Thane Young, The Ferguson Company 1875 Eye Street, NW Washington DC 20006	City of Alhambra		
Do	City of Baldwin Park	4,500.00	18.29
Do	City of Inglewood		
Do	City of Norwalk		
Do	City of Oceanside	1,700.00	62.55
Do	City of Provo		
Do	City of Redondo Beach	1,500.00	43.99
Do	City of South Salt Lake		
Do	Imperial Irrigation District	5,000.00	33.44
Do	Irvine Company	5,312.50	34.13
Do	Long Beach Transit		
Do	Maritime Center at Norwalk		
Do	Santa Cruz Properties, Inc		
Thomas F. Youngblood, 1819 L Street, NW, #600 Washington DC 20036	American Hotel & Motel Assn	1,417.50	
Betsy Younkins, 1220 L Street, NW, #1200 Washington DC 20005	American Petroleum Institute	6,000.00	174.07
Eugene A. Yourch, 50 Broadway New York NY 10004	Federation of American Controlled Shipping	350.00	600.00
Ralph Zaayenga, 1800 K Street, NW, #820 Washington DC 20006	Sun Co, Inc	500.00	158.45
Harry M Zachem, 1025 Connecticut Ave., #507 Washington DC 20036	Ashland Oil, Inc	2,000.00	
Michael Zagorac Jr., 8333 Bryan Dairy Rd. P.O. Box 4689 Clearwater FL 33518	Jack Eckerd Corp		
Lynn Zakupowsky, 1331 Pennsylvania Ave., NW Washington DC 20004	General Electric Co	1,500.00	
Barnaby W. Zall, 1424 16th Street, NW, #707 Washington DC 20036	Fair Congressional Task Force, Inc		
Do	Federation for American Immigration Reform		
John S. Zapp, 1101 Vermont Ave., NW Washington DC 20005	American Medical Assn	4,900.00	
Vincent Justin Zecca, 315 West Cuthbert Road Westmont NJ 08108			
Leo C. Zeferetti, 9912 Fort Hamilton Parkway Brooklyn NY 11209	Building & Construction Trades Dept, AFL-CIO		
Do	New York Telephone		
Do	Pratt & Whitney		
Do	Transportation Institute		
Denis R. Zegar, 201 Park Washington Court Falls Church VA 22046	National-American Wholesale Grocers' Assn	3,000.00	
Philip F. Zeidman, 1401 New York Ave., NW, #900 Washington DC 20005	American Business Conference, Inc		
Don J. Zeller, 1615 M Street, NW, #200 Washington DC 20036	Amoco Corporation	1,850.00	202.52
Ronald L. Ziegler, 1199 N. Fairfax Street, #801 Alexandria VA 22314	National Assn of Truck Stop Operators, Inc		
Judith Ziewacz, 1840 Wilson Boulevard Arlington VA 22201	National Milk Producers Federation	1,650.00	
Michael J. Zimmer, 1133 21 St., NW, #500 Washington DC 20036	Clean Coal Coalition, Inc		
Do	Cogeneration Coalition, Inc		
Do	Consolidated Natural Gas Co		
Do	Purpa Coalition, Inc		
Ziontz Pirtle Morrisset Ernstoff & Chestnut, Metropolitan Park, 16th Floor 1100 Olive Way Seattle WA 98101	Confederated Tribes of the Colville Indian Reservation		
Do	Hoopa Valley Tribe		
Do	Inupiat Community of the Arctic Slope		
Do	Makah Indian Tribe		
Do	Metlakatla Indian Community		
Do	Mille Lacs Band of Chippewa Indians		
Do	Northern Cheyenne Indian Tribe		
Do	Tulalip Indian Tribe		
Do	Ukpeagvik Inupiat Corporation		
Charles O. Zuver, 1120 Connecticut Ave., NW Washington DC 20036	American Bankers Assn	5,000.00	
Kurt D. Zwikl, 702 Hamilton Mall Allentown PA 18101	Merchants Bank		
23rd Congressional District Action Comm, 575 Charles St. St. Marys PA 15857			
31st Pro Life Congressional District Action Comm, 8654 Bonview Terrace Williamsville NY 14221			

QUARTERLY REPORTS*

*All alphanumeric characters and monetary amounts refer to receipts and expenditures on page 2, paragraphs D and E of the Quarterly Report Form.

The following reports for the fourth calendar quarter of 1985 were received too late to be included in the published reports for that quarter:

(NOTE.—The form used for report is reproduced below. In the interest of economy in the RECORD, questions are not repeated, only the essential answers are printed, and are indicated by their respective headings.)

FILE ONE COPY WITH THE SECRETARY OF THE SENATE AND FILE TWO COPIES WITH THE CLERK OF THE HOUSE OF REPRESENTATIVES:

This page (page 1) is designed to supply identifying data; and page 2 (on the back of this page) deals with financial data.

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19.....

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
(Mark one square only)				

NOTE ON ITEM "A".—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employee".—To file as an "employee", state (in Item "B") the name, address, and nature of business of the "employer". (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee".)
(ii) "Employer".—To file as an "employer", write "None" in answer to Item "B".
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

A. ORGANIZATION OR INDIVIDUAL FILING:
1. State name, address, and nature of business.

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

NOTE ON ITEM "B".—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers, except that: (*a*) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (*b*) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employers"—is to be filed each quarter.

B. EMPLOYER.—State name, address, and nature of business. If there is no employer, write "None."

NOTE ON ITEM "C".—(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§302(e).
(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

C. LEGISLATIVE INTERESTS, AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the *specific* legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth: (*a*) Description, (*b*) quantity distributed; (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed)

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C4" and fill out items "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report.

AFFIDAVIT

[Omitted in printing]

PAGE 1

NOTE ON ITEM "D."—(a) *In General.* The term "contribution" includes *anything of value.* When an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual—for such printed or duplicated matter—is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution"—Section 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER.—(i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in accordance with legislative interests.

(ii) *Receipts of Business Firms and Individuals.*—A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation—but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation—will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multipurpose Organizations.*—Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE.—(i) *In General.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.*—When your contribution from your employer (in the form of salary, fee, etc.) amounts to $500 or more, it is not necessary to report such contribution under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "None" in the space following the number.

Receipts (other than loans)

1. $.....Dues and assessments
2. $.....Gifts of money or anything of value
3. $.....Printed or duplicated matter received as a gift
4. $.....Receipts from sale of printed or duplicated matter
5. $.....Received for services (e.g., salary, fee, etc.)
6. $.....TOTAL for this Quarter (Add items "1" through "5")
7. $.....Received during previous Quarters of calendar year
8. $.....TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received

"The term 'contribution' includes a . . . *loan* . . ."—Sec. 302(a).

9. $.....TOTAL now owed to others on account of loans
10. $.....Borrowed from others during this Quarter
11. $.....Repaid to others during this Quarter

12. $.....'Expense money" and Reimbursements received this Quarter

Contributors of $500 or more (from Jan. 1 through this Quarter)

13. Have there been such contributors?

Please answer "yes" or "no": .....

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last days of this Quarter total $500 or more:

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor"; and indicate whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and address of Contributor* ("*Period*" from Jan. 1 through....., 19.....)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
$1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,285.00	TOTAL

NOTE ON ITEM "E".—(a) *In General.* "The term 'expenditure' includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure"—Section 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "None" in the spaces following the number.

Expenditures (other than loans)

1. $.....Public relations and advertising services
2. $.....Wages, salaries, fees, commissions (other than item "1")
3. $.....Gifts or contributions made during Quarter
4. $.....Printed or duplicated matter, including distribution cost
5. $.....Office overhead (rent, supplies, utilities, etc.)
6. $.....Telephone and telegraph
7. $.....Travel, food, lodging, and entertainment
8. $.....All other expenditures
9. $.....TOTAL for this Quarter (Add "1" through "8")
10. $.....Expended during previous Quarters of calendar year
11. $.....TOTAL from January 1 through this Quarter (Add "9" and "10")

Loans Made to Others

"The term 'expenditure' includes a . . . *loan* . . ."—Sec. 302(b).

12. $.....TOTAL now owed to person filing
13. $.....Lent to others during this Quarter
14. $.....Repayment received during this Quarter

15. Recipients of Expenditures of $10 or More

In the case of expenditures made during this Quarter by, or on behalf of the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following heading: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates—Name and Address of Recipient—Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo.—Printing and mailing circulars on the "Marshbanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blaten, 3127 Gremlin Bldg., Washington, D.C.—Public relations service at $800.00 per month.
$4,150.00	TOTAL

71-059 O-87-26 (Pt. 8)

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
A-K Associates, Inc, 1225 8th Street, #590 Sacramento CA 95814	County of Napa	3,600.00	9,953.71
Do	Director of Timber Counties Coalition	13,749.00	9,872.85
Do	Golden Gate Bridge Highway & Transportation District	6,300.00	10,740.22
Do	Hemet Valley Flying Service	6,000.00	9,912.85
Do	International Fire Management		
Do	Pathologist Practice Association	1,800.00	11,785.50
Do	Stratos Tanker, Inc		
Charles A. Acquard, 1400 K Street, NW, #500 Washington DC 20005	Handgun Control, Inc	6,720.00	
Charles Adams, 6324 Variel Ave., #323 Woodland Hills CA 91367	Chad Therapeutics, Inc		
Kenneth R. Adams, 1850 K Street, NW, #210 Washington DC 20006	Cabot Corporation		425.00
Agency for Instructional Technology, Box A Bloomington IN 47401			
Elizabeth Agle, 530 7th St., SE Washington DC 20003	National Clean Air Coalition, Inc	9,320.50	
John M. Albertine, 1730 K St., NW, #703 Washington DC 20006	American Business Conference, Inc	3,125.00	18.00
Nancy L. Alexander, 245 Second Street, NE Washington DC 20002	Friends Comm on National Legislation	3,882.24	
Susan Alexander, 1400 Eye St., NW Washington DC 20005	Wilderness Society	118.01	
Richard F. Ali, 729 15th Street, NW Washington DC 20005	Associated Builders & Contractors, Inc	2,500.00	
John D. Allan, c/o Doh Lohnes & Albertson 1255 23rd St., NW Washington DC 20037	Stelco, Inc	2,000.00	583.76
Irwin P. Altschuler, Brownstein Zeidman & Schomer 1401 New York Ave., NW, #900 Washington DC 20005	Camara de la Industria de Transformacion de Nuevo Leon	3,500.00	
Robert Alvarez, 218 D St., SE Washington DC 20003	Environmental Policy Institute	442.84	
Jerome A. Ambro Associates, 2301 S. Jefferson Davis Dr., #719 Arlington VA 22202	Associated Universities	7,862.50	4,332.87
Do	County of Suffolk, New York	15,000.00	8,410.85
American Arts Alliance, 424 C St., NE Washington DC 20002		37,749.43	68,707.70
American Assn for Respiratory Therapy, 1720 Regal Row Dallas TX 75235		2,373.92	18,858.22
American Assn of Blood Banks, 1117 North 19th St., #600 Arlington VA 22209			
American Assn of Exporters & Importers, 11 West 42nd Street, 30th Fl. New York NY 10036			4,155.61
American Assn of Presidents of Independent Colleges & Univs, Box 723 Rexburg ID 83440			53,710.93
American Assn of University Women, 2401 Virginia Avenue, NW Washington DC 20037			742.07
American Business Conference, Inc, 1730 K Street, NW, #703 Washington DC 20006		3,687.50	4,641.93
American Cancer Society, 90 Park Avenue New York NY 10016			23,250.00
American Cement Trade Alliance, Inc, 1331 Pennsylvania Ave., NW Washington DC 20004			
American Chamber of Commerce of the Dominican Republic, P.O. Box 95-2 Santo Domingo Dominican Republic			
American Fed of State County & Municipal Employees, 1625 L St., NW Washington DC 20036			89,001.84
American Radio Relay League, Inc, 225 Main St. Newington CT 06111			555.52
American Red Cross, 17th & D streets, NW Washington DC 20006		2,000.00	300.00
American Soc for the Prevention of Cruelty to Animals, 441 E. 92nd Street New York NY 10128			7,750.00
American Trucking Assns, Inc, 2200 Mill Road Alexandria VA 22314		10,290.06	86,912.30
American Waterways Shipyard Conference, 1600 Wilson Boulevard, #500 Arlington VA 22209			
Americans for the High Frontier, 1010 Vermont Ave., NW, #1015 Washington DC 20005		10,329.67	29,498.82
Americans for Immigration Control, Inc, P.O. Box 11839 Alexandria VA 22312		6,112.63	6,112.63
David R. Amerine, Brownstein Zeidman & Schomer 1401 New York Ave., NW, #900 Washington DC 20005	Camara de la Industria de Transformacion de Nuevo Leon	5,960.00	
Arne Anderson, 1325 Massachusetts Avenue, NW Washington DC 20005	American Fed of Government Employees	8,736.84	
Scott G. Anderson, 1050 Connecticut Ave., NW Washington DC 20036	Burlington Northern, Inc	1,900.00	1,267.12
Anderson Benjamin & Read, Inc, 1020 19th St., NW, #520 Washington DC 20036	U.S. Banknote Corp		
Anderson Hibey Nauheim & Blair, 1708 New Hampshire Ave., NW Washington DC 20009	Alamo Rent-A-Car, Inc		
Do	Bay Area Rapid Transit District		
Do	Communication Industries Assn of Japan	35,372.00	1,857.94
Do	Institute of Financial Fiscal Studies of Curacao, et al		
Do	Instituto Brasileiro de Siderurgia		
Do	Japan Machine Tool Builders Assn	610.00	
Do	Marriott Corporation		48.19
Do	Navajo Nation	2,145.00	56.68
Do	Project Orbis, Inc	3,110.00	85.11
Do	Riviana Foods, Inc	18,360.00	106.85
L. J. Andolsek, 1533 New Hampshire Avenue, NW Washington DC 20036	National Assn of Retired Federal Employees	605.00	
David R. Andrews, Three Embarcadero Center San Francisco CA 94111	McCutchen Doyle Brown & Enersen (For: Amfac, Inc)		
Do	McCutchen Doyle Brown & Enersen (For: Castle & Cooke, Inc)		
Do	McCutchen Doyle Brown & Enersen (For: Rohr Industries, Inc)	84.00	
Arent Fox Kintner Plotkin & Kahn, 1050 Connecticut Avenue, NW Washington DC 20036	Washington National Arena Limited Partnership		
John A. Armstrong, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington DC 20037	Dofasco, Inc		
Arnold & Porter, 1200 New Hampshire Ave., NW Washington DC 20036	Building & Construction Trades Dept, AFL-CIO		
Do	National Coordinating Comm for Multiemployer Plans	15,312.00	2,116.69
Do	Philip Morris Cos, Inc	1,500.00	150.00
Do	Sacramento Municipal Utility District	261.00	
Do	State of Israel		491.96
Do	State Farm Mutual Automobile Insurance Co	6,578.75	389.63
Association for the Advancement of Historical Research, P.O. Box 15232 Washington DC 20003		500.00	500.00
Association of Maximum Service Telecasters, Inc, 1735 Desales St., NW Washington DC 20036			345.25
Association of Private Pension & Welfare Plans, Inc, 1331 Pennsylvania Ave., NW, #719 Washington DC 20004		5,639.11	5,639.11
Kenneth E. Auer, 1800 Massachusetts Avenue, NW Washington DC 20036	Farm Credit Council	1,425.00	
Ronald R. Austin, 1201 16th Street, NW Washington DC 20036	Overseas Education Assn	553.53	269.45
AFL-CIO Maritime Committee, 100 Indiana Ave., NW Washington DC 20001		5,645.00	5,587.80
APCO Associates, 1200 New Hampshire Ave., NW Washington DC 20036	Canadian Forest Industries Council	10,950.00	14,697.24
L. A. Bafalis, Governmental Consulting Services, Inc 241 S. Woods Road Palm Beach FL 33480	Davis & Harman	13,500.00	2,067.02
John P. Bailey, 618 S. Alfred Street Alexandria VA 22314	National Assn of Medical Equipment Suppliers	62,210.00	14,080.00
Lisa Baker, 1730 K Street, NW, #703 Washington DC 20006	American Business Conference, Inc	93.75	30.00
Quinter S. Baker, P.O. Box 8091 Falls Church VA 22041	Friendship Hill Assn		
Baker & McKenzie, 815 Connecticut Ave., NW Washington DC 20006	Cambridge Research & Development Group		
Do	National Building Granite Quarries Assn	58,423.50	2,142.91
Do	Stein Roe & Farnham		
Delmar K. Banner, 1800 Massachusetts Avenue, NW, #604 Washington DC 20036	Farm Credit Council	13,620.00	
Robert D. Bannister, 15th & M streets, NW Washington DC 20005	National Assn of Home Builders of the U.S.		
Baraff Koerner Olender & Hochberg, P.C., 2033 M Street, NW, #203 Washington DC 20036	College Football Association		
Do	Major Indoor Soccer League	45.00	
Do	National Assn of Collegiate Directors of Athletics	2,950.00	
Do	National Basketball Assn	1,970.00	
Judy Bardacke, 555 New Jersey Avenue, NW Washington DC 20001	American Fed of Teachers		
Donna R. Barnako, 1200 15th Street, NW Washington DC 20005	American Health Care Assn	1,743.75	118.00
Barnes Richardson & Colburn, 1819 H St., NW, #400 Washington DC 20006	American Int'l Knitters Corp	1,987.00	62.90
Do	Brown-Forman Corp		
Do	Commonwealth Garment Manufacturing Co	5,380.60	62.90
Do	Dow Chemical Co	2,580.00	99.43
Do	EHA Ventilfabrik Wilhelm Fritz KG		
Do	Florida Citrus Mutual		113.13
Do	Heublein, Inc		
Do	Hiram Walker & Sons, Inc		
Do	Italy-America Chamber of Commerce, Textile & Apparel Comm		80.15
Do	Meat Importers Council of America, Inc	1,500.00	315.74
Do	Pfizer, Inc		
Do	Schieffelin & Co		
Do	Joseph E. Seagram & Sons, Inc, et al		
Do	Tartaric Chemicals Corporation		
Do	Uniroyal, Inc	610.33	92.25
Terry N. Barr, 1800 Massachusetts Ave., NW Washington DC 20036	National Council of Farmer Cooperatives		
Barrett Smith Schapiro Simon & Armstrong, 1201 Pennsylvania Avenue, NW, #821 Washington DC 20004	Coffee Sugar & Cocoa Exchange, Inc		
Do	Hugo Neu & Sons, Inc		
Do	Irving Trust Co		
Do	Metropolitan Transportation Authority		169.00
Mark A. Bartner, 100 Maryland Avenue, NE Washington DC 20002	Religious Coalition for Abortion Rights, Inc	5,250.00	12.80
Davis M. Batson, 1155 15th Street, NW, #611 Washington DC 20005	Ethyl Corporation	600.00	
Richard 'Sandy' Beach, 1730 Rhode Island Ave., NW, #810 Washington DC 20036	Credit Union National Assn, Inc	300.00	102.19
Lydia I. Beebe, 1700 K Street, NW, #1204 Washington DC 20006	Chevron USA, Inc		
Donald K. Belch, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington DC 20037	Stelco, Inc	750.00	559.23
Denise Bell, 777 14th Street, NW Washington DC 20005	National Assn of Realtors	2,500.00	12.50

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Alan R. Bennett, 1575 Eye Street, NW, #1150 Washington DC 20005	Kaye Scholer Fierman Hays & Handler (For: Bristol-Myers Co)	205.00	
Catherine Bennett, 1700 Pennsylvania Ave., NW, #730 Washington DC 20006	Pfizer, Inc	650.00	235.15
George L. Berg Jr., 600 Maryland Avenue, SW Washington DC 20024	American Farm Bureau Federation	5,188.00	106.30
Peter E. Berg, Berg & Associates 641 Indiana Avenue, NW Washington DC 20006			
Edwin M. Bergsmark, Three Seagate Toledo OH 43603	Toledo Trust Company		
David Berick, 218 D St., SE Washington DC 20003	Environmental Policy Institute	3,712.72	
Donald C. Berno, 1615 H St., NW Washington DC 20062	U.S. Chamber of Commerce	7,500.00	106.16
George K. Bernstein, 1730 K St., NW Washington DC 20006	American Insurance Assn	2,312.50	
Rachelle B. Bernstein, 1615 H Street, NW Washington DC 20062	Chamber of Commerce of the U.S.	4,000.00	112.32
Bernstein Shur Sawyer & Nelson, One Monument Square Portland ME 04101	Penobscot Energy Recovery Co	16,981.00	18,261.98
Beveridge & Diamond, P.C., 1333 New Hampshire Ave, NW Washington DC 20036	Texas Oil & Gas Corp		
Moe Biller, 817 14th St., NW Washington DC 20005	American Postal Workers Union, AFL-CIO	8,551.10	
Pat Billings, 624 9th Street, NW, #700 Washington DC 20001	Group Health Assn of America, Inc	3,375.00	
Robert Bingaman Jr., 1424 K Street, NW, #300 Washington DC 20005	National Clean Air Coalition, Inc	4,844.85	
Bipartisan Budget Appeal, P.O. Box 9 Bowling Green Station New York NY 10004			
Robert J. Bird, 888 16th Street, NW Washington DC 20006	Zachry, Inc		
Bishop Liberman Cook Purcell & Reynolds, 1200 17th Street, NW, 7th Fl. Washington DC 20036	Aleut Corporation		
Do	American Rice, Inc	185.00	
Do	Association of Federal Health Organizations		
Do	Audio Recording Rights Coalition	5,100.00	
Do	Board of Trade of Kansas City, MO, Inc	6,249.99	
Do	Consolidated Natural Gas Co		
Do	CNA Insurance Co of Chicago, Illinois	7,800.00	
Do	Enserch Corporation	9,452.50	
Do	Five State Rice Producers Legislative Group	51,851.96	
Do	Iowa Beef Processors, Inc	9,870.00	
Do	National Mass Retailing Institute	3,500.00	
Do	Pesticide Producers Assn	9,062.50	
Do	Pioneer Corp	5,000.00	
Do	Pipeline Gas Transmission Coalition		
Do	Planters Peanuts	9,667.50	
Do	Roadway Services, Inc		
Do	Salomon Brothers, Inc	25,037.50	
Do	Tanadgusix Corporation	1,000.00	
Do	Texaco, Inc	3,750.00	26.83
Do	Texas Gas Transmission Corp		
Do	Tobacco Institute	22,800.00	165.61
Do	Valley View Holdings, Inc		
Do	Western Peanut Growers' Assn	6,318.75	
Brent Blackwelder, 218 D St., SE Washington DC 20003	Environmental Policy Institute	593.35	
Kenneth T. Blaylock, 1325 Massachusetts Ave., NW Washington DC 20005	American Fed of Government Employees	21,850.57	5,642.75
Richard W. Bliss, 3242 Grace Street, NW Washington DC 20007	Amax, Inc	2,616.25	203.72
Do	Environmental Science & Engineering		
Do	Flour Corporation	1,785.00	179.72
Do	National Paint & Coatings Assn, Inc	1,500.00	248.77
Do	Pb-Kbb, Inc		
Do	St. Joe Minerals Corp	1,251.25	159.47
Do	Varian Emimac	56.00	49.61
John B. Blount Jr., 777 14th Street, NW Washington DC 20005	National Assn of Realtors	2,500.00	487.00
Jared O. Blum, 1776 K Street, NW Washington DC 20006	Direct Selling Association	300.00	339.64
Joanne Blum, 2010 Massachusetts Avenue, NW, #500 Washington DC 20036	Planned Parenthood Fed of America, Inc	1,547.60	56.75
Blum Nash & Railsback, 1133 15th Street, NW, #1100 Washington DC 20005	Direct Marketing Assn		
Do	Disclosure, Inc	700.00	
Do	General Electric Co		
Do	Time, Inc		
Robert J. Bolger, P.O. Box 1417-D49 Alexandria VA 22313	National Assn of Chain Drug Stores, Inc	1,500.00	
Edward N. Bond, 1700 North Moore St. Rosslyn VA 22209	Boeing Company		
Bonneville Associates, 200 E. South Temple, #300 Salt Lake City UT 84111	Western Regional Council	184.25	105.33
Wayne A. Boutwell, 1800 Massachusetts Avenue, NW Washington DC 20036	National Council of Farmer Cooperatives	825.00	
Rodney A. Bower, 8701 Georgia Avenue, #701 Silver Spring MD 20910	International Fed of Professional & Technical Engineers		
Bowman Conner Touhey & Petrillo, 2828 Pennsylvania Avenue, NW, #203 Washington DC 20007	American Automar Corp	1,042.50	80.44
Do	Council of American-Flag Ship Operators	3,127.50	241.31
Do	National Assn of Aircraft & Communications Suppliers, Inc	1,525.00	34.96
Rebecca G. Bown, 1275 K St., NW, #750 Washington DC 20005	National Women's Political Caucus	1,672.28	
John J. Brady III, 2111 Jefferson Davis Highway Arlington VA 22207	International Trade & Development Agency, Inc		
Carren Bragg, 1901 L Street, NW, #303 Washington DC 20036	Colt Industries, Inc		
Stuart J. Brahs, 1331 Pennsylvania Ave., NW, #719 Washington DC 20004	Association of Private Pension & Welfare Plans, Inc	504.84	
Robert M. Brandon, 1300 Connecticut Ave., NW, #401 Washington DC 20036	Citizen/Labor Energy Coalition		
Edward T. Breathitt, 1050 Connecticut Ave., NW Washington DC 20036	Norfolk Southern Corp	1,000.00	
Michael J. Brennan, 1750 New York Ave., NW Washington DC 20006	International Assn of Bridge Struct & Ornamental Iron Wkrs	10,800.00	424.75
Broadhurst Brook Mangham & Hardy, 1730 Pennsylvania Ave., NW, #300 Washington DC 20006	At-Sea Incineration, Inc		
Do	Columbia Gas System Service Corp		
Do	CSX Corporation	5,337.50	3,636.30
Do	GNB, Inc	5,850.00	388.26
Do	Louisiana Intrastate Gas Corp		
Do	Northwest Pipeline Corp		
Do	Overseas Vessel Conversion	775.00	
Do	Phillips Petroleum Co	1,020.00	
Do	Texas Gas Transmission Corp		
Mario Brossi, 1776 K Street, NW Washington DC 20006	Direct Selling Association		
Donald K. Brown, 1121 L St., #810 Sacramento CA 95814	Crowley Maritime Corp		
Do	Summa Corporation		
John J. Brown, 1125 17th St., NW Washington DC 20036	International Union of Operating Engineers	8,500.00	400.00
Marguerite Bracy Brown, 1625 L St., NW Washington DC 20036	American Fed of State County & Municipal Employees	9,643.26	102.22
Shirle L. Brown, P.O. Box 663, Gpo New York NY 10016	SLB Enterprises		
Brownstein Zeidman & Schomer, 1401 New York Ave., NW, #900 Washington DC 20005	Camara de la Industria de Transformacion de Nuevo Leon	7,825.00	11,475.45
Do	Roosevelt Raceway Associates Limited Partnership		
William K. Brunette, 1909 K Street, NW Washington DC 20049	American Assn of Retired Persons	477.89	69.50
Robert O. Brunner, 1909 K St., NW Washington DC 20049	American Assn of Retired Persons	508.85	71.70
J. Thomas Burch Jr., 1000 Thomas Jefferson Street, NW, #600 Washington DC 20007	Burch and Bennett, P.C. (For: M.A.N. Truck & Bus Corp)		
Burch and Bennett, P.C., 1000 Thomas Jefferson Street, NW, #600 Washington DC 20007	M.A.N. Truck & Bus Corp		
Diane B. Burke, 1625 L Street, NW Washington DC 20036	American Fed of State County & Municipal Employees	8,655.00	227.05
Gerard P. Burke, 117 Spotswood Drive Silver Spring MD 20904	International Air Leases, Inc		
J. J. Burke Jr., 40 E. Broadway Butte MT 59701	Montana Power Co		158.33
Francis X. Burkhardt, 1750 New York Ave., NW Washington DC 20006	International Brotherhood of Painters & Allied Trades		
Mahlon A. Burnette III, 631 Walker Road Great Falls VA 22066	Grocery Manufacturers of America, Inc		
David G. Burney, 2033 M St., NW, #628 Washington DC 20036	U.S. Tuna Foundation	6,000.00	3,000.00
Michael Burns, 21 Dupont Circle, NW, #401 Washington DC 20036	Business Executives for National Security	7,096.00	25.50
Busby Rehm and Leonard, P.C., 1330 Connecticut Ave., NW, #200 Washington DC 20036	Automobile Importers of America, Inc	2,565.00	20.00
Richard R. Buta, 1620 Eye St., NW, #703 Washington DC 20006	Bechtel National, Inc		
James J. Butera, 4th Floor 1101 15th St., NW Washington DC 20005	National Council of Savings Institutions	10,000.00	61.89
M. Caldwell Butler, P.O. Box 720 Roanoke VA 24004	National Conference of Bankruptcy Judges	4,900.00	585.00
Patrick Butler, 1875 Eye Street, NW, #1110 Washington DC 20006	Times Mirror Co		
Butler & Binion, 1747 Pennsylvania Ave., NW Washington DC 20006	Association of Executive Search Consultants, Inc		
Do	Corning Associates	1,000.00	
Do	Jacques Borel Enterprises, Inc and Accor North American, Inc	2,000.00	
Do	National Fed of Independent Business	2,250.00	200.00
John Butts, 777 14th Street, NW Washington DC 20005	National Assn of Realtors	1,250.00	68.85
James R. Byron, 1627 K Street, NW, #200 Washington DC 20006	Fluor Corporation	6,000.00	500.00
John D. Cahill, 444 N. Capitol Street, NW Washington DC 20001	Massachusetts Bay Transportation Authority	3,000.00	
Do	Massachusetts Port Authority	11,625.00	
C. Richard Cahoon, 1120 Vermont Ave., NW, #1130 Washington DC 20005	Petroleum Marketers Assn of America	1,000.00	123.40
James Callan, 1726 M Street, NW, #1000 Washington DC 20036	Electronic Funds Transfer Assn	375.00	375.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Calorie Control Council, 5775 Peachtree-Dunwoody Rd., #500-D Atlanta GA 30342			
Arthur E. Cameron, 316 Pennsylvania Ave., SE, #402 Washington DC 20003	Hall Signs, Inc, et al	1,666.00	
Camp Carmouche Barsh Hunter Gray Hoffman & Gill, 2550 M St., NW, #275 Washington DC 20037	Allied-Signal, Inc		
Do	Allstate Insurance Cos		
Do	Champlin Petroleum Company		
Do	Chemical Manufacturers Assn, Inc	8,341.64	204.58
Do	Georgia-Pacific Corp		
Do	Mobil Oil Corp		
Do	Natural Gas Supply Assn	1,050.00	
Do	Occidental Petroleum Corp		
Do	Pennzoil Co		
Do	PPG Industries, Inc		
Do	Sears Roebuck & Co	11,631.25	3,558.90
Do	South Central Bell		
Do	Texaco, Inc		
Campaign for U.N. Reform-Political Education Committee, 600 Valley Road Wayne NJ 07470		6,005.12	4,581.63
Jeanne Campbell, Campbell-Raupe Associates, Inc 1015 15th Street, NW, #907 Washington DC 20005	Bodine's Inc Food Products		
Robert P. Canavan, 1201 16th St., NW Washington DC 20036	National Education Assn	2,808.00	104.50
William F. Canis, 1730 Pennsylvania Avenue, NW, #450 Washington DC 20006	Caterpillar Tractor Co	2,500.00	122.71
Capital Advocates, 1127 11th Street, #950 Sacramento CA 95814	Crowley Maritime Corp	2,500.00	17,459.89
Do	Distilled Spirits Council of the U.S., Inc		
Capitol Associates, Inc, 1156 15th Street, NW, #1102 Washington DC 20005	American Academy of Allergy & Immunology/Asthma & Allergy	500.00	
Capitol Group, Inc, 2550 M Street, NW, #650 Washington DC 20037	Chemkrete Technologies, Inc; Lubrizol Corp		
Do	Governors Office, Appalachian Regional Commission	6,560.00	449.55
Capitol Marketing Services, 923 Riva Ridge Avenue Great Falls VA 22066			
Denise A. Cardman, 1800 M St., NW Washington DC 20036	American Bar Assn	400.00	50.00
Peter Carlson, 218 D St., SE Washington DC 20003	Environmental Policy Institute	668.04	
Jack Carpenter, 1920 N St. NW Washington DC 20036	American Mining Congress	40.00	11.00
John Benjamin Carroll, 100 E. Washington St., #206 Syracuse NY 13202	Dairy Farmer Distributors of America, Inc		
David C. Carter, 1156 15th St., NW, #1019 Washington DC 20005	U.S. Beet Sugar Assn		
Harlon B. Carter, 1600 Rhode Island Ave., NW Washington DC 20036	National Rifle Assn of America	1,395.85	
Cassidy and Associates, Inc, Metropolitan Square 655 15th St., NW, #1100 Washington DC 20005	Southwest Marine, Inc		
Do	Tufts University	850.00	129.00
Mark A. Casso, 1015 15th Street, NW, #802 Washington DC 20005	American Institute of Architects		
Luis Eduardo Castaneda, P.O. Box 364 Buena Vista Station Miami FL 33137	New Generation Lobby		
G. Thomas Cator, 1050 17th Street, NW Washington DC 20036	Neece Cator & Associates, Inc (For: Association of Small Business Development Centers).		
Do	National Assn of Development Companies (NADCO)		
Do	Neece Cator & Associates, Inc (For: Small Business United)	1,700.00	1,700.00
Do	Neece Cator & Associates, Inc (For: Southeastern Lumber Manufacturers Assn)	1,800.00	1,800.00
Gordon Cavanaugh, 509 C Street, NE Washington DC 20002	Roisman Reno & Cavanaugh (For: Council of Large Public Housing Authorities)	11,618.73	684.81
Cederberg & Associates, 7100 Sussex Place Alexandria VA 22307	Grumman Corporation	200.00	
Do	Martin Marietta Corp	200.00	
Center for Law and Education, Inc, 6 Appian Way Cambridge MA 02138		701.60	1,794.66
David Certner, 1909 K Street, NW Washington DC 20049	American Assn of Retired Persons	442.00	142.75
Chadbourne & Parke, 1101 Vermont Avenue, NW Washington DC 20005	Manufacturers Life Insurance Co & Maine Fidelity Lic	3,287.00	
Do	Washington Psychiatric Society		
Henry Chajet, 1920 N St., NW Washington DC 20036	American Mining Congress	30.00	
William J. Chandler, 1511 K Street, NW, #1100 Washington DC 20005	Natural Resources Defense Council, Inc	5,000.00	100.56
Nancy Chapman, 1728 Church Street, NW Washington DC 20036	Nan Chapman Associates (For: National Assn of Margarine Manufacturers)	3,000.00	100.00
Charles Karalekas McCahill & Wilson, 1250 Connecticut Avenue, NW, #318 Washington DC 20036	Independent Insurance Agents of America		
Children's Television Workshop, One Lincoln Plaza New York NY 10023			
Hal M. Christensen, 1111 14th Street, NW, #1200 Washington DC 20005	American Dental Assn	3,000.00	104.00
Jack E. Christy, 1909 K Street, NW Washington DC 20049	American Assn of Retired Persons	522.31	396.33
Donna M. Cirolia, 1518 K Street, NW, #401 Washington DC 20005	Water Quality Association		
Citizens for Sensible Control of Acid Rain (CSCAR), 1225 Connecticut Avenue, NW, #300 Washington DC 20036		1,270,000.00	
Dennis B. Clark, 311 First Street, NW Washington DC 20001	National Restaurant Assn		
Gilbert Clark, 1117 N. 19th Street, NW, #600 Arlington VA 22209	American Assn of Blood Banks		
Julie Clark, 1625 K St., NW Eighth Floor Washington DC 20006	National Legal Aid & Defenders Assn	10,000.00	64.93
Jacqueline W. Clements, 1015 15th Street, NW, #900 Washington DC 20005	HNG/Internorth	1,500.00	
W. M. Click, Box 719 Dallas TX 75221	Southland Corporation		
Charles M. Clusen, 1400 Eye St., NW Washington DC 20005	Wilderness Society	784.82	
Alan J. Cobb, 1120 Vermont Avenue, NW Washington DC 20005	Petroleum Marketers Assn of America	7,500.00	649.59
David Cohen, 1616 P St., NW, #320 Washington DC 20036	Professionals' Coalition for Nuclear Arms Control	8,750.00	373.05
Deborah A. Cohn, 2000 P Street, NW, #305 Washington DC 20036	Foresight Science & Technology, Inc (For: National Coalition for Science & Technology).		
Colby Bailey Werner & Associates, 2550 M Street, NW, #450 Washington DC 20037	Companhia Siderurgica de Tubarao	55,000.00	6,688.73
Cole & Corette, P.C., 1100 Vermont Avenue, NW, #900 Washington DC 20005	Chase Manhattan Bank, N.A	1,518.58	30.00
Do	Government of the Netherlands Antilles	155.00	58.00
Do	Millipore Corporation	285.00	
Colette R. Coleman, 311 First Street, NW Washington DC 20001	National Restaurant Assn		
Columbia Gorge United, Box 328 Stevenson WA 98648		1,290.42	1,068.54
Commercial Union Insurance Companies, One Beacon Street Boston MA 02108			
Committee for Private Education, 1025 Michigan Avenue, NE Washington DC 20036			
Communications Management, Inc, 1925 North Lynn Street, #1140 Arlington VA 22209	American Council of Life Insurance, Inc	9,219.00	9,219.00
Do	Citizens for Sensible Control of Acid Rain (CSCAR)		
Do	Natural Gas Supply Assn		
Do	Philip Morris USA	59,708.00	59,708.00
Concerned Women for America, 122 C St., NW, #800 Washington DC 20001		33,147.78	33,147.78
Conference of State Bank Supervisors, 1015 18th St., NW Washington DC 20036			4,736.02
Gary L. Conkling, P.O. Box 500, Y3-439 Beaverton OR 97077	Tektronix, Inc	7,500.00	6,989.63
Charles E. Conlon, 923 15th Street, NW Washington DC 20005	Transportation Institute	3,000.00	
Robert J. Conner Jr., 1100 Connecticut Ave., NW Washington DC 20036	Chrysler Corporation	500.00	844.07
Paula J. Connolly, 1020 19th St., NW, #600 Washington DC 20036	American Express Co		
Gerald R. Connor, 1030 15th Street, NW, #1100 Washington DC 20005	Health Industry Manufacturers Assn	2,375.00	49.69
Mark R. Conrad, 1200 Peavey Building Minneapolis MN 55479	Norwest Corporation	12,528.00	1,882.00
Consolidated Edison Co of New York, Inc, 4 Irving Place New York NY 10003			
Consumer Federation of America, 1424 16th St., NW, #604 Washington DC 20036		120,153.00	41,398.00
Contact Systems Corp, 200 Madison Avenue, #1207 New York NY 10016			
Richard Conti, 15 Computer Drive West Albany NY 12205	Hospital Association of New York State	1,079.00	710.11
Daniel J. Conway, 1025 Connecticut Avenue, NW, #512 Washington DC 20036	Reinsurance Assn of America		
C. William Cooper, 603 Broad St. Sewickley PA 15143	United Distribution Companies		
Mark N. Cooper, 1424 16th St., NW, #604 Washington DC 20036	Consumer Federation of America	300.00	
Peter Coppelman, 1400 Eye St., NW Washington DC 20005	Wilderness Society		
John F. Corcoran, 1050 Connecticut Ave., NW, #740 Washington DC 20036	Norfolk Southern Corp	1,000.00	
Frederic William Corle, 4439 P Street, NW Washington DC 20007	Interand Corporation		
Marty Corry, 1909 K Street, NW Washington DC 20049	American Assn of Retired Persons	585.39	379.38
Meredith Cote, 1909 K Street, NW Washington DC 20049	American Assn of Retired Persons	452.31	26.50
Council for a Livable World, 20 Park Plaza Boston MA 02116			24,930.63
James Cousins, 1709 New York Avenue, NW, #801 Washington DC 20006	National Council of Savings Institutions	15,000.00	
W. O. Craft Jr., Craft & Loesch 1050 Thomas Jefferson St., NW, 6th Fl. Washington DC 20008	Allis-Chalmers Energy & Minerals Systems Co	1,845.00	677.38
Do	Consumers United for Rail Equity (C.U.R.E.)	935.00	229.34
Do	Edison Electric Institute		
Do	Illinois Dept of Energy & Natural Resources		
Do	National Armored Car Assn, Inc		
Rosemarie J. Craven, 1919 Pennsylvania Avenue, NW, #300 Washington DC 20006	National Inholders Assn		
Richard C. Creighton, 1331 Pennsylvania Ave., NW, #910 Washington DC 20004	American Cement Trade Alliance, Inc	9,375.00	155.12
Douglas P. Crew, 100 N.e. Adams Street Peoria IL 61629	Caterpillar Tractor Co		
Anne Crichton Crews, 8787 Stemmons Freeway Dallas TX 75247	Mary Kay Cosmetics, Inc		
Donald J. Cronin, 1511 K Street, NW, #820 Washington DC 20005	Frank G. Kingsley	3,000.00	43.00
Lauren J. Cronin, 1331 Pennsylvania Avenue, NW Washington DC 20004	American Cement Trade Alliance, Inc	415.05	26.60
Barry M. Cullen, 1620 Eye St., NW, #700 Washington DC 20006	International Paper Co		
John T. Curran, 815 16th St., NW, #603 Washington DC 20006	Laborers' Intl Union of North America, AFL-CIO	14,182.50	675.99

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	National Coordinating Comm for Multiemployer Plans		
Kathleen L. Curry, 122 C St., NW, #750 Washington DC 20001	National Assn of Independent Colleges & Universities	5,232.00	284.00
Richard C. Curry, P.O. BOX 66 Mclean VA 22101	Fire Island Associates, Inc	4,110.00	546.44
Leslie Dach, 645 Pennsylvania Avenue, SE Washington DC 20003	National Audubon Society	8,125.00	4,376.11
Dairy Farmer Distributors of America, Inc, Chittenango NY 13037			
Dairy Farmers for Responsible Farm Policy, 517 C Street, NE Washington DC 20002		8,840.00	51,260.56
Damrell Damrell & Nelson, P.C., 1625 I Street Modesto CA 95354	Central San Joaquin River Assn		
Do	Turlock Irrigation District		
Tracy Danese, P.O. Box 14000 Juno Beach FL 33408	Florida Power & Light Co		4,495.83
Channing W. Daniel, 1601 Duke Street Alexandria VA 22314	Society of American Florists		
Richard C. Darling, 1156 15th St., NW Washington DC 20005	J. C. Penney Co, Inc	100.00	50.00
John C. Datt, 600 Maryland Ave., SW Washington DC 20024	American Farm Bureau Federation	10,442.00	
Davenport & Seay, One Thomas Circle, NW, #375 Washington DC 20005	City of Detroit, Michigan	31,513.46	12,458.22
James H. Davidson, 1250 Connecticut Ave., NW, #650 Washington DC 20036	American Newspaper Publishers Assn	4,295.69	
James H. Davidson & Associates, Inc, 1250 Connecticut Ave, NW, #650 Washington DC 20036	Magazine Publishers Assn, Inc	6,114.06	
Do	National Assn of Industrial & Office Parks	5,833.34	
Do	Rouse Company	20,475.01	
Davis Wright Todd Riese & Jones, 1752 N St., NW, #800 Washington DC 20036	Grocery Manufacturers of America, Inc	1,450.00	
Do	GTE Sprint Communications		
Michael K. Deaver and Associates, Inc, 1025 Thomas Jefferson St., NW, #800 Washington DC 20007	CBS, Inc		
Jeff Deboer, 777 14th Street, NW Washington DC 20005	National Assn of Realtors	1,750.00	773.82
Robert Debragga, 26 Flander Rd. Rfd #1, Box 239 Stonington CT 06388	Project Cure, Inc		486.98
John J. Degnan, Shanley & Fisher, P.c. 131 Madison Avenue Morristown NJ 07960	Sharp Electronics Corp		
Gail Deloach, P.O. Box 8091 Falls Church VA 22041	Friendship Hill Assn		
Deloitte Haskins & Sells, 655 15th Street, NW Washington DC 20005	Arkansas Electric Cooperative Corp	8,550.00	139.00
Do	Hydril Co		
Do	Tektronix Corporation		
Do	Triangle Industries, Inc		
Do	Union Pacific Corp		
Michael J. Deloose, 1015 18th Street, NW Washington DC 20036	Conference of State Bank Supervisors	645.00	22.55
Georgia L. Delyannis, 1730 K Street, NW, #903 Washington DC 20006	American Hellenic Institute Public Affairs Committee, Inc		
Rene F. Demarco, 1511 K Street, NW, #923 Washington DC 20005	Sports Fans of America		
Ray Denison, 815 16th St., NW Washington DC 20006	American Fed of Labor & Congress of Industrial Organizations	16,982.00	410.09
Kendall P. Dexter, 9 Country Club Road Mobile AL 36608	MacMillan Bloedel, Inc	7,175.00	5,064.00
Law Offices of Paul H. DeLaney, Jr., 1920 N Street, NW, #610 Washington DC 20036	Bowater Industries PLC	5,950.27	
Do	Continental Grain Co		
Do	Howard Hughes Medical Institute	1,969.56	
Do	Staley Continental	13,080.76	
Direct Selling Association, 1776 K Street, NW Washington DC 20006			639.64
Disabled American Veterans, 3725 Alexandria Pike Cold Spring KY 41076		147,082.62	147,082.62
James F. Doherty, 624 9th Street, NW, #700 Washington DC 20001	Group Health Assn of America, Inc	1,312.50	
Robin C. Dole, 1101 CONNECTICUT AVE., NW, #500 Washington DC 20036	Century 21 Real Estate Corp	2,340.00	
Domestic Wildcatters Assn, P.O. Box 53660 Houston TX 77052			
Brian J. Donadio, 122 C St., NW, #875 Washington DC 20001	American Osteopathic Assn	3,240.00	
Nancy A. Donaldson, 110 Maryland Avenue, NE, #408 Washington DC 20002	Women's Action for Nuclear Disarmament Education Fund, Inc	1,593.58	230.22
Richard M. Donaldson, 1738 Guildhall Bldg Cleveland OH 44115	Standard Oil Co (Ohio)		
Thomas F. Donnelly, 955 L'enfant Plaza, SW, #1202 Washington DC 20024	National Water Resources Assn	3,125.00	
Thomas J. Donohue, 2200 Mill Road Alexandria VA 22314	American Trucking Assns, Inc	11,000.00	
May Del Rio Dorfman, 380 Second Avenue New York NY 10010	Planned Parenthood of New York City, Inc	132.17	
Charlene Dougherty, 645 Pennsylvania Avenue, SE Washington DC 20003	National Audubon Society	8,000.00	1,425.79
Theodore Douglas, 6554 Coventry St. Louis MO 63033			
Dow Lohnes & Albertson, 1255 23rd St., NW Washington DC 20037	Algoma Steel Corp, Ltd, et al	23,064.48	29,406.60
Do	Arrowhead Metals, Ltd		
Do	Beeman and Gould	1,936.00	
Do	Canadian Tubular Producers Assn	28.00	
Do	Chicago City Colleges	1,749.25	152.17
Do	Harris Steel Group, Inc	867.50	
Do	Laurel Steel Products, Ltd		
John C. Doyle Jr., 218 D St., SE Washington DC 20003	Environmental Policy Institute	271.07	
Ronald W. Drach, 807 Maine Avenue, SW Washington DC 20024	Disabled American Veterans	15,688.41	
Paul A. Drazek, 600 Maryland Avenue, SW Washington DC 20024	American Farm Bureau Federation	7,604.00	37.75
Dorothy J. Drummer, 1730 K St., NW, #703 Washington DC 20006	American Business Conference, Inc	115.38	30.00
Ernest Dubester, 815 16th Street, NW Washington DC 20006	American Fed of Labor & Congress of Industrial Organizations	15,202.74	449.23
Mary Jane C. Due, 1920 N St., NW Washington DC 20036	American Mining Congress		
Douglas F. Duerr, 1730 Rhode Island Ave., NW, #810 Washington DC 20036	Credit Union National Assn, Inc	300.00	103.44
Michael J. Duff, 1101 16th Street, NW Washington DC 20036	Scientific Apparatus Makers Assn	1,400.00	169.44
Louise C. Dunlap, 218 D St., SE Washington DC 20003	Environmental Policy Institute		
John H. Dunne, 818 Roeder Rd., #702 Silver Spring MD 20910	International Fed of Professional & Technical Engineers		
Margaret A. Durbin, 1850 K Street, NW Washington DC 20006	American Insurance Assn		
David Durham, 777 14th Street, NW Washington DC 20005	National Assn of Realtors	1,250.00	30.35
Dutko & Associates, 412 First St., SE, #40 Washington DC 20003	Schlensker Drilling Co		
Duncan Dwelle, Esprit 900 Minnesota Avenue San Francisco CA 94107	American Fair Trade Council	2,000.00	
Donald R. Ebe, 1800 K St., NW, #800 Washington DC 20006	Goodyear Tire & Rubber Co	4,000.00	
Robert C. Eckhardt, 323 D ST., NE Washington DC 20002	Consolidated Natural Gas Co	5,000.01	
Edison Electric Institute, 9th Floor 1111 19th St., NW Washington DC 20036		25,346.05	196,352.99
Stephen L. Edmiston, 807 Maine Ave., SW Washington DC 20024	Disabled American Veterans	14,024.40	239.09
Edwards Associates, 507 Second St., NE Washington DC 20002	Confederated Tribes of Warm Springs		
Jill W. Eiland, 507 Second Street, NE Washington DC 20002	Portland General Electric Co		
Electronic Funds Transfer Assn, 1726 M Street, NW, #1000 Washington DC 20036			400.00
C. M. Elkins Associates, 1100 17th St., NW, #310 Washington DC 20036	Delaware & Hudson Railway Co		
Do	Missouri Kansas Texas Railroad		
Keith H. Ellis, 1015 18th St.,nw Washington DC 20036	Conference of State Bank Supervisors	3,800.00	268.47
Dorothy A. Ellsworth, 1300 Connecticut Ave., NW Washington DC 20036	International Assn of Machinists & Aerospace Workers	13,968.24	187.58
Employee Relocation Council, 1627 K St., NW, #600 Washington DC 20006			
Steven L. Engelberg, 2033 M St., NW, #404 Washington DC 20036	American Assn for Marriage & Family Therapy		
J. Barry Epperson, P.O. Box 42464 Houston TX 77242	Associated Wire Rope Fabricators	900.00	4,719.86
Paul A. Equale, 600 Pennsylvania Ave., SE, #200 Washington DC 20003	Independent Insurance Agents of America, Inc	11,993.00	
Erisa Industry Committee, 1726 M Street, NW Washington DC 20036		900.00	14,621.10
Martha M. Escutia, 20 F Street, NW, #200 Washington DC 20001	National Council of La Raza	3,500.00	1,050.00
Mark Esherick, 1601 Connecticut Avenue, NW, 4th fl. Washington DC 20009	Zero Population Growth, Inc	465.00	
Brock Evans, 645 Pennsylvania Avenue, SE Washington DC 20003	National Audubon Society	4,300.00	165.00
William J. Evans Jr., 1660 L St., NW, #901 Washington DC 20036	Pan American World Services, Inc	725.00	134.96
Farm Credit Council, 1800 Massachusetts Avenue, NW Washington DC 20036		2,382.98	17,498.76
Frederick Fedeli, 1400 K St., NW Washington DC 20006	American Psychiatric Assn	1,904.00	649.00
Federal Judges Association, 1355 Market Street, #155 San Francisco CA 94103		30,800.00	10,320.75
Federal Kemper Life Assurance Co, Kemper Bldg. D-3 Long Grove IL 60049			388.62
Robert Feenstra, 13545 Euclid Avenue Ontario CA 91761	Milk Producers Council (For: Dairy Farmers for Responsible Dairy Policy)	6,577.92	667.54
Joel F. Feldman, Law Offices of Sheldon I. London 1725 Desales Street, NW, #401 Washington DC 20036	American Hardware Manufacturers Assn		
Randolph Fenninger, 10,000 Falls Road, #306 Potomac MD 20854	American Medical Assn		
George F. Fenton Jr., 1920 N Street, NW Washington DC 20036	American Mining Congress	75.00	
Betsy Ferguson, 1875 Eye St., NW, #1110 Washington DC 20006	Times Mirror Co		
William Ferguson Jr., The Ferguson Company 1875 Eye Street, NW, #1275 Washington DC 20006	City of Baldwin Park		
Do	City of Inglewood		
Do	City of Provo		
Do	City of Redondo Beach		
Do	City of South Salt Lake		
Do	Imperial Irrigation District		
Do	Irvine Company	5,312.50	86.22
Do	Oceanside Redevelopment Agency		
Do	Santa Cruz Properties, Inc		
Jack Ferguson Associates, Inc, 203 Maryland Ave., NE Washington DC 20002	Dillingham Construction Group	29,874.00	1,287.79
Do	Dillingham Ship Repair		
Do	Foss Launch & Tug Company; Foss Alaska Line	2,000.00	763.90

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Midland Capital Corp		
Do	Northwest Energy Company	18,460.00	963.20
Do	Tacoma Boat Building Co/At-Sea Incineration		
Do	U.S. Borax & Chemical Corp	30,625.00	951.45
Do	Western Forest Industries Assn	2,000.00	
C. H. Fields, 600 Maryland Ave., SW Washington DC 20024	American Farm Bureau Federation	6,688.00	105.78
Manuel D. Fierro, 1901 N. Fort Myer Dr., #202 Rosslyn VA 22209	Fond Du Lac Reservation		
Do	Great Lakes Indian Fish & Wildlife Commission		
Carson Lee Fifer Jr., Boothe Prichard & Dudley P.O. Box 1101 Alexandria VA 22304			
Theodora Fine, 1400 K Street, NW Washington DC 20005	American Psychiatric Assn	2,640.00	964.22
Finley Kumble Wagner Heine Underberg Manley & Casey, 1120 Connecticut Ave., NW, #465 Washington DC 20036	Giant Food, Inc	330.00	
Madeline Fishel, 1400 Eye Street, NW Washington DC 20005	Wilderness Society	1,744.24	66.61
John Fisher, 140 Oklahoma Road Cook WA 98605	Columbia Gorge United		
William P. Fisher, 311 First Street, NW Washington DC 20001	National Restaurant Assn		
Mary Clare Fitzgerald, 1025 Thomas Jefferson St., NW, #301 Washington DC 20007	Golembe Associates, Inc		
Alan M. Fitzwater, 3800 Continental Plaza 777 Main Street Fort Worth TX 76102	Burlington Northern Railroad	20,000.00	2,214.98
Frank R. Fleming, 9749 Independence Avenue Chatsworth CA 91311	CHAD Therapeutics, Inc		280.00
Felipe M. Floresca, 67 Wall Street, #1802 New York NY 10005			
Florida Business Associates, 2000 L St., NW, #200 Washington DC 20036	ETA Systems, Inc		
Do	Florida State University		
Do	General Development Corp	3,500.00	
Do	Jacksonville Transportation Authority		
Do	Seaboard System Railroad	7,167.00	
Do	Westinghouse Electric Corp		
Ruth Flower, 245 Second St., NE. Washington DC 20002	Friends Committee on National Legislation	4,050.99	
John J. Flynn, 1125 17th Street, NW Washington DC 20036	International Union of Operating Engineers	7,500.00	165.00
Footwear Retailers of America, 1319 F St., NW, #700 Washington DC 20004			2,700.00
John H. Forehand III, 12216 Fleming Lane Bowie MD 20715	Computervision		
Do	Omni-Tech of America, Inc		
Foreman and Company, 1826 Jefferson Place, NW, #201 Washington DC 20036	Audio Recording Rights Coalition	3,450.00	60.00
Do	Camp Carmouche Barsh Hunter Gray Hoffman & Gill, P.C	1,000.00	50.00
Do	Greene O'Reilly Agnew & Broillet		
Alan Fox, 1424 16th Street, NW, #604 Washington DC 20036	Consumer Federation of America	6,346.00	
Allan M. Fox, 1575 I Street, NW, #1150 Washington DC 20005	Kaye Scholer Fierman Hays & Handler (For: Bristol-Myers Co)	275.00	
Do	Kaye Scholer Fierman Hays & Handler (For: National Coalition for Cancer Research)	193.00	
Chuck Fox, 218 D Street, SE Washington DC 20003	Environmental Policy Institute	396.22	28.00
David E. Franasiak, 1001 22rd Street, #600 Washington DC 20037	Standard Oil Co (Ohio)	262.50	176.39
Thomas C. Franks, 5th Floor 1220 L St., NW Washington DC 20005	American Resort & Residential Development Assn	1,500.00	185.01
Fried Frank Harris Shriver & Jacobson, 600 New Hampshire Ave., NW, #1000 Washington DC 20037	Cheyenne River Sioux Tribe		27.55
Do	General Electric Co	1,451.00	
Do	Micconsukee Tribe of Indians of Florida		
Do	Nez Perce Tribe		
Do	Pueblo of Laguna		42.82
Do	Schenley Industries, Inc	120.00	
Do	Seneca Nation of Indians		40.00
Philip P. Friedlander Jr., 1250 Eye Street, NW, #400 Washington DC 20005	National Tire Dealers & Retreaders Assn		
Friends Committee on National Legislation, 245 2nd St., NE Washington DC 20002			25,046.96
Allyn M. Fritts, 1298 Woodside Drive Mclean VA 22102	New Bedford Seafood Council, Inc	5,001.00	213.93
Charles H. Fritts, 1101 14th Street, NW, #804 Washington DC 20005	National Apartment Assn	9,375.00	217.10
Robert F. Froehlke, 1285 Avenue of The Americas New York NY 10019	Equitable Life Assurance Society of the U.S	800.00	
David A. Fulton, P.O. Box 7305, Dept. 77 Kansas City MO 64116	Farmland Industries, Inc		
Nancy H. Fussell, 1700 N. Moore St. Rosslyn VA 22209	Boeing Company	5,100.00	1,466.92
David H. Fyock, 600 Maryland Ave., SW, #520 Washington DC 20024	GPU Service Corporation	4,156.00	1,145.01
G-4 Children's Coalition, 1666 K St., NW, Rm. 1100 Washington DC 20006		1,332.32	
Deborah Gahs, 1601 Duke Street Alexandria VA 22314	Society of American Florists		
Curtis B. Gans, Route 2, Box 60 Lovettsville VA 22190	Committee for the Study of the American Electorate	7,500.00	1,050.00
Harry D. Garber, 1285 Avenue of The Americas New York NY 10019	Equitable Life Assurance Society of the U.S	600.00	
Lillian B. Gaskin, 1800 M St., NW Washington DC 20036	American Bar Assn	400.00	50.00
Gay Rights National Lobby, Inc, P.O. Box 1892 Washington DC 20013		31,507.92	34,962.35
Garry Geffert, 2001 S Street, NW, #312 Washington DC 20009	Farmworker Justice Fund, Inc	863.99	
Robert C. Gelardi, 5775 Peachtree-Dunwoody Rd., #500-D Atlanta GA 30342	Robert H. Kellen Co (For: Calorie Control Council)		
Fred J. Gentile, 195 Montague Street Brooklyn NY 11201	Brooklyn Union Gas Co		
Geothermal Resources Assn, 649 South Olive Street, #500 Los Angeles CA 90014		3,000.00	
Gerard Byler & Associates, Inc, 1100 17th Street, NW Washington DC 20036	Colville Business Council		
Do	Commissioned Officers Assn of the U.S. Public Health Service	308.00	
Do	Leech Lake Reservation Business Committee		
Do	Minnesota Chippewa Tribe	361.00	
Do	Papago Tribe of Arizona	1,849.00	
Do	San Carlos Apache Tribe	405.00	
Do	Tulalip Tribes	2,067.00	
Do	White Earth Tribal Council	3,030.00	
Gibson Dunn & Crutcher, 1050 Connecticut Avenue, NW Washington DC 20036	Wheeling-Pittsburgh Steel Corp	26,973.75	3,313.54
Michael Gildea, 815 16th St., NW Washington DC 20006	American Fed of Labor & Congress of Industrial Organizations	15,712.34	
William Gilmartin, 2010 Massachusetts Ave., NW, #500 Washington DC 20036	Planned Parenthood Fed of America, Inc	1,563.55	22.00
Michael K. Gire, Bricker & Eckler 100 E. Broad St. Columbus OH 43215	American Small and Rural Hospital Association, Ohio Chapter		
John P. Gleason, 11490 Commerce Park Dr. Reston VA 22041	Brick Institute of America		
James T. Glenn, 1331 Pennsylvania Ave., NW, #560 Washington DC 20004	CSX Corporation	3,000.00	743.56
Global USA, Inc, Global House 1823 Jefferson Place, NW Washington DC 20036	Fanuc Ltd		
Do	Hitachi Ltd		
Do	Komatsu Ltd	214.05	
Do	Kyocera Corporation		
Do	Mazak Corporation		
Jere W. Glover, 1725 K Street, NW, #308 Washington DC 20006	National Coalition of Petroleum Retailers		
Do	National Council for Industrial Innovation		
Horace D. Godfrey, 918 16th St., NW, Suite S-501 Washington DC 20006	Godfrey Associates, Inc		
Godfrey Assoc, Inc, 918 16th St., NW, Suite S-501 Washington DC 20006	Godfrey Associates, Inc		
Linda F. Golodner, 815 15th Street, NW, #516 Washington DC 20005	National Consumers League		
Helen C. Gonzales, 236 Massachusetts Ave., NE. #504 Washington DC 20002	National Consumer Law Center	318.88	
Goodwin Procter & Hoar, 28 State Street Boston MA 02109	Polaroid Corporation		
Douglas Gordon, 1401 New York Ave., NW, #400 Washington DC 20005	National Food Processors Assn	187.50	
David W. Gorman, 807 Maine Avenue, SW Washington DC 20024	Disabled American Veterans	12,688.00	337.28
Peter Gossens, 122 C Street, NW, #750 Washington DC 20001	National Assn of Independent Colleges & Universities	9,974.00	94.00
John K. Gram, 610 S.w. Broadway, #608 Portland OR 97205	Public Timber Purchasers Group	1,781.25	324.80
James L. Granum, 1050 Connecticut Ave., NW Washington DC 20036	Norfolk Southern Corp	1,000.00	
Graphic Communications International Union, AFL-CIO, CLC, 1900 L Street, NW Washington DC 20036		29,469.00	32,836.00
John K. Green, 800 American Charter Center 1623 Farnam St. Omaha NB 68102	Papillion-Lavista Nebrask School District	3,117.00	1,055.75
Leon Green Jr., 1133 21st Street, NW, #500 Washington DC 20036	Clean Coal Coalition, Inc		
Ellen F. Greenberg, 1200 17th Street, NW Washington DC 20036	American Psychological Assn	2,625.00	83.00
Phyllis Greenberger, 1400 K Street, NW Washington DC 20005	American Psychiatric Assn	1,904.00	1,137.39
Robert Greenstein, 236 Massachusetts Avenue, NE Washington DC 20002	Center on Budget & Policy Priorities	2,029.89	500.73
John M. Greer, 1900 L Street, NW Washington DC 20036	Graphic Communications International Union, AFL-CIO, CLC	29,469.00	32,836.00
Janice M. Gregory, 1726 M St., #704 Washington DC 20036	Erisa Industry Council		
Mary Elizabeth Gregory, 2075 S. Atlantic Blvd. Commerce CA 90040	American Sun, Inc		
Randall Griffin, 1515 Wilson Boulevard Arlington VA 22209	American Gas Assn	2,500.00	262.15
James N. Groninger, 777 14th Street, NW Washington DC 20005	National Assn of Realtors	2,400.00	258.97
Jerome Grossman, 20 Park Plaza Boston MA 02116	Council for a Livable World	4,159.38	
Gerald M. Guarilia, 70 North Main Street Wilkes-Barre PA 18711	Blue Cross of Northeastern Pennsylvania		
Gun Owners of America, Inc, 5881 Leesburg Pike, #204 Falls Church VA 22041		232,998.91	222,907.35
Leland M. Gustafson, 1726 M St., NW Washington DC 20036	Pacific Gas & Electric Co	3,636.00	3,019.05
Ned H. Guthrie, 209 Hayes Avenue Charleston WV 25314	American Fed of Musicians	3,575.00	3,483.19
Richard E. Gutting Jr., 2000 M St., NW, #580 Washington DC 20036	National Fisheries Institute	6,000.00	
Glenn M. Hackbarth, 444 N. Capitol Street, #204 Washington DC 20001	Bonneville Associates, Inc (For: Intermountain Health Care, Inc)	13,750.00	127.30
Hale Foundation, 422 First Street, SE, #208 Washington DC 20003		25,542.00	1,409.29

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Beverly Halem, P.O. Box 1419 Cocoa FL 32922	Halem Industries, Inc		
Rhonda Lee Halverson, 1730 K St., NW, #703 Washington DC 20006	American Business Conference, Inc	64.62	30.00
Jerald V. Halvorsen, 2200 Mill Road Alexandria VA 22314	American Trucking Assns, Inc	15,000.00	3,021.23
Martin Hamburger, 100 Maryland Ave., NE Washington DC 20002	Peacepac	2,529.63	
William W. Hamilton Jr., 2010 Massachusetts Ave., NW, #500 Washington DC 20036	Planned Parenthood Fed of America, Inc	747.81	59.50
Handgun Control, Inc, 1400 K Street, NW, #500 Washington DC 20005		764,627.00	232,929.00
Donald K. Hanes, 1800 Massachusetts Ave., NW Washington DC 20036	National Council of Farmer Cooperatives	184.75	
James M. Hanley, 300 Metropolitan Square 455 15th Street, NW Washington DC 20005	Alliance of Non-Profit Mailers	12,501.00	750.00
Hannaford Co, Inc, 655 15th St., NW, #200 Washington DC 20005	China External Trade Development Council	3,300.00	367.33
Do	Producer's Gas Co	750.00	395.30
Do	Smokeless Tobacco Council, Inc	750.00	372.45
Do	Triple A Shipyards	240.00	243.70
Christopher W. Hansen, 1745 Jefferson Davis Highway, #1000 Arlington VA 22202	General Dynamics Corp	1,000.00	187.30
Heidi Hanson, 218 D Street, SE Washington DC 20003	Environmental Policy Institute		
Leon Harper, 1909 K Street, NW Washington DC 20049	American Assn of Retired Persons	250.00	
Milton E. Harris, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington DC 20037	Harris Steel Group, Inc	1,125.00	521.65
J. William W. Harsch, 1600 M St., NW, #701 Washington DC 20036	Solv-Ex Corporation	8,535.00	1,228.04
Clifford J. Harvison, 2200 Mill Rd. Alexandria VA 22314	National Tank Truck Carriers, Inc		
Walter A. Hasty Jr., 801 18th Street, NW, #400 Washington DC 20006	Procter & Gamble Manufacturing Co	97.50	
Gary R. Hattal, 8701 Georgia Avenue, #701 Silver Spring MD 20910	International Fed of Professional & Technical Engineers		
Kathryn Joann Hawes, 818 Roeder Rd., #702 Silver Spring MD 20910	International Fed of Professional & Technical Engineers		
Health Tech, Inc, 1401 Walnut Street, #1000 Philadelphia PA 19102	Forbes Health Systems	1,812.50	
Joan A. Heffernan, 1200 17th Street, NW Washington DC 20036	American Psychological Assn	2,018.00	32.43
Ross J. Heide, 1001 22nd Street, NW, #600 Washington DC 20037	Standard Oil Co (Ohio)		
John F. Heilman, 807 Maine Ave., SW Washington DC 20024	Disabled American Veterans	17,331.60	246.43
Helicopter Assn International, 1619 Duke Street Alexandria VA 22314			27,950.00
Suzanne C. Helmick, One Nationwide Plaza Columbus OH 43216	Nationwide Insurance Co	600.00	
Donald E. Henderson, 130 E. Washington Street Indianapolis IN 46204	Indiana Farm Bureau, Inc	2,000.00	2,910.46
Hercules, Inc, Hercules Plaza Wilmington DE 19894			11,316.95
Lawrence R. Herman, 600 Pennsylvania Avenue, SE, #200 Washington DC 20003	Independent Insurance Agents of America, Inc	12,247.00	
Heron Burchette Ruckert & Rothwell, 1025 Thomas Jefferson St., NW, #700 Washington DC 20007	California Student Loan Finance Corp	3,000.00	750.00
Barry Alexander Herring, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington DC 20037	Laurel Steel Products, Ltd	462.00	681.48
Esther Herst, 236 Massachusetts Avenue, NE, #406 Washington DC 20002	National Comm Against Repressive Legislation	6,000.00	
Fred Hervey, P.O. Box 52084 Phoenix AZ 85072	Reduce Our Debt Foundation		
Heublein, Inc, Munson Road Farmington CT 06032			19,136.08
Dale E. Heydlauff, 1050 Thomas Jefferson St., NW, 6th Fl. Washington DC 20007	Allis Chalmers Energy & Minerals Systems Co	960.00	677.38
Do	Clean Coal Technology Coalition		
Do	Consumers United for Rail Equity (C.U.R.E.)	990.63	229.34
Do	Edison Electric Institute		
Do	Illinois Commerce Commission	1,806.25	25.91
Do	Illinois Dept of Energy & Natural Resources	575.00	514.78
Do	Illinois Environmental Protection Agency	262.50	242.91
Vern F. Highley, 1735 I Street, NW, #716 Washington DC 20006	Highley Dolphin & Brock (For: Dolphin Group and Donald E. Brock)	6,000.00	799.46
Sheila K. Hixson, 1111 14th Street, NW Washington DC 20005	American Dental Assn	1,000.00	1,326.29
Glen D. Hofer, 1800 Massachusetts Ave., NW Washington DC 20036	National Council of Farmer Cooperatives	2,695.00	
Hogan & Hartson, 815 Connecticut Ave., NW Washington DC 20006	Coalition for the Advancement of Industrial Technology	3,219.13	21.76
Do	Computer & Business Equipment Manufacturers Assn	1,350.00	
Do	Scientific Apparatus Makers Assn		
Do	Semiconductor Industry Association	1,128.60	
Philip A. Hogue, 150 S. Washington St., #100 Falls Church VA 22046	International Technical Expertise Ltd		
William J. Holayter, 1300 Connecticut Avenue, NW Washington DC 20036	International Assn of Machinists & Aerospace Workers	7,682.48	
Michele O'Donnell Holbrook, 10 Lafayette Squrae, Rm. 900 Buffalo NY 14203	National Fuel Gas Distribution Corp, et al	1,650.00	3,327.95
Holland & Knight, 888 17th St., NW Washington DC 20006	Florida Downtown Development Assn	2,500.00	144.00
Do	Pan American Satellite Corp	18,768.18	
Wendell M. Holloway, 815 Connecticut Ave., NW, #900 Washington DC 20006	Ford Motor Co	1,245.00	1,399.91
Moses D. Holmes Jr., 1201 16th St., NW Washington DC 20036	National Education Assn	2,808.00	42.50
Pete Horner Jr., 2653 A.s. Walter Reed Drive Arlington VA 22206			
Harry J. Horrocks II, 40 Ivy Street, SE Washington DC 20003	National Lumber & Building Material Dealers Assn	8,965.17	
Sanford D. Horwitt, 5935 N. 5th Road Arlington VA 22203	Committee for Humane Legislation, Inc		
Do	Friends of Animals, Inc		
Hospital Association of New York State, 15 Computer Drive West Albany NY 12205		3,334.00	3,334.00
Edward F. Howard, 1334 G Street, 3rd Fl. Washington DC 20005	Villers Advocacy Associates	4,553.28	10.85
James P. Howell, 1800 Massachusetts Avenue, NW Washington DC 20036	National Council of Farmer Cooperatives	1,165.00	
Karl T. Hoyle, 1730 Rhode Island Ave., NW, #810 Washington DC 20036	Credit Union National Assn, Inc	300.00	342.74
Steven D. Huff, 111 East Wisconsin Avenue, #1800 Milwaukee WI 53202	National Employee Benefits Institute		
Peter W. Hughes, 1909 K St., NW Washington DC 20049	American Assn of Retired Persons	1,213.69	
Peter C. Hunt, 195 Montague St. Brooklyn NY 11201	Brooklyn Union Gas Co		
Richard M. Hunt, 1150 Connecticut Ave., NW, #1009 Washington DC 20036	NL Industries, Inc	4,775.00	
Gerard F. Hurley, 1625 I St., NW, #609 Washington DC 20006	National Club Association		
Robert E. Hutchinson, P.O. Box 52084 Phoenix AZ 85072	Reduce Our Debt Foundation		
Isabel E. Hyde, 1800 K Street, NW Washington DC 20006	Goodyear Tire & Rubber Co	2,550.00	
Floyd H. Hyde Associates, 815 15th St., NW Washington DC 20005	Alameda, California	600.00	1,859.88
Do	Clark County, Nevada	1,390.00	1,859.88
Do	Fresno City, California	8,510.00	3,616.40
Do	Fresno County, California	800.00	1,859.88
Do	Gary, Indiana	1,249.99	1,859.88
Do	Patterson, New Jersey	750.00	1,859.88
Do	San Bernardino, California	1,249.99	1,859.88
Do	San Leandro, California	603.99	1,859.88
Annelise Ilschenko, 120 Cameron Street, #203 Alexandria VA 22314			
Tom Imeson, 920 S.w. Sixth Avenue 1400 Psb Portland OR 97204	Pacific Power & Light Co	1,479.00	
Independent Insurance Agents of America, Inc, 100 Church St. New York NY 10007		28,233.00	28,233.00
Industry Council for Tangible Assets, 1701 Pennsylvania Ave., NW, #533 Washington DC 20006			
Int'l Union, United Auto Aerospace & Agric Implement Workers, Workers of America (uaw) 8000 E. Jefferson Detroit MI 48214.		127,442.26	127,442.26
Interlake, Inc, 2015 Spring Rd. Oak Brook IL 60521			17,030.47
International Assn of Bridge Struct & Ornamental Iron Wkrs, 1750 New York Ave., NW Washington DC 20006			10,800.00
International Assn of Machinists & Aerospace Workers, 1300 Connecticut Ave., NW Washington DC 20036			28,350.74
International Brotherhood of Painters & Allied Trades, 1750 New York Ave., NW Washington DC 20006			
International Business & Economic Research Corp, 2121 K St., NW, #700 Washington DC 20008	American Assn of Exporters & Importers/Textile & Apparel Grp	475.75	423.37
Do	Trade Industry & Customs Dept, Gov't of Hong Kong		
International Footwear Assn, 47 West 34th Street, #804 New York NY 10001		87.00	87.00
International Union of Operating Engineers, 1125 17th St., NW Washington DC 20036		16,000.00	565.00
Investment Counsel Assn of America, Inc, 50 Broad St. New York NY 10004			
John Isaacs, 100 Maryland Ave., NE Washington DC 20002	Council for a Livable World	7,686.83	
Benjamin R. Jackson, 12030 Sunrise Valley Dr., #201 Reston VA 22091	Techlaw		
Roy T. Jacobsen, 1667 K St., NW, #525 Washington DC 20006	Detroit & Mackinac Railway Company		
Do	Precision Magnetics & Ceramics		
Raymond C. Janus, c/o Christopher L. Meyer P.O. Box 88 E Unit Ashland KY 41101			
Do	New Generation Lobby		
Japanese American Citizens League, 1765 Sutter Street San Francisco CA 94118			
Joseph A. Jeffrey, 1920 N St., NW, #300 Washington DC 20036	American Mining Congress	400.00	
Jenner & Block, 21 Dupont Circle, NW Washington DC 20036	Citicorp Capital Investors, Ltd	8,915.00	113.45
Do	Metropolitan Transit Authority	10,875.00	557.83
Do	San Francisco Public Utilities Commission	1,982.73	17.27
Do	Walker Urquhart & Co		
Charles Joeckel Jr., 807 Maine Ave., SW Washington DC 20024	Disabled American Veterans	22,401.60	165.00
Bruce Johnson, Law Offices of Bruce Johnson 1718 Connecticut Ave., NW Washington DC 20009	Ad-Hoc Mortgage-Backed Securities Legis. & Regulatory Assn		
Do	Faic Securities, Inc	5,000.00	798.82
Do	First Boston Corp	15,000.00	3,624.02
Do	Kidder Peabody & Co, Inc	3,750.00	1,000.00
James E. Johnson, 11510 Georgia Avenue, #115 Wheaton MD 20902	J. E. Johnson & Associates, Inc		
Allan R. Jones, 2200 Mill Rd. Alexandria VA 22314	American Trucking Assns, Inc	9,000.00	564.32

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Julie S. Jones, 1050 17th Street, NW, #301 Washington DC 20036	Primark Corporation	700.00	
Randall T. Jones, 1800 Massachusetts Ave., NW Washington DC 20036	National Council of Farmer Cooperatives	2,000.00	
David W. Joyner, 777 14th Street, NW Washington DC 20005	National Assn of Realtors		
H. Richard Kahler, 100 N.e. Adams Street Peoria IL 61629	Caterpillar Tractor Co		
James A. Kaitz, 1101 16th Street, NW Washington DC 20036	Scientific Apparatus Makers Assn	1,100.00	233.54
Donald J. Kaniewski, 905 16th St., NW Washington DC 20006	Laborers' Intl Union of North America, AFL-CIO	7,500.00	166.80
Patricia L. Katson, 300 Independence Ave., SE Washington DC 20003	Liberty Lobby, Inc	5,500.00	509.13
Robert A. Kay, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington DC 20037	Arrowhead Metals, Ltd		
Kaye Scholer Fierman Hays & Handler, 1575 I Street, NW, #1150 Washington DC 20005	Bristol-Myers Co	440.00	500.00
Do	Drummond Company		
Do	Elsevier Scientific Publishers		
Do	International Medical Centers, Inc		1,088.00
Do	ITT Corporation		
Do	LDX Net, Inc		
Do	National Coalition for Cancer Research		1,651.44
Do	Pioneer Systems, Inc		55.00
Do	Raymark Corporation	2,167.00	
Do	United Television, Inc	956.00	
Do	Venture Development Corp		63.00
Keck Mahin & Cate, 1730 Pennsylvania Avenue, NW, #350 Washington DC 20006	Schwinn Bicycle Co	543.75	
Keith Keeney, 5775 Peachtree-Dunwoody Rd., #500-D Atlanta GA 30342	Robert H. Kellen Co (For: Calorie Control Council)		
Keiki Kehoe, 218 D St., SE Washington DC 20003	Environmental Policy Institute	210.40	
Suellen Keiner, 218 D Street, SE Washington DC 20003	Environmental Policy Institute		
Robert H. Kellen, 5775 Peachtree-Dunwoody Rd., #500-D Atlanta GA 20342	Robert H. Kellen Co (For: Calorie Control Council)		
Donald W. Keller, P.O. Box 3331 Houston TX 77253	Quintana Petroleum Corp		
Thomas F. Kelley III, 311 First Street, NW Washington DC 20001	National Restaurant Assn		
Ty Kelley, P.O. Box 1417-D49 Alexandria VA 22313	National Assn of Chain Drug Stores, Inc	1,500.00	
Deborah Marquis Kelly, 1200 17th Street, NW Washington DC 20036	American Psychological Assn	2,100.00	52.33
Richard B. Kelly, 770 Lexington Avenue New York NY 10021	National Assn of Catalog Showroom Merchandisers	500.00	
Do	National Coalition of Lower Prices	500.00	
Kemper Financial Services, Inc, 120 South Lasalle Street Chicago IL 60603			63.05
Kemper Investors Life Insurance Co, 120 South Lasalle Street Chicago IL 60603			217.00
Sabastian Kenight, 1994-A Woodward Ave., #312 Bloomfield Hills MI 48013	KF, Inc (For: AFGE - Alliance for Local 1658)		
Frances Ann Kenkel, 1331 Pennsylvania Ave., NW, #719 Washington DC 20004	Association of Private Pension & Welfare Plans, Inc		
Vytautas Kerbelis, P.O. BOX 4533 KEY WEST FL 33041	ARAS		
T. Michael Kerr, 1625 L St., NW Washington DC 20036	American Fed of State County & Municipal Employees	10,815.00	151.38
Frederick A. Kessinger, 1201 4th St., SW Washington DC 20024	Animal Health Institute		
Dale Rodney Ketcham, 1980 N. Atlantic Ave., #918 Cocoa Beach FL 32931			
Gene Kimmelman, 1424 16th Street, NW Washington DC 20036	Consumer Federation of America	8,261.00	
King & Spalding, 1730 Pennsylvania Ave., NW, #1200 Washington DC 20006	Dorchester Partners		
Do	Matra S.A. Sofretu S.A. and Combustion Engineering, Inc		
Do	Milliken & Company	17,100.00	45.83
Do	Woodruff Foundation		
Janie A. Kinney, Blum Nash & Railsback 1133 15th Street, NW, #1100 Washington DC 20005	Disclosure, Inc		
Kirby Gillick Schwartz & Tuohey, P.C., 1220 L Street, NW, #310 Washington DC 20005	America West Airlines, Inc		
Do	National Vehicle Leasing Assn		
Kirkland & Ellis, 655 15th Street, NW Washington DC 20005	Amalgamated Sugar Co	5,155.00	106.00
Do	Keystone Consolidated Industries, Inc	846.00	106.00
Do	T.I.M.E.-DC, Inc	2,860.00	151.00
Kirkpatrick & Lockhart, 1900 M St., NW Washington DC 20036	American Council of Life Insurance, Inc		
Do	Calvert Group, Ltd		
Do	Council of State Housing Agencies		
Do	International Gold Corporation Limited		
Do	Investors Fiduciary Trust Co	2,415.00	
Do	Paine Webber Jackson & Curtis, Inc		
Do	Republic National Bank of New York		
Do	Search Group, Inc	4,099.33	524.82
Do	Whitney National Bank of New Orleans		
Do	Wolverine World Wide, Inc	240.00	
Donald R. Kirtley, Hercules Plaza Wilmington DE 19894	Hercules, Inc		
Richard L. Klass, 1818 N St., NW, #600 Washington DC 20036	DGA International, Inc (For: Societe Nationale D'Etude et de Const de Moteurs D'Aviation).		
Peter E. Knight, 1101 15th Street, NW, #400 Washington DC 20005	National Council of Savings Institutions	8,000.00	
C. Neal Knox, Neal Knox Associates Box 6537 Silver Spring MD 20906		3,000.00	200.00
Paul E. Kohl, J.c. Penny Co., Inc. 1301 Avenue of The Americas New York NY 10019	18th Cong Dist for Pro-Life Activities		
Kominers Fort Schlefer & Boyer, 1401 New York Ave., NW, 12th Fl. Washington DC 20005	Apex Marine Corp	37,125.00	6,490.17
Do	Atlantic Richfield Co	21,615.00	7,467.91
Do	Crowley Maritime Corp & Subsidiaries	22,800.00	4,498.60
Do	Matson Navigation Co	29,237.35	2,205.25
Alan G. Kraut, 1200 17th Street, NW Washington DC 20036	American Psychological Assn	3,000.00	279.25
Lawrence E. Kreider, 1015 18th St., NW Washington DC 20036	Conference of State Bank Supervisors		
James C. Krone, 1152 Haslett Road P.O. Box 99 Haslett MI 48840	Roses, Inc	300.00	
James S. Krzyminski, 1800 Massachusetts Ave., NW Washington DC 20036	National Council of Farmer Cooperatives	430.00	
Laborers' Intl Union of North America, AFL-CIO, 905 16th St., NW Washington DC 20006			22,533.09
Rebecca F. Lambert, 410 E. 57TH STREET New York NY 10022	Wiley & Rein (for Comsat)		
Lane & Edson, P.C., 2300 M Street, NW Washington DC 20036	National Assn of Energy Service Cos	483.00	483.00
Do	National Leased Housing Assn	900.00	
Lane & Mittendorf, 1750 K Street, NW, #1200 Washington DC 20006	Independent Producers Group	8,547.50	1,180.57
Karl F. Lauenstein, 1745 Jefferson Davis Highway, #1000 Arlington VA 22202	General Dynamics Corp	1,000.00	254.26
Dennis Lavallee, 180 S. Washington St., P.O. Box 6808 Falls Church VA 22046	National Assn of Plumbing-Heating-Cooling Contractors	500.00	66.28
George H. Lawrence, 1515 Wilson Blvd. Arlington VA 22209	American Gas Assn	2,000.00	
Lechner & Butsavage, P.C., 1819 H ST., NW, #1125 Washington DC 20006	National Assn of Police Organizations	13,750.00	12,135.33
Robert F. Lederer, 1250 I Street, NW, #500 Washington DC 20005	American Assn of Nurserymen		
Lefevere Lefler Kennedy O'Brien & Drawz, 2000 First Bank Place West 120 South 6th Street Minneapolis MN 55402	City of New Brighton		
Leff & Mason, 1700 Pennsylvania Ave., NW, #450 Washington DC 20006	County of Orange		
Do	Orange County Transportation Commission		
Do	Orange County Water District		
Do	Sanitation Districts of Orange County		
Do	Santa Ana River Flood Protection Agency		
Donna Lenhoff, 2000 P St., NW, #400 Washington DC 20036	Women's Legal Defense Fund	423.56	131.45
Roger N. Levy, 600 Pennsylvania Avenue, SE, #200 Washington DC 20003	Independent Insurance Agents of America, Inc	19,533.00	
Stuart A. Lewis, 1919 Pennsylvania Ave., NW, #300 Washington DC 20006	First Interstate Bancorp		
Do	Manufacturers Hanover Corp	700.00	
Do	National Bank of Detroit	400.00	
Robert G. Liberatore, 1100 Connecticut Avenue, NW Washington DC 20036	Chrysler Corporation	2,250.00	395.80
Judith Lichtman, 2000 P St., NW, #400 Washington DC 20036	Women's Legal Defense Fund	88.52	54.28
Duke R. Ligon, 4606 N. 32nd Street Arlington VA 22207	Corcoran Hardesty Whyte Hemphill & Ligon, P.c. (For: Nova Scotia Resources Ltd)		
Do	Corcoran Hardesty Whyte Hemphill & Ligon (For: Province of Nova Scotia)		
Diane Palmer Lilly, 1200 Peavey Building Minneapolis MN 55479	Norwest Corporation		
Donald Lindsey, 8213 S. Richmond Chicago IL 60652	Brotherhood of Locomotive Engineers		
Linton Mields Reisler & Cottone, 1015 18th St., NW, #200 Washington DC 20036	Iowa Department of Transportation	4,350.00	
Do	Lake Superior District Power Co	588.00	
Do	Madison Gas & Electric Co	1,499.00	
Do	Metropolitan Sanitary District of Greater Chicago	8,147.00	
Do	Michigan Dept of Transportation	3,914.00	
Do	Northern States Power Co	1,594.00	
Do	Oregon Department of Transportation	3,000.00	
Do	State of Colorado, Dept of Highways	2,970.00	
Do	State of IL, Dept of Transportation	5,177.00	
Do	State of IL, Dept of Transportation, Div of Water Resources	4,988.00	
Do	Superior Water Light & Power Co	275.00	
Do	Wisconsin Electric Power Co	9,081.00	708.00
Do	Wisconsin Fuel and Light Co	245.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Wisconsin Natural Gas Co	3,000.00	36.00
Do	Wisconsin Power & Light Co	4,332.00	
Do	Wisconsin Public Service Corp	4,770.00	
David A. Litvin, Suite 600 1001 22nd St., NW Washington DC 20037	Standard Oil Company (Ohio)	387.50	41.33
Law Ofcs of Sheldon London, 1725 Desales St., NW, #401 Washington DC 20036	American Hardware Manufacturers Assn		
William E. Long, One Nationwide Plaza Columbus OH 43216	Nationwide Insurance Co	9,360.00	
Timothy Lovain, 3713 Gunsten Rd. Alexandria VA 22302	Denny Miller Associates	9,000.00	
Charles M. Loveless, 1625 L Street, NW Washington DC 20036	American Fed of State County & Municipal Employees	10,458.00	288.60
Charles Emmet Lucey, Manatt Phelps Rothenberg Tunney & Evans 1200 New Hampshire Avenue, NW, #200 Washington DC 20036.	Catholic Press Assn		
Do	McDermott Will & Emery		
Peter J. Luciano, 923 15th Street, NW Washington DC 20005	Transportation Institute	5,000.00	
William F. Ludlam Sr., P.O. Box 5282 Virginia Beach VA 23455	Arba Licensees Assn	6,000.00	2,071.00
Luman & Schoor, 1030 15th St., NW, #720 Washington DC 20005	National Assn of Personnel Consultants		
Michael L. Lunceford, 8787 Stemmons Freeway Dallas TX 75247	Mary Kay Cosmetics, Inc		
James Lyon, 218 D St., SE Washington DC 20003	Environmental Policy Institute	208.59	
Samuel A. Mabry, 1800 K St., NW Washington DC 20006	Hercules, Inc	4,937.50	3,805.88
Sheila MacDonald, 3231 Beech Street, NW Washington DC 20015	National Taxpayers Union	4,509.00	
Peter T. Madigan, 777 14th Street, NW Washington DC 20005	National Assn of Realtors	2,500.00	437.39
K. Wayne Malbon, 1250 I Street, NW, #400 Washington DC 20005	National Tire Dealers & Retreaders Assn	127.00	
Daniel C. Maldonado, 10000 Falls Rd., #306 Potomac MD 20854	Aids Action Council		
Do	American Soc of Anesthesiologists	7,916.00	201.56
Do	Association of Univ Programs & Occupational Health & Safety	950.00	56.28
Do	Department of Public Health		
Do	Los Angeles Alliance for Equitable Customs Staffing	1,000.00	138.64
Do	National Hemophilia Foundation	1,000.00	66.40
Do	University of Nevada, Las Vegas	1,340.00	113.80
Eugene J. Malone Jr., 16002 Edgewood Drive Dumfries VA 22026	CSX Corporation		
Lawrence R. Malone, 1211 Avenue of The Americas New York NY 10036	Celanese Corp		
Manatt Phelps Rothenberg Tunney & Evans, 1200 New Hampshire Ave., NW, #200 Washington DC 20036	Alliance for a Capital Access	4,500.00	
Peter T. Mangione, 1319 F Street, NW, #700 Washington DC 20004	Footwear Retailers of America	100.00	
Frank Mankiewicz, The Power House 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: Stewart Title Guaranty Co)	1,500.00	
Richard J. Mannix, 195 Montague St. Brooklyn NY 11201	Brooklyn Union Gas Co		
Cynthia Mansfield, 600 Maryland Ave., SW, #520 Washington DC 20024	GPU Service Corporation	1,851.00	855.18
Richard Mark, 1616 P St., NW, #320 Washington DC 20036	Professionals' Coalition for Nuclear Arms Control	8,400.00	255.13
Patricia Markey, 1155 15TH ST., NW, #400 Washington DC 20005	United Distribution Companies	4,134.00	68.00
Chalmers H. Marquis, 1818 N St., NW, #410 Washington DC 20036	Agency for Instructional Television		
Do	Children's Television Workshop		
Scott Marshall, 1909 K Street, NW Washington DC 20049	American Assn of Retired Persons	338.46	
Peggy L. Martin, 777 14th Street, NW Washington DC 20005	National Assn of Realtors		
Mark A. Maslyn, 600 Maryland Avenue, SW Washington DC 20024	American Farm Bureau Federation	5,396.00	40.25
Richard D. Mathias, 1660 L St., NW, #901 Washington DC 20036	Pan American World Airways, Inc		
Herbert S. Matthews, Rte. 3, Box 437 Mechanicsville MD 20659	Martin Marietta Aerospace	7,200.00	43.25
William C. Mattox, 1285 Avenue of The Americas New York NY 10019	Equitable Life Assurance Society of the U.S.	400.00	15.00
William W. Maurer, 1745 Jefferson Davis Highway, #1000 Arlington VA 22202	General Dynamics Corp	1,000.00	1,517.12
Albert E. May, 1627 K Street, NW Washington DC 20006	Council of American-Flag Ship Operators	5,250.00	24.94
Arnold Mayer, 1775 K St., NW Washington DC 20006	United Food & Commercial Workers International Union	20,250.48	510.38
G. Mark Mayfield, P.O. Box 7305, Dept. 77 Kansas City MO 64116	Farmland Industries, Inc		
Jerry McAndrews, 308 E. Capitol St., #10 Washington DC 20003	Competitive Telecommunications Assn	2,100.00	71.00
Ross L. McCall, 11510 Georgia Avenue, #115 Wheaton MD 20902	St. Ella Ltd, Inc		
James W. McCarthy, 1515 Wilson Boulevard Arlington VA 22209	American Gas Assn	7,500.00	2,514.50
James F. McConnell Jr., 1020 19th Street, NW, Second Floor Washington DC 20036	Leff & Mason (For: Carma-Sandling Group)		
John L. McCormick, 218 D St., SE Washington DC 20003	Environmental Policy Institute	538.22	
Molly McCormick, 2301 Market Street, S24-4 Philadelphia PA 19101	Philadelphia Electric Company	2,699.84	1,546.19
Jack McDonald, 1800 M Street, NW, #950 North Washington DC 20036	Jack Mcdonald Co (For: American Express Corp)		
Do	Jack Mcdonald Co (For: Coalition for the Advancement of Industrial Technology)	2,727.27	
Do	Jack Mcdonald Co (For: Dow Corning Corp)		
Do	Jack Mcdonald Co (For: Fiber Fabric & Apparel Coalition for Trade)	5,000.00	
Do	Jack Mcdonald Co (For: Mutual Benefit Life Insurance Co)		
Do	Jack Mcdonald Co (For: Royal Zenith Corp)		
Norris McDonald, 218 D St., SE Washington DC 20003	Environmental Policy Institute	260.45	
Jack McDonald Co, 1800 M Street, NW, #950 North Washington DC 20036	American Express Corp		
Do	Coalition for the Advancement of Industrial Technology	2,727.27	5,454.55
Do	Dow Corning Corp		
Do	Fiber Fabric & Apparel Coalition for Trade	5,000.00	120,045.78
Do	Mutual Benefit Life Insurance Co		
Do	Royal Zenith Corp		25,000.00
Christine W. McEntee, 1909 K Street, NW Washington DC 20049	American Assn of Retired Persons		
Joseph M. McGarry, 16 Munson Rd. Farmington CT 06032	Heublein, Inc	16,120.00	3,016.08
Robert M. McGlotten, 815 16th St., NW Washington DC 20006	American Fed of Labor & Congress of Industrial Organizations	17,618.10	2,034.45
Christopher C. McGrath, New York State Petroleum Council 156 William St. New York NY 10038	American Petroleum Institute	845.98	689.60
William F. McKenna, 2301 M St., NW, #500 Washington DC 20037	Housley Goldberg & Kantarian, P.C		
Michael R. McLeod, Scott Harrison & Mcleod 2501 M St., NW Washington DC 20037	American Assn of Crop Insurers	1,850.00	
Do	Chicago Board of Trade	1,000.00	
Do	United Egg Producers	1,050.00	
William F. McManus, 1331 Pennsylvania Avenue, NW Washington DC 20004	General Electric Co	525.00	
C. W. McMillan, 2021 K Street, NW, #306 Washington DC 20006	McMillan & Farrell Associates, Inc	500.00	500.00
McNair Glenn Konduros Corley Singletary Porter & Dibble, 1155 15th Street, NW Washington DC 20005	Air Line Pilots Assn		
Do	Air Transport Assn of America		
Do	Alaska Airlines, Inc		
Do	Alignpac		
Do	Amalgamated Clothing & Textile Workers Union		
Do	Committee for Financing Public Transportation Facilities		
Do	GTE Corporation		
Do	Hospital Corp of America	20,000.00	
Do	Household International		
Do	Robert E. Juliano & Associates		
Do	Metropolitan Insurance	3,575.00	233.65
Do	Northwestern Mutual Life Insurance Co		
Cynthia A. McNeill, 1217 Elm Street Denver CO 80220	McNeill & Company		
Robert McVicker, 2001 Jefferson Davis Hwy Arlington VA 22202	Kollsman Instrument Co		
Leslie S. Mead, 1800 Massachusetts Avenue, NW Washington DC 20036	National Council of Farmer Cooperatives		
Francis X. Meaney, 1825 Eye Street, NW Washington DC 20006	Mintz Levin Cohn Ferris Glovsky & Popeo (For: Goldman Sachs & Co)		
Do	Mintz Levin Cohn Ferris Glovsky & Popeo (For: Northern Energy Corporation)		
Do	Mintz Levin Cohn Ferris Glovsky & Popeo (For: Securities Industry Assn)	4,500.00	
Nanine Meiklejohn, 1625 L St., NW Washington DC 20036	American Fed of State County & Municipal Employees	6,583.20	28.22
Harold E. Mesirow, 21 Dupont Circle, NW Washington DC 20036	Lillick Mchose & Charles (For: Foss Launch & Tug Company; Foss Alaska Line)		219.25
Thomas L. Meskan, 777 14th Street, NW Washington DC 20005	National Assn of Realtors	1,250.00	2,228.98
Christopher L. Meyer, P.O. Box 888, E Unit Ashland KY 41101			
Charles J. Micoleau, One Canal Plaza Portland ME 04112	American Express Co		
Do	Andrew L. Lui and Aspen Technology, Inc		
Sharon Mihnovets, 2809 S. Joyce St. Arlington VA 22202			
Fred Millar, 218 D St., SE Washington DC 20003	Environmental Policy Institute	71.58	
John R. Miller, 1750 Midland Building Cleveland OH 44115	Standard Oil Co (Ohio)		
Linda B. Miller, 1625 Eye St., NW, #810 Washington DC 20006	Volunteer Trustees of Not-For-Profit Hospitals		
W. Kirk Miller, 735 North Water Street, #908 Milwaukee WI 53202	American Malting Barley Assn, Inc		
Miller & Chevalier, Chtd, Metropolitan Square 655 15th Street, NW Washington DC 20005	Bingham Dana & Gould		
Do	Blue Cross & Blue Shield Assn	65,856.25	1,036.97
Do	Western Savings & Loan Assn	9,138.75	1,348.40
Denny Miller Associates, 400 N. Capitol St., NW, #325 Washington DC 20001	Boeing Company	2,000.00	
Do	Marine Engineers' Beneficial Assn	1,000.00	
Do	Port of Tacoma	975.00	3,250.00
Do	Rockcor, Inc	1,625.00	

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Miller Canfield Paddock & Stone, Suite 1200 1015 15th St., NW Washington DC 20005	Leelanau County Road Commission		
C.G. Pete Milligan, 4360 N.e. Joe's Point Stuart FL 33494	American Telephone & Telegraph Co	4,900.00	307.61
Christine Topping Milliken, 122 C St., NW, #750 Washington DC 20001	National Assn of Independent Colleges & Universities	5,450.00	80.00
John C. Monsul, 923 Riva Ridge Drive Great Falls VA 22066			
Judith Morehouse, 1700 N. Moore Street Rosslyn VA 22209	Boeing Company	2,016.00	
John Morgan, 1925 K St., NW Washington DC 20006	Communications Workers of America		
Peter Denis Morgan, 777 14th Street, NW Washington DC 20005	National Assn of Realtors	1,750.00	95.04
Morgan Lewis & Bockius, Suite 800 North 1800 M St., NW Washington DC 20036	Business Roundtable		
Do	Consolidated Natural Gas Co		
Do	Republic National Bank of New York		241.78
John W. Moriarty, 4400 Computer Drive Westboro MA 01580	Data General Corp	2,500.00	2,100.00
Jeanne L. Morin, 1511 K St., NW, #1100 Washington DC 20005	National Assn of Development Companies	1,000.02	86.07
Loretta C. Morris, 1725 K Street, NW, #814 Washington DC 20006	March of Dimes Birth Defects Foundation		
James Morrison, 21 Dupont Circle, NW, #401 Washington DC 20036	Business Executives for National Security	6,851.00	17.00
Michael L. Morton, 918 16th Street, NW, #501 Washington DC 20006	Godfrey Associates, Inc		
Lynn E. Mote, 1015 15th St., NW, #900 Washington DC 20005	Internorth		
Mudge Rose Guthrie Alexander & Ferndon, 2121 K Street, NW Washington DC 20037	American Assn of Exporters-Importers-Textile & Apparel Group	1,878.15	504.34
Do	Government of Hong Kong	428.18	15.00
James S. Mulhern, 1840 Wilson Boulevard Arlington VA 22201	National Milk Producers Federation	3,225.00	161.13
Richard J. Muller, 1100 Connecticut Ave., NW Washington DC 20036	Chrysler Corporation	2,000.00	105.00
W. H. L. Mullins, 1745 Jefferson Davis Highway, #1000 Arlington VA 22202	General Dynamics Corp	2,000.00	452.97
Edward L. Murphy, 1313 L Street, NW, 2nd Floor Washington DC 20005	National Assn of Government Employees	4,250.00	270.64
Jeanne Marie Murphy, 1730 Rhode Island Avenue, NW, #810 Washington DC 20036	Credit Union National Assn, Inc	300.00	22.55
William T. Murphy Jr., Barrett Montgomery & Murphy 2555 M Street, NW, #100 Washington DC 20037	American Cement Trade Alliance, Inc		
Do	Association of Greyhound Track Operators of America		
Do	Chemical Manufacturers Assn, Inc	1,300.00	72.00
Do	Dickstein Shapiro & Morin		
Do	Federated Cost Management Systems		
Do	Natural Gas Supply Assn		
Do	O'Connor & Associates		
Rosemary Griffin Murray, 1660 L St., NW, #901 Washington DC 20036	Pan American World Airways, Inc		
Sarah Muyskens, 1400 Eye St., NW Washington DC 20005	Wilderness Society	672.67	
Karen J. Nardi, Three Embarcadero Center San Francisco CA 94111	McCutchen Doyle Brown & Enersen (For: Amfac, Inc)		
Do	McCutchen Doyle Brown & Enersen (For: Castle & Cooke, Inc)		
Do	McCutchen Doyle Brown & Enersen (For: Rohr Industries, Inc)		
Bernard Nash, 1015 18th St., NW, #408 Washington DC 20036	General Electric Co		
Do	Merck & Co, Inc		
Do	Time, Inc		
National Alliance for Animal Legislation, P.O. Box 77012 Washington DC 20013			495.67
National Assn for Stock Car Auto Racing, Inc (NASCAR), 1801 Speedway Boulevard Daytona Beach FL 32015			8,000.00
National Assn of Atomic Veterans, P.O. Box 409 Eldon MO 65026		4,265.00	3,703.41
National Assn of Beverage Importers, 1025 Vermont Avenue, NW, #1205 Washington DC 20005			
National Assn of Catalog Showroom Merchandisers, 276 Fifth Avenue New York NY 10021			
National Assn of Chain Drug Stores, Inc, P.O. Box 1417-D49 Alexandria VA 22313			5,411.10
National Assn of Development Companies, 1612 K St., NW, #706 Washington DC 20006		28,944.79	8,051.09
National Assn of Energy Service Companies, 2330 M St., NW Washington DC 20037		483.00	483.00
National Assn of Home Builders of the U.S., 15th & M sts., NW Washington DC 20005		35,821.12	81,582.72
National Assn of Independent Colleges & Universities, 122 C St., NW, #705 Washington DC 20001		490,077.00	72,293.00
National Assn of Plumbing-Heating-Cooling Contractors, P.O. Box 6808 Falls Church VA 22046		1,526.53	1,526.53
National Assn of Realtors, 777 14th St., NW Washington DC 20005			165,789.75
National Assn of Retired Federal Employees, 1533 New Hampshire Ave., NW Washington DC 20036		3,216.00	9,630.00
National Assn of Wheat Growers, 415 2nd St., NE, #300 Washington DC 20002		1,250.00	20,436.84
National Bicycle Dealers Assn, Inc, 25255 Cabot Road, #215 Laguna Hills CA 92653			
National Clean Air Coalition, Inc, 530 7th St., SE Washington DC 20003		11,006.86	24,470.28
National Club Association, 1625 Eye St., NW, #609 Washington DC 20006			
National Coalition for Lower Prices, 276 5th Avenue New York NY 10001		10,040.00	4,777.43
National Comm on Small Issue Industrial Development Bonds, Box 1, 900 South 1800 M St., NW Washington DC 20036			
National Comm Against Repressive Legislation, 236 Massachusetts Avenue, NE, #406 Washington DC 20002		3,313.21	9,101.01
National Community Action Foundation, Inc, 2100 M Street, NW, #604a Washington DC 20037		43,927.00	39,929.00
National Council of Farmer Cooperatives, 1800 Massachusetts Ave., NW Washington DC 20036		16,708.76	9,026.27
National Council of Savings Institutions, 1101 15th St., NW, #400 Washington DC 20005		2,900,119.31	
National Education Assn, 1201 16th St., NW Washington DC 20036		26,505.03	26,505.03
National Employee Benefits Institute, 2550 M St., NW, #303 Washington DC 20037		4,986.00	2,491.79
National Family Planning & Reproductive Health Assn, Inc, 122 C St., NW, #380 Washington DC 20001		123,868.00	4,197.00
National Fed of Business & Professional Women's Clubs, 2012 Massachusetts Ave., NW Washington DC 20036		264,447.80	36,359.48
National Leased Housing Assn, 2300 M St., NW, #260 Washington DC 20037		900.00	900.00
National Motorsports Comm of Accus, 1500 Skokie Boulevard, #101 Northbrook IL 60062		19,759.19	33,044.07
National Office Machine Dealers Assn, 2121 K ST., NW, #830 Washington DC 20037			
National Organization for Women, 1401 New York Ave., NW, #800 Washington DC 20005			
National Printing Equipment & Supplies Assn, Inc, 6849 Old Dominion Drive, #200 Mclean VA 22101			
National Public Affairs Corp, 900 17th Street, NW Washington DC 20006	Westinghouse Electric Corp	300.00	
National Rifle Assn of America, 1600 Rhode Island Ave., NW Washington DC 20036		158,974.62	168,766.78
National Rural Housing Coalition, 2001 S St., NW, #500 Washington DC 20009		8,378.00	27,110.61
National Small Business Index, R.r. #1 Aitkin MN 56431			
National Strategies & Marketing Group, 1919 Pennsylvania Ave., NW, #704 Washington DC 20006	Alliance for Capital Access	26,250.00	437.38
National Tax Equality Assn, 321 D St., NE Washington DC 20002		2,124.50	2,130.42
National Tire Dealers & Retreaders Assn, 1250 Eye Street, NW, #400 Washington DC 20005		5,817.00	5,817.00
National Tour Assn, Inc, 546 E. Main Street Lexington KY 40508		25,172.00	25,172.00
National Turkey Federation, 11319 Sunset Hills Rd. Reston VA 22090			
Allen Neece Jr., 1050 17th Street, NW Washington DC 20036	Neece Cator & Associates, Inc (For: Association of Small Business Development Centers).		
Do	Neece Cator & Associates, Inc (For: National Venture Capital Association)		
Do	Neece Cator & Associates, Inc (For: Small Business United)	1,700.00	1,700.00
Neece Cator & Associates, Inc, 1050 17th Street, NW Washington DC 20036	Association of Small Business Development Centers		
Do	National Assn of Development Companies (NADCO)		
Do	National Assn of Small Business Investment Cos		
Do	National Venture Capital Association		
Do	Small Business United	1,700.00	1,700.00
Do	Southeastern Lumber Manufacturers Assn	1,800.00	1,800.00
Mary Elizabeth Neese, 1101 15th St., NW, #400 Washington DC 20005	National Council of Savings Institutions	2,000.00	
Neill & Company, Inc, 900 17th St., NW, #400 Washington DC 20006	Republic of Gabon	250,000.00	3,200.00
Neill Mullenholz Shaw & Seeger, 900 17th St., NW, #400 Washington DC 20006	Insurance Servicing & Information Systems Corp	5,000.00	145.00
Thomas C. Nelson, 1920 N St., NW Washington DC 20036	American Mining Congress		
New Generation Lobby, 410 8th Avenue Dayton KY 41074			
Nixon Hargrave Devans & Doyle, One Thomas Circle, NW, #800 Washington DC 20005	American Free Trade Assn, Inc		
Do	Bausch & Lomb		
Robert I. Nooter, 600 Maryland Avenue, SW Washington DC 20024	American Farm Bureau Federation	5,500.00	247.80
David F. Norcross, 2201 State Highway 38 Cherry Hill NJ 08002	Pittsburgh & Lake Erie Railroad Co	38,448.00	8,485.88
James Norton, 1400 Eye St., NW Washington DC 20005	Wilderness Society	965.37	390.87
Nossaman Guthner Knox & Elliott, 1140 19th St., NW, #600 Washington DC 20036	Aetna Life & Casualty	400.00	640.00
Do	California Student Loan Finance Corp	87.50	350.00
Do	Helionetics, Inc		
Do	Insurance Assn of Connecticut	1,800.00	4,160.00
Do	Northwestern National Life Insurance Co		460.00
Do	Southern California Edison	200.00	200.00
NL Industries, Inc, 1230 Avenue of The Americas New York NY 10020			10,337.50
Mary Eileen O'Brien, 1800 M St., NW, Suite 710 South Washington DC 20036	Dow Corning Corp		
Emily O'Connor, 777 14th Street, NW Washington DC 20005	National Assn of Realtors	2,500.00	64.12
O'Connor & Hannan, 1919 Pennsylvania Ave., NW, #800 Washington DC 20006	Committee for Prudent Deregulation		
Jane O'Grady, 815 16th St., NW Washington DC 20006	American Fed of Labor & Congress of Industrial Organizations	16,174.34	215.28
Bartley M. O'Hara, 1919 Pennsylvania Ave., NW, #300 Washington DC 20006	Colorado Municipal Bond Dealers Assn	76.58	
Do	Grocery Manufacturers of America, Inc	3,799.43	189.45
Do	International Union of Bricklayers & Allied Craftsmen	4,000.00	20.00

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Norfolk Southern Corp	2,712.40	116.62
M. Diane O'Toole, 1000 Wilson Blvd., #2300 Arlington VA 22209	Northrop Corp		
Kim M. Oboz, 1020 19th Street, NW, #700 Washington DC 20036	U S West, Inc	2,300.00	1,905.04
Neil H. Offen, 1776 K Street, NW Washington DC 20006	Direct Selling Association		
Jack John Olivero, 36 W. 44 St., #1115 New York NY 10036	Olivero Floresca Associates		
Van R. Olsen, 1156 15th St., NW, #1019 Washington DC 20006	U.S. Beet Sugar Assn		
Oppenheimer Wolff Foster Shepard & Donnelly, 1317 F Street, NW, #700 Washington DC 20004	Korean Footwear Exporters Assn	500.00	500.00
Charles J. Orasin, 1400 K Street, NW, #500 Washington DC 20005	Handgun Control, Inc	2,576.00	
Michel Orban, World Financial Center New York NY 102854705	American Express Co		
Overseas Education Assn, 1201 16th Street, NW Washington DC 20036		1,000.00	939.51
Katherine Ann Ozer, One Dupont Circle, NW, #300 Washington DC 20036	U.S. Student Association	3,714.00	120.00
Allen Scott Pack, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington DC 20037	Algoma Steel Corp, Ltd, et al	500.00	259.50
Pagonis & Donnelly Group, 1120 Connecticut Ave., NW, #335 Washington DC 20036	Algoma Steel Corp, Ltd, et al		
Do	Brown Boveri Corp	900.00	
Do	Dow Chemical USA	4,500.00	23.00
Do	Harrah's, Inc	721.88	16.50
Do	Holiday Corp	750.00	
Do	Nord Resources Corp		
Geri Palast, 1313 L St., NW Washington DC 20015	Service Employees International Union, AFL-CIO, CLC	9,375.00	13.00
Andrew Palmer, 218 D St., SE Washington DC 20003	Environmental Policy Institute	174.38	
Gerard Paul Panaro, Webster Chamberlain & Bean 1747 Pennsylvania Ave., NW Washington DC 20006	Retail Bakers Assn		
Peter J. Pantuso, 7900 Westpark Drive, #514 Mclean VA 22102	National Confectioners Assn of the U.S.	4,000.00	1,582.33
Judith E. Park, 1533 New Hampshire Ave., NW Washington DC 20036	National Assn of Retired Federal Employees	11,838.00	17.00
Prudence H. Parks, 1100 H Street, NW Washington DC 20080	Washington Gas Light Co	1,143.49	516.15
Tom E. Paro, 1735 Desales St., NW Washington DC 20036	Association of Maximum Service Telecasters, Inc	296.00	
Joseph R. Parrott Jr., Itt Rayonier, Inc 5526-D Old National Highway College Park GA 30349	ITT Corporation	6,000.00	6,346.00
Parry and Romani Associates, Inc, 233 Constitution Avenue, NE Washington DC 20002	American Family Life Assurance Co	1,500.00	
Do	Care Enterprises	3,225.00	
Do	Generic Pharmaceutical Industry Assn	2,500.00	137.95
Do	Herbalife International	3,000.00	
Do	Heron Burchette Ruckert & Rothwell	1,400.00	
Do	Hotel Employees & Restaurant Employees Int'l Union	4,000.00	
Do	International Brotherhood of Teamsters	2,250.00	75.88
Do	Johnson & Johnson	3,333.00	
Do	Kirkland & Ellis	3,600.00	
Do	Knudsen Corporation	800.00	
Do	Manville Corporation	1,500.00	
Do	Motion Picture Assn of America, Inc	4,800.00	136.03
Do	National Beer Wholesalers of America	1,500.00	77.50
Do	Pharmaceutical Manufacturers Assn	750.00	
Do	Sony Corp of America	2,100.00	
Do	T.I.M.E.-DC, Inc	2,400.00	
Do	Techamerica, Inc	4,800.00	
Do	United Food & Commercial Workers International Union	1,000.00	
William H. Patterson, 1331 Pennsylvania Ave., NW Washington DC 20004	General Electric Co	274.00	
Patton Boggs & Blow, 2550 M St., NW, #800 Washington DC 20037	Chelsea Property Owners		
Paul Weiss Rifkind Wharton & Garrison, 1615 L Street, NW Washington DC 20036	Alliance for Capital Access		16.60
Do	Korea Iron & Steel Assn		163.46
Do	NEC Corp and NEC America, Inc	2,043.00	1,200.39
Endicott Peabody Law Offices, 71 Spit Brook Road Nashua NH 03060	Walker Urquhart & Co		
Peace Political Action Committee, 100 Maryland Avenue, NE Washington DC 20002			5,662.66
Pelton Research Center, 1400 S. Joyce Street Arlington VA 22202	Help, Inc		
Elin Peltz, 723 Investment Building Washington DC 20005	Hawaiian Sugar Planters' Assn	300.00	70.00
Pepper Hamilton & Scheetz, 1777 F Street, NW Washington DC 20006	Mutual Life Insurance Co of New York	585.00	
Barbara K. Pequet, 1311 Quincy St., NE Washington DC 20017	American Soc for The Prevention of Cruelty to Animals		
Robert A. Perkins, 1100 Connecticut Avenue, NW Washington DC 20036	Chrysler Corporation	15,000.00	663.20
David F. Perry, 15 Computer Drive, W. Albany NY 12205	Hospital Association of New York State	962.00	
John J. Pesch, 3422 Stoneybrae Drive Falls Church VA 22044	Northrop Corp		
Petroleum Marketers Assn of America, 1120 Vermont Ave., NW, #1130 Washington DC 20005		187,285.60	16,671.99
Peyser Associates, Inc, 1000 Vermont Street, NW, #400 Washington DC 20005	Basix Corp	10,575.00	15,344.62
Do	Department of Public Property		3,288.13
Do	Metro	4,500.00	9,864.39
Do	Metropolitan Toledo Consortium	14,000.00	32,881.33
Do	Metropolitan Transit Authority	4,500.00	2,129.09
Do	Regional Transit Authority	9,000.00	6,576.27
Do	Sacramento Regional Transit	2,250.00	3,288.13
Do	Southeastern Pennsylvania Transit Authority	9,000.00	6,576.33
John D. Phillips, 122 C St., NW, #750 Washington DC 20001	National Assn of Independent Colleges & Universities	4,750.00	732.00
Mark W. A. Phillips, 507 2nd St., NE Washington DC 20002	Confederated Tribes of Warm Springs		
Paul J. Phoenix, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington DC 20037	Dofasco, Inc	2,000.00	588.12
Pierson Ball & Dowd, 1200 18th St., NW Washington DC 20036	American Academy of Pediatrics	5,107.03	
Do	Dun & Bradstreet Corp		
Do	El Pomar		
Do	Genentech	48,770.89	
Do	Infectious Diseases Society of America		
Do	International Futures Exchange (Bermuda) Ltd		
Do	Intex Holdings (Bermuda) Ltd		
Do	National Assn for Biomedical Research		
Do	National Assn of Casualty & Surety Agents		
Do	Satellite Business Systems	2,500.00	
Do	Securities Industry Assn	2,750.00	
Do	Stewart & Stevenson Services, Inc		
Pilots Rights Association, P.O. Box 7000-367 Redondo Beach CA 90277			
Sumner Pingree, 1400 Eye St., NW Washington DC 20005	Wilderness Society		
Lillian M.S. Pitcaithly, 1730 K St., NW, #703 Washington DC 20006	American Business Conference, Inc	139.62	30.00
Planned Parenthood Fed of America, Inc, 2010 Massachusetts Avenue, NW, 5th Fl. Washington DC 20036		7,296.31	7,296.31
Ronald L. Plesser, Blum Nash & Railsback 1133 15th Street, NW Washington DC 20005	Direct Marketing Assn		
Do	Disclosure, Inc	700.00	
Nancy Polikoff, 2000 P Street, NW, #400 Washington DC 20036	Women's Legal Defense Fund		
Mindy Pollack, 1025 Connecticut Ave., NW, #512 Washington DC 20036	Reinsurance Assn of America		
Michele Pollak, 1909 K Street, NW Washington DC 20049	American Assn of Retired Persons	346.15	208.80
Phillip Porte & Assocs, Inc, 3845 N. 26th St. Arlington VA 22207	American Assn for Respiratory Therapy	10,000.00	
Do	American Medical Records Assn	2,500.00	
Do	National Assn of Medical Directors of Respiratory Care	4,000.00	
Powell Goldstein Frazer & Murphy, 1110 Vermont Ave., NW, #1050 Washington DC 20005	Bear Stearns & Co		
Do	Coalition for the Advancement of Industrial Technology	15,961.00	
Do	Coalition for Competition	920.00	
Do	Flood Control Advisory Committee	2,622.00	114.64
Do	International Telecommunications Satellite Organization	3,678.00	21.00
Do	SKW Alloys, Inc	4,108.00	69.38
Do	Westinghouse Electric Corp	25,784.00	260.45
Graydon R. Powers Jr., 1101 16th St., NW Washington DC 20036	Scientific Apparatus Makers Assn		
Prather Seeger Doolittle & Farmer, 1101 16th St., NW Washington DC 20036	Banker's Assn for Foreign Trade	7,500.00	240.00
Robert L. Pratt, 101 First Ave. Waltham MA 02254	Thermo Electron Corporation	5,850.00	1,873.00
Preston Thorgrimson Ellis & Holman, 1735 New York Avenue, NW, #500 Washington DC 20006	CH2M Hill		
Do	University of Michigan Hospitals		
Barbara J. Price, 336 Hs&I Building Bartlesville OK 74004	Phillips Petroleum Co	425.00	109.55
Woodruff M. Price, 1331 Pennsylvania Ave., NW, #560 Washington DC 20014	CSX Corporation	3,000.00	858.25
Pro-Life Congressional District 11, P.O. Box 727 San Carlos CA 94070		554.40	422.15
Professional Managers' Assn, P.O. Box 7762, Ben Franklin Station Washington DC 20044		7,834.79	4,367.43
Project Advisory Group, 1029 Vermont Ave., NW, #860 Washington DC 20005			363.01
Project Cure, Inc, 2020 K Street, NW, #350 Washington DC 20006		81,370.26	73,911.60
Protect the Innocent, Inc, 451 South Indiana Street Mooresville IN 46158			178.74

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Jeffrey A. Prussin, 1505 N.w. 167th Street Miami FL 33169	International Medical Centers, Inc	855:00	4,887.00
Public Timber Purchasers Group, 610 SW. Broadway, #608 Portland OR 97205		35,820.70	3,166.28
Arthur Lee Quinn, 1015 15th Street, NW, #200 Washington DC 20005	Cooper Laboratories, Inc		
Do	Government of Belize		13.82
Do	Government of Republic of Panama	3,000.00	66.48
Do	Sugar Assn of the Caribbean		1,026.96
Ragan & Mason, 900 17th St., NW Washington DC 20006	American Ship Building Co	1,000.00	24.41
Do	Bechtel Corp	22,500.00	263.52
Do	Government of Bermuda	3,000.00	232.34
Do	National Bulk Carriers, Inc	4,500.00	
Do	R.J. Reynolds Industries, Inc		
Do	R.J. Reynolds Tobacco Co		
Do	Sea-Land Industries, Inc	20,000.00	945.94
Do	Security Pacific Leasing Corporation		
Do	Security Pacific National Bank		
Do	Stimson Lumber Co & Miller Redwood Co	3,000.00	
Richard W. Rahn, 1615 H St., NW Washington DC 20062	Chamber of Commerce of the U.S	2,379.80	117.71
Thomas F. Railsback, Blum Nash & Railsback 1133 15th St., NW, #1100 Washington DC 20005	CSX Corporation	4,446.00	
Do	Federal Judges Association	380.00	
Do	Insurance Assn of Connecticut	8,303.00	
Do	Walt Disney Productions	1,938.00	
Maggy H. Ralbovsky, 1101 15th Street, NW, #400 Washington DC 20005	National Council of Savings Institutions	1,000.00	
Robert A. Rapoza, 2001 S St., NW, #500 Washington DC 20009	National Rural Housing Coalition	14,080.40	12,523.36
Robert A. Rapoza Associates, 2001 S Street, NW Washington DC 20007	Friends of the Rural Development Loan Fund	600.00	
Eiler C. Ravnholt, 723 Investment Bldg. Washington DC 20005	Hawaiian Sugar Planters' Assn	660.00	385.00
Raymark Corporation, 100 Oakview Drive Trumbull CT 06611			
Recording Industry Assn of America, Inc, 888 Seventh Avenue, 9th Fl. New York NY 10106		1,331.25	1,366.46
Robert E Redding, 7315 Wisconsin Ave. Bethesda MD 20814	Shippers National Freight Claim		
Robert O. Redding, 3519 S.w. 147th Lane Road Ocala FL 32673			
Jo Reed, 1909 K Street, NW Washington DC 20049	American Assn of Retired Persons	476.54	247.23
Robert S. Reese Jr., 2200 Mill Rd Alexandria VA 22314	American Trucking Assns, Inc	9,000.00	2,532.37
William Reffalt, 1400 Eye St., NW Washington DC 20005	Wilderness Society	2,402.47	
Reinsurance Assn of America, 1025 Connecticut Avenue, NW, #512 Washington DC 20036			20.00
Religious Coalition for Abortion Rights, Inc, 100 Maryland Avenue, N.e. Washington DC 20002		243,775.37	9,623.46
Lee P. Reno, 509 C Street, NE Washington DC 20002	Roisman Reno & Cavanaugh (For: National Assn of Housing Cooperatives)		
Reserve Officers Assn of the US, 1 Constitution Ave., NE Washington DC 20002		2,976.35	21,059.85
Resources Fund, Inc, 810 18th St., NW, #804 Washington DC 20006			
Frederick W. Rhodes, 1800 K Street, NW, #800 Washington DC 20006	Goodyear Tire & Rubber Co	3,000.00	
Grace Ellen Rice, 600 Maryland Ave., SW Washington DC 20024	American Farm Bureau Federation	6,508.00	192.34
Les Richter, 1801 Speedway Boulevard Daytona Beach FL 32015	National Assn for Stock Car Auto Racing, Inc (NASCAR)	8,000.00	
Do	National Motorsports Comm of ACCUS, FIA, Inc		15,082.00
Larry D. Rickards, 1200 17th Street, NW Washington DC 20036	American Psychological Assn	1,000.00	129.76
Don L. Ricketts, 2550 M Street, NW, #695 Washington DC 20037	Bear Stearns & Co		
Do	General American Life Insurance Co		
Do	Massachusetts Mutual Life Insurance Co		
Do	Northwestern Mutual Life		
Riddell Holroyd & Butler, 1331 Pennsylvania Avenue, NW, #1215 Washington DC 20004	H. F. Ahmanson & Co	5,000.00	
Do	Associates Corp of North America	3,000.00	
Do	Beneficial Corporation		
Do	C.I.T. Financial Corp		
Do	W. K. Kellogg Foundation		
Norbert J. Riedy Jr., 1400 Eye Street, NW Washington DC 20005	Wilderness Society	215.02	
Siert F. Riepma, 1625 I St., NW, #1024-A Washington DC 20006	National Assn of Margarine Manufacturers		
Bob John Robison, 1201 Pennsylvania Avenue, NW, #700 Washington DC 20004	Hill & Knowlton, Inc	1,250.00	451.59
Rodey Dickason Sloan Akin & Robb, P.O. Box 1888 Albuquergue NM 87103	Navajo Tribe		
Jack E. Roebel, 712 Commerce Bldg. 127 W. Berry Street Fort Wayne IN 46802	Sheet Metal Workers Mid-States Health & Benefit Trust		
James T. Rogers, 311 First Street, NW Washington DC 20001	National Restaurant Assn		
Terrell A. Rogers, 7 Wildwood Road Cornelia GA 30531			
Terrence L. Rogers, 1325 Massachusetts Ave., NW Washington DC 20005	American Fed of Government Employees	11,049.31	13,895.12
Rogers & Wells, 1737 H Street, NW Washington DC 20006	Pan American World Airways, Inc		
Peter Rogoff, 122 C Street, NW, #750 Washington DC 20001	National Assn of Independent Colleges & Universities	4,471.00	292.00
Stephen F. Rohrkemper, 150 S. Washington St., #100 Falls Church VA 22046	International Technical Expertise Ltd		
Raymond W. Roper, 1601 Duke Street Alexandria VA 22314	Society of American Florists		
Leslie Rose, 624 9th Street, NW, #700 Washington DC 20001	Group Health Assn of America, Inc	2,250.00	
Albert B. Rosenbaum III, 2200 Mill Rd. Alexandria VA 22314	National Tank Truck Carriers, Inc		
Francis C. Rosenberger, 6809 Melrose Drive Mclean VA 22101	National Conference of Bankruptcy Judges		
Roses, Inc, 1152 Haslett Road P.O. Box 99 Haslett MI 48840		1,441.62	1,052.67
Stephen O. Rossetti, 1434 Duke Street Alexandria VA 22314	International Military Club Executives		
Joseph L. Rosso, 2200 Mill Road Alexandria VA 22314	American Trucking Assns, Inc	9,000.00	3,039.61
William C. Rountree, Suite 600 1001 22nd St., NW Washington DC 20037	Standard Oil Co (Ohio)		
John H. Rousselot, 1101 15th St., NW, #400 Washington DC 20005	National Council of Savings Institutions	10,000.00	
James S. Rubin, 1150 Connecticut Ave., NW, #700 Washington DC 20036	Allied-Signal, Inc	380.00	
Ronald R. Rumbaugh, 5205 Leesburgh Pike, #505 Falls Church VA 22041	National Beer Wholesalers of America		
Robert M. Russell, 2170 Piedmont Rd., NE Atlanta GA 30324	Orkin Pest Control		
Sheryl P. Rutledge, Craft & Richards 1050 Thomas Jefferson St., NW, 6th Fl. Washington DC 20007	Consumers United for Rail Equity (C.U.R.E.)	96.88	
John G. Ryan, 1700 K Street, NW Washington DC 20006	Squibb Corporation	1,000.00	
Patricia Ryan, 1400 K Street, NW Washington DC 20005	American Psychiatric Assn	1,500.00	612.07
William Samuel, 1325 Massachusetts Avenue, NW Washington DC 20005	American Fed of Government Employees	8,903.43	383.54
James D. Santini, Bible Santini Hoy Miller & Lrachok 1025 Thomas Jefferson St., NW, #700 Washington DC 20007	Greens Creek Joint Venture	5,000.00	442.22
Do	Homestake Mining Co	750.00	366.58
Do	ISL Ventures, Inc		
Do	Lorimar Productions	3,000.00	24.51
Do	Marlene C. McGuirl	1,500.00	31.53
Do	National Tour Assn, Inc	9,000.00	1,649.47
Do	Noranda Exploration, Inc		766.59
Do	Redfield Land Company		
Do	Savage Industries		
Ronald A. Sarasin, 311 First Street, NW Washington DC 20001	National Restaurant Assn		
John S. Satagaj, 1250 I Street, NW, #500 Washington DC 20005	American Assn of Nurserymen		
Satellite Syndicated Systems, Inc, P.O. Box 702160 Tulsa OK 74170			946.02
Klara B. Sauer, 9 Vassar Street Poughkeepsie NY 12601	Scenic Hudson, Inc		
Save Our Security, Suite 222 1201 16th Street, NW Washington DC 20036		16,929.38	13,228.26
Robin M. Schachter, 1801 K St., NW, #700 Washington DC 20006	Price Waterhouse		
Harold A. Schaitberger, 1750 New York Ave. Washington DC 20006	International Assn of Fire Fighters	13,402.08	
Thomas G. Schendt, 111 East Wisconsin Ave., #1800 Milwaukee WI 53202	National Employee Benefits Institute		46.84
Robert Richard Schmitt, 430 S. 20th St. Omaha NB 68102			
Mark L. Schneider, 1001 22nd Street, NW, #600 Washington DC 20037	Standard Oil Co (Ohio)		
H. B. W. Schroeder, 1050 17th Street, NW, #490 Washington DC 20036	Consumers Power Co	8,000.00	1,266.00
Judy Schub, 1909 K Street, NW Washington DC 20049	American Assn of Retired Persons	538.46	199.60
Richard F. Schultz, 807 Maine Avenue, SW Washington DC 20024	Disabled American Veterans	11,653.20	738.17
William B. Schultz, Suite 700 2000 P St., NW Washington DC 20036	Public Citizen, Inc		
Ralph D. Schumack, 1800 M Street, NW, #790 South Washington DC 20036	Dow Corning Corp		1,049.07
Schwabe Williamson Wyatt Moore & Roberts, Suite 302 1000 Potomac St., NW Washington DC 20007	Flowind Corp	1,527.99	492.48
Do	Mountain States Energy, Inc	2,052.60	658.97
Do	Piasecki Aircraft Corporation	2,543.88	690.48
Do	Public Generating Pool	12,445.00	532.34
Do	State of Oregon, City of Portland, Oregon Metro	5,661.79	1,818.74
Alan R. Schwartz, Blum Nash & Railsback 1133 15th Street, NW, #1100 Washington DC 20005	Disclosure, Inc		
Steve Aaron Schwartz, 818 Roeder Rd., #702 Silver Spring MD 20910	International Fed of Professional & Technical Engineers		
Carl F. Schwensen, 415 2nd St., NE, #300 Washington DC 20002	National Assn of Wheat Growers	14,938.88	
Schwinn Bicycle Co, 1856 North Kostner Avenue Chicago IL 60639			543.75
Scientific Apparatus Makers Assn, 1101 16th St., NW Washington DC 20036		6,989.57	4,078.14
Douglas W. Scott, 730 Polk Street San Francisco CA 94108	Sierra Club		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Thomas Andrew Scully, 950 L'enfant Plaza, SW Washington DC 20024	Communications Satellite Corp	1,500.00	314.82
J. Peter Segall, 3255 Grace Street, NW Washington DC 20007	Gray & Co Public Communications Int'l, Inc (For: International Brotherhood of Teamsters)	12,500.00	
Howard Segermark, 1701 Pennsylvania Ave., NW, #533 Washington DC 20006	Industry Council for Tangible Assets		
Sarah Setton, 1511 K St., NW Washington DC 20005	Sugar Assn, Inc	150.00	
Seward & Kissel, 818 Connecticut Avenue, NW, #800 Washington DC 20006			
William H. Shaker, 500 N. Washington St., #201 Falls Church VA 22046	National Tax Limitation Committee	700.00	
James M. Shamberger, 1025 Connecticut Ave., NW, #512 Washington DC 20036	Reinsurance Assn of America		
Daniel E. Shaughnessy, 1008 N. Randolph St., #206 Arlington VA 22201			
Shea & Gould, 1627 K St., NW Washington DC 20006	Hospital Corp of America		
Do	Mars, Inc		
Do	Republic of Haiti		
Do	Transamerica Interway, Inc, et al		
Do	U.S. Air, Inc, et al		
Shearman & Sterling, 153 East 53rd St. New York NY 10005	Business Roundtable		
Robert M. Sherwood, 1700 Pennsylvania Avenue, NW Washington DC 20006	Pfizer, Inc	1,500.00	249.01
Nelson T. Shields, 1400 K St., NW Washington DC 20015	Handgun Control, Inc	2,496.00	
Shippers National Freight Claim Council, Inc, 120 Main Street Huntington NY 11743			
Sana F. Shtasel, 1909 K Street, NW Washington DC 20049	American Assn of Retired Persons	1,064.81	
Sierra Club, 730 Polk Street San Francisco CA 94109		278,382.50	278,382.50
William A. Signer, 444 North Capitol St., NW, #711 Washington DC 20001	Keefe Company (For: Zuckert Scoutt Rasenberger & Johnson)		
Stephen Silbiger, 1625 L St., NW Washington DC 20036	American Fed of State County & Municipal Employees	13,987.26	386.94
Ronald G. Sills, 1105 Nob Hill Court Roseville CA 95678		350.00	350.00
Marsha J. Simon, 1334 G St., NW, 3rd Fl. Washington DC 20005	Villers Advocacy Associates	1,024.76	88.85
William Douglas Simon, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington DC 20037	Dofasco, Inc		
Talmage E. Simpkins, 100 Indiana Ave., NW Washington DC 20001	AFL-CIO Maritime Committee	300.00	366.23
Teri L. Simpson, 1901 Pennsylvania Ave., NW, #200 Washington DC 20006	National Mass Retailing Institute	3,125.00	150.00
Marcus W. Sisk Jr., 2828 Pennsylvania Avenue, NW, #203 Washington DC 20037	Tosco Corporation	1,850.00	
Scott Sklar, 1717 Massachusetts Avenue, NW, #503 Washington DC 20036	Solar Energy Industries Assn	6,000.00	58,123.00
Catherine S. Smith, 1730 K St., NW, #703 Washington DC 20006	American Business Conference, Inc	124.51	80.00
Don S. Smith, Broadhurst Brook Mangham Hardy & Reed 1730 Pennsylvania Ave., NW, #425 Washington DC 20006			
Hugh H. Smith, 1020 19th Street, NW, #600 Washington DC 20036	American Express Co		
Joseph M. Smith, 1730 K St., NW, #703 Washington DC 20006	American Business Conference, Inc	50.77	30.00
Patricia Smith, 2401 Virginia Avenue, NW Washington DC 20037	American Assn of University Women	4,080.00	281.00
Velma Smith, 218 D Street, SE Washington DC 20003	Environmental Policy Institute	335.00	
Smith Dawson Associates, Inc, 1000 Connecticut Ave., NW, #304 Washington DC 20036	City of Eugene, Oregon	6,505.00	6,505.00
Do	Colorado Dept of Labor	2,850.00	2,850.00
Do	N.Y. Metropolitan Transportation Agency	21,750.00	23,417.30
Do	Power Packaging, Inc	23,175.00	23,686.73
Do	San Francisco P.V.C.	10,350.00	10,350.00
Randall D. Snodgrass, 1400 Eye St., NW Washington DC 20005	Wilderness Society	1,953.21	270.98
Edward F. Snyder, 245 2nd St., NE Washington DC 20002	Friends Committee on National Legislation	4,726.26	
Edward J. Sondey, 195 Montague Street Brooklyn NY 11201	Brooklyn Union Gas Co		
Terry Sopher, 1400 Eye St., NW Washington DC 20005	Wilderness Society	1,618.68	98.29
Southern Forest Products Assn, P.O. Box 52468 New Orleans LA 70152		566,039.01	33,606.07
Charles E. Southwick, 1627 K Street, NW, #200 Washington DC 20006	Fluor Corporation	15,000.00	404.00
Specialized Carriers & Rigging Association, Suite 616 2200 Mill Rd. Alexandria VA 22314			
Frances Spivy-Weber, 645 Pennsylvania Avenue, SE Washington DC 20003	National Audubon Society	1,000.00	
Spriggs Bode & Hollingsworth, 1015 15th St., NW Washington DC 20005	UNR Industries, Inc	2,310.00	
Vivian Escobar Stack, 2010 Massachusetts Avenue, NW, #500 Washington DC 20036	Planned Parenthood Fed of America, Inc	65.44	
Linda Staheli, 100 Maryland Avenue, NE Washington DC 20002	Council ior a Livable World	2,507.25	
Standard Oil Co (Ohio), Midland Bldg. Cleveland OH 44115			34,711.70
David Michael Staton, 1615 H Street, NW Washington DC 20062	Citizen's Choice, Inc	2,000.00	
J. C. Steen, 412 First Street, SE, #301 Washington DC 20003	McDonnell Douglas Corp	600.00	251.00
Do	Northrop Corp	600.00	194.11
Do	Snyder Ball Kriser & Assocs (for Allison Gas Turbine Div)	600.00	225.60
Kristin Steick, 2401 Virginia Avenue, NW Washington DC 20037	American Assn of University Women	6,250.00	496.96
S. Lynn Stewart, 3 Embarcadero Center San Francisco CA 94111	McCutchen Doyle Brown & Enersen (For: Amfac, Inc)		
Do	McCutchen Doyle Brown & Enersen (For: Castle & Cooke, Inc)		
Do	McCutchen Doyle Brown & Enersen (For: Rohr Industries, Inc)		
Kenneth F. Stinger, 2200 Mill Rd Alexandria VA 22314	American Trucking Assns, Inc	9,000.00	571.63
John J. Stirk, 1745 Jefferson Davis Highway, #1000 Arlington VA 22202	General Dynamics Corp	1,000.00	652.90
Dennis C. Stolte, 600 Maryland Avenue, SW Washington DC 20024	American Farm Bureau Federation	5,187.00	142.21
Ronald J. Streck, P.O. Box 238 Alexandria VA 22313	National Wholesale Druggists' Assn		
W. Melvin Street, Suite 400 1627 K Street, NW Washington DC 20006	National Newspaper Assn		
Richard H. Streeter, 1729 H Street, NW Washington DC 20006	Cast North America Ltd		
Dorothy E. Stucke, 1004 Duke Street Alexandria VA 22314	American Subcontractors Assn		
Sullivan & Worcester, 1025 Connecticut Ave., NW Washington DC 20036	Marion Laboratories, Inc	20,625.00	538.00
Sutherland Asbill & Brennan, 1666 K Street, NW, #800 Washington DC 20006	Acacia Group	1,781.50	
Do	American Bar Endowment	2,921.12	36.00
Do	Banking Issues Group	1,304.25	61.08
Do	Capital Holding Corp	12,609.25	93.00
Do	Committee Against Revising Staggers		
Do	Credit Union National Assn, Inc		
Do	Crum & Forster Corp	5,214.75	34.50
Do	Equifax, Inc		549.06
Do	Howard Rose Company		
Do	Mutual of Omaha Insurance Co		
Do	National Home Life Assurance Company		
Do	Production Operators Corp		
Do	Southeast Compact Commission	28,229.30	894.57
Do	State of Nevada		894.58
Do	State of Washington	10,000.00	894.57
David L. Swanson, Craft & Richards 1050 Thomas Jefferson St., NW, 6th Fl. Washington DC 20007	Allis-Chalmers Energy & Minerals Systems Co	262.50	677.38
Do	Clean Coal Technology Coalition	726.25	
Do	Consumers United for Rail Equity (C.U.R.E.)		
Do	Edison Electric Institute	656.25	
Do	GA Technologies, Inc	1,500.00	
Do	Illinois Dept of Energy & Natural Resources	401.25	514.78
Do	National Armored Car Assn, Inc		
Swidler & Berlin, Chtd, 1000 Thomas Jefferson St., NW #500 Washington DC 20007	General Mills, Inc		
Do	Lucasfilm, Ltd		
Do	MD People's Counsel (Natl Assn of State Util. Consumer Advo)	2,603.12	58.50
Scott R. Swirling, Suite 380 122 C St., NW Washington DC 20001	National Family Planning & Reproductive Health Assn, Inc	1,922.00	526.00
Augustine D. Tantillo, 214 Massachusetts Ave., NE, #350 Washington DC 20002	Russell Corporation	3,500.00	3,025.00
Keith Tarr-Whelan, 3626 N. Kensington St. Arlington VA 22207	Save Our Security	8,700.00	
Peggy Taylor, 815 16th St., NW Washington DC 20006	American Fed of Labor & Congress of Industrial Organizations	16,174.34	554.40
William S. Taylor, 239 W. New York Avenue Las Vegas NV 89107			
Techlaw - Aica, 12030 Sunrise Valley Drive, #200 Reston VA 22091			
Joseph L. S. Terrell, 1800 Massachusetts Avenue, NW, #604 Washington DC 20036	Farm Credit Council		
James G. Tetirick, 1156 15th Street, NW, #1015 Washington DC 20005	J. C. Penney Co, Inc		
Mary Kay Thatcher, 600 Maryland Avenue, SW Washington DC 20024	American Farm Bureau Federation	4,625.00	127.61
Meshall Thomas, Suite 400 2000 P Street, NW Washington DC 20036	Women's Legal Defense Fund		
Barbara Thompson, 1401 New York Avenue, NW, #1100 Washington DC 20005	National Cooperative Business Assn	3,000.00	
Ellen Dowd Thompson, 1010 Wisconsin Avenue Washington DC 20007	Grocery Manufacturers of America, Inc		
Law Offices of Fred Thompson, 1919 Pennsylvania Avenue, NW, #850 Washington DC 20006	Central States SE & SW Areas Health Welfare & Pension Funds	11,898.00	
Do	Westinghouse Electric Corp		
Richard L Thompson, 1700 K Street, NW, #601 Washington DC 20006	Squibb Corporation	1,500.00	
Thompson & Mitchell, One Mercantile Center, #3400 St. Louis MO 63101	American Inland Waterways Committee	1,957.00	
Do	Crown Life Insurance Co	9,000.00	2,158.35
Do	Midland Enterprises, Inc		
Do	Valley Line Company		
Thompson Hine & Flory, 1920 N St., NW, #700 Washington DC 20036	National Pork Producers Council		69.25

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Margaret A. Thomson, 1730 K Street, NW, #700 Washington DC 20006	Economics Laboratory, Inc	100.00	
Gil Thurm, 777 14th St., NW Washington DC 20005	National Assn of Realtors		
Michael L. Tiner, 1775 K St., NW Washington DC 20006	United Food & Commercial Workers International Union	10,889.28	873.07
Ron Tipton, 1400 Eye St., NW Washington DC 20005	Wilderness Society	367.31	
Jay C. Townley, 1856 North Kostner Avenue Chicago IL 60639	Schwinn Bicycle Co		
Thomas J. Trabucco, 1533 New Hampshire Avenue, NW Washington DC 20036	National Assn of Retired Federal Employees	10,062.00	
Transportation Institute, 923 15th St., NW Washington DC 20005			13,206.26
Vincent Trivelli, 815 16th Street, NW Washington DC 20006	American Fed of Labor & Congress of Industrial Organizations	11,627.00	66.70
Robert C. Troup, 730 Smith Ridge Rd. New Canaan CT 06840			
Thomas Truax, 1200 15th St., NW Washington DC 20005	American Health Care Assn	3,300.00	
Paul E. Tsongas, Foley Hoag & Eliot One Post Office Square Boston MA 02109	Humane Soc of the U.S. and M.S.P.C.A.	750.00	
Anh Tu, Suite 860 1029 Vermont Ave., NW Washington DC 20005	Project Advisory Group	243.27	34.00
Shannon B. Tuel, 311 First Street, NW Washington DC 20001	National Restaurant Assn		
Jon R. Tumler, 1110 Vermont Avenue, NW, #1075 Washington DC 20005	Public Securities Assn	7,875.00	48,166.37
J. C. Turner, 1125 17th Street, NW Washington DC 20036	International Union of Operating Engineers		
Max Turnipseed, 1155 15th Street, NW, #611 Washington DC 20005	Ethyl Corporation	770.00	90.30
St. Clair J. Tweedie, Suite 220 1575 Eye Street, NW Washington DC 20005	American Cyanamid Co	20,000.00	185.00
Gilman Udell, 1750 New York Avenue, NW Washington DC 20006	International Assn of Fire Fighters	4,500.00	
Mark J. Ugoretz, 1726 M Street, NW Washington DC 20036	Erisa Industry Committee	2,125.00	
Lewis K. Uhler, 500 N. Washington St., #201 Falls Church VA 22046	National Tax Limitation Committee	95.00	
Unique Athletes, Inc, 3 Woodland Avenue Westhampton Beach NY 11978			
United Food & Commercial Workers International Union, 1775 K St., NW Washington DC 20006		195,441.33	49,746.77
United Services Automobile Assn, 9800 Fredericksburg Road San Antonio TX 78288			
Uranium Producers of America, c/o Covington & Burling 1201 Pennsylvania Ave., NW P.O. Box 7566 Washington DC 20044		102,060.35	5,252.26
Ronald D. Utt, 1615 H Street, NW Washington DC 20062	Chamber of Commerce of the U.S.		238.62
Mary Uyeda, 1200 17th Street, NW Washington DC 20036	American Psychological Assn	2,018.00	68.43
R. Thomas Van Arsdall, 1800 Massachusetts Ave., NW Washington DC 20036	National Council of Farmer Cooperatives	1,165.00	
Richard Van Deuren, 111 E. Wisconsin Avenue, NW, #1800 Milwaukee WI 53202	National Employee Benefits Institute		47.41
H. B. Van Gieson, 1700 North Moore Street Rosslyn VA 22209	Boeing Company	1,623.24	466.04
C. D. Van Houweling, 1015 15th St., NW, #200 Washington DC 20005	National Pork Producers Council		
John A. Vance, 1726 M St., NW Washington DC 20036	Pacific Gas & Electric Co	6,384.00	6,289.27
Robert C. Varah, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washington DC 20037	Dofasco, Inc	950.00	568.03
Theresa Varner, 1909 K Street, NW Washington DC 20049	American Assn of Retired Persons	511.54	
Venture Entrepreneurs, Inc, 1201 San Marco Blvd., #204 Jacksonville FL 32207			
Robert J. Verdisco, 1901 Pennsylvania Avenue, NW, #200 Washington DC 20006	National Mass Retailing Institute	5,000.00	700.00
Verner Liipfert Bernhard Mcpherson & Hand, Chtd, 1660 L Street, NW, #1000 Washington DC 20036	Associated Ferrari Dealers of North America	2,990.00	
Do	Brown & Root, Inc	337.50	
Do	Gencorp	2,712.50	
Do	Icahn & Company, Inc		
Do	John F. Kennedy Center for the Performing Arts		
Do	Mutual of America	6,241.25	
Do	Norfolk Southern Corp	3,742.50	
Do	Orion Satellite Corp		
Do	Rayburn Country Electric Cooperative, Inc	3,976.60	
Do	Travelers Corporation	2,025.00	
Do	John Tudor		
Do	Turner Broadcasting System, Inc		
Do	TRW, Inc		
Rudolph A. Vignone, 1800 K St., NW, #800 Washington DC 20006	Goodyear Tire & Rubber Co	4,500.00	
Volunteer Trustees of Not-For-Profit Hospitals, 1625 Eye St., NW Washington DC 20006		4,450.00	9,525.75
Abe J. Voron, 6204 White Oak Lane Tamarac FL 33319	National Radio Broadcasters Association		
Vorys Sater Seymour & Pease, 1828 L Street, NW, #1111 Washington DC 20036	Cabot Corporation	14,110.00	131.30
Do	Committee of Publicly Owned Companies		
Do	Ohio Deposit Guaranty Fund		
Do	Ohio Manufacturers Assn	4,491.83	465.56
Do	Pittsburgh & Lake Erie Railroad Co	26,592.60	1,997.25
Do	Toledo Trustcorp	15,600.00	5,394.98
Do	Winrock International Agricultural Development Service	10,075.00	91.75
Wagner & Baroody, Inc, 1100 17th Street, NW, #804 Washington DC 20036	American Business Press	12,437.50	3,771.25
Do	Chicago & Northwestern Railroad	312.50	213.57
Do	CSX Corporation	17,125.50	5,729.29
Do	Daewoo International Corp	7,218.75	2,631.24
Do	Jartran, Inc	218.75	33.65
Do	Mobil Oil Corp		
Do	National Beer Wholesalers of America	13,500.00	4,268.61
Do	National Debt Repayment Foundation	343.75	52.89
Do	North American Bancorporation	1,437.50	374.50
Do	United Nations Educational Scientific & Cultural Organ.		
John A. Waits, 1800 Massachusetts Avenue, NW Washington DC 20036	Farm Credit Council	1,650.00	
G. L. 'Lew' Walts, 11319 Sunset Hills Road Reston VA 22090	National Turkey Federation		
Warner Cable Communications, Inc, 75 Rockefeller Plaza New York NY 10019			
Washington Energy Trade & Agriculture Group, 655 15th Street, NW, #300 Washington DC 20005	CPM Energy Corp; Valley Green Int'l Trading Corp, et al	4,500.00	3,200.00
Washington Gas Light Co, 1100 H St., NW Washington DC 20080			3,356.87
Washington Office on Africa, 110 Maryland Ave., NE Washington DC 20002		49,279.30	36,200.38
Susan Weber, 1601 Connecticut Ave., NW, 4th Fl. Washington DC 20009	Zero Population Growth, Inc		
Webster & Sheffield, 1200 New Hampshire Ave., NW, #350 Washington DC 20036	Mazda Motor Manufacturing (USA) Corp	1,000.00	
Webster Chamberlain & Bean, 1747 Pennsylvania Ave., NW, #1000 Washington DC 20006	Beer Industry Alliance		
Paul Weckstein, Suite 504 236 Massachusetts Ave., NE Washington DC 20002	Center for Law and Education, Inc	1,130.74	
Lee J. Weddig, Suite 580 2000 M St., NW Washington DC 20036	National Fisheries Institute	4,000.00	
Theodore F. Weihe, 1800 Massachusetts Avenue, NW Washington DC 20036	U.S. Overseas Cooperative Development Committee	2,812.00	
Weil Gotshal & Manges, 1101 14th St., NW Washington DC 20005	All-Industry Committee	2,614.80	
Do	Antitrust Remedies Reform Group	627.52	
Do	National Venture Capital Assn		
David Weiss, 777 14th Street, NW Washington DC 20005	National Assn of Realtors	1,250.00	281.10
Stanley A. Weiss, Suite 401 21 Dupont Circle, NW Washington DC 20036	Business Executives for National Security		
John F. Welch, 655 15th Street, NW, #1200 Washington DC 20005	Safe Buildings Alliance		
William B. Welsh, 1625 L St., NW Washington DC 20036	American Fed of State County & Municipal Employees	18,100.86	103.13
Thomas F. Wenning, 1910 K St., NW Washington DC 20006	National Grocers Assn		
Roland Wesley, 1159 Quail Run Bolingbrook IL 60439	Committee for Minor. Access to Post Second. School Ownership		
Pamela R. West, 1200 17th Street, NW Washington DC 20036	American Psychological Assn	1,962.00	122.94
West Mexico Vegetable Distributors Assn, PO Box 848 Nogales AZ 85621			1,000.00
Mary Louise Westmoreland, 1400 K Street, NW Washington DC 20005	Handgun Control, Inc	11,200.00	
Clyde A. Wheeler Jr., Bishop Liberman Cook Purcell & Reynolds 1200 17th Street, NW Washington DC 20036	Pacific Texas Pipeline Co		
John C. Whitaker, Suite 39 1850 K St., NW Washington DC 20036	Union Camp Corporation	1,115.38	31.00
Don White, 1200 17th Street, NW Washington DC 20036	American Psychological Assn	1,270.00	32.43
Donald F. White, 1616 H St., NW Washington DC 20006	American Retail Federation		
Alton W. Whitehouse Jr., 1750 Midland Bldg. Cleveland OH 44115	Standard Oil Co (Ohio)		
Marshall E. Whitenton, Suite 600 1001 22nd St., NW Washington DC 20037	Standard Oil Co (Ohio)		
James A. Whitman, P.O. Box 1417-D49 Alexandria VA 22313	National Assn of Chain Drug Stores, Inc	500.00	
Robert L. Whitmire, 1745 Jefferson Davis Highway, #1000 Arlington VA 22202	General Dynamics Corp	1,000.00	386.88
Julian A. Wilhelm, 1320 19th Street, NW Washington DC 20007	Burch and Bennett, P.C. (For: M.A.N. Truck & Bus Corp)		
Wilkinson Barker Knauer & Quinn, 1735 New York Ave., NW Washington DC 20006	American Assn of Presidents of Independent Colleges & Univs	50,751.26	2,935.77
Harding Dec. Williams, 1101 15th Street, NW, #400 Washington DC 20005	National Council of Savings Institutions	4,000.00	
Margie R. Williams, 415 2nd St., NE Suite 300 Washington DC 20002	National Assn of Wheat Growers	1,755.00	
Perry F. Williams, 225 Main St. Newington CT 06111	American Radio Relay League, Inc	311.17	244.35
Williams & Jensen, P.C., 1101 Connecticut Ave., NW Washington DC 20036	American Home Products		
Do	American Hospital Assn	2,700.00	195.25
Do	American Physical Therapy Assn	380.00	43.83
Do	American Real Estate Committee	2,787.50	195.25
Do	Bato Company		21.26
Do	Century 21 Real Estate Corp		
Do	Cigna	887.50	35.85
Do	Committee for Employment Opportunities		

Organization or Individual Filing	Employer/Client	Receipts	Expenditures
Do	Committee for Fairness in Real Estate Taxation	87.50	10.62
Do	D'Ancona & Pflaum		
Do	Design Professionals Coalition		
Do	Estee Lauder, Inc.		
Do	Federation for American Immigration Reform		
Do	First Boston Corp	87.50	
Do	First Data		
Do	Freight Forwarders Institute		
Do	General Electric Co.	1,212.50	94.30
Do	Goldome FSB	1,252.50	62.42
Do	Higher Education Assistance Foundation	1,775.00	130.16
Do	Houston Endowment, Inc.		
Do	IU International Management Corp	1,165.00	132.82
Do	Kellogg Company	387.50	29.22
Do	Kelly Appleman Hart & Hallman		
Do	Krause Milling Co	250.00	29.22
Do	Mustang Fuel Corporation		
Do	National Assn for Home Care		65.08
Do	National Assn of Water Companies	1,887.50	108.92
Do	National Cable Television Assn, Inc	3,925.00	318.76
Do	Nationwide Insurance Co		
Do	Norfolk Southern Corp		274.93
Do	Paralyzed Veterans of America		
Do	Pharmaceutical Manufacturers Assn		29.22
Do	Recording Industry Assn of America, Inc	150.00	21.26
Do	Student Loan Marketing Assn	3,500.00	217.83
Do	Texaco, Inc.	612.50	29.22
Do	Texas Air Corp		58.44
Do	U.S. Telephone Communications, Inc.		62.42
Do	Universal Foods, Inc		
Do	USAA Financial Service Co.		
Do	Wilkie Farr & Gallagher		
Willkie Farr & Gallagher, 818 Connecticut Avenue, NW Washington DC 20036	U S West, Inc.	7,920.00	43.85
David W. Wilmot, 2303 36th Street, SE Washington DC 20020	Anheuser-Busch Companies, Inc.		
Charles D. Wilson, 1850 K St., NW, #390 Washington DC 20006	Union Camp Corporation	2,086.08	479.42
Don T. Wilson, 1250 I Street, NW, #400 Washington DC 20005	National Tire Dealers & Retreaders Assn	650.00	30.00
G. Peter Wilson, 249 Maitland Avenue P.O. Box 1119 Altamonte Springs FL 32701	Institute of Internal Auditors, Inc.		
H. Graham Wilson, c/o Dow Lohnes & Albertson 1255 23rd Street, NW Washingtor. DC 20037	Dofasco, Inc		
Judy Winchester, 3900 Wisconsin Avenue, NW Washington DC 20016	Federal National Mortgage Assn		
Joseph B. Winkelmann, 777 14th St., NW Washington DC 20005	National Assn of Realtors	2,500.00	163.25
Winston & Strawn, #500 2550 M St., NW Washington DC 20037	American Assn of Museums		
Do	Association of Seat Lift Manufacturers	65.00	58.90
Do	Beatrice Foods Co.	480.00	
Do	Building Owners & Managers Assn International		
Do	CNA Financial Corp	315.00	
Do	Gould, Inc		
Do	International Boutique, Inc.		
Do	International Council of Shopping Centers	150.00	
Do	Lease Management Corp		
Do	Mercedes-Benz of North America, Inc.		
Do	National Audubon Society		
Do	Queen City Home Health Care	750.00	
Do	Terson Company, Inc.		
Walter J. Witek Jr., 777 14th St., NW Washington DC 20005	National Assn of Realtors		
Claudia A. Withers, 2000 P Street, NW, #400 Washington DC 20036	Women's Legal Defense Fund		
S.R. Wojdak and Associates, Inc, 1401 Walnut St., #1000 Philadelphia PA 19102	Health America Corp	2,775.00	292.79
Do	Medical College of Pennsylvania	4,500.00	730.79
Do	St. Christopher's Hospital for Children	10,500.00	580.54
Hugh A. Wood, 515 S. Flowert, NW, #1200 Washington DC 20005	American Dental Assn.	3,000.00	143.75
Roberta Lynn Youmans, 509 C Street, NE Stanton Park Washington DC 20002	Roisman, Reno & Cavanaugh (For: National Housing Law Project)	1,809.95	
Thane Young, The Ferguson Company 1875 Eye Street, NW Washington DC 20006	City of Alhambra		
Do	City of Baldwin Park		
Do	City of Inglewood		
Do	City of Norwalk		
Do	City of Oceanside	3,189.00	44.85
Do	City of Provo		
Do	City of Redondo Beach		
Do	City of South Salt Lake		
Do	Imperial Irrigation District		
Do	Irvine Company		
Do	Long Beach Transit		
Do	Maritime Center at Norwalk		
Do	Santa Cruz Properties, Inc.		
Steven S. Zaleznick, 1909 K St., NW Washington DC 20049	American Assn of Retired Persons	632.69	
Vincent Justin Zecca, 315 West Cuthbert Road Westmont NJ 08108			
Zero Population Growth, Inc, 1601 Connecticut Ave., NW, 4th Fl. Washington DC 20009		1,449.00	2,304.00
Michael J. Zimmer, 1133 21 St., NW, #500 Washington DC 20036	Clean Coal Coalition, Inc		
Do	Cogeneration Coalition, Inc		
Do	Consolidated Natural Gas Co.	260.00	42.00
Ziontz Pirtle Morrisset Ernstoff & Chestnut, Metropolitan Park, 16th Floor 1100 Olive Way Seattle WA 98101	Ukpeagvik Inupiat Corporation		

EXTENSIONS OF REMARKS

DON REGAN: AN ELOQUENT SPOKESMAN FOR THE REAGAN REVOLUTION

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. KEMP. Mr. Speaker, I recently had the privilege to be in the audience to hear White House Chief of Staff Donald Regan's remarks to the Center for the Study of the Presidency where he received the Distinguished Service Award. He spoke eloquently of the accomplishments of the Reagan administration, and gave a more personal side of the President's leadership and strength of will—qualities that have helped transform that national mood to one of pride and optimism about the future.

We in Congress have had the opportunity to work with President Reagan on various issues, and we can see the evidence of the new beginning he has given our Nation and the free world. However, Donald Regan works with the President on a day-to-day basis, and plays an important role in shaping the policies that are at the core of the Reagan revolution. I commend Don's provocative speech to my colleagues, and hope every Member will find it of interest.

MR. REGAN'S REMARKS: THE CENTER FOR THE STUDY OF THE PRESIDENCY

Ladies and gentlemen, for two decades the Center for the Study of the Presidency has sought to shed light upon a peculiar institution. Theodore Roosevelt called the office a "bully pulpit." Roosevelt may have been too bully to his successor, William Howard Taft; Taft, it's said, referred to the office as "the loneliest place on Earth." And shortly after his inauguration, Harry Truman said to the press corps, "When they told me yesterday what had happened, I felt like the moon, the stars, and all the planets had fallen on me." As Chief of Staff, I understand the part about getting hit by falling objects.

But in the midst of shifting and often contradictory viewpoints on the Presidency, the Center has provided high standards of scholarship and genuine understanding. This award from the Center represents a high honor indeed. I must add that I feel likewise honored by the presence here tonight of so many I deeply respect—scholars whose work I admire, friends from the business world, colleagues in the Administration. Dr. Hoxie, the Center's president, is an old friend. He is also a man who served with distinction in World War II, who rose in the Air Force to become a brigadier general, and who has had a long and distinguished career in education. Thank you, Dr. Hoxie, for those king words. Dr. Farkas, the Center's chairman, is another friend. Our Ambassador to Luxembourg under Presidents Nixon and Ford, Dr. Farkas has served the Center selflessly for the past 6 years. Thank you, Dr. Farkas, for this fine plaque.

Bill Marriott, our master of ceremonies, is a man whose business acumen I admire and whose patriotism I esteem. I appreciate your efforts, Bill, and those of your vice chairmen, in arranging this dinner. Elizabeth Dole—well, I don't suppose Liddy Dole needs any introduction in this town. Suffice it to say that she serves President Reagan with savvy, with style, and with a quality that's often rare in government—a sense of humor. She also has a persistent quality that won't take "no" for an answer—I know—I have to deal with her regularly and she's remaking me into a "yes" man.

There are so many others, so many good friends. I can't possibly summon up the phrases to tell you how grateful I feel, so permit me to use those two old, simple words—and let you know that they come from my heart: My friends, thank you.

But the assignment of making a speech before this distinguished group is one that I approach with trepidation. Much of what I have to tell you, you will already have heard. Standing before so many presidential scholars and others who have worked for, or with Presidents, indeed, I'm reminded of the story about a man who drowned in the Johnstown flood. When the man got to heaven, St. Peter told him an audience had gathered to hear the latest news from Earth. "No problem," he told St. Peter, "I'll talk about the flood I was just in." St. Peter answered, "Better make it good. The bearded fellow in the front row is Noah."

But perhaps my perspective as Chief of Staff has permitted me certain insights that will prove of interest; and if I may, I'd like to spend a few moments considering the place of the Reagan Presidency in the second half of the 20th century, the period since Franklin Roosevelt established the modern presidency itself. Permit me first to present in broad outline a number of developments that took place during these decades—and to begin with a word about my own vantage point when this period began, more than 40 years ago.

During the final years of the Roosevelt Presidency, I found myself serving as a major in the Marine Corps in the Pacific. The battle conditions we encountered were, to paraphrase Churchill, not uneventful—planes roaring overhead, ships pounding their guns, the islands themselves seeming to shudder; landing on beaches under heavy fire, pursuing a dogged enemy through jungle or over rock. All this has of course been described in detail by historians and journalists, and I mention it only because I believe it throws light on the sense of unity and mission that our Nation then evinced. Freedom, democracy, opportunity for the common man—all these we considered worth fighting for, and yes, if need be, worth dying for.

When the war ended, as we were leaving the service, the country was alive with a sense of expectation, an eagerness to go on from the destruction of combat to the challenges of peacetime. Economists and many politicians of course made dire predictions. When war production ended, they claimed, recession would follow. Massive Government intervention would be needed. Nothing of the kind happened. The economy began to grow. We were able to assist our allies, and our former enemies, in rebuilding their shattered lands. And I would submit that this economic creativity was but one aspect of a wider creativity that permeated the culture as the rest of the world turned to America as its leader. Although in the sixties and seventies it became fashionable to portray the decade of the fifties as dull or square—a period culturally inert—in fact it was anything but that.

"Not since the 1920's," Professor Jeffrey Hart of Dartmouth writes in his book on the fifties, "had so much been happening, both in popular and in high culture. . . . For the first time in history, New York was the art capital of the world. . . . In philosophy and theology, important things were happening. And the Nation as a whole experienced an unprecedented burst of prosperity, of home buying, car owning, and, of course, television." New inventions, some of them as a result of wartime innovation, came to market, spawning new growth industries. More marriages and the baby boom produced a challenge to our economy to keep pace.

There were indeed exceptions, some drastic. Black Americans in particular still suffered severe discrimination, but they were able to make some progress. All in all, though, the country took a justifiable pride in itself. Hart writes, "Americans felt good about themselves and their country during the fifties."

The sixties began with a sense of promise—then of promise betrayed.

Here are the words of John Kennedy as he campaigned for President at the outset of the decade. "Can the world exist half slave and half free * * *? The enemy is lean and hungry, and the United States is the only sentinel at the gate. . . . Extraordinary efforts are called for by every American who knows the value of freedom." Yet by the time of John Kennedy's death, the Soviet Union had established itself and communism in Cuba, and the United States had sent soldiers to Vietnam.

There followed two decades of national agony. The bitter fiascos of Vietnam and Watergate preoccupied our leaders and brought low the presidency itself.

Throughout the world, the Soviets advanced. Between 1960 and 1980, the list of countries under Soviet domination grew to include Vietnam, Laos, Cambodia, South Yemen, Ethiopia, Mozambique, Angola, Afghanistan, and Nicaragua. The United States, meanwhile, suffered a profound economic disturbance. By 1980, inflation had risen to 12 percent and the prime rate of interest had reached more than 20 percent, the highest level since the Civil War; our Gross National Product had virtually stopped growing.

The mood of the country during this period went sour. It was as if the youthfulness and exuberance of the fifties had been replaced by old age—anxious, bitter, self-deprecating. Americans of my generation could hardly believe what they had witnessed—from victory in world war to vascillation and self-doubt in less than two decades. Younger Americans—Americans who had known nothing else—accepted it as a re-

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

ceived fact that they lived in a Nation in decline. Few were proud of this Nation, most were bewildered. Even though we spent more we got less. Our trade picture was gloomy, our dollar weak, and many felt capitalism itself was on trial.

This, then, is the background against which Ronald Reagan took office as the 40th President of the United States.

Agree with him or not, virtually all observers admit that the President arrived with a coherent plan of action and moved at once to put it into effect. On the economic front, the President cut taxes dramatically and asked the Federal Reserve Board to steady the growth of our money supply to bring inflation to an end. He curtailed the growth of Federal regualtions, de-regulated financial institutions, and began using antitrust policy to encourage competition and benefit consumers.

The result? A very difficult period of adjustment, a recession of 18 months. Yet since then, the return to economic health has been dramatic: Forty months of economic growth. Inflation down to roughly 3 percent. Interest rates down and Government bond rates back to the levels of the early seventies. Close to 10 million new jobs. And the stock market competing with the bond market in setting one record after another.

One of the President's economic achievements deserves special mention. On taking office, the President completely de-controlled the price of oil. This set off a search for new sources of oil and other forms of energy in our own country which, when coupled with vast deposits of oil and natural gas found elsewhere, forced down the price of oil. OPEC has been rendered largely ineffective, and it's once again possible to tank up for under 10 bucks—Iaccoca in his Chrysler and me in my Mercury. To be sure, some sectors must undergo a difficult adjustment as a result of the new lower prices. But because President Reagan set them free to do so, consumers were able to use the free market to take on OPEC—and win.

Today, even the President's alleged economic failing, the growth of the Federal deficit, appears to be coming under control. Yes, the deficit has grown quickly, and we've been concerned about it. As a percentage of GNP, however, the Federal debt has grown for the most part in line with historical standards. And with the outlook calling for continued economic growth, this—the deficit monster that just a few months ago was supposed to swallow the Reagan Presidency—is beginning to shrink. Indeed, it now appears clear that with Gramm-Rudman-Hollings assisting the process, the deficit can be whittled down to zero if we have the will to fight more spending.

In foreign policy, again, the President has acted decisively. When he took office, America's underlying military structure—the factor on which all diplomacy depends—lay in weakness. During virtually the entire decade of the seventies, we had failed to make major capital investments in defense and had barely met replacement costs. Our naval fleet, for example, had fallen from nearly a thousand ships to under 500. The President immediately set in train a rebuilding program, signaling the world that the United States was returning to the global scene in an active way. Today there is still much to be done, but our military strength has been substantially re-established, and we are once again universally respected.

In nuclear policy, the President's Strategic Defense Initiative has challenged the assumptions that have dominated strategic planning since the end of the War. There is an irony here. Critics have referred to the President as a Cold Warrior, a man whose ideas are out of date. Now Ronald Reagan has asked a simple question: "Why not a defense that defends—a defense that actually protects our people by keeping missiles from reaching the United States in the first place?" And with that question, the President who is supposedly behind the times has made his critics look old-fashioned—they still want the threat of mutual destruction as a deterrent.

The fruits of the President's foreign policy are already clear. In the more than 5 years since he took office, not one inch of territory has fallen to the Communists, and one nation, Grenada, has been set free. With our military strength re-established, the President was able to hold a successful summit meeting with the Soviet leader, Mr. Gorbachev, and to invite Mr. Gorbachev to visit the United States for a second summit meeting this year. At the same time, the President has extended material support to those struggling against the Soviet empire, and now in Afghanistan, Angola, Cambodia, and Nicaragua, the forces of democracy are winning new recruits.

In a wider sense, the United States has once again become an economic and political model for the rest of the world. Witness the establishment of democracy in six Latin American nations since the President took office. And witness the way in which the free-market aspects of the Reagan revolution are being picked up around the globe. China has moved to free markets dramatically. The International Monetary Fund and the World Bank are preaching market economic and equity financing as an antidote to state socialism and large debts. In the Philippines, Jaime Ongpin, the new finance minister, has said, quote, "I am philosophically committed to the absolute minimum of government interference." And in France, voters have supported freer markets and more private enterprise.

Here at home, a profound change—a seachange—has taken place in the mood and outlook of the country. Indications of renewed social health abound. Student test scores are up, crime rates are down, personal donations to charity are running at an all-time high. The President of the United States can go to a college campus and get cheered. As I noted earlier, Jeffrey Hart wrote of the fifties, "By and large, Americans felt good about themselves and their country. . . ." For perhaps the first time in the three decades since, this is once again the case. We cheer our athletes in international competition, and applaud our military as they show our flag.

Economic growth, a successful foreign policy, a newly patriotic and self-confident Nation—why should this be? Is it that President Reagan's policies are technically superior to those of his predecessors? Is it simply that Ronald Reagan is in some marginal or incremental sense better at his job? The answer, I believe, has less to do with technical superiority than with the President's most fundamental beliefs about this country—in a word, with Ronald Reagan's vision of America.

Recently I came upon a passage that illuminates this very point, the distinction between incremental improvements and the matter of vision. Arthur Schlesinger writes in his biography of Robert Kennedy that, before the 1960 debates between John Kennedy and Richard Nixon, Henry Kissinger provided some advice. "We need someone . . .," Kissinger said, "who will take a big jump—not just improve on existing trends but produce a new frame of mind, a new national atmosphere. . . . The issue is not one technical program or another. The issue is a new epoch. If we get a new epoch and a new spirit, the technical programs will take care of themselves.' "

Two decades later, Ronald Reagan produced just that, a new epoch and spirit. I would add that President Reagan's vision is not only new, but ancient—as ancient indeed as Athens and Jerusalem. For at its most fundamental level, President Reagan's vision is the vision of all Western civilization—the belief in a just and loving God, in individual responsibility, in the importance of the family. By reasserting, for example, the ancient belief in the goodness of creation—a belief advanced in Genesis—President Reagan has reawakened our sense of the goodness of our own people and land. And by reasserting the ancient belief that history has meaning—that human existence is a vast story ultimately unfolding according to the will of its almightly Author—President Reagan has opened our eyes to the importance of America's place and mission in this story, as the bastion of human freedom in our time.

This restoration of a sense of meaning, I believe, has a great deal to do with the recent emergence of so many new democracies. Not long ago, it was the communist model that was attractive to much of the Third World—Fidel Castro was a cultural hero in Latin America and posters of Che Guevara appeared around the globe. Those of us in Western democracies were puzzled. Why, we asked, does communism hold so much appeal for the Third World when it so obviously requires the surrender of human liberty?

The answer was that in many parts of the world, the freedoms we enjoyed had never been known. To quote the historian Christopher Dawson, "In [many places] life has been short and hard and uncertain. . . . In such a world the evils of totalitarianism which shock the Western mind—its denial of personal liberty, of freedom of opinion and free enterprise—are less apparent. . . . Communism demands everything . . . but in return it makes men feel that there is a power watching over them which is immune from human weakness and is based on an unchanging foundation of absolute principles." However falsely, in other words, communism offered to oppressed peoples a sense that their lives had meaning. By comparison, Western democracies often appeared adrift, meaningless, gripped by anxiety and self-doubt.

Now, however, President Reagan has restated the Western belief that democracy represents, not just a way of organizing society for the production of wealth, but a means by which men can participate in the life of their nation and in history itself. Democracy, he has made clear, is based upon ancient and coherent values. It arises from a view of the universe as meaningful, and itself serves as a source of meaning for men's lives.

As the President has reasserted these truths, the Soviet Union has become more and more clearly, in the words of George Will, "an invalid trapped in a bureaucracy drunk on a 19th century fallacy Marxism. . . . It is a system being driven toward suffocation and anemia. . . ." Far from burying the United States, communism is burying itself. And from the green mountains of

Nicaragua to the green islands of the Philippines, the world conflict has entered a new and perhaps decisive phase. Now it is democracy that is on the offensive: the dictators, totalitarians, and state socialists who are on guard and fearful.

Permit me to turn now from the wider world to the White House and to Ronald Reagan, the man himself. The President's humor, his grace, the way he puts those around him at ease—all these are well known. But there is one aspect of the President that I would like to discuss on the public record, an aspect that has struck me again and again since becoming his Chief of Staff, all the more forcefully on this point since the public perception—or rather the public cliche—seems to me badly mistaken. Let me speak for a moment of the President's mind.

Now, as the former chairman of a large corporation, it has been my privilege to work with some very bright men and women, some with analytical skills as finely honed as any in the world. Yet despite the number and complexity of the issues we dealt with on Wall Street, all lay within the same field, the field of finance. Again at the Treasury Department, the issues were complex but closely connected. When I moved to the White House, I found a completely different intellectual environment. Issues come at the President furiously all day, and what strikes me is how utterly diferent they can be from one another. Let me give you, for example, the President's schedule for a recent day, March 20th.

9:00 a.m. With the Vice President and the Chief of Staff, the President goes over the events and issues of the day ahead. Topics touched on include the developing crisis in the Gulf of Sidra; votes in Congress on Nicaragua; the budget, which is getting nowhere in Congress; and the latest maneuvering on taxes.

9:30 a.m. The President receives his national security briefing. Much of this meeting was classified, but I can tell you that time was again spent on the Gulf of Sidra, as well as the rest of the Middle East.

9:45–10:30 a.m. The President holds a series of staff meetings, during which the issues discussed range from agriculture to the American machine tool industry.

10:30 a.m. The President begins a series of telephone calls to key Senators and Representatives. The calls focus on aid to the Nicaraguan freedom fighters.

Noon. The President has his weekly luncheon with the Vice President. As always, this luncheon is kept in confidence so that both men can speak their minds with complete freedom. I can tell you, however, that while this luncheon was informal, a great deal of serious business got done.

1:00 p.m. The President gives an interview to the New York Times. The issues discussed included aid to the Nicaraguan freedom fighters, the space shuttle program, the Philippines, the budget, and relations between the United States and the Soviet Union.

1:15 p.m. The President tapes a message for the National Fitness Foundation.

1:30 p.m. The President meets his personnel director and makes decisions on a number of appointments throughout the Federal Government.

2:00 p.m. The President welcomes Congressmen and other guests for the signing of the Agriculture Day Proclamation.

2:05–4:30 p.m. The President holds a series of staff meetings. Issues discussed include the Gulf of Sidra and the options at his disposal in the context of SALT II.

4:30–5:00 p.m. The President presents an award for courage to a young cancer victim and poses for photographs with a number of people, including—and nothing illustrates the variety of the presidential day more clearly than this—the concert pianist Vladimir Horowitz and the middle-weight boxing champion, Marvelous Marvin Hagler.

5:00 p.m. The President leaves the Oval Office for the Residence, under his arm a thick folder of homework, including speech drafts, issues papers, and a sheaf of documents for his signature.

In the midst of days like this, the President remains affable and serene. He does so because his mind is disciplined and resilient. Perhaps more effectively that any other man I have known, the President is able to give his full concentration to the issue at hand; then take a deep breath, clear his mind, and give the same concentration to the next matter he deals with—whether a crisis in the Gulf of Sidra or a photograph with Marvelous Marvin. This, then, is the mind—flexible, trained, insightful, comprehensive—at the center of the Reagan Presidency.

How to sum it all up—the Presidency, the man himself? In his televised speech on Nicaragua, the President himself quoted Clare Boothe Luce's observation that, "no matter how exalted or great a man may be, history will have time to give him no more than one sentence. George Washington—he founded our country. Abraham Lincoln—he freed the slaves and preserved the Union. Winston Churchill—he saved Europe."

Of course it is too early to predict the single sentence with which Ronald Reagan will be remembered, but as I consider the possibilities, I find one line repeatedly coming to mind. It is the epigram with which Scott Fitzgerald summarized his feelings about our country. He wrote, "America is a willingness of the heart."

I don't suppose when I was a Marine those 40 years ago I had ever come across that line—I don't suppose any of my buddies had, either. But we knew what it expressed. We knew what it meant to love our country—and to look to the future with confidence because we had been born free.

Today, I sense the same exuberance among the young. They too know what it means to love our country and to look to the years ahead with a sense of expectation. They too look at the world around them and in their own way thank God for the gift of freedom. So it is that the Fitzgerald line seems fitting. Not so much as Chief of Staff, but as an ordinary American who loves his country, I am more grateful than words can express, that the President of the United States has restored to our green and gentle land its willingness of heart.

Thank you.

REFRESHING REVIEW OF THE PROSPECTS FOR THE SDI

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mrs. LLOYD. Mr. Speaker, the recently published book, "Strategic Defense: 'Star Wars' in Perspective," by Dr. Keith B. Payne, is an important contribution to the continuing public debate and assessment process regarding the Strategic Defense Initiative (SDI). Dr. Payne is an articulate exponent of the SDI Program and well versed in the relationships between the SDI and nuclear deterrence, strategy, stability, and other key arms control aspects of the program. Moreover, he demonstrates significant sensitivity to overriding questions such as U.S. commitments to allies and the morality of nuclear deterrence. There is no better way to describe Dr. Payne's contribution than the excellent foreword to the book written by Dr. Zbigniew Brzezinski. Dr. Brzezinski has impressive credentials in the defense policy arena, having served as National Security Adviser to President Carter and as a key adviser to the U.S. Government for several decades. His objective, yet very complimentary foreword to Dr. Payne's book, follows:

FOREWORD

(By Zbigniew Brzezinski)

When President Reagan announced the Strategic Defense Initiative (SDI) in a televised speech on March 23, 1983, he directed the U.S. technical community to investigate the potential for constructing a highly effective defense against ballistic missiles. The long-term goal of this investigation, as presented by the president, was to provide the technology necessary for nothing short of "rendering these nuclear weapons impotent and obsolete." Since that March 23rd presentation, labeled by the media as the president's "Star Wars" speech, there has been a deluge of articles and editorials on the subject of strategic defense. Despite the apparent general scarcity of understanding concerning what the SDI is and is not there has been no lack of commentary. This book provides an extremely useful guide to anyone interested in understanding the nature of the SDI and the debate surrounding it—a debate which may prove to be one of the most important of our times.

Current technical and political circumstances make the decision to proceed with an SDI eminently sensible. The development of ballistic missile technology has led to accuracies that could potentially enable Soviet offensive forces to pose a first-strike threat to an effective U.S. retaliatory response and to almost all U.S. command and control facilities. The fact that the Soviet Union has deployed large numbers of highly accurate offensive forces in its arsenal of ICBMs and continues to add to that arsenal, while the United States has not, is particularly disturbing. Indeed, even if the U.S. strategic modernization program were carried out over the coming decade as currently envisaged, our strategic arsenal would not possess "counterforce" capabilities equal to those of the Soviet Union.

It has long been held as a near-truth that as long as the U.S. could threaten to retaliate effectively the Soviet Union would be discouraged from contemplating a first strike. However, the Soviet strategic build-up and its ICBM deployments in particular constitute a danger to the continued effectiveness of the U.S. deterrent. Concern over the continuing build-up of the Soviet capability to destroy our retaliatory forces and command and control facilities in a first strike does not reflect an exaggeration of the threat to stability posed by these Soviet forces. Indeed, we have been watching the momentum of the Soviet counterforce build-up for years—realizing that if arms control negotiations could not provide a solution we would be compelled to provide for our security unilaterally. It is now possible to conceive of circumstances under which the Soviet Union could strike first and de-

stroy most of our land-based retaliatory forces. Only those ballistic missile carrying submarines on patrol might survive the Soviet attack; and the doubtful ability to communicate with those surviving submarines following attack on our communications facilities would likely reduce their retaliatory potential.

The American hope has been that these destabilizing trends in offensive technology could be handled through a political process, i.e., arms control. However, it is doubtful that strategic arms control negotiations, as we have come to know them, possess the capacity to produce the expected stabilizing limitations on offensive counterforce weapons. The position adopted by the Soviet Union in the current talks at Geneva suggests that the political route will continue to be fruitless unless we go forward with a credible SDI program. Of particular importance is the emphasis the SDI places upon nearterm defensive technologies appropriate for defense coverage of American retaliatory capabilities. A credible SDI emphasizing such a defensive potential will facilitate reductions in destabilizing offensive arms, such as the over 600 Soviet SS-18 and SS-19 ICBMs (and their successors). It will do so by allowing our negotiators to present their Soviet counterparts with two options, one mutually beneficial, the other particularly costly to the Soviet Union.

The first option would be to renegotiate ABM Treaty restrictions against the defense of retaliatory forces. In return for real reductions in modern counterforce-capable ICBMs, of which the Soviet Union possesses the vast majority, the United States would agree not to proceed with deployment of its strategic defense system. If the Soviet Union refuses this bargain the U.S. would declare that the continued Soviet offensive buildup has placed in jeopardy supreme American interests and that the U.S. consequently is compelled to withdraw from the ABM Treaty. Such an action would both reflect the truth concerning Soviet ICBM deployments and be consistent with Article 15 of the Treaty governing legal withdrawal. Following withdrawal from the Treaty the U.S. would deploy a BMD system for protection of its strategic retaliatory capabilities. This action would nullify the decade-long Soviet deployment of counterforce-capable ICBMs. If the Soviet response was to increase its ICBM arsenal in an attempt to reestablish its threat to our retaliatory forces, the Soviets would be engaging in a losing tailchase that would be excessively costly for them. It would be easier and cheaper for the U.S. to augment its defenses and restore the survivability of its retaliatory capability than it would be for the Soviet Union to attempt to overturn those defenses through an increase in its offensive threat.

In order to pursue such an approach to strategic defense and arms control the United States must revise the current orientation of the SDI. The Reagan Administration has focused the emphasis of the SDI on those "exotic" technologies that might one day provide effective protection for large urban areas. It has given less emphasis to the near-term potential for the defense of selected strategic retaliatory forces—although there is general agreement that such defensive capabilities are now or soon will be in hand. To provide the necessary impetus for real Soviet offensive arms reductions, the SDI must convince Moscow's leadership of our capability and willingness to deploy a strategy defense system soon if it continues to reject significant limitations on destabilizing offensive forces. The Soviet Union must also be convinced that we will be willing to forego BMD deployment if they are willing to make the stabilizing reductions in their offensive missile force we have long sought. It should be clear that to pursue such a meaningful negotiating posture and defense strategy the U.S. requires a credible near-term BMD program. Support for the SDI is thus support for any future prospects for real reductions through arms control.

In this book Keith Payne documents the case for the SDI and strategic defense in terms of arms control and strategic stability. Without making utopian claims for the potential efficacy of defensive systems, Dr. Payne provides an innovative strategy for increasing American security and obtaining genuine arms control through a combination of defensive and offensive modernization programs.

Dr. Payne's emphasis on the necessity for both defensive and offensive programs may prove controversial. Nonetheless, he provides a strong and balanced case for the integration of offensive and defensive systems in support of strategic stability and arms control. Indeed, because Keith Payne is able to weave offense, defense and arms control into a single strategy this book will prove to be a major contribution not only to the debate over the SDI, but also to the much larger debate over the general direction that American strategy should take in coming decades.

FINANCIAL STATEMENT 1985

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. STUDDS. Mr. Speaker, I would like to submit my 1985 personal financial statement for publication in the CONGRESSIONAL RECORD. This statement is a complete disclosure of my 1985 income, assets, and liabilities which I have done every year since entering office in 1973.

Congressman Gerry E. Studds' 1985 Financial Statement

Part I—Income 1985 (summary):	
Salary	$74,892.00
Dividends—See part II for detailed explanation	1,262.00
Interest—See part III for detailed explanation	2,208.00
Honoraria—See part IV for detailed explanation	2,750.00
Total income	81,112.00
Part II—Dividend income 1985:	
No. Shares—Security:	*Income derived 1985*
40—Burlington Industries	66.00
347—Exxon	1,196.00
Total	1,262.00
Part III—Interest Income 1985:	
Bonds—Security:	
$3,100.00—Lorillard, Inc. 6⅞ debenture	213.00
3,333.00—U.S. Treasury 12 percent, May 15, 1987	400.00
Bank accounts:	
Bank of Boston (NOW)	55.00
American Security Bank (NOW & MMA)	1,540.00
Total	2,208.00
Part IV—Honoraria 1985:	
Human Rights Campaign Fund, Washington, DC	625.00
Michigan Organization for Human Rights, Detroit, MI	500.00
Lamda Center, Allentown, PA	1,250.00
Stonewall Union, Columbus, OH	375.00
Total	2,750.00

Part V—Assets:

1. Beatrice Studds Irrevocable Trust: My brother, Colin A. Studds, my sister, Mrs. Howard Babcock, and I have placed the following securities—owned jointly by the three of us—in an irrevocable trust for our mother, Beatrice Studds, with my brother as trustee. All income from these securities goes to our mother for as long as she shall live. My brother, my sister, and I each own one-third of the securities—and they will revert to us upon the dissolution of the trust at our mother's death. The following represents my one-third interest in the trust:

Colin A. Studds, III, Trustee Beatrice Studds, irrevocable trust, under agreement dated Aug. 1, 1973

No. shares—Security:	*Market value*
5,000.000—U.S. Treasury 13.875 note, due Nov. 15, 1986	5,000.00
Common stock:	
133—West Point Pepperell	7,086.00
67—W.R. Grace	3,283.00
50—General Motors	4,150.00
33—IBM	5,066.00
167—Detroit Edison	3,173.00
112—Munford	2,352.00
183—Park Electro-Chemical	3,300.00
167—Rogers Corporation	3,841.00
67—Eastman Kodak	4,020.00
167—Toledo Edison	4,008.00
67—GTE	3,484.00
133—Home Group	3,866.00
2. I own the following securities:	
No. Shares—Security:	
Bonds:	
$3,100.00—Lorillard, Inc. 6⅞ debenture	2,666.00
3,333.00—U.S. Treasury 12 percent, May 15, 1987	3,333.00
Common Stocks:	
40—Burlington Industries	1,520.00
347—Exxon	19,432.00
200—PBA	00.00
3. Our family home in Cohasset, Massachusetts, with an estimated market value of approximately $300,000 is owned jointly by my brother, my sister and me. My interest in the home therefore, is roughly	100,000.00
4. Bank Accounts:	
a. NOW account, First National Bank of Boston	850.00
b. NOW account, American Security Bank	1,500.00
c. Money Market Account, American Security Bank	11,000.00
d. NOW account, Seamen's Savings Bank	100.00

5. Two bedroom house in Provincetown, Mass., estimated market value	400,000.00
6. Efficiency Condominium Apartment, Washington, DC estimated market value	52,000.00
7. 1981 Chevrolet Caprice	4,600.00
8. 1985 Jeep Wagoneer	15,400.00
9. IRA—Fidelity Magellan Fund	13,000.00
Part VI—Liabilities 1985:	
1. Mortgage, two bedroom house, Provincetown, MA, New Bedford Institution for Savings, approximately	206,000.00
2. Mortgage, efficiency condominium, Washington, DC, Home Unity Savings and Loan	41,000.00

AMERICA'S COMPETITIVENESS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. BONKER. Mr. Speaker, last month, a number of business leaders, university presidents, and Members of Congress gathered at Hot Springs, VA, to discuss one of the most vital and challenging issues of our times—America's competitiveness. It is an issue that touches every aspect of this Nation's institutions and our declining position in the international economy. Those of us who attended the conference dealt with the range of issues that contribute to our national potential and what we need to do as a Nation to restore our competitive position.

The reports and recommendations that will be forthcoming from the Hot Springs conference and three previous sessions on competitiveness around the country will help to lay the groundwork for the task before us all.

The keynote address was given by the Chairwoman of the International Trade Commission, Dr. Paula Stern. More than anyone else, Dr. Stern sees the evidence of our declining competitiveness. Industries impeded by imports—and often experiencing a loss of competitiveness—usually appear before the ITC seeking relief.

While Dr. Stern and I may not agree on every point, her address, "The U.S. Trade System and the National Interest: Can We Do Better?" offers a sobering account of our trade problems and several thought-provoking suggestions on how America could recover her competitive position.

I hope my colleagues will take time to read the text of Dr. Stern's address:

THE U.S. TRADE SYSTEM AND THE NATIONAL INTEREST: CAN WE DO BETTER?

(By Dr. Paula Stern)

Thank you for including me in this impressive gathering of thinkers and doers.

Analysis and action tend to get separated in official Washington, and as David Stockman admits, even in Washington's officials. When the payoff for bad policy advice is a big publishers' advance, it may be time to move your Forum from temporary quarters in Virginia to permanent location on the north bank of the Potomac. As a Southerner, and a Washingtonian, I would be happy to offer you hospitality.

The Forum has already stimulated important departures in national education policy. Now I hope you will be as persistent and successful in the field of competitiveness. It is an honor to take part in your work.

I. WE HAVE A CRISIS

I do not exaggerate when I say that international trade has become a matter of national security. Our power in the world has become as much a function of the balance of trade as of the balance of terror. And our future depends as surely on our grain silos as on our missile silos.

Yet while we are used to strategic thinking about defense matters and strategic planning for corporate policy, we have settled for improvisation in international commerce. The result is crisis—six years of record trade deficits and a seventh big one on the way. The more important trade has become to our economy, the less well it seems we are performing.

The dimensions of the crisis, however, are now producing pressure for response. Speaking for myself and not the Commission I head, I'd like to outline six specific responses we should pursue and some broader issues we must face. It will be up to you to decide whether my advice is bad enough to qualify for a big publisher's advance.

II. REAL REMEDIES FOR U.S. TRADE PROBLEMS

I'll present my ideas as a wish list, remembering the old proverb: "If wishes were horses, beggars would ride." Since it's after dinner, this beggar will gallop.

(1) Item one on my wish list is a real commitment to consider the international effects when we set domestic monetary and fiscal policy. American industry and agriculture were put on a five-year long roller-coaster ride by policies which ignored, yet indirectly fanned the value of the dollar. Last fall, the Administration changed its tune, and there has been a healthy, if overdue, weakening of the dollar.

But even so, we will not easily or painlessly recoup the jobs we lost at home and the sales we missed abroad. The dollar's decline cannot completely "solve" our trade problem. It will have an impact on our Japanese and European Community accounts, but Canada—our single biggest trading partner—has devalued its dollar faster than ours.

The dollar is also stronger—not weaker—against the currencies of Mexico, Korea, Taiwan, Hong Kong, Brazil, Venezuela, and Australia. Thus, the overall decline of the dollar will not by itself solve all the trade problems we have been experiencing.

(2) The most prominent single economic event of this year is the reverse oil shock of 1986. Since oil is priced in dollars, this decline in price will be magnified for those countries whose currencies have appreciated against the dollar—Japan, West Germany and the remainder of the European Community.

Growth in these economies will increase their domestic demand, help restrain their exports, and possibly stimulate imports from the U.S. But these countries need not have waited for the fortuitous oil glut. Having waited, they are still not doing enough.

So my second wish is that we continue to pressure the governments of Japan and Europe to adopt more expansive economic policies. If we are successful, there will be a welcome bonus for the indebted third world, which could then look to other markets for increased export sales.

(3) Meanwhile at home, we should economize on the time and political energy we spend on secondary problems.

To explain staggering trade deficits of recent years, we have to look beyond the ways in which foreigners close their markets . . . and abuse our hospitality. After all, last year, less than one percent of the total value of U.S. imports was even challenged before the ITC. And in the vast majority of the cases we probed, an affirmative Commission ruling would only have resulted in marginally raising the price of imports, not in eliminating them.

Thus, unfair trade practices of other nations, however, vexing to individual U.S. industries, are not the chief menace to America. It's time to recognize this reality. That is item three on my list.

(4) My fourth wish is that we move beyond improvising trade policy. We should begin by fully examining the costs and benefits of all our options before, not after, we act. For instance, last December the ITC found that the President's steel import restraint program—if it works as planned—will cost U.S. exporters of steel-containing products over $15 billion. The higher costs for steel they will face here will translate into higher prices for their products and hence lost sales—abroad. Unfortunately, this calculation of export disadvantage was requested and aired only well after the import restraint program was underway.

(5) Wish number five is that we change the way we approach legislation affecting trade. Historically, we have written trade laws, not competitiveness legislation. As we have worked to liberalize international commerce, we have also created exemptions or shelters for declining or particularly powerful domestic industries.

Many laws offer U.S. claimants relief from the strain of trade competition. But an approach that focuses narrowly on imports often overlooks more basic causes of competitive decline.

(6) My sixth wish is that the law be changed to require that when the ITC recommends relief, we give the President more than the current take-it-or-leave-it option. The President should have a broad and deep range of choices based on an industry's competitive position and its readiness to adapt to new conditions.

With the present push for changes in our trade laws, it is clear that there will be benefits for American industry. We have an obligation to maximize the long-range returns from this public investment. And that can only be accomplished by creating the possibility of package deals that bring labor, management, and government into joint efforts that increase productivity, flexibility, and new investment.

We need not finance such efforts with new taxes or greater deficits. Instead of simply giving away import quotas to Japan, Korea and other nations, we should be auctioning them. In addition to financing adjustment here rather than abroad, auctions would put a concrete price tag on import relief, make the whole importing process more predictable, and ration quotas more efficiently. By adding positive relief to the negative relief accorded by quotas, an auctioning system could make it possible to achieve the same overall level of assistance to U.S. firms and workers with less restrictive quotas.

III. TRADE AND THE NATIONAL INTEREST

I have given you six wishes. I hope you will let me take one more roll of the dice.

The character of my wish list raises a very broad question which troubles me deeply and with which I would like to close. Do we have a trade policy which reflects our true national interest?

Let me cite some specific practices and their unintended, unexamined consequences. The first is technology transfer, the not-so-innocent passage of our know-how to our partners and rivals.

Export deals, particularly military sales, often depend on barter arrangements. They regularly include obligations for transfer abroad of U.S. technology. Between 1980 and 1984, such offsets resulted in new or enhanced production of civilian aircraft or components by seven of our trading partners. Likewise, we have spread American technology to foreign electronics, communications, steel and machinery industries.

This kind of transfer is on the rise and so is the competition it fosters. It poses obvious long-term economic implications. We need to examine more closely the costs and benefits of the "free" flow of knowledge.

Another example: much of our diplomatic effort with countries like Brazil, which I visited in January, has been devoted to protecting entry rights for U.S.-based multinationals. They want to expand overseas subsidiaries which may well wind up exporting to the U.S.

We push hard for that access and not enough on opening up heavily protected Third World markets to exports of goods made in the U.S. Our negotiators seem to despair that it is a hopeless task. The banks, understanding how debtor nations pay their loans, want to see countries like Brazil import less and export more. But the stakes are too high to assume that our national interest is best pursued by making life more comfortable for our diplomats and bankers.

Now that our domestic firms once again are moving into position to challenge foreign producers on their home turf with goods made in the U.S.A., do we really want to trade that competitive revival off for the right to establish new U.S. subsidiaries abroad? Where does our real national interest lie?

Not all of our miscalculations of national interest are new in origin. Since 1789, American law has discriminated against foreign shipping to favor domestic shipping in our coastal trade. But in the process, it has also discriminated against other U.S. industries by raising their transport costs, while leaving untouched their foreign competitors who can send their wares directly to U.S. ports in foreign bottoms.

The present day incarnation of this sacred cow comes in the form of the Jones Act. It requires that all intracoastal trade be conducted in vessels built in and documented under the laws of the United States, and owned by American citizens. The restrictions are intended to provide for the national defense and the growth of foreign and domestic commerce.

But the tab for the Jones Act now goes well beyond the increased opeating costs it foists on users of domestic transport. Ocean freight costs have fallen so dramatically in the last 25 years that the Jones Act itself has now become a significant impediment to supplying many regions of the U.S. with domestic rather than foreign products which are carried in much cheaper foreign bottoms.

At the ITC, we have seen sugar coming into New Orleans from Europe rather than Florida in large part because the shipping costs were cheaper from Europe. Cement is shipped to southern California from Australia cheaper than it can be shipped from northern California. And in many areas, it is cheaper—even with the decline of the dollar—to buy foreign steel products because ocean transport from Europe or the Far East is cheaper than barge transport in the U.S. We seem to be cutting off our noses to spite our faces.

A careful new look at this politically and emotionally loaded subject could come up with changes that would foster competitiveness of regional industries in the U.S., protect legitimate national security interests in a merchant marine, and quite possibly even stimulate employment of our seamen. As it stands now, our regional industries, merchant marine, and shipbuilding all suffer. We can do better by all three.

Let me close with one subject that is for good reason a part of the liturgy of every American trade official. Consider Japan, which has a fundamental problem in the imbalance between its huge savings and relatively low domestic consumption.

The result is a flow of Japanese capital abroad rather than an inflow to Japan of exports from the U.S. and Europe. Yet, the Administration has in the past expended its diplomatic capital with Japan on serious, but nevertheless less important market access issues.

We must find new energy to press the Japanese to make whatever changes are necessary to encourage greater consumption. The exact way that "keeping up with the Joneses" will get translated into "keeping up with the Tanakas" is of course a Japanese affair. But the necessity of doing so is a fact of life given current international trade flows. We can only hope that Prime Minister Nakasone's visit will help speed the process. But this kind of change will not come easily to Japan; real progress requires continuous pressure from all Japan's trading partners.

These examples show that we have yet to develop a deep understanding of where our national interest lies. We are even further from a trade policy consistent with that interest. However troubling, we should not be surprised that there is apparently no clear expression of America's national interest in its trade policy. After all, only in the past year has there been a serious appreciation of the need for a national trade policy, one on an equal footing with macroeconomic and foreign policy.

The time has never been better for changing course. The political debate has switched gears away from the illusion of protection and toward the reality of competition. The second wind of the present recovery has given us unique possibilities of implementing a long-term perspective before the next recession again inevitably narrows our vision.

We have some difficult work ahead in forging a trade policy to replace our outdated passive approach with measures that truly promote our national interest. The issues are so fundamental that they will only be clarified when they are presented to the entire body politic, rather than just the handful of insiders who have until now generally monopolized discussion of trade issues.

I hope you will join in sorting out the issues we as a nation must face together.

Thank you.

MIMI SILBERT AND DELANCEY STREET

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. LEVINE of California. Mr. Speaker, as part of a series on drug abuse, a remarkable person and an extensive innovative drug rehabilitation program were featured in yesterday's Washington Post.

The person is Dr. Mimi Silbert, one of the most talented people I know, and the program is called the Delancey Street Foundation.

Mimi Silbert and Delancey Street should serve as both an inspiration and a model for others.

I commend the Post article to my colleagues for their review and consideration:

DELANCEY STREET: FOR A FEW ADDICTS, A 4-YEAR LESSON IN LIVING

BREWSTER, NY.—In a 19th century oak-paneled dining room, before a long table set with sterling silver, 75 drug addicts jostled for standing room.

All eyes were fixed on a small woman with a broad, ironic smile. "Good afternoon," Mimi Silbert said. The group returned the greeting in unison, and then broke into laughter. Silbert, president of the Delancey Street Foundation drug rehabilitation program, was already playing the room like a violin.

The surroundings—a Tudor-style mansion set in 92 wooded acres about 70 miles north of New York City—seemed impossibly opulent for a drug treatment program. But they reflected Delancey Street's style, as well as its success at turning drug problems into manpower, all the while shunning government money.

The money that residents make selling stenciled coffee mugs to university bookstores, moving furniture with Delancey's fleet of trucks, or building ornamental planters at the foundation's factory puts food on the table—and working capital into the foundation's budget. In turn, addicts and criminals get a taste of what it's like to lead a normal, workaday life.

Nearly one of every three residents here was convicted in D.C. Superior Court of selling drugs, prostitution or violent crimes such as robbery or assault. They were placed on probation to come to Brewster, and before they are deemed ready to return to society, most will spend at least four years in one of three Delancey facilities in California and New Mexico, or in this 30-room, renovated castle.

During that time, they are supposed to learn to read and write; cook a meal or lay bricks; drive a truck or keep books. When they sit down to dinner, there might be oysters or snails on their plates. Silbert contends that exposure to the finer and more exotic things in life takes some of the fear out of being an addict, fear of a larger world that for them seems full of complications and problems too big to overcome without using drugs.

"Our peole who stay here have to do four years just like Harvard," said Silbert, 44, a criminologist and psychologist who once counseled offenders at Lorton Reformatory's Youth Center.

"NEVER LEARNED TO MAKE THEIR WAY"

"We're dealing with a lot of people who have never learned to make their way legitimately or successfully into American society. We teach them how to do it on the assumption that you can then reject anything in society you don't like, but not because you don't know about it."

Each morning there is a new vocabulary word to learn—"ghetto talk" is strictly prohibited. Breakfast call comes at 7:30 a.m., and for the rest of the day it's work at one of the several industries, supervised by more experienced residents.

At Delancey's four facilities there is only one paid employee: Silbert. The rest of the job of managing the foundation's properties and business is left to the residents themselves, the most successful of whom move to the top of the Delancey hierarchy and the most coveted rewards, a private room and dating privileges.

The 23 D.C. convicts at Brewster, many of them unable to get into packed programs near Washington, found out about Delancey Street through their attorneys or from the brochures the foundation sends to the D.C. Jail.

Most graduates go on to lead successful lives, Silbert said, because they must have three skills and a job before they leave. So far, though, none of the D.C. enrollees has been in the program long enough to graduate.

Started in San Francisco by four addicts 15 years ago with a $1,000 loan, Delancey Street prefers to take serious criminals, rejecting only sex offenders. Silbert said she joined the group after being asked to help write a proposal for a government grant, and later took full charge. She tries to accept all who apply, although she has had to close the doors to some in the past year because of a crush of applicants.

Melvin Peoples, a 32-year-old heroin addict and drug peddler, took the train to Brewster from Washington last year after a Superior Court judge placed him on probation following Peoples' guilty plea to a charge of trying to kill his wife.

"I didn't know where to go," said Peoples, who was turned away from at least three programs in Washington. "Either they were full up or they wouldn't accept me."

Now he is helping to install electrical wiring at the expanding Brewster complex, aiming to become a master electrician. "I'd been in it [drugs] for a long time. And this has given me a chance to see the other side, how it is without any heroin, without the craziness of the streets."

Joe Henery, 39, who grew up around 14th and U streets NW, was peddling drugs and stealing purses out of offices to support his addiction when he was caught driving a stolen car. He was placed on probation to enter Delancey Street last year and said he sees this as his last, best chance to go straight. He's got a carpentry job, turning one of the estate's outbuildings into an office.

"If I had gotten out of jail this time instead of coming to Delancey Street, . . . I probably would be dead or so far gone until wouldn't nobody even like to have anything to do with me."

RESIDENTS ATTEND FREE

In all, Silbert oversees more than $7 million in property and other assets and $6 million in income last year, according to a financial statement she provided. Residents attend the program free of charge.

The foundation was named for a street on New York's Lower East Side that was a haven for immigrants at the turn of the century. Silbert said she adopted many of the ideas for Delancey's self-supporting industries from what she saw while visiting an Israeli kibbutz.

She sees addicts as people trapped in a cycle of guilt, self-hatred and destructive behavior who don't know how to cope or live with other people and who desperately need to learn traditional American values.

The surroundings at Brewster might be lush, but residents, she maintains, are doing more penance than if they were locked in a cell. They must finally take responsibility for their lives.

"Prison does not give anyone a sense of responsibility. It's the exact opposite," she said. "You see a cell in the prison system and its disgusting, but it's not necessarily the hardest punishment for a person coming from a world these people have come from.

"Our punishment is much worse. It's that you work."

DISINCENTIVES TO EMPLOYMENT

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. DORGAN of North Dakota. Mr. Speaker, job layoffs, illness, the death of a wage earner, the closing of a plant, the failure of a crop are some of the factors that can trigger a family's becoming poor; all are events beyond the control of an individual. We need to be sure we are there to help that person or that family to be able to help themselves as soon as possible. We cannot do that when we are actually providing disincentives to work.

The Grand Forks Committee on Human Needs recently addressed the disincentive our current AFDC and Food Stamp system imposes on parents who want to work but have dependent children and no one to take care of the children.

Attached is the report of the Mayor's Committee on Human Needs. This information should help us when we formulate policy on how to provide incentives to people to move from the welfare roles to the payrolls.

April 8, 1986.

Representative BYRON DORGAN,
House of Representatives, Washington, DC.

DEAR REPRESENTATIVE DORGAN: We are a group of concerned citizens who serve on the Grand Forks Mayor's Committee on Human Needs. The major goal of this committee is to address the concerns of the poor and disadvantaged groups in our city. A concern with which the committee has been struggling is the disincentives to employment for parents receiving Aid to Families of Dependent Children (AFDC) benefits. As you know, AFDC is an extremely complex federal/state program and substantive changes in this program must occur at a Federal level. We believe some fundamental changes in the AFDC program should occur in order to create an incentive to employment for AFDC recipients. Therefore, we are asking that you share our concerns and examine means to reward, rather than frustrate, efforts of these parents to find and keep employment.

To illustrate this point, we share the following realistic example in which a parent can in fact find herself with fewer resources because she has chosen to work in an effort to become less dependent upon public aid:

It is not uncommon in North Dakota to find a 20-year-old woman who is single, has a three-year-old child, and receives AFDC benefits in the amount of $301.00 a month and $125.00 a month in food stamps. This is the maximum amount of AFDC and food stamp benefits an individual can receive in North Dakota for a two person household with no other source of income. Typically, this woman's only employment opportunities are less than full-time employment at minimum rate. If she works 30 hours per week for a minimum wage of $3.35 per hour, her gross income is $432.15 per month. This income will affect her and her child's AFDC and food stamp benefits substantially, as can be seen on the attached chart. The working mother made $36.15 for the first four months. The next eight months actually cost her $12.85 per month to work. After one year, it cost her $32.85 per month to work.

It is also noteworthy to remember that full-time employment would exacerbate this problem even more for this woman.

This situation is not atypical. We solicit your support in alleviating the problem of disincentives to employment for AFDC parents. We sincerely hope you will involve yourself in what we perceive to be a meaningful reform of the welfare system.

We feel that there must be a better design to the system towards the goal of assisting and encouraging AFDC recipients who want to work with more generous transitional incentives which will save taxpayers money in the long run.

We would be interested in your feelings about the matter of incentives/disincentives for AFDC parents wanting to work. We would also be interested in knowing if you are aware of any efforts within Congress, the Department of Health and Human Services, or the Administration to deal with this problem. We would be happy to meet with you or your staff at some mutually convenient time to explore the situation further.

Thank you very much for your consideration and assistance.

Sincerely,

ELIOT GLASSHEIM,
Major's Committee on Human Needs.

Eliot Glassheim, Chairman, Quad County Community Action Agency; Rosie Black, Vice Chair, Citizen Representative; Renee Moon, Secretary, Grand Forks Public School, Special Services; David Braaten, Grand Forks County Social Services; Tim Heisler, North Dakota Job Service; Robert Sanderson, Northeast Human Service Center.

Ron Volden, United Way; Bob Gustafson, Grand Forks Chamber of Commerce; Dennis Johnson, Grand Forks City Council; Margaret Olmstead, Grand Forks Public Health Department; Judy Miezwa, Adult Abuse Community Service; Herb Schimmelphennig, Vocational Rehabilitation; Rita Brown, Senior Citizen Representative.

Thomasine Heitkamp, UND Social Work Department; Ernest Norman, UND Social Work Department; James Lason, UND Sociology Department; Ed Waldron, UND Medical School; Earl Beal, Citizen Representative; John O'Leary, Grand Forks Office of Urban Development; Ruth Jones Project Self-Sufficiency.

SYSTEMIC DISINCENTIVES AGAINST WORKING

	House-hold A—non-working AFDC recipient	Household B—Single mother w/3-year-old child, who goes to work 30 hr. per week at $3.35 an hour (months after starting work)		
		1–4	5–12	12+
Gross work earnings		$432.15	$432.15	$432.15
(+) Total AFDC grant	$301	162.00	93.00	64.00
(+) Total food stamps	125	63.00	83.00	92.009
Total gross income	426	657.15	608.15	588.15
(−) Baby sitting cost		(120.00)	(120.00)	(120.00)
(−) Work-associated costs		(75.00)	(75.00)	(75.00)
Actual disposal income	426	462.15	413.15	393.15
Net gain(loss) from working		36.15	(12.85)	(32.85)
Gain(loss) per hour		0.28	(0.10)	(0.25)

The chart above compares disposable income for two households: Household A is a single mother who has a 3-year old child and who does not work; Household B is exactly the same, except that the mother attempts to take care of herself by working. Our assumption, based on experience, is that the woman in Household B does not have much training, is not sought after in the labor market, and will have to start as a 30 hour/week worker at minimum wage.

Under the present system, there is *some* attempt to build work incentives into the system. That is, a work allowance and a child care allowance are subtracted from earnings in computing AFDC benefits. An additional $30 a month in earnings are disregarded for the first four months and an additional one-third of the net earnings (after work allowance, child care and $30 disregard) are also not counted as earnings for the first year after starting work.

Though these disregards are an acknowledgement that the system must provide incentives if we wish to encourage AFDC recipients to work, the results do not accomplish the intention. The woman who does not choose to work has $426 of disposable income from AFDC and food stamps. After deducting actual out of pocket expenses attributable to working (baby sitting, clothing and transportation expenses, Social Security deduction), the woman who chooses to work has a net disposable income gain of 28 cents an hour for the first four months she works, and a net disposable income *loss* from working of 10 cents an hour for the rest of the first year.

The disincentives to working get worse if one adds in other complicating factors such as Medical Assistance, Housing Allowances and Fuel Assistance. We are not arguing against the minimal support systems for single mothers who cannot or do not want to work. What we are saying is that the social support system must not be so quickly withdrawn from those single parents who wish to work themselves out of dependency towards self-sufficiency. We hope that Congress will work with the appropriate agencies to correct this disincentive problem. We would be glad to be involved in any proposed solutions that would replace disincentives for working with incentives to work.

A PROFILE IN HUMANITY

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. MINETA. Mr. Speaker, Mitchell Y. Watanabe is a young man who has shared with me some thoughts he has written about his grandfather, Harry Watanabe. The elder Mr. Watanabe was one of the 120,000 loyal Americans of Japanese ancestry interned by this Government during World War II.

The story of Mr. Watanabe's life is one that brings to life the human tragedy of the internment; and of the spirit and endurance that enabled Americans of Japanese ancestry to rebuild their lives.

I am sure my colleagues will find this brief remembrance moving and interesting.

A PROFILE IN HUMILITY—MITCHELL Y. WATANABE

This is an article about perhaps that least admired of human virtues—humility. St. Paul described humility as 'Not to think more highly of oneself than he ought to think'. And this is a story of the pressures experienced by a turn of the century immigrant and the grace with which he endowed them—an account of the loss of his occupations, the relocation of his being and the vindication of his reputation and principles.

A nation which has forgotten the quality of humility which in the past was brought into the public spotlight is not likely to insist upon or require that quality in its general public today—and in fact we may have forgotten. We may remember the hardships endured by our immediate forefathers when they first immigrated to American, or were forced onto reservations, but we have forgotten their convictions of providing a better way of life for their children. We have forgotten and possibly we do not care.

Recently, I watched my shocked father view the culmination of his work of thirty years as a pharmacist lay in ruins, as his store was demolished by an earthquake. This he did too stunned to cry with the full knowledge that he had no specific insurance coverage for this type of disaster. Reflecting on this, I wondered if that was the way my grandfather had appeared when he first inspected his first field of cantaloupes in America glistening in the sun with a disease, completely ruined. He had saved enough money to farm by making beds for a hotel and filling capsules for a pharmacy. Those things he did for less than ten cents an hour.

Set back by farming, my grandfather began working toward beginning a plant nursery. This he did in Coalinga, California, an area with poor soil, a harsh climate, and worst of all at the time, alkaline 'hard' water. However the seedlings he planted flourished and he reportedly became quickly established as the leading authority on gardening for the community. Yet still, the holiday dinners were mostly celebrated when a loving neighbor would give the family a turkey. Consequently, he again attempted to farm. This time he met the same fate when his fruit orchard crop failed.

Returning to gardening in the same town, he greatly benefited from Roosevelt's depression measures. He did this by designing the landscape for the accelerated construction of public buildings, and providing the hardiest plants. However, just when the nursery business began doing well along with the assistance of this two eldest sons, he was told to relocate by a Presidential order. This he did without remark. Afterwards, he returned once more to begin the Nursery. Coalinga was his home where his character was recognized better than his Japanese features.

With his words, my grandfather only instructed me to do what ever I did to the best of my ability, and above all else to be honest. By his actions and through the absence of words concerning his difficult past, he demonstrated humility. O.K., so his crop failed; who was he to be immune from natural disaster. O.K., so the country he chose to live in ordered him into a camp; of what benefit would it be for his children and their children to protest this occurrence and thus kinder more prejudice. Because he felt this way he left his home without arrogance although it meant placing himself in a position inferior to his fellow Americans. In the Japanese culture this meant not being fit for society. Furthermore, he had completely abstained from any anger, bitterness, or remorse concerning the past as it could interfere with the contentment of the present and future.

A biblical proverb states that 'before honor comes humility'. A local newspaper article proclaimed that 'at one time Harry Watanabe was just about the best known man in Coalinga'. I was taught in fifth grade that the city council had moved to allow my grandfather and his family to stay in town during World War II. Throughout my life people from the community have spontaneously told me warm stories and praises of my grandparents. However, my grandfather has always been the proudest of raising three children that have never spent a day in jail and have gone on to be contributing members of their community.

To most Americans, at least a part of this story has been heard countless times from their forefathers. However, to the people with the "me" or "us first" attitude, the moral of this story does not seem to have been grasped. In fact, the meaning of humility is frequently misunderstood. Some may despise the dullness of its presentation, but may also fail to note the implications of its consequences. Some may admire its virtues in other people and for other times, but may fail to comprehend its current potentialities.

The quality of humility allows one to step back from an issue and view it and its possible results objectively from both sides. Furthermore, it permits one to consult another source regardless of rank. These few consequences alone leave one in a better position to make a more honorable decision.

The "me first" attitude, which is nothing new but perhaps now more celebrated, seems to be an attempt to achieve success through a short cut. I can understand the reasoning behind this. By looking out for number one, you won't be helping someone else get ahead. However, I am convinced that success is being able to reflect on your past with satisfaction, which is shared or upheld by your peers. This is what my grandfather has achieved through humility—not though putting his self-esteem or his profit first.

As you have probably recognized, this article has used the structure of John F. Kennedy's *Profiles In Courage,* at times only altering a few words of a sentence. (My sincerest apology to anyone I have offended.) However, this does not mean humility is opposed to courage. The antonym for courage is cowardice, which is not depicted in this story. To persevere through decisions which separate one from family, friends, and country takes much courage. Also, this article is not intended to encourage dependence, agreement to all compromise, or excessively withdrawn or stubborn adherence to ones own personal convictions.

The intension of this article is to encourage present and future generations to perse-

vere in the pursuit of their American dream, raising above external circumstances and mediocrity. In particular, this story is to bestow more honor on the early Japanese immigrants. A document to inspire my present "me" generation to provide hope for future children. My immediate forefathers have accomplished this for me by living honorable lives. We should acknowledge this in all peoples to provide restitution for the difficult times they have endured because of their humility. If we do not, we will rob our elders of the satisfaction with their lives and future generations of some hope.

To conclude, I will basically replace the word courage with humility in the final paragraph of *Profiles In Courage.* To be humble, this story makes clear, requires no exceptional qualifications, no magic formula, no special combination of time, place, and circumstance. It is an opportunity that sooner or later is presented to us all. In whatever arena of life one may meet the challenge of humility, whatever may be the sacrifices one faces if one follows their conscience—the loss of their friends, their fortune, their contentment, even the esteem of their fellow man—each person must decide for their self the course they will follow. This story of past humility can define that ingredient—it can teach, it can offer hope, it can provide inspiration. But it cannot supply humility itself. For this each person must look into his own soul.

PROGRESS ON CLEAN COAL DEMONSTRATIONS

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mrs. LLOYD. Mr. Speaker, on Monday, April 21, 1986, the Department of Energy made public a list of approximately 50 companies who have submitted proposals to be considered for the clean coal technology fund. This latest disclosure brings us one step closer to attaining the goal of the widespread demonstration of the use of coal in an environmentally sound manner. It has been a long and difficult congressional task to obtain the set-aside for the clean coal technology reserve fund and those of us who have been ardent supporters of it may soon see the fruits of our labors. I am particularly pleased with the progress since the clean coal bills I introduced first contained the main features of the provisions which were ultimately contained in the enacting legislation.

When Congress authorized the Clean Coal Technology Program in 1985, and appropriated the first $400 million for the fund, we realized that there existed a clear Federal need to encourage a focused effort to obtain acceptance in the marketplace through accelerated clean coal technology demonstrations. This program will enable us to utilize our vast coal resources in the most beneficial manner and may also help to revitalize our U.S. coal industry. I still believe that both of these goals can be accomplished and that the degree of interest shown in this program as well as the quality of the proposals is a heartening indication that our hopes for this program were well-founded. It is clear from the wide range of companies involved and technologies suggested in the proposals that this program is of great interest to the most solid technical performers in the fossil energy community and thus of great importance to our secure energy future.

I have attached the list of proposals as they appeared in the Energy Daily.

Elgin-Butler Brick Co., Austin, Texas. Project not specified in public documents.

State of Minnesota, U.S. Steel Corp. and Korf Engineering. Seeking $59 million to demonstrate a process called COREX direct-smelting, which would use coal in a replacement for conventional blast furnaces.

Babcock & Wilcox Co. and Ohio Edison Co. To demonstrate an advanced limestone injection process called Coolside to control sulfur dioxide emissions in coal-fired plants.

American Electric Power Service Corp. Seeking cost sharing to demonstrate pressurized fluidized bed combustion at Ohio Power Co.'s 70 megawatt Tidd plant in Brilliant, Ohio.

Pennsylvania Coke Technology Inc., ENI Engineering Co., Westinghouse Electric Corp., Consolidation Coal Co. and Kaiser Engineers. A $53 million, 45-month project to build a PACTI plant that produces coke for steelmaking and electricity as a byproduct.

Consolidation Coal Co. and Foster Wheeler Power Systems Corp. For an advanced integrated gasification combined cycle plant in Morgantown, W.Va.

American Minerals Inc. of Oswego, Kansas. A proposal to demonstrate reclamation of abandoned coal slurry ponds.

City of Tallahassee, Combustion Engineering, Bechtel North American Power Corp., R.W. Beck and Associates and Westinghouse Electric Corp. Requesting $50 million to convert a gas/oil fired plant into a 235 megawatt circulating atmospheric fluidized bed power plant.

University of Cincinnati. For a proprietary swirling circulating fluidized bed boiler producing 100,000 pounds per hour of steam to be installed on the university's east campus.

Wisconsin Electric Power Co., Gilbert/Commonwealth, BBC Brown Boveri Inc., Foster Wheeler, Research-Cottrell and the Electric Power Research Institute. Seeking $60 million for a turbocharged PFBC retrofit of the utility's 80 megawatt Port Washington unit 2 plant.

Energotechnology Corp., Duke Power Co. and the North Carolina Alternative Energy Corp. A $21.4 million project that integrates a pulverized coal boiler, a smaller fluidized bed boiler and a simple coal cleaning plant.

Colorado-Ute Electric Association, Inc., Montrose, Colo. For its $87 million conversion of a coal-fired plant at the Nucla Station, where construction is already in progress.

North Marion Development, Inc./MADIFCO, Fairmont, W.Va. A project that will recover coal from refuse piles and lagoons.

Cleveland Electric Illuminating Co. Seeking support for a compressed air storage powerplant with a coal-fired fluidized bed combustor as a heat source.

Charwill Corp., Boren, Calif. Project not specified in public documents.

Dow Corning Corp., Midland, Mich. A project to collect and use waste gas produced in submerged-arc electric furnaces during reduction of silica ores with coal to produce high-silicon ferroalloys.

NOXSO Corp., Library, Pa. A demonstration of the NOXSO process at Ohio Edison's Toronto plant in Toronto, Ohio.

Stirling Energies, Inc., Beckley, W.Va. For upgraded coal washing facilities.

M.W. Kellogg Co., Houston, Texas. For an integrated gasification combined cycle plant in Somerset County, Pa., using the KRW fluidized bed gasifier.

Energy International, Inc., Cheswick, Pa. For an underground coal gasification facility in Wyoming to produce 4,000 barrels per day of liquids and 60 million cubic feet per day of substitute natural gas.

Combustion Engineering, Windsor, Conn. To demonstrate advanced coal cleaning technologies.

Weirton Steel Corp., Weirton, W.Va. To demonstrate the KohleReduktion process of direct reduction iron making.

University of Florida, Gainesville, Fla. For a smallscale project to test coal water slurries with natural gas assist in a 20,000 pound per hour watertube oil boiler.

Western Energy Co., Butte, Mont. For an advanced coal cleaning process to upgrade low-rank western coals to the equivalent of low-sulfur, high-Btu eastern bituminous.

Ohio Ontario Clean Fuels Inc., Stearns Catalytic Corp. and HRI Inc. For a project to convert high sulfur Ohio coal to liquids using HRI and Stearns Catalytic experience with coal/oil co-processing.

TRW Inc., Redondo Beach, Calif. Project not specified in public documents.

Community Central Energy Corp., Scranton, Pa. A project to evaluate several unspecified pre-combustion coal cleaning technologies.

United Coal Co., Bristol, Va. Project not specified in public documents.

Dravo Wellman Co. and Battelle Columbus Laboratories. For a $60 million demonstration of a proprietary technology for agglomerating high sulfur coal and lime in a gasifier to yield a low sulfur, high heating value fuel.

Sanitech Inc., City of Hamilton, Ohio, and Lorain County Community College. To build two different Sanitech traveling grate coal gasifiers, one producing gas for a conventional electric boiler, the other to heat the community college campus.

Atlantic Research Corp., Alexandria, Va. For a project to demonstrate coal cleaning with bacteria at one ton per hour.

Energy and Environmental Research Corp., Irvine, Calif. For a project to apply gas reburning-sorbent injection to a large coal-fired utility boiler.

University of Missouri, Columbia, Mo. To build a 200,000 pound per hour atmospheric fluidized bed boiler to heat the university campus.

Coal Technology Corp., Naples, Fla. For a coal mine refuse project.

ZTEK Corp. Waltham, Mass. For a project coupling high temperature soid oxide (zirconia) fuel cells to a coal gasifier.

Coal Tech Corp., Merion, Pa. For a test of an advanced, air-cooled cyclone coal combustor on a 23 million Btu/hour oil-designed package boiler in Williamsport, Pa.

Southwestern Public Service Co., Amarillo, Texas. To replace an 18-year-old gas-fired plant with a 250 megawatt circulating bed boiler, with DOE picking up $43 million of the $114 million total.

Recovery Systems, Ltd., Oakbrook, Ill. For a 100-megawatt demonstration of the Pircon-Peck process of using phosphate rock and ammonia to capture flue gas pollutants, with a fertilizer by-product.

PPG Industries, Inc., Lake Charles, La. For a demonstration of a 375 kilowatt fuel cell, with fuel from gasified coal.

McDonnell Douglas Energy Systems, Inc. Louisville, Ky. For development of an advanced coal cleaning plant using microbubble column flotation.

Westinghouse Electric Corp., Madison. Pa. To combine coal gasification with the KRW gasifier and the Westinghouse air-cooled phosphoric acid fuel cell, a $36 million project with DOE picking up 36 percent of the funding.

ChemCoal Associates, Cleveland, Ohio. For a project using coal solvents and alkali to dissolve and breakdown coal, yielding solid and distillate fuels.

Tennessee Valley Authority. To install a full-scale dry scrubber on the 160 megawatt unit 8 at the Shawnee power plant near Paducah, Ky.

Tennessee Valley Authority, National Fertilizer Development Center, Air Products and Chemicals Inc., Chem Systems Inc. and the Electric Power Research Institute. To demonstrate the once-through methanol process as an enhancement to integrated combined cycle power generation from coal.

General Electric Co., Cincinnati, Ohio. To demonstrate the feasibility of a simplified integrated gasification combined cycle system at five and 50 megawatts.

FMC Corp., Schaumberg, Ill. Project not specified in public documents.

Questar Synfuels Corp., Salt Lake City, Utah. To upgrade an existing coal gasification unit at West Jordan, Utah, to process 30 tons per day.

The National Lime Association, Arlington, Va. Project not specified in public documents.

Chemion Corp., Henderson, Nev. Project not specified in public documents.

FALMOUTH, MA: 300 YEARS

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. STUDDS. Mr. Speaker—

Whereas, In the year One Thousand Six Hundred and Sixty, Jonathan Hatch and Isaac Robinson did build their dwellings on "the Neck of land beside the Herring Broke," in the place known to the Indians as Suckanesset, on the narrow land, now called Cape Cod, this land having been purchased from the Indians with the permission of the Court of Plymouth Colony; and

Whereas, Hatch and Robinson were joined by other settlers who with them tilled the land and founded Suckanesset Plantation; and

Whereas, This settlement did grow and prosper, and in the year One Thousand Six Hundred and Eighty Six, on the day which modern reckoning would be the fifteenth day of June, was granted Charter as the Town of Suckanesset; and

Whereas, Several years later said Town of Suckanesset, to honor the English explorer Bartholomew Gosnold, did change its name to Falmouth, this being the anchorage at the mouth of the river Fal in England from which Gosnold sailed in the year One Thousand Six Hundred and Two on his voyage of exploration, in the course of which he explored the coast of New England and, according to tradition, set foot on the shore of Suckanesset; and

Whereas, The people of Falmouth, Massachusetts, did valiantly and effectively defend their shores against the enemies of the United States in the War of Independence and the War of 1812;

Whereas, The Town of Falmouth did, in the course of time, become a favorite summer resort, a beloved retirement haven and the home of world renowned scientific institutions devoted to the study of the oceans and the creatures that dwell therein,

I, therefore, urge my colleagues to join with me in saluting the Town of Falmouth as it celebrates its Tricentennial on Sunday, the Fifteenth Day of June in the Year One Thousand Nine Hundred and Eighty Six.

THE TAXPAYERS CANNOT AFFORD AN UNTESTED AMRAAM

HON. DENNY SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. DENNY SMITH. Mr. Speaker, several weeks ago I inserted for the record a memorandum written by Secretary Weinberger's own test director, Jack Krings, concerning the test results for AMRAAM [advanced medium range air-to-air missile]. Mr. Krings memo stated that there was not enough test information to certify the AMRAAM's performance.

Now I have learned that the Development Test and Evaluation office also seriously questioned the performance of the AMRAAM. I have enclosed that memorandum along with my latest correspondences with the Defense Department for my colleagues information.

I am not calling for the cancellation of the AMRAAM. However, I believe that during this time of budget constraint, we should seriously consider whether millions of dollars should be spent to qualify a second producer for a weapon whose performance is very uncertain at this time.

HOUSE OF REPRESENTATIVES,
Washington, DC, May 7, 1986.

Hon. CASPAR WEINBERGER,
Secretary of Defense,
The Pentagon, Washington, DC.

DEAR MR. SECRETARY: Thank you for your letter responding to my questions concerning the AMRAAM program.

I appreciate the clarification of your February 28, 1986 certification that the AMRAAM met the requirements laid out by Congress in Public Law 99-145, Section 10.

However, several points in your letter disturb me. In regards to the December 17, 1985 memorandum written by the Director of Operational Testing you state "the memorandum did not suggest that I not make the required certification to Congress."

I agree with you that the OT&E memorandum did not state directly that you shouldn't certify the AMRAAM's performance. Nonetheless, I'm sure if you reread the memorandum you'll agree that such statements as "There is a low probability of adequate test results being available for an operational capability forecast before March certification" leaves little uncertainty as to the intended message.

Moreover, I was just as chagrined to learn that not only did the OT&E office question the certification of the AMRAAM's performance, but that your own Development Test and Evaluation office also seriously questioned the performance of the AMRAAM. (see attached)

Let me add that there is no ambiguity in DT&E's viewpoint: "We can not recommend that AMRAAM be certified as being expected to meet all its performance requirements on the basis of the limited FSD (full scale development) testing done to date."

Your point is well taken that the performance certification was to be based on information that would be available by March 1st under the revised DSARC testing schedule. However, the AMRAAM did not even meet the revised testing schedule. The revised testing schedule called for 6 DT&E tests to be completed by March 1st. Only 3 tests were conducted by March 1st due to various problems with the missile. According to Hughes, along with the 3 successful launches there were *eight* launch failures. Two of these failures occured after the three successful launches (see attached). As the DT&E report states, "the revised flight test schedule is not being met."

As a former Air Force pilot myself, I appreciate the Air Force's desire to get this missile going and keep it on track. I want to do everything possible to help our pilots, but there is a presumption in the Pentagon that the AMRAAM will come on board come hell or highwater—or taxpayer dollars. This is clearly shown in the decision to set up a coproducer—despite the fact that both test offices have grave concerns about the missile's performance to date. Somewhere it is lost that the goal of defense procurement is to give our fightingmen weapons that work—not to see how many new weapons can be brought on line.

As I've said before, I am not calling for the cancellation of the AMRAAM. I firmly believe an upgrade of the Sparrow missile is needed. In addition, I visited Eglin AFB and was thoroughly impressed with the quality and conviction of the men in charge of the AMRAAM program. Nevertheless, until the design is finished and full operational testing has been completed, I don't know—and the Pentagon shouldn't presume—that AMRAAM is the answer to all our problems.

Therefore, I strongly urge you to cancel production funds for the second source, Raytheon. These funds could be better utilized in speeding up development and testing of the AMRAAM, and increasing the number of operational tests.

I look forward to working with you further in this matter.

Best regards,

DENNY SMITH,
Member of Congress.

OFFICE OF THE
UNDER SECRETARY OF DEFENSE,
Washington, DC, February 21, 1986.

Memorandum for Assistant Deputy Under Secretary (Air Warfare).

Subject: AMRAAM certification.

Your memo of 14 Feb requested comments on the USAF's proposed letter to Congress for SECDEF signature relative to certification of the AMRAAM PROGRAM. There were five concerns contained in Congressional language, three of which are pertinent for DTE comment. Our comments are summarized as follows and discussed in detail on the attached.

We believe that the Secretary can certify that AMRAAM's design is complete with regard only to the design as we know it today, on paper, and that [AMRAAM's performance to date has been nominal indicat-

ing at least a slow but positive trend toward meeting all its performance requirements. We can not recommend that AMRAAM be certified as being expected to meet all its performance requirements on the basis of the limited FSD testing done to date.] [Further, the Secretary can certify that it is our intent to ensure that testing will be conducted on any and all producibility changes incorporated into AMRAAM as a follow-on test after FSD and prior to incorporating such changes into production missiles.] Beyond this any statements as to certification should contain appropriate caveats as further delineated in the attached backup discussion.

JOSEPH A NAVARRO,
Deputy Under Secretary,
Test and Evaluation.

Attachment.

AMRAAM CERTIFICATION

a. Congress.—Is the AMRAAM design complete and are you confident the present design will work?

Discussion. To the extent that the FSD critical design review has been completed we can say that the design for AMRAAM is complete. However, to date, the manufacturer, Hughes has experienced considerable difficulty in delivering flight test missiles due to the complexity of the design which has contributed to the delay in manufacturing FSD missiles that can be certified as ready for acceptance and test by the government. This necessitated USAF's restructuring of the FSD schedule in the fall of 1985 after 44 months into a 50 month FSD program in which Hughes should have delivered 87 of 91 total flight test missiles but were only able to deliver 6. The new restructured schedule requires the contractor to deliver the original total quantity of missiles on a semiannual basis rather than monthly. Thus he is allowed contractually to deliver a given increment of missiles on the last day of the semiannual period of need be. To date Hughes has delivered 18 missiles against a revised requirement of 16 total in 1985 and 21 in the first half of 1986. The revised flight firing schedule presented at the 16 August 1986 DSARC Program Review specified that 6 flight firings were to occur by the current date. However, only 3 flight test missiles have been fired to date all of which were considered successful notwithstanding the fact that significant delays were encountered in achieving launch due in part to quality assurances anomalies encountered in manufacturing. A fourth attempt to fire an AMRAAM test missile in late January resulted in a hang-fire/no-test when a malfunction occurred in the missile's electrical power supply causing the missile to fail BIT in the final fractional second between the pilot squeezing the trigger initiating the firing sequence and the missile's rocket motor achieving ignition. This failure is still under review by Hughes and the JSPO and has prompted postponement of scheduled flight firings until sometime in March. Thus the revised flight test schedule is not being met. Assuming, however, the current delay is not prolonged, due to manufacturing difficulties or as yet unknown design problems, the revised flight test program can be resumed on schedule without significant effort or impact on FSD.

The point to be made here is that although we can certify the design is complete as we knew it at the conclusion of the critical design review preceding commencement of missile build up for FSD, design issues will surely surface as apparently they have already with the limited number of firings that have occurred. There is nothing new here for such is to be expected at this stage in development of AMRAAM or any other weapon system.

As an example, the seeker RF transmitter has been redesigned from a solid state system to a Traveling Wave Tube Amplifier. The need for this design change first came to light during the validation phase when it was learned that the solid state seeker technology was not as mature as originally thought. Unlike the solid state transmitter system, the power output of the TWTA could meet average and peak power requirements, however, output of the TWTA has been scaled down temporarily in FSD in order to continue flight testing and avoid a problem with self jamming of the receiver while an engineering solution to this problem is intended to demonstrate effectiveness against self screening of the targets or ECM generated by a SOJ.

Therefore certification of design is contingent upon the realization that design changes will likely occur as a result of development and operational tests and it is not possible to predict the magnitude of these changes or how they might affect performance. Of course, all of this is independent of the design changes that are already under consideration for producibility enhancement.

b. Congress.—Do you believe performance will not be degraded from the original development specification as modified by the 14 June 85 DCP, i.e., do you believe performance will meet expectations?

Discussion. The Validation Phase (Advanced Development) demonstrated the proof of concept of AMRAAM through a medium of guided test vehicles, captive test vehicles, simulations and subsystem ground tests. FSD flight firings from the F-15 and the F-16 have indicated nominal missile flight performance once rocket motor ignition and rail launch have been achieved. These missile shots have progressed from the least demanding technically to profiles with ever increasing difficulty and in so doing have successfully demonstrated target acquisition and track capability in a clutter environment and all three modes of missile guidance (command, inertial, active) against single non-maneuvering targets in a benign ECM environment. Based on these limited tests it is difficult to say with a high degree of certainty that AMRAAM can be expected to meet its requirements as specified in the development specification and modified by the latest version of the DCP (dated Nov. 85). We can say, however, with confidence, that the trend so far in meeting performance requirements, albeit slow, is at least positive. Predictions of performance compliance based on computer simulation, captive carriage and performance qualification tests of subassemblies can only be viewed as preliminary.

c. Congress.—Can we be assured that producibility changes will work before the production line is changed?

Discussion. The blue ribbon AMRAAM committee composed of members from OSD, USAF/USN with Hughes engineering serving as consultants, recommended cost reducing producibility changes for AMRAAM some of which have been undertaken by the USAF for incorporation into AMRAAM beginning with LOT 3 production missiles. There is evidence that a general plan exists to test producibility enhanced AMRAAM missiles, however details await further design definition. The point here is that the USAF does intend to test producibility design changes as they are developed and incorporated into follow-on test missiles to ensure performance requirements are met prior to making changes to baseline production. Annex E of the current DCP reflects this intent.

SECRETARY OF DEFENSE,
Washington, DC, April 17, 1986.

Hon. DENNY SMITH,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN: I am responding to your March 20 letter regarding the AMRAAM program. I understand several offices in the Department of Defense also have received letters from you recently on this program, and I believe that you have some misunderstandings about AMRAAM that are leading to incorrect conclusions.

In you letter you questioned my certifying AMRAAM performance without complete testing information. As you know, Public Law 99-145, Section 210 required that I certify to five design, performance, test, and cost areas by March 1, 1986. This arbitrary date selected by the Congress did not relate specifically to any program milestone. At the time the law was drafted, the Congress knew that the AMRAAM full-scale development program had been restructured and exended from 50 to 79 months and that "complete test information" could not possibly be available by March 1986. This indicates to me that we were to address the certification areas based upon the information available by March 1986.

The law calls for a certification that "performance has not been degraded from the original development specification . . . as amended by the draft Development Concept Paper (DCP) of June 14, 1985." This rather clearly implies that I was to compare performance expected at the time the specification was written to the performance expected at the time of the certification. There was a wealth of data available from ground and flight testing that led me to certify to this particular requirement. Since my last letter to you, the General Accounting Office has testified that there was no legal basis for objecting to the certification.

You have focused on the memorandum written to me by my Director of Operational Testing as a basis for questioning my certification. While we have concerns about whether the test program will be able to keep the pace necessary for us to make future production decisions in accordance with the current schedule, the memorandum did not suggest that I not make the required certification to Congress. My certification is altogether separate from a decision to enter production; each production decision will be based on an assessment of program progress against preestablished decision criteria.

I believe that we have a well thought out program and have established the proper high level oversight. My entire staff concurred with the certification as I sent it to Congress, and I continue to stand behind my position that the certification is appropriate.

Sincerely,

CAP WEINBERGER.

HOUSE OF REPRESENTATIVES,
Washington, DC, 20515 March 20, 1986.
Hon. Caspar Weinberger,
Secretary of Defense,
The Pentagon, Washington, DC.

DEAR MR. SECRETARY: Thank you for your reply to my letter concerning the certification of the cost and performance of the AMRAAM.

In light of the memorandum that the Director of Operational Testing wrote to you on December 17th about the inadequacy of complete testing information, I find it all the more incomprehensible that you certified the AMRAAM's performance.

Mr. Secretary, to put it bluntly, I'm outraged that you would certify the performance of a weapon which has not been thoroughly tested. As you know, until the completion of thorough testing, there can be little confidence as to the final design and cost per missile.

I hope you will seriously reconsider your certification and ask the Congress for an extension of the certification deadline—so you can complete testing of the AMRAAM. I will be happy to help you in this effort.

Best regards,

DENNY SMITH.

WELCOME, ANATOLY SHCHARANSKY

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. BOLAND. Mr. Speaker, on Tuesday, May 13, I was pleased and honored to join my colleagues in welcoming Anatoly Shcharansky to the Capitol of the United States.

The triumph of Anatoly Shcharansky over the forces of repression is as genuine an example of courage and commitment to cherished values as the world is likely to witness. His was a victory for human rights in a state that chooses to devote a sizable part of its bureaucratic machinery to placing every possible roadblock in the path of the free exercise of those rights.

The Shcharanskys' names have become synonymous with unwavering dedication to human rights. By enduring 8 long years of being harassed, interrogated, threatened, and separated, they have demonstrated the kind of strength and spirit of which heroes are made. Each day they were tested, each day they fought to be free, and they have prevailed.

We all share in the joy of Mr. Shcharansky's release from prison. That joy is felt not only in these Halls, but in communities throughout the Nation. Last Friday was Shcharansky Day in my hometown of Springfield, MA. The Springfield Jewish Federation organized a very meaningful ceremony of tribute and thanksgiving for the triumph of the Shcharanskys, and I am sure that similar events have taken place in many other American cities and towns. However, at this time of celebration, we must not lose sight of the fact that thousands of Jews continue to be denied the right to emigrate from a country which punishes them for their religious beliefs and belittles their values. This treatment by Soviet authorities makes a mockery of their supposed adherence to the principles of the Helsinki Accords and the Universal Declaration of Human Rights. As Americans, we must continue to call attention to the treatment of Soviet refuseniks. For it is our vocal concern that provides them with the encouragement, and the confirmation of the justness of their cause, and which helps them to go on.

Mr. Speaker, the Shcharanskys have reminded the world of two great truths: That the yearning for basic human rights is universal, and that to keep silent in the face of repression is to guarantee its perpetuation. I hope that their presence in our citadel of liberty will cause us to redouble our national and individual efforts to extend the precious gift of freedom to all those who seek it.

DEUKMEJIAN REMEMBERS ARMENIAN GENOCIDE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. DORNAN of California. Mr. Speaker, I rise today to underscore my support for the statements of the Governor of my great State of California regarding the significance of the Armenian Martyr's Day Ceremony. On April 24, Gov. George Deukmejian remembered one of the great tragedies of this century, the Armenian Genocide. Today many Armenians continue to carry a burdensome memory of gross injustices during the World War I era perpetrated against them, including the Deukmejian family by the Turkish under the Ottoman Empire.

It think that the Governor's statements constitute a healthy catharsis of past injustices which history cannot hide. As a cosponsor of House Joint Resolution 192, which designates April 24 as a day of rememberance of man's inhumanity to man, I, too, feel very strongly that we must revive the memories of past tragedies such as the Armenina Genocide precisely because properly recognizing the event is the first step in preventing a similar occurrence elsewhere in the world. For this reason, Mr. Speaker, I submit Governor Duekmejian's well articulated comments to the RECORD.

REMARKS OF GOV. GEORGE DEUKMEJIAN

Thank you very much Ed and good evening ladies and gentlemen.

It is a great honor for me to participate in this solemn evening of remembrance and thanksgiving. I would like to thank all of you for being here to join in this tribute.

The tragedy of this century's first genocide has faded for much of the world, but not for the Armenians. For us, the memory of 1.5 million of our parents and grandparents and brothers and sisters who were massacred in their homeland 70 years ago, remains strong in our minds and heavy in our hearts.

We come together today to remember and to honor our ancestors. And we come together to thank this great nation for all the blessings we enjoy today as free people.

But we also gather to call the world's attention to the atrocities which our people suffered, and to all of the other great tragedies which people have perpetrated against people. As Armenian-Americans, we bear a deep responsibility to help guide the world to a better path.

Good and decent people must not close their eyes to evil, must not ignore the suffering of the innocent and must never remain silent in times of moral crisis.

All societies make mistakes. Great societies own up to their mistakes and vow never to repeat them. In America, we have repented for the injustice of slavery. We teach our children that it was wrong and evil, and that all people, regardless of race, color or creed, are created equal. The people of West Germany don't try to deny their culpability in World War II. They teach their children about the horrors of the Nazi Holocaust.

Yet to this day, Turkey refuses to acknowledge the historical truth of the Armenian genocide. They have not apologized or accepted moral responsibility for the actions of a previous government.

We, as survivors and children of survivors, must ensure that the immeasurable pain of the Armenian genocide is not forgotten and that its significance is not lost on this generation or any future generation. Honoring our loved ones who died is a simple act of tribute and human decency. That's why I am hurt that our own United States government will not join us in this remembrance.

The evasion and distortions of the government of Turkey have long since ceased to surprise me. It's time that the government of Turkey stopped playing its cynical game of pretense that this genocide did not occur. They know it happened. They know the evidence is there. They know that hundreds, if not thousands, of newspaper accounts appeared on the front pages of American newspapers during those years of terror.

In one of the articles, a survivor writes of the horrors he witnessed. "I saw one woman whose husband had just been killed, walking with all her clothes frozen, one child in her arms, another on her back, and the oldest walking by her side. Another woman was telling how her husband and children had been butchered before her eyes. She begged to be killed too, but instead she was subjected to treatment worse than death. The wailing of the children, the women, and old people was heartrending. Many of the refugees were swept away in trying to cross the streams, and dead bodies by the hundreds lined the road."

The murder of all the Armenian Faculty members of the Anatolia College by Turkish peasants is described in another article. "These massacres were committed at night by order of the Turkish Government," writes the President of the College, upon his return to the United States. "The pay for the peasants who committed these crimes was the privilege of stripping the clothing off their victims' bodies. One group of our college boys asked permission to sing before they died and they sang Nearer My God to Thee. Then they were struck down."

A 13-year-old Armenian girl who survived tells the tragic story of her family. "One day we came home from school early in the afternoon. We found our father at home, although it was only mid-afternoon. One of the city police was with him. The man was telling my father that he must leave his store, his home and his family, and go away to work on the roads. My mother was crying and clinging in my father's arms. You cannot go, you must not go, she kept saying over and over again. We children began to cry too. Our father turned to us and bid us still. Then he talked with our mother, telling her that she must be very brave. The of-

ficer stood impatiently waiting and said, You must come now. Our father kissed us good-bye and went away. We never saw him again."

Ladies and gentlemen, how can anyone read these accounts and say that this genocide did not happen? When will they realize the terrible price that is paid for silence and apathy?

We're paying that price in blood today. Who does not grieve for today's tragic victims of intolerance? In one recent attack, a mother and her baby girl were blown out of an airplane window in mid-air—and the hate groups argued over who deserved the credit. Entire societies are enslaved and terrorized in places like Afghanistan, South Africa and Southeast Asia.

Today, America has vowed to stand up to these outrages, and I'm proud that our country has found the fortitude to fight for freedom and refuse to let the tyrants overrun the world. While supposed friends and allies cower in fear and make excuses for inaction, America stands tall against the abuses of human rights whether they are perpetrated by governments or by terrorists.

But there is a wide, embarrassing and inexplicable hole in that line of defense against atrocity—and that is our government's opposition to Congressional resolutions which recognize the Armenian genocide believing that support would alienate a NATO ally, Turkey.

Thankfully, other walls of resistence are tumbling down. Last August, the United Nations Sub-Commission on Prevention of Discrimination and Protection of Miniorities resisted heavy Turkish pressure and recognized the 1915 massacres of Armenians as an act of genocide. This was the first time that a United Nations body has acted, and it is the result of an 11-year struggle by the Armenian community.

In February, the United States Senate approved the Genocide Convention, ending a 37 year deadlock on this issue. The passage of this measure is a clear and firm statement against all genocide. Our nation is the greatest symbol of human rights, personal freedom and economic opportunity. The Genocide Treaty puts those countries which rely on oppression, tyranny and assassination on notice that their actions will no longer be tolerated by freedom-loving people.

So tonight, I am renewing my call on the U.S. State Department to reject the pressure of the Turkish leaders and recognize the historical facts of the Armenian Genocide.

Looking around the room tonight, I see many young people—our sons and daughters and grandchildren. Perhaps some of you wonder why we come together to commemorate an event which took place so long ago. Perhaps some of you think that we are too absorbed by the heartaches of the past and should move on.

What we do here tonight is not for us, but for you. We cannot change the past. But unless we continue to speak out against the tragedy our people suffered, this cycle of horrors will go on and on.

So we remember, not only to honor our loved ones who died, but to heed the lessons of that sorrow so that we can build a safer and brighter future for all the world's children.

This is a day of sadness, but let us not overlook the rays of hope on the horizon. In so many parts of the world, differences tear communities apart. Diversity breeds hate, violence, terrorism and civil war. But here in California, 26 million people of tremendous diversity live peacefully side-by-side. We are united by our love of freedom. And because of this, we are also bound in spirit to all those who yearn to be free. We are keepers of the flame of liberty.

I truly believe that it is within our power as residents of America's leadership state to show the world in word and deed, a better way. Through our prayers, through our actions and through the examples we set here in California, we can help bring some light and hope to even the darkest dungeons of the world. Together, we can achieve a just society of peace and security, freedom and opportunity, love and respect. That is our treasured blessing here in California. That is our simple dream for all mankind.

Thank you very much and God Bless You.

THE TRAGIC EROSION OF VA MEDICAL CARE

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. RAHALL. Mr. Speaker, Mr. and Mrs. Bill and Jackie Withrow of Beckley, WV, both constituents and close friends of mine, recently forwarded an article to my attention which tells the story of one veteran. The article, published in the American Legion Magazine, is a message from National Commander Dale L. Renaud to veterans and all Americans on the shortcomings of medical care provided to veterans. While the article focuses on the tragedy of one veteran, it points to the erosion of veterans benefits in general and the widespread suffering caused by this erosion.

In the best interest of veterans across the Nation, I am submitting this article for my colleagues' review. We have a commitment to provide veterans with the benefits they were promised when they sacrificed years of their lives and suffered extreme hardships to protect our national security and ideals. I urge my colleagues to read the following article and reaffirm their individual commitments to America's veterans.

HE DIED IN DEBT BECAUSE THE VA DIDN'T HAVE A BED FOR HIM

Much has been written and said about the history and purpose of Memorial Day but, this year, in addition to our traditional observance, we also must recognize a new dimension to the sacrifices of this nation's veterans.

Those we honor this Memorial Day served their country; they served her well and have received their final reward. We will decorate their graves, pay them tribute with rifle salutes, and say prayers in their memory.

But there is another group of veterans we also must remember this month and, indeed, the year' round. They are the very sick, the very old, the very poor of America's veterans. They are the men and women who stood shoulder-to-shoulder with us in time of national need. Yet they continue to sacrifice for their nation by having their earned rights and benefits eroded with every turning of the page on the legislative calendar.

Is there a real threat? Is the American Legion crying "wolf"?

Hardly. Let me give you an example:

I received a letter recently from the sister-in-law of a World War II veteran. It's not necessary to name names or even say where she lives. The story speaks for itself.

Her brother-in-law was 18 when he answered America's call to arms. He served honorably in the Pacific and was awarded four bronze stars and other decorations. He even laid in a foxhole and, thinking he was dead, the enemy walked over him. He also contracted malaria.

This veteran believed his country's promise of medical care and rehabilitation by the Veterans Administration. In fact, he was treated for his ailment several times during his lifetime.

In addition to the monthly $475 disability pay he received, he believed the VA was the only medical insurance he would ever need. Apparently he was wrong.

Late last year he became very ill. He was moved to a county hospital just a mile from his home, but he didn't have medical insurance. The staff at the hospital tried to get him a bed at a VA hospital nearby, but none was available.

Although the doctors at the county hospital did their best, seven days later he died, leaving a legacy of hospital and doctor's bills totaling $7,700 because the VA didn't have a bed for him.

This poor, sick, elderly veteran existed on $5,700 a year and the belief that his medical needs would be guaranteed by his wartime service to America. And the VA didn't have a bed for him.

His medical care and doctor bills for one week in a county hospital were more than he received in disability pay for a whole year. And the VA didn't have a bed for him.

Are we crying "wolf" when we say veterans' rights and benefits are at stake? Hardly; and I have had it.

I will not stand idly by and see the most needy American veterans—the very old, the very sick, the very poor—be denied their earned benefits. I certainly don't believe my 28 million fellow veterans across this land will sit still for it either.

Most of them will never set foot in a VA hospital, but neither would one of them stand by as a needy comrade is turned away.

Let me give you an idea of what we're up against:

A 60 percent rise in the average number of veterans turned away from VA clinics—up to 37,000 per month!

An average waiting time of 29 days for new-patient appointments.

A three-fold increase in the number of outpatients discharged even though they required further medical care.

My fellow Legionnaires, there is a growing feeling of discontent in America, and it's not just among our membership. It's with all veterans.

And I believe that once our elected legislators understand that we represent a constituency of 28 million veterans and their families—Americans from every walk of society—they'll begin to listen, and listen attentively.

They were elected to reflect the views of American citizens, not to endorse the opinions of appointed bureaucrats, and here's one citizen from a group of 28 million who says it definitely is *not* my desire to see my fellow veterans bear a disproportionate share of balancing the budget.

So, this Memorial Day, when we pay tribute to our fellow veterans who served, sacrificed and now have passed on, remember also that their number has been increased by one more: a very old, very sick, very poor

veteran who believed the only medical insurance he needed was that which was guaranteed by his wartime service to America.

Remind your fellow veterans of him, and enlist them in The American Legion on his behalf.

EAST ORANGE SENIOR CITIZENS LUNCHEON AND AWARDS CEREMONY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. RODINO. Mr. Speaker, on May 9 I had the privilege to attend the mayor's Annual Senior Citizens Luncheon and Awards Ceremony for the city of East Orange. This well-attended and gala affair is held each year to recognize the contributions senior citizens make to the East Orange community.

Welcoming us to the ceremony was East Orange Mayor John C. Hatcher, Jr., who presented the awards and gave the keynote speech. Mrs. Pearl Harrison, the director of the office of public relations, served as the mistress of ceremonies. The event was organized by the division of senior citizens of the East Orange Department of Community Services. Special appearances were made by Rhoda Scott, the internationally-known jazz pianist, and Jean Cheek, a Broadway star and popular entertainer.

As Mayor Hatcher stated in his proclamation, May is the month of senior citizens. There are few better ways to commemorate this month than to honor the senior citizens who have made a difference in their communities. Twenty-nine awards were given out at the ceremony—all for outstanding leadership among the senior citizens of East Orange.

Honored as the Mother of East Orange—the Mother of the Year—was Mrs. Mary F. Wright. Mrs. Wright is 104 years old but is as independent and lively as anyone. Born in Florida in 1882, she moved to New Jersey in the 1910's and worked for years as a seamstress. Though she never had children of her own, she managed to have her own family by adopting and raising two young girls whose mother had died in 1950. She indeed deserves her new title as Mother of East Orange.

Also honored at the ceremony were: Mrs. Willie Mae Farrah, Mrs. Claudia Harold, Mr. Ernest Harrison, Mr. and Mrs. John C. Hatcher, Sr., Mr. Jack Hunter, Dr. Theodore Inge, Mrs. Geraldine Johnson, Mrs. Mittie Kornegay, Dr. Frank M. Lapeyrolerie, Mr. William Macklin.

Mrs. Delia Martin, Mrs. Betty Moshier, Mrs. Mildred Patwell, Mrs. Lucille Purdie, Mrs. Rita Roscoe, Mrs. Bridie Slevin, Mrs. Ida B. Smith, Mrs. Queenie Smith, Mr. William Smith, Mrs. Fran Wilkerson, Mrs. Carrie Williams, Mrs. Florence Henry.

Mr. Robert Ritchie, Bailey-Holt Tower Tenant Association; Mr. Gerald Alexander Brangman—Posthumously (Mrs. Ida Brangman accepting); Brookside What-Not Shop (Mrs. Marie Holmes accepting); Coppergate Senior Committee (Mrs. Cathering Selfridge accepting); Mrs. Mildred Eoff—Posthumously (Mr. Reginald Eoff accepting).

My congratulations go out to the honorees and to the organizers of this very successful event. They showed me how senior citizens remain truly young at heart.

THE NASA LEGACY; IT'S NOT ALL BAD, LET'S PRESERVE THE BEST FOR THE FUTURE

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mrs. LLOYD. Mr. Speaker, The *Challenger* tragedy has shocked the American public and the Congress into the realization that the most accomplished of the modern Federal bureaucracies, that is the National Aeronautics and Space Administration, may be flawed. Reports abound on the errors in judgment that may have permeated our space program through the overconfidence and apparent xenophobic style of NASA management. Within the next month or so, the Rogers Commission will present its report on the Shuttle 51-L accident to the Congress and the American public. Most recently, the New York Times (April 23, 1986) published the first of two articles on alleged mismanagement and wasteful practices identified by NASA's Inspector General's Office that may have cost the space program more than $3.5 billion. These articles identify potential contractor mismanagement activities, cost overruns, and perhaps even fraudulent expenditures, all of which contribute to casting a dark cloud over the space agency's heretofore relatively unblemished image.

However, it appears to me that as we proceed into our detailed investigations of these programs, that we should not fail to recognize the extraordinary accomplishments that our Nation's Space Program has produced over the last two decades. At this time we know orders of magnitude more about our own solar system and interplanetary space than we knew after the previous millennia of scientific inquiry into these phenomena. All of this was accomplished in the remarkably short span of less than two decades, commencing with our first entry into space in the Mercury Program, through our *Apollo* landing on the Moon and culminating recently in the revealing images returned from our *Voyager* spacecraft's tour of the outer planet Uranus. In spite of its present difficulties, the shuttle program has shown the way toward a new era for man's presence in space. No longer will we be simply passive observers of the world and the universe. The results of the very successful shuttle series of flights have shown the way to unique opportunities for mankind both from a scientific perspective as well as a commercial viewpoint. We have learned how to recover wayward satellites. We have opened up new vistas in communication and the advances in manufacturing techniques in the microgravity of space will certainly pave the way for future generations of entrepreneurs and others who can benefit from this unique environment. In my view, our world is a better place as a result of this Nation's Space Program and although we must improve and continually refine our methods and processes for exploiting this unique horizon, we must not lose sight of the fact that the United States' Space Program has been a singular success that has put this country in an unquestionable leadership role in mankind's exploration and utilization of the space environment.

Mismanagement, waste of public funds and sloppy decisionmaking cannot be tolerated at any level of government, and it is incumbent upon us to assure that any problems which have led to abuses of Federal trust be corrected. Nevertheless, we must proceed in our efforts to assure that the NASA Program is reestablished on the right track and get on with our space endeavor in a way that once again will make us all proud. Thus, I hope that both Congress and the Executive will move carefully to preserve the core capability of the agency while providing a climate for badly needed change.

COURT RULES AGAINST BLUE CROSS & BLUE SHIELD

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. STARK. Mr. Speaker, a Federal court ruling against Blue Cross & Blue Shield has just negated the argument that the Blues should be exempt from paying Federal taxes because of their charitable activity in covering high risk individuals. The Blues serve no charitable purpose if they take premium dollars from high risk individuals and then subsequently refuse to pay for any medical expenses of these individuals.

The tax exempt status for the Blues was based on their claim that the Blues cover people that the commercial insurers refused to insure. The Blues argue that coverage of high risk individuals is an inherently charitable activity and warrants a tax exempt status.

When the tax exempt status of the Blues was considered by the House Ways and Means Committee during the tax reform considerations, the Blues were unable to demonstrate to the members that their charitable activity was substantial enough to warrant a tax exempt status.

While the Blues were petitioning Congress to keep this tax exempt status because of their coverage for high risk individuals and small groups, Loretta Washington, a local sanitation worker, was forced to haul the Blues into court just to get them to pay her hospital and doctor bills for a hysterectomy that occurred while she was insured by Blue Cross & Blue Shield of the National Capital Area.

Blue Cross & Blue Shield of the National Capital Area has the dubious distinction, as a result of this lawsuit, of being the first insurer in the District of Columbia to lose a case for bad faith due to this refusal to pay the claims of an insured.

This conduct is the antithesis of charitable activity and should be considered as Congress reviews the tax exempt status of Blue Cross & Blue Shield in the tax reform process.

The Washington Post article of May 9, 1986 follows:

PATIENT GETS $800,000 IN INSURANCE SUIT
(By Nancy Lewis)

An Alexandria woman was awarded $800,000 yesterday by a federal court jury that found Blue Cross & Blue Shield of the National Capital Area acted in bad faith when it refused to pay $12,000 in hospital and doctor bills.

Richard Ben Veniste, one of the attorneys for Loretta Washington, 54, said it was the first time that an individual had won a bad-faith insurance case in the District.

Washington, a sanitation inspector for the City of Alexandria, was hospitalized at Arlington Hospital in July 1981 for control of diabetes and again in August for a hysterectomy, shortly after she had changed her insurance coverage from a local health maintenance organization to Group Hospitalization Inc. and Medical Service of D.C. known as Blue Cross.

Blue Cross refused to pay the hospital and doctor bills, saying Washington had to meet a waiting period because she had the conditions when she changed coverage.

Washington notified Blue Cross that no physician had previously diagnosed the fibroid tumors that precipitated the hysterectomy, but the company said its experts found that the condition would have been present earlier.

Arlington Hospital then sued Washington for payment of her $8,000 bill. She took a part-time job cleaning office buildings to help pay the bills, but the hospital threatened to put a lien on her house to assure payment.

Ben Veniste argued in court that Washington should not have been subject to a waiting period because she had transferred from an HMO and that federal law prohibits its imposition of a waiting period in such cases.

But Blue Cross said that when Washington completed another Blue Cross enrollment card she did not fill in the portion concerning prior hospitalization coverage and that in such instances the company assumes there was none.

Ben Veniste said that the company showed bad faith by failing to make a follow-up inquiry about prior coverage, and showed that 70,000—or about half of those who enrolled with Blue Cross in 1981—failed to complete that portion of the enrollment card.

Dean Swartz, another of Washington's attorneys, said that he could not estimate how many others insured by Blue Cross might have had claims denied for similar reasons.

"I just thank God for the blessing," Washington said yesterday.

Blue Cross officials could not be reached for comment.

JUVENILE ARSON

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. HORTON. Mr. Speaker, recently a fire investigator from Rochester, NY, sent me a letter and a copy of a report compiled by the New York State Office of Fire Prevention and Control. That investigator, Jonathon Beldue, shared with me the problem of juvenile arson, and the cost to this Nation as a result of young arsonists. I would like to share this information with my colleagues.

Arson is the fastest growing crime in this country. A disproportionately large percentage of these fires are started by juveniles. In 1984, the city of Rochester had 244,094 residents, and another 702,200 people resided in the rest of Monroe County. In that year, the Rochester Fire Department responded to approximately 10,328 incidents. Of these an amazing 40 percent of all fires set involved juveniles. A full 65 percent of these were caused by children between the ages of 5 and 9.

Jonathon Beldue saw the magnitude of this problem, and began to talk with these young offenders in an effort to determine the root causes of their actions. Jonathon started a program where he began to speak with the young offenders. In the early stages, three to four youths were called. By November of 1980, only 17 months after the program's inception, 207 juveniles had been contacted. Only two of these 207 have been "repeaters." Seizing of the success in the initial months, other agencies and associations began to get involved. The number of youths contacted to date surpass 1,500. The program continues growing; its success rate a model for all interested in juvenile arson.

Mr. Speaker, following is a copy of the letter I received from Mr. Beldue. Persons interested in obtaining a copy of the report compiled by the Fire Related Youth [FRY] Program should address their request to:

State of New York, Office of Fire Prevention and Control, 162 Washington Avenue, Albany, NY 12231.

CITY OF ROCHESTER,
OFFICE OF THE FIRE CHIEF,
Rochester, NY, April 9, 1986.

Congressman FRANK HORTON,
Rayburn building,
Washington, DC.

DEAR CONGRESSMAN HORTON: I am a Fire Investigator with the Rochester Fire Department. I have been a fire fighter for over 18 years. After being injured in a fire and building collapse in 1976, which was caused by a juvenile, I began to study juvenile fire setting.

I was assigned to the scene of a bedroom fire to talk to a suspect. During the course of the conversation with the suspect, he freely related to me how he set the fire, where under the bed he set the fire and when he did it. (While his sister was asleep on the bed.) He described his escape plan and alibi. He told of his desire for danger and thrill of danger. This was his third fire, the first being the lighting of matches and lighters, the second was setting fire to papers on the gas stove. The parents, other agencies and I worked with the juvenile. He demonstrates the progressive characteristic of the three stages of a fire setter and possible future arsonist. The juvenile was 5 years old.

Many other incidents come to mind—the child who set his brother on fire because the devil told him to, or the 12 year old female who set fire to her home because she had no bedroom door, and the child who was angry and set his cat on fire.

Annually, in the United States, millions of dollars worth of property are lost due to arson. The loss of life and personal injury to citizens and fire department personnel, combined, number in the tens of thousands. Juveniles contribute greatly to this problem. Arson is the fastest growing crime in America and a disturbingly large number of those fires were caused by persons under 16 years old.

In July 1979 I saw a need for something to be done with juveniles experiencing fire problems. The unit was starting to receive calls from people looking for help, for their children or other juveniles that they knew had a fascination for fire. Our own investigators were finding that they were having more contacts with juvenile fire setters. In the past, the juveniles name was taken and a record kept in our office but nothing was being done to correct the problem.

After consulting with the fire chief, our program was set in motion on a part-time basis. The program started with approximately 3-4 calls a month. Between July 1979 and July 1980, I contacted approximately 47 youths with a backlog of 80 youths. At that time the program had no publicity but was growing at a high rate. By November the program had contacted 207 juveniles with only 2 repeaters. Follow-up in 4 weeks was found to be necessary on all juveniles. In December 1980 the fire chief saw a need to extend the program to full time.

More and more parents and agencies throughout the City and County were making referrals to our unit. Thus, the F.R.Y. (Fire Related Youth) program was put into full-time service with a 24 hour, 7 day a week call number. At that time, F.R.Y. was one of only 3 other fire departments in the nation set up to counsel parents and refer juveniles with fire problems but our program seemed to be more unique and was drawing more inquiries.

F.R.Y. started to get outside help, such as neighborhood associations, clinics, hospitals, etc. throughout the country so that if we could not handle the problem, the juvenile could be directed to the right agencies. Fire fighters are not psychiatrists or social workers, yet they are uniquely well suited to work with young people. Knowing what a fire fighter cannot do is as important to the success of the program as knowing what *can* be done, therefore, the referral process is critical. Being aware of the full services available is of particular importance. Personalities range from the normal child with a curiosity about fire to the seriously disturbed juveniles. Different types of intervention and treatment are required depending on the seriousness of the dysfunction. Part-time, within the first 18 months, I handled approximately 250 juveniles. To date, approximately 1,500 juveniles have passed through our F.R.Y. program. In 1983 we learned this program prevented two fires that could have been major and in one case, a life was probably saved. Of course there is no way of knowing what type of fires were prevented or how many lives saved, but we know the program is working.

The 1984 population indicated that Rochester had 244,094 residents and the County another 702,200 people. The Rochester Fire Department responded that year to approximately 10,328 incidents and found that 40% of all fires set involved youngsters. 65% of those were caused by children between 5 & 9 years old. In 1984 the F.R.Y. unit contacted 312 juveniles; 268 were males, 127 were black, 149 were white. The highest percentage were children 2 through 7 years old (134%) followed by children 8 through 12 (133%). 53% were from fatherless homes.

Firesetting problems affect all walks of life, from the sons of top executives and daughters of doctors to sons and daughters of families on welfare. The problem is the same throughout the country. Our program is now being used as a pilot program in New

York State and inquiries have come from other countries pertaining to this problem.

Approximately two years ago we needed fresh ideas so two new investigators were trained for the program. I then returned to basic fire investigation. A third man was added with the help of a state grant and I still promote this program as much as possible. Any verbal support you care to give would be appreciated.

I am enclosing a manual developed by our department and the University of Rochester. I believe this information will be interesting and informative.

Sincerely,

JONATHAN BELDUE,
Fire Investigator.

THE MEANING OF SHCHARANSKY'S STRUGGLE

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. WAXMAN. Mr. Speaker, my colleague STEPHEN SOLARZ recently gave a short, very eloquent speech on the experience of Anatoly Shcharansky and what it can teach us in our commitment to Soviet Jews. I would like to share it with my colleagues by placing it in the RECORD.

WHY WE MUST PERSEVERE FOR SOVIET JEWS

(By Stephen Solarz)

Today we celebrate the freedom of Anatoly Shcharansky, a man who has returned from the gulag, where souls are crushed and bodies broken, but whose indomitable spirit enabled him to survive a horrible ordeal.

To have survived at all in the face of such cruelty . . . Dayenu. . . . It would have been sufficient!

To have remained faithful to his ideals under such conditions . . . Dayenu. . . . It would have been sufficient!

But to have emerged after almost 10 years, not only alive, but with his spirit intact, and his sense of humor undiminished, establishes Anatoly Shcharansky as a man of valor and an incredible inspiration to all those who cherish freedom.

Even as we honor Mr. Shcharansky, we reflect upon the fate and renew our commitment to the over 2 million Jews for whom liberty is a fading illusion and unrestrained religious observance a faraway ideal.

While even one Soviet Jew is enslaved, none of us is fully free.

While even one Soviet Jew is deprived of the right to exercise his religion, all us of are spiritually impoverished.

And so we must raise our voices now for the Jews who are still trapped in the Soviet Union.

We cannot turn away, for where else can the Jews of the Soviet Union turn for help?

We cannot remain indifferent, for who else but the United States can match the strength and power of the Soviet Union?

We did not save European Jewry over four decades ago.

Will we save Soviet Jewry today?

Forty years after the Holocaust, the issue is not whether Jews will be allowed to live, but whether they will be allowed to live as Jews.

Not whether they will perish in death camps, but whether they will languish in labor camps.

Not the annihilation of 6 million Jews, but the attempted annihilation of almost 4,000 years of Jewish history.

And so, once again, we face a terrible test.

But whatever our brethren ask of us cannot compare to what they ask of themselves.

Theirs is a story of unshakable moral strength.

They have sacrified their jobs, they have impaired their health, they have jeopardized their safety, they have been separated from their loved ones. Yet still they carry on.

They would rather light a Sabbath candle than simply curse the darkness at noon.

They seek only to honor and uphold the sacred traditions of their faith.

Yet they live under a Government that knows no honor, that daily breaks faith with its people, from the radiation in Chernobyl to the refuseniks in Moscow.

A Government that has no shame, no moral compass, no respect for creativity or conscience, will not quickly be converted to the free emigration of Soviet Jewry—certainly not in the course of a single afternoon.

But today we take a historic step.

We send an unmistakable message to Mr. Gorbachev:

As much as we rejoice over the freedom of Anatoly Shcharansky, we will not be sidetracked or satisfied by the release of 1 individual, or even 100, however heroic or prominent they may be.

We seek to save the Jews of the Soviet Union to reclaim their humanity. And, by so doing, we can reaffirm our own.

STAR WARS

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. JEFFORDS. Mr. Speaker, once again we are facing the annual debate over defense authorization levels, and one issue that is bound to be contentious is funding for the strategic defense initiative—the so-called star wars. Some Members already are concerned that the committee bill finances the program at levels substantially below the President's request. Others will be dissatisfied with the increase in the program's authorization over last year's level—especially since last year's level followed a sizable increase the year before. Given all these concerns, we can be absolutely sure of one thing concerning SDI: The debate over its 1987 authorization will be lively.

Before that debate is settled, I would like to draw the attention of my colleagues to an article that appeared in two Vermont newspapers—the Brattleboro Reformer and the Bennington Banner—on December 14 and 17, 1985, respectively. The author points out that SDI has both an offensive and a defensive potential. Reaching an understanding with the Soviets on how to control these two aspects of SDI will be as difficult as limiting the nuclear weapons that we now have. We ought to concentrate on the task at hand before we embark on further uncharted waters.

STAR WARS' TWO EDGES

The Reagan administration likes to call its spaced-based missile defense the "strategic defense initiatve" and doesn't like it when people refer to it as Star Wars. But the term for it that probably annoys the administration even more is the one the Soviet Union uses, "space strike forces," because it makes the system sound more offensive than defensive.

Soviet leader Mikhail Gorbachev uses that term for self-evident public-relations purposes. But the phrase is not entirely propaganda. Star Wars could very easily play a decisive offensive role in the hands of either superpower. Even if it were used only as a shield against an adversary's incoming missiles, it could embolden an attacker to attempt a preemptive first strike. He could rely on the defensive system to ward off whatever weapons the victim of his attack was able to fire off after seeing most of his missiles destroyed in their silos.

That is one way that Star Wars has an offensive potential. More directly, it could also be used as part of a pre-emptive strike itself if its own space-based warheads were targeted at enemy missiles on the ground and not in the air. Another offensive mission for which spaced-based defenses would be ideally suited is the destruction of an adversary's orbiting reconnaissance and communications satellites. Without such satellites, an enemy is obviously much more vulnerable to a full-scale assault on its strategic forces.

Nor can the United States claim that it is entirely unaware of the double-edged feature of the strategic defense initiative. As the Union of Concerned Scientists pointed out last week in a report it released on Star Wars' offensive potential, Pentagon officials have testified to Congress that many weapons in the strategic defense initiative would first be tested or deployed as anti-satellite weapons. Finally, Star Wars would be so versatile that it could even be turned against an enemy's own Star Wars system out in space.

The spokesman for the strategic defense initiative, Major Simon Worden, does not deny these troubling aspects of the program. In response to the points raised by the Union of Concerned Scientists, he said—as other Star Wars backers have said in the past—that no system would be deployed if it could not itself be defended. He also held out the hope that Washington and Moscow could, through the arms-control process, agree to ban certain destabilizing systems or to establish "off-limits" zones for anti-satellite weapons.

As encouraging as this last assurance is, it prompts the obvious question: If the two sides could come to an agreement on the ground rules for space-based defenses, why not just get them to agree to drastic reductions in their existing arsenals? It that were possible, all of Star Wars' expense and potential for miscalculation could be avoided and the arms race could be stopped in its tracks. Let's talk with Moscow about eliminating the weapons already deployed, not about deploying new ones.

MRS. THATCHER: THE LONE EUROPEAN VOICE

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mrs. LLOYD. Mr. Speaker, earlier this week we considered a "Gratitude to Britain" resolution—House Joint Resolution 424—to express the thanks of the American people for Great Britain's assistance during the American air strike against Libya on April 14, 1986.

I was so impressed at Mrs. Thatcher's courageous and unique stand at the time of the raid that I wrote her a letter expressing my personal appreciation for her staunch support. I hope to be able to insert that letter and the Madame Prime Minister's reply in a future issue of the RECORD.

The London Sunday Times had an excellent editorial on April 20, 1986, "Alone But Right," which provides a supportive British view of the merits of Mrs. Thatcher's stand, which obviously was taken with a keen awareness of the risks in terms of internal politics. The editorial also weighs the various options open to President Reagan to counter Libyan terrorism in an effective way. In this respect, let us hope that the Libyan raid might prove, in the words of Britain's great wartime Prime Minister, Winston Churchill, "at least the end of the beginning" for such state-sponsored terrorism.

I believe that the Prime Minister deserved the "rave reviews—which she won—in America," and I strongly recommend the Sunday Times editorial to my colleagues.

The article follows:

[From the London (England) Sunday Times, Apr. 20, 1986]

ALONE BUT RIGHT

"I worry for the other mothers who have sons and daughters over there. But President Reagan did what he had to do. We don't believe in violence and killing people, but we did what we had to do." These are the words of the mother of Sergeant Kenneth Ford, the American killed in a Libyan bomb attack in West Berlin on April 5, and they put to shame the European reaction to the American raid on the Libyan terrorist installations from which the death of her son, and scores of others, was planned. They were spoken by a bereaved mother with no taste for revenge and encapsulate the mood of a people slow to anger, not spoiling for a fight. But they also contain the firm belief that there comes a time when a nation has to stand up for itself, whatever the fears for the sons and daughters of "other mothers", if it is to retain its self-respect. President Reagan decided the time had come last week, and the vast majority of Americans agreed. The Europeans did not, and started the Americans wondering aloud just what sort of allies it has been defending these past 40 years.

Given the outpouring of anti-Americanism which has engulfed Europe since the raid on Tripoli it is as well to remember what Sergeant Ford was doing in West Berlin in the first place. He was one of more than 300,000 Americans stationed on this side of the Atlantic to defend the democracies of Western Europe. Yet his death, the latest atrocity in the wave of terror which has swept Europe with increasing intensity in the past 18 months, was greeted in Europe with nothing like the same outrage which was directed at the Americans for bombing those in Libya responsible for his death.

THE MEANING OF A GOOD ALLY

The Americans have no right to expect unquestioning obedience from allies which are also free nations—that is the way of the Warsaw Pact. But they had every right to expect better of their European allies last week. Good allies should give each other the benefit of the doubt. That is what the United States did when Britain went to battle with Argentina over the Falklands: America gave vital logistical and intelligence support, despite many doubts in Washington about British policy, because America wanted to stand by an old and trusted ally. Similarly, Mrs Thatcher stood by Reagan when America asked permission to use its British-based F-111s to bomb Libya, overriding the doubts in Whitehall about bombing being the best way to retaliate against terrorism. The rest of America's allies in Europe, however, seemed anxious to give everybody but America the benefit of the doubt: they even quibbled about the evidence proving Colonel Gadaffi's guilt, evidence which Senator Patrick Leahy, a Democratic critic of the president and himself a former prosecutor, had no hesitation in describing as "the kind of proof I'd go to court with."

The European position was especially indefensible because it offered no credible alternative policy. For months the United States had been pleading with the Europeans to support joint action against Libya by imposing diplomatic and economic sanctions. And for months the European leaders met in various European capitals to discuss joint approaches to terrorism in much the same way they meet periodically to discuss the butter mountain or the olive oil lake.

THE PRICE OF TERROR

Of course, it is being said that bombing Libya will not end terrorism, and might even encourage more. The president acknowledged that in his television address on Monday night. But intelligence reports showed that Colonel Gadaffi planned more terrorist attacks long before his installations were bombed. Only three weeks ago a Libyan plot was uncovered to bomb civilians queuing for visas at the American embassy in Paris; on April 6 a Libyan-inspired attack on the American embassy in Beirut failed only because the rocket exploded on launch; and attacks on American facilities in 10 African countries were to follow. Gadaffi needs no excuse for terrorism: American retaliation could hardly make things worse, and might just act as a deterrent by reducing his terrorist capabilities. Those who say it will only bolster his power base inside Libya and the Arab world might be right in the short run. In the longer run there is every chance it will strengthen those internal forces who want to be rid of him.

In our view, a better policy would have been a covert attack on him, his accomplices and his terror camps, using special forces, which would have given far greater precision than so-called surgical bombing and would have run far less of a risk of harming innocent civilians. One of the purposes of terrorism is to force governments to meet terror with terror, dragging democracy down in the process. But the killing of children should play no part in retaliation against terrorism by civilized nations, which must always avoid being forced to behave like terrorists themselves. The ability of the United States to mount such covert operations, however, is not encouraging. Although strengthened again from the low point after the Vietnam war, its covert capability is not up to the task the Americans wanted to carry out last week. The president therefore chose what was probably the only military option available.

STANDING ALONE, ON THE RIGHT SIDE

As with rescuing of Grenada for democracy three years ago, so with the bombing of Libya last week: a more confident, assertive America is striding the world stage again these days, and it makes Europeans nervous. The simple certainties of the Reagan years bring their own dangers. But they have brought successes at home and abroad too, confounding sophisticated critics in the process, and they come at a time when Europe's diminished economic and political status in the world makes European politicians certain of nothing. The leader of the Atlantic alliance and its allies are now clearly on different wavelengths. The current state of ill will was best summed up by the bitter remark of one senator who commented that he did not remember the French complaining of American bombers flying over France in 1944. Opinion polls this week showed that almost eight out of 10 Americans approved of the attack on Libya, whereas almost seven out of 10 Britons disapproved. Elsewhere in Europe, the disapproval was even greater. Mrs. Thatcher found herself a lone European voice, winning rave reviews in America but raising talk at home, even among those who at one stage loyally supported her, that the sacrifice she made to keep the alliance together may have cost her the next election. Those same people made the same arguments in the same tones when the task force embarked for the Falklands. If Mrs. Thatcher does lose an election on an issue where she has been on the right side of the argument, it would be an extraordinary harsh judgment on the part of the electorate.

WARREN BROOKES EXPOSES DEMOCRATS' DEFENSE PLANS

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. COURTER. Mr. Speaker, in his recent Washington Times column entitled "Will the Democrats Sell Out Defense?" columnist Warren Brookes patiently and clearly exposes the Democratic game plan on defense: "To abort the Reagan defense revival."

Democratic defense budget proposals for fiscal year 1987 represent the lowest GNP percentage for defense outlays since 1982, and the smallest GNP percentage for defense budget authority since 1981. It is as if Ronald Reagan had never been elected President, and Jimmy Carter had been allowed to continue promoting his anemic defense spending proposals.

Congress made a commitment to provide 3 percent real growth in defense spending in 1987, but the Democrat budget proposal actually represents no real growth at all. The Soviet military threat inexorably grows, but the Congress only shrinks from the challenge. Mr. Brookes' column on this subject is worthy of your attention.

[From the Washington Times, May 14, 1986]

WILL DEMOCRATS SELL OUT DEFENSE?

(By Warren Brookes)

Most American monetary experts have been shocked by how rapidly the dollar has fallen against world currencies—much more than monetary policies alone would have suggested.

They are ignoring the one nonmonetary fundamental that has been changing even more rapidly than our monetary policies: our rapid abandonment of the original Carter-Reagan defense buildup, signaled both by the 1986 defense budget freeze, and the dangerous proposals by the Democrats on the House Budget Committee to slash 1987-1989 defense spending back to pre-Afghanistan and pre-Reagan levels.

Weak defense has always meant weak currency, and vice versa. It is no accident that from 1974 to 1979, while national defense spending was slashed from 5.8 percent of GNP to 4.7 percent (the lowest in postwar history), the U.S. dollar plunged from 101 percent of the 1973 index to 84, also its lowest level in modern history.

It is equally no accident that under the defense buildup started by President Jimmy Carter in 1980-81 (after the invasion of Afghanistan) and carried on by President Reagan which raised defense outlays from 4.7 to 5.9 percent of gross national product in Mr. Carter's last budget (FY 1982) and to 6.4 percent in FY 1985, the U.S. dollar soared from 88 to 157.

But since April 1985, the dollar has plunged to 113 percent of its 1973 value—a shocking 29 percent decline which actually began at the precise moment that President Reagan was forced by his own Senate to agree to a 1986 defense freeze—a sure signal the defense buildup was over.

That declining defense posture picture was reinforced not only by the recent Senate decision to cut Mr. Reagan's defense budget authority for 1987 from $320 to $301 billion ($253 billion in constant 1982 dollars) but by the ominous proposals now coming out of the House Budget Committee to slash that budget authority still further, to $285 billion ($240 billion in 1982 dollars).

That proposal amounts to a 10 percent real (constant dollar) cut in budget authority from 1985, and, as a percent of GNP, would take us back to the same level of spending we had in 1981, before the Reagan buildup.

In short, the House Democrats are proposing to abort the entire Reagan defense revival, long before it has even reached the timid 1986 levels which a frightened Jimmy Carter suddenly proposed in January of 1980, after the fall of Kabul.

The fact they are willing to risk such a savage assault on national security shows how skillfully the Democrats and their media colleagues have been able to paint the Reagan defense buildup in so much bigger and more wasteful terms than actually took place.

Last February, the House Budget Committee published a highly misleading table showing the "huge" Reagan defense buildup, comparing it to defense spending since 1950—but it deliberately left out any factor for inflation, making all spending since 1973 look far larger than it really was, when for most of those years, it was plunging in real value.

This chart was sent out, with stunning impact, to their constituents by a large number of liberal, anti-defense Democrats such as Rep. Ed Markey of Massachusetts.

Yet, had they been really honest with their constituents, they would have sent out the other chart which shows defense spending as a share of GNP—and how steeply it has actually fallen since the peacetime budgets of the Eisenhower administration, when it averaged more than 10 percent, compared with only 6.2 percent as proposed by Mr. Reagan for 1987, which, in turn, is nearly 40 percent less than the pre-Vietnam Kennedy budgets of 1962 and 1963.

That kind of information might have forestalled the kind of outrageous proposals Democrats are now making that would cut current defense outlays back to 6.1 percent of GNP, the lowest level since 1982, and budget authority back to 6.2 percent, the lowest since 1981, a dangerous drawback in defense posture.

During the peak of the Reagan defense buildup in 1984 and 1985, a buildup that followed closely the Carter proposals of 1980-81, budget authority reached 7.6 percent of GNP—and Mr. Reagan's proposal for 1987, at 7.0 percent, was actually a substantial fallback from that level, as is the 6.6 percent level recently passed by the Senate.

Now the House proposes to cut that back to 6.2 percent, or just about where it was before Mr. Carter got hit in the head by Soviet reality in Afghanistan.

House Democrats would have you believe this is all because of Gramm-Rudman-Hollings—but actually the House proposes to go below the GHR targets by $10 billion or so—even without allowing for lower total outlays and deficits due to falling interest rates.

More important, the Senate tax reform bill, like the House version, already contains a $31 billion windfall for FY 1986 and FY 1987 because it repeals the Investment Tax Credit as of January 1, 1986, even though individual rates are not cut until 1987. This alone would obviate any need either for tax increases in FY 1987 or draconian defense cuts.

In short, they are cutting defense because that's what they have always done—and the Russians are smiling, again.

CONTRA AID WILL PRODUCE MORE, NOT FEWER, CENTRAL AMERICAN REFUGEES

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. BARNES. Mr. Speaker, one of the numerous pieces of misinformation that we are constantly subjected to by the Reagan administration, in its attempt to justify its misguided Contra aid policy, is that that policy will somehow help prevent Central American refugees from fleeing to the United States. This view is not shared by specialists; unfortunately, they do not have the administration's access to the media, so their views tend to be lost in all the rhetoric.

In this regard, I wanted to call my colleagues' attention to a recent study by two experts: Dr. Patricia Weiss Fagen, staff associate of the Refugee Policy Group in Washington, DC, and associate professor of history at San Jose State University in California; and Dr. Sergio Aguayo, professor at El Colegio de Mexico in Mexico City. The study is published by the Central American and Caribbean Program at the Johns Hopkins University School of Advanced International Studies. I would like to share with my colleagues a brief introduction to the study written by the editor. Copies of the complete study may be obtained by contacting the Central American and Caribbean Program.

The material referred to follows:

INTRODUCTION

The two essays published jointly in this CACP Occasional Paper focus on the dramatic plight of Central America's refugees in the early 1980s. Since the original field work was done by Dr. Patricia Weiss Fagen and Dr. Sergio Aguayo in 1983-84, the ongoing conflicts in the region have exacerbated the refugee problem even further. As a result, some of the data cited in these two articles understate the current situation. The CAPC at SAIS feels that the basic problems and trends highlighted by each author retain considerable analytic utility despite the gap between academic publication and the changing realities they examine.

In a public appeal made on March 3, 1986, designed to generate support for a $100 million aid package for the "Contra" rebels fighting against the Sandinista regime in Nicaragua, President Ronald Reagan warned his critics that the United States was facing a "strategic disaster" of great magnitude and a "vast migration" of refugees if Congress turned down his latest request.[1] In point of fact, as both Fagan and Aguayo emphasize, the turbulent conditions in Central America have already converted the refugee exodus from the region into a problem of major consequence for both Mexico and the United States. Indeed, with every day that the fighting in the area continues, the problem inexorably becomes more acute as more victims flee the maelstrom.

There is widespread consensus among analysts of Central America that $100 million more in U.S. aid to the Nicaraguan Contras will not topple the Sandinistas, nor will it resolve the region's development problems. Quite to the contrary, new "lethal" assistance from Washington will inevitably intensify the conflcits and compound the economic and social disruption in Nicaragua and surrounding countries which lay at the heart of the mounting refugee problem in Central America. Whether justificable or not on other grounds, to argue that aid to the Contras will help prevent more refugees from appearing in the region is patently inconsistent and illogical.

Although President Reagan has repeatedly made reference to "feet people" fleeing the "totalitarian" Sandinista regime (and there have undoubtedly been some), Dr. Fagen's research, in particular, indicates that Nicaraguan refugees comprise only a small portion of the total number of Central Americans who have abandoned their homelands in search of personal safety and economic survival. The great bulk of the current Central American refugee population comes from El Salvador and Guatemala where internal wars, the lack of economic opportunities, and the abuses of past authoritarian military rulers have created a tidal wave of immigration out of the area. If the U.S. Congress chooses to renew its financial backing for the "Contra" war, the

[1] See Lou Cannon and Joanne Omang, "Reagan Warns of Disaster If Hill Bars $100 Million to Contras," the Washington Post, March 4, 1986, p. A-21.

analyses presented here make it crystal clear that more—rather than fewer—refugees can be expected to be caught up in the Central American diaspora.

BRUCE MICHAEL BAGLEY,
Editor, CACP Occasional Paper Series.

FOOD STAMPS VERSUS ICBM'S

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. PANETTA. Mr. Speaker, I wish to share with my colleagues an exchange of letters between me and the Under Secretary of Defense for Research and Engineering, Hon. Donald A. Hicks. These letters shed some light on this administration's budget priorities.

Earlier this month, Mr. Hicks had an interview with the press on strategic offensive weapons. In an excellent article by James Gerstenzang in the Los Angeles Times, Mr. Hicks was quoted as favoring deployment of Midgetman, "recognizing that it costs a lot of money and prevents the Democrats from giving a lot of food stamps out they might give out otherwise."

I wrote to Mr. Hicks to express my surprise and concern that a high official of the Department of Defense would make such a statement. I noted that support for food stamps has been bipartisan and that the Food Stamp Program is substantially less costly than Midgetman—in fact we could fund food stamps through the rest of the decade for less than Midgetman will cost. Finally, I noted that since the Reagan administration took office, cost growth in Defense research, development, testing, and evaluation [RDT&E] has been substantially higher than increased spending for food stamps.

In response to my letter, Mr. Hicks wrote a most gracious reply in which he did not deny the quotation but argued that his remark had been taken out of context. He wrote that he had meant to say that some Members of Congress, particularly supporters of domestic programs such as food stamps, are unwilling to consider relatively inexpensive solutions to ICBM modernization, as he characterizes the administration's MX proposal, while they support what he considers the more costly program such as Midgetman.

Frankly, while Mr. Hicks' reply is gracious, his answer to my letter highlights the dilemma we confront in attempting to control defense spending. When we reauthorized the Food Stamp Program last year, every facet of the program was carefully scrutinized. My fellow Members on the Agriculture Committee and our colleagues on the Education and Labor Committee had to share an increase of $0.30 billion in fiscal year 1986 for nutrition programs, including food stamps, WIC, and school lunch. Yet in a throw-away line, an official who makes recommendations involving $50 billion weapons systems talks about "giving a lot of food stamps out."

I submit that if we subjected the Defense budget to the same scrutiny that we insist on for domestic programs, such as food stamps, we would not be confronted with the budget crisis which has paralyzed the Federal Government over the past several years.

Material mentioned above follows:

UNDER SECRETARY OF DEFENSE,
Washington, DC, April 21, 1986.

Hon. LEON E. PANETTA,
Chairman, Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, Committee on Agriculture, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter of April 9, 1986. I want to assure you that the remarks attributed to me in a April 4, 1986 Los Angeles Times article which concerned you, were taken out of context. It was not my intent to criticize any particular domestic program, but to point up the curious fact that some who are concerned about the impact of defense spending on domestic programs are at the same time insensitive to potential cost tradeoffs in the defense area which could save many taxpayer dollars.

Specifically, during a discussion of alternative approaches to completing our land-based ICBM modernization program, I outlined the costs associated with various options for deploying a second 50 MX missiles. I pointed out that these options are substantially cheaper than the $50 billion it is estimated to cost to deploy the baseline, single-warhead Midgetman. In fact, we could deploy an additional 50 MX missiles in Minuteman silos for about 1/25 the cost of Midgetman.

I then expressed surprise that some members of Congress, particularly some strong supporters of domestic programs such as food stamps, seem so unwilling to consider relatively inexpensive solutions to our ICBM modernization problem while readily embracing a more expensive program such as Midgetman.

As Under Secretary of Defense for Research and Engineering, one of my responsibilities is to see that we pursue the most cost effective solutions to meeting defense requirements. Only by achieving this objective can we hope to meet critical needs for national defense and support legitimate domestic requirements.

I regret that the thought did not come through clearly in the reportage, as carried in the Times.

Sincerely,

DONALD A. HICKS.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE, SUBCOMMITTEE ON DOMESTIC MARKETING, CONSUMER RELATIONS, AND NUTRITION,
Washington, DC, April 9, 1986.

Hon. DONALD A. HICKS,
Undersecretary of Defense for Research and Engineering, Department of Defense, Washington, DC.

DEAR MR. HICKS: I am writing to express my profound concern about the remarks attributed to you in an article by James Gerstenzang which appeared in the Los Angeles Times on April 4, 1986.

The article notes that you favor deployment of the Midgetman because you believe it provides greater survivability to our nuclear deterrent than would the MX. Even though the Midgetman costs 25 times as much as the same number of MX missiles, the article quotes you as saying:

"I'm all for doing that [deploying Midgetman], recognizing that it costs a lot of money and prevents the Democrats from giving a lot of food stamps out that they might give out otherwise."

I am both surprised and concerned that a high official of the Department of Defense would have such a distorted view of defense and budget priorities. I hope that we both agree that the most important function of the Federal government in this thermonuclear age is to avoid a nuclear holocaust which could destroy both the United States and the Soviet Union as viable societies. While reasonable people may disagree about whether deployment of Midgetman would increase or decrease our national security, I think that it is highly inappropriate for an official of the Department of Defense to argue for a $50 billion weapon system on the grounds that it will keep nutrition assistance from being provided to poor Americans.

Your reported comments betray some ignorance of the Food Stamp Program. In the first place, support for this program cuts across party lines. One of the strongest supporters of the program has been the Republican Majority Leader of the Senate, Robert Dole of Kansas. In the second place, we could fund the Food Stamp Program through the rest of this decade for substantially less than you seek for Midgetman. In the third place, cost growth in the Food Stamp Program since the Reagan administration took office has been substantially less than the cost growth in Defense research and development. The increase in Defense RDT&E between fiscal year 1981 when the Reagan administration took office and the President's request for fiscal year 1987 was 107 percent in current dollars and 168 percent in constant 1982 dollars. In contrast, funding for food stamps over the same period will increase only 16 percent oi current dollars and 50 percent in constant dollars.

The projection of cost growth in food stamps assumes that the Congress will accept the recommendation of the Republican-controlled Senate Budget Committee to reject the cuts proposed by the President in the Food Stamp Program.

Finally, your reported comments show a remarkable insensitivity to the budgetary crisis which in large part has been created by the increase in Defense spending since 1981. If Midgetman is needed for strategic reasons, you should base the justification for spending the $50 billion on those grounds. If you really consider Defense spending a way to avoid spending on a program which you apparently dislike, I think you reveal an alarming insensitivity to the deficit crisis which we in the Congress have been trying to resolve. Frankly, we could go a long way toward eliminating the deficit if we subjected Defense spending to the same scrutiny that the Food Stamp Program has experienced in recent years.

Sincerely,

LEON E. PANETTA,
Chairman.

[From the Los Angeles Times, May 4, 1986]

MIDGETMAN 25 TIMES COSTLIER BUT IS NECESSARY, PENTAGON SAYS

(By James Gerstenzang)

WASHINGTON.—A senior Pentagon official, outlining Administration plans to push for additional MX missiles and weighing their cost against the Midgetman missile, said Thursday that the smaller weapon will cost 25 times as much to obtain the same number of warheads but that it is needed to reinforce the nation's nuclear force.

Donald A. Hicks, undersecretary of defense for research and engineering, said the

more expensive Midgetman program will offer greater survivability to the nation's nuclear deterrent.

"I'm all for doing that, recognizing that it costs a lot of money and prevents the Democrats from giving a lot of food stamps out that they might give out otherwise," he said at a breakfast with Pentagon reporters.

"The cost issue is a real issue," he said, estimating that $50 billion is needed to fund that Midgetman program. Pentagon officials believe the single-warhead missile's mobility would help it survive an enemy missile attack.

His comments summed up the "guns vs. butter" dilemma facing the Administration as it enters another budget battle with a Congress that has become ever more reluctant to meet President Reagan's request for an 8 percent after-inflation Pentagon budget increase.

At the same time, the Pentagon official continued the debate over the modernization of the naiton's nuclear arsenal, emphasizing the Administration's desire to eventually deploy 100 MX missiles, rather than the 50 authorized by Congress.

Hicks said that "all kinds of hysterical" reasons had been cited for cutting deployment of the 10-warhead weapon in half. Opponents of the missile, he said, are "disturbed" because it would carry 10 nuclear warheads, but they "don't seem to be disturbed by (Soviet) SS-18 with 14" warheads.

Hicks, a former executive of Northrop Corp., which is building the Advanced Technology Bomber, also known as the Stealth Bomber, for the Air Force, is the senior Pentagon official in charge of new weapons. He said an additional 50 MX missiles would cost about $2 billion. The Administration is seeking $1.4 billion in fiscal 1987 to buy 21 MXs.

For an additional $6 billion, he said, 50 missiles could be placed in "super-hard" silos, rather than in old Minuteman missile silos in which the MXs are now scheduled to be deployed, beginning late this year.

In the past, Hicks has raised the possibility of placing two or three warheads on the Midgetman, known officially as the small intercontinental ballistic missile. Congress has insisted that the missile carry one warhead and weigh no more than 30,000 pounds.

Hicks indicated that sufficient caution must be exercised so it can be determined whether the nation would be better served by building one-third as many Midgetman missiles as planned, and equipping them with three warheads.

He said that such engineering studies may take two years, but could demonstrate that a two-warhead missile could still be sufficiently mobile, thus cutting in half the number of missiles and launchers needed at a savings of $8 billion to $10 billion.

Current plans call for deploying 500 of the missiles, beginning in late 1992. They would be placed in mobile launchers, protected against the effects of an enemy missile attack, and deployed on military reservations in the West.

HOUSE RESTAURANT SYSTEM

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. ANNUNZIO. Mr. Speaker, recently a number of Members have requested information regarding the working conditions and benefits of congressional staff in our House restaurant system. The report that follows was prepared by the Architect of the Capitol who advises that similar benefits are available to staff in the Senate restaurant system.

(1) Restaurant Staffing:

	Total	Management	Employees
House restaurants	249	4	245
Senate restaurants	254	4	250

(2) Hourly Pay Range:

House restaurants	$4.80-$8.50
Senate restaurants	$4.80-$8.50
Private sector	$3.85-$8.15

(3) Value of Benefits: 41 percent of base pay.

(4) Benefits:

Annual Leave—13 days, 1st 3 years of service; 20 days, 3 to 15 years of service; 26 days, Over 15 years of service.

Sick Leave—13 days a year.

Retirement—80 percent of high three years base salary after 32 years of Congressional and military service at age 55.

Life Insurance—Coverage is equal to actual base pay plus $2,000; additional optional and family coverage is available.

Health Benefits—Choice of 28 plans covering worker and all eligible family members.

Workers' Compensation—In case of injury, worker entitled to 45 days continuation of pay and payment of medical bills.

Death Gratuity—Benefit payable to widow, widower or legal heir: For employee with 6 years of service: ½ years salary; For employee with 18 years of service: 1 years salary.

Holidays—Ten paid holidays a year.

Free Meals—A breakfast and lunch are provided each work day at no cost to the employee at a retail cost to the restaurants of $5.50 a day or approximately $1,300 a year.

Parking—Free parking available on limited basis; presently 143 employees have parking.

(5) Employee Relations:

Policy and procedures have been implemented in the following areas: Posting of Vacancies, Training Program for all employees, Disciplinary and adverse action appeal system, Grievance and hearing system, Pay schedules adjusted periodically to match changes in Federal prevailing rate schedules, Employment continued through all recess periods, Overtime pay for all work in excess of 8 hours in a day or 40 hours in a work week.

TRIBUTE TO SGT. MAJ. JAMES B. WHITTAKER

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. SKELTON. Mr. Speaker, I take this time today to inform my colleagues and pay tribute to an outstanding member of the U.S. Army, Sgt. Maj. Jim Whittaker, of Barnett, MO.

Sergeant Major Whittaker was the adjutant general sergeant major, Fort Leonard Wood, MO, at the time of his untimely death from cardiac arrest on April 20, 1986. He was 45.

Before beginning military service to his country in 1961, Sergeant Major Whittaker graduated from Pensacola Technical High School in Pensacola, FL, and attended Greenleaf College in Atlanta, GA. Along with serving two tours in Heidelberg, West Germany, he also served a combat tour in Vietnam, with the 1st Personnel Services Company.

Jim Whittaker was the operations NCO of the reception station at Fort Leonard Wood before receiving his promotion to sergeant major and becoming the senior noncommissioned officer for the adjutant general. He was a dual component soldier, serving as a chief warrant officer, W-4, in the U.S. Army Reserve.

His many awards include the Meritorious Service Medal with Oak Leaf Cluster, the Army Commendation Medal with four Oak Leaf Clusters, the Army Achievement Medal with Oak Leaf Cluster, seven awards of the Good Conduct Medal, the Meritorious Unit Commendation, and the Republic of Vietnam Cross of Galantry with Palm.

Sergeant Major Whittaker is survived by his wife Barbara, his son Jay, his daughters Rhonda and Natalie, his mother Mrs. Anna Whittaker of Lawrenceburg, TN, three brothers—two of whom are retired U.S. Army noncommissioned officers—and four sisters.

Mr. Speaker, Sergeant Major Whittaker will be remembered by his family and friends as a person of rare competence and compassion who could be depended upon to do what was right for his soldiers, his Army and his country. I feel certain that each Member of this House joins me in sending our deepest sympathies to his wife and family. May God comfort them in this time of deep sorrow.

TRIBUTE TO FRANK D'ASCENSIO, ESQ.

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. RODINO. Mr. Speaker, it gives me great pleasure to pay tribute to one of Newark's finest civil servants, Frank D'Ascensio, municipal clerk, city of Newark.

Frank D'Ascensio has been serving the people of Newark since 1931. It is exactly 55 years and 1 month after his initial temporary position with the city of Newark.

Frank D'Ascensio was born on September 8, 1903 in New York City, the year of the first airplane flight and the first feature motion picture, of immigrant parents from Italy. At the age of 5 Frank's family moved to Newark, NJ, where Frank has lived ever since.

Frank attended school in Newark and graduated from Barringer High School. He later earned a degree in electrical engineering from Cornell University in 1927 and a degree in law from the Mercer Beasley Law School (later Rutgers University) in 1931. In 1935 he was admitted to the New Jersey bar, and in 1941 he was certified as a professional land surveyer.

Meanwhile, because of the dearth of opportunities for engineers and/or attorneys during the Great Depression, Frank had taken a tem-

porary position with the city of Newark, and on April 16, 1931 he began work as a deputy collector of personal tax arrears. Five years later he was promoted to the permanent position of assistant tax assessor.

Frank rose through the ranks during the next two decades in the division of assessments and in 1957 he transferred to the office of the city clerk as an analyst. Three brief years later he acquired the title of chief analyst and mastered operations of this complex office under the tutelage of his predecessor, Harry Reichenstein. When Mr. Reichenstein retired at the age of 75 in 1971, Frank became municipal clerk of the largest municipality in the State of New Jersey. Frank attained tenure in this position in 1976 and during the last 15 years his staff has grown in both size and stature—a model for the Nation.

Frank has been honored for outstanding performance by local, county, State and national organizations, and he is known throughout the Nation as the dean of municipal clerks. In 1974 he became the first municipal clerk from New Jersey to be named to a committee of the International Institute of Municipal Clerks, and in 1980 he was awarded the degree of certified municipal clerk by the International Institute.

Apart from his professional association and interests, Frank and his late wife Mildred were devoted to their family and their church. Frank has been a communicant of Saint Francis Xavier Church for 58 years and he still attends weekly mass there.

Frank has two children. His son, Frank Paul D'Ascensio, is superintendent of industrial waste control for the Passaic Valley Sewerage Commission. His daughter, Barbara Bennett, is a junior high school teacher. He has four grandsons and two granddaughters.

Frank seems unable to find time to grow old. While workers not even a third of his age wait for the elevators, Frank can be seen briskly walking up the stairs to his third floor office.

Mr. Speaker, I commend Frank for his many contributions to our community, and I wish him well in the years to come.

WEST NANTICOKE METHODIST CHURCH CELEBRATES CENTENNIAL

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. KANJORSKI. Mr. Speaker, it is my pleasure to bring to your attention the 100th anniversary of the West Nanticoke Church in the Wyoming Valley of Pennsylvania. I am proud to join in the celebration of this centennial, and I am glad to have the opportunity to share this event with my colleagues in the House of Representatives.

The 11th Congressional District which I represent has a long tradition of religious observance and service to God. We are a diverse people, represented by the many different churches, temples, and synagogues which dot our countryside. But our common bond is a commitment and belief in the power and glory of a loving God.

The First United Methodist Church of West Nanticoke is a special part of that tradition. Its distinguished history stretches beyond the last 100 years to the beginning of a union Sunday School which had been held in West Nanticoke for some time prior to 1872. It ran only through the warm weather and was under the leadership of Baptists, including the Baptist minister Reverend Sheerer. In the fall of 1872, Jacob Bonawitz formed a Methodist Sunday School to continue through the winter. Mr. Bonawitz served the 100 members as superintendent, and several ministers from nearby Plymouth alternated preaching in the morning and evening. In 1874 West Nanticoke joined with Nanticoke for pastoral oversight until 1886, when it became a charge with C.S. Lane as pastor.

The church edifice was built in 1886 and was rededicated on Sunday, August 18, 1901. Rev. A. Griffin preached in the morning, Rev. A.J. Cleft in the afternoon, and Rev. W.H. Hiller in the evening.

Two floods inflicted tremendous damage to the West Nanticoke Church. The spring of 1936 brought the highest recorded flood in the history of the Wyoming Valley, and the church members worked with the Red Cross during this emergency. Hurricane Agnes struck in 1972 and wreaked havoc on the entire area. From the motor and blowers of the organ to the paneling and tile of the vestibule, the church was severely damaged. Through the hard work and dedication of the congregation, the church basement and the parsonage were restored within a year.

Throughout its trials and triumphs, the congregation of the First United Methodist Church of West Nanticoke has endured, providing testimony to the strength of faith. Mr. Speaker, it is a great honor to call your attention to this milestone in the history of this fine church. I am sure that you join me in wishing all those involved with this exciting event our sincerest and most heartfelt congratulations.

CONGRESSMAN GILMAN IN SUPPORT OF HOUSING REAUTHORIZATION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. GILMAN. Mr. Speaker, I am pleased to rise in strong support of the Housing Act of 1986, and I thank my colleague, the gentleman from Connecticut [Mr. MCKINNEY], for yielding time to me today and for his leadership as the ranking minority member of the Subcommittee on Housing and Community Development in developing and improving our major housing and community development programs. I also wish to express my appreciation to his colleague, the distinguished chairman of the subcommittee, the gentleman from Texas [Mr. GONZALEZ], for his hard work and dedication to ensuring the continued viability of our housing programs. The Gonzalez-McKinney substitute that is being offered today, H.R. 4746, is the product of countless hours of consultation and negotiation between the minority and majority members of the House Committee on Banking and Urban Affairs. This measure is a fair and reasoned response to the urgent need to reauthorize these programs, many of which have been functioning under short-term extensions since the end of fiscal year 1985 last September.

Rather than detain this reauthorization any longer than it has already been, the committee wisely chose not to set specific funding levels in this bill and to include a general policy statement that all fiscal year 1986–87 authorizations must be capped at levels established by the pending budget resolution. H.R. 4746 further extends through fiscal year 1987, the FHA mortgage insurance programs, the Section 312 Rehabilitation Loan Program, Federal flood and crime insurance programs—with a 10-percent cap on premium increases—and FmHA rental and mutual and self-help housing programs. H.R. 4746 also retains the 9.25-percent cap on section 202 housing loans, reauthorizing that program through fiscal year 1987 and extends HMDA through fiscal year 1988. All of these programs are being utilized extensively throughout my congressional district in New York and are programs that for many elderly and handicapped individuals and countless families, have meant the difference between having a roof over their heads and being homeless.

Concomitant with our support for legislation which makes safe, reliable housing available to all individuals regardless of their income should be a commitment by this Congress to the development of our local communities and neighborhoods. Indeed improved housing opportunities and coordinated community and neighborhood development programs are integral components in any effort to improve the overall quality of community life. While the administration continues to target both of these programs for elimination, I am pleased that the committee has recognized the vital infusion of Federal dollars the CDBG and UDAG Programs afford our distressed towns and cities and have reauthorized the Community Development Block Grant and Urban Development Block Grant Programs through fiscal year 1987.

In this regard, I commend the committee particularly for including a provision in this legislation which will allow 19 U.S. cities to continue to compete for CDBG funding for 3 more years. Since 1983, cities classified as central cities for the purposes of being eligible for CDBG moneys have faced the threat of losing their entitlement status due to arbitrary criteria promulgated by the Office of Management and Budget. These regulations changed the method of defining central cities and/or the fluctuations in populations in our cities in the years between the decennial censuses. The 19 cities affected by these regulations have been caught in a vital catch-22. Because their population has decreased they are being deprived of the very funds they need to retain and attract businesses. Among the 19 cities affected by the OMB regulations are the cities of Middletown and Newburgh in Orange County, NY. As the Representative from Middletown and the former Representative of Newburgh, I know that I speak for all the constituents in our mid-Hudson Valley region when I thank the committee for recognizing

the significant work that has been completed and can continue to be executed, with CDBG funding. These two cities have worked extremely hard to overcome both regional and national problems. In Middletown alone CDBG moneys are helping to change the face of Middletown. The repaving of streets, the installation of street lamps, the revitilization of the old train station, rehabilitation of old housing to make it habitable—all of these projects paid for, in part, with CDBG moneys, have helped Middletown enter into a new era, an era of growth and prosperity which will ultimately benefit the entire region. I am hopeful that the 3-year extension of the central cities included in H.R. 4746 will allow these 19 cities adequate time to explore alternate funding options and for Congress to examine the possibility of a more permanent solution.

In addition, H.R. 4746 authorizes the section 8 and public housing programs through fiscal year 1987 and establishes a utility allowance for families in public housing who must make separate utility payments. Other welcome changes in the section 8 program include: amend the income eligibility requirements for assisted housing to all 25 percent—up from 5 percent—of assisted housing units to be leased to families with income between 50 percent and 80 percent of the area median, and; authorizes HUD to replace the Comprehensive Improvement Assistance Program with a new grant program to improve the physical condition of existing public housing projects and to upgrade their management and operation.

My district borders both sides of the Hudson River, a portion of which lies within 20 miles of New York City. While many of my constituents commute or do business in New York, a significant portion of the 22d Congressional District is rural and has been federally designated as such, allowing many of my constituents to be eligible for assistance under the rural housing programs. I am pleased to note that this substitute measure reauthorizes the rural housing insurance fund and the rural housing grant programs which have permitted so many individuals and families in our rural areas to own their own homes.

The committee has also responded to the growing incidence of homelessness in this Nation. I recently had the opportunity to visit several homeless shelter facilities in Westchester County, NY. Our local municipalities cannot be expected to bear the entire burden of housing and of feeding the homeless. H.R. 4746 establishes two new programs to aid the homeless which: Creates a new second-stage housing demonstration program for homeless and displaced person unable to live independently, and establishes the National Emergency Food and Shelter Board to administer shelter assistance programs. In addition the committee has authorized such sums as may be necessary to advance this new initiative and requires the National Emergency Food and Shelter Board to make matching grants to the State and local governments and nonprofit organizations for assistance to the homeless.

In closing, I want to urge my colleagues to seize this opportunity—a reauthorization of these housing and community development programs are desparately needed—and vote for adoption of this legislation. I entreat my colleagues to vote "aye" on the Gonzalez-McKinney substitute and aye on this final passage or this worthy legislation.

THE PRODUCT LIABILITY UNIFORM STANDARDS AND REFORM ACT

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. DANNEMEYER. Mr. Speaker, there can be no doubt that the United States is a litigious society, but until recently this penchant to sue was just America's way of redressing her grievances. Now it threatens the very heart of society by reducing the availability, adequacy and affordability of insurance thus affecting the existence of a variety of consumer goods and services. The apparent culprit in this scheme of devastation is none other than the vast array of State tort laws.

Manufacturers, sellers, insurance companies and consumers are all victims. Manufacturers are unable to manufacture quality products free from the threat of paralyzing litigation because they cannot predict, with any regularity, the impact of 50 different State laws on their product. Our current tort system is nothing more than a myriad of disjointed rules pertaining to what actions or omissions will be determinative of liability and who will pay. Similarly, insurance companies are unable to determine with sufficient precision the potential for, and extent of, possible liability under such a wide variety of laws. Most importantly this unpredictable system leaves corporations and consumers unprotected and unable to purchase reasonable insurance. Most frustrating for businesses is that denial of insurance is not always linked to risks associated with their product or history of service. Ultimately, inability to obtain insurance can result in business forfeiture, bankruptcy and higher cost to the consumer.

The upheaval in the liability system is reflected in both the size and number of awards. The number of product liability cases filed in Federal district court soared from 1,579 in 1974 to 13,554 in 1985, a 758-percent increase. Similarly the average size of awards has tripled during the past 25 years from an average of $49,000 in the early 1960's to $130,000 in the late 1970's. The increase in the average is largely due to the dramatic increase in awards over $1 million. In the 1960's, awards that exceeded $1 million accounted for only 8 percent of damages awarded. In the late 1970's, however, awards of $1 million and up accounted for 48 percent of all awards. Equally at fault is the increase in punitive damage awards. These awards, intended only to penalize, have increased approximately 12,000 percent since the early 1960's from levels between $4,000 to $54,000 in the 1960's to $395,000 to $489,000 in the late 1970's.

In my home State of California, cities have paid $75.4 million in "deep pocket" liability claims and defense costs in the last 3 years alone. In addition, a League of California Cities study of 347 municipalities, including 23 in my home county of Orange County, found that nearly $250 million in claims are pending. The response to this situation has been to put proposition 51 on the June 3, 1986 ballot. This proposal would limit a city's liability to it's percentage of fault. While I commend the organizers of the proposition 51 coalition for a prompt response to this crisis, I believe that the extent of this problem and its adverse impact on interstate commerce demands Federal action.

It is clear that our tort system, which was designed to compensate the victim for wrongful injury, has become so debilitated that the question of liability is now a secondary issue. A few examples highlight the dramatic shift away from fault-based compensation standards: A 41-year-old body builder in California entered a footrace with a refrigerator strapped to his back. During the race a strap slipped and he was injured. He collected $1 million in damages, Columbo versus Transworld International, et al. Two Maryland men decided to dry their hot air balloon in a clothes dryer. When the dryer exploded the men were injured and collected $885,000 in damages, American Laundry Machinery versus Horan.

For the above reasons, I am introducing the Product Liability Voluntary Claims and Uniform Standards Act of 1986. This bill would preempt conflicting State law and provide for uniform standards of liability. The most salient features of the bill include elimination of joint and several liability in favor of comparative responsibility, a cap on punitive damages to two times the amount of economic damages or $100,000, whichever is less, settlement incentives and an alternative dispute resolution mechanism. While I recognize that no one bill will be the cure-all, I do believe that uniform laws will add stability and predictability to the system which will result in improved underwriting practices and ultimately available and affordable insurance.

A comprehensive reform of our fragmented tort system is long overdue and I submit this bill with the hope that it will serve as a vehicle for reform. I welcome a discussion of this and other proposals aimed at reform of our Nation's tort laws. While I believe my bill represents a balance of all interests involved and is the most comprehensive effort to date, I am amenable to any suggestions which may improve this approach. I urge the Energy and Commerce and Judiciary Committees to schedule hearings and expedite consideration of this vital legislation.

Below is a section-by-section description of the bill:

SECTION-BY-SECTION DESCRIPTION OF THE BILL

Section 101. Title. "Product Liability Uniform Standards and Reform Act".

Section 102. Definitions.

Section 103. Preemption. This Act preempts any civil action brought against a manufacturer or product seller, on any theory, for personal injury or property damage caused by a product. Does not include loss or damage to a product or commercial loss. This Act also supersedes relevant state law to the extent that it overlaps with state law. Any issue not governed by this Act shall be governed by applicable state or federal law.

Section 104. Record Retention. A manufacturer shall retain for 25 years a copy of all studies or reports within his custody/control which assess the risks or hazards posed by the design or formulation of the product. The manufacturer shall also retain for 25 years a record of each reported incident of death, injury or illness resulting from use of the product.

Any claimant/person who is a party or who has notice that he or she may be made a party to an action under this Act shall retain all material documents and data within that person's custody/control that are relevant to the action or may lead to discovery of evidence relevant to the action.

If a party willfully disposes of a document in violation of this section, there shall be a rebuttable presumption that the facts contained in the document are adverse to the party who committed the violation. In addition, the court shall assess a civil penalty against the guilty party in the amount of $1,000 or more and order the guilty party to pay the other party's costs, including reasonable attorney's fees incurred in proving the violation. Nonwilful violations in which no other means are available to establish the facts contained in the destroyed document will result in a rebuttable presumption against the nonwillful violator. No penalty will be assessed.

Section 105. Attorney Disclosure. An attorney contacted about rights and recovery under this Act must disclose the options available to the client, the potential recovery, time period for recovery and an estimate of attorney's fees and all other potential costs and penalties pursuant to recovery under Title II (Expedited Claims) or Title III (Civil Action).

If an attorney fails to disclose information required by this section, the client may bring a civil action for damages in the court in which an action under title II was, or could have, been brought. Recoverable damages include exemplary damages in the amount of client's economic loss.

Section 106. Service of Process. The summons and complaint shall be served as provided by applicable law.

Section 107. Admissibility of Certain Evidence. Evidence of an admission of liability, either expressly, or impliedly, is inadmissible in any other action brought under or subject to this Act.

This is a codification of the federal rules of evidence. The rationale for finding this type of evidence inadmissible is that public policy wants to encourage product improvement and voluntary payment to a claimant.

Section 108. Expert Opinion. Expert scientific or medical opinion is not sufficient evidence to establish a fact absent support in peer-reviewed scientific or medical studies.

Section 109. Subsequent Remedial Measures. Evidence of subsequent remedial measures taken by a manufacturer or product seller after the occurrence of a claimant's harm which, if taken previously, would have made the harm less likely to occur is not admissible to prove liability. (Codification of Federal Rules of Evidence)

Section 110. Product Liability Registry. Any manufacturer who is not incorporated or registered to do business under the law of the State shall contact the Secretary with the name of an appointed agent to receive service of process. The Secretary shall maintain a registry of agents and furnish the name and address of the agent to any person requesting such for the purpose of making a claim under this Act.

Within 12 months of enactment the Secretary shall establish regulations regarding the financial responsibility of manufacturers through either insurance, guaranty, surety bond, letter of credit or any combination.

A manufacturer who fails to comply shall be liable to the U.S. for a civil penalty not to exceed $5,000 for each day of noncompliance. The penalty will be assessed by the Secretary after the alleged violator has had the opportunity for a hearing. A person wishing to challenge the penalty may file a petition for judicial review with the U.S. Court of Appeals for the District of Columbia with 30 days. If the manufacturer fails to pay the penalty after the court has issued a final order, the Attorney General shall recover the amount assessed plus interest without reviewing the validity, amount and appropriateness of the penalty.

Section 111. Effective Date. This Act shall be effective on the date of its enactment. If any provision of this Act would shorten the period which a manufacturer or product seller would be exposed to liability, the claimant may submit a claim under this Act within one year after the effective date.

TITLE II. (EXPEDITED CLAIMS PROCEDURE)

Section 201. Expedited Product Liability Claims Procedure. A person who has suffered harm caused by a product (other than an employee of the product's manufacturer who suffers harm in the course of his employment) may submit an expedited claim to the manufacturer.

A person who submits a claim under Title II (expedited claims) may not seek recovery for the same harm in a civil action under Title III of this Act if the manufacturer:

(1) makes payment of net economic loss;

(2) declines to make full payment solely because of a dispute over the amount of the net economic loss; or

(3) declines liability for harm or fails to respond and claimant has received a notice from the manufacturer denying liability and claimant seeks recovery under Section 208 (order enforcing claimant's right).

A person may not submit an expedited claim if they have already brought a civil action against the manufacturer under any theory/law to recover damages for the same harm.

A manufacturer who makes payment under Title II or who is found not liable may not be made a defendant in any action brought by any other party for contribution, reimbursement or indemnity for damages arising from the same harm.

Payment of an expedited claim, or a finding of nonliability will not bar an action for associated harm which is physical damage to property other than the product itself.

Section 202. Manufacturer's Liability For Net Economic Loss. A manufacturer's liability is limited to "net economic loss" under Title II. "Net economic loss" is defined as:

(1) reasonable expenses incurred for reasonably needed and used medical and rehabilitation services;

(2) lost income from work reduced by any income earned from substitute work actually performed or by income the claimant would have earned in available appropriate work which claimant was capable of performing but unreasonably failed to undertake. This amount shall be reduced by the amount of all Federal, State and local income taxes and any Social Security which is not considered compensation;

(3) reasonable expenses incurred in obtaining ordinary and necessary services claimant would have performed;

(4) lost earnings of deceased person who suffered fatal harm caused by a product which would have been contributed to claimants entitled to receive benefits under law; and

(5) reasonable expenses incurred by claimant in preparation and submission of voluntary expedited claim including reasonable attorney's fees—minus the amount of compensation paid by any other source including a government program, employee benefit plan or insurance.

When harm occurs that may entitle a claimant to benefits which would reduce the amount of "net economic loss" to be paid by the manufacturer, the manufacturer may place in an interest-bearing escrow account that portion of the economic loss which the manufacturer anticipates the claimant will receive from other sources until claimant's right to such benefits has been determined. The total amount of compensation paid to a claimant from any other source shall be reduced by the amount of legal fees and other costs incurred by claimant in collecting the compensation.

Attorney's fees may be on a contingent basis but for purposes of calculating costs must be based on an hourly rate which should not exceed that which is considered acceptable in the community.

Section 203. Submission of an Expedited Claim. Within 120 days of the effective date of this Act, the Secretary shall make available a model explanation of claimant's rights which the manufacturer will provide to a claimant within 10 days of receipt of notice of injury. An expedited claim must be accompanied by material proof of the injury and records of "net economic loss".

Toxic Harm. A person seeking to recover for toxic harm of a kind which manifests itself only many years after exposure and where it is not possible for the claimant to identify the manufacturer, may submit an expedited claim to any manufacturer of a product that is chemically indistinguishable from the product which caused the harm if the manufacturer's product was available at the time the product that caused the harm was purchased. Claimant must also provide a written explanation of efforts to identify the manufacturer of the individual product unit.

Statute of Limitations. Two years. A person under legal disability may submit a claim within 2 years after the disability ceases.

Section 204. Duty To Disclose Information. A claimant must cooperate fully with the manufacturer in the manufacturer's investigation of the claim.

Section 205. Liability for Harm. A manufacturer will be liable to a claimant under an expedited claims procedure if:

(1) the product, when it left the manufacturer's control, was unreasonably dangerous; and

(2) the unreasonably dangerous aspect of the product was the proximate cause of claimant's harm while the product was being used in a manner intended or reasonably anticipated by the manufacturer.

a. "Unreasonably dangerous" is established when:

(1) the product's utility so outweighs the risk of harm that a person knowing of the risk would still be justified in placing the product in the stream of commerce; or

(2) a. the risk of harm would be apparent to a reasonably observant person or would have been a matter of common knowledge; or

b. if the risk of harm would not have been apparent, the manufacturer provided adequate warnings to enable a reasonable

person to avoid the risk or to make an informed decision whether to assume the risk.

(3) A product which is a drug or device which may only be administered by a licensed practitioner will not be found unreasonably dangerous if the manufacturer provided warnings in compliance with FDA requirements.

(4) If the claimant has suffered toxic harm of a kind which manifests itself only after many years of exposure, proximate cause will be presumed if:

(a) the claimant was exposed to the product at the relevant time; and

(b) the claimant's exposure to the product would "significantly increase" (incidence to an exposed population exceed's incidence in an unexposed population by 30% or more) the risk of incurring the toxic harm unless another toxic agent is more likely to have independently produced claimant's harm.

The claimant must establish by a preponderance of the evidence that, in the best available scientific opinion, exposure to a product of a certain chemical composition, in the circumstances of claimant's case, significantly increased the claimant's risk of incurring toxic harm.

Section 206. Payment or Rejection of an Expedited Claim. Within 90 days of receipt of an expedited claim a manufacturer shall determine whether it is liable for the claimed harm and notify the claimant.

If a manufacturer agrees it is liable, it shall make payment for net economic loss or enter into an agreement with claimant for another acceptable disposition of the claim.

If manufacturer determines it is not liable, it shall give the claimant written notice of rejection and a written explanation of claimant's rights to bring a civil action for an order enforcing those rights.

If a manufacturer does not contest liability but disputes the amount of the claim, the manufacturer shall pay the undisputed portion and provide claimant with an explanation of claimant's rights to initiate binding arbitration within 90 days. Arbitration will be the exclusive remedy when the dispute is over the amount of net economic loss.

Section 207. Rights Upon Denial of Full Payment. If a manufacturer disputes the amount of a claim and the claimant initiates arbitration proceedings within 90 days, the Federal Mediation and Conciliation Service will appoint an arbitrator to make a final detemination within 60 days, of the amount owed by manufacturer. No court shall have the power to review this determination except where either party alleges fraud or misrepresentation.

Section 208. Rights Upon Denial of Liability. If a manufacturer declines liability or fails to respond to a claim, the claimant may bring a civil action enforcing the claimant's rights under this title. If the manufacturer provides claimant with a notice of rejection, the issues at trial shall be limited to those issues raised by claimant and set forth in such notice. All issues shall be tried by the court without a jury. Such action may be brought within one year of the date of submission of the claim, or within 90 days of the manufacturer's rejection of the cliam, which ever is later.

If the court finds that the manufacturer is liable the court shall enter an order enforcing the claimant's rights and directing arbitration to settle any dispute over net economic loss and award reasonable attorney's fees and expenses as well as interest on the amount of claimant's net economic loss equal to 2% per month.

If the court finds there was not good cause for the manufacturer's denial of liability or failure to respond within the time required, the court shall award exemplary damages in an amount not to exceed twice the amount of net ecomomic loss or $10,000 whichever is greater.

If the court finds there was not good cause for claimant to file an action, the court shall require the claimant or claimant's attorney to pay all of the manufacturer's costs of investigation and defending the claim.

A person who willfully violates an enforcement order or an order of an arbitrator shall, upon conviction, be subject to a fine of not more than $2,000 for each day of violation, or imprisonment, not to exceed two years, or both.

Section 209. Supplemental Expedited Claim. If claimant incurs additional net economic loss arising from the same harm, and manufacturer has admitted liability, claimant may submit supplement claims. These claims will be handled like the original claim.

Section 210. Time Limitation on Liability. Statute of Repose for all harms which are not toxic harm is 25 years from the date of delivery of the product to its first purchaser or lessee not engaged in the business of selling or leasing the product or using the product as a component in the manufacture of another product.

Section 211. Reimbursement of Manufacturer. Any manufacturer who pays an expedited claim may seek reimbursement, contribution, or indemnity on the basis of comparative responsibility within 2 years of such payment. Contribution, reimbursement or indemnity may be sought in a State court with original jurisdiction or a District Court.

Section 212. Collective Processing of Claims. Nothing in this title or in the antitrust laws shall preclude manufacturers or product sellers from establishing and maintaining collective means of processing claims.

TITLE III (CIVIL ACTIONS)

Section 301. Civil Actions. A person may bring a civil action against a manufacturer or product seller pursuant to applicable law except where such law is superseded by this Act. By bringing a civil action, a person waives all rights to recovery under the expedited claims procedure in Title II.

Section 302. Uniform Standards of Manufacturer Liability. A manufacturer will be liable if claimant proves by a preponderance of the evidence that:

(1) a product unit manufactured by the manufacturer was a proximate cause of the harm; and

(2) a. the manufacturer was negligent in constructing, designing, providing warnings about the proper use of the product or that the product did not conform to the express warranty made by the manufacturer. (provisions for negligence conform to general negligence standards).

Section 303. Uniform Standards of Product Seller Liability. A product seller may be found liable if claimant can prove by a preponderance of the evidence that:

(1) the product unit which caused the harm was sold by the defendant; and

(2) the product seller failed to exercise reasonable care; and

(3) seller's failure to exercise care was the proximate cause of claimant's harm; or

(1) the product seller made an express warranty, independent of any express warranty made by the manufacturer; and

(2) the product failed to conform to the warranty; and

(3) the failure to conform to the warranty caused the claimant's harm.

A product seller shall be treated as a manufacturer and shall be liable for harm as if it were the manufacturer if the manufacturer is not subject to service of process or the court determines that the claimant would be unable to enforce the judgment against the manufacturer.

Section 304. Determination of Responsibility in a Product Liability Action. All claims under this Act shall be governed by principles of comparative responsibility. The court shall instruct the jury to make findings indicating the total amount of damages to each claimant for claimant's harm and the percentage of total responsibility for harm attributable to each claimant, each defendant, and to any other cuase. The percentage attributable to each defendant or third-party defendant shall be determined by subtracting the percentage of responsibility attributable to the claimant and to any other cause or person who is not a party to the action from 100% and allocating the percentage remaining to the defendants according to their individual responsibility for harm.

Evidence of claimant's misuse, alteration of modification of a product shall be considered in determining claimant's responsibility for harm.

Joint and several liability shall be determined in accordance with state law except that the basis for contribution shall be each joint tortfeasor's percentage of responsibility for harm. If an amount is not collectible from one joint tortfeasor, the portion which is uncollectible shall be reallocated among other joint tortfeasors according to their percentage of responsibility.

Section 305. Relevance of Government Standards and Contracts. If a product seller proves by a preponderance of the evidence that the aspect of the product or its use which claimant cites as defective substantially complies with applicable mandatory contract specifications of a Federal, State, or local government pertaining directly to that aspect of the product or its use, the claimant shall be deemed to have failed to satisfy the proof requirements.

This section will not apply if a product identical to the product at issue is identical in all significant aspects to one which is commercially available prior to the date of the product's first sale to Federal, State, or local government.

Section 306. Uniform Standards for Offset of Worker's Compensation Benefits. The judgment shall be reduced by the sum of the amount paid as workers' compensation benefits for that harm and the present value of all workers' compensation benefits to which the employee is or would be entitled for the harm.

Section 307. Uniform Standards for Award of Punitive Damages. Punitive damages may be awarded upon establishment of clear and convincing evidence that the harm suffered was the result of conduct manifesting conscious, flagrant indifference to the safety of persons who may be harmed by a product. Punitive damages may not be awarded in the absence of a compensatory award unless death results from product use.

In determining whether punitive damages are appropriate the trier of fact shall take into account the conduct of manufacturer/seller upon learning that the product caused harm and the duration of the conduct and any concealment.

The amount of punitive damages may not exceed twice the amount of other damages awarded or $1,000,000 whichever is greater.

Section 308. Uniform Standards of Limitation and Repose. Statute of Limitations shall be 2 years from the date the claimant discovered the harm, or in the exercise of reasonable care, should have discovered the harm. In the case of a disabled claimant, an action may commence within 2 years after the disability ceases.

The Statute of Repose will be 12 years for non-toxic harm and 25 years for toxic harm.

Section 309. Uniform Standard for Settlement Incentives. If either party offers a "reasonable" settlement which is rejected by the opposing party who is later determined to be at fault and who receives damages less than or equal to those offered in the settlement, that party will also be responsible for attorney fees and costs attributed to prolonged litigation.

Section 310. Uniform Standard for Periodic Payment of Awards. Provides that payments for future economic damages may be made periodically. If the court suspects that future economic damages may not be paid, the court may require the party responsible for payment to purchase an annuity to cover the expected cost of future payments.

Section 311. Application of Other Law. Except as otherwise provided in this act, nothing shall be construed to affect any statutory or common law rule governing recovery by a claimant or the effect of comparative responsibility upon the recovery.

ENDORSEMENT OF SAFE DRINKING WATER ACT AMENDMENTS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. GILMAN. Mr. Speaker, I strongly support the conference report accompanying S. 124, the Safe Drinking Water Act Amendments, which was adopted by the House Tuesday. I would like to take this opportunity to commend my colleagues in this Chamber, particularly the gentleman from Illinois [Mr. MADIGAN], who introduced the House companion bill, H.R. 1650, the gentleman from Michigan [Mr. DINGELL], the distinguished chairman of the Committee on Energy and Commerce, and the gentleman from California [Mr. WAXMAN], the distinguished chairman of the Subcommitte on Health and the Environment, all of whom worked diligently to secure adoption of this important measure.

Despite the strides we have made in cleaning up our Nation's waterways and supplies, there remains much for us in the Congress to do. Our surface water supplies are polluted by over 700 pollutants, including synthetic organic chemicals and heavy metals. Congress has worked hard to control the spread of these contaminants to our water supplies through such measures as the Resource Conservation and Recovery Act and the Superfund laws. However, it would be shortsighted and fiscally irresponsible to rely on cleanup laws to maintain safe drinking water supplies. What is needed is this kind of legislation, preventing our water supplies from contamination in the first place.

While this is not a perfect bill, the conferees from both Chambers are to be commended for producing a compromise measure with broad bipartisan support. I am pleased that the funding levels agreed to in the conference report are even higher than those originally set in H.R. 1650. These funds will be well spent, and should the President sign this legislation into law, it will save future, more costly outlays. I am also pleased to see that the Environmental Protection Agency will be required to set maximum contaminant level goals and primary drinking water regulations for 83 contaminants previously identified for regulation in 1982 and 1983. I am especially pleased that the conferees took the initiative on an issue that was not addressed originally by either the House or Senate measure. I applaud the conferees for setting restrictions on the use of lead pipes or fittings in the installation or repair of public water systems. Reducing the exposure of our drinking waters to lead is an important step in ensuring safe water supplies.

Another important feature of this bill requires the States to establish plans to protect the ground water resources which supply half of the U.S population with drinking water. These plans would be submitted to EPA for approval, and would have to include contingency plans for locating and providing alternate drinking water supplies in the event of contamination of a water supply. Also, monitoring of class I injection wells, which are wells that inject hazardous waste below an underground drinking water source, is required to provide the earliest possible detection of fluid migration toward or into underground sources of drinking water.

We cannot afford to be negligent in protecting one of our most important natural resources. This bill is necessary to protect our Nation's drinking sources in a farsighted, cost-effective manner.

Accordingly, I urge the President to sign S. 124, the Safe Drinking Water Amendments and hope for its speedy implementation.

MAY 20, 1986, IS SENIOR CITIZENS' DAY IN OHIO

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. TRAFICANT. Mr. Speaker, it is my great pleasure to inform you and my colleagues that on May 20, 1986, Senior Citizens' Day will be observed throughout the great State of Ohio. As you know, this celebration falls in the month of May, which the President has declared "Older Americans Month."

It is certainly fitting and right that we should so honor our Nation's older citizens through a specially designated month and day. Senior citizens are comprising an increasingly larger percentage of America's population—it is expected that between the years 1980 and 2000, the elderly population will grow by 27 percent. It is by now becoming common knowledge that the elderly are the fastest growing segment of the population, having grown twice as fast as the rest of the population in the last two decades.

It might be of special interest to my colleagues to know that the elderly and the near-elderly are the most likely age groups to vote. Data from the 1980 and 1982 elections demonstrate that about one-third of all voters are age 55 or older. In view of the electoral power of this group, we in Congress would be wise to pay careful attention to the special needs and interests of our older constituents. Incidentally, over half of all senior citizens in America live in just eight States, of which Ohio is one.

This increasingly large and important sector of America is deserving of the attention and honor bestowed upon it this month and on Senior Citizen's Day. Our older citizens have devoted many years of their lives to building this country, and they continue to serve it with their hands, their minds, and their hearts. I am sure I echo the sentiments of my congressional colleagues and my fellow Americans, when I say to all the older Ohioans, thank you for the beauty of your many years of sacrifice, and for your continuing contributions to American society. It is my privilege today to join with the many voices honoring American and Ohio senior citizens.

HONORING THE SERVICE OF SAMUEL J. MITCHELL

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. TORRES. Mr. Speaker, I ask my colleagues in Congress to join me in honoring the service and dedication of Samuel J. Mitchell.

On May 21, 1986, Mr. Mitchell will be retiring from the Los Nietos School District. He has served over 28 years in the district at the Los Nietos Junior High/Middle School. As a teacher Mr. Mitchell was known for conducting a well-disciplined classroom with high expectations for his students. He completed special courses so he would be able to teach and communicate in Spanish. His fundraising efforts for the Los Nietos Teachers' Association Scholarship Fund have made it a successful program, helping students go on to college.

Mr. Mitchell is a native of Danville, PA. He graduated in 1958 from Bloomsburg State Teachers' College in Pennsylvania after serving 6 years in the Air Force. After finishing school he moved to California with his wife, Iris, where they raised their four children. His hobbies include coin collecting and model train collecting. He also has several classic and antique automobiles.

Mr. Speaker, I want to recognize the devotion and commitment Mr. Samuel J. Mitchell has given to the students of the Los Nietos School District. I wish him all the best on his well-deserved retirement.

AMELIA BRASKIE HONORED

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. KANJORSKI. Mr. Speaker, many generations of immigrants from around the world have contributed to the rich cultural diversity of our country, and I would like to take this opportunity to draw to your attention the accomplishments of one such immigrant who brought a bit of her homeland to America.

Sunday, May 4, the Tirolesi Alpini of Hazleton, PA, honored their founder, Mrs. Amelia DeFant Braskie, at their 18th annual Festa Tirolesa. It is a pleasure for me to join with this fine organization of Old World culture in commemorating Mrs. Braskie for her efforts in establishing the Tirolesi Alpini.

In 1920 and at the age of 13, Amelia DeFant left her homeland of Taio, Val di Non, region of Trento Province (then a part of Austria) for America. Amelia, her six brothers and sisters, and her parents first settled in the small mining town of Anvil Location, MI. After 2 years in Michigan, the DeFants were drawn to Hazleton, PA, where many other Tiroleans worked in the heart of the anthracite coal region. They attended the first and only Tirolean Church in the United States, Our Lady of Mount Carmel, which is still in existence and is a Pennsylvania historical site.

Amelia married a baker, Walter S. Braskie, and had two children, Jean and Eileen. In 1968 she founded the nonprofit social organization Tirolesi Alpini of Hazleton, PA, to continue the Tirolean heritage she loved. Recognized by the Autonomous Province of Trento, the Tirolesi Alpini of Halzeton is in association with the Greater Trentino in North America, and is devoted to maintaining close ties with the people of Trento, Italy. Mrs. Braskie has acted as a liaison between the Tiroleans of the Old World and the New; fluent in her native tongue, she has visited her homeland on numerous occasions and introduced the government officials of the Autonomous Province of Trento to the Tiroleans in America.

The Tirolesi Alpini of Hazleton now has 500 members and is the host to the Seventh International Tirolean-Trentine Organization Convention this July 4, 5, and 6. The 17-year history of this organization is testimony to the enduring strength of the Tirolean heritage, and exemplifies the rich diversity of our American culture.

Mr. Speaker, Mrs. Amelia Braskie deserves our recognition of her outstanding contribution to the cultural life of our Nation, and I am pleased to bring her accomplishments to the attention of my colleagues in the House of Representatives.

THE NORTHSIDE PUMPING DIVISION EXTENSION PROJECT

HON. RICHARD STALLINGS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. STALLINGS. Mr. Speaker, I am introducing a bill today to authorize the construction and operation of the northside pumping division extension project in southern Idaho. The extension project shall be an addition to the existing northside pumping division which is a 77,000-acre reclamation project built in the 1950's.

The major elements of this project include the following:

First, provide irrigation service to 9,400 acres of irrigable drylands which will be sold in small tracts to add to existing farms. Part of each tract will be managed for wildlife habitat by the landowners.

Second, improve and manage for wildlife, mainly ring-necked pheasants, 5,590 acres of Federal lands scattered throughout this area.

Third, provide replacement water supplies to 810 acres of existing northside pumping division lands in a localized area with undependable ground water yields.

Fourth, provide for other minor uses of the remaining Federal lands in the area, including about 240 arces which will be sold in small parcels to square up adjacent farms in the A & B Irrigation District and a total of 840 acres which will be set aside for other irrigation district and municipal functions.

This project, Mr. Speaker, will put 17,000 acres of extension land to beneficial use. Most of these lands have already been placed under reclamation withdrawal in connection with the original northside project. These lands were not developed at the time because of funding limitations and the lands were not suitable for the gravity irrigation systems then used, but are suited for sprinkler systems now in widespread use.

I mentioned several benefits to be gained from this project. The implementation of the extension plan will eliminate the need for the costly management of these scattered tracts by both the Bureau of Reclamation and the Bureau of Land Management. Existing land management conflicts between private users will also be ended and the deterioration and abuse of the tracts will be stopped with good wildlife habitat management.

Management for wildlife habitat is a key component of this project and has widespread support from the public, including local farmers, conservationists and the State fish and game department. Purchasers of these extension lands will have to agree to manage part of their new land for pheasants at their own expense and they will have to permit public hunting on these lands. These wildlife convenants will require farmers to crop their land to specific crops that can also be managed for wildlife enhancement. Only two crops—alfalfa and grain—can be planted in that area of the State to meet these wildlife covenants. If farmers were prevented from planting grain crops because they are in surplus—a policy which has recently been discussed before the this body—I am afraid this project will become rapidly infeasible.

I believe the northside pumping division extension project has all of the necessary ingredients to make it very successful and a prudent investment of Federal dollars. Water users will repay 100 percent of the irrigation construction costs and the Idaho Department of Fish and Game will repay all reimbursable wildlife enhancement costs in accordance with cost-sharing policies. More importantly to Idaho, this project will significantly improve the economic situation on the existing farms and will restore the area so that it will once again offer some of the best pheasant hunting in the United States.

I urge my colleagues to support this multibeneficial and cost-effective reclamation project. The text of the bill follows:

H.R. 4844

A bill to authorize the Secretary of the Interior to construct, operate, and maintain the North Side Pumping Division Extension, Minidoka Project, Idaho, for irrigation, fish and wildlife, and other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORIZATION OF THE EXTENSION PROJECT.

For the purpose of providing irrigation, enchancement of fish and wildlife, and other purposes, the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof and supplementary thereto), is authorized to construct, operate, and maintain the North Side Pumping Division Extension, Minidoka Project, Idaho (hereinafter referred to as the "Extension"). The Extension project shall be an addition to the existing North Side Pumping Division, which was constructed by the Secretary pursuant to the Act of September 30, 1950 (64 Stat. 1083). The principal works of the Extension shall consist of a Snake River pumping plant, wells, water distribution facilities, drainage works, transmission lines and substations, wildlife conservation measures, and related works.

SEC. 2. TRANSFER OF LAND.

Approximately 3,751 acres of Federal land under the jurisdiction of the Bureau of Land Management are transferred to the sole jurisdiction of the Bureau of Reclamation for development and management as part of the Extension. The lands transferred, all in the state of Idaho, are described as follows (all range references are to the Boise base and meridian):

T. 8 S., R. 21 E., W½NW¼, SW¼ Sec. 27; W½NW¼ Sec. 34;

T. 8 S. R. 22 E., E½NW¼ Sec. 31;

T. 8 S., R. 25 E., SE¼NE¼ Sec. 24;

T. 9 S., R. 21 E., N½, SW¼, W½SE¼, NE¼SE¼ Sec. 13; E½ Sec. 14; W½NE¼, NW¼ Sec. 15; SE¼NE¼ Sec. 18; SE¼SE¼ Sec. 21; E½NE¼, SW¼SW¼, N½SE¼ Sec. 22; N½, N½SW¼, N½SE¼ Sec. 23; W½NE¼, NW¼, SW¼, W½SE¼, SE¼SE¼ Sec. 24; N½NE¼, N½NW¼, SW¼NW¼, NW¼SW¼ Sec. 25; NE¼ Sec. 26;

T. 9 S., R. 22 E., W½NW¼, SW¼ Sec. 7; NW¼ Sec. 18; S½SW¼ Sec. 19; N½NW¼ Sec. 30.

SEC. 3. SALE OF LAND.

The Secretary is authorized to sell to eligible individuals appropriately 10,700 acres of lands subject to the following conditions:

(1) The lands shall be conveyed subject to a wildlife conservation easement reserved to the United States.

(2) The lands shall be sold for the purpose of irrigation development to owners of lands within the operating North Side Pumping Division according to terms determined by the Secretary.

SEC. 4. EXCHANGE OF LAND.

The Secretary is authorized to exchange small tracts of withdrawn or acquired land, in aggregate totaling approximately 300

acres, for private lands in the North Side Pumping Division required to enhance the effectiveness of the development of the Extension project.

SEC. 5. OPERATION AND MAINTENANCE HEADQUARTERS.

The Secretary is authorized to reserve approximately 30 acres of land for use as an operation and maintenance headquarters site for the North Side Pumping Division and for the Extension authorized by this Act. The site shall be transferred to the A&B Irrigation District, which shall operate and maintain both the existing project and the Extension, under conditions acceptable to the Secretary. The Secretary is authorized to convey by quitclaim deed to the irrigation district all or part of the three Federal land areas, totaling approximately 28 acres, which are now used for operation and maintenance headquarters and related facilities for the existing project, subject to the following conditions:

(1) These lands and related facilities shall be sold in accordance with conditions acceptable to the Secretary.

(2) The proceeds shall be used by the irrigation district to develop a new operation and maintenance headquarters and related facilities at the new site.

SEC. 6. CONVEYANCE TO THE CITY OF RUPERT.

The Secretary is authorized to convey without charge by quitclaim deed to the city of Rupert, Idaho, all right, title, and interest in and to approximately 600 acres of Federal land for use as a disposal area for treated effluent from the city's wastewater treatment plant, with a provision for irrigation farming on the land using the treated effluent. Such conveyance shall be made in accordance with conditions acceptable to the Secretary and subject to the following conditions:

(1) There is reserved to the United States a wildlife conservation easement.

(2) There is reserved to the United States a reversion of title subject to the discretion of the Secretary if the land is not used for the purpose authorized in this section.

SEC. 7. LEASE AND CONVEYANCE OF LAND TO MINIDOKA COUNTY.

There is set aside approximately 210 acres of Federal land for a public golf course or other public recreational features to be constructed and operated by or for Minidoka County, State of Idaho, within 10 years after the date of enactment of this Act. During that period, the Secretary shall lease the land without charge to Minidoka County. The lease shall permit Minidoka County to sublease all or part of the land for agriculture, with the net proceeds collected by Minidoka County to be applied to the development of the golf course or other public recreational features. Upon substantial completion of the golf course or other public recreational features within 10 years after the date of enactment of this Act, the Secretary shall convey such land without charge by quitclaim deed to Minidoka County subject to the following conditions:

(1) A wildlife conservation easement is reserved to the United States.

(2) Title shall, at the discretion of the Secretary, revert to the United States if the land is not used for the purposes authorized in this section.

SEC. 8. IRRIGATION PUMPING POWER.

Power and energy required for pumping irrigation water for the Extension shall be made available by the Secretary from the power facilities of reclamation projects in the Snake River basin at charges determined by the Secretary.

SEC. 9. POWER FOR IRRIGATION SPRINKLER PRESSURE.

Power and energy required for the provision of sprinkler irrigation pressure for the Extension shall be made available by the Secretary from the power facilities of reclamation projects in the Snake River basin at charges determined by the Secretary subject to the following conditions:

(1) The Secretary shall determine where it is cost effective to provide project sprinkler pressure as a part of the Extension.

(2) The modifications in the Extension plan shall not result in a requirement for increased Federal construction appropriations over the amount stated in this Act.

SEC. 10. CONSTRUCTION.

Notwithstanding any other provision of law and subject to such terms as the Secretary deems appropriate, the Secretary is authorized to contract with the A&B Irrigation District to construct certain irrigation features of the Extension, utilizing funds advanced by the purchasers of the Extension lands for construction assistance and funds appropriated for construction of the irrigation features.

SEC. 11. IRRIGATION REPAYMENT CONTRACTS.

Irrigation repayment contracts shall be entered into pursuant to section 9(d) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(d)). The term of such contracts shall not exceed 50 years, exclusive of any development period authorized by law. Any construction costs allocated to irrigation beyond the ability of irrigators to repay shall be charged to and returned to the reclamation fund in accordance with the provisions of section 2 of the Act of June 14, 1966 (80 Stat. 200).

SEC. 12. COMPLIANCE WITH FEDERAL WATER PROJECT RECREATION ACT.

The provision of lands, facilities, and project modifications which furnish fish and wildlife benefits in connection with the Extension project shall be in accordance with the Federal Water Project Recreation Act (16 U.S.C. 4601-12 et seq.).

SEC. 13. RATE OF INTEREST.

The rate used for computing interest during construction and, where appropriate, interest on the unpaid balance of the reimbursable costs of the Extension shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction on the Extension is commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for 15 years from date of issue.

SEC. 14. AUTHORIZATION OF APPROPRIATION.

There is authorized to be appropriated for construction of the works and measures authorized by this Act for the fiscal year 1988 and thereafter $15,490,000 (October 1985 prices), plus or minus such amounts as may be required by reason of changes in the cost of construction work of the types involved therein as shown by engineering cost indexes. There is authorized to be appropriated such sums as may be necessary for the operation and maintenance of the Extension.

THE 15TH DISTRICT QUESTIONNAIRE RESULTS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. FORD of Michigan. Mr. Speaker, I recently completed tabulating the responses that I received from my 22d annual questionnaire. I want to share the thoughts of my constituents with you and the other Members of Congress.

The response from 15th District residents this year was again overwhelming. I received more than 4,000 completed surveys with responses from over 5,600 constituents. Over the years, I have found my annual survey to be an effective means to measure opinion in the 15th District. I want to take this opportunity to thank those who took the time to respond to my survey.

The questions that I asked my constituents are among the most crucial issues on which the Congress has been working in recent months. These subjects included deficit reduction, Gramm-Rudman, aid to Nicaragua, tax reform, and trade policy.

In the area of deficit reduction, 43 percent of the respondents think that the Congress should reduce military spending to cut the deficit, while 26 percent feel that the Congress should cut domestic spending. An additional 13 percent stated that revenues should be increased to cut the deficit. Eighteen percent think that the Congress should adopt a deficit-reduction package including all three options—reductions in Pentagon spending, reductions in domestic spending, and increases in revenue.

I am pleased to report to my constituents that the House approved a budget plan today that cuts next year's deficit from a projected $174 billion to $137 billion. House Concurrent Resolution 337, the first concurrent resolution on the budget, makes these deficit reductions in a fair and equitable manner, incorporating Pentagon cuts, domestic reductions, and minor revenue increases. The spending cuts in this budget plan are distributed evenly between domestic and Pentagon spending. This budget plan also contains $10.7 billion in revenue increases—the same amount as that included in the Senate-passed budget and only $4.7 billion more than the amount requested by the President. Certain high priority programs, such as education, job training, and drug enforcement, will receive modest increases from the current level.

By reducing the deficit to $137, this budget exceeds the Gramm-Rudman deficit target of $144 billion by $7 billion, thus avoiding another round of cuts. Fifty-five percent of my constituents oppose the automatic, across-the-board cuts of Gramm-Rudman.

As part of his budget plan, the President requested an increase of 12 percent for Pentagon spending over the current level. Over half the survey respondents feel that Pentagon spending should be cut while an additional 34 percent said that it should be frozen at the current level. Fourteen percent think that the Congress should approve the President's re-

quest. Under the House-passed budget, outlays next year for Pentagon spending would increase by approximately $7 billion over the current level. At the same time, this resolution would reduce Pentagon budget authority by $1.8 billion compared to the current amount. This would reduce future years' spending while still funding the Pentagon at nearly double the 1980 level.

In the area of housing, 61 percent of my constituents stated that the Congress should not agree to the President's proposed increase in the Federal Housing Administration [FHA] mortgage insurance premium to 5 percent. The House budget does not include this premium increase. As some of my constituents may know, the FHA ran out of money at the end of April, delaying the receipt of FHA mortgages by prospective homebuyers. This funding shortfall was a result of the exploding demand for new mortgage credit resulting from falling interest rates. On April 30 the Congress approved legislation increasing the credit limits for the FHA and renewing its authority to insure loans. These FHA loans are particularly important to low and moderate income homebuyers.

In the area of foreign affairs, only 11 percent of those answering my survey think that the Congress should approve the President's requested 16 percent increase in foreign aid. The House-passed budget plan recognizes that, while spending for important domestic programs is cut or frozen, our Nation cannot afford to send additional money overseas. As a result, the House budget cuts foreign aid by 10 percent rather than increase this portion of the budget.

My constituents overwhelmingly oppose the President's request for $100 million in assistance to the Nicaragua rebels. Over 71 percent do not think that the Congress should approve this request. The House defeated the administration's proposal on March 20 by a vote of 222–210. I opposed this request and will continue to support regional peace efforts favored by the leaders of our Central and South American allies. This $100 million could be put to better uses helping the citizens of the 15th District.

Two-thirds of those answering my questionnaire agree that Federal funding for grants and loans to college students from low- and middle-income families should be maintained. I am pleased to report that the House budget resolution rejects the drastic cuts in these areas sought by the President. Instead, House Concurrent Resolution 337 assumes only minor cuts included in the House-passed reauthorization of the Higher Education Act.

An overwhelming majority of respondents—87 percent—feel that the House-passed tax reform should be enacted into law. The prospects for ultimate enactment of comprehensive tax reform legislation improved dramatically with the approval of a tax bill by the Senate Committee on Finance early in May.

In the area of trade, only 7 percent think that the United States should continue current trade policies that have contributed to a record 1985 trade deficit of $148.5 billion. My constituents will be pleased to know that the House will consider H.R. 4800, the Trade and International Economic Policy Reform Act of 1986, next week. As an original cosponsor of this bill, I am hopeful that H.R. 4800 will help improve our current trade situation and move the United States away from our current failed trade policies.

Not surprisingly, my constituents identified three of the most pressing national issues as those which the Congress should be working to solve—the budget deficit, tax reform, and trade problems. As I have noted, the House has taken or will take action during the 99th Congress to address each of these issues. Of course, the ultimate success of congressional solutions depends on enactment of these bills.

Mr. Speaker, my constitutents also listed the three areas on which the Federal Government should spend more money and the three on which the Government should spend less. The highest percentage—19 percent—of the respondents identified education as the area on which the Federal Government should spend more money. Education is one of the few high priority areas for which the House-passed budget increases spending.

An additional 7 percent replied that the Federal Government should allocate more resources for programs benefiting the elderly, and the same percentage of respondents identified health programs as their top priority. The House-passed budget is fair to our Nation's senior citizens. This budget plan assumes that Social Security recipients and Federal civilian and military retirees will receive a full cost-of-living adjustment [COLA]. The committee's resolution rejects the drastic cuts in Medicare and Medicaid sought by the administration. The resolution includes Medicare cuts of $1.75 billion over 3 years but recommends that these cuts be made without any reduction in benefits or increases in out-of-pocket payments for beneficiaries. House Concurrent Resolution 337 also assumes that $1 billion will be used to limit the skyrocketing Medicare hospital deductable.

Similarly, the areas identified by my constituents as those on which the Federal Government should spend less are also in line with the priorities of the House budget. Twenty-seven percent identified foreign aid as among the three areas where the Government should spend less. The same percentage also think the Pentagon programs should be a lower spending priority. Ten percent identified welfare as a program for which the Federal Government should spend less.

Let me close by saying that I was delighted with the number of responses to my survey. In addition, I received a number of thoughtful individual letters along with my questionnaire replies. I feel that this is an excellent learning experience for both me and my constituents, and I want to thank my constituents for responding.

IMPROVING EFFICIENCY AND ECONOMY OF VA MEDICAL CENTERS

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. MONTGOMERY. Mr. Speaker, I am pleased to introduce a bill which would establish a pilot program for the improvement of the efficiency and economy of the Veterans' Administration medical centers.

The objective of this pilot program is to test whether giving maximum flexibility and authority to local managers of VA hospitals will result in more effective utilization of VA resources and management skills.

All too frequently, Mr. Speaker, in both the private and public sectors, managers must operate within constraints that do not allow sufficient opportunity or appropriate incentives to manage their resources effectively. This test program would allow a small number of hospital directors to be freed of limitations on personnel constraints and to have minimum restrictions on the use of resources provided to the medical facility.

This test program would involve five medical centers. They would be chosen by the VA in consultation with Congress and would be expected to be selected for a cross section of demographic diversity, size, and affiliation status.

During the 3 years of the pilot program, the medical centers would continue to receive operating budgets based on the most recent fiscal year actual performance by means of the VA's resource allocation model [RAM] as all medical centers do now. The target allowance would include all adjustments and each medical center would still receive additional funds for new programs, new facility activations, enhancements, program improvements, and normal reimbursable items such as terminal leave, pay raises and sharing agreements. Centralized funding would continue for programs such as stipends and contracts for medical trainees, CHAMPVA, per diem costs for State veterans homes, and payment for non-VA workload services specifically administered by clinics of jurisdiction.

Mr. Speaker, let me stress that there would be no changes to the eligibility for VA medical services.

Within the overall budget and following the eligibility categories, the hospitals selected for the pilot program would be exempt for the duration of the pilot from the following types of restrictions: Restrictions internal to the agency, FTEE limitations including personal services ceilings and floors, bed service and section mix restrictions, A–76 restrictions, employee travel, restrictions on the use of VAMC funds for medical center or postgraduate inservice training episodes, and other limitations, restrictions, ceilings, floors, and other constraints other than the overall availability of funds.

This pilot program is a test of whether greater management flexibility yields greater productivity. Therefore it would be evaluated

in terms of the factors currently measured by the VA's resource allocation methodology [RAM]: Workload, costs, timeliness of service, and range of services. These results would be contained in annual reports to Congress along with descriptions of VAMC operations which were facilitated or impeded by participation in the test.

In summary, Mr. Speaker, we all need to look for ways to get more product out of each Federal dollar. There is the possibility that flexibility for Federal managers in the VA hospital system—who are right there where services are delivered—will help. This will cost no money, since the same allocations to the test sites will be made as if there were no test.

The text of the bill follows:

H.R. 4839

A bill to establish a pilot program for the improvement of the efficiency and economy of Veterans' Administration medical center

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PILOT PROGRAM ON HOSPITAL MANAGEMENT EFFICIENCY.

(a) ESTABLISHMENT OF PROGRAM.—The Administrator shall carry out a pilot program to determine the effect of the authorities provided by this section on the efficiency and economy of the management of Veteran' Administration medical centers.

(b) DESIGNATION OF MEDICAL CENTERS.—The Administrator shall designate five medical centers to participate in the pilot program. The Administrator shall consult with the Committees on Veterans' Affairs of the Senate and House of Representatives before making such designation.

(c) MANAGEMENT EFFICIENCY.—The Director of a medical center designated under subsection (b) may waive or alter such laws and regulations applicable to the management and administration of the medical center (insofar as such laws and regulations apply to such medical center) as may be authorized by the Administrator in order to improve the efficiency and economy of such medical center.

(d) REPORTS.—The Administrator shall submit to Congress an annual report on the pilot program under this section.

(e) DURATION OF PROGRAM.—The pilot program under this section shall expire on September 30, 1989.

LEGISLATION REQUIRING DOT TO IMPOSE LABOR PROTECTIVE CONDITIONS IN AIRLINE MERGER CASES

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. MINETA. Mr. Speaker, today, I am introducing legislation to require the Department of Transportation to impose labor protective conditions [LPP's] in airline merger cases to ensure that the merger is fair to employees. The legislation is needed because DOT has been refusing to follow the longstanding policy of the Civil Aeronautics Board of imposing LPP's in airline merger cases. DOT's refusal to impose LPP's in merger cases flies in the face of a 1984 congressional directive that merger LPP's should continue to be imposed.

The failure of the Department of Transportation to follow the congressional directive on merger LPP's comes on the heels of the Department of Labor's refusal to implement the employee protection programs established by the Airline Deregulation Act of 1978. The legislation I am introducing will begin the process of forcing the Reagan administration to follow congressional intent and take regulatory action to ensure that airline employees will not be required to bear an unfair share of the costs of deregulation. The need for this legislation is evidenced by the fact that it is cosponsored by 35 of my colleagues on the Committee on Public Works and Transportation, comprising a majority of the committee's membership, and made up of Members from both sides of the aisle. I must especially note that full committee chairman, JIM HOWARD of New Jersey, and ranking minority member, GENE SNYDER of Kentucky, have both joined me in introducing this important bill.

When we deregulated the airlines in 1978, we recognized that deregulation would impose penalties on companies which were inefficiently managed or who misjudged what the public wanted. We wanted to be sure that airline employees would not be required to carry too great a portion of the burden of deregulation. For this reason, the 1978 Deregulation Act included labor protective provisions providing, first, that dislocated employees are entitled to financial benefits if there is a finding by the Civil Aeronautics Board—or, since 1985, by the Department of Transportation—that the employee lost his or her job because of deregulation. The second LPP in the 1978 law provides that dislocated airline employees have the right of first hire on other airlines.

The LPP's which we added to the Deregulation Act in 1978 have never been implemented. A primary cause of the problem has been the refusal of the Reagan administration's Department of Labor to adopt implementing regulations. Under the 1978 act, the Secretary was supposed to adopt these regulations 6 months after the bill was enacted. This deadline has not been met. Moreover, shortly after taking office, the Reagan administration withdrew LPP regulations which had been adopted by the prior administration. Since that time, the Department of Labor has never adopted regulations to implement the financial benefits of LPP. Regulations on the right-of-first-hire were not adopted until 1983 and, since then, these regulations have been tied up in litigation.

In short, airline employees have never received the protections which were an essential part of the deregulation package.

Besides providing for flexible market entry and fare setting, the Deregulation Act also facilitated the ability of airlines to merge. However, we made it clear that we did not intend that these increased economic freedoms be used to treat airline employees unfairly. In recent months it has become increasingly obvious that the Reagan administration's Department of Transportation intends to ignore the congressional intent on this issue as well.

In directing that employees be protected in the mergers, Congress was only directing a continuation of historic practice. Until it was sunset in 1984, the Civil Aeronautics Board always imposed LPP's when it approved mergers of major and national airlines. The merger LPP's were designed to ensure that the seniority lists of the merging airlines would be integrated in a fair and equitable manner and to provide direct financial benefits to help relieve the burdens on employees who lost their jobs or suffered a reduction in wages as a result of a merger.

In 1984, when the Civil Aeronautics Board was terminated and its remaining responsibilities transferred to the Department of Transportation, Congress clearly and explicitly indicated—in the House committee report on the CAB Sunset Act—that we intended DOT to continue to impose LPP's in merger cases. Despite this directive, DOT's recent decisions in airlines mergers and similar cases indicates an unwillingness to impose LPP's.

The basic policy DOT has announced is that LPP's will not be imposed "unless it is necessary to prevent labor strife that could disrupt the national air transportation system." In a deregulated system, it is unlikely that labor strife arising out of a merger would disrupt the national air transportation system since other carriers are free to provide the services affected by a strike. Although DOT has stated that it will decide whether to impose LPP's on a case-by-case basis, in reality the standard DOT is using is highly likely to result in LPP's never being imposed.

Thus, the Reagan administration's Departments of Labor and Transportation have refused to follow existing legislation and explicit congressional directives designed to ensure that airline employees would not be required to bear an unfair share of the costs of deregulation. The legislation I am introducing today will help restore the balance which Congress thought it had already established between management freedom and employee rights.

My bill would require the Department of Transportation to impose LPP's when it approves airline mergers or similar transactions. Imposition of LPP's would be required in any case in which the transaction would tend to cause reductions in employment or adversely affect working conditions, including seniority. However, LPP's would not be imposed if DOT found that the projected cost of LPP's would outweigh the benefits. The legislation does not dictate the exact terms of the LPP's which are to be imposed, but gives DOT some discretion to tailor LPP's to fit the unique needs of each case.

Mr. Speaker, as this bill goes forward in the legislative process, I expect that we will hear from airline management that the airlines are all on their own under deregulation, and that it is only fair that the employees be treated the same way. In reality, there are definite limits to the willingness of airline management to face the risks of a merger or hostile takeover. When it comes to their own salaries and benefits, top airline management has not always been willing to leave the decisions to the marketplace.

This was clearly demonstrated at hearings we held last year on the efforts of Carl Icahn to acquire control of TWA. At those hearings we learned that when the takeover effort began, TWA's top management quickly ar-

ranged golden parachute contracts for 32 members of top management whose salaries ranged from $150,000 to $300,000. Most of the contracts provided that if the managers left the company they would get 1 year's severance pay. Some of the contracts even provided 3 years severance pay. The managers were given the right to severance pay if there was a change in the board of directors. For many, that right could be exercised even if the manager left TWA voluntarily.

My bill would simply afford these types of protection to airline employees below the level of top management. The merger LPP's required by my bill are far less generous than many of the TWA golden parachutes, since the merger LPP's do not provide any financial benefits for workers who leave their jobs voluntarily.

In sum, my bill would require the continuation of the merger LPP policy followed by CAB for many years, a policy which Congress has directed the Department of Transportation to continue. Requiring merger LPP's is the least we can do to reverse the administration's refusal to afford airline employees the protections which Congress intended them to have. We must do everything possible to reverse the administration's disregard of the interests and future livelihood of employees and the administration's refusal to carry out the clear legislative intent now on the books.

ADELANTE MUJER HISPANA CONFERENCE IV

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. COLEMAN of Texas. Mr. Speaker, on May 24, 1986, I will again have the opportunity to attend in my district the Fourth Annual Adelante Mujer Hispana Conference—Onward Hispanic Women—which this year will attract approximately 700 participants, predominantly women, from all socioeconomic and educational levels in El Paso, TX; Las Cruces, NM; and Juarez, Mexico. The conference has as its goal the political, educational, social, employment, and cultural advancement of Hispanic women.

The theme of this year's conference, "Hispanas Effecting Change," reflects the contributions that Hispanic women have made to our society in educational, political, and social realms by taking an active role in the community and enhancing the awareness toward those issues that most affect us and our children.

The impact and momentum that the Adelante Mujer Hispana Conference creates each year as one of the major events in El Paso is helping to build linkages, not only among the members of the community, but also between the two border cities, El Paso and Juarez, Mexico, by inviting and encouraging the participation of our Mexican neighbors.

The Adelante Mujer Hispana Planning Committee, consisting of 18 dedicated women from the El Paso community, and headed by my district assistant, Lucy A. Calderon, has adopted the following objectives which reinforce the concept of the conference as well as its purpose:

First, to disseminate information on professional development of Hispanas in terms of career mobility, image, entrepreneurship, leadership skills, and presentation style.

Second, to develop the role of Hispanic women in community issues.

Third, to provide a forum by which to address legal issues and consumer concerns affecting Hispanics.

Fourth, to emphasize the development of an Hispanic power base in terms of political participation, network, mentoring, and board membership.

Fifth, to provide information on financial planning—CD's, insurance, loan options, IRAs, and other investments.

Sixth, to discuss the psychology affecting Hispanic family relationships in the areas of aging, sexuality, role reversals, physical and mental health.

Seventh, to promote the importance and effect of education and employment on Hispanas.

Eighth, to promote the arts and cultural talents of the Hispanas in our community.

Hispanic women are becoming more aware of their role in the community throughout the United States, and are realizing that their talents do have a place in society. Not only are we in the midst of an awareness revolution among Hispanics in terms of the educational, social and political contributions they have to offer, but also in terms of their becoming more actively involved in enhancing the value of life that is our constitutional right.

Mr. Speaker, I salute the Hispanic women of El Paso who are effecting change and wish them continued success in their endeavors.

AMENDMENT TO BE OFFERED TO TRADE BILL

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. CRANE. Mr. Speaker, in an attempt to make H.R. 4800 a bipartisan trade bill that is also responsible and consistent with our international obligations, I and several of my colleagues will offer amendments to remove the most offensive elements of the bill. The amendment that I plan to offer is described below.

To begin with, the amendment would maintain Presidential discretion to determine whether action under section 301 is in the national economic interest. The President, unlike under current law, would be required to announce alternative measures if he elected to exercise this discretionary authority.

Second, the amendment would remove from section 301 a separate ITC procedure and injury test for targeting offenses. Targeting would still be addressed, only it would be made specifically actionable under section 301. The amendment also removes, again as a separate cause of action under 301, violations of internationally recognized worker rights. Such workers' rights have not been sanctioned by the United States, yet this bill would make other countries live up to these vaguely defined rights or face punishment by the United States.

Finally, the amendment strikes the provisions that require mandatory action in the form of quotas, surcharges or voluntary restraints against foreign countries that have trade surpluses with the United States. A somewhat watered-down version of an earlier Gephardt surcharge bill, these provisions remain GATT illegal and bad trade policy. Countries that are the targets of this provision can be expected to retaliate where we are most vulnerable, specifically in agricultural products. Ironically, with the dollar now falling, the United States should regain some of its own historic surpluses, yet this bill defines surpluses that meet a unilateral formula as a trade violation.

The amendment follows:

CRANE AMENDMENT NO. 1

Amend subtitle A of title I. On page 12, line 18, strike the word "because" and all that follows thereafter through line 24, and insert in lieu thereof: ", in which case the President must announce alternative measures which may include a continuation of negotiations".

On page 13, strike lines 6 through 14; on line 18, place a period after the word "targeting" and strike all the follows through line 21 on page 14. On page 21, beginning on line 4, strike section 113.

On page 19, strike line 9 and all that follows thereafter through line 9 on page 20.

Beginning on page 37, strike section 119.

MSGR. FRANCIS J. BEEDA HONORED

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. KANJORSKI. Mr. Speaker, It is my pleasure to bring your attention to Msgr. Francis J. Beeda, who has recently been honored for his 20 years of service to the Sacred Heart Church, North Main Street, Wilkes-Barre, PA.

A native of Scranton, PA, Monsignor Beeda is the son of Mrs. Anna Beeda and the late Roman Beeda. Monsignor Beeda was ordained in St. Peter's Basilica, Rome, Italy, on December 20, 1961 and offered his first Mass at St. Clement's Basilica, Rome.

Monsignor Beeda was assigned as assistant pastor to Sacred Heart Church in 1965. On November 24, 1974, he was appointed pastor and was elevated to his present title on March 14, 1983, by Bishop J. Carroll McCormick of the Scranton Diocese. Monsignor Beeda now serves as pastor of St. Joseph's Church in Hazelton, PA.

Mr. Speaker, Monsignor Beeda's devotion and commitment to his church and his community are an inspiration to all of us. It is with honor and great pride that I take this opportunity to honor Monsignor Beeda for his 20 years of service to the Sacred Heart Church.

NATIONAL POLICE MEMORIAL DAY

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. TRAFICANT. Mr. Speaker, today is National Police Memorial Day, and I would like to make a few remarks about the signficance of this day for me, and all Americans. As a former sheriff, I know what it means to be a law enforcement officer, and I can appreciate the importance of the service our police officers provide.

This day is a day to reflect upon all those brave officers who have given their lives in the line of duty—the ultimate sacrifice. We pay tribute to them and we remind each other of how lucky we are to be served by such brave men and women. In paying tribute to those who gave their lives, we must also pay tribute to all police officers across America, who every day put their lives on the line.

It is a day to reflect upon how we take for granted the stalwart job that our Nation's law enforcement officers do, day in and day out. As a former sheriff I know that it is the daily routine of regular police work that also deserves recognition. While the less glamorous side of police is so often overlooked by Hollywood and the media, it should never be overlooked by Congress. We here in Congress must continue to do everything possible to assist the law enforcement community in fighting crime and in making police work as safe as possible. I am proud of the fact that after 7 long years, Congress has finally acted on passing the Law Enforcement Officers Protection Act—legislation to ban armor piercing ammunition.

But our work is far from over. Congress must continue to listen to and work with the law enforcement community to ensure that the laws of this Nation adequately reflect the very real and important needs of police officers in the field. Let the memory of those police officers who have given their lives in the line of duty inspire us to do all we can to ensure the maximum possible safety and welfare of the law enforcement community.

We live in a world that many times is filled with violence. At the present time this Nation is faced with a serious crisis—drug abuse and drug trafficking. Out in the forefront in the fight against drug abuse and the vile drug traffickers is the law enforcement community. Today is a fitting occasion to pause and thank America's policemen for their tireless efforts to combat drug abuse and the drug traffickers. Indeed, it is a day to thank them for their vital contribution to our communities and their deep commitment to the communities they serve.

To conclude, Mr. Speaker, I would just like to state that I am truly honored to pay tribute to America's police officers—those who have given their lives, and those who continue to serve their communities with duty, honor, courage, and devotion.

MAKING MONEY BY MAKING COINS

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. ANNUNZIO. Mr. Speaker, I am pleased to report that not only does the U.S. Mint make coins, but it also makes money. Over the past several years a number of programs authorized by Congress have provided significant profits to the Federal Government, and there are a couple more programs that begin later this year.

In 1981, Congress authorized the George Washington Commemorative Coin Program, sponsored by the gentleman from Georgia [Mr. BARNARD] and myself. This was the first commemorative coin program authorized in almost 25 years. The legislation required that each coin sold carry a 15-percent surcharge to be used solely to reduce the national debt. The coins went on sale in 1982, and over the life of the program 7 million coins were sold, resulting in a profit of $42 million.

In 1983 and 1984, the Mint sold congressionally authorized U.S. Olympic coins under legislation I authored. This program raised $73 million to help train our Olympic athletes and stage the 1984 Los Angeles Olympic games. In addition to helping the Olympics, the U.S. Treasury benefited from an operational profit of $8 million, and a profit on the use of Government-owned gold and silver of $127 million.

Last year Congress authorized the sale of Statue of Liberty-Ellis Island commemorative coins, also under legislation I authored. The coins went on sale in October 1985, and the gold coin sold out by December. The program has already generated sales of $124 million, including surcharges of $32.3 million. The surcharges are used for the restoration of the Statue of Liberty and Ellis Island. Sales of the remaining silver and half dollar coins remain strong and the coins have met critical acclaim.

The Mint annually sells sets of proof and uncirculated coins. When the Mint stopped selling uncirculated sets, Congress required that the sets be placed back on sale. Sales of both kinds of sets average about 5 million annually, generating an annual $20 million profit to the Treasury.

Finally, the U.S. Gold Medallion Program, which ran from 1980 to 1985, contributed $691 million to the Treasury from profits on the gold contained in the medallions.

In October the United States will, for the first time, begin selling gold and silver bullion coins. These coins are sure to become the world standard for bullion coins. The Director of the Mint, Donna Pope, is predicting annual sales of 4 million ounces of silver and 2.2 million ounces of gold in this program. These programs will generate significant profits which, by law enacted by this Congress, can be used only to reduce the national debt.

Mr. Speaker, these programs of the Mint not only meet the public's needs and wants for U.S. coins, but also provide significant revenues to the United States. Congress should be proud of having authorized these programs, and the Mint and its employees should be proud of successfully executing them.

WESTERN STATES PENALIZED IN DEMOCRATIC BUDGET PLAN

HON. DICK CHENEY

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. CHENEY. Mr. Speaker, I wonder whether the architects of the House Budget Committee's budget resolution were working with a map of the United States that ends at the 100th meridian. I wouldn't blame people in the Western States telling their Eastern counterparts, "Congress always liked you best."

My Democratic colleagues have seen to it that the budget resolution takes care of Amtrak, urban development block grants, and the Appalachian Regional Commission. But the Democratic budget plan omits money for building Forest Service roads and shrinks the Bureau of Reclamation's programs by 20 percent.

The Democrats have a message for the American cattle rancher, who is already struggling with low prices and a red meat market flooded by the dairy industry's sweatheart deal called the whole-herd buy out. The Budget Committee says, "If you liked the farm bill, you'll love the budget resolution." The committee would double grazing fees, to $2.70 a month per animal from $1.35.

Payments to the States from mineral and timber receipts would be cut by 10 percent. Mineral royalties are income to the Federal Government, shared equally with the States from which the minerals were extracted. My Democratic colleagues are not content with a 50-50 partnership. They now want their half to be bigger.

And the House Budget Committee has a particularly special way of encouraging the domestic oil and gas industry, which has been hit so hard by the drop in international oil prices. My Democratic friends want to double the cost of filing for a Federal oil lease in the noncompetitive system, to $150 from $75.

Mr. Speaker, I voted against the House Budget Committee's resolution because it would be so tough on the West. And I am further concerned that the committee would make deep cuts in defense spending. The committee's resolution would result in a reduction of 11 percent in defense spending over 2 years. They recommend spending $35 billion less than the President's request and $16 billion below what the Senate suggested.

Such a cut would significantly reduce the American defense capability. The resolution would hit hardest at defense, the single most important role of the U.S. Government, and the only function which the Federal Government alone provides.

No one believes more strongly than I do that Federal spending must be reduced. We must continue to make sacrifices. But I cannot support a spending plan that asks the West and the Department of Defense to take the cuts so that Eastern States can get by with business as usual. I would favor a spending plan that makes cuts without consulting that

abbreviated map in the Budget Committee's hearing room.

For these reasons, I cannot support the House Budget Committee's resolution.

FOOD IRRADIATION

HON. DOUGLAS H. BOSCO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. BOSCO. Mr. Speaker, last week, I introduced legislation to curb the expansion of the food irradiation program in this country until safety assurances about this technology have been clearly established. In light of the many unknowns about food irradiation, I believe a closer examination of the possible consequence is in order before the Federal Government sanctions its use any further.

Food irradiation refers to a preservation method in which foods are exposed to ionizing radiation to kill insects and harmful bacteria, thereby preventing spoilage and extending the shelf-life. Until recently, no irradiated food products were commercially available in the United States even though FDA had permitted the irradiation of wheat, wheat flour, and potatoes for some time. However, in the last 3 years FDA has published rules broadening the use of food irradiation to include spices, pork, fresh produce, and other foods that may become infested. Still, the prospect of utilizing this potentially hazardous technology alarms many scientists and concerned citizens, given that the safety of consuming irradiated foods is open to serious doubt, and that food irradiation will involve the transportation and handling of large quantities of highly radioactive materials.

On April 18 of this year, FDA published a final rule permitting the irradiation of fresh fruits and vegetables, and tripling the amount of radiation that may be used on dried herbs, spices, and tea. In promulgating the rule, FDA asserts that foods exposed to low levels of radiation are safe for human consumption. However, in an unusual move, FDA based its findings of safety not on toxicological testing, which is generally required to establish the safety of food additives, but rather on calculations of radiation chemistry and on the anticipated low levels of human exposure to the unique chemical products that occur in irradiated foods. Furthermore, no long-term studies have been conducted on human consumption of irradiated foods, and existing safety studies are by no means conclusive. In fact, a 1982 internal FDA audit found that of 441 studies reviewed by the agency, only 5 were adequately designed and appeared to support safety. The others were rejected for deficiencies or improprieties.

A further problem associated with food irradiation, which concerns me a great deal, involves the transportation of the radioactive isotopes involved. Millions of curies of cesium 137 or cobalt 60 would be required at just one irradiation plant. In contrast, medical centers currently utilizing radiation machines to treat cancer of the radioactive source. Yet, industry spokespersons and other proponents of food irradiation envision hundreds of food irradiation plants around the country within 10 years. This would mean that greater quantities of radioactive materials would be transported on our Nation's freeways and railways, increasing the risk to accidents. Yet, in drafting its final rule on produce, FDA did not prepare an environmental impact statement. Instead, the agency contends that existing regulations are adequate to ensure that there will be no significant environmental impact. One would hope this assumption to hold true. However, the probability of earthquakes, plane crashes, vandalism, or any other potential mishaps that could trigger radioactive emissions into the environment, would be increased by the large number of facilities and vehicles carrying the radioactive materials. It seems to me that a thorough assessment of the existing regulatory structure is warranted before burdening the system with even greater numbers of radioactive materials.

My legislation would: Block the implementation of FDA's April 18 rule which, among other provisions, permits the irradiation of produce; block the implementation of the FDA and Food Safety and Inspection Service rules allowing for the irradiation of pork; block any further promulgation of rules expanding the use of food irradiation; and require a study to review the impact of food irradiation to human health and the environment. In addition, this bill would tighten existing FDA labeling requirements for irradiated foods. Currently, FDA does not require irradiated ingredients to be identified on the label. In other words, if irradiated potatoes are used to make potato soup, the soup can would bear no warning label to indicate this. In my view, these labeling requirements are insufficient to allow consumers to make informed choices about eating irradiated foods. My bill would extend labeling requirements to include irradiated ingredients and require a written label indicating that the food or its components has been subjected to irradiation.

Mr. Speaker, food irradiation is likely to be a dangerous and expensive process. Under the circumstances, Congress would do well to hold the program in abeyance until we have a more profound understanding of the possible consequences. I invite my colleagues to join me in supporting this important legislation.

CONGRESS MUST ADDRESS THE CHAPLAIN SHORTAGE IN THE ARMED FORCES

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. MANTON. Mr. Speaker, several religious faiths are experiencing severe shortages of military chaplains. As a result, a number of servicemen and women are unable to fully and effectively practice their faith.

I have cosponsored legislation to remedy this serious situation. H.R. 1875, the Military Chaplains Faith Balance Act, would require a more balanced representation of religious faiths among chaplains in the Armed Forces. Under the bill, the Secretary of Defense would be instructed to ask leaders of underrepresented faiths to make available more clergy for assignment as chaplains in the military.

Clergy belonging to these faiths would be immediately accepted for appointment. Finally, the Secretary would be instructed to use all viable means to alleviate the faith imbalance, including the use of standby tours.

Mr. Speaker, there is no greater sacrifice a citizen can make than to serve in the military and defend our Nation. We must make certain that our brave military personnal are provided the guidance, counsel, and good offices of a chaplain of their own faith.

Mr. Speaker, I urge my colleagues to join me in cosponsoring H.R. 1875, the military chaplains bill.

CONGRESSIONAL ARTS CAUCUS HONORS JOHN HOUSEMAN

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. DOWNEY of New York. Mr. Speaker, today the congressional arts caucus is proud to honor an outstanding American artist whose contributions to our cultural heritage have been exceptionally varied and extensive. Over more than four decades, John Houseman has distinguished himself as a writer, producer, director, actor, and educator.

Winning an Academy Award in 1973 for his portrayal of Law Professor Kingsfield in "The Paper Chase," Mr. Houseman became nationally known, although his outstanding contributions to the arts in America began years before. Over the course of his career, he continued to revitalize the American theater by founding eight repertory companies, including the renowned Acting Company, currently appearing at the Kennedy Center.

His direction of the Broadway production "Four Saints in Three Acts"—an opera with an all-black cast—brought him much critical acclaim, as well as his appointment to head WPA's negro theatre project in 1935. His innovative work with the Federal theatre project—a program unique in the history of government and the arts—makes this congressional award particularly appropriate.

In addition to his work on Broadway and the Federal theatre project, Mr. Houseman wrote and produced numerous radio series, including H.G. Wells "The War of the Worlds" and collaborated on the screenplay that later came to be called "Citizen Kane." Over the years, his contributions to the art of filmmaking earned him 20 Academy Award nominations and 7 Oscars.

His work in television is no less remarkable. He conceived, prepared, and produced the series "The Seven Lively Arts" and served as executive producer for one of the best dramatic anthologies on television—"Playhouse 90." Together these two programs earned him three Emmy Awards—with "Playhouse 90" receiving the prestigious Peabody Award.

He has served in such varied positions as head of the theatre department at Vassar College; artistic director of the American Shakespeare Festival Theatre and Academy in Stratford, CT; and director of the drama divi-

sion of the Juilliard School. In 1973, however, his career in acting became prominent with his Oscar-winning performance in "The Paper Chase." Numerous film and television roles followed—including appearances as spokesman for companies as varied as Smith Barney, the Chrysler Corp., and McDonald's.

John Houseman has contributed so much to the American theatrical tradition. The congressional arts caucus is honored to present him its award "in recognition of outstanding achievement and dedication to the enrichment of American's cultural legacy."

NATIONAL SCIENCE WEEK

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. RITTER. Mr. Speaker, May 11–17 is designated as National Science Week to honor our past scientific endeavors. In my own district, the Northhampton Junior High School participated in the nation-wide launch of 175,000 weather tracking balloons to mark the beginning of the second annual National Science Week. As a former scientist and a member of the Science and Technology Committee, I am fully aware of how these past achievements have provided the United States with its current high standard of living and quality of life. America's scientific leadership is recognized world-wide and America's contributions to science is evident by the 124 Nobel Prizes awarded to American scientists and engineers since the mid-1940's. These awards and the technological benefits that occurred since 1945 reflect the strong, long-term U.S. investment in science and technology by the Federal Government and its partner—industrial America.

This investment did not pay dividends in the 1st year nor in the 5th year. We are reaping the benefits today—just look at the products and possible products coming from our investment in recombinant DNA research—new drugs to fight cancer, new weather and disease-resistant plants and novel industrial products such as metal ore recovery microbes. The investment in semiconductors research in the 1940–50's now provides computers in cars to optimize performance and to reduce pollution.

But what about our future? Do we continue to follow what is apparently a "sharp investment" strategy and provide adequate support for our ongoing basic research and invest in the development of our future scientists? The National Science Foundation, under the direction of Mr. Erich Block, has taken the initiative to increase the support of the U.S. science infrastructure and to develop highly inncvative programs like the Engineering Research Centers to accelerate the transition of basic research to industrial use. The Franklin Institute Science Museum and Planetarium in Philadelphia, PA, under the direction of Mr. Joel Bloom, have created a wonderfully stimulating "Hands On" science exhibit for children of the ages 8 to 14. This exhibit is now here in Congress and will travel to other science museums throughout the country. The museum also has created complete kits and instructions to assist science teachers in the elementary schools to demonstrate scientific principles in a "hands-on fun way".

It is approaches like these which will provide the United States with a continuing strong science base and enable us to compete effectively in the global marketplace and allow us to celebrate National Science Week in the future.

TRIBUTE TO SUGAR RAY LEONARD

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. HOYER. Mr. Speaker, on Saturday, May 17, the World Boxing Council will host a dinner for the benefit of the WBC Sports Medicine Foundation. The dinner will honor "Sugar" Ray Leonard, who is surely one of the most famous, successful and beloved sons of my own community, Prince Georges County, MD.

Since his gold medal victory at the 1976 Olympics, Ray Leonard has been a hometown hero. In fact, he is a national hero as well. He has had a distinguished professional boxing career, culminating in 1981 with his winning the unified title of Welterweight Champion of the World. It is not, however, exclusively in recognition of Ray Leonard's outstanding athletic ability and achievements that he is so admired. It is because of the grace and class with which he confronts life.

Certainly, if he wanted, Ray Leonard could retire for the rest of his life and not work another day. He has not been content to do so. Instead, he has become a respected broadcaster. Also, there is every indication that he is about to resume his professional boxing career, at least for one fight. Last but not least, Ray Leonard has committed much of his time and energy to charitable causes. The list of boards and charitable organizations in which he participates extends to several pages.

In Palmer Park, MD, Ray Leonard has been the moving force behind the boxing center which is named for him. He has donated thousands of dollars to it, and he spends countless hours there working with aspiring young boxers. These efforts are a demonstration of the best of Ray Leonard as a role model for youth who has not forgotten his roots.

Mr. Speaker, I know all of my colleagues will want to join me in sending our greetings, congratulations and best wishes to Ray Leonard, his wife Juanita and their two sons, as he is honored at the WBC Sports Medicine Foundation's "Main Event." I am sure you will agree they could not have chosen a greater champion to honor—a man who is a champion as an athlete, and, more importantly, as a human being.

POLICE MEMORIAL DAY

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. DYMALLY. Mr. Speaker, by an act of Congress, we designated this special day, May 15, "Police Memorial Day." Throughout the Nation, ceremonies are being held to honor the sacrifices of our law enforcement officers in the effort to keep the peace. To families, friends, and peers of these dedicated public servants, I extend my warmest personal sympathies and condolences.

Ironically, this body agreed on a measure just a few weeks ago that effectively weakened Federal gun-control laws. The President is expected to sign into law this measure despite the objections of our Nation's entire police force. When this law is enacted, we can be certain that it would be easier for private citizens to obtain guns. That is a frightening reality. It is argued that with gun control, the constitutional right of private citizens to bear arms is reduced. I submit to you, however, that for those private citizens that have pledged to secure peaceful communities their rights as human beings have been neglected.

On the memorial section of the American Police Hall of Fame, more than 300 California officers are listed. An average of three policemen are killed each year in the line of duty around the country. Ask ourselves, is that really a fair reward for men and women who seek nothing but peace? Are we trading off lives for the right to own arms? We speak of those killed in combat as the price for freedom. Am I to refer to the Americans we honor today as the price for peace when we, in Congress, are contributing to their deaths by minimizing gun control? I cannot in good conscience convey that message to any American or to the families of those citizens we mourn today.

I can, however, say to their families, friends, and peers that it is truly an honor for me to enjoy the protection afforded by the sacrifices of your loved ones. Every American should appreciate the difficult task that these dedicated officers perform daily. I am sure that those who have died in the line of duty would rather have lived, but somehow I feel that they valued their lives as much as they valued ours. For the forces that are performing this much needed public service today, remember the lives that depend on you—those who have passed and those who live on. With my warmest personal regards, thank you.

THE BUDGET RESOLUTION

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. DioGUARDI. Mr. Speaker, today I voted on the two budget resolutions offered by the majority and minority parties in the House. Unfortunately, I could support neither. I consider both budgets undeserving of support and be-

lieve that we should begin to work on a responsible budget plan that addresses the need to reduce the deficit. I feel, however, that now that a budget has been passed, and no new alternative can come forward from the House, I should offer my own plan to reduce the deficit while meeting our pressing domestic needs and international responsibilities.

First, let me say that I cannot believe that the Democrats still want to raise taxes. Under their own projections, the cuts they made in spending would have been sufficient to meet the Gramm-Rudman targets. And they still want to raise taxes. I believe that it is time the Democrats go out and ask the average American, who they purport to represent, if they should raise taxes.

Second, the Republicans voted to increase defense spending by $6 billion. For over 1 year now I have listened to an endless litany of horror stories about waste in the defense program. I think that the Defense Department should have its funding frozen until they learn to manage the resources they already have. We in Congress are considering reforms of the Pentagon including a reorganization of the Joint Chiefs of Staff. I support almost all of those reforms. Sometimes I am the lone Republican to do so. But I know that there is only one proven way to get the attention of the sleeping giant on the other side of the Potomac; we have to take away his "honey". And I think it is high time we sent the Pentagon a signal that we are going to do so.

The way to reduce the deficit is to take the $6 billion the Republicans want to spend on the Pentagon and spend it on needed domestic programs like child nutrition, mass transit and housing. As for the $7 billion the Democrats wants to raise in taxes. Let's leave it where it belongs—in the pockets of the average American who has had to bear the burden of a wasteful government for too long.

THE 38TH ANNIVERSARY OF THE STATE OF ISRAEL

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. ANNUNZIO. Mr. Speaker, I take great pleasure in saluting the people of Israel on the occasion of the 38th anniversary of the founding of their nation. Thirty-eight years ago, at midnight, May 14–15, 1948, the fifth and sixth days of Iyar, 5708, under the Jewish calendar, the Israeli people proudly proclaimed their independence under the most adverse of conditions and the British mandate for Palestine came to an end.

From the destruction of the Second Temple in 70 A.D. and their final heroic stand against the Romans at Massada in 73 A.D. until they declared their independence on May 14, 1948, the Jewish people were without a homeland and in the diaspora—dispersed throughout the world but without the loss of their identity.

In most countries of the world during these tragic centuries, Jews were politically, socially, and physically persecuted, and prohibited from engaging in religious rituals and cultural celebrations. This sad history of abuse culminated in the Holocaust, a systematic effort to completely erase the existence, the culture, and the history of Jewish people. Nevertheless, their spirit and determination one day to be able to seek new lives in freedom and human dignity in the land of their forefathers never waivered.

Seen in this historic context, the establishment of the State of Israel was a momentous turning point in the 2,000-year struggle by the Jewish people to achieve self-determination and religious freedom. The Jewish people, who had suffered so many centuries of persecution, and had experienced the bitterness and despair of an existence without even the most basic human rights, were able to finally declare their independence.

In 38 short years, the people of the State of Israel have turned the desert into a modern agricultural and technological state, and today, as the only democracy in the Middle East, Israel remains our trusted ally and friend. It also continues to be a beacon of hope for Jews who still are experiencing severe persecution under Communist rule.

Mr. Speaker, I join with the citizens of Israel, and their friends in the 11th Congressional District of Illinois which I am honored to represent, and throughout the world, in the celebration of the 38th anniversary of the founding of the State of Israel. May the establishment if Israel continue to be a source of encouragement and inspiration for all peoples of the world who seek to determine the course of their own destinies, and to live in freedom and dignity, without fear of persecution.

STRIVING FOR A BETTER WAY OF LIFE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. RODINO. Mr. Speaker, this year the Gramm-Rudman budget axe will eliminate or drastically limit funding for many worthwhile domestic programs—including job training programs for the poor.

Despite the threat of Gramm-Rudman, I will continue to fight to save valuable programs like WIN and the Job Corps because without the unique opportunities they give to our Nation's young people, the cycle of poverty and hopelessness will surely continue.

Mr. Speaker, I commend to you the following article which appeared in the Newark Star-Ledger on April 27, 1986. The article profiles young women to refuse to be trapped in an endless web of poverty and hopelessness, but instead insist upon striving for self-reliance and a better way of life.

JOB TRAINING HELPS WELFARE RECIPIENTS TO WIN

[By Linda Lamendola]

Pearl Nath is a 35-year-old mother of three whose work history was limited to unskilled, low-paying job such as dishwasher and cashier.

But that was before she registered for a job training program because the law requires eligible welfare recipients to actively look for work or lose public assistance.

"That was about the best thing that ever happened to me," said Nath.

Last month, after going through on-the-job training as a data entry operator at the state's employment services office in Newark, she was hired at $5 an hour in a clerical job with an East Orange manufacturing firm.

Nath is one of the 3,770 New Jerseyans who were on public assistance rolls only six months ago but are now earning their own living in private business—at an annual welfare cost savings of about $9.9 million.

State officials are projecting $20.3 million in welfare savings for all of 1986. Last year, welfare savings amount to $18.8 million for an overall total of $39.1 million during the two-year period.

The majority of persons were able to find jobs after receiving job training and counseling or other assistance through a special Work Incentive Program (WIN) administered by the state Departments of Labor and Human Services.

And for women like Nath, the program has been literally a life-saver.

Nath has been able to move from a one-room attic apartment in Newark to a spacious apartment in Livingston.

"I can't begin to tell you what a boost to my morale this has all been for me," she said.

Nath now performs a variety of duties including data entry, typing and switchboard operation. And just last week, she said, she was informed by her boss that she was "made permanent." The first thing Nath did was call the staff at the Newark WIN office to thank them again for their help and support.

While on welfare, she was receiving $212 a month, she said.

Since she was unable to support her family, her three children had gone to live with her husband whom she divorced in 1981.

"My children do visit with me on weekends although I wish they could be with me all the time," she said.

In addition to her own three children, Nath also has been raising her young sister, Louise Bowick, now 17, who moved in after their mother died, and a nephew, Naim, eight months old. Both are still living with her.

Last year, after she could not find work, Nath applied for help from the Essex County Welfare Board. She recalled she was a little perturbed when told she would be required to register with WIN in order to continue receiving public assistance. Although every person receiving Aid to Families with Dependent Children (AFDC) welfare benefits is required by law to register with WIN, some people—such as mothers with children under six or the sick, disabled or elderly—are exempt.

According to William Tracy, director of the Division of Employment Services in the state Department of Labor, WIN is not really a new program. "But its performance has been going up constantly" and despite a cutback in staff, "a bullish economy" has allowed the labor department to place more people in jobs, he said.

Funded by the federal government, the WIN program is aimed at persons applying for welfare under the AFDC program, he said. The program focuses on reducing welfare costs by providing recipients with the help to find good jobs and become independent tax-paying citizens.

"We provide them with the employment, training and social services necessary to find

jobs so they are able to end their dependence on welfare benefits," said Tracy.

Eligible recipients are referred for job training through 13 state employment offices.

"Pearl Nath is one of our best success stories," said Sally Hall, supervising WIN specialist at the state labor department.

"In spite of Pearl's eagerness, her lack of experience proved to be a barrier to employment," noted Hall.

The WIN staff, impressed by her enthusiasm and on learning that she had high school typing, suggested some work experience would improve her chances to land a job in the business world.

Nath was assigned to the state's employment services and WIN office in Newark. After a few months, she became experienced enough to be placed with the East Orange firm.

"It was frightening at first to have to go to work especially after you have been raising kids and staying at home so much," Nath said. "Having to get up early to go to the job and then come home and care for the kids is double work and when you have to do it along with your housework, it's a triple job. But I love it. I feel great and having a job has boosted my morale."

Nath is not the only WIN success.

Andrianna Rodriguez is another "shining star" of the WIN program. A 44-year-old mother of one child, she had been on and off welfare since 1975.

In 1983, after being laid off from her clerical job, she was unable to find work and applied for public welfare.

Rodriguez said she was required to register for WIN and in July 1984 was enrolled in a federally funded clerical training course in Newark run by the New Jersey Department of Civil Service, after being placed there by the labor counselor.

Now Rodriguez works as teacher's aid at the school where she was once a student.

"School officials were so impressed by her motivation, attitude and ability she was hired as a teacher's assistant," said Jane Egee, her supervisor. "She is working with us now."

"She contributes so much to our trainees. Having been there herself, she is a source of inspiration to them," Egee added.

For Rodriguez, life now is "just great."

"When you are on welfare, you feel very low about yourself. But you have to do it because without help, you can't pay your rent or buy food for your children.

"But now, I have a reason to get up every day and come to work and try to look as nice as I can. I try to encourage the girls in our class who are trying to learn some office skills, to tell them they can do it, too."

There are thousands of other success stories. Like Linda Countryman, for example.

A 37-year-old mother of three, her only recent work experience was one year as a sewing machine operator in 1984. She hurt her back and was no longer able to continue on the job.

In July 1984, she registered for the WIN program when she applied for welfare. With the assistance of a WIN counselor, she was enrolled in a one-year course at Burlington County Community College, attending half time and working at a state employment service office where she did data entry work part time.

In January 1985, she decided she wanted to start working immediately although she could have remained in school longer. WIN paid for repairs to her car so she could commute to Trenton where she started working as as clerk typist at $8,900.

She is now a senior clerk typist earning $11,900 a year and no longer on welfare.

David Phillips, chief of the Bureau of Manpower Training Programs in the state labor department, said the average cost for training a welfare recipient is about $920. In some cases, he said, where an eligible client requires more training and assistance, costs could run about $2,100 for each trainee.

But state officials see the costs as a one-time expenditure.

TRIBUTE TO CLINGAN JACKSON

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. TRAFICANT. Mr. Speaker, it is my pleasure to rise today to honor Mr. Clingan Jackson, for whom a testimonial dinner will be held on May 25, 1986, in Youngstown, OH. Clingan Jackson has given Ohio's Mahoning Valley a lifetime of service, and he is not done yet. In fact, even as he is honored, he continues to contribute to our community; funds raised from his testimonial dinner will go toward the establishment of a scholarship in political science at Youngstown State University.

Clingan Jackson, father of two, has lead an illustrious 44-year career in journalism. He began in 1929, doing general reporting for the Youngstown Vindicator. He became the Vindicator's political editor in 1936. In 1958, he covered his own campaign for Governor of Ohio. His election night story prompted the head of Scripps-Howard to proclaim, "By God, he is a newspaperman." Over the years, Clingan Jackson has interviewed many Ohio and national legislators, including Presidents Herbert Hoover, Franklin Roosevelt, Harry Truman, Dwight Eisenhower, John Kennedy, Lyndon Johnson, Richard Nixon, Jimmy Carter, Gerald Ford, and Ronald Reagan.

Mr. Jackson has also led an active political life. He began as Lowellville Village councilman, served as State representative and State senator, and chaired the Ohio Highway Construction Council.

In addition to a successful and active journalistic and political career, Clingan Jackson found time to serve others through civic and religious volunteer activities. He was an elder and trustee of his church, where he taught adult education classes for many years. He was president of the Downtown Kiwanis in 1956, and was a member of the Ohio Civil Rights Commission for over 22 years. He is currently a member of the Youngstown Charter Review Commission and chairman of the senior citizens' multipurpose center. He was honored by his community in 1956 with a special "Jackson" edition of the Vindicator—truly a testament to the special character and contribution of this fine individual.

I am delighted that so many have chosen to honor Clingan Jackson on May 25, and am pleased to add my voice to those who thank and congratulate him. His many years of success and accomplishment, of tireless commitment to duty and to others, is an example to us all.

OLDER AMERICANS MONTH

HON. DAN COATS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 7, 1986

Mr. COATS. Mr. Speaker, the month of May is traditionally observed as Older Americans Month. It is a time when we can recognize the valuable contributions senior citizens make to our country. We should not only focus on older Americans' accomplishments, but also commit, as a nation, to protect their rights and enhance their opportunities.

Seniors comprise the fastest growing population segment in this country; 1 in 9 Americans is at least 65, and, as more and more Americans live longer and play prominent roles in our society, I believe we should take special note of their concerns. Age creates no philosophical barriers and draws no philosphical lines, unless we choose to construct those barriers and draw those lines. We should learn from the matured wisdom that older Americans possess because that is a valuable resource we cannot afford to ignore.

In the Fourth District of Indiana, and I believe it is true across the country, our seniors are particularly aware of the issues being considered by the Federal Government. Many older citizens have taken an active role in expressing their opinions about Federal Government activities, and thus, continue to make constructive contributions to the debate on a wide range of issues.

Working with the senior community has been one of my most rewarding jobs as a Federal Representative and I will continue to protect the well-being of our older population. Our seniors are entitled to be singled out and I applaud the month of May as Older Americans Month.

INTRODUCTION OF DUMPING BILL

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mrs. JOHNSON. Mr. Speaker, the predatory pricing policies of our foreign competitors threaten American jobs in basic U.S. industries such as machine tools, ball-bearings, and semiconductors and we have not been able to stop them.

We have ample evidence that foreign firms are "dumping" goods in the U.S. market, in violation of U.S. laws and international agreements, by lowering prices below their actual cost of production and fair market value in order to gain U.S. market share and force U.S. producers out of business.

Current remedies, which include the application of off-setting duties, have proven ineffective in deterring foreign firms from such vicious price-cutting behavior. Proposed remedies in the new trade bill, which include allowing U.S. companies to seek damages in Federal district court, will not halt this practice

either because they do not address the market share problem.

Only the denial of that which foreign companies seek most, U.S. market share, will prevent dumping. Therefore, today I am proposing perhaps the toughest dumping penalties ever because I have seen the damage done by unrestrained foreign predatories who target our basic industries and undermine employment and security in this country.

I believe we need legislation on the books which would give our trade officials the power to impose temporary exclusion of all goods from the U.S. market which are produced by any person or firm found to be engaged in predatory pricing in violation of the U.S. antidumping code. And under my bill, incorrigible repeat offenders could be excluded permanently.

It would work like this: If you're caught once, you cannot import for at least 90 days and perhaps on up to a year, depending on your previous record. If you're caught a second time, you cannot import for at least 1 year and possibly up to 5 years. Three strikes and you're out for at least 5 years, or if the Secretary of Commerce determines that you demonstrate no respect for our laws, he or she may bar you permanently.

I believe we need to get to the root problem of this particular unfair trading problem by convincing other nations that our market is not easy pickings for their companies which undercut prices as a matter of policy. When they see that the price of getting caught is not worth the risk, then they will stop.

After the fanfare of the omnibus trade bill subsidies, I would ask my colleagues to investigate this issue further and consider my approach as the only effective way to stop foreign dumping.

THE UPJOHN COMPANY AND KALAMAZOO: 100 YEARS TOGETHER

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. WOLPE. Mr. Speaker, 100 years ago, in the basement of a downtown building in Kalamazoo, MI, four brothers named Upjohn—William, Henry, James, and Frederick, all of them doctors—started a small company called the Upjohn Pill and Granule Co. The new firm was a small operation. Its first product list included 186 pill formulas compounded from 56 drugs and botanicals. Its sales in its first year of operation amounted to $50,000.

From those modest beginnings, the company steadily grew. It opened its first branch sales office in New York City 4 years later. It began the 20th century by expanding and becoming a manufacturer of general pharmaceuticals, changing its name in 1902 to the Upjohn Co.

In their wildest dreams, the four brothers who started business in 1886 could not have imagined what their company would become. Today, as the Upjohn Co. celebrates its centennial, it is a worldwide enterprise with annual sales surpassing $2 billion. It has research, manufacturing, sales, and distribution facilities in more than 200 locations in about 150 nations.

But although the company has grown enormously in its century of existence and operates in the four corners of the world, its home base has always been and remains in Kalamazoo. The city of Kalamazoo is in my district, so I'm very well aware of what Upjohn has meant there.

First, Upjohn is the largest employer in Kalamazoo County. Its direct financial impact on the area in 1984 was more than $441 million annually, and it employs almost 8,000 people in the county.

The Upjohn Co. has made its mark on the community in other ways. Long before the phrase "corporate social responsibility" became fashionable, the Upjohn Co. and the Upjohn family were busy making magnificent contributions to the area. Today, you can drive through Kalamazoo and see the Upjohn contributions all around you—a civic auditorium, a beautiful park, an art center, a municipal golf course, a philanthropic foundation, an internationally respected think tank, and much more.

It is apt that in its centennial year, the Upjohn Co. is giving a gift to the children of Kalamazoo. It is the Kalamazoo Area Mathematics and Science Center, which will offer youngsters in the 9th through 12th grades the accelerated math and science instruction not now available to them at individual schools. This gift, worth some $2 million, will operate under the direction of the Kalamazoo Board of Education and is scheduled to begin operation this fall.

I've had the privilege of knowing and working with countless Upjohn executives and employees on all sorts of civic projects. These days, the company is ably led by three gentlemen: R.T. Parfet, Jr., the chairman of the board and chief executive officer; Theodore Cooper, M.D., the vice chairman of the board; and Lawrence C. Hoff, the company's president. Upjohn has been blessed with other executives who provided first-rate leadership and contributed much to the community, such as Dr. Gifford Upjohn and Donald Gilmore. Everyone in Kalamazoo knows all these names.

Kalamazoo is a more prosperous, more attractive, more cultivated, and more pleasant place to live because of the Upjohn Co. They have done very well indeed in their first 100 years. I wish them just as much success in their next 100 years.

TRIBUTE TO RAYMOND L. HERRING

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. HUBBARD. Mr. Speaker, at this time I want to pay tribute to a dear friend of mine, Raymond L. Herring, who died at age 72 on April 30 at Western Baptist Hospital in his hometown of Paducah.

Raymond Herring owned and operated the R.L. Herring Insurance Agency in Paducah for many years.

Through the years I have served as a Kentucky State senator and in the U.S. House of Representatives, I have frequently visited with the Paducah Lions Club. This club is a highly respected organization with a large membership and is the sponsor each year of Paducah's most successful telethon—raising money for handicapped children—over WPSD-TV, the NBC station in Paducah.

I am to speak next Tuesday at the weekly meeting of the Paducah Lions Club. However, it won't be the same without Raymond Herring being present. Raymond was the tail twister for the Lions in Paducah. He could and would fine the members for being late to their noon luncheon meeting, or for not wearing their club pin, or whatever. This was and is a fundraising method for miscellaneous purposes. Raymond Herring, as club tail twister, even fined a few club guests ever so often. I was one of his favorite targets for humorous ridicule and for fines.

The club members would await my response in kind to Raymond Herring. I can remember looking forward to the Paducah Lions Club meetings just so I could find out Raymond Herring's latest humor regarding club members and guests.

Obviously, it is easy to tell that I was very fond of Raymond Herring.

A veteran of World War II, serving in the U.S. Marine Corps, Mr. Herring was a son of the late Mr. and Mrs. Theodore Herring. He was a member of Fountain Avenue United Methodist Church; Paducah Masonic Lodge No. 127; Rizpah Shrine Temple of Madisonville; Paducah Lions Club; Paducah Elks Club, and all Masonic bodies.

Mr. Herring is survived by his wife, Mrs. Kathleen Herring; a daughter, Kathy Moore of Paducah; two stepdaughters, Harriet Kay Rudy Blades of Newburgh, IN, and Beverly Rudy Baker of Madrid, Spain; three sisters, Ruth Madrey of Mayfield, Birdie Thomas of Paducah, and Lela Harris of Chicago, and six grandchildren.

My wife Carol and I extend to Kathleen and the family our sympathy and prayers at this difficult time.

PERSONAL EXPLANATION

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. GOODLING. Mr. Speaker, today, May 15, 1986, I was unable to stay for the final votes on the concurrent budget resolution for fiscal year 1987. I had a previous commitment which I could not cancel and had to leave before the floor debate was completed. I would have voted "yea" for the Latta substitute to House Concurrent Resolution 337, and "no" on final passage of this resolution which was Chairman GRAY'S version. The Latta budget contained the necessary spending reductions, adequate defense numbers which would not cause cuts in military personnel, as would the chairman's budget, and most importantly it did not call for an unconscionable and unexplained increase in taxes.

ROCKEFELLER FOUNDATION STEPS UP ASSISTANCE TO DEVELOPING WORLD

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mrs. SCHNEIDER. Mr. Speaker, I would like to share with my colleagues an article about the Rockefeller Foundation which recently appeared in the New York Times. The Rockefeller Foundation recently embarked upon a new strategy in its efforts to promote economic and social development around the globe. I was privileged to learn about this new direction at a luncheon I attended recently hosted by Dr. Richard Lyman, president of the foundation. I believe that we in the Congress should take a cue from Dr. Lyman and his associates as to how to turn dollars and cents into meaningful programs.

[From the New York Times, May 4, 1986]

ROCKEFELLER UNIT DOUBLES ITS THIRD-WORLD AID

(By Kathleen Teltsch)

The Rockefeller Foundation, adopting an expanded global program, will spend up to $300 million in the next five years to promote economic and social development in third-world countries. The sum is double the money the private philanthropy provided for overseas aid in the last five years.

Dr. Richard W. Lyman, the foundation president, said Thursday that the new strategy sought to insure that benefits from recent research in agriculture, health and population control reached those in greatest need, "the poor and vulnerable."

More than a billion people live in poverty, he said, and the sub-Saharan countries will get particular attention because their problems are the most intractable.

"We believe that by promoting the equitable and effective use of science and technology to benefit hitherto excluded groups, we will capitalize on our own strengths and complement the efforts of others," Dr. Lyman said at a news conference.

The increase in funding puts the Rockefeller Foundation roughly on a level with the overseas aid supplied by the Ford Foundation, which is spending $60 million annually for developing countries, and well ahead of the Carnegie Corporation and the Kellogg Foundation, which each spend about $10 million on foreign assistance, according to Tom Fox, vice president of the Council on Foundations.

By comparison, Federal assistance to third-world countries through the Agency for International Development will total $600 million this year.

Dr. Lyman and Rockefeller officials, in outlining the program, said recent biotechnological progress could have an effect in the poorer countries comparable with the gains accomplished in the 1950's when the Rockefeller and Ford Foundations promoted new high-yield grains that brought about a "green revolution."

He added that the foundation wanted to call attention to the needs of the third-world countries, which could otherwise be overlooked as the powerful industrial countries focus mainly on the competition for trade advantages.

The foundation does not contemplate expansion of its overseas staff, he said, but rather expects to work extensively with local government authorities and also to tap the talent of the many younger scientists and technicians it has trained over the years under fellowship programs. There are about 2,000 working abroad in 50 countries.

Although the specific outlays of the new global program have not been decided, foundation officials provided these initial examples of activities:

The Rockefeller program will focus on insuring that research gains, such as recent advances made in vaccine research against malaria and other diseases, are made available to "end users." It will also support availability to China and African countries of an improved contraceptive, Norplant, a hormone capsule implanted under the skin that provides protection for five years.

The foundation will improve links between existing international agricultural research centers and the domestic agricultural programs of African countries and through them "to reach the African farmer."

New research will be initiated to determine how women in developing countries influence and are affected by the expansion of industry or modernization of agriculture. A related project will examine how imported technologies can be blended with familiar local ones.

The foundation will examine research, education and technology-management policies in some third world countries to determine how they affect developmental efforts. It will also support work in technology transfer and examine license and patent practices that could obstruct the transfer.

Dr. Kenneth Prewitt, vice president of the foundation who will have overall direction of the program, said he regarded it as a long-term undertaking. "We see it as a starting point to insure the benefits of science reach those most in need—the farmer, the mother trying to control pregnancy and the parent trying to protect a child against disease," he said.

THE 100TH ANNIVERSARY OF THE NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. McEWEN. Mr. Speaker, I would like to take this opportunity to share with my colleagues a copy of a resolution recently approved by the Ohio House of Representatives and the Ohio Senate commemorating the 100th anniversary of the National Association of Regulatory Utility Commissioners. The NARUC, in partnership with the Public Utilities Commission of the State of Ohio have provided very valuable services for all utilities customers and I commend this forthcoming anniversary celebration to the attention of my colleagues.

A RESOLUTION RECOGNIZING THE 100TH ANNIVERSARY OF THE NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS

Whereas, The members of the Senate of the 116th General Assembly of Ohio are pleased to congratulate the National Association of Regulatory Utility Commissioners on the occasion of its Centennial; and

Whereas, The National Association of Regulatory Utility Commissioners was established at the Interstate Commerce Commission convention in March 1889. Since that time, the Association has been a major force in the study and discussion of regulatory subjects and in the uniformity in state regulation. In honor of the contributions the Association has made to this country over the past one hundred years, the Commissioners Emeritus have requested the issuance of a postage stamp commemorating this auspicious anniversary; and

Whereas, Composed of nearly one hundred state, federal, and international agencies, including the Economic Regulatory Commission, the United States Department of Labor, and the Tennessee Valley Authority, the National Association of Regulatory Utility Commissioners provides state agencies with technical assistance and research, which promote uniform regulatory practices nationwide; and

Whereas, The National Association of Regulatory Utility Commissioners has not only offered much-needed information and services to state and federal agencies over the past century, but it has also been a vital instrument for community improvement by standardizing the regulation of transportation and utility industries; therefore be it

Resolved, That we, the members of the Senate of the 116th General Assembly of Ohio, in adopting this Resolution, congratulate the National Association of Regulatory Utility Commissioners on the occasion of its One Hundredth Anniversary and salute the members of the regulatory commissions, past and present, as outstanding citizens; and be it further

Resolved, That the Clerk of the Senate transmit duly authenticated copies of this Resolution to the National Association of Regulatory Utility Commissioners and to the news media of Ohio.

LEGISLATION TO REFORM FEDERAL ONSHORE OIL AND GAS LEASING PROGRAM

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. RAHALL. Mr. Speaker, I am joining the chairman of the Committee on Interior and Insular Affairs, MO UDALL, in introducing legislation which seeks to reform the manner in which the Federal onshore oil and gas leasing program is conducted.

The chairman's legislation represents an appropriate vehicle for the consideration of onshore oil and gas leasing reform. During this Congress, the Subcommittee on Mining and Natural Resources has conducted two oversight hearings on the program and it has become clear that the Bureau of Land Management is at this time uncertain about the ability of its noncompetitive leasing system to withstand fraud and abuse as well as its ability to determine whether tracts of land should be made available for leasing under the competitive or noncompetitive system.

This uncertainty calls into question the suitability of the current program to meet the energy needs of the Nation. Not only is the energy potential of public lands being threatened under such an environment, but also the

public's right to receive a fair rate of return from the development of federally owned oil and gas resources.

The Department of the Interior's onshore oil and gas leasing program, as authorized by the Mineral Lands Leasing Act of 1920, consists of a competitive and noncompetitive system. For lands within a known geological structure (KGS) of a producing oil and gas field, a competitive leasing procedure is used. For lands outside of a KGS, the simultaneous leasing system, commonly referred to as the lottery, is used as is over-the-counter trading.

While this system is fine in theory, the BLM has encountered problems in making KGS determinations. Further, the lottery system due to allegations of abuse has been suspended a number of times. Because of these controversies, the orderly development of the Nation's onshore oil and gas potential is rapidly being undermined.

As one who strongly believes in the absolute necessity of increased reliance upon domestic energy resources, the current threat to the integrity of the Federal onshore oil and gas leasing program is of great concern. Consider the fact that by the end of fiscal year 1985, there were 22,718 producing oil and gas leases under BLM supervision. During that fiscal year 175 million barrels of oil and 1062 billion cubic feet of gas was produced from Federal leases.

As I have stated, Chairman UDALL'S legislation appears to represent a good starting point for discussions on reform legislation. While I have some reservations with certain provisions in the bill, the proposal provides for a compromise between those seeking the total elimination of the noncompetitive leasing system and those who believe some semblance of this type of leasing is necessary to preserve competition and promote exploration. It certainly would not be in the public interest to reduce the participation of the independent oil and gas sector in the Federal leasing program.

I look forward to working closely with the gentleman from Arizona on this matter, as well as with others who have expressed an interest in the issues we are seeking to address.

VFW ESSAY WINNER LEO PROCESO JACOBO

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Ms. MIKULSKI. Mr. Speaker, I would like to submit into the RECORD an essay by Leo Proceso Jacobo, the Maryland winner of the Voice of Democracy Scholarship Program.

The program was started 38 years ago with the endorsement of the U.S. Office of Education and the National Association of Secondary Schools Principals. Sponsorship was provided by the National Association of Broadcasters, Electronic Industries Association and State Association of Broadcasters.

Starting in 1958–59, the program was conducted in cooperation with the Veterans of Foreign Wars with the broadcasters still serving as sponsors. In 1961–62, the VFW assumed sole sponsorship responsibility.

This past year more than 250,000 students participated, receiving awards amounting to over $675,000. During the past 24 years of VFW sponsorship, over 5 million students have participated and awards totaling more than $3 million have been given to winners at all levels.

Mr. Jacobo is a senior at Calvert Hall College High School in Baltimore. I congratulate him on winning the scholarship, and I wish him well in his college career and his future endeavors in the study of law.

NEW HORIZONS FOR AMERICA'S YOUTH

There, in the distance, is a foreboding horizon, a challenge to reach unsurpassed excellence, or unthinkable destruction.

"You will be America's best generation, or you will be her last"!

These demanding, apocalyptic words of Dr. Harold Bosley, former Dean of the Duke University Divinity School, challenge America's youth to be her best generation or her last. An America in need of direction, a planet in need of genuine peace, a new horizon, beckoning all young Americans to be the best.

How are we, the youth of America, to be the best? I firmly believe we can be the best by personally committing ourselves to genuine honesty and hard work.

Honesty is a virtue, which must be learned and lived at our young age. It is essential in our quest for the horizon, the quest to be the best. Along the way, we must not fall into the tempting traps dishonesty lays for us. All too often, youthful inexperience leaves us vulnerable to dishonest actions. We are all tempted to lie . . . "Everybody's doing it" . . . or to cheat . . . "just this once" . . . or to steal . . . "I'm not really hurting anyone". And little by little dishonesty takes over.

Honesty produces trust. Trust is the key to society's success, the success of any relationship, be it parent-child, student-teacher, husband-wife, or even President and Premier. Unless behavior is honest there can be no success, no trust, and the horizon of America's youth will slowly recede.

Honesty also demands hard work. What our nation is today has been achieved by hard work. The American dream, of attaining one's goals, through hard work, must inspire my generation. We must understand, dreams can only be realized by our personal efforts, and will not be handed to us on a silver platter. America's youth, needed to learn the lesson of the idealistic young man, who, at the age of 20, believed he could change the world. At age 40, he realized that changing the world was impossible, so he would judge life a success if he could only change 20 other people. Finally, at age 60, he realized, that life would have been successful if he had changed just one person—himself. Now, and not at age 60, my generation, should understand we cannot change our troubled world unless we first change ourselves. Our individual honesty and hard work will eventually improve society, and will guide us to the horizon.

The challenge to be the "best or the last" is a demanding one, in a world where missiles are far more accurately guided than men. Our honesty and hard work will lead us to appreciate, the prophetic worlds of Pope Paul VI: "If you want peace, work for injustice"!

We must overcome apathy and settle for nothing less than injustice. Murders, robberies, frightened citizens hiding behind locked doors occur because we tolerate injustice—injustice victimizing the innocent, and the helpless. We Americans stand by witnessing, but not acting. To be the best, America's youth must no longer be spectators of injustice, rather, we must be participants in establishing justice. With justice achieved in America, we can strive for global peace.

To be "the best and not the last", is frightening, challenging, demanding. Our efforts to be the best will determine whether we will even "be". With undying devotion, undiminishing determination to honesty, hard work and justice, America's youth will be able to overcome the fears and the obstacles.

There, in the distance, is a beacon of hope or a foreshadowing of doom, a New Horizon for America's Youth, to be the best and not the last. We cannot, we must not . . . fail.

IN PRAISE OF NONPROFIT ORGANIZATIONS

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. FOWLER. Mr. Speaker, nonprofit organizations are the embodiment of the American volunteer spirit. I want to take this opportunity to applaud some of the good work done in my home State of Georgia—and in each of my colleague's home States—by nonprofit organizations that strive to meet humanitarian and public service goals.

Over the past several years, our Government has been shifting much of the social and humanitarian responsibilities to the private sector. Efforts to decrease the Federal deficit have placed new burdens and new strains on even the most established and well-recognized nonprofit organizations. While the Government has whittled away at many programs, we have hoped that the private sector would continue to provide those services to our elderly, our sick, our needy, our disadvantaged—the folks not able to provide for themselves.

In the President's last State of the Union address, he praised the "mighty river of good works" that contributed $74 billion in voluntary giving last year alone. We've come to rely on that river for so many services to our friends and families that it's difficult to imagine the state of our Union without those organizations working with us.

Well, whether knowingly or not—whether aware of the implications or not—a lot of folks are talking about damming up that river.

Organizations must raise funds and communicate with volunteers if they are to make any impact in their missions. They rely on the mails to solicit those donations and help coordinate that volunteer spirit. If we close off their access to the mails—dam up that river—the consequences may be more dramatic than we anticipate.

I don't think any of us would willingly thwart the efforts of groups that are trying to pick up the slack created by government cuts. But third-class nonprofit postal rates have shot up over 45 percent since December. Where are

nonprofits going to make up those costs? They may have to reduce services, or start charging fees for services.

Imagine the Red Cross, for example. Because of that rash of disasters that we experienced last year, they spent a record $48 million in 6 months and ended up $14 million in the red as a result. They have had to redouble their efforts to raise funds if they are to be ready when needed again—and they surely will be. The Red Cross is turning to direct mail to raise funds and bolster the donor base for their reserve disaster fund. I will not be responsible for hiking the already soaring nonprofit postal rates on folks like the Red Cross or forcing them to charge user fees to victims of disaster.

Now, more than ever, Congress must reaffirm our support for the works of the private sector. Without such support, religious, philanthropic, educational, scientific, cultural, fraternal, veterans, and labor groups will be forced into making hard decisions that can only decrease private sector activity.

Remembering that figure of $74 billion in voluntary giving last year—consider that the revenue forgone payment to the Postal Services was reduced to only $716 million last year. This year, the Alliance of Nonprofit Mailers tells me that we need $833 million to fund the program for fiscal year 1987—and that includes $58 million for a prior year adjustment. Mr. Speaker, I sincerely believe that this constitutes a wise investment in behalf of our entire society.

I ask my colleagues to remember the good works done by the nonprofit private sector in their communities and salute that work by providing them with the tools to continue to do the job. Let us show our support for their efforts by providing adequate funding for revenue forgone.

PROFAMILY COALITION URGES HOUSE AND SENATE TO MAINTAIN PROFAMILY ASPECTS OF TAX REFORM

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. KEMP. Mr. Speaker, one of the most rewarding aspects of the recent debate over tax reform has been the opportunity to bring some fairness to the Tax Code in its treatment of the American family. I am gratified that the other body has included a $2,000 exemption for every family member as a part of its tax reform proposal, and I am hopeful that the final legislation will maintain this crucial component of tax reform, without which the proposal would fall far short of its goals of fairness to the American family. The success we have been able to attain in making this the centerpiece, along with lower rates on labor and capital, of tax reform is largely attributable to the work of a broad-based coalition of profamily groups that have made this their No. 1 priority. The impact that this coalition has had on the concept of tax reform is evident in the Republican Platform of 1984, which called for the increase of the personal exemption to a minimum of $2,000, and indexing to prevent further erosion. This was included as a key component of tax reform by President Reagan in his proposals, and was a major part of my tax reform bill, the Kemp-Kasten proposal. I applaud the efforts of this coalition, led by such outstanding Americans as Dr. James Dobson, Phyllis Shafly, Tim and Beverly LaHaye, Connie Marshner, and many others who are committed to making the American family the cornerstone of our public policy efforts. I commend the following statement to my colleagues.

THE COMMITTEE FOR FAIRNESS TO FAMILIES

The Committee for Fairness to Families applauds the pro-family features of the Senate Finance Committee's tax bill. Worthy of special praise is the Committee's decision to approve the $2,000 personal exemption and significantly reduce tax rates for virtually all families.

We urge the full Senate to approve this legislation promptly. We commend the Finance Committee for its unanimous action and urge its conferees to insist upon these important pro-family measures in negotiations with the House.

Alive and Free.
American Association of Christian Schools.
American Christian Task Force.
American Coalition for Traditional Values.
Americans Against Abortion.
Christian Impact.
Citizens for America.
Coalitions for America.
Contact America.
Couple to Couple League.
Dick Dingman and Associates.
Eagle Forum.
Family Protection Lobby.
Free the Eagle.
Intercessors for America.
Leadership Action.
LIMIT Taxes Committee.
Maranatha Christian Churches.
National Association of Evangelicals.
National Association of Pro America.
National Federation of Church Schools.
National Integrity Forum.
National Pro-Family Coalition.
Plain Facts.
Public Advocate of the United States.
Union of Orthodox Rabbis.
United Families of America.
American Conservative Union.
Concerned Women for America.
Great Commission International.

NATIONAL PEACE OFFICERS' MEMORIAL DAY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. BIAGGI. Mr. Speaker, I have just returned from the fifth annual "National Peace Officers' Memorial Day" service in Senate park. It was a truly moving experience, and a tribute worthy of the supreme sacrifice made by the 154 law enforcement officers who died in the line of duty during 1985.

National Peace Officers' Memorial Day is an event that dates back to 1963. Always on May 15, this occasion has long been marked by local ceremonies across the country, but only since 1982 has a national ceremony been conducted in Washington, DC.

Sponsored by the Ladies Auxiliary of the Fraternal Order of Police, the event has grown considerably in size and impact. This year there were more than 300 police survivors in attendance, and more than 3,000 law enforcement officials from police forces across the United States.

Many persons deserve credit for the tremendous success and growth of the National Peace Officers' Memorial Day Service; most notably, Suzie Sawyer, president of the Fraternal Order of Police Ladies Auxiliary. Suzie, who is the wife of a police officer, has been untiring in her work on behalf of law enforcement causes. It was Suzie, and then-President Trudy Chapman who were the driving forces behind the first national memorial service in 1982; and it was Suzie, who 2 years ago spearheaded the formation of Concerns of Police Survivors, the country's first national law enforcement survivors group. Suzie also serves as the executive director of COPS, and in that position has provided invaluable assistance and support to the surviving families of our fallen police heroes. She is to be commended for her compassion and her devotion.

Others deserving of special recognition for their contributions to this year's memorial service include Dick Boyd, president of the Fraternal Order of Police; Yolanda Cline, president of COPS; and Tom Singleton of Take One Productions, Inc., a retired police officer who produced the 1986 Memorial Service.

But, I concur with the sponsors of this year's memorial service, who stated that:

The people who allow this effort to be successful are the surviving families of our fallen heroes. They have been forced to accept law enforcement's ultimate demand. They have traveled to Washington this year representing over 60 of the 154 officers we honored here today. The tribute today was even more meaningful to these surviving family members when they saw the numbers of officers who have traveled from all across the United States to assist in making law enforcement's statement to the Nation: "Our fallen law enforcement officers have not died in vain and their human sacrifice will never be forgotten.

Mr. Speaker, let me say that no matter how impressive the National Peace Officers Memorial Day ceremony has become, our Nation's fallen heroes and their survivors deserve something more, and I am proud to be a part of such an effort. In October 1984, President Reagan signed into law legislation I authorized along with Senator CLAIRBORNE PELL to authorize the construction of a National Law Enforcement Heroes Memorial in Washington, DC. As chairman of that organization, I am pleased to report that major strides are being made toward the construction of that memorial. It will be built exclusively by private funds, and the fundraising effort is already under way, as is the selection process for a suitable site and design. Most importantly, our Nation's leading national law enforcement organizations have all expressed a total commitment to the cause. Seated on the board of directors of the National Law Enforcement Officers Memorial Fund, Inc., are the Concerns of Police

Survivors, the Federal Law Enforcement Officers Association, the Fraternal Order of Police, the Fraternal Order of Police Ladies Auxiliary, the International Association of Chiefs of Police, the International Brotherhood of Police Officers, the International Union of Police Associations/AFL-CIO, the National Association of Police Organizations, the National Black Police Association, the National Organization of Black Law Enforcement Executives, the National Sheriffs Association, the National Troopers Coalition, the Police Executive Research Forum, the Police Foundation, and the United Federation of Police. Senator PELL is the honorary chairman and Tammy Kennedy Wolfe is a valued adviser to the organization.

Much work still lies ahead, but one thing is certain—when all is said and done, our Nation will finally have an impressive day-to-day reminder of the supreme sacrifice that more than 1,500 law enforcement officers have made in the last 10 years alone. It will also serve as a much-needed reminder of the need to better protect those who continue to protect us.

Mr. Speaker, as one who served as a law enforcement officer for 23 years, I am deeply honored to pay a personal tribute to the 154 law enforcement officers who died in the line of duty during 1985. This "Roll Call of Heroes—1985" lists those courageous men and women by the State they served:

ROLL CALL OF HEROES—1985

ALABAMA

Robert E. Armstrong, Charles W. Biles, Larry D. Cawyer, Louie E. Cosby, Issac D. Hamby, John W. Mann, Myron J. Massey, Julius N. Schulte, and James C. Vines.

ALASKA

Ignatius J. Charlie.

ARIZONA

Lester L. Haynie and Darrell D. McCloud.

ARKANSAS

John Fallis and Phillip G. Ostermann.

CALIFORNIA

George L. Arthur, Henry I. Bunch, Jose Cisneros, Monty L. Conley, David W. Copleman, Dean J. Esquibel, Joe R. Landin, Michael O. Lewis, Raymond E. Miller, Thomas E. Riggs, Clifford E. Sanchez, and Thomas C. Williams.

COLORADO

Thomas J. Dietzman, Jr.

CONNECTICUT

Jeffrey G. Casner.

FLORIDA

John C. Baxter, Jr., James A. Bevis, Lindell J. Gibbons, Harold L. Holerger, and John R. Melendez.

GEORGIA

Walter N. Coleman, George E. Goare, John T. King III, and Philip B. Mathis.

HAWAII

David W. Parker.

IDAHO

James E. Simono.

ILLINOIS

Kenneth R. Dawson, Wayne G. King, Michael W. Ridges, and Raymond H. Topolewski.

IOWA

Daniel M. McPherren, Sr., and Charles G. Whitney.

KANSAS

Deanna S. Rose.

KENTUCKY

William R. Burns and Roy H. Mardis III.

LOUISIANA

Joseph W. Jarreau, Sr., and Richard A. Kent III.

MARYLAND

Vincent J. Adolfo and Richard J. Lear.

MASSACHUSETTS

Alain Y.J. Beauregard, Marvin C. Bland, Mary M. Foley, Michael J. Schiavina, Thomas E. Strunk, and Harold L. Vitale.

MICHIGAN

Roy L. Graham, Paul L. Hutchins, Donald E. Rice, and Dean A. Whitehead.

MINNESOTA

John T. Scanlon.

MISSISSIPPI

John R. Klem III and Alma B. Waters.

MISSOURI

Johnnie C. Corbin, James M. Froemsdorf, and Jimmie E. Linegar.

MONTANA

Timothy J. Sullivan.

NEW JERSEY

William H. Fordham, Albert J. Mallen, Sr., Abigail J. Powlett, Nathaniel H. Taylor, and Robert E. Walls.

NEW MEXICO

Manuel Olivas.

NEW YORK

Oronzo L. Cellamare, Thomas F. Hudson, Brian Rooney, and Gary R. Stymiloski.

NORTH CAROLINA

Robert L. Coggins, Giles A. Harmon, Johnny W. Wagner, Timothy W. Whittington, and Raymond E. Worley.

OHIO

Jody S. Dye and David H. Massel.

OKLAHOMA

James A. Bradley, Lowry D. Durington, Darrell E. James, William R. Stewart, and Gary L. Ward.

OREGON

Gerald G. Chirrick, Virgile D. Knight, Jr., and Ronald H. Terwilliger.

PENNSYLVANIA

John J. Brown, Robert M. Daiss, Gary W. Fisher, Charles P. O'Hanlon, Donald W. Parker, Jr., Thomas J. Trench, and Ronald J. Turek.

SOUTH CAROLINA

Vaughn E. Kee, Valdon O. Keith, Bruce K. Smalls, and Robert A. Way.

SOUTH DAKOTA

Oren S. Hindman, Leslie P. Hollers, and Matthew V. Schofield.

TEXAS

Adrian S. Aguilar, John P. Frisco, Thomas L. Harris, Charles D. Heinrich, G. Darrell Honea, Billy E. Jones, William P. Kohlleppel III, James D. Mitchell, Jr., David E. Nelson, Reginald F. Norwood, David W. Roberts, Manuel Salcido, Jr., Joseph R. Steenbergen, Walter L. Terry, Lewis W. Wahl, Kevin J. Williams, and Robert D. Wright.

VIRGINIA

H. Glenn Lawson, Jr., Barry L. Pendry, and Leo Whitt.

WASHINGTON

Dale E. Eggers, Richard D. Glass, Craig A. Nollmeyer, and Glenda D. Thomas.

WEST VIRGINIA

Clemmie L. Curtis, J. David Harris, and John R. Tucker.

WISCONSIN

Rosario J. Collura, Leonard R. Lesnieski, and Gerald W. Mork.

WYOMING

Robert A. Van Alyne, Jr.

DISTRICT OF COLUMBIA

Robin L. Ahrens, Enrique Salazar Camarena, Larry N. Carwell, and Joseph M. Cournoyer.

MARIANA ISLANDS

Manuel A. Aquino.

PUERTO RICO

Eladio Aponte Rivera, Pedro A. Burgos Lacourt, Francisco Diaz Melendez, Herminio Lopez Pilar, Homero Ortiz Martinez, Pablo Ramirez Morales, Ramon Luis Reyes Rosa, Isidro Rodriguez Monclova, Osvaldo Santiago Oliver, and Carlos A. Velazquez Colon.

TRIBUTE TO JOSEPH E. KELLER

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. YOUNG of Missouri. Mr. Speaker, I would like to take a moment to congratulate one of the country's foremost transportation officials, Joseph E. Keller, who was recently named counsel emeritus for the Private Carrier Conference. Mr. Keller, during his long and distinguished career, helped to redefine the Nation's transportation systems. In fact, he was largely responsible for creating the definition of what constitutes a private carrier.

The largest of 11 conferences affiliated with the American Trucking Associations, the Private Carrier Conference is the national trade association that represents manufacturers, distributors, shippers, and receivers who operate motor trucks as an extension of their primary business endeavors. Private carriers are the dominant sector of the trucking industry today, hauling nearly 60 percent of the Nation's intercity truck ton-mileage and operating 6 million vehicles.

Before being named counsel emeritus, Mr. Keller had served as general counsel of the Private Carrier Conference since its reactivation after World War II—during which he served as a major in the U.S. Army.

A graduate of the University of Dayton, where he received his law degrees in 1930, he practiced law in Dayton before coming to Washington, DC, as an attorney for the Federal Communications Commission. He has practiced law in Washington for the past 50 years, first with the firm of Dow, Lohnes & Albertson and then with his own firm, Keller & Heckman which he founded in 1962.

Mr. Keller has served as a law instructor and has contributed numerous articles to leading law reviews and served as legal editor for the Private Carrier, a motor carrier trade journal.

Throughout his career, Joe Keller has been a leader with a solid track record. So today

we recognize and pay tribute to a capable and effective representative of the Nation's motor carrier industry.

I wish him every continued success.

A TRIBUTE TO A MOST DISTINGUISHED EDUCATOR: MR. BOB WHITE

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. TRAXLER. Mr. Speaker, I rise to pay tribute today to a good friend and most distinguished individual. Mr. Robert Buell White has dedicated the past 37 years to teaching music at my alma mater, T.L. Handy High School in Bay City, MI. I am honored to recognize Mr. White as he prepares to enter retirement.

I would like to take this opportunity to share with my colleagues some important information about Bob White and his dedication to the Bay City community. Bob White is a lifelong resident of Bay City, attending Handy High's current rival school, Bay City Central, Bay City Junior College and graduating from the University of Michigan in 1949. His education was interrupted by military duty with the U.S. Navy from 1942 to 1945.

Bob White began his teaching career at T.L. Handy High School in 1949, and has remained an institution within an institution. He is well respected by staff and students alike. Bob's teaching career was not simply a job, but a way of life for him. He has been deeply involved with not only high school aged students, but children of grade school and middle school age as well. Bob has directed musical productions such as the "Merry-Go-Round" Summer Band Programs, and has acted as city wide music coordinator, planning programs and curriculums for music students of all ages. Throughout all of his dedication of time and diligent hard work with his students, Bob found the time to act as a liaison between the Bay County Board of Education and the music teachers throughout the area.

Bob also has taken time out of his busy schedule to plan, organize and execute band trips to Washington, DC in order to give the students of Handy High School the perhaps once in a lifetime opportunity of performing at our Nation's Capital.

My personal contact with Bob White over the years has been highlighted by allowing me the honor of marching with the Handy High School Marching Band in the annual St. Patrick's Day parade in Bay City.

Mr. Robert B. White has left his everlasting mark on the students and citizens of Bay City, and current and future generations of people living in that area will be able to reap the benefits of his efforts. I ask my colleagues to join with me today in honoring a fine individual, and wish him every continued success in his retirement.

NEWARK'S INTERNATIONAL YOUTH ORGANIZATION

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. RODINO. Mr. Speaker, on May 10, I had the honor to attend the opening ceremony of the International Youth Organization's Little League and its Westside Women's Softball League, held at Westside Park in Newark.

Each of the two IYO leagues consists of 6 teams of 25 players. Drawing participants from all neighborhoods of Newark, these leagues contribute to a positive sense of the urban community. They give parents and children constructive recreational time together, promoting family life and offering young people an opportunity to enrich themselves and display their talents.

The International Youth Organization is a community-based organization founded by James Wallace and his wife, Carolyn. Mr. Wallace, now the organization's executive director and commissioner, was a special police officer in the early 1970's when he saw the need to provide a positive outlet for Newark's youth. So he established the IYO to meet the needs of the local community. Starting with 13 youngsters, the organization now involves 700 people and employs 3 certified teachers.

Besides the IYO's Little League and Women's softball, the organization runs a variety of after-school programs, including computer literacy classes, tutoring sessions, junior and senior youth leadership groups, and other recreational activities.

This is the type of initiative that enhances the life of our city, and I applaud the Wallaces and all the softball and Little League players for their community spirit. I was proud to be a part of their opening day ceremonies.

IN SUPPORT OF THE TALKING LEAVES JOB CORPS CENTER

HON. MIKE SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. SYNAR. Mr. Speaker, 1 week ago the Department of Labor announced plans to close six Job Corps centers across the country as a result of the March 1986 Gramm-Rudman budget cut. One of the six centers targeted for closing is the Talking Leaves Job Corps Center in Tahlequah, OK.

It's no secret that I oppose Gramm-Rudman. The Labor Department's plan to close these Job Corps centers is a prime example of why Gramm-Rudman is bad law. Computer statistics cannot measure the full human importance of these centers—to the community or to the participant.

Job Corps provides the last chance for many disadvantaged young people to learn the skills to become productive citizens. It's like the saying, "Give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime." Job Corps participants improve their basic education and learn job skills that will last a lifetime.

This is not the time to close down programs aimed at teaching job skills. In Cherokee County, where Talking Leaves is located, unemployment is currently 11 percent. March figures place the average unemployment rate among counties in my district at 10.9 percent. The Talking Leaves Job Corps Center directly serves more than 400 young people each year. Almost half are from Oklahoma.

This is not the time to close down programs aimed at improving educational skills. For the fiscal year 1984–85, the dropout rate for the State of Oklahoma was 9,000 students. The dropout rate in that time period for the 14 counties that make up Cherokee Nation was more than 4,500 students—half the State total.

Oklahoma is facing some tough economic times. Because of the drop in energy prices and the crisis in agriculture, Oklahoma has had to cut the State budget by 14.7 percent this year. Oklahoma may lose Federal matching funds for Aid to Families with Dependent Children and Medicaid.

The Talking Leaves Job Corps Center contributes to the local community. The Center has a $2.5 million annual budget and 80 employees. The Corpsmembers participate in community projects such as local cleanups, a Christmas food drive for needy families, and volunteer work at the Cherokee Nation Youth Shelter. Vocational Skills Training Corpsmembers have assisted in many projects such as building an airport in Stilwell, OK, and constructing 5 miles of road near a local lake.

The Department of Labor must make cuts to achieve the 4.3-percent budget cut mandated under Gramm-Rudman. Along with 74 colleagues, I signed a letter to Chairman NATCHER of the Subcommittee on Labor—HHS—Education Appropriations asking him to urge Secretary Brock to authorize using Job Corps construction funds to maintain current slot levels and keep all Job Corps Centers open.

People can look at the big picture. Computers cannot. When we take the human facts into account, it is clearly a bad decision to close this program that teaches young people skills that will lift them from the welfare cycle and make them tax-paying citizens.

POLICE MEMORIAL DAY

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. DURBIN. Mr. Speaker, today is Police Memorial Day, a day we have set aside to pay tribute to law enforcement officers who have died in the line of duty. It is the most solemn of our celebrations during National Police Week.

Law enforcement officers have earned a special place of honor in our society. Working long hours and often under difficult conditions, they protect our lives, our families, and our property. That work is often thankless; it is always dangerous. This week, we honor police officers around the country who willingly make that commitment to our safety. Today, we re-

member those who have lost their lives in that cause.

I would like to pay special tribute to three officers from my district who have been killed in recent years while serving their communities—Patrolman David Tapscott, of the Springfield Police Department; Officer William Simmons, of the Sangamon County Sheriff's Department; and Patrolman Osmer Milbert, of the Quincy Police Department. Their families should know our gratitude and appreciation.

According to the Justice Department, 72 law enforcement officers were killed in the line of duty in 1984—an average of more than one each week. This is a disgracefully large number. Unfortunately, our steps to protect law enforcement officers have been erratic. In this session, Congress banned the manufacture and importation of armor-piercing ammunition; the so-called "cop-killer" bullets. But many Members also ignored police warnings and approved a bill which will weaken gun control laws and make it easier for criminals to get handguns.

The National Association of Chiefs of Police pays tribute to colleagues killed in action by inscribing their names at the American Police Hall of Fame in North Port, FL. It is a long list. By working to protect police officers, and by remembering, we can keep that list from growing longer.

ANDREI SAKHAROV DAY

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. GILMAN. Mr. Speaker, I strongly support H.J. Res. 596, legislation that would authorize the President to proclaim May 21, 1986 as "National Andrei Sakharov Day". Coming as it does in the midst of the Bern Human Contacts meeting in Switzerland, it is of importance that the House continue to recognize the infinite contributions Dr. Sakharov has made to world peace and to human rights.

Confined to the closed city of Gorky, Dr. Sakharov and his wife Yelena Bonner, maintained their courage stoicly throughout repeated government reprisals against them. This former Nobel Peace Prize winner and founding member of the Moscow Helsinki Monitoring Group has not kept silent in the face of official repression; rather, he has been kept silent. After repeated hunger strikes, Dr. Sakharov was able to negotiate his wife's release to the West for urgently needed medical attention. Dr. Bonner is now recuperating after several surgeries, and is expected to depart in a few weeks.

But on May 21, 1986, Dr. Andrei Sakharov will celebrate his 65th birthday. He will do so without the comfort of friends and relatives. His companions will be KGB agents. Letting him know that we stand with him in his struggle for freedom and human rights is as important as signaling to the Soviet Union our deep and abiding respect for Dr. Sakharov and his efforts.

Dr. Bonner visited Washington recently, and many of us were privileged of having the opportunity to meet her. Her courage in the face of this adversity is also to be admired, as is her devotion to her husband.

Mr. Speaker, the Sakharovs are a unique couple who maintain their commitment to our common respect for fundamental human freedoms, in spite of the fact that they suffer physically and emotionally from doing so. In his attempt to ensure that the Soviet Union adheres to and respects the precepts of the Helsinki Final Act and the Universal Declaration on Human Rights, Andrei Sakharov is tortured with forcefeedings, kept under continuous surveillance and is isolated in a remote part of the country. He cannot speak for himself at this time, and it is, therefore, our duty to speak for him. By proclaiming May 21 as "National Andrei Sakharov Day" we can assure that at the very least, the American people will commemorate this day by focusing special attention on Dr. Sakharov and on the concepts which he espouses, and which the Soviets would so obviously prefer that we forget.

LEGISLATION TO PREVENT WASTE OF U.S. ENERGY RESOURCES

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. SHARP. Mr. Speaker, today I am introducing legislation designed to help prevent a waste of U.S. energy resources and taxpayers' money.

On Monday the General Accounting Office confirmed that the Department of Energy last month sold Elk Hills Naval Petroleum Reserve oil for as little as $6.30 per barrel while the average price in the region at that time was over $13 per barrel. About 82,000 barrels per day will be sold from now until October 1 at a cost to the taxpayers of as much as $400,000 per day.

To compound the error, the Department was paying $12.60 per barrel to buy oil for the strategic petroleum reserve at the same time it was selling oil from the Naval Petroleum Reserve for $6.30.

This unfortunate situation occurred as a result of a sales process designed for stable or rising oil prices which was not modified during the recent rapid decline in prices. A contributing factor is a statutory requirement that DOE produce oil from the Naval Petroleum Reserve at the maximum efficient rate. DOE is not allowed to reduce production, and they have no ability to store these quantities of oil near the Elk Hills field in California.

In a letter to Secretary of Energy Herrington, I have summarized the problem and asked that he modify DOE bidding procedures to prevent further sales at these outrageously low prices. I ask that a copy of my letter be printed in the RECORD at the conclusion of my remarks. I have also spoken with him, and he expressed his intention to correct the problem quickly.

The legislation that I am introducing today addresses the statutory requirement for maximum production rates. This bill would allow for production below maximum at the discretion of the administration, taking into account oil market conditions, energy security, and revenue implications. It also provides that DOE cannot sell the oil below:

First, 90 percent of the prevailing market price, or

Second, the price of oil being purchased for the strategic petroleum reserve, adjusted for cost of transportation and oil quality.

These adjustments will not cause a shutting in of NPR production and will still allow California refiners to acquire Elk Hills oil at a fair price. Nonetheless, these reductions will prevent Uncle Sam from being a price predator and helping drive independent producers out of business. It will also prevent the scandalous situation of the Government selling oil with one hand at 50 cents on the dollar while with the other hand paying full price to purchase oil.

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON FOSSIL AND SYNTHETIC FUELS, COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC., May 12, 1986.

Hon. JOHN S. HERRINGTON,
Secretary, Department of Energy, Washington, DC.

DEAR MR. SECRETARY: The General Accounting Office has completed a preliminary investigation (copy enclosed) which documents the sale of Naval Petroleum Reserve oil at prices as low as $6.30 per barrel, prices which constitute giving away a valuable public asset at less than its value. At the same time, oil was being purchased for the Strategic Petroleum Reserve at $12.60 per barrel delivered.

I urge you to find a way to stop this unilateral price war. It appears to be due to a bidding process that establishes sale prices for six-month contracts in reference to posted prices, which have become very volatile. It involves the government in a risky game more suitable to speculators.

The process appears to have been designed for stable oil prices but then left on automatic pilot when the market got turbulent. Shareholders would demand a change if a private company's oil were being sold so cheaply; the taxpayers deserve no less.

Coupled with the Inspector General's recent determination that the Department may be producing oil from the NPR at a rate above the Maximum Efficient Rate [MER] and may therefore be reducing ultimate recovery, this leads to the conclusion that current NPR policy and implementation is shortchanging the taxpayer both today and in the future.

Excess NPR production in a glutted oil market also adds to the current difficulties of oil producing regions of the country.

In 1984, prior to the President's recommendation to continue producing oil from the reserve at MER, I recommended that the law be changed to allow the President a choice other than maximum or minimum production rates. This would add to national energy and economic security in the future by providing for less rapid depletion of the Reserve, but it would also allow the flexibility to consider and balance market conditions, revenue needs, strategic concerns, domestic producers' interests, and California's refiners' needs. The Department of Defense concurred with this recommendation. The Department of Energy disagreed, however, and the President went along with your rec-

ommendation to continue maximum production.

In light of the GAO's evidence and the Inspector General's report, please provide your recommendations on how such results can be avoided in the future.

With both posted and spot prices for California sweet crude far above DOE's lowest sale price, is DOE in violation of the NPR Act of 1976 requiring sales to be "not less than the prevailing local market price of comparable petroleum?"

How can bidding procedures that may have been appropriate in the past be changed in light of today's rapidly changing oil market?

Should the law provide you with the flexibility to alter production rates in order to avoid fire-sale prices?

In the absence of a law giving you flexibility to slow the rate of production, can you avoid selling the oil too cheaply by purchasing it for the SPR?

Can a floor be established under NPR sales prices, perhaps similar to the one we agreed upon for the SPR test sale?

With oil prices so low and the oil economy in trouble, do you still believe it makes sense for the U.S. to sell as much oil as possible from the NPR and to cease purchasing oil for the Strategic Petroleum Reserve?

In addition to raising concerns about the Department's stewardship of this valuable national asset, these sales will undoubtedly have an impact on the proposed sale of the entire NPR. I am sure you can understand that Congress and the public are likely to be skeptical about the Department's ability to obtain a fair market price for a multi-billion dollar oil field if it currently undersells its product.

I would appreciate having your explanation and response to my questions by May 23, 1986.

Sincerely,

PHILIP R. SHARP,
Chairman.

NATIONAL NURSING HOME WEEK

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Ms. SNOWE. Mr. Speaker, by proclamation, the President designated the second week in May as "National Nursing Home Week." The theme, "Celebrate Lifetime Achievements" was chosen in recognition of the significant contributions and accomplishments of those who reside in nursing homes.

By the end of 1985, an estimated 1.5 million older persons lived in nursing homes, representing about 5 percent of the elderly population. While only a small proportion will live in a nursing home at any given time, about 20 percent will spend some time in a nursing home each year. In 1985, about 2 percent of the elderly population who were 65 to 74 were in a nursing home; for those 85 and over, that figure had increased to about 16 percent.

Of those who are institutionalized, nearly 75 percent are without a spouse as compared to the noninstitutionalized population, where just over 40 percent are without a spouse. Additionally, nursing home patients tend to have health problems that significantly restrict their ability to care for themselves. These two facts suggest that in the absence of a spouse or other family member who can provide help with activities of daily living, the likelihood of institutionalization is increased.

For many older persons facing institutional care, the presence of the family care giver is the crucial factor. In many cases, the care giver is the spouse or daughter. In fact, the family has been shown to provide between 80 and 90 percent of the medically related care, personal care, household maintenance, transportation, and shopping needed by older persons. The important contribution of the care giver has not been adequately recognized, and for this reason, I have introduced legislation that would set aside the week beginning November 24—which includes Thanksgiving Day—as "National Family Care Givers Week". With this commemorative week, we can begin to recognize the contribution of the care giver in maintaining frail and disabled family members in the home.

Nursing home residents have been shown to be disproportionately very old, female, and currently unmarried. As a consequence, they are likely to be the most vulnerable and the most isolated from the community. For that reason, like any institutionalized population, it is essential to assure their continued self-determination and the protection of their rights.

We know that the institutionalization of any population can lead to abuses, but for the elderly, where there are few checks from outside, it is particularly important to establish a mechanism for the protection of rights. On February 27, I introduced H.R. 4279, the Long-Term Care Patients Rights Act of 1986 for the explicit purpose of assuring, by statute, that the rights of residents of long-term care facilities are not violated or abridged. In addition to enumerating rights and designating remedies and penalties for the violation of rights, H.R. 4279 would prohibit discrimination against Medicaid recipients, would establish an explicit private right of action, would establish a statewide, uniform reporting system for complaints and violations, and would strengthen the long-term care Ombudsman Program. Thirty-five of my colleagues have joined me in supporting this bill.

I am particularly pleased to salute those who live in the 15,000 nursing homes across the country. I believe that we should honor and pay tribute to those who reside in nursing homes, not only for their past contributions, but also for their potential for continuing and future contributions.

TERRORISM IN IRAN

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. DASCHLE. Mr. Speaker, today I want to call to the attention of my colleagues the tremendous suffering that continues to plague the people of Iran. At a time when terrorism is on the minds of so many Americans. I think it is important to remember the terror to which the Khomeini regime is subjecting its own people.

The Iranians who have managed to escape the brutal conditions in their country have told their horrifying stories of torture, mutilation, and political repression. Amnesty International and other human rights groups have documented thousands and thousands of tortures and executions. Women are beaten or killed for minor "violations" of Khomeini's dress code. Executions are estimated at 50,000 people—many of those schoolteachers, students, and even infants. It is believed that there are over 140,000 political prisoners held in Iran.

Although it is an unpleasant matter to face the atrocities of the Khomeini regime, we must face them. We must not forget that every day there are men, women, and children in Iran being terrorized by the policies of war and torture. As representatives of a nation that champions human rights, it is our responsibility to speak out against this oppression.

The Iranian people were brutalized at the hands of the Shah, and they continue to suffer under the inhuman policies of Khomeini. Let us work together to build a policy that will announce to Khomeini and the world that we are committed to the encouragement of peace, freedom, and human rights everywhere.

THE 50TH ANNIVERSARY OF THE WOMEN'S CIVIC IMPROVEMENT CLUB

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. FAZIO. Mr. Speaker, today I would like to draw your attention to the 50th anniversary of the Women's Civic Improvement Club. This fine organization was founded in 1936 by 10 dedicated women who felt the desperate need for housing and other services for minority women after World War I. Recognizing this need, these women began to provide housing and employment assistance to black and other minority women. It has since enjoyed a rich history spanning over five decades as one of the oldest black women's organizations in the Sacramento, CA area.

While the Women's Civic Improvement Club has provided outstanding leadership and assistance to the community over the past 50 years, it continues to provide a number of services and programs for the community. The club conducts valuable programs at its community center which are geared toward the development of responsible citizens and especially designed to assist disadvantaged individuals. For example, the center's programs include special assistance for senior citizens, nutrition programs for low-income individuals, Head Start, summer camp, and employment and counseling programs for teenagers.

The Women's Civic Improvement Club and the women who serve in it deserve special recognition for their important accomplishments over the past 50 years. I commend this fine organization and the dedicated women who have contributed their time and effort in service to the club and the community over the past 50 years. I look forward to a bright future and continued success for the Women's Civic Improvement League.

FCC COMPUTER III DECISION A GOOD START—NOW IT'S UP TO CONGRESS

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. TAUKE. Mr. Speaker, today the FCC adopted a report and order on its Third Computer Inquiry (CI–III). The Commission's decision will allow AT&T and the Bell Operating Co.'s to provide so-called enhanced services such as voice storage, health, and utility monitoring services and other computer enhanced applications to residential and business customers through the telephone network after certain consumer and competitive safeguards have been met.

I applaud the Commission for its actions today. This is a forward-looking, proconsumer, protechnology decision.

The CI–III decision, however, only removes one of the roadblocks to consumers receiving computer enhanced services from their telephone companies. Another still exists—the AT&T consent decree.

We've reached the point that many of us in Congress have feared. A kind of regulatory double-speak now exists where one entity of the U.S. Government says the telephone companies can offer certain services and another says no.

I'm concerned that many of the services that could be offered as a result of today's FCC's decision may never reach consumers. This is because there is a great deal of overlap between what the FCC considers "enhanced services" and what the consent decree defines as "information services." As long as the consent decree's ban on information services exists, the Bell telephone companies will be caught in a regulatory whip-saw and consumers will be denied certain services and the benefits of competition.

The FCC's decision today makes it even more imperative that Congress enact H.R. 3800 this year. This bill would eliminate the regulatory ambiguity that now exists by allowing the FCC—the principal telecommunications regulatory body in this country—as opposed to a Federal judge, to determine what circumstances information services should be offered.

Toward this end, it is my hope that the chairman of the Telecommunications Subcommittee, the gentleman from Colorado—Mr. WIRTH—will schedule a markup on H.R. 3800 at an early date so that the full House will be able to consider the issue during this Congress.

THE 150TH ANNIVERSARY OF THE CHILDREN'S HOME OF DETROIT

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. HERTEL of Michigan. Mr. Speaker, this month marks the 150th anniversary of the Children's Home of Detroit, a voluntary, nonprofit, nonsectarian, residential treatment center for emotionally, educationally, and socially troubled children ages 6 to 18.

The Children's Home of Detroit, originally called the Ladies' Orphan Association, was founded in May 1836 by concerned women to "care for helpless and homeless little children." Since that time, this admirable organization has expanded and prevailed through several changes in name and location. Through it all, the home has maintained its purpose of providing loving care for troubled children in our community.

Today, situated on a 13-acre campus in Grosse Pointe Woods, the Children's Home of Detroit provides a peaceful setting with six cottages, a medical center, recreation facilities, and a school. Included among the many services provided are casework, special education, psychiatric and medical services, recreation, summer camp, and service to families.

I have had the privilege of visiting this fine institution. I have met the dedicated staff and seen their true devotion to these children. They prepare the children by guiding, educating and loving them until they are prepared to return to their families, homes and communities, and ultimately become responsible and contributing members of our community.

I am proud to serve the Children's Home of Detroit in my district in Michigan. I would like my colleagues to join me in honoring this truly deserving and worthy institution on the occasion of its 150th anniversary.

NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICARE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. MURTHA. Mr. Speaker, because there has been concern expressed by some Members of the House of Representatives about the National Committee to Preserve Social Security and Medicare, I feel compelled to add a couple of thoughts of my own.

The organization is chaired by former Congressman James Roosevelt. It has been an honor and a pleasure for me to know Mr. Roosevelt for several years. By every measure of his life and his ideals, he qualifies as a great American. I have the utmost respect for him.

As the eldest son of President Franklin Delano Roosevelt, I am sure he feels a special concern for programs that help the elderly and for Social Security, because of his father's role in opening these opportunities to a better life to millions of Americans.

In addition, I would like to remark that I have found the information from the National Committee to Preserve Social Security and Medicare to be informative and helpful. Older citizens in my area are very worried about these programs—they depend on them—it is vital to their health and lifestyle that they continue. As much as I and other Members of Congress strive to keep our constituents informed, publications such as this are extremely helpful in letting people know the situation, and communicating with their Congress.

I rise in praise of Mr. Roosevelt and his organization and I believe the organization should be commenced for its high degree of expertise and professionalism which it has brought to the senior citizens lobby.

TRIBUTE TO CARLA COHEN

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. McGRATH. Mr. Speaker, I wish to take this moment to commend a constituent, Carla Cohen, editor and publisher of the Franklin Square and Floral Park Bulletin, who has demonstrated remarkable determination in balancing her rewarding career as a businesswoman and newspaper editor while raising two outstanding children. She is renowned as a fair, honest, and accurate chronicler of the life of these communities.

While these qualities are noteworthy, there is another side of Carla Cohen that has been a hallmark of her busy life. I refer, Mr. Speaker, to her commitment to the residents of New York's Fifth Congressional District and her tireless efforts on their behalf.

It is this concern for the general welfare of the community that has led civic leaders in Franklin Square to honor Carla Cohen by appointing her grand marshal of this year's Memorial Day parade. As the first woman in Franklin Square's history to hold this position, she will lead the parade as she has led the community with her words and actions; as a beacon to the principle of caring for one's neighbor.

TRIBUTE TO DR. GERALD J. EASTON

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. HUNTER. Mr. Speaker, I would like to pay tribute and commend a very special member of the optometric profession from Coronado, CA, Dr. Gerald J. Easton.

Since June 1985, Dr. Easton has served as president of the 24,000-member American Optometric Association, culminating years of volunteer work for optometry and eye care at every level. Dr. Easton has also served on the AOA board of trustees since 1978, but his work on behalf of his profession and his patients began years before. He is a past president of both the California Optometric Association and the San Diego County Optometric Society, and has served on the Coronado School Board. For many years Dr. Easton was a consultant to the State of California's Department of School Welfare. It is this commitment to his profession, his patients and his community which has made Dr. Easton such an outstanding leader.

Mr. Speaker, the stated objective of the AOA is "to improve the vision care and health of the public and promote the art and science of the profession of optometry." Dr. Easton has certainly dedicated his career to that objective. I am pleased to join his many friends and colleagues in paying tribute to him, not only for his years as an elected leader of the AOA, but for all his years of service to optometry, the public, and the State of California.

NUCLEAR SAFETY INSPECTOR GENERAL ACT OF 1986

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. GEJDENSON. Mr. Speaker, I am very pleased to introduce today the Nuclear Safety Inspector General Act of 1986, a bill to create an independent Inspector General for the Nuclear Regulatory Commission [NRC]. An inspector general is sorely needed at NRC to ensure that the Commission properly implements and enforces all laws and regulations relating to the safety of commercial nuclear power reactors.

Although the NRC has many excellent safety regulations on the books it has grown increasingly complacent about enforcing them. In many cases the NRC has exempted nuclear utilities from complying with crucial safety regulations rather than forcing compliance. At times it seems that the NRC is more concerned with protecting the nuclear industry than protecting public safety.

A typical example of irresponsible regulation by the NRC is their lack of enforcement of regulations concerning reactor operator qualifications. NRC regulations require that applicants for reactor operating licenses at new plants have extensive operating experience at a comparable reactor. Instead of enforcing this important regulation the NRC has simply ignored it.

Knowing that enforcement of reactor operator qualifications could lead to delays in the licensing of some plants the NRC staff interpreted "extensive operating experience" to include "participation in training programs that utilize nuclear powerplant simulators." This blatant misinterpretation of regulations allowed the approval of inexperienced reactor crews to operate the Diablo Canyon, Grand Gulf, and Shoreham reactors. At the time of this decision NRC Commissioner Victor Gilinsky wryly noted, "No one would dream of allowing an aircraft to take off with a new crew that had only had simulator training."

An independent NRC inspector general would provide the oversight necessary to improve NRC safety regulation. The inspector general would have access to all NRC records and documents, the power to subpoena persons and documents, and the ability to refer criminal cases to the Justice Department. The inspector general would be appointed by the President, would have a 4-year term, and could only be removed by the President for malfeasance or neglect of duty. In order to ensure impartiality the inspector general would be barred from having any financial relationship with the nuclear power industry for 3 years prior to his appointment, and 3 years after leaving office.

NRC safety regulations are one of the many reasons why U.S. nuclear reactors are much safer than Soviet reactors such as the one at Chernobyl. We must do all we can to ensure that these regulations are followed so that the safety of our reactors is maintained and the public is protected. The Nuclear Safety Inspector General Act will provide the oversight necessary to ensure that the NRC effectively enforces its own safety regulations.

RETIREMENT OF GORDON HOWARD DRAKE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. SKELTON. Mr. Speaker, during my time in the Congress of the United States, one of the greatest pleasures of my job has been working with local officials to resolve problems. I have found that Missourians in my district are well served by local office holders who unselfishly give of their time, energies, and talents.

There are exceptional people even among this outstanding group of public servants. One of these is Gordon Howard Drake, who is retiring following a long, successful term as mayor of Warsaw, MO.

Warsaw has undergone extensive changes during Gordon's tenure because of construction of Truman Dam, located just outside its city limits. Mayor Drake has been a solid leader in helping realize the full benefits of the dam, while working actively and effectively in bringing focus to the trouble spots and getting coordinated action by State, local, and Federal agencies to help solve problems.

Mr. Speaker, it gives me great pride to use this forum to commend Gordon Howard Drake for a job well done. His record of leadership and effective public service is one we would all do well to emulate. I feel certain that the Members join me in wishing Mayor Drake all the best in the many years to come.

FREE BUT FAIR TRADE

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. LIPINSKI. Mr. Speaker, I remain committed to the idea of free trade as long as America is not the only country that practices it. In recent years, however, this has sadly seemed to be the case. While staunchly adhering to this concept, the United States has seen an unprecedented trade deficit and has been unable to compete successfully in the world market.

I have seen the effects of our Nation's current trade policy on my own district, especially as they relate to the steel industry. Earlier this year, the LTV Steel Corp. announced the permanent layoff of nearly 800 workers at its South Chicago plant. Despite many State and local efforts and even after physical remodeling, efficient management and employee wage and benefit concessions, the layoffs took place. Why? Because the domestic steel companies simply cannot compete with inexpensive, subsidized foreign imports dependent on subminimum worker wages.

The Reagan administration has attempted a piecemeal approach to steel imports, projecting only 20.2 percent penetration of the market by foreign sources. But as a result of such an approach, these foreign producers now contribute more than 25 percent of the total steel used in this country. Countries that do not have import agreements with the United States have still been able to export their steel—a situation which certainly undercuts the idea of having these agreements in the first place.

A trade policy that deals with this problem in a comprehensive manner and that faces the general question of fair trade would go a long way in helping America regain its long tradition of competitiveness and productivity. We cannot continue to ignore this issue that is so vital to our Nation's well-being.

YOSSI STERN: ISRAELI ART EXHIBITION

HON. DON SUNDQUIST

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 15, 1986

Mr. SUNDQUIST. Mr. Speaker, it is with great pleasure that I invite you and the Members of this body to an outstanding exhibition of 60 watercolors by one of Israel's best known artists, Yossi Stern.

The exhibit will take place in the Rotunda of the Cannon House Office Building from May 19 to 23. An opening ceremony will be held at 11 a.m. on Tuesday, May 20, in the Cannon Rotunda. At this ceremony you will have an opportunity to meet this great artist.

Stern was born in Hungary in 1923 and arrived in Israel as an "illegal immigrant" in 1939. He studied at Bezalel Academy of Arts in Jerusalem, and has been a professor of art there for 35 years. His drawings, tapestries, watercolors, and oil paintings have been exhibited around the world.

When you look at Stern's work, you will readily see that his watercolors capture the spirit of contemporary Israel while his biblical scenes evoke a sense of joy and contentment.

I hope you will take the time to visit this delightful exhibit being presented in honor of Israel's 38th Independence Day.

HOUSE OF REPRESENTATIVES—*Monday, May 19, 1986*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We admit, gracious God, That we are not masters of our fate and we know the uncertainty of our lives. We pray that Your spirit will be with us along life's way strengthening us when we need to be strong, giving solace when we are hurt, and forgiving when we are wrong. We thank You, gracious God, for Your mercies to us and may Your goodness never depart from us. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate has passed without amendment joint resolutions of the House of the following titles:

H.J. Res. 234. Joint resolution designating the week of May 18, 1986, through May 24, 1986, as "National Food Bank Week";

H.J. Res. 427. Joint resolution designating the week beginning May 11, 1986, as "National Asthma and Allergy Awareness Week";

H.J. Res. 492. Joint resolution to designate the week beginning on June 1, 1986, as "National Neighborhood Housing Services Week"; and

H.J. Res. 613. Joint resolution allowing qualified persons representing all the States to be naturalized on Ellis Island on July 3 or 4, 1986.

The message also announced that the Senate had passed a bill and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 2460. An act to extend until June 30, 1986, the date on which certain limitations become effective with respect to obligations that may be made from the Military Personnel accounts of the Department of Defense for fiscal year 1986;

S.J. Res. 342. Joint resolution to designate May 25, 1986, as "Missing Children Day"; and

S.J. Res. 344. Joint resolution to designate the week beginning June 8, 1986, as "National Children's Accident Prevention Week."

CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar. The Clerk will call the first bill on the Consent Calendar.

RURAL WATER RIGHT-OF-WAY POLICY ACT OF 1985

The Clerk called the bill (H.R. 3617) to exempt rural water systems facilities assisted under the Consolidated Farm and Rural Development Act as amended from certain right-of-way rental payments under the Federal Land Policy and Management Act of 1976.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WORTLEY. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDING THE DEPARTMENT OF DEFENSE AUTHORIZATION ACT, 1985

The Clerk called the bill (H.R. 4530) to amend the Department of Defense Authorization Act, 1985, to provide that members of the Commission on Merchant Marine and Defense shall not be considered to be Federal employees for certain purposes, to extend the deadline for reports of the Commission, and to extend the availability of funds appropriated to the Commission.

There being no objection, the Clerk read the bill, as follows:

H.R. 4530

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. STATUS OF MEMBERS OF COMMISSION ON MERCHANT MARINE AND DEFENSE; EXTENSIONS OF REPORT DEADLINES AND AVAILABILITY OF APPROPRIATIONS.

(a) STATUS OF COMMISSION MEMBERS.—Subsection (d) of section 1536 of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2633), is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding at the end the following new paragraph:

"(2) A member of the Commission appointed under subsection (c)(1)(C) (who is not otherwise employed by the Federal Government) shall not be considered to be a Federal employee, except for the purposes of—

"(A) chapter 81 of title 5, United States Code, relating to compensation for work-related injuries; and

"(B) chapter 171 of title 28, United States Code, relating to tort claims.".

(b) EXTENSIONS.—Such section is further amended as follows:

(1) The last sentence of subsection (b) and the first sentence of subsection (g) are each amended by striking out "the date of the enactment of the law first providing funds for the Commission" and inserting in lieu thereof "the date on which sufficient members of the Commission to constitute a quorum have been appointed".

(2) The second sentence of subsection (g) is amended by striking out "of enactment" each place it appears.

(3) The last sentence of subsection (i) is amended by striking out "September 30, 1988" and inserting in lieu thereof "36 months after the date on which sufficient members of the Commission to constitute a quorum have been appointed".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GORDON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

DEMOCRATS SET AGENDA

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, the critics said that the Democrats were dead and had no new ideas, causing the 1982 Presidential debacle. But today I stand proud to be a Democrat, gloating that our party has set the congressional agenda on tax reform, the budget deficit, and now this week, trade.

House Democrats, led by Representative ROSTENKOWSKI, produced a strong tax reform bill that critics said would die in the other body. But the other body adopted a Democratic bill originally proposed by the gentleman from New Jersey [Mr. BRADLEY], and now tax reform is alive and well.

Last week, the House passed a budget deficit control bill that falls under Gramm-Rudman targets, equally splits the painful cuts between domestic and military spending, and deals responsibly with revenue increases. But the message we sent to the White House and the Republican

Party is that we will not pay for their defense increases nor their new taxes.

This week, House Democrats will take the initiative on trade. Our trade deficit this year is expected to climb to $170.9 billion—U.S. businesses in nearly every manufacturing sector have lost market share at home, while their exports face market business and unfair trade practices abroad. America, once the prominent player in world trade, is finding itself playing second or third string in every market.

The Reagan administration has ignored the need to develop a clear, coherent national trade policy. It prefers instead to respond on an ad hoc, item-by-item basis. Whether the problem relates to automobile trade, textile trade, customs fraud, market access or exchange rate policy, the administration has refused to act until pushed by outside forces—usually Democrats in Congress.

Mr. Speaker, when the voters go to the polls in November, I hope they remember what party set the positive agenda on tax reform deficit reduction, and trade.

NATIONAL TOURISM WEEK AND THE SPLENDOR OF WISCONSIN

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, today marks the first day of National Tourism Week. While we endure 90-degree temperatures and 90-percent humidity here in Washington, let me entice my colleagues with the splendor of northeast Wisconsin. Come to the northwoods and to Door County and enjoy two of the best places on Earth to spend a vacation. Rand McNally's new book, "Vacation Places Rated," calls the northwoods and Door Country two of the best vacation places in America.

Rhinelander, Eagle River, Minocqua, and the entire Oneida, Vilas, Forest County area in the northwoods of Wisconsin and Door and Kewaunee Counties exude the bounty of America, its beauty, and its excitement.

Tourism is big business in Wisconsin. It means millions of dollars for Wisconsin's economy. It means more than 106,000 jobs. And it means $763 million in the pockets of workers and millions more in tax revenue for Wisconsin. The Presidential proclamation designating this week as National Tourism Week calls attention to the importance of tourism to the Nation. The northwoods and Door County are but two of the spots which are important to Wisconsin tourism.

TRADE AND INTERNATIONAL ECONOMIC POLICY REFORM ACT OF 1986

(Mr. BONKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONKER. Mr. Speaker, this week is World Trade Week, so it is appropriate that the House begin consideration of H.R. 4800, the Trade and International Economic Policy Reform Act of 1986. This legislation is the product of six committees working in concert to develop trade legislation that will bring down the trade deficit and make America competitive once again.

H.R. 4800 will give us a more effective trade policy and compel a reluctant President to deal with our trade problems, but it stops short of protectionism.

Secretary Jim Baker recently said that the declining dollar will "fix" our trade problem, but the facts do not support his claim. The dollar has declined relative to the yen by one-third this past year, but the bilateral trade deficit with Japan for March was $5.5 billion, up 27 percent over the previous month and an all-time high.

Clearly the Reagan administration's international economic and trade policies have failed, as evidenced by the accumulating trade deficit and a threatening external debt. It is time for an alternative policy, and that is what the Democratic leadership has done. H.R. 4800 is a bill we can support with pride, and one that will promote our domestic industries while restoring our competitive position abroad.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2031, THE FEDERAL TAX DELINQUENCY AMNESTY ACT OF 1985

Mr. WORTLEY. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 2031, the Federal Tax Delinquency Amnesty Act of 1985.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

GOVERNMENT OF THE ISLAND NATION OF VANUATU IS ESTABLISHING DIPLOMATIC RELATIONS WITH LIBYA

(Mr. SUNIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SUNIA. Mr. Speaker, I rise today to bring to the attention of this House a shocking turn of events taking place in the South Pacific Ocean, which, as you know, is also the home of American Samoa, the U.S. territory which I am proud to represent.

But this beautiful corner of the world is not as tranquil as it once was. On Tuesday of last week, I learned that the government of the island-nation of Vanuatu, an independent republic since only 1980, is in the process of establishing diplomatic relations with Libya. Indeed, I am informed that it is only a matter of time before these two nations proudly link arms.

Last year, I came before this body to warn of the rapid decrease in American influence throughout the Pacific. The Soviet Union has planted its foot in the region, having last August been granted a 1-year license to fish in the vast waters of the island-nation of Kiribati. Overtures of a similar nature have been made to several other small states by the Soviets and Moscow is looking forward to renewing its deal with Kiribati later this year. The American name and presence are not revered as they were in the days following World War II, and our assistance to the region, low to begin with, has decreased in recent years.

Taken by themselves, these are troubling developments which require our attention. But they pale in comparison to what has been happening recently. The proposed bond between Vanuatu and Libya carries an urgency that cannot be ignored.

Who can imagine the final purpose Libya might be considering for Vanuatu? It is no secret that the Soviet Union, as Libya's mentor, is involved in these "diplomatic" proceedings. Similarly, Libya has never been reticent about doing the Soviets' bidding. Mr. Speaker, we would deceive only ourselves if we did not acknowledge the strong possibility of a strategic alliance between Vanuatu, Libya, and the Soviet Union. Such an alliance would be very likely to include some sort of military arrangement, perhaps even a permanent naval base. Should this occur, our naval and shipping needs throughout the Pacific would be severely jeopardized.

Mr. Speaker, we simply can no longer take the Pacific for granted. The people and the nations that occupy one-sixth of the Earth's surface deserve our respect and sincere concern for their welfare. If these are not forthcoming, Vanuatu and nations like it will continue to turn to sources that are eager to step in and exert their power. I urge the Congress to recognize the seriousness of this situation and take the necessary steps that will prevent the South Pacific from becoming just another piece in the game of global chess.

APPOINTMENT OF MEMBERS FROM PRIVATE LIFE TO BOARD OF TRUSTEES OF THE AMERICAN FOLKLIFE CENTER IN THE LIBRARY OF CONGRESS FOR TERM ENDING MARCH 3, 1992

The SPEAKER. Pursuant to the provisions of section 4(b) of Public Law 94-201, the Chair appoints to the Board of Trustees of the American Folklife Center in the Library of Congress for a term ending March 3, 1992, the following members from private life:

Mr. Russell W. Fridley, of St. Paul, MN; and

Ms. Judith McCulloh, of Urbana, IL.

COMMON SENSE IS NOW THE LAW

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, the U.S. Supreme Court is coming home. After a long stretch of years where the Supreme Court decisions seem to have swung a pendulum toward the criminal and away from law enforcement, shackling law enforcement, as it were, it seems that day by day we see increasing evidence that indeed the U.S. Supreme Court is coming home with respect to law enforcement.

Today it issued an opinion in which it said that police authorities need not have a search warrant to fly over and try to detect fields of marijuana or other controlled substances which could be detected from the air.

This is, of course, logical and proper. But after having seen what the Supreme Court has done over the years, it is refreshing to see that what is common sense is also now the law.

THE CONTADORA PROCESS

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, much attention is given to the goal of finding a negotiated agreement in Central America through the Contadora process. Such an agreement would require the cooperation of the Sandinista regime in Nicaragua and the trust of its neighbors that the Sandinista government would honor its commitment.

Considering the Sandinistas' track record, it is hard to understand why the Sandinistas deserve that trust. They promised the OAS in July 1979 they would protect human rights, have free elections, a pluralistic society, and would be nonaligned. None of those promises have been kept. Further, in violation of international law and the language of the Contadora drafts, the Sandinistas continue to supply guerrilla groups in neighboring countries with arms and ammunition.

In March, a series of actions by Honduran military forces resulted in the capture of several caches of Nicaraguan arms destined for El Salvador. The media failed to give attention to the Sandinistas' continuing role in trying to subvert its neighbors. In one case, an arms cache was discovered in a "safe house" in Tegucigalpa with thousands of rounds of rifle ammunition, Marxist-Leninist literature and other documents showing links connecting Nicaraguan suppliers with Salvadoran guerrillas. The continuing efforts of the Sandinistas to subvert their neighbors must be considered in any negotiated agreement in the Contadora process.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HUBBARD). Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, May 21, 1986.

ADMINISTRATIVE CONFERENCE AUTHORIZATIONS

Mr. GLICKMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4588) to authorize appropriations for the Administrative Conference of the United States, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4588

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MEMBERSHIP OF ADMINISTRATIVE CONFERENCE.

(a) Section 573 of title 5, United States Code, is amended—

(1) in subsection (a) by striking "91" and inserting "101"; and

(2) in subsection (b)(6) by striking "36" and inserting "40".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 576 of title 5, United States Code, is amended to read as follows:

"§ 576. Authorization of appropriations

"There are authorized to be appropriated to carry out the purposes of this subchapter not more than $1,600,000 for fiscal year 1986, and not more than $2,000,000 for each fiscal year thereafter up to and including fiscal year 1990. Of any amounts appropriated under this section, not more than $1,000 may be made available in each fiscal year for official reception and entertainment expenses for foreign dignitaries.".

(b) CLERICAL AMENDMENT.—The item relating to section 576 in the table of sections for chapter 5 of title 5, United States Code, is amended to read as follows:

"576. Authorization of Appropriations.".

The SPEAKER pro tempore. Is a second demanded?

Mr. COBLE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Kansas [Mr. GLICKMAN] will be recognized for 20 minutes and the gentleman from North Carolina [Mr. COBLE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4588 would authorize appropriations for the Administrative Conference of the United States from 1986 through 1990. The amounts authorized by this bill are for no more than $1.6 million in fiscal year 1986 and no more than $2 million a year for fiscal year 1987 through 1990.

The Administrative Conference of the United States was established in 1964. The purpose of the Conference is to serve the public by working to attain fairness and balance in the procedures followed by agencies. It also assists the Congress by analyzing or suggesting legislative changes in order to assist in increasing the efficiency and fairness of agency procedures.

The Conference works with agencies on a continuing basis to improve and simplify their regulatory, enforcement, and adjudicatory functions. It also renders technical assistance and advice to other agencies charged with the direct implementation of new legislation, such as the Equal Access to Justice Act and the Regulatory Flexibility Act. In addition, the Conference has statutory mandates, such as those in the Sunshine Act and the Magnuson-Moss Act, to monitor agency implementation of statutory programs.

The committee has examined the activities of the Conference since its last authorization in 1982, and has concluded that reauthorization of the Administrative Conference is fully justified because of the Conference's significant contributions to the improvement of agency operations through its numerous studies and recommendations. For example, between 1982 and 1984 alone, the Conference adopted 18 recommendations and 4 formal statements which addressed a wide range of procedural issues.

In addition, the Conference has carried out a number of specific statutory mandates during this time, including the issuance of model regulations for all agencies for the implementation of the Equal Access to Justice Act. There are also currently pending bills that

would assign new statutory responsibilities to the Conference. One example of such legislation is the bill to reauthorize the Superfund Program.

In the last year, the Conference has also issued a "Guide to Federal Agency Rulemaking," which analyzes and discusses the principles which govern agency rulemaking, and the "Federal Administrative Procedure Sourcebook," which collects the basic statutes, regulations, and related materials on procedural requirements applicable to agencies generally, including the Equal Access to Justice Act, the Ethics in Government Act, the Freedom of Information Act, and the Contract Disputes Act. These documents provide basic source materials for all Government agencies in carrying out their statutory responsibilities.

Based on this record of achievement, the committee has concluded that the Administrative Conference of the United States should be reauthorized as provided in H.R. 4588, and recommends that the House act favorably on H.R. 4588.

The amended bill before the House today is identical to the bill reported by the Judiciary Committee except in one respect. The amended version places a cap on the amount that can be appropriated for the Conference for fiscal years 1987 through 1990, a cap of $2 million for each year, while the committee reported version placed a cap on the authorization for fiscal year 1986 only. This amendment, which has been cleared with the minority, will give definite guidelines to the Appropriations Committee as to the maximum level of funding which the Administrative Conference should receive. While it implies no criticism of the Administrative Conference, which has performed and will continue to perform, services of value to this Government, these caps nevertheless demonstrate the need we currently face for fiscal restraint.

The administration supports enactment of H.R. 4588, and I urge its passage, as amended, by the House.

□ 1215

Mr. COBLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I believe my colleague and good friend from Kansas, Mr. GLICKMAN, touched on this, but I would like to note that this bill sets a cap on the expenditures of this organization that is below the administration's budget request.

I believe, Mr. Speaker, that the cap is a realistic one; one with which the conference can live. I support it.

Mr. GLICKMAN. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. COBLE. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kansas [Mr. GLICKMAN] the House suspend the rules and pass the bill, H.R. 4588, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

SUSQUEHANNA RIVER BASIN COMPACT

Mr. GLICKMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2971) granting the consent of the Congress to the amendments to the Susquehanna River Basin Compact.

The Clerk read as follows:

H.R. 2971

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENTS TO SUSQUEHANNA RIVER BASIN COMPACT.

(a) CONSENT OF CONGRESS.—The consent of the Congress is hereby given to the amendments, described in subsection (b), to the Susquehanna River Basin Compact, entered into by the States of New York, Pennsylvania, and Maryland and consented to by the Congress in the Act of December 24, 1970 (84 Stat. 1509).

(b) DESCRIPTION OF AMENDMENTS.—The amendments referred to in subsection (a) have been ratified by the States described in such subsection and have the effect of—

(1) amending section 13.9 of Article 13 of the Susquehanna River Basin Compact (84 Stat. 1528) to read as follows:

"13.9 Interest. Bonds shall bear interest at such rate as the commission shall determine, payable annually and semi-annually."; and

(2) amending section 13.13 of such article (84 Stat. 1528) to read as follows:

"13.13 Sale. The commission may fix terms and conditions for the sale or other disposition of any authorized issue of bonds and may sell its bonds at less than their par or face value. All bonds issued or sold for cash pursuant to this compact shall be sold on sealed proposals to the highest bidder. Prior to such sale, the commission shall advertise for bids by publication of a notice of sale not less than ten days prior to the date of sale, at least once in a newspaper of general circulation printed and published in New York City carrying municipal bonds notices and devoted primarily to financial news. The commission may reject any and all bids submitted and may thereafter sell the bonds so advertised for sale at private sale to any financially responsible bidder under such terms and conditions as it deems most advantageous to the public interest, but the bonds shall not be sold at a net interest cost calculated upon the entire issue so advertised, greater than the lowest bid which was rejected. In the event the commission desires to issue its bonds in exchange for an existing facility or portion thereof, or in exchange for bonds secured by the revenues of an existing facility, it may exchange such bonds for the existing facility or portion thereof or for the bonds so secured, plus an additional amount of cash, without advertising such bonds for sale.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Kansas [Mr. GLICKMAN] will be recognized for 20 minutes and the gentleman from North Carolina [Mr. COBLE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill, H.R. 2971, would grant the consent of Congress to amendments to the Susquehanna River Basin Compact which would remove the current 6 percent limit on bond interest and permit the Susquehanna River Basin Commission to fix the interest rate of bonds issued under the compact. The amendments would delete a provision that presently bars sales below par or face value when the effect of the sale would result in an interest cost to the Commission of more than 6 percent.

The Susquehanna River Basin Compact was consented to in 1970 with the enactment of Public Law 91-574. The original provisions of the compact included the provisions which would be amended by the amendments embodied in this bill. These amendments have been approved by the signatory States of New York, Pennsylvania and Maryland in laws enacted by the legislatures. Section 13.9 stated that all bonds issued by the Commission were to bear interest at not to exceed 6 percent per year payable annually or semiannually. Section 13.13 concerning sale of bonds, while authorizing the Commission to sell bonds at less than their par or face value contained the limitation that no issue of bonds could be sold at an aggregate price below the par or face value thereof if the net interest cost of the issue to the Commission would result in an interest rate of more than 6 percent per year. As has been stated, the amendments would be to allow the Commission to fix the rate applicable to its bonds, and similarly delete the parallel provision that limited the sales at par or face value to an interest rate yielding an interest cost to a rate at no more than 6 percent.

The Commission was given the responsibility of developing and imple-

menting a comprehensive plan for the river basin. The plans as developed covers six major areas of water resources concern including: First, flood plain management and protection; second, water supply, third, water quality; fourth, watershed management; fifth, recreation, fish and wildlife; and sixth, cultural, visual, and aesthetic values. As required by the compact, the plan also considers the Chesapeake Bay, which receives about 50 percent of its freshwater from the Susquehanna. Under the guidance of the comprehensive plan, the Commission carries out programs, promulgates regulations, coordinates signatory activities, reviews water resources projects and, as necessary, initiates water resources projects of its own.

The Commission has advised the committee that the interest limit of 6 percent severely restricts its ability to obtain funds in the present day credit market. Unless such money is available at 6 percent or less, the Commission cannot obtain the necessary funds for its projects.

The committee has been advised that the Commission expects to execute contracts with the Corps of Engineers and the user groups sometime in early 1986 following the completion of certain special studies on the project and a public hearing. The Commission has stated that congressional approval of the Compact amendments will minimize the problems related to undertaking this project.

In its report to the committee on the bill, the Department of the Army stated it has no objection to its enactment. It is recommended by the Committee on the Judiciary that the bill be considered favorably.

Mr. COBLE. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. GEKAS], the sponsor of this legislation, who is responsible for its being before us today.

Mr. GEKAS. I thank the gentleman for yielding to me.

Mr. Speaker, I am very grateful to the gentleman from Kansas for taking to heart my imploring him to consider this legislation and to finally bring it to the floor of the House.

The Susquehanna River flows majestically from New York State, through Pennsylvania, through Maryland, thus touching upon the lives of thousands of our fellow Americans in those three important States of the Union. Then it flows into the Chesapeake Bay.

These are important facts to consider when you look over the geography of the Nation and to recollect that the President of the United States, in one of his State of the Union messages, paid extra attention to the Chesapeake Bay and initiated a new program to clean up the Chesapeake Bay, which, in conjunction with what goes on northward of the Chesapeake Bay in the Susquehanna River, makes this kind of legislation all the more important.

The flood projects that might yet come on to the blueprints for the Susquehanna River are as a result of a whole host of historical factors, including the severe Agnes storm of 1972 and the one that followed in 1975, plus the historical presence, as I say, of the Susquehanna river in this particular region.

I am very pleased that the artificial limitation of 6 percent for bond issues will be lifted as a result of this legislation, allowing the Susquehanna River Basin Commission to apply its discretion with the bond market and within the financial situation that might pertain at a particular time to effectuate a long-desired or planned flood project.

The gentleman from Kansas alluded to it; this is a compact among four entities: the State of New York, the State of Pennsylvania, the State of Maryland, and the U.S. Government. So it shows that it has a regional and national importance. To artificially limit it at 6 percent means that many flood projects would have to be foregone or not even begun because of the nature of the financial market.

□ 1225

The way that interest rates are falling these days—and we hope that they continue—this may turn out to be moot, this 6 percent, but I doubt it, and especially do I doubt it in the near future.

So I repeat my gratitude to the gentleman from Kansas, to the ranking member of the subcommittee, and to the gentleman from North Carolina [Mr. COBLE] on the Republican side of the committee.

Mr. COBLE. Mr. Speaker, I have no additional requests for time, and I yield back the balance of my time.

Mr. GLICKMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kansas [Mr. GLICKMAN] that the House suspend the rules and pass the bill, H.R. 2971.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

FEDERATED WOMEN'S CLUBS CHARTER

Mr. GLICKMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4434) to amend the act entitled "An Act granting a charter to the General Federation of Women's Clubs."

The Clerk read as follows:

H.R. 4434

Be it enacted by the Senate and House of Reprcsentatives of the United States of America in Congress assembled, That the first section of the Act entitled "An Act granting a charter to the General Federation of Women's Clubs", approved March 3, 1901, is amended by (1) inserting "(a)" after "That", (2) striking the comma after "succession" and all that follows through "pleasure", (3) and adding the following new subsections at the end thereof:

"(b) The General Federation of Women's Clubs shall be organized and operated exclusively for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954 and shall otherwise comply with any requirements for classification as an exempt organization under such section. Said charitable purposes shall be achieved through volunteer efforts on the part of the membership of the General Federation of Women's Clubs, specifically including arts programs, conservation programs, educational programs, homelife programs, international affairs, public affairs programs advancing information regarding public affairs, and community improvement programs.

"(c) In the event of the dissolution of the General Federation of Women's Clubs, its board of directors shall liquidate and distribute its assets to organizations qualified as exempt organizations under section 501(c)(3) of the Internal Revenue Code of 1954 with purposes similar to those of the General Federation of Women's Club.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Kansas [Mr. GLICKMAN] will be recognized for 20 minutes and the gentleman from North Carolina [Mr. COBLE] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill would restate the purposes of the General Federation of Women's Clubs by deleting the present language stating the purpose of the organization, and adding a new subsection to the first section of the charter. The new language states that the federation is organized and operated for charitable and educational purposes within the meaning of section 501(c)(3) of the Internal Revenue Code of 1954 and that it is to comply

with the requirements of that section. A new subsection (c) provides that in the event of dissolution, all assets are to be distributed to 501(c)(3) organizations with similar purposes.

The General Federation of Women's Clubs was chartered on March 3, 1901. The purposes were that it was incorporated "for educational, industrial, philanthropic, literary, artistic and scientific culture, and to bring into communication with one another the various women's clubs throughout the world." It has performed outstanding services for hundreds of thousands of Americans.

The general federation was recognized as an example nonprofit organization in 1984 under section 501(c)(3). However, because of the broad terminology of its original statement of purposes, it was recommended by their legal counsel that the purposes of the organization be restated to make clear that its purposes were charitable and educational. This is what the bill does.

In addition, the language states these purposes are to be achieved through volunteer efforts of its membership in arts programs, conservation programs, educational programs, homelife programs, international affairs, public affairs programs, and community improvement programs.

In the event of dissolution, a new subsection (c) provides that the assets of the General Federation of Women's Clubs are to be distributed to organizations qualified as exempt organizations under 501(c)(3) with purposes similar to the general federation.

It is recommended that the bill be considered favorably.

Mr. COBLE. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. GLICKMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

GENERAL LEAVE

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kansas [Mr. GLICKMAN] that the House suspend the rules and pass the bill, H.R. 4434.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

U.S. MINT AUTHORIZATION

Mr. ANNUNZIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4529) to authorize appropriations for the U.S. Mint for fiscal years 1987 and 1988, as amended.

The Clerk read as follows:

H.R. 4529

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AUTHORIZATION OF APPROPRIATIONS.

(a) ANNUAL OPERATING COSTS.—Paragraph (2) section 5132(a) of title 31, United States Code, is amended to read as follows:

"(2) Not more than $43,521,000 may be appropriated to the Secretary for the fiscal year ending on September 30, 1987, to pay costs of the mints and assay office.".

(b) EXPANSION AND IMPROVEMENT OF MINT FACILITIES.—Not more than $694,000 may be appropriated to the Secretary of the Treasury for expansion and improvement of mint facilities. Amounts appropriated pursuant to this subsection shall remain available until expended.

SEC. 2. PROFITS FOR SALE OF NUMISMATIC ITEMS AVAILABLE ONLY FOR PUBLIC DEBT REDUCTION.

(a) IN GENERAL.—Subsection (b) of section 5111 of title 31, United States Code, is amended by striking out the last 2 sentences and inserting in lieu thereof the following new sentences: "The Secretary shall charge the coinage profit fund with waste incurred in minting coins, costs incurred in distributing coins, and costs incurred in connection with the preparation and sale of numismatic items, including the value of gold certificates (not exceeding forty-two and two-ninths dollars a fine troy ounce) retired from the use of gold contained in any numismatic item. The Secretary shall credit amounts received from the sale of numismatic items to the coinage profit fund. Excess amounts in the coinage profit fund shall be deposited by the Secretary in the general fund of the Treasury and shall be used for the sole purpose of reducing the national debt.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Paragraph (1) of section 5132(a) of title 31, United States Code, is amended by striking out the second sentence.

(2) Subsection (g) of section 5112 of title 31, United States Code, is amended by striking out "of section 5132(a)(1)".

(3) Paragraph (3) of section 5112(i) of title 31, United States Code, is amended by striking out "of section 5132(a)(1)".

(4) Subsection (f) of section 2 of the Gold Bullion Coin Act of 1985 is hereby repealed.

(5) Subsection (f) of section 5112 of title 31, United States Code, is amended by striking out "dyes" and inserting in lieu thereof "dies".

SEC. 3. REDESIGNATION OF ASSAY OFFICE AS MINT.

(a) REDESIGNATION.—Section 5131(a)(4) of title 31, United States Code, is amended by striking out "assay office" and inserting in lieu thereof "mint".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 5131(b) of title 31, United States Code, is amended by striking out "assay offices" each place such term appears and inserting in lieu thereof "assay office".

(2) Section 5132(b) of such title is amended by striking out "assay offices" and inserting in lieu thereof "assay office".

(3) Section 5133(a)(1) of such title is amended by striking out "and the officer in charge of the assay office at San Francisco" and by striking out "or officer".

(4) Section 5133(a)(2) of such title is amended by striking out "and the officer" and by striking out "or officer"

(5) Section 5133(a)(3) of such title is amended by striking out "and the officer".

(6) Section 5133(b) of such title is amended to read as follows:

"(b) SETTLEMENT OF ACCOUNTS.—

"(1) IN GENERAL.—At least once each year, the Secretary of the Treasury shall settle the accounts of the superintendents of the mints and the assay office.

"(2) PROCEDURE.—At any settlement under this subsection, the superintendent shall—

"(A) return to the Secretary any coin, clipping, or other bullion in the possession of the superintendent; and

"(B) present the Secretary with a statement of bullion received and returned since the last settlement (including any bullion returned for settlement).

"(3) AUDIT.—The Secretary shall—

"(A) audit the accounts of each superintendent; and

"(B) allow each superintendent the waste of precious metals that the Secretary determines is necessary—

"(i) for refining and minting (within the limitations which the Secretary shall prescribe); and

"(ii) for casting fine gold and silver bars (within the limit prescribed for refining) except that any waste allowance under this clause may not apply to deposit operations.".

(7) Subsections (c) and (d) of section 5133 of such title are each amended by striking out "assay offices" and inserting in lieu thereof "assay office".

The SPEAKER pro tempore. Is a second demanded?

Mr. ROTH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. ANNUNZIO] will be recognized for 20 minutes and the gentleman from Wisconsin [Mr. ROTH] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ANNUNZIO].

Mr. ANNUNZIO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, although the legislation before the House today is the U.S. Mint authorization bill, it might well be called the "double whammy." This legislation not only has a single whammy of saving taxpayers $4.2 million next year, but has a second whammy that will reduce the national debt by at least $20 million each year.

I know this sounds too good to be true, but that is exactly what the legislation will accomplish.

H.R. 4529 would authorize an appropriation of $43,521,000 for the U.S.

Mint for fiscal year 1987. This is the amount that the mint has requested in its testimony on the bill before the Consumer Affairs and Coinage Subcommittee. It is $4.2 million less than the mint had requested in testimony before the Appropriations Committee, and it is $3 million less than last year's authorization.

The legislation also authorizes the appropriation of $694,000 so that the mint may acquire materials-handling equipment to complete improvements at the Denver Mint.

The mint requested less money for next year because it has excessive coin reserves and will not have to produce as many coins in the next fiscal year.

This 1-year aurhorization is consistent with the policy the Congress has followed since 1981, when the mint's authorization was changed from a permanent, to a 1-year, authorization. This has enabled Congress to maintain effective oversight on the operations of the mint. This has been beneficial to both the Congress and the mint, and it is a policy wisely continued in H.R. 4529.

The second section of the bill, as amended, transfers the reimbursable programs of the U.S. Mint from the appropriated salaries and expenses account to the coinage profit fund. The reimbursable programs are completely self-sustaining, and have no impact on the amount of the mint's appropriation. In fact, the programs return a profit to the Treasury. Transferring the programs to the coinage profit fund, coupled with the language that requires the profits from the coinage profit fund be used only to reduce the national debt, removes any temptation to find a reason to spend the money. It assures that these revenues are used to meet the No. 1 problem facing us, namely, the Federal deficit.

Based on this year's reimbursable coin program and the projections for next year, at least $20 million per year can be used to retire the national debt. It may well be that the reduction will be even greater in years where special coin programs, such as the Statue of Liberty coin sales effort, are in operation.

The transfer is also consistent with the treatment that Congress has given to specially authorized commemorative coin programs. The accounting for those programs has been through the coinage profit fund. This amendment would account for the annual numismatic coin programs of the mint in a consistent manner.

The third section of the bill redesignates the San Francisco Assay Office as a U.S. Mint. Since a full range of coins are struck at San Francisco, the facility should have the same standing as the Denver and Philadelphia Mints.

The U.S. Mint has been a profitable and generally well-run operation. Its management has been receptive to suggestions from your Coinage Subcommittee, the Members of Congress, and the general public. The mint has not been afraid to be innovative. In its testimony, the mint freely and frankly admitted that its earlier coin predictions were too high and requested a lower authorization than it had requested earlier this year. This shows flexibility for which it is to be commended, and I urge the passage of H.R. 4529.

Mr. ROTH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 4529, the U.S. Mint authorization for 1987.

I want especially to commend the chairman of the Consumer Affairs and Coinage Subcommittee, Mr. ANNUNZIO, and the ranking member of the subcommittee, Mr. HILER, for their work in putting this package together.

The chairman, Mr. ANNUZIO, is one of the most diligent Members of this House. Where currency and coinage issues are concerned, he is truly a most effective watchdog of the Treasury.

Of the gentleman from Indiana, I would say that the American taxpayer has no greater friend than JOHN HILER. A word also to the staff which is so diligent and bright.

A word of commendation is also in order for the Director of the Mint, Donna Pope, who worked with the subcommittee to develop a responsible budget for the mint which represents the best interests of the taxpayer.

It is important to note that this legislation provides for a reduction in the fiscal 1987 mint authorization of 9 percent below the original request. Here we have a case of an agency which has realistically assessed its needs. I am also pleased that our Subcommittee on Consumer Affairs and Coinage has not needed prodding to make cuts in a program it oversees. I hope this can serve as an example for other executive branch agencies and committees of Congress.

The original request made by the mint for 1987 programs was $47.808 million for salaries and expenses. The request contained in H.R. 4529, which is precisely the same as the mint's latest request, is for $43.521 million, a reduction of about $4.3 million in budget authority and a reduction in mint personnel.

The legislation before us provides, first, for a reduction in expenditures for the coinage production program.

There has been a sharp decline in the demand for coinage. Today, coinage reserves range from more than 8 months for pennies to more than 2 years for half-dollars. Both the committee and the mint agree that coin production can be reduced with no adverse impact on supplies, at a significant savings of tax dollars.

In addition, this legislation protects the highly profitable numismatic operations of the mint from potential cuts under the Balanced Budget and Emergency Deficit Control Act. It achieves this goal by removing numismatic programs from the appropriated account and places them in the coinage profit fund. Congress exempted the coinage profit fund from automatic Gramm-Rudman cuts. This only makes sense, since numismatic operations have consistently earned profits for the Treasury. Subjecting them to Gramm-Rudman would have an effect which is just the reverse of what we intended under that act.

Profits earned under numismatic operations, expected by the mint to be $20 millon in 1987, will be used to reduce the national debt. This is one piece of legislation that is certainly going in the right direction. Let's hope it's a model to others.

Mr. Speaker, the U.S. Mint has as its primary purpose the striking of coins for domestic use. We are, I believe, making progress in ensuring that our coinage manufacturing operations are being conducted in a cost-effective manner, using the most modern facilities and equipment we can.

We have the largest mint in the world, producing upward of 15 billion coins a year. Until recently, we had a relatively small investment in modernization, but I am convinced that our record is improving.

This legislation will allow for a modest increase in research and development funding, which will allow further improvements in production operations at the mint. It also will allow for the replacement of wornout or obsolete equipment. Finally, it provides $694,000 requested by the mint for expansion and improvements at the Denver Mint.

A second, key function of the mint is the highly visible numismatic and modal program. These programs benefit the U.S. Treasury and are a source of pride for U.S. citizens who are collectors or investors.

The mint has showed its ability to market successfully a wide range of numismatic items, such as the Statue of Liberty-Ellis Island commemorative coin and the Olympic coin. A test of the mint's marketing skills will be the new gold and silver coin program. I am pleased that the mint is virtually meeting the scheduled release targets for these coins which was established in the legislation approved last year. Both the gold and silver coins should be on the market by the beginning of October.

I believe much of the credit for the success of these programs lies with the excellent leadership at the mint. But it also lies with the chairman of our Consumer Affairs and Coinage Subcommittee, the gentleman from Illinois, Mr. ANNUNZIO. He keeps every-

one vigilant and has a deep concern for how tax money is spent.

This is good legislation. I urge my colleagues to support it.

□ 1235

Mr. ANNUNZIO. Mr. Speaker, I want to commend the gentleman from Wisconsin [Mr. ROTH], one of the ablest members of the Consumer Affairs and Coinage Committee. I want to thank him for all the kind remarks that he has made on my behalf, but I also would like to point out to the Members of the House that the credit for the outstanding job being done in the Coinage and Currency Committee is a reflection on all the members who attend the meetings, who are conscientious and devoted to the cause of duty in our committee. I want to thank the gentleman from Wisconsin [Mr. ROTH] for his excellent cooperation.

Mr. ROTH. Mr. Speaker, I thank the gentleman.

Mr. HILER. Mr. Speaker, I join Chairman ANNUNZIO in his support of H.R. 4529, the U.S. Mint budget authorization for fiscal year 1987. This bill, as amended in the Consumer Affairs and Coinage Subcommittee, is good legislation and deserves the fullest support of this body.

Perhaps the most commendable feature of this measure is its authorization of $43.521 million for salaries and expenses of the U.S. Mint during fiscal year 1987. This figure is about $4 million less than the administration's original fiscal year 1987 budget request of $47.8 million for the U.S. Mint. Moreover, the fiscal year 1987 authorization that we are considering today is $3 million less than the fiscal year 1986 appropriation for the Mint.

Mr. Speaker, what is remarkable about this reduced authorization is that it was requested by the U.S. Mint itself. When Hon. Donna Pope, Director of the Mint, appeared before the Consumer Affairs and Coinage Subcommittee last week, she informed its members that as a result of a severe decline in coin demand and the accumulation of excessively large inventories of coins, the mint decided to lower its budget request for fiscal year 1987. Rarely does the head of a Federal agency come before the Congress with a budget request that has been revised downward. The Mint and the U.S. Treasury should be commended for their reasonable approach to budgeting, as well as for their contribution to efforts to reduce the Federal budget deficit.

H.R. 4529, as amended, also contains several other meritorious provisions. One of the most significant of these removes the Mint's reimbursable programs from the appropriated accounts and places them in the coinage profit fund. This measure will protect the Agency's numismatic programs from Gramm-Rudman budget cuts, since Gramm-Rudman specifically exempts the coinage profit fund from its ax.

Mr. Speaker, some might question the merits of this protective measure. However, the Mint's numismatic programs continue to be a profit center for the U.S. Government. In fiscal year 1987, the Mint expects to contribute to the U.S. Treasury a profit of $20 million from the sale of numismatic items. The subjection of these profitable programs to Gramm-Rudman budget cuts could actually have a perverse effect on budget reduction efforts. Certainly every effort should be made to avoid this counterproductive scenario.

Mr. Speaker, H.R. 4529 is commendable legislation, and I hope that my colleagues will give it their full support.

Mr. ROTH. Mr. Speaker, I have no further requests for time.

Mr. ANNUNZIO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. ANNUNZIO] that the House suspend the rules and pass the bill, H.R. 4529, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to authorize appropriations for the United States Mint for fiscal year 1987, and for other purposes."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROTH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4529, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

THE WORLD ECONOMY AND ITS EFFECT ON U.S. MILITARY SPENDING AND TRADE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. REGULA] is recognized for 60 minutes.

Mr. REGULA. Mr. Speaker, I rise today to address the House on the world economy and its effect on U.S. military spending and trade.

"Global geopolitics is being reshaped in a way that defines security more in economic than in traditional military terms." So writes Les Brown in his 1986 "State of the World" publication. We would do well to heed his warnings on the changing world economic climate and what those changes require for America's survival as a global economic power.

For 40 years, the United States and the Soviet Union have been engaged in an arms race that is impacting heavily on both of our economies. While the United States devoted some 7 percent of its GNP to defense in 1985, the Soviet Union, trying to maintain a competitive military establishment with a much smaller economy, allocated 14 percent.

Preoccupied with each other, the superpowers have failed to recognize that national security includes economic security as well as being defined in purely military terms.

One country that has recognized this emergence is Japan. Following World War II, Japan was both sheltered under the U.S. defense umbrella and barred from the arms race by stipulations preventing Japan from amassing a huge offensive force. Thus freed from a military burden, Japan has been forging ahead industrially and rapidly capturing a key position among the world economic powers.

Per capita income in Japan surpassed that in the Soviet Union in the midsixties and will shortly surpass that of the United States. In trade, Japan's exports are nearly double those of the Soviet Union. And, if recent trends continue, before 1990, Japan will supplant the United States as the world's leading trading power.

The message is clear. Unless the United States makes changes now, we will lose our economic footing and fall to a global position from which recovery may well be impossible. Under the new definitions of strength, our arms race becomes less meaningful. In this new age, world political influence derives more from the economic strength of a highly productive, internationally competitive economy than from nuclear arsenals.

On the other hand, history and the military reality of global struggles force us to maintain a certain level of military strength and preparedness for worldwide contingencies. The difficulty is striking the balance and remaining strong militarily without losing our position as a global economic power.

In the past, I have addressed this body to stress putting pressure on our allies to assume more of the Free World defense burden. My words, though echoed throughout the administration, have done little to spark real change in allied defense spending.

I have even proposed legislation that would place tariffs on allied imports in levels designed to recover the costs we incur in protecting them. Once again, this idea has been met with indifference and even opposition from the administration.

I now submit that the changing world power struggle necessitates taking a different approach.

The doubling of the U.S. national debt, from $914 billion in 1980 to $1,841 billion in 1985, is due more to the growth in military expenditures than to any other single factor. Between 1980 and 1985, U.S. military expenditures climbed from $134 billion to $244 billion. This increase of roughly $100 billion dwarfs growth in all other major economic sectors.

While the deficit was more than doubling between 1980 and 1985, interest payments on the total debt, reflecting higher real interest rates, were climbing even more, reaching an estimated $143 billion in 1986.

The growing Federal deficit is mortgaging the U.S. economic future and, consequently, the Nation's position in the world economy. Among other things, it is leading to record-high real interest rates and an overvalued dollar that make U.S. exports more costly, in turn weakening the country's competitive position.

Industry in the United States has been doubly handicapped by these soaring military expenditures. Averaging over $200 billion per year since 1981, U.S. military expenditures have totaled $1,000 billion during the first half of the eighties, siphoning capital away from investment in industrial plant and equipment and leaving the Nation with outdated, inefficient industrial facilities in many sectors.

Even when American corporations have capital to invest, they are reluctant to commit it at home, given their inability to compete in either overseas or domestic markets. One result is declining output in basic industries, such as steel, automobiles, and machine tools. Between 1981 and 1984, a period of moderate economic expansion in the United States and worldwide, 2 million Americans lost jobs in these basic industries.

The deindustrialization of America now in progress is evident from recent U.S. labor statistics, which show that every month 20,000 to 30,000 manufacturing industry workers lose their jobs. This is an alarming figure. Translated into Japanese terms, it is equivalent to the collapse of a major corporation every month. Admittedly, there is growth in jobs in the service sector, but, meanwhile, the way things are going, some now suggest that the share of workers in secondary industry, that is, the manufacturing sector, will soon drop below 20 percent.

Secondary industry has been the mainstay of the U.S. economy. The service sector is less productive and pays wages that are only about 70 percent of those in manufacturing.

Meanwhile, the U.S. trade deficit has climbed from $36 billion in 1980 to a staggering $150 billion in 1985. The $70 billion trade deficit of 1983 has more than doubled in just 2 years. This ballooning U.S. trade deficit and the associated borrowing abroad to finance the Federal debt have cost this country its position as the world's leading international investor. Almost overnight, the United States has become a debtor nation.

Much of our trade problem lies with Japan. The combination of negligible defense expenditures and high domestic savings have enabled the Japanese to invest heavily in modernizing plants and equipment. This, in turn, enhances Japan's competitive position, enabling it to achieve a large foreign trade surplus, even though it imports virtually all its oil and most of its raw materials.

Very obviously, Japan is challenging U.S. dominance of world trade. In 1950, exports from the United States exceeded those from Japan by more than 10 to 1. Over the years, this gap slowly narrowed, until by 1970, it was little more than 2 to 1. As recently as 1980, it was still near this level, but the U.S. advantage is disappearing during the eighties. By 1985, U.S. exports were only 20 percent greater than those of Japan.

The U.S. economy is still twice as large as Japan's, and we have a vastly superior indigenous resource base of land, energy fuels, minerals, and forest products. Nonetheless, the United States is in the process of losing its role of world leadership. A country that is a net debtor, borrowing heavily from the rest of the world, will find its economic and political leadership diminished.

What, then, can we do? The key lies in reducing our debt and deficit. This is certainly not a surprising answer, as over half of the debate in this Chamber revolves around the problem of the deficit. But we need to tackle the deficit in a new way—one that addresses the allied military imbalance and our reduced position in the world trade economy.

Since our Federal deficit stems to a great extent from the increases in our military spending, it is time to examine our military commitments around the globe and determine where we can reduce expenditures.

In 1983 figures, the United States was shouldering nearly 70 percent of the Free World defense burden. Japan assumed only 3.8 percent of defending Free World interests, while non-U.S. NATO countries and France provided less than 20 percent. While some changes have occurred in allied burden-sharing in recent years, the bottom line is that we are still paying the lion's share for our allies' protection worldwide.

This made sense after World War II when the United States was the only allied country not decimated by the war effort. Japanese and European economies were in tatters, and their limited capital was necessarily spent to feed and shelter their populations and repair the many devastations of the war.

Those days are over. Japan and Europe now threaten America's economic survival through unfair trade practices and a failure to assume their share of the defense burden. Their GNP's are on par with our own and their economies are comparable. It is no longer appropriate or necessary for the United States to play the rich uncle among our allies. On the contrary, the uncle is facing hard times and it is time for the younger members of the family to grow up and assume their rightful places in the Free World's responsibilities.

We have a tremendous military commitment abroad. Our overseas forces number 520,000, with 64,850 afloat. These figures do not reflect the many military dependents who live abroad with our servicemen and women. In Europe alone, we maintain 353,100 military personnel, with 27,250 afloat in the European Theater.

The costs of these soldiers and sailors in Europe are difficult to determine, as each cost estimate necessarily takes into account different perceptions of the cost factors involved. It is estimated that the total costs of European-deployed U.S. forces is $55 billion.

Other estimates put this figure much higher. For example, the cost of U.S. forces formally committed to NATO as listed in the NATO Defense Planning Questionnaire is $133 billion. Still other estimates consider this figure too low.

The fact is that we are spending a tremendous amount of money to defend Europe. While U.S. interests certainly run high in maintaining peace and security in Europe, one has to wonder why our concern for European security seems to be far stronger than that of the Europeans themselves.

I fear that Europeans take us for granted. They are anxious to have us defend them, yet we are not to expect their public support for such defense. In fact, as the Libyan bombing incident grossly pointed out, we are not even to expect their support when we are faced with serious security threats on their own soil.

It is time to address the realities of the new age. Perhaps it is time for Europe to play a much larger role in its defense.

Japan is in the same position. We have committed 143,800 troops in the Pacific and Far East, with 33,600 afloat in the theater. Our actual costs in defending Japanese interests are similarly difficult to gauge, but they run in the billions. And the Japanese have steadfastly resisted all efforts to assume more of the Pacific defense costs, all the while vastly enjoying the protected shipping lanes that bring them oil and safely carry their cars, televisions, and steel to America and throughout the world.

In fact, we have so spoiled our allies that many are now demanding increased trade with the United States in exchange for the "privilege" of operating U.S. bases on their soil. It is obvious that they have lost all sight of the true nature of America's military presence around the world.

This was glaringly pointed out in an April 2, 1986, Washington Post article about allied countries linking trade and security concerns. Secretary of State George Shultz was meeting with Turkish Prime Minister Turgut Ozal over the renewal of an agreement of American military bases in Turkey. Ozal was quoted as saying, "If I give them bases, I want an increase in trade in return." He said that Turkish exports to the United States should jump from their 1984 level of $433 million to $3 billion.

It is reported that other countries are more subtle in linking trade and security. South Korea, for example, frequently makes quiet use of its security concerns in trade talks without officially raising them at the bargaining table. The Koreans like to underscore their vulnerability to Communist takeover by taking trade negotiators to the 38th parallel, less than an hour's drive from Seoul, where the visitors can look across the border at Communist North Korean troops.

We maintain thousands of military personnel in South Korea. These Americans are there to provide for security in the region. While South Korea does commit more to national defense than most of our other allies—5.7 percent of GNP in 1983—they could do more toward their own protection. Linking trade concessions to "allowing" U.S. bases on Korean soil is not the correct posture for a government so reliant on U.S. military support.

Apparently, security considerations provide an unstated underpinning to our trade relations with Japan, serving as a force for limiting pressure on Tokyo to open markets. Our own Defense Department, during Cabinet meetings, frequently urges restraint by U.S. trade officials on possible trade retaliation against Japan, arguing that stiff action might harm the security aspects of the relationship.

For Japan, it appears the trade relationship is more important. The United States seems to give more emphasis to national security. I think it is time to alter our priorities and force Japan and our allies into the military realities of the 1980's. They obviously need to be reminded that our overseas bases go a long way toward protecting their interests.

Another aspect of this, particularly with regard to Japan, is the disparity between the openness of our respective markets. While this is a commonly-expressed concern from a purely trade standpoint, it is important to look at this factor as it affects the military purchases of both countries.

Technology for the Strategic Defense Initiative (SDI or "star wars") is a perfect example. America's most sophisticated weapons are rapidly becoming dependent on components imported from Japan. Defense industry sources are particularly concerned about SDI, where Japanese high-technology companies now outstrip U.S. defense contractors in several key technologies vital to the development of such a system.

While U.S. companies are able to do most of the SDI systems design work, the cheapest and most reliable hardware—ranging from lasers to new materials—is produced by the Japanese. For example, the Japanese have become the world's dominant supplier of computer memory chips—a key element in many electronics-based weapons systems.

Three high-level commissions are examining the military's growing reliance on overseas electronics: A newly formed Defense Sciences Board Task Force on Semiconductor Dependency; a panel of the Pentagon's joint logistics commanders; and a National Academy of Science Electronics Components Committee.

Currently, there are no good estimates on what percentage of defense electronics components are produced overseas. However, the House Armed Services Subcommittee staff has stated that roughly 80 percent of the military's silicon chips are manufactured in Asia.

Meaningful estimates of Japanese content of U.S. defense electronics are further complicated because U.S. contractors do not always have to disclose where the components for their electronics systems were originally made.

In addition to volume supply, Japanese companies recently have begun to provide critical components for such weapons systems as missiles and electronic warfare devices, according to Pentagon and industry officials. Exacerbating that situation is the fact that, in some areas, Japanese companies have become the sole providers of high-quality, low-cost key electronics materials after winning price wars, often unfairly fought, with American companies.

After Monsanto Co. dropped out of the market 3 years ago, for example, the United States no longer has a domestic supplier of "float-zone" silicon—a special kind of silicon used in fabricating high-power electronic switching devices that would be indispensable for space-based weaponry. Japanese companies are the key U.S. defense suppliers.

Much of the reason for this is cost. Most technology experts agree that if the Pentagon is serious about obtaining the best high technologies at the most reasonable cost, most of the component production will be done offshore by Japanese high-technology concerns—unless there are specific policies designed to minimize foreign involvement.

On the other hand, Japan's Defense Agency is currently debating whether to buy foreign—likely U.S.—planes to replace their 10-year-old F-1 fighter jets or to produce them domestically. At the present time, the Japanese do not have the domestic capability to produce fighter jets, but Japanese commercial aircraft companies are pushing for the chance to design and build the planes at home.

The Japanese Defense Agency says it may commission Japanese aircraft industries for this project, expected to total more than $5.6 billion. While industry officials concede that the West is ahead in many aerospace technologies and has the edge on cost, they are confident Japan's industry has much of the necessary technology and can learn what it doesn't know.

U.S. officials disagree. They say that the Japanese lack experience and many crucial technologies needed to design a modern fighter from scratch. Additionally, Japanese-built planes would not be compatible with United States forces in the region. This is a problem that has plagued NATO for years—United States planes have frequently been stranded on West German bases without parts.

But the Japanese maintain that they wish to have independence in designing and building their own weapons and that they are willing to pay the costs for this approach.

I think it is time for us to let them help with defense costs. Frankly, it is time that Japan become a partner in providing security on the Pacific rim.

Our soaring Federal deficit is eroding trust in the country's future. Much of the deficit can be traced directly to military expenditures. We spend a great deal on defending our allies. I think it is time to reexamine these costs and see where we can save money.

In redefining security in economic terms, we can come to grips with many of the problems that are plaguing our economic society. We must preserve our basic industries, we must find ways to compete on the world markets, and we must insure America's future as a world power.

With these goals in mind, it is time to focus on some of the examples being set by countries that have addressed the problem of excess military-security commitments and expenditures.

China, for example, as recently as 1972, was spending 14 percent of its GNP for military purposes, one of the highest levels in the world at that time. Beginning in 1975, however, the Chinese began to systematically reduce its military expenditures, and, except for 1979, it has reduced them in each of the last 8 years. By 1985, military spending had fallen to 7.5 percent of China's GNP.

In Argentina, the military government that was in office in the late seventies and early eighties increased

military expenditures from the historical level of 1.5 percent of GNP to almost 4 percent. One of the first things that Raul Alfonsin did as newly elected President in late 1983 was to announce a plan to steadily lower this figure. When he took office, there was broad public support for a reduction in arms expenditures, partly because of the ill-fated Falklands war, which undermined the military's credibility throughout Argentina.

By 1984, arms outlays in Argentina had been cut to half the peak level of 1980, with a shift of resources toward social programs.

More recently, Peru's President Garcia has pledged to reduce the 5 percent of the country's GNP allotted to the military, a sum that consumed one-fourth of the Federal budget.

The overriding reason for cutting military expenditures in each of these three countries is economic. Encouragingly, the reductions in military expenditures undertaken by these three governments were independent of any negotiated military reductions in neighboring countries. China, for example, lowered its military outlays unilaterally, despite its 3,000-kilometer border with the Soviet Union, which has continued to increase its military might.

And these three countries are cited as showing considerable progress economically. They may well provide the model for the future.

I am not suggesting, however, that the military concerns of China, Argentina, and Peru parallel our own. We have made substantial commitments toward maintaining free world security that cannot and should not be ignored. I do not suggest that we abandon our allies and bring all of our troops home. Such an approach is naive and dangerous.

I am suggesting, however, that we rethink our security priorities and push for greater support from our allies. It is time to encourage their independence. It is also time for America to put a high priority on its economic future.

For the United States, maintaining a position of world leadership may now depend on holding the line on military expenditures to provide for greater investment in our domestic economy. If we had committed Japan's level of GNP defense spending to our own defense in the past 10 years, for example, we would have had $1½ trillion to invest revitalizing our industries at home. In 1985 alone, $200 billion would have been available for capital investment. This level of investment for modernizing in the private sector would have made U.S. products much more competitive in the world marketplace and preserved U.S. jobs.

It is time to take a lesson from the Japanese and take care of ourselves first. We cannot allow the current pattern to continue. We must not allow American workers to lose a game that is stacked against them. We have a responsibility to America first and I suggest that we take that responsibility seriously.

□ 1310

CONFERENCE REPORT ON H.R. 2672

Mr. FORD of Michigan submitted the following conference report and statement on the bill (H.R. 2672), to redesignate the New York International and Bulk Mail Center in Jersey City, New Jersey, as the "New Jersey International and Bulk Mail Center", and to honor the memory of a former postal employee by dedicating a portion of a street at the New York International and Bulk Mail Center in Jersey City, New Jersey, as "Michael McDermott Place":

CONFERENCE REPORT (H. REPT. 99-606)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2672), to redesignate the New York International and Bulk Mail Center in Jersey City, New Jersey, as the "New Jersey International and Bulk Mail Center", and to honor the memory of a former postal employee by dedicating a portion of a street at the New York International and Bulk Mail Center in Jersey City, New Jersey, as "Michael McDermott Place", having met, after full and free conference, have agreed to recommend and to recommend do their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 3 and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

TITLE I—FEDERAL EMPLOYEES' RETIREMENT SYSTEM

SEC. 100. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Federal Employees' Retirement System Act of 1986".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

TABLE OF CONTENTS

TITLE I—FEDERAL EMPLOYEES' RETIREMENT SYSTEM

Sec. 100. Short title; table of contents.
Sec. 100A. Purposes.
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Sec. 303. Provisions relating to an election to become subject to chapter 83 subject to certain offsets relating to Social Security.
Sec. 304. Amendments relating to Social Security.
Sec. 305. Extension of Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983; refund of excess contributions.
Sec. 306. Applicability to the United States Postal Service.
Sec. 307. Use of "normal-cost percentage".
Sec. 308. Retirement study.
Sec. 309. Repeal of automatic transfer provision.
Sec. 310. Disclosure of return information.
Sec. 311. Initial appointments to the Federal Retirement Thrift Investment Board.
Sec. 312. Plan for delayed contributions to the Thrift Savings Fund.

TITLE IV—FOREIGN SERVICE RETIREMENT

Sec. 401. Short title; references to Foreign Service Act of 1980.
Sec. 402. Redesignation of certain provisions of the Foreign Service Act of 1980.
Sec. 403. Definition of court.
Sec. 404. Creditable service for purposes of subchapters I and II.
Sec. 405. Contributions to the Foreign Service Retirement and Disability System.
Sec. 406. Offset of annuity by the amount of Social Security benefits.
Sec. 407. 18-month period to elect survivor annuity.
Sec. 408. Alternate forms of annuities.
Sec. 409. Treatment of certain recall service.
Sec. 410. Reemployment.
Sec. 411. Comparability between the Federal Employees' Retirement System and the Foreign Service Pension System.
Sec. 412. Moderation of remarriage penalty.
Sec. 413. Lump-sum payments.
Sec. 414. Exclusion of participants in Foreign Service Pension System from Foreign Service Retirement and Disability System.
Sec. 415. Foreign Service Pension System.
Sec. 416. Table of contents.
Sec. 417. Effective date.

TITLE V—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND RELATED MATTERS

Sec. 501. References.
Sec. 502. Contributions to the Central Intelligence Agency Retirement and Disability System.
Sec. 503. Offset of annuity by the amount of Social Security benefits.
Sec. 504. Thrift savings fund participation by participants in the Central Intelligence Agency Retirement and Disability System.
Sec. 505. Alternative forms of annuities.

Sec. 506. Participation in the Federal Employees' Retirement System.
Sec. 507. Special retirement accrual for other intelligence personnel.

TITLE VI—MISCELLANEOUS PROVISIONS

Sec. 601. Annuities for survivors of District of Columbia judges.

TITLE VII—AUTHORIZATION OF APPROPRIATIONS; EFFECTIVE DATES

Sec. 701. Authorization of appropriations for certain expenses of the Federal Retirement Thrift Investment Management System.
Sec. 702. Effective dates.

SEC. 100A. PURPOSES.

The purposes of this Act are—

(1) to establish a Federal employees' retirement plan which is coordinated with title II of the Social Security Act;

(2) to ensure a fully funded and financially sound retirement benefits plan for Federal employees;

(3) to enhance portability of retirement assets earned as an employee of the Federal Government;

(4) to provide options for Federal employees with respect to retirement planning;

(5) to assist in building a quality career work force in the Federal Government;

(6) to encourage Federal employees to increase personal savings for retirement; and

(7) to extend financial protection from disability to additional Federal employees and to increase such protection for eligible Federal employees.

SEC. 101. ESTABLISHMENT.

(a) IN GENERAL.—Title 5, United States Code, is amended by inserting after chapter 83 the following new chapter:

"CHAPTER 84—FEDERAL EMPLOYEES' RETIREMENT SYSTEM

"SUBCHAPTER I—GENERAL PROVISIONS

"Sec.
"8401. Definitions.
"8402. Federal Employees' Retirement System; exclusions.
"8403. Relationship to the Social Security Act.

"SUBCHAPTER II—BASIC ANNUITY

"8410. Eligibility for annuity.
"8411. Creditable service.
"8412. Immediate retirement.
"8413. Deferred retirement.
"8414. Early retirement.
"8415. Computation of basic annuity.
"8416. Survivor reduction for a current spouse.
"8417. Survivor reduction for a former spouse.
"8418. Survivor elections; deposit; offsets.
"8419. Survivor reductions; computation.
"8420. Insurable interest reductions.
"8420a. Alternative forms of annuities.
"8421. Annuity supplement.
"8421a. Reductions on account of earnings from work performed while entitled to an annuity supplement.
"8422. Deductions from pay; contributions for military service.
"8423. Government contributions.
"8424. Lump-sum benefits; designation of beneficiary; order of precedence.
"8425. Mandatory separation.

"SUBCHAPTER III—THRIFT SAVINGS PLAN

"8431. Definition.
"8432. Contributions.
"8433. Benefits and election of benefits.
"8434. Annuities: methods of payment; election; purchase.
"8435. Protections for spouses and former spouses.
"8436. Administrative provisions.
"8437. Thrift Savings Fund.
"8438. Investment of Thrift Savings Fund.
"8439. Accounting and information.
"8440. Tax treatment of the Thrift Savings Fund.

"SUBCHAPTER IV—SURVIVOR ANNUITIES

"8441. Definitions.
"8442. Rights of a widow or widower.
"8443. Rights of a child.
"8444. Rights of a named individual with an insurable interest.
"8445. Rights of a former spouse.

"SUBCHAPTER V—DISABILITY BENEFITS

"8451. Disability retirement.
"8452. Computation of disability annuity.
"8453. Application.
"8454. Medical examination.
"8455. Recovery; restoration of earning capacity.
"8456. Relationship to workers' compensation.
"8457. Military reserve technicians.

"SUBCHAPTER VI—GENERAL AND ADMINISTRATIVE PROVISIONS

"8461. Authority of the Office of Personnel Management.
"8462. Cost-of-living adjustments.
"8463. Rate of benefits.
"8464. Commencement and termination of annuities of employees and Members.
"8465. Waiver, allotment, and assignment of benefits.
"8466. Application for benefits.
"8467. Court orders.
"8468. Annuities and pay on reemployment.
"8469. Withholding of State income taxes.
"8470. Exemption from legal process; recovery of payments.

"SUBCHAPTER VII—FEDERAL RETIREMENT THRIFT INVESTMENT MANAGEMENT SYSTEM

"8471. Definitions.
"8472. Federal Retirement Thrift Investment Board.
"8473. Employee Thrift Advisory Council.
"8474. Executive Director.
"8475. Investment policies.
"8476. Administrative provisions.
"8477. Fiduciary responsibilities; liability and penalties.
"8478. Bonding.
"8479. Exculpatory provisions; insurance.

"SUBCHAPTER I—GENERAL PROVISIONS

"§ 8401. Definitions

"For the purpose of this chapter—

"(1) the term 'account' means an account established and maintained under section 8439(a) of this title;

"(2) the term 'annuitant' means a former employee or Member who, on the basis of that individual's service, meets all requirements for title to an annuity under subchapter II or V of this chapter and files claim therefor;

"(3) the term 'average pay' means the largest annual rate resulting from averaging an employee's or Member's rates of basic pay in effect over any 3 consecutive years of service or, in the case of an annuity under this chapter based on service of less than 3 years, over the total service, with each rate weighted by the period it was in effect;

"(4) except as provided in subchapter III of this chapter, the term 'basic pay' has the meaning given such term by section 8331(3);

"(5) the term 'Board' means the Federal Retirement Thrift Investment Board established by section 8472(a) of this title;

"(6) the term 'Civil Service Retirement and Disability Fund' or 'Fund' means the Civil Service Retirement and Disability Fund under section 8348;

"(7) the term 'court' means any court of any State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Northern Mariana Islands, or the Virgin Islands, and any Indian court;

"(8) the term 'Director' means the Director of the Office of Personnel Management;

"(9) the term 'dynamic assumptions' means economic assumptions that are used in determining actuarial costs and liabilities of a retirement system and in anticipating the effects of long-term future—

"(A) investment yields;

"(B) increases in rates of basic pay; and

"(C) rates of price inflation;

"(10) the term 'earnings', when used with respect to the Thrift Savings Fund, means the amount of the gain realized or yield received from the investment of sums in such Fund;

"(11) the term 'employee' means—

"(A) an individual referred to in subparagraph (A), (E), (F), (H), (I), or (J) of section 8331(1) of this title; and

"(B) a Congressional employee as defined in section 2107 of this title, including a temporary Congressional employee and an employee of the Congressional Budget Office;

any of whose civilian service after December 31, 1983, is employment for the purposes of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954, except that such term does not include—

"(i) any individual referred to in—

"(I) clause (i), (v), (vi), or (ix) of paragraph (1) of section 8331;

"(II) clause (ii) of such paragraph (other than an employee of the United States Park Police, or the United States Secret Service, any of whose civilian service after December 31, 1983, is such employment); or

"(III) the undesignated material after the last clause of such paragraph; or

"(ii) any individual excluded under section 8402(c) of this title;

"(12) the term 'former spouse' means a former spouse of an individual—

"(A) if such individual performed at least 18 months of civilian service creditable under section 8411 as an employee or Member; and

"(B) if the former spouse was married to such individual for at least 9 months;

"(13) the term 'Executive Director' means the Executive Director appointed under section 8474(a);

"(14) the term 'firefighter' means—

"(A) an employee, the duties of whose position—

"(i) are primarily to perform work directly connected with the control and extinguishment of fires; and

"(ii) are sufficiently rigorous that employment opportunities are required to be limited to young and physically vigorous individuals, as determined by the Director considering the recommendations of the employing agency; and

"(B) an employee who is transferred directly to a supervisory or administrative position after performing duties described in subparagraph (A) for at least 10 years;

"(15) the term 'Government' means the Federal Government and Gallaudet College;

"(16) the term 'Indian court' has the meaning given such term by section 8331(24);

"(17) the term 'law enforcement officer' means—

"(A) an employee, the duties of whose position—

"(i) are primarily—

"(I) the investigation, apprehension, or detention of individuals suspected or convicted of offenses against the criminal laws of the United States, or

"(II) the protection of officials of the United States against threats to personal safety; and

"(ii) are sufficiently rigorous that employment opportunities are required to be limited to young and physically vigorous individuals, as determined by the Director considering the recommendations of the employing agency;

"(B) an employee who is transferred directly to a supervisory or administrative position after performing duties described in subparagraph (A) for at least 10 years; and

"(C) an employee—

"(i) of the Bureau of Prisons or Federal Prison Industries, Incorporated;

"(ii) of the Public Health Service assigned to the field service of the Bureau of Prisons or of the Federal Prison Industries, Incorporated; or

"(iii) in the field service at Army or Navy disciplinary barracks or at any other confinement and rehabilitation facility operated by any of the armed forces;

whose duties in connection with individuals in detention suspected or convicted of offenses against the criminal laws of the United States or of the District of Columbia or offenses against the punitive articles of the Uniform Code of Military Justice (chapter 47 of title 10) require frequent direct contact with these individuals in their detention and are sufficiently rigorous that employment opportunities are required to be limited to young and physically vigorous individuals, as determined by the head of the employing agency;

"(18) the term 'loss', when used with respect to the Thrift Savings Fund, means the amount of the loss resulting from the investment of sums in such Fund;

"(19) the term 'lump-sum credit' means the unrefunded amount consisting of—

"(A) retirement deductions made from the basic pay of an employee or Member under section 8422(a) of this title (or under section 204 of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983);

"(B) amounts deposited by an employee or Member under section 8422(e); and

"(C) interest on the deductions and deposits which, for any calendar year, shall be equal to the overall average yield to the Fund during the preceding fiscal year from all obligations purchased by the Secretary of the Treasury during such fiscal year under section 8348(c), (d), and (e), as determined by the Secretary (compounded annually);

but does not include interest—

"(i) if the service covered thereby aggregates 1 year or less; or

"(ii) for a fractional part of a month in the total service;

"(20) the term 'Member' has the same meaning as provided in section 2106, except that such term does not include an individual who irrevocably elects, by written notice to the official by whom such individual is paid, not to participate in the Federal Employees' Retirement System;

"(21) the term 'net earnings' means the excess of earnings over losses;

"(22) the term 'net losses' means the excess of losses over earnings;

"(23) the term 'normal-cost percentage' means the entry-age normal cost of the provisions of the System which relate to the Fund, computed by the Office in accordance with generally accepted actuarial practice and standards (using dynamic assumptions) and expressed as a level percentage of aggregate basic pay;

"(24) the term 'Office' means the Office of Personnel Management;

"(25) the term 'price index' has the same meaning as provided in section 8331(15);

"(26) the term 'service' means service which is creditable under section 8411;

"(27) the term 'supplemental liability' means the estimated excess of—

"(A) the actuarial present value of all future benefits payable from the Fund under this chapter based on the service of current or former employees or Members, over

"(B) the sum of—

"(i) the actuarial present value of deductions to be withheld from the future basic pay of employees and Members currently subject to this chapter pursuant to section 8422;

"(ii) the actuarial present value of the future contributions to be made pursuant to section 8423(a) with respect to employees and Members currently subject to this chapter;

"(iii) the Fund balance as of the date the supplemental liability is determined, to the extent that such balance is attributable—

"(I) to the System, or

"(II) to contributions made under the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 by or on behalf of an individual who became subject to the System; and

"(iv) any other appropriate amount, as determined by the Office in accordance with generally accepted actuarial practices and principles;

"(28) the term 'survivor' means an individual entitled to an annuity under subchapter IV of this chapter;

"(29) the term 'System' means the Federal Employees' Retirement System described in section 8402(a);

"(30) the term 'military reserve technician' means a member of one of the reserve components of the armed forces specified in section 261(a) of title 10 who—

"(A) is assigned to a civilian position as a technician in the administration and training of such reserve components or in the maintenance and repair of supplies issued to such reserve components; and

"(B) as a condition of employment in such position, is required to be a member of one of such reserve components serving in a specified military grade; and

"(31) the term 'military service' means honorable active service—

"(A) in the armed forces;

"(B) in the commissioned corps of the Public Health Service after June 30, 1960; or

"(C) in the commissioned corps of the National Oceanic and Atmospheric Administration, or a predecessor entity in function, after June 30, 1961;

but does not include service in the National Guard except when ordered to active duty in the service of the United States.

"§ 8402. Federal Employees' Retirement System; exclusions

"(a) The provisions of this chapter comprise the Federal Employees' Retirement System.

"(b) The provisions of this chapter shall not apply with respect to—

"(1) any individual who has performed service of a type described in subparagraph (C), (D), (E), or (F) of section 210(a)(5) of the Social Security Act continuously since December 31, 1983 (determined in accordance with the provisions of section 210(a)(5)(B) of the Social Security Act, relating to continuity of employment); or

"(2)(A) any employee or Member who has separated from the service after—

"(i) having been subject to subchapter III of chapter 83 of this title, or subchapter I of chapter 8 of the Foreign Service Act of 1980; and

"(ii) having completed at least 5 years of civilian service creditable under subchapter III of chapter 83 of this title, or at least 5 years of civilian service creditable under subchapter I of the Foreign Service Act of 1980 (determined without regard to any deposit or redeposit requirement under either such subchapter, or any requirement that the individual become subject to either such subchapter after performing the service involved); or

"(B) any employee having at least 5 years of civilian service performed before January 1, 1987, creditable under subchapter III of chapter 83 of this title (determined without regard to any deposit or redeposit requirement under such subchapter, any requirement that the individual become subject to such subchapter after performing the service involved, or any requirement that the individual give notice in writing to the official by whom such individual is paid of such individual's desire to become subject to such subchapter);

except to the extent provided for under title III of the Federal Employees' Retirement System Act of 1986 pursuant to an election under such title to become subject to this chapter.

"(c)(1) The Office may exclude from the operation of this chapter an employee or group of employees in or under an Executive agency, the United States Postal Service, or the Postal Rate Commission, whose employment is temporary or intermittent, except an employee whose employment is part-time career employment (as defined in section 3401(2).

"(2) The Architect of the Capitol may exclude from the operation of this chapter an employee under the Office of the Architect of the Capitol whose employment is temporary or of uncertain duration.

"(3) The Librarian of Congress may exclude from the operation of this chapter an employee under the Library of Congress whose employment is temporary or of uncertain duration.

"(4) The Director or Acting Director of the Botanic Garden may exclude from the operation of this chapter an employee under the Botanic Garden whose employment is temporary or of uncertain duration.

"§ 8403. Relationship to the Social Security Act

"Except as otherwise provided in this chapter, the benefits payable under the System are in addition to the benefits payable under the Social Security Act.

"SUBCHAPTER II—BASIC ANNUITY

"§ 8410. Eligibility for annuity

"Notwithstanding any other provision of this chapter, an employee or Member must complete at least 5 years of civilian service creditable under section 8411 in order to be eligible for an annuity under this subchapter.

"§ 8411. Creditable service

"(a)(1) The total service of an employee or Member is the full years and twelfth parts thereof, excluding from the aggregate the fractional part of a month, if any.

"(2) Credit may not be allowed for a period of separation from the service in excess of 3 calendar days.

"(b) For the purpose of this chapter, creditable service of an employee or Member includes—

"(1) employment as an employee, and any service as a Member (including the period from the date of the beginning of the term for which elected or appointed to the date of taking office as a Member), after December 31, 1986;

"(2) service with respect to which deductions and withholdings under section 204(a)(1) of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 have been made;

"(3) except as provided in subsection (f), any civilian service (performed before January 1, 1989, other than any service under paragraph (1) or (2)) which, but for the amendments made by subsections (a)(4) and (b) of section 202 of the Federal Employees' Retirement System Act of 1986, would be creditable under subchapter III of chapter 83 of this title (determined without regard to any deposit or redeposit requirement under such subchapter, any requirement that the individual become subject to such subchapter after performing the service involved, or any requirement that the individual give notice in writing to the official by whom such individual is paid of such individual's desire to become subject to such subchapter); and

"(4) a period of service (other than any service under any of the preceding provisions of this subsection and other than any military service) that was creditable under the Foreign Service Pension System described in subchapter II of chapter 8 of the Foreign Service Act of 1980, if the employee or Member waives credit for such service under the Foreign Service Pension System and makes a payment to the Fund equal to the amount that would have been deducted from pay under section 8422(a) had the employee been subject to this chapter during such period of service (together with interest on such amount computed under paragraphs (2) and (3) of section 8334(e)).

"(c)(1) Except as provided in paragraph (2) or (3), an employee or Member shall be allowed credit for—

"(A) each period of military service performed before January 1, 1957; and

"(B) each period of military service performed after December 31, 1956, and before the separation on which title to annuity is based, if a deposit (including interest, if any) is made with respect to such period in accordance with section 8422(e).

"(2) If an employee or Member is awarded retired pay based on any period of military service, the service of the employee or Member may not include credit for such period of military service unless the retired pay is awarded—

"(A) based on a service-connected disability—

"(i) incurred in combat with an enemy of the United States; or

"(ii) caused by an instrumentality of war and incurred in line of duty during a period of war as defined by section 301 of title 38; or

"(B) under chapter 67 of title 10.

"(3) An employee or Member who has made a deposit under section 8334(j) (or a similar prior provision of law) with respect to a period of military service, and who has not taken a refund of such deposit—

"(A) shall be allowed credit for such service without regard to the deposit requirement under paragraph (1)(B); and

"(B) shall be entitled, upon filing appropriate application therefor with the Office, to a refund equal to the difference between—

"(i) the amount deposited with respect to such period under such section 8334(j) (or prior provision), excluding interest; and

"(ii) the amount which would otherwise have been required with respect to such period under paragraph (1)(B).

"(d) Credit under this chapter shall be allowed for leaves of absence without pay granted an employee while performing military service, or while receiving benefits under subchapter I of chapter 81. An employee or former employee who returns to duty after a period of separation is deemed, for the purpose of this subsection, to have been on leave of absence without pay for that part of the period in which that individual was receiving benefits under subchapter I of chapter 81. Credit may not be allowed for so much of other leaves of absence without pay as exceeds 6 months in the aggregate in a calendar year.

"(e) Credit shall be allowed for periods of approved leave without pay granted an employee to serve as a full-time officer or employee of an organization composed primarily of employees (as defined by section 8331(1) or 8401(11)), subject to the employee arranging to pay, through the employee's employing agency, within 60 days after commencement of such leave without pay, amounts equal to the retirement deductions and agency contributions which would be applicable under sections 8422(a) and 8423(a), respectively, if the employee were in pay status. If the election and all payments provided by this subsection are not made, the employee may not receive credit for the periods of leave without pay, notwithstanding the third sentence of subsection (d).

"(f)(1) An employee or Member who has received a refund of retirement deductions under subchapter III of chapter 83 with respect to any service described in subsection (b)(3) may not be allowed credit for such service under this chapter unless such employee or Member deposits an amount equal to 1.3 percent of basic pay for such service, with interest.

"(2) An employee or Member may not be allowed credit under this chapter for any service described in subsection (b)(3) for which retirement deductions under subchapter III of chapter 83 have not been made, unless such employee or Member deposits an amount equal to 1.3 percent of basic pay for such service, with interest.

"(3) Interest under paragraph (1) or (2) shall be computed in accordance with paragraphs (2) and (3) of section 8334(e) and regulations prescribed by the Office.

"(4) For the purpose of survivor annuities, deposits authorized by the preceding provisions of this subsection may also be made by a survivor of an employee or Member.

"§ 8412. Immediate retirement

"(a) An employee or Member who is separated from the service after attaining the applicable minimum retirement age under subsection (h) and completing 30 years of service is entitled to an annuity.

"(b) An employee or Member who is separated from the service after becoming 60 years of age and completing 20 years of service is entitled to an annuity.

"(c) An employee or Member who is separated from the service after becoming 62 years of age and completing 5 years of service is entitled to an annuity.

"(d) An employee who is separated from the service, except by removal for cause on charges of misconduct or delinquency—

"(1) after completing 25 years of service as a law enforcement officer or firefighter, or any combination of such service totaling at least 25 years, or

"(2) after becoming 50 years of age and completing 20 years of service as a law enforcement officer or firefighter, or any combination of such service totaling at least 20 years,

is entitled to an annuity.

"(e) An employee who is separated from the service, except by removal for cause on charges of misconduct or delinquency—

"(1) after completing 25 years of service as an air traffic controller, or

"(2) after becoming 50 years of age and completing 20 years of service as an air traffic controller,

is entitled to an annuity.

"(f) A Member who is separated from the service, except by resignation or expulsion—

"(1) after completing 25 years of service, or

"(2) after becoming 50 years of age and completing 20 years of service,

is entitled to an annuity.

"(g) An employee or Member who is separated from the service after attaining the applicable minimum retirement age under subsection (h) and completing 10 years of service is entitled to an annuity. This subsection shall not apply to an employee or Member who is entitled to an annuity under any other provision of this section.

"(h)(1) The applicable minimum retirement age under this subsection is—

"(A) for an individual whose date of birth is before January 1, 1948, 55 years of age;

"(B) for an individual whose date of birth is after December 31, 1947, and before January 1, 1953, 55 years of age plus the number of months in the age increase factor determined under paragraph (2)(A);

"(C) for an individual whose date of birth is after December 31, 1952, and before January 1, 1965, 56 years of age;

"(D) for an individual whose date of birth is after December 31, 1964, and before January 1, 1970, 56 years of age plus the number of months in the age increase factor determined under paragraph (2)(B); and

"(E) for an individual whose date of birth is after December 31, 1969, 57 years of age.

"(2)(A) For an individual whose date of birth occurs during the 5-year period consisting of calendar years 1948 through 1952, the age increase factor shall be equal to two-twelfths times the number of months in the period beginning with January 1948 and ending with December of the year in which the date of birth occurs.

"(B) For an individual whose date of birth occurs during the 5-year period consisting of calendar years 1965 through 1969, the age increase factor shall be equal to two-twelfths times the number of months in the period beginning with January 1965 and ending with December of the year in which the date of birth occurs.

"§ 8413. Deferred retirement

"(a) An employee or Member who is separated from the service, or transferred to a position in which the employee or Member does not continue subject to this chapter, after completing 5 years of service is entitled to an annuity beginning at the age of 62 years.

"(b)(1) An employee or Member who is separated from the service, or transferred to a position in which the employee or Member does not continue subject to this chapter, after completing 10 years of service is entitled to an annuity beginning on the date designated by the employee or Member in a written election under this subsection. The date designated under this subsection may not precede the date on which the employee or Member attains the applicable minimum retirement age under section 8412(h) and must precede the date on which the employee or Member becomes 62 years of age.

"(2) The election of an annuity under this subsection shall not be effective unless—

"(A) it is made at such time and in such manner as the Office shall by regulation prescribe; and

"(B) the employee or Member will not otherwise be eligible to receive an annuity within 31 days after filing the election.

"(3) The election of an annuity under this subsection extinguishes the right of the employee or Member to receive any other annuity based on the service on which the annuity under this subsection is based.

"§ 8414. Early retirement

"(a)(1) A member of the Senior Executive Service who is removed from the Senior Executive Service for less than fully successful executive performance (as determined under subchapter II of chapter 43 of this title) after completing 25 years of service, or after becoming 50 years of age and completing 20 years of service, is entitled to an annuity.

"(2) A member of the Defense Intelligence Senior Executive Service or the Senior Cryptologic Executive Service who is removed from such service for less than fully successful executive performance after completing 25 years of service, or after becoming 50 years of age and completing 20 years of service, is entitled to an annuity.

"(b)(1) Except as provided in paragraphs (2) and (3), an employee who—

"(A) is separated from the service involuntarily, except by removal for cause on charges of misconduct or delinquency; or

"(B) while serving in a geographic area designated by the Director, is separated from the service voluntarily during a period in which (as determined by the Director)—

"(i) the agency in which the employee is serving is undergoing a major reorganization, a major reduction in force, or a major transfer of function; and

"(ii) a significant percentage of the total number of employees serving in such agency will be separated or subject to an immediate reduction in the rate of basic pay (without regard to subchapter VI of chapter 53 of this title or comparable provisions);

after completing 25 years of service, or after becoming 50 years of age and completing 20 years of service, is entitled to an annuity.

"(2) An employee under paragraph (1) who is separated as described in subparagraph (A) of such paragraph is not entitled to an annuity under this subsection if the employee has declined a reasonable offer of another position in the employee's agency for which the employee is qualified, and the offered position is not lower than 2 grades (or pay levels) below the employee's grade (or pay level) and is within the employee's commuting area.

"(3) Paragraph (1) shall not apply to an employee entitled to an annuity under subsection (d) or (e) of section 8412.

"(c) A military reserve technician who is separated from technician service, after becoming 50 years of age and completing 25 years of service, by reason of ceasing to satisfy the condition described in section 8401(30)(B) is entitled to an annuity.

"§ 8415. Computation of basic annuity

"(a) Except as otherwise provided in this section, the annuity of an employee retiring under this subchapter is 1 percent of that individual's average pay multiplied by such individual's total service.

"(b) The annuity of a Member, or former Member with title to a Member annuity, retiring under this subchapter is computed under subsection (a), except that if the individual has had at least 5 years of service as a Member or Congressional employee, or any combination thereof, so much of the annuity as is computed with respect to either such type of service (or a combination thereof), not exceeding a total of 20 years, shall be computed by multiplying 1 7/10 percent of the individual's average pay by the years of such service.

"(c) The annuity of a Congressional employee, or former Congressional employee, retiring under this subchapter is computed under subsection (a), except that if the individual has had at least 5 years of service as a Congressional employee or Member, or any combination thereof, so much of the annuity as is computed with respect to either such type of service (or a combination thereof), not exceeding a total of 20 years, shall be computed by multiplying 1 7/10 percent of the individual's average pay by the years of such service.

"(d) The annuity of an employee retiring under subsection (d) or (e) of section 8412 or under subsection (a) or (b) of section 8425 is—

"(1) 1 7/10 percent of that individual's average pay multiplied by so much of such individual's total service as does not exceed 20 years; plus

"(2) 1 percent of that individual's average pay multiplied by so much of such individual's total service as exceeds 20 years.

"(e)(1) In computing an annuity under this subchapter for an employee whose service includes service performed on a part-time basis—

"(A) the average pay of the employee, to the extent that it includes pay for service performed in any position on a part-time basis, shall be determined by using the annual rate of basic pay that would be payable for full-time service in the position; and

"(B) the benefit so computed shall then be multiplied by a fraction equal to the ratio which the employee's actual service, as determined by prorating the employee's total service to reflect the service that was performed on a part-time basis, bears to the total service that would be creditable for the employee if all of the service had been performed on a full-time basis.

"(2) For the purpose of this subsection, employment on a part-time basis shall not be considered to include employment on a temporary or intermittent basis.

"(f)(1) The annuity of an employee or Member retiring under section 8412(g) or 8413(b) is computed in accordance with applicable provisions of this section, except that the annuity shall be reduced by five-twelfths of 1 percent for each full month by which the commencement date of the annuity precedes the sixty-second anniversary of the birth of the employee or Member.

"(2)(A) Paragraph (1) does not apply in the case of an employee or Member retiring under section 8413(b) if the employee or Member would satisfy the age and service requirements for title to an annuity under section 8412 (a), (b), (d)(2), (e)(2), or (f)(2), determined as if the employee or Member had, as of the date of separation, attained the age specified in subparagraph (B).

"(B) A determination under subparagraph (A) shall be based on how old the employee or Member will be as of the date on which the annuity under section 8413(b) is to commence.

"(g)(1) In applying subsection (a) with respect to an employee under paragraph (2), the percentage applied under such subsection shall be 1.1 percent, rather than 1 percent.

"(2) This subsection applies in the case of an employee who—

"(A) retires entitled to an annuity under section 8412; and

"(B) at the time of the separation on which entitlement to the annuity is based, is at least 62 years of age and has completed at least 20 years of service;

but does not apply in the case of a Congressional employee, military reserve technician, law enforcement officer, firefighter, or air traffic controller.

"§ 8416. Survivor reduction for a current spouse

"(a)(1) If an employee or Member is married at the time of retiring under this chapter, the reduction described in section 8419(a) shall be made unless the employee or Member and the spouse jointly waive, by written election, any right which the spouse may have to a survivor annuity under section 8442 based on the service of such employee or Member. A waiver under this paragraph shall be filed with the Office under procedures prescribed by the Office.

"(2) Notwithstanding paragraph (1), an employee or Member who is married at the time of retiring under this chapter may waive the annuity for a surviving spouse without the spouse's consent if the employee or Member establishes to the satisfaction of the Office (in accordance with regulations prescribed by the Office)—

"(A) that the spouse's whereabouts cannot be determined; or

"(B) that, due to exceptional circumstances, requiring the employee or Member to seek the spouse's consent would otherwise be inappropriate.

"(3) Except as provided in subsection (d), a waiver made under this subsection shall be irrevocable.

"(b)(1) Upon remarriage, a retired employee or Member who was married at the time of retirement (including an employee or Member whose annuity was not reduced to provide a survivor annuity for the employee's or Member's spouse or former spouse as of the time of retirement) may irrevocably elect during such marriage, in a signed writing received by the Office within 2 years after such remarriage or, if later, within 2 years after the death or remarriage of any former spouse of such employee or Member who was entitled to a survivor annuity under section 8445 (or of the last such surviving former spouse, if there was more than one), a reduction in the employee's or Member's annuity under section 8419(a) for the purpose of providing an annuity for such employee's or Member's spouse in the event such spouse survives the employee or Member.

"(2) The election and reduction shall be effective the first day of the second month after the election is received by the Office, but not less than 9 months after the date of the remarriage.

"(3) An election to provide a survivor annuity to an individual under this subsection—

"(A) shall prospectively void any election made by the employee or Member under section 8420 with respect to such individual; or

"(B) shall, if an election was made by the employee or Member under section 8420 with respect to a different individual, prospectively void such election if appropriate written application is made by such employee or Member at the time of making the election under this subsection.

"(4) Any election under this subsection made by an employee or Member on behalf of an individual after the retirement of such employee or Member shall not be effective if—

"(A) the employee or Member was married to such individual at the time of retirement; and

"(B) the annuity rights of such individual based on the service of such employee or Member were then waived under subsection (a).

"(c)(1) An employee or Member who is unmarried at the time of retiring under this chapter and who later marries may irrevocably elect, in a signed writing received by the Office within 2 years after such employee or Member marries or, if later, within 2 years after the death or remarriage of any former spouse of such employee or Member who was entitled to a survivor annuity under section 8445 (or of the last such surviving former spouse, if there was more than one), a reduction in the current annuity of the retired employee or Member, in accordance with section 8419(a).

"(2) The election and reduction shall take effect the first day of the first month beginning 9 months after the date of marriage. Any such election to provide a survivor annuity for an individual—

"(A) shall prospectively void any election made by the employee or Member under section 8420 with respect to such individual; or

"(B) shall, if an election was made by the employee or Member under section 8420 with respect to a different individual, prospectively void such election if appropriate written application is made by such employee or Member at the time of making the election under this subsection.

"(d)(1) An employee or Member—

"(A) who is married on the date of retiring under this chapter, and

"(B) with respect to whose spouse a waiver under subsection (a) has been made,

may, during the 18-month period beginning on such date, elect to have a reduction made under section 8419 in order to provide a survivor annuity under section 8442 for such spouse.

"(2)(A) An election under this subsection shall not be effective unless the amount described in subparagraph (B) is deposited into the Fund before the expiration of the 18-month period referred to in paragraph (1).

"(B) The amount to be deposited under this subparagraph is equal to the sum of—

"(i) the difference (for the period between the date on which the annuity of the former employee or Member commences and the date on which reductions pursuant to the election under this subsection commence) between the amount paid to the former employee or Member from the Fund under this chapter and the amount which would have been paid if such election had been made at the time of retirement; and

"(ii) the costs associated with providing for the election under this subsection.

The amount to be deposited under clause (i) shall include interest, computed at the rate of 6 percent a year.

"(3) An annuity which is reduced pursuant to an election by a former employee or Member under this subsection shall be reduced by the same percentage as was in effect under section 8419 as of the date of the employee's or Member's retirement.

"(4) Rights and obligations under this chapter resulting from an election under this subsection shall be the same as the rights and obligations which would have resulted had the election been made at the time of retirement.

"(5) The Office shall inform each employee and Member who is eligible to make an election under this subsection of the right to make such election and the procedures and deadlines applicable in making any such election.

"§ 8417. Survivor reduction for a former spouse

"(a) If an employee or Member has a former spouse who is entitled to a survivor annuity as provided in section 8445, the reduction described in section 8419(a) shall be made.

"(b)(1) An employee or Member who has a former spouse may elect, under procedures prescribed by the Office, a reduction in the annuity of the employee or Member under section 8419(a) in order to provide a survivor annuity for such former spouse under section 8445.

"(2) An election under this subsection shall be made at the time of retirement or, if the marriage is dissolved after the date of retirement, within 2 years after the date on which the marriage of the former spouse to the employee or Member is so dissolved.

"(3) An election under this subsection—

"(A) shall not be effective to the extent that it—

"(i) conflicts with—

"(I) any court order or decree referred to in section 8445(a) which was issued before the date of such election; or

"(II) any agreement referred to in such section 8445(a) which was entered into before such date; or

"(ii) would cause the total of survivor annuities payable under sections 8442 and 8445, respectively, based on the service of the employee or Member to exceed the amount which would be payable to a widow or widower of such employee or Member under such section 8442 (determined without regard to any reduction to provide for an annuity under such section 8445); and

"(B) shall not be effective, in the case of an employee or Member who is then married, unless it is made with the spouse's written consent.

The Office shall by regulation provide that subparagraph (B) may be waived for either of the reasons set forth in section 8416(a)(2).

"§ 8418. Survivor elections; deposit; offsets

"(a)(1) An individual who makes an election under subsection (b) or (c) of section 8416 or section 8417(b) which is required to be made within 2 years after the date of a prescribed event shall deposit into the Fund, before the expiration of the 2-year period involved, an amount determined by the Office (as nearly as may be administratively feasible) to reflect the amount by which the annuity of such individual would have been reduced if the election had been in effect since the date of retirement (or, if later, and in the case of an election under such section 8416(b), since the date the previous reduction in the annuity of such individual was terminated under paragraph (1) or (2) of section 8419(b)), plus interest.

"(2) Interest under paragraph (1) shall be computed at the rate of 6 percent a year.

"(b) If the electing individual does not make the deposit required under subsection (a), the Office shall collect such amount by offset against such individual's annuity, up to a maximum of 25 percent of the net annuity otherwise payable, and the individual is deemed to consent to such offset.

"(c) Subsections (a) and (b) shall not apply if—

"(1) the employee or Member makes an election under section 8416(b) or (c) after having made an election under section 8420; and

"(2) the election under such section 8420 becomes void under subsection (b)(3) or (c)(2) of such section 8416.

"(d) The Office shall prescribe regulations under which the survivor of an employee or Member may make a deposit under this section.

"§ 8419. Survivor reductions; computation

"(a)(1) Except as provided in paragraph (2), the annuity of an annuitant computed under section 8415, or under section 8452 (including subsection (a)(2) of such section, if applicable), shall be reduced by 10 percent if a survivor annuity, or a combination of survivor annuities, under section 8442 or 8445 (or both) are to be provided for.

"(2)(A) If no survivor annuity under section 8442 is to be provided for, but one or more survivor annuities under section 8445 involving a total of less than the entirety of the amount referred to in subsection (b)(2) of such section are to be provided for, the annuity of the annuitant involved (as computed under section 8415, or under section 8452 (including subsection (a)(2) of such section, if applicable)), shall be reduced by an appropriate percentage determined under subparagraph (B).

"(B) The Office shall prescribe regulations under which an appropriate reduction under this paragraph, not to exceed a total of 10 percent, shall be made.

"(b)(1) Any reduction in an annuity for the purpose of providing a survivor annuity for the current spouse of a retired employee or Member shall be terminated for each full month—

"(A) after the death of the spouse; or

"(B) after the dissolution of the spouse's marriage to the employee or Member, except that an appropriate reduction shall be made thereafter if the spouse is entitled, as a former spouse, to a survivor annuity under section 8445.

"(2) Any reduction in an annuity for the purpose of providing a survivor annuity for a former spouse of a retired employee or Member shall be terminated for each full month after the former spouse remarries before reaching age 55 or dies. This reduction shall be replaced by appropriate reductions under subsection (a) if the retired employee or Member has one or more of the following:

"(A) another former spouse who is entitled to a survivor annuity under section 8445;

"(B) a current spouse to whom the employee or Member was married at the time of retirement and with respect to whom a survivor annuity was not waived under section 8416(a) (or, if waived, with respect to whom an election under section 8416(d) has been made); or

"(C) a current spouse whom the employee or Member married after retirement and with respect to whom an election has been made under subsection (b) or (c) of section 8416.

"§ 8420. Insurable interest reductions

"(a)(1) At the time of retiring under section 8412, 8413, or 8414, an employee or Member who is found to be in good health by the Office may elect to have such employee's or Member's annuity (as computed under section 8415) reduced under paragraph (2) in order to provide an annuity under section 8444 for an individual having an insurable interest in the employee or Member. Such individual shall be designated by the employee or Member in writing.

"(2) The annuity of the employee or Member making the election is reduced by 10 percent, and by 5 percent for each full 5 years the individual named is younger than the retiring employee or Member, except that the total reduction may not exceed 40 percent.

"(3) An annuity which is reduced under this subsection shall, effective the first day of the month following the death of the individual named under this subsection, be recomputed and paid as if the annuity had not been so reduced.

"(b)(1) In the case of a married employee or Member, an election under this section on behalf of the spouse may be made only if any right of such spouse to a survivor annuity based on the service of such employee or Member is waived in accordance with section 8416(a).

"(2) Paragraph (1) does not apply in the case of an employee or Member if such employee or Member has a former spouse who would become entitled to an annuity under section 8445 as a survivor of such employee or Member.

"§ 8420a. Alternative forms of annuities

"(a) The Office shall prescribe regulations under which an employee or Member may, at the time of retiring under this subchapter, elect annuity benefits under this section instead of any other benefits under this subchapter, and any benefits under subchapter IV of this chapter, based on the service of the employee or Member.

"(b) Subject to subsection (c), the Office shall by regulation provide for such alternative forms of annuities as the Office considers appropriate, except that among the alternatives offered shall be—

"(1) an alternative which provides for—

"(A) payment of the lump-sum credit (excluding interest) to the employee or Member; and

"(B) payment of an annuity to the employee or Member for life; and

"(2) in the case of an employee or Member who is married at the time of retirement, an alternative which provides for—

"(A) payment of the lump-sum credit (excluding interest) to the employee or Member; and

"(B) payment of an annuity to the employee or Member for life, with a survivor annuity payable for the life of a surviving spouse.

"(c) Each alternative provided for under subsection (b) shall, to the extent practicable, be designed such that the present value of the benefits provided under such alternative (including any lump-sum credit) is actuarially equivalent to the sum of—

"(1) the present value of the annuity which would otherwise be provided under this subchapter, as computed under section 8415; and

"(2) the present value of the annuity supplement which would otherwise be provided (if any) under section 8421.

"(d) An employee or Member who, at the time of retiring under this subchapter—

"(1) is married, shall be ineligible to make an election under this section unless a waiver is made under section 8416(a); or

"(2) has a former spouse, shall be ineligible to make an election under this section if the former spouse is entitled to benefits under section 8445 or 8467 (based on the service of the employee or Member) under the terms of a decree of divorce or annulment, or a court order or court-approved property settlement incident to any such decree, with respect to which the Office has been duly notified.

"(e) An employee or Member who is married at the time of retiring under this subchapter and who makes an election under this section may, during the 18-month period beginning on the date of retirement, make the election provided for under section 8416(d), subject to the deposit requirement thereunder.

"§ 8421. Annuity supplement

"(a)(1) Subject to paragraph (3), an individual shall, if and while entitled to an annuity under subsection (a), (b), (d), or (e) of section 8412, or under section 8414(c), also be entitled to an annuity supplement under this section.

"(2) Subject to paragraph (3), an individual shall, if and while entitled to an annuity under section 8412(f), or under subsection (a) or (b) of section 8414, also be entitled to an annuity supplement under this section if such individual is at least the applicable minimum retirement age under section 8412(h).

"(3)(A) An individual whose entitlement to an annuity under section 8412 or 8414 does not commence before age 62 is not entitled to an annuity supplement under this section.

"(B) An individual entitled to an annuity supplement under this section ceases to be so entitled after the last day of the month preceding the first month for which such individual would, on proper application, be entitled to old-age insurance benefits under title II of the Social Security Act, but not later than the last day of the month in which such individual attains age 62.

"(b)(1) The amount of the annuity supplement of an annuitant under this section for any month shall be equal to the product of—

"(A) an amount determined under paragraph (2), multiplied by

"(B) a fraction, as described in paragraph (3).

"(2) The amount under this paragraph for an annuitant is an amount equal to the old-age insurance benefit which would be payable to such annuitant under title II of the Social Security Act (without regard to sections 203, 215(a)(7), and 215(d)(5) of such Act) upon attaining age 62 and filing application therefor, determined as if the annuitant had attained such age and filed application therefor, and were a fully insured individual (as defined in section 214(a) of such Act), on January 1 of the year in which such annuitant's entitlement to any payment under this section commences, except that the reduction of such old-age insurance benefit under section 202(q) of such Act shall be the maximum applicable for an individual born in the same year as the annuitant. In computing the primary insurance amount under section 215 of such Act for purposes of this paragraph, the number of elapsed years (referred to in section 215(b)(2)(B)(iii) of such Act and used to compute the number of benefit computation years) shall not include years beginning with the year in which such annuitant's entitlement to any payment under this section commences, and—

"(A) only basic pay for service performed (if any) shall be taken into account in computing the total wages and self-employment income of the annuitant for a benefit computation year;

"(B) for a benefit computation year which commences after the date of the separation with respect to which entitlement to the annuitant's annuity under this subchapter is based and before the date as of which such annuitant is treated, under the preceding sentence, to have attained age 62, the total wages and self-employment income of such annuitant for such year shall be deemed to be zero; and

"(C) for a benefit computation year after age 21 which precedes the separation referred to in subparagraph (B), and during which the individual did not perform a full year of service, the total wages and self-employment income of such annuitant for such year shall be deemed to have been an amount equal to the product of—

"(i) the average total wages of all workers for that year, multiplied by

"(ii) a fraction—

"(I) the numerator of which is the total basic pay of the individual for service performed in the first year thereafter in which such individual performed a full year of service; and

"(II) the denominator of which is the average total wages of all workers for the year referred to in subclause (I).

"(3) The fraction under this paragraph for any annuitant is a fraction—

"(A) the numerator of which is the annuitant's total years of service (rounding a fraction to the nearest whole number, with ½ being rounded to the next higher number), not to exceed the number under subparagraph (B); and

"(B) the denominator of which is 40.

"(4) For the purpose of this subsection—

"(A) the term 'benefit computation year' has the meaning provided in section 215(b)(2)(B)(i) of the Social Security Act;

"(B) the term 'average total wages of all workers', for a year, means the average of the total wages, as defined and computed under section 215(b)(3)(A)(ii)(I) of the Social Security Act for such year; and

"(C) the term 'service' does not include military service.

"(c) An amount under this section shall, for purposes of section 8467, be treated in the same way as an amount computed under section 8415.

"§ 8421a. Reductions on account of earnings from work performed while entitled to an annuity supplement

"(a) The amount of the annuity supplement to which an individual is entitled under section 8421 for any month (determined without regard to subsection (c) of such section) shall be reduced by the amount of any excess earnings of such individual which are required to be charged to such supplement for such month, as determined under subsection (b).

"(b) The amount of an individual's excess earnings shall be charged to months as follows:

"(1)(A) There shall be charged to each month of a year under subsection (a) an amount equal to the individual's excess earnings (as determined under paragraph (2) with respect to such year), divided by the number of the individual's supplement entitlement months for such year (as determined under paragraph (3)).

"(B) Notwithstanding subparagraph (A), the amount charged to a month under subsection (a) may not exceed the amount of the annuity supplement to which the individual is entitled under section 8421 for

such month (determined without regard to subsection (c) of such section).

"(2) The excess earnings based on which reductions under subsection (a) shall be made with respect to an individual in a year—

"(A) shall be equal to 50 percent of so much of such individual's earnings for the immediately preceding year as exceeds the applicable exempt amount for such preceding year; but

"(B) may not exceed the total amount of the annuity supplement payments to which such individual was entitled for such preceding year under section 8421 (determined without regard to subsection (c) of such section, and without regard to this section).

"(3)(A) Subject to subparagraph (B), the number of an individual's supplement entitlement months for a year shall be 12.

"(B) The number determined under subparagraph (A) shall be reduced so as not to include any month after which such individual ceases to be entitled to an annuity supplement by reason of section 8421(a)(3)(B), relating to cessation of entitlement upon attaining age 62.

"(4)(A) For purposes of this section, and except as provided in subparagraph (B), the 'earnings' and the 'applicable exempt amount' of an individual shall be determined in a manner consistent with applicable provisions of section 203 of the Social Security Act.

"(B) For purposes of this section—

"(i) in determining the excess earnings of any individual, only earnings attributable to periods during which such individual was entitled to an annuity supplement under section 8421 shall be considered; and

"(ii) any earnings attributable to a period before attaining the applicable retirement age under section 8412(h) shall not be considered in determining the excess earnings of an individual who retires under section 8412(d) or (e), or section 8414(c).

"(c) If, after an individual ceases to be entitled to an annuity supplement under section 8421 by reason of subsection (a)(3)(B) of such section, any portion of the individual's excess earnings remains outstanding, an amount not to exceed 25 percent of the amount otherwise payable to such individual under this chapter for each month shall be deducted from such monthly payment until the full amount of that outstanding portion has been accounted for. To the extent practicable, reductions under this subsection shall be made by a level percentage.

"(d) The Office shall prescribe regulations under which this section shall be applied in the case of a reemployed annuitant.

"§ 8422. Deductions from pay; contributions for military service

"(a)(1) The employing agency shall deduct and withhold from basic pay of each employee and Member a percentage of basic pay determined in accordance with paragraph (2).

"(2) The applicable percentage under this subsection for any pay period shall be—

"(A) in the case of an employee (other than a law enforcement officer, firefighter, air traffic controller, or Congressional employee) a percentage equal to—

"(i) 7 percent, minus

"(ii) the percentage then in effect under section 3101(a) of the Internal Revenue Code of 1954 (relating to rate of tax for old-age, survivors, and disability insurance); and

"(B) in the case of a Member, law enforcement officer, firefighter, air traffic controller, or Congressional employee, a percentage equal to—

"(i) 7½ percent, minus

"(ii) the same percentage as would apply in the case of an employee under subparagraph (A)(ii).

"(b) Each employee or Member is deemed to consent and agree to the deductions under subsection (a). Notwithstanding any law or regulation affecting the pay of an employee or Member, payment less such deductions is a full and complete discharge and acquittance of all claims and demands for regular services during the period covered by the payment, except the right to any benefits under this subchapter, or under subchapter IV or V of this chapter, based on the service of the employee or Member.

"(c) The amounts deducted and withheld under this section shall be deposited in the Treasury of the United States to the credit of the Fund under such procedures as the Comptroller General of the United States may prescribe.

"(d) Under such regulations as the Office may prescribe, amounts deducted under subsection (a) shall be entered on individual retirement records.

"(e)(1) Each employee or Member who has performed military service before the date of the separation on which the entitlement to any annuity under this subchapter, or subchapter V of this chapter, is based may pay, in accordance with such regulations as the Office shall issue, to the agency by which the employee is employed, or, in the case of a Member or a Congressional employee, to the Secretary of the Senate or the Clerk of the House of Representatives, as appropriate, an amount equal to 3 percent of the amount of the basic pay paid under section 204 of title 37 to the employee or Member for each period of military service after December 1956. The amount of such payments shall be based on such evidence of basic pay for military service as the employee or Member may provide, or if the Office determines sufficient evidence has not been so provided to adequately determine basic pay for military service, such payment shall be based on estimates of such basic pay provided to the Office under paragraph (4).

"(2) Any deposit made under paragraph (1) more than two years after the later of—

"(A) January 1, 1987; or

"(B) the date on which the employee or Member making the deposit first becomes an employee or Member,

shall include interest on such amount computed and compounded annually beginning on the date of the expiration of the two-year period. The interest rate that is applicable in computing interest in any year under this paragraph shall be equal to the interest rate that is applicable for such year under section 8334(e).

"(3) Any payment received by an agency, the Secretary of the Senate, or the Clerk of the House of Representatives under this subsection shall be immediately remitted to the Office for deposit in the Treasury of the United States to the credit of the Fund.

"(4) The Secretary of Defense, the Secretary of Transportation, the Secretary of Commerce, or the Secretary of Health and Human Services, as appropriate, shall furnish such information to the Office as the Office may determine to be necessary for the administration of this subsection.

"§ 8423. Government contributions

"(a)(1) Each employing agency having any employees or Members subject to section 8422(a) shall contribute to the Fund an amount equal to the sum of—

"(A) the product of—

"(i) the normal-cost percentage, as determined for employees (other than employees covered by subparagraph (B)), multiplied by

"(ii) the aggregate amount of basic pay payable by the agency, for the period involved, to employees and Members (under clause (i)) who are within such agency.

"(2) In determining any normal-cost percentage to be applied under this subsection, amounts provided for under section 8422 shall be taken into account.

"(3) Contributions under this subsection shall be paid—

"(A) in the case of law enforcement officers, firefighters, air traffic controllers, military reserve technicians, and other employees, from the appropriation or fund used to pay such law enforcement officers, firefighters, air traffic controllers, military reserve technicians, or other employees, respectively;

"(B) in the case of elected officials, from an appropriation or fund available for payment of other salaries of the same office or establishment; and

"(C) in the case of employees of the legislative branch paid by the Clerk of the House of Representatives, from the contingent fund of the House.

"(4) A contribution to the Fund under this subsection shall be deposited under such procedures as the Comptroller General of the United States may prescribe.

"(b)(1) The Office shall compute—

"(A) the amount of the supplemental liability of the Fund with respect to individuals other than those to whom subparagraph (B) relates, and

"(B) the amount of the supplemental liability of the Fund with respect to current or former employees of the United States Postal Service (and the Postal Rate Commission) and their survivors;

as of the close of each fiscal year beginning after September 30, 1987.

"(2) The amount of any supplemental liability computed under paragraph (1)(A) or (1)(B) shall be amortized in 30 equal annual installments, with interest computed at the rate used in the most recent valuation of the System.

"(3) At the end of each fiscal year, the Office shall notify—

"(A) the Secretary of the Treasury of the amount of the installment computed under this subsection for such year with respect to individuals under paragraph (1)(A); and

"(B) the Postmaster General of the United States of the amount of the installment computed under this subsection for such year with respect to individuals under paragraph (1)(B).

"(4)(A) Before closing the accounts for a fiscal year, the Secretary of the Treasury shall credit to the Fund, as a Government contribution, out of any money in the Treasury of the United States not otherwise appropriated, the amount under paragraph (3)(A) for such year.

"(B) Upon receiving notification under paragraph (3)(B), the United States Postal Service shall pay the amount specified in such notification to the Fund.

"(5) For the purpose of carrying out paragraph (1) with respect to any fiscal year, the Office may—

"(A) require the Board of Actuaries of the Civil Service Retirement System to make actuarial determinations and valuations, make recommendations, and maintain records in the same manner as provided in section 8347(f); and

"(B) use the latest actuarial determinations and valuations made by such Board of Actuaries.

"(c) Under regulations prescribed by the Office, the head of an agency may request reconsideration of any amount determined to be payable with respect to such agency under subsection (a) or (b). Any such request shall be referred to the Board of Actuaries of the Civil Service Retirement System. The Board of Actuaries shall review the computations of the Office and may make any adjustment with respect to any such amount which the Board determines appropriate. A determination by the Board of Actuaries under this subsection shall be final.

"§ 8424. Lump-sum benefits; designation of beneficiary; order of precedence

"(a) Subject to subsection (b), an employee or Member who—

"(1)(A) is separated from the service for at least 31 consecutive days; or

"(B) is transferred to a position in which the individual is not subject to this chapter and remains in such a position for at least 31 consecutive days;

"(2) files an application with the Office for payment of the lump-sum credit;

"(3) is not reemployed in a position in which the individual is subject to this chapter at the time of filing the application; and

"(4) will not become eligible to receive an annuity within 31 days after filing the application;

is entitled to be paid the lump-sum credit. Except as provided in section 8420a, payment of the lump-sum credit to an employee or Member voids all annuity rights under this subchapter, and subchapters IV and V of this chapter, based on the service on which the lump-sum credit is based.

"(b)(1) Payment of the lump-sum credit under subsection (a)—

"(A) may be made only if any current spouse and any former spouse of the employee or Member are notified of the application by the employee or Member; and

"(B) in any case in which there is a former spouse, shall be subject to the terms of a court decree of divorce, annulment, or legal separation issued with respect to such former spouse if—

"(i) the decree expressly relates to any portion of the lump-sum credit involved; and

"(ii) payment of the lump-sum credit would affect any right or interest of the former spouse with respect to a survivor annuity under section 8445, or to any portion of an annuity under section 8467.

"(2)(A) Notification of a spouse or former spouse under this subsection shall be made in accordance with such requirements as the Office shall by regulation prescribe.

"(B) Under the regulations, the Office may provide that paragraph (1)(A) may be waived with respect to a spouse or former spouse if the employee or Member establishes to the satisfaction of the Office that the whereabouts of such spouse or former spouse cannot be determined.

"(3) The Office shall prescribe regulations under which this subsection shall be applied in any case in which the Office receives two or more orders or decrees referred to in paragraph (1)(B)(i).

"(c) Under regulations prescribed by the Office, an employee or Member, or a former employee or Member, may designate one or more beneficiaries under this section.

"(d) Lump-sum benefits authorized by subsections (e) through (g) shall be paid to the individual or individuals surviving the employee or Member and alive at the date title to the payment arises in the following order of precedence, and the payment bars recovery by any other individual:

"First, to the beneficiary or beneficiaries designated by the employee or Member in a signed and witnessed writing received in the Office before the death of such employee or Member. For this purpose, a designation, change, or cancellation of beneficiary in a will or other document not so executed and filed has no force or effect.

"Second, if there is no designated beneficiary, to the widow or widower of the employee or Member.

"Third, if none of the above, to the child or children of the employee or Member and descendants of deceased children by representation.

"Fourth, if none of the above, to the parents of the employee or Member or the survivor of them.

"Fifth, if none of the above, to the duly appointed executor or administrator of the estate of the employee or Member.

"Sixth, if none of the above, to such other next of kin of the employee or Member as the Office determines to be entitled under the laws of the domicile of the employee or Member at the date of death of the employee or Member.

For the purpose of this subsection, 'child' includes a natural child and an adopted child, but does not include a stepchild.

"(e) If an employee or Member, or former employee or Member, dies—

"(1) without a survivor, or

"(2) with a survivor or survivors and the right of all survivors under subchapter IV terminates before a claim for survivor annuity under such subchapter is filed,

the lump-sum credit shall be paid.

"(f) If all annuity rights under this chapter (other than under subchapter III of this chapter) based on the service of a deceased employee or Member terminate before the total annuity paid equals the lump-sum credit, the difference shall be paid.

"(g) If an annuitant dies, annuity accrued and unpaid shall be paid.

"(h) Annuity accrued and unpaid on the termination, except by death, of the annuity of an annuitant or survivor shall be paid to that individual. Annuity accrued and unpaid on the death of a survivor shall be paid in the following order of precedence, and the payment bars recovery by any other person:

"First, to the duly appointed executor or administrator of the estate of the survivor.

"Second, if there is no executor or administrator, payment may be made, after 30 days from the date of death of the survivor, to such next of kin of the survivor as the Office determines to be entitled under the laws of the domicile of the survivor at the date of death.

"§ 8425. Mandatory separation

"(a) An air traffic controller who is otherwise eligible for immediate retirement under section 8412(e) shall be separated from the service on the last day of the month in which that air traffic controller becomes 56 years of age or completes 20 years of service if then over that age. The Secretary, under such regulations as the Secretary may prescribe, may exempt a controller having exceptional skills and experience as a controller from the automatic separation provisions of this subsection until that controller becomes 61 years of age. The Secretary shall notify the controller in writing of the date of separation at least 60 days before that date. Action to separate the controller is not effective, without the consent of the controller, until the last day of the month in which the 60-day notice expires.

"(b) A law enforcement officer or firefighter who is otherwise eligible for immediate retirement under section 8412(d) shall be separated from the service on the last day of the month in which that law enforcement officer or firefighter becomes 55 years of age or completes 20 years of service if then over that age. If the head of the agency judges that the public interest so requires, that agency head may exempt such an employee from automatic separation under this subsection until that employee becomes 60 years of age. The employing office shall notify the employee in writing of the date of separation at least 60 days before that date. Action to separate the employee is not effective, without the consent of the employee, until the last day of the month in which the 60-day notice expires.

"(c) The President, by Executive order, may exempt an employee from automatic separation under this section if the President determines the public interest so requires.

"SUBCHAPTER III—THRIFT SAVINGS PLAN

"§ 8431. Definition

"Notwithstanding section 8401 of this title, for the purpose of this subchapter, the term 'basic pay', when used with respect to an employee or Member, means the basic pay of the employee or Member established pursuant to law, without regard to any provision of law (except sections 5308 and 5382(b) of this title) limiting the rate of pay actually payable in any pay period (including any provision of law restricting the use of appropriated funds).

"§ 8432. Contributions

"(a) An employee or Member may contribute to the Thrift Savings Fund in any pay period, pursuant to an election under subsection (b)(1), an amount not to exceed 10 percent of such individual's basic pay for such period. Contributions made under this subsection during any 6-month period for which an election period is provided under subsection (b)(1) shall be made each pay period during such 6-month period pursuant to a program of regular contributions provided in regulations prescribed by the Executive Director.

"(b)(1)(A) The Executive Director shall prescribe regulations under which employees and Members shall be afforded a reasonable period every 6 months to elect to make contributions under subsection (a), to modify the amount to be contributed under such subsection, or to terminate such contributions. An election to make such contributions shall remain in effect until modified or terminated.

"(B) The amount to be contributed pursuant to an election under subparagraph (A) shall be the percentage of basic pay or amount designated by the employee or Member.

"(2) Under the regulations—

"(A) an employee or Member who has not previously been eligible to make an election under this subsection shall not become so eligible until the second period (described in paragraph (1)) beginning after the date of commencing service as an employee or Member;

"(B) an employee or Member whose appointment or election to a position or office in the Federal Government follows a previous period of service during which that individual met the requirements of subpara-

graph (A) shall be eligible to make an election under this subsection notwithstanding any period of separation;

"(C) an employee or Member who elects under subparagraph (D) to terminate contributions shall not again become eligible to make an election under this subsection until the second period (described in paragraph (1)) commencing after the election to terminate; and

"(D) an election to terminate may be made under this subparagraph at any time other than during a period afforded under paragraph (1).

"(3) Notwithstanding paragraph (2)(A), an employee or Member who elects to become subject to this chapter under section 301 of the Federal Employees' Retirement System Act of 1986 may make the first election for the purpose of subsection (a) during the period prescribed for such purpose by the Executive Director. The period prescribed by the Executive Director shall commence on the date on which the employee or Member makes the election to become subject to this chapter.

"(c)(1) At the end of the pay period that includes the first date on which an employee or Member may make contributions under subsection (a) (without regard to whether the employee or Member has elected to make such contributions during such pay period), and at the end of each succeeding pay period, the employing agency shall contribute to the Thrift Savings Fund for the benefit of such employee or Member the amount equal to 1 percent of the basic pay of such employee or Member for such pay period.

"(2)(A) In addition to contributions made under paragraph (1), the employing agency of an employee or Member who contributes to the Thrift Savings Fund under subsection (a) for any pay period shall make a contribution to the Thrift Savings Fund for the benefit of such employee or Member. The employing agency's contribution shall be made at the end of such pay period.

"(B) The amount contributed under subparagraph (A) by an employing agency with respect to a contribution of an employee or Member during any pay period shall be the amount equal to the sum of—

"(i) such portion of the total amount of the employee's or Member's contribution as does not exceed 3 percent of such employee's or Member's basic pay for such period; and

"(ii) one-half of such portion of the amount of the employee's or Member's contribution as exceeds 3 percent, but does not exceed 5 percent, of such employee's or Member's basic pay for such pay period.

"(3)(A) There shall be contributed to the Thrift Savings Fund on behalf of each employee or Member described in subparagraph (B) the amount determined under subparagraph (C).

"(B) An employee or Member referred to in subparagraph (A) is an employee or Member who—

"(i) is an employee or Member on January 1, 1987;

"(ii) has creditable service described in section 8411(b)(2) of this title; and

"(iii) has not received a refund of the amount of the retirement deductions made with respect to such service under section 204 of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983.

"(C) The amount referred to in subparagraph (A) in the case of an employee or Member is equal to the sum of—

"(i) 1 percent of the total basic pay paid to such employee or Member for service described in section 8411(b)(2) of this title; and

"(ii) interest on such amount computed with respect to such service in the manner provided in paragraphs (2) and (3) of section 8334(e) of this title.

"(D) The Secretary of the Treasury shall credit to the Thrift Savings Fund, out of any sums in the Treasury not otherwise appropriated, the amounts determined by the Director to be necessary to carry out this paragraph.

"(d) Notwithstanding any other provision of this section, no contribution may be made under this section for any year to the extent that such contribution, when added to prior contributions for such year, exceeds any limitation under section 415 of the Internal Revenue Code of 1954.

"(e) The sums required to be contributed to the Thrift Savings Fund by an employing agency under subsection (c) for the benefit of an employee or Member shall be paid from the appropriation or fund available to such agency for payment of salaries of the employee's or Member's office or establishment. When an employee or Member in the legislative branch is paid by the Clerk of the House of Representatives, the Clerk may pay from the contingent fund of the House of Representatives the contribution that otherwise would be contributed from the appropriation or fund used to pay the employee or Member.

"(f) Amounts contributed by an employee or Member under subsection (a) and amounts contributed with respect to such employee or Member under subsection (c) shall be deposited in the Thrift Savings Fund to the credit of that employee's or Member's account in accordance with such procedures as the Comptroller General of the United States may, in consultation with the Executive Director, prescribe in regulations.

"(g)(1) Except as provided in paragraphs (2) and (3), all contributions made under this section shall be fully nonforfeitable when made.

"(2) Contributions made for the benefit of an employee under subsection (c)(1) and all earnings attributable to such contributions shall be forfeited if the employee separates from Government employment before completing—

"(A) 2 years of civilian service in the case of an employee who, at the time of separation, is serving in—

"(i) a position in the Senior Executive Service as a noncareer appointee (as defined in section 3132(a)(7) of this title);

"(ii) a position listed in section 5312, 5313, 5314, 5315, or 5316 of this title or a position placed in level IV or V of the Executive Schedule under section 5317 of this title; or

"(iii) a position in the Executive branch which is excepted from the competitive service by the Office by reason of the confidential and policy-determining character of the position; or

"(B) 3 years of civilian service in the case of an employee who is not serving in a position described in subparagraph (A) at the time of separation.

"(3) Contributions made for the benefit of a Member or Congressional employee under subsection (c)(1) and all earnings attributable to such contributions shall be forfeited if the Member or Congressional employee separates from Government employment before completing 2 years of civilian service.

"(h) No transfers or contributions may be made to the Thrift Savings Fund except as provided in this chapter or section 8351 of this title.

"§ 8433. Benefits and election of benefits

"(a) An employee or Member who separates from Government employment is entitled to the amount of the balance in the employee's or Member's account (except for the portion of such amount forfeited under section 8432(g) of this title, if any) as provided in this section.

"(b) Subject to section 8435 of this title, any employee or Member who separates from Government employment entitled to an immediate annuity under subchapter II of this chapter, any employee or Member who separates from Government employment entitled to benefits under subchapter I of chapter 81 of this title, and any employee or Member who is entitled to receive disability benefits under subchapter V of this chapter is entitled and may elect—

"(1) to receive an immediate annuity from the Thrift Savings Fund;

"(2) to defer the commencement of the payment of an annuity from the Thrift Savings Fund until such date as the employee or Member specifies, but not later than April 1 of the year following the year in which the employee or Member becomes 70½ years of age;

"(3) to withdraw the amount of the balance in the employee's or Member's account in the Thrift Savings Fund in one or more substantially equal payments to be made not less frequently than annually and to commence before April 1 of the year following the year in which the employee or Member becomes 70½ years of age; or

"(4) to transfer the amount of the balance in the employee's or Member's account to an eligible retirement plan as provided in subsection (e).

"(c) Subject to section 8435 of this title, any employee or Member who separates from Government employment entitled to a deferred annuity under subchapter II of this chapter is entitled and may elect—

"(1) to receive an immediate annuity from the Thrift Savings Fund;

"(2) to defer the commencement of the payment of an annuity from the Thrift Savings Fund until such date as the employee or Member specifies, but not later than April 1 of the year following the year in which the employee or Member becomes 70½ years of age;

"(3) to withdraw the amount of the balance in the employee's or Member's account in the Thrift Savings Fund in one or more substantially equal payments to be made not less frequently than annually and to commence during any period which (A) commences on or after the date on which payment of the employee's or Member's annuity under subchapter II of this chapter commences, and (B) ends not later than April 1 of the year following the year in which the employee or Member becomes 70½ years of age; or

"(4) to transfer the amount of the balance in the employee's or Member's account to an eligible retirement plan as provided in subsection (e).

"(d) Subject to section 8435 of this title, any employee or Member who separates from Government employment before becoming entitled to a deferred annuity under subchapter II of this chapter shall transfer the amount of the balance in the employee's or Member's account to an eligible retirement plan as provided in subsection (e).

"(e)(1) The Executive Director shall make each transfer elected under subsection (b)(4) or (c)(4) or required under subsection (d) directly to an eligible retirement plan or plans

(as defined in section 402(a)(5)(E) of the Internal Revenue Code of 1954) identified by the employee, Member, former employee, or former Member for whom the transfer is made.

"(2) A transfer may not be made for an employee, Member, former employee, or former Member under paragraph (1) until the Executive Director receives from that individual the information required by the Executive Director specifically to identify the eligible retirement plan or plans to which the transfer is to be made.

"(f)(1) Subject to paragraph (3)(A) and subsections (a) and (d) of section 8435 of this title, an employee or Member may change an election previously made under this subchapter.

"(2) Subject to paragraph (3)(B) and section 8435(d) of this title, a former employee or Member who has made an election pursuant to subsection (b)(2) or (c)(2) may modify the date specified in such election or in a previous modification under this paragraph.

"(3)(A) A former employee or Member may not change an election under this section on or after the date on which a payment is made in accordance with such election or, in the case of an election to receive an annuity, the date on which an annuity elected by the former employee or Member commences.

"(B) A modification of a date may not be made under paragraph (2) on or after such date and may not specify a date for the commencement of an annuity earlier than 1 month after the date on which the modification is submitted to the Executive Director.

"(g) If an employee or Member (or former employee or Member) dies without having made an election under this section or after having elected an annuity under this section but before making an election under section 8434 of this title, an amount equal to the value of that individual's account (as of death) shall, subject to any decree, order, or agreement referred to in section 8435(d)(2) of this title be paid in a manner consistent with section 8424(d) of this title.

"(h) Unless otherwise elected under this section, benefits under this subchapter shall be paid as an annuity commencing for an employee, Member, former employee, or former Member on February 1 of the year following the latest of the year in which—

"(1) the employee, Member, former employee, or former Member becomes 65 years of age;

"(2) occurs the tenth anniversary of the year in which the employee, Member, former employee, or former Member became subject to this subchapter; or

"(3) the employee, Member, former employee, or former Member separates from Government employment.

"(i)(1) At any time after December 31, 1987, and before separation, an employee or Member may apply to the Board for permission to borrow from the employee's or Member's account an amount not exceeding the value of that portion of such account which is attributable to contributions made by the employee or Member under section 8432(a) of this title.

"(2) An application under this subsection may be approved only for—

"(A) the purchase of a primary residence;

"(B) educational expenses;

"(C) medical expenses; or

"(D) financial hardship.

"(3) Loans under this subsection shall be subject to such conditions as the Board may prescribe consistent with section 408(b)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(b)(1)). The conditions shall be included in regulations issued by the Executive Director.

"(4) A loan may not be made under this subsection to the extent that the loan would be treated as a taxable distribution under section 72(p) of the Internal Revenue Code of 1954.

"(5) A loan may not be made under this subsection unless the requirements of section 8435(f) of this title are satisfied.

"§ 8434. Annuities: methods of payment; election; purchase

"(a)(1) The Board shall prescribe methods of payment of annuities under this subchapter.

"(2) The methods of payment prescribed under paragraph (1) shall include, but not be limited to—

"(A) a method which provides for the payment of a monthly annuity only to an annuitant during the life of the annuitant;

"(B) a method which provides for the payment of a monthly annuity to an annuitant for the joint lives of the annuitant and the spouse of the annuitant and an appropriate monthly annuity to the one of them who survives the other of them for the life of the survivor;

"(C) a method described in subparagraph (A) which provides annual increases in the amount of the annuity payable;

"(D) a method described in subparagraph (B) which provides annual increases in the amount of the annuity payable; and

"(E) a method which provides for the payment of a monthly annuity—

"(i) to the annuitant for the joint lives of the annuitant and an individual who is designated by the annuitant under regulations prescribed by the Executive Director and (I) is a former spouse of the annuitant, or (II) has an insurable interest in the annuitant; and

"(ii) to the one of them who survives the other of them for the life of the survivor.

"(b) Subject to section 8435(c) of this title, under such regulations as the Executive Director shall prescribe, an employee, Member, former employee, or former Member who elects under section 8433 of this title to receive an annuity under this subchapter shall elect, on or before the date on which the annuity commences, one of the methods of payment prescribed under subsection (a).

"(c) Notwithstanding an elimination of a method of payment by the Board—

"(1) an employee, Member, former employee, or former Member who is entitled under section 8412 of this title to an immediate annuity not reduced under section 8415(f) of this title may elect the eliminated method if the elimination of such method became effective less than 5 years before the date on which the annuity commences; and

"(2) any other employee, Member, former employee, or former Member may elect such method of payment for amounts contributed by or on behalf of the employee, Member, former employee, or former Member under section 8432 of this title before such effective date and for earnings attributable to such amounts.

"(d)(1) At the time an annuity is to commence under this subchapter, the Executive Director shall expend the balance in the annuitant's account to purchase an annuity contract from any entity which, in the normal course of its business, sells and provides annuities.

"(2) The Executive Director shall assure, by contract entered into with each entity from which an annuity contract is purchased under paragraph (1), that the annuity shall be provided in accordance with the provisions of this subchapter and subchapter VII of this chapter.

"(3) An annuity contract purchased under paragraph (1) shall include such terms and conditions as the Executive Director requires for the protection of the annuitant.

"(4) The Executive Director shall require, from each entity from which an annuity contract is purchased under paragraph (1), a bond or proof of financial responsibility sufficient to protect the annuitant.

"§ 8435. Protections for spouses and former spouses

"(a)(1)(A) A married employee or Member (or former employee or Member) may make an election under subsection (b)(3), (b)(4), (c)(3), or (c)(4) of section 8433 of this title or change an election previously made under subsection (b)(1), (b)(2), (c)(1), or (c)(2) of such section only if the employee or Member (or former employee or Member) satisfies the requirements of subparagraph (B).

"(B) An employee or Member (or former employee or Member) may make an election or change referred to in subparagraph (A) if the employee or Member and the employee's or Member's spouse (or the former employee or Member and the former employee's or Member's spouse) jointly waive, by written election, any right which the spouse may have to a survivor annuity with respect to such employee or Member (or former employee or Member) under section 8434 of this title or subsection (c).

"(2) Paragraph (1) shall not apply to an election or change of election by an employee or Member (or former employee or Member) who establishes to the satisfaction of the Executive Director (at the time of the election or change and in accordance with regulations prescribed by the Executive Director)—

"(A) that the spouse's whereabouts cannot be determined; or

"(B) that, due to exceptional circumstances, requiring the spouse's waiver would otherwise be inappropriate.

"(b)(1) Except as provided in paragraph (2), a transfer may be made by an employee or Member (or former employee or Member) under section 8433(d) of this title only after the Executive Director notifies any current spouse and each former spouse of the employee or Member (or former employee or Member), if any, that the transfer is to be made.

"(2) Paragraph (1) may be waived with respect to a spouse or former spouse if the employee or Member (or former employee or Member) establishes to the satisfaction of the Executive Director that the whereabouts of such spouse or former spouse cannot be determined.

"(c)(1) Notwithstanding any election under subsection (b) of section 8434 of this title, the method described in subsection (a)(2)(B) of such section (or, if more than one form of such method is available, the form which the Board determines to be the one which provides for a surviving spouse a survivor annuity most closely approximating the annuity of a surviving spouse under section 8442 of this title) shall be deemed the applicable method under such subsection (b) in the case of an employee, Member, former employee, or former Member who is married on the date on which the employee's, Member's, former employee's, or former Member's annuity commences under this subchapter.

"(2) Paragraph (1) shall not apply—

"(A) in the case of an employee or Member retiring under section 8412, 8413, 8414, or 8451 of this title if—

"(i) a joint waiver of such method is made, in writing, by the employee or Member and the spouse; or

"(ii) the employee or Member waives such method, in writing, after establishing to the satisfaction of the Executive Director that circumstances described in subsection (a)(2)(A) or (a)(2)(B) make the requirement of a joint waiver inappropriate; or

"(B) in the case of an employee or Member not covered by subparagraph (A), if the employee or Member waives such method after—

"(i) having provided notification to the spouse of intent to waive; or

"(ii) establishing to the satisfaction of the Executive Director that the whereabouts of such spouse cannot be determined.

"(d)(1) An election, change of election, or modification of the commencement date of a deferred annuity shall not be effective under this subchapter and a transfer may not be made under section 8433(d) of this title to the extent that the election, change, modification, or transfer conflicts with any court decree, order, or agreement described in paragraph (2).

"(2) A court decree, order, or agreement referred to in paragraph (1) is, with respect to an employee or Member (or former employee or Member), a court decree of divorce, annulment, or legal separation issued in the case of such employee or Member (or former employee or Member) and any former spouse of the employee or Member (or former employee or Member) or any court order or court-approved property settlement agreement incident to such decree if—

"(A) the decree, order, or agreement expressly relates to any portion of the balance in the employee's or Member's (or former employee's or Member's) account; and

"(B) notice of the decree, order, or agreement was received by the Executive Director before—

"(i) the date on which payment is made, or

"(ii) in the case of an annuity, the date on which the annuity commences,

in accordance with the election, change, modification, or contribution referred to in paragraph (1).

"(3) The Executive Director shall prescribe regulations under which this subsection shall be applied in any case in which the Executive Director receives two or more decrees, orders, or agreements referred to in paragraph (1).

"(e)(1) Subject to paragraphs (2) through (7), a former spouse of a deceased employee or Member (or a deceased former employee or Member) who died after performing 18 or more months of service and a former spouse of a deceased former employee or Member who died entitled to an immediate or deferred annuity under subchapter II of this chapter is entitled to a survivor annuity under this subsection if and to the extent that—

"(A) an election under section 8434(a)(2)(E) of this title, or

"(B) any court decree, order, or agreement (described in subsection (d)(2), without regard to subparagraph (B) of such subsection) which relates to such deceased individual and such former spouse,

expressly provides for such survivor annuity.

"(2) Paragraph (1) shall apply only to payments made by the Executive Director after the date on which the Executive Director receives written notice of the election, decree, order, or agreement, and such additional information and documentation as the Executive Director may require.

"(3) The amount of the survivor annuity payable from the Thrift Savings Fund to a former spouse of a deceased employee, Member, former employee, or former Member under this section may not exceed the excess, if any, of—

"(A) the amount of the survivor annuity determined for a surviving spouse of the deceased employee, Member, former employee, or former Member under the method described in subsection (c)(1), over

"(B) the total amount of all other survivor annuities payable under this subchapter to other former spouses of such deceased employee, Member, former employee, or former Member based on the order of precedence provided in paragraph (4).

"(4) If more than one former spouse of a deceased employee, Member, former employee, or former Member is entitled to a survivor annuity pursuant to this subsection, the amount of each such survivor annuity shall be limited appropriately to carry out paragraph (3) in the order of precedence established for the entitlements by the chronological order of the dates on which elections are properly made pursuant to section 8434(a)(2)(E) of this title and the dates on which the court decrees, orders, or agreements applicable to the entitlement were issued, as the case may be.

"(5) Subsections (c) and (d) of section 8445 of this title shall apply to an entitlement of a former spouse to a survivor annuity under this subsection.

"(6) For the purposes of this section, a court decree, order, or agreement or an election referred to in subsection (a) of this section shall not be effective, in the case of a former spouse, to the extent that the election is inconsistent with any joint waiver previously executed with respect to such former spouse under subsection (a)(2) or (c)(2).

"(7) Any payment under this subsection to any individual bars recovery by any other individual.

"(f)(1)(A) A loan may be made to a married employee or Member under section 8433(i) of this title only if the employee's or Member's spouse consents to such loan in writing.

"(B) A consent under subparagraph (A) shall be irrevocable with respect to the loan to which the consent relates.

"(C) Subparagraph (A) shall not apply to a loan to an employee or Member who establishes to the satisfaction of the Executive Director (at the time the employee or Member applies for such loan and in accordance with regulations prescribed by the Executive Director)—

"(i) that the spouse's whereabouts cannot be determined; or

"(ii) that, due to exceptional circumstances, requiring the employee or Member to seek the spouse's consent would otherwise be inappropriate.

"(2) An application for a loan under section 8433(i) of this title shall not be approved if approval would have the result described in subsection (d)(1).

"(g) Waivers and notifications required by this section and waivers of the requirements for such waivers and notifications (as authorized by this section) may be made only in accordance with procedures prescribed by the Executive Director.

"(h) The protections provided by this section are in addition to the protections provided by section 8467 of this title.

"§ 8436. Administrative provisions

"(a) The Executive Director shall make or provide for payments and transfers in accordance with an election of an employee or Member under section 8433 or 8434(b) of this title or, if applicable, in accordance with section 8435 of this title.

"(b) Any election, change of election, or modification of a deferred annuity commencement date made under this subchapter shall be in writing and shall be filed with the Executive Director in accordance with regulations prescribed by the Executive Director.

"§ 8437. Thrift Savings Fund

"(a) There is established in the Treasury of the United States a Thrift Savings Fund.

"(b) The Thrift Savings Fund consists of the sum of all amounts contributed under section 8432 of this title and all amounts deposited under section 8479(b) of this title, increased by the total net earnings from investments of sums in the Thrift Savings Fund or reduced by the total net losses from investments of the Thrift Savings Fund, and reduced by the total amount of payments made from the Thrift Savings Fund (including payments for administrative expenses).

"(c) The sums in the Thrift Savings Fund are appropriated and shall remain available without fiscal year limitation—

"(1) to invest under section 8438 of this title;

"(2) to pay benefits or purchase annuity contracts under this subchapter;

"(3) to pay the administrative expenses of the Federal Retirement Thrift Investment Management System prescribed in subchapter VII of this chapter;

"(4) to make distributions for the purposes of section 8440(b) of this title;

"(5) to make loans to employees and Members as authorized under section 8433(i) of this title; and

"(6) to purchase insurance as provided in section 8479(b)(2) of this title.

"(d) Administrative expenses incurred to carry out this subchapter and subchapter VII of this chapter shall be paid first out of any sums in the Thrift Savings Fund forfeited under section 8432(g) of this title and then out of net earnings in such Fund attributable to sums contributed to such Fund under section 8432(c) of this title.

"(e)(1) Subject to paragraphs (2) and (3), sums in the Thrift Savings Fund credited to the account of an employee, Member, former employee, or former Member may not be used for, or diverted to, purposes other than for the exclusive benefit of the employee, Member, former employee, or former Member or his beneficiaries under this subchapter.

"(2) Except as provided in paragraph (3), sums in the Thrift Savings Fund may not be assigned or alienated and are not subject to execution, levy, attachment, garnishment, or other legal process. For the purposes of this paragraph, a loan made from such Fund to an employee or Member shall not be considered to be an assignment or alienation.

"(3) Moneys due or payable from the Thrift Savings Fund to any individual and, in the case of an individual who is an employee or Member (or former employee or Member), the balance in the account of the employee or Member (or former employee or Member) shall be subject to legal process for the enforcement of the individual's legal obligations to provide child support or make alimony payments as provided in section 459 of the Social Security Act (42 U.S.C. 659).

"(f) The sums in the Thrift Savings Fund shall not be appropriated for any purpose other than the purposes specified in this section and may not be used for any other purpose.

"(g) All sums contributed to the Thrift Savings Fund by an employee or Member or by an employing agency for the benefit of such employee or Member and all net earnings in such Fund attributable to investment of such sums are held in such Fund in trust for such employee or Member.

"§ 8438. Investment of Thrift Savings Fund

"(a) For the purposes of this section—

"(1) the term 'Common Stock Index Investment Fund' means the Common Stock Index Investment Fund established under subsection (b)(1)(C);

"(2) the term 'equity capital' means common and preferred stock, surplus, undivided profits, contingency reserves, and other capital reserves;

"(3) the term 'Fixed Income Investment Fund' means the Fixed Income Investment Fund established under subsection (b)(1)(B);

"(4) the term 'Government Securities Investment Fund' means the Government Securities Investment Fund established under subsection (b)(1)(A);

"(5) the term 'net worth' means capital, paid-in and contributed surplus, unassigned surplus, contingency reserves, group contingency reserves, and special reserves;

"(6) the term 'plan' means an employee benefit plan, as defined in section 3(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(3));

"(7) the term 'qualified professional asset manager' means—

"(A) a bank, as defined in section 202(a)(2) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(2)) which—

"(i) has the power to manage, acquire, or dispose of assets of a plan; and

"(ii) has, as of the last day of its latest fiscal year ending before the date of a determination for the purpose of this clause, equity capital in excess of $1,000,000;

"(B) a savings and loan association, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, which—

"(i) has applied for and been granted trust powers to manage, acquire, or dispose of assets of a plan by a State or Government authority having supervision over savings and loan associations; and

"(ii) has, as of the last day of its latest fiscal year ending before the date of a determination for the purpose of this clause, equity capital or net worth in excess of $1,000,000;

"(C) an insurance company which—

"(i) is qualified under the laws of more than one State to manage, acquire, or dispose of any assets of a plan;

"(ii) has, as of the last day of its latest fiscal year ending before the date of a determination for the purpose of this clause, net worth in excess of $1,000,000; and

"(iii) is subject to supervision and examination by a State authority having supervision over insurance companies; or

"(D) an investment adviser registered under section 203 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3) if the investment adviser has, on the last day of its latest fiscal year ending before the date of a determination for the purpose of this subparagraph, total client assets under its management and control in excess of $50,000,000, and—

"(i) the investment adviser has, on such day, shareholder's or partner's equity in excess of $750,000; or

"(ii) payment of all of the investment adviser's liabilities, including any liabilities which may arise by reason of a breach or violation of a duty described in section 8477 of this title, is unconditionally guaranteed by—

"(I) a person (as defined in section 8471(4) of this title) who directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the investment adviser and who has, on the last day of the person's latest fiscal year ending before the date of a determination for the purpose of this clause, shareholder's or partner's equity in an amount which, when added to the amount of the shareholder's or partner's equity of the investment adviser on such day, exceeds $750,000;

"(II) a qualified professional asset manager described in subparagraph (A), (B), or (C); or

"(III) a broker or dealer registered under section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o) that has, on the last day of the broker's or dealer's latest fiscal year ending before the date of a determination for the purpose of this clause, net worth in excess of $750,000; and

"(8) the term 'shareholder's or partner's equity', as used in paragraph (7)(D) with respect to an investment adviser or a person (as defined in section 8471(4) of this title) who is affiliated with the investment adviser in a manner described in clause (ii)(I) of such paragraph (7)(D), means the equity shown in the most recent balance sheet prepared for such investment adviser or affiliated person, in accordance with generally accepted accounting principles, within 2 years before the date on which the investment adviser's status as a qualified professional asset manager is determined for the purposes of this section.

"(b)(1) The Board shall establish—

"(A) a Government Securities Investment Fund under which sums in the Thrift Savings Fund are invested in securities of the United States Government issued as provided in subsection (f);

"(B) a Fixed Income Investment Fund under which sums in the Thrift Savings Fund are invested in—

"(i) insurance contracts;

"(ii) certificates of deposits; or

"(iii) other instruments or obligations selected by qualified professional asset managers,

which return the amount invested and pay interest, at a specified rate or rates, on that amount during a specified period of time; and

"(C) a Common Stock Index Investment Fund as provided in paragraph (2).

"(2)(A) The Board shall select an index which is a commonly recognized index comprised of common stock the aggregate market value of which is a reasonably complete representation of the United States equity markets.

"(B) The Common Stock Index Investment Fund shall be invested in a portfolio designed to replicate the performance of the index selected under subparagraph (A). The portfolio shall be designed such that, to the extent practicable, the percentage of the Common Stock Index Investment Fund that is invested in each stock is the same as the percentage determined by dividing the aggregate market value of all shares of that stock by the aggregate market value of all shares of all stocks included in such index.

"(c)(1) Subject to subsection (e), the Executive Director shall invest the sums available in the Thrift Savings Fund for investment as provided in elections made under subsection (d).

"(2) If an election has not been made with respect to any sums in the Thrift Savings Fund available for investment, the Executive Director shall invest such sums in the Government Securities Investment Fund.

"(d)(1) At least twice each year, an employee or Member (or former employee or Member) may elect the investment funds referred to in subsection (b) into which the sums in the Thrift Savings Fund credited to such individual's account and not subject to subsection (e) are to be invested or reinvested.

"(2) An election may be made under paragraph (1) only in accordance with regulations prescribed by the Executive Director and within such period as the Executive Director shall provide in such regulations.

"(e)(1)(A) During each year specified under column 1 of table I set out in subparagraph (D), the Executive Director shall invest, with respect to each employee, Member, former employee, and former Member not less than the percentage determined under subparagraph (B) of the amount described in subparagraph (C) in the Government Securities Investment Fund.

"(B) For the purposes of subparagraph (A), the minimum percentage applicable to investments during a year specified under column 1 of table I is the percentage which corresponds to such year under column 2 of table I.

"(C) The amount to be invested as provided in subparagraph (A) in any year specified under column 1 of table I is the total amount contributed to the Thrift Savings Fund by an employee, Member, former employee, or former Member under section 8432(a) of this title and available for investment during such year.

"(D) Table I is as follows:

"TABLE I

"Column 1 Year:	Column 2 Minimum percentage:
1987	100
1988	80
1989	60
1990	40
1991	20.

"(2)(A) During each year specified under column 1 of table II set out in subparagraph (D), the Executive Director shall invest, with respect to each employee, Member, former employee, and former Member not less than the percentage determined under subparagraph (B) of the amount described in subparagraph (C) in the Government Securities Investment Fund.

"(B) For the purposes of subparagraph (A), the minimum percentage applicable to investments during a year specified under column 1 of table II is the percentage which corresponds to such year under column 2 of table II.

"(C) The amount to be invested as provided in subparagraph (A) in any year specified under column 1 of table II is the total amount contributed to the Thrift Savings Fund for the benefit of an employee, Member, former employee, or former Member under section 8432(c) of this title and available for investment during such year.

"(D) Table II is as follows:

"Table II

"Column 1 Year:	Column 2 Minimum percentage:
1987–1992	100
1993	80
1994	60
1995	40
1996	20.

"(3)(A) Before 1992, the sums invested in the Government Securities Investment Fund as required by paragraph (1) and the earnings attributable to the investment of such sums may not be reinvested in any investment fund other than the Government Securities Investment Fund.

"(B) Before 1997, the sums invested in the Government Securities Investment Fund as required by paragraph (2) and the earnings attributable to the investment of such sums may not be reinvested in any investment fund other than the Government Securities Investment Fund.

"(f)(1) The Secretary of the Treasury is authorized to issue special interest-bearing obligations of the United States for purchase by the Thrift Savings Fund for the Government Securities Investment Fund.

"(2)(A) Obligations issued for the purpose of this subsection shall have maturities fixed with due regard to the needs of such Fund as determined by the Executive Director, and shall bear interest at a rate equal to the average market yield (computed by the Secretary of the Treasury on the basis of market quotations as of the end of the calendar month next preceding the date of issue of such obligations) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable earlier than 4 years after the end of such calendar month.

"(B) Any average market yield computed under subparagraph (A) which is not a multiple of one-eighth of 1 percent, shall be rounded to the nearest multiple of one-eighth of 1 percent.

"(g) The Board, other Government agencies, the Executive Director, an employee, a Member, a former employee, and a former Member may not exercise voting rights associated with the ownership of securities by the Thrift Savings Fund.

"§ 8439. Accounting and information

"(a)(1) The Executive Director shall establish and maintain an account for each individual for whom contributions are made under section 8432(c)(1) of this title or who makes contributions to the Thrift Savings Fund under section 8351 of this title.

"(2) The balance in an individual's account at any time is the excess of—

"(A) the sum of—

"(i) all contributions made to the Thrift Savings Fund by the individual under section 8432(a) or 8351 of this title;

"(ii) all contributions made to such Fund for the benefit of the individual under section 8432(c) of this title; and

"(iii) the total amount of the allocations made to and reductions made in the account pursuant to paragraph (3), over

"(B) the amounts paid out of the Thrift Savings Fund with respect to such individual under this subchapter.

"(3) Pursuant to regulations prescribed by the Executive Director, the Executive Director shall allocate to each account an amount equal to a pro rata share of the net earnings and net losses from each investment of sums in the Thrift Savings Fund attributable to sums credited to such account, reduced by an appropriate share of the administrative expenses paid out of the net earnings under section 8437(d) of this title, as determined by the Executive Director.

"(b)(1) For the purposes of this subsection, the term 'qualified public accountant' shall have the same meaning as provided in section 103(a)(3)(D) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1023(a)(3)(D)).

"(2) The Executive Director shall annually engage, on behalf of all individuals for whom an account is maintained, an independent qualified public accountant, who shall conduct an examination of all accounts and other books and records maintained in the administration of this subchapter and subchapter VII as the public accountant considers necessary to enable the public accountant to make the determination required by paragraph (3). The examination shall be conducted in accordance with generally accepted auditing standards and shall involve such tests of the accounts, books, and records as the public accountant considers necessary.

"(3) The public accountant conducting an examination under paragraph (2) shall determine whether the accounts, books, and records referred to in such paragraph have been maintained in conformity with generally accepted accounting principles applied on a basis consistent with the manner in which such principles were applied during the examination conducted under such paragraph during the preceding year. The public accountant shall transmit to the Board and the Comptroller General of the United States a report on his examination, including his determination under this paragraph.

"(4) In making a determination under paragraph (3), a public accountant may rely on the correctness of any actuarial matter certified by an enrolled actuary if the public accountant states his reliance in the report transmitted to the Board under such paragraph.

"(c)(1) The Board shall prescribe regulations under which each individual for whom an account is maintained shall be furnished with—

"(A) a periodic statement relating to the individual's account; and

"(B) a summary description of the investment options under section 8438 of this title covering, and an evaluation of, each such option the 5-year period preceding the date as of which such evaluation is made.

"(2) Information under this subsection shall be provided at least 30 calendar days before the beginning of each election period under section 8432(b)(1)(A) of this title, and in a manner designed to facilitate informed decisionmaking with respect to elections under sections 8432 and 8438 of this title.

"(d) Each employee, Member, former employee, or former Member who elects to invest in the Common Stock Index Investment Fund or the Fixed Income Investment Fund described in paragraphs (1) and (3), respectively, of section 8438(a) of this title shall sign an acknowledgement prescribed by the Executive Director which states that the employee, Member, former employee, or former Member understands that an investment in either such Fund is made at the employee's, Member's, former employee's, or former Member's risk, that the employee, Member, former employee, or former Member is not protected by the Government against any loss on such investment, and that a return on such investment is not guaranteed by the Government.

"§ 8440. Tax treatment of the Thrift Savings Fund

"(a) For purposes of the Internal Revenue Code of 1954—

"(1) the Thrift Savings Fund shall be treated as a trust described in section 401(a) of such Code which is exempt from taxation under section 501(a) of such Code;

"(2) any contribution to, or distribution from, the Thrift Savings Fund shall be treated in the same manner as contributions to or distributions from such a trust; and

"(3) subject to the provisions of subsection (b) and any dollar limitation on the application of section 402(a)(8) of such Code, contributions to the Thrift Savings Fund shall not be treated as distributed or made available to an employee or Member nor as a contribution made to the Fund by an employee or Member merely because the employee or Member has, under the provisions of this subchapter and section 8351 of this title, an election whether the contribution will be made to the Thrift Savings Fund or received by the employee or Member in cash.

"(b)(1) Subsection (a)(3) shall not apply to the Thrift Savings Fund unless the Fund meets the antidiscrimination requirements (other than any requirement relating to coverage) applicable to arrangements described in section 401(k) of the Internal Revenue Code of 1954 and to matching contributions.

"(2)(A) This subchapter shall not be treated as failing to meet the requirements of paragraph (1) for any year if the amount of the excess matching contributions and excess employee contributions for such year (and any income attributable to such contributions) is distributed before the close of the following year. Such contributions (and income) may be distributed without regard to any other provision of law.

"(B) For purposes of subparagraph (A), the term 'excess matching contributions' means, with respect to any year, the excess of—

"(i) the aggregate amount of contributions under section 8432(c) of this title actually made on behalf of highly compensated employees (as defined for purposes of section 401(k) of the Internal Revenue Code of 1954) for such year, over

"(ii) the maximum amount of such contributions permitted under the limitations of paragraph (1) (determined by reducing contributions made on behalf of highly compensated employees in order of the matching contribution percentages beginning with the highest of such percentages).

"(C) For purposes of subparagraph (A), the amount of excess employee contributions shall be determined under the principles of subparagraph (B).

"(D) Any distribution of the excess matching contributions or excess employee contributions for any year shall be made to highly compensated employees on the basis of the respective portions of such amounts attributable to each of such employees.

"(E) No early distribution tax, if any, under the Internal Revenue Code of 1954 shall be imposed on any amount required to be distributed under subparagraph (A).

"(c) Subsection (a) shall not be construed to provide that any amount of the employee's or Member's basic pay which is contributed to the Thrift Savings Fund shall not be included in the term 'wages' for the purposes of section 209 of the Social Security Act or section 3121(a) of the Internal Revenue Code of 1954.

"SUBCHAPTER IV—SURVIVOR ANNUITIES

"§ 8441. Definitions

"For the purpose of this subchapter—

"(1) the term 'widow' means the surviving wife of an employee, Member, or annuitant, or of a former employee or Member, who—

"(A) was married to him for at least 9 months immediately before his death; or

"(B) is the mother of issue by that marriage;

"(2) the term 'widower' means the surviving husband of an employee, Member, or annuitant, or of a former employee or Member, who—

"(A) was married to her for at least 9 months immediately before her death; or

"(B) is the father of issue by that marriage;

"(3) the term 'dependent', in the case of any child, means that the employee, Member, or annuitant involved was, at the time of death of the employee, Member, or annuitant either living with or contributing to the support of such child, as determined in accordance with such regulations as the Office shall prescribe; and

"(4) the term 'child' means—

"(A) an unmarried dependent child under 18 years of age, including (i) an adopted child, (ii) a stepchild but only if the stepchild lived with the employee, Member, or annuitant in a regular parent-child relationship, (iii) a recognized natural child, and (iv) a child who lived with and for whom a petition of adoption was filed by an employee, Member, or annuitant and who is adopted by the widow or widower of the employee, Member, or annuitant after the death of such employee, Member, or annuitant;

"(B) such unmarried dependent child regardless of age who is incapable of self-support because of mental or physical disability incurred before age 18; or

"(C) such unmarried dependent child between 18 and 22 years of age who is a student regularly pursuing a full-time course of study or training in residence in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institution.

For the purpose of this paragraph and section 8443, a child whose 22nd birthday occurs before July 1 or after August 31 of a calendar year, and while regularly pursuing such a course of study or training, is deemed to have become 22 years of age on the first day of July after that birthday. A child who is a student is deemed not to have ceased to be a student during an interim between school years if the interim is not more than 5 months and if such child shows to the satisfaction of the Office that such child has a bona fide intention of continuing to pursue a course of study or training in the same or different school during the school semester (or other period into which the school year is divided) immediately after the interim.

"§ 8442. Rights of a widow or widower

"(a)(1) Except as provided in subsection (g), if an annuitant dies and is survived by a widow or widower, the widow or widower is entitled to an annuity equal to 50 percent of an annuity computed under section 8415 with respect to the annuitant, unless—

"(A) the right to an annuity was waived under section 8416(a) (and no election was subsequently made under section 8416(d) nullifying the waiver); or

"(B) in the case of a marriage after retirement, the annuitant did not file an election under section 8416 (b) or (c), as the case may be.

"(2) A spouse acquired after retirement is entitled to an annuity under this subsection (as provided in paragraph (1)) only upon electing this annuity instead of any other survivor benefit to which such spouse may be entitled under this subchapter or section 8424 or under another retirement system for Government employees.

"(b)(1) If an employee or Member dies after completing at least 18 months of civilian service creditable under section 8411 and is survived by a widow or widower, the widow or widower is entitled to—

"(A) an amount equal to the sum of—

"(i) 50 percent of the final annual rate of basic pay (or of the average pay, if higher) of the employee or Member; and

"(ii) $15,000 as adjusted under section 8462(e)); and

"(B) if the employee or Member completed at least 10 years of service, an annuity equal to 50 percent of an annuity computed under section 8415 with respect to the employee or Member, but without regard to subsection (f) of such section.

"(2) The Office shall prescribe regulations under which the total amount payable to a widow or widower under paragraph (1)(A) may, at the election of the widow or widower, be paid—

"(A) in a lump sum; or

"(B) on a monthly basis—

"(i) over a period of 3 years beginning on the day after the employee's or Member's death; or

"(ii) over any other period established under the regulations.

Any method of payment provided for under subparagraph (B) shall be designed such that the present value of the benefits provided under such method is actuarially equivalent to the present value of a lump-sum payment under subparagraph (A).

"(3) An amount payable under paragraph (1)(A) shall not be considered to be part of an annuity for purposes of this chapter.

"(c)(1) If a former employee or Member dies after having separated from the service with title to a deferred annuity under section 8413 but before having established a valid claim for an annuity, and is survived by a widow or widower to whom married on the date of separation, the widow or widower may elect to receive—

"(A) an annuity under paragraph (2); or

"(B) the lump-sum credit, if the widow or widower is the individual who would be entitled to the lump-sum credit and if such widow or widower files application therefor with the Office.

"(2)(A)(i) Subject to clause (ii) and subparagraph (B)(ii), the annuity of the widow or widower is equal to 50 percent of an annuity computed under section 8415 for the former employee or Member.

"(ii)(I) In computing an amount under section 8415 for a former employee or Member (described in subclause (II)) in order to compute the annuity for a widow or widower under this subsection, the computation under section 8415 shall be made as if the former employee or Member had attained the applicable minimum retirement age under section 8412(h).

"(II) This clause applies with respect to a former employee or Member who dies before having attained the applicable minimum retirement age under section 8412(h).

"(B)(i) Notwithstanding the first sentence of subsection (d)(1), the annuity of the widow or widower of a former employee or Member under subparagraph (A)(ii) commences—

"(I) on the day after the date on which the former employee or Member would have attained age 62; or

"(II) if the widow or widower so designates in the election, as of the day after the death of the former employee or Member.

"(ii) The present value of the annuity of a widow or widower who chooses the earlier commencement date under clause (i)(II) shall be actuarially equivalent to the present value of an annuity computed for the widow or widower, determined as if the commencement date under clause (i)(I) were applicable.

"(3)(A) Paragraphs (1) and (2) shall apply only in the case of an employee or Member who completes at least 10 years of service.

"(B) Nothing in this subsection shall be considered to affect the provisions of this chapter relating to a lump-sum credit in the case of the widow or widower of a former employee or Member who dies after completing less than 10 years of service.

"(d)(1) The annuity of a widow or widower under this section commences on the day after the death of the individual on whose service such annuity is based. This annuity and the right thereto terminate on the last day of the month before the widow or widower—

"(A) dies; or

"(B) remarries before becoming 55 years of age.

"(2) In the case of a widow or widower whose annuity under this section is terminated because of remarriage before becoming 55 years of age, the annuity shall be restored at the same rate commencing on the day the remarriage is dissolved by death, divorce, or annulment, if—

"(A) the widow or widower elects to receive this annuity instead of any other survivor benefit to which such widow or widower may be entitled (under this subchapter or section 8424 or under another retirement system for Government employees) by reason of the remarriage; and

"(B) any lump sum paid on termination of the annuity is returned to the Fund.

"(e) The requirement in paragraphs (1)(A) and (2)(A) of section 8441 that the widow or widower of an annuitant, employee, or Member, or of a former employee or Member, have been married to such individual for at least 9 months immediately before the death of the individual in order to qualify as the widow or widower of such individual shall be deemed satisfied in any case in which the individual dies within the applicable 9-month period, if—

"(1) the death of the individual was accidental; or

"(2) the surviving spouse of the individual had been previously married to such individual and subsequently divorced, and the aggregate time married is at least 9 months.

"(f)(1) Subject to paragraph (4), a survivor who is entitled to an annuity under subsection (a) shall also be entitled to a supplementary annuity under this subsection.

"(2) A supplementary annuity under this subsection shall be equal to the lesser of—

"(A) the amount by which the survivor's assumed CSRS annuity exceeds the annuity payable to such survivor under subsection (a); or

"(B) the amount determined under paragraph (3).

"(3)(A) Except as provided in subparagraph (B), the amount under this paragraph for a survivor is the amount of widow's or widower's insurance benefits which would be payable to such survivor under title II of the Social Security Act (without regard to sections 202(e)(7), 202(f)(2), and 203 of such Act) based on the wages and self-employment income of the deceased annuitant, and determined—

"(i) as of the date on which the annuitant died; and

"(ii) as if the survivor had attained age 60 and made application for those benefits under subsection (e) or (f) of section 202 of such Act, as the case may be.

"(B) Any computation or determination under this paragraph shall be made in accordance with the applicable provisions of the Social Security Act, except that in computing any primary insurance amount under section 215 of such Act for purposes of determining an amount under this subsection, subparagraphs (A) and (C) of section 8421(b)(2) shall apply.

"(4) A supplementary annuity under this subsection—

"(A) shall be payable to a survivor only for calendar months ending before the calendar month in which such survivor first satisfies the minimum age requirement under section 202(e)(1)(B)(i) or 202(f)(1)(B)(i) of the Social Security Act, as the case may be;

"(B) shall not be payable to a survivor who would not be entitled to benefits under subsection (e) or (f) of section 202 of the Social Security Act based on the wages and self-employment income of the deceased annuitant (determined, as of the date of the annuitant's death, as if the survivor had attained age 60 and made appropriate application for benefits, but without regard to any restriction under either such subsection relating to remarriage); and

"(C) shall not be payable to a survivor for any calendar month in which such survivor is entitled (or would, on proper application, be entitled) to benefits under section 202(g) of the Social Security Act (relating to mother's and father's insurance benefits), or under section 202 (e) or (f) of such Act by reason of having become disabled, based on the wages and self-employment income of the deceased annuitant.

"(5) For the purpose of this subsection, the term 'assumed CSRS annuity', as used in the case of a survivor, means the amount of the annuity to which such survivor would be entitled under subchapter III of chapter 83 of this title based on the service of the deceased annuitant, determined—

"(A) as of the day after the date of the annuitant's death;

"(B) as if the survivor had made appropriate application therefor; and

"(C) as if the service of the deceased annuitant were creditable under such subchapter.

"(6) An amount payable under this subsection shall be adjusted under section 8462 and shall otherwise be treated under this chapter in the same way as an amount payable under subsection (a).

"(g)(1) If the widow or widower of an annuitant under section 8452 (hereinafter in this subsection referred to as a 'disability annuitant') is determined under subsection (a) to be entitled to an annuity based on the service of such disability annuitant, the annuity of the widow or widower shall be equal to 50 percent of the amount determined under paragraph (2), rather than of the amount referred to in subsection (a).

"(2)(A) Except as provided in subparagraph (B), the amount on which the annuity of the widow or widower of a disability annuitant is based shall be the amount of the annuity to which such disability annuitant was entitled, as computed under section 8452 (including appropriate reduction under subsection (a)(2) of such section and any adjustments under section 8462 allowed under section 8452)), as of the day before the date of the disability annuitant's death.

"(B)(i) In the case of a widow or widower entitled to an annuity based on the service of a disability annuitant who dies before age 62, the amount under clause (ii) shall apply instead of the amount which would otherwise apply under subparagraph (A).

"(ii)(I) Subject to subclause (II), the amount of the annuity to which the disability annuitant was entitled as of the day before the date of death shall be considered to be the amount which would be computed with respect to such disability annuitant under section 8452(b) if the disability annuitant had attained age 62 on the day before date of death.

"(II) For purposes of any such computation under section 8452(b)(2) pursuant to this clause, creditable service shall (in addition to the service which would otherwise be used under subparagraph (B)(i) of such section) include the period of time between date of death and the date of the sixty-second anniversary of the birth of the annuitant, and average pay shall be adjusted in accordance with subparagraph (B)(ii) of such section only through date of death.

"(h) The following rules shall apply notwithstanding any other provision of this section:

"(1) The annuity payable under this section to a widow or widower may not exceed the difference between—

"(A) the amount of the annuity which would otherwise be payable to such widow or widower under this section; and

"(B) the amount of the annuity payable to any former spouse of the deceased employee, Member, or annuitant, or former employee or Member, based on an election made under section 8417(b) or a court order previously issued or agreement previously entered into as described in section 8445(a).

"(2) The amount payable under subsection (b)(1)(A) to a widow or widower may not exceed the difference between—

"(A) the amount which would otherwise be payable to such widow or widower under such subsection; and

"(B) the portion of such amount payable to any former spouse of the deceased employee, Member, or annuitant, or former employee or Member, based on a court order previously issued or agreement previously entered into.

"(3) A lump-sum credit under subsection (c)(2) shall be subject to the same terms and conditions as apply with respect to a lump-sum credit under section 8424(b).

"§ 8443. Rights of a child

"(a)(1) If an employee or Member dies after completing at least 18 months of civilian service which is creditable under section 8411, or an annuitant dies, each surviving child is, for any month, entitled to an annuity equal to—

"(A) the amount by which the applicable amount under paragraph (2) for such month exceeds the applicable amount under paragraph (3) for such month, divided by

"(B) the number of children entitled to a payment under this section for such month.

"(2) The applicable amount under this paragraph for any month is the total amount to which the surviving child or children (as the case may be) of the annuitant, employee, or Member would be entitled for such month under subchapter III of chapter 83 based on the service of such annuitant, employee, or Member, if the service of such annuitant, employee, or Member were creditable under such subchapter.

"(3) The applicable amount under this paragraph for any month is the total amount of child's insurance benefits which are payable (or would, on proper application, be payable) under title II of the Social Security Act for such month based on the wages and self-employment income of such annuitant, employee, or Member.

"(b) The annuity of a child under this subchapter—

"(1) commences on the day after the annuitant, employee, or Member dies;

"(2) commences or resumes on the first day of the month in which the child later becomes or again becomes a student as described by section 8441(4), if any lump sum paid is returned to the Fund; or

"(3) commences or resumes on the first day of the month in which the child later becomes or again becomes incapable of self-support because of a mental or physical disability incurred before age 18 (or a later recurrence of such disability), if any lump sum paid is returned to the Fund.

This annuity and the right thereto terminate on the last day of the month before the child—

"(A) becomes 18 years of age unless then a student as described or incapable of self-support;

"(B) becomes capable of self-support after becoming 18 years of age unless then such a student;

"(C) becomes 22 years of age if then such a student and capable of self-support;

"(D) ceases to be such a student after becoming 18 years of age unless then incapable of self-support; or

"(E) dies or marries;

whichever occurs first. On the death of the surviving wife or husband, or former wife or husband, or termination of the annuity of a child, the annuity of any other child or children shall be recomputed and paid as though the wife or husband, former wife or husband, or child had not survived the annuitant, employee, or Member.

"§ 8444. Rights of a named individual with an insurable interest

"The annuity of a survivor named under section 8420(a) is 55 percent of the reduced annuity of the retired employee or Member determined under paragraph (2) of such section 8420(a). The annuity of the survivor commences on the day after the retired employee or Member dies. This annuity and the right thereto terminate on the last day of the month before the survivor dies.

"§ 8445. Rights of a former spouse

"(a) Subject to subsections (b) through (e), a former spouse of a deceased employee, Member, or annuitant (or of a former employee or Member who dies after having separated from the service with title to a deferred annuity under section 8413 but before having established a valid claim for annuity) is entitled to an annuity under this section, if and to the extent expressly provided for in an election under section 8417(b), or in the terms of any decree of divorce or annulment or any court order or court-approved property settlement agreement incident to such decree.

"(b)(1) The annuity payable to a former spouse under this section may not exceed the difference between—

"(A) the amount applicable in the case of such former spouse, as determined under paragraph (2); and

"(B) the amount of any annuity payable under this section to any other former spouse of the employee, Member, or annuitant, or former employee or Member, based on an election previously made under section 8417(b), or a court order previously issued or agreement previously entered into as described in subsection (a).

"(2) The applicable amount, for purposes of paragraph (1)(A) in the case of a former spouse, is the amount of the annuity which would be payable under the provisions of section 8442 (including subsection (f) of such section, but without regard to subsection (h) of such section) if such former spouse were a widow or widower entitled to an annuity under such provisions based on the service of the deceased employee, Member, or annuitant, or former employee or Member.

"(c) The commencement and termination of an annuity payable under this section shall be governed by the terms of the applicable order, decree, agreement, or election, as the case may be, except that any such annuity—

"(1) shall not commence before—

"(A) the day after the employee, Member, or annuitant, or former employee or Member, dies; or

"(B) the first day of the second month beginning after the date on which the Office receives written notice of the order, decree, agreement, or election, as the case may be, together with such additional information or documentation as the Office may prescribe;

whichever is later; and

"(2) shall terminate no later than the last day of the month before the former spouse remarries before becoming 55 years of age or dies.

"(d) For purposes of this chapter, a modification in a decree, order, agreement, or election referred to in subsection (a) shall not be effective—

"(1) if such modification is made after the retirement or death of the employee, Member, or annuitant, or former employee or Member, concerned; and

"(2) to the extent that such modification involves an annuity under this section.

"(e) For purposes of this chapter, a decree, order, agreement, or election referred to in subsection (a) shall not be effective, in the case of a former spouse, to the extent that it is inconsistent with any joint waiver previously executed with respect to such former spouse under section 8416(a).

"(f)(1) Any amount under section 8442(b)(1)(A) which would otherwise be payable to a widow or widower based on the service of another individual shall be paid (in whole or in part) by the Office to a former spouse of such individual if and to the extent expressly provided for in the terms of a court decree of divorce, annulment, or legal separation, or the terms of a court order or court-approved property settlement incident to any decree of divorce, annulment, or legal separation.

"(2) Paragraph (1) shall apply only to payments made by the Office after the date of receipt in the Office of written notice of such decree, order, or agreement, and such additional information and documentation as the Office may prescribe.

"(g) Any payment under this section to a person bars recovery by any other person.

"SUBCHAPTER V—DISABILITY BENEFITS

"§ 8451. Disability retirement

"(a)(1)(A) An employee who completes at least 18 months of civilian service creditable under section 8411 and has become disabled shall be retired on the employee's own application or on application by the employee's agency.

"(B) For purposes of this subsection, an employee shall be considered disabled only if the employee is found by the Office to be unable, because of disease or injury, to render useful and efficient service in the employee's position.

"(2)(A) Notwithstanding paragraph (1), an employee shall not be eligible for disability retirement under this section if the employee has declined a reasonable offer of reassignment to a vacant position in the employee's agency for which the employee is qualified if the position—

"(i) is at the same grade (or pay level) as the employee's most recent grade (or pay level) or higher;

"(ii) is within the employee's commuting area; and

"(iii) is one in which the employee would be able to render useful and efficient service.

"(B) An employee who is applying for disability retirement under this subchapter shall be considered for reassignment by the employee's agency to a vacant position described in subparagraph (A) in accordance with such procedures as the Office shall by regulation prescribe.

"(C) An employee is entitled to appeal to the Merit Systems Protection Board under section 7701 any determination that the employee is not unable, because of disease or injury, to render useful and efficient service in a position to which the employee has declined reassignment under this section.

"(D) For purposes of subparagraph (A), an employee of the United States Postal Service shall not be considered qualified for a position if such position is in a different craft or if reassignment to such position would be inconsistent with the terms of a collective-bargaining agreement covering the employee.

"(b) A Member who completes at least 18 months of service as a Member and is found by the Office to be disabled for useful and efficient service as a Member because of disease or injury shall be retired on the Member's own application.

"(c) An employee or Member retiring under this section is entitled to an annuity computed under section 8452.

"§ 8452. Computation of disability annuity

"(a)(1)(A) Except as provided in paragraph (2), or subsection (b), (c), or (d), the annuity of an annuitant under this subchapter—

"(i) for the period beginning on the date on which such annuity commences, or is restored (as described in section 8455(b)(2) or (3)), and ending at the end of the twelfth month beginning on or after such date, shall be equal to 60 percent of the annuitant's average pay; and

"(ii) after the end of the period referred to in clause (i), shall be equal to 40 percent of the annuitant's average pay.

"(B) An annuity computed under this paragraph shall not, for purposes of any adjustment under section 8462 (including any adjustment under subsection (c)(1) of such section), be considered to have commenced until after such annuity ceases to be determined under subparagraph (A)(i).

"(2)(A) For any month in which an annuitant is entitled both to an annuity under this subchapter as computed under paragraph (1) and to a disability insurance benefit under section 223 of the Social Security Act, the annuitant's annuity for such month (as so computed) shall—

"(i) if such month occurs during a period referred to in paragraph (1)(A)(i), be reduced by 100 percent of the annuitant's assumed disability insurance benefit for such month; or

"(ii) if such month occurs other than during a period referred to in paragraph (1)(A)(i), be reduced by 60 percent of the annuitant's assumed disability insurance benefit for such month;

except that an annuity may not be reduced below zero by reason of this paragraph.

"(B)(i) For purposes of this paragraph, the assumed disability insurance benefit of an annuitant for any month shall be equal to—

"(I) the amount of the disability insurance benefit to which the annuitant would have been entitled under section 223 of the Social Security Act for the month in which the annuity under this subchapter commenced, or was restored, determined as if such annuitant had then satisfied all requirements for entitlement to a benefit under such section, adjusted by

"(II) all adjustments made under section 8462(b) between the date on which the annuity commenced, or was restored, and the start of the month involved (without regard to whether the annuitant's annuity was affected by any of those adjustments).

For purposes of computing the assumed disability insurance benefit, the month in which the annuitant's disability began (as determined under section 216(i)(2)(C) of the Social Security Act) shall be the month in which the annuity commenced or, if earlier (and if a determination was actually made) the month determined under such section.

"(ii) For purposes of applying section 224 of the Social Security Act to the assumed disability insurance benefit used to compute the reduction under this paragraph, the amount of the annuity under this subchapter which is considered shall be the amount of the annuity as determined before the application of this paragraph.

"(b)(1) Except as provided in subsection (d), if an annuitant is entitled to an annuity under this subchapter as of the day before the date of the sixty-second anniversary of the annuitant's birth (hereinafter in this section referred to as the annuitant's 'redetermination date'), such annuity shall be redetermined under paragraph (3) or (4), as applicable. Effective as of the annuitant's redetermination date, the annuity (as so redetermined) shall be in lieu of any annuity to which such annuitant would otherwise be entitled under this subchapter.

"(2)(A) In order to carry out paragraphs (3) and (4), the Office shall compute an annuity for the annuitant under section 8415.

"(B) In performing a computation under this paragraph—

"(i) creditable service of the annuitant shall be increased by including the period (or periods), if any, before the annuitant's redetermination date during which the annuitant was entitled to an annuity under this subchapter; and

"(ii) the average pay which would otherwise be used shall be adjusted to reflect all adjustments made under section 8462(b) with respect to any period (or periods) referred to in clause (i) (without regard to whether the annuitant's annuity was affected by any of those adjustments).

"(3) If, as of the day before the annuitant's redetermination date, the annuitant's annuity is subject to reduction under subsection (a)(2), the annuitant's redetermined annuity shall be the lesser of—

"(A) the amount determined with respect to such annuitant under paragraph (2); or

"(B) subject to the following sentence, the amount (converted so as to be expressed as an annual amount) which would otherwise be payable under this subchapter for the month in which occurs the day before the annuitant's redetermination date, as com-

puted under subsection (a) (based on the assumption that the annuitant was entitled to an annuity under this subchapter, and to a disability insurance benefit under section 223 of the Social Security Act, for the entirety of such month).

If the annuitant's redetermination date occurs during the period described in subsection (a)(1)(A), the amount used under subparagraph (B) may not exceed the amount (converted so as to be expressed as an annual amount) which would otherwise be payable under this subchapter for the first month after such period, as computed under subsection (a) based on the assumption that the annuitant was entitled to an annuity under this subchapter, and to a disability insurance benefit under section 223 of the Social Security Act, for the entirety of such month.

"(4) If, as of the day before the annuitant's redetermination date, the annuitant's annuity is not subject to reduction under subsection (a)(2), the annuitant's redetermined annuity shall be the lesser of—

"(A) the amount determined with respect to such annuitant under paragraph (2); or

"(B) the amount which would be used for such annuitant under subparagraph (B) of paragraph (3) (as determined subject to the second sentence of such paragraph), if such paragraph applied to such annuitant.

"(c) Except as provided in subsection (d), the annuity of an annuitant under this subchapter shall be computed under section 8415 if—

"(1) such annuity commences, or is restored, beginning on or after the redetermination date of the annuitant; or

"(2) as of the day on which such annuity commences, or is restored, the annuitant satisfies the age and service requirements for entitlement to an annuity under section 8412 (other than subsection (g) of such section).

"(d) The annuity to which an annuitant is entitled under this section shall not be less than the amount of an annuity computed under section 8415 (excluding subsection (f) of such section).

"§ 8453. Application

"A claim may be allowed under this subchapter only if application is filed with the Office before the employee or Member is separated from the service or within 1 year thereafter. This time limitation may be waived by the Office for an employee or Member who, at the date of separation from service or within 1 year thereafter, is mentally incompetent if the application is filed with the Office within 1 year from the date of restoration of the employee or Member to competency or the appointment of a fiduciary, whichever is earlier.

"§ 8454. Medical examination

"An annuitant receiving a disability retirement annuity from the Fund shall be examined under the direction of the Office—

"(1) at the end of 1 year from the date of the disability retirement; and

"(2) annually thereafter until becoming 60 years of age;

unless the disability is permanent in character. If the annuitant fails to submit to examination as required by this section, payment of the annuity shall be suspended until continuance of the disability is satisfactorily established.

"§ 8455. Recovery; restoration of earning capacity

"(a)(1) If an annuitant receiving a disability retirement annuity from the Fund recovers from the disability before becoming 60 years of age, payment of the annuity terminates on reemployment by the Government or 1 year after the date on which the Office determines that the annuitant has recovered, whichever is earlier.

"(2) If an annuitant receiving a disability annuity from the Fund, before becoming 60 years of age, is restored to an earning capacity fairly comparable to the current rate of pay of the position occupied at the time of retirement, payment of the annuity terminates 180 days after the end of the calendar year in which earning capacity is so restored. Earning capacity is deemed restored if in any calendar year the income of the annuitant from wages or self-employment or both equals at least 80 percent of the current rate of pay of the position occupied immediately before retirement.

"(b)(1) If an annuitant whose annuity is terminated under subsection (a) is not reemployed in a position in which that individual is subject to this chapter, such individual is deemed, except for service credit, to have been involuntarily separated from the service for the purpose of subchapter II of this chapter as of the date of termination of the disability annuity, and after that termination is entitled to annuity under the applicable provisions of such subchapter.

"(2) If an annuitant whose annuity is terminated under subsection (a)(2)—

"(A) is not reemployed in a position subject to this chapter; and

"(B) has not recovered from the disability for which that individual was retired;

the annuity of such individual shall be restored at the applicable rate under section 8452 effective the first of the year following any calendar year in which such individual's income from wages or self-employment or both is less than 80 percent of the current rate of pay of the position occupied immediately before retirement.

"(3) If an annuitant whose annuity is terminated because of a medical finding that the individual has recovered from disability is not reemployed in a position in which such individual is subject to this chapter, the annuity of such individual shall be restored at the applicable rate under section 8452 effective from the date on which the Office determines that there has been a recurrence of the disability.

"(4) Paragraphs (2) and (3) shall not apply in the case of an annuitant receiving an annuity from the Fund under subchapter II of this chapter.

"§ 8456. Relationship to workers' compensation

"(a)(1) An individual is not entitled to receive an annuity under this subchapter and compensation for injury to or disability of the individual under subchapter I of chapter 81 covering the same period of time.

"(2) Paragraph (1) does not bar the right of a claimant to the greater benefit conferred by either subchapter referred to in such paragraph for any part of the period referred to in such paragraph.

"(3) Paragraph (1) and the provisions of subchapter I of chapter 81 do not deny an individual an annuity which the individual is entitled to receive under this chapter on account of service performed by the individual and do not deny any concurrent benefit to the individual under subchapter I of chapter 81 on account of the death of another individual.

"(b)(1) Subject to paragraph (2), an individual's receipt of a lump-sum payment for compensation under section 8135 shall not affect the individual's entitlement to an annuity under this subchapter.

"(2) If an annuity is payable under this subchapter by reason of the same disability for which a lump-sum payment of compensation referred to in paragraph (1) has been made, so much of the compensation as has been paid for a period extended beyond the date payment of the annuity commences, as determined by the Department of Labor, shall be refunded to that Department for credit to the Employees' Compensation Fund. Before the individual may receive the disability annuity, the individual shall—

"(A) refund to the Department of Labor the amount representing the commuted compensation payments for the extended period; or

"(B) authorize the deduction of the amount from the annuity.

Deductions from the annuity may be made from accrued or accruing payments. The amounts deducted and withheld from the annuity shall be transmitted to the Department of Labor for reimbursement to the Employees' Compensation Fund. When the Department of Labor finds that the financial circumstances of an individual entitled to an annuity under this subchapter warrant deferred refunding under this paragraph, deductions from the annuity may be prorated against and paid from accruing payments in such manner as the Department determines appropriate.

"§ 8457. Military reserve technicians

"(a)(1) Except as provided in paragraph (2) or (3), an individual shall be retired under this subchapter if the individual—

"(A) is separated from employment as a military reserve technician by reason of a disability that disqualifies the individual from membership in a reserve component of the Armed Forces specified in section 261(a) of title 10 or from holding the military grade required for such employment;

"(B) is not considered to be disabled under section 8451(a)(1)(B);

"(C) is not appointed to a position in the Government (whether under subsection (c) or otherwise); and

"(D) has not declined an offer of an appointment to a position in the Government under subsection (c).

"(2) Payment of any annuity for an individual pursuant to this section terminates—

"(A) on the date the individual is appointed to a position in the Government (whether pursuant to subsection (c) or otherwise);

"(B) on the date the individual declines an offer of appointment to a position in the Government under subsection (c); or

"(C) as provided under section 8455(a).

"(3) An individual eligible to retire under section 8414(c) shall not be eligible to retire under this section.

"(b) Any individual applying for or receiving any annuity pursuant to this section shall, in accordance with regulations prescribed by the Office, be considered by any agency of the Government before any vacant position in the agency is filled if—

"(1) the position is located within the commuting area of the individual's former position;

"(2) the individual is qualified to serve in such position, as determined by the head of the agency; and

"(3) the position is at the same grade or equivalent level as the position from which the individual was separated.

"SUBCHAPTER VI—GENERAL AND ADMINISTRATIVE PROVISIONS

"§ 8461. Authority of the Office of Personnel Management

"(a) The Office shall pay all benefits that are payable under subchapter II, IV, V, or VI of this chapter from the Fund.

"(b) The Office shall administer all provisions of this chapter not specifically required to be administered by the Board, the Executive Director, the Secretary of Labor, or any other officer or agency.

"(c) The Office shall adjudicate all claims under the provisions of this chapter administered by the Office.

"(d) The Office shall determine questions of disability and dependency arising under the provisions of this chapter administered by the Office. Except to the extent provided under subsection (e), the decisions of the Office concerning these matters are final and conclusive and are not subject to review. The Office may direct at any time such medical or other examinations as it considers necessary to determine the facts concerning disability or dependency of an individual receiving or applying for annuity under the provisions of this chapter administered by the Office. The Office may suspend or deny annuity for failure to submit to examination.

"(e)(1) Subject to paragraph (2), an administrative action or order affecting the rights or interests of an individual or of the United States under the provisions of this chapter administered by the Office may be appealed to the Merit Systems Protection Board under procedures prescribed by the Board.

"(2) In the case of any individual found by the Office to be disabled in whole or in part on the basis of the individual's mental condition, and that finding was made pursuant to an application by an agency for purposes of disability retirement under section 8451, the procedures under section 7701 shall apply and the decision of the Board shall be subject to judicial review under section 7703.

"(f) The Office shall fix the fees for examinations made under subchapter V of this chapter by physicians or surgeons who are not medical officers of the United States. The fees and reasonable traveling and other expenses incurred in connection with the examinations are paid from appropriations for the cost of administering the provisions of this chapter administered by the Office.

"(g) The Office may prescribe regulations to carry out the provisions of this chapter administered by the Office.

"(h)(1) Each Government agency shall furnish the Director with such information as the Director determines necessary in order to administer this chapter.

"(2) The Director, in consultation with the officials from whom such information is requested, shall establish (by regulation or otherwise) such safeguards as are necessary to ensure that information made available under this subsection is used only for the purpose authorized.

"(i) In making a determination of 'actuarial equivalence' under this chapter, the economic assumptions used shall be the same as the economic assumptions most recently used by the Office (before the determination of actuarial equivalence involved) in determining the normal-cost percentage of the System.

"(j)(1) Notwithstanding any other provision of this chapter, the Director of Central Intelligence shall, in a manner consistent with the administration of this chapter by the Office, and to the extent considered appropriate by the Director of Central Intelligence—

"(A) determine entitlement to benefits under this chapter based on the service of employees of the Central Intelligence Agency;

"(B) maintain records relating to the service of such employees;

"(C) compute benefits under this chapter based on the service of such employees;

"(D) collect deposits to the Fund made by such employees, their spouses, their former spouses, and their survivors;

"(E) authorize and direct disbursements from the Fund to the extent based on service of such employees; and

"(F) perform such other functions under this chapter (other than under subchapters III and VII of this chapter) with respect to employees of the Central Intelligence Agency as the Director of Central Intelligence, in consultation with the Director of the Office of Personnel Management, determines to be appropriate.

"(2) The Director of the Office of Personnel Management shall furnish such information and, on a reimbursable basis, such services to the Director of Central Intelligence as the Director of Central Intelligence requests to carry out paragraph (1).

"(k)(1) The Director of Central Intelligence, in consultation with the Executive Director of the Federal Retirement Thrift Investment Board, may—

"(A) maintain exclusive records relating to elections, contributions, and accounts under the Thrift Savings Plan provided in subchapter III of this chapter in the case of employees of the Central Intelligence Agency;

"(B) provide that contributions by, or on behalf of, such employees to the Thrift Savings Plan be accounted for by such Executive Director in aggregate amounts;

"(C) make the necessary disbursements from, and the necessary allocations of earnings, losses, and charges to, individual accounts of such employees under the Thrift Savings Plan; and

"(D) perform such other functions under subchapters III and VII of this chapter (but not including investing sums in the Thrift Savings Fund) with respect to employees of the Central Intelligence Agency as the Director of Central Intelligence, in consultation with the Executive Director of the Federal Retirement Thrift Investment Board, determines to be appropriate.

"(2) The Executive Director of the Federal Retirement Thrift Investment Board may not exercise authority under this chapter in the case of employees of the Central Intelligence Agency to the extent that the Director of Central Intelligence exercises authority provided in paragraph (1).

"(3) The Executive Director of the Federal Retirement Thrift Investment Board shall furnish such information and, on a reimbursable basis, such services to the Director of Central Intelligence as the Director of Central Intelligence determines necessary to carry out this subsection.

"(l) Subsection (h)(1), and sections 8439(b) and 8474(c)(4), shall be applied with respect to information relating to employees of the Central Intelligence Agency in a manner that protects intelligence sources, methods, and activities.

"(m)(1) The Director of Central Intelligence, in consultation with the Director of the Office of Personnel Management and the Executive Director of the Federal Retirement Thrift Investment Board, shall by regulation prescribe appropriate procedures to carry out subsections (j), (k), and (l).

"(2) The regulations shall provide procedures for the Director of the Office of Personnel Management to inspect and audit disbursements from the Fund, and from the Thrift Savings Fund, under this chapter.

"(3) The Director of Central Intelligence shall submit the regulations prescribed under paragraph (1) to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives before the regulations take effect.".

"§ 8462. Cost-of-living adjustments

"(a) For the purpose of this section—

"(1) the term 'base quarter', as used with respect to a year, means the calendar quarter ending on September 30 of such year;

"(2) the price index for a base quarter is the arithmetical mean of such index for the 3 months comprising such quarter; and

"(3) the term 'percent change in the price index', as used with respect to a year, means the percentage derived by—

"(A) reducing—

"(i) the price index for the base quarter of such year, by

"(ii) the price index for the base quarter of the preceding year in which an adjustment under this subsection was made;

"(B) dividing the difference under subparagraph (A) by the price index referred to in subparagraph (A)(ii); and

"(C) multiplying the quotient under subparagraph (B) by 100.

"(b)(1) Except as provided in subsection (c), effective December 1 of any year in which an adjustment under this subsection is to be made, as determined under paragraph (2), each annuity payable from the Fund under this chapter (other than an annuity under section 8443) having a commencing date not later than such December 1 shall be adjusted as follows:

"(A) If the percent change in the price index for the year does not exceed 3 percent, each annuity subject to adjustment under this subsection shall be increased by the lesser of—

"(i) the percent change in the price index (rounded to the nearest one-tenth of 1 percent); or

"(ii) 2 percent.

"(B) If the percent change in the price index for the year exceeds 3 percent, each annuity subject to adjustment under this subsection shall be increased by the excess of—

"(i) the percent change in the price index (rounded to the nearest one-tenth of 1 percent), over

"(ii) 1 percent.

"(2) An adjustment under this subsection shall be made in a year only if the price index for the base quarter of such year exceeds the price index for the base quarter of the preceding year in which an adjustment under this subsection was made.

"(3) An annuity under this chapter shall not be subject to adjustment under section 8340.

"(c) Eligibility for an annuity increase under this section is governed by the commencing date of each annuity payable from the Fund as of the effective date of an increase, except as follows:

"(1) The first increase (if any) made under subsection (b) to an annuity which is payable from the Fund to an annuitant or survivor (other than a child under section 8443) whose annuity has not been increased under this subsection or subsection (b) shall

be equal to the product (adjusted to the nearest one-tenth of 1 percent) of—

"(A) one-twelfth of the applicable percent change computed under subsection (b), multiplied by

"(B) the number of months (not to exceed 12 months, counting any portion of a month as a month)—

"(i) for which the annuity was payable from the Fund before the effective date of the increase; or

"(ii) in the case of a survivor of a deceased annuitant whose annuity has not been so increased, since the annuity was first payable to the deceased annuitant.

"(2) Effective from its commencing date, an annuity payable from the Fund to an annuitant's survivor (other than a widow or widower whose annuity is computed under section 8442(g) or a child under section 8443) shall be increased by the total percentage by which the deceased annuitant's annuity had been increased under this section during the period beginning on the date the deceased annuitant's annuity commenced and ending on the date of the deceased annuitant's death.

"(3)(A) An adjustment under subsection (b) for any year shall not be effective with respect to the annuity of an annuitant who is under 62 years of age as of the date on which such adjustment would otherwise first take effect.

"(B)(i) Except as provided in clause (ii), this paragraph applies only with respect to an annuitant under section 8412, 8413, or 8414.

"(ii) This paragraph does not apply with respect to an annuitant under subsection (d) or (e) of section 8412 or (in the case of an annuitant separated from service as a military reserve technician as a result of disability) under section 8414(c).

"(4) The first increase (if any) made under subsection (b) to an annuity which is payable from the Fund to a widow or widower whose annuity is computed under section 8442(g) shall be equal to the product (adjusted to the nearest one-tenth of 1 percent) of—

"(A) one-twelfth of the applicable percent change computed under subsection (b), multiplied by

"(B) the number of months (not to exceed 12 months, counting any portion of a month as a month) since—

"(i) the effective date of the adjustment last made under this section in the annuity of the annuitant on whose service on the widow's or widower's annuity is based; or

"(ii) if the annuity of the annuitant (referred to in clause (i)) has not been increased under this section, the commencement date of such annuitant's annuity (determined subject to section 8452(a)(1)(B)).

"(d) The monthly installment of an annuity after adjustment under this section shall be rounded to the next lowest dollar. However, the monthly installment shall, after adjustment, reflect an increase of at least $1.

"(e) The $15,000 amount referred to in section 8442(b)(1)(A)(ii) shall be increased at the same time that, and by the same percent as the percentage by which, annuities under subchapter III of chapter 83 are increased.

"§ 8463. Rate of benefits

"Each annuity payable from the Fund is stated as an annual amount, one-twelfth of which, rounded to the next lower dollar, constitutes the monthly rate payable on the first business day of the first month beginning after the month for which it has accrued.

"§ 8464. Commencement and termination of annuities of employees and Members

"(a)(1) Except as otherwise provided in this chapter—

"(A) an annuity payable from the Fund commences on the first day of the month after—

"(i) separation from the service, in the case of an employee or Member retiring under section 8412, or subsection (a) or (b)(1)(B) of section 8414; or

"(ii) pay ceases, and the applicable age and service requirements are met, in the case of an employee or Member retiring under section 8413;

"(B) an annuity payable from the Fund commences on the day after separation from the service in the case of an employee retiring under subsection (b)(1)(A) or (c) of section 8414; and

"(C) an annuity payable from the Fund commences on the day after separation from the service or the day after pay ceases and the requirements for title to an annuity are met in the case of an employee or Member retiring under section 8451.

"(2) Notwithstanding paragraph (1)(A)(i), an annuity payable from the Fund commences on the day after separation from the service in the case of an employee or Member—

"(A) who retires under section 8412; and

"(B) whose separation occurs upon the expiration of a term (or other period) for which the individual was appointed or elected.

"(b) Except as otherwise provided in this chapter, the annuity of an annuitant under subchapter II or V of this chapter terminates on the date death or other terminating event occurs.

"§ 8465. Waiver, allotment, and assignment of benefits

"(a) An individual entitled to an annuity payable from the Fund may decline to accept all or any part of the amount of the annuity by a waiver signed and filed with the Office. The waiver may be revoked in writing at any time. Payment of the annuity waived may not be made for the period during which the waiver is in effect.

"(b) An individual entitled to an annuity payable from the Fund may make allotments or assignments of amounts from the annuity for such purposes as the Office considers appropriate.

"§ 8466. Application for benefits

"(a) No payment of benefits based on the service of an employee or Member shall be made from the Fund unless an application for payment of the benefits is received by the Office before the one hundred and fifteenth anniversary of the birth of the employee or Member.

"(b) Notwithstanding subsection (a), after the death of an employee, Member, or annuitant, or former employee or Member, a benefit based on the service of such employee, Member, or annuitant, or former employee or Member, shall not be paid under subchapter II or IV of this chapter unless an application therefor is received by the Office within 30 years after the death or other event which establishes the entitlement to the benefit.

"(c) Payment due a minor, or an individual mentally incompetent or under other legal disability, may be made to the person who is constituted guardian or other fiduciary by the law of the State of residence of the claimant or is otherwise legally vested with the care of the claimant or his estate. If a guardian or other fiduciary of the individual under legal disability has not been appointed under the law of the State of residence of the claimant, payment may be made to any person who, in the judgment of the Office, is responsible for the care of the claimant, and the payment bars recovery by any other person.

"§ 8467. Court orders

"(a) Payments under this chapter which would otherwise be made to an employee, Member, or annuitant (including an employee, Member, or annuitant as defined under section 8331) based on the service of that individual shall be paid (in whole or in part) by the Office or the Executive Director (as the case may be), to another person if and to the extent that the terms of any court decree of divorce, annulment, or legal separation, or the terms of any court order or court-approved property settlement agreement incident to any court decree of divorce, annulment, or legal separation expressly provide. Any payment under this subsection to a person bars recovery by any other person.

"(b) Subsection (a) shall apply only to payments made by the Office or the Executive Director under this chapter after the date on which the Office or the Executive Director (as the case may be) receives written notice of such decree, order, or agreement, and such additional information and documentation as the Office or the Executive Director may require.

"§ 8468. Annuities and pay on reemployment

"(a) If an annuitant becomes employed in an appointive or elective position in the Government, payment of any annuity under subchapter II or V of this chapter to the annuitant terminates effective on the date of the employment. The annuitant's service on and after the date the annuitant becomes so employed is covered by this chapter unless such service is performed as a justice or judge of the United States (as defined by section 451 of title 28) or as an employee subject to another retirement system for Government employees. Upon termination of the employment, the rights of the annuitant under subchapter II or V of this chapter (as the case may be) shall be redetermined. If the annuitant dies while still so employed, a survivor annuity payable with respect to the deceased annuitant shall be redetermined as if the employment had otherwise terminated on the date of death.

"(b) The amount of an annuity resulting from a redetermination of rights under this chapter pursuant to subsection (a) shall not be less than the amount of the terminated annuity plus any increases which (but for the reemployment) would have been payable under section 8462 after the termination of the annuity and before the commencement of the redetermined annuity.

"(c) The redetermined annuity commences on the first day of the month after termination of employment.

"§ 8469. Withholding of State income taxes

"(a) The Office shall, in accordance with this section, enter into an agreement with any State within 120 days of a request for agreement from the proper State official. The agreement shall provide that the Office shall withhold State income tax in the case of the monthly annuity of any annuitant who voluntarily requests, in writing, such withholding. The amounts withheld during any calendar quarter shall be held in the Fund and disbursed to the States during the month following that calendar quarter.

"(b) An annuitant may have in effect at any time only one request for withholding under this section, and an annuitant may not have more than two such requests in effect during any one calendar year.

"(c) Subject to subsection (b), an annuitant may change the State designated by that annuitant for purposes of having withholdings made, and may request that the withholdings be remitted in accordance with such change. An annuitant also may revoke any request of that annuitant for withholding. Any change in the State designated or revocation is effective on the first day of the month after the month in which the request or the revocation is processed by the Office, but in no event later than on the first day of the second month beginning after the day on which such request or revocation is received by the Office.

"(d) This section does not give the consent of the United States to the application of a statute which imposes more burdensome requirements on the United States than on employers generally, or which subjects the United States or any annuitant to a penalty or liability because of this section. The Office may not accept pay from a State for services performed in withholding State income taxes from annuities. Any amount erroneously withheld from an annuity and paid to a State by the Office shall be repaid by the State in accordance with regulations issued by the Office.

"(e) For the purpose of this section—

"(1) the term 'State' means a State, the District of Columbia, or any territory or possession of the United States; and

"(2) the term 'annuitant' includes a survivor who is receiving an annuity from the Fund.

"§ 8470. Exemption from legal process; recovery of payments

"(a) An amount payable under subchapter II, IV, or V of this chapter is not assignable, either in law or equity, except under the provisions of section 8465 or 8467, or subject to execution, levy, attachment, garnishment or other legal process, except as otherwise may be provided by Federal laws.

"(b) Recovery of payments under subchapter II, IV, or V of this chapter may not be made from an individual when, in the judgment of the Office, the individual is without fault and recovery would be against equity and good conscience. Withholding or recovery of money paid under subchapter II, IV, or V of this chapter on account of a certification or payment made by a former employee of the United States in the discharge of his official duties may be made only if the head of the agency on behalf of which the certification or payment was made certifies to the Office that the certification or payment involved fraud on the part of the former employee.

"SUBCHAPTER VII—FEDERAL RETIREMENT THRIFT INVESTMENT MANAGEMENT SYSTEM

"§ 8471. Definitions

"For the purposes of this subchapter—

"(1) the term 'beneficiary' means an individual (other than a participant) entitled to payment from the Thrift Savings Fund under subchapter III of this chapter;

"(2) the term 'Council' means the Employee Thrift Advisory Council established under section 8473 of this title;

"(3) the term 'participant' means an individual for whom an account has been established under section 8439 of this title;

"(4) the term 'person' means an individual, partnership, joint venture, corporation, mutual company, joint-stock company, trust, estate, unincorporated organization, association, or labor organization; and

"(5) the term 'Thrift Savings Fund' means the Thrift Savings Fund established under section 8437 of this title.

"§ 8472. Federal Retirement Thrift Investment Board

"(a) There is established in the Executive branch of the Government a Federal Retirement Thrift Investment Board.

"(b) The Board shall be composed of—

"(1) 3 members appointed by the President, of whom 1 shall be designated by the President as Chairman; and

"(2) 2 members appointed by the President, of whom—

"(A) 1 shall be appointed by the President after taking into consideration the recommendation made by the Speaker of the House of Representatives in consultation with the minority leader of the House of Representatives; and

"(B) 1 shall be appointed by the President after taking into consideration the recommendation made by the majority leader of the Senate in consultation with the minority leader of the Senate.

"(c) Except as provided in section 311 of the Federal Employees' Retirement System Act of 1986, appointments under subsection (a) shall be made by and with the advice and consent of the Senate.

"(d) Members of the Board shall have substantial experience, training, and expertise in the management of financial investments and pension benefit plans.

"(e)(1) Except as provided in section 311 of the Federal Employees' Retirement System Act of 1986, a member of the Board shall be appointed for a term of 4 years, except that of the members first appointed (other than the members appointed under such section)—

"(A) the Chairman shall be appointed for a term of 4 years;

"(B) the members appointed under subsection (b)(2) shall be appointed for terms of 3 years; and

"(C) the remaining members shall be appointed for terms of 2 years.

"(2)(A) A vacancy on the Board shall be filled in the manner in which the original appointment was made and shall be subject to any conditions which applied with respect to the original appointment.

"(B) An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

"(3) The term of any member shall not expire before the date on which the member's successor takes office.

"(f) The Board shall—

"(1) establish policies for—

"(A) the investment and management of the Thrift Savings Fund; and

"(B) the administration of subchapter III of this chapter;

"(2) review the performance of investments made for the Thrift Savings Fund; and

"(3) review and approve the budget of the Board.

"(g)(1) The Board may—

"(A) adopt, alter, and use a seal;

"(B) except as provided in paragraph (2), direct the Executive Director to take such action as the Board considers appropriate to carry out the provisions of this subchapter and subchapter III of this chapter and the policies of the Board;

"(C) upon the concurring votes of four members, remove the Executive Director from office for good cause shown; and

"(D) take such other actions as may be necessary to carry out the functions of the Board.

"(2) Except in the case of investments required by section 8438 of this title to be invested in securities of the Government, the Board may not direct the Executive Director to invest or to cause to be invested any sums in the Thrift Savings Fund in a specific asset or to dispose of or cause to be disposed of any specific asset of such Fund.

"(h) The members of the Board shall discharge their responsibilities solely in the interest of participants and beneficiaries under this subchapter and subchapter III of this chapter.

"§ 8473. Employee Thrift Advisory Council

"(a) The Board shall establish an Employee Thrift Advisory Council. The Council shall be composed of 14 members appointed by the Chairman of the Board in accordance with subsection (b).

"(b) The Chairman shall appoint 14 members of the Council, of whom—

"(1) 4 shall be appointed to represent the respective labor organizations representing (as exclusive representatives) the first, second, third, and fourth largest numbers of individuals subject to chapter 71 of this title;

"(2) 2 shall be appointed to represent the respective labor organizations which have been accorded exclusive recognition under section 1203(a) of title 39 representing the largest and second largest numbers of individuals employed by the United States Postal Service;

"(3) 1 shall be appointed to represent the labor organization which has been accorded exclusive recognition under section 1203(a) of title 39 representing the largest number of individuals employed by the United States Postal Service as rural letter carriers;

"(4) 2 shall be appointed to represent the respective managerial organizations (other than an organization described in paragraph (5)) which consult with the United States Postal Service under section 1004(b) of title 39 and which represent the largest and second largest numbers of individuals employed by the United States Postal Service as managerial personnel;

"(5) 1 shall be appointed to represent the supervisors' organization as defined in section 1004(h) of title 39;

"(6) 1 shall be appointed to represent employee organizations having as a purpose promoting the interests of women in Government service;

"(7) 1 shall be appointed to represent the organization representing the largest number of individuals receiving annuities under this chapter or chapter 83 of this title;

"(8) 1 shall be appointed to represent the organization representing the largest number of individuals subject to the Performance Management and Recognition System under chapter 54 of this title; and

"(9) 1 shall be appointed to represent the organization representing the largest number of members of the Senior Executive Service.

"(c)(1) The Chairman of the Board shall designate 1 member of the Council to serve as head of the Council.

"(2) A member of the Council shall be appointed for a term of 4 years.

"(3)(A) A vacancy in the Council shall be filled in the manner in which the original appointment was made and shall be subject to any conditions which applied with respect to the original appointment.

"(B) An individual chosen to fill a vacancy shall be appointed for the unexpired term of the member replaced.

"(C) The term of any member shall not expire before the date on which the member's successor takes office.

"(d) The Council shall act by resolution of a majority of the members.

"(e) The Council shall—

"(1) advise the Board and the Executive Director on matters relating to—

"(A) investment policies for the Thrift Savings Fund; and

"(B) the administration of this subchapter and subchapter III of this chapter; and

"(2) perform such other duties as the Board may direct with respect to investment funds established in accordance with subchapter III of this chapter.

"(f) Section 14(a)(2) of the Federal Advisory Committee Act shall not apply to the Council.

"§ 8474. Executive Director

"(a)(1) The Board shall appoint, without regard to the provisions of law governing appointments in the competitive service, an Executive Director by action agreed to by a majority of the members of the Board.

"(2) The Executive Director shall have substantial experience, training, and expertise in the management of financial investments and pension benefit plans.

"(b) The Executive Director shall—

"(1) carry out the policies established by the Board;

"(2) invest and manage the Thrift Savings Fund in accordance with the investment policies and other policies established by the Board;

"(3) purchase annuity contracts and provide for the payment of other benefits under subchapter III of this chapter;

"(4) administer the provisions of this subchapter and subchapter III of this chapter;

"(5) prescribe such regulations (other than regulations relating to fiduciary responsibilities) as may be necessary for the administration of this subchapter and subchapter III of this chapter; and

"(6) meet from time to time with the Council upon request of the Council.

"(c) The Executive Director may—

"(1) prescribe such regulations as may be necessary to carry out the responsibilities of the Executive Director under this section, other than regulations relating to fiduciary responsibilities;

"(2) appoint such personnel as may be necessary to carry out the provisions of this subchapter and subchapter III of this chapter;

"(3) subject to approval by the Board, procure the services of experts and consultants under section 3109 of this title;

"(4) secure directly from an Executive agency, the United States Postal Service, or the Postal Rate Commission any information necessary to carry out the provisions of this subchapter or subchapter III of this chapter and policies of the Board;

"(5) make such payments out of sums in the Thrift Savings Fund as the Executive Director determines are necessary to carry out the provisions of this subchapter and subchapter III of this chapter and the policies of the Board;

"(6) pay the compensation, per diem, and travel expenses of individuals appointed under paragraphs (2), (3), and (7) of this subsection from the Thrift Savings Fund;

"(7) accept and use the services of individuals employed intermittently in the Government service and reimburse such individuals for travel expenses, as authorized by section 5703 of this title, including per diem as authorized by section 5702 of this title;

"(8) except as otherwise expressly prohibited by law or the policies of the Board, delegate any of the Executive Director's functions to such employees under the Board as the Executive Director may designate and authorize such successive redelegations of such functions to such employees under the Board as the Executive Director may consider to be necessary or appropriate; and

"(9) take such other actions as are appropriate to carry out the functions of the Executive Director.

"§ 8475. Investment policies

"The Board shall develop investment policies under section 8472(f)(1) of this title which provide for—

"(1) prudent investments suitable for accumulating funds for payment of retirement income; and

"(2) low administrative costs.

"§ 8476. Administrative provisions

"(a) The Board shall meet—

"(1) not less than once during each month; and

"(2) at additional times at the call of the Chairman.

"(b)(1) Except as provided in sections 8472(g)(1)(C) and 8474(a)(1) of this title, the Board shall perform the functions and exercise the powers of the Board on a majority vote of a quorum of the Board.

"(2) A vacancy on the Board shall not impair the authority of a quorum of the Board to perform the functions and exercise the powers of the Board.

"(c) Three members of the Board shall constitute a quorum for the transaction of business.

"(d)(1) Each member of the Board who is not an officer or employee of the Federal Government shall be compensated at the daily rate of basic pay for grade GS-18 of the General Schedule for each day during which such member is engaged in performing a function of the Board.

"(2) A member of the Board shall be paid travel, per diem, and other necessary expenses under subchapter I of chapter 57 of this title while traveling away from such member's home or regular place of business in the performance of the duties of the Board.

"(3) Payments authorized under this subsection shall be paid from the Thrift Savings Fund.

"(e) The accrued annual leave of any employee who is a member of the Board or the Council shall not be charged for any time used in performing services for the Board or the Council.

"§ 8477. Fiduciary responsibilities; liability and penalties

"(a) For the purposes of this section—

"(1) the term 'account' is not limited by the definition provided in section 8401(1);

"(2) the term 'adequate consideration' means—

"(A) in the case of a security for which there is a generally recognized market—

"(i) the price of the security prevailing on a national securities exchange which is registered under section 6 of the Securities Exchange Act of 1934; or

"(ii) if the security is not traded on such a national securities exchange, a price not less favorable to the Thrift Savings Fund than the offering price for the security as established by the current bid and asked prices quoted by persons independent of the issuer and of any party in interest; and

"(B) in the case of an asset other than a security for which there is a generally recognized market, the fair market value of the asset as determined in good faith by a fiduciary or fiduciaries in accordance with regulations prescribed by the Secretary of Labor;

"(3) the term 'fiduciary' means—

"(A) a member of the Board;

"(B) the Executive Director;

"(C) any person who has or exercises discretionary authority or discretionary control over the management or disposition of the assets of the Thrift Savings Fund; and

"(D) any person who, with respect to the Thrift Savings Fund, is described in section 3(21)(A) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(21)(A)); and

"(4) the term 'party in interest' includes—

"(A) any fiduciary;

"(B) any counsel to a person who is a fiduciary, with respect to the actions of such person as a fiduciary;

"(C) any participant;

"(D) any person providing services to the Board and, with respect to the actions of the Executive Director as a fiduciary any person providing services to the Executive Director;

"(E) a labor organization, the members of which are participants;

"(F) a spouse, sibling, ancestor, lineal descendant, or spouse of a lineal descendant of a person described in subparagraph (A), (B), or (D);

"(G) a corporation, partnership, or trust or estate of which, or in which, at least 50 percent of—

"(i) the combined voting power of all classes of stock entitled to vote or the total value of shares of all classes of stock of such corporation;

"(ii) the capital interest or profits interest of such partnership; or

"(iii) the beneficial interest of such trust or estate,

is owned directly or indirectly, or held by a person described in subparagraph (A), (B), (D), or (E);

"(H) an official (including a director) of, or an individual employed by, a person described in subparagraph (A), (B), (D), (E), or (G), or an individual having powers or responsibilities similar to those of such an official;

"(I) a holder (directly or indirectly) of at least 10 percent of the shares in a person described in any subparagraph referred to in subparagraph (H); and

"(J) a person who, directly or indirectly, is at least a 10 percent partner or joint venturer (measured in capital or profits) in a person described in any subparagraph referred to in subparagraph (H).

"(b)(1) To the extent not inconsistent with the provisions of this chapter and the policies prescribed by the Board, a fiduciary shall discharge his responsibilities with respect to the Thrift Savings Fund or applicable portion thereof solely in the interest of the participants and beneficiaries and—

"(A) for the exclusive purpose of—

"(i) providing benefits to participants and their beneficiaries; and

"(ii) defraying reasonable expenses of administering the Thrift Savings Fund or applicable portions thereof;

"(B) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent individual acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like objectives; and

"(C) to the extent permitted by section 8438 of this title, by diversifying the investments of the Thrift Savings Fund or applicable portions thereof so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

"(2) No fiduciary may maintain the indicia of ownership of any assets of the Thrift Savings Fund outside the jurisdiction of the district courts of the United States.

"(c)(1) A fiduciary shall not permit the Thrift Savings Fund to engage in any of the following transactions, except in exchange for adequate consideration:

"(A) A transfer of any assets of the Thrift Savings Fund to any person the fiduciary knows or should know to be a party in interest or the use of such assets by any such person.

"(B) An acquisition of any property from or sale of any property to the Thrift Savings Fund by any person the fiduciary knows or should know to be a party in interest.

"(C) A transfer or exchange of services between the Thrift Savings Fund and any person the fiduciary knows or should know to be a party in interest.

"(2) Notwithstanding paragraph (1), a fiduciary with respect to the Thrift Savings Fund shall not—

"(A) deal with any assets of the Thrift Savings Fund in his own interest or for his own account;

"(B) act, in an individual capacity or any other capacity, in any transaction involving the Thrift Savings Fund on behalf of a party, or representing a party, whose interests are adverse to the interests of the Thrift Savings Fund or the interests of its participants or beneficiaries; or

"(C) receive any consideration for his own personal account from any party dealing with sums credited to the Thrift Savings Fund in connection with a transaction involving assets of the Thrift Savings Fund.

"(3)(A) The Secretary of Labor may, in accordance with procedures which the Secretary shall by regulation prescribe, grant a conditional or unconditional exemption of any fiduciary or transaction, or class of fiduciaries or transactions, from all or part of the restrictions imposed by paragraph (2).

"(B) An exemption granted under this paragraph shall not relieve a fiduciary from any other applicable provision of this chapter.

"(C) The Secretary of Labor may not grant an exemption under this paragraph unless he finds that such exemption is—

"(i) administratively feasible;

"(ii) in the interests of the Thrift Savings Fund and of its participants and beneficiaries; and

"(iii) protective of the rights of participants and beneficiaries of such Fund.

"(D) An exemption under this paragraph may not be granted unless—

"(i) notice of the proposed exemption is published in the Federal Register;

"(ii) interested persons are given an opportunity to present views; and

"(iii) the Secretary of Labor affords an opportunity for a hearing and makes a determination on the record with respect to the respective requirements of clauses (i), (ii), and (iii) of subparagraph (C).

"(d) This section does not prohibit any fiduciary from—

"(1) receiving any benefit which the fiduciary is entitled to receive under this subchapter or subchapter III of this chapter as a participant or beneficiary;

"(2) receiving any reasonable compensation authorized by this subchapter for services rendered, or for reimbursement of expenses properly and actually incurred, in the performance of the fiduciary's duties under this chapter; or

"(3) serving as a fiduciary in addition to being an officer, employee, agent, or other representative of a party in interest.

"(e)(1)(A) Any fiduciary that breaches the responsibilities, duties, and obligations set out in subsection (b) or violates subsection (c) shall be personally liable to the Thrift Savings Fund for any losses to such Fund resulting from each such breach or violation and to restore to such Fund any profits made by the fiduciary through use of assets of such Fund by the fiduciary, and shall be subject to such other equitable or remedial relief as a court considers appropriate. A fiduciary may be removed for a breach referred to in the preceding sentence.

"(B) The Secretary of Labor may assess a civil penalty against a party in interest with respect to each transaction which is engaged in by the party in interest and is prohibited by subsection (c). The amount of such penalty shall be equal to 5 percent of the amount involved in each such transaction (as defined in section 4975(f)(4) of the Internal Revenue Code of 1954) for each year or part thereof during which the prohibited transaction continues, except that, if the transaction is not corrected (in such manner as the Secretary of Labor shall prescribe by regulation consistent with section 4975(f)(5) of such Code) within 90 days after the date the Secretary of Labor transmits notice to the party in interest (or such longer period as the Secretary of Labor may permit), such penalty may be in an amount not more than 100 percent of the amount involved.

"(C) A fiduciary shall not be liable under subparagraph (A) with respect to a breach of fiduciary duty under subsection (b) committed before becoming a fiduciary or after ceasing to be a fiduciary.

"(D) A fiduciary shall be jointly and severally liable under subparagraph (A) for a breach of fiduciary duty under subsection (b) by another fiduciary if—

"(i) the fiduciary participates knowingly in, or knowingly undertakes to conceal, an act or omission of such other fiduciary, knowing such act or omission is such a breach;

"(ii) by the fiduciary's failure to comply with subsection (b) in the administration of the fiduciary's specific responsibilities which give rise to the fiduciary status, the fiduciary has enabled such other fiduciary to commit such a breach; or

"(iii) the fiduciary has knowledge of a breach by such other fiduciary, unless the fiduciary makes reasonable efforts under the circumstances to remedy the breach.

"(E) The Secretary of Labor shall prescribe, in regulations, procedures for allocating fiduciary responsibilities among fiduciaries, including investment managers. Any fiduciary who, pursuant to such procedures, allocates to a person or persons any fiduciary responsibility shall not be liable for an act or omission of such person or persons unless—

"(i) such fiduciary violated subsection (b) with respect to the allocation, with respect to the implementation of the procedures prescribed by the Board, or in continuing such allocation; or

"(ii) such fiduciary would otherwise be liable in accordance with subparagraph (D).

"(2) A civil action may be brought in the district courts of the United States—

"(A) by the Secretary of Labor—

"(i) to determine and enforce a liability under paragraph (1)(A);

"(ii) to collect any civil penalty under paragraph (1)(B); or

"(iii) to enjoin any act or practice which violates subsection (g)(2) or (h) of section 8472 of this title;

"(B) by the Secretary of Labor, any participant, beneficiary, or fiduciary—

"(i) to enjoin any act or practice which violates any provision of subsection (b) or (c); or

"(ii) to obtain any other appropriate equitable relief to redress a violation of any such provision; or

"(C) by any participant or beneficiary to recover benefits due to him or her under the provisions of subchapter III of this chapter, to enforce his or her rights under such provisions, or to clarify his or her rights to future benefits under such provisions.

"(3) An action may not be commenced under paragraph (2) with respect to a fiduciary's breach of any responsibility, duty, or obligation under subsection (b) or a violation of subsection (c) after the earlier of—

"(A) 6 years after (i) the date of the last action which constituted a part of the breach or violation, or (ii) in the case of an omission, the latest date on which the fiduciary could have cured the breach or violation; or

"(B) 3 years after the earliest date on which the plaintiff had actual knowledge of the breach or violation, except that, in the case of fraud or concealment, such action may be commenced not later than 6 years after the date of discovery of such breach or violation.

"(4)(A) The district courts of the United States shall have exclusive jurisdiction of civil actions under this subsection.

"(B) An action under this subsection may be brought in the District Court of the United States for the District of Columbia or a district court of the United States in the district where the breach alleged in the complaint or petition filed in the action took place or in the district where a defendant resides or may be found. Process may be served in any other district where a defendant resides or may be found.

"(5)(A) A copy of the complaint or petition filed in any action brought under this subsection (other than by the Secretary of Labor) shall be served on the Executive Director, the Secretary of Labor, and the Secretary of the Treasury by certified mail.

"(B) Any officer referred to in subparagraph (A) of this paragraph shall have the right in his discretion to intervene in any action. If the Secretary of Labor brings an action under paragraph (2) of this subsection on behalf of a participant or beneficiary, he shall notify the Executive Director and the Secretary of the Treasury.

"(f) The Secretary of Labor may prescribe regulations to carry out this section.

"(g)(1) The Secretary of Labor shall establish a program to carry out audits to determine the level of compliance with the requirements of this section relating to fiduciary responsibilities and prohibited activities of fiduciaries.

"(2) An audit under this subsection may be conducted by the Secretary of Labor, by contract with a qualified non-governmental organization, or in cooperation with the Comptroller General of the United States, as the Secretary considers appropriate.

"§ 8478. Bonding

"(a)(1) Except as provided in paragraph (2), each fiduciary (other than a member of

the Employee Thrift Advisory Council with respect to his duties as a member) and each person who handles funds or property of the Thrift Savings Fund shall be bonded as provided in this section.

"(2)(A) Bond shall not be required of a fiduciary (or of any officer or employee of such fiduciary) if such fiduciary—

"(i) is a corporation organized and doing business under the laws of the United States or of any State;

"(ii) is authorized under such laws to exercise trust powers or to conduct an insurance business;

"(iii) is subject to supervision or examination by Federal or State authority; and

"(iv) has at all times a combined capital and surplus in excess of such minimum amount (not less than $1,000,000) as the Secretary of Labor prescribes in regulations.

"(B) If—

"(i) a bank or other financial institution would, but for this subparagraph, not be required to be bonded under this section by reason of the application of the exception provided in subparagraph (A),

"(ii) the bank or financial institution is authorized to exercise trust powers, and

"(iii) the deposits of the bank or financial institution are not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation,

such exception shall apply to such bank or financial institution only if the bank or institution meets bonding requirements under State law which the Secretary of Labor determines are at least equivalent to those imposed on banks by Federal law.

"(b)(1) The Secretary of Labor shall prescribe the amount of a bond under this section at the beginning of each fiscal year. Except as otherwise provided in this paragraph, such amount shall not be less than 10 percent of the amount of funds handled. In no case shall such bond be less than $1,000 nor more than $500,000, except that the Secretary of Labor, after due notice and opportunity for hearing to all interested parties, and other consideration of the record, may prescribe an amount in excess of $500,000.

"(2) For the purpose of prescribing the amount of a bond under paragraph (1), the amount of funds handled shall be determined by reference to the amount of the funds handled by the person, group, or class to be covered by such bond or by their predecessor or predecessors, if any, during the preceding fiscal year, or to the amount of funds to be handled during the current fiscal year by such person, group, or class, estimated as provided in regulations prescribed by the Secretary of Labor.

"(c) A bond required by subsection (a)—

"(1) shall include such terms and conditions as the Secretary of Labor considers necessary to protect the Thrift Savings Fund against loss by reason of acts of fraud or dishonesty on the part of the bonded person directly or through connivance with others;

"(2) shall have as surety thereon a corporate surety company which is an acceptable surety on Federal bonds under authority granted by the Secretary of the Treasury pursuant to sections 6 through 13 of title 6; and

"(3) shall be in a form or of a type approved by the Secretary of Labor, including individual bonds or schedule or blanket forms of bonds which cover a group or class.

"(d)(1) It shall be unlawful for any person to whom subsection (a) applies, to receive, handle, disburse, or otherwise exercise custody or control of any of the funds or other property of the Thrift Savings Fund without being bonded as required by this section.

"(2) It shall be unlawful for any fiduciary, or any other person having authority to direct the performance of functions described in paragraph (1), to permit any such function to be performed by any person to whom subsection (a) applies unless such person has met the requirements of such subsection.

"(e) Notwithstanding any other provision of law, any person who is required to be bonded as provided in subsection (a) shall be exempt from any other provision of law which would, but for this subsection, require such person to be bonded for the handling of the funds or other property of the Thrift Savings Fund.

"(f) The Secretary of Labor shall prescribe such regulations as may be necessary to carry out the provisions of this section, including exempting a person or class of persons from the requirements of this section.

"§ 8479. Exculpatory provisions; insurance

"(a) Any provision in an agreement or instrument which purports to relieve a fiduciary from responsibility or liability for any responsibility, obligation, or duty under this subchapter shall be void.

"(b)(1) The Executive Director may require employing agencies to contribute an amount not to exceed 1 percent of the amount such agencies are required to contribute in accordance with section 8432(c) of this title to the Thrift Savings Fund.

"(2) The sums credited to the Thrift Savings Fund under paragraph (1) shall be available and may be used at the discretion of the Executive Director to purchase insurance to cover potential liability of persons who serve in a fiduciary capacity with respect to the Thrift Savings Fund, without regard to whether a policy of insurance permits recourse by the insurer against the fiduciary in the case of a breach of a fiduciary obligation.".

(b) CONFORMING AMENDMENT.—The table of chapters at the beginning of part III of title 5, United States Code, is amended by inserting after the item relating to chapter 83 the following new item:

"84. Federal Employees' Retirement System ..... 8401.".

TITLE II—OTHER AMENDMENTS TO TITLE 5 OF THE UNITED STATES CODE

SEC. 201. TREATMENT UNDER CIVIL SERVICE RETIREMENT SYSTEM OF CERTAIN INDIVIDUALS EXCLUDED FROM FEDERAL EMPLOYEES' RETIREMENT SYSTEM.

(a) DEDUCTIONS, CONTRIBUTIONS, AND DEPOSITS.—(1) Section 8334 of title 5, United States Code, is amended by adding at the end thereof the following:

"(k)(1) Effective with respect to pay periods beginning after December 31, 1986, in administering this section in the case of an individual described in section 8402(b)(2) of this title—

"(A) the amount to be deducted and withheld by the employing agency shall be determined in accordance with paragraph (2) of this subsection instead of the first sentence of subsection (a)(1) of this section; and

"(B) the amount of the contribution under the second sentence of subsection (a)(1) of this section shall be the amount which would have been contributed under such sentence if this subsection had not been enacted.

"(2)(A) With respect to Federal wages of an employee or Member (or that portion thereof) not exceeding the contribution and benefit base during the calendar year involved, the appropriate amount to be deducted and withheld under this subsection is the amount by which—

"(i) the total deduction for those wages (or for that portion) exceeds;

"(ii) the OASDI contribution with respect to those wages (or that portion).

"(B) With respect to any portion of Federal wages of an employee or Member which exceed the contribution and benefit base during the calendar year involved, the appropriate amount to be deducted and withheld under this subsection is an amount equal to the total deduction for that portion.

"(C) For purposes of this paragraph—

"(i) the term 'Federal wages' means basic pay for service as an employee or Member, as the case may be;

"(ii) the term 'contribution and benefit base' means the contribution and benefit base in effect with respect to the period involved, as determined under section 230 of the Social Security Act;

"(iii) the term 'total deduction', as used with respect to any Federal wages (or portion thereof), means an amount equal to the amount of those wages (or of that portion), multiplied by the percentage which (but for this subsection) would apply under the first sentence of subsection (a)(1) with respect to the individual involved; and

"(iv) the term 'OASDI contribution', with respect to any income, means the amount of tax which may be imposed under section 3101(a) of the Internal Revenue Code of 1954 with respect to such income (determined without regard to any income which is not a part of Federal wages).

"(3) The amount of a deposit under subsection (c) of this section for any service with respect to which paragraph (1) of this subsection applies shall be equal to an amount determined based on the preceding provisions of this subsection, and shall include interest.".

(2) Such section 8334 is further amended—

(A) in paragraphs (1) and (2) of subsection (e), by striking out "or (j)" and inserting in lieu thereof "(j), or (k)";

(B) in subsection (f), by inserting "or (k)" after "subsection (a)"; and

(C) in subsection (h), by striking out "and (j)" and inserting in lieu thereof "(j), and (k)".

(b) OFFSET IN BENEFITS.—(1) Subchapter III of chapter 83 of title 5, United States Code, is amended by adding at the end thereof the following:

"§ 8349. Offset relating to certain benefits under the Social Security Act

"(a)(1) Notwithstanding any other provision of this subchapter, if an individual under section 8402(b)(2) is entitled, or would on proper application be entitled, to old-age insurance benefits under title II of the Social Security Act, the annuity otherwise payable to such individual shall be reduced under this subsection.

"(2) A reduction under this subsection commences beginning with the first month for which the individual both—

"(A) is entitled to an annuity under this subchapter; and

"(B) is entitled, or would on proper application be entitled, to old-age insurance benefits under title II of the Social Security Act.

"(3)(A)(i) Subject to clause (ii) and subparagraphs (B) and (C), the amount of a reduction under this subsection shall be equal to the difference between—

"(I) the old-age insurance benefit which would be payable to the individual for the month referred to in paragraph (2); and

"(II) the old-age insurance benefit which would be so payable, excluding all wages derived from Federal service of the individual, and assuming the individual were fully insured (as defined by section 214(a) of the Social Security Act).

"(ii) For purposes of this subsection, the amount of a benefit referred to in subclause (I) or (II) of clause (i) shall be determined without regard to subsections (b) through (l) of section 203 of the Social Security Act, and without regard to the requirement that an application for such benefit be filed.

"(B) A reduction under this subsection—

"(i) may not exceed an amount equal to the product of—

"(I) the old-age insurance benefit to which the individual is entitled (or would on proper application be entitled) for the month referred to in paragraph (2), determined without regard to subsections (b) through (l) of section 203 of the Social Security Act; and

"(II) a fraction, as determined under section 8421(b)(3) with respect to the individual, except that the reference to 'service' in subparagraph (A) of such section shall be considered to mean Federal service; and

"(ii) may not cause the annuity payment for an individual to be reduced below zero.

"(C) An amount computed under subclause (I) or (II) of subparagraph (A)(i), or under subparagraph (B)(i)(I), for purposes of determining the amount of a reduction under this subsection shall be adjusted under section 8340 of this title.

"(4) A reduction under this subsection applies with respect to the annuity otherwise payable to such individual under this subchapter (other than under section 8337) for the month involved—

"(A) based on service of such individual; and

"(B) without regard to section 8345(j), if otherwise applicable.

"(5) The operation of the preceding paragraphs of this subsection shall not be considered for purposes of applying the provisions of the second sentence of section 215(a)(7)(B)(i) or the provisions of section 215(d)(5)(ii) of the Social Security Act in determining any amount under subclause (I) or (II) of paragraph (3)(A)(i) or paragraph (3)(B)(i)(I) for purposes of this subsection.

"(b)(1) Notwithstanding any other provision of this subchapter—

"(A) a disability annuity to which an individual described in section 8402(b)(2) is entitled under this subchapter, and

"(B) a survivor annuity to which a person is entitled under this subchapter based on the service of an individual described in section 8402(b)(2),

shall be subject to reduction under this subsection if that individual or person is also entitled (or would on proper application also be entitled) to any similar benefits under title II of the Social Security Act based on the wages and self-employment income of such individual described in section 8402(b)(2).

"(2)(A) Subject to subparagraph (B), reductions under this subsection shall be made in a manner consistent with the manner in which reductions under subsection (a) are computed and otherwise made.

"(B) Reductions under this subsection shall be discontinued if, or for so long as, entitlement to the similar benefits under title II of the Social Security Act (as referred to in paragraph (1)) is terminated (or, in the case of an individual who has not made proper application therefor, would be terminated).

"(3) For the purpose of applying section 224 of the Social Security Act to the disability insurance benefit used to compute the reduction under this subsection, the amount of the CSRS annuity considered shall be the amount of the CSRS annuity before application of this section.

"(4) The Office shall prescribe regulations to carry out this subsection.

"(c) For the purpose of this section, the term 'Federal service' means service which is employment for the purposes of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 by reason of the amendments made by section 101 of the Social Security Amendments of 1983.".

(2) The analysis for chapter 83 of title 5, United States Code, is amended by adding at the end thereof the following new item:

"8349. Offset relating to certain benefits under the Social Security Act.".

(c) CREDITABILITY OF INTERIM SERVICE.—Section 8334(c) of title 5, United States Code, is amended by adding at the end thereof the following: "Notwithstanding the preceding provisions of this subsection and any provision of section 206(b)(3) of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983, the percentage of basic pay required under this subsection in the case of an individual described in section 8402(b)(2) shall, with respect to any covered service (as defined by section 203(a)(3) of such Act) performed by such individual after December 31, 1983, and before January 1, 1987, be equal to 1.3 percent.".

SEC. 202. NON-APPLICABILITY OF CIVIL SERVICE RETIREMENT SYSTEM TO INDIVIDUALS UNDER FEDERAL EMPLOYEES' RETIREMENT SYSTEM.

(a) EMPLOYEES.—Section 8331(1) of title 5, United States Code, is amended—

(1) by amending clause (ii) to read as follows:

"(ii) an employee subject to another retirement system for Government employees (other than an employee described in clause (x);";

(2) by striking "or" at the end of clause (viii);

(3) by striking the period at the end of clause (ix) and inserting in lieu thereof "; or"; and

(4) by adding after clause (ix) the following:

"(x) an employee subject to the Federal Employees' Retirement System.".

(b) MEMBERS OF CONGRESS.—Section 8331(2) of title 5, United States Code, is amended by striking the semicolon and inserting in lieu thereof ", but does not include any such Member of Congress who is subject to the Federal Employees' Retirement System or who makes an election under section 8401(20) of this title not to be subject to such System;".

SEC. 203. PAY FOR THE EXECUTIVE DIRECTOR OF THE FEDERAL RETIREMENT THRIFT INVESTMENT BOARD.

Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"Executive Director, Federal Retirement Thrift Investment Board.".

SEC. 204. ALTERNATIVE FORMS OF ANNUITIES.

(a) IN GENERAL.—Title 5, United States Code, is amended by inserting after section 8343 the following:

"§ 8343a. Alternative forms of annuities

"(a) The Office of Personnel Management shall prescribe regulations under which an employee or Member may, at the time of retiring under this subchapter (other than under section 8337 of this title), elect annuity benefits under this section instead of any other benefits under this subchapter (including any benefits under section 8341 of this title) based on the service of the employee or Member.

"(b) Subject to subsection (c), the Office shall by regulation provide for such alternative forms of annuities as the Office considers appropriate, except that among the alternatives offered shall be—

"(1) an alternative which provides for—

"(A) payment of the lump-sum credit to the employee or Member; and

"(B) payment of an annuity to the employee or Member for life; and

"(2) in the case of an employee or Member who is married at the time of retirement, an alternative which provides for—

"(A) payment of the lump-sum credit to the employee or Member; and

"(B) payment of an annuity to the employee or Member for life, with a survivor annuity payable for the life of a surviving spouse.

"(c) Each alternative provided for under subsection (b) shall, to the extent practicable, be designed such that the present value of the benefits provided under such alternative (including any lump-sum credit) is actuarially equivalent to the present value of the annuity which would otherwise be provided the employee or Member under this subchapter, as computed under subsections (a)-(i) and (n) of section 8339 of this title.

"(d) An employee or Member who, at the time of retiring under this subchapter—

"(1) is married, shall be ineligible to make an election under this section unless a waiver is made under section 8339(j)(1) of this title; or

"(2) has a former spouse, shall be ineligible to make an election under this section if the former spouse is entitled to benefits under section 8341(h) or 8345(j) of this title (based on the service of the employee or Member) under the terms of a decree of divorce or annulment, or a court order or court-approved property settlement incident to any such decree, with respect to which the Office has been duly notified.

"(e) An employee or Member who is married at the time of retiring under this subchapter and who makes an election under this section may, during the 18-month period beginning on the date of retirement, make the election provided for under section 8339(o) of this title, subject to the deposit requirement thereunder.".

(b) CONFORMING AMENDMENTS.—(1) The analysis for chapter 83 of title 5, United States Code, is amended by inserting after the item relating to section 8343 the following:

"8343a. Alternative forms of annuities.".

(2) The second sentence of section 8342(a) of title 5, United States Code, is amended by striking "The" and inserting in lieu thereof "Except as provided in section 8343a of this title, the".

SEC. 205. RETIREMENT COUNSELING.

(a) IN GENERAL.—Subchapter III of chapter 83 of title 5, United States Code, as amended by section 201(b), is further amended by adding at the end thereof the following:

"§ 8350. Retirement counseling

"(a) For the purposes of this section, the term 'retirement counselor', when used with respect to an agency, means an employee of the agency who is designated by the head of the agency to furnish information on benefits under this subchapter and chapter 84 of this title and counseling services relating to

such benefits to other employees of the agency.

"(b) The Director of the Office of Personnel Management shall establish a training program for all retirement counselors of agencies of the Federal Government.

"(c)(1) The training program established under subsection (b)(1) of this section shall provide for comprehensive training in the provisions and administration of this subchapter and chapter 84 of this title, shall be designed to promote fully informed retirement decisions by employees and Members under this subchapter and individuals subject to chapter 84 of this title, and shall be revised as necessary to assure that the information furnished to retirement counselors of agencies under the program is current.

"(2) The Director shall conduct a training session under the training program at least once every 3 months.

"(3) Once each year, each retirement counselor of an agency shall successfully complete a training session conducted under the training program.".

(b) CHAPTER ANALYSIS.—The chapter analysis at the beginning of such chapter is amended by inserting after the item relating to section 8349 the following:

"8350. Retirement counseling.".

SEC. 206. PARTICIPATION BY CERTAIN EMPLOYEES AND MEMBERS ONLY IN THE THRIFT SAVINGS PLAN.

(a)(1) Subchapter III of chapter 83 of title 5, United States Code (as amended by sections 201(b) and 205(a) of this Act), is amended by adding at the end thereof the following new section:

"§ 8351. Participation in the Thrift Savings Plan

"(a)(1) An employee or Member may elect to contribute to the Thrift Savings Fund established by section 8437 of this title.

"(2) An election may be made under paragraph (1) only during a period provided under section 8432(b) for individuals who are subject to chapter 84 of this title.

"(b)(1) Except as otherwise provided in this subsection, the provisions of subchapters III and VII of chapter 84 of this title shall apply with respect to employees and Members making contributions to the Thrift Savings Fund under subsection (a) of this section.

"(2) An employee or Member may contribute to the Thrift Savings Fund in any pay period any amount not exceeding 5 percent of the amount of the employee's or Member's basic pay for such period.

"(3) No contributions may be made by an employing agency for the benefit of an employee or Member under section 8432(c) of this title.

"(4) Section 8433(b) of this title applies to any employee or Member who elects to make contributions to the Thrift Savings Fund under subsection (a) of this section and separates from Government employment entitled to an immediate annuity under this subchapter (including a disability retirement annuity under section 8337 of this title) or separates from Government employment entitled to benefits under subchapter I of chapter 81 of this title.

"(5) Section 8433(c) of this title applies to any employee or Member who elects to make contributions to the Thrift Savings Fund under subsection (a) of this section and separates entitled to a deferred annuity under this subchapter.

"(6) Section 8433(d) of this title applies to any employee or Member who elects to make contributions to the Thrift Savings Fund under subsection (a) of this section and separates from the service before becoming entitled to an immediate or deferred annuity under this subchapter.

"(7)(A) The provisions of section 8435 of this title that require a waiver or consent by the spouse of an employee or Member (or former employee or Member) shall not apply with respect to sums in the Thrift Savings Fund contributed by the employee or Member (or former employee or Member) and earnings in the fund attributable to such sums.

"(B) An election, change of election, or modification (relating to the commencement date of a deferred annuity) authorized by subchapter III of chapter 84 of this title shall be effective in the case of a married employee or Member, and a loan may be approved under section 8433(i) of this title in such case, only after the Executive Director notifies the employee's or Member's spouse that the election, change of election, or modification has been made or that the Executive Director has received an application for such loan, as the case may be.

"(C) Subparagraph (B) may be waived with respect to a spouse or former spouse if the employee or Member establishes to the satisfaction of the Executive Director of the Federal Retirement Thrift Investment Board that the whereabouts of such spouse or former spouse cannot be determined.

"(8) Sums contributed under this section and earnings attributable to such sums may be invested and reinvested only in the Government Securities Investment Fund established under section 8438(b)(1)(A) of this title.

"(c) The Executive Director of the Federal Retirement Thrift Investment Board may prescribe regulations to carry out this section.".

(2) The analysis for chapter 83 of such title is amended by adding at the end thereof the following:

"8351. Participation in the Thrift Savings Plan.".

(b) An election may first be made by an employee of the Federal Government or a Member of Congress under section 8351 of title 5, United States Code (as added by subsection (a)(1)), during the first period referred to in subsection (a)(2) of such section which commences on or after July 1, 1987.

SEC. 207. MISCELLANEOUS AMENDMENTS.

(a) AMENDMENT TO SECTION 2105.—Section 2105(c)(2) of title 5, United States Code, is amended by striking out "chapter 81" and inserting in lieu thereof "chapter 81, chapter 84,".

(b) AMENDMENT TO SECTION 2109.—Section 2109(1) of title 5, United States Code, is amended to read as follows:

"(1) 'air traffic controller' or 'controller' means a civilian employee of the Department of Transportation or the Department of Defense who, in an air traffic control facility or flight service station facility—

"(A) is actively engaged—

"(i) in the separation and control of air traffic; or

"(ii) in providing preflight, inflight, or airport advisory service to aircraft operators; or

"(B) is the immediate supervisor of any employee described in subparagraph (A); and".

(c) AMENDMENT TO SECTION 6301.—Section 6301(2)(B) of title 5, United States Code, is amended to read as follows:

"(B) an individual first employed by the government of the District of Columbia before October 1, 1987;".

(d) AMENDMENT TO SECTION 6303.—The second sentence of section 6303(a) of title 5, United States Code, is amended by striking out "title." and inserting in lieu thereof "title and all service creditable under section 8411 of this title for the purpose of chapter 84 of this title.".

(e) AMENDMENT TO SECTION 8116.—Section 8116 of title 5, United States Code, is amended by adding at the end thereof the following:

"(d) Notwithstanding the other provisions of this section, an individual receiving benefits for disability or death under this subchapter who is also receiving benefits under subchapter III of chapter 84 of this title or benefits under title II of the Social Security Act shall be entitled to all such benefits, except that—

"(1) benefits received under section 223 of the Social Security Act (on account of disability) shall be subject to reduction on account of benefits paid under this subchapter pursuant to the provisions of section 224 of the Social Security Act; and

"(2) in the case of benefits received on account of age or death under title II of the Social Security Act, compensation payable under this subchapter based on the Federal service of an employee shall be reduced by the amount of any such social security benefits payable that are attributable to Federal service of that employee covered by chapter 84 of this title. However, eligibility for or receipt of benefits under chapter 84 of this title, or benefits under title II of the Social Security Act by virtue of service covered by chapter 84 of this title, does not affect the right of the employee to compensation for scheduled disabilities specified by section 8107(c) of this title.".

(f) AMENDMENTS TO SECTION 8331.—Section 8331(1) of title 5, United States Code, as amended by section 202(a), is further amended—

(1) by amending subparagraph (G) to read as follows:

"(G) an individual first employed by the government of the District of Columbia before October 1, 1987;"; and

(2) by striking out "or" at the end of clause (ix), by striking out the period at the end of clause (x) and inserting in lieu thereof "; or", and by adding after clause (x) the following:

"(xi) an employee under the Botanic Garden excluded by the Director or Acting Director of the Botanic Garden under section 8347(l) of this title.".

(g) AMENDMENTS TO SECTION 8332.—(1) Section 8332(b) of title 5, United States Code, is amended—

(A) by striking "and" at the end of paragraph (12), striking the period at the end of the first paragraph (13) and inserting a semicolon, redesignating the second paragraph (13) as paragraph (14), and striking the period at the end of such paragraph (14) (as so redesignated) and inserting "; and";

(B) by inserting after paragraph (14) (as so redesignated by subparagraph (A)) the following:

"(15) subject to section 8334(c) and 8339(i) of this title, service performed on or after January 3, 1969, and before January 4, 1973, as the Washington Representative for Guam or the Washington Representative for the Virgin Islands, only if the individual serves as a Member for a period of at least five years after January 2, 1973.";

(C) in the second sentence after paragraph (15) (as added by subparagraph (B)), by striking "(13)" and inserting "(14)"; and

(D) by adding at the end thereof the following: "For the purpose of this subchapter, service of the type described in paragraph

(15) of this subsection shall be considered Member service.".

(2) The last sentence of section 8332(f) of title 5, United States Code, is amended by striking "(13)" and inserting "(14)".

(3) The last sentence of section 8332(k)(1) of title 5, United States Code, is amended by striking "second" and inserting "third".

(h) AMENDMENTS TO SECTION 8342.—Section 8342(a) of title 5, United States Code, is amended—

(1) in paragraphs (1)(B) and (3), by inserting ", or chapter 84 of this title," after "subchapter"; and

(2) by adding at the end the following: "In applying this subsection with respect to an employee or Member who becomes subject to chapter 84 of this title, entitlement to payment of the lump-sum credit shall be determined without regard to paragraph (1) or (3) if, and to the extent that, such lump-sum credit relates to service of a type described in clauses (i) through (iii) of section 302(a)(1)(C) of the Federal Employees' Retirement System Act of 1986.".

(i) AMENDMENT TO SECTION 8347.—Section 8347 of title 5, United States Code, is amended by adding at the end thereof the following:

"(n)(1) Notwithstanding any other provision of this subchapter, the Director of Central Intelligence shall, in a manner consistent with the administration of this subchapter by the Office, and to the extent considered appropriate by the Director of Central Intelligence—

"(A) determine entitlement to benefits under this subchapter based on the service of employees of the Central Intelligence Agency;

"(B) maintain records relating to the service of such employees;

"(C) compute benefits under this subchapter based on the service of such employees;

"(D) collect deposits to the Fund made by such employees, their spouses, and their former spouses;

"(E) authorize and direct disbursements from the Fund to the extent based on service of such employees; and

"(F) perform such other functions under this subchapter as the Director of Central Intelligence, in consultation with the Director of the Office of Personnel Management, determines to be appropriate.

"(2) The Director of the Office of Personnel Management shall furnish such information and, on a reimbursable basis, such services to the Director of Central Intelligence as the Director of Central Intelligence requests to carry out paragraph (1) of this subsection.

"(3)(A) The Director of Central Intelligence, in consultation with the Director of the Office of Personnel Management, shall by regulation prescribe appropriate procedures to carry out this subsection.

"(B) The regulations shall provide procedures for the Director of the Office of Personnel Management to inspect and audit disbursements from the Civil Service Retirement and Disability Fund under this subchapter.

"(C) The Director of Central Intelligence shall submit the regulations prescribed under subparagraph (A) to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives before the regulations take effect.

"(4)(A) Section 201(c) of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees shall apply in the administration of this subchapter to the extent that the provisions of this subchapter are administered under this subsection.

"(B) Notwithstanding subparagraph (A) of this paragraph, section 8347(d) of this title shall apply with respect to employees of the Central Intelligence Agency who are subject to the Civil Service Retirement System.".

(j) AMENDMENTS TO SECTION 8348.—Section 8348(a) of title 5, United States Code, is amended—

(1) in paragraph (1)(A), by striking out "subchapter;" and inserting in lieu thereof "subchapter or by the provisions of chapter 84 of this title which relate to benefits payable out of the Fund;";

(2) in paragraph (1)(B)—

(A) by inserting "or 8462" after "8340"; and

(B) by striking out "title, and" and inserting in lieu thereof "title or subchapters II and IV of chapter 84 of this title, and"; and

(3) in paragraph (2), by striking out "chapter" and inserting in lieu thereof "chapter, chapter 84 of this title,".

(k) AMENDMENTS TO CHAPTER 87.—Chapter 87 of title 5, United States Code, is amended—

(1) by amending section 8701(a)(6) to read as follows:

"(6) an individual first employed by the government of the District of Columbia before October 1, 1987;";

(2) in section 8706, by striking out subsection (c) and redesignating subsections (d), (e), and (f) as subsections (c), (d), and (e), respectively;

(3) by striking out subsection (c)(1) of section 8714a and inserting in lieu thereof the following:

"(c)(1) Except as otherwise provided in this subsection, the optional insurance on an employee stops on his separation from service or 12 months after discontinuance of his pay, whichever is earlier, subject to a provision for temporary extension of life insurance coverage and for conversion to an individual policy of life insurance under conditions approved by the Office.";

(4) by striking out the first sentence of section 8714b(c)(1) and inserting in lieu thereof the following: "Except as otherwise provided in this subsection, the additional optional insurance elected by an employee pursuant to this section shall stop on separation from service or 12 months after discontinuance of his pay, whichever is earlier, subject to a provision for temporary extension of life insurance coverage and for conversion to an individual policy of life insurance under conditions approved by the Office."; and

(5) by striking out subsection (c)(1) of section 8714c and inserting in lieu thereof the following:

"(c)(1) Except as otherwise provided in this subsection, the optional life insurance on family members shall stop at the earlier of the employee's death, the employee's separation from the service, or 12 months after discontinuance of pay, subject to a provision for temporary extension of life insurance coverage and for conversion to individual policies of life insurance under conditions approved by the Office.".

(l) AMENDMENTS TO SECTION 8901.—Section 8901 of title 5, United States Code, is amended—

(1) by amending paragraph (1)(E) to read as follows:

"(E) an individual first employed by the government of the District of Columbia before October 1, 1987;";

(2) by amending paragraph (3)(A) to read as follows:

"(A) an employee who retires—

"(i) on an immediate annuity under subchapter III of chapter 83 of this title, or another retirement system for employees of the Government, after 5 or more years of service;

"(ii) under section 8412 or 8414 of this title; or

"(iii) for disability under subchapter III of chapter 83 of this title, chapter 84 of this title, or another retirement system for employees of the Government;";

(3) in paragraph (4), by inserting "or chapter 84" after "83";

(4) in paragraph (10)(C)(i), by inserting "or 8467" after "8345(j)", by inserting "or 8445" after "8341(h)", and by striking out "System)," and inserting in lieu thereof "System or the Federal Employees' Retirement System),"; and

(5) in paragraph (10)(C)(ii)—

(A) by striking out "or 8345(j)" and inserting in lieu thereof "8345(j), 8445, or 8467" and by striking out "System)" and inserting in lieu thereof "System or the Federal Employees' Retirement System)"; and

(B) by inserting "or 8417(b)" after "8339(j)(3)".

(m) AMENDMENTS TO SECTION 8905.—Section 8905(c)(1) of title 5, United States Code, is amended—

(1) in subparagraph (B), by inserting "or 8417(b)" after "8339(j)(3)"; and

(2) in the second sentence, by striking out "or 8345(j)" and inserting in lieu thereof "8345(j), 8445, or 8467".

(n) AMENDMENT TO SECTION 5102.—Section 5102(c)(14) of title 5, United States Code, is amended by inserting "(other than employees of the Federal Retirement Thrift Investment Management System appointed under section 8474(c)(2) of this title)" after "United States".

TITLE III—OTHER PROVISIONS RELATING TO THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM AND THE CIVIL SERVICE RETIREMENT SYSTEM

SEC. 301. ELECTIONS.

(a) ELECTIONS FOR INDIVIDUALS SUBJECT TO THE CIVIL SERVICE RETIREMENT SYSTEM.—(1)(A) Any individual (other than an individual under subsection (b)) who, as of June 30, 1987, is employed by the Federal Government, and who is then subject to subchapter III of chapter 83 of title 5, United States Code, may elect to become subject to chapter 84 of such title.

(B) An election under this paragraph may not be made before July 1, 1987, or after December 31, 1987.

(2)(A) Any individual who, after June 30, 1987, becomes reemployed by the Federal Government, and who is then subject to subchapter III of chapter 83 of title 5, United States Code, may elect to become subject to chapter 84 of such title.

(B) An election under this paragraph shall not be effective unless it is made during the six-month period beginning on the date on which reemployment commences.

(b) ELECTIONS FOR CERTAIN INDIVIDUALS SERVING CONTINUOUSLY SINCE DECEMBER 31, 1983.—The following rules shall apply in the case of any individual described in section 8402(b)(1) of title 5, United States Code:

(1) If, as of December 31, 1986, the individual is subject to subchapter III of chapter 83 of title 5, United States Code, but is not subject to section 204 of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983, the individual shall remain so subject to such subchapter unless the individual elects, after June 30, 1987, and before January 1, 1988—

(A) to become subject to such subchapter under the same terms and conditions as apply in the case of an individual described in section 8402(b)(2) of such title who is subject to such subchapter; or

(B) to become subject to chapter 84 of such title.

An individual eligible to make an election under this paragraph may make the election described in subparagraph (A) or (B), but not both.

(2) If, as of December 31, 1986, the individual is subject to subchapter III of chapter 83 of title 5, United States Code, and is also subject to section 204 of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983, the individual—

(A) shall, as of January 1, 1987, become subject to such subchapter under the same terms and conditions as apply in the case of an individual described in section 8402(b)(2) of such title who is subject to such subchapter; and

(B) may (during the six-month period described in subsection (a)(1)(B)) elect to become subject to chapter 84 of such title.

(3)(A)(i) If, as of December 31, 1986, the individual is not subject to subchapter III of chapter 83 of title 5, United States Code, the individual may, during the six-month period described in subsection (a)(1)(B), and if such individual has not since become subject to such subchapter pursuant to notification under section 8331(2) of such title, elect to become subject to chapter 84 of such title.

(ii) An individual who makes an election under this subparagraph ceases to be eligible to become subject to subchapter III of chapter 83 of title 5, United States Code, pursuant to notification under section 8331(2) of such title.

(B) Except as provided in subparagraph (A)(ii), nothing in this paragraph shall preclude an individual from becoming subject to subchapter III of chapter 83 of title 5, United States Code, pursuant to notification under section 8331(2) of such title. However, an individual who becomes subject to such subchapter pursuant to notification under such section 8331(2) after December 31, 1986, shall become subject to such subchapter under the same terms and conditions as apply in the case of an individual described in section 8402(b)(2) of such title who is subject to such subchapter.

(c) EFFECTIVE DATE; IRREVOCABILITY.—An election made under this section—

(1) shall take effect beginning with the first pay period beginning after the date of the election; and

(2) shall be irrevocable.

(d) CONDITION FOR MAKING AN ELECTION; EXTENSION TO SATISFY CONDITION.—(1) An election under this section to become subject to chapter 84 of title 5, United States Code, shall not be considered effective in the case of an individual having one or more former spouses, unless the election is made with the written consent of such former spouse (or each such former spouse, if there is more than one).

(2)(A) This subsection applies with respect to a former spouse who (based on the service of the individual involved) is entitled to benefits under section 8341(h) or 8345(j) of title 5, United States Code, under the terms of a decree of divorce or annulment, or a court order or court-approved property settlement incident to any such decree, with respect to which the Office of Personnel Management has been duly notified.

(B) This subsection does not apply with respect to a former spouse who has ceased to be so entitled as a result of remarrying before age 55.

(3) The requirement under paragraph (1) shall be considered satisfied with respect to a former spouse if the individual seeking to make the election establishes to the satisfaction of the Office (in accordance with regulations prescribed by the Office)—

(A) that the former spouse's whereabouts cannot be determined; or

(B) that, due to exceptional circumstances, requiring the individual to seek the former spouse's consent would otherwise be inappropriate.

(4)(A) The Office shall, upon application of an individual, grant an extension for such individual to make an election referred to in paragraph (1) if such individual—

(i) files application for extension before the end of the period during which such individual would otherwise be eligible to make such election; and

(ii) demonstrates to the satisfaction of the Office that the extension is needed to secure the modification of a decree of divorce or annulment (or a court order or court-approved property settlement incident to any such decree) in order to satisfy the consent requirement under paragraph (1).

(B) An extension under this paragraph shall be for 6 months or for such longer period as the Office considers appropriate.

(e) EXCLUSIONS.—This section does not apply to an individual under section 8331(1)(G) of title 5, United States Code.

SEC. 302. EFFECT OF AN ELECTION UNDER SECTION 301 TO BECOME SUBJECT TO THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM.

(a) GENERAL AND SPECIAL RULES.—All provisions of chapter 84 of title 5, United States Code (including those relating to disability benefits, survivor benefits, and any reductions to provide for survivor benefits) shall apply with respect to any individual who becomes subject to such chapter pursuant to an election under section 301, except if, or to the extent that, such provisions are inconsistent with the following:

(1)(A) Any civilian service which is performed before the effective date of the election under section 301 shall not be creditable under chapter 84 of title 5, United States Code, except as otherwise provided in this subsection.

(B) Any service described in subparagraph (A) which is covered service within the meaning of section 203(a)(3) of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 (97 Stat. 1107; 5 U.S.C. 8331 note) (hereinafter in this section referred to as "covered service") shall be creditable under chapter 84 of title 5, United States Code, if—

(i) with respect to any such service performed before January 1, 1987, 1.3 percent of basic pay for such service was withheld in accordance with such Act or, if either such withholding was not made or was made, but the amount so withheld was subsequently refunded, 1.3 percent of basic pay for such period is deposited to the credit of the Civil Service Retirement and Disability Fund (hereinafter in this section referred to as the "Fund"), with interest (computed under section 8334(e) of such title); and

(ii) with respect to any such service performed after December 31, 1986, and before the effective date of the election, an amount equal to the percentage of basic pay for such service which would be required to be withheld under section 8422(a) of title 5, United States Code, has been contributed to the Fund by the individual involved, whether by withholdings from pay or, if either no withholding was made or was made, but the amount withheld was subsequently refunded, the aforementioned percentage of basic pay for such period is deposited to the credit of the Fund, with interest (computed under section 8334(e) of such title).

(C) Any service described in subparagraph (A)—

(i) which is not covered service;

(ii) which constitutes service of a type described in section 8411(b)(3) of title 5, United States Code (determined without regard to whether such service was performed before, on, or after January 1, 1989, and without regard to the provisions of section 8411(f) of such title); and

(iii) which, in the aggregate, is equal to less than 5 years;

shall be creditable under chapter 84 of such title, subject to section 8411(f) of such title.

(D) Any service described in subparagraph (A)—

(i) which is not covered service;

(ii) which constitutes service of a type described in section 8411(b)(3) of title 5, United States Code (determined without regard to whether such service was performed before, on, or after January 1, 1989, and without regard to the provisions of section 8411(f) of such title); and

(iii) which, in the aggregate, is equal to 5 years or more;

shall be creditable for purposes of—

(I) section 8410 of such title, relating to the minimum period of civilian service required to be eligible for an annuity;

(II) any provision of section 8412 (other than subsection (d) or (e) thereof), 8413, 8414, 8442(b)(1)(B), or 8451 of such title which relates to a minimum period of service for entitlement to an annuity;

(III) the provisions of paragraphs (4) and (6);

(IV) any provision of section 8412(d) of such title which relates to a minimum period of service for entitlement to an annuity, but only if and to the extent that the service described in subparagraph (A) was as a law enforcement officer or firefighter; and

(V) any provision of section 8412(e) of such title which relates to a minimum period of service for entitlement to an annuity, but only if and to the extent that the service described in subparagraph (A) was as an air traffic controller.

(2)(A) Except as provided in subparagraph (B), the creditability under chapter 84 of title 5, United States Code, of any military service which is performed before the effective date of the election under section 301 shall be determined in accordance with applicable provisions of such chapter.

(B) If the electing individual has performed service described in clauses (i) through (iii) of paragraph (1)(D), service described in subparagraph (A) which, but for the provisions of subsection (b), would be creditable under subchapter III of chapter 83 of title 5, United States Code, as in effect on December 31, 1986, shall be creditable for purposes of—

(i) any provision of section 8412 (other than subsection (d) or (e) thereof), 8413, or 8414 of such title which relates to a minimum period of service for entitlement to an annuity; and

(ii) the provisions of paragraph (4).

(3)(A)(i) If the electing individual becomes entitled to an annuity under subchapter II of chapter 84 of title 5, United States Code, or dies leaving a survivor or survivors entitled to benefits under subchapter IV of such

chapter, the annuity for such individual shall be equal to the sum of the individual's accrued benefits under the Civil Service Retirement System (as determined under paragraph (4)) and the individual's accrued benefits under the Federal Employees' Retirement System (as determined under paragraph (5)).

(ii) An annuity computed under this subparagraph shall be deemed to be the individual's annuity computed under section 8415 of title 5, United States Code.

(B) If the electing individual becomes entitled to an annuity under subchapter V of chapter 84 of title 5, United States Code, and if it becomes necessary to compute an annuity under section 8415 of such title with respect to such individual as a result of such individual's having become so entitled, the methodology set forth in subparagraph (A) shall be used in computing any such annuity under section 8415.

(4) Except as provided in paragraph (12)(B), accrued benefits under this paragraph shall be computed in accordance with applicable provisions of subchapter III of chapter 83 of title 5, United States Code (but without regard to subsection (j) or (k), or the second sentence of subsection (e), of section 8339 of such title) using only any civilian service under paragraph (1)(D), and any military service under paragraph (2)(B), which would be creditable for purposes of computing an annuity under such subchapter.

(5) Accrued benefits under this paragraph shall be computed under section 8415 of title 5, United States Code, using—

(A) total service creditable under chapter 84 of such title which is performed on or after the effective date of the election under section 301; and

(B) with respect to service performed before such effective date—

(i) creditable civilian service (as determined under applicable provisions of this subsection) other than any service described in paragraph (1)(D); and

(ii) creditable military service (as determined under applicable provisions of this subsection) other than any service described in paragraph (2)(B).

(6)(A) For purposes of any computation under paragraph (4) or (5), the average pay to be used shall be the largest annual rate resulting from averaging the individual's rates of basic pay in effect over any 3 consecutive years of creditable service or, in the case of an annuity based on service of less than 3 years, over the total period of service so creditable, with each rate weighted by the period it was in effect.

(B) For purposes of subparagraph (A), service shall be considered creditable if it would be considered creditable for purposes of determining average pay under chapter 83 or 84 of title 5, United States Code.

(7) The cost-of-living adjustments for the annuity of the electing individual shall be made as follows:

(A) The portion of the annuity attributable to paragraph (4) shall be adjusted at the time and in the amount provided for under section 8340 of title 5, United States Code.

(B) The portion of the annuity attributable to paragraph (5) shall be adjusted at the time and in the amount provided for under section 8462 of title 5, United States Code.

(8) For purposes of any computation under paragraph (4) in the case of an individual who retires under section 8412 or 8414 of title 5, United States Code, or who dies leaving a survivor or survivors entitled to benefits under subchapter IV of such chapter, sick leave creditable under section 8339(m) of such title shall be equal to the number of days of unused sick leave to the individual's credit as of the date of retirement or as of the effective date of the individual's election under section 301, whichever is less.

(9) In computing the annuity under paragraph (3) for an individual retiring under section 8412(g) or 8413(b) of title 5, United States Code, the reduction under section 8415(f) of such title shall apply with respect to the sum computed under such paragraph.

(10) An annuity supplement under section 8421 of title 5, United States Code, shall be computed using the same service as is used for the computation under paragraph (5).

(11) Effective from its commencing date, an annuity payable to an annuitant's survivor (other than a child under section 8443 of title 5, United States Code) shall be increased by the total percent by which the deceased annuitant's annuity was increased under paragraph (7).

(12)(A) If the electing individual is subject to section 8344 of title 5, United States Code, at the time of making the election, payment of annuity benefits otherwise payable to such individual under subchapter III of chapter 83 of such title (and any related deductions from pay) shall terminate as of the effective date of the election.

(B) Accrued benefits under paragraph (4) for an individual described in subparagraph (A) shall be computed—

(i) in accordance with applicable provisions of subchapter III of chapter 83 of title 5, United States Code (but without regard to subsection (j) or (k), or the second sentence of subsection (e), of section 8339 of such title) using only any civilian service under paragraph (1)(D), and any military service under paragraph (2)(B), which would be creditable for purposes of computing an annuity under such subchapter; and

(ii) as if the individual's reemployment terminated on the effective date of the election.

(b) CHAPTER 83 GENERALLY INAPPLICABLE.—(1) Except as provided in subsection (a) or paragraph (2), subchapter III of chapter 83 of title 5, United States Code, shall not apply with respect to any individual who becomes subject to chapter 84 of title 5, United States Code, pursuant to an election under section 301.

(2) Nothing in paragraph (1), or in subchapter III of chapter 83 of title 5, United States Code, shall preclude—

(A) the making of a deposit under such subchapter with respect to any civilian service under subsection (a)(1)(D) or military service under subsection (a)(2)(B) either by the electing individual or, for purposes of survivor annuities, by a survivor of such individual.

(B) Nothing in paragraph (1) shall preclude the payment of any lump-sum credit in accordance with section 8342 of title 5, United States Code.

(c) REFUNDS RELATING TO CERTAIN CIVILIAN SERVICE.—(1) Any individual who makes an election under section 301 to become subject to chapter 84 and who, with respect to any period before the effective date of the election, has made a contribution to the Civil Service Retirement System (whether by deductions from pay or by a deposit or redeposit) and has not taken a refund of the contribution (as so made), shall be entitled to a refund equal to—

(A) for a period of service under clause (i) of subsection (a)(1)(B), the amount by which—

(i) the amount contributed with respect to such period, exceeds

(ii) the amount required under such clause (i) with respect to such period;

(B) for a period of service under clause (ii) of subsection (a)(1)(B), the amount by which—

(i) the amount so contributed with respect to such period, exceeds

(ii) the amount required under such clause (ii) with respect to such period; and

(C) for a period of service under subparagraph (C) of subsection (a)(1), the amount by which—

(i) the amount so contributed with respect to such period, exceeds

(ii) the amount required under such subparagraph with respect to such period.

(2) A refund under this subsection—

(A) shall be payable with interest, computed at the rate applicable for the period involved under section 8331(8)(C) of title 5, United States Code, but only if such interest would be payable pursuant to an application for a lump-sum credit appropriately filed under subchapter III of chapter 83 of such title; and

(B) shall be payable upon written application therefor filed with the Office of Personnel Management.

SEC. 303. PROVISIONS RELATING TO AN ELECTION TO BECOME SUBJECT TO CHAPTER 83 SUBJECT TO CERTAIN OFFSETS RELATING TO SOCIAL SECURITY.

(a) REFUND.—Any individual who makes an election under section 301(b)(1)(A) shall, upon written application to the Office of Personnel Management, be entitled to a refund equal to—

(1) for the period beginning on January 1, 1984, and ending on December 31, 1986, the amount by which—

(A) the total amount deducted from such individual's basic pay under such section 8334(a)(1) for such period, exceeds

(B) the total amount which would have been deducted if such individual's basic pay had instead been subject to section 8334(k) of such title during such period.

(b) DEPOSIT REQUIREMENTS.—(1) In the case of an individual who becomes subject to subchapter III of chapter 83 of title 5, United States Code, pursuant to notification as described in the second sentence of section 301(b)(3)(B), service performed by such individual before the effective date of the notification shall not be considered creditable under such subchapter unless—

(A) for any service during the period beginning on January 1, 1987, and ending on the day before such effective date, there is deposited to the credit of the Fund a percentage of basic pay for such period equal to the percentage which would have applied under section 8334(k) of such title if such individual's pay had been subject to such section during such period;

(B) for any period of service beginning on January 1, 1984, and ending on December 31, 1986, there is deposited to the credit of the Fund an amount equal to 1.3 percent of basic pay for such period; and

(C) for any period of service before January 1, 1984, there is deposited to the credit of the Fund any amount required with respect to such period under such subchapter.

(2) A deposit under this subsection may be made by the individual or, for purposes of survivor annuities, a survivor of such individual.

SEC. 304. AMENDMENTS RELATING TO SOCIAL SECURITY.

(a) AMENDMENTS TO SOCIAL SECURITY ACT.—Section 210(a)(5) of the Social Security Act is amended—

(1) by striking out "or" at the end of subparagraph (F);

(2) by striking out the semicolon at the end of subparagraph (G) and inserting in lieu thereof ", or"; and

(3) by adding at the end thereof the following:

"(H) service performed by an individual on or after the effective date of an election by such individual under section 301(a) of the Federal Employees' Retirement System Act of 1986, or under regulations issued under section 860 of the Foreign Service Act of 1980 or section 307 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, to become subject to chapter 84 of title 5, United States Code;".

(b) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954.—Section 3121(b)(5) of the Internal Revenue Code of 1954 is amended—

(1) by striking out "or" at the end of subparagraph (F);

(2) by striking out the semicolon at the end of subparagraph (G) and inserting in lieu thereof ", or"; and

(3) by adding at the end thereof the following:

"(H) service performed by an individual on or after the effective date of an election by such individual under section 301(a) of the Federal Employees' Retirement System Act of 1986, or under regulations issued under section 860 of the Foreign Service Act of 1980 or section 307 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, to become subject to chapter 84 of title 5, United States Code;".

SEC. 305. EXTENSION OF FEDERAL EMPLOYEES' RETIREMENT CONTRIBUTION TEMPORARY ADJUSTMENT ACT OF 1983; REFUND OF EXCESS CONTRIBUTIONS.

(a) EXTENSION.—The Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 (97 Stat. 1106; 5 U.S.C. 8331 note) is amended—

(1) in sections 202(6), 203(a)(4)(A), 203(a)(4)(B), 204(a), and 206(b)(2)(A)(i) by striking "May 1, 1986" each place it appears and inserting "January 1, 1987", and in sections 202(1) and 206(c)(3) by striking "January 1, 1986" and inserting "January 1, 1987"; and

(2) in subsections (b) and (c) of section 205, by striking out "and 1986" and inserting in lieu thereof "1986, and 1987".

(b) REFUNDS.—(1) The amendments made by subsection (a) shall be effective as of May 1, 1986.

(2) Any refund payable to an individual as a result of paragraph (1) shall be paid out of funds of the appropriate retirement system.

(3) For purposes of this subsection, the term "retirement system" means a covered retirement system as defined by section 203(a)(2) of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 (97 Stat. 1107; 5 U.S.C. 8331 note).

SEC. 306. APPLICABILITY TO THE UNITED STATES POSTAL SERVICE.

Section 1005(d) of title 39, United States Code, is amended to read as follows:

"(d) Officers and employees of the Postal Service (other than the Governors) shall be covered by chapters 83 and 84 of title 5. The Postal Service shall withhold from pay and shall pay into the Civil Service Retirement and Disability Fund the amounts specified in or determined under such chapter 83 and subchapter II of such chapter 84, respectively. The Postal Service shall pay into the Federal Retirement Thrift Savings Fund the amounts specified in or determined under subchapters III and VII of such chapter 84.".

SEC. 307. USE OF "NORMAL-COST PERCENTAGE".

Notwithstanding any other provision of law, the normal-cost percentage (as defined by section 8401(23) of title 5, United States Code, as added by this Act) of the Federal Employees' Retirement System shall be used to value the cost of the System for all purposes in which the cost of the System is required to be determined by the Federal Government, including any comparisons between the cost of performing commercial activities under contract with commercial sources and the cost of performing those activities using Government facilities and personnel.

SEC. 308. RETIREMENT STUDY.

(a) STUDY AND PLAN.—The Secretary of Defense and Secretary of Transportation shall conduct a study of the retirement systems provided for employees of nonappropriated fund instrumentalities of the United States under their respective jurisdictions and shall develop a feasible plan or plans to provide portability of vested retirement benefits among such retirement systems and other Federal Government retirement systems.

(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the Secretary of Defense and Secretary of Transportation shall transmit a report to the Congress describing the plan or plans developed pursuant to subsection (a) and the anticipated schedule for the implementation of such plan or plans.

SEC. 309. REPEAL OF AUTOMATIC TRANSFER PROVISION.

Section 207 of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 (97 Stat. 1111; 5 U.S.C. 8331 note) is repealed.

SEC. 310. DISCLOSURE OF RETURN INFORMATION.

(a) IN GENERAL.—Subsection (l) of section 6103 of the Internal Revenue Code of 1954 (relating to disclosure of returns and return information for purposes other than tax administration) is amended by adding at the end thereof the following new paragraph:

"(12) DISCLOSURE OF RETURN INFORMATION TO CARRY OUT FEDERAL EMPLOYEES' RETIREMENT SYSTEM.—

"(A) IN GENERAL.—The Commissioner of Social Security shall, on written request, disclose to the Office of Personnel Management return information from returns with respect to net earnings from self-employment (as defined in section 1402), wages (as defined in section 3121(a) or 3401(a)), and payments of retirement income, which have been disclosed to the Social Security Administration as provided by paragraph (1) or (5).

"(B) RESTRICTION ON DISCLOSURE.—The Commissioner of Social Security shall disclose return information under subparagraph (A) only for purposes of, and to the extent necessary in, the administration of chapters 83 and 84 of title 5, United States Code."

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 6103(p)(3) of such Code is amended by striking out "(10), or (11)" and inserting in lieu thereof "(10), (11), or (12)".

(2) Paragraph (4) of section 6103(p) of such Code is amended—

(A) by striking out "(10), or (11)" in the material preceding subparagraph (A) and inserting in lieu thereof "(10), (11), or (12)", and

(B) by striking out "(10), or (11)" in subparagraph (F)(ii) and inserting in lieu thereof "(10), (11), or (12)".

(c) REIMBURSEMENT.—The Office of Personnel Management shall reimburse the costs (as determined by the Secretary of Health and Human Services) of supplying—

(1) information under section 6103(l)(12) of the Internal Revenue Code of 1954; and

(2) such other information agreed upon by the Director of the Office of Personnel Management and the Secretary of Health and Human Services, which is required in the administration of chapters 83 and 84 of title 5, United States Code.

Section 1106 (b) and (c) of the Social Security Act shall apply to any reimbursement under this subsection.

SEC. 311. INITIAL APPOINTMENTS TO THE FEDERAL RETIREMENT THRIFT INVESTMENT BOARD.

(a) INITIAL APPOINTMENT OF MEMBERS.—Section 8472(c) of title 5, United States Code (as added by section 101(a) of this Act) shall not apply to the members of the Federal Retirement Thrift Investment Board first appointed to such Board.

(b) TERMS OF SERVICE.—Notwithstanding subsection (e)(1) of section 8472 of title 5, United States Code (as added by section 101(a) of this Act), the term of service of each member of the Federal Retirement Thrift Investment Board appointed pursuant to subsection (a) shall be 1 year, except that such member shall continue to serve until his successor is appointed under subsection (b) of such section 8472 and confirmed under subsection (c) of such section.

SEC. 312. PLAN FOR DELAYED CONTRIBUTIONS TO THE THRIFT SAVINGS FUND.

Not later than January 1, 1988, the Executive Director of the Federal Retirement Thrift Investment Board shall transmit to Congress a plan to afford employees of the Federal Government and Members of Congress who make less than the maximum amount of authorized contributions to the Thrift Savings Fund in any period an opportunity to contribute to such Fund, in a later period, the excess of such amount over the amount contributed during such period. The plan shall include such recommendations for legislation as the Executive Director considers appropriate.

TITLE IV—FOREIGN SERVICE RETIREMENT

SEC. 401. SHORT TITLE; REFERENCES TO FOREIGN SERVICE ACT OF 1980.

(a) SHORT TITLE.—This title may be cited as the "Foreign Service Pension System Act of 1986".

(b) AMENDMENTS TO FOREIGN SERVICE ACT OF 1980.—Whenever in this title a section or other provision is amended, such amendment shall be considered to be made to that section or other provision of the Foreign Service Act of 1980 (22 U.S.C. 3901 et seq.).

SEC. 402. REDESIGNATION OF CERTAIN PROVISIONS OF THE FOREIGN SERVICE ACT OF 1980.

(a) CONFORMING CHAPTER AMENDMENTS.—Chapter 8 of title I (22 U.S.C. 4041 et seq.) is amended—

(1) by striking out the caption of such chapter and inserting in lieu thereof the following:

"CHAPTER 8—FOREIGN SERVICE RETIREMENT AND DISABILITY

"SUBCHAPTER I—FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM"

(2) by striking out "this chapter" each place it appears and inserting in lieu thereof "this subchapter"; and

(3) by inserting "under this subchapter" after "payable from the Fund" each place it appears.

(b) CONFORMING AMENDMENTS RELATING TO RETIREMENT FOR DISABILITY OR INCAPACITY.—(1) Section 808(d) (22 U.S.C. 4048(d)) is amended—

(A) by striking out "such subchapter" each place it appears in the second and third sentences and inserting in lieu thereof "subchapter I of such chapter 8"; and

(B) by striking out "Act" each place it appears and inserting in lieu thereof "subchapter".

(2) Section 808(e) (22 U.S.C. 4048(e)) is amended by striking out "Act" each place it appears and inserting in lieu thereof "subchapter".

(c) CONFORMING AMENDMENTS RELATING TO DEATH IN SERVICE.—Section 809(a) (22 U.S.C. 4049(a)) is amended by striking out "Act" and inserting in lieu thereof "subchapter".

SEC. 403. DEFINITION OF COURT.

Section 804(3) (22 U.S.C. 4044(3)) is amended by striking out "or of the District of Columbia" and inserting in lieu thereof the following: ", the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Northern Mariana Islands, or the Virgin Islands, and any Indian court as defined by section 201(3) of the Act entitled 'An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes', approved April 11, 1968 (25 U.S.C. 1301(3); 82 Stat. 77)".

SEC. 404. CREDITABLE SERVICE FOR PURPOSES OF SUBCHAPTERS I AND II.

(a) PRO RATA SHARE.—Section 804(10) (22 U.S.C. 4044(10)) is amended by inserting "(creditable under subchapter I or II) after "creditable service" each place it appears.

(b) FORMER SPOUSES.—(1) Section 814(a)(1) (22 U.S.C. 4054(a)(1)) is amended by adding at the end thereof the following: "For the purposes of this paragraph, the term 'creditable service' means service which is creditable under subchapter I or II.".

(2) Section 814(b)(1) (22 U.S.C. 4054(b)(1)) is amended by adding at the end thereof the following: "For the purposes of this paragraph, the term 'creditable service' means service which is creditable under subchapter I or II.".

(c) LUMP-SUM PAYMENTS.—Section 815(i) (22 U.S.C. 4055(i)) is amended by adding at the end thereof the following: "For the purposes of this subsection, the term 'creditable service' means service which is creditable under subchapter I or II.".

SEC. 405. CONTRIBUTIONS TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM.

(a) CONTRIBUTIONS AFTER DECEMBER 31, 1986.—Section 805 (22 U.S.C. 4045) is amended—

(1) by inserting "Except as provided in subsection (h)," before "7 percent" in the first sentence of subsection (a); and

(2) by adding at the end thereof the following new subsection (h):

"(h) Effective with respect to pay periods beginning after December 31, 1986, in administering this section with respect to a participant described in section 853(c) whose service is employment for the purposes of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954, contributions to the fund and interest thereon shall be computed as if section 8334(k) of title 5, United States Code, were applicable.".

(b) CREDITABILITY OF INTERIM SERVICE.—Subsection (d) of section 805 (22 U.S.C. 4045(d)) is amended by adding at the end thereof the following:

"(4) Notwithstanding the preceding provisions of this subsection and any provision of section 206(b)(3) of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983, the percentage of basic pay required under this subsection in the case of a participant described in section 853(c) shall, with respect to any covered service (as defined by section 203(a)(3) of such Act) performed by such individual after December 31, 1983, and before January 1, 1987, be equal to 1.3 percent.".

SEC. 406. OFFSET OF ANNUITY BY THE AMOUNT OF SOCIAL SECURITY BENEFITS.

Section 806 (22 U.S.C. 4046) is amended by adding at the end thereof the following new subsection:

"(m) The annuity or survivor annuity payable to any individual subject to section 805(h) beginning with the first month for which such individual both—

"(1) attains the minimum age for old age benefits under title II of the Social Security Act, and

"(2) first becomes entitled, or would upon proper application become entitled, for disability or survivor benefits under title II of the Social Security Act based on the service of any individual under this subchapter,

shall be computed as if section 8349 of title 5, United States Code, were applicable.".

SEC. 407. 18-MONTH PERIOD TO ELECT SURVIVOR ANNUITY.

Section 806 (22 U.S.C. 4046) is further amended by adding at the end thereof the following:

"(n)(1)(A) A participant—

"(i) who, at the time of retirement, is married; and

"(ii) who elects at such time (in accordance with subsection (b)) to waive a survivor annuity,

may, during the 18-month period beginning on the date of the retirement of such participant, elect to have a reduction under subsection (b) made in the annuity of the participant (or in such portion thereof as the participant may designate) in order to provide a survivor annuity for the spouse of such participant.

"(B) A participant—

"(i) who, at the time of retirement, is married, and

"(ii) who at such time designates (in accordance with subsection (b)) that a limited portion of the annuity of such participant is to be used as the base for a survivor annuity,

may, during the 18-month period beginning on the date of the retirement of such participant, elect to have a greater portion of the annuity of such participant so used.

"(2)(A) An election under subparagraph (A) or (B) of paragraph (1) of this subsection shall not be considered effective unless the amount specified in subparagraph (B) of this paragraph is deposited into the Fund before the expiration of the applicable 18-month period under paragraph (1).

"(B) The amount to be deposited with respect to an election under this subsection is an amount equal to the sum of—

"(i) the additional cost to the System which is associated with providing a survivor annuity under subsection (b) of this section and results from such election taking into account (I) the difference (for the period between the date on which the annuity of the former participant commences and the date of the election) between the amount paid to such former participant under this subchapter and the amount which would have been paid if such election had been made at the time the participant or former participant applied for the annuity, and (II) the costs associated with providing the later election; and

"(ii) interest on the additional cost determined under clause (i)(I) of this subparagraph computed using the interest rate specified or determined under section 805(d)(3) for the calendar year in which the amount to be deposited is determined.

"(3) An election by a participant under this subsection voids prospectively any election previously made in the case of such participant under subsection (b).

"(4) An annuity which is reduced in connection with an election under this subsection shall be reduced by the same percentage reductions as were in effect at the time of the retirement of the participant whose annuity is so reduced.

"(5) Rights and obligations resulting from the election of a reduced annuity under this subsection shall be the same as the rights and obligations which would have resulted had the participant involved elected such annuity at the time of retiring.".

SEC. 408. ALTERNATE FORMS OF ANNUITIES.

Section 807 (22 U.S.C. 4047) is amended by adding at the end thereof the following:

"(e)(1) The Secretary of State shall prescribe regulations under which a participant may, at the time of retiring under this subchapter (other than under section 808), elect annuity benefits under this section instead of any other benefits under this subchapter (including survivor benefits) based on the service of the participant.

"(2) Subject to paragraph (3), the Secretary of State shall by regulation provide for such alternative forms of annuities as the Secretary considers appropriate, except that among the alternatives offered shall be—

"(A) an alternative which provides for—

"(i) payment of the lump-sum credit (excluding interest) to the participant; and

"(ii) payment of an annuity to the participant for life; and

"(B) in the case of a participant who is married at the time of retirement, an alternative which provides for—

"(i) payment of the lump-sum credit (excluding interest) to the participant; and

"(ii) payment of an annuity to the participant for life, with a survivor annuity payable for the life of a surviving spouse.

"(3) Each alternative provided for under paragraph (2) shall, to the extent practicable, be designed such that the total value of the benefits provided under such alternative (including any lump-sum credit) is actuarially equivalent to the value of the annuity which would otherwise be provided the participant under this subchapter, as computed under section 806(a).

"(4) A participant who, at the time of retiring under this subchapter—

"(A) is married, shall be ineligible to make an election under this section unless a waiver is made under section 806(b)(1)(B); or

"(B) has a former spouse, shall be ineligible to make an election under this section if the former spouse is entitled to benefits under this subchapter (based on the service of the participant) unless a waiver has been made under section 806(b)(1)(C).

"(5) A participant who is married at the time of retiring under this subchapter and who makes an election under this section may, during the 18-month period beginning on the date of retirement, make the election provided for under section 806(n), subject to the deposit requirement thereunder.

"(6) Notwithstanding any other provision of law, any lump-sum credit provided pursuant to an election under this subsection shall not preclude an individual from receiving any other benefits under this subsection.".

SEC. 409. TREATMENT OF CERTAIN RECALL SERVICE.

Section 823 (22 U.S.C. 4063) is amended by adding at the end thereof the following:

"(c) If an annuitant becomes subject to subchapter II of this chapter by reason of recall service—

"(1) subsections (a) and (b) shall not apply to such annuitant; and

"(2) section 824 shall apply to the recall service as if such service were reemployment.".

SEC. 410. REEMPLOYMENT.

Section 824 (22 U.S.C. 4064) is amended to read as follows:

"SEC. 824. REEMPLOYMENT.—(a)(1)(A) Except in the case of an annuitant who makes an election under subsection (b), if any former participant, who has retired and is receiving an annuity under this subchapter or subchapter II of this chapter, becomes employed in an appointive or elective position in the Government, payment of any annuity under either subchapter to the annuitant shall terminate effective on the date of the employment and the reemployment service shall be covered service under the rules of the system under which the appointment is made.

"(B) If the annuity of an individual is terminated under subparagraph (A) and that individual becomes covered under the same retirement system from which that annuity is terminated, that individual shall be entitled to a redetermination of rights under that system upon termination of the employment.

"(C) If the annuity is terminated and the individual becomes covered under another contributory retirement system for Government employees pursuant to paragraph (A), the individual shall be entitled to benefits under the rules of that system. In addition, the individual shall be entitled to a resumption of any annuity terminated by reason of the employment.

"(b)(1) A participant who is entitled to an annuity under this subchapter or subchapter II of this chapter and becomes employed in an appointive or elective position in the Government on a part-time, intermittent, or temporary basis may elect to continue to receive either or both annuities as provided in this subsection.

"(2) The total annuity payable under this chapter to an annuitant making an election under paragraph (1) shall be reduced during the part-time, intermittent, or temporary employment referred to in paragraph (1) as necessary to meet the requirements of paragraph (3).

"(3) The sum of—

"(A) the total annuity payable under this chapter to an annuitant making an election under paragraph (1), and

"(B) the annual rate of pay payable to the annuitant during the part-time, intermittent, or temporary employment referred to in paragraph (1),

may not exceed, in any calendar year, the highest annual rate of pay which is payable during such year for full-time employment in the position in which the annuitant is employed.

"(4) Upon termination of the part-time, intermittent, or temporary employment referred to in paragraph (1), payment of the full annuity of an annuitant who has made an election under paragraph (1) of this subsection shall resume.

"(c) The amount of annuity which has been terminated or reduced under this section by reason of the reemployment of the annuitant and is resumed under this section shall be the amount of the annuity which would have been payable if the annuitant had not accepted the reemployment. The amount of an annuity resulting from a redetermination of rights pursuant to subsection (a) shall not be less than the amount of an annuity resumed under the previous sentence.

"(d) The annuity rights of any participant who is reemployed in the Government shall be determined under this section instead of section 8468 of title 5, United States Code.

"(e) When any such retired participant is reemployed, the employer shall send a notice of such reemployment to the Secretary of State, together with all pertinent information relating to such employment, and shall pay directly to such participant the salary of the position in which he or she is serving.

"(f) In the event of any overpayment under this section, such overpayment shall be recovered by withholding the amount involved from the salary payable to such reemployed participant or from any other moneys, including annuity payments, payable under this chapter.".

SEC. 411. COMPARABILITY BETWEEN THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM AND THE FOREIGN SERVICE PENSION SYSTEM.

Section 827 (22 U.S.C. 4067) is amended by adding at the end thereof the following:

"(c) The President shall maintain, under the same conditions and in the same manner as provided in subsections (a) and (b) existing conformity between the Federal Employees' Retirement System provided in chapter 84 of title 5, United States Code, and the Foreign Service Pension System provided in subchapter II of this chapter.".

SEC. 412. MODERATION OF REMARRIAGE PENALTY.

Chapter 8 of title I (22 U.S.C. 4041 et seq.) is further amended by adding after section 827 the following:

"SEC. 828. REMARRIAGE.—Notwithstanding any other provision of this subchapter, any benefit payable under this subchapter to a surviving spouse, former spouse, or surviving former spouse that would otherwise terminate or be lost if the individual remarried before 60 years of age, shall not terminate or be lost if the remarriage occurred on or after November 8, 1984, and the individual was 55 years of age or over on the date of the remarriage.".

SEC. 413. LUMP-SUM PAYMENTS.

Subsection (a) of section 815 is amended by adding at the end thereof the following: "A participant who becomes subject to subchapter II shall be entitled to payment of the lump-sum credit if, and to the extent that, such lump-sum credit relates to service of a type described in clauses (i) through (iii) of section 302(a)(1)(C) of the Federal Employees' Retirement System Act of 1986.".

SEC. 414. EXCLUSION OF PARTICIPANTS IN FOREIGN SERVICE PENSION SYSTEM FROM FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM.

Section 803 is amended—

(1) in subsection (a), by striking out "The" and inserting in lieu thereof "Except as provided in subsection (d), the"; and

(2) by adding at the end thereof the following:

"(d) An individual subject to the Foreign Service Pension System (described in subchapter II) is not a participant in this System.".

SEC. 415. FOREIGN SERVICE PENSION SYSTEM.

Chapter 8 of title I (22 U.S.C. 4041 et seq.) is further amended by adding at the end thereof the following:

"SUBCHAPTER II—FOREIGN SERVICE PENSION SYSTEM

"SEC. 851. ESTABLISHMENT.—(a) There is hereby established a Foreign Service Pension System.

"(b) Except as otherwise specifically provided in this subchapter or any other provision of law, the provisions of chapter 84 of title 5, United States Code, shall apply to all participants in the Foreign Service Pension System and such participants shall be treated in all respects similar to persons whose participation in the Federal Employees' Retirement System provided in that chapter is required.

"SEC. 852. DEFINITIONS.—As used in this subchapter, unless otherwise specified—

"(1) the term 'court order' has the same meaning given in section 804(4);

"(2) the term 'Fund' means the Foreign Service Retirement and Disability Fund maintained by the Secretary of the Treasury pursuant to section 802;

"(3) the term 'normal cost' means the entry-age normal cost of the provisions of the System which relate to the Fund, computed by the Secretary of State in accordance with generally accepted actuarial practice and standards (using dynamic assumptions) and expressed as a level percentage of aggregate basic pay;

"(4) the term 'participant' means a person who participates in the Foreign Service Pension System;

"(5) the term 'pro rata share' in the case of any former spouse of any participant or former participant means the percentage which is equal to the percentage that (A) the number of years during which the former spouse was married to the participant during the service of the participant which is creditable under this chapter is of (B) the total number of years of such service, disregarding extra credit under section 817;";

"(6) the term 'supplemental liability' means the estimated excess of—

"(A) the actuarial present value of all future benefits payable from the Fund under this subchapter based on the service of participants or former participants, over

"(B) the sum of—

"(i) the actuarial present value of (I) deductions to be withheld from the future basic pay of participants pursuant to section 856 and (II) contributions for past civilian and military service;

"(ii) the actuarial present value of future contributions to be made pursuant to section 857;

"(iii) the Fund balance as of the date the supplemental liability is determined, to the extent that such balance is attributable—

"(I) to the System, or

"(II) to the contributions made under the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 (5 U.S.C. 8331 note); and

"(iv) any other appropriate amount, as determined by the Secretary of State in accordance with generally accepted actuarial practices and principles; and

"(7) the term 'System' means the Foreign Service Pension System.

"SEC. 853. PARTICIPANTS.—(a) Except for persons excluded by subsection (b), (c), or (d), all members of the Foreign Service, any of whose service after December 31, 1983, is employment for the purpose of title II of the Social Security Act and chapter 21 of the In-

ternal Revenue Code of 1954, who would, but for this section, be participants in the Foreign Service Retirement and Disability System pursuant to section 803 shall instead be participants in the Foreign Service Pension System.

"(b) Members of the Service who were participants in the Foreign Service Retirement and Disability System on or before December 31, 1983, and who have not had a break in service in excess of one year since that date, are not made participants in the System by this section, without regard to whether they are subject to title II of the Social Security Act.

"(c) Individuals who become members of the Service after having completed at least 5 years of civilian service creditable under subchapter I, subchapter III of chapter 83 of title 5, United States Code (the Civil Service Retirement System), or title II of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (determined without regard to any deposit or redeposit requirement under any such subchapter or title, any requirement that the individual become subject to such subchapter or title after performing the service involved, or any requirement that the individual give notice in writing to the official by whom such individual is paid of such individual's desire to become subject to such subchapter or title) are not participants in the System, except to the extent provided for under title III of the Federal Employees' Retirement System Act of 1986 pursuant to an election under such title to become subject to this subchapter (under regulations issued by the Secretary of State pursuant to section 860).

"(d) The Secretary may exclude from the operation of this subchapter any member of the Foreign Service, or group of members, whose employment is temporary or intermittent, except a member whose employment is part-time career appointment or career candidate appointment under section 306.

"SEC. 854. CREDITABLE SERVICE.—(a) For purposes of this subchapter, creditable service of a participant includes—

"(1) service as a participant after December 31, 1986;

"(2) service with respect to which deductions and withholdings under section 204(a)(2) of the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 have been made; and

"(3) except as provided in subsection (b), any civilian service performed before January 1, 1989 (other than service under paragraph (1) or (2)), which, but for the amendment made by section 414 of the Federal Employees' Retirement System Act of 1986, would be creditable under subchapter I (determined without regard to any deposit or redeposit requirement under such subchapter, subchapter III of chapter 83 of title 5, United States Code (the Civil Service Retirement System), or title II of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, any requirement that the individual become subject to such subchapter or title after performing the service involved, or any requirement that the individual give notice in writing to the official by whom such individual is paid of such individual's desire to become subject to such subchapter or title).

"(b)(1) A participant who has received a refund of retirement deductions under subchapter I with respect to any service described in subsection (a)(3) may not be allowed credit for such service under this subchapter unless such participant deposits into the Fund an amount equal to 1.3 percent of basic pay for such service, with interest.

"(2) A participant may not be allowed credit under this subchapter for any service described in subsection (a)(3) for which retirement deductions under subchapter I have not been made, unless such participant deposits into the Fund an amount equal to 1.3 percent of basic pay for such service, with interest.

"(3) Interest under paragraph (1) or (2) shall be computed in accordance with section 805(d) and regulations issued by the Secretary of State.

"(c) Credit shall be given under this System to a participant for a period of prior satisfactory service as—

"(1) a volunteer or volunteer leader under the Peace Corps Act (22 U.S.C. 2501 et seq.),

"(2) a volunteer under part A of title VIII of the Economic Opportunity Act of 1964, or

"(3) a full-time volunteer for a period of service of at least one year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4951 et seq.),

if the participant makes a payment to the Fund equal to 3 percent of pay received for the volunteer service (as determined in accordance with regulations of the Secretary of State consistent with regulations for making corresponding determinations under chapter 83, title 5, United States Code) together with interest determined under regulations issued by the Secretary of State.

"(d) Credit shall be given under this System to a participant for a period of prior service under the Federal Employees' Retirement System (described in chapter 84 of title 5, United States Code) or under title III of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees if the participant waives credit under the other retirement system and makes a payment to the Fund equal to the amount which would have been deducted from pay under section 856(a) had the individual been a participant during the prior creditable service under the other retirement system together with interest on such amount computed in accordance with regulations issued by the Secretary of State.

"SEC. 855. ENTITLEMENT TO ANNUITY.—(a)(1) Any participant may be retired under the conditions specified in section 811 and shall be retired under the conditions specified in sections 812 and 813 and receive benefits under this subchapter.

"(2) For the purposes of this subsection—

"(A) the term 'participant', as used in the sections referred to in paragraph (1), means a participant in the Foreign Service Pension System; and

"(B) the term 'System', as used in those sections, means the Foreign Service Pension System.

"(b)(1) Any participant who retires voluntarily or mandatorily under section 607, 608, 811, 812, or 813 under conditions authorizing an immediate annuity for participants in the Foreign Service Retirement and Disability System and who has completed at least 5 years of service subject to this chapter shall be entitled to an immediate annuity computed under paragraph (2).

"(2) An annuity under paragraph (1) shall be computed—

"(A) for all service earned while a participant in this System, at the rate stated in section 8415(d) of title 5, United States Code; and

"(B) for all service earned while a participant in another retirement system creditable under section 854(d), at the rate which would have been applicable to the individual had that individual remained a participant in the other system; and

"(C) for all volunteer service creditable under section 854(c), at the rate stated in section 8415(a) of title 5, United States Code.

"(c) A participant who is entitled to an immediate annuity under subsection (b) shall be entitled to receive an annuity supplement while the annuitant is under 62 years of age. The annuity supplement shall be based on the total creditable service of the annuitant and shall be computed in accordance with sections 8421(b) and 8421a of title 5, United States Code, as if the participant were a law enforcement officer retired under section 8412(d) of such title.

"(d) Any participant who is separated for cause under section 610 shall not be entitled to an annuity under this System when the Secretary determines that the separation was based in whole or in part on disloyalty to the United States.

"SEC. 856. DEDUCTIONS AND WITHHOLDINGS FROM PAY.—(a) The employing agency shall deduct and withhold from basic pay of each participant a percentage of basic pay equal to 7½ percent minus the percentage then in effect under section 3101(a) of the Internal Revenue Code of 1954 (relating to the rate of tax for old age, survivors and disability insurance).

"(b) Each participant is deemed to consent and agree to the deductions under subsection (a). Notwithstanding any law or regulation affecting the pay of a participant, payment less such deductions is a full and complete discharge and acquittance of all claims and demands for regular services during the period covered by the payment, except the right to any benefits under this subchapter based on the service of the participant.

"(c) Amounts deducted and withheld under this section shall be deposited in the Treasury of the United States to the credit of the Fund under such procedures as the Comptroller General of the United States may prescribe.

"(d) Under such regulations as the Secretary of State may issue, amounts deducted under subsection (a) shall be entered on individual retirement records.

"SEC. 857. GOVERNMENT CONTRIBUTIONS.—(a) Each agency employing any participant shall contribute to the Fund the amount computed in a manner similar to that used under section 8423(a) of title 5, United States Code, pursuant to determinations of the normal cost percentage for the Foreign Service Pension System by the Secretary of State.

"(b)(1) The Secretary of State shall compute the amount of the supplemental liability of the Fund as of the close of each fiscal year beginning after September 30, 1987. The amount of any such supplemental liability shall be amortized in 30 equal annual installments with interest computed at the rate used in the most recent valuation of the System.

"(2) At the end of each fiscal year, the Secretary of State shall notify the Secretary of the Treasury of the amount of the installment computed under this subsection for such year.

"(3) Before closing the accounts for a fiscal year, the Secretary of the Treasury shall credit to the Fund, as a Government contribution, out of any money in the Treasury of the United States not otherwise ap-

propriated, the amount under paragraph (2) of this subsection for such year.

"SEC. 858. COST-OF-LIVING ADJUSTMENTS.—Cost-of-living adjustments for annuitants under this System shall be granted under procedures in section 8462 of title 5, United States Code, in the same manner as such adjustments are made for annuitants referred to in subsection (c)(3)(B)(ii) of such section.

"SEC. 859. GENERAL AND ADMINISTRATIVE PROVISIONS.—(a) The Secretary of State shall administer the Foreign Service Pension System except for matters relating to the Thrift Savings Plan provided in subchapters III and VII of chapter 84 of title 5, United States Code. The Secretary of State shall, with respect to the Foreign Service Pension System, perform the functions and exercise the authority vested in the Office of Personnel Management or the Director of such Office by such chapter 84 and may issue regulations for such purposes.

"(b) Determinations of the Secretary of State under the Foreign Service Pension System which, if made by the Office of Personnel Management under chapter 84 of title 5, United States Code, or the Director of such Office, would be appealable to the Merit Systems Protection Board shall, instead, be appealable to the Foreign Service Grievance Board, except that determinations of disability for participants shall be based upon the standards in section 808 (other than the exclusion for vicious habits, intemperance, or willful misconduct) and subject to review in the same manner as under that section.

"(c) At least every 5 years, the Secretary of the Treasury shall prepare periodic valuations of the Foreign Service Pension System and shall advise the Secretary of State of (1) the normal cost of the System, (2) the supplemental liability of the System, and (3) the amounts necessary to finance the costs of the System.

"SEC. 860. TRANSITION PROVISIONS.—The Secretary of State shall issue regulations providing for the transition from the Foreign Service Retirement and Disability System to the Foreign Service Pension System in a manner comparable to the transition of employees subject to subchapter III of chapter 83 of title 5, United States Code (the Civil Service Retirement System), to the Federal Employees' Retirement System. For this and related purposes, references made to participation in subchapter III of chapter 83 of title 5, United States Code (the Civil Service Retirement System), the Social Security Act, and the Internal Revenue Code of 1954 shall be deemed to refer to participation in the Foreign Service Pension System or the Foreign Service Retirement and Disability System, as appropriate.

"SEC. 861. FORMER SPOUSES.—(a)(1)(A) Unless otherwise expressly provided by any spousal agreement or court order governing disposition of benefits under this subchapter, a former spouse of a participant or former participant is entitled, during the period described in subparagraph (B), to a share (determined under paragraph (2)) of all benefits otherwise payable to such participant under this subchapter if such former spouse was married to the participant for at least 10 years during service of the participant which is creditable under this chapter with at least 5 of such years occurring while the participant was a member of the Foreign Service.

"(B) The period referred to in subparagraph (A) is the period which begins on the first day of the month following the month in which the divorce or annulment becomes final and ends on the last day of the month before the former spouse dies or remarries before 55 years of age.

"(2) The share referred to in paragraph (a) equals—

"(A) 50 percent, if such former spouse was married to the participant throughout the actual years of service of the participant which are creditable under this chapter; or

"(B) a pro rata share of 50 percent, if such former spouse was not married to the participant throughout such creditable service.

"(3) A former spouse shall not be qualified for any benefit under this subsection if, before the commencement of any benefit, the former spouse remarries before becoming 55 years of age.

"(4)(A) For purposes of the Internal Revenue Code of 1954, payments to a former spouse under this section shall be treated as income to the former spouse and not to the participant.

"(B) Any reduction in payments to a participant or former participant as a result of payments to a former spouse under this subsection shall be disregarded in calculating—

"(i) the survivor annuity for any spouse, former spouse, or other survivor under this subchapter, and

"(ii) any reduction in the annuity of the participant to provide survivor benefits under this subchapter.

"(5) Notwithstanding subsection (a)(1), in the case of any former spouse of a disability annuitant—

"(A) the annuity of the former spouse shall commence on the date the participant would qualify, on the basis of his or her creditable service, for an annuity under this chapter (other than a disability annuity) or the date the disability annuity begins, whichever is later, and

"(B) the amount of the annuity of the former spouse shall be calculated on the basis of the annuity for which the participant would otherwise so qualify.

"(6)(A) Except as provided in subparagraph (B), any former spouse who becomes entitled to receive any benefit under this subchapter which would otherwise be payable to a participant or former participant shall be entitled to make any election regarding method of payment to such former spouse that such participant would have otherwise been entitled to elect, and the participant may elect an alternate method for the remaining share of such benefits. Such elections shall not increase the actuarial present value of benefits expected to be paid under this subchapter.

"(B) A former spouse may not elect a method of payment under subchapter II, chapter 84, of title 5, United States Code, providing for payment of a survivor annuity to any survivor of the former spouse.

"(7) The maximum amount payable to any former spouse pursuant to this subsection shall be the difference, if any, between 50 percent of the total benefits authorized to be paid to a former participant by this subchapter, disregarding any apportionment of these benefits to others, and the aggregate payable to all others at any one time.

"(b)(1) Unless otherwise expressly provided for by any spousal agreement or court order governing survivorship benefits under this subchapter to a former spouse married to a participant or former participant for the periods specified in subsection (a)(1)(A), such former spouse is entitled to a share, determined under subsection (b)(2), of all survivor benefits that would otherwise be payable under this subchapter to an eligible surviving spouse of the participant.

"(2) The share referred to in subsection (b)(1) equals—

"(A) 100 percent if such former spouse was married to the participant throughout the entire period of service of the participant which is creditable under this chapter; or

"(B) a pro rata share of 100 percent if such former spouse was not married to the participant throughout such creditable service.

"(c) A participant or former participant may not make any election or modification of election under section 8417, 8418, or 8433 of title 5, United States Code, or other section relating to the participant's account in the Thrift Plan or annuity under the basic plan that would diminish the entitlement of a former spouse to any benefit granted to the former spouse by this section or in a current spousal agreement.

"(d) If a member becomes a participant under this subchapter after qualifying for benefits under subchapter I and, at the time of transfer, has a former spouse entitled to benefits under subchapter I which are determined under section 814 or 815 (as determined by the Secretary of State) and are similar in amount to a pro rata share division under section 814 or 815 and the service of the member as a participant under this subchapter is not recognized in determining that pro rata share, then subsections (a) and (b) of this section shall not apply to such former spouse. Otherwise, subsections (a) and (b) of this section shall apply.

"(e) If a participant dies after completing at least 18 months of service or a former participant dies entitled to a deferred annuity, but before becoming eligible to receive the annuity, and such participant or former participant has left with the Secretary of State a spousal agreement promising a share of a survivor annuity under subchapter IV, chapter 84, title 5, United States Code, to a former spouse, such survivor annuity shall be paid under the terms of this subchapter as if the survivor annuity had been ordered by a court.

"SEC. 862. SPOUSAL AGREEMENTS.—A spousal agreement is any written agreement (properly authenticated as determined by the Secretary of State) between a participant or former participant and his or her spouse or former spouse on file with the Secretary of State. A spousal agreement shall be consistent with the terms of this Act and applicable regulations and, if executed at the time a participant or former participant is currently married, shall be approved by such current spouse. It may be used to fix the level of benefits payable under this subchapter to a spouse or former spouse.".

SEC. 416. TABLE OF CONTENTS.

The table of contents in section 2 of such Act is amended—

(1) by striking out the item relating to chapter 8 and inserting in lieu thereof the following:

"CHAPTER 8—FOREIGN SERVICE RETIREMENT AND DISABILITY

"SUBCHAPTER I—FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM

(2) by inserting after the item relating to section 827 the following:

"Sec. 828. Remarriage.

"SUBCHAPTER II—FOREIGN SERVICE PENSION SYSTEM

"Sec. 851. Establishment.
"Sec. 852. Definitions.
"Sec. 853. Participants.
"Sec. 854. Creditable service.
"Sec. 855. Entitlement to annuity.
"Sec. 856. Reduction and withholdings from

pay.
"Sec. 857. Government contributions.
"Sec. 858. Cost-of-living adjustments.
"Sec. 859. General and administrative provisions.
"Sec. 860. Transition provisions.
"Sec. 861. Former spouses.
"Sec. 862. Spousal agreements.".

SEC. 417. EFFECTIVE DATE.

(a) REGULATIONS.—Notwithstanding section 702 of this Act, the authority of the Secretary of State to issue regulations under subchapter II of title 8 of the Foreign Service Act of 1980 shall take effect on the date of enactment of this Act.

(b) 18-MONTH PERIOD TO ELECT SURVIVOR ANNUITY.—(1) Notwithstanding section 702 of this Act, the amendment made by section 407 shall take effect 3 months after the date of enactment of this Act.

(2)(A) Subject to subparagraph (B), the amendment made by section 407 shall apply with respect to participants and former participants who retire before, on, or after such amendment first takes effect.

(B) For the purpose of applying the provisions of paragraph (1) of section 806(n) of the Foreign Service Act of 1980 (as added by section 407) to former participants who retire before the date on which the amendment first takes effect—

(i) the period referred to in subparagraph (A) or (B) of such paragraph (as the case may be) shall be considered to begin on the date on which such amendment first becomes effective; and

(ii) the amount referred to in paragraph (2) of such section 806(n) shall be computed without regard to the provisions of subparagraph (B)(ii) of such paragraph (relating to interest).

(3) For purposes of this subsection, the term "participant" has the meaning given that term in section 803 of the Foreign Service Act of 1980 (22 U.S.C. 4043).

TITLE V—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND RELATED MATTERS

SEC. 501. REFERENCES.

The Central Intelligence Agency Retirement Act of 1964 for Certain Employees (78 Stat. 1043; 50 U.S.C. 403 note) is amended—

(1) in section 201(c), by inserting "(except section 305(d) of this Act)" after "or any other provisions of law";

(2) by striking out "this Act" each place it appears in title II except in sections 201 and 264, and inserting in lieu thereof "this title"; and

(3) by inserting "under this title" after "payable from the fund" each place it appears in title II.

SEC. 502. CONTRIBUTIONS TO THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM.

Section 211 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees is amended—

(1) by striking out "Seven" in the first sentence of subsection (a) and inserting in lieu thereof "Except as provided in subsection (d), seven"; and

(2) by adding at the end thereof the following new subsection (d):

"(d)(1) In the case of a participant who was a participant subject to this title before January 1, 1984, and whose service—

"(A) is employment for the purposes of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954, and

"(B) is not creditable service for any purpose under title III of this Act or chapter 84 of title 5, United States Code,

there shall be deducted and withheld from the basic pay of the participant under this subsection during any pay period only the amount computed pursuant to paragraph (2).

"(2) The amount deducted and withheld from the basic pay of a participant during any pay period pursuant to paragraph (1) shall be the excess of—

"(A) the amount determined by multiplying the percent applicable to the participant under subsection (a) by the basic pay payable to the participant for such pay period, over

"(B) the amount of the taxes deducted and withheld from such basic pay under section 3101(a) of the Internal Revenue Code of 1954 (relating to old-age, survivors, and disability insurance) for such pay period.".

SEC. 503. OFFSET OF ANNUITY BY THE AMOUNT OF SOCIAL SECURITY BENEFITS.

Section 221 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees is amended by adding at the end thereof the following new subsection:

"(p)(1) Notwithstanding any other provision of this title, except as provided in paragraph (2), an annuity (including a disability annuity) payable under this title to an individual described in section 301(c)(1) and any survivor annuity payable under this title on the basis of the service of such individual shall be reduced in a manner consistent with section 8349 of title 5, United States Code, under conditions consistent with the conditions prescribed in such section.

"(2) This section shall not apply with respect to any annuity, or survivor annuity, which is based on the service of an individual described in section 301(c)(2).".

SEC. 504. THRIFT SAVINGS FUND PARTICIPATION BY PARTICIPANTS IN THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM.

Part K of title II of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees is amended by adding at the end thereof the following new section:

"THRIFT SAVINGS FUND PARTICIPATION BY PARTICIPANTS IN THE CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

"SEC. 293. (a) Participants in the Central Intelligence Agency Retirement and Disability System shall be deemed to be employees for the purposes of section 8351 of title 5, United States Code.

"(b) Subsections (k) and (m) of section 8461 of title 5, United States Code, shall apply with respect to contributions made by officers and employees of the Agency to the Thrift Savings Fund under section 8351 of such title, and to earnings attributable to the investment of such contributions.".

SEC. 505. ALTERNATIVE FORMS OF ANNUITIES.

Part K of title II of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (as amended by section 504 of this Act) is further amended by adding at the end thereof the following new section:

"ALTERNATIVE FORMS OF ANNUITIES

"SEC. 294. (a) The Director shall prescribe regulations under which an officer or employee of the Agency may, at the time of retiring under this title (other than under section 231), elect annuity benefits under this section instead of any other benefits under this title (including any survivor benefits under this title) based on the service of the officer or employee creditable under this title. The regulations and alternatives shall, to the maximum extent practicable, meet the requirements prescribed in section 8343a of title 5, United States Code.

"(b) Notwithstanding any other provision of law, any lump-sum credit provided pursuant to an election under subsection (a) shall not preclude an individual from receiving other benefits provided under such subsection.

"(c) The Director shall submit the regulations prescribed under subsection (a) to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives before the regulations take effect.".

SEC. 506. PARTICIPATION IN THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM.

The Central Intelligence Agency Retirement Act of 1964 for Certain Employees is amended by adding at the end thereof the following:

"TITLE III—PARTICIPATION IN THE FEDERAL EMPLOYEES' RETIREMENT SYSTEM

"APPLICATION OF FEDERAL EMPLOYEES' RETIREMENT SYSTEM TO AGENCY EMPLOYEES

"SEC. 301. (a) Except as provided in subsections (b) and (c), all officers and employees of the Agency, any of whose service after December 31, 1983, is employment for the purpose of title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954, shall be subject to chapter 84 of title 5, United States Code.

"(b) Participants in the Central Intelligence Agency Retirement and Disability System who were participants in such system on or before December 31, 1983, and who have not had a break in service in excess of 1 year since that date, are not subject to chapter 84 of title 5, United States Code, without regard to whether they are subject to title II of the Social Security Act.

"(c)(1) The provisions of chapter 84 of title 5, United States Code, shall not apply with respect to—

"(A) any individual who separates, or who has separated, from Federal Government service after having been an officer or employee of the Agency subject to title II of this Act; and

"(B) any officer or employee of the Agency having at least 5 years of civilian service which was performed before January 1, 1987, and is creditable under title II of this Act (determined without regard to any deposit or redeposit requirement under subchapter III of chapter 83 of title 5, United States Code, or under title II of this Act, or any requirement that the individual become subject to such subchapter or to title II of this Act after performing the service involved).

"(2) Paragraph (1) shall not apply with respect to an individual who has elected under regulations prescribed under section 307 of this Act to become subject to chapter 84 of title 5, United States Code, to the extent provided in such regulations.

"(3) An individual described in paragraph (1) shall be deemed to be an individual excluded under section 8402(b)(2) of title 5, United States Code.

"(d) The application of the provisions of chapter 84 of title 5, United States Code, to officers and employees referred to in subsection (a) shall be subject to the exceptions and special rules provided in this title. Any provision of such chapter which is inconsistent with a special rule provided in this title shall not apply to such officers and employees.

"SPECIAL RULES RELATING TO SECTION 203 CRITERIA EMPLOYEES

"SEC. 302. (a) Except as otherwise provided in this section, in the application of

chapter 84 of title 5, United States Code, to an officer or employee of the Agency who is subject to such chapter and is designated by the Director under the criteria prescribed in section 203, such officer or employee shall be treated for purposes of determining such officer's or employee's retirement benefits and obligations under such chapter as if the officer or employee were a law enforcement officer (as defined in section 8401(17) of title 5, United States Code).

"(b) The provisions of sections 233 and 235 of this Act shall apply to officers and employees referred to in subsection (a), except that the retirement benefits shall be determined under the provisions of chapter 84 of title 5, United States Code.

"(c)(1) Except as provided in paragraph (2), section 271 of this Act shall apply to an officer or employee referred to in subsection (a).

"(2) Contributions during recall service shall be made as provided in section 8422 of title 5, United States Code.

"(3) When an officer or employee recalled under this subsection reverts to a retired status, the annuity of such officer or employee shall be redetermined under the provisions of chapter 84 of title 5, United States Code.

"SPECIAL RULES FOR OTHER EMPLOYEES FOR SERVICE ABROAD

"SEC. 303. (a) Notwithstanding any provision of chapter 84 of title 5, United States Code, the annuity under subchapter II of such chapter of a retired officer or employee of the Agency who is not designated under section 302(a) of this Act and has served abroad as an officer or employee of the Agency shall be computed as provided in subsection (b).

"(b)(1) The portion of the annuity relating to service abroad performed on or after the effective date of the Federal Employees' Retirement System Act of 1986 shall be computed as provided in section 8415(d) of title 5, United States Code.

"(2) The portions of the annuity relating to other service in the Agency shall be computed as provided in the provision of section 8415 of such title that is applicable to such service under the conditions prescribed in chapter 84 of such title.

"SPECIAL RULES FOR FORMER SPOUSES

"SEC. 304. (a) Section 8445 of title 5, United States Code, and subsections (d) and (e) of section 8435 of such title shall not apply in the case of an officer or employee of the Agency who is subject to chapter 84 of title 5, United States Code, and who has a former spouse (as defined in section 204(b)(4) of this Act). Any reference in such chapter to a survivor annuity for a former spouse, as applied to such officer or employee, shall be deemed to refer to a survivor annuity for a former spouse of such officer or employee provided under subsection (c) of this section.

"(b) Section 221(b)(1)(C) of this Act shall apply to a survivor annuity under subsection (c)(2) of this section.

"(c) Except as otherwise provided in this section, the following provisions of title II of this Act shall apply in the case of an officer or employee of the Agency who is entitled to receive an annuity under subchapter II, III, or V of chapter 84 of title 5, United States Code, in the same manner as such provisions apply in the case of an officer or employee of the Agency under title II:

"(1) Section 222, except that subsections (b) and (c) of such section shall be subject to a waiver under subsection (b) of this section.

"(2) Subsections (a), (b)(1), and (b)(3) of section 223 and the first sentence of subsection (c) of such section.

"(3) Subsections (c) and (d) of section 234 (in the case of any lump-sum payment under section 8424(a) of title 5, United States Code, and any payment under subsection (b)(3), (b)(4), (c)(3), (c)(4), or (d) of section 8433 of such title).

"(4) Section 263(b).

"(d) In the application of section 222(a) under subsection (c)(1)—

"(1) the reference in paragraph (4)(B) of such section to section 271, 272, or 273 of this Act shall be deemed to refer to any similar provision of law applicable to such officer or employee for purposes of chapter 84 of title 5, United States Code;

"(2) the amount of the reduction in the salary of a recalled or reinstated officer or employee under such paragraph (4)(B) shall be only the amount by which the annuity under subchapter II or V of chapter 84 of title 5, United States Code, would have been reduced; and

"(3) amounts to be deposited in the Treasury of the United States pursuant to such paragraph (4)(B) shall be credited to the Civil Service Retirement and Disability Fund.

"(e) In the application of subsections (b) and (c) of section 222 under subsection (c)(2)—

"(1) the percentage prescribed in subsections (b)(1)(A), (b)(1)(B), (b)(4)(A), and (c)(2) of such section shall be deemed to be 50 percent;

"(2) for the purpose of computing the amount of the former spouse's annuity under subsection (b)(1) of such section and the maximum amount of survivor annuities under subsection (b)(4) or (c)(2) of such section, the full amount of the deceased officer's or employee's annuity—

"(A) in the case of an annuity under subchapter II or V of chapter 84 of title 5, United States Code, is the amount of such annuity computed without regard to the reduction for survivor annuities; and

"(B) in the case of an annuity under subchapter III of such chapter, is the amount of such annuity computed on an actuarial basis as provided in such subchapter taking into account the application of section 222(b)(1) in the case of such annuity;

"(3) an election under subsection (b)(5)(B) of such section shall apply with respect to a survivor annuity for a spouse under section 8442 of title 5, United States Code;

"(4) the reference in subsection (c)(2) of such section to a survivor annuity for a spouse shall be deemed to refer—

"(A) in the case of an annuity under subchapter II or V of chapter 84 of title 5, United States Code, to the survivor annuity provided in section 8442 of title 5, United States Code; and

"(B) in the case of an annuity under subchapter III of such chapter, to the survivor annuity described in section 8435(c) of such title; and

"(5) the fund referred to in subsections (c)(3)(A) and (c)(3)(B) of such section shall be deemed to refer—

"(A) in the case of an annuity under subchapter II or V of chapter 84 of title 5, United States Code, to the Civil Service Retirement and Disability Fund; and

"(B) in the case of an annuity under subchapter III of such chapter, the Thrift Savings Fund established by section 8437 of such title.

"(f) A reduction in the annuity of an officer or employee of the Agency to provide a survivor annuity or survivor annuities under this section shall be computed as provided in section 8419(a) of title 5, United States Code.

"(g) The entitlement of a former spouse to a portion of an annuity of a retired officer or employee of the Agency under this section shall extend to any supplementary annuity payment that such officer or employee is entitled to receive under section 8421 of title 5, United States Code.

"ADMINISTRATIVE PROVISIONS

"SEC. 305. (a) Section 201(c) of this Act shall apply in the administration of chapter 84 of title 5, United States Code, with respect to officers and employees of the Agency.

"(b) Notwithstanding subsection (a), section 8461(e) of title 5, United States Code, shall apply with respect to officers and employees of the Agency who are not participants in the Central Intelligence Agency Retirement and Disability System and are not designated under section 302(a) of this Act.

"REGULATIONS

"SEC. 306. (a) The Director, in consultation with the Director of the Office of Personnel Management and the Executive Director of the Federal Retirement Thrift Investment Board, shall prescribe in regulations appropriate procedures to carry out this title.

"(b) The Director shall submit the regulations prescribed under subsection (a) to the Select Committee on Intelligence of the Senate and the Permanent Select Committee of the House of Representatives before the regulations take effect.

"TRANSITION PROVISIONS

"SEC. 307. (a) The Director shall issue regulations providing for the transition from the Central Intelligence Agency Retirement and Disability System to the Federal Employees' Retirement System provided in chapter 84 of title 5, United States Code, in a manner consistent with sections 301 through 304 of the Federal Employees' Retirement System Act of 1986.

"(b) The Director shall submit the regulations prescribed under subsection (a) to the Select Committee on Intelligence of the Senate and the Permanent Select Committee on Intelligence of the House of Representatives before the regulations take effect.".

SEC. 507. SPECIAL RETIREMENT ACCRUAL FOR OTHER INTELLIGENCE PERSONNEL.

(a) CERTAIN NATIONAL SECURITY AGENCY PERSONNEL.—Section 9(b)(1)(B) of the National Security Agency Act of 1959 (50 U.S.C. 402 note) is amended by inserting before the semicolon the following: "(including special retirement accrual in the same manner provided in section 303 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (50 U.S.C. 403 note))".

(b) CERTAIN DEFENSE INTELLIGENCE AGENCY PERSONNEL.—Section 1605(a) of title 10, United States Code, is amended by adding at the end thereof the following: "The Secretary may also provide to any such civilian personnel who are subject to chapter 84 of title 5, special retirement accrual benefits in the same manner provided for certain officers and employees of the Central Intelligence Agency in section 303 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (50 U.S.C. 403 note).".

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. ANNUITIES FOR SURVIVORS OF DISTRICT OF COLUMBIA JUDGES.

(a) AMENDMENTS TO DISTRICT OF COLUMBIA CODE.—(1) Subsections (a) and (b) of section

11-1567 of title 11 of the District of Columbia Code are each amended by striking out "3 per centum" each place it appears and inserting in lieu thereof "3.5 percent".

(2)(A) Subsection (a) of section 11-1568 of title 11 of the District of Columbia Code is amended by striking out "computing a survivor annuity" and inserting in lieu thereof "any provision of this subchapter which refers to this subsection".

(B) Subsection (c) of section 11-1568 of title 11 of the District of Columbia Code is amended—

(i) in paragraph (2)(B), by striking out "the lesser of (i) $2,700 per year divided by the number of such children or (ii) $900" and inserting in lieu thereof "the lesser of (i) $8,424 per year divided by the number of such children or (ii) $2,808";

(ii) in paragraph (3), by striking out "the lesser of (A) $3,240 per year divided by the number of children or (B) $1,080" and inserting in lieu thereof "the lesser of (A) $10,110 per year divided by the number of such children or (B) $3,370";

(iii) by inserting before the first sentence of the matter following paragraph (3) the following:

"For the purpose of computing, under this subsection, the annuity of a child that commences on or after January 1, 1987, the figures $8,424, $2,808, $10,110, and $3,370 (provided in paragraphs (2) and (3)) shall be increased by the total percentage of the increases allowed and in force with respect to retirement salaries of judges under section 11-1571(a) of this title on or after such date."; and

(iv) in the first sentence of the matter following paragraph (3) by striking out "remarriage" and inserting in lieu thereof "upon remarriage prior to the attainment of fifty-five years of age".

(C) Subsection (e) of section 11-1568 of title 11 of the District of Columbia Code is amended to read as follows:

"(e) The annuity of a widow or widower of a judge or retired judge who elected a survivor annuity shall be equal to—

"(1) in the case of a judge who dies while in active regular service as a judge, the greater of—

"(A) 55 percent of the retirement salary the judge would have been entitled to receive (as computed under section 11-1564) if the judge had retired on the day before the date of death (without regard to the age requirements prescribed in section 11-1562(b)), or

"(B) 55 percent of the retirement salary the judge would have been entitled to receive (as computed under section 11-1564) if the judge had retired on the day before the date of death with 15 years of service for the purposes of this subchapter (without regard to the age requirements prescribed in section 11-1562(b)); and

"(2) in the case of a retired judge, 55 percent of the retirement salary payable to such judge on the day before the date of the judge's death.".

(b) APPLICATION OF AMENDMENTS.—The benefits conferred by section 11-1568 of title 11 of the District of Columbia Code, by reason of the amendments made by subsection (a) shall apply to individuals eligible for annuities under such sections on or after the date of the enactment of this Act, except that—

(1) such annuities shall be computed in accordance with the provisions of such section, as amended by subsection (a), notwithstanding contributions or deposits made in accordance with applicable law at lower rates; and

(2) no additional liability shall be created with respect to deposits made in accordance with applicable law before the date of the enactment of this Act, or after such date pursuant to an installment payment election made under section 11-1567(b) of title 11 of the District of Columbia Code, before such date.

(c) OPPORTUNITY TO REVOKE A PREVIOUS SURVIVOR ANNUITY ELECTION.—(1)(A) Any individual who, before the date of the enactment of this Act, made an election under section 11-1566 of title 11 of the District of Columbia Code, to come within the purview of the survivor annuity provisions of subchapter III of chapter 15 of such title may revoke that election. Such a revocation shall constitute a complete withdrawal from the survivor annuity program provided for in such subchapter.

(B) A revocation under subparagraph (A) shall be submitted in writing to the Mayor of the District of Columbia.

(2) A revocation under paragraph (1) shall be effective on the day it is received by the official referred to in subparagraph (B) of such paragraph.

(3)(A) On the effective date of a revocation under paragraph (1), any right to survivor benefits (to which the revocation relates) for the survivors of the individual who makes the revocation shall terminate, and all amounts credited to the account of such individual under section 11-1570(c) of title 11 of the District of Columbia Code, together with interest computed as provided in subparagraph (B), shall be returned to that individual in a lump-sum payment.

(B) For the purpose of subparagraph (A), interest shall be computed in accordance with section 11-1561(10)(C) of title 11 of the District of Columbia Code.

(4)(A) Any individual who makes a revocation under paragraph (1) and who thereafter becomes eligible to make an election under section 11-1556 of title 11 of the District of Columbia Code, may make such election only if such individual redeposits, to the credit of the District of Columbia Judge's Retirement Fund referred to in section 11-1561(4) of such title, the full amount of the lump-sum payment made to such individual under paragraph (4), together with interest.

(B) For the purpose of subparagraph (A), interest shall be computed at 3 percent per annum, compounded on December 31 of each year from the date of the lump-sum payment referred to in such subparagraph until the date on which the amount referred to in such subparagraph is redeposited under such subparagraph.

(d) ADDITIONAL OPPORTUNITY TO MAKE A SURVIVOR ANNUITY ELECTION.—(1) Any individual who, on or before the date of the enactment of this Act, has not made an election under section 11-1566(a) of title 11 of the District of Columbia Code, to come within the purview of the survivor annuity provisions of subchapter III of chapter 15 of such title and is no longer entitled to make such an election may make such an election. Any such election shall be submitted in writing to the Mayor of the District of Columbia.

(2) An election under paragraph (1) shall be effective on the day it is received by the official referred to in such paragraph.

(e) PERIOD FOR EXERCISE OF RIGHT TO REVOKE OR ELECT.—The right to revoke an election under subsection (d) or to make an election under subsection (e) is irrevocably waived if not exercised within 180 days after the date of the enactment of this Act.

TITLE VII—AUTHORIZATION OF APPROPRIATIONS; EFFECTIVE DATES

SEC. 701. AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN EXPENSES OF THE FEDERAL RETIREMENT THRIFT INVESTMENT MANAGEMENT SYSTEM.

(a) TEMPORARY ALTERNATIVE FUNDING.—Notwithstanding section 8434(c)(3) of title 5, United States Code (as added by section 101 of this Act), the expenses incurred in the administration of the Federal Retirement Thrift Investment Management System under subchapter VII of chapter 84 of such title (as so added) during fiscal years 1986 and 1987 shall be paid from sums appropriated pursuant to subsection (b).

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Federal Retirement Thrift Investment Board, for fiscal years 1986 and 1987, such sums as may be necessary to pay the expenses incurred in the administration of the Federal Retirement Thrift Investment Management System during such fiscal years.

SEC. 702. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), this Act and the amendments made by this Act shall take effect on January 1, 1987.

(b) EXCEPTIONS.—(1) Subchapter VII of chapter 84 of title 5, United States Code, as added by section 101 of this Act, shall take effect on the date of the enactment of this Act.

(2) Except as provided in section 305 of this Act, title III of this Act, and the amendments made by such title, shall take effect on the date of the enactment of this Act.

(3) The amendments made by sections 204 and 205 of this Act shall take effect on the date of the enactment of this Act.

(4) Section 401 of this Act shall take effect on the date of the enactment of this Act.

(5) Sections 505 and 601 of this Act and the amendments made by such section 601 shall take effect on the date of the enactment of this Act.

(c) FIRST COST-OF-LIVING ADJUSTMENT.—(1) For purposes of the first adjustment under subsection (b) of section 8462 of title 5, United States Code (as added by section 101 of this Act), the base quarter ending on September 30, 1986, shall be considered to have been the base quarter for a year in which an adjustment under such subsection was made.

(2) As used in paragraph (1), the term "base quarter" has the meaning provided by section 8462(a)(1) of title 5, United States Code (as added by section 101 of this Act).

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

From the Committee on Post Office and Civil Service:

For consideration of the Senate amendments Nos. 1, 2, and 3 and modifications committed to conference:

WILLIAM D. FORD,
WILLIAM CLAY,
MARY ROSE OAKAR,
GENE TAYLOR,
JOHN T. MYERS,

As additional conferees on Senate Amendment No. 3:

From the Permanent Select Committee on Intelligence:

For consideration of title IV of the Senate amendment and modifications committed to conference:

LEE H. HAMILTON,
LOUIS STOKES,

ANTHONY C. BEILENSON,
BOB STUMP,
ANDY IRELAND,

As additional conferees on Senate Amendment No. 3:

From the Committee on Foreign Affairs:

For consideration of title V of the Senate amendment and modifications committed to conference:

DANIEL A. MICA,
PETER H. KOSTMAYER,
OLYMPIA SNOWE,

As additional conferees on Senate Amendment No. 3:

From the Committee on Ways and Means:

For consideration of provisions in section 101 of the Senate amendment establishing a new subchapter III of chapter 84—Thrift Savings Plan; establishing a new section 8475 in subchapter VII—transition provisions; of title II of the Senate amendment; and of section 305 of the Senate amendment and modifications committed to conference:

BILL ARCHER,
WM. THOMAS,
Managers on the Part of the House.

W.V. ROTH, Jr.,
TED STEVENS,
CHARLES MCC. MATHIAS, Jr.,
TOM EAGLETON,
ALBERT GORE, Jr.,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2672) to redesignate the New York International and Bulk Mail Center in Jersey City, New Jersey, as the "New Jersey International and Bulk Mail Center", and to honor the memory of a former postal employee by dedicating a portion of a street at the New York International and Bulk Mail Center in Jersey City, New Jersey, as "Michael McDermott Place", submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

H.R. 2672, as passed by the House, redesignated a bulk mail center and honors a former postal employee by dedicating a portion of a street in memory of such employee. The Senate adopted three amendments to the House bill. The first two made technical changes to these provisions relating to the bulk mail center. The third amendment embodied S. 1527, a bill establishing a new retirement system for certain Federal employees. The House disagreed with the Senate amendments and requested a conference.

Because the bill, as passed by the House, does not include provisions relating to the establishment of a new retirement system, the scope of the conference relating to the retirement provisions was limited to the Senate provisions and current law. However, a bill establishing a new retirement system was introduced in the House and ordered reported from the Committee on Post Office and Civil Service (H.R. 3660). Thus, while the House committee's reported bill was not in conference, the managers of both Houses were cognizant of its provisions and incorporated many of them in the conference agreement. The conferees acknowledge that H.R. 2672, as passed by the House, has no provisions comparable to the Senate's retirement provisions, but, for the sake of clarity, this statement of managers references the provisions of the bill (H.R. 3660) reported from the House committee.

Senate Amendment No. 1

The House recedes to the Senate.

Senate Amendment No. 2

The House recedes to the Senate.

Senate Amendment No. 3

The House concurs in the Senate amendment with an amendment which is explained below.

FEDERAL EMPLOYEES' RETIREMENT SYSTEM

TITLE

The Senate amendment entitles the new retirement system the Federal Retirement System.

The House bill has no comparable provision.

The House committee bill entitles the system, the Civil Service Supplemental Retirement System.

The conference agreement entitles the system, the Federal Employees' Retirement System (FERS).

BASIC PLAN

Coverage

The Senate amendment covers all Federal employees (including congressional staff and employees of Gallaudet College) hired, or rehired after a break in service for more than one year, after December 31, 1983. Additionally, all Members of Congress elected or appointed after December 31, 1983, are similarly covered. United States Park Police and the United States Secret Service hired, or rehired after the requisite break in service, after the above date are covered. Nonappropriated fund employees of the Department of Defense hired, or rehired after the requisite break in service, after the above date are covered. Members of the Foreign Service and certain employees of the Central Intelligence Agency (CIA) are covered under special provisions. A special arrangement is provided for those employees and Members of Congress who are covered by both the Civil Service Retirement System (CSRS) and the Social Security Act.

Under the Senate amendment all employees and Members of Congress covered by the CSRS or other related Government retirement programs may transfer into this system during a one-year window period. Employes of the District of Columbia are not covered and are prospectively excluded from CSRS beginning January 1, 1987.

The House bill has no comparable provision.

The House committee bill covers Civil Service employees, including congressional staff and employees of Gallaudet College, hired after December 31, 1983. Coverage is also extended to those employees rehired after the above date with a break in service of more than one year if those employees served less than five years under CSRS. Members of Congress, the Park Police and the Secret Service are also covered. A special arrangement similar to the Senate provision is provided for those employees and Members covered by CSRS and the Social Security act. Employees covered by CSRS may not transfer into the new system. Employees of the District of Columbia are not covered and are prospectively excluded from CSRS beginning October 1, 1987.

The conference agreement adopts the Senate provisions with modifications. Similar to the House committee bill, rehired employees with 5 years or more prior service subject to CSRS retain coverage under a revised CSRS. District of Columbia employees hired after October 1, 1987 are excluded from CSRS. Nonappropriated fund employees are not covered. Employees under the current retirement system will have six months beginning July 1, 1987, to elect into the new system.

Creditable service

The Senate amendment provides that creditable service includes service in a covered position in the new retirement system, service covered by the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983, military service, service creditable under CSRS (only for purposes under transition provisions), leaves of absences creditable under CSRS, and unused sick leave.

The House bill has no comparable provision.

The House committee bill provides that creditable service for most individuals includes civilian service subject to social security, military service, service covered by the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983, leaves of absence without pay while serving in the military or receiving worker's compensation, other leaves of absence of 6 months or less, and certain leaves of absence without pay for full-time service in an employee organization if the cost of such service is fully paid by the employee.

The conference agreement generally adopts the approach of the House committee bill except that a period of post-1956 military service is creditable only if the employee makes a contribution to the retirement fund equal to 3 percent of the employee's military base pay for such period. The conferees decided that the cost of retirement credit for military service should be absorbed, in part, by the employer as is the case under the CSRS. The ratio of the employee contribution for military service (3 percent) to the cost of the defined benefit plan under FERS is comparable to that under CSRS.

The conferees note that under FERS sick leave is not creditable service except for such leave carried into the system by an employee who transfers from CSRS. The conferees urge the Office of Personnel Management to examine the sick leave usage by employees under FERS. The conferees are concerned that without an incentive to save sick leave, the use of sick leave may substantially increase.

One plan

The Senate amendment provides two retirement options. Upon employment employees have 90 days in which to irrevocably choose between the two.

The House bill has no comparable provision, but the House committee bill provides for only one retirement plan.

The conference agreement adopts the House committee approach. The managers agree that, for personnel management and administrative reasons, one plan is preferable. Under FERS employees will have significant flexibility and choice with respect to participation and investment options in the thrift plan.

Vesting

The Senate amendment provides that benefits will vest after five years of civilian service.

The House bill has no comparable provision. The House committee bill also provides

that benefits vest after five years of civilian service.

The conference agreement adopts the House committee bill approach, with the qualification that service for which a refund of contributions has been made is irrevocably forfeited as creditable service.

Salary base

The Senate amendment provides a salary base of the average of an employee's five highest consecutive years of salary to determine the retirement benefit.

The House bill has no comparable provision.

The House committee bill provides a salary base of the average of an employee's three highest consecutive years of salary to determine the retirement benefit.

The conference agreement adopts the House committee approach.

Accrual rate

The Senate amendment provides an accrual rate equal to .9 percent for each year of service for the first 15 years and 1.1 percent for each year over 15 years.

The House bill has no comparable provision.

The House Committee bill provides an accrual rate equal to 1 percent for each year of service.

The conference agreement adopts the approach of the House committee bill, except that the accrual rate is 1.1 percent for each year of service if the employee is at least age 62 at the time of retirement and has completed at least 20 years of service.

Employee contributions

The Senate amendment (Option A) does not require employee contributions. Option B requires employees to contribute to the retirement fund an amount based on the difference between the Old Age, Survivor and Disability Insurance (OASDI) tax and the amount the employees would have been required to contribute to CSRS had they been covered under CSRS.

The House bill has no comparable provision.

The House Committee bill requires employees to contribute to the retirement fund an amount based on the difference between the OASDI tax rate and the CSRS contribution rate.

The conference agreement adopts the House committee approach. The conferees wrestled with the question of whether the basic plan should be contributory. Each dollar required as a contribution to the basic plan leaves one dollar less available for investment in the thrift plan. The conferees resolved the dilemma by mandating an employee contribution to the basic plan while at the same time requiring an employer thrift plan contribution which approximates the required employee contribution.

The required employee contributions to the basic plan will be 1.3 percent of basic pay in 1987, 0.94 percent from 1988 to 1990, and 0.8 percent in 1990 and thereafter. This is in addition to the mandatory OASDI tax.

Eligibility for unreduced benefits

The Senate amendment (Option A) provides unreduced benefits at age 62 with at least five years of service. Option B provides benefits at age 55 with 30 or more years of services or at age 62 with 5 or more years of service.

The House bill has no comparable provision, but the House committee bill provides unreduced benefits at age 55 with 30 or more years of service, at age 60 with 20 or more years of service, or at 62 with 5 or more years of service.

The conference agreement provides unreduced benefits at age 60 with 20 or more years of service and at age 62 with five or more years of service. In addition, it establishes a gradually increasing "minimum retirement age" for employees with 30 or more years of service. Until the year 2003, an employee with 30 years of service may retire at age 55. Beginning in the years 2003 the minimum retirement age increases by two months every year until year 2009. Thus, at year 2009 the employee must be age 56 to retire with 30 or more years of service. Age 56 is the minimum retirement age until the year 2020. Beginning in the year 2021 the minimum retirement age again increases by two-month increments until the year 2027. Thus, in the year 2027 the minimum retirement age to retire with 30 or more years of service is 57. Thereafter, age 57 is the permanent age for eligibility to retire with 30 or more years of services.

The conferees believe that 30 years of service with the Federal Government should be rewarded by an unreduced retirement benefit. The graduated minimum retirement age (which is analagous to future normal retirement age increases under the Social Security Act) takes into account changing demographics and increases in employee longevity.

Eligibility for reduced benefits

The Senate amendment (Option A) provides for two forms of reduced retirement benefits at age 55 depending upon whether the individual had 30 or more years of service or 10-30 years of service. An employee retiring after age 55 with 30 or more years of service would experience a 2 percent per year reduction for each year the employee was under the age of 62. An employee could also retire after age 55 with 10 or more years of service with a 5 percent per year reduction for each year the employee was under the age of 62.

Under Option B, an employee retiring after age 55 with 30 or more years of service would experience no reduction. An employee retiring after age 55 with 10-30 years of service would experience the same reduction as under Option A.

Neither the House bill nor the House committee bill has a comparable provision.

The conference agreement essentially adopts the provisions of the Senate amendment Option B, with one modification. The minimum retirement age for the reduced benefit increases gradually from 55 to 57. Ten years of service are required. For an employee retiring with less than 30 years of service a reduction of 5 percent per year for each year under age 62 is imposed, permitting flexibility for employee retirement planning at no additional cost to the Government.

Deferred benefits

The Senate amendment entitles former employees who have sufficient service and who attain the applicable minimum age for immediate retirement to deferred benefits. Under Option A, a former employee is entitled to an unreduced deferred benefit at age 62 with five or more years of service and reduced deferred benefits at age 55 with 10 or more years of service. Option B provides the same benefits and, also, provides unreduced deferred benefits to former employees who attain age 55 with 30 or more years of service.

The House bill has no comparable provision.

The House committee bill provides a deferred benefit to a former employee who attains age 62 with 5 or more years of service.

The conference agreement adopts the Senate approach which entitles a former employee with sufficient service to benefits when he or she attains the requisite minimum age to be eligible for immediate retirement. The agreement provides entitlement to *unreduced* benefits to former employees who attain age 62 with five or more years of service, age 60 with 20 or more years of service and age 55-57 with 30 or more years of service depending upon the year in which the employee retires. *Reduced* benefits are available to a former employee who attains age 55-57 with 10 or more years of service depending upon the year in which the employee retires. Providing deferred benefits to former employees under the same conditions as immediate benefits to current employees is consistent with the requirements of the Employee Retirement Income Security Act (ERISA) as applied to private pension plans. Additionally, this provision increases career flexibility for Federal employees who leave Government prior to becoming eligible for an immediate retirement benefit.

Involuntary retirement

The Senate amendment provides for involuntary retirement under the same conditions as the CSRS, i.e., if an employee is age 50 with at least 20 years of service or at any age with at least 25 years of service. The employee's benefit is reduced 2 percent for each year the employee is under age 62.

The House bill has no comparable provisions.

The House committee bill provides for involuntary retirement under the same conditions and eligibility requirements as the Senate amendment. However, those eligible for benefits would not face a reduction in their annuities based on age at time of retirement.

The conference agreements adopts the House committee approach. An employee removed from Government involuntarily is eligible to receive an immediate and unreduced benefit if the employee is age 50 with at least 20 years of service or any age with at least 25 years of service.

Annuity supplement

The Senate amendment does not include a supplement to the basic pension for those employees retiring before age 62 except with respect to special class employees, e.g., firefighters, law enforcement officers, and air traffic controllers.

The House bill has no air traffic controllers.

The House committee bill does include such a supplement for those retiring at age 55 with 30 years of service or age 60 with 20 years of service, as well as for special class employees.

The conference agreement adopts modified version of the House committee provision. The supplement will be paid to those employees who retire at the minimum retirement age (55-57) with at least 30 years of service, those who retire at age 60 with at least 20 years of service, and those involuntarily separated beginning when they attain the minimum retirement age. The supplement is designed to replicate the Social Security benefit (based on Federal civilian service) available at age 62 for those employees retiring earlier. The supplement terminates once the employee attains age eligibility to receive Social Security benefits, i.e., age 62. The provision in the conference agreement differs from the one in the House committee bill in three respects. First, the formula was redesigned to assume

that no Social Security benefits were earned in post-Federal employment. Second, the supplement is not adjusted for inflation. Third, the amount of the supplement actually payable is reduced by earnings in excess of a minimum amount, just as the amount of Social Security benefits payable at age 62 are reduced by earnings in excess of that amount. Earnings in excess of the exempt amount in the Social Security Act (the 1986 amount is $5,760.00 which is wage indexed) will reduce the supplement by one dollar for every two dollars earned. The conferees note that in order to assure continuity of a benefit stream throughout retirement, the supplement is subjected to the same conditions as payment of the Social Security benefit.

Cost-of-living adjustments

The Senate amendment provided for different cost-of-living adjustments (COLAs) for the various benefits depending on the retirement plan option selected. Under Option A, annuitants would receive no COLAs until age 62. For annuitants aged 62 through 66 and for those receiving disability or survivor benefits, the COLA would equal the percentage increase in the Consumer Price Index (CPI) minus two percentage points. At age 67, all COLAs would equal the actual percentage increase in the CPI.

Under Option B of the Senate amendment, annuitants up to age 62 would receive a COLA equal to the percentage increase in the CPI minus 2 percentage points. For annuitants at age 62 and above and for survivors and those disabled at any age the COLA would be the full CPI increase.

The House bill has no comparable provision.

The House committee bill provides for full COLAs for retirees, survivors, and disability annuitants.

Except in the case of special classes of employees, discussed below, the conference agreement provides for no COLA for retirees under age 62. For retirees age 62 and over, and for those receiving disability or survivor benefits regardless of age, the COLA is generally equal to the percentage increase in the CPI minus one percentage point. In those years for which the percentage increase in the CPI does not exceed 3 percent, the COLA will be the lesser of the increase in the price index or 2 percent.

Special classes

The Senate amendment provides earlier retirement with a supplement to certain classes of employees. The special classes include firefighters, law enforcement personnel, and air traffic controllers. Members of the Foreign Service and certain employees of the Central Intelligence Agency receive similar benefits although they are covered under amendments to their respective systems.

All of these employees may retire with an unreduced benefit at age 50 with at least 20 years of service or at any age with at least 25 years of service. In addition, a supplement is payable from retirement to age 62. Definitions of firefighters and law enforcement officers are more restrictive than under CSRS. Finally, military reserve technicians may retire at age 55 with 30 years of service with an unreduced benefit but without a supplement.

The House bill has no comparable provision.

The House committee bill provides higher accrual rates for law enforcement personnel, firefighters, air traffic controllers, Members of Congress, and congressional staff. The accrual rates are 1.7 percent per year of service for the first 20 years and 1.5 percent for service thereafter. The bill also requires employees in these classes to contribute an additional ½ of one percent of salary to the basic plan. Law enforcement personnel and firefighters (current law definitions) may retire at age 50 with 20 years of service with a supplement. Air traffic controllers may retire at age 50 with 20 years of service or 25 years of service at any age with a supplement. Members of Congress may retire with a supplement after completing 25 years of service or after becoming age 50 and completing 20 years of service or having served in 9 Congresses. In addition, a Member may retire with a supplement at age 60 with 10 years of service.

The conference agreement includes provisions of both the Senate amendment and the House committee bill. The Senate definition of "firefighters" is adopted as well as the definition of "law enforcement officer" (except as it applies to employees of Bureau of Prisons and related agencies). Law enforcement officers, firefighters, air traffic controllers, and Members of Congress may retire at age 50 with 20 years of service or at any age after completing 25 years of service. Law enforcement officers, firefighters, and air traffic controllers receive a supplement beginning at retirement. Members receive such a supplement beginning at the applicable minimum retirement age (55–57). The earnings test described earlier applies to the supplement at the minimum retirement age. These individuals, and congressional employees, contribute an additional ½ of one percent to the basic plan and receive an accrual rate equal to 1.7 percent of average pay for each of their first 20 years of service and 1 percent of average pay for each year thereafter. Members of the Foreign Service and certain employees of the CIA receive similar treatment but are covered under amendments to their respective retirement systems.

The mandatory retirement ages applicable under CSRS for law enforcement officers, firefighters, and air traffic controllers are included in the conference agreement. Because of the mandatory retirement requirements, the benefits for these groups will be adjusted for changes in cost of living, generally, at a rate of CPI minus 1 percent beginning at retirement, rather than at age 62.

To determine a reasonable accrual rate, the conferees used the average age and service at retirement of law enforcement officers in the CSRS and tried to replicate the CSRS replacement rates for such individuals in the retirement provisions of this plan.

Finally, the conference agreement provides that military reserve technicians separated from the civil service because of losing military status through no fault of their own may retire at age 50 with 25 years of service. In such cases the normal accrual rate of 1 percent of average salary per year of service applies and a supplement is paid. Those technicians who lose military status due to physical disability will receive cost-of-living adjustments from the time of retirement equivalent to that discussed above.

THRIFT SAVINGS PLAN

Contributions

The Senate amendment allows an employee to contribute each year up to 10 percent of the employee's rate of basic pay to the Thrift Savings Fund. It allows for "make-up" contributions in a year following a year in which an employee did not make the maximum contribution. In any year total contributions (including "make-up" contributions) could not exceed 15 percent of the employee's annual rate of pay for that year. The Senate amendment also permits employees to modify the amounts contributed to the Thrift Savings Fund at least once per year.

The Senate amendment provides for matching employer contributions. Under the Senate plan (Option A), the Government would match contributions dollar for dollar up to 5 percent of the employee's pay. Under Option B, the Government matches the first one percent of pay dollar for dollar, the second and third percent at fifty cents per dollar, and the fourth through sixth percent of pay at twenty five cents per dollar. The Senate amendment provides for the employee and employer contributions to the Thrift Fund to be tax deferred. The Senate amendment provides to employees who are receiving disability benefits the option of participating in the Thrift Plan.

The House bill has no comparable provision.

The House committee bill allows employees to contribute up to 10 percent of basic pay. It provides for the employer to match the contribution at fifty cents per dollar up to 6 percent of the employee's basic pay. The House committee bill requires an "open season" at least once every 6 months during which an employee may elect to contribute, elect to cease contributing, or change the rate of contribution. An employee may not begin contributing until the second open season following employment. Under the House committee bill, employees covered by CSRS could also contribute up to 10 percent of pay. Such contributions, however, would not be matched by the Government.

The conference agreement adopts provisions of both the Senate amendment and the House committee bill. Newly-hired employees must wait until the second "open season" to join, a period ranging from 6–12 months. Employees must be permitted to elect to participate, to elect to cease participating, or to modify the amount of their contributions to the Fund at least once every 6 months. The Executive Director is required to design a plan for make-up contributions and submit it to Congress.

With respect to Government contributions, the conference agreement represents a compromise between the Senate amendment and the House committee bill. The conference agreement provides for the employer to contribute an amount equal to one percent of basic pay for each employee regardless of whether the employee has elected to make contributions. This substantially offsets the mandatory employee contribution to the basic plan. An employee may elect to contribute up to 10 percent of pay with the employer matching up to 5 percent as follows: for the first 3 percent the match is 100 percent and for the fourth and fifth percent of pay the match is 50 percent.

Like the Senate amendment, the conference agreement provides that the employee and employer contributions to the Thrift Savings Fund will be tax-deferred. The House had no provision for tax deferral. Employees under CSRS may contribute a maximum of 5 percent to the Thrift Savings Plan but with no Government matching contribution.

The conferees believe the Thrift Savings Plan is a key element of the new retirement system. It encourages Federal employees to participate actively in their own retirement planning. The automatic 1 percent Government contribution for each employee cou-

pled with the attractive agency matching contribution provides a strong incentive for employees to participate. The tax-deferred features of the plan also make the Thrift Savings Plan economically attractive to employees. These popular tax-deferred savings plans should be as available to Federal employees as they are to private sector employees.

To encourage all Federal employees to participate in retirement planning, the conference agreement follows the House committee bill and allows current CSRS employees to participate in the Thrift Savings Plan. However, the conference agreement does not adopt the Senate amendment provision which permits disabled employees to participate in the Thrift Plan.

Vesting

The Senate amendment provides for immediate vesting of an employee's contributions to the Thrift Savings Plan and earnings attributed to those contributions. It provides for gradual vesting of the Government's contributions (and attributable earnings) over a 5-year period.

The House bill has no comparable provision.

The House committee bill provides for full and immediate vesting of both employee and employer contributions and the attributable earnings.

The conference agreement adopts the House provisions for full and immediate vesting for matching contributions. The automatic one percent contribution discussed above vests after 3 years of service for career employees, and 2 years for political appointees. The conferees note, however, there is a waiting period before an employee may join the plan.

Payouts

The Senate amendment provides several options under which participants may receive benefits from the Thrift Savings Plan upon leaving Government employment. The options available depend on the participant's retirement status. Those entitled to an immediate basic plan annuity, to workers' compensation benefits, or disability benefits would have four options: (1) an immediate annuity; (2) a deferred annuity; (3) withdrawal of funds in one or more payments; or (4) a rollover to an Individual Retirement Account (IRA) or any qualified pension plan. Those entitled to a deferred annuity would have the same four options, but the first three would be available only after the deferred annuity commences. Those not entitled to an annuity have two options: (1) withdrawal of funds at age 62; or (2) rollover to an IRA or any qualified pension plan.

The House bill has no comparable provision.

The House committee bill provides that an employee, upon separation from employment, may withdraw his account, receive an annuity or receive a deferred annuity.

The conference agreement adopts the Senate amendment provisions with modifications. If eligible to retire from the basic plan, an employee may withdraw the account, receive an annuity, defer an annuity, or transfer the account into an IRA or any qualified pension plan. If the employee separates with title to a deferred annuity under the basic plan, the employee may elect any of the above options except that withdrawals may not be made until the employee is eligible to receive the deferred annuity under the basic plan. If the employee is not vested in the basic plan, the account is required to be transferred into an IRA or any qualified pension plan.

Loans

The Senate amendment authorizes a loan program beginning in January 1, 1988, limited to the employee's contributions and attributable earnings.

The House bill has no comparable provision.

The House committee bill authorizes loans or hardship withdrawals of employee contributions for the following purposes: (1) purchase of a primary residence; (2) educational expenses; (3) medical expenses; or (4) financial hardship.

The conference agreement adopts the House committee provisions on loans except that loans will not be permitted prior to January 1, 1988. Withdrawals during employment are not permitted.

Investment of thrift savings fund

The Senate amendment provides for a minimum of three funds for investment: A Government Securities Investment Fund, a Fixed Income Investment Fund, and a Common Stock Index Investment Fund. It provides for a 5-member board to establish additional funds as appropriate. The Senate amendment includes certain requirements for the index fund and requires the board to define the stock index.

The Senate amendment provides for employees to have the opportunity at least once each year to elect the funds for investment or reinvestment. It includes a requirement that all monies contributed by employees to the Thrift Savings Plan during 1987 would be invested in the Government Securities Investment Fund with a 20 percent reduction of this amount each year through 1991. With respect to amounts contributed by the Government, 100 percent would remain in the Government Securities Investment Fund for the 6-year period, 1987-1992. In 1993, 20 percent would be available for investment in other funds increasing by 20 percent each year through 1996.

The House bill has no comparable provisions.

The House committee bill provides for a total of 6 funds for investment. In addition to the 3 included in the Senate plan, the House also provides for an indexed bond fund, an actively managed stock fund, and an actively managed bond fund. It provides for employee elections for allocating investments among funds at the same time as elections to participate in the Thrift Savings Plan (at least once every six months). The House committee bill provides for all government contributions prior to 1992 to be invested in the Government Securities Investment Fund.

The conference agreement adopts the Senate provisions establishing three funds and gives the Board the responsibility to select the index for the Common Stock Index Investment Fund. The conferees chose to limit the number of funds to three for several reasons. Because this is a new undertaking in the Federal Government, a smaller number of funds will be more manageable. The three funds selected offer employees distinct and reasonable alternatives for investment. Should additional investment vehicles become desirable, the Congress can authorize them.

Most importantly, the three funds authorized in the legislation are passively managed funds, not subject to political manipulation. A great deal of concern was raised about the possibility of political manipulation of large pools of thrift plan money. This legislation was designed to preclude that possibility.

Concerns over the specter of political involvement in the thrift plan management seem to focus on two distinct issues. One, the Board, composed of Presidential appointees, could be susceptible to pressure from an Administration. Two, the Congress might be tempted to use the large pool of thrift money for political purposes. Neither case would be likely to occur given present legal and constitutional restraints.

The Board members and employees are subject to strict fiduciary rules. They must invest the money and manage the funds solely for the benefit of the participants. A breach of these responsibilities would make the fiduciaries civilly and criminally liable.

The structure of the funds themselves prevents political manipulation. The Government Securities Investment Fund is invested in nonmarketable special issues of the Treasury pegged to a certain average interest rate. The Fixed Income Investment Fund is composed of guaranteed investment contracts, certificates of deposits or other fixed instruments in which the Board contracts with insurance companies, banks and the like to provide it with a fixed rate of return over a specified period of time. The Board would have no knowledge of the specific investments.

Finally, the stock index fund is one in which a common stock index such as Standard & Poor's 500 or Wilshire's 5000 is used as the mechanism to allocate investments from the fund to various stocks. A common stock index is a composite of stocks which moves up and down in value as prices of the stocks change. An index fund then allocates its investments to the stocks in the index in the same or similar ratio that the value of a given stock has to the total value of all of the stocks in the index. Thus, the actual decision to buy or sell a given stock is determined by the market place, i.e., the ratio of values of stock within the index. As the relative values change, the investments from the fund change. Hence no individual or group of individuals are capable of manipulating investments. The legislation bars Board members, the Executive Director and employees from voting proxies owned by the stock index fund.

The investment approach chosen by the conferees is patterned after corporate, state and local government, and the few existing Federal pension funds. Political manipulation is unlikely and would be unlawful.

As to the issue of Congress tampering with the thrift funds, the inherent nature of a thrift plan precludes that possibility. Unlike a defined benefit plan where an employer essentially promises a certain benefit, a thrift plan is an employee savings plan. In other words, the employees own the money. The money, in essence, is held in trust for the employee and managed and invested on the employee's behalf until the employee is eligible to receive it. This arrangement confers upon the employee property and other legal rights to the contributions and their earnings. Whether the money is invested in Government or private securities is immaterial with respect to employee ownership. The employee owns it, and it cannot be tampered with by any entity including Congress.

Drawing parallels between corporate reversions from overfunded pension plans and state legislative initiatives to use state pension monies for certain political purposes is irrelevant in this case. These examples are of funded defined benefit plans where the

monies do not belong to the employees but, rather, are arrangements to fund a statutory or contractual benefit. In this case, the vested moneys of the thrift plan belong to the employees.

Because of the many concerns raised, the conferees spent more time on this issue than any other. Proposals were made to decentralize the investment management and to give employees more choice by permitting them to choose their own financial institution in which to invest. While the conferees applaud the use of IRAs, they find such an approach for an employer-sponsored retirement program inappropriate. In fact, the conferees received advice from the Department of the Treasury that such a plan would not even qualify as an employer-sponsored plan, thus losing its favorable tax treatment.

The conferees concur with the resolution of this issue as discussed in the Senate report (99-166) on this legislation:

As an alternative the committee considered permitting any qualified institution to offer to employee specific investment vehicles. However, the committee rejected that approach for a number of reasons. First, there are literally thousands of qualified institutions who would bombard employees with promotions for their services. The committee concluded that employees would not favor such an approach. Second, few, if any, private employers offer such an arrangement. Third, even qualified institutions go bankrupt occasionally and a substantial portion of an employee's retirement benefit could be wiped out. This is in contrast to the diversified fund approach which could easily survive a few bankrupticies. Fourth, it would be difficult to administer. Fifth, this "retail" or "voucher" approach would give up the economic advantage of this group's wholesale purchasing power derived from its large size, so that employees acting individually would get less for their money.

The conference agreement adopts the Senate amendment provision for phasing employee and employer contributions into the private sector investment options with one change. At the end of the first five-year period employees could invest all of their contributions in any fund. After the 10-year period employees may invest all of the Government contributions in any fund. The conference agreement provides for employees to elect investment vehicles twice each year, simultaneous with the option to change contribution rates. Contributions by individuals under CSRS must be held in the Government Securities Investment Fund.

Federal retirement thrift investment management system

The Senate amendment establishes an off-budget agency called the Federal Retirement Thrift Investment Board to handle the investment and administraiton of the thrift plan. The Board's operations are funded by forfeitures of Government contributions and the invesment income from its investments. Board members are the Chairman of the Federal Reserve Board, the Director of the Office of Personnel Management, the Secretary of the Treasury, and two Presidentially-appointed employee representatives, one from labor and one from a manager organization. The Board sets overall policy, which is administered by an executive director and a support staff. An advisory committee of private sector experts advises the Board on investments and administration while a specially elected employee advisory committee advises in investment decisions and votes the fund's shares in relevant corporate matters. The Secretary of Labor is responsible for enforcing fiduciary responsibilities similiar to those required by ERISA.

The House bill has no comparable provision.

The House committee bill establishes an off-budget agency called the Federal Retirement Investment Board to handle the investment and administration of the thrift plan, which is funded by investment income from its investments. The Board is composed of five members, appointed by the President of four year terms, one of whom is designated as Chairman. One appointment is on recommendation of the Speaker of the House, one on recommendation of the Senate Majority Leader, and the final one upon recommendation of the other four. The Board sets overall policy, which is administered by an executive director and a support staff. The Chairman appoints a 14 member Employee Thrift Advisory Council representing labor, management, women, and retiree organizations. One member is designated by the Chairman as head of the Council and appointments are for four years. The Council advises the Board on investment and administration of the Thrift Savings Fund. The Secretary of Labor is responsible for enforcing fiduciary responsibilities similar to those required by ERISA.

The conference agreement generally adopts the House committee provisions. Board appointees must be confirmed by the Senate with the exception of those appointed for the first term. Unlike most of the rest of the retirement plan, the Thrift Management System is effective upon date of enactment to ensure that the system will be operable when thrift plan participation begins on January 1, 1987. As a result the conference agreement empowers the President to appoint the first panel of Board members for a one year term without Senate confirmation. Subsequent appointments are subject to Senate confirmation. In addition, while the Senate and House will each make a recommendation for appointment, the President need only take such a recommendation into consideration for such an appointment. With regard to advisory groups, the conferees decided that the requirement for Board members and the Executive Director to have substantial expertise in managing financial investments and pension benefit programs would obviate the need for advice from a committee of private sector experts.

SURVIVOR BENEFITS

Preretirement death

The Senate amendment (Option A) provides a preretirement death benefit to a survivor equal to 50 percent of the accrued retirement benefit of the employee subject to applicable early retirement reductions. Option B provides a benefit equal to 50 percent of the unreduced retirement benefits. A minimum benefit is provided under both options, based on 10 years of service. Option B also provides enhanced life insurance until retirement. Benefits are payable to survivors of vested employees who separated prior to death. Benefits vest after 18 months of service.

The House bill has no comparable provision.

The House committee bill provides a benefit equal to 50 percent of the accrued annuity of the employee where Social Security is payable. If Social Security is not payable, the benefit is the lesser of (a) the current CSRS benefit or (b) 50 percent of the accrued annuity, plus a Social Security supplement. Benefits vest after 18 months of service.

The conference agreement provides a surviving spouse a lump sum payment of $15,000 (indexed to CPI) plus one-half of the employee's annual rate of pay or high-3 average pay if higher. The spouse may elect the lump sum to be paid as an annuity or to be paid out over a shorter period. In addition, the surviving spouse receives an annuity equal to 50 percent of the employee's accrued unreduced annuity if the deceased employee had 10 years of service. Benefits vest after 18 months of service. Benefits are payable to survivors of vested employees who separated prior to death.

To the extent practical, the conference agreement reflects survivor benefit practice. Private industry uses a mixture of life insurance and survivor annuities. These coupled with Social Security survivor benefits generally provide adequate benefits. The conferees considered using a combination of insurance and annuities but found this approach would require significant changes in the Federal Employees Group Life Insurance (FEGLI) program. The conferees were not prepared to address significant changes in FEGLI at this time. Instead, the conference agreement approximates private sector insurance practice by providing an option of a lump sum payment. This should improve the ability of survivors to meet the financial demands resulting from the loss of a spouse. As a result of these survivor provisions, basic life insurance coverage may be redundant in some circumstances. The conferees urge the Office of Personnel Management to immediately study the impact of these provisions on FEGLI and recommend appropriate changes to the basic life insurance program.

Postretirement death

Both options under the Senate amendment require a 10 percent "survivor" reduction in the basic annuity to provide post retirement survivor benefits. A joint waiver is required for alternate annuity forms. Under Option A the survivor is entitled to 50 percent of the retiree's annuity, including any early retirement reductions. If the survivor predeceases the annuitant, the survivor reduction is not restored. Under Option B the survivor is entitled to 50 percent of the accrued annuity without early retirement reductions. If the survivor predeceases the annuitant, the survivor reduction is restored.

The House bill has no comparable provision.

The House committee bill requires a survivor reduction equivalent to that required under CSRS. This reduction is made unless the retiree and spouse jointly waive the survivor option. If Social Security is payable, the benefit is equal to 50 percent of the retiree's unreduced annuity. If Social Security is not payable, the benefit is the lesser of (1) the current CSRS benefit or (2) 50 percent of the retiree's unreduced annuity plus a Social Security supplement payable until Social Security eligibility. If the survivor predeceases the annuitant, the survivor reduction is eliminated.

The conference agreement requires a survivor reduction of 10 percent (absent a joint waiver). The remainder of the provisions are adopted from the House committee bill.

Children's benefits

The Senate amendment has no provision.

The House bill has no provision.

The House committee bill provides children's benefits equivalent to those under

the current CSRS offset by any Social Security benefits payable.

The conference agreement adopts the House committee approach.

DISABILITY BENEFITS

The Senate amendment establishes a separate long-term disability (LTD) insurance plan which pays benefits to a disabled employee with at least 18 months of service after the employee has used all sick leave. A totally disabled employee receives 60 percent of average salary offset by 100 percent of the Social Security benefit if any. For an individual who does not meet the Social Security disability definition, but who is disabled for his or her occupation, the benefit decreases to 40 percent of average salary after the first year. The benefit continues until the individual recovers or is converted to the regular retirement rolls. Occupationally disabled individuals are converted at age 55 and the totally disabled at age 62.

Time spent on the disability rolls is credited as service for purposes of the basic retirement benefit formula. In addition, the employee's salary at onset of disability is adjusted upward to the time of conversion. While receiving benefits, individuals are subject to medical examinations and to reviews of earnings. The portion of the disability benefit cost which comes from the LTD plan is paid by agencies to a newly established Federal Employee's Disability Insurance Fund. Benefit payments are made by a third party administrator.

The House bill has no comparable provision.

Under the House committee bill an employee who completes at least 5 years of creditable civilian service and is found by OPM to be unable to perform the duties of such employee's position will be eligible for disability retirement and an annuity. The disability annuity will be equal to the employee's accrued retirement benefit but will be no less than the smaller of (1) 20 percent of the employee's average pay, or (2) an annuity computed under the regular annuity formula after projecting the employee's service to age 60. Disabled employees who are unable to perform the duties of their positions but who do not qualify for benefits under the stricter Social Security definition of disability will be entitled to receive an annuity supplement to make up for the lack of Social Security benefits.

The conference agreement includes provisions from both the Senate amendment and the House Committee bill. Like the House committee bill, the disability benefit will be paid as an annuity from the retirement fund. The conference agreement adopted the Senate provision regarding eligibility for benefits after 18 months of service. The amount of the benefit during the first year is 60 percent of average pay minus 100 percent of any Social Security benefit payable. After the first year, the benefit for the occupationally disabled is 40 percent of average pay. For the totally disabled a 40 percent of average pay disability benefit is offset by 60 percent of the Social Security benefit payable. Total income flowing from both the disability benefit and Social Security will range from approximately 58 percent of average pay for the low income down to 46 percent for the higher income.

At age 62 the annuity is recomputed and the annuitant will receive the lesser of the total disability benefit (regardless of the extent of the disability) or a recomputed retirement benefit. For the retirement recomputation, years spent on disability are counted as years of service and average pay is increased by the cost of living adjustments applicable to disability annuities during the period of disability.

The disability benefit is particularly complex due to the need to coordinate with Social Security benefit computation formulas and disability criteria. The Social Security definition of disability is a very strict definition. Both bills provide and the conferees concur that payment of benefits is warranted where an employee is disabled for his position (occupationally disabled) but does not qualify for Social Security benefits. As a consequence, two categories of disabled employees receive benefits. In both cases a reasonable benefit is necessary, but the benefit payable to the Social Security disabled must take into account the amount of the Social Security benefit to avoid being overly compensated. Thus, one recipient receives a benefit only from the plan while the other receives it from the plan and Social Security.

The tilt to lower-income employees in total disability cases results from the tilt to lower-income employees in the Social Security benefit formula. The offset formula utilized for the totally disabled flattens the tilt somewhat.

Conversion to retirement benefits, if lower, at age 62 is necessary to assure that the disabled person does not receive greater benefits in his retired years than the one who voluntarily retired from active employment. Finally, at the time of conversion, the occupationally disabled individual is deemed to receive the total disability amount for conversion purposes to prevent the occupationally disabled from receiving more in total income than the totally disabled, once old age benefits commerce from Social Security.

TRANSFERS FROM CSRS TO THE FERS

The Senate amendment permits individuals covered by the CSRS, including those covered by both Social Security and CSRS, to elect to join the new plan within one year after the effective date, which is January 1, 1987. Rules which apply in the case of a transfer include:

(1) Service both before and after the transfer counts for eligibility to retire.

(2) Increases in average salary after the transfer apply to benefit computations under both plans.

(3) Survivors benefits come from both plans.

(4) Disability coverage under CSRS stops and the employee gets credit for service before the transfer toward the 18 months needed to become eligible for long term disability benefits under the new plan.

(5) Service before the transfer counts for vesting in the Government's share of contributions to the thrift plan.

(6) Employees who transfer and remain in the new plan for five years are no longer subject to the windfall benefit reduction or the public pension offset rule applying to spouses under the Social Security Act.

The House bill and the House Committee bill have no comparable provision.

The conference agreement adopts the Senate amendment approach, (with the exception of item six above) and permits employees under CSRS to transfer into the new system. Generally, an election to transfer may not be made prior to July 1, 1987, nor after December 31, 1987.

Individuals covered by CSRS only may transfer to the new plan. Those individuals covered by CSRS on December 31, 1983, but who were subsequently covered by Social Security may transfer into the new plan. Those individuals who performed 5 years of civilian service creditable under CSRS, who separated and who later were rehired subject to Social Security may transfer into the new plan during the later of the six-month period following reemployment or the six-month election period described above. Reemployed annuitants retired under CSRS may transfer into the new plan.

Rules applicable to transfer regarding creditability of service, vesting, average pay, and disability benefits are essentially the same as under the Senate amendment. New rules include:

(1) Military service performed before the effective date of the transfer generally is not creditable under FERS except in determining eligibility for benefits.

(2) Cost-of-living adjustments for the portion of the annuity earned before the transfer will be under the CSRS formula; the portion earned after the transfer will be under the FERS formula. COLAs for children's benefits will be under the FERS formula.

(3) Sick leave credited as service for benefit computation purposes under CSRS will be the number of days credited at the time of transfer or the date if retirement, whichever is less.

(4) A supplement for retirees with 30 years of service who are between age 55 and 62 is computed on service after the date of the transfer.

(5) A transfer election is effective with the first pay period beginning after the date of election and is irrevocable.

(6) An individual who elects to transfer and who has a former spouse entitled to CSRS benefits based on a court order or court-approved property settlement must have the written consent of the former spouse before the election can be effective.

(7) Service in CSRS is counted for purposes of survivor benefits under FERS. Survivor benefits are paid only under FERS.

The conferees agreed that individuals with at least 5 years creditable service in CSRS who return after more than a one year break in service should retain entitlement to CSRS benefits unless they elect to be covered by FERS benefits.

Finally, the conference agreement provides that anyone who transfers into the new plan will be covered by Social Security prospectively.

INTERIM EMPLOYEES

The Senate amendment provides that individuals hired or rehired after 1983 and who were covered by the Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 receive service credit in the new plan beginning on the date of such hiring or rehiring. CSRS retirement contributions made by these individuals, together with a Government contribution and interest on both, are used to establish a thrift savings account for the individual.

The House bill has no comparable provision.

The House committee bill provides that (1) individuals covered by both CSRS and Social Security, and (2) individuals reemployed after more than a one year break in service who have at least five years of civilian service covered by CSRS are credited under the CSRS with covered interim service without additional deposit requirements. These individuals remain under revised CSRS benefit and contribution formulas.

Employees hired during the interim period or rehired with less than 5 years service are given service credit in the new plan for all service under CSRS or the inter-

im system, without regard to deposit requirements.

The conference agreement essentially adopts the provisions of the House committee bill relating to individuals covered by both CSRS and Social Security and those individuals vested in CSRS and rehired during the interim period. They remain under CSRS under revised benefit and contribution formulas. Those employees hired during the interim period or rehired with less than 5 years civilian service are given service credit in the new plan but an appropriate deposit is required if that service is not covered by contributions. In addition, the Government will deposit in the Thrift Savings Fund on behalf of those employees 1 percent of basic pay paid during periods of employment under the interim system (with interest).

TREATMENT OF CERTAIN INDIVIDUALS COVERED UNDER CSRS AND SOCIAL SECURITY

The Senate amendment provides that individuals employed continuously since December 31, 1983, who were covered by Social Security, retain coverage under CSRS under a revised formula. These employees include Members of Congress and political appointees at the Senior Executive Service level and above.

The House committee bill provided similar treatment for those employees covered by the Senate amendment as well as employees rehired subject to Social Security who were vested in CSRS.

The conference agreement adopts the House provisions. The affected employees will be covered under both CSRS and Social Security. They will pay the full OASDI tax and a reduced contribution to the Civil Service Retirement Fund. The reduced contribution will be an amount equal to the difference between the full CSRS contribution applicable to the covered employee and OASDI tax.

These employees will be entitled to full Social Security benefits and a reduced Civil Service annuity. The Civil Service annuity will be reduced by the amount of the Social Security benefit attributable to Federal service.

Service during the interim period is creditable in the same manner. Employees who contributed the full CSRS amount during the interim period will be refunded the difference between the amount they contributed and the offset amount. Those employees who were permitted to make full contributions to both plans may continue to do so, thereby avoiding the offset provisions.

EXTENSION OF FEDERAL EMPLOYEES' RETIREMENT CONTRIBUTION TEMPORARY ADJUSTMENT ACT OF 1983

The Senate amendment extends the provisions of the Act until January 1, 1987, thereby extending the interim retirement system until that date.

Neither the House bill nor the House committee bill has a comparable provision.

The Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983, as enacted, was to expire on December 31, 1985. Its life was extended until April 30, 1986, by section 147 of Public Law 99-190. The Act did expire on April 30 thereby requiring increased retirement contributions by those Federal employees subject to Social Security.

The conference agreement retroactively extends the Act from April 30, 1986, until December 31, 1986, at which time the new Federal Employees' Retirement System takes effect. It further authorizes refunds of excess retirement contributions required between April 30, 1986, and the date of the enactment of the conference agreement.

AUTHORIZATION, APPLICATION, AND EFFECTIVE DATES

The Senate amendment provides for payment of the fiscal year 1986 and 1987 expenses of the Federal Retirement Thrift Investment Board for appropriations, authorizes a $1 million appropriation for OPM to perform required informational activities, and makes the FERS effective Janaury 1, 1987, except for the thrift management system, which is effective on date of enactment, and the thrift loan program, which must be established by January 1, 1988.

The House bill has no comparable provision.

The House committee bill has provisions comparable to the Senate amendment regarding payment of thrift fund administrative start up costs and effective dates. It does not authorize an appropriation for informational activities. It provides that for purposes of the first cost-of-living adjustment under the new retirement system, the base quarter ending on September 30, 1986, shall be considered to have been the base quarter for a year in which a cost-of-living adjustment under such system was made.

The conference agreement adopts the House committee bill provisions.

DISCLOSURE OF RETURN INFORMATION

Under current law, section 6103 of the Internal Revenue Code provides that income tax returns and return information shall be confidential except for certain limited cases specifically set forth in that section.

The Senate amendment provides that the Office of Personnel Management shall have access to any information in the possession of any government agency that is necessary for administration of the retirement system.

The conference agreement provides that the Commissioner of Social Security will disclose to the Office of Personnel Management return information concerning net earnings from self-employment, wages, and payments of retirement income that have been disclosed to the Social Security Administration (SSA) under IRC section 6103. Only that information which is strictly necessary for the administration of the retirement system as provided in chapters 83 and 84 of title 5, United States Code may be disclosed under this section, and only according to written agreement between SSA and OPM, with such consultation with the Department of the Treasury as may be necessary.

The conference agreement also provides for reimbursement to the Social Security Administration (through the Department of Health and Human Services) for the costs of providing return information, as well as for the costs of providing any other information, such as hypothetical benefit computations, that may be required under agreements between Social Security Administration and the Office of Personnel Management.

FOREIGN SERVICE RETIREMENT

Title IV of the bill establishes a Foreign Service Pension System (FSPS) to provide retirement benefits for members of the Foreign Service appointed after 1983. FSPS parallels the Federal Employees' Retirement System (FERS) established by Title I of the bill for newly appointed Civil Service employees.

Members of the Foreign Service who are or who become participants in FSPS are made subject to all the provisions in chapter 84 of title 5, United States Code. Code (FERS) unless specifically provided otherwise in title IV of the bill. Different treatment for the Foreign Service is provided to permit continued operation of its special personnel system with its up-or-out and rank-in person rather than rank-in-position features and continued administration of the system by the Secretary of State. The special features incorpated in the FSPS are comparable to the special features in the FERS for personnel also eligible for age 50 retirement such as law enforcement, firefighter and air traffic controller personnel.

SENATE AMENDMENT

The Senate amendment established a Foreign Service Pension System (FSPS). The new System would provide retirement benefits for members appointed after 1983, and is very similar to the Federal Employees' Retirement System (FERS) established by the bill for new appointees in the Civil Service after 1983. All Foreign Service members who become participants in the FSPS would be subject to all provisions of the comparable FERS unless specifically provided otherwise by law. All the exceptions are stated in the Senate amendment.

The Foreign Service (FS) has always had its own retirement system separate from the Civil Service Retirement System. The basic reason for this is that the FS needs special provisions for early retirement to permit operation of its up-or-out personnel system. A number of FS members are mandatorily retired every year to permit advancement of the more competitive and most able personnel. This system was endorsed and expanded by the Foreign Service Act of 1980. The special provisions are also necessary to permit the early retirement of members who, for various reasons, are no longer able to serve abroad after completing a career in dangerous and difficult environments.

The FSPS proposed in the Senate amendment would preserve the early retirement and other special features needed by the FS. It would permit members to retire voluntarily at age 50 with 20 or more years of service with the same benefit as provided for special category personnel such as law enforcement, firefighter, and air traffic controller personnel. The system would permit FS members who are retired mandatorily at an early age to receive the "mid-tier" benefit based on high-5 salary without penalty for early retirement. The third basic special provision would provide an annuity supplement equivalent to a Social Security benefit from the date of retirement to age 62 when the annuitant would be eligible for the actual Social Security benefit. This annuity supplement would be based on all creditable service.

A detailed analysis of the Senate amendment follows:

Title V of the Senate amendment consisted of 7 sections:

Section 501 amends chapter 8 of the FSA of 1980 which contains the authority for the existing Foreign Service Retirement and Disability System (FSRDS), to designate the existing portion as "Subchapter I" and to make conforming amendments to change the word "chapter" wherever it appears in chapter 8 to "subchapter", and "act" to "subchapter" in certain cases.

Section 502 amends section 805 of the Foreign Service Act of 1908, relating to deductions from a participant's pay for Foreign Service Retirement and Disability System (FSRDS) coverage. An employee who was

covered by the FSRDS on December 31, 1983, and who was subsequently covered by Social Security will continue in the FSRDS at a reduced contribution. The contribution to FSRDS will be equal to the excess of the employee's normal FSRDS contribution over the OASDI portion of the Social Security tax.

Section 503 amends section 806 to require that annuities of retirees and survivors under the current FSRDS who are entitled to Social Security benefits for Federal service have their annuities reduced at age 62 in a manner comparable to the amendment to 5 U.S.C. 8339(o) made by the Senate amendment.

Section 504 amends existing section 823 which deals with retirement benefits of retired FS members who are recalled to active duty. The amendment provides that members who are recalled in the future and whose recall service comes under the new FS Pension System will receive the same benefits as reemployed annuitants.

Section 505 restates existing section 834 which concerns reemployed annuitants. The FS has long had a distinctive rule on reemployed annuitants to permit use of retired members who are uniquely qualified to perform certain essential tasks. This amendment recognizes that some reemployed annuitants will have an annuity under both the new and old systems. It also recognizes that it would be difficult or inappropriate to recompute a FS annuity following employment under the new Federal Employees' Retirement System. Accordingly, the amendment proposes, in such situations, to provide an additional annuity computed under Subchapter B, based on salary and service during reemployment in lieu of recomputation. Section 506 amends section 827 to extend the existing "Executive Order" procedure for maintaining conformity between the CS and FS retirement systems to the new FERS and FSPS.

Section 507 is the major substantive amendment. It establishes as subchapter II of chapter 8 of the Foreign Service Act of 1980, the FSPS. Section 851 of the new subchapter provides that participants in the new FSPS shall be subject to all provisions in chapter 84 of title 5, United States Code governing FERS except where otherwise specifically provided by law.

Section 852 provides definitions of the following terms: Annuity, dynamic assumption, Fund, normal cost, participant, supplemental liability, and System.

Section 853 provides that all members of the FS whose service after 1983 brings them under Social Security and who would, save for this section, be participants in the FSRDS, shall be participants in the FSPS.

Section 854 provides special rules governing entitlement to annuity under FSPS. Any entitlement or requirement not mentioned here would automatically, pursuant to section 851, be governed by chapter 84 of title 5, United States Code.

Subsection 854(a) provides that members retiring voluntarily or mandatorily under the conditions of existing sections 607, 608, 811 or 813 receive an annuity computed under proposed new section 8413 applicable to "special category" personnel in the Civil Service.

Subsection 854(b) provides that those retired under subsection (a) above, will be entitled to an annuity supplement from the effective date of retirement to age 62 based on total creditable service of the member and computed under section 8413(b) of title 5.

Subsection 854(c) makes participants in the new system subject to existing provisions for voluntary and mandatory retirement of existing sections 811, 812 and 813.

Subsection 854(d) carries forward to the new system the provision denying pension benefits to a member separated on grounds of disloyalty to the United States.

Section 855 along with the definition of "Fund" in section 852 provide that all monies to finance the System shall be paid into the exsiting Foreign Service Retirement Fund and benefits paid out of that fund. Financing arrangements would exactly parallel those for the FERS, except that the Department of Treasury would provide actuarial services for the FSPS, as at present with respect to the FSRDS.

Section 856 provides that the Secretary of State in consultation with the Medical Director of the Foreign Service, rather than an administrator of benefits under chapter 84, of title 5, United States Code, shall make determinations of disability as affected by fitness for overseas service for purposes of subchapter V of such chapter 84.

Section 857 provides that the Secretary of State shall administer the FSPS exclusive of matters pertaining to Disability and the Thrift Savings Plan. These would be administered in accordance with subchapters II, V and VIII, chapter 84 of title 5, United States Code, except as provided in section 856, as explained above.

Section 858 provides for transition from the old system to the new. The transition provisions are comparable to those applicable to CSRS employees.

Section 859 provides that references in certain paragraphs of the Senate amendment to participation in the Federal Employees' Retirement System shall be deemed to include participation in the Foreign Service Pension system.

CONFERENCE AGREEMENT

Title IV of the conference agreement follows the Senate amendment with minor or conforming changes except that provisions under title I relating to law enforcement officers are generally applicable and except as noted below:

Definition of court

Section 403 of the conference agreement revises the definition of "court" in the Foreign Service Act to make it comparable to the definition added to chapter 83 of title 5 by P.L. 98-615. The revised definition permits the recognition of orders by territorial and Indian courts affecting the payment of retirement and survivor benefits to former spouses.

18-month period to elect survivor annuity

Section 407 of the conference agreement amends the Foreign Service Act to grant annuitants under the existing Foreign Service Retirement and Disability System an 18-month grace period to elect or increase a survivor benefit for a spouse to whom married at retirement. This amendment is comparable to an amendment of chapter 83 of title 5 by P.L. 99-251.

Alternate forms of annuities

Section 408 of the conference agreement amends the Foreign Service Act to provide participants in the existing Foreign Service Retirement and Disability System alternate forms of annuities actuarially equivalent to whole life annuities now provided. This amendment is comparable to the amendment to chapter 83 of title 5 made by section 204 of the conference agreement.

Moderation of remarriage penalty

Section 412 of the conference agreement amends the Foreign Service Act retroactively to November 8, 1984 to moderate the remarriage penalty affecting former spouses, surviving spouses and former spouses of members of the Foreign Service. The amendment permits continuation of benefits or retention of entitlement to benefits if a remarriage occurs on or after age 55 rather than age 60 as at present. The amendment is comparable to the amendment made to chapter 83 of title 5 by P.L. 98-615 effective November 8, 1984.

Former spouses

Sections 861 and 862 being added to the Foreign Service Act by section 415 of the conference agreement as a part of the new Foreign Service Pension System conform that System with existing provisions on former spouses added to the Foreign Service Retirement and Disabilities System by the landmark Foreign Service Act of 1980. These sections do two basic things: first, with respect to certain former spouses, section 861 mandates a pro-rata share division of retirement and survivor benefits when a different distribution has not been ordered or approved by a court or agreed to by the parties. Secondly, section 862 authorizes a participant in the new System to "contract" with his or her spouse or former spouse on a mutually agreed upon distribution of benefits under the System. The purpose of section 862 is to allow the parties to arrange for a mutually agreed upon distribution of retirement benefits without going to court.

Section 861 would apply only to a former spouse married to a participant during 10 years of creditable service with at least 5 of those years occurring while the participant was an active member of the Foreign Service. This is comparable to the 10-year marriage requirement now in chapter 8 of the Foreign Service Act. Distributions under the Foreign Service Pension System to former spouses other than pro-rata share distributions under section 861 will be governed by provisions in chapter 84 of title 5 applicable to former spouses of employees under the Federal Employees' Retirement System. Those benefits will be available to former spouses as defined in that chapter: married 9 months to an individual with 18 months of civilian service credit.

Subsection 861(d) covers the situation where a member becomes entitled to benefits under both the Foreign Service Retirement and Disability System and the Foreign Service Pension System and has a former spouse at the time of transfer to the latter System. In the common situation where benefits are apportioned pursuant to a court order or spousal agreement, the intent may be to provide a pro-rata share distribution but the language of the instrument may base the share on length of the marriage during service creditable only under the Retirement System, and not under the Pension System. This will provide an especially large share of the Retirement System benefits. If such an order or spousal agreement is not amended, it would not be fair to provide, under this section, an additional pro-rata share of pension system benefits to the former spouse. The purpose of subsection (d) is to prohibit this possibility.

Similarly, in the case where a former spouse is entitled to a pro-rata share of Retirement System benefits based on years married during the entire Government career, it would be unfair not to provide the former spouse the same share of Pension System benefits. Subsection (d) serves this purpose. A related amendment is made to existing sections of the Act by section 404 of

the conference agreement. The purpose is to assure that two former spouses married for the same period to members who have identical careers, one of whom transfers to the new Pension System and the other remains under the old Retirement System, will each receive the same share of benefits under this chapter, if payments are based on pro rata share distributions.

CENTRAL INTELLIGENCE AGENCY RETIREMENT

Title V of the conference agreeement addresses federal employee retirement benefits for officers and employees of the Central Intelligence Agency (CIA). One section of Title V also addresses a related matter involving very limited numbers of National Security Agency (NSA) employees and Defense Intelligence Agency (DIA) employees.

After enactment of the Federal Employees' Retirement System Act of 1986, employees of the Central Intelligence Agency will generally fall into four basic categories, each with differing retirement benefits and obligations:

(1) *CSRS participants.*—Most Central Intelligence Agency employees whose federal service began before December 31, 1983 participate in the Civil Service Retirement System maintained under subchapter III of chapter 83 of title 5, United States Code. These CIA employees enjoy the same benefits as federal employees in other agencies who participate in the Civil Service Retirement System.

(2) *CIARDS participants.*—In 1964, Congress enacted the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (50 U.S.C. 403 note) to establish a CIA Retirement and Disability System (CIARDS) for CIA employees whose duties are "(i) in support of Agency activities abroad hazardous to life or health or (ii) so specialized because of security requirements as to be clearly distinguishable from normal government employment" (Sec. 203 CIA, Retirement Act). The CIA employees participating in the CIARDS receive retirement benefits superior to those provided generally by the CSRS, benefitting in particular from a higher annual pension accrual rate and an option for early retirement. The group of CIARDS participants will consist of CIA employees whose federal service began prior to December 31, 1983 who are, or who will become eligible (whether before, on or after December 31, 1983), to participate in CIARDS in accordance with the CIA Retirement Act and implementing regulations.

(3) *FERS regular participants.*—Central Intelligence Agency employees whose federal service began after December 31, 1983 will participate in the Federal Employees' Retirement System (FERS) established under the new chapter 84 of title 5, United States Code. Unless they fall within the special category of CIA employees who qualify for FERS treatment equivalent to that accorded law enforcement officers, the CIA employees covered by the FERS will incur the same obligations and receive the same benefits as do most federal employees covered by the FERS.

(4) *FERS section 203 criteria participants.*—The CIA employees whose federal service began after December 31, 1983 (and who therefore participate in the FERS) and who meet the criteria prescribed under section 203 of the CIA Retirement Act, namely that their CIA duties are "(i) in support of Agency activities abroad hazardous to life or health or (ii) so specialized because of security requirements as to be clearly distinguishable from normal government employment," will incur the same obligations and receive the same benefits as do federal employees covered by the FERS who are law enforcement officers. The FERS accords preferential benefits to law enforcement officers in comparison to most other types of federal employees, and thus CIA's FERS section 203 criteria participants will receive preferential benefits in comparison to CIA FERS regular participants.

The conferees agreed that, to improve the security of intelligence sources, methods and activities, the CIA should administer all federal retirement systems as they apply to CIA officers and employees. The conference agreement provides for such CIA administration. Providing for CIA administration of retirement systems as they apply to CIA employees reduces unnecessary dissemination within the government of intelligence personnel information, improving security. The administration of the retirement systems by CIA as to CIA employees will not differ substantively from OPM administration of such systems with respect to other federal employees. The benefits and obligations of CIA employees and non-CIA employees within a retirement system will not differ; only the agencies administering the sytem as to those employees will differ. As a result of provisions of the conference agreement providing for CIA administration of the CSRS and the FERS with respect to CIA employees, all aspects of retirement system administration with regard to CIA employees will remain completely within the CIA, except for Merit Systems Protection Board and federal court review of certain adverse retirement decisions made by the DCI with respect to CIA CSRS and regular FERS employees. The conferees expect the MSPB and the federal courts to conduct such proceedings in a manner consistent with the protection of intelligence sources, methods and activities. The conferees also expect close cooperation among OPM, the Executive Director of the Thrift Investment Board, and the DCI to ensure both uniform administration of federal retirement systems and the protection of intelligence sources, method and activities, particularly as the conference agreement provides for OPM and Executive Director, Thrift Investment Board inspection and audit of CIA-related disbursements from the Civil Service Retirement and Disability Fund and the Thrift Savings Plan.

The DCI must submit all retirement regulations he issues to the intelligence committees of the Congress before the regulations take effect.

SECTION-BY-SECTION EXPLANATION

Title V of the conference agreement addresses Central Intelligence Agency retirement and related matters. Title V consists of sections 501 through 506 amending the Central Intelligence Agency Retirement Act of 1964 for Certain Employees and title 5 of the United States Code and section 507 making related changes.

Section 501: References

Section 501 of the conference agreement amends the CIA Retirement Act of 1964.

Section 501(1) amends section 201(c) of the CIA Retirement Act to make clear that the provisions of section 201(c), which provide for the finality and unreviewability of DCI administration of the CIA Retirement Act, do not override the provision of section 305(d) of the CIA Retirement Act (added by section 506 of the conference agreement) which permits CIA regular FERS employees to appeal certain adverse retirement determinations made by the DCI to the Merit Systems Protection Board and the federal courts in accordance with section 8461(e) of title 5 (as added by section 101 of the conference agreement).

Section 501(2) replaces the phrase "this Act" each place it appears in Title II of the CIA Retirement Act with the phrase "this title" (except in two specified sections), which is necessitated by the addition of a new Title III to the CIA Retirement Act by section 506 of the conference agreement.

Section 501(3) inserts the phrase "under this title" in Title II of the CIA Retirement Act after the phrase "payable from the fund" (meaning the CIA Retirement and Disability Fund) each place it appears in the title, which is necessitated by the addition of a new Title III to the CIA Retirement Act by section 506 of the conference agreement.

Section 502: Contributions to the CIA retirement and disability system

Section 502 of the conference agreement amends section 211 of the CIA Retirement Act of 1964.

Section 502(1) amends section 211 of the CIA Retirement Act to provide for an exception from the CIARDS contribution requirement of seven percent of basic salary contained in section 211(a) for participants described in new section 211(d) of the CIA Retirement Act as added by section 502(2) of the conference agreement.

Section 502(2) adds to section 211 of the CIA Retirement Act a new subsection (d) providing for contributions to the CIA Retirement and Disability Fund by CIARDS participants subject to title II of the CIA Retirement Act before January 1, 1984, whose service is employment for purposes of Title II of the Social Security Act and the social security tax provisions of the Internal Revenue Code but whose service is not creditable service under the new Federal Employee Retirement System. Such individuals would be CIARDS annuitants (who were participants before January 1, 1984) who are recalled to service after a one year break in service, political appointees, or individuals described in section 301(c)(1) of the CIA Retirement Act. The conferees intend that this provision not apply to any individuals other than individuals who fall within one of these categories. The contribution due to the CIA Retirement and Disability Fund from such an individual is equal to seven percent of basic pay, less the amount of social security taxes deducted and withheld from basic pay.

Section 503: Offset of annuity by amount of social security benefits

Section 503 of the conference agreement amends section 221 of the CIA Retirement Act of 1964 by adding a new section 221(p). Section 221(p) provides that the annuity payable under CIARDS to an individual described in section 301(c)(1) of the CIA Retirement Act (as added by section 506 of the conference agreement) shall be offset by the amount of the individual's Social Security benefits, in the manner provided by section 8349 of title 5, United States Code (as added by section 201(b) of the conference agreement). An individual described in section 301(c)(1) of the CIA Retirement Act is one who separates, or has separated, from federal service after having been a CIA employee subject to CIARDS and having completed at least 5 years of civilian service creditable under CIARDS. The social securi-

ty offset under subsection 221(p) does not apply to the annuity of an individual described in section 301(c)(1) who has elected to participate in the new FERS.

Section 504: Thrift Savings Fund participation by participants in the CIARDS

Section 504 of the conference agreement adds a new section 293 to the CIA Retirement Act of 1964. Section 293 permits CIARDS participants to remain in CIARDS and to elect to participate in the Thrift Savings Plan on the same basis as CSRS participants may remain in the CSRS and elect to participate in the Thrift Savings Plan under section 8351 of title 5, United States Code (as added by the conference agreement). Sections 8461 (k) and (m) of title 5, United States Code (as added by the conference agreement) apply with respect to contributions to the Thrift Savings Plan, and resultant earnings, by CIA employees who have elected, while remaining in the CIARDS or the CSRS, to participate in the Thrift Savings Plan. This ensures that the DCI will handle all administration with respect to CIARDS and CSRS participants who have elected to participate in the Thrift Savings Plan.

Section 505: Alternative forms of annuities

Section 505 of the conference agreement add a new section 294 to the CIA Retirement Act of 1964 to authorize the DCI to provide by regulation for alternative forms of annuities for CIARDS participants to elect upon retirement. To the maximum extent practicable, the regulations and the alternative forms of annuities must beat the requirements prescribed in section 8343a of title 5, United States Code (as added by the conference agreement). The DCI must submit the regulations to the intelligence committees of the Congress before they take effect.

Section 506: Participation in the Federal Employees' Retirement System

Section 506 of the conference agreement enacts a new Title III of the CIA Retirement Act of 1964 for Certain Employees, consisting of sections 301–307.

Section 301 of the CIA Retirement Act provides for application to certain CIA employees of the Federal Employee Retirement System established under chapter 84 of title 5, United States Code (as added by section 101 of the conference agreement).

Section 301(a) provides that the FERS applies to all Agency personnel any of whose service after December 31, 1983 is employment for purposes of Title II of the Social Security Act and the social security tax provisions of the Internal Revenue Code, except as provided in subsections 301 (b) and (c).

Section 301(b) provides that CIARDS participants who were CIARDS participants on or before December 31, 1983, and who have not had a one year break in service then, are not subject to the FERS, without regard to whether they are subject to Title II of the Social Security Act.

Section 301(c) provides that the FERS does not apply to an individual who separates, or has separated, from federal service after having been a CIA employee subject to CIARDS and having completed at least 5 years of civilian service creditable under CIARDS, unless the individual elects to become subject to the FERS.

Section 301(d) provides that the provisions of chapter 84 of title 5 (as added by section 101 of the conference agreement), which establishes the FERS, apply to CIA employees covered by the FERS, subject to any exceptions and special rules provided in Title III of the CIA Retirement Act with respect to such CIA employees.

Section 302 of the CIA Retirement Act provides special rules for CIA FERS section 203 criteria employees.

Section 302(a) provides that CIA employees subject to the FERS who are designated by the DCI under the criteria prescribed in section 203 of the CIA Retirement Act shall be treated for purposes of their retirement benefits and obligations under the FERS as if they were law enforcement officers as defined in section 8401(17) of title 5, United States Code (as added by section 101 of the conference agreement). The conferees emphasize that CIA personnel are not law enforcement officers, and indeed, are prohibited by section 102(d)(3) of the National Security Act from exercising law enforcement powers (except for CIA Security Protection Service personnel who have law enforcement powers under section 15 of the CIA Act of 1949 within CIA installations). The CIA FERS section 203 criteria employees are merely to be treated as if they were law enforcement officers for purposes of determining their FERS retirement benefits and obligations. The criteria of section 203 of the CIA Retirement Act to which the section refers permit designation of CIA FERS employees for retirement treatment equivalent to law enforcement officers if the CIA employees' duties are "(i) in support of Agency activities abroad hazardous to life or health or (ii) so specialized because of security requirements as to be clearly distinguishable from normal government employment."

Section 302(b) provides that the voluntary retirement provisions applicable to CIARDS participants under section 233 of the CIA Retirement Act also apply to CIA FERS section 203 criteria employees and that the mandatory retirement provisions applicable to CIARDS participants under section 235 of the CIA Retirement Act also apply to CIA FERS section 203 criteria employees, except that the applicable retirement benefits are those specified for such special category employees under the FERS in chapter 84 of title 5, United States Code. Section 233 of the CIA Retirement Act permits voluntary retirement by an employee who is at least 50 years of age and has rendered 20 years of service provided the employee has not less than ten years of Agency service, of which at least five years shall have been service after designation, or shall have been service prior to designation consisting of duties meeting the criteria prescribed in section 203 of the CIA Retirement Act. Section 235 of the CIA Retirement Act permits mandatory retirement of a designated employee who has completed at least 25 years of service, or who has completed 20 years of service and is at least 50 years of age, provided such employee has not less than ten years of Agency service, of which at least five years shall have been service after designation, or shall have been service prior to designation consisting of duties meeting the criteria prescribed in section 203 of the CIA Retirement Act. Section 235 also provides for automatic separation from the Agency at age 60 of a section 203-designated Agency employee receiving compensation at less than the GS-18 level and for automatic separation of such an employee at age 65 if such employee is receiving compensation at the GS-18 level or above, subject to extensions by up to a total of five years by the DCI when it is in the public interest. A section 203-designated Agency employee who is automatically separated at age 60 or 65 receives retirement benefits under the applicable retirement system if the employee has completed five years of Agency service.

Section 302(c) provides that the recall provisions applicable to CIARDS participants under section 271 of the CIA Retirement Act also apply to CIA FERS section 203 criteria employees, except that a CIA FERS section 203 criteria employee make contributions during recall service as provided in section 8422 of title 5, United States Code (as added by section 101 of the conference agreement). When a CIA FERS section 203 criteria employee recalled to service subsequently reverts to a retired status, his FERS annuity is redetermined.

Section 303 provides a special rule for use in determining the FERS annuity of a retiring CIA employee who is not a FERS section 203 criteria employee and who has served outside the United States during his Agency service. The portion of such annuity relating to service abroad performed by such employee after the effective date of the Federal Employees' Retirement System Act of 1986 is based on the higher accrual rate set forth in section 8415(d) of title 5, United States Code (as added by section 101 of the conference agreement), while the portion of the annuity of such employee relating to other service is based on the normal FERS accrual rate applicable to that employee's other service. The conferees provided the accrual rate increase for periods of service abroad for regular CIA FERS employees because such employees, during their service abroad, perform work substantially similar to that of FERS section 203 criterial employees, and should thus enjoy equivalent pension accrual rights during that period as a matter of equity.

Section 304 provides special rules relating to certain former spouses of certain CIA personnel. The conferees' intention is to perserve the existing regime of benefits for former spouses of CIA personnel, subject to necessary technical changes. The term "former spouse" as defined in the CIA Retirement Act (section 204(b)(4)) incorporates the requirement, applicable throughout the new Title III of the CIA Retirement Act that, to be considered a "former spouse," the former wife or husband of a CIA employee must have been married to the CIA employee for not less than 10 years of Agency service, at least 5 years of which were spent outside the United States by both the employee and the spouse (the "10/5 requirement"). As a result of section 304, CIA FERS employees' former spouses, who meet the 10/5 requirement, receive former spouses benefits analogous to those received by CIA CIARDS and CSRS employees' former spouses who met the 10/5 requirement. Throughout the discussion below of this section, unless the context indicates otherwise, the term "former spouse" when used in reference to a CIA employee's former spouse, means only a former wife or husband who satisfies the 10/5 requirement.

Section 304(a) provides that the former spouse provisions in chapter 84 of title 5, United States Code (as added by section 101 of the conference agreement) do not apply to a CIA FERS employee who has a former spouse meeting the 10/5 requirement. Instead, the special rules provided in section 304 apply to such an employee and former spouse. For a CIA FERS employee whose former spouse did not meet the 10/5 requirement, the normal former spouses provisions of chapter 84 of title 5 (as added by

section 101 of the conference agreement) would apply.

Section 304(b) provides that the provision in section 221(b)(1)(C) of the CIA Retirement Act for a joint employee/former spouse waiver of a survivor annuity by spousal agreement applies with respect to the survivor annuity for a CIA FERS employee's former spouse under section 304(c)(2).

Section 304(c) provides that certain specified provisions of the CIA Retirement Act of 1964 relating to CIA CIARDS employees apply equally to CIA FERS employees with respect to former spouses. The specified provisions made applicable deal with computation of annuities for former spouses, election of survivor benefits for former spouses, sharing of discontinued service (i.e., lump sum) benefits with former spouses, and the effect of payments under spousal agreements or court orders.

Section 304(d) provides technical special rules with respect to computation of annuities for CIA FERS employees' spouses in accordance with section 222(a) of the CIA Retirement Act as made applicable by subsection 304(c). The special rules are necessary to take account of the recall and reemployment situations of CIA FERS employees and to take account that CIA FERS employees' contributions belong in the Civil Service Retirement and Disability Fund rather than the CIA Retirement and Disability fund to which CIA CIARDS participants contribute.

Section 304(e) provides special rules relating to the survivor annuities of CIA FERS employees' former spouses under subsections (b) and (c) of section 222 of the CIA Retirement Act as made applicable by section 304(c). The special rules adjust the application of the CIA Retirement Act provisions made applicable to CIA FERS former spouses provisions in light of the former spouses provisions of chapter 84 of title 5, United States Code (as added by section 101 of the conference agreement) with respect to percentage of employee annuity used in calculating former spouse survivor benefits, the employee annuity base used in such calculation, survivor annuity election, aggregation of multiple survivor annuities, and employee contributions to fund elected survivor annuities.

Section 304(f) provides for computation of the reduction of a CIA FERS employee's annuity to provide survivor annuities in the manner provided by section 8419(a) of title 5, United States Code (as added by section 101 of the conference agreement).

Section 304(g) provides that the entitlement of a retired CIA FERS employee's former spouse to a portion of the employee's annuity extends to any annuity supplement the employee receives under section 8421 of title 5, United States Code (as added by section 101 of the conference agreement).

Section 305 provides that section 201(c) of the CIA Retirement Act, which provides for the finality and unreviewability of DCI administration of the CIA Retirement Act, applies to administration of FERS by the CIA with respect to CIA employees, except that regular CIA FERS employees may appeal certain adverse retirement decisions made by the DCI to the Merit Systems Protection Board and the federal courts as provided in section 8461(e) of title 5, United States Code (as added by section 101 of the conference agreement). Subsection 8347(n) of title 5, United States Code (as amended by the conference agreement) contains a provision similar with respect to finality and unreviewability of DCI administration of the CSRS with respect to CIA employees and similar with respect to appeals of certain DCI decisions by CIA CSRS employees.

Section 306 authorizes the DCI to prescribe in regulations (in consultation with the Director, OPM and the Executive Director of the Thrift Investment Board) appropriate procedures to carry out Title III of the CIA Retirement Act. The DCI must submit the regulations to the intelligence committees of the Congress before the regulations takes effect.

Section 307 authorizes the DCI to provide by regulation for the transition from CIARDS to FERS for CIARDS participants electing to participate in the FERS. Section 307 gives CIA CIARDS employees the same opportunity to elect to participate in the FERS as CIA CSRS employees enjoy under title III of the Federal Employee's Retirement System Act of 1986. The DCI must submit the regulations implementing section 307 to the intelligence committees of the Congress before the regulations take effect.

Section 507: Special retirement accrual for other intelligence personnel

Section 507 extends, to a limited number of civilian employees of the National Security Agency and the Defense Intelligence Agency covered by the CSRS and the FERS, the special retirement accrual benefit provided to CIA regular FERS employee for periods of overseas service by section 303 of the CIA Retirement Act (as added by section 506 of the conference agreement). The conferees concluded that NAS and DIA civilian employees within the groups covered by section 9(b)(1)(B) of the NSA Act of 1959 and section 1605(a) of Title 10, United States Code merit treatment equivalent to that afforded CIA regular FERS employees for periods of service abroad because of the nature of their intelligence duties.

ADMINISTRATION OF CSRS AND FERS FOR EMPLOYEES OF THE CIA

Section 206(i) of the conference agreement amends section 8347 of title 5, United States Code, to add a new subsection 8347(n) to provide for CIA administration of the Civil Service Retirement System as it applies to CIA employees. Section 8347(n) provides for CIA administration of the CSRS as it applies to CIA employees in the same way as section 8461 of title 5, United States Code (as amended by the conference agreement) provides for CIA administration of the FERS as it applies to CIA employees. The conferees concluded that CIA administration with respect to CIA employees of all retirement systems applicable to CIA employees forms an essential part of efforts to improve the protection afforded to intelligence sources, methods and activities.

These provisions (sections 8347 and 8461) provide that the Director of Central Intelligence may, consistent with the administration of CSRS and FERS by the Office of Personnel Management and the Executive Director of the Federal Retirement Thrift Investment Board and to the extent the DCI considers appropriate, administer CSRS and FERS retirement provisions as they apply to CIA personnel. In addition the DCI may, to the extent he considers appropriate, perform with respect to CIA personnel the functions and duties (including with respect to disbursements from the Civil Service Retirement Fund or the Thrift Savings Plan, but not including Thrift Savings Plan investment decisions) of the Director, OPM or the Executive Director, Thrift Investment Board under subchapter III of chapter 83 or under chapter 84, which those officers would otherwise perform. To the extent that the DCI does not exercise his authority to assume the functions and duties of OPM or the Executive Director with respect to CIA CSRS and FERS employees, OPM and the Executive Director would continue to perform such functions and duties with respect to CIA CSRS and FERS employees. Allowing the DCI to assume such functions and duties to the extent he considers appropriate will permit a phased, orderly assumption of retirement administration functions and duties by the CIA.

These provisions also provide that sections 8439(b), 8461(h)(1), and 8474(c)(4) of title 5, United States Code (as added by section 101 of the conference agreement) shall be applied with respect to information relating to CIA personnel in a manner that protect intelligence sources, methods and activities. Section 8439(b) relates to auditing of the Thrift Savings Plan by a qualified public accountant and a report to the General Accounting Office. Section 8461(h)(1) relates to OPM access to information held by other agencies. Section 8474(c)(4) relates to Executive Director, Thrift Investment Board access to information held by other agencies. Although nothing in the Federal Employees' Retirement System Act of 1986, or the amendments made by the Act, impairs or affects statutes (such as section 102(d)(3) of the National Security Act of 1947 and sections 6 and 8 of the CIA Act of 1949) and Executive Orders (such as Executive Orders 12333 governing intelligence activities and 12356 governing national security information) regarding protection of intelligence sources, methods and activities, the conferees believed it appropriate to emphasize the requirement for such protection because certain provisions of chapter 84 refer specifically and address the issue of access by one agency to information held by another agency. Security practices, including clearance requirements, normally applicable to intelligence information will apply in the administration of sections 8439(b), 8461(h)(1) and 8474(c)(4) of title 5 as they are applied with respect to CIA.

From the Committee on Post Office and Civil Service:

For consideration of the Senate amendments Nos. 1, 2, and 3 and modifications committed to conference:

WILLIAM D. FORD,
WILLIAM CLAY,
MARY ROSE OAKAR,
GENE TAYLOR,
JOHN T. MYERS,

As additional conferees on Senate Amendment No. 3:

From the Permanent Select Committee on Intelligence:

For consideration of title IV of the Senate amendment and modifications committed to conference:

LEE H. HAMILTON,
LOUIS STOKES,
ANTHONY C. BEILENSON,
BOB STUMP,
ANDY IRELAND,

As additional conferees on Senate Amendment No. 3:

From the Committee on Foreign Affairs:

For consideration of title V of the Senate amendment and modifications committed to conference:

DANIEL A. MICA,

PETER H. KOSTMAYER,
OLYMPIA SNOWE,

As additional conferees on Senate Amendment No. 3:

From the Committee on Ways and Means: For consideration of provisions in section 101 of the Senate amendment establishing a new subchapter III of chapter 84—Thrift Savings Plan; establishing a new section 8475 in subchapter VII—transition provisions; of title II of the Senate amendment; and of section 305 of the Senate amendment and modifications committed to conference:

BILL ARCHER,
WM. THOMAS,
Managers on the Part of the House.

W.V. ROTH, Jr.,
TED STEVENS,
CHARLES McC. MATHIAS, Jr.,
TOM EAGLETON,
ALBERT GORE, Jr.,
Managers on the Part of the Senate.

SECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ROTH) to revise and extend their remarks and include extraneous material:)

Mr. GINGRICH, for 60 minutes, today.

Mr. CRANE, for 60 minutes, on May 20.

(The following Member (at the request of Mr. RICHARDSON) to revise and extend his remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

(The following Member (at the request of Mr. REGULA) to revise and extend his remarks and include extraneous material:)

Mr. PEASE, for 60 minutes, on May 20.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. ROTH) and to include extraneous matter:)

Mr. CONTE in two instances.

Mr. WYLIE.

Mr. LAGOMARSINO.

Mr. COURTER.

Mr. BEREUTER in three instances.

(The following Members (at the request of Mr. RICHARDSON) and to include extraneous matter:)

Mr. MANTON.

Mr. SKELTON.

Mr. HUTTO.

Mr. LEHMAN of Florida in two instances.

Mr. O'NEILL.

Mr. ROE.

Mr. HOYER.

Mr. MONTGOMERY.

Mrs. BURTON of California.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 342. Joint resolution to designate May 25, 1986, as "Missing Children Day"; to the Committee on Post Office and Civil Service.

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4382. An act to require the Architect of the Capitol to place a plaque at the original site of Providence Hospital;

H.J. Res. 234. Joint resolution designating the week of May 18, 1986, through May 24, 1986, as "National Food Bank Week";

H.J. Res. 427. Joint resolution designating the week beginning on May 11, 1986, as "National Asthma and Allergy Awareness Week";

H.J. Res. 492. Joint resolution to designate the week of June 1, 1986, as "National Neighborhood Housing Services Week"; and

H.J. Res. 613. Joint resolution allowing qualified persons representing all the States to be naturalized on Ellis Island on July 3 or 4, 1986.

SENATE ENROLLED JOINT RESOLUTIONS

The SPEAKER announced his signature to enrolled joint resolutions of the Senate of the following titles:

S.J. Res. 246. Joint resolution to designate May 25, 1986, as "Hands Across America Day," for the purpose of helping people to help themselves, and commending United Support of Artists for Africa and all participants for their efforts toward combating domestic hunger with a 4,000 mile human chain from coast to coast;

S.J. Res. 266. Joint resolution to authorize and request the President to designate the month of June 1986 as "Youth Suicide Prevention Month";

S.J. Res. 271. Joint resolution designating "Baltic Freedom Day"; and

S.J. Res. 337. Joint resolution designating May 18-24, 1986, as "Just Say No to Drugs Week."

BILL PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following day present to the President, for his approval, a bill of the House of the following title:

On May 15, 1986:

H.R. 1349. An act to reduce the costs of operating Presidential Libraries, and for other purposes.

ADJOURNMENT

Mr. REGULA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 12 minutes p.m.) the House adjourned until tomorrow, Tuesday, May 20, 1986, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3521. A letter from the Comptroller General of the United States, transmitting his review of proposed rescissions and deferrals of budget authority submitted by the President in his third and fifth special messages, pursuant to 2 U.S.C. 685 (H. Doc. No. 99-222); to the Committee on Appropriations and ordered to be printed.

3522. A letter from the Acting Director, Defense Security Assistance Agency, transmitting the price and availability report for the quarter ending March 31, 1986, pursuant to 22 U.S.C. 2768; to the Committee on Foreign Affairs.

3523. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

3524. A letter from the Director, Office of Legislative Affairs, Agency for International Development, transmitting notification of a contract awarded in the Eighth District of Massachusetts in April 1986 and copies or reports summarizing contracting activities for fiscal year 1985; to the Committee on Foreign Affairs.

3525. A letter from the Chairman, Council on Environmental Quality, transmitting a report on the Council's compliance with the laws relating to open meetings of agencies of the Government (Government in the Sunshine Act) during calendar year 1985, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3526. A letter from the Director, National Legislative Commission, the American Legion, transmitting statements describing the financial condition of the American Legion as of December 31, 1985, pursuant to Public Law 88-504, section 3 (36 U.S.C. 1103); to the Committee on the Judiciary.

3527. A letter from the Administrator, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting notification that he has designated a national marine sanctuary in certain waters in American Samoa, pursuant to 16 U.S.C. 1434(b); to the Committee on Merchant Marine and Fisheries.

3528. A letter from the Director, Office of Congressional Affairs, Department of Energy, transmitting notification of the selection of phase I projects for the Small

Business Innovation Research [SBIR] Program; to the Committee on Small Business.

3529. A letter from the Administrator of Veterans' Affairs, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to repeal provisions relating to setting the interest rate on guaranteed or insured housing loans to veterans and inspecting manufactured homes purchased by veterans, to increase the VA loan fee, to authorize direct appropriations to the loan guaranty revolving fund, and for other purposes; to the Committee on Veterans' Affairs.

3530. A letter from the Chairwoman, U.S. International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the U.S. Internationl Trade Commission for fiscal year 1988; to the Committee on Ways and Means.

3531. A letter from the Assistant Secretary of the Army (Installations and Logistics), transmitting notification of the proposed decision to convert to contractor performance the dining facilities functions at Fort Dix, NJ, pursuant to 10 U.S.C. 2304 nt. and Public Law 99-190, section 8089; jointly, to the Committees on Armed Services and Appropriations.

3532. A letter from the Assistant Secretary of the Army (Installations and Logistics), transmitting notification of the proposed decision to convert to contractor performance the laundry and dry cleaning service at Fort Jackson, SC, pursuant to 10 U.S.C. 2304 nt. and Public Law 99-190, section 8089; jointly, to the Committees on Armed Services and Appropriations.

3533. A letter from the Assistant Secretary of the Army (Installations and Logistics), transmitting notification of the proposed decision to convert to contractor performance the transportation motor pool functions at Fort Polk, LA, pursuant to 10 U.S.C. 2304 nt. and Public Law 99-190, section 8089; jointly, to the Committee on Armed Services and Appropriations.

3534. A letter from the Assistant Secretary of the Army (Installations and Logistics), transmitting notification of the proposed decision to convert to contractor performance the commissary shelf stocking function at Fort Leavenworth, KS, pursuant to 10 U.S.C. 2304 nt. and Public Law 99-190, section 8089; jointly, to the Committee on Armed Services and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on Mar. 15, 1986, the following conference report was filed on May 16, 1986]

Mr. FORD of Michigan: Committee of conference. Conference report on H.R. 2672 (Rept. 99-606). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[Submitted May 19, 1986]

By BONER of Tennessee:

H.R. 4845. A bill to amend chapter 35 of title 44, United States Code, to reduce the paperwork burden on citizens by requiring Federal agency correspondence to include the name, official title, telephone number, and address of individuals to whom responses and inquiries may be made; to the Committee on Government Operations.

By Mr. FAUNTROY (for himself and Mr. DELLUMS):

H.R. 4846. A bill to recognize the organization known as the Montford Point Marine Association, Inc.; to the Committee on the Judiciary.

By Mr. LEVINE of California (for himself, Ms. SNOWE, Mr. SOLARZ, Mr. LAGOMARSINO, Mr. GEJDENSON, Mr. BEREUTER, Mr. BERMAN, Mr. SOLOMON, Mr. FEIGHAN, Mr. SILJANDER, Mr. BARNES, Mr. GARCIA, Mr. DYMALLY, Mr. REID, Mr. SMITH of Florida, Mr. UDALL, Mr. TORRICELLI, Mr. MACKAY, Mr. TAUKE, Mr. LEHMAN of Florida, Mr. COURTER, Mr. FORD of Michigan, Mr. EDWARDS of California, Mr. MORRISON of Connecticut, Mr. BATES, Mrs. BOXER, Mr. FROST, Mr. LEVIN of Michigan, Mr. MONSON, Mr. EVANS of Illinois, Mr. LUNDINE, Mr. KLECZKA, Mr. BLAZ, Mr. MINETA, Mr. OBERSTAR, Mr. ECKART of Ohio, Mr. FAUNTROY, Mr. FAZIO, Mr. DIXON, Mr. STAGGERS, and Mr. WEISS):

H.R. 4847. A bill to require that U.S. companies cease their participation in the production, marketing, or distribution of Libyan oil; to the Committee on Foreign Affairs.

By Mr. WYDEN (for himself and Mr. MILLER of Washington):

H.R. 4848. A bill to require the Secretary of Energy to ensure the compliance of certain operations of the Department of Energy with Federal environmental standards, and for other purposes; to the Committee on Energy and Commerce.

By Mr. SOLARZ:

H.J. Res. 639. Joint resolution designating "National Epidermolysis Bullosa Awareness Week"; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII,

379. The SPEAKER presented a memorial of the Senate of the Commonwealth of Pennsylvania, relative to U.N. Resolution No. 3379; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

[Omitted from the Record of May 15, 1986]

H.R. 4775: Mr. EDWARDS of California, Mr. WYLIE, Mr. MICA, Mr. HILLIS, Mr. DOWDY of Mississippi, Mr. SOLOMON, Mr. EVANS OF Illinois, Mr. MCEWEN, Ms. KAPTUR, Mr. MOLINARI, Mr. PENNY, Mr. RIDGE, Mr. ROWLAND of Georgia, Mr. HENDON, Mr. GRAY of Illinois, Mr. KANJORSKI, Mr. ROBINSON, Mr. MCCLOSKEY, and Mr. BURTON of Indiana.

[Submitted May 19, 1986]

H.R. 2952: Mr. FISH, Mr. DWYER of New Jersey, Mr. PETRI, Mr. CARPER, Ms. MIKULSKI, and Mr. MAVROULES.

H.R. 3042: Mr. TRAFICANT and Mr. SMITH of Florida.

H.R. 3854: Ms. KAPTUR, Mr. YATRON, Ms. OAKAR, Mr. BROWN of California, Mr. KILDEE, Mr. MINETA, Mr. BERMAN, Mr. TALLON, Mr. LEVINE of California, Mr. HAWKINS, Mr. WOLPE, Mr. APPLEGATE, Mr. DERRICK, Mr. TORRICELLI, Mr. MCCLOSKEY, Mr. WEAVER, and Mr. MARKEY.

H.R. 3894: Mr. BOUCHER and Mr. PACKARD.

H.R. 4025: Mr. PERKINS, Mr. HEFNER, Mr. WEISS, Mr. FLORIO, Mr. BUSTAMANTE, and Mr. ANDERSON.

H.R. 4057: Mr. ANDERSON, Mr. RALPH M. HALL, Mr. ROTH, Mr. OWENS, Mr. FAUNTROY, Mr. WHITEHURST, Mr. GAYDOS, Mr. MCCAIN, Mr. ERDREICH, Mr. MITCHELL, Mr. GEKAS, and Mr. COUGHLIN.

H.R. 4126: Mr. SKELTON and Mr. HOPKINS.

H.R. 4194: Mr. PURSELL and Mr. SAVAGE.

H.R. 4529: Mr. ROTH.

H.R. 4567: Mr. WEAVER.

H.R. 4696: Mr. WILSON, Mr. EDWARDS of California, Mr. STAGGERS, Mr. ROSE, Mr. EDGAR, and Mr. DONNELLY.

H.J. Res. 422: Mr. STRATTON.

H.J. Res. 524: Mr. RINALDO.

H.J. Res. 531: Mr. FASCELL, Mr. SABO, Mr. WHEAT, and Mr. TAUZIN.

H.J. Res. 577: Mr. FAZIO, Mr. VALENTINE, Mr. STOKES, Mr. MARTIN of New York, Mr. CROCKETT, Mr. BUSTAMANTE, Mr. SHUMWAY, and Mr. DANIEL.

H.J. Res. 594: Mr. BORSKI, Mr. HAYES, Mr. MCDADE, Mr. ENGLISH, Mr. BEDELL, Mr. CROCKETT, Mr. FAUNTROY, Mr. JACOBS, Mrs. LLOYD, Mr. FEIGHAN, Mr. COOPER, Mr. GORDON, and Mr. WEAVER.

H. Con. Res. 325: Mr. SPRATT.

H. Con. Res. 326: Mr. FROST and Mr. WEISS.

H. Res. 408: Mrs. BURTON of California.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 2031: Mr. WORTLEY.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1

By Mr. GARCIA:

(Amendment to the amendment in the nature of a substitute (text of H.R. 4746)).

—Page 13, after line 19, insert the following new sections (and redesignate the subsequent sections, and conform the table of contents, accordingly):

SEC. 123. REFINANCING MORTGAGE INSURANCE FOR HOSPITALS, NURSING HOMES, INTERMEDIATE CARE FACILITIES, AND BOARD AND CARE HOMES.

(a) STATE CERTIFICATION REQUIREMENT.—Section 223(f)(4)(D) of the National Housing Act is amended to read as follows:

"(D) such existing hospital has received such certification from the State in which the hospital is located as is comparable to the certification required for hospitals under section 242.".

(b) REFINANCING INSURANCE FOR NURSING HOMES, INTERMEDIATE CARE FACILITIES, AND BOARD AND CARE HOMES.—Section 223(f) of the National Housing Act (as amended by

subsection (a) of this section) is further amended—

(1) in paragraph (1), by inserting after "existing hospital" the following: ", existing nursing home, existing intermediate care facility, or existing board and care home"; and

(2) in paragraph (4)—

(A) by inserting after "existing hospital" each place it appears the following: ", existing nursing home, existing intermediate care facility, or existing board and care home";

(B) by inserting after "the hospital" the following: ", nursing home, intermediate care facility, or board and care home"; and

(C) by inserting after "section 242" the following: "or for nursing homes, intermediate care facilities, or board and care homes insured under section 232, as the case may be".

(c) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendments made by this section by not later than the expiration of the 90-day period following the date of the enactment of this Act.

SEC. 124. MORTGAGE INSURANCE FOR NURSING HOMES, INTERMEDIATE CARE FACILITIES, AND BOARD AND CARE HOMES.

(a) INSURANCE FOR PUBLIC NURSING HOMES.—Section 232(b)(1) of the National Housing Act is ameded by inserting "public facilility," before "proprietary".

(b) REQUIREMENT OF STATE APPROVAL.—Section 232(d)(4)(A) of the National Housing Act is amended by adding at the end the following new sentence: "If the State agency is not empowered to provide a certification that there is a need for the home or facility or combined home and facility, the Secretary shall accept in lieu of such certification a feasibility study that (i) is prepared for the home or facility or combined home and facility in accordance with the principles established for feasibility studies by the American Institute of Certified Public Accountants; (ii) assesses on a marketwide basis the impact of the home or facility or combined home and facility on (and its relationship to) other health care facilities and services, the percentage of excess beds, demographic projections, alternative health care delivery systems, and the reimbursement structure of the home or facility or combined home and facility; and (iii) demonstrates the need for and financial feasibility of the home or facility or combined home and facility.".

(c) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendments made by this section by not later than the expiration of the 90-day period following the date of the enactment of this Act.

SEC. 125. REQUIREMENT OF STATE APPROVAL FOR MORTGAGE INSURANCE FOR HOSPITALS

(a) IN GENERAL.—Section 242(d)(4) of the National Housing Act is amended by adding at the end the following new sentence: "If the State agency is not empowered to provide a certification that there is a need for the hospital, the Secretary shall accept in lieu of such certification a feasibility study that (A) is prepared for the hospital in accordance with the principles established for feasibility studies by the American Institute of Certified Public Accountants; (B) assesses on a marketwide basis the impact of the hospital on (and its relationship to) other health care facilities and services, the percentage of excess beds, demographic projections, alternative health care delivery systems, and the reimbursement structure of the hospital; and (C) demonstrates the need for and financial feasibility of the hospital.".

(b) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendment made by this section by not later than the expiration of the 90-day period following the date of the enactment of this Act.

—Page 123, after line 17, add the following new title (and conform the table of contents accordingly):

TITLE VI—ENTERPRISE ZONE DEVELOPMENT

SEC. 601. DESIGNATION OF ENTERPRISE ZONES.

(a) DESIGNATION OF ZONES.—

(1) DEFINITION.—For purposes of this section, the term "enterprise zone" means any area that—

(A) is nominated by 1 or more local governments and the State or States in which it is located for designation as an enterprise zone (in this section referred to as a "nominated area"); and

(B) the Secretary of Housing and Urban Development designates as an enterprise zone, after consultation with—

(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury, the Director of the Office of Management and Budget, and the Administrator of the Small Business Administration; and

(ii) is the case of an area on an Indian reservation, the Secretary of the Interior.

(2) NUMBER OF DESIGNATIONS.—

(A) IN GENERAL.—The Secretary of Housing and Urban Development may designate not more than 100 nominated areas as enterprise zones.

(B) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated under clause (i), not less than 25 percent shall be areas that—

(i) are within a local government jurisdiction or jurisdictions with a population of less than 50,000 (as determined under the most recent census data available);

(ii) are outside of a metropolitan statistical area (as designated by the Director of the Office of Management and Budget); or

(iii) that are determined by the Secretary, after consultation with the Secretary of Commerce, to be rural areas.

(3) AREAS DESIGNATED BASED SOLELY ON DEGREE OF POVERTY.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall designate the nominated areas with the highest average ranking with respect to the criteria described in subparagraphs (C), (D), (E), and (F) of subsection (c)(3). For purposes of the preceding sentence, an area shall be ranked within each such criterion on the basis of the amount by which the area exceeds such criterion, with the area that exceeds such criterion by the greatest amount given the highest ranking.

(B) EXCEPTION WHERE INADEQUATE COURSE OF ACTION, ETC.—An area shall not be designated under subparagraph (A) if the Secretary determines that the course of action with respect to such area is inadequate.

(C) SEPARATE APPLICATION TO RURAL AND OTHER AREAS.—Subparagraph (A) shall be applied separately with respect to areas described in paragraph (2)(B) and to other areas.

(4) LIMITATION ON DESIGNATIONS.—

(A) PUBLICATION OF REGULATIONS.—Before designating any area as an enterprise zone, the Secretary shall prescribe by regulation not later than 4 months following the date of the enactment of this Act, after consultation with the officials described in paragraph (1)(B)—

(i) the procedures for nominating an area under paragraph (1)(A);

(ii) the parameters relating to the size and population characteristics of an enterprise zone; and

(iii) the manner in which nominated areas will be evaluated based on the criteria specified in subsection (d).

(B) TIME LIMITATIONS.—The Secretary shall designate nominated areas as enterprise zones only during the 24-month period beginning on the later of—

(i) the 1st day of the 1st month following the month in which the effective date of the regulations described in subparagraph (A) occurs; or

(ii) July 1, 1987.

(C) PROCEDURAL RULES.—The Secretary shall not make any designation under paragraph (1) unless—

(i) the local governments and the State in which the nominated area is located have the authority—

(I) to nominate such area for designation as an enterprise zone;

(II) to make the State and local commitments under subsection (d); and

(III) to provide assurance satisfactory to the Secretary that such commitments will be fulfilled;

(ii) a nomination therefore is submitted in such a manner and in such form, and contains such information, as the Secretary shall by regulation prescribe;

(iii) the Secretary determines that any information furnished is reasonably accurate; and

(iv) the State and local governments certify that no portion of the area nominated is already included in an enterprise zone or in an area otherwise nominated to be an enterprise zone.

(5) NOMINATION PROCESS FOR INDIAN RESERVATIONS.—In the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be deemed to be both the State and local governments with respect to such area.

(b) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

(1) IN GENERAL.—Any designation of an area as an enterprise zone shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

(A) December 31 of the 24th calendar year following the calendar year in which such date occurs;

(B) the termination date designated by the State and local governments as provided for in their nomination pursuant to subsection (a)(4)(C)(ii); or

(C) the date the Secretary revokes such designation under paragraph (2).

(2) REVOCATION OF DESGINATION.—The Secretary, after consultation with the officials described in subsection (a)(1)(B) and a hearing on the record involving officials of the State or local government involved, may revoke the designation of an area if the Secretary determines that the local government or the State in which it is located is not complying substantially with the State and local commitments pursuant to subsection (d).

(c) AREA AND ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—The Secretary may make a designation of any nominated area under

subsection (a)(1) only if it meets the requirements of paragraphs (2) and (3).

(2) AREA REQUIREMENTS.—A nominated area meets the requirements of this paragraph if—

(A) the area is within the jurisdiction of the local government;

(B) the boundary of the area is continuous; and

(C) the area—

(i) has a population, as determined by the most recent census data available, of not less than—

(I) 4,000 if any portion of such area (other than a rural area described in subsection (a)(2)(B)(i)) is located within a metropolitan statistical area (as designated by the Director of the Office of Management and Budget) with a population of 50,000 or more; or

(II) 1,000 in any other case; or

(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

(3) ELIGIBILITY REQUIREMENTS.—For purposes of paragraph (1), a nominated area meets the requirements of this paragraph if the State and local governments in which it is located certify and the Secretary, after such review of supporting data as he deems appropriate, accepts such certification, that—

(A) the area is one of pervasive poverty, unemployment, and general distress;

(B) the area is located wholly within the jurisdiction of a local government that is eligible for Federal assistance under section 119 of the Housing and Community Development Act of 1974, as in effect on the date of the enactment of this Act;

(C) the unemployment rate, as determined by the appropriate available data, was not less than 1.5 times the national unemployment rate for that period;

(D) the poverty rate (as determined by the most recent census data available) for each populous census tract (or where not tracted, the equivalent country division as defined by the Bureau of the Census for the purpose of defining poverty areas) within the area was not less than 20 percent for the period to which such data relate;

(E) not less than 70 percent of the households living in the area have incomes below 80 percent of the median income of households of the local government (determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974); and

(F) the population of the area decreased by 20 percent or more between 1970 and 1980 (as determined from the most recent census available).

(d) REQUIRED STATE AND LOCAL COMMITMENTS.—

(1) IN GENERAL.—No nominated area shall be designated as an enterprise zone unless the local government and the State in which it is located agree in writing that, during any period during which the area is an enterprise zone, such governments will follow a specified course of action designated to reduce the various burdens borne by employers or employees in such area. A course of action shall not be treated as meeting the requirements of this paragraph unless the course of action include provisions described in not less than 4 of the subparagraphs of paragraph (2).

(2) COURSE OF ACTION.—The course of action under paragraph (1) may be implemented by both such governments and private nongovernmental entities, may be funded from proceeds of any program administered by the Secretary of Housing and Urban Development or of any program administered by the Secretary of Agriculture under title V of the Housing Act of 1949, and may include, but is not limited to—

(A) a reduction of tax rates or fees applying within the enterprise zone;

(B) an increase in the level of public services, or in the efficiency of the delivery of public services, within the enterprise zone;

(C) actions to reduce, remove, simplify, or streamline paperwork requirements within the enterprise zone;

(D) involvement in the program by public authorities or private entities, organizations, neighborhood associations, and community groups, particularly those within the nominated area, including a written commitment to provide jobs and job training for, and technical, financial, or other assistance to, employers, employees, and residents of the nominated area;

(E) the giving of special preference to contractors owned and operated by members of any minority; and

(F) the gift (or sale at below fair market value of surplus land in the enterprise zone to neighborhood organizations agreeing to operate a business on the land.

(3) RECOGNITION OF PAST EFFORTS.—In evaluating courses of action agreed to by any State or local government, the Secretary shall take into account the past efforts of such State or local government in reducing the various burdens borne by employers and employees in the area involved.

(4) PROHIBITION OF ASSISTANCE FOR BUSINESS RELOCATIONS.—

(A) IN GENERAL.—The course of action implemented under paragraph (1) may not include any action to assist—

(i) any establishment relocating from 1 area to another area; or

(ii) any subcontractor whose purpose is to divest, or whose economic success is dependent upon divesting, any other contractor or subcontractor of any contract customarily performed by such other contractor or subcontractor.

(B) EXCEPTION.—The limitations established in subparagraph (A) shall not be construed to prohibit assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary if the Secretary—

(i) finds that the establishment of the new branch, affiliate, or subsidiary will not result in an increase in unemployment in the area of original location or in any other area where the existing business entity conducts business operations; and

(ii) has no reason to believe that the new branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where the existing business entity conducts business operations.

(e) DEFINITIONS.—For purposes of this section:

(1) GOVERNMENT.—If more than 1 government seeks to nominate an area as an enterprise zone, any reference to, or requirement of, this section shall apply to all such governments.

(2) LOCAL GOVERNMENT.—The term "local government" means—

(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State;

(B) any combination of political subdivisions described in subparagraph (A) recognized by the Secretary; and

(C) the District of Columbia.

(3) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

(4) STATE.—The term "State" includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and any other possession of the United States.

SEC. 602. EVALUATION AND REPORTING REQUIREMENTS.

Not later than the close of the 4th calendar year after the year in which the Secretary of Housing and Urban Development first designates areas as enterprise zones, and at the close of each 4th calendar year thereafter, the Secretary shall prepare and submit to the Congress a report on the effects of such designation in accomplishing the purposes of this title.

SEC. 603. INTERACTION WITH OTHER FEDERAL PROGRAMS.

(a) COORDINATION WITH RELOCATION ASSISTANCE.—The designation of an enterprise zone under section 601 shall not—

(1) constitute approval of a Federal or federally assisted program or project (within the meaning of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.)); or

(2) entitle any person displaced from real property located in such zone to any rights or any benefits under such Act.

(b) ENTERPRISE ZONES TREATED AS LABOR SURPLUS AREAS.—Any area that is designated as an enterprise zone under section 601 shall be treated for all purposes under Federal law as a labor surplus area.

SEC. 604. WAIVER OR MODIFICATION OF HOUSING AND COMMUNITY DEVELOPMENT RULES IN ENTERPRISE ZONES.

(a) IN GENERAL.—Upon the written request of the governments that designated and approved an area that has been designated as an enterprise zone under section 601, the Secretary of Housing and Urban Development (or, with respect to any rule issued under title V of the Housing Act of 1949, the Secretary of Agriculture) may, in order to further the job creation, community development, or economic revitalization objectives of the zone, waive or modify all or part of any rule that the Secretary has authority to promulgate, as such rule pertains to the carrying out of projects, activities, or undertakings within the zone.

(b) LIMITATION.—No provision of this section may be construed to authorize the Secretary to waive or modify any rule adopted to carry out a statute or Executive order that prohibits, or the purpose of which is to protect persons against, discrimination on the basis of race, color, religion, sex, marital status, national origin, age, or handicap.

(c) SUBMISSION OF REQUESTS.—A request under subsection (a) shall specify the rule or rules to be waived or modified and the change proposed, and shall briefly describe why the change would promote the achievement of the job creation, community development, or economic revitalization objectives of the enterprise zone. If a request is made to the Secretary of Agriculture, the requesting governments shall send a copy of the request to the Secretary of Housing and Urban Development at the time the request is made.

(d) CONSIDERATION OF REQUESTS. In considering a request, the Secretary shall weigh the extent to which the proposed change is likely to further job creation, community development, or economic revitalization within the enterprise zone against the effect the change is likely to have on the underly-

ing purposes of applicable statutes in the geographic area that would be affected by the change. The Secretary shall approve the request whenever the Secretary finds, in the discretion of the Secretary, that the public interest that the proposed change would serve in furthering such job creation, community development or economic revitalization outweighs the public interest that continuation of the rule unchanged would serve in furthering such underlying purposes. The Secretary shall not approve any request to waive or modify a rule if that waiver or modification would—

(1) directly violate a statutory requirement; or

(2) be likely to present a significant risk to the public health, including environmental health or safety.

(e) NOTICE OF DISAPPROVAL.—If a request is disapproved, the Secretary shall inform the requesting governments in writing of the reasons therefor and shall, to the maximum extent possible, work with such governments to develop an alternative, consistent with the standards contained in subsection (d).

(f) PERIOD FOR DETERMINATION.—The Secretary shall discharge the responsibilities of the Secretary under this section in an expeditious manner, and shall make a determination on requests not later than 90 days after their receipt.

(g) APPLICABLE PROCEDURES.—A waiver or modification of a rule under subsection (a) shall not be considered to be a rule, rulemaking, or regulation under chapter 5 of title 5, United States Code. To facilitate reaching a decision on any requested waiver or modification, the Secretary may seek the views of interested parties and, if the views are to be sought, determine how they should be obtained and to what exent, if any, they should be taken into account in considering the request. The Secretary shall publish a notice in the Federal Register stating any waiver or modification of a rule under this section.

(h) EFFECT OF SUBSEQUENT AMENDMENT OF RULES.—In the event that the Secretary proposes to amend a rule for which a waiver or modification under this section is in effect, the Secretary shall not change the waiver or modification to impose additional requirements unless the Secretary determines, consistent with standards contained in subsection (d), that such action is necessary.

(i) EXPIRATION OF WAIVERS AND MODIFICATION.—No waiver or modification of a rule under this section shall remain in effect for a longer period than the period for which the enterprise zone designation remains in effect for the area in which the waiver or modification applies.

(j) DEFINITIONS.—For purposes of this section:

(1) RULE.—The term "rule" means—

(A) any rule as defined in section 551(4) of title 5, United States Code; or

(B) any rulemaking conducted on the record after opportunity for an agency hearing pursuant to sections 556 and 557 of such title 5.

(2) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development or, with respect to any rule issued under title V of the Housing Act of 1949, the Secretary of Agriculture.

SEC. 605. COORDINATION OF HOUSING AND URBAN DEVELOPMENT PROGRAMS IN ENTERPRISE ZONES.

Section 3 of the Department of Housing and Urban Development Act is amended by adding at the end the following new subsection:

"(d) The Secretary shall—

"(1) promote the coordination of all programs under the jurisdiction of the Secretary that are carried on within an enterprise zone designated pursuant to section 601 of the Housing Act of 1986;

"(2) expedite, to the greatest extent possible, the consideration of applications for programs referred to in paragraph (1) through the consolidation of forms or otherwise; and

"(3) provide, whenever possible, for the consolidation of periodic reports required under programs referred to in paragraph (1) into 1 summary report submitted at such intervals as may be designated by the Secretary.".

SENATE—*Monday, May 19, 1986*

The Senate met at 12 noon and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

God be merciful unto us, and bless us; and cause his face to shine upon us; that thy way may be known upon earth, thy saving health among all nations. Let the people praise thee, O God; let all the people praise thee. O let the nations be glad and sing for joy; for thou shall judge the people righteously and govern the nations upon earth.—Psalms 67:1-4.

God of mercy, so easily we become spiritually disoriented. We drift without an anchor. Losing our magnetic north we wander without direction and purpose. Help us return to Thee O God that we may connect with our spiritual and moral roots. For the sake of our stewardship as national leaders and for Your glory. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator DOLE, is recognized.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders will have 10 minutes each, followed by special orders in favor of Senators HAWKINS, MATTINGLY, and PROXMIRE—the distinguished Senator from South Carolina, Senator THURMOND, is scheduled to deliver the Hawkins special order—and routine morning business not to extend beyond the hour of 1 p.m., with Senators permitted to speak therein for not more than 5 minutes each.

Following routine morning business, the Senate will resume consideration of S. 2180, the Federal Fire Prevention and Control Act. No votes will occur prior to the hour of 3 p.m., and no votes will occur after the hour of 6 p.m. today.

There will be a number of votes, I would assume, on Tuesday and Wednesday. We hope to begin consideration of H.R. 4515, the supplemental appropriations bill later today or early tomorrow. There will be votes on that throughout Tuesday and we could be asked to remain in late on Tuesday or Wednesday to complete action on the supplemental.

As previously agreed to some time ago, we will be in adjournment for the Memorial Day recess until Monday, June 2. That will start effective the close of business Wednesday, May 21. On June 2, we will convene at 2 p.m. rather than 12 noon. We will do that by consent.

It is still our intention to call up the tax reform bill very early upon our return. I met with the Budget Committee chairman hoping we could expedite consideration of a 303 wavier request so we would be prepared to start on the tax bill, if not on Monday, June 2, on Tuesday, June 3, or no later than Wednesday, June 4.

There will also probably be pending at that time the President's veto of the resolution of disapproval of the Saudi arms sale. I am not certain when that veto will occur, but that will be pending, I assume, when we return, unless disposed of before we leave.

I would suggest to my colleagues that June 2 is also the first day of public televising of Senate proceedings. We will, as I said, begin on that day at 2 o'clock.

YELENA BONNER'S CALL FOR PEACE

Mr. DOLE. Mr. President, yesterday the Washington Post's Outlook section ran an article written by Yelena Bonner, Soviet dissident and wife of Andrei Sakharov. Her message was simple and straightforward: Americans want peace. They want the freedom to live in their own homes, raise their families, pursue their careers. They do not want war. They want peace.

Yelena Bonner, who has been in the West for the past 5 months being treated for medical problems, recognized two overriding American characteristics—the desire for privacy and independence. These are traits the Soviet system does not accommodate.

As she points out, at the age of 63, she has never had a house, and probably never will:

My dream, my own house, is unattainable for me and my family—that is for my husband and myself, as unattainable as Heaven on Earth.

Why so unattainable? Because she and her husband had the audacity to challenge the Soviet Government, to speak out against its abuses, and to dare to ask to leave. But even if they hadn't, the opportunity for something as basic as owning your own home in the Soviet Union is as rare as a 5-percent mortgage rate in the United States. But then, so are other basics, like the freedom of speech, the freedom of movement, the freedom of religion.

Mrs. Bonner is getting ready to leave the United States, to return to her husband and their life in internal exile. Mrs. Bonner has whiffed the winds of freedom, she has exulted in the homely pleasures of family life in American suburbia; she has bathed in the warmth and beauty of a Caribbean beach; she has lived in an open and democratic society.

It is ironic, that just as she was preparing to return to a closed life in the closed city of Gorky, Anatoly Shcharansky, the recently freed Soviet dissident, was beginning his first trip to the United States. For those of us who had the pleasure and honor to meet with Mr. Shcharansky, his joy at being free was patently obvious, even after a grueling schedule.

But at the same time, he made it very clear that while enjoying his new life in Israel, he will relentlessly campaign for the right of the 400,000 Soviet Jews who wish to emigrate, and for the thousands of dissidents who remain in Soviet prison camps.

Mrs. Bonner, Mr. Shcharansky, and all Soviets held against their will, want something as basic as a house and as awesome as freedom and peace.

As Mrs. Bonner wrote:

I want a house. I don't want war. Americans want a house, too. Americans don't want war.

Mr. President, I ask unanimous consent to include the text of Mrs. Bonner's remarks in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

AMERICANS DON'T WANT WAR—THEY WANT HOUSES, WITH YARDS, AND SO DO I

(By Yelena Bonner)

(Yelena Bonner plans to leave the United States Saturday to return to the Soviet Union and life in internal exile with her husband and fellow dissident, Andrei Sakharov.)

I am convinced that Americans want peace. I don't know about America—I'm not a specialist, like the schoolchildren who travel around the world on peace missions and can explain everything about rockets and so on. But while I am not as competent to judge, I maintain that Americans do not want war.

What Americans want is a house. No matter their place on the social ladder, their salary, capital, inheritance, winnings in the lottery or on the stock market (for me with my lack of education in these matters it is almost one and the same, even though I do know that people win more frequently—and lose more frequently!—playing the stock market than the lottery), they want a house of their own.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

They want a house and the ground it stands on, and a surrounding bit of land. That's all. Some own a tiny house, like a toy cottage, and the only soil is in their flower boxes; others have lots of bedrooms, baths, and extensive lawns. The desire to own a house is not a class ambition; it encompasses upper, middle, upper-middle, or lower-income groups, and is an expression of a national trait, a desire for privacy.

Even one of New York's homeless, huddling in a blanket over a grating, will be insulted if you invade his privacy. A house is the symbol of independence, not even a material one, but some sort of combined spiritual and physical independence. The American feeling about his house expresses the main traits of Americans—the desire for privacy and independence. But that attitude gives rise to a third trait, "my house is my pride and joy."

And from that comes "My city, my state, my country is my pride and joy." There is no aggression or parochialism in that attitude. It is open and kind and caring both toward the house and toward everything that it stands for, the soil in the flower boxes and the lovingly-tended lawn, even if it's only three yards square. And, I say, this shows that Americans care about land in general and about the whole world. Only the other day my son told me that according to a poll, 43 percent of all Americans prefer growing flowers to any other outdoor pastime.

Americans do not want war. They want a house. The first lady says that when the president retires, they will sell the house in which they lived before the presidency. The children are grown and the place is too big for them, so they will buy a smaller house. A wonderful plan! And it's wonderful that the whole country knows it. The president doesn't want war, he wants a new house.

I also want a house, in addition to my usual wants that everyone be together and healthy and that there be no war. With enough land around it, and no more, for me to plant flowers. For the sake of nostalgia I could grow an ordinary Russian cornflower and an ordinary Russian daisy and a single birch tree. But to tell the truth, I find nostalgia a form of play acting.

I don't need a lot of bedrooms, just one for us and one for mother, a guest room and one more so that I'm always ready for our grandchildren. And I'd like a room where I could at last spread out my books and where Andrei could make a mess. What nonsense I'm writing! I want a house! This is me, who should be counting the days, no, the hours of my freedom to do what I want, even to type this freely, to type all my unattainable nonsense, such as "I want a house."

But you know, I'm sixty-three, and I've never had a house; not only that, I've never had a corner I could call my own. I started out like everyone else: a normal childhood, but then came a strange orphanhood—father and mother arrested and no one knowing whether they were alive or not. I lived in a single room with my grandmother, brother and sister. On the other side of the wall (we could hear everything) lived a man named Fyodorov with his wife and four children. When he got drunk he beat them. If they managed to get away, they would spend the night with us, sitting on the old trunk. Fyodorov never broke into our room. He was afraid of grandmother—everyone was afraid of her except me. I had my own fears, of course, but ever since my parents' arrest, I have never allowed myself to show my dread of anything.

Then there was the army. I guess there was a time when my "house" was a compartment in the hospital train, where I was head nurse. The war ended, and many people shared my room with me, like girl friends in Leningrad after the evacuation was over. Later, we had a room in a communal apartment—my first husband, two children, my mother, and I; often we had friends staying the night. There were 48 people in one apartment, and one toilet.

Later in Moscow, we had two rooms in the apartment where my mother, the children and I lived, and then we were joined by my son-in-law, and then by Sakharov. I think that the first time I was mistress of my own place was—it's hard to believe—in Gorky, in exile.

I do not want that. I want a house. My daughter has a house in Newton, Mass. It make me so happy to think that she has a house. Her family is caught up in our affairs, in our Gorky horrors and suffering, and our cares. They have forgotten the pleasure of their house. I want them to go back to caring about it. It has done so much for them—my daughter and her husband and their two children have been living in the house since their arrival in 1977. My son came there, followed by his wife, and their daughter was born there. Two families shared the house in a most un-American way—it was almost a communal apartment and it had almost a third family: my mother arrived and the impossibility of going back to Russia has kept her there close to six years. Where else could she go—to live in exile in Gorky?

My dream, my own house, is unattainable for me and my family—that is, for my husband and myself, as unattainable as heaven on earth. But I want a house. If not for me, then for my son and his family. My son and I plan to buy one. And I am learning many new things. The house should be near good schools, my granddaughter is three and schooling is not far off in the future. It should be in the suburbs—vacations are short and a child should not have to grow up in a polluted city. It should be close to their work—both parents have jobs and there is only one car. It should have a full foundation and basement (I had never known such considerations to exist). It should have three bedrooms so that my mother can be with them, or at least visit. It should have a room and bath in the basement for guests. It should have a studio—Alyosha wants more than a house, he needs a workroom for his mathematics. But the cost is . . . oh! I want, I want, I want. More than the children, I want. But it's time for me to pack my bags. Not tomorrow, but very soon. The children live here. I live over there.

My time here has been a highlight of my entire life. For instance, I went to the Virgin Islands, I had never been in a climate like that, near palm trees—coconuts really do fall! My bare feet had never felt sand like this. The warm and quiet sea splashed just twenty steps away from me. I would call it paradise, but paradise is not simply a question of climate, or sand, or sea, or even apples (or pears—that historical argument from the Garden of Eden has yet to be solved). Paradise is being with people you love and treasure and not worrying about them. I wish Andrei were here. I wish my mother could sit in a rocker in the shade near those sweet, sleep-inducing oleanders, and I wish I could pick up the phone once a week and hear the calm voices of my children. Paradise, it turns out, is so simple and, it turns out, unattainable for me.

Long, hot hours on the white, hot sand; the sea—light blue, dark blue, turquoise. The bay is small—even with my ailing legs I managed to wander all the way to its left point one day, and to its right on another. I will always remember that arc, a smooth edge of sand, and the sea, which doesn't roar, but whispers, babbles. I'm afraid of lapsing into sentimentality (I think I already have, in fact), but I've never seen such a sea . . . it has such tranquility.

Perhaps I have grown more tranquil here. I am grateful that I was invited to that island and that it was so simple to give me five days to catch my breath, to work, and to have peace. Maybe those days let me regain my senses—to stop losing my temper with my family; to understand that I can change nothing or correct nothing; to stop tormenting my heart (the six bypasses may not be able to take it) and the hearts of others—hearts I love.

My husband told me just five months ago (God, I haven't seen him in five months and want to be with him so much!), "The world is further away from war than it has been in a long time." I believe him, and on that score, I live calmly. Especially since I have more than enough worries, cares, and misfortunes of my own.

What difference does it make if Gorbachev and Reagan meet in June or some other month? What difference does it make which of them is being cranky? First Gorbachev plays hard to get, like a girl invited for a date, pouting, considering: "I don't know, I have to think about it, probably not." Then Reagan sounds like a jealous girl, "It's her or me. Now or never." A recent newspaper article set me thinking along these lines. Actually, all three are alien to me—the newspaper and the two governments. I must be one of the world's least interested people in the problems that Reagan and Gorbachev are threatening to discuss or not discuss, when and if they meet or don't meet.

I want a house. I don't want war. Americans want a house, too. Americans don't want war.

So now with my surgically repaired organ of feelings and circulation I am writing in a hotel in New York, which is simultaneously a city and a country and a world. I am on the eighth floor in a corner room. One window opens on 61st Street, the other on Central Park. In two directions, unfolding from an angle, stretches a panorama that needs nothing added to it. Against the blue of the sky are the gray silhouettes of buildings that pierce it (light gray in the sun, darker in shadow), lines, lines, lines. How can anyone say that New York is not beautiful? For me it is the city of cities, ready for the future.

Today I say something amazing from the windows of this room.

I got up early, a bit after six. The haze of burgeoning buds barely showed over the trees, and the grass had not yet taken on a greenish hue. It was still yellow, the color of grass shoots. And now it's noon, and there is a delicate green smoke over the trees and the grass has turned green, a tender, tender green. So quickly, spring came in six hours. Lord, I want the whole world to feel this good. They say New York is at its best in springtime. And now I'm going downstairs into the city.

THE SPECIAL OLYMPICS AIRLIFT

Mr. DOLE. Mr. President, each year the National Aeronautic Association is presented to an individual or company for the greatest achievements in aeronautics and astronautics in America.

This past Friday evening the Collier Trophy for 1985 was presented to Cessna Aircraft Co. and its chairman, Russell Meyer, for the safety record in 1985 of the worldwide fleet of Cessna Citation business jet aircraft. In 1985, for the second successive year, no passenger fatalities were recorded during nearly 750,000 flight hours by the fleet of almost 1,400 Citations in more than 40 countries worldwide. Cessna is the first general aviation recipient of the Collier Trophy since its inception in 1911.

At the awards ceremonies Friday evening, Russ Meyer and Eunice Kennedy Shriver, chairman of Special Olympics International, made a surprise announcement of the "Citation Special Olympics Airlift," the details of which I would like to share with my colleagues. The airlift program provides that each U.S. athlete, coach, and official delegate to the 1987 International Summer Special Olympics games will be flown to South Bend, IN, in a giant airlift of Cessna Citation business jets organized and sponsored by Cessna Aircraft Co.

Cessna will ask more than 700 corporate owners of Cessna Citations in the United States to fly special olympians to the summer games in their Citations. This effort will require at least 500 Citations for a minimum of 2 days each—to transport athletes to the games and to take them home 10 days later. This program will save the Special Olympics more than $2 million in transportation costs. In his announcement Friday, Meyer indicated that of the hundred or so Citation owners he had contacted about this, the positive response was unanimous. I'm sure that when the rest of the Citation owners are contacted, the 500 planes necessary for a successful operation will have been procured.

This is a great example of corporate America doing its share to help great programs like the Special Olympics. The "Citation Special Olympics Airlift" is a program of staggering dimensions, and the only way to bring it into perspective is to compare it to the Berlin airlift. At its peak, we had 120 flights per day into Berlin. In July 1987, there will be more than 600 flights into South Bend, IN. There will be a Citation landing in South Bend every 80 to 90 seconds for a period of 14 to 15 hours.

Mr. President, I congratulate Russ Meyer, Cessna, and the Special Olympics on the announcement of this Special Olympics airlift. And special congratulations to Russ Meyer for being the 1985 recipient of the Collier Trophy.

AMERICA WILL MISS THEODORE H. WHITE

Mr. DOLE. Mr. President, last week America lost one of her most distinguished historians with the passing of Theodore H. White. He was a gifted writer and reporter, but above all, he was unique in his ability to convey history with an intimacy and relevance that made spellbinding reading to every kind of audience.

As a foreign correspondent, "Teddy" White blazed new trails for American writers with his pioneering coverage of the dramatic days of revolution in Red China during the 1930's. His book "Thunder Out of China" has become the foundation on which any serious study of that country must begin. But after extensive writings from foreign shores, the lure of politics brought Teddy to a new and highly visible role as the journalistic dean of American Presidential campaigns.

His popular series "The Making of the President" is a landmark in historical writing because it captures the coast-to-coast detail of the world's greatest democracy electing its leader: from the campaign trail, to the back rooms of the convention hall, to inaugural day itself, Teddy White has given us an eyewitness account that will stand forever as living American history. His brand of Presidential journalism is still the model for today's writers, which tells you plenty about this great American storyteller.

Mr. President, many of us in this Chamber knew Theodore White well and we will miss his special presence on Capitol Hill, or on the campaign trail, or wherever his nose for news took him. The Senator from Kansas extends the Senate's deepest sympathies to Mr. White's family. When the next election rolls around, we will look, by habit, for the bespectacled historian, and we will remember in sadness his passing.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. HATCH). The Democratic leader is recognized.

DEFENSE BURDEN SHARING: SOME POSITIVE DEVELOPMENTS, BUT OUR ALLIES NEED TO DO MORE

Mr. BYRD. Mr. President, the Defense Department recently issued the unclassified version of its latest annual report on Allied Contributions to the Common Defense, also known as the burden-sharing report.

This document, perhaps the best summary comparison of how well or poorly our NATO allies and Japan are sharing the mutual security burden, is required by statutory language authored by our distinguished colleague from Michigan, Mr. LEVIN.

The latest unclassified version of the report, the 1986 edition, also contains expanded information focusing specifically on the adequacy, or lack thereof, of Japan's self-defense contributions. That information is required by an amendment I authored to last year's State Department authorization act.

There is both good news and bad news for the American taxpayer, and for U.S. national security, in this newest burden-sharing report.

The good news is that, mainly because of senatorial pressure on the executive branch, and on our allies, the NATO countries and Japan finally are taking some positive steps to increase their defense efforts and to carry a fairer share of the common security burden.

The bad news is that these steps still are clearly insufficient to relieve more of the unfair burden currently borne by U.S. taxpayers to pay for our mutual security, and that, in terms of overall average annual real growth in defense spending, the allied burden-sharing performance is getting worse instead of better.

This report refers to positive decisions by NATO to increase military construction funding, and by some of the European allies to increase their ammunition procurement. NATO also may be making progress to compensate for the impact of possible U.S. deployments to the Persian Gulf.

These developments would not have occurred without amendments by Senators SAM NUNN and CARL LEVIN to focus attention on extremely inadequate defense contributions by our NATO allies.

Unfortunately, this positive news is offset by the report's disclosure that average real growth in defense spending for all other NATO nations in 1986 is tentatively projected to be the lowest in 9 years. It is a pitifully small range, from somewhere between zero and three-tenths of 1 percent.

Furthermore, for 1985, the report states that only three to four of the European allies are expected to meet their longstanding commitment to increase their defense budgets by 3 percent each year after excluding inflation.

Regarding Japan, the good news in the report is that, unlike the first year of the two previous 5-year military improvement programs, the required first year share of the new, 1986-90 Japanese defense plan was approved and fully funds almost all major frontline equipment, combat readiness, training, and sustainability items for this initial program increment.

The bad news about Japan's defense contribution is that, once again, it ranks "last or close to last on most of the performance measures compared to ability to contribute surveyed, and thus, appears to be doing far less than its fair share."

A final verdict cannot be made yet about Japan's present and future defense performance. On the one hand, Japan seems finally to have heard the message embodied in the Byrd amendment and other congressional statements that it must increase its self-defense efforts.

On the other hand, several more years of sustained increases in annual Japanese defense budgets will be needed before that nation meets the bare minimum military capabilities to live up to its mutual security commitments, including defending its sea lanes out to 1,000 miles. Each year of the new 5-year program must be funded fully, for example.

The 1986 burden-sharing report promises that future reports required by my amendment "will monitor Japanese progress toward continuing on a realistic path to achieving its defense goals." This information should permit the American taxpayers and the Congress to assess better if Japan's actual burden-sharing performance is matching its promises. Armed with such information, Congress would be in a stronger position to legislate any actions possibly needed to encourage Japan to carry a much fairer share of the common defense burden.

Mr. BYRD. Mr. President, I ask unanimous consent that I may reserve the balance of my time under the order.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR HAWKINS' SPECIAL ORDER

The PRESIDING OFFICER. Under the previous order, the Senator from Florida [Mrs. HAWKINS] is recognized for not to exceed 5 minutes.

The distinguished Senator from South Carolina is recognized to read Senator HAWKINS' statement.

Mr. THURMOND. Mr. President, on behalf of Senator HAWKINS, I wish to present the following statement.

MEXICO COULD PROFIT FROM EXAMPLE SET BY ALCOHOLICS ANONYMOUS

Mrs. HAWKINS. Mr. President, one would have hoped for a different reaction from the government of Mexico to recent charges of graft and corruption in coping with the Mexican drug traffic. The government took umbrage at statements made by various high-ranking officials of the U.S. at a Senate Foreign Relations Subcommittee hearing last week. The statements contended that there is "massive corruption" at all levels of the Mexican government and until this corruption is weeded out little headway can be made in trying to combat narcotics trafficking.

Mexico's reaction was swift and sharp. The Foreign Ministry issued a statement saying Mexico "categorically rejects the accusations and calumnies" directed against it. That statement said the Mexican Ambassador to the United States had been instructed to deliver a note to the State Department protesting the "libelous and interventionist" comments by American officials at the hearing and "demanding an explanation" for them. A spokesman for the Mexican Embassy in Washington described the hearing as "biased and partial" and characterized it as "meddling in Mexican internal affairs." I think we can understand why the Mexican government would not be ecstatic about accusations they are lax in investigating and prosecuting drug traffickers. But their reaction could have been less irate, more temperate. For instance, they could ask themselves, "Is there any substance to the charges?" And finding that there is, they could also ask themselves, "Are we going to take the bull by the horns and do something to clean up our act?"

We in the United States admit that we are a major factor in the international drug problem—that we are at the top of the heap among the drug consuming nations. But there is some virtue in knowing that and accepting that and in trying to do something about it. That is in sharp contrast to Mexico, which adopts an ostrich head-in-the-sand attitude, refuses to acknowledge it has a major problem and is unwilling to take the necessary steps to solve the problem. Mexico is seduced by its own guile or intoxicated by its own arrogance. Is it possible by some strange trick of alchemy that the whole country is reeling from the psychotropic effect of its own drugs? Is Mexican society so permeated by the corrosive effect of narco-dollars that it has lost its sense of decency and justice? Has it fallen hopelessly under the spell of drug traffickers? How near is Mexico to the point spelled out by Assistant Secretary of State Elliott Abrams? He said the influence of drug traffickers on the government of Mexico may become so strong "it is hard or impossible to root it out." He solemnly warned, "It may get to be too late." We put the question to Mexico, "Is it already too late? Are you too far gone? Are you beyond help? Is there some way that we can aid you?"

Mexico could take a page from the handbook of Alcoholics Anonymous. The AA rehabilitation program begins at the point where an individual stands up and admits to the world, "I am an alcoholic." Once that admission is forthcoming, the person is on the road to recovery. Is it too much to expect of Mexico to admit that it is a major drug producing and narcotics transit country, that its police and judicial systems are riddled with corruption and traffickers engage in terror and violence on people opposed to their detestable trade. And they do so with impunity. They need not fear for consequences.

Let's face certain facts. Mexico is the top supplier of marijuana and heroin to the United States. It is a pipeline for one-third of the cocaine entering this country. We consume that hideous stuff, true. It's up to us to do something about it. But it is up to Mexico to do something about their damnable exports to us. We ship them economic and material aid, they ship us degradation and human misery. Mexican drug traffickers beat and murdered an American DEA agent. Some of those suspected of killing Enrique Camarena are in jail awaiting trial. Other suspects remain at large, although reports indicate Mexican authorities know their whereabouts. One suspect is believed to have been the guest of governors of two Mexican states. Fifteen months have passed since Camarena died at the hands of his torturers. The dastardly deed against him cries for justice. Is there any justice left in Mexico or has that perished beneath the boots of the drug traffickers, ground under by their arrogance for normal rules of conduct and civility?

Mr. THURMOND. Mr. President, I am very pleased to deliver this statement on behalf of the able and distinguished Senator from Florida, Senator HAWKINS.

RECOGNITION OF SENATOR MATTINGLY

The PRESIDING OFFICER. Under the previous order, the Senator from Georgia [Mr. MATTINGLY] is recognized for not to exceed 5 minutes.

Mr. MATTINGLY. Thank you, Mr. President.

STABILITY IN THE TAX CODE

Mr. MATTINGLY. Mr. President, today I am introducing legislation designed to ensure stability in the Tax Code for individual American taxpayers, and for everyone in the private sector. This sense-of-the-Senate resolution calls for no changes in the soon-to-be-introduced Tax Code for a minimum of 5 years after the tax reform bill is signed into law.

Tax reform legislation should foster economic growth, encourage investment, create new jobs, and promote savings. And it should encourage the free enterprise system in our country. One of the main barriers to this important stability has been the constant and often conflicting changes made in the tax laws by Congress.

During this coming long debate on tax reform, and also the long debate preceding it on whether or not to have tax reform in America, one of the most common complaints I heard from taxpayers is the "uncertainty" which has resulted from continuous congressional changes in the Tax Code. These constant changes literally halt important planning and investment decisions by individuals and businesses. These changes stifle capital formation by increasing the risk of a project. They place unnecessary financial burdens on people and businesses by requiring the utilization of funds to anticipate what may happen in the future due to modifications of the Tax Code. These frequent changes place great and unnecessary burdens on small businesses by adding to the already staggering paperwork load. And the lack of stability created by all these changes confuses even the most efficient entrepreneurs in our land.

When the American people are forced to make investment, consump-

tion, and savings decisions in a constantly changing tax environment, economic growth is severely hampered.

A reduction in tax rates, a broading of the tax base, the removal of millions of our poorest citizens from the tax rolls, and the closing of various loopholes are all necessary and important parts of tax reform. But in my view, Mr. President, just as important to tax reform, and just as integral a part of tax reform, is stability—providing an atmosphere in which economic decisions can be made without fear of change in the Tax Code.

□ 1220

In other words, the Congress should stop tinkering with the Tax Code. In my opinion, the only way to give tax reform legislation a chance to succeed in its goal of providing a tax system that is fair, simple, equitable, and growth-oriented is to allow its provisions to remain unaltered for at least 5 years.

Once this latest tax reform legislation is signed into law, the Tax Code should be left alone. Congress must get out of the tax tinkering business. The resolution that I am submitting today will pledge our resolve to achieve that goal. I urge all my colleagues to join me in this effort.

Mr. President, I ask unanimous consent that the resolution be printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 409

Whereas previous, constant, and conflicting policy changes in the tax code by the Congress make it difficult for individuals to properly plan for their future;

Whereas such constant and conflicting policy changes by the Congress retard capital formation by increasing risk;

Whereas such constant and conflicting policy changes by the Congress place undue burdens on individuals and businesses by requiring the otherwise unnecessary utilization of financial resources in anticipation of such changes and modifications;

Whereas the Internal Revenue Service is drained of limited resources in trying to adapt to such changes in the tax code, and the ensuing problems are in turn transferred to taxpayers;

Whereas one of the greatest burdens placed upon small businesses is the paperwork required to comply with the tax code, and constant changes by Congress unnecessarily compound this paperwork burden;

Whereas any tax reform legislation passed by the Congress should stimulate economic growth, encourage investment, promote capital formation, expand job opportunities, and encourage savings; and

Whereas the American taxpayer deserves certainty in the tax treatment of economic decisions: Now therefore, be it

Resolved, That it is the sense of the Senate that the tax reform legislation, when that bill is signed into law, remain unchanged for a minimum of five years, so as to provide stability for the American taxpayer and the private sector.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

□ 1230

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, is is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 5 minutes.

Mr. PROXMIRE. I thank the Chair.

"CHALLENGER" AND CHERNOBYL TELL US STAR WARS IS DOOMED

Mr. PROXMIRE. Mr. President, in the last few months we have been reminded of how fragile, how subject to tragic error, is our modern space and nuclear technology. A couple of months ago, we suffered the heartbreaking shuttle disaster. Seven gallant astronauts perished. Since then NASA has endured a series of blowup, blowout failures with other space vehicles. Then, more recently, the Soviet nuclear plant near Kiev went through a meltdown with the expulsion of radioactive pollution that endangered the life and health of Russians and residents of other European countries. We live with the eerie realization that such a nuclear utility disaster could occur whenever nuclear energy is generated.

The space and nuclear disasters should warn us of how utterly unrealistic it would be for this country to rely on a nuclear-space defense such as the strategic defense initiative or star wars. Star wars would have not one or two or three components any one of which could easily fail. It would have literally thousands of interdependent components. It would be coordinated by a gigantic computer directed system. What are the odds that somewhere, sometime, somehow, such a system that required timing to the millisecond with literally millions of separate calculations would go wrong? Answer: They are overwhelming.

Mr. President, if any one scientist could give an answer to this question it would be David Parnas. Dr. Parnas was so highly considered by the Defense Department as an expert on star wars computer technology that SDI paid him $1,000 a day as a consultant on star wars. Dr. Parnas has had a long and successful record in working with the Defense Department. Since Dr. Parnas is one of the outstanding world experts on the capacity of computers, he was a natural in assisting the administration to develop the computer system necessary for coordinating and directing the Stars War Program.

What did this renowned expert, who was paid $1,000 a day by the strategic defense agency, conclude about SDI's future? After a few months, Dr. Parnas recognized the impossibility of developing any kind of computer operation that could conceivably succeed in bringing together the infinitely complex nuclear and space technology of the strategic defense initiative. So what did Dr. Parnas do? Here was an expert paid the remarkable sum of $1,000 per day for giving advice in a specialty where he was world-renowned. Dr. Parnas decided that this kind of computer system was an impossibility, that it could not work. So he spoke out in a language of surpassing eloquence. He quit. He turned down his $1,000 a day job.

Why did Dr. Parnas say nix to a job for which he was so brilliantly qualified? Why did he walk out on a job that paid him so extraordinarily well? Why did this top computer expert say he would not take the taxpayer's money? Answer: Dr. Parnas said the strategic defense initiative would never work.

Mr. President, one of the achievements that makes Americans proud of our country is the remarkable number of our scientists who have won Nobel Prizes as the most eminent experts in the world. I have a list of some of these Nobel Prize winners who have announced their opposition to star wars. A number of these world-celebrated scientists who strongly oppose SDI or star wars have special expertise with respect to both space and nuclear weapons. Keep in mind that each of these experts has won the Nobel Prize for excellence in their field. For example, Hans Bethe, who made the principal contribution to the development of the hydrogen bomb; Philip Anderson of the physics department at Princeton; James W. Cronin of the Enrico Fermi Institute at the University of Chicago; Donald Glazer, professor of physics at the University of California at Berkeley; Tsung-Dao Lee of the department of physics, Columbia University; E.M. Purcell, Lyman Laboratory of Physics at Harvard University; James Rainwater, professor of physics at Columbia University; Steve Weinberg, department of physics at the University of Texas; and Kenneth Wilson of the Laboratory of Nuclear Studies at Cornell University.

Mr. President, there is no Member of Congress who can begin to have the understanding of the technological problems involved in space-based defense against nuclear weapons of the kind these scientists have. Again and

again, these experts tell us that SDI cannot work. It will not protect the American people against nuclear attack. They contend that it will, in fact, increase the risk of nuclear war. They argue that it will stimulate a dangerous competition in offensive nuclear arms. They call for superpower negotiations to achieve arms control agreements as the far better alternative.

Finally, Mr. President, here we have the most complex technology that mankind has ever attempted to achieve. We have just been heartbreakingly reminded of the fallibility of far simpler nuclear and space technology. The *Challenger* disaster and the Chernobyl meltdown are still vivid in our minds. Some experts tell us that SDI will cost the taxpayers of this country a trillion dollars or more. We know we can never test it under anything approaching realistic conditions. Does anyone really believe that star wars can work and work perfectly the first time it is ever challenged? This is what it will have to do. Here is one Senator who will tell you the answer is: "No way."

Mr. President, I ask unanimous consent that a list of the Nobel Prize-winning American scientists who oppose the star wars operations be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Philip W. Anderson, Physics Department, Princeton University; Nobel Laureate.

C.B. Anfinsen, Department of Biology, Johns Hopkins University; Nobel Laureate.

Kenneth J. Arrow, Joan Kenney Professor of Economics, Stanford University; Nobel Laureate.

Julius Axelrod, National Institute of Mental Health; Nobel Laureate.

Robert F. Bacher, Professor of Physics Emeritus, California Institute of Technology; formerly, Head, Experimental Physics Division, Los Alamos Laboratory.

Kenneth T. Bainbridge, G.V. Leverett Professor of Physics, Emeritus, Harvard University.

David Baltimore, Director, Whitehead Institute for Biomedical Research; Nobel Laureate.

John Bardeen, Department of Physics, University of Illinois; Nobel Laureate.

Gordon A. Baym, Department of Physics, University of Illinois.

Baruj Benacerraf, Department of Pathology, Harvard Medical School; Nobel Laureate.

Paul Berg, Wilson Professor of Biochemistry, Stanford University School of Medicine; Nobel Laureate.

Hans A. Bethe, Newman Laboratory for Nuclear Studies, Cornell University; Nobel Laureate.

Konad E. Bloch, Department of Chemistry, Harvard University; Nobel Laureate.

Norris Edwin Bradbury, formerly, Director, Los Alamos Science Laboratory; winner, Enrico Fermi Award.

E. Margaret Burbidge, Director, Center for Astrophysics and Space Sciences, University of California at San Diego.

Joseph W. Chamberlain, Department of Space Physics and Astronomy, Rice University.

Owen Chamberlain, Lawrence Berkeley Laboratory, University of California at Berkeley; Nobel Laureate.

Subrahmanyan Chandrasekhar, Laboratory for Astrophysics and Space Research; Nobel Laureate.

Mildred Cohn, Benjamin Rush Professor of Physiological Chemistry, University of Pennsylvania.

Peter S. Conti, Chairman and Professor, Astrophysics, Planetary & Atmospheric Sciences, University of Colorado.

A.M. Cormack, Department of Physics, Tufts University; Nobel Laureate.

Emest D. Courant, Senior Physicist, Brookhaven National Laboratory.

Andre Cournand, Columbia University College of Physicians; Nobel Laureate.

Albert V. Crewe, Physical Sciences Division, Enrico Fermi Institute, University of Chicago.

James W. Cronin, Enrico Fermi Institute, University of Chicago; Nobel Laureate.

Margaret B. Davis, Professor of Ecology, University of Minnesota.

Frank D. Drake, Dean of Natural Sciences, University of California at Santa Cruz.

Sidney D. Drell, Stanford Linear Accelerator Center, Stanford University.

Lee Alvin DuBridge, President Emeritus, California Institute of Technology; formerly, Presidential Science Advisor.

George A. Dulk, Professor, Astrophysical, Planetary, & Atmospheric Sciences, University of Colorado.

Walter M. Elsasser, Department of Earth and Planetary Sciences, Johns Hopkins University.

John F. Enders, University Professor of Bacteriology and Immunology Emeritus, Harvard Medical School; Nobel Laureate.

Katherine Esau, Professor of Botany Emeritus, University of California at Santa Barbara.

Bernard T. Feld, Professor of Physics, Massachusetts Institute of Technology.

Herman Feshbach, Department of Physics, Massachusetts Institute of Technology.

Val L. Fitch, Joseph Henry Laboratories, Princeton University; Nobel Laureate.

Marshall Fixman, Departments of Chemistry and Physics, Colorado State University.

Paul Flory, Professor of Chemistry, Stanford University; Nobel Laureate.

William A. Fowler, Institute Professor of Physics Emeritus, W.K. Kellogg Radiation Laboratory, California Institute of Technology; Nobel Laureate.

Hans Frauenfelder, Department of Physics, University of Illinois.

Jerome I. Friedman, Chairman and Professor, Department of Physics, Massachusetts Institute of Technology.

Charlotte Friend, Center for Experimental Cell Biology, City University of New York.

D. Carleton Gajdusek, National Institutes of Health; Nobel Laureate.

Richard L. Garwin, IBM Fellow and Science Advisor to Director of Research, T.J. Watson Research Center, IBM Corporation.

Donald A. Glaser, Professor of Physics and Molecular Biology, University of California at Berkeley; Nobel Laureate.

Sheldon Lee Glashow, Professor of Physics, Lyman Laboratory, Harvard University; Nobel Laureate.

Thomas Gold, Professor, Center for Radiophysics and Space Research, Cornell University.

Leo Goldberg, Kitt Peak National Observatory.

Gertrude S. Goldhaber, Department of Physics, Brookhaven National Laboratory.

Maurice Goldhaber, AUI Distinguished Scientist, Department of Physics, Brookhaven National Laboratory.

Leo A. Goodman, C.L. Hutchinson Distinguished Service Professor, Department of Statistics, University of Chicago.

George W. Greenlees, Professor of Physics, University of Minnesota.

George S. Hammond, Director, Laboratory for Energy and Chemical Process Research, Allied Chemical Corporation.

Bernhard Haurwitz, Department of Atmospheric Science, Colorado State University.

David S. Heeschen, National Radio Astronomy Observatory.

Victor E. Henrich, Professor of Applied Physics, Yale University.

Gerhard P. Hochschild, Professor, Department of Mathematics, University of California at Berkeley.

Wassily Hoeffding, Department of Statistics, University of North Carolina.

Ronald Hoffman, Department of Chemistry, Cornell University; Nobel Laureate.

Robert Hofstadter, Department of Physics, Varian Lab of Physics, Stanford University; Nobel Laureate.

Robert W. Holley, Salk Institute for Biological Studies; Nobel Laureate.

Dorothy M. Horstmann, Senior Research Scientist, Yale University School of Medicine.

M. King Hubbert, Professor of Geology and Geophysics Emeritus, Stanford University.

David H. Hubel, Department of Neurobiology, Harvard Medical School; Nobel Laureate.

Charles Huggins, Ben May Laboratory for Cancer Research, University of Chicago; Nobel Laureate.

John R. Huizenga, Tracy H. Harris, Professor of Chemistry and Physics, University of Rochester.

Donald M. Hunten, Professor of Planetary Sciences, Lunar and Planetary Laboratory, University of Arizona.

Robert T. Jones, Senior Research Associate, NASA Ames Research Center.

Leo P. Kadanoff, Professor of Physics, James Franck Institute and Enrico Fermi Institute, University of Chicago.

H. Gobind Khorana, Department of Biology and Chemistry, Massachusetts Institute of Technology; Nobel Laureate.

Walter Kohn, Former Director and Professor, Institute for Theoretical Physics, University of California at Santa Barbara.

Arthur Komberg, Department of Biochemistry, Stanford University Medical School; Nobel Laureate.

William L. Kraushaar, Department of Physics, University of Wisconsin.

Polykarp Kusch, Eugene McDermott Professor of Physics, University of Texas, Dallas; Nobel Laureate.

Tsung-Dao Lee, Department of Physics, Columbia University; Nobel Laureate.

Wassily Leontief, Institute for Economic Analysis, New York University; Nobel Laureate.

Luna B. Leopold, Department of Geology and Geophysics, University of California at Berkeley.

Fritz Lipmann, Professor of Biochemistry, Rockefeller University; Nobel Laureate.

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William N. Lipscomb, Department of Chemistry, Harvard University; Nobel Laureate.

Francis E. Low, Massachusetts Institute of Technology.

Salvador E. Luria, Institute Professor of Biology, Massachusetts Institute of Technology; Nobel Laureate.

Willem J. Luyten, Space Science Center, University of Minnesota.

J. Ross Macdonald, William Rand Kenan, Jr. Professor of Physics, Department of Physics and Astronomy, University of North Carolina.

Robert E. Marshak, University Distinguished Professor, Physics Department, Virginia Polytechnic Institute.

Barbara McClintock, Cold Spring Harbor Laboratory; Nobel Laureate.

Edwin M. McMillan, Lawrence Berkeley Laboratory, University of California at Berkeley; Nobel Laureate.

Dimitri M. Mihalas, Senior Scientist, High Altitude Observatory, National Center for Atmospheric Research.

Phillip Morrison, Institute Professor of Physics, Massachusetts Institute of Technology.

Norman F. Ness, Laboratory for Extraterrestrial Physics, NASA.

Elizabeth F. Neyfeld, Department of Biological Chemistry, University of California at Los Angeles School of Medicine.

Edward P. Ney, School of Physics and Astronomy, University of Minnesota.

Alfred O. C. Nier, School of Physics and Astronomy, University of Minnesota.

Severo Ochos, Distinguished Member, Roche Institute of Molecular Biology; Nobel Laureate.

George E. Palade, Section of Cell Biology, Yale University School of Medicine; Nobel Laureate.

Mary-Lou Pardue, Biology Department, Massachusetts Institute of Technology.

Linis Pauling formerly Chair, Division of Chemistry and Chemical Engineering, California Institute of Technology; Nobel Laureate for both Chemistry and Peace David Pines, Department of Physics, University of Illinois.

George W. Preston III, Mount Wilson and Las Campanas Observatories, Carnegie Institution of Washington.

E. M. Purcell, Lyman Laboratory of Physics, Harvard University; Nobel Laureate.

L. James Rainwater, Professor of Physics, Columbia University; Nobel Laureate.

Norman F. Ramsey, Higgins Professor of Physics, Harvard University; formerly, Head, Delivery Group, Los Alamos Laboratory, and first Science Advisor to NATO.

Helen M. Ranney, Chair, Department of Medicine, University of California at San Diego.

Sarah Ratner, Member Emeritus, Department of Biochemistry, Pubic Health Institute of the City of New York.

Richard J. Reed, Professor, Department of Atmospheric Sciences, University of Washington.

Roger Revelle, Professor of Science and Public Policy, Program in Science, Technology & Public Affairs, University of California at San Diego.

Julia Robinson, Professor of Mathematics, University of California at Berkeley.

Vera C. Rubin, Professor of Terrestrial Magnetism, Carnegie Institute.

Elizabeth S. Russell, Senior Staff Scientist, Jackson Laboratory.

Albert S. Sabin, Emeritus Distinguished Service Professor, University of Cinicinnati College of Medicine; developer of oral polio vaccine.

Robert G. Sachs, Professor of Physics, Enrico Fermi Institute and Department of Physics, University of Chicago.

Carl Sagan, Duncan Professor of Astronomy, Cornell University; author, "Cosmos".

Ruth Sager, Chief, Division of Cancer Genetics, Dana-Farber Cancer Institute.

Arthur L. Schawlow, J.G. Jackson & C.J. Wood Professor, Department of Physics, Stanford University, Nobel Laureate.

Glenn T. Seaborg, Lawrence Berkeley Laboratory, University of California at Berkeley; Nobel Laureate.

Emilio Segre, Department of Physics, University of California at Berkeley.

Herbert A. Simon, Professor of Computer Science and Psychology, Carnegie-Mellon University; Nobel Laureate.

Maxine F. Singer, Chief, Laboratory of Biochemistry, National Cancer Institute, National Institutes of Health.

B.F. Skinner, Professor of Psychology Emeritus, Harvard University; author, "Walden Two".

Cyril Stanley Smith, Institute Professor of Metallurgy Emeritus, Massachusetts Institute of Technology; formerly, Associate Division Leader for Metallurgy, Los Alamos Laboratory, Presidential Science Advisor.

Albert Szent-Gyorgyi, Director of Research, Woods Hole Marine Biological Laboratory; Nobel Laureate.

Henry Taube, Department of Chemistry, Stanford University; Nobel Laureate.

Lewis Thomas, President Emeritus, Memorial Sloan-Kettering Cancer Center; author, "Lives of the Cell," "Medusa and the Snail".

James Tobin, Department of Economics, Yale University; Nobel Laureate.

J.A. Van Allen, Professor of Physics, University of Iowa.

George Wald, Biological Laboratories, Harvard University; Nobel Laureate.

J.D. Watson, Director, Cold Spring Harbor Laboratory; Nobel Laureate.

Steven Weinberg, Department of Physics, University of Texas; Nobel Laureate.

Jerome B. Wiesner, formerly, President, Massachusetts Institute of Technology; Chairman, Technology Assessment Advisory Council of the U.S. Congress; Staff Director, U.S. Delegation to the Geneva Conference for the Prevention of Surprise Attack; Presidential Science Advisor.

Kenneth G. Wilson, Laboratory of Nuclear Studies, Cornell University; Nobel Laureate.

Robert R. Wilson, Newman Laboratory, Department of Physics, Cornell University.

Robert W. Wilson, Head, Radio Physics Research Department, Bell Laboratories; Nobel Laureate.

Evelyn M. Witkin, Barbara McClintock Professor of Genetics, Waksman Institute of Microbiology, Rutgers University.

This list includes few of the better-known signatories to the Appeal. The full list includes fifty-four Nobel Laureates, a majority of the National Academy of Sciences, and many other members of the scientific community.

MYTH OF THE DAY: THE NUMBER OF CHILDREN BORN TO TEENAGERS IS RISING

Mr. PROXMIRE. Mr. President, the myth of the day is that the number of children born to teenagers is growing by leaps and bounds.

While there is no question that teenage pregnancy is a serious problem and raises serious challenges for Federal, State, and local public policy—not to mention the serious risks it presents for the young mother—it is important to realize that births to teenagers represent a declining proportion of all births in this country.

That's right, a declining proportion. And that drop holds true even when you take into account the fact that there are fewer teenagers today than just a few years ago.

Here is a chart that shows that the percentage of babies born to teenagers dropped from 19 percent to 14 percent over the 7 years from 1975 to 1982. Meanwhile, the percentage born to mothers over 30 had increased from 17 percent up to 22 percent.

As you can see, Mr. President, all births to teenagers dropped consistently and dramatically since 1975. In that year, teenage mothers accounted for 19 percent in 1975. Today, teenagers account for fewer than 14 percent of all births.

By contrast, the percentage of births for women over 30 has risen just as consistently and significantly. In 1975, women over 30 accounted for fewer than 17 percent of all births. By 1978 the two curves—teenage mothers and mothers over 30—crossed and mothers over 30 now account for over 22 percent of all births in this country.

Mr. President, there is no question that teenage pregnancy remains an important issue for Federal, State, and local policymakers and I am not attempting to minimize it in the least. But we must keep the problem in its proper perspective and there has indeed been progress in reducing births to teenagers.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will be a period for the transaction of routine morning business not to extend beyond the hour of 1 p.m., with statements therein limited to 5 minutes each.

HEALTH RESEARCH FUNDS

Mr. ANDREWS. Mr. President, This past month, both the Senate and House of Representatives passed their own versions of the fiscal year 1987 budget resolution. Passage by both Chambers is only the first step in enacting a 1987 budget. As a member of both the Senate Appropriations and Budget Committees, I am involved in every step of this process.

It is through the Appropriations Committee, and in particular, my membership on the Labor, Health, Human Services, and Education Subcommittee, that I often learn of the numerous accomplishments continually occurring in biomedical research. I

have had the privilege of sitting on this subcommittee with its most distinguished chairman, the senior Senator from Connecticut, LOWELL P. WEICKER.

Senator WEICKER's tireless efforts as chairman of the subcommittee have enabled millions to pursue higher education and countless others to reap the benefits that emerge daily from countless laboratories and hospitals across our Nation.

Through the leadership of Senator WEICKER, the Senate passed a budget resolution that will allow the National Insititutes of Health, our major arm for biomedical research, to continue making further breakthroughs in such dreaded diseases as AIDS, cancer, heart disease, alzheimers, cystic fibrosis, and countless others.

Two weeks ago, Senator WEICKER spoke before a special academic convocation of the Albert Einstein College of Medicine. His remarks eloquently illustrate both the necessity and urgency for increasing health research funds. I strongly urge my colleagues to read both our distinguished colleague's address and to remember his remarks the next time our Nation's health care budget is debated on the Senate floor.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR LOWELL WEICKER, JR., BEFORE A SPECIAL ACADEMIC CONVOCATION OF ALBERT EINSTEIN COLLEGE OF MEDICINE

First, let me congratulate Dr. Peter Davies and his colleagues for their recent research breakthrough relative to diagnosing Alzheimer's disease. As a layman, I've often wondered what it must be like that moment in the laboratory when a piece of the puzzle fits for a change. I wonder if you can hear in your mind's ear the expressions of hope that your work brings to the lips of millions of people—starting in this instance with the nearly two million Americans who suffer with Alzheimer's.

Believe me, they are out there and they and their families, their friends, indeed, the people of the world—cheer the reports of your work.

I wish I had those kinds of days at the office. By reputation, our two kinds of work are very different. For your profession, there is, for example, the words of Hippocrates, who said, "Wherever the art of medicine is loved, there also is love of humanity."

For my profession, there are unfortunately, too often words like those of Will Rogers, who said, "The country has come to feel the same when Congress is in session as when the baby gets hold of a hammer."

But in fact, in the United States, the worlds of politics and health have never existed apart. A nation that expected of its political leaders preeminence in defending the rights of man expected no less when it came to overcoming human illness with the fruits of science. The scourge of deadly disease in this nation did not so much afflict our people as stir a giant of purpose within them. It was this marriage of interests that built the greatest engine of scientific accomplishment the world has ever known, the United States, acting largely through the National Institutes of Health. And with this partnership of government and science, the nation faced polio, measles, rubella, diptheria, scarlet fever and more. Each in turn was silenced.

The historian Will Durant has said, "The health of nations is more important than the wealth of nations." He was saying no more than is said a hundred times a day in personal conversations. "If you've got your health, you've got everything." But what is said personnally is not being contemporaneously stated as national policy.

The statistics of medicine and budgets belie the importance each of us puts on health.

Each year, 855,000 Americans are diagnosed as having cancer and about half will die from the disease.

100,000 Americans will die this year as a result of allergic and infectious diseases.

Thousands of infants die each year in this country as a result of Respiratory Distress Syndrome.

300 million people worldwide are afflicted with Malaria and each year one million will die of the disease.

15 million Americans suffer from chronic lung disease.

60 million Americans suffer from heart disease.

3.5 million Americans are disabled by stroke or other injuries to the nervous system.

In the budget, the nation's domestic needs, led by health care, have lost badly in the past five years. A chart of federal spending includes the categories of defense, interest on the national debt, entitlement programs and non-defense discretionary programs. A 1980 version of that chart would show that this latter category received 25 percent of the budget. The 1985 share for that category was 17 percent.

Since one percent of the budget is approximately nine billion dollars, this eight percent decline means the federal share for these programs has dropped some 72 billion dollars below the distribution levels of 1980. More federal dollars are spent on the defense research and development budget in 15 months than the total spent on biomedical research since the establishment of the NIH in 1937.

Again this year as in every year, the Appropriations Subcommittee on Health and Human Services heard from dozens of health professionals and private citizens urging a renewed federal commitment to health research and medical services.

The dry statistics of disease and dollars came to us in the moving voices of those for whom a partnership with federal health research is not luxury, but life.

We learn of research into brittle bone disease from twelve-year-old Congie, whose bones can shatter without warning, without movement, at any time.

Dystrophic epidermolysis bullosa comes to us in the person of six-year-old Ray, who was born with no skin on his face and suffers with the pain of skin grafts and the constant fear of contracting an infection.

A doctor and father whose child suffers from Batten's disease tells us of this deadly neurological disorder which is probably the most common type of neurogenetic storage disease in children. It usually manifests itself in previously normal children between the ages of four and eight and may leave children totally disabled, perhaps dead in their late teens or twenties.

Those of us who sit there day after day sometimes feel the stories should be enough to spark a tireless search for cures. There is the individual agony of 1.8 million Alzheimer's victims, gradually robbed of their memory, their ability to function, and finally, their lives. There are the newborn who will never testify to anything other than being part of an inexcusable statistic that ranks this most prosperous of nations seventeenth in infant mortality worldwide.

Year after year in the appropriations process of the federal government, we fill the well of compassion with stories of hurting and dying. And we assume by the depth of this well that it can satisfy what surely must be a hardened political establishment that continually fails to properly fund health research efforts.

We sit in our living rooms night after night tuned into the separate profiles in courage of the diseased and their families. In the last month alone, the programs have included one about Father Damien, who worked with the lepers of Molokai, one about Alex Deford, who lost her battle with cystic fibrosis and a drama concerning a young man's battle with AIDS.

Each night before these programs aired as entertainment, the nightly news, brought us disaster of a different sort. A nuclear accident in the Soviet Union, actions and reactions to terrorism, the loss of a space shuttle.

And toward the end of each item of news, there follows a vow from political leaders and others involved that the tragedy will be treated with a renewed resolve, a redoubling of effort. The legacy of disaster in this nation is almost always a commitment to overcoming rather than walking away from the problem.

But disease is somehow successfully portrayed as nothing more than individual dramas of persistence. Mark Twain said we can easily learn to endure adversity as long as it is another man's. And if that other man, or woman, or child is faced with Cystic Fibrosis, Arthritis, Alzheimer's disease, Leukemia, AIDS or Juvenile Diabetes, the average American feels he can offer little more than sympathy.

I am here to suggest that the time for quiet sympathy in this partnership of medicine and government is over. The progress in scientific accomplishment that we have marveled at for 30 years in this nation must now be matched by progress in public policy. For so long, we have fueled the engine of scientific progress on compassion alone. And so when it came time to pay for the deficit, compassion was sacrificed to pay the bill. When it came time to pay for national defense, again we drew from this well of compassion to pick up the check.

Now the well is nearly dry. The fact that we hold a consensus to fund emergency research into AIDS, can't mask the fact that we are in danger of losing the political consensus upon which progress in health research depends. And this danger comes from the failure of the health and science community to understand the rough and tumble yet very telling world of dollars and cents, where the support of the American people is won by those who have the guts to make their case.

Approximately 38 billion dollars a year is spent on the direct care of Alzheimer's patients and the indirect costs to the family in lost workdays. Yet only 50 million dollars is spent on research into the disease. We know the incidence of Alzheimer's increases with age and so we know with certainty that the cost to society can only increase without adequate research. Thirty percent of people in their 80's have the disease. Between now

and the years 2000, the size of the population group aged 55 and older is expected to increase by 19 percent; those 65 and over will increase 27 percent; and the number 75 and older will increase by over 50 percent. It is projected that by the next century nine million people will be victims of Alzheimer's disease. In the face of this certainty, what is our response as a nation? A continued push to reduce support of the National Institute of Aging, the lack of any sort of support for training of health professionals in the field of geriatrics, and the elimination of clinical trials.

Forty thousand low-weight babies are born in the U.S. each year. Fifty percent of these cases could be prevented by additional research and proper prenatal care. This would cost us 26 million dollars a year. Without it, each year, we are spending 2.4 billion dollars. In fact, the key federal efforts designed to stop these deaths has actually declined by five percent since 1983.

Since 1982 vaccine prices have risen by a whopping 500 percent, but appropriations for the nation's childhood immunization program have not kept pace. As a result, the number of children to whom we can provide vaccines has dropped by two thirds. Currently less than half of all black preschool children are immunized against the scourages of our history books like diptheria, pertussis, tetanus and polio.

Under the president's budget, the National Institutes of Health budget stood 400 million dollars below the fiscal year 1986 level.

A cut of this magnitude meant 48 of 57 approved clinical trials would not be funded. These trials are the final test of the promising research investments made years ago. Now, there is a very real possibility the NIH will not be able to prove out new vaccines and new treatments for multiple sclerosis and Parkinson's disease, or glaucoma, for controlling epileptic seizures, for enhancing bone marrow transplants.

Bad enough we refuse to fund old knowledge that works as in the case of childhood immunization. But to close the door on imminent scientific discovery as in the case of clinical trials is know-nothing budgeteering at its worst.

There's no point in shaking a fist at someone else. The decline in public support is not the fault of the president or the far right or the Pentagon or any combination of other people. It's us. The budget is the most unerring, unemotional reflection of us as can be found in the entire democratic process.

Remember in the 1960s, during the struggle for civil rights in this nation how many of us in the Northeast said that civil rights legislation in Congress was being blocked by a few filibustering southern senators. Well, history has taught us it had very little to do with a few southern senators. The prejudice of the South was the prejudice of the East, West and North. And when the conscience of the nation was pricked by Dr. King, civil rights legislation rolled through the United States Senate and no combination of forces could stop it. When the nation wanted civil rights it got civil rights.

So it will be when the life of each American is as important as the death of a speculative enemy; when the enhancement of life joins survival in the definition of national security. Then, education and science will roll through the Congress.

Make no mistake. What we want, we will have to pay for. We can't fill that well of compassion with the leavings of high military spending and low taxes. What I'm talking about is a fight; a battle that appeals both to the common humanity of Americans and their common sense.

No group is as well equipped to lead this fight as the men and women of medical science. You have the vision and optimism that brought you to this place of learning in the first instance. You have a piece of paper that attests to your skills.

Now, when it comes to the priorities of this nation, what is needed is your anger not your academics, your activism not your antipathy. Better than any, you in this room know the coinage of suffering that will be required as substitute for the lack of dollars spent on medical research.

You owe as much of a no to that as to all the forms of death and disease you'll confront in a lifetime.

A moment ago, I spoke of the television drama concerning the life of Alex Deford. Frank Deford, the writer, spoke to my subcommittee about the dramatic breakthroughs in molecular genetics in developing treatment for Cystic Fibrosis. A systematic approach is now possible for the gene that causes CF, the most common fatal genetic disease in the United States.

The breakthrough came too late for Alexandra Deford, who died of the disease in her father's arms on a Saturday afternoon in January of 1980 at the age of eight. Frank Deford's message to us is a message we should repeat and repeat again to the American people.

"Our time is now," he said. "As much as I wanted to say those words when my child was alive, I honestly couldn't. Now I can. Our time is now."

Thank you.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1400

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STEVENS). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If there is not further morning business, morning business is closed.

FEDERAL FIRE PREVENTION AND CONTROL ACT AUTHORIZATION

The PRESIDING OFFICER. The Senate will now resume consideration of S. 2180, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2180) to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974.

The Senate resumed consideration of the bill.

Mr. GORTON. Mr. President, at the time at which this bill was last under consideration on Thursday, there was a considerable colloquy involving myself and the distinguished Senator from Kentucky, among others, on the possibility of a second-degree amendment on the subject of scrambling of television signals as an amendment to one which I am about to propose extending the opening date of daylight saving time to the first Monday in April. There has been considerable discussion on that subject since that point. I am now prepared to offer the daylight saving time amendment and I wonder whether the Senator from Kentucky has any requests he would like to make before that amendment is offered.

Mr. FORD. Mr. President, the distinguished Senator from Washington is absolutely right. Last Thursday, when we adjourned, we were in a lengthy discussion as it related to an amendment in the second degree as it related to the scrambling of television signals. At that time, we were asking for a hearing, otherwise we were insistent on submitting our amendment in the second degree. There has been a great deal of work done by the distinguished Senator from Washington and others over the weekend.

It is now my understanding that the chairman of the Commerce, Science, and Transportation Committee, Senator DANFORTH, and Senator GORTON now are willing to offer a time certain as it relates to a hearing on this particular question and I am amenable to that. If the distinguished Senator from Washington will put into the RECORD the time or the week, I believe it is the week of July 14, in which a hearing on scrambling will be held, I would be perfectly willing then to withhold my amendment as it relates to the scrambling in the second degree to his daylight saving time amendment.

Mr. GORTON. Mr. President, the Senator from Kentucky is correct about those discussions and negotiations. I should add, however, that the chairman of the Subcommittee on Communications is the distinguished Senator from Arizona [Mr. GOLDWATER]. Senator GOLDWATER has graciously acceded to our request that the subcommittee hold a hearing on the subject of the scrambling of television signals on the 15th, 16th, or 17th of July and that this Senator from Washington, who is a member of that subcommittee, will in fact chair that meeting. Assuming that that undertaking, that such a hearing would be held on one of those three dates, is approved by the Senator from Kentucky, we will simply go forward and debate the subject of daylight saving time.

□ 1410

Mr. FORD. Mr. President, that it is perfectly agreeable with me that the

hearings be held either the 15th, 16th, or 17th of July.

Upon the assurance of the Senator from Washington, I have no further interest in introducing the amendment as it relates to scrambling.

AMENDMENT NO. 1967

(Purpose: To add provisions regarding daylight saving time)

Mr. GORTON. Mr. President, I have sent an amendment to the desk, and I ask it be considered immediately.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Washington [Mr. GORTON] proposes an amendment numbered 1967.

Mr. GORTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

SEC. 2. (a) The Congress finds—

(1) that various studies of governmental and nongovernmental agencies indicate that daylight saving time over an expanded period would produce a significant energy savings in electrical power consumption;

(2) that daylight saving time may yield energy savings in other areas besides electrical power consumption;

(3) that daylight saving time over an expanded period could serve as an incentive for further energy conservation by individuals, companies, and the various governmental entities at all levels of government, and that such energy conservation efforts could lead to greatly expanded energy savings; and

(4) that the use of daylight saving time over an expanded period could have other beneficial effects on the public interest, including the reduction of crime, improved traffic safety, more daylight outdoor playtime for the children and youth of our Nation, greater utilization of parks and recreation areas, expanded economic opportunity through extension of daylight hours to peak shopping hours and through extension of domestic office hours to periods of greater overlap with the European Economic Community.

(b) Section 3(a) of the Uniform Time Act of 1966 (15 U.S.C. 260a(a)) is amended by striking "last Sunday of April" and inserting in lieu thereof "first Sunday of April".

(c) Any law in effect on the date of the enactment of this Act—

(1) adopted pursuant to section 3(a)(2) of the Uniform Time Act of 1966 by a State with parts thereof in more than one time zone, or

(2) adopted pursuant to section 3(a)(1) of such Act by a State that lies entirely within one time zone,

shall be held and considered to remain in effect as the exercise by that State of the exemption permitted by such Act unless that State, by law, provides that such exemption shall not apply.

(d)(1) Notwithstanding any other law or any regulation issued under any such law, the Federal Communications Commission shall, consistent with any existing treaty or other agreement, make such adjustment by general rules, or by interim action pending such general rules, with respect to hours of operation of daytime standard amplitude modulation broadcast stations, as may be consistent with the public interest, including the public's interest in receiving interference-free service.

(2) Such general rules, or interim action, may include variances with respect to operating power and other technical operating characteristics.

(3) Subsequent to the adoption of such general rules, they may be varied with respect to particular stations and areas because of the exigencies in each case.

(e) This section shall take effect 60 days after the date of enactment of this Act, except that if such effective date occurs in any calendar year after March 1, this section shall take effect on the first day of the following calendar year.

Mr. GORTON. Mr. President, the purpose of this amendment is to extend the annual observance of daylight savings time.

Under current law, daylight saving time begins each year on the last Sunday of April and ends on the last Sunday of October. My amendment would change the starting date to the first Sunday of April. This represents a 3-week extension, or 4 weeks in years when April has five Sundays.

The purpose of daylight saving time is to make the hours of daylight coincide with the hours of the day in which people are awake and active. Under daylight saving time, sunrise and sunset each occur an hour later than under standard time. I am proposing to begin daylight saving time in early April because, under current law, April has the earliest sunrises of the year, and I believe that most Americans would rather have an hour of daylight in the early evening than in the early morning.

Mr. President, sunrises in April under standard time in Washington, DC, ranged from 5:17 to 5:53 a.m.; most of us slept through the early hours of daylight. Sunsets under standard time in April ranged from 6:31 to 6:55 p.m.; many of us commuted home in darkness. If this amendment is adopted, daylight saving time would have begun on April 6 and the hours of daylight in April would have corresponded much more closely with our lifestyles than under standard time. Sunrises and sunsets in April under daylight saving time would be equivalent to those in early August through mid-September, and even the opponents of my amendment support daylight saving time during the period of the year.

We do not have to imagine the effects of extended daylight saving time, because the Congress did extend daylight saving time temporarily during the energy crisis of the 1970's. The Department of Transportation estimates that energy savings equivalent to 100,000 barrels of oil per day resulted from extended daylight saving time, and studies have shown that the transfer of an hour of daylight to the end of the day enhanced traffic safety and reduced violent crime. The Department supports a 2-month extension of daylight saving time.

Many industries also stand to benefit from extended daylight saving time, including nurserymen, convenience stores, the barbecue industry, the travel and tourism industry, and sporting goods manufacturers. Extended daylight saving time would increase revenues and employment in these industries, and would generate significant tax revenues at no cost to the Federal Government.

The House of Representatives has passed a bill, H.R. 2095, which would begin daylight saving time on the first Sunday of April, as my amendment proposes, and would also extend daylight saving time 1 week into November. I have not included the November extension in my amendment because I am sensitive to the concerns of the opponents of this amendment that daylight saving time in November would create sunrises sufficiently late to be detrimental to many Americans. I do not believe that these concerns apply to April, which, as I mentioned, has the earliest sunrises of the year under the present system.

Mr. President, I believe that this amendment balances the interests and concerns on both sides of this issue and I urge my colleagues to support the amendment.

I should also like to say, Mr. President, that the distinguished Senator from Maine, Mr. MITCHELL, is a cosponsor and has been a prime sponsor of the bills on this subject during all of the Congresses during which I have served, and is very strongly supportive of the amendment—support which I appreciate.

DAYLIGHT SAVING TIME

Mr. DANFORTH. Mr. President, I support the amendment proposed by the Senator from Washington [Senator GORTON], and my colleagues from Maine [Mr. MITCHELL and Mr. COHEN], California [Mr. WILSON and Mr. CRANSTON], Rhode Island [Mr. PELL and Mr. CHAFEE], Hawaii [Mr. MATSUNAGA], and Minnesota [Mr. BOSCHWITZ].

The Congress has a difficult task in trying to determine the optimal period for daylight saving time because many regions and individuals are affected differently by daylight saving time. Indeed, many people have urged us to adopt year-round daylight saving time while many others would prefer no daylight saving time at all.

The principal concern which underlies opposition to this amendment is that daylight saving causes sunrises to be an hour later than under standard time. Many Senators are concerned that these later sunrises will endanger rural schoolchildren on the roads in early morning darkness and will cause

farmers, who work by the Sun, to lose an hour of early morning daylight in which to perform chores.

I share these concerns for schoolchildren and farmers. I have not supported previous proposals to extend daylight saving time because late sunrises would be detrimental to the interests of Missouri. However, this amendment would not result in sunrises later than at many other times of the year. As Senator GORTON has pointed out, the amendment applies to a period in April which has the earliest sunrises of the year. I endorse this amendment as a compromise, which does not create sunrises as late as those in many months of both daylight and standard time, and which does provide the advantages of an extra hour of daylight in the April evenings.

Mr. President, I would like to discuss the origins of the objections to this amendment. Many of the objections stem from our experience with extended daylight saving time in the 1970's, when, in order to conserve energy, the Congress called for yearround observance of daylight saving time. This law created problems in the winter months, when the sunrises are already late under standard time. Many of us associate today's proposal with observance of daylight saving time in the winter. In reality, there is no comparison. In my hometown of St. Louis, sunrise under daylight saving time on January 15 would occur, and did in 1974, at 8:17 a.m. Clearly, this created problems for schoolchildren, farmers, and many Missourians. Sunrise on April 15 under this amendment, however, would occur at 6:25 a.m.

I hope that my colleagues will remember, when they hear arguments about the detriments of daylight saving time, that many of the criticisms are aimed at January, while the amendment is aimed at April.

Another common reason for opposing extended daylight saving time is the thought that we should not tamper with time. We hear objections to changing natural time, or "God's time", as it is often called. I am certain that my colleagues understand that the calculation of time itself is not natural but man-made, and that the Uniform Time Act of 1966, which created our current 6-month daylight saving time period, was certainly not an act of God. The natural elements are the sunrise and sunset, which I can assure my colleagues will not be changed by this amendment.

Mr. President, the potential benefits of and public support for this proposal are clear. Extended daylight saving time would save energy, enhance traffic safety, reduce violent crime, and create substantial business for many industries. The general public supports extended daylight saving time by a margin greater than 2 to 1, and the administration supports a 2-month extension of daylight saving time. I will not dwell upon these points because I do not believe that they are disputed by opponents of the amendment.

Instead, I would like to discuss the concerns of farmers. The American Farm Bureau Federation believes that daylight saving time should be observed only from Memorial Day to Labor Day—a period of just more than 3 months. I would like to point out that most sunrises in April under daylight saving time would be as early as sunrises during this 3-month period. Sunrise on April 26, which was this year's earliest sunrise, would be the same as sunrise on August 10 under daylight saving time. Therefore, this amendment will not adversely affect farmers.

I urge my colleagues who are skeptical about extending daylight saving time, as I was, to examine the effects of daylight saving time in April, as I have. I believe that you will find no reason to oppose this amendment, and every reason to support it.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MITCHELL. Mr. President, I am pleased to join Senator GORTON in cosponsoring this amendment to extend daylight saving time in a manner that will offer numerous benefits to the Nation.

It represents a safe, straightforward, positive way of increased energy savings, decreased traffic fatalities, reduced violent crime, enhance the lives of persons who suffer from night blindness, and add to the hours that Americans can spend outdoors. Few proposals submitted to the Senate offer such clearcut gains and enjoy such broad support as this measure.

I want to emphasize what Senator GORTON has said—that this amendment represents a compromise. Other daylight saving time extension bills have sought to expand the Nation's observance of daylight saving time by as much as 8 weeks. On October 22 of last year, the House of Representatives passed H.R. 2095 to extend it by 4 weeks. I am an original cosponsor of S. 1433 which was identical to the House bill. However, in the interest of compromise this amendment proposes an extension of 3 weeks.

The original bill would have extended daylight saving time by 4 weeks beginning its observance the first Sunday in April rather than the last Sunday in April as it is under current law, and ending it on the first Sunday in November rather than the last Sunday in October, as is the case under current law.

This compromise amendment drops off the week-long extension from the last Sunday in October to the first Sunday in November. That fall extension was intended to promote child safety through an additional hour of daylight in the early evening on Halloween. However, October also is a month when sunrise comes later each morning, and we are willing to accommodate that concern by this compromise.

We have ensured that sunrise times under the extended system of daylight saving time will occur no later than sunrise times presently occurring in the fall under the current system.

Sunrises in April will occur no later than sunrises which we already experience in the fall each year under the existing system.

Daylight saving time was first used in World Wars I and II as a way to conserve energy. The Uniform Time Act of 1966 formally implemented national daylight saving time in its present 6-month period. As a response to the 1973 oil crisis, Congress enacted the Emergency Daylight Saving Time Energy Conservation Act extending it to 10 months in 1974, and 8 months in 1975.

Daylight saving time is intimately tied to the United States desire for energy conservation and energy independence. Indeed, it is an idea with roots in the era of America's Declaration of Independence.

One of the first proponents of daylight saving time was Benjamin Franklin, who awoke one morning in Paris in 1784 to a room filed with sunlight. He realized that many Parisians spent sunlit hours sleeping, and later burned candles while awake at night. Franklin later wrote:

> It is impossible that a wise people would have made use of unhealthy and expensive candlelight if they had known as I have just learned that they can have for nothing the beautiful and pure light of the sun.

Franklin proposed to encourage, although fortunately not seriously, the use of sunlight rather than candles through a tax on window shutters, the rationing of candles, and the firing of cannons in the streets at sunrise to awake citizens and make them open their eyes to their true interests. Nonetheless, the essence of Franklin's idea remains true today. Over 200 years later, it is no longer simply candlelight which is wasted.

In 1975 the Department of Transportation study on the impact of the 1974 daylight saving time extension estimated that the equivalent of 100,000 barrels of oil was saved each day. Under the compromise amendment, more than 2 million barrels of oil could be saved each year.

The U.S. energy situation has changed since 1975. Fuel prices are the primary factor in controlling fuel use, and the price of oil has dramatically fallen in recent months. But we live in an uncertain world. Iran and Iraq are

at war along the Persian Gulf. American bombs have fallen on Tripoli and Benghazi in Libya. Tensions and terrorism still flare in the Middle East, and lines of commerce are always fragile.

The need for energy conservation—and vigilance—is undiminished. DST is one small means of conservation, with large benefits, and at absolutely no financial cost to the Federal Government or the American consumer.

As Benjamin Franklin advised, we must open our eyes to our true interests.

The argument for an extension of daylight saving time becomes even more compelling when one considers benefits of increased traffic safety and violent crime reductions.

The 1975 Department of Transportation study showed a 0.7-percent reduction in traffic fatalities in March and April 1974, under extended daylight saving time, compared to comparable months that same year under standard time. This estimate was, I understand, a conservative calculation, and Department analysts believed the actual reduction to be more on the order of between 1.5 and 2 percent.

Second, according to the National Crime Survey of the Departments of Justice and Commerce, the most serious forms of crime occur in the evening or at night, rather than the early morning hours. Criminals prefer to operate under cover of darkness. Increased daylight in the critical hours when many Americans are coming home from work can act as an important deterrent to crime.

I am aware of fears that expanded daylight saving time would increase early-morning traffic accidents, especially involving school children, and inconvenience our Nation's farmers. Maine is a rural State, where many earn their living by agriculture, and the majority of school children are bused to school. I am therefore extremely sensitive to these concerns. However, after close study of these arguments, I believe they are without foundation.

There is little proof that a month's extension of daylight saving time adversely affects American agriculture. The 1975 Department of Transportation study stated flatly:

> DST does not affect agricultural activities or production. In general, agricultural activities are insensitive to "clock time," and farmers and ranchers (as well as most other groups in agriculture) are not vitally concerned with what type of time system is used. Farmer's activities are determined by seasonal factors and are principally geared to the hours of sunlight, and these patterns pertain irrespective of clock setting.

The safety of schoolchildren similarly is not adversely affected. The Department's 1975 study also concluded that for the January to April 1974 daylight saving time period:

> School-age children were not subject to greater involvement in fatal accidents than the general population at any period of the day.

A 1976 National Bureau of Standards study of school-age children fatalities also found no increase in morning fatalities during the March and April daylight saving time period.

A Department of Transportation analysis of daylight saving time between 1979 and 1981 additionally concluded that "there appears to be no basis for claims that DST transitions caused increases in schoolchildren morning fatalities."

I wish to reiterate to my Senate colleagues that this amendment also is a compromise. Daylight saving time would begin the first Sunday in April—rather than the last Sunday in April under the current system, or in March, as other bills have proposed.

Sunrise times in the spring would occur no later than the times presently occurring in the fall under the existing system. Farmers and schoolchildren would not be subjected to early morning conditions any different from those that they already live under.

Older school-age children coming home in the evening, particularly if they have participated in school sports or other extracurricular activities, stand to benefit from the extra hour of daylight.

In 1976, the Senate approved an extension of DST by a vote of 70 to 23, but the measure died in the House in the final hours of that Congress.

In 1981, the House of Representatives approved a DST extension, but no action occurred in the Senate.

During this current Congress, the House of Representatives has again passed a DST extension. The measure enjoys broad popular support, and the decision now rests with the Senate.

Americans are looking to us to finally write into law a proposal which is emminently practical and reasonable. Like the hands of time itself, Congress may sometimes move slowly. But I submit to you—with no pun intended—that the time finally has come in this Congress, to enact an extension of daylight saving time.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, would the Chair advise who controls the time?

The PRESIDING OFFICER. There is no controlled time.

Mr. FORD. Who are the floor managers?

The PRESIDING OFFICER. The floor manager of the majority is the Senator from Washington. The Chair is not advised as to the minority manager.

The Senator from Kentucky.

Mr. FORD. Mr. President, the proposal by the plaintiffs in this particular case, the Senator from Washington and the Senator from Maine, presented such a weak case for the extension of daylight saving time I doubt seriously that the defense should put on any witnesses but just leave the judgment to the jury. But in all fairness, I must represent my people and represent the hundreds and hundreds of people who have contacted my office in opposition to any extension of daylight saving time.

You always put your best foot forward in this type of situation. I was amused that the distinguished Senator from Maine, as he elaborated all the times the House had passed daylight saving time, failed to enumerate the number of times the House had defeated the extension of daylight saving time.

So, Mr. President, I rise in opposition to the amendment of the distinguished Senator from Washington and the distinguished Senator from Maine which would extend daylight saving time another 3 weeks.

In preparing for this debate, I ran across several quotes I would like to share with my colleagues.

Many people have questioned why I am so interested in not extending daylight saving time for another month or another 3 weeks, and why it is such an emotional issue in my State.

A State senator in the Kentucky General Assembly ranks daylight saving time as "one of the three most emotional issues of my service in the Kentucky General Assembly."

He also adds:

> Time is more important to people than the budget. They don't care how much we spend, apparently; they just want to know what time we are going to spend it on.

I recently heard from a Kentucky mother who found it just as hard to get a child to go to bed while it was daylight as it is to get a child to wake up while it is still dark.

Any Kentucky mother who has sent a first grader out to catch a bus on a dark, misty April morning takes a dim view about the importance of electricity that might be saved on the east and west coasts and the number of after-work tennis games that might be played here in Washington, DC.

Before the Commerce Committee hearings, I heard from a constituent in Louisville. I have all of these letters to back up my quotes, and if anyone wants to see them, I am delighted to let them have them, or might even submit them for the RECORD, if anyone thinks it is necessary.

I quote from this constituent. He says:

> I am tired of having to spend half of my day in the dark just so some soft executive can have a barbeque when he gets home in November.

□ 1430

Another recent letter from Louisville:

Don't tell me it saves lives and energy. I have lived in this world too long to swallow that.

Mr. President, throughout the consideration of this issue, I have always thought that only those individuals in the westernmost portion of a time zone opposed extending daylight saving time. I received a letter recently, however, from Sacramento, CA, which stated:

The pro-daylight-saving-time faction portrays the anti-daylight-saving-time crowd as either a special interest group such as farmers or religious extremists who don't want 'God's Time' tampered with. This is hardly the case. I have no desire to get up in the dark so candy manufacturers can make money off of Halloween sales.

I realize that the amendment of the Senator from Washington only extends daylight saving time during the month of April, but these letters were written before his amendment was published in the CONGRESSIONAL RECORD. I am very concerned that if this amendment passes the Senate—and this is a real concern of mine—the conferees will agree to the House-passed daylight saving time bill, which provides for 3 weeks in the spring and 1 week in the fall.

What we pass here, in the Senate, could well be the final package. On the other hand, it may not be, because the House has a different piece of legislation, the Senate has a different piece of legislation. That bill goes to conference and the conferees will then send back to the Senate what could be a very different piece of legislation.

Mr. President, the principle of daylight saving time is very simple: During part of the year, the sun rises before most people do. If a clock is advanced, sunrise by the clock will be later as sunset will be later. This clock shift does not increase the amount of daylight but it, so-called saves daylight. It reduces the number of daylight hours when people are asleep and adds the hours when they are awake in the evening. Kentucky's dilemma derives in part from its location. Half of the State is in the eastern time zone and on the western edge of the eastern time zone. Dawn comes in the home State of the distinguished Senator from Maine on the Atlantic coast, which is in the same time zone, a lot earlier than it does on the western edge of Ohio and the eastern part of Kentucky and in our major metropolitan area.

I was very interested in the findings in the proposed amendment. Let me tell my colleagues what this amendment says that Congress will find and what they approve if this amendment is passed. As I say, I think it is very interesting.

This amendment says: "The Congress finds: First, that various studies of governmental and nongovernmental agencies indicate that daylight saving time over an expanded period would produce a significant energy savings in electrical power consumption."

I shall debate that item just a little bit later and prove that it is not really true. A significant energy saving—I think whoever drafted this particular amendment was carried away with his verbiage.

Second, "that daylight saving time over an expanded period could serve as an incentive for further energy conservation by individuals, companies, and the various governmental entities at all levels of government, and that such energy conservation efforts could lead to greatly expanded energy savings."

When you go to work in the dark, you have to turn a light on and when it is cool in the morning, you have to have the heat up. I shall debate that a little bit later.

Third, this amendment says that Congress finds "that the use of daylight saving time over an expanded period"—what is an expanded period? Is it just 3 weeks this year or is it 3 weeks next year and next year and next year? Is that the expanded time this amendment is talking about?

It says, "the use of daylight saving time over an expanded period could have other beneficial effects on the public interest, including the reduction of crime, improved traffic safety, more daylight outdoor playtime for the children and youth of our Nation, greater utilization of parks and recreation areas, expanded economic opportunities through the extension of daylight hours to peak shopping hours and through extension of domestic office hours to periods of greater overlap with the European Economic Community."

That means they are saying that you can stay at work a lot longer; you do not have to go home. I suggest that the effects of the benefits of extended daylight saving time are exceedingly small and therefore hard to assess.

I want to make this one very important point: That the effect of daylight saving time is basically regional. It does not benefit the total country.

Mr. President, there is no hard evidence to convince Kentuckians or those citizens residing on western edges of a time zone that more daylight saving time will save energy, prevent traffic accidents, deter crime, or virtually any of the wondrous things that are claimed by the advocates of the extended daylight saving time.

There are particular hardships on areas in the westernmost fringe of a time zone. For example, the eastern half of Kentucky and much of the State of Ohio are in the westernmost part of the eastern time zone, so sunrises occur as much as an hour and 15 minutes later than in the cities on the Atlantic coast. So we are actually robbed. This affects every aspect of life—the way business is conducted, schools are run, personal families. All of these things are affected by the Sun rising an hour earlier on the Atlantic coast than on the western edge of the eastern time zone. You play that against each of the western edges of every time zone.

Let us look at the facts that have been presented in this particular amendment or what they propose. The National Bureau of Standards found no conclusive evidence of a daylight saving time affect on the saving of electrical energy. We have been hearing an awful lot about how much energy is going to be saved, but the National Bureau of Standards found no conclusive evidence that daylight saving time will have a great affect on the saving of electrical energy. In fact, it may cost more on the western edge of a time zone because the light has to go on an hour earlier and the heat will have to be turned on an hour earlier than normal in the dark.

The Department of Transportation report identified a seven-tenths of a percent reduction in traffic fatalities with extended daylight saving time. The Department of Transportation later expanded the benefits to a reduction in fatalities of 1 to 2 percent. The National Bureau of Standards criticized the Department of Transportation for using raw NHTSA data and found no conclusive evidence for a daylight saving time-related decrease in fatalities.

Mr. President, it just does not seem right to this Senator that you can stand up and beat your chest and say so many wondrous things are going to happen because you extend daylight saving time 3 weeks in April. We had so much snow this year in April, the schools were closed, ball games were called off. You could not go to the parks. In fact, you could not drive your car from home to work, the snow was so deep in many parts of this eastern time zone during the first 3 weeks of April.

The Department of Transportation did not take into account that at the time they were measuring traffic fatalities, the country was experiencing a gas shortage.

□ 1440

Think about that. That was not even factored in. You have not heard about that in this grand and glorious amendment to do all things for all people by extending daylight saving time 3 more weeks.

The President and Congress were recommending responses to the shortage. Think about that. Gas rationing was a way of life at the time these facts were taken. The price of gasoline

had doubled at the time these facts were taken. Citizens found other means of transportation since gasoline was so limited, and the Congress at that time enacted the 55-mile-an-hour speed limit.

Now, that is why lives were saved. That is why gasoline comsumption was reduced. That is why traffic accidents and fatalities were reduced.

If there was any reduction in traffic fatalities during the extended daylight saving time period, I am certain some of these factors were the cause and not daylight saving time.

The Department of Transportation, however, has admitted in testimony before the House of Representatives that they did not take any of these factors into account in determining that there would be reduced traffic fatalities under extended daylight saving time.

Now, let me repeat that. Let me repeat that because we are hearing a lot about this Department of Transportation study and how great it will be if we extend daylight saving time 3 more weeks.

The Department of Transportation has admitted in testimony before the House of Representatives that they did not take any of these factors, being gasoline shortage, doubling of prices, looking for other means of transportation, and reducing the speed limit to 55 miles an hour, into account in determining that there would be reduced traffic fatalities under daylight saving time.

Now, I think those factors play a greater part than trying to extend daylight saving time by 3 weeks or a month or whatever.

There is one special interest group in this argument I would like to mention and that is the group of children. We have spent a lot of time lately in this Congress and especially in the media on improving education, the plight of missing children, and the need to protect children from all kinds of behavior. Children have a stake in this extended daylight saving time argument. Although the issue of the coalition to extend daylight saving time is purely economic, as I read in Fortune magazine several months ago, the children's issue is purely emotional, purely emotional. The coalition's position is purely economic, and they dismiss the plight of our children as purely emotional.

Well, Mr. President, parents in Kentucky do not believe the issue is emotional. Adding an hour of sunlight at the end of the day subtracts one at the beginning of the day and leaves many school-bound children in the dark. Great concern has been expressed about schoolchildren having to start for school before sunrise in many parts of this country. Advocates of extended daylight saving time say the problem can be alleviated by postponing the time of day when school begins so that children would not have to travel to school in the darkness. That is an easy way of saying it, just start school an hour later so they can go to school in the same daylight as you had before you extended daylight saving time.

Now, we have that in testimony before the Commerce Committee. During the 1974-75 year-round daylight saving time experiment, 44 percent of the Nation's school districts shifted the beginning of time of school because of the safety factor—safety factor for children, and we had daylight saving time during the same period that is being advocated under this amendment.

Families with schoolchildren will be operating on two time schedules, one for the school and the other one for their employer. When both parents work, which is the case in many homes now due to economic factors, small children will be left at home unattended until the bus runs. In Kentucky, the beginning times for schools vary, but there are a considerable number of children picked up at 6 to 6:15 a.m., and that is a record from the Kentucky Association of School Administrators.

Now, Mr. President, this is an extreme problem in areas where there is great distance in a consolidated school district, where there is court-ordered busing and where there is one school of a district for handicapped students. Think about that. One school in a district for handicapped students, and they have to get on the bus at 6 to 6:15 a.m., in the dark.

The handicapped students are most likely the first bus run. Then the buses return for another run later in the morning. The sponsor of the House version of extended daylight saving time made a point that sunrises in April under extended daylight saving time would be earlier than sunrises in December, January, and February. Isn't that a wonderful proclamation. The sponsor suggested that there would be 22 weeks in the school year more dangerous than April 1. My response is why make it any worse? In effect, by adopting this amendment, you will make 26 weeks dangerous in the school year rather than 22. The importance of the safety of children is at issue and far exceeds any economic consideration in the extension of daylight saving time debate.

During the hearings on extending daylight saving time held by the Commerce Committee, I was told by one of my colleagues that Kentucky should start schools later to relieve the safety concern. I raised the issue of working parents on a different schedule, and I was told to start the factories 1 hour later.

Mr. President, it was almost hard to believe what I was hearing. If it bothered the schoolchildren, start school an hour later. If the children were left home by themselves to wait for the bus, just open the factories 1 hour later, so we would be right back where we started and we ought to leave it alone.

I believe you have to look at this issue in terms of the entire country. If the westernmost areas of a time zone have to make such sacrifices, is extended daylight saving time good for the entire country?

□ 1450

I have also been told by the daylight saving time coalition that the simple answer to Kentucky's problem is to move the entire State into the central time zone. I also believe that this is too great a sacrifice for my citizens to make in order for the coalition to sell more of their products. One of the greatest benefits Kentucky and other States in the region have in attracting industry is that we are on the same time as Wall Street and the financial world. One should not underestimate the business interest of remaining on the same time as the financial world, particularly New York.

In essence, extended daylight saving time would establish a new entitlement system for energy usage. The increased use of energy in mid-America would neutralize the saving of energy on the coasts. Daylight comes over an hour later in Louisville than on the east coast so consumption of energy would be actually increased as people get up earlier, go to work earlier, and turn on their lights and heat earlier. The President of a large utility in Kentucky has indicated that in his judgment extended daylight saving time would mean an additional use of gas and electricity in the mornings without an offset saving in the evening.

Savings in energy, although predicted to be 100,000 barrels of oil per day by the Department of Transportation study, are difficult to isolate from seasonal variations, rate for crude, and fuel availability. The benefits of energy savings are for the coastal States at the expense of the Midwestern States

Now, Mr. President, a new entity comes into the opposition to the extension of daylight saving time. The National Association of Broadcasters has written in opposition to the extension of daylight saving time. The National Association of Broadcasters' concern is the effect the amendment would have on daytime-only AM broadcast stations. There are 2,450 daylight AM stations in the United States. The impact would be the worst for the approximately 450 daylight stations not holding a presunrise authorization known as PSA.

The monthly sign-on time for a daytime station is based on the time of the local sunrise rounded off to the nearest 15-minute interval. The authorization is expressed in nonadvanced standard time which, in effect, is local time for the 6-month period in which daylight saving time is not observed. During the expanded period in this amendment, the sign-on time for daytime stations not holding a PSA would be delayed 1 hour. Most daytime only stations would suffer a financial loss due to the loss of an hour of drive time.

How much economic benefit has been lost by these small radio stations? No one has brought that into being here. No one has talked about those small radio stations that struggle for a living. Yet this extension of daylight saving time would cost them dearly.

Most daytime only stations would suffer a tremendous financial loss due to that loss of 1 hour in drive time. The morning drive time is the period according to the FCC, Federal Communications Commission, in which stations earn a substantial bulk of their advertising revenues. Four hundred and fifty stations are going to lose an hour of drive time, and that is that bulk of their advertising revenues. So that is another financial loss to be imposed upon citizens, and it is now a fact of life that the National Broadcasting Association is very much opposed to this amendment.

The amendment of the Senator from Washington contains a provision to allow the Federal Communications Commission to make adjustments by rule. This is very technical and the question is what adjustments will be made? What adjustments will be made? It will certainly disrupt the current balancing between full-time and daytime-only AM stations.

As proved by the recent snowstorms in the Rocky Mountains, even in April schools may close due to weather conditions. Most of the radio stations—think about this now—giving this information are daytime-only stations. What would happen? They would not be there and would not be allowed to be on to give that information because of this amendment.

Since the news media has chosen to give me complete credit for opposing extending daylight saving time, I have heard from citizens all over the country. These citizens are firmly opposed to this extending daylight saving time and many come from areas that, due to geographical location, should most likely support sunshine in the evening. These citizens do not have a public relations firm to lobby on their behalf; they do not have a financial interest in the matter nor are they interested in whether some businesses will sell more of their products. They have written to me and hopefully to their Senators in opposition to this amendment.

From South Pittsburg, TN, Mrs. Marie Daniel wrote me and stated:

I want you to know I sure do appreciate you keeping that bill from extending daylight saving time to 2 more hours. I wish they would leave the time on standard time. The real working people don't have time to play like these men who want more hours of light.

Phillip A. Lomax of Pensacola, FL, wrote:

I want to thank you for opposing the useless Daylight Saving Time extension. My experience with saving time has been as a parent of young children. It was more difficult getting them in from play for a family meal together with adequate time left for homework. I also found it more difficult getting up as early as I needed for a good start on the day. I think the proposal is counterproductive and its passage would only lead to a request for another extension later.

Helga Larson from Bement, IL, informed me:

I read in the paper that you were against extending daylight saving time. That is fine—so am I. It would suit a lot of us fine to do away with it completely.

From Columbus, Ohio, a citizen wrote:

You are admired! And by a Republican at that! Will you please keep that ten year effort to lengthen our daylight hours bottled up another decade or two? Has just one of those daylight saving backers ever tried putting a 4-year-old, a seven-year-old or a ten-year-old to bed at 9:00 in the daylight? I doubt it! Have they ever looked at these same kids in school the next day? These same kids have to get up at the same time having gone to bed an hour or two later. Being a school parent, now you try teaching them! They are just plain tired. I believe with all my heart that this daylight saving time is just one more wedge driven into the family circle. With so many parents working, we don't need more ways to split our times together. Indeed, it is God's time. We need to use it wisely. Our children are watching.

Van Statham from Tyler, TX, wrote me to explain:

I appreciate your stand on the daylight saving time thing. Would think there are so many other important things that need handling, that these guys would not be trying to help the sporting goods companies. Let's leave God's things alone.

(Mr. COCHRAN assumed the Chair.)

Mr. FORD. Mr. President, on April 7, 1986, I received a letter from Violet Clausen of Stapleton, NE.

It was with great delight that I read an article in my daily paper today that thanks to you, those who would enforce their ridiculous daylight saving time for another month of use, were thwarted in their efforts.

From Youngstown, OH, Mrs. Evelyn Carver wrote:

Thank you very much for your efforts about daylight saving time. I don't like it and I don't need it. It should start on May 31 and end September 1, or do away with it completely. We have enough pressures on our shoulders without chasing the clock all day long.

On April 7, Mrs. Verna Palmer of Moss Point, MS, sent a letter which stated:

I appreciate your stand on daylight saving time. I think it is silly for grown men to waste their time and taxpayers' money with nothing better to do than change the time for the sun to rise and set. I am an 81-year-old widow and I have seen many sunrises and sunsets in my lifetime. I believe in and respect God's handiwork.

That was Mrs. Verna Palmer of Moss Point, MS.

In this area, Bruce M. Benton contacted me from Gaithersburg, MD:

Please accept my sincere thanks for your successful efforts which have saved us from additional months of daylight saving time. We have more than enough of that already. Fast time becomes more attractive with increasing latitude, which is why only the northern states are agitating for it. With each additional degree of latitude, summer days are a little longer. At the North Pole, one can enjoy 24 hours of sunshine during mid-summer; but in our southern states, fast time forces too many people, including schoolchildren, to begin their active day in total darkness. Any further change in the national schedule should go in the opposite direction, to limit the period to a maximum of three months. Perhaps, as an alternative, we should rearrange the time zones to make horizontal, as well as vertical divisions. Then the northern states could choose to set their clocks ahead permanently, as Indiana and Michigan have already done, without forcing unpleasantness on the remainder of the nation.

Ada McCain of Danville, VA, recently wrote:

All power to you in prolonging the changing of our time. We people of the USA should have a say so in changing the time and if we did, there would not be any changes made . . . Many times I have seen small children leave home in the dark to stand at some specific place to wait for the bus. This is enough to vote to leave the changing of time alone.

From Rock Rapids, IA, Darlene McMaster informed me:

Thank you very, very much for holding back daylight saving time. Natural biological rhythms are thrown off. The sun in the morning makes it easier to get up, safer to drive to work on the highway. Soon, with DST, it will be dark again when I get up at 6 a.m. How is it that Representative Markey gets to sleep so late that the sun bothers him? He must work a short day.

I just want to make a short statement here. I have a lot more to go and I even have some letters from your State, I say to the Senator, and I am going to quote those, too. There are many in your State that are very much opposed to this, and I am referring to the distinguished Senator from Washington.

But Representative MARKEY sent a letter out the other day indicating that the Cubs and the Pirates, I believe, were locked in an 8-to-8 tie at Wrigley Field and they had to call the game in early April because of darkness. He thought that with extended daylight saving time they could have

played the rest of the ball game, maybe.

But he forgot to tell us that Wrigley Field is the only field in the American or National League that does not have lights so they could continue to play. And he forgot to tell Congress to mandate that the Cubs have better pitching so they could reduce the hits of the Pirates or we forgot to mandate that the Pirates get more hits so they could beat the Cubs. That is how silly this daylight saving time is becoming.

Mr. President, I have letter after letter, and recommendation after recommendation, and I have some letters, as I said, both from the distinguished Senator's State of Washington and probably I could find one if I dig a little deeper from Maine and some of these other strong advocates of daylight saving time, from those who had to spread the sand and the salt in early April in the dark, and if it had been daylight saving time even worse, as we had the blizzards and the snow and the children could not go to school.

So for now, Mr. President, I yield the floor to the distinguished Senator from Nebraska who would like to have a few moments.

Mr. EXON. Mr. President, I have been listening with great interest to the excellent presentation by my friend and colleague from Kentucky. I think he has said most of the things that need to be said in this area. But I want to add my voice of support to the Senator from Kentucky in opposition to the further extension of daylight saving time.

In this regard—and to digress for just a moment, Mr. President—I would like to thank my colleagues for the agreement that I understood had been entered into that I have been strongly in support of, and that is to not bring up an amendment at this time with regard to scrambling of cable television signals until we can have an opportunity to have a hearing on that in the Commerce Committee, on which the distinguished Senator from Washington, the Senator from Kentucky, and I serve. I have some serious reservations about how fast we move on this, but move we must.

I think here is a place where the Federal Communications Commission has not gotten into the act when I think they should be to resolve this problem that is a major concern to those who do not have the availability of cable television. I hope good people working together can come up with a solution to this matter that is going to cause an awful lot of difficulty in the future but can be solved, I think, with relative ease by some joint discussion. I hope that our hearings in the Commerce Committee will bring that about.

Getting back to the matter at hand, I agree with the comments that have been made by the Senator from Kentucky. I want to emphasize the fact that the effect that this could have, might have, and I think will have, the adverse effect on children, should be the primary concern and the real reason why we should turn this down.

What I am saying, Mr. President, is why in the world can we not leave well enough alone? I think the public at large believes that we pass far too many bills or amendments here and in the House of Representatives and that we have at the present time a relatively good and relatively well-accepted daylight saving time period in the United States.

Yes, there have always been those who want to shorten the daylight saving time period. That comes up from time to time. I have not endorsed that effort, by telling those proponents to shorten the daylight saving time, "Leave well enough alone." And I would say to the proponents of the amendment, "Please leave well enough alone." And if and when we come to a vote on this matter, I hope that the U.S. Senate, as a whole, will say, "Enough is enough." Let us not stir up unneeded controversy.

□ 1510

Let us leave the law as it is now, which right or wrong—and I happen to think it is right, and it has been accepted by the vast majority of the people in the United States. I suspect, though, that the very thought of having a few extra minutes to do what one wants to do in the evening might unfortunately persuade this body to approve the amendment. I would simply say to them that they should look at the other side of this issue rather than saying, "Well, I think it is good for me," or "I think this is probably good for certain industries."

I have, Mr. President, a letter from the American Farm Bureau. I think the Senator well knows that I will not dwell on it with no keen disappointment by my friend from Washington, I am sure, and my friend from Maine. I will not dwell on the opposition of agriculture in general to the future broadening of the legal hours for daylight saving time for all of the reasons that are well known, I think, here, and it would serve very little purpose to go into that in any detail.

So the Farm Bureau is opposed to this from the traditional standpoint of agriculture. But agriculture, as has been well demonstrated time and time again, is such an insignificantly small percentage of the people in United States today that probably their feelings will not receive the attention that they should. So I am taking a little bit different tack on this at this time.

I want to quote not from a letter in its entirety, but from one paragraph of this letter that has to do with children. This letter, Mr. President, is from the American Farm Bureau, and it is signed by Mr. Dean Kleckner, the president, dated May 7. It is addressed to me.

And I ask unanimous consent at this time to have the letter printed in its entirety at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. President Kleckner says,

> The Farm Bureau is concerned about lengthening the daylight saving time period for the following reasons.

I am going to talk primarily about the No. 1 reason that Senator FORD has already touched on in some detail in his previous remarks. But I am quoting from his letter.

> Parents are concerned about their children waiting for a bus or walking to school in the dark. Even though the Department of Transportation has a 1976 study to show that there would be no increase in accidents if daylight saving time were extended, no amount of studies can alleviate the concern of parents. With the increased reports about crimes against children and the obvious fact that drivers cannot see as well in the dark, rural people—

Rural people, Mr. President—

> do not accept those results.

Mr. President, I am not saying that for the mass and the greatest amount of schoolchildren that extending daylight saving time by a month would have a significant adverse effect. But, Mr. President, I am saying that it will have a significantly adverse effect for the rural schoolchildren. Their needs, their education, and their safety should be considered along side of the masses of population centers in the United States.

Mr. President, it is not uncommon in certain rural sections of these United States—yes, indeed, in Nebraska—that some schoolchildren in large geographical areas that represent school districts travel 2 to 3 hours on a bus to get to school and back.

That means, Mr. President, that when you have to get up traditionally before dark, you are getting up in 1 more hour of darkness to start that long trip to school each and every day. I am wondering how many Members of the U.S. Senate would be voting for this amendment if their children or their grandchildren were the ones that had to make the sacrifices, basically to compensate those who want to have a little more time to do what they want for pleasure in the daylight hours of the evening.

Mr. President, I hope that we can come to some kind of an agreement today, probably to have a vote on this sometime tomorrow. I have not had a chance to discuss this at length with Senator FORD. I know requests have been made from this side of the aisle to put off any vote on this until tomorrow. If we can at least have a dis-

cussion on an issue like that, maybe we could come to some resolution of the issue. There may be others besides Senator FORD and myself who have something to say on this. And I believe if there are others, it will work better with their schedules when they get back probably tonight or the first thing in the morning.

Mr. President, I will conclude my remarks at this time by saying that Senator FORD has outlined most of the reasons why there are those of us not supporting this amendment. I hope that our colleagues will recognize the legitimate opposition that we have, and overriding every other consideration is the fact that I do not think it is fair to a substantial number of the schoolchildren in my State of Nebraska, and likewise I am confident that it is not in the best interests of the substantial number of the rural schoolchildren in other States of these United States. And, therefore, when and if it comes to a vote, I hope it is defeated.

Mr. President, I yield the floor.

EXHIBIT No. 1

MAY 7, 1986.

Hon. J. JAMES EXON,
U.S. Senate,
Washington, DC.

DEAR SENATOR EXON: Farm Bureau would like to take this opportunity to comment on the effort to extend daylight saving time.

On Thursday, May 8, there may be an attempt to amend S. 2180, the Fire Prevention Act, with a provision which would make daylight saving time begin on the first Sunday in April—three weeks earlier than at present. We are very opposed to any extension of daylight saving time.

Farm Bureau policy regarding daylight saving time states:

"Daylight saving time should be limited to the period between Memorial Day and Labor Day. We oppose efforts to extend the present length of daylight saving time."

Farm Bureau is concerned about lengthening the daylight saving time period for the following reasons:

1. Parents are concerned about their children waiting for a bus or walking to school in the dark. Even though the Department of Transportation has a 1976 study to show there would be no increase in accidents if daylight saving time were extended, no amount of studies can alleviate the concern of parents. With the increased reports of crimes against children and the obvious fact that drivers cannot see as well in the dark, rural people do not accept those results.

2. During the harvest season many farmers must wait until the sun comes out and the dew disappears before thay can begin work in the morning. This applies especially to the combining of small grains, soybeans and making hay. If farmers are to continue their church and community activities during the evening, they must quit work earlier by the sun, thereby losing at least one hour of work-time each day. Surely everyone is eager for rural people to participate in community events. Farmers are eager for this to happen, but daylight saving time does impede this ability.

3. About 50 percent of farmers now hold second jobs and would have less daylight in the morning to do morning chores.

Farm Bureau urges you to oppose the extension of daylight saving time. Thank you for consideration of our views.

Sincerely,

DEAN KLECKNER,
President.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I have listened with great interest to the thoughtful statement of my friend, the Senator from Nebraska. And I appreciate the position which he takes, even though I disagree with it. I am particularly taken by the offer, on his part at least, that we should vote on this amendment tomorrow, perhaps at a time certain. It is the view of both myself and the distinguished Senator from Maine, Senator MITCHELL, that that would be appropriate because, as the Senator from Nebraska feels, any others who wish to make statements on this subject should be allowed to do so, and there are Members on both sides of the aisle on both sides of this issue whose convenience would be served by voting tomorrow. So that is the view of this Senator and the Senator from Maine.

I strongly suspect such vote will come about, and in fact, I would be delighted if we were able to reach an agreement to vote.

Mr. President, I have listened with care and with great interest to the positions that are advocated by the Senators from Kentucky and Nebraska.

I doubt, Mr. President, that those positions would have been expressed at all differently were we debating the first attempt to establish daylight saving time during the course of the summer months only, or perhaps were we debating in the middle of the second half of the 19th century the proposition that the United States should adopt four standard time zones.

□ 1520

Exactly the same arguments, I suspect, Mr. President, that were made then, more than 100 years ago, are made today.

The fundamental reasons to add the month of April to the time during which daylight saving time is in effect in most of the United States is one of personal convenience.

No number of individual letters read into the RECORD by opponents of this extension can disguise the fact that on every occasion, in all parts of the country in which scientific surveys of public opinion were taken, the vast majority of the people of the United States favor daylight saving time and favor the extension of daylight saving time.

The most recent of those which has been brought to my attention had a majority of almost 2 to 1 for a 2-month extension of daylight saving time, one which would begin early in March and end after Halloween, in November.

On almost every occasion the subject has come up for debate in this body, a heavy majority of the Members have voted in accordance with that popular opinion. The distinguished Senator from Maine referred to the fact that in 1976, when the issue last arose, the extension of daylight saving time was approved by a vote of some 70 to 23. That, Mr. President was a longer extension of daylight saving time than in the proposal which is before us here.

The reason is not pure accident. The sponsors of this proposal have attempted to meet every legitimate objection, some which they considered to be not so legitimate, to such an extension by limiting it to April.

The date upon which daylight saving time would begin in April pursuant to this amendment, in every part of the United States of America, has a sunrise which, under daylight saving time, would be earlier, in most cases considerably earlier, than the sunrise which takes place on standard time early in January.

I am reminded in the course of this debate, Mr. President, of two lines from William Shakespeare's Romeo and Juliet:

> What's in a name? That which we call a rose by any other name would smell as sweet.

In both the States of Kentucky and Nebraska, with an overwhelming opposition, it would seem from the statements of their Senators, to daylight saving time, either extended or perhaps in the summer, we have, nevertheless, a group of people who have chosen to go on daylight saving time 12 months of the year and to call it by a different name.

Over 100 years ago when the United States began a system of standard time, four time zones were created, and they were created with great logic. They were centered on the 75th, 90th, 150th, and 120th lines of longitude, and they were set so that at moderate latitudes, high noon would be near the exact center of daylight hours during most of the year on those particular lines of longitude.

Because time zones would be 1 hour apart, would be 15 degrees of longitude apart, that, of course, would provide, by pure logic, that each time zone extend 7½ degrees of longitude east of that standard line and 7½ degrees west.

By 1918, after 30 or so years of experience with standard time, an act of the Congress of the United States empowered the Interstate Commerce Commission to establish official time zones in the United States, and these four time zones were so established.

The ICC, and more recently the Department of Transportation, have, however, been allowed to move those

time zones lines upon the petitions of various States.

Since 1918, time lines have been moved 32 times to the west and 3 times to the east.

What is the situation, Mr. President, with respect to Kentucky, to take a specific example?

In 1918, the Interstate Commerce Commission established the western boundary of the eastern time zone at the eastern edge of Kentucky. The Commission did so by applying the logic to which I have just referred. All of Kentucky, including its most easterly sections, are closer to the 90th meridian, which is the center of the central time zone as I have described it, than it is to the 75th meridian of longitude, which is the eastern time zone.

And yet that boundary has been moved westward at the request of Kentucky in 1927, again further west in 1947, again in 1960, and again in 1961. It was moved back in 1974 at the request of Kentucky, and then moved back westward once again 1 year later to its 1961 location where it has since remained.

That means that the people and the government of Kentucky have, in essence, preferred to be on daylight saving time for 12 months of the year, as long as they can call it eastern standard time.

The same thing holds true with respect to almost the entire State of Nebraska. Most of it, under a national frame of reference which would have the center of the central time zone at 90 degrees west longitude and the mountain time zone at 105 west longitude, ought to be in the mountain time zone. Because the people of the State presumably did not like to waste so much daylight at dawn and wanted more of it in the afternoon, the great bulk of the State of Nebraska is in the central time zone where they spend 12 months of the year on mountain daylight saving time but call it central standard time.

Unfortunately, the State of Maine, represented by the distinguished cosponsor of my amendment, has been effectively unable to do that and move into what is called the Atlantic time zone because it would create a fifth time zone in the United States and a tremendous amount of difficulty. In fact, if the same rule or the same custom were to take place in Maine and the rest of New England, all of New England, following the precedent of Nebraska and the precedent of Kentucky, would have long since gone onto Atlantic standard time rather than eastern standard time.

□ 1530

So every difficulty and every objection which the two opponents to this extension have raised to this point has been settled against the case they make by the people of their own States as long as 60 or 70 or 80 years ago. Those people, or most of them, have decided that they prefer what is in effect daylight saving time all year long—whatever that may do to traffic safety, whatever it may do to the consumption of energy, whatever it may do to convenience stores, whatever it may do to schoolchildren going to school in the dark.

My distinguished friend, the Senator from Kentucky [Mr. FORD], complained about various students who are picked up between 6 and 6:15 in the morning during darkness and the great danger to which they are subjected, that we should not extend daylight saving time to the month of April because those children would simply then, presumably all alone during the course of the year, be required to wait for schoolbuses in the dark. Assuming, however, Mr. President, that there is a reasonable amount of light 30 minutes before sunrise, those students now go to school or are picked up by their buses in the dark from the day school begins, right after Labor Day in Louisville, KY—literally the day it begins right after Labor Day—through at least the middle of March.

Apparently, the school districts of Kentucky have not chosen to change the hours of the beginning of school on that account, because under present time conditons, 6 o'clock in the morning is dark in Louisville, KY, from the day school starts through at least the middle of March, if not beyond that period of time. Apparently, the concern for schoolchildren's safety is not so great in either Kentucky or Nebraska that those States wish to put themselves in the time zone to which geography—if geography were the only consideration—would assign them.

Mr. President, it may sound as though I am critical of the choices of the States of Kentucky and Nebraska in that respect. In fact, I am not; I am not critical at all. What those States have done has been to choose the time zone which is most convenient for most of the people who live in those States. It is that and nothing more. What this amendment proposed to do is choose a time regime for the great majority of the people of the United States which is most convenient for most of them and is most suited to most of them. There simply is not a single survey of public opinion on this subject which does not overwhelmingly favor an extension of daylight saving time, not only into the month of April but into the month of March as well. The argument that, somehow or other, there will be an artificial darkness to which most people object during the 3 weeks in April if we have daylight saving time during those 3 weeks simply fails to jell.

Again, to take Kentucky, in every place in Kentucky or, for that matter, in Nebraska, sunrise will be more than half an hour and up to 1 hour earlier on daylight saving time in mid-April than it is in early and mid-January under standard time under present circumstances. That is true all across the country. The differences are slightly smaller in the deep South and slightly greater in the most northerly parts of the lower 48 States of the United States but, during April, daylight is more than 12 hours from sunrise to sunset in every place in the Northern Hemisphere. In early January, it is much, much less than that in every part of the Northern Hemisphere.

The inevitable result is a displacement of the clock to 1 hour later and during the course of the day a sunrise time that is earlier in mid-April than it is in January, much earlier than it is in daylight saving time during the month of October at the present time—something to which everyone in the United States who is on daylight saving time has become accustomed and for a change of which there is very, very little demand.

In fact, the studies of the effect on traffic safety are conclusive, Mr. President; we are not here speaking of safety or reduced traffic accidents simply because we were in an energy crisis or went to a 55-mile-an-hour speed limit. We are talking about statistics which are based on traffic accidents and traffic deaths per million miles driven. Of course, as more miles are driven, there will be more accidents and as fewer miles are driven, there will be fewer accidents. The point is, there are fewer accidents during daylight hours per million miles driven and there are more miles driven in the early evening than there are in the early morning. Therefore, deaths, injuries, and property damage are less under daylight saving time per million miles driven than at any other period of time.

If this body were faced with the inevitable proposition that we would save lives, even a modest number of lives—one-half of 1 percent, one-quarter of 1 percent—by the investment of several, perhaps many millions of dollars, we would almost certainly spend that money, Mr. President, Here we have a chance to save those lives, those injuries and that property damage without spending any of the taxpayers' dollars at all and we should clearly do so. In fact, Mr. President, it is very clear that from the point of view of traffic safety—schoolchildren, nonschoolchildren, and adults alike—there will be a net gain on that safety factor from this change.

It is also, of course, clear that the best argument, because it is the most emotionally appealing argument against this proposal, is the myth of

the schoolchildren's danger in waiting for that school bus in the dark. Yet no individual Member of this body and no State has compensated for that asserted danger by attempting to see to it that schoolchildren not wait in the dark for their school buses in January, in November, in March, or in any other such month. The conclusion I draw from that, Mr. President, is that it is simply not demonstrably a major factor relating to safety itself.

We have a situation, in any event, in which any State that wished not to take advantage of this change could, by petitioning the Department of Transportation, opt exactly as two States already have—the States of Arizona and Indiana, each of which has chosen not to go on daylight saving time at all, with the exception of a small portion of Indiana which is in the central time zone. That is an option for those who feel that the majority of the people in their States do not favor daylight saving time, simply that they not go on it at all, not just in the first 3 weeks of April but during any part of the year whatsoever.

The argument in favor of this proposal, Mr. President, to summarize it, very simply is that it meets with the desires and the felt needs of most people of the United States. They demonstrate that not only by their responses to public opinion surveys but by the very way in which they have set the time zone lines.

□ 1540

Except in New England, there is not one person in the lower 48 States of the United States, Mr. President, who lives in a place 7.5 degrees of longitude to the east of the center of a time zone as established in 1918, who is on that same time zone. Instead, time zones have been moved westward to move these people into time zones to the east. It is simply that these people who think they abhor daylight saving time in fact like it so much that they want to be on it all year as long as they can call it standard time.

That kind of privilege is the privilege which for 3 extra weeks of the year the Senator from Maine would like for his constituents. It is a privilege which I would like for the constituents of much of my State which lies east of one of these standard meridians. It is a privilege which at least two-thirds, of the people of the United States, wherever they are located in a time zone, would like for themselves.

The PRESIDING OFFICER. Is there further debate?

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I will not take much time. I do not know how long we are going to stay in this afternoon. I understand the distinguished Senators agreed that tomorrow would be a good time to vote. it might be, but I have not agreed to that yet.

The distinguished Senator from Washington uses two words. He uses all this latitude and longitude and meridian and that sort of thing. Most people do not understand that. Most people understand the Sun coming up in the morning and going down in the afternoon. They understand going to work in the morning and coming home in the evening. They understand their children going to school in the morning and coming home in the afternoon. They understand those things because they are a reality.

He talks about artificial time. That is exactly what he is doing. He is creating artificial time. I do not understand saying that the only issue, because it is emotional, happens to be children. I thought they were important in what we were trying to do.

Then he talks about myth, the argument in opposition to daylight saving time is just a myth; it does not mean anything. Well, you tell that to the family in Louisville, KY, with the boy who was walking to school, crossed the street in the dark, and fell in a manhole and drowned. That was going to school in the dark. Then he talks about only in the middle of March and now it is all the time there would be more light going to school. Well, he would deprive us of those 6 weeks. He would still want us to continue, if his facts were right, sending our children to school for 6 extra weeks in the dark.

He says two-thirds of the United States wants this particular amendment. I do not know whether that is true or not and I do not refute his facts and figures. That just leaves one-third of us who are against it. That is important. You begin to think about agriculture a little bit. We think about the farmers.

Well, there is a feeling around this town of Washington, DC, USA, that farmers do not mean much politically; they are only 2 percent of the voting population, and we do not have to worry about them at all.

Well, that is partly true, I guess, but the farmers in my State are important. They work by the Sun. You cannot change that. You can change time that he has to do business in town. That jeopardizes his efficiency. The farmers in this country are having a hard enough time now. If he is working by the Sun and machinery breaks down and he wants to go to town to get it fixed but they are on an extra hour of daylight, they have already closed the doors and gone. So he waits until the next day. He loses that day. That is not a myth, Mr. President. That is artificial time. The farmers and the children are extremely important. So when you talk about artificial time, that is what the distinguished Senators from Washington and Maine are trying to do. The myth is really not a myth. It is reality.

Even the distinguished Senator from Washington, as he debates this issue, admits he will put the schoolchildren in Louisville, KY, in the dark 6 weeks longer in the morning. He said we have had it the rest of the year, why not 6 more weeks.

Well, ask that family that lost a child. Emotional? Sure, it is emotional, but it is factual. There is no myth about that. The problem could be artificial time.

I appreciate the press giving me so much print on this particular item. They are crediting me with being about the only one who is standing in opposition to this amendment on daylight saving time.

Well, it is giving me more credit than I deserve, but I know I have been getting a lot of letters. Out of the whole stack of letters that I have received in my support, only two have chastised me and those letters were from Reston and Annapolis, right here in this big bureaucratic bowl of the United States.

I am vocal in my opposition, but, Mr. President, there were enough Senators on the Commerce Committee where this amendment and this piece of legislation should have been discussed and voted on and sent to the Senate floor in the normal procedure, but something has happened on that committee that they failed to vote it out. In fact, it has been on the agenda several times to vote on it and it has been pulled down, pulled off the agenda of the committee, and therefore has been bottled up, as they say, in the Commerce Committee.

Now they have taken the tack on this piece of legislation of adding the amendment extending daylight saving time. But I assure those who are supporting this amendment I do not stand alone. I am not sure how the votes will go. I am not a vote counter. I am not one who gets his little book out and starts calling Senators and checking them off and putting them on the spot. I just try to practice my case, if I can use that phrase, not being a lawyer, and hope that I make some common sense, and that common sense will prevail in this Chamber.

Let me just give you an idea of where some of the citizens are located who have written to me supporting my position and opposing this amendment.

□ 1550

I have had letters in opposition to DST from Sioux Falls, SD; Branchland, WV; Mount Dora, FL; Natrona Heights, PA; New Market, TN; Rochester, NY; Griffin and Atlanta, GA; Suquomesh, WA; Chicago, IL; Philadelphia, PA; Muskegon, MI; Dickinson, TX; Miami FL; Midland, TX; Bartles-

ville, OK; Riverhead, NY; Edmond, Ok; Blacksburg, VA; Aurora, CO; and Troutdale, OR.

These citizens had no idea who I was, but have written to me united in the opposition to extending daylight saving time.

One of my favorite letters is several years old and from the Northwest, but I especially like the letter from Mrs. Charmond S. Adkins and her arguments:

Please continue to oppose the daylight saving time extension. I'm not a farmer, nor member of any other group opposing it. I'm just an individual who doesn't like DST period. But, if I have to tolerate six months every year surely those who like it can get along without it six months every year. That way everybody gets an equal dose. Thank you and hang tough!

But it does seem like it is fair—6 months on daylight saving time, 6 months off. When you talk to most of the farmers, they like for it to start Memorial Day and end Labor Day. They have a reason for that. It is the way they make a living, by the Sun.

When you really take a close look at this amendment, you realize that the benefits of extending daylight saving time are outweighted by its liabilities. The April period which would be extended by this amendment is not the same as daylight saving time in September as many advocates of extended daylight saving time proclaim. In many parts of the country, it is still very cold in April and just recently the Midwest experienced a major snowstorm during the time that this amendment would extend daylight saving time, and major league baseball games were postponed not because of daylight or darkness but because of snow and snowstorms.

I can understand the position of the advocates of extended daylight saving time. The 9-to-5 worker would have longer to mow the lawn or swat a tennis ball after work. What the advocates fail to realize is that not everyone in this country has a 9-to-5 job. If the Senate agrees with the sponsor of this amendment and extends daylight saving time, there would be undue hardships for farmers and the agricultural community which require natural light. Asphalt and construction companies, moving and storage companies, and warehouses also depend on the natural light of day for their work.

Kentucky will be one of the States which will find extended daylight saving time disruptive. The sponsors of this amendment argue that under existing law, any State that wants to can exempt the State from extending daylight saving time. That is certainly a possibility particularly in the 12 States that are split by time zones. If rural States opt out of daylight saving time altogether, the benefits of the present daylight saving time schedule would be completely lost.

Sure, you have the privilege of opting out but then if you opt out, you lose all of the advantage of the 6-month period.

Is this what we really want—a remedy which will cause a patchwork quilt of time zones? Any business concerned with time schedules, an example is the airlines, would be terribly burdened if the States exercised this option.

For citizens of Washington, DC, and the Members of the Senate who are at least part-time residents of this area, and those portions of the country near a standard meridian, extended Daylight saving time would be very beneficial. The choice must be made with consideration given to the entire population. I suggest that the Senate and each Member weight the liabilities to his or her State, mainly rural citizens, when the time comes to vote on this amendment, and it may be a little while before that time arrives.

I sincerely believe that if the Senate passes extended daylight saving time, it sends a message to middle America, particularly rural areas, that we have given up on rural America.

I would like to allow those citizens on the east coast and the chairman's State on the west coast the opportunity to have an extra hour of daylight in the evening for recreational activities. Unfortunately, by allowing another month of daylight saving time for the east and west coasts, we create more hardships for individuals in the Midwest.

As I said earlier, Mr. President, times are hard enough in largely agricultural States and if we increase daylight saving times, it is just another blow to these citizens.

I am more than willing to debate somewhat longer but for the moment, Mr. President, I yield the floor.

The PRESIDING OFFICER. Is there further debate?

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, I am very pleased to join with my distinguished colleagues, the senior Senator from Washington [Mr. GORTON], the senior Senator from California [Mr. CRANSTON], the junior Senator from California [Mr. WILSON], and the junior Senator from Maine [Mr. MITCHELL] in sponsoring this amendment to advance daylight saving time in future years to begin the first Sunday in April. At present, daylight saving time begins the last Sunday in April and ends the last Sunday in October.

As my colleagues are aware, the House of Representatives recently voted a longer extension of daylight saving time under H.R. 2095. This bill would begin daylight saving time the first Sunday in April and end the extension on the first Sunday in November. Recognizing the genuine concerns of several of my colleagues from rural and farming areas, this amendment offers a reasonable compromise to rural concerns while responding to equally important interests of our constituents living in the urban areas.

Mr. President, I, for many years, have been an advocate of daylight saving time, preferably on a year-round basis. I was particularly pleased during the early 1970's at the height of the energy emergency, that Congress voted on legislation similar to a measure that I introduced, to extend daylight saving time for an 8-month period. That 2-year experiment, beginning 1973 through 1975 was widely recognized as one way to help ease the demand for electricity among residential consumers.

While the concerns over energy shortages and gasoline lines have abated, the importance of continuing public awareness of energy conservation has never been questioned. Daylight saving extension along with the continuation of the 55-mile-per-hour speed limit, remind us of our need to maintain conservation and not to become overly dependent upon foreign oil imports.

Mr. President, expanded daylight saving time is important for many other reasons—all linked to noticeable and immediate improvements on the quality of life for all Americans. These direct benefits include reductions in traffic accidents and fatalities, reductions in street crime and additional leisure time.

The National Highway Traffic Safety Administration, for example, predicted there would be significantly fewer traffic fatalities per year if the observance of daylight saving time was extended to include the month of April. In this regard, and in response to the very important concern over schoolchildren waiting for school buses in the early morning hours, studies by the Department of Transportation and the National Bureau of Standards have indicated that during the 2-year experiment in the mid-1970's, there were no school age fatality increases during the months daylight saving time was observed, March and April of 1974.

The National Safety Council and the Department of Transportation also reported that under extended daylight saving time during the period of the experiment, school age children were not subjected to greater involvement in accidents than the general population in any period of the day.

Another significant benefit from the additional period of daylight would be the nationwide reduction in most categories of crime—a problem of major concern for most metropolitan/urban areas. Recent statistics from the Federal Bureau of Investigation confirm this and clearly indicate an increase in violent crime across the country.

In this regard, I ask unanimous consent that statistics compiled by the FBI and information appearing in USA Today of April 24, 1986, citing the increase by major crime in cities over 100,000 population, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PELL. Mr. President, without question, an extra hour of daylight occurring at a time when most of the work force is enroute home, would discourage criminals from threatening individuals returning to their families.

These facts are strongly supported by a study conducted by the former Law Enforcement Assistance Administration immediately following the 2-year experiment with daylight saving time. The analysis showed considerably less violent crime for the daylight-saving period when compared to similar periods of time.

Mr. President, it seems clear to me from our experiment with expanded daylight saving time in the 1970's, that the benefits of an additional period of daylight saving time far outweigh the continuation of the present 6-month period. Expanded daylight saving time imposes no additional burdens upon individuals and requires no further involvement by the Federal Government. Clearly, favorable action by the Senate would do much to improve traffic safety, protect our citizens, and enhance the quality of life by providing more leisure time with our families.

I strongly urge my colleagues to support this amendment advancing daylight saving time to the first Sunday in April. I also want to strongly commend my distinguished colleagues, Senator GORTON, Senator MITCHELL, Senator CRANSTON, and Senator WILSON for their continuing vigorous leadership in working to pass this important legislation.

EXHIBIT 1

[From USA Today, Apr. 24, 1986]

BIG-CITY CRIME ROSE IN 1984-85

Major crimes reported to police in cities over 100,000 population rose 4 percent for 1984-85, according to FBI figures. Reports of crime dropped 3 percent in 1982, 7 percent in 1983 and 2 percent in 1984. Police in the affected cities, noting that violent crime grew 5 percent, blame drugs and economic problems. But the nation's statisticians feel the rise may be insignificant. Total crimes reported by city in 1985, and percent changes from 1984:

City	Crimes	Change (percent)
Alabama:		
Birmingham	28,076	+6.1
Huntsville	10,877	−4.6
Montgomery	10,275	+9.3
Arizona:		
Glendale	10,416	NA
Mesa	14,158	+30.5
Phoenix	82,529	+15.8
Scottsdale	6,588	+9.1
Spokane	14,861	+9.3
Tucson	38,250	+7.4
Arkansas: Little Rock	18,564	+10.0
California:		
Anaheim	17,571	+2.9
Bakersfield	12,921	+5.7
Berkeley	13,199	−2.8
Concord	6,508	+2.4
Fremont	6,667	+5.9
Fresno	28,821	+6.9
Fullerton	6,629	+10.3
Garden Grove	9,321	−1.3
Glendale	7,405	+0.3
Hayward	7,445	+8.5
Huntington	8,499	−3.6
Beach Inglewood	8,165	−4.7
Long Beach	30,795	+0.7
Los Angeles	294,404	−0.9
Modesta	9,791	+13.2
Oakland	42,824	+3.8
Ontario	7,759	+3.6
Oxnard	7,772	−4.5
Pamona	9,705	−8.0
Pasadena	11,279	−0.3
Riverside	15,690	+11.1
Sacramento	33,908	+11.2
San Bernadino	15,002	+5.3
San Diego	67,893	+5.5
San Francisco	58,590	−2.2
San Jose	40,224	+1.0
Santa Ana	22,459	+1.6
Stocktn	19,389	+12.5
Sunnyvale	4,004	NA
Colorado:		
Aurora	16,906	+14.7
Colorado Springs	21,835	+21.9
Denver	53,234	+2.5
Lakewood	10,261	+13.6
Pueblo	7,345	+1.2
Connecticut:		
Bridgeport	15,808	+2.8
Hartford	17,677	−2.7
New Haven	14,495	+10.0
Stamford	6,118	−10.9
Waterbury	6,887	+8.4
District of Columbia	50,075	−6.4
Florida:		
Fort Lauderdale	21,844	+4.7
Hialeah	13,332	+29.6
Hollywood	11,366	+11.6
Jacksonville	48,924	+14.7
Miami	58,355	+12.5
Miami Beach	12,447	+1.0
Orlando	16,122	+17.9
Saint Petersburg	2,130	+12.6
Tallahassee	11,013	+31.0
Tampa	41,770	+23.0
Georgia:		
Atlanta	57,505	+18.2
Columbus	9,637	+3.2
Macon	7,736	+3.1
Savannah	12,010	−7.2
Hawaii: Honolulu	42,048	−5.6
Idaho: Boise	6,393	+10.8
Illinois:		
Chicago	277,260	NA
Peoria	8,679	−5.8
Rockford	12,669	+6.8
Springfield	8,499	NA
Indiana:		
Evansville	6,846	−2.5
Fort Wayne	12,227	−2.6
Gary	8,986	−14.6
Indianapolis	29,651	+1.9
South Bend	9,593	−1.7
Iowa:		
Cedar Rapids	8,085	+6.9
Davenport	7,029	−1.0
Des Moines	19,899	+13.6
Kansas:		
Kansas City	14,451	−8.2
Topeka	9,277	+9.8
Wichita	21,751	+0.1
Kentucky:		
Lexington	13,905	+5.0
Louisville	16,814	+1.6
Louisiana:		
Baton Rouge	31,279	+28.8
New Orleans	48,732	+3.7
Shreveport	20,366	+5.2
Maryland: Baltimore	66,121	+1.2
Massachusetts:		
Boston	67,595	+6.4
Springfield	7,923	−27.0
Worcester	11,701	+13.8
Michigan:		
Ann Arbor	9,193	−4.6
Detroit	149,954	−7.2
Flint	22,354	+0.1
Lansing	9,877	+4.7
Livonia	4,828	+49.8
Sterling Heights	5,199	+13.6
Warren	11,050	+1.4
Minnesota:		
Minneapolis	37,977	+20.0
St. Paul	20,854	−1.4
Mississippi: Jackson	13,307	−5.8
Missouri:		
Independence	5,328	−1.3
Kansas City	46,616	+2.6
Springfield	9,591	−1.0
St. Louis	46,843	−0.8
Nebraska:		
Lincoln	10,785	+10.8
Omaha	22,720	+3.9
Nevada:		
Reno	10,333	+9.1
Las Vegas	35,191	+1.1
New Jersey:		
Elizabeth	8,290	+6.8
Newark	38,798	+19.5
Paterson	10,789	+4.4
Jersey City	17,471	+8.3
New Mexico: Albuquerque	33,158	+5.6
New York:		
Alabany	5,781	+11.6
Amherst	2,879	+13.7
Buffalo	24,056	−1.7
Grand Rapids	15,870	−1.6
New York	601,467	+0.2
Rochester	22,491	−3.3
Syracuse	12,050	+5.7
Yonkers	9,235	+2.4
North Carolina:		
Charlotte	33,087	+1.0
Greensboro	9,989	+13.4
Winston-Salem	10,588	−6.7
Raleigh	10,280	+7.6
Ohio:		
Akron	15,134	−3.2
Cincinnati	28,533	−2.2
Cleveland	43,071	−9.8
Columbus	43,373	−4.9
Dayton	17,077	−5.8
Toledo	24,934	−5.1
Youngstown	7,351	+2.2
Oklahoma:		
Oklahoma City	50,059	NA
Tulsa	32,846	+3.9
Oregon:		
Eugene	8,592	−1.7
Portland	62,257	+23.9
Pennsylvania:		
Allentown	5,585	−2.3
Erie	5,422	+10.2
Philadelphia	83,667	+1.4
Pittsburgh	28,931	+15.8
Rhode Island: Providence	15,321	+2.6
South Carolina: Columbia	10,099	−6.9
Tennessee:		
Chattanooga	13,641	+1.9
Knoxville	10,837	+10.6
Memphis	59,965	+13.6
Nashville	31,863	+2.4
Texas:		
Abilene	6,511	+12.0
Amarillo	10,843	+9.0
Arlington	19,634	+32.8
Austin	39,044	+22.7
Beaumont	9,185	+8.4
Corpus Christi	21,311	+8.2
Dallas	129,496	+14.1
El Paso	33,697	+11.8
Fort Worth	58,858	+17.5
Garland	9,209	+20.2
Houston	155,910	+4.5
Irving	12,025	+21.5
Laredo	7,978	+12.3
Lubbock	17,579	−3.7
Odessa	9,483	+10.8
Pasadena	11,279	−0.3
San Antonio	83,591	+10.2
Waco	9,795	+9.7
Wichita Falls	8,512	+17.5
Utah: Salt Lake City	19,037	+7.7
Virginia:		
Alexandria	7,670	+2.0
Arlington	7,781	+2.4
Chesapeake	5,112	+4.2
Hampton	7,094	−4.2
Newport News	7,301	−7.4
Norfolk	18,427	−0.9
Portsmoth	6,255	+3.4
Richmond	17,596	−8.7
Roanoke	8,130	+1.7
Virginia Beach	15,889	+8.1
Washington:		
Seattle	63,102	+12.6
Tacoma	21,002	+9.8
Wisconsin:		
Madison	12,359	+0.3
Milwaukee	43,944	−8.2

Source: FBI.

Table 5

Offenses Known to the Police, 1985 and 1984
Cities over 100,000 Population

			Crime Index total	Modified Crime Index total	Murder	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny theft	Motor vehicle theft	Arson
Abilene	TX	1984	5,813	5,823	5	85	98	155	1,526	3,592	356	10
		1985	6,511	6,534	8	36	96	215	1,623	4,116	417	23
Akron	OH	1984	15,638	15,906	19	152	491	810	3,595	9,590	977	268
		1985	15,134	15,360	17	158	511	1,187	3,197	9,126	938	226
Albany	NY	1984	5,180	5,223	1	49	273	376	1,722	2,498	261	43
		1985	5,781	5,830	5	37	220	364	1,793	3,087	275	49
Albuquerque	NM	1984	31,408	31,632	28	210	1,215	2,162	8,686	17,485	1,622	224
		1985	33,158	33,295	42	238	1,247	2,578	9,186	17,935	1,932	137
Alexandria	VA	1984	7,522	7,581	6	59	421	296	1,531	4,577	632	59
		1985	7,670	7,723	7	52	425	318	1,456	4,744	668	53
Allentown	PA	1984	5,717	5,754	4	25	214	138	1,531	3,552	253	37
		1985	5,585	5,624	4	47	191	154	1,378	3,546	265	39
Amarillo	TX	1984	9,949	10,054	22	52	164	480	2,457	6,233	541	105
		1985	10,843	10,918	17	59	162	521	2,689	6,864	531	75
Amherst	NY	1984	2,533	2,550		5	35	184	397	1,712	200	17
		1985	2,879	2,906	1	2	42	183	485	1,911	255	27
Anaheim	CA	1984	17,069	17,155	14	105	631	481	5,018	9,398	1,422	86
		1985	17,511	17,646	16	107	601	438	5,160	9,543	1,706	75
Ann Arbor	MI	1984	9,638	9,648	1	51	96	438	1,990	6,646	416	10
		1985	9,193	9,202	4	37	143	451	1,562	6,497	499	9
Arlington	TX	1984	14,784	14,868	13	93	200	459	3,041	9,654	1,324	84
		1985	19,634	19,742	18	105	299	888	3,502	13,280	1,742	108
Arlington	VA	1984	7,599	7,725	5	37	283	405	1,454	4,889	566	126
		1985	7,781	7,883	7	50	338	366	1,460	4,915	645	102
Atlanta	GA	1984	48,632	48,896	135	632	4,029	5,729	10,813	24,110	3,184	264
		1985	57,505	57,796	145	683	4,792	5,990	12,192	29,372	4,331	291
Aurora	CO	1984	14,736	14,816	13	95	317	1,397	3,451	8,636	827	80
		1985	16,906	16,985	10	89	438	1,717	3,961	9,737	958	79
Austin	TX	1984	31,821	31,999	59	264	768	557	8,389	20,097	1,687	178
		1985	39,044	39,302	52	489	1,076	746	10,261	24,308	2,112	258
Bakersfield	CA	1984	12,222	12,358	11	75	436	525	3,486	6,833	856	136
		1985	12,921	13,088	17	69	599	517	3,856	7,022	841	167
Baltimore	MD	1984	65,363	65,940	215	564	8,002	6,800	13,837	30,530	5,415	577
		1985	66,121	66,781	213	592	7,771	6,922	13,872	30,732	6,019	660
Baton Rouge	LA	1984	24,282	24,424	31	137	676	2,956	5,581	13,852	1,049	142
		1985	31,279	31,436	36	126	971	3,198	7,983	16,544	2,421	157
Beaumont	TX	1984	8,477	8,519	18	125	371	473	2,615	4,300	575	42
		1985	9,185	9,227	11	131	340	493	2,935	4,635	640	42
Berkeley	CA	1984	13,582	13,657	9	50	549	454	2,892	8,846	782	75
		1985	13,199	13,299	11	43	660	450	2,930	8,236	869	100
Birmingham	AL	1984	26,473	26,720	60	234	1,162	1,451	6,474	13,998	3,094	247
		1985	28,076	28,334	97	283	1,435	1,535	7,173	14,042	3,511	258
Boise	ID	1984	5,770	5,852	4	49	55	249	1,494	3,688	231	82
		1985	6,393	6,471	3	46	80	255	1,488	4,222	299	78
Boston	MA	1984	63,555	63,715	82	460	5,539	4,476	11,446	24,333	17,219	160
		1985	67,595	67,753	87	532	6,232	5,036	11,470	26,938	17,300	158
Bridgeport	CT	1984	15,378	15,447	27	62	1,265	870	3,639	6,765	2,750	69
		1985	15,808	15,872	30	57	1,273	834	3,309	7,357	2,948	64
Buffalo	NY	1984	24,481	25,022	35	278	1,386	1,617	6,408	12,058	2,699	541
		1985	24,056	24,633	31	291	1,391	1,699	6,625	11,422	2,597	577
Cedar Rapids	IA	1984	7,536	7,558	5	15	88	104	1,642	5,342	340	22
		1985	8,058	8,084	2	24	61	85	1,844	5,725	317	26
Charlotte	NC	1984	32,767	33,091	54	243	1,144	2,990	8,664	18,297	1,375	324
		1985	33,087	33,360	56	226	1,121	3,172	8,563	18,447	1,502	273
Chattanooga	TN	1984	13,212	13,362	22	71	340	1,012	2,696	8,183	888	150
		1985	13,461	13,598	26	113	391	979	2,804	7,744	1,404	137
Chesapeake	VA	1984	4,908	4,964	8	47	153	223	1,352	2,894	231	56
		1985	5,112	5,176	13	43	127	224	1,462	2,990	253	64
Chicago[1]	IL	1984										
		1985	277,260	279,286	666	1,792	26,892	29,096	52,658	121,264	44,892	2,026
Cincinnati	OH	1984	29,171	29,847	36	367	1,332	1,712	7,255	17,366	1,103	676
		1985	28,533	29,211	45	360	1,242	1,628	6,453	17,620	1,185	678
Cleveland	OH	1984	47,761	48,778	156	733	4,090	2,353	12,904	13,607	13,918	1,017
		1985	43,071	44,076	131	745	3,499	2,205	11,621	13,277	11,593	1,005
Colorado Springs	CO	1984	17,917	18,029	12	189	390	618	4,426	11,378	924	112
		1985	21,835	21,987	13	182	371	603	6,080	13,507	1,079	152
Columbia	SC	1984	10,849	10,895	17	61	473	897	2,286	6,536	579	46
		1985	10,099	10,149	11	66	383	918	2,219	5,987	515	50
Columbus	GA	1984	9,338	9,420	26	77	330	374	2,127	5,844	560	82
		1985	9,637	9,672	24	84	396	375	2,079	6,122	557	55
Columbus	OH	1984	45,613	45,952	62	394	2,298	1,598	12,943	25,653	2,665	339
		1985	43,373	43,767	71	408	2,144	1,772	11,101	25,087	2,794	394
Concord	CA	1984	6,355	6,421	3	30	84	245	1,377	4,208	408	66
		1985	6,508	6,563	3	29	106	268	1,428	4,228	445	55
Corpus Christi	TX	1984	19,694	19,829	36	147	334	633	4,889	12,408	1,407	135
		1985	21,311	21,431	29	179	371	353	5,353	13,791	1,215	120
Dallas	TX	1984	113,446	114,264	294	1,022	4,841	5,953	29,956	63,096	8,284	818
		1985	129,496	130,256	301	1,149	6,051	6,863	31,460	73,401	10,271	760
Davenport	IA	1984	7,102	7,185	5	56	161	658	1,827	4,218	177	63
		1985	7,029	7,107	6	49	200	805	1,788	4,033	170	78
Dayton	OH	1984	18,120	18,329	27	176	1,550	728	4,582	10,224	833	209
		1985	17,077	17,289	30	191	1,263	811	4,555	9,297	930	212
Denver	CO	1984	51,914	52,500	82	427	1,681	1,910	15,035	27,757	5,022	586
		1985	53,234	53,841	72	418	1,917	1,845	16,459	27,480	5,043	607
Des Moines	IA	1984	17,591	17,839	15	83	407	528	3,761	12,047	750	248
		1985	19,989	20,246	7	90	482	538	4,518	13,517	837	257
Detroit[2]	MI	1984	161,586		518	1,519	18,352	6,182	44,360	48,154	42,505	
		1985	149,954	151,207	635	1,575	16,769	6,925	40,385	46,018	37,651	1,253
Durham	NC	1984	9,940	9,988	14	79	244	270	2,597	6,424	312	48
		1985	9,781	9,838	19	90	275	328	2,690	5,991	422	57
Elizabeth	NJ	1984	7,763	7,805	3	46	114	463	1,579	3,549	1,409	42
		1985	8,290	8,337	10	46	151	515	1,490	3,955	1,723	47
El Paso	TX	1984	10,065	10,952	24	179	1,050	2,481	7,204	16,419	2,711	887
Madison	WI	1984	12,322	12,384	6	66	171	198	2,693	8,754	436	82
		1985	12,359	12,406	8	64	205	173	2,492	8,896	525	97
Memphis	TN	1984	52,792	53,491	113	794	4,763	3,488	14,952	20,755	7,927	699
		1985	59,965	60,673	122	903	5,016	3,897	15,888	22,596	11,743	708
Mesa	AZ	1984	10,852	10,968	6	56	127	682	2,435	6,986	560	116
		1985	14,158	14,273	8	70	158	887	2,991	9,802	644	115
Miami	FL	1984	51,893	52,105	170	273	5,705	4,780	10,682	24,738	5,545	212
		1985	58,355	58,604	131	284	5,768	5,003	11,789	28,093	7,287	249
Miami Beach	FL	1984	12,325	12,390	23	18	493	316	2,988	7,623	864	65
		1985	12,447	12,502	22	14	651	334	3,529	6,850	1,047	55
Milwaukee	WI	1984	47,846	48,080	44	292	1,871	1,249	8,201	30,618	5,571	234
		1985	43,944	44,157	68	391	2,086	1,512	7,782	27,151	4,954	213
Minneapolis	MN	1984	31,635	31,847	27	392	1,740	1,724	9,413	16,198	2,145	212
		1985	37,977	38,247	29	419	2,326	2,361	10,983	18,448	3,411	270
Modesto	CA	1984	8,653	8,726	4	38	242	270	1,922	5,778	399	73
		1985	9,791	9,861	5	56	200	296	2,117	6,577	540	70
Montgomery	AL	1984	9,398	9,484	24	48	166	202	2,655	5,942	361	46
		1985	10,275	10,347	22	70	248	206	2,476	6,865	388	72
Nashville[3]	TN	1984	31,125		72	410	1,438	1,134	8,788	17,379	1,854	
		1985	31,863		81	348	1,588	1,359	8,587	17,764	2,136	
Newark	NJ	1984	32,473	32,936	87	589	4,660	3,244	6,050	9,901	7,942	463
		1985	38,798	39,201	117	594	5,320	3,705	6,062	12,210	10,790	403
New Haven	CT	1984	13,175	13,273	14	155	1,117	632	3,287	6,349	1,621	98
		1985	14,495	14,623	12	135	1,131	891	3,475	6,987	1,864	128
New Orleans	LA	1984	46,980	47,255	214	555	4,705	3,213	10,821	22,238	5,234	275
		1985	48,732	49,006	152	451	4,142	3,477	10,383	23,433	6,694	274
Newport News	VA	1984	7,882	7,926	20	78	283	512	2,141	4,469	379	44
		1985	7,301	7,347	14	79	249	415	1,944	4,248	352	46
New York	NY	1984	600,216	607,305	1,450	3,829	79,541	47,472	128,687	250,759	88,478	7,089
		1985	601,467	609,146	1,384	3,880	79,532	50,356	124,838	262,051	79,426	7,679
Norfolk	VA	1984	18,601	18,808	36	174	780	985	3,937	11,584	1,105	207
		1985	18,427	18,617	38	178	928	920	3,620	11,578	1,165	190
Oakland	CA	1984	41,268	41,693	115	426	3,170	2,677	12,413	19,544	2,923	425
		1985	42,824	43,299	96	531	3,316	2,761	11,846	20,866	3,408	475
Odessa	TX	1984	8,557	8,641	13	47	131	227	2,259	5,419	461	84
		1985	9,483	9,549	11	48	88	220	2,729	5,910	477	66
Oklahoma City[1]	OK	1984										
		1985	50,059	50,559	61	485	1,585	2,623	14,730	24,312	6,263	500
Omaha	NB	1984	21,867	22,077	24	202	530	1,658	4,045	14,365	1,047	210
		1985	22,720	22,842	24	214	591	1,669	4,751	14,279	1,192	122
Ontario	CA	1984	7,486	7,818	15	52	340	561	2,464	3,555	499	332
		1985	7,759	8,046	8	68	291	634	2,506	3,631	621	287
Orlando	FL	1984	13,678	13,756	18	146	802	1,421	3,790	6,817	684	78
		1985	16,122	16,215	24	154	902	1,851	4,011	8,306	874	93
Oxnard	CA	1984	8,139	8,204	13	76	322	316	2,584	4,334	494	65
		1985	7,772	7,827	7	67	319	325	2,173	4,311	570	55
Pasadena	CA	1984	11,318	11,460	23	72	988	721	2,892	5,832	990	142
		1985	11,279	11,423	29	58	704	697	2,671	6,033	1,087	144
Pasadena[3]	TX	1984	6,537		11	46	154	404	1,805	3,273	844	
		1985	6,803		10	72	141	483	1,552	3,695	850	
Paterson	NJ	1984	10,339	10,415	36	34	1,037	658	2,704	4,157	1,713	76
		1985	10,789	10,836	28	38	1,187	571	2,936	4,209	1,820	47
Peoria	IL	1984	9,214	9,274	2	63	235	920	2,163	5,635	196	60
		1985	8,679	8,723	4	55	203	846	1,874	5,515	182	44
Philadelphia[3]	PA	1984	82,529		264	937	9,365	5,034	18,318	35,286	13,325	
		1985	83,667		273	1,021	9,381	5,534	19,007	35,815	12,636	
Phoenix	AZ	1984	71,279	71,789	105	525	2,106	3,640	19,340	41,128	4,439	510
		1985	82,529	83,126	95	635	2,425	4,372	23,346	46,743	4,913	597
Pittsburgh	PA	1984	31,445	31,730	47	224	1,212	1,081	7,450	11,754	7,677	285
		1985	28,931	29,202	34	188	1,016	1,115	7,218	10,569	6,766	271
Pomona[3]	CA	1984	8,946		18	69	712	677	2,888	3,871	711	
		1985	9,705	9,830	24	86	842	960	2,926	4,022	845	125
Portland	OR	1984	50,267	50,742	34	370	3,042	3,962	14,630	25,884	2,345	475
		1985	62,257	62,796	45	469	3,508	4,614	17,148	33,086	3,387	539
Portsmouth	VA	1984	6,048	6,256	16	51	255	176	1,238	4,128	184	208
		1985	6,255	6,427	12	58	255	258	1,385	4,046	241	172
Providence	RI	1984	14,934	15,328	15	59	752	846	3,447	6,381	3,434	394
		1985	15,321	15,662	14	108	809	825	4,049	6,549	2,977	341
Pueblo	CO	1984	7,257	7,314	5	60	129	642	1,681	4,457	283	57
		1985	7,343	7,392	5	70	140	635	1,699	4,565	229	49
Raleigh	NC	1984	9,552	9,597	8	47	306	586	1,950	6,075	580	45
		1985	10,280	10,316	13	57	307	658	2,061	6,498	686	36
Reno	NV	1984	9,467	9,525	8	87	362	262	2,566	5,577	605	58
		1985	10,333	10,423	9	83	424	349	2,787	6,012	669	90
Richmond	VA	1984	19,274	19,387	76	205	1,278	1,198	5,465	10,149	903	113
		1985	17,596	17,716	92	211	1,081	1,261	4,307	9,622	1,020	120
Riverside	CA	1984	14,127	14,405	15	112	522	977	4,347	7,308	846	278
		1985	15,690	16,138	16	98	580	1,178	4,574	8,272	972	848
Roanoke	VA	1984	7,996	8,068	14	45	152	243	1,633	5,667	242	72
		1985	8,130	8,241	15	47	168	237	1,728	5,702	233	111
Rochester	NY	1984	23,257	23,497	40	141	1,066	1,677	5,394	13,759	1,180	240
		1985	22,491	22,777	26	145	1,072	1,724	5,833	12,523	1,168	286
Rockford	IL	1984	11,865	11,904	10	62	388	592	3,822	6,661	330	39
		1985	12,669	12,703	6	71	380	673	3,949	7,220	370	34
Sacramento	CA	1984	30,499	30,795	45	248	1,645	1,314	9,408	15,604	2,235	295
		1985	33,908	34,168	39	209	2,083	1,350	9,975	17,334	2,918	260
Saint Louis	MO	1984	47,232	47,628	128	349	3,112	2,140	13,256	21,051	5,196	336
		1985	46,843	47,234	169	351	2,973	2,719	13,008	20,236	5,351	391
Saint Paul	MN	1984	21,187	21,381	15	217	866	1,195	7,260	10,707	1,087	194
		1985	20,858	21,063	17	233	845	1,200	6,729	10,901	1,129	209
Saint Petersburg	FL	1984	18,764	18,904	22	216	928	1,584	5,019	10,443	546	140
		1985	21,130	21,270	25	204	1,111	1,862	5,755	11,574	599	140
Salt Lake City	UT	1984	17,674	17,748	8	98	490	497	4,880	11,797	1,100	74

Erie	PA	1985	33,697	34,265	22	181	993	2,466	8,006	19,209	2,820	568
		1984	4,919	4,954	5	38	200	261	1,283	2,875	257	35
		1985	5,422	5,461	5	28	192	339	1,152	3,438	268	39
Eugene	OR	1984	8,740	8,789	4	59	144	201	1,954	6,076	302	49
		1985	8,592	8,671	1	81	122	213	2,076	5,749	390	79
Evansville	IN	1984	7,020	7,107	15	32	125	471	1,599	4,471	307	87
		1985	6,846	6,919	9	44	116	515	1,604	4,242	316	73
Flint	MI	1984	22,323	22,766	46	249	882	2,416	6,813	10,397	1,520	443
		1985	22,354	22,828	47	285	1,161	2,855	6,344	9,747	1,915	474
Fort Lauderdale	FL	1984	20,864	20,929	39	122	1,116	636	6,450	10,725	1,776	65
		1985	21,844	21,936	43	108	1,369	713	6,430	11,157	2,024	92
Fort Wayne	IN	1984	12,549	12,660	3	90	270	344	1,822	9,376	644	111
		1985	12,227	12,308	22	83	303	401	1,826	8,954	638	61
Fort Worth	TX	1984	50,111	50,405	119	467	2,080	2,766	13,872	26,629	4,158	294
		1985	58,858	59,209	128	483	2,620	3,121	15,873	30,877	5,756	351
Fremont	CA	1984	6,296	6,469	4	35	82	472	1,660	3,693	350	175
		1985	6,667	6,791	3	34	86	491	1,786	3,917	350	124
Fresno	CA	1984	26,956	27,138	34	134	1,066	760	6,367	16,852	1,743	180
		1985	28,821	28,989	40	176	1,233	854	7,900	16,845	1,765	168
Fullerton	CA	1984	6,008	6,036	6	49	167	245	1,431	3,566	544	28
		1985	6,829	6,868	5	33	172	206	1,537	4,162	514	39
Garden Grove	CA	1984	9,446	9,502	8	72	372	431	2,673	5,098	792	56
		1985	9,321	9,368	13	47	401	362	2,662	4,982	854	47
Garland	TX	1984	7,664	7,697	8	71	94	148	1,815	5,088	440	33
		1985	9,209	9,246	5	92	141	206	2,434	5,815	516	37
Gary[2]	IN	1984	10,527		81	175	802	946	3,107	3,054	2,762	
		1985	8,986	9,743	63	113	598	684	2,491	2,827	2,210	757
Glendale[1]	AZ	1984										
		1985	10,416	10,526	7	53	118	626	2,677	6,366	569	110
Glendale	CA	1984	7,384	7,470	4	32	238	190	2,103	3,975	842	86
		1985	7,405	7,557	4	17	263	195	1,916	4,088	922	152
Grand Rapids	MI	1984	16,133	16,257	19	153	561	1,255	4,206	9,251	648	124
		1985	15,870	15,978	19	219	573	1,303	3,576	9,318	762	108
Greensboro	NC	1984	8,812	8,864	8	56	180	653	1,796	5,805	314	52
		1985	9,989	10,049	13	54	234	703	2,204	6,398	383	60
Hampton	VA	1984	7,406	7,451	10	47	171	175	1,560	5,111	332	45
		1985	7,094	7,137	6	42	141	181	1,047	5,388	289	43
Hartford	CT	1984	18,171	18,399	22	108	1,565	957	4,412	9,523	1,584	228
		1985	17,677	17,914	12	106	1,520	1,066	4,627	8,875	1,471	237
Hayward	CA	1984	6,860	6,908	8	40	172	356	1,663	4,220	401	48
		1985	7,445	7,501	6	36	250	379	1,693	4,610	471	56
Hialeah	FL	1984	10,284	10,334	22	14	433	662	1,981	5,700	1,472	50
		1985	13,332	13,409	24	29	538	767	2,921	6,735	2,318	77
Hollywood	FL	1984	10,186	10,231	6	45	393	474	2,234	6,347	687	45
		1985	11,386	11,404	5	43	479	505	2,395	7,024	915	38
Honolulu	HI	1984	44,580	45,004	25	255	1,117	553	9,320	30,191	3,099	444
		1985	42,048	42,475	36	248	985	552	8,989	28,837	2,421	427
Houston	TX	1984	149,199	151,200	473	1,269	9,157	4,256	38,201	67,038	28,805	2,001
		1985	155,910	157,889	457	1,711	9,589	4,704	40,207	67,496	31,746	1,979
Huntington Beach	CA	1984	8,818	8,887	8	48	194	249	2,518	5,042	759	69
		1985	8,499	8,537	4	38	172	252	2,350	4,916	767	38
Huntsville	AL	1984	11,396	11,454	12	71	247	360	2,484	7,759	463	58
		1985	10,877	10,940	11	73	206	396	2,260	7,454	477	63
Independence	MO	1984	5,400	5,448	7	23	87	220	1,238	3,509	316	44
		1985	5,328	5,371	1	18	79	264	1,154	3,498	334	43
Indianapolis	IN	1984	29,103	29,362	49	324	1,842	2,151	8,163	13,552	3,022	259
		1985	29,651	29,871	59	346	1,795	2,422	8,209	13,927	2,895	220
Inglewood	CA	1984	8,564	8,642	27	101	1,206	573	2,503	2,394	1,760	78
		1985	8,165	8,286	27	106	1,164	594	2,276	2,435	1,565	121
Irving	TX	1984	9,901	10,008	16	68	184	522	2,273	6,059	739	107
		1985	12,025	12,131	12	82	203	548	2,746	7,603	831	106
Jackson	MS	1984	14,127	14,213	32	138	497	950	4,304	7,443	763	86
		1985	13,307	13,379	38	116	442	803	3,967	7,313	628	72
Jacksonville	FL	1984	42,659	43,027	103	587	2,134	3,404	11,630	22,936	1,865	368
		1985	48,924	49,335	90	705	2,693	3,813	13,663	25,806	2,154	415
Jersey City	NJ	1984	16,135	16,188	32	141	1,758	1,022	4,291	6,077	2,844	53
		1985	17,471	17,566	29	98	2,041	1,203	4,160	6,650	3,270	95
Kansas City	KS	1984	15,742	15,852	23	137	509	1,329	4,600	7,735	1,409	110
		1985	14,451	14,559	23	139	535	1,422	4,058	6,827	1,447	108
Kansas City	MO	1984	45,416	45,848	88	372	2,440	4,267	11,182	22,729	4,338	432
		1985	46,616	47,111	91	424	2,646	4,851	11,184	21,888	5,552	495
Knoxville	TN	1984	9,796	9,907	20	86	281	492	3,192	4,450	1,275	111
		1985	10,837	10,945	16	65	420	579	3,302	4,956	1,499	108
Lakewood	CO	1984	9,029	9,082	2	42	169	389	2,131	5,797	499	53
		1985	10,261	10,321	1	49	190	478	2,438	6,535	570	60
Lansing	MI	1984	9,438	9,538	17	92	180	813	2,383	5,493	460	100
		1985	9,877	9,978	6	75	210	773	2,391	5,998	424	101
Laredo	TX	1984	7,103	7,140	12	35	107	346	2,015	4,205	383	37
		1985	7,978	8,026	15	40	138	407	2,401	4,441	536	48
Las Vegas	NV	1984	34,813	35,274	67	245	1,767	1,230	10,874	17,622	3,008	461
		1985	35,191	35,547	57	278	1,755	1,534	9,975	18,533	3,059	356
Lexington	KY	1984	13,247	13,345	13	89	304	642	3,064	8,428	707	98
		1985	13,905	13,976	7	98	320	743	3,051	8,986	700	71
Lincoln	NB	1984	9,732	9,791	5	78	81	359	1,779	7,151	279	59
		1985	10,785	10,811	7	86	86	428	1,938	7,977	263	26
Little Rock	AR	1984	16,779	16,912	35	169	733	1,398	4,746	8,911	787	133
		1985	18,464	18,626	32	169	715	1,706	4,830	10,161	851	162
Livonia	MI	1984	3,223	3,228	2	6	56	98	759	1,653	649	5
		1985	4,828	4,843	3	16	79	161	1,038	2,608	923	15
Long Beach	CA	1984	30,591	30,804	41	242	2,591	1,369	7,892	14,285	4,171	213
		1985	30,795	30,968	63	235	2,405	1,831	8,271	14,212	4,178	173
Los Angeles	CA	1984	297,183	302,303	759	2,347	27,323	21,013	68,696	128,538	48,507	5,120
		1985	294,404	299,742	777	2,318	27,938	21,799	63,963	125,968	51,641	5,338
Louisville	KY	1984	16,554	16,763	39	142	1,074	569	4,991	8,748	991	209
		1985	16,814	16,968	30	119	1,266	530	5,019	8,673	1,177	154
Lubbock	TX	1984	18,246	18,463	27	100	341	1,238	6,006	9,680	854	217
		1985	17,579	17,652	20	96	280	1,126	5,679	9,662	716	73
Macon	GA	1984	7,501	7,533	19	48	158	396	1,499	4,935	446	32
		1985	7,736	7,773	16	53	185	354	1,525	5,171	432	37
San Antonio	TX	1985	19,037	19,123	14	99	446	524	4,002	12,881	1,071	86
		1984	75,867	76,426	160	745	2,657	1,826	23,848	39,894	6,937	559
		1985	83,591	84,164	180	824	2,683	1,706	24,531	46,163	7,504	573
San Bernardino	CA	1984	14,249	14,407	32	88	1,092	893	4,360	8,714	1,070	158
		1985	15,002	15,156	18	104	1,041	1,086	4,494	6,920	1,339	154
San Diego	CA	1984	64,366	64,795	103	393	2,616	2,819	15,248	34,428	8,759	429
		1985	67,893	68,273	96	338	3,062	2,754	16,363	35,220	10,080	380
San Francisco	CA	1984	59,896	60,230	73	495	5,222	3,582	13,217	31,524	5,783	334
		1985	58,590	58,983	85	512	5,111	3,794	11,757	31,397	5,934	393
San Jose	CA	1984	39,818	40,211	48	421	1,175	1,651	9,457	24,296	2,770	393
		1985	40,224	40,738	55	415	1,237	1,763	9,359	24,331	3,064	514
Santa Ana	CA	1984	22,098	22,274	39	74	835	790	6,131	12,414	1,815	176
		1985	22,459	22,610	33	59	865	601	5,097	13,490	2,314	151
Savannah[3]	GA	1984	12,942		39	97	609	400	3,296	7,97.	522	
		1985	12,010	12,054	40	130	570	325	3,291	7,210	444	44
Scottsdale	AZ	1984	6,037	6,074	3	20	86	141	1,335	4,109	343	37
		1985	6,588	6,630	8	18	97	141	1,623	4,378	323	42
Seattle	WA	1984	56,019	56,328	50	448	2,386	2,669	14,406	33,771	2,289	309
		1985	63,102	63,462	61	441	2,843	3,178	16,262	37,534	2,783	360
Shreveport	LA	1984	19,356	19,502	29	139	439	973	4,819	12,168	789	140
		1985	20,386	20,485	48	125	556	1,021	4,803	13,072	741	119
South Bend	IN	1984	9,763	9,787	11	64	315	257	3,030	5,699	387	24
		1985	9,593	9,668	9	58	318	281	2,775	5,800	352	75
Spokane	WA	1984	13,594	13,669	10	71	248	597	3,337	8,798	535	75
		1985	14,861	14,936	9	63	309	552	3,796	9,526	606	75
Springfield[4]	IL	1984	8,449	8,551	4	75	177	480	2,378	5,143	242	52
		1985			15		227	507	2,228	5,155	257	51
Springfield	MA	1984	10,849	10,978	11	137	442	2,290	2,623	4,083	1,263	129
		1985	7,923	8,008	18	106	379	1,343	2,261	2,804	1,012	85
Springfield	MO	1984	9,689	9,759	13	42	135	164	2,177	6,744	414	70
		1985	9,591	9,639	6	54	109	137	2,188	6,728	389	48
Stamford	CT	1984	6,866	6,889	8	26	228	149	1,463	4,344	648	23
		1985	6,118	6,155	5	16	273	205	1,230	3,778	611	37
Sterling Heights	MI	1984	4,575	4,596	1	31	37	211	881	2,822	592	21
		1985	5,199	5,225	7	19	84	215	1,021	3,272	601	26
Stockton	CA	1984	17,234	17,333	29	90	653	525	4,648	10,377	912	99
		1985	19,389	19,497	27	91	705	738	4,983	11,769	1,096	108
Sunnyvale	CA	1984	4,005	4,034	2	25	85	84	782	2,771	256	29
		1985	4,004	4,035	5	29	83	107	809	2,710	261	31
Syracuse	NY	1984	11,405	11,518	12	67	544	314	3,407	6,643	416	113
		1985	12,050	12,163	12	80	551	370	3,741	6,870	426	113
Tacoma	WA	1984	19,135	19,256	15	208	689	934	6,138	10,322	829	121
		1985	21,002	21,129	13	279	640	1,078	7,137	10,943	912	127
Tallahassee	FL	1984	8,406	8,428	4	70	189	542	2,057	5,251	293	22
		1985	11,013	11,043	3	72	260	859	2,876	6,495	448	30
Tampa	FL	1984	33,959	34,170	52	277	1,843	3,680	9,196	17,190	1,721	211
		1985	41,770	41,963	70	288	2,657	3,840	12,117	20,570	2,228	193
Toledo	OH	1984	26,268	26,970	34	215	1,095	936	6,285	15,572	2,131	702
		1985	24,934	25,293	27	236	970	926	5,861	15,042	1,872	359
Topeka	KS	1984	8,449	8,499	3	59	216	425	1,918	5,580	242	50
		1985	9,277	9,312	6	56	228	408	3,363	4,921	299	35
Torrance	CA	1984	6,662	6,709	4	34	289	230	1,457	3,620	1,026	47
		1985	7,178	7,245	4	37	331	263	1,492	3,927	1,124	67
Tucson	AZ	1984	35,616	35,834	25	282	809	1,843	9,909	20,292	2,456	218
		1985	38,250	38,503	33	297	1,051	2,333	9,914	22,536	2,036	253
Tulsa	OK	1984	31,609	31,971	30	246	504	1,439	8,712	15,919	4,359	362
		1985	32,846	33,082	33	268	796	1,999	9,078	15,530	5,142	236
Virginia Beach	VA	1984	14,697	14,842	13	118	235	252	3,213	10,288	578	145
		1985	15,889	16,024	17	98	205	230	3,273	11,473	593	135
Waco	TX	1984	8,929	8,966	13	65	219	463	2,290	5,549	330	37
		1985	9,795	9,835	8	77	185	521	2,858	5,734	412	40
Warren	MI	1984	10,901	10,915	5	49	259	539	1,763	6,144	2,142	14
		1985	11,050	11,059	9	49	272	672	1,731	6,295	2,022	9
Washington	DC	1984	53,524	53,858	175	366	6,087	4,097	10,954	27,471	4,374	334
		1985	50,075	50,369	147	337	5,230	4,457	10,005	24,874	5,025	294
Waterbury	CT	1984	8,352	8,399	4	26	212	204	1,429	4,061	416	47
		1985	6,887	6,929	5	35	230	139	1,665	4,307	506	42
Wichita	KS	1984	24,725	21,992	12	207	451	658	4,537	14,883	977	267
		1985	21,751	21,972	26	249	699	698	4,842	14,114	1,123	221
Wichita Falls	TX	1984	7,244	7,327	15	80	206	309	1,756	4,479	399	83
		1985	8,512	8,598	10	64	242	298	1,910	5,587	392	86
Winston-Salem	NC	1984	11,347	11,470	23	59	262	1,515	2,561	6,471	456	123
		1985	10,588	10,728	16	77	287	1,509	2,596	5,593	510	140
Worcester	MA	1984	10,281	10,449	8	87	524	724	3,202	4,786	950	168
		1985	11,701	11,784	6	109	638	768	3,408	5,579	1,195	83
Yonkers[3]	NY	1984	9,015	9,082	14	30	594	327	2,164	4,398	1,488	67
		1985	9,235		21	30	730	203	2,041	4,804	1,406	
Youngstown[3]	OH	1984	7,190		23	54	377	598	2,503	2,619	1,016	
		1985	7,351		21	58	436	696	2,498	2,393	1,249	

(1) 1984 and 1985 data are not comparable.
(2) 1984 arson data not comparable with 1985.
(3) Complete arson data were not available for 1984 and/or 1985.
(4) Forcible rape figures furnished by the state-level Uniform Crime Reporting (UCR) Program administered by the Illinois Department of State Police were not in accordance with national UCR guidelines.

Trends in all tables of this report are based on the volume of crimes reported by comparable units. Agency reports which are determined to be influenced by change in reporting practices for all or specific offenses, or by annexations, are removed from trend tables.

All 1985 figures are preliminary. Final figures and crime rates per unit of population will be published in "Crime in the United States - 1985" scheduled to be released in the summer of 1986.

UNIFORM CRIME REPORT
1985 PRELIMINARY ANNUAL RELEASE

The number of Crime Index offenses reported to law enforcement agencies throughout the United States increased 4 percent during 1985 when compared to 1984. The violent crimes of murder, forcible rape, robbery, and aggravated assault increased 5 percent as a group while the property crimes of burglary, larceny-theft, and motor vehicle theft increased 4 percent.

During the first quarter of 1985, the increase was 3 percent over the same quarter of 1984. When comparing the second and third quarters of 1984 and 1985, the increase was 7 percent while the fourth quarter increased 3 percent.

Crime Index trends by population groups and by geographic regions appear in Tables 1-3 below.

TABLE 1 - CRIME INDEX TRENDS
Percent change 1985 over 1984, offenses known to the police.

Population Group and Area	Number of agencies	Population (thousands)	Crime Index total	Modified total	Violent crime	Property crime	Murder	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny theft	Motor vehicle theft	Arson*
Total	13,016	222,182	+ 4	+ 4	+ 5	+ 4	+ 1	+ 4	+ 3	+ 6	+ 2	+ 5	+ 6	+ 3
Cities:														
Over 1,000,000	5	14,848	0	0	+ 2	- 1	+ 2	+ 6	0	+ 6	- 3	+ 1	- 4	+ 6
500,000 to 999,999	17	12,030	+ 4	+ 4	+ 5	+ 4	- 2	+ 6	+ 2	+ 7	+ 2	+ 5	+ 8	+ 3
250,000 to 499,999	36	13,082	+ 8	+ 8	+ 9	+ 8	+ 8	+ 7	+10	+10	+ 7	+ 8	+15	- 4
100,000 to 249,999	124	18,066	+ 5	+ 5	+ 7	+ 5	- 1	+ 1	+ 6	+ 9	+ 3	+ 5	+10	+ 4
50,000 to 99,999	298	20,378	+ 4	+ 4	+ 3	+ 5	0	+ 2	+ 3	+ 3	+ 3	+ 5	+ 9	- 4
25,000 to 49,999	641	22,171	+ 5	+ 5	+ 6	+ 5	+ 2	+ 5	+ 5	+ 6	+ 3	+ 5	+ 7	+ 7
10,000 to 24,999	1,578	24,943	+ 5	+ 5	+ 4	+ 5	+ 3	+ 1	+ 3	+ 4	+ 3	+ 5	+ 6	+ 9
Under 10,000	6,256	22,706	+ 3	+ 3	+ 2	+ 3	+ 8	- 2	0	+ 3	+ 2	+ 3	+ 7	+ 8
Counties:														
Suburban[1]	1,245	45,050	+ 6	+ 6	+ 5	+ 6	- 2	+ 3	+ 3	+ 6	+ 3	+ 6	+10	+ 4
Rural[2]	2,816	28,908	+ 2	+ 2	+ 6	+ 1	0	+ 9	- 4	+ 7	+ 2	0	+ 5	+ 2

(1) Includes crimes reported to sheriffs' departments, county police departments, and state police within Metropolitan Statistical Areas.
(2) Includes crimes reported to sheriffs' departments, county police departments, and state police outside Metropolitan Statistical Areas.

TABLE 2 - CRIME INDEX TRENDS

Area	Number of agencies	Population (thousands)	Crime Index total	Modified total	Violent crime	Property crime	Murder	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny theft	Motor vehicle theft	Arson*
Total	13,016	222,182	+ 4	+ 4	+ 5	+ 4	+ 1	+ 4	+ 3	+ 6	+ 2	+ 5	+ 6	+ 3
Cities over 50,000	480	78,404	+ 4	+ 4	+ 5	+ 4	+ 1	+ 5	+ 3	+ 7	+ 2	+ 5	+ 5	+ 1
Suburban area[1]	6,127	91,337	+ 5	+ 5	+ 5	+ 5	0	0	+ 4	+ 5	+ 3	+ 6	+ 9	+ 5
Rural area[2]	2,816	28,908	+ 2	+ 2	+ 6	+ 1	0	+ 9	- 4	+ 7	+ 2	0	+ 5	+ 2
Other Cities[3]	3,593	23,534	+ 3	+ 3	+ 4	+ 3	+ 5	- 3	0	+ 5	+ 3	+ 3	+ 6	+ 9

(1) Includes crimes reported to city, county, and state law enforcement agencies within Metropolitan Statistical Areas, but outside the core cities.
(2) Includes crimes reported to sheriffs' departments, county police departments, and state police outside Metropolitan Statistical Areas.
(3) Includes crimes reported to city police departments outside of Metropolitan Statistical Areas.

TABLE 3 - CRIME INDEX TRENDS BY GEOGRAPHIC REGION

Region	Crime Index total	Modified total	Violent crime	Property crime	Murder	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny-theft	Motor vehicle theft	Arson*
Total	+ 4	+ 4	+ 5	+ 4	+ 1	+ 4	+ 3	+ 6	+ 2	+ 5	+ 6	+ 3
Northeast	+ 2	+ 2	+ 3	+ 1	- 3	+ 2	+ 1	+ 5	0	+ 3	- 1	+ 5
Midwest	0	0	+ 2	- 1	+ 9	+ 6	- 2	+ 4	- 3	+ 1	- 2	- 1
South	+ 8	+ 8	+ 8	+ 8	- 1	+ 6	+ 7	+ 8	+ 6	+ 8	+16	+ 1
West	+ 5	+ 5	+ 5	+ 6	+ 2	+ 2	+ 4	+ 6	+ 4	+ 6	+10	+ 6

TABLE 4 - CRIME INDEX TRENDS
January through December, each year over previous year.

Years	Crime Index total	Modified total	Violent crime	Property crime	Murder	Forcible rape	Robbery	Aggravated assault	Burglary	Larceny-theft	Motor vehicle theft	Arson*
1982/1981	- 3	- 3	- 3	- 3	- 7	- 5	- 7	+ 8	- 9	- 1	- 2	-12
1983/1982	- 7	- 7	- 5	- 7	- 8	0	- 8	- 2	- 9	- 6	- 5	-11
1984/1983	- 2	- 2	+ 1	- 2	- 3	+ 7	- 4	+ 5	- 5	- 2	+ 2	+ 2
1985/1984	+ 4	+ 4	+ 5	+ 4	+ 1	+ 4	+ 3	+ 6	+ 2	+ 5	+ 6	+ 3

*The Modified Crime Index total is the sum of the Crime Index offenses, including arson. Data for arson are not included in the property crime totals. The number of agency reports used in arson trends is less than used in compiling trends for other Crime Index offenses. It must be noted that the collection of arson data began in April, 1979, with 1980 being the first full year of this data collection.

ISSUED BY William H. Webster, Director, Federal Bureau of Investigation
United States Department of Justice, Washington, D. C. 20535
Advisory: Committee on Uniform Crime Records, International Association of Chiefs of Police;
Committee on Uniform Crime Reporting, National Sheriffs' Association

FBI/DOJ

Mr. CHAFEE. Mr. President, I am a cosponsor of Senator GORTON's amendment to begin daylight saving time the first Sunday in April. I hope my colleagues will join me in supporting this measure that will improve the quality of life of millions of Americans.

Under current law, April sunrises are the earliest of the year. The effect of this amendment would be to transfer an hour of daylight from the earily morning to the early evening for 3 weeks in April. Americans would then have an extra hour of daylight at the end of the day for safer commuting, for play time for children, for shopping, and for leisure time with their families. For those 400,000 Americans who suffer from night blindness the extra evening hour of daylight will have a very important impact on their lives.

In 1974 and 1975 the U.S. Department of Transportation found that extended daylight saving time reduced electric power consumption, saving 100,000 barrels of oil per day, discouraged violent crime, and reduced traffic fatalities.

An extension would also stimulate business activity. More than 8,300 companies from a wide variety of industries have joined forces as the daylight savings time coalition. The coalition estimates that an extension could generate billions of dollars in additional revenues and lead to the creation of many new jobs.

Those who live on the western edge of a time zone may be concerned that their children would leave for school in the dark. The amendment takes this concern into account by limiting the extension to April. During those 3 weeks in April the Sun would rise and set about the same time it does now in mid-August and early September.

Time is our most valuable but fleeting resource. An extension will enable Americans to use and enjoy their time more fully. And that is why I ask my colleagues to support the extension of daylight savings time to the first Sunday in April.

Mr. MITCHELL. Mr. President, the distinguished Senator from Washington has in my judgment eloquently and with careful marshaling of the evidence set forth the reasons why this amendment should be adopted by the Senate.

□ 1600

It is not my intention to repeat the statements which he has made. I would like to address just briefly one question raised by the opponents and then insert some material in the RECORD before I conclude.

The opponents argue in opposition to this amendment in part on the grounds that the National Association of Broadcasters opposes an extension of daylight saving time because, according to that organization, any change may well affect and disrupt the balancing of interests among AM radio broadcasters. In particular, they object to any amendment in which Congress sets what are known as sign-on times for daytime broadcasters.

I would note, Mr. President, that this amendment offered by the Senator from Washington and myself does not attempt to set sign-on times for daytime broadcasters. It recognizes the Federal Communications Commission's technical expertise in this area and enables the Commission to make any necessary adjustments by general rules consistent with the public interest.

So the basis of the concern by the National Association of Broadcasters has been accommodated by the amendment which gives the FCC that flexibility.

Daytime radio stations begin broadcasting at sunrise and, therefore, they fear that daylight saving time's later sunrises would cut into their morning drive time. However, it should be emphasized that, if this amendment is enacted and becomes law, daylight saving time in April would not subject them or anyone else to sunrises any later than already take place in the fall under the current system.

The Federal Communications Commission already has mitigated the impact of daylight saving time by granting daytimers what is known as presunrise authority in which stations can sign on at 6 a.m. regardless of sunrise time but at reduced power. So I believe, Mr. President, that the concerns of AM radio broadcasters are accommodated in this amendment.

With respect to the question of safety, in 1975, when daylight saving time was being considered by the Senate, the National Safety Council issued a statement based upon a study which concluded that there was no increase in school-age traffic fatalities due to daylight saving time.

On November 11, 1985, the director, Standards and Governmental Relations of the National Safety Council wrote to the Senate Commerce Committee regarding that study, in effect stating that its conclusions were still valid. And I would like to quote briefly from that letter of November 11, 1985, which reads, in part:

> The statement summarizes results of two studies the National Safety Council conducted in the early 1970's concerning school child traffic fatalities arising out of changing the daylight saving time cycle. In summary, the studies indicate that extending the daylight saving time cycle would not have any appreciable effect on the number of school age children or pedal-cyclists killed in traffic accidents while going to or from school. We do not know of any other similar studies conducted by any other organization since 1975, nor do we have reason to believe that the results of the Council's studies are not still valid.

I ask unanimous consent, Mr. President, that both of these documents be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NO INCREASE IN SCHOOL-AGE TRAFFIC FATALITIES DUE TO DAYLIGHT SAVINGS TIME, NATIONAL SAFETY COUNCIL SAYS

CHICAGO.—Daylight savings time means traveling to school in darkness for many young persons; but according to the National Safety Council, the change in lighting has had little or no effect on the number of early-morning fatalities among school-age children.

"The Council's statistics department surveyed all 50 states and the District of Columbia to determine if there was any increase in the number of school-child fatalities for January, 1974, as compared with January, 1973," NSC President Vincent Tofany explained.

"The survey respondents, who represented 75 percent of our population in 42 states and the District of Columbia, showed no appreciable difference between the two months in the number of early-morning pedestrian and pedalcycle fatalities experienced by children 4 through 18 years old," he said.

According to the Council, 20 traffic fatalities were recorded in January, 1974, among children aged 4 through 18 walking or pedaling during the going-to-school hours from 6:00 a.m. to 9:00 a.m. By comparison, 19 fatalities were recorded for January, 1973.

Thirteen of the 20 youthful traffic fatalities in January, 1974, were children under 14 years old, Council spokesmen said. Eleven of the 19 fatalities recorded for January, 1973, were under 14 years old.

Over a 24-hour period, school-age traffic deaths throughout the United States were down from 76 fatalities in January, 1973, to 55 fatalities in January, 1974, the Council reported.

"Of the forty-three reporting agencies, twenty-nine states and the District of Columbia showed either no changes or decreases in the number of school-age fatalities," Tofany said. "Three states—Alaska, Arizona and Idaho—were not included in the survey since they had not shifted over to daylight savings time. Ten states—Florida, Nevada, Virginia, Illinois, New Mexico, Wisconsin, Connecticut, Louisiana, North Carolina and Pennsylvania—had increases in the number of schoolage traffic fatalities."

Of the states with increased fatalities, Florida, according to the Council, showed the biggest increase—up five fatalities in January, 1974, as compared with January, 1973. Council spokesmen said Illinois showed the second largest increase—up four fatalities. Connecticut and North Carolina both showed increases of three fatalities, while the remaining six states reported increases of one school-age fatality each.

NATIONAL SAFETY COUNCIL,
November 11, 1985.

MR. CHARLES FAUST,
Senate Commerce Committee,
Hart Senate Office Building,
Washington, DC.

DEAR MR. FAUST: Concerning the issue of the extension of daylight saving time, enclosed is a statement the National Safety Council presented to the Senate Commerce

Committee November 13, 1975 on amendments to the "Uniform Time Act of 1966."

The statement summarizes results of two studies the National Safety Council conducted in the early 1970's concerning school child traffic fatalities arising out of changing the daylight saving time cycle. In summary, the studies indicate that extending the daylight saving time cycle would not have any appreciable effect on the number of school age children or pedalcyclists killed in traffic accidents while going to or from school. We do not know of any other similar studies conducted by any other organization since 1975, nor do we have reason to believe that the results of the Council's studies are not still valid.

Extending the daylight saving time to the first Sunday in November would provide an additional hour of p.m. daylight for the Halloween trick-or-treaters and presumably this may have some minor effect on accidents involving this group.

Sincerely,

ROBERT CURRIE,
Director, Standards and Governmental Relations.

(Mr. WILSON assumed the chair.)

Mr. MITCHELL. Finally, Mr. President, I would like to quote from a letter dated May 7, 1986, addressed to the majority leader from the Secretary of Transportation, Elizabeth Hanford Dole, who expressed her support for starting daylight saving time earlier in April as contained in this amendment. In part, the Secretary of Transportation's letter reads:

Studies by the Department of Transportation and other agencies of government—Federal, State, and local—plus American industry have shown that this step would reduce deaths, injuries, and property damage on our highways, while making more efficient use of energy and reducing certain types of crime. On the basis of 1983 figures, DST in April would reduce traffic deaths nationwide by a minimum of 22, injuries by a minimum of 1525, and societal costs from auto accidents by a minimum of $28 million. I emphasize that each of these figures is a minimum, with possible savings being as much as twice as large.

The current law—the Uniform Time Act of 1966—does not require that anyone observe DST, it merely establishes a uniform pattern for each year's observance. The majority of the American people were already observing DST in 1966 because they knew of its advantages. Studies over the last twelve years have consistently shown that the American people want more of these advantages, but are prevented from doing so by Federal law.

I note also that the bill would not push DST into November, and so would not cause uncomfortably late sunrises for any part of the country. It would also not increase the traffic hazard faced by any part of our population, including school-age children.

Mr. President, I ask unanimous consent that the full text of the letter from the Secretary of Transportation to the majority leader, dated May 7, 1986, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF TRANSPORTATION,
Washington, DC, May 7, 1986.

Hon. ROBERT DOLE,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR BOB: I write to you today to reiterate my support for starting daylight saving time (DST) earlier in April. This proposal will be considered as floor amendment 1793 to S. 2180.

Studies by the Department of Transportation and other agencies of government—Federal, State, and local—plus American industry have shown that this step would reduce deaths, injuries, and property damage on our highways, while making more efficient use of energy and reducing certain types of crime. On the basis of 1983 figures, DST in April would reduce traffic deaths nationwide by a minimum of 22, injuries by a minimum of 1525, and societal costs from auto accidents by a minimum of $28 million. I emphasize that each of these figures is a minimum with possible savings being as much as twice as large.

The current law—the Uniform Time Act of 1966—does not require that anyone observe DST, it merely establishes a uniform pattern for each year's observance. The majority of the American people were already observing DST in 1966 because they knew of its advantages. Studies over the last twelve years have consistently shown that the American people want more of these advantages, but are prevented from doing so by Federal law.

I note also that the bill would not push DST into November, and so would not cause uncomfortably late sunrises for any part of the country. It would also not increase the traffic hazard faced by any part of our population, including school-age children.

The bipartisan effort to extend DST deserves your support. Please contact me if I can be of further assistance.

Sincerely,

ELIZABETH HANFORD DOLE.

Mr. MITCHELL. In conclusion, Mr. President, I urge the Members of the Senate to vote for this amendment on the grounds that it is a small but commonsense proposal for the benefit of our Nation.

I yield the floor.

Mr. FORD. Mr. President, the distinguished Senator from Maine has made some statements relating to the reduction of fatalities, probable electricity savings, and so forth, and about daytime radio.

I think it is important that we look at those who are most concerned about the so-called daytime radio stations. I have a letter written on March 12, another one on March 24, and another one on March 19. I would like to read those.

□ 1610

These letters are signed by Edward O. Fritts, president and chief executive officer of the National Association of Broadcasters, and John F. Dille III, chairman of the Radio Board. The letter written on March 12 said,

DEAR SENATOR FORD: It is my understanding that the Committee on Commerce, Science, and Transportation is scheduled to consider H.R. 2095, or Senate Bill 1433, the Daylight Saving Extension Act of 1985.

This is the Senate bill they refer to that is being tacked onto this bill as an amendment. And this is a line I think that is important.

The National Association of Broadcasters is opposed to this bill. The proposed legislation would seriously impact on radio broadcasters. In order to avoid interference of the AM band, the Federal Communications Commission has struck a delicate balance between various classes of AM radio stations. This involves the use of directional antennas, reduced power levels, and daytime only stations.

Let us go back. The FCC has struck a delicate balance, and this amendment will fracture the delicate balance that has been struck by the Federal Communications Commission.

The Federal Communications Commission has on several occasions in recent years taken action to preserve that balance. Therefore, any change in daylight savings time may well affect and disrupt the balancing of interest among AM radio broadcasters. In particular, any amendment in which Congress sets "sign on" times for daylight broadcasters will harm other segments of the AM radio industry, and place the Congress in the position of usurping the FCC's technical expertise.

How can you expect the FCC to change the delicate balance just because this amendment gives it the authority to do just that? They have already done it. And when you extend daylight saving time for 3 additional weeks, you fracture that delicate balance.

Should the committee take any action, NAB believes the language in section 5 of the House-passed bill is from a policy standpoint the best way to proceed. This will afford all interested parties the opportunity to present their case to the expert agency. Thank you for your attention on this important issue. I look forward to working with you in the future.

Then, again on March 24, both the president and chief executive officer and chairman of the radio board wrote another letter. It says:

DEAR SENATOR FORD: It is our understanding that the proponents of S. 1433—

That is, in essence, the amendment that we are discussing now.

—the Daylight Saving Extension Act of 1985 may by planning to add their bill in the form of an amendment—

Well, that is just exactly what has happened.

—to legislation that will come before the full Senate for consideration in the near future. The National Association of Broadcasters is opposed to this legislation.

They are reiterating their opposition in their letter of March 12 and their letter of March 24.

The proposed legislation would seriously impact on radio broadcasting in order to avoid interference on the AM band. The FCC—

And they reiterate.

—has struck a delicate balance between various classes of radio. We hope that you will

exert your opposition against this legislation.

Again on April 9, these two fine gentlemen have gone from signing the letter in their full names to just saying Eddie and John. We have been corresponding with each other so much in opposition to this piece of legislation. They say on March 24, 1986,

We wrote you to alert you to a possible attempt by proponents of Senate bill 1433 to add their bill in the form of an amendment to legislation currently on the Senate Calendar. We now have learned that the vehicle to which they are planning to offer their amendment is S. 2180, the FEMA reauthorization bill.

That is exactly what is happening, Mr. President.

And we reiterate that the National Association of Broadcasters strongly oppose S. 1433 and urges that you oppose this attempt in securing the passage of this amendment.

And they reiterate their positions in the other two letters.

Mr. President, we are finding another factor that has been inserted into this debate as it relates to the disruption of approximately 450 small radio stations throughout this country.

Let us talk a little bit about what the distinguished Senator from Maine said in his statement in regard to probable electricity savings of 1 percent—probable savings. It is only probable, and extremely difficult to isolate from seasonal variations higher rates in fuel availability.

How can you really say that you will probably save 1 percent? I could say you probably would lose 1 percent, and would not be misrepresenting anything. Also, in some areas such as Louisville, on the westernmost fringe of the time zone, daylight comes almost an hour later than on the east coast. So consumption is actually increased for my people. As they get up an hour earlier in the dark, go to work earlier, turn their lights on sooner, turn the heat up earlier, and they are in effect subsidizing—that is that one-third we talked about. The Senator from Washington said that two-thirds of the people of this country want extended daylight savings time. But the full fact is that the other one-third will be subsidizing the savings of the people particularly on the east and west coasts.

Also, how significant is 1 percent or the probable saving of 1 percent? That translates to six-tenths of 1 percent of our daily consumption of 17 million barrels of oil a day, or the equivalent of approximately 100,000 barrels of oil per day. However, the saving is not all in oil. About 50 percent of that could be in coal.

Reduction of traffic fatalities; let us look at that just a minute—seven-tenths of 1 percent. The Department of Transportation analysis believes that further study may show that daylight saving time actually reduces the fatalities on the order of 1½ to 2 percent. Let us go back to why.

Let us go back to why we have less fatalities. We cannot find out, and testimony in the House actually says that the Department of Transportation did not weigh other factors in this judgment such as reducing the speed to 55-miles per hour. Everyone knows that is the factor that saves lives. It is irrefutable. Yet, we find my colleagues here saying that daylight saving time takes all the credit. You just have to think that is a little irresponsible in saying that daylight saving time would reduce traffic fatalities when we all know that it was the 55-miles per hour that did it.

□ 1620

It is my understanding, Mr. President, that the distinguished Senator said that we would only have to tolerate 6 weeks of additional darkness in the western part of each time zone. Our children go to school in the dark the rest of the time, so we might as well just go ahead and go to school in the dark for 6 more weeks.

The National Bureau of Standards, which reviewed the Department of Transportation conclusions as to energy savings and as to fatalities, confirms the need for extreme caution in drawing even tentative conclusions.

Think about that. The National Bureau of Standards warns us and says to use extreme caution in drawing even tentative conclusions, and a particularly careful analysis of the data base used by the Department of Transportation in studying fatal accidents and electricity production reveals several respects in which these data are faulty.

That is the National Bureau of Standards.

The data available did not include, and so the Department of Transportation testified before the house committee, information about factors other than daylight saving time that would influence electricity usage, traffic fatalities, for example, interlocking factors, energy conservation factors, gasoline shortages, carpooling, speed limit. All these things were never factored in. The Department of Transportation agreed.

So the word "probable" is used now, probable savings.

When all these things are not factored in, you know and I know that those statistics in reality are wrong.

The National Bureau of Standards in their review subjected the data to additional analyses subsequent to those already carried out by the Department of Transportation. The methodology used in the Department of Transportation study represents standard techniques of analysis. In several instances, however, the National Bureau of Standards found the data unsuitable for application of these methods.

So we are here today to debate. We are here to try to express our feelings, the feelings of our constituents. I hope those who support this amendment will exercise what I believe to be their better judgment. Really, when you get down to it, you are not helping the schoolchildren, you are not helping the farmers, you are not saving oil, you are not saving the use of coal, you are really not doing all of these things.

In the study as it relates to reduction of crime, the answer to that, by some, is that the criminal does not worry about the clock. He does not care what time it is. It is just whether it is dark or not. So he will go whenever it is dark.

A study on the impact of daylight saving time on crime—and that was conducted in Washington, DC, and Los Angeles, by the way—indicates a reduction involving crime for daylight saving time periods in Washington, DC, compared to the standard time period from 1973 to 1975.

My goodness, and this is 1986.

There was no impact found in L.A. because the data was too coarse. LEAA cautions against any generalization from the limited data base of the study. They did not even factor into this study the effects of high-intensity lighting or police. All these things were not factored in. How can you have real life study when you do not put in all the facts?

It is just like leaving out certain factors as relates to the saving of energy.

We see a lot of polls that are taken, and we hear a lot of percentages read. None of us have seen the basic use of that poll, whether it was a national, well-distributed poll as we would think in the political arena, how the questions were phrased, whether the poll was taken in all of the lower 48, or just taken in regional areas.

I just think, Mr. President, that this amendment is not fair. It just seems to me you could put in what factors you want and come up with the percentage you desire, and then lay that down as a study, as fact. Then you begin to question and the admissions begin to roll—"No, we did not put that in; no, we did not consider that; this was taken 11 years ago, it was taken 12 years ago." What about today?

Are we interested in saving oil today? Of course not. The price of gasoline is down so low we just want to store it because we know it is going up. But no one is really concerned about saving oil today, and this bill will not save any.

I hope that as we debate this the rest of the evening and tomorrow we will be able to reach the conclusion that, as the lady wrote to me, it seems like those of us who do not want daylight saving time can stand 6 months

of daylight saving time and those who want more daylight saving time ought to be able to stand 6 months without it.

That is fair. That is down the middle. It is equal to everybody. Whatever problems we have today will be no more next year than they are now. If we pass this amendment we will have more problems next year. Those additional problems will extend. As time changes, we will probably want to go back to just the Memorial Day to Labor Day. But that is the way it is. That is the way it is.

□ 1630

We are saying to one-third of the population of this country, "You subsidize that other two-thirds so they can play tennis here, in Washington, and barbeque on the east and west coasts."

Mr. President, I yield the floor.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I want first to say to my colleague from Kentucky, Senator FORD, that, on the amendment that we had previously indicated we would offer today or tomorrow on scrambling of satellite television signals, I am pleased that there has been an agreement by the distinguished manager of this bill [Mr. GORTON], for a hearing on July 15, 16, or 17. But I want to say the reason I rise today is to serve notice that the hearings may or may not result in what I consider is the elimination of discrimination against rural America on the question of the marketing of scrambled satellite television signals.

I think that my Senate colleagues should know that Senator FORD and I were not planning to offer an amendment to confuse the matter or to deprive the networks or any of the other independent networks, such as ESPN, CBN, CNN, and so on, of their just dues. On the contrary, we have said repeatedly and I repeat now that the people from whom I am receiving letters on this issue in rural America—who have already invested anywhere from $2,000 to $10,000 in a satellite dish and who are now being asked to pay $400 for a decoder because everybody is going to start scrambling—have never suggested in any of the correspondence I have received that they are looking for something for nothing. What they want is fairness. They are willing to pay a reasonable price to receive a scrambled signal. But they have had to make a substantial investment—say $5,000—for a dish which their city cousins never had to make; they also had to pay $400 for a decoder which their city cousins never had to pay. Further, with regard to HBO, the average charge for descrambling HBO's signal is 29 percent higher than their city cousins have to pay, assuming their cousins pay the national retail average for HBO.

I take the position that if we do nothing, it discriminates against the 1,400,000 dish owners who live outside a cable franchise area. We have people in Arkansas who, until the satellite dishes came along, never received a signal of any kind. We have areas of my State—in the Ouachitas and the Ozarks—which are not dissimilar from the mountains of Virginia and West Virginia. If you live down in a valley, chances are you are not going to get a television signal of any kind.

Right now, there are a lot of people upset. I never heard from anybody until the word got out last Thursday and Friday that Senator FORD and I were going to offer this amendment. Suddenly, I am hearing from many network executives and cable operators. All I ever asked for in the beginning was hearings on this matter to determine whether of not the antitrust laws were being enforced and whether or not an interindustry discussion would violate the antitrust laws. Why not let the interested industries discuss some reasonable formula for resolving this knotty problem?

The problem is not going to go away. If we are getting hearings—and I want to make this crystal clear—as simply a temporary palliative so we will not offer this amendment, I promise, we will be back.

I have perhaps a greater interest than some of my colleagues have, although any Senator from a rural State has assuredly heard from any of his constituents who have satellite antennas. I have a greater interest in this because a year ago, 2,500 people in my State were engaged in the manufacture of these dishes. We are either the largest or the second-largest State in the Nation in the manufacture of satellite dishes. There were 2,500 people in my State manufacturing satellite antennas a year ago. Today, that figure is down to 500. Sales have declined 80 percent in the past year. Why? because of two things: The exorbitant cost that people must pay to receive programs and the uncertainty as to whether or not every signal is going to be scrambled and at what cost to dish owners.

Does it make any sense to my colleagues for a worker, we will say, who lives 1 mile beyond a franchise zone of a cable company to pay more than his brother, who happens to live a mile and a half inside it? His brother gets almost everything this gentleman is getting simply because he lives just inside a cable system for $35 a month. If the dish owner gets any of it, he has to make anywhere from a $2,000 to $10,000 investment, pay the $395 for the decoder and then negotiate a deal for each channel; $12.95 is the going rate for HBO, 29 percent higher than the average cost if you happen to live in town.

I ask you, Mr. President, is that discriminatory or not? I believe in the free marketplace and I have been told, "Don't worry about it. The prices of these decoders are going to decline." When? How much? The decoder right now is $395. It is generally conceded that that decoder should cost the customer between $175 to $195. That would be a fair price for it.

Why are we delaying an issue which is so patently discriminatory? There is a woman who lives in my State named Dianne Davis. She and her husband live in St. Joe. St. Joe is a community of probably no more than 500 or 700 people. They live just outside of town and they happen to live down in a valley—or at least, they live behind a high mountain. Until 7 years ago, they got nothing—no signal. Nobody worried about them. They chose to live in a geographic area where they could not get a signal. So they make a $5,000 investment and they begin to get the news like everybody else in America. I am told that 75 percent of the people in this country depend almost exclusively on television for all their news. I do not think that applied to Dianne and her husband, but nevertheless, they are in the same position as 400,000 American homes who, without a satellite dish, can get no television signal.

Think about this: They are going to have to buy a decoder just to get the news. They are going to have to buy a decoder to get the networks which you can get in town without even being on cable, and only then if the networks agree to making their scrambled signal accessible.

I bought a new television set for my apartment in Little Rock the other day, and I brought it in and set it up on a table and I lifted the rabbit ears and I got five stations immediately. Dianne Davis could buy a television set and put up an antenna 200 feet high and she still could not get any kind of signal. And now the networks are talking about scrambling. CBS is getting ready to scramble before the date for these hearings. They are not planning to make their signal accessible at all.

So the networks are going to scramble. They and others are going to scramble a signal to get at the roughly 400,000 people who live inside cable areas and have dishes in order to keep them from getting an advertiser-free cable signal. In the process, they are depriving another 1½ million people who have satellite dishes from getting their signal at all. We simply must resolve this knotty problem, and I hope hearings will accomplish this.

□ 1640

Now, if you want to stand on the proposition that the free marketplace will resolve this, that is one way of resolving it. But it is going to create a tremendous financial burden on a lot of people and most of them will not be able to afford it.

Mr. President, I ask unanimous consent to place in the RECORD a list of the various programmers and their plans to scramble as best we can figure it out. This is our factsheet. This is something we have put together on our own. But it will give some idea of the urgency of the situation. For example: BET, Black Entertainment Television, plans to scramble in 1987; CBN, the fourth quarter of 1986; CNN, July 1986; Cinemax, January 1986. They are already scrambling. Disney channel, July 1986; ESPN, late 1986; Financial News Network, no firm date; CNN Headline News, July 1986; Home Box Office, January 1986. They are already scrambling. Lifetime, 1987; MTV, July 1986. Another that will be scrambled by the time we complete hearings. And the list goes on and on. Almost every one of them plan to scramble before the end of this year.

If each one that plans to scramble before the end of this year charged the consumer $5 to unlock their particular signal, the cost will be about $60 to $80 a month for rural people, for something that people in town get for a maximum of $40.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

SCRAMBLING PLANS

BET (Black Entertainment TV)—1987.
Bravo—No firm date.
CBN—4th Quarter, 1986.
CNN—July 1986.
Cinemax—January 1986.
Disney Channel—July 1986.
ESPN—Late 1986.
Financial News Network—no firm date.
CNN Headline News—July 1986.
Home Box Office—January 1986.
Home Theater Network—no firm date.
Lifetime—1987.
MTV: Music Videos—July 1986.
The Movie Channel—May 1986.
The Nashville Network—No firm date.
Nickelodeon—July 1986.
Playboy Channel—1987.
Showtime—May 1986.
TEMPO—September 1986.
USA Cable Network—Fourth Quarter, 1986.
VH-1 Video Hits—July 1986.
WOR (superstation)—March 1986.
WTBS—September 1986.

NETWORK FEEDS

NBC: Most broadcasting to affiliates over cable lines, except some news.
ABC: Plans to scramble in 1987.
CBS: Scrambles part time beginning May 27, 1986; no plan to allow access to dish owners.

Mr. President, there is a problem of equity here. We are not trying to hurt anybody. It is my firm conviction that this can be resolved in a way that is fair to the rural dish owners, fair to the cable television companies across America, fair to the networks, and fair to all of those independent networks I mentioned.

The reason we want hearings is to decide what the fairest and best way to resolve the issue may be. We have no intention of trying to do economic harm to any of these people. By the same token, I admit that my interest is in protecting people who have nobody else to protect them except their elected representatives.

So, Mr. President, I rose today not to talk about daylight saving time. I intend to support the Senator from Kentucky on that issue. I just want to say this issue is not going to be over if it is not resolved in some kind of fair manner for the rural satellite dish owners of American.

U.S. FIRE ADMINISTRATION AND THE NATIONAL FIRE ACADEMY

(By request of Senator GORTON, the following statement was ordered to be printed in the RECORD.)

● Mr. MATHIAS. Mr. President, I want to commend the Senator from Washington [Mr. GORTON] for his leadership on funding for the U.S. Fire Administration and the National Fire Academy.

The budget resolution recently passed by the Senate, with my support, calls for unspecified additional savings in activities with the jurisdiction of the Federal Emergency Management Administration. The fire prevention, education and control activities to be authorized by S. 2180 fall with this jurisdiction.

However, I believe it would be a serious mistake to try to achieve these savings by terminating or drastically reducing funding for the U.S. Fire Administration and the National Fire Academy. Fire is one of the leading causes of death in this country. Too often it is reported that this needless loss of life could have been prevented through a smoke alarm, better building materials and, most important, better education and information. Spending can be reduced in other areas of the Federal Government's emergency management activities if necessary to meet the targets contained in the resolution.

S. 2180 already reflects the goal of reducing Federal spending. The bill provides an 18-percent cut from the fiscal year 1986 authorization for the U.S. Fire Administration and a 7-percent cut from the current appropriation for the National Fire Academy.

The bill will support the Academy as well as other programs by continuing the valuable courses of instruction provided to firefighters and other emergency personnel. It will also restore the travel stipends and lodging costs for the students. This is important to many local jurisdictions who are unable to afford the costs of sending their people for this vital training.

Many of the 12,000 people per year who train at the Academy are volunteer firefighters. They attend the weekend programs and without the National Fire Academy, these dedicated people would not be able to learn from the professional staff.

The programs authorized under the Fire Prevention and Control Act of 1974 are too important to lose. We simply cannot afford to have the activities of the U.S. Fire Administration and the National Fire Academy eliminated or reduced. As a cosponsor of S. 2180, I look forward to working with my colleagues to find ways to make the required budget savings without impeding essential Federal efforts in the field of fire prevention and control.●

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk, proceeded to call the roll.

□ 1720

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescined.

The PRESIDING OFFICER. (Mr. MCCONNELL). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, not to extend beyond the hour of 6 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE ADJOURNMENT

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on May 16, 1986, received the messages from the President of the United States transmitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on May 16, 1986 are printed at the end of the Senate proceedings.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United

States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:41 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, with an amendment, in which it requests the concurrence of the Senate:

S. Con. Res. 120. A concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1987, 1988, and 1989.

The message also announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 636. Joint resolution designating June 26, 1986, as "National Interstate Highway Day."

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 310. A concurrent resolution to express the sense of Congress with respect to agricultural loan restructuring and interest rates.

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

At 1:10 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill and joint resolutions:

H.R. 4382. An act to require the Architect of the Capitol to place a plaque at the original site of Providence Hospital;

H.J. Res. 234. Joint resolution designating the week of May 18, 1986, through May 24, 1986, as "National Food Bank Week";

H.J. Res. 427. Joint resolution designating the week beginning on May 11, 1986, as "National Asthma and Allergy Awareness Week";

H.J. Res. 492. Joint resolution to designate the week of June 1, 1986, as "National Neighborhood Housing Services Week";

H.J. Res. 613. Joint resolution allowing qualified persons representing all the States to be naturalized on Ellis Island on July 3 or 4, 1986;

S.J. Res. 246. Joint resolution to designate May 25, 1986, as "Hands Across America Day", for the purpose of helping people to help themselves, and commending United Support of Artists for Africa and all participants for their efforts toward combating domestic hunger with a four thousand mile human chain from coast to coast;

S.J. Res. 266. Joint resolution to authorize and request the President to designate the month of June 1986 as "Youth Suicide Prevention Month";

S.J. Res. 271. Joint resolution designating "Baltic Freedom Day"; and

S.J. Res. 337. Joint resolution designating May 18-24, 1986 as "Just Say No to Drugs Week".

The enrolled bill and joint resolutions were subsequently signed by the President pro tempore (Mr. THURMOND).

MEASURES REFERRED

The following joint resolution was read the first and second times by unanimous consent, and referred as indicated:

H.J. Res. 636. Joint resolution designating June 26, 1986, as "National Interstate Highway Day"; to the Committee on the Judiciary.

The following concurrent resolution was read, and referred to as indicated:

H. Con. Res. 310. Concurrent resolution to express the sense of Congress with respect to agricultural loan restructuring and interest rates, to the Committee on Agriculture, Nutrition, and Forestry.

MEASURE HELD AT THE DESK

The following concurrent resolution was ordered held at the desk by unanimous consent until the close of business on May 20, 1986:

S. Con. Res. 140. Concurrent resolution to pay tribute to the late William C. Lee and to designate June 6, 1986, as "William C. Lee Day".

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, May 19, 1986, she had presented to the President of the United States the following enrolled joint resolutions:

S.J. Res. 246. Joint resolution to designate May 25, 1986, as "Hands Across America Day", for the purpose of helping people to help themselves, and commending United Support of Artists for Africa and all participants for their efforts toward combating domestic hunger with a four thousand mile human chain from coast to coast;

S.J. Res. 266. Joint resolution to authorize and request the President to designate the month of June 1986 as "Youth Suicide Prevention Month";

S.J. Res. 271. Joint resolution designating "Baltic Freedom Day";

S.J. Res. 337. Joint resolution designating May 18-24, 1986 as "Just Say No to Drugs Week".

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3161. A communication from the Administrator of the General Services Administration transmitting, pursuant to law, a report on a violation of the Anti-Deficiency Act in the Federal Telecommunications Fund; to the Committee on Appropriations.

EC-3162. A communication from the Acting Assistant Secretary of State transmitting, pursuant to law, a report that the President has determined it to be in the national interest to extend credit in excess of $50 million to the People's Republic of China for purposes of two thermal power stations; to the Committee on Banking, Housing, and Urban Affairs.

EC-3163. A communication from the Secretary of the Interior transmitting, pursuant to law, the annual report on the Youth Conservation Corps; to the Committee on Energy and Natural Resources.

EC-3164. A communication from the Administrator of the General Services Administration transmitting, pursuant to law, a lease prospectus for acquisition of space for the IRS in Philadelphia, PA.; to the Committee on Environment and Public Works.

EC-3165. A communication from the Director of OIRM, Department of the Interior, transmitting, pursuant to law, a report on an altered Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3166. A communication from the chairman of the Council on Environmental Quality transmitting, pursuant to law, the council's 1985 Government in the Sunshine report; to the Committee on Governmental Affairs.

EC-3167. A communication from the special counsel, Merit Systems Protection Board, transmitting, pursuant to law, a report on an investigation by the Secret Service into allegations of misuse of Government vehicles and misconduct by employees of the U.S. Mint in San Franscisco; to the Committee on Governmental Affairs.

EC-3168. A communication from the Director of the Office of Personnel Management transmitting, pursuant to law, an interim report on changes in matters to be reported in the biennial report on the Senior Executive Service; to the Committee on Governmental Affairs.

EC-3169. A communication from the Assistant Secretary of the Interior transmitting, pursuant to law, a plan for the use of funds awarded the White Earth Band of Chippewa Indians; to the Select Committee on Indian Affairs.

EC-3170. A communication from the director of the National Legislative Commission of the American Legion transmitting, pursuant to law, the Legion's financial statements for 1985; to the Committee on the Judiciary.

EC-3171. A communication from the Secretary of Education transmitting, pursuant to law, notice of final funding priorities for projects initiating special recreation programs for handicapped individuals; to the Committee on Labor and Human Resources.

EC-3172. A communication from the Secretary of Education transmitting, pursuant to law, final regulations under the Education Consolidation and Improvement Act; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES SUBMITTED DURING THE ADJOURNMENT

Under the authority of the order of the Senate of May 15, 1986, the following reports of committees were submitted on May 16, 1986, during the adjournment of the Senate:

By Mr. ROTH, from the committee of conference:

Report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2672) to redesignate the New York International and Bulk Mail Center in

Jersey City, NJ, as the "New Jersey International and Bulk Mail Center," and to honor the memory of a former postal employee by dedicating a portion of a street at the New York International and Bulk Mail Center in Jersey City, NJ, as "Michael McDermott Place" (Rept. No. 99-302).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 1822. A bill to amend the Copyright Act in section 601 of title 17, United States Code, to provide for the manufacture and public distribution of certain copyrighted material (with minority views) (Rept. No. 99-303).

By Mr. ROTH, from the Committee on Governmental Affairs, without amendment:

S. Res. 410. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of the conference report on H.R. 2671.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. HEINZ (for himself and Mr. DANFORTH):

S. 2464. A bill to require Senate confirmation of appointments of the Chairman and Vice Chairman of the U.S. International Trade Commission; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. KENNEDY, Mr. DOLE, Mr. BRADLEY, Mr. CHILES, Mr. NICKLES, Mr. HUMPHREY, Mr. ZORINSKY, Mr. RIEGLE, Mr. INOUYE, Mrs. HAWKINS, Mr. GRASSLEY, Mr. MATSUNAGA, Mr. MURKOWSKI, Mr. BURDICK, Mr. WILSON, Mr. HOLLINGS, Mr. CRANSTON, Mr. MCCLURE, Mr. TRIBLE, Mr. SPECTER, Mr. THURMOND, Mr. ANDREWS, Mr. KERRY, Mr. DODD, Mr. GRAMM, and Mr. D'AMATO):

S.J. Res. 349. Joint resolution to designate the week of May 25, 1986, through May 31, 1986, as "Critical Care Week"; to the Committee on the Judiciary.

By Mr. LUGAR (for himself, Mr. ABDNOR, Mr. BENTSEN, Mr. BOSCHWITZ, Mr. BURDICK, Mr. CHAFEE, Mr. COCHRAN, Mr. COHEN, Mr. CRANSTON, Mr. DIXON, Mr. DOLE, Mr. HATCH, Mrs. HAWKINS, Mr. HOLLINGS, Mr. INOUYE, Mr. KERRY, Mr. MATHIAS, Mr. MATSUNAGA, Mr. MELCHER, Mr. MURKOWSKI, Mr. NICKLES, Mr. NUNN, Mr. PELL, Mr. QUAYLE, Mr. SARBANES, Mr. TRIBLE, Mr. WEICKER, Mr. WILSON, and Mr. ZORINSKY):

S.J. Res. 350. Joint resolution to designate 1987 as "The National Year of the Americas"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MATTINGLY:

S. Res. 409. A resolution to express the sense of the Senate that the tax reform legislation, when that bill is signed into law, remain unchanged for a minimum of 5 years for the purpose of promoting economic growth and opportunity; to the Committee on Finance.

By Mr. ROTH, from the Committee on Governmental Affairs:

S. Res. 410. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the conference report on H.R. 2672; to the Committee on the Budget.

By Mr. SYMMS:

S. Res. 411. A resolution expressing the support and encouragement of the Senate for those working for freedom and against communism in Southwest Africa/Namibia; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HATCH (for himself, Mr. KENNEDY, Mr. DOLE, Mr. BRADLEY, Mr. CHILES, Mr. NICKLES, Mr. HUMPHREY, Mr. ZORINSKY, Mr. RIEGLE, Mr. INOUYE, Mrs. HAWKINS, Mr. GRASSLEY, Mr. MATSUNAGA, Mr. MURKOWSKI, Mr. BURDICK, Mr. WILSON, Mr. HOLLINGS, Mr. CRANSTON, Mr. MCCLURE, Mr. TRIBLE, Mr. SPECTER, Mr. THURMOND, Mr. ANDREWS, Mr. KERRY, Mr. DODD, Mr. GRAMM, and Mr. D'AMATO):

S.J. Res. 349. Joint resolution to designate the week of May 25, 1986, through May 31, 1986, as "Critical Care Week"; to the Committee on the Judiciary.

CRITICAL CARE WEEK

Mr. HATCH. Mr. President, today I am introducing a joint resolution which designates the last week in May as "Critical Care Week." Passage of this resolution will assist private efforts to increase public awareness, improve family support programs and advance the research of critical care medicine.

Critical care medicine is a broad term describing the medical treatment for patients in life-threatening situations requiring immediate care. Coronary, respiratory, neonatal, trauma, and intensive care units are all part of critical care medicine.

There are already more than 4,300 critical care units in the United States. Where these units are available, they often serve as many as 15 percent of hospital inpatients. Every congressional district has a constituent who has depended on critical care medicine. For instance in 1984 there were 1.1 million critical care cases in California or, in a State of 25 million, 1 out of 24 citizens needed critical care medicine.

Critical care is comprised of physicians, nurses, therapists, and industry dedicated to the delivery of care to the critically ill. These individuals must specialize in many different areas of medicine since critically ill patients may develop complications which overlap any one medical specialty.

On May 29, 1986, the Foundation for Critical Care Medicine will hold a fundraiser to increase public education efforts. I, along with Senator KENNEDY, am an honorary cochairman of this event and I would like to thank my fellow colleagues who are honorary committee members for giving their support to this effort. It is clear that critical care is a vital medical profession deserving of congressional recognition and I urge all of my colleagues to support this joint resolution.

Mr. KENNEDY. Mr. President, I welcome the opportunity to join my colleagues in the Senate in cosponsoring this joint resolution which designates May 25-31 as "Critical Care Week." This week is dedicated to enhance public education efforts, to improve family support programs, and to underline the commitment of thousands of health care professionals who devote their professional lives to the care of patients who need immediate and advanced medical services.

There are millions of cases annually across the Nation where such care is essential. Auto accidents, strokes, and neonatal complications all are examples of life-threatening situations where critical care must be swift and expert. The timing of "Critical Care Week" is particularly relevant, too, because as we enter the summer season the numbers of swimming and boating accidents will rise.

While we all hope that we will never be in need of critical care, we want care to be accessible and excellent if the necessity should arise. We want that service for ourselves and for our loved ones. And we want it to be available in our neighborhoods and wherever we may travel.

Thus, it is fitting that we recognize the efforts of the many professionals across America who are devoted to critical care.

● Mr. D'AMATO. Mr. President, I rise today to cosponsor legislation introduced by my colleague from Utah, Mr. HATCH, regarding critical care. I am pleased he has brought this serious issue to our attention.

Critical care is a rapidly changing and expanding area of medicine. It includes intensive care units, trauma centers, burn units, coronary care units, and neonatal and pediatric ICU's. Without a doubt, critical care addresses the most chronic and intensive illnesses in the country.

Critical care affects individuals we come into contact with daily. In 1984, 1 out of every 24 individuals needed critical care. Many of these cases were individuals involved in auto accidents, heart attacks, strokes, or industrial accidents. In 1984, 44,241 individuals died in auto accidents; 547,000 died as a result of a heart attack; and 156,000 died from a stroke.

As a member of the honorary committee of the Foundation for Critical Care Medicine, I am pleased to support the recognition of such worthy medical services. I am committed to quality care in this area and to increased public education and awareness about critical care medicine.

It is my hope that increased awareness about critical care will help this Nation better address this serious problem.●

ADDITIONAL COSPONSORS

Due to a mechanical malfunction, the additional cosponsors for May 19, 1986, will be shown in the RECORD of May 20, 1986.

SENATE RESOLUTION 409—SENSE OF THE SENATE REGARDING TAX REFORM LEGISLATION

Mr. MATTINGLY submitted the following resolution; which was referred to the Committee on Finance.

S. RES. 409

Whereas previous, constant, and conflicting policy changes in the tax code by the Congress make it difficult for individuals to properly plan for their future;

Whereas such constant and conflicting policy changes by the Congress retard capital formation by increasing risks;

Whereas such constant and conflicting policy changes by the Congress place undue burdens on individuals and businesses by requiring the otherwise unnecessary utilization of financial resources in anticipation of such changes and modifications;

Whereas the Internal Revenue Service is drained of limited resources in trying to adapt to such changes in the tax code, and the ensuing problems are in turn transferred to taxpayers;

Whereas one of the greatest burdens placed upon small businesses is the paperwork required to comply with the tax code, and constant changes by Congress unnessarily compound this paperwork burden;

Whereas any tax reform legislation passed by the Congress should stimulate economic growth, encourage investment, promote capital formation, expand job opportunities, and encourage savings; and

Whereas the American taxpayer deserves certainty in the tax treatment of economic decisions: Now therefore, be it

Resolved, That it is the sense of the Senate that the tax reform legislation, when that bill is signed into law, remain unchanged for a minimum of five years, so as to provide stability for the American taxpayer and the private sector.

SENATE RESOLUTION 410—WAIVING CONGRESSIONAL BUDGET ACT WITH RESPECT TO CONFERENCE REPORT ON H.R. 2672

Mr. ROTH, from the Committee on Governmental Affairs, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 410

Resolved, That, pursuant to section 303(a) of the Congressional Budget Act of 1974, section 303(a) of that Act be waived with respect to the consideration of the Conference Report on H.R. 2672, the Federal Employee's Retirement System Act of 1986, a bill to provide supplemental retirement benefits for employees of the federal civilian service who are covered by Social Security as mandated by the Social Security Amendments of 1983.

H.R. 2672 would violate section 303(a) of the Congressional Budget Act of 1974 because the bill provides new entitlement authority to become effective during fiscal year 1987 and would result in a change in revenues effective during fiscal year 1987, before the first concurrent resolution on the budget for fiscal year 1987 has been agreed to.

The budget authority provided in H.R. 2672 authorizes contributions from the employee and the employing agency to the pension system to fund future retirement benefits and authorizes the payment of entitlement benefits to individuals qualifying for such benefits under the provisions of H.R. 2672.

SENATE RESOLUTION 411—EXPRESSING SUPPORT FOR THOSE WORKING FOR FREEDOM AND AGAINST COMMUNISM IN SOUTH AFRICA/NAMIBIA

Mr. SYMMS submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 411

Whereas, the President of the United States has expressed U.S. foreign policy as opposing Soviet-backed terrorist compaigns to subvert or seize control of non-Soviet countries and territories in various parts of the world, including Central America, S.E. Asia, the Middle East, Afghanistan and South West Africa;

Whereas, approximately 40,000 Cuban combat soldiers and several thousand Soviet and East German advisers presently occupy Angola and lend support to the Soviet-backed terrorist campaign of SWAPO (South West Africa People's Organization), operating from bases in southern Angola, to seize control of Namibia before that territory can achieve internationally acceptable independence;

Whereas, the United Nations General Assembly continues to designate SWAPO as the "sole and authentic" representative of the people of Namibia, accord SWAPO permanent observer status at the U.N., and finance SWAPO propaganda offices and meetings throughout the world, while refusing to recognize the various Namibian parties who make up Namibia's Multi-Party Conference;

Whereas, on June 17, 1985, the Republic of South Africa voluntarily and as a result of the peaceful negotiations with Namibia's political leaders of the Namibia Multi-Party Conference, effected a complete transfer of all administrative powers of local self-government that were previously exercised by the Administrator-General for Namibia, and official appointed by South Africa;

Whereas, Namibia's political party leaders acting on behalf of the people of Namibia immediately established Namibia's Transitional Government of National Unity and invited all political parties, including SWAPO, to participate in exercising the powers of local self-government enjoyed for the first time since 1884 by the people of Namibia;

Whereas, Namibia's Transitional Government of National Unity opposes apartheid in all its forms and has abolished apartheid in Namibia;

Whereas, SWAPO, under Soviet direction, has refused to cooperate or participate in any democratic or peaceful process leading to Namibian independence;

Whereas, historic U.S. foreign policy has encouraged and aided indigenous political groups and similar organizations in developing countries which seek to establish non-Soviet controlled and democratic governments;

Whereas, Namibia's Transitional Government of National Unity and the various political parties comprising Namibia's Multi-Party Conference represent the most hopeful, reasonable and constructive avenue to achieve peace in South West Africa and should be supported by the United States;

Now, therefore be it, resolved: That it is the sense of the U.S. Senate that—

(1) The United States should continue to pursue serious multi-lateral initiatives aimed at achieving removal of all Cuban combat troops now occupying Angola, closure of all SWAPO bases in southern Angola and impartiality by United Nations in treatment of all Namibian political parties wishing to appear at the United Nations, and

(2) The Department of State should immediately establish contact with the leaders of all political parties who make up the Namibia Multi-Party Conference and Namibia Transitional Government of National Unity, and

(3) The United States Government should implement its support for Namibia's Transitional Government of National Unity pending a negotiated plan for internationally acceptable independence by—

(a) Establishing an interest section in Windhoek.

(b) Dispatching a delegation of officials to Windhoek for bilateral talks.

(c) Including Namibia among African nations receiving aid from the U.S. and international organizations the U.S. supports.

(d) Establishing Peace Corps representation in Namibia.

(e) Encouraging U.S. private investment in Namibia.

(f) Supporting Namibia's control of its fishing industry by requiring other nations to adhere to generally recognized international rules and existing agreements.

(g) Inviting all Namibian political parties, including Namibia's Multi-Party Conference and SWAPO, to meet in an all-parties conference to develop a consensus on the time and method for achieving independence of Namibia free from foreign control.

● Mr. SYMMS. Mr. President, on December 19 last year the Secretary of State appointed a 12-member Advisory Committee on South Africa to recommend measures the United States can take to "encourage peaceful change" in South Africa and "be most effective in promoting equal rights in South Africa and ending apartheid."

The Namibian Transitional Government of National Unity and the Multi-Party Conference are exercising all powers of local self-government pending genuine independence for Namibia, which since 1920 has been ad-

ministered by South Africa pursuant to a League of Nations mandate.

The Namibia TGNU and Multi-Party Conference support the U.S. policy of peaceful change and an end to apartheid in South Africa. Indeed, on April 9 of this year the Namibian National Assembly abolished apartheid in South West Africa/Namibia.

In order to support President Reagan's policy of U.S. Government support for internal political groups opposing the Soviet expansionist campaign in southern Africa, I am introducing the following "sense of the Senate" resolution for consideration by the U.S. Senate.●

AMENDMENTS SUBMITTED

FEDERAL FIRE PREVENTION AND CONTROL ACT AUTHORIZATION

GORTON (AND OTHERS) AMENDMENT NO. 1967

Mr. GORTON (for himself, Mr. MITCHELL, Mr. CRANSTON, Mr. WILSON, Mr. PELL, Mr. CHAFEE, Mr. BOSCHWITZ, Mr. COHEN, and Mr. MATSUNAGA) proposed an amendment to the bill (S. 2180) to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974; as follows:

At the end of the bill, add the following:

SEC. 2. (a) The Congress finds—

(1) that various studies of governmental and nongovernmental agencies indicate that daylight saving time over an expanded period would produce a significant energy savings in electrical power consumption;

(2) that daylight saving time may yield energy savings in other areas besides electrical power consumption;

(3) that daylight saving time over an expanded period could serve as an incentive for further energy conservation by individuals, companies, and the various governmental entities at all levels of government, and that such energy conservation efforts could lead to greatly expanded energy savings; and

(4) that the use of daylight saving time over an expanded period could have other beneficial effects on the public interest, including the reduction of crime, improved traffic safety, more daylight outdoor playtime for the children and youth of our Nation, greater utilization of parks and recreation areas, expanded economic opportunity through extension of daylight hours to peak shopping hours and through extension of domestic office hours to periods of greater overlap with the European Economic Community.

(b) Section 3(a) of the Uniform Time Act of 1966 (15 U.S.C. 260a(a)) is amended by striking "last Sunday of April" and inserting in lieu thereof "first Sunday of April".

(c) Any law in effect on the date of the enactment of this Act—

(1) adopted pursuant to section 3(a)(2) of the Uniform Time Act of 1966 by a State with parts thereof in more than one time zone, or

(2) adopted pursuant to section 3(a)(1) of such Act by a State that lies entirely within one time zone,

shall be held and considered to remain in effect as the exercise by that State of the exemption permitted by such Act unless the State, by law, provides that such exemption shall not apply.

(d)(1) Notwithstanding any other law or any regulation issued under any such law, the Federal Communications Commission shall, consistent with any existing treaty or other agreement, make such adjustment by general rules, or by interim action pending such general rules, with respect to hours of operation of daytime standard amplitude modulation broadcast stations, as may be consistent with the public interest, including the public's interest in receiving interference-free service.

(2) Such general rules, or interim action, may include variances with respect to operating power and other technical operating characteristics.

(3) Subsequent to the adoption of such general rules, they may be, varied with respect to particular stations and areas because of the exigencies in each case.

(e) This section shall take effect 60 days after the date of enactment of this Act, except that if such effective date occurs in any calendar year after March 1, this section shall take effect on the first day of the following calendar year.

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. HELMS. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry has scheduled a committee business session to consider reporting the nominations of Hon. Frank W. Naylor, Jr. and Dr. Marvin R. Duncan to be members of the Farm Credit administration Board, Farm Credit Administration.

The meeting will begin at 10 a.m., on Tuesday, May 20, 1986, in room 332, Russell Senate Office Building.

For further information, please contact Warren Oxford or Terry Wear of the committee staff at 224-2035.

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I wish to announce that the committee's notice which appeared in the May 16, 1986, CONGRESSIONAL RECORD, contained a misprint. The Senate Small Business Committee's oversight hearing on the implementation of the Prompt Payment Act, Public Law 97-177, will take place on Thursday, June 19, 1986, and not in July, as was erroneously printed by the RECORD. The hearing will commence at 10 a.m. and will be held in room 428A of the Russell Senate Office Building. For further information, please contact William B. Montalto, procurement policy counsel for the committee, at 224-5175.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources will conduct the following oversight hearings:

Monday, June 16, beginning at 1 p.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC, on the second waste repository site selection under the Department of Energy's Office of Civilian Radioactive Waste Management.

Monday, June 23, beginning at 2 p.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC, on the Department of Energy's budget authority—Office of Energy Research and Office of Environment, Health and Safety.

Those wishing to testify or who wish to submit written statements for the hearing record, should write to the Subcommittee on Energy Research and Development, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510.

For further information regarding this hearing, please contact Ms. Marilyn Meigs or Mr. K.P. Lau on the subcommittee staff at 202-224-4431.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON CONSUMER

Mr. THURMOND. Mr. President, I ask unanimous consent that the Consumer Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Monday, May 19, to conduct a hearing on the pending product liability legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

U.N. VOTING PATTERNS SEND DISTURBING SIGNALS

● Mr. KASTEN. Mr. President, this is the Year of Liberty, the year during which we will rededicate the statue in New York harbor that for the past century has welcomed to our shores and to a new life the oppressed, impoverished citizens of the world.

And in rededicating ourselves to the principles of liberty that make this Nation great, we also are renewing our commitment as a nation blessed by prosperity to help those countries less fortunate than ourselves.

American largesse is historic. It also is taken for granted. And while we should never as a nation turn our backs on those in need, we must seriously consider our priorities in giving aid to the world.

Consider this disturbing fact: The 159 member states of the United Na-

tions voted against American interests in the General Assembly last year on average 80 percent of the time.

Mr. President, that is the conclusion of the third annual "Kasten Report," the study of U.N. voting patterns done by the U.S. State Department in accordance with legislation I sponsored requiring these annual reports.

The report shows that once again Israel is our staunchest ally, siding with us on 91.5 percent of the votes before the General Assembly. A number of our NATO allies—the United Kingdom (86.6 percent), West Germany (84.4 percent), France (82.7 percent, up from 72 percent in 1984), Belgium (82.3 percent), and Italy (81.8 percent) all increased their support for the United States.

But, unfortunately, they were the exceptions to what is becoming a disturbing rule.

Mr. President, most of the time, on most of the critical issues facing our Nation, we stand almost alone in the United Nation.

According to the State Department analysis, the key issues before the General Assembly included positions taken by the United Nations on terrorism, the Soviet invasion and continued occupation of Afghanistan, Vietnam's occupation of Cambodia, the Arab-Israeli conflict, apartheid, human rights abuses in several countries, and efforts to delete instances of name calling against various United States foreign policy positions.

It is a sad reality, Mr. President, that we cannot even count on other NATO allies to support our positions with any consistency. Turkey and Greece, particularly, two countries which receive hundreds of millions of dollars in United States aid each year, voted consistently against us—Turkey 60 percent of the time and Greece 66 percent of the time.

Turkey refused to criticize human rights abuses in Iran and supported name-calling attacks against United States policy in the Middle East—both considered key votes by the State Department.

It should not be surprising that the strongest opposition to our positions, in addition to Communist block nations in Eastern Europe, comes from the 21-member Arab group. It supported America on only 12.2 percent of the votes.

African nations, many of which look to America for the very survival of their people, gave us their support on only 15.1 percent of the votes.

There is a bright spot in the most recent "Kasten Report." Since our liberation of that Grenada, that country has become an increasingly dependable friend of America at the United Nations. In 1983, Grenada opposed our position in the General Assembly more than 80 percent of the time. But in 1984, it supported us in 60 percent of the votes, and it has since raised its level of support to over 70 percent.

Mr. President, we are not attempting to buy votes with the aid we send to the needy nations of the world. But we do have the right to expect that if these nations aggressively seek our assistance, our money, and our protection, they in turn will support the positions that continue to keep our Nation strong enough and vital enough to continue sending such assistance.

And yet, many of these nations are nowhere in sight when we need their support in the United Nations.

According to this most recent U.N. vote analysis, Egypt, a major recipient of United States foreign aid, opposed our positions a shocking 85 percent of the time. Even the Philippines supported us on only 22 percent of the General Assembly votes.

I urge all of my colleagues to carefully consider the pattern of voting by those nations who seek, and receive, our aid. In these times of cutting back we must place priorities not only on how our dollars are spent, but where.

The American people expect no less of their elected representatives.

Mr. President, I ask that the General Assembly voting record be placed in the RECORD.

The material follows:

U.N. VOTING RECORD 40TH GENERAL ASSEMBLY [1]

ALL UNGA PLENARY VOTES [2]

[Percent Coincidence with U.S. Votes (Yes/No)]

Africa:	
Ivory Coast	27.3
Malawi	26.9
Liberia	23.7
Zaire	23.1
Mauritius	22.1
Swaziland	22.0
Equatorial Guinea	21.2
Central African Rep	20.9
Gabon	19.7
Senegal	19.3
Togo	19.0
Sierra Leone	18.3
Cameroon	18.0
Chad	18.0
Niger	17.6
Botswana	17.4
Rwanda	17.4
Kenya	16.7
Somalia	16.3
Mauritania	16.1
Lesotho	16.0
Burundi	15.9
Morocco	15.9
Sudan	15.5
Egypt	15.3
Gambia	14.9
Zambia	14.9
Nigeria	14.7
Zimbabwe	14.6
Djibouti	14.3
Tunisia	13.9
Ghana	13.2
Uganda	13.2
Burkina Faso	13.1
Guinea Bissau	12.2
Comoros	12.1
Guinea	12.1
Cape Verde	11.9
Seychelles, The	11.9
Congo	11.3
Tanzania	11.3
Mali	11.1
Madagascar	10.6
Sao Tome and Principe	10.3
Ethiopia	9.3
Benin	8.8
Libya	6.9
Mozambique	5.9
Algeria	5.1
Angola	3.5
Group average	15.1
Asia and the Pacific:	
Japan	66.3
Australia	60.2
New Zealand	55.3
Solomons	48.1
Samoa	27.4
Fiji	26.0
Singapore	23.6
Papua New Guinea	23.1
Thailand	22.4
Philippines	22.3
Kampuchea	21.4
Nepal	18.0
Burma	17.1
Sir Lanka	16.8
Malaysia	16.3
Bangladesh	16.1
Pakistan	16.1
China	15.9
Brunei	15.3
Indonesia	14.3
Jordan	14.2
Bhutan	13.9
Oman	13.6
Saudi Arabia	13.6
Vanuatu	13.4
Lebanon	13.1
Bahrain	12.8
Qatar	12.8
Emirates	12.8
Maldives	12.5
Kuwait	12.2
Cyprus	11.6
Iran	11.3
Mongolia	9.9
Yemen (A.R.)	9.0
India	8.9
Iraq	8.7
Syria	8.1
Viet Nam	6.5
Afghanistan	6.2
Laos	5.9
Yemen (P.D.R.)	5.7
Group average	17.0
The Americas:	
Grenada	71.7
Canada	69.8
St. Christopher and Nevis	50.0
Belize	37.8
Paraguay	35.4
St. Vincent and Grenadines	32.7
Chile	31.4
El Salvador	30.2
Honduras	29.8
Costa Rica	29.1
Colombia	27.9
St. Lucia	26.2
Guatemala	25.2
Antigua and Barbuda	25.0
Dominican Republic	25.0
Ecuador	24.6
Dominica	24.2
Haiti	23.8
Jamaica	22.7
Barbados	20.3
Panama	19.7
Venezuela	19.0
Bahamas	18.6

Bolivia	18.5
Uruguay	18.1
Trinidad and Tobago	17.9
Peru	17.8
Argentina	16.4
Suriname	16.2
Brazil	16.0
Mexico	14.5
Guyana	13.9
Nicaragua	8.4
Cuba	6.2
Group average	23.7
Western Europe:	
United Kingdom	86.6
Federal Rep. Germany	84.4
France	82.7
Belgium	82.3
Italy	81.9
Luxembourg	80.2
Netherlands	76.3
Portugal	75.0
Iceland	62.4
Norway	61.2
Denmark	58.3
Spain	55.6
Ireland	51.0
Sweden	42.2
Austria	40.0
Finland	39.8
Turkey	38.1
Greece	33.3
Malta	16.5
Group average	59.2
No Affiliation:	
Israel	91.5
Eastern Europe	
Poland	14.8
Romania	14.6
Hungary	12.3
Ukraine	12.3
Bulgaria	12.2
Byelorussia S.S.R.	12.2
Czechoslovakia	12.2
German Democratic Rep.	12.2
USSR	12.2
Yugoslavia	11.9
Albania	6.7
Group average	12.4

[1] Table contains all countries which participated in the 40th UNGA, September-December 1985.

[2] Table reflects all votes recorded in UNGA plenary, including votes on separate paragraphs.●

FAMILY CAREGIVERS RESOLUTION

● Mr. HEINZ. Mr. President, it is my pleasure to join the distinguished ranking minority member of the Senate Aging Committee and a number of our colleagues in introducing a resolution designating the week of November 24, 1986, as the first "National Family Caregivers Week."

Recognizing family caregivers is important because the bulk of personal care for the frail elderly falls largely on the family, not on the Federal Government or outside social service agencies. For every person 65 years of age and older residing in a nursing home, there are nearly twice as many persons residing in the community requiring similar levels of care. Eighty percent of the disabled elderly receive care from family members, most frequently from wives, daughters, and daughters-in-law. For many, this is a round-the-clock responsibility that leaves the caregiver emotionally and physically exhausted.

The reliance on families for care, and the stress associated with caregiving is certain in the future because of three major trends. First, the elderly population has grown much more rapidly in the 20th century than has the rest of the population and this trend will continue into the 21st century. For families, this trend is especially important since the population group of seniors age 85 and older is the fastest growing age group in our society. Typically, seniors in this age group need far more assistance due to chronic disabling conditions than seniors of other ages, and most of this assistance is provided by their families.

Second, as the population continues to age, we will find more elderly being cared for by adult children who themselves are older and who suffer chronic impairments. Additionally, many adult children who care for elderly parents also care for children of their own. The stress placed on these individuals is especially severe.

Third, women, who traditionally have provided the bulk of assistance to the disabled elderly, are now forced to choose between caregiving and participating in the paid labor force. Labor force participation rates for women have increased to about 55 percent in 1984. Almost 64 percent of women aged 45 to 54 years old—those who are most likely to have parents in the oldest age group—were in the labor force in 1984.

"National Family Caregivers Week" would recognize the vital role of these caregivers. Family caregivers make enormous personal and financial sacrifices to care for their loved ones. Their contributions help maintain strong family ties and strengthen intergenerational support. The cash value of caregiving services provided by families far exceeds the combined cost of Government and professional services to the elderly living in the community and in institutions.

Acknowledgment of the valuable contributions of the family caregiver would provide for greater public awareness of and community support for these Americans. It is my sincere hope that public recognition of the often heroic efforts of family caregivers would help to increase the availability of respite care and other supportive services. Family caregivers are a silent majority that deserves our support and our deep appreciation.

Mr. President, I urge my colleagues to join us in supporting this resolution and I commend my distinguished colleague, Senator GLENN, for his leadership in this area.●

FRED L. ESKEW

● Mr. SARBANES. Mr. President, Maryland lost one of its most outstanding citizens and public servants recently with the death of Fred L. Eskew, assistant secretary of the Maryland Department of Natural Resources.

It was Fred Eskew, more than any single person in the State of Maryland, who was responsible for the development of Maryland's very successful Open Space Program. Almost every community in Maryland benefited in one way or another from his foresight and his effective management of this Federal and State program.

A native of Washington, DC, he graduated from St. John's College High School in Washington, DC, in 1957. He attended Randolph Macon College, Ashland, VA, and graduated from the University of Maryland in 1964 with a bachelor of science degree in recreation and parks administration. He was further recognized that same year as the outstanding graduating senior in the parks and recreation department at Maryland. He also took advanced studies in urban and regional planning from the University of Northern Colorado at Greeley. On two other occasions, the University of Maryland College of Physical Education, Recreation, and Health honored Mr. Eskew with their outstanding achiever award for his work with public parks and recreation.

During his career, he served on the professional staffs of the Prince George's County Recreation Department, the Charles County Department of Parks and Recreation, the Maryland Department of Forests and Parks, and the Maryland Department of Natural Resources. He also worked extensively with the Maryland General Assembly to develop and enhance numerous State laws affecting public parks, recreation, and natural resource management. He was a noted authority on State law relating to public parks, recreation, open space, and natural resources.

One of his major successes was Maryland's "Open Space Program." As its first director in December 1971, he initiated timely and unique policies making this program one of the most successful and innovative State grants-in-aid programs in the United States. Program Open Space has assisted the purchase and development of more than 2,200 local parks and recreation areas in every Maryland county and town. It has also provided more than 90,000 acres of State natural resource lands and parks to the State of Maryland.

Following his appointment as chairman of the Governor's commission to study concessions in Maryland State parks in August 1976, he was instrumental in establishing private enterprise concessions on certain State lands, including Rosaryville State Park in Prince George's County, Fair

Hill Natural Resources Management area in Cecil County, and Somers Cove Marina in Somerset County.

He also worked to reduce construction costs on certain new State park and other public facilities by organizing construction crews for small park projects. Another project, in cooperation with District II of the Federated Garden Clubs of Maryland, was a joint effort to plan and develop the Helen Avalynne Tawes Garden in Annapolis. It is located at the department of natural resources headquarters.

Mr. Eskew had a particular concern for natural area preservation as well as outdoor recreation. He had considerable involvement in efforts to reserve the "Belt Woods" near Largo in Prince George's County which has been recognized as one of the oldest stands of oak and poplar in the State and is now designated a National Natural Landmark.

Mr. Eskew served as president of the Maryland Recreation and Parks Association which awarded him its "Honor Member" citation. He worked closely with a number of conservation organizations such as the Nature Conservancy who awarded him its Certificate of Special Recognition. In 1983, he was appointed by Gov. Harry Hughes as the State liaison officer representing Maryland efforts to utilize Federal Land and Water Conservation Funds for supplementing State and local outdoor recreation projects. Recently, he submitted a paper to the President's Commission on Americans Outdoors recommending a funding procedure for public parks and recreation for the next 30 years. He worked with a variety of special groups from all over Maryland, including watermen from Somerset County, Washington County Boy Scouts, the Cecil County Fair Association, and varied interests at Fair Hill in Cecil County.

Dr. Torrey C. Brown, secretary of the department of natural resources, remarked,

> Fred Eskew was a respected public park and recreational professional leader and is remembered for his calm and determined efforts. His efforts have contributed toward a marked improvement in the quality of life throughout the State of Maryland for all its citizens, both now and in the future.

Fred Eskew's passing is a great loss to the people of Maryland.●

ANNUAL FINANCIAL DISCLOSURE OF SENATOR STAFFORD

● Mr. STAFFORD. Mr. President, in each of the last 12 years, I have made public disclosures of my financial holdings, along with summaries of my Federal tax return.

I have pledged that I would issue a similar report to the citizens of Vermont each year for the remainder of my time in public office.

In keeping with that promise, I am once again issuing a public statement of financial disclosure.

The financial statement shows that my wife, Helen, and I had net assets of $805,000 as of May 15, when the evaluation was made.

The statement I am making public details our holdings, including bank accounts, cash value of life insurance and Federal retirement fund, real and personal property we own, and stocks and bonds.

The majority of the stocks and bonds listed were owned by us before I entered public office in Vermont 31 years ago.

The summary of our joint Federal income tax return shows that Mrs. Stafford and I had an adjusted gross income of $126,000 last year. Of that total, $75,100 came from my salary as a U.S. Senator.

Our total tax bill for the year was more than $46,000, of which more than $37,000 was in Federal income taxes and more than $8,800 in Vermont State income taxes.

I shall ask that details of our financial statement be printed in the RECORD, as in the past. And, as I have done in each of the last 12 years, I am making copies of the statement available to newspapers, radio and television stations, and other news services in Vermont.

This information is being made public because I remain convinced that those who serve in Government, as well as Government itself, must be as open and candid as possible with the public.

The net assets of the Staffords increased by $45,000 last year, thanks to the bullish state of the American economy. A major portion of our assets continues to consist of homes in Virginia and Vermont whose estimated fair market value is $320,000.

One of the best ways Americans have to judge whether their Government and their officials are acting properly is to provide full disclosure of all interests of Government and of those who make decisions in Government.

Thus, I invite all Vermonters—and all other Americans—to examine my financial interests and to match those interests with my record as a public official.

We have made some progress in providing the public with more information about the interests and activities of public officials, but we have a long way to go in providing full public disclosure.

I shall continue to support legislation that provides greater ventilation of the way we do business in Government. In the meantime, I shall continue to make my own full disclosure to my fellow Vermonters.

The material follows:

Summary of 1985 joint Federal, income tax return of Robert T. and Helen K. Stafford

Income:	
Salary	$75,100.00
Interest	10,879.04
Dividends	3,471.63
Honoraria	22,500.00
Other	17,831.88
Total income	129,782.55
Adjustments to income: Allowable congressional expenses not reimbursed	3,004.98
Total adjustments to income	3,004.98
Adjusted gross income	126,777.57
Deductions	10,267.61
Exemptions	4,160.00
Taxable income	112,349.96
Federal income tax due and paid	37,356.28
Certificates of deposit:	
Chittenden Trust Co	10,000.00
First Vermont Bank	10,000.00
Howard Bank	10,000.00
Howard Bank	10,000.00
Marble Savings Bank	10,000.00
Proctor Bank	10,000.00
Proctor Bank	10,000.00
Vermont National Bank	10,000.00
Vermont National Bank	10,000.00
Vermont Federal Bank	10,000.00
Total	100,000.00
Checking accounts:	
First Virginia Bank	600.00
Howard Bank	200.00
Riggs National Bank	30,000.00
Total	30,800.00
Life insurance:	
Connecticut General	.....
MONY	.....
NYLIC	.....
NSLI	.....
Travelers	.....
Total	20,000.00
Real estate (estimated market value):	
3541 Devon Dr., Falls Church, VA	160,000.00
27 Howard Avenue, Rutland, VT	60,000.00
64 Litchfield Avenue, Rutland, VT	100,000.00
Total	320,000.00
Additional assets:	
Contributions to Federal retirement (Dec. 31, 1985)	88,063.87
Law library and office furniture	2,000.00
Boat and two cars	80,000.00
Personal property	35,000.00
Total	205,063.87

Stock name	Shares	Value
AT&T	100 at 24⅛	$2,413.00
Cons Edison of New York (common)	200 at 42⅝	8,526.00
Gillette Co	20 at 88¼	1,765.00
Greyhound Corp	20 at 35⅛	705.00
Howard Bank	1,425 at 39	55,575.00
Monsanto	80 at 61⅜	4,911.00
NL Industries	40 at 13½	540.00
National Distillers	40 at 40¾	1,630.00
Navistar International (formerly International Harvester)	20 at 10⅛	202.60
NYNEX	159 at 60½	9,619.00

Stock name	Shares	Value
Outboard Marine	40 at 35⅜	1,415.00
Security Pacific Corp	19 at 35⅝	677.00
Time, Inc	268 at 77¼	20,703.00
Vendo	10 at 6⅞	69.10
Verbanc (formerly Bellows Falls)	240 at 47½	11,400.00
West Point (formerly Cluett Peabody)	18 at 17¼	310.50
Total		120,461.00
Keough account Howard Bank		9,186.77
Recapitulation: Total assets		805,511.84●

BUDGET SCOREKEEPING REPORT

● Mr. DOMENICI. Mr. President, I ask to have printed in the RECORD the budget scorekeeping report for this week," prepared by the Congressional Budget Office in response to section 5 of the first budget resolution for fiscal year 1986." This report also serves as the scorekeeping report for the purposes of section 311 of the Congressional Budget Act, "as amended."

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 19, 1986.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of congressional action on the budget for fiscal year 1986. The estimated totals of budget authority, outlays, and revenues are compared to the appropriate or recommended levels contained in the most recent budget resolution, Senate Concurrent Resolution 32. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32 and is current through May 16, 1986. The report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act as amended.

No changes have occurred since my last report.

With best wishes,
Sincerely,

EDWARD GRAMLICH,
(For Rudolph G. Penner).

CBO WEEKLY SCOREKEEPING REPORT FOR THE U.S. SENATE, 99TH CONGRESS, 2D SESSION, AS OF MAY 16, 1986

[Fiscal year 1986—in billions of dollars]

	Budget authority	Outlays	Revenues	Debt subject to limit
Current level [1]	1,057.1	980.3	778.6	2,016.6
Budget resolution, Senate Concurrent Resolution 32	1,069.7	967.6	795.7	[2] 2,078.7
Current level is:				
Over resolution by		12.7		
Under resolution by	12.6		17.1	62.1

[1] The current level represents the estimated revenue and direct spending effects (budget authority and outlays) of all legislation that Congress has enacted in this or previous sessions or sent to the President for his approval. In addition, estimates are included of the direct spending effects for all entitlement or other programs requiring annual appropriations under current law even though the appropriations have not been made. The current level excludes the revenue and direct spending effects of legislation that is in earlier stages of completion, such as reported from a Senate committee or passed by the Senate. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[2] The current statutory debt limit is $2,078.7 billion.

FISCAL YEAR 1986 SUPPORTING DETAIL FOR CBO WEEKLY SCOREKEEPING REPORT, U.S. SENATE, 99TH CONGRESS, 2D SESSION, AS OF MAY 16, 1986

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			777,794
Permanent appropriations and trust funds.	723,461	629,772	
Other appropriations	525,778	544,947	
Offsetting receipts	−188,561	−188,561	
Total enacted in previous sessions.	1,060,679	986,159	777,794
II. Enacted this session:			
Commodity Credit Corporation urgent supplemental appropriation, 1986 (Public Law 99–243).			
Federal Employees Benefits Improvements Act of 1986 Public (Law 99–251).		4	
VA home loan guarantee amendments (Public Law 99–255).		−51	
Omnibus Budget Reconciliation Act of 1985 (Public Law 99–272).	−4,259	−6,001	765
Department of Agriculture urgent supplemental, 1986 (Public Law 99–263).			
Advance to Hazardous Substances Response Trust Fund (Public Law 99–270).			
FHA and GNMA Credit Commitment Assistance Act (Public Law 99–289).		−380	
Total	−4,259	−6,428	765
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses			
V. Entitlement authority and other mandatory items requiring further appropriation action:			
Veterans compensation.	272	185	
Veterans readjustment benefits.	91	91	
Compact of free association.	205	205	
Special benefits (Federal employees).	14	14	
Family social services	100	75	
Guaranteed student loans.	6		
Payment to civil service retirement [1].	(37)	(37)	
Total entitlements	688	570	
Total current level as of May 16, 1986.	1,057,108	980,302	778,559
1986 budget resolution (S. Con. Res. 32).	1,069,700	967,600	795,700
Amount remaining:			
Over budget resolution.		12,702	
Under budget resolution.	12,592		17,141

[1] Interfund transactions do not add to budget totals.

Note: Numbers may not add due to rounding.●

HONORING NAVAL AIR STATION BARBERS POINT

● Mr. INOUYE. Mr. President, 1986 marks the diamond anniversary for naval aviation. It was 75 years ago that Capt. Washington Irving Chambers, a naval officer in charge of naval aviation, prepared the requisition for the Navy's first aircraft.

During this celebration, I wish to recognize Naval Air Station Barbers Point, HI. Initially, a major aircraft training and servicing center during World War II, Naval Air Station Barbers Point evolved into a major antisubmarine support community. As the defense needs of the United States have changed, so has the type of aircraft based at the air station.

Under construction prior to the attack on Pearl Harbor, NAS Barbers Point was hurriedly commissioned on April 15, 1942, and was immediately used to train pilots and to service planes of aircraft carriers in the Pacific theater.

When the war ended, the original 256-man complement of the station had grown to over 4,000 servicemen. The air station then served as a rapid demobilization center. As military forces were reduced to peacetime needs, Barbers Point assumed support functions of all aviation activities in the area.

In the next two decades, during the Korean and Vietnam wars, Barbers Point again served as a staging area for supplies and personnel in defense of freedom. Fleet tactical support squadron 21, or V–21, grew into one of the Navy's largest squadrons during the Vietnam war, ferrying thousands of tons of supplies and personnel into the Southeast Asian theater of operations.

From the mid-1950's to 1965, the air station was also home to airborne early warning squadron 2, which flew super constellations equipped with radar domes. The constellation flew 24 hours a day, 365 days a year to extend the continental air defense early warning line across the Pacific, betweeen Hawaii and the Aleutian Islands.

Today, patrol wing 2, the major tenant command on NAS Barbers Point, conducts undersea surveillance operations. Our P–3 Orions of NAS Barbers Point provide airborne platforms for the world's most sophisticated submarine detection and tracking equipment.

These P–3's often served as "angels of mercy" in the 1970's and 1980's, locating and recruiting hundreds of "boat people" in the South China Sea who fled Vietnam.

NAS Barbers Point is also home to the Navy's oldest active squadron, Fleet Composit Squadron One, or VC–1, Helicopter Squadron Light Thirty-Seven Reconnaissance Squadron Three, or VQ–3, Coast Guard Air Sta-

tion, U.S. Army 147th Aviation Co., and the Hawaii Air National Guard.

Each year commands in the Pacific and Atlantic Fleets compete for the Chief of Naval Operation's Golden Anchor Award recognizing the best command in the East and the best in the West for a superior retention program. Last year, Naval Air Station Barbers Point received the Golden Anchor Award.

During the 75th anniversary of naval aviation, I commend the men and women for their outstanding professionalism and superb performance in maintaining and supporting the Pacific Fleet.●

UNITED STATES CAN'T BOW TO MERCHANT MARINE BLITZ

● Mr. INOUYE. Mr. President, a very thoughtful and sobering article by Robert J. Hanks, entitled "U.S. Can't Bow to Merchant Marine Blitz," appeared in the May 13 edition of the Wall Street Journal. The main points of the article are: The Soviets are waging an economic war at sea through cutthroat commercial competition as part of the admitted Soviet view that "peacetime employment of merchant fleets is an integral part of the political and economic struggle between antagonistic social systems"; the liner segment of the U.S. merchant fleet has suffered as a consequence, with attendant adverse national security ramifications; and that the Federal Government must act to revitalize our merchant marine.

Mr. President, the Federal commitment Mr. Hanks urges is right on the mark. In 1978, during my tenure as chairman of the Merchant Marine Subcommittee, Congress enacted the Controlled Carrier Act in an effort to stop the pernicious rate-cutting practices of state-controlled carriers, principally those of the Soviet Union. Even though Congress was successful in enacting that legislation, the measure was opposed by the State and Justice Departments.

Mr. Hanks has several suggestions about further measures we might take to revitalize our merchant fleet, and I commend his article to every Member of the Senate.

Mr. President, I ask that the article be printed in the RECORD.

[From the Wall Street Journal, May 13, 1986]

U.S. CAN'T BOW TO MERCHANT-MARINE BLITZ

(By Robert J. Hanks)

A war at sea is being waged against Western nations by the Soviet Union. The principal participants are not men-o'-war but mundane merchant ships and the rates being charged for commercial cargoes.

Unfortunately, this struggle has attracted scant attention in the U.S. While there have been Western casualties—shipping companies forced out of business and shipbuilding and repair yards closed—precious little is being done about them. The tragedy is the U.S., today, is as dependent on the sea as was England at the outset of World War II, for economic and military reasons. Yet the matter's generally greeted in Washington with a yawn.

The facts are these. From a tiny fleet in 1945—mostly U.S. lend-lease Liberty ships—the Soviet merchant marine had grown by 1984 to an astounding 2,475 ships (1,000 gross tons or over) totaling more than 23 million deadweight tons. In the world, it ranked second to Panama in numbers of ships and seventh in tonnage. By contrast, the U.S. could boast fewer than 500 merchantmen. Moreover, cut-throat competition from Soviet ships has produced significant reductions in the fleets of America's European and Japanese allies.

Troublesome portents are embedded in these statistics. NATO, being a maritime alliance, would critically depend on seaborne transport of reinforcements and logistic supplies from North America in the event of a war in Europe. A continuous flow of food and raw materials from overseas would also be required to sustain any war effort. At the same time, scores of merchant ships would be needed as auxiliaries to support NATO navies. The Falkland Islands war underlined the latter requirement. Allied capability to meet these commitments, however, steadily shrinks.

Why are the Soviets waging this nonshooting war? The answer is in a book, "The Sea Power of the State," by former head of the Soviet navy, Admiral S.G. Gorshkov. He says the peacetime employment of merchant fleets is an integral part of the political and economic struggle between "antagonistic social systems."

The Soviet strategy in this war is simple: rate-cutting. The Soviet merchant fleet is a wholly subsidized creature of Moscow and can set cargo haulage rates well below market profitability floors. Offering carriage fees ranging from 10 percent to 40 percent below those floors, Soviet ships have made massive inroads in trade, not only to Third World countries, but along crucial Atlantic and Pacific Ocean routes as well. Obviously, Free World shipping companies cannot offer such rates and remain in business. Further, along those trade routes where the Soviet merchant fleet is not present in strength, ships from the U.S.S.R.'s East European satellites—also operating with government assistance—pursue identical policies.

How successful have the Soviets been? In a word: very. Two major U.S. shipping carriers—Pacific Far East Line Inc., and States Steamship Lines—have been bankrupted because U.S. free-market policies ask American shippers to compete against the Soviet government. In the Pacific, for example, the Soviet Far East Shipping Company and its Polish counterpart slashed rates to capture trade. When other low cost operators such as the Taiwanese followed suit, the American carriers simply could no longer compete for cargoes. Similar effects have been felt in strong maritime nations such as Britain, Sweden, West Germany and Japan.

What, then, should be done about this economic war at sea? Some West European countries have taken steps to halt the decline of their merchant fleets. But Washington remains indifferent.

Several things can be done. First, more than lip service needs to be accorded the Merchant Marine Act of 1936, which emphasized the importance of a healthy merchant fleet to the security of this country. Next, Washington can insure that all government cargoes are carried in U.S. ships. (This includes food aid being sent to needy nations.) Negotiation of bilateral accords must be relentlessly pressed to reserve reasonable cargo percentages for American shipping companies. The U.S. would, in a pinch, need guaranteed access to container ships to carry military equipment.

The West can ignore the Soviet war on commercial shipping only at its peril.●

BOB WIELAND AND THE SPIRIT OF AMERICA

● Mr. KASTEN. Mr. President, in just a few days, hundreds of thousands of Americans will participate in an unusual once-in-a-lifetime event. On May 25, men, women and children of all ages; families, friends, and strangers all holding hands at precisely the same moment, will form a gigantic human chain stretching from the Eastern shore of America with the Western coast.

The project scheduled for May 25 is called "Hands Across America." the proceeds will go to fight hunger.

I would like to believe that the participants in that undertaking will give a few moments of thought to the almost unbelievable accomplishment of a young man from Wisconsin—a man who walked across America on his hands to raise money for hunger relief groups.

On Wednesday, May 14, after 3 years, 8 months and 6 days, after 2,784.1 miles stretching from the California coast to the White House, after 4,903,360 steps—steps made without feet and without legs, but with a strong heart, Bob Wieland finished his "Spirit of America Walk for Hunger."

Mr. Wieland's walk raised $300,000. Future pledges could raise millions more.

What kind of spirit is it that challenges such men to commit so much of themselves to as selfless a goal as feeding the hungry?

What kind of spirit is it that would lead a man to give almost 4 years of his life to call attention to something most Americans never think of—the fact that every day 35,000 of our fellow human beings worldwide die of hunger?

And, Mr. President, what kind of spirit infuses such life into a man whose body was torn apart in service to this country?

The answer to all three questions is the same, It is the spirit of America.

Mr. Wieland's journey across America started at Knott's Berry Farm in Los Angeles. But his struggle to overcome his physical disability started in the jungles of Southeast Asia on June 14, 1969. His squad was on a search-and-destroy mission in an area believed to be booby-trapped with landmines. He saw a buddy go down under enemy fire.

With no thought of his own safety, rather than search for protection, Mr. Wieland, a medic, rushed to the aid of his friend, fellow Wisconsinite Jerome D. Lubeno. In his struggle to reach the mortally wounded soldier, Mr. Wieland stepped on a mine which, in his own words, "blew my body one way and my legs the other."

Some say it was his superb physical training, his love of sports and his fanaticism in maintaining excellent health that gave him the strength to overcome what for so many would have been a completely disabling injury. He said he would not be hampered by his accident. He kept that pledge, and in keeping it, proved something else.

In his "Walk For Hunger," Mr. Wieland proved not only his superb body conditioning and strength, but he also proved the strength of his spirit.

The spirit Mr. Wieland has shown is but a flicker of the combined strength of character found in the tens of thousands of Americans disabled during the Vietnam war.

Mr. Wieland's heroic accomplishment is the definition of the selflessness of the American spirit. That he chose to dedicate this accomplishment to drawing the attention of his fellow countrymen to world hunger is a tribute to his personal selflessness.

Mr. President, I commend Mr. Wieland for his triumph, a triumph of body and a triumph of spirit. May his story serve to remind us all that life is precious, life is important, and life is meant to be shared.

Mr. Wieland has shared a great part of himself with all of us through his "Walk For Hunger."

Mr. President, I ask that the following articles from the Milwaukee Journal and Sentinel be inserted in the RECORD.

The articles follow:

2,784-MILE TREK

(By Richard Bradee)

WASHINGTON, D.C.—Doc finally made it Wednesday.

After crawling 2,784 miles across America, Doc—Bob Weiland, formerly of Milwaukee—reached Wall 22 West, Line 47 of the Vietnam Veterans' Memorial where he found the name of Sgt. Jerome Deane Lubeno of Trevor, Wis., the man he set out to save in Vietnam June 14, 1969.

Lt. James Sylvester of Seattle, Wash., the last man to see Doc when he had legs, was at the wall. So were Dennis Cooper of Miller, Mo., who picked up Doc and carried him to a helicopter, and David De Nayer of Hume, Mo., the point man on that search and destroy mission.

Doc's parents, William and Ida Wieland of 5200 S. Tuckaway Blvd., Greenfield, Wis., walked the last mile of his walk for hunger and listened as he told, once again, what happened on that day in Vietnam.

"I stepped on and detonated an 82-millimeter mortar. It set me flying in one direction and my legs in the other," Wieland said.

There are 30 or 35 names—Sylvester said he lost track of the casualties—on the Vietnam Veterans' wall commemorating the men from the company Wieland served as a combat medic.

His buddies thought Doc was dead, but Cooper said, "We better get Doc on the chopper, he might still be alive."

In Vietnam, Cooper remembered, Wieland took care of children who were wounded. The parents "thought it would be nice to give him rice—the rice had bugs floating on top of it but he'd eat it. If that wouldn't kill him, nothing can," Cooper said. "I guess nothing could."

After years of rehabilitation, during which he became a record-setting weight lifter, Wieland began his trip across America Sept. 8, 1982, seated on a harness, propelling himself with his hands. He calculated that he took 4,900,016 steps in a walk for hunger—about 61,000 steps were sponsored to raise about $300,000.

His mother said she worried about him, going across the country, but didn't doubt his determination.

"He was born that way, he seemed to have determination from an early age. As a 3-year-old, he had this desire to be a baseball player," she said.

He wanted to be in the major leagues and, by 1984, had reached top of semiprofessional baseball in Milwaukee. A left-handed pitcher, Wieland was rated the state's top professional prospect, according to his father.

At the memorial, there was a Marine color guard, a chaplain, a crowd of newsmen and dozens of people he'd met along the way.

"No one ever thought we'd get out of Los Angeles," Wieland said, describing the reaction of those he'd asked to sponsor "a guy with no legs who's going to walk across America on his hands."

Asked at the White House about another crosscountry walk, Wieland said, "We're not going to do any reruns."

MISSION COMPLETED

VET'S INSPIRATIONAL WALK BRINGS REAGAN TO TEARS

(By John W. Kole)

WASHINGTON, D.C.—Bob Wieland finished his "walk" across America at the Vietnam Veterans Memorial Wednesday and brought tears to the eyes of President Reagan while doing so.

As his parents, from Greenfield, Wis., watched from the grassy area near the Lincoln Memorial, Wieland made his way down the sloping walk, past the stark black granite slabs that contain the names of 58,000 Americans killed or missing in the Vietnam war.

Wieland, an Army medic during the war, had his legs blown off in June 1969 while trying to rescue another Wisconsin man, Jerome Lubeno, of Trevor in Kenosha County.

Wieland's goal was to walk across the United States from southern California to the granite panel containing Lubeno's name.

"It's been quite a journey," Wieland said as he neared his goal.

Long a physical fitness buff, Wieland spent years teaching himself to walk on his hands, using pads on his fists to propel his legless body. He recalled that the first time be completed a lap around a California gymnasium, "my muscles were so sore that I thought they all would fall off."

The often-interrupted journey started Sept. 8, 1982, at Knott's Berry Farms in southern California. In the three years, eight months and six days that followed, Wieland figures he took almost 5 million steps, about a yard from each one.

Wieland, 40, who moved to California because the climate was better for his therapy, praised Reagan in a private White House meeting at which tears came to the president's eyes. Wieland appealed for help in his "Walk for Hunger" campaign.

The walk raised about $300,000 in pledges for the cause, but that was far short of the $25 million goal an enthusiastic Wieland had set. He vowed to continue raising money by giving speeches around the U.S.

Throughout the trip, Wieland and his helpers would stay in homes along the way. He would give inspirational speeches to pay expenses. Some of the families who provides shelter came here to watch him finish his trip.

So did some of those who were with him when his legs were blown off. One colleague, who had not seen him since 1969, said Wieland "looks a lot better now than he did when we loaded him on that chopper.

Among those at the memorial to pay tribute to Wieland's achievement were Reps. Gerald Kleczka (D-Wis.) and Christopher Smith (R-N.J.), and Jan Scruggs, leader of the Vietnam Veterans of America.

In March, Reagan appointed Wieland to the National Council on Physical Fitness and Sports. George Allen, the former professional football coach who is chairman of the council, paid tribute to Wieland in a letter.

"Bob's determination and perseverance are an inspiration to me," Allen said. "I don't know of any feat ever attempted that shows more physical and emotional output than this Walk for Hunger."

Reviewing the journey, Wieland said the most inspirational act came near the beginning of the journey when a small boy in Cathedral City, Calif., gave him 21 pennies.

"That little boy demonstrated that the smallest deed done is greater than the best intentions," Wieland said.

"You're not handicapped," Smith told Wieland. "You've got it all going for you."

NATIONAL TOURISM WEEK, MAY 18–24, 1986

● Mr. INOUYE. Mr. President, for the third consecutive year Congress has designated the week beginning May 18, 1986, as National Tourism Week, and the President, has issued a proclamation accordingly. Inasmuch as the travel industry is our Nation's third largest and employes over 6 million men, women, and teenagers, it is most appropriate that the national theme for tourism week is "Tourism Works in America."

The goal of National Tourism Week is to make Government officials and consumers aware of just how important tourism is to the economic, social, and cultural welfare of the United States. This effort is headed by two very dedicated and outstanding tourism spokespersons for the Government and the industry—Donna Tuttle, Undersecretary of Commerce for Travel and Tourism; and Bill Edwards, president of AH&MA, and vice chairman of Hilton Hotels Corp. They are ably supported by the industry's National Tourism Week coalition and the

newly created, permanent industry National Tourism Week Office. This office is responsible for the overall coordination of industry-wide planning and observance of National Tourism Week. It was established by Travel Industry Association of America at the request of the following coalitions of the travel industry organizations: Air Transport Association; American Hotel & Motel Association; American Society of Travel Agents; National Tour Association; National Restaurant Association; Hotel Sales & Marketing Association International; Recreation Vehicle Industry Association; and Travel Industry Association of America.

Mr. President, this is just the latest in a series of substantial industry efforts over the past several years to impress upon the decisionmakers in Washington how important tourism is, and to form a partnership with the Federal Government to ensure that as a nation we capitalize on the industry's potential.

Even though the administration has once again recommended elimination of the modest but essential Federal tourism effort, I feel quite confident that Congress will once again insist that the U.S. Travel & Tourism Administration remain in business. And if we do, it will be another example of the Federal awareness which the travel industry is working so hard to achieve.

And so, as I have done on similar occasions in the past 2 years, I wish to suggest that during National Tourism Week we honor the millions of men, women, and teenagers who are the U.S. tourism industry.●

SHULTZ ASKS "MOST FAVORED SPENDING STATUS"

● Mr. HART. Mr. President, the administration incessantly decries Government spending, and suggests that all we need do to reduce the deficit is eliminate bloated bureaucracy. Yet, when it comes time to reduce spending, the first, loudest, and longest complaints are heard from the Secretaries of Defense and State, whose Departments have fared best among all agencies of Government these last 5 years.

This phenomenon—the demand for most favored spending status—was demonstrated again last week.

Secretary of State George Shultz demanded that foreign affairs funding be sharply increased, saying that a budget lower than that requested by the President would endanger Americans serving abroad. There are merits to the Secretary's argument; the tragic losses of military and foreign service personnel these past few years must not be allowed to happen again.

But Secretary Shultz is misdirecting his anger. By embracing Gramm-Rudman, this administration committed itself to a new budgetary regime: it can no longer campaign for national priorities without first finding the resources to pay for them. Yet, throughout the congressional budget process, which produced State Department funding levels the Secretary finds anathema, the administration stood on the sidelines: It refused to negotiate, refused to budge on revenues, and refused to find a middle ground on defense spending.

The distinguished chairman of the House Budget Committee, BILL GRAY, fashioned a Federal budget for 1987 that pleases few, but avoids the disastrous effects of across-the-board cuts otherwise required by Gramm-Rudman. The Secretary fails to recognize that his Department's budget fares better under the House or Senate-passed plans than under the Gramm-Rudman impoundment process.

As a recent editorial published by the Denver Post makes clear, Mr. Shultz should direct his appeals to the one man who can really make a difference: The President of the United States. I ask that this eloquent and forcefully written article be printed in the RECORD.

The article follows:

[From the Denver Post, May 14, 1986]

JUST BRING THE MONEY BY

Secretary of State George Shultz opened a fight with Congress last week over cuts in U.S. foreign aid and overseas security which have been tentatively approved in Congress. Shultz talked about "a tragedy for U.S. foreign policy and national security."

Shultz has received what seems to us to be exactly the right reply from Rep. William H. Gray III, chairman of the House Budget Committee and an occasional target of criticism from the Reagan White House on the subject of federal spending.

"You want more money, you tell your president to bring it by," Gray told Shultz, as the two men talked angrily about the fiscal state of affairs.

The Shultz blowup over the threatened State Department budget cuts illustrates what has been true of the blinded fiscal policies of the Reagan administration for too long now:

It is never the spending favored by the administration—always Pentagon appropriations and now State Department outlays—which can or should be reduced. It is always some other budget, usually in a domestic program.

The Reagan White House, while preaching thrift in government, has presided over spending policies that have doubled the total federal debt, which now is more than $2 trillion.

And as a former economics professor and a chief budget officer in the Nixon administration, Shultz knows that what Gray is saying is true. If the administration requires more overseas spending for important foreign aid and security programs, ". . . tell your president to bring it by." Whenever this administration asks for more money, it ought to say where it should come from.●

OUR GREATEST HERO OF THE 20TH CENTURY

● Mr. D'AMATO. Mr. President, I wish to reiterate my concern over the plight of Dr. Andrei Sakharov, an outspoken advocate of human rights and world peace who has been exiled by Soviet authorities to the closed city of Gorky since January 22, 1980. The Nobel citation, awarded him in 1975, cited Sakharov as a "spokesman for the conscience of mankind." Meanwhile, the Soviet Government has gone to extraordinary lengths to silence him. Despite constant harassment by the secret police, Sakharov continues to champion the cause of human rights as embodied in the Helsinki Final Act and the United Nations Universal Declaration on Human Rights.

Two years ago Jason Robards portrayed Andrei Sakharov in a moving film presentation of the Nobel laureate's struggle for freedom in the Soviet Union. An article by Mr. Robards appearing in the Washington Post provides a good description of Sakharov's travail.

Mr. President, I request that the text of this article be printed in the RECORD.

The article follows:

OUR GREATEST HERO OF THE 20TH CENTURY

(By Jason Robards)

Two years ago I played the role of Soviet human rights activist and Nobel Peace Prize laureate Andrei Sakharov. Glenda Jackson played the role of his wife, Dr. Yelena Bonner. We strained desperately to convey the feeling, the reality, the truth of the Sakharovs' experience as human rights activists and as political prisoners isolated in the closed and cold city of Gorky.

Through the whole process of studying for the part we felt an odd sort of detachment from the experience of Sakharov and Bonner, yet we pushed on.

Last week I was in Washington for the Helen Hayes Awards, special recognition of theater talent in the Washington area. During rehearsal on the afternoon of the awards, I learned that Dr. Bonner herself was in town for a meeting of the National Academy of Sciences and wanted to meet me. I, of course, said yes. She was to come to the awards ceremony.

Dr. Bonner arrived late from a meeting of the National Academy, where her husband was honored. She looked remarkably well for a woman who a few months earlier had undergone complicated surgery. I felt distraught and helpless that soon she would be returning to the Soviet Union with no guarantee of ever seeing her family here again.

She described to me the experience of her cab ride from the academy to the National Theatre. "As we were driving by the White House I had a strange, uneasy phantasmagoric feeling. I have just been to the National Academy of Sciences representing my husband, who was honored there, and now I am on the way to see a man who played the role of my husband, and at the same time, in the back of my mind I am packing my bags to return to the Soviet Union in less than a month. I wonder why I am not crazy."

Academician Sakharov, wherever he is, will celebrate his 65th birthday on May 21. Members of Congress have asked the president to proclaim that a day in honor of Sakharov, to be marked by "appropriate ceremonies and activities." To me, such a celebration—and it must be called a celebration, if we are to bring moral witness to Sakharov's great achievements—will be in part bizarre and in part harsh, cruel and real.

From Sakharov's writings I have learned that he believes that the world can be preserved only with the coexistence of peace and the rights of the individual, essentially what we in the West and so many brave souls in many places the world over call human rights. One of Sakharov's greatest achievements was persuading the Soviet government to sign the 1963 Moscow Treaty, which banned nuclear weapons testing in the atmosphere, in outer space and under water.

While many refer to Sakharov as the father of the Soviet hydrogen bomb, we forget to mention his ideas and efforts on the use of energy for peaceful purposes. He undertook this important work *before* he became a dissident and a spokesman for human rights. His first serious nonscientific work that became known in the West was called "Thoughts on Progress, Peaceful Coexistence and Intellectual Freedom" (1968). By the time of his Nobel Peace Prize lecture, which his wife delivered in Oslo in 1975, his views on human rights were crystallized.

While we as Americans are going to celebrate the 100th anniversary of the Statue of Liberty, we should call to mind Thomas Paine's response to Thomas Jefferson. Said Jefferson: "Where freedom is, there is my country." Paine replied: "Where freedom is not, there is my country."

Any celebration of Dr. Andrei Sakharov's birthday is bound to give rise to our worst fears—and our best hopes. But it must also be a time for us to commemorate with living testimony our greatest hero of the 20th century.

Mr. D'AMATO. Mr. President, as chairman of the Commission on Security and Cooperation in Europe, I can attest to the fact that Sakharov has indeed become a hero, not by choice, but circumstance. Sakharov has not sought attention. The only thing that he has sought are the rights and freedoms we so often take for granted. Rights included in the Helsinki Final Act, freely agreed to by the leaders of the Soviet Union, and promised thereby to the people of the Soviet Union.

As President Thomas Jefferson noted, "The will of the people is the only legitimate foundation of any government." Unfortunately, the Communist Party of the Soviet Union has chained and gagged the will of the Soviet people, while denying the possibility of its existence. Such actions not only raise serious questions regarding the Soviet Government's legitimacy, but also serve to drive them further outside of the community of civilized nations.

Mr. President, I encourage other Members of the Senate to join me in speaking out on behalf of those, like Sakharov, who seek to realize in their own countries those inalienable rights we exercise and cherish, but which remain only a tragically denied potential for human greatness in those nations behind the Iron Curtain.●

AMERICAN PATRIOTISM

● Mr. QUAYLE. Mr. President, today I would like to honor a constituent who exemplifies the very meaning of the word "patriotism." Michael Haverly is an 8-year-old from Shelby County, IN, who for the last 3 years has worked hard raising money to repair the Statue of Liberty.

The son of Robert and Connie Haverly, Michael first became concerned about the fate of the Statue of Liberty when his mother read him a fundraising letter from the Liberty Foundation. Since that time, the second-grader at Trinton Elementary School has raised well over $6,400 and has been honored for his efforts by President Reagan during a Rose Garden ceremony on October 28, 1985.

Later this year, Michael will take part in the Liberty Weekend festivities. He will be on the NBC-TV morning program, "Today," on July 4, and he will also be featured in a CBS-TV spot, "American Portrait," marking the statue's 100th birthday.

Michael, who has undergone numerous operations for multiple physical birth defects, is a prime example of a true American who has real pride in his country and its symbols of freedom. All Americans should take a cue from Michael and his unselfish dedication to repairing the Statue of Liberty. He says that, once completed, "her spirit will smile."

Today I would also like to share a letter dictated by Michael that he asked me to share with my colleagues:

DEAR SENATE PEOPLE: I know the times are rough, but I have run out of ideas, so I decided to write you.

Fixing our Statue of Liberty up has not been going so good. We need more money.

A long time ago she was shiny and pretty. Now she has rust coming down her neck and her arm is weak, and handicapped people in wheelchairs can't get in to see her.

If we don't fix her, people will think we don't care about our country.

You should be proud to be an American, so please donate as much as you possibly can. I don't care if its a dollar or a thousand, and you can send it to me or the Statue people who are fixing it, like Sharyn Kay [a Liberty Foundation worker]. She is real nice.

And, can you please see if the children in Africa can get the food.

Thank you,

MICHAEL.

On the bottom of the letter, Michael has drawn a picture of the Statue of Liberty.

Mr. President, all of us in Indiana are very proud of our patriotic young Hoosier, and I know my colleagues join me in wishing Michael success in the final stretch before the statue is unveiled in July. I think I speak for all of us when I also thank Michael for reminding us that we can and should be proud to be Americans.●

WINNERS AND LOSERS OF TAX REFORM

● Mr. DURENBERGER. Mr. President, since the Finance Committee reported out sweeping tax reform legislation on May 7, Americans have been busy trying to determine how this bill will affect their personal and business tax liabilities, whether they will be one of the "winners" or one of the "losers." Since May 7, I have discussed with industry representatives and with my constituents their specific concerns. I have also read with great interest numerous explanations of the impact of the Finance Committee bill on the U.S. economy. At this time, I would like to share with my colleagues one article I found to be particularly straightforward and objective. I urge those who have not yet done so to read the article which appeared in the May 26, 1986, edition of Business Week entitled, "The Winners and Losers of Tax Reform."

Mr. President, I ask that the text of the article be printed in the RECORD.

The article follows:

THE WINNERS AND LOSERS OF TAX REFORM

The U.S. stands on the brink of a fundamental overhaul of its tax system. To the surprise of almost everyone, the tax bill now awaiting action in the Senate does much of what the reformers hoped to accomplish when President Reagan first proposed comprehensive tax revision in 1984. While a final bill is months away, it looks as though the U.S. will end 1986 with a shiny new tax code that will encourage investment for economic reasons, rather than tax advantages, as well as provide many individuals with more money to spend or save. By narrowing differences in how industries and individuals are taxed, this system would also be more equitable and efficient.

In the short run, some economists fear that the new plan could have a wrenching effect on investment by raising corporate taxes by $100 billion over the next five years. But the transfer of that amount to individuals would largely offset the impact on the economy by fueling consumption. Investment would then be driven by the growth of markets rather than tax breaks. In addition, new constraints on consumer borrowing could lower interest rates, and that would eventually make more investment projects profitable.

POLITICAL MOMENTUM

Still, the bill approved by the Senate Finance Committee on May 7 could create real difficulties. If enacted, it would cause short-term confusion throughout the economy as businesses and individuals adjust to the new system. It threatens to wreck much of the commercial real estate industry, which already is in serious trouble (page 118), and it may radically change the way individuals save and invest. At the same time, it would wean individual taxpayers and companies away from their addiction to tax writeoffs and economically useless shelters and make the allocation of capital among industries more rational.

How does all this sort out for the taxpayer? There is no neat answer for everybody, but one thing is clear: If you pay a high effective tax rate today, you'll love the Finance Committee's version of reform. If you use lots of deductions and shelters to keep your rates low you'll hate it.

"The basic fact is that a trade-off of tax preferences for low rates is good for the economy in the long run," says David A. Berenson, director of tax policy at Ernst & Whinney. "There may be economic dislocations in achieving that, there will be winners and losers, but the macro effect is going to be good."

Because of the political momentum now building for a tax overhaul, the final version of reform is likely to look a lot like the Senate Finance bill, which sharply lowers both individual and corporate tax rates. But there could be changes. The repeal of the preferential treatment for capital gains, the curbs on individual retirement accounts (page 119), and the denial of deductions for sales taxes may face challenges, both on the Senate floor and in the eventual House-Senate conference committee.

In addition, there are key differences between the bill passed by the House last December and the Finance plan. The House measure makes relatively modest changes in individual taxation while greatly altering the treatment of business. It drops the top individual rate to only 38% and pays for most of the cuts by paring corporate deductions.

The Packwood bill takes a very different tack, making radical changes in individual taxation but qualitatively modest shifts in business taxes. It cuts the top individual rate nearly in half, to 27%, but pays for that by eliminating dozens of individual tax breaks. Corporate rates would be cut to 33% from 46%, financed mostly by curbs on corporate write-offs.

The Finance bill does not raise those taxes across the board. Instead, it creates crosscurrents of winners and losers, in some cases both giving to and taking away from the same companies.

SLEDGEHAMMER

The tax shelter industry, including most real-estate syndicators, probably hates the bill the most. It would prohibit taxpayers from using losses generated by limited partnerships to shelter other income, effectively locking out a prime source of real estate investment funds. In addition, lower rates make all tax preferences less valuable. And owners of commercial property would face far slower depreciation write-offs. "This is really a sledgehammer on real estate," declares J. Gregory Ballentine of Peat, Marwick, Mitchell & Co. The natural-resources-oriented Finance Committee could not restrain an urge to protect oil and gas shelters. But those write-offs, too, could be dumped before Congress is through with the package.

Other businesses, including established computer manufacturers, retailers, and wholesalers, stand to be big winners. Executives in these industries are delighted at the prospect of sharply lower tax rates. The Finance bill "really contains all the elements of tax reform that we've been campaigning for for years," says Larry R. Langdon, director of taxes for Hewlett-Packard Co. "It's as if someone here wrote it."

Computer startups, as well as other new ventures, may not fare as well. The proposed taxation of capital gains as ordinary income could discourage individuals from investing in speculative businesses. "It's a disaster for long-term investing," complains Reid W. Dennis, a general partner at Institutional Venture Partners in Menlo Park, Calif.

Although corporations would continue to enjoy a modest capital gains differential, the shift in investment decisions by both individuals and businesses could prove to be among the most far-reaching effects of the Finance bill. "It's going to have some dampening effect on risk-taking," says Byrle M. Abbin, director of federal tax services at Arthur Andersen & Co. "If the [tax] rates are the same, the more conservative investor will say, 'Why should I even bother?' "

But like many of the bill's provisions, the capital gains change has its sweet side. While long-term capital gains rates would increase from a 20% maximum under current law to 27%—the same top rate as ordinary income—the six-month holding period now required to qualify for preferential treatment would disappear. Thus, investors would enjoy a big tax cut for short-term capital gains, which are now taxed at up to 50%. "That's got to be wonderful for Wall Street trading," says John H. Makin of the American Enterprise Institute.

The effect of the bill on autos is tougher to gauge. Auto makers are unhappy about the potential loss of the investment tax credit and the curb on their customers' interest deductions. But they are elated over the proposed $100 billion tax cut for individuals. "Every car buyer would have a maximum 27% tax rate, which means more bucks to buy a car with," says Gerald Greenwald, chairman of Chrysler Motors Corp.

Capital goods manufacturers, and even some companies in the computer industry, may suffer an opposite effect. While the net impact on their taxes may be no worse than a wash, companies may find that their business customers, who could face higher taxes, may be reluctant to make big-ticket purchases. Over the long term, the Packwood bill should have little effect on capital cost recovery. The new depreciation schedules for equipment were designed so that faster write-offs would largely make up for the loss of the investment tax credit over the three- or five-year depreciation period.

FINE PRINT

The Finance bill, says Yolanda K. Henderson, an economist at the Federal Reserve Bank of Boston, "makes for greater efficiency in the allocation of capital. The new bill raises the cost of capital, particularly for debt-financed investment. But it would lower the cost of equity financing, as well as for land and inventories." For business borrowers, the reduction in the corporate tax rate to 33% from 46% sharply lowers the value of their interest deductions. Conversely, the profits on equity are taxed at lower top rates at the corporate level and when distributed as dividends, which should make equity financing cheaper.

Other aspects of this bill may jolt both individuals and corporations as they check the fine print. Many analysts believe that the end to the deductibility of sales taxes, restrictions on tax-exempt bonds, and the likelihood that states will follow Washington in eliminating deductions without making comparable rate cuts will result in higher state and local income taxes.

In fact, the Finance bill itself produces a federal tax increase for 1987. Taxpayers will lose many deductions starting next Jan. 1, but the rate cuts are not scheduled to begin until six months later. "A lot of people who get a rate cut in later years will get a rate increase next year," predicts Gillian M. Spooner, a partner in Touche Ross & Co.

The timing issue is a major concern to Lawrence Chimerine of Chase Economics, at least for the short term. "The stimulation to consumption will phase in slowly, whereas you'll see a sharp, quick cutback in investment projects due to the elimination of the ITC," says Chimerine. The stort-term effects on investment also trouble Robert G. Dederick of Northern Trust Corp., but the former Commerce Dept. official notes: "The structural changes may well encourage more productive kinds of investment."

In addition, some economists worry that the Finance bill is too good to be true and that it could result in the same kind of huge revenue loss that the 1981 tax reduction did. For example, the repeal of the investment tax credit raises a lot of money over the next couple of years, but faster depreciation write-offs will be costly in the future. Similarly, the tax shelter provisions are expected to raise considerable revenue at first, but that could dry up as individuals find creative new ways to shelter their income. "This bill is nowhere near revenue-neutral. In later years it's going to be a hemorrhage," predicts Lee J. Seidler, a managing director at Bear, Sterns & Co.

Despite its problems, the Finance plan is a far better starting point for tax revision than most businesses ever expected. From the beginning of the reform debate, proponents have argued the need for a "level playing field." If the Finance bill doesn't exactly smooth the landscape, at least it's demolished most of the hills.—*By Howard Gleckman in Washington, with Joan Berger, Elizabeth Ehrilch, and Norman Jonas in New York, and bureau reports.*

DON'T CRY FOR THE ACCOUNTANTS

"My first reaction was that they're taking away my livelihood," says an Oregon CPA who just left a national accounting firm to set up his own tax practice. "But I don't think the new tax bill will make things all that simple."

Don't cry for the accountants. Or the tax lawyers. Or the publishers such as Commerce Clearing House Inc. and Prentice-Hall Inc. that produce thousands of pages on taxes every year. Although tax brackets would shrink from 14 to 2 for individuals and most deductions would be eliminated, the proposal creates enough complexity for business taxes to keep the army of tax people gainfully employed through the millennium. "The new alternative minimum-tax provision alone will provide an automatic annuity for the CPA profession," says Lee J. Seidler, a Bear, Stearns & Co. partner and former Price Waterhouse accountant.

MASS CONFUSION

There has never been an income-tax change that actually shrank the number of rules and regulations. This one, despite its billing, is no exception. Tax experts say that the Internal Revenue Code will actually grow from 1,700 to about 2,000 pages, and there will be mass confusion as businesses convert to the new system. "I'll bet there are a lot of corporations calling their accountants right now asking how they can get rid of their tax credits," says Arthur W. Bowman, editor of Public Accounting Report. "Business transactions are still complicated as hell," says Albert B. Ellentuck, national tax partner at Laventhol & Horwath.

To make sure those deals are reported properly, the bill boosts the annual IRS

budget from $4 billion to $6.5 billion over the next five years. And the plan drops 6 million low-income people from the tax rolls. So the government will have more resources to put the squeeze on fewer taxpayers, mostly businesses and wealthy individuals. Since 1966, the percentage of returns audited has slipped from 5% to 1.3%. The government hopes to reverse that trend, which will keep CPAs busy representing the increased number of clients doing battle with the IRS.

NO MORE SHOE BOXES?

True, the small, "boutique" CPA firms that specialize in analyzing aggressive tax shelters will have to diversify. "A client who has a seven-figure income will be less apt to shelter when the rate tops out at 27%," says Stuart Becker, a New York accountant with a cadre of clients in the entertainment field. "And that will hurt my business. But we're trying to expand our practice into personal financial planning and deemphasize the tax-oriented investment."

The hardest hit will be storefront income-tax offices and mass-production houses such as H&R Block Inc. that cater to the average wage earner. Block's stock price has fallen from 45 to 40 since the plan was announced. Company officials say that it is a "great misconception" that reducing the number to tax brackets or deductions will radically simplify the preparation of tax returns. But, if nothing else, people who would have otherwise taken their shoe boxes full of receipts to Block may think twice: The fee is no longer tax-deductible.—*By Stuart Weiss in New York, with Vicky Cahan in Washington and Mark Ivey in Denver.*

REAL ESTATE: SO LONG, SYNDICATORS

It's optimistic and incorrigibly self-promoting, but one thing the real estate industry has never been is speechless. Until now. The tax-reform plan of Senate Finance Committee Chairman Bob Packwood (R-Ore.) has most builders, developers, and syndicators shellshocked. Some deals are being hurried, others scotched, and many are suddenly in limbo. "There is a tremendous amount of confusion and uncertainty. It's very chaotic and frightening to a lot of people," says Stephen Roulac, an industry consultant in San Francisco.

As the industry sifts through the peoposed changes, one thing seems clear: If it is passed intact, Packwood's bill will bludgeon an industry that is already bably bruised. How widespread the damage would be is impossible to calculate, but extraordinary overbuilding in the commercial market has made the industry less equipped to adjust to new rules than at any time in decades.

National vacancy rates for office buildings already have reached a debilitating 20.5%. But commerical space of all sorts now under construction—equal to a quarter of the space that already exists—will push them even higher, according to economist Robert A. Gough of Data Resources Inc. This massive overbuilding, predicts Chicago real estate mogul Samuel Zell, will create losses totaling $60 billion to $80 billion—and that's without considering the tax bill's effects. "There's going to be a lot of blood let," says Laventhol & Horwath partner Michael Amenta.

The $12 billion real estate syndication industry will start bleeding first. Because the bill phases out investors' ability to apply paper losses from real estate against their other income, sponsors may try to combine existing loss-generating deals with income-producing partnerships. That way, the losses wouldn't go entirely to waste. Still, as many as 40% of the country's syndicators—primarily small, private sponsors who devise aggressive tax shelters—could be badly hurt, according to Stanley Ross of accountants Kenneth Leventhal & Co.

"The ones who didn't diversify are going to be in real trouble" because they must continue to syndicate to survive, he says. Believing that even large, diversified sponsors will get stung, Wall Street drove syndicator Integrated Resources Inc.'s stock price down nearly 10 points, to 26¾, in a few days.

Public limited partnerships usually rely less on tax benefits, though the elimination of the 20% capital-gains rate and a longer depreciation schedule will trim their yields. Their sponsors would suffer mainly because the bill limits the deductibility of individual retirement accounts, a prime sales outlet lately.

RADICAL SURGERY

By striking a lethal blow at "abusive" tax shelters with outsize write-offs, the bill hits a choice target. But the fallout will include plummeting commerical property prices, reduced development, and an industry driven by drastically altered incentives. For years, a property's yield has consisted of cash flow from rents, price appreciation, and tax benefits. In knocking out the third leg, the bill completely changes the U.S. real estate market. And not all for the worse. "In the long run buildings will be built because they make sense, and I'm glad to see it," says one large developer.

The silver lining is that demand will have a chance to catch up with supply, says Arthur J. Mirante II, president and CEO of Cushman & Wakefield Inc. But first, commerical property values will fall because, without as many syndicators, there will be fewer buyers. Lower yields will discourage others and drive remaining buyers to lower their bids. "Any property that was valued primarily on the basis of tax benefits will have a material drop in value, perhaps as much as 20%," says Leventhal's Ross.

Texas would have to be declared a real-estate disaster area. Demand for distressed properties would dry up, because tax benefits offer the only persuasive argument for owning buildings that lack a solid cash flow. The real estate debacle could quickly explode into a banking problem. "It has the potential to be very severe," says a banking expert.

Meanwhile, the value of so-called institutional-grade properties with strong cash flows will probably hold up fairly well. Their owners, such as insurance companies and tax-exempt pension funds, have the money and patient to wait out bad times.

New construction, however, will slow dramatically. Already, "the flow of capital has come to a screeching halt," says J. McDonald Williams, managing partner of developer Trammell Crow Co. He says hundreds of development deals are floundering since Packwood's bill was born. While that halt is solely needed in the office-building market, it means many developers and construction workers will be idled.

Eventually, dwindling construction will allow landlords to raise rents some-what, but rents would have to soar before construction begins anew. Says Trammell Crow's Williams: "To get the same net after-tax returns, you'd have to have a 35% increase in rents."

That goes for apartment buildings, too, but single-family homeowners can breathe easy. Most observers believe that those property values will go unscathed. Though a 27% tax rate makes mortgage interest and property-tax deductions less valuable to top-bracket taxpayers, such deductions will be among the few that survive. Chief Executive Michael A. Feiner of MDC Holdings Inc., the third-largest homebuilder, believes that lower interest rates and new stock and bond market wealth will fuel strong housing markets for at least six more months, tax bill or no.

The rest of the industry is anything but blasé. Once real estate regains its voice, you can depend on one thing about Packwood's bill: Congress will never hear the end of it.—*By Ellyn E. Spragins in New York.*

WHY THERE'S NO UPROAR OVER IRAS

Only a month ago, banks, thrifts, and financial service companies pitched individual retirement accounts to millions of taxpayers with an unprecedented barrage of full-page ads, junk mail, and phone calls. Banks and thrifts stayed open until midnight, and workers for some mutual fund companies catnapped at their desks to keep the phones working around the clock. By most counts, the campaigns paid off. Taxpayers added about $40 billion in IRA assets this year, raising the nation's IRA pool to more than $250 billion.

But the tax reform plan approved by the Senate Finance Committee would eliminate the tax deduction for IRA contributions for people covered by pension plans—a move that has already brought individual protests to Capital Hill. Ironically, many companies that pursued IRAs as though their survival depended on them are barely protesting the loss of this potentially enormous business. "You have to look at the big picture," says Rupert H. Johnson Jr., senior vice-president of Franklin Resources, a $22 billion mutual fund giant. "Here's a onetime shot at overhauling the tax system, and you have to consider the benefit for the country as a whole."

HARDLY ALTRUISTIC

Johnson's altruism aside, most financial service companies stand to gain handsomely from the new tax-reform proposal, and that's why protests are only perfunctory. The dramatic slashing of tax rates will more than make up for the loss of the broadly based IRA. Brokerage firms and mutual fund companies pay high taxes, and cutting their top rates will boost profits enormously. Under the new bill, Dreyfus Corp. would clear $7.50 a share next year instead of a projected $6.30, and Franklin's 1987 bottom line could improve from $3 to $3.75 a share, according to John Keefe, financial services analyst for Drexel Burnham Lambert Inc. Stock in Dreyfus and Franklin Resources declined since the tax plan was announced, but those companies' shares had been dropping since February.

Since the new bill allows earnings of existing IRAs and new nondeductible contributions to be tax-deferred, the industry will still push IRAs. Vanguard Group, a mutual fund giant, plans to shift its IRA sales strategy from promoting the tax deduction to highlighting the tax-deferral provision.

In addition, the business the financial service companies lose from managing IRAs could be picked up elsewhere—with interest. Lower taxes for individuals will leave them more dollars to save and invest. And since the new tax proposal quashes many tax-sheltered limited partnerships, more of those dollars are sure to end up in stocks, bonds, mutual funds, and life insurance products such as tax-deferred annuities.

Tax-exempt bonds, an enormous business for Wall Street brokerage houses and mutual funds, should be a likely beneficiary of money that otherwise would have gone into IRAs. "You'll see some securities-industry lobbying for IRAs," says Perrin H. Long, securities industry analyst for Lipper Analytical Securities Corp., "but it won't be very hard."

Banks, with 27% of the IRA funds, and thrift institutions, with 22%, could be expected to rally round this valuable source of deposits. Yet industry leaders praise the overall tax package for preserving favorable treatment for loan-loss reserves and lowering tax rates for individuals far more than they bemoan the loss of the IRAs. "Frankly, none of us ever made money on the IRAs because of the intense competition," confides a New York City banker. Since banks and thrifts pay at least the market interest rate on IRAs, they shouldn't have difficulty replacing those deposits.

LEARNING TO LOVE

Some mutual fund operators are fighting the IRA tax changes. Fidelity Investments, for one, has sent letters to all its customers urging them to write to their senators and congressmen. The Investment Company Institute, the funds' trade association, has launched a major public relations campaign urging taxpayers to do the same.

The biggest problem with defending the IRA, admit its supporters, is a lack of strong evidence that IRAs actually increase national savings. In fact, the savings rate dropped from 6.7% to 4.6% since the introduction of universal IRAs in 1982. David A. Wise, a Harvard University economist, argues that half the IRA contributions is money that otherwise would have been spent, but this view is not widely shared.

The ordinary folks who've grown fond of the IRA as an easy way to shelter $2,000 of income may not give up on IRAs as easily as the industry. If constituents howl loudly enough when their legislators return home for the Memorial Day break, they could force Congress into preserving the deduction in some form. But so far there's been no groundswell of taxpayer protest. It may be that the general public has already learned to love the Packwood package.—*By Jeffrey M. Laderman in New York, with bureau reports.*●

JERRY SCHALLER

● Mr. DURENBERGER. Mr. President, with the other members of the Minnesota delegation and many others in our State and Nation, I have recently mourned the passing of a talented and compassionate man, Jerry Schaller. Many of us knew Jerry Schaller through his professional activities, his work on Capitol Hill as an aide to Congressman Karth, Senator Humphrey, and Senator Mondale. We also knew him through his work for the Minnesota-based 3M Corp. and his presidency of Joint Action in Community Service, Inc. [JACS], an innovative organization devoted to assisting graduates of the Job Corps Program to carry out what they have learned.

However, it is important for all of us who knew and respected Jerry, and he was well known and certainly respected in this town, to look at the personal side of Jerry's life, to understand the energy and commitment that fueled his efforts in his professional life. At Jerry's funeral mass in late March a eulogy was delivered by his friend and colleague, George Spellman, one of Jerry's coworkers at JACS, which I would like to share with all of you. It takes us a step closer to realizing what a great friend we had among us. I ask that following my statement the Spellman eulogy be printed in full.

The statement follows:

EULOGY

Reverend Father Byron, reverend fathers, relatives, distinguished guests, and friends of Jerry Schaller.

When thinking about preparing a eulogy for Jerry Schaller, one must begin by thinking clearly about Jerry and his relationships to organizations and to people. By knowing what Jerry did—can lead us to discover who he was. And as we all know, he did so many things for so many people in the short period of his sixty years.

His litany of organizations included political, charitable, business, educational and professional groups. It was not that Jerry was a "joiner," for he spent a great deal of energy deciding which associations were worthwhile of his time and talents, his gifts, and graces, but it was because he believed in organizations and institutions with noble objectives.

Primarily, Jerry was a very good politician. He loved working "the Hill." He knew that wonderful things could be achieved by the political process and spent most of his adulthood in this arena. He was a very proud Democrat and worked zealously on behalf of his party on both the State and national levels. He served Congressman Karth and both Senators Humphrey and Mondale with distinction.

Jerry was a professional Washington representative of the 3M Co. Not only was he a proud member of the corporate team, he was a founding board member of the Bryce Harlowe Foundation which seeks to promote standards of excellence in lobbying activities.

While at 3M, many of us received the ditty box at Christmas, just in time to use the 3M tapes on our Christmas wrappings—a very thoughtful and practical gift. And although Jerry was a part of 3M management, he remembered being raised in the labor movement and always believed that organized labor played a vital part in our economy to promote free enterprise. What other person do you know who read the great social encyclicals—rerun novarum, quadragesimo anno and pacem in terris?

Jerry spent a lot of time doing things he enjoyed. He loved his flowers and garden; he enjoyed playing golf and strolling down the fairways of the Argyle Country Club. He couldn't hit the ball very far but truly enjoyed winning a $2 Nassau with a very fine putter. He was an avid Redskin fan and loved to attend those brisk Sunday afternoon games which reminded him of Minnesota. One of his favorite activities was talking and debating—once when he had his throat operated on a few years ago, his worse punishment was not being able to talk for a week. All of us welcomed the break. Have mercy on us.

The finest part of his character shone clearly forth as the volunteer president of Joint Action in Community Service [JACS]. JACS helps young people after their job corps training. Jerry wanted to be part of this volunteer program and always talked about JACS and the Job Corps. He served admirably for the past twelve years. That was Jerry Schaller—always helping and caring—getting someone a job; giving money; getting money for worthwhile causes; understanding the relationship between philantrophy and voluntarism. He had a consummate sense of justice and knew that charity could only be practiced after justice was served. He was involved in helping the marginal populations; he cared about race relations; he worked quietly in the women's movement and had a very special place in his heart for the poor and the underprivileged. He believed everybody should have a second chance in our society no matter what their social status. He was so recognized by his alma mater St. Thomas in 1982 as the recipient of their humanitarian award.

Finally, Jerry was a good husband and father and grandfather. With those he loved, he had very high expectations of them and of himself. Oh, there were times when he would yell and give commands. Yet he always made time for those he loved and those who needed him. His good humor and quick smile added to that relationship.

So, when thinking about Jerry and his relationships to organizations and people, we come to placing all his activities within the context of his deep abiding faith in his God and in his church. He was truly a Vatican II Christian.

Over the past several years, Jerry would make his Easter retreat to Loyola on the Potomac to spend a few days in prayer and meditation in preparation for Easter. In fact, today is the day his colleagues would leave for Loyola to pray. Jerry believed in the resurrection and now has experienced the promise of Christ. His life has not ended: It has been changed.

You have taught us much, Jerry Schaller, and we thank you. It is my fervent wish that we will continue to live a life of caring which you showed us how to live.—George F. Spellman, executive vice president, JACS.●

IN REMEMBRANCE OF TERRY REILLY

● Mr. DURENBERGER. Mr. President, I would like to bring to my colleagues' attention an individual who I had the good fortune to know, albeit briefly, and his significant contributions to improving rural health care in this country. Terry Reilly, of Nampa, ID, was tragically killed in a plane crash a few weeks ago. He was traveling throughout the State, campaigning for lieutenant governor, when his plane went down.

Terry testified at a rural health hearing I held in Minneapolis early in April. He impressed me there as an intelligent, caring, and dedicated individual.

Running for lieutenant governor of Idaho was only the most recent example of Terry's commitment to public service. He also made many worthwhile contributions to rural Idaho that deserve mention, Mr. President.

Since 1971, Terry had been the administrator of Community Health Clinics, Inc., in Nampa, ID, a nonprofit

health corporation that operates five family practice medical clinics throughout the State and also is involved with a home health agency, a rural consortium of mountain clinics, a drug store, and two sexual abuse treatment centers. I explain this, Mr. President, to illustrate the fact that through Terry's leadership, Community Health Clinics, Inc., furthered its commitment to providing rural health care in communities where no other health care exists, in a State that has only one city with a population over 50,000.

Terry was also a leader in focusing national attention on rural health care. He offered his experience and expertise to the National Rural Health Care Association, as a founding member and past president of that organization.

Mr. President, Terry Reilly will, of course, be missed very much by his family and friends. His death is also a significant loss to those who have been the beneficiaries of his leadership in rural health care, both in Idaho and throughout our country.●

NAUM AND INNA MEIMAN: 10 YEARS OF STRAIN

● Mr. SIMON. Mr. President, Naum and Inna Meiman are personal friends of mine who reside in the Soviet Union. They have asked to leave the Soviet Union to emigrate to Israel, but they have been refused many times.

Naum is a mathematician by profession and performed calculations for his job 25 years ago. Despite the fact that these calculations are outdated, Naum continues to be told that he possesses state secrets, a ridiculous claim. Inna has been told that she cannot leave to obtain medical treatment because she has lived with Naum, the possessor of state secrets for too long. Naum and Inna have been married for 5 years, 20 years after Naum did his calculations.

The Meimans are an elderly, sick couple whose only desires are to emigrate to Israel and to see their daughter, Olga, who lives in the West.

I strongly urge the Soviets to allow the Meimans to emigrate to Israel.●

HIGHWAY BEAUTIFICATION

● Mr. GORTON. Mr. President, last July I introduced S. 1494, a bill which would amend the 1965 Highway Beautification Act to make it at last an effective mechanism for regulating billboards. Twenty-one years after the enactment of the original act, the visual pollution alongside our Nation's highways has grown steadily worse. State and Federal taxpayers have spent $2 million thus far to be rid of this roadside pollution. All we have gained is an increase in the number of billboards to the point where we have 14 billboards for every 10 miles of Federal highway, and over 150,000 of those billboards are illegal or nonconforming.

I am happy to report that the battle to reform our billboard laws is not being fought by an unusual and broad-based coalition including, the Reagan administration, the Sierra Club, the National Wildlife Federation, the National Audubon Society, the American Institute of Architects, the National Taxpayers Union, the National League of Cities, the American Society of Landscape Architects, the Environmental Defense Fund, the Environmental Policy Institute, the Garden Clubs of America, the Izaak Walton League, the National Parks and Conservation Association, the National Trust for Historic Preservation, the Natural Resources Defense Council, Preservation Action, and the Wilderness Society.

In a recent letter, the Secretary of Transportation, Elizabeth Dole, strongly endorsed the reforms contained in S. 1494 and stated that she "wholeheartedly agrees that the current law is unworkable and in great need of change." Secretary Dole's strong support is indicative of the sentiment across the country that now is the time to make these billboard reforms the law.

Mr. President, I am including a copy of the letter from Secretary Dole which I respectfully request be printed in its entirety in the RECORD after my statement.

S. 1494 will change the present law in several ways. First, the bill would replace a moratorium on the construction of new billboards in urban areas, similar to the present ban on constructing billboards in rural areas. The ban would not apply to the types of signs that are presently exempted in the act, such as directional signs, or on-premise advertising. The bill would also eliminate an enormous loophole that permits billboards to be built in rural unzoned commercial or industrial areas, despite the clear intent of the act to ban the construction of new billboards in rural areas.

The billboard industry has enjoyed the unusual position, as polluters of the Nation's highways, of being paid not to pollute. A 1978 amendment sponsored by the billboard industry requires billboard owners to be compensated in cash for the removal of billboards that are nonconforming because of the act. The General Accounting Office found that often billboard owners do not actually remove the billboards for which compensation has been paid. Additionally, the billboards proposed for compensation are ones that have ceased to be valuable to the billboard owner because of changes in the highway system, and likely would have been abandoned anyway.

This subsidy of the industry is particularly egregious in these times of severe budgetary constraints. S. 1494 will remove the requirement to compensate in cash for the removal of nonconforming signs and will authorize the use of amortization as a means of compensation. The General Accounting Office has estimated that the financial liability for the cash compensation provision could total nearly $1 billion. Additionally, removal of this requirement will return to State and local governments the ability to impose stricter regulations on billboards than they are presently able to.

This Nation spends hundreds of millions of dollars every year to protect natural and scenic areas for their wildlife, recreation, scenic, and other natural resource qualities. We clean up polluted water and air and control obtrusive noise. Yet, billboards remain a virtually unchecked blight on the Nation's highways. I am optimistic that—with the backing of this dedicated coalition—we have a good chance of finally winning the battle against billboards.

The letter follows:

THE SECRETARY OF TRANSPORTATION,
Washington, DC, April 11, 1986.

HON. SLADE GORTON,
U.S. Senate, Washington, DC.

DEAR SLADE: Thank you for your letter concerning reforms to the Highway Beautification Act. I agree with you wholeheartedly that the current law is unworkable and in great need of change.

When I testified before the Senate Committee on Environment and Public works on March 6, I emphasized the importance of reforming the highway beautification program. We must end the federal compensation requirement and allow state amortization laws to control. We must reduce the cost of the program to taxpayers. We must tighten limitations on construction of new billboards in rural areas, where billboards intrude upon natural beauty. Equally important, we must end inappropriate interference with state and local zoning laws and billboard removal programs. We must simplify the program's administration.

The Department supports your efforts to gain enactment of these provisions, as well as other provisions consistent with our approach. Your efforts are even more important in light of changes considered by the House last year which would place additional financial burdens on taxpayers and perpetuate the current unworkable program which adds little to scenic beauty.

I look forward to working with you and other members of the Senate who understand the high cost and small benefit of continuing the current highway beautification program to gain inclusion of mutually acceptable provisions in the Senate's highway bill.

The Office of Management and Budget advises that there is no objection to the submission of these views to the Congress.

With best wishes.

Sincerely,

ELIZABETH HANFORD DOLE.●

● Mr. EVANS. Mr. President, the Highway Beautification Act of 1965, launched with great fanfare and hope

to rid the American highway landscape of billboard blight has become instead a Billboard Protection Act. Drilled full of holes by the billboard industry, the act encourages billboards in zoned and unzoned commerical and industrial areas, and now more billboards are going up than coming down. In 1978, the billboard industry got the Congress to require that all States pay cash compensation to billboard owners for the removal of nonconforming billboards even if it was State or local law that made the signs nonconforming.

Before Congress stopped providing appropriations for this purpose in 1982, over $200 million in Federal and State matching funds were handed over to billboard owners, providing them the opportunity to use these cash payments to put up bigger billboards along the same stretch of highway from which the nonconforming signs were removed. This ingenious recapitalization scheme ended when appropriations were cut off, but the cash compensation requirement remains. As a result, removals of nonconforming signs have ground to a virtual halt. Today, according to the Federal Highway Administration, 112,000 nonconforming signs remain standing 20 years after implementation of the act. Because the law applies this cash compensation requirement to signs declared nonconforming under State and local law, as well as Federal law, State and local land-use powers have been undercut. Both the General Accounting Office and the Department of Transportation's Inspector General have documented the act's deficiencies and failures and pointed the way toward reforms.

Legislation I introduced last year along with Senator GORTON, S. 1494, would produce the reforms that the highway beautification program sorely needs. Its provisions include a ban on the erection of new off-premise billboards along Federal-aid highways. It would repeal the law's cash compensation requirements, turning back to States and localities their authority to regulate billboards. It would also prohibit several outrageous abuses permitted under the law, including the erection of billboards in phony, unzoned commerical and industrial areas and the billboard company practice of making signs more visible by chopping down publicly purchased trees, shrubs, and other landscape materials on the public right of way.

Senator GORTON's and my efforts to stop billboard pollution date back to 1961 when we sheparded a major billboard control law through the Washington State Legislature. Other States have passed billboard control laws since then. Unfortunately, the Federal Government has actually impeded State efforts to remove unsightly billboards.

In recent months, the public has awakened to the fact that the failure of the Highway Beautification Act is turning our highway landscapes into visual slums. The public outcry against this pollution is reflected in the increasing attention that newspaper editors have paid to the problem. In newspapers large and small, editors are calling for an end to the game of billboard shuffleboard that the billboard companies have established in the law. I would like to share with my colleagues a number of editorials that have appeared over the last year or so to demonstrate the growing public support for action to halt billboard blight. I ask that these editorials be printed in the RECORD.

The editorials follow:

[From The Washington Post, May 3, 1986]

BILLBOARD INDUSTRY EYES LOCAL OFFICIALS

Campaign contributions and posh junkets for members of Congress—courtesy of the powerful billboard industry—have been the subject of recent columns. At least one sign company has been discussing how to reward its friends and punish enemies at the local level as well.

Our associate Stewart Harris obtained a copy of tactics discussed by Naegele Outdoor Advertising Co., third largest in the country, during a company seminar in Minneapolis four years ago A Naegele spokesman insists that the ideas were presented only for "discussion purposes" and that Naegele doesn't use them.

Among the suggestions were to give the local mayor free billboard space for his favorite charity. "The mayor (being a politician) will recognize the value of being able to get credit for favors to various civic-minded persons," the agenda explained.

Critics accuse the industry of using variations of this tactic, as when a billboard company fighting a court suit in Des Moines erected a sign saying: "A Shriner never stands so tall as when he stoops to help a crippled child."

The judge presiding over the billboard suit was a Shriner in the neighborhood where the sign was posted, according to the Des Moines city attorney.

During the Naegele seminar, company executives discussed ways to oppose anti-billboard campaigns. The agenda included such things as the number of votes required on a city council, the mayor's and city attorney's ability to help—and a cryptic question: "Bribe suggested?"

The last was on the agenda as a "preventive measure" so company officials would know how to turn down a city official proposing a bribe, the spokesman said.

For the record, a two-year FBI investigation in North Carolina led to the 1985 conviction of a Naegele official there on charges that he ordered company employes to falsify their income tax forms to avoid taxes on bonuses they had passed along to local politicians as campaign contributions.

Footnote: Until last fall, a media conglomerate called Ackerley Communications had been a good friend to the American Heart Association. The company for years had given the association free billboard space for its public service announcements.

But then the Heart Association stepped over the line: It voiced its opposition to billboard advertising of cigarettes. The tobacco industry, along with the liquor and airline industries, is one of the major clients of billboard companies like Ackerley.

In a memo dated Nov. 14, 1985, a top Ackerley official instructed the company's billboard, radio and television subsidiaries to cease the donation of air time or billboard space to the Heart Association.

"Their position on cigarette advertising is not compatible with our company," the memo explained. "Please consider this to be the same as the American Cancer [Society]; we will no longer give either organization any support."

Ackerley rescinded the memo so fast that the Heart Association never noticed any interruption in the posting of their public service announcements on airport billboards.

[From the Durham (NC) Herald, May 4, 1986]

THE BILLBOARD SUBSIDY

Strange, isn't it, how government's solutions turn into costly problems? That has been the legacy of Lady Bird Johnson's highway beautification program.

It began as a beautification program to chase billboards off the sides of federally financed highways. But the billboard industry's lobby has finessed Congress into making beautification as subsidy for the sign-makers.

Here is what has happened. The 1965 law was intended to clear the nation's highways of unsightly signs. The billboard industry has wrangled out of Congress loopholes that allow the federal government to pay for sign removal. So far, the government's cost has been $200 million.

Indeed, signs have been removed—the ones the sign companies didn't want because of location, condition or visibility. While the government has subsidized their removal of unwanted signs, they have continued to put up new ones, often clearing out lovely trees to make them visible.

The result has been no fewer signs. In fact, the twists in the beautification act have made government an accomplice to the visual assault.

It's time to get back to the original intent of the Highway Beautification Act. Sen. Slade Gorton, R-Wash., has introduced legislation that would do that. He would end the federal subsidy for sign removal, ban new billboards along federally subsidized highways and prohibit tree-cutting to make signs more visible. His bill also would give state and local governments more leeway to crack down on unsightly signs.

The billboard industry is fighting the Gorton bill, as one might expect, but the bill is gathering support. One endorsement came from Elizabeth Dole, Secretary of Transportation, who says she would like to end the "perpetual subsidy" and signs that "violate our landscape and assult our senses wherever we turn."

We agree.

END THE BILLBOARD SUBSIDY

It's time to discontinue Lady Bird Johnson's highway beautification program, which has been transformed into a device to subsidize the billboard industry.

The intent of the 1965 law was entirely worthwhile. The legislation was aimed at clearing the nation's highways of unsightly signs. But because of loopholes and amendments pushed through Congress by the billboard lobby, the act simply isn't working as planned.

The federal government has spent nearly $200 million to compensate billboard compa-

nies for removing signs. But almost as fast as the billboards come down, new ones sprout up.

Under the current law, the federal government puts up 75 percent of the cost of compensating companies for sign removal, with states and local governments contributing the other 25 percent. What happens in many cases is that billboard owners take down their least profitable signs and erect new ones at other locations. Sometimes, companies take the money to remove signs and simply leave them standing.

In addition, billboard firms frequently cut trees and other foliage on highway rights of way so their signs can better be seen.

The federal law also is tying the hands of states and municipalities that want to get tougher with billboard owners.

Sen. Slade Gorton, R-Wash., has introduced legislation to change the law. He would end the federal subsidy for sign removal, ban new billboards along federally subsidized highways, prohibit tree cutting to make signs more visible, and give state and local governments more leeway to crack down on unsightly signs.

The billboard industry is fighting the Gorton bill, for good reason. Not only have the sign companies succeeded in defanging Lady Bird Johnson's highway beautification legislation, but they also have so far reaped a $200 million windfall from the federal government.

But Gorton's proposal has just received an endorsement from Secretary of Transportation Elizabeth Dole. Maybe between the two of them, they can end what Gorton calls a "perpetual (federal) subsidy to the billboard industry to remove signs that violate our landscape and assault our senses wherever we turn."

THE NEED TO CONTROL BILLBOARDS

[From the Charleston (S.C.) News & Courier, July 22, 1985]

In defense of the indefensible, people often come up with ridiculous arguments. Defending signs and billboards from reasonable regulation on the grounds that a sign ordinance interferes with freedom of speech is an example of sublime ridiculousness.

It is the equivalent of defending the right of a drunk to yell at passers-by on the grounds of freedom of speech.

The proliferation of monster billboards and signs has finally got the goat of Charleston City Council and at their last meeting, on Tuesday night, they got around to doing something about this blight on our otherwise fair city. Council has been talking about action for a long time now, so it was encouraging to see a unanimous vote—with the inexplicable abstention of Councilman Baker. But the new sign ordinance faces considerable opposition and Tuesday's meeting merely gave it initial approval. Although it would outlaw about half the existing signs in the city, we consider the measure conservative.

For far too long, the city's authorities and its inhabitants have been putting up with ugly, oversized signs and billboards. Although they are silent, they are the visual equivalent of obscene remarks. People should be protected from such assaults on their senses. Far from interfering with freedom of speech, the proposed ordinance would protect our human rights from daily violation.

[From the Baltimore (MD) Sun, May 20, 1985]

NEW FIGHT AGAINST BILLBOARDS

(By Neal R. Peirce)

HOUSTON.—Texas-scale antidote is shaping up for a glaring failure of the Great Society era—the Highway Beautification Act, a proven paper tiger against the thousands of billboards blighting America's highways.

Passed at the behest of Lady Bird Johnson, then First Lady, the 1965 law has turned into a textbook case of how a law can be gutted by the industry it's supposed to regulate.

In 1978, the sign barons pushed through Congress an amendment requiring government compensation for any billboard removed under state and local control laws. That hobbled local controls but escalated costs so drastically that appropriations dried up.

The billboard companies pocketed millions of federal dollars paid them to remove offending signs—probably using the money to erect more signs elsewhere. The number of billboards on federally funded highways has soared to over a half-million. Now we have jumbo signs—up to a house-sized, 2,500-square-feet ones.

Are billboards necessary—as the sign lobby claims—to economic prosperity? Hardly: Hawaii, Vermont and Maine, the three states that banned the boards altogether, have done swimmingly without them. For tourists, small uniform signs with commercial logos are a welcome—and reliable substitute.

Billboards may start toppling elsewhere as a broad-based citizen movement to curb the signs grows. Even heavyweight developers who see their own projects imperiled by the signs have joined.

Texas is in the lead, Houston, first in America in billboards per capita, passed a law in 1980 limiting sign height and size as of 1986. The billboard lobby in 1983 persuaded the Texas Legislature to require cash compensation by cities to owners of banned signs. Governor Mark White vetoed the bill; this spring the billboard lobby is pushing it again in Austin.

But now Houston has more allies. Rita Ellison, the scrappy executive director of Billboards Limited, claims support from an array of Texas cities that have also proclaimed billboard moratoria—Dallas, Fort Worth and Austin among them. San Antonio Mayor Henry Cisneros has organized the Texas Municipal League behind the fight.

Atlantans, worried about an onslaught of billboards (doubled to 3,000 in the last five years), have been stymied by the billboard lobby. But Tulsa homeowners showered Mayor Terry Young with protest signatures bearing 7,000 signatures, and Mr. Young pushed through a billboard moratorium that approved most of the controls a study commission recommended. And Orlando, Fla., has a new city report recommending major stiffening of its sign ordinance.

But when cities put in controls, suburbs rarely show enough sophistication to follow suit. The prospect, as cities reduce the boards and regain control of their vistas, is that they'll be billboard-free islands surrounded by rings of visual pollution.

Not a single victory over the signs has come without a bitter, dragged out fight with the billboard lobby. It's hard to think of a tougher—and more often successful—pressure group than the Outdoor Advertising Association of America. Its political power ranges from Congress to the influence it curries through targeted contributions in city council races.

In one local fight after another, the billboard lobby has packed hearing rooms, intimidated opponents, and when defeated, has litigated nonstop to prevent controls from taking effect. Local media often don't take up the cudgel. They also advertise on billboards, or are tied to parent corporations with billboard subsidiaries.

Polls show a solid majority of Americans for billboard controls. But until the recent citizen revolt, with its critical business allies, got started, their voices have usually gone unheeded. Now a Coalition for Scenic Beauty, its Center for Sign Control headquartered in Washington. Is coordinating anti-billboard efforts nationally.

One senses the billboard gang has reached the zenith of its power, while the anti-forces are just gaining steam. They say that commercial sign controls aren't, as claimed, an illegal "taking" or infringement of free speech, but rather legitimate city action, affirmed by the Supreme Court, to protect citizens from "visual assault"—and add that intrusive, often mammoth, signs are the only users of public highway rights-of-way that don't pay user fees. They say the sign lobby, in states from Tennessee to California even has gained power to chop down trees—in California a beautiful eucalyptus stand was destroyed—to make sure motorists see their signs instead of the scenery.

Victories for the citizen billboard-control groups come painfully, slowly. But it's hard to believe Americans won't soon demand a purge of the unsightly billboards.

[From the Atlanta Constitution Dec. 12, 1983]

BILLBOARD INFESTATION GROWING WORSE

I think that I shall never see
A billboard as lovely as a tree.
Indeed, unless the billboards fall,
I'll never see a tree at all.

Or words to that effect by Ogden Nash. Or maybe it was Samuel Hoffenstein. Somebody like that.

So now comes word—and who is surprised by it?-that the infestation of billboards in Atlanta continues apace; indeed, is accelerating. The suppose billboard-control ordinance enacted by the City Council last year was fabricated from loopholes, written as much by the billboard industry as by the Council. It was a billboard-*adding* law, not a billboard-subtracting one.

Just look around (if you can). City Hall, handed out 470 permits last year. This year, it has issued 701, with the greatest increase in the biggest signs. The number of permits rose by 126 from 1981 to '82. It has jumped by 231 so far this year. Some control.

The Urban Design Commission, with broad support from civic, business and neighborhood groups, has called for a six-month moratorium on billboard construction and for stricter regulations. The moratorium may be impractical, but increased restrictions—and sharply increased at that—are impractical only if the Council remains more solicitous of the billboard lobby than of the city's good looks and the interests of its residents and visitors.

Cobb County is considering strong new regulations, before the situation gets out of hand. Fulton and DeKalb counties allow just five billboards per mile of roadway, and then only on U.S. and state highways. Decatur banned them in 1974.

Atlantans are bear-people. We live in the woods. Our trees are one of the city's great-

est charms and most pleasing (and cost-efficient) amenities. We shouldn't deny ourselves, or others who are visiting us, the pleasures of seeing them.

And if the billboards keep kudzooming,
Growing like weeds and higher looming,
There's something else we soon won't see:
From corner to corner along Peachtree.—
Anonymous.

[From the News-Sentinel, Knoxville, TN, Jan. 11, 1985]

BEAUTIFICATION BACKFIRES

Imagine a federal program that paid a company to stop polluting in one place but allowed it to turn around and do the same nearby.

Now stop imagining and meet the highway beautification program. This legacy of Lady Bird Johnson's initiative may be the best thing that ever happened to the billboard industry, which some regard as being in the business of visual pollution.

While companies have been pocketing millions in federal dollars, thank you, to remove offending signs, they simultaneously have erected even more signs elsewhere. The net effect: Many roads stay cluttered and highway beautification often remains a distant dream.

It wasn't supposed to work that way. Part of the problem lies in sheer neglect to enforce the law. But the law itself is flawed, too, full of loopholes that permit the billboard industry to conduct a shell game: Take one sign down here but put up another there.

Two recent reports, by the Transportation Department and the General Accounting Office, spell out the magnitude of the failure. Nearly $200 million has been spent in compensation for the removal of signs, but nearly half a billion more would be required to take down the remaining billboards officially listed as "non-conforming." And even that wouldn't end the problem.

Fortunately, not all is bleak in the world of billboard pollution. Six states have banned billboards altogether. Others have imposed stringent size and placement standards, or, like Florida, restricted them from some highways.

Many local governments have done their part, too.

In fact, given the confused state of the law, it's wise the Reagan administration hasn't asked for money for the program since 1982. If more is to be spent, a moratorium is needed on highway billboard construction. In addition, billboard operators ought to be denied the privilege to cut down foliage on public land. In states such as Louisiana, stretches of trees as long as 2,000 feet have been clearcut so that motorists can see signs.

The same thing is happening in the Knoxville area and many News-Sentinel readers have complained about it.

Perhaps the best recommendation comes from the Transportation Department: Scrap the compensation program and adjust the law so that states can require the removal of signs after owners have amortized their cost.

Considering the disappointing results of nearly $200 million spent so far, why risk more than twice that much in the future?

[From the Courant, Hartford, CT, Feb. 2, 1985]

HIGHWAY UGLIFICATION

The results of a 20-year government campaign to beautify main U.S. highways by removing billboards are discouraging. Two federal reports show not just disappointing progress, but significant regression. The chief culprits seem to be congressional pliancy and executive branch lethargy (or apathy), but the billboard lobby is a factor, too.

Since passage of the Highway Beautification Act of 1965, nearly $200 million has been spent by the federal government to compensate billboard owners who took down their signs. What's to be shown for the effort and expense? The absence of about 600,000 billboards that once cluttered the landscape along interstate and primary U.S. highways.

Unfortunately, something else is also showing the almost 200,000 illegal and nonconforming billboards that are still standing beside those roads. Also painfully evident are the crews that have been putting up new billboards faster than the old ones could be taken down.

The reports suggest that the federal government, even while trying to control billboard proliferation, has also been stimulating it. The U.S. Department of Transporation's inspector general said compensated billboard owners often used the money to erect new signs, sometimes on the highways where their old ones had stood.

Both the DOT report and a report by the General Accounting Office, an arm of Congress, noted that the law was so feeble that it often allowed billboard companies, in order to make their signs easier to see, to destroy trees and shurbs that had been planted for beautification.

Sometimes state money helped pay for cutting down the plantings.

Loopholes weren't the only problem. The executive branch, the reports indicated, hasn't aggressively monitored state enforcement of the beautification act, and they said too little has been allocated for enforcement during the Reagan administration.

About $500 million would be needed to remove the remaining billboards, the GAO report said, but only $15 million is earmarked for that purpose. Nor does the Reagan administration seem interested in enforcing the law: Since 1982, it hasn't sought any money for the beautification program.

Expecting a new enforcement effort would be naive, but a recommendation in the DOT report could help: Instead of continuing to pay billboard owners for removing signs, the report says, state or local governments should be given the power to simply order billboards taken down after giving owners time to amortize their investment.

Although amortization is a fair and effective approach, the billboard lobby probably would vigorously oppose it, since it could cut into profits. But if such a step can regain some of the ground lost in the war against visual pollution along the nation's highways, it's worth taking.

[From the Times-Union, Rochester, NY, Jan. 14, 1985]

BILLBOARDS OUT OF CONTROL

The Highway Beautification Act of 1965, a pet project of Lyndon and Lady Bird Johnson, was supposed to make the nation's highways more scenic and perhaps safer by removing unsightly billboards. Nearly 600,000 have been removed.

However, say recent reports by the General Accounting Office and the Department of Transportation, some 200,000 illegal billboards still stand, and more signs are going up than down.

Billboard owners have been paid $200 million in compensation for removing their signs. But some never took them down, and some used the money to put up new signs just down the road.

How could this happen?

Partly because federal enforcement has been lagging; partly because many local governments and some states would rather collect a permit fee than turn down a billboard application.

There are exceptions. New York is fairly strict about billboards; six states ban them altogether. But in other states, billboard owners who want unobstructed views of their signs receive state funds to chop down the very trees that were planted with federal beautification money!

A 1978 amendment is especially onerous. Until then, the federal law had applied only to rural roadsides; local governments could enforce local billboard ordinances and remove boards without paying compensation. But billboard lobbyists convinced Congress that cities and towns should also be required to pay for removal.

For cities like Seattle and Portland, Ore., that are trying to clean up their looks, the costs will run into the millions.

Enough! Congress ought to make up its mind. If it wants states and cities to wrestle with the problem, it should repeal the compensation requirements that tie the hands of local officials, and let them choose between clutter and scenery that gives pleasure and attracts tourists.

If Congress wants clutter-free highways—which it should—it ought to pass a tough law. No new billboards, period. Tax billboard owners, who use public highways for free access to a captive audience, to remove nonconforming signs. Penalize states that don't cooperate. And mean business.

[From the Evening Sun, Baltimore, MD, Jan. 11, 1985]

HIGHWAY BLIGHTIFICATION

A sad story of recent days was the one about billboards along U.S. highways. For some while, after passage of the 1965 Highway Beautification Act of Lyndon and Lady Bird Johnson, outdoors really did look better. Shrubs were planted, screens obscured the view of junkyards, the outdoor-advertising industry removed some of its billboards.

How things have changed. Separate reports from the General Accounting Office and the federal Transportation Department indicate that three times as many new billboards are going up as old ones disappear; that the very trees planted to make America beautiful again are being busily cut down, so drivers and passengers will have an uninterrupted view of the ads.

Since 1982, GAO notes, no money has been budgeted for highway beautification.

The cynical will say that the program was doomed from its start, when the outdoor-ad boys backed off the requisite 600 yards or so from the interstates and put up their offensive eyesores all over again, only bigger, to compensate for the distance.

The ingenuous will say that before long billboards won't seem so garish; you'll hardly see them for the air pollution.

[From the Oregonian, Portland, OR, Jan. 26, 1985]

SCENIC ROADS LOSING

Lady Bird Johnson's chief legacy, the beautification of America's highways, is being lost, eroded away by fund shortages,

bureaucratic cynicism and, not least, the 1978 Hyde amendment that made it more difficult to remove signs, even those blighting the views. Starch must be injected into the Federal Highway Administration, charged with enforcment, and the Congress must come up with legislation that is not a prisoner of the billboard industry. Also, greater support is needed for local efforts to clean up the blighted highways and streets of America.

In many states, more signs are going up than are coming down. Local jurisdictions, such as Portland and Multnomah County, are under constant pressure from the billboard owners. Communities are losing more battles than they are winning.

Two federal agencies, the General Accounting Office and the Transportation Department, have issued reports this month indicating that the Highway Beautification Act of 1965 that Mrs. Johnson sponsored, has failed to accomplish its goals of making highways more scenic and safer by removing advertising billboards.

Aesthetic values are being destroyed not only by the signs but by a policy that permits clearing of trees and vegetation along federal highways so nonconforming signs can be seen. non-conforming signs were legal when the law was passed. To get rid of them, the government must buy them, and it has paid for 600,000, while some 200,000 remain. Illegal signs, which can be removed anytime, are also proliferating, and enforcement agencies are ignoring them.

In 1984, Congress and the administration lost their enthusiasm for the program, and no money was appropriated for removal of non-conforming signs. About $427 million is needed to get rid of the remaining non-conforming signs. But money may not be the most important part of the problem. Signs are not always taken down even when they have been purchased.

A group called the Coalition for Scenic Beauty is lobbying for new legislation, it has stated, because the current laws are failing to meet original objectives to remove highway blight and prevent it from spreading.

A combination of legal loopholes, ineffective enforcement and congressional apathy is a greater contributor to the failure of the program than a lack of financing. In some areas, tough local zoning laws were getting the signs down, but passage of the act preempted these laws, so some communities have lost ground under the program.

In addition to pressuring Congress, the public needs to get behind local groups that have been waging the uphill battle. The Oregon Roadside Council has been in the arena since 1932. It fights billboards, monitors enforcement and has pinpointed what it considers about 100 illegal billboards in the Portland area.

[Eugene (OR) Register Guard, Jan. 23, 1985]

SCENIC POLLUTION PERSISTS

Some Oregon cities—Portland, for sure—still have a long way to go in controlling billboards and other forms of visual blight. But, as a state, Oregon has established reasonable controls over roadside advertising in the 20 years that have passed since Lady Bird Johnson pressured Congress into enacting the Highway Beautification Act.

Moreover, Eugene, Springfield and a number of other cities have adopted sign ordinances that contribute to their sightliness while still allowing merchants and other advertisers opportunities to attract the public eye. These cities have simply outlawed garish, contantly escalating sign competitions.

Around the nation, however, highway beautification is in retreat, and new billboard jungles are sprouting in cities and suburbs with a rapidity that would amaze even Jack of the Beanstalk.

While states that fail to police signs along major highways stand to lose allocations of federal highway construction funds, the U.S. inspector general reports that the Transportation Department is "not aggressively pursuing the removal of illegal signs."

Since 1965, the federal government has provided almost $200 million to compensate owners of 600,000 signs ordered removed from highway locations. But that investment is now being rendered next to worthless in parts of the country. The Transportation Department admits that new billboards are going up faster now than old ones are coming down. A General Accounting Office study is even more alarming. That study shows that during 1983 new signs were erected along America's roads and highways three times faster than old ones were torn down or relocated to more suitable sites.

Transportation officials say they haven't funds to deal with the problem. The inspector general and the GAO say that loopholes in the Highway Beautification Act need attention.

Congress should waste no time checking the facts and taking appropriate action. Federal budget problems may not allow aggressive attacks on illegally sited billboards, but the Transportation Department's priorities should be reviewed.

Beyond that, federal law could be changed to provide stiff penalties for owners who fail to meet firm deadlines for removing signs that haven't a legal leg to stand on. Such action would not only cut the costs of enforcing highway beautification. It also would stir interest in restoring and maintaining scenic values in communities were authorities are tolerating excessive signing because the public doesn't seem to care.

[From the San Antonio (TX) Express News, Jan. 14, 1985]

BILLBOARD LAW NEEDS REVISION

Imagine a federal program that paid a company to stop polluting in one place but allowed it to turn around and do the same nearby.

Now stop imagining and meet the highway beautification program. This legacy of Lady Bird Johnson's initiative may be the best thing that ever happened to the billboard industry, which some regard as being in the business of visual pollution.

While companies have been pocketing millions in federal dollars to remove offending signs, they simultaneously have erected even more signs elsewhere.

It wasn't supposed to work that way. Part of the problem lies in sheer neglect to enforce the law. But the law itself is flawed, too. It is full of loopholes that permit the billboard industry to conduct a shell game: Take one sign down here put up another there.

Two recent reports, by the Transportation Department and the General Accounting Office, spell out the magnitude of the failure. Nearly $200 million has been spent in compensation for the removal of signs, but nearly $500 million more would be required to take down the remaining billboards.

Fortunately, not all is bleak in the world of billboard pollution. Six states have banned billboards. Others have imposed stringent size and placement standards. Many local governments have done their part, too.

Given the confused state of the law, it's wise the Reagan administration hasn't asked for money for the program since 1982. If more is to be spent, a moratorium is needed on highway billboard construction.

Perhaps the best recommendation comes from the Transportation Department: Scrap the compensation program and adjust the law so that states can require the removal of signs after owners have amortized their cost.

[From the Lapeer (MI) Press, Sept. 18, 1985]

KEEPING HIGHWAY FREE OF BILLBOARDS

The new I-69 freeway from Lapeer to Port Huron is a beautiful highway of pleasing curves, rolling hills and trim farmland. But already it is being defaced by billboards.

Attica Township is small and rural, but it's fighting this billboard blight. When a sign went up last month, township officials traced its ownership to Gannett Outdoor Advertising and started proceedings. Gannett had failed to get a township building permit.

Gannett is a nationwide advertising firm, a subsidiary of the nation's largest newspaper chain which recently bought the Detroit News. Their failure to get a permit was not the mistake of a small businessman unfamiliar with the law.

It's fair to suspect that Gannett figured that if they moved fast and got the sign up, it would probably stay there. That's how a lot of signs get placed.

We applaud Attica Township for its fast action, as well as Imlay Township where officials are also trying to prevent the blight. Let's save a beautiful highway.

[From the Milwaukee (WI) Journal, Jan. 19, 1985]

LET'S GIVE SCENERY A CHANCE

I think that I shall never see
A billboard lovely as a tree.
Indeed, unless the billboards fall.
I'll never see a tree at all.

—Ogden Nash.

Since Ogden Nash penned his lament more than 50 years ago, the billboard forest has become a jungle in some parts of the country. The advertising sign remains ubiquitous despite the Highway Beautification Act of 1965, which was designed to help the scenery compete with the hype along the nation's roadsides.

Twenty years after passage of the law championed by Lady Bird Johnson, nearly 120,000 "non-conforming" signs still clutter the highways, according to a report from the General Accounting Office. "Non-conforming" is a euphemism for billboards that were legal at the time the law was passed but are no more, because of size, spacing and other restrictions. In order to get rid of those signs, state governments (with 75% federal help) must compensate the owners.

Taxpayers have spent nearly $200 million to vanish about 600,000 such signs, but new billboards have sprouted faster than the old ones have fallen. In some cases, billboard owners simply used the money they received for getting rid of one sign to put up another along the same highway.

In 1972, when Wisconsin began to implement the federal beautification law, our state had about 14,000 non-conforming billboards (more than in many other states).

Only about 2,700 of those have been removed.

What went wrong? For one thing, the federal money for billboard control has dried-up, and an unduly restrictive state law prohibits Wisconsin from buying out old billboards without federal assistance. Thus, the sign control campaign here, as in most states, is at a virtual standstill.

In the present fiscal climate, Congress obviously is not about to appropriate the estimated $427 million it would cost to get rid of offending signs. The lawmakers could at least restore local governments' powers to stem billboard blight through zoning—a right that was effectively denied by a 1978 amendment.

Of course, there are more pressing environmental causes than billboard control. But "visual pollution," in the form of billboards, is one environmental abuse that could be rather easily controlled. Congress should not begrudge local governments the right to deal with the problem.

Tourists, after all, are attracted by scenic vistas, not intrusive billboards.●

ROWNY'S ARMS CONTROL COMMENTS: RIGHT ON TARGET

● Mr. QUAYLE. Mr. President, it is not often that something genuinely new is said or written about arms control. Just such a speech, however, was given April 17 by the Secretary of State's Special Advisor on Arms Control Matters, Ambassador Edward L. Rowny.

In his address, "Strategic Offense-Defense Mixes: The Impact on Arms Control," Ambassador Rowny made several important points that deserve the Senate's close attention. The first is that the West has too often assumed that offensive weapons and tactics can overwhelm defensive technologies. The consequences of this mistaken assumption have been untold suffering and misery.

The second is that technologies of precision guidance and discrmination are now available to make defenses against the most offensive weapons—ballistic missiles—possible and to make the substitution of the most destructive weapons—large-yield nuclear warheads—feasible.

Ambassador Rowny rightly notes that these developments make significant reductions in strategic nuclear weapons systems reasonable. He is quick to note, however, that they will require us to be more innovative in our formulation of arms proposals for conventional arms and space security.

In this regard, I was particularly pleased to see Ambassador Rowny endorse Albert Wohlstetter's space self-defense zones, which could enhance the survivability of our critical satellites.

Mr. President, Ambassador Rowny's speech of April 17, represents truly fresh thinking on arms control. In hopes that wider distribution of his speech will encourage a sounder understanding of these issues in the Senate, I ask that the full text of the speech be printed in RECORD.

The text follows:

STRATEGIC OFFENSE-DEFENSE MIXES: THE IMPACT ON ARMS CONTROL

(Address by Ambassador Edward L. Rowny)

The history of offense-defense mixes in the strategy of warfare has been determined for the most part by technological advances. Moreover, the advent of new technology has tended to determine the strategy at any given time, rather than vice versa. This inevitably occurred at the expense of upsetting an existing mindset, a point often reflected in the notion that we always prepare to fight the last war. In this century, technology has fundamentally overturned prevailing notions about offensive-defensive mixes four times.

The first time occurred in 1914 when the belief in the offense epitomized by the Schlieffen plan died in the trenches in Belgium and Northern France. The promise of a quick and decisive victory with light casualties anticipated by the German general staff ultimately gave way to the more ghastly spectres of flanders, the Somme and Verdun. The gridlock which characterized so much of the war of 1914-1918 was finally broken by new technology in the form of the tank. However, by that time, the heavy casualties had taken their enormous toll.

The second time a fundamental change occurred was in World War II. Horrified by the carnage which had caused virtually a whole generation to be lost in Britian and France during World War I, strategists like Guderian, Hart and Fuller looked for better ways to have a quick and decisive offensive without heavy casualties. The defensive Maginot line was out-flanked by offensie Blitzkrieg forces, using the newly developed mobility and firepower of mechanical vehicles and airplanes. But subsequently, the strategy turned toward attacks against "panacea" targets. It was believed that these vital nerve centers, if destroyed, would cause an entire system to fail castastrophically. Oil refineries, rail heads and ball bearing factories were typical examples of what Hart termed the indirect approach. It was tested first in Spain, then during World War II in Europe, and finally in the campaign against the industrial heartland of Japan. Yet, decisive victory with small losses based on this strategy proved once again to be elusive. Large casualties, mostly as a result of ground-force fighting occurred. The prospect of additional casualties were hanging over us if we were forced to invade Japan.

The third time prevailing beliefs about offense versus defense were overturned by technology occurred in 1945 with the advent of atomic weapons. The atomic bombing of Hiroshima and Nagasaki finally brought about the swift results strategists had been searching for. However, once the U.S. monopoly on the "absolute weapon" was broken, it quickly became apparent that the bomb had limited utility. Indeed, nuclear weapons were kept only to deter. The late Herman Kahn termed this: "The irony of the deterrent kept that it may never be used." Nuclear weapons were simply too destructive to use lest they invite retaliation in kind. Many different theories of deterrence have evolved in the post-World War II era. But central to the most widely-accepted ones is the notion that only nuclear weapons can hold an enemy's counterforce targets at risk.

The fourth technological revolution, which is now taking place, consists of three parts. The first part is the noisy—some would say excessively noisy—revolution being brought about by SDI. The second, and more quiet part, is the one taking place in outer space. The third and equally quiet part of the technological revolution is taking place in conventional weapons.

SDI, if the research being presently undertaken proves feasible and cost-effective, will change our nuclear strategy from a purely offensive one to one of an offensive-defensive mix. Technology has now advanced to such a level that the utility of offensive forces, both nuclear and conventional, will be limited. I term this "pure defense," for as we envision it, it cannot be used offensively. SDI's aim, epitomized by the President's SDI Research Program, is ultimately to use non-nuclear technologies to counter attacking ballistic nuclear missiles at every stage of their flight path. SDI, in my opinion, will work and will prove cost-effective. The momentum of the program is being given impetus by the majority of scientists and industrialists, not only in the United States but in the United Kingdom, Germany, Japan, Italy and Israel. It is an idea whose time has come. It is, for the first time in modern history, an attempt to have strategy drive the use of technology.

However, this first success in modern times to change a mindset will not be easy. Aside from those who are comfortable with the current offensive nuclear strategy and are not convinced that an offensive-defense mix will be more stable, there remain two formidable problems. The first is managing the transition to a new strategy with our NATO allies so that decoupling does not take place. The other is managing the transition through the arms control process. I will have more to say on this last point later.

A relatively quiet technological change is taking place with high-tech in the field of outer space. Satellites have become an integral part of our terrestrial military operations. Moreover, our economic well-being has become increasingly dependent upon satellites. However, we have failed to realize that we must take steps to protect these assets. This could be done by "hardening" the satellites, by giving them "elusive" capabilities or by stationing redundant ones in space. Alternatively, we could plan on quickly replacing our lost satellites, or count on defeating attacks on our satellites with anti-satellites of our own. Satellites might also be protected in part through arms control agreements. But more on this later.

The final technological change now taking place is in the field of improvement of conventional weapons. In the first instance, better target acquisition, smart bombs, precision terrain-guided munitions, shaped charges, fuel-air explosives, kinetic energy and stealth, etc., will improve the effectiveness of current conventional forces. The improvement in tactical weapons will bring about changes in the offense-defense mix which are as yet highly unpredictable. The new SDI technologies related to pure defense, supplementing the technologies which apply to the sensible atmosphere (for purposes here defined as those under 300,000 feet), may lead to tactical missile defense in Europe. Along with other defensive changes the new technology may bring about, there will be transition in the strategy of defending Europe, quite aside from the transition which will be brought about through SDI.

Secondly, the advent of these new technologies further promises that current nu-

clear weapons can be replaced by strategic non-nuclear weapons. Non-nuclear weapons are less escalatory than nuclear weapons because they avoid the spread of radiation and collateral damage. Accordingly, strategic offensive forces may, in the future, include non-nuclear "strategic" weapons. Finally, the same technology which applies to non-nuclear strategic weapons can be applied to defense suppression.

Defense suppression is an area where conventional non-SDI-related high technology has much to offer. However, it is also the area that is driving the development of non-nuclear offensive strategic weapons. And herein lies the key. The same high technology can contribute to either pure offense or defense suppression. Indeed, it is possible to have conventional weapons which approximate "zero CEP" nuclear weapons, thus becoming counterforce-capable. This may well have been why Gorbachev expressed such anxiety in his January 15 statement about the development of conventional weapons of mass destruction. Let me reiterate that this includes smart bombs, PGMS, cruise missiles, Stealth and the like. Much different technology is involved in pure defense against a ballistic attack. Indeed, SDI is being deliberately structured so that it will examine technologies which have absolutely no offensive potential.

Defense suppression becomes of central importance in the offense-defense relationship because its effectiveness determines whether offensive forces become first-strike or second-strike capable. Moreover, we can envision how this will take place. Defenses can be overcome by speed, by saturation or by Stealth. These involve different high technologies, but all ones that we now know to be feasible and all ones that operate under 300,000 feet. In a world of both offenses and defenses, suppression of defenses below 300,000 feet would be necessary to assure the success of a second strike.

What are the implications of these technological changes for arms control? Agreements reducing strategic nuclear forces can be reached if only the political will is manifested. Agreements aimed at the protection of our satellites such as Wohlstetter's "self defense zones" would facilitate defense of space assets. However, there is little prospect that any agreement envisioned could, in the ultimate analysis, guarantee their protection. If research proves SDI feasible, there will be a need to jointly manage, through negotiations, the transition from the current offensive strategy to one based on an offense-defense mix. If agreements lead to the drastic reduction of offensive nuclear weapons, it will put greater demand on the need to negotiate conventional arms control agreements, lest the world be made "safe for conventional warfare." At the same time, agreements in conventional forces will become more complex. In this connection, the lack of success in MBFR, after a decade of negotiations, does little to inspire confidence that the arms control process can assist in the solution of this problem. But beyond this, the technological revolution in conventional arms will also require arms control negotiations to handle strategic non-nuclear forces and defense suppression forces. Otherwise, we will have done nothing to prevent what some analysts term a "strategic free market," at least for offenses and defenses under 300,000 feet.

Let me sum up the impact of the above on arms control. The problem of reducing strategic nuclear offensive forces, although up until now largely unsuccessful, is relatively manageable. While the protection of our space assets might be assisted by arms control, agreements may never be able to fully guarantee their protection. This field of arms control needs to be developed. The nature of managing the transition from an offensive nuclear to an SDI environment is currently being formulated. Finally, the nature of the arms control problem of jointly managing and controlling newly emerging high-tech conventional forces will be very complex and difficult. Thinking on how to deal with this problem has yet to begin.

In the final analysis, one is naturally tempted to step back and ask if a world—not much unlike that of today—without defenses, wouldn't be more stable. Indeed, wouldn't it be nice to return to the "idyllic" days of the 1950s and 1960s? The answer is "perhaps," but only if we believe we could disinvent knowledge. However, technology itself suspends belief. This, however, need not work against arms control. On the contrary the technological "marketplace" will demand dialogue to efficiently allocate offensive-defense resources over the long haul. Thus, for the first time, we have the prospect of making technology our servant in the evolution of offense and defense, not our master.●

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1730

The PRESIDING OFFICER. The Chair in his capacity as the Senator from Kentucky asks unanimous consent that the order for the quorum call be rescinded.

Without objection, it is so ordered.

APPOINTMENTS IN BEHALF OF THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. MCCONNELL).

The Chair on behalf of the Vice President, in accordance with 22 U.S.C. 276h-276k, as amended, appoints the following Senators members of the Senate delegation to the Mexico-United States Interparliamentary Group Meeting during the 2d session of the 99th Congress to be held in Colorado Springs, CO, May 29 to June 2, 1986:

The Senator from Wyoming [Mr. SIMPSON] and the Senator from California [Mr. WILSON].

The Chair suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1740

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXPLOSIVE MONETARY AND FISCAL POLICIES SURE TO BRING ON INFLATION

Mr. PROXMIRE. Mr. President, in the judgment of this Senator the Federal Reserve Board has been following a highly inflationary monetary policy since 1982. Now, but wait a moment. How can that be? Inflation has moderated spectacularly since 1982, and in recent months producer prices have fallen and even consumer prices have started to actually come down in March and they are still falling. So how can any sane person look at the results and claim the Federal Reserve Board has followed inflationary policies? It is ridiculous.

What do I mean by inflationary policies followed by the Federal Reserve Board? I mean that the Fed has for the first time since we started keeping statistics in the present form increased the money supply far faster than the increase in the nominal gross national product. Now, why is that inflationary? It is inflationary because as the GNP increases in actual dollar terms, it requires a somewhat lower rate of increase in the supply of currency and checking accounts to finance that GNP dollar growth.

Now, since 1960, the money supply growth actually exceeded the dollar growth in the GNP in only 1 year, 1967. Even in that year the growth in money supply only slightly exceeded the rate of dollar GNP growth up until 1982. Now consider the 1982 through 1985 period. What a change. From 1982 through 1985, the money supply increase exceeded dollar GNP growth in 3 out of those years and in very, very large proportions.

So is this increase in the supply of money, an increase which is wholly within the control of the Federal Reserve Board, an inflationary policy? Well, it certainly is. There is, indeed, one crucial difference between the makeup of the money supply since late 1982 and the makeup of the money supply before that.

In December 1982, so-called NOW accounts or negotiated order of withdrawal checking accounts became legal nationally. What are NOW accounts? They are checking accounts that bear interest. Now, before the advent of NOW accounts, interest-bearing accounts were not counted as part of M1 or the prime measure of the money supply. Since 1982, NOW accounts have been. So what happens if we go back to the old system and omit all interest-bearing accounts from M1? What happens is that the relationship between the money supply and the gross national product goes right back to normal.

If we do that, the growth in dollar GNP continues to exceed the growth in the money supply. So if we exclude NOW accounts, it looks as if the Fed

has not been pursuing an inflationary monetary policy after all. If that is the way it looks, take another look. Ask yourself, when the Congress authorized NOW accounts and super NOW accounts so that all of us could earn interest on our checking accounts, did we simply convert our interest-bearing savings accounts into checking accounts that paid interest or did we convert our checking accounts into interest-bearing, check-writing NOW accounts? Which did most Americans do? No one knows; no one has made a study of it. But does it not make obvious good sense to reason that the checking account customer, particularly if that checking customer is at least a half-awake businessman, converted his checking account into an interest-bearing NOW account? Of course it does. And here is why. Most Americans have good sense especially when it comes to money. So most Americans with a checking account have likely put that idle checking account to work where it could both earn good hard cash and still serve as a handy deposit for paying bills. Except for those checking accounts that had been kept at a bare minimum and therefore did not add up to much of a sum, it seems logical that over the 3- to 4-year period since 1982 most of the fat checking accounts sitting around would have gone happily to work earning interest as well as providing a checking service.

On the other hand, why should a saver who has his money tucked away in a noncheck-writing savings account rush to move those savings over to a NOW or interest-paying checking account? Oh, sure, it might provide for a little more convenience, but surely the incentive to move noninterest-bearing checking account money into interest-bearing NOW accounts should greatly exceed the incentive to write checks on the savings account.

Now, having gone through all this, what does it all mean? It means that the present measure of the money supply including NOW accounts as checking accounts as part of M1 is right. And that means that the measure of the money supply reported by the Federal Reserve as M1 does accurately show the Fed has been pursuing an inflationary monetary policy for the past 4 years.

Now, that brings us right back to the initial contradiction. If this policy is so inflationary, why is it that it coincides precisely with the period of falling inflation culminating most recently in at least a short period of actual deflation, prices actually going down?

The answer is that for the past 4 years there has been a growing glut of commodities including food, oil, and virtually all other raw commodities. This has coincided with an excess of labor, with an unprecedented explosion of entrants into the labor market in our country. This enormous increase in the supply of goods and the principal material for services, that is, labor, will run its course. Indeed, the falling oil prices may be ending already. Meanwhile, the unique, soaring rise of the money supply will eventually in a year or two begin a corresponding period of skyrocketing inflation. That reaction has always, always, in the experience of all countries, accompanies the kind of grossly irresponsible inflationary fiscal and monetary policy that this country has pursued for the past 4 years. It will just take a little patience to see it happen again.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BOSCHWITZ). Without objection, it is so ordered.

SENATE CONCURRENT RESOLUTION 140 HELD AT THE DESK

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader, I ask unanimous consent that Senate Concurrent Resolution 140, designating June 6 as William C. Lee day, be held at the desk until close of business, Tuesday, May 20, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

VIOLENCE IN SOUTH AFRICA

Mr. SIMON. Mr. President, I am just passing along a suggestion after talking to two or three of my colleagues. I think there is a feeling that with the violence that is taking place in South Africa and neighboring countries that somehow this body ought to be responding with something more than just words saying, "Naughty, naughty, this is not nice;" that we ought to be saying in concrete words to South Africa, "Your policy of institutional discrimination has to change." Not from a pious "we have all the answers and we have solved all our problems," as we know we have not solved all our problems.

The reality is we ought to be doing something a little more firmly and we are not doing it. I pass that along to the majority whip. Perhaps he can discuss it with the majority leader and with the chairman of the Senate Foreign Relations Committee. I will do the same with Senator PELL and Senator BYRD. It just seems to me we ought to be sending a message more briskly than we are now sending.

Mr. SIMPSON. Mr. President, knowing the Senator from Illinois, as I do, I sense his deep sensitivity and his degree of social consciousness. All of us are offended and appalled by that situation. Indeed, his remarks, I believe, will perhaps galvanize us into some kind of method to work with the chairman of the Foreign Relations Committee, Senator LUGAR, who has provided fine guidance in the past with issues from South Africa, along with Senator BYRD, who has worked hard in that area. I am sure they will direct that to the attention of the majority leader for action.

Mr. SIMON. I thank the Senator for that. I do not mean my remarks to be critical of the Foreign Relations Committee or anyone else, but I think what we see now as escalating violence will continue to escalate unless we can somehow get a peaceful resolution over there. I thank my colleague.

Mr. SIMPSON. I thank my friend from Illionis very much.

ORDERS FOR TUESDAY

RECESS UNTIL 10 A.M.

Mr. SIMPSON. Mr. President, I ask unanimous consent that once the Senate completes its business today, it stand in recess until the hour of 10 a.m., on Tuesday, May 20, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. SIMPSON. Mr. President, following recognition of the two leaders under the standing order, I ask unanimous consent that the following Senators be recognized for not to exceed 5 minutes each for special orders: Senator HAWKINS, Senator GORTON, Senator CHAFEE, and Senator PROXMIRE.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. SIMPSON. Mr. President, following the special orders just identified, I ask unanimous consent that there be a period for the transaction of routine morning business for not to exceed beyond the hour of 10:30 a.m. with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Mr. President, at the conclusion of routine morning business, it is the intention of the majority leader to begin consideration of the supplemental appropriations bill.

ORDER FOR RECESS BETWEEN 12 NOON AND 2 P.M.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate stand in recess between the hours of 12 noon and 2 p.m. in order for the weekly party caucuses to meet on Tuesday, May 20, 1986.

Mr. BYRD. Mr. President, reserving the right to object, and I will not object, the distinguished acting Republican leader did not intend, I am

sure, to have as a part of the unanimous-consent request the expression of intention as to the consideration of the supplemental appropriations bill.

Mr. SIMPSON. Mr. President, that is known as part of the evening "rattling," and it was not my intention to do that. That was for information only. The Democratic leader is quite correct.

Mr. BYRD. I thank the distinguished Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. SIMPSON. Mr. President, rollcall votes can be expected throughout the day, and the Senate could be asked to remain in session into the evening in order to make substantial progress on the supplemental appropriations, bill.

At 2 p.m. it is the hope of the majority leader to lay aside the supplemental appropriation to resume S. 2180, and a vote is expected in relation to the Gorton amendment at approximately 2:30 p.m.

□ 1820

Mr. President, I believe that is the schedule, basically, for tomorrow.

I will ask the Democratic leader if he has further business.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Wyoming [Mr. SIMPSON] the acting Republican leader. I have nothing further.

RECESS UNTIL TOMORROW AT 10 A.M.

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader, there being no further business, I move, in accordance with the previous order, that the Senate stand in recess until 10 a.m., Tuesday, May 20, 1986.

The motion was agreed to and the Senate, at 6:18 p.m., recessed until Tuesday, May 20, 1986, at 10 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate May 16, 1986, under authority of the order of the Senate of January 3, 1985:

DEPARTMENT OF STATE

Cynthia Shepard Perry, of Texas, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Sierra Leone.

NATIONAL FOUNDATION OF THE ARTS AND THE HUMANITIES

David Lowenthal, of Massachusetts, to be a member of the National Council on the Humanities for a term expiring January 26, 1992, vice Marcus Cohn, term expired.

U.S. POSTAL SERVICE

Crocker Nevin, of New York, to be a Governor of the U.S. Postal Service for the remainder of the term expiring December 8, 1992, vice Frieda Waldman.

IN THE MARINE CORPS

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370:

To be lieutenant general

Lt. Gen. David M. Twomey, xxx-xx-xxxx U.S. Marine Corps.

Executive nominations received by the Senate May 19, 1986:

DEPARTMENT OF AGRICULTURE

George S. Dunlop, of North Carolina, to be an Assistant Secretary of Agriculture, vice Peter C. Myers.

DEPARTMENT OF JUSTICE

John W. Roberts, of Arizona, to be U.S. Marshal for the district of Arizona for the term of 4 years, reappointment.

EXTENSIONS OF REMARKS

ADDRESS BY SECRETARY GENERAL OF U.N. AT UNIVERSITY OF MICHIGAN COMMENCEMENT

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. PURSELL. Mr. Speaker, millions of college and high school students are completing an important part of their lives this spring. They are celebrating their commencements. For them, it is the beginning of a new chapter in their lives, and a new chapter for our Nation, as well. For these fine young men and women embody the future of our Nation, and hence, the world. For today, our increasingly complex world is bringing home the point that we all are interdependent on one another, and must be, for our survival.

That was the point made a couple of weeks ago in my congressional district by the Secretary General of the United Nations, Mr. Javier Perez de Cuellar, who currently is completing his 5-year term as the head of the United Nations. The University of Michigan, the city of Ann Arbor, and my entire district were honored to have Secretary General Perez de Cuellar speak at the spring commencement exercises at the university, where the Secretary General was awarded an honorary doctorate. His address is worth the attention not only of those University of Michigan students who were graduating and their parents, friends, university faculty and staff, but of all Americans.

The Secretary General pointed out that the ever-increasing population of the world and advances in technology demand greater coordination between nations. Just as no man is an island, now—and especially in the future—no country will be able to be a world unto itself. Therefore, international cooperation is critical.

The Secretary General made the point that American statesmen were among those who took the lead in creation of the United Nations. Since that time, the United Nations has been striving for international cooperation and advocacy of the rights of all people. Although the United Nations has its detractors and at times has not functioned as many would like, there have been instances where, because of a common goal shared by nations often at odds with one another, such as the Soviet Union and the United States, countries have worked together.

Secretary General Perez de Cuellar warned of the perilous nature of treating international cooperation as an option. As the Secretary General put it, "to deny the possibility of greater cooperation among nations would be a poor start for a safe road ahead."

Those students who are graduating this year, as Secretary General Perez de Cuellar stated, are "the custodians of hope," those who must carry forward human aspirations for the preservation of peace.

I commend the U.N. Secretary General's address to my colleagues and all Americans.

STATEMENT OF SECRETARY-GENERAL PEREZ DE CUELLAR AT THE SPRING COMMENCEMENT EXERCISES AT THE UNIVERSITY OF MICHIGAN, MAY 3, 1986

SETTING A SAFE COURSE FOR THE 21ST CENTURY

President Shapiro, Members of the Faculty, Graduates, Ladies and Gentlemen: Thank you for your kind remarks. I greatly value the doctorate conferred on me. I regard it as a recognition of the services to the cause of peace rendered by all those who have worked in the United Nations over the last four decades.

Looking at this large assembly of young people, I am reminded of the determination expressed in the UN Charter "to save succeeding generations from the scourge of war". 40 years have passed since the United Nations began its work, and you are the first of the succeeding generations the founders hoped to save. You have escaped the horrors of a world war and it is peace which has brought to you the privileges and opportunities that you enjoy. To an audience as young as yours, I would be inclined to speak not of the grim problems of our world but of its golden promise.

However, millions in other parts of the world are not as happily provided as you are. They include people in your age-group who are trapped in absolute poverty and whose misery has been compounded over the last four decades by scores of local wars and festering conflicts. We must speak of them today because their world is part of your present and your future. Their suffering is not only a rebuke to human conscience; it can be a breeding ground of strife and violence and of dangers which will not remain confined.

We live today, as we have for several decades now, in a state of fragile peace among the great powers, shadowed by regional conflicts, and haunted by the possibility of nuclear disaster. In addition, the last few years have seen an infective growth of international terrorism and frequent use of violence. You may well inherit the responsibility for finding solutions to these problems. Let me, therefore, highlight some of the issues that must be of urgent concern.

Ours is an age of unparalleled and increasing complexity. We are caught in demographic, technological, economic and political change that has already altered to a dramatic degree the equations of power at the national and international levels and has ramifications in every area of human activity. International relations will certainly feel the impact of the vast changes now underway.

Early in the new century, for example, world population will be double what it was at the beginning of this decade, and its global distribution will be significantly different. Technological developments, while never entirely predictable, will certainly affect existing global patterns of agriculture, industry, and services. This will have an impact on the content and direction of trade, and necessitate major adjustments within countries and internationally. So will the need to manage scarce resources and protect the global environment.

The point to note about all this is that no single state, however powerful, can unilaterally control any of these processes. We face a period when internationally co-ordinated action will be critically important to both the welfare and the security of nations. Paradoxically, however, a trend has grown recently in the opposite direction. There seems to be an increasing reliance by governments on unilateral action. Where could such a trend lead us? For answers, we must look to the lessons of modern history. The most relevant example is the demise of the League of Nations and the eruption of the Second World War.

The creation of the League of Nations at the conclusion of the First World War, in which some ten million people had died, was an acknowledgement by the great powers of the day that international conflict had become intolerable because of a vastly enlarged dimension of destructiveness. However, the recognition was not strong enough to influence governments to place the common interests of the community of nations above national ambitions and national concerns. They tended increasingly to rely on unilateral action, rather than common action in the League, which the United States, of course, never joined. In economic relations, especially, they adopted short-sighted trade policies which contributed to the Great Depression. Admidst the mass unemployment and despair of the depression years, policies of moderation were frequently overwhelmed. Aggressive fascist regimes rose to power, riding the waves of vehement nationalism and discontent in their countries. The Leagues's inability to restrain them caused it a fatal loss of credibility. The Second World War followed soon.

Could timely multilateral actions and preventive diplomacy have kept the peace? The people who created the United Nations—and I must remind you, American statesmen were among the prime movers—who have said "Yes". It was that belief which led them to endow the post-war system of international organization with a wide-ranging and activist mandate. Over the last four decades, the United Nations has responded to that mandate more effectively than is often recognized. I will mention here the cardinal points:

The process of decolonization led to the establishment, for the first time in history, of an international system representative of virtually all the peoples of the world.

Although far too many wars have occurred in the last 40 years, the Organization has had success in defusing a number of major crises which could have led to greater wars otherwise. It has developed techniques of conflict control, by which in several areas, hostile forces are kept apart, providing room for negotiations. In situations such as those relating to Afghanistan, Cyprus and the Iran-Iraq conflict, the UN Secretary-General has often provided the only

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

means for the adversaries to remain in contact.

The United Nations has codified and formulated more international law than was done in all previous history

It has made the matter of human rights, again for the first time in history, a legitimate international concern. For example, it has kept the racist policy of apartheid in South Africa, which denies the majority of the population their very basic rights, constantly before the world's attention. In so doing, it reflects the human conscience evidenced so widely by young people across this country. Focus has also been maintained on the rights of such hitherto disadvantaged groups as women, children, the aging and the handicapped.

The living standards of vast numbers of people around the world have been improved by the work of UN agencies. UNICEF has saved the lives of literally millions of children and the UN High Commissioner for Refugees has provided protection and relief to homeless millions.

And, finally, it is through the United Nations that the world has inventoried its people and resources, analyzed trends, planned and initiated action to deal with matters ranging from environmental protection and shelter for the homeless to the use of outer space and global population planning.

Four decades after the creation of the Organization, the demands of international co-operation seem to have outpaced the willingness of governments to make adequate use of the potential of multilateral endeavour. They are reluctant to move towards new concepts and structures of co-operation. Though millions of people around the world have been politically awakened to the terrible peril inherent in war, national and international politics continue to be predicated to a degree on the use of force in one guise or another.

Changes in the international economy have overtaken many of the global systems that worked so well in the post-war period. Serious symptoms of disorder have persisted now for years. The tremendous burden of debt on many countries, the volatility of currency values, high unemployment and low growth rates, all point to the need for change. However, governments have made little progress towards negotiating a more responsive system of economic relations.

In almost every area of international affairs, whether it be the control of terrorism or the illicit flow of drugs, the need for much greater co-operation between nations has become very clear. Recent actions by the General Assembly and the Security Council in both these areas are a recognition of this need. The United Nations can certainly serve as the instrument for this co-operation, especially if the most influential governments participate fully in the process.

However, precisely when nations should focus on the limitless possibilities in diverse spheres of human existence which are latent in multilateral co-operation, the machinery needed to realize this potential is often by-passed, rebuffed or disdained. There are disturbing signs of a disregard by states of their obligations under the United Nations Charter. This weakens the whole multilateral approach to dealing with global problems. Further, it ignores the basic lesson driven home so brutally by two world wars: that international co-operation is a functional response to the complex inter-dependence of the modern world. To treat it as an optional matter is a deadly mistake.

Yet the first truly universal organization, formed by human vision and reflecting human aspirations, to preserve peace exists. It is a functioning instrumentality. No Member State has ever withdrawn permanently from it. If there is grave warning to be taken from some of its 40 year history, there is great promise to be seen in its achievements. For the achievements of the United Nations are the proof that even while ideological differences and economic disparities exist, nations *can* work together when a common goal is recognized. The proposal to eradicate smallpox through international co-operation was Soviet: the resources that made its accomplishment possible were heavily American.

In charting a wise course toward the next millenium the first task is to identify the many goals which most countries, including the most powerful, have in common. No country can be harmed by the eradication of hunger. All countries will gain from advancing global development. All countries, I am certain, will gain from a reduction in armaments, especially nuclear arms. All countries require peace. These are goals that transcend purely national interests while in no sense contravening them. They must be given priority in international relations as was not done in the years before the Second World War. We have the competence, the technological skill to ensure a world safe from nuclear annihilation and environmental disaster, provided governments perceive the necessity of working together, of sharing their resources and their experience.

It is an idealistic vision, no doubt, but to deny the possibility of greater co-operation among nations would be a poor start for a safe road ahead. You, as a new generation, have the enormous advantage of an unprecedented range of knowledge, including the whole history of human error. You have what the previous generation created—a Charter of the United Nations in which the principles which can guide us to a safer and better world are already defined. You can bring the renewed will and enthusiasm necessary to assure that these principles are honoured.

My friends, 1986 is the International Year of Peace. In designating it so, the UN General Assembly did not expect that all conflict would be ended. What it did hope for was that people everywhere would focus on the requirements for peace and the causes of current conflicts.

In this endeavour, you, the young, educated people of today, have an important role: You can look with fresh unprejudiced eyes for solutions to the great problems of our time. Governments can build the structures of peace only with your commitment and support. You are the custodians of the hope that the objectives for which the United Nations was founded will be achieved.

THE MIDGETMAN MISSILE

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. BEREUTER. Mr. Speaker, I rise to observe that once again the mischief makers are at work on the Midgetman missile. It should not be necessary, but I will do so anyway, to remind those who now seek to meddle, that Midgetman was recommended by the Scowcroft Commission, enthusiastically supported by the Congress, despite its high price tag, and accepted by the administration.

The theory which underpins Midgetman is that by dispersing a sufficiently large number of them, perhaps 500, over a large geographical area, it would not be possible for the Soviet Union to eliminate all of them except by expending an unaffordable number of their own warheads in the process. Doing so would leave the U.S.S.R. entirely vulnerable to retaliation from this country. Since this clearly would be an unacceptable alternative, the Soviets would be far less likely to launch a first strike.

The key to Midgetman's survivability is to keep it small. That's why the Scowcroft Commission recommended a single warhead, and why the missile's weight was envisioned to be in the 30,000 pound range. It's weight must be kept down so that its launch vehicle can be kept small and maneuverable.

Recently, Pentagon critics have begun to charge that Midgetman is not cost effective. They propose to add two more warheads, and in the process to more than double its weight. In addition to making the Midgetman heavier and less mobile, and thus less survivable, these changes also would require redesign of the missile, thus delaying deployment for 2 years.

Although we must be attentive to every possibility for cost savings in these difficult times, I am concerned that there may be an ulterior motive in this case. If we send Midgetman back to the drawing board, eventually to reemerge in a heavier, MIRV'd form, how long will it be before someone has the bright idea that since we are going with a MIRV'd missile, wouldn't 10 warheads be better than 3? In other words, why not the MX? Well that particular battle has been fought, and this particular Member believes it is not in the interest of this country to either build more MX missiles; nor is it in the best interest of this country to delay or abandon an effort to deploy a nontargetable system like the Midgetman. The MX is vulnerable to a first strike in a way that Midgetman is not, and to rely on it as the sole land-based missile for the Nation's defense is to flirt with catastrophe.

As the attached New York Times editorial, which I commend to my colleagues, points out, the Pentagon argument, that three warheads rather than one would halve the cost, sounds good. But if that does sound persuasive, try, as the Times urges, "to think of the last time the Pentagon criticized any weapon on grounds of cost".

[From the New York Times, Apr. 21, 1986]

THE SALVATION OF LAND-BASED MISSILES

How many warheads can dance on the head of a Midgetman missile?

One, said the Scowcroft Commission, a Presidential panel that urged a single-warhead missile in 1983 to escape the decade-long debate over the multi-warheaded MX: In singularity lies stability.

Three, says the Pentagon: A trinity of warheads per missile would be far more cost effective.

None, says the Administration, which last October tried to trade away Midgetman to the Russians with a proposal to ban all

mobile missiles: Mobility is no virtue because it makes missiles harder to target and to count.

Behind this sectarian hairsplitting lie deep doctrinal divisions. How can land-based missiles be assured of survival as Soviet missiles become more accurate? In particular, should Star Wars be their salvation?

President Reagan says he intends his Strategic Defense Initiative to defend cities, not missile silos. The Pentagon, paying lip service to this vision, knows that while defense of cities is probably not possible, silo defense is. It sees the practical part of Star Wars as a silo defense system that will protect the land-based missile force from even the most accurate Soviet missiles.

But Midgetman would do the same more cheaply and without abrogating the 1972 treaty with the Soviet Union that bans antimissile defense systems. Instead of sitting in an easily targeted silo, Midgetman would be trucked around military reservations in a carrier made quite resistant to nuclear blasts. A Soviet attack would have to barrage the whole reservation. This would consume an unaffordable number of warheads, however accurate they become. Midgetman, as is noted by Senator Gore, one of its original advocates, is an earnest rival to the Pentagon edition of Star Wars:

The Pentagon has two plans for deep-sixing Midgetman. One is straightforward: Have the Administration sell it to the Russians at Geneva by agreeing to ban mobile missiles. The more elaborate scheme is to entrammel it in the same paralyzing debate that snared the 10-warhead MX. Pentagon spokesmen have begun to criticize the cost per warhead of deploying Midgetman. They contend it could be halved by putting three warheads on each missile instead of one.

If that sounds persuasive, try to think of the last time the Pentagon criticized any weapon on grounds of cost.

Putting three warheads on Midgetman would require redesign and postponing deployment by two years, a delay that might well crucify Midgetman and prompt full resurrection of the MX. A three-warhead Midgetman would be much heavier than the single-headed version, hence less mobile and less survivable. According to a study by Representative Les Aspin, its cost per surviving warhead would actually be greater.

In retrospect, MIRVing—the technique of putting multiple warheads on missiles—was a titanic error. The United States invented it, to assure penetration of the antimissile defenses around Moscow. The Russians foolishly followed, building MIRVed missiles that threaten American missiles yet are themselves vulnerable—the quintessence of a tempting target. The United States compounded the error with the MX.

Midgetman is the egress from error. With a single warhead, it does not tempt or reward a first strike. Russian targeteers would need form 3 to 17 warheads to kill each Midgetman; thus protected, it need not be used pre-emptively, and so lacks the menace of its MIRVed cousins.

The path to a stabler world lies in the un-MIRVed missiles, agreements to limit their numbers, and no missile defenses. Those who prefer nuclear dominance to stability like no part of that trinity. It is they who foster worship of the MIRVed Migetman.

POPE JOHN PAUL II MAKES HISTORIC VISIT TO ROME SYNAGOGUE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. SOLARZ. Mr. Speaker, on April 13 His Holiness Pope John Paul II made a historic journey to the Central Synagogue of Rome. This visit, marking the first time in almost 2,000 years that a Pope had visited a Jewish synagogue, has elevated relations between Catholics and Jews to a new plain. The holy father has also paved the way for closer cooperation between two of the world's major religious groups by his symbolic visit and participation in a prayer service in the Central Synagogue of Rome.

The Pope, who has traveled further than any of his predecessors in celebration of the brotherhood of man and in pursuit of peace, accepted an invitation from Rabbi Elio Toaff to visit the Central Synagogue of Rome. He used this journey to the oldest Jewish community in Italy to give a ringing denunciation of anti-Semitism at any time and by anyone.

Highlighting the common ties between Judaism and Catholicism, particularly the shared commitment to the Ten Commandments and the Scripture, the Pontiff called Jews "our dearly beloved brothers, and in a certain way, it could be said that you are our elder brothers." The Pontiff asked his audience for a "rediscovered brotherhood" between Christians and Jews that would end centuries of estrangement and recognize the unique identity of each religion.

I believe that the holy father's visit and reading of the Psalms with Rabbi Toaff at the Central Synagogue accomplished more to improve relations between Catholics and Jews than hundreds of sermons, official pronouncements or learned conferences. Despite other efforts, including that of the most beloved Pope John XXIII in the Vatican council's decree, "Nostra Aetate," the canker of anti-Semitism continued in many places.

The holy father clearly and irrefutably marked out his church's strong rejection of anti-Semitism and its abhorrence to the centuries of persecution and hatred inflicted on the Jewish community. Recalling the horrors of the Holocaust and the murder of 6 million Jews because of their beliefs and ancestry, the Pope paid tribute to those brave Christians who opened their hearts and their doors to help Jews fleeing the Nazis.

The address given by Pope John Paul II at the Central Synagogue is a milestone in the effort to bridge the differences between two major religious traditions. But it is also a major call for a rediscovered brotherhood that would lead to greater collaborative efforts by Christians and Jews to ease the suffering of all of God's children and to bring a just and lasting peace to our world.

Mr. Speaker, because of the historical significance of Pope John Paul's message, I include it to be reprinted in its entirety in today's CONGRESSIONAL RECORD.

[From the New York Times, Apr. 14, 1986]

YOU ARE OUR ELDER BROTHERS

Dear Chief Rabbi of the Jewish community in Rome; dear president of the Union of Italian Jewish Communities; dear president of the community in Rome; dear rabbis, dear Jewish and Christian friends and brethren taking part in this historic celebration:

First of all, I would like, together with you, to give thanks and praise to the Lord who stretched out the heavens and laid the foundations of the earth and who chose Abraham in order to make him father of a multitude of children, as numerous "as the stars of heaven and as the sand which is on the seashore," to give thanks and praise to Him because it has been His good pleasure, in the mystery of His providence, that this evening there should be a meeting in this your "major temple" between the Jewish community that has been living in this city since the times of the ancient Romans and the Bishop of Rome and universal pastor of the Catholic Church.

I likewise feel it is my duty to thank the Chief Rabbi, Prof. Elio Toaff, who from the first moment accepted with joy the idea that I should make this visit, and who is now receiving me with great openness of heart and a profound sense of hospitality, and in addition to him I also thank all those members of the Jewish community in Rome who have made this meeting possible and who in so many ways have worked to insure that it should be at one and the same time a reality and symbol.

REFLECTING ON SIGNIFICANCE

Many thanks therefore to you all.

Toda rabba [Herbrew for "Many thanks"].

In the light of the word of God that has just been proclaimed and that lives forever, I would like us to reflect together, in the presence of the Holy One—may he be blessed!—on the fact and the significance of this meeting between the Bishop of Rome, the Pope, and the Jewish community that lives and works in this city, which is so dear to you and to me.

I had been thinking of the visit for a long time. In fact, the Chief Rabbi was kind enough to come and see me in February 1981 when I paid a pastoral visit to the nearby parish of San Carlo at Catenari. In addition, a number of your have been more than once to the Vatican on the occasion of the numerous audiences that I have been able to have with representatives of Italian and would Jewry, and still earlier, in the time of my predecessors Paul VI, John XXIII and Pius XII.

I am likewise well aware that the Chief Rabbi, on the night before the death of Pope John, did not hesitate to go to St. Peter's Square, and, accompanied by members of the Jewish faithful, he mingled with the crowd of Catholics and other Christians in order to pray and keep vigil, as it were, bearing witness in a silent but very effective way, to the greatness of the soul of that Pontiff, who was open to all people without distinction and in particular to the Jewish brethen.

HERITAGE OF POPE JOHN

The heritage that I would now like to take up is precisely that of Pope John, who on one occasion as he passed by here—as the Chief Rabbi has just mentioned—stopped the car so that he could bless the crowd of Jews who were coming out of this very temple. And I would like to take up his her-

itage at this very moment when I find myself not just outside but, thanks to your generous hospitality, inside, the synagogue of Rome.

This gathering in a way brings to a close, after the pontificate of John XXIII and the Second Vatican Council, a long period which we must not tire of reflecting upon in order to draw from it the appropriate lessons. Certainly, we cannot and should not forget that the historical circumstances of the past were very different from those that have laboriously matured over the centuries. The general acceptance of a legitimate plurality on the social, civil and religious levels has been arrived at with great difficulty.

Nevertheless, a consideration of centuries-long cultural conditioning could not prevent us from recognizing that the acts of discrimination, unjustified limitation of religious freedom, oppression, also on the level of civil freedom, in regard to the Jews were, from an objective point of view, gravely deplorable manifestations. Yes, once again, through myself, the church, in the words of the well-known declaration "Nostra Aetate," "deplores the hatred, persecutions, and displays of anti-Semitism directed against the Jews at any time and by anyone." I repeat, "By anyone,"

ABHORRENCE OF GENOCIDE

I would like once more to express a word of abhorrence for the genocide decreed against the Jewish people during the last war, which led to the holocaust of millions of innocent victims.

When I visited on June 7, 1979 the concentration camp at Auschwitz and prayed for the many victims from various nations, I paused in particular before the memorial stone with the inscription in Hebrew and thus manifested the sentiments of my heart: "This inscription stirs the memory of the people whose sons and daughters were destined to total extermination. This people has its origin in Abraham, who is our father in faith, as Paul of Tarsus expressed it. Precisely this people, which received from God the commandment, "Thou shalt not kill," has experienced in itself to a particular degree what killing means. Before this inscription it is not permissible for anyone to pass by with indifference,"

The Jewish community of Rome, too, paid a high price in blood.

CHURCH OFFERED REFUGE

And it was surely a signifciant gesture that in those dark years of racial persecution the doors of our religious houses of our churches, of the Roman Seminary, of buildings belonging to the Holy See and of Vatican City itself were thrown open to offer refuge and safety to so many Jews of Rome being hunted by their persecutors.

Today's visit is meant to make a decisive contribution to the consolidation of the good relations between our two communities, in imitation of the example of so many men and women who have worked and who are still working today, on both sides, to overcome old prejudices and to secure even wider and fuller recognition of that "bond" and that "common spiritual patrimony" that exists between Jews and Christians.

This is the hope expressed in the fourth paragraph of the council's declaration "Nostra Aetate," which I have just mentioned, on the relationship of the church to non-Christian religions. The decisive turning-point in relations between the Catholic Church and Judaism, and with individual Jews, was occasioned by this brief but incisive paragraph.

We are all aware that, among the riches of this paragraph No. 4 of "Nostra Aetate," three points are especially relevant. I would like to underline them here before you in this truly unique circumstance.

The first is that the church of Christ discovers her "bond" with Judaism by "searching into her own mystery." The Jewish religion is not "extrinsic" to us, but in a certain way is "intrinsic" to our own religion. With Judaism, therefore, we have a relationship which we do not have with any other religion. You are our dearly beloved brothers, and in a certain way, it could be said that you are our elder brothers."

The second point noted by the Council is that no ancestral or collective blame can be imputed to the Jews as a people for "what happened in Christ's passion." Not indiscriminately to the Jews of that time nor to those who came afterward nor to those of today. So any alleged theological justification for discriminatory measures or, worse still, for acts of persecution is unfounded. The Lord will judge each one "according to his own works," Jews and Christians alike.

The third point that I would like to emphasize in the Council's declaration is a consequence of the second. Notwithstanding the church's awareness of her own identity, it is not lawful to say that the Jews are "repudiated or cursed," as if this were taught or could be deduced from the sacred Scriptures of the Old or the New Testament. Indeed, the Council had already said in this same text of "Nostra Aetate," but also in the dogmatic Constitution Lumen Gentium referring to St. Paul in the Letter to the Romans, that the Jews are beloved of God, who has called them with an irrevocable calling.

On these convictions rest our present relations. On the occasion of this visit to your synagogue, I wish to reaffirm them and to proclaim them in their perennial value.

For this is the meaning which is to be attributed to my visit to you, the Jews of Rome.

It is not, of course, because the differences between us have now been overcome that I have come among you. We know well that this is not so.

First of all, each of our religions, in the full awareness of the many bonds which unite them to each other, and in the first place that "bond" which the council spoke of, wishes to be recognized and respected in its own identity, beyond any syncretism and any ambiguous appropriation.

PATH IS AT ITS BEGINNING

Furthermore, it is necessary to say that the path undertaken is still at the beginning and, therefore, a considerable amount of time will still be needed, notwithstanding the great efforts already made on both sides, to remove all forms of prejudice, even subtle ones, to readjust every manner of self-expression and, therefore, to present always and everywhere, to ourselves and to others, the true face of the Jews and Judaism as likewise of Christians and of Christianity and this at every level of outlook, teaching and communication.

In this regard, I would like to remind my brothers and sisters of the Catholic Church, also those living in Rome, of the fact that the guidelines for implementing the Council in this precise field are already available to everyone in the two documents published respectively in 1974 and 1985 by the Holy See's Commission for Religious Relations with Judaism. It is only a question of studying them carefully, of immersing oneself in their teachings and of putting them into practice.

Perhaps there still remain between us difficulties of the practical order waiting to be overcome on the level of fraternal relations. These are the result of centuries of mutual misunderstanding and also of different positions and attitudes, not easily settled, in complex and important matters.

JESUS A SON OF YOUR PEOPLE

No one is unaware that the fundamental difference from the very beginning has been the attachment of us Catholics to the person and teaching of Jesus of Nazareth, a son of your people, from which were also born the Virgin Mary, the Apostles who were the "foundations and pillars of the church" and the greater part of the first Christian community. But this attachment is located in the order of faith, that is to say, in the free assent of the mind and heart guided by the spirit, and it can never be the object of exterior pressure in one sense or the other. This is the reason why we wish to deepen dialogue in loyalty and friendship, in respect for one another's intimate convictions, taking as a fundamental basis the elements of the revelation which we have in common as a "great spirtual patrimony."

It must be said, then, that the ways opened for our collaboration in the light of our common heritage, drawn from the law and the prophets, are various and important. We wish to recall first of all a collaboration in favor of man, his life from conception until natural death, his dignity, his freedom, his rights, his self-development in a society which is not hostile but friendly and favorable, where justice reigns and where, in this nation, on the various continents and throughout the world, it is peace that rules, the shalom hoped for by there lawmakers, prophets and wise men of Israel.

More in general, there is the problem of morality, the great field of individual and social ethics. We are all aware of how acute the crisis is on this point in the age in which we are living. In a society which is often lost in agnosticism and individualism and which is suffering the bitter consequences of selfishness and violence, Jews and Christians are the trustees and witnesses of an ethic marked by the Ten Commandments, in the observance of which man finds his truth and freedom. To promote a common reflection and collaboration on this point is one of the great duties of the hour.

And finally, I wish to address a thought to this city in which there live side by side the Catholic community with its Bishop and the Jewish community with its authorities and its Chief Rabbi.

Let this not be a mere "co-existence," a kind of juxtaposition, interspersed with limited and occasional meetings, but let it be animated by fraternal love.

The problems of Rome are many. You know this well. Each one of us, in the light of that blessed heritage to which I alluded earlier, is conscious of an obligation to work together, at least to some degree, for their solution. Let us seek, as far as possible, to do so together. From this visit of mine and from the harmony and serenity which we have attained may there flow forth a fresh and health-giving spring like the river that Ezekiel saw gushing from the eastern gate of the Temple of Jerusalem, which will help to heal the wounds from which Rome is suffering.

In doing this, I venture to say, we shall each be faithful to our most sacred commitments and also to that which most pro-

foundly unites and gathers us together: faith in the one God who "loves strangers" and "renders justice to the orphan and the wise," commanding us too to love and help them. Christians have learned this desire of the Lord from the Torah, which you here venerate, and from Jesus, who took to its extrem consequences the love demanded by the Torah.

REDISCOVERED BROTHERHOOD

All that remains for me now, as at the beginning of my address, is to turn my eyes and my mind to the Lord, to thank him and praise him for this joyful meeting and for the good things which are already flowing from it, for the rediscovered brotherhood and for the new and more profound understanding between us here in Rome and between the church and Judaism everywhere, in every country, for the benefit of all.

Therefore I would like to say with the Psalmist, in his original language which is also your own inheritance:

Hodu la Adonai Ki tob
Ki le olam hasdo
Yomar-na Yisrael
Ki le olam hasdo
Yomeru-na yire Adonai
Ki le olam hasdo.

O give thanks to the Lord for He is good,
His steadfast love endures forever!
Let Israel say,
"His steadfast love endures forever."
Let those who fear the Lord say,
"His steadfast love endures forever."
Amen.

TERRORISM ARTICLE BY REPRESENTATIVE GEORGE "BUDDY" DARDEN

HON. WYCHE FOWLER JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. FOWLER. Mr. Speaker, transnational terrorism is one of the most serious threats faced by our country and all civilized nations today. Our struggle against terrorism will not be an easy or short one. But, it is one that we must make if we want to prevent international anarchy and protect the lives of U.S. citizens.

Our distinguished colleague, Congressman GEORGE "BUDDY" DARDEN of Georgia, has authored a fine discussion of this important issue. In his column, Congressman DARDEN discusses recent events involving Libya and reviews some features of an effective counter-terrorism policy.

I am therefore submitting his column for your review and I hope that all Members will take the time to read it:

[From the Dade County (FL) Sentinel, Apr. 23, 1986]

U.S. WON'T TOLERATE LIBYAN LAWLESSNESS

(By "Buddy" Darden)

Almost two centuries ago, international commerce was threatened by outlaws . . . the Barbary Pirates . . . based at Tripoli, on the north African coast.

They raged across the Mediterranean, demanding "tribute" . . . extortion payments . . . from American and European ships in return for the "privilege" of operating freely and safely.

European governments tolerated the piracy, but the United States drew the line. In 1804, U.S. Navy forces under Stephen Decatur staged a pre-emptive strike; the outlaws of Tripoli were tamed and free commerce was restored.

Last week's American airstrike against terrorist strongholds in Tripoli, now capital of Libya, came against a similar backdrop of international lawlessness . . . this time the handiwork of Muammar Qadhafi.

As in 1804, the United States took decisive action while Europeans, for the most part, showed no interest in halting the reign of terror.

President Reagan ordered the raid on the basis of clear and decisive evidence that Qadhafi masterminded the bombing a week earlier of a Berlin disco, in which an American serviceman was killed.

That tragedy was only the latest in the Libyan madman's long strike of brutal, unprovoked attacks against Americans and Europeans.

As a member of the House Armed Services Committee, I was especially impressed by the skill with which our Navy and Air Force pilots carried out the nighttime raid.

Of course, the loss of one Air Force F-111 bomber points up the danger of any military undertaking, and we extend our sumpathy to the families of its crew . . . Capt. Fernando L. Ribas-Dominicci and Capt. Paul F. Lorence.

That plane's loss apparently was not related to the attack itself, and might have been prevented had the F-111's not been flying a circuitous 5,600-mile round trip to Tripoli from American bases in Great Britain.

Their journey around the western tip of Europe . . . including several dangerous mid-air-refuelings . . . was made necessary when France and Spain refused to let the bombers cross their territory en route to Libya (Britain, to its credit, approved the departure from its soil).

France's lack of support, particularly, was a slap in the face to the United States, which twice in this century has saved France from destruction.

The French repeatedly neglected their cooperative defense commitments as a member of the North Atlantic Treaty Organization (NATO); their cool reception to the Tripoli raid was the latest example of their arrogance and lack of regard for the United States.

If the French remain unwilling to help combat worldwide terrorism, we should refuse to take up their causes around the world . . . including their opposition to the South Pacific Nuclear-Free Zone Treaty, which is proposed by Australia, New Zealand and others in the region and would bar further French nuclear weapons testing in the South Pacific.

The people in Europe are as vulnerable as Americans to terrorist attack; they must join us in the fight against Qadhafi and his fanatical followers or lose our support in other endeavors.

The Tripoli raid will not end the terror campaign controlled by Libya and its friends, such as Syria and Iran. More likely, it will be only the beginning of a long struggle against the terrorists and their sponsors.

We must be vigilant against increasingly frequent terrorist onslaughts both here in the United States and abroad. Extraordinary security measures may have to be adopted . . . such as Congressman Wyche Fowler's suggestion that airline tickets carry an implied consent to full-scale baggage and personal searches.

And, we must be prepared to launch more strikes like the one last week to knock out terrorists command posts, training centers and supply depots . . . whether other nations support us or not.

The Tripoli raid should signal terrorist leaders that the United States has reached the breaking point with their ruthless tactics . . . that our long period of tolerance has ended and that political gain will not be achieved with guns and bombs.

ELLIOT ABRAMS SPEAKS FOR THE NICARAGUAN RESISTANCE

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. COURTER. Mr. Speaker, "while we are talking, the Soviets, Cubans, and Sandinistas are acting." So concludes Assistant Secretary of State for Inter-American Affairs Elliot Abrams in a powerful rebuttal to a number of arguments against helping the democratic resistance in Nicaragua. Amidst all the articles we see on the Central America debate, few go as far as Mr. Abrams in carefully extending arguments and directly answering opponents. His reasoning and conclusions alike commend themselves to the attentions of all Members, and for that reason I am including the essay in today's RECORD.

[From the Miami Herald, May 4, 1986]

THESE ARE TOUGH TIMES FOR FOES OF CONTRA AID

(By Elliott Abrams, assistnt secretary of state for inter-American affairs)

Aid to Nicaragua's democratic resistance may be stalled in Congress, but these are tough times nonetheless for opponents of administration policy. Far from gratitute or support from Managua, their reward is a series of Sandinista actions that demonstrate that instead of being benevolent social reformers, the Sandinistas are indeed a threat to Central America and to Western interests generally.

Once it was claimed that the administration misread the character of Nicaragua's government. Today, after years of consorship and repression, it is no longer possible to argue credibly that the Sandinistas are even latent democrats. The true Sandinista intentions have been revealed with each act of repression of their own people and each new act of terrorism and aggression against their neighbors. The latest wave of over 10,000 Miskito refugees fleeing Sandinista attacks attests to the regime's viciousness.

One result is that Congress is no longer debating what the Sandinistas are; it is debating what the United States should do to prevent them from consolidating a Communist system in Nicaragua. There is general agreement that diplomatic pressure should be used, but there is deep disagreement over whether the Sandinistas will respond to diplomatic initiatives in the absence of the military pressure the resistance can provide. Again, the Sandinistas have answered the question for us.

In 1984, after Congress ended U.S. military aid to resistance forces, the Sandinistas did not negotiate—they kept their leading political opponents out of elections and brought in Soviet helicopter gunships in an attempt to shut off any further armed resistance. This spring, after the House of Representatives again voted down aid to the

contras, Nicaragua struck into Honduras, then rejected all attempts to develop a comprehensive settlement at the Contadora talks in Panama. Those in attendance at the negotiations had no doubt that the Sandinistas, not the United States, were responsible for the Contadora passe.

All of this may leave opponents of aid to the resistance dispirited, but it apparently hasn't left them discouraged. Having exhausted all defenses of the Sandinistas, they have shifted the focus of their attack.

First comes the accusation that the contras are not broadly representative of the Nicaraguan nation. This charge is already several years out of date. With each passing month of Sandinista repression and economic malpractice, the resistance gains more recruits—it is now over 20,000 strong, with a rank and file that reflects the broad spectrum of Nicaraguan society. Today's resistance has more fighters than did the Sandinistas when Somoza fled in 1979. That they haven't yet won is a reflection of the Soviet and Cuban arming and training of a Sandinista army at least six times larger than anything Somaza ever had.

A second charge is that the contra forces are made up of Somocista guardsmen. In fact, the former national guardsmen participating in the resistance are far outnumbered, both in the leadership and in the ranks, by fighters with no past connection to the National Guard. Indeed, most are too young to have served in the National Guard before the Sandinista accession to power.

A more recent tactic of administration critics is to charge that the resistance is embezzling money. Unsubstantiated charges have been made that privately raised funds have been misspent. It has also been asserted that humanitarian assistance provided by the U.S. government has been abused. This canard found absolutely no support from the congressional General Accounting Office (GAO), which located no evidence of misuse of funds. GAO did find that the system Congress designed to administer the humanitarian assistance is not ideally suited to thorough monitoring of all transactions, especially in Central America, but this is hardly the fault of the resistance.

Then there are charges of drug trafficking. It is known that the resistance's lack of adequate supplies led to a search for alternative money sources. But we have no evidence that contra leaders whom we support are involved in drug trafficking. In fact, we know that they oppose it, and they know that the administration and Congress will stop aid to any resistance group that tolerates it.

The final recourse has been to smear the political leadership of the resistance. One leader, Adolfo Calero, has been accused of disloyalty to the goal of democracy in Nicaragua. This charge, leveled by Sen. Harkin on the Senate floor, is a particular irresponsible one to make against a man whose political career was forged in opposition to the Somoza dictatorship, who was one jailed for anti-Somoza activities and who has kept at arm's length by the Sandinistas precisely because he is a democrat.

Other top contra leaders such as Arturo Cruz and Alfonso Robelo proved their allegiance to democracy by leaving prestigious posts in the Sandinista government when it turned toward totalitarian rule and Soviet bloc alignment.

Scurrilous personal attacks do more than defame good people: They also distract attention from the solid political and organizational progress the resistance has made in recent months. This process began when the United Nicaraguan Opposition (UNO) was formed last June and continues today as all elements of UNO negotiate new democratic decision-making procedures that will clearly subordinate military forces to a representative civilian leadership. The continued cooperation of leaders such as Calero, Cruz and Robelo bodes well for the future and gives hope that still more opposition groups will join UNO, expand its political base and help shape its political program.

In this effort, and in the effort to address charges of human rights abuses and drug trafficking activity, UNO receives support from the administration and a bipartisan group of members of Congress. This quiet bipartisan cooperation, a significant development, has been all but overshadowed by the heated legislative battles over the aid itself. It is clear to all concerned that for Nicaragua's resistance movement to succeed it must be as united and as democratic as the new Nicaragua it hopes to create.

As our debate continues, shifting from issue to issue and from charge to charge, we should remind ourselves that our deliberations may one day become academic. While we are talking, the Soviets, Cubans and Sandinistas are acting. Their strategy to destroy Nicaragua's civil and military opposition proceeds apace. That was the reason for the raid into Honduras, and it is the reason for continued internal repression such as the closing of the Catholic Church radio station and the censorship of La Prensa, two independent media of communication that once reached a large segment of the population.

Politically and militarily, the Nicaraguan freedom fighters can exert immense pressure on the Sandinista regime. Given the lack of any American military aid for two years, their progress has been remarkable. But the latent strength of the resistance cannot materialize without substantial and timely U.S. aid. It will be a tragedy for our Nicaraguan neighbors and for the hemisphere's democratic ideal if the prolonged indecision of the United States denies the resistance of Nicaragua the chance to bring a just peace to its long-suffering, repressed people.

THE NEW GI BILL: A CHANCE FOR SOMETHING BETTER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. MONTGOMERY. Mr. Speaker, in the 5 years since we first began to develop the new GI bill, we have attempted to explore every corner, examine every technicality, and gather every point of view related to this important Education Assistance Program. However, there is always something new and personal and good that can be said of the program.

No one understands the GI bill better than the people who use it. I continue to receive success stories from former GI bill participants nationwide who have benefited and are still benefiting from the program. Their letters provide us with new and revealing information, though their conclusions are the same—the new GI bill is good for America and good for America's people.

I would like to share with my colleagues the following letter—another of the GI bill's success stories:

CHARLOTTESVILLE, VA,
April 9, 1986.

G.V. MONTGOMERY,
House of Representatives, House Office Building, Washington, DC.

DEAR MR. MONTGOMERY: I agree with your statement about attempts to kill the GI Bill that ". . . the decision is severely flawed." In particular I am bothered by Administration argument that ". . . it may be a disincentive for retention". I believe the quality and energy levels of enlisted men in a military unit are just as important as the retention rate.

I grew up on a low income farm in the 1940's with excellent parents who had just 12 years of elementary education between them. But I was bright and eager and my teachers encouraged me to go to college.

So the GI Bill became my way out of that tiny high school and into the University of Iowa. While the Air Force did not retain me it did gain an active person with energy and goals. During my four years I advanced to A/1C as a radio operator while serving at Keesler Air Force Base, Patrick Air Force Base and K-6 in Korea.

I think it is unfortunate that the administration is missing two other key points such as contribution to the nation after graduation in service given and taxes paid. As a teacher in a federally designated rural poverty area from 1964 to 1974 I received the following recognition for my work with rural youth.

1. *The Nations Schools,* 1967—Description of an innovative program I developed.
2. Iowa's outstanding young educator, 1968—by the Iowa Jaycees.
3. Iowa's Teacher of the Year, 1971—by the Iowa Department of Education.
4. National Teacher of the Year (Final Five), 1971—by the National Council of Chief State School Officials.
5. "Master Teacher" with the Iowa Mobile Instructional Lab, 1971-74.

In my current position with the Virginia Department of Mental Health I will pay 1985 income taxes equal to the entire amount of GI Bill funds I received from 1959-63.

The point is that for less than $8,000 the federal government obtained a commitment from me for four years of service, changed my life and placed me in a position to provide more service and pay more taxes.

Please do not give up your fight for the GI Bill. There are too many poor but sharp young men and women who will serve just to get a chance at something better.

Sincerely,

JOHN D. BEGHTOL.

TRADE REPRESENTATIVE CLAYTON YEUTTER'S ANALYSIS OF TRADE BILL

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. BEREUTER. Mr. Speaker, a number of the provisions of the trade bill that comes to the floor of the House this week could be especially damaging to agricultural trade. Special Trade Representative Clayton Yeutter's analy-

sis of these provisions appeared in the May 18, 1986 edition of the Washington Post. Ambassador Yeutter's concerns are the same concerns being raised by all of the major agricultural groups, and they are concerns which are shared by this member. I commend this article to the attention of my colleagues.

IT'S SO BAD, THE SPONSORS MUST WANT IT VETOED

(By Clayton Yeutter)

Every once in a while, legislation comes along that is so bad even the sponsors want the president to veto it.

Of course, they cannot admit it publicly, but the sponsors of the trade bill going to the House floor this week secretly must be counting on a veto. They have not tried to conceal their desire to win votes this fall by voting for a trade bill that "gets tough" with our trading partners. But they must know their short-term gain would be offset by massive American job losses down the road.

There are many things the administration doesn't like about the House trade bill. But the worst is that it breaks so many rules of international trade that our trading partners would close overseas markets to U.S. products, costing American jobs.

Some have suggested Congress is simply trying to send the administration a message, but that message was sent and received—loud and clear—a year ago. And that is a mighty poor way to rationalize bad legislation in any case.

The administration agrees that the U.S. trade deficit is a serious problem. President Reagan has an aggressive program to fight unfair trade practices abroad, to negotiate market-opening agreements with other nations and to address the underlying economic fundamentals that have distorted trade flows. We have initiated or accelerated cases challenging the unfair trading practices of Japan, the European Community, South Korea, Taiwan and Brazil. We have made important strides toward negotiations to strengthen the General Agreement on Tariffs and trade (GATT), which governs international trade. And we have seen the dollar decline against other major currencies, so U.S. products are now priced far more competitively in world markets.

This is not to say we have solved the trade deficit; that will require a lot more hard work. And it will require time. Businessmen do not change their order books overnight just because exchange rates have moved.

It is also not to say the trade laws cannot be improved. But any changes should be responsible ones aimed at opening markets to U.S. exports, not at closing markets in the United States. And they should be passed with a bipartisan consensus.

Unfortunately, the bill pending before the House is neither bipartisan nor responsible. It was rammed through a number of House committees without addressing the concerns of Republican members. It is festooned with special-interest provisions, measures that are pure protectionism, and enough GATT-illegal actions to start a dozen trade wars.

For example, the bill would require an annual 10 percent reduction in our bilateral trade deficits with Japan, Taiwan and West Germany, through unilateral tariffs or quotas if necessary. This is superficially appealing, but as a real world solution it is dead wrong. Because it would violate our international obligations, other nations simply would respond by impeding our exports to the same degree that we impede theirs. As a consequence, our trade deficit would not improve. Our unwise action would only have reduced trade in both directions, costing us lost jobs and gaining nothing in the process.

The bill also would require the president to bring an unfair trade practice case against any nation that does not meet so-called "international" standards for worker rights. This would be impossible to implement fairly and might make the United States itself the target of similar complaints by nations that have more comprehensive labor laws. Though worker rights are a legitimate issue for negotiations, it is arrogant to attempt unilaterally to impose standards—of any kind—on the rest of the world.

Another provision would change the law concerning temporary relief for industries that cannot compete with imports so that an industry could receive relief even before it was shown that imports had damaged that industry. Such import relief should not be given so cavalierly, because it has a cost. Nations whose trade is injured because of our action have a legal right to "compensation." That means some of our most efficient industries—those that are internationally competitive—would pay the price for protecting less efficient ones.

There are other provisions in the bill that are equally troublesome. Most of them reflect a lack of confidence in America's ability to compete. Many have a thin market-opening veneer, but their timetables and procedures are so impractical that the real effect would be to turn America into a protectionist fortress.

America did not grow strong by erecting trade barriers and reneging on international obligations. We grew strong through competition. Our trade deficit is a major problem, but we can overcome it by making the right policy moves, not the wrong ones. To "save" jobs today by passing legislation that will assuredly cost us far more jobs in the future is sheer folly.

With jobs already at record levels, inflation under control, interest rates declining, oil prices at reasonable levels and America respected throughout the world, some in Congress see trade as their last remaining political issue in the November elections. They think they've got to "do something" about trade, regardless of how irresponsible it is.

If those who vote for the House trade bill really are hoping the President will save them from embarrassment by vetoing it, they're likely to get their wish.

OUR NATIONAL SECURITY DEMANDS A STRONG MERCHANT MARINE

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. MANTON. Mr. Speaker, the Committee on Merchant Marine and Fisheries will soon consider H.R. 4136, a bill to establish a permanent building program of militarily-useful cargo ships. The effect of this legislation would be to increase significantly the number of U.S. flag vessels.

Under this build and charter program, the Government would contract to have vessels built in American shipyards. Private operators would then purchase or charter these ships. However, in the event of a national emergency or of war, they could be made readily available to serve the country as naval and military auxiliaries. A "military auxiliary revolving fund," administered by the Secretary of the Navy, would be set up for this program.

Mr. Speaker, the United States has long had a need for the type of build and charter program provided for in H.R. 4136. Our national security and the viability of our ailing merchant marine depend upon such a program. There are many very persuasive reasons for increasing the number of U.S. flag vessels. I will not reiterate these now, because they will be spelled out when H.R. 4136 is debated on the floor.

However, I would like to draw to the attention of my colleagues an eye-opening opinion piece entitled, "U.S. Can't Bow to Merchant-Marine Blitz," printed in Tuesday's Wall Street Journal. This piece, which was authored by retired Rear Adm. Robert J. Hanks, describes the Soviet Union's tremendous build-up of merchant vessels. This build-up has occurred while our merchant marine fleet has rapidly shrunk to a point where the United States has far fewer ships capable of serving us during a crisis period than has the U.S.S.R.

Mr. Speaker, we are not without a solution to this problem. The existing discrepancy between the merchant marine fleets of the United States and the Soviet Union would be eliminated if the Congress will enact H.R. 4136 into law. If our colleagues will simply read the following Wall Street Journal opinion piece, I am certain the acute problems posed by our dwindling merchant marine will receive immediate national attention and congressional action.

Mr. Speaker, I submit the Wall Street Journal article to be reprinted in its entirety.

[From the Wall Street Journal, May 13, 1986]

U.S. CAN'T BOW TO MERCHANT-MARINE BLITZ

(By Robert J. Hanks)

A war at sea is being waged against Western nations by the Soviet Union. The principal participants are not men-o'-war but mundane merchant ships and the rates being charged for commercial cargoes.

Unfortunately, this struggle has attracted scant attention in the U.S. While there have been Western casualties—shipping companies forced out of business and shipbuilding and repair yards closes—precious little is being done about them. The tragedy is the U.S., today, is as dependent on the sea as was England at the outset of World War II, for economic and military reasons. Yet the matter's generally greeted in Washington with a yawn.

The facts are these. From a tiny fleet in 1945—mostly U.S. lend-lease Liberty ships—the Soviet merchant marine had grown by 1984 to an astounding 2,457 ships (1,000 gross tons or over) totaling more than 23 million deadweight tons. In the world, it ranked second to Panama in numbers of ships and seventh in tonnage. By contrast, the U.S. could boast fewer than 500 merchantment. Moreover, cut-throat competition from Soviet ships has produced significant reductions in the fleets of America's European and Japanese allies.

Troublesome portents are embedded in these statistics, NATO, being a maritime alliance, would critically depend on seaborne transport of reinforcements and logistic supplies from North America in the event of a war in Europe. A continuous flow of food

and raw materials from overseas would also be required to sustain any war effort. At the same time, scores of merchant ships would be needed as auxiliaries to support NATO navies. The Falkland Islands war underlined the latter requirement. Allied capability to meet these commitments, however, steadily shrinks.

Why are the Soviets waging this non-shotting war? The answer is in a book. "The Sea Power of the State," by a former head of the Soviet navy, Admiral S.G. Gorshkov. He says the peacetime employment of merchant fleets is an integral part of the political and economic struggle between "antagonistic social systems."

The Soviet strategy in this war is simple: rate-cutting. The Soviet merchant fleet is a wholly subsidized creature of Moscow and can set cargo haulage rates well below market profitability floors. Offering carriage fees ranging from 10% to 40% below those floors. Soviet ships have made massive inroads in trade, not only to Third World countries, but along crucial Atlantic and Pacific Ocean routes as well. Obviously, Free World shipping companies cannot offer such rates and remain in business. Further, along those trade routes where the Soviet merchant fleet is not present in strength, ships from the U.S.S.R.'s East European satellites—also operating with government assistance—pursue identical policies.

How successful have the Soviets been? In a word: very. Two major U.S. shipping carriers—Pacific Far East Line Inc. and States Steamship Lines—have been bankrupted because U.S. free-market policies ask American shippers to compete against the Soviet government. In the Pacific, for example, the Soviet Far East Shipping Company and its Polish counterpart slashed rates to capture trade. When other low cost operators such as the Taiwanese followed suit, the American carriers simply could not longer compete for cargoes. Similar effects have been felt in strong maritime nations such as Britain, Sweden, West Germany, and Japan.

What, then, should be done about this economic war at sea? Some West European countries have taken steps to halt the decline of their merchant fleets. But Washington remains indifferent.

Several things can be done. First, more than lip service needs to be accorded the Merchant Marine Act of 1936, which emphasized the importance of a healthy merchant fleet to the security of this country. Next, Washington can insure that all government cargoes are carried in U.S. ships. (This includes food aid being sent to needy nations.) Negotiation of bilateral accords must be relentlessly pressed to reserve reasonable cargo percentages for American shipping companies. The U.S. would, in a pinch, need guaranteed access to container ship to carry military equipment.

The West can ignore the Soviet war on commercial shipping only at its peril.

(Mr. Hanks, a retired rear admiral, was director of strategic plans and policy in the Navy Department, 1976-77. He is author of a 1985 monograph, "American Sea Power and Global Strategy.")

BUSINESS ROUNDTABLE AND ECAT OPPOSE TRADE BILL

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. FRENZEL. Mr. Speaker, printed below are letters from two distinguished business groups, the Business Roundtable and the Emergency Committee for American Trade [ECAT], which vigorously oppose H.R. 4800, the trade package that will come up this week.

Both letters indicate that they could have supported legislation that was not so extreme. However, on balance, these groups view this legislation as contracting rather than expanding U.S. trade and economic activity.

I hope that my colleagues will review the sound advice given by these two groups.

The letters follow:

THE BUSINESS ROUNDTABLE, TASK FORCE ON INTERNATIONAL TRADE AND INVESTMENT,
New York, NY, May 7, 1986.

Hon. BILL FRENZEL,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE FRENZEL: The Business Roundtable has worked with Congress for over a year in support of trade legislation. While we continue to believe that additional trade legislation is needed, we must oppose the trade bill recently approved by the Ways and Means Committee. In its current form the bill would adversely affect U.S. competitiveness. We urge you to vote against this bill unless it is substantially improved.

The Business Roundtable does support several provisions in the bill which would strengthen U.S. trade policy. These provisions include: the grant of negotiating authority for the next round of trade negotiations; the requirements for mandatory retaliation when there have been violations of international trade agreements; and the section permitting a more effective response to intellectual property rights violations.

Nevertheless, the good which these provisions might accomplish would be outweighed by other provisions, most of which were added to the bill as amendments during committee consideration.

One provision of the bill would, for example, permit U.S. companies to be sued retroactively for damages in dumping cases. Other harmful provisions would require unilateral action under U.S. trade laws against industrial targeting, and would permit unilateral action against countries which violate workers rights. Actions under either provision could well lead to action against the U.S. under international trade agreements as well as retaliation against U.S. exports.

Finally, the bill establishes an arbitrary formula to determine which countries have an "excessive trade surplus" on a bilateral basis with the United States. Under this provision, quotas could eventually be required against "trade surplus" countries. This protectionist provision would have little impact on the overall U.S. trade deficit, and could subject U.S. exporters to retaliation.

It is critical that Congress carefully evaluate this trade bill on the basis of facts, not emotions. If the goal is to increase U.S. competitiveness, as the Roundtable believes it must be, then the country needs aggressive use of present trade laws and carefully crafted amendments to improve those laws. In its current form, the Ways and Means trade bill would adversely affect U.S. competitiveness and should be modified or rejected.

Sincerely,

E.W. SPENSER,
Chairman.

PFIZER INC.,
New York, NY, May 12, 1986.

Hon. BILL FRENZEL,
U.S. House of Representatives,
Washington, DC.

DEAR MR. FRENZEL: While the trade reform bill reported out of the Ways and Means Committee, H.R. 4750, contains many desirable features, we in the Emergency Committee for American Trade (ECAT), of which I am chairman, urge that you vote against it. ECAT is an organization of the leaders of 60 large U.S. international firms with annual worldwide sales of about $700 billion and with over 5 million employees. We, therefore, have a keen interest in foreign trade legislation since both our businesses and the jobs of our workers are affected.

We believe that on balance the trade reform bill would contract rather than expand U.S. trade and economic activity. Since many of the bill's provisions are of questionable international legality and would require the imposition of U.S. import restrictions based on arithmetic and other arbitrary criteria, we think it reasonable to expect our trading partners to retaliate against U.S.exports and other economic interests. This will lower domestic economic activity with consequent job losses and lowered profitability of U.S. firms. What are needed are such steps as those reported out by the Foreign Affairs Committee that would amend the Foreign Corrupt Practices Act and export control legislation in a manner that will facilitate U.S. export control legislation in a manner that will facilitate U.S. exports.

We regret having to oppose the trade reform bill since we believe that appropriate reform will enhance the international trade posture of the United States. Last year's recommendations of both the House Democratic Trade Task Force and the House Republican leadership offered many sound reform proposals that we believe could be crafted into a trade reform bill that would be supported by the overall U.S. business community. It is regrettable that H.R. 4750 so substantially departs from the above proposals for trade reform.

The prospective new round of trade negotiations offers another opportunity to improve the international trading system and to develop new rules in the areas of investment, services, and the protection of intellectual property rights. International agreement seems to us to offer a significant opportunity for improving the international competitiveness of the United States.

Sincerely,

EDMUND T. PRATT, Jr.,
Chairman of the Board.

TRIBUTE TO WALTER R. McALLESTER, DEDICATED PUBLIC SERVANT AND PROTECTOR OF THE ENVIRONMENT

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. CONTE. Mr. Speaker, earlier this year, a good friend and a dedicated public servant retired from a long and successful career with the U.S. Department of the Interior.

During his career with the U.S. Fish and Wildlife Service, Walt McAllester had a lasting and positive impact on the Nation's wildlife resources, particularly migratory birds. As a major player in the Interior Department's realty operation, Walt McAllester participated in the acquisition of millions and millions of acres of wildlife and waterfowl habitat, and during his career, the number of National Wildlife Refuge System Units nearly doubled to its present 556 units. His work to preserve vital habitat for our wildlife resources will have lasting benefits for many future generations who will enjoy the beauty of this country.

After graduating from New York State College of Forestry in Syracuse, NY, with a BSF degree, Walter R. McAllester began his service as an appraiser in the regional office of the Fish and Wildlife Service in Atlanta on July 3, 1950. After 2 years, he transferred to the Boston regional office as a realty assistant and served there for 10 years, advancing to realty officer and finally to assistant regional supervisor.

In 1962, he accepted a post as a supervisory realty officer in the Office of the Chief, Division of Realty, in Washington, DC. After 3 years, he was selected as Assistant Division Chief, serving in that capacity for 6 years. In 1971, he was promoted to Division Chief, the position from which he recently retired. In all, this amounts to 35 years of steadily advancing responsibility and authority. Using his creative talents and with a determined commitment to preserve our natural resources, Walt produced results, especially during his tenure as Chief of the Realty Division.

Between 1970 and his recent retirment, 176 new acquisition projects were approved in Fish and Wildlife Service programs. These projects protected 1.7 million acres of wildlife habitat around the country. In the State of Alaska alone, since 1970, National Wildlife Refuge acreage jumped from about 20 million acres to over 77 million acres today. Since Walt McAllester became Division Chief, over 57 million acres of vital wildlife habitat were protected in Alaska alone.

In the lower 48 States, other significant refuges were added to the system during this time period. In California, the Grasslands area was identified as vital habitat, and an aggressive easement and acquisition program was developed to presserve this important migratory bird area. Likewise in Texas, the Lower Rio Grande Valley area was designated as a priority within the refuge system.

Although I worked with him on many of the Department's acquisition projects, my close association with Walt began many years ago when he was appointed the Secretary of the Migratory Bird Conservation Commission. As a 20-year veteran of the Commission, I worked closely with Walt McAllester, relying many times on his judgment and expertise in the realty area. His knowledge of land acquisition methods, Federal laws and regulations governing acquisition, disposal, and utilization of real estate is unsurpassed. His talents are recognized by his peers in other agencies, by Members of Congress, and by leadership of the private fish and wildlife resource groups.

Throughout his career, Walt McAllester was identified as an innovator and an expediter without sacrifice of principle. His abilities as an astute manager were utilized by the Fish and Wildlife Service on a daily basis. Over the years, top management in the Interior Department consistently relied on his counsel for both realty issues and broader policy matters.

Mr. Speaker, Walt McAllester was a dedicated public servant who worked hard to protect our precious natural resources. As a friend, he will be missed on the Washington scene, but more importantly, his work with land acquisition programs will leave a void in the Department's operation.

As a longtime friend, I wish Walt the best of luck and happiness as he begins a well-deserved retirement.

KEEP THE PRESSURE ON PINOCHET

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. BEREUTER. Mr. Speaker, recent press reports detail on ominous new development in Chile, where an expensive series of military raids through Santiago's poorer neighborhoods is said to be underway. Ostensibly antiterrorist sweeps, the raids, some observers believe, are meant to convey a not-so-subtle message to civilian groups calling for an early return to democracy.

It may be that this interpretation does an injustice to the Chilean Government. But things have come to such a pass in that country, and suspicions run so high, that even legitimate Government actions are likely to be interpreted in the manner most unfavorable to the Pinochet regime.

Mr. Speaker, less than 2 months ago in remarks on this floor, I urged free elections for Chile by 1989 or sooner. Today I renew that call, and I urge my colleagues in the House and in the other body, as well as the administration, which has made some heartening moves in this direction, to join me. The principle by which we should operate until such a time as the Chilean people are once again free to exercise the democratic freedoms which are such a cherished part of their history is the title of a Christian Science Monitor Editorial headline, which I commend to my collegues. The headline is: "Keep the Pressure on Pinochet."

KEEP THE PRESSURE ON PINOCHET

In the past two years a dominant political theme throughout Latin America has been the replacement of military rule by popularly elected governments—from Argentina, in the extreme south, to Guatemala and El Salvador.

By contrast, in one Latin American country—Chile—authoritarian government remains in control despite three years of alternately rising and falling popular pressure for democracy.

Now the Chilean political opposition has again served notice on President Augusto Pinochet, in charge of the nation since 1966, that it wants firm steps taken toward democracy—this time, with somewhat brighter prospects for success.

For one thing, the Reagan administration in recent months has pressured General Pinochet—correctly—to move toward democracy. For another, in a break from the past all but the extreme elements of Chile's previously fragmented opposition have managed to agree not only on what they want—inclusion in the political process—but on how they intend to press for it. An assemblage of opposition groups threatened a general strike in 30 days if Pinochet does not move to provide public participation in politics, which he is unlikely to do; previously, opposition parties on the right had been unwilling to take to the streets. The ultimatum is likely to reinvigorate the demand for reform toward democracy issued last August in an accord signed by non-Marxist opposition parties.

The big unknown is the military. At year's end Pinochet reorganized its top command, in a move apparently designed to reduce opposition. Although the Army is believed to be loyal to Pinochet, other branches of the military may be restless; if the military decides to pressure Pinochet to step down, an important new element will be introduced.

Time is a factor. The opposition seeks to have the next president chosen by open and popular election, at present, Pinochet's successor is to be nominated in 1989 by the four military commanders, and only then presented to the public for its approval in a one-candidate referendum, and for a term of eight years. If such a referendum takes place, the political opposition fears that a truly democratic election will not be scheduled until 1997.

The opposition wants a return to democracy by 1989, which seems a reasonable goal. But such a change would require the Chilean government to take steps shortly to legalize political parties and to restore freedom of the press—elemental moves which ought to be made.

FRED FREDERICK AWARDED JOURNAL TROPHY

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. HOYER. Mr. Speaker, on Tuesday, May 20, 1986, Mr. Fred Frederick of Laurel, MD, will be awarded the Journal Trophy by the Prince Georges Civic Federation in conjunction with the Prince Georges Journal newspaper. For many years, the trophy was sponsored by the Washington Star. Awarded nearly every year since 1939, recipients number some of the most distinguished civic activists in the history of Prince Georges County.

Mr. Frederick is the recipient of this prestigious award in recognition of a lifetime of civic activity. Most recently, he served as vice

chairman of the community hospital and health care system, the leasee of the Prince Georges hospital system. When confronted with evidence of mismanagement which was leading to rapid decay in the hospital system, Mr. Frederick resigned on principle to call attention to these serious problems. His courageous action led to a recommitment to quality health care on the part of an all new board.

We are now on our way to returning our county hospital system to the quality it has known in the past. Once this mission has been accomplished, one person the citizens of our county will have to thank is Mr. Fred Frederick, who had the courage of conviction to take a positive action, when remaining silent might have been the easier course to follow.

This latest example of civic activism and concern is but one mark in a 34-year career of success in business and involvement in community activities. A former U.S. Marine, Mr. Frederick started his own automobile dealership at the age of 27. He is now so respected that he serves as chairman of the National Chrysler Corp. Dealer Council. At one time or another, he has served as president of the Laurel Board of Trade, the Laurel Chamber of Commerce, the Laurel Lions Club. As an alumnus of the University of Maryland, I am especially proud to note that Mr. Frederick has served as president of the Maryland Terrapin Club.

Mr. Speaker, I am sure that you and our colleagues will agree that Fred Frederick represents the best of the thousands of citizens who give their time, energy and commitment to our communities without financial reward. Without them, community life in our country would be sorely lacking. I am sure you will all join in offering congratulations and thanks to Mr. Frederick, a man of principle.

HONORING SCHMIDT'S SAUSAGE HAUS RESTAURANTS

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. WYLIE. Mr. Speaker, this year marks the 100th anniversary of Schmidt's in Columbus, which started with the J. Fred Schmidt Packing Co. in 1886, and evolved into Schmidt's Sausage Haus Restaurants. Schmidt's restaurants are famous for their homemade meats, sausages, and pastries. In addition to producing fine food, the Schmidt family is known for its tradition of civic and community involvement spanning five generations.

Today, Schmidt's has grown to four restaurants serving its culinary delights to thousands of Columbus area residents—certainly an American success story given Schmidt's beginnings back in 1886 when the J. Fred Schmidt Packing Co. was founded at 253 East Kossuth Street. This meat packing plant was the brainchild of a new partnership formed between a young German immigrant, J. Fred Schmidt and Lew Barnhart. Soon thereafter, J. Fred bought out his new partner and became sole owner of the J. Fred Schmidt Packing Co.

When Fred passed away at a young age, his wife Lena took over the business while rearing five children. One of their sons, George L., assumed the management operation of the J. Fred Schmidt Packing Co. at age 15 and ran the packing company until his retirement in 1941 at age 51. He said he had worked long enough and turned the business over to his oldest son, Fred, who ran the company until he passed away at the age of 37 in 1952. His brothers, George F. and Grover, continued the family tradition. George L. kept his hand in the business as an adviser to his sons and passed away in 1972 at the age of 81.

Although Schmidt's produced and distributed only pork products in the beginning, they eventually supplied a full line of meat products, frozen foods, and margarine.

Growing with the demand for Schmidt's quality products, the size of the operation expanded to distributing its products to grocers within a 130-mile radius of Columbus.

During the 1960's, large grocery chain price wars and city ordinances against slaughtering livestock within city limits led to the closing of the beef packing plant in 1964 and the pork packing plant closed 2 years later.

The closing of the packing plants marked the end of a proud era for the family. But with it came the advent of a remarkable new era for the Schmidt family. This new era, for which countless Columbus families and residents are thankful, was the beginning of their restaurant business.

Going into the restaurant business was a logical progression for the Schmidt family since George L. Schmidt had cooked and sold his products at the Ohio State Fair since 1915. May I say an annual tradition with our family is a stop at the Schmidt's tent during the Ohio State Fair for bratwurst and sauerkraut, or a Bahama Mama and one of their delicious cream puffs. In 1967, George F. and Grover Schmidt decided to open a combination restaurant and retail meat store in a renovated building where the packing house once stood.

Within weeks after opening, the new restaurant became extremely popular and the dining areas had to be enlarged. In 1970, the restaurant operation was expanded once again when George and Grover purchased a building just around the corner from the original meat packing house, which became known as the Fudge Haus.

Since 1967, Schmidt's restaurants have become a phenomenal growth and success story. In 1971, a second restaurant was opened. Then in 1979, Grover sold out to his brother George and moved to Florida. George F. and his wife Betty, produced three fine sons and two wonderful daughters who are active in the business. The Schmidt's restaurants are indeed a real family affair.

Throughout their splended history in Columbus, the Schmidts have been a family who have also been deeply involved with the city. Their participation ranges from coownership of the old Columbus Bulls professional football team to active support for the arts. In fact, the Schmidt's patronage for the arts today has resulted in George Schmidt's possessing one of the largest collections of art painted by German Village artists.

For 100 years, the Schmidt family has worked on behalf of Columbus and its people. In addition to their numerous contributions to the city through an active role in many civic and cultural events, they also are active supporters of charitable organizations such as the March of Dimes, Children's Hospital, Multiple Sclerosis, and Charity Newsies.

It is this proud heritage that has been the hallmark of the Schmidt family and has left an invaluable imprint on the quality of life in Columbus. As Schmidt's heads toward its second century serving the people of Columbus, I think it is most appropriate that we look back upon its proud history and salute the many accomplishments of this fine family. Their contributions to the city of Columbus have enriched the lives of us all and for that, we say thank you.

CONGRESSIONAL SALUTE TO THE REVEREND WALTER M. PRUSCHOWITZ UPON THE 25TH ANNIVERSARY OF HIS ORDINATION

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. ROE. Mr. Speaker, on Sunday, May 25, the residents of my congressional district and State of New Jersey will join with the members of the congregation of Holy Trinity Roman Catholic Church, Passaic, NJ, to give testimony to an exemplary clergyman and good friend, the Reverend Walter M. Pruschowitz, as we celebrate the 25th anniversary of his consecration into the Sacrament of Holy Orders.

Mr. Speaker, the faith and devotion of our people in a full communion of understanding, ever caring and respecting the individual religious beliefs of his or her fellowman has been the lifeline of our democracy—ever inspiring our people with hope and urging the individual on to great achievements and purpose in pursuing the fulfillment of his or her dreams and ambitions. The exemplary leadership and outstanding efforts of our citizens so important to our quality of life are in the vanguard of the American dream and today we express our appreciation to Father Pruschowitz whose dedication and unselfish devotion in promulgating spiritual guidance, goodwill, fellowship, and brotherhood in service to God have truly enriched our community, State, and Nation.

Father Pruschowitz has maintained the highest standards of excellence throughout his lifetime and we are pleased to share the pride of his many, many friends and parishioners in his distinguished achievements, so unselfishly dedicated to the betterment of mankind. There is so much that can be said of the love, affection, and reverence with which Father Walter is held by all who have had the good fortune to know him.

It is interesting to note that he was born in Schwaz, Czechoslovakia, the son of the late Anton and Olga Brunner Pruschowitz. He attended high school in Benediktbeuern, Germany and completed his undergraduate studies at Don Bosco College, Newton, NJ. He

joined the teaching faculty at Don Bosco High School in Ramsey, NJ and subsequently decided to expand his career as an educator through theological studies for the priesthood. In 1957 he enrolled at the Immaculate Conception Seminary, Darlington, NJ, and completed his studies for the priesthood in 1961. On May 27, 1961, he was ordained a priest at St. John the Baptist Cathedral, Paterson by the Most Reverend Bishop James A. McNulty.

On August 27, 1961, Father Pruschowitz was assigned to Holy Trinity Church, Passaic, as assistant pastor. On August 27, 1968 he became associate pastor at Immaculate Conception Church, Franklin, NJ, and in December 1971 he returned to Holy Trinity Church. He was named copastor of Holy Trinity Church on March 22, 1977. In 1984 he became national associate praeses of the Catholic Kolping Society of America.

Mr. Speaker, I appreciate the opportunity to present this brief profile of a distinguished man of God who has dedicated his life's purpose and fulfillment to helping others and guiding them in their pathway of life. The quality of his leadership is mirrored in the security and dignity that his parishioners have found in the comfort and aid he unselfishly and willingly gives to those in need and those who seek his helping hand and spiritual guidance.

Mr. Speaker, as Father Walter celebrates the 25th anniversary of his ordination to the priesthood I know that you and all of our colleagues here in the Congress will want to join with me in extending our warmest greetings and felicitations for the excellence of his service to his church, our Nation, and all mankind. We do indeed salute an esteemed clergyman upon the celebration of the silver jubilee of his ordination to the priesthood—the Reverend Walter M. Pruschowitz of Holy Trinity Roman Catholic Church, Passaic, NJ.

CONGRATULATING MICHAEL KITTREDGE ON BEING NAMED MASSACHUSETTS SMALL BUSINESS PERSON OF THE YEAR

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. CONTE. Mr. Speaker, I rise today to congratulate Mr. Michael Kittredge, president of Yankee Candle Co., Inc. of South Deerfield, MA, on being named the 1986 Massachusetts Small Business Person of the Year by the U.S. Small Business Administration.

Michael Kittredge exemplifies the American entrepreneurial spirit. In fact, one might say that his candle factory fits the mold of the successful small business. Mr. Kittredge began his business as a high school senior nearly 20 years ago in the kitchen of his family's home with a pound of canning wax, four crayons, and a milk carton. Mr. Kittredge invested the money that he received from the sale of his first batch of candles to finance his first business expansion: he purchased a larger supply of canning wax and two tin molds. Since that time, Yankee Candle has grown rapidly, often faster than Mr. Kittredge might have wished.

In 1971, Yankee Candle was moved into 2,000 square feet of commercial space in Holyoke, MA. Although only 2 years old, the company had already posted an annual sales mark of $10,000, and its inventory had filled the family garage. The new location, known only as "the factory," at first had no electricity, heat, or water. With a constantly growing staff and inventory, however, the factory was steadily expanded to over 14,000 square feet over the next decade. In 1983, Yankee Candle employed a staff of 30 and produced an annual sales intake of $921,000. By hiring a private advertising firm and producing an annual catalog, Kittredge extended his market for decorative candles throughout New England and nationwide. Through his initiative, Yankee Candle is now the largest handcrafted candle company in the United States.

By 1983, it had become obvious that Yankee Candle had outgrown "the factory." With the aid of a Small Business Administration loan, Mr. Kittredge purchased a parcel of land in South Deerfield, MA, with ample room for development and ready highway access. Today, Yankee Candle has already undergone one expansion and is in the process of another. An attractive factory outlet store on the premises has drawn thousands of customers from across the Northeast. Mr. Kittredge's phenomenal success shows no sign of slowing down.

Michael Kittredge has neither sought his goals with blind adverturism nor has he shied away from adversity. Instead, he has simply pursued his market with a product and a plan. With determination, foresight, and a keen knowledge of his consumers' tastes, Mr. Kittredge has transformed a vision born on the backburners of a kitchen stove into the largest handcrafted candle operation in the United States. His vital combination of sound business sense and planning for the future has earned Michael Kittredge the respect and admiration of small businessmen in Massachusetts and throughout the Nation.

THE JAPANESE CULTURAL AND COMMUNITY CENTER OF NORTHERN CALIFORNIA [JCCCNC]

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mrs. BURTON of California. Mr. Speaker, it gives me great pleasure to tell my colleagues of the completion of the Japanese Cultural and Community Center of Northern California [JCCCNC].

Since the early 1970's, the members of the JCCCNC have been working toward the formation of a community facility. The redevelopment initiative of the western addition/Japantown area of San Francisco forced many of the established businesses and residents to relocate out of this location and thus, a concern to reestablish and foster the growth of a cultural and social institution, and to preserve and carry on the programs and activities for future generations became a major concern for the members of JCCCNC and other supporters and members of the Japantown community.

After years of dedicated planning and research, the JCCCNC members conducted a community-wide campaign in the spring of 1983 for the construction of a $3 million facility. Under the leadership of Yori Wada as the chair of the Center's Vision 80's Capital Campaign along with 150 volunteers, JCCCNC successfully raised close to $2 million in contributions, pledges, and foundation and public moneys.

The long awaited opening of the JCCCNC facility opened to the public during the annual cherry blossom festival last month. The facility is a two story building located on Sutter Street that houses various human service organizations such as billingual legal assistance, special services for seniors and immigrants and cultural and performing arts organizations. Their future plans are to complete the facility by creating a community hall/gymnasium for community meetings, recreational afterschool and summer programs for children and youth.

In continuation with their fundraising efforts, the JCCCNC will sponsor a Community Awards Dinner on May 17 honoring community leaders of all generations of Japanese ancestry. The honorees will be: Mr. Yasuo Abiko, former vice-president and english editor of the Nichi Bei Times; Archbishop Nitten Ishida, president of the Japanese American Religious Federation; Mr. Steve Nakajo, executive director of Kimochi, Inc.; Ms. Kay Okamoto, director of the Hamilton Senior Center Program; and Mr. Yukio Sekino, president of the Nichi Bei Kei.

I would personally like to congratulate and add my support for these individuals who will be honored at the JCCCNC dinner and to also commend the staff and the many volunteers and supporters of the JCCCNC project for their years of dedicated and committed service to preserve the unique history and heritage of Japanese Americans.

TRIBUTE TO JULIA AND NED R. ARNOLD

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. ACKERMAN. Mr. Speaker, I rise today in tribute to Julia and Ned R. Arnold, who will be honored at a reception on May 22, 1986, for their support of Booth Memorial Medical Center of Flushing, NY.

Julia and Ned have served as community leaders in New York for over 40 years. Ned's civic involvement goes back to his participation in the Office of Price Administration during World War II, when he was one of only 12 representatives from the rubber industry. Since then, his actions have vividly demonstrated his belief that it is the responsibility of businessmen and all American citizens to take an active civic role.

Ned Arnold's achievements over the decades are too numerous to mention. He was a six-term president of the Queens Chamber of Commerce; he chaired the Queens Chapter of the Red Cross, and was on the executive

board of the New York City Red Cross; and he has been on the New York State Business Council. Throughout these and other activities, Ned Arnold has shown a remarkable conviction that one person can make a substantial difference to a community, city, or the great State of New York.

Julia and Ned will be honored this week not just for these accomplishments, but for all that they have done for Booth Memorial Medical Center. The Arnolds have been actively involved in the growth and success of Booth Memorial since its opening in 1957. Ned has worked on the advisory council since that year, and has served as president of that council. He has also taken part in many of the other day-to-day activities that have made Booth Memorial such a well-regarded medical center.

Julia has been active in the women's auxiliary, and has taken part in much of her husband's excellent work on behalf of Booth Memorial. Most recently, the Julia and Ned R. Arnold Health Education Fund, established by the family to further the hospital's growth, is sponsoring an exciting lecture program called, "The Broadcast Series," which features members of the media speaking on health-related topics.

Mr. Speaker, it is men and women such as Ned and Julia Arnold who make our open, participatory society work. Without them, we would be faced with a choice of a big brother-like governmental control and anarchy. The Julia and Ned Arnolds of this world are the people to reach out and make certain that our communities work.

Mr. Speaker, I call now on all of my colleagues in the U.S. House of Representatives to join me in wishing the best of luck to Julia and Ned Arnold, as they are honored for their contributions to Booth Memorial Medical Center and the Greater Queens Community.

TRIBUTE TO DR. ERNST KATZ

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to an outstanding member of my community, Dr. Ernst Katz. Dr. Katz is the conductor and founder of the Junior Philharmonic Orchestra of California. Dr. Katz's motto, since he founded this group in 1937, has been "Give Youth a Chance To Be Heard." Each year, young musicians from all areas in southern California audition for the opportunity to be one of its 110 members. On May 28, 1986, the Junior Philharmonic will be celebrating its 49th anniversary and the 100th anniversary of the Statue of Liberty with a concert gala.

The Junior Philharmonic is unique in that it is the only orchestra in the world which is completely noncommercial, not subsidized by the Government, does not solicit contributions, does not charge audition or membership fees, and has volunteered hundreds of performances raising more than $9 million for charities. The orchestra is supported entirely by its founder-conductor, Dr. Katz, who has dedicated himself to the youth and music of America. For these reasons, and because of his work in the training and development of young musicians, Dr. Katz and the Junior Philharmonic have been honored by Presidents of the United States, Members of Congress, Governors of California, the California Legislature, and the county and city of Los Angeles.

Many world-famous composers and musicians have appeared with the Junior Philharmonic and are honorary members of the orchestra. They include Jerome Kern, Oscar Straus, Sigmund Romberg, David Rose, Meredith Willson, Ernest Gold, Ferde Grofe, Frederick Loewe, Richard and Robert Sherman, Alan and Marilyn Bergman, Dimitri Tiomkin, Rudolf Friml, Jose Iturbi, and Isaac Stern.

A number of alumni of the Junior Philharmonic Orchestra have become professional musicians and are now members of symphony orchestras throughout the world. Others have chosen different fields of endeavor and have raised families and built careers in law, medicine, business, and education. All, however, have had a unique experience because of their membership in the Junior Philharmonic, an experience which shaped and enriched their lives.

It is my honor to join with my colleagues and the Junior Philharmonic Orchestra in saluting Dr. Ernst Katz, an invaluable resource to his community and a truly remarkable human being.

KILDEE HONORS FLINT NORTHERN HIGH SCHOOL DISTINGUISHED FELLOW AWARD WINNERS

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. KILDEE. Mr. Speaker, I rise today to bring to the attention of my colleagues and the Nation a special recognition ceremony that will be held Wednesday, May 21, 1986, in Flint, MI, honoring several Flint Northern High School Distinguished Fellow award winners. These gifted and multitalented honorees have been selected from Northern alumni as a result of their many and significant achievements. Augustus Calloway, Jr., Sidney Davidson, Barbara Forker, Fred Henny, Roy Sandstrom, and Birney Van Benschoten will be the first recipients of this highly coveted award.

Over the years, these graduates of Northern have consistently and brilliantly demonstrated their skilled proficiency in their chosen careers. The late Augustus Calloway, Jr. was a member of the first graduating class of Flint Northern in 1929 and enjoyed great success in his career with Michigan Bell. His many titles and awards attest to his benevolent spirit of giving to help those less fortunate then himself. Prof. Sidney Davidson's illustrious career personifies the goals of even the most ambitious of aspiring accountants. His rich and diverse involvement in accounting, economics, and finance has propelled him to the forefront of American business, education, and government. At the top of the health, physical education, and recreation fields, Dr. Barbara E. Forker has succeeded in continually meeting and surpassing her ambitious career objectives. She is currently the distinguished professor and head of physical education and leisure studies at Iowa State University. Dr. Fred Henny has greatly distinguished himself in the field of oral surgery. Now residing in Birmingham, MI, Dr. Henny's thirst for excellence brought him to the pinnacle of success as an oral surgeon. His outstanding career culminated with his position as associate chairman of oral and maxillofacial surgery at Sinai Hospital in Detroit. As the product engineer for the X-1 supersonic airplane, Mr. Roy Sandstrom became part of aviation history when Chuck Yeager piloted the Sandstrom-engineered aircraft and broke the sound barrier in 1947. A first class engineer, Roy Sandstrom never listened to those who said it could not be done. Professor Birney Van Benschoten's preeminent career in the field of law has brought forth many honors and a long trail of great success. Professor Van Benschoten is currently serving as the adjunct professor of International law at Amherst.

Mr. Speaker, the collective success of this highly distinguished group of Americans is astounding. These Distinguished Fellow award winners of Flint Northern High School have set the highest of standards for their fellow alumni to follow. I take great pride and I am extremely honored to have had the opportunity to pay tribute to these awe-inspiring graduates of Flint Northern High School.

RETIREMENT OF GEN. WILLIAM R. RICHARDSON

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. SKELTON. Mr. Speaker, I take the floor today to pay tribute and announce to my colleagues the retirement of an outstanding military officer, Gen. William R. Richardson, who is stepping down as the commanding general of the U.S. Army Training and Doctrine Command [TRADOC].

He has held a wide variety of important command and staff positions culminating in his current assignment in Fort Monroe, VA. Other key posts held recently include dual responsibility as deputy commanding general of TRADOC and the commanding general of the U.S. Army Combined Arms Center at Fort Leavenworth, KS; and deputy chief of staff for operations and plans at Army Headquarters, Washington, DC.

After graduation from the U.S. Military Academy in 1951, General Richardson was commissioned as a second lieutenant. His military education includes completion of the infantry basic and advanced officer courses, the U.S. Army Command and General Staff College, and the Industrial College of the Armed Forces.

Awards and decorations which General Richardson has received include the Distinguished Service Medal, the Silver Star (with one Oak Leaf Cluster), the Legion of Merit (with two Oak Leaf Clusters), and the Distin-

guished Flying Cross. He has also been awarded the Bronze Star Medal (with three Oak Leaf Clusters), several Air Medals, the Army Commendation Medal (with two Oak Leaf Clusters), and the Purple Heart.

Mr. Speaker, I feel certain that all the Members join me in praising this distinguished American soldier for his many years of dedicated service to his country, and in wishing General Richardson and his wife, the former Mary Bailey, and their three sons, William, Jr., David, and John all the best in the many years to come.

TRIBUTE TO DR. WILLIAM T. CARTY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. LAGOMARSINO. Mr. Speaker, it is a privilege for me to pay tribute today to a distinguished citizen from my district, Dr. William T. Carty. As a scholar, educator, and administrator, Dr. Carty has dedicated his entire adult life insuring that thousands of students received quality educations to equip them with the skills necessary to lead successful lives.

Thirty-six years ago Dr. Carty received his doctor of education degree and began working as a teacher. Since then he has served the education field as an instructor, a principal, and he will retire this year from 25 years as the Superintendent of the Carpinteria Unified School District.

Throughout his carreer he has set an example as an educational leader by vigorously continuing his own education. After receiving his doctorate he returned to the university 6 years later to do postgraduate work in the field of psychology and pupil personnel services. In 1981 he returned to take computer literacy courses.

As a young, man Dr. Carty was a volunteer in the U.S. Navy and fought in the Pacific Theater. He was awarded a one battle star and a commendation for bravery. Within the educational field he has received awards for administrative and academic excellence, and is a member of various academic boards.

Dr. Carty has been a leading member in a Carpinteria community. He has worked with the Red Cross, United Way, Crippled Children's Fund. He has also been in the local chamber of commerce and a church member. His outstanding participation in the community illustrates his sincere concern for its growth and prosperty.

The retirement of this distinguished citizen, dedicated family man and educational role model is a loss to Carpinteria. He will be missed by all who have been touched by his professionalism, leadership and personal involvement. He leaves behind a legacy of excellence that will provide a challenge and an example to his successor.

HONORING CHRIS GELLEPIS OF THE UNITED STEELWORKERS OF AMERICA, DISTRICT 39

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 19, 1986

Mr. TORRES. Mr. Speaker, I ask my colleagues in Congress to join me in honoring the service and dedication of Chris Gellepis.

On June 1, 1986, Mr. Gellepis will be retiring as a key staff representative for the United Steelworkers of America. He has served for over 39 years in the labor movement. As an advocate for workers rights, Mr. Gellepis has firmly represented unions in contract negotiations, grievance procedures, arbitration conflicts, and organizing drives. He was appointed legislative coordinator to represent the steelworkers in the Greater Los Angeles area until his retirement this year.

Mr. Gellepis is a native of South San Francisco and attended the University of California, Berkeley for 3½ years. He worked as a shift chemist for Bethlehem Steel for 6 years and was appointed to the staff of the Steelworkers of America, AFL–CIO, in 1947.

As the legislative coordinator for the steelworkers, Mr. Gellepis worked hard to promote civil and workers rights. His efforts helped produce legislation protecting and benefiting all the citizens of California. He also improved techniques for voter registration, voter education and get-out-the-vote drives. He is recognized as a leader in coordinating labor and community groups for voter education and registration drives.

Mr. Speaker, I want to commend the dedication and commitment Mr. Chris Gellepis has given to the labor movement. He has been an unselfish trade unionist and involved citizen. His leadership has furthered economic and social justice for all working Americans and their families. I wish him all the best on his well-deserved retirement.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 20, 1986, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 21

9:00 a.m.

Special on Aging

To hold hearings to review nursing home care services.

SD-628

9:30 a.m.

Appropriations

Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1987 for the U.S. Information Agency, and the National Endowment for Democracy.

S-146, Capitol

Armed Services

Strategic and Theater Nuclear Forces Subcommittee

To resume hearings on S. 2199, authorizing funds for fiscal year 1987 for the Department of Defense, focusing on the Federal Emergency Management Agency, and to discuss nuclear reactor safety issues.

SR-222

Banking, Housing, and Urban Affairs

Financial Institutions and Consumer Affairs Subcommittee

To hold hearings on S. 2421, proposed Fair Credit Card Act of 1986.

SD-538

Judiciary

Patents, Copyrights and Trademarks Subcommittee

Business meeting, to mark up S. 1739, to legalize the home taping of copyrighted music and other audio material in exchange for a royalty on audio recording equipment.

SR-485

Select on Intelligence

To hold closed hearings on intelligence matters.

SH-219

10:00 a.m.

Agriculture, Nutrition, and Forestry

To hold hearings on the nominations of Peter C. Myers, of Missouri, to be Deputy Secretary of Agriculture, and Christopher Hicks, of Maryland, to be General Counsel, Department of Agriculture.

SR-332

Energy and Natural Resources

Business meeting, to resume markup of S. 2427, to improve the administration of the Federal coal leasing program.

SD-366

Judiciary

To resume hearings on S. 2160 and S. 2022, bills to clarify and improve the analysis of mergers under the antitrust laws.

SD-226

Labor and Human Resources

To hold oversight hearings on strategies to reduce hunger in America.

SD-430

Small Business

Business meeting, to mark up S. 2147, to extend the authorization for nonprofit organizations operated in the interest of handicapped and blind individuals to receive procurement contracts under the Small Business Act, and H.R. 2787, to extend through fiscal year 1988 SBA Pilot Programs under section 8 of the Small Business Act.

SR-428A

Joint Economic
Economic Resources, Competitiveness, and Security Economics Subcommittee
To hold hearings to review the effects of legal and illegal immigration on the U.S. economy.
2220 Rayburn Building

11:00 a.m.
Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

Rules and Administration
Business meeting, to consider pending calendar business.
SR-301

MAY 22

10:00 a.m.
Joint Economic
Economic Resources, Competitiveness, and Security Economics Subcommittee
To continue hearings to review the effects of legal and illegal immigration on the U.S. economy.
2220 Rayburn Building

MAY 29

9:30 a.m.
Joint Economic
Economic Resources, Competitiveness, and Security Economics Subcommittee
To resume hearings to review the effects of legal and illegal immigration on the U.S. economy.
2359 Rayburn Building

JUNE 3

9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Energy and Natural Resources
To hold oversight hearings on the implementation of the Public Utility Regulatory Policies Act (P.L. 95-617).
SD-366

Finance
To hold hearings on S. 2331, to assure the quality of inpatient hospital services and post-hospital services furnished under the Medicare program, and related matters.
SD-215

10:00 a.m.
Environment and Public Works
To hold hearings on the expansion of the Pavilion at the Old Post Office Building in the District of Columbia.
SD-406

Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold joint hearings with the Committee on Labor and Human Resources' Subcommittee on Aging on statistical policy with regard to older Americans.
SD-430

Labor and Human Resources
Aging Subcommittee
To hold joint hearings with the Committee on Governmental Affairs' Subcommittee on Energy, Nuclear Proliferation and Government Processes on statistical policy with regard to older Americans.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for fossil energy and clean coal technology.
SD-192

JUNE 4

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Commerce, Justice, and State, the Judiciary, and certain related agencies.
S-146, Capitol

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on S. 1935, to provide for certain vessels to be documented under the laws of the United States to entitle them to engage in domestic coastwise trade.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold oversight hearings to review the imposition of user fees in FDA approval procedures for new drugs.
SD-430

JUNE 5

9:30 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 2256, to remove certain requirements relating to reservations of funds for special alternative instructional programs and transitional bilingual educational programs.
SD-430

10:00 a.m.
Energy and Natural Resources
To resume oversight hearings on the implementation of the Public Utility Regulatory Policies Act (P.L. 95-617).
SD-366

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the National Edowment for the Arts, and the Institute of Museum Services.
SD-192

JUNE 9

10:00 a.m.
Energy and Natural Resources
To hold oversight hearings on clean coal technology development and strategies of acid rain control
SD-366

JUNE 10

9:30 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings on ozone depletion, the greenhouse effect, and climate change.
SD-406

10:00 a.m.
Energy and Natural Resources
To continue oversight hearings on clean coal technology development and strategies for acid rain control.
SD-366

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of the Secretary and Office of the Solicitor, Department of the Interior.
SD-192

JUNE 11

9:30 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To continue oversight hearings on ozone depletion, the greenhouse effect, and climate change.
SD-406

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold hearings on efforts to improve the health status of children.
SD-430

JUNE 12

9:30 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2204, to permit the use of park entrance, admission, and recreation use fees for the operation of the National Park System, and S. 2130, to preserve, protect and revitalize the National Park System.
SD-366

Select on Indian Affairs
To hold hearings on S. 830, to expand Indian education programs to include Native Hawaiians.
SR-485

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume joint oversight hearings with the House Committee on Education and Labor's Subcommittee on Elementary, Secondary and Vocational Education on illiteracy in America.
2175 Rayburn Building

JUNE 16

1:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold oversight hearings on the second waste repository site selection under the Department of Energy's Office of Civilian Radioactive Waste Management.
SD-366

JUNE 17

9:00 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on S. 1235 and S. 2291, bills to promote more effective and ef-

ficient nuclear licensing and regulation.
SD-406

9:30 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2055, to establish the Columbia Gorge National Scenic Area.
SD-366

10:00 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on S. 525, to provide the Secretary of Health and Human Services the authority of conduct epidemiological studies of the health effects of radiation in places of employment.
SD-342

Labor and Human Resources
To resume hearings on S. 1804, to establish a program to provide development and incentive grants to States for enacting medical malpractice liability reforms.
SD-430

Select on Indian Affairs
To resume hearings on S. 902, to establish Federal standards for gaming activities on Indian lands.
SD-106

JUNE 18

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold joint hearings with the House Committee on Post Office and Civil Service on a Postal Rate Commission report on the use and abuse of the preferred mail rate.
SD-342

Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JUNE 19

9:30 a.m.
Energy and Natural Resources
To hold oversight hearings to review the impact of the explosion of the Soviet nuclear powerplant at Chernobyl on the domestic nuclear industry.
SD-366

10:00 a.m.
Small Business
To hold oversight hearings on the implementation of the Prompt Payment Act (P.L. 97-177).
SR-428A

JUNE 23

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold oversight hearings to review budget requests for the Department of Energy's Office of Energy Research and the Office of Environment, Health and Safety.
SD-366

JUNE 25

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold hearings on the administration of the Mine Safety and Health Review Commission.
SD-430

JULY 17

9:30 a.m.
Finance
Social Security and Income Maintenance Programs Subcommittee
To hold joint hearings with the Committee on Labor and Human Resources' Subcommittee on Employment and Productivity on work and welfare issues.
SD-430

Labor and Human Resources
Employment and Productivity Subcommittee
To hold joint hearings with the Committee on Finance's Subcommittee on Social Security and Income Maintenance Programs on work and welfare issues
SD-430

10:00 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2412, to withdraw and reserve certain public lands.
SD-366

JULY 22

9:30 a.m.
Finance
Social Security and Income Maintenance Programs Subcommittee
To resume joint hearings with the Committee on Labor and Human Resources' Subcommittee on Employment and Productivity on work and welfare issues.
SD-430

Labor and Human Resources
Employment and Productivity Subcommittee
To resume joint hearings with the Committee on Finance's Subcommittee on Social Security and Income Maintenance Programs on work and welfare issues.
SD-430

JULY 29

10:00 a.m.
Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings to review the response for home health care services.
SD-430

JULY 30

10:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

AUGUST 13

10:00 a.m.
Labor and Human Resources
To hold hearings to review the private sector initiatives in human services.
SD-430

SEPTEMBER 10

10:00 a.m.
Labor and Human Resources
To hold hearings to review the human resources impact on drug research and space technology.
SD-430

SEPTEMBER 16

10:00 a.m.
Labor and Human Resources
To hold hearings on pending nominations.
SD-430

SEPTEMBER 24

10:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

CANCELLATIONS

MAY 20

9:30 a.m.
Judiciary
To hold hearings to examine the constitutionality of certain penalties imposed on individuals or companies which submit false claims to the Government.
SD-226

MAY 21

9:30 a.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

10:00 a.m.
Select on Indian Affairs
To hold oversight hearings on certain issues resulting from a decision of the 10th Circuit Court of Appeals in the case of the Ute Indian Tribe v. the State of Utah.
SD-562

2:00 p.m.
Labor and Human Resources
To hold hearings on the organ transplant task force report.
SD-430

JUNE 12

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Hazardous Materials Transportation Act.
SR-253

SENATE—*Tuesday, May 20, 1986*

(Legislative day of Monday, May 19, 1986)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable TED STEVENS, a Senator from the State of Alaska.

The PRESIDING OFFICER. Our prayer today will be offered by Lt. Stephen A. Hulsey, a Navy chaplain stationed at Cape May, NJ, who has been sponsored by Senator JOHN EAST.

PRAYER

Lt. Stephen A. Hulsey, Chaplain Corps, U.S. Naval Reserve, U.S. Coast Guard Training Center, Cape May, NJ, offered the following prayer:

Let us pray.

O Lord, grant us freedom with discipline, motivation with understanding, and determination with compassion.

O Lord, give us the will for self-preservation, and the strength and power to help those who are willing to help themselves.

O Lord, give us insight and patience, wisdom along with a sense of duty, and ability coupled with restraint to adjust to the changes in nature and men.

O Lord, show us Your ways, and never deliver us into the hands of any enemy.

Bless us with Your heavenly and earthly bounties, and never let us be in want.

Instill in us faith and knowledge, and let all of us have the ability to live at peace within ourselves.

O Lord, show the leaders of our Nation the right way to serve and guard the sacredness of all orderly freedoms. Let us realize that You have given us riches not given to any other nation under the Sun, let us be ever grateful, and accept the responsibilities which they entail. You are our God, and to You we would ascribe glory and honor, now and forever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 20, 1986.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable TED STEVENS, a Senator from the State of Alaska, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. STEVENS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

Mr. DOLE. Mr. President, I thank the distinguished Presiding Officer, Senator STEVENS.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each, followed by special orders for Senators CHAFEE, GORE, HAWKINS, and PROXMIRE for not to exceed 5 minutes each. Senator HAWKINS' statement will be read by Senator CHAFEE.

Following special orders, there will be a period for routine morning business not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each.

Following that action it is the intention of the majority leader to turn to the consideration of H.R. 4515, the supplemental appropriations bill. I am hopeful we can do that and it will be discussed until about noon, at which time, we shall have a 2-hour recess so we can have our weekly party caucuses and Democrats and Republicans can meet.

At 2 o'clock, it is the intention of the majority leader temporarily to lay aside the supplemental appropriations measure and resume consideration of S. 2180, the vehicle to which the Senator from Washington [Mr. GORTON] has offered his daylight saving time amendment. A vote is expected in relation to the Gorton amendment at approximately 2:30 p.m.; perhaps there will be a motion to table an amendment. I hope we can complete action on S. 2180 shortly after the vote on either the motion to table or up or down. I think it will be a motion to table.

Then we shall go back to the supplemental, I hope. I would guess if we are able to proceed on the supplemental, it will take some time, probably well into the evening. So I caution my colleagues that there will be votes, and it could be a late evening.

We shall be in tomorrow. As everyone knows, the Memorial Day recess starts at the close of business tomorrow evening.

BUDGET CONFERENCE

It is my hope that the budget conferees can be appointed this morning and that we can start the budget conference. I have had a discussion with the distinguished chairman of the committee, Mr. DOMENICI. I believe he planned to meet with Senator CHILES yesterday afternoon, so it is my hope—we are about 30 days behind on the budget schedule—that conferees can be appointed and that we can start meeting with House conferees even today. It seems to me that the differences are there but there may be some way to resolve the differences very quickly. Whether or not we have a budget becomes rather important to a number of issues, for example, the appropriations bills, and the tax bill. I hope that the chairman of the Budget Committee, Mr. DOMENICI, and the ranking Democratic member, Mr. CHILES, will be in a position to appoint conferees this morning.

SALUTE TO CARE

Mr. DOLE. Mr. President, it gives me great pleasure to offer my congratulations to CARE, the international relief and development organization, on the occasion of its 40th birthday. In saluting CARE, however, I should like to extend my sincere congratulations also to those millions of generous Americans who have supported CARE over the past 40 years. It is to me extraordinary, and indicative of the compassion and concern that is characteristic of our people, that at a time of chaos, as the Second World War came to a close, we were able to reach out, immediately, to lend a hand to our brothers and sisters in Europe whose lives had been so devastated by that conflict.

The birth of CARE, in 1946, coincides with the birth of our largest current demographic population—the baby boomers. It is this generation, now come to maturity and beginning to assume responsibility for guiding our country into the next millenium, that needs to be reminded of an organization like CARE, and its long history of people-to-people support to some 86 nations around the world. As this new generation plans and prepares for the future, it would be appropriate for them to remember that there is a vast

reservoir of generosity and good will that resides, almost as a cultural tradition, among our American people. That heart and spirit was demonstrated most poignantly in the last 2 years, as Americans of all generations rallied to support relief efforts in Colombia following a volcano, in Mexico City after a devastating earthquake, and in famine-stricken Africa.

It is a source of considerable pride to me that wheat from my own home State of Kansas was part of the life-giving "CARE packages" that were sent to Africa. It is, in fact, a source of continuing wonder to me to contemplate the miracle of how the exceptional bounty of our fruited plains is transported to the far corners of the planet, to sustain life in places so remote that sometimes God alone is the only comprehending witness to that gesture of national compassion.

I am pleased to say that rural America and U.S. farmers have supported CARE's efforts throughout the past 40 years. Key farm organizations and cooperatives, such as the Grange, the Farmers Union, the National Cooperative Business Association, the National Rural Electric Association, and the Credit Union National Association also support CARE's humanitarian and developmental efforts overseas and are represented on the CARE board.

CARE was organized as a cooperative and its members represent a variety of organizations. One of CARE's founders, and current president of CARE, Wally Campbell, has served CARE for 40 years and represents the National Cooperative Business Association on CARE's board.

CARE's mission goes far beyond the delivery of food to aid the victims of disaster. CARE's role in each country varies according to the dynamics of the particular circumstances. The flexibility, timeliness, and independent perspective that CARE brings to its response to development problems are important factors in its ability to facilitate successes. CARE works to fill major gaps in country development strategies, and to create and implement realistic programming at the grassroots level.

While CARE is a catalyst, it would never claim to be more than a partner in the development process. CARE, working directly with the people and taking its lead from them, brings technical know-how, or tools, or project and program ideas that will encourage growth toward self-sufficieny. CARE adheres to the maxim that guides many such helping agencies: "Give a man a fish and you feed him for 1 day; help him to fish and you feed him for a lifetime."

CARE has another maxim that it is fond of quoting as well. They say, "We're in business to put ourselves out of business." Meaning, of course, that one day, all the nations of the world will have reached that state where they are self-reliant and where organizations like CARE will not be necessary. We look forward with great enthusiasm to that day. But until then, we look to CARE to continue its work, confident in the support, respect, and admiration of the American people.

As majority leader of the Senate, I want to say, "Happy birthday, CARE. May your successes multiply in the years to come."

McCLURE-VOLKMER GUN BILL

Mr. DOLE. Mr. President, this week, the President signed S. 49, the Firearms Owners Protection Act, into law. When the Senate passed this bill earlier this month, and then passed the package of amendments offered by our distinguished colleague, Senator THURMOND, we met two very important responsibilities.

First, we lifted an almost 20-year onus from law-abiding gun owners and reestablished a basic tenet of our country, the principle of individual freedom and responsibility. The second amendment to our Constitution is clearly an emblem of the trust between the Government and the governed that is the core of our free society.

We also met our responsibility, as lawmakers, to work within the framework of the Constitution to keep in place and strengthen proven law enforcement tools against criminals.

I am proud to count myself among those who support the right of our citizens to "keep and bear arms," while at the same time supporting effective law enforcement efforts to disarm and apprehend criminals and to punish offenders. I am not one who believes there is an inherent conflict between our citizens' second amendment rights and public safety. Nor do I believe that the millions of law-abiding citizens who own guns and the Nation's police officers think there is such a conflict.

But I guess there are some people who do, who think, on the one hand, that any law or regulation pertaining to firearms is too much, or, on the other hand, that unless we totally restrict gun ownership, criminals will flourish. I also guess that as with any controversial issue, there are those who hold sincere opinions and those who simply want to stir up controversy, hoping to be seen in the spotlight.

A month or so ago, a person purporting to speak for gun owners circulated a letter which contained vicious and false allegations about my position on issues affecting gun owners. I think my record speaks for itself, but I was gratified that people like Senator ORRIN HATCH and J.E. Reinke, the president of the National Rifle Association which has represented American hunters and sportsmen for over a century, defended my record and forcefully responded to those allegations.

Now, I have been advised that this same individual is at it again. The April edition of a publication he is responsible for, wrongfully characterizes the positions and actions of the Attorney General and of a fellow Kansan, Stephen Higgins, the Director of the Bureau of Alcohol, Tobacco and Firearms, with regard to S. 49.

Both Attorney General Meese and Director Higgins publicly supported our efforts to reform the Gun Control Act of 1968. In doing so, they supported the policy of the President. In debate, both here and in the House, we heard much evidence of past abuses by ATF in enforcing the 1968 Gun Control Act. We also heard that Steve Higgins was getting ATF back on the right track and focusing on the activities of criminals, not hunters, sportsmen, and hobbyists.

As a consequence, I was surprised to read in this newsletter that the Attorney General did not support our efforts and that the ATF director had "leaked internal documents to embarrass President Reagan." Although I must say, I was less surprised than I might have been if my own efforts had not been entirely misrepresented by the same person.

All of us in Congress expect to get, and depend upon, the insight we receive from experts in the executive branch who are responsible for carrying out the laws we write. So as we worked on the firearms legislation, we expected to receive—and did receive—candid input from both Treasury and Justice, and from the principal enforcement agency in this area, ATF.

I don't know of any point in our deliberations where we didn't have access to their input and I don't know of any point where any agency exceeded its responsibility and got involved in the issue from a policy point of view. What we heard from them were technical and administrative comments that were necessary and helpful to the Congress in shaping the bill we acted on.

Steve Higgins did not "leak documents to embarrass the President." He acted like a professional throughout the process, as did all of the administration's authorized representatives on this issue. All documents and statements made by them were designed to give Congress the benefit of their expertise and experience and bring credit to the administration they serve.

Mr. President, I deeply regret this mischaracterization of the role Attorney General Meese and ATF Director Higgins played during Congress' consideration of S. 49. As one who was also the subject of false allegations, I

am pleased to help set the record straight.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. HUMPHREY). Under the previous order, the Democratic leader is recognized.

URGENT SUPPLEMENTAL APPROPRIATION

Mr. BYRD. Mr. President, I thank the distinguished majority leader for laying out the program for today as he has. I, too, hope that the Senate will be able to take up the supplemental appropriations bill. I support the bill and I think it is a much needed bill. But I must say at this point that we still have not cleared all the way around.

Mr. DOLE. We have not, either.

Mr. BYRD. I guess we have problems on both sides. I hope the problems will clear up in time.

WORLD TRADE WEEK: NO CAUSE FOR CELEBRATION

Mr. BYRD. Mr. President, this is World Trade Week in the United States. However, some of my colleagues and their constituents—I know this is true in my State of West Virginia where an estimated one out of every seven jobs is dependent upon the world market—may not feel like celebrating. From unemployed computer chip manufacturers in California to unemployed shoe and textile workers in Maine to unemployed steelworkers and coal miners in my own State, American workers are becoming less able to compete in world markets. The United States is the world's largest exporter, but the margin of our leadership is declining. This country, of course, is also the world's largest importer.

We see our exports—manufactured goods and agricultural products—decreasing as foreign control over our own market increases. In the first quarter of 1986, our trade deficit exceeded $43 billion, more than $10 billion more than the comparable period last year. Foreign steel dominated nearly one-quarter of the American market in the first 3 months of this year. Some industries were hit even harder.

The ferroalloy industry, which provides an important ingredient in steel production and is vital to our national defense, saw imports jump to 70 percent of our domestic market in the first quarter.

Increasingly, American workers find that they are competing against foreign governments, not just against foreign workers and products. The lack of a coherent trade policy is costing us tens of billions of dollars and many American jobs. The Department of Commerce estimates that unfair trade restraints by Japan alone are costing us $10 billion a year.

These unfair trade practices are not the only problem, but they account for a significant share of our trade deficit—and the national trade estimates report by the U.S. Trade Representative suggests that the problem is growing.

What has been the response? Many of my colleagues and I have introduced legislation and urged the President to take action under existing law to encourage our trading partners to play by the rules. Our colleagues in the House are preparing comprehensive trade reform legislation this week. But the administration refuses to acknowledge that there is a crisis. Despite last year's record $148.5 billion trade deficit and predictions of a 1986 shortfall that could exceed $160 billion, the administration seemingly can come up with only one response; it has labeled those who urge realism and a strategic approach to trade as protectionists—while it continues to turn a blind eye to the challenge of trade policy. But if that is to be the only administration response, Mr. President, I believe that President Reagan can expect to see the Congress send trade legislation to his desk this year.

□ 1010

Mr. President, I ask unanimous consent that extraneous but relevant material be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MAY 20, 1986.

THE REPUBLICAN PROMISE TO END UNFAIR TRADE PRACTICES

"A Republican Administration will emphasize a policy of free trade, but will expect our trading partners to do so as well."—1980 Republican Party Platform.

"We will insist that our trading partners play fair."—Treasury Secretary James Baker III, Associated Press, April 30, 1986.

FIRST QUARTER TRADE DEFICIT WAS $43.5 BILLION

During the 1980 presidential campaign, the Republican Party assailed the previous Democratic Administration for a failure to eliminate unfair trade practices. The Republican Party, under the leadership of President Reagan, has now had more than five years to take effective action against the unfair trade policies which it bitterly condemned. Yet, American industries and workers are still forced today to compete against foreign governments in a world where mercantilism has become a fact of life.

The merchandise trade deficit has risen every year under the Reagan Administration, and the United States has set new record trade deficits in each of the past four years:

In 1981, the merchandise trade deficit rose to $39.7 billion.

In 1982, the merchandise trade deficit rose to $42.7 billion—a new record.

In 1983, the merchandise trade deficit rose to $69.4 billion—a new record.

In 1984, the merchandise trade deficit rose to $123.3 billion—a new record.

In 1985, the merchandise trade deficit rose to $148.5 billion—yet another all-time record.

While the 1986 trade deficit may not reach another new record since the falling dollar is sure to improve the U.S. trade balance relative to what it otherwise would have been, it is certain to be another dismal year with a trade deficit far higher than any incurred prior to the Reagan Administration.

Pointing inescapably in this direction is the fact that, in March, the merchandise trade deficit was $14.5 billion. This means that the merchandise trade deficit for the first quarter of 1986 was $43.5 billion—an increase of more than $10 billion over the same period in 1985. Furthermore, the huge March trade deficit included a record $5.5 billion trade imbalance with Japan, and occurred despite sharp decreases in the price of oil.

Unfair trade practices certainly are not the only, or even the major, cause of the intolerable trade deficits this nation has incurred under the Reagan Administration. The Administration's staggering and unprecedented budget deficits, which have resulted in continuous high interest rates and an overvalued dollar, are, without doubt, the principal culprits. Nevertheless, unfair trade practices do contribute to the trade deficit, handicap America's competitive ability in the international marketplace, and threaten this Nation's manufacturing base.

In the face of this knowledge, the Reagan Administration has failed for more than five years to fulfill its repeated promises to develop a trade policy to eliminate those unfair practices.

Despite the usual rhetoric prior to the Tokyo Economic Summit, that meeting produced no specific program for reductions in unfair trading practices—only a general reaffirmation of the importance of "dismantling trade restrictions" without any promises of how that would be achieved. In fact, even as the Summit participants agreed to support the "early launching of the new round of multilateral trade negotiations," they made no commitment to use new global trade negotiations as an opportunity to reduce current unfairness in the trading system.

RHETORIC VS. REALITY

(Or "Speak Loudly, But Leave Your Stick at Home")

The following quotes and facts demonstrate how the Reagan Administration's performance on unfair trade practices has failed to match its promises. Since 1981, there has been an amazing gap between the Administration's rhetoric and the realities of the international marketplace. But it is worse than just a failure of effort or policy; in general, the Administration has invested only a minimal effort to reduce trade barriers, and in the case of many traded goods and services, and many trading partners, it has no discernible policy.

Rhetoric

"We are committed to free trade and believe free trade benefits all nations concerned. In observing the principles of free trade, however, we expect our trading partners to do so, as well."—President Reagan, Statement on Assistance for Domestic Automobile Industry, April 6, 1981.

Reality

"Taiwan imposes 50 percent local content requirements on color television sets, 55 percent for video recorders, 70 percent for heavy sedans and 90 percent for motorcycles."—"National Trade Estimate," [1] Office of the U.S. Trade Representative.

Rhetoric

"World markets must be freed of trade barriers and unfair trade practices. . . . All nations, particularly our friends in Europe and Japan, must be made to understand that trade is a two-way proposition."—President Reagan, Remarks at Werries Family Farm, October 20, 1982.

Reality

"The Commerce Department has estimated that if Japan eliminated all its unfair barriers, American exports might rise about $10 billion annually."—New York Times, October 31, 1985.

Rhetoric

"[We] are pressuring our trading partners to lift unfair export subsidies."—President Reagan, Remarks at Annual Convention of National League of Cities, November 29, 1982.

Reality

"The EC [European Community] grants export subsidies (restitutions) on many products . . . Export subsidies result in an export price lower than the domestic sale price and sometimes lower than the prevailing world market price . . . Products for which this EC export assistance has caused major problems for the U.S. producers in third country markets include poultry, wheat, wheat flour and barley. EC exports of these products totaled some $3 billion in 1984."—"National Trade Estimate," Office of the U.S. Trade Representative.

Rhetoric

"Free trade can only survive if all parties play by the same rules. But we're determined to ensure equity in our markets. Defending workers in industries from unfair and predatory trade practices is not protectionism, it's legitimate action under U.S. and international law."—President Reagan, Remarks to Commonwealth Club of California, March 4, 1983.

Reality

"It is illegal for Korean citizens to possess foreign cigarettes."—"National Trade Estimate," Office of the U.S. Trade Representative.

Rhetoric

"We believe in free trade, but we're no longer going to play patsy for those who would use this commitment as a leverage against us."—President Reagan, Remarks to Department of Agriculture Employees, March 21, 1983.

Reality

"The current position of Japan's machine tool industry (as a world leader) is in part the result of Japanese government involvement in promotion of the industry through laws, guidance to the industry, preferential loans, subsidies and tax incentives."—U.S. International Trade Commission, September, 1983.

Rhetoric

"Free trade must be fair trade . . . We will review existing trade agreements and vigorously enforce trade laws including assurance of access to all markets for our service industries."—1984 Republican Party Platform

Realty

"Italy has established a screen time quota to limit the number of American television programs to 25 percent of the total air time. There is also an EC [European Community] project to subsidize European films, and the television industry."—"National Trade Estimate," Office of the U.S. Trade Representative.

Rhetoric

"Free trade must also be fair trade."—President Reagan, Remarks at "Choosing a Future" Conference, September 5, 1984.

Reality

"A combination of import restrictions [and] export promotions, particularly during the present difficult financial environment, has enabled Brazil to shift its global trade balance from a $2.6 billion deficit in 1979 to a $13.1 billion surplus in 1984."—"National Trade Estimate," Office of the U.S. Trade Rpresentative.

Rhetoric

"The Department of Commerce will continue to rigorously enforce our unfair trade laws."—President Reagan, Memorandum on Steel Import Relief, September 18, 1984.

Reality

"Increasingly, trade considerations have become a part of Government strategies for ensuring social welfare and encouraging growth. Such 'managed trade' reflects the results of negotiated markets or national industrial policies that may 'target' selected industries for development, while protecting home markets from competition and subsequently aggressively promoting exports."—President's Commission on Industrial Competitiveness (PCIC).

Rhetoric

"Free trade also means fair trade. We will move, vigorously against unfair trading practices."—President Reagan, Radio Address on Protectionism, August 31, 1985.

Reality

"In a number of East Asian countries, restrictive import licensing and even outright import bans on certain products are barriers to foreign goods. The restrictions often occur in high tech areas into which the LDCs hope to move (e.g., Korean computer decree, Indonesian Aircraft decree). All of these examples are products in which the United States has a very strong comparative advantage.—U.S. Trade Representative William Brock, February 26, 1985.

Rhetoric

"Our trading partners should not doubt our determination to see international trade conducted fairly with the same rules applicable to all. I'm committed to and will continue to fight for fair trade."—President Reagan, Radio Address on International Trade, September 7, 1985.

Reality

"Since 1983, beer imports have been banned [in Taiwan]."—"National Trade Estimate," Office of the U.S. Trade Representative.

Rhetoric

"If trade is not fair for all, then trade is free in name only. I will not stand by and watch American businesses fail because of unfair trading practices abroad. I will not stand by and watch American workers lose their jobs because other nations do not play by the same rules . . . Let no one mistake our resolve to oppose any and all unfair trading practices. It is wrong for the American worker and American businessman to continue to bear the burden imposed by those who abuse the world trading system."—President Reagan, Remarks to Business Leaders and Members of the President's Export Council and the Advisory Committee for Trade Negotiations, September 23, 1985.

Reality

"Often ranging from 50 to 75 percent, Taiwan's high tariffs impede imports of goods in which the United States is competitive . . . [And] Import bans are in effect for edible offals, poultry livers, other meat products, groundnuts and selected chemicals."—"National Trade Estimates," Office of the U.S. Trade Representative.

Rhetoric

"To remain free, trade must also be fair. Many of our industries face unfair trade practices by other nations. Unless our trading partners stop these practices, support in the United States for free trade will be undercut."—President Reagan, Interview with *Le Figaro*, September 26, 1985.

Reality

"A review of 40 recent trade studies comes up with 28 ways in which governments intervene in trade. Japan makes use of 25 of the 28 types of intervention. The U.S. uses six."—Senator Lloyd Bentsen, Testimony Before House Ways and Means Subcommittee on Trade, September 17, 1985.

Rhetoric

"Our trading partners must be put on notice that we will not allow unfair trading practices to continue."—President Reagan, Veto of Textile Bill (H.R. 1562); December 17, 1985.

Reality

" 'Our domestic textile and apparel industry cannot sustain the damage it is facing. We are going to see more layoffs, more plant shutdowns and more long-term economic damage to an industry that is crucial to this nation,' President Pro Tempore Thurmond said, noting that the [textile] bill would have assured the continued competitiveness against unfairly subsidized foreign imports."—News Item inserted by Senator Strom Thurmond, Congressional Record, December 18, 1985.

Rhetoric

"We must redouble our efforts for freer and fairer trade. . . . If the United States can trade with other nations on a level playing field, we can out-produce, out-compete, and out-sell anybody, anywhere in the world."—President Reagan, State of the Union Address, February 4, 1986.

Reality

"Indonesia's ban has severely affected U.S. fresh fruit exports. They declined from $9.2 million before the ban in 1982 to $48,000 in 1984."—"National Trade Estimate," Office of the U.S. Trade Representative.

ALL TALK + NO ACTION = PUBLIC DISSATISFACTION

That President Reagan is aware of continued unfair trade practices by our overseas trading partners is not at question. On several occasions, the President has directly acknowledged that unfair trade practices con-

[1] The "National Trade Estimate" is an annual report by the Office of the U.S. Trade Representative which lists more than 200 foreign trade barriers that impede American exports. The report was required under the 1984 Trade and Tariff Act. The cited edition, the first ever published and the most recent available, contains data current through October 31, 1985.

tinue to be used against American farmers and American industries.

"Because of foreign subsidies and protections, our farmers are being pitted against the economic strength of the national treasuries of other countries."—President Reagan, Remarks at the Werries Family Farm, October 20, 1982.

"Many of our industries face unfair trade practices by other nations. Unless our trading partners stop these practices, support in the United States for free trade will be undercut."—President Reagan, Interview with *Le Figaro*, September 26, 1985.

Despite the President's awareness of these unfair trade practices, the Reagan Administration has failed, for five years, to act against them. As the Administration has failed to act, poll after poll and survey after survey have revealed that the American people are becoming more and more dissatisfied with the Administration's inaction. Today, the American people are demanding a trade policy that will reduce or eliminate the unfair trade policies which result in much harm to them personally and to the U.S. economy overall. International trade seems to be just one more areas in which the Reagan Administration has failed to understand that actions speak louder than words.

* * * * *

July, 1982: Consumer Opinion Survey, U.S. Chamber of Commerce:

"Does this country have regulations that are more fair, or less fair, than those in the countries that we trade with, or isn't there much difference?"

	Percent
U.S more fair	48
U.S less fair	16
Not much difference	19

* * * * *

November, 1982: Consumer Opinion Survey, U.S. Chamber of Commerce:

"In your opinion, is there a lot of this unfair competition from foreign countries, or is this not a very serious problem at present?"

	Percent
Lot of unfair competition	52
Not a very serious problem	26

* * * * *

May 30, 1983: Business Week/Harris Poll:

"For too long, we have watched other countries restrict imports of our goods and set higher tariffs, while we have not done the same."

	Percent
Agree	74
Disagree	19

* * * * *

July 9, 1984: Business Week/Harris Poll of Senior Business Executives:

"How effective has the government been in breaking down foreign trade barriers?"

	Percent
Not very effective	73
Effective	26

* * * * *

April 8, 1985: Business Week/Harris Poll:

"How would you rate the job that's being done by the Reagan Administration in getting the Japanese to allow more American products into Japan?"

	Percent
Excellent	4
Pretty good	27
Only fair	38
Poor	22

"How serious do you feel it is that Japan is selling so much more to the U.S. than the U.S. is selling to Japan?

	Percent
Very serious	55
Somewhat serious	31
Not very serious	7
Not serious at all	4

* * * * *

September 29, 1985: Los Angeles Times Poll:

"Do you approve or disapprove of the way President Reagan is handling American foreign Trade. . . ?"

	Percent
Approve	24
Disapprove	35

"Do you think this nation's system of dealing with foreign trade is basically sound, or not sound?"

	Percent
Sound	36
Not sound	53

"The U.S. Government lacks a vigorous policy for protecting its trade interests abroad . . . [I]s that an important reason why so many foreign products are sold in the United States, or not?"

	Percent
Important reason	64
Not important	25

LONG-TERM EFFECTS OF U.S. ACTION IN LIBYA

Mr. BYRD. Mr. President, recently our colleague, Senator PAUL SIMON, wrote a most thoughtful and sobering column analyzing the long-term effects of this Nation's recent military action in Libya. I recommend the column to anyone seriously concerned about the problem of world terrorism—and I would think that is most everybody—and our Nation's ability to adequately and realistically address that problem.

I ask unanimous consent that the column be inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LIBYA: THE CONSEQUENCES OF MILITARY ACTION

(By U.S. Senator Paul Simon of Illinois)

No recent U.S. involvement in foreign affairs has so focused the nation as our bombing raids on Libya. And I sense among the public some unease about it all, an unease that I share.

Here are the main questions I hear, and my answers on the basis of information at this time:

Was Khadafy really responsible for the Berlin terrorist bombing?

The proof that the Libyan government was involved is overwhelming. And since Libya has been a one-man show, with a harsh dictatorship, there is no doubt about Khadafy's direct responsibility not only for the Berlin bombing but for other planned terrorist activities.

Does that make what we did right?

Not necessarily, though our government has both the right and responsibility to protect our citizens. Those who promote terrorism cannot piously pretend that the United States has no basis for responding. But whether we pursued every other option before trying military action is less clear.

Our Western friends did not cooperate with an economic boycott. However, those friends have argued—with some reason—that while the U.S. was having an economic boycott, at the same time we are permitting U.S. oil companies to provide about one-third of the income for the Khadafy government. But we could have tried to get our friends to cut off all trade credits (not trade) and stop all sales of weapons to Libya. Sometimes our government has been too quick with the trigger, and sometimes the trigger is not effective.

Will our actions slow down terrorism?

From Libya, I doubt it. From two other sources of terrorism—Syria and Iran—the bombing may cause second thoughts. Whether our actions will slow terrorism or increase it overall, we will know with time, it is a close call.

What is the big danger of the Libyan raids?

There are a few dangers:

(1) We could become so preoccupied with Libya that we ignore the big problem in the Middle East and the ultimate cause of our current problems: the Palestinian issue. If getting distracted in Libya keeps us from getting Israel and Jordan together to work out the basic problems, our involvement in Libya will have been a failure and a victory for the Khadafy regime. An action like that against Libya should fit into a grand strategy, not simply be a knee-jerk reaction to one tin-horn dictator. Former Secretary of Defense James Schesinger has called the Libya attack "more visceral impulse than strategy."

(2) It is unclear whether we will strengthen Khadafy or weaken him. I asked Secretary of State George Shultz what he felt and he replied our action will weaken Khadafy. I hope he is right. Some experts on that country believe our action may have rescued him, rather than toppled him. Two days after the attack, I talked to high-ranking officials of a neighboring country hostile to Khadafy. Their feeling: The intent of the raid was good, but it was probably a mistake in the long run.

(3) There is the possibility—no one can know this answer—that the raids will cause more terrorism. (There is also the possibility that they will reduce it.)

(4) The raids unfortunately underscore an image the United States now has in most of the world of being trigger-happy, inclined to use military muscle rather than diplomacy to solve problems.

There is also bipartisan concern that the President failed to adequately consult with Congress as is required by the War Powers Act. The War Powers Act requires that the President consult with Congress in "every possible instance" before sending U.S. forces into situations where hostilities are clearly imminent. President Reagan consulted Congress only two hours before the bombs were dropped. Senators Samm Nunn and Robert Byrd characterized it as "notification" rather than consultation.

What has been the reaction of our friends?

Great Britain has been with us, as has Israel. But they are almost alone. Even the leadership of the Afghan freedom fighters let it be known they felt it was a mistake. But it should be added that France and the others who disapproved our conduct did strikingly little to assist in non-military pressure on Khadafy.

Should the United States never use military force?

Every nation, great or small, should be willing to use armed forces if necessary. The difficulty is that we have sometimes used the military option too quickly.

Do we know what will happen next?

The Libyan raids have increased some uncertainties. We cannot know how nations will respond.

If we had not sent our Navy into the Gulf of Sidra, would we have this mess today?

It is doubtful, but no one can know for sure. We had the legal right to be there, however.

How will history judge this raid?

Ask me ten years from now!

RESERVATION OF THE MINORITY LEADER'S TIME

Mr. BYRD. Mr. President, I ask unanimous consent that I may reserve my remaining time under the order throughout the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank the Chair and I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CHAFEE. Mr. President, I ask that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR CHAFEE

The PRESIDING OFFICER. Under the previous order, the Senator from Rhode Island [Mr. CHAFEE] is recognized for not to exceed 5 minutes.

□ 1020

THE COMMUNITY AND FAMILY LIVING AMENDMENTS OF 1985

Mr. CHAFEE. Mr. President, S. 873, legislation I have introduced, would reform the Medicaid Program as it relates to those with developmental disabilities. To date, my legislation has eight cosponsors—Senators STAFFORD, LEAHY, PELL, INOUYE, BINGAMAN, SASSER, HATCH, and NUNN.

The goal of this legislation is simple: To replace policies which increase dependency and break up families with policies that allow dignity, that encourage families to remain intact, and that recognize individual potential by helping it to grow and flourish.

Medicaid is the Federal program which provides States with the bulk of funding for long-term care services for the disabled. Currently, these funds flow primarily toward large facilities. The reason for this has more to do with what Medicaid will pay for than what system of care and services is best for each individual.

We know, however, that because of the passage of the Education for All Handicapped Children's Act of 1975—Public Law 94-142—more and more parents are deciding to keep their disabled children at home and send them to school. But as disabled children graduate at age 18 or 21, they are offered few options for remaining in their own communities—with their families and friends. As they become young adults, our system of funding the services they need wrenches them away from their own communities and into residential programs they do not want because there are no other options available.

It is because of this funding bias and lack of alternative services that I introduced S. 873.

This bill stands for the proposition that there should be a range of services available for those with mental and physical impairments. It recognizes that the number of disabled individuals who require institution-based services is far smaller than those who need community-based services.

My bill will allow Medicaid expenditures to support people in a wide variety of settings; Natural family homes, foster homes, adoptive homes, independent living arrangements, new community residences of up to about 12 people, and existing clusters of up to three homes. In addition, S. 873 would allow 15 percent of a State's total Medicaid budget to be used to support institutional placements.

Thus, the proposal offers the potential for a State to provide a range of residential options from independent living to institutionalization.

S. 873 mandates four services: Respite care, personal attendant care as appropriate, case management, and protection and advocacy services. It also lists a wide variety of other services which can be provided through the Medicaid program.

Each person must have an individual written plan of assistance which must be developed by an interdisciplinary team. Family members, guardians, or, in some cases, the disabled person himself, can participate on that team.

The bill requires that anyone who is to be moved out of an institution must be given 60 days written notice, opportunity for a due process appeal, and that the services specified in the written plan must be in place before the individual is moved.

My bill requires that community residences be certified, licensed, or accredited, and that the staff be trained. It requires States to develop a plan of action for the next 15 years—a plan which must be approved by the Secretary of Health and Human Services. S. 873 provides the mechanism to move people into residential settings where they can live safely—with the security and services they need along with the opportunity to grow and develop as individuals.

One of the questions that is frequently raised about my legislation is how the services outlined in S. 873 will be monitored. Specifically, there is a great deal of concern about the monitoring of the care and services provided in small community group homes. The concern about monitoring is easy to understand—for the last two decades we have heard again and again about the widespread abuse of those with disabilities while they resided in institutional settings. No one wants to see those abuses duplicated in the group homes that would be funded through my legislation.

There are many possible methods to monitor group homes. One of the most important involved the direct participation of the parents of those with disabilities who reside in group homes. An example of this can be seen in Michigan at the Macomb-Oakland Regional Center's community placement program which created the parent monitoring committee.

The Macomb-Oakland Parent Monitoring Committee is made up of over 30 members. The members are divided into teams and assigned to particular group homes in their area. Visits are made by the teams about every 2 months. This monitoring program supplements the existing monitoring requirements under State and Federal law.

Mr. President, I have an article which appeared in the "Exceptional Parent" about the Macomb-Oakland Parent Monitoring Committee, and I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CHAFEE. Mr. President, the past 2 years have proven that any proposal to phase down Medicaid support for institutions and increase such support for community-based services is a highly charged issue.

Even so, most of us believe that there are problems in our system of care for those with disabilities. We may not all agree on the extent of those problems or how they are best solved, but most of us agree that it is time for change. We must engage in constructive discussions to reach some agreements about what that change should look like and we must remember that these should be discussions which will help us move closer toward a resolution of issues that affect the lives of our severely disabled children and friends.

We are in an era of changing technology and experience. Our understanding of the capabilities of those with disabilities is changing quickly. We have made tremendous strides in our ability to help those with disabil-

ities to learn and to participate in many different facets of life.

No one wants to see any individual with severe disabilities who needs assistance forced into an inappropriate environment. Our challenge is to ensure that this does not happen.

I urge my colleagues in the Senate to join the nine sponsors of this legislation in our efforts to develop a solution that most of us can agree upon, and to work to get that solution enacted.

Mr. President, the principal thrust of this legislation is to make sure that every disabled individual has the opportunity to reach his or her fullest potential. We believe that this is not true currently in the institutional settings that so many people are forced into because that is the only setting for which Medicaid will pay.

EXHIBIT 1

SECURITY FOR PARENTS: MONITORING OF GROUP HOMES BY CONSUMERS

(By Gerald Provencal and Ruth Taylor)

The adequacy of supervision of group and foster homes is one of the most anxiety provoking uncertainties for parents considering community placement for their child. When community based residential programs are advocated for people with developmental disabilities, there is one question which can always be anticipated, "How can you monitor homes scattered all over the city?" This issue is raised, not only by the critics of group homes, but also by those who support them.

The concern over monitoring is legitimate. It cannot be dismissed with a plea to "have faith." Professionals cannot expect parents to feel even modest security with placements unless they are tied to a comprehensive service network which assures adequate staff, sound training, relevant standards, accessible support systems, ample funding, accountability, and more.

It would benefit agencies to recognize that there is an important oversight role to be played by the "candid consumer." And when encouraged, this role can lead to improved programs which parents may come to trust more fully.

Consumer candor has a significant place in human service systems. Although individuals within organizations might be conscientious personally, and safeguards might exist in policy, the organizations themselves are not inherently empathetic. They cannot be expected automatically to maintain procedures which are sensitive to the needs of their clients. Unless they are monitored carefully, even social service agencies can become indifferent to the very people they exist to serve.

Parents, guardians, and other "candid consumers" utilized in a group home monitoring capacity have enhanced one agency's ability to provide services, and quieted much of the distress aroused by the question, "How can you monitor homes scattered . . .?"

A PROGRAM FOR MONITORING HOMES

By the spring of 1979, the Macomb-Oakland Regional Center's community placement program for people with developmental disabilities had grown to include over three hundred individuals living in small group homes. The staff and providers of these homes had received numerous awards and accolades, and the program was receiving widespread recognition for quality.

The Regional Center staff, representing a wide range of disciplines, regularly monitored each placement. Nevertheless, the Regional Center and its placement providers were occasionally criticized by parents about things which had escaped the scrutiny of the professionals. A broken shutter, a staff member cooking in his or her bare feet, or the beginnings of an institutional atmosphere might clearly evade the glance of the group home social worker looking for improvement in an individual client. These concerns never failed the attention of family members visiting on Sundays, however.

There was tremendous potential for the client's relatives to offer a contribution to the group home system.

A series of meetings were held between Regional Center administration, group home providers, and key members of the local Association for Retarded Citizens in an effort to incorporate this perspective into the program. The objective was to create a formal (yet workable) oversight role for parents and guardians. The result of these meetings was the creation of the Macomb-Oakland Regional Center's Parent Monitoring Committee.

DESCRIPTION OF MODEL

A. Structure and Assignments: The Parent Monitoring Committee is made up of over thirty members—comprised of parents or guardians who volunteered and were chosen by the Regional Center who felt they could be "counted on" to be responsible to the program. There is a core group whose specific duties are to establish committee policy, hold monthly meetings, write critiques of each home visited, train new monitors, and carry out their own monitoring assignments. Companion monitors—non-core members—perform the same observational tasks, but have less administrative responsibility when the visit has been completed.

Teams comprised of one core member and one companion monitor are given an assignment for each group home. Monitors do not visit homes where there relatives or wards reside, nor are they permitted to be employed in the group home program. This policy was developed in order to prevent the charge that the monitor's suggestions were emotionally based, and need not be taken seriously. Visits are made approximately every two months.

B. Home Evaluation: The monitor's primary responsibility is to evaluate the "feel" of each home; its appearance, atmosphere, warmth and overall sensitivity to important areas in the home's operation and the resident's well-being. Quote deliberately, monitors do not assess individual client programs, procedure compliance, or performance toward standards that are to be reviewed by other agencies.

The monitors are expected to look at each house and, in effect, ask themselves how it compares with their own, homes in the surrounding neighborhood, and their personal notion of what a group home should offer its residents.

The expression of varied tastes, values and curiosities between monitors is encouraged. This subjectivity could be a problem if one were seeking a "clinical" critique of each home. It has been our experience, however, that a range of perspectives is very helpful. In fact, the viewpoint most lacking in standard evaluation efforts is one which reflects the attitudes of the local community.

For this reason, the criteria used to evaluate the homes was established by the core members. It is a composite of expectations rooted loosely in normalization principles and middle class values.

Specific areas are given attention to each visit: home appearance, meals, security, laundry, general environment, staff, support services, and resident rights. The monitors' guidelines include suggested questions which the team members might ask themselves. The following are sample questions in three of the categories:

RESIDENTS RIGHTS

"To what extent do residents have the choice to govern their own lives when it comes to the selection of their room, roommate, meals, and daily routine?"

"Do you think it would be difficult for the people in this home to maintain a sense of dignity about themselves and feelings of self-worth?"

GENERAL ENVIRONMENT

"Overall, is the home and yard clean, well-maintained, cluttered, barren, up to the standards of the neighborhood?"

"Is there sufficient space for an individual to pursue a quiet activity in the home?"

STAFF

"Did the staff appear interested, pleasant, or indifferent to their jobs?"

"Did the staff seem to respect the privacy and dignity of the residents?"

The monitors prepare a written report after completing each visit. They make a careful point of accentuating areas they feel are outstanding, either in a positive regard or those in need of attention. The reports are discussed at the monitor's monthly meetings, with recommendations for action decided on that time.

C. Monitoring Aids: In an effort to show support for the project and to facilitate the committee's undertaking, the Regional Center supplies many necessary items.

1. All core monitors receive photo identification cards.

2. Mileage costs are reimbursed at the State approved rate per mile.

3. Private office space, furnishings, locked files, and telephones are provided, as well as ample stationery, photocopying, and postage privileges.

4. Maps, photographs and directions to all homes are given.

RESULTS

Since its inception, the parent monitors have made over fifteen hundred group home visits, and filed as many reports. They have recommended an average of five improvements for each home per year, and report that a vast majority of their suggestions have been implemented.

The program has been welcomed by individual parents, copied and improved upon by several local chapters of the Association for Retarded Citizens, and adopted by the State office of the ARC.

Although group home providers were skeptical in the beginning, they are now fully accepting. Some point out that the parent monitors have been able to get things for their homes that they have been unsuccessful in obtaining.

DIFFICULTIES

While the monitoring efforts have been successful, there have also been points of friction. The monitors, Regional Center, and group home staff will occasionally clash over described conditions and recommendations. There seems to be no clear way to

eliminate disagreement on what constitutes an "unkempt" recreation room, a yard needing "better" landscaping, or a worker who appears to have an "attitude" problem. The most successful way of dealing with these differences of opinion has been to talk them out. The goal of the discussions is to attempt to separate contrasting values and personal taste from matters of necessity.

Also, those responsible for managing the homes being monitored often feel a general defensiveness. It is hard for staff to take criticism impersonally, as it ultimately is a reflection on them, a reflection of inadequacy or in attention. For this reason, monitors are encouraged to point out positive qualities as well as negative ones. By tempering the fault-finding with complimentary recognition and by treating the staff respectfully, the defensiveness is minimized.

CONFIDENTIALITY

There is the ever-present issue of confidentiality in group homes. Although monitors do not read home records, they do enter the private world of citizens whose confidentiality must be protected. Monitors are cautioned to keep in mind that what begins as an honest attempt to protect clients can easily slide into infringement. Just by entering a home, they are being given access to information about people's lives, and must be responsible about not abusing that trust. Understandably, many clients are reluctant to have people coming into their homes—looking into their bedrooms while evaluating cleanliness standards for example. For this reason, monitors only come to homes where all the residents and or guardians have approved of the visits. Additional safeguards have been incorporated to keep rights from being trampled on in the name of "good intentions."

THE EFFECT OF MONITORING

When the monitoring project was launched, it was acknowledged that it might be challenged as unnecessary. The professional community could see it as duplicating their work. But, there were potential benefits that made the experiment worthwhile.

Greater trust in community placement staff and the programs could occur for families and guardians. It was hoped that this would materialize from the staff being seen as having "nothing to hide" and being open to suggestions. The more frequently consumer representatives (monitors) visited homes, the more likely they would be to gain respect and understanding for the difficulty of group home work, and the sincerity of staff who followed through on monitor recommendations. This would, in turn, be passed along through the ARC membership, and shared with other family members.

Increased trust and respect has resulted. Parent monitors report that they are, in fact, more aware of the complexity and the rigor of the work done, and the conscientiousness of the workers than they were prior to the project. This increased regard is communicated to the ARC membership. Indeed, the local Association for Retarded Citizens has gone so far as to say that "the monitoring project is the very best thing we have ever done."

Monitors often serve as intermediaries. Relatives of group home residents contact them on occasion and ask for confidential assistance on matters they feel reluctant to bring to staff attention. For example, when visiting her child, one parent noticed that there was little food in the refrigerator of the home. She did not want to confront the staff about it, afraid to sound like a "complainer." She was also worried that her child's treatment might be affected if she made the staff angry.

The women made a call to the monitoring committee, and asked them to examine the situation the next time they monitored the home. The committee did find, in fact, that the staff was not doing adequate shopping, and recommended that they buy more food in the future. Monitors are being viewed in a helpful capacity by the residents of group homes and their guardians. More and more often, they are entrusted with problems and concerns, and their ability to change conditions is gaining respect.

Community liaison workers report positive reactions to the program ranging from placement opponents having one less thing to complain about, to being openly relieved that the monitors will be watching over the group homes. The community can see that the monitors genuinely care about the quality of the homes and the treatment the residents receive.

It was apparent that families were going to "monitor" the homes their members were living in, regardless of what any agency did. It seemed wise to take advantage of the point of view of family members who care both about the personal care their relatives receive and the quality of the home in which they live. Their perspective was different enough from a professional's for them to notice areas needing attention that might otherwise be overlooked or considered irrelevant. Further, these otherwise neglected areas could well be the ones which could anger the neighbor or casual observer. For example, an over-worked staff person might be too busy caring for a client to notice peeling paint or an overgrown lawn. Neglect of external conditions might make the neighbors feel that they do not want group homes in thier area.

The formal monitoring process has resulted in scores of home repairs and other physical improvements. Windows, carpets, storm doors, and shrubbery, for example, have been replaced. In some cases, schedules for meals and bedtime have become more personalized because of monitor suggestions. Likewise, questions asked about leisure and social pursuits for particular individuals have sometimes led to more satisfactory arrangements for the client.

Monitors now have an accepted role and platform, and their observations have been taken more seriously than otherwise might have been the case. Requests for correction have been received more agreeably—less as "overprotective" or highly personal complaints—than they would be coming from a single family or an individual professional.

While the monitors have brought about many improvements in individual homes, perhaps their largest contribution is simply one of presence. Families with relatives in placement report that they feel greater security in the program knowing that in addition to professionals, the toughest critics in the world will have a formal say in what goes on.

SENATOR HAWKINS' SPECIAL ORDER

The PRESIDING OFFICER. Under the previous order, the Senator from Florida [Mrs. HAWKINS] is recognized for not to exceed 5 minutes.

The distinguished Senator from Rhode Island is recognized to read Senator HAWKINS' statement.

Mr. CHAFEE. Mr. President, on behalf of Senator HAWKINS, I wish to present the following statement:

MEXICAN DRUG TRAFFICKING: A SERIOUS PROBLEM OF CRISIS PROPORTION

Mrs. HAWKINS. Mr. President, there is an old chestnut that goes this way: "Nothing succeeds like success." There's a great deal of truth in that saying when applied to drug trafficking. The combined agency task force under the overall command of Vice President Bush has been a dramatic success. When created, 80 percent of the illicit drugs entering the United States came through south Florida. But smugglers have learned that it is tough to unload their insidious cargo in my home state without a high risk of detection and seizure. Their first step was to move farther north, moving narcotics by boat and plane into North Carolina, Tennessee and Georgia. From those points drugs would be transshipped to the large consuming cities. However, law enforcement agencies have cracked down there also and traffickers have learned that the southeastern United States is no longer an easy access route to narco-dollars. The offshoot is that many drug smuggling operations have been shifted to the southwestern border of the U.S., creating an altogether new set of problems.

Customs Commissioner William von Raab described the southwestern border as "a serious problem of crisis proportion." In recent months, U.S. agents responsible for narcotics enforcement have made 35 seizures of drugs from vessels and 31 seizures from airborne penetrations. They have detected 132 stashhouses, warehouses for storage of drugs, ranging in size from modest huts to plush haciendas. And they have charted 472 clandestine air strips, north and south of the U.S.-Mexican border.

One might be tempted to suggest building a high wall between the U.S. and Mexico with the aim of solving the drug and immigration problems at one fell swoop. But this is hardly practical along a 2,000-mile border and not particularly desirable either. But it is obvious to me that we must commit more resources to that trouble spot—more Customs agents, more border patrolmen, more immigration officers. And those agents must have state-of-the-art technology with which to match wits with narcotics smugglers. One thing they need expeditiously is more detection aircraft and improved radar. The radar in general usage detects planes flying at 14,000 feet and above, but not at the 5,000 feet preferred by smugglers. All the traffickers have to do is fly low across the border, drop off their nefarious cargo and then sally back to safe haven in Mexico. We need radar with the capability of detecting low flying aircraft and radar balloons of the kind that help protect the Florida border from encroachment by drug-carrying aircraft. Improved radar and radar-equipped balloons, with the capacity to look up and down as well as sideways, it seems to me, could be valuable weapons in the war against drugs if installed on the southwestern border. Also tighter restrictions might be applied to the corridors that incoming planes could use, limiting access points which would give our drug fighters a better chance of monitoring the flight patterns of suspicious aircraft.

Drug trafficking always brings with it a certain amount of corruption, which already has become a major problem in Mexico, and money laundering. This money churning has already spilled over the border into the

United States and has resulted in a strange breed of currency manipulation. In Texas, the money paid into and received from four Federal Reserve banks indicates significant growth and currency surpluses. In 1985, for example, the surplus doubled in the San Antonio Federal Reserve bank to nearly $1 billion. San Antonio, Texas' third largest city with a 1982 population of 768,000 people, was one of only four Federal Reserve banks in the country to have a billion dollar surplus. The Federal Reserve bank in El Paso, a prime border crossing community and Texas' fourth largest city with a population of 425,259 (1982 census projection), had a negative cash flow in 1981 and 1982. However, in 1984, when the drug traffic started rolling in a big way, the bank showed a whopping $600 million surplus. Also suspicious is the situation in the lower Rio Grande Valley, one of the poorest sections of the country. Local banks in that area chalked up a $720 million increase in deposits within one year. Obviously, these are currency conditions that bear not only looking into but going over with a fine tooth comb.

The only way to combat narcotics trafficking effectively is to throw those who are involved in it into jail and to confiscate their assets, hit them where it hurts most, the pocketbook. As long as it is profitable to smuggle drugs, people are going to do it. We must do everything possible to remove the profit incentive from trafficking. Then and only then will we be making significant headway in the war against drugs.

□ 1030

Mr. CHAFEE. This, then, Mr. President, is the statement of Senator HAWKINS, who is unable to be here personally. I do not think anyone else in this Senate has taken a deeper interest in the problems of drug smuggling and drug trafficking. Her effort to do something about it is a great tribute to her.

RECOGNITION OF SENATOR GORE

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee is recognized for not to exceed 5 minutes.

Mr. GORE. Thank you, Mr. President.

I have been making a series of speeches about the strategic defense initiative. On yesterday I was not able to be present so I plan to make two speeches today.

SDI IMPACT ON NATIONAL SECURITY

Mr. GORE. Mr. President, in the third of this series of speeches on SDI last Thursday I continued a discussion of the program's implications for arms control.

Today, I intend to broaden the discussion by introducing some thoughts about the impact of the strategic defense initiative on our national security in its military dimension. Specifically, I want to discuss SDI's effect on the doctrine of deterrence.

The purpose of arms control is to reduce the risk of nuclear war by allaying fears—mainly, the fear of a first strike—which might cause governments to behave irrationally. The purpose of our military power is to induce other countries to be very rational indeed, when considering actions that affect our security.

Ideally, therefore, arms control creates conditions in which going to war is the most unnecessary step a country needs to consider in its dealings with us. Military power exists to make sure that going to war against us is also the most foolish of choices, because it would be followed by devastating retaliation.

What this implies is simply that the ability to deter is an important element of a policy aimed at keeping the peace. Certainly, that was one of the most indelible lessons of the Second World War, and it is a concept which has been at the core of all American thought about the prevention of nuclear war.

The notion that we must preserve peace by maintaining the ability to make war—especially nuclear war—is disconcerting to many people. Until now, however, it has been reluctantly accepted by the mainstream in American political life as a harsh necessity, without which the world would be much more dangerous. Until now, the only radical challenge to the concept of deterrence had come from the far left as a call for unilateral nuclear disarmament.

Now, however, the far right has its own radical proposal for escaping the necessity of deterrence, and that is the strategic defense initiative in its most extreme form. Even though some of its proponents argue that SDI is intended to enhance deterrence, most argue that it is intended to replace deterrence through threat of retaliation.

From the beginning, the President has made it clear that he looks to SDI as the means by which defense displaces offense as the mainstay of our strategy.

Just how this transition is supposed to occur is very obscure. One approach, consistent with the President's descriptions of SDI, is that although nuclear weapons may continue to exist, they will be neutralized by defensive technologies, and become useless. Another approach, consistent with other things the President has said, is that once SDI technology has been demonstrated, the nuclear powers will clear the way for it by getting rid of their weapons in advance.

Either way, this amounts to making policy by hoping for miracles. And that is fair enough, but with one caveat: until the miracles occur, it would be wise not to undermine the real-world arrangements upon which our survival and security depend.

How then, shall we explain the attacks made by officials such as the Secretary of Defense on the concept of deterrence, as both immoral and lacking in credibility? How shall we explain reckless administration comments regarding ICBM modernization, to the effect that the money would be better spent on SDI? And how shall we explain efforts to entice our allies into the hope that they, too, can be made immune to nuclear attack?

What it means is that the administration, dazzled by the glow of its own promises, no longer esteems our strategic doctrine enough to take care of it, and to assure its continuity. On the contrary, the administration already seems to hold that doctrine in contempt, and is taking steps to weaken its influence, even before there is any certainty of an adequate successor.

This is the same contempt for the past, the same impatience with present forms, and the same blind faith in a future prescribed by dogma that have always been the hallmark of zealots. It explains the untiring efforts we experience on the part of those who want the President to cashier SALT II; it explains their efforts to decompose the ABM Treaty; and it explains their mischevious assault upon our fragile concensus regarding ICBM modernization.

Because they blindly believe that science can produce the President's perfect defense, they do not feel it necessary to wait to find out what the facts will show. Rather, they feel compelled—in advance—to destroy all competing options for the country, so that only their preferred course remains.

Now, of course, there is an entirely different projection about SDI—coming so far not from the President, but from the technologists and pragmatists out there working on the problem. That is the version of space-based defenses which concedes that perfection is a matter for the distant future; and which aims instead for no more than a level of performance which would complicate a Soviet first-strike.

This approach, they tell us, is—unlike the President's dream—not an attack on the concept of deterrence, but an effort to powerfully reinforce it. Perhaps. But before conceding that point, there are a few questions that need to be answered. I plan to raise those questions in my next speech.

□ 1040

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized for not to exceed 5 minutes.

COMMENDING SENATOR GORE ON SDI REMARKS

Mr. PROXMIRE. Mr. President, I wish to commend my good friend, the Senator from Tennessee, on the speeches he is making on SDI. I had an opportunity to read the first speech he gave and it was a real blockbuster. If Senators would read any one speech given this year, in my view, they could learn more from the speech given by the Senator from Tennessee about SDI than any other. I think the speech he gave this morning is an excellent followup.

THE FEDERAL BUDGET AND THE ARMS RACE

Mr. PROXMIRE. Mr. President, what force in American life today has the power to persuade American leaders that it is time to stop the nuclear arms race? Is it the desire for peace? No. Love of our fellow man? No. Fear of a nuclear holocaust that might end all life on Earth including our own? No. In the judgment of this Senator, it is none of these cosmic forces. Our best hope for the end of the nuclear arms race is the simple, prosaic, commonsense realization that we just plain cannot afford it. If President Reagan stands by his resolve to veto any proposed tax increase the struggle to stop the arms race is half won. What will the other half require? That should be easy. It requires that our top national leadership recognize the colossal, stunning cost of the arms race.

Critics might say we will stop the arms race because we are too cheap to pay for it. That does not bother this Senator at all. I can think of more insulting reasons, such as the charge that we lack courage. We do not really believe in the sanctity of freedom. We put our own safety above love we owe our country. Let it be said this generation of leaders refused to fight and win the nuclear arms race with the U.S.S.R. not because we lacked patriotism, not because we did not love our country, not because we did not oppose Godless communism, not because we did not cherish freedom but simply because we were too cheap, too stingy, too Scroogelike. We just did not want to pay more taxes.

Mr. President, if anyone thinks this Senator is being coy or sarcastic they are wrong. I mean it. We should stop this runaway nuclear arms race because we do not want to pay higher and higher taxes. And how should we stop it? Gramm, Rudman, Hollings, that is how. The Gramm-Rudman-Hollings Deficit Reduction Act forces this Congress to eliminate the present $200 billion budget deficit in 5 years. Now PHIL GRAMM, WARREN RUDMAN, and FRITZ HOLLINGS are three Senators who are each and all earnestly committed to a strong American military force. Each of those three Senators has a strong and consistent record of working and speaking and voting to pour more resources into building up America's military capability. But each favors cutting the deficit by $40 billion every year for the next 5 years. And each proposes a tax increase.

So how do we comply with the mandated and drastic cuts in spending while still pouring hundreds of billions in the increasingly costly arms race? How do we do it without a tax increase? How? There is a simple certain answer. We stop the arms race. How?

How do we stop the arms race? Answer: arms control. Comprehensive, verifiable, vigorously enforced arms control. But does not that require negotiations and an agreement with the Soviet Union? Sure it does. Can we trust the Soviets to honor their word? Under a single condition we can. We can only trust the Soviets to honor their word to the extent that doing so is in the clear interest of the Soviet Union. Is compliance with an arms control treaty that would stop the production or deployment of new Soviet or American nuclear weapons be in the clear interest of the Soviet Union? You bet your life. It sure is. Why? Because the Soviet Union faces the same economic problem we do, only more so. The arms race is choking off the development of their economy. It is doing even more harm in Russia than to America. Why? Two reasons. First, the Russian economy is only 55 percent as productive as the American economy. They produce about half as much as we do. So an equal economic effort by the Soviet Union is about twice as costly for their economy as it is for ours. Second, the Russian economy is far behind the United States in technology. The Defense Department reported to the Congress this year that in the 20 most important military technologies the United States leads in 14. The two superpowers are tied in six. The U.S.S.R. leads in none. This Soviet shortcoming makes the economic task of competition with the United States in the arms race even more difficult

But why won't the Soviets continue to take whatever resources they need from their industrial economy and pour those resources into the military? The answer is that they cannot. Their future military power depends on their economic power. They know that. So will the Soviet Union keep an agreement to stop the arms race that is so clearly in their interest to keep? They will. The end of the arms race means greater growing security from a nuclear war for both superpowers. And, of course, it also means a stronger, more productive economy for both. Sometimes it pays to be cheap, and this is one of those times.

THE MYTH OF THE DAY: PHYSICIAN PAYMENT REFORM CAN BE ACCOMPLISHED PAINLESSLY

Mr. PROXMIRE. Mr. President, the myth of the day is that a move by Medicare to begin paying physicians based upon their resource costs in performing procedures will be a painless way to reform Medicare.

Ever since the administration indicated its concern regarding a congressional proposal for a physician payment commission to develop a fee schedule for physicians based upon their resource costs—often referred to as a relative value scale—physician groups and others critical of Medicare's payment system have attempted to portray a fee schedule based upon such a resource base as an incremental change in Medicare's payment policy.

Advocates tend to minimize the economic dislocation such an RVS system may produce for certain groups of physicians, arguing that it will simply increase payment somewhat for so-called cognitive services—time spent interviewing, counseling and educating a patient—and decrease payment somewhat for surgical or technological procedures.

While I do not quarrel with moving in that direction, advocates have downplayed the changes in reimbursement that might result.

Consider these charts adapted from the recent Congressional Budget Office report on physician payment reform options. Using the resource cost estimates developed so far by the Harvard School of Public Health, CBO concluded that:

Medicare would cut the payment opthalmologists now receive for cataract extraction—an average $1,000—by a whopping 86 percent to $150.

Suregons implanting pacemakers would be reduced 76 percent from the present average of $1,060 to $256.

And a coronary artery bypass operation would be reimbursed 60 percent less—$1,200 instead of the going rate, $3,000.

If such reductions were implemented, CBO notes, Medicare's payments for these services would be about 20 percent of current payment levels.

Congress may eventually choose to move in this direction. It may be the right direction to go. But the current commentary in Washington that such a step is either incremental or painless is simply wrong. There will be significant redistributions of income that will accompany any major reform of Medicare's current payment system for physicians and we need to go into this policy debate with no illusions that there are any easy answers on the horizon.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business with statements limited therein to 5 minutes each.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MILITARY IMPLICATIONS OF SDI

Mr. GORE. Mr. President, this is the fifth in a series of speeches on the strategic defense initiative, and, of that series, the second to deal with the military implications of SDI.

In my earlier comments, I concentrated on the deleterious effect that the President's vision of a near-perfect defense has already had on the credibility of our deterrent. Certainly, administration statements that characterize deterrence as immoral and implausible have not done much good. On the contrary, such criticisms have weakened support for existing nuclear strategy and doctrine, the better to prepare the way for a transition to something radically new.

The problem is, of course, that we are not at all likely to have a defensive system with capabilities in line with the advance rhetoric. What we will have, at most, is a system capable only of complicating, rather than thwarting, a Soviet attack. Its advocates concede that the purpose of such a defensive system would be to reinforce, rather than to supersede, a strategy based on deterrence.

But even this more modest assertion needs close scrutiny. Those who are pushing the idea of a limited space-based defense tell us that the case for it is simple and intuitively understandable. Some defense is better than no defense, they assert. And anything that adds to a potential attacker's uncertainty is likely to help deter him from undertaking a first strike. It is, however, more complicated than that.

For example, let us suppose that the Soviet Union decides to construct defenses of its own, on a very broad scale—not necessarily space based, like SDI, but as is more likely, one that is based on technologies that the Soviets have well in hand. Among other things, we might expect them to deploy that kind of system sooner, and with less impact on other military projects, than we could deploy an early SDI system.

That development in itself would put us behind the eight ball, by creating an interval during which the Soviet Union would possess extensive defenses, while we did not. Bear in mind, moreover, that while the Soviet defense could be counted upon to perform at some level of effectiveness, our system—because based on novel technologies developed at breakneck speed—might or might not turn out to be useful.

At any rate, what are the consequences of this development? One of our great fears has been that a Soviet first strike could destroy a very large portion of our ICBM force, if not now, then later, as Soviet missile accuracies improve. Our ace in the hole against such an attack is the U.S. submarine based missile force. Right now, those missiles would have a free ride to their targets in the Soviet Union, because all of them—except those located in or around Moscow—are undefended.

But if the Soviets were to set up an area defense, then our second-strike retaliatory forces at sea could be discounted by whatever effectiveness the Soviet defenses achieve. Would such a situation be tolerable? Almost certainly not, because it would deprive us of the ability to ensure deterrance. And what would our response be? Possibly, we would try to increase the number of strategic missiles in our arsenal The Secretary of Defense, when asked about this hypothetical development, responded unhesitatingly that our immediate response would be to greatly increase the number of offensive missiles that we deploy. But, we would also modify our existing types of missiles to carry all sorts of devices for penetrating Soviet defenses.

Some of these devices are pretty simple and easy to carry. But if you have to contend with sophisticated defenses, you will need sophisiticated penetration aids. These could be heavy enough to rival the weight of real warheads, which they might well have to replace. And all of them would add complexity, which is to say, they increase the risk of mechanical failure.

Moreover, as we all know United States and Soviet ballistic missile forces are far from being equal or symmetrical. Historically, we have relied more heavily than they on manned bombers. The Soviet, by contrast, have invested a great deal in heavy ICBM's. As a result, there are inequalities or assymetries in the area of ballistic missiles, assymetries which have to be taken into account when considering the effect of deploying defensive systems.

The effect of these asymmetries is such that if both superpowers begin to deploy defenses, then the United States must deploy a defensive capability superior at any given time to that of the Soviet Union, in order to remain in a condition of approximate balance with them. Now, it might conceivably turn out that our untested SDI technologies can be put up faster, and perform better, than Soviet defenses based on ABM technology. But that is unlikely. But it flies in the face of prudence to stake our national security on it.

All in all, the fact is that a little bit of defense may, indeed, be worse, not better, than no defense at all. With that conclusion in mind, we would have to look at the idea of partial defenses in a new light: We would have to see them as a venture full of risk for the United States, which ought not to be undertaken without very compelling motives.

Well, if the system we get is admittedly not able to protect the populace, what is it supposed to do? As I said before, the answer to that is, typically, to "complicate a Soviet attack." But an attack against what?

Possibly, against cities, of course. Although that seems to be a losing game, since, if the first warhead does not do the job, the second, or the third, or the fourth will. If the target were New York or Moscow, one might deliberately expend 100 warheads if that is what it took to get through—and considering the value of such targets, that would not be much of a price to pay, if that was the target.

The only real purpose of SDI in its limited form, therefore, is to protect what are loosely termed our "strategic assets." These, in turn, break down into a relatively small set of command and control targets, a somewhat larger set of airfields, and so on. But the central meaning of the term "strategic asset" is more concretely expressed by the phrase "ICBM silo." And so, we finally come down to brass tacks. The ultimate purpose of limited space-based defenses is the defense of ballistic missiles.

But do we actually need to defend these missiles? Is it wise? And, if so, is SDI the right way to do it? I will address these questions in a subsequent speech.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1110

Mr. MELCHER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. Mr. President, may I inquire, are we still in morning business?

The PRESIDING OFFICER. The Senator is correct. We are in morning business.

PRESIDENT REAGAN'S POLICIES

Mr. MELCHER. Mr. President, I am sad to say that much of what President Reagan does in developing his policies for this administration I find to be quite reckless—sometimes careless, sometimes entirely out of context with reality. Let me explain some of my concerns with President Reagan and his policies.

First of all, with the deficits—both the Treasury deficits and the trade imbalance deficit—I think the policies of the President are taking chances that are unnecessary and are quite reckless by not moving directly to develop policies that will clear up these deficits. It is one thing to say to us in Congress, "Well, don't spend so much," while at the same time sending us a budget which requires more spending on both foreign aid and defense.

I think these requests border on recklessness, because Congress might agree to them. The Senate did not agree to them; the House did not agree to them. But that is what the President proposed; both in his request for national defense and for foreign aid. His budget requests in both areas were for a great deal more money than was spent last year, and I believe that is carelessness and reckless on the part of the President.

As to the trade imbalance, it does not do much good for the White House to just say, well, any trade bill—the latest one is one that the House committee has approved and will soon consider—that any trade bill devised by Congress is necessarily bad news and immediately label it as protectionism. There should be corrections in our trade policy. We should move wisely and prudently with the leadership of the President. But again I believe the President has been careless about developing a trade policy that makes needed corrections.

I want to speak very clearly on this one point of the President and the Trade Ambassador and the Secretary of State and the entire administration labeling almost any Democratic proposal for trade policy correction as being protectionism. As one Democrat, I want to state quite clearly that I believe what we need in corrections in trade policy is reciprocal agreements between countries—not protectionism but reciprocal agreements, one trading partner with another: The United States with Japan, the United States with Canada, Canada with the United States, Japan with the United States, the United States with Latin American countries, Latin American countries with the United States; the United States with the European Community—we need reciprocal agreements to work out whatever the inequities and friction points exist. I believe that can be done and I believe correction in trade policy is absolutely essential.

I do not believe President Reagan is leading the country in the right direction by simply saying our trade deficit is going to disappear. The trade imbalance is not disappearing. Indeed, it looks like it might be increasing for this year.

The third point I would like to make is that I think the President's policy on air travel has been, to some extent, reckless for the past several years, beginning with the PATCO strike. I still am not comfortable, and I do not believe the air travelers in our airliners should be too comfortable, either, with the condition of air traffic controllers at this time. We tried to work our way out of that. The administration said the PATCO situation could be corrected by hiring and training new air traffic controllers. Now we are finding out there is some indication that air traffic controllers, either for lack of sufficient training or because they are working too many hours are taking some chances with our airline traffic.

I would like to make this note with the idea that we make some corrections. If we need to have more air traffic controllers, more personnel or better training, whatever it takes, it is a small amount of money. I think trying to be saving a few pennies in this particular area is not very wise and is reckless.

With regard to the space program, I think it was reckless for the administration to push so strongly for so many shuttle flights in 1 calendar year, in one 12-month period. It was almost inviting disaster. I find no reason not to take that into account. Granted that we will have no space shuttles attempting to orbit the Earth during the next several months; but I think during our review of what went wrong with the space program we should also question why it was so important for the President and the administration to encourage NASA to have so many shuttle launchings in 1 calendar year. Ten to twelve space shuttle launchings in the calendar year 1986 as was planned was entirely too many. What was the reason for that?

□ 1120

I also believe President Reagan's policies have been very reckless, careless and neglectful for the farm economy and the farm credit situation. The necessary requirement for the farm economy is improvement of commodity prices. Unfortunately, that has not happened. Unfortunately, commodity prices so far in calendar year 1986 appear to be even weaker than they were a year ago. That is bad news for farmers. It is bad news for their creditors. It is bad news for rural America. It is bad news for all of us who want to see the most basic industry in the United States make an economic recovery and regain some strength. That is not happening, and I believe the President's program in this regard is entirely reckless and careless. What is needed is some cooperation, Democrat with Republican, to see whether we can improve our agricultural policies.

Part of a sounder agriculture policy would be correcting the trade imbalance. Part of it would be better lines of credit, lower interest rates for farmers and ranch producers. This is where we need cooperation.

Speaking of cooperation, I was very much surprised to see that in the bill before us, hopefully to come up in the next few hours, H.R. 4515, the urgent supplemental appropriations for this year, there is a section dealing with the Philippines, which would now receive some attention from us, which is not very well planned. It is not very well stated and certainly is not adequate.

If there is going to be cooperation between the administration and those of us seeking to cooperate with it, there has to be some notification of when they would like to have legislation addressed by the House and the Senate. I have over the past several months worked as diligently as I could with the State Department, with the Department of Agriculture, particularly with the Agency for International Development [AID], to make sure that when recommendations for the Philippines were presented to Congress we could agree on quantities of aid that are meaningful. The aid request for the Philippines unfortunately is not very wise. It is not adequate. It is entirely inadequate. I see that the urgent supplemental seeks to accept the administration's request, however inadequate it is; and incorporate it into this supplemental appropriation bill. This has been done without allowing for much discussion. Nevertheless, I will try to work with the administration and with the Appropriations Committee to see if we can come up with a logical section for the Philippines, and I would like to enlarge upon that right now.

When I say the administration's request for the Philippines is totally inadequate, that does not necessarily mean I am asking for a lot of new money for the Philippines. But, the administration has moved to satisfy the Philippines' urgent need for economic assistance and some military assistance and some food assistance in an inadequate way. Let me explain why it is inadequate.

First of all, they are asking for $150 million in new money, just for economic aid. Well, I think there is some merit in that. It is not a large request considering the size of the Philippines. There are 55 million people living there. There are thousands of islands that form the country itself; 420 of

those islands are inhabited, which makes for quite a large country with quite a large number of people and some economic assistance is merited. But the administration's request for assistance for economic recovery does not even cover what is very essential for the Philippines, and that is some increase in the sugar quota. That is not in the administration's request. That must be addressed. The administration has had 6 or 8 months in which to look this over because not only have Philippine officials been making that request but some of us in Congress have been making that request, particularly myself and Senator INOUYE in the Senate.

The administration should address the urgent need for increasing the sugar quota to the Philippines. That is basic to economic recovery for them.

That is No. 1. No. 2, there is a great need among the unemployed families in the Philippines for food assistance. I earlier mentioned that there are 55 million people in the Philippines. Consider this. Out of those 55 million people, 40 percent of the families are either unemployed or underemployed. That says in and of itself that there is a great need for some assistance, both medical and food but principally food. The Philippines is a country that has during ordinary times quite good agriculture production. However, they do not produce any milk in quantity. Dairy cows are not successful there because of climatic conditions. They cannot produce wheat because of climatic conditions. It just so happens that in the United States our two greatest surpluses right now are wheat and dairy products. They can use it. They should have it. But the administration's request for food assistance is so skimpy that I have earlier compared it to providing one glass of milk and a good, generous serving of nutritious American wheat for each person once a year in the Philippines. Now, their food needs are greater than that, much greater than that. And so the administration's suggestion for food assistance is totally inadequate.

I earlier said I am not necessarily saying let us send the Philippines a lot more money. I am saying let us send them a lot more food, particularly wheat and milk at this particular time. We can do that because we already have the products. They are in Federal storage. It will do us a great deal of good in the long range in trade development and is certainly what the Philippine hungry families now need.

□ 1130

Mr. President, I mention these facts because, while I have been trying to cooperate with the administration in developing whatever package they want for the Philippines for the past several months, we find that the request, strangely enough, now ends up with a few lines in this urgent supplemental.

I hope to work it out with the administration and work it out with members of the committee, so we can have a good package for the Philippines, involving a sugar quota increase, involving assistance in food needs for the unemployed or underemployed families who are suffering from hunger, malnutrition, or undernutrition.

There is a third point: Economic development is significantly part of what everybody talks about in regard to the Philippines and assistance right now. Unfortunately, nothing in this package does anything about economic development. I have mentioned the need for increasing the sugar quota. That is true economic redevelopment, because their sugar quota, reduced in the early 1980's, at the whim of the State Department, has put them in a desperate plight in terms of sugar workers and sugar mills, both in raising and processing the sugarcane to develop sugar. That is No. 1.

No. 2 in economic redevelopment is, where does the capital come from? In the Philippines, it should start on the land. They are very much an agrarian type of society, across the main part of the country. They live in rural areas.

So I am suggesting as a third part of this economic aid package for the Philippines a type of program which I would call a bank for cooperatives—some people like to call it a foundation—working with cooperatives.

I suggest that of the money that has been programmed for various purposes in the Philippines, about $10 million be used to capitalize this bank for the cooperatives, this foundation, and that it annually get more cash infusion by using some of our surplus commodities, wheat and dairy products—wheat and milk, primarily—to be monetized in the Philippines to raise $50 million a year for 3 years.

That type of operation has been carried out in other countries successfully. We should utilize what we have. We have the wheat and the milk sitting in Federal storage. It can be shipped there, donated to the Philippines, monetized there, and the money can form the capital for this bank for the cooperatives.

Mr. President, we need this type of economic help for the Philippines; that is the type of package we need. If the administration can address these points and Senators are agreeable to them, then I think we can act upon them in this urgent supplemental. But to just act upon a few lines that do very little for the Philippines is carelessness on the part of the administration and reckless on the part of the administration, in not coming up with a package that is meaningful.

Why do I say it is reckless? The situation in the Philippines, at best, is sort of in a flux. The new government of Carazon Aquino, the President of the Philippines, is trying to take off. It must take off. There will be a new constitution drafted. There will be election of all the mayors and all the governors. There will be an election for their whole Parliament. That will occur over the next 6, 7, or 8 months. In the meantime there is a state of flux.

The economy of the Philippines is still sinking. It has been in disrepair, in bad shape, for the last several years, and it is not getting any better. We do have a stake in terms of national defense, because the Subic Naval Base and Clark Air Force Base are important to our national security interests, but we also have a vital interest in trade. Trade with the Philippines has been significant for us in the past and has dwindled in the past 5 years. It should be renewed again, should be invigorated again, should take off with greater strength and greater continuity again. This is our opportunity to do that. It is extremely important that this package be put together within the next couple of weeks in the Philippines. I have been working with the administration for months on this, and now I find, all of a sudden, it is just a few lines in an urgent supplemental bill.

For that reason, Mr. President, I think it would be unwise to pass it that way. We might open a dialog on this today. I have taken this time in morning business to express some of my concerns.

At this time of unrest—not violent unrest, but uncertainty—in the Philippines because of their economy, and during the months that they prepare the countryside and all citizens there to adopt a new constitution and elect officials at every level of government, I think a meaningful package for the Philippines is absolutely in order.

I do not wish to draw down more out of the funds in the Treasury. What I wish to do is to provide practical means by increasing the sugar quota and by utilization of the surpluses we have in both wheat and milk, to capitalize a bank for the cooperatives, for economic redevelopment in a meaningful way.

I think the potential for doing that is upon us; it would be reckless and unwise and careless not to address the situation in that way. We do have a stake in the Philippines with respect to our national defense in Southeast Asia. We have a stake in the Philippines for a basis of trade which I would like to see renewed and reinvigorated.

Mr. President, I think it is wise that we pay attention to these needs now. I hope the administration, under President Reagan, can recognize the seriousness of that situation and deal

more cooperatively with us on these matters.

Mr. President, I yield the floor.

DENY YASSER ARAFAT A VISA TO THE UNITED STATES

Mr. DENTON. Mr. President, today, Senator FRANK R. LAUTENBERG and I are circulating a letter requesting that the Secretary of State deny Yasser Arafat a visa to enter the United States. The Chairman of the Palestine Liberation Organization may be seeking this visa to attend and address the Security Council of the United Nations. Arafat is widely recognized as a kingpin of world terror; we cannot and we must not again open our doors to him.

On April 8, 1986, Attorney General Edwin Meese declared that: "Various elements of the PLO are in the thick of world terrorism and the leader of the PLO, Yasser Arafat, must ultimately be held responsible for their action." Intelligence reports link Arafat and the PLO with terrorist and guerrilla organizations around the world.

Moreover, Arafat has intentionally directed his terror against the United States. On November 13, he proudly stated: "We are on the threshold of a fierce battle—not an Israeli-Palestinian battle but a Palestinian-United States battle." Arafat's aggression toward the United States is so clear that his stated policy is to "defy the Americans and resist their policies." According to public record, Arafat's wing of the PLO, el-Fatah, has been responsible for murdering at least 32 Americans and wounding an additional 38. Evidence would also indicate that Yasser Arafat is possibly directly involved, through his top aides, in atrocities like the murder of U.S. Ambassador Cleo Noel, Chargé d'Affaires G. Thomas Moore, Belgian Ambassador Guy Eid in Khartoum, Sudan, 1973, and the campaign of terror waged by the Black September organization.

That this terrorist leader can be denied entry to our country is not in dispute. The Department of State possesses the right to deny visas to individuals imperiling our country's security. Section 6 of Public Law 80-357 gives the United States the right to "safeguard its own security and completely control the entrance of aliens * * *." Paragraph 29 of the Immigration and Nationality Act permits the exclusion of those who "engage in Activities * * * subversive to the national security." Charles Redman, of the Department of State, affirmed this authority on January 15, 1986, by saying: "We will exclude individuals who personally advocate terrorism or who we believe have participated in or supported terrorist activities."

Not only does the United States reserve this right to exclude aliens, but the Department of State has exercised this right regularly since 1947. For example, on April 9, 1953, the Department of State denied visa requests by Mrs. Margarette Rae Luckock and Mr. Jan Dessau who sought to represent certain nongovernment organization at sessions of the U.N. Economic and Social Council.

On October 6, 1972, despite strenuous opposition by Syria, then U.S. Ambassador George Bush notified the U.N. Secretary that the United States would bar Dia-Allah El-Fattal, head of the International Organizations Department in the Syrian Foreign Ministery, from joining the Syrian delegation (in the General Assembly). The following day, the New York Times observed that the practice of denying people entrance to the United Nations "is not normal, but is not unique either * * * and it is believed that the practice has not been challenged." Arafat himself conceded that the United States holds the power to deny him a visa. On October 25, 1985, he lamented that even if he had been invited to the 40th anniversary events of the United Nations, "Reagan would never have granted me a visa to enter the United States."

Clearly, the United States is authorized to control the entrance of individuals threatening national security. And a visit by Yasser Arafat—a catalyst for world terror—would certainly jeopardize our country's interests. Admitting Arafat into the United States provides him with a forum for increased communications between the PLO and its terrorist allies. A visit by Arafat can work against the administration's efforts to fight terrorism. Even more importantly, by admitting him into the United States, we recognize Arafat's terrorist activity rather than condemning it. Attorney General Meese commented on the "degrading spectacle of terrorists holding press conferences like they were heads of state." We should therefore not raise Arafat to a level of importance he does not deserve.

Mr. President, on April 23, 1986, the Subcommittee on Security and Terrorism, of the Committee on the Judiciary, which I chair, held a hearing on the question of whether the Department of Justice should seek an indictment for Arafat for the murders of Noel and Moore in 1973. We have not yet reached a final determination of that hearing, although the Justice Department has indicated that they believe an indictment would violate the ex-post-facto clause of the Constitution. However, no such constitutional impediment exists that would prevent either the Secretary of State or the Attorney General from denying Arafat the terrorist the privileges of our shores.

In the battle against terrorism, we must confront the terrorist at every opportunity. The power of the United States to exclude individuals from the United Nations Headquarters District is absolute. But the responsibility to take such action is an even greater duty of a moral and just country.

Having said this, I want to emphasize that just as the PLO has attempted to usurp the Palestinian cause from the Palestinian people and to pursue its grievances against Israel and its principal ally, the United States, with terrorism, there remains the legitimate issue of the Palestinian question which must be addressed. This is because its outcome directly affects the future of several million Palestinians who have not followed Arafat and his cohorts in their rampage of violence and carnage. It is these people with whom we must be concerned and whose future must be considered if a lasting peace in the Middle East is ever to be achieved.

Mr. President, the time to act is now. A decision on granting a visa to Yasser Arafat will be made in the next few days. If the Senate is to speak, we muct act prior to the start of the Memorial Day recess.

I urge my colleagues to join Senator LAUTENBERG and me by signing the letter we are circulating requesting the Secretary of State to deny Yasser Arafat this visa.

NATIONAL TOURISM WEEK, MAY 18-24, 1986

Mr. HOLLINGS. Mr. President, Congress has designated the week beginning May 18, as "National Tourism Week," and the President has issued a proclamation to that effect.

The national theme for tourism week is "Tourism Work$ for America." Some of the economic statistics from my own State of South Carolina illustrate how appropriate that slogan is. In 1985, travel and tourism generated more than $3 billion in direct visitor expenditures. Those expenditures provided jobs for 80,521 South Carolinians. Travelers also accounted for $179 million in tax revenue, $52 million of which went to the State, and $27 million for local governments. That $179 million in taxes went to build facilities such as schools and hospitals and to provide services for all the residents of South Carolina. It also means that our State personal income tax bill was, on average, $174 less than it would have been without those visitors.

Statistics on international travel for 1984 show that 29,300 tourists from Europe visited South Carolina and spend $6.6 million. This resulted in a cost/benefit ratio of $66.27 for each dollar invested by the State.

These impressive economic statistics did not happen by accident. They are the consequence of an awareness of tourism's importance and a willingness

to capitalize on the industry's potential.

Twenty-six years ago, when I was Governor of South Carolina, I first realized the vital role tourism plays in our economy. According to a study I read back then, Myrtle Beach had a large budget for tourism and was reaping huge dividends from its wise investment. Meanwhile, my hometown of Charleston was spending very little on tourism promotion and, as you might expect, was receiving very few tourism dollars.

I discovered then that many communities across South Carolina—a State so rich in history and natural beauty—could profit from a statewide effort to promote tourism. So, in the early 1960's, we established the Legislative Committee on Tourism and Trade. In 1965, we launched the first Governor's conference on tourism and trade. And later, the State instituted the department of parks, recreation and Tourism. That effort by the State and local government and the industry has continued:

The Governor has proclaimed May as South Carolina's special month for tourism and travel.

"Tourism Works for South Carolina" was the theme of the 1986 Governor's conference on tourism and Travel held at Myrtle Beach last February.

During National Tourism Week, there is a special ceremony at the South Carolina State House with participants dressed in costumes from their tourism region.

A special information booth has been set up in the statehouse and will be staffed during National Tourism Week to promote South Carolina's tourism industry.

The 10 South Carolina welcome centers are working closely with local motels, restaurants, and attractions to offer discounted rooms, meals and admission prices and sponsors will offer refreshments for travelers. Thousands of "smiling faces, beautiful places" stickers will be given away at the centers.

Mr. President, the same kind of economically important story can be told by nearly every 1 of our 50 States and the Federal Government. With some exceptions, all came late to a realization of tourism's potential. But once they started to capitalize on that potential they discovered that the economic yield was tremendous. At the national level, tourism is our third ranking industry, and generates over $240 billion in expenditures annually.

The goal of National Tourism Week is to make Government officials and consumers aware of just how important tourism is to the economic, social, and cultural welfare of the United States. The administration's efforts to eliminate the modest but absolutely vital Federal tourism effort indicate how important this week is. I wish to commend the millions of Americans who are the U.S. tourism industry, and urge them to redouble their efforts to make sure that everyone in official Washington gets the word this week.

NATIONAL TOURISM WEEK

Mr. PRESSLER. Mr. President, I would like to take this opportunity to encourage my colleagues to join me, in recognizing May 18 to 25, 1986 as National Tourism Week.

Many people are surprised to learn that travel and tourism is the third largest retail or service industry in the United States, exceeded only by automobile and food sales. Tourism is a $220 billion industry which employs almost 5 million people in our country. At the State level, travel and tourism is the first, second, or third largest employer in 41 States.

The impact of this activity is accentuated by the fact that the industry is still rapidly growing—the 2.9 million new travel and tourism related jobs created in the past 10 years represent 18 percent of the total increase in employment. For every two jobs added in the travel and tourism industry, another job is created in businesses supplying related goods and services. It is clear that the breadth and variety of businesses involved in the travel and tourism industry is enormous.

Primary travel-related businesses include intercity bus, rail passenger and air passenger carriers; eating and drinking establishments, hotels and motels, campgrounds and trailer parks, car rental firms, oceangoing cruise lines, amusement and recreation services, and others.

However, the volume of goods and services required by these primary travel and tourism enterprises creates a vast interrelated constituency. People who travel need a mode of transportation, a place to visit, shelter and food. They seek entertainment, recreation, and souvenirs. They require a wide variety of other kinds of assistance along their way: Automotive repairs, services for the handicapped, medical attention, security, and so forth.

In order to fully realize the contribution the travel and tourism industry can make to a State or National economy, I believe more cooperation and coordination is necessary. Kay Steuerwald, a member of my U.S. Senate Travel and Tourism Industry Advisory Council, and president of the Mountain Co. at Mount Rushmore National Memorial in South Dakota, issued a relevant challenge recently. She told local travel and tourism promoters to "get political" or miss the economic boat.

I challenge my colleagues today to get political about travel and tourism as well. This enormous and expanding industry, and the goods and services industries that complement it, arguably comprise one of the most important and influential economic forces in nearly every one of our home States. I believe no one in the Congress can afford to ignore this fact.

I challenge each of my colleagues to embark upon a timely expedition to discover the full extent of the travel and tourism industry and its related support industries in their own home States.

As chairman of the Business, Trade, and Tourism Subcommittee, I welcome the opportunity to assist you in this endeavor through any of the following services:

First, the coordination of a statewide Tourism/Business Conference to explore the interrelationships between travel and tourism and other businesses in your State;

Second, information on possibilities for growth or other assistance that is available through the U.S. Travel and Tourism Administration [USTTA] and private national travel and tourism organizations;

Third, suggestions of industry experts who are available to address local travel and tourism related groups; and

Fourth, other travel and tourism related activities.

By supporting the continuation of USTTA, we stand to multiply the fiscal impacts of international tourism and to ensure that "have not" States are given an opportunity to share the wealth with those States that can afford impressive promotional budgets.

In addition, USTTA provides us with the ability to compete for the international visitor's dollar in a world where each nation is increasingly anxious to improve its own balance of trade. Developing countries especially recognize the importance of earning foreign exchange, and competition between developed nations is also escalating. Canada alone will spend $40 million, or $1.62 per capita, on national tourism promotion in 1986. We will spend a little over $11 million in the United States—less than 3 cents per capita.

How important is the export of travel and tourism to the U.S. balance of payments? The Office of the U.S. Trade Representative and the Department of Commerce note that, in 1985, tourism exports represented 25 percent of the $45 billion generated by all services experts. This percentage has been higher, however, and it can be improved if we allow USTTA to continue its efforts.

USTTA is striving to increase the United States' world market share from its present level of 11 percent to at least 13 or 14 percent. No other agency is in a position to accomplish what USTTA does through its interna-

tional negotiations to break down travel barriers, and through the sophisticated cooperative advertising marketing initiatives carried out by its 10 overseas offices.

I recently introduced S. 2307, along with 17 cosponsors, to reauthorize funding for this important agency for 1987, 1988, and 1989. During this 1986 National Tourism Week, I invite my colleagues to join me in cosponsoring this legislation.

In summary, I say that time is of the essence. The competition for the travel and tourism dollar is fierce. You can help your State reap the economic benefits of travel and tourism by providing it with all the relevant information and assistance that is available. You can help the United States reap the benefits from increasing its share in the world travel and tourism market by supporting the continued authorization of funding for USTTA.

I look forward to working with you in seeking to accomplish both of these objectives as we observe this year's National Tourism Week and look to the days that follow.

TRIBUTE TO THE LATE SPEAKER EMERITUS OF THE HOUSE OF REPRESENTATIVES, SOLOMON BLATT

Mr. THURMOND. Mr. President, the State of South Carolina mourns the loss of one of its most distinguished and beloved leaders, Speaker Emeritus Solomon Blatt of Barnwell, who died Wednesday at the age of 91. To his family, including U.S. District Judge Solomon Blatt, Jr., whom I had the pleasure of recommending to the Federal bench, I extend my deepest sympathy at his passing.

A 54-year veteran member of the South Carolina House of Representatives, Sol Blatt had the great distinction of being this Nation's longest serving State legislator. First elected speaker of the house in 1937, he was reelected to that post in 1939 and every 2 years thereafter until 1945. In 1945 and 1947, he chose not to offer himself as a candidate for speaker, but ran again in 1951 for the post and was elected. He served as speaker continuously until 1973, when he was honored by his colleagues with his election as speaker emeritus. He was considered a shrewd parliamentarian and known affectionately as "Mr. Speaker." He will always be remembered as one of our State's greatest speakers of the house.

The son of Russian Jewish immigrants, Sol was born in 1896. After graduating from the Blackville public schools and the University of South Carolina Law School, Blatt served 11 months in the U.S. Army during World War I. After the war, he began practice of law in Barnwell and quickly established his reputation as a fine lawyer. He had not only convincing oratory skills, but a generous and compassionate heart as well, and he often represented poor clients who were unable to pay him for his services.

He served our State during the most transitional time of its history. He watched a rural, agrarian economy become more urban and industrialized and saw paved interstates replace dirt roadways. Yet through the changes of his lifetime, he was not a stagnant reminder of the past, but a prophet of the future, a moving force in the growth and development of South Carolina.

His death is a great personal loss for me, since he was my friend and a man for whom I had the greatest respect and admiration. His life personified the qualities of leadership: courage, capacity, courtesy, character, and compassion. During his tenure in the statehouse, he wielded great power and influence, but never abused his position. A humble man, Sol was guided by the philosophy that public service is a public trust, and he was always mindful of the responsibilities he carried as a legislator.

Mr. President, I know of no one who was more revered and respected by his colleagues than Sol Blatt. He was loved for his sense of duty; his integrity; his humor; his willingness to help others; and his love of life. He gave his State and his fellow legislators his all, and they returned to him their unswerving loyalty and respect.

He was honored in many ways, the highway between Barnwell and Columbia is named the Solomon Blatt Highway. His portrait hangs in the Barnwell County Courthouse and the house chamber. In 1982, the house dedicated its entire legislative session to him. Most visible among his honors is the Soloman Blatt Building, which currently houses the offices of all State house members and is located directly across from the statehouse itself.

Last week, I was pleased to join with my distinguished colleague, Senator HOLLINGS, in bestowing yet another honor upon him. Legislation we cosponsored would name a new post office in Barnwell as the Solomon Blatt Post Office.

Mr. President, I rise today to pay tribute to the life of Solomon Blatt—to his public service, but equally as important, to the man himself. His life was a textbook example of leadership as a soldier, as citizen, and as a distinguished State legislator.

In order that I might share more about the remarkable life and accomplishments of this man with my colleagues, I have compiled a number of newspaper articles and editorials about Sol Blatt. I ask unanimous consent that these articles be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Charleston (SC) Evening Post, May 14, 1986]

SOLOMON BLATT DIES AT AGE 91

South Carolina Speaker Emeritus Solomon Blatt, the country's longest serving state legislator, died this morning after battling heart and respiratory problems for the past few months, his personal physician said.

The 91-year-old Democratic lawmaker was admitted to Barnwell County Hospital at 7:45 p.m. Tuesday and died at 3:10 a.m. today, said Dr. Henry Gibson.

Gibson confirmed Blatt's death, but didn't cite the cause.

"He has had recurrent difficulties with his cardiac and respiratory systems in the last three to four months," Gibson said. "He was just wearing out, but his mind was still sharp."

Graveside services were set for 11 a.m. Thursday next to Holy Apostle Episcopal Church in Barnwell.

Blatt's desk in the House chamber was draped this morning with a black cloth, and a white vase with a single white carnation was placed on top. House members went along with a suggestion by House Speaker Ramon Schwartz Jr. that they meet briefly today then recess for the week out of respect to Blatt.

Schwartz praised Blatt's years in the House.

"I temporarily hold the office of speaker, but he will always be known as the 'Speaker of South Carolina,'" said Schwartz.

Gov. Richard W. Riley immediately ordered the flags atop the Statehouse flown at half staff.

Blatt's last day at the Statehouse was May 6. He was hospitalized several times in the past few months, including a recent stay at Medical University Hospital in Charleston.

Blatt was recognized by the Council of State Governments in Lexington, Ky., as the country's longest-serving state legislator.

"I'm deeply saddened about the death of Solomon Blatt," Riley said today. "South Carolina has lost a true leader. He led a long and productive life, and South Carolina's state government will always carry his mark."

Born of Jewish immigrants, Nathan and Mollie Blatt, in Blackville on Feb. 27, 1895, Blatt, a Barnwell lawyer, served 53 of his 91 years in the House.

His parents arrived penniless in Charleston. Carrying a heavy peddler's sack, Blatt's father walked to Barnwell County, where he became a merchant. The long-time legislator began his working career in his father's store, but became interested in the legal profession after taking longhand trial testimony for a local magistrate.

Moving from the magistrate's courtroom to the University of South Carolina campus, Blatt graduated from law school in 1917. Because of his professed trouble with mathematics, Blatt never received a bachelor's degree from the university.

As he was later to say, "I plead guilty to being a pretty darn good country lawyer." He was considered a master at begging for leniency for his clients, often using tearful pleas to sway a jury or judge.

"I'm glad to help people when I can," he once said.

After receiving a law degree, Blatt served in the Army from 1918-1919. In 1930 he made an unsuccessful bid for a House seat and vowed never to run again. However, two years later he was back in the race and won.

Blatt began his service in the House in 1933 and was elected speaker pro tempore in 1935.

Thirty-two years of his service was as House speaker—another national legislative record. He first served as speaker from 1937-1947 and again from 1951-1973. Called by some "King Sol," Blatt chose not to run during the 1947-51 gubernatorial term of Strom Thurmond against the governor's candidate, C. Bruce Littlejohn, who later became Supreme Court chief justice.

Retiring as speaker in 1973 on the advice of his doctor, Blatt that year was elected speaker emeritus—a ceremonial postion. Interviewed during his final year as House speaker, Blatt said of his service, "I believe I have worked harder at this job of being speaker than anyone I have ever known."

Blatt roamed the Statehouse for more than 50 years, overseeing all of the House activities. During that time, Blatt said he just tried to do the best for South Carolina.

"If . . . I could say that I am satisifed with what I have done for my people, I'd die a happy man," Blatt said recently.

The House dedicated the legislative session to Blatt in 1982, and other legislators commended him for his distinguished career in the Legislature. Blatt earned the respect and love of his colleagues.

The governor said today that Blatt "brought this state strong legislative leadership . . . guided by fairness. He worked for a balanced budget and sound fiscal management of state government."

Rep. Clyde M. Dangerfield, D-Charleston, who now becomes the senior member in the House, recalled Blatt's years' at the speaker's rostrum.

"Sol was great leader, everyone respected him. He knew how to get things done. He knew the spirit of compromise and he taught me a lot," Dangerfield said today.

"Sol and Mrs. Ethel (Blatt's wife, who died recently) were very dear friends of the family. All my children, he sent them a gift when they were born. And he sent them a gift when they married," Dangerfield said.

"Both he and Mrs. Ethel were great friends of the family. We loved him and we're going to miss him."

Not one to mince words, Blatt made his position clear on major issues. A strong opponent of the proposed equal rights amendment, Blatt said of the measure: "I totally oppose it and intend to fight it for all it's worth. I have got to do something to help save the women from themselves.

"God made men and women different, and now some women and some organizations are trying to change women to men, that which God never intended. No group should try to undo that which God has done."

Although a Democrat, Blatt, then speaker in 1972, threw his suport behind Republican Richard Nixon in his presidential race against Democratic opponent George McGovern.

"A politician has got no business holding public office—he should be a statesman," Blatt once said. "But," he added, "politics has been in government ever since there has been a government and it always will be."

He advised young people to get involved and seek public office. However, he cautioned, I would want a man with dedication. Not a man seeking public office hoping the salaries would be raised so the General Assembly would become a job rather than a responsibility on the shoulders of a citizen to make his state a better place in which to live."

His longevity of service was celebrated in the House Feb. 27, 1986, Blatt's 91st birthday. A telegram from President Ronald Reagan citing the legislator's distinguished career was read as Blatt received congratulations from his colleagues.

Speaking before an audience in 1979, Blatt said his career goal was "to leave this state a little better place than I found it."

[From the State, Columbia, SC, May 16, 1986]

SOLOMON BLATT EARNED PLACE IN OUR HISTORY

The death Wednesday of Solomon Blatt of Barnwell at age 91 will be lamented by older generations throughout South Carolina. A political giant of their time is gone now, only to be known to the young from history books and their elders' cherished anecdotes of the Barnwell Ring.

Sol Blatt has a unique place in our state and national records of public service, having been a legislator for more than 50 years and the Speaker of the S.C. House of Representatives for 33 years—a presiding officer longer than any other in the country's history.

The people of his constituency had abiding confidence in him. Barnwell County voters elected him 27 consecutive times to the Legislature, and the House of Representatives chose him to preside over their deliberations for more than three decades. He was still called Mr. Speaker long after he put down the gavel, and at the time of his death, he was seeking another term in the House.

The long tenure was a source of his great political power, but his sure-handed parliamentary ability, and a deeply felt responsibility for his state generated his accomplishments. As Speaker, he put close colleagues into commanding committee positions, which enabled him to influence the course of legislation. No governor could be successful with a legislative program without Blatt support.

He was a master of parliamentary and political maneuvering, and as House members sought his help with favorite bills he piled up the chips to be used in later tradeoffs for causes he was interested in. But there is a paradox: The late James F. Byrnes remarked once that a student researching Mr. Blatt's authorship of monumental legislation would be disappointed. He consistently supported public education, law enforcement, and his beloved University of South Carolina—but he got others to offer his choice legislation.

Mr. Blatt's lasting impact on South Carolina was not any single piece of legislation or cause. He and his fellow Barnwell lawmaker, the late Sen. Edgar A. Brown, who dominated the Senate for decades, and who were often called the Barnwell Ring, made the Legislature the controlling branch of state government.

Mr. Speaker left another legacy South Carolinians must cherish. He was innately a financial conservative. His Jewish parents arrived in America and Barnwell County almost penniless in 1893 as refugees from Russia. They spoke no English. But among the qualities they instilled in him were caution, thrift, an eagerness for education, and a will to work hard at any task.

It is no wonder, then, that Mr. Blatt installed in the House rules a requirement that all state budget bills must be balanced with anticipated revenue—the House would pass no budgets with deficits. This rule has assured South Carolina's excellent credit rating in the nation's money markets.

Another dimension of Mr. Blatt is little known. In the Great Depression, a young man from Denmark, S.C., who had worked his way through USC, decided he wanted to go to law school but had no money.

He recalls now that he'd read that Nathan Blatt, Solomon Blatt's father, had made a loan to Bamberg County, so the ambitious young man went to see him, figuring he might get a loan, too. He found Sol, instead, and explained how he borrowed money to go to USC and paid it back, and needed $100 to go to law school. Mr. Blatt sized the young stranger up, and told him $100 wouldn't go far enough—and offered him $500 on condition he make good grades and pay it back when he could.

Nine years later, after World War II, the debt was repaid, but Mr. Blatt refused to take any interest. "I would never have been a lawyer. I would not have been a state senator. I would not have become a circuit judge. And I would not have been on the Supreme Court if it weren't for Mr. Blatt," said Chief Justice Julius B. "Bubba" Ness.

Sol Blatt, like his father before him, believed in the fulfillment of the American dream of opportunity for everyone. He showed his appreciation in devoted service to a state he loved dearly.

[From the Columbia Record, Columbia, SC, May 14, 1986]

A LEGEND DIES

The booming voice of the nation's longest-serving legislator was stilled early today with the death of Solomon Blatt, speaker emeritus of the South Carolina House of Representatives. Taken in the aggregate, his accomplishments during 53 legislative sessions—33 as speaker—place him among the most influential lawmakers in the history of the General Assembly. Blatt loved his state with unabashed emotion and left an indelible mark on her institutions and her laws.

The son of Russian Jewish immigrants, Blatt was born and related in Barnwell County, which raised his home for a 91-year lifespan. A University of South Carolina Law School graduate, Blatt was elected to the House in 1933 and to the speaker's job in 1937 by a membership which was almost exclusively gentile. "I am a living example of the tolerance of the people of South Carolina," he proclaimed with tears in his eyes after his victory. Perhaps. But until the advent of single-member districts in 1970, no blacks served with him.

During his tenure, "Mr. Speaker" wielded power, according to one wag, "with an iron hand encased in a velvet glove." He advocated shorter legislative sessions and had a legendary ability to expedite the processing of bills—sometimes cutting off debate or refusing to recognize those lawmakers who wanted to make a verbose, or opposing, point.

When Blatt felt strongly about an issue, he was unabashedly partisan. He was a fierce supporter of nuclear energy (and the Barnwell Nuclear Fuels Plant in his home county), improving the state's highways and its industrial development. He also was a big USC booster and served for a time on its board of trustees. But he was a vociferous opponent of the state's mandatory school attendance law as well as the single-member

redistricting of the House. The latter, he said in 1980, had created parochialism and "a deterioration in statesmanship."

Blatt's political alliances changed over time, but he is perhaps best remembered as one of the fabled "Barnwell Ring," which reached its zenith of power in the 1940s. The other members, all deceased, included Senate Judiciary Chairman Edgar A. Brown, House Ways and Means Committee Chairman Winchester Smith and Gov. Emile Harley.

Blatt's talents as a trial lawyer were also legendary. Famous for his ability to rattle the rafters with glowing oratory or to summon a tear at a moment's notice. Blatt practiced law in Barnwell for 69 years and headed one of the most successful law firms in the state.

He saw South Carolina move from a rural, agrarian economy to a more urban, industrialized one. He witnessed the highways change from mostly dirt roads to the massive interstate system of today. His career began at a time when the Ku Klux Klan was a voice to be reckoned with but spanned so many decades of change that, at its end, he witnessed the emergence of South Carolina's black citizens as a potent political force.

Like all strong-willed leaders, Blatt had his share of detractors and fans. But, in the end, the latter far outnumbered the former. He received honorary doctoral degrees from Augusta Law College, Lander and his alma mater. The highway between Barnwell and Columbia, which he traveled for 53 years to and from the State House, was renamed the Solomon Blatt Highway. The House office building in the Capitol complex was named in his honor, and a bronze bust of Blatt stands in the lobby. His portraits hang in the House chamber and in the Barnwell County Courthouse.

In recent years, Blatt's failing health sometimes kept him away from the floor of the House which he loved so well. But whenever his health permitted, he could be seen sitting at his desk in the back of the chamber or chatting with fellow lawmakers in his office. Three months ago, he donned his gold ceremonial robe to introduce his close friend, state Supreme Court Chief Justice Julius B. "Bubba" Ness, who delivered his "State of the Judiciary" speech to a joint session of the General Assembly.

The era of personal politics is fast disappearing in South Carolina. The powerful individuals who all but ruled the General Assembly—the Edger Browns, Marion Gressettes and Solomon Blatts—are gone. Coalitions—often shifting and changing with the issues—now dominate the legislative process instead of a few dynamic men. Sol Blatt's time has passed. But for half a century he served his state with a single-minded devotion that his younger colleagues would do well to remember . . . and emulate.

[From the Evening Post, Charleston, SC, May 15, 1986]

A FINAL TRIBUTE TO "MR. SPEAKER"

Of the 7,600 state legislators in this nation, no other had served longer than South Carolina's Speaker Emeritus Solomon Blatt when he died Wednesday at the age of 91. But Sol Blatt's contribution to the state went far beyond the records he held in longevity, both as the speaker and a member of the House. It was a rare piece of legislation that became law in this state without the blessing of Sol Blatt during his 31-year reign over the House, where he spent a total of 53 years. He was a "legislator's legislator"—a master of parliamentary procedure with an incisive mind, who relished the governmental process that gave this son of a Jewish peddler such an enviable place in the state's history.

Sol Blatt talked often, in fact, of his parents and their struggle, and of the good fortune that had come his way. He had strong loyalties, not only to his family and friends, but to institutions such as the University of South Carolina where he got his law degree in 1917, and to Barnwell County whose voters kept sending him to Columbia. There was a time in the state's history when that small, rural county was the epicenter of political power. Not only was native son Blatt the speaker of the House but the senator from Barnwell, the late Edgar Brown, was the president pro tempore of the Senate. In those days, not even a governor was so foolish as to needlessly antagonize the "Barnwell Ring" if he hoped to accomplish very much during his term.

While Sol Blatt may first have won the speakership four years after he got to the House by being in the right place at the right time, his long tenure at the podium had little to do with luck. It had to do with skill and hard work. In the old days, it wasn't all that unusual to find Speaker Blatt literally "opening up" the Statehouse, ready to begin work even before the security guards arrived.

While staying on top of things doubtless contributed to his long reign in the House, so did the force of the Blatt personality. He was a tough presiding officer who brooked no nonsense and kept the process moving. He also was an unashamed sentimentalist who could make a tearful plea for a favorite cause in the Statehouse much as he was renowned for doing when he pleaded for leniency for a client in the courtroom.

But as the years passed, the power of the speaker and the resulting domination of the rural counties over the urban areas began to set less well with many of the members. When it became clear after the reapportionment of the early 1970s that Greenville Rep. Rex Carter might well have the votes to topple "King Sol," a compromise was reached that allowed the speaker to serve another term without challenge with the agreement that he would step down in 1973.

Sol Blatt stuck to his word, although he insisted when he announced his retirement that he could have been re-elected by an overwhelming vote. He was just ready, he said, to lighten the load. The fact is that the speaker emeritus adjusted to the role of elder statesman better than many anticipated. He chose to sit in the back row and while he had his own office just off the floor, he never interfered with the way his successors ran the show. He obviously mellowed after stepping down, but his mind remained quick and he was regarded by his colleagues not only with affection but also with great respect.

He did, however, seriously consider retiring in 1983, a year that marked 50 years of legislative service. In fact, he worked periodically for several months on a farewell address that finally he simply couldn't bring himself to make. The last few years did have their traumatic moments. He was pained by the 1984 single-member district reapportionment of the state Senate that resulted in putting portions of Barnwell County in three separate senatorial districts. "Now in my old age," he said in a poignant address to the House, "Barnwell is without representation and no chance of having a voice in what goes on in the Senate of South Carolina. If you want to see them (the senators) you might have to ride as far as 45 miles to beg a crumb of bread."

Although that show of his old eloquence couldn't stem the single-member district tide, the speaker emeritus still was able to use his powers or persuasion to bring the House to its senses from time to time. One of the last times was when the House was deadlocked over the budget last year. Not only was his legislative career nearing an end but so was his life he told his colleagues in an emotional appeal to "put aside petty differences." They did—at least for the moment.

Sol Blatt's failing health had become increasingly apparent in recent years. What's more, the death last year of Ethel Blatt, his wife of 65 years, after a long illness seemed to have crumpled his spirit. While he had one more birthday anniversary after his 90th celebration last year, it was on that occasion that he talked at length about that of which he was most proud.

"If I were going to pick out one thing that I am right happy about, (it would be) the fact that I tried my best to live the life of an honest legislator, trying to do something for the welfare of his people." Sol Blatt had a constituency that extended far beyond the boundaries of Barnwell County and he did "his people" proud.

[From the News and Courier, Charleston, SC, May 15, 1986]

SOLOMON BLATT

A man of high principles, Solomon Blatt served 53 years in the House of Representatives of the State of South Carolina. For 33 of those years he was Speaker of the House. Both statistics are national records for longevity. In addition to length of service, Speaker Emeritus Blatt made high marks for quality of leadership. In 1985, at a celebration of Blatt's 90th birthday, Speaker Ramon Schwartz summed up Blatt's career by saying,"What he has done for South Carolina will live long after all of us are gone."

Earlier that year, Blatt achieved the longest record of service in a state legislature when state Sen. Dave Manning resigned from the Montana legislature. Manning was 87 at the time. He had been sworn in eight days before Blatt became a legislator in South Carolina, Jan. 10, 1933.

In 1985, Blatt also said:

"If I was going to pick out one thing that I am right happy about is the fact that I tried my best to live the life of an honest legislator, trying to do something for the welfare of his people. Included in that would be education, roads and other things. If I had to close my eyes and my master called me now . . . I could just say that I am satisfied with what I have done for my people. I'd die a happy man."

Born Feb. 27, 1895, at Blackville, Blatt was a son of Nathan and Mollie Blatt. They migrated to America from Russia. Sol Blatt was proud of his Jewish heritage, and quick to defend it against slurs of any kind. Though courteous, he was not one to dodge a contest. Blatt was in military service in World War I. He was a practicing lawyer for many years. At a period when several others from Barnwell County, including the late State Sen. Edgar A. Brown, were prominent in South Carolina politics, some people made reference to the political power of "the Barnwell Ring." Blatt denied the existence of any such coalition. He proved in many ways that he was his own man.

Many honors came his way, among them honorary degrees from The Citadel and the Medical University of South Carolina. A state office building in Columbia was named for him. So was the stretch of S.C. Highway 3 from Barnwell to Columbia, which he traveled so many times on state business.

At age 83, Blatt said he would continue to run for a house seat "as long as God gives me the strength." He received the strength. In 1979 he said he hoped to be remembered as a man who has brought a little sunshine where there was darkness." His light will continue to shine.

[From the Greenville News, Greenville, SC, May 16, 1986]

SOL BLATT, LEGISLATOR

When Solomon Blatt first came to the General Assembly in 1933, he sumitted a biographical sketch for publication in that year's *South Carolina Legislative Manual.* He altered it very little in the course of the next 53 editions.

When Sol Blatt died Wednesday, he was the nation's oldest active legislator. And his biographical portrait necessarily had been enlarged to reflect his 33 years service as House speaker and unanimous election in 1973 as speaker emeritus.

Although he accumulated honors, power and prestige, Blatt chose to add to his sketch only his 12 years as a trustee of the University of South Carolina—a position he loved, but one that he gave up in 1948 when the constitutionality of this dual office holding was questioned. He also resigned from the Barnwell County school board after 34 years.

But from 1933 to the day he died, besides the standard references to parents and spouse, the biography of one of South Carolina's most powerful political figures—who would easily have become governor—referred to his service on the staff of Gov. Ibra C. Blackwood of Spartanburg, who is remembered for little more than a 1931-35 term.

One deletion came in 1963, when Blatt dropped reference to his 1917 move from Blackville to Barnwell, a distance of 10 miles.

All this tells of his steadfastness, sensitivity and belief that continuing success was an outgrowth of the past. If it had been an honor to serve Gov. Blackwood in 1931, time dimmed neither the accolade nor Blatt's appreciation of the distinction.

[From the Barnwell People-Sentinel Barnwell, SC, May 15, 1986]

SOLOMON BLATT, 1895-1986

The nation's longest serving legislator is dead at 91.

Speaker Emeritus Solomon Blatt, the representative from Barnwell and Allendale counties, died Wednesday shortly after 3 a.m. at the Barnwell County Hospital.

First elected to the South Carolina House of Representatives from Barnwell county in 1933, Blatt was offering for reelection to a 28th term at the time of his death.

Blatt was elected Speaker Pro Tempore of the House of Representatives on January 8, 1935 without opposition. On January 12, 1937, he was elected Speaker of that body over one opponent. He was reelected in 1937-45 and did not offer for Speaker in 1947 or 1949. Blatt again sought the post of Speaker in 1951 and continued in that office without opposition until his resignation in 1973.

Shortly thereafter, Blatt was elected Speaker Emeritus of the South Carolina House of Representatives by unanimous vote.

Born in Blackville on February 27, 1985, Blatt was the son of Nathan and Mollie Blatt who had immigrated to the United States from Russia some years before his birth.

He was a veteran of World War I, a graduate of the University of South Carolina and the University of South Carolina Law School in 1917.

A self-styled country lawyer, Blatt practiced law in Barnwell for over 65 years. His keen mind and dedication to law made the firm of Blatt and Fales, later to become The Blatt Firm, one of the most successful in the state.

Blatt was married to the late Ethel Green of Sumter. Her death on December 25, 1985 came only months before the couple would have marked their 66th wedding anniversary.

His loyalty to the University of South Carolina continued throughout his life. A member of the board of trustees of the University for 12 years, the Blatt-Barnwell Scholarship Foundation established several years ago was one of his greatest interests.

Surviving are one son, Judge Solomon Blatt, Jr. of Charleston; a sister, Mrs. Rebecca Mirmow of Orangeburg; three grandchildren, and four great-grandchildren.

Funeral services will be held today (Thursday) at the graveside in the churchyard of The Episcopal Church of the Holy Apostles in Barnwell at 11 a.m.

The Rev. Posey Belcher of First Baptist church, Walterboro, the Rev. Alton C. Clark, Chaplain of the South Carolina House of Representatives and Rabbi Norman Goldburg of Augusta will officiate.

In lieu of flowers, donations may be made to the Blatt-Barnwell Scholarship Foundation or the Barnwell County Ministerial association.

The family will be at the Blatt residence until the hour of service.

HERB BOWDEN, SOUTH DAKOTA'S SMALL BUSINESS PERSON OF THE YEAR

Mr. PRESSLER. Mr. President, President Reagan has proclaimed May 18-25, 1986, as U.S. Small Business Week, and I wish to take this opportunity to commend South Dakota's Small Business Person of the Year, Herb Bowden, president of Sencore, Inc., Sioux Falls, SD.

Herb exemplifies all of the criteria required for this award. Sencore started as a dream. After serving his country in the Navy during World War II, Herb returned and went to work for a television manufacturing company. During this stage of his career, he developed ideas for vastly improving TV testing equipment. From these concepts, he created instruments that could speed TV repair and decided to build a business around his ideas and inventions.

In the truest form of the entrepreneurial spirit, he founded Sencore in 1951 with $800. Today, Sencore, which manufactures various kinds of electronic test equipment, has more than $15 million in annual sales and employs more than 250 persons. Bowden and Sencore now hold 23 patents. Sencore has become one of the leaders in its field and is the only known test equipment company in the United States to sell all of its products exclusively through telemarketing.

Herb has been a great help to me in my work as a member of the Senate Small Business Committee. For the past several years he has accepted my appointment to the Committee's National Advisory Committee. Herb takes time from his busy schedule to come to Washington to participate in advisory committee meetings which establishes its positions through resolutions which are officially recorded and presented to the Small Business Committee. These resolutions are extremely important to the committee in formulating its legislative priorities and I am very appreciate of Herb's service to me and the entire small business community in this capacity.

Again, I congratulate Herb Bowen, South Dakota's Small Business Person of the Year, and I urge all my colleagues to do the same for the individuals in their States who represent the brightest and best members of the most important segment of America's economy—small business.

Mr. SIMPSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GARN). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1200

Mr. SIMPSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Mr. President, I ask unanimous consent that morning business be extended for an additional period of 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1987

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader on various issues, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Concurrent Resolution 120.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A message from the House that the concurrent resolution (S. Con. Res. 120) entitled "Concurrent Resolution Setting Forth The Congressional Budget For The United States Government For The Fiscal Years 1987, 1988, and 1989," do pass with an amendment.

Mr. SIMPSON. Mr. President, I move that the Senate disagree to the amendment of the House to Senate Concurrent Resolution 120, the con-

current resolution on the budget for fiscal year 1987, and I further move that the Senate request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees.

The PRESIDING OFFICER. The question is on the motion.

Mr. MELCHER. Reserving the right to object.

Mr. SIMPSON. Mr. President, apparently the Democratic leader has indicated that he cannot clear the request and the motion that I have just made. Therefore, under the circumstances, at the present time, I withdraw that motion.

AUTHORITY FOR THE SUBCOMMITTEE ON DEFENSE ACQUISITION OF THE COMMITTEE ON ARMED SERVICES TO MEET

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Subcommittee on Defense Acquisition of the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, May 20, 1986, to hold hearings to discuss recommendations from the President's Blue Ribbon Commission on Defense Management.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AUTHORITY FOR THE COMMITTEE ON ARMED SERVICES TO MEET

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, May 20, 1986, in order to conduct a business meeting on nominations and on home porting.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

RECESS UNTIL 2 P.M.

Mr. SIMPSON. Mr. President, according to a previous order, I ask that the Senate now stand in recess until the hour of 2 p.m.

The PRESIDING OFFICER. Under the previous order, the hour of 12 noon having arrived, the Senate will now stand in recess until the hour of 2 p.m.

Thereupon, at 12:05 p.m., the Senate recessed until 2 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. COHEN).

FEDERAL FIRE PREVENTION AND CONTROL ACT AUTHORIZATION

The Senate resumed consideration of the bill (S. 2180).

Pending: Gordon amendment No. 1967, to begin daylight saving time on the first Sunday of April, instead of the last Sunday of April.

□ 1400

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, under at least an informal arrangement, we will debate on the present amendment—which would begin daylight saving time on the first Sunday rather than the last Sunday in April—for approximately 30 minutes at which point the majority leader or someone on his behalf—or someone on behalf of the distinguished Senator from Kentucky—will move to table the amendment. There will be a vote on that motion. I hope that will dispose not only of the amendment but also the bill.

Mr. FORD. Mr. President, will the distinguished Senator from Washington yield?

Mr. GORTON. He will.

Mr. FORD. Why do not we ask unanimous consent, if it is all right with the Senator's leader, that we have 30 minutes of debate, 15 minutes equally divided, and then a vote at the end of that time on the tabling motion.

Mr. GORTON. I would be delighted to make that request. I understand however that last night the minority leader was not willing to enter into such a unanimous consent.

Mr. FORD. That is fine. I do not know anything about that.

Mr. GORTON. I am sure the majority leader would be agreeable. But if the Senator is authorizing——

Mr. FORD. We will have an informal agreement then that at the end of 30 minutes we will expect a motion to table. We will see what happens from there.

Mr. GORTON. I will be delighted to enter such a unanimous-consent request for an informal agreement.

Mr. President, I urge my colleagues to defeat the motion which will be made shortly to table the daylight saving time amendment sponsored by myself and the distinguished Senator from Maine, Mr. MITCHELL. I hope that the Senate will defeat that motion, and then proceed to adopt the amendment, and pass the bill, S. 2180, as amended. I should like to discuss briefly the amendment, and some of the benefits which would result from extended daylight saving time. The amendment is a simple one.

The amendment would change the beginning date of daylight saving time each year from the last Sunday in April to the first Sunday in April. It is not year-round daylight saving time; it is not daylight saving time in November. The amendment affects April and only April, and only that month.

The purpose of daylight saving time, Mr. President, is and always has been to make the hours of daylight coincide with the hours in which most people are awake and active. I think that all Senators, even those who oppose this amendment, agree that daylight saving time in the summer is beneficial. On the other hand, most would agree that daylight saving time in the winter, when the sunrises are late under standard time, would not be beneficial. The question before us is whether daylight saving time in April would create benefits by making the hours of daylight coincide with our lives.

Under the current law, April has the earliest sunrises of the year. I want to repeat that, Mr. President. April has the earliest sunrises in the year—earlier under standard time than sunrise is in mid-June under daylight saving time. April sunrises are earlier by as much as 30 minutes than sunrise on June 21, the day with more daylight than any other. Clearly, our present system of daylight saving time is imbalanced.

This amendment would not create sunrises as late as those in winter—April sunrises under daylight saving time would be equivalent to sunrises from early August through mid-September. The amendment would transfer an hour of early morning daylight—the earliest hour of daylight of the year—from 5 or 6 o'clock in the morning to the early evening. Clearly, the amendment would make daylight in April coincide more closely with our lives, as most of us travel to work in April several hours after sunrise, and many return home in darkness.

Daylight saving time in April would enable us to make better use of daylight hours, and would result in many substantial benefits. One major benefit is energy savings. Energy consumption is greater in darkness than in daylight. Transferring an hour of daylight from the morning to the evening increases the demand for energy in the early morning and decreases demand in the evening. Because many more people are awake and active around 7 p.m. than around 5:30 a.m., more energy is saved by transferring the hour of daylight to the evening. The early evening is the peak period of energy consumption, and a reduction of the peak load also creates more efficient usage of energy.

The Federal Energy Office estimated for the Department of Transportation that extended daylight saving time would provide energy savings equivalent to 100,000 barrels of oil per day.

The amendment also would provide substantial revenue and employment in several industries, including the nursery industry, sporting goods, the barbecue industry, candy manufacturers, and travel and tourism. The additional revenues are estimated to be several billion dollars per year, which would increase employment and tax revenue at no cost to the Federal Government.

Finally, the amendment will save lives and property by enhancing traffic safety and by reducing violent crime.

Elizabeth Hanford Dole, the Secretary of Transportation, has, in writing to Senators in support of this amendment, estimated that this amendment will save at least 22 lives, 1,525 injuries, and $28 million per year in economic damage from traffic accidents alone. That by itself would justify passage of this amendment.

Opponents of this amendment have argued that the Department's study of extended daylight saving time was not controlled for the 55-mph speed limit, and that observed reductions in traffic fatalities were due to the lower 55-mph limit. In reality, the study examined periods just before and after time changes, periods during which the speed limit laws were constant.

Opponents of the amendment also have argued that the National Bureau of Standards questioned the effects of daylight saving time on traffic safety, and that the amendment would endanger schoolchildren in the darker mornings. These opponents failed to mention, however, that the National Bureau of Standards found no evidence of danger to schoolchildren from observance of daylight saving time in April or in March. Further, the National Safety Council found that traffic fatalities in April in 1974 under daylight saving time decreased by 24 percent, over 500 lives, from the previous April under standard time. With respect to children, the National Safety Council concluded that there was "no appreciable difference between the 2 months (April 1974 and April 1973) in the number of early morning pedestrian and pedalcycle fatalities experienced by children 4 through 18 years old." This amendment does not create a hazard; it enhances safety.

Studies have shown that daylight saving time reduces violent crime by 10 to 13 percent. Most violent crime is committed outdoors in darkness, and many more people are outdoors during the early evening than during the early morning. Opponents of the amendment argue that criminals wait until darkness regardless of the clock. This is true, but under daylight saving time, many potential victims are able to return home at 6 or 7 p.m. in daylight and the result is a dramatic reduction in violent crime.

In closing, Mr. President, I would like to point out that the most adamant opposition to this amendment comes from Senators whose States are on the western edges of time zones. Many of those States have created, in effect, year-round daylight saving time by moving their time lines westward and placing themselves one time zone east of where geography places them. The State of Kentucky, for example, has moved its time line westward on four occasions, and much of Kentucky observes eastern standard time, which is in reality central daylight time. Kentucky is not alone in its desire to move clocks forward, as time lines in the United States have been moved westward 32 times and eastward only 3 times since 1918.

States which have advanced their clocks permanently have done so for convenience and economic benefit, yet Senators from these States admonish supporters of this amendment for seeking these benefits an additional 3 weeks of the year. These Senators warn that advancing the clocks will endanger schoolchildren and inconvenience farmers, yet these concerns have not prevented their States from seeking to advance the clock. These Senators lament the late sunrise in their States as if someone else has burdened their States with permanent daylight saving time, yet the States have chosen to move the time line and advance the clocks. The arguments against the amendment do not jell.

I submit to my colleagues that this amendment will save energy, enhance traffic safety, reduce violent crime, create employment and tax revenue, and at no cost to the Federal Government. The amendment will make the daylight hours in April coincide more closely with the hours of human activity, which is the purpose not only of daylight saving time but of the convenience of rational time systems. I urge my colleagues to reject the motion to table and to adopt the amendment and pass S. 2180.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, we hear a lot of technical explanations of the minute the Sun comes up, the second the Sun goes down, and the rehashing of all of the National Bureau of Standards discussions:

I would like to try to give us some reality today, and talk about mothers, children, farmers, and small business people—those small radio people out there that are on daylight to dark. They are vehemently opposed to this extension because they lose some extra hour of drive time, and that is the bulk of their advertising. There are over 450 small radio stations out there that lose under this legislation.

□ 1410

I do not think it is fair by any stretch of the imagination to take care of the charcoal people so they can burn more briquets in the early part of April, when we had snow that was 12 to 18 inches deep in the early part of April when we want daylight saving time. School is closed, transportation is in trouble, and we are going out in the backyard to charcoal some hamburgers.

I oppose the amendment, and oppose it vigorously, of the Senators from Washington and Maine. After yesterday's debate, my views on this amendment are well known, but I would like to summarize, if I may, Mr. President, the arguments against daylight saving time for those early weeks in April.

The coalition of business interests formed to promote daylight saving time is composed of convenience stores, fast food operations, sporting goods manufacturers, nurseries, the barbecue industry, and the RP foundation. Other than the RP foundation, I do not believe any of the arguments have merit. Who is to say that 1 extra hour of daylight for 3 weeks will increase sales by billions of dollars?

That is what the distinguished Senator from Washington just said—extend it 3 weeks and we shall have billions of dollars in increased sales. He must have some different figures than I have, Mr. President.

I cannot imagine any increase in beef consumption due to more barbecuing which is being promoted by the coalition to stimulate more support among farm State Senators. Think about the weather in your State this spring. How many barbecues do you think occurred in Salt Lake City or Pennsylvania or New Jersey when those States experienced major snowstorms of 6 to 8 inches in those first 3 weeks of April?

I believe that the statistics of the daylight saving time issue really add nothing to this debate. This is an issue of lifestyles and not economics. Citizens on the east and west coasts want more daylight for leisure activities in April. I would like to allow those citizens more daylight, but unfortunately, due to the harm which this amendment would cause my State and other Midwest States, I must oppose this amendment.

Daylight saving time is a regional issue. The effects of extended daylight saving time are exceedingly small and, therefore, hard to assess. The reports that were cited in the debate on this issue yesterday promoted extended daylight saving time because it will save energy, prevent traffic fatalities, and deter crime. I must remind my colleagues that this study, prepared by the Department of Transportation—not this Department of Transportation, but the Department of Transpor-

tation over 11 years ago—was greeted with mixed reviews when it was originally published. Yet, the results of this study, much like information on Conrail and National and Dulles Airports which have been released lately by the Department of Transportation, were compiled by a branch of Government very much in favor of extending daylight saving time. I do not think the Department of Transportation was objective in its review and the report, at best, only cites modest overall benefits to limited parts of the country.

After the Department of Transportation report was issued, the National Bureau of Standards was requested by the chairman of the House Committee on Interstate and Foreign Commerce in 1975 to perform a technical evaluation of the DOT report. The NBS evaluation, using a corrected data base, found no conclusive evidence of a daylight saving time effect on the saving of electrical energy. The NBS found that corrections to the DOT data and changes due to mathematical error changed the 1 percent estimated electricity savings which the DOT estimated is equivalent to 100,000 barrels of oil per day to an inclusive result. You still see the DOT 100,000 barrels of oil figure, but you never see the NBS evaluation. I am sure that my colleagues would agree that the Government experts on statistics reside at the National Bureau of Standards and not the Department of Transportation.

The Department of Transportation in 1975 further distorted the traffic fatalities argument in their effort to promote an extension of daylight saving time. The DOT did not take into account—think about this: When they came in with this big survey, they did not take into account that the country was experiencing a gas crisis at the time of the study which caused gas rationing and citizens seeking other forms of transportation. During this same period of the study, the 55-mile-per-hour speed limit was enacted in order to save gas. The 55-mile-per-hour speed limit also had another effect in that it has saved lives, but DOT did not give this major nationwide policy change credit for saving lives in its review of the benefits of daylight saving time on traffic fatalities. This review, in my opinion, was flared. The less miles driven at a slower speed probably did more to the traffic statistics than extended DST. The DOT has testified before the House of Representatives that they did not take any of these factors into account in determining that there would be reduced traffic fatalities under extended DST.

We know that the extended daylight saving time will benefit some businesses and residents living on the easternmost portion of a time zone. The residents on the westernmost fringe of a time zone will be the citizens asked to sacrifice on this issue. They will be the ones who will be subsidizing the other parts of the country. The positive results for citizens on the east and west coasts are not balanced by the number of children waiting for an early schoolbus in Midwestern States, nor does the benefit of extended DST help any occupation which depends on daylight for its work hours. Farm and rural groups oppose the daylight saving time extension because they believe it penalizes farmers who are basically very community spirited and would like to participate in community work or other activities in the evening but will be prevented from doing that under this amendment. Mr. President, what about the approximately 450 daylight only radio stations which will lose their revenue from the early morning drive time? I suggest that there are as many economic arguments against the extension of daylight saving time as there are for the extension.

When you really take a close look at this amendment, you realize that the benefits of extending daylight saving time are outweighed by its liabilities. If we pass the amendment by the Senator from Washington, we are sending the citizens of rural America another message that we have given up on them. A simple review of the issue proves that this amendment would cause undue hardships for farmers and the agricultural community which require natural light. We are saying to the farmers, here is another blow to your efforts to get out from under your economic problems. Asphalt and construction companies, moving and storage companies, and warehouses also depend on the natural light of day for their work.

I keep reading that America is becoming a nation of service industries. If my colleagues approve this amendment, you are in essence saying that the small benefits to service industries, if there are any at all, outweigh the needs of rural America. By allowing another month of daylight saving time for the benefit of the east and west coast, we will create more hardships for citizens in the Midwest—the rural areas of this country. Times are already hard enough in agricultural States and by passing this amendment, which is so opposed in the Midwestern States, we will cause another blow to rural America.

□ 1420

Mr. President, the benefits are there in minute detail, very small, if any at all. One life, the loss of one life as a result of this amendment could not be repaid by an economic gain by that small, selfish coalition that is trying to extend daylight saving time, and I want to see them barbecue in the back yard in 12 inches of snow in the early part of April.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MITCHELL. Mr. President, I urge my colleagues to support the amendment to extend daylight saving time offered by the Senator from Washington and myself. The Presiding Officer and I represent a State which is predominantly rural, in which there are many farmers, and in which the overwhelming majority of schoolchildren are bussed to school. We are, therefore, particularly sensitive to the concerns which have been raised here today, and yet after careful study, after analysis of the arguments offered in opposition to this modest but sensible proposal, I am convinced that an extension of daylight saving time to take in the entire month of April makes sense not only for the people of Maine but for the people of this Nation.

As we have heard during the debate yesterday and today, the Department of Transportation has conducted a detailed study on the effects of extending daylight saving time contained in a report to Congress. That study documents that there will be substantial energy savings for the Nation amounting to as much as a savings of 2 million barrels of oil a year through the extension of daylight saving time.

The study found that traffic safety will be enhanced; that traffic fatalities will be reduced by as much as 1.5 percent in April because more people will travel home from work in daylight in the evening, and correspondingly there is no increase in early morning fatality rates in the months of March and April.

The Department study found that violent crime in the areas studied was reduced by as much as 13 percent through the extension of daylight saving time.

The extension will benefit the 400,000 Americans who suffer from night blindness. It would provide benefits for a whole range of American industries whose capacity for doing business will be enhanced, and, most importantly, it will provide for all Americans an extra hour of daylight in the evening in the month of April.

Yesterday, I inserted into the RECORD a letter from the Secretary of Transportation dated just a few days ago in which the Department reaffirmed its strong support for this legislation, demonstrating that there are no substantial disadvantages to offset the significant social advantages that will result from this extension.

It is not surprising that in every survey taken a substantial majority of the American people have expressed their preference for an extension of daylight saving time but have been prevented from enjoying that benefit

because of Federal law. And so it is significant that we now here have the opportunity to act in a manner that will provide substantial social benefits in this country; that will be in accordance with the wishes of the overwhelming majority of the American people; that will not cost the Federal Government 1 cent and that has few, if any, disadvantages. Votes in which all of those factors are present here in the Senate are rare indeed.

I will not attempt to repeat the very eloquent and sensible, commonsense arguments set forth by the distinguished Senator from Washington, with whom it has been my pleasure to work on this matter. I will simply close by saying this is a modest, sensible step in the right direction, that most Americans want and will benefit from, and I urge all the Members of the Senate to support the extension of daylight saving time.

Mr. FORD. Mr. President, will the distinguished Senator from Maine yield for a question?

Mr. MITCHELL. Certainly.

Mr. FORD. The Senator referred to a report that said it would save 2 million barrels of oil per year and save lives, reduce fatalities. What year was that report written?

Mr. MITCHELL. The report was dated July 1975, and the——

Mr. FORD. I thank the Senator.

Mr. MITCHELL. Do I still have the floor, Mr. President?

The PRESIDING OFFICER. The Senator still has the floor.

Mr. MITCHELL. And I would note the Department of Transportation has recently reported that upon reexamination of the issue the conclusions are still valid. Indeed, I think if it were saving 2 million barrels of oil a day as of 1975, it would be possible to conclude that the number of barrels saved now would be in excess of that.

I would also point out that with respect to traffic safety the statement of the Secretary of Transportation is based upon 1983 figures. According to the letter of the Secretary of Transportation to the majority leader dated May 7, 1986:

> On the basis of 1983 figures, daylight saving time in April would reduce traffic deaths nationwide by a minimum of 22, injuries by a minimum of 1,525, and societal costs from auto accidents by a minimum of $28 million. I emphasize that each of these figures is a minimum with possible savings being as much as twice as large.

Mr. President, I yield the floor.

□ 1430

Mr. FORD. Mr. President, let me just make a point that the distinguished Senator from Maine failed to bring into this equation: that in testimony before the House, the Department of Transportation said that they did not factor into these figures the gasoline rationing, the price of gasoline. We are now driving automobiles that get more miles per gallon. All these things have never been factored in. No one has ever talked about the 55-mile-an-hour speed limit that will save lives and has saved lives. They never factored that in to offset.

They have given all the credit to daylight saving time. Not only is it going to bring in billions of dollars in 3 weeks, but also, it is going to save 22 lives, thousands of injuries, and all that—just for daylight saving time.

It is somewhat ironic to me that in making these statements, they leave out major important factors. One of the major factors they leave out is the consideration of the children as they go to school. I am reminded of the small child walking to school in the dark who fell in a manhole. That was in the darkness, and that was in the morning, and there is no replacement and no way to figure the economic loss.

● Mr. MATHIAS. Mr. President, I support the amendment to extend daylight saving time. The amendment would change the Uniform Time Act of 1966 to provide that daylight saving time start each year on the first Sunday in April rather in the last Sunday in April. Many Americans and many industries feel the need for additional hours of sunlight during the early springtime.

In addition, I have a particular reason to support this amendment. The national headquarters for the National Retinitis Pigmentosa Foundation Fighting Blindness is maintained in Baltimore, MD. Victims of RP suffer from night blindness, a condition which robs them of the ability to see after the sun sets. More than 400,000 RP sufferers are forced to postpone the simplest outdoor activities until the Sun rises again. Daylight saving time grants extra hours of productivity to these people.

This is a good amendment with a good purpose. People in all parts of the Untied States will experience the benefits of expanded daylight saving time in many forms, including lessened crime and increased energy savings. It is for these and other reasons that I add my voice of support to the amendment and urge my colleagues to do likewise.●

● Mr. CRANSTON. Mr. President, I am pleased to support Senator GORTON'S compromise amendment to extend daylight saving time by commencing it each year on the first—instead of the last—Sunday of April.

My distinguished colleague from Rhode Island [Mr. PELL] and I long ago introduced legislation (S. 240) into the present Congress to provide for a 2-month extension of daylight saving time, by commencing it each year on the first Sunday in March instead of the last Sunday in April. I have offered similar legislation in each of the two preceding Congresses without success.

While the Gorton amendment is very cautious, it is a major improvement over the inaction of the Commerce Committee on this legislation for so many years.

I am pleased that this amendment eliminates the 1-week extension at the end of October included in the House-passed version. The October extension would occur at a time when evening light is diminishing by 2 minutes each day, and dawn comes that much later each day. I prefer the springtime extension, which takes advantage of the same light conditions in the spring that we now use for daylight saving time in the fall.

Extending daylight saving time will enable us to take advantage of the light available in April, just as present law uses the light available in September.

In April, dawn arrives at least as early as in September, and under daylight saving time children would leave for school under light conditions at least as good as those they now have in September. The light available in March is also safe, with light conditions as good as those in October. But I will be satisfied if this compromise results in enactment of this significant extension of daylight saving time, given the stubborn resistance any extension legislation has encountered.

While some farm State Senators have expressed concern about the effect that extending daylight saving time will have on the harvest season—since many farmers harvest from sunrise to sunset—this proposed extension of daylight saving time does not alter the clock during the harvest season; and during planting season, the adjustment is very minor.

The effect on cows that some dairy farmers are reported to fear is present under any form of daylight saving time. It is not exacerbated by this amendment. On the day, whenever it is, that daylight saving time goes into effect, a single adjustment in schedule is required of animals as well as humans. But is is not an unfamiliar adjustment. Under any time system, dawn comes at a different hour every day.

Some legitimate concerns arose in 1974 from the enactment of the Emergency Daylight Saving Time Energy Conservation Act which provided for year-round daylight saving time. But no such proposal is presently pending and those concerns do not properly apply to this amendment.

Moreover, if any State has citizens adversely affected by daylight saving time, the State may choose to be exempt from daylight saving time, as a few States presently do.

November through February are the months that are troublesome because

of diminished available light in the early morning hours. Nothing in the pending amendment alters the time during that period.

I do not recommend extending daylight saving time during these months.

Many of the expressed concerns about an extension of daylight saving time are unrealistic. But the benefits to be gained from extending daylight saving time to provide an additional hour of useful daylight are very real for many, many people. There are many advantages to extending daylight saving time in the spring.

This proposed extension can save Americans the equivalent of 100,000 barrels of oil each day of extended daylight saving time. Though the present world "oil glut" had diminished the attention we pay to the need for conservation, oil remains a finite resource of which our supply is limited and diminishing.

Additional benefits are clear. Department of Transportation studies show that traffic fatalities and accidents as well as street crimes would decline with the extra hours of evening daylight in April.

Though I prefer the full extension of daylight saving time to 8 months, and believe it is more logical, given our use of identical light conditions in the fall, I believe enactment of this amendment is a significant improvement over the current 6-month daylight saving time situation, and urge my colleagues to support it.●

Mr. DOLE. Mr. President, I oppose Senator GORTON's amendment to extend daylight saving time by 3 weeks. Its effect, in my State of Kansas, would be to further exacerbate the problems farmers already have with daylight saving time.

I realize it may be difficult for some of my colleagues from urban areas to understand why anyone would be opposed to reallocating an hour of daylight from morning to evening. At first glance, it seems like a logical step. Supporters claim that extending daylight saving time would conserve energy, reduce traffic accidents, reduce crime and create untold economic benefits for the sporting goods firms, travel industry, and convenience stores.

However, farm States and rural areas in general have special problems.

FARM CONCERNS

This amendment will undoubtedly make it more difficult to manage a farm on a day-to-day basis. During the harvest season, farmers must wait until the Sun comes up before they can begin work in the morning. This especially applies to combining small grain crops, soybeans, and making hay. If farmers are to have any type of church or community life, they will have to quit work an hour earlier each day. Farmers cannot afford to lose an hour of their work day.

Parents of farm families worry about their children waiting for a school bus or walking to school on a darkened rural road. With reports of increased crime in rural areas and increases in the incidence of child abuse, it is obvious that rural families have some legitimate concerns.

My final point is an obvious one. In today's economic environment, many farmers have had to turn to jobs away from their farms to make ends meet. Farmers have enough to worry about because of our current agricultural economy, where time is money and every dollar counts. This amendment would force them to do their morning farm chores in the dark, which would increase the hazards of an occupation with the potential for serious accidents.

CONCLUSION

Mr. President, in conclusion, I would state that, while intended to help some industries and areas of the United States, this amendment would have serious economic, safety and social implications for rural Americans—especially farm families.

Mr. GORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, in order to expedite the action on this measure, as an opponent of the Gorton amendment, I move to table the amendment, and I ask for the yeas and the nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Washington. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Florida [Mrs. HAWKINS], the Senator from Maryland [Mr. MATHIAS], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Oregon [Mr. PACKWOOD] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Missouri [Mr. EAGLETON] and the Senator from New York [Mr. MOYNIHAN] are necessarily absent.

The PRESIDING OFFICER (Mr. ARMSTRONG). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 36, nays 58, as follows:

[Rollcall Vote No. 104 Leg.]

YEAS—36

Abdnor	Exon	Matsunaga
Andrews	Ford	Mattingly
Baucus	Gore	McConnell
Boren	Gramm	Nickles
Bumpers	Grassley	Nunn
Burdick	Heflin	Pressler
Byrd	Helms	Proxmire
Cochran	Hollings	Pryor
DeConcini	Inouye	Rockefeller
Dole	Kassebaum	Sasser
Durenberger	Kasten	Wallop
East	Long	Zorinsky

NAYS—58

Armstrong	Gorton	Pell
Bentsen	Harkin	Quayle
Biden	Hart	Riegle
Bingaman	Hatch	Roth
Boschwitz	Hatfield	Rudman
Bradley	Hecht	Sarbanes
Chafee	Heinz	Simon
Chiles	Humphrey	Simpson
Cohen	Johnston	Specter
Cranston	Kennedy	Stafford
D'Amato	Kerry	Stennis
Danforth	Lautenberg	Stevens
Denton	Laxalt	Symms
Dixon	Leahy	Thurmond
Dodd	Levin	Trible
Domenici	Lugar	Warner
Evans	McClure	Weicker
Garn	Melcher	Wilson
Glenn	Metzenbaum	
Goldwater	Mitchell	

NOT VOTING—6

Eagleton	Mathias	Murkowski
Hawkins	Moynihan	Packwood

So the motion to lay on the table amendment No. 1967 was rejected.

□ 1500

Mr. GORTON. Mr. President, I move to consider the vote by which the motion to table was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, if I can have the attention of my colleagues——

The PRESIDING OFFICER. The Senate will be in order. The majority leader is recognized.

Mr. DOLE. Mr. President, I was going to propose a unanimous-consent request. But I am advised that we need about 5 additional minutes to clear it. So I will withhold that. Perhaps we can go back to the pending business.

Mr. FORD. Mr. President, will the majority leader yield?

Mr. DOLE. I am happy to yield.

Mr. FORD. Mr. President, from the vote, I am willing to forego any rollcall vote on the amendment. I still have time, and still can talk about this for a while. But if the distinguished Senator from Washington will assure me he will hold fast on only 3 weeks additional in April, I will yield to him, and we can pass this amendment by voice vote. But I will not accept that unless he agrees.

Mr. GORTON. The Senator from Michigan is happy to make that assurance to the Senator.

Mr. FORD. Mr. President, with that assurance from the distinguished Senator from Washington, who will be on the conference committee if there is one—and he will be working with the House directly as it relates to the acceptance of this legislation should it wind up in that legislative posture—I accept that. And I am now willing to accept the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Washington.

The amendment (No. 1967) was agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BIDEN. Mr. President, today we are voting on a 1-year reauthorization of the U.S. Fire Administration and the Fire Academy. Congress recognizes the lifesaving role our Nation's firefighters have every day in every area of the country. There is no question that the training and education provided through the Fire Administration and the Fire Academy have improved the capabilities of our Nation's volunteer and professional firemen—training that is put to the test, unfortunately, thousands of times each day.

In my own State of Delaware, we have one of the Nation's leading training and education programs. But the challenges to Delaware's firefighters—most of whom are on the job as volunteers—are still imposing. The sources of fires, the individual hazards which must be taken into account in every fire, constantly change. Firefighters in Delaware recognize that resting on their laurels will lead to tragic results, if not for themselves, then for their neighbors.

The need for further training and progress in firefighting techniques is as vital today as it was at the time of the original establishment of the national fire programs in 1974. While fire deaths have declined 30 percent since the creation of the Federal fire programs, no one believes the threat has been eliminated or that we have finally conquered the serious national problem of fire. The recent wildfires in North Carolina that have ravaged thousands of acres are proof that even with the best training and equipment, fire remains an unpredictable and deadly force.

Volunteer and professional firefighters across our country make sacrifices every day in their efforts to protect the rest of us from the ravages of fire. It is a demanding job that carries a high price for failure to pay attention to detail. Congress recognizes the risk firefighters face in service to others, and through this reauthorization restates its commitment to reducing this risk as much as possible through education and training.

However, while Congress' commitment is unmistakeable, there is concern in the fire community that this attitude is not shared by the management of the Federal Emergency Management Agency [FEMA].

Mr. President, several years ago, under a reorganization plan put forward by President Carter, the Fire Administration and the Fire Academy were moved from the Commerce Department and placed under the control of FEMA. At that time I feared this action would be a mistake because it would lower the visibility of the fire programs and might lead to their eventual downgrading.

This possibility may be approaching reality as the management of FEMA appears to be taking the first tentative steps toward implementing a plan to restructure the National Fire Program. A proposal is shaping up that would lead to the operation of the fire programs through the structure of FEMA's civil defense programs, an inappropriate step that would destroy the current well-functioning education and training system. Mr. President, pursuing this effort would be a tragic mistake, both for the National Fire Service Education and Training Programs and, more importantly, the quality of fire control efforts in this country.

The effect of these potential changes, as I understand them, would be to turn education and training programs over to the field staff of FEMA's Civil Defense Program. The Fire Academy would no longer be the topnotch training facility for our Nation's best firefighters. Instead it would become more of a resource center for materials that would be used in classes at institutions not solely dedicated to fire prevention and control. I would expect that under these conditions, the quality and effectiveness of training could only decline.

Mr. President, the reauthorization bill is obviously an important step to take in assuring the future of a progressive fire service. But at the same time, we must look behind the scenes to make sure our intent is being carried out.

It is important for the Fire Academy and Fire Administration to continually review improvements that can be made in existing programs, to build upon the experience developed over the years. But before changes are made that would overturn the system Congress established, FEMA should make every effort to work with the fire community—the ones who will clearly lose out if the wrong reforms were made—to assure that their views and recommendations are also given full consideration.

The steps I mentioned earlier are still in the preliminary stages, and may never develop into the full fledged reform that would appear to be counterproductive for fire control efforts. But it is important from the outset that FEMA understands the seriousness with which we view the possible reforms. I would certainly expect that FEMA will consult with Congress before taking any substantive steps toward making major changes in the Fire Academy programs and their delivery.

● Mr. SARBANES. Mr. President, I strongly support S. 2180, to reauthorize activities under the Federal Fire Prevention and Control Act of 1974. As a cosponsor of this measure and as one who believes that fire prevention and control is a problem of significant national importance, I am deeply concerned about the President's fiscal 1987 budget which proposes to abolish the U.S. Fire Administration [USFA] and to decrease by 23 percent funding for the National Fire Academy. In my view, these proposed reductions would cause a serious and possibly disastrous setback to our efforts in preventing and controlling loss of life and property due to fires.

The U.S. Fire Administration and the National Fire Academy in Emmitsburg, MD, have contributed significantly to the abilities of fire departments across the Nation to combat and prevent fires. Annual national fire death statistics have shown a steady reduction in loss of life by fire in the United States, owing in large part to these programs. Through public education, arson prevention, technology development and firefighter training and outreach programs, fire deaths have declined 30 percent since our National Fire Program began in 1974. Equally important, firefighter deaths in the line of duty have also been decreasing, although unfortunately, at a slower rate.

Contrary to the President's budget proposal, there is no reason to believe that the National Fire Program has outlived its usefulness or is no longer needed. Fire continues to be a major problem in the United States. Nationally, some 8,000 people die and 300,000 more are injured in fires each year. The annual death toll is nearly 20 times the number of deaths caused by all the other kinds of natural disasters combined. The financial loss—$5 billion a year in property damage—is also staggering.

Congress has a serious responsibility to support and encourage a strong Federal fire prevention and control effort. Career and volunteer firefighters risk their lives daily in order to protect our health, safety, and proper-

ty from the devastation of fire. We must not abandon them in their efforts to deal with a problem of this magnitude. The measure we are considering today would ensure that the USFA and the National Fire Academy can continue to play a vital role in preventing and controlling loss of life and property due to fires. The $18.3 million authorized will also ensure that travel stipends and lodging costs will continue to be provided for firefighters attending training sessions at the National Fire Academy. In my view, continued funding is a small price to pay for the tremendous service that these programs provide to our country.

I would urge my colleagues to join me in supporting this measure.●

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. GORTON. We are ready for third reading, Mr. President.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2180

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 17(f) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2216(f)) is amended—

(1) by striking "is" and inserting in lieu thereof "are"; and

(2) by inserting immediately before the period the following: "and $18,300,000 for the fiscal year ending September 30, 1987".

SEC. 2. (a) The Congress finds—

(1) that various studies of governmental and nongovernmental agencies indicate that daylight saving time over an expanded period would produce a significant energy savings in electrical power consumption;

(2) that daylight saving time may yield energy savings in other areas besides electrical power consumption;

(3) that daylight saving time over an expanded period could serve as an incentive for further energy conservation by individuals, companies, and the various governmental entities at all levels of government, and that such energy conservation efforts could lead to greatly expanded energy savings; and

(4) that the use of daylight saving time over an expanded period could have other beneficial effects on the public interest, including the reduction of crime, improved traffic safety, more daylight outdoor playtime for the children and youth of our Nation, greater utilization of parks and recreation areas, expanded economic opportunity through extension of daylight hours to peak shopping hours and through extension of domestic office hours to periods of greater overlap with the European Economic Community.

(b) Section 3(a) of the Uniform Time Act of 1966 (15 U.S.C. 260a(a)) is amended by striking "last Sunday of April" and inserting in lieu thereof "first Sunday of April".

(c) Any law in effect on the date of the enactment of this Act—

(1) adopted pursuant to section 3(a)(2) of the Uniform Time Act of 1966 by a State with parts thereof in more than one time zone, or

(2) adopted pursuant to section 3(a)(1) of such Act by a State that lies entirely within one time zone,

shall be held and considered to remain in effect as the exercise by that State of the exemption permitted by such Act unless that State, by law, provides that such exemption shall not apply.

(d)(1) Notwithstanding any other law or any regulation issued under any such law, the Federal Communications Commission shall, consistent with any existing treaty or other agreement, make such adjustment by general rules, or by interim action pending such general rules, with respect to hours of operation of daytime standard amplitude modulation broadcast stations, as may be consistent with the public interest, including the public's interest in receiving interference-free service.

(2) Such general rules, or interim action, may include variances with respect to operating power and other technical operating characteristics.

(3) Subsequent to the adoption of such general rules, they may be varied with respect to particular stations and areas because of the exigencies in each case.

(e) This section shall take effect 60 days after the date of enactment of this Act, except that if such effective date occurs in any calendar year after March 1, this section shall take effect on the first day of the following calendar year.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. GORTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

URGENT SUPPLEMENTAL APPROPRIATIONS

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DOLE. Mr. President, I would like to indicate that I hope now we can move to the supplemental appropriations, if I could have the attention of my colleagues.

The PRESIDING OFFICER. If the Senator will suspend, the Chair will attempt to win the Senate floor.

The Chair regrets to note that the Senate is not in order, and asks those who are conducting conversations to retire to the cloakroom or another appropriate place.

Mr. DOLE. Mr. President, I will not propound the request until the distinguished minority leader is able to be on the floor. But I will soon. And I have discussed this with the chairman of the Appropriations Committee.

I will ask unanimous consent that the Senate turn to the consideration of H.R. 4515. But I will not do that until the distinguished minority leader is here.

CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1987

Mr. DOLE. Mr. President, before I propound the request on the supplemental, first let me ask the Chair to lay before the Senate a message from the House of Representatives on Senate Concurrent Resolution 120.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the resolution from the Senate (S. Con. Res. 120) entitled "Concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1987, 1988, and 1989", do pass with the following amendment:

Strike out all after the resolving clause, and insert:

That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1987 is established and the appropriate budgetary levels for fiscal years 1988 and 1989 are set forth.

(a) The following levels and amounts are set forth for purposes of determining, in accordance with section 301(i) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, whether the maximum deficit amount for a fiscal year has been exceeded:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1987: $857,200,000,000.
Fiscal year 1988: $941,200,000,000.
Fiscal year 1989: $1,011,900,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1987: $1,086,350,000,000.
Fiscal year 1988: $1,159,650,000,000.
Fiscal year 1989: $1,205,350,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1987: $994,250,000,000.
Fiscal year 1988: $1,047,050,000,000.
Fiscal year 1989: $1,076,150,000,000.

(4) The amounts of the deficits are as follows:

Fiscal year 1987: $137,050,000,000.
Fiscal year 1988: $105,850,000,000.
Fiscal year 1989: $64,250,000,000.

(b) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1986, October 1, 1987, and October 1, 1988:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1987: $643,850,000,000.
Fiscal year 1988: $700,550,000,000.
Fiscal year 1989: $750,750,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1987: $10,700,000,000.
Fiscal year 1988: $17,400,000,000.
Fiscal year 1989: $17,700,000,000.

and of those amounts by which revenues should be increased, the following amounts shall be used solely for the purpose of reducing the deficits below the maximum deficit amounts:

Fiscal year 1987: $4,700,000,000.
Fiscal year 1988: $11,200,000,000.
Fiscal year 1989: $10,500,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1987: $55,700,000,000.
Fiscal year 1988: $60,150,000,000.
Fiscal year 1989: $64,250,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1987: $873,000,000,000.
Fiscal year 1988: $918,950,000,000.
Fiscal year 1989: $944,050,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1987: $798,200,000,000.
Fiscal year 1988: $840,150,000,000.
Fiscal year 1989: $857,650,000,000.

(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1987: $154,350,000,000.
Fiscal year 1988: $139,600,000,000.
Fiscal year 1989: $106,900,000,000.

(5) The appropriate levels of the public debt are as follows:

Fiscal year 1987: $2,319,600,000,000.
Fiscal year 1988: $2,516,900,000,000.
Fiscal year 1989: $2,685,100,000,000.

(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1986, October 1, 1987, and October 1, 1988, are as follows:

Fiscal year 1987:
(A) New direct loan obligations, $34,250,000,000.
(B) New primary loan guarantee commitments, $85,400,000,000.
Fiscal year 1988:
(A) New direct loan obligations, $32,250,000,000.
(B) New primary loan guarantee commitments, $87,300,000,000.
Fiscal year 1989:
(A) New direct loan obligations, $30,600,000,000.
(B) New primary loan guarantee commitments, $87,650,000,000.

(c) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1987 through 1989 for each major functional category are:

(1) National Defense (050):
Fiscal year 1987:
(A) New budget authority, $285,000,000,000.
(B) Outlays, $276,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $295,500,000,000.
(B) Outlays, $281,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $306,500,000,000.
(B) Outlays, $290,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(2) International Affairs (150):
Fiscal year 1987:
(A) New budget authority, $17,000,000,000.
(B) Outlays, $13,800,000,000.
(C) New direct loan obligations, $7,150,000,000.
(D) New primary loan guarantee commitments, $11,400,000,000.
Fiscal year 1988:
(A) New budget authority, $17,300,000,000.
(B) Outlays, $13,550,000,000.
(C) New direct loan obligations, $7,100,000,000.
(D) New primary loan guarantee commitments, $11,400,000,000.
Fiscal year 1989:
(A) New budget authority, $15,900,000,000.
(B) Outlays, $12,850,000,000.
(C) New direct loan obligations, $7,100,000,000.
(D) New primary loan guarantee commitments, $11,400,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1987:
(A) New budget authority, $8,800,000,000.
(B) Outlays, $8,750,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $8,750,000,000.
(B) Outlays, $8,750,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $8,800,000,000.
(B) Outlays, $8,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(4) Energy (270):
Fiscal year 1987:
(A) New budget authority, $4,900,000,000.
(B) Outlays, $4,850,000,000.
(C) New direct loan obligations, $1,950,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $4,650,000,000.
(B) Outlays, $4,150,000,000.
(C) New direct loan obligations, $1,950,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $4,800,000,000.
(B) Outlays, $3,750,000,000.
(C) New direct loan obligations, $1,950,000,000.
(D) New primary loan guarantee commitments, $0.

(5) Natural Resources and Environment (300):
Fiscal year 1987:
(A) New budget authority, $11,950,000,000.
(B) Outlays, $12,250,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $12,000,000,000.
(B) Outlays, $12,150,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $11,800,000,000.
(B) Outlays, $12,200,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $0.

(6) Agriculture (350):
Fiscal year 1987:
(A) New budget authority, $23,800,000,000.
(B) Outlays, $23,550,000,000.
(C) New direct loan obligations, $14,300,000,000.
(D) New primary loan guarantee commitments, $8,000,000,000.
Fiscal year 1988:
(A) New budget authority, $26,000,000,000.
(B) Outlays, $24,800,000,000.
(C) New direct loan obligations, $12,100,000,000.
(D) New primary loan guarantee commitments, $8,500,000,000.
Fiscal year 1989:
(A) New budget authority, $25,300,000,000.
(B) Outlays, $21,550,000,000.
(C) New direct loan obligations, $11,350,000,000.
(D) New primary loan guarantee commitments, $8,650,000,000.

(7) Commerce and Housing Credit (370):
Fiscal year 1987:
(A) New budget authority, $9,800,000,000.
(B) Outlays, $2,200,000,000.
(C) New direct loan obligations, $4,450,000,000.
(D) New primary loan guarantee commitments, $38,750,000,000.
Fiscal year 1988:
(A) New budget authority, $9,350,000,000.
(B) Outlays, $5,100,000,000.
(C) New direct loan obligations, $4,600,000,000.
(D) New primary loan guarantee commitments, $39,100,000,000.
Fiscal year 1989:
(A) New budget authority, $7,550,000,000.
(B) Outlays, $1,300,000,000.
(C) New direct loan obligations, $4,850,000,000.
(D) New primary loan guarantee commitments, $38,450,000,000.

(8) Transportation (400):
Fiscal year 1987:
(A) New budget authority, $24,600,000,000.
(B) Outlays, $25,500,000,000.
(C) New direct loan obligations, $500,000,000.
(D) New primary loan guarantee commitments, $50,000,000.
Fiscal year 1988:
(A) New budget authority, $26,350,000,000.
(B) Outlays, $26,450,000,000.
(C) New direct loan obligations, $400,000,000.
(D) New primary loan guarantee commitments, $50,000,000.
Fiscal year 1989:
(A) New budget authority, $26,300,000,000.
(B) Outlays, $26,350,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $50,000,000.

(9) Community and Regional Development (450):
Fiscal year 1987:
(A) New budget authority, $6,300,000,000.
(B) Outlays, $7,000,000,000.
(C) New direct loan obligations, $950,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1988:
(A) New budget authority, $6,450,000,000.
(B) Outlays, $7,050,000,000.
(C) New direct loan obligations, $1,200,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1989:
(A) New budget authority, $6,500,000,000.
(B) Outlays, $6,600,000,000.
(C) New direct loan obligations, $1,050,000,000.
(D) New primary loan guarantee commitments, $300,000,000.

(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1987:
(A) New budget authority, $33,750,000,000.
(B) Outlays, $30,600,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $10,300,000,000.
Fiscal year 1988:
(A) New budget authority, $32,850,000,000.
(B) Outlays, $32,300,000,000.
(C) New direct loan obligations, $1,400,000,000.
(D) New primary loan guarantee commitments, $10,700,000,000.
Fiscal year 1989:
(A) New budget authority, $33,800,000,000.
(B) Outlays, $33,100,000,000.
(C) New direct loan obligations, $1,250,000,000.
(D) New primary loan guarantee commitments, $10,950,000,000.
(11) Health (550):
Fiscal year 1987:
(A) New budget authority, $38,650,000,000.
(B) Outlays, $38,350,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1988:
(A) New budget authority, $40,500,000,000.
(B) Outlays, $40,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $300,000,000.
Fiscal year 1989:
(A) New budget authority, $42,700,000,000.
(B) Outlays, $42,800,000,000.
(C) New direct loan obligations, $50,000,000.
(D) New primary loan guarantee commitments, $300,000,000.
(12) Medicare (570):
Fiscal year 1987:
(A) New budget authority, $83,000,000,000.
(B) Outlays, $73,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $91,400,000,000.
(B) Outlays, $81,850,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $101,450,000,000.
(B) Outlays, $91,350,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1987:
(A) New budget authority, $165,250,000,000.
(B) Outlays, $121,400,000,000.
(C) New direct loan obligations, $1,800,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $172,900,000,000.
(B) Outlays, $127,200,000,000.
(C) New direct loan obligations, $1,900,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $176,500,000,000.
(B) Outlays, $130,600,000,000.
(C) New direct loan obligations, $1,450,000,000.
(D) New primary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1987:
(A) New budget authority, $5,500,000,000.
(B) Outlays, $5,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $6,150,000,000.
(B) Outlays, $6,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $6,850,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1987:
(A) New budget authority, $27,050,000,000.
(B) Outlays, $26,700,000,000.
(C) New direct loan obligations, $1,550,000,000.
(D) New primary loan guarantee commitments, $16,300,000,000.
Fiscal year 1988:
(A) New budget authority, $27,450,000,000.
(B) Outlays, $27,050,000,000.
(C) New direct loan obligations, $1,500,000,000.
(D) New primary loan guarantee commitments, $16,950,000,000.
Fiscal year 1989:
(A) New budget authority, $27,300,000,000.
(B) Outlays, $26,900,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $17,550,000,000.
(16) Administration of Justice (750):
Fiscal year 1987:
(A) New budget authority, $7,200,000,000.
(B) Outlays, $7,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $7,150,000,000.
(B) Outlays, $7,250,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $7,250,000,000.
(B) Outlays, $7,350,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1987:
(A) New budget authority, $5,750,000,000.
(B) Outlays, $5,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $6,150,000,000.
(B) Outlays, $6,050,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $6,150,000,000.
(B) Outlays, $6,200,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(18) General Purpose Fiscal Assistance (850):
Fiscal year 1987:
(A) New budget authority, $1,850,000,000.
(B) Outlays, $2,650,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $1,900,000,000.
(B) Outlays, $1,900,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $2,000,000,000.
(B) Outlays, $2,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(19) Net Interest (900):
Fiscal year 1987:
(A) New budget authority, $148,150,000,000.
(B) Outlays, $148,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $157,950,000,000.
(B) Outlays, $157,950,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $158,050,000,000.
(B) Outlays, $158,050,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(20) Allowances (920):
Fiscal year 1987:
(A) New budget authority, $550,000,000.
(B) Outlays, $600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, $1,600,000,000.
(B) Outlays, $1,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, $2,650,000,000.
(B) Outlays, $2,850,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(21) Undistributed Offsetting Receipts (950):
Fiscal year 1987:
(A) New budget authority, −$35,850,000,000.
(B) Outlays, −$36,050,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1988:
(A) New budget authority, −$33,400,000,000.
(B) Outlays, −$33,400,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1989:
(A) New budget authority, −$34,150,000,000.
(B) Outlays, −$34,150,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

RECONCILIATION

SEC. 2. (a) Not later than June 5, 1986, the committees named in subsections (b) through (u) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

HOUSE COMMITTEES

(b) The House Committee on Agriculture shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $80,000,000 and outlays by $79,000,000 in fiscal year 1987; decrease budget authority by $83,000,000 and outlays by $83,000,000 in fiscal year 1988; and decrease budget authority by $84,000,000 and outlays by $84,000,000 in fiscal year 1989.

(c) The House Committee on Banking, Finance, and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: increase budget authority by $642,000,000 and decrease outlays by $1,158,000,000 in fiscal year 1987; decrease budget authority by $0 and outlays by $23,000,000 in fiscal year 1988; and increase budget authority by $164,000,000 and decrease outlays by $46,000,000 in fiscal year 1989.

(d)(1) The House Committee on Education and Labor shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $25,000,000 and outlays by $25,000,000 in fiscal year 1987; decrease budget authority by $150,000,000 and outlays by $135,000,000 in fiscal year 1988; and decrease budget authority by $250,000,000 and outlays by $235,000,000 in fiscal year 1989.

(2) The House Committee on Education and Labor shall report changes in laws within its jurisdiction which provide credit authority as defined in section 3(10) of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce direct loan obligations by $0 in fiscal year 1987, $18,000,000 in fiscal year 1988, and $97,000,000 in fiscal year 1989; and to reduce primary loan guarantees by $235,000,000 in fiscal year 1987, $15,000,000 in fiscal year 1988, and increase primary loan guarantees by $55,000,000 in fiscal year 1989.

(e) The House Committee on Energy and Commerce shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $2,713,000,000 and outlays by $2,955,000,000 in fiscal year 1987; decrease budget authority by $415,000,000 and outlays by $886,000,000 in fiscal year 1988; and decrease budget authority by $402,000,000 and outlays by $1,114,000,000 in fiscal year 1989.

(f) The House Committee on Interior and Insular Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $448,000,000 and outlays by $448,000,000 in fiscal year 1987; decrease budget authority by $383,000,000 and outlays by $383,000,000 in fiscal year 1988; and decrease budget authority by $374,000,000 and outlays by $374,000,000 in fiscal year 1989.

(g) The House Committee on Merchant Marine and Fisheries shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $170,000,000 and outlays by $170,000,000 in fiscal year 1987; decrease budget authority by $180,000,000 and outlays by $180,000,000 in fiscal year 1988; and decrease budget authority by $200,000,000 and outlays by $200,000,000 in fiscal year 1989.

(h) The House Committee on Post Office and Civil Service shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: increase budget authority by $950,000,000 and decrease outlays by $700,000,000 in fiscal year 1987; increase budget authority by $1,500,000,000 and decrease outlays by $950,000,000 in fiscal year 1988; and increase budget authority by $850,000,000 and decrease outlays by $2,150,000,000 in fiscal year 1989.

(i) The House Committee on Public Works and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $836,000,000 and outlays by $119,000,000 in fiscal year 1987; decrease budget authority by $836,000,000 and outlays by $479,000,000 in fiscal year 1988; and decrease budget authority by $836,000,000 and outlays by $544,000,000 in fiscal year 1989.

(j) The House Committee on Science and Technology shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $50,000,000 and outlays by $50,000,000 in fiscal year 1987; decrease budget authority by $0 and outlays by $0 in fiscal year 1988; and decrease budget authority by $0 and outlays by $0 in fiscal year 1989.

(k) The House Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $438,000,000 and outlays by $343,000,000 in fiscal year 1987; decrease budget authority by $399,000,000 and outlays by $55,000,000 in fiscal year 1988; and decrease budget authority by $223,000,000 and outlays by $14,000,000 in fiscal year 1989.

(l) The House Committee on Ways and Means shall report changes in law within the jurisdiction of that committee sufficient to reduce the budget deficit by $4,200,000,000 in fiscal year 1987; to reduce the budget deficit by $3,695,000,000 in fiscal year 1988; and to reduce the budget deficit by $3,740,000,000 in fiscal year 1989.

SENATE COMMITTEES

(m) The Senate Committee on Agriculture, Nutrition, and Forestry shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $80,000,000 and outlays by $79,000,000 in fiscal year 1987; decrease budget authority by $83,000,000 and outlays by $83,000,000 in fiscal year 1988; and decrease budget authority by $84,000,000 and outlays by $84,000,000 in fiscal year 1989.

(n) The Senate Committee on Banking, Housing, and Urban Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congres-

sional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: increase budget authority by $642,000,000 and decrease outlays by $1,158,000,000 in fiscal year 1987; decrease budget authority by $0 and outlays by $23,000,000 in fiscal year 1988; and increase budget authority by $164,000,000 and decrease outlays by $46,000,000 in fiscal year 1989.

(o) The Senate Committee on Commerce, Science, and Transportation shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $170,000,000 and outlays by $170,000,000 in fiscal year 1987; decrease budget authority by $180,000,000 and outlays by $180,000,000 in fiscal year 1988; and decrease budget authority by $200,000,000 and outlays by $200,000,000 in fiscal year 1989.

(p) The Senate Committee on Energy and Natural Resources shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $2,185,000,000 and outlays by $2,377,000,000 in fiscal year 1987; increase budget authority by $82,000,000 and outlays by $61,000,000 in fiscal year 1988; and increase budget authority by $78,000,000 and outlays by $66,000,000 in fiscal year 1989.

(q) The Senate Committee on Environment and Public Works shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $1,124,000,000 and outlays by $407,000,000 in fiscal year 1987; decrease budget authority by $1,101,000,000 and outlays by $744,000,000 in fiscal year 1988; and decrease budget authority by $1,088,000,000 and outlays by $796,000,000 in fiscal year 1989.

(r) The Senate Committee on Finance shall report changes in law within the jurisdiction of that committee sufficient to reduce the budget deficit by $4,200,000,000 in fiscal year 1987; to reduce the budget deficit by $3,695,000,000 in fiscal year 1988; and to reduce the budget deficit by $3,740,000,000 in fiscal year 1989.

(s) The Senate Committee on Governmental Affairs shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: increase budget authority by $950,000,000 and decreased outlays by $700,000,000 in fiscal year 1987; increase budget authority by $1,500,000,000 and decrease outlays by $950,000,000 in fiscal year 1988; and increase budget authority by $850,000,000 and decrease outlays by $2,150,000,000 in fiscal year 1989.

(t)(1) The Senate Committee on Labor and Human Resources shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $25,000,000 and outlays by $25,000,000 in fiscal year 1987; decrease budget authority by $150,000,000 and outlays by $135,000,000 in fiscal year 1988; and decrease budget authority by $250,000,000 and outlays by $235,000,000 in fiscal year 1989.

(2) The Senate Committee on Labor and Human Resources shall report changes in laws within its jurisdiction which provide credit authority as defined in section 3(10) of the Congressional Budget and Impoundment Control Act of 1974, sufficient to reduce direct loan obligations by $0 in fiscal year 1987, $18,000,000 in fiscal year 1988, and $97,000,000 in fiscal year 1989; to reduce primary loan guarantees by $235,000,000 in fiscal year 1987, $15,000,000 in fiscal year 1988; and increase primary loan guarantees by $55,000,000 in fiscal year 1989.

(u) The Senate Committee on Small Business shall report (1) changes in laws within its jurisdiction which provide spending authority, as defined in section 401(c)(2)(C) of the Congressional Budget Act of 1974, sufficient to reduce budget authority and outlays; (2) changes in laws within its jurisdiction other than those which provide spending authority as defined in section 401(c)(2)(C) of the Act, sufficient to achieve savings in budget authority and outlays; or (3) any combination thereof, as follows: decrease budget authority by $438,000,000 and outlays by $343,000,000 in fiscal year 1987; decrease budget authority by $399,000,000 and outlays by $55,000,000 in fiscal year 1988; and decrease budget authority by $223,000,000 and outlays by $14,000,000 in fiscal year 1989.

ESTABLISHMENT OF DEFICIT REDUCTION ACCOUNT

SEC. 3. (a) Revenues increased through legislative action above $6,000,000,000 in fiscal year 1987, $6,200,000,000 in fiscal year 1988, and $7,200,000,000 in fiscal year 1989, shall be used solely for the purpose of reducing the Federal deficit.

(b) These additional revenues shall be set forth separately in the congressional budget and clearly identified as for the purpose of deficit reduction only.

(c) The President shall immediately take such steps as are necessary to establish a separate account in the Treasury into which revenues referred to in subsection (a) shall be deposited. The account shall be administered in such a way as to insure that moneys deposited in the fund are available solely for the purpose of deficit reduction. The President shall report on an annual basis to the Congress on the financial condition of the fund and the extent to which the fund has reduced the Federal deficit.

RESERVATION OF DEFENSE BUDGET AUTHORITY

SEC. 4. (a) Of the recommended level of fiscal year 1987 budget authority set forth in section 1 of this resolution for Function 050 (National Defense), $3,000,000,000 is hereby reserved from allocation to the Committee on Appropriations under section 302(a) of the Congressional Budget Act of 1974.

(b) The Secretary of Defense is directed to transmit a report to the Speaker of the House of Representatives and the President pro tempore of the Senate setting forth a full and complete accounting of all moneys appropriated to the Department of Defense for fiscal year 1986 in excess of sums needed to cover inflation. Such report shall be referred to the Committee on Appropriations and Committee on Armed Services of each House. The Committee on the Budget of each House shall be notified upon the transmittal of such report.

(c) The report described in subsection (b) shall also be submitted to the General Accounting Office which shall report to the Congress within a period of fourteen days on its findings as to that report.

(d) After the date on which the report of the General Accounting Office described in subsection (c) is transmitted, the Committee on the Budget of each House is authorized and directed to report to its respective House within five legislative days a revised allocation pursuant to section 302(a) of the Congressional Budget Act of 1974 of new budget authority to the Committee on Appropriations reflecting the full amount of budget authority described in subsection (a).

(e) For fiscal years 1988 and 1989, the Secretary of Defense shall, within ninety days of the close of each such fiscal year, issue to the Speaker of the House of Representatives and the President pro tempore of the Senate, a report accounting for any moneys appropriated for each respective prior fiscal year to cover inflation, which have not been obligated for such purposes.

GNP DEFLATOR

SEC. 5. The Committees on Armed Services of the House and Senate shall report legislation prohibiting the Department of Defense from using an arbitrary deflator (one not based on historical or factual data) for major weapons systems which would provide funding for major weapons systems inflation in excess of the GNP deflator.

SHUTTLE ORBITER REPLACEMENT

SEC. 6. Notwithstanding the spending levels contained in section 1 of this resolution, funding for a shuttle orbiter to replace NASA's Challenger, lost on January 28, 1986, would be appropriate if an authorization for such funding is enacted into law.

GENERAL REVENUE SHARING

SEC. 7. The spending levels contained in section 1 of this resolution would not preclude funding for an extension of general revenue sharing under the State and Local Assistance Act of 1972 through the end of fiscal year 1989 if an authorization for such funding is enacted into law.

STRATEGIC PETROLEUM RESERVE

SEC. 8. It is the sense of the Congress that the policy to fill the Strategic Petroleum Re-

serve to an ultimate capacity of 750 million barrels be reaffirmed. It is also recommended that the Federal Government purchase oil for the Reserve in a way designed to help domestic stripper oil well producers so as to minimize the shutting-in of stripper production.

COOPERATIVE EXTENSION SERVICE

SEC. 9. It is the sense of the Congress that Federal funds for the Cooperative Extension Service of the Department of Agriculture should be maintained at a level sufficient to carry out fully the vital services it is providing to rural America during a time of extreme stress. It is further assumed that this funding will be used especially to support and strengthen such core programs as 4-H Youth Development, Home Economics and Family Living, Natural Resources and Community Development, and services that provide agricultural financial analysis and farm management instruction.

FOREIGN AGRICULTURAL INVESTMENT REFORM

SEC. 10. It is the sense of the Congress that the use of foreign aid funds for financing the foreign production for export use of agricultural commodities already in surplus on world markets is a counter-productive use of American tax dollars as well as devastating to the American farmer who loses export markets from the unfairly subsidized competition.

Mr. DOLE. Mr. President, I move that the Senate disagree to the amendment of the House to Senate Concurrent Resolution 120, the concurrent resolution on the budget for fiscal year 1987, and I further move that the Senate request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees.

The motion was agreed to, and the Presiding Officer (Mr. ARMSTRONG) appointed Mr. DOMENICI, Mrs. KASSEBAUM, Mr. BOSCHWITZ, Mr. ANDREWS, Mr. QUAYLE, Mr. GORTON, Mr. CHILES, Mr. HOLLINGS, Mr. JOHNSTON, Mr. SASSER, and Mr. METZENBAUM conferees on the part of the Senate.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. GRAMM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I want to wish the conferees well, as they go into their first meeting this afternoon. It would be my hope that they can conclude their work on the budget resolution soon, if not today.

UNANIMOUS CONSENT 7-DAY RULE FOR BUDGET RESOLUTION CONFERENCE

Mr. DOLE. Mr. President, I ask unanimous consent that the days during which the Senate will be in adjournment for the upcoming Memorial Day recess, including June 2, not be counted for the purposes of the 7-day limitation contained in section 305(d) of the Congressional Budget Act, as it relates to the conference on Senate Concurrent Resolution 120, the concurrent resolution on the budget for fiscal year 1987.

Mr. BYRD. Mr. President, reserving the right to object, I will not object. I wish to state at this point that there was an early clearance on that request. Just after, or as Senator SIMPSON was making the request, there was an objection that came to me from a Senator.

I want to publicly state my appreciation to the distinguished acting Republican leader, Mr. SIMPSON, who at that time vitiated the request.

The Senator has been since contacted. There is no objection.

I thank the majority leader.

Mr. DOLE. I thank the distinguished minority leader.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

URGENT SUPPLEMENTAL APPROPRIATIONS

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate turn to Calendar No. 853, H.R. 4515, the supplemental appropriations bill.

The PRESIDING OFFICER. Is there objection?

Mr. MELCHER. Reserving the right to object, Mr. President.

The PRESIDING OFFICER. Is there objection?

Mr. MELCHER. I am reserving the right to object, Mr. President.

Will the majority leader yield to me? Does he have the floor?

Mr. DOLE. Yes, I have the floor.

Mr. MELCHER. I have noted earlier today that the urgent supplemental comes to the floor with one section in it dealing with the Philippines. While I am aware of what the administration is requesting for the Philippines that appears in the urgent supplemental, I have had to point out to my colleagues that this is not the complete package.

So rather than letting this one section go, it could be dropped out, and we could call up the urgent supplemental and deal with the Philippines later on, or we could get some accommodation with the State Department and AID to broaden out some of the opportunities for agricultural trade that is in the recently passed farm bill which we thought was going to be part of the package dealing with the Philippines.

So it is on that basis that I have been working with the State Department and AID for over the last 2 years doing what could have been done 2 months ago, if they would come, tell us frankly that they want to move their package, and in what form they want to move it.

So I am going to object at this time, and encourage the State Department and AID to make some serious discussions with those of us who would like to use the agricultural trade programs that are available, and the recently passed farm bill using it in the Philippines as part of their package of assistance for the Philippines this summer.

□ 1510

The PRESIDING OFFICER. The Senator objects.

Mr. DOLE. Mr. President, I thank the distinguished chairman of the committee [Mr. HATFIELD]. He is prepared to move forward on this. I hope that the Senator from Montana would remove his objection fairly soon. This is a rather important piece of legislation, on which we would like to complete action before the Memorial Day recess.

I yield the floor.

Mr. HATFIELD. Mr. President, the issue is not at this point because of the objection raised by the Senator from Montana, but I would like to make one or two brief comments concerning the situation of the supplemental.

No. 1, there is $100 million in this supplemental for economic aid to the Philippines; there is $50 million for military aid. The administration has taken the position that they want to phase the aid in as best it can be utilized to meet the situation as it evolves. That is a policy decision made by the administration. I think it is a reasonable one.

No. 2, there is the sugar issue that is involved in this, we know, beyond the military and the economic aid questions.

No. 3, we cannot delete this one section of the bill and subject the whole bill to deletions because we have carefully crafted this bill in conformity with the Gramm-Rudman requirements. That means simply that any amendment to the committee amendments or the other amendments that are to this bill have to be offset by funds so it remains deficit neutral. We have done this through a very comprehensive system so that eliminating any one part of the bill puts us into a very difficult, if not impossible, situation because we have not been able to get a unanimous-consent agreement to the committee amendments en bloc. That means simply that every one of those amendments is subject to a point of order under Gramm-Rudman until we get to page 35. On page 35 of the bill is where we have all the offset, all the offset that has been agreed to by the committee and signed off by the administration. So it puts the committee into a whole new situation.

So, as much as I would like to accommodate the Senator from Montana, I have to report that I cannot do so under the straitjacket of Gramm-Rudman that has been imposed upon the Senate committee. We are doing our very best to comply with it. That is the situation.

I want to add one point. That is, when we take up the bill, it is going to necessitate a full 2 days of debate. I anticipate that on the basis that there are issues that involve the Armed Services Committee, the Appropriations Committee. That is a policy question. We have controversial issues that relate to the REA. We have many other issues that relate to WIC. So this is not a simple supplemental bill.

So, with the timeframe that we are operating under, where we want to be out late tomorrow afternoon, we just do not have 2 full days ahead of us before the recess. I do not want to leave the bill out here dangling in the wind. Once we take up the bill, I want to proceed to finish the bill in an orderly fashion. To have a 10-day recess intervening between the time we take up the bill and the time we finish the bill is not an orderly procedure.

I can really only say to the Senator from Montana that time has already been running out on us so, regardless of his objection, it does not in any way violate the strategy to handle this bill related to my desire to see it completed once it is brought up—in case the Senator from Montana is suffering from a pang of conscience or any guilt for objecting.

Mr. MELCHER. Mr. President, would the distinguished chairman of the Appropriations Committee yield?

Mr. HATFIELD. Yes; I yield.

Mr. MELCHER. I have no pang of guilt on this matter. I do recognize that the distinguished Senator, the chairman of the committee [Mr. HATFIELD], has made a very practical point: to consider this bill, it should be considered all in one 2-day period. It takes longer than 1 day and it takes a day that is a little bit longer than starting at 3 or 3:30 in the afternoon, the second day—tomorrow—being a day in which Senators are striving to conclude action so they can depart or whatever their plans are for the recess.

I do want to point out that on the question of the Philippines assistance, while $150 million is part of the package that the administration has been talking about for the past 2 months, a part of the package that the administration has been talking about is not in this urgent supplemental.

That has to do with section 416 of food assistance. Those commodities for the Philippines are wheat and milk, both of which are in huge surplus here and in Federal storage and which we cannot properly use in the Philippines until that part is in the package, along with some recognition of the sugar quota issue. I think we would be wise to hold off. But we do have time before the urgent supplemental will be taken up later on in June, when we come back from the recess, hopefully to work this out with the Department of State and with the Agency for International Development. Because it is something that those of us who are familiar with the Philippines and are familiar with the agricultural trade programs that we placed in the recently passed farm bill do expect and do anticipate fully, that the implementation of some of those programs will come about in the Philippine package because that is the type of friendly country that I think we can rely on to give us a good opportunity for great expansion with them.

I thank the distinguished chairman for yielding. I hope we will have this matter cleared up soon, within the next week or two, and will not have any problem with this bill later.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, it probably should be pointed out that in connection with the assistance program for the Philippines, the committee did incorporate language stating that the goods that were purchased with these AID funds by the Philippines should be American-produced goods and services. This was not legislative language, as the Senator from Montana probably knows, but at the request of this Senator, the committee did agree to include that language.

It is my thinking that if we are going to make these extra sums available, the money ought not to be used by the new Government of the Philippines to buy things from Japan or any other foreign supplier but, rather, should look to the United States or reduce the existing indebtedness. If they need the funds for debt service, that is a matter that apparently has strong support, at least in the Appropriations Committee.

□ 1520

But I agree with the Senator that we do need to take advantage of these opportunities to expand our sales, to expand our trade base. I do not know the details of the Senator's proposal. I heard part of the conversation he was having with the chairman of our full Committee on Appropriations. But I wanted to make that point because he may want to try to use that to reach the same goal that he is now describing to the Senate.

Mr. MELCHER. Will the distinguished Senator from Mississippi yield?

Mr. COCHRAN. I am happy to yield to the Senator, Mr. President.

Mr. MELCHER. I am pleased that the Senator from Mississippi incorporated that type of language and requirement in the urgent supplemental regarding the trade package dealing with the Philippines because I think that is absolutely the kind of reciprocity we need between the United States and the Philippines. There are some other significant steps that have been discussed by some of us with some members of the State Department and with the Philippines Government, and we believe that now, if we are going to have this $150 million for economic and military assistance, $100 million for economic and $50 million for military, typing these broader trade programs to that package would be more in keeping with what we have been thinking in the Senate Agriculture Committee over the past 4 or 5 months.

The distinguished Senator from Mississippi is one of our best members on that committee, I might say. I hope that we can work this language situation out, this intent situation out with the Philippines during the next week or 10 days and that we can put the whole package together in this urgent supplemental since that is the route which has been started, the administration making the request of the Senate Appropriations Committee to include this $150 million in this supplemental.

Mr. COCHRAN. Mr. President, I appreciate the comments of the Senator from Montana. We also have, as the Senator and others know, a requirement for additional funds to reimburse the Commodity Credit Corporation for net realized losses. The amount of that reimbursement is over $5 billion. We are told that funds are going to be exhausted by the first week of June if the matter is not solved by putting some money in this urgent supplemental bill. So this is a matter of real urgency and of tremendous importance to the Nation's farmers and to the country as a whole.

CALL OF THE ROLL

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1600

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. SASSER. I object.

The PRESIDING OFFICER (Mr. EVANS). Objection is heard. The clerk will resume the call of the roll.

The assistant legislative clerk resumed the call of the roll.

□ 1610

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. SASSER. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will call the roll.

The assistant legislative clerk resumed and completed the call of the roll.

During the call of the roll the following Senators answered to their names:

[Quorum No. 8 Leg.]

Present:

Armstrong	Byrd	Melcher
Boren	Evans	Sasser
Boschwitz	McClure	

The PRESIDING OFFICER. A quorum is not present.

Mr. McCLURE. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho.

Mr. SASSER. Mr. President, I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Idaho.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from Florida [Mrs. HAWKINS], the Senator from Nevada [Mr. LAXALT], the Senator from Maryland [Mr. MATHIAS], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Oregon [Mr. PACKWOOD] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from New Jersey [Mr. BRADLEY], the Senator from Missouri [Mr. EAGLETON], the Senator from New York [Mr. MOYNIHAN], and the Senator from Mississippi [Mr. STENNIS] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 86, nays 4, as follows:

[Rollcall Vote No. 105 Leg.]

YEAS—86

Abdnor	Dixon	Helms
Andrews	Dodd	Hollings
Armstrong	Dole	Humphrey
Baucus	Domenici	Inouye
Bentsen	Durenberger	Johnston
Biden	East	Kassebaum
Bingaman	Evans	Kasten
Boren	Exon	Kennedy
Boschwitz	Ford	Kerry
Bumpers	Glenn	Lautenberg
Burdick	Gore	Leahy
Byrd	Gorton	Levin
Chafee	Gramm	Long
Chiles	Grassley	Lugar
Cochran	Harkin	Matsunaga
Cohen	Hart	Mattingly
Cranston	Hatch	McClure
D'Amato	Hatfield	McConnell
Danforth	Hecht	Melcher
DeConcini	Heflin	Metzenbaum
Denton	Heinz	Mitchell
Nickles	Rudman	Symms
Nunn	Sarbanes	Thurmond
Pell	Sasser	Trible
Pressler	Simon	Wallop
Pryor	Simpson	Warner
Riegle	Specter	Wilson
Rockefeller	Stafford	Zorinsky
Roth	Stevens	

NAYS—4

Garn	Quayle
Proxmire	Weicker

NOT VOTING—10

Bradley	Laxalt	Packwood
Eagleton	Mathias	Stennis
Goldwater	Moynihan	
Hawkins	Murkowski	

So the motion was agreed to.

The PRESIDING OFFICER. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

□ 1640

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senate is not in order. Will those conversing in the aisles please return to their seats or retire to the cloakroom.

We cannot continue until the Senate is in order.

The majority leader.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I move that the Senate go into executive session to consider Executive Calendar Item No. 734, the nomination of Jed Christensen, of Virginia, to be Director of Surface Mining Reclamation and Enforcement.

The PRESIDING OFFICER. The question is on the motion.

All those in favor say "aye." Opposed.

The motion is adopted.

The Senator from Tennessee.

Mr. SASSER. Mr. President, I rise today to object to the nomination of Jed Christensen——

Mr. BYRD. Mr. President, I am not questioning the Chair. Would the Chair put the question and announce the vote just for the sake of the RECORD.

The PRESIDING OFFICER. The Chair did announce the motion was carried.

Mr. BYRD. But did the Chair state "the yeas appear to have it"?

The PRESIDING OFFICER. The clerk will report the nomination.

Mr. BYRD. No. Mr. President, Senators who may wish to have a vote by division or a vote by rollcall have a right to make either of those requests and if the Chair would first say the yeas have it or appear to have it thus protecting that right if any Senator should desire to so request, then I would have no objection.

The PRESIDING OFFICER. We shall return to the yeas appear to have it. The yeas do have it.

Mr. BYRD. I thank the Chair.

The PRESIDING OFFICER. I thank the Democratic leader.

The clerk will report the nomination.

The Senate proceeded to the consideration of executive business.

DEPARTMENT OF THE INTERIOR

The assistant legislative clerk read the nomination of Jed Dean Christensen, of Virginia, to be Director of the Office of Surface Mining Reclamation and Enforcement.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I rise today to object to the nomination of Jed Christensen to become the Director of the Office of Surface Mining. I object to Mr. Christensen's nomination due to longstanding problems with the operations of the Office of Surface Mining in my home State of Tennessee. These problems have led to a situation where there is very little Federal reclamation of abandoned mine sites in Tennessee. As a result, the health and safety of literally thousands of Tennesseans have been placed in jeopardy. In short, Mr. President, we have in Tennessee a situation where the Office of Surface Mining has failed to live up to both the spirit and the letter of the Surface Mining Control and Reclamation Act of 1977.

Our problems in Tennessee are the result of a bureaucratic squabble between the Department of the Interior and the State of Tennessee. This dispute has dragged on for over 2 years, during which time little or no reclamation has occurred on Tennessee's abandoned mine lands. Indeed, the Office of Surface Mining has authorized only one emergency reclamation project in Tennessee in nearly 2 years.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate is not in order.

The Senator from Tennessee.

Mr. SASSER. Mr. President, along with Congressman JIM COOPER, I have interjected myself in this dispute for a very simple reason. As long as the State and Federal Government continue this standoff, Tennessee's lands suffer, the health and safety of our citizens is threatened, and the objectives of the Surface Mining Act are ignored. I greatly feared that it would take a major calamity involving serious harm or perhaps even loss of life before attention was focused on the lack of reclamation activity in Tennessee. In short, we are attempting to defuse what we see is a disaster waiting to happen.

A prime example of these problems was set forth in the Knoxville News Sentinal, in a May 5, 1986, column entitled "Mine Tailings Open Shafts Endanger Public Environmental Protection Agency Warnings." Those are the headlines on the story. It is written by a very distinguished writer and report-

er who has produced some exceptional journalism dealing with the problems of those who live in Appalachia. I quote from this story written by this able journalist, Mr. Fred Brown:

In 1975, Steve Leming, the 21-month-old son of Irene Leming of Soddy, Tenn., was playing near his home on an old abandoned mine site.

Bear in mind this is a little boy less than 2 years of age—

He tumbled from an embankment in his yard into a pool formed in Little Soddy Creek by silt coal tailings that had washed into the stream. When his mother reached Steve, he was floating, dead, in four feet of water.

Leming says her son would not have died if the abandoned strip mines in the area had not caused the silt to run off the hills above them into the creek.

This is the mother of a 20-month-old son who died unnecessarily. A son to be sure of a poor, poverty-stricken Appalachian family, but loved and valued by his mother nevertheless.

Returning to this dispatch, the reporter writes about Mrs. Leming's son:

Her son is just one of the documented deaths in East Tennessee from abandoned mines. Others have been crushed by large rocks falling out of the mine sites, and others have drowned in pools of water on old sites.

In addition, East Tennessee's coal counties are pocked with more than 400 hazardous mine openings, according to the Labor Department's Mine Safety and Health Administration (MSHA).

The Washington agency, responsible for overseeing mine safety in the nation's coal mines, issued a warning today to hikers and campers who frequent areas where mining activities have been heavy.

"Every year, abandoned mines and quarries claim the lives of teenagers, adults and children. These hazardous sites have caused suffocations, drownings, and head, neck and back injuries or fatalities in accidents involving trespassers at abandoned or intermittently idle mining properties," said Mary Wells of the Labor Department.

David Hughes, a mining specialist with the Tennessee Department of Land Reclamation in Knoxville, said one of the real problems with open portals—the entrances to old mines—is that campers and backpackers at times mistake them for caves.

"People will actually go down inside of these old mines. It is very dangerous. What they are walking on may be the old roof of the mine. You can imagine how dangerous these things are."

□ 1650

"People actually go down inside these old mines. It is very dangerous. What they are walking on may be the old roof of the mine. You can imagine how dangerous these things are," so says David Hughes, a mine inspector with the Tennessee Department of Land Reclamation in Knoxville.

Continuing on, Mr. Hughes said, and I am quoting the article:

He said that some of the abandoned mines are so well-camouflaged by trees and bushes that unsuspecting hikers could easily fall into a portal and then have rocks and soil fall in on them.

He cited one 12-foot-wide shaft in Monterey near Cookeville in Putnam County. The shaft drops 40 feet to a pool of water about 200 feet deep. The opening served as an air shaft for a deep mine, he said.

David A. Zegeer, assistant secretary for mine safety and health with the Labor Department, said it is important that families, hikers and campers become familiar with the potential dangers that lurk on old mining property before they go trekking.

There are six open portals in Big South Fork National River and Recreation Area near Oneida.

Parenthetically, I might say, Mr. President, that these sites are in the home county of our distinguished former majority leader and our friend, Howard Baker, Jr. It was not too long ago that Senator Baker and others appeared at a ceremony to celebrate the opening of the Big South Fork National River and Recreation Area.

But continuing on in the article:

The recreation area offers more than 200 miles of trails, some near the portals.

Zegeer said abandoned underground mines are not the place to explore because they may have oxygen-deficient air, an explosive atmosphere or poor roof conditions.

In East Tennessee there are 12,000 critical acres of abandoned mines. In that acreage, there are 444 open portals, according, to figures from the reclamation office. In addition there are 11 open vertical shafts such as the one at Monterey.

So concludes the article written by the respected journalist, Fred Brown.

Interestingly enough—perhaps I should say tragically enough—there is a Federal program reclaiming these abandoned mine areas. As a matter of fact, this program collects money from coal operators and has collected the money from coal operators in my native State of Tennessee.

In a letter addressed to my distinguished colleague, Senator ALBERT GORE, JR., dated May 16, 1986, the Acting Director of the Office of Surface Mining, Mr. Jed Christensen, stated to my distinguished colleague that the abandoned mine land program of the Federal Government has collected $15.4 million from Tennessee coal operators over the life of the Abandoned Mine Land Program. Of this amount, 50 percent, according to Mr. Christensen, or $7.7 million, represents the State's share. Only $12 million has been returned to the State of Tennessee through grants prior to the State's relinquishing primacy, says Mr. Christensen in his letter.

I submit, Mr. President, that if the Office of Surface Mining, acting pursuant to the Abandoned Mine Land Program, had done what it was supposed to do under the statute, had fulfilled its responsibility for claiming these abandoned mines, perhaps families such as the Lemings would not live with the fear of losing their loved ones.

But this has not been done because of bureaucratic infighting and irresponsibility. Reclamation funds were not given to the State of Tennessee to reclaim these mines. Mr. President, I submit that that is unconscionable.

So that there be no mistake about it, let me read into the RECORD a letter written to my distinguished colleague dated May 16, 1986, on a letterhead of the U.S. Department of the Interior, Office of Surface Mining, Reclamation and Enforcement, Washington, DC 20240, to the Honorable ALBERT GORE, JR., U.S. Senate, Washington, DC 20510:

DEAR SENATOR GORE: Thank you for your letter of January 24, 1986, to Secretary Hodel, transmitting a petition from citizens concerned about coal mining in Tennessee and the policies and programs of the Office of Surface Mining Reclamation and Enforcement (OSMRE).

In carrying out a Federal regulatory program in Tennessee, OSMRE's objectives are to implement the Surface Mining Control and Reclamation Act (SMCRA) and regulations with consistency and to ensure that coal mining operators receive fair and even-handed treatment. OSMRE believes its objectives are being achieved.

If I could depart from the letter a moment, I would note the irony in the Acting Director sending a letter to a U.S. Senator saying that the objectives of the Office of Surface Mining Reclamation and Enforcement are being achieved.

What does this man who sits in the chair of Acting Director think the taxpayers of this country are paying him to do? They are paying him to follow the strictures of the statute.

Continuing on with this letter, the Acting Director says:

You also expressed concern about funds collected from Tennessee coal miners which remain unused in the abandoned mine land program.

Our records indicate that $15.4 million have been collected from Tennessee coal operators over the life of the Abandoned Mine Land Program. Of this amount, 50 percent, or $7.7 million, represents the State's share. Two million dollars have been returned to Tennessee through grants prior to the State's relinquishing primacy.

□ 1700

So he clearly admits on the face of this letter that Tennessee's contributions to the Abandoned Mine Land Program, some $5.7 million, are sitting idle in the fund. He continues on in the letter by saying, "We are concerned about the Abandoned Mine Land problems in Tennessee. * * *" Again, I note the irony, Mr. President. If he is concerned about it, why does he not do something about it?

But he says in the letter:

In the absence of an Abandoned Mine Land Program administered by the State, the Office of Surface Mining, Reclamation, and Enforcement will continue to undertake emergency projects in the State, using moneys from the Secretary's discretionary share of reclamation funds.

Then he ends it with the bureaucratic catch-all:

If we may be of further assistance, please let me know. Sincerely, Jed Christensen, Acting Director.

(Mr. McCONNELL assumed the Chair.)

Mr. President, let me add a few words about Congressman COOPER who has worked so dilgently on this. Congressman JIM COOPER is a very distinguished Congressman. At the time he came to the House of Representatives in January 1983, Congressman COOPER was the youngest Member of that distinguished body. He comes from a distinguished political lineage—his father, Prentice Cooper, served as Governor of the State of Tennessee during the 1940's.

Congressman COOPER and I working together have made numerous efforts to elicit from Mr. Christensen a commitment that the problems in Tennessee would be rectified. We have met with Mr. Christensen directly, and asked him to examine the total lack of reclamation in Tennessee, and to work with us in shaping a plan to remove this looming threat.

We have not really asked all that much, Mr. President. We have simply asked that the Office of Surface Mining live up to its obligations by performing at least limited reclamation efforts in the State of Tennessee.

Well, unfortunately, Mr. Christensen has not been of much assistance. He has failed to come forward with either a plan for a limited reclamation activity in Tennessee or with a commitment to develop such a plan for Tennessee.

In effect, he is telling the citizens of Tennessee that the mandate of the Surface Mining Act applies to all States except Tennessee. He is telling us that the act's directive to protect the public health, safety, and general welfare from the adverse effects of coal mining practices do not apply in Tennessee.

Many of my colleagues may be wondering how this can be the case. Let me provide some background information which will shed some light on Tennessee's unique standing.

Our problems in Tennessee center on the abandoned mine reclamation fund. As my colleagues from mining States know, the abandoned mine reclamation fund is financed in part through the collection of a reclamation fee on coal mining operations; 50 percent of the funds collected annually in a State are returned to that State for approved abandoned mine reclamation efforts. The remaining 50 percent goes into discretionary programs, and funds in this program may be expended in any State at the discretion of the Secretary of the Interior.

There are certain strings attached to the State's share of the reclamation fund. To remain eligible for these funds a State must retain primacy over the mining industry in its State. That is, the State must exert primary statutory and regulatory oversight in the mining industry within its borders. The Surface Mining Act is very clear on this point. Once a State gives up primacy, the Secretary of the Interior shall not approve, fund, or continue to fund an abandoned mine reclamation program in that State.

This statutory mandate marks the beginning of Tennessee's difficulties. After initial approval of Tennessee's regulatory program for the mining industry, Federal officials begin to spot what they viewed as problem areas.

In April and again in August 1983 the Director of the Office of Surface Mining notified the Governor of Tennessee of problems identified in the State's implementation, maintenance, and enforcement of its mining regulatory program. This touched off a period of negotiating back and forth between the State of Tennessee and the Department of the Interior over regulating the mining industry in Tennessee.

A reading of the correspondence from the Governor's office suggests a growing level of frustration in attempting to resolve this problem.

Finally, on June 13, 1984, Tennessee's Governor Lamar Alexander wrote the then Secretary of the Interior William Clark as follows. I quote from the letter:

At my request the Tennessee General Assembly has repealed legislation authorizing the State regulation of surface mining. We are working with the Office of Surface Mining in an orderly way to return that responsibility to the Federal Government on October 1, 1984. To put it simply, this decision arose because of difference of opinion between Federal and State regulators.

So here we have a situation where there is an argument between Federal bureaucrats and State bureaucrats. It reminds me very much of a minor child in a divorce case.

I practiced law for many years, Mr. President, before coming to this distinguished body. But the minor child in a divorce case has no control over the hostilities or the squabbles that might develop between two parents. Yet that minor child certainly suffers the consequences of their inability to resolve their differences.

□ 1710

In this particular situation, Mr. President, the State of Tennessee is the one that is suffering the consequences of the inability or the unwillingness for State or Federal regulators to resolve their difficulties.

Although abandoning control of mine regulation in Tennessee, the State government expressed a strong desire to retain its abandoned mine reclamation program.

Acting Director of the Office of Surface Mining John Ward responded to the State's request in an October 5, 1984, letter:

It is with considerable regret that I must inform you of the proposed suspension of Tennessee's abandoned mine land plan. This action, although unavoidably due to recent passage of legislation by the State of Tennessee, is particularly unfortunate since the Tennessee plan and reclamation program have exemplified the degree of professionalism needed throughout the country to effectively address the many problems associated with abandoned mine lands. Nevertheless, the State's decisions has left me no option in this matter.

To continue with the letter:

Section 405(c) of the Surface Mine Control and Reclamation Act of 1977, Public Law 95-87, provides that the Secretary of Interior shall not approve, fund, or continue to fund a State abandoned mine land reclamation program unless the State has an approved regulatory program.

Let me point out, Mr. President, that I do not quarrel with officials at the Office of Surface Mining on this particular point. They simply followed the letter of the law in denying Tennessee the State's share of funds in the reclamation fund. The law is very clear on this point. If you give up primacy, you give up your right to these reclamation funds.

I have indicated to Mr. Christensen that I have no problem with any actions by the Office of Surface Mining on this point. In fact, the Federal Register of October 1, 1984, set forth the consequences of Tennessee's forfeiting primacy rather succinctly. As noted on page 38875 of that issue:

Formal suspension of a State's reclamation plan will have the following consequences: (1) The State will no longer be eligible to receive its 50-percent allocation of the abandoned mine land funds collected within the State; (2) funds which have been allocated to the State but remain unexpended for 3 years ma, be withdrawn by the Director and used in any eligible area in the country; and (3) the Office of Surface Mining will conduct only limited reclamation efforts in the State addressing only the highest priority problems which threaten the public health and safety.

It is this last point which has caused me great problems, Mr. President. For despite this clear directive that limited reclamation efforts would continue in Tennessee even though the State lacked primacy, this has simply not happened. The sad truth is that only one emergency project has been authorized for mine land reclamation in Tennessee in almost 2 years.

Let me make it clear, Mr. President, that there are quite a few projects which meet the definition of "highest priority problems which threaten the public health and safety."

This regulatory pronouncement and the mandate of the Surface Mining Act call for some Federal role in mine reclamation efforts in Tennessee.

Congressman COOPER and I contacted Mr. Christensen on January 31 of this year to propose a compromise which would allow such limited reclamation efforts to go forward in Ten-

nessee while avoiding intanglement in the dispute over the State's lack of primacy.

I pointed out to the Acting Director, Mr. Christensen, at that time, that it was a very easy thing to go to rules and regulations to cite reasons as to why something could not be done, why some one could not act. That is known as bureaucratic inertia.

But I pointed out to the Acting Director at that time that our challenge, indeed our responsibility, as public officials—appointed and elected—was to act in the public interest and to find ways in which these funds, collected pursuant to statute, could be used for the reclamation of Tennessee mine lands, to find ways that these funds could be used to further the public welfare and safety.

I pointed out to him that he did have the authority to use funds to deal with emergencies or to use funds, to some extent, at his discretion or that, ultimately, of the Secretary of the Interior.

It seemed to have some impact on him, and he said he would return to his office and study the proposition.

But, alas, I think he went back and got all involved again in the old bureaucratic question of why something cannot be done.

Well, we proposed that the Office of Surface Mining make use of the services of the Soil Conservation Service to work on abandoned mine sites. As many of my colleagues know, in the western part of Tennessee we have some of the worst soil erosion of all the 50 States. You have only to fly over the western part of Tennessee and you can see the river turn yellow as a result of the soil entering into it. The Soil Conservation Service has done yeoman service over the years in trying to alleviate this very serious problem.

They are a dedicated Federal agency. They have skilled and competent workers.

I suggested that the services of the Soil Conservation Service be used to implement the ends of the Abandoned Mine Land Reclamation Act.

In the Soil Conservation Service at least some officials had indicated informally that if they were called upon to do this and if the Office of Surface Mining furnished the appropriate funds, that in the public interest and in furtherance of public safety they would undertake to reclaim these abandoned mine lands.

That is the proper spirit, I suggest, of public service. I contrast that with the attitude of the Office of Surface Mining.

I also suggested that if the Office of Surface Mining Reclamation and Enforcement did not wish to avail themselves of the services of the Soil Conservation Service, perhaps we could contact the Tennessee Valley Authority and ask them to perform the necessary reclamation work on high priority projects in the State of Tennessee. The Tennessee Valley Authority has compiled an excellent record in seeking to deal with many of the problems of soil erosion, of rectifying manmade environmental damage and other environmental damage to the whole Tennessee Valley area.

Here again, when informal contacts were made with the Tennessee Valley Authority, they indicated unofficially that they were not seeking this job but if the Office of Surface Mining would furnish the necessary funds under the abandoned mine reclamation program, the Tennessee Valley Authority would undertake, in furtherance of public health and safety and in an effort to diminish any further damage to the environment, to perform the reclamation work on the high priority projects in the State of Tennessee.

Mr. President, I know my colleagues want to completely understand this issue, so I shall read the letter that Representative JIM COOPER sent to Mr. Christensen. I think it is very informative and will give my colleagues some flavor of the problem facing us. The letter begins:

DEAR MR. CHRISTENSEN: We are gravely concerned with the continued standoff between your office and the State of Tennessee over the expenditure of abandoned mine reclamation funds in Tennessee. We understand that by giving up all regulatory powers over surface mining, the State of Tennessee forfeited its right to funds available under the abandoned mine reclamation fund. Tennessee is the only State which cannot receive its share of reclamation funds, a unique situation with agonizing results.

Said Representative COOPER.

Continuing with his letter:

We understand that your office is contemplating funding for one emergency work site in Scott County.

This was the one authorized site for reclamation that I referred to earlier in my statement.

Continuing with the letter:

There are many other priority sites in Tennessee which deserve immediate reclamation. Since the Office of Surface Mining has shown a willingness to undertake a reclamation project with discretionary funds, we request greater use of the discretionary fund. The simple truth is the dearth of reclamation funds created by the stalemate in Tennessee hurts our land and threatens the health and welfare of thousands of Tennesseeans.

Moreover, the confusion and uncertainty surrounding the mining industry in Tennessee is taking its full toll in lost jobs. Faced with continuing uncertainty, many Tennessee mining interests are opting to cease operations or to relocate. This aggravates the already dismal employment picture in many mining communities throughout Tennessee.

As you well know, many abandoned mine sites are disasters waiting to happen. A few grim examples illustrate the severity of the problems in Tennessee. In Campbell County,

Again, Mr. President, an Appalachian county—

the Ollic Creek Watershed, which provides drinking water for the community of La Follette, is being polluted by acid runoff from an abandoned mine site.

In Campbell and Fentress Counties—

I might say Fentress County has one of the lowest per capita incomes of almost any county in the United States.

abandoned mine sites are causing massive mud slides onto heavily traveled State and county roads. The siltation generated by runoff from mine sites throughout much of the Tennessee has created an ominous flooding threat for many communities.

Representative COOPER continues in his letter to Acting Director Christensen:

We understand your desire to use land reclamation funds as an incentive for the State of Tennessee to regain primacy. But while this dispute drags on, our scarred land continues to expose Tennesseans to health and safety risks. Like a child in a divorce case, our land is an innocent victim. We believe this unique problem demands a unique solution which removes health and safety risks and puts our miners back to work.

There are presently two Federal agencies which can provide much needed reclamation services in Tennessee. Both the Soil Conservation Service and the Tennessee Valley Authority possess the necessary expertise and experience to address priority reclamation sites in Tennessee.

Under title 30 of the United States Code, section 1232(g)(3), the Secretary of the Interior has the authority to work in conjunction with either the SCS or TVA to tackle at least a portion of Tennessee's mine reclamation needs.

Indeed, using either of these agencies to work on priority reclamation sites ensures that the objectives that the Abandoned Mine Reclamation Fund would be complete and that our constituents would be protected.

Relying on either of these two agencies in a limited manner to provide reclamation services in Tennessee would in no way undermine your negotiations with State government officials but would guarantee that the health and safety needs of Tennesseeans are no longer ignored.

We believe using a portion of the Secretary's discretionary reclamation funds either through the SCS or TVA presents a very attractive alternative to the present stalemate. We would like to discuss this proposal with you in more detail and request a meeting to explore this suggestion. We look forward to meeting with you in the near future to work out a solution to this troubled situation.

□ 1730

Well, Mr. Christensen was kind enough to meet with Congressman COOPER and I to discuss the situation in Tennessee. Now, let me add, Mr. President, from a personal point of view I found Mr. Christensen to be a rather likeable individual. He gave the impression of being genuinely concerned about the programs overseen by the Office of Surface Mining.

As we discussed the problems in Tennessee, Mr. Christensen generally recounted how we got into the situation in which we find ourselves. Unfortunately, we were unable to reach any agreement on moving ahead with reclamation efforts in Tennessee.

Mr. Christensen's sticking point was simple enough. As he saw it, the Office of Surface Mining has very little to entice the State of Tennessee to regain primacy, and having the State take regulatory control of the mining industry in Tennessee remains a top priority for Department of the Interior officials.

In short, money for reclamation efforts was the only carrot available to Mr. Christensen. As long as the State refused to take primacy, he would refuse to turn loose any reclamation money. The reclamation funds stood as an enticement for Tennessee to retake primacy over the mining industry.

Now, such a policy might hold a measure of appeal in a political environment, I suppose, but it totally ignores the regulatory guidelines the Office of Surface Mining set forth itself in October 1984. Let me just reiterate what was contained in that publishing of a final rule for reclamation operation under a Federal program for Tennessee:

The Office of Surface Mining "will conduct only limited reclamation efforts in the State addressing only the highest priority problems which threaten the public health and safety."

Thus it appears that the Office of Surface Mining is following two policies with regard to Tennessee, one published in the Federal Register in October 1984 which makes it clear that reclamation activity would continue in Tennessee despite the lack of primacy.

The second policy is not grounded in any regulation or law but is purely political in nature. The Office of Surface Mining views the Abandoned Mine Reclamation Fund as leverage to persuade Tennessee to regain primacy.

Now, it is clear that this second policy, this leverage policy, is the one that is operational in the State of Tennessee.

I have very serious reservations about an agency of the Federal Government publishing a policy in the Federal Register and then completely abandoning it to engage in political maneuvering. When the Office of Surface Mining stated on October 1, 1984, that "The Office of Surface Mining will conduct only limited reclamation efforts in the State addressing only the highest priorities which threaten the public health and safety," they committed themselves to a course of action on which the people of Tennessee should have been able to rely. This commitment has proved to be very shallow, indeed.

Now, some of my colleagues might be wondering if there are sites in Tennessee which meet the regulatory directive of highest priority problems. We will have plenty of time to fully catalog the wide spectrum of abandoned mine sites in Tennessee, I suspect, Mr. President. I will say at this point there are quite a few priority 1 abandoned sites throughout Tennessee. There are an even greater number of priority 2 sites.

Now, priority 1 sites are the highest priority sites except for sites that are declared emergency sites, and I note that the Federal Register does not stipulate that only emergency sites be acted upon. Indeed, I take the policy statement of October 1, 1984, to mean that priority 1 sites and perhaps even priority 2 sites could be acted upon if they are threatening the public health and safety. But I suppose I am getting ahead of myself, Mr. President. I have noted that the decision of the Office of Surface Mining to pursue a policy of no Federal reclamation activity in Tennessee violates the letter and the spirit of the policy set forth in the Federal Register on October 1, 1984.

This policy of inactivity also violates the letter and the spirit of the Surface Mining Act. Indeed, Mr. President, the very title of that act, the Surface Mining Control and Reclamation Act, underscores the importance of reclamation efforts. The findings of that act are worth noting as we consider the mandate of the Office of Surface Mining.

Section 201 of title 30 of the United States Code sets forth the congressional findings on this very important point. Among these findings are the following:

Section C. Many surface mining operations result in disturbances of surface areas that burden and adversely affect commerce and the public welfare by destroying or diminishing the utility of land for commercial, industrial, residential, recreational, agricultural and forestry purposes by causing erosion and landslides, by contributing to floods, by polluting the water—

as it has done in Campbell County, TN, where the people in La Follette have had their drinking water polluted by acid runoff from an abandoned mine site.

—by destroying fish and widlife habitats, by impairing natural beauty, by damaging the property of citizens, by creating hazards dangerous to life and property, by degrading the quality of life in local communities, and by counteracting governmental programs and efforts to conserve soil, water, and other natural resources.

Mr. President, if these abandoned sites in Tennessee do not qualify under this criteria, I do not know what does qualify.

Continuing on quoting the statute, the same code section, section 1201, title 30 of the United States Code, paragraph D:

The expansion of coal mining to meet the Nation's energy needs makes even more urgent the establishment of appropriate standards to minimize the damage to the environment and to productivity of the soil and to protect the health and safety of the public.

□ 1740

Again, in section 1202, paragraph 8, of title 30, setting forth the statement of purpose of the act, we find that the purpose of this chapter is to "establish a nationwide program to protect society and the environment from the adverse effects of surface coal mining operations."

Paragraph 8 of the same code section:

Promote the reclamation of mined areas left without adequate reclamation prior to August 3, 1977, and which continue in their unreclaimed condition, to substantially degrade the quality of the environment, prevent or damage the beneficial use of land or water resources, or endanger the health or safety of the public;

Mr. Christensen has decided that these findings and purposes, for some reason, do not apply to the State of Tennessee. I do not know why this distinguished State—the home of three Presidents of the United States, one of the first States to be admitted to the Union after the Original 13 Colonies—would not be entitled to the same protection of the law as the other 49 States.

Somehow, his actions suggest that the paramount concern in Tennessee is pressuring the State into retaking primacy. I might note that such a purpose is nowhere mentioned in the Surface Mining Act.

Let us take a look at the statutory guidelines for the Abandoned Mine Reclamation Fund for more specific insight into just what the Office of Surface Mining is supposed to be doing.

Section 1233 of title 30 sets forth the objectives of the abandoned mine reclamation fund as follows:

Expenditures of moneys from the fund on lands and water, eligible pursuant to section 1234 of this title, for the purposes of this subchapter shall reflect the following priorities in the order stated:

(1) The protection of public health, safety, general welfare and property from extreme danger of adverse effects of coal mining practices.

That is the No. 1 priority of the abandoned mine reclamation fund. It is "the protection of public health, safety, and general welfare."

How can you be cognizant of protecting the public health and ignore the fact that the people of LaFollette, TN, are having their drinking water polluted by acid runoff from mines which have not been adequately reclaimed? How can you sit in the Office of Surface Mining Reclamation Enforce-

ment, or how can the Secretary of the Interior sit in his office, and ignore this clear mandate of the statute? The purpose of the Abandoned Mine Land Act is, No. 1, the protection of public health, safety, and general welfare from the extreme danger of adverse effects of coal mining practices is abundantly clear. It appears to me that they ought to be coming forward voluntarily in trying to deal with these emergency situations.

The second paragraph of the act, setting forth the general purposes of the Abandoned Mine Land Act, states:

The protection of public health, safety, general welfare and property from adverse effects of coal mining practices.

Paragraph 3, setting forth the intent of the act:

The restoration of land and water resources and the environment previously degraded by the adverse effects of coal mining practices including measures for the conservation and development of soil, water, woodland, fish and wildlife, recreation resources and agricultural productivity.

I ask my colleagues: Are you adequately protecting fish and wildlife when you allow acid runoff from surface mines that have been abandoned, to pollute streams with acid, killing fish, killing wildlife, diriving it away?

Are you adequately conserving soil when you allow it to wash away, to erode, by refusing to take the appropriate reclamation measures following the surface mining operation?

Are you protecting the recreation resources when you allow surface mines that are eyesores, in addition to being dangerous, to exist adjacent to national recreation areas like the Big South Fork National Park, adjacent to the trails in that beautiful park?

Are you fulfilling your obligation under the act to restore agricultural productivity when you stand idly by and hide behind bureaucratic rules and regulations and allow the soil to wash away, to allow tailings and rocks from open surface mines to clog beautiful creeks in one of the most scenic areas of this beautiful United States of ours?

I submit that you are not doing your job, that you are not fulfilling your responsibility under the act, when you allow these degradations of our environment to occur.

□ 1750

Continuing on in the act, paragraph 4:

Research and demonstration projects relating to the development of surface mining reclamation and water quality control programs, methods, and techniques.

Oh, how we would like to have in Tennessee a research and demonstration project that would demonstrate to our people and our coal operators the proper development of surface mining reclamation and demonstrate ways and means that water quality control programs could be instituted, the methods and techniques for so doing. If we had it, there would be literally hundreds, of Tennesseans who live in Appalachia who would not be drinking polluted water today, much of it polluted as a result of surface mining operations.

Continuing on the reason for being of the Abandoned Mine Land Act in paragraph 5, it says:

The protection, repair, replacement, construction or enhancement of public facilities such as utilities, roads, recreation and conservation facilities adversely affected by coal mining practices.

Let me tell you a little story, Mr. President, that my colleagues might like to share. There is one road that leads through a portion of Fentress County to the county hospital. This is a road chiseled out of hilly terrain. Erosion caused by an abandoned surface mine, caused a massive mudslide down the mountainside with great force which knocked this road off the side of this small mountain.

The county, because of adverse financial circumstances, does not have the financial wherewithal to replace this road, to repair it adequately. So there are people who live in this Appalachian country who now cannot get to the hospital, if they need to go in a hurry because the ambulance or their automobiles, what few of them have automobiles, cannot traverse this road to the general hospital.

Would it not be marvelous if the Acting Director of the Office of Surface Mining would come forward and say to these individuals "This is an emergency, this is an emergency that qualifies and, fulfilling my responsibility as an appointed Federal official sworn to carry out the Constitution and the laws of the United States of America, I want to use these funds that we have taken from coal mining operators in the State of Tennessee, to come to your county and rebuild this road." This would mean that at least the folks in a portion of this county can get to town in an adequate period of time, can get to the hospital and not have to zigzag many, many miles over inadequate roads, some of which cannot be traversed in bad weather to try to get to the county hospital.

Well, continuing on with the Abandoned Mine Land Act, paragraph 6 reads:

The development of publicly-owned land adversely affected by coal mining practices including land acquired as provided in this subchapter for recreation and historic purposes, conservation, and reclamation purposes and open space benefits.

Section 1234 further defines eligible lands and waters as follows, beginning with the quote from section 1234 which further defines eligible lands and waters:

Lands and water eligible for reclamation or drainage abatement expenditures under this subchapter are those which were mined for coal or which were affected by such mine, wastebanks, coal processing or other coal mining processes, and abandoned or left in an adequate reclamation status prior to August 3, 1977, and for which there is no continuing reclamation responsibility under State or other Federal laws.

Now, as I pointed out earlier, this situation changes somewhat when a State loses primacy. However, after Tennessee gave up primacy, the Office of Surface Mining issued regulations on reclamation activities in Tennessee. Again, as pointed out earlier, these regulations are clearly designed with one objective in mind: meeting the objectives set forth in the Surface Mining Act. Although only limited reclamation activities are called for, it is clear from both the statutory language and the regulatory language that some reclamation is supposed to be going on in Tennessee.

Well, there is not any surface mining reclamation going on in the State of Tennessee at all. All we have are open sores and scars on the land left as a result of surface mining. All we have is the debris and tailings from these surface minings clogging our streams and our creeks and killing our fish and fouling our water.

(Mr. GRAMM assumed the chair.)

Mr. SASSER. We do not have any reclamation going on in my State of Tennessee. We have the Office of Surface Mining dangling a carrot in front of a sovereign State.

Mr. President, the founders of this country and those who wrote this Constitution held firmly to the convictions that States have certain rights as against the Federal Government. One reason the U.S. Senate was created by the framers of the Constitution, was so that each State, no matter what its size, no matter what its population, no matter what its wealth, would have two representatives to come into this national legislature and to protect the rights of that State and the rights of its citizens against abuse or against neglect by a Federal Government or coalition of other States.

And that is precisely, Mr. President, what I have the honor to be doing today for the State of Tennessee, to expose to my colleagues what I perceive to be the arbitrary actions of the Office of Surface Mining. This neglect of duty, if you will, is an effort to politisize a well-intentioned piece of legislation, the Abandoned Mine Land Act, which was designed by its framers, many of whom sit in this body today, to erase the scars of surface mining from our land and to provide adequate safeguards for the public health and the safety of our citizens in those areas where surface mining has taken place.

And in furtherance of this, funds, collected from coal mine operators by the Federal Government, 50 percent

of which to be reimbursed to the States. I submit, Mr. President, that the citizens of the State of Tennessee have paid this tariff or tax, indirect though it may be, on the coal being extracted from our State, their State, by virtue of higher electrical rates, as this same coal is used to power steam-fired electrical-generating facilities in the State of Tennessee and indeed the entire Tennessee Valley area.

□ 1800

And miners have labored at lower wages because funds have been taken from the profit that the operators make in selling the coal to fulfill their obligation under the law to fully fund the Abandoned Mine Land Act. And here we are today in the almost incomprehensible situation of over $5 million of funds that were owing to the State of Tennessee and collected from the coal operators of Tennesee. Indeed, over $14 million was collected from the coal operators, that we admit, and under the statute we were holding 50 percent and we got $2 million 2 years ago.

And here we are with our land being washed away, with our streams being polluted, with our roads being destroyed, mothers worrying about their children playing around the abandoned mine sites, and water being dammed up and suddenly rushing downstream.

After one severe rainfall near one of these abandoned mine sites, the dam broke and the water came rushing down, narrowly missing the house of an old gentleman who lived in this area all of his life, a man of humble means. But it did destroy his barn, knocked it flat, and destroyed many of his farm implements on this little hill farm where this man had worked, an elderly man who had worked as a strong yeoman in that region, tilling his land. He lost his barn, endangering his livelihood, because of a bureaucratic squabble between bureaucrats in the State government and in the Federal Government.

And because of the efforts of the Office of Surface Mining's Acting Director to try to dangle this carrot in front of the State of Tennessee, saying, "If you will back down, if you will concede, if you will retake primacy, then we will let you have what you are morally and legally entitled to in the first place."

Quite frankly, Mr. President, this is a carrot that has not worked and will not work. And the citizens of eastern Tennessee are paying the price for it on a daily basis.

Returning to this meeting between Congressman COOPER and the Acting Director, Mr. Christensen, and myself, Mr. Christensen feared that by authorizing any Federal reclamation efforts in Tennessee the State government would have no incentive to retake primacy.

How effective has this incentive to take primacy been over the past 2 years? If anything, there has been a hardening of attitudes on both sides, more determination by the State that it will not take primacy. The State claims it cannot work with these Federal bureaucrats. And we see more determination on the part of the Office of Surface Mining. They are not going to release any funds until the State takes primacy and until the State bureaucrats back down and do what the Federal bureaucrats want them to do.

So, the incentive has not worked to force the State to take primacy. Indeed, it has worked just in the reverse. Positions have become more hardened, attitudes have become more hostile, and still the State of Tennessee—again, using the example of a child in a divorce case—the State of Tennessee and its citizens continue to suffer through no fault of their own as a result of this quarrel between two rivaling sets of Government officials.

It is true that early on in this dispute the State of Tennessee did hold out hope that it would retake primacy. In a December 20, 1984, letter to the then Secretary of the Interior, Mr. Clark, Governor Alexander noted in that letter:

> Frankly, I see no gain whatsover in linking the resumption of funding of the Abandoned Mine Land Program to our progress with regaining primacy for the inspection and enforcement responsibility. Progress will be made quite independently of the status of the Abandoned Mine Land Program. I have stated that we intend to regain primacy as expeditiously as possible. I believe we have already demonstrated a good faith effort in this regard.

□ 1810

The Governor says in that letter that he sees no reason for linking the resumption of payments for land reclamation to the State regaining primacy—he just does not see any reason for that—and that the State is probably going to go ahead and regain primacy anyway.

That was at a time when there was obviously some hope that this whole matter would be resolved in a manner that was acceptable to the State, but since that occasion attitudes have hardened. And that chance has evaporated.

Well, similar signals were sent in 1985 as the State continued to move toward retaking primacy, exhorting the Office of Surface Mining to resume reclamation efforts in Tennessee. But as the State moved toward taking primacy, questions arose as to whether the Federal Government would allow the State to administer its own program. I thought we had an election in 1980, and in 1984. And one of the principal platforms of the party that won those Presidential elections is we want to return more responsibility back to the State government. We want to have a new partnership. We want a new federalism. And we do not want the Federal bureaucracy telling everybody how to run its business. This was the same administration that was going to do away with the Department of Energy and the Department of Education.

Yet, we find today that both of these agencies are still in being, going full blast, and we find here an example of the same arrogance by the Federal bureaucracy that this administration campaigned against so vigorously in 1980, and in 1984. Yet we have the Federal Government saying to the State of Tennessee, a sovereign State, "Yes, we are going to exact this tribute from your coal mine operators. We are going to bring it here to Washington. And if you do precisely what we tell you to do, we will let you have 50 percent of it back. But do not deviate one jot and tittle from our instructions because if you do, you do not get a dime's worth of your money back. We will just continue to take it."

That, in essence, is what we have here. Make no mistake about it. In 1985, the State of Tennessee moved toward retaking primacy in an effort to try to comply with Federal dictates, and questions arose as to whether the Federal Government would allow the State to administer its own program. This is the administration that is going to get Government off your backs. I wonder if my colleagues who are listening to this, and there may be a few, would agree with the administration in this instance has taken Government off the backs of the people in the coal mining areas of the State of Tennessee.

Even though this State was moving in the direction that it thought the Federal Government wanted to, questions began to arise as to whether the Federal Government would even allow the State to administer its own program. Many State officials feared they would be right back where they were at the time the Governor requested a restitution of the State's statutory control over the mining industry. The prospect of continued Federal involvement in the State's management of the mining industry dampened, diminished, killed, and finally extinguished any enthusiasm which may have existed for retaining primacy.

So the State of Tennessee did not retake primacy in 1984 or 1985. It was my impression, and that of the distinguished Congressman from the State of Tennessee, the Honorable JIM COOPER, that the State would again fail to retake primacy in 1986.

We conveyed this to Mr. Christensen in our meeting with him in my office. I said:

Mr. Acting Director, quite frankly, I do not see any hope that the State is going to take primacy here. That is out of my hands, Mr. Acting Director, and quite frankly it is out of yours. But I do think we have an obligation as public officials between us to try to fashion some arrangement, and some method whereby we could curtail the ravages of the land that is taking place in the eastern part of Tennessee.

Well, I suppose, hope springs eternal in the human breast. He replied he was still hoping for action by the Governor, and by the State legislature on the question of primacy, even though every signal we were getting was that the State would not retake primacy. Well, Mr. Christensen did get some action, but it was not what he was looking for. On March 5, of this year, Governor Alexander wrote Secretary Hodel the following letter. He said:

DEAR DON: I'm writing to let you know that State government will not try to take back from the Federal Government the responsibility for regulating surface mining in the State of Tennessee. That is not the result that I had hoped for, nor is it the solution you want. But after struggling with the issue for a year, it is the only sensible solution.

Governor Alexander went on to tell the Secretary of the Interior this, and it is amusing. He said:

There is a single obstacle with our taking over the program. It is Federal oversight. It is a case of too many cooks stirring the pot. Even if we take over the regulation of surface mining, Federal officials still look over our shoulder, and in effect redo what we have done.

Well, so much for getting the Government off the backs of the people, and so much for the new federalism as this Republican Governor throws up his hands and says I give up.

He continues on in his letter talking about the Federal Government redoing what the State government would do. He says:

That is a waste of money. It is inefficient. It delays the legitimate mining operations.

The Governor continues in his letter to the Secretary of the Interior:

If Tennessee could assume the responsibility, and really assume it as we do with the regulation of air pollution, for example, then we would much prefer to have a State program instead of a Federal program.

But as long as the Federal Government insists on running the program while we are running the program, there is no need for us to try to take it over.

□ 1820

That is a communication between the Governor of Tennessee and the Secretary of the Interior on the whole question of who is going to have the responsibility for reclaiming land devastated by surface mining in the State of Tennessee.

Well, what is exactly going on in Tennessee with regard to primacy? We know what is going on with regard to land that was washed away. We know what is going on with regard to water, which continues to be polluted. We know what is going on with wildlife and fish. They are continuing to be poisoned. We know what is going on with the citizens. They continue to live in jeopardy as their houses are washed away, their small children facing the risk of falling into the abandoned mine sites, being seriously injured or worse.

But what else is going on? The Knoxville Journal reports on May 7, 1986, a headline story: "State Sues Interior To Free Up Mine Reclamation Fund." The byline is by Phil Jurik, with the dateline of Nashville, TN.

The State sued the United States Department of Interior Tuesday for money snagged in the long-running suit over who should protect Tennessee's environment against abandoned mine contaminants. Citing four examples of dire need in East Tennessee, State Attorney General Mike Cody alleged the Department is breaking the law and asked that a Federal judge force—

Talking about the Department of Interior—

Federal judge force it to free up coal mine reclamation money.

The attorney general for the State of Tennessee, Mr. Cody, is, I might say, Mr. President, a very distinguished attorney with a distinguished career in private practice in Memphis, TN, for a great number of years; a distinguished career as U.S. attorney for the western district of Tennessee, and selected by the Tennessee Supreme Court to serve as attorney general for the State of Tennessee. Mr. Cody is quoted as having said in this news article:

We allege the Interior Secretary is abusing his discretion by treating Tennessee in an arbitrary fashion that contravenes congressional requirements.

Continuing the story:

Congress provided that the Interior Department, when disbursing funds, should consider need and where the money came from, Cody said, adding that Tennessee coal mine operators sunk $15 million into the reclamation fund. As for need, he said, the Department itself has classified three Tennessee projects as priority 1, and 184 as priority 2. Cody listed four critical projects that remain unfunded. They are, Morgan County, heavy sediment runoff from abandoned mines has caused previous flooding and poses an imminent flash flood hazard for the residents of the Petros community.

I might add, Mr. President, Petros is also the location of the Brushy Mountain maximum security penitentiary. It is rugged territory. Very few individuals ever escape from that penitentiary. But there are worthy citizens living in that vicinity who do not need to be exposed to the imminent flash flood hazards described in this newspaper article.

To continue on with the article naming the counties where there are four critical projects.

Scott County: runoff from coal mine site, contaminates the wells providing drinking water for two Anderson Mountain families.

I wonder what those mountain families do when that coal mine water poisons their wells. It would be interesting to know how far those people have to go on Anderson Mountain to get clean, wholesome water as a result of these mine sites contaminating their well water.

Continuing on:

Fentress County: a landslide in Double Top has destroyed portions of the country road, requiring residents of a Pickett County community to detour 30 miles in order to reach the nearest hospital.

Well, I certainly hope nobody has a coronary in that community and needs to get to the hospital quickly. I certainly hope no child has a serious, life-threatening accident in which time is of the essence in seeking medical treatment. Since the landslide destroyed the road there in Double Top, it is going to take additional time to get to the hospital. So we certainly wish them good health there in that community, because they cannot count on speedy access to medical treatment.

The county government in that county does not have the funds to repair it.

To continue on with the article:

Campbell County: a toxic spoil area contains two reservoirs supplying utility water to the sites in the city of LaFollette.

I do not remember precisely, Mr. President, the population of the city of LaFollette. I have been there many, many times. I have many dear friends in that community. They are sturdy, self-reliant people who ask for no help from anyone.

But they are entitled to some help to see that they get wholesome drinking water because the funds do not exist in that county to restructure that reservoir in such a way that the utility water will be wholesome and not dangerous to health.

□ 1830

Continuing with the news article:

Tennessee lost its mine regulatory program in 1984 when the Interior Department cited inspection and enforcement problems and withdrew its approval.

Governor Lamar Alexander announced in March that he would not try to regain that responsibility, complaining of too much Federal oversight.

Interior officials contend they can withhold the funds—even those collected from Tennessee coal operators—unless the State has an approved program, which requires regulatory duties.

Mr. President, is that the philosophy of this administration? I thought we were talking about a new federalism. I thought we were talking about returning responsibility back to the grassroots. I thought we were talking about moving away from rules and regula-

tions, put together in reams of volumes by a dictatorial and insensitive and arbitrary Federal bureaucracy.

I thought I heard those issues discussed in the campaigns of 1980 and 1984 by the present occupant of the White House. I thought I heard that discussed by many of my distinguished colleagues, whom I respect and whose friendship I value, from the other side of the aisle during the campaigns of the last few years.

But here we have a newspaper account, written by a respected journalist in a distinguished newspaper, which reports that:

Interior officials contend they can withhold funds—even those collected from Tennessee coal operators—unless the State had an approved program, which requires regulatory duties.

Why, my word. That smacks of the bureaucracy of Great Society days. I thought we were going to repeal all that. I thought we were going to move away from all that. It appears that we are right back where we started, that there has been no change at all. If anything, the bureaucracy appears to be becoming more arbitrary, more dictatorial. Well, so much for the campaign rhetoric and campaign promises of recent years.

Returning to the newspaper article, it quotes George Miller, of the Department of the Interior's Knoxville Office of Surface Mining. It says:

George Miller of the Interior's Knoxville Office of Surface Mining said Tuesday, "This is stated clearly in the law. I am not going to comment on the merits of the (suit)."

What he is saying is stated clearly in the law is that Interior officials can withhold mine reclamation funds from the State of Tennessee unless the State of Tennessee complies explicitly with what the Office of Surface Mining wants them to do.

The article goes on to quote the attorney general of the State of Tennessee further:

Cody argued that Interior officials have arbitrarily spent discretionary funds in at least eight States that don't have approved programs.

Well, now, Mr. President, if that contention is true—and I do not know if it is, but I do know that the official and the distinguished attorney general who has quoted him would not utter those words if he did not think they were true. If that is the case, why would the State of Tennessee be discriminated against? Why would eight other States have access to discretionary funds and the State of Tennessee not have them?

What have we done in the State of Tennessee to offend these czars who sit in the Office of Surface Mining? It must have been a grievous affront indeed for them to arbitrarily withhold funds from the State of Tennessee when they had spent discretionary funds for at least eight States that do not have approved programs.

Well, continuing with the newspaper acticle, it says:

Environmental groups expressed concern when the State dropped its enforcement program, but have been more critical of Interior officials. "We support the suit," Mayo Taylor of the Tennessee Environmental Council said. "I think it's reprehensible that a Federal agency is holding funds hostage to coerce the State to take over a program."

That is how the citizens of the State of Tennessee view this whole controversy. The Governor of the State of Tennessee, cannot be accused of being any enemy of this administration—he supported this administration with all of his might in 1980 and 1984 when this President was campaigning for election and reelection. The former U.S. attorney, who is now the State attorney general of the State of Tennessee, cannot be accused of being an enemy of this administration. And certainly, the Tennessee Environmental Council has no ax to grind except wishing to see corrected the damage that is occurring on a daily basis in the beautiful hills and mountains and rolling valleys of eastern Tennessee. The head of the Tennessee Environmental Council says:

I think it's reprehensible that a Federal agency is holding funds hostage to coerce the State to take over a program.

Is that not shocking, that a responsible citizen heading a responsible group would believe that an agency of his Government is seeking to coerce his State government by holding hostage funds taken from the citizens of his State?

Finally, finishing the article, Mr. President:

Tennessee has 42,462 acres of unreclaimed surface coal mining land, the suit said, including eight clogged streams and six cases of polluted water for human consumption.

I must confess that this continued refusal of the Office of Surface Mining to give the State of Tennessee any relief at all is completely baffling. It is baffling to me to know what the real policy of the Office of Surface Mining is. I have been led to believe that the refusal to spend reclamation funds in Tennessee reflected a desire to force the State to retake primacy. What policy is at work now that it is clear that Tennessee will not retake primacy.

□ 1840

What good is served if that individual seeking to be enticed had indicated it is no enticement whatsoever. And whatever new labels are patched on to this approach, it is clear that what is being pursued in Tennessee is a policy of neglect, a policy of continuing to allow our land to be destroyed—some 42,462 acres of unreclaimed surface mining land are in the State of Tennessee. These sites bring all the acid and filth and trailings filling up streams and killing fish abandoned mines entail.

Mr. President, I have spent some time discussing how we came to this policy of neglect in the State of Tennessee. I would like now to shift my focus—and I have discussed it briefly, but I am going to discuss it at considerable length—to the effects of this policy of neglect on my State and its people. My primary concern in this whole debate is for the people of my State and for the land in our State. If this situation were reversed and the distinguished manager of this nomination were standing in my shoes and were this situation to be present in his native State of Idaho, I have no doubt that he would be standing here this evening just as I stand seeking to defend the rights and interests of his State and of his constituents.

We in the State of Tennessee have been placed in a terrible predicament by the inactivity of the Office of Surface Mining. But to completely understand this situation, we must first explore the nature of the mineral and mining industry in our great State. I say to my distinguished friend from Idaho that Tennessee is a State blessed with many mineral resources. The Tennessee Statistical Abstract for 1984-85 provides a very good overview of the mineral riches of the great Volunteer State.

Among the minerals found in Tennessee are barite, common clay, coal, copper ore, limestone, beautiful Tennessee marble, petroleum, natural gas, phosphate rock, silica sand, zinc ore, sand and gravel. We have been greatly blessed with the resources available in our State. Indeed, the country is blessed by these resources.

And in addition to these minerals, we have facilities in Tennessee for aluminum production brought there by the enormous electrical-generating capability of the Tennessee Valley Authority, which has been such a boon to the whole Tennessee Valley region for now almost 50 years. We have facilities for cement production, copper plants, glass plants, lime plants, petroleum production, titanium plants, and zinc plants.

These minerals have played an increasingly important role in Tennessee's economy. The value of production of certain nonfuel minerals in Tennessee stood at $88 million in 1950. By 1981, the production value of these same minerals increased by $417 million. But of interest to us here today is the coal industry.

Now, coal mining has long been central to the health of the Tennessee economy, and that is true of a number of other States adjacent to Tennessee, through which the Appalachian Mountains run. Coal mining is essential to portions of the State of Ken-

tucky; coal mining is important in some areas of Virginia. But many Tennessee counties are now or at one time were totally dependent on the coal mining industry.

Interestingly enough, Mr. President, even though we have seen a drop in the number of coal mines in Tennessee over the past 20 years, the overall production, while going through ups and downs, has tended to increase. For example, in 1960 there were 332 underground coal mines and 83 surface mines in Tennessee. They were mining bituminous coal. Now, these 415 mines produced a total of 5,932,000 tons of coal. That is a lot of coal. Of this amount, 3,939,000 tons came from underground production while 1,892,000 tons came from surface mines. In 1982 the number of underground coal mines in Tennessee had dropped to 51, but these 51 mines produced over 4.5 million tons of coal. And the number of surface mines dropped to 54 in 1982. But conversely, production increased to 2,769,000 tons. So thus, overall production of coal in Tennessee stood at 7,287,000 tons for 1982.

The average value per ton for coal mined in Tennessee has also increased. For example, in 1960, the average value per ton stood at $3.57, but by 1982 the average value per ton was $29.49. Now, this price increase was driven to some extent by inflation. These dollars are nominal dollars. They are not dollars corrected for inflation. And they were driven also by energy prices as we went through the two oil shocks of the 1970's.

As we realized that our oil resources were not infinite, we then began to turn to coal as an alternative fuel. And well we should have, because although our oil capacity is limited to decades, our coal capacity is measured in centuries. Coal and new technology for extracting the energy from coal is in large measure I think the wave of the future. Some would say that with oil prices declining precipitously as they are that the bloom is off of coal at least temporarily.

□ 1850

However, I might say for the benefit of the distinguished occupant of the chair (Mr. GRAMM) that, in my view, this decline in oil prices is short lived. In the not too distant future, I think we will see an upturn in oil prices. Perhaps not within 6 months, but within the year, certainly 2 years, I would not be surprised to see oil prices return to their previous levels.

So there is hope for the distressed financial institutions that operate in the oil patch. I hope that those who explore for oil, can hold on or will hold on until prices turn around. I think it would be most unfortunate if we in this country once again became hooked on Middle Eastern oil as a result of what I perceive to be a short-run turndown in oil prices.

The coal mine industry in Tennessee has been producing more coal over the years. The price for the average ton of coal has gone up. But I would not conclude from that that the coal industry in Tennessee is robust.

In fact, quite the contrary is the case.

As I noted earlier in my statement, many mine operations in Tennessee have shut down and many miners are out of work. I referred a moment ago to Campbell County, TN, and Scott County, TN. These counties are traditionally running unemployment rates at 20 percent. Maybe 1 month it will be 18 percent, the next month 21 percent. But unemployment rates are staggering in these counties.

As recently as 1972, we had some 211 coal mines in Tennessee, producing over 11 million tons of coal.

So, as my colleagues can see, we have been going through some tough times in our coal mining communities in Tennessee.

I can sympathize with the distinguished occupant of the chair over trials and travails of those who work in the oil patch of Texas and other petroleum-producing States. The roughnecks are out of work. Drillers are going bankrupt. The banks are in distress. We have seen that in our coal country in Tennessee heretofore. Thus, as my colleagues can see, we have been having tough times in the coal mining country for a while.

Again using the Tennessee Statistical Abstract, we can get a good overview of how important coal mining is to select counties in Tennessee.

In Anderson County, TN, in 1982, there were some 23 coal mines—16 underground mines and 7 surface mines. These mines in Anderson County produced about 1.3 million tons of coal.

In Campbell County, TN, there are 23 coal mines. Here we had 12 underground mines and 11 surface mines in 1982. These mines produced some 1.6 million tons of coal in 1982.

Claiborne County, TN, had three underground mines in 1982 and four surface mines. These were particularly productive mines, from which 1.3 million tons of coal were extracted.

Also in 1982 there were 19 mines in Scott County—4 underground mines and 15 surface mines. Scott County, as I indicated previously, is the home county of our distinguished former majority leader, Howard Baker, who we all hold in high esteem. In total, these Scott County mines produced about 1 million tons of coal. To be precise, 802,000 tons of coal came out of Scott County mines.

These mines represent just a sample of the areas in Tennessee which are dependent upon coal for their livelihood. The pattern in Tennessee is repeated throughout many Southeastern States.

Yet, to be candid about it, Tennessee ranks behind many of its neighboring Southeastern States in coal mining activity

The State of Kentucky, as our distinguished friends representing that State will point out, is the leading producer of coal in our region—based on 1982 figures. The 1,340 mines in Kentucky produced nearly 150 million tons of coal in that year.

West Virginia runs a very close second, as its 784 mines produced nearly 130 million tons of coal in 1982.

Throughout the Southeast, these mining operations mean jobs. They mean jobs for the miners. They mean prosperity for the little mining towns. The average number of coal miners working daily in the State of Tennessee was slightly over 2,000 in 1982. But, by comparison, almost 16,500 miners worked daily in the Commonwealth of Kentucky in 1982; and in West Virginia—wild, wonderful West Virginia—the average number of miners working daily stood at 7,371 for that year.

□ 1900

So it is no wonder that the distinguished Senators from West Virginia take this floor with such vigor to protect the interests and the health not only of the miners who work these mines but also the economic health of the coal mine operators themselves.

In looking at all the Southeastern States active in coal mining in 1982, we see a total of 75,870 miners were employed on a daily basis.

Now, Mr. President, mining has meant so much to the citizens of Tennessee and other Southeastern States. The coal industry has brought jobs to many areas where employment opportunities are limited.

But I would say to my colleagues, who I know are hanging on my every word here, that mining is not without its problems. Often companies would finish mining an area and simply move out of the mine site. The land would be left scarred, barren, exposed to the ravages of nature. And, Mr. President, these lands came to be known as abandoned or orphaned mine sites.

The Tennessee Valley Authority has prepared an excellent status report on abandoned mine sites in Tennessee entitled "Orphans of the Valley."

Mr. President, if time permits, later on I intend to read this excellent publication prepared by the Tennessee Valley Authority because I am confident that many would benefit substantially from the information contained in there. It is an excellent overview, but I will withhold from reading this excellent publication at the present time.

Suffice to say that these abandoned mine sites pose serious health and safety risks as well as environmental risks.

The greatest environmental problem on exposed unvegetated mine sites is erosion. According to an Environmental Protection Agency study, annual sediment load from abandoned mine lands is about 2,400 tons per square mile per year. This is roughly 100 times higher yield of sediment than from an unmined forest watershed.

This runoff leads to many problems. Silt and sediment alters the chemical balance of the water and buries aquatic organisms, alters feeding and spawning habits and suffocates fish by coating their gills, according to a 1980 study on coal mining and water quality conducted by the Tennessee Valley Authority.

A moment ago when I was discussing the danger to fish and wildlife of the pollution from the open surface mines running into the streams, I suspect some of my colleagues wondered then how in the world could water or runoff from the coal mine kill fish. Very simple: it buries the aquatic organisms that the fish feed on and the runoff in what a chemist would call a colloidal state attaches itself to the coating of the gills of the fish. There is such a strong biochemical attraction that the gills are incapable of intaking the dissolved oxygen in the water. As a result, those fish that do not die of starvation, as a result of aquatic organisms being buried, are suffocated.

Now, the sediment poses a serious flooding threat for many rural Tennessee counties. You might ask how could this happen. It is simple enough, Mr. President. As the sediment is carried off the abandoned sites by rainfall it tends to eventually flow into existing stream systems. The sediment and the silt then begin to settle to the bottom of the existing stream. As this process is repeated, over time, you gradually see it filling in a stream bed. You might call it, Mr. President, arteriosclerosis of a mountain stream because they fill and clog such as the arteries of an aged individual.

As a stream bed fills in, the tendency for the creek to overflow its banks increases dramatically.

As I will discuss in a few moments, Mr. President, precisely this condition is occurring throughout many counties in the State of Tennessee. Sediment damage also extends to hydroelectric units and water supply systems. Operating such systems is hampered as treatment costs increase to handle the added sediment in the water supply.

Furthermore, the presence of silt causes excessive wear on equipment, through abrasion, clogging, and covering of intake pipes.

□ 1910

Mr. McCLURE. Mr. President, will the Senator yield for a question?

Mr. SASSER. Mr. President, I will yield to the distinguished Senator from Idaho only on the condition that I do not lose my right to the floor and that the resumption of my remarks will not be considered a second speech for the purposes of the two-speech rule; if the Senator is agreeable to that.

Mr. McCLURE. I have no objection.

The PRESIDING OFFICER (Mr. MATTINGLY). Without objection, it is so ordered.

The Senator from Idaho.

Mr. McCLURE. Mr. President, I was going to suggest to the Senator from Tennessee that we have a very brief quorum call, during which we can discuss the matter and the Senator can make whatever contacts he needs to make with respect to that discussion.

I ask unanimous consent that it be in order to have a quorum call for not to exceed 15 minutes and, at the end of that quorum call, the Senator from Tennessee would be recognized for the resumption of his discussion without losing his right to the floor and without it being considered a second speech.

The PRESIDING OFFICER. The Chair would advise that it is impossible to have a quorum call limited to a time.

Mr. McCLURE. Mr. President, let me ask the Senator from Tennessee, then, if we have a quorum call under the conditions outlined without the time limit, if the Senator would not object to the lifting of the quorum call 15 minutes from the beginning of the quorum call.

Mr. SASSER. It would be perfectly agreeable to me. I would not object to lifting the quorum call at the end of 15 minutes.

Mr. McCLURE. Mr. President, I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1930

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SASSER. Mr. President, I think under the previous agreement I will be recognized.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I have been discussing this very vexing problem with the distinguished chairman of the committee. We have discussed this at some length. The chairman has indicated a willingness, for which I am very grateful, to attempt to reach an accommodation which will be in the best interest of all parties, the State of Tennessee, the citizens of Tennessee, and the Office of Surface Mining.

As I understand it, the chairman, the distinguished manager, has indicated that the Office of Surface Mining will commit to $1 million in discretionary funds for mine reclamation in Tennessee in 1986 that will match $1 million that the State of Tennessee has already appropriated for a mine reclamation program.

Second, the Office of Surface Mining will commit to match dollar for dollar any funds appropriated by the State of Tennessee in mine reclamation efforts in 1987.

The distinguished manager of the bill has indicated that a letter from the Acting Director of the Office of Surface Mining, Mr. Christensen, will be forthcoming tomorrow, outlining this agreement.

May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. SASSER. That letter will outline this agreement and indicating that the Office of Surface Mining will effectively carry it out.

The distinguished manager has also indicated, and for this I am most grateful, that in the event, which we both, I think, agree is unlikely, that the Office of Surface Mining should fail to meet these obligations, that the distinguished manager in his capacity as chairman of the Interior Subcommittee on Appropriations and as chairman of the Energy Committee, would earmark sufficient funds to carry out the agreement that has been reached here this evening.

I yield to my distinguished friend from Idaho, without losing my right to the floor, as to the consummation of this agreement or as to a restatement.

Mr. McCLURE. Mr. President, I thank the Senator for yielding.

The Senator does state it correctly. Let me, if I may, without abusing the conditions under which the Senator yielded to me, express the concern that Mr. Christensen and the Department of the Interior had that the State of Tennessee has elected not to resume primacy under the program, and certainly under the statute neither the Secretary nor we have the right to require that the State resume primacy. But the problem that we confront right now, under the law that governs this program, is the State is not entitled to the State's share of the funds unless they are administering directly the program, and that the only moneys that are available are in the discretionary funds of the Secretary under the statute.

I do have what I think is a binding commitment from Mr. Christensen to use of those discretionary funds the amount that would be necessary to meet the commitment as outlined by the distinguished Senator from Tennessee.

□ 1940

I am confident that Mr. Christensen will carry out that commitment, but I am very happy to say that that confidence makes it very easy for me to give the assurance that, indeed, we shall get a letter from him that says that. We shall make it a matter of record when we receive it, and in the very unlikely event that we should fail either to get the letter of follow through on that commitment, I shall indeed do my utmost as chairman of the Interior related subcommittee to carry forth the commitment as outlined: $1 million to match $1 million that has already been appropriated by the State of Tennessee and a one-for-one, dollar-for-dollar matching during next year of that same source of funds for an appropriate program, for the expenditure on an appropriate program within the State of Tennessee.

I think that is the best we can do. I hope in that period of time that the State will have been able to work out its questions with respect to whether or not they can administer a program. I know the Senator from Tennessee may have his own opinion about whether that is good or bad, and I do not mean to make that statement in any way to prejudice the Senator's position. I am stating my own.

I think the State of Tennessee would be better able ultimately in carrying out the statute, to qualify for the State's share of the reclamation fund, which under the statute is possible only if they are administering that program.

I am very happy to respond very affirmatively to my friend from Tennessee that indeed, we will carry out that agreement as outlined.

Mr. SASSER. Mr. President, I thank my able friend from Idaho. Let me say to my distinguished friend that we have no disagreement as to the unfortunate circumstances that occurred by the State of Tennessee relinquishing primacy. It is my view that that was an unfortunate and a perhaps unwise decision on the part of the State of Tennessee. I quite frankly am at a loss as to why that situation occurred.

As a result of the State's surrendering primacy, what we see here is 1 million dollars' worth of State funds being used to do the work that Federal funds were available to do, had the State of Tennessee assumed its obligation to take primacy. What we have done here in a meeting of the minds with the distinguished manager is try to put together a program to repair the damage done to the State of Tennessee. We are doing as much as can be done under the present strictures of the law.

So, as far as I am concerned, Mr. President, I say to my distinguished friend from Idaho, that settles the matter this evening. I thank him for his courtesy and his forbearance and I know that he understands this is a matter about which I feel very strongly. It is a matter that affects the environment of my State and, indeed, the public health and safety of its citizens.

For that reason, I discommoded the distinguished manager and, I am sure, many of my colleagues who are sitting in their offices this evening listening to this over their boxes. For that I apologize, but it was necessary.

I yield the floor to the distinguished manager.

Mr. McCLURE. Mr. President, I strongly support the nomination of Jed D. Christensen to be the Director for the Office of Surface Mining Reclamation and Enforcement [OSMRE]. This is an outstanding nomination by the President which will bring a man of demonstrated abilities to one of the most difficult and thankless positions in the Department. Mr. Christensen has complied with all requirements of the Senate and the Committee on Energy and Natural Resources. He appeared before the committee on March 7, 1986, and responded fully and forthrightly to all questions asked of him. The committee considered his nomination in an open business meeting on March 26, 1986, and ordered the nomination favorably reported to the Senate.

Mr. President, there has been an enormous amount of controversy surrounding the activities of the Office of Surface Mining Reclamation and Enforcement. Mr. Christensen has, I believe, done an outstanding job during his tenure as acting Director of that office. He has worked with Congress and has always been responsive to its questions and concerns. I deeply regret, however, that some wish to vent their frustrations at the almost impossible task of managing that office. Nevertheless, I believe he is far and away our best hope of achieving improvements.

Mr. President, all is not well with the OSMRE but I believe that progress is being made and I believe that further progress is assured under the leadership of Mr. Christensen. Therefore, Mr. President, I urge my colleagues to join me in supporting the confirmation of his nomination.

I ask unanimous consent that two letters in support of Mr. Christensen be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

PUBLIC SERVICE COMMISSION,
STATE OF NORTH DAKOTA,
Bismarck, ND, February 5, 1986.

Hon. JAMES MCCLURE,
Chairman, Senate Energy Committee, Washington, DC.

DEAR SENATOR MCCLURE: The Public Service Commission is the State Regulatory Authority for North Dakota with respect to regulating the surface coal mining industry and reclaiming abandoned mine sites as required by Public Law 95-87 (The Surface Mine Control and Reclamation Act of 1977). We wish to support the nomination of Jed D. Christensen as Director of the Office of Surface Mining Reclamation and Enforcement.

Three of OSM's most pressing needs are leadership stability, the development of a sound management structure, and implementation of those structural reforms. Our experience with Mr. Christensen over the last several months in his capacity as Acting Director is that he is bringing leadership to the Agency and is currently refining a Management Action Plan which, when implemented, should bring about substantial improvements in OSM's performance and effectiveness.

We hope the Senate will take timely action on Mr. Christensen's nomination.

Sincerely,

LEO M. REINBOLD,
President.
DALE V. SANDSTROM,
Commissioner.
BRUCE HAGEN,
Commissioner.

INTERSTATE MINING COMPACT,
Lexington, KY, February 13, 1986.

Hon. JAMES A. MCCLURE,
Senate Dirksen Office Building, Washington, DC.

DEAR SENATOR MCCLURE: In the near future Mr. Jed Christensen will come before the Senate Committee on Energy and Natural Resources for confirmation as Director of the Office of Surface Mining (OSM).

Since Richard Harris left the directorship in March 1984, OSM has had a succession of acting directors; a total of five. In the absence of a permanent director, OSM has been unable to develop a program that gives the states a clear and evenhanded direction.

For the past few months, Jed Christensen has been Acting Director and in that capacity has demonstrated an extraordinary understanding of the problems within the Agency. Jed is dedicated to the task of developing a federal program that will vigorously follow the Congressional mandate in Public Law 95-87, of a sound and effective state enforcement program and an evenhanded federal oversight policy.

The Interstate Mining Compact Commission (IMCC) is composed of the governors of 17 states, 15 of which mine approximately eighty-five percent of this nations' coal and within their borders have over ninety-five percent of the abandoned mine lands. The IMCC unanimously requests an early confirmation of Jed Christensen as Director of OSM. Such a move will help stabilize the state/federal reclamation program, and will allow the states to continue their work in an orderly manner.

Sincerely,

KENES C. BOWLING,
Executive Director.

Mr. McCLURE. Mr. President, I know of no others who wish to speak on this nomination and I know of no

request for a rollcall with respect to the nomination. In order that people might be advised, before we call for the vote, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1945

Mr. McCLURE. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, a quick check indicates that there are no requests for others to come and speak on this nomination. I, therefore, ask the Chair to put the question.

The PRESIDING OFFICER. The question is on agreeing to the nomination.

Without objection, the nomination is confirmed.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLURE. Mr. President, I ask unanimous consent that the President be immediately notified of the action of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. McCLURE. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that further proceedings under the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, I think I am prepared to announce there will be no more votes this evening. There could be rollcall votes tomorrow. There could be a vote on the veto, if the President vetoes the disapproval resolution on the Saudi arms sale. There could be votes on the safe drinking water conference report and maybe other rollcall votes tomorrow, so there will be rollcall votes tomorrow.

It would still be my hope that we could at least start the supplemental tomorrow, if the distinguished Senator from Montana [Mr. MELCHER] will let us proceed on that, assuming we could satisfy many of the concerns he and other Senators have in regard to the supplemental appropriations bill. So we will also try to do that tomorrow.

BUDGET ACT WAIVER

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to Senate Resolution 410, the budget waiver to accompany the conference report on H.R. 2672.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 410) waiving section 303(a) of the Congressional Budget Act of 1974 with respect to consideration of the conference report on H.R. 2672.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the Budget Act waiver.

The resolution (S. Res. 410) was agreed to as follows:

S. RES. 410

Resolved, That, pursuant to section 303(a) of the Congressional Budget Act of 1974, section 303(a) of that Act be waived with respect to the consideration of the Conference Report on H.R. 2672, the Federal Employee's Retirement System Act of 1986, a bill to provide supplemental retirement benefits for employees of the federal civilian service who are covered by Social Security as mandated by the Social Security Amendments of 1983.

H.R. 2672 would violate section 303(a) of the Congressional Budget Act of 1974 because the bill provides new entitlement authority to become effective during fiscal year 1987 and would result in a change in revenues effective during fiscal year 1987, before the first concurrent resolution on the budget for fiscal year 1987 has been agreed to.

The budget authority provided in H.R. 2672 authorizes contributions from the employee and the employing agency to the pension system to fund future retirement benefits and authorizes the payment of entitlement benefits to individuals qualifying for such benefits under the provisions of H.R. 2672.

FEDERAL EMPLOYEES RETIREMENT SYSTEM ACT OF 1986—CONFERENCE REPORT

Mr. DOLE. Mr. President, I ask unanimous consent the Senate now turn to the conference report to accompany H.R. 2672, the Federal Employees Retirement System Act of 1986.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2672) to redesignate the New York International and Bulk Mail Center in Jersey City, New Jersey, as the "New Jersey International and Bulk Mail Center," and to honor the memory of a former postal employee by dedicating a portion of a street at the New York International and Bulk Mail Center in Jersey City, New Jersey, as "Michael McDermott Place," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of May 19, 1986.)

Mr. ROTH. Mr. President, it has been 7 years since the Senate first began hearings on a new retirement system to replace the expensive and outdated pension plan that has existed since 1920. Today, I am pleased to bring before the Senate, the conference report on H.R. 2672, the Federal Employees' Retirement Act of 1986 which enjoys the full support of the House and Senate conferees and the administration.

It is crucial that the Congress move to adopt this legislation swiftly. Time has run out for the interim legislation that was enacted after Social Security began covering new employees hired beginning January 1984. As of April 30, some individuals have had an additional 5.7 percent taken from their paychecks to pay for the unnecessary double coverage of Social Security and the current civil service retirement plan. This conference report will end that double coverage and refund the 5.7 percent back to the employees.

On November 7 of last year, the Senate voted 99-1 for a three-tier retirement plan developed by the Governmental Affairs Committee. That structure has been preserved in the conference report at a cost far below the outdated current system and in addition results in an immediate reduction in the fiscal year 1987 deficit of $300 million.

The new Federal employees' retirement system is composed of a Social Security benefit, a defined benefit plan structured after the current pension plan, and an employer-matched, tax deferral thrift savings fund that allows employees career flexibility and planning that private sector and State employees have enjoyed for years. H.R. 2672 does not alter that current retirement system benefits, but does allow enrollees of the present system to invest up to 5 percent of their incomes into Federal Government securities, but without any matching contribution by the employing agency.

Mr. President, even if the Social Security Amendments of 1983 had not mandated a new retirement system for

workers hired after January 1, 1984, I believe it was time for Congress to design a modern pension system for Federal employees like the one before the Senate today. Why should the civil servant be locked into an archaic retirement plan while his counterpart in the private sector or State government participates in plans that provide both retirement security and career flexibility? The Federal worker competes in the job market with the rest of the labor force, and the U.S. Government, as any employer, must hire bright young workers by offering attractive retirement benefits. It is unfair to the employee to have his or her career opportunities limited by the current system and it handicaps the U.S. Government when attempting to recruit needed talent.

The Federal Employees Retirement Act of 1986 covers employees that will retire in any year. That is why we have tried to make the bill as forward thinking as possible. However, we think our new system will be so attractive to Federal workers that we have included a transfer provision allowing individuals in the current system to enter the new plan.

In addition to the regular civilian employees, the bill has benefits, tailored in the same manner as the current pension plan, for certain classes of employees that hold jobs with age and service patterns different than the most employment. Among those categories are firefighters, law enforcement officers, air traffic controllers, foreign service officers, the CIA, Members of Congress, and congressional staff. The decision to include Members and staff into this special group was decided years ago when it was realized that these jobs did not lend themselves to the usual long-term retirement formula. In this bill, like the current plan, the Members and other special classes will pay one-half percent more for their plan and in return accrue benefits at a higher rate.

The COLA, for all participants is the same: No COLA until after age 62 and then at a CPI–1 rate when inflation is about 3 percent. The cost to the taxpayer will be much less than it is now—a change the Congress has urgently needed to make for years.

In closing, I wish to acknowledge the superb leadership to Senator STEVENS, the chairman of the Subcommittee on Civil Service, Post Office, and General Services. Without him, I am sure we would not have come to such a successful conclusion. I want to thank him and Chairman BILL FORD of the House Post Office and Civil Service Committee for their cooperation.

In the next few weeks, the committee will produce a section-by-section analysis of this legislation in a committee print to provide Members with more details on this legislation.

The new Federal Employees' Retirement Act reforms an outdated entitlement program, protects the worker, saves the taxpayer money, and strengthens the Federal Government's Job Recruitment Program. It is not often the Congress has an opportunity to satisfy so many policy needs correctly. I urge the Senate to adopt the conference report.

Mr. STEVENS. Mr. President, I would like to speak in support of the conference agreement on H.R. 2672, the Federal Employees' Retirement Act of 1986. This bill sets up a new retirement system for Federal employees hired beginning in 1984 who are covered under Social Security.

First of all, I want to express my deep appreciation to Senator ROTH, the chairman of the Governmental Affairs Committee, for his tireless efforts in developing and moving this most complex piece of legislation through the entire process. I also want to pass along a special thanks to my good friend and distinguished colleague, Senator EAGLETON, for his leadership, abiding interest and longtime support in setting up this retirement plan. I would like to commend these two gentlemen, and the other members of the Governmental Affairs Committee, as well as the large number of other Senators without whose support getting this bill moved would have not been possible. And, of course, I want to acknowledge Representative BILL FORD, chairman of the counterpart House committee, for his superior leadership in the House in designing a new retirement system and for the unparalleled spirit of cooperation he has fostered during this conference which was so necessary for the Senate and House to reach final agreement on this bill.

Finally, and certainly most importantly, I want to commend the Chief Counsel of our subcommittee, Jamie Cowan. Jamie has worked with me through this whole period. We have spent many hours in meetings, at night, on weekends, at early morning breakfasts and at dinners in my home to confer with leaders of various segments of our national community interested in this legislation. Jamie delayed his departure from Senate employment with a commitment that he would stay until this bill became law. He will now enter the ministry on almost a full-time basis, although I believe he will be besieged by those who will implement this bill or fashion the entities to assure its success, for Jamie Cowan understands this legislation better than any person involved. I give him my heartfelt thanks for the effort he has made to bring this to a successful conclusion, and I readily admit I could not have brought this bill to the final conclusion without his advice, counsel, and commitment.

Final agreement in the case of this conference bill would not have been possible without the administration and I would like to recognize OMB, OPM, and members of the White House staff for their invaluable contributions and participation in this effort.

The bill before us was most certainly not put together in haste. As a matter of fact, work on this retirement system has spanned four Congresses, with my involvement beginning 7 years ago. Since that time, we have had study upon study, untold hours of testimony on retirement system benefits and design from top pension experts in the public and private sector, and considerable input from employee and management groups. Hearings were first held about 5 years ago. It was during that time that the Congressional Research Service conducted a major study of alternative designs for Federal retirement programs and in December 1981, issued a report describing four options for coordinating Federal retirement with Social Security. Based on the CRS report, I introduced a bill in the fall of 1982 to set up a three-tiered retirement plan with Social Security as the base although Federal employees were not yet covered under Social Security. The bill was not acted upon during that Congress, but the Social Security Amendments of 1983, a few months later, created the immediate need for a new retirement system. We held a series of five pensions forums in 1984 which led to the introduction of S. 1527 and subsequent passage of a new Federal retirement system in the Senate in November 1985.

When I consider how long this has taken, the tremendous amount of time and energy required of so many people, and the various frustrations along the way, I can honestly say it was all worth it. I say that because of the result—a top notch, economical retirement system for the Federal workforce which is on par with the best in the private sector.

This bill provides for a three-tiered system—Social Security, a basic annuity plan, and a voluntary thrift savings plan, following a proven and popular private sector model. The plan provides solid retirement benefits which coordinate well with Social Security, offering financial security to Federal retirees, protection in the event of disability, and sound coverage for survivors. It offers the Federal employee for the first time, an opportunity to participate in a tax deferred thrift savings plan with a generous employee match, something previously available to private sector employees.

This new system encourages employee participation in retirement planning, provides greater portability of benefits enabling greater movement in

and out of Government service at all levels, encourages career services, offers employee options for retirement planning and provides a financially sound and fully funded retirement system.

The new system provides for a gradual move to age 57 for a minimum retirement age, allowing many current employees to continue to retire at 55. It allows payment of an annuity supplement until age 62, subject to an earnings test similar to Social Security practice. COLA's will be equal to CPI minus 1 after 62 with no COLA's before. Even with these few changes from the current system, I believe Federal employees will be very pleased with this new system and I suspect that many employees in the current system will find the new one attractive enough to transfer.

With this new retirement plan, everyone is a winner—the Federal employees because of the benefits and opportunities it offers, the Government because of the positive influence on the makeup of the work force, and the taxpayer because it costs considerably less than the current system. I, too, think we have come up with a winner and urge that we adopt the conference agreement for H.R. 2672.

Mr. EAGLETON. Mr. President, It has been 66 years since Congress first enacted a retirement system for Federal civilian employees. That system, the civil service retirement system, created what is known as a defined benefit plan and set pension standards for both the private sector and State and local governments for decades.

While CSRS was amended and modified many times over the years, its basic structure and philosophy never changed. The Federal Government made a commitment to its employees that if they retire from government after a significant number of years of service to their country, then the Government would guarantee them a lifetime annuity. The annuity was specifically defined: The employee would receive an annual amount equal to the average of his high 3 years salary, times his number of years of service, times 2 percent thus, the term "defined benefit." The employee had to contribute a percentage of his salary, but if the employee decided to leave government and withdraw from the plan, his contributions would be refunded. Basically, the Federal Government, as an employer, was taking care of its long-term employees by providing deferred compensation for years of performance.

Between 1920 and 1986 pension philosophy, pension needs, pension law, and pension design underwent marked changes. What did not change, however, and what became a widespread employee right, was the CSRS philosophy that an employer should provide an annuity to employees upon cessation of full service careers.

Following enactment of the Civil Service Retirement System in 1920, the next major historic change in pensions came in 1935 when Congress established the Social Security Program. That program, originally designed as a pension foundation to be supplemented by personal savings and small pension plans for certain categories of workers, quickly, as we all know, became nearly universal.

Since the Civil Service Retirement System predated Social Security, there was no reason to restructure the CSRS, and consequently Federal employees were not covered by the Social Security Program. Although Social Security coverage of Federal civilian employees was frequently suggested, it wasn't until 48 years after Social Security began that the Federal workforce was included. In a major overhaul of Social Security in 1983, Federal employees hired after January 1, 1984, were included in the Social Security Program. Since it was readily apparent that the Federal Government could not ask its employees to contribute to two retirement plans, the 1983 law provided an interim arrangement for new employees until a new Federal employees retirement plan could be enacted. The deadline for completion of the new plan was December 31, 1985. We didn't quite make it, so last December Congress extended the deadline until May 1, 1986. We have not extended the deadline again, and until this conference report before us becomes law, Federal employees hired after January 1, 1984, will be paying into both the Civil Service Retirement System and Social Security.

It fell to the jurisdiction of the Senate Governmental Affairs Committee to design the new retirement plan. Luckily for the committee, my good friend and colleague from Alaska, Senator TED STEVENS, had seen as far back as 1979 the inevitability of Federal employees joining Social Security, and through his position on the Civil Service Subcommittee, he had already commenced what for the rest of us on the committee became a long and tortuous journey.

In 1982 TED STEVENS introduced S. 2905, the Civil Service Pension Reform Act of 1982. In preparation for his bill, Senator STEVENS had spent 3 years tapping the resources of the Congressional Research Service of the Library of Congress, as well as the thoughts and services of other pension experts. His 1982 bill went nowhere, but when Congress placed new Federal employees in Social Security in 1983, Senator STEVENS and his staff were ready.

We have a conference report today enacting a new Federal employees retirement system because of the foresight, guidance, dedication, and plain hard work of Senator TED STEVENS and his dedicated staffer of this project, Mr. Jamie Cowen. Thousands of hours have been spent on this legislation by many others, and we owe them all our gratitude and thanks, but when history equates this massive change in Federal retirement with the original plan enacted 66 years ago, it will be TED STEVENS whose name will be remembered.

Senator STEVENS knew the Government would not be the philosophical leader and pension pioneer, as it has been in 1920. Rather, in drafting new legislation, Congress would have to copy from those plans based on Social Security coverage. In S. 2905, Senator STEVENS had proposed a three-tiered retirement plan, using Social Security as the first tier. For his second tier, he added on a defined benefit plan, similar to the civil service retirement plan but less generous, and for his third tier he provided for a "thrift," or capital accumulation plan. The "CAP" plan, which is much like an IRA or 401(k) in the private sector, allowed employees to contribute to their retirement, have that contribution matched by the employer, and then allow the total sum to be invested at the employee's direction in either government securities or the private markets. Retirement plans based solely on thrift or CAP plans are known in the trade as defined contribution plans.

It is the STEVENS' three-tiered concept that we have before us today in the conference report on H.R. 2672. Despite Senator STEVENS' foresight, it took awhile to reach agreement that a three-tiered system was desirable for a Federal Government plan.

During what I call the educational process, the Senate Governmental Affairs Committee held a series of five forums where experts from the private sector, State and local governments, the Federal Government, and the Federal employees' unions met to learn about pensions. That was back in late 1983 and early 1984. My reaction after that experience was that there would never be a bill. The Federal unions wanted a pure "defined benefit" plan; the administration thought a pure "defined contribution" plan was the way to go, and State and local experts who had switched plans (such as New York and Maryland) were full of horror stories about transition problems.

Senator STEVENS persevered. He went back to the drawing boards, revised his 1982 plan, and in late 1984 brought forth another proposal. This proposal was never introduced in bill form, but it provided the structural basis for H.R. 2672. In this 1984 draft plan Senator STEVENS incorporated many of the suggestions made in the forums and took special cognizance of studies conducted on pensions for the committee by the General Accounting

Office, the Congressional Budget Office, and, again, the Congressional Research Service. He also made it perfectly clear that there would have to be a law by the end of the 99th Congress or his participation would cease. Now that got some action.

Under the able direction of Governmental Affairs Committee Chairman ROTH; with the help of Senator GORE, the ranking member of the Civil Service Subcommittee; with the commitment to a final bill from Senator MATHIAS, another member of the subcommittee with particularly impressive constituent concerns, and with the blessing and good wishes of Congressman WILLIAM FORD, chairman of the House Committee on Post Office and Civil Service, the Senate committee set out anew to write and pass a bipartisan retirement bill. It succeeded. On November 7, 1985, the Senate passed the committee bill by a vote of 96 to 1. It was an hour of great triumph, but there was still a long way to go.

The House, too, had been working 3 years on a bill, and their plan, while still in committee, had far more support from the Federal unions. However, the House agreed to conference on the Senate bill, and the now, long-suffering staff was sent back once again to come up with an acceptable, bipartisan package.

The results of those final efforts are before us today. The Federal unions, who exhibited statesmanship throughout the entire process, receded on some highly important points, such as a cost equivalent to the civil service retirement system and a guaranteed full COLA for retirees. The unions fully support today's conference report. The administration, which had hoped for a lower overall cost than the bill achieved, an increase in the Federal retirement age, and an accrual formula based on high-5 salary, rather than high-3, also swallowed hard and it, too, fully supports the report. The House and Senate conferees fully support the bill, and my reading from staffers and colleagues is they can't wait to join the new system.

Mr. President, I hope history recognizes the importance of this achievement, and I hope we have provided Federal employees a retirement system that holds up for another 66 years.

Mr. GLENN. Mr. President, H.R. 2672, the Federal Retirement Reform Act, would establish a civil service pension program for Government workers hired after December 31, 1983, who were brought under Social Security as part of the Social Security Amendments of 1983.

The need for action on this legislation is real and urgent. The Social Security Act Amendments of 1983 assumed that the Congress and the administration would be able to agree upon and enact a supplemental civil service retirement plan for Federal employees covered by Social Security. Moreover, it provided that if such a plan was not enacted within 2 years, Government wage earners hired after January 1, 1984, would be required to pay both the full Social Security and civil service payroll tax.

During Senate debate on the 1983 bill, I cosponsored an amendment by Senator LONG to delay Social Security coverage of Government workers until this supplemental plan was enacted. I felt that it was unfair to include new employees under Social Security without spelling out in advance how their civil service pension and disability benefits would be provided. Regrettably, that amendment was defeated and Social Security coverage took effect on January 1, 1984.

As I noted previously, the original deadline for enactment of a supplemental civil service retirement for workers covered under Social Security was last December. Congress voted to extend that time limit once. The extension expired on April 30, 1986, and Federal agencies around that country have now begun to deduct the "double whammy" of the full payroll tax deductions for both Social Security and civil service retirement from the paychecks of Federal employees.

I regret that we have lost time in deliberating legislation to enact a responsible plan for workers entering Government service. However, I am pleased that the White House and the Congress were finally able to reach agreement on a compromise proposal. The Federal Retirement Reform Act, H.R. 2672, provides Government employees with a three-part program which is comparable to plans widely used in private industry. Workers' basic Social Security benefits would be augmented by an "add-on" Government pension and a tax-deferred savings plan.

Under the bill, retirees would receive full Social Security benefits. Civil service employees who retired before they reached Social Security's eligibility age could receive special pension benefits until they reached the official retirement age of 62. The Government pension would be a defined benefits arrangement, with increasing payments based upon length of Government service. The tax-deferred savings plan would operate along the lines of private sector 401 K programs with "first dollar" Government matching of the employees' tax-sheltered earnings. Neither the contribution or earnings would be taxed until they are withdrawn. Finally, the legislation provides that any Government worker hit with the double whammy of full payroll tax deductions for Social Security and civil service—during this interim period before the bill's enactment—shall receive a retroactive refund.

I have always been supportive of legislation to strengthen the retirement system of civil service employees. I believe that the Government has a responsibility to provide an adequate and fair pension program for its employees, and one that helps to recruit and maintain an excellent and skilled work force. We have a commitment to provide present and future Federal retirees with the benefits they have earned and they deserve. I believe that the Federal Retirement Reform Act can meet the needs of both long-term career service employees and short-term Government employees.

The House and Senate conferees on this measure have worked very hard to produce a fair and balanced package, and what's more, they have succeeded. Without question, they deserve our recognition and appreciation for their efforts. Mr. President, H.R. 2672 has earned my support and I hope my colleagues will join me in voting for its passage.

Mr. GORE. Mr. President, I am probably newer to the issue of Federal retirement reform than any other member of the conference committee. But when I was assigned the ranking minority slot on the Senate Governmental Affairs Civil Service Subcommittee, I dug in to try to learn the intricacies of this issue as quickly as I could. It has been a great pleasure to work on this. I truly have enjoyed it. I wondered a year ago whether I would, but I have learned a lot, and it certainly is very satisfying to be a part of this successful effort. Through considerable effort, we have developed a product that is fair and responsible, and meets virtually everyone's criteria.

I want to express my gratitude for all those who helped on these issues, including the Senate and House committee staff members, for the tireless efforts of the Library of Congress Congressional Research Service, and for the careful assistance provided by Hay-Huggins Associates.

In particular, I wish to reiterate the praise that I have expressed in the past for the chairman of the subcommittee, Senator STEVENS, the chairman of the full committee, Senator ROTH, and the ranking minority member of the full committee, Senator EAGLETON. I have learned a lot from these three senior Senators and I thank them for allowing me to be a part of such an enjoyable, deliberative process. Similarly, the efforts of Chairman FORD and Representatives TAYLOR and OAKAR in the other body have left unmistakable, positive marks on this product. Finally, I think the employee groups and the administration displayed considerable statesmanship, if I may use the word, throughout the entire enterprise. This product would not have been possible without that.

Mr. President, the 1983 decision to extend Social Security coverage to Federal employees left Congress with the difficult task of redesigning the Civil Service Retirement System. The manner in which we have addressed this issue will recast the basic Federal retirement structure and its pattern of payments for decades to come. Our resolution of these issues will directly influence the kind of Federal work force that we should have.

Our final product reflects the fact that our focus has been to ensure that Federal employees, during their careers and during their retirement, receive fair and reasonable compensation for their service. The retirement compensation which we have provided in this conference agreement walks a narrow line, balancing the needs of Federal workers as well as the taxpayers.

The retirement system which we have developed employs a three-tier design that combines Social Security with a defined benefit tier that focuses on providing a reliable base pension benefit, and a defined contribution tier that adds elements of portability and flexibility to the retirement package. Like the application of Social Security, the creation of a defined contribution tier is a significant departure from the current Federal retirement system. Unlike Social Security, however, defined contribution or capital accumulation plans have varying structures and benefits. Accordingly, I will ask unanimous consent to include at the conclusion of my remarks a copy of an excellent analysis of this issue prepared by the Congressional Research Service.

Just as the conference agreement reflects the best of the current private and public sector pension designs, it also reflects the best components of the House and Senate bills. I cosponsored the Senate bipartisan bill because it addressed the critical concerns that I chose to focus on when the original bill was introduced in the Senate last July. I endorse the conference product because it fairly and responsibly resolves the issues that have been important to me since the outset of my involvement over a year ago: the COLA to protect against benefit erosion in the face of inflation; unreduced early retirement; the mix between defined benefit and defined contribution; and benefits for disabled workers and survivors, with particular emphasis upon displaced homemakers and young two-earner couples. Although some of these provisions are not as generous as those provided in the Senate bill that I cosponsored, others are strikingly similar or, in some instances, markedly improved.

Before concluding, I would like to take a moment to remind my colleagues of the full context in which this conference agreement is presented. During our hearings on this legislation, those of us on the committee were reminded that of the main areas of comparison between Federal and private sector employment, retirement benefits is the only category where Federal employees begin to compare favorably. By adopting a less expensive retirement system, we increase this imbalance. Despite repeated efforts to rectify this situation, Federal pay has lagged far behind the private sector. Concerted efforts are underway in both Houses of Congress on this issue. I would hope that Congress' commitment to reform the Federal retirement system can now be turned to the issue of Federal pay.

In closing, Mr. President, this conference agreement combines compassion with confidence and good fiscal sense. I wholeheartedly urge its adoption.

I ask unanimous consent to have printed in the RECORD the analysis prepared by the Congressional Research Service.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

CIVIL SERVICE RETIREMENT: CAPITAL ACCUMULATION PLANS FOR FEDERAL EMPLOYEES

By Richard A. Hobbie

ABSTRACT

In the first session of the 99th Congress, the Senate and House considered civil service retirement reform bills (S. 1527 and H.R. 3660) that would authorize a supplemental pension plan called a "capital accumulation plan" (CAP). These bills are currently in conference committee. A CAP would allow employees hired after 1983 to contribute additional amounts voluntarily toward their retirement to supplement benefits available to them under a social security and a scaled-down mandatory civil service pension plan. This paper discusses and analyzes CAPs, particularly in light of proposed changes in the tax treatment of these plans made by the Administration and contained in the House-passed tax reform bill (H.R. 3838).

[Graphs and charts mentioned in text of article not reproducible in the RECORD].

INTRODUCTION

During the recent debate on civil service retirement reform, some have advocated a type of supplement pension plan often called a "capital accumulation plan" (CAP). This type of plan would allow Federal employees hired after 1983 to contribute additional amounts voluntarily toward their retirement to supplement benefits available to them under social security and a scaled-down mandatory civil service pension plan. This paper analyzes this type of plan.

I. WHAT ARE CAPITAL ACCUMULATION PLANS (CAPS)?

A. Definition

There is no universally accepted definition of a CAP. McGill includes in his discussion of "asset or capital accumulation employee benefit plans" such varied deferred compensation arrangements as profit-sharing plans, pension plans, and thrift or savings plans, regardless of whether they have qualified for favorable tax treatment under the Internal Revenue Code of 1954 (IRC).[1] This paper uses a more restrictive definition: a CAP is a deferred compensation arrangement in which an employee can contribute before-tax or after-tax compensation to an individual account maintained in his behalf that might also receive matching employer contributions at some specified rate up to a maximum. Analysts usually discuss three types of CAPs:

1. Cash or Deferred Arrangements (CODAs)

Section 401(k) of the IRC authorizes these plans. A typical CODA permits employees to make before-tax contributions up to six percent of compensation with employers matching 50 cents on the dollar. Employees can make additional unmatched before-tax contributions, usually up to 10 percent of compensation. Under present law, their total annual contribution, including contributions to other tax-favored plans, may not exceed 25 percent of their pay or $30,000 (indexed to inflation after 1987), whichever is lower.[2]

2. Thrift or Savings Plans

Thrift or savings plans are similar to CODAs except that the employee contributions are after-taxes. These plans generally have employer matching contributions. Many CODAs were thrift or savings plans before the Revenue Act of 1978 authorized 401(k) plans. Since the before-tax contributions to CODAs are more advantageous to the employee than after-tax contributions, many employers subsequently changed their thrift plans to CODAs.

3. Salary Reduction Plans

Salary reduction plans, such as those authorized under section 457 of the IRC, allow employees to contribute compensation before taxes. They do not have employer contributions. Most tax-sheltered annuities authorized under section 403(b) of the IRC are salary reduction plans.

B. Present law and reform proposals

1. Present Law

Present law covers current Federal employees under either the old Civil Service Retirement System (CSRS), or a temporary arrangement that covers employees hired after 1983 under social security and CSRS that provides benefits roughly comparable to the old CSRS. CAPs are not available to Federal employees and the bill does not mention the Federal CSRS in this regard. In fact, the Administration proposed in 1985 to repeal section 401(k) of the IRC, which it asserted was originally intended for profit-making employers only.[3] However, the House-passed tax reform bill (H.R. 3838) would retain section 401(k) plans for profit-making firms, but would prohibit State and local governments and tax-exempt organizations from establishing such plans.

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[1] McGill, Dan M. Fundamentals of Private Pensions. Homewood, Ill., Richard D. Irwin, Inc., 1979. p. 519.

[2] U.S. Library of Congress. Congressional Research Service. Section 401(k) Deferred Compensation Plans. Typed Report No. 85-1007 EPW, by Ray Schmitt, June 13, 1985, updated Oct. 15, 1985. Washington, 1985. p. 2.

[3] For a discussion of 401(k) plans for profit-making firms only, see, U.S. President, 1979- (Reagan). The President's Tax Proposals to the Congress for Fairness, Growth, and Simplicity. Washington, U.S Govt. Print. Off., 1985. Also, Baker, James A., III; Secretary of Treasury. Letter to Honorable Dan Rostenkowski, Chairman, House Committee on Ways and Means. Aug. 31, 1985.

2. Civil Service Retirement Reform Bills (S. 1527 and H.R. 3660)

The Senate civil service retirement reform bill (S. 1527) would provide employees with optional CAPS. Under option A, the Federal Government would match employee contributions dollar-for-dollar up to five percent of an employee's pay, and the employee could contribute up to an additional five percent of his pay with a carryover unused contribution credit into the next taxable year. The employee contribution would vest immediately, and the employer contribution would vest in fifths each year over five years. There would be no hardship withdrawals, and loans would be available to the extent that tax permits. Contributions would be invested in at least three funds: (1) a government securities investment fund, (2) a fixed income investment fund, or (3) a common stock index fund. Authorization to invest the contributions outside the government would be phased in from 1988 to 1998. Option B would be the same as option A except that: (1) the matching rate for employer contributions would be dollar-for-dollar for the first one percent of pay, 50 cents for more than one percent to three percent of pay and 25 cents for more than three percent through six percent of pay, and (2) employees could contribute up to an additional four percent of pay.

The House civil service retirement reform bill (H.R. 3660) would provide an employer match of 50 cents on a dollar of employee contributions up to six percent of the employee's pay. Employees could make unmatched contributions up to an additional four percent of pay. All contributions would be vested immediately. Hardship withdrawals and loan would be permitted to the extent allowed in tax law. Six investment options would be available and government contributions would be invested in U.S. Treasury securities only in the first five years, and then all funds would be invested in any of the authorized funds thereafter. Employees participating in the old CSRS would be allowed to make unmatched contributions to the CAP.

3. Tax Reform Proposals

The Administration's tax reform proposal would maintain the current tax treatment of tax-favored plans while simplifying and making more uniform certain general pension plan rules. The section 457 salary reduction plans for State and local government employees and certain "tax-sheltered annuities" under section 403(b) of IRC for educators and certain nonprofit organization employees would remain available. Perhaps the most significant changes aims to discourage early distributions of pension plan assets. Such distributions have been used by some individuals for preretirement consumption instead of retirement consumption. This change would apply a 20 percent excise tax on most early distributions, which would recapture some of the lost Federal income tax revenue that the Administration asserted should not subsidize consumption before retirement. The House-passed tax reform bill contains many of the Administration's proposals, including an excise tax on early withdrawals set at 15 rather than 20 percent.

II. DESIGNING CAPITAL ACCUMULATION PLANS (CAPS)

A. *Two components*

The CAPs have two basic components: contributions and distributions. The contribution side deals with the conditions under which employers or employees contribute to a CAP and the rate at which these funds accumulate in an individual's account. The conditions under which a CAP disburses accumulated funds to the beneficiaries affect the distribution side. These include the income tax treatment of such distributions.

The annual cost to the Federal Government of a CAP would be largely determined by plan design and would consist of: (1) the matching employer contribution, (2) interest paid on contributions, and (3) the lost income tax revenue that plan participants would have paid to the Federal Government on the before-tax contributions and interest if they had been paid when earned. The lost income tax revenue attributable to a CAP is not unique, however, since benefits in many pension plans, including the employer-financed share of civil service retirement benefits for employees hired before 1984, are not taxed until received.[4]

B. Contributions

1. Coverage, Eligibility, and Participation

In the private sector, employers generally cover all employees under their pensions unless a collective bargaining agreement excludes some workers. The ERISA requires that covered employees must be eligible to participate at age 21 with one year of service.[5] Since employee contributions are voluntary in CAPs, the variables that influence participation are important. These include the employer matching rate, the maximum on additional unmatched employee contributions, and the ability to withdraw funds for reasons other than reaching a specific age, retirement, death, disability, or separation of service. They also include individual preferences for current versus future consumption, which are affected by many factors, such as age, salary level, family income, and the availability of other tax-favored savings mechanisms.

2. Employer Contributions

The employer matching rate in a CODA or thrift plan is usually the most attractive financial incentive for employee participation. It provides an immediate and substantial return on the employee investments. If the employer contributes 50 cents for each dollar contributed by employees, the employees receive an immediate 50 percent return on their investment. Under a CODA, income taxes on all contributions and interest are deferred until receipt. This is more attractive than any other tax-favored retirement savings plan. Under a section 457 salary reduction plan, for example, the investor gets the advantages of tax deferral, but no employer matching contribution. Under a thrift plan, the employee gets a tax-favored employer matching contribution, but no tax deferral on his own contribution.

Employer contributions must satisfy certain general rules that aim to limit discrimination in favor of stockholders, officers, and highly compensated employees in pension, profit-sharing, and stock bonus plans. However, specific discrimination rules in 401(k) plans also apply to employee contributions. Under section 401(k), the Administration's tax reform proposal noted that under certain conditions employer contributions might be counted as employee contributions for this additional discrimination test.[6] The House-passed tax bill would add a specific test for employer and employee contributions, and it would require the Secretary of Treasury to report on how the Internal Revenue Service administers these tests. The next section discusses this test.

3. Employee Contributions [7]

The Federal income tax, in general, taxes compensation as it is earned. There are exceptions, however, under certain tax-qualified pension, stock bonus, and profit-sharing plans, where taxes are deferred until income is received. CODAs represent one type of tax-qualified plan. Under these plans, the employee may elect to defer his compensation instead of receiving it in cash, hence the name "cash or deferred arrangement" (CODA). This allows him to avoid current income taxes on the deferred amounts, including the earnings on the deferred compensation.

The CODAs qualify for tax-favored treatment if they have:

(1) voluntary employee contributions that are immediately vested;

(2) voluntary contributions that may not be distributed before the earlier of age 59½, separation of service, death, disability, or "hardship;"

(3) coverage that meets the requirements for qualified pension plans in general; and

(4) voluntary contributions that meet a test called the actual deferral percentage test, or "ADP test." The applicable ADP is a simple average of all eligible employee actual deferral ratios, including zeros, where each employee's actual deferral ratio for a year is his voluntary contributions divided by his compensation.

The ADP test aims to limit the proportion of benefits that flow to the "highly compensated employees," who are defined as the highest paid one-third of eligible employees. If this test were not applied, the benefits probably would shift in favor of the highest paid one-third because they have higher incomes and greater discretion to save higher proportions of their current incomes. A plan meets the ADP test if:

(1) the ADP for the higher-paid one-third of employees is no more than 150 percent of the ADP for lower-paid two-thirds of employees, or

(2) the ADP for the higher-paid one-third of employees is no more than 250 percent of the ADP for the lower-paid two-thirds of employees and no more than three percentage points higher than the ADP for the lower-paid employees.

For example, suppose four employers, A, B, C, and D, have the following ADPs for the lower-paid two-thirds of employees and the higher-paid one-third of employees:

Employer	ADP for lower-paid two-thirds of employees (percent)	ADP for lower-paid one-third of employees (percent)	Ratio of higher- to lower-paid ADP (percent)	Higher-paid ADP minus lower-paid ADP
A	3	4	133	1
B	3	6	200	3
C	3	9	300	6
D	6	9	150	3

[4] U.S. Library of Congress. Congressional Research Service. Are There Tax Advantages Associated with the Stevens-Roth Bill (S. 1527)? Typed Report, by Richard Hobbie, Sept. 27, 1985. Washington, 1985.

[5] U.S. Library Of Congress. Congressional Research Service. Private Pension Plan Standards: A Summary of the Employee Retirement Income Security Act of 1974 (ERISA), As Amended. Report No. 84-234 EPW, by Ray Schmitt. Washington, 1985. p. 7.

[6] The President's Tax Proposals to the Congress for Fairness, Growth and Simplicity, p. 364.

[7] Ibid., p. 363-364.

Employer A would pass the ADP test on condition (1) because the ADP for the higher-paid one-third of employees is lower than 150 percent of the ADP for the lower-paid two-thirds of employees. Employer B would pass on condition (2) because the ADP for the higher-paid one-third of employees is less than 250 percent and the difference between the two is not more than three percentage points. Employer C would fail because the ADP for the higher-paid one-third of employees exceeds 250 percent and the difference between the ADPs exceeds three percentage points. Employer D would pass because the ADP for the higher-paid one-third of employees is not more than 150 percent of the ADP for the lower-paid two-thirds.

4. Investment Earnings

Investment earnings on contributions are not taxed until received. ERISA requires a separate accounting of the employee's contributions and earnings, which are 100 percent vested immediately. Employer contributions and associated earnings often vest after five years.[8]

The CODAs are usually part of either profit-sharing or stock bonus plans.[9] Stock bonus plans channel the contributions into employer stock. This increases the employee's stake in the firm, but it also links the goals of employer profitability and employee job security with the goal of retirement income security, which some analysts argue should be separate. Although CAPs might allow for investment in employer securities, they usually provide a choice of investments among diversified investment funds, guaranteed income contracts, or fixed income securities. If the contributions are invested in diversified investment funds, employees often own shares of the diversified portfolio, not individual stocks, bonds, and other securities. In this way, their individual risk is lowered. Under guaranteed income contracts, the principal and a minimum yield are guaranteed. Fixed income investments offer minimal risk from a relatively default-free portfolio of investments, such as U.S. Treasury securities.

c. Distributions

A distribution occurs when part or all of the CAP's funds are paid to a participant. This can occur only after a minimal holding period for the contribution, which in practice is two years. A normal distribution may not occur before the age of 59½, separation of service, death, disability, or "hardship." Employees can also obtain the use of these funds through loans.

1. Tax Treatment of Normal Distributions

The participant might receive a normal distribution in the form of an annuity or a lump sum distribution. Since the contributions and associated earnings were not taxed previously, all of the distributions are subject to Federal income tax. The annuity income would be taxed as received, but they would be eligible also for 10-year income averaging, which substantially reduces the total tax liability.

Lump sum distributions may be rolled over into an Individual Retirement Arrangement (IRA) within 60 days. In the case of the IRA rollover, the beneficiary could defer taxes on the distribution if he does not withdraw any funds from the IRA. Distributions from an IRA must begin, however, after the individual reaches 70½ years old. Because the favorable tax treatment of IRA rollovers is available for lump sum distributions, the Administration proposed to repeal the 10-year income averaging. It noted that the original purpose of 10-year averaging was to moderate the effect of the progressive income tax on lump sum distributions, a purpose now served by the tax-free IRA rollover. The House-passed tax reform bill would substitute under certain conditions a one-time five-year income averaging for the 10-year provision.

2. Hardship Withdrawals

In the case of "hardship" withdrawals, the distribution must meet certain conditions that are often determined by an employer committee. Before the Administration proposed to repeal 401(k) plans, it had proposed to eliminate "hardship" as a legitimate normal distribution.[10] The Administration argued that this provision allowed participants to take advantage of the tax-deferred savings to build up funds for use before retirement that were intended for use after retirement. Thus, the Administration proposed a 20 percent excise tax on most distributions in an attempt to regain part of the lost tax revenue that the Administration asserted should subsidize retirement savings only. The proposal also would have allowed early "hardship" distributions to pay for college expenses of a dependent, purchase of a first principal home, or replacement of exhausted unemployment compensation with a lesser exicse tax of 10 percent. The House-passed tax reform bill would apply a 15 percent excise tax to early distributions, but it would allow the Administration-proposed "hardship" distributions without an excise tax.

3. Loans

Loans also can be obtained, but they must: (1) be available without discrimination in favor of stockholders, officers, or highly compensated employees, (2) carry a reasonable rate of interest, (3) have a repayment schedule, and (4) comply with ERISA fiduciary standards. Otherwise, the employee risks having to pay taxes currently on what might be considered a withdrawal. Employees sometimes object to paying interest on the use of their "own money," but if they did not pay interest, their accounts would be lower by the amount of forgone interest. Thus, interest-free loans could reduce the accumulated capital for retirement, the main objective of a CAP. The House-passed tax reform bill would tighten restrictions on loans. In particular, participants could not deduct the interest paid currently on the loans, but they would not have to pay taxes again on the interest paid on the loans when they received it later.

III. ISSUE ANALYSIS

A. Should the Federal Government provide CAPs for Federal workers?

Proponents of CAPs for Federal workers assert that Congress should model Federal retirement after private sector retirement practices. Many non-Federal employers have CAPs authorized under sections 401(k), 403(b), or 457 of IRC. Therefore, they conclude Congress should offer CAPs to Federal workers.

This argument conflicts with the Administration's position on 401(k) plans and the House-passed tax reform bill. The Administration's original tax reform proposal for 401(k) plans asserted that they were not intended for nonprofit or government employees.[11] The House-passed tax reform bill would prohibit State and local government and tax-exempt organizations from establishing 401(k) plans, but H.R. 3660 and S. 1527 would authorize CAPs for Federal civil servants that strongly resemble 401(k) plans.

If one accepts this view, then Federal employees should not have a 401(k) plan. However, they still could have a thrift plan or a section 457 salary reduction-type plan. The thrift plan could be similar to a 401(k) plan except that the employee contributions would be made with already-taxed compensation. The section 457-tupe plan could be similar to a CODA with before-tax contributions, except that it would have no employer matching contributions.

B. Which employees benefit most from CAPs?

High-paid employees benefit more than low-paid employees from CAPs. This occurs because: (1) high-paid employees are likely to contribute a higher percent of their pay than low-paid employees; (2) at a given rate of contribution, high-paid employees contribute more money than low-paid employees; and (3) for a given amount contributed, high-paid employees benefit more from deferred taxes on the contributions and earnings than low-paid employees.

Data on the relationship between salary and the rate of contribution are weak. However, Hay/Huggins Company, Inc. has constructed a table that illustrates the relationship. Table 1 shows that the estimated rate of contribution increases not only with salary, but also with the age of the participant for a CAP with an employer match of 50 cents on a dollar up to six percent of pay. For example, the estimated average contribution rate for workers in their 30s increases from 1.9 percent for those earning $15,000 or less to 3.7 percent for those earning above $45,000. Moreover, 1.9 percent of $15,000 is only $285, while 3.7 percent of $45,000 is $1,665, or 5.8 times as much.

TABLE 1.—ESTIMATED AVERAGE EMPLOYEE CONTRIBUTIONS AS A PERCENT OF PAY

Pay	Age			
	15 to 29	30 to 39	40 to 49	50 plus
$0 to $15,000	1.5	1.9	2.4	2.8
$15,001 to $30,000	1.8	2.3	2.8	3.3
$30,001 to $45,000	2.3	3.0	3.6	4.3
$45,001 to $60,000	2.8	3.7	4.5	5.3

Source: Hay/Huggins Company, Inc. extrapolations from data contained in Survey of Plan Design and Experience in 401(k) Salary Reduction Plans. Hewitt Associates, 1985. 35 p.

A high-paid employee benefits more than a low-paid employee from deferred taxes on contributions because of the progressive structure of the Federal personal income tax. As taxable income increases, the tax rate applied to additional taxable income, the "marginal tax rate," increases from one tax bracket to another. For example, the marginal tax rates for single taxpayers in 1984 are shown in table 2.

[8] Congressional Research Service, Section 401(k) Deferred Compensation Plans, p. 3.

[9] Korczyk, Sophie M. Retirement Security and Tax Policy. Washington, Employee Benefit Research Institute, 1984. p. 29.

[10] The President's Tax Proposals to the Congress for Fairness, Growth and Simplicity, p. 342-349.

[11] Ibid., p. 366.

TABLE 2.—MARGINAL TAX RATES FOR SINGLE PERSONS IN 1984

[Taxable income dollars was:]

Over	But not over	Marginal tax rate (percent)
$0	$2,300	0
2,300	3,400	11
3,400	4,400	12
4,400	6,500	14
6,500	8,500	15
8,500	10,800	16
10,800	12,900	18
12,900	15,000	20
15,000	18,200	23
18,200	23,500	26
23,500	28,800	30
28,800	34,100	34
34,100	41,500	38
41,500	55,300	42
55,300	81,800	48
81,800		50

Given that marginal tax rates increase with taxable income, it follows that an exclusion from taxable income is more valuable in absolute dollars to a higher income person. In other words, the benefits derived from the exclusion are "regressive." For example, a dollar excluded from the income of a single person with a taxable income of $45,000 is worth 42 cents in foregone taxes, but to a single person with a taxable income of $15,000 it is worth only 23 cents in foregone taxes.

A CAP allows a worker to earn compensation that is excluded from current income taxation until it is received. Thus, if an employer matches a dollar contributed by an employee with 50 cents, the employee excludes $1.50 from his current taxable income and associated earnings until he receives it in benefits. Under certain simplifying assumptions, table 3 depicts the future value of this tax exclusion for low-, middle-, and high-paid workers. In general, it shows that the future value of the tax exclusion increases with taxable income.[12]

Consider a low-paid worker and a high-paid worker under a plan that has a 50 percent employer matching rate on a contribution of $1,000 per year for 10 years. The bottom line in table 3 shows that the future value of the tax exclusion for the high-paid workers at $2,533 is twice as high as that for the low-paid worker at $1,259. Assuming the marginal tax rates during retirement would drop to 16 and 38 percent for the low- and high-paid workers, respectively, the advantage would decline to the high-paid worker, but still it would be substantial at 1.5 times that of the low-paid worker.

TABLE 3.—THE FUTURE VALUE OF THE PERSONAL INCOME TAX EXCLUSION OF CONTRIBUTIONS TO A CODA FOR LOW-, MIDDLE-, AND HIGH-PAID WORKERS UNDER AN ASSUMED NOMINAL INTEREST RATE OF 6.1 PERCENT

Item	Low paid [1]	(MTR equal 23 percent) [4]	Middle paid [2]	(MTR equal 34 percent) [4]	High paid [3]	(MTR equal 48 percent) [4]
Employee contributions per year	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000
Number of years for contributions	10	10	10	10	10	10
Total employee contributions	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000
Employer matching rate (percent)	50	100	50	100	50	100
Total employer contributions	$5,000	$10,000	$5,000	$10,000	$5,000	$10,000
Total contributions	15,000	20,000	15,000	20,000	15,000	20,000
Effective after-tax interest rate (percent)	4.70	4.70	4.03	4.03	3.17	3.17
Total future value if nontaxable	$19,864	$26,486	$19,864,	$26,486	$19,864	$26,486
Employee contributions	13,243	13,243	13,243	13,243	13,243	13,243
Employer contributions	6,621	13,243	6,621	13,243	6,621	13,243
Total future value if taxable	18,605	24,806	18,034	24,046	17,331	23,108
Future value of tax exclusion at retirement	1,259,	1,680	1,830	2,440	2,533	3,378

[1] Low-paid worker equal GS–5 with taxable income between $15,000 to $18,200 in 1984.
[2] Middle-paid worker equal GS–11 with taxable income between $28,800 to $34,100 in 1984.
[3] High-paid worker equal GS–15 or above with taxable income between $55,300 to $81,800 in 1984. Note that $81,800 exceeds the salary cap in 1984, but the individual could have received additional income from other sources.
[4] MTR equal marginal tax rate during work life for single taxpayers in 1984.

C. Would federal workers earn a higher rate of return on their funds if they invested in comon stocks instead of U.S. Treasury securities?

If the future resembles the past, Federal workers could on average earn a higher rate of return on their individual capital accumulation accounts in common stocks than in U.S. Treasury securities. However, because common stocks are riskier than relatively default-free U.S. Treasury securities, some workers would earn less, some workers would earn about the same, and some workers would earn more in common stocks than the would U.S. Treasury securities. Therefore, if Congress should want to offer Federal workers the opportunity to invest their individual CAP funds in a diversified portfolio of private securities, it would have to accept the chance that some workers would earn less if they invested in U.S. Treasury securities.

In the debate on how to invest CAP funds, the following argument has been made in support of investing in a diversified portfolio of common stocks:[13]

(1) Retirement plans have long-term investment perspectives.

(2) Contributions are made to a CAP over many years and employees receive benefits over many years.

(3) Despite short-term volatility, the Standard and Poor's Index of 500 common stocks has outperformed less risky securities, such as long-term corporate or government bonds.

(4) Moreover, even when one selects the best and worst 20 years for each type of investment, common stocks have outperformed other securities.

(5) Therefore, despite the short-tem volatility of common stocks, all employees can realize a higher yield from a diversified portfolio of common stocks than from less risky investments.

The data presented to support this argument initially appear overwhelming. For example, the value of a dollar invested in common stocks at the end of 1925 would have grown in nominal terms to $248.25 by June 30, 1985 compared to only $14.51 for long-term corporate bonds, $9.68 for long-tem government bonds, and $7.20 for Treasury bills.[14] Granted, annual returns to common stocks fluctuated widely from −43 percent to +53 percent, but over the long-term grew phenomenally (see appendix A, table A–1). Moreover, even in the worst 20 years for common stocks (1929–1948), the real rate of return was 0.8 percent, which was not as bad as the worst 20 years for long-term government bonds at −3.1 percent (1962–1981).[15]

The main problem with this argument is that the data do not reflect a realistic pattern of individual contributions to a CAP. Assuming that the growth of one dollar contributed at the beginning of a long holding period reflects what would happen to the growth of an individual CAP fund is tantamount to assuming that all contributions for the worker's career are made in the first year. This is unrealistic, and it leads to an erroneous conclusion that short-term market fluctuations in the value of common stocks do not matter.

Short-term fluctuations are much more important than portrayed in this argument because they can dramatically affect the total value of a fund in the last few years before retirement. This would occur because not only do workers tend to contribute more in later years, but even for a constant dollar contribution the annual returns on contributions compound dramatically in the last few years. Consider a simple example in which a worker contributes a dollar per year

[12] The future value of the tax exclusion is the difference between the future values of the total contributions if they were not taxed versus if they were taxed. The capital accumulation is assumed to reflect $1,000 contributed to a fund each year for 10 years by the employee with an assumed employer matching rate of either 50 percent or 100 percent. The total annual contribution was compounded annually at a rate of 6.1 percent.

[13] Fossel, Jon S. Investment Implications of S. 1527 Thrift Savings Plan. Alliance Capital Management Corporation, Sept. 9, 1985. 16 p.

[14] Ibid., p. 7.

[15] Ibid., slide IV.

for 20 years and earns 6.1 percent per year. At the end of 20 years he would have accumulated $20 in contributions and $17.18 in interest for a total future value of $37.18. Half of the interest would have been earned, however, in the last five years. Therefore, the annual returns in the last few years are critical to the final value of a CAP.

Recognizing that short-term market fluctuations make a significant difference in the final value of the fund allows one to see why some workers might be worse off if they invested in common stocks. Consider figure 1. It shows how a dollar would have grown if it has been invested in a portfolio of common stocks reflecting the returns to the Standard and Poor's Index of 500 stocks, long-term government bonds, or a fund that would have replicated the interest earned in the Civil Service Retirement System (CSRS) trust fund.[16] At the end of 1980, common stocks would have yielded $2.25. This compares to only $1.47 for long-term government bonds and $1.90 for the CSRS-type fund. thus, after 10 years it would appear that the common stocks would outperform long-term government bonds and the CSRS trust fund.

A different picture emerges when one examines shorter time periods. Granted, the funds would not have the same value in 1971 if they had been invested differently in earlier years, but it is the last few years that make the big differences. Therefore, assume for illustration that the three funds start at $1.00 in 1971 and the worker has, say, four years left until retirement. Also, assume that he makes no more contributions. This is as unrealistic as the implicit assumption in the argument for investment in common stocks tantamount to all contributions being made in the first year of work, but including additional contributions would only exaggerate fluctuations in these data. It would not alter the conclusion.

If a worker had invested in the CSRS-type fund, his account would have grown to $1.25 at the end of 1974. The comparable figure in long-term government bonds would have been $1.23, but for common stocks it would have been only $0.85. In other words, his investment in common stocks would have depreciated by 15 percent from its initial value and by 32 percent from what it could have earned in the CSRS-type fund. Moreover, it would have taken the common stocks two years to recover to the same value as an investment in the CSRS-type fund and a total of six years to exceed it substantially. Therefore, only if the worker could have afforded to wait six years after retirement to withdraw his funds, would he have been clearly better off investing in common stocks.

This demonstrates how critical a drop in the stock market could be if it happens in the year of retirement. If the worker needs the annuity that he thought he could buy with the value of his fund before the stock market decline, then he faces three choices. First, he could delay retirement. Second, he could temporarily live at a lower level of consumptions during retirement until the stock market recovers, enabling him to buy an annuity at least equal to that available from riskless investments. Third, he could accept a permanently lowered standard-of-living during retirement by buying an annuity with the depressed value of his fund.

D. In the short run, how would contributions affect the unified budget deficit?

The effect of contributions to a CAP in the short run on the unified budget deficit depends on whether the Federal Government holds the funds internally or allows them to be invested outside. In the short run, internal investing would increase revenues and external investing would increase outlays. In the long run, the year-by-year effects on the unified budget deficit would balance, leaving no practical difference between internal and external accounting for investments.

A breakdown of the short-run affects follows:

(1) If the funds were held internally, there would be a short-run increase in revenue:

(a) Employee contributions would increase revenues;

(b) interest on employee contributions would not have to be paid out until later, which would reduce in the short run the cost of borrowing or enable the Federal Government to spend more or cut taxes by equivalent amounts; and

(c) employer contributions and associated interest would have no effect because they would be intrabudgetary transactions until benefits were paid out.

(2) If the funds were treated externally, there would be a short-run increase in outlays:

(a) Employee contributions would have no effect;

(b) employer contributions would increase outlays; and

(c) interest associated with the borrowing that the Federal Government would have to do in order to finance the employer contribution would increase outlays. This cost could be covered also by increased taxes or reduced outlays.

E. under what circumstances might Congress allow early distributions?

Before the Administration proposed the repeal of 401(k) plans, it proposed to tighten the rules under which employees could withdraw funds from 401(k) plans before retirement without a substantial penalty. It argued that the plans were receiving substantial tax subsidies for short-term savings, rather than for retirement savings. As noted before, the House-passed tax reform bill incorporated many of these proposals.

Congress might consider the Administration's 401(k) proposals or the provisions in the House-passed tax reform bill as a way to promote mainly retirement savings in a CAP for Federal workers. These include increased excise taxes on early withdrawals, and restrictions on loans and hardship withdrawals. The Administration proposed to limit hardship withdrawals to college expenses for a dependent, purchase of a first principal home, or replacement of exhausted unemployment compensation. Loans would have had to meet certain conditions also, such as a definite repayment schedule and a reasonable interest rate.

IV. CONCLUSION

As the conference committee on S. 1527 and H.R. 3660 considers a CAP for Federal employees, it might want to consider the major changes in the provisions dealing with these plans in the House-passed tax reform bill (H.R. 3838). In particular, it might want to address the apparent inconsistency between the House-passed tax reform bill's prohibition against the creation of 401(k) plans in State and local governments with the prospective establishment of a 401(k)-type plan in the Federal Government by H.R. 3660 or S. 1527. To the extent that the House-passed tax reform bill wuld place new limits on CAPs in general, Congress might consider applying the same restrictions to a new CAP for Federal employees.

APPENDIX A

TABLE A–1.—TOTAL ANNUAL RETURNS IN PERCENTS FOR SELECTED INVESTMENTS, 1926–81 [1]

[In percent]

Year [2]	Common stocks	Long-term corporate bonds	Long-term Government bonds	U.S. Treasury bills	CSRS trust fund
1925					
1926	11.62	7.37	7.77	3.27	4.56
1927	37.49	7.44	8.93	3.12	4.69
1928	43.61	2.84	.10	3.24	4.11
1929	−8.42	3.27	3.42	4.75	4.08
1930	−24.90	7.98	4.66	2.41	4.05
1931	−43.34	−1.85	−5.31	1.07	4.06
1932	−8.19	10.82	16.84	.96	4.01
1933	53.39	10.38	.08	.30	4.02
1934	−1.44	13.84	10.02	.16	4.00
1935	47.67	9.61	4.98	.17	3.98
1936	33.92	6.74	7.51	.18	3.91
1937	−35.03	2.75	.23	.31	3.90
1938	31.12	6.13	5.53	−.02	4.21
1939	−.41	3.97	5.94	.02	4.11
1940	−9.78	3.39	6.09	.00	3.97
1941	−11.59	2.73	.93	.06	3.96
1942	20.34	2.60	3.22	.27	3.91
1943	25.90	2.83	2.08	.35	3.89
1944	19.75	4.73	2.81	.33	3.94
1945	36.44	4.08	10.73	.33	3.94
1946	−8.07	1.72	.10	.35	3.98
1947	5.71	−2.34	−2.63	.50	3.93
1948	5.50	4.14	3.40	.81	3.94
1949	18.79	3.31	6.45	1.10	3.95
1950	31.71	2.21	.06	1.20	3.94
1951	24.02	−2.69	−3.94	1.49	3.92
1952	18.37	3.52	1.16	1.66	3.93
1953	−.99	3.41	3.63	1.82	3.98
1954	52.62	5.39	7.19	.86	3.97
1955	31.56	.48	−1.30	1.57	3.94
1956	6.56	−6.81	−5.59	2.46	3.28
1957	−10.78	8.71	7.45	3.14	3.04
1958	43.36	−2.22	6.10	1.54	2.48
1959	11.95	−.97	−2.26	2.95	2.54
1960	.47	9.07	13.78	2.66	2.64
1961	26.89	4.82	0.97	2.13	2.69
1962	−8.73	7.95	6.89	2.73	2.81
1963	22.80	2.19	1.21	3.12	2.90
1964	16.48	4.77	3.51	3.54	3.09
1965	12.45	−46	.71	3.93	3.28
1966	−10.06	.20	3.65	4.76	3.44
1967	23.98	−4.95	−9.19	4.21	3.69
1968	11.06	2.57	−.26	5.21	3.91
1969	−8.50	−8.09	−5.08	6.58	4.32
1970	4.01	18.37	12.10	6.53	4.75
1971	14.31	11.01	13.23	4.39	5.42
1972	18.98	7.26	5.68	3.84	5.81
1973	−14.66	1.14	−1.11	6.93	5.64
1974	−26.47	−3.06	4.35	8.00	6.07
1975	37.20	14.64	9.19	5.80	6.45
1976	23.84	18.65	16.75	5.08	6.67
1977	−7.18	1.71	−.67	5.12	6.67
1978	6.56	−.07	−1.16	7.18	7.22
1979	18.44	−4.18	−1.22	10.38	7.92
1980	31.42	−2.62	−3.95	11.24	8.50
1981	−4.91	−.96	1.85	14.71	9.20

[1] Total annual return reflect the change in prices of the assets and estimated dividends or interest.

[2] All data are for calendar years except for the CSRS fund. The CSRS data are for fiscal years. The transitions quarter between 1976 and 1977 was excluded.

Source: Stocks, Bonds, Bills, and Inflation: 1984 Yearbook. Chicago R.G. Ibbotsen Associates, Inc., 1984. 105 p. Also, U.S. Office of Personnel Management. The Investment Record of the Civil Service Retirement System. Washington, 1983. 25 p.

[16] The data for the Standard and Poor's Index and long-term government bonds were for calendar years. The data for the CSRS trust fund were for fiscal years, excluding the transition quarter in 1976.

TABLE A–2.—INDICES OF YEAR-END CUMULATIVE WEALTH, 1925–81

[In percent]

Year [1]	Common stocks	Long-term corporate bonds	Long-term Government bonds	U.S. Treasury bills	CSRS trust fund
1925	1.00	1.00	1.00	1.00	1.00
1926	1.12	1.07	1.08	1.03	1.05
1927	1.53	1.15	1.17	1.06	1.09
1928	2.20	1.19	1.18	1.10	1.14
1929	2.02	1.23	1.22	1.15	1.19
1930	1.52	1.32	1.27	1.18	1.23
1931	.86	1.30	1.20	1.19	1.28
1932	.79	1.44	1.41	1.20	1.34
1933	1.21	1.59	1.41	1.21	1.39
1934	1.19	1.81	1.55	1.21	1.45
1935	1.76	1.98	1.62	1.21	1.50
1936	2.36	2.12	1.75	1.21	1.56
1937	1.53	2.17	1.75	1.22	1.62
1938	2.01	2.31	1.85	1.22	1.69
1939	2.00	2.40	1.96	1.22	1.76
1940	1.80	2.48	2.08	1.22	1.83
1941	1.60	2.55	2.09	1.22	1.90
1942	1.92	2.61	2.16	1.22	1.98
1943	2.42	2.69	2.21	1.23	2.05
1944	2.89	2.81	2.27	1.23	2.13
1945	3.95	2.93	2.51	1.23	2.22
1946	3.63	2.98	2.52	1.24	2.31
1947	3.84	2.91	2.45	1.24	2.40
1948	4.05	3.03	2.53	1.25	2.49
1949	4.81	3.13	2.70	1.27	2.59
1950	6.33	3.20	2.70	1.28	2.69
1951	7.86	3.11	2.59	1.30	2.80
1952	9.30	3.22	2.62	1.32	2.91
1953	9.21	3.33	2.72	1.35	3.02
1954	14.05	3.51	2.91	1.36	3.14
1955	18.49	3.53	2.87	1.38	3.27
1956	19.70	3.29	2.71	1.41	3.37
1957	17.58	3.58	2.92	1.46	3.48
1958	25.20	3.50	2.74	1.48	3.56
1959	28.21	3.46	2.68	1.53	3.65
1960	28.34	3.78	3.04	1.57	3.75
1961	35.96	3.96	3.07	1.60	3.85
1962	32.82	4.27	3.29	1.64	3.96
1963	40.31	4.37	3.33	1.69	4.07
1964	46.95	4.58	3.44	1.75	4.20
1965	52.79	4.55	3.47	1.82	4.34
1966	47.48	4.56	3.59	1.91	4.49
1967	58.87	4.34	3.26	1.99	4.65
1968	65.38	4.45	3.25	2.09	4.84
1969	59.82	4.09	3.09	2.23	5.04
1970	62.22	4.84	3.46	2.38	5.28
1971	71.12	5.37	3.92	2.48	5.57
1972	84.62	5.76	4.14	2.58	5.89
1973	72.22	5.83	4.10	2.76	6.23
1974	53.10	5.65	4.28	2.98	6.60
1975	72.86	6.48	4.67	3.15	7.03
1976	90.22	7.69	5.45	3.31	7.50
1977	83.75	7.82	5.41	3.48	8.00
1978	89.24	7.81	5.35	3.73	8.58
1979	105.70	7.49	5.29	4.11	9.26
1980	139.96	7.29	5.08	4.58	10.04
1981	133.09	7.22	5.17	5.25	10.97

[1] All data are for calendar years except for the CSRS fund. The CSRS data are for fiscal years. The transition quarter between 1976 and 1977 was excluded.

Source: Stocks, Bonds, Bills and Inflation: 1984 Yearbook. Chicago, R.G. Ibbotsen Associates, Inc., 1984. 105 p. Also, U.S. Office of Personnel Management. The Investment Record of the Civil Service Retirement System. Washington, 1983. 25 p.

TABLE A–3.—INDICES OF YEAR-END CUMULATIVE WEALTH ADJUSTED FOR INFLATION

[In percent]

Year [1]	Common stocks	Long-term corporate bonds	Long-term Government bonds	U.S. Treasury bills	CSRS trust fund
1925	1.00	1.00	1.00	1.00	1.00
1926	1.13	1.09	1.09	1.05	1.06
1927	1.59	1.20	1.22	1.10	1.13
1928	2.31	1.24	1.23	1.15	1.19
1929	2.11	1.28	1.27	1.20	1.24
1930	1.69	1.47	1.41	1.31	1.37
1931	1.06	1.60	1.48	1.46	1.58
1932	1.08	1.97	1.93	1.65	1.83
1933	1.65	2.16	1.92	1.64	1.89
1934	1.59	2.41	2.07	1.61	1.93
1935	2.28	2.57	2.11	1.57	1.95
1936	3.02	2.71	2.24	1.56	2.00
1937	1.91	2.70	2.18	1.51	2.02
1938	2.57	2.95	2.36	1.56	2.16
1939	2.57	3.08	2.51	1.56	2.26
1940	2.30	3.15	2.64	1.55	2.33
1941	1.85	2.96	2.43	1.41	2.21
1942	2.04	2.77	2.30	1.30	2.10

TABLE A–3.—INDICES OF YEAR-END CUMULATIVE WEALTH ADJUSTED FOR INFLATION—Continued

[In percent]

Year [1]	Common stocks	Long-term corporate bonds	Long-term Government bonds	U.S. Treasury bills	CSRS trust fund
1943	2.49	2.77	2.27	1.26	2.11
1944	2.91	2.83	2.29	1.24	2.15
1945	3.57	2.65	2.27	1.12	2.01
1946	3.03	2.49	2.10	1.03	1.92
1947	2.94	2.23	1.87	.95	1.83
1948	3.01	2.26	1.89	.93	1.86
1949	3.65	2.38	2.05	.96	1.97
1950	4.54	2.29	1.93	.92	1.93
1951	5.32	2.11	1.75	.88	1.89
1952	6.24	2.16	1.76	.89	1.95
1953	6.14	2.22	1.81	.90	2.02
1954	9.42	2.35	1.95	.91	2.11
1955	12.35	2.36	1.92	.92	2.18
1956	12.79	2.14	1.76	.92	2.19
1957	11.08	2.25	1.84	.92	2.19
1958	15.60	2.17	1.70	.92	2.21
1959	17.21	2.11	1.63	.93	2.23
1960	17.04	2.27	1.83	.94	2.26
1961	21.48	2.37	1.84	.96	2.30
1962	19.36	2.52	1.94	.97	2.34
1963	23.39	2.53	1.93	.98	2.36
1964	26.94	2.63	1.97	1.01	2.41
1965	29.71	2.65	1.95	1.03	2.44
1966	25.86	2.49	1.96	1.04	2.44
1967	31.11	2.29	1.72	1.05	2.46
1968	33.00	2.25	1.64	1.06	2.44
1969	28.46	1.95	1.47	1.06	2.40
1970	28.05	2.18	1.56	1.07	2.38
1971	31.03	2.34	1.71	1.08	2.43
1972	35.69	2.43	1.75	1.09	2.49
1973	28.00	2.26	1.59	1.07	2.41
1974	18.35	1.95	1.48	1.03	2.28
1975	23.52	2.09	1.51	1.02	2.27
1976	27.80	2.37	1.68	1.02	2.31
1977	24.16	2.26	1.56	1.00	2.31
1978	23.62	2.07	1.42	.99	2.27
1979	24.69	1.75	1.23	.96	2.16
1980	29.09	1.52	1.06	.95	2.09
1981	25.39	1.38	.99	1.00	2.09

[1] All data are for calendar years except for the CSRS fund. The CSRS data are for fiscal years. The transition quarter between 1976 and 1977 was excluded.

Source: Stocks, Bonds Bills, and Inflation: 1984 Yearbook. Chicago, R.G. Ibbotsen Associates, Inc., 1984. 105 p. Also, U.S. Office of Personnel Management. The Investment Record of the Civil Service Retirement System. Washington, 1983. 25 p.

TABLE A–4.—VALUE OF $1 INVESTED IN 1971 AFTER 10 YEARS

[Date for figure 1; in percents]

End of year [1]	S&P 500	Long-term corporate bonds	Long-term Government bonds	U.S. Treasury bills	CSRS trust fund
1971	1.14	1.11	1.13	1.04	1.05
1972	1.36	1.19	1.20	1.08	1.12
1973	1.16	1.20	1.18	1.16	1.18
1974	.85	1.17	1.23	1.25	1.25
1975	1.17	1.34	1.35	1.32	1.33
1976	1.45	1.59	1.57	1.39	1.42
1977	1.35	1.62	1.56	1.46	1.51
1978	1.43	1.61	1.55	1.57	1.62
1979	1.70	1.55	1.53	1.73	1.75
1980	2.25	1.51	1.47	1.93	1.90

[1] All data are for calendar years except for the CSRS fund. The CSRS data are for fiscal years. The transition quarter between 1976 and 1977 was excluded.

Source: Stocks, Bonds, Bills, and Inflation: 1984 Yearbook. Chicago, R.G. Ibbotsen Associates, Inc., 1984. 105 p. Also, U.S. Office of Personnel Management. The Investment Record of the Civil Service Retirement System. Washington, 1983, 25 p.

TABLE A–5.—MEAN AND STANDARD DEVIATIONS OF TOTAL ANNUAL RETURNS OF SELECTED SECURITIES

[In percent]

Securities	Means	Standard deviation	Minimum value	Maximum value	Number of years
1926–81 [1]					
S&P 500 index	11.4	21.8	−43.3	53.4	56
Long-term corporate bonds	3.7	5.6	−8.1	18.7	56

TABLE A–5.—MEAN AND STANDARD DEVIATIONS OF TOTAL ANNUAL RETURNS OF SELECTED SECURITIES—Continued

[In percent]

Securities	Means	Standard deviation	Minimum value	Maximum value	Number of years
Long-term Government bonds	3.1	5.7	−9.2	16.8	56
U.S. Treasury bills	3.0	3.1		14.7	56
CSRS trust fund	4.4	1.4	2.5	9.2	56
1971–80 [1]					
S&P 500 index	10.3	20.7	−26.5	37.2	10
Long-term corporate bonds	4.5	8.0	−4.2	18.7	10
Long-term Government bonds	4.1	7.0	−4.0	16.8	10
U.S. Treasury bills	6.8	2.5	3.8	11.2	10
CSRS trust fund	6.6	1.0	5.4	8.5	10
1961–80 [1]					
S&P 500 index	9.7	17.3	−26.5	37.2	20
Long-term corporate bonds	3.6	7.5	−8.1	18.7	20
Long-term Government bonds	2.8	6.4	−9.2	16.8	20
U.S. Treasury bills	5.5	2.4	2.1	11.2	20
CSRS trust fund	5.1	1.8	2.7	8.5	20
1951–80 [1]					
S&P 500 index	12.4	18.4	−26.5	52.6	30
Long-term corporate bonds	3.0	6.8	−8.1	18.7	30
Long-term Government bonds	2.3	6.4	−9.2	16.8	30
U.S. Treasury bills	4.4	2.6	0.9	11.2	30
CSRS trust fund	5.0	1.7	2.5	8.5	30

[1] All data are for calendar years except for the CSRS fund. The CSRS data are for fiscal years. The transition quarter between 1976 and 1977 was excluded.

Source: Stocks, Bonds Bills, and Inflation: 1984 Yearbook. Chicago, R.G. Ibbotsen Associates, Inc., 1984, 105 p. Also, U.S. Office of Personnel Management. The Investment Record of the Civil Service Retirement System. Washington, 1983. 25 p.

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Stocks, bonds, bills, and inflation; 1984 yearbook. Chicago, R. G. Ibbotsen Associates, Inc., 1984. 105 p.

U.S. Congress. House. Committee on Post Office and Civil Service. Designing a retirement system for Federal workers covered by social security. Washington, U.S. Govt. Print. Off., 1985. 350 p. (98th Congress, 2d session. Committee print no. 17)

——— Committee on Ways and Means. Comprehensive Tax Reform Proposal of the President. Washington, U.S. Govt. Print. Off., 1985. 158 p. (99th Congress, 1st session. Committee print no. 10)

——— Tax Reform Act of 1985. Washington, U.S. Govt. Print. Off., 1985. 1076 p. (99th Congress, 1st session. Rept. no. 426)

——— House and Senate. Committee on Ways and Means and Committee on Finance. Tax reform proposals; pen-

sions and deferred arrangements. Washington, U.S. Govt. Print. Off., 1985. 134 p. (99th Congress, 1st session. Joint committee print no. 33)

U.S. Library of Congress. Congressional Research Service. Administration's proposed changes in tax treatment of distributions from profit-sharing plans, by Ray Schmitt. [Washington] 1985. 8 p. (Typed report no. 85-822 EPW)

——— Congressional Research Service. Administration's proposed changes in tax treatment of section 403(b) tax-sheltered annuities, by Ray Schmitt. [Washington] 1985. 19 p. (Typed report no. 85-947 EPW)

——— Four questions about national retirement income security, by Richard Hobbie, Geoffrey Kollmann, and Ray Schmitt. [Washington] 1985. 19 p. (Typed report no. 85-1052 EPW)

——— Private pension plan standards; a summary of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, by Ray Schmitt. [Washington] 1985. 49 p. (Report no. 84-234 EPW)

——— Section 401(k) deferred compensation plans, by Ray Schmitt. [Washington] 1985. 9 p. (Typed report no. 85-1007 EPW)

——— Tax-qualified pension plans; brief summary of IRS rules for participation, contributions and distributions, by Ray Schmitt. [Washington] 1985. 10 p. (Report no. 85-76 EPW)

U.S. Office of Personnel Management. The investment record of the Civil Service Retirement System. Washington, U.S. Govt. Print. Off., 1983. 25 p.

U.S. President, 1979- (Reagan). The President's tax proposals to the Congress for fairness, growth, and simplicity. Washington, U.S. Govt. Print. Off., 1985. 461 p.

The PRESIDING OFFICER. Is there objection to the report?

Without objection, the report is agreed to.

Mr. DOLE. I move to reconsider the vote on the conference report.

□ 2000

Mr. President, I ask unanimous consent that I may be permitted to move to reconsider all the actions previously taken en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I do so move to reconsider.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TECHNICAL CORRECTION IN H.R. 2672

Mr. DOLE. Mr. President, I send a concurrent resolution to the desk making a technical change in H.R. 2672 and ask for its immediate consideration.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 142) authorizing a technical correction to be made in the enrollment of H.R. 2672.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution was considered and agreed to, as follows:

S. CON. RES. 142

Resolved by the Senate (the House of Representatives concurring), That, in the enrollment of the bill (H.R. 2672) to amend title 5, United States Code, to establish a new retirement and disability plan for Federal employees, postal employees, and Members of Congress, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(a) At the end of section 8432(b) of title 5, United States Code (as added by section 101(a) of the bill) insert the following new paragraph (4):

"(4) Notwithstanding paragraph (2)(A), an employee or member who is an employee or Member on January 1, 1987, and has creditable service described in section 8411(b)(2) of this title may make the first election for the purpose of subsection (a) during the election period prescribed for such purpose by the Executive Director. The Executive Director shall prescribe an election period for such purpose which shall commence on January 1, 1987. An election by such an employee or Member during that election period shall be effective on the first day of the employee's or Member's first pay period which begins after the last day of that election period.

(b) In section 702(b)(4) of the bill, strike "401" and insert in lieu thereof "701".

Mr. DOLE. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION FOR S. 740 TO BE REFERRED TO COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. DOLE. Mr. President, I ask unanimous consent that when the Committee on Environment and Public Works reports to the Senate S. 740, it be referred to the Committee on Energy and Natural Resources for a period not to exceed 60 calendar days.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask the distinguished minority leader if he is in a position to confirm any or all of the following nominations on the Executive Calendar: Calendar No. 779, Michael P.W. Stone; Calendar No. 780, Eugene R. Sullivan; Calendar Nos. 781 and 782, under the Marine Corps; all nominations placed on the Secretary's desk, with the exception of the nomination of Edwin Corr; nominations reported today by the Committee on Armed Services.

Mr. BYRD. Mr. President, all the nominations identified by the majority leader have been cleared on this side, and we are ready to proceed.

Mr. DOLE. I thank the distinguished minority leader.

Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations just identified, and that they be considered en bloc and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF THE INTERIOR

Jed Dean Christensen, of Virginia, to be Director of the Office of Surface Mining Reclamation and Enforcement.

DEPARTMENT OF DEFENSE

Michael P.W. Stone, of California, to be an Assistant Secretary of the Army.

THE JUDICIARY

Eugene R. Sullivan, of Maryland, to be a judge of the U.S. Court of Military Appeals for a term of 15 years.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE MARINE CORPS

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

TO BE LIEUTENANT GENERAL

Maj. Gen. Frank E. Petersen, Jr., xxx-xx-x... xxx-... U.S. Marine Corps.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

TO BE LIEUTENANT GENERAL

Maj. Gen. John Phillips, xxx-xx-xxxx, U.S. Marine Corps.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

TO BE VICE ADMIRAL

Vice Adm. Robert E. Kirksey, xxx-xx-xxxx xxx-.../1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

TO BE VICE ADMIRAL

Vice Adm. John M. Poindexter, xxx-xx-xx... xxx-.../1110, U.S. Navy.

IN THE MARINE CORPS

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by

the President under title 10, United States Code, section 601:

TO BE LIEUTENANT GENERAL

Maj. Gen. Clyde D. Dean, xxx-xx-xxxx U.S. Marine Corps.

IN THE AIR FORCE

Air Force nominations beginning Maj. Archie D. Barnes, xxx-xx-xxxx and ending Maj. Paul Rebek, xxx-xx-xxxx, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 24, 1986.

Air Force nominations beginning Pedro R. Cruz-Jimenez, and ending John W. Hofman, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 12, 1986.

Air Force nominations beginning Warren L. Griffin, Jr., and ending Frank L. Smith, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 12, 1986.

Air Force nominations beginning Maj. Joseph M. Bauer, xxx-xx-xxxx and ending Maj. Susan J. Troyer xxx-xx-xxxx, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 12, 1986.

IN THE ARMY

Army nominations beginning Philip J. Biondi, and ending Claude K. Smith, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 28, 1986.

IN THE MARINE CORPS

Marine Corps nomination of Capt. Timothy W. Foley, which was received by the Senate on April 25, 1986, and appeared in the CONGRESSIONAL RECORD on April 28, 1986.

Marine Corps nominations beginning Joseph P. Davis, and ending Walter O. McClenney, which nominations were received by the Senate on April 25, 1986, and appeared in the CONGRESSIONAL RECORD of April 28, 1986.

Marine Corps nominations beginning Robert G. Acosta, and ending Gover L. Wright, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 12, 1986.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURES HELD AT THE DESK

The following concurrent resolution was ordered held at the desk by unanimous consent until the close of business on May 21, 1986:

S. Con. Res. 140. A concurrent resolution to pay tribute to the late William C. Lee and to designate June 6, 1986, as "William C. Lee Day."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3173. A communication from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to make certain improvements in the educational assistance programs for veterans and eligible persons; to repeal the education loan programs; and for other purposes; to the Committee on Veterans' Affairs.

EC-3174. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the third quarterly commodity and country allocation table for fiscal year 1986; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3175. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the President's fifth special message for fiscal year 1986; pursuant to the order of January 30, 1974, referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Foreign Relations, and the Committee on the Judiciary.

EC-3176. A communication from the Assistant Secretary of the Army (Installations and Logistics), transmitting, pursuant to law, a report on the conversion of the transportation motor pool service at Fort Polk, LA, to performance by contract; to the Committee on Armed Services.

EC-3177. A communication from the Assistant Secretary of the Army (Installations and Logistics), transmitting, pursuant to law, a report with respect to the conversion of the laundry and dry cleaning service at Fort Jackson, SC, to performance by contract; to the Committee on Armed Services.

EC-3178. A communication from the Assistant Secretary of the Army Installations and Logistics, transmitting, pursuant to law, a report on the conversion of the dining facilities at Fort Dix, NJ, to performance by contract; to the Committee on Armed Services.

EC-3179. A communication from the Assistant Secretary of the Army (Installations and Logistics), transmitting, pursuant to law, a report on the conversion of the commissary shelf stocking function at Fort Leavenworth, KS, to performance by contract; to the Committee on Armed Services.

EC-3180. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual report of the U.S. Travel and Tourism Administration for fiscal year 1985; to the Committee on Commerce, Science, and Transportation.

EC-3181. A communication from the Secretary of Transportation, transmitting, pursuant to law, the 1986 annual report on Highway Safety Improvement Programs; to the Committee on Commerce, Science, and Transportation.

EC-3182. A communication from the Administrator of the National Oceanic and Atmospheric Administration, transmitting, pursuant to law, the Ocean Thermal Energy Conversion Report for fiscal year 1985; to the Committee on Energy and Natural Resources.

EC-3183. A communication from the Chairwoman of the United States International Trade Commission, transmitting, a draft of proposed legislation to provide authorization of appropriations for the U.S. International Trade Commission for fiscal year 1988; to the Committee on Finance.

EC-3184. A communication from the Administrator of General Services, transmitting a draft of proposed legislation to amend 31 U.S.C. 3726, payment for transportation, to permit prepayment audits for selected transportation bills, to permanently authorize payment of transportation audit contractors from carrier overpayments collected, and to authorize net overpayments collected to be transferred to the Treasury; to the Committee on Governmental Affairs.

EC-3185. A communication from the Secretary of Education, transmitting, pursuant to law, notice of final funding priorities for Postsecondary Education Programs for Handicapped Persons—Regional Centers for Deaf Individuals; to the Committee on Labor and Human Resources.

EC-3186. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Assistance to States for Education of Handicapped Children—State Plan Disapproval; to the Committee on Labor and Human Resources.

EC-3187. A communication from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to repeal provisions relating to setting the interest rates on guaranteed or insured housing loans to veterans and inspecting manufactured homes purchased by veterans, to increase the VA loan fee, to authorize direct appropriations to the loan guaranty revolving fund, and for other purposes; to the Committee on Veterans' Affairs.

EC-3188. A communication from the Director of the Administrative Office of the U.S. Courts, transmitting pursuant to law, a report expressing concern over the impact of budget reductions on security and safety of the Federal judiciary; to the Committee on Appropriations.

EC-3189. A communication from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to eliminate or modify statutory requirements for the Veterans' Administration (VA) to prepare reports which no longer serve their original purposes; to the Committee on Veterans' Affairs.

EC-3190. A communication from the Deputy Association Director for Royalty Management, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain overpayments of offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3191. A communication from the Deputy Association Director for Royalty Management, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain overpayments of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3192. A communication from the Deputy Association Director for Royalty

Management, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3192. A communication from the Deputy Association Director for Royalty Management, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain overpayment of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3194. A communication from the Secretary of Energy, transmitting, pursuant to law, the Fifth Annual Revised Comprehensive Program Management Plan under section 4 of the Wind Energy Systems Act of 1980; to the Committee on Energy and Natural Resources.

EC-3195. A communication from the Chairman of Nuclear Regulatory Commission, transmitting, pursuant to law, the report of the nondisclosure of safeguards information by the Commission for the quarter ended March 31, 1986; to the Committee on Environment and Public Works.

EC-3196. A communication from the Chairman of the Foreign Claims Settlement Commission of the United States, transmitting, pursuant to law, the annual report of the Commission for calendar year 1985; to the Committee on Foreign Relations.

EC-3197. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to May 16, 1986; to the Committee on Foreign Relations.

EC-3198. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "Review of Agency Fund 814—Securities Held by D.C. Treasury for the Fiscal Year Ended September 30, 1985"; to the Committee on Governmental Affairs.

EC-3199. A communication from the Special Counsel, Merit Systems Protection Board, transmitting, pursuant to law, a report on the investigation of the Secretary of Transportation setting forth findings and conclusions into allegations of violations of law, mismanagement, gross waste of funds, and substantial and specific danger to public safety in the air collision avoidance program of the Federal Aviation Administration.

EC-3200. A communication from the Executive Director of the National Arthritis Advisory Board, transmitting, pursuant to law, the annual report of the Board for 1985-86; to the Committee on Labor and Human Resources.

EC-3201. A communication from the Secretary of Education, transmitting, pursuant to law, the Director's Report on the National Assessment of Education Progress; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-716. A joint resolution adopted by the Legislature of the State of California; to the Committee on Agriculture, Nutrition, and Forestry.

"SENATE RESOLUTION No. 35

"Whereas, California agriculture is deeply buried in its worst financial crisis since the Great Depression; and

"Whereas, The beef cattle industry in this state is one of the segments of California agriculture that can least afford price instability at this time; and

"Whereas, The California beef cattle industry represents a $2 billion industry, consisting of approximately 3,500,000 head of beef cattle; and

"Whereas, The beef cattle market is governed by the supply and demand concept based on an orderly marketing process and has never received any governmental subsidies or price supports; and

"Whereas, It is the intent of a portion of the Food Security Act of 1985's Milk Price Support and Producer-Supported Dairy Program, commonly referred to as the dairy herd buy-out program, to avoid the creation of burdensome excess supplies of milk or milk products; and

"Whereas, It is difficult to adjust the number of dairy cows without impacting the red meat market; and

"Whereas, The dairy herd buy-out program, which has critically impaired this orderly process, will place an estimated 115,000 dairy cows in California on the market, resulting in a severely depressed market price to all beef cattle producers; and

"Whereas, Preliminary estimates indicate that the California beef cattle industry alone can anticipate to lose over the next six months approximately $250,000,000 in reduced beef price sales; and

"Whereas, The Food Security Act of 1985 gave the United States Secretary of Agriculture broad powers to carry out the dairy herd buy-out program over an 18-month period, beginning April 1, 1986; and

"Whereas, Sixty-five percent of the dairy herd buy-out program is scheduled to occur within the next five months; and

"Whereas, The Food Security Act of 1985 furthermore requires that the United States Secretary of Agriculture, in determining the conditions of this program, minimize the adverse effect of the dairy herd buy-out program on beef, pork, lamb, and poultry producers; now, therefore, be it

"Resolved by the Senate of the State of California, That the Members memorialize the United States Secretary of Agriculture to exercise the secretary's authority under the Food Security Act of 1985 to restore price stability for the beef cattle producers, in particular; and be it further

"Resolved, That the secretary is requested to reallocate the dairy herd purchases as evenly as possible over the three six-month periods of the Milk Price Support and Producer-Supported Dairy Program; and be it further

"Resolved, That the secretary is requested to allocate as evenly as possible its purchases of dairy cows on an equal daily basis within each six-month period; and be it further

"Resolved, That the secretary is requested to immediately commence purchasing red meat on a daily basis in direct proportion to the amount of dairy cows slaughtered each day; and be it further

"Resolved, That the secretary is requested to distribute the red meat purchases into new market channels that will not compete with previously existing markets; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the United States Secretary of Agriculture and to each Senator and Representative from California in the Congress of the United States."

POM-717. A petition from the Manager of the Port of Skamania County, Washington relative to certain Federal development money; to the Committee on Energy and Natural Resources.

POM-718. A concurrent resolution adopted by the Legislature of the State of New Hampshire; to the Committee on Energy and Natural Resource.

"A RESOLUTION IN SUPPORT OF KOREAN WAR VETERANS

"Whereas, the general court of New Hampshire recognizes and desires to memorilize the courageous sacrifices of the Korean War veterans during the Korean War; and

"Whereas, S. 1223, introduced in the United States Congress by Senator William L. Armstrong of Colorado, provides for commemoration of the Korean War veterans; now, therefore, be it

"Resolved by the House of Representatives, the Senate concurring: That the general court of New Hampshire supports S. 1223 and urges the members of the New Hampshire congressional delegation to do so also; and

"That copies of this resolution be transmitted to the Speaker of the United States House of Representatives, the President of the United States Senate, and each member of the New Hampshire congressional delegation."

POM-719. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Energy and Natural Resources:

"JOINT RESOLUTION MEMORIALIZING THE PRESIDENT OF THE UNITED STATES, THE VICE PRESIDENT OF THE UNITED STATES, MEMBERS OF THE UNITED STATES CONGRESS AND THE SECRETARY OF THE UNITED STATES DEPARTMENT OF ENERGY TO OPPOSE POLICIES TO BOLSTER THE PRICE OF OIL

"We, your Memorialists, the Senate and House of Representatives of the State of Maine in the One Hundred and Twelfth Legislative Session, now assembled, most respectfully request and petition the President of the United States, the Vice President of the United States, Members of the United States Congress and the Secretary of the United States Department of Energy as follows:

"Whereas, the Maine Legislature has learned of efforts by the Federal Government to artificially bolster the price of oil; and

"Whereas, these efforts by the administration have an adverse impact on the northeastern states which are dependent upon this source of energy; and

"Whereas, it was the northeast that helped support the oil producing states during the high priced energy crisis of the seventies; and

"Whereas, the northeast has paid its dues and should not be called upon again now that prices are more affordable through some artificial policy; now, therefore, be it

Resolved: That we, your Memorialists, do hereby respectfully urge and petition the President of the United States, Vice President of the United States, Members of the United States Congress and the Secretary of the United States Department of Energy to oppose any policy which will artificially bol-

ster the price of oil to the detriment of the northeastern states; and be it further

Resolved: That copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the President of the United States and Vice President of the United States, the President of the Senate and the Speaker of the House of Representatives in the United States Congress, the Secretary of the United States Department of Energy and to each Member of the Maine Congressional Delegation."

POM-720. A resolution adopted by the Board of Trustees of the Town of Griffith, Indiana, opposing certain provisions of H.R. 3838; to the Committee on Finance.

POM-721. A joint resolution adopted by the Legislature of the State of California; to the Committee on Finance.

"SENATE RESOLUTION No. 27

"Whereas, The California State Senate is on record in support of a federal tax reform plan which promotes "fairness, simplicity, and growth," but many of the revisions in the federal "Tax Reform Act of 1985" do not promote these objectives; and

"Whereas, California's cities, counties, special districts, and redevelopment agencies issued $18 billion in long-term, tax-exempt debt in 1985 to promote such valuable public purposes as affordable housing, schools, hospitals, sewers, water lines, and public power facilities; and

"Whereas, The United States House of Representatives has passed the "Tax Reform Act of 1985" to reduce the volume of tax-exempt debt issued by state and local governments and the United States Senate Finance Committee has begun hearings on these federal tax code revisions; and

"Whereas, The California Senate Committee on Local Government held a special hearing on how the Tax Reform Act of 1985 would affect California's local governments; and

"Whereas, The loss of tax-exempt financing will increase California's borrowing costs by an estimated $4 billion while federal revenues will increase by just $3 billion over the next five years; and

"Whereas, The uniform volume limit in the proposed act will force local governments to compete to finance worthwhile public projects with fewer dollars, pitting hospitals against housing for senior citizens; and

"Whereas, The uniform volume limit will specifically reduce multifamily mortgage revenue bonds by more than 90% and single-family mortgage revenue bonds by nearly 70%, thus seriously undercutting California's efforts to produce more affordable housing; and

"Whereas, Because the proposed requirement in the act that bond proceeds be spent within 30 days is unrealistic and proposed new definitions in the act for qualified bonds are unclear, many bonds for needed public works will become taxable, thereby boosting local borowing costs; and

"Whereas, The January 1, 1986, effective date of the "Tax Reform Act" places an unfair and unreasonable burden on California's local governments and taxpayers of complying with the fundamental changes in the proposed act even before it is enacted; and

"Whereas, The January 1, 1986, effective date has brought the California tax-exempt bond market nearly to a halt, with only two local tax-exempt financings worth $60 million having been completed in California and filed with the California Debt Advisory Commission since January 1, 1986, as compared with 35 financings worth $300 million in January 1985; and

"Whereas, Tax-exempt bonds issued in 1986 could become retroactively taxable to January 1, 1986, if the proposed act becomes law; now threfore, be it

"Resolved by the Senate of the State of California, That the Members of the Senate of the State of California respectfully memorialize the President and the Congress of the United States to carefully consider how the loss of tax-exempt financing for California outweighs the expected increase in federal revenues, particularly at a time when California's local governments will lose substantial revenues from the end of federal General Revenue Sharing and from the federal Gramm-Rudman-Hollings Law; and be it further

"Resolved, That the Members of the Senate respectfully request the California congressional delegation to pursue postponement of the effective date in revisions to the tax exempt bond provisions of the tax code to either the date of its enactment or a date certain in 1987; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-722. A resolution adopted by the Senate of the State of Pennsylvania; to the Committee on Foreign Relations:

"RESOLUTION

"Whereas, Recent acts of terrorism in Europe have served to highlight the dramatic increase during the past few years in terrorist activity around the world; and

"Whereas, During the 1980's one-third of the international terrorist incidents have been aimed at United States citizens and property, many have been targeted for American diplomats, military personnel and embassies; and

"Whereas, American businessmen and their firms have become frequent victims of international terrorist attacks; in 1985, 67 terrorist attacks involved United States business personnel and facilities overseas; and

"Whereas, Many Americans are canceling vacation plans for trips overseas because of the risks presented by unpredictable and indiscriminate terrorist attacks at and aboard transportation facilities, as well as at tourist attractions and entertainment spots; therefore be it

"Resolved, That the Senate of Pennsylvania condemn terrorism and urge the United States, its European allies and all concerned nations throughout the world to take strong action to combat terrorism and make international travel safe; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States, to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania."

POM-723. A resolution adopted by the Senate of the State of Pennsylvania; to the Committee on Foreign Relations:

"RESOLUTION

"Whereas, Zionism is the movement of Jewish peoplehood, dedicated to the Jewish people's right to self-determination, and of its aspiration to live in freedom and political independence in its ancient homeland; and

"Whereas, Zionism is committed to liberal humanistic and democratic values and represents Jewish liberation, achievement and pride; and

"Whereas, From its conception, Zionism has always endeavored, by negotiation and compromise, to reconcile its aims with the rights and national aspirations of its Arab neighbors; and

"Whereas, In 1975, the nation members of the United Nations passed Resolution No. 3379; and

"Whereas, Resolution No. 3379, originally meant to decry racism, is being used as a pretext to incite hatred against the Jewish people, to subvert the power of resistance of nations upholding human liberty and national freedom and to eliminate the sovereign existence of Israel; therefore be it

"Resolved, That the Senate of the Commonwealth of Pennsylvania respectfully petitions the nation members of the United Nations to repudiate Resolution No. 3379, which defames the essence and practice of Zionism and libels the Jewish people; and be it further

"Resolved, That copies of this resolution be transmitted to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania."

POM-724. A resolution adopted by the City Council of New Orleans, Louisiana supporting the President's strike on Libya; to the Committee on Foreign Relations.

POM-725. A resolution adopted by the City Council of New Orleans, Louisiana deploring the decision of the French Government forbidding the use of French airspace by American pilots engaged in fighting international terrorism; to the Committee on Foreign Relations.

POM-726. A resolution adopted by the Board of Directors of the Greater Lorain Chamber of Commerce, Lorain, Ohio, endorsing the designation of June 21, 1986 as Save American Jobs/Industry Day; to the Committee on the Judiciary.

POM-727. A resolution adopted by Local 5644, United Steelworkers of America, Toronto, Ohio, endorsing the designation of June 21, 1986 as Save American Jobs/Industry Day; to the Committee on the Judiciary.

POM-728. A resolution adopted by the Legislature of the State of Maine; to the Committee on Labor and Human Resources.

"JOINT RESOLUTION MEMORIALIZING CONGRESS TO EVALUATE FURTHER THE HEALTH RISK FROM THE PRESENCE OF METHYLENE CHLORIDE AS A RESIDUE FROM ITS USE AS A SOLVENT IN THE EXTRACTION OF CAFFEINE

"We, your Memorialists, the Senate and House of Representatives of the State of Maine, in the One Hundred and Twelfth Legislative Session assembled, most respectfully request and petition the Congress of the United States, as follows:

"Whereas, certain brands of coffee are decaffeinated by a method which uses methylene chloride as a solvent, leaving a residue of methylene chloride in the dry coffee product; and

"Whereas, the United States Food and Drug Administration has determined that methylene chloride is carcinogenic when used in aerosol products such as hair sprays; and

"Whereas, the United States and Drug Administration has determined that methylene chloride may be present in coffee as a residue from its use as a solvent in the extraction of caffeine from green coffee beans

at a level not to exceed 10 parts per million; and

"Whereas, the methodologies used by the Environmental Protection Agency to evaluate cancer risks from methylene chloride have projected a risk that is 26 times greater than the United States Food and Drug Administration projections; now, therefore, be it

"*Resolved:* That We, your Memorialists, respectfully urge and request the Congress of the United States to take immediate action to request further testing and evaluation of the safety and advisability of the acceptable level, if any, of methylene chloride allowed in coffee as a residue from its use as a solvent in the extraction of caffeine from green coffee beans; and be it further

"*Resolved:* That the disparity between safe levels of methylene chloride as recognized by the United States Food and Drug Administration and the Environmental Protection Agency be reevaluated and explained; and be it further

"*Resolved:* That copies of this Memorial, duly authenticated by the Secretary of State, be immediately transmitted by the Secretary of State to the Congress of the United States.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LUGAR, from the Committee on Foreign Relations, with an amendment in the nature of a substitute:

H.R. 4151. An act to provide enahanced diplomatic security and combat international terrorism, and for other purposes (Rept. No. 99-304).

By Mr. THURMOND, from the Committee on the Judiciary, with amendments:

H.R. 2434. An act to authorize appropriations for the Patent and Trademark Office in the Department of Commerce, and for other purposes (with additional views) (Rept. No. 99-305).

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 410. A resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of the conference report on H.R. 2672.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry:

Marvin Duncan, of Missouri, to be a member of the Farm Credit Administration Board, Farm Credit Administration, for a term of 4 years; and

Frank W. Naylor, Jr., of Virginia, to be a member of the Farm Credit Administration Board, Farm Credit Administration, for a term of 6 years.

By Mr. HATCH, from the Committee on Labor and Human Resources:

Judith D. Moss, of Ohio, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1987;

Helen J. Valerio, of Massachusetts, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1987;

Elizabeth Helms Adams, of California, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1987;

Mary Jo Arndt, of Illinois, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1987;

Esther Kratzer Everett, of New York, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1987;

Della M. Newman, of Washington, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1987;

John O. Laird, of Wisconsin, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1988;

Hazel M. Richardson, of California, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1988;

Betty Ann Gault Cordoba, of California, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1988;

Irene Renee Robinson, of the District of Columbia, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1988;

Judy F. Rolfe, of Montana, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1988;

Diana Powers Evans, of Oregon, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1988;

Naomi Brummond, of Nebraska, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1989;

Lilli K. Dollinger Hausenfluck, of Virginia, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1989;

Marcilyn D. Leier, of Minnesota, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1989;

Virginia Gillham Tinsley, of Arizona, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1989;

Marge Bodwell, of New Mexico, to be a member of the National Advisory Council on Women's Educational Programs for a term expiring May 8, 1989;

Nanette Fabray MacDougall, of California, to be a member of the National Council on the Handicapped for a term expiring September 17, 1987;

John F. Mills, of Virginia, to be a member of the National Council on the Handicapped for a term expiring September 17, 1988;

Robert S. Muller, of Michigan to be a member of the National Council on the Handicapped for a term expiring September 17, 1988;

Brenda Premo, of California, to be a member of the National Council on the Handicapped for a term expiring September 17, 1988;

Phyllis D. Zlotnick, of Connecticut, to be a member of the National Council on the Handicapped for a term expiring September 17, 1988;

Paula V. Smith, of Missouri, to be Administrator of the Wage and Hour Division, Department of Labor;

John A. Pendergrass, of Minnesota, to be an Assistant Secretary of Labor;

Salvatore R. Martoche, of New York, to be an Assistant Secretary of Labor;

Charles J. Chamberlain, of Illinois, to be a member of the Railroad Retirement Board for the term of 5 years from August 29, 1984;

Morris I. Liebman, of Illinois, to be a member of the Board of Directors of the United States Institute of Peace for a term of 2 years expiring January 19, 1987;

Phyllis P. Berney, of Wisconsin, to be a member of the National Council on the Arts for a term expiring September 3, 1990;

Lynne Vincent Cheney, of Wyoming, to be Chairperson of the National Endowment for the Humanities for a term of 4 years;

Richard J. Fitzgerald, of Illinois, to be a member of the Board of Trustees of the Harry S Truman Scholarship Foundation for a term expiring December 10, 1991.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to appear and testify before any duly constituted committee of the Senate.)

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation:

Vice Admiral Paul A. Yost, Jr., U.S. Coast Guard, to be Commandant, U.S. Coast Guard, for a term of 4 years with the grade of admiral while so serving;

Rear Admiral James C. Irwin, U.S. Coast Guard, to be Vice Commandant, U.S. Coast Guard, with the grade of vice admiral while so serving;

Rear Admiral Donald C. Thompson, U.S. Coast Guard, to be the Commander, U.S. Coast Guard Atlantic Area, with the grade of vice admiral while so serving.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to appear and testify before any duly constituted committee of the Senate.)

Mr. DANFORTH. Mr. President, for the Committee on Commerce, Science, and Transportation, I also report favorably a nomination list in the Coast Guard which appeared in full in the CONGRESSIONAL RECORD of May 12, 1986, and, to save the expense of reprinting them on the Executive Calendar, I ask that these nominations lie at the Secretary's desk for the information of Senators.

By Mr. GOLDWATER, from the Committee on Armed Services:

Mr. GOLDWATER. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations:

Michael P.W. Stone, of California, to be an Assistant Secretary of the Army; and

Eugene R. Sullivan, of Maryland, to be a judge of the U.S. Court of Military Appeals for a term of 15 years.

(The above nominations were reported from the Committee on Armed Services with recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. GOLDWATER. Mr. President, from the Committee on Armed Serv-

ices, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of April 28, 1986, at the end of the Senate proceedings.)

*1. Maj. Gen. Frank E. Petersen, Jr., U.S. Marine Corps to be lieutenant general. (Ref. No. 1040)

*2. Maj. Gen. John Phillips, U.S. Marine Corps to be lieutenant general. (Ref. No. 1041)

**3. In the Army National Guard there are 68 promotions to colonel and below (list begins with Philip J. Biondi). (Ref. No. 1043)

**4. Capt. Timothy W. Foley, U.S. Marine Corps, for appointment to the grade of major. (Ref. No. 1044)

**5. In the Marine Corps there are two appointments to the grade of second lieutenant (list begins with Joseph P. Davis). (Ref. No. 1045)

Total: 73.

Also reported by Mr. GOLDWATER, from the Committee on Armed Services:

Vice Adm. Robert B. Kirksey, U.S. Navy, to be vice admiral on the retired list;

Vice Adm. John M. Poindexter, U.S. Navy, to be vice admiral in a position of importance and responsibility designated by the President; and

Maj. Gen. Clyde D. Dean, U.S. Marine Corps, to be lieutenant general.

Mr. GOLDWATER. For the committee on Armed Services, I also report favorably three nomination lists in the Air Force and one nomination list in the Marine Corps which were printed in full in the CONGRESSIONAL RECORD of May 12, 1986, and, to save the expense of reprinting them on the Executive Calendar, I ask unanimous consent that these nominations lie at the Secretary's desk for the information of Senators.

By Mr. LUGAR, from the Committee on Foreign Relations:

Morton I. Abramowitz, of Massachusetts, a career member of the Senior Foreign Service, class of Career Minister, to be an Assistant Secretary of State (Executive Report 99-14).

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HART (for himself and Mr. BOREN):

S. 2465. A bill to amend section 207(e) of title 18, United States Code, to require that the Executive Office of the President be treated as a single agency or department; to the Committee on the Judiciary.

By Mr. JOHNSTON:

S. 2466. A bill to designate a segment of the Saline Bayou in Louisiana as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

By Mr. INOUYE (for himself and Mr. MATSUNAGA):

S. 2467. A bill to approve an interstate highway project in Hawaii; to the Committee on Environment and Public Works.

By Mr. DENTON:

S. 2468. A bill to amend the Federal Aviation Act of 1958 to strengthen aviation security programs, deter acts of terrorism in airports, and provide for the security of U.S. citizens traveling by air; to the Committee on Commerce, Science, and Transportation.

By Mr. BRADLEY:

S. 2469. A bill to amend the Immigration and Nationality Act to restrict the examination of children who apply for naturalization; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 2470. A bill to amend the Tariff Schedules of the United States to continue the suspension of duty on menthol feedstocks; to the Committee on Finance.

By Mr. D'AMATO:

S. 2471. A bill to establish an Office of Inspector General in the Nuclear Regulatory Commission, and for other purposes; to the Committee on Environment and Public Works.

By Mr. CRANSTON:

S. 2472. A bill to amend the Export Administration Act of 1979 to require the establishment and operation of the Western regional export licensing office; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. RIEGLE (for himself and Mr. HOLLINGS):

S. 2473. A bill to amend the National Aeronautics and Space Act of 1958 regarding the National Aeronautics and Space Council established by that act; to the Committee on Commerce, Science, and Transportation.

By Mr. DURENBERGER (for himself and Mr. BENTSEN):

S. 2474. A bill to amend title XVIII of the Social Security Act to encourage the availability of new technologies and new procedures which are not recognized by the Medicare prospective payment system, to collect data to determine whether such technologies and procedures should be so recognized on a permanent basis, to provide for annual recalibration of diagnosis-related groups, and for other purposes; to the Committee on Finance.

By Mr. SIMON:

S. 2475. A bill to amend title 38, United States Code, to provide limited authority to the Veterans' Administration to guarantee a home loan made to a veteran for the purpose of refinancing a home loan guaranteed, insured, or made by the Veterans' Administration and secured by a home owned but not occupied by the veteran; to the Committee on Veterans' Affairs.

By Mr. HUMPHREY (for himself, Mr. LUGAR, Mr. HATCH, Mr. NICKLES, Mr. LEAHY, Mr. SIMON, Mr. GRASSLEY, Mr. METZENBAUM, and Mr. MOYNIHAN):

S. 2476. A bill to amend part E of title IV of the Social Security Act to require States to furnish, and the Secretary of Health and Human Services to publish, statistical data relating to the incidence of adoptions; to the Committee on Finance.

By Mr. SYMMS (for himself, Mr. STAFFORD, Mr. BENTSEN, Mr. BURDICK, Mr. DOLE, Mr. ABDNOR, Mr. BAUCUS, Mr. BUMPERS, Mr. CHAFEE, Mr. CHILES, Mr. DENTON, Mr. DOMENICI, Mr. DURENBERGER, Mr. EVANS, Mr. HUMPHREY, Mr. INOUYE, Mr. JOHNSTON, Mr. KERRY, Mr. LAUTENBERG, Mr. LONG, Mr. MATSUNAGA, Mr. MCCLURE, Mr. MITCHELL, Mr. MOYNIHAN, Mr. QUAYLE, Mr. SIMON, and Mr. WEICKER):

S.J. Res. 351. Joint resolution to designate June 26, 1986, as "National Interstate Highway Day"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DECONCINI:

S. Con. Res. 141. A concurrent resolution expressing the sense of Congress for full representation by American ethnic groups in the awarding of Statue of Liberty medals; to the Committee on the Judiciary.

By Mr. DOLE (for Mr. ROTH (for himself, Mr. STEVENS, and Mr. EAGLETON)):

S. Con. Res. 142. A concurrent resolution authorizing a technical correction to be made in the enrollment of the bill H.R. 2672; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HART (for himself and Mr. BOREN):

S. 2465. A bill to amend section 207(e) of title 18, United States Code, to require that the Executive Office of the President be treated as a single agency or department; to the Committee on the Judiciary.

ETHICAL TREATMENT OF THE EXECUTIVE OFFICE OF THE PRESIDENT

Mr. HART. Mr. President, over the last 5 years, the American people have learned that ethical impropriety is no stranger to this administration. From the Superfund scandals at EPA to charges of insider trading and apparent cronyism at the highest levels, the administration's message about government ethics has been clear: Ask not what you can do for your country, ask rather what personal interest lies in public service. Rather than avoiding any appearance of impropriety, this mentality says: If Caesar's wife is going shopping, let her use the "limo" from the motor pool.

The most recent use of public office for private gain involves the President's former image maker, Michael K. Deaver.

Mr. Deaver, who last year emerged from three decades of service to the Reagan family, lost little time in parlaying his friendship with the First Family into a lucrative lobbying business. There is not now, and there should never be, a law against being successful. But investigations by the General Accounting Office, two House committees, the Senate Judiciary Commitee, and others are concluding that Mr. Deaver's activities crossed the line from purely private enterprise to personal indiscretions and possible violations of the law.

As my colleagues know, Mr. Deaver, whose lobbying firm won the right to represent Canada, has been tied to White House decisions on naming a special acid rain envoy to the Canadian Government and subsequent talks on this issue. Some of these activities may have taken place during his White House service; others apparently occurred within 1 year of his separation from the Executive. Other potential abuses are being pursued regarding a steel tariff decision to which a Korean client of Mr. Deaver was a party. The investigations could culminate in criminal charges against Mr. Deaver. Whatever the outcome, existing law seems sufficient with respect to determining Mr. Deaver's future.

At the same time, the Deaver revelations suggest that the Ethics in Government Act contains a loophole which permits former officials to evade the law in ways Congress never contemplated. The legislation I am introducing today, with Senator DAVID BOREN, and sponsored in the House by Congressman GERRY SIKORSKI, will close that loophole immediately.

The Ethics in Government Act permanently bars former officials from influencing decisions by agencies, bureaus, or departments to which they were attached on issues in which they were personally and substantially involved. It further prohibits such activities on other issues, in which former officials were not directly involved, for 1 year.

The act empowers the Director of the Office of Government Ethics to determine how the act applies to Federal agencies and bureaus. Under those regulations, integral parts of the White House operation have been deemed independent entities. Under the rules, the Office of Management and Budget, the National Security Council, the Council of Economic Advisers, the Council on Environmental Quality, the Office of Science and Technology, the United States Trade Representative, and the Office of Policy Development are identified as separate from the White House.

Mr. President, this strains credulity. We are talking about executive branch offices responsible to the President of the United States. On whose behalf is the National Security Council making decisions? Whose budget does the Office of Management and Budget prepare? Whom is the CEA advising about the economy? It's obvious; these offices house policy servants of the President of the United States.

This issue is relevant to the Deaver affair. As Mr. William Safire noted recently in the New York Times:

> Mr. Deaver—who represented Rockwell's B-1 bomber in 1980—attended NSC meetings airing the controversy of B-1 versus Stealth, and was rehired by Rockwell; he has since visited the head of OMB on the same manner.

By the rules established by the Ethics Office, Mr. Deaver, who spent more than 4 years in the White House, can claim that he lobbied a separate agency when he spoke with OMB Director Miller about the B-1.

Mr. President, most Americans lament the fact that national security decisions, such as whether to build more B-1's, can become subjects for arm twisting by corporate lobbyists. Even if Mr. Deaver had never been associated with the White House, meetings like this are of questionable propriety. But his clearly established relations with the White House and the contractor raise serious questions. And existing law, at present, seems inadequate to respond.

My legislation amends the act to ensure the roof of the White House extends over offices directly responsible to the President. The Ethics Act appropriately bars retired officials from lobbying their own agencies, particularly when they've been involved in key decisions affecting their new corporate interests. While this needed correction cannot affect the outcome of the Deaver investigations, it will considerably narrow the wiggle room for future staffers turned lobbyists.

Mr. President, I am pleased that Congressman GERRY SIKORSKI has decided to sponsor the companion measure to ths bill in the House. Congressman SIKORSKI has been an active participant in the Deaver investigations as chairman of the House Post Office Investigations Subcommittee, and as a leading member of the Energy and Commerce investigations panel.

Mr. President, even with enactment of this legislation, larger issues will remain. Senators BOREN and PRYOR have introduced legislation to curb instances where former officials improperly lobby the administration on behalf of foreign governments and clients. Senator BOREN is also a leader to enact long overdue reforms to curtail abuses by PAC's. Some have criticized these efforts as remnants from an overly ethics-conscious Watergate age. But those of us who believe that public service is an honor, and not a means for personal and corporate self-aggrandizement, are not satisfied with the status quo. The best government money can buy remains the worst government America can have.

● Mr. BOREN. Mr. President, I am pleased to join my colleague, Senator HART, in cosponsoring a bill to tighten the provisions of current ethics laws dealing with the executive branch staff.

Current ethics laws have been interpreted to read that the relationships between the Office of Management and Budget, the internal White House staff, the Council of Economic Advisers, and other entities of the Executive Office of the President have no relationship for the purpose of violations under the Ethics in Government Act.

It is unrealistic to believe that the Executive Office of the President is meant to be a divided and separately administered in terms of policy development. It is likewise unrealistic to believe that one arm of the White House has no input, oversight, or relationship with another. Therefore, it is unwise to allow our ethics laws to be potentially abused by those who can exploit a loophole in our statutes and personally profit from it.

Let us consider this scenario. Today, it is illegal for you to leave a policy recommending position in the Office of the Trade Representative, take a consulting job, and directly lobby your previous peers at the OTR on a matter which you have expertise from your previous position. However, due to the way the law is written, you may take your lobby effort directly to the White House staff—or vice versa, and not be subject to a violation of the Ethics in Government Act.

To think of the executive branch—which is under the direction of one President of the United States—as an independent array of offices, as our ethics statutes would suggest, rubs hard against the grain of a responsible government. President Truman's quote—the "buck stops here"—holds no meaning if the Office of the President has no coordinated, central responsibility.

I commend my friend and colleague from Colorado for his activity in this area. I urge the careful consideration of my colleagues in support of this legislation.●

By Mr. JOHNSTON:

S. 2466. A bill to designate a segment of the Saline Bayou in Louisiana as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

SALINE BAYOU, LA

● Mr. JOHNSTON. Mr. President, today I am introducting legislation to designate a segment of the Saline Bayou in Louisiana as a component of the national Wild and Scenic Rivers System.

Saline Bayou is located in central Louisiana and, for the most part, is within the boundary of the Kisatchie National Forest.

Saline Bayou is generally considered one of Louisiana's most scenic and unique streams. During the 1960's as canoeing increased in popularity, the Forest Service designated and maintained the segment of the bayou between Cloud Crossing recreation area and State Highway 156 as a river float trip area. The bayou, with its placid moving flow, meandering route, black water and moss-draped cypress trees, is very picturesque. The upper section is characterized by towering pines and bottomland hardwoods, while the lower area is dotted with bald cypress. There is diverse wildlife population in the area. Deer and raccoon are common. Beaver are found along the lower segments of the bayou, and bobcat and grey fox are frequently seen. Turkey, cormorant, several species of woodpecker and wood duck, and the blue heron are common along the entire length of the bayou.

The 19-mile segment of Saline Bayou would be administered by the Secretary of Agriculture.

Mr. President, the Saline Bayou legislation was originally introduced in the House by Congressman JERRY HUCKABY. It passed the House as a part of H.R. 4350, an omnibus bill that deals with some eight rivers or river segments all over the country. Senator WALLOP, chairman of the Subcommittee on Public Lands, Reserved Water and Resource Conservation, has indicated that he would prefer to hold hearings on individual wild and scenic rivers bills rather than pursue the omnibus approach adopted by the House. That is why I am introducing the Saline Bayou bill at this time.

I am hopeful that the Committee on Energy and Natural Resources and the Congress will act expeditiously on this legislation.●

By Mr. DENTON:

S. 2468. A bill to amend the Federal Aviation Act of 1958 to strengthen aviation security programs, deter acts of terrorism in airports, and provide for the security of U.S. citizens traveling by air; to the Committee on Commerce, Science, and Transportation.

ANTITERRORISM AND AIR SECURITY ACT

Mr. DENTON. Mr. President, I rise today to introduce the Antiterrorism and Air Security Act of 1986. The purpose of the bill is to strengthen aviation security programs, deter acts of terrorism in airports and provide for the security of U.S. citizens traveling by air.

Mr. President, the shocking hijacking of TWA flight 847, EgyptAir 648, the airport massacres in Rome and Vienna and the bombing of TWA flight 840 underscores the necessity for effective security at airports in this country as well as abroad. The aftermath of these bloody terrorist episodes demonstrated that lax airport security may have provided the opportunity for terrorists to carry out their grim mission of vengeance and death.

Mr. President, the United States must take a lead in securing its airports from access by terrorists and must also work with the international community to prevent the loss of lives of innocent air travelers at the hands of terrorists. The bill which I am introducing today will allow this Nation to take such a lead.

The Antiterrorism and Air Security Act of 1986 will require that a criminal history check be conducted on any airline or airport employee whose duties permit them access to secured areas of airports or to commercial aircrafts. The bill also proposes to make it a Federal crime to enter airport secured areas without authority. The latter provision is intended to deter the unlawful circumvention of airport security systems as well as the unauthorized penetration of secure areas on airports. Such activity must be forcefully proscribed by Federal law to combat any threat of terrorist activity against civil aviation in this country.

This bill is drafted to dovetail with the existing security requirements of sections 315 and 316 of the Federal Aviation Act of 1958, as amended. Notably, security requirements would be imposed, after notice and comment, through the current regulatory structure on air carriers and airport operators, as appropriate. As is the case currently in the banking and securities trading industries, the employing entity would directly request background investigations. FBI centralized criminal records could be reviewed, as appropriate, but information would only be available to authorized personnel, and only for employment screening purposes. Background information would not thereby become available to the public under the Freedom of Information Act (5 U.S.C. 552).

Mr. President, this bill is molded from S. 274, the Nuclear Power Plant Security and Antiterrorism Act, which passed the Senate on October 3, 1985. As such, the bill contains specific language to protect the civil liberties of the individuals to be fingerprinted. That is, the bill specifically directs the Administrator to prescribe regulations for the taking of fingerprints and for establishing the conditions for both using the information and limiting the redissemination of the information provided by the record check in a manner limited to the purposes contained in the act. The legislation gives discretion to the Administrator to implement a practical program, through regulation, for carrying out the purposes of the act. Because of the important due process and privacy interests of prospective employees, it is my belief that the regulations prescribed by the Commission shall contain the following minimum requirements:

First. Individuals who are asked to submit fingerprints under the program will be notified that the fingerprints will be used to run a criminal history records check through the FBI;

Second. Individuals who are subject to fingerprinting will be provided with an opportunity to complete and correct the information contained in the FBI's criminal history records prior to any adverse job action being taken; and

Third. The administration will establish procedures to ensure that the information provided will only be used to determine whether the person is fit to be given access to airport secured areas, and for no other purpose.

Finally, the bill includes sense of the Congress language that the President should undertake discussions with any nation which U.S. air carriers service and U.S. citizens travel to and from by air, to encourage such nations to implement similar security measures as provided for in this act to combat terrorism and provide security for air travel; and that the President should encourage U.S. air carriers not to service any nation that does not cooperate in increasing airport and air carrier security.

Mr. President, we must have international cooperation if we are to prevent the growth and coordination of the international terrorist network. International cooperation in increasing airport and air carrier security is particularly important in light of a shocking development which recently came to the attention of the Judiciary Subcommittee on Security and Terrorists, which I chair.

Apparently, the Palestine Liberation Organization has embarked on the acquisition of East African duty-free shops. Intelligence sources have confirmed separately that the PLO has invested $500,000 in a duty-free shop in the Dar es Salaam airport in Tanzania. As these shops are normally located "airside," the goods are supplied by trucks, which are not usually searched. By the time passengers can buy duty-free items, they have already passed through security screening and they are given their purchases in sealed bags, which are not searched before embarkation.

I believe that these developments could have a profound negative impact on international airport security, an impact which could be countered by adoption of this bill.

Mr. President, this bill, which is endorsed by the administration, will help to ensure that only individuals who are reliable and trustworthy will have access to the secured areas of our airports. It will safeguard the security of

the United States and the welfare of the American people by protecting our airports from infiltration by terrorists.

I urge my colleagues to support this necessary measure.

Mr. President, I ask unanimous consent that the full text of the bill and a letter from Secretary Elizabeth Dole be printed at the conclusion of my statement.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2468

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Antiterrorism and Air Security Act of 1986".

PRE-EMPLOYMENT INVESTIGATIONS

SEC. 2. Section 316 of the Federal Aviation Act of 1958 (hereinafter referred to as the "Act") (49 U.S.C. 1357), is amended by redesignating subsection (f) as subsection (g) and inserting after subsection (e) the following new subsection:

"PRE-EMPLOYMENT INVESTIGATIONS

"(f)(1) In order to ensure the security of aircraft and the passengers, crew, and cargo of such aircraft, the Administrator shall require by regulation that any person employed, or to be employed, in a position in which such person is authorized, or may authorize others, access to air carrier or foreign air carrier aircraft, or to secured areas of United States airports serving air carriers or foreign air carriers, be subjected to any investigation, including fingerprinting, as the Administrator determines necessary. Any air carrier, foreign air carrier, or airport operator who employs such persons, or authorizes or contracts for the services of such persons, shall take actions necessary to ensure that any investigation required by the Administrator is performed.

"(2)(A) If the Administrator requires fingerprinting to conduct a criminal history records check, such fingerprints shall be submitted to the Attorney General of the United States through any person designated by the Administrator in consultation with the Attorney General for identification and a criminal history records check. The costs of any identification and records check conducted pursuant to this paragraph shall be paid by the employer. Notwithstanding any other provision of law, the Attorney General may provide all the results of the records check to any person designated by the Administrator in consultation with the Attorney General.

"(B) For purposes of administering this subsection, the Administrator shall prescribe regulations to—

"(i) implement procedures for the taking of fingerprints;

"(ii) establish the conditions for use of information received from the Attorney General to limit the dissemination of such information, and ensure that such information is used solely for the purposes provided in this subsection; and

"(iii) provide individuals subject to fingerprinting the right to complete and correct information contained in the criminal history records prior to any final adverse action.

"(C) Notwithstanding any other provision of law, disclosure of information under authority of this subsection shall be considered to be authorized under section 552a of title 5, United States Code, and is not a waiver of the right not to comply with a request for such information under section 552 of such title.

"(3)(A) Except as provided in subparagraph (B) of this paragraph, no air carrier, foreign air carrier, or airport operator shall employ, or authorize or contract for the services of, any person in duties for which a pre-employment investigation is required by the Administrator and which include access to air carrier aircraft or foreign air carrier aircraft or secured areas of United States airports serving air carriers or foreign air carriers, either in the absence of such an investigation or if the results of such investigation indicate the existence of a factor the Administrator has determined to warrant exclusion from access to such aircraft or secured areas.

"(B) It shall not be a violation of subparagraph (A) of this paragraph for an air carrier, foreign air carrier, or airport operator to employ in duties, or authorize or contract for employment in duties, that include access to air carrier or foreign air carrier aircraft, or secured areas of United States airports serving air carriers or foreign air carriers, a person for whom an investigation under this subsection has not been conducted, if such access is carried out pursuant to a plan approved by the Administrator providing for escort or monitoring of such person, while so temporarily employed on such aircraft or in such secured areas.

"(4) The Administrator and the Attorney General shall jointly establish reasonable fees and charges to recover the costs of the United States in administering this subsection, and shall proportionately credit to the appropriations affected any moneys collected under this subsection.".

CRIMINAL PENALTIES

SEC. 3. Section 902 of the Act (49 U.S.C. 1472), is amended—

(1) in subsection (c) by inserting "and subsection (r)" after "inclusive,"; and

(2) by adding at the end thereof the following new subsection:

"SECURED AREAS OF AIRPORTS

"(r)(1) It shall be unlawful for any person knowingly and willfully to enter an aircraft or an airport area that serves air carriers or foreign air carriers contrary to security requirements established pursuant to section 315 or 316 of this Act. Upon conviction thereof, such person shall be subject to imprisonment for a term not to exceed one year or a fine not to exceed $1,000, or both.

"(2) If any person violates paragraph (1) of this subsection with the intent to commit in the aircraft or secured area an act punishable as a felony under Federal or State law, such person shall be subject to imprisonment for a term not to exceed ten years or a fine not to exceed $10,000, or both.".

TECHNICAL AMENDMENTS

SEC. 4. (a) The table of contents of the Act is amended under the heading "Sec. 316. Air Transportation Security" by striking out "(f) Definition." and inserting in lieu thereof:

"(f) Pre-employment investigations.

"(g) Definition.".

(b) The table of contents of the Act is amended under the heading "Sec. 902. Criminal penalties" by inserting after the item "(a) Transporting controlled substances without airman certificate." the following:

"(r) Secured areas of airports.".

INTERNATIONAL COOPERATION

SEC. 5. It is the sense of the Congress that—

(1) the President should undertake discussions with any nation which United States air carriers service and United States citizens travel to and from by air, to encourage such nation to implement similar security measures as provided for in this Act to combat terrorism and provide security for air travel; and

(2) the President should encourage United States air carriers not to service any nation that does not cooperate in increasing airport and air carrier security pursuant to discussions initiated under paragraph (1).

THE SECRETARY OF TRANSPORTATION,
Washington, DC, February 19, 1986.

HON. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed for introduction and referral to the appropriate committee is a draft bill "To amend the Federal Aviation Act of 1958, as amended, to strengthen aviation security programs."

The proposed legislation would provide the Department's Federal Aviation Administration (FAA) with added authority and capabilities to conduct aviation security programs. The United States' aviation security program has provided a high level of security to the traveling public over the past two decades and continues to do so. It serves as a model for nations throughout the world that are seeking to deal with increasing terrorist threats. As good as this system is, however, we continue to seek improvements.

We have concluded that additional protection could be provided the traveling public by requiring employee background investigations by the Department of Justice of airline and airport employees whose duties permit them access to secured areas on airports or to commercial aircraft. This is consistent with House Report No. 99-299, issued by the Committee on Government Operations last October. We also propose to make it a federal crime to enter airport secured areas without authority.

Our proposal is drafted to dovetail with the existing security requirements of Sections 315 and 316 of the Federal Aviation Act of 1958, as amended (the FAAct). Notably, security requirements would be imposed, after notice and comment, through the current regulatory structure on air carriers and airport operators, as appropriate. As is the case currently in the banking and securities trading industries, the employing entity would request background investigations directly. FBI centralized criminal records could be reviewed, as appropriate, but information would only be available to authorized personnel, and only for employment screening purposes. Background information would not thereby become available to the public under the Freedom of Information Act (5 U.S.C. 552).

We have made every effort to minimize the costs of this proposal on the industry and the federal agencies conducting investigations. A query with the FBI involving a fingerprint check, for example, costs about $14.00, and we propose to make actual costs reimbursable to the appropriations account of the federal agency incurring costs of investigation and reporting. To reduce these charges to the industry, we have included authority to permit use of an "escort system" that would allow properly cleared personnel to oversee and supervise access of

uncleared personnel to secured areas or aircraft in controlled circumstances. The actual numbers of employees involved and the degree of investigation needed cannot be known with certainty until rulemaking is undertaken and comment has been received from affected parties.

In the case of our proposal to make unauthorized access to airport secure areas a federal criminal offense, this prohibition would be effective upon enactment without rulemaking. We propose to make entry a misdemeanor, except that entry with intent to commit a federal or state felony would then constitute a felony. This provision is intended to deter the unlawful circumvention of airport screening systems as well as the unauthorized penetration of secure areas on airports. Such activity should be forcefully proscribed by federal law to combat any threat of terrorist activity against civil aviation in this country.

In regard to enforcement of the new aviation security regulations which will result from this legislation, I would stress the importance of scheduling hearings and taking action on my September 5, 1985, proposal to increase civil penalty authority underlying the non-economic titles of the FAAct (introduced as S. 1750 in the Senate by Senator Kassebaum). The proposal would increase from $1,000 to $10,000 per violation the civil penalty for most violations of the FAAct by commercial operators. The existing penalties are outdated, and it is particularly important to update them now to make enforcement of the new security provisions I propose as effective as possible.

I urge you to act promptly on this proposal. The Office of Management and Budget advises that there is no objection, from the standpoint of the Administration's program, to the enactment of the proposed legislation.

With best wishes.

Sincerely,

ELIZABETH HANFORD DOLE.

By Mr. BRADLEY:

S. 2469. A bill to amend the Immigration and Nationality Act to restrict the examination of children who apply for naturalization; to the Committee on the Judiciary.

STREAMLINING THE NATURALIZATION PROCESS

Mr. BRADLEY. Mr. President, today I am introducing legislation which would amend the Immigration and Nationality Act in order to prevent the traditional practice of the Immigration and Naturalization Service of holding preliminary hearings or examinations for alien children whose parents are United States citizens.

Mr. President, more and more Americans want to adopt a child. The reasons for this choice are legion. The effect is that the adoption process in this country is usually long and grueling. Given the increasing number of couples who have not been able to adopt an American born child, an increasing number of couples, anxious to experience the pleasures of raising a child, are choosing to adopt a child born in a foreign country.

Once these children are adopted, they are due all the rights and privileges of an American born child. Of course, because they were born in a foreign country, these adopted children must be naturalized as United States citizens.

The naturalization process for minor children, Mr. President, is meant as a formality only. According to current law, adopted children are eligible for naturalization immediately following their adoption and lawful admission to the United States. They are not required to establish any particular period of residence. And, if they are of "tender years," they may be presumed to be of "good moral character, attached to the principles of the Constitution, and well disposed to the good order and happiness of the United States."

Unfortunately, the INS is not adhering to these polices. These adopted children—frequently infants—and their parents are forced to go through a lengthy, demanding naturalization process, which includes preliminary hearings, or examinations, which are supposed to be used to determine their character. Imagine the hardship these hearings cause both parents and children: The parents, who only want to accept these new children into their homes and make them feel welcome; the children, strangers in a new land and a new family, who only want to be accepted in both.

Mr. President, I learned of this hearing process from several of my constitutents, who told repeated tales of delayed, anguishing proceedings. One such constituent received her baby in December, 1981. She filed Application to File a Petition for Naturalization on Behalf of a Child (Form N402) in February, 1983, had a preliminary hearing on April 18, 1984. She is still waiting for the final hearing. In other words, her child has been in the United States for more than 4 years and is still not a citizen. Others have waited even longer. All describe the difficulties of commuting with their small children to distant locations.

On behalf of these constituents, members of my staff investigated the relevant section of the Code in order to find the basis for these preliminary hearings for children, Mr. President, my staff could find no specific requirement for these preliminary examinations, because, of course, there is none. As I mentioned earlier, children of tender years who are adopted by American parents are already presumed in the law to be of suitable character to be naturalized. The preliminary hearings are therefore superfluous.

Mr. President, it is beyond me what the INS hopes to determine from these hearings. It is clearly not to determine if an infant or a minor child is of good moral character or adheres to the principles of the Constitution. Frequently these children are not even old enough to talk—at least when the process starts.

Mr. President, I contacted the Immigration and Naturalization Service with this information and asked them to explain the reasons for the preliminary naturalization hearing requirement for adopted children. In their response, the INS indicated that there are two reasons. First, these hearings were not held to fulfill any specific requirement in the law, but rather to fill a perceived need to ensure the identity of the child being naturalized. They stated, however, that this could be accompanied at the final naturalization hearing and that they were reevaluating this policy with an eye toward limiting it.

According to the INS, the second reason why these interviews are being held is that many parents want their children to observe the manner in which the Government works and would be disappointed if no preliminary appearance was required. But from the experience of my constituents, Mr. President, these procedures are having just the opposite result. The interminable delays and appearances make the Government look like a cold and impervious bureaucracy, rather than an institution responsive to the needs of the citizenry.

Mr. President, it makes no sense to me to require these hearings for all adopted children. I believe they cause undue hardship to parents and children alike, and the agonizing delays aggravate what is surely a very traumatic period of adjustment. I agree with the Immigration and Naturalization Service that the preliminary hearings should be severely limited. The legislation which I am introducing today will do so. This bill will exempt from interview all parents and children where the children are age 14 or under, except in those cases where the INS believes that fraud is a likelihood. And in cases where the children are between the ages of 15 and 18, interviews would be required only in cases where the Attorney General has directed that they be held.

In summary, Mr. President, my bill amends the Immigration and Naturalization Act in order to correct a quirk in the naturalization process. It will benefit many Americans by facilitating the adoption of foreign children, and it will hurt no one. I urge my colleagues to join me in this worthwhile effort.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2469

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 332(a) of the Immigration and Nationality Act is amended—

(1) by striking out "(a) The" and inserting in lieu therof "(a)(1) Except as provided in paragraph (2), the"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding the provisions of paragraph (1), no examination under this subsection may be made of a child under 18 years of age unless—

"(A) the Attorney General determines that without such examination there is a likelihood of fraud; or

"(B) in the case of a child 15 years of age or older, but under 18 years of age, the Attorney General specifically requires such examination.".

By Mr. THURMOND:

S. 2470. A bill to amend the Tariff Schedules of the United States to continue the suspension of duty on menthol feedstocks; to the Committee on Finance.

SUSPENSION OF DUTY ON MENTHOL FEEDSTOCKS

Mr. THURMOND. Mr. President, today I am introducing a bill which would further extend the temporary suspension of the duty on certain menthol feedstocks. These feedstocks are utilized by domestic manufacturers to produce synthetic menthol. A duty is imposed on these chemicals when they are imported to the United States from West Germany. Since there are no domestic industries that produce these particular feedstocks, this duty affords no protection to any chemical manufacturer in the United States. To the contrary, it imposes an unnecessary economic burden on the United States menthol industry by increasing production costs.

To relieve this unnecessary burden, I introduced a bill in 1983 to temporarily suspend the duty on menthol chemicals. That legislation was ultimately incorporated into the Miscellaneous Tariff Act of 1984 which became law in October 1984. It provided for the suspension of this duty until December 31, 1987.

Unfortunately, the situation facing our domestic menthol industry, has worsened since 1984. There are stil no American producers of menthol feedstocks. The American menthol industry must import crucial raw materials, and compete with highly subsidized, cheaply produced menthol products in domestic and foreign markets. In 1984, the market price for the finished menthol product was $10.70 per pound. The projected market price for the second quarter of 1986 is less than $6 per pound. The decline in market prices is due to foreign countries which subsidize and protect their menthol producers. This decline in prices has had a severe impact on our domestic industry. The United States only has one domestic manufacturer of menthol. This producer has suffered a 40 percent drop in operating profits from 1985 to 1986. Despite eroding profits, this company has managed to maintain its market share over the past few years. However, if the suspension of this duty is not extended, the future of domestic menthol production looks bleak.

This bill would simply extend the suspension of the duty on menthol feedstocks for 5 more years, until December 31, 1992. It would permit the continued receipt of the particular feedstocks necessary to produce menthol without paying a duty.

Mr. President, I realize this bill will not solve all the numerous trade difficulties faced by our domestic producers. However, it would allow at least one domestic industry the opportunity to compete against foreign manufacturers. It will help preserve the American menthol industry and many American jobs. For these reasons, I urge the prompt passage of this important legislation.

By Mr. D'AMATO:

S. 2471. A bill to establish an Office of Inspector General in the Nuclear Regulatory Commission, and for other purposes; to the Committee on Environment and Public Works.

IMPROVED NUCLEAR STANDARDS ACT

● Mr. D'AMATO. Mr. President, I rise today to introduce the Improved Nuclear Standards Act. This legislation addresses concerns vital to the health and safety of every American living near a nuclear facility.

The accident at the Chernobyl Nuclear Power Station has shown us that the possiblity of a serious radioactive release at a nuclear facility is not theoretical. It has underscored the need to look for ways to ensure that nuclear powerplants use the safest possible design, construction methods, operating techniques, and evacuation plans. This includes assurances that laws currently on the books are adhered to, and modifications to the law which can further assure our citizens the safety to which they are entitled are made as soon as new information or improved methods become available.

The Soviet Union flatly ignored the right of its citizens to live in a free and safe society. We must be sure that this never happens here.

The legislation which I am introducing today, contains five main provisions:

First, it creates the position of inspector general at the Nuclear Regulatory Commission. This position will be appointed by the President and confirmed by the Senate. The President will be required to appoint a candidate with expertise in nuclear safety issues. It combines functions currently performed by two offices at the NRC: the Office of Inspector and Auditor, and the Office of Investigations. In addition to the customary authority provided all other inspectors general, such as management and efficiency audit responsibilities, the NRC inspector general also will have the authority and responsibility to review all safety procedures at the NRC to ensure that the best available standards are being met. The inspector general will make an annual report to Congress regarding the adequacy of these standards. He/she also will be authorized to propose new regulations and modifications to existing regulations for the purpose of ensuring the public safety.

Second, it expands the role of the inspector general currently at the Federal Emergency Management Agency to allow him to review standards and procedures regarding emergency evacuation plans for nuclear power facilities, and for both the inspector general and the Director of FEMA to make recommendations directly to Congress regarding the adequacy of these standards and procedures and their implementation.

Third, it requires FEMA to conduct an annual test of the evacuation plan for each operating nuclear power facility in the United States. Currently, these tests are conducted once every 2 years, even though once-a-year tests were the standard until last year.

Fourth, it requires that, as part of the licensing procedure for any commercial nuclear facility, FEMA must make a finding that the public safety can be assured by the evacuation plan. This finding also will be required after each annual test. If FEMA cannot make this finding, then the plant must cease operation until corrective measures have been taken, until a new test has been conducted, and until the finding that public safety can be assured has been made. This provision is particularly applicable to Shoreham, the controversial nuclear powerplant on Long Island in New York, where FEMA's report contains no such finding, and for which the NRC will be making its licensing decision without a recommendation from FEMA.

Fifth, it requires that utilities bear all non-Federal costs associated with the annual testing of emergency evacuation plans. Currently, large costs are often borne by State and local governments.

Mr. President, many of our citizens live in fear. Unfortunately, this is a justified fear. Americans question whether what happened at Chernobyl could happen here. By passage of this act, we can take a major step toward reassuring our citizens. I urge my colleagues to join in passage of this legislation and I ask unanimous consent that the full text of the Improved Nuclear Standards Act be printed in the RECORD at the conclusion of my remarks.

Thank you, Mr. President.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2471

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Improved Nuclear Standards Act".

ESTABLISHMENT OF AN OFFICE OF INSPECTOR GENERAL IN THE NUCLEAR REGULATORY COMMISSION

SEC. 2. (a) The Inspector General Act of 1978 is amended—

(1) by inserting "the Nuclear Regulatory Commission," before "the Small Business Administration" in section 2(1);

(2) by redesignating subparagraphs (M) and (N) of section 9(a)(1) as subparagraphs (N) and (O), respectively;

(3) by inserting after subparagraph (L) of such section the following new subparagraph:

"(N) of the Nuclear Regulatory Commission, the offices of that agency referred to as the 'Office of Inspector and Auditor' and the 'Office of Investigations';";

(4) by striking out "or" after "Transportation" in section 11(1) and inserting in lieu thereof a comma;

(5) by inserting "or the Chairman of the Nuclear Regulatory Commission," before "as the case" in such section;

(6) by inserting "the Nuclear Regulatory Commission," before "the Small Business Administration" in section 11(2); and

(7) by inserting after section 8A the following new section:

"SPECIAL PROVISIONS RELATING TO THE INSPECTOR GENERAL OF THE NUCLEAR REGULATORY COMMISSION

"SEC. 8B. (a) Each individual appointed to the position of Inspector General of the Nuclear Regulatory Commission shall, in addition to having the qualifications specified in the first section of 3(a), have expertise in nuclear safety.

"(b) The Inspector General of the Nuclear Regulatory Commission shall, in addition to the authority provided by the other provisions of this Act, have the authority and responsibility to—

"(1) review all nuclear safety procedures carried out by the Nuclear Regulatory Commission to ensure that the best available nuclear safety standards are used;

"(2) propose regulations to the Nuclear Regulatory Commission for the purpose of ensuring the public safety; and

"(3) prepare and transmit an annual report to the Congress concerning the adquacy of nuclear safety procedures used in the United States.".

ADDITIONAL DUTIES FOR THE INSPECTOR GENERAL OF THE FEDERAL EMERGENCY MANAGEMENT AGENCY

SEC. 3. The Inspector General of the Federal Emergency Management Agency shall review standards and procedures for emergency evacuation plans for nuclear power facilities, and both the FEMA Inspector General and the Diretor of FEMA shall make recommendations directly to the Congress concerning the adequacy of, and the implementation of, such standards and procedures.

TESTS OF FEDERAL EMERGENCY MANAGEMENT AGENCY NUCLEAR ACCIDENT EVACUATION PLANS AND SUSPENSION OF LICENSE BY THE NUCLEAR REGULATORY COMMISSION FOR COMMERCIAL NUCLEAR FACILITIES WITH UNSAFE EVACUATION PLANS

SEC. 4. (a)(1) The Federal Emergency Management Agency shall conduct an annual test of the evacuation plan for each operating nuclear power facility in the United States, including facilities not licensed by the Nuclear Regulatory Commission.

(2) As a part of the annual test under paragraph (1) for each operating commercial nuclear power facility licensed under chapter 10 of the Atomic Energy Act of 1954, the Federal Emergency Management Agency shall submit a report to the Nuclear Regulatory Commission which shall—

(A) certify to the Nuclear Regulatory Commission that the evacuation plan for such facility assures public safety; or

(B) report findings to the Nuclear Regulatory Commission that the evacuation plan for such facility does not assure public safety.

(3) The Nuclear Regulatory Commission shall suspend the license of any facility subject to a report under paragraph (2)(B) until such time as the facility can certify that the evacuation plan for such facility assures public safety. A facility subject to a suspended license under paragraph (2)(B) may request a retest from the Federal Emergency Management Agency for purposes of certification of public safety at any time after suspension of the license.

(b)(1) Prior to the grant of a license required for any commercial nuclear power facility licensed pursuant to chapter 10 of the Atomic Energy Act of 1954, the Federal Emergency Management Agency shall certify to the Nuclear Regulatory Commission that the evacuation plan for such commercial nuclear power facility assures public safety.

(2) A license shall not be granted by the Nuclear Regulatory Commission such facility receives a certification as provided in paragraph (1).

(c) The owner of a commercial nuclear power facility subject to the provisions of this section shall be responsible for the payment of any non-Federal costs associated with any test of the evacuation plan for such facility carried out under this section.●

By Mr. CRANSTON:

S. 2472. A bill to amend the Export Administration Act of 1979 to require the establishment and operation of the western regional export licensing office; to the Committee on Banking, Housing, and Urban Affairs.

WESTERN REGIONAL EXPORT LICENSING OFFICE

Mr. CRANSTON. Mr. President, I am introducing today a bill to create a western regional office of Export Administration. At present, there is one office, located in Washington, DC, that is responsible for issuing all export licenses. I am proposing that a second export office be established in the western region that will also operate under the jurisdiction of the U.S. Department of Commerce and will have the authority to issue export licenses for all controlled products and commodities for export as designated by the Export Administration Act.

I am introducing this measure to alleviate the enormous administrative burdens the current licensing system places upon American businesses. This proposal deals with only part of the problem: The administrative procedures businesses must contend with to obtain an export license. The source of many licensing problems stem from U.S. export control policy—the statutes and regulations that govern U.S. products for export. Export control policy has a major impact on U.S. competitiveness. Over the past decade, the Federal Government has increased the administrative and competitive burden on exporters through stricter licensing requirements, export controls, and total embargoes. I support export controls on commercial goods and technologies when these items have critical military significance and are not otherwise available to controlled countries. But I vigorously oppose controls that impair our ability to compete in worldwide markets and do not provide a comparable national security benefit. I am currently exploring changes to the Export Administration Act that will address the substantive concerns of U.S. exporters. I will be seeking the advice and suggestions of those most knowledgeable about the situation and intend to embody the results in subsequent legislation.

The administrative burdens we place upon U.S. exporters is substantial. In fiscal year 1985, the Department of Commerce's Office of Export Administration received 125,000 license requests. Twenty-five percent came from my home State of California. The fastest growing markets for high-technology products are the newly industrializing economies on the Pacific rim. California and other Western States can be expected to be on the leading edge of capturing those markets. The export potential in this area is enormous. Demand from the modernizing Asian countries for electronic technology is expected to grow for the foreseeable future. These facts alone justify a Department of Commerce export licensing presence on the west coast.

The President's Commission on Industrial Competitiveness estimated that the combined export licensing costs of the Departments of Commerce, Defense, State, and Energy was $30 million in 1984. It estimated that industry's annual expenditure was $35 to $40 million. One-third of this expenditure was due to controls imposed upon United States business with respect to our COCOM partners—a group of 15 countries that cooperate in restricting strategic exports to the Soviet Union and other Eastern bloc or controlled countries. The Commission also noted that licensing delays for exports of generally allowable technology to non-COCOM nations averaged 4 to 6 months in the United States. That delay was 2 months in France and the United Kingdom, and 1 month in Japan. As these numbers show, the competitive disadvantage to the United States is clear.

With a staff of only 280 individuals, we require the Office of Export Ad-

ministration to handle not only tens of thousands of licensing requests—a number that is steadily increasing—but, in addition, require that it issue and monitor multiple-transaction licenses, issue commodity classification rulings, and provide interpretive advice on a complex regulatory scheme. Although the staffing level has increased at the Office of Export Administration, I do not believe it is adequate to meet the demands we have placed upon it.

The Department of Commerce is aware of many of the deficiencies in the licensing process and has made considerable improvements in the processing time for license applications—even in the wake of Gramm-Rudman budget cuts. In testimony before the House Foreign Affairs Subcommittee on International Economic Policy and Trade Administration, Dr. Paul Freedenberg, Assistant Secretary of Commerce for Trade Administration, testified that in the second quarter of fiscal year 1986, the average processing time for a free world case was 21 days. For exports to COCOM member countries, the cases are being processed on average in 2 weeks. I note, however, that these time periods do not reflect either the time to log in an application or the time to mail a license after it has been validated. This adds days—even weeks—to the total processing time. If a referral to the Department of Defense is required or there are questions about the classification of an item, for example, this can add months to the processing time. My intent in pointing this out is not to undercut the achievements and real improvements at the Department of Commerce, but to emphasize that the improvements may be overstated and highlights the need to make further inroads in expediting the licensing process. Although it is true that we have reduced the time it takes for businesses to obtain a routine license, we still must compete with nations like Japan, Canada, France, or Great Britain that have virtually no waiting period.

Other hidden delays arise when applications are returned for incomplete information. When licensing personnel determine a license application is deficient in any respect, for example, that a form lacks one or more required details, the license is not held until the applicant is notified and asked to submit corrected documentation. Instead, the entire license application is returned without action to the applicant by mail. The application may have been lodged at the Office of Export Administration for weeks before any review, and it may take several more weeks for the rejected application to be processed, mailed, and received by an applicant in the United States. The situation for a foreign application for a reexport request can be much worse. Licensing documents destined for foreign applicants generally are sent by diplomatic pouch to the U.S. Embassy, which then mails them to the applicant—a process that can take an additional 5 or 6 weeks.

Unfortunately, these delays occur all too frequently. In fiscal year 1986, for example, the Department of Commerce returned without action 20,673 licenses—or in one out of seven cases. We often fail to recognize the costs involved in handling incomplete applications in this way—costs accrue to both the exporter and to the Commerce Department. The loss of several months time to a business in this rejection process can create a commercial emergency where one did not otherwise exist. And since the Office of Export Licensing treats the resubmitted license as a new license, it must incur startup costs for that application all over again. Better communication and better access to licensing officials could help improve efficiency.

There are many other cases in which the exporter is often unable to establish meaninful contact with the reviewing agency to obtain guidance about either the prospects for a favorable licensing decision or the manner in which an application should be prepared.

I believe a west coast licensing office could improve public access to licensing officials so that businesses that want to export can receive timely advice on whether an item can be exported. As a general policy, the Office of Export Administration does not issue what it calls "hunting licenses." By this it means a license to export based "merely" on a business inquiry or a person's desire to obtain foreign business. There must be an "order" from a foreign person or firm for a particular product or technical data before the export licensing office will consider any business' application. I find this attitude astounding. We should be welcoming potential exporters with open arms and make it convenient for U.S. businesses that want to make money overseas. Yet, we ask business to spend considerable time and resources to obtain orders overseas when they do not even know if they will be permitted to export their goods.

Mr. President, I sympathize with the limited resources of the Commerce Department, but I find this lack of access unacceptable. The Federal Government should be aggressively helping our exporters. We must recognize how much we hurt U.S. exporters by these actions and the numerous ways we undermine our own competitiveness. I am talking about an attitude. I am talking about providing a disincentive to U.S. exporters that want to do business overseas. I am talking about making it almost impossible for small- and medium-sized high-technology businesses to export. In the long run, Mr. President, we are talking about the global competitiveness of the U.S. high-technology industries.

In part, the Commerce Department's closed-door policy represents an attempt to preserve the scare time of its limited number of licensing officers and other policy personnel for actual review of license applications. The end result of this policy, however, is often inefficiency and delay. Exporters have difficulty in negotiating satisfactory conditions for approval of a license and in determining what supporting technical or other information is required for speedy evaluation of an application. If we would foster communication and a front door approach to the problems, we could reduce these delays.

All of the difficulties I have described are aggravated by an overloaded licensing system that creates problems for applicants and licensing officials alike. I believe that maintaining a west coast Office of Export Licensing would improve the office's review function for western exporters. It would certainly improve public access to licensing officials so that businesses that want to export can receive timely advice on whether an item can be exported.

The Federal Government's attitude toward its exporters and potential exporters is inexcusable. We should be doing everything possible to help our exporters produce wealth. But we constantly throw obstacles before our competitive businesses when they try to export overseas. Mr. President, we shoot ourselves in the foot every step of the way. We are strangling exporters with redtape, bureaucracies, inconsistent policies, and a stubborn unwillingness to support our own people. We tell businesses they must fill out numerous forms, get the approval of the Department of Commerce, that may, in turn, need the approval of the Department of Defense, the Department of State, or the Department of Energy. Not only that, but should the company that received the U.S. product want to export to another company, it must ask the permission of the U.S. Government. We are the only Cocom member that legally enforces export controls over a licensed item after it has been exported.

Because trade has never been a central part of our domestic economic policy, we do not look at the problems from the viewpoint of the exporter; we do not look at the problems from the vantage point of the competitor. More often than not, trade takes a backseat behind every other consideration.

My proposal is straightforward: Tell our businesses that we are with them. Provide them with the bare essentials—decent access to a licensing process that the U.S. Government requires

of them. We can send business a message that we want them to succeed and that we will help in any way possible.

To a California business executive the message is just the opposite. Washington is light years away. Not only does it often fail to recognize that the Pacific has surpassed the Atlantic in terms of trade, but it must be forced to respond to the business needs of the west coast. Last year, for example, as part of the Export Administration Act update, we had to require that the Office of Export Licensing remain open to accommodate the time difference between the east and the west coasts. We should not have to legislate these changes. The Federal Government should work for the good of the entire Nation.

When an eastern-based business runs into a licensing snag, it takes half a day to fly down to Washington to resolve it. Well, that is often prohibitive for someone from California. It is expensive, it is time consuming, and it is unfair. It particularly hurts small- and medium-size businesses that cannot afford to hire a Washington attorney to resovle those snags.

I believe a western regional office can be established using existing resources and the existing Commerce regional office structure. In fact, I believe many time-saving efficiencies could be implemented now to decrease processing times for licenses. As world leaders in the field of technology, we should use some of this technology for our own good. When a license has been granted, for example, a Commerce district office could be notified electronically within minutes and the paperwork released at the other end. This could save days of delay and thousands of dollars for the business involved. Unfortunately, the Federal Government does not think of the bottom line in this way.

I urge other Senators to join me in cosponsoring this initiative to create an export licensing office in the western region. It is a step we can take to reverse a closed-door export policy and one that could make a real difference in the way Americans do business overseas.

By Mr. RIEGLE (for himself and Mr. HOLLINGS):

S. 2473. A bill to amend the National Aeronautics and Space Act of 1958 regarding the National Aeronautics and Space Council established by that Act; to the Committee on Commerce, Science, and Transportation.

REESTABLISHING THE NATIONAL AERONAUTICS AND SPACE COUNCIL

● Mr. RIEGLE. Mr. President, today I am introducing a measure with Senator HOLLINGS, that would reestablish a National Aeronautics and Space Council under the authority of the Vice President of the United States.

From 1958 to 1973, the National Aeronautics and Space Council planned and coordinated U.S. space activities. The Council centered responsibility, provided continuity and consistency of advice, and established a recognized procedure for considering the views of affected government agencies. More importantly, the Council developed a comprehensive space program and fixed responsibility so that there was a clear understanding by each agency as to where its authority began and ended and also how the sum of the agency programs added up to a total U.S. Space Program.

One would hope that the present system of policymaking within the Senior Interagency Group on Space [SIG Space], a Cabinet level council made up of representatives from government agencies dealing with space matters, would be effective. Unfortunately, the membership—NASA, Commerce, State, Transportation, Office of Science and Technology Policy, DOD, and the National Security Council—this group does not seem to be able to accomplish what we had hoped for.

In light of the serious situation that currently exists as a result of the failures of the *Challenger*, Titan 34D, and Delta launch systems, timely decisions are required, decisions that will have a direct bearing on the future of the U.S. Space Program and the leadership position of the United States. At this critical juncture, national space policy formulation needs to be conducted at the highest levels of government. Interagency mechanisms such as SIG Space, which has been ineffective in the past, are inappropriate in the present. The challenges to the space program in 1986 are as critical as they were in 1958; and as was the case in 1958, a National Aeronautics and Space Council should be reestablished in 1986.

Mr. President, the bill that I am introducing today in the Senate would reinstate the National Aeronautics and Space Council in the Office of the President under the direction of the Vice President. Members of the Council would consist of representatives from the Departments of State, Defense, Transportation, Commerce, and NASA. Alternates to these principals only would be allowed if the individual were approved to serve with the advice and consent of the Senate or if the individual already held a position that required the Senate's advice and consent.

It is obvious from the nature of the responsibilities of the Council and other obligations of its members that continuous staff work will be required for a well coordinated space program in much the same way work is required by the National Security Council. To that end, this measure permits the President to employ a professional staff of not more than seven persons to perform the duties of the Council. Those duties include advising and assisting the President in the aeronautics and space field. In particular, the Council would:

First, survey all significant aeronautical and space activities, including the policies, plans, programs, and accomplishments of the United States, including all departments and agencies of the United States engaged in such activities, and other nations;

Second, develop a comprehensive program of aeronautical and space activities to be conduced by departments and agencies of the United States;

Third, designate and fix responsibility for the direction of major aeronautical and space activities;

Fourth, provide for effective cooperation among all departments and agencies of the United States engaged in aeronautical and space activities of the United States engaged in aeronautical and space activities and specify, in any case in which primary responsiblity for any category of aeronautical and space activities has been assigned to any department or agency, which of those activities may be carried on concurrently by other departments or agencies; and

Fifth, resolve differences arising among departments and agencies of the United States with respect to aeronautical and space activities under this act, including differences as to whether a particular project is an aeronautical and space activity.

Mr. President, these are truly difficult times for our Nation's space program. It is critical that we establish a policymaking body with the ability and authority to develop space policies and ensure that those policies are implemented. We cannot afford to let the space program continue to drift without central leadership, guidance or direction. This legislation will reverse that drift and will take our space program into the next century.

I ask unanimous consent that the bill be printed in the RECORD at his point, along with section 201 of the National Aeronautics and Space Act of 1958 as it would be amended by this legislation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2473

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 201 of the National Aeronautics and Space Act of 1958 is amended by striking subsection (c), and by redesignating subsections (d) through (f) as subsections (c) through (e), respectively.

(b) Section 201(a) of such Act is amended—

(1) by striking paragraph (6);

(2) by redesignating paragraph (5) as paragraph (6);

(3) by inserting immediately after paragraph (4) the following:

"(5) the Secretary of Commerce; and";

and

(4) in paragraph (6), as so redesignated, by striking "; and" and inserting in lieu thereof a period.

(c) Section 201(c) of such Act, as so redesignated, is amended—

(1) by striking "(c)" and inserting in lieu thereof "(b)";

(2) by striking "his" and inserting in lieu thereof "such member's"; and

(3) by striking "he" wherever it appears and inserting in lieu therof "the member's".

(d) Section 201(d) of such Act, as so redesignated, is amended—

(1) by striking "he" and inserting in lieu thereof "the President"; and

(2) in paragraph (1), (A) by inserting "the United States, including" immediately before "all departments", and (B) by inserting ", and other nations" immediately before the semi-colon.

(e) Section 201(e) of such Act, as so redesignated, is amended—

(1) by striking all after "persons" through "amended";

(2) by striking "203(b)(2)" and inserting in lieu thereof "203(c)(2)";

(3) by striking "(except those relating to pay and retirement)";

(4) by striking "council employees" and inserting in lieu thereof "employees of the Council"; and

(5) by striking "chairman" and inserting in lieu thereof "Chairman".

SECTION 201 OF THE NATIONAL AERONAUTICS AND SPACE ACT OF 1958

SEC. 201. (a) There is hereby established, in the Executive Office of the President, the National Aeronautics and Space Council (hereinafter called the "Council") which shall be composed of—

(1) the Vice President, who shall be Chairman of the Council;

(2) the Secretary of State;

(3) the Secretary of Defense;

(4) the Secretary of Transportation;

(5) the Secretary of Commerce; and

(6) the Administrator of the National Aeronautics and Space Administration.

(b) The President shall from time to time designate one of the members of the Council to preside over meetings of the Council during the absence, disability, or unavailability of the Chairman.

(c) Each alternate member designated under subsection (b) of this section shall be designated to serve as such by and with the advice and consent of the Senate unless at the time of such member's designation the member holds an office in the Federal Government to which the member was appointed by and with the advice and consent of the Senate.

(d) It shall be the function of the Council to advise and assist the President, as the President may request, with respect to the performance of functions in the aeronautics and space field, including the following functions:

(1) survey all significant aeronautical and space activities, including the policies, plans, programs, and accomplishments of the United States, including all departments and agencies of the United States engaged in such activities, and other nations;

(2) develop a comprehensive program of aeronautical and space activities to be conducted by departments and agencies of the United States;

(3) designate and fix responsibility for the direction of major aeronautical and space activities;

(4) provide for effective cooperation among all departments and agencies of the United States engaged in aeronautical and space activities, and specify, in any case in which primary responsibility for any category of aeronautical and space activities has been assigned to any department or agency, which of those activities may be carried on concurrently by other departments or agencies; and

(5) resolve differences arising among departments and agencies of the United States with respect to aeronautical and space activities under this Act, including differences as to whether a particular project is an aeronautical and space activity.

(e) The Council may employ a staff to be headed by a civilian executive secretary who shall be appointed by the President by and with the advice and consent of the Senate. The executive secretary, subject to the direction of the Council, is authorized to appoint and fix the compensation of such personnel, including not more than seven persons, as may be necessary to perform such duties as may be prescribed by the Council in connection with the performance of its functions. Each appointment under this subsection shall be subject to the same security requirements as those established for personnel of the National Aeronautics and Space Administration appointed under section 203(c)(2) of this Act. Other provisions of law or regulations relating to Government employment shall apply to employees of the Council reporting directly to the Chairman to the extent that such provisions are applicable to employees in the Office of the Vice President.

● Mr. HOLLINGS. Mr. President, we are at a critical juncture in the history of the Nation's Space Program, yet we are ill-prepared institutionally to resolve space policy issues. The current Senior Interagency Group on Space [SIG Space] is unable to make critical decisions in a timely manner and too often puts the best interests of the involved agencies above the best interests of the Nation.

In light of this situation, I think it is absolutely essential that the National Aeronautics and Space Council be reestablished immediately. The SIG Space process might be able to muddle through the current policy debate, but it is clear to this Member of Congress that a new institution is required to tackle the difficult issues concerning the future scope and direction of the Nation's space program.

I am pleased, therefore, to join with the distinguished ranking member of the Senate Commerce Committee's Subcommittee on Science, Technology, and Space in introducing this measure because I believe reestablishment of the National Aeronautics and Space Council will greatly assist the formulation of a coherent, pragmatic, national space policy in a timely manner.

Mr. President, for 15 years 1958–73, the National Aeronautics and Space Council was the principal space policymaking forum for the United States. In 1973, the Council was phased out, as were many other Government institutions, with the Nixon reorganization of the Federal Government. Traditionally, I am not one for turning back the clock of time. However, I feel that the situation today is analogous to the situation in 1958 and that the Council is the appropriate space policymaking apparatus for the challenge of 1986. Situated in the Office of the President, the Council would be chaired by the Vice President and would have a permanent staff of five to seven people. The membership on the Council would be limited to the Secretaries of the Departments of State, Transportation, Commerce, and Defense and the Administrator of NASA; and space policy would finally be resolved at the appropriate level.

During the course of the last few years, it became quite apparent that national space policy was not given the attention that it deserved. Our National Space Program is a critical element of our national and economic security and our public safety; and space policy formulation; therefore, should not be subjected to bureaucratic squabbling or interagency disputes. The Nation's Space Program requires our constant care and attention, or the United States will forfeit its leadership in space.

I might suggest that even prior to the tragic events of January 28's shuttle disaster it was becoming clear that the United States lead in space was being threatened by the Soviet Union, Europe, and Japan because of our lack of resolve and a pragmatic national space policy. According to a new report issued by the American Council on Education, "Space: America's New Competitive Frontier," the U.S. lead in space was being threatened by foreign competition much as the steel, auto, consumer electronics, and clothing industries were victimized by foreign competition. According to the report, the irony was that the Nation that had made the greatest contribution in space technology to the world, the United States, was now in danger of losing its lead.

I believe that the United States should maintain its leadership in space, and I believe that reestablishment of the National Aeronautics and Space Council will assist in that effort. I strongly endorse this measure and hope that it will be enacted during this session of Congress.●

By Mr. DURENBERGER (for himself and Mr. BENTSEN):

S. 2474. A bill to amend title XVIII of the Social Security Act to encourage the availability of new technologies and new procedures which are not recognized by the Medicare prospective payment system, to collect data to determine whether such technologies and procedures should be so

recognized on a permanent basis, to provide for annual recalibration of diagnosis related groups, and for other purposes; to the Committee on Finance.

HEALTH CARE INNOVATION ACT

Mr. DURENBERGER. Mr. President, I rise to introduce today the Health Care Innovation Act of 1986. I am joined in introducing this proposal by my distinguished colleague the Senator from Texas [Mr. BENTSEN].

The Health Care Innovation Act of 1986 amends title 18 of the Social Security Act to encourage the continued diffusion of new medical technologies and procedures not now recognized under the Medicare prospective payment system, to collect data to determine whether such technologies and procedures are useful and should be paid for by Medicare on a permanent basis, and to require the Secretary of Health and Human Services to adjust annually the Medicare prices set by diagnosis related groups to advance medical technology and procedures.

Mr. President, last Sunday I had the privilege of spending Mother's Day with my parents at their home in Avon, just west of St. Cloud, MN.

I consider myself incredibly lucky—at almost 52 years of age—to have two living parents.

And, because I have a 75-year-old mother and an 80-year-old father, I have a very personal interest in the subject I'm discussing here today.

STRETCHING OUT THE LIFESPAN

A lot of us don't want to admit it, but America is an aging nation. We're living longer, but also fuller lives.

I like to think one reason we're all living longer stems from the fact that we're taking better care of ourselves—jogging more, smoking less, and all the rest. I can't imagine in Minneapolis and St. Paul, MN how there could be anyone left who drinks and drives, or rides in a car without a seatbelt, after the media deluge we've had from "Project Lifesaver" over the past couple of weeks.

But, we're living longer due to more than healthier habits. We are also living longer because medical science has continued to provide new and better ways of keeping us going, new procedures and technologies that extend lives and improve the quality of lives for millions of Americans.

Pacemakers represent one such example.

Something like a half-million Americans—more than the total population of St. Paul—are now walking around, leading relatively normal lives with pacemakers implanted in their chest. Medical experts tell us that as many as 5 percent, or 25,000 people, would die within minutes without them.

Thousands of other Americans have had their lives extended by innovations in surgical procedures, like bypass operations, for example. While all of these new technologies and procedures are subject to abuse and overuse, the fact is that they have contributed immeasurably to extending and improving the quality of our lives.

The kind of emphasis on quality and innovation in our health care system which has produced the pacemaker, heart by-pass surgery, and other examples of new technology and procedures does not exist everywhere in the world.

Last summer I had the privilege of visiting relatives in Poland. I went to a well-respected children's hospital in Cracow and spent some time there with the physicians and medical director. And, I heard them wish over and over again that they had access to the kind of advances in medical science many of us in this country simply take for granted. The kind of technology which would bring those Polish doctors past a point at which they now seem almost frozen in time—a time which resembled this country when my parents were my age.

TECHNOLOGY AND HEALTH SYSTEM REFORM

Over the years, Americans have taken the lead in pushing out the frontiers of medical science and extending and improving our lives in the process. But now, while we are in the midst of a very necessary effort to contain the health care cost explosion which threatens to bankrupt us all, we need to stop, look around, and make sure the kinds of technological advances we've seen take place in the past are encouraged to continue.

I say this as one of those who has argued most often and most forcefully in behalf of the marketplace reforms in health care which are now sweeping this country.

In fact, I've published a new book on the subject—"Prescription For Change," which I commend to my colleagues.

Those reforms have been necessary, and they are working largely as intended to halt the dramatic increases in health care costs we had been experiencing while, at the same time, retaining the kind of quality which Americans demand and deserve.

But, despite generally favorable reviews, there are some troubling side effects of health care reform which need to be addressed.

And, S. 2474 I am introducing today in the Senate is one of the midcourse corrections which now needs to be made.

A key part of recent reforms in health care has been the new Medicare hospital prospective payment system which Congress set in place in 1983. This new payment system encourages more conservative practices in hospitals by setting prices in advance for some 468 different categories of illness.

Hospitals are no longer paid, in other words, for each test or procedure they perform on Medicare patients—regardless of price. They are rewarded for staying within the predetermined prices set on each illness or injury.

While this new payment system is an important step forward in controlling costs, it will discourage the use and development of many advanced medical treatments or technologies—it will unless it permits a normal market for new product research and development to function.

Because the new Medicare payment system pays a set price for each illness, for example, it encourages hospitals to use the lowest cost or efficient treatment available. This means that two types of technologies are at a disadvantage; those that improve quality, but cost more; and those that have a higher price up front but may actually save money in the long run by reducing the need for return visits to the hospital.

Mr. President, this problem with the prospective payment system must be rectified. I am introducing S. 2474 to provide medical technology researchers and manufacturers with proper market incentives to continue the kind of work which has made possible an ever longer and better quality life for millions of Americans.

This is particularly relevant in a State like Minnesota which has spawned medical technology geniuses like Lloyd Cherne, the developer of the Cherne coronary artery disease detector, and others to continue the kind of breakthroughs in medical science we have come to expect and depend on.

In fact, I've made the point of highlighting the leading role Minnesota has assumed in the health technology field as well as starting the health care policy revolution now sweeping the country, by yesterday announcing the introduction of this bill in my home State of Minnesota.

I should also note that this legislation is part of a series of mid-course adjustments which I and my colleagues in the Congress have or will make in this health policy revolution.

Before the health policy revolution, before competition and consumer choice took hold on the health care system, hospital charity care, physician training, and medical research were subsidized with the surplus revenue generated from patients who paid for services. In the new environment consumers and third-party payers have little incentive to pay for anything more than they receive in direct services, and they, therefore, balk at paying for the old cross-subsidies.

My colleagues on the Senate Finance Committee, particularly the Senators from Kansas [Mr. DOLE] and Texas [Mr. BENTSEN], share this concern that explicit policy needs to be

set concerning the cross-subsidies. The reform of payment for health services by Medicare and other payers must continue. But, at the same time the indigent care, physician training, and medical technology advancement should not be left out.

Last year Senators DOLE and BENTSEN joined me in promoting changes in Medicare payments to teaching hospitals. Those initiatives were incorporated in the fiscal year 1986 reconciliation bill which passed the Congress. Those changes made a clear commitment from Medicare to fund appropriate physician training which enhances the care for Medicare beneficiaries.

In the area of indigent care, care for those who lack health insurance and cannot pay for services, I have also made a number of proposals. With my colleague the Senator from Massachusetts [Mr. KENNEDY] and others, I introduced the Alleys to Health Care Act of 1986, S. 2403, and I will introduce other measures to refine the tax code to provide incentives for all Americans to obtain health insurance coverage.

These measures will not help all of the 37 million Americans who lack health insurance. But, should enable many to obtain a health plan and reduce the financial pressure on hospitals from those who cannot pay.

Today, however, my purpose is to focus on assuring Americans, continuing access to the best medical care we can offer. Senator BENTSEN is joining me today in an important next step in this process. In proposing S. 2474, the Health Care Innovation Act of 1986, we are providing explicit Medicare policy on the development and diffusion of new medical advances. The bill is consistent with Medicare's prospective pricing system, and it reflects our commitment to continue reform while adjusting it to assure the American people that they will receive quality as well as efficient health care services.

Briefly, S. 2774:

First, requires Medicare to pick up a part of the extra cost of new technologies or procedures prior to their full approval. Only technologies and procedures which have been approved by the Food and Drug Administration as safe and effective would qualify. Under this provision of S. 2474 Medicare would agree to share the risk for the early introduction of new technologies and procedures with hospitals. Only part of the marginal cost above the per case payment would be covered.

In the old cost-based environment, innovators in medical technologies and procedures could afford to wait until Medicare decided to cover a medical advance because they knew they could recover their full cost. Today, under the per case, diagnosis related group [DRG], payment system even if Medicare decides to cover a new technology or procedure, the innovator cannot be assured that the payment structure will be adjusted to meet their full costs. The risk is increased so innovators will shy away from marketing a medical advance for which costs are greater than the respective DRG that advance would fall into.

S. 2474 provides a financial bridge in which Medicare shares the risk with the hospital and innovator for the medical advance while it decides whether or not to permanently cover an advance and how much to pay for it.

Second, requires hospitals which use this provision to cooperate with Medicare in collecting data on the medical advance. In the past, Medicare has frequently had to make decisions on covering medical advances based on scanty data. Also, cost information, so important to setting the right price, is hard to come by. This provision would enable Medicare the flexibility to collect the information needed to decide whether or not an advance is truly useful and what the price should be.

Third, requires Medicare to recalibrate the DRG's annually rather than every 4 years as now required by law. Changes in medical practice should be reflected in the DRG prices as fast as possible. The current 4-year lag time freezes medical practice in time for no medical or scientific reason. The 4-year period for adjusting the price was set arbitrarily and does not reflect the capacity of Medicare to adjust more rapidly.

Mr. President, older Americans deserve access to the best quality and most up-to-date health care treatments available. And, they deserve assurance that the health care industry will continue to seek out new and better ways of treating illnesses such as cancer, heart disease, and Alzheimer's disease.

These kinds of advances cannot only extend the length and qualilty of life for older Americans, but also continue the strong role which this country's advances in medical technology have played in improving the quality of health care worldwide.

S. 2474 moves us in that direction.

Mr. President, I ask unanimous consent that the text of S. 2474 be printed in the RECORD at this point, followed by the bill summary, steps in approving and paying for projects and procedures, and example technologies inhibited by Medicare.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2474

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Health Care Innovation Act of 1986".

SEC. 2. INTERIM FINANCING AND DATA COLLECTION.

(a) IN GENERAL.—Section 1886 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(i)(1)(A) Notwithstanding sections 1813 and 1814(b), the Secretary shall make payment under this subsection to a subsection (d) hospital (as defined in subsection (d)(1)(B)) for the qualified new technology or procedure costs incurred with respect to an inpatient hospital discharge.

"(B) Payments made under this subsection shall be in addition to payments made under subsection (d).

"(2) The Secretary shall make payments for qualified new technology or procedure costs as follows:

"(A) DETERMINING QUALIFIED NEW TECHNOLOGY OR PROCEDURE COSTS.—A 'Qualified new technology or procedure cost', as used in this subsection, is the incremental operating cost associated with the use of a new technological advance or a new procedure (as determined in accordance with paragraph (3)) with respect to a hospital discharge.

"(B) DETERMINING INCREMENTAL OPERATING COSTS.—'Incremental operating cost', as used in this subsection, is the amount by which charges, adjusted to cost, with respect to a hospital discharge, exceed 110 percent of the amount payable under subsection (d) with respect to such discharge (as determined prior to the adjustment under subsection (d)(5)(B) for indirect costs of medical education).

"(C) PAYMENT AMOUNT.—The Secretary shall pay to a subsection (d) hospital, with respect to a hospital discharge, an amount equal to 60 percent of the qualified technology or procedure costs for which the requirements of this subsection are satisfied and for which the hospital submits a claim for payment.

"(3) The new technological advances and new procedures with respect to which payment may be made under this subsection shall be determined as follows:

"(A) DETERMINING NEW TECHNOLOGICAL ADVANCES AND NEW PROCEDURES.—

"(i) A 'new technological advance', as used in this subsection, is a medical device (as defined in subparagraph (F)(i))—

"(I) for which the Food and Drug Administration has approved a premarket approval application under section 515(a) of the Federal Food, Drug, and Cosmetic Act (other than a device which is or may be subject to section 515(a)(1) of such Act);

"(II) which is used during the interim data collection period (as determined under subparagraph (B)) for such device; and

"(III) which is not a capital technology (as defined in subparagraph (C)).

"(ii) A 'new procedure', as used in this section, is a medical or surgical procedure (as limited by subparagraph (F)(ii)) which is used during the interim data collection period (as determined under subparagraph (B)) for such procedure.

"(B) DETERMINING INTERIM DATA COLLECTION PERIODS.—With respect to a medical device or a medical or surgical procedure, the 'interim data collection period', as used in this subsection, is the period which—

"(i) begins on—

"(I) in the case of a medical device, the date such medical device receives approval of a premarket approval application under section 515(a) of the Federal Food, Drug, and Cosmetic Act; and

"(II) in the case of a medical or surgical procedure, the date that is the earlier of the date on which an ICD-9-CM code is assigned to the procedure or the date on which the Secretary makes a final determination (as defined in subparagraph (F)(iii)), that the procedure is not excluded under section 1862(a); and

"(ii) ends on the date, subject to subparagraph (D), that is the earliest of—

"(I) the first October 1 which occurs at least 24 months after the date on which such period begins;

"(II) the effective date of a reweighting (as defined in subsection (d)(4)(C)(iv)(II)) or a classification adjustment (as described in subsection (d)(4)(C)(i)) which directly affects a diagnosis related group with respect to which such medical device or procedure is used; or

"(III) the effective date of a final determination (as defined in subparagraph (F)(iii)) by the Secretary that such medical device or procedure (or a service employing such medical device or procedure) is excluded under section 1862(a).

"(C) EXCLUDING CAPITAL TECHNOLOGIES.—A capital technology, as used in this subsection, is a medical device, the costs of which (in whole or in part) are capital related costs as defined by the Secretary under subsection (a)(4).

"(D) LIMITING FOR SPECIFIC USES.—In determining the date on which an interim data collection period ends under subparagraph (B)(ii)(II) or (III), a reweighting, classification adjustment, or final determination which applies with respect to a specific use of a medical device or procedure operates to end such period only with respect to such use.

"(E) EXEMPTIONS FROM COVERAGE REQUIREMENT.—Notwithstanding section 1862(a), and except as provided in subparagraph (B)(ii)(III), payment may not be denied by reason of section 1862(a)—

"(i) if such payment is under this subsection and is for qualified new technology or procedure costs; or

"(ii) if such payment is under subsection (d) and is for expenses incurred for items or services for a discharge with respect to which an amount is payable under this subsection.

"(F) DEFINITIONS.—The term—

"(i) 'medical device', as used in this subsection, means a medical device as defined in section 201(h) of the Federal Food, Drug, and Cosmetic Act;

"(ii) 'procedure', as used in this subsection, does not include a procedure using a medical device for which an investigational exemption under section 520(g) of the Federal Food, Drug, and Cosmetic Act is in effect; and

"(iii) 'final determination', as used in subparagraphs (B)(i)(II) and (B)(ii)(III), means a determination which—

"(I) applies with respect to all subsection (d) hospitals; and

"(II) in the case of a determination described in subparagraph (B)(ii)(II) is not based, in whole or in part, on insufficiency of data with respect to a medical device or procedure or a service employing such medical device or procedure.

"(4) The Secretary shall collect data on new technological advances and new procedures and use such data as follows:

"(A) DATA COLLECTION AND REPORTING.—A subsection (d) hospital which elects to claim a payment under paragraph (2)(C) with respect to an inpatient hospital discharge shall report, in such form and in accordance with such procedures as the Secretary may prescribe—

"(i) the amount of reasonable operating costs of inpatient hospital services (as defined in subsection (a)(4)); and

"(ii) such other financial or clinical data as the Secretary determines to be necessary to carry out subparagraph (B).

"(B) USE OF DATA FOR REWEIGHTING AND RECLASSIFICATION.—The data reported under subparagraph (A)—

"(i) shall be used by the Secretary to carry out clauses (i) and (ii) of subsection (d)(4)(C);

"(ii) shall be made available by the Secretary to the Prospective Payment Assessment Commission and used by such Commission to carry out subsection (d)(4)(D); and

"(iii) shall be made available by the Secretary, upon request, to the National Institutes of Health, National Center for Health Services Research and Health Care Technology Assessment, Office of Technology Assessment, Food and Drug Administration, Veterans' Administration, and Department of Defense.

"(5) In addition to the limitations imposed by paragraphs (2) and (3), the Secretary shall limit payments under this subsection as follows:

"(A) EXCLUDING OUTLIER PAYMENTS.—No payment may be made under this subsection for a cost or charge which qualifies for an additional payment under subsection (d)(5)(A).

"(B) LIMITING ANNUAL PAYMENTS TO INDIVIDUAL HOSPITALS.—The amount of payments available under this subsection to a subsection (d) hospital for a fiscal year shall not exceed a share of the total amount available under this subsection for such fiscal year (as determined under subparagraphs (D) and (E)). Such share for any hospital shall be a fraction of the total amount available, equal to—

"(i) 40 percent of a fraction—

"(I) the numerator of which is the amount of payments to such hospital under part A of this title for operating costs of inpatient hospital services (as defined in subsection (a)(4)), as estimated by the Secretary for the immediately preceding fiscal year; and

"(II) the denominator of which is the amount of all payments under part A of this title for operating costs of inpatient hospital services (as defined in subsection (a)(4)), as estimated by the Secretary for the immediately preceding fiscal year; plus

"(ii) 60 percent of a fraction—

"(I) the numerator of which is the amount of payments to such hospital under subsection (d)(5)(B) for indirect costs of medical education, as estimated by the Secretary for the immediately preceding fiscal year; and

"(II) the denominator of which is the amount of all payments under subsection (d)(5)(B) for indirect costs of medical education, as estimated by the Secretary for the immediately preceding fiscal year.

"(C) LIMITING CARRY FORWARD OF PAYMENTS.—Payments available to a subsection (d) hospital under subparagraph (B) for a fiscal year, but not claimed under paragraph (2)(C) with respect to a qualified new technology or procedure costs incurred in such year, may not be claimed for a succeeding fiscal year.

"(D) LIMITING AGGREGATE ANNUAL PAYMENTS.—Subject to subparagraphs (E) and (F), the total amount available under this subsection for all hospitals for any fiscal year shall be the amount equal to 1 percent of the total payments made under subsection (d) for the immediately preceding fiscal year, as estimated by the Secretary.

"(E) ADJUSTMENT FOR EXCESS AGGREGATE ANNUAL PAYMENTS.—The amount determined under subparagraph (D) for any fiscal year shall be reduced by the amount (if any) by which the total payments made under this subsection for the preceding fiscal year exceeded the amount determined under such subparagraph for such preceding fiscal year.

"(F) REQUIREMENT OF TRUST FUND BALANCE.—Payments under this subsection for any fiscal year—

"(i) shall be payable from the Federal Hospital Insurance Trust Fund (and shall not be subject to appropriations); and

"(ii) shall be available under subparagraph (D) only to the extent an asset balance (as described in the 'Annual Report of the Board of Trustees of the Federal Housing Insurance Trust Fund') exists in such Fund at the beginning of such fiscal year, as estimated by the Secretary after consulting with the other Trustees for such Fund.".

(b) REPORT.—The Secretary of Health and Human Services shall report to Congress not later than one year after the date of the enactment of this Act on methods by which payments could be made under section 1885(i) of the Social Security Act (as added by this Act) to any health maintenance organization or competitive medical plan that has a risk-sharing contract under section 1876 of the Social Security Act.

(c) CONFORMING AMENDMENTS.—(1) Section 1862(a)(1)(A) of the Social Security Act is amended by inserting "or which are new technologies or procedures to which section 1886(i) applies," after "(C), or (D),".

(2) Section 1886(d)(5)(B) of such Act is amended by adding at the end thereof the following: "The adjustment under this subparagraph shall be made on the basis of the payment amount to such hospital without taking into account any payments under subsection (i) for qualified new technology or procedure costs.".

(d) EFFECTIVE DATE.—(1) The amendments made by this section shall apply with respect to qualified new technology or procedure costs (as defined in section 1886(i)(2)(A) of the Social Security Act) made after the date of the enactment of this Act.

(2) Notwithstanding section 1886(i)(3)(A) of the Social Security Act, a medical device (as defined in section 201(h) of the Federal Food, Drug, and Cosmetic Act) or procedure shall not be a new technological advance or procedure for purposes of such section 1886(i)(3)(A) if, before the date of the enactment of this Act, there occurs with respect to such device or procedure or a specific use thereof—

(A) a reweighting or classification adjustment (as described in section 1886(i)(3)(B)(ii)(II) of the Social Security Act and as limited by section 1886(i)(3)(D) of such Act); or

(B) a final determination (as described in section 1886(i)(3)(B)(ii)(III) of the Social Security Act, as defined in section 1886(i)(3)(F)(iii) of such Act, and as limited by section 1886(i)(3)(D) of such Act).

SEC. 3. ANNUAL RECALIBRATION.

(a) ADJUSTMENTS OF DRG CLASSIFICATIONS AND WEIGHTING FACTORS.—Section 1886(d)(4)(C) of the Social Security Act is amended to read as follows:

"(C)(i) The Secretary shall adjust the classifications established under subparagraph (A) for discharges in fiscal year 1986

and at least once every four fiscal years thereafter.

"(ii) The Secretary shall adjust the weighting factors established under subparagraph (B)—

"(I) through a recalibration for discharges in fiscal year 1986 and once every fiscal year thereafter; and

"(II) through reweighting for discharges in any fiscal year.

"(iii) The Secretary shall make the adjustments under clauses (i) and (ii) to reflect changes in treatment patterns, technology, and other factors which may change the relative use of hospital resources.

"(iv) As used in this subparagraph, the term—

"(I) 'recalibration' means a weighting factor adjustment which is based on a methodology applied uniformly to all weighting factors, which reflects the relative hospital resources used for each weighting factor compared to all other weighting factors, and which becomes effective with respect to all weighting factors simultaneously; and

"(II) 'reweighting' means a weighting factor adjustment which reflects the relative hospital resources used for a weighting factor compared to all other weighting factors, but which does not apply to all weighting factors.".

(b) PUBLICATION.—(1) Section 1886(e)(5)(A) of the Social Security Act is amended by inserting "and proposed recalibration under subsection (d)(4)(C)(ii)(I)" after "paragraph (4)".

(2) Section 1886(e)(5)(B) of such Act is amended by striking out "proposal" and inserting in lieu thereof "proposals" and by inserting "(4) and final recalibration under subsection (d)(4)(C)(ii)(I)" after "such paragraph".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date of the enactment of this Act.

BILL SUMMARY: HEALTH CARE INNOVATION ACT OF 1986

1. Why do we need this legislation?

In 1983, Medicare's hospital payment system was changed to a DRG—or "diagnosis-related group"—system. Now, each illness is placed in a DRG that has a flat payment rate. A hospital treating a patient gets the DRG rate for the patient's illness, regardless of the treatment used, the length of the hospital visit or the expense to the hospital. This system encourages only treatments that lower costs per hospital visit. Many treatments do that.

Others, however, raise today's costs, but either decrease costs over time or greatly improve care at a higher cost. These treatments often face long delays—even after safety and effectiveness approval from the Food and Drug Administration—in being fully incorporated into the DRG system. Thus, Medicare patients lack access to some of the most promising new technologies, and manufacturers are discouraged from developing them.

2. What does the legislation do?

It provides partial funding for certain cost-increasing medical treatments used for Medicare patients until Medicare makes necessary DRG adjustments. In addition, the DRG rate would be adjusted annually, rather than every four years.

3. What qualifies?

New products and procedures would qualify if they increase costs at least 10 percent above the price of the Medicare DRG. In addition, new products must have premarket approval for safety and effectiveness by the Food and Drug Administration, while new procedures must have already started to enter the DRG system. Specifically, that means when Medicare has decided which DRG seems most appropriate for the new procedure.

4. How long do payments last?

The legislation would provide funding only until Medicare adjusted the individual DRG price. Payment for a technology could never last more than two years.

5. Why was this length of time for funding chosen?

It permits enough time to generate data to help Medicare decide whether to incorporate the treatment into the DRGs on a permanent basis.

6. How would the payments work?

Medicare would pay the hospital part of the cost of using a product or procedure that's covered by the bill. Medicare's share would be the DRG rate, plus 60 percent of the amount that exceeds 110 percent of the DRG level. The hospital would pay the extra 40 percent above that level.

For example, a profoundly deaf patient could not currently receive a cochlear implant under Medicare, since it is not covered. With this bill a hospital could install an implant that has FDA approval in a Medicare patient. The DRG for ear surgery pays only $1,835. If the cochlear implant cost $20,000, the hospital would receive $12,624. Here's how:

Cost of implant	$20,000
110 percent of $1,800, which is the DRG payment for surgey	−2,028
Amount by which implant exceeds 110 percent of DRG	17,982
The percent that the bill will pay above 110 percent of the DRG price	×.60
60 percent of amount exceeding 110 percent	10,789
DRG payment level	+1,835
Amount Medicare pays	12,624

7. Do any other limits apply?

Limits would be set each year on the amount of funding each hospital could receive. The limit would be based on a formula which reflects, in part, the percentage of Medicare payments a hospital receives overall.

8. Once a technology qualifies, how does the legislation actually work?

A hospital will be paid for any technology which qualifies. As it does with any other technology, it must merely charge Medicare for repayment.

9. What else is required of hospitals that offer technologies paid for under the bill?

A hospital offering a product or procedure eligible under the bill would be required to provide data which Medicare needs to assess the usefulness of the product or procedure and to establish an appropriate DRG rate for the new treatment.

STEPS IN APPROVING AND PAYING FOR PRODUCTS AND PROCEDURE

Current law	Changes resulting from Health Care Innovation Act of 1986
1. Investigational device exemption for products: Food and Drug Administration approves clinical tests of device in humans.	
2. (a) Premarket approval for products: FDA finds device safe and effective and approves for general use. or (b) Classification of new procedures: The procedure is placed in the payment category that best fits the new treatment.	3. Once steps 2(a) or 2(b) occur, Medicare will pay for the use of a technology on patients. This legislation pays part and the hospital pays part. Payment lasts for two years or until step 5, whichever comes first.
4. Medicare approval: Medicare agrees to pay for the product or procedure. Without this, patients would not receive Medicare payment for their treatment and, thus, would not be candidates for the technology. For the cochlear implant, the lag from FDA to Medicare approval has already been over one and one-half years.	Payment would also end it Medicare reviewed the technology and decided it is not approved (step 4).
5. Medicare adjusts prices to account for new products and procedures. This often takes several months after Medicare approves the technology.	

EXAMPLE OF TECHNOLOGIES INHIBITED BY MEDICARE

COCHLEAR IMPLANT

A sophisticated electronic device that gives a sense of hearing to people whose deafness is caused by damage to the cochlea (inner ear). Some people who have been told that they have "nerve deafness' may benefit from a cochlear implant.

In the normal hearing process, sound waves enter the ear and strike the eardrum, setting off a chain of vibrations that pass from tiny bones in the middle ear to the cochlea. In the cochlea, hair cells convert the vibrations into electrical impulses that travel along the hearing nerve to the brain. The brain, decoding these impulses, "hears" the sound.

In contrast, the cochlear implant bypasses the eardrum and tiny bones and sends electrical signals directly into the cochlea. Then, as in normal hearing, the signals go from the cochlea to the hearing nerve and then to the brain, which provides meaningful sound.

Status: The cochlear implant was approved as safe and effective by the Food and Drug Administration in November 1984. As yet, Medicare has not agreed to pay for its use by Medicare patients.

DRUG ADMINISTRATION DEVICE

The drug administration device (DAD) is a pump and reservoir implanted into the body to dispense a drug. The pump can be programmed without surgery via radio signals to dispense a drug to a specific point with precise timing and dosage.

It is under clinical study for delivery of analgesics for pain control, chemotherapy for cancer, agents for controlling spasticity and medications for treating congestive heart failure. Since the pump can direct drugs to the brain, it can have uniquely valuable uses—for example, it is already being tested as a method of administering a drug to control Alzheimer's Disease, if such a drug were developed. Since the pump is completely implanted, the patient's daily activities are not affected and a high quality of life can be maintained.

Status: The pump was approved by FDA in 1982, but was not made available to Medicare patients until 1984. The Medicare payment rate has yet to be increased to cover the cost of this technology.

VENTRICULAR ASSIST PUMP

A device designed to help people with certain types of severe heart problems, implanted temporarily to supplement the pumping action of a weak heart. The device is used only when other, more conventional treatments do not work. For example, it can be used with patients who are awaiting a heart transplant, or to boost the pumping power of a heart after open-heart surgery (such as bypass surgery) or a heart attack. It is placed outside the body and powered by bursts of air generated by compressor.

Status: The device is still in the experimental stage, but has been implanted during clinical trials in dozens of patients. Once the device receives FDA approval, it appears that the Medicare payment rate will be insufficient to cover its cost.

● Mr. BENTSEN. Mr. President, I am pleased to join my distinguished colleague, Senator DURENBERGER, in introducing S. 2474, the Medical Equal Access to Technology Act. The purpose of this legislation is to amend title XVIII of the Social Security Act to ensure that Medicare beneficiaries have access to new medical devices and procedures.

Introduction of the Prospective Payment System [PPS] in 1983 has resulted in significant reform of the health delivery system used by hospitals across this country. Dramatic changes in length of stay, use of outpatient surgery, and increased competition among providers of care have helped curb major increases in the cost of services. However, as my colleagues know, PPS uses the Diagnostic Related Group, or DRG, to determine rates of hospital reimbursement. DRG's are based on national averages associated with the delivery of care or services. In order to obtain average rates of payment, a service must already be available and accessible to patients.

A system based strictly on DRG's is therefore inherently dependent on existing technologies and procedures for which there is a history of payments and for which an average rate can be derived. But what of new technologies and procedures? PPS is, by definition, biased against introducing the most advanced, state-of-the-art health services. This bill, Mr. President, is designed to overcome the disincentives built into the DRG system and thereby ensure that elderly and disabled beneficiaries have access to the full range of devices and technologies needed to improve their health status.

Specifically, the bill provides partial funding for certain costly medical treatments until DRG's are recalibrated to account for those costs. New devices and procedures would qualify for coverage if they increase Medicare costs at least 10 percent above the payment rate of the DRG that most nearly approximates the diagnosis. In addition, new products must have approval for safety and efficacy by the Food and Drug Administration, and new procedures must have received a recommendation for coverage under the International Classification of Diseases [ICD9-CM].

This bill provides funding only until such time as the Health Care Financing Administration adjusts the DRG's to accommodate the new technology. Moreover, Medicare's share of the payment would be the closest DRG rate plus 60 percent of the amount that exceeds 110 percent of the DRG level—the hospital would be liable for the remaining 40 percent. Requiring that institutions share in the cost of the new technology is designed to ensure that the hospital has a sufficient stake in the cost of the device or technology to make a prudent coverage decision.

Total expenditures for the implementation of this proposal may not exceed 1 percent of the trust funds, and funds may only be expended in years when the trust fund has a surplus. This year, the amount that could be utilized would therefore amount to approximately $400 million; however, preliminary projections place this year's cost at no more than $100 million.

Mr. President, I should like to take a moment to highlight an example of the type of procedure that could be made more widely available to the elderly and disabled with enactment of this bill. Dr. Stanley Crawford, a heart surgeon who practices at the Methodist Hospital in Houston, pioneered a complex resection and graft replacement known as a thoraco-abdominal aortic aneurysm resection (Thoraco-AAA). Half of the procedures performed annually are done at the Methodist Hospital, and the remainder are carried out at fewer than six other institutions.

Prior to the development of this technique, nearly 60 percent of the persons with the medical problems leading to a Thoraco-AAA died within 2 years, and 80 percent died within 5 years. Today, Dr. Crawford's innovative approach to treating these patients has turned those statistics around, making a longer more normal life possible for dozens of heart patients and their families.

The clinical efficacy of the procedure was established after the most recent modifications to the ICD-9CM, yet the PPS structure does not capture this new surgical technique, which has resulted in a loss of nearly $2½ million to the Methodist Hospital over the last year.

Because of a commitment to clinical research and a firm desire to maintain the hospital's reputation as a world class institution, the president and members of the Methodist Hospital board have allowed Dr. Crawford to operate while they awaited recalibration of the DRG's. Not all institutions have the financial resources to enable them to carry out such a decision. More importantly, elderly and disabled persons in communities across this country are being denied access to a lifesaving technique, simply because of a lag in recoding.

Mr. President, our bill is not designed to pay for all the costs of new technology, but rather to recognize the incremental costs associated with that technology. We do not propose to eliminate all losses, but to reduce them. We do not intend to create Medicare financial incentives for new medical advances, but rather to remove what, in this budget-driven environment, is a powerful financial disincentive which works against our common interest in pushing back the frontiers of medical science for the benefit of all.

I urge my colleagues to join with us in support of this modest, but necessary, modification of the Prospective Payment System.●

By Mr. HUMPHREY (for himself, Mr. LUGAR, Mr. HATCH, Mr. NICKLES, Mr. LEAHY, Mr. SIMON, Mr. GRASSLEY, Mr. METZENBAUM, and Mr. MOYNIHAN):

S. 2476. A bill to amend part E of title IV of the Social Security Act to require States to furnish, and the Secretary of Health and Human Services to publish, statistical data relating to the incidence of adoption; to the Committee on Finance.

REQUIREMENT FOR CERTAIN STATISTICAL DATA RELATIVE TO ADOPTION

● Mr. HUMPHREY. Mr. President, today I am introducing legislation to require the States to furnish, and the Secretary of Health and Human Services to publish, statistical data relating to the incidence of adoptions. I am pleased that Senator LUGAR, Senator HATCH, Senator NICKLES, Senator LEAHY, Senator SIMON, Senator GRASSLEY, Senator METZENBAUM, and Senator MOYNIHAN are joining me in this effort.

During the 1950's and 1960's, and up until 1975, the Federal Government collected statistics from the States on the number and characteristics of children adopted each year. Since 1975, no Federal report on adoption in the United States has been issued.

The States have primary jurisdiction over adoption, but a number of Federal programs and laws relate to adoption in various ways. Chief among these are the adoption opportunities program established by the Child Abuse prevention and Treatment and Adoption Reform Act of 1978 (Public Law 95-266), the adoption assistance program established by the Adoption Assistance and Child Welfare Act of 1980 (Public Law 96-272), and funding for adoption services under the Adolescent Family Life Act of 1981.

In order to assess the impact of these Federal programs and to target scarce Federal funds, we need statistical information about adoption in this country. How can we develop and maintain an informed, rational policy on adoption unless we know trends in the annual numbers of adoptions, characteristics of adopted children, biological parents and adoptive families, types of adoptions, and the relationship of adoptive parents to the child? For instance, national data on adoption could tell us how successful the incentive of adoption assistance has been in moving children out of foster care into permanent homes. Or whether Federal policy which encourages adoption of children from the foster care system has increased the number of adoptions by foster parents.

As long ago as 1978, with the establishment of the adoption opportunities program under Public Law 95-266, Congress recognized the need for an adoption data system. The adoption opportunities program, designed to encourage and facilitate the adoption of children with special needs—that is, children who are considered hard to place because of factors such as handicap, age or race—specifically required the establishment and operation of a national adoption and foster care data gathering and analysis system utilizing data collected by the States. Yet here we are, almost 10 years later, and it is impossible to ascertain with any certainty how many children were adopted in this country last year.

In 1984 Congress reauthorized the adoption opportunities program, and renewed the Federal commitment to promoting the placement of thousands of institutionalized and foster care children with permanent, adoptive families. In the Labor and Human Resources Committee Report accompanying the Senate bill, the problem of data gathering was addressed at length. The committee report stated that more accurate information "must be collected." Further, the report concluded, "The Committee does not want the Secretary to rely only on voluntary State reporting for data-gathering and analysis purposes."

Still the Secretary of Health and Human Services does rely on voluntary reporting, to the Voluntary Cooperative Information System [VCIS], which is operated by the American Public Welfare Association with funding assistance from the Office of Human Development Services of the Department of Health and Human Services. A major disadvantage of the VCIS system is that it is limited to data on children placed for adoption by public child welfare agencies. In addition, VCIS is plagued by irregular reporting, variations in reporting time frames, and lack of common definitions. As the latest VCIS report warns, the data "should be considered as rough national estimates."

In response to Congress' express intent to have national information on adoption collected, in 1984 the Assistant Secretary for Human Development Services approved the formation of the Adoption Information Improvement Workgroup, a group of 22 individuals selected for their technical expertise in surveys and studies of children and families. The work group's mission was to examine the strengths and weaknesses of available statistical information about adoption, to identify the information gaps, and to make recommendations to the Assistant Secretary for ways to fill those gaps.

In April 1985 the adoption information improvement work group made seven major recommendations regarding ways to improve adoption information. I believe the workshop recommendations are of utmost importance and therefore am including all seven in this statement, even though this legislation responds to only the first recommendation. These recommendations, presented by the work group in a general order of importance of data which would be generated, are:

First, to implement a nationwide adoption information system accounting for all types of adoptions on an annual basis;

Second, to conduct a study of adoption service providers to determine the number and types of children in need of adoption, the number and types of families actively seeking to adopt and the adoption process;

Third, to encourage and support the addition of items to national surveys conducted by the Federal Government which would provide information about adopted children, adoptive families, birth parents, and potential adoptive parents to describe their current status and past history;

Fourth, to support studies of small samples of young unmarried pregnant women and the biological fathers to determine the decisionmaking process of the woman to keep her child or make an adoption plan;

Fifth, to examine the postlegal adoption use of and demand for services by birth parents, adopted children, and adoptive families provided by the public or private agency which placed the child or other service providers;

Sixth, to encourage the conduct of small scale research studies which examine the psychological, emotional, and social consequences of adoption for children as compared to children who remain with birth parents or a single parent, children who reside in step-families, children in long-term foster care, and children in other family structures; and

Seventh, to commission, publish, and distribute a review of the adoption research findings which would include a discussion of their implications for adoption policy and practice.

The legislation I am introducing today will ensure the implementation of the first recommendation of the Adoption Information Improvement Workgroup, and will generate the statistics they and other experts in adoption deem to be the most important for our national policy on adoption.

The bill amends the Adoption Assistance Program established under title IV-E of the Social Security Act to require, as a necessary feature of each State plan for foster care and adoption assistance, an annual statistical report to the Secretary of Health and Human Services on adoptions finalized by the State courts during the preceding calendar year.

The bill would require the State report to include first, the total number of adoptions finalized in the State during the preceding calendar year; second, the age, sex, race or ethnicity, nationality, and handicap status of the adopted children; third, the age and marital status of the biological mothers; fourth, the age and race or ethnicity of the adoptive parents; fifth, the relationship between the adoptive parents and the children prior to the adoption (relative, nonrelated, foster parents); sixth, the status of the children prior to the adoption (e.g., foster child, previously adopted); and seventh, whether the children were placed by a private agency, public agency, or independently.

No later than December 31 of each year, the Secretary of Health and Human Services is required to publish an annual report on the adoption statistics supplied by the States for the previous calendar year.

The bill recognizes the need for confidentiality and the data shall be reported in statistical form only. The bill contains language emphasizing that there is no intent to authorize or require the collection or release of information that identifies by name or address any party to an adoption.

Finally, the bill contains provisions allowing sufficient time after the date of enactment of this legislation for States to establish their adoption reporting systems.

Mr. President, I do not relish legislation Federal requirements for the States, and imposing these data collec-

tion requirements as a condition of participation in the title IV-E Adoption Assistance Program. But in this case, there are important reasons for this approach.

First and foremost is the price paid by children who grow up in foster care, without a permanent home. With the adoption opportunities and adoption assistance programs, the Federal Government dedicated itself to the goal of permanency for these children. It is essential that we have hard data to ascertain the results of these programs, and to direct our future policy.

Most adoptions of children with special needs are handled by public agencies or by private agencies under purchase of service agreements. However, public agencies and public resources are involved in all types of adoptions through home studies or supervision of independent adoptions, licensing of private agencies and individuals to make adoptive placements, disruptions of independent adoptions, and post-adoption services for any adoption, regardless of who made the initial adoptive placement. The minimum data required from the States by this legislation follows the recommendations of the adoption information improvement workgroup, and will provide the basic statistics on all adoptions necessary for sound overall adoption policy.

In addition, this legislation purposely does not specify how each State shall collect their data on adoption. It is my understanding that recordkeeping varies considerably from State to State. In some States, it may be a simple matter to gather these statistics from State court records. Other States may want to utilize the department of social services, the bureau of vital statistics, or the State adoption specialist. I would not presume to dictate to each State how best to collect these statistics.

As a followup to the adoption information improvement workgroup recommendations, the Department of Health and Human Services has funded a research study to determine the feasibility of obtaining adoption data from State court records, and the results of that study should be available within the next few months. This research will provide a valuable tool for States in the implementation of the data gathering requirement.

Further, establishing this data collection requirement as a part of the title IV-E Adoption Assistance Program ensures Federal matching funds so that the States would not have to bear the total financial burden. The Congressional Budget Office estimates that by 1988, when the State systems have been fully implemented, the total estimated costs to the States would be $1 million. Costs to the Federal Government are also estimated at $1 million annually, a small price relative to the $497 million the Federal Government spent in fiscal year 1985 on title IV-E foster care alone.

Finally, I believe that we have waited long enough for these statistics, and that it has been amply demonstrated that a voluntary system cannot provide the needed information. For too long we have relied on fragmental data and rough national estimates.

Mr. President, for over a year now I have been actively promoting adoption through the Congressional Coalition On Adoption. In our contacts with experts in the adoption field and individuals and couples who have been involved with the adoption process, I have been repeatedly urged to do something about the lack of adequate statistics on adoption. This legislation is a product of those concerns and has the enthusiastic support of the National Committee for Adoption, the North American Council on Adoptable Children, and Aid to Adoption of Special Kids (AASK America). I urge my colleagues to join me in sponsoring this bill which will provide a solid data base for our Federal policy on adoption. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2476

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ADOPTION STATISTICS.

(a) CONDITION OF STATE PLAN APPROVAL.—Section 471(a) of the Social Security Act (42 U.S.C. 671(a)) is amended—

(1) by striking out "and" at the end of paragraph (16);

(2) by striking out the period at the end of paragraph (17) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(18) provides for reporting adoption statistics to the Secretary on an annual basis in accordance with section 476(c).".

(b) ANNUAL REPORT BY THE SECRETARY.—Section 476(a) of such Act (42 U.S.C. 676(a)) is amended by adding at the end thereof the following new sentence: "The data submitted pursuant to subsection (c) with respect to a calendar year shall be collected and published not later than December 31 of the following year.".

(c) ANNUAL REPORT BY STATES.—Section 476 of such Act (as amended by subsection (b)) is further amended by adding at the end thereof the following new paragraph:

"(c) Not later than April 1 of each year, each State shall submit to the Secretary a report setting forth statistical data on adoptions finalized in the State during the preceding calendar year. Such data shall include—

"(1) the total number of adoptions finalized in the State during such preceding year;

"(2) the age, sex, race or ethnicity, nationality, and handicap status of the adopted children;

"(3) the age and marital status of the biological mothers of such children;

"(4) the age and race or ethnicity of the adoptive parents of such children;

'(5) the relationship (if any) between the adoptive parents and such children prior to adoption;

"(6) the status of such children prior to adoption (such as whether the child was a foster child or previously adopted); and

"(7) the manner in which such children were placed for adoption (whether by private agency, public agency, or independently).

Nothing in this subsection shall be construed to authorize or require the collection or release of any information that identifies by name or address any party to an adoption.".

(d) EFFECTIVE DATE.—

(1) Except as provided in paragraph (2), the amendments made by this section shall become effective on the first day of the calendar year to being more than 180 days after the date of the enactment of this Act.

(2) If a State agency administering a plan approved under part B of title IV of the Social Security Act demonstrates, to the satisfaction of the Secretary of Health and Human Services, that it cannot by reason of State law, comply with the requirements of the amendments made by subsections (a) and (c), the Secretary may prescribe that, in the case of such State, the amendment will become effective beginning on the first day of the first calendar year to begin after the close of the first session of such State's legislature to end on or after the date that is 90 days after the date of the enactment of this section. For purposes of the preceding sentence, the term "session" includes any regular, special, budget, or other session of a State legislature.●

ADDITIONAL COSPONSORS

The following additional cosponsors were added on May 19, 1986:

S. 1743

At the request of Mr. KENNEDY, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1743, a bill to amend section 810 of the Housing and Community Development Act of 1974, section 202 of the Housing Act of 1959, and section 8 of the United States Housing Act of 1937, to establish a special program for housing for the chronically mentally ill.

S. 1744

At the request of Mr. KENNEDY, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1744, a bill to require States to develop, establish, and implement State comprehensive mental health plans.

S. 1745

At the request of Mr. KENNEDY, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1745, a bill to amend titles XVI, XVIII, and XIX of the Social Security Act with respect to services and benefits for chronically mentally ill individuals.

S. 1822

At the request of Mr. THURMOND, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of S. 1822, a bill to amend the

Copyright Act in section 601 of title 17, United States Code, to provide for the manufacturing and public distribution of certain copyrighted material.

S. 2253

At the request of Mr. HEINZ, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as cosponsor of S. 2253, a bill to amend the Balanced Budget and Emergency Deficit Act of 1985 to exempt certain railroad retirement benefits from sequestration or reduction under an order issued by the President under section 252 of such Act.

S. 2328

At the request of Mr. EVANS, the names of the Senator from Minnesota [Mr. DURENBERGER] and the Senator from Nebraska [Mr. EXON] were added as cosponsors of S. 2328, a bill to prohibit for a 10-year period the transfer of sale of Federal Power Marketing Administrations or the Tennessee Valley Authority, and for other purposes.

S. 2331

At the request of Mr. HEINZ, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of S. 2331, a bill to amend title XVIII of the Social Security Act to assure the quality of inpatient hospital services and post-hospital services furnished under the Medicare Program, and for other purposes.

S. 2332

At the request of Mr. BOREN, the names of the Senator from Louisiana [Mr. LONG] and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of S. 2332, a bill to provide credit assistance to borrowers of loans made by commercial lending institutions, Farm Credit System institutions, and the Farmers Home Administration, and for other purposes.

S. 2336

At the request of Mr. ABDNOR, the name of the Senator from Idaho [Mr. MCCLURE] was added as a cosponsor of S. 2336, a bill to protect United States cattlemen from imports of live Canadian cattle, and to require the International Trade Commission to conduct a section 201 investigation of such imports.

S. 2401

At the request of Mrs. KASSEBAUM, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 2401, a bill to prohibit the manufacture or distribution in, or the importation into, the United States of certain firearms.

S. 2411

At the request of Mr. D'AMATO, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 2411, a bill to prohibit possession, manufacture, sale, importation, and mailing of ballistic knives.

S. 2417

At the request of Mr. BYRD, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 2417, a bill to establish the Aviation Safety Commission, and for other purposes.

S. 2450

At the request of Mr. HEINZ, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 2450, a bill to amend title II of the Social Security Act to remove permanently the 3-percent threshold requirement for cost-of-living increases.

SENATE JOINT RESOLUTION 196

At the request of Mr. HAWKINS, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of Senate Joint Resolution 196, a joint resolution designating September 22, 1986, as "American Business Women's Day."

SENATE JOINT RESOLUTION 287

At the request of Mr. BOREN, the name of the Senator from Virginia [Mr. TRIBLE] was added as a cosponsor of Senate Joint Resolution 287, a joint resolution designating September 29, 1986, as "National Teachers Day."

SENATE JOINT RESOLUTION 314

At the request of Mr. QUAYLE, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of Senate Joint Resolution 314, a joint resolution to designate the week beginning July 27, 1986, as "National Nuclear Medicine Week."

SENATE JOINT RESOLUTION 345

At the request of Mr. DOLE, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of Senate Joint Resolution 345, a joint resolution to designate the week beginning November 9, 1986, as "National Reye's Syndrome Awareness Week."

SENATE CONCURRENT RESOLUTION 122

At the request of Mr. NICKLES, the name of the Senator from Lousiana [Mr. LONG] was added as a cosponsor of Senate Concurrent Resolution 122, a concurrent resolution to express the sense of Congress with respect to agricultural loan restructuring.

SENATE CONCURRENT RESOLUTION 138

At the request of Mr. DOLE, the name of the Senator from Louisiana [Mr. LONG] was added as a cosponsor of Senate Concurrent Resolution 138, a concurrent resolution expressing the sense of the Congress with respect to Farm Credit System agricultural loan restructuring.

SENATE RESOLUTION 400

At the request of Mr. ROTH, the names of the Senator from Michigan [Mr. LEVIN] and the Senator from Nevada [Mr. HECHT] were added as cosponsors of Senate Resolution 400 a Resolution to retain current tax treatment of Individual Retirement account.

The following additional cosponsors were added on May 20, 1986:

S. 519

At the request of Mr. EVANS, the names of the Senator from Florida [Mrs. HAWKINS] and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S. 519, a bill to require a study of the compensation and related systems in executive agencies, and for other purposes.

S. 1223

At the request of Mr. ARMSTRONG, the name of the Senator from New Hampshire [Mr. HUMPHREY] was added as a cosponsor of S. 1223, a bill to authorize the erection of a memorial on Federal land in the District of Columbia or its environs to honor members of the Armed Forces of the United States who served in the Korean war.

S. 1965

At the request of Mr. STAFFORD, the name of the Senator from Florida [Mr. CHILES] was added as a cosponsor of S. 1965, a bill to reauthorize and revise the Higher Education Act of 1984, and for other purposes.

S. 2103

At the request of Mr. MCCLURE, the names of the Senator from Nevada [Mr. LAXALT], the Senator from Nevada [Mr. HECHT], and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of S. 2103, a bill to clarify the application of the Clayton Act with respect to rates, charges, or premiums filed with State insurance departments or agencies.

S. 2206

At the request of Mr. NICKLES, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 2206, a bill to amend the Internal Revenue Code of 1954 to repeal the windfall profit tax on crude oil.

S. 2256

At the request of Mr. QUAYLE, the name of the Senator from Idaho [Mr. MCCLURE] was added as a cosponsor of S. 2256, a bill to amend the Bilingual Education Act to make Federal financial assistance available for children of limited English proficiency without mandating a specific method of instruction, to encourage innovation at the State and local level through greater administrative flexibility, to improve program operations at the Federal level, and for other purposes.

S. 2270

At the request of Mr. SIMON, the name of the Senator from Alabama [Mr. DENTON] was added as a cosponsor of S. 2270, a bill to amend the Immigration and Nationality Act to deter immigration-related marriage fraud and other immigration fraud.

S. 2294

At the request of Mr. WEICKER, the name of the Senator from Maryland

[Mr. MATHIAS] was added as a cosponsor of S. 2294, a bill to reauthorize certain programs under the Education of the Handicapped Act, to authorize an early intervention program for handicapped infants, and for other purposes.

S. 2331

At the request of Mr. BUMPERS, his name was added as a cosponsor of S. 2331, a bill to amend title XVIII of the Social Security Act to assure the quality of inpatient hospital services and post-hospital services furnished under the medicare program, and for other purposes.

S. 2411

At the request of Mr. D'AMATO, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 2411, a bill to prohibit possession, manufacture, sale, importation, and mailing of ballistic knives.

S. 2444

At the request of Mrs. HAWKINS, the names of the Senator from Ohio [Mr. METZENBAUM] and the Senator from Wyoming [Mr. WALLOP] were added as cosponsors of S. 2444, a bill to reauthorize the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, the Community Service Block Grant Act, the dependent care State grant program, and for other purposes.

S. 2451

At the request of Mr. MELCHER, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 2451, a bill to provide for entry into the United States of sugar only from friendly developing countries, to provide for entry of sugar from the Philippines on at least as favorable terms as sugar from any other country, and for other purposes.

SENATE JOINT RESOLUTION 274

At the request of Mr. GRASSLEY, the names of the Senator from Hawaii [Mr. INOUYE], the Senator from Virginia [Mr. TRIBLE], the Senator from Ohio [Mr. METZENBAUM], the Senator from Missouri [Mr. EAGLETON], the Senator from South Dakota [Mr. ABDNOR], the Senator from Arkansas [Mr. PRYOR], and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of Senate Joint Resolution 274, a joint resolution to designate the weekend of August 1, 1986, through August 3, 1986, as "National Family Reunion Weekend".

SENATE JOINT RESOLUTION 305

At the request of Mr. SIMON, the names of the Senator from Vermont [Mr. LEAHY], the Senator from South Dakota [Mr. PRESSLER], the Senator from South Carolina [Mr. HOLLINGS], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of Senate Joint Resolution 305, a joint resolution to designate the week of April 27, 1986, through May 3, 1986, as "National Arts in the Schools Week".

SENATE JOINT RESOLUTION 314

At the request of Mr. QUAYLE, the name of the Senator from Indiana [Mr. LUGAR], the Senator from Tennessee [Mr. GORE], the Senator from Arkansas [Mr. BUMPERS], and the Senator from Arkansas [Mr. PRYOR] were added as cosponsors of Senate Joint Resolution 314, a joint resolution to designate the week beginning July 27, 1986, as "National Nuclear Medicine Week".

SENATE JOINT RESOLUTION 326

At the request of Mr. WALLOP, the name of the Senator from Delaware [Mr. ROTH], was added as a cosponsor of Senate Joint Resolution 326, a joint resolution proclaim May 21, 1986, as "Andrei Sakharov Honor and Freedom Day".

SENATE JOINT RESOLUTION 339

At the request of Mr. HATCH, the name of the Senator from Florida Mrs. HAWKINS], the Senator from Oklahoma [Mr. NICKLES], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Louisiana [Mr. LONG], the Senator from Georgia [Mr. NUNN], the Senator from Michigan [Mr. RIEGLE], the Senator from New Hempshire [Mr. HUMPHERY], the Senator from North Dakota [Mr. ANDREWS], the Senator from North Dakota [Mr. BURDICK], and the Senator from Kansas [Mr. DOLE] were added as cosponsors of Senate Joint Resolution 339, a joint resolution to designate the week of November 30, 1986, through December 6, 1986, as "National Home Care Week.

SENATE JOINT RESOLUTION 347

At the request of Mr. LEVIN, the names of the Senator from Pennsylvania [Mr. HEINZ], the Senator from Rhode Island [Mr. PELL], the Senator from ALaska [Mr. MURKOWSKI], the Senator from Pennsylvania [Mr. SPECTER], and the Senator from Maine [Mr. COHEN], were added as cosponsors of Senate Joint Resolution 347, a joint resolution to designate the week of May 19, 1986, through May 24, 1986, as "National Homelessness Awareness Week".

SENATE JOINT RESOLUTION 349

At the request of Mr. MOYNIHAN, his name was added as a cosponsor of Senate Joint Resolution 349, a joint resolution to designate the week of May 25, 1986, through May 31, 1986, as "Critical Care Week".

SENATE RESOLUTION 407

At the request of Mr. CRANSTON, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of Senate Resolution 407, a resolution to express the sense of the Senate in support of a tax differential for long-term capital gains.

SENATE CONCURRENT RESOLUTION 141—RELATING TO ETHNIC REPRESENTATION IN AWARDING OF STATUE OF LIBERTY MEDALS

Mr. DECONCINI submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

SENATE CONCURRENT RESOLUTION 141

Whereas the Statue of Liberty Commission has announced its list of twelve foreign born Americans to be honored for their contributions to the United States at the Fourth of July national celebration of the Centennial of the Statue of Liberty;

Whereas representatives from major and important ethnic organizations were omitted from the list of honorees including Italian, Irish, Polish, Greek Americans, and many others;

Whereas this omission constitutes a tragic oversight of the contributions made by each of these ethnic groups to our Nation's history;

Whereas this omission constitutes a grave injustice to these ethnic groups compounded by the fact that the celebrations are being conducted at the Statue of Liberty and Ellis Island where so many millions of immigrants first touched American soil;

Whereas the twelve honorees selected only comprise 20 per centum of all ethnic Americans in the United States; and

Whereas numerous ethnic organizations have registered strong protests with the Statue of Liberty Commission: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it hereby expresses its profound opposition to the omission of important ethnic organizations from the list of foreign born Americans to be honored at the Statue of Liberty Centennial celebration, the Senate further urges the Statue of Liberty Commission and or the President to expand the list of honorees to guarantee representation by all ethnic American organizations whose contributions to our Nation deserve full and appropriate recognition.

● Mr. DECONCINI. Mr. President, I rise today to submit a concurrent resolution concerning the omission of major ethnic groups from those receiving medals during the Statue of Liberty Centennial celebration. Twelve foreign-born Americans are being recognized by the Statue of Liberty Commission at the celebration over the Fourth of July. These 12 represent only 20 percent of ethnic Americans. This legislation calls for the expansion of that list of 12 to guarantee full representation of all ethnic American organizations whose contributions to our Nation deserve full and appropriate recognition.

Congressman BIAGGI of New York, who has been a strong leader in ethnic affairs, has introduced identical legislation in the House of Representatives.●

SENATE CONCURRENT RESOLUTION 142—AUTHORIZING A TECHNICAL CORRECTION IN THE ENROLLMENT OF H.R. 2672

Mr. DOLE (for Mr. ROTH, for himself, Mr. STEVENS, and Mr. EAGLETON) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 142

Resolved by the Senate (the House of Representatives concurring), That, in the enrollment of the bill (H.R. 2672) to amend title 5, United States Code, to establish a new retirement and disability plan for Federal employees, postal employees, and Members of Congress, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(a) At the end of section 8432(b) of title 5, United States Code (as added by section 101(a) of the bill) insert the following new paragraph (4):

"(4) Notwithstanding paragraph (2)(A), an employee or Member who is an employee or Member on January 1, 1987, and has creditable service described in section 8411(b)(2) of this title may make the first election for the purpose of subsection (a) during the election period prescribed for such purpose by the Executive Director. The Executive Director shall prescribe an election period for such purpose which shall commence on January 1, 1987. An election by such an employee or Member during that election period shall be effective on the first day of the employee's or Member's first pay period which begins after the last day of that election period.

(b) In section 702(b)(4) of the bill, strike "401" and insert in lieu thereof "701".

AMENDMENTS SUBMITTED

PRODUCT LIABILITY VOLUNTARY CLAIMS AND UNIFORM STANDARD ACT

GORTON AMENDMENT NO. 1968

(Ordered referred to the Committee on Commerce, Science, and Transportation)

Mr. GORTON submitted an amendment intended to be proposed by him to amendment (No. 1951) submitted by Mr. DANFORTH (for himself and Mr. DODD) to the bill (S. 1999) to regulate interstate commerce by providing for a uniform product liability law, and for other purposes; as follows:

TITLE I

SHORT TITLE

SEC. 101. This Act may be cited as the "Federal Product Liability Reform Act".

DEFINITIONS

SEC. 102. As used in this Act—

(1) "Class I non-economic loss" means non-economic loss consisting of pain and suffering or mental anguish associated with (A) the death of a parent, child or spouse, or (B) permanent disfigurement or permanent total or partial loss of a body part or function of the plaintiff;

(2) "Class II non-economic loss" means non-economic loss consisting of all non-economic loss other than Class I non-economic loss which is compensable under State law;

(3) "collateral benefits" means all benefits and advantages received or entitled to be received (regardless of any right any other person has or is entitled to assert for recoupment through subrogation, trust agreement, lien, or otherwise) by any person harmed or by any other person as reimbursement of loss because of harm to person or property payable or required to be paid, under—

(A) any Federal law or the laws of any State (other than through a claim for breach of an obligation or duty); or

(B) any life, health or accident insurance or plan, wage or salary continuation plan, or disability income or replacement service insurance or any benefit received or to be received as a result of participation in any pre-paid medical plan or Health Maintenance Organization;

(4) "commerce" means trade, traffic, commerce, or transportation (A) among the several States, between any foreign country or any territory or possession and any State or between points in the same State but through any other State or a foreign country; or (B) which affects trade, traffic, commerce or transportation described in clause (A);

(5) "economic loss" means any pecuniary loss resulting from harm which is allowed under State law;

(6) "harm" means any harm recognized under the law of the State in which the action is maintained, other than loss or damage caused to a product itself, or commercial loss, with respect to which recovery is available under the commercial or contract law of the State;

(7) "manufacturer" means (A) any person who is engaged in a business to design or formulate or to produce, create, make, assemble or construct any product (or component part of a product); (B) a product seller with respect to all aspects of a product (or component part thereof) which are created or affected when, before placing the product in the stream of commerce, the product seller designs or formulates, or produces, creates, makes, assembles or constructs an aspect of a product (or component part thereof) made by another; and (C) any product seller not described in clause (B) which holds itself out as a manufacturer to the user or consumer of the product;

(8) "net economic loss" means loss consisting of economic loss less collateral benefits;

(9) "non-economic loss" means loss caused by a product other than economic loss;

(10) "plaintiff" means any person who brings a civil action under title II of this Act, and if such an action or claim is brought through or on behalf of an estate, the term includes the plaintiff's decedent, or if such an action or claim is brought through or on behalf of a minor, the term includes the minor's parent or guardian;

(11) "product" means any object, substance, mixture or raw material in a gaseous, liquid or solid state which is capable of delivery itself, or as an assembled whole in a mixed or combined state or as a component part or ingredient, which is produced for introduction into trade or commerce, which has intrinsic economic value, and which is intended for sale or lease to persons for commercial or personal use; "product" does not include (A) human tissue, blood, or organs unless specifically recognized as a product pursuant to State law; or (B) a product used in the course of any trade or business which has been discarded, abandoned, or disposed of by such trade or business, unless such product is one which is customarily produced or distributed for sale, consumption or use, or is customarily stored by individuals, in or about an office or the household;

(12) "product seller" means a person who, in the course of a business conducted for that purpose, sells, distributes, leases, labels, or markets, or repairs or maintains (to the extent such repair or maintenance is alleged to have caused or contributed to any harm), or otherwise is directly involved in placing a product in the stream of commerce; "product seller" does not include—

(A) a seller of real property other than a builder or contractor;

(B) a provider of professional services in any case in which the sale or use of a product is incidental to the transaction and the essence of the transaction is the furnishing of judgment or skill; or

(C) any person who acts in only a financial capacity with respect to the sale or lease of a product;

(13) "product user" means any person who owns, leases, operates, uses, or has control of a product;

(14) "property damage" means damage to any person's property, without regard to whether the person was harmed;

(15) "sale" means any change in ownership of a product, any intentional relinquishment of control of a product, and any lease of a product; "sale" includes any temporary transfer of control of a product in contemplation of the sale or lease of the product; and

(16) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States, or any political subdivision of any State.

PREEMPTION OF OTHER LAWS

SEC. 103. (a) This Act governs any civil action for harm caused by a product, including any action which is based on: (1) strict or absolute liability in tort; (2) negligence or gross negligence; (3) breach of express or implied warranty; (4) failure to discharge a duty to warn or instruct; or (5) any other theory that is the basis for an award for damages for harm caused by a product.

(b) A civil action for loss or damage caused to a product itself or for commercial loss with respect to which recovery is available under the commercial or contract law of the State is not subject to the provisions of this Act, and shall be governed by applicable commercial or contract law.

(c)(1) This Act supersedes any State law regarding recovery for any harm caused by a product to the extent that this Act establishes a rule of law applicable to any action for such recovery. Any issue arising under title III of this Act that is not governed by any such rule of law shall be governed by applicable State law. This Act shall not be construed to waive or affect any defense of sovereign immunity asserted by any State under any provision of law.

(2) Nothing in this Act shall be construed to supersede any Federal law, except the Federal Employees Compensation Act.

(3) Nothing in this Act shall be construed to waive or affect any defense of sovereign immunity asserted by the United States.

(4) Nothing in this Act shall be construed to affect the applicability of any provision

of the Foreign Sovereign Immunities Act of 1976 (28 U.S.C. 1602 et seq.).

ATTORNEY'S FEES

SEC. 104. For purposes of sections 201, 202 or 203 of this Act, attorney's fees shall be calculated on the basis of an hourly rate which should not exceed that which is considered acceptable in the community in which the attorney practices, considering the attorney's qualifications and experience and the complexity of the case.

MANNER OF PAYMENT OF NET ECONOMIC LOSS

SEC. 105. Any tender of relief under section 201 of this Act, or any settlement under the settlement proceedings initiated under section 202 of this Act, may be made by—

(1) the payment of net economic loss previously incurred, non-economic damages, and an enforceable promise to pay future otherwise uncompensated net economic loss as it is incurred;

(2) an agreement to pay net economic loss by means of an annuity; or

(3) payment of a lump sum.

TREATMENT OF NET ECONOMIC LOSS FOR TAX PURPOSES

SEC. 106. Nothing in this Act shall be construed to render benefits tendered for net economic loss includable as gross income for the purposes of section 61 of the Internal Revenue Code of 1954.

APPLICABILITY OF THIS ACT TO CERTAIN CIVIL ACTIONS

SEC. 107. For purposes of this Act, a civil action for harm caused by a product which is part of an indivisible claim and which is brought against a person other than a manufacturer or product seller is subject to this Act if and only if the manufacturer or product seller is also a defendant in such action.

SEVERABILITY

SEC. 108. If any provision of this Act or the application of it to any person or circumstance is held invalid, the remainder of this Act and the application of the provision to any other person or circumstance shall not be affected by that invalidation.

EFFECTIVE DATE

SEC. 109. (a) This Act shall be effective 90 days after the date of its enactment. In accordance with section 208 of this Act, this Act shall apply to all civil actions or claims commenced or brought on or after that date, regardless of whether the conduct which caused the harm, or the exposure to the product which caused the harm, occurred before the effective date.

(b) If any provision of this Act would shorten the period during which a manufacturer or seller is exposed to liability under this Act, the plaintiff may, notwithstanding the otherwise applicable time period in section 208 of this Act, bring such action or claim within 1 year after the effective date of this Act.

TITLE II

PRODUCT LIABILITY ACTION

SEC. 201. (a) Any plaintiff may bring a civil action for damages against a person for harm caused by a product pursuant to applicable State law, except to the extent such law is superseded by this title.

(b)(1) Any plaintiff may, in addition to any claim for relief made in accordance with State law, include in such plaintiff's complaint a claim for relief for such plaintiff's net economic loss, together with Class I non-economic loss not greater than $250,000 and reasonable attorney's fees.

(2) Any plaintiff alleging harm caused by exposure to an product in the plaintiff's workplace may include in such plaintiff's complaint a claim for the relief specified in paragraph (1) of this subsection or a claim solely for the plaintiff's net economic loss and reasonable attorney's fees.

(c) If the plaintiff's complaint does not include a claim for relief as set forth in subsection (b) of this section, the defendant may tender the relief set forth in subsection (B)(1) of this section to the plaintiff within 60 days after service of the plaintiff's complaint or within the time permitted pursuant to State law for a responsive pleading, whichever is longer, except that if such pleading includes a motion to dismiss in accordance with applicable law, the defendant may tender such relief to the plaintiff within 10 days after the court's determination regarding such motion.

(d) In any case where an offer is made pursuant to subsections (b) or (c) of this section, the parties shall proceed in accordance with section 202 of this title.

(e) In any case in which a claim is made pursuant to subsection (b) of this section or a tender of relief is made pursuant to subsection (c) of this section, the court may, upon motion made prior to the expiration of the applicable period for response, enter an order extending such period. Any such order shall contain a schedule for discovery of evidence material to the issue of the appropriate amount of relief, and shall not extend such period for more than 60 days. Any such motion shall be accompanied by a supporting affidavit of the moving party setting forth the reasons why such extension is necessary to promote the interests of justice and stating that the information likely to be discovered is material, and is not, after reasonable inquiry, otherwise available to the moving party.

SETTLEMENT PROCESS

SEC. 202. (a) within the period for response permitted in section 203 of this title, the offeree of an offer to tender or accept relief under section 201 of this title shall either accept such offer (in which case the judge shall dismiss the action with prejudice) or shall file with the court the offeree's alternative proposal of relief, together with affidavits and evidence to support such proposal. At the time of such filing, the offeree shall serve on the offeror a copy of such filing and all materials filed with the court under this subsection.

(b) Within 5 days after receiving notice from an offeree under subsection (a) of this section, the offeror shall file with the court a copy of the offeror's original offer under this title, together with affidavits and evidence to support such offer to tender or accept relief. At the time of such filing, the offeror shall serve on the offeree a copy of such filing and all materials filed with the court under this subsection.

(c) The court may provide the opportunity for the offeror and offeree to offer oral evidence regarding the amount of such damages or other evidence regarding the amount of such damages or other evidence submitted under this section.

(d) Within 20 days after an offer is filed under subsection (b) of this section, the court shall, on the basis of which offer will provide the appropriate amount of damages, as to each element of damages and attorney's fees, select either the offeree's proposal or the offeror's proposal, and shall enter judgment accordingly.

(e) A determination by the court of the appropriate amount of damages and reasonable attorney's fees under subsection (d) of this section shall not be subject to review in any court. Nothing in this subsection shall be construed to prevent the offeree from proceeding with a civil action under this title after the date on which such determination is made in accordance with the limitations specified in section 203 of this title.

FAILURE TO TENDER RELIEF

SEC. 203. (a)(1) If the defendant, as offeree, does not tender in a timely manner the relief pleaded in accordance with section 201(b)(1) of this title or fails to act in accordance with the court's determination under section 202 of this title, and the plaintiff prevails in such action, the court shall enter judgment against the defendant and shall include in such judgment interest from the date of the decision of the court under section 202 of this title, together with reasonable attorney's fees and costs. Such fees shall be offset against any fees owned by the plaintiff to the plaintiff's attorney by reason of the verdict.

(2) The court shall enter judgment in accordance with paragraph (1) of this subsection unless the court determines that the defendant was reasonable in not tendering relief to the plaintiff in accordance with this section or in failing to act in accordance with the court's determination under section 202 of this title, because (A) the case presented an unsettled or novel, but credible, question of law, or (B) there existed a genuine question of fact material to a determination of liability.

(3) For purposes of this subsection, a plaintiff shall be considered to prevail in such action if the defendant is found liable to the plaintiff for any claim included in the plaintiff's complaint in an amount greater than 50 percent of the amount of the court's determination under section 202 of this title.

(b) If the defendant does not tender in a timely manner to the plaintiff the relief pleaded in accordance with section 201(b)(2) of this title, there is created a presumption, rebuttable by a preponderance of the evidence, that the product caused the plaintiff's harm, if the plaintiff introduces evidence sufficent to show that—

(1) the plaintiff was exposed to the product in the plaintiff's workplace;

(2) there exists a reasonable likelihood that exposure to such substance causes or significantly contributes to the alleged illness or disease; and

(3) there is a reasonable likelihood that the quantity or duration of the plaintiff's exposure significantly contributed to the harm of which the plaintiff complains.

(c)(1) If the plaintiff, as offeree, does not accept in a timely manner the relief tendered in accordance with section 201(c) of this title or the finding of the court under section 202 of this title is rejected by the plaintiff, no damages for Class II non-economic loss or for Class I non-economic loss in excess of $250,000 and no punitive damages may be assessed against such defendant with respect to liability for a defect in design or a failure to warn or instruct which is established on a theory which is based on the condition of the product rather than the conduct of the defendant.

(2) In any such action, any damages for economic loss awarded at trial shall be limited to damages for the plaintiff's net economic loss.

(d) For purposes of this action, "in a timely manner" means—

(1) in any case where the plaintiff is the offeree, 60 days after service of notice of a

claim or 10 days after the court's determination under section 202 of this title; and

(2) in any case where the defendant is the offeree, 60 days after service of notice of a claim or within the time permitted pursuant to state law for a responsive pleading, whichever is longer (except that if such pleading includes a motion to dismiss in accordance with applicable law, the defendant may tender such relief to the plaintiff within 10 days after the court's determination regarding such motion), or 10 days after the court's determination under section 202 of this title.

JURISDICTION OF FEDERAL COURTS

SEC. 204. The district courts of the United States shall not have jurisdiction over any civil action subject to the provisions of this title, based on sections 1331 or 1337 of title 28, United States Code.

JURISDICTION AND VENUE

SEC. 205. (a) Under this title, a civil action may be brought in a State court in the State in which the defendant resides or has its principal place of business, in which the harm which is the subject of the action occurred, in which the product was sold to the plaintiff, or in which the plaintiff resides if the defendant is doing business in that State. For the purposes of this section, harm which is incurred due to prolonged or repeated exposure to a product or which remains latent for a period following exposure to the product is presumed to occur in any State in which any such exposure occurred or in which the plaintiff resided during such period.

(b) The summons and complaint in such an action shall be served as provided by the law of the State in which the action is brought, except that the delivery of the summons and complaint to the defendant or the defendant's agent as required by the law of such State may be made by certified mail beyond the territorial limits of the State in which the action is brought.

FORUM NON CONVENIENCE

SEC. 206. Any court in which an action is commenced under this title shall decline to exercise jurisdiction over the claim if the court determines that the convenience of the parties and the interests of justice dictate that the action should proceed in another State or foreign jurisdiction. In any action maintained by a citizen of a foreign jurisdiction which arises out of a transaction which occurred in a foreign jurisdiction, there is created a presumption, rebuttable by clear and convincing evidence, that the action should proceed in a foreign jurisdiction.

CHOICE OF LAW

SEC. 207. In any civil action subject to the provisions of this title, the law to be applied to the action, except as otherwise specifically provided in this title, is the law of the State in which the action is maintained, except that no State law regarding the choice-of-law shall apply, and except that, in any action consolidated for trial pursuant to the provisions of section 1407 of title 28, United States Code, the law to be applied shall be the law of the State in which the district court of the United States is located.

LIMITATION OF ACTIONS

SEC. 208. Notwithstanding the law of any State, a civil action subject to the provisions of this title shall be barred unless the complaint is served and filed within 3 years of the time in which the plaintiff discovered or, in the exercise of reasonable diligence, should have discovered the harm and its cause, except that any such action of a person under legal disability may be commenced within 3 years after the disability ceases. If the commencement of such an action is stayed or enjoined, the running of the statute of limitations under this section shall be suspended for the period of the stay or injunction.

JOINT AND SEVERAL LIABILITY

SEC. 209. (a) If more than one person is liable to a plaintiff on an indivisible claim for the same harm, the liability of such persons shall be joint and several, except that—

(1) the liability on any such claim of a defendant who, in accordance with section 201 of this title, tendered relief which has been accepted or settled in accordance with section 202 of this title shall not be joint and several; and

(2) the liability of a defendant who, in accordance with section 201 of this title, tendered relief which has not been accepted shall not be joint and several, except that the defendant's liability shall be joint and several only to the extent of the net economic loss of the plaintiff.

(b) A right of contribution exists between or among two or more persons who are jointly and severally liable upon the same indivisible claim for the same harm, without regard to whether judgment has been recovered against all or any of such persons. Such right of contribution may be enforced either in the original action or by a separate action brought for that purpose. The basis for contribution among such liable person is the comparative responsibility of each such person, except that the court may determine that two or more persons are to be treated as a single person for purposes of contribution.

(c) If the comparative responsibility of the parties jointly responsible for the same harm to the plaintiff has been established by the court in the original action, to the extent that any party is liable to the plaintiff for a sum in addition to its percentage of responsibility pursuant to subsection (a) of this section, such sum shall be reduced by any collateral benefits of the plaintiff.

(d) The contributory negligence of an employer shall constitute a bar to any right of subrogation under a worker's compensation statute, or similar statute, of a State against a manufacturer or product seller for harm caused to an employee.

ADMISSIBLE EVIDENCE

SEC. 210. (a)(1) All relevant evidence is admissible in any civil action brought under this title, except as otherwise provided by the Constitution of the United States, Act of Congress, or any other rule prescribed by the Supreme Court of the United States pursuant to statutory authority, or, with respect to any section based on section 1332 of title 28, United States Code, by the Federal Rules of Evidence. Evidence which is not relevant is not admissible in any such action.

(2) Evidence which is relevant may be excluded in any civil action brought under this title if its probative value is substantially outweighed by the danger of unfair prejudice, confusion of the issues, or misleading the jury, or by considerations of undue delay, waste of time, or needless presentation of cumulative evidence.

(3) As used in this subsection, "relevant evidence" means evidence having any tendency to make the existence of any fact that is of consequence to the determination of the action more probable or less probable than it would be without such evidence.

(b) Evidence of measures taken after an event, which if taken previously would have made the vent less likely to occur, is not admissible to prove liability in any action subject to this title, in connection with the event. This section does not require the exclusion of evidence of subsequent measures when offered for another purpose, such as proving ownership, control, or feasibility of precautionary measures, if controverted, or impeachment.

(c) If the defendant has tendered relief in accordance with section 201(c) of this title and the plaintiff refuses to accept such tender, evidence of such refusal is admissible in any civil action brought under this title.

UNIFORM STANDARDS OF PRODUCT SELLER LIABILITY

SEC. 211. (a) Notwithstanding any other provision of this Act, in any civil action for harm caused by a product, a product seller other than a manfacturer is liable to a plaintiff, only if the plaintiff establishes by a preponderance of the evidence that—

(1)(A) the individual product unit which allegedly caused the harm complained of was sold by the defendant, (B) the product seller failed to exercise reasonable care with respect to the product, and (C) such failure to exercise reasonable care was a proximate cause of the plaintiff's harm; or

(2)(A) the product seller made an express warranty, independent of any express warranty made by a manufacturer as to the same product, (B) the product failed to conform to the warranty, and (C) the failure of the product to conform to the warranty caused the plaintiff's harm.

(b)(1) In determining whether a product seller is subject to liability under subsection (a)(1) of this section, the trier of fact may consider the effect of the conduct of the seller with respect to the construction, inspection, or condition of the product, and any failure of the seller to pass on adequate warnings or instructions from the product's manufacturer about the dangers and proper use of the product.

(2) A product seller shall not be liable in a civil action subject to the provisions of this title based upon an alleged failure to provide warnings or instructions unless the plaintiff establishes that, when the product left the possession and control of the product seller, the product seller failed—

(A) to provide to the person to whom the product seller relinquished possession and control of the product any pamphlets, booklets, labels, inserts, or other written warnings or instructions received while the product was in the product seller's possession and control; or

(B) to make reasonable efforts to provide users with those warnings and instructions which it received after the product left its possession and control.

(3) A product seller shall not be liable in a civil action subject to the provisions of this title except for breach of express warranty where there was no responsible opportunity to inspect the product in a manner which would or should, in the exercise of reasonable care, have revealed the aspect of the product which allegedly caused the plaintiff's harm.

(c) A product seller shall be treated as the manufacturer of a product and shall be liable for harm to the plaintiff caused by a product as if it were the manufacturer of the product if—

(1) the manufacturer is not subject to service of process under the laws of any

State in which the action might have been brought; or

(2) the court determines that the plaintiff would be unable to enforce a judgment against the manufacturer.

TIME LIMITATION ON LIABILITY

SEC. 212. (a) Except as provided in subsection (b) of this section, a manufacturer or product seller shall not be subject to liability to a plaintiff for harm caused by a product in any action subject to the provisions of this title if the manufacturer proves, by a preponderance of the evidence, that the harm was caused after the product's useful safe life.

(b) A manufacturer or product seller may be subject to liability for harm caused by a product after its useful safe life if—

(1) the manufacturer has warranted that the product can be utilized safely for a time longer than the useful safe life;

(2) the manufacturer intentionally misrepresents facts about the product or intentionally conceals information about the product and that concealment was the proximate cause of the plaintiff's harm; or

(3) the harm was caused by exposure to a product, which exposure first occurred within the useful safe life of the product, even though the harm did not manifest itself until after the useful safe life.

(c)(1) In any action brought under this title, there is a presumption that the harm was caused after the useful safe life of the product—

(A) if, in the case of a capital good, the harm was caused more than 25 years after the time of the first use of the product or, if the time of the first use of the product cannot be established, more than 25 years after the time of delivery of the product; and

(B) if, in the case of any other product, the harm was caused more than 12 years after the time of delivery of the product.

Such presumption may be rebutted by a preponderance of the evidence.

(2) As used in this subsection, "capital good" means any product, or any component of any such product, which is of a character subject to allowance for depreciation under the Inernal Revenue Code of 1954, and which was—

(A) used in a trade or business;

(B) held for the production of income; or

(C) sold or donated to a governmental or private entity for the production of goods, for training, for demonstration, or other similar purposes.

(d) A motor vehicle, or a vessel, aircraft, or railroad used primarily to transport passengers, shall not be subject to the provisions of this section.

(e) As used in this section—

(1) "time of delivery" means the time when a product is delivered to its first purchaser or lessee who was not involved in the business of manufacturing of selling such product or using it as a component part of another product to be sold; and

(2) a product's "useful safe lift" begins at the time of the first use of the product following delivery and extends for the time during which the product would normally be likely to perform or be stored, or both, in a safe manner.

CLAIM WHEN MANUFACTURER OR PRODUCT SELLER UNKNOWN

SEC. 213. (a)(1) Any person seeking to recover under this title for toxic harm may, where it is not possible for such person, despite every reasonable effort, to identify the manufacturer of the individual product unit that caused the harm, bring a civil action in accordance with the provisions of this title against any manufacturer of a product that is identical and chemically indistinguishable from the product which caused the harm if that manufacturer's product was available at the time when, and in the market in which, the product that caused the harm was purchased. Any such manufacturer is liable for the full measure of any damages to which the plaintiff would otherwise be entitled under State law or this Act, or both, notwithstanding the fact that the plaintiff is unable to prove that the manufacturer against whom the claim is made was the manufacturer of the particular product which caused the plaintiff's harm.

(2) Any manufacturer or product seller who is able to establish, by a preponderance of the evidence, (A) the identity of the manufacturer or product seller of the particular product which caused the plaintiff's harm, or (B) that the manufacturer, as a matter of fact, could not have made the product which caused the plaintiff's harm, is not liable for such harm. Evidence that the manfaucturer did not distribute its product in the plaintiff's local market shall not be admissible under this paragraph.

(b) Any manufacturer or product seller who is liable to a plaintiff pursuant to this section or who tenders relief to a plaintiff in accordance with section 201 of this title shall be entitled to recover from any other manufacturer or product seller who had any share of the national market for the product which caused the plaintiff's harm, if the product of that manufacturer or product seiler was available when, and in the market in which, the product that caused the harm was purchased. Such recovery shall be in an amount equal to that percentage of the relief paid to the plaintiff which represents such other manufacturer's or product seller's share of the national market at the time the harm occurred or at the time of the exposure to the product. Any manufacturer or product seller who tenders relief to a plaintiff in accordance with section 201 of this title or who is liable to a plaintiff pursuant to this section may proceed directly against any other manufacturer or product seller pursuant to this title as if such manufacturer or product seller is a plaintiff.

PUNITIVE DAMAGES

SEC. 214. (a)(1) A claim for punitive damages made against a defendant in any action shall be tried separately. Punitive damages may only be awarded after a finding of liability against the defendant.

(2) In a trial of a claim for punitive damages, evidence of previous punitive damage awards against the defendant for the same alleged conduct shall be admissible only if such evidence is introduced by the defendant.

(b)(1) In any case in which the defendant has offered to tender relief pursuant to section 201 of this title, punitive damages, if otherwise permitted by State law, shall be awarded only if the plaintiff establishes by clear and convincing evidence that the harm suffered was the result of conduct manifesting a conscious, flagrant indifference to the safety of those persons who might be harmed by a product. The mere failure to exercise reasonable care in choosing among alternative product designs, formulations, instructions or warnings is not of itself such conduct. Except as provided in subsection (c) of this section, punitive damages may not be awarded in the absence of a compensatory award.

(2) When more than one action is pending for harm caused by a product and the provisions of paragraph (1) apply because the defendant has offered to tender relief pursuant to section 201 of this title, all such actions may be removed to the appropriate district court of the United States and consolidated on the issue of punitive damages pursuant to sections 1407 and 1441 of title 28, United States Code, notwithstanding the lack of diversity of citizenship between the parties in any such action.

(c) In any civil action in which the alleged harm to the plaintiff is death and the applicable State law provides, or has been construed to provide, for damages only punitive in nature, the provisions of subsection (b) of this section shall not apply.

RECORD RETENTION

SEC. 215. (a) Any plaintiff and any person who is a party to a civil action governed by this Act or who has notice that he or she may be made a party to such an action shall retain all material, documents and other data (including, in the case of the plaintiff, the product alleged to have caused the plaintiff's harm) within that person's possession, custody or control that are relevant or may lead to the discovery of evidence relevant to the claim or action.

(b) In any action governed by this Act, if the court determines that a party has willfully disposed of, destroyed, concealed, altered or removed any material, document or data in violation of subsection (a) of this section or any State or Federal rule, regulation, or statute requiring the retention of such material, document or data, there shall be a rebuttable presumption that the facts to which the material, document or data relate are established in a manner adverse to the position of the party who has committed the violation. The court shall assess a civil penalty against such party in an appropriate amount not less than $1,000 and order such party to pay the other party's costs, including reasonable attorney's fees, incurred in proving the violation.

(c) In any action governed by this Act, if the court determines that a party has nonwillfully violated subsection (a) of this section or any State or Federal rule, regulation, or statute requiring the retention of such material, document or data, and that no other means are available to establish the facts to which the unavailable material, document or data relate, the court may, in the interest of justice, establish a rebuttable presumption that the facts to which the material, document or data relate are, for the purposes of such action, established in a manner adverse to the party who has committed the violation.

COUNSEL'S LIABILITY FOR EXCESSIVE COSTS

SEC. 216. (a) In the case of any civil action under this title, any attorney or other person who is admitted to conduct cases in any court of the State in which such civil action is pending and whose conduct in the course of such action is calculated to delay resolution of the action, or is determined by the court (after consideration of the circumstances) not be in good faith, shall be subject to pecuniary sanctions to be imposed by the court. Any such sanction shall be equal to an amount not less than the total amount of court costs, fees, and expenses (including attorney's fees) reasonably attributable to the conduct.

(b) Nothwithstanding any other provision of law, if the court finds that a civil action under this title was commenced without a good faith belief by the attorney represent-

ing the claimant in such action that there was a reasonable basis in law and in fact for recovery of damages, or that such action was commenced merely for purposes of achieving a monetary settlement where there was no reasonable prospect for an award of damages, such attorney shall be liable for costs, fees, and expenses, including attorney's fees reasonably incurred to respond to or otherwise resist such action.

(c) For purposes of this section, an attorney or other person admitted to conduct cases in any court of the State in which is pending a civil action under this title shall not be considered to have demonstrated a lack of good faith merely because such attorney or person was pursuing a novel but credible theory of liability or defense.

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that the Senate Small Business Committee will hold a field hearing on the cost and availability of liability insurance for small business on Friday, May 30, 1986, in Wausau, WI. The hearing will be held in the Branch One Courtroom of the Marathon County Courthouse. The hearing will commence at 9 a.m. For further information, please call Erline Patrick of the committee staff at 224-5175 or Steve Loucks of Senator KASTEN's office at 224-4632.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON DEFENSE ACQUISITION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Subcommittee on Defense Acquisition of the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, May 20, to hold a hearing to discuss recommendations from the President's Blue Ribbon Commission on Defense Management.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Committee on Armed Services, be authorized to meet during the session of the Senate on Tuesday, May 20, 1986, in order to conduct a business meeting on nominations, and on homeporting.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONSUMER

Mr. BOSCHWITZ. Mr. President, I ask unanimous consent that the Consumer Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Tuesday, May 20, 1986, to conduct a hearing on the pending product liability legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

VOTE "YES" ON UNITED STATES/UNITED KINGDOM EXTRADITION TREATY TO COMBAT TERRORISM

● Mr. WALLOP. Mr. President, the United States and the United Kingdom negotiated an extradition treaty almost a year ago. This treaty is an important cornerstone in the United States and Western allied effort to construct a vigorous and effective policy to combat international terrorism. The treaty now requires Senate confirmation, which should be quick and supportive.

Yet, there are those in this body who are trying to convince us that there is a difference between terrorists in Northern Ireland and terrorists elsewhere and that therefore the Senate should reject the United States/United Kingdom Supplemental Extradition Treaty. They say so because that treaty would allow the United Kingdom to seek extradition of terrorists of the outlawed Irish Republican Army [IRA].

Those who oppose this important treaty on those grounds are trying to draw a dangerous distinction between acts of terrorism by one group and acts of terrorism by other groups. This attempt to pick and choose among terrorists is not only ridiculous it is also foolhardy and doomed to failure. No war on international terrorism can succeed unless our policies are consistent and armed with as many tools as possible.

Furthermore, the United States/United Kingdom Supplemental Extradition Treaty is one we worked out with Prime Minister Margaret Thatcher, the staunchest ally the United States has in the battle against international terrorism. We must remember when we consider this treaty that it was Mrs. Thatcher and her government who strongly supported the United States in our defensive action against Libyan terrorism when no one else would do so. We must remember also, as we take up this treaty, that Mrs. Thatcher and her government supported us courageously and at considerable cost to their domestic political power.

Moreover, Prime Minister Thatcher strongly and eloquently supported the United States at the Tokyo Summit when we sought agreement on a summit seven antiterrorism policy. It was she who pointed out that there can be absolutely no justification whatsoever for terrorism anywhere at any time by any group. I agree entirely.

Mr. President, there can and should be no quibbling over a consistent, united front against international terrorism. I strongly support the United States/United Kingdom Extradition Treaty as a new weapon in the arsenal against international terrorism and I urge my colleagues to vote for it. I ask that the following article on that treaty and its role as a weapon against terrorism be printed in the RECORD.

The article follows:

THE UNITED STATES-UNITED KINGDOM EXTRADITION TREATY: NEW WEAPON AGAINST TERRORISM

(By Juliana Geran Pilon, Ph.D., Senior Policy Analyst)

The Supplementary Extradition Treaty between the U.S. and the United Kingdom was signed by both countries on June 25, 1985. It now requires confirmation by the U.S. Senate. The goal of the Treaty is to enable London and Washington to be more effective in combatting terrorism by increasing the chances that if someone commits a crime in one of the countries and then flees to the other, he will be returned to the first country to stand trial. This supplementary treaty is needed because the current U.S.-U.K. extradition treaty does not cover such wanton acts of violence as hijacking and hostage taking, which had been excluded because they were viewed as politically motivated. Traditionally, the U.S. has refused to extradite those accused of political "crimes." The pending supplementary treaty deals with this by stating specifically that these crimes no longer will be treated as political, thus permitting extradition in those cases.

The new Treaty will allow the U.K. to seek extradition of terrorists of the outlawed Irish Republican Army (IRA). As such, it is a matter of great importance to London. It should also be a matter of urgency to the U.S., for it would be a major weapon against terrorism. It also would be an appropriate way for the U.S. to show its gratitude to the U.K. for being America's only European ally to help and support the U.S. retaliation against Libyan-sponsored terrorism.

The new Treaty contains four substantive articles. Article 1 states that a person should not be exempt from extradition, no matter what his motive, if he commits the following crimes: aircraft hijacking and sabotage, crimes against internationally protected persons including diplomats, hostage taking, murder and manslaughter, malicious assault, kidnapping, and specified offenses involving firearms, explosives, and serious property damage. These are not political acts, states the Treaty.

Article 2 prevents a criminal from avoiding prosecution by fleeing to a country that has a shorter statute of limitations than the country in which the crime occurred. Article 3 extends from 45 to 60 days the period, following the provisional arrest of a fugitive, that a state has to submit evidence in support of its extradition request. Article 4 states that the Treaty applies to any offense committed before or after the Treaty takes effect. This retroactive provision has been standard in U.S. treaties since at least 1874.

Some members of the Senate Foreign Relations Committee, led by Joseph R. Biden, Jr. (D-DE) are attempting to modify the proposed Treaty in a way that seriously would weaken its antiterrorist value. A Biden Amendment would exempt from extradition those accused of crimes against noncivilians including policemen and off-duty soldiers. The reasoning seems to be that attacks against noncivilians are *prima facie* a political act. Most experts question

this logic. If passed, the Biden Amendment would allow terrorists to find sanctuary in the U.S., even if they shot a British policeman.

The political status of Northern Ireland is not at issue with the new Treaty, terrorism is. CIA Director William Casey recently stated that "the terrorist's victims may have no political identity, or they may be political symbols . . . One defining characteristic of the terrorist is the choice of method: the terrorist chooses violence as the instrument of first resort."

Some critics understandably are concerned that the Treaty will set a precedent, reversing longstanding U.S. policy of refusing to be involved in overseas politically motivated civil strife. Would the U.S., for example, extradite dissidents in the future to Nicaragua or Poland, where the critical absence of any recourse to democratic channels of protest makes armed resistance a last resort? In response to this concern, State Department General Counsel Abraham Sofaer has written to Senators Richard Lugar (R-IN) and Claiborne Pell (D-RI) promising that the U.S. will sign extradition treaties only with "genuine democracies."

The U.S. was wise to negotiate and sign the Treaty. Now nearly a year has passed. It is time for the U.S. and U.K. to add the Treaty to their arsenal against terrorism.

For further information:

Uri Ra'anan et al., eds., "Hydra of Carnage" (Lexington, Massachusetts/Toronto: Lexington Books, 1986), p. 6.

Hearings before the Committee on Foreign Relations, U.S. Senate, "U.S.-U.K. Supplemental Extradition Treaty," October 22, 1985.

Abraham D. Sofaer, "The Political Offense Exception and Terrorism," U.S. Department of State, Current Policy No. 762, November 1985.●

KOREAN DEMOCRACY

● Mr. DECONCINI. Mr. President, Senator HATFIELD has brought to my attention a speech made by former President Richard Nixon on April 21 to the American Newspaper Publishers Association luncheon in San Francisco. President Nixon makes some cogent remarks on South Korea which I would like to comment upon, especially since I have introduced Senate Resolution 392, a resolution encouraging a peaceful democratic transition in this country. While the former President is insightful in his observations, such as a few I have pointed out below, I disagree with his interpretation and application of these to U.S. foreign policy. Having visited the Philippines twice last year, while there are many superficial comparisons, South Korea exhibits many of the identical rumblings.

President Nixon accurately reflects the foreign policy and geopolitical benefit of encouraging democracy:

The fact that friendly non-Communist dictatorships are the lesser of two evils does not mean that we should do nothing to bring about reform of governments which do not measure up to our standards of democracy. The interests of the people involved in getting better government demand our action. Our own interests are involved because a government which holds power as a result of a free election is a more reliable ally and is less vulnerable to Communist subversion.

This is precisely my concern about North Korea. As the United States encourages the peaceful and orderly transfer of power and the right to petition the government through this resolution, we are acting diplomatically to preclude instability and violence. The United States should use our influence to urge democratic reform in friendly and allied governments. Especially in South Korea, where a hostile Communist government is only minutes away in the north, the trend should be orderly, peaceful, and reasonable. The resolution I have introduced does not threaten South Korea with curtailment of aid or economic sanctions. To conclude, I quote from President Nixon's talk:

There is substantial opposition to the government in Korea and President Chun should stay ahead of the curve by adopting reforms voluntarily before he is forced to do so.

Domestic instability and the North Korean threat is greatly reduced by intrinsic reform. If the Chun government does not initiate reform or at least allow fundamental rights such as free speech and freedom to assemble, then this paves the way for increased violence, protest, and anti-American sentiment. This creates legitimate national security concerns for South Korea and the United States. Although there are vast differences between the Philippines and South Korea, we have learned the lessons of the strength of "people power."●

RACISM IN RUSSIA

● Mr. HATCH. Mr. President, for decades the Soviet Union has ridiculed the United States for racism in all walks of life. It should be pointed out that these allegations have been made by a nation where racism is rampant.

It is reported that one Soviet official, while visiting Washington, DC, wondered why the U.S. Government "allows so many blacks to live in the Nation's Capital."

The spring of 1986 issue of Policy Review contains an insightful article on racism in Russia by DeRoy Murdock, chairman of Free Students of America. Mr. Murdock, who is a senior at Georgetown University, is one of the bright, upcoming leaders in America. His thought-provoking article on racism deserves wide circulation.

I ask that the article be printed in the RECORD.

The article follows:

THE RED AND THE BLACK—IN THE SOVIET UNION, SOME RACES ARE MORE EQUAL THAN OTHERS

(By Deroy Murdock)

Virtually every day the Soviet press berates the United States for the rampant racism that is said to govern daily life and policymaking in America. For example, *Tass* recently noted, with characteristic understatement, "Growing concern is caused by the rampage of racism bordering on genocide against Americans with dark skin."

Ironically, these charges are launched from a country where racism is just as bad, if not worse, than in the United States. The Soviet official Chaiko from the film *White Nights*, who refers to blacks quite casually as "niggers," is not an anomaly in real life within the Soviet borders.

There is little systematic evidence on the subject of racism in the U.S.S.R.: problems unacknowledged are seldom studied. Nevertheless those with firsthand experience of the Soviet Union, even when generally reluctant to criticize the regime there, frequently return disgusted with the bigotry that they say is commonplace, especially among Communist officials and in the armed forces.

Last November, black American playwright Charles Fuller visited the U.S.S.R. as part of a literary delegation. "There's no racism in the Soviet Union: that's what I was told," Fuller recalls. But during a visit to a school in Vilnius, Lithuania, several students "stared and pointed" and jeered upon seeing him. In another episode, Fuller found himself on a night train from Minsk to Moscow where a *Tass* reporter confidently regaled the American delegation with a story about black people that Fuller found "deprecating, condescending actually" and "reminiscent of Uncle Remus."

Fuller expresed disappointment that the Soviet government does nothing to discourage racism in Russia, but that is not surprising, he says, as the authorities deny its existence. Fuller found racism to be even more prevalent there than in his home country. "I detected no difference between Soviet attitudes about black people in that country, and those of white people in the United States in the 1950s, just as things here started to change."

Beat poet Allen Ginsberg, who visited the Soviet Union with Fuller, returned with similar impressions. "The Russians are the honkies of the Soviet Union like the Southern Baptists and white Protestant rednecks are the honkies here," remarks Ginsberg, with characteristic flair.

The Soviet Union has no indigenous black population. However, it has hosted many American and African blacks, most of them students who attend universities in Moscow. Patrice Lumumba University in Moscow is attended by thousands of blacks who go there for training in technical skills and Marxist dogma. They want to share the Soviet enterprise of spreading socialism around the world. But they are not treated by the Soviets as equals. In fact, Lumumba University is a focus of derision among Russian students who have nicknamed it "the zoo" and its African pupils "apes." Tom Melady, former U.S. ambassador to Burundi and Uganda, remarks that "the establishment of Lumumba University was a means to segregate Third World students, primarily Africans." He characterizes this as a Soviet version of apartheid.

Black students have been beaten up, even killed in some cases, when they dated or sought to marry Russian women. In December 1963, a Ghanaian student was found dead after he announced his engagement to a woman from Moscow. Although his body showed obvious signs of struggle, Soviet officials insisted that the Ghanaian had been drunk and had frozen in the snow. In 1975, the African Student Union in Lvov in the Ukraine wrote African ambassadors in

Moscow complaining about racism and urging them to plead with the Soviet authorities for better treatment. The students wanted their diplomats "to please let the Russians know that if they want our respect, they should respect our countries and peoples." They documented numerous cases of assaults, an attack on a pregnant Nigerian student, and the worst case in which a Nigerian was "attacked by a drunken Soviet with a chisel while sleeping in his room." His calls for help were answered by two friends who repelled the intruder. But shortly thereafter all three Africans were expelled for "attacking and beating up a Soviet citizen."

That same year, African students in Kiev went on strike to have a scholarship reinstated for a Czech woman who married a Nigerian. The Czech consulate in Kiev withdrew her scholarship after the marriage and ordered here to leave the province. The student protest, which featured picket signs saying "Moscow is another Alabama," proved successful, as the woman was permitted to stay on with her husband.

MOSLEM "HOMELANDS" POLICY

Michel Ayih, a young Togolese who studied in the U.S.S.R., captured the sentiments of many frustrated African students when he wrote:

"Instead of finding a country of unlimited human fraternity, I found myself in the heart of a world dominated by the most elementary and primitive racial reaction . . . Before coming to Moscow, I had lived in the West and I can vouch that I had never, by any means, found such systematic racial discrimination there."

The Soviet Union scarcely attempts to conceal its prejudices against blacks. Richard Dobson of the U.S. Information Agency reports that a prominent Soviet official, while on a visit to Washington D.C., expressed amazement that the U.S. government "allows so many blacks to live in the nation's capital."

David Shipler, a reporter for the New York Times, spoke with several victims of Russian racist attitudes for his book, Russia: Broken Idols, Solemn Dreams. Among them was a black American student in Leningrad who said she had gone several times for examinations by a Russian doctor. He finally asked her, "Which of your parents is white?"

"Why, neither," the girl replied. "They're both black."

"Really?" said the doctor in amazement.

"Yes, really. Why do you ask?"

"Because you're so beautiful."

Two Rand Corporation analysts, S. Enders Wimbush and Alex Alexiev, recently conducted a study of racial and ethnic diversity in the Soviet armed forces. After interviewing 130 former Soviet servicemen representing "a wide range of nationalities and geographic regions," they found that in the peacetime forces "racial discrimination is accepted and routinized, perhaps to an unprecedented degree."

Wimbush and Alexiev cite numerous examples of this prejudice, including the account of one soldier who told them:

"From the beginning we, the white people, considered ourselves somewhat higher and with more privileges than the churkas [a derogation for Asiatics meaning literally "wood chip"] . . . That is why, when it was necessary to do some unpleasant work, say cleaning a toilet, a Kazakh would be sent and the Russians would make him do it."

There is another story of a group of soldiers who did not like a pair of Kazakh Tatars in their squadron. "They knew [the Kazakhs] did not eat pork, so one Russian would put a pig's ear in a Tatar's soup."

The Tatars are Moslem Central Asians of Mongolian descent. One sub-group of these people, the Crimean Tatars, have probably suffered the gravest consequences of Soviet racism. Not only were they subjected to genocide, but now they are victims of a "homelands policy" as cruel as anything practiced in South Africa.

By a decree of the Soviet government, the Crimean Tatar Autonomous Republic was established in 1921. The Tatars were allowed to live there peacefully until 1944, when they were accused of collaborating with the Nazis and their entire population moved. Machine gun-toting N.K.V.D. (now K.G.B.) soldiers awakened the Tatars and herded them into cattle cars which they termed "crematoria on wheels." They were hauled around for weeks with neither food nor water.

The deported and displaced Crimeans were finally resettled in swamps and marshes in Uzbekistan which they then filled with the bodies of their dead. This human landfill in which the Tatars live inspired one of them to comment, I'm almost afraid to tread heavily on this ground. It seems as if I would hear someone groaning under my feet."

All this has been revealed in congressional testimony in the United States. Statistics have been collected in casulties: of the 238,500 Tatars deported in 1944, more than 110,150 had starved or frozen to death by 1946. Meanwhile, back in the Crimea, Stalin's men erased all traces of the Tatars' culture: they used axes, bulldozers, picks, and tractors to raze mosques and Tatar cemeteries. Even books by Marx and Lenin published in the Crimean Tatar language were burned. Towns with Tatar names were changed. As Ayshe Seytmuratova, a Tatar who left Russia, told the U.S. Congress, "The whole exercise was aimed at wiping us out not only from the face of the earth, but even from under the earth."

By 1967, the Soviet government admitted that the charges of pro-Nazi sentiments against the Tatars were absolutely false. But a decree of the Presidium of the Supreme Soviet concluded that "The Tatars, formerly residing in the Crimea, have resettled in the territory of Uzbekistan and other union republics." To this day, the Tatars are forbidden to return to their homeland: Directive 221 of the Ministry of Internal Affairs of the Uzbek S.S.R. states that they "are forbidden to enter the Crimea." Those who defy the order are expelled from their new homes and returned to Uzbekistan by car or train. Then they are punished.

This homelands policy has taken its toll. Even Crimean activists who are trying to get their people home have been driven to despair. Three of them hanged themselves in 1978. Musa Mamut, a 46-year-old Crimean Moslem, was driven by repeated police bruality and harassment to set himself on fire before his 11-year-old son. What the Tatars can expect from the Kremlin in the future is best expressed by a Soviet official who told dissident Memedi Chobanov, "I'll keep locking you up again, again, and again, until you stop loving your homeland."

JEWS AS HYBRID CRIMINALS

This points to an important reason for institutionalized racism in the Soviet Union—it serves the ends of the party leadership. By manipulating the racism in traditional Russian chauvinism, the Soviet Union is able to direct hostility toward ethnic groups and keep the polyglot peoples of the U.S.S.R. divided and, therefore, conquered. Bigotry is often directed at Soviet Jews for this reason. Antisemitism in the Soviet Union has been extensively documented. Suffice is to note that it often disguises itself as anti-Zionism, whereas in fact it frequently goes far beyond hostility to the state of Israel. William Korey of B'nai Brith observes, "Not since the Nazi era has the world seen such a vast amount of venomous antisemitic hate material as that pouring out of the Kremlin propaganda mills."

Two bigoted Kremlin propagandists are Vladimir Begun and Valery Emelyanov, both hailed as "Jewish specialists." Begun's book Invasion Without Arms describes the Jewish holy book, the Torah, as "an unsurpassed textbook of bloodthirstiness, hypocrisy, treason, perfidy, and moral degeneracy—all the lowest human qualities." This state-approved book was a Russian bestseller, enjoying an initial press run of 150,000 copies in 1977 and republication of 50,000 copies in 1979.

Emelyanov is now is prison charged with various crimes, but until recently he was a popular lecturer with the Knowledge Society in the U.S.S.R. In his book DeZionization he explains that "Jews are a stable criminal genotype of a hybrid character, created on a base of crossbreeding of ancient professional dynasties of the criminal world of the black, yellow, and white races." Emelyanov termed President Carter's first secretary of state as "the Jew Cyrus Vance" and the late New York Senator Jacob Javits as "the Vice-Obershturmfuher (sic) of the B'nai B'rith Gestapo" and a member of the "entire Zionist Masonic Mafia of the United States Congress."

To Marxists who value the doctrine of equality, all this is perhaps shocking and disturbing. Yet the Soviet Union, in its pervasive racism, is only echoing the racist sentiments held by Marx himself. Marx's correspondence is riddled with examples. He wrote Paul Lafargue, one of his daughter's suitors, not to make his overtures too intimate: "When you invoke your Creole temperament, then I consider it my duty to step in between your temperament and my daughter with healthy commonsense." Lest this be taken for lighthearted joshing, Marx wrote Engels about Ferdinand Lasalle, a Jewish associate of theirs, calling him a "Jewish nigger." He opined further:

"It is now completely clear to me that he, as is proved by his cranial formation and [curly] hair, descended from Egypt (assuming his grandmother on the paternal side had not interbred with a nigger). Now this union of Judaism and Germanism with a basic Negro substance must produce a peculiar product. The obtrusiveness of this fellow is also nigger-like."

Unlike the United States, the Soviet Union has not taken steps to reduce the problem of racism. Prejudice is apparently one area in the U.S.S.R. where equality is vaunted, but some races are more equal than others.●

S. 2454 TO REPEAL THE WARNER AMENDMENT TO FISCAL YEAR 1985 DOD AUTHORIZATION BILL

● Mr. DECONCINI. Mr. President, I am pleased to join the distinguished chairman of the Veterans' Affairs

Committee, Senator MURKOWSKI, the ranking minority member, Senator CRANSTON, my distinguished colleague on the Senate Judiciary Committee, Senator SIMON, and my distinguished colleague from Virginia, Senator WARNER, in introducing S. 2454, legislation to repeal the Warner amendment, which was included as a provision of the 1985 Defense authorization bill (Public Law 98-525).

The Warner amendment strips atomic veterans of their right to take legal action against defense contractors who participated in the atomic tests between 1945 and 1980 by stipulating that the United States is the sole defendant in suits filed by atomic veterans.

Since the Feres Doctrine (340 U.S. 135 [1950]) prohibits veterans from suing the Government for injuries suffered as a result of military service, enactment of the Warner amendment effectively precludes atomic veterans from seeking any legal redress for injuries they incurred during the early atomic blasts. The amendment changed the law without notice, stripping pending cases from the courts and denying other veterans with access to our courts.

An estimated 1 million people were exposed to radiation during the atomic testing program; 250,000 of whom were servicemen. At the time of the testing, these atomic victims were told that they were in no danger. Many times, neither protective clothing nor respiratory devices were provided for them. And for many of these veterans, exposure to ionizing radiation has resulted in serious health-related problems for them and their families. Many have been stricken with bone pain, extremely low blood counts, body pain, gum and nose bleeding, and cancer. Many atomic veterans are now highly susceptible to infection, strokes, heart attacks, comas, and death, and their families are also suffering. Genetic abnormalities are passed down to children and grandchildren. Many children of atomic veterans suffer retardation, skeletal and organ defects, cancer, and so forth.

The National Law Journal estimated that at least 100 veterans around the country had cases filed against more than a dozen contractors when the Warner amendment was enacted. These cases were thrown out of court after much time, hard work, and money had been invested in the suits by the victimized veterans. In the San Francisco Federal district court alone, the Warner amendment deprived 31 plaintiffs of any judicial remedy whatsoever. In addition to the cases which were dismissed, an estimated 200,000 potential cases exist. These veterans now have nowhere to turn, except to the Veterans' Administration.

Unfortunately, the Veterans' Administration rarely provides compensation for atomic veterans. Under VA adjudication procedures, veterans must prove their cancer or other health problems were caused by atomic blasts, which is a difficult task. As a result, the Veterans' Administration has denied roughly 99 percent of all atomic veterans' claims. Records show that out of 4,859 cases filed for radiation exposure compensation benefits, only 24 have been awarded compensation—17 by the Board of Veterans Appeals and 7 by the Departments of Veterans Benefits. This only 0.5 percent of all cases filed. Due to this low figure, veterans were forced to turn elsewhere. The ability to sue defense contractors provided veterans with one avenue of redress. With the enactment of the Warner amendment this avenue was also removed.

The Warner amendment took from these veterans, who served their country well, their only remaining hope. Atomic veterans are faced with extremely high medical costs as well as with excruciating pain caused by exposure to radiation, but are essentially told that they have been denied their constitutional right to legal remedies.

Atomic veterans served under highly unusual and dangerous conditions. Rather than placing obstacles in their way, we should be aiding them in their fight for justice. By repealing the Warner amendment, atomic veterans who are suffering due to radiation exposure will be able to pursue their claims against defense contractors. They will not be sentenced to die with no one giving them a second thought.

As a member of both the Senate Committee on Veterans' Affairs and the Senate Judiciary Committee, to which this bill will be referred, I enthusiastically support this bill and intend to work closely with its sponsors and with Senator SIMON and the other members of the Judiciary Committee to ensure expeditious and favorable consideration of this most important legislation.

Enactment of this bill will restore hope to thousands of deserving veterans who no longer have anywhere to turn for relief for injuries resulting from exposure to radiation during the early atomic testing blasts.●

LEGAL SERVICES CORPORATION

● Mr. HELMS. Mr. President, the Legal Services Corporation is one of many Federal programs whose cost to the taxpayers deserves close scrutiny as Congress looks for responsible ways to cut Federal spending and get control of the deficit. Is it really necessary for the Federal Government to fund a permanent establishment of lawyers for the poor, or are there other means better suited to obtaining legal services for those truly in need at less or not cost to the Federal Treasury?

Mr. President, LeaAnne Bernstein, a member of the Legal Service Board of Directors, addressed these questions in a May 9 article published in the Chicago Tribune. Her comments on this subject are extremely well taken, and I hope my colleagues in Congress and the public generally will give them careful attention.

Mr. President, I ask that "Going Private with Legal Aid," by LeaAnne Bernstein, appearing in the May 9 edition of the Chicago Tribune, be printed in the RECORD.

The article follows:

[From the Chicago Tribune, May 9, 1986]

GOING PRIVATE WITH LEGAL AID

(By LeaAnne Bernstein)

As early as 1971, it was recognized that legal services for the poor should not be a government function. That year a presidential advisory council, the Ash Commission, urged President Richard Nixon to remove such legal services from the auspices of the Office of Economic Opportunity and to organize it as a quasi-government corporation "as a first step toward reprivatization of what has traditionally been a function of the private sector."

As a result of this advice, the Legal Services Corp. [LSC] was formed. But 15 years after the Ash Commission report, the LSC budget has swollen from $61.8 million in 1971 to $305.5 million this year, and the goal of privatization is nowhere in sight.

Paradoxically, increased government funding and involvement have come when private-sector financing alternatives have been flourishing. For one thing, direct outside funding for LSC recipients reached $106 million in 1985, up from $47 million in 1982. Some of this money is from other federal government programs, some from states and localities. However, much of it is also from private contributions such as the United Way and other local fund-raising agencies. In addition, *pro bono publico* [for the good of the community] services by attorneys is documented at a monetary equivalent of at least half the federal budget for the Legal Services Corp.

Interest on Lawyer Trust Accounts programs [IOLTA funds] have been a significant source of money for legal services to the poor in recent years. These funds are generated from interest earned on trust funds handled by private attorneys for their clients. The amounts involved are too small or are not held long enough to draw interest in excess of service charges if held in separate accounts. Last year IOLTA funds came to nearly $27 million.

At a time when the failure of bureaucratic structures is being documented in many government programs, the Legal Services Corp. must be scrutinized closely. Federal funding of legal services is meant, not to support lawyers, but to resolve the legal problems of poor people. Many times, the solution need not even involve attorneys.

One such solution, Alternative Dispute Resolution, has boomed in the last 15 years. As of 1985 there were 475 full-time dispute-resolution mediators, 293 part-time ones and 5,985 program volunteers in more than 380 centers in 33 states. The average cost of a LSC case in 1984 was $182.50 while that of an average Alternative Dispute Resolution case was $36. And the latter gives a client a substantial role in resolving his own dispute,

unlike the attorney-centered adversarial LSC system.

In addition, the legal system has become far more accessible to ordinary people. In 1964, when federal legal services were institutionalized within the Office of Economic Opportunity, there were about 300,000 lawyers nationwide; today there are more than 660,000, with starting salaries for recent attorney graduates as low as $13,000 in some states. Since then, too, we have seen the advent of attorney advertising, self-help books and streamlined small claims procedures.

Technological advances [word processors and centralized data banks, for example] and the loosening of restrictions on advertising have resulted in increased service at lower prices from firms providing legal services to middle- and lower-income people. High-volume legal clinics offer cut-rate prices and can have the effect of forcing competitors to do likewise.

Though market pressures have forced prices down in the legal profession generally, the bureaucratic structure of the Legal Services Corp. has allowed average case costs to rise dramatically. Since 1982, almost all increases in federal appropriations for legal services have been in higher salaries and benefits for staff attorneys while the number of case closures has remained static. Benefits alone have risen 44 percent. The lawyers, many unionized, lobby Congress to prevent a change in the structure of LSC and to forbid the use of more cost-effective modes of delivery. The client is thus made a pawn in the justification of jobs for the lawyers.

The practice of law in the United States is a state-sanctioned privilege. With this privilege comes a professional responsibility to provide legal services to those who cannot afford legal fees. Many attorneys take this responsibility seriously. Before federal funding for legal services, voluntary legal aid societies provided community-based structures to ensure access to the system. Even now, the greatest non-LSC contribution to legal aid for the poor comes from *pro bono* work of individual lawyers and firms.

Fifteen years ago, the Ash Commission told President Nixon that "while government support is still necessary [for Legal Services], the need is not as strong today. The program has generated considerable interest and support in the private sector." This is more the case now than ever. Yet, despite the boom in non-LSC legal services for the poor, Legal Services lawyers have year after year demanded and often received greater government funding. The growth of alternative services and financial resources has been ignored; instead, there has been a growing entrenchment of LSC-funded attorneys.

In this, the first year of the Gramm-Rudman cuts, we have one more reason to review the budget of the Legal Services Corp. with an eye toward releasing its lawyers into the private sector, reintegrating indigent clients into the civil justice system and allowing the Legal Services Corp. to get on the track of progress.●

NEW ROUTE FOR CONRAIL

● Mr. SARBANES. Mr. President, the Department of Transportation seems determined to sell Conrail to Norfolk Southern—despite the costs. It recently pressured Norfolk Southern to raise its bid for the railroad by $700 million and make other concessions in order to persuade Members of Congress to support the sale.

In my view, even with these changes the proposed sale is not in the best interests of the Federal Government or the people of the State of Maryland. An editorial in today's Baltimore Sun underscores the continuing problems with the Department of Transportation's plan. The editorial points out not only the questionable manner in which Norfolk Southern proposes to raise the additional $700 million for the increased bid—by using the railroad's cash and pension funds for a leveraged buyout—but also the continued antitrust and anticompetitive aspects of the plan.

The editorial advocates a public stock sale of the railroad—an alternative which I strongly supported when the Conrail legislation was before the Senate—as providing the most effective assurance for the long-term viability of Conrail's rail system, and one which also avoids the anticompetitive problems of the proposed Norfolk Southern/Conrail merger. I commend this thoughtful and persuasive editorial to my colleagues and am confident that its arguments will not go unheard in the House of Representatives. I ask that the editorial be printed in the RECORD.

The editorial follows:

NEW ROUTE FOR CONRAIL

The Department of Transportation is getting desperate in its efforts to sell off Conrail, the big "rust bowl" freight railroad, to Norfolk Southern Corp. It has pressured NS to raise its bid by $700 million, to a total of $1.9 billion and suggested that the increase could be paid for by raiding Conrail's treasury and pension funds. That's not exactly our notion of sound financial practice.

In fact, DOT itself has strongly opposed such leverged buyouts for Conrail in the past because they are unworkable. Now, when the sale appears blocked in the House of Representatives, DOT has taken a 180-degree turn in its thinking, It needs to go even further: The Conrail deal with Norfolk Southern should be killed.

If Transportation Secretary Elizabeth Dole doesn't terminate the proposed sale, Rep. John Dingell is ready to do it for her. The powerful Michigan Democrat heads the panel considering the proposal and has bluntly said "the notion of selling Conrail to Norfolk Southern is dead." He favors a public sale anti-trust and anti-competitive aspects of the DOT plan.

Mrs. Dole's main concern is to ensure Conrail's long-term survival. She does not want a repeat of the collapse of the Penn Central and six other private Northeast lines that led to the government formation of Conrail. Norfolk Southern is one of the country's best run and most profitable railroads with exceptionally "deep pockets." By purchasing Conrail it could gain access to important Northeast ports, such as Baltimore, and the growing international container-freight market. Large economies would be possible by merging Conrail's mainly east-west routes with Norfolk Southern's vast north-south alignment.

The problem is that in the process, the combined company would have a monopoly on many key industrial routes in the Midwest and Northeast. CSX Corp. would probably have to abandon a major and historic rail line through Western Maryland. And the port of Baltimore, instead of being the recipient of more freight-rail business, could turn out to be a double loser as a result of cutbacks by CSX and Conrail-Norfolk Southern favoring its hometown ports of Norfolk and Philadelphia over Baltimore.

A public stock sale is gaining support as the best way to get the federal government out of the railroad business. Conrail has become enormously profitable in recent years. It has an agggressive, experienced management that has shown it can keep the railroad in the black in good and bad economic times. A viable, independent control would be a plus for the reawakening industries of the Northeast. It is this route that Mrs. Dole and DOT should be pursuing.●

NATIONAL PEACE OFFICERS' MEMORIAL DAY

● Mr. HATCH. Mr. President, last Thursday was National Peace Officers' Memorial Day. I would like to pay tribute to those brave men and women who daily preserve the domestic tranquility in America. The observance of this day focuses public attention on the commitment and sacrifices made by more than 500,000 officers in more than 15,000 police organizations.

Each and every day, these valiant men and women literally place their lives on the line as they faithfully and efficiently carry out their often dangerous work. In fact, those who serve in the various police organizations are really America's first line of defense against crime.

I would also like to express my appreciation to the police officers and organizations across the Nation for their work to make S. 49—the Firearms Owners' Protection Act—a solid crime-fighting measure.

America is becoming increasingly serious about fighting violent crime. The social experiments and theories of the past few decades are being discarded for anticrime measures based on solid research and undeniable results. The most effective, and those with the broadest support by the public and law enforcement, focus on the criminal, in specific the repeat offender.

The result of targeting criminals has been on one hand, a prison population that has swelled since 1980 from 350,000 to over 460,000 today. On the other, violent crime is down 10 percent. Property crime dropped 16 percent. Murder and robbery nosedived 22 and 18 percent respectively from 1980 through 1985.

Our police deserve enormous recognition for their contribution to this decline. Those who have given their lives in protecting our communities also deserve the everlasting respect and admiration of the American people.●

FIRST ANNIVERSARY OF RADIO MARTI

(By request of Mr. DOLE, the following statement was ordered to be printed in the RECORD):

● Mrs. HAWKINS. Mr. President, May 20 is the Cuban National Day. It is a day that we should take time to express our continuing concern over the subversion of the Cuban national identity by the current regime in Havana. Freedom is a precious commodity in today's world. When we fail to resolutely protect the rights of free people it is almost inevitable that freedom is taken by totalitarian governments serving their own interests. Unfortunately, this is the fate that befell the people of Cuba when the current regime took power. As the people of Cuba mark their independence today, we must renew our dedication to the renewal of the true spirit of Cuban independence. A spirit best expressed by Jose Marti.

Mr. President, May 20 also marks the anniversary of the day the envelope of silence that surrounds the country of Cuba was broken. Radio Marti, a radio program sponsored by the Voice of America to provide the people of Cuba news about events in their own country, began its broadcast operations 1 year ago today. The initiation of Radio Marti marked a very important event for both the people of Cuba and the people of the United States. For the people of Cuba, Radio Marti would provide them a source of information about news and events that affect their lives that is honest, unstilted, and objective. For the people of the United States, Radio Marti would stand as a monument to an important commitment. This commitments is that the United States stand to protect the right of all people to know about news and events that affect their lives.

As we mark the first anniversary of the Radio Marti program, it is clear that the program is fulfilling its purposes. First, it is fulfilling its commitments to the people of Cuba. Evidence already indicates that Radio Marti has a substantial listening audience in Cuba. The program has caused the official Cuban broadcasting operations to substantially modify their behavior. Radio Marti has focused on important issues in its broadcasts, including topics such as the Latin American debt crisis, the Grenada rescue operation, and the Third Party Congress in Havana. Radio Marti was the first source of information about the nuclear accident at Chernobyl for the Cuban people. Radio Marti broadcasts are balanced between news and entertainment in order to attract a large and attentive audience. Radio Marti adheres to a strict standard of accuracy and honesty in its news broadcasts, which is the foundation of its credibility in Cuba and around the world. Finally, Radio Marti is a constant and timely source of information for the people of Cuba, broadcasting for 17½ hours a day, 7 days a week.

For the people of United States, Radio Marti is another expression of their commitment to the universal principles of freedom of expression, open government, and the freedom of the press. Radio Marti carries on a tradition of radio broadcasts to countries where the press is tightly controlled begun with Radio Free Europe and Radio Liberty. The people of the United States should be proud of the efforts being made at Radio Marti to give the people of Cuba something we take for granted, the right to know about important news events from honest and accurate sources. Radio Marti stands as an important symbol of the principles upon which our country was founded, principles that are universally applicable.

Mr. President, on this day of Cuban independence I commend the people at Radio Marti for the success of their first year of operation. I am sure that Radio Marti will continue to be a success in the future. It is a program of which we can be proud and should continue to support.●

SUPPORTING THE MONROE DOCTRINE AND THE INTER-AMERICAN PEACE TREATIES

● Mr. MCCLURE. Mr. President, I submit for the RECORD two documents recently presented to the Organization of American States by Dr. Claudio Benedi, Washington director of the Junta Patriotica Cubana.

Mr. President, these are excellent statements outlining the importance of the Monroe Doctrine, the fundamental principle of U.S. foreign policy. America should be enforcing the Monroe Doctrine and the Symms Cuba Resolution in Central America today. The Monroe Doctrine is the essence of American foreign policy, and the Symms amendment reaffirming it overwhelmingly passed both Houses of Congress in 1982 and again in 1983. It is important to emphasize that the Symms Cuba Resolution simply reaffirms the fundamental principle of American foreign policy. The U.S. Congress is strongly on record as opposing Soviet subersion and aggression in the Western Hemsphere, and opposing a Soviet military base in Cuba. We are strongly in favor of self-determination for freedom-loving Cubans.

These documents were presented by Dr. Benedi to the OAS as a statement representing the freedom-loving Cuban people. The presentation was made at the recent OAS meeting in Cartagena de Indias in Colombia. One of Dr. Benedi's main recommendations is that the Castro regime in Cuba be prevented from ever rejoining the OAS as a voting member. I applaud Dr. Benedi's honorable efforts on behalf of freedom-loving Cubans everywhere, and I support Dr. Benedi's valiant efforts to defend liberty and human rights. Indeed, Dr. Benedi is one of America's bravest and most effective freedom fighters.

In addition, Mr. President, I also ask that two additional documents, one dated April 15, 1986, and the other dated April 18, 1986, be printed in the RECORD. These two documents deal with the "Benedi Doctrine"—the institutional suppression of human rights in Communist totalitarian Cuba.

The material follows:

JUNTA PATRIOTICA CUBANA,
AREA METROPOLITANA DE WASHINGTON,
Merrifield, VA.

("Pacta Sunt Servanda"—"One Agrees Freely, But Is Bound by the Agreement", F. Francisco de Vitoria)

Honorable Chairman of the Fifteenth Period of Sessions of the General Assembly, Organization of American States (OAS).

Honorable Chancellors, Ambassadors and Representatives of the Republics of the Americas.

DISTINGUISHED REPRESENTATIVES OF THE AMERICAS: In complying with a historical duty, at the same time we are exercising a right, it is our privilege to address you, and through your intercession the governments and peoples of the Americas, to reiterate, as participants in the Inter-American System and persons born in the Cuban State, the position of the Cuban people and its rights in the concert of the American nations, of which we are a part. We do this, besides, in the condition of representatives and on behalf of the organizations comprised in the Cuban Patriotic Board.

As you well know and we have reiterated, the Cuban State, from which we derive, is a part of the Inter-American System and a member of the Organization of American States (OAS). What is excluded is the current Marxist-Leninist regime, because of its being incompatible with the Inter-American System.

The Cuban State has underwritten, together with the States of the Americas that you represent, those treaties, covenants, agreements and resolutions that are in force in the Inter-American System, the oldest and most representative of all regional systems in the world. But both you and we "are bound by the agreement."

In the Cuban State is a member of the Organization of American States, as it is recorded in its covenants and has been widely recognized in your previous deliberations, such a state must, of necessity, have some manner of representation. "We are the voices of those who have none."

The current totalitarian Cuban regime is a true satellite, that represents in our hemisphere the Soviet neo-colonialism, but never a representative of the Cuban people, with which is even more incompatible than with the Inter-American System, because it runs counter to its history, traditions, culture, morals and idiosyncrasy. That regime is an instrument for the interference of an extra-continental power (the Soviet Union) in the internal affairs of the Americas.

In the Seventh Consultation Meeting of the Ministers of Foreign Relations of the Americas, assembled in accordance with the Treaty of Rio, which is as the NATO of the

Americas, in San José, Costa Rica, it was stated:

"1. The intervention or threat of intervention, albeit conditioned, on the part of an extra-continental power, in the internal affairs of any Republic of the Americas, is hereby condemned, and we underline that acceptance of the threat of intervention from an extra-continental power by any American State endangers the solidarity and security of the Americas, obligating the Organization of American States (OAS) to condemn it and to reject it also with an equally energetic attitude."

Nobody has the right, then, because of shortsightedness, ineptitude or cowardice, or rather due to naïve neutrality, to ignore that the satellite regime of Castro has "accepted the threat of intervention from an extra-continental power" (the Soviet Union) and that "he has endangered the solidarity and security of the Americas." What should your attitude be, in the compliance of your own agreements?

The Ninth Consultation Meeting of Ministers of Foreign Relations, assembled in accordance with the Treaty of Río, and convened at the see of the OAS in Washington, D.C., in 1964, agreed upon the following:

"1. That the present government of Cuba, since its installation in 1959, has developed, supported and otherwise conducted a policy of intervention in the American Continent, with methods, propaganda, provision of funds and training for sabotage and guerrilla operations, supplying armaments and assisting those movements that tend to the subversion of national institutions through the use of force, in order to install communist regimes . . ."

"2. That said assistance to subversion generally adopts the form of a politiçal aggression . . ."

Therefore, the Ninth Consultation Meeting resolves:

"a. To condemn the current govenment of Cuba as an aggressor and because of its intervention in the internal affairs of other States, violating their territories and sovereignties."

That condemnation, approved by the American States that you represent in this Assembly, is in force, and it becomes even more necessary and urgent that when it was approved that it be strictly complied with, since the current government of Cuba is a threat that imperils the other American States and has made a mockery of those agreements and resolutions that you have approved. It also continues to intervene in the internal affairs of other States, violating their sovereignties, and is going to continue doing that, because it is consistent with its Marxist-Leninist nature.

The Soviet Union has provided the Cuban regime with billions worth of armaments, in an arms race unparalleled in the Americas. Only last year it shipped 64,000 tons of armaments to Cuba, that not only have been utilized to arm a million members of the militias, but also to be exported to other countries in this hemisphere, such as Nicaragua, Grenada and the communist guerrillas in El Salvador. Last November, U.S. reconnaisance planes verified that Soviet-bloc ships arrived in Cuba loaded with armaments, unloading some and transferring others to Nicaraguan ships, especially heavy weapons. Therefore, the arms race is ongoing, even on the eve of this Assembly.

Cuba has, as it has been verified and you well know, a base for nuclear submarines at Cienfuegos Bay, where reportedly Soviet nuclear submarines have been repaired. Now it has been publicly stated that the Cuban regime is building, precisely in Cienfuegos, a nuclear plant, presumably for peaceful uses, but there exists the danger that it can be devoted to bellicose uses.

The Cuban communist regime has now an extense variety of warplanes, Mig-23 and Mig-27, capable of transporting nuclear warheads. The Mig-27 have a long-range capability and are much more dangerous, as carriers of offensive nuclear weapons, than the IL-28 that were in Cuba in 1962 and triggered the nuclear missile crisis. Besides, there are in Cuba over 12 Soviet Bear-class bombers (TU-95-D & TU-95-F). Bombers Bear TU-95-F are intended for anti-submarine warfare and are capable of attacking targets both on land and in the sea. The Soviet Union has these bombers permanently in Cuba now. Besides, the Soviets have built eleven airfields for warplanes.

It has been verified that Golf- and Echo-class nuclear submarines have visited Cuba in several instances.

Cuba is the only country in Latin-America that has not subscribed the Treaty of Tlatelolco for the Proscription of Nuclear Weapons in the region. Why is that? The answer is obvious.

It has also been verified that the Soviet Union has stationed a military brigade in Cuba, besides numerous high-ranking military officers, some of them disguised as technicians, businessmen, members of cultural or diplomatic missions. How is it that the States of the Americas allow Soviet troops to be stationed in territory of the Americas? This violates the OAS Charter and the Treaty of Río. What is the response of the American States in the face of that CHALLENGE?

Several Soviet ships, capable of loading nuclear missiles, have visited Cuba in 1980, 1981 and 1982. More recently, in this year 1985, a Soviet flotilla with vessels capable of carrying nuclear missiles, have been performing war games in the Caribbean. This is a direct threat against the oil fields in Venezuela and Mexico. They are also a threat against the other States of the Americas.

Various U.S. Senators, among them the Honorable James A. McClure and Steve Symms, have denounced the Soviet presence in the Americas on the floor of the U.S. Senate, and their denouncements have been recorded in the U.S. Congressional Register.

The Soviet Union has signed and ratified the Second Protocol of the Treaty of Tlatelolco, obliging itself not to bring nuclear weapons to the Americas, and it is easy to verify that they have violated that Treaty.

There are recent reports accusing the Soviet Union and Cuba of activities related to chemical and biological weapons in Cuba, infringing upon the Biological Weapons Treaty of 1975 and the Geneva Convention on Chemical Weapons of 1925.

The KGB (secret political police of the Soviet Union) has taken over all Cuban intelligence and espionage services, directed by the DGI (Dirección General de Inteligencia).

There are in Cuba 45 "schools" for training and preparation of guerrilla members, saboteurs and terrorists from all over the Americas, staffed by Soviets, Czechs, East Germans and Cubans.

The objectives of the Soviet Union, through its satellites in Cuba and Nicaragua, are those of taking over governments in each of the countries of the Americas. And there cannot be any agreement or compromise about that objective. Because of tactical conveniences, they might agree upon a "peace" in Central America, as Hitler agreed upon in Munich; and there shall not be a scarcity of imitators for Chamberlain in the Americas, willing to let themselves be deceived, betraying the destinies of their nations and the future of the Americas.

The Brezhnev Doctrine of limited sovereignty is being applied, in fact, in the Americas. In Hungary, Czechoslovakia, Poland and Afghanistan, Soviet troops and tanks invaded and trampled upon their sovereignties then the peoples of those countries, even within Maxism-Leninism proper, tried to give it a "human face". But Soviet troops and tanks have been carried to Cuba in order to prevent an uprising of the Cuban people against Soviet totalitarianism, or to suffocate it should it erupt. This is occurring against the silence of the American States, which are morally and legally obligated to help the Cuban people to liberate itself.

José Martí, the Apostle of the Cuban Independence, stated: "Watching the commission of a crime silently is equivalent to committing it."

Human rights are universal, inalienable and indivisible values in their enforcement, maintenance and defense, and there cannot be any discrimination in denouncing violations against them.

The Inter-American Commission on Human Rights has approved seven (7) special reports about the violations of human rights in Cuba, and numerous resolutions on the same issue. In the Annual Report that said Commission has submitted to this General Assembly it has denounced, once again, the violations against human rights in Cuba, following a continuous pattern of infractions that are inherent to the Marxist-Leninist regime and without which it could not be maintained in power.

In Cuba, at a variance with other countries in Latin-America, human rights are violated in the Constitution and Laws, which gives shape to an institutional violation against human rights, codified in its legislation in force. Human rights are also violated in fact, and political prisoners are given a "cruel, degrading and inhuman treatment", as the Inter-American Commission on Human Rights has stated.

The political imprisonment is now in Cuba the longest and most cruel recorded in the Americas, because it violates human rights totalitarily, continually and in an unlimited fashion. Those prisoners called "Plantados", because they have stood up to the regime and rejected Marxist-Lininist indoctrination, have spent over 20 years in prisons, at times in walled-up cells that have no windows, and other times in "drawers", in groups of two and three where there is scarcely room for one. The Historical Political Imprisonment in Cuba is an affront for the Americas, that contemplate it silently, and a denouncement against the cruelty of communism.

Over 500 Cuban workers have been incarcerated, some of them sentenced to death and other to 30 years of imprisonment at forced labor only for wanting to organize a labor union such as the Polish Solidarity. The Inter-American Commission on Human Rights has initiated a folder about this case upon our complaint.

Executions by firing squads continue in Cuba. We have denounced that this year university students and other youngsters who have rebelled against the regime have been executed. Many youngsters who refuse military induction to go to Angola, Ethiopia

or Nicaragua to fight, or to smuggle into El Salvador to assist communist guerrillas, are taken before the firing squads and executed. Their relatives are denied the right even to bury their bodies. Those relatives of the executed who insist in their inquiries, are threatened or punished. At the Managua Military Encampment, near La Habana, there is a place especially intended for those executions and a cemetery for their victims.

There is an estimate of between 15,000 and 20,000 male and female political prisoners in Cuba, in the 17 prisons and forced-labor camps existing there, expecially those of Boniato, Combinado del Este, Kilo 7, Minas del Frío, Guanajay and others.

Because of all of the above, and much more that would make this declaration and denouncement excessively lengthy, the Marxist-Leninist regime in Cuba is incompatible with the Inter-American System, as it has been stated by the Eighth Consultation Meeting of Ministers of Foreign Relations, convened at Punta del Este, Uruguay, in 1962. To pretend that such a regime could enter into the euphemistically called "ideological pluralism" would be an affront for the Americas and a violation of all treaties, covenants, agreements and resolutions in force.

There are States in the Americas that are not a part of the Organization of the American States (OAS) because Article 8 of its Charter forbids them. The Present regime in Cuba is forbidden by all articles of the Charter, of the Treaty of Rio and those agreements and resolutions in force, by much higher reasons, that affect not only the sovereignty of those States victimized by subversion, sabotage and terrorism, but also democracy, freedom and peace in the peoples of the Americas.

To this honorable assembly we state and request:

1. That we have, in our condition of an AMERICAN STATE, member of the Iner-American System and the Organization of American States (OAS) the right to ask that the VOICES OF THOSE WHO HAVE NO VOICE BE HEARD.

2. That those treaties, covenants, agreements and resolutions in force in the Americas be enforced. They have been underwritten and approved by the States represented by you, and by the Cuban State when the latter was free. That is an obligation, on the part of the Americas, with Democratic Cuba.

3. That we reject any kind of coexistence or détente with the satellite Marxist-Leninist regime of Castro. An agreement with satellite Castro is an affront to the Americas and a betrayal against the Free and Democratic Cuban People.

4. That, while we struggle for the independence of Cuba, at the same time we ask that there will be a denouncement, before the Americas and the world, against the "cruel, inhuman and degrading treatment" endured by male and female Cuban political prisoners, especially the "PLANTADOS", and the cessation of tortures against them at reclusion centers and forced-labor camps.

5. That freedom is an inalienable and natural right of men, women & all peoples, and there cannot be freedom in the Americas while there is no freedom in Cuba. "EITHER CUBA IS SAVED OR THE AMERICAS ARE LOST", as stated by the illustrious Cuban journalist and patriot, Dr. Guillermo Martínez Márquez, founder and past chairman of the Inter-American Press Society (SIP).

6. That we demand the cooperation of all for the enforcement of the Joint Resolution of the U.S. Congress of 1962, signed by the President of the United States and thus promulgated as a law, and reaffirmed by Senator Steve Symms' Amendment in 1984 and 1985 (in the latter instance with favorable votes from 77 U.S. Senators) whereby the United States obliges itself to fight with the Organization of American States to achieve self-determination for the Cuban people (which is equivalent to its freedom).

7. That independence and freedom for almost all American Nations were attained through the Intervention of American patriots and nations in the internal affairs of other countries. Bolivar, San Martin, O'Higgins are examples for that. Chile, Peru, Ecuador just to mention some, could not have achieved their independence at that time, if the other American States had not intervened on their behalf, in the same manner as the United States intervened to attain the independence of Mexcio—which intervention was decisive to defeat Maximilian—as France, Spain and Cuba intervened, in a decisive form, to help achieve independence for the United States of America.

8. That the so-called "Kennedy-Khrushchev Understanding" violates the OAS Charter, the Treaty of Rio and those covenants, agreements and resolutions in force within the Inter-American System. It lacks any value and has been violated by the Soviet Union and by Castro. All of which facilitates the collective action by the American States in the defense of the Treaty and the freedom of the Cuban people.

9. That the Treaty of Rio must be applied to the satellite Marxist-Leninist Regime of Cuba.

10. That the Punta del Este resolution, which is in force, be complied with, whereby it was declared that the Marxist-Le· 'nist doctrine is incompatible with the Inter-American System. This is the most important statement from the Inter-American System, in its confrontation against Marxist-Leninist doctrine, sponsored presently in the Americas by the Soviet Union.

11. That we shall be recognized as representatives of the Cuban State, a member of the Inter-American System and of the OSA, since what is excluded is the current government of Cuba.

12. That the institution and factual violation against human rights in Cuba be condemned, in accordance with the American Declaration of Rights and Duties of Man, and the principles and values of the Judeo-Christian civilization.

13. That it be declared that the so-called Brezhnev Doctrine (of limited sovereignty) is not applicable to the Americas, nor should it be applicable to any nation in the world. Consequently, the withdrawal of Soviet troops from Cuba must be enforced.

14. That the Organization of American States would approve the creation of a De-Colonization Committee to liberate Cuba and Nicaragua from Soviet neo-colonialism.

15. That this General Assembly would declare that there is no freedom of expression, press, religion, syndicalization, movement, etc., in Cuba, and that freedom, integrity and life of the human person are not respected either.

16. That this General Assembly would declare that Cuba has not signed the Treaty of Tlatelolco on the Prohibition of Nuclear Weapons in the Americas, because it maintains its territory open to nuclear weapons as well as to warplanes and submarines capable of transporting them, thus endangering all of the Americas and especially the Cuban people, as it did during the missile crisis in 1962.

17. That this General Assembly would declare that the satellite regime of Castro is one aligned with the Soviet Union.

18. That Cuban Freedom Fighters be released from prisons, not only in Cuba but also in Venezuela, México, Costa Rica and the U.S.

19. That our belligerence be acknowledged and recognized, as Cuban Freedom Fighters, although we shall continue to fight, with or without this acknowledgement, as we have done thus far.

20. That COLLECTIVE ACTION is recognized in the OAS Charter, in the Treaty of Rio (Inter-American Treaty for Reciprocal Assistance), in the Treaty of OECO, in the Treaty of CONDECA, and is the basis for the legitimate defense of our hemisphere; it is the counter-intervention in the face of extra-continental intervention of the international communism represented by the Soviet Union.

21. That this document be circulated among Member States in attendance in this Fifteenth General Assembly, because the Cuban State continues to be a member of the Inter-American System and of its legal & political entity, the Organization of American States (OAS).

Mr. Chairman of the Fifteenth General Assembly, Honorable Chancellors and Ambassadors, Honorable Representatives of the Americas:

We have complied with our duty once again, in pointing out to you, with all due respect, the moral and legal obligations, the sacred compromise that your respective states have contracted with the Cuban State. You now have the floor.

With our highest consideration, we remain,

Yours very sincerely,

Dr. MANUEL A. DE VARONA,
Chairman, Former Premier and Former President of the Senate in Free and Democratic Cuba.

Dr. CLAUDIO F. BENEDI-BERUFF,
Washington Area Representative.

JUNTA PATRIOTICA CUBANA,
AREA METROPOLITANA DE WASHINGTON,
Merrifield, VA.

(Bring the machine-guns. We are going to liquidate the diplomats—Stalin).

(Pacta sunt ser"anda—one agrees freely, but is bound by the agreement—F. Francisco de Vitoria).

Hon. Chairman of the Extraordinary General Assembly of the Organization of American States,

Hon. Ministers of Foreign Affairs,

Hon. Ambassadors and Representatives of the American States.

DISTINGUISHED REPRESENTATIVES OF THE AMERICAS: In our capacity as citizens of the Americas, members of the Inter-American System, born in the Cuban State, that is a part of the Organization of American States and, as an interested and affected party, in the matters before this Honorable Extraordinary General Assembly, we have the privilege as well as the right and duty of submitting to your learned attention the following considerations about the examination of the

fundamental instruments of the Organization of American States.

There exists a basic difference between the Inter-American System and its juridical and political organization: The Organization of American States (OAS), that must not be confused, lest we get lost in a wrong approach on the reality of the Americas, such as some parties interested in creating confusion have done.

For the pertinent effects of this Extraordinary General Assembly of the OAS, the maximum organism in the System, we deem convenient to schematize the objectives of these Considerations, focusing upon what we believe is, or should be, everyone's preoccupation: The Reformist Trend, its Objectives and Scope, within the following outlines:

1. The Inter-American System;

2. The Organization of American States; and

3. The fundamental instruments of the OAS.

1. *THE INTER-AMERICAN SYSTEM.*—What is under consideration in this Assembly, according to statements pronounced by the proponents of the Reform, is: THE OAS AND ITS FUNDAMENTAL INSTRUMENTS, not the INTER-AMERICAN SYSTEM. However, we must reflect upon certain points that we deem as pertinent.

How the System is a conjunction of principles that, put together, make up a body of doctrines. We must refer to those principles and to those doctrines.

The State is the juridical & political organization of the Nation, such as the Organization of American States is the juridical & political organization of the Inter-American System.

The Inter-American System is made up by principles and values deriving from the Western Judeo-Christian civilization. Transcendental values and principles, amongst which are uppermost the dignity of the human person, freedom, respect for the inalienable rights of the human being, comprised in the American Declaration of the Rights and Duties of Man, proclaimed by the Organization of American States in April, 1948, prior to the Universal Declaration of Human Rights proclaimed by the United Nations in December, 1948.

All of these principles and values have shaped the Inter-American System, in such a manner as to make up a Doctrine that we could properly define as the Inter-American Doctrine.

In order to make these principles and values effective in the historical and institutional reality of the Americas, the Inter-American System created the Organization of American States and its fundamental instruments, and declared that representative democracy is based upon popular sovereignty and the periodic and free consultation with all citizens of the member state of the OAS.

Within the Inter-American System, theocentrism, with its religious syncretism based upon the men and women of the Americas, cannot be excluded nor displaced by anthropocentrism, influenced by ideologies that are alien and foreign to the history, culture & tradition of the Americas.

The Inter-American System is the most senior, most efficacious & most successful regional system in the world, so that men and women will be able to perform, within the geographic and historical environment of the Americas, their transcendental and human destinies. That is why alien ideologies cannot be grafted unto the heart of the Americas, that would denaturize their essences. The Americas must, of necessity, be what they are, or they would cease being that and become invertebrated pieces of a broken structure, such as it has happened to other regional integrations in the past.

What there exists nowadays in the Americas is a crisis of identity, furthered when there are governments that fail to support those principles and values upon which they have come to be and, turning their backs to their traditions, culture and history, embrace ideologies that negate their transcendental values and their juridical and political principles.

There is an identity among the nations of the Americans and, due to that identity, they make up the organic and regionally structured whole, within a System that has given itself juridical and political institutions which are capable of representing and defending it.

To attack and destroy the Americas, the System must be attacked and destroyed, since it is based upon that identity and those principles and values, and that is what is happening today. That is the challenge.

With that understanding, the foreign (extra-continental) forces that have infiltrated within the Americas to subvert and destroy them, have started by having a base (Cuba), a sub-base (Nicaragua) and a strategy to destroy the Inter-American System, because the latter is absolutely incompatible with those forces; as well as a tactics to break the OAS, separating North from South, or trying to create parallel organisms.

The Inter-American System is theocentrical, and its values and principles comprise the belief in God, the full dignity of men and women, their freedom, justice, peace and the belief that the existing wealth in the Americas are in the service of the common good, administered by human beings for the benefit of men and women. The Inter-American System proclaims unlimited respect for human rights, brotherhood and fraternity among men and women, opposing the struggle between classes, and love opposing hate. Because of all these reasons, it is incompatible with Marxism-Leninism.

2. *The Organization of American States [OAS].*—The OAS will be what every one of its member states wishes it to be, as it has been states by former Secretary General of the OAS and former President of Colombia, the illustrious statesman Dr. Alberto Lleras Camargo.

Former Bolivian Chancellor, Dr. Mario Gutierrez, aptly stated in the Third Ordinary General Assembly of the OAS: "Those limitations endured by the OAS are not attributable to its Chart, amended in Buenos Aires in 1967, but rather to the attitudes that our nations will adopt to restrict the OAS' scope of action."

The OAS was founded in 1948, only 37 years ago. Its Constitutional Charter was amended in 1967 and those amendments went into effect in 1970.

The United Nations Organization (UNO) was founded in 1945; it is three years older than the OAS, and the right to veto exists within the UNO (that the Soviet Union has practiced 125 times). But nobody has undertaken seriously to raise the issue of amending the UNO's Constitutional Charter, despite the fact that the same countries whose governments propose amending the OAS' Charter are also members of the United Nations, and the additional fact that, within the international scope of the latter there have occurred more changes and there exist more reasons for any amendments than within the inter-American scope. To the former it must be added that the OAS has been much more efficient and useful to solve conflicts, to maintain peace and to foster the development of its member states than the UNO.

The question is not, therefore, in the Charter of the OAS, nor in its fundmental instruments, but in their correct application. When there have been member states within the OAS that have applied its norms, many conflicts have been solved, but when that has not been so, as in the cases of Cuba first and then Nicaragua, conflicts have not been solved, but instead problems have become more acute and the OAS has been weakened due to the non-compliance of its Charter, of the Reciprocal Assistance Treaty (Treaty of Río), and with those agreements, resolution and statements that during the last 40 years, after the II World War, it has been accumulating and incorporating to its juridical and political structure.

Within those territories controlled by the Soviet Union, nations have their sovereignty limited and are forced to follow the Marxist-Leninist System, according to the Brezhnev Doctrine of Limited Sovereignty, whereby nationalism is destroyed and replaced by internationalism, directed and managed by Moscow.

Ideological pluralism—an euphemism utilized to disguise the permisiveness that is the accomplice of Marxism-Leninism in the Americas is a denial of democratic coexistence within the Inter-American System. There cannot be coexistence where all attributes and circumstances for its existence may not be given. There can be a democratic pluralism, where representative democracy is practiced—so many times mentioned in the charter of the OAS—where peoples will vote periodically, with full liberty to elect their mandataries within the plurality of democratic parties, which is the antithesis of the totalitarian Marxism-Leninism.

The Soviets have proclaimed the Brezhnev Doctrine also to destroy ideological pluralism. Czechoslovakia tried—even with Marxism-Leninism—to give a "human face" to communism, in the so-called Prague Spring, and 80,000 Soviet soldiers invaded Czechoslovakia and smothered the surging and weak ideological pluralism of Alexander Dubcek, in the same manner they had already choked, with their tanks and Soviet troops, that of Hungary's, and as they are presently doing in Afghanistan.

The Brezhnev Doctrine is being applied in Cuba in a diverse manner. The Soviet Union has stationed 25,000 soldiers there, some of them integrating a brigade and others in military cadres, to prevent an uprising of the Cuban people, or to suffocate it should it happen. The same preventative measures are being applied to the Nicaraguan people.

There is no ideological pluralism in the Soviet Union, nor in any of the many nations subjugated by the Soviet Union, such as Cuba, where severe penalties, up to and including execution before a firing squad, are imposed upon those who advocate ideological pluralism (that it termed deviationism).

3. *Fundamental instruments of the OAS.*—We have referred to the Carter of the OAS and the Treaty of Rio in the preceding chapter.

The Charter of the OAS has already been amended, and those amendments have been in force since 1970, but the basic foundations of the Constitutive Charter are still in

force. The objectives of the Organization are there, they are in force, and some of them have never been applied not fully complied with. It there is anything missing, that is to give them their due compliance.

Which were the fundamental objectives intended by the representatives of our nations when they constituted the Organization of American States (OAS) and agreed upon its Constitutive Charter? They wanted to give the Inter-American System those juridical and political instruments capable of bringing to the reality, in the Americas, the principles and values of the Inter-American System. And they attained that. They were confident that those responsible with the compliance, in practice, of what had been agreed upon, would do it well and faithfully. It has not been always like that. There have been exceptions to that general rule. Besides the great realizations of the Organization, there have been great failures, which have brought about those problems we face up today, such as in the cases of Cuba and Nicaragua.

The crisis of the Organization is not with its regulations, but in the lack of compliance with same. An analogous thing happens with the Treaty of Rio.

The Treaty of Río is the NATO of the Americas. Approved in Río de Janeiro, Brazil, in 1947, it came two years after World War II had ended. Which were the fundamental objectives of this Treaty? The reciprocal assistance among the American States. The preservation of the Americas against extra-continental intervention in the internal affairs of the Americas, not only against a direct armed attack from those powers, but also against subversive and terrorist action and aggression. And the scope of the latter was defined.

The representatives of the American States who wrote and approved the Treaty of Rio, had in mind the threat that was posed at that time (and that has materialized now in the cases of Cuba and Nicaragua) by extra-continental intervention of International Communism, represented now by the Soviet Union and its presence in the Americas. Should the Treaty of Rio have been applied in accordance with those stipulations contained by it, in the framework of the juridical and political measures comprised in same, as well as in the Charter of the OAS and the resolutions and agreements approved in accordance with its general guidelines, we would not be facing today those problems that affect the peace in the Americas. We are still on time to defend democracy and peace in the Americas, such as they were conceived by our eminent liberators and those statesmen who gave birth to those juridical and political instruments.

The Treaty of Tlatelolco, about the prohibition of nuclear weapons in Latin-America, which is so important for the present and future of the Americas, has not been subscribed by Castro, the satellite of the Soviet Union. It is known that the Soviet Union has built a base for nuclear submarines in Cienfuegos (Cuba); that this base has been visited by nuclear submarines, capable of transporting and firing nuclear weapons. Now Castro is building a nuclear plant, presumably for "peaceful purposes." The Soviet Union, which signed Protocol II of the Treaty of Tlatelolco, has infringed upon same, according to our opinion. Why is it that Castro has not signed it?

If there are any amendments needed in the Inter-American economic institutions, to adapt them to the changing directions of regional and world economies, or to the serious problems caused by the external debts of Latin-American nations, covenants are to be approved or agreements are to be taken as deemed necessary, but the Inter-American System nor the OAS must be involved in these, with the pretext of those amendments.

We are not against reforms on principle, nor do we consider them inconvenient by system, by the sole virtue of their being reforms. What we deem as very serious is that, in the midst of so much confusion, demagoguery, political ineptitude, perplexity and Marxist agitation that act in compliance with extra-continental guidelines, it will be tried, perilously, to amend the Inter-American System with the disguise of amending the OAS.

The Secretary General of OAS, Ambassador Joao Clemente Baena Soares, in his eloquent speech pronounced on September 5, 1985, mentioned the statement of YUSSEF STALIN, leader of Soviet Communism: "Bring the machine-guns. We are going to liquidate the diplomats." This quotation should be present in the reformist deliberations of that Assembly: Honorable Chairman of the Extraordinary General Assembly; Honorable Ministers of Foreign Relations; Honorable Ambassadors; Honorable Representatives of the Americas:

We respectfully expect that our voice will be heard, and, along with ours, those of the many human beings in the Americas who have no voices will be heard as well.

Very attentively yours,

Dr. MANUEL A. DE VARONA,
Chairman of the Cuban Patriotic Board, Former President of the Senate in Free and Democratic Cuba.
Dr. CLAUDIO F. BENEDÍ-BERUFF,
Washington Area Representative.

JUNTA PATRIOTICA CUBANA,
AREA METROPOLITANA DE WASHINGTON,
Merrifield, VA, April 15, 1986.

Dr. LUIS ADOLFO SILES SALINAS,
Chairman, Inter-American Commission on Human Rights, Organization of American States, Washington, DC.

DISTINGUISHED CHAIRMAN: In the capacity that I have accredited, since the inception of that Inter-American Commission on Human Rights, as Coordinator of almost all associations and organizations of former male and female Cuban political prisoners and their relatives in Washington, D.C., and as the representative of the Cuban Patriotic Board, it is my high privilege to address you and, through your intercession the Honorable Members of that Commission, in order to state our gratitude for this opportunity that I am afforded once again to appear before the Commission to manifest and denounce the following:

First, Mr. Chairman and Honorable Members, I would like to reiterate our gratitude towards the distinguished Members and former Chairman of that Commission, Drs. Andres Aguilar and Cesar Sepulveda, for the numerous courtesies and deferences they always had towards us and their invaluable assistance to our difficult mission, as well as towards Dr. Luis Dementrio Tinoco, our old friend in the juridical, democratic and coffee trading endeavors in this Hemisphere, whose decease has been a great loss for the Americas and for the protection of human rights. We recently offered a Mass for his soul in a Catholic temple in this area. Let our condolences be known to his relatives and to that Commission, that he distinguished with his indefatigable work.

We also request the honor to salute respectfully and welcome on behalf of those whom we represent, the distinguished and prestigious jurists and representatives of the Americas in the Commission, Drs. Elsa Kelly, Tulio Bruni Celli and Oliver Jackman, to whom we wish great successes in the performance of their elevated and responsible missions. We also salute and state our best wishes to the newly-elected Chairman of the Commission, Dr. Luis Adolfo Siles Salinas, and the First Vice-Presidents, Dr. Gilda Russomano and Dr. Tulio Bruni Celli.

We would like to ratify before that Commission that a patter of continued violations against human rights is being presently followed in Cuba, both institutional violations in the Constitution and the Laws, as de facto violations, both intrinsic to the Marxist-Leninist system. Far from abating, these violations have increased until becoming an affront for the free men and women of the Americas and the world and a challenge to the zeal, watchfulness and performance of that Commission.

Executions by firing squads, that have now surpassed 40,000, continue to be effected as opposition and rebelliousness increase within the suffering Cuban population against the totalitarian regime that oppresses and enslaves them. At the Managua military camp, youngsters who refuse to go to Angola continue to be executed secretly, and their relatives are denied the consolation of burying their dead. These relatives are threatened, intimidated and their lives are jeopardized, together with their freedom, should they insist in their demands to inquire for their children. We request from the Commission that an investigation be open about these violations against human rights.

Let us allow to reiterate the denouncement that we timely submitted to the Commission about the events at the Embassy of Perú, La Habana. As stated in our denunciation, over 10,000 Cubans sought asylum in that Embassy. Due to the overcrowding, many of them were given "safeconduct" by the Cuban Government to return to their homes and wait for the exit visas to leave the country. Out of those, 2,500 have not been able to leave, because the present government of Cuba does not allow them. Many of them have been imprisoned, others have been executed by firing squads, and still others have disappeared, as in the case of brothers Antonio and Manuel Blanco, as we denounced before this Commission. These facts have come out in the open and have been widely publicized in the whole world. The Government of Perú and other sources have the list of these Cuban political refugees. Because of the above, we hereby ask the Commission to open a case based upon our denouncements in order to clarify the situation of those Cubans, who have been declared "non-persons" by the Cuban Marxist-Leninist regime. We enclose several copies of the book written by Mr. Sergio Galan Pino, one of those who sought asylum in the Embassy of Perú at La Habana, that contains many of the violations against human rights that took place there.

We would also like to reiterate the denouncement that we have made before this

Commission, adding new elements for judgment about the situation of the 12,500 Jews who lived in Cuba when the present regime took over the country, and out of whom only 500 remain in Cuba. Almost all of them have been forced to leave the country, and those who remain have no Rabbi to tend to their spiritual needs, as "the New York Times" has said. We request that the Commission will open another case to investigate the fate of these Jewish persons and the violations against their human rights. No Jewish collectivity as numerous as that will abandon a country, except due to flagrant violations against their human rights.

We have already denounced, and we hereby reiterate, the dramatic situation of the so-called "Plantados," Cuban political prisoners who are confined to the terrible prisons at Boniato, Kilo-Siete and Combinado del Este These Cuban political prisoners make up the historical political group of prisoners (presidio politico historico), the longest and most cruel collectivity of political prisoners in the Americas.

Cuban political prisoners are given a "cruel, inhuman and degrading treatment," as this Commission has stated, in conjunction with other international organizations for human rights. The U.S. Department of State also qualifies it in the same manner.

Many of these political prisoners are kept in walled-up cells, where they cannot see the sun, or in "drawers", small cells that crowd several of them without sufficient space for more than one. These kinds of tortures are practiced in several prisons in Cuba, among them Boniato, Kilo-Siete, Combinado del Este, Guanajay and others.

At the Combinado del Este the new plantados have been lodged, who have been in that prison for two, three and four years, and have been sentenced to terms of 15, 20 and 30 years of imprisonment.

In Galley No. 50 at the Combinado del Este, there are 50 youngsters who are plantados and who were placed together with common criminals, for which they rebelled. Some of them have been brutally beaten, among them the youngsters Alfredo Jimenez, Isbel Rolando Abreu, Ricardo Gil Miranda, Yosuan Accosta and Enrique Ruiz.

Another 150 plantados at the Combinado del Este, who were placed together with common criminals, also rebelled. The ages of this latter group range between 15 and 35 years. Many of them have declared a hunger strike, and their health is very critical. We request from the Commission that another case be opened and that it would act as soon as possible to prevent any further danger to the lives of these Cuban political prisoners.

In the detailed and courageous denouncement made by the United States Department of State about institutional and de facto violations against human rights in Cuba, a great many cases are outlined on 12 pages, single space, individual and institutional violations against human rights, and we request that said publication will be attached to this denouncement as evidence. A copy of this publication is hereby enclosed, to support our denouncement.

In a survey performed by several institutions devoted to investigate and denounce violations against human rights, among them Amnesty International, it was verified that in 1985 there were in Cuba 15,000 political prisoners. None other, among the American states, has presently such a high figure of political prisoners.

Many of these political prisoners are given new sentences after having served many years in prison, some up to 20 and 25 years. Instead of releasing them, they are kept indefinitely imprisoned.

There is no "separation of powers" in Cuba, since the Judiciary is controlled by the so-called "Popular Power" which is, in turn, a farce of representation to serve the propaganda purposed of the regime.

There are no procedural guarantees in Cuba. Most trials that result in executions are held secretly, without any guaranty for the accused.

There is no right to "Habeas Corpus" in Cuba. Political prisoners are arrested and they disappear, and their relatives are never informed where they might be. Lawyers who try to ascertain where their defendants may be, are arrested as well, and some of these lawyers have died in prison in mysterious circumstances, such as it recently happened to our colleague, Dr. Aramis Taboada, who the communist regime said that had passed away as a result of a cardiac arrest. Labor leaders have also died in similar circumstances, such as Guido Faraniman, who also "died" at the Combinado del Este on April, 1985.

Out of the 140 political prisoners in Cuba that the Catholic Hierarchy of the United States and Cuba requested from in Cuban regime to be released, and that it pledged to release, the regime finally delivered a list of 75, out of whom, over 50, are not those who appear in the list complied by the Bishops. None of them has been released yet.

Former Cuban political prisoners, who wander around in the streets in Cuba in the condition of "non-persons", are not allowed to leave the country. The present Cuban regime has unilaterally voided an "understanding" reached by it and the United States Government. We request the intervention of the Commission to protect the human rights of all released Cuban political prisoners, who lack all of those rights that the Commission protects.

Persecution against all religions continues, despite the pretended opening by the Marxist-Leninist regime in Cuba. This persecution is inherent to the so-called Socialist Constitution of Cuba, enacted in 1976. The few priests, pastors and ministers remaining are limited and confined to the scarce number of temples that are still open. Those Cubans who openly profess any religion, are deprived of many of their rights, among them those to education, employment and medical assistance. Several Jehovah Witnesses have been executed by firing squads and others remain incarcerated, sentenced to lengthy terms of imprisonment.

We would like to point out, as a positive action from the Commission, its inclusion in the annual report submitted to the Fifteenth General Assembly of the OAS, violations against human rights in Cuba.

An International Court assembled this weekend at Paris, France, made up by European personalities, especially former Cuban and Soviet political prisoners, under the sponsorship of "International Resistence", among whose founders are Vladimir Bukovsky, General Piotr Grigorenko and Armando Valladares. It received statements from 12 witnesses, former Cuban political prisoners and one from Nicaragua, who accused the Nicaraguan communist regime to impose the Cuban torture systems in their country.

Former male and female political prisoners were all in agreement to state that physical and psychological tortures continue to be performed in Cuba; that political prisoners are locked up in walled-up cells and that they are submittd to sexual abuses.

The above mentioned witnesses also pointed out that Cuban male and female political prisoners were being subjected to medical experiments, performed by Cuban and Soviet physicians.

Dr. Ana Lazara Rodriguez told the Court that she had been sentenced to 30 years of imprisonment for having thrown anti-communist leaflets through a window at the University of La Habana. She added that she had served 19 years of her sentence, and during her stay in prison she saw other female prisoners thrown in succession down the stairs, because they have refused to submit themselves to interrogations. At the bottom of the stairs there were stationed communist soldiers who struck the women on their breasts and stomachs. Later on they were dragged by their hair to the interrogation rooms.

Former political prisoner Raoul Carmenate said that 200 youngsters who refused to submit to communist indoctrination were taken to another barracks, close to his, where there were common criminals and sexual perverts, who threatened those youngsters with violating them. He also said that he had heard when many of those yongsters were tortured, especially a couple of them, who were between 15 and 18 years of age, for being members of the Jehovah Witnesses. Carmenate added that he had been imprisoned when he was 16 for having criticized the Soviet invasion of Hungary. He was charged wth being a CIA agent and propagandizing the Coca-Cola.

Former political prisoner Eduardo Capote showed the court his tortured hand. One of his fingers was missing, and he said it had been severe by communist militia members.

Actress Teresa Mayan said that she had been confined to the black cell, a filthy and anti-human lock-up, where she received a "cruel, inhuman and degrading treatment." She added that she had seen young female prisoners, whose ages ranged between 16 and 20 years, who were interrogated while soldiers masturbated themselves in front of them. In her group of prisoners, there were some who were sick with syphilis and tuberculosis. She said that political prisoner Mercedes Fernandez defecated parasites six centimeters in length, but she was not given medical assistance.

Despite the actions of the Commission in the case of Dr. Orlando Bosch and his companions imprisoned in Venezuela, they have not been released yet, regardless of the fact that a military court declared that there was no proof to convict them and acquitted them. After more than 8 years, they are still in prison, and the human rights of these political prisoners are being violated. We request of the Commission to continue its efforts before the Venezuelan Government for their prompt release.

The International Commission of Jurists, an organization attached to the United Nations, stated several years ago that "the rule of law does not exist in Cuba." Said statement is still in force and with a greater strength today than when it was issued.

There is no state of law in Cuba, such as this is known in the western world and has been consecrated by our Judeo-Christian Civilization.

A million Cubans who live in exile have been deprived of the Cuban citizenship. Those Cubans who have gotten naturalized in other countries get no acknowledgement of those citizenships by the Cuban regime. Thus, they lack both the Cuban citizenship, of which they were deprived, or that which they have adopted. Cubans who travel to

Cuba have been incarcerated in several instances, with one of them taken to the Boniato prison, and consular authorities of his adoptive country have not been permitted to take an interest in his case.

The Cuban communist regime is not only anti-juridical, but also lacks judiciousness.

Because of all of the above, we reiterate our request to expedite the preparation of the eighth report on the situation of human rights in Cuba. While the eight report is finished, we request of the Commission that the institutional and de facto violations against human rights in Cuba be included in the annual report from the commission to the sixteenth general assembly of the OAS.

We request very respectfully of the Commission that these denouncements are taken as made, that investigations and cases requested be opened, that the preparation of the Eighth Report be expedited and violations of human rights in Cuba be included on same.

We remain, Mr. Chairman, and Honorable Members of the Inter-American Commission on Human Rights, with our greatest consideration and respect,

Dr. CLAUDIO F. BENEDI,
Coordinator and Representative of Associations of Former Male and Female Political Prisoners in Cuba, and of the Cuban Patriotic Board.

JUNTA PATRIOTICA CUBANA,
AREA METROPOLITANA DE WASHINGTON,
Merrifield, Va, April 18, 1986.

Dr. LUIS ADOLFO SILES SALINAS,
Chairman, Inter-American Commission on Human Rights, Organization of the American States, Washington, DC

DISTINGUISHED CHAIRMAN: In the capacity that I have accredited since the inception of that Inter-American Commission on Human Rights, as Coordinator of almost all Associations and Organizations of Former Male and Female Cuban Political Prisoners and their relatives in Washington, D.C., and as the representative of the Cuban Patriotic Board, it is my high privilege to address you and, through your intercession the Honorable Members of that Commission, to extend the denunciation that we submitted before the full Commission on April 15, inst., regarding the new plantados, Cuban Political Prisoners who have declared a hunger strike at Building No. 3, Galley No. 50, of the Combinado del Este Prison, La Habana, Cuba, to which effect we state and denounce the following:

That Cuban political prisoner Rodolfo Frometa Caballero, who lived at Union City, New Jersey, United States of America, in 1982 and being a citizen of this country, travelled to Cuba during the so-called "Cuban Community Trips" and was arrested and imprisoned by the communist regime, thus violating his U.S. citizenship and his freedom of travel. He had left Cuba in 1967 through the United States Naval Base at Guantanamo. The U.S. consular representatives performed several efforts before the communist regime, all to no avail. Frometa Caballero was sentenced to 20 years of imprisonment.

Mr. Frometa Caballero and other political prisoners are receiving a "cruel, inhuman and degrading treatment". They have been locked up in walled-up cells, where they have stayed for 2 years without having seen the sunlight; they have been kept in isolation and given only an inadequate ration of food once daily, and have not been allowed to have any visitors, nor any medical assistance. Those filthy cells are full of human excrements and they are unable to properly fulfill their most urgent necessities. For all of those reasons, nineteen of them have declared a hunger strike, as we denounced before the Commission and now we are reiterating and extending.

Endangering their lives and through means that cannot be revealed for obvious reasons, they decided to make their plight known to the Commission and other organizations that protect human rights around the world.

The letter was handwritten, as you may suppose, and was prepared on behalf of the whole group by RODOLFO FROMETA CABALIERO. That letter has been published on the press and belongs to the public realm. A translated copy of said letter is enclosed with this extension of our denouncement, as an integral part of same.

The names of those Cuban political prisoners who have declared the Hunger strike are as follows: Jesus Monoz Tejera, Segundo Gonzalez Alonso, Oswaldo Cardin Lopez, Rafael Torres Socorro, Gerardo Quintero Valdes, Francisco Casales Fontes, Juan Luis Pozo Diaz, Felix Villar Cedron, Carlos Powory Ebantes, Lazaro O. Moreno Balanga, Orlando S. Suarez Torres, Jorge A. Blanco Rodriguez, Armando Castro Isarbia, Jose Luis Alvarado Delgado, Jose Luis Dominguez Rodriguez, Humberto Lopez Hernandez, Eliecer Socarras Duran, Adonis Frometa Caballero and Rodolfo Frometa Caballero.

The denunciation contained in the letter received from that somber prison of the Cuban Political Prison is self-explanatory; thus, we do not comment on its contents any longer.

We request very respectively of that Commission that this extenion of the denouncement previously submitted to the Commission be taken as made and included in the CASE, that the Commission has surely initiated about this most grave denouncement; that measures be taken with an emergency character as need to protect the lives of these Cuban political prisoners, and that this extension of the denouncement be included in the eighth report and in the annual report of the commission to the Sixteenth General Assembly of the Organization of American States.

We remain, Distinguished Chairman and Honorable Members of that Commission, with our greatest consideration and respect,

DR. CLAUDIO F. BENEDI,
Coordinator and Representative of Associations and Organizations of Former Cuban Male and Female Political Prisoners, and of the Cuban Patriotic Board.

TRANSLATION OF LETTER RECEIVED FROM CUBAN POLITICAL PRISONERS IN BUILDING NO. 3, GALLEY NO. 50, OF THE COMBINADO DEL ESTE PRISON, LA HABANA, CUBA, WHO HAVE DECLARED A HUNGER STRIKE

DEAR FRIEND: Only few lines to make known to you the circumstances in which I am, so you will make it known to all of my friends.

The situation is the following:

Nineteen of us, Plantados political prisoners, declared ourselves in a hunger strike because the military personnel at the Combinado del Este Prison, located at Kilometer 13½ of the Monumental Highway, Building No. 3, have forbidden our relatives to visit with us, despite these visits being every six months and limited to a single relative.

This strike has been on for longer than a week and may be fatal for some of us.

Because of that, I ask you the favor of divulging this news to the United Nations Organization and other international organisms that defend human rights.

The names of those who are in the hunger strike folllow:

Jesús Munoz Tejera, Segundo Gonzalález Alonso, Oswaldo Cardin López, Rafael Torres Socorro, Geraldo Quintero Valdéz, Francisco Casales Fontes, Juan Luis Pozo Díaz, Félix Villar Sedrón, Carlos Powory Ebantes, Lázaro O. Moreno Balanga, Orlando S. Suárez Torres, Jorge A. Blanco Rodríguez, Armando Castro Isarbia, José Luis Alvarado Delgado. José Luis Domínguez Rodríguez, Humberto López Hernández, Eliécer Socarrás Durán, Adonis Frómeta Caballero, Rodolfo Frómeta Caballero.

Well, José, my regards to the "China" and other acquaintances.

Besides, we have spent two years without being given a ray of sunlight.

That we are being held without any medical assistance and we are barely given an aspirin tablet.

We are in extremely small cells for the amount of prisoners that there are, and the cells are walled-up with iron plates, without any ventilation.

We are not allowed to see our children and, when we claim something, they say it is a lack of respect and get punished for 21 days in a cell full with human excrement, so that we will accept the re-education plan; besides, we are only given a meal daily. receive a salute from * * *.●

RETIREMENT OF JAMES BIRREN

● Mr. HEINZ. Mr. President, I ask that my colleagues join me in saluting an American scientist who has contributed immeasurably both to our knowledge of aging and to the quality of life for millions of America's older citizens. That scientist is Dr. James E. Birren, who is retiring next month as executive director and dean of the Andrus Gerontology Center at the University of Southern California.

When Dr. Birren began conducting research on aging nearly four decades ago, the term "gerontology" was unknown to most Americans. For that matter, Mr. President, much of what we know today about the aging process was unknown at that time. Since then, however, the contributions of Dr. Birren, and a growing number of scientists who are following in his footsteps, have greatly expanded our knowledge base. We now know a great deal about aging and have made significant strides toward addressing the many challenges posed by an aging population.

Dr. Birren began his career in 1947 as a researcher at the National Institutes of Health, Gerontological Research Center in Baltimore. At that time there were only 11 million Americans over the age of 65. Today, that number has more than tripled to 27 million and constitutes fully 12 percent of the population. It was Dr. Bir-

ren's foresight and keen intellect that enabled him to predict the importance of aging issues in American society. He chose early in life to devote his professional life to the study of aging and to the development of gerontology as a respected and useful enterprise.

After 3 years as a research scientist at the NIH, Dr. Birren moved to the National Institute of Mental Health as Chief of the Section on Aging. During his 14 years at NIMH, and in subsequent years, he conducted important research on a variety of aging-related concerns. Among his most important research accomplishments are: Analyses of the relation of age to speed of behavior; the relation of behavior to cerbral blood flow and metabolism in late life, and the relationship between physical fitness, age, and competence. These studies opened new doors to our understanding of the aging process and contributed much to the elimination of negative stereotypes about the abilities of older people.

In 1966, Dr. Birren moved to the University of Southern California where he started one of the Nation's first gerontology institutes. His credibility as a scholar and his unique interpersonal skills enabled him to start a program consisting of a handful of personnel operating out of a basement apartment and eventually built it into the world-renowned Andrus Center, which now occupies a modern 27,400-square-foot building on the campus, housing 41 faculty and researchers, more than 40 administrative and support personnel, and 180 students. Many other universities modeled their programs after the Andrus Center. Today there are several hundred gerontology institutes on university campuses across the Nation.

Mr. President, as Dr. Birren retires from his administrative duties at the Andrus Center and moves on to the next phase in his brilliant career, he leaves behind a remarkable legacy. He has published more than 215 articles, book chapters and books on a variety of aging issues. Most notably, perhaps, he is the editor of the "bible" in gerontology, the three volume Handbook on Aging. In addition, hundreds of scholars, practitioners, and teachers across the Nation have benefited directly from Dr. Birren as teacher, not to mention the thousands who have benefited indirectly and the millions of elderly whose lives are better because of Dr. Birren's work.

I would be remiss if I did not also mention that two of Dr. Birren's proteges are now serving the U.S. Congress in important capacities. I am especially proud that one of these, Dr. Stephen McConnell, is my staff Director on the Senate Special Committee on Aging. The other, Dr. Fernando Torres-Gil, is currently staff director of the House Aging Committee. It is also worth noting that there are at least 15 former students and faculty of the Andrus Center who hold professional positions with aging organizations right here in the Washington area.

Mr. President, I think my colleagues will agree that Dr. Birren's enormous contributions in aging are worthy of our highest esteem. We thank him for all he has done and wish him the best as he embarks on his next career.●

A TRIBUTE TO REVEREND ARTHUR JOHNSON

● Mr. LUGAR. Mr. President, I ask my colleagues in the Senate to join me in honoring Rev. Arthur Johnson's 30 years of service and dedication to the Friendship Baptist Church in Indianapolis, IN.

As the pastor for Friendship Baptist Church, Arthur Johnson has displayed the qualities and character of an outstanding leader and contributor to his community. He is demanding, caring, charismatic, visionary, and most importantly, a man of God.

His contributions to the Indiana community are many. Under his guidance and leadership, the Friendship Baptist Church evolved from a small congregation on the city's west side into a major force in the city's spiritual community that has helped to build homes, a factory, a day care center, and much more.

Reverend Johnson has shown an unerring ability to motivate others by capturing their enthusiasm and harnessing it for the betterment of society. His leadership and commitment to his fellow man have been a testament to his strength of character as well as a beacon of hope to the city of Indianapolis.

Upon his retirement from the Indianapolis Community Action Against Poverty, many felt that the city would lose a great leader. Yet, Arthur Johnson has continued his efforts to better the lot of his fellow man.

Friendship Missionary Baptist was blessed with the arrival of this religious giant 30-years ago; Arthur Johnson has truly made a difference.

I ask my fellow colleagues to join me in commending Reverend Johnson.●

MILWAUKEE'S KIM WAGNER: READING TO SUCCEED

● Mr. KASTEN. Mr. President: Imagine for a moment the utter confusion and freezing fear that paralyzes a young job seeker when his potential employer asks him to "fill out this application" and the youngster can't read a word of it.

Imagine the anguish of a high school dropout, sent to a nearby grocery store to pick up a few things for a sick neighbor, who can't read the list of items and doesn't know how to use a telephone to call and ask.

Imagine for a moment the quality of life experienced by the illiterate.

It is a life of frustration, a life of humiliation, a life of fear.

Recent statistics indicate that up to one-third of the adult population—perhaps 60 million men and women in America—cannot read the front page of a newspaper.

Perhaps 20 percent of adults are functionally illiterate—that is, they cannot read or write or compute with skills sufficient to function in our society.

And, as many as 13 percent of U.S. high school graduates fail to achieve reading and writing competence beyond the sixth-grade level.

Mr. President, illiteracy is a fearful disease that could undermine the foundation of our society. It is a disease in need of a cure, and that cure is coming in many forms.

There is, of course, the heightened awareness of dangerous failings in our secondary education system, failings outlined in the recent publication, "A Nation At Risk."

School districts across America are tightening up on academic requirements. State governors and legislatures are including adult literacy programs in their appropriations processes.

And, private employers are mobilizing their resources to increase employee literacy in ways that are consistent with their own needs and the needs of a competitive world market.

Mr. President, it is with great personal pleasure that I today bring to your attention a program developed by a private corporation for children in grades 3 through 8 to emphasize the joys of reading and the importance of good reading skills.

I also am personally proud to announce that a Wisconsin school girl has combined her love of reading with her artistic skills to become one of six winners in a nationwide contest sponsored as part of that program.

The Read to Succeed Program was created by Six Flags Corp. to encourage leisure time reading by young people. Open to all schools and libraries located within a 100-mile radius of the nine Six Flag amusement parks across the United States, the program is composed of three parts.

The first part, called reading as an adventure, teaches youngsters that there are books on every subject imaginable—including subjects each participating child is personally interested in, be it baseball, music, history, or the Hardy Boys.

The second part teaches children how to use the library. Libraries become something more than huge, strange smelling places where people aren't supposed to talk. Libraries become wonderlands—the passage to

unknown peoples and places and things.

The third part ncourages young people to share their love for books in groups. They learn the special joy of sharing a beloved book with family and friends, the joy of discussing what they've learned through reading.

The first Read to Succeed Program, which ran during this academic year, just concluded with a national contest in which 12,000 participating students were challenged to prepare an advertisement for their favorite book. Six winners were selected, one for each grade from grade 3 to 8.

Kim Wagner, a seventh grader at Milwaukee's St. Augustine School, won for her poster based on the book "Revenge of the Ninja."

Kim, the 13 year-old daughter of Mr. and Mrs. Kenneth Wagner, and her teacher, Sister Mary Jeanne Ansel, were in Washington last weekend to be honored by Six Flags for their achievement. While here, the six national winners visited the Library of Congress, the Center for the Book, and several children's bookstores.

A luncheon in their honor was held in the Russell Office Building last Friday, and I'm delighted that I was able to meet Kim, her parents, and teacher at that luncheon and to find out what a talented and special girl Kim is.

Mr. President, Kim Wagner's achievement is special, because it shows that at a young age she is enthusiastic about the adventure of reading and has the innate ability to capture her enthusiasm in art.

I share the pride of her parents, and of her school, which, by the way, also produced an honorable mention winner—seventh grader Sarah Sielan.

I applaud Six Flags Corporation for its commitment to encourage reading in young Americans.

And I use this opportunity to commend Kim and Sarah on their love for reading and to encourage all young people to follow their example.

Their lives, and ours, are enriched because they have discovered the wonders of books and have achieved the skills that will allow them to succeed through reading all of their lives.●

WISCONSIN BUSINESSMAN BUILDS HIS OWN FUTURE

● Mr. KASTEN. Mr. President, a plentiful supply of jobs for American workers is a No. 1 concern of every Member of this body.

Every vote we make, every stand we take on every issue is in some way colored by our concern that America's workers be kept on the job and that there be continued growth in job opportunities.

America is the land of opportunity. More Americans are working today than at any time in our national history. And a majority of those jobs are developing not in huge factories, not in government bureaucracies, but in small businesses.

Mr. President, two out of every three new jobs created in the United States during the last decade have been created by small business operators. In just the last 3 years, almost 2 million new businesses were incorporated.

In the past 20 years, small businesses have generated more than 20 million new jobs.

Those jobs are a direct growth of the American entrepreneurial spirit. Behind those 2 million new businesses stand men and women who were willing to risk their time, their energy, and their money in an uncertain enterprise.

Not every budding entrepreneur succeeds. More than half of the new starts in business fail within the first 5 years of operation. But American business history is highlighted by entrepreneurs who came back after initial defeats to establish burgeoning businesses.

In its first year, American Express sold only $9,000 worth of travelers' checks. Gillette sold only 51 razors and 168 blades in his first year; and Henry Ford's first two automobile companies went bankrupt before he put together the company we know today.

The entreprenuerial spirit that soared in those successful ventures continues to fly today. My home State of Wisconsin claims many successful native entrepreneurs—Ron Simek of Medford, who started the highly successful Tombstone Pizza Corp., as a sideline for his local bar; and Dale Smith, who began selling chili from the backroom of his gas station in Green Bay and who today markets that highly popular, tangily tasty product.

This is Small Business Week, Mr. President, and today I call your attention to another Wisconsin entrepreneur who tonight will be honored as the Badger State's Small Businessman of the Year.

Bob Endries doesn't hail from Milwaukee, Madison, Racine, or Oshkosh, those big cities of familiar sounding names. He's a native of Brillion, a town of some 2,900 residents in the northeast corner of Calumet County in east central Wisconsin.

The closest big city is Appleton, 26 miles west near the north shore of Lake Winnebago. But Bob Endries didn't found his business in the big city. He founded it in the basement of his Brillion house.

And in 16 years, he has expanded that two-person, husband-and-wife business into a 250-employee national distributor of fasteners—the nuts, bolts, and screws that keep our automobiles and other machines together.

Bob Endries is a true entrepreneur. In June 1970, while working as an automobile parts salesman, he recognized an industry-wide need for fasteners. So he and his wife, Pat, took the big gamble, borrowed $5,000 and began their own fastener business.

Today, Endries Fastener & Supply Co. handles in excess of $17 million in sales each year.

Mr. Endries selection as Wisconsin's Small Businessman of the Year comes as no surprise to those who know him. In addition to providing so many jobs for his hometown residents, he also is a community leader in other ways.

Mr. Endries is past president of his church council; he is a Little League coach and a Boy Scoutmaster. And he is a concerned and respected business operator who is on a first-name basis with all of his employees, whom he regards as the managers of the business.

Mr. Endries was selected as Wisconsin's Businessman of the Year by a committee composed of representatives from the U.S. Small Business Administration, Wisconsin Manufacturers and Commerce, the National Federation of Independent Business, and the Wisconsin Chamber of Commerce Executive Association.

I commend the committee on its choice, and I congratulate Mr. Endries on the success of his business and his commitment to the people of Brillion and Wisconsin's small business community.

Mr. Endries is an example of the best of America's entrepreneurial spirit. It is because of men like him that America continues to lead the world as a home for opportunity and success.

Mr. President, I ask that the attached article from the Milwaukee Journal be included in the RECORD.

The article follows:

FROM OPPORTUNITY TO SUCCESS—EXTRA EFFORT HELPED ENDRIES WIN STATE AWARD

(By Cathy Torke)

BRILLION, WIS.—In June 1970, Bob Endries, an automobile parts salesman, saw an opportunity in the fastener supply market—the assorted screws, washers, nuts and bolts that are the underpinnings of the auto trade.

With a burning desire to "build something," Endries quit his job and he and his wife Pat borrowed $5,000. He begin working out of his basement in Brillion, a community of 3,000 that is 26 miles east of Appleton.

From that one-man operation, Endries Fastener & Supply Inc., grew to sales of $17 million. And Endries, now 47 and president of the company, last month was named Wisconsin 1986 Small Business Person of the year.

He was chosen from a group of 23 nominees. The selection committee included representatives from the United States Small Business Administration, Wisconsin Manufacturers and Commerce, the National Federation of Independent Business and the Wisconsin Chamber of Commerce Executive Association.

"Generally four or five nominees, all of whom are nominated by outsiders, will emerge as top candidates. Bob Endries was one of them this year," according to Curt Charter, district director of the SBA and a member of the selection committee.

In making the selection, Charter said, the committee recognized Endries' community contributions as a Little League coach, Boy Scoutmaster, and past-president of his church council who regularly brings communion to shut-Ins.

That, "coupled with the fact that Endries Fastener maintained steady growth through the recessionary period of 1981–'84, put Endries at the top of the list," Charter said.

Endries Fastener is the fourth-largest distributor of fasteners in the United States. Projected sales for 1986 are over $20 million.

Endries' customers include many of Wisconsin's largest industries and equipment manufacturers. Among them are the Kohler Co., Mercury Marine, John Deere and the Manitowoc Co.

John Donovan, senior buyer for Mercury Marine's Fond du Lac plant, said: "When we're having a problem and we need a fastener part that they don't have, Endries will go out of their way to find a source for it."

An inventory of more than than 24,000 items allows Endries to process most orders within 24 hours. The company maintains its own transportation fleet for local deliveries and offers phone-in and pick-up service 24 hours a day.

As recently as 1974 there were only 10 employes; now there are 250. When the company's growth necessitated hiring employes, Endries used a recruitment method possible only in a small town.

He said: "I virtually drove up and down the streets of Brillion and looked at every house and said, 'That would make a good employe.' And I called people who never even asked me for a job and asked them to work for me."

Endries is on a first-name basis with each of the Brillion employes and visits all three shifts regularly. In his monthly "Meet the Press" conferences, six different employes get the chance to tell Endries what's on their minds.

"They know they can ask me anything," he said. Endries said he has a "total open-door policy" as a means of employe involvement.

"I'd like to see the day when we don't need managers," Endries said. "It's silly to have managers. They're like baby sitters. Employes don't need baby sitters."

The youngest of four children whose parents divorced when he was 10, Endries, a Brillion native, had "no family life to speak of and no formal training grounds to expose me to the proper way to do things."

Though he claims he is "no scholar," Endries had to develop good study habits to help him adapt to his fast-growing business. "And I do mean study," he said.

"I'm a strong believer in self-learning, in reading, in listening to learn how to better handle my responsibilities in business," Endries said.

Receiving the Wisconsin 1986 Small Business Person of the Year award was gratifying for two reasons according to Endries.

"It brings recognition to the family-owned business, which is the backbone of our free enterprise system," Endries said. "And the award also helps our employes feel that honesty, integrity and a job well done—values that we hold dear—are noticeable to other people in business."

Nomination and selection for the award are based on eight criteria: staying power, growth in number of employes, increase in sales volume, financial condition of the company, innovativeness of product or service offered, response to adversity, contribution to the community and demonstrated iniative in the national interest.

The national Small Business Person of the Year will be announced in Washington, DC, this week during Small Business Week.●

FIRST ANNIVERSARY OF RADIO MARTI

● Mr. CHILES. Mr. President, today marks the 84th anniversary of Cuba's independence from Spain and the first anniversary of the broadcasts of Radio Marti.

We can all be proud that during its first year, Radio Marti has proven to be an effective and reliable voice. It offers the Cuban people a freedom denied far too long; the freedom that comes from hearing the truth. Radio Marti provides the Cuban people an inalienable right—the right to the free flow of information and the common exchange of ideas. Nothing is more threatening to totalitarian governments than the free flow of information. However, nothing could be more menacing to democracy than complacency toward such basic principles as free speech.

To ignore the misinformation prevalent in Cuban society only perpetuates the harm done to the Cuban people by their own government. Radio Marti has shed light where the intent of the government was to keep its people in the dark. It has corrected the inconsistencies, pointed out the discrepancies and uncovered the lies of the Cuban government. Among the stories presented on Radio Marti were:

The attempted kidnapping by Cuban Embassy staff in Madrid of a high ranking defector and a subsequent 2-hour interview with the defector.

Coverage of Castro's decision to cancel an immigration agreement with the United States due to Radio Marti initiating its broadcasts.

The establishment of "Family Bridge," a program permitting Cuban-Americans to communicate over the air with their isolated relatives in Cuba.

The true story of the liberation of Grenada.

A detailed analysis of the ongoing Angolan struggle where 40,000 Cubans are stationed, an amount equivalent to 800,000 U.S. troops on a proportionate basis.

Coverage of the Third Party Congress of the Cuban Communist Party.

The rebuff by Latin leaders of Castro's effort to form a Latin American debtors cartel.

This list, taken from the annual report of the Advisory Board for the Broadcasting to Cuba, gives an idea of the kind of programming coming out of Radio Marti. Over the past year this radio station has aired stories which never would have been provided the Cuban people had it been left up to their government. They have a right to this information.

It is important that we continue to provide Cubans with this reliable voice. We must never forego the opportunity to use the power of truth against deception—the deception inherent in the closed society of Fidel Castro.

On this first anniversary of the Radio Marti broadcasts, I would like to commend the leadership and staff of Radio Marti. Their dedication and professionalism are to be admired by all.●

YURI ORLOV

● Mr. D'AMATO. Mr. President, I rise today to draw attention to the continuing plight of Yuri Orlov, a founding member of the Moscow Helsinki Group, and its first chairman. The group, organized by 11 Soviet human rights advocates, was established on May 12, 1976. The primary purpose of the Moscow Group was to promote human rights in the U.S.S.R. and monitor Soviet violations of the Helsinki Final Act.

Soviet authorities have arrested, detained, imprisoned, and exiled members of the group, including Orlov. These harsh reprisals underscore Soviet contempt for the concept of human rights and for those who speak out in support of human rights. In addition, they highlight Soviet disregard for their human rights commitments, especially those included in the Helsinki Final Act, which they have voluntarily accepted.

Mr. President, as Chairman of the Commission on Security and Cooperation in Europe, I commend the efforts of Yuri Orlov and his colleagues who have paid dearly for their work on behalf of those denied even the most basic human rights.

I ask that the attached biographical information be printed in the RECORD.

The information follows:

YURI FYODOROVICH ORLOV

A veteran of World War II and a graduate in physics from Moscow State University, Orlov was a member of the Communist Party of the Soviet Union and worked at the prestigious Institute of Theoretical and Experimental Physics of the Soviet Academy of Sciences until 1956. He was then expelled from the party and dismissed from his job for speaking out at a party meeting. He moved to Armenia and there obtained his doctoral degree in physics, becoming a Corresponding Member of the Armenian Academy of Sciences in 1968. Orlov returned to Moscow and was once again dismissed from his job in 1972. Following a 1973 letter in defense of Academician A.D. Sakharov, Orlov lost his post at the Institute of Theoretical and Experimental Physics in 1974 and has not worked in his profession since.

In the years from 1974 to 1976, Orlov was active in the defense of political prisoners in the USSR, signing the "Moscow Appeal": on behalf of Aleksandr Solzhenitsyn, participating in the first Unofficial International

Scientific Seminar (organized by Jewish refusenik scientists) and campaigning vigorously for the release of Leonid Plyusch, the Ukrainian cyberneticist imprisoned in a psychiatric hospital. In September 1974, Orlov became a founding member of the Moscow chapter of Amnesty International. Besides working to free fellow Amnesty members Sergei Kovalev and Andrei Tverdokhlebov after their arrests, Orlov also devoted much time to the prisoners of conscience and torture victims in Spain, Sri Lanka, Yugoslavia and Uruguay.

Orlov announced the formation of the Moscow Helsinki Group on May 12, 1976 and assumed the chairmanship. After a search and numerous interrogations in early 1977 and a vituperative campaign against him in the Soviet press, Orlov was arrested on February 10, 1977. While he was awaiting trial, the Norwegian Parliament nominated him for the 1978 Nobel Peace Prize. Orlov's case finally came to court in May 1978. On May 18, 1978, Orlov received the maximum penalty under Article 70, "anti-Soviet agitation and propaganda"—7 years in strict-regimen camp plus 5 years of internal exile.

Since his imprisonment, Orlov has been subjected to long periods of solitary confinement and denied visits from his wife. He has conducted numerous hunger strikes to protest interference with his mail and other forms of harassment. In ill health, Orlov has also been subjected to beatings by fellow prisoners. In 1982, Orlov's wife, Irina, wrote a personal appeal to President Brezhnev asking for consideration of her husband's release on humanitarian grounds; she also appealed to President Andropov. No response was received.

In February 1984, Orlov was released from labor camp to begin his term of internal exile in Yakutsk, in northern Siberia. He lives alone in an isolated and primitive hut. Orlov's health has further deteriorated in his place of exile. He has been denied access to proper medical treatment; he suffers from cystitis, nephritis, prostitis and the effect of an old skull injury. Since October 1984, he has not been allowed to receive mail or telephone calls from the West. On April 21, 1985, Orlov was attacked by two men. Although he was not seriously injured, the incident is only one of many types of harassment which Orlov undergoes.●

TENTH ANNUAL YAM DAY

● Mr. LONG. The golden sunshine of spring calls to mind that most nutritious of foods—the delicious golden yam. Today, May 20, 1986, we are observing the 10th annual "Yam Day," to celebrate the flavor and nutritional value of this excellent vegetable.

Our Nation is enjoying an upsurge of attention to our health and physical condition. We've learned that the kinds and amounts of food we eat can have a definite effect on our well being.

In fact, the National Academy of Sciences recently came up with a number of suggestions on how our diet affects our susceptibility to several diseases, including cancer. One of the recommendations was that we eat more fruits and vegetables rich in vitamin A and C.

These new facts make annual "Yam Day," with its goal of encouraging greater consumption of the Nation's sweet potatoes, even more worthwhile. One sweet potato proudly claims 9,230 units of vitamin A, a greater portion than almost any other comparable food.

The yam is a natural way to satisfy our sweet tooth without adding sugar, and without gaining weight. A medium-sized sweet potato adds only 82 calories to a meal.

Bake them, mash them, candy them, or eat them for an occasional treat. Sweet potatoes are especially good with poultry and pork, and don't forget that Southern favorite, sweet potato pie.

Because we have such a plentiful yam harvest, the Government uses large amounts of sweet potatoes in its food programs for the military and for schoolchildren. Since a major concern of these programs is to provide foods with a high nutritional value and a tasty flavor, the Louisiana yam is custom made. Yams have three great characteristics that make them ideal for Government feeding programs: They are extremely nutritious, they are very very versatile and can be prepared in many different ways, and they have a natural sweet taste that people—especially children—enjoy.

I encourage the U.S. Department of Agriculture and the Department of Defense to continue and increase their purchases of sweet potatoes, and hope that purchasing decisions will be made as early as possible to assist production planning.●

PHILIPPINE AMBASSADOR EMMANUEL N. PELAEZ

● Mr. KENNEDY. Mr. President, last Thursday I had the pleasure of meeting with the new Philippine Ambassador Emmanuel Pelaez. My sister Eunice Shriver happened to be with me and our conversation began with Ambassador Pelaez reminiscing about a meeting he attended on the Peace Corps 25 years ago as Vice President of the Philippines which Sargeant Shriver also was attending. Throughout his public service to the Philippines—which has spanned 40 years—Ambassador Pelaez has retained his commitment to those values embodied by the Peace Corps. His dedication to justice and democracy has never waivered over the years—whether it involved opposing the Marcos coconut monopoly or exposing corruption and kickbacks among the Philippine politicians. His stance against corruption nearly cost him his life 4 years ago.

I think I speak for the entire Senate and indeed for all Americans, in extending a warm welcome to our newest Ambassador in Washington. I look forward to working with him over the years as the Philippine Government strives to overcome the obstacles to preserving its new democracy and to restoring economic vitality to its country.

I would like to call to the attention of my colleagues a recent article in the Washington Post featuring Ambassador Pelaez. The article provides an interesting account of the history behind the new Philippine Ambassador. I ask that this insightful article may be placed in the RECORD.

The article follows:

[From the Washington Post, May 14, 1986]

TRIALS OF AQUINO'S MAN IN WASHINGTON

(By Myra MacPherson)

"It was about 11 o'clock. I was coming home from a dinner along, with my driver. A car in back of us started firing. There were two gunman. One pulled out my driver and finished him off. The other went to the right side of the car and fired . . .

"Five bullets entered my back. One broke five ribs. One was half a centimeter to the left of my spine; another was two centimeters to the right. And one bullet hit my left elbow"—there is a pause, a half-smile and a palms-up gesture of thanks to God or fate or whatever—"and I survived!"

The man proffers coffee from a silver urn on the gleaming table in his Massachusetts Avenue office.

His assailants were never found. "I had bodyguards after that." A wise smile crosses his face. "Supplied by the palace of Marcos."

The new Philippine ambassador, Emmanuel N. Pelaez, views life with soft humor and the slight detachment born of surviving many political winds in his 71 years. He looks and acts astonishingly youthful, with thick gray and brown hair, and face less lined than that of someone a decade younger. As he moves quickly about the Philippine Embassy, wearing brown loafers and a pale tan suit, there is no sign of the pounding his body took from bullets four years ago. Or the more than six months it took him to recuperate.

Palaez was once a lonely voice in the Philippine general assembly, denouncing Marcos' coconut monopoly, which taxed the small coconut planters. His colleagues, he says, were "either scared or benefitted from the monopoly. This money was put into a kitty and disposed of by the president's cronies. And there would be no accounting. The coconut producers would lose about 30 percent of their crops' real value—a terrific drain from the economy in rural areas," where many such farmers were living in poverty even before enactment of the tax. The levy brought in something like $1 billion dollars.

The night Pelaez was shot, he says, he had just returned from helping an exporter load 5,000 tons of coconuts bought from farmers at a higher price than the Marcos monopoly was paying them. "That was 1 million pesos, which otherwise would have been lost to the small people." The attempt to assassinate him came about "apparently because they say this challenge—whoever they were."

Pelaez had been a distinguished lawyer and assemblyman before Marcos declared martial law and abolished the Senate in 1972. Six years later, "when Marcos decided to restore the legislative arm, he called us former senators and told us it was going to be a brand-new assembly." He appealed to Pelaez and others, saying he needed them to

help guide it. "So I ran—only to find that he gave control to his own henchmen."

But Pelaez had not initially opposed Marcos, "Manila was beginning to be known as a Wild West city, and he restored peace and order," he says, "They collected something like 650,000 pieces of firearms. There would be boxes placed at strategic spots and people surrendered them."

Pelaez laughs at the "austerity" of the early Marcos regime when the slogan was "National Discipline for Progress." Later, "we knew that this was the most corrupt regime. But—my God," says Pelaez, in a whisper, "the extent!" The millions of dollars, the thousands of pairs of shoes, the jewelry and the billions in real estate, wealth far more vast than anyone would need, Pelaez says, were the product of "insatiable greed coupled with perpetual adolescence." Marcos and his wife Imelda, he says, "believed above all else that economic affluence had political power. They always bought their way in."

Still, Pelaez seems to admire Imelda Marcos' chutzpah. The Philippines "had a very unpleasant time" with Libya in 1976, "when Libyan money was funding unrest among Philippine Moslems. What Imelda did was go directly to Qaddafi." Pelaez chuckles, "She was effective."

"She waited for hours to see Qaddafi. And then when she learned that Qaddafi's father still lived in a tent, literally, in the desert, she went with her whole entourage and engaged the old man in conversation, gave him gifts. And this touched the old man." His present boss, Corazon Aquino, would be above that sort of manipulation, he says.

Pelaez's grandfather was an early settler of Mindanao, and in 1870 "literally cut down the forests and started planting coconuts." His father was also a coconut planter, but from childhood, Pelaez planned to be a lawyer.

"You have to go back to the Spanish period. All those years were punctuated by rebellions. We managed to overthrow the Spaniards. By a quirk of fate"—the Spanish-American War—"we had the Americans there, sitting in the boats. The Spaniards would not surrender to the Filipinos; they engineered a fake battle in which they surrendered to the Americans."

"I compare the United States to a golfer that sends his ball into the sand trap and then recovers beautifully. The military administration [of Theodore Roosevelt] was replaced by a civilian administration, headed by William Howard Taft." Pelaez says his name almost reverently. "He laid down the foundation of the Philippine government and brought the young American teachers who became the backbone of the Philippine education system."

A proud, colonized people, used to racial subjugation, the Filipinos found that under the Americans "we could talk our heads off—as long as we didn't take up arms." His generation was "born in an environment of freedom" and by 1935, the Philippines was a commonwealth, similar to Puerto Rico. "As a result, when the Japanese came, we fought on your side." Pelaez became a lawyer because "the heroes of my youth were the leaders of the lobby that used to come to the United States and plead for Philippine independence, and in my view you had to be a lawyer in order to argue successfully." The independence movement never turned to violence in any strength because the United States "always held out the hope that this could be settled peacefully. And it was." The Philippines gained independence in 1945.

After World War II, Pelaez made a colorful entry into politics in the case of the "postliberation beer scandal." When the Japanese surrendered, the United States had a huge stockpile of food and materials that were simply transferred to the Philippine government without any assessment or accounting.

"Among the stockpiles was a very big stock of beer . . . in the hundreds of thousands of cases. The Senate president connived with a Chinese merchant and manipulated things so as to award this huge stockpile of beer to the Chinese." The Senate president became very rich in kickbacks. "I was called to become counselor of the committee that investigated." As a result of the investigation, the Senate president was found guilty and deposed—and Pelaez was swept into elective office as an assemblyman.

Today he is pushing for yet another recovery of goods—those taken by Marcos. "There is no question morally," he says, that there should be a mandatory return, but Pelaez recognizes the slow necessity of "due process."

Pelaez was "comfortable in retirement" when Corazon Aquino appealed to him in her fight against Marcos. His private life was rich; a 47-year marriage, nine children and 29 grandchildren.

One night during the Aquino campaign, Pelaez met Aquino at a party. "She said she was drawing up a list of advisers and there was one person missing, and that was me. She asked me to join. So I campaigned actively for her."

The government is settling into its new, raw stage of running a problem-plagued country with many unemployed. Gone are the cheering mobs of millions, the election where people risked death to vote, the victory that moved the world. Pelaez, asked if he is sanguine about the future, says: "Sanguine, no. There are a lot of problems. But possible, yes. In all modesty, we know we can't get out of this hole by ourselves."

For 30 years, Pelaez has been in on negotiations to settle the thorny problem of U.S. bases in the Philippines. He allows himself to speak as drily and pointedly as the ambassador in him will allow. "It used to be 'American bases' but there has been a change in nomenclature. Now they are 'Philippine bases'—on which 'American facilities' are placed.

"The Pentagon now has a proposal to spend a million and a half dollars on housing for servicemen on both bases. The materials would come from the U.S., prefab. But we could build those homes for much less—and it would create so many jobs for Filipinos."

Pelaez has brought this up with authorities in the State Department and the Pentagon. What does he think will happen?

The sigh sounds negative, but the answer is again a guarded ambassadorial one.

"I don't know," says the 71-year-old survivor of Philippine and American politics. "I'm new on the job."●

SDI AND MADNESS

● Mr. QUAYLE. Mr. President, the Indianapolis Star recently ran an editorial on the President's strategic defense initiative that makes a rather important point concerning our existing nuclear strategy. As the editorial points out, we assume that so long as our forces can retaliate against a Soviet nuclear strike, the Soviets will never strike in the first place. What we pay far too little attention to, however, is the Soviets' clear superiority in hard-target kill weapons that could be used to cripple our retaliatory capability. Mutual assured destruction [MAD], in this case, would not be assured.

I believe it is critical that the madness of our current strategy and the need for SDI to assure survival and not extermination [SANE] be more widely understood. I ask that the full text of the Indianapolis Star editorial be in the RECORD.

The editorial follows:

STILL MAD

Debate over proposed creation of a space shield to defend the United States against nuclear attack blazes on as fiercely as ever.

The Soviet Union opposes the idea of a U.S. space shield while proceeding pell-mell with work on a space shield of its own.

The idea of a U.S. space shield is also opposed by the U.S. disarmament lobby, unilateral freezeniks and assorted leftist groups.

Some opponents concentrate on attacking the technology that might be used in space defense. A number of technologies are being considered. No particular one has been chosen for the Strategic Defense Initiative, as it's called officially.

As is always the case with science and technology, new discoveries are continually being made. One of these may prove ideal for a space shield.

That would not silence the U.S. critics or, of course, the Soviet critics either.

Basically, it is not technology that they oppose or the cost, which they always exaggerate. It is the idea of a space shield.

The alternative to a space shield is the Mutual Assured Destruction (MAD) doctrine which became the cornerstone of U.S. nuclear weapons policy in the 1960s.

The basis of MAD is the theory that neither superpower will make a first strike, because of assurance that the answering attack will be strong enough to destroy the first nation's war-making ability. MAD rules out defense.

U.S. intelligence estimates the USSR has 12,000 to 15,000 nuclear warheads while the United States has 10,000 concentrated in some 4,000 targets, making them quite vulnerable to pre-emptive strike. So U.S. retaliatory capacity could be crippled. Mutual destruction is not assured.

Suppose it were. What consolation is there in MAD?

Our goal should be SANE: Survival and Not Extermination.●

SOUTH KOREA

● Mr. SIMON. Mr. President, one of the most active and most thoughtful Members of this Congress is the distinguished Member from the House of Representatives, STEPHEN J. SOLARZ.

Recently, he had an article in the Washngton Post commenting on the situation in South Korea.

He chairs the House Subcommittee on Asian and Pacific Affairs but, much

more important than that, he has been a frequent visitor to that area of the world and, I have learned through the years, has a balanced, sensible approach to most of these issues.

In case some of my colleagues did not see the original article, I ask that it be inserted in the RECORD.

I would add that up to now the U.S. Ambassador to South Korea has not visited Kim Dae Jung, the person who is, in fact, the real leader of the opposition forces, the person who has risked a great deal to try and bring democracy back to South Korea.

I hope we will have a more positive, constructive impact on South Korea in the future.

It is a great country with a great people, with much potential. They will not achieve that potential if they do not move in the direction of having the freedom that the peopple of South Korea so desperately want.

The article follows.

AFTER MANILA, IS SEOUL NEXT?

(By Stephen J. Solarz)

Will the recent miracle in Manila be repeated on the streets of Seoul? Tens of thousands of Koreans have come out for rallies in support of constitutional revision in recent weeks. For now the government is permitting these peaceful demonstrations to go forward, yet it has also issued dire warnings of a crackdown if the rallies degenerate into what the regime elastically defines as disorder. The stage is being set for a showdown between the forces of authoritarianism and the partisans of pluralism.

This Korean exercise in "people power" could end in a new birth of freedom or in a replay of repression. There are some fundamental differences between Philippine and Korean societies. But in both, there has been a broad yearning for a peaceful transition from dictatorship to democracy.

Moreover, the internal political dynamics of the Philippines and South Korea have significant implications for the security of the United States. In the Philippines, the New People's Army, whose rise was fueled by the corrupt practices and repressive policies of the Marcos regime, threatened continued American access to our military facilities at Clark Field and Subic Bay. Widespread political instability in South Korea, which could easily occur if the government tries to supress the opposition, might lead Kim Il Sung to miscalculate that the moment had come to reunify the peninsula under communist control. With 40,000 American troops stationed in Korea and a mutual defense treaty between Washington and Seoul, the United States would inevitably be involved were another war to break out.

The most effective way for the United States to safeguard its interest in stability in South Korea is the same way it has sought to forestall communism in the Philippines—by promoting democracy. With 850,000 North Korean troops deployed offensively just north of the demilitarized zone, it would be imprudent for the United States to threaten the withdrawal of our troops or a reduction in military assistance in an effort to induce more rapid progress toward democracy. Such a strategy might well end up doing more to diminish deterrence than to promote pluralism. But the U.S. government should make clear its preference for accelerated progress toward genuine democracy, especially with respect to the elections in 1988 that will pick a successor to President Chun Du Hwan, and work to facilitate a reconciliation of the contending political forces.

There are, to be sure, indisputable differences between South Korea today and the Philippines under Marcos. Politically, Marcos tried to hold on until the bitter end, while President Chun has repeatedly pledged to step down in early 1988. Economically, the Philippines under Marcos became a basket case, while South Korea is an economic showcase that enjoys rapid growth and a relatively equitable distribution of income. Historically, the Philippines was bequeathed a legacy of democratic values by the United States, while Korea was ruled for centuries by a rigid Confucian imperial state and for decades by Japanese colonialists. Religiously, the Philippine Catholic church accounts for 85 percent of the population, while in Korea, Christians of all sorts are only 20 percent of the population.

Yet there are some striking political similarities as well: South Korea is, and the Philippines was, an authoritarian regime prone to widespread human-rights abuses. There are numerous reports of torture in Korea, just as there were many "salvagings"—summary executions—in the Philippines. There were hundreds of political prisoners in the Philippines, just as there are numerous political prisoners in Korea.

In both regimes, the military and security agencies provided the principal bases of governmental support, keeping the ruling elite in power and suppressing the desire of democracy among the people.

Marcos suffered and Chun suffers from a significant absence of legitimacy. Marcos by the end was largely bereft of support. Chun hurt his chances for legitimacy by securing power through a coup and then putting down an uprising with excessive violence.

In both countries, an organized opposition emerged to mobilize and project a nationwide demand for democracy. The disaffection in South Korea has not yet gone as far as it did in the Philippines. But it has advanced considerably, and many observers believe that the opposition would win a free and fair election—which may be why the government seems unwilling to permit it.

In addition to these political similarities, the drive for democracy in South Korea is fueled by some of the very social and economic factors that make it different from the Philippines. Precisely because of Korea's economic miracle, there is now a large middle class that wants a share of political power. The Korean population is one of the world's youngest—75 percent are under the age of 35—and best educated, with a literacy rate of almost 100 percent. As a result, Koreans are less and less willing to tolerate self-appointed rulers.

Although the church is not as important in Korea as in the Philippines, it is still significant: the homilies of Cardinal Stephen Kim, who has been an eloquent spokesman for human rights, serve as a moral barometer for the society as a whole.

It should be no surprise, therefore, that the government and opposition in Korea are on a collision course. The focus of their conflict is how the 1988 presidential elections should be conducted. Their argument is over who, in effect, will pick the successor to President Chun Du Hwan—the military elite or the people of the country.

The current constitution, on which little debate was allowed at the time of its adoption, mandates indirect elections through an electoral college, presumably to minimize disorder. The democratic opposition, convinced that this is merely a facade to legitimize a candidate who will protect the military's interests and ensure nothing more than Chunism without Chun, has mounted a campaign for direct elections.

This struggle over electoral arrangements is more than a scholastic debate. The very nature of the Korean political system is at stake. If the Korean people are given a genuine chance to pick the next president, the fundamentals of democracy—freedom of speech, of assembly, and of the press—will probably follow.

What are the interests of the United States in this delicate situation? We have a vital stake in deterring North Korea from attacking the South, and stability in the South is one element of deterrence. Yet stability is more likely to be guaranteed by democracy than by repression, which only increases popular resentment and dissatisfaction.

Not even the Korean opposition is asking the United States to withdraw our troops or cut military aid pending the establishment of democracy. Much as they want democracy, they also want peace. Both opposition leaders Kim Dae Jung and Kim Young Sam recognize that our forces and aid contribute to deterrence.

What we should do is use our influence to make clear where the United States government—both the executive branch and Congress—stands on Korea's political evolution. It is not our place to express a preference for direct or indirect elections, much less to favor one candidate over another. What is appropriate is that we state unequivocally our conviction that the Korean election system be designed to ensure that the choice for the next president reflects the wishes of the Korean people.

American interest would best be served, and a political disaster in Korea avoided, by a compromise in which both the government and the opposition give up some of what they seek for the sake of progress and stability. The key is an agreement on an election framework—direct or indirect—in which both sides have confidence that the will of the people will be respected, and that whoever wins will respect the personal security of the loser. If that confidence exists, procedure formulas will be relatively easy to devise.

For a compromise to have a chance, the two sides must begin talking to each other at the highest level. Even if a direct dialogue is not initially feasible, there are potential intermediaries, such as the Catholic Church or the U.S. embassy.

Like the Philippines, South Korea is an example of a country where we can more effectively protect our strategic interests by promoting our political values.

NAUM AND INNA MEIMAN: LET THEM GO

● Mr. SIMON. Mr. President, Naum and Inna Meiman are representatives of the modern day story of Passover. The Meimans, like the Jews who were slaves to Pharaoh, are being held captive against their will in the Soviet Union.

The Meimans applied to emigrate to the land of their ancestors, Israel. The Soviets allow Armenians to live in Ar-

menia, Lithuanians to live in Lithuania. Why don't they allow Jews to live in their homeland—Israel?

Inna is cancer-ridden and desperately needs treatment available to her in the West. Naum is an elderly man who has been through 10 years of torment, threats, and harassment by the Soviet Government.

I strongly urge the Soviets to allow the Meimans to emigrate to Israel.●

WALTER M. McMURTRY, JR., RETIRES

● Mr. LEVIN. Mr. President, after 19 years of dedicated service, Walter M. McMurtry, Jr., is retiring from the presidency of the Inner City Business Improvement Forum in Detroit today.

Walt is one of the founders of ICBIF. He served as executive director from 1967–71, and as president since 1971. Under his leadership ICBIF has grown to be one of the largest minority business development corporations in the United States.

ICBIF, a community-based organization, was founded after Detroit's 1967 civil disorders to provide financial, managerial, and technical assistance to minority businesses and businesspersons. It also assists majority companies by providing information and contact with minority suppliers.

Under Walt's leadership, ICBIF has given assistance to more than 3,200 minority businesses, secured loans totaling more than $63 million, helped institute corporate and governmental minority business purchasing programs, and been instrumental in the formation of other leading organizations involved in minority economic development.

A director of several venture capital firms and private companies, Walt McMurtry has served on numerous Federal, State, and city commissions. He was a commissioner on the Small Business Administration's Black Economic Development Council from 1968–70, and a member of the SBA's National Advisory Council to Small Business Investment Corporations in 1977.

Walt has willingly given of his time and talent to the Boys Scouts of America, the NAACP, the Detroit Urban League, Lewis Business College, the Hispanic Business Alliance, and countless other organizations and associations. His leadership and participation within the community have made a difference. His expertise and example have guided educators and entrepreneurs. His dedication has been the driving force that has made many dreams realities.

I congratulate Walt McMurtry on this happy occasion.●

ALBANY LOSES A GOOD MAN AND TRUE

● Mr. MOYNIHAN. Mr. President, in New York, the city of Albany is the seat of government. In some times, it has been a place of beginnings for Governors and for Presidents. It is there that H.H. Richardson's grand capitol looms high over the Hudson, and a few block away, on Eagle Street, that men like Grover Cleveland, Theodore Roosevelt, Alfred E. Smith, Franklin D. Roosevelt, Herbert H. Lehman, Thomas E. Dewey, Averell Harriman, and Nelson A. Rockefeller have lived and governed the State of New York.

For those men and for some others who came before and after them, government was more than politics; it was an art, an honorable and often noble pursuit.

The speaker of the New York State Assembly, Stanley Fink, is such a man. He has served in the legislature with unequaled strength and distinction for nearly two decades, and is widely credited for forming, out of a fractured party in his chamber, a cohesive and productive majority.

The speaker has not let ambition interfere with his work. Stanley Fink has not used Albany as a springboard to higher office; he has instead used the great influence a speaker can have for the good of his State and his people. And they have respected him—and reelected him for it.

Last week at the capitol, the Speaker announced he would not run again. He will dedicate his time and considerable talents now to the practice of law. This, of course, is his right, or more precisely his due. But for his colleagues in Albany, and for all who know Stanley Fink and his work, we cannot help but wish he might have stayed.

Mr. President, in the days that followed Speaker Fink's announcement, the press spoke with one voice about his time in the assembly and his departure from government. As part of the tribute I mean to pay him today, I ask that articles from the New York Times, Newsday, the New York Daily News, and the New York Post be printed in the RECORD.

I commend these articles to the attention of the Senate today, and in doing so, salute and send my personal thanks and good wishes to Stanley Fink. He will be greatly missed.

The articles follow:

[From the New York Times, May 15, 1986]

ALBANY LOSES A GOOD MAN

Speaker Stanley Fink's decision to leave the Legislature is a stunning blow to New York State's government. An energetic, voluble, determined man who played to win every point, Mr. Fink has since 1979 managed to forge the individualistic members of the Democratic Assembly majority into a unified political force.

Aside from his vigor and personality, Mr. Fink succeeded as legislator and negotiator with the Republican Senate leadership and Governors Carey and Cuomo for a reason unusual in Albany. He is directed by a consistent philosophy of government. He believes that organs of government should not take from the body politic the powers to make decisions directly, whether as jurors, electors of judges or voters in referendums. In his view, government exists to provide services and protections that the people cannot provide for themselves. His realism tells him that no government can accomplish what it should without an active, innovative economy to create wealth.

That so talented a leader now decides to relinquish public office sends a signal. In the present atmosphere of distrust and contempt, pride in government service turns sour, but that alone probably would not have motivated Mr. Fink to leave. A more daunting discouragement might be how hard it is to run for higher office—because campaigning for it cost so much. It will be difficult to find a replacement for Stanley Fink; it will be even harder to make the changes that might have kept him in the high office he has filled so well.

[From the Daily News, May 15, 1986]

FINK WON'T SEEK REELECTION

(By Adam Nagourney and Frank Lombardi)

Stanley Fink, the powerful speaker of the state Assembly, announced yesterday he will not seek reelection in November.

"It is my inner sense that the time has come to move on to new challenges," said Fink, a Brooklyn Democrat, explaining his decision to give up one of the most coveted positions in state government.

For several weeks, Fink, 50, had been hinting that he might bow out of politics and public life to devote more time to his family and pursue a lucrative private law practice.

The speaker is the leader of the 150-member Assembly, which is now controlled by Democrats by a 94 to 56 margin over Republicans. Fink, who has held the post since 1979, often has been as infuential in the adoption of state laws and the budget as Gov. Cuomo, also a Democrat, and Senate Majority Leader Warren Anderson (R-Binghamton).

An Albany fixture since the mid-1960s, Fink was first elected to his Canarsie seat in 1968. Before that he was an Assembly staffer. He rose rapidly in power and seniority by winning reelection every two years and by forming close ties with such mentors as Stanley Steingut, whom Fink succeeded as speaker seven years ago. Steingut, another Brooklyn Democrat, was deposed as speaker when he lost reelection.

The last speaker to give up his post on his own was Anthony Travia, also a Brooklyn Democrat, who resigned in 1968 to become a judge.

Fink's successor won't be chosen until January, after the November election, when all Assembly seats are up for election. But the maneuvering for his post—which pays $43,000 plus a $30,000 "lulu"—has already begun.

FOUR CANDIDATES

The four acknowledged front-runners are: Daniel Walsh, the current majority leader, who is from upstate Olean; Arthur Kremer, the chairman of the Ways and Means Committee, from Long Beach, L.I.; Alan Hevesi, the deputy majority leader, from Queens,

and Melvin Miller of Brooklyn, chairman of the Codes Committee.

Fink said that he intended to stay out of the succession battle because he didn't want to rule "with a hand from the grave."

He did not rule out returning to public life in the future. Fink has long been interested in running for governor.

"I'm leaving open the door," he laughingly told reporters after walking unannounced into the State House press room and making his announcement.

Earlier, Fink had notified Cuomo of his decision, as well as his Assembly colleagues and Anderson.

Confidants said Fink had grown "tired" of his legislative duties and having to divide his time between Brooklyn and Albany for more than six months a year.

For the last two years, Fink has been associated with the Manhattan-based law firm of Bower and Gardner, which specializes in defending doctors in medical malpractice suits.

[From the New York Post, May 15, 1986]

STANLEY FINK: NEW MOUNTAINS TO CLIMB

Assembly Speaker Stanley Fink, one of the most powerful Democrats in New York State, is calling it quits.

"It's time to move on to new challenges . . . to climb some new mountains," says Fink.

Principled and productive, Fink leaves the Assembly better than he found it—more contentious, perhaps, but more open and generally more responsive.

"When I was a young man, I sat in the back rows [of the Assembly] and I wondered about people who stayed to a point where many people thought they should not have stayed," says Fink. "I vowed then I would never permit that to happen to me."

The Speaker is less than generous to himself. He leaves at the height of his power and influence. He will be missed.

[From Newsday, (Long Island, NY), May 18, 1986]

A SPEAKER WHOSE VOICE WILL ECHO IN ALBANY

If tradition is any guide, Assemb. Melvin Miller (D-Brooklyn) is a shoo-in to succeed Stanley Fink as speaker of the Assembly. Every Democratic speaker in the past 50 years—with one brief exception—has been from Brooklyn.

But whether the new speaker turns out to be Miller or one of the other likely candidates—Arthur J. Kremer (D-Long Beach), Alan Hevesi (D-Forest Hills) and Daniel Walsh (D-Franklinville)—or some dark horse, the outspoken, sometimes gruff Fink will be a tough act to follow.

Fink announced last week that he would not seek re-election to the Legislature this year. He has been a member of the Assembly since 1968 and its speaker since 1979. In that capacity, he has been—along with the governor and the Senate majority leader—one of the three most powerful people in Albany.

It was a measure of his success as a legislative leader that both his political allies and his opponents expressed their regret at his decision to abandon politics and go into private law practice.

"It's a huge, huge loss," said Gov. Mario Cuomo, with whom Fink didn't always agree but with whom he worked closely. "I believe he will be ranked as one of the greatest Assembly speakers in the history of that proud legislative chamber."

Fink combined several rare political talents that made him a remarkable legislative leader. Not the least of these were his success in transforming the Assembly's historically fractious Democratic majority into a coherent political force and his skill in negotiating from that power base with his Republican opponents in the State Senate.

Fink's departure will leave an enormous gap in state government. It will not be an easy one to fill.

[From Newsday, Long Island, NY, May 15, 1986]

ASSEMBLY SPEAKER CALLS IT QUITS

(By Miriam Pawel)

ALBANY.—Stanley Fink, the tough Brooklyn Democrat who has ruled the Assembly with a skill and strength that impressed friends and enemies alike, announced yesterday he will not seek re-election.

The end of Fink's eight-year reign as Assembly speaker was greeted with sorrow and even tears by both Assembly Democrats and Republicans, who learned the news from Fink yesterday afternoon.

At the sort of impromptu news conference that has been his hallmark, he said: "It is my inner sense the time has come to move on to new challenges, hopefully climb some new mountains and do some things that I haven't had the opportunity to do heretofore . . . For a democracy to flourish, there has to be a constant influx of new ideas, new enthusiasm and new leadership. For the New York State Assembly, that time has come."

Fink, 50, joined the Manhattan law firm of Bower and Gardner in 1983 and said he plans to practice law. He was first elected to the Assembly in 1968 and has been the longest-tenured Democratic speaker.

Even as they were eulogizing Fink's successes, his colleagues and staff began discussing the succession battle touched off by the news.

Two senior members, Daniel Walsh (D-Franklinville) and Melvin Miller (D-Brooklyn), said they will seek the job; Alan Hevesi (D-Forest Hills) and Arthur J. Kremer (D-Long Beach) are also considered likely contenders.

Democrats said Fink made the announcement to the legislators matter-of-factly, turning away from his colleagues for a minute once or twice to regain his composure. "It was so low-key you wanted to cry," said Miller.

While most Assembly leaders said Fink's announcement would have little impact on the session's unfinished agenda, others said the impending succession battle could create chaos.

"It will add confusion to our activities because about five or six people are pressing their positions, trying to become speaker," said Assemb. John Cochrane (R-Brightwaters), whose Republican conference gave Fink two standing ovations.

Fink warned the Democrats by telling a story about a fishing trip last weekend: his friend, having chased away all but one duck from the rowboat, tried to shoo away the last stray, which turned out to be lame. The duck bit him on the finger, proving, Fink said, that lame ducks can still bite.

Democrats said they were also concerned that a bitter scramble for the leadership could damage their 93-56 edge in the Assembly.

In what some interpreted as a warning against interference from county leaders or the governor, Fink said the decision about a new speaker should be made only be Democratic legislators. There is no set procedure for selecting a speaker, but the majority party is expected to make a choice behind closed doors after the November elections that will be ratified by the whole house in January.

Staff members who must negotiate with the Assembly expressed concern that lobbyists and special interest groups would press particularly hard on the likely speaker candidates, making agreements more difficult. "There have already been some overly sensitive reactions to things by as-yet-unannounced contenders," said Assemb. Alexander Grannis (D-Manhattan). "I think you will see more of that."

Gov. Mario Cuomo and other legislative leaders praised Fink and said his departure was a loss for the state. "He is smart, candid, competent, has good instincts, good, judgment and good values," Cuomo said.

During Fink's tenure, the Legislature became a more professional independent and stronger branch of government. He often championed progressive causes, such as programs for the poor, education initiatives and mass transit aid.

"The bottom line was I was their leader, and together we did a lot of things that made peoples' lives better," Fink said.

Fink said he would remain neutral in the choice of a successor. Each of the leading contenders has drawbacks—Walsh and Kremer are from outside New York City, home of 56 of the 93 Democrats; Hevesi, whose Queens base once would have been an advantage, may now be stigmatized by the recent parking bureau scandals; and Miller's Brooklyn base may hurt him coming after two previous Brooklyn speakers, Fink and Stanley Steingut.

Aside from geographical concerns, some members and staff say Hevesi has a relatively weak staff, Miller has been aloof from the day-to-day process, Kremer has a small home base, and Walsh has certain positions that are at odds with most of the Democratic conference.

The battle will be a long one, and other lawmakers may emerge as compromise candidates. "Anyone who's counting noses at this point in time is not doing themselves justice," Walsh said.

Fink said he had no on reason for leaving, and that that was preferable. "It's nice to leave while the party is still going on," he said. "And I don't mean political party."

SAD DAY IN THE CAPITOL

Albany—In the ornate parlor outside the speaker's office yesterday afternoon, it was sort of like a wake and sort of like a graduation.

Legislators and staff trickled in, hugging one another, hugging Stanley Fink, paying respects. One staff member bought flowers, and one Assembly staffer complained that people were treating him as if he had had a death in the family.

"Everybody heard the rumors, but very few people thought this day would really come," said Assemb. Patrick Halpin (D-Lindenhurst), after Fink told his colleagues he would not run for re-election.

The sadness and nostalgia were pervasive, even among those who thought they knew the decision had been made weeks ago, even among those who stand to gain politically from Fink's departure.

Said Fink: "I concluded a while ago that this was what I was going to do . . . I made up my mind . . . the delay was making up one's heart. That's not always easy to do."

Friends, political allies and staff who have worked with the gruff Brooklyn Democrat over his 18 years in the Assembly gravitated to his office. They reminisced about experiences that spanned his reign—the time Fink, newly elected speaker, charmed an irascible Syracuse publisher; the time, this week, when he played a practical joke on Sen. Howard Babbush (D-Brooklyn), whose district overlaps his own, by telling Babbush he'd decided to forgo his Assembly seat to run for the State Senate—in Babbush's district.

Two legislative staff members close to Fink pondered the meaning of the word "sad" and the appropriateness of being sad when the speaker seemed perfectly happy. Everyone talked about possible successors and shakeups. And government junkies reflected on Fink's expertise and the number of times he had been able to change events by framing a question in a particular way or pushing hard on an issue.

Fink, whose decision had been expected for weeks, seemed relieved at having the ordeal over with as he roamed about, a package of Rolaids in his pocket. As legislators paid their respects, he engaged in his customary banter. Watching reporters interview one of the leading contenders to replace him, Fink said: "Ah, I remember when they used to crowd around *my* desk."

Fink was nostalgic, too. "The thought of not being with these people in a common cause to serve the people of this state is something which, to be honest is a little scary," he said. "But I'm at that stage where I think it's the right thing for me to do."●

ORDER TO HOLD SENATE CONCURRENT RESOLUTION 140 AT THE DESK

Mr. DOLE. Mr. President, I ask unanimous consent that Senate Concurrent Resolution 140 be held at the desk until the close of business tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR WEDNESDAY

RECESS UNTIL 11 A.M.

Mr. DOLE. Mr. President, I ask unanimous consent that once the Senate completes its business today it stand in recess until the hour of 11 a.m. on Wednesday, May 21, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF CERTAIN SENATORS

Mr. DOLE. Mr. President, I further ask unanimous consent that following the recognition of the two leaders under the standing order, there be special orders in favor of the following Senators for not to exceed 5 minutes each: Senators HAWKINS, CRANSTON, PROXMIRE, KERRY, BUMPERS, LEAHY, and LEVIN.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. DOLE. Mr. President, following the special orders just identified, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond the hour of 12 noon with Senators permitted to speak therein for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Mr. President, as I have indicated following the special orders just identified the Senate could be asked to turn to any legislative or executive calendar item that can be cleared for action and possibly the veto message to accompany the Saudi arms sale.

I am also advised that the Safe Water Act conference report could well require a rollcall vote and, as I have indicated, there is some hope that we make some progress tomorrow on the supplemental appropriations bill.

So I guess the message would be that there will be rollcall votes tomorrow. I am not certain how long we will be in tomorrow. If we do not get to the supplemental, I would assume we would be out fairly early in the evening.

ARMS SALE VETO

Mr. BYRD. Should the President elect to veto the arms sale resolution, which I hope he will not do, if this occurs is it the intention of the distinguished majority leader to move for a quick vote on overriding the President's veto tomorrow?

Mr. DOLE. That is the intention of the majority leader, I say to my friend.

Mr. BYRD. Can the distinguished majority leader at this point enlighten us further as to what the indications from the White House may be at this point, whether there are strong indications that such a veto will occur this evening or tomorrow?

Mr. DOLE. I have been in touch with the White House I guess about 1½ hours ago. I was not able to determine whether or not they will do it tonight or tomorrow. The President has indicated that at the request of the Saudi Ambassador there be a modification to remove the Stingers from the package. But it is my understanding that the bill will be vetoed, I would assume either late this evening or early tomorrow morning.

Mr. BYRD. All Senators should be on notice. I do not want to try to attempt to put words in the distinguished majority leader's mouth.

Mr. DOLE. They should be on notice. It will be an important point. I think some Senators wish to be notified if they do it tonight, and I promised them I will do that. We are not trying to surprise anyone. All Senators should be on notice it is very likely—not certain, but very likely—this vote could come by, say, midafternoon.

Mr. BYRD. By midafternoon tomorrow. Very well. I thank the distinguished majority leader for stating for the record what he envisions as a very likely prospect.

Mr. DOLE. That is right.

Mr. BYRD. As I see it, the President will in all likelihood veto this resolution. It originated in the Senate and therefore it will be sent back to the Senate for an override, and the majority leader has every intention if that occurs of placing a vote before the Senate to override on tomorrow. So Senators should prepare their schedules accordingly.

Mr. DOLE. I will not say it is 100 percent we will do it, but it is very likely and it would be my advice to all Senators if they have an interest in this matter they should be checking in periodically.

Mr. BYRD. I thank the majority leader.

Mr. DOLE. Anything else?

Mr. BYRD. Nothing else.

□ 2000

RECESS UNTIL 11 A.M. TOMORROW

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move that the Senate stand in recess until the hour of 11 a.m. on Wednesday, May 21, 1986.

The motion was agreed to and, at 8 p.m., the Senate recessed until Wednesday, May 21, 1986, at 11 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 20, 1986:

DEPARTMENT OF THE INTERIOR

Jed Dean Christensen, of Virginia, to be Director of the Office of Surface Mining Reclamation and Enforcement.

DEPARTMENT OF DEFENSE

Michael P.W. Stone, of California, to be an Assistant Secretary of the Army.

THE JUDICIARY

Eugene R. Sullivan, of Maryland, to be a judge of the U.S. Court of Military Appeals for a term of 15 years.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE MARINE CORPS

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

TO BE LIEUTENANT GENERAL

Maj. Gen. Frank E. Petersen, Jr., xxx-xx-x... xxx-... U.S. Marine Corps.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by

the President under title 10, United States Code, section 601:

TO BE LIEUTENANT GENERAL

Maj. Gen. John Phillips, [redacted], U.S. Marine Corps.

IN THE NAVY

The following-named officer to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 1370.

TO BE VICE ADMIRAL

Vice Adm. Robert E. Kirksey, [redacted] /1310, U.S. Navy.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

TO BE VICE ADMIRAL

Vice Adm. John M. Poindexter, [redacted] /1110, U.S. Navy.

IN THE MARINE CORPS

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601:

TO BE LIEUTENANT GENERAL

Maj. Gen. Clyde D. Dean, [redacted], U.S. Marine Corps.

IN THE AIR FORCE

Air Force nominations beginning Maj. Archie D. Barnes, [redacted] and ending Maj. Paul Rebek, [redacted] which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 24, 1986.

Air Force nominations beginning Pedro R. Cruz-Jimenez, and ending John W. Hofman, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 12, 1986.

Air Force nominations beginning Warren L. Griffin, Jr., and ending Frank L. Smith, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 12, 1986.

Air Force nominations beginning Maj. Joseph M. Bauer, [redacted] and ending Maj. Susan J. Troyer [redacted] which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 12, 1986.

IN THE ARMY

Army nominations beginning Philip J. Biondi, and ending Claude K. Smith, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 28, 1986.

IN THE MARINE CORPS

Marine Corps nomination of Capt. Timothy W. Foley, which was received by the Senate on April 25, 1986, and appeared in the CONGRESSIONAL RECORD on April 28, 1986.

Marine Corps nominations beginning Joseph P. Davis, and ending Walter O. McClenney, which nominations were received by the Senate on April 25, 1986, and appeared in the CONGRESSIONAL RECORD of April 28, 1986.

Marine Corps nominations beginning Robert G. Acosta, and ending Gover L. Wright, Jr., which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 12, 1986.

HOUSE OF REPRESENTATIVES—*Tuesday, May 20, 1986*

The House met at 12 noon.

The Right Reverend Monsignor James P. Cassidy, director of World Catholic Health and Hospitals, Catholic Charities, Archdiocese of New York, offered the following prayer:

Almighty God, who has brought us together in this Nation, out of many races and religious persuasions, we humbly ask Your blessings upon all assembled here and pour down upon them the gifts of wisdom and justice.

Grant us the vision to see Your will in all things and grant us the courage to follow it. May we always be aware of the dignity of every human being that we serve. Grant us peace and harmony and may we, by our actions, proclaim to one another and to all creation that we live in Your glory and trust.

We pray especially for the liberty and freedom of all the people of the world, and particularly, for the Cuban people, that they may grow in the freedom which they are celebrating this day.

O Lord, we humbly ask for Your strength to fulfill our destiny with competent, courageous leadership for the betterment of our country and all humankind. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. DAUB. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DAUB. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 215, nays 99, answered "present" 3, not voting 116, as follows:

[Roll No. 129]

YEAS—215

Akaka	Andrews	Anthony
Anderson	Annunzio	Applegate
Archer	Green	Oberstar
Aspin	Guarini	Obey
Barnard	Hall, Ralph	Olin
Bateman	Hamilton	Packard
Bates	Hammerschmidt	Panetta
Bedell	Hansen	Pease
Beilenson	Hatcher	Pepper
Bennett	Hawkins	Perkins
Bevill	Hayes	Petri
Biaggi	Hefner	Pickle
Boggs	Hertel	Porter
Boland	Horton	Price
Boner (TN)	Howard	Pursell
Bonior (MI)	Hoyer	Rahall
Bonker	Hughes	Rangel
Boucher	Hutto	Ray
Boxer	Hyde	Regula
Breaux	Jeffords	Reid
Brooks	Jenkins	Richardson
Broomfield	Johnson	Rinaldo
Broyhill	Jones (NC)	Ritter
Bruce	Jones (OK)	Roe
Burton (CA)	Jones (TN)	Rose
Bustamante	Kaptur	Rostenkowski
Carper	Kasich	Rowland (GA)
Carr	Kastenmeier	Rudd
Clinger	Kennelly	Russo
Coelho	Kildee	Scheuer
Coleman (TX)	Kleczka	Schumer
Combest	LaFalce	Sharp
Conyers	Lantos	Shelby
Cooper	Lehman (CA)	Shumway
Craig	Lehman (FL)	Sisisky
Crockett	Leland	Skelton
Daniel	Levin (MI)	Slattery
Darden	Levine (CA)	Smith (FL)
Daschle	Lowry (WA)	Smith (NE)
de la Garza	Luken	Smith (NJ)
Dingell	Lundine	Solarz
DioGuardi	Markey	Spratt
Dixon	Martinez	St Germain
Dorgan (ND)	Matsui	Staggers
Downey	Mavroules	Stallings
Duncan	Mazzoli	Stenholm
Durbin	McCain	Stokes
Dwyer	McCurdy	Stratton
Dymally	McDade	Studds
Early	McEwen	Tallon
Eckart (OH)	McHugh	Tauzin
Eckert (NY)	McKinney	Taylor
Edwards (CA)	McMillan	Thomas (GA)
Erdreich	Mikulski	Torres
Evans (IL)	Miller (CA)	Torricelli
Fazio	Miller (WA)	Towns
Feighan	Mineta	Traxler
Fish	Moakley	Udall
Florio	Mollohan	Valentine
Ford (MI)	Montgomery	Vento
Frank	Moody	Visclosky
Franklin	Moore	Volkmer
Frost	Morrison (WA)	Walgren
Gejdenson	Mrazek	Watkins
Gephardt	Myers	Waxman
Gibbons	Natcher	Weiss
Gilman	Neal	Williams
Glickman	Nelson	Wilson
Gonzalez	Nichols	Wirth
Gradison	Nielson	Wolpe
Gray (IL)	Nowak	Wylie
Gray (PA)	Oakar	

NAYS—99

Bartlett	Coats	Edwards (OK)
Barton	Cobey	Emerson
Bereuter	Coble	Evans (IA)
Berman	Coleman (MO)	Fawell
Bilirakis	Conte	Fields
Bliley	Courter	Frenzel
Boehlert	Crane	Gallo
Brown (CO)	Dannemeyer	Gekas
Burton (IN)	Daub	Goodling
Campbell	DeLay	Gregg
Chappie	Derrick	Gunderson
Cheney	DeWine	Hendon
Clay	Dickinson	Henry
Hunter	Molinari	Slaughter
Kindness	Monson	Smith, Robert (NH)
Kolbe	Moorhead	Smith, Robert (OR)
Kramer	Oxley	Snowe
Lagomarsino	Parris	Solomon
Latta	Pashayan	Spence
Leach (IA)	Penny	Stangeland
Lewis (CA)	Ridge	Strang
Lewis (FL)	Roberts	Sundquist
Lightfoot	Roemer	Swindall
Livingston	Rogers	Tauke
Lloyd	Roth	Thomas (CA)
Loeffler	Roukema	Vander Jagt
Lott	Rowland (CT)	Vucanovich
Lowery (CA)	Saxton	Walker
Lungren	Schroeder	Wolf
Martin (IL)	Schuette	Wortley
McCollum	Sensenbrenner	Young (AK)
Meyers	Shaw	
Michel	Sikorski	
Mitchell	Skeen	

ANSWERED "PRESENT"—3

Davis	Gordon	Murtha

NOT VOTING—116

Ackerman	Garcia	Ortiz
Alexander	Gaydos	Owens
Armey	Gingrich	Quillen
Atkins	Grotberg	Robinson
AuCoin	Hall (OH)	Rodino
Badham	Hartnett	Roybal
Barnes	Heftel	Sabo
Bentley	Hiler	Savage
Borski	Hillis	Schaefer
Bosco	Holt	Schneider
Boulter	Hopkins	Schulze
Brown (CA)	Hubbard	Seiberling
Bryant	Huckaby	Shuster
Byron	Ireland	Siljander
Callahan	Jacobs	Smith (IA)
Carney	Kanjorski	Smith, Denny (OR)
Chandler	Kemp	Snyder
Chapman	Kolter	Stark
Chappell	Kostmayer	Stump
Collins	Leath (TX)	Sweeney
Coughlin	Lent	Swift
Coyne	Lipinski	Synar
Dellums	Long	Traficant
Dicks	Lujan	Weaver
Donnelly	Mack	Weber
Dornan (CA)	MacKay	Wheat
Dowdy	Madigan	Whitehurst
Dreier	Manton	Whitley
Dyson	Marlenee	Whittaker
Edgar	Martin (NY)	Whitten
English	McCandless	Wise
Fascell	McCloskey	Wright
Fiedler	McGrath	Wyden
Flippo	McKernan	Yates
Foglietta	Mica	Yatron
Foley	Miller (OH)	Young (FL)
Ford (TN)	Morrison (CT)	Young (MO)
Fowler	Murphy	Zschau
Fuqua	O'Brien	

□ 1225

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 4420. An act to amend title 10, United States Code, to revise the retirement

system for new members of the uniformed services, and for other purposes.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 863. An act to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1986 and 1987, and for other purposes;

S. 1848. An act to amend the Federal Food, Drug, and Cosmetic Act to establish conditions for the export of drugs; and

S. Con. Res. 139. Concurrent resolution to limit the amount that may be expended in any fiscal year by a Member of Congress for franked mail.

The message also announced that pursuant to sections 276h-276k, title 22, of the United States Code, as amended, the Chair on behalf of the Vice President appoints Mr. SIMPSON and Mr. WILSON, as members of the Senate delegation to the Mexico-United States Interparliamentary Group Meeting during the 2d session of the 99th Congress to be held in Colorado Springs, CO, May 29 to June 2, 1986.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

STEVEN McKENNA

The Clerk called the bill (H.R. 1598) for the relief of Steven McKenna.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

TEHRAN AMERICAN SCHOOL

The Clerk called the Senate bill (S. 173) to settle and adjust the claim of the Tehran American School for $13,333.94.

There being no objection, the Clerk read the Senate bill, as follows:

S. 173

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Tehran American School Claim Act of 1985".

SEC. 2. The Comptroller General of the United States be, and he hereby is, authorized and directed to settle and adjust the claim of the Tehran American School for $13,333.94, which amount constitutes proceeds from the sale of three motor vehicles arranged by the United States Embassy in Tehran, Iran, in 1979. There is hereby appropriated from any money in the Treasury not otherwise appropriated such amount as may be necessary for the payment of the claim.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KENNETH DAVID FRANKLIN

The Clerk called the bill (H.R. 2505) for the relief of Kenneth David Franklin.

There being no objection, the Clerk read the bill, as follows:

H.R. 2505

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. WAIVER OF EMPLOYEE STATUS REQUIREMENT AND TIME LIMITATION FOR CLAIMING DISABILITY RETIREMENT BENEFITS.

(a) WAIVER OF EMPLOYEE STATUS REQUIREMENT.—Notwithstanding the requirement of section 8334(d) of title 5, United States Code, relating to status as an employee, Kenneth David Franklin of Raleigh, North Carolina, or his spouse, may make a deposit under such section.

(b) WAIVER OF TIME LIMITATION.—Notwithstanding the time limitation of section 8337(b) of title 5, United States Code, on filing a claim for disability retirement benefits, Kenneth David Franklin shall be entitled, after making the deposit allowed in subsection (a), to receive disability retirement benefits under subchapter III of chapter 83 of such title based on the claim referred to in the decision of the Merit Systems Protection Board numbered AT831L8410231, dated April 20, 1984, and the decision of the Merit Systems Protection Board numbered AT08318410232, dated April 20, 1984.

SEC. 2. COMPUTATION OF BENEFITS.

Upon receipt of the deposit allowed in section 1(a), the Director of the Office of Personnel Management shall certify to the Secretary of the Treasury the aggregate amount of the disability retirement payments that Kenneth David Franklin would have received if he had been receiving such payments for the period beginning on February 3, 1980, and ending on the date of the commencement of the period covered by the first disability retirement payment pursuant to this Act. The Secretary of the Treasury shall pay such amount, and interest on such amount at an annual rate of 6 percent, compounded annually, to Kenneth David Franklin from funds contained in the Civil Service Retirement and Disability Fund.

With the following committee amendment:

Strike out all after the enacting clause and insert:

SECTION 1. WAIVER OF EMPLOYEE STATUS REQUIREMENT FOR DEPOSIT OF RETIREMENT CONTRIBUTIONS.

Notwithstanding the requirement of section 8334(d) of title 5, United States Code, relating to status as an employee, Kenneth David Franklin of Raleigh, North Carolina, or his spouse, may make a deposit under such section.

SEC. 2. WAIVER OF TIME LIMITATION FOR CLAIMING DISABILITY RETIREMENT BENEFITS.

Notwithstanding the time limitation of section 8337(b) of title 5, United States Code, on filing a claim for disability retirement benefits, Kenneth David Franklin may file a claim, after making the deposit allowed in section 1, for disability retirement benefits under subchapter III of chapter 83 of such title.

Mr. BOUCHER (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BOUCHER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the Senate bill (S. 1027) for the relief of Kenneth David Franklin, and ask for its consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1027

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. WAIVER OF EMPLOYEE STATUS REQUIREMENT AND TIME LIMITATION FOR CLAIMING DISABILITY RETIREMENT BENEFITS.

(a) WAIVER OF EMPLOYEE STATUS REQUIREMENT.—Notwithstanding the requirement of section 8334(d) of title 5, United States Code, relating to status as an employee, Kenneth David Franklin of Raleigh, North Carolina, or his spouse, may make a deposit under such section.

(b) WAIVER OF TIME LIMITATION.—Notwithstanding the time limitation of section 8337(b) of title 5, United States Code, on filing a claim for disability retirement benefits, Kenneth David Franklin shall be entitled, after making the deposit allowed in subsection (a), to receive disability retirement benefits under subchapter III of chapter 83 of such title based on the claim referred to in the decision of the Merit Systems Protection Board numbered AT831L8410231, dated April 20, 1984, and the decision of the Merit Systems Protection Board numbered AT08318410232, dated April 20, 1984.

SEC. 2. COMPUTATION OF BENEFITS.

Upon receipt of the deposit allowed in section 1(a), the Director of the Office of Personnel Management shall certify to the Secretary of the Treasury the aggregate amount of the disability retirement payments that Kenneth David Franklin would have received if he had been receiving such payments for the period beginning on February 3, 1980, and ending on the date of the commencement of the period covered by the first disability retirement payment pursuant to this Act. The Secretary of the Treasury shall pay such amount, and interest on such amount at an annual rate of 6 percent, compounded annually, to Kenneth David

Franklin from funds contained in the Civil Service Retirement and Disability Fund.

MOTION OFFERED BY MR. BOUCHER

Mr. BOUCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BOUCHER moves to strike all after the enacting clause of the Senate bill, S. 1027, and to insert in lieu thereof the text of H.R. 2505 as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 2505) was laid on the table.

RAY A. BONNEY

The Clerk called the bill (H.R. 1291) for the relief of Ray A. Bonney.

There being no objection, the Clerk read the bill, as follows:

H.R. 1291

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Ray A. Bonney (Social Security Number 009-34-3522) of Edwardsville, Illinois, is relieved of liability for repayment to the United States of the sum of $16,890.98 plus accrued interest, which represents the amount that Mr. Bonney is indebted to the Department of Defense for payments received for travel and relocation expenses incurred by him in good faith reliance on the assurances of the Department of Defense that such expenses were authorized as a Government expense arising from his relocation from Pequannock, New Jersey, to Saint Louis, Missouri, to accept employment with the Department of Defense.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Private Calendar.

COMPREHENSIVE TRADE LAW REFORM

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, finally, today, the House will consider the most comprehensive and far-reaching trade law reform in decades. If passed and enacted into law, it will make America more competitive in world trade—not by erecting barriers, but by unshackling American firms from unfair foreign practices. It will give American workers a square deal. For several years, we in Congress have been sounding the alarm on the glut of imports on our shores, and America's declining competitive status. For 6 years now, the President has tried to talk the problem away, first with a meaningless trade initiative, then with temporary intervention in the currency market. It hasn't worked.

Let history record, it was President Reagan who sat back and watched America rack up its largest trade deficit ever. It is President Reagan who threatens veto as America continues to lose 25,000 more manufacturing jobs each month. It is President Reagan who holds the reins of power and yet let America become a net debtor nation last year for the first time since World War I.

From the Industrial heartland of the Midwest to the high tech centers on both coasts, from the breadbasket of the Great Plains to the textile communities of the South, from the timber areas of the Pacific Northwest to the energy centers in the Southwest, America is asking us to stand up. I urge my colleagues on both sides of the aisle to support this vital trade legislation for jobs here at home, and our way of life.

TRADE BILL IS A "SHIN-KICKER"

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, today the House will begin consideration of omnibus trade legislation born out of frustration over trade deficits. Its sponsors euphemistically call it a bill, "To Enhance the Competitiveness of American Industry." It is hardly that.

As it is currently written, this bill will do more to injure Americans farmers, retailers, and consumers than it could possibly do to help industries facing unfair import competition. An impressive group of US industries, including the National Association of Wheat Growers, the American Soybean Association, the National Grange, and the Farm Bureau, have banded together to fight this legislation.

Recent administration actions prove that more vigorous enforcement of our trade laws is possible, but this bill goes beyond any fine tuning of trade laws and becomes in the words of the Washington Post a, "shin-kicker."

Two particularly pernicious sections of the bill strike hard at some of American agriculture's best customers. In 1985, Japan, Taiwan, West Germany, and the Lesser Developed Countries combined brought 73 percent of U.S. farm exports, over 21 billion, dollars worth. Tomorrow, our colleague from Illinois, Mr. CRANE, will be offering an amendment to the bill which would remove those sections most dangerous to American agriculture. Any Member of this House with any agricultural constituency at all can have no choice but to support the Crane amendment.

TRADE BILL IS FIRST STEP IN PUTTING AMERICA BACK TO WORK

(Mr. DURBIN asked and was given permission to address the House for 1 minute.)

Mr. DURBIN. Mr. Speaker, if you come face to face with the grim human casualties of our failed trade policy, if you meet the bankrupt farmers, the unemployed workers, and those who wonder how many times this economy is going to kill them before they really die, then the trade debate takes on a heartbeat and a soul.

President Reagan criticizes our trade bill as excessive. If the President and his loyalists on the floor today stared into the eyes of the victims of this trade deficit, as so many of us have, they would marvel at the restraint in this legislation.

Make no mistake, when once proud families of our farmers and workers live with the cruelty of this ruthless economy, they do not join the President is prescribing moderation as a cure.

H.R. 4800 is a measured, critical first step toward fair trade. In a city dominated by apologetic economists, this bill is a bulldog in a room full of cocker spaniels.

It is said that there is nothing more pregnant than an idea whose time has come. Stand aside, Mr. President, this Nation is tired of hearing excuses. We are declaring today that our Nation will have a clear and strong trade policy—the first step in putting America back to work.

LEGISLATION TO ALLOW DEDUCTION FOR "POINTS" PAID IN MORTGAGE REFINANCING

(Mr. BOEHLERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Speaker, once again we have evidence that many middle-income homeowners are taking it on the chin as a result of a Federal agency ruling.

Last week the Internal Revenue Service said to homeowners seeking to lower mortgage payments to take advantage of more favorable interest rates: "Sorry, we're not going to help."

Millions of Americans have been operating under the assumption that "points" paid to refinance a mortgage would be tax deductible in the year of refinancing. Not according to the IRS.

This came as quite a surprise to a great many people who had already refinanced and to an even greater number considering doing so.

Today, I am introducing legislation which will provide a break for homeowners attempting to get out from under onerous mortgage interest rates.

The measure will allow a deduction for "points" paid in refinancing in the year in which refinancing is obtained.

There is a question that we have all heard asked many times: How do you spell relief? The answer to so many middle-income American families is: Lower mortgage payments. Let us help them.

REPUBLICANS SHOULD VOTE "YES" ON TRADE BILL

(Mr. PEASE asked and given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, as we begin debate today on the omnibus trade bill, I am mystified as to why many of our Republican colleagues appear eager to carry water for an administration which is clearly out of touch with the American people. The American people want a tough trade bill. The administration does not want any trade legislation at all.

In the other body, the Republican-led Finance Committee is working on a trade bill which the administration does not like either. In fact, I understand that the administration does not even like the Republican substitute to be offered here in the House tomorrow.

Let us face it, Mr. Speaker, the administration opposes any effort here in Congress to deal effectively and constructively with our $150 billion trade deficits. So why, I ask Republican colleagues, should they take the heat for an administration—to quote Senator JOHN HEINZ, a good Republican—"whose successes have been at best damage-limiting, and whose failures have been disastrous for many industries."

I urge my Republican colleagues to join us on this side of the aisle and vote "yes" when the trade bill comes up for final passage.

THE WORLD'S LARGEST EXPORTER

(Mr. DAUB asked and was given permission to address the House for 1 minute.)

Mr. DAUB. Mr. Speaker, we are the world's largest exporter, sending annually over $200 billion worth of goods abroad. We are the world's largest exporter of ag products, sending agriculture about $30 billion worth of farm commodities overseas each year; yet we are going to consider a bill today and tomorrow that is going to reduce trade, including exports, dramatically. That is bad economics, and despite the misplaced enthusiasm of the majority party, it is going to be bad politics.

The American farmer depends on exports. The production from one out of every three acres he plants is sold abroad. This bill looks good for some heavy industries trying to protect domestic markets and jack up the price of their products to the American consumer, but it a depthcharge for American agriculture.

The next 2 days on the Republican desk, and I will try to leave on the Democratic desk, copies of the Textile Protection Act and the Automobile Domestic Content bill. I would like to have Members check their votes on those two bills and at least we might have some degree of consistency with respect to final votes on passage for free trade and fair trade.

LET US REFORM THE TAX REFORM ACT OF 1984

(Mr. BARNARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARNARD. Mr. Speaker, I want to advise my colleagues that next week I will be introducing legislation to correct an inequity in the fringe benefit provisions of the Tax Reform Act of 1984. That act provided for the taxation of some fringe benefits provided by employers to employees. But, it exempted from taxation "no-additional-cost services"—that is, fringe benefits provided to employees and their families without "substantial additional cost" being incurred by the employers.

Unfortunately, and I believe inadvertently, when Congress established the "no-additional-cost services" exemption, it provided that the tax-free service to employees must be the same type of service which is sold to the public in the ordinary course of the employer's business. So that while commercial airlines and railroads can offer employees and their families tax-free empty seats, firms not in the transportation business but owning or leasing aircraft or railroad cars, cannot—even though the seat occupied by the hitchhiking person would otherwise be empty, the flight is for legitimate business purposes and would have been made whether or not such person was on board, and the employer incurs no substantial additional cost in providing this benefit. Not only is this distinction illogical and unfair, its enforcement by the IRS will actually produce "negative revenues"—that is, it will cost far more to enforce than it will return in dollars to the U.S. Treasury.

Mr. Speaker, Congress may be on the verge of approving historic changes in our tax laws. But let's not neglect to reform provisions of exisiting tax laws that are currently unfair and that will not be corrected by the tax bills currently pending before Congress.

FURTHER EVIDENCE OF SANDINISTAS' CAMPAIGN TO SUBVERT THEIR NEIGHBORS

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, in recent days, I have called to the attention of my colleagues further evidence of the Sandinistas' continuing campaign to subvert their neighbors. The evidence uncovered by Honduran military forces has failed to receive attention in the media, and as usual, few people hear about it.

One more such incident occurred in Honduras in March when a cache of arms located near the Honduras-El Salvador border was uncovered. The cache contained rocket grenades and TNT. The Honduran military also learned of routes traveled by the guerrillas between El Salvador and Nicaragua for transfers of weapons and money.

It is difficult to accept the proposition that the Sandinista Communists in Nicaragua will abide by a written agreement within the Contadora process unless there are substantive measures to provide for verification and enforcement which will prevent the Sandinistas from carrying out their campaign of support for guerrillas fighting their democratic neighbors.

INTERNATIONAL COMMUNITY SHOULD SPEAK MORE FORCEFULLY ON BEHALF OF DEMOCRACY IN CHILE

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, a weekend headline grabbed my attention: "Communists Gain in Chile."

Observers in that troubled nation now estimate that the Communist Party would now capture 20 percent of the vote in a nationwide election, up considerably from the last election held in that country. The reason, all agree, is the autocratic, repressive rule of Gen. Augusto Pinochet, the military ruler of Chile. Here is a classic case where communism gains when a repressive leader refuses to heed the interests of his own people; thus, he endangers the entire hemisphere's security.

No week goes by without reports of Pinochet's security forces quelling some disturbance, torturing political prisoners, and even snubbing the American Ambassador's efforts to convince them to democratize before the 1989 trumped-up election.

There is a viable democratic alternative in Chile.

Mr. Speaker, many have speculated who is next after Marcos and Duvalier,

who will be thrown out by their own people. Mr. Speaker, I think Chile is a prime candidate.

To avoid future bloodshed and instability, it is incumbent on the international community and the United States to speak out more forcefully on behalf of democracy in that country.

OPENING OF CENTER FOR NEAR EASTERN STUDIES IN JERUSALEM

(Mr. PACKARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PACKARD. Mr. Speaker, for the past 18 months, my alma mater, Brigham Young University, has been building a Center for Near Eastern Studies in Jerusalem adjacent to the Hebrew University. Israel's longstanding record of keeping Jerusalem open to all faiths is highly commendable.

Some religious groups here and in Israel have expressed fears that this new center would be used for proselytizing purposes. However, their fears are unfounded. The officials of Brigham Young University have signed an agreement which pledges that the center will not be used for missionary activities. These agreements include the dismissal of employees, faculty, and students if violations occur.

When in operation, the school will spread firsthand knowledge of Near Eastern society, culture, and history, resulting in enriched understanding and improved United States-Israeli ties. The center is soon ready for occupancy, and I wish to thank the 154 Members of the House who signed the letter asking the Knesset to proceed with the necessary permits to use the center as intended.

IN SUPPORT OF H.R. 1875, MILITARY CHAPLAINS FAITH BALANCE ACT

(Mr. STAGGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STAGGERS. Mr. Speaker, I rise in support of H.R. 1875, the Military Chaplains Faith Balance Act. This legislation provides for proportionate representation of clergy serving as chaplains to the members of our military community.

This is a nonpartisan bill calling on the Secretary of Defense to use every viable means to preserve a faith-balanced Corps of Chaplains. Who could argue that our dedicated military clergy should not continue to serve the spiritual and religious needs of those brave women and men in our armed services?

We should simply ask ourselves whether we should allow our fine chaplains to be involuntarily released from the Chaplain Corps because of promotions, or should they be allowed to continue to serve the spiritual needs of the military community. I believe the answer is obvious.

Mr. Speaker, I believe this legislation is worthy of our attention. I join with over 150 of my colleagues in asking for cosponsorship of this important legislation.

HUMAN RIGHTS ADVANCE IN TAIWAN

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, last week, the Taiwanese took a giant step down the road of freedom. After 37 years of strict one-party rule following the conclusion of the Chinese civil war, the Nationalist government has finally allowed opposition parties to operate in Taiwan.

Reuters news agency reports that government officials have worked out a compromise with opposition politicians to allow them to set up permanent offices across the island. This is a major step toward the full democratization of Taiwan.

The Congressional Human Rights Caucus believes it is important to praise countries that improve their records on human rights, as well as to criticize those that do not.

Mr. Speaker, the struggle for freedom in Taiwan is by no means over. The KMT government has yet to end the use of martial law, but an important step in the human rights struggle has been taken, and we applaud it.

TRIBUTE TO STAFFS OF MEMBERS AND COMMITTEES, CASUALTIES OF GRAMM-RUDMAN

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, I rise to pay tribute to a group of Gramm-Rudman casualties who are in effect close to home, the dedicated staffs of House Members and committees.

Gramm-Rudman and its across-the-board cuts hit this institution and its people several months before the rest of the Nation felt it.

These were major immediate cuts—$40,000 in most offices and 10-12 percent on most committees.

The human impact was also immediate—scores of people were forced to be let go.

The human response for the remainders is a remarkable story that might well be called the new breed of public servants.

Scores of people in both levels have or will be faced with furloughs—unpaid leave time. Yet what are many of them doing—working anyway, without pay, same hours, same pressures—yet no pay.

The remainder of people on House and committee staffs will be faced with pay cuts and certainly pay freezes, for the coming year.

These circumstances would cause morale problems in most lines of work. However, for the most part, I find them as dedicated and professional as ever. They do pride to themselves, their Members, their committees, and their Nation.

□ 1250

RECOUNT OF BALLOTS IN HOUSE ELECTIONS

(Mrs. MEYERS of Kansas asked and was given permission to address the House for 1 minute.)

Mrs. MEYERS of Kansas. Mr. Speaker, although the House ended its debate 1 year ago on the McIntyre-McCloskey election, we may face the same divisive issue again some time in the future in another State. This week I will introduce a bill that will prevent last year's events from recurring.

My bill will require that a recount of ballots in a House election be completed not more than 6 weeks after the date of the election involved.

The bill's purpose is to ensure that a recount will not delay the certification of Members-elect to the House before the convening of a new Congress. It would not take effect until 1988 to give States time to ensure compliance.

The State of Indiana did not complete its recount of the McIntyre-McCloskey election until January 22, 1985, almost 3 weeks after the House voted to vacate the seat and initiate an investigation.

With this very simple change, we can greatly enhance our ability to avoid this involvement in the future, while providing States flexibility for compliance. Most important, we assure that voters will not be deprived of their right to representation in the House.

I urge my colleagues on both sides of the aisle to join me in this effort.

WORKERS AND FARMERS BENEFIT FROM TRADE BILL

(Mr. OBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBEY. Mr. Speaker, there are three very important provisions for workers and farmers in the trade bill which we will debate today and tomorrow. The workers' rights provision defines it as an unreasonable trade practice for a foreign country to deny internationally recognized basic workers' rights such as protection of chil-

dren in the labor force, the prohibition of forced or slave labor, and adequate health and safety standards.

In addition, there are 2 provisions in the agriculture section which are particularly important for American dairy farmers. One would reclassify imported casein to reflect its primary use as a food substance and allow trade remedies if a domestic industry is hurt by unfair foreign subsidies of casein.

After having fought for a long time to restrict casein imports, I am pleased to report some progress on this issue.

The second provision would prohibit foreign-owned dairies financed by industrial development bonds from getting Federal price supports under milk marketing orders. This would put a crimp in subsidizing the kind of huge dairy operation which was set up in Georgia recently, which can only add to the milk surplus we have been trying to reduce.

I urge Members who are interested in the welfare of either workers or farmers to strongly support the trade measure which will be before the House over the next 2 days.

A CLEANER ENVIRONMENT THROUGH CLEAN COAL PROGRAM

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, the acid rain question is once again in the forefront. Legislation is being marked up which, if enacted, would have the effect of killing the clean coal program.

Today the gentleman from West Virginia [Mr. RAHALL] and I are introducing legislation to encourage the further commercialization and widespread utilization of clean coal technologies, as a cost-effective means of addressing the acid rain problems. If successfully demonstrated and widely utilized, these technologies promise to provide utilities and industrial users of coal with several proven options by which to comply with environmental requirements.

The Clean Coal Program is a first step in accelerating the demonstration of a new generation of technologies that may be capable of burning coal more efficiently and more cleanly.

Last year's accomplishments were just the first step. The bill we are introducing represents the next phase.

We must now develop the policy framework to facilitate the market acceptance of these technologies.

A second component of the bill is a response to the recommendations of the Lewis-Davis acid rain report.

The report emphasized the need to concentrate upon retrofit technologies that could be used in existing facilities. Only a small number of the clean coal proposals can be classified as such.

The bill would direct DOE to solicit proposals for clean coal projects that could be utilized by existing facilities to reduce emissions.

The Clean Coal Program offered a promise to utilities looking for ways to meet future energy needs. It offered a promise to energy intensive industries for reductions in costs through improved efficiencies. It offered a promise of energy security by finding ways to burn our most abundant domestic energy resource cleanly.

We do not want to once again get in a position of being subjected to blackmail by the fossil fuel energy countries that have the oil.

Finally, it offers a promise of a cleaner environment for us in future generation.

This bill provides the opportunity to make these conditions a reality, and I think it is important that we develop retrofit on clean coal, as well as new technology so that we can use this abundant resource.

SOUTH AFRICA ATTACKS

(Mr. DYMALLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DYMALLY. Mr. Speaker, I rise today to deplore the attacks by the South African Government across its borders on the sovereign countries of Zimbabwe, Zambia, and Botswana. In the day of international terrorism and state-sponsored terrorism, I cannot find a more accurate definition of these attacks.

It appears that this oppressively racist regime, in South Africa, under pressure for change by the free world community, is shifting its focus from apartheid to the African National Congress. Do not be fooled. The problem is not the ANC nor terrorism. The real problem is apartheid in South Africa. Pretoria is desperately seeking an issue to shift the attention away from the lack of change in South Africa. Confronting the violence and the ANC will not reduce the tensions nor dissolve the ANC in South Africa. Reforming the evils of this system, however, will best address both.

We need to reevaluate our foreign policy toward South Africa and the southern Africa region. Given our passive stand with constructive engagement, our indirect support of Pretoria and our assistance to Savimbi, and now the South African attacks on its neighbors, I believe the region is about to experience a heightening of tension. It is time we act firmly to stop apartheid, stop South Africa and prevent further violence.

The problem is South Africa, not Angola, not Namibia, not the ANC, not terrorism, and certainly not the countries under attack.

PRODUCT LIABILITY AND LIABILITY INSURANCE

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, what is the biggest issue facing small business and the workers of America today? I think it is the question of liability insurance, especially product liability.

This evening in my office at 6 p.m., I have asked Professor Twerski, who is one of the leading experts in the area of tort law, to answer questions and to hear your comments regarding this issue. It is at 6 p.m. in room 215, Cannon Building.

This afternoon we are starting the debate on the trade bill, and one of the reasons we have a large trade deficit is because we have not answered this question of product liability and the lack of liability insurance coverage. We have many companies today that are spending more in the area of product liability and insurance than they do on R&D. We cannot keep going in this direction. That is why it is important for us to come to grips with this question, and to do it now.

SCREAMS OF PROTECTIONISM WILL NOT WORK

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Mr. Speaker, I can hear it now, the screams of protectionism, but I want to make it clear that we, who support the omnibus trade bill, will not be scared off.

There is a deep problem, and nobody can paper it over with epithets. I was told last year that in the cars that came off the assembly line, the joint Toyota-GM venture, the first cars had 70 percent Japanese-made content. What is it going to be with the second line? Ninety percent made-in-Japan content.

Sometimes we can best look at the opponents for the arguments for your position. In Sunday's Times, Hobart Rowan said there is little doubt that the administration's stepped-up efforts to enforce existing trade laws and their efforts to devalue the dollar got their impetus from last year's threat of protectionists legislation. Also, it was said that the Reagan administration, which has given the back of its hand to workers who are affected by import competition, must evolve a policy to ease the transition.

With all these screams about protectionism, the Reagan administration is biting at the very hand that has been

pushing it in the right direction. It will not work this week on the floor of the House when we pass the omnibus trade bill.

MORTON THIOKOL'S NEW $200 MILLION CONTRACT: SLAY THE MESSENGER, REWARD THE SLAYER

(Mr. MARKEY asked and was given permission to address the House for 1 minute.)

Mr. MARKEY. Mr. Speaker, the world of NASA and its space shuttle contractors gets curiouser and curiouser with each passing day. Last week, Morton Thiokol Inc., the designer of the space shuttle solid rocket boosters, reassigned Allan McDonald and Roger Boisjoly, two Thiokol engineers who had questioned the advisability of launching the shuttle in near-freezing weather, and who had cooperated with the Rogers Commission in bringing these issues to public attention. This blatant retaliatory action for a courageous act was followed this week by the announcement that NASA had awarded a recovery contract worth $200 million for the redesign and testing of improved rocket booster joints to the selfsame Morton Thiokol Inc.

What lessons do we teach by allowing such outrageous behavior? There are at least two. First, the reward for prudent advice to one's employer and for patriotic cooperation with a Presidential commission is a one-way ticket to a corporate Siberia. Second, the reward for the corporation which so unceremoniously whisks its best and brightest out of sight is $200 million in hush money.

Allan McDonald and Roger Boisjoly should be enjoying tickertape parades in the Nation's Capital, not packing their bags. Morton Thiokol should be penalized for blowing the whistle on their whistleblowers, not rewarded for its gag order. NASA should be rehabilitating its tarnished image, not compounding its errors by putting its seal of approval on an attempt to interfere with the Rogers Commission's mission. I urge my colleagues to cosponsor Joint Resolution 634, which I introduced last week, to debar Morton Thiokol from Federal contracts until it is determined that the corporation's actions against McDonald and Boisjoly were not retaliatory.

□ 1300

IMMIGRATION REFORM

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, the leadership of the Judiciary Committee has ignored the pleas of myself and other members of that panel for prompt and responsible action on immigration reform legislation. Instead, it has opted for a procrastination that places immigration reform in mortal danger.

An article in last Sunday's edition of the New York Times demonstrates the folly of this decision. Focusing on the village of Santiago Comaltepec in Mexico, it stresses three important points about illegal immigration. First, the Border Patrol reports that the number of undocumented aliens from Mexico who have been apprehended at the border in the last year has risen by 50 percent. Most of the constituents of this deluge cross the border for specifically economic reasons—perhaps to earn the dizzying wage of $5 an hour garnered last year by a village policeman. And most of them have no intention whatsoever of making the United States their new home. A village councilman put it this way:

> They don't go there to live. They go there to work, to earn a lot of money. Then they come back. Who would want to live there? This is their country.

These are precisely the facts addressed by employer sanctions and other features of proposed immigration reform legislation. It is certainly tragic that, despite the support of President Reagan and the other body, such crucial legislation may soon be entombed in the graveyard known to some as the House Judiciary Committee.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, May 21, 1986.

SEQUESTRATION OF LOAN GUARANTEE COMMITMENTS

Mr. MONTGOMERY. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 2416), to revise further the limitation applicable to chapter 37 of title 38, United States Code, for fiscal year 1986, for the purpose of implementing any order issued by the President for such fiscal year under any law providing for the sequestration of new loan guarantee commitments and for other purposes, as amended.

The Clerk read as follows:

S. 2416

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Act entitled "An Act to establish, for the purpose of implementing any order issued by the President for fiscal year 1986 under any law providing for sequestration of new loan guarantee commitments, a guaranteed loan limitation amount applicable to chapter 37 of title 38, United States Code, for fiscal year 1986", approved March 7, 1986 (Public Law 99-255; 100 Stat. 39), is amended—

(1) by striking out "guaranteed loan limitation amount" and inserting in lieu thereof "limitation"; and

(2) by striking out "$18,200,000,000" and inserting in lieu thereof "$40,000,000,000".

(b) The title of such Act is amended by striking out "guaranteed loan limitation amount" and inserting in lieu thereof "limitation".

SEC. 2. TREATMENT OF CERTAIN ADMINISTRATIVE EXPENSES.

(a) IN GENERAL.—Section 1824(b) of title 38, United States Code, is amended by adding at the end the following new sentence: "For purposes of this subsection, the term 'administrative expenses' shall not include expenses incurred by the Administrator for appraisals performed after February 1, 1986, on a contractual basis in connection with the liquidation of housing loans guaranteed, insured, or made under this chapter.".

(b) USE OF SAVING.—Any saving in the General Operating Expenses Account of the Veterans' Administration that results from the implementation of the amendment made by subsection (a) shall be used by the Administrator of Veterans' Affairs for the purpose of administering the housing, compensation, pension, and education programs in title 38, United States Code, in a more timely manner.

The SPEAKER pro tempore (Mr. EARLY). Is a second demanded?

Mr. HAMMERSCHMIDT. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. MONTGOMERY] will be recognized for 20 minutes and the gentleman from Arkansas [Mr. HAMMERSCHMIDT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on February 25, the House passed H.R. 4130, a bill to increase the VA loan guaranty credit authority ceiling to $17.4 billion. The President signed the bill on March 7 (Public Law 99-255). Raising the ceiling was necessary because the volume of VA loans had previously been grossly understated by the Congressional Budget Office and the Veterans' Administration; and without this special legislation the program would have closed down its operation in April.

At the time we passed this measure, we were led to believe the new ceiling would be adequate for fiscal year 1986. Again, everyone underestimated the number of veterans wanting to take advantage of lower interest rates for loan purposes. This 9½-percent rate

has generated thousands of refinancing applications and has encouraged tens of thousands of other veterans to seek guaranteed loans for the first time.

Home loan guarantees have risen from 179,000 in fiscal year 1985 to a projected 400,000 by the end of this fiscal year.

The committee is now advised that the Veterans' Administration will reach the $17.4 billion loan credit ceiling by the last week in May.

Mr. Speaker, I yield such time as he may consume to the gentleman from Alabama [Mr. SHELBY], the distinguished chairman of the Subcommittee on Housing and Memorial Affairs.

Mr. SHELBY. Mr. Speaker, we had asked that H.R. 4775, a bill exempting the VA Home Loan Guaranty Program from the provisions of Gramm-Rudman-Hollings, to be considered yesterday under suspension of the rules.

Because there was some concern in other committees about the impact of Gramm-Rudman-Hollings on programs other than veterans' housing, the bill was pulled from the Suspension Calendar until we could have further discussions on exemptions for a variety of programs.

Frankly, Mr. Speaker, I and many other members of our committee, including the distinguished chairman of the full committee, would have preferred that we eliminate the VA's Home Loan Guaranty Program from Gramm-Rudman-Hollings. The program has never had a ceiling on loans and it does not require any outlay of Federal funds in fiscal year 1986. Additionally, reducing the number of guaranteed loans results in less origination fee income collected on such loans, and this actually serves to increase the deficit. The VA estimates it could receive approximately $300 million in revenues from these fees in fiscal year 1986 if the program is allowed to proceed normally.

Further, about 45 percent of the VA's loan guaranty commitments this year consists of refinancing loans which replace loans with substantially higher interest rates. It makes no sense to limit the VA's authority to replace a guaranty commitment on a loan when the net effect in a reduction in the risk that such a loan will be foreclosed. Veterans will be more able to meet their loan payments, and the number of defaults should go down.

Nonetheless, it was agreed that we would ask the full committee to consider raising the loan commitment ceiling rather than eliminating the ceiling altogether.

Mr. Speaker, the bill we are considering today is S. 2416 with our amendments. On May 6, the Senate passed this bill with a loan credit ceiling of $30.9 billion. The Veterans' Administration has confirmed that if we were to accept the Senate bill, we would probably run out of commitment authority again in late August.

What is the correct number, Mr. Speaker? Frankly, we don't know, but the committee has agreed to raise the ceiling from $17.4 billion to $38.3 billion. This supposedly will assure veterans that they will be able to get their loans refinanced or new loans through September 30 of this year.

Although we hope the latest estimate is sufficient, I can't guarantee that we won't be back on the floor later this year requesting the House to raise the ceiling for the third time.

Mr. Speaker, the second provision of our amendment would allow fees for appraisals performed in connection with foreclosures to be paid from the loan guaranty revolving fund rather than from the general operating expense account.

In fiscal year 1985, the Veterans' Administration guaranteed 179,000 loans. In fiscal year 1986, they project they could guaranty 400,000 loans. Obviously, the VA's workload has doubled. Unfortunately, however, as a result of budget cuts, VA regional offices have lost 73 loan guaranty employees in fiscal year 1986. This workload strain on fewer personnel is resulting in tremendous backlogs, lengthy processing periods and even inability to answer phone calls at many offices.

Paying these appraisal costs from the loan guaranty revolving fund will make available $4.2 million so that additional personnel can be hired in an effort to reduce these backlogs.

Mr. Speaker, I would like to commend the distinguished chairman of the full committee, Mr. MONTGOMERY, for his efforts in moving this new legislation in such an expeditious manner. I would also like to thank Mr. HAMMERSCHMIDT, ranking minority member of the full committee, and Mr. SMITH, ranking minority member of the Subcommittee on Housing and Memorial Affairs for their hard work on this proposal as well as all of my colleagues on the full committee who met early this morning to approve this new proposal.

Without their timely action, we could be celebrating Memorial Day week, a holiday commemorating the sacrifices of those who served this Nation in our Armed Forces, by closing the doors of the Home Loan Guaranty Program.

Mr. Speaker, I urge adoption of this bill.

□ 1310

Mr. HAMMERSCHMIDT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise as a strong supporter of the amendments to S. 2416 which would raise the Veterans' Administration Home Loan Guaranty Program ceiling from $18.2 billion to $40 billion and free additional funds for the program's operation. It has become apparent that this particular program—due to low mortage interest rates—is experiencing a level of activity which no one predicted would be so high.

The Home Loan Guaranty Program is the only VA benefit that many veterans will ever use. The program is of great economic importance, because it helps veterans obtain financing for buying their homes. This far-reaching contribution to the Nation's prosperity should not be overlooked.

The Veterans' Affairs Committee has moved quickly to avert a shutdown of the GI Loan Program. The committee wanted to exempt the program from Gramm-Rudman-Hollings and remove the limitation that had been twice imposed upon it because of the language of the Gramm-Rudman-Hollings bill.

The other body had a different approach. It wanted only to increase the imposed limitation under Gramm-Rudman-Hollings, and it wanted to do it in an amount that we felt was insufficient to get through the fiscal year.

Mr. Speaker, there has arisen a rather widespread feeling that an entire exemption from Gramm-Rudman-Hollings for the VA Loan Guaranty Program without consideration of other possible exemptions would not be the best course.

While I still favor the original concept of such an exemption as proposed by our chairman, Mr. MONTGOMERY, and by the Subcommittee on Housing and Memorial Affairs led by its chairman, Mr. SHELBY, and its ranking member, Mr. SMITH of New Jersey, I can understand the expressed concerns. Accordingly, I am pleased that we have reached a middle ground that would appear to solve the immediate problem of assuring that the VA will continue to guarantee GI loans.

The House amendment to S. 2416 would also address an extreme problem of backlogged work in the VA offices processing the flood of loan applications by freeing approximately $4.2 million to be expended for additional personnel. The bill would do this by allowing the VA to charge contract fees for foreclosure appraisals against the revolving fund, instead of against general operating expenses, as the law currently requires.

Mr. Speaker, our proposal, therefore, is to increase the Senate limitation of $30.9 billion in guarantees to $40 billion and to further amend it with respect to the revolving fund as set forth in H.R. 4775. It is my belief that the other body will accept these two amendments and send the bill to the President for signature.

Mr. Speaker, the dramatic increase in GI loans caused by lowered interest rates is good for veterans, good for the

economy and good for the country. This legislation would preserve and strengthen a vital VA program, and I urge its favorable consideration.

Mr. Speaker, I yield such time as he may consume to the distinguished and very able ranking minority member of the Housing and Memorial Affairs Subcommittee, the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Speaker, I rise in strong support of S. 2416, as amended, which will raise the ceiling of the VA Guaranteed Home Loan Program to $38.3 billion.

Last February, Congress passed legislation to raise the original $11.4 billion ceiling to $17.4 billion. At that time, we believed the new ceiling would be sufficient to continue operating the program through the end of the fiscal year.

However, Mr. Speaker, the steady drop in interest rates has encouraged thousands of veterans to seek refinancing of existing loans and tens of thousands of other veterans to seek first time loans. In fact, the VA has told our committee that they are averaging $165 million in loan commitments daily. More than 400,000 mortgage loans will be guaranteed by the VA this year.

Because of this unusually high volume, the new ceiling will be reached in a matter of days, preventing the VA from writing any new loans. Clearly, Congress must act immediately to avert a shutdown of the program. Legislation passed by the other body would increase the authorization ceiling to $30.9 billion based on a VA recommendation. An even newer VA estimate, however, puts the VA loan commitment at $38.3 billion, the ceiling set in today's legislation.

This loan activity is unprecedented in the history of the program. It is placing a tremendous strain on VA personnel attempting to process loan applications in a timely manner. The loss of 73 loan guaranty employees to early retirement, coupled with serious budget cuts has catapulted the VA into a crisis situation.

As our committee was told by the regional director in the San Diego office, "We had cut away a good deal of organizational fat in previous years. We are now into muscle."

St. Paul reported that GI home loan service which normally takes about 30 days now takes 6 to 8 weeks. The Detroit office was forced to close its doors to the loan guaranty division. All visitors must now go to the veterans' services division reception area to have their questions answered.

These problems are characteristics of nearly every regional office in the country, Mr. Speaker, so I strongly support provisions in today's bill which will free up funds for the hiring of new loan guaranty employees. This bill redirects an estimated $4.2 million in funds now earmarked for fee appraisals to permit new hirings.

It should be noted that this change in procedure would create no additional outlays in the current fiscal year. Fee appraisals would simply be paid from the loan guaranty revolving fund rather than from the general operating expenses account.

Mr. Speaker, these changes are absolutely necessary to the continued successful operation of the VA Home Loan Program. Veterans should be able to take advantage of the current low interest rates without waiting 6 to 8 weeks to have their loans processed. Moreover, we must avert a shutdown of the program by raising the guaranty ceiling.

This is a good bill. I commend the distinguished chairman, Mr. MONTGOMERY, and the ranking member, Mr. HAMMERSCHMIDT, of the full committee, as well as my good friend and chairman of the Subcommittee on Housing and Memorial Affairs, Mr. SHELBY, for their diligence and commitment to this excellent program.

I urge the favorable consideration of this bill.

Mr. MONTGOMERY. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, I would like to also commend the gentleman from Arkansas [Mr. HAMMERSCHMIDT], who has certainly worked with the chairman; and also the chairman of the subcommittee, the gentleman from Alabama [Mr. SHELBY] and the ranking minority member, the gentleman from New Jersey [Mr. SMITH] for all the expedients, so that we could bring the bill up and have it before our colleagues today.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I want to compliment the distinguished chairman of the subcommittee and the full committee for working so hard to bring this to the floor, but I have a particular question that I would like to ask the Chairman.

What we are finding in Denver, CO, is there is lots and lots of refinancing going on as well as veterans applying for first-time VA loans because of the interest rate going down; and what has happened is that there is not staff enough to handle it, and some people are losing the sale on their house because they have a certain date by which the papers have to be processed, and there are just not enough people to process them in a timely fashion because VA has been so overwhelmed.

I am sure the committee has thought about that. Is there anything we can do about this staff crunch in this immediate time period?

Mr. MONTGOMERY. I will let the chairman of the subcommittee answer that.

Mr. SHELBY. If the gentlewoman will yield.

Mrs. SCHROEDER. I yield to the gentleman.

Mr. SHELBY. The bill, we are considering would make available an additional $4.2 million in the General Operating Expenses Account. We are going to be able to use money out of the revolving fund for appraisers and other things to help expedite the paperwork on these new loans. The workload has doubled at the VA, and I am sure it has in Denver and everywhere else. Last year I believe 179,000 VA loans were processed. This year the projection is for 400,000. That projection could be conservative if interest rates stay down.

The gentlewoman is exactly right; there is a backlog. They are now working overtime. We had a big retirement program where 73 loan guaranty people have gone who were experts in this area. So through this legislation we are going to bring on new people; we are going to have the money; and I am hoping in Denver and everywhere else we are going to be able to expedite these loans.

Mrs. SCHROEDER. I thank the gentleman, because I think that is very important: If we do, the money without having the people there to process it, it does not work. People's hopes get up and then they find out that the time goes by.

Mr. MONTGOMERY. Will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentleman.

Mr. MONTGOMERY. I thank the subcommittee chairman for answering the question very well.

Mr. Speaker, I would also like to point out that what we are doing today is an advantage to the Federal Government in that it secures the loans more. Instead of having to pay 13½ percent, if the veteran is allowed to refinance his or her loan at 9½ percent, that reduces the veteran's monthly payment by $60, $100, $200 or in some cases more. It also secures the loan for the Federal Government. Finally, it is a moneymaker for the Federal Government in that there is a user fee of 1 percent, that every time you refinance or obtain a new $100,000 loan, the $1,000 paid to the VA goes to the Loan Guaranty Revolving Fund.

So we think it is a good deal for the government. But as the gentle lady has pointed out, we do have some problems with processing the paperwork though. This bill will help alleviate the problem.

Mrs. SCHROEDER. I am delighted to hear that and I am delighted the committee took that into account. There is nothing worse than to have people think the money is there and then to find out nobody is there to really manage it.

Mr. MONTGOMERY. Mr. Speaker, I yield back the balance of my time.

Mr. HAMMERSCHMIDT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the Senate bill, S. 2416, as amended.

The question was taken.

Mr. HAMMERSCHMIDT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on S. 2416, the Senate bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2672, DESIGNATING NEW YORK INTERNATIONAL AND BULK MAIL CENTER IN JERSEY CITY, NJ, AS "NEW JERSEY INTERNATIONAL AND BULK MAIL CENTER," AND AGAINST CONSIDERATION OF CONFERENCE REPORT

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 99-608) on the resolution (H. Res. 458) waiving certain points of order against the conference report on (H.R. 2672) to redesignate the New York International and Bulk Mail Center in Jersey City, NJ, as the "New Jersey International and Bulk Mail Center," and to honor the memory of a former postal employee by dedicating a portion of a street at the New York International and Bulk Mail Center in Jersey City, NJ, as "Michael McDermott Place," and against the consideration of such conference report, which was referred to the House Calendar and ordered to be printed.

□ 1320

EXPRESSING THE SENSE OF THE HOUSE THAT THE ATTORNEY GENERAL SHOULD EXAMINE EVIDENCE REGARDING ACTIVITIES OF KURT WALDHEIM

Mr. MAZZOLI. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 409) expressing the sense of the House of Representatives that the Attorney General should examine evidence regarding the activities of former United Nations Secretary General Kurt Waldheim during the Second World War and should determine whether such evidence requires that Kurt Waldheim be denied admission into the United States.

The Clerk read as follows:

H. RES. 409

Whereas the atrocities committed by the Nazis during the Second World War were an unprecedented affront to the dignity and conscience of all humanity and resulted in the death of millions of innocent people;

Whereas questions have been repeatedly raised about the wartime activities of former United Nations Secretary General Kurt Waldheim and his possible association with the Nazis;

Whereas substantial evidence has recently become available suggesting that former United Nations Secretary General Kurt Waldheim was a party to the crimes of the Nazis; and

Whereas section 212(a)(33) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(33)) provides in part that any individual who, in association with the Nazi Government in Germany or with any government allied with or located in any area occupied by the Nazi Government of Germany, participated in the persecution of any person because of race, religion, national origin, or political opinion shall be ineligible to receive visas and shall be excluded from admission into the United States: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the Attorney General of the United States should thoroughly and expeditiously examine all available evidence regarding the activities of former United Nations Secretary General Kurt Waldheim during the Second World War, including those documents obtained by the World Jewish Congress, to determine whether, as provided in section 212(a)(33) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(33)), Kurt Waldheim is ineligible to receive visas and must be excluded from admission into the United States.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Kentucky [Mr. MAZZOLI] will be recognized for 20 minutes and the gentleman from California [Mr. LUNGREN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to briefly recount the legislative history of House Resolution 409 and to acquaint my colleagues with the activities of my Immigration Subcommittee and the full Judiciary Committee regarding it.

The resolution was introduced on April 8, 1986, and on April 10 referred to my subcommittee. Because the members of the subcommittee felt that time was of the essence, and that the resolution should be moved quickly, all of the members of the subcommittee, in a letter to Chairman RODINO on May 14, 1986, requested that the resolution be taken up by the full committee as quickly as possible.

H. Res. 409 was considered by the full Judiciary Committee this morning and was approved unanimously by a record vote of 31 ayes.

House Resolution. 409 expresses the sense of the House that the Attorney General of the United States should thoroughly and expeditiously examine all available evidence regarding the activities of former United Nations Secretary General Kurt Waldheim during the Second World War, including those documents obtained by the World Jewish Congress, to determine whether, as provided in section 212(a)(33) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(33)), Kurt Waldheim is ineligible to receive visa to enter the United States should he seek entry.

The formal description here is whether Mr. Waldheim is excludable under our immigration laws

In 1978, the Congress amended the Immigration and Nationality Act by adding section 212(a)(33) providing for the inadmissibility of—

"(33) Any alien who during the period beginning on March 23, 1933, and ending on May 8, 1945, under the direction of, or in association with—

"(A) the Nazi government in Germany,

"(B) any government in any area occupied by the military forces of the Nazi government of Germany,

"(C) any government established with the assistance or cooperation of the Nazi government of Germany, or

"(D) any government which was an ally of the Nazi government of Germany,

ordered, incited, assisted, or otherwise participated in the persecution of any person because of race, religion, national origin, or political opinion.".

Since that date, 77 individuals have been denied visa under section 212(a)(33).

House Resolution 409 requests a complete investigation of Kurt Waldheim's activities and, on the basis of these investigations, calls for a determination of whether he should be denied a visa should he attempt to apply for entry into the United States.

I urge my colleagues' support of this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. LUNGREN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution expresses the sense of the House that

the Attorney General should examine evidence regarding certain activities of former United Nations Secretary Kurt Waldheim during World War II. The resolution would require the Attorney General to determine if Mr. Waldheim should be denied admission based on this evidence in accordance with current Immigration law.

Section 212(a) of the Immigration Act sets forth those aliens to be excluded from admission into, or deported from, the United States.

This section, as amended in 1978, specifically excludes from admission; any individual who has been in association with the Nazi government in Germany or with any government allied with or located in any area occupied by the Nazi government of Germany and participated in the persecution of any person because of race, religion, national origin, or political opinion.

Mr. Speaker, I think this resolution is worthy of support.

That is why I joined my colleague from Kentucky, the distinguished chairman of our subcommittee, in requesting that the chairman of the full Committee on the Judiciary take this bill up without us having hearings on it and without us taking official action on it in the subcommittee.

At the same time, I would say that I do not view this resolution in any way as being critical of the administration. The administration, as I understand it and as I believe, has been pursuing this question. The Attorney General is charged with the responsibility of making the determination within his discretion. I believe he has been involved in such an investigation, and such an investigation is taking some time.

I would refer to a letter from the chairman of the full committee, PETER RODINO, to the Attorney General dated May 8th in which the chairman of the Committee on the Judiciary indicates that Mr. John Bolton, Assistant Attorney General of the United States, briefed Chairman RODINO and several of his colleagues on the Committee on the Judiciary on Wednesday, May 7 on the Waldheim matter.

The chairman goes on to say he believes this matter should be carried out with complete regard to the fundamental fairness and due process safeguards, but at the same time it should not be impeded or delayed by the possible political implications this investigation may have on the Austrian election or by the position formerly held by Mr. Waldheim with the United Nations.

I would say that I am in complete accord with the statement by the chairman that we do want to make sure that the investigation is in fact carried out with complete regard for fundamental fairness and due process and that it not be delayed unnecessarily. At the same time, I would hope that this is a manifestation of the fact that rather than being a dispute between the executive branch and the legislative branch on this matter, it is a manifestation of the agreement that exists between the executive and legislative branches that merely because of Mr. Waldheim's past position with the United Nations or his current position as candidate for office in his country of Austria, that ought not to have a bearing on whether this investigation should go forward and a determination made by the Attorney General.

COMMITTEE ON THE JUDICIARY,
Washington, DC, May 8, 1986.

Hon. EDWIN MEESE III,
Attorney General, Department of Justice, Washington, DC.

DEAR MR. ATTORNEY GENERAL: I thank you for having made Assistant Attorney General John Bolton available to brief me and several of my colleagues on the Judiciary Committee on Wednesday, May 7, on the Waldheim matter.

I must reiterate my view that the Department of Justice must proceed expeditiously in pursuing its investigation of Mr. Waldheim in order to ascertain the extent of his involvement, if any, in the commission of Nazi War crimes and the question of his ineligibility for admission under current Immigration law.

This matter should be carried out with complete regard to fundamental fairness and due process safeguards, but at the same time it should not be impeded or delayed by the possible political implications this investigation may have on the Austrian election or by the position formerly held by Mr. Waldheim with the United Nations.

I am pleased that Mr. Bolton has provided us with assurances that the investigation would be expedited and that it would be conducted without regard to political or diplomatic considerations. I trust we can have your personal assurances as well that this will be the case.

The possible inclusion of Dr. Waldheim in the "look-out" list maintained by the Immigration and Naturalization Service should be determined in accordance with the Immigration and Nationality Act and the administrative procedures used in this case should be identical to those that have been followed in other cases of this nature.

I would appreciate your response to the concerns I have raised and would request to be kept currently advised on the progress of this investigation.

Sincerely,

PETER W. RODINO, JR.,
Chairman.

Mr. Speaker, I would hope that all Members would support this resolution. I think it puts us on record in accordance with what is going on presently with the administration so that we will have all of the facts, the complete facts as they pertain to Mr. Waldheim and his activities during World War II.

Mr. LUNGREN. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I rise in support of House Resolution 409, which expresses the sense of the House of Representatives that the Department of Justice should thoroughly and expeditiously examine evidence regarding the activities of former United Nations Secretary General Kurt Waldheim during World War II and should determine whether such evidence requires that he be denied admission to the United States under provisions of the Immigration and Nationality Act. I am a cosponsor of this resolution and I appreciate the work by its sponsor, the gentleman from New York [Mr. WEISS].

Mr. Speaker, I would like to point out that our Committee on Foreign Affairs has been active in investigating the foreign policy aspects of the Waldheim affair. Soon after the allegations about Dr. Waldheim began to surface, a staff investigative group looked into the matter during a stay in Vienna. Under the leadership of the gentleman from Pennsylvania [Mr. YATRON], the Subcommittee on Human Rights and International Organizations held hearings on this issue, and received testimony from the Simon Wiesenthal Center, the World Jewish Congress, and the son of Dr. Waldheim.

Mr. Speaker, it is obvious that Kurt Waldheim concealed important aspects of his wartime activities on many occasions. The American people are entitled to know how a man with such a background was elected Secretary General of the United Nations with the backing of the United States. Obviously, the past record of a German Army officer running for high office at the United Nations should have been of significant interest to the United States. Apparently, however, no serious derogatory information was uncovered at that time. Mr. Speaker, at this point in the RECORD, I ask consent that a letter from myself and other members of the Committee on Foreign Affairs to the Secretary of State, and the Department's reply, be inserted in full.

Our Nation has no interest in interfering in the internal affairs of other nations. At the same time, I should state, for my own part, that it is regrettable that notwithstanding the confirmed facts about Mr. Waldheim's coverup of his past, and the serious allegations which have raised regarding his participation in war crimes, the Austrian people have come very close to electing Kurt Waldheim as their President. It may be that a nationalistic reaction to the allegations has been deliberately stirred up by Waldheim and has helped him, rather than hurt him. This is a sad commentary on the degree to which the Austrian people have faced the reality of their past individual and collective actions in support of Nazism.

Whatever the decision of the Austrian people, the United States, having fought a war against Nazism and established the United Nations to assure

that it can never again threaten the world, has a special responsibility. Accordingly, I join my colleagues in calling upon the Attorney General to fully exercise his statutory responsibility with regard to his ongoing investigation of Kurt Waldheim, and I urge my colleagues to support the resolution before us.

Mr. STRATTON. Mr. Speaker, will the gentleman from New York yield?

Mr. GILMAN. I will be pleased to yield to my colleague from New York.

Mr. STRATTON. I thank the gentleman for yielding.

Mr. Speaker, the gentleman from New York has pointed out that there were, and he cited some information from the Simon Wiesenthal Foundation. But I wonder if the gentleman can explain why this individual, Simon Wiesenthal, who has relentlessly pursued all of the Nazis not only in the United States but around the world, has been one who has said that he does not think that Mr. Waldheim is a Nazi criminal?

Mr. GILMAN. I am unable to explain Mr. Wiesenthal's response to the allegations, and I am not aware fully of his report. I know that a report has been submitted to our committee.

Mr. SOLARZ. Mr. Speaker, will the gentleman from New York yield to me?

Mr. GILMAN. I would be pleased to yield to my colleague from New York.

Mr. SOLARZ. I thank the gentleman for yielding.

Mr. Speaker, just for the purpose of clarifying the record, let me say to my very good friend from New York that Mr. Wiesenthal has not said that in his judgment Mr. Waldheim was not involved in war crimes. What he did say was that he had not reached the final judgment on the matter but that he thought some of the people who are accusing Mr. Waldheim of having engaged in these activities were acting in a counterproductive fashion and were generating anti-Semitic responses in Austria.

Mr. MAZZOLI. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. SCHUMER], who is the sponsor of a resolution which passed the other body on this very subject and is a major cosponsor of the resolution, which is before us, House Resolution 409.

□ 1335

Mr. SCHUMER. Mr. Speaker, I thank the gentleman from Kentucky [Mr. MAZZOLI] for yielding this time to me; and let me commend the gentleman for his leadership and alacrity on moving this issue. I am most appreciative.

Let me also thank the chairman of the full committee and the ranking member of the subcommittee for their help, as well as the gentleman from New York who drafted this resolution.

Let me say, ladies and gentlemen, that the Holocaust has taught us a lesson. The lesson is that those of us who are faced with allegations and possible bubblings up of Holocausts or other tragedies have an obligation not to stand by, not to rationalize, not to excuse. Rationalizations, excuses, and inaction are probably just as accountable for the death of millions as some of the perfidious people who created those deaths.

Mr. Speaker, we have here before us a resolution which is very simple. It urges that Kurt Waldheim be judged as any other person would be judged for his actions during the years 1941 to 1945 and no later.

The resolution asks that the Office of Special Investigations be given the same consideration with their recommendation for Mr. Waldheim as they have been given for every other Nazi and Nazi collaborator that they have recommended be put on the watch list.

We all know that there may be diplomatic considerations that will enter into any decision that is made, particularly after the Austrian election. There will be pressure from outside the Justice Department, perhaps from State, perhaps from some other quarters, that since Mr. Waldheim is a national figure and he might then be President of Austria, that we look the other way.

This resolution states firmly that we cannot look the other way, that what Mr. Waldheim did between 1941 and 1945 should be judged on their demerits, and anything he did subsequently should not abrogate what he did then. At best, Mr. Waldheim is a liar and a Nazi collaborator; at worst, he is a murderer. For this country not to put him on the watch list would be a tragedy, a moral tragedy and a political tragedy.

This resolution urges Justice to do the right thing. It is my hope and it is my prayer that jointly the legislative body and the executive branch will indeed do the right thing and judge Mr. Waldheim accordingly.

Mr. MAZZOLI. Mr. Speaker, I yield 2 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I thank the genteman from Kentucky [Mr. MAZZOLI] for yielding this time to me, and I thank the subcommittee for moving so rapidly on this.

Mr. Speaker, I think there is a real reason that we need to speak on this now. That is that we have always said that this is a government of laws and not of men, that all laws will be applied equally to men and women no matter what their rank.

I think it is important to say to the people of Austria as they go into this election that we will not waive the law if we find the facts to fit Mr. Waldheim. If we find that the facts fit him, then he goes on the watch list, whether he is citizen Waldheim or whether he is head of the Government of Austria, because our Government does not believe in making those distinctions. Everybody must comply.

We put the watch laws into effect in this country because we believe that what happened in World War II was so horrendous, so horrendous, that there is no defense, and we never, never want to see it happen again. And the defense to it cannot be what you would call Waldheimer's disease: "I don't remember." You cannot do that, Mr. Waldheim. You have to remember. You have to tell us what the facts are, and then we see if that meets the law.

The whole country of Austria cannot play that game either. I think we have always counted on them as strong allies. We want them to remain strong allies, but we certainly want them to know there is no way in the world that the United States is ever going to back up on its pledge to the free world that we will never allow what happened in World War II to happen again, and anybody who had any part of it cannot say that they forgot and, therefore, they can start over.

Mr. MAZZOLI. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. WEISS], who is the main sponsor of House Resolution 409.

Mr. WEISS. Mr. Speaker, I want to express my sincere appreciation and commendation to the distinguished gentleman from Kentucky [Mr. MAZZOLI], the chairman of the Subcommittee on Immigration, for moving so expeditiously with this particular resolution; and as well as to the gentleman from California [Mr. LUNGREN], the ranking member of that subcommittee; the gentleman from New Jersey [Mr. RODINO], the Chairman of the full Committee on the Judiciary; the gentleman from New York [Mr. SCHUMER], who has taken a leadership role on that subcommittee; and the gentleman from Pennsylvania [Mr. YATRON], who serves with me on the Foreign Affairs and serves as the chairman of the Subcommittee on Human Rights, and who held hearings on this particular important subject matter.

Mr. Speaker, House Resolution 409 expresses the sense of the House that the Attorney General should thoroughly and expeditiously examine all available evidence regarding the activities of former U.N. Secretary General Kurt Waldheim during the Second World War to determine whether as provided for in section 212(a)(33) of the Immigration and Nationality Act. He must be placed on the "watch list" and excluded from admission to the United States.

It has now been 2½ months since the release of documents showing that Dr. Waldheim is not the man we thought him to be. For years, Dr. Waldheim maintained that although he served in the German Army during World War II, he never belonged to any Nazi organization, and that he left active duty in 1941 after a leg injury.

Yet a flood of new evidence recently made public suggests otherwise. According to documents released by the World Jewish Congress and others, after his 1941 injury, Waldheim appears to have been not simply an interpreter for the German Army's group E, as he now acknowledges, but a special missions staff officer in the intelligence and counterintelligence branch, which waged bloody campaigns against civilians and partisans in the Balkans; that he did not "quietly oppose" Nazism as he had claimed, but rather may have joined three Nazi organizations; and according to the U.N. War Crimes Commission in 1948, there was sufficient evidence to prosecute Waldheim for "murder" and "putting hostages to death" while he was a German Army officer in the Balkans in 1944-45.

Each day more and more damning information comes to light about Dr. Waldheim's wartime activities—much of it retrieved from our own National Archives. This resolution does not seek to judge Dr. Waldheim. We do not have the authority to decide whether his activities during World War II should exclude him from admission to the United States.

What this resolution does is to urge the Attorney General to proceed expeditiously with his investigation of the Waldheim case, and to reach a determination about his admission status as quickly as possible. Once the Austrian election occurs next month, an impartial decision about Waldheim may become very difficult to make and probably much more difficult to implement.

The Waldheim case has been a disturbing matter for many Americans. Most disturbing, however, is Waldheim's response to these charges, when he suggests that the Holocaust is no longer relevant and should be forgotten. This attempt to forget Hitler's crimes is dangerous. Only by remembering the lessons of the past can we hope to make a better future. Those who tell us to forget the holocaust—or say it never happened—only pave the way to new tragedies.

To their credit, the Office of Special Investigations at the Justice Department has already looked into this case and recommended to the Attorney General that Waldheim be placed on the "watch list." I hope this resolution will persuade the Attorney General to take the next vital step toward clearing this issue up by ruling on Dr. Waldheim's admission status. But in any event, let this Resolution stand as a signal of the gravity with which this body regards the activities of those associated with the Nazis during World War II; and let it stand as a symbol of Congress' determination never to ignore or belittle the holocaust and the terrible deeds perpetrated by the Nazis during the Second World War.

□ 1345

Mr. MAZZOLI. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. SOLARZ].

Mr. SOLARZ. I thank the gentleman for yielding.

Mr. Speaker, I want to join my colleagues in paying tribute to the gentleman from Kentucky [Mr. MAZZOLI], the gentleman from California [Mr. LUNGREN], and the other members of the committee who made possible the expeditious consideration of this resolution.

I do not know whether Kurt Waldheim is a war criminal. I do know, however, that the Government of Yugoslavia at the end of the Second World War charged him with involvement in war crimes. I do not know that the U.N. Commission on War Crimes put him on the "A" list of those individuals against whom they believed a prima facie case of involvement in war crimes had already been established.

I also know that the U.S. Army put Mr. Waldheim on a list in 1948 of suspected Nazi war criminals who were still at large, and I also now know, as do the rest of us, that Mr. Neal Sher, the gentleman in charge of the Office of Special Investigations in the U.S. Justice Department, has recommended to the Attorney General that Mr. Waldheim be put on the watch list.

I have been informed that never before has the Attorney General failed to respond affirmatively to such a recommendation from the Office of Special Investigations.

This resolution does not prejudge the issue, but it does call upon the Attorney General to act in an expeditious fashion in deciding whether or not Mr. Waldheim should be on the watch list.

I can imagine that the Attorney General would prefer not to have to make this decision at all. I can certainly understand why he might be hesitant to make it before the runoff election for the presidency of Austria in the next several weeks.

But it seems to me that he has an obligation to act in an expeditious fashion. If he were not to act, if he were to put off consideration of this matter until after the elections, he could just as easily be accused of engaging in an effort to influence the outcome of the Austrian election as he could be accused of attempting to influence the outcome of the election if he were to make the decision before the election were actually held.

This resolution calls upon him to make the decision in a timely fashion, just as he would as if an anonymous individual who did not have Mr. Waldheim's international reputation or political interest in Austria would have to make it under those circumstances.

And so I think, Mr. Speaker, that this resolution clearly expresses the view of the Congress that this is a decision that ought to be made in an expeditious fashion. I assume it will be passed overwhelmingly, if not unanimously. I can only express the hope that the Attorney General will heed the call of the Congress and decide whether or not to put Mr. Waldheim on the watch list.

Mr. LUNGREN. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New York [Mr. FISH], the ranking Republican member of the full committee.

Mr. FISH. I thank the gentleman for yielding.

Mr. Speaker, I congratulate the gentleman from Kentucky [Mr. MAZZOLI], the subcommittee chairman, and the ranking Republican Member, the gentleman from California [Mr. LUNGREN], for the expeditious treatment that this measure has received, going before our full Committee on the Judiciary only this morning and coming out with a unanimous vote.

Mr. Speaker, I think that the action this body is taking this afternoon is very proper and appropriate, and I trust that the message here of expedition and the example set by the Congress of the United States in this matter will not be lost on the Department of Justice.

Mr. Speaker, the issue here, in my judgment, is not interference in the internal affairs of a friendly nation, in this case Austria. The issue, in my judgment, is, rather, the uniform application of the laws of the United States, a principle of the administration of justice that transcends all other considerations before us.

I look forward to a vote on this measure. I hope, as has been mentioned by my colleague from New York, that this will be a unanimous vote.

Mr. MAZZOLI. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the resolution.

There has been discussion about some of the details, and I very much congratulate the gentleman from Kentucky [Mr. Mazzoli] and the gentleman from California [Mr. LUNGREN] for expeditiously bringing up this resolution so that some of the facts can be brought out here. But I do not want to

speak to them. Others have. I just want to say a word about one of the points that has been raised during these last weeks, and that is the impact on Austria.

I have been walking around with a file of clippings the last few weeks, trying to assimilate how the Austrian people have reacted to these discussions, and I have heard people say, "Well, go easy on this matter; it may backfire. The Austrians have their backs up. They do not want outsiders talking about one of their leaders."

Well, all I can say, Kurt Waldheim's real past is in question. But I think as much so are the basic attitudes of the people of Austria.

In the next weeks and in the next months we are going to learn more about Mr. Waldheim's past. But we are going to learn even more, I think, about the Austrian people, whether they have learned from the lessons of the past.

I hope that we will quickly and unanimously pass this resolution.

Mr. LUNGREN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me just say again that I do support the adoption of this resolution. I might say that I appreciate all the accolades that have been thrown my way and the chairman's way. As we have discussed, I guess we are therefore responsible for having the fastest moving bill in the history of the Judiciary Committee this year as, alas, we are responsible for having the slowest moving bill through the Judiciary Committee this year, that some old immigration bill. As much as I support this bill and hope it is passed expeditiously, I only wish we had the same dispatch approach with respect to the overall immigration bill itself.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MAZZOLI. Mr. Speaker, I yield 30 seconds to the gentlewoman from California [Mrs. BURTON].

Mrs. BURTON of California. I thank the gentleman for yielding.

Mr. Speaker, I want to join those who spoke on behalf of bringing this resolution to the floor expeditiously. I also want to commend the chairman, the gentleman from Kentucky [Mr. MAZZOLI], and also the ranking minority member, the gentleman from California [Mr. LUNGREN], for doing their utmost in bringing this legislation before the House.

Mr. Speaker, I am one of those who lost a lot of family in the Holocaust. To say that we should forget and not do anything about it, although the man is running for president of Austria, I think is a very bad point of view. I think we ought to do it now.

Mr. RODINO. Mr. Speaker, I rise in strong support of this resolution, which calls upon the Attorney General to "thoroughly and expeditiously" examine all available evidence regarding the World War II activities of former U.N. Secretary General Kurt Waldheim.

I have been urging the Justice Department to expedite its investigation of this matter ever since allegations were initially made by the World Jewish Congress and other Jewish organizations that Mr. Waldheim was deeply involved in Nazi war criminal activities.

In fact, because of my deep concern about this matter I convened a meeting in my office on May 7 which was attended by Justice Department officials and several members of my Judiciary Committee.

At that time, we were advised that an investigation was ongoing but that a final conclusion had not been reached by the Justice Department as to whether Mr. Waldheim is excludable under the provisions of our immigration law proscribing the admission on Nazis and Nazi collaborators.

In fact, during that meeting, the Justice Department denied that a final recommendation had been made by the Office of Special Investigations to place Mr. Waldheim in the Lookout book which contains the names of all persons who may be subject to exclusion. Some press reports had indicated that the Office of Special Investigations had made a recommendation to the Department of State that Mr. Waldheim be included in the automated visa Lookout system. During the meeting we were merely told that additional evidence was being reviewed and that any OSI decision was subject to review by other entities in the Justice Department.

On the following day, May 8, 1986, I wrote the Attorney General a letter reiterating my view that the Department of Justice "proceed expeditiously" with its investigation of Mr. Waldheim in order to ascertain the extent of his involvement, if any, in the commission of Nazi war crimes and the question of his ineligibility for his admission to the United States.

I also pointed out in my letter, which appears in its entirety in the committee report accompanying this legislation, that the procedures followed in Mr. Waldheim's case should be identical to those that have been followed in other cases of ths nature..

I strongly believe that Mr. Waldheim's international reputation, his current candidacy for President of Austria and his previous position at the United Nations should play no role whatsoever in this current investigation.

I urge my colleagues to wholeheartedly support this resolution and it is my hope that with its passage, the Justice Department will recognize that both Houses of Congress are committed to the prompt completion of the investigation into Mr. Waldheim's excludability.

Mr. MAZZOLI. Mr. Speaker, I thank my colleagues in the House for this discussion; I urge that the resolution be passed unanimously, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. MAZZOLI] that the House suspend the rules and agree to the resolution, House Resolution 409.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAZZOLI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

TRADE AND INTERNATIONAL ECONOMIC POLICY REFORM ACT OF 1986

The SPEAKER pro tempore. Pursuant to House Resolution 456 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 4800.

□ 1348

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself in the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4800) to enhance the competitiveness of American industry; and for the other purposes, with Mr. BEILENSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 30 minutes; the gentleman from Tennessee [Mr. DUNCAN] will be recognized for 30 minutes; the gentleman from Washington [Mr. BONKER] will be recognized for 15 minutes; the gentleman from Wisconsin [Mr. ROTH] will be recognized for 15 minutes; the gentleman from Rhode Island [Mr. ST GERMAIN] will be recognized for 15 minutes; the gentleman from Ohio [Mr. WYLIE] will be recognized for 15 minutes; the gentleman from California [Mr. HAWKINS] will be recognized for 15 minutes; the gentleman from Vermont [Mr. JEFFORDS] will be recognized for 15 minutes; the gentleman from Texas [Mr. DE LA GARZA] will be recognized for 15 minutes; the gentleman from Kansas [Mr. ROBERTS] will be recognized for 15 minutes; the gentleman from Michigan [Mr. DINGELL] will be recognized for 15 minutes; and the gentleman from New York [Mr. LENT] will be recognized for 15 minutes.

The Chairman recognizes the gentleman from Florida [Mr. GIBBONS] on behalf of the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. GIBBONS. Mr. Chairman, I yield myself such time as I may consume, and I rise in support of this

trade bill. It is a historic piece of legislation. I think as we start this debate we should try to lower our voices and think, and let us start back in the immediate post-World War II days.

The principles that we subscribed to then and the principles we subscribe to now are the same. However, the conditions in the world have greatly changed since that time. I guess I am privileged to be one of those who is old enough to remember the post-World War II days, and I can remember that there were no consumer goods in surplus in the United States or anyplace in the world, for that matter, in 1948, when the general agreement on tariff and trade was enacted, and there were no capital goods in surplus anywhere in the world.

So it made for a rather nice trading relationship. The demand was far higher than the supply, and so none of the nations at that time thought very seriously about dumping or about subsidizing their products into their trading partners' market. But of course, as everyone knows, today the conditions are far different from that. There is an abundance of consumer goods available for all markets. There is an abundance of capital goods. And it is in that environment that we now approach this bill. The competitive situation in the World has changed and has changed remarkably. We must respond to that change. If we do not, we do it at our own peril. Today, instead of having a demand-driven economy, we have a supply-driven economy, in which everyone is trying to get rid of their surplus goods—any they will do it by any manner or means that is available. Our laws have not simply kept up with this. We are not changing our principles, Mr. Chairman, we are changing our laws to reflect the changed conditions. These changed conditions mean that we can no longer allow people to subsidize goods into our market. We had agreed to that many, many years ago. We can no longer allow dumping into our market. We agreed to that many years ago. These are international agreements that I am talking about, and they must be vigorously enforced. But the laws that we have that do all of this go back to the 1940's, 1948, particularly, and they do not give a person an incentive to follow the law. As the law now stands, if you violate it, you are just slapped on the wrist and told, "Go forth, young man, and don't sin again," but you are forgiven. That encourages people to take predatory actions against our markets. This bill tries—and I think successfully tries—to switch that burden around. It puts a penalty on unfair trade practices in our market. It is the first time we have tried that. We have just really sought relief from it in the past. Now we say, "Observe the law. You know what the law is, and you disobey it at your own risk."

□ 1400

It sounds like to me it is a sound change that ought to be made; one that I urge us to make.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, the bill we bring to the floor today is wrapped with doubt, frustration—and hope. It is a declaration that America's industry, farmers and inventors deserve the same competitive footing as our trading partners. We have waited long enough to respond to the disastrous decline in the nation's trade balance—and the competitive disadvantage it implies.

The Trade and International Economic Policy Reform Act of 1986 is an all-out congressional offensive to modernize and restructure American trade policy—and to check unfair trade practices that are costing this country jobs and a secure economic base in the future.

The bill was drafted by seven House Committees and locked together under the able direction of the House majority leader, JIM WRIGHT. Collected under one number—H.R. 4800—the bill states our concern that the traditional policy alliance between Congress and the White House is breaking down at the very time when the country's trade performance is weakening.

The statistics are staggering. During the past 4 years, the United States has accumulated a total merchandise trade deficit of almost $400 billion. The trade deficit nearly quadrupled between 1982 and 1985. Our current account balance deteriorated from a $6 billion surplus in 1981 to a nearly $110 billion deficit in 1985. For the first time since World War I our country has become a net debtor. And if present trends continue, our net external debt will exceed $500 billion by 1990.

Yet the administration's policy of benign neglect continues as if we were trading with the world as it was 40 years ago—when we dominated world trade—when we decided what was "GATT legal" and what wasn't—when we controlled the world's resources, manufacturing, and its richest market.

About all we still claim is the world's richest market. And the rest of the world is not above skirting the law to get to it. It is that flaw that has led to the distinction between free trade and fair trade—and it is the logic and the drive behind the bill we bring forth today.

It is not a perfect bill. Its force does not fall along party lines, despite administration portrayal. Unfair trade practices emerge in every State and every congressional district. To simply brand this bill protectionist is no more valid than calling tax reform a sop for the poor.

Tax reform and trade reform are not regional nor partisan priorities. Both demand that Congress and the President meet half way. We would be more than willing to address White House objections—had they worked with us in the drafting.

For the moment, we are going it alone. I only hope that in the weeks ahead we can mend some fundamental differences in the Senate and meet in the fall to finally set forth trade policy that our countrymen and our trading partners can understand—and respect.

Mr. Chairman, of the eight titles in H.R. 4800, the Committee on Ways and Means has written three: titles I, II, and VIII. Together, they address growing areas of foreign government intervention, such as foreign industrial targeting; toughen U.S. responses to foreign trade barriers that violate trade agreements; promote, through tough negotiations, foreign market access for highly competitive elements of our economy—such as telecommunications and intellectual property—in cases where our trading partners do not maintain the same fundamental fairness and openness as does the United States; reduce the excessive bilateral trade surpluses of countries that rely on systematic unfair trade policies; regulate new forms of injurious dumping and subsidies; and to end the chaos in U.S. trade policymaking by creating a single, central voice for coordinating and administering such policies—the U.S. Trade Representative.

Mr. Chairman, I urge adoption of this timely and effective legislation, and I reserve the balance of my time.

Mr. DUNCAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I had hoped to be able to vote for a bipartisan trade reform bill this year. Obviously, that opportunity is not available today.

We have before us two omnibus bills, one designed by your side of the House and one developed by mine. Because of the partisan ratio here, it's not hard to guess which measure has the better chance. All that we republicans can do is appeal to the sense of logic and fair play which we know exists on the other side of the aisle. We really believe we have a superior piece of legislation, one that would be equally helpful to U.S. exporters and importers, far more beneficial to American commerce and industry in general, and a clear signal that this country is ready to play hardball in world trade.

Let there be no mistake about my own views and concerns, as they have been reflected in the development of these two partisan measures.

First, there is no doubt in my mind that a bipartisan majority of us believe the time has come to toughen up

both our trade laws and their implementation. The people with whom we do business throughout the world must know that we no longer are willing to put up with unjust and inequitable practices. The international trade field has become tilted against us, and we want it leveled.

I also am concerned about the administration's role with respect to existing trade law. Over the past 8 months, section 301 cases have been pushed aggressively, other provisions of trade law have been used more often, and new bilateral agreements have been pursued with vigor. But I simply cannot overlook the possibility that had these steps been taken earlier, and with greater zeal, we might not be here today debating this kind of legislation.

In my view, the past several administrations have moved too slowly and not strongly enough in enforcing trade law already on the books. Although I firmly believe that existing statutes need to be improved, I also think they are not quite as inadequate as some critics have portrayed them. They do have teeth, they just don't bite hard enough.

But even if the administration has been somewhat slow in acting, the majority leadership in this House has been much too quick, and far too partisan, in reacting. H.R. 4800 is, in fact, a classic example of overreaction.

For example, H.R. 4800 decrees that the denial of certain internationally recognized worker rights is an unfair trade practice under section 301. This means, in effect, that if any country with which we do business appears to be in violation of this worker right provision, we should take that factor into account in determining whether we continue to do business.

And what are these worker rights? One of them has to do with minimum wages, another with collective bargaining, still another with safety and health standards.

Ironically, our own Government has not signed an official agreement on these kinds of rights, yet H.R. 4800 would have the United States sit in pious judgment on the way other nations deal with them.

Many of our trading partners, especially the less developed ones, would find such a provision of U.S. trade law not only impossible but insulting. I believe that worker rights should be set forth as goals for all countries, including ours. But they should be matters for negotiation, not exercises in hypocrisy and blackmail.

Another flawed provision of H.R. 4800 calls for establishment of a tripartite council on industrial policy. This is another big-government approach to problem solving—an approach that I believe the American people have rejected, and will continue to reject.

The proposed council would duplicate the work of existing advisory bodies, and cost too much additional money, at a time when we are desperately seeking ways to cut Government spending.

A third bad provision of H.R. 4800 would force the administration to take punitive action against any country which does not reduce its trade surplus with the United States by 10 percent per year. I certainly agree we should take action, especially against unfair practices, to cut all trade surpluses not in our favor. But this provision goes too far. It is illegal under international law, it would undermine our exporters, and it could make American agriculture very, very vulnerable. The countries adversely affected by this provision clearly can be expected to retaliate against us, and our agricultural products are prime targets. Our farmers have enough trouble; they don't need this kind of grief.

H.R. 4800 is loaded with provisions that are, at the very least, questionable. But in the interest of time—and I do not have very much in this debate—I will cite just one more example.

Under long-standing law, the Chairman and Vice Chairman of the International Trade Commission [ITC] are chosen by the President to serve 2-year terms. The Chairman may not be one of the two most recently appointed Commissioners nor of the same political party as the outgoing Chairman or the incoming Vice Chairman.

This procedure makes sense, and has brought a sharing of responsibility and leadership, a continuity of service and some independence and bipartisanship to the ITC.

H.R. 4800 would require the Senate to confirm the President's appointment of a Chairman and Vice Chairman and would allow even the newest Commissioner to head the organization. Although this change would, in my opinion, do nothing to improve the operation of the ITC or the performance of any Commissioner, my primary objection is based on the transparent motive behind it: to punish a particular Commissioner. As far as I am concerned, this is a terrible way to handle a congressional grievance against a Commissioner. It is devious, circuitous, and runs the risk of undermining the effectiveness of the ITC.

But this is consistent with the thrust of H.R. 4800 as a whole. It is a purely partisan, election year statement. Although its designers may not have so intended, it is likely to damage both farms and businesses cut the number of jobs available, bring our economic recovery to a halt, and lower standards of living for millions of Americans.

Our substitute would do none of these things. It would take away some Presidental discretion and strengthen the hand of our special trade representative. It would demand more executive action, and allow less time to take that action.

It is tough, but it is fair. I think it provides a responsible common ground for a wide variety of views and concerns which are held by Members of this body. I hope my colleagues on both sides of the aisle will accept it for what it is: a first-rate compromise.

□ 1410

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. GUARINI].

Mr. GUARINI. Mr. Chairman, I am very pleased to be here to lend my strongest support to the omnibus trade reform bill. We are living in a very sophisticated world of trade, and this bill offers a realistic approach. Put together by the expertise of seven committees, I think it attends to the problems that we have before us today.

In terms of trade, we have lost $150 billion last year, and over the last 5 years we have doubled each time, from $23 to $150 billion, and we are still escalating. This translates into 3 million jobs that were lost, U.S. industries lagging, and our national security being in peril.

We had to borrow $100 billion last year in order to meet our national debt. We are in an economic crisis, and this trade deficit is part of our whole fabric. We now have a $2 trillion national debt ceiling, with tremendous negative balance-of-payment accounts and debt service.

I think we have got to get our economy in order, and this is certainly a step in the right direction, and a historic one.

This legislation is very carefully crafted. It applies to the problems that we have before us today. It asks for a new round of GATT in which we can take care of the problems of Government procurement, subsidies, service industries, counter trade, and intellectual-property rights. Mindful that GATT had taken 7 years before, we have to do something else to send a very strong signal out.

The present practices of our trading partners are no longer acceptable, nor are the rules of GATT acceptable today. We must change them, but by the same token, we must certainly help ourselves by putting our President in a stronger negotiating position, and by passing these trade reform laws which would modernize section 201, give temporary relief and make it a little easier for our people to bring a cause of action. We must provide a trade remedy, depoliticize trade, natural resources recognize subsidies and provide compensatory damages for dumping.

I just want to add that this is GATT-consistent, it certainly is not protectionism, and the time is now to set right our trade laws.

Mr. DUNCAN. Mr. Chairman, I yield 5 minutes to the ranking Republican member on the Subcommittee on Trade, the gentleman from Illinois [Mr. CRANE].

Mr. CRANE. Mr. Chairman, I want to express by appreciation to our distinguished minority leader on the Committee on Ways and Means, the gentleman from Tennesssee [Mr. DUNCAN], who has done yeoman service in behalf of trying to provide a rational alternative to the "Son of Smoot-Hawley."

I think the designation "Son of Smoot-Hawley" to describe the handiwork that has come before this body is appropriate. H.R. 4800 represents a half dozen committees' input. It is a kind of a recrudescence, if you will, of what happened on the floor of this Chamber back in 1930, when every interest under the sun finally got its moment to add and contribute to what turned out to be the most counterproductive piece of trade legislation ever crafted in the history of this Nation.

I think it is important for us to put this whole debate in perspective at the outset. When Under Secretary of Commerce Bruce Smart appeared before our committee, he indicated that if the whole world practiced free trade right now, absolutely no restrictions or impediments anywhere, that that would have only a 10-to-20-percent impact on our trade deficit of last year. What that means, then, is with a $150 billion trade deficit, that in the best of worlds, if the whole world practiced free trade, that would only have been approximately a $120 billion trade deficit. It may have been as little as a $135 billion trade deficit if the 10-percent figure is correct.

What this suggests is that there is something infinitely more complicated involved in this debate than remedying trade injustices and especially moving in the counterproductive manner that the Committee is considering in H.R. 4800.

Amongst other things that we ought to take into consideration is our general lack of competitiveness. The Wall Street Journal had an interesting article that appeared recently in this connection describing some of the problems that we as a country have.

They noted:

From 1977 to 1985, labor costs per unit of output in manufacturing rose 50 percent more in the U.S. than in Japan, even though real wage costs per hour rose by 20 percent less in the U.S. The gap is thus 70 percent, of which changes in the exchange rate account for only 25 percent.

They continued:

During the past three years America's manufacturers increased their rate of productivity growth from near zero to about 3 percent * * *. However, Japan has registered 8-percent annual gains over a far longer period. As a result, its productivity has increased 45 percent more than that of the U.S. in the past eight years.

They concluded:

It is unlikely that U.S. manufacturers can sustain even the present 3-percent rate of productivity growth, because the recent gains were scored during an economic recovery. Moreover—

And this I underscore—

proposed tax-reform legislation is likely to retard capital formation and further slow U.S progress in this area.

This leads me to a second point. The second point is our tax laws. Our tax laws are still skewed against capital formation, and in fact econometric study that was run on the bill that was reported out of this Chamber last December indicated: First, it would vastly increase the cost of capital; second, it would retard growth in gross national product; third, it would aggravate the deficit picture; and fourth, it would aggravate unemployment.

The Senate may have added some refinements that modestly improve upon the House version of that tax bill, but every component of the Senate bill contains essentially the same assaults upon capital formation and puts these additional production costs on business, at a time when we are trying to improve our competitive position.

One other point I would like to stress has to do with stupidity on the part of congressional action vis-a-vis trying to shave down that margin of superiority and trade advantage that the Japanese have. Had we liquefied gas on the North Slope, for example, last year—and this is before the prices fell—that would have been an $11 billion export item to Japan in 1985. Had we freed North Slope oil for export, that would have been a $10 billion annual ticket. Had we permitted rawcut timber on our Federal lands to be exported to Japan, there is another billion.

What I am suggesting is that if that is the problem, our relationship with Japan in terms of trade imbalances, why do we not contemplate some of those remedies, instead of going down this garden path of erecting tariff barriers that can only impact adversely on American jobs, adversely impact on consumer costs, and simultaneously trigger a kind of reciprocity that will be devastating, especially to our agricultural interest, the No. 1 export of the United States. Our good friend, the gentleman from Nebraska, I know is working conscientiously in this area.

I urge the Members to defeat H.R. 4800.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, our country has seen its competitive position erode over the last several years to unacceptable levels.

From the world's leading creditor nation, we have been reduced to the position of the world's largest debtor nation with a whopping external debt of $101 billion last year—and rising.

We have seen the trade deficit quadruple over the last several years to $148 billion. And we now hear that the trade deficit may top $170 billion this year—another record.

We have seen the loss of more than 1.7 million manufacturing jobs since 1981 and more than a half million farms forced to foreclosure due to decreased export opportunities.

Something must be done to stem the tide of eroding competitiveness and rising trade deficits. The provisions in the Ways and Means title will reverse this tide. It will strengthen America's export position by opening up markets that have been closed to us. But, we don't simply ask other countries to open their markets to our goods, we ask them to open their arms to the products of any country—that's what free trade is all about.

The Ways and Means title also improves the ability of the United States to respond to a wide variety of unfair trading practices that have resulted in products being dumped into our markets.

It will streamline and modernize the tools that our businesses need to compete effectively in a world marketplace on a level playing field with other countries.

Finally, it gives the President the authority to conduct a new round of trade talks to update the antiquated rules of free trade that don't acknowledge the trading system of the 1980's.

The Ways and Means provisions, along with the other titles in H.R. 4800, will help to restore America's position as No. 1.

□ 1420

Something simply must be done to stem the tide of eroding competitiveness and rising trade deficits. The provisions in the Ways and Means bill will reverse this tide. It will strengthen America's export position by opening up markets that have been closed to us; but we do not simply ask other countries to open their markets to our goods. We ask them to open their arms to the products of any country. That is what free trade is about.

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Then finally, it gives the President the authority to conduct a new round of trade talks to update antiquated rules.

The Ways and Means provisions, along with other titles in H.R. 4800, will help restore America to its No. 1 position as a trade competitor.

Mr. DUNCAN. Mr. Chairman, I yield 2 minutes to the gentleman from New Hampshire [Mr. GREGG], a member of the committee.

Mr. GREGG. Mr. Chairman, we all recognize that there is a major problem in our present trade structure. There is no question but that our trade imbalance is something of serious concern. It is something which must be addressed and addressed effectively; however, the bill which is before us, presented by the majority in the House, is fatally flawed. It does not accomplish the goals we seek. It is really the $3 bill of trade. It is an attempt to counterfeit our way into a competitive position with other nations.

If you look at the bill, it has a number of very substantive problems. It has an amendment offered by the gentleman from Missouri, which was just referred to, which involves basically an arbitrary reduction of our trade relationship with three major nations. It is not based on the fact that they have done anything wrong in specific areas, but simply based on the fact that they have a surplus.

It has in it language which would require arbitrarily that our labor standards here in the United States be applied internationally, a situation which makes no sense, for internationally some international standards we do not apply here in the United States. Take, for example, many of the Canadian standards. Therefore, why should Canada have to assume our standards, or any other nation?

It creates an industrial policy position, a board called the Industrial Adjustment Advisory Committee, which is an arbitrary attempt to centralize the process of creating a more competitive situation here in the Untied States by having centralized Federal control of industrial policies, a situation which has never worked, an idea of the past which has failed.

It has in it also language which would create effectively a 3-year retroactive liability for American importers by making them liable for the process of buying when they have bought goods which have been dumped on the American market, even though they may not have known those goods were being dumped.

It will set American against American and it will not accomplish our general goal of trying to reduce the trade deficit.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. HAYES].

Mr. HAYES. Mr. Chairman, I rise in support of H.R. 4800, Trade and International Economic Policy Reform Act, and in opposition to Congressman CRANE's amendment to section 301 of the 1974 Trade Act.

The huge trade deficit has had dramatic consequences for American firms and workers. Manufacturing has been hit particularly hard, with the loss of an estimated 2 million jobs due to imports. Even the traditionally strong export industries—agriculture, high technology, land services—have suffered substantial losses. Agricultural exports have fallen from $25 billion in 1981 to just $7 billion in 1985.

The deficit reached $150 billion in 1985, of which $113 billion was for manufactured products alone. This crisis has continued to grow in 1986 and the Reagan administration continues to pursue a business-as-usual policy. Mr. Chairman, the AFL-CIO has been working with Congress to help formulate a bill that would provide both immediate relief from our trade problems, as well as suggesting changes in trade law that will form the foundation of an effective national policy for the years to come. Although the final product does not contain all of the provisions that I, nor the AFL-CIO, believe are necessary to address the Nation's trade crisis, it does contain a number of important provisions concerning relief from unfair trade practices:

SECTION 301—RELIEF FROM UNFAIR TRADE PRACTICES

Section 301 of the current trade law was designed to provide the President with the authority to take all appropriate feasible steps to respond to practices of foreign governments that are unjustifiable, unreasonable, or discriminatory which burden or restrict U.S. commerce. Despite this board power, the President had rarely taken actions to defend domestic production confronted by unfair practices overseas. Major provisions are:

First, transfer of decisionmaking from the President to the U.S. Trade Representative [USTR].

Second, industrial targeting.

Increasingly, foreign governments are implementing industrial targeting policies directed at promoting and increasing the international competitiveness and market share of particular industries.

Provides USTR with the authority to take action in response to industrial targeting that causes or threatens to cause material injury.

Remedies to include tariffs, import restrictions, orderly marketing agreements or other domestic measures.

In the event of an affirmative finding, USTR would be required to take action to fully offset the material injury or threat for such injurious industrial targeting.

Third, trade deficit reduction.

Procedures are established to provide greater certainty of response on the part of the U.S. Government toward countries that maintain both unwarranted trade surpluses with the United States and unreasonable and discriminatory trade practices.

An investigation period would be provided in order to determine which countries maintain both unreasonable and discriminatory trade practices as well as an unwarranted trade surplus with the United States. Unwarranted trade surpluses would be defined as a ratio of exports to the United States to imports from the United States of 175 percent (nonpetroleum merchandise trade) or more.

Each country so identified would be required to reduce its 1985 surplus in calendar year 1987 by 10 percent and in each successive year until the U.S. trade deficit as a proportion of GNP is 1.5 percent or less, or such country's ratio falls below 175 percent.

Failure to achieve the deficit reduction goal in calendar year 1987 would subject said country to a series of escalating remedies.

Fourth, labor rights.

Competitive advantage in trade should not be derived from the denial of the right to freedom of association, the refusal to insure a safe work environment, the exploitation of child labor, or other such reprehensible practices.

Section 301 is amended to define failure to take steps to meet internationally recognized labor rights as an unreasonable act, policy, or practice.

As my colleague, DON PEASE, has argued, and I agree with him when he said:

> The worker rights provisions improve the * * * U.S. trade law by building in incentives for labor standards to move up in developing countries to some minimum level of respect for internationally recognized worker rights. We cannot afford to tolerate a trading system that pits American workers in competition with the lowest common international denominator on worker rights. The ability to sell in America, the world's greatest consumer market, is a powerful source of influence that ought to be used to spread the benefits of trade within countries as well as among them. It is just as true overseas as it is here at home that increasing the incomes of working people creates increased demand for more American exports which creates more American jobs".[1]

Mr. Chairman, these are some of the reasons why I support H.R. 4800. I hope that my words would help a majority of my colleagues to also give their support to this bill.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. MATSUI].

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[1] Republican Don J. Pease, Dear Colleague, May 15, 1986.

Mr. MATSUI. Mr. Chairman, I urge strong support for H.R. 4800, the Omnibus Trade Act.

As we know, our trade deficit for this year is estimated to be in excess of $150 billion. For the first time since 1914 our Nation is a debtor Nation.

This bill, H.R. 4800, merely levels the playing field so that we open markets among our foreign competitors.

This is not a bill to protect our shores. It is a bill basically to open up markets of other countries.

It gives the President additional tools to negotiate and if he is unable to negotiate, then certain sanctions must be meted out by the President.

At the same time I think all of us have to admit, we do not have any illusion that this bill in and of itself will solve the macro-economic trade problems that our Nation faces today. That is a matter pertaining to monetary policy, fiscal policy of our country, Japan, West Germany, and many others of our trading partners.

But this bill will go a long way in bringing equity to our trading system.

I would like for a moment to discuss one other aspect of the bill, and that is the telecommunications part of the bill. As many of you know, many of us 5 or 6 years ago were saying that, well, we do not have to worry so much about our industries, even though steel and some of the heavy industries will go down because of Japanese steel and Korean automobiles; we still have our telecommunications industries. That is after all the technology of the future.

This shows why trade is such a major issue and why we have to act today. In 1981, we had a trade surplus in terms of telecommunications of over $1 billion. Unfortunately, in 1986 that surplus will turn into a deficit in excess of $1.2 billion.

This bill merely opens up markets so that we have a level playing field in America which is very competitive to compete on a fair basis.

Mr. DUNCAN. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. DAUB], a member of the committee.

Mr. DAUB. Mr. Chairman, as a member of the House Committee on Ways and Means, I welcomed the opportunity this legislation offered to modernize our trade laws and combat unfair trade practices abroad. However, as the bill moved through the committee, my enthusiasm turned to concern and finally alarm over what the committee wrought.

The committee in its wisdom decided to take a golden opportunity for bipartisan trade reform and turn it into a political exercise carefully orchestrated play to some powerful but essentially special interest. I suppose I shouldn't have been surprised at the exercise, particularly considering the majority party leadership's affection for fawning over special interest groups.

However, there's no free lunch when it comes to trade. In attempting to bend over backward for a few special interests you going to have to take it out of the hide of farmers.

For years the farmer has been our best exporter, the American farmer generates the world's largest export volume of agricultural products. In 1985 the United States shipped nearly $30 billion of such goods overseas. Nearly one out of three acres the American farmer plants is for export.

The bill is riddled with anti-ag export provisions. The Gephardt amendment requires across-the-board reductions of imports from at least three major trading partners—these partners happen to be among our biggest buyers of ag products in 1985.

Europe—ranked No. 1 in purchases of U.S. farm exports at $6.5 billion;

Japan—ranked No. 2 at $5.4 billion;

Taiwan—ranked No. 7 at $1.2 billion.

These three partners alone bought over $13 billion from the American farmer in 1985—this approaches the entire outlays for CCC that year.

We already sit on the edge of an ag trade war with Europe over the EEC enlargement issue. Their actions are unjustified but shows their willingness to shut out American ag on the slimest pretext. The Gephardt provision won't be a slim pretext, it will be a justification that will stand up under GATT scrutiny.

The Pease amendment in this bill will permit unfair trade actions against trading partners which don't meet internationally recognized worker's rights.

Few purchasers of U.S. ag export buyers will meet this test.

The Carter grain embargo greatly damaged the American farmer and did little to punish the Soviet Union. The Pease amendment, like the Carter grain embargo, will put foreign policy objectives squarely in the way of farm exports, but this time it will involve many more countries than just the Soviet Union.

Lesser developed countries, which are our best prospects for farm market expansion, won't meet the Pease standards. And they won't buy from our farmers if we don't buy from them. They won't have the cash.

This is quintessential Carterism, and the farmer knows it. Jimmy Carter would love to sign the Pease amendment into law.

There are other major problems for farmers in this bill.

I am submitting for the RECORD a letter signed by 10 farm groups who are extremely nervous about the effects of this bill on agriculture. They know its strychnine for the farmer.

The Republican substitute eliminates the antifarm baggage this bill has but contains provisions, like full reciprocity and a new round of GATT negotiating authority, to fight unfair trade.

Let's cast a vote for farms, vote down this bill.

Mr. CHAIRMAN, I include the following letter to the chairman of the Ways and Means Committee:

NATIONAL GRANGE,
Washington, DC, May 19, 1986.

Hon. DAN ROSTENKOWSKI,
Chairman, Ways and Means Committee, U.S. House of Representatives.

Many of the legislative proposals to deal with our international trade deficit problems, including major elements of the House "Omnibus Trade" bill (H.R. 4800—The Trade and International Economic Policy Reform Act of 1986), pose serious dangers for our U.S. agricultural export markets. We urge you to weigh these issues carefully before supporting any measure such as H.R. 4800 which includes undue restriction of Presidential authority to consider all national interests and which has other proposals that would not conform to our obligations under the General Agreement on Tariffs and Trade.

Such proposals to deal with our very serious international trade problems would bring retaliatory action against our agricultural and other exports, would in other ways reduce the ability of our trading partners to purchase U.S. products, and would seriously jeopardize our chances for success in a new round of multilateral trade negotiations aimed at dealing with these problems more appropriately through an improved system of international trading rules.

While we agree that more aggressive action is still needed in the interests of the U.S. trading community to deal with unfair competition, the proposals of H.R. 4800 intended to strengthen Sections 201 and 301 of the Trade Act of 1974 have not been properly designed and would bring more damage than benefits to our national trade interests.

We would be pleased to join with Congressional and other trade leaders in encouraging the administration to step up still further its Section 301 and other initiatives of recent months, and to hold firm in its expressed intent to gain major improvements and reforms in the GATT through a comprehensive new round of negotiations which puts export subsidies and other critical agricultural concerns on the highest level of priority.

We believe that these issues of such great national importance deserve further consideration, in order to eliminate the dangers that we see in some of the proposals of H.R. 4800.

American Soybean Ass'n; Farm & Industrial Eqpt. Inst.; Grain Sorghum Producers' Ass'n; Millers' National Federation; National Ass'n of Wheat Growers; National Grange; Nat'l Soybean Processors' Ass'n; National Turkey Federation; The Rice Millers' Ass'n; United Fresh Fruit & Vegetable Ass'n.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, I rise in support of H.R. 4800, the Trade and International Economic Policy Reform Act. It is a sensible and re-

sponsible approach to the trade crisis that now confronts us.

Many times in the history of this country we have faced difficult challenges. As a united people we have worked together to overcome them, and grown stronger as a country. In my district, and in districts all over the United States, workers and business owners have been asking—when are we going to get serious about the trade deficit? When are we going to get serious about our jobs?

The bill before us today is deadly serious. It says that it is time to use the laws we already have to stop unfair trade practices. It says we can use those laws to discourage unfair imports, encourage American exports, and help our industries reassert themselves in the marketplace.

Mr. Chairman, the members of the committee have resisted the temptation to single out specific industries for special protection. Rather, we have concentrated on the big picture. We have streamlined, modernized, and expedited procedures. We have built timetables into the law. We have focused authority into the hands of the responsible officials. This legislation is not punitive: it is positive and constructive.

Every so often, debates in this country become polarized. The trade issue is now being characterized as one between free traders and protectionists. As a result, we get a lot of rhetoric, but nothing is resolved. This bill puts the subject of trade back in perspective. This body need look no further than the March 1986 trade deficit of $14.5 billion to realize that the time for meaningful trade reform is now. I urge my colleagues to join me in supporting this legislation.

Mr. DUNCAN. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina [Mr. CAMPBELL].

Mr. CAMPBELL. Mr. Chairman, today as we take up the discussion of trade in this body, I think we need to recognize that there are those who adhere to a policy of free trade, there are those who adhere to a policy of protectionism. Unfortunately, neither works, but somewhere in the middle we have groped through the years to general agreements on tariffs and trade and in specialty actions and such things as the multifiber arrangement to seek a reasonable way to trade fairly in this world. Our decision to seek this route allows this administration or any administration remedies against unfair practices.

The reason we are here today is the administration has not chosen to use the tools available to it to insist on fairness in international trade.

A few months ago we had before this body, and it passed, a bill on textiles and apparel. It passed overwhelmingly. It passed the Senate. It was vetoed. That veto message will be up on August 6 and this body will have a chance to override the veto.

The administration in the meantime has an opportunity to show that it will enforce existing laws. That is the way we should go, but if they do not, then this Congress under the Constitution has not only the right, but the obligation to exercise control over the trade practices of the United States.

As we consider this legislation, let us weigh the future of the wealth of this country, for that is what we are speaking of.

This bill is not a good bill. It is a political document, but it may be a political document that makes a statement that must be made.

In my opinion, the answer to that question rests in the hands of the administration.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. PEASE].

Mr. PEASE. Mr. Chairman, I rise in support of this bill. I do so proudly. I think it is an excellent bill which will respond and does respond to the concerns of American citizens about the trading system of this world being a fair trading system.

I am particularly pleased, Mr. Chairman, to be the author of a section dealing with worker rights. To hear some people talk, it is none of our business whether the imports flooding into our country are made by workers whose most basic rights are repressed, but you might get a different answer to that question from one of thousands of young children, 10 to 14 years of age, in one Southeast Asian country who are sold into factory work by their impoverished rural parents for $20 to $100 per year. The typical workday for these young children is 15 hours a day, 7 days a week. They sleep in factory storerooms. They are fed only rice and vegetables.

In the name of humanity, we Americans ought to be concerned about those young children, but we also ought to be concerned because American textile workers making $6.50 an hour are trying to compete with children working under these conditions. That is not fair.

□ 1435

Americans know that is not fair. This administration can take a doctrinaire, free-trade, no-action approach if it wishes, but that is not going to satisfy the American people. We in the House, joined with Republican Members in the Senate, are going to write a trade bill that responds to the concerns of Americans. It is going to be a good bill.

I think Members of this House ought to go along right now and support it also.

Mr. DUNCAN. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. ARCHER].

Mr. ARCHER. I thank the gentleman for yielding this time to me.

Mr. Chairman, H.R. 4800 should be named the "Boomerang Bill of 1986." It may appear to be pointed elsewhere, but its ultimate target is our own economic heart.

Its designers say they want to send a clear message to our trading partners. Well, they're sending one—no mistake about that. And the answer is certain to be: retaliation.

I understand most if not all of the motives behind H.R. 4800, and I sympathize, and agree, with many of them.

To a great extent, H.R. 4800 is just a political exercise. The House Democratic leadership has asked for this kind of legislation with the hope—a false one, I trust—that it will give their party a talking point advantage in the fall elections. I have no sympathy with that particular motive behind the bill, and I believe it, too, will boomerang.

But there are other motives. Some of our trading partners have not been playing fair. They have, in some cases, abused our laws as well as the rules of GATT. The United States marketplace has been a dumping ground for some foreign products, and certain U.S. goods and services have been, in effect, locked out of overseas sales.

Unfortunately, some people believe H.R. 4800 will right these wrongs. It won't. It will only make them worse.

One provision after another is written to have the ultimate effect of curbing imports into the United States. The countries that are adversely affected are not going to merely shrug their national shoulders, or become properly contrite and promise to do better.

That simply is not the way the world works. These other countries are going to retaliate. They are going to determine where we are most vulnerable and they are going to close their markets to the items we most want to sell to them.

In many instances, our vulnerability will be in agriculture. If I were an American farmer interested in overseas shipments, I would be absolutely furious over H.R. 4800. Anyone who believes our agricultural exports would not be damaged by this bill is fantasizing.

But this is not the only kind of retaliation H.R. 4800 would bring. Some of it would be less tangible, but equally as hurtful.

H.R. 4800 would add a new category of unfair trade practices. If a country did not provide certain worker rights, this would become a factor in determining punitive action under our section 301 statute.

The rights at issue include collective bargaining, minimum wages, and occupational health and safety standards.

These are rights which we in this Chamber might readily accept. But some of our trading partners would be unable to do so. Imagine, for instance, asking one of the relatively undeveloped States, with which we do a brisk and mutually advantageous business, to follow our OSHA rules. It would be a practical impossibility and could engender resentment in what had been a very friendly relationship.

The intent behind this provision of H.R. 4800 might be humanitarian, but the result would be the reverse.

If we really want to send our trading partners a recognizable signal that we demand fair play, we need another approach. We need to be more clever.

First, we might use more imaginatively and more often the laws we already have. Section 201—the old escape clause—section 301, and our antidumping and countervailing duty provisions are strongly worded. Stronger usage is called for, and our trade officials already are coming through for us. Over the past several months a number of aggressive steps have been taken. That course should be continued.

Second, we need to exert leadership in new international negotiations. The sooner a Reagan round begins, the better. We can try our case in this court of world opinion with skill and zeal. We have first-rate advocates and a good cause. Let's use them.

Third, we can develop bilateral agreements where broader efforts fail or our particular needs are better served.

Fourth, we can pursue basic economic policies that will enable us to compete more effectively across both the Atlantic and the Pacific. Our industrial and commercial base is improving.

But we need to do a better job here in the Congress. A sensible budget compromise, leading to tight spending limitations, would help a great deal.

If the deficit really is reduced, if interest rates stay low or drop even more, if inflation remains under control, and if we legislators can resist such temptations as the boomerang bill of 1986, we might—we just might—get ourselves in a better world trade position. It's worth a try, Mr. Chairman.

The committee adopted my amendment to clarify the criteria by which the International Trade Commission determines causation of material injury in investigations involving fungible products.

While fungible products are merchandise sold by weight or volume without significant product differentiation, the problem that I am attempting to address specifically relates to decisions by the ITC where United States industries have not been considered to be materially injured by imports even though imports have been found to be sold in the United States at less than their fair market value.

I think it is important to note that, under my amendment, the ITC could not reject a finding of material injury solely on the basis of any of four factors that include price leadership, parallel price reductions in other related markets where imports are not present, the fact that U.S. producers also import the merchandise or that U.S. producers are not losing money overall, even though their profits are reduced due to the imports' impact on the market.

The markets for fungible products are extremely price sensitive and the introduction of imports through actual sales or offers for sale can severely depress prices and disrupt the markets to the point where domestic producers may be forced to purchase the dumped products themselves in order to protect market share and to maintain their distribution networks.

The demand for many fungible products is dependent on demand for the product for which they are components. Sales of cement, for example, fluctuate depending on the level of construction activity. Price ordinarily rises when construction activity increases and declines when demand slackens. Companies who make fungible products for which there is such a fluctuating demand expect to make low profits or lose money during periods of slack demand. In such a case, an industry's profitability may be depressed by imports but it could be denied relief solely because it was not losing money at that point.

There should be a clear preponderance of evidence in order for the ITC to make a finding of no material injury in a case where imports at less than fair market value have been found. I believe that this amendment will accomplish that purpose.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. I thank the gentleman for yielding this time to me.

Mr. Chairman, so far we have nothing but promises, promises, promises about our trade deficit, promises from the administration that present laws were enough, but they have not been; promises from the administration that its belated action on the dollar imbalance would reduce the U.S. trade deficit, but it has not; promises from the Japanese of a new action plan and of open doors, but the doors remain far more shut than open.

It has been said on the floor that this bill constitutes overreaction. The possible overreaction is far more defensible than inaction. It is said that we should remember 1930. True. But it is vital to remember what has been happening since 1980 and what could happen to U.S. industries by 1990.

Today and tomorrow, action, action, action will replace promises, promises, promises.

Mr. ROSTENKOWSKI. Mr. Chairman, I yi·d 1 minute to the Delegate from the District of Columbia [Mr. FAUNTROY].

Mr. FAUNTROY. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of H.R. 4800, a bill designed to enhance the international competitiveness of American industry. In recent years, we have witnessed the relative deterioration of industrial competitiveness in the United States of America. At the same time, other areas of the globe, including Europe and Japan, have achieved remarkable economic progress while other less developed countries have developed export-based programs of economic growth. It is quite clear that in 1986, the clock cannot be turned back; rather, we must forge ahead.

While a portion of the increased competition in the rest of the world follows in the course of economic development and is due in part to superior management skills, and so forth, some of it has been attained through other noncompetitive vehicles, including excessive Government involvement in export promotion and protectionism, super-exploitative wages, and fluctuations in the value of foreign currencies. This, combined with the uncoordinated macroeconomic policies being pursued by major trading partners of the United States, has resulted in an increasingly unstable economic environment, one in which the competitive position of the United States is increasingly undermined.

The following statistics shed some light on the growing role of international trade:

U.S. exports as a portion of GNP, increased from about 5.7 percent in 1960 to 8.9 percent in 1981.

U.S. exports, as a percentage of world exports, have declined from 25.3 percent to only 11 percent, though the dollar amounts have increased from $28.9 billion to $223 billion.

Thus, not only has U.S. trade increased as a portion of GNP, but the United States has endured a decline in its share of world trade. This decline in U.S. share of world trade reflects a decline in a rapidly expanding seemingly infinite universe. Even as the share has been halved, the dollar amount of U.S. trade increased tenfold. These statistics together indicate that economic growth in 1986 is marked by interdependence.

The volatility within the economic environment has thwarted further increase in U.S. exporting capability, as our leadership has remained mired in principles of "free trade." H.R. 4800, by contrast, acknowledges that reality has changed.

The banking portions of H.R. 4800 are designed to address many of the concerns both my colleagues on the Banking Committee and our constituents have with regard to international trade. The measures for international monetary reform, for increasing the effectiveness of multilateral institutions, for competitive exchange rates, and for a council on industrial competitiveness, all direct themselves at the heart of the problem. These meas-

ures may not be perfect in all respects, but at the very least they address the central issue, namely the interdependence of the international economy.

In a world engulfed in interdependence, up until last September, the Reagan administration continuously ignored this fact, and it continued to argue in favor of an ideological approach based on laissez-faire. Finally, in September, the administration acknowledged that "free trade" is not free, but rather costly, when measured in terms of mounting trade deficits and American jobs.

Although the intervention undertaken by the Group of Five last fall deserves our approbation, it is not sufficient. While the dollar has fallen substantially since September, this is only a first step toward correcting the course of the international economy. We need to move further down this road and provide additional measures to ensure that American workers and industry are not competing on a playing field that is tilted away from the United States.

I oppose protectionism. However, as one of our colleagues in the Senate stated recently, the Reagan administration has labeled as protectionist "anything that walks," including H.R. 4800. Unlike the Reagan administration, I know there are no alternatives if we want to compete with those countries paying their workers less one-sixth of what we pay our own. That is a fact. As to whether such industries, including textiles and machine tools, deserve to be protected is a public policy question with important economic security implications. These industries need to be examined individually and the appropriate public policy decisions reached accordingly.

In addition to the areas of wage differentials, productivity concerns and international exchange rates, we should examine our competitiveness and management structure. Here again, Mr. LAFALCE'S contribution, namely, the Council on Industrial Competitiveness, would allow us to begin to do just that. The council, as the document states, is designed to "develop and promote policies which enhance the productivity and competitiveness of U.S. industries."

If this bill can indeed be faulted on any grounds, they probably relate to its length. However, packaged inside the 450-plus pages of the bill are numerous trade policies which, I believe will enhance the competitive position of the United States, while leading to increased international economic stability. While this package is by no means perfect, it begins to address what has been a long time in coming, namely, a trade policy. H.R. 4800 argues that we must acknowledge the world beyond our borders—we must recognize that we need our trading partners as much as they need us—and we must shape a coherent trade policy which acknowledges in nonideological fashion, the growing importance of the international economy.

Mr. DUNCAN. Mr. Chairman, I yield 1 minute to the gentlewoman from Maine [Ms. SNOWE].

Ms. SNOWE. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in strong support of H.R. 4800, the omnibus trade bill of 1986. This represents our chance finally to create a fairer opportunity for those industries which have been bludgeoned by imports and abandoned by our laws.

Time after time when we have witnessed the demise of another industry, or another mill or plant shutting down in this country, we have come to hear, like a broken record, the dismay of our workers who, through no fault of their own, are told their product is not competitive.

The message from our workers in trade-sensitive industries has been loud and clear for those who listen. While trade is a complex subject with complex problems to solve requiring complex solutions, I believe it all comes down to this: U.S. trade policies aren't working. The U.S. trade deficit, reaching almost $150 billion in 1985, graphically points out that we are losing our competitive position in country after country and product after product.

As we debate this legislation, we are a Nation whose trade laws bear little relevance to the world marketplace of the 1980's. The experiences of my district illustrate this sad fact all too clearly.

Maine's shoe, textile, lumber, fishing, and potato industries have all been buried by surging levels of imports and unfair foreign trading practices, including Government subsidies. I have seen thousands of workers in my State lose their jobs, and hundreds of firms close their doors, all because our trade laws are not tailored in any reasonable way to our businesses and workers.

The shoe industry, for example, is experiencing 82 percent import penetration, and sees over 750 million pairs of shoes enter this country annually. Japan, though, only allows 1 million pairs annually, and Brazil, with its then-100-percent tariff, allows virtually no shoes. In this light, the footwear industry filed a trade relief petition under section 201, and a 5-year temporary quota system was recommended by the ITC, but rejected outright by the President. A devastated industry which followed the prescribed course of our trade laws was instead abandoned under those laws. Since that time, there have been monthly increases in footwear imports as high as 30 and 40 percent.

As many of my colleagues in this body are aware, the footwear industry has pursued relief under our trade laws for many years, and has lived a complete nightmare ever since. But having worked through an established administrative relief process, and having demonstrated very clearly the need for a temporary opportunity to modernize, this industry became a victim of the enforcement side of our trade equation.

The President's denial of the footwear industry's petition was wrong, and this industry's inability to get any kind of meaningful trade assistance from this Government is almost shameful. Unfortunately, that is, more often than not, the kind of attitude some have taken in opposing any meaningful remedies to industries hurt by imports.

The timber industry faces similar import problems. Right now, 80 percent of the timber sold in the Northeast comes from Canada, largely because of an unnatural price advantage. The Federal and Provincial governments in Canada sell their timber to Canadian companies for 10 percent of the free market cost—a 90 percent subsidy. But under our existing trade laws, this practice is not considered a subsidy. So, when the timber industry pursued a countervailing duty case, they lost—because the largest unfair trade provision was excluded from consideration.

The fishing industry has also suffered from Canadian imports. Maine fishermen have been living with depressed prices in recent years due to 55 Federal and Provincial Canadian subsidy programs. On April 30, the industry received a positive injury determination on its countervail case for fresh groundfish. However, the ITC did not find injury for processed fish, which are every bit as subsidized as fresh goundfish. Nevertheless, this countervail determination marked the first time that our Government has officially confirmed that Canada's fishing industry is heavily subsidized, and that the effect has been most damaging for Maine and other New England fishermen.

Finally, there is the sad plight of the potato industry. In part because of imports from Canada, Maine potato farmers are receiving about $1 for a 165-pound barrel of potatoes which cost them $9 to produce. Canadian farmers, however, are the beneficiaries of at least 27 distinct subsidy programs. In light of these subsidies, Maine's potato industry filed an antidumping case. Three years later—3 years of $250,000 in expenses that the economically strapped farmers could ill afford—their case was denied. Once again, an industry which has been reeling from imports found no refuge in our trade laws.

With each of these industries, Mr. Chairman, I could give you a history of their courageous efforts to utilize our existing trade laws to pursue relief from out-of-control imports. In each situation, the years have gone by as their market shares have dwindled. The concerted efforts of our foreign competition to seize our markets at our expense, and the inability of these industries to get a meaningful, positive response from the U.S. Government, has been a combination impossible to overcome.

These examples, and others, make it indelibly clear that the United States operates at a self-imposed disadvantage in the international marketplace. It is essential that the House adopt the legislation before us today. It is essential that the House adopt the legislation before us today. Obviously, the various provisions of this legislation do not represent a magic solution. Transferring decisionmaking authority to the USTR, inclusion of natural resource inputs in countervailing duty cases, fast-track temporary relief for perishable products and other provisions, however, offer a substantially improved opportunity to domestic industries.

It does, however, finally create a useful tool out of our trade laws. These provisions are the legislative embodiment of the approach to which we can no longer give lip service—fair trade. Fair trade will not take place if we cling to the notion that international trade is somehow "free." The sooner our actions show that unfair trade practices will not be tolerated, the sooner the competitive abilities of our workers and industries will once again assert themselves.

Mr. Chairman, this legislation sets out to correct our trade policies in a meaningful way. Last month, I had an opportunity to testify before the Ways and Means Trade Subcommittee on this legislation during their hearings. I testified that if I had to summarize what I believe needs fixing, it would be this: First, there should be less discretion available to the President to reverse the rulings of the ITC and other agencies which make trade determinations.

Second, there should be more consideration given to the fact that trade relief is temporary and that an industry should be given more opportunities to modernize to face the international competition. Third, there needs to be a tighter time schedule built into all of the major trade laws and avenues taken by industries in pursuit of trade relief. Finally, our trade laws need to be more practical for the problems our industries face. We see too many loopholes that prevent industries, such as ours in Maine, from obtaining the trade relief they deserve from this Government.

The solution, to summarize our difficulties, is to tighten up and expand the applicability of U.S. trade laws and to utilize our improved laws by enforcing our rights in the world trade arena to be able to compete fairly. I believe the legislation we are considering today is a step in the right direction.

I am particularly pleased that this legislation includes reforms to sections of our trade laws designed for trade relief: including section 201, section 301, and the countervail and antidumping provisions. I support the transferral of the administrative authority to the U.S. Trade Representative, but as the USTR is still part of the administration, we should not expect different policy directions from the White House to emerge from this adjustment.

I also strongly support the inclusion of natural resource inputs as actionable under countervailing duty laws, which closes a very large loophole many nations have taken advantage of. For example, with Canadian timber, right now the Canadian Government sells its timber to Canadian companies for 10 percent of the real market value, and as a result, our lumber has been undercut consistently in markets across this country. This provision to constitute resource inputs as subsidies is an important step forward.

I also support a provision to allow for fast-track consideration of trade petitions representing perishable products. If this provision had been in place earlier, it might have made a world of difference for Maine's potato industry, which had to wait 3 years for a final determination on their trade case. The potato industry and other perishable industries need a better recourse to pursue relief without being strung out waiting for decisions for years, and this provision should help.

In many other areas, this legislation also is positive, including the authority for the administration to pursue a new GATT round with clarified objectives, the addressing of remedies to telecommunications trade, and the better protection of intellectual property rights. I see these changes as being positive and necessary.

One disappointment I have, however, with this legislation is with respect to extending tariff-cutting authority as part of a new GATT round without an exemption for import-sensitive products. For example, at a time when a number of textile and footwear products are being crippled by cheapened imports, this could serve to literally wipe out certain products whose only buffering from complete destruction is the existence of U.S. tariffs.

Under this bill, import-sensitive products whose tariffs are under consideration to be reduced will require fast-track approval by Congress. My concern is that many import-sensitive industries, including the shoe and textile industries, are already at the end of their ropes due to import surges and unfair trading practices by other foreign governments. The administration needs to know that we will not allow the rug to be pulled completely out from under these import-battered industries at a time when they need our help the most.

Finally, I want to make it clear that I believe unless this Government is willing to take a step forward to enforce our laws and look out for our best interests at home and abroad, we won't see the kind of improvement in the trade arena that we desperately need, and for which this legislation is intended.

Mr. Chairman, I urge my colleagues to support this legislation, and to restore a slim measure of hope to the battered industries and pressured workers of my district and this Nation.

Mr. DUNCAN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. I thank the gentleman for yielding this time to me.

Mr. Chairman, as we debate H.R. 4800 today, we should keep in mind that it is an issue under consideration, not a bill. The issue is whether to make our national trade policy a hostage to special interest protection and election year rhetoric.

The administration has called this bill defensive and defeatist, and it seems that most U.S business and agriculture interests agree. This bill scoffs at our international obligations and gives only lipservice to future negotiations as a means to resolve trade disputes. It totally ignores U.S. export interests and the major role U.S. exporters continue to play in international markets. The bill focuses on failure and asks us to regress into protectionism as a way to solve our mounting trade deficit. Do they expect the American people to be so naive?

The underlying premise of this legislation is that the United States should from now on behave like a child when it comes to international trade; stamp its foot; demand to have its own way and, if that doesn't work, take all the marbles and go home. Never mind that we kick U.S. exporters in the shins on the way or that we would be going home to higher prices, domestic chauvinism, and future uncompetitiveness. Is this what the Congress and the American people really want? I have faith that it isn't so.

There has been much wringing of hands, about the administration's failure to develop a coherent trade policy and to do something about the trade deficit. Many have jumped on the rhetorical bandwagon. Yet this administration has been more active than any previous administration in using our trade laws, especially section 301 cases,

and have not been hesitant about taking action when negotiations fail. The administration, as have past administrations, continues to pursue a trade policy that calls for effective enforcement of our trade laws, active negotiations to resolve outstanding disputes or new areas for GATT coverage, and free and fair competition with as little Government interference as possible. I am confident this administration will continue this policy and not follow the destructive example H.R. 4800 has laid out for them.

Mr. Chairman, at this point I insert a list of administration actions to redress trade grievances or open new markets.

The list follows:

TRADE POLICY ACTIONS AS OF MAY 16, 1986

As a part of the President's trade policy announced September 23, 1985, the Administration has:

Taken the unprecedented step of self-initiating Section 301 unfair trade cases on: Brazilian informatics market and investment restrictions (9/13/85); Korean fire and life insurance market restrictions (9/13/85); Japanese market restrictions on tobacco products (9/13/85); Korean lack of protection for intellectual property rights (10/16/85).

Self-initiated for the first time a Section 305 investigation to gather information on the potential trade barrier posed to U.S. meat exports by the proposed EC Third Country Meat Directive (3/31/86).

Initiated the first case ever brought under Section 307, initiating an investigation of Taiwan's automotive export performance requirements (3/31/86).

Achieved a negotiated resolution on the issue of Japan's market restrictions on leather and leather footwear (12/20/85). Japan agreed to compensation through reduced tariffs worth $236 million in increased market access and the U.S. will impose prohibitive tariffs on $24 million of Japanese leather exports to the U.S.

Announced a GATT Subsidies Code case against European Community wheat export subsidies (10/16/85).

Secured market-opening concessions from Taiwan on tobacco, wine, and beer in response to the threat of a 301 case (10/16/85).

The Administration has formed the President's strike Force on Trade, chaired by Commerce Secretary Baldrige, to identify specific trade barriers which may require further action. To date, the Strike Force has:

Recommended to the Economic Policy Council in November 1985 that the U.S. Government initiate an antidumping investigation on 256K DRAM (Dynamic Random Access Memory) and above semiconductors from Japan. The USG self-initiated the antidumping investigation December 6, 1985. This is the first time ever that the Department has self-initiated an unfair trade investigation outside an established program such as the Steel Trigger Price mechanism. The International Trade Commission found preliminary injury (5-0) on January 22, 1986. The Department of Commerce announced preliminary dumping margins on March 13. A final dumping determination is expected by May 30.

Recommended to the Economic Policy Council in January 1986 that the United States Government undertake informal consultations with Airbus Governments, (France, Federal Republic of Germany, United Kingdom) to contain or eliminate unfair trade practices on current and future Airbus programs. The first round of discussions took place March 20-21 in Geneva. As the issue remains open, a second round of discussion will take place in June.

Recommended to the Economic Policy Council that a comprehensive strategy for dealing with unfair intellectual property rights practices be undertaken. This strategy, announced April 7, 1986, includes: a legislative initiative; intensified bilateral pressure through consultations, possible denial of GSP benefits, and possible 301 cases; heightened multilateral efforts; and an Administration policy statement on intellectual property rights.

The working group level of the Strike Force is considering many issues, some of which are being developed further. These issues will be forwarded to the Strike Force over the next few weeks.

We have moved to resolve four disputes with the European Community:

We have reached agreement with the EC under the President's steel program which provides for voluntary restraints on most European steel exports to the United States through September 1989. To remedy the problem of diversion by EC exporters from licensed products to semi-finished steel, as of January 1, 1986, the U.S. imposed quotas on imports of EC semi-finished steel.

In December 1985, we negotiated resolution of the EC canned fruit case, obtaining an EC commitment to reduce its production subsidy by 25 percent by July 1986 and eliminate it entirely by July 1987.

Following the failure of the U.S. and EC to reach a solution on the citrus problem by the agreed October 31 deadline, on November 1 the U.S. imposed duties of 40 percent ad valorem on EC-origin pasta products not containing egg and 25 percent ad valorem on EC pasta containing egg. We have, however, continued to discuss this case with the EC and would prefer a negotiated solution which would enable us to put this case behind us.

On 5/15/86, announced a specific response to new EC restrictions on U.S. grain and oilseeds exports to Spain and Portugal as a part of the terms under which those countries joined the EC in January 1986. In response to the EC's quotas on U.S. agricultural exports to Portugal, the U.S. will impose quotas on certain agricultural products from the EC: white wine valued over $4 per gallon, chocolate, candy, apple or pear juice, and beer. These quotas will be adjusted to mirror the trade losses caused the U.S. by the EC's restrictions. With respect to the variable levy imposed in Spain, announced that in 30 days the U.S. will withdraw tariff "bindings" (GATT agreements not to raise tariffs above a certain level) and increase those tariffs if the EC does not provide adequate compensation by July 1.

On the bilateral/multilateral front, we have:

Welcomed Canada's initiative for a possible bilateral free trade arrangement and have begun discussions on Canadian softwood lumber imports.

Secured agreement of our GATT trading partners to establish a preparatory committee for a new round of multilateral trade negotiations. We expect the round to be launched at a meeting of trade ministers scheduled for September 1986.

Undertook Market-Oriented Sector-Specific (MOSS) discussions with the Japanese in four areas: telecommunications, medical equipment and pharmaceuticals, electronics, and forest products. Major problems related to implementation of Japan's new telecommunications laws as well as the radio wave law have been resolved. In the medical equipment and pharmaceuticals area, agreement has been reached in most of the contentious areas including acceptance of foreign clinical test data, faster approval procedures and transparency in the insurance reimbursement system. Key achievements in the electronics sector are chip protection legislation, software copyrights and computer parts duty elimination. In addition, an agreement has been reached on wood product tariff cuts as well as on a significant reduction in paper duties.

Initiated Market-Access Fact-Finding (MAFF) talks on telecommunications trade barriers in Europe. The first market access discussions were initiated with Germany last December. The discussions allowed us to gain useful information on procurement practices, standards and regulations governing enhanced services. We will now assess the detailed, technical information which was provided and evaluate the "openness" of the German telecommunications market to U.S. suppliers. We held similar talks with the Italian Government in April and expect to begin consultations with other European countries in the near future.

Signed an agreement with Japan on the elimination of tariffs on computer equipment and parts and with Canada on the elimination of tariffs on computer parts and semiconductors.

We are continuing vigorous enforcement of AD/CVD laws. We have 47 investigations ongoing and there has been over a 200 percent increase in AD/CVD cases processed from 1980 (50) to 1985 (133).

Most significant AD/CVD cases since September 1985.

Completed cases with affirmative findings of dumping or government subsidization: Japan/cellular mobile telephones on October 24, 1985; Brazil/fuel ethanol on January 21, 1986 (n.b. the International Trade Commission found "no injury" so case was terminated); Saudi Arabia/carbon steel wire rod on January 27, 1986; Canada/groundfish on March 14, 1986; Korea/Offshore platform jackets and piles on March 31, 1986; Japan/Offshore platform jackets and piles on March 31, 1986; and Japan/64K semiconductors on April 23, 1986.

Pending cases of dumping or government subsidization: Japan/EPROM semiconductors due July 30, 1986; and Japan/256K semiconductors due August 1, 1986.

We have also moved forcefully to deal with unfairly subsidized competition in our export markets:

Countered foreign subsidized agricultural exports by concluding sales under the Export Enhancement Program valued at over $465 million.

Countered foreign subsidized export financing. Pending Congressional acceptance of the President's War Chest proposal, the Export-Import Bank has offered grants to help American companies win sales worth about $328 million in eleven pending overseas contracts. By aggressively using mixed credits, we hope to persuade our trading competitors, particularly France, Italy and Belgium, to support negotiations to eliminate predatory financing practices. In March 1986, to Counter a Brazilian bid using non-competitive financing in the U.S. market, Eximbank took the unprecedented step of extending concessionary financing to a U.S. company for a sale in the U.S.

The problem is that even if every unfair trade practice in the world were wiped from the slate tomorrow, it would have very little effect on our trade deficit. Our trade laws were not intended to resolve macroeconomic problems facing the whole country. The strong dollar has been a difficult burden on almost all sectors of our economy, but the blame more legitimately belongs on our own shoulders for failure to reduce the budget deficit than on the inadequacy of our trade laws or overall trade policy.

Neither are our trade laws designed to be a clearinghouse for a host of other issues with only a limited relationship to trade. Our trade laws cannot force countries to pay U.S. minimum wages, establish unions, and allow collective bargaining. Our trade laws can't dictate child labor standards or worker safety, however meritorious those goals are. Our trade laws cannot change Japanese society or reverse Japan's desire to be a first-class world competitor. Our trade laws cannot turn developing countries into developed countries, or resolve the problem of Third World debt. Our trade laws cannot make uncompetitive U.S. firms competitive or make U.S. businesses aggressive exporters.

Our trade laws can attempt to remove unfairness, or its effect, from international trade and enhance negotiations to improve trade disciplines. The administration can use these and other laws to level the playing field and promote adjustment. But industries have to make their own decisions about the best course of action for its future competitiveness. Protectionism is an expensive and regressive solution that I believe most U.S. businesses find unacceptable.

Yet, H.R. 4800 is before us demanding that protectionism become our national trade policy. One need only look at the active supporters of this bill and the special interest provisions contained in it to know that H.R. 4800 deserves the protectionist label it has acquired. Further steel quotas, special protection for footwear and textiles, casein quotas, further restrictions on meat imports, special provisions designed to curtail lumber, hog, and semiconductor imports all appear in H.R. 4800. The list goes on.

It is a familiar list of industries that have traditionally sought protection from the Government, not just in recent times of a strong dollar and high trade deficits. These industries were also at the public trough when the dollar was weak and imports seemed modest. This bill proves that the appetites of these industries cannot be satisfied but that its proponents will never give up trying, even if it means further harm to competitive industries and agriculture.

Although it seems that there is no turning back the partisanship of H.R. 4800, some of us will continue to try to bring reality back into the process. Tomorrow, three amendments will be offered to remove the worst provisions of the Ways and Means title of this bill. They will not make the bill completely satisfactory to the administration or remove all the provisions of questionable GATT legality. However, they will bring this bill back into the realm of legitimate discussion and, if passed, will show that we are serious about trade legislation this year or early next year.

One thing we cannot achieve is to make H.R. 4800 a serious tool for a new round of trade negotiations. The rule would not allow an amendment that could put meat on the negotiation authority provisions of this bill. As it is, the negotiating provisions are laughable and embarrassing. They provide only 4½ years of authority and the provisions are riddled with restrictions. Apparently, supporters of H.R. 4800 want to send a message to our trading partners that we are not really serious about future GATT negotiations.

Two of the amendments designed to improve the bill will be offered by myself. They are supported by a wide range of U.S. business and agriculture as well as the administration.

The first amendment gives clear authority to pursue unfair Government pricing of natural resources as a separate cause of action under 301 but removes the inflexible natural resource definition under the countervailing duty provisions.

This is preferable to the administration, agriculture groups and many business groups than having a special definition under the countervailing duty laws. The administration recognizes that natural resource pricing practices are a problem that needs to be addressed in negotiations and in the context of existing law. Farm groups have less to fear from foreign retaliation and from rising fertilizer prices at home if the problem is addressed in a reasonable way under section 301.

Defining resource input subsidies, including removal rights, as a unilateral subsidy under our countervailing duty laws is very controversial among business groups. It is questionable under the GATT and would seriously hurt U.S. agriculture interests. Natural resource problems should be addressed under section 301, through negotiations and other warranted actions, as provided under the Republican substitute.

The amendment also strikes the burdensome provisions on downstream product monitoring that would require endless, administratively difficult and mostly unjustifiable monitoring of third country pricing of component parts and other inputs.

Finally, the amendment strikes the provisions that establish a private cause of action in the Court of International Trade for damages against manufacturers, exporters, importers, and cosignees for economic losses associated with imports sold at less than fair value. These provisions are GATT illegal and would establish a personal liability and harassment that U.S. exporters would loudly cry out against if it were to be applied to them in foreign markets.

The second amendment attempts to get Government or Government-directed panels out of the business of telling industry how to remain competitive and adjust to imports. The amendment strikes the provisions that establish Industry Adjustment Advisory Groups in conjunction with 201 cases that will attempt to advise industry on adjustment decisions they might need to take. Industry knows its best interests better than government/industry/labor/consumer panels, and we should resist such bureaucracy and such efforts to establish a national industrial policy.

The amendment also maintains the President's role in determining relief under section 201. Cases under section 201 are investigations of fairly traded goods and involve all imports of the merchandise concerned, not just products from particular countries or foreign firms. Such cases of necessity require a national perspective and the authority of the President behind any recommended relief. Most U.S. businesses agree with this assessment.

Finally, the second amendment strikes the adjustment assistance trust fund that would capture tariff and auctioned quota revenues from any 201 relief and earmark the moneys for trade adjustment assistance programs. Although TAA has now been streamlined and made more effective, this trust fund is yet another attempt to escalate benefits and costs of the TAA program.

Mr. Chairman, I hope these two amendments and the ones offered by my colleagues from Illinois and North Carolina can be passed and that we can get back on the track of b'partisan trade legislation that can be discussed with the administration realistically. Passage of these amendments will demonstrate that we reject protectionism and that we want real trade reform, not just a partisan issue for all to exploit.

It is unfortunate that the House must busy itself in a partisan trade bill, rather than one which can become law. Better we should work together on a real bill. The sensible course to pursue is that endorsed by the Washington Post, the Wall Street Journal, the Journal of Commerce, and the Minneapolis Star and Trib-

une, whose editorials I include in the RECORD.

We should defeat H.R. 4800.

The editorials follow:

[From the Washington Post, May 14, 1986]

A SHIN-KICKER BILL

The trade bill now moving rapidly through the House is an anthology of all the congressional grievances and irritations accumulated through five years of Mr. Reagan's presidency. With a few notable exceptions, Mr. Reagan has not been very sympathetic to the kind of pain that a surge of imports inflicts on a specific industry, or the towns that depend on it. An open market will best serve the country and its economic growth, the president says. That's correct, but not very comforting to congressmen from troubled districts—or their constituents. This bill, now reported by the Ways and Means Committee, is the House Democrats' counterattack.

It would make litigation easier for Americans fighting imports. That would lead to lower imports, and consequently lower exports, and consequently fewer jobs for Americans. For example, the most objectionable section of the bill says that countries selling too much to this country, and buying too little, will have to bring their trade surpluses down by 10 percent a year for the next four years. That is aimed, of course, at Japan, Taiwan and West Germany. The size of their surpluses is largely the result of the American mistakes that sent the dollar's exchange rate sailing too high for the past several years. The proper remedy is the decline of the exchange rate that has already taken place. But a lot of people in Congress don't trust economics and, instead, want to rely on litigation.

The bill gets into the troubling subject of the status of foreign workers. The author of this provision, Rep. Don Pease of Ohio, cites the imported clothing made by child labor in Asia. He also speaks of imports from countries that prohibit labor unions and require little or nothing in the way of standards for wages, hours and safety. Those are important concerns, and he is surely right when he says that trade has to benefit producers, as well as consumers and trading companies. But he would try to ensure it by allowing American companies to cite denials of workers' rights when fighting imports. That will do more to reduce imports here than to improve working conditions abroad. A more promising approach, as the administration urges, is to negotiate international standards in the next round of trade talks—although, to give Mr. Pease a point, that argument would carry more weight if the administration were pressing workers' rights more actively in its trade policy.

Frustration rarely produces good legislation. This bill is a shin-kicker, intended to attract attention. In that, it is succeeding very effectively. But among American industries, it will hurt the most competitive and help only the least competitive.

[From the Wall Street Journal, May 15, 1986]

TRADE-BILL TERPSICHORE

That outrageously protectionist trade bill House Democrats have concocted is described by the Washington Post as a "shin-kicker," intended to make President Reagan pay heed to companies and labor unions protesting about competition from foreign goods.

Rep. Bill Frenzel (R., Minn.) comes closer to the mark in saying that the House leadership "prefers an issue to a law."

In short, this bill, now scheduled for floor debate in the House next week, is an exercise in political grandstanding. With it, House Democrats want to show they are willing to get tough with foreigners who so deviously scheme to sell Americans Sonys and Audis. No president with any regard for the health of the international economy could sign it. But a veto, the progenitors believe, will cost Republicans votes in November.

We would urge them not to be quite so certain. Congressmen spend their time preoccupied with parochial concerns, failing to discern that Americans are becoming more internationalist in their economic thinking. Americans need only look around to see that they derive some very large benefits from internationalized innovation and competition. Moreover, the trade bill's authors have so overplayed their hands that knowledgeable people doubt their seriousness. It's not nice to play games with legislation.

It's not nice partly because it demeans lawmaking, but partly as well because it carries certain dangers. There is always a possibility that events will conspire to allow a bad bill to actually become law.

Something of that sort happened in 1970–71. A Democratic Congress set a political trap for Richard Nixon not unlike the one now being laid for Ronald Reagan. Congress gave Mr. Nixon something he did not want, the discretionary power to control prices and wages, burying it in a veto-resistant defense production bill.

The Democrats then piously proclaimed that Mr. Nixon had all the authority he needed to "control inflation," then 5.5%. Republicans were furious over being set up to be blamed for inflation. They called it "devious Democratic demagoguery."

Almost a year to the day after Mr. Nixon accepted those unwanted powers, the collapse of the Bretton Woods international monetary system prompted him to use them. He applied "temporary" controls. They disrupted U.S. production, helping precipitate, among other things, the first oil "crisis." Underlying inflationary pressures rose and eventually exploded, real incomes fell and the nation's economic policy debate degenerated into confusion and acrimony.

The trade bill is cut from the same cloth. One of its more mindless provisions would require 10% annual reductions in the U.S. trade deficits with Japan, Taiwan and West Germany. To accomplish that pointless feat would necessitate market interference of the most ham-handed type, disrupting capital flows as well as trade. It would also be a gross violation of international trade rules hard on the heels of Mr. Reagan's success in Tokyo in engendering a new round of trade-liberalization talks.

Still another section would attempt to legislate "workers' rights" in countries shipping goods to the U.S. Every U.S. trading partner will see the hyprocrisy. The intent isn't to protect workers abroad but to keep the goods they make out of the U.S. market.

The bill would make it mandatory for the president to retaliate by a date certain against any nation deemed guilty of an "unfair" practice. This, too, is ham-handed. An arbitrary deadline could simply cut off talks on some issue at a crucial point, quite possibly losing some U.S. exporter a sale. To argue that Congress can legislate in advance the outcome of negotiations betrays, among other unattractive qualities, a streak of arrogance.

As we say, these and other exercises in economic demolition in the bill have led us and a good many other people to conclude that the Democratic leadership is not serious. Maybe things look different from inside the Beltway, but from our perspective it's hard to see how playing fast and loose with public policy can be regarded as good politics.

[From the Journal of Commerce, May 5, 1986]

TRADE YES, TRADE BILL NO

Congress is speeding ahead in the wrong direction with its comprehensive trade bill, and the Reagan administration is doing a poor job of convincing anyone to hit the brakes.

The bill is scheduled to reach the House floor by mid-May and has a good chance of passage. Even congressional opponents of the legislation predict it will go through both houses of Congress. And, although a presidential veto is thought to be a certainty, some predict there may be enough votes to override that veto.

Rep. Bill Frenzel, R-Minn., who rides with the White House on trade, says he sees the bill zipping through both the House and Senate "like a greased eel."

The major bills pending on both sides of Congress address a wide range of trade law, but among the most controversial of the proposed reforms involve the president's trade sanction authority.

The most radical of the provisions requires the president to negotiate with countries that close their telecommunications markets to the United States. If the negotiations are not successful within a specific amount of time, the president would be required to retaliate. The bills would withdraw the president's current authority to reject International Trade Commission recommendations for relief, often in the form of tariffs or quotas, when industries claim they are being injured by imports.

Reflecting congressional opinion that trade relief decisions should be depoliticized, the president's authority is transferred to the U.S. trade representative in those cases and also in those involving unfair foreign trade practices.

The administration is correct in opposing these provisions because they limit the president's authority and flexibility. In addition, the White House is right when it says the U.S. Trade Representative's Office is an arm of the executive branch and transferring authority there will make no difference.

Other sections of the bills that slap deadlines on negotiations aimed at opening markets should be excised. Administration officials warn that deadlines could defeat the purpose of such talks.

Industry and labor supporters of the bills point to ailing industries and sharp drops in unemployment as reasons for the need for trade law reform. Economists generally contend that $1 billion in exports add 25,000 jobs to the U.S. economy, $1 billion in imports substracts 25,000 jobs from the economy.

A Commerce Department study shows that in 1984, based on export job gains and job losses from imports, including farming, mining, construction, manufacturing and services, there was a net loss of 1.1 million jobs, about 1.3% of total employment. Manufacturing sectors lost about 2.3 million jobs in 1984. Big losers were textiles, electrical

and electronic equipment, leather, motor vehicles, nonferrous metals, iron and steel.

In other words, the United States has a problem. The solution, in our opinion, is not to build barriers to trade but to build up U.S. industries' ability to compete abroad. The devaluation of the dollar is already helping. Tax incentives that encourage industries that are essential to the industrial base of the country also help. Some interim protection of non-competitive U.S. industries is also called for. But imports that force the United States into reindustrializing, and force management and labor to become more cost effective also are helpful, painful though the process may be.

In the meantime, there is a serious communications problem between those who support the bill and those who do not. That problem should be addressed because both sides need to come up with a policy that helps the United States to compete in the world again in essential industries rather than slash out at those countries that outperform U.S. industries.

The expected presidential veto of the trade bill might force both sides to get down to serious talking about a serious problem. Less time would be wasted, however, if both sides admitted to an impasse and attempt to come up with a more constructive approach to the problem than the current trade bills in Congress.

[From the Minneapolis Star & Tribune, May 20, 1986]

DEMOCRATS SHOULD DEFEAT THEIR HOUSE TRADE BILL

House Democrats are staging a cynical charade this week. They are bringing up for debate and a vote an angry trade bill that has little purpose except to sound tough about foreigners who make things Americans want to buy. The bill would do most Americans great harm. It would torpedo the negotiations for more liberal world trade that President Reagan urged at the Tokyo summit.

But the House bill is not intended to become law. It is put up as a target for the Senate to shoot down or for Reagan to veto if the Senate fails. Then in next fall's election campaigns, Democrats can claim that they tried to save U.S. jobs from foreign competition, but Republicans wouldn't let them.

At least we hope the Republicans won't. Legislators often pretend to favor a bill they know is bad, relying on the bill's eventual defeat by other legislators or by a veto. On small matters that sort of flummery may be forgiveable. But large matters are different because mistakes are more dangerous. Trade is a large matter. The House Democrats' bill is truly dangerous.

For instance, it includes a boneheaded protectionist provision that would require West Germany, Taiwan and Japan to reduce their trade surpluses with the United States by 10 percent a year for the next four years. That sounds tough, all right. But so rapid a turnaround in trade with those nations would only be possible if they or this country kept their products out of the United States by high tariffs or low quotas. Either way, U.S. consumers would face higher prices and less choice among those countries' products. And either way, West Germany, Taiwan and Japan might counter U.S. trade restrictions with barriers of their own against U.S. products. That would sound tough, too. But the outcome for all sides would be less trade and lower living standards.

We doubt many Democrats want that result. They probably prefer that the lower-valued dollar and increased competitiveness of U.S. industry be allowed to improve trade balances without clumsy attempts by government to intervene in particular industries. And as long-time internationalists, most Democrats presumably favor multilateral efforts to build trade in a world market, not unilateral protectionist efforts for short-term gains.

Democrats should not leave it up to Republicans to defeat the self-destructive House trade bill. They should drop the charade and do the job themselves.

□ 1445

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, I hope that the interest generated by this trade bill will lead to a stronger commitment to enforce existing trade laws.

While some of our colleagues may feel that this legislation goes beyond the scope of responsible trade policy, I believe this bill reflects increasing frustration with an administration which prefers to apply quiet diplomacy to cases of blatant foreign unfair trade practices. In fact, some would have us believe that we do not have a genuine problem—that our industries are bellyaching because foreign competitors just outproduce us.

However, the evidence proves differently.

There are cases, Mr. Chairman, of proven foreign government practices which provide an unfair advantage to industries in direct competition with our industries. Foreign governments have become more sophisticated with export-promotion activities. We must respond to these new forms of trade barriers with stronger enforcement of existing laws. And we must also reform our trade laws to better address foreign unfair trade practices.

The Ways and Means Committee has taken positive steps toward strengthening statutory authority to enforce U.S. rights under trade agreements and to obtain elimination of foreign government unfair trade practices which burden or restrict U.S. Commerce. Section 301 of the Trade Act of 1974 is a negotiating tool for upholding U.S. trade agreement rights and for obtaining the elimination of unreasonable and discriminatory foreign trade practices. Section 301 likewise authorizes the President to retaliate against these foreign practices as additional negotiating leverage.

The committee clarified the application of section 301 to specific foreign government practices, required mandatory action in some cases, and established time limits for action on 301 cases.

Foreign government tolerance of cartels has burdened U.S. trade in semiconductors. The unpenetrable web of users and producers formed by cartels prevents our industry from achieving market-share performance levels evident elsewhere. The committee clarified that this foreign government practice is actionable under section 301, but still maintained the President's discretionary authority to act if he deems it appropriate.

Current law does not require the President to make a final decision within a specific timeframe on what action, if any, he will take under section 301. The committee bill imposes a 30-day time limit on Presidential action. This will expedite decisions and actions in meritorius section 301 cases, and bring cases to final resolution within a reasonable timeframe.

The committee also tightened the time limits for Presidential action under the national security statute, or section 232. Section 232 of the Trade Expansion Act of 1962 requires the Secretary of Commerce to conduct an investigation to determine the effects of imports of an article on the national security. The committee bill requires reporting within 90 days rather than 1 year, and imposes a 30-day time limit on the President to determine whether to concur with the report. The President must then act within 15 days.

The committee shortened the time period allowed for elimination of a national security threat. A threat to national security posed by imports should be determined and acted upon as quickly as possible and I am pleased to support this change in existing law.

Mr. Chairman, I am aware of opposition to various aspects of this trade package, and understand the inclination of some to just wait and see what happens. The committee has been forced into action on the trade issue by less-than-enthusiastic administration response to our worsening trade picture.

Our $148 billion trade deficit will not permit us to continue to coddle our trade partners into cooperation with us. The administration must exercise its existing authority to respond to unfair trade practices. We have attempted to strengthen the administration's hand and I hope this worthwhile effort will yield positive results.

Now I want to say to my friend, the gentleman from Minnesota [Mr. FRENZEL] and to the Members of the House, that there are laws on the books today that should be enforced to give us a more favorable trade position. If we do not enforce the laws we have on the books, then you can see that this Congress is going to take action itself and enter into fields of legislation that ought to be reserved for GATT negotiations.

We are are saying about section 301 and 232 is that if there is a violation of trade law, then something ought to be done down the street. We are not im-

posing new laws; we are just simply saying that the laws we have ought to be enforced.

There is not any politics to that. The only politics is somebody who wants to say it is politics to try to make a political issue of it. I say to you, Mr. Chairman, the time has come that we ought to take section 301 and 232 and, if it is good law, then let us enforce it.

I am one Member who has met with the Special Trade Representative several times and tried to say to him, in the semiconductor field, you ought to get some kind of agreement with the Japanese so that they could at least give us access to their markets and prevent the dumping of goods. They have negotiated back and forth and here, 30 days ago or more, they had to break off negotiations with Japan because they could not reach any agreement.

I said to Mr. Yeutter then, and I say to this House, unless the administration, on the Cabinet level now, notwithstanding the fact that nine Members want to say let us not do that, if we do not say at the Cabinet level that these violations are actionable, then we have a law on the books that means nothing. If that happens and there is no action taken then I will tell you that this Congress is going to be entering more and more into legislative fields that ought to be reserved to negotiation or under the GATT.

That is not going to happen if we get some kind of relief. The administration is put on notice now that they ought to enforce the laws that they have.

The CHAIRMAN. The Chair would advise the gentleman from Illinois [Mr. ROSTENKOWSKI] that he has 7 minutes remaining and the gentleman from Tennessee [Mr. DUNCAN] has 3 minutes remaining.

Mr. DUNCAN. Mr. Chairman, I yield 1 minute to the gentleman from Maine [Mr. MCKERNAN].

Mr. MCKERNAN. Mr. Chairman, I commend the members of the Committee on Ways and Means for their diligent work on reforming the trade laws of this country. Both H.R. 4800 and the Republican alternative would strengthen the ability of U.S. industries to compete fairly with the numerous nations that currently have unfair advantage over our domestic producers through foreign government policies.

Mr. Chairman, I have made my case for stronger trade laws time and time again. I have witnessed the effect of our current trade laws on many of Maine's leading industries, including shoes, lumber, potatoes, and fishing. All of these industries have tried to seek recourse against foreign dumping practices, trade barriers, and subsidies. I have seen these industries, all with valid complaints against these trade injustices, go through the proper channels, only to be denied any action by the Federal Government that would allow them the chance to compete on an even playing field. Clearly, our trade laws need to be revamped to give U.S. trade policy some teeth.

I applaud the efforts of the Members for identifying crucial aspects of both section 301 and section 201 of the Trade Act of 1974 that need to be changed, and for taking the necessary steps to ensure that these laws do make a difference to an industry's competitiveness. With respect to section 301, foreign transgressions of trade agreements have devastated many U.S. industries, and will continue to do so should mandatory response provisions, time limitations for Federal action, and increased authority of the U.S. Trade Representative, as outlined in H.R. 4800, not be adopted. These proposals provide effective reforms for a law that, while essentially well intended, does not currently carry out the objectives for which it was enacted.

Similarly, industries that have proven their case under section 201, with reams of evidence to support the extent of the injury they have suffered from imports, are also effectively prevented from obtaining relief under the present law. By increasing the authority of the U.S. Trade Representative, by easing the process by which an industry can seek relief, and by allowing a mechanism for the consideration of special cases that require immediate action, H.R. 4800 addresses these concerns, and rectifies the problems caused by the existing process. In addition, I believe the adjustment plan as outlined in H.R. 4800 would enhance an industry's ability to establish long-term goals that extend far beyond the immediate needs of import relief.

H.R. 4800 also addresses the problem that many industries have faced in terms of competing with foreign producers who receive subsidies on natural resources that are used in production. These subsidies, and the benefit they give to foreign producers, erode the competitive edge that domestic industries would otherwise be able to capitalize on. By authorizing the imposition of a countervailing duty on products that receive a Government subsidy on natural resources used in production, H.R. 4800 closes yet another gap in our existing trade policy.

The provisions I have mentioned go far to reduce the inherent flaws in our current trade policy. In some respects, Mr. Chairman, I regret that the trade bill does not address other issues that seriously impede the ability of U.S. industries to compete fairly with our foreign counterparts. Specifically, I believe that other Government programs, such as the off-season unemployment benefits paid by the Canadian Government to their North Atlantic fisherman, should also be included in the definition of a foreign government subsidy of a private industry. However, that aspect notwithstanding, I again commend the Committee on Ways and Means for tackling a tough issue, and for coming up with reasonable, intelligent methods for dealing with this country's trade problems.

Mr. DUNCAN. Mr. Chairman, I have no further requests for time and I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Under the rule, general debate will continue for 30 minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs.

The gentleman from Washington [Mr. BONKER] will be recognized for 15 minutes and the gentleman from Wisconsin [Mr. ROTH] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Washington [Mr. BONKER].

□ 1455

Mr. BONKER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the full committee, the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I first would like to commend the Democratic leadership, Speaker O'NEILL, for making the decision in March to bring a trade bill to the floor in May, and the majority leader, Mr. WRIGHT, for shepherding the process of putting together a trade bill. With the historic 1985 trade deficit of $150 billion likely to be surpassed this year, despite a substantial fall in the value of the dollar, it is imperative that the United States take action to begin the process of reversing this ever upward spiral.

I especially would like to recognize the work of DON BONKER, chairman of the Subcommittee on International Economic Policy and Trade, and the other members of the subcommittee, for the excellent work which they undertook in a short time period to produce H.R. 4708, which became the Foreign Affairs sections (titles III and VII) of the trade bill. Title III includes various provisions aimed at enhancing U.S. export competitiveness. It makes changes in the U.S. and Foreign Commercial Services and in other ways improves the export promotion activities of the U.S. Government. The amendments to the Export Administration Act are designed to facilitate the export licensing process in order to remove duplicative and out-of-date controls and focus enforcement efforts on goods and technologies that would make a significant contribution to the

military capability of an enemy nation. Title III also provides greater operating authority to the Overseas Private Investment Corporation and to the Trade and Development Program.

Special recognition is due the untiring work of DAN MICA for the inclusion in the bill of title VII, revising the Foreign Corrupt Practices Act. He has worked over the past 3 years to bring to the House legislation to clarify the intent and purpose of that law. He has constructed the changes with the assistance of HOWARD BERMAN, and in recent weeks with that of TIM WIRTH, who chairs the subcommittee of jurisdiction of the Committee on Energy and Commerce. The changes made by title VII provide a needed clarification of the intent of the law, which should facilitate the enforcement process and provide greater guidance to U.S. businesses operating overseas.

Finally, Mr. Chairman, while I may not be in agreement with every provision of this bill, I think overall it goes a long way to improving U.S. trade law and both promoting and protecting U.S. trade interests around the world.

Mr. BONKER. Mr. Chairman, I would like to commend the chairman of the full committee, Mr. FASCELL, for his support and efforts to facilitate legislative action on title III which is now incorporated into H.R. 4800, and also commend the ranking member, the gentleman from Wisconsin [Mr. ROTH] and the gentleman from California [Mr. ZSCHAU], who is not here, and the gentleman from Nebraska [Mr. BEREUTER] for their cooperative efforts; and while we do not always agree on every provision, we certainly have had a constructive effort within the subcommittee that I chair.

Mr. Chairman, I would like to begin by responding to what I feel are strongly worded attacks by this administration on the trade bill, attacks which I believe are unwarranted and at least at best exaggerated.

This legislation is not protectionist, nor is it the absolutely worst bill that could possibly be concocted—a claim that was made by the White House this morning.

If anything, the legislation is carefully designed to revise our sagging industries, restore many of those lost industrial jobs, promote exports, and to make America competitive once again.

It is aimed at bringing down our high trade deficits. Those deficits clearly threaten America's economic well-being. The bill will give us a far more effective trade policy, and compel a reluctant President to deal with our trade problems, but, I add once again, it stops short of protectionism.

Actually, the legislation incorporates about all the recommendations of the Democratic Trade Task Force which I chair; the Republican Trade Task Force, and a bipartisan trade committee over on the Senate side. Key features of these reports are now contained in H.R. 4800, and they include: Provisions to strengthen U.S. trade laws and improve procedures to combat unfair barriers to foreign markets. Greater protection of U.S. intellectual property rights.

We attempt to identify new factors that constitute unfair trade practices, including export targeting, resource import subsidies, and international worker rights; and we extend the authority for the President to negotiate new trade agreements at GATT.

In title II of the bill, we attempt to deal with export promotion by way of facilitating new and expanding export opportunities for U.S. businessmen. We have a major title in the bill that deals with international monetary reform so that we can bring stability and certainty to international exchange rates, and put an end to the volatility that makes it exceedingly difficult for U.S. exporters to compete.

Now, we have a good section on education and training; attempts to enhance America's educational program in areas involving math and science and foreign languages; really the human ingredients that you need to increase our competitiveness; and we have a strong section on agricultural trade policy.

Mr. Chairman, I want to address just for two moments title III in the bill, because that deals with the section over which the subcommittee has jurisdiction.

First of all, recognizing that we deal primarily in export promotion, we have attempted to lay out a clear and effective export promotion program. We do this by making the Foreign Commercial Service statutory; by expanding and improving programs to assist U.S. exporters, and upgrading foreign commercial service officers so that they can serve on equal footing with other U.S. officials in our embassies around the world.

We also require a State Department country report on fiscal, monetary, and trade policy. This is similar to the human rights report that is now required by law; so that we have a better understanding of what other countries are doing in putting together their macroeconomic, fiscal and trade policies.

Mr. Chairman, in this whole section of export control policy to which we will entertain an amendment tomorrow, let me state that the collective desire of our committee is to remove unnecessary controls on the export of technology. To focus our attention on the truly critical military technology and remove the unnecessary controls so that our high-tech exporters can compete effectively.

In 1980, the United States was the premiere exporter of technology. Today, in 1986, we will register a trade deficit in technology of $18 billion. The President's Commission on Industrial Competitiveness chaired by John Young, estimated that $12 billion of our $150 billion trade deficit is due to export controls. There is simply no way that we can compete effectively as long as we retain these shackles on U.S. exporters.

Members will recall that 3-year debate on the Export Administration Act; that we passed significant reforms to remove the burdensome controls and unnecessary procedures on export of technology. Yet, several key provisions in that law are not being carried out, so what we attempt to do in this legislation is compel the executive branch to do what the Congress ordered last year.

Mr. Chairman, technology is where we have our greatest potential in trade, but we cannot compete under those circumstances. The committee bill does indeed protect our national security interests while streamlining licensing procedures. I think that represents the desire of all Member of the House.

In conclusion, Mr. Chairman, this legislation's main goal is to restore America's competitiveness. It will do so in a way that is positive and consistent with with international trade law, and relies not on statutorily set import restrictions, but on opening markets and promoting exports.

H.R. 4800 is an extraordinary effort to overhaul and update our trade laws and to provide an alternative to failed policies and staggering trade deficits.

Mr. Chairman, as SAM GIBBONS had noted earlier, this is a historic moment for the Congress. I trust that we will live up to the challenge by passing this legislation this week.

Mr. MICA. Mr. Chairman, the bill before us seeks to promote American trade and to redress some of the problems with existing laws which have contributed to our almost $150 billion trade deficit in 1985. While our trading partners offer incentives and export promotion programs, we place barriers in front of U.S. businessess trying to compete in international markets. Although it was enacted for the best of reasons—to prohibit U.S. corporations from bribing overseas in order to obtain business—the Foreign Corrupt Practices Act has created export disincentives for U.S. companies.

The FCPA was enacted against a background of revelations regarding bribes paid by U.S. multinational corporations to high-ranking foreign officials, actions which in some cases had important foreign policy implications for the United States. While deterring the payment of bribes overseas, however, the FCPA went overboard in its prescriptions for what corporations must do to ensure compliance with the law. Added to that situation was a contentious, 8-year debate over what the law as passed actually meant in practice, resulting in a needless and unjust loss of U.S. exports because of the lack of clarity in some of the

act's core provisions. Because of the imprecision of the law, exporters have been forced to forego perfectly legitimate business opportunities simply because they could not reasonably determine whether any improprieties might occur which were beyond their control and which could conceivably place them in violation of the act.

Even where a business acts in good faith to seek advice on compliance from the U.S. Government, it may still be denied the satisfaction of knowing whether or not its conduct would be a violation of the statutory prohibitions. This is unfair and untenable, especially because it creates the greatest burden for those small- to medium-sized firms which cannot afford specialized counsel.

The overall purpose of the amendments to the FCPA in the legislation before us is to try to eliminate those ambiguities which have so troubled the exporters and resulted in a loss of overseas business, yet still retain the absolutely essential prohibitions against the bribery of foreign officials which appear in the current law. The bill makes significant clarifications in the provisions of the law relating to liability for the actions of third parties, better defines the scope of prohibited payments, and more clearly identifies what payments will be allowed. It also doubles fines for prohibited payments and creates new civil penalties. It is meant to send a signal to U.S. companies that they simply must not engage in unauthorized activities in pursuit of overseas business, or they will face the consequences. At the same time, those same companies must not be denied those important opportunites to export because the Congress and the executive branch have left them in the dark as to what they can and cannot do in pursuit of such business.

Section 701(a) amends section 30A of the Securities and Exchange Act of 1934 (15 U.S.C. 78dd-1) with respect to foreign trade practices by issuers, and makes parallel amendments to section 104 of the Foreign Corrupt Practices Act of 1977 (15 U.S.C. 78dd-2) regarding trade practices by domestic concerns. The bill modifies the standards of culpability in current law and clarifies the definition of illegal payments. Prohibited payments include those for the purpose of influencing acts or decisions of foreign officials in order to assist corporations and individuals "in obtaining or retaining business for or with, or directing business to, any person, including the procurement of legislative, judicial, regulatory or other action in seeking more favorable treatment by a foreign government."

The Foreign Affairs Committee noted in its report on this provision that "the definition of 'retaining business' shall not be limited to the renewal of contracts or other business, but shall include the completion of existing contracts and the carrying out of existing business." Therefore, payments for the procurement of the various actions cited in the bill in seeking more favorable treatment from a foreign government would be prohibited. But, as the committee report notes, "the prohibition does not include payments made for purposes other than obtaining or retaining business," as those terms are elaborated in the law, and further by the committee report.

Direct, or "willful," bribes to foreign officials are prohibited, as in current law. Companies and their officers and directors remain liable for illegal payments made by third parties. However, the "reason to know" standard regarding liability for the actions of third parties is replaced by a split standard. Under the new standard, corporations or individuals with actual "knowledge" of bribes or attempted bribes by third parties—for example, their agents—are subject to criminal penalties. Drawing on the definition of reckless conduct from the draft model penal code, corporations, or individuals which act in a manner "recklessly disregarding" a "substantial risk" that third parties would bribe or attempt bribery are subject only to civil penalties. As defined in the proposed code, "a person is 'reckless' if he is aware of but disregards a substantial risk that a circumstance exists or that a result will occur." A "substantial risk" is defined in the bill as "a risk that is of such a nature and degree that to disregard it constitutes a substantial deviation from the standard of care that a reasonable person would exercise in such a situation."

A company may not be held vicariously liable if it can show by a preponderance of the evidence that it had established procedures to prevent its employees from making bribes and that its supervisory employees had used "due diligence" to prevent employees or third parties from making bribes. It would be impracticable, given the complexity and variety of possible business transactions as well as the differences in the resources available to different firms, to specify so called "red flags," that is, particular occurances which would require specific corporate responses.

"Due diligence" will of course vary from case to case, depending on the particular situation, and on the size of the company and the resources available to it in attempting to establish procedures to prevent bribes by its employees and agents. A principal goal of the Foreign Affairs Committee in amending the Foreign Corrupt Practices Act was to increaser incentives for self-policing on the part of the business community, in concert with the clarifications deemed necessary in the prohibitions section of the bill.

A corporation or individual may defend itself from prosecution by showing that a payment was made "for the purpose of expediting or securing the performance of a routine governmental action," or where that payment was "expressly permitted" by the laws or regulations of the foreign country. These payments were never intended to be proscribed by the Congress in passing the FCPA, but some have concluded additional clarity was needed beyond that provided in current law. In order to accomplish this, allowable payments are defined in the bill in reference to the purpose of the payment, rather than by the job description of the recipient, as in current law. An affirmative defense, required under the "due diligence" defense against vicarious liability, is not required in this provision of the bill. Instead, the defense of a payment as one related to the "performance of a routine governmental action" or which is "expressly permitted" by the laws or regulations of the foreign country is one asserted by the defendant, and which preserves the traditional burden of proof resting with the Government in a criminal or civil action.

As in current law, enforcement responsibility rests with the Department of Justice and the Securities and Exchange Commission. New procedures are established for the promulgation by the Attorney General of guidelines for compliance with the law, again with an eye toward making clearer to the business community exactly what conduct is proscribed. These guidelines should assist businesses in establishing their own internal procedures to prevent their employees from paying bribes to foreign officials in order to obtain business.

In addition, the business community should receive clearer statements from the Attorney General regarding what constitutes a prosecutable offense under the revised prohibitions, since he must respond to specific inquiries regarding compliance within 30 days after receiving a request. In any civil or criminal prosecution brought against a company, the Attorney General's response would create a "rebuttable presumption" that the company had complied with the law, as long as the facts were correct as presented in the request, and provided the circumstances of the situation comported with the company's proposed conduct.

Section 701(b) amends section 32(c) of the Securities and Exchange Act of 1934, for violations under the new section 30A(a) (1) or (2), to provide for fines of up to $2 million for issuers, and $100,000 and/or 5 years in prison for individuals. It also creates a new civil fine of up to $10,000 for issuers.

Section 701(c) amends section 104 of the Foreign Corrupt Practices Act of 1977 to establish prohibitions on trade practices by domestic concerns which are identical to issuers.

Section 701(d) expresses the sense of the Congress that the President should pursue the negotiation of an international antibribery agreement.

Mr. ROTH. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I would like to take this opportunity to thank the gentleman from Washington [Mr. BONKER] for his leadership in our committee on trade matters and for his work on this bill. Despite extraordinary time constraints the chairman did a yeoman's job in fashioning a comprehensive trade bill.

There are many provisions in the Foreign Affairs title which will enhance U.S. trade:

We put into statute the United States and Foreign Commercial Service, an important arm of the Commerce Department whose primary mission is to help U.S. exporters.

We authorized research to improve the competitiveness of U.S. agriculture and to monitor the agricultural export strategies of our competitors.

We eliminate the need for export licenses for low-technology sales to all free world destinations. In other words, exporters in your district will no longer have to get export licenses to sell low technology, as long as it is being sold to a free world destination.

We link future U.S. foreign aid commitments to trade liberalization in the developing world.

We call for the protection of U.S. intellectual property rights.

The Foreign Affairs Committee made important contributions in other areas which are now found in other titles of the bill or will be offered as amendments. These include: Strengthening the Export Trading Company Act, providing a mixed credit "war chest" fund, and clarifying the Foreign Corrupt Practices Act.

These are all very important provisions and represent a considerable amount of work dedicated to enhancing the export environment for American companies. While no one bill will magically eliminate the U.S. trade deficit, or eliminate all foreign trade barriers to U.S. products, or boost U.S. productivity and competitiveness, we can make improvements in the American trading atmosphere.

This body will have the opportunity to do so tomorrow when amendments will be considered. If we are successful in eliminating those provisions now in the bill which are either highly protectionist or serve to damage rather than enhance U.S. interests, then we can be proud of the work we have accomplished in trade in this session.

Our exporters, our farmers, our retailers, our service companies, and our consumers will have their eyes on Congress tomorrow when each and every one of us decides whether to make this bill into a responsible piece of legislation or whether to unveil this effort as a charade.

It is with this in mind that I am offering tomorrow an amendment that concerns national security export controls.

The purpose of my amendment is to strike some of the clear veto items put forth by the entire Cabinet.

This body well recalls the hours of work that we put into the renewal of the Export Administration Act of 1985. We spent 2½ years in agonizing debate over this issue. It has been just 10 months since the new Export Administration Act became law. And that law contained over 50 major revisions to the way in which we handle export controls.

The omnibus trade bill contains many more revisions to the Export Administration Act—revisions that in the judgment of many would seriously jeopardize our national security interests.

For example, one of the provisions now in the bill would require an automatic 40-percent cut in the list of items that are controlled for national security purposes. Forty percent. The provision sets up an arbitrary formula which mandates huge cuts in our control list even though the items on the list are known to contribute significantly to the military potential of our adversaries.

Everyone supports the idea of an orderly decontrol of products that are no longer militarily critical. But a meatcleaver approach as proposed in this bill would seriously undermine our national security controls.

Let me point to another provision now in the bill that would hinder our national security export control efforts. The provision concerns reexport controls. If enacted, companies would no longer have to obtain permission from the Commerce Department to reexport their products if shipped to one of our allies. Basically, once the product is received by the first buyer, we turn over the tracking responsibility to our allies. In essense, we loose the capability to track militarily critical technologies once they leave American shores. Unfortunately, at this point, our allies do not all have the same resources or interests in tracking U.S. technology and assuring that it remains on this side of the Iron Curtain. Most of our allied partners in fact make very few prelicense or postshipment checks.

Rather than mandate a blanket repeal of reexport licenses, other approaches—such as the gold card approach now being worked on by the Commerce and Defense Departments—can accomplish the same objective of removing onerous paperwork requirements without compromising national security.

This same provision contains a blanket removal of reexport license requirements for any U.S. product or technology going to any destination as long as it is valued under $10,000 and is a component part. Removing reexport license requirements for parts and components may make sense in certain limited instances. However, such a decontrol would be best acomplished by way of very specific regulations taking into account the end user, the country destination, the military criticality of the component part, and other parameters.

A third provision in the bill which my amendment strikes would expand the definition of foreign availablity so that if a foreign product is found to be freely available in a free world country that does not restrict exports to the Soviet bloc, then the identical United States product ought to be decontrolled. For example, let's take a country like Ethiopia which doesn't maintain any export controls on products going to the Soviet bloc. If, say, Korean-made computers are found in ample supply in Ethiopia, then the equivalent American computer would have to be decontrolled to the Soviet bloc because of foreign availablity. Expanding the definition of "available in fact" along the lines proposed in this legislation would effectively decontrol United States high technology to the Soviet bloc in a manner inconsistent with our national security interests. High technology may now be "available in fact" in noncontrolled countries with loose export controls. However, that high technology is most likely only in the hands of very reliable companies who police themselves.

A fourth provision my amendment strikes would require private industry representatives on the U.S. Government export control negotiating team at COCOM. Such a move would be highly inappropriate and unprecedented interference into the Department of State's management of multilateral negotiations. COCOM negotiations are classified political discussions forming one of the cornerstones of the collective security system.

A fifth provision in the bill would limit the authority of the Customs Service has had since 1789 to detain and seize merchandize. The Commerce, Defense, and Customs are resolving previous difficulties which have emerged over the last few years through the interagency process. This legislation unnecessarily interferes in those discussions by placing an arbitrary unprecedented 10-day limit on Customs Department seizures.

And finally, the bill now increases the budget of the Office of Export Administration by 40 percent from its present authorization.

My amendment is straightforward. It strikes these provisions and restores the administration's budget request for export control administration.

I urge your support for this amendment tomorrow. Voting for this amendment eliminates several of the veto items in the bill. Voting for this amendment restores a balance to national security export controls. And voting for this amendment will enhance the prospects of this trade bill becoming law.

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Mr. Chairman, I yield 1 minute to the gentleman from Alaska [Mr. YOUNG].

Mr. YOUNG of Alaska. I thank the gentleman for yielding me this time.

Mr. Chairman, it is my understanding that your amendment would eliminate section 321 of the omnibus trade bill—a provision that places unneeded additional restrictions on the export of crude oil from Alaska.

Mr. ROTH. If the gentleman will yield, yes, my amendment would eliminate that provision; however, it does not delete any of the current prohibitions on oil exports. We don't lift the ban on North Slope oil, nor do we expand present controls.

Mr. YOUNG of Alaska. It is also my understanding that your amendment would allow my State to pursue an initiative to export 6,000 barrels per day of Cook Inlet oil.

Mr. ROTH. Yes; and since we are both concerned with the effects that oil export would have on the merchant marine industry, can you give us an idea of how much oil you're talking about?

Mr. YOUNG of Alaska. As you know, I share your concern for the U.S. merchant marine. The Cook Inlet export would be the equivalent of only 1 small tanker of oil every 6 months. 6,000 barrels per day is less than one-third of 1 percent of all Alaskan crude oil. It does not pertain to the North Slope oil.

Mr. ROTH. And carried in American flag ships?

Mr. YOUNG of Alaska. Yes; on American flag ships.

Mr. ROTH. And I would add that the North Slope crude is for the U.S. market, and export prohibitions on this oil can only be lifted by Congress.

Mr. YOUNG of Alaska. That is true. At this time I thank the gentleman for yielding.

Mr. Chairman, I rise in strong opposition to H.R. 4800. This legislation is counterproductive and certain provisions would actually serve to hinder U.S. competitiveness by placing new controls on crude oil.

Specifically, section 321 of title III would halt an important trade initiative being pursued by the State of Alaska to export 6,000 barrels per day of Cook Inlet oil located in southern Alaska. Far from enhancing trade, the new export controls would be overly restrictive and lead U.S. energy policy badckwards.

Currently, there are five statutes which control the export of domestically produced crude oil. Appropriately, these controls allow the President the flexibility to approve certain exports. The huge reserves of North Slope oil would require legislation from Congress. However, the export restrictions proposed by this trade bill would needlessly restrain Presidential discretion and block the administration's proposal to allow for Cook Inlet export.

While opponents of this action argue that any export of Alaskan oil would threaten U.S. energy security, the rule change to allow for Cook Inlet export contains specific language to ensure a consistent U.S. supply. This initiative, which was open for public debate, contains a 1-year time limitation. The Department of Commerce has also retained the right to revoke export licenses "if there is a serious interruption of available U.S. oil supplies." Moreover, even opponents admit that the 6,000 barrels proposed for export is "more symbolic than substantive."

A more positive approach to this area was included in the Trade Partnership Act, a trade reform package introduced by the House Republican leadership late last year. Rather than restraining all United States exports, we choose to tie oil exports to reciprocal concessions from the Japanese. This action would not only improve our important relations with Pacific Rim nations, but would help United States industries gain access to the reluctant Japanese market.

As this example illustrates the House Republican initiative seeks workable solutions to our serious trade problem—a sharp contrast to the political grandstanding that is represented in the Democratic trade package.

In addition, the Democratic approach to oil export reinforces outdated policies enacted during the height of the oil crisis, ignoring the current problem of oversupply that threatens our domestic oil industry. By foreclosing any option for limited exports, small domestic producers on the west coast are forced to compete with Alaskan oil. This market distortion increases the likelihood of shutting in many marginal or stripper wells that are vital to our energy security—stripper wells account for roughly 15 percent of U.S. oil production, and once closed are extremely expensive to reopen.

Finally, this counterproductive provision is just one example of the many provisions that have made the chance for real trade reform impossible. As a result, the omnibus trade bill would serve to hinder U.S. competitiveness, not increase it.

The CHAIRMAN. The Chair would advise the gentleman from Washington [Mr. BONKER] he has 6 minutes remaining and the gentleman from Wisconsin [Mr. ROTH] has 7 minutes remaining.

Mr. BONKER. Mr. Chairman, I yield 1 minute to the gentleman from Arizona [Mr. UDALL].

Mr. UDALL. I thank the gentleman for yielding me this time.

Mr. Chairman, although this bill was reported by the Committee on Ways and Means, there is a provision which concerns the jurisdiction of the Committee on Interior and Insular Affairs which I want to address briefly. I appreciate the cooperation of Chairmen ROSTENKOWSKI and GIBBONS in working out our mutual concerns with it.

Section 239 suspends duty on a quoted amount of sweaters from Guam which enter under the tariff schedules as provided in the territory's organic act.

Unfortunately, the need for this provision was created by administration regulations issued outside of the appropriate provision of the tariff schedules, general headnote 3(a). The regulations changed the definition of what constitutes a product of the territory. To void the applicability of these regulations to the U.S. insular areas, the House passed legislation in the last Congress.

Since the Senate did not act on the bill, a compromise in this legislation was necessary to enable the territorial sweater industry to continue to exist. Guam's able Delegate, BEN BLAZ, Representatives FRENZEL and LAGOMARSINO are to be complimented for pursuing this compromise.

This bill does not solve the similar problem confronting the sweather industry in the neighboring U.S. Commonwealth of the Northern Mariana Islands.

The commonwealth's covenant provides that the customs treatment of Northern Marianas products be the same as the treatment of Guam products. However, this section is not intented to create either new benefits or requirements for articles imported from the Northern Marianas. They should continue to enter under existing headnote 3(a) guidelines.

So, in the case of sweaters alone, the treatment of Northern Marianas products will differ somewhat from Guam products. In all other cases, however, imports from the northern Marianas should be treated the same as imports from Guam.

I believe that my colleagues join me in expecting that the customs treatment of imports from the insular areas will continue to be provided under, and consistent with, the headnote and not contradictory regulations.

Mr. ROTH. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. KEMP].

Mr. KEMP. I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to H.R. 4800. President Reagan, I think is right about this legislation; it is not a fair trade bill, it is a less trade bill. The sponsors call it a warning shot across the bow of our trading partners.

It will miss its target. Instead, it is going to hit the American consumer, it is going to hit the American people, it is going to hit the people of the world who care deeply about encouraging trade, not discouraging trade.

At a time when Congress needs to be talking about the need to create jobs, to establish the proper conditions for increased trade, this bill will have the opposite effect. This bill will not create any new jobs; it will simply shuffle them between industries. You don't create a job by taking someone else's job away from them.

The various provisions contained in this legislation are almost certain to start a trade war—a war in which there will be only losers. We've been down this path before—Smoot-Hawley was the answer given 50 years ago and it amost destroyed a people and a nation.

How and when could this new trade war start? It will take the form of legislation in other countries that simply mirrors H.R. 4800 and it will start the minute this bill is enacted.

Let me summarize some of the items in this bill that are almost guaranteed to lead to this disaster, that will lead to a weaker, not a stronger America, and a contraction not an expansion of trade. In particular, the Gephardt amendment is a terrible idea because it threatens an international trade war, not just between countries but between the U.S. Government and the U.S. consumer. The Gephardt amendments tells countries that discriminate against American goods while running a trade surplus that they must reduce their surpluses by 10 percent a year

for 4 years. If they didn't, the President would have to block their sales to America. The primary targets are Japan, West Germany, and Taiwan.

This amendment ignores the simple fact that a large trade surplus is not necessarily a sign of strength. Both Brazil and Mexico have large trade surpluses, yet their economies are weak. Japan ran a trade deficit in the 1950's and 1960's when its growth rates were more rapid than today. In the first century after our independence, when the United States became the foremost industrial economy in the world, we routinely imported more than we exported. Hong Kong has run virtually continuous trade deficits for 140 years.

Combined with a series of GATT illegal, unilaterally defined trade actions, this amendment will necessitate the enactment of retaliatory legislation by our major trading partners. They will have to follow suit or face economic and political turmoil at home.

Ultimately, the Gephardt amendment is based upon the premise that there is too much international trade or that somehow it is bad. By forcing this reduction in trade, it will invite, in my view, retaliation that will mean higher prices, and a lower standard of living. I am glad the gentleman is here to listen to this. It will invite retaliation. I am disappointed that his party is picking up the Smoot-Hawley idea of the Republican Party in the 1930's and renaming it as the Gephardt legislation of the 1980's.

● Other features are just as foolish, such as setting up a bureaucratic industrial planning board. Every European country has an industrial planning board, and our friends in the Democratic Party want the United States, which has created 10 million new jobs in 3 years without any inflation, to go the way of Europe with industrial planning. It is ridiculous. If there's anything the American economy and the American people don't need, it's a new bureaucracy telling them how to "plan" for the future.●

By simple mindedly striking the number of items off the commodity control list and prohibiting reexport controls, this bill makes valuable technology available to the enemies of freedom.

The President is cut out of trade policy by making retaliation mandatory, in some cases without any determination of injury by our trade agencies. These provisions turn the President into a second-class citizen and limit his ability to conduct a responsible and balanced foreign policy.

Mr. GEPHARDT. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I have 2 minutes, I say to the gentleman. I would be glad to get him some time on his own side of the aisle.

This bill establishes a strategic currency reserve. We are going to use taxpayer dollars in the United States of America to buy French francs or British pounds or Japanese yen? Why should we use taxpayer dollars for strategic currency reserve to intervene to defend foreign countries' poor monetary policy? It is really lending billions of dollars to foreign governments. We have got a foreign aid bill. Do not use trade legislation for foreign aid.

H.R. 4800 fails to come to grips with the cause of these problems.

I know it is not the intention of the authors of H.R. 4800 to put Americans out of work or to lower their standard of living. For the pressure for protectionism comes out of a frustration with the trade deficit, and the people behind the numbers.

It shows in the faces of families who've lost jobs—whether they work in the steel mills of Buffalo, the textile mills of the Carolinas, or the shoe factories of the Northeast.

We need lower interest rates, lower tax rates and lower, not higher, trade barriers to put these Americans back to work. This means attacking the causes of the problem, not the symptoms.

The world needs a stable exchange rate system. And this means a stable dollar, not one that flucuates wildly month to month. The floating exchange rate system means feast or famine, and ultimately semistarvation for the economies of all trading nations. The nations of the world spend more time trying to protect themselves against an overvalued or undervalued currency than they do in developing market for our products, or jobs for our workers. For how can a company make the long run decisions about product development, plant construction, or hiring when the value of the currency is never certain? It's time for the administration to come up with a plan for currency stability. We don't need more crisis management or yet another study. The old system needs replacing: Its failure is measured in lost jobs and closed factories, broken families, and broken dreams.

We need to speed up the timetable on the Reagan round of world trade, or GATT talks. To move these multilateral talks along, we must aggressively pursue bilateral negotiations. The best way to do this is to establish free trade areas just as we have with Israel, and we are starting to do with Canada and Asia. Opening up markets, not closing them is the answer. And by successfully concluding such free trade area agreements, the pressure builds on non-FTA countries to open up their markets—otherwise they will be left behind.

We need a Federal Reserve policy that emphasizes stable prices, not some meaningless measure like M1, or M3, or M-infinity. To those who think monetary policy has little to do with trade, I ask them to talk to a farmer or a manufacturer who watched markets disappear as the dollar and interest rates were driven sky high by the Fed's restrictive policies just a few short years ago.

We need once and for all to reject the austerity policies of the IMF and the other multilateral banks that have driven the developing world into a State of near pauperism. It's time that the theory of the Baker plan become a reality—talk must be translated into trade liberalization, privatization, and the freeing up of markets. In addition, the slow-growing economies of Latin America, Europe, and developing nations, should also be encouraged to cut their own tax rates. These countries have traditionally been strong markets for U.S. goods and services, but in recent years their economies have been suffocating under high taxes. Encouraging stronger, more dynamic foreign economies through tax cuts and these other actions would be good in itself, but it would also mean more robust markets for U.S. exports.

And finally, the Congress needs to enact, as soon as possible, a tax bill along the lines of that passed by the Senate Finance Committee. The resulting drop in interest rates, and increases in productivity, savings, and economic growth will mean more in new jobs and opportunity than a hundred trade bills.

The bottom line is simply this: trade helps everyone—it maximizes jobs, output, and income, and wages—in the United States and abroad. Although some people say that we have lost 2 million or more jobs due to imports, they forget to point out that on net we have gained more than 10 million new jobs during the same period. The rate of inflation is the lowest in almost a generation and interest rates are the lowest in a decade. Let's address the real causes of the problems faced by American workers and families so that they can join us in this prosperity.

This is a time for Congress to show vision. We must break down economic barriers between our allies and spread the ideas of freedom and democratic capitalism throughout the world, not isolate ourselves and our economy under a suffocating cover of protectionism. America's prosperity is inextricably intertwined with the welfare of our allies and major trading partners. In trade as in so many other aspects of economic and social life, we must all move forward together.

I urge the House to defeat this destructive legislation.

Mr. BONKER. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. I thank the gentleman for yielding.

In that the gentleman from New York mentioned my name and my amendment, I think it is appropriate to respond to the points that he made.

The Gephardt amendment is nothing like anything that we have done in the past, such as Smoot-Hawley; it is a very different approach. It is a flexible approach.

I would just ask the gentleman a rhetorical question, and that is: Is the gentleman happy with the $150 billion trade deficit that we have this year, that is projected to be $400 billion by the year 1990? The Republican administration approach to trade is to stick our heads in the sand, not ask anyone to open their markets abroad, and to simply put up with being the largest trade debtor nation in the history of the world. I do not think that is the kind of trade policy we want. Should we not try something different? Should we not try something new? Should we not try to approach these problems with a varied approach that will get at the root causes and get us out of the situation where we have the largest trade deficit in the history of the world?

Mr. KEMP. I take it that is a rhetorical question.

Mr. ROTH. Mr. Chairman, I yield 3 minutes to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I rise necessarily in objection to H.R. 4800. I certainly have been supportive of the legislation which was reported by the Foreign Affairs Committee which became a part of the package we now know as H.R. 4800. I, in fact, commend the chairman of the Trade Subcommittee, the gentleman from Washington, Mr. BONKER, for his effort, and I think, by and large, we had a bill that we could support on a bipartisan basis. Certainly, I was and am supportive of the legislation passed by the Foreign Affairs Committee.

I do, however, think that there are substantial problems in many other parts of H.R. 4800, primarily those coming to us from the House Ways and Means Committee, and I am particularly concerned that many of the provisions there are certainly strongly antiagriculture in their impact. I'll be commenting a bit later about the details of my concerns with respect to the impact of this legislation on agriculture and agribusiness.

Before that, however, I thought that I would bring a few recent editorial comments concerning H.R. 4800 to the attention of my colleagues.

We might begin with the lead editorial in the New York Times of Monday, May 19, 1986, which, in speaking about this legislation said, this bill "would shoot American consumers in the foot." Or you may consider an editorial from the Washington Post of May 14, 1986, entitled "A Shin-Kicker Bill." It said in conclusion: "Frustration rarely produces good legislation. This bill is a shin-kicker intended to attract attention. In that, it is succeeding very effectively. But among American industries it will hurt the most competitive and help only the least competitive." The Wall Street Journal of May 15, 1986, in an editorial entitled "Trade Bill Terpsichore" made essentially the same point, and it could perhaps in the relevant portion be quoted most effectively in the following fashion: "One of the more mindless provisions would require 10 percent annual reduction in the U.S. trade deficits with Japan, Taiwan, and West Germany. To accomplish that pointless feat would necessitate market interference of the most ham-handed type, disrupting capital flows as well as trade. It would also be a gross violation of international trade rules hard on the heels of Mr. Reagan's success in Tokyo, and engendering a new round of trade liberalization talks."

In an editorial of Monday, May 19, 1986, the Christian Science Monitor concludes with this statement: "Opening up—not closing off—trade remains the necessary goal." This bill indeed does not encourage trade as much as it attempts to cut it off, it seems, in its effect.

Finally I'd like to mention a column from the Washington Post dated May 14, 1986, by Hobart Rowan, speaking specifically of H.R. 4800. In referring to the single provision that brings the greatest concern to me, concern based upon retaliation by our major agricultural customers against us, he says the following:

> Gephardt's "controlled entry" of imports (a wonderful euphemism, I think) to solve the problem doesn't do anything to reinspire a competitive American edge. It suffers from the same deficiency as the 25 percent surcharge: It attacks the trade deficit by closing our markets, instead of getting our trading partners to open theirs. That's why, although Gephardt and other Democrats shun it, it deserves the tag "protectionist."
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> • • • U.S. Trade Representative Clayton Yeutter put it this way in a conversation on the bill: "If Japan and West Germany and any others comply (with the annual 10 percent reduction in surplus), they simply will cut their exports here, rather than open markets. If our major objective is to expand world trade, this surely isn't the way."
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> C. Fred Bergsten, head of the Institute for International Economics here, says scornfully: "The Gephardt amendment is grossly inadequate in its targets, and completely unacceptable in its instruments."

Concluding his argument in that column, Rowen says the following:

> It's clear to me that, on balance, the Democratic omnibus bill is bad legislation, violative of the GATT. But it's time for the administration to do more than denounce the bill. It must do something positive.

Indeed, I agree, it is time for the administration to take a more aggressive role, and in fact, that's a problem that the executive branch has had now during several administrations. Congress is perfectly right in proceeding to push the adminstration and to demand fair trade, and to protect as necessary vital parts of our economic structure and our industrial base.

Mr. Chairman, while I am concerned about many aspects of H.R. 4800 and have had a role in working on diverse elements of the legislation through membership on both the Foreign Affairs Committee and the Committee on Banking, Finance, and Urban Affairs, I rise today to speak against this bill in the form that it has been reported to the floor. As a Member who represents a congressional district that is heavily dependent upon agriculture, I want to explain why trade, and this trade bill in particular, is important to the people of my State.

During the past year there has been considerable debate in this chamber about the state of our agricultural economy. In the recent past, Congress has debated and passed the Export Administration Act which will dramatically limit the use of food embargoes as a tool of foreign policy, a new multiyear farm bill to extend commodity price-support, conservation, and commercial export promotion programs, and emergency farm credit legislation to save the Farm Credit System. Each attempts to address particular problems within agriculture, but none alone will be a total solution.

For any member who represents an agricultural district, or anyone familiar with the economic problems in our agricultural sector of the economy, it is obvious that agriculture suffers from not one, but a myriad of problems. Agricultural trade is no exception and it must be addressed if we are going to turn around our economic situation in agriculture.

Today, we begin debate on omnibus trade legislation which in many respects will be as important to the farmers, ranchers, and producers in my State of Nebraska as any agriculturally related legislation considered by this House during the last several years. This trade bill has many positive features which are protrade and proagriculture, but it also contains several provisions which are very antitrade and particularly detrimental to agriculture.

While this trade bill in some way affects virtually all industries in the United States, what we must understand is that agriculture is this Nation's largest industry with nearly $1 trillion dollars invested in farm assets.

Agriculture is our Nation's largest employer, requiring nearly 2.7 million workers in farming alone—as many as the combined work forces of the transportation, steel, and automobile industries. Another 18.3 million people are involved in the storage, transporta-

tion, processing, and merchandising of the Nation's agricultural products.

As an industry, agriculture is also this Nation's largest exporter. Although we have witnessed a steady and precipitous decline in our agricultural exports over the past 5 years—from a high of $41 billion in 1981 to a 10-year low of $29 billion last year—the United States remains the world's leading exporter of agricultural products.

There is no question that U.S. agricultural exports have been, and continue to be, the largest contributor to our balance of payments. During the years 1960 through 1984, commercial exports of U.S. farm products brought over $430 billion back to the United States. During the same period, exports under Public Law 480-Food for Peace Program accounted for an additional $31 billion dollars in agricultural trade.

Foreign markets provide a major and invaluable outlet for U.S. farm production. In fiscal 1984, more than half of the wheat, soybeans, rice, cotton, and sunflower seeds produced were exported. Similarly, more than one-third of the tobacco, feed grains, and tallow were exported. Nationally, 2 out of 5 acres are farmed for export. In Nebraska, the production from 1 out of 3 acres will be sold overseas.

Thus, a decline in U.S. agriculture exports is significant to agriculture because it represents a loss of overseas markets for our surplus production, a decline in farm income, a decline in export-related jobs and an increase in the cost of price support programs administered by the Department of Agriculture.

As the volume of U.S. agricultural exports has fallen to a 10-year low, the cost of USDA farm programs has hit an all time high. Thus, a direct relationship exists between the volume of U.S. agricultural exports and the cost of USDA farm programs. It is therefore, in the best interests of not only farmers, but also the taxpayers of the United States to aggressively support and promote the expansion of foreign markets for U.S. agricultural commodities and products.

While a number of trade-related issues and programs were included in the 1985 farm bill last year, there are positive features in this trade bill which will further enhance U.S. agricultural exports and our competitiveness in the world.

I am pleased that the Foreign Affairs Committee on which I serve included within its bill a number of provisions relating to agriculture. I also commend the chairman and members of the Agriculture Committee for the provisions which they have included in this bill. In addition, the Ways and Means Committee has addressed some issues which have plagued certain agricultural interests such as the ethanol industry, perishable products producers, and the livestock sector of agriculture for many years.

In general, this trade bill does contain many positive provisions which will concentrate more authority in the U.S. Department of Agriculture to take charge of all agriculturally related trade matters. Among other proagricultural provisions in this bill, the United States will begin to establish a long-term agricultural trade policy for this country by requiring the USDA to file annual long-term strategy reports with Congress for 1, 5, and 10-year periods. USDA food aid programs will also be better used to promote the development of new markets, and the USDA Export PIK Program will be broadened to include our traditional customers that have previously been excluded from participating in this program. Finally, continued emphasis is placed on improving the quality of our agricultural exports, especially grain quality.

I would point out that a number of these provisions added to this legislation by this member and by the House Agriculture Committee are the result of the work of the National Commission on Agricultural Trade and Export Policy. This is a commission created by Congress nearly 2 years ago to study the problems associated with the decline in U.S. agricultural exports and to make recommendations to Congress regarding changes in administrative policy and legislation that would result in an expansion of existing markets and the development of new ones for our agricultural products.

The Commission has met regularly over the past year and a half and will make its final report and recommendations to Congress next month. However, in light of the fast track that this trade bill was given by the leadership of this House, this Member of Congress who serves on the Commission felt it was imperative to include some of its recommendations in this trade bill.

I would also point out that the agriculture provisions in both the omnibus trade bill and the Michel bill are virtually the same. While each is aggressive in promoting agricultural exports, and both would be effective in opening up new markets for our products overseas, it is obvious that the Gephardt and other onerous provisions of H.R. 4800 will invite retaliation by our trading partners against the United States and agricultural producers especially.

Despite the excellent proexport provisions of agriculture and agribusiness, this trade bill as reported to the floor would almost certainly be disastrous to American agriculture. Members of Congress from States producing large quantities of wheat, feed grains, and soybeans should be particularly subject to harsh criticism if they vote for H.R. 4800, as reported to the floor. It is disastrous for American agriculture. In short, while there are many good provisions in this bill which are protrade and proagriculture, these are a few which are very antitrade and detrimental to agriculture.

I would ask my colleagues who have been so patient, supportive, and interested in agriculture and agricultural problems over the last year to pay close attention to the debate today, and the debate tomorrow on the Crane amendment and the Michel substitute, to learn why the farmers and the agricultural producers of the United States stand to lose so much if this bill is passed in its current form. For those members who already represent agricultural districts, there should be no question or doubt that certain protectionist provisions are potentially devastating to agriculture.

The sections in this bill which attempt to deal with trade deficits by mandating reductions and imposing surcharges, tariffs, and quotas—the Gephardt provisions—and other sections relating to natural resource subsidies, the denial of internationally recognized worker rights—the Pease provisions—and the unilateral limitation of imports of goods from nonmarket economies will all have a serious detrimental impact on agricultural trade. Of these provisions, the Gephardt amendment adopted in the Ways and Means Committee is by far the most dangerous and damaging to agriculture and agribusiness.

All of these sections are in reality targeted toward trading partners which are among our largest foreign purchasers of U.S. agricultural commodities and products. If Congress had designed legislation to internationally hurt farmers and disrupt U.S. agricultural exports, they could not have designed a more effective or efficient way to invite retaliation than this bill.

Although U.S. agricultural exports go to more than 130 countries around the world, nearly 70 percent of those exports are made to only 15 countries: Japan, U.S.S.R., the Netherlands, Mexico, Canada, South Korea, Taiwan, West Germany, Spain, Egypt, Belgium, the United Kingdom, Venezuela, Italy, and Portugal. These countries alone accounted for $26 billion in U.S. agricultural exports in 1984. In terms of regional markets, Asia was the biggest market at $15.2 billion.

Other major markets include Western Europe—$9.3 billion of which $6.7 billion went to the European Community; Latin America—$5.3 billion; Africa—$2.9 billion; Canada—$1.9 billion; and Eastern Europe—$0.7 billion. All of these markets will be adversely affected and potentially lost if H.R. 4800 is passed as reported to the floor.

Many of the protectionist provisions in this legislation have been included, I am sure, with the best of intentions to help those industries and their workers that have been hurt by a flood of cheap or subsidized imports. While my congressional district is primarily agricultural, it also has an important and growing industrial base. Therefore, I recognize and I am also sympathetic to the problems faced by those in industrialized areas.

The direction of this trade bill should be to promote trade and increase the exports of each industry of the United States. It should also require the executive branch to get much tougher in pursuing fair trade, responding quickly and effectively to unfair trade practices of competitors, and encouraging access to other markets which are now essentially closed. Unfortunately, this legislation in large measure marches in the opposite direction by discouraging trade, inviting retaliation and pitting the economic interests of one industry against another.

When trade legislation seeks to protect one industry at the expense of another—which this legislation does—then the economic well-being of everyone in this country is adversely affected. For the farmers of this country, the retaliation which this bill invites will be swift and severe. It will only compound our trade problems in agriculture and many other industrial and business sectors. For those who seek protection, the benefits will be tangible, but shortlived. In the long run, we will all suffer, yet gain no appreciable economic advantage for U.S. workers, or any comparative advantage for the United States in the world marketplace.

Mr. Chairman, agricultural trade is but one solution to the economic problems we face in agriculture. This trade legislation can either be a part of that solution, or, like the worst provisions of H.R. 4800, it can be the source of many future problems for the farmers of this country.

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Mr. BONKER. Mr. Chairman, I yield 3 minutes to the gentlemen from California [Mr. BERMAN].

Mr. BERMAN. Mr. Chairman, I thank the gentleman for yielding this time me.

Mr. Chairman, I rise in support of two titles of this bill, title III with respect to export controls, and title VII relating to amendments to the Foreign Corrupt Practices Act.

I will be urging tomorrow, along with our subcommittee chairman, the gentleman from Washington, opposition to the Roth amendment to title III, which guts an important effort to try to eliminate a variety of duplicative licensing procedures and bureaucratic roadblocks in the way of export promotion.

Mr. Chairman, I would like to focus my brief time today on the work done by the subcommittee chairman, the gentleman from Washington, and by the gentleman from Flordia [Mr. MICA], working together with other members of the subcommittee in finally coming together on a significant and meaningful change to the Foreign Corrupt Practices Act, a change which has the benefit of giving business, exporting industries, a better sense of what we are requiring and, at the same time, enhancing the importance and the needs of law enforcement in preventing bribery of foreign officials by representatives of U.S. companies.

I want in particular to thank the chairman of our subcommittee, the gentleman from Washington, and my distinguished colleague, the gentleman from Florida.

Together, we have achieved in this legislation a vitally important objective. We have taken steps to substantially clarify the intent and meaning of the law, and in so doing, in my view we have enhanced business compliance and law enforcement under the act.

There are two sections, which happen to be among the amendments I offered in the Foreign Affairs Committee, that I particularly want to point out to my colleagues.

By setting forth standards of due diligence to prevent and detect violations of the act by employees and agents, we have given companies doing business abroad an important incentive to self-police. What we have done is to include in the act a "due diligence" defense by companies accused of foreign bribery. This would be allowed as an affirmative defense, meaning that the company has the burden of going forward and proving by a preponderance of the evidence that due diligence was used.

The defense would be available only if: One, the company had established and implemented, in good faith, procedures designed to prevent violations and, two, officers and supervisory employees of the company used due diligence to prevent the specific violation by the offending employee. What would constitute due diligence would be a factual determination by the trier of fact and would vary depending upon the particular circumstances of the transaction at issue.

In our discussions of this amendment in committee, my colleagues and I pointed out that companies would be particularly well advised to exercise due diligence when one of the so-called red flags exists in a transaction. Examples of such red flags might include, but are certainly not limited to:

Any usual proposal relating to the method of payment of any participants in the transaction, particularly through third countries or in currency;

Any known or suspected family relationship between any participants in the transaction and any foreign government official;

Refusal by any participants in the transaction to sign affidavits or make representations that they will not violate the FCPA;

The size of the commission paid to the agent in relation to the services performed;

Any known or suspected misrepresentations by the agent or others in connection with the proposed transaction;

Requests by any participants in the transaction that the company prepare false invoices or any other type of false documentation; and

Any negative information developed as part of the independent investigation—which should be required—into the activities and reputation of the agent or other participants in the transaction, including any information developed regarding the financial interests of any foreign government official in any companies participating directly or indirectly in the transaction.

In the appropriate case, the presence of even one of these red flags might necessitate due diligence steps by supervisory personnel in the corporation. Such due diligence might include: Regular training and updating of all levels of involved corporate personnel, independent investigation of the background and reputation of agents and other participants in the transaction, contract provisions obligating the parties not to violate the act and voiding the contract ab initio if the act is violated; a right to perform a full or partial audit of the books of agents or other transaction participants; disclosure of the existence and terms of agency relationships to the foreign government purchaser, periodic compliance certification by corporate personnel and participants, and independent opinions of local counsel that local law will not be violated by any part of the transaction.

During markup in committee, I observed that if I were a corporation or business in this country interested in exporting and doing business abroad, the first thing I would do after this bill becomes law would be to put into effect a procedure which ensures that my representatives in foreign countries are not making corrupt payments, to insulate the company from either criminal or civil liability. I think the incentive to self-policing can do far more than hiring a thousand more investigators in the SEC or the Justice Department to deter corrupt payments, and that is why I view this amendment to the act as a very positive contribution to enforcing the values of this law.

The second section I particularly want to address today was also an amendment I successfully offered in committee. Title VII of H.R. 4800 defines more clearly illegal payments. The current statute makes illegal bribes "to obtain or retain business." In the bill before us, we clarify that the prohibition includes payments made to assist in the "procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government." We are in agreement that payments of this nature are prohibited by current law, but the language of this legislation makes this clear and will strengthen law enforcement and business compliance in this area.

As a consequence, it should now be perfectly clear that payments made to procure more favorable tax treatment, exemption from laws or regulations of a foreign country, or other actions enhancing the treatment of the company would be prohibited.

In sum, Mr. Chairman, I am happy to join with my colleagues from the Committee on

Foreign Affairs in voicing strong support for these amendments to the Foreign Corrupt Practices Act. Business is provided with clarification as to their obligations under the law, which, given the criminal penalties provided under the act, is only fair. And important incentives are provided to business to self-police, which I believe is the most effective means of enforcing the law. In the end, in view of the important policy objectives of this law, it is my belief that business, the public, and America's relations with countries around the world, are all the beneficiaries of the important clarifications we have achieved in the legislation before us today.

Mr. ROTH. Mr. Chairman, may I inquire of the Chair as to how much time I have remaining?

The CHAIRMAN. The gentleman from Wisconsin [Mr. ROTH] has 2 minutes remaining and the gentleman from Washington [Mr. BONKER] has 2 minutes remaining.

Mr. ROTH. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Chairman, I rise in strong opposition to H.R. 4800, the protectionist trade bill of 1986 and in support of the Republican substitute. The Republican substitute is a more carefully crafted compilation of many needed improvements in our trade laws, some of them coming from H.R. 4800. While I do have some concerns with the Republican bill, I believe that it is a good beginning and a significant improvement over the partisan majority bill.

The United States is the greatest trading nation in the world, with exports over $200 billion a year. We have more at stake in maintaining a healthy world trading system than any other country. If enacted into law, the Democratic trade bill would severely damage our economy, reduce our international competitiveness, destroy American jobs and embroil us in trade conflicts with nearly all our major trading partners. It is no wonder that this legislation is opposed by the Wall Street Journal, the Washington Post, the New York Times, the LA Times, the Chicago Tribune, the Farm Bureau, the Business Roundtable as well as various manufacturers, service industries, consumers groups, and retailers. My distinguished colleague from Minnesota, [Mr. FRENZEL], has pointed that there are at least 55 major flaws in the Democratic trade bill.

I would like to take this opportunity to touch on a few of the more significant objections I have to this poor legislative effort. First, unilateral restrictions linked to bilateral trade deficits with Japan, West Germany, and Taiwan would violate GATT and invites massive trade retaliation against United States exports, particularly agricultural commodities. California, and my district with its specialty agricultural crops, would be especially hard hit. Second, a provision under the bill would add denial of internationally recognized workers rights as an actionable practice under section 301. I am strongly opposed to creating this arbitrary category of unfair trade practice since it is based on standards that Congress has not ratified for the United States. Moreover, it is ironic that the same workers that this provision is trying to help, will in the long run be hurt by U.S. trade restrictions on the products they produce.

Third, amendments to our export control laws would damage vital national security interests. The 40-percent reduction in items under national security export controls within 2 years is arbitrary and unwise. Furthermore, it is unwise to prohibit reexport controls on U.S. items to or from Cocom countries since this is a critical tool for tracking and preventing diversion of strategic items to the Eastern bloc.

Fourth, the legislation establishes an industry adjustment advisory group to make industrial policy recommendations as part of section 201 cases. In this time of fiscal restraint we do not need a new bureaucracy with a large budget to gather and disseminate information, that is already performed by many advisory bodies. This big government approach to economics was rejected by the American people during the last election.

Fifth, the legislation would create a private right of action for economic loses caused by dumping in the 3 proceeding years. This would only violate GATT and invite mirror legislation abroad that would mean wide-scale harassment of U.S. exporters in foreign courts and U.S. importers here. Finally, H.R. 4800 would add significantly to the budget deficit. Preliminary analysis indicates that enactment of this bill would result in increased outlays of $6.5 billion over a 3-year period. Costly new grant programs in the Department of Education and Labor would duplicate programs and increase Federal interference in areas of State responsibility.

Mr. Chairman, H.R. 4800 would only weaken the ability of American firms to compete in the world marketplace, expose American exporters to retaliation by other countries, risk national security by weakening export controls and weaken the President's ability to eliminate unfair trading practices abroad. The administration agrees that the U.S. trade deficit is a serious problem and has an aggressive program to deal with this issue. They have initiated cases of unfair trading practices with Japan, the European Community, South Korea, Taiwan, and Brazil that have opened markets not closed them. They have made important strides toward strengthening GATT which governs international trade and have helped reduce the value of the dollar against other major currencies, so U.S. products are priced more competitively in world markets. Nine members of the President's Cabinet have recommended that the President veto this bill. I encourage my colleagues to oppose this poorly drafted partisan trade bill.

[From the Los Angeles Times, May 11, 1986]

ASKING FOR TROUBLE

Efforts of at least three committees in the House of Representatives to erect protectionist walls around the United States and impose mandatory retaliation in trade disputes will be brought together in a "mega-bill" by the House leadership on Tuesday and rushed to floor action. The result threatens to disrupt international trade, poison efforts to establish a freer flow of goods among nations and invite trouble for U.S. exports.

For all its appalling consequences, however, the package is gaining support from a coalition of special interests, each mistakeniy assuming that its economic problems of the moment can be resolved by banning foreign competition and legislating how other nations behave. The Democratic Party, apparently thinking it can exploit the complex problem to advantage in this year's elections, is leading the way.

The most dangerous aspect of the legislative package is that it will discourage important reform movements at the very moment that these reforms are gaining international acceptance. The establishment of the Group of Seven at the Tokyo Economic Summit last week, the agreement on a new round of negotiations for a greatly expanded General Agreement on Tariffs and Trade and the new agreements with Japan and the European Community to move from confrontation to conciliation on outstanding issues all would be jeopardized by the protectionist package.

While the details will not be known until Tuesday, it is already clear that the legislation will embrace mandatory retaliation which would undermine the widely-accepted concept that international trade agreements cannot be negotiated on a product by product basis but must reflect overall trade. The package is expected to include specific cuts on imports from Japan, Germany and Taiwan in ways that would tear apart existing agreements and standards for settling disputes over unfair trade.

America's own farm exports would be at risk through a loosely written ban on so-called resource subsidies that seeks to punish any product that benefits from alleged below-market inputs, including oil, water and power. Automatic penalties imposed on imports judged to be products of places without due respect to workers' rights would open the way to endless challenge and unresolved dispute.

Unemployed steelworkers in Pittsburgh, dislocated textile workers in the Southeast, surplus-suffocated grape growers in Fresno and farmers fighting over-production and depressed prices are being told that this protectionism will resolve their problems. It will not. It will only make them worse.

The Administration already has adequate legislative tools to move ahead in the constant struggle to overcome unfair practices and to gain more access for American exports. It has been working effectively. That effort should be encouraged, not sabotaged.

TRADE POLICY ACTIONS AS OF MAY 16, 1986

As a part of the President's trade policy announced September 23, 1985, the Administration has:

Taken the unprecedented step of self-initiating Section 301 unfair trade cases on:

Brazilian informatics market and investment restrictions (9/13/85);

Korean fire and life insurance market restrictions (9/13/85);

Japanese market restrictions on tobacco products (9/13/85);

Korean lack of protection for intellectual property rights (10/16/85).

Self-initiated for the first time a Section 305 investigation to gather information for the potential trade barrier posed to U.S. meat exports by the proposed EC Third Country Meat Directive (3/31/86).

Initiated the first case ever brought under Section 307, initiating an investigation of Taiwan's automotive export performance requirements (3/31/86).

Achieved a negotiated resolution on the issue of Japan's market restrictions on leather and leather footwear (12/20/85). Japan agreed to compensation through reduced tariffs worth $236 million in increased market access and the U.S. will impose prohibitive tariffs on $24 million of Japanese leather exports to the U.S.

Announced a GATT Subsidies Code case against European Community wheat export subsidies (10/16/85).

Secured market-opening concessions from Taiwan on tobacco, wine, and beer in response to the threat of a 301 case (10/16/85).

The Administration has formed the President's Strike Force on Trade, chaired by Commerce Secretary Baldrige, to identify specific trade barriers which may require further action. To date, the Strike Force has:

Recommended to the Economic Policy Council in November 1985 that the U.S. Government initiate an antidumping investigation on semiconductors from Japan. The USG self-initiated the antidumping investigation December 6, 1985. This is the first time ever that the Department has self-initiated an unfair trade investigation outside an established program such as the Steel Trigger Price Mechanism. The International Trade Commission found preliminary injury (5-0) on January 22, 1986. The Department of Commerce announced preliminary dumping margins on March 13. A final dumping determination is expected by March 30.

Recommended to the Economic Policy Council in January 1986 that the United States Government undertake informal consultations with Airbus governments (France, Federal Republic of Germany, United Kingdom) to contain or eliminate unfair trade practices on current and future Airbus programs. The first round of discussions took place March 20-21 in Geneva. As the issue remains open, a second round of discussions will take place in June.

Recommended to the Economic Policy Council that a comprehensive strategy for dealing with unfair intellectual property rights practices be undertaken. This strategy, announced April 7, 1986, includes:

a legislative initiative;

intensified bilateral pressure through consultations, possible denial of GSP benefits, and possible 301 cases;

heightened multilateral efforts; and

an Administration policy statement on intellectual property rights.

The working group level of the Strike Force is considering many issues, some of which are being developed further. These issues will be forwarded to the Strike Force over the next few weeks.

We have moved to resolve four disputes with the European Community:

We have reached agreement with the EC under the President's steel program which provides for voluntary restraints on most European steel exports to the United States through September 1989. To remedy the problem of diversion by EC exporters from licensed products to semi-finished steel, as of January 1, 1986, the U.S. imposed quotas on imports of EC semi-finished steel.

In December 1985, we negotiated resolution of the EC canned fruit case, obtaining an EC commitment to reduce its production subsidy by 25 percent by July 1986 and eliminate it entirely by July 1987.

Following the failure of the U.S. and EC to reach a solution on the citrus problem by the agreed October 31 deadline, on November 1 the U.S. imposed duties of 40 percent ad valorem on EC-origin pasta products not containing egg and 25 percent ad valorem on EC pasta containing egg. We have, however, continued to discuss this case with the EC and would prefer a negotiated solution which would enable us to put this case behind us.

On 5/15/86, announced a specific response to new EC restrictions on U.S. grain and oilseeds exports to Spain and Portugal as a part of the terms under which those countries joined the EC in January 1986. In response to the EC's quotas on U.S. agricultural exports to Portugal, the U.S. will impose quotas on certain agricultural products from the EC: white wine valued over $4 per gallon, chocolate, candy, apple or pear juice, and beer. These quotas will be adjusted to mirror the trade losses caused the U.S. by the EC's restrictions. With respect to the variable levy imposed in Spain, announced that in 30 days the U.S. will withdraw tariff "bindings" (GATT agreements not to raise tariffs above a certain level) and increase those tariffs if the EC does not provide adequate compensation by July 1.

On the bilateral/multilateral front, we have:

Welcomed Canada's initiative for a possible bilateral free trade arrangement and have begun discussions on Canadian softwood lumber imports.

Secured agreement of our GATT trading partners to establish a preparatory committee for a new round of multilateral trade negotiations. We expect the round to be launched at a meeting of trade ministers scheduled for September 1986.

Undertook Market-Oriented Sector-Specific (MOSS) discussions with the Japanese in four areas: telecommunications, medical equipment and pharmaceuticals, electronics, and forest products. Major problems related to implementation of Japan's new telecommunications laws as well as the radio wave law have been resolved. In the medical equipment and pharmaceuticals area, agreement has been reached in most of the contentious areas including acceptance of foreign clinical test data, faster approval procedures and transparency in the insurance reimbursement system. Key achievements in the electronics sector are chip protection legislation, software copyrights and computer parts duty elimination. In addition, an agreement has been reached on wood product tariff cuts as well as on a significant reduction in paper duties.

Initiated Market-Access Fact-Finding (MAFF) talks on telecommunications trade barriers in Europe. The first market access discussions were initiated with Germany last December. The discussions allowed us to gain useful information on procurement practices, standards and regulations governing enhanced services. We will now assess the detailed, technical information which was provided and evaluate the "openness" of the German telecommunications market to U.S. suppliers. We held similar talks with the Italian Government in April and expect to begin consultations with other European countries in the near future.

Signed an agreement with Japan on the elimination of tariffs on computer equipment and parts and with Canada on the elimination of tariffs on computer parts and semiconductors.

We are continuing vigorous enforcement of AD/CVD laws. We have 47 investigations ongoing and there has been over a 200 percent increase in AD/CVD cases processed from 1980 (50) to 1985 (133).

Most significant AD/CVD cases since September 1985.

Completed cases with affirmative findings of dumping or government subsidization:

Japan/cellular mobile telephones on October 24, 1985;

Brazil/fuel ethanol on January 21, 1986 (n.b. the International Trade Commission found "no injury" so case was terminated);

Saudi Arabia/carbon steel wire rod on January 27, 1986;

Canada/groundfish on March 14, 1986;

Korea/Offshore platform jackets and piles on March 31, 1986;

Japan/Offshore platform jackets and piles on March 31, 1986;

Japan/64K semiconductors on April 23, 1986;

Pending cases of dumping or government subsidization:

Japan/EPROM semiconductors due July 30, 1986.

Japan/256K semiconductors due August 1, 1986.

We have also moved forcefully to deal with unfairly subsidized competition in our export markets:

Countered foreign subsidized agricultural exports by concluding sales under the Export Enhancement Program valued at over $465 million.

Countered foreign subsidized export financing. Pending Congressional acceptance of the President's War Chest proposal, the Export-Import Bank has offered grants to help American companies win sales worth about $328 million in eleven pending overseas contracts. By aggressively using mixed credits, we hope to persuade our trading competitors, particularly France, Italy and Belgium, to support negotiations to eliminate predatory financing practices. In March 1986, to counter a Brazilian bid using non-competitive financing in the U.S. market, Eximbank took the unprecedented step of extending concessionary financing to a U.S. company for a sale in the U.S.

OFFICE OF THE U.S. TRADE REPRESENTATIVE, EXECUTIVE OFFICE OF THE PRESIDENT,

Washington, May 14, 1986.

DEAR CONGRESSMAN: We are writing to convey our deep reservations about H.R. 4800, the House Omnibus Trade bill. If enacted into law, this legislation would severely damage our economy, reduce our international competitiveness, destroy American jobs and embroil us in trade conflicts with virtually all our significant trading partners.

The United States is the greatest trading nation in the world. We export well over $200 billion a year, and more than five million American jobs are dependent upon exports. We have more at stake in maintaining a healthy world trade system than any other country, yet this bill would create chaos in that system.

H.R. 4800 is not a "fair trade" bill; it is a "less trade" bill. It is not tough; it is defensive and defeatist. It is being represented as strengthening the trade laws, but it is really just protectionism in disguise. It flagrantly violates international agreements, thereby exposing American exporters to retaliation.

The big losers under H.R. 4800 would be the workers of many of our most dynamic industries who would find overseas markets closed to them, and consumers who would pay higher prices on thousands of products. The U.S. almost assuredly would lose jobs in the aircraft, business machines, paper, chemicals, agricultural and other machinery, and food processing industries. Farmers who produce soybeans, wheat, corn, and tobacco would lost export sales. Why should we jeopardize the livelihood of the five million Americans whose jobs depend on exports?

We are dealing effectively with the basic causes of our trade deficit. Substantial exchange rate changes have occurred, improving the U.S. competitive position. The LDC debt problem is being addressed, providing expanded markets for U.S. exports. Arrangements for closer economic policy coordination are in place, fostering improved global growth and greater exchange rate stability.

Breaking down trade barriers in other countries can also contribute to reducing our trade deficit. The President's Trade Policy Action Plan of last September is aggressively being implemented, making full use of existing trade laws. The President has self-initiated a number of unfair trade cases that will open markets, not close them.

Besides being objectionable on trade policy grounds, H.R. 4800 could add significantly to the budget deficit. Preliminary analysis indicates that enactment of this bill would result in increased outlays of $6.5 billion over the 1987–89 period. The costly new grant programs in the Departments of Education and Labor would uselessly duplicate programs already authorized and financed in four agencies, and increase federal interference in areas of state responsibility.

In sum, H.R. 4800 would weaken the ability of American firms to compete in the world marketplace, disrupt efforts to stabilize exchange rates, risk national security by weakening export controls, expose American exporters to retaliation by other countries, and weaken the President's ability to eliminate unfair trading practices abroad. If H.R. 4800 passes in anything like its present form, we will without hesitation recommend that President Reagan veto it.

Sincerely,

George P. Shultz, Secretary of State; Caspar W. Weinberger, Secretary of Defense; Malcolm Baldrige, Secretary of Commerce; William Bennett, Secretary of Education; James A. Baker III, Secretary of the Treasury; Richard E. Lyng, Secretary of Agriculture; Bill Brock, Secretary of Labor; James C. Miller, Director, Office of Management and Budget; Clayton Yuetter, U.S. Trade Representative.

Mr. BONKER. Mr. Chairman, may I inquire of the Chair as to how much time I have remaining?

The CHAIRMAN. The gentleman from Washington has 2 minutes remaining.

Mr. BONKER. Mr. Chairman, I would like to take this opportunity to recognize the efforts by members of the committee, the gentleman from California [Mr. BERMAN], who just spoke; and the gentleman from Florida [Mr. MICA]; along with the gentleman from Colorado [Mr. WIRTH] of the Energy and Commerce Committee; and the chairman of that committee, the gentleman from Michigan [Mr. DINGELL], for their cooperative efforts and rather intense last-minute negotiations to work out a very technical and legal wording that has now resulted in title VII in H.R. 4800.

This has always been one of the more critical trade-related issues, and it is also a very difficult one on which to find a consensus.

The gentleman from Florida [Mr. MICA] has been a long-time supporter of reform of the Foreign Corrupt Practices Act. The gentleman from Colorado [Mr. WIRTH] and others have had differing approaches to rewriting this basic law. So I would like the RECORD to note their considerable effort to reach a consensus so that we can place this important title in H.R. 4800.

Mr. Chairman, I have no further requests for time and I yield back the balance of my time.

The CHAIRMAN. All time for general debate under control of the Committee on Foreign Affairs having expired, the general debate shall now continue with 30 minutes equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs.

The gentleman from Rhode Island [Mr. ST GERMAIN] will be recognized for 15 minutes and the gentleman from Ohio [Mr. WYLIE] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Rhode Island [Mr. ST GERMAIN].

Mr. ST GERMAIN. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, our burgeoning trade deficit must be brought under control. In every one of our districts, employment, and company profits are lower than they should be. If we could restore some balance in our trade relations with other countries, the economic well-being of our entire Nation could be improved. The recent adjustments in international exchange rates will help, but as we all know, they will not be enough. The legislative actions in H.R. 4800, the Trade and International Economic Policy Reform Act of 1986, are critically needed to complete the picture.

I commend our Speaker, Mr. O'NEILL, our majority leader, Mr. WRIGHT, and the other Members of the leadership of this House for the wisdom, energy, and courage they have evidenced in bringing this bill before us. H.R. 4800 is tough legislation, and it is critically needed. I am proud to say that I can support H.R. 4800 in its present form without equivocation or hesitancy. As debate on this measure proceeds, I will be expending all the resources at my disposal to assure its ultimate passage.

With regard to the Banking Committee provisions comprising title IV, it is my understanding that Mr. BONKER of Washington intends to offer an amendment to the Bank Holding Company Act that would fundamentally alter the basis on which banks could offer export services to U.S. exporters. His amendment would not enhance U.S. export efforts and could indeed hamper them. His amendment runs counter to our intent when we passed the Bank Export Services Act in 1982, and I will be constrained to oppose the gentlemen's amendment when it is offered.

Mr. BARNARD of Georgia, a distinguished member of both the Banking and Government Operations Committees, has brought to my attention concerns similar to those expressed by Mr. BONKER, and has affirmed the need for regular order, for which I am appreciative. Regardless of how Mr. BONKER's amendment is dealt with, I believe it would be beneficial to all concerned if some discussions involving Mr. BONKER, Mr. BARNARD, the Federal Reserve, and the Department of Commerce, could take place. I would be pleased to assist in arranging such discussions.

□ 1530

Mr. WYLIE. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, I rise in opposition to H.R. 4800, the omnibus trade bill.

I will confine my remarks to the four different bills reported by the Banking Committee and included as various subtitles under title IV.

Subtitle C, the Competitive Tied Aid Fund Act, enjoys broad bipartisan support. It is included in both H.R. 4800 and my substitute.

I wish I could be as supportive of the remaining subtitles of title IV of H.R. 4800, but I cannot. These subtitles, the other subtitles, are strongly opposed by the administration, and with good reason.

Subtitle D, the Council on Industrial Competitiveness, jumps out as being objectionable. At a time when all of us should be concerned with Federal budget deficits, I do not think Congress should be proposing to create a new permanent bureaucracy here in Washington.

The gist of this new agency, I gather, is to have the Government pick the economic winners and losers in our society, a Herculean task. I would rather not entrust to any Government official, elected or appointed.

This new bureaucracy under subtitle D would be funded to the tune of $25 million in fiscal year 1987 and for a total of $139 million over the next 5 years, according to CBO.

Think about this proposal for a minute; $25 million for a new bureaucracy.

Let me read just one provision of this subtitle so that Members will get a flavor for the kind of tar pit in which we may be sinking. Section 464 of subtitle D empowers this new untested bureaucracy "to assess (all) private sector requests for Government assistance or relief" of any kind and to make recommendations "as to a condition of such assistance or relief."

The only condition is that the applicant become internationally competitive in the future.

This strikes me as a sweeping grant of authority, almost unprecedented in nature. For example, we all want our farmers to be competitive internationally. So I presume all individual requests for agricultural loans by farmers across this country would have to go before this new bureaucracy.

This may not be the intent of the legislation's authors, but there are no guidelines, no exemptions, no restrictions in the bill. As a result, I think subtitle D is tragically flawed.

Subtitle B, the International Debt, Trade and Financial Stabilization Act of 1986, is also seriously flawed. The major thrust of this proposal is to increase substantially the size and the speed of financial flows to debtor countries. Neither the administration nor the World Bank itself is requesting these kinds of changes. Moreover, section 424 requires the President of the United States to encourage other member countries of the World Bank to create a new "bank entity" within the World Bank to lend up to $5 billion.

No restrictions or guidelines regarding exactly how these new funds are to be used are included in the legislation.

The World Bank has ample capacity to increase its lending authority by roughly $2 billion per year over the next 3 years. Perhaps the most unfortunate aspect of this subtitle is that it would undercut the administration's debt initiative of last year, which has received broad international support, precisely at a time when debtor countries like Argentina and Brazil are in the process of making the tough decision to put their own economic houses in order.

Subtitle A of title IV, the so-called Competitive Exchange Rate Act of 1986, is also inappropriate. At best, the creation in section 404 of a new strategic currency reserve within existing stabilizing fund is redundant; at worst, it could be potentially costly if used universely to speculate in foreign exchange markets.

Mr. Chairman, may I encourage my colleagues to support the substitute which I will offer.

Mr. ST GERMAIN. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from North Carolina [Mr. NEAL], chairman of the Subcommittee on International Finance, Trade and Monetary Policy.

Mr. NEAL. Mr. Chairman, this omnibus trade bill incorporates two bills that came out of the Subcommittee on International Finance, which I chair. The first authorizes a so-called war chest for combating unfairly subsidized export credits granted by our competitors. The second establishes improvements in our policy on exchange rates.

The war chest addresses the problem of tied aid credits, or, as they are more generally known, mixed credits. Mixed credits are export credits that are subsidized far beyond the modest degree of subsidy contained in conventional official export finance. They represent a blending of conventional finance and outright aid—hence the term "mixed credits."

Due to a loophole in the international agreement governing official export credits, these mixed credits are perfectly legal—but also perfectly pernicious, when used to steal export markets from American exporters.

No one objects to a country granting foreign aid, and tying that aid to the purchase of its own exports. When used as genuine foreign aid, mixed credits pose no problem. But several countries have abused mixed credits by extending them to capture normal, commercial export contracts, in cases that could not reasonably be construed as legitimate foreign aid. When that happens, our exporters suffer a severe competitive disadvantage—unless they can also offer this form of highly subsidized mixed credit financing.

Though we could protect our exporters by offering equivalent mixed credits whenever they must compete with a foreign mixed credits offer, that would become prohibitively expensive. Instead we have been trying to convince other countries to abandon their abuses of this unfair trade practice. Negotiations to impose discipline on the use of mixed credits have made considerable progress—but some countries still resist the degree of discipline we deem necessary.

This war chest will be targeted against those recalcitrant countries. Grants from the war chest, which will be under the sole discretionary control of the Secretary of the Treasury, will be targeted at the export markets of countries that balk at reaching a satisfactory agreement to end the abuse of mixed credits. These grants, when blended with conventional export finance, will constitute a highly attractive, highly subsidized package of mixed credits, designed to inflict direct pain and punishment on foreign exporters, until their governments see the wisdom of ending this pernicious practice.

In our hearings on this legislation the Treasury Department made it clear that France was the primary culprit, and the main target of this war chest. Since then, another round of negotiations on mixed credits indicated some willingness by France to make progress on this issue. New problems with Japan have, however, emerged. At present, a primary target for the war chest could well be Japan, as much or more than France. It would be the responsibility of the Secretary of the Treasury, the official in charge of U.S. policy in these ongoing negotiations, to determine how the war chest should be used to attain maximum negotiating advantage.

The exchange rate provisions of this trade bill also came out of my subcommittee. Their primary purpose is to make the Secretary of the Treasury responsible and accountable to the Congress for administration policies that affect exchange rates. He would be forced, through semiannual reports and appearances before the Congress, to explain his exchange rate policies, and to explain how other economic policies of the administration affect the exchange rate.

I have long argued that the exchange rate itself has not been the problem—but that it has been an important indicator of serious problems in our macroeconomic policies, in particular our fiscal deficits. The reporting requirements of this bill, including the public release and discussion of heretofore confidential IMF reports on our economy, should serve to focus attention on, and establish accountability for, the macroeconomic policies that really matter in achieving a competitive exchange rate.

These two legislative initiatives should help our country become much more competitive in world trade and reduce the horrendous trade and current account deficits which are weakening our country.

Mr. WYLIE. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH of Iowa. I thank the gentleman for yielding me this time.

Mr. Chairman, few bills are more tempting to vote for than this one. Many of its premises—the staggering trade imbalances and the weak trade negotiating stance of the United States—are valid.

Yet when all is said and done, this bill must be considered a landmark for

its partisanship and its lack of responsibility.

H.R. 4800 attempts to deal with the trade deficit by restricting imports and curbing economic growth.

While not as extensive or damaging as the Smoot-Hawley approach of the 1930's, H.R. 4800 nonetheless raises the prospect of sparking trade wars and reducing world commerce. By retarding trade, world economic growth will be curtailed and the average living standard of the average citizen—at home and abroad—will be cut back. The "Fortress America" trade policy implied in this bill will, for instance, produce a double-whammy for the Amercian farmer: Costs of production will go up and foreign sales will go down. Likewise, the American consumer will be ripped off by politicians who prefer to reach for excuses rather than work for answers.

Some of us in this body have been concerned that the administration has been too unilateral in its political and military policies abroad. Ironically, the alternative political party in this country has produced a protectionist bill that sets a standard of unilateralism in trade policy with repercussions that go well beyond the trade arena. Protectionist trade policies of this nature are not only economically foolish; they are politically dangerous. They sow the seeds of social instability and conflict around the world. They make the world more unstable at a time when responsibility is most in demand.

History illustrates how Japan in the first half of this century expanded militarily in direct relation to its tariff isolation. History teaches that a lack of economic growth in developing countries produces social turmoil and breeds radicalism. History teaches that the cost of responding to protectionist economic policies can be towering—in terms of wars fought, famines instituted and weapons purchased.

A far preferable approach is to acknowledge the trade dilemma with which the United States is confronted and to recognize what Congress can constructively do about it. The more appropriate challenge is to seek to reduce the trade deficit by expanding exports rather than restricting imports. Economic growth is preferable to industrial stagnation; entrepreneurial answers are preferable to political groping.

Congress after all, is institutionally responsible for the greatest fiscal mistake of the century—a peacetime deficit of unprecedented dimensions. It is fiscal irresponsibility, not so-called trade legislation, which is chiefly responsible for the overvaluation of the dollar and the highest real interest rates in this century. Righting the imbalances and the unfairness implicit in the budget deficit is the single most important and effective thing that Congress can do to protect domestic industry. The trade deficit will be more likely to shrink in relation to reductions in the budget deficit than in relation to protectionist steps of the nature contemplated in this bill.

Trade protectionism is an irresponsible copout. It is an ostrich-like response to the real problems of our day. While not as extreme as many might advocate, H.R. 4800 nonetheless should be defeated so Congress can devote its priorities to the proper task—righting its own economic mistakes.

Mr. ST GERMAIN. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New York [Mr. LAFALCE], the chairman of the Subcommittee on Economic Stabilization.

Mr. LAFALCE. Mr. Chairman, America's increasing inability to compete in world markets is one of the most serious challenges facing the United States. This legislation will ensure that we can meet that challenge.

Our economic environment has fundamentally changed. The United States is now part of an increasingly integrated international economy. Today 70 percent of U.S. goods must compete with foreign products in domestic and foreign markets.

The fundamental measure of our economic condition in such an integrated world economy is our trade picture, and that picture is grim. In 1983, the Banking Subcommittee on Economic Stabilization, which I chair, began a lengthy series of hearings on the competitive problems confronting U.S. industry. Our merchandise trade deficit the previous year had been $42.7 billion. It mounted to $69.4 billion in 1983. During the course of our hearings, one fact became disturbingly clear: Both mature and emerging U.S. industries were increasingly unable to compete in the newly competitive global marketplace. Anyone with eyes to see had to realize that our trade position could only deteriorate further, and our worst fears have now been realized. In 1984, the trade deficit nearly doubled to $123.3 billion. It continues to mount, hitting almost $150 billion last year. The result has been a decimation of U.S. industry and U.S. jobs.

This country simply cannot sustain trade deficits of this magnitude. The United States has become a net debtor for the first time since we emerged as a major world power in 1914, and there is no prospect that will change.

To date, this country has done little to adjust to our new competitive environment. What we will do in the future is the critical issue now before us. We have three options. The first is to continue to follow the laissez-faire policies of this administration. We can see all too clearly where those policies have led us—they have helped to create the disastrous situation we now confront.

In my view, our country simply cannot afford to follow this path any longer. Yet, we continue to cavalierly disregard the competitive impact of the policy choices we make. At a time when our foreign competitors are moving aggressively to solidify their positions in the world trading system, our own declining competitiveness remains unaddressed by any comprehensive or integrated strategy. The magic of the marketplace is rapidly relegating this country to the position of a second-rate economic power.

Our second option is to rely on protectionist measures to insulate beleaguered industries from market pressures. This defensive posture has in fact become our most obvious targeted policy response. We must reject this approach. It is ostrichlike, debilitating, and ultimately self-defeating. Protectionism merely evades the competitive challenge we face. And we cannot evade that challenge forever.

We must face the fact that the economic dominance that produced the prosperity of the 1950's and 1960's for our country is gone, and it will not be returning. We have to build our future prosperity in a world where many talented nations compete effectively. The old habits and old policies will not suffice for our new situation. To be successful, domestic economic policies—including specific policies for revitalizing U.S. industry—must be developed and implemented with close attention to their competitive impact.

Our third option, then, is to develop an alternative to protectionism—a positive strategy that will actively enhance U.S. competitiveness and create an environment in which U.S. industry can fairly compete. The bill before us chooses that path. It seeks to have Government play its proper role of creating an environment at both the national and international levels in which American businesses and workers can fairly compete. In particular, two provisions of the Banking title—both of which I authored—the creation of a Council on Industrial Competitiveness and the Competitive Exchange Rate Act—make U.S. competitiveness a central concern in the policymaking process. These provisions would focus both our macroeconomic and microeconomic policies more effectively on enhancing U.S. competitiveness.

This bill deals comprehensively with a multitude of trade policy problems that are affecting our competitive position: the need to control unfair trade practices; the need for new multilateral trade negotiations encompassing issues too long ignored; the need to open foreign markets and break down barriers to U.S. exports; and the need to close loopholes in our tariff and customs laws. These are important

areas of reform and it is long past time we dealt with them.

But, this bill also recognizes that changes in negotiating strategy and unilateral changes in our trade laws alone will not miraculously turn our trade deficit around. Other factors eat away at our competitive strength: a long-term decline in relative productivity growth; insufficient capital investment in the revitalization of basic industries and in the commercialization and diffusion of new technologies; a lack of adequate patient capital to invest in smaller, innovative firms; a series of systemic inefficiencies in the management and organization of business, including adversarial labor-management relations and short-term time horizons; and a serious erosion in the institutional support for production, including a lack of high quality domestic and international economic data and the analytical capability to make use of it. The high dollar has undermined the competitive position of our industries and wild fluctuations in currency markets have made it impossible for American business to plan. The debilitating debt crisis faced by developing countries has closed critical export markets for American products.

We must make improving U.S. competitiveness an explicit goal in our policymaking process and target our economic policies more directly at improving this Nation's competitive performance. The Banking title of this bill establishes policies and creates mechanism that will focus our economic policymaking more sharply on competitiveness issues.

The bill would create a 16-member Council on Industrial Competitiveness, an independent entity with membership drawn equally from business, labor, Government, and academia or public interst groups. This Council would serve as a much-needed instrument for focusing Government policy more explicitly on improved competitiveness and productivity. The Council would provide a mechanism through which key economic factors could work cooperatively to develop a long-term competitiveness strategy for our economy and for specific industries and sectors, and create a consensus in support of that strategy. In addition, it would introduce the important concept of conditionality into our policymaking process. The Council would, where appropriate, assess private sector requests for Government assistance or relief, and recommend conditions designed to ensure that such relief would actually improve the international competitiveness of the industry concerned.

A remarkable consensus has emerged as to the need for such a fundamentally different policy approach. The President's own temporary Commission on Industrial Competitiveness has argued, and I quote, "Mechanisms should be developed for building consensus among key sectors of society to better respond to our competitive challenges." The Council would be precisely such a mechanism.

A critical provision of the Ways and Means title of the bill underscores this new emphasis on improving the competitive performance of American industry. That provision introduces a far more effective industry adjustment process than currently exist under section 201, which provides for industries injured by imports. We have for too long provided trade relief to industries with no assurance that the relief granted would actually improve the industry's competitiveness. This bill would help us establish the critical link between temporary trade relief and a long-term improvement in competitive performance.

A second Banking Committee initiative is equally critical to solving our trade problems. For years, the administration touted the high dollar as a symbol of our economic leadership and belittled the problems it caused for U.S. industries in world markets, while totally disregarding the impact of wide currency fluctuations on U.S. businesses. The Competitive Exchange Rate Act would highlight the importance of exchange rate issues. The exchange rate of the dollar is not treated merely as an inadvertent byproduct of other policies. This legislation would make achievement of a competitive and sustainable exchange rate for the dollar a distinct policy goal in its own right.

Under the Competitive Exchange Rate Act, the Secretary of the Treasury is made accountable for developing a strategy to move the dollar to a competitive level and minimize the destabilizing fluctuations in exchange rates that have become all too characteristic over the last several years. The intent of this proposal is to significantly increase the accountability of the President for the impact of exchange rates on trade competitiveness. This administration continues to pretend that its own domestic economic policy choices have no impact on exchange rates and the competitive position of our traded-goods sector. This legislation would bring these issues together and highlight their clear interrelationship. While the administration's recent efforts deserve our support, a broader and more authoritative initiative such as this is required.

My Republican colleagues would have us do nothing at all about these important problems. We cannot continue to ignore our own competitive problems and the impact of important policy decisions on the competitiveness of American industry, as the proposed Wylie amendment would have us do. We have already taken that approach for far too long.

Our trade deficit is enormous, but its impact not immediately visible, and many question if we truly need to act. There may never be a day when a clear crisis arrives. It does not work that way. Great Britain did not awake one day to discover that its competitiveness and its standard of living were declining. Rather, it was a gradual deterioration over many years, eventually resulting in second-rate economic status for the nation. Some of that deterioration has taken place here already; it will continue to take place unless we dedicate ourselves to reversing it. But we have great assets as a nation, and with a concerted effort, we can ensure a bright economic future for our country and our people.

President Reagan may try to take some comfort from our disturbingly weak recovery and low inflation. But these positive signs cannot dissipate the cloud that our deteriorating trade position casts over our economic future. If our country is fortunate enough to be in a period where some of the economic news is relatively good, we should be wise enough to make this a period of opportunity, not complacency. It is a period of time for recognizing the scope of the competitive challenge and for building consensus behind policies that will allow us to secure our competitive future.

□ 1545

Mr. WILEY. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. WORTLEY].

Mr. WORTLEY. I thank the gentleman for yielding me this time.

Mr. Chairman, title IV of the bill before us is entirely composed of provisions that were originated and approved by the House Banking Committee which I have the honor and privilege to serve on. However, I was disappointed with the committee's proposals, and I urge my colleagues to support the substitute being offered by the gentleman from Ohio, the ranking minority member of the Banking Committee.

Mr. Chairman, I don't believe problems are solved by setting up new bureaucracies and to increase Government spending, yet this is precisely what a provision in title IV would do. Twenty-five million dollars of taxpayers money would be requisitioned for the establishment of a so-called Council on Industrial Competitiveness. It is unclear what the Council would be responsible for doing that isn't already being accomplished through the Department of Commerce, the U.S. Trade Representative, the International Trade Commission, or the private sector itself.

But besides being a duplicative data clearinghouse, the Council is also bestowed with the power to report industrial development priorities and recommend national industrial strategy. This is the discredited and, I had

hoped, defunct idea of centralized industrial planning which clearly would turn the free market on its head. When business decisions become political decisions the result is inefficiency, loss of competition, and extreme distortions in supply and demand.

Furthermore, the Council is also authorized to review all private sector requests for Government assistance and to make recommendations regarding who is most deserving. We should not put the Federal Government in the business of picking the Nation's economic winners and losers—that power properly rests with the consumer.

Mr. Chairman, another provision of title IV is disturbing to me and that is the encouragement of the creation of a nebulous World Bank affiliate that would be authorized to make billions of dollars of high-risk loans to lesser developed countries. These loans would be considered high-risk because they would not be required to be backed by the same amount of reserves as typical World Bank loans. Besides not establishing any requirements for basic economic reforms in the lesser developed countries in return for these new loans, this provision contradicts the administration's efforts to increase commercial bank financing of lesser developed countries.

I also cannot support the provision that calls for immediate full disbursement of loans to World Bank clients. While I recognize and am sympathetic to the liquidity bind of some less developed countries, such action on a widespread scale would undermine the leverage used to ensure that projects are carried out and completed in the manner agreed to. In addition, immediate disbursement of committed project loans would not be cost-free since World Bank clients would be charged interest upon receipt of the loan, which would simply add to the interest burden of the borrower.

Mr. Chairman, the substitute does contain the one truly bipartisan provision, which I hope will be enacted—the creation of a temporary Department of Treasury war chest to combat the unfair trade practices commonly employed by other countries. Treasury could target the export markets of countries that routinely exploit or abuse tiedaid credits for commercial purposes. Hopefully, this war chest would induce other countries to pursue negotiations on a comprehensive arrangement to prohibit the use of tiedaid credits by any country. But while waiting for a negotiated settlement, we cannot afford to roll over and play dead—in this case, it takes fire to fight fire.

Mr. Chairman, I will conclude my remarks with some general observations about the trade legislation before us. We desperately need reforms in our trade law so that our Government has the tools, and the incentive, it needs to enforce fair trade in order that we can have free trade. However, it is not possible for me to support the omnibus trade bill as crafted by the House majority unless drastic modifications are made. I will support the minority substitute, which is truly aimed at opening markets worldwide and not closing off our own. Whatever short-term gains might be gained by closing down our markets would certainly be lost as prices and inflation increased and retaliation from other countries threatened our export industries and farmers.

Particularly objectionable provisions in the majority trade bill include: Requiring mandatory and inflexible reductions in the amount of goods a foreign country may sell in the United States; requiring the President to unilaterally violate GATT under certain conditions; making the denial of ambiguous "workers rights" by foreign countries a trade violation leaving the United States vulnerable to similar legislation by foreign countries which would dictate their own standards for the United States to meet; reducing the President's capability to conduct a cohesive foreign policy; loosening of major export-control procedures adopted less than a year ago by Congress to protect national security interests especially in the area of military-related technology; establishing drastic exchange-rate reform despite the administration's recent success in devaluing the dollar through negotiations.

Mr. Chairman, I will vote for trade reform this week, but I cannot support the current majority package, which promises catastrophic foreign policy and economic results. To an extent, the administration has been inexcusably reluctant to enforce the fair trade laws that are already on the books. I criticize this lax enforcement now as I have in the past. But resorting to this defeatist, protectionist, and extremely partisan legislation is not in the best interests of this country and I will not be responsible for reaping the consequences of such an irresponsible approach.

Mr. ST GERMAIN. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. LUNDINE].

Mr. LUNDINE. I thank the gentleman for yielding me this time.

Mr. Chairman, since 1980, our trade deficit has escalated dramatically from $36 billion in 1980 to $150 billion in 1985, a fourfold increase. We are in the midst of a trade crisis. The future stability of the international trade and financial system depends on how we handle this crisis. The bill before us today will help reduce the disastrous U.S. trade deficit, at the same time as it promotes the expansion of the international trading system.

The present situation is unsustainable. We do not have the capacity to purchase indefinitely $150 billion more in imports than we export. Right now, our enormous budget and trade deficits are being financed by foreign borrowings. Last year, the United States became a net debtor nation for the first time since 1914. We have surpassed Brazil as the world's largest debtor nation. If we do not reverse this situation, like developing countries, we will soon have to start running large trade surpluses just to pay our foreign debts. At this point, it will be impossible to both service our foreign debt and secure economic growth.

This bill is about jobs—about keeping and creating high quality jobs for Americans. Two million Americans were displaced from their jobs last year because of our trade deficit. We have regained only 60 percent of the manufacturing jobs lost since the 1982 recession. Our manufacturing trade deficit has gone from a $7 billion surplus in 1980 to a $113 billion deficit last year. Without a strong industrial base, we cannot maintain our status as the world economic leader or assure high quality jobs for our people in the future.

This bill is not a protectionist bill. It is rather a bill which places the primary emphasis on expanding U.S. exports and the volume of world trade. It emphasizes industry adjustment and worker education and training in response to an increasingly competitive world economy. In addition, this bill will help improve the competitiveness of U.S. industries so that we can compete more effectively against foreign imports.

This legislation will improve the economic climate in which we must compete. It will put us on a path toward stable and competitive exchange rates for our dollar. This will help ensure that our exports can compete on a fair playing field and that our businesses will be able to compete effectively by investing here in America instead of abroad. It will directly counter the unfair export financing practices of our competitors to ensure that U.S. firms do not lose export markets simply because of subsidized export financing.

The second way this bill will help reduce the U.S. trade deficit is by opening up markets abroad to expand U.S. export opportunities, American enterprises have found themselves locked out of too many markets in both industrialized and developing countries. It will rekindle growth in many developing nations of the world where our largest and most lucrative export markets of the future exist. The Gephardt amendment included in the Ways and Means portion of this bill will ensure that foreign countries open their markets to U.S. products or suffer the consequences of retaliatory action by the United States.

I hope we do not have to retaliate against our trading partners to secure access to their markets. But let's face it—we've done a lot of talking with countries like Japan, but are getting nowhere. Whether it be in semiconductors, telecommunications, or fiber optics, they are not opening their markets to U.S. competition.

As a member of the House Banking Committeee, I have worked hard to fashion legislation to help address our trade deficit because I believe it is a national priority. I sponsored and advocated the exchange rate and debt subtitles of title IV of the bill. Over the years I have worked hard to devise an effective industrial strategy and response to the menacing problem of mixed credits.

It has been a particularly difficult, but instructive road on the competitiveness issue since my colleagues DAVE BONIOR, LEE HAMILTON, and I introduced the first proposal for such a council in April 1982. When we first introduced this legislation, we were in recession and the argument was made that the competitiveness problem would go away as economic growth resumed. This has not happened. The United States still lags behind our foreign trading partners in productivity growth. During the last decade, we have lost world market shares in 7 of 10 high-technology sectors. For the first time in our history, real wages in the United States are falling. Unfortunately, our competitiveness problem endures.

Taken together, the provisions of title IV reported from the Banking Committee will make a significant contribution to reducing our present trade deficit and keeping us competitive in the future. Later in this debate, I will strongly urge my colleagues to oppose the Wylie substitute to the Banking Committee title of this bill. While I will detail my reasons when the substitute is considered, let me just indicate at the outset of this debate that I believe this substitute represents an unsatisfactory approach to dealing with the problems of our volatile exchange rate system, to the massive and counterproductive debt overhanging developing countries, and to promoting the future competitiveness of U.S. industry. The Wylie substitute basically contends that all is well in these areas and that congressional action and direction is not necessary.

You will be asked by Mr. WYLIE to put your trust in an administration which brought you 4 years of an extremely overvalued dollar and under which the developing country debt crisis was ignored while it took its toll on our trade deficit. You will be asked to put your faith in an administration that claims the United States does not have a competitiveness problem, in spite of the contrary findings of their own group set up to study the competitiveness issue.

H.R. 4800 is good for America. It deserves your support. Its provisions have met the test of scrutiny by six separate committees in the House. This is not a protectionist bill, it is a progressive trade bill. It will help reduce our trade deficit and it will help improve the productivity and competitiveness of U.S. industry in the future. All of this means jobs and a rising standard of living for America.

Mr. WILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. RIDGE].

Mr. RIDGE. I thank the gentleman for yielding me this time.

Mr. Chairman, I ask my colleagues to assist our exporters and their employees and families with one of the most important questions relating to trade finance—mixed credits. Mixed credits are a combination of development assistance and traditional export financing. This practice is now used by many of the major trading countries to finance their exports. This practice, tolerated to date under the protective umbrella and rhetoric of free trade, has cost many Americans their jobs.

Title IV of H.R. 4800 is a good beginning, but only a beginning. According to the Treasury Department, the fund and the legislation would be used to target the mixed credit practices of France, Italy, and Belgium. My colleagues, the list of offending countries is much larger and the chief user and abuser is Japan. It is reported that our foreign competitors filed nearly 500 mixed credit offers from January 1984 through June 1985 with a total volume of $6.5 billion in 1985 alone. It should be noted that mixed credit use in 1979 was less than $1 billion.

The language in the bill fails to provide an effective counter to these practices. Our own program which must have a much higher degree of stability to respond to rapidly changing circumstances in the increased use both in number and amount by our foreign competitors. The amendment to be offered by Congressman BONKER provides that flexibility and gives both Treasury and the appropriate trade agencies an effective and workable tool to combat the use of mixed credits.

One final, and most important, observation. In the budget we passed last week, there is no money. I say again, no money to accommodate the $300 million required to fund this program. It is quite probable that should the existing language be adopted, the Appropriations Committee will likely fund the program from the direct lending program of Eximbank. There is a program and authorized funds designed to counter mixed credits to avoid a further reduction in the direct lending program of Eximbank.

If we seriously seek to pressure our export competitors by funding a separate mixed credits program without authorizing additional money, it is imperative the amendment offered by Congressman BONKER be adopted.

□ 1555

Mr. BARNARD. Mr. Chairman, may I inquire how much time remains?

The CHAIRMAN. The gentleman from Georgia [Mr. BARNARD] has 3 minutes remaining and the gentleman from Ohio [Mr. WYLIE] has 3 minutes remaining.

Mr. BARNARD. Mr. Chairman, I yield 1 minute to the gentleman from Alabama [Mr. ERDREICH].

Mr. ERDREICH. Mr. Chairman, the time has come for Congress to put a stop to piecemeal efforts to address a crisis that threatens the economic well-being of the working men and women of our Nation, our country's ineffective and outdated trade policies.

The escalation of the U.S. trade deficit over the past 5 years, to over $150 billion in 1985, and still growing, has meant job loss for millions of Americans, including thousands in Jefferson County. This trade deficit has caused an unprecedented crisis in international trade, one that threatens to have a profound impact on steel, textile, and other domestic industries and poses a serious threat to our industrial base and future economic activity.

I know for certain that the people of Jefferson County, AL, whom I represent, have an important stake in the development of strategies and trade policies that will promote a growing economy and full and fair participation by the United States in international trade. In the past, we have fought this ever-growing threat to our economic and job security with one hand tied behind our back. I'm sure I don't have to tell you, we have been losing the battle. It is imperative that we take decisive steps to update and modernize our trade laws to effectively address this trade imbalance.

The nations around the world daily take advantage of our open market; it is past time that we put fair trade into international trade relations.

Some would say, "do nothing." But that has been the major thrust of our policy these past 5 years, and the result has been an escalating trade deficit. What we need is a new government activism in export promotion and trade policy, what some call a strategy for industrial competitiveness.

That is what the Omnibus Trade Act seeks to do. It moves us toward a tough-minded trade strategy. This is business nationalism, and it is time we put America's economic interest first. Our jobs, our economic future depend on it.

The Omnibus Trade Act represents a substantial step toward untying our hands so that we can fight fire with fire. It strengthens our trade laws, puts more leverage in the hands of our trade negotiators. It is a step toward forcing a level playing field in international trade.

I am pleased to note that this act includes major portions of a bill that I introduced in the House several weeks ago to stop the counterfeiting of U.S. products by foreign countries. These provisions would protest U.S. patent rights by removing the requirement of U.S. firms to prove economic injury from the sale of pirated products, and places the burden instead on the pirater. It also increases the penalty for violation of cease and desist orders to $100,000 or the domestic value of the articles.

The continuing erosion of our economic and jobs base and continuing rise in our trade deficit demands that something be done and that it be done now. I urge my colleagues in the House to support this legislation for the sake of those in Jefferson County and across this Nation who are looking to us to make certain that the future of their livelihoods and the economic security of our Nation is assured.

Mr. WYLIE. Mr. Chairman, I yield myself my remaining time.

Mr. Chairman, I want to reiterate, to emphasize my own objection to the Council on Industrial Competitiveness. Not a single one of my constituents has petitioned me to create a new permanent bureaucracy or to be a party to what I regard as needless deficit spending. I would doubt seriously if any of my colleagues' constituents have made these kinds of requests, either.

I mentioned earlier that a request for agriculture loans by farmers across this country would have to go before this new bureaucracy, the way I read it. We all want our exporters to be competitive internationally, so all Export-Import Bank loans would have to be second guessed by this new bureaucracy. We want our auto and steel industries to be competitive, so I presume the implied subsidy of quantitative import restrictions for steel and vehicles would likewise have to clear whatever additional hurdles that this new bureaucracy might require. And what about the subsidies that the Federal Government has over the years lavished on our merchant marine? Will they too be subject to review by this proposed council?

Taken to the extreme, I am sure we all want our young students to be competitive with students around the world, but do we really want a new bureaucracy to review and assess each and every student loan application?

Mr. Chairman, this bill also proposes a new fund which I refer to as a new "World Bank bank." Section 424 requires the President of the United States to encourage other member countries of the World Bank to create a new bank entity within the World Bank to lend up to $5 billion.

Mr. Chairman, at the appropriate time I will offer an amendment as a complete substitute for title IV striking the objectionable provisions which I have just outlined. I will include in my substitute the so-called Competitive Tied-Aid Fund Act, which I think is a good provision. It will also include an endorsement of the administration's debt and dollar initiatives to promote economic stability and growth. It will also include directions to our executive directors at the multilateral development banks to encourage greater trade and investment liberalization and to ensure that loans do not go for products or commodities already in world surplus.

Mr. Chairman, I encourage my colleagues to support my substitute.

Mr. Chairman, I yield back the balance of my time.

Mr. BARNARD. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, the Banking Committee has labored long and hard to produce its portions of H.R 4800. It probably is not perfect, and we will labor on this floor to better it.

At this stage of debate, I have a particular concern—an additional subtitle E to title IV—the banking title. I understand it might be offered by Mr. BONKER, chairman of the Subcommittee on International Economic Policy and Trade of the Committee on Foreign Affairs. This amendment will substantially alter the Export Trading Company Act of 1982 as it governs the ownership and activities of export trading companies [ETC's] by bank holding companies.

I share his concerns that the Federal Reserve Board has not been as aggressive as it might be in allowing bank holding company involvement in export promotion through freer operations of ETC's. I commend him for strongly focusing attention on this area.

The Subcommittee on Commerce, Consumer, and Monetary Affairs of the Committee on Government Operations, which I chair and which oversees the Federal Reserve, has held hearings on this problem, at which the gentleman from Washington testified.

I have also had a longstanding familiarity with the ETC Act through my membership on the Banking Committee where I supported that act's passage as "a step in the right direction."

And, I have written Banking Chairman ST GERMAIN urging him to review the implementation of the act and, if necessary, draft remedial legislation.

Further, I am sure the Banking Committee, which is undoubtedly the committee of primary jurisdiction, would give due consideration to the position of the Committee on Foreign Affairs which reported out ETC Act amendments in H.R. 4708, its version of a trade bill.

Those amendments, however, were not included in the consolidated package before us, and they have not been reviewed by the Banking Committee.

Consequently, I must associate myself with today's remarks by Chairman ST GERMAIN that now is not the proper time and this is not the right vehicle for these substantial changes in the banking structure.

In this regard, I also believe more consultation is needed with the Federal Reserve. I admit that, to date, I have not been satisfied with its actions. Yet, my respect for Chairman Volcker, who does not favor these statutory changes, compels me to support a further attempt to address this situation through pressing for regulatory instead of statutory modifications.

Regulatory adjustment is perfectly feasible under current law in most respects. I feel certain Chairman Volcker would be friendly to meeting on this matter with any Members of Congress who wish to do so. I would hope that Secretary Baldrige would also participate.

I must say to the Committee of the Whole, that bank holding companies—which lie at the heart of our financial system—are in a period of unprecedented change. Most of you are aware of the huge consolidation movement which is hitting the banks so that credit can be pooled more efficiently. This is only the tip of the iceberg—rapid change is happening at almost every level of finance.

I am an ardent supporter of modernization of financial regulation—which means far more flexibility than current law permits.

Yet, the forum in which significant structural changes should be basically prepared is the Banking Committee.

It is hard for those of you who do not serve on it to imagine how difficult decisions are to make on financial structure.

When you alter our financial structure you are taking momentous steps:

That rarely can be undone and

That have elements of national danger, as well as opportunity.

These decisions must be finely tuned and paced in the context of the dynamic changes that are remolding the banking system, as a whole.

Further, while promotion of export trading companies joined with banking can be a valuable tool in bettering exports, the evidence does not suggest that adjustments are "must" items for today.

Consequently, despite the commendable concerns of the gentlemen from Washington about a single aspect of the banking system—bank export trad-

ing companies—I must vigorously oppose any effort to approach financial structure in just this one dimension in this bill.

With the promise I will assist in pushing on with review of these matters, I would urge him:

To defer an ETC Act amendment today;

To pursue the consultation course I have outlined above; and

To permit the Banking Committee to review his approach from the perspective of the overall financial structure of the Nation.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate under the control of the Committee on Banking, Finance and Urban Affairs having expired, general debate shall now continue, 30 minutes to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Education and Labor.

The gentleman from California [Mr. HAWKINS] will be recognized for 15 minutes and the gentleman from Vermont [Mr. JEFFORDS] will be recognized for 15 minutes.

The Chair recognizes the gentleman from California [Mr. HAWKINS].

Mr. HAWKINS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to thank the members of the Education and Labor Committee for their cooperation and assistance in drafting title V of this bill. I also commend the House leadership for recognizing that investments in education and in people are critically important if our Nation is to remain competitive in the world marketplace.

May I also commend the House leadership through this proposal in encouraging the minority to offer a new approach as well, thus recognizing on a bilateral basis the need to reform current trade policy.

There is no magic wand that we can wave over foreign markets to further open them up to American goods or to reduce our appetite for imported products. But we can—as we do in this bill—recognize the importance of a skilled work force, economic growth and a quality education in restoring competitiveness.

We cannot compete in the world marketplace if we have large numbers of our people unable to read, and we cannot create new jobs if we are unwilling to train our work force.

It is not Korea's fault that some 60 million young people and adults cannot read a daily newspaper or that 13 percent of high school graduates can't read above a sixth-grade level.

It is not Taiwan's fault that only 2 percent of college students study more than 2 years of a foreign language.

It is not Japan's fault that we produce less than half the number of engineers than they do with twice the population.

Experts estimate that the trade deficit has cost America millions of jobs over the past 5 years.

For every $1 billion in trade deficit, 25,000 jobs are either lost or not created. Those who have lost high paying jobs in the steel, auto, or computer industry most likely will never return to their previous lifestyles without retraining.

The bill also gives the Secretary of Labor the authority to reimburse employers for up to half of the cost of upgrading and retraining of their work force to be more competitive in international markets. This funding is dependent upon the establishment of a voluntary labor-management committee. Another key aspect of the bill is the establishment of computerized job bank systems in all States.

We have included title V in this trade bill because we feel that investing in people is equally as important as negotiating trade agreements. It is a fully competitive United States—with a well educated and well trained work force—that maximizes the chance for success in international negotiations.

This trade bill gives us the opportunity to begin now to establish innovative and dynamic programs for American workers and industry, teachers, and students; and fosters a new sense of cooperation between labor, business, and the education community.

Six committees and the House leadership have worked together to accomplish what the administration has so far refused to do—implement a coordinated, comprehensive Government policy to reduce the trade deficit and prepare our work force for the future. This is the kind of decisionmaking process that the Government should be using to deal with all of our economic problems.

If we cooperate now and continue to cooperate on other pressing matters, the future will indeed be bright and filled with thousands of new jobs and opportunities. Passage of this trade bill will help ensure this future of promise and prosperity.

Indeed, only 35 percent of the unemployed receive jobless benefits, but for those who have been out of work for 6 months or more only 13 percent get unemployment compensation.

Too many Americans are unemployed or woefully underemployed because of the trade crisis. Imported cars clog the highways around the Nation's Capital as autoworkers fill State unemployment offices.

Mr. Chairman, the education and training component of H.R. 4800 is the key difference between this and past trade legislation. This section establishes programs in the area of education and job training that are designed to improve the competitiveness of American workers for many years to come.

Title V of this legislation authorizes a series of programs designed to improve the competitiveness of the American worker. In education, we establish new grants to States for trade-related programs in reading, math, science, and foreign languages. Grants would also be provided to colleges and universities to purchase lab equipment and improve instruction in trade related curriculums.

Our educational systems must be committed to offering education of the highest quality and these systems must be adequately financed in order to ensure the strength of U.S. industries.

In the employment and training area, a new program is created within the Job Training and Partnership Act to retrain workers, including farmers, who have lost their jobs due to trade. If an unemployed worker is not receiving jobless benefits or trade adjustment assistance, a small stipend is provided during participation in the retraining program.

□ 1605

Finally, Mr. Chairman, I would like to cite from the administration's own report of the National Commission on Excellence in Education, entitled "A Nation at Risk." Quoting that report, it says:

> Our Nation is at risk. Our once unchallenged pre-eminence in commerce, industry, science, and technological innovation is being overtaken by competitors throughout the world.
>
> We report to the American people that while we can take justifiable pride in what our schools and colleges have historically accomplished and contributed to the United States and the well-being of its people, the educational foundations of our society are presently being eroded by a rising tide of mediocrity that threatens our very future as a Nation and a people. What was unimaginable a generation ago has begun to occur—others are matching and surpassing our educational attainments.
>
> If an unfriendly foreign power had attempted to impose on America the mediocre educational performance that exists today, we might well have viewed it as an act of war. As it stands, we have allowed this to happen to ourselves. We have been squandered the gains in student achievement made in the wake of the Sputnik challenge. Moreover, we have dismantled essential support systems which helped make those gains possible. We have, in effect, been committing an act of unthinking, unilateral educational disarmament.

Therefore, Mr. Chairman, I submit the title V of H.R. 4800 helps us to keep and improve on the thin edge we now hold in competition. Only by seizing this opportunity can we ensure our destiny and our future and our survival and our leadership.

Mr. JEFFORDS. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Chairman I regret very much that it appears, at least in some perspectives, that this whole debate has become a partisan debate, because I think if there is one issue that ought not to be divided by party lines, it is the issue of trade. I hope to try to be constructive in trying to move us away from partisan divisions toward a bipartisan consensus on legislation.

My guess is that some of the elements of the bill in front of us may be too bureaucratic, but on the other hand I will tell you that it would be absolutely essential that this Congress, if it is going to deal with trade in 1986, do something, not just talk about it. Unfortunately, many of our friends and allies around the world believe if you talk to the United States about trade, that in and of itself is all that is sufficient.

I would also call to the attention of a number of my Republican colleagues that if, upon close scrutiny, you read many of the provisions of the bill in front of us, much of the mandatory part is not really mandatory, if the President determines that such action is not in the best interest and reports so to Congress.

But I would like to focus on a couple of areas of this legislation which I think are most important and those are areas which have not been discussed by the Ways and Means Committee; rather, this section, title V, which deals with trade and also some of the elements which deal with agriculture. I would like to believe that our distinguished chairmen of these two committees have done an outstanding job in these two areas in response, because first and foremost when you are dealing with trade, you are dealing with competitiveness. If you are going to deal with competitiveness, you need to recognize that we do have certain obligations to try to train and retrain our citizenry to be capable to provide the kind of competitiveness in manufacturing and exports that we want.

Now, when you look at the education and labor component of the bill, I think there are some very important provisions that have been included that need to be called to the Members' attention.

For the first time, Mr. Chairman, we deal with not only the displaced industrial worker, but we deal with the displaced agricultural worker. We focus in this country I think too much on the problem with imports coming into this country and displacing workers. We never look at the declining exports and its impact on trade. That becomes very important in the area of agriculture.

Second, we focus on the whole issue of unfair labor practices abroad. You cannot look at the subhuman working conditions and wages paid to individuals in some countries and not count that at least as an indirect subsidy of that country in the international trade market.

Third, this section requires the Department of Labor to identify those areas of workers displaced due to import and export competition.

With the industrial workers, it has been rather common, but I would call my colleagues' attention that this also calls upon the Department of Labor to identify displaced agricultural workers. This will be the first time that we truly look at our formulas and our reporting system to determine whether or not we are accurately and properly reflecting the number of agricultural workers in rural areas that are displaced due to economic conditions today. This will go a long way in dealing not only with the trade issue, but with the bigger crisis that exists in American agriculture today.

In the agricultural area I would like to call the attention of my colleagues and particularly those colleagues involved in the dairy area with a couple elements which I think are just very, very important. First of all, we have finally achieved, Mr. Chairman, a reclassification of imported casein, to recognize its use as a food additive rather than simply an industrial chemical. In the 6 years I have been in this Congress, we have tried to find a means to achieve that goal. The legislation in front of us today does just that.

Second, almost every Member of Congress has made public comments about the inequity and inconsistency of allowing international corporations to come in here and start up large dairies through the use of tax exempt bonds, et cetera. I will point out to my colleagues that the Agriculture Committee section of this bill denies such foreign companies from coming in here and selling such milk at either class 1 or class 2 prices. That means that the Irish dairies could not sell their milk at $15.35 per hundred, which is the over-order premium price in Atlanta, GA, today; rather they would be required to sell it as class 3 milk at $10.98. That, friends, is going to send a real signal of support to the American dairy farmer across this country.

Third, in the area of agriculture, I want to point out one of the problems we have had in the pork industry. We have been trying to deal with excessive imports of pork coming into this country and I think we have all been disappointed with the way the International Trade Commission has ruled that processed food cannot be regulated in the same way as raw or original food would be.

I would call to the attention of my colleagues that again in the agricultural section of the bill, processed imports will be considered by the International Trade Commission as to their effect on growers of raw products.

There are some problems in this legislation. I hope they are fixed up in the end; but overall, Mr. Chairman, let us use it as a starting point for a bipartisan consensus on trade.

Mr. HAWKINS. Mr. Chairman, I yield 2½ minutes to the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Chairman, I rise in strong support of H.R. 4800, and of title V of this legislation. Title V, reported unanimously by the Education and Labor Committee, authorizes new programs for education and training to enhance U.S. international competitiveness.

The education and labor provisions of this legislation include new programs to retrain and employ American workers affected by international competition, and provides grants to elementary, secondary, vocational, and postsecondary institutions to prepare today's students for a more competitive American industry.

I am particularly pleased that the education and labor provisions contain a Labor-Management Grant Program.

This program will assist both workers and industry in becoming more competitive in international markets. A similar program, using partial Federal funding, was utilized in my congressional district at the Buick City automobile plant. It helped save thousands of jobs for automobile workers who were about to be displaced.

The Labor-Management Grant Program in title V of H.R. 4800 will provide similar training to that which took place at Buick City in Flint, MI.

Before Buick City was created the Buick plant in Flint was one of the oldest of General Motors' factories. Today, it is the most modern in technology.

Not only did General Motors have to replace equipment to bring Buick City up to date. It also had to retrain and upgrade the skills of its workers so they could work with the new technology.

Together Buick, the UAW, the Flint Board of Education, the Genesee Intermediate School District, Mott Community College and later the University of Michigan joined in an effort to save thousands of American jobs. Together, they directly retrained 900 autoworkers who are now finishing the process of training 5,100 workers.

As a result of this Joint Management, Labor and Education Program, a total of 6,000 workers have had their skills upgraded to work in a new manufacturing process with new technology.

The effect has been marvelous both in new technology and competitiveness, and in a diminution in unemployment in Flint.

In 1982 the city of Flint was the unemployment capital of the country with an unemployment rate that reached 27.1 percent. Today, while still too high, the unemployment rate has dropped to 13.7 percent.

The education and labor provisions of H.R. 4800 will help replicate this experience more efficiently and more widely.

Together, title V and the other provisions of H.R. 4800 seek to set a new direction in trade policy, a policy change which is long overdue.

For more than 5 years, now, this country has tried to practice so-called free trade policies while other countries have played by a different set of rules. The result of this has been an overall trade deficit of nearly $150 billion last year. The largest trade deficit of any nation in world history. Last month alone, our trade deficit reached $14.5 billion, $2 billion more than the month before.

I am pleased that H.R. 4800 sets new guidelines for American trade negotiations so that unfair foreign trade actions will be promptly met with an appropriate and tough American response. This measure sends a clear signal to our major trading partners that we will no longer tolerate unfair trading practices and we will vigorously enforce U.S. trade laws.

And it provides both American industry and American workers with the tools they need to enhance their competitiveness in today's world economy.

Mr. JEFFORDS. Mr. Chairman, other Members have already pointed out the magnitude of our trade deficit and the serious economic effects that it has engendered. They have discussed the steps that they believe we must take to turn around the flow of trade. During my remarks, I want to focus on the long-term strategy that we should pursue in addressing our trade problem. I want to make sure that we don't miss the forest for the trees—that in attempting to solve the immediate problems of unfair trade practices and of the flood of imports, we don't ignore the need for education and training and improve productivity. A far better alternative to protectionism is a policy that encourages America's workers and industries to rise up and meet the challenges of foreign competition. We must think positive, not negative.

Over the past few years America has become increasingly vulnerable economically. American businesses have been undersold by foreign competitors with newer technologies and cheaper labor. The number of U.S. jobs either directly or indirectly related to exports fell by 1.8 million, or 25 percent, between 1980 and 1984. Despite the lower value of the dollar, the Nation's merchandise trade deficit widened to $14.52 billion this March. The trade gap with Japan swelled to a record $5.52 billion in March, approximately $1.2 billion more than in February.

For some time America remained at the forefront of the high-technology sector, with an established computer industry and well-financed military research and development. Entrepreneurs provided the energy and skills needed to develop products. The Government provided funds—often first to the universities in the form of development grants and research support—and later, as an eager customer, to emerging new enterprises.

We have begun to lose our competitive edge even in high-technology, "sunrise" industries. Between 1965 and 1980, U.S. exports lost a share of the world market in 7 out of 10 high-technology industries: engines and turbines; professional and scientific instruments; electrical equipment and components; optical and medical instruments; drugs and medicine; plastic and synthetic materials; and industrial chemicals. We held our share in aircraft and parts, and we gained export market share only in office, computing and accounting machines, and in agricultural chemicals.

There is no single, stop-gap measure that can resolve America's trade problem. We must use all the tools at our disposal. And among the most important of these tools is education and training. Over the next 10 to 15 years, the work force will undergo a major change in composition. There will be striking increases in the less well educated segments of the population that have typically been the least prepared for work. From 5 to 15 million manufacturing jobs will be restructured, and an equal number of service jobs will become obsolete. The disruption from these changes in work will be great, and the need for job training will take on added significance. As most workers will have a number of jobs during the course of their lifetimes, retraining and skill upgrading will also become increasingly important. After all, over 75 percent of the work force in the year 2000 is already working today.

There is growing evidence that even today there is a real mismatch between new jobs in the labor market and the people who are available to fill them. For some worker-hungry personnel officers, jobless statistics are mysterious; they can't get enough skilled workers. The dearth of skilled workers is due in part to the "baby bust"—the low birth rate of the 1960's and early 1970's. It is also due, however, because unemployed workers do not have the right skills to take advantage of the increased demand for workers.

What is needed are solid retraining programs to enable workers to adapt to the age of technology. The Office of Technology Assessment estimates that there are over 2 million displaced workers in this country—workers who held their previous jobs for 3 or more years. Such workers are now unemployed through no fault of their own; their displacement is usually associated with technological and economic changes. Some may have worked in industries adversely affected by imports; some may have been employees of a plant forced to shut down. In Canada the government has successfully implemented Worker Retraining and Placement Committees to aid workers in factories facing shutdowns or mass layoffs.

The problems of dislocated workers are not the same as the problems of the hard-core unemployed. Dislocated workers generally have established work histories and good work habits. They represent an important natural resource whose productive work efforts could contribute substantially to the Nation's economy. We've got to find a place for such dislocated workers to be retrained so that their potential contributions are not lost, and so they can again be productive human beings. Many of these needs are not being met by our Government, and any trade strategy that we develop should consider them.

Any efforts to help dislocated workers, however, must supplement an improved education foundation provided by our school systems. It is basic education that forms the bedrock of employment skills. American education, once the envy of the world, is being outpaced by countries that once played catchup with the United States. It would be hard to deny the connection between Japan's involvement in the world marketplace and the improvements it has initiated in its educational system. In Japan, students spend four times as much time on homework than their American counterparts. More Japanese, 90 percent, graduate from high school than Americans, 75 percent. They attend school for longer hours. And they are required to pursue a more rigorous curriculum, including required courses in math, science, and foreign language. Per capita, Japan turns out twice as many engineers as the United States. Efforts to improve the quality of academic education in the schools is essential to the development not only of knowledge in mathematics, science, computer literacy, and foreign language that will translate into improved opportunities for international commerce. Now the United States is in a position of having to play catchup.

Another area in which we might follow the Japanese lead is labor-management cooperation committees.

Such "quality circles" have provided an opportunity for an exchange of ideas between labor and management regarding improvements in production techniques and general working conditions. In these situations, the worker is more akin to a partner than an employee. Japanese companies, using such committees to draw upon the creativity of their workers, have benefited from more committed workers who have felt a greater personal stake in their companies' success.

Last, a final area we cannot ignore is our college and university infrastructure. Following World War II there was a major surge in Federal support for scientific research at colleges and universities. The Federal Government has encouraged the use of college facilities for research and development, expanding the definition of research qualifying for the R&D tax credit to include research contracted out to universities. However, Federal obligations for research and plant facilities decreased 90 percent in constant dollars between 1966 and 1983, and now we face a new problem—an obsolete and outdated R&D infrastructure.

Many college research and laboratory facilities are woefully inadequate. Many lack basic equipment, and most lack state-of-the-art equipment necessary for R&D. On an average, university research equipment is twice as old as comparable equipment in industry. A recent survey by the National Science Foundation found that 20 percent of university scientific equipment is obsolete and no longer used. It has been estimated that it could cost between $30 and $40 billion to replace and renew higher education's physical plant. Industry can only make up a small portion of the decline in direct Federal support of university R&D facilities. To make up a 1-percent loss in Federal support would require about a 20-percent increase in support from industry.

That our competitive position is as strong as it is may be due in no small part to earlier investments in science and technology. The United States is dependent upon its R&D enterprise. Research and development efforts have fueled the economy, and our entire society has benefited from the fruits of these efforts, which include, of course, college and university R&D. Our industrial productivity, security, health, and general welfare are all affected by the quality of the Nation's research and development activities. University-conducted research accounts for about half of all basic research and about 12 percent of R&D efforts.

The problem of outdated research and laboratory facilities is exacerbated by the ever-increasing pace of the technological revolution. Each new experiment seems to require more sophisticated equipment and more complex techniques. Research and laboratory facilities are important not only because they are the training ground for our scientists and engineers of the future. They are also crucial to the role played by our institutions of higher education in the development of new processes, new products, and new discoveries that could form the basis of new industries. A key challenge facing our Nation in the future will be improvement of the mechanisms for transforming basic research into the first stage of product development—to enhance collaborative efforts between business, higher education, and government that will facilitate transfers from the drawing board to the factory. We cannot expect colleges and universities to meet that challenge with wornout tools.

In my view, the best defense against the trade deficit is a good offense. Any attempt to solve our trade problem should take a long-range view. We need to look beyond free trade, fair trade, and protectionism. Our strategy should embrace education and training programs to make our workers and our industries more productive and competitive. Paying heed to the role of science and technology in our Nation's future, we should look for ways to assure that our future work force has the knowledge and the skills to keep America at the forefront of new developments in the fields of science, technology, and engineering. Our strategy should also encompass an effort to assure that our colleges and universities have the resources—both human and physical—to play a leading world role in developments in science and technology. In short, it should include a strong effort to make ourselves competitive and productive not only this year but in the decades to come.

In order to address these critical issues that I have outlined, I intend to offer an amendment to title V of the trade bill. There was an error in my amendment as printed in the May 15 RECORD. A corrected version of the amendment will be printed in the RECORD of today's proceedings, and I will ask unanimous consent tomorrow to offer the corrected amendment in lieu of the amendment as printed in the May 15 RECORD.

My amendment includes a program of matching grants for the modernization and revitalization of college research and laboratory facilities. As I indicated above, I think restoration of our R&D capability is of paramount importance if we are to stay at the forefront of developments in science, technology, and engineering.

My amendment would authorize a more realistic figure for worker readjustment and placement committees, based on the successful experience with such committees in Canada.

Finally, the amendment calls for two demonstration or pilot programs to determine how farmers and farm communities can best be served by job retraining services, and to determine whether techniques such as job sharing or reduced work hours could be used to reduce the adverse impact of mass layoffs.

It is, believed, essential that any effort to resolve our trade problem encompass education and training programs, as well as a strong effort to revitalize our R&D capacity. As Secretary of Labor Brock—a former U.S. Trade Representative, and no stranger to the trade problem—has said:

> There are just a few basic ingredients in our ability to compete. The first and most important is people * * *. As a nation, we have the most productive people in the world. They are ready, willing and able to work—all they need are the tools. And that means building an educational system that prepares us for the world of work, whatever field that may be, it means investment in new plants and equipment, it means investment in retraining and lifetime skills.

Education and training programs will help assure that we not only regain our place as a leader in world trade, but that we retain that position for years to come. Therefore, they should be a critical and fundamental part of any trade bill we consider.

AMENDMENT TO H.R. 4800 OFFERED BY MR. JEFFORDS

Page 327, line 16 strike out "$500,000,000" and insert in lieu thereof "$480,000,000".

Page 341, line 6 strike out "$500,000,000" and insert in lieu thereof "$470,000,000".

Page 340, after line 25 insert the following new chapter:

Chapter 4—College Research Facilities

SEC. 545. REPLACEMENT AND MODERNIZATION OF COLLEGE RESEARCH FACILITIES.

(a) PURPOSE.—It is the purpose of this section to assist in revitalizing the Nation's academic research programs through capital investments in laboratories and other research facilities at universities and colleges.

(b) PROGRAM ESTABLISHMENT.—To carry out this purpose, the Secretary of Education shall, from the sums available under subsection (g) to carry out this section in any fiscal year, establish and carry out a new university research laboratory modernization program that will provide assistance for the replacement or modernization of such institutions' obsolete laboratories and other research facilities.

(c) COMPETITIVE GRANTS; REGULATIONS.—The university research laboratory modernization program established pursuant to subsection (b) shall be carried out through projects which involve the replacement or modernization of specific research facilities at universities and colleges. Funds shall be awarded in response to specific proposals submitted by such universities and colleges, in accordance with regulations prescribed by the Secretary of Education to carry out the purpose of this part. Funds to carry out the program shall be awarded on a competitive basis. The funds so awarded to any university or college shall be in an amount not exceeding 50 percent of the cost of the replacement or modernization involved (with the funds required to meet the remainder of such cost being provided by the institution

involved or from other non-Federal public or private sources).

(d) CRITERIA FOR AWARD.—Criteria for the award of funds to any institution for a project under a university research laboratory modernization program shall include—

(1) the quality of the research and training to be carried out in the facility or facilities involved;

(2) the congruence of the institution's research activities with the future research needs of the agencies referred to in subsection (f); and

(3) the contribution which the project will make toward meeting national, regional, and State research and related training needs.

(e) EQUALIZATION OF FEDERAL FUNDS.—At least 15 percent of the amount available under this section in any fiscal year shall be available only for awards to universities and colleges that received less than $10,000,000 in total Federal obligations for research and development (including obligations for the university research laboratory modernization program) in each of the two preceding fiscal years.

(f) CONSULTATION.—In prescribing regulations and conducting the program under this section, the Secretary of Education shall consult with—

(1) the National Science Foundation;

(2) the Department of Health and Human Services;

(3) the Department of Defense;

(4) the Department of Energy;

(5) the National Aeronautics and Space Administration; and

(6) the Department of Agriculture.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated (in addition to sums authorized by section 511) $50,000,000 for fiscal year 1987 and such sums as may be necessary for each succeeding fiscal year to carry out this section.

Page 350, after line 25, insert the following new subsection (and redesignate the succeeding subsections accordingly):

"(f) The Secretary shall identify individuals, including employees of the Department of Labor, who shall be available on a regional basis to provide planning, operational, and technical assistance to labor-management committees described in subsection (b).

Page 356, line 13, insert before the close quotation marks the following: "Such report shall also include an analysis of alternative methods for reducing the adverse effects of displacements of farmers and ranchers, not only on the individual farmer or rancher, but on the surrounding community.".

Page 357, after line 9, insert the following new subsection:

(e) ADDITIONAL STUDIES.—The National Commission for Employment Policy shall conduct research related to the provisions of this subtitle. Such research shall include examination of—

(1) the role of the employment services in implementing programs to enhance services provided under this subtitle, and

(2) alternative techniques for managing production cutbacks without permanently reducing workforces.

A report on the research conducted under this subsection shall be submitted to the Congress not later than 18 months after the date of enactment of this Act.

□ 1620

Mr. HAWKINS. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. MOAKLEY].

Mr. MOAKLEY. I thank the distinguished gentleman from California [Mr. HAWKINS], the chairman of the Committee on Education and Labor, for yielding this time to me.

Mr. Chairman, chapter 3 of title V of H.R. 4800, authored by my colleague from Massachusetts, Mr. ATKINS, authorizes the Secretary of Education to provide grant assistance to a nonprofit State corporation to design, develop and construct, a model, regional educational telecommunications network and technology resource centers.

A plan for a national educational telecommunications demonstration program has been developed by the Massachusetts Corporation for Educational Telecommunications [MCET]. MCET is a nonprofit State corporation established by the Massachusetts State Legislature for the purpose of developing a comprehensive educational telecommunications network. MCET has designed a state-of-the-art satellite based network which has the capacity to link all elementary and secondary schools, colleges and universities, libraries, medical facilities, and worksites in Massachusetts and throughout New England.

Mr. Chairman the New England region has vastly different educational and economic needs. Several universities in the region have already been working with educational telecommunications on a limited scale and are eager to expand programming services through a comprehensive regional network. A number of private sector corporations have also expressed strong interest in receiving worker training programs over an educational telecommunications network such as MCET.

Mr. Chairman, dramatic improvements in educational quality are needed if American industry and workers are to regain their competitiveness in the world economy.

I would like to ask the distinguished Chairman of the Educational and Labor Committee, Mr. HAWKINS, if he agrees that the use of educational telecommunications can help move our Nation in this direction?

Mr. HAWKINS. Mr. Chairman, if the gentleman will yield. I do agree with the gentleman from Massachusetts that advances in educational telecommunications can play an important role in improving math, science, foreign language, and other instruction in our Nation's schools.

In my home State of California, several universities have existing educational telecommunications networks serving students and workers in their general vicinities. It is in the interest of these and other similar programs around the country that a national demonstration of a large-scale network be conducted.

Mr. Chairman, training of displaced workers and improvements in math and science education are among the primary goals of title V of H.R. 4800, the Education and Training for American Competitiveness Act. The Committee on Education and Labor believes that educational telecommunications can help achieve these goals by working to bridge the gaps in our educational system which have resulted in the educational and industrial competitiveness crisis we now face.

For these reasons, the Committee accepted the amendment of the gentleman from Massachusetts [Mr. ATKINS] authorizing the construction of a national demonstration network. I would like to commend the author of the amendment, Mr. ATKINS, and you, Mr. MOAKLEY, for your strong support for this project and the overriding need to improve our Nation's educational quality and industrial competitiveness.

Mr. MOAKLEY. Mr. Chairman, I thank the distinguished chairman for his remarks and his support of a national demonstration of a model, regional educational telecommunications network. I also congratulate the gentleman from Massachusetts [Mr. ATKINS] for his leadership on this important issue.

Mr. JEFFORDS. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. REGULA].

Mr. REGULA. I thank the gentleman for yielding this time to me.

Mr. Chairman, I support this bill. It is not perfect, but I think it is a step in the right direction. Hopefully it will be improved in the other body. It does require that the President take action if there is evidence of unfair trading practices, and that has been a longtime concern of many of us. It has a wide range of options available to the President, and it does have a safety valve. I think it is important that we emphasize that the section 301 mandatory action is waived if the President determines such action is not in the national economic interest of the United States.

Another important feature is that it does provide a private cause of action for dumping. It gives those who are being unfairly hurt by dumping some recourse.

I am disappointed that the bill did not address the problem of the measure of damages in determining whether or not there is dumping. As my colleagues know, our present laws provide protection to our domestic industries against dumping practices.

When it is calculated that dumping occurs, remedies and penalties are invoked to restore the loss to our domestic producers.

A critical factor, therefore, becomes the calculation of dumping margins. Presently, the U.S. Commerce Department treats foreign importer sales to U.S. subsidiaries differently from sales to unrelated parties. The result is that

it is easier for foreign importers to dump when they sell to a subsidiary purchaser.

This is because the Commerce Department does not deduct a reasonable profit during its dumping calculations when the sale is to a related party. This has the effect of inflating the exporter's sales price by the amount of such phoney profit and reduces the possible dumping margin by that amount.

In essence, what happens is that a foreign importer makes a product for $10, sells it to a U.S. subsidiary for $9, but tacks on a phony profit of $3 for purposes of the dumping calculation. Our Commerce Department then considers the sales price to be $12 instead of $9, and, instead of dumping, this sale is considered lawful. In reality, it is a sham.

Every other nation implementing an antidumping law or regulation follows the practice of deducting a reasonable profit from related party prices. Our Commerce Department maintains that, while this is the case, their method of calculation is correct, despite the fact that it hurts American industries.

I submit that we gain few points in world trade by standing on the righteousness of our actions while watching our trading partners calculate dumping in a way that more appropriately protects their domestic industries.

The object of any trade legislation should be to inject fairness into the system. By amending our dumping calculation method to conform to that of our trading partners, we can make a more level playing field for American workers.

I proposed this change as an amendment when this bill was in committee. I speak today to establish a legislative record about this issue, it is my intent to proceed with this matter as this legislation is considered in the other body.

Mr. HAWKINS. Mr. Chairman, may I ascertain how much time I have remaining?

The CHAIRMAN. The gentleman from California [Mr. HAWKINS] has 3½ minutes remaining and the gentleman from Vermont [Mr. JEFFORDS] has 2 minutes remaining.

Mr. HAWKINS. Mr. Chairman, I yield 2 minutes to the gentleman from Montana [Mr. WILLIAMS], a member of the committee.

Mr. WILLIAMS. I thank the Chairman for yielding this time to me.

Mr. Chairman, I rise in support of this legislation, and particularly the important education and training component of this legislation. America cannot regain its status as the world's leading and most aggressive trader unless we have appropriate education and training and retraining of the American work force, and that includes those people who are, of course, not yet in the work force but in their younger years.

The bill authorizes, as my colleagues know, two programs under the Job Training Partnership Act. One is to provide efforts on an industrywide basis to workers who are adversely affected by trade, and the other is to provide individual education and retraining to workers whose jobs are at risk.

□ 1630

The bill also, by the way, authorized the development and implementation of computer State job bank systems to increase job-matching efficiency and that is very important.

In the area of education, the bill authorizes a program in which State education agencies would receive money for literacy training, vocational education and education in mathematics, science and the foreign languages.

I believe that is a critical part of this bill. America's standing in international competition has been significantly eroded by illiteracy, including functional illiteracy in the work force here in the United States. Our world neighbors, our friends around this globe, are for the first time in four decades or more seriously challenging us in both the marketplace of goods and the marketplace of ideas. It is the education component of this legislation that establishes America once again as the leader in the marketplace of ideas.

If we are to continue to compete as a nation in the grand American tradition, we must have a fully literate work force and the authors of this bill had the wisdom to provide that component within this trade legislation.

Mr. JEFFORDS. Mr. Chairman, I yield myself such time as I may consume. Mr. Chairman, I would just like to offer some comments about the education training section and what I would feel would hopefully be the need in this bill to have a provision which would adequately fund it.

I am concerned about the fact that we will have to be competing, although there is $500 million set aside in the budget with other programs in order to fund this title.

I believe what we should have done, although it would not be ruled in order by the Chair, would be to take and put a small fee on all the imports that come into this country so that we could use the moneys which would derive from the problem to give us a solution.

For instance, by a 0.3 percent fee on imports that come into this country, we could generate $1 billion, or more than $1 billion, to put and to adequately fund all these programs and make it unnecessary to compete with the other priorities which are established in our budget system.

I am afraid that, unfortunately, I cannot offer that amendment, but I would hope, as we go into the future, that we will take seriously the fact that we have to provide adequate funding for this title here in order to make it work and to give America the advantages of what we could do with adequate funding in this title.

Mr. HAWKINS. Mr. Chairman, I yield the balance of my time to the gentleman from Minnesota [Mr. VENTO].

The CHAIRMAN. The gentleman from Minnesota [Mr. VENTO] is recognized for 1½ minutes.

Mr. VENTO. Mr. Chairman, I rise in support of title V of this measure which address the displacement of workers and education retraining benefits and help to address this adverse impact and I rise in support of the worker rights provisions in H.R. 4800 which would amend section 301 of the Trade Act of 1974 to define the denial of certain basic internationally recognized worker rights as an unreasonable trade practice. These worker rights include the right of association, the right to organize and bargain collectively, the prohibition on the use of any form of forced or compulsory labor, a minimum age for the employment of children, and acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health.

Mr. Chairman, I want to commend the chairman of the education and labor committee for his good work on title V and I further want to commend my good friend and colleague, the gentleman from Ohio [Mr. PEASE] for his outstanding work in the Committee on Ways and Means in including these important provisions in H.R. 4800. The gentleman from Ohio has put his finger on one of the most glaring and indefensible obstacles to the establishment of fair international trade. It is fundamentally unfair for American industries and American workers to compete in the international marketplace against government-owned and government-sponsored industries which fail to adhere to basic standards recognizing the rights of their workers.

The basic worker rights which are defined in this legislation are not new ideas nor are they unusually controversial in most countries of the world. While certain particular standards governing hours, wages, working conditions, and health and safety standards may vary from country to country, there is a generally recognized international principal which recognizes that workers who produce goods and services should have certain rights as well as consumers.

There is a rich body of law and custom which confirms the importance of worker rights in our trade relations with other nations. The basic rights identified in the bill include freedom of association, recognized in

our first amendment and in the National Labor Relations Act of 1935 which permits workers to join a union and bargain collectively. The prohibition on forced or compulsory labor is contained in our 13th amendment and is reaffirmed in the Taft-Hartley Act of 1947. The establishment of a minimum age for the employment of children was first recognized in the Fair Labor Standards Act of 1938. This law also set the first minimum wage and hours law. Finally, the framework for occupational safety and health standards was established with the passage of the Occupational Safety and Health Act of 1970. Numerous court decisions over the years in our State and Federal courts have reaffirmed the vital importance of these basic laws recognizing the rights of American workers.

But these principles have been applied outside of the United States as well in the international community. The United States has participated for over many years as an active member of the International Labor Organization [ILO]. The ILO has adopted most of these basic principles through its covenants with member nations. While the United States has not adopted each and every ILO covenant, official U.S. policy over the past 50 years through both Republican and Democratic administrations has been to support a generally progressive labor policy which recognizes fundamental worker rights.

There has been considerable misinformation spread concerning the worker rights provisions of this legislation. Some have suggested that the adoption of these provisions would somehow impose U.S. labor laws and standards upon our trading partners. Nothing could be further from the truth. Even if we wanted to do so, this Congress lacks the authority to legislate for other sovereign states. We do have the authority, however, within the context of our own bilateral and multilateral trade relations with other countries to attempt to persuade other nations to live up to the word of the agreements which they have signed with the ILO and to urge respect and adherence to internationally accepted labor principles and practices. As I mentioned earlier, this is asking nothing more than what the United States has been willing to do and in fact has done over the past 50 years.

H.R. 4800 worker rights provisions carefully distinguishes "unjustifiable" trade practices from those which are "unreasonable." Unjustifiable practices, such as foreign violations of existing trade agreements, require—with certain limited exceptions—a proportional response by the President. The worker rights provisions of the bill fall under the category of "unreasonable" practices which allow the President discretion in the timing and nature of a response. These provisions do not tie the President's hands nor do they require any unreasonable action. They simply attempt to provide the President with some authority to address the issue of basic worker rights in the context of our trade agreements with other nations. Our trading partners who are members of the ILO and who profess support for internationally recognized worker rights should not be offended when this issue is raised, as it should be, in our trade negotiations with them.

Finally, Mr. Chairman, as a matter of trade policy, I believe that the worker rights provisions of this legislation are necessary to further the domestic economic development of our trading partners and to strengthen our trade relations. International trade should not only benefit those who consume goods but should benefit those who produce those goods as well. Strong support for international worker rights is in our national interest to be sure, but it is also in the interest of our trading partners. Improving the living standards of workers around the world through support for international standards will inevitably create strong new markets for our trading partners' domestic industries as well as our own American industries if they have reasonable access to those markets.

Both title V retraining provisions and these worker rights provisions are a major improvement over the existing policy path that we are following. U.S. policy would treat with logic the workers displaced and educate and train and bring them back into the mainstream, the world of work with enhanced education facilities and infrastructure and the limits on the impact of unjust treatment—worker rights, indeed exploitation of workers in our trading partners economies.

I hope that my colleagues will join me in supporting these important retraining and worker rights provisions in H.R. 4800.

The CHAIRMAN. All time for general debate under the jurisdiction of the Committee on Education and Labor having expired, general debate shall now continue for 30 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture.

The gentleman from Texas [Mr. DE LA GARZA] will be recognized for 15 minutes, and the gentleman from Illinois [Mr. MADIGAN] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Texas [Mr. DE LA GARZA].

Mr. DE LA GARZA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, when the Hcuse debates national trade policy, as we are doing today, one of the key elements in that discussion must be agricultural trade policy. That is true for two reasons:

First, agricultural exports are crucial to the financial stability and future prosperity of our agricultural and food economy.

And second, for many years, agricultural trade has been one of the few areas in which the United States has had a positive balance of trade. The wheat, cotton, and other crops we sell abroad, in other words, help pay for many of the foreign products we import.

In both of those areas, we have problems that must be addressed.

As the House knows, the Nation's farm economy is in trouble, and one major cause of that trouble is the fact that agricultural exports have declined sharply during the 1980's. Exports have fallen from a record of $43.8 billion in fiscal 1981 to an estimated $28 billion for the current fiscal year. That represents a decline of more than 36 percent in that area.

As far as the balance of trade is concerned, there is also cause for concern. In the 1981 fiscal year, our agricultural exports ran ahead of agricultural imports by $26.6 billion. In fiscal 1986, however, the favorable balance of agricultural trade will be down to only about $7 billion—a decline since 1981 of nearly 74 percent.

Our Committee on Agriculture, Mr. Chairman, addressed the issues related to agriculture and I would advise my colleagues that some of the areas that we adopted amendments and submitted for incorporation into this vehicle were either deleted because of jurisdictional conflict with other committees, or were adopted by the other committees, specifically the Committee on Ways and Means and the Committee on Foreign Affairs in their section of this omnibus trade bill.

What we have then that provides incentive, assistance and some degree of hope to our agricultural sector is giving more or additional tools, the basic tools that agriculture needed for competing in the world economy, I think, were well provided in the Farm Act of 1985. These are, then, additional tools that we would give the President and the various agencies to deal with some of the areas of concern related to agricultural trade, world trade, beyond the domestic utilization of the products that our farmers produce.

The decline in our agricultural trade balance is bad news for our entire economy. When we lose exports, farmers lose income, but they are not the only people who suffer. Declining exports mean that surpluses go up and farmers are forced to reduce acreage—and that affects the whole wide range of industries that produce farm supplies and handle farm commodities.

Let me give you just one example. In the 1981 crop year, farmers used nearly 288 million acres for wheat, corn, sorghum, barley, soybeans, rice, and cotton. In the current year, under programs which we are using to cope with heavy surpluses, the acreage for those crops will be limited to only about 266 million acres. Our farm economy and our national economy would be much better off if farmers and the agribusiness industries had those idled acres back in production at prices that produced a fair return for the growers.

We do not have a precise estimate of just how much net income American farmers have lost because of the decline in exports. But if you look at the USDA estimates of export sales in recent years, you will find some uncomportable numbers. Just suppose, for a moment, that export sales in recent years had remained at the fiscal 1981 level of $43.8 billion. In the 6 years ending in fiscal 1986, that would have brought nearly $263 billion from foreign buyers of our farm products. The actual amount we got in that period was just under $215 billion. And that means the American farm economy, over the past 6 years, has lost a cumulative total of nearly $48 billion in export sales.

This problem is not new. The export depression was one of the major factors we considered in the House when we wrote the omnibus farm bill last year. That bill, as my colleagues recall, included a number of major new program and policy steps designed to help make us more competitive in world agricultural markets.

Now, as part of H.R. 4800, the general trade bill which is before the House today, we have provisions which give us an opportunity to go further in dealing with agricultural trade issues. Title VI of the bill includes several proposals designed to make the programs adopted in 1985 work more effectively. In addition, we have included proposals that can make the Agriculture Department a tougher, better coordinated and more active agency for moving American products into world markets. Also, we have added several features designed to make sure that American growers get a fair chance to compete with imports in our own domestic market. And finally, we have brought you amendments which put Congress on record against the European Community's recent steps to restrict American trade and which urge the President to take a strong stand against foreign discrimination against American beef and citrus products.

Mr. Chairman, I will include in these remarks a brief summary of the items included in title VI of the bill. Before doing so, however, I want to reemphasize the importance of trade to agriculture and to remind the House again how much damage is done when we lose agricultural exports.

I will not go over the dismal figures on farm income and the number of farmers who have suffered so much in this worst agricultural depression since the 1930's. But in addition to the record of suffering on the farm, there is a record of economic distress that is a direct result of the problem on the farm. I want the House to hear the following brief extract from a March 1985 report from the National Commission on Agricultural Trade and Export Policy:

> Capacity utilization in the pesticides manufacturing and potash industries has fallen by 33 percent and 22 percent since 1980. Soybean crushing plants are operating at 64 percent of capacity and grain trading firms at 50 percent. 1,200,000 less bushels of basic commodities were loaded on barges on a weekly basis in 1984-85 than in 1980-82. Two thousand less railcars carried commodities on a weekly basis in 1984-85 than in 1980-81. The story is equally serious for other industries. Although other sectors of the general economy are experiencing growth, there has been no economic recovery in U.S. agriculture.

That report is now a little more than a year old. But the basic problem it presents has not changed much.

Mr. Chairman, I know there are some who say that we should not use programs which promote exports by programs such as the Export Bonus Program or the export credits we approved last year. I agree that in a ideal world, where all nations use fair trading policies, it would be better to do without such programs. But we do not live in a perfect world. The fact is that there is today little really free trade in agriculture. Governments all over the world use programs designed to protect farmers for a variety of reasons—sometimes to help assure domestic food supplies, and sometimes to give their farmers an advantage in world markets.

Our country has made repeated efforts over the years to improve the world trade climate and to eliminate unfair subsidies and trade barriers. I believe Congress and our farmers favor these efforts and want them to continue and to succeed. But until they do succeed, we cannot leave American farmers standing alone to compete against the treasuries of foreign governments.

For all these reasons, we need to take every chance we get to improve our policies, programs and machinery for promoting agricultural exports and for moving toward fair trade conditions in both export and domestic markets. Here now is a summary of the steps in that direction taken by title VI of H.R. 4800.

SUBTITLE A

This subtitle deals with several problems that have hampered the development of responsive Federal programs, including the fact that it has been difficult to coordinate development of effective agricultural trade policy when so many Government agencies are involved in the process. To improve this situation, H.R. 4800 gives the Agriculture Department—subject to the overall trade policy leadership role played by the U.S. trade representative—primary responsibility within the executive branch on all matters concerning agricultural trade and agricultural trade policy. Also, the subtitle will substantially reform the trade policy apparatus inside USDA by steps including creation of the post of Undersecretary for Trade and International Affairs. Other significant provisions of the subtitle will:

Create a mechanism for continuous monitoring of unfair agricultural trade practices by other countries.

Create an office to help American farmers, ranchers, and others damaged by unfair agricultural trade practices prepare cases for submission to the International Trade Commission and other bodies.

Require the President to develop and submit an annual long-term agricultural trade strategy plan.

Authorize the Secretary of Agriculture to make surplus Government-owned commodities available for cooperator projects overseas to expand agricultural markets.

Strengthen a provision requiring that priority in operating the Export Enhancement Program—using surplus commodities as export bonus payments—be given to traditional foreign customers who continue and expand their purchases.

Encourage the Agriculture Department to implement the agricultural commodity barter programs established by the 1985 farm bill.

SUBTITLE B

In recent years there has been an increasing number of cases in which unfair trade or subsidy practices of other nations have damaged domestic markets for American farmers. The subtitle, in dealing with these issues, will:

Require the Secretary of Agriculture to collect hard information on the value and quantity of imported raw and processed agricultural products and compare these estimates to domestic production and consumption.

Require the ITC, when investigating "material interference" cases involving tobacco imports under section 22 of the Agricultural Adjustment Act, to take into account the assessments paid by American farmers to cover costs of the Tobacco Support Program.

Express the sense of Congress that the President should impose import fees and duties against the products of countries that discriminate against American citrus and beef in violation of the General Agreement on Tariffs and Trade.

Require the Secretary to conduct studies to: First, determine whether imports of honey interfere with or render ineffective the Federal Honey Support Program; and second, whether imports of roses are adversely affecting domestic products.

SUBTITLE C

This subtitle includes provisions addressing several other trade-related problems. It will:

Deny benefits of the Federal Milk Marketing Program to dairies owned by foreign entities and financed by industrial revenue bonds—applies only to dairies that begin operations after May 6, 1986.

Prohibit the addition of dockage or foreign material to U.S. export grain.

Express the sense of Congress in opposition to the trade restrictions that the European Community has applied to American Agricultural products as a result of the addition of Spain and Portugal to the European Community. The provision states that if satisfactory compensation is not obtained, retaliatory steps such as those announced by the President should be taken.

In addition, a number of provisions directly affecting agriculture are found in titles I and VIII reported by the Committee on Ways and Means and in title III reported by the Committee on Foreign Affairs.

Mr. Chairman, the provisions of title VI were developed by the Committee on Agriculture at business meetings held on May 6 and May 8, 1986. At those meetings, the committee approved a number of proposals to improve the agricultural trade situation, and advised the Committee on Rules of its decisions.

Also, following the business meetings, my staff worked with other House staff to include proposals approved by the Committee on Agriculture in the omnibus trade package then being put together for introduction on May 9. For the most part, the committee proposals were included in the trade bill and are before the House today, as title VI of H.R. 4800. Several committee proposals were not included in title VI of H.R. 4800 because of jurisdictional concerns or because of overlap with the provisions of other titles of H.R. 4800.

I would advise the Members that the Committee on Agriculture has put together a committee print that provides the legislative history for title VI. The committee print documents the committee's work that led to the inclusion of title VI in H.R. 4800, and analyzes and describes the background for the provisions in title VI.

I would note, for the record, that the provision adopted by the Agriculture Committee relating to ethanol imports was not included in title VI of H.R. 4800, but was included as section 864. Also, a provision approved by the Agriculture Committee authorizing increased use of Department of Agriculture representatives, such as agricultural attaches and agricultural counselors, abroad was deleted from title VI because a similar provision was included in section 314(c) of title III, developed by the Committee on Foreign Affairs.

With respect to the Agriculture Committee provision relating to emergency action in import relief, while it was not specifically included in H.R. 4800, its intent and purpose are reflected in other provisions of H.R. 4800, particularly the provisions of title I providing for emergency relief on perishable agricultural commodities, and expedited action in critical circumstances, in section 201 cases.

H.R. 4800 does not contain the Agriculture Committee proposal requiring reciprocal action when another country is using unfair trade practices in competition with U.S. agricultural commodities determined to be in surplus supply. However, I would note that title I of H.R. 4800 does contain a number of provisions toughening the U.S. response in section 301 unfair trade cases. For example, the bill will require the U.S. trade representative to initiate a section 301 investigation into the acts of a foreign country that have a significant adverse effect on U.S. exports and is a likely violation of U.S. rights.

With respect to the Agriculture Committee provisions relating to unfair competition reports, not included in H.R. 4800, I would note that other provisions of title VI establish a trade victim's assistance unit within the Department of Agriculture, and the Department of Agriculture will be designated to have primary responsibility, within the executive branch, for agricultural trade matters. Also, title VI retains the provision of the Agriculture Committee proposal on assistance to victims of unfair trade practices requiring other agencies to consult with the Secretary on actions that could be initiated to counter unfair trade practices that adversely affect U.S. agriculture.

I would note that the title VI provision relating to the use, by cooperator groups, of PIK commodities abroad is the language adopted by the Foreign Affairs Committee and originally proposed for inclusion in title III, rather than the language included in the Agriculture Committee proposal.

Finally, I would note that H.R. 4800 does not include several proposals adopted by the Agriculture Committee, as follows: First, the sense of Congress relating to the generalized system of preferences: second, the proposals relating to limiting Canadian beef imports and amending the Meat Import Act of 1979 to include lamb, liver cattle, and pork; and third, the sense of Congress proposal relating to the Agency for International Development.

There are other areas in which we add some of the tools necessary, Mr. Chairman, and I submit to the members that the Committee on Agriculture diligently, conscientiously and, I think, effectively dealt with the issue in our committee in a nonpartisan way, as we always have within our committee, looking toward the end result of enhancing the ability of our agricultural sector, of our producers, to compete in a world market on a fair, equitable, level playing field.

□ 1640

Beyond that, we leave it to our ingenuity, our productivity, and the quality of our product to compete with the other countries; but we can and we should and we must level the playing field by whatever equitable means we can utilize in order to give our producers not the edge, but the ability to compete equally with other producers around the world.

Mr. Chairman, I reserve the balance of my time.

Mr. MADIGAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to take this opportunity to commend my chairman, the gentleman from Texas, for his efforts to properly address the difficulties that American farmers face in agricultural trade. Through all of last year, the Agriculture Committee worked in a bipartisan manner to remedy many of these difficulties in the 1985 farm bill. Now, before those remedies have even been fully implemented, we are presented with this so-called Trade Reform Act that politicizes our formerly bipartisan trade policy and singles out the American farmer to bear the brunt of this misguided and highly political bill.

This year the Agriculture Committee was awaiting the recommendations of the congressionally created agriculture export commission that has been working for 18 months to identify areas of needed reform. The committee intended to develop comprehensive agricultural trade legislation later this year.

Suddenly, the orderly work of the committee was disrupted by a demand from the majority leadership to immediately submit agricultural sections for the bill now under consideration. It was also made clear that this omnibus trade bill would be the only trade vehicle for the rest of this Congress. As a result, the Agriculture Committee was forced to abandon its plans for a carefully considered agricultural trade bill this year and hurriedly throw together a jumble of ideas with almost no debate and without being able to consider the final report of the agriculture export commission. While most of

the ideas contained in title VI of H.R. 4800 are acceptable, we don't have any idea what important proposals for enhancing farm exports we have missed in pursuit of this omnibus bill.

The real danger for American farmers in H.R. 4800 lies beyond the agricultural title. In a shortsighted effort to placate every political segment of the population involved in trade, the majority has stirred up a witch's brew of protectionism that is certain to ignite a trade war. And the first victim of that trade war is going to be the American farmer. Already scrambling to retain his share of agricultural exports in a world glutted with excess food exports, the American farmer will be forced to stand by helplessly as his best markets are destroyed by the trade war brought on by the majority's "trade reform."

It may be politically satisfying for some domestic constituencies to create arbitrary, automatic retaliation standards to be used against our competitors or to set ourselves up as self-appointed referees of other countries' labor policies, but such acts will spell the end of American farm exports. The countries targeted by the majority's bill are the American farmer's best overseas customers. The majority may be able to score political points with this bill, but they are going to drive American farmers off the land.

There is no question that the American farmer has been battered in the competition for export markets in recent years. He has borne the burden of embargoes, world recession and an overvalued dollar. Through a series of channels progress has been made to revitalize our farm export trade. In the farm bill Congress put into place new policies and programs that are setting the stage for new growth in U.S. agricultural exports. The administration is implementing those programs and taking action to fight unfair trade practices where they exist. The world trading community is about to enter into a new round of trade talks that may finally resolve many of the major disputes in agricultural trade. Just as we are on the verge of accomplishing something positive for the farmer, the majority's bill would destroy all that effort.

Those of us who represent rural and farming areas should carefully weigh the impact of H.R. 4800 on the farms and small towns of our districts before supporting this bill. Instead of creating a tool to repair the problems in American trade policy, the majority has fashioned a loaded gun pointed directly at the head of the American farmer. Those who care about the fate of the farmer must join me in opposing this ominous trade bill.

Mr. Chairman, I yield 2 minutes to the gentlewoman from Nebraska [Mrs. SMITH].

Mrs. SMITH of Nebraska. Mr. Chairman, I rise today to express my disappointment with the bill we are now considering. I have read many times the comments of some Members of this House that the trade bill before us is proexport, not antiimport. I only wish it were so.

Agriculture was tired of taking a back seat in trade negotiations. It has tired of suffering the backlash from protectionist moves designed to delay the inevitable transition of noncompetitive industries.

We are now discussing the agricultural trade provisions of the bill. If my colleagues want to see some proexport language I commend these sections to them. It is a pity that such laudable goals are completely buried in the overall mean spirited, protectionist tone of this bill. This bill does not just close the door on some of this country's most valued agricultural customers, it slams it in their face, and locks our farm economy out in the cold.

Ninety-five percent of U.S. international trade is waterborne according to the National Association of Stevedores. If you have any doubts that this bill will result in less, not more trade, you need only to look to the Stevedores' opposition to it.

A trade deficit of $148.5 billion is unacceptable, but our Nation, farmers should not have to bear the burden of Congress' frustration with trade law enforcement.

The bill uses the meat ax rather than the scalpel in attempting to remedy problems in U.S. trade laws. The bill would require that the President act by whatever means to cut United States trade deficits with Japan, Taiwan, and West Germany by 10 percent each year. Those three countries accounted for 32 percent of all U.S. farm exports in 1985. The U.S. agricultural trade surplus would have disappeared if those countries had turned to other suppliers last year; $9.3 billion in lost sales.

You can be sure that those nations would turn to other markets. I am sure you all remember the disastrous consequences when the Chinese cancelled $500 million in United States wheat purchases when we restricted $37 million in textile imports. It would happen again.

Another section of the bill makes foreign labor laws a subject that could be cited as an unfair trade advantage. Action under such a statute would constitute foreign meddling beyond anything the American people would accept, and it is naive to believe that it would have any positive effect on policy in the affected countries. This provision would strike hard at the less developed countries. In 1985 these countries bought nearly $12 billion in U.S. farm exports; 41 percent of our sales.

Combining these two provisions lets you see that this bill has huge potential to anger countries buying $21.3 billion of farm products, or 73 percent of our total farm exports in 1985.

Not only is this bill antiagriculture, it is antilabor. Retaliation from our trading partners would result in longer unemployment lines, not shorter. America's exporting and construction industries would suffer, as would manufacturers who rely on imported imputs.

As an example of the bill's potential impact on American jobs, let me cite a study done by a coalition dedicated to stopping wood tariffs. According to those figures, action against Canadian softwood imports would result in a net gain of 511 jobs in 4 States while resulting in a loss of 27,381 jobs in the rest of the country.

This does not mention that the housing industry calculates lumber action moves would drive up the price of an average home more than $1,000. A $1,000 rise in home costs will drive 300,000 people out of the housing market.

Congress is knocking at the wrong door on this issue. Most experts in the field acknowledge that even if every barrier and tariff and unfair practice that the United States objected to were removed, our trade deficit would only fall by 20 percent. More important to the problem of trade imbalances are the value of the dollar and the United States budget deficit.

The bill's proponents have missed the boat on this issue. Not only have their monetary reform proposals been outdated by Secretary Baker's successes, but in an attempt to do something anyway the bill requires that the Treasury establish the same exchange rate targets that Secretary Baker has rightfully avoided because they would be destabilizing and unsustainable.

Since last April the dollar has fallen against every major currency; down 18 percent against the pound, 25 percent against the franc, 28 percent against the mark, and over 33 percent against the yen. Achievements in this area cannot be denied. Secretary Baker not only persuaded the industrialized nations to join us in lowering the value of the dollar last September, but was able to get a commitment for future monetary stabilization at the Tokyo summit.

The force of the fall of the dollar cannot be overlooked. Japan is the largest buyer of United States wheat and corn. When the combined effects of the reduced loan rate and the falling dollar are felt in Tokyo this fall, the Japanese will only be paying half of what they had to pay for corn and wheat in the fall of 1985. This is most certainly going to increase exports of these products.

When the bill's sympathizers discuss their reasoning you can hear them say the dollar is down 30 percent, but we are still facing record trade deficits; the dollar must not be the problem.

I want to remind my colleagues that it was only last September 22 that the group of five met at the Plaza Hotel in New York City and agreed to a policy to bring down the value of the dollar. Secretary of Commerce Baldrige announced to the Foreign Affairs Committee of this House that the U.S. trade deficit for this year would probably fall only slightly, if at all, this year due to the backlog of orders and inventory that delay the effects of the falling dollar. Impatience should not undermine real tangible steps toward solving a large part of our trade problems.

There seems to be enough support for this bill to carry it out of the House. That is regrettable. The administration seems ready to promise a veto. I can only hope that it happens quickly so that this Congress can have an opportunity to seriously address proposals to enhance our country's ability to compete in an international market.

Mr. MADIGAN. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. ROBERT F. SMITH].

Mr. ROBERT F. SMITH. Mr. Chairman, I rise to oppose this legislation.

They say that those who don't learn from history's mistakes are destined to repeat them. If this bill becomes law, we'll prove that wisdom of the ages.

In the history of American economic troubles, there is no disagreement that the Smoot-Hawley Act of 1930 was a landmark mistake. Its credited with pushing hard economic times into a full-blown Depression.

Mr. Chairman, Smoot-Hawley was passed in a fit of protectionism very similar to the mood in this Congress today. It added a 25-percent tariff on all goods imported for sale in America.

Today, I'm seriously concerned that Congress could be so swept up in its own political vanity that it would buy a crusader's label at the risk of another Smoot-Hawley Act, and at great risk to America's competitive position in overseas markets.

I certainly hope that couldn't happen, but what I see in this bill is not reassuring.

The one single, critical, overriding lesson from Smoot-Hawley and other similar measures is that, in international trade, you can't keep out theirs and let out ours.

Sponsors of this legislation say, as they did on another unwise bill just months ago, that America needs to erect tall fences to protect American business and industry from extinction at the hands of cheap foreign imports.

The battle cry is that "American industry should not be driven into domestic production oblivion."

Fighting foreign trade practices with threats is one thing. But doing it with real quotas, tariffs or legal barriers is dangerous at best. And our international trade adversaries see it as warlike at worst.

There is not a member of this House who can deny that, just like in real war, when one side fires its protectionist cannons, the other guy shoots back.

In international trade, retaliation comes in the form of new restrictions or boycotts on American products.

Certainly, as a Representative of the State of Oregon, my first concern is that this bill will hurt my district drastically. It can virtually kill our business with the Pacific Rim Nations.

Two of the nations targeted by this bill, Japan and Taiwan, are the 2d and 14th largest buyers of American wheat, representing exports that amount to $872 million.

If Northwest wheat farmers are to sell their products, they must export. Fully 85 percent of the wheat produced in this region must be exported because domestic utilization of white wheat, produced predominately in the Northwest, accounts for only 15 percent of total production.

The overvalued dollar caused by congressional overspending has already taken its toll on wheat producers in the Northwest; additional impediments to trade would be disastrous.

But even if Oregon's products aren't legislated off the market in those countries, our sales will suffer the lack of dollars to pay for them.

Oregon may be first to feel the retaliation, but history tells us the entire Nation will feel the sting of international trade wars.

There is no denying the political enticement of a protectionist's siren song. There are many even in Oregon, where our timber industry has been so brutalized by Canadian imports, who cheer this kind of bill's "Stop 'em at the Border" tough talk.

I can certainly understand that nearly every congressional district either has a problem with foreign imports now or it has a nervous blue-collar constituency that believe a problem is on the way.

The political popularity of any "protection-from-imports bill," is obvious.

But I insist that we must resist the "do-something quick" frenzy this bill promotes. We'll pay dearly tomorrow for basking in the glory of the crusade today.

The natural question for anyone like myself is, "What do we do instead?" I know that there are plenty of things we shouldn't do. This fence-building is one of those things.

Every fence we build to keep "them" out also keeps us in.

I know that we can help our own exporters produce and market their products. I know that we can bring down the value of the dollar. I know that we can encourage them to promote and research and sell more vigorously.

We can help by insisting that America's voices are more adamant, more insistent on protection of American concerns in multinational negotiations and less willing to back down in the face of an adversary.

We can insist that the President be willing to play the same international trade hardball as our competitors.

We can help the administration, the trade representatives, the executive agencies and the courts to more quickly and more positively interpret and enforce the laws we already have on the books, the ones that are there to specifically counteract and stop competitors' abuses of free trade.

Most of all, though, we can avoid hobbling American business or forcing them to conquer even new trade barriers by resisting the urge to put our own up right now, right here.

The best response to America's trade deficit is to encourage American industry, American farmers, American business.

There are no flashy congressional actions that will ever replace tough negotiations, wise marketing, and hard work, by producers and government alike.

If we really want to help, let's get out of their way.

Let's not forget the lessons of Smoot-Hawley. Most of all, let's not repeat the mistakes of history.

□ 1650

Mr. MADIGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Dodge City, KS [Mr. ROBERTS].

Mr. ROBERTS. Mr. Chairman, I would like to think a problem of this magnitude could be addressed with bipartisan reason.

What we have before us, however, is the product of politics, not economics. I do not mean to perjure the intent of anyone in this body. But, Mr. Chairman, this is not a trade act. This is a trade show. The legislation before us should be entitled "The Get Tough on Trade Policy, Full Opportunity Press Release Act of 1986."

If we must push into a highly charged, partisan battle beneath banners reading "Fair Trade" and "Buy American or Bye, Bye," let us make sure that we do not jab the bayonet into our own heart.

Mr. Chairman, the contents of this legislation and the conditions framing this debate are truly galling.

Every Member of this body knows exactly why the trade deficit exists. We have persisted in spending beyond our means, borrowed from abroad at high rates of interest, driven up the value of the dollar, decreased our competitiveness on world markets and in-

creased the relative price attractiveness of imported products here at home. Indeed, we have met the enemy and he is us.

But in Congress we do not want to take the blame for the fruits of our shortsighted excesses. We cannot admit we created the budget deficit which, in turn substantially increased the trade deficit. Therefore, it only seems fitting in the twisted logic of this debate to point the finger of blame at our trading partners and President Reagan.

Likewise, we all know but choose not to admit the simple fact that protectionism, lack of market access to American goods, or whatever you may want to call it is not the basic cause of our trade problems. While it won't read well in the press releases or sound good at the press conferences, the fact is that even if the world's markets were all totally and completely open to our products, the United States would see a reduction of only 10 to 20 percent in the trade deficit.

While the dollar has fallen significantly in recent months, the drop has not had time to work its way into the trade figures. Rather than allowing real market forces to work and foreign goods to become more expensive in American markets and American goods to become less expensive on the international market, the proponents of this hastily drawn and poorly conceived bill wish to try to score a few political points and snatch defeat from the jaws of victory.

Mr. Chairman, I keenly share the frustration and anger of those whose lives and livelihoods have suffered as a result of the trade deficit. I know all too well the pain that results from living in and representing an economically hard-pressed area. In my own district the oil economy is in the depths of a depression and the farm economy continues to suffer. While I am hopeful the farm bill will be one positive factor in restoring price and profit to agriculture, there are other factors to consider.

There is no question that any legislation that restricts imports will restrict exports. Suffering as they are, exports are quite simply the lifeblood and stock-in-trade of the American grain farmer. As a matter of fact, in my district the production from 1 acre in 3 has to find its way to the world grain market.

I am not happy with the administration's trade policies per se, but this is no way to go about improving that policy. The new farm bill contains important new trade provisions. They are unique and they are bipartisan. We should be working to make sure the appropriate trade officials implement the bill's discretionary terms. That is the real answer, the practical approach.

But beyond my own parochial interests, the best anyone can hope for from this restrictive legislation is a transfer payment from one sector of our domestic economy to the other. At worst, we can expect that the suffering of some sectors will lead to the suffering across the board as the 5 million Americans whose jobs depend on exports lose work.

Yes, Mr. Chairman, during a time of adversity throughout rural America, the likes of which we have not experienced since the Great Depression, it is a time for action. But, Mr. Speaker, it is also a time for candor.

The only place this bill is going is into too many stump speeches this fall. We all know this bill is headed for a veto, with enough time of course for everyone to issue at least 10 press releases urging the President to get tougher than Matt Dillon on Front Street and then 10 more giving him "Holy Ned" when he doesn't. Yes, that's the stuff; it makes great headlines. In the end result, we have empty promises and fingers of blame and, if not vetoed, a trade war that will make the Carter grain embargo look mild in comparative damage.

Go down the contents of this bill. If it is not a sense of Congress section expressing a goal second only to motherhood; it is a directive mandating virtually every Federal agency dealing with trade to report back to the USDA or the Congress every third foggy night. Almost every commodity group wrote its own platform.

We already have a good trade section in the new farm bill. We have already beaten up on the administration for preaching free market without proper policy follow through. As this bill says, we are awaiting the findings of the Agricultural Trade and Export Policy Commission. If you need a laundry list to campaign with, use that one; it will be a good one.

Mr. Chairman, I don't know what upsets me more: Those in the administration who have consistently dragged their heels on implementing an aggressive trade policy, or those here in this body who always seem to perfer an issue to a bill—a real bill. This bill, at best, is a political document that promises more than can be delivered. At worst, it is a grab bag of demagoguery from a bunch of economic ambulance chasers at a time when farm country deserves and needs much more.

Mr. DE LA GARZA. Mr. Chairman, I yield myself such time as I may consume in order to conclude.

Mr. Chairman, I stand in a very hard situation here, in one respect, that there is a train leaving the station and, regardless of the sentiments of some of my colleagues, it is a vehicle which is going, I do not know where the end is going to be, but as being responsible for activities in part shared with my distinguished colleague from Illinois and members of the committee, we had to choose. Do we have a vehicle on that train or not? We went the usual way which we do in our committee and acted as responsibly as we could regardless of the political side of the aisle. We acted as we ordinarily do in a bipartisan or nonpartisan way.

The main problem that we had was some of the areas of major concern to us are the jurisdiction problems with other committees. We took the road that, if they were not blatantly infringing on another committee's jurisdiction, we would incorporate it into what we submitted and then allow someone else to make that decision. This was done. This was done in areas that we had that were constructive and could prove to be helpful, were incorporated into the Foreign Affairs Committee section or into the Ways and Means Committee section.

Now opposition to the bill per se, that is in each individual's responsibility and right. The agricultural sector, of which we took from whatever resources we had including some advance notice from the Agricultural Trade Commission that my colleague from Illinois mentioned, and incorporated it as best we could. It has been said by myself and others, and I assure you that it is correct, that we have some basic tools that we had in the 1985 Food Security Farm Act. But we could not stand aside and not address as best we could the issue of trying to enhance the position of agriculture and of our producers that are suffering so vastly. I would feel that it would be of great pride to the members of the Agriculture Committee that our section was incorporated by the minority leader in his version that he will submit later, except in two instances. That would prove very conclusively that the work done by the Agriculture Committee was responsible, is fair, is equitable and hence would not have been incorporated by Mr. MICHEL into his vehicle.

Therefore, we now have a position where the Agriculture Committee, having done the responsible thing, would have it in two basic sections, either in the main legislation or in an alternative piece of legislation that will be submitted at a later point. Hopefully, that which we have responsibly suggested to be incorporated into this measure might prove to be of help.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. DE LA GARZA. I would be happy to yield to the gentleman from Illinois.

Mr. MADIGAN. I thank the gentleman for yielding.

Mr. Chairman, I want to repeat what I said in my opening remarks, that the gentleman from Texas does an outstanding job in everything that

he does and that this speaker, and no speaker on this side of the aisle, raised any objection to what is contained in this bill with regard to the product from the gentleman from Texas' committee, the House Committee on Agriculture. What we object to is inclusion of it in this horrible bill.

Mr. Chairman, I thank the gentleman for yielding.

Mr. DE LA GARZA. I thank the gentleman. He has indeed clarified more forcefully than I could have that what we did was the responsible thing to do. We put it on the train that is leaving the station. Agriculture is in such a stage that we cannot pass up an opportunity to try to assist. This is just another opportunity. Hopefully, the rhetoric that we have heard today will fall by the wayside, and that both sides will get together, we will agree on some compromise down the line in conference committee and do a little bit more, a little bit more for agriculture that yet needs so much.

Mr. Chairman, I yield back the balance of my time.

Mr. PANETTA. Mr. Chairman, I support the development of an American trade policy that will promote the unimpeded growth of the international trading system. Although that statement may seem somewhat facile in the context of today's debate, as recently as a year ago, the notion was not a given. There has been a fundamental change in thinking about trade over the last year, not only in Congress, but within the administration, in business, labor, and education circles, and among the general public as well. Record breaking deficits have forced trade onto the front burner, and an overall general concensus has evolved around the need to formulate some kind of a coordinated response to the problem. The specifics of any such response are obviously still the subject of much debate, yet the fact that they are being debated at all represents a triumph in and of itself.

Last year at this time, America was undergoing a rude awakening to the harsh realities of unprecedented trade deficits, with voices rising in calls for domestic protection, import surcharges, neo-Smoot-Hawleyism, and various degrees of Japan-bashing. While such rhetoric has become outmoded, I think it is important to note why.

America has undergone a crash course in international trade and finance over the last year. We have become keenly—often painfully—aware of the impact of foreign trade on our everyday lives. We have acquired a certain level of sophistication about the causes of our trade imbalances. Even the President now admits that the grossly overvalued dollar is largely responsible for the deficits, after more than 4 years of denying any connection. Moreover, the administration has finally acknowledged that the problem will not simply disappear by itself, and, under intensified public and congressional pressure, has belatedly begun implementing reforms.

Business, as well, has responded to the challenge. Industries are taking bold new steps to improve productivity and enhance their international competitiveness. All across the Nation, we find innovative new approaches to adjusting to a more competitive world, including management techniques, business-educational-labor partnerships, retraining programs, and greater use of advanced technology.

The implications of America's increasing intolerance for escalating trade deficits have not escaped our trading partners either. Foreign governments have reluctantly begun to assume part of the responsibility for the imbalances, and are demonstrating a willingness to work together to restore integrity to the international trading system.

These initial steps, while encouraging, are not sufficient in and of themselves. America desperately needs to develop an overarching trade policy, which will provide the framework for future reforms. The complexity of the problems facing us is overwhelming. The overvalued dollar has been the chief but not the sole culprit. Other factors will have to be considered in reorienting America to the new international economy, including export enhancement, multi- and bi-lateral agreements and negotiations, fiscal and monetary policy, tax incentives, R&D, international debt, domestic trade law and its enforcement, productivity, industrial competitiveness, domestic and foreign governmental regulation, interest rates, adjustment assistance programs, education, technology transfer, marketing strategies, and national security. The list goes on and on.

Obviously we cannot make decisions in each of these areas in a vacuum. We must have some higher vision of where we are headed, what we hope to achieve, and why. We must be aware of the interrelatedness of our actions. We must be sure that in repairing the faucet we do not destroy the sink; that the left hand does not demolish what the right has so carefully built up.

It is for precisely these reasons that I have long advocated the adoption of a comprehensive trade policy. Last fall, I joined a number of my colleagues in introducing the Competitive America Trade Reform Act, many of whose provisions are included in today's bill. While I am under no illusions that we can legislate the deficit away, I do believe that we need some kind of overall policy direction.

The bill before us is by no means perfect. Nor is it in anywhere near final form. I have particular concerns about some of its provisions, as I am sure many Members will. I am particularly troubled by attempts to link retaliatory action to arbitrary trade surplus levels with individual countries, or to impose unilaterally new standards of unfair trade practices. Such moves could easily precipitate retaliation, inflaming strained trade relations and causing undue damage to third party domestic industries.

Nevertheless, I support this legislation because in the final analysis it is a proactive attempt to reorient America to the new international marketplace. It deals with everything from the immediate need to close up loopholes which have allowed foreign competitors to violate intellectual property rights, to long term strategies to prepare America's children for a world vastly different from the one their parents have known. In laying out policy, the bill does not neglect to look at trade's impact on such sectors as agriculture, labor, the developing world, foreign affairs, education, R&D, industry, consumers, and national security. It adopts a coordinated, broad-based approach to a complex problem for which there are no simple solutions. While we can and will argue about the specifics of the plan, we need to act, and act now. The trade deficit will not disappear on its own. America must respond to the challenges that lie ahead, and, in the absence of leadership from the executive branch, Congress should lead the way.

I would like to take a moment now to focus attention on three particular aspects of trade reform legislation which should not be overlooked. First, let me point out the critical importance of free and fair trade to our agricultural sector. American farmers export a full 40 percent of their production. Yet over the past 6 years, foreign markets have shrunk rapidly, in part due to the debt crisis which is squeezing the economies of much of the developing world. Moreover, because agriculture does not currently fall under the auspices of GATT, there is no formal framework in which disputes between nations can be resoloved. The lack of a multilateral agreement regarding agricultural trade has also meant that, more often than not, American farmers find themselves the innocent victims in bilateral trade wars that have absolutely nothing to do with them. They are easy targets for retaliation.

The agricultural community has a particularly keen interest in maintaining an open and expansive international trading system and in pursuing economic policies that will promote market growth and monetary stability. The legislation under consideration would point us in that direction. Negotiating authority would be provided for the President to enter into a new GATT round with a specific objective of extending its mandate to agricultural trade. An amendment which I offered to the Agriculture Committee's bill would improve upon an agricultural export enhancement program that was initiated in the 1985 farm bill, and would help to make U.S. exporters of agricultural commodities more competitive. In addition, the bill before us strengthens and expedites the process through which domestic producers can obtain relief from unfairly traded imports, which will be extremely important for certain agricultural sectors.

The second aspect of the bill that I would like to emphasize is its attention to the long-term need to reorient American society toward a more interdependent world. I have long argued for a greater emphasis in the United States on foreign languages and international education. I believe that Americans' inferior language capabilities and relative obliviousness to the nuances of foreign cultures has placed us at a dangerous disadvantage diplomatically, politically, strategically, and economically. The trade crisis has highlighted this shameful neglect, and if we continue to postpone corrective action we will undermine our future standing in the international marketplace.

The omnibus trade package includes measures to upgrade foreign language training in our elementary and secondary schools, and to establish summer institutes for students, teachers, and businesspersons which will emphasize languages and their links to interna-

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tional business affairs. In addition, the development of study abroad programs run jointly with foreign governments is encouraged in order to prepare a pool of professionals with the kind of solid intercultural experience which is so crucial to international competitiveness. Although often forgotten in discussions of trade enhancement, these educational initiatives are absolutely essential to our future economic well-being.

Finally, I would warn against complacency as far as the value of the dollar is concerned. Monetary interventionism has brought the dollar down from its dizzying heights of a year ago. However, let us not forget the fundamental cause of the dollar's escalation in the first place: our own Federal budget deficits provoked by this administration's reckless fiscal policy. Last week we passed a budget resolution which would substantially reduce deficits without extracting a disproportionate share of the sacrifice from any one sector of society. Yet the budget process has just begun. In the course of the long negotiations that lie ahead, the relationship between these dual deficits should not be forgotten.

I urge Members from both sides of the aisle to support this important piece of legislation. Unless we as a body take a leadership role in advancing America's trade policy, our economy will soon be outpaced by leaner, more forward-looking competitors. The challenge that lies ahead is also an opportunity. We can create a climate that will allow for both domestic and international economic growth and prosperity. Trade is not a zero-sum game. If we play our cards right, we can all be winners.

The CHAIRMAN. The time of the gentleman from Texas [Mr. DE LA GARZA] has expired.

All time for general debate under the control of the Committee on Agriculture having expired, general debate shall continue, with 30 minutes to be equally divided and controlled by the chairman and ranking minority member of the Committee on Energy and Commerce.

The gentleman from Michigan. [Mr. DINGELL] will be recognized for 15 minutes and the gentleman from Indiana [Mr. COATS] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to commend my colleagues, those on my committee, and the members and chairmen of the Committees on Ways and Means, Foreign Affairs, Banking, Education and Labor, Agriculture, Judiciary, and of course, my friends and colleagues on the Committee on Energy and Commerce.

The leadership is to be thanked and commended, I believe, particularly majority leader JIM WRIGHT because of his efforts to bring the Trade and International Ecomomic Policy Reform Act of 1986, H.R. 4800, to the House for its consideration.

Our current trade problems threatens the economic foundation of this country. While our trading partners have relentlessly pursued their economic self-interest in determining trade policies, this country has been hamstrung by an ideology referred to as free trade, which clearly ignores the realities in the world trading situation.

In 1985 our trade deficit was $148 billion. In 1986 it is anticipated to reach $170 billion.

More than $150 billion of the growth in our annual trade deficit has been racked up during this current administration. In just 4 years, the United States has gone from being a principal world supplier of capital goods to being a net importer. There has been almost no increase in American production of capital goods since 1981. Indeed the increase in domestic purchases of the past 4 years has been met almost totally, to the amount of 95 percent, by imports.

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Most of the capital spending in the United States has been either in mergers and acquisitions—paper capital development—or in new manufacturing facilities—outside the United States, with jobs going elsewhere.

We now import vast quantities of manufactured goods, and we export raw materials and natural resources.

As a result, we are running up heavy debts around the world. In the first quarter of 1985, the United States became a net debtor country for the first time since 1914. By 1990, our international debt may exceed $500 billion. This would require a trade surplus of $50 billion each year just to pay the interest.

In the short run, this has turned the United States into a service economy and cost us over 1½ million manufacturing jobs. Declining U.S. agricultural exports have resulted in over 500,000 farm foreclosures since 1980.

In the long run, it will undermine our economic independence.

A service economy cannot survive without a manufacturing sector. Service and production industries are interdependent, and can grow over the long term only if they grow together.

Moreover, the situation is getting worse, not better.

The red ink of our trade deficit is not confined to the rust bucket and sunset industries. High technology, the panacea of the nineties, is losing, right now.

In high technology products, our trade surplus of $26.5 billion in 1980 has been cut by over 75 percent to $6.2 billion in 1984. In 1980, the United States ran a trade surplus in telecommunications equipment of almost $1 billion; 5 years later, we had a deficit of $1.1 billion.

The Trade and International Economic Policy Reform Act of 1986, H.R. 4800, is one of the most important pieces of legislation the House of Representatives will consider this Congress. It is comprehensive trade reform legislation which, if adopted, will lay the groundwork needed to address our growing trade problems.

Several provisions of the bill are of particular importance to the Committee on Energy and Commerce. First, included in the Energy and Commerce Committee title of the bill, title VII, is section 701 on the Foreign Corrupt Practices Act [FCPA]. Section 701 will give important and needed clarification to the provisions of the FCPA. This statute, which I am proud to say arose from our committee to the House in 1977 following investigations in the 94th and 95th Congresses by the Energy and Commerce Committee and Senate Committee on Banking, Housing and Urban Affairs, has dramatically reduced large-scale bribery of foreign officials by American companies. Subsequent investigations by the committee in the 97th and 98th Congresses, however, have uncovered a number of uncertainties about the implementation and enforcement of the law. Section 701 makes the needed statutory clarifications.

Consistent with the need to clarify this statute, and given that this legislation is being considered in a manner which did not allow the Committee on Energy and Commerce to file a committee report, I have attached to my remarks the joint statement of the Honorable JOHN D. DINGELL, chairman, Committee on Energy and Commerce, and the Honorable TIMOTHY E. WIRTH, chairman, Subcommittee on Telecommunications, Consumer Protection and Finance, Foreign Corrupt Practices Act Amendments, section 701 of title VII of H.R. 4800, omnibus trade bill. This statement, which includes the views of the Committee on the Judiciary as to provisions on Department of Justice guidelines and opinions, is the legislative history of the clarifying and technical amendments made by section 701.

A second title of the legislation, title II on International Trade in Telecommunications Products and Services, addresses the important, and growing, trade problems which this Nation is experiencing with telecommunications products and services. The title is based on H.R. 3131, reported by the Energy and Commerce Committee on January 30, 1986. Title II is a joint jurisdiction between the Committee on Energy and Commerce and the Committee on Ways and Means. Again, consistent with the manner in which this legislation has been brought to the floor of the House, a second attachment has been included with my statement which is intended to serve as the legislative history regarding this title of the bill.

The House can be proud of many other provisions of the legislation. Title I addresses the important problem of unfair trade barriers in a manner consistent with H.R. 3777, the Trade Law Modernization Act. This bill passed the Energy and Commerce Committee by a vote of 37 to 3, demonstrating the sweeping concern felt by many of the committee members. The amendments made by title I address problems related to the import of unfairly traded products into the U.S. market, damage to U.S. industries due to import competition, various dumping and subsidy practices by our trading partners, the protection of intellectual property rights, and other matters.

Title I also includes provisions to deal with multiple and repeat offenders of U.S. customs laws. It is designed to have a significant deterrent effect on those importers who already pay millions of dollars in customs fraud penalties, but violate these laws nonetheless. This provision, as do many others in the bill, implements recommendations of the members of the Oversight and Investigations Subcommittee of the Energy and Commerce Committee. It is based on over 3 years of investigations into these important issues, and is worthy of strong support by the House.

In conclusion, I urge my colleagues to support H.R. 4800, the Trade and International Economic Policy Reform Act of 1986. Its passage is vital to the future economic well-being of this country.

JOINT STATEMENT OF HON. JOHN D. DINGELL, CHAIRMAN, COMMITTEE ON ENERGY AND COMMERCE AND HON. TIMOTHY E. WIRTH, CHAIRMAN, SUBCOMMITTEE ON TELECOMMUNICATIONS, CONSUMER PROTECTION AND FINANCE

FOREIGN CORRUPT PRACTICES ACT AMENDMENTS, SECTION 701 OF TITLE VII OF H.R. 4800, OMNIBUS TRADE BILL

Mr. Speaker, the Foreign Corrupt Practices Act (FCPA) was passed in 1977 to address problems of large-scale bribery and improper payments to foreign government officials by some of America's biggest corporations. More than 450 companies were involved; friendly governments were undermined; and the scandal left American business with a black eye at home and around the world.

During the 94th and 95th Congresses, the Committee on Energy and Commerce and the Senate Committee on Banking, Housing and Urban Affairs held extensive hearings on the matter of undisclosed improper payments by American corporations and considered several bills designed to deal with the problem in various ways.

On May 12, 1976, the Committees received from the Securities and Exchange Commission (SEC) an extensive "Report on Questionable and Illegal Corporate Payments and Practices" (SEC report), which summarized the SEC's enforcement activities and findings to that date. That report traced the history of the SEC's investigations, which revealed the widespread misuse of corporate funds and questionable or illegal corporate payments. These undisclosed payments represented a serious breach in the operation of the SEC's system of corporate disclosure and, correspondingly, in public confidence in the integrity of the system of capital formation. The SEC report also analyzed the public filings of 89 corporations that had disclosed varying types of questionable payments, plus six special reports obtained as the result of SEC enforcement actions and the allegations made in eight additional cases in which the SEC had obtained some form of judicial relief. Finally, the report contained the SEC's analysis of the degree of disclosure required concerning questionable foreign payments under the existing Federal securities laws, and it outlined the legislative and other responses which the SEC recommended to remedy these problems.

As a result of this process, the FCPA was adopted in 1977 as an amendment to the Securities Exchange Act of 1934 with respect to issuers under the jurisdiction of the SEC, and as a free-standing requirement of federal law for domestic concerns and others outside the jurisdiction of the SEC.

The FCPA specifically prohibits the bribing of foreign government officials by U.S. companies and individuals. Civil enforcement of the Act rests with the SEC. Criminal enforcement of the Act, as well as civil enforcement over companies and individuals not within the jurisdiction of the SEC, rests with the Department of Justice. The SEC also enforces provisions of the Act requiring that U.S. public companies develop internal accounting control systems and keep accurate books and records.

It appears that the FCPA has dramatically reduced large-scale bribery of foreign government officials by American companies. It has worked well, largely because the vast majority of honest businesses in the U.S. have taken steps to comply with the law.

However, following passage of the FCPA, as companies attempted to understand the new law and implement procedures to ensure compliance with the law, a number of exporters began reporting to the Congress that the words of the law were unclear. For example, some feared criminal prosecution for inadvertent errors or negligence, as a consequence of the "reason to know" standard under current law for liability for payments made to third parties. Some exporters have advised Congress that they have withdrawn from some export activities where they could not ascertain whether certain situations might be construed as involving violations of the law. These situations range from the payment of travel expenses for foreign officials visiting the U.S. to inspect products and plant facilities, which clearly should be permitted and which a reasonable review of the law would permit, to payments made to foreign agents under circumstances that indicate an agent might pass on the payment as a bribe to a foreign official.

During the 97th and 98th Congresses, the Subcommittee on Telecommunications, Consumer Protection and Finance of the Committee on Energy and Commerce held a number of hearings on the impact of the FCPA on foreign relations and trade, and, with the Subcommittee on Oversight and Investigations of the Committee on Energy and Commerce, conducted extensive oversight of SEC and Department of Justice enforcement activities under the Act. That review showed that neither firms nor individuals were being prosecuted for inadvertent errors or negligence, but that enforcement under the Act was reasonable. In addition, the impact of the FCPA on exports could not be determined with any certainty.

It appears that the problems of most members of the business community are based on misperceptions about what the Act requires. For example, some businesspersons have argued that someone could "go to jail" for mere negligence if an agent passed a bribe to a foreign official. The legislative history of the FCPA clearly shows that such a result was not intended by Congress; an interpretation of the language of the law would not yield such a result; and the enforcement policies of both the Department of Justice and the SEC clearly would not encompass such a reading of the statute.

However, there continues to be uncertainty in the business community about the reach of the law. Indeed, it has been suggested that the restraints of the law may be greatest on the most scrupulous members of the business community, who may withdraw form situations in which they cannot proceed with certainty that a bribe will never be paid by subordinates.

Objectives of the Legislation

The fundamental purpose of this legislation is to clarify the FCPA's meaning and Congressional intent. It is the intent of the legislation that the vast majority of honest businesses be given clear guidance about the scope of the law, while the small minority of unscrupulous businesses are constrained by the law. This is accomplished through narrowly-drawn amendments to current law with clearly-defined terms. The legislation will enhance compliance with the law, will provide incentives for self-policing by businesses affected by the law, and will strengthen law enforcement under the Act.

Summary of The Legislation

The legislation amends Section 30A of the Securities Exchange Act of 1934 (15 U.S.C. 78dd-1) with respect to foreign corrupt practices by issuers, and makes parallel amendments to Section 104 of the Foreign Corrupt Practices Act of 1977 (15 U.S.C. 78dd-2).

The legislation clarifies standards of liability for illegal payments to foreign officials made through third parties by substituting for the current "reason to know" standard a "recklessly disregarding" standard for civil liability and a "knowing" standard for criminal liability. This essentially reflects current enforcement policies of the Securities and Exchange Commission and the Department of Justice.

The legislation makes clear that the prohibition under current law against payments to foreign officials for the purpose of obtaining or retaining business includes payments made to influence legislative, judicial, regulatory or other action.

The legislation makes clear that certain kinds of payments are not intended to be within the scope of the general prohibitions under the FCPA. These payments include those that are expressly legal by statute or regulation in foreign countries and payments for certain kinds of routine actions, such as processing work orders and loading and unloading cargoes.

The legislation also provides incentives for self-policing by business, by setting forth standards of due diligence to prevent and detect violations of the law by employees and agents.

Criminal fines for violations are increased under the legislation, and new civil penalties are created. In addition, the bill establishes procedures for the issuance of guidelines and statements of enforcement intention by

the Department of Justice to further enhance compliance with the Act and to assist small exporters who are unable to obtain specialized legal counsel.

Liability Provisions

Payments for the procurement of favorable legislative, judicial, regulatory or other action by a foreign government. The FCPA currently prohibits payments made by firms (issuers and domestic concerns) and individuals (officers, directors, employees, or agents, or stockholders acting on behalf of issuers and domestic concerns) to foreign officials and certain others for the purpose of influencing certain official acts or decisions, in order to assist the firm or individual making the payment in "obtaining or retaining business for or with, or directing business to, any person."

The legislation adds new language to make it clear that the prohibition under current law against payments to obtain or retain business includes payments made to assist in the "procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government." Payments of this nature are prohibited by current law; the language of the legislation makes this clear and will strengthen law enforcement and business compliance in this area.

Standard of liability for payments made through third parties. The FCPA currently prohibits improper payments made to (1) any foreign official, (2) any foreign political party or official thereof or any candidate for foreign political office, and (3) "any person, while knowing or having reason to know" that the payment would be offered or given to either (1) or (2).

The foreign payments scandals of the 1970's demonstrated a clear need for provision (3), above, barring bribes paid through third parties. There were numerous cases involving companies that used agents as conduits for illegal payments. In adopting the FCPA, Congress determined that it would not permit companies to do through agents what they could not do directly or otherwise to take a "head in the sand" approach and attempt to remain free from liability.

However, the "reason to know" standard under the current law has been criticized as unclear. Although this formulation is found in other federal statutes, the meaning of the language under the FCPA is not defined in the statute, and there have been no judicial interpretations of the language under the FCPA. Some businesses interpret the standard as tantamount to "reason to suspect" that an agent will pass on a bribe, or a negligence standard, and may consequently withdraw from legitimate activity. Clearly such an interpretation was not intended by Congress in adopting the language and does not reflect the current enforcement policies of the SEC and the Department of Justice. Accordingly, the legislation clarifies the standards for third party liability in keeping with the original intent of the Act and current and appropriate enforcement policies.

The legislation does not change the standard of liability for payments made to (1) foreign officials or (2) foreign political party officials or candidates. With respect to payments made through third parties, the legislation clarifies the standard of liability by setting forth specific standards for civil and criminal liability under the Act. A firm or individual is subject to civil liability if it makes a payment to any person "while knowing, or recklessly disregarding" that all or a portion of the payment will be passed on to a foreign official or to a foreign political party, official or candidate for the purposes stated in the legislation. A firm or individual is subject to criminal liability if it makes a payment to any person while "knowing" that all or a portion of the payment will be passed on to a foreign official or foreign political party, official or candidate for the purposes stated in the legislation. The terms "knowing" and "recklessly disregarding" are defined in the legislation.

The statutory change makes it clear that mere negligence will not give rise to a civil prosecution under the FCPA. There must be a showing of reckless disregard or knowledge. This reflects current enforcement policies of the SEC and the Department of Justice. The statutory change also makes it clear that neither mere negligence nor reckless disregard will give rise to a criminal prosecution under the FCPA. In order to bring a criminal prosecution for violation of the third party payments provision, a showing of knowledge as defined in the Act would be required. This also reflects current enforcement policies and interpretations of the SEC and the Department of Justice.

Definitions of Recklessly Disregarding and Knowing

Knowing.—The definition of "knowing" is intended to make it clear that a "head in the sand" approach to the payment of bribes through third parties will not be tolerated. Knowing is therefore defined to include conscious disregard of a high probability that a payment to a third party will be transmitted by that party to a foreign official or to a foreign political party, official or candidate for a prohibited purpose.

Recklessly disregarding.—In addition, the definition of "recklessly disregarding" is intended to encourage self-policing by business. Recklessly disregarding is therefore defined to include awareness of a substantial risk that a third party will transmit a prohibited payment, and disregard of that risk.

Defenses

Payments for expediting or securing the performance of a routine governmental action, not including the award or continuance of business, or the procurement of favorable legislative, judicial, regulatory or other action.—The legislative history of the FCPA states that certain kinds of foreign payments are not intended to be covered by its prohibitions. The legislative history states that the Act "does not . . . cover so-called 'grease payments' such as payments for expediting shipments through customs or placing a transatlantic telephone call, securing required permits, or obtaining adequate police protections, transactions which may involve even the proper performance of duties."

As the 1977 House Report made clear, although such "grease payments" may be reprehensible in the United States, they may be a way of life in other parts of the world. In some cases, small payments may be demanded by relatively low-level foreign government employees before they will even properly perform the duties for which they are responsible, such as processing applications.

The definition of "foreign official" under the FCPA was intended to further distinguish payments of this nature. The FCPA explicitly states that the term "foreign official" does not include "any employee of a foreign government or any department, agency, or instrumentality thereof whose duties are essentially ministerial or clerical." The legislative history notes that "in defining 'foreign official,' the Committee emphasizes this crucial distinction [between prohibited payments and 'grease' payments] by excluding from the definition of 'foreign official' government employees whose duties are essentially ministerial or clerical."

The policy adopted by Congress in 1977 remains valid, in terms of both U.S. law enforcement and foreign relations considerations. Any prohibition under U.S. law against this type of petty corruption would be exceedingly difficult to enforce, not only by U.S. prosecutors but by company officials themselves. Thus, while such payments should not be condoned, they may appropriately be excluded from the reach of the FCPA. U.S. enforcement resources should be devoted to activities having much greater impact on foreign policy. Thus, payments for activities such as the awarding of contracts and procurement of favorable legislation or favorable judicial or regulatory treatment should be proscribed, as the FCPA now provides.

However, there has been some criticism that the current statutory language does not clearly reflect Congressional intent and the boundaries of prohibited conduct. Critics have complained that "grease" payments are not clearly excluded, because the payments are defined primarily in terms of the official receiving the payments (one whose duties are "essentially ministerial or clerical"), instead of the purpose of the payment. The statutory change that would be accomplished by the legislation will reflect current law and Congressional intent more clearly.

The legislation states that it shall be a "defense" to actions brought under the FCPA that a payment was made "for the purpose of expediting or securing the performance of a routine governmental action by a foreign official." The legislation would further provide that the term "routine governmental action" means an action which is ordinarily and commonly performed by a foreign official, including processing governmental papers, loading and unloading cargoes and scheduling inspections and actions of a similar nature. The legislation further makes it clear that the term does not include "any decision by a foreign official on the question of whether, or on what terms, to award new business to or to continue business with a particular party, or the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government."

By describing the type of conduct that falls within the FCPA prohibitions, as well as the type of conduct that is outside the scope of the FCPA, the law will give business greater guidance so that responsible businesses will be better able to police their own activities.

In determining whether the defense provided under this paragraph is met, a court may consider whether payments ostensibly for "routine governmental action" are a subterfuge for other prohibited payments. Thus, it may determine that a payment which is unusually large in relation to the "governmental action" performed may not fall within this defense. It may also consider whether the foreign official receiving the payment is in a position substantially to influence the question of whether, or on what terms, to award new business to or continue business with a particular party, or to influence legislative, judicial, regulatory, or other action.

Payments expressly permitted under a law or regulation.—The legislation also provides

that it will be a defense to actions under the FCPA that a payment is expressly permitted under a law or regulation. This also clarifies the intent of the law and current enforcement policies. The term "expressly permitted" means that the propriety of the payment must be reflected under some written law or regulation. It is intended that the specific law or regulation permitting the payment and its applicability to defendant's actions must be shown by the defendant.

In determining whether the defense provided under this paragraph is met, a court may consider whether a payment which is "expressly permitted" under a law or regulation for a certain purpose is, in fact, made for a different, prohibited purpose. For example, while it may be legal in some countries to hire and pay a salary to a foreign official serving as an agent, a court may determine that a salary which is unusually large in relation to the service performed may not fall within this defense.

Vicarious Liability; Due Diligence Defense

Under current law, under appropriate circumstances, a firm may be held vicariously liable for violations of the FCPA by employees or agents. This is the proper result, because firms should be responsible for taking appropriate steps to prevent violations.

The lack of enforcement resources at the SEC and the Department of Justice make it clear that the enforcement agencies are able to detect and pursue only a small number of violations of the FCPA, as is true of violations of many other statutes. Consequently, enforcement agencies under this statute, as well as many others, must depend upon the deterrent effect of the law, and, more important, self-policing by responsible businesses.

The legislation establishes a new, "due diligence" defense for civil and criminal liability of issuers and domestic concerns for violations of the FCPA by employees and agents. It provides that if the issuer or domestic concern has established procedures for detecting violations, and if the officers and employees with supervisory responsibility for the employees or agent violating the law have exercised due diligence to prevent the violation, then no vicarious liability will apply. Of course, supervisory responsibility for the actions of a particular employee or agent may be exercised by many officials in an organization and can include, for example, the general supervisory authority of high level corporate officials. The requirements must be established by a preponderance of the evidence.

Although "due diligence" is a familiar concept under the Federal securities laws, the legislation does not specifically define the term. It is intended that would constitute "due diligence" would be a factual determination by the trier of fact and would vary depending upon the particular circumstances of the transaction at issue. Due diligence might include many of the steps currently employed by firms seeking to comply with current law: regular training and updating of all levels of involved corporate personnel; independent investigation of the background and reputation of agents and other participants in the transaction; contact provisions obligating the parties not to violate the Act and voiding the contract if the Act is violated; a right to perform a full or partial audit of the books of agents or other transaction participants; disclosure of the existence and terms of agency relationships to the foreign government purchaser; periodic compliance certifications by corporate personnel and participants; and independent opinions of local counsel that local law will not be violated by any part of the transaction.

The scope of due diligence may also vary according to the circumstances of the transaction. Many companies seeking to comply with current law, for example, have indicated that certain factors, such as those set forth below, may indicate the need to undertake additional inquiry on the part of corporate officials:

Any unusual proposal relating to the method of payment to any participants in the transaction, particularly through third countries or in currency;

Any known or suspected family relationship between any participants in the transaction and any foreign government official;

Refusal by any participants in the transaction to sign affidavits or make representations that they will not violate the FCPA;

the size of the commission paid to the agent in relationship to the services performed;

any known or suspected misrepresentations by the agent or others in connection with the proposed transaction;

requests by any participant in the transaction that the company prepare false invoices or any other type of false documentation; and

any negative information developed as part of the independent investigation into the activities and reputation of the agent or other participants in the transaction, including any information developed regarding the financial interests of any foreign government officials in any companies participating directly or indirectly in the transaction.

The size of the company and the resources available to it may also be considered in determining the scope of the due diligence steps. For example, many large multinational companies have the capacity to place corporate officials in foreign countries, while many smaller exporters must rely almost exclusively on foreign agents. In many cases, it may be impossible for an exporter to determine with absolute certainty that an agent will abide by the law. In meeting the defense under this section, it must be shown that reasonable steps were taken.

It is perhaps most important that firms create an environment which fosters good business practice and compliance with the law. In this connection, employees and agents should be encouraged to comply with the law and to report factors that may indicate improper behavior.

Guidelines and Opinions

In order to enhance compliance with the provisions of the FCPA, the legislation establishes a procedure for the Department of Justice to issue guidelines and opinions.

In 1980, and pursuant to the general powers given the Attorney General to enforce the criminal laws of the United States, 28 U.S.C. sec. 509-10, the Attorney General promulgated regulations to clarify the then "informal" procedures of the Department of Justice (Department) in reviewing prospective conduct under sections 103 and 104 of the FCPA, 15 U.S.C. sec. 78dd-1, 78dd-2. The legislation contains provisions that establish a statutory scheme based on many of the same features of the business review program set up by the 1980 regulations. To the extent that the statutory scheme conflicts with the procedures set up by the 1980 regulations, the statutory language takes precedence.

The legislation provides that issuers and domestic concerns may submit information on prospective conduct to the Attorney General, who within 30 days must issue an advisory opinion as to whether the disclosed conduct is in conformance with the Department's present enforcement policy regarding compliance with the FCPA. The Attorney General's determination that disclosed conduct comports with Departmental enforcement policy creates a rebuttable presumption of compliance with the statute, which can only be overcome by a preponderance of the evidence.

Much attention was given to the function of the Department in issuing opinions to private parties submitting information on prospective conduct. The language is drafted to avoid an inference that the opinion of the Attorney General is "final or binding" on the Department or that disclosed conduct receiving an initial 30-day approval is exempt from later challenge based on other information. The FCPA disclosure system thus comports with other business review programs at the Department in establishing a procedure that may be of assistance to business planning without constricting the Department's ability to take any enforcement action that it deems necessary.

Businesses submitting information for review may rely on the Attorney General's determination to the extent that their future conduct falls within the scope of the disclosed information. Additional disclosures for new or different business activities may further widen the scope of conduct deemed presumptively valid if later challenged. But it is the submitting business, and not the Attorney General, that posseses the knowledge of whether its prospective conduct comports in fact with the disclosure made to the Attorney General. All that the Attorney General may do in these circumstances is to state whether the disclosed conduct, as provided by the submitting parties, comports with the Department's present enforcement intention. Should evidence of noncompliance with the FCPA later arise, the enforcement agency could then guage whether disclosure was sufficiently accurate and complete to warrant further measures. If so, the federal courts will be the final arbiter of whether the statute was violated.

It is intended that the opinion process will further clarify the Department's enforcement intention under the FCPA with respect to specific business transactions. It is not intended that this process be used to seek exemptions inconsistent with the fundamental purpose of this Act. The legislation further provides that the Department will establish procedures to maintain the confidentiality of documents submitted under this procedure. As with other business review programs at the Department involving export trading companies and joint research and development activities, these safeguards include protection against the release of disclosed proprietary information to private parties under the Freedom of Information Act and protection against any form of public disclosure by executive branch officials.

In order to enhance compliance with the provisions of the FCPA, the legislation establishes a procedure for the Department to issue guidelines describing examples of activities that would or would not conform with the Department's present enforcement policy regarding FCPA violations. As with other guidelines issued by the Department, the language makes clear that the guidelines do not by themselves establish the statutory standards by which courts, as the

ultimate arbiters of the Act, might judge conduct under the FCPA.

The legislation provides that the Department and the SEC shall provide timely guidance to exporters and small businesses who are unable to obtain specialized counsel with respect to compliance with the FCPA. It is intended that the SEC will make its views known as to whether it will be bound by the Department's enforcement intentions, as is its current practice.

VIOLATIONS

The legislation doubles the criminal fines for violations of the FCPA (from $1 million currently to $2 million.) The legislation also creates a new civil penalty of up to $10,000 for firms and individuals.

The violations provisions of the statute make it clear that the "knowing" standard for third party payments must be met before a criminal penalty can be imposed.

In addition, the legislation removes the implication under current law that a violation by an issuer or domestic concern must be found prior to imposing criminal penalties on employees or agents. This is particularly important in view of the new due diligence requirements, which would prevent a finding of a violation by an issuer or domestic concern under certain circumstances where the employee or agent violated the law.

TITLE II OF H.R. 4800, THE TRADE AND INTERNATIONAL ECONOMIC POLICY REFORM ACT OF 1986

PURPOSE AND SUMMARY

Title II of the Trade and International Economic Policy Reform Act of 1986 is designed to open foreign markets to U.S. telecommunications equipment and service suppliers rather than closing or inhibiting competition in the domestic American markets.

The legislation is aimed at achieving a more open world trading system for telecommunications products and services through negotiations and achievement of fully competitive market opportunities for U.S. telecommunications exporters and their subsidiaries in those markets in which barriers exist to free international trade.

While much attention has recently been focused upon the trade imbalance with Japan, the bill does not focus upon one market. Instead, it recognizes that efforts must be made in a number of foreign markets (including Western Europe and Canada, as well as Japan) that are currently characterized by pervasive government intervention which impedes the access of American telecommunications suppliers. Moreover, Title II of H.R. 4800 covers both telecommunications equipment and services such as the resale of private lines. By including services, U.S. service providers will be able to gain access to telephone lines for purpose of reselling them as part of a value-added network or some other value-added service offering.

The policy underlying the provisions of this Title is that negotiations are the preferred course to open foreign markets to U.S. suppliers. However, Title II provides that if the Trade Representative determines that a country is denying fully competitive market opportunities to U.S. suppliers and negotiations fail, then the President must take remedial measures to open the foreign market. Title II requires the President to take action which restricts or denies access to foreign suppliers of the foreign country. The President retains full flexibility in shaping the remedial measures imposed under Title II.

BACKGROUND AND NEED FOR THE LEGISLATION

Among the fastest growing areas of the international economy is the telecommunications equipment and services market. As of 1984, this sector of commerce amounted to nearly $325 billion and is estimated to reach $539 billion by 1990—growth of over eight percent annually.

The regulation of telecommunications equipment and services provided by both foreign and U.S. firms in interstate and foreign commerce is a major area of the Committee's jurisdiction. The Committee is greatly concerned that the increasing access that foreign firms have gained to our domestic telecommunications market has not been matched by fully competitive market opportunities for U.S. equipment producers and service providers abroad. This imbalance threatens the trade competitiveness of the U.S. telecommunications industry.

Telecommunications equipment

The United States balance of trade in telecommunications equipment has deteriorated significantly in recent years—from a surplus of almost $1 billion in 1980 to a deficit of $1.3 billion in 1985.

Between 1980 and 1984 imports of telecommunications equipment to the U.S. rose 166 percent while American exports in this sector of the economy increased just 40 percent. Specifically, imports from Japan increased by nearly 250 percent while U.S. exports to that country increased by about half that amount. Imports from Europe increased 90 percent while American exports to those nations only increased by 3 percent.

Moreover, for the first time in history, Japan has become the leading exporter of telecommunications equipment, capturing almost 21 percent of the world market in 1984. The United States fell to second place with about 12.7 percent of the market.

In addition to losing our position as dominant exporter in this area, the U.S. has experienced a higher rate of telecommunications imports than many other nations. Imports accounted for about 10.5 percent of American telecommunications consumption in 1983 while Japan imported only 1.4 percent of its equipment. Likewise, Canada and Europe just 8 and 6 percent, respectively.

The leading exporters of the world's telecommunications equipment are now the East Asian countries. In 1983, 75 percent of telecommunications imports to the United States came from the Far East—39 percent from Japan, 18 percent from Taiwan, 13 percent from Hong Kong, and the balance from Singapore, Malaysia and Korea.

The Committee believes that this deterioration in our telecommunications trade position is largely the result of two factors: barriers in foreign telecommunications markets—which prevent U.S. suppliers from exporting to foreign countries—and deregulatory changes in the U.S. domestic market, including the restructuring of AT&T—which allow foreign suppliers to sell freely in the U.S. market. These factors, among others, make the international telecommunications market unique.

The American telecommunications industry is the technological leader in the international telecommunications equipment market. Its products are of the highest quality and are available at competitive prices. Despite this technological lead, the United States exports only about 10 percent of its production, while accounting for nearly 40 percent of the global consumption in telecommunications. Japan, on the other hand, with less than 10 percent of the global consumption, exports about 22 percent of its production. Canada and Europe export about 21 and 19 percent, respectively.

U.S. telecommunications trade difficulties are not caused by any competitive weakness of U.S. industry. The problem relates largely to the imbalance between the openness of the U.S. markets and the lack of comparable openness in foreign markets.

The U.S. telecommunications market is by far the largest in the world, constituting nearly half of the global market in telecommunications. As a result of a number of deregulatory decisions, foreign businesses are now able to compete vigorously in the U.S. telecommunications market. Foreign multinational corporations have seized this opportunity and have quickly penetrated the U.S. market. This rapid increase of foreign suppliers in the American market starkly contrasts with the very slow progress of U.S. companies abroad.

Foreign markets in the industrialized nations remain largely closed to U.S. telecommunications products, reflecting factors such as the strong preference of foreign post and telecommunications authorities for their own home suppliers, "buy national" industrial policies, and a variety of tariff and nontariff barriers. Purchases in the market outside the United States are largely controlled by government procurements through government owned and operated Ministries of Posts and Telecommunications. Government procurements of telecommunications equipment account for almost 60 percent of the $33.8 billion equipment market outside of the U.S. Foreign governments have the ability and the willingness to use their procurement leverage to foster their national telecommunications industries to the exclusion of competitors such as United States suppliers.

Privatization and deregulatory initiatives have resulted in some progress towards providing access by U.S. telecommunications suppliers to markets in countries such as Britain and Japan. Yet, these measures have still not resulted in fully open and competitive markets.

Japan

Japan accounts for this country's largest bilateral trade deficit in telecommunications equipment. For this reason, U.S. negotiating efforts aimed at achieving greater market access for U.S. firms abroad have largely been concentrated on Japan. In 1985, U.S. officials became concerned that proposed new Japanese certification procedures for customer premises equipment (CPE), developed in conjunction with the restructuring of the Japanese telecommunications market, would reduce the access of U.S. firms to the Japanese telecommunications market. However, following an intensive negotiating effort, Japan agreed to new certification procedures for CPE which more closely resemble those used by the United States. However, it is still too soon to evaluate the impact these certification procedures will have—in practice—on U.S. suppliers.

Nippon Telephone and Telegraph (NTT), the Japanese government's telecommunications monopoly, still procures virtually all of its mainline telecommunications products from Japanese producers. The Committee hopes that NTT, in its procurement of mainline telecommunications equipment, will afford fully competitive access to U.S. suppliers. The Committee intends to monitor progress in this area.

The ability of U.S. suppliers to penetrate the Japanese telecommunications market is

not only limited by current NTT procuremen practices. In addition, Japanese procedures with respect to radio communications equipment certification, licensing for services, and frequently allocation have had the effect of impeding the sale of U.S. products. Government-wide attention and effort by the United States has resulted in recent progress in resolving these problems. Nevertheless, firms account for only about two percent of Japan's $4 billion telecommunications equipment market.

The telecommunications market access problem confronted by U.S. firms is not limited to Japan—it is global in scope. While Japan has at least made a commitment, in a bilateral agreement, to the principle of nondiscriminatory procurement of telecommunications equipment, other major U.S. trading partners have made no such commitment and, in fact, expressly exclude their Ministries of Posts and Telecommunications (PTTs) from coverage under the Procurement Code which was negotiated during the last round of multilateral trade negotiations under the General Agreements on Tariffs and Trade (GATT).

Canada

In Canada, the major telecommunications equipment manufacturer is controlled by Bell Canada, the largest provider of telecommunications services, which has a policy of favoring its subsidiary in its procurement of equipment. Moreover, Canadian tariffs on telecommunications equipment are substantially higher than those in the United States. These factors substantially limit U.S. producers' opportunities in this market, which represents over $1.5 billion in sales annually.

Europe

The $17 billion European telecommunications market—the largest in the world outside the United States—is largely closed to U.S. products, particularly mainline equipment, because of restrictive procurement policies of the individual national PTTs. In some cases, such as France, government authorities have deliberately utilized preferential procurement as a mechanism for creating international competitive advantage for their national producers.

International satellites

Some foreign governments have made international telecommunications equipment and services targets of their industrial policies. The Committee is concerned that these governments might restrict the procurement options of providers of international telecommunications facilities in order to advance these industrial policies. The Committee joins the Administration and the Federal Communications Commission in condemning any such unfair trade practices and believes that the U.S. satellite industry should have a fair opportunity to supply international telecommunications facilities.

Telecommunications services

In addition to trade in telecommunications equipment, trade in telecommunications services has become an increasingly important component of U.S. international trade and has the potential to be a major American export commodity. The world market for telecommunications services in 1984 reached about $265 billion and is estimated to grow to $444 billion by 1990, a growth of over 9 percent annually.

Not only have telecommunications services become an increasingly important aspect of U.S. international trade as a commodity for export, but these services are also essential to effective participation in foreign markets by almost every other U.S. industry. Without reliable, reasonably-priced communications, U.S. firms would find themselves at a severe competitive disadvantage in the world economy, largely unable to transact business with their trading partners.

Clearly, the information industry—a multibillion dollar industry which includes a wide array of services ranging from timesharing to movies and other entertainment programming to mail and telex—is becoming an increasingly important component of U.S. exports. Currently there are nearly 400 information suppliers that provide direct access to records through telephone lines and through the use of a computer terminal. Several American firms have begun marketing these services abroad, offering information such as stock quotations and up-to-date news. It is estimated that U.S. electronic data base service providers had 1984 revenues of nearly $1.5 billion, and firms providing remote data processing services are estimated to have had revenues of about $6 billion that same year.

Moreover, broadcasting entities such as Turner, ESPN, HBO, WOLD and the three networks may increase their use of international communications facilities to exchange sports, information, and entertainment programming between the United States and other countries. Other users could transmit newspapers, magazines and similar information to various foreign locations for printing and distributions.

With respect to broadcasting, there currently appears to be trade barriers relating to the treatment of American radio and television signals by Canada in particular. Examples of these barriers are Canadian denial of tax deductions to businesses which place advertising on U.S. broadcast stations; limits upon the amount of U.S. programming which Canadian stations may broadcast; Canadian governmental authorization of the for-profit interception and redistribution by Canadian satellite of U.S. television signals without the consent of, or compensation to, the U.S. stations and other affected copyright holders; and the unauthorized, uncompensated microwave distribution of U.S. border television signals, sometimes with alterations or deletions, in areas of Canada beyond the stations' over-the-air coverage. The Committee believes that the Canadian government should take appropriate steps to eliminate these barriers.

CONCLUSION

The technological leadership of the domestic U.S. telecommunications industry means that there is no need to impose measures to protect the industry in its home market. Rather, the industry requires mechanisms by which to gain access to foreign telecommunications markets.

The Committee recognizes that the strength of the U.S. dollar—which simultaneously increases prices of our imports—has had an impact on the U.S. telecommunications trade deficits and on the ability of U.S. businesses to compete abroad. The Committee is also aware that American telecommunications companies must recognize that the former domestic market has been transformed into a larger, global market, and they must engage in more extensive marketing efforts if they are going to cope with this new reality. However, despite these other contributing factors, the Committee is convinced that foreign barriers to entry are a major component of the telecommunications trade problem.

The Committee does not intend merely to send our trading partners a signal. Rather, Title II of H.R. 4800 would establish a framework within which the opportunity for U.S. suppliers to compete in the international telecommunications market shall be greatly increased, or new conditions governing foreign access and participation in our own domestic market will be implemented. Title II of H.R. 4800 contains many of the authorities necessary to ensure that action restricting foreign access to the U.S. market will be taken unless U.S. firms obtain meaningful market access abroad.

However, the Committee believes that the President's authority to impose regulatory sanctions under section 301(c) of the Trade Act should be extended to cover telecommunications products. Extension of such authority would provide the President with a full range of remedial actions to help ensure telecommunications products.

Currently under the Trade Act, the President can take action against foreign suppliers of telecommunications services in the U.S. market. Recognizing the significant and increasing U.S. trade imbalance in telecommunications products, the Committee strongly believes the President should also have the authority to implement regulatory sanctions against foreign suppliers of telecommunications products.

HEARINGS

The Committee's Subcommittee on Telecommunications, Consumer Protection and Finance held one day of general hearings on telecommunications trade on March 27, 1985. Testimony was received from Robert S. Strauss, former United States Trade Representative; Frederick Bergsten, Director, Institute for International Economics; Howard D. Samuel, President, Industrial Union Department, AFL-CIO; John Yochelson, Director of International Business and Economics, Center for Strategic and International Studies, Georgetown University; William G. Moore, Jr., Chairman of the Board, American Electronics Association; Eric I. Garfinckel, representing the Communications Industry Association of Japan; and Allen R. Frischkorn, Jr., Chairman, International Trade Committee of the Information and Telecommunications Group, Electronic Industries Association.

In addition, the Subcommittee on Commerce, Transportation and Tourism held a similar hearing on March 28, 1985. Testimony was received from the Honorable Lionel H. Olmer, Undersecretary for International Trade, Department of Commerce; C. Travis Marshall, Corporate Vice President, Motorola Inc.; Michael Borrus, Deputy Director, Berkeley Roundtable on the International Economy, University of California; John Morgan, Assistant to Executive Vice President, Legislation-Government Agencies, Communication Worker of America; and Robert B. Wood, Research Director, International Brotherhood of Electrical Workers.

On October 1, 1985 the Committee's Subcommittee on Commerce, Transportation, and Tourism; and the Subcommittee on Telecommunications, Consumer Protection and Finance held one day of joint hearings on H.R. 3131, a bill similar to Title II of H.R. 4800. Testimony was received from Hon. S. Bruce Smart, Undersecretary for International Trade, U.S. Department of Commerce; Bruce Wilson, Assistant U.S. Trade Representative; John Hinds, Vice President, AT&T International, Inc.; Yong Tuck Lee, President, M/A-COM MAC, Inc.; John J. McDonnell, Vice President, Elec-

tronic Industries Association; Edwin B. Spievack, President, North American Telecommunications Association; Stanton D. Anderson, Anderson, Hibey, Nauheim and Blair; William O'Connor, President, Executone, Inc.; Barbara Easterling, Executive Vice President, Communications Workers of America; and Robert B. Wood, Research Director, International Brotherhood of Electrical Workers.

COMMITTEE CONSIDERATION

On October 2, 1985, the Subcommittee on Commerce, Transportation and Tourism met in open session and ordered reported the bill H.R. 3131, a bill similar to Title II of H.R. 4800, as amended, by a voice vote, a quorum being present. On October 3, 1985, the Subcommittee on Telecommunications, Consumer Protection and Finance met in open session and ordered reported the bill H.R. 3131, as amended, by a voice vote, a quorum being present. On November 21, 1985, the Committee met in open session and ordered reported the bill H.R. 3131 with amendments by a recorded vote of 33 to 0, a quorum being present.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 2(l)(3)(A) of Rule XI of the Rules of the House of Representatives, the Subcommittees held oversight hearings and made findings that are reflected in the legislative report.

COMMITTEE ON GOVERNMENT OPERATIONS

Pursuant to clause 2(l)(3)(D) of Rule XI of the Rules of the House of Representatives, no oversight findings have been submitted to the Committee by the Committee on Government Operations.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the committee makes the following statement with regard to the inflationary impact of the reported bill:

There is no inflationary impact associated with the enactment of Title II of H.R. 4800.

SECTION-BY-SECTION ANALYSIS

TITLE II—INTERNATIONAL TRADE IN TELECOMMUNICATIONS PRODUCTS AND SERVICES

Section 201. Short Title.

Section 201 provides that this Act may be cited as the "Telecommunications Trade Act of 1986."

Section 202. Findings and Purposes.

Section 202 puts forth six congressional findings stating that: rapid growth in the world market for telecommunications products and services will continue for several decades; the United States can improve prospects for its exports and technological leadership through an effort to achieve an open world market; most foreign markets have extensive government intervention which adversely affects U.S. exports, investment, and employment; the open U.S. market has resulted in a dramatic growth in imports and a growing imbalance in competitive opportunities; and unless the imbalance is corrected by achieving fully competitive market opportunities for U.S. telecommunications products and services in foreign markets, the United States should avoid granting continued access for foreign products and services in telecommunications and other areas.

Section 202 also contains three purposes of the Act: (1) to foster the economic and technological growth of and employment benefit from a high quality telecommunications network; (2) to ensure that countries which have made commitments to open telecommunications trade fully abide by those commitments; and (3) to achieve a more open world trading system for telecommunications products and services through negotiation and achievement of fully competitive market opportunities for U.S. telecommunications exporters and their subsidiaries in those markets in which barriers exist to free international trade.

Section 203. Negotiating Objectives.

Section 203 identifies six primary negotiating objectives and seven secondary negotiating objectives for the purpose of section 204, which requires the USTR to establish specific negotiating objectives on a country-by-country basis.

The primary negotiating objectives, in Section 203(a) are:

1. The nondiscriminatory procurement of telecommunications products and related services by foreign entities that provide local exchange telecommunications services that are owned, regulated, or controlled by foreign governments.

2. Assurances that any requirement for the registration of telecommunications products which are to be located on customer premises, for the purposes of—

A. attachment to a telecommunications network in a foreign country, and

B. the marketing of the products in a foreign country,

be limited to the certification by the manufacturer that the products meet standards established by the foreign country for preventing harm to the network or network personnel.

3. Transparency of, and open participation in, the standards-setting processes used in foreign countries with respect to telecommunications products.

4. The ability to have telecommunications products, which are to be located on customer premises, approved and registered by type, and, if appropriate, the establishment of procedures between the United States and foreign countries for the mutual recognition of type approval.

5. Access to the basic telecommunications network in foreign countries on reasonable and non-discriminatory terms and conditions (including non-discriminatory prices) for the provision of value-added services by United States suppliers.

6. Monitoring and effective dispute settlement provisions regarding matters referred to in paragraphs (1) through (5).

The secondary negotiating objectives in section 203(b) are:

1. National treatment for telecommunications products and services that are provided by United States firms;

2. Most-favored-nation treatment for such products and services;

3. Nondiscriminatory procurement policies with respect to such products and services and the inclusion under the Agreement on Government Procurement of the procurement (by sale or lease by government-owned or controlled entities) of all telecommunications products and services;

4. The reduction or elimination of customs duties on telecommunications products;

5. The elimination of subsidies, dumping, violations of intellectual property rights, and other unfair trade practices that distort international trade in telecommunications products and services;

6. The elimination of investment barriers that restrict the establishment of foreign-owned business entities which market such products and services; and

7. Monitoring and dispute settlement mechanism to facilitate compliance with telecomminications trade agreements.

Section 204. Investigations of Foreign Telecommunications Trade Barriers

Investigations. Section 204(a)(1)(A) requires the USTR, within six months of the date of enactment, to initiate and conclude an investigation of foreign countries with a substantial potential market for U.S. telecommunications products and services. The purpose of the investigation is to identify and analyze those acts, policies, and practices in each country which deny fully competitive foreign market opportunities to the telecommunications products and services of U.S. firms.

Under section 204(a)(2), the USTR may exclude any foreign country from the required investigations, if the USTR determines that the potential market in that country for U.S. telecommunications products and services is not substantial. However, countries excluded from investigation for this reason must be reviewed annually by the USTR as provided by section 204(c). If the USTR considers that country's potential market to be substantial, he must initiate and conclude, within 6 months, an investigation to identify and analyze those acts, policies, and practices which deny fully competitive foreign market opportunities for U.S. firms.

Investigations by petition from interested parties or by self-initiation also may be undertaken by the USTR under section 204(b). Such investigations must be completed with 6 months of the date on which they were commenced, in the case of investigations by self-initiation; or within 6 months of the date on which a petition is filed.

Trade Negotiating Objectives. Section 204(a)(1)(B) requires the USTR to establish specific primary and secondary negotiating objectives which should be pursued in negotiations to obtain fully competitive market opportunities in foreign countries for telecommunications products and services of U.S. suppliers. The USTR shall establish these negotiating objectives on the basis of the analysis described in this section. The USTR also shall take into consideration; the needs of affected U.S. industry in that country; the competitiveness of U.S. industries in domestic and world markets; the progress being made to expand market opportunities under existing agreements or ongoing negotiations; and the availability of appropriate incentives and effective remedies.

Section 205. Action by the President in Response to Investigations by Trade Representative.

Section 205(a) requires the President, upon completion of USTR's investigations under sections 204(a)(1)(A) or 204(b) to enter into negotiations with countries which were identified during the investigation as denying fully competitive market opportunities to U.S. suppliers of telecommunications products and services. The purpose of the negotiations is to enter into agreements which achieve the specific primary and secondary negotiating objectives that were established by the USTR under section 204(a)(1)(B).

The negotiating period in section 205(c) provides 18 months from the date of enactment for the President to enter into agreements with the countries identified by the USTR during his investigation. The President may request up to two one-year extensions of the negotiating period. In order to obtain an extension of the negotiating

period, the President must summit a bill 90 days prior to the expiration of the negotiating period and a statement that: substantial progress is being made in negotiations with the country concerned; and further negotiations are necessary to reach an agreement which meets the specific primary and secondary negotiating objectives established with respect to that country. Such requests for extension of the negotiating period will be considered by Congress under the "fast-track" procedures of sections 102 and 151 of the Trade Act of 1974.

If the President is unable to enter into a trade agreement with a foreign country within 18 months after the date of enactment provides that the President shall take whatever actions authorized by this Title that are necessary and appropriate to achieve the purposes of the primary objectives not covered by the agreement. Section 205(b)(1)(B) provides that the President may take whatever actions authorized by the bill that are necessary to achieve the secondary objectives not covered by the agreement.

Section 205(b)(2) requires that any actions taken by the President against the goods or services of a foreign country be directed first at telecommunications products and services from that country.

Section 205(b)(3) authorizes the President to take the following actions if no agreement is obtained: to terminate, withdraw, or suspend trade agreements; take any action under section 301 of the Trade Act of 1974; prohibit the Federal Government from purchasing telecommunications products of a specified country; increase domestic preferences or suspend waives of domestic preferences with respect to Federal government telecommunications purchases (or other products in the case of suspension of waivers); deny Federal funds or credits for purchases of telecommunications products of a specified foreign country; and suspend GSP benefits on articles from specified foreign countries.

In order to ensure the sanctity of contracts, section 205(b)(5) specifies that actions taken by the President under section 205(b)(3) will not affect any binding obligations entered into before the date of enactment of this bill to which any U.S. citizen or national is a party. Section 205(b)(6) provides that any action taken by the President under section 205(b)(3) is subject to approval by Congress under "fast-track" procedures.

Section 205(d) provides that the President may modify or terminate any action taken against a country only if that country enteres into a trade agreement which achieves the objectives established by the USTR for that country.

Section 206. Review of Trade Agreement Implementation by Trade Representative.

Section 206(a) defines "trade agreement" (1) a trade agreement entered into under section 205 that is in force with respect to the United States, and (2) a trade agreement regarding telecommunications products or services that was in force with respect to the United States on the date of enactment of this Act.

Section 206(b) requires the USTR to conduct annual reviews to determine whether any act, policy, or practice of a country with which a telecommunications trade agreement has been reached: (a) is not in compliance with the terms of the agreement; or (b) otherwise denies fully competitive market opportunities within the context of the terms of the agreement.

If the USTR determines that a country's acts, policies, or practices violate a telecommunications trade agreement or otherwise deny fully competitive market opportunites under the agreement, section 206(d) requires him to take whatever authorized actions that are necessary to: (a) fully offset the foreign act, between the United States and the foreign country in telecommunications trade. The USTR may not take action against a country with a trade agreement in existence on the date of enactment before the President has taken action against any other country under section 205(b)(3).

Section 206(e) authorizes the USTR to terminate, withdraw, or suspend trade agreements or take any action under section 301 of the Trade Act of 1974. Actions must be directed first at telecommunications products and services. If all feasible actions have been taken against telecommunications products and services, and if the applicable objectives established with respect to that country have not been achieved, then, and only then, may actions be directed against other products and services.

Section 206(e)(4) provides that any actions taken by the USTR are subject to "fast-track" Congressional consideration. Section 206(f) specifies that actions taken by the USTR will not affect binding obligations entered into before the date of enactment of Title II to which any U.S. citizen or national is a party. Section 206(g) provides that the USTR may modify or terminate any action taken under this section only if he determines that the foreign country concerned has taken appropriate remedial action regarding the act, policy, or preactice concerned.

Section 207. Consultations.

Section 207 requires that the President and the USTR consult with the Secretary of Commerce and other members of the Trade Policy Committee established under section 242(a) of the Trade Expansion Act of 1962; with the private sector advisory committees established under section 135 of the Trade Act of 1974; and with other interested parties in the course of investigations, in the establishment of negotiating objectives, and in determining appropriate action. In addition, this section requires the President to consult closely with appropriate committees of Congress on all aspects of the negotiations.

Section 208. General Trade Agreement Authority.

Section 208 provides general trade agreement authority allowing the President to conclude telecommunications trade agreements under section 205(a). Section 205(a) authorizes the President, during the 42-month period following the date of enactment, to enter into trade agreements to achieve the primary and secondary objectives established by the USTR. Section 208(b) provides that agreements involving U.S. concessions are to be treated as trade agreements subject to "fast-track" legislative procedures. Under section 208(c), the President is authorized to extend agreement benefits and obligations to all countries or just to countries which are parties to the agreement. In addition, the President may choose whether or not to apply the agreement benefits and obligations uniformly to all parties.

Section 209. Compensation Authority.

Section 209(a) authorizes the President to enter into agreements granting new U.S. concessions as compensation to a foreign country for action taken against it, if that action is found to violate U.S international obligations, including obligations under the General Agreement on tariffs and Trade (GATT). Section 209(b) provides that agreements reached under this section are subject to Congressional approval under "fast-track" procedures.

Section 210. Definition of Telecommunications Product.

Section .210 defines "telecommunications product" in terms of classification number from the Tariff Schedules of the United States (TRSUS).

Section 211. International Obligations.

This section provides that nothing in the Act shall be construed to require the President and the Congress to violate U.S. legal obligations, including GATT obligations.

Mr. COATS. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. LENT].

Mr. LENT. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in opposition to H.R. 4800, the Trade and International Economic Policy Reform Act of 1986. I simply cannot support this bill in its current form.

Mr. Chairman, we need effective, strong trade legislation. The free flow of goods and services in international commerce, the lifeblood of a healthy U.S. and world economy, is in danger today. U.S. industries are faced with closed markets overseas while imports enter U.S. markets unfairly. As a result, the United States faced a $148.5 billion trade deficit last year. This situation has not improved. Almost every month the United States sets a new record trade deficit.

Congress can no longer stand by and watch American jobs being lost as U.S. manufacturers move overseas or go out of business. Effective action must be taken. That is why I joined the bipartisan effort of the Energy and Commerce Committee in reporting effective legislation—H.R. 3777—the Trade Law Modernization Act, and H.R. 3131—the Telecommunications Trade Act of 1986. Those bills are models of bipartisan efforts that resulted in well-balanced legislation. H.R. 3777 and H.R. 3131 update our trade laws to address the unfair trade practices U.S. industries face today, without being protectionist.

Unfortunately, I cannot say the same for H.R. 4800, H.R. 4800 has become a partisan and jurisdictional battlefield. This legislation is laden with bad provisions. One example is the provision establishing a Council on Industrial Competitiveness. This simply funnels U.S. economic aid and policymaking through a massive state-planning agency and unnecessarily involves the Government in the process of picking "winners and losers."

Another example is the title addressing our telecommunications trade deficit. That title does not provide for the President to take enforcement action

against a foreign country through the FCC, although he may determine such action to be necessary to achieve equivalent telecommunications market access. The FCC is the branch of Government that has primary jurisdiction over telecommunications. It should, therefore, be the branch of Government that has primary jurisdiction over telecommunications market access enforcement action. Yet the President cannot use, as a remedy, the denial of a license to a foreign company to operate in the United States.

These are just two examples where the partisanship behind H.R. 4800 has resulted in a bill which will not effectively address the trading problems that face U.S. industries.

The rule governing consideration of H.R. 4800 makes a substitute in order. That substitute is not laden with the many protectionist provisions that are in H.R. 4800. The substitute will give the House a second chance at creating a trade bill that will effectively address our trade problems without being partisan or protectionist. I urge my colleagues to take the opportunity the substitute will provide us to pass well-balanced, effective legislation.

Mr. FLORIO. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I rise in support of the bill H.R. 4800, the Trade and International Economic Policy Act of 1986.

This bill is designed to address the No. 1 economic problem facing our country—the skyrocketing U.S. trade deficit. In each of the last 4 years, the U.S. trade deficit has broken all previous records. Last year's deficit was a staggering $150 billion and estimates are that in the year 1990, the U.S. trade deficit will be $300 billion—twice as high as last year's deficit.

Furthermore, the United States officially became a debtor nation last year for the first time since 1914. In the 4 short years since 1981, America has gone from being the world's largest creditor nation to becoming the world's largest debtor nation. Over the last 5 years, our trade problems have also robbed about 2 million Americans of their jobs in manufacturing industries.

This bill gives America's most productive industries—telecommunications, natural resources, and many others—the opportunity to compete fairly in international trade. Without such legislation, U.S. industry will continue to lose market share to foreign competitors, and American firms and jobs will continue their exodus offshore. Nothing less that the future economic health of our country is at stake, and I think this bill is a major step toward curing our ills.

My subcommittee reported two bills early in the Congress that contain provisions substantially similar to titles I and II of H.R. 4800. One of these bills, the Trade Law Modernization Act, H.R. 3777, made important changes in U.S. trade laws that appear in title I of H.R. 4800. This legislation includes changes in section 301 of the Trade Act of 1974 dealing with unfair foreign trade practices; changes in section 201 of the Trade Act of 1974 which provides relief to U.S. firms injured by imports; and amendments to title VII of the Tariff Act of 1930 that would make it easier to impose antidumping and countervailing duties on imports subsidized by foreign governments. All the changes are designed to make relief easier to obtain for U.S. firms and to ensure that trade considerations are given greater weight in deciding when remedies should be imposed.

The other bill, H.R. 3131, the Telecommunications Trade Act of 1986, is substantially similar to title II of H.R. 4800. This legislation was initiated by my colleague, TIM WIRTH, and myself a year ago.

For several reasons, I believe the trade problems facing the telecommunications industry are unique and require special attention by Congress.

First, it was governmental action that created many of the trade problems that now plague the U.S. telecommunications industry, and therefore, our Government must take some responsibility for their solution. The flood of foreign telecommunications imports coming into the United States only began in response to a series of regulatory and judicial actions that culminated in the breakup of the AT&T system. While the American telecommunications market underwent virtual total deregulation, foreign markets remained tightly controlled by government-run corporations and largely closed to U.S. telecommunications products.

Last year, AT&T closed down its last residential phone equipment manufacturing operation in the United States and moved it to Singapore. In the process, 2,000 Americans in Shreveport, LA, lost their jobs. Now, AT&T's home telephone products are imported—not made in America.

Since 1980, the U.S. telecommunications trade balance has plummeted from a surplus of nearly $1 billion to a deficit last year of $1.3 billion. This year, our telecommunications trade deficit is expected to grow still larger.

The second reason I assign high priority to the passage of telecommunications trade legislation is because we still have a chance to minimize the damage inflicted on this industry if we move very quickly. The U.S. telecommunications industry is comparable or superior to its foreign competition in terms of quality, technology, and innovation.

Our only deficiency is meaningful access to foreign markets. Unless access is obtained soon, however, U.S. firms will miss out on a major procurement cycle in Japan and many other countries that may make American companies virtually noncompetitive in the world market for the next 5 years.

Only the threat of legislatively mandated retaliation can keep the pressure on other countries to open their markets to U.S. firms.

Title II of H.R. 4800 would establish a framework within which the opportunity for U.S suppliers to compete in the international telecommunications market shall be greatly increased, new conditions governing foreign access and participation in our own domestic market will be implemented. Title II gives the President a sufficient period of time to negotiate access to closed foreign markets, but if those negotiations fail, the bill requires him to take action against foreign firsm in this market. Therefore, the bill limits the Presidents's discretion not to act in the fact of unfair foreign trade practices.

It is a tough bill, and it is a good bill. I urge my colleagues to support it when we vote on it tomorrow.

□ 1715

Mr. COATS. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. OXLEY].

Mr. OXLEY. Mr. Chairman, I rise in opposition to H.R. 4800 and in support of the Michel substitute.

I am disturbed by the course of events in the last several months that has led us from trade reform legislation to a political issue, and I think that is unfortunate.

The first committee to act was our Energy and Commerce Committee, on a comprehensive trade reform bill, H.R. 3777, which passed out of our committee on a strong bipartisan vote. There were only three votes against that legislation in committee.

At that time I felt we had a responsible and effective bill that was nonprotectionist in nature and yet at the same time made some very valid statements in our international commitments as far as trade is concerned. It was a strong position, a strong bill, and I think that without resorting to protectionism we were very effective in passing that legislation.

In the meantime, the Ways and Means Committee took hold of the bill, and from that point on, in my estimation, the legislation has gone downhill. I am disappointed in that.

The extremely protectionist language that will undoubtedly invite foreign retaliation is currently present in the legislation that we are considering. It is against U.S. exports and certainly impacts very heavily on agricultural exports in my home State, in my home district. As a matter of fact, 1 out of every 4 acres of ground in Ohio are devoted to agricultural exports, and I

fear that the retaliation will have a severe effect on our ability to export agricultural products throughout our country into other countries of the world.

What I am particularly concerned about is the bill language providing for 301 actions against countries that violate internationally recognized worker rights, which even the U.S. Congress has never adopted on our own. I am wondering what kind of effect that is going to have worldwide. It seems to me that we have enough to do internally without telling other countries how they can handle their own particular workers.

The bill also mandates retaliation by a date certain in specific 301 cases, thus limiting negotiating powers for affected U.S. industries. If negotiations are proceeding and the inflexible deadline is reached, retaliation is required and there is no chance for a reasonable solution. Retaliation by foreign governments is thus invited for U.S. products.

The issue has also been resurrected of industrial policy, a failed policy that is a synonym for more Federal bureaucracy, more special-interest lobbying, and more Government interference in the market.

The bill has also expedited decisions by Commerce on issues of national security import investigations, which could seriously hamper the review of these very important matters by that Department.

In addition, the so-called omnibus trade bill is full of industry/company-specific provisions that provide relief on tariffs. Such "pork" has no place in this type of legislation.

I would hope that the House would take a serious look at this flawed legislation and to consider the Michel substitute which, in my estimation, more closely tracks the original bill that passed out of the Energy and Commerce Committee with a good number of votes, and my friends that I am looking at right now.

Mr. FLORIO. Mr. Chairman, I yield 3 minutes to the gentleman from Colorado [Mr. WIRTH], the sponsor of H.R. 3131, which is the essence of title II.

Mr. WIRTH. Mr. Chairman, this is an historic occasion for the House of Representatives. H.R. 4800, the Trade and International Economic Policy Reform Act of 1986, is the most comprehensive trade legislation ever considered on the floor of the House of Representatives.

H.R. 4800 is the product of the hard work of no less than seven committees of the House under the strong stewardship of the Speaker and the majority leader. I wish to commend each committee and the leadership for their many hours of work to bring this comprehensive trade package to the floor. The legislation we consider today is also a result of the deep and increasing frustration with the lack of administration leadership to advance American trade and economic interests with our major international competitors.

I rise today to support the specific provisions in Title II and VIII of the bill, the parts of the bill within the jurisdiction of the Subcommittee on Telecommunications, Consumer Protection and Finance. I believe we can be particularly proud of the provisions in title II of H.R. 4800, the Telecommunications Trade Act of 1986. This title had its genesis in telecommunications trade legislation, H.R. 3131, that Congressman JIM FLORIO and I introduced nearly a year ago—legislation which enjoys the strong support of industry and labor. I am gratified that our efforts that began several months ago to get nonprotectionist market opening telecommunications trade legislation have come this far.

In recent years, the U.S. balance of trade in telecommunications equipment has deteriorated significantly. Our telecommunications trade balance has plummeted from a surplus of nearly $1 billion in 1980 to a deficit of $1.3 billion in 1985. This year the U.S. deficit is expected to grow still larger to an estimated $1.6 billion.

Like H.R. 3131, title II of H.R. 4800 is designed to address our current trade imbalance in telecommunications by opening foreign markets to U.S. suppliers of telecommunications products and services. Moreover, this legislation recognizes that negotiations are the preferred course to achieve market access for American telecommunications firms abroad.

I firmly believe negotiations are an essential component if telecommunications trade legislation is going to serve the goal of opening foreign markets instead of closing our own. Where negotiations do not result in improved market access for U.S. firms, title II, like its predecessor H.R. 3131, would require the President to take some action to restrict foreign access and participation in the U.S. markets as a means of forcing open the foreign market in question.

There is broad consensus on substantially all of the provisions contained in title II. However, while title II gives the President additional authority to take action against unfair trade practices, it does not, as currently drafted, provide the President with the full range of available sanctions to achieve meaningful market access abroad for U.S. telecommunications firms. I believe the President and his trade negotiators should have at their disposal every possible effective remedy to combat unfair practices in telecommunications trade.

Time after time, foreign governments have used their registration and certification standards and regulations for telecommunications products to impede access by U.S. firms to their markets. However, title II of this legislation, as currently drafted, does not list among the potential remedies that the President might initiate the use of regulatory actions as a means of opening foreign markets to U.S. telecommunications products. Industry has clearly and consistently advocated the need to have this option available to the President as a tool for opening foreign markets when more disruptive measures such as tariffs and quotas may not be appropriate.

It is my understanding that the proposed amendment to provide the President with the authority to take regulatory actions in order to open foreign markets to U.S. telecommunications products will not be offered to title II. I am pleased that this amendment will not be brought up at this particular time. Too much effort has been devoted to piecing together a package intended to send a strong signal to foreign governments and the administration that the telecommunications trade problem will not be treated lightly.

Now that telecommunications trade legislation has come this far, it is important that we present a united front as we move forward to deal with this important challenge to one our most promising and dynamic industrial sectors. Moreover, it is my belief that there will be an opportunity for the House to consider this important issue at some future point.

Mr. Chairman, I also rise in support of section 701 of title VII of H.R. 4800, which contains amendments to the Foreign Corrupt Practices Act. The Foreign Corrupt Practices Act was developed by the predecessor committee to the Committee on Energy and Commerce, after extensive hearings in the 94th and 95th Congresses. The act addressed some very serious abuses in a regretful era in American corporate history.

The disclosures in 1973 of illegal corporate political contributions to the Nixon campaign revealed that the contributions were made possible by the maintenance of off-the-books accounts, false bookkeeping entries, the laundering of funds through foreign bank accounts, and other illegal activities by major corporations. More than 300 major corporations contributed millions of dollars to election campaigns. Criminal charges were brought against a number of companies and individuals.

The falsification of corporate financial records, designed to disguise or conceal the source and application of corporate funds and the existence of secret slush funds, was also used to facilitate questionable or illegal payments to foreign government officials. Ultimately, more than 450 corporations disclosed illegal or questionable payments abroad. Many made pay-

ments totaling $10 million or more. Those foreign payments had far-reaching consequences for United States foreign relations in Japan, Italy, the Netherland, and for other friendly governments.

The Foreign Corrupt Practices Act was passed in 1977 to specifically prohibit the bribing of foreign officials by American companies and individuals. The act, and self-policing by thousands of American firms doing business abroad, has dramatically reduced the bribery of foreign government officials.

In addition, in many respects the act has had a very positive impact on foreign trade. American diplomats overseas have noted that the law has benefited American companies who, in their dealings with foreign governments, can point out that the law calls for a higher standard of behavior on their part than their foreign competitors. American companies say they have been able to resist requests for payoffs from certain foreign officials by pointing to the constraints of the law.

When the Foreign Corrupt Practices Act was adopted in 1977, Congress did not ignore that some business might be lost as a result of the new law. However, Congress determined that it was not in our national interest to gain business that could only be gained by paying bribes. Congress concluded that the payment of bribes is bad business practice. To quote from the 1977 committee report:

> [Bribery] erodes public confidence in the integrity of the free market system. It short-circuits the marketplace by directing business to those companies too inefficient to compete in terms of price, quality of service, or too lazy to engage in honest salesmanship, or too intent upon unloading marginal products. In short, it rewards corruption instead of efficiency and puts pressure on ethical enterprises to lower their standards or risk losing business.

Why, then, should we change the law? After the law was passed, a number of exporters began telling the Congress that the words of the law were unclear. Many ethical, responsible members of the business community said they wanted to comply with the law, but they did not understand certain words and phrases used in the statute. Some said that they had to withdraw from export activities where they could not be certain whether those activities might be construed to involve violations of the law. Some feared criminal prosecution for mere negligence.

In the 97th and 98th Congresses, the Subcommittee on Telecommunications, Consumer Protection and Finance conducted an extensive review of the act and its impact on foreign relations and trade, and we reviewed the enforcement records of the SEC and the Department of Justice. The impact of the act on exports could not be determined with certainty. With respect to enforcement of the act, it was clear that neither the SEC nor the Justice Department were prosecuting companies for minor mistakes or negligence.

Even so, it is clear that there continues to be uncertainty about what the law requires. Indeed, some have suggested that the restraints of the law may be greatest on the most scrupulous members of the business community, who may withdraw from situations in which they cannot proceed with certainty that a bribe will never be paid by subordinates.

I believe it is important to convince American exporters that they are being treated fairly by their Government, so that we can win renewed support for this important law. U.S. exporters should work as partners with the Government to assure that the scandals of the 1970's that damaged the international stature of this country and American business are not repeated. It is my view that if businesses are asked to continue to support and operate under the Foreign Corrupt Practices Act, we in the Congress, in return, can give them further assurances about the law's meaning and congressional intent.

This legislation is a very positive step in strengthening and clarifying the law. The law is clearer because it uses terms that are defined in the statute, and are generally understood concepts under the Federal securities laws. The law is stronger because it provides incentives for companies to police themselves. The changes here build upon the intent of Congress in 1977. Law enforcement under this legislation will be strengthened.

I would note that this is in stark contrast to a number of earlier proposals, which were purportedly drafted to clarify the law but, instead, opened wide loopholes and introduced vague, new terms. In the 97th Congress, the Senate passed legislation in this area which had loopholes "big enough to fly all of Lockheed through," according to the New York Times. The legislation would have opened the way for a few, unscrupulous companies to evade the law, and it could only have hurt honest exporters who wanted to comply with the law.

In 1981, the administration proposed legislation that would have repealed the accounting provisions of the act, which require that all public companies keep accurate books and records. This would have hurt public shareholders and undermined confidence in the integrity of our markets and our system of full disclosure. This idea was roundly rejected and, indeed, the accounting provisions are left intact by this legislation.

The legislation before us involved the careful work of a number of Members, and I wish to acknowledge them today. There are a number of members of the Committee on Foreign Affairs who worked on earlier drafts of the legislation. The gentleman from Florida [Mr. MICA] sponsored legislation which, although different from the legislation before the House today, had as its goal giving more guidance to the business community to operate under the law. The gentleman from Washington, the distinguished chairman of the Subcommittee on International Policy and Trade, Mr. BONKER, and the gentleman from Florida, the distinguished chairman of the committee on Foreign Affairs, Mr. FASCELL, shared this goal, and devoted considerable effort to ensure that this goal was realized. The gentleman from California [Mr. BERMAN] spent many hours working with me and the Energy and Commerce Committee, working with colleagues on the Committee on the Judiciary and on the Committee on Foreign Affairs, to try to develop clear, tight language.

Significant changes were made to address my concerns and those of the distinguished chairman of the committee, Mr. DINGELL, as well as the concerns of other Energy and Commerce Committee members. Those included keeping the jurisdiction over enforcement of the act with the SEC, the agency responsible for ferreting out the payments scandals of the 1970's, and making amendments directly to existing law, so that there could be no room for doubt about the law's meaning and intent. Many changes were made during the referral of the legislation to the Committee on Energy and Commerce prior to the introduction of H.R. 4800.

The gentleman from New Jersey, and distinguished chairman of the Committee on Judiciary, Mr. RODINO, contributed his expertise to the development of the criminal standards and Justice Department enforcement.

Finally, I would like to thank the gentleman from New Jersey and ranking minority member of the subcommittee, Mr. RINALDO, for his participation in the lengthy hearings and review on this issue. When we held our first hearings on this subject in 1981, I said thare would be no "quick fix" on the legislation. He agreed with that approach and worked very patiently with all of us as we looked for the right language to clarify and strengthen the law.

As I noted earlier, amendments to the act contained in previous legislation passed by the Senate would have opened wide loopholes in the law. I would close by saying that all of the House Members who have participated in the development of the amendments contained in this legislation have given assurances that they will hold to the House position and avoid

any weakening changes that may be proposed in conference.

Chairman DINGELL and I have prepared a statement describing the history of the Energy and Commerce Committee's review of the issues and a discussion of the major provisions of the legislation. The statement is intended to give law enforcement agencies and the business community further guidance about the meaning of the law and congressional intent.

Mr. COATS. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. FIELD].

Mr. FIELDS. Mr. Chairman, I rise to express my strongest opposition to H.R. 4800. I feel that this legislation is misguided, ill-conceived and dangerously protectionist.

The U.S. current trade deficit cannot be sustained. Reducing the deficit is a priority problem which deserves responsible attention. For this reason, I worked with my colleagues on the Energy and Commerce Committee in recommending legislation to address unfair trading practices abroad and certain inadequacies in our current trade laws. However, while many of the provision recommended by the Energy and Commerce Committee are included in H.R. 4800, the final product is a bill that would do more harm than good.

Protectionism often creates two separate classes of workers; One class in which jobs are protected, and another class of workers whose jobs are expendable. While this bill has been dubbed by some as a "job-saving" bill, the fact is that the passage of this bill would save some jobs while destroying others.

As a representative of our Nation's third busiest port, I am particularly concerned. This bill places in jeopardy the jobs of more than 32,000 Texans directly dependent on the port's activities. These are hardworking Americans who pay their taxes, who believe in the free enterprise system, and who now find they may lose their jobs, through no fault of their own, because of the misguided actions of their Government. Under this bill, maritime workers, railroad workers, and truckers would be severely impacted.

The big losers under H.R. 4800 will be the workers of many of our most dynamic industries, consumers who would pay higher prices on thousands of products, and farmers who will most assuredly lose export sales due to retaliation. The fact is that free trade benefits all Americans—especially Houstonians. An estimated 160,000 Texans—more than 3 percent of the State's total work force and more than 10 percent of the work force in Harris County—receive direct benefits from the Port of Houston. Forty percent of all agricultural products produced in the United States are exported—I might add, Houston has been the Nation's largest grain exporting port—as are 20 percent of all goods produced in the United States. If we proceed to erect the type of trade barriers proposed in H.R. 4800, in blatant violations of our international trade laws, we will not be encouraging economic growth and prosperity; rather, we will be setting a course toward economic stagnation.

Mr. Chairman, the Republican substitute provides us with a responsible alternative to the protectionist legislation in H.R. 4800. The substitute retains the constructive provisions in the bill, while eliminating the most damaging measures. It amends existing trade laws to expand the unfair practices meriting retaliation. It removes the injury requirement for industries whick seek relief from violation of patents, copyrights, and trademark law infringements. The substitute contains provisions specifying objectives for negotiating agreements with foreign governments to provide access to U.S. telecommunications products and services. Finally, the substitute urges the President to launch a new round of GATT negotiations as soon as possible to resolve pending issues not satisfactorily resolved in earlier trade negotiations and to develop multilateral disciplines in areas where trade problems have emerged or become more acute. A new round of GATT is the most constructive way to address the complex problems which exist in the world market today. I urge my colleagues to support the Michel substitute. It is by far the most responsible approach.

Mr. FLORIO. Mr. Chairman, I yield 2 minutes to the gentleman from New Mexico [Mr. RICHARDSON], a valuable member of our subcommittee.

Mr. RICHARDSON. Mr. Chairman, I would like to commend you and all the members of this committee and the other committees who have worked so hard on this important legislation. While the bill before us today does not include the language of the Energy and Commerce bill which is of special concern to me, I think the legislation is long overdue. America's basic position on trade issues is an artifact of World War II when we emerged from the World War as the most powerful industrial economy in the world. Our economy could tolerate large tariff and nontariff barriers erected against our products while at the same time being open to imports; our trade laws reflect this post-World War II view of the world. But Japan and Europe have now reconstructed and no longer need to protect their domestic industries to rebuild shattered economies. And while the economic position of these countries has changed, before now, we have seen no corresponding changes in U.S. trade law to reflect this new economic reality. Our trade laws are in desperate need of the revisions found in this bill.

Mr. Chairman, most of us are strong supporters of free trade and most of us also recognize what free trade does and does not mean—free trade does not mean closing markets to U.S. goods; free trade does not mean dumping goods on the American marketplace; free trade does not mean foreign subsidization of industries to the detriment of ours; and free trade is not enhanced by U.S. trade laws which do not adequately address these barriers to its practice.

I have a special interest in trade—much of New Mexico's mining industry has been wiped out by unfair trade. Unemployment statistics for the mining segment of New Mexico's economy indicate that between 1984 and 1985, 21,000 jobs were lost to foreign mining interests. Layoffs have occurred in virtually all facets of mining and they are continuing. In 1985, Taos County at the extreme north-central end of my district, already had an unacceptable 20-percent unemployment level; its largest employer, a molybdenum mine, has laid off many of its workers. Now, in 1986, the moly mine has virtually closed down and unemployment in the county is approaching 40 percent. New Mexico's two remaining uranium producers, both in the Grants, NM area, were forced to close their mines and mills in 1985, laying off several hundred workers in the process. In 1986, only one uranium mine continues to operate and it is basically stockpiling its uranium; it has no customers. Similar statistics are found in New Mexico's potash and copper industries.

New Mexicans are not alone in watching the decimation of their mining industries by unfair foreign trade. In 1980, 110,000 American families, most of them from rural areas, were supported by hardworking miners. After 5 years of our much-heralded "support for the American family," fewer than 45,000 families can now make this claim. In 1980, metals mining in the United States was a $9 billion enterprise. After 5 years of the economic recovery about which we all hear, it is now worth less than $5 billion. In 1980, the United States had a manageable trade deficit of under $35 billion. After 5 years of this so-called fiscal responsibility, we now have a trade deficit approaching $150 billion.

One of the most troubling things about both New Mexico's and the Nation's dismal statistics on trade and mining is that these trade policies have hit rural America the hardest. We have not only ignored the causes of this dislocation, but we have ignored the result—the hundreds of thousands of workers who need our support and assistance. The downturns in mining, brought about as a direct result of unfair trade, have hurt rural areas more than urban areas,

Western States more than Eastern States. These areas are the least equipped to deal with large-scale unemployment; local economies are not diversified, services are limited or nonexistent, retraining possibilities are few, relocation is seldom an option.

Mr. Chairman, the administration's response to the trade deficit, in boxing parlance, has been a light left jab. The bill we are considering today is a stiff left hook, to signal to our trading partners that we mean business and that we want their trade.

The time has come to blow a loud whistle on the trade deficit and to demand a specific plan of action. The administration ignores this problem and hopes that it will go away. It is too late for Band-Aids and Dr. Feelgood lectures. the American people are starting to feel the pain.

The costs have been high. Four million American workers have lost their jobs, their livelihood has been jerked from under them and sent overseas. The future costs are higher: an eroding industrial base, a declining economic growth rate, an American potentially less secure and shrinking opportunity for America's youth.

We need to level the playing field and demand that other countries treat our exports the same way that we treat theirs.

Foreign governments have got to stop such practices as taxing American products just enough to make it impossible for the consumers to buy them or stalling our exports with interminable redtape or requiring that any advertising of American products be in English, which potential customers in their countries cannot read.

The message is simply this: Stop, we cannot take it, and we will not take it any more. Unless you correct this mistreatment, trading partners, we will retaliate.

That, to me, is a level playing field—fair trade.

Mr. COATS. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON. Mr. Chairman, I have been a strong advocate of comprehensive trade law reform and the adoption of procompetitive policies by both Government and the private sector, business, and labor. Government should not relieve business of its responsibility to modernize but should guarantee business and America's working people the right to compete on equal terms. Whether you call it fair trade or a level playing field, it is jobs to people I represent.

Last year, I developed a package of initiatives to assure fair competition and encourage trade expansion and am pleased that many of the ideas outlined in my original package were embraced by Democrats and Republicans. The bill before us moves toward creating sounder trade laws to serve us in the decades ahead but missteps seriously.

The sections in the bill which advance reciprocity as the guiding principle, codify that industrial targeting is unfair and extremely injurious, strengthen laws to protect U.S. innovation, seek to open telecommunications opportunities in foreign markets, speed relief, toughen penalties, and make the USTR more accountable to offer effective response to unfair trade practices and progressive initiatives and need to be approved by this body.

In addition, the bill incorporates legislation I initiated with LYNN MARTIN and others last September which shortened the timetable for responding to 232 petitions and would have implemented remedies for the machine tool industry had the President not acted today, and I commend him on the strong actions he took to seek VRA's. Furthermore, it relaxes export controls on products that are clearly available from foreign producers and frees our resources to more effectively prohibit the export of militarily sensitive technology.

But as a legislator representing a State that is among the top exporting States in the Nation, with one in seven jobs related to exports, I must express my deep reservations about the sections which seek to undermine the international trading system by forcing arbitrary formula reductions in our trade deficits with some of our most important trading partners. This is plainly bad policy that will backfire and cost my constituents jobs.

Another provision which concerns me exposes U.S. buyers to retroactive penalties for accepting dumped goods and would pit one American company against another unfairly and unproductively—making us weak, not strong. I agree we need better antidumping laws, but they should be against the dumpers, not our own people. In fact one of my disappointments is that the bill does not include the possibility of prohibiting access to America's market except after multiple offenses. Since the purpose of dumping is to gain market share, no penalty but exclusion will end this practice.

In view of the important reforms contained in the committee bill backed by the members of both parties, I hope that we will be able to keep our heads this week and pass amendments to clean this legislation up, or I believe it will be left up to the other body to save us from ourselves. Trade law reform has been a long time in coming. Let's do it right.

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Mr. FLORIO. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. I thank the gentleman for yielding me this time.

Mr. Chairman, to the great majority of Americans who have a job today, this bill may be meaningless. In fact, those great Americans who are working today might be enjoying the fruits of cheaper goods imported from foreign lands.

But to those Americans who are without jobs, let me point out to you that this ought to be a nonpartisan effort. To the unemployed AT&T worker in Shreveport, LA, who has lost his job because AT&T relocated to Singapore; to the American shrimper working in the Gulf of Mexico who has to compete against shrimp caught in Mexico with Goverment-sponsored diesel at 18 cents a gallon, this bill says he has a chance again to work in America.

It says that the unemployed American, be he Democrat or Republican, you have a chance to share in the American dream by working and earning a decent income for your family.

To the minority of Americans who have been denied their jobs, the majority of Americans ought to stand and say, "This is no Democrat or Republican issue; this is an issue to provide employment for Americans."

I am particularly pleased that the bill contains a resource subsidy provision that would do something for the American shrimper; provisions to protect the jobs of the AT&T worker in Shreveport and all in America who have lost their jobs to unfair foreign trade practices.

Mr. COATS. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I join with many today who, on both sides of the aisle, have for several years called for and worked for meaningful trade reform. There is no question in my mind that changes in our trade laws need to be made. I have introduced legislation, worked with the U.S. Trade Representative, the Department of Commerce, the USDA, the FCC and other agencies, and I have worked with both industry and labor to draft and support meaningful trade reform legislation.

Six months ago, I was hopeful that we were on our way to substantive, workable trade reform that could have brought real relief to American industry and the American worker. But somewhere along the line the trade reform train picked up a lot of excess cars loaded with a lot of excess baggage—tariffs and quotas against countries with high trade surpluses with the United States, without regard to which products are treated fairly or unfairly—the Gephardt amendment.

The Pease amendment that requires adherence by our trading partners to world labor standards even if the United States does not impose those standards. A Council on Industrial Competitiveness, a bureaucratic body

that would impose industrial policy on American taxpayers. That would divert capital and resources; pick winners and losers. Does anyone here truly believe that a Washington bureaucrat is capable of determining which industries should succeed and which should fail? Does anyone doubt that this process would become highly politicized as soon as it is imposed?

What started out as a bipartisan effort to address real trade concerns has turned into a partisan election year effort that unfortunately addresses the politics, but not very much of the substance of our trade problems.

This bill is not trade reform; it is trade retreat. This bill is not a market-opening bill; it is a market-closing bill. This bill is not a jobs-producing bill; it is a job-reducing bill.

We have a chance to get the trade reform train back on the right track without the unnecessary baggage. The Michel substitute adopts the best of the current trade law reform proposals. It provides stronger, broader relief to industries threatened by unfair trade practices, including foreign industrial targeting. It cracks down on dumping and subsidized imports; counterfeiting and repeat customs law violators. It also attacks the problems of closed telecommunications markets and unfairly priced natural resources with tough but fair new rules.

Most importantly, the substitute provides for expanded agricultural exports. Expanded sales of manufactured goods; expanded services. It opens doors to America's products which means American jobs.

Let us respond to our serious trade problems with fair and strong legislation, not with partisan posturing. Our purpose in changing the trade laws should be to ensure a better trading system now and in the future to protect U.S. jobs and to open markets for U.S. producers. Unfortunately, the bill before us does none of these.

Fortunately, the Michel substitute points the direction in which we should go in addressing our trade problems.

Mr. FLORIO. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. ECKART].

Mr. ECKART of Ohio. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise today in support of H.R. 4800. The President accuses us who support this bill of protectionism. Well, the American workers, I think, can accuse him of surrender. For the first time in this century, the United States has become a debtor nation.

There is no doubt about it, this is in fact a jobs bill, Failing to pass it makes us accessories to the cirme of sending our jobs overseas forcing more families into unemployment rolls of which we find 40,000 in my State already having lost their job to foreign competition

This bill protects American workers from the American Government, for indeed, we discovered during the course of these hearings that our own GSA has been puchasing materials for the defense stockpile from foreign manufacturers who are dumping their goods in the United States.

Mr. Chairman, it is not enough simply to retool our factories; we have to reskill our workers and this bill provides adequate training and educational opportunities for workers who have lost their place and look to us for some help.

Most importantly, Mr. Chairman, this bill sends a most important, strong and clear message to our trading partners who have allowed unemployment to pile up on our shores while their goods fill our stores

Mr. FLORIO. Mr. Chairman, I yield the balance of my time to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of the amendments to the Foreign Corrupt Practices Act contained in title VII, section 701 of the bill.

The Foreign Corrupt Practices Act was passed in 1977 to address the embarrassing revelations of a large-scale corporate bribery of foreign government officials. Some of America's biggest corporations were involved.

After lengthy hearings by the predecessor subcommittee to the Subcommittee on Telecommunications, Consumer Protection and Finance, the subcommittee reported the legislation, which was then reported by the predecessor committee to the Energy and Commerce Committee. It passed the House of Representatives without opposition.

In recent years, concerns have been raised by responsible members of the business community that the law may be unclear in certain respects. I have been sympathetic to those concerns, but I have not been sympathetic to a number of earlier proposals, particularly those from the administration and from the Senate, which, in the name of "clarifying" the law, would have introduced vague, new terms and opened wide loopholes in the law.

The lengthy hearings and review process undertaken by the Committee on Energy and Commerce and its subcommittees has produced the narrow, clarifying and strengthening amendments that are part of the legislation before us today. They demonstrate that this committee and the House of Representatives support a strong, antibribery law—one that is clear and that has the support of the business community.

Mr. TALLON. Mr. Chairman, we are considering today a measure which can restore America's competitive edge in international trade. H.R. 4800 is balanced, timely, and vital legislation to provide fair as well as free trade. It requires the President to take action in response to certain kinds of practices which keep American products out of foreign markets or which give unfair advantage to foreign exports. It also provides assistance to American companies and workers hard hit by foreign competition, and helps promote U.S. exports in world markets. What this bill does is eliminate unfair trade practices and provide a level playing field for international trade between the United States and its trading partners.

No one can deny that we must act now to prevent the erosion of America's manufacturing base and our status as a world power. We need a trade policy now. Our present trade practice of transporting in goods and transporting out jobs cannot be continued. If we do not aggressively pursue trade reform, the result will be the transfer of economic strength to other nations and the resulting decline in American power.

I hope my colleagues will have the courage to stand up for American industry in the face of a multiplicity of quotas, tariffs, and restrictions by foreign governments. Up to now many of our leaders have failed to tackle our trade problem because they are afraid of a single word—protectionism. Our decline in economic strength is largely the result of a war of words on American trade policy. On one side are the free traders; on the other side are the protectionists. They are both creating a great deal of noise, but unfortunately both are defending a myth.

They argue textbook theories and ancient history without regard to the real economic world marketplace.

As a result, the United States has no rational trade policy that might reduce our $150 billion trade deficit and enable us to compete in new and constantly changing world trade.

First, to dispell the myth, pure free trade does not exist now and never has. Neither does its ideological opposite, pure protectionism.

To look at the real world:

At least half of the world trade is affected by some sort of protectionism—tariffs, quotas, subsidies, or other measures that distort trade by preventing its free flow.

Fully 40 percent of the world trade is not between countries but between branches of multinational companies.

Almost every nation except the United States has a trade policy, and makes it part of its overall foreign policy.

In view of these practical realities, the administration's blind faith in free trade is ridiculous. Yet, on the other side, protectionists take a meat-ax approach by proposing a blanket 25-percent tariff, as though all imports are equal and all countries deserve the same treatment.

With today's technology and communications systems, modern factories can be built around the world, taking advantage of the lowest wages, while being directed by headquarters in New York.

Therefore, the theory of "comparative advantage" is no longer a natural occurrence,

but can be created by any country or multinational corporation willing to go to the trouble. This is the biggest cloud on the U.S. trade horizon.

Some of our problems will disappear as the dollar weakens, but the threat of low-wage competition will continue. This is why we need a full-fledged trade policy, based on world realities. Our Government policies on taxes, industry, investment must be shaped to promote trade and expand industry jobs. H.R. 4800 is an important step in this direction. It requires the President to take action to address harmful trade barriers, remove export controls, and stabilize international currency markets.

Does this imply some protectionism? Yes, but aren't our industries, jobs, communities, our standard of living worth protecting? In economic defense, like in military defense, the question is not if, but how.

We have an arsenal of offensive and defensive weapons—duties, quotas, subsidies, tax incentives, bilateral agreements. The key is a set of rational, practical trade policies using what works best in specific situations. And that is what we have here with H.R. 4800.

A trade policy for our Nation is long overdue. It is time to jettison the myths and start dealing with the real world. If "protectionism" offends the ear, we can call it "managed trade" or "organized free trade" or some other fancy name. At this stage, what we call it is less important than whether we do it.

Mr. RODINO. Mr. Chairman, I rise in support of H.R. 4800, the Trade and International Economic Policy Reform Act of 1986.

For too long, there has been a passive approach taken by some of our trade officials to a range of fiscal and trade issues currently causing distress. It has now been left to Congress to take the "fight" rather than "flight" response to competitive challenges from abroad. I believe H.R. 4800 offers such a plan. By providing for assertive responses to unfair trading practices and barriers to entry abroad and healthy competition policies at home, this legislation is an important step in returning America to its leadership position in exports, high technology, and R&D breakthroughs.

This legislation takes a comprehensive approach to our current problems. The Committee on the Judiciary has worked closely with other committees on a wide range of issues coming within its jurisdiction. These matters include extending greater intellectual property protection to domestic patent holders, fashioning more responsive remedies for American companies against foreign dumping and other unfair trading practices and clarifying and strengthening provisions of the Foreign Corrupt Practices Act.

I would like to offer some comments on those provisions of H.R. 4800 that would amend the Foreign Corrupt Practices Act of 1977. As you know, that act was a needed response by Congress to combat increasing instances of improper conduct by certain domestic concerns in securing or performing commercial contracts. To assist compliance, the Department of Justice in 1980 set up a business review program whereby businesses could submit information to the Department about prospective conduct in order to determine whether such conduct would conform with the DOJ's enforcement policy under the act.

As initially reported from the Foreign Affairs Committee, the amendments to FCPA in H.R. 4800 were generally very salutary in making necessary refinements to the description of offenses to be covered as well as the appropriate penalties to be levied if violations occur. However, I had very strong objections to those features of the proposed changes that went beyond already-established business review programs at the DOJ such that the Department of Justice would have become transformed from an enforcement agency into a regulatory body with adjudicatory powers.

I am pleased that an amendment I offered to correct these problems was adopted in the text of the legislation under floor consideration today. I want to briefly explain the intent of the amendment.

It is clear that the role given the DOJ by Congress in assisting business with statutory compliance in various areas of business dealings has always been advisory in nature. Congress has carefully avoided delegating to the Department powers that would place this enforcement agency in the untenable role of a quasi-adjudicatory body making binding determinations affecting the rights and property of private parties. Thus in all business review programs set up by Congress at the Department, the aim has been to carve out an institutionally acceptable role for the Department in assisting business planning without undermining its fundamental mission as the chief enforcer of the Federal laws of the United States. When the business community came to the Judiciary Committee to seek assistance in setting up export trading companies in 1982 and R&D joint ventures in 1984, we fashioned, and Congress enacted, business review programs that struck this balance between enforcement concerns and business planning.

Neither the Export Trading Company Act nor the National Cooperative Research Act conferred absolute immunity for conduct disclosed to the DOJ for the simple reason that the DOJ is not a tribunal or finder of fact empowered to collect evidence under oath about whether the submitted information is totally accurate and complete. In short, disclosure of conduct could not reasonably be equated with statutory compliance. That is, of course, the function of the courts. It was reasoned that it is never a good idea for the DOJ to assume the dual function of being both the investigator and the adjudicator. This is even more true when the statute we are dealing with involves potentially criminal behavior.

The reported provisions of H.R. 4800, however, had placed the DOJ in exactly that role. That version provided that any initial opinion by the Attorney General about disclosed prospective behavior was to be "final and binding" on the Department such that the courts would have been precluded from making an independent assessment of the evidence. Moreover, such a scheme would have also been self-defeating: By mandating that the DOJ's determination be final and binding, and mandating that the Attorney General reach a decision in only 30 days, the DOJ would have become very reluctant to give its approval to any submission.

The amended language that was adopted simply comports the basic features of the disclosure system set up for FCPA concerns with many features of programs currently used by the Department to evaluate activities of export trading companies and joint R&D ventures. Most significant, the new provisions drop the "final and binding" language and, instead, treat the Attorney General's initial determination concerning disclosed conduct as creating a rebuttable presumption of compliance with the statute, which can only be overcome by a preponderance of the evidence.

A rebuttable presumption of compliance is exactly what the Attorney General may reasonably offer a business submission under a 30-day review period: Businesses may rely on the determination to the extent that their conduct falls within the scope of the disclosed information. Additional disclosures for new or different behavior may further widen the scope of conduct deemed presumptively valid if later challenged. It is the submitting business concerns, however, and not the Attorney General, that possess the knowledge of whether their prospective conduct does in fact comport with the disclosure made to the Attorney General. All that the Attorney General may do in these circumstances is to state whether the disclosed conduct, as provided by the submitting parties, comports with the DOJ's present enforcement intention. Should evidence of noncompliance with the FCPA arise, the enforcement agency could then gauge whether disclosure was sufficiently accurate and complete to warrant further enforcement measures. If so, the Federal courts will be the final arbiter of whether the statute was violated.

The revised language appearing in H.R. 4800 also strengthens the confidentiality protections that businesses will have when they disclose information. I am very sympathetic to the concerns of the business community that strict confidentiality attach to any materials or information submitted to the Department in a business review procedure under the FCPA. In 1984, I worked diligently to ensure that the most comprehensive safeguards on proprietary information be implemented in the DOJ's review of proposed joint research and development activities. This included protection from FOIA requests initiated by private parties as well as from public disclosure by officials. Both these features now appear in the text of H.R. 4800.

In order to enhance compliance with the provisions of the FCPA, the legislation establishes a procedure for the Department to issue guidelines describing hypothetical conduct that would or would not conform with the Department's present enforcement policy regarding FCPA violations. As with other guidelines issued by the Department, the language makes clear that the guidelines do not by themselves establish the statutory standards by which courts, as the ultimate arbiters of the act, might judge conduct under the FCPA.

I greatly appreciate the cooperation of Chairman FASCELL and the Committee on Foreign Affairs in working out our mutual concerns about these amendments to the FCPA. Together with the other provisions of H.R. 4800, this legislation should greatly enhance

America's competitive position in the international marketplace. I urge my colleagues to vote for passage of this important measure.

Mr. KASTENMEIER. Mr. Chairman, I rise to discuss the omnibus trade bill. In particular I wish to address the portion of the bill which relates to intellectual property and trade. This section has been developed cooperatively between the Ways and Means Committee and the Committee on the Judiciary. Indeed one section of the bill—relating to amendments to section 337 of the Tariff Act—is identical with my bill H.R. 4747 (a measure reported unanimously by the Subcommittee on Courts, Civil Liberties and the Administration of Justice of the Committee on the Judiciary).

INTELLECTUAL PROPERTY AND TRADE

It is now commonly accepted that the United States should take steps to address our serious trade problems. Increasingly the private sector, Government officials and politicians have fixated on worldwide protection of American intellectual property as one of the keystones to addressing the trade problem. Without question, the American creative genius has been nurtured by strong legal tradition of protecting the property rights of intellectual property owners. As we think about adjusting our lives and laws to meet the trade problem, I hope that we can proceed in a balanced, dispassionate and objective way. As important as this task is we should not take precipitous action as a palliative for short-term problems.

Before outlining what are, in my view, the elements of a coherent and comprehensive approach to intellectual property and trade, let me set the context.

Our key intellectual property laws—copyright and patent—are derived from the constitutional mandate to "promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their writings and discoveries." (U.S. Constitution art. 1, section 8, clause 8). The Constitution envisions a bargain. Creators and inventors receive a benefit—a form of a limited monopoly right. In exchange, the public arguably benefits twice—first, when it obtains access to the creation or invention, and second, when the term of protection expires and the creation or invention is added to the public domain. This bargain furthers the public interest and does not represent in any way recognition of the natural right of creators and inventors to proprietary protection. Thus, our intellectual property laws—including also laws relating to trademark and semiconductor chip mask works—represent carefully fashioned compromises which limit the nature and extent of the rights of intellectual property owners. These limits include concepts such as "fair use" and "first sale" in copyright and the right to engage in "reverse engineering" with respect to mask works.

From a political perspective it is safe to say that our intellectual property laws are neither unlimited nor primarily designed to provide a special benefit. "Rather, the limited grant is a means by which an important public purpose may be achieved." *Sony* v. *Universal City Studios,* 464 U.S. 417, 429 (1984).

This perspective is important to keep in mind when addressing trade legislation affecting intellectual property. In my view, it would be a serious mistake to use legislation relating to international trade as a vehicle for changing the positive law relating to intellectual property.[1] I am also hopeful that we will not ignore the public interest in a rush to protect what are currently perceived by some to be embattled industries.

An omnibus trade bill should include amendments to the Tariff Act to improve the work done by the International Trade Commission.[2] The bill before us does just that. Before outling the features of those amendments, let me first outline the nature of the current remedy, and discuss the possible reforms.

BACKGROUND AND CURRENT LAW

The purpose of section 337 is to provide a remedy for unfair methods of competition in import trade that substantially injure, tend to substantially injure, or destroy an efficiently and economically operated domestic industry. This statute, which was first enacted in 1922, took its current form in 1974.[3]

The vast majority of section 337 cases have been based on allegations of infringement by imports of U.S. intellectual property rights, for exmple, patents, trademarks or copyrights.

A violation of section 337 usually leads to exclusion from entry into the United States of the articles connected with the unfair trade practice. Such an exclusion order can cover not only articles of persons over whom personal jurisdiction existed and who participated in the proceedings to determine violations, but also articles of importers and foreign manufacturers who never participated in the proceedings and over whom no personal jurisdiction existed in the United States. Such an order can apply to the articles of persons who did not start to produce the articles until well after the order was issued. As such, it is an extraordinary remedy which allows broad relief to a holder of intellectual property rights or other individual harmed by an unfair practice.

SECTION 337 REFORM

After receiving a complaint under section 337, the Commission has 30 days to decide whether to institute an investigation. After a case is instituted, it is delegated to an Administrative Law Judge (ALJ), who holds a preliminary conference usually within 45 days. In cases involving requests for temporary relief, the ALJ has 4 months in which to issue a preliminary determination. The Commission may review this initial determination and, if necessary, fashion a temporary remedy, which may be disapproved by the President for policy reasons.

With regard to permanent relief, the ALJ has 9 months to determine whether or not there has been a violation of section 337 (14 months in "more complicated" investigations). Again, the Commission may undertake a review to affirm, reverse, or modify the ALJ's determination and, if necessary, to fashion a remedy. The Commission has 1 year after the institution of the investigation to complete the case (or within 18 months if it finds the investigation to "be more complicated"). The President has 60 days during which his disapproval of the Commission's determination can be intered.

My subcommittee—the Subcommittee on Courts, Civil Liberties and the Administration of Justice—conducted 2 days of hearings on the various legislative proposals to amend section 337 (for example, title II of H.R. 3776 and title II of H.R. 4539). Two primary issues emerged during the hearings. First, a vast majority of the witnesses[4] and other commentators[5] advocated elimination of the "injury" and "efficiently and economically operated industry" requirements. Second, some witnesses urged elimination of the domestic injury requirement. Both of these issues are addressed in the omnibus trade bill.

Proponents of change argued that proof of injury in intellectual property cases should not be required. They asserted that acts of infringement of an intellectual property right should be sufficient. They pointed out that under the trademark and copyright laws a Customs order can be obtained for those types of infringing goods without proof of injury. Moreover, they argued that because these intellectual property rights involve the right to exclude others from using or practicing the protected property that injury should be irrelevant. Finally, although injury determinations have rarely prevented relief before the ITC advocates for change nonetheless claimed that litigating the injury question is unduly burdensome and expensive.

Opponents of removing "injury" tests have argued that such a move would violate the General Agreement on Tariff and Trade (GATT). This view was contradicted by the United States Trade Representative, a leading academic expert (Prof. Robert Hudec of the University of Minnesota Law School) and most other witnesses. Opponents also argued that the "injury" requirement serves to keep the rights of complainants and respondents in equilibrium. They observed that in exchange for less procedural protections in an ITC proceeding the respondents are able to avoid liability unless there is the additional showing of injury. This position was rejected by proponents on policy grounds. They argued that the "injury" test only makes sense when nonintellectual property rights are being asserted and that inclusion of the requirement by Congress in 1930 did not anticipate the use of section 337 to enforce intellectual property rights.

The omnibus trade bill eliminates both the "injury" and "efficiently and economically operated industry" requirements. The language used is largely derived from the language adopted by the Ways and Means Committee and the Committee on the Judiciary.

The administration (H.R. 4585) and Congressman Moorhead (H.R. 3376) advocated elimination of the "domestic industry" requirement. This approach was opposed by organized labor, Allied-Signal, Corning Glass Works, the chairperson of the ITC and the Intellectual Property Owners Organization.[6] Some witnesses before my subcommittee and before the Trade Subcommittee urged a slight modification of the definition of "industry" insofar as it applied to intellectual property cases. In essence these witnesses argued that the ITC has created an inconsistent set of rules to determine whether an industry exists.[7] The proposed amendment in the omnibus trade bill clarifies the results of previous

[1] Footnotes at end of article.

ITC decisions [8] and corrects some recent incorrect applications of the Commission in more recent cases.[9] The amendment makes clear that a "domestic industry" can exist through the development of a "licensing" industry. The amendment also makes certain the availability of section 337 relief to universities who have made substantial investments in engineering, or research and development in connection with the exploitation of an intellectual property right.[10] The language used in the amendment is a combination of that found in H.R. 4539 and that found in the bill reported by the Trade Subcommittee. Deleted from both versions is language relating to "sales and marketing." As many of the witnesses indicated, the "domestic industry" requirement will serve as a gatekeeper to prevent the excessive use of the ITC under section 337. The inclusion of "sales and marketing" activities in the United States was seen by most commentators as being too broad.

PROCEDURAL REFORMS

During the course of the hearings on this bill a number of procedural suggestions also were made to improve the efficiency of ITC operations. These changes appear to have the support of virtually all commentators. A complete description of these changes can be found in the Ways and Means Committee Report.

In conclusion, I urge my colleagues to support those provisions of the bill that relate to intellectual property and trade.

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[1] For example, we should avoid taking sides in the grey market or parallel import issue in trademark law or on first sale in copyright law, or on reverse engineering in mask work law.

[2] Additional measures to further classify the rights of intellectual property owners have already been considered. Congress—through legislation processed by the Committee on Ways and Means—has given the United States Trade Representative and the Department of State powerful weapons to use in bilateral negotiations in the context of the General System of Preferences (GSP) and the Caribbean Basin Initiative (CBI). By permitting GSP and CBI benefits to be affected by the adequacy of our trading partners' intellectual property laws we have already wielded a big stick to induce greater intellectual property protection abroad.

Currently pending before my Subcommittee are two important measures affecting patent rights: process patent protection and legislation to implement the Patent Cooperation Treaty. Enactment of these measures would further align American law with internationally accepted norms of patent protection.

Finally, there have been proposals to make an intellectual property code part of the GATT and to adhere to the Berne Convention. I emphatically note, as others have done, that both of these initiatives raise serious issues for domestic law. And I have been assured that the administration will not proceed on these fronts without full consultation with both the House and the Senate, including all the relevant committees.

[3] The Commission has instituted 240 investigations under section 337 since 1974. Of these, 19 are pending. The following table breaks down the results of the 221 completed investigations:

Voluntary terminated	127
No respondent appeared	40
Remedy put in place	(33)
Violation found	28
Remedy put in place	(23)
No violation found	26
Total completed	221

[4] United States Trade Representative, Allied Signal, Genentech, and Corning.

[5] E.g., NAM, CBEMA, U.S. Chamber of Commerce, E.I.A., IPO, A.I.P.L.A., and organized labor.

[6] In this regard, it was postulated that such a change would transform the ITC into an intellectual property court. They also claimed that it would make the ITC forum available to two non-domestic companies with no United States investment to argue about access to the United States market.

[7] Certain Softballs and Polyurethane Cores therefore, No. 337-TA-190 (1985) (ITC does not use rigid formula in determining industry test); Miniature Battery Operated Toy Vehicles, No. 337-TA-122 (1982), affd. sub. nom. Schaper Mfg. Co. v. ITC. 717 F.2d 1368 (Fed. Cir. 1983) (where complainant's product also made outside the U.S.; no domestic industry); see also, Certain Products with Gremlins Depictions, No. 337-TA-201 (1986) (no domestic industry even though extensive licensing industry within the United States); compare, Certain Ultra-Microtone Freezing Attachments, No. 337-TA-10 (1976) (finding of domestic industry when only domestic act is the importation of goods from abroad) with Certain Writing Instruments and Nibs Therefore, Investigation No. 337-TA-129 (1984) (two patents, two possible industries, only one meets statutory definition) and Certain Limited-Charges Cell Culture Microcarriers, No. 337-TA-129 (1984) (no industry finding) and Certain Modular Structural Systems, No. 337-TA-164 (1984) (no industry finding).

[8] Certain Cast-Iron Stoves, No. 337-TA-69 (1981) at 8-10 ("significantly employs . . . American land, labor and capital") Coin-Operated Audio Visual Games and Components Thereof, No. 337-TA-112 (1983).

[9] Certain Products with Gremlins Depictions, supra.

[10] Compare, Certain Limited-Charge Cell Culture Microcarriers, supra.

Mr. WALGREN. Mr. Chairman, many Americans have been alarmed at the Nation's trade imbalance. In 1980, the United States had a trade deficit of $24 billion. By 1985, it had zoomed to $150 billion, a level unprecedented in our history. Since 1980, the buying power of the U.S. dollar overseas jumped 40 percent, making American exports expensive for foreign consumers while reducing the price of foreign imports for Americans. The resulting flood of imports has been called the worst trade crisis since the Great Depression.

The strong buying power of the dollar abroad is the result of the unprecedented Federal deficits that have grown from $29 billion in 1979 to $200 billion in 1985. These deficits come from the administration's tax cuts reducing revenues from the budget and increased defense spending.

The real crime in trade deficits is the erosion—in fact elimination—of American jobs. A shift of $60 billion in the trade deficit means a loss of 2 million jobs. For every $1 billion increase in the trade deficit, 25,000 jobs are lost. Estimates of job losses because of the rise in the trade deficit since 1980 range from 3 to 4 million. America's No. 1 export has now become jobs.

TRADE BILL OUGHT TO HELP

I am ready to stand first in line today to support H.R. 4800, the Omnibus Trade Act of 1986. This bill would change the trade laws and our mechanisms for stopping illegal imports. It is widely agreed that: First, our current trade laws have not worked; and second, the executive branch has not effectively used the laws available to stop illegal imports. This bill would give the U.S. Trade Representative tougher tools to fight imports, would give the President new tools for stabilizing international currency markets to make the U.S. dollar more competitive, and would strengthen export promotion by the Federal Government. And it would provide new assistance for training and retraining American workers dislocated by foreign imports.

I think it especially important that the Ways and Means Committee incorporated provisions similar to my bill, H.R. 4665 giving American industries and workers direct access to Federal courts to stop dumped and subsidized imports and customs fraud. A companion to S. 1655, introduced by Senator ARLEN SPECTER, these provisions are needed because the current methods for seeking relief from illegal imports through the executive branch simply do not work.

Currently, American industries—be they textiles, shoes, electronics or steel—must go through protracted and costly agency proceedings, with the Department of Commerce and the International Trade Commission. A dumping case having any controversy takes an average 11 months, often much longer. Not only is this expensive, the lengthy process also gives the importing industry time to "regroup," to reap huge illegal profits and capture new markets. Forcing injured industries to plod through layers and layers of bureaucracy at a snail's pace is inexcusable. It may be good for the Washington lawyers, but it means lost jobs and shattered economies in places like my hometown of Pittsburgh.

Another problem with current law is that if and when relief if finally granted by the ITC, the relief is only for the future—usually countervailing duties on future imports. Under my bill, courts could award damages, attorneys fees, and injunctive relief against further imports. In other words, courts could stop the imports immediately and make monetary awards to the injured American industry for the injuries.

Having only prospective relief also creates an essentially riskfree situation for the dumper. They know they can export to this country with few adverse consequences except duties on future goods. They will only be punished in the future, if stopped. Thus, present law has very weak deterrents against illegal trade practices. My bill would create the possibility of heavy penalties for past illegal acts.

My bill and the provision in the trade bill would take trade enforcement out of the political arena. In the executive branch, effective trade enforcement has fallen prey under many administrations to political considerations, with seemingly little regard for the beleaguered industries and communities hurt by illegal imports. By adding the courts as an avenue for redress, cases would be less susceptible to political manipulation.

Since 1980 the number of antidumping cases filed with the International Trade Commission has increased 42 percent, but the trade deficit has escalated unabated.

In the case of steel, imports have been steadily climbing from 15 percent in 1979, to 20.5 percent in 1983, to 25 percent in 1985, at one time reaching a record high of 33 percent. Industry losses in the last 4 years were close to $7 billion. Since 1974, 15 steel companies have gone out of business. Thirty plants have been closed and 560 producing units in other plants have been terminated. Thirty million tons of capacity have been eliminated. Employment in the industry has been cut in half. The administration, rejecting quotas on imports, has attempted to implement voluntary restraint agreements, but clearly this policy is not working. The VRA program's goal is to hold imports to 20 per-

cent, but 1 year later imports were hovering at 25 percent. Of course 25 percent is preferable to, for example, 38 percent, which some say would be the figure without VRAs. But even so, VRA's stop only future imports; they do not levy any penalties for the unfair imports of the past.

Additionally, there is significant evidence that these voluntary agreements, are being circumvented, there is evidence of transshipment of steel from a VRA country through a non-VRA country, thereby changing to country of origin in violation of our customs laws. Witnesses before Congress have testified that products are shipped from a controlled VRA country to a non-VRA country where they undergo superficial transformation. The final product is then deemed to be eligible because it is not credited to the controlled actual country or origin. In products like apparel and footwear, there are many cases of products being mislabeled or simply declared to be something which they are not, to evade import laws. We need tools to give U.S. industries a right to go to court to fight such customs fraud.

Passage of this bill, I hope, will be one glimmer of hope for communities like mine that are still reeling from these mammoth deficits. I hope my colleagues will join me in voting "aye."

Mr. MAVROULES. Mr. Chairman, I rise today in support of H.R. 4800, the Trade and International Economic Policy Reform Act of 1986. This bill will provide our Nation with the tools needed to combat an unprecedented U.S. balance-of-trade deficit. Moreover, this legislation will lay the basis for America's long term competitiveness in international markets. It is, in short, the most comprehensive trade legislation ever debated in the U.S. House of Representatives.

There are few initiatives that enjoy the degree of support that we find today behind this particular piece of legislation. The bill itself represents an enormous effort on the part of seven different committees—it is the product of countless hours of hard work, and the efforts of a great many of our most distinguished colleagues.

More importantly, however, is the simple fact that this issue—the problem of U.S. trade—hits home with virtually every Member of the U.S. House. There is not one of us here today who does not represent people back home who have been adversely impacted by America's massive trade deficit. The problem is one that affects us all. Everyone of us. And lets not kid ourselves. We must take action before it is too late.

A brief look at the statistics is enough to demonstrate the magnitude of the problem:

An annual trade deficit in 1985 of $148.5 billion;

An accumulated deficit from 1981 through 1985 of $432.6 billion;

A net external debt in 1985 of $101 billion; and

A loss of approximately 1.7 million manufacturing jobs to foreign competition over the last 5 years.

And the list goes on. The figures are simply overwhelming. They become particularly disturbing when each one of us begins to consider the local ramifications—the dislocations and hardships suffered in our own States and districts. In my home State of Massachusetts, we are particularly dependent on foreign trade. In fact, over 15 percent of all the manufactured goods produced in Massachusetts are specifically for export purposes. The entire New England region is dependent upon exports in order to maintain a healthy and growing economy.

But lets not stop here. Let us look at our own individual districts, and at the very cities and towns in which we live. It is here that the issue becomes less abstract. Because it is here that we can see the businesses that have gone under, and the people who have been left without jobs. It is estimated by the U.S. Commerce Department that every billion dollars in the deficit represents 25,000 jobs that are either lost, or could have been created. And again, the balance of trade deficit for last year alone was almost $150 billion. A recent survey by a Washington, DC, economic consulting firm, Joel Popkin & Co. concluded that in the past 3 years, 2.1 million U.S. households included a worker who had lost a job due to foreign competition. This translates into 700,000 households per year.

In my home district—the Sixth Congressional District of Massachusetts—traditional manufacturing industries are struggling to survive. Many firms have been unable to keep above water. The once thriving shoe industry pales in comparison to what it used to be. Textile and apparel producers, and tanneries—the list goes on—have all been hit hard by foreign competition. And believe me, this is not a problem that is unique to the manufacturing sector. America's high technology companies are also finding it increasingly difficult to compete. Last year, for example, the United States experienced a $1 billion deficit in telecommunications trade, and a $16 billion deficit overall in the field of electronics.

Nobody here is asking for a handout. All we are asking is for the opportunity to compete on fair terms. And, above all, we are asking for a trade policy, an end to the confusion, and the ad hoc policies that have characterized the past 5 years. Put quite simply, we need an effective and coherent policy by which to govern U.S. trade.

The bill under consideration today provides that policy. It addresses very specific trade problems, and develops a program by which to reduce the balance-of-trade deficit. It includes provisions and goals for a new round of international trade negotiations. It addresses the problems of volatile exchange rates and LDC debt. It includes educational provisions that will give workers the opportunitiy to improve their skills. And it is consistent with the principle of free and fair trade that dates back to the very first reciprocal trade agreement in 1933.

It is a responsible bill, and a bill that is long overdue. I urge you all to support this landmark piece of legislation.

Mr. BROYHILL. Mr. Chairman, we must reform our trade laws. As one of the leaders in the effort to save our textile industry, I know that American industry today is fighting for its very life against an almost endless list of unfair and illegal foreign trade practices.

Investigations by the Energy and Commerce Committee, on which I serve as the ranking Republican member, have found counterfeiting, quota fraud, targeting, dumping, subsidization, barriers to U.S. exports, copyright and trademark theft, and predatory import surges. Unless these unfair trading practices are stopped, we might as well tell our constituents to put in their applications at McDonalds and Taco Bell because there will be precious few manufacturing jobs left in this country.

I joined with the chairman of the Energy and Commerce Committee, JOHN DINGELL, last fall to draft a bipartisan, far-reaching and fair trade reform bill. We labored long and hard to keep out of that legislation provisions that would cost jobs, rather than create them. We stayed away from things that would add a layer of Federal bureaucrats or waste Federal tax dollars. We refused to help one industry by burdening another. Our efforts were difficult, but successful. The Trade Law Modernization Act, H.R. 3777, was ordered reported by our committee on November 25, 1985, by a vote of 37 to 3.

H.R. 3777 addressed all the basic trade law problems I identified earlier. If the majority of this body wanted to accomplish real trade law reform, rather than partisan posturing, I am confident that Congress could present a bill like H.R. 3777 to the President quickly and with overwhelming bipartisan support.

Now, the opportunity for timely trade law reform may well be lost. H.R. 4800 contains many of the reforms originated in H.R. 3777, but the benefits from those changes will be lost because of other provisions in H.R. 4800 that will cost jobs, waste taxpayer money, set up Federal bureaucracies, and create a fantasy land for lawyers. This is why H.R. 4800 is not supported by many of the businesses it is supposed to help.

For example, H.R. 4800 requires tariffs and quotas against countries with high trade balances with the United States—without regard to whether particular products are traded fairly or unfairly. This is like amputating a leg when the patient has a broken bone. It takes care of the broken bone all right, but it's a rotten way to practice medicine.

Those sections of H.R. 4800 requiring adherence to world labor standards are no better. We don't impose those standards in the United States. It will not help our trading situation to legislate compliance with those standards by other nations.

In the same vein, why establish a council on industrial competitiveness? It won't do anything to help our industries to compete. It's just one more case of the tried and failed Democratic response to any problem—set up a new Government agency to generate paper.

Mr. Chairman, we need good trade law reform desperately. H.R. 4830, the Republican substitute, takes strong action to protect U.S. interests at home and abroad. It will open foreign markets to American goods. It will stop fraud and counterfeiting, and it will allow U.S. officials to act quickly and effectively to stop unfair trade practices.

Let me discuss just one example of the Republican substitute's strengths. The process for obtaining bilateral limitations on textile and apparel imports that are hurting the U.S. industry is too slow and cumbersome. The substitute would address this problem by requiring

the Secretary of Commerce to expedite this process.

What does H.R. 4800 do about this problem? Nothing! I intend to offer an amendment to H.R. 4800 to take care of this glaring omission, but this is just one of the many problems with H.R. 4800.

Our industries don't need bluster—they need stronger trade laws to help them deal with unfair trade practices. Our unemployed workers don't need partisanship—they need jobs. The substitute is strong trade law that will help create new American jobs. I urge my colleagues to support it.

Ms. MIKULSKI. Mr. Chairman, I rise in support of H.R. 4800, the Trade and International Economic Policy Reform Act of 1986. H.R. 4800 is a step in the right direction. This bill puts America back in a strong trading position. It means that industry in my State of Maryland and industry throughout America will once again compete equally with our trading partners for a share of the world market.

This is not a protectionist bill—it does not put our trading partners at a disadvantage—instead, it creates a level playing field. It makes sure that we treat our trading partners the same way they treat us. That is not protectionist—that is fairness. And that is all we ask from our trading partners.

This bill ensures that American industry will become increasingly competitive in the future. It provides programs for American workers in literacy training, vocational education, mathematics, science, and foreign languages, so that American workers will be the best trained, the best educated in the world. And it provides retraining and placement services for workers displaced by changes in international trade and by modernization of American industry.

Earlier this year, in a speech to the Baltimore Propeller Club, I called on Congress to provide a framework of export controls and regulations that are balanced, workable, and intrinsically promotional. The process behind the granting of export licenses is wound up in redtape. It takes a French computer manufacturer only 2 days to get his product out of the country, but it takes his American counterpart 1 or 2 months just to get a Commerce Department license to export goods to Western Europe. This bill streamlines the regulations that shackle American industry.

Finally, this bill goes to the heart of the relationship between human rights and trade. Many of our trading partners subsidize their export industries by denying laborers collective bargaining rights, by denying children the protection of child labor laws, and by denying workers safe and healthy working environments. These human rights abuses, abuses that directly and adversely affect our industries and our workers, cannot be tolerated. Under H.R. 4800, American industry will be able to defend itself against unfair trade practices, including the suppression of human rights and the exploitation of foreign labor.

Mr. Chairman, for too long the industries that made America great—steel and auto—and new high tech industries that will keep America great—telecommunications and computers—have been fighting an uphill battle on an uneven playing field. It's time to level that playing field and to give our industry a fair chance to compete in world markets. That is why I support and urge all my colleagues to support H.R. 4800.

Mr. ALEXANDER. Mr. Chairman, I want to thank the members of all of the committees involved in the bill that we are considering today. The trade bill is an important first step in solving our Nation's worsening trade problem. It certainly provides new avenues of relief for U.S. industries facing trade which is injurious and unfair, and goes a long way toward reforming our trade laws and encouraging our foreign trading partners to end unfair trading practices.

H.R. 4800 is based on the principles of fair trade and enforcing rules of international trade. Its goal is a level trading field for all. Moreover, it is an omnibus bill that addresses the problems of manufacturers, workers, and farmers—all of whom are suffering because of the abysmal trade policies of the Reagan administration.

There is one area that I want to focus on that deserves special attention, especially for those of us who represent footwear and textile-apparel areas, and indeed, any import-sensitive products. This bill requires that if the President reduces the tariffs on items that are not eligible for duty-free treatment under the GSP program, such reductions must be approved by Congress.

Some of us had hoped to limit the President's authority to a much greater extent because this President has shown his callous disregard for the people in these import-impacted industries. His denial of the section 201 request of the footwear industry and his veto of the Textile and Apparel Enforcement Act of 1985 leads us to believe that he will continue to sacrifice these industries on his altar of free trade. Anyone who watched the heart-rending "Today Show" segment last Wednesday morning on what is happening to Mountain City, TN, since the closing of the Burlington Mill will know what I am talking about. I don't need to be convinced. I've seen the devastation already in my hometown of Osceola, AR, when the textile mills closed there.

I would like to go on record that I and many of my colleagues will view the upcoming GATT round with a cynical eye. If the President wants to improve trade in services, fine. If he wants to open other markets to investment, fine. If he can succeed in getting greater access to foreign markets, that's fine too. But he had better not do it by hurting those American industries already battered by imports. He should not have to give away our modest tariff protection in return for other countries adopting policies they should have adopted a long time ago.

The CHAIRMAN. All time for general debate has expired.

Mr. FLORIO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. MICA] having assumed the chair, Mr. BEILENSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, (H.R. 4800) to enhance the competitiveness of American industry, and for other purposes, had come to no resolution thereon.

□ 1235

A LETTER TO THE EDITOR OF PRAVDA

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and include extraneous material.)

Mr. GEKAS. Mr. Speaker, I have here a letter which I am today forwarding to Izvestia in Moscow to the editor of Pravda in Moscow asking them to set the record straight on the remarks of their General Secretary, Mikhail Gorbachev, on the relative information provided for the recent nuclear disaster in the Ukraine, as compared to the accident that happened at Three Mile Island in 1979.

Gorbachev said that the U.S. Congress knew nothing about Three Mile Island until 10 days after that incident occurred. That truth is, and I was there, that a contingent of the Members of Congress came to that island the day afterward, after having learned about it within hours of the incident occurring. I greeted them. They held a press conference, were briefed and the entire country and the whole world knew about it, let alone 10 days afterward, on the day that the incident happened.

I have no illusion that Izvestia and Pravda are going to print my letter. I also predicted that the '76'ers were going to win the NBA championship; however, I am going to forward copies of this letter to the media in Western Europe so that they will understand that in truth Gorbachev was wrong.

Mr. Speaker, I include the letter to the editor, as follows:

HOUSE OF REPRESENTATIVES,
Washington, DC, May 19, 1986.

Re letter to the editor.

VIKTOR G. AFANASYER,
Editor, Pravda, c/o Vitaliy Vladimiovich, Chevy Chase, MD.

DEAR MR. AFANASYER: General Secretary Mikhail Gorbachev did not correctly represent the facts when he implied, in his first statement after weeks of silence on the Soviet Union's nuclear accident at Chernobyl, that timely information on the 1979 accident at the Three Mile Island (TMI) nuclear facility in the United States was withheld from the world. His claim that the U.S. Congress was not notified until ten days after the nuclear accident at TMI is incorrect.

As a member of the Pennsylvania State Senate representing the TMI area at the time of the accident (I currently represent that area as a member of the United States Congress), I myself went to the TMI facility immediately on the day of the accident, and I know the swiftness with which the news of the accident had been made known to the world.

Here are the facts:

1. I can attest to the fact that within hours of the accident representatives of the international media, national broadcasters and journalists as well as the local media converged on the site and gave the world continuous accounts of the accident;

2. Agencies of the American government at the local, state, and federal levels were informed of the events of TMI within hours of the accident's discovery;

3. The President of the United States was notified of the TMI accident at 9:15 a.m., just five hours after the accident was discovered by plant officials. President Jimmy Carter personally toured the nuclear facility four days after the accident;

4. Members of the Congress of the United States were notified on the day of the accident. I personally greeted several members of Congress who visited the site the day after the accident; an impromptu press conference also attended by members of the international media was held immediately upon the conclusion of a briefing.

General Secretary Gorbachev cannot justify the Soviet Union's withholding of information about its nuclear accident at Chernobyl by accusing the United States of doing the same at Three Mile Island.

Very truly yours,

GEORGE W. GEKAS,
Member of Congress.

TROOP WITHDRAWAL LEGISLATION

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I have introduced legislation to cut the number of American troops stationed abroad by nearly one-half over the next 5 years.

We have been cajoling, threatening, and begging our allies for years to spend more for the common defense. Nothing has happened. In 1978, all of NATO got together and we all promised to raise our defense spending by 3 percent a year. During the 1981 to 1985 period, only one nation kept that pledge—Uncle Sucker.

In 1981, the Government of Japan promised to take over defense of sea and air lanes within 1,000 nautical miles of Japan. Yet, Japan still spends less than 1 percent of its GDP on defense. We spend nearly 7 percent.

It's clear to me that if we want our allies to help more with the common defense we have to do more than plead and threaten. We have to force them to take over their own territorial defense.

Now, the idea of the Germans defending Germany and the Dutch defending the Netherlands does not strike me as radical. What I propose is a new division of labor, where we provide strategic and common defense needs and our allies defend their own land and the sea and air lanes connecting them with the rest of the world.

The way we achieve this goal is simple: Over the next 5 years we withdraw 10 percent of our troops stationed ashore each year. There's no threat or ultimatum involved. We simply redeploy our limited defense resources to other vital common defense needs.

Right now, we have approximately 250,000 ground troops in Germany, 75,000 in other European NATO countries, 40,000 in Korea, 50,000 in Japan, and 50,000 elsewhere. Under this legislation, the number in NATO countries would drop by 35,000 a year until reaching the level of 165,000 in fiscal year 1991. The number in other countries would drop by 10,000 a year to reach the level of 87,000 in fiscal year 1991. How the Pentagon wants to manage these troop reductions is their business.

The legislation goes on to say that for every two divisions brought home, one would be decommissioned. Hence, over the next 5 years, the overall size of the active duty military would drop by 100,000 or 5 percent. This would result in substantial savings in the military personnel and operations and maintenance accounts. The other soldiers brought home would be stationed at existing facilities. Since it is less expensive to maintain soldiers in the United States than abroad, this would also save money. Obviously, such a repositioning would involve some airlift and sealift cost and some military construction cost. We might also want to expand the reserves.

Yet, the primary purpose of this legislation is not to save money. The probability of an extended, manpower-intensive, World War II-style land war in Europe is remote. Yet, our huge troop presence in Europe is so that we can fight such a war. I, frankly, believe there are other, higher priority missions for our military to perform.

I intend to offer the contents of this bill on the defense authorization legislation when it comes to the floor.

A FORCED CHOICE IS NO CHOICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. SOLARZ] is recognized for 5 minutes.

Mr. SOLARZ. Mr. Speaker, I rise today to introduce legislation to correct an injustice recently affirmed by the Supreme Court. On March 25, the Court upheld the right of the Air Force to prohibit an Orthodox Jewish officer from wearing a yarmulke while on duty. This decision is offensive to the basic constitutional rights guaranteeing the freedom of religion.

The bill I am offering today, which is identical to one introduced in the other body, offers a reasonable and just solution to this problem. This bill would amend chapter 45 of title 10 of the United States Code to allow the wearing of all neat, unobtrusive, and conservative religious apparel if the wearing of such apparel is part of the religious observance of the member, unless the wearing of such apparel interferes with the performance of the member's military duties.

I include the text of this short piece of legislation here:

H.R. 4861

A bill to amend title 10, United States Code, to permit members of the Armed Forces to wear under certain circumstances, items of apparel not part of the official uniform

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. WEARING RELIGIOUS APPAREL NOT PART OF THE OFFICIAL UNIFORM.

(a) IN GENERAL.—Chapter 45 of title 10, United States Code, is amended—

(1) by redesignating section 774 as section 775; and

(2) inserting after section 773 the following new section:

"§ 774. Wearing religious apparel

"(a) Except as provided in subsection (b), a member of the armed forces may wear an item of religious apparel if—

"(1) the wearing of the item of apparel is part of the religious observance of the religious faith practiced by the member, and

"(2) the item of apparel is neat, conservative, and unobtrusive.

"(b) The Secretary concerned may prohibit a member from wearing an item of religious apparel if the Secretary determines that the wearing of such item significantly interferes with the performance of the member's military duties.".

(b) CONFORMING AMENDMENTS.—The table of chapters at the beginning of such chapter is amended—

(1) by redesignating the item relating to section 774 as 775; and

(2) by inserting below the item relating to section 773 the following new item:

"774. Wearing religious apparel.".

Jews, as much as any ethnic group in the United States, cherish the freedom offered by America, and they are as eager as any group to fulfill the responsibilities demanded of us to protect that freedom. Until this decision, I am sure that Captain Goldman never believed that serving his country was inconsistent with observing the traditional rites of his faith.

It should not be.

My legislation would not only resolve cases involving the wearing of the yarmulke, but would also allow military personnel of any religion to wear, within reason, appropriate religious apparel. I believe the Air Force and the Department of Defense interpreted too strictly regulations that prevented Captain Goldman from wearing his yarmulke. Certainly, the Court's narrow majority on this decision left much room for debate. For this reason, Mr. Speaker, I feel it is necessary to pursue a legislative solution.

Clearly, obtrusive and possibly interfering apparel should not be allowed in the military, especially if such apparel would hinder the effectiveness of the service man or woman or of other military personnel. This legislation in no way interferes with that goal. It merely balances that right and need of the military to regulate dress, with the constitutional freedom of religion that is so important to the history of our Nation.

I have discussed this legislation with numerous religious and community groups and they firmly back both the bill and the message it sends forth: Neither Jews, nor the members

of any religious faith, should have to choose between their faith and their country.

I urge my colleagues to join with me on this important piece of legislation.

TENTH ANNUAL YAM DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Louisiana [Mrs. LONG] is recognized for 5 minutes.

Mrs. LONG. Mr. Speaker, today, May 20, 1986, we are observing the 10th annual "Yam Day," to celebrate the flavor and nutritional value of this excellent vegetable. We also celebrate the 25th Anniversary of the Sweet Potato Council.

Our Nation is enjoying an upsurge of attention to our health and physical condition. We have learned that the kinds and amounts of food we eat can have a definite effect on our well-being.

In fact, the National Academy of Sciences recently made a number of suggestions on how our diet affects our susceptibility to several diseases, including cancer. One of the recommendations was that we eat more fruits and vegetables rich in vitamins A and C.

These new facts make annual "Yam Day," with its goal of encouraging greater consumption of the Nation's sweet potatoes, even more worthwhile. One sweet potato proudly claims 9,230 units of vitamin A, a greater portion than almost any other comparable food. Vitamin A is essential for good eyesight and helps keep the skin resistant to infection.

The yam is a natural way to satisfy our sweet tooth without adding sugar, and without gaining weight. A medium-sized sweet potato adds only 82 calories to a meal.

Bake them, mash them, candy them, or eat them for an occasional treat. Soon everyone will be convinced of the glories of the yam. Sweet potatoes are especially good with poultry and pork, and don't forget that southern favorite, sweet potato pie. Yams are not just for Thanksgiving dinner anymore.

Because we have such a plentiful yam harvest, the Government uses large amounts of sweet potatoes in its food programs for the military and for schoolchildren. Since a major concern of these programs is to provide foods with a high nutritional value and a tasty flavor, the yam is custom made. Yams have three great characteristics that make them ideal for Government nurition programs: they are extremely nutritious, they are very versatile and can be prepared in many ways, and they have a natural sweet taste that people—especially children—enjoy.

I encourage the U.S. Department of Agriculture and the Department of Defense to continue to increase their purchases of sweet potatoes, and I hope that purchasing decisions will be made as early as possible to assist production planning.

TRADE AND INTERNATIONAL ECONOMIC POLICY REFORM ACT OF 1986

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. PEASE] is recognized for 60 minutes.

Mr. PEASE. Mr. Speaker, I take this special order today to comment at somewhat more length on the trade bill that has been before us this afternoon and will be before us tomorrow and Thursday. I think the debate has been sadly deficient, largely because of the way that the debate was structured. This is indeed a landmark piece of legislation. It seems ridiculous to me that we would have had a rule that provided for only 1 hour of debate, for example, on the Ways and Means Committee portion of this bill, a major part of the bill. Here we are changing the trade laws in monumental ways, and yet we have only an hour of debate divided equally on either side, which means 30 minutes of debate were allowed for the 23 majority members of the Ways and Means Committee.

In practical terms that came down to about 2 minutes apiece for several members of the committee, and no time for other members of the committee, and almost no time for anyone not on the Ways and Means Committee. Obviously in 2 minutes one cannot develop any kind of an argument at all, nor can one spend any time when one has only 2 minutes responding to what was said by previous speakers. One needs to get out within that 2 minutes one's primary message.

So I sensed this afternoon that Members were really talking past one another. We were making our points on the majority side of the aisle, minority Members were making their points, and no one was debating or responding or refuting the comments made by other Members.

It seems to me for that reason that the debate was sadly deficient. There was a number of statements made that should have been corrected or challenged, if you will, that were not, and I am hoping in some respects at least to make amends for that for some parts of the bill during this special order.

Mr. Speaker, I am particularly interested in a section of this bill dealing with worker rights. I am the author of this section. It is a section that is similar to other legislation that we adopted in 1984 as part of the generalized system of preferences, and in 1985 during reauthorization of the Overseas Private Investment Corporation.

Essentially the provision of which I am an author says that pursuant to section 301 of the Trade Act of 1974, it is possible for an aggrieved party in the United States to bring a case, an action, under section 301 alleging an unfair trade practice on the part of an overseas competitor, if that competitor, or the nation in which that competitor operates, is systematically repressing the rights of its workers—and that is denying those workers the opportunity to better themselves, to have better working conditions, higher wages, whatever.

□ 1750

That section is a new idea in a sense. It has drawn a lot of opposition from the Reagan Administration.

I must say, I have yet to understand why it has done so, but certainly the materials that have been provided to us by the administration, while carefully and amply stating the opposition of the administration to this provision, hardly provides any justification at all for that opposition.

Beyond that, a number of statements were made on the floor today about that section which simply are not correct. I would like to respond to those allegations and at least set the record straight from my point of view.

The administration in the form of a letter from several members of the Cabinet expresses its opposition to this bill. It has a list of what they call examples of the most unsupportable provisions of the House omnibus trade bill. One of those is the worker rights cause of action. This summary by the administration in one paragraph does accurately describe what the section is. It says that it makes denial of internationally recognized worker rights an unfair practice actionable under section 301. So far so good.

Then they go on to say, "This standard would come back to haunt U.S. exporters."

There is no explanation whatsoever of what the administration means when they say this section would come back to haunt U.S. exporters. I am mystified by what they might mean by that.

During the debate today, several members of the committee stood here and again complained about this section, said they did not favor it; but in the process of doing so, their descriptions were simply inaccurate in one respect or another. The gentleman from New Hampshire [Mr. GREGG], for example, said this provision would require that our standards for worker rights be applied to other countries around the world. That allegation simply is not true.

The gentleman from Nebraska [Mr. DAUB] had similar comments to make.

The gentleman from Texas [Mr. ARCHER] said, "Imagine what it would be like for us to require third world nations to adopt our OSHA laws."

My section of the bill does not do that in any way, shape or form.

Let me deal with some of the issues that have been raised about this section. It has been said, as I say, that we would require other countries to adhere to internationally recognized worker rights. I ought to say that those internationally recognized worker rights are definitely spelled out in U.S. law right now in the generalized system of preference law that we passed in 1984. Those worker rights which are specified in the law are as follows: Freedom of association, the right to bargain collectively, prohibition on forced labor and slave labor, a requirement that a country have a minimum age of some sort. It does not specify what that minimum age should be. That is left up to the discretion of the country.

Finally, it says that acceptable conditions of work as to hours and minimum wage and health and safety standards.

The State Department in reporting pursuant to the GSP law in 1984 on worker rights conditions in various countries has said that acceptable conditions of work, the last of the five criteria spelled out in the 1984 law, means a minimum age of some kind. They suggest perhaps 14 years of age; some sort of minimum hours, they suggest maybe 48 hours a week. In sum, they do not specify a minimum wage, except to say a wage that would provide reasonably for a person in that country. So we are not talking about $3.35 an hour or $2 an hour, in some countries not even $1 an hour, but what is appropriate to that country.

It has been said that we seek to impose on Third World countries' adherence to internationally recognized worker rights that we ourselves do not recognize. That allegation comes about because some of the rights which we delineate in the law, the 1984 law, are drawn from various conventions of the International Labor Organization. Many of those conventions have been ratified by many nations of the world, some by the United States, but most not by the United States for historic reasons that I will not go into. I need only to remind our colleagues that there are a lot of international documents that the United States has not ratified. It took us 30 or 40 years to ratify just recently in the Senate a convention or treaty against genocide, for political reasons here in the United States, so it is not necessarily a flaw that we have not specifically endorsed certain International Labor Organization conventions; but even if we have not done that, certainly we in the United States have specifically adhered to each and every one of the worker rights enumerated in the 1984 law and incorporated in the bill before us today.

I outlined before what those five rights are that are specified. I can go over them and show you how each and every one is already adhered to by the United States.

The first one is the freedom of association. That freedom is guaranteed in the U.S. Constitution and has been now for well over 200 years. Beyond that, the National Labor Relations Act of 1935 guarantees and speaks to the freedom of association.

What about a prohibition on slave, forced, or compulsory labor? That is enshrined in the 13th amendment to the Constitution of the United States, as well as the Taft-Hartley Act of 1947 and title 18 of the U.S. Criminal Code, all of these U.S. legal documents.

What about the question of a minimum age for the employment of children? We set a minimum age for children in the Fair Labor Standards Act of 1938.

What about hours of work? We set those also in the Fair Labor Standards Act of 1938, which has been amended several times since.

Occupational safety and health, we certainly adhere to the standards according to the OSHA law, the Occupational Safety and Health Act of 1970.

So in all these cases in the U.S. Constitution, in American law and in a rich lode is case history, we have in the United States adhered to those worker rights. We are not, therefore, being hypocritical or unreasonable in asking other countries to adhere to these rights. As a matter of fact, we do not ask them to do as much, nearly as much as we do, let alone more.

Now, I would like to mention also in this regard that it has been official U.S. policy for more than 50 years through both Republican and Democratic administrations to belong to the International Labor Organization, to actively support international conventions and respect for basic worker rights embodied in the ILO conference and to vigorously participate in the supervision of international adherence to the basic ILO convention. Only last summer Secretary of Labor William Brock was telling the ILO conference in Geneva that the United States is allied with those nations that are "resisting either the formal or de facto dismantling" of the ILO system of standards and supervision.

The truth of the matter is that our country does recognize and practice the legitimacy of worker rights embodied in the basic ILO Convention.

□ 1800

Mr. Speaker, it has also been said that these worker rights are not recognized by a lot of other nations, even though many, many nations, most nations of the world, belong to the International Labor Organization. I think that charge is without foundation also and I would like to lay out chapter and verse in response to that.

Any country that belongs to the International Labor Organization and had ratified an ILO Convention, is legally bound to implement national laws, its own national laws, to carry out the purpose of that particular ILO Convention. More basic than that, more than 150 countries belong to the ILO, and with membership in the ILO comes de factor acceptance of Freedom of association, one of the five worker rights mentioned in this bill.

It is noteworthy to look at international law and the record of international acceptance of these rights as stated in the fundamental ILO covenants.

With regard to freedom of association, 105 countries, including Gabon, Bulgaria, China and Singapore, have ratified covenant 11 written in 1921 dealing with the right of association. Ninety-seven nations have ratified covenant No. 87, dealing with freedom of association and protection of the right of workers to organize.

With respect to the right to organize and bargain collectively, 113 countries, including Bangladesh, Indonesia and Romania, have ratified covenant 98 adopted originally in 1949 pertaining to the right of workers to organize and to bargain collectively.

Regarding forced labor, 109 countries have ratified covenant 105, calling for the abolition of forced labor. Regarding the establishment of a minimum age for the employment of children, 69 countries, including Albania, the Ivory Coast and Singapore, have ratified covenant 105, fixing the age of 14 years as the minimum age for industrial employment.

Incidentally, some may be surprised to learn that 46 countries have ratified covenant No. 1, pertaining to hours of work, and 32 countries have ratified covenant 131 calling for the establishment of a system of minimum wages to cover wage earners.

Clearly, even if countries have not ratified these ILO Conventions, there is no misunderstanding as to what constitutes internationally recognized worker rights.

Mr. OWENS. Mr. Speaker, will the gentleman yield?

Mr. PEASE. I would be happy to yield to the distinguished gentleman from New York.

Mr. OWENS. I thank the gentleman for yielding.

Mr. Speaker, I would like to congratulate the gentleman on his sponsorship of this special order. I would also like to congratulate him on his amendment. I think the amendment that goes to workers' rights goes to the heart of the problem. The problem is not a problem of free trade, in my opinion; it is a problem of the free trade swindle.

At the heart of the free trade swindle is the ability of certain govern-

ments to lower the cost of their products, or certain economists to lower the cost of their products by having working conditions which are not on a par with the working conditions here, or having wages which are far lower, and that has been apparent for some time. It is true in the case of the developed economies, and that is bad enough, but in the case of the economies of some of the underdeveloped countries, or in the case of an exploited and semislave market similar to the one in South Africa, it is apparent that a great advantage is assumed by those producers or manufacturing concerns, or the investors and financiers who have concerns in these economies where the cheap labor or the semislave is available.

What is at the heart of our effort to end the trade swindle, I think, is the effort to salvage a national economy again from an international economy which has gone berserk. We have an international economy which benefits an oligarchy of international financiers, international investors. They make tremendous profits by moving their investments from one country to another, wherever the labor market is cheapest, and other conditions, but usually the primary condition, or the condition that makes for the lowest cost of production is the low cost of the labor market. They can move around. They can realize tremendous profits at the same time their own home economies, whether you are talking about the economy of this country or some of the other developed nations, their own home economy suffers, the workers suffer, because when you are in pursuit constantly of cheaper and cheaper labor, then those jobs which are first for the unskilled and then the jobs for the semiskilled, and even for the skilled.

We have a situation developing where the information industry, certain foreign countries are seeking to take over the information industry in this country because of the fact that they can produce much cheaper labor, highly skilled labor, well educated labor, college graduates, Ph.D.'s, scholars from the Sorbonne, and some of the best universities of Europe, but they are employed at much lower wages. So it doesn't stop with just the unskilled and semiskilled laborers, but it starts there. They can pick up and pursue the cheapest labor anywhere. They can make tremendous profits because the products that we invest in, and we have to admit to the whole world, and certainly admit to our own people, that many of the products that come back into this country from our foreign competitors are products which have been financed by our own dollars, our own financiers and our own investments going abroad, investing in plants in various products processes which bring the products here. They are produced at very low cost in accordance with the standards of the local economies in the local countries, but they come back into the country and are sold at much higher cost in accordance with the standard of living of this country.

So we have a tremendous windfall profit realized by the people who are investing in the plants abroad and the various enterprises abroad. So there is a powerful group of people who are greatly benefited by the present situation. The balance-of-trade deficit benefits certain groups in this country who are realizing the windfall profit that they make when they invest abroad, they use the cheap labor, they bring the products back to this country and sell it at the prices consistent with our country. They realize a tremendous profit and they become the powerful hidden force that we cannot see which keeps insisting that free trade must be maintained, despite the fact that our plants and our factories are closing. It is obvious to any fool that you cannot survive as a nation, the national economy cannot survive, if this continues to go on. But there are such powerful people benefiting that the smokescreen is constantly thrown up.

I think nowhere is it more apparent than the extreme case that easily allows it to be seen in South Africa. In the South African economy, we have General Motors, we have Xerox Corp., we have a number of major corporations who would have to admit, because the facts and the records will show it, that the profit ratio in South Africa is higher than it is anywhere else in the world. The kind of profit they make in their manufacturing enterprises in South Africa is higher than it is in Asia, higher than it is in Europe, and higher than it is, of course, in this country because that is why they have moved from this country.

The one factor which is different, the one factor which is the determining factor, is the semislave labor pool that they have in South Africa. So when you press labor down to a semislave status, then the profits go up accordingly. The ratio of the profit is so tremendous that there will be continued massive resistance to any divestment attempts, no matter what conditions there are.

It seems to me that the gentleman's amendment cannot be rejected. There can be no reasonable argument offered to the gentleman's amendment if we are going to insist on some kind of regulation of trade at all; that if other conditions must be met by our foreign competitors, if those conditions must be met, then certainly your condition is basic. It is at the heart of the whole production process. I do not see why we can insist that certain other kinds of conditions such as the pricing of products in the local market must be consistent with certain standards, they cannot sell their products at a lower cost in the local markets and provide a subsidy. That is a reasonable regulation. I do not see how then we can accept the manufacture and the production of products using labor that is exploited, or labor that is so vastly underpaid that it produces a great difference in the cost and gives them a great advantage.

So I applaud the gentleman's amendment. I think it is at the heart of the entire problem. Nobody will admit it, but it is at the heart of the problem and should be recognized as such. The amendment is quite reasonable. It does not go as far as it should go, in my opinion, but it is certainly reasonable enough. It is in accordance with standards that have already been established. It says no more than that workers should at least have the opportunity to be able to fend for themselves. They ought to be able to try to establish reasonable conditions for themselves, and that right to bargain ought to be recognized, and from that would naturally flow certain kinds of improvements in the standards and the working conditions and certainly the wages, and there would be some kind of balancing out of this tremendous unfair advantage that our foreign competitors have now and are able to, therefore, exploit our own markets.

I congratulate the gentleman and I would certainly urge the passage of his amendment to this bill.

Mr. PEASE. I thank the gentleman very much for his contribution.

Mr. Speaker, I think it is important that we take a look for a while at the people who are involved here. It seems to me that those who would oppose this amendment, this worker rights language, essentially are saying that it is none of our business as Americans under what conditions the products are made which flood into our markets.

When you go to the K-Mart or some other discount store and pick up products made in Taiwan or Korea or Thailand or Sri Lanka or wherever, and pick up those shirts, that it is no business of ours, no concern of ours, under what conditions they were made. I would hope that Americans are not callous enough to take that attitude.

Here is an article called "Docile and Dextrous—Young Women Suffer From the Economic Miracle in Southeast Asia." This quotes a young girl who was working in an electronics company in a Southeast Asian country. She says:

I have been working at the electronics company for over 5 years. I want to quit. I cannot. It is so hard to get another job. You do not know what it is like to be a worker. It is bitter. Very bitter. The prices keep rising, especially food, but they never raise our

wages until a long time after the prices rise. They do not care if we starve.

Every day they push us to do more and more. If they had a standard for a day's work, it would be more reasonable. Our salaries are limited, but they have unlimited demands for production.

This young woman works in this electronics factory with nearly 1,000 other women who sleep in a dormitory every night. Each one of them has, according to this article, a narrow formica platform on which to sleep. Neither the factory nor the dorm has a fan or air conditioner, although the temperature sometimes approaches an inhuman 100 degrees. They work 8 to 12 hours a day, depending on production demands, 6 days a week, and she is paid $60 a month for her labor. That is less than 30 cents an hour.

The day that the author of this article visited the plant, the drinking fountains were broken, the tap water is not safe to drink, so the workers had to buy liquids. Four glasses of juice or carbonated water, during the course of a day, cost one-fifth of a worker's daily income.

□ 1815

That is the sort of thing that we are condoning when we turn our backs on the conditions under which products are made which flood into our country.

Here is an advertisement which is from several years ago but it is very interesting and still relevant. Seven good reasons why you should be looking to the Philippines to locate your factory. One of those seven good reasons relates to the labor force. It said recent Presidential decrees have lifted work restrictions on Sundays and holidays, liberalized the employment of women and children, and expanded the scope of apprenticeship programs. Labor costs could work out 35 to 50 percent lower than they are elsewhere in Hong Kong or Singapore.

Clearly, the allure of these Southeast Asian countries is cheap labor, exploited labor, workers who do not have an opportunity to better their own lots in life.

Here is an article from the National Catholic Reporter that talks about children in Thailand being sold into slavery. You need a factory worker for a factory in Thailand who is going to manufacture textiles or garments for the American market, fine, there is a place where you can go in downtown Bangkok every day and there is an auction for young girls age 10 to 14 years of age.

Their parents, from the impoverished rural areas of Thailand, bring them in by train. The auction block is just outside of the train station. The parents sell their 10- to 14-year-old girls into indentured servitude for a year at a time. How much do they get? Twenty dollars. Maybe $40 or $50 or $60 if it is an exceptionally good worker. That is the sort of thing we are condoning.

These workers have workdays of 15 hours a day, 7 days a week. That is what we are condoning.

Closer to home, here is a report on Haiti. Here is a report of a factory that produces detergent in Haiti. A young man works there and said he works in temperatures of 95 to 113 degrees Fahrenheit without air-conditioning. All day long, he had to breathe in plastic and chemicals without protection.

The noise in the factory surpassed all normal decibles. He receives $3 a day for his labor. Ordinarily, you would think in those circumstances the workers would want to stand up for their rights and ask for an opportunity to get some fans or perhaps some filters for the chemicals; perhaps a little better wages than $3 a day.

While Haiti has in its constitution the right for workers to organize, the workers of this company did so, informed the management of their move in a letter and they also mentioned it to the Ministry of Social Affairs and the press.

In the letter, they very specifically stated that they were not trying to create trouble, but merely to put forth specific legitimate demands. Instead of respecting their right to organize, according to the constitution, the following events took place. "We delivered the letter to the press, the management and the Ministry of Social Affairs at noon. To our great astonishment, by 3 p.m., they had fired all of those who had joined the union." So much for worker rights in Haiti.

Let me go on a little further. I have been concentrating on what happens to the workers, the exploited workers in these other countries. I told you that if they get 40 cents an hour for their wages, they are doing well.

The products of these countries are coming back to the United States and are being sold in competition with textiles and garments made in Alabama, South Carolina, Georgia, and in dozens of other States in the United States.

The garment industry and the textile industry in the United States is not a highly paid industry. As a matter of fact, mainly it is not a unionized industry. Most textile, most garment factories are not unionized.

These are folks, most of them women, often widows, who earn $6, $6.50 an hour, hardly exorbitant wages. How will we expect them to compete to keep their jobs with 10-, 11-, 12-year-old children working for peanuts, if anything, 15 hours a day, 7 days a week? If that is not a case of unfair trade in relation to the workers in our country, I do not know what is.

We have a labor force of roughly 100 million people in the United States. We have 8 million people or more unemployed right now, and they would love to get jobs.

But with imports coming to this country unrestricted and with the current administration taking that attitude that they could care less what the working conditions are, what the worker rights are in other countries, our 100 million working Americans, our 8 million unemployed Americans have to compete with up to 2 billion people in Third World countries who are perfectlly willing to work for 50 cents an hour or less and whose governments deliberately repress their rights so that they cannot look forward to an adequate wage or safe working conditions or time off so that they can enjoy their families.

The amendment, worker rights amendment in this trade bill, tries to deal with that problem. If that is not an unfair trade practice, I do not know what is.

The worker rights amendment, to respond to some comments made by my colleagues earlier, addresses this problem in a way which is entirely consistent with current U.S. trade law. The worker rights section is not a brand-new initiative; it is an extension of existing trade law. The identical list of worker rights is already in U.S. law, as I have said, in relation to the generalized system of preferences and the Overseas Private Investment Corporation.

Furthermore, the new trade bill merely extends the definition of unfair trade practices which is already in section 301 of the Trade Act of 1974. The existing section 301 defines as unreasonable or unfair three trade practices: the denial of market access in another country, the denial of the opportunity to establish a business in a foreign country, and the failure to protect copyrights, patents, and other intellectual property rights. Those three are already defined in current U.S. trade law as unfair trade practices.

Let me add that we in the U.S. Congress unilaterally define those three unfair trade practices. They are not part of any international agreement.

We, in our amendment, add a fourth unreasonable act and that is repression of worker rights. I ask you, Mr. Speaker, is it fair when an overseas manufacturer steals, copies, or sells a patented U.S. product? You bet it is.

□ 1825

Similarly, is it fair when a $6.50 an hour American textile worker has to compete against 10-year-old children working 15 hours a day, 7 days a week?

My answer is, You bet it is there as well. It is time, in my view, for us to get on with the job of protecting American workers from the unfair trade practices of our competitors. That is what this bill is all about.

I am happy to yield to my good friend and colleague from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. Mr. Speaker, I think that the Congress and the Nation owe the gentleman from Ohio [Mr. PEASE] a debt of gratitude for having focused on this very important issue, probably the most important single issue in this entire bill.

When I was a college student, I remember reading the history of the industrial revolution and some of the writings of the conditions that prevailed in England in the early part of the 19th century and the late 18th century: absolutely appalling working conditions, and this prevailed through a great part of the 19th century, and in some industrialized countries, well into this century.

Until we had enlightened laws prohibiting child labor, until we had laws providing for health and safety in the workplace, which are fairly recent in our history, until we had laws providing for the right of labor to organize collectively and bargain for its rights and its wages, we had conditions which were so appalling that they gave rise, among other things, to the famous Communist Manifesto of 1848 and all of the terrible implications that we are still confronted with as a result of that fact.

Marx was wrong about capitalist states. The Western nations, the democratic nations, showed that they had the ability through the use of the ballot and through enlightened leadership, to reform rather than to have to destroy the existing form of economic organization, as a result of which, for many years, the workers in the United States have enjoyed the highest wages and have enjoyed safe and healthy working conditions.

If they are forced to compete with people who are compelled to work in conditions that are comparable to those in the depths of the worst part of the early industrial revolution, then we are surely going to pay a terrible price in this country. One of two things is going to happen: Either we are going to bring the level of working conditions and wages and other relevant factors up to the level that we think is consistent with the decent minimum that workers are entitled to respect, we are going to bring those up in the Third World countries to that level, or else our workers are going to be driven down to the low level, and that is something I don't think the American people will tolerate.

Now is the time to do something about it, before we have lost all of these and the rest of our industrial jobs, and paid the terrible social and moral price that that entails.

So I think, again, we owe the gentleman from Ohio [Mr. PEASE] a great debt, and I hope that our colleagues tomorrow are going to backup what the committee has done in adopting the gentleman's very, very thoughtful, well-based and wise recommendations as incorporated in this bill.

Mr. PEASE. I thank the gentleman very much for his comments. As usual, he has provided us with some valuable historical perspective. I think the parallel is quite apt between where we are now in say Southeast Asia and where the European countries were in the mid-1800's.

Mr. Chairman, my time draws short. I would like to comment quickly on two other things. I have been talking about the worker rights amendment. I think we have covered that pretty thoroughly.

Let me turn to another amendment which was offered in the Committee on Ways and Means by out colleague, the gentleman from Missouri [Mr. GEPHARDT]. That seeks to require the President to take action to reduce the trade deficits that we have on a bilateral basis with a few other nations of the world.

That amendment has been roundly criticized by the administration and by some of the administration's supporters here in the Congress today as being an outright violation of our international treaty obligations and is sure to invite retaliation. It has been characterized as being automatic; we are going to have to do these things, and there has been a lot of misinformation about that amendment.

Let me point out that the Gephardt amendment seeks to require the President to reduce the trade deficits with countries which are selling us far, far more goods than we sell them. In order for a country to get on the list of nations with which the President must negotiate, there must be three conditions met, and all three must be met; not one, not two, all three.

One is that the nation involved must have a disproportionate surplus of trade with the United States. Countries like Taiwan, Korea, Japan, West Germany, Canada meet that criterion.

The second criterion is that the country must have not only an unsual surplus with the United States, but also with all the rest of the world. So we are saying it is not only that we are being innundated with products, but that the country is not buying from other nations as well.

When we mention that second criterion, then you drop countries like South Korea off the list, because while they have a big surplus with us, and while Canada does, they do not have surpluses with the rest of the world.

Then we go to yet a third criterion, and that is that the country involved, in order to get on the list, must, according to certification by the President, have a consistent pattern of trade barriers to the products of other countries, which would explain why they are exporting more than they are importing.

I am confident that when you apply that test as well, countries like West Germany which have been mentioned today, would be dropped off the list also. I do not think that the President would have any reason to certify that West Germany has a consistent pattern of trade barriers to imports coming in to that country. I am not sure that the President would certify that for other major countries as well.

Even if he does, once he makes that certification, then the President is required to negotiate with the leaders of those countries, to figure out a way to reduce by 10 percent per year for 4 years—no precipitous drop—10 percent per year for 4 years, the trade imbalance that that country has with us.

It could do it most easily by opening up its own markets to our products, and that of course would be best all the way around for world trade.

Only if the President fails to come up with a negotiated agreement does this Gephardt provision then say that the President is obligated to take what actions he deems necessary and advisable to achieve the 10 percent per year reduction.

So the discretion is in the hands of the President, and where the President finds that it would be contrary to the national economic interest, he does not even have to certify or do anything at all.

So there is ample opportunity for the President to avoid taking action where it would not be in the true best interests of our country. That is a far cry from what we have been told here on the floor today is the effect of the Gephardt amendment, and I would urge Members to very carefully look at that amendment tomorrow when it comes up for debate.

Finally, Mr. Speaker, I want to repeat what I said earlier today, and that is that I am somewhat mystified as to why so many of our Republican colleagues appear eager to carry water the Reagan administration, an administration which is clearly out of touch with the American people.

□ 1835

If there is anything which is clear from public opinion polls, it is that the American people want us in Washington to get tough on trade. They want to have a level playing field. They do not want to have the opposition from other countries flooding our shores with imports, playing all the time with the wind at its back. They want to have a level fair playing field. That is what the American people want, and that is what they tell us.

Yet, this administration does not want any trade legislation at all. In the other body the Republican-led Finance Committee is working on a

trade bill which is quite similar in many respects to the bill we have before us now. Guess what? The administration does not like that bill either. No partisanship there. That is not a Democratic bill. That is a Republican bill. Yet the administration is opposed to it. In fact, I am told that the administration does not even like the Republican substitute which will be offered on the floor of the House tomorrow. You cannot satisfy the administration in any respect, if you seek to level the playing field and tighten up on our trade laws so that we can get tough with out trading partners.

Let us face it, Mr. Speaker, this administration is opposed and will oppose any efforts here in Congress to deal effectively and constructively with the enormous trade deficits, $150 billion a year, that we have been running in recent years.

So I really ask why my Republican colleagues should take the heat for this administration, an administration, to quote Senator JOHN HEINZ, a good Republican: "whose success have been at best damaging or damage-limiting and whose failures have been disastrous for many industries."

It seems to me that Members on the Republican side of the aisle in this Chamber ought to come in tomorrow and Thursday and vote for the Republican substitute. They are entitled to believe that that is a bill more to their liking than the one that the Democratic majority reported out of the Committee on Ways and Means.

But after they have done that, I would hope my Republican colleagues will look and see where their loyalties really lie. Do they lie with the administration, which is clearly opposed to any trade legislation, or do those loyalties lie with the American people, the constituents who sent them here and who are growing increasingly concerned about the loss of American jobs to foreign imports?

I hope the answer of my Republican colleagues will be "yes." Once the Republican substitute has been voted on, I hope that they will come around and vote for final passage on this omnibus trade bill, which is a good, responsible but tough piece of legislation.

JUDICIAL REVIEW FOR VETERANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. LAFALCE] is recognized for 10 minutes.

Mr. LAFALCE. Mr. Speaker, I rise today to remind my colleagues of the need for veterans' access to judicial review of their claims before the Veterans' Administration.

This issue is a long-overdue subject of congressional action, and a longstanding concern of mine. In both of the past two Congresses, I introduced bills which would have granted judicial review to veterans. In this Congress, I am a cosponsor of H.R. 585, the Veterans' Administration Adjudication Procedure and Judicial Review Act. This bill to grant judicial review was introduced by my colleague, DON EDWARDS, who has also introduced previous legislation in this area. I would like to acknowledge his leadership and continuing efforts, which will deserve much of the credit when our veterans' right to judicial review is at last written into law.

The Senate has now passed judicial review for veterans for the fourth consecutive Congress. Unfortunately, the full House has never been given the opportunity to vote on judicial review for veterans, but H.R. 585 is being cosponsored by 210 Members, and with such solid support I am confident that it is an issue whose time has come.

Mr. Speaker, I would like to outline today the objectionable provisions of current law that would be changed by H.R. 585, the main provisions of the bill, and the reasons for which it is imperative that we grant judicial review to veterans.

CURRENT LAW

The Administrative Procedures Act of 1947 contains safeguards to ensure that American citizens are treated fairly by the agencies that administer our Nation's laws. These safeguards have proved to be effective and sensible, and they have not excessively burdened our court system.

Unfortunately, one class of citizens is conspicuously barred from the guarantees of the Administrative Procedures Act. That class is veterans. Under a 1933 law, veterans are denied the right to appeal the decisions of the Veterans' Administration regarding the benefits to which they are entitled under law. An even older law, dating back to 1862, limits the amount a veteran can pay an attorney to only $10.

Together, these antiquated statutes effectively bar veterans from independent appeal of VA decisions, and even independent legal counsel to advise them of their entitlements under the law. The prohibitions were originally intended to serve the interests of veterans, but in today's circumstances they are glaring anachronisms that unfairly discriminate against veterans, depriving them of the same rights to due process that have been granted to other citizens.

OUTLINE OF H.R. 585

H.R. 585 remedies the defects of current law while retaining certain strengths in the current system of adjudicating veterans' claims. The bill codifies the existing adjudication procedures of the Veterans' Administration. These procedures are perfectly equitable, as far as they go. They allow the adjudication of veterans' claims fairly and to the satisfaction of both parties in nearly all cases.

However, for the small number of cases in which mistakes may have been made by the VA, H.R. 585 would allow veterans to appeal the final decision of the VA in court.

It is important to note that judicial review would be granted only as a last resort. To protect veterans from burdensome legal fees, the bill retains the current limit of $10 during the adjudication process, all the way through the determination of the Board of Veterans' Appeals. After that determination, if they were still dissatisfied with the outcome, the $10 limit would be raised so that veterans could retain their own legal counsel in order to appeal effectively in court.

Even then, however, H.R. 585 includes provisions to ensure that veterans are not charged unreasonable fees for the legal services they receive. I believe these provisions effectively grant the protections to veterans that are embodied in current law, while allowing them the option of exercising their right to due process through judicial reveiw.

THE NEED FOR JUDICIAL REVIEW

If most veterans are treated fairly under the current system of adjudicating veterans' claims to benefits, as I believe they are, it might well be asked why their current preclusion from judicial review needs to be changed.

One answer is that while judicial review may seem unimportant or unnecessary to the system of veterans' benefits as a whole, it is vital to the few individual veterans who are statistically certain to be the victims of mistakes in the VA's procedures.

Those procedures are not infallible; it should be noted that the VA employs a large legal staff that regularly brings veterans to court when mistakes are made in their favor. It is fundamentally unfair that veterans are denied the same right to judicial review enjoyed by the VA when mistakes run in one direction rather than the other.

Lack of access to the courts not only imposes hardships on the few veterans who are victims of mistakes. It also threatens all veterans with the insecurity of lacking potential access to the courts if mistakes happen to be made in their individual cases.

Beside these practical considerations, a more general reason supports the right to judicial review. That is the principle of separation of powers. Our Constitution provides for an independent judicial to ensure that our laws are properly administered by executive agencies. The effect of current law is to authorize the VA to grant certain benefits to veterans. In fact and in principle, however, the benefits have already been granted by an act of Congress, and the VA is merely authorized to distribute them.

Limitations on powers of administrative agencies may seem a minor point compared to the more concrete concerns of veterans for an equitable outcome of their appeals, but it is important to affirm that veterans are entitled to their benefits under the law of the land, not merely at the discretion of the Veterans' Administration.

While the VA does fine work in its adjudication of nearly all claims, its role as an administrative agency must be limited within the bounds of our constitutional system of checks and balances. No administrative agency should have the last word on the interpretation of the law. Such interpretation is the province of the courts. Our laws already recognize this principle for virtually every administrative body except the Veterans' Administration, and I believe we should act promptly to correct this lapse in our legal code.

CONCLUSION

Mr. Speaker, I am aware of divisions of opinion on this issue of judicial review. Many of the objections to H.R. 585 are based on

unfounded fears that it will make our system of veterans' benefits difficult to administer.

There is no quesiton that a system without judicial review is simpler than a system with judicial review. However, the prospect of a few more cases in the courts, and of requiring VA personnel to go to court to correct mistakes in the VA's favor as well as mistakes in the favor of veterans, is overshadowed by the need to protect the real interests of veterans and the integrity of our system of administering laws.

It would be marginally more convenient for the Government to continue its denial of judicial review for veterans. This convenience, though, is bought at a high cost. A small number of veterans pay with real hardship; all veterans pay with insecurity in their legal entitlements; and our Nation as a whole pays by compromising the equal right of all citizens to appeal to an independent judiciary for due process and fair treatment under the law.

Ending this aberration in our legal system should be an urgent concern of the Committee on Veterans' Affairs, and of the House as a whole. I respectfully urge that H.R. 585 be brought to the floor promptly for the consideration of the full House, and that my colleagues join me, and 210 other Members who care about veterans' rights, in cosponsoring this much-needed corrective legislation.

TEMPORARILY SUSPENDING ROMANIA'S MOST-FAVORED-NATION STATUS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. CRANE] is recognized for 60 minutes.

GENERAL LEAVE

Mr. CRANE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CRANE. Mr. Speaker, at this juncture, I would like to yield to my distinguished colleague from the great State of Virginia, inasmuch as he has time constraints which I do not have this evening.

Mr. WOLF. Mr. Speaker, I thank the gentleman and commend the gentleman for taking out this special order. The purpose of this special order is to encourage and urge the Secretary of State and the administration and the President of the United States not to extend the most-favored-nation status to Romania. There are so many reasons.

When I visited Romania last year with Congressman SMITH of New Jersey and Congressman HALL, we heard so much about the persecution and the violation of human rights, and I know my colleague, Mr. CRANE from Illinois, will cover all those points and will make such a logical case that I think all reasonable people will acknowledge that the most-favored-nation status for Romania should be and must be suspended.

Let me read one or two points. From one General Pacepa, a defector from Romania, listen to what he has to say about Romania and international terrorism.

He said, "A few examples are the paramilitary training school run by Romania for members of the Russian Communist Party who receive training in sabotage, diversion, and guerrilla tactics. Romania's political material support for the Palestinian Liberation Organization and its terrorist detachments and the secret cooperation of the Romanian Government with the Libyan security forces."

Helsinki Watch says, "Romania is generally considered to be one of the most egregious human rights offenders in Eastern Europe." A statement by the former ambassador says, "Romania's abysmal record on human rights and its lack of internal reforms are a mockery of declared United States policy goals." Another Helsinki Watch committee quote, "Romania's internal policies have deteriorated to the point where Romania is now one of the worst human rights offenders in Eastern Europe." Yet we give most-favored-nation status to one of the worst human rights offenders in Eastern Europe.

We met with Father Calciu when we were over there, who had been in prison for 21 years for refusing to take a factory job, refusing to deny his priesthood. He was subjected to periods of 10 days during each period during which he was given no food, no water, no heat, and no clothes. At the end of those periods, when convulsing violently, he would be given 2 days' worth of food and then put back on 10 days of deprivation. This went on for 100 days. The Romanians wanted to keep him alive to break him. For 100 days Father Calciu countered and refused to submit and went on a hunger strike himself, and finally they become very concerned that he would die. And they began to feed him.

There are so many, and I wish we could document the names and the places if we had the time, of all the people whose human rights have been violated. But let me just tell you one more, which I think will really grab anyone listening, particulary if you are in the administration and you work for the State Department and you deal with this issue.

Arrests of religious activists do result in death. Recent examples of deaths of clergymen resulting from arrests include as follows: In his Christmas Eve sermon in 1983, Rev. Gaza Palfi opposed an edict by President Ceaucescu making Christmas Day an ordinary working day. The next day, this Catholic priest was arrested and severely beaten, particulary around the liver. He was taken to a clinic where he died 2 months later, not having responded to treatment, simply because he felt that Christmas should be a holiday. The Romanian secret police arrested him, beat him up, and he later died.

There are at least six other known deaths in recent years of Roman Catholic priests, Pentecostal and Baptist clergymen that occurred during or following interrogation, and the list, as I said, goes on and on and on.

Clearly, Mr. President, clearly, Mr. Secretary of State, by holding out the hopes that they will improve by giving them most-favored-nation status, it is not working. What we would ask is that you not extend most-favored-nation status at this time and allow Congressman CRANE and the Committee on Ways and Means to hold extensive hearings, to look into this issue because it would be absolutely wrong to extend most-favored-nation status at this time. What would that tell the Romanian people? It would tell them that America does not care, that we have forgotten about them. So I am sorry; I implore you and ask you and urge you do not extend most-favored-nation status until Congressman CRANE, Congressman GIBBONS, and the Committee on Ways and Means can look into it.

Again I want to commend my friend from Illinois and wish him well because I think this is one of the most important issues that this Congress will deal with. It is unfortunate that we do not have the opportunity to offer an amendment to the trade bill coming up, but I think we can make a clear moral statement. I know the administration, if they hear it, will do something about it. I thank the gentleman and yield back whatever time I may have.

Mr. CRANE. I thank the gentleman. I would like to add a postscript: I endeavored to introduce such an amendment to the trade bill that we have under discussion today and tomorrow, and I yielded to the request of our distinguished chairman of the subcommittee, the gentleman from Florida [Mr. GIBBONS] to withdraw that amendment at this time because he suggested that he thought there were some political implications that might better be reserved for separate hearings by the Subcommittee on Trade in June. But we do have this June 3 waiver deadline for the administration to contemplate an extension of most-favored-nation treatment to the country of Romania. I have a letter on its way to the President urging him not to extend that most-favored-nation treatment preference until the subcommittee has an opportunity to review the case and to make a determination.

I would like to read an excerpt from a book by Gen. Ion Pacepa, who was referred to by my colleague from Virginia.

General Pacepa is the highest-ranking intelligence officer from the Soviet bloc ever to defect. He was a personal adviser to Ceaucescu and Deputy Director of the Department of Foreign Intelligence, which is the KGB equivalent in the country of Romania.

He writes:

Orders have repeatedly been given for the silencing of emigre journalists and others who publicly criticize the Romanian dictatorship, including United States Government employees working for Radio Free Europe. Monica Lovinescu, a respected but outspoken French citizen who for years has been an employee of Radio Free Europe in France, has particularly incensed Ceaucescu.

Lovinescu must be silenced. Ceaucescu ordered at one point. Not killed. We don't need any uncomfortable French and American investigations just now. She should be beaten to a pulp and have her jaw, teeth and arms broken, so that she will never again be able to speak or write—beaten in her own home so she and others will learn that no place is safe for people who calumniate the proleterian dictatorship, not even their own homes. She should become a living corpse, an unforgetable example for others.

In November 1976, Lovinescu was severely beaten in her home by a Palestine Liberation Organization group acting on Romania's behalf.

Now, what would you use as a word to describe someone who would make such an appeal? Degenerate, depraved, psychopathic? This is a form of subhuman species that unfortunately still peoples this world, but in this instance it is a head of state that we have gone out of our way to try and lure into the civilized world. And in the face of those attempts since 1975 with concessionary trade policies they, if anything, have deteriorated to a lower level than existed at that time.

General Pacepa notes a number of examples of these excesses, some of which were referred to by my colleagues from Virginia.

But let me cite just a few.

In July 1981, Emil Georgescu, an outspoken Romanian program editor at Radio Free Europe, was stabbed 22 times. This, again, General Pacepa insists was at the instigation of the Romanian Government and the dictator Ceaucescu himself.

With cooperation from Bulgaria, Romania has used and shipped arms and drugs, sold to obtain foreign currency. The Romanian Government organized paramilitary training schools for training Greek and Spanish Communist Party members for terrorist and guerrilla-type operations. Interestingly enough, Romania was the first country to land a commercial flight at Beirut airport after the United States called for an embargo of the airport.

We have been discussing trade issues. Let us take a look at our trade relations with the Government of Romania. At least 30 American companies have offices in Bucharest. In recent years America has sold power turbines for Romania's Nuclear Energy Program, coal, agricultural products, and energy technology.

American, in turn, buys refined petroleum products, finished steel products, textiles, and footware. The United States trade deficit, and I want to underscore this, the United States trade deficit with Romania has reached a ratio of 4.7 to 1. United States exports in 1985 were $206.5 million, while imports from Romania were almost $1 billion, with trade deficit standing at $743 million.

Under the generalized system of preferences, which has also been extended to Romania, they have been able to ship 134 million dollars' worth of goods into the United States duty free in 1985. It demonstrates a dramatic increase from 1982, when only $54 million was imported duty free. And the real sticker is that the U.S. Trade Representative has cited Romania as one of the countries most frequently subject to antidumping actions. They not only have taken advantage of trade concessions that have been lawful that we would otherwise extend exclusively to civilized nations, civilized trading partners, they have taken advantage of that and engaged in trade abuses.

□ 1850

The Washingtonian magazine published by the Washington Post, which has the condensation of the book by General Pacepa, lists a variety of other incidents in this trade arena, excesses engaged in by the Romanian Government in the past.

For example: the complete blueprints of newly designed American aluminum rolling mills were used as a basis for constructing high-capacity aluminum-foil and sheet-metal factories.

Three glass factories were built from 1976 to 1980 based on illegally obtained intelligence provided by an American engineer in exchange for the initial sum of $200,000. The intention was to flood the American market with glass products at dumping prices.

The Romanian Ministry of Agriculture estimated that it saved over $300 billion by stealing the entire United States national hybrid-corn collection, containing more than 14,000 assortments and species, which became the basis for further research in Romania. Romania recruited an agent at the United States Department of Agriculture's Research Center in Beltsville.

In regards to transfers of technology, Pacepa writes:

Mr. Ceausescu serves as a conduit for the transmission of embargoed western technology to Moscow.

In the area of human rights violations, in addition to some of those that we already heard, after the United States granted MFN status in 1975, Romania instituted total censorship of mail coming from outside the country.

Romania approved complete monitoring of all international telephone calls, a secret Communist Party decision.

President Ceausescu personally ordered that all telephones be of the type developed by the internal security police which "can be instantly converted into a microphone to monitor people's private conversations."

President Ceausescu ordered the removal of "all but a few token Jews" from military and security forces and from sensitive Government positions.

Romania ordered its intelligence service to assassinate and savagely beat Romanians abroad who had criticized the Romanian Government; to assassinate emigrees working for Radio Free Europe. Both PLO terrorists and criminal mercenaries were used.

In addition, to this, they have continued horrendous attacks on religion.

The Bistrita Baptist Church was bulldozed on November 2, 1984.

The Giulesti Baptist Church was bulldozed on June 4, 1985.

The Tiganesti Church, after being destroyed by an earthquake in 1977, was not allowed by the Romanian Government to be rebuilt.

The Baptist Church of Restita, which has 800 members, has only seating capacity for 100. When, in 1983, members of the church expanded the building to accommodate more worshipers, the Romanian Government bulldozed the new section, exposing the church to the elements.

Granting MFN to Romania has not positively influenced Romania's foreign policy vis-a-vis the Soviet Union, Mr. Speaker.

As General Pacepa again has observed:

It is true that Rumania's political position within the Warsaw Pact embodies a degree of genuine independence and is an irritant to the Soviet Union. Until now, however, the pragmatic purpose of that posture has been solely to increase Ceausescu's personal stature and to attract Western money and technology to help build Communism in Rumania.

He also notes:

Under Yuri Andropov and now under Mikhail Gorbachev, who seems to show less rigidity toward him, Ceausescu has evidently resumed closer ties with Moscow.

Soviet presence in Romania is mounting. Former U.S. Ambassador to Romania, David Funderburk, checked registries, schools, traced license plates and came up with an "ungodly" number of resident Soviets, including Soviet agents in factories monitoring Romanian exports to the Soviet Union.

Intelligence ties are very close with the U.S.S.R. Pacepa notes that all significant information gathered by Ro-

mania's intelligence department is offered directly to the KGB.

Mr. Ceausescu serves as a conduit for the transmission of embargoed western technology to Moscow.

According to the May 1986 issue of the Free Romanian, a Romanian dissident newsletter based in London, Romania's economic ties to the Soviet Union are increased:

From this year, Soviet technical aid projects in Romania will grow to 41 under [the newest 5 year plan]. Plants producing steel, electircal power, rolling stock and aircraft are being equipped with Soviet Machinery. More and more Romanian plants are becoming involved in joint production arrangements using Soviet Technology . . . Romania has also emerged as a large-scale producer of Soviet types of armaments, both for export to Russia and to Russia's clients in the third world.

Mr. Speaker, again let me reiterate the importance of withholding on the part of the administration a concession to a nation that, by its actions, clearly has violated all of the concepts involved in the Helsinki agreements, as well as contained in the Jackson-Vanick language which provided the exception of a waiver to enable Communist bloc countries to enjoy special trade concessions and benefits in terms of their commerce with the United States.

As I mentioned at the outset, we do have hearings scheduled in the month of June, and I would hope that all those who share the concerns that our colleagues on a bipartisan basis have expressed, who have visited in Bucharest personally and who have had the opportunity to talk not only to defectors, but to those still suffering the tortures of living under that system, will recognize that we need a consensus on the part of the Congress to take an action that can lead but to one conclusion. And that conclusion, Mr. Speaker, is that Romania clearly has violated every concept behind the basis for conferring waivers on countries because of their human rights practices or because of providing free and unlimited emigration.

Mr. HALL of Ohio, Mr. Speaker, I commend the gentleman from Illinois [Mr. CRANE] for arranging for this floor time for a discussion about Romania and the possible extension of most-favored-nation trading status for that country.

For years, Romania has enjoyed the undeserved reputation of being a so-called moderate and independent Eastern-bloc country. But organizations like Helsinki Watch have correctly called Romania "one of the worst human rights offenders in Eastern Europe." It is time for the United States to face this reality and to start treating Romania like the human rights violator that it is.

Human rights monitoring organizations and our own State Department have been tracking the state of human rights in Romania. In virtually all such reporting on human rights, Romania is condemned for its repression.

I personally had not focused much on Romania until I had the opportunity to visit that country last summer. The gentleman from New Jersey [Mr. SMITH] and the gentleman from Virginia [Mr. WOLF] and I traveled to Romania on a private trip arranged by Christian Response International.

Our trip was a people-to-people trip. We went as American Christians to share and to pray with our Christian brothers and sisters in Romania.

We saw firsthand the evidence of persecution of religion in Romania. In that country, churches have been bulldozed, Bibles have been turned into toilet paper, and pastors and lay leaders have been jailed or heavily fined for preaching. Beatings and other forms of torture are given to religious prisoners of conscience.

During our visit to Romania, individuals would come up to our group at great personal risk, and as they shook our hands, they would press messages into our palms about their family members in prison and other tribulations imposed upon them because of their faith. We were deeply moved by the courage of the Romanian believers.

Upon our return, our congressional group brought to the attention of the Romanian Government specific cases and specific issues where we hoped to see positive movement by the government. Sadly, the Romanian Government has shown little interest in genuinely reforming its treatment of the church.

In view of the continuing reports of religious persecution and harassment, we introduced H.R. 3599, a bill to temporarily suspend most-favored-nation status to Romania for 6 months.

It is not our intention to impose further suffering on the Romanian people; rather, we are hoping that use of the trade leverage our country has with Romania can help bring about improvements regarding religious rights. A temporary suspension of MFN is the best way to convey to that government that the United States will not conduct business as usual as long as religion is being persecuted in Romania.

It is our hope that our legislation will never have to be enacted into law. Indeed, we pray that Romania will take the necessary steps to end religious repression. At this moment, though, the Romanian Government continues to have no shame over its persecution of Christians. Regrettably, withdrawal of MFN seems to be the only way to get that government to realize that it is in its own best interest to permit true freedom of religion.

It is my hope that the administration will not recommend renewal of most-favored-nation trading status for Romania. Let Romania be placed on probation, and let the administration assess whether progress is being made concerning religious freedom and human rights.

If the administration does decide to extend MFN, than I would urge the Subcommittee on Trade of the House Ways and Means Committee to act favorably on H.R. 3599. I would ask that the subcommittee note the growing support in the House for H.R. 3599. If MFN is extended, this bill should be sent to the floor.

The issue of religious repression in Romania cannot be swept under the carpet. Human rights, especially religious rights, must be on the table in America dealings with the Romania Government.

No nation can live in isolation from the world community. We have seen growing global outrage over the human rights abuses in South Africa. A similar campaign of concern must begin against the repression in Romania.

The statements of my colleagues this day are yet another indication of support in the House for those who suffer for their faith in Romania. Let us take the actions needed to move hearts to end the persecution of our courageous brothers and sisters in Romania.

GENERAL LEAVE

Mr. CRANE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous matter on the bill, H.R. 4800.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GROTBERG (at the request of Mr. MICHEL), for today and the balance of the week, on account of illness.

Mr. LUJAN (at the request of Mr. MICHEL), for today and the balance of the week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. COATS) to revise and extend their remarks and include extraneous material:)

Mr. CLINGER, for 5 minutes, on May 21.

Mr. BURTON of Indiana, for 60 minutes, on May 21.

(The following Members (at the request of Mr. PEASE) to revise and extend their remarks and include extraneous material:)

Mr. SOLARZ, for 5 minutes, today.

Mrs. LONG, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. LAFALCE, for 10 minutes, today.

Mr. GAYDOS, for 60 minutes, on May 21.

Mr. GAYDOS, for 60 minutes, on May 22.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MICA after the remarks of Mr. BONKER, on H.R. 4800, in the Committee of the Whole, today.

(The following Members (at the request of Mr. COATS) and to include extraneous matter:)

Mr. CRANE in two instances.
Mr. FRENZEL.
Mr. MCDADE.
Mr. LEACH of Iowa in two instances.
Mr. COURTER in four instances.
Mr. SHUMWAY.
Mr. THOMAS of California.
Mr. SOLOMON.
Mr. MCCOLLUM.
Ms. SNOWE.
Mr. HYDE.
Mr. PORTER.
Mr. GUNDERSON.
Mr. FRENZEL in five instances.
Mr. RITTER.
Mr. SILJANDER.
Mr. HAMMERSCHMIDT.
Mr. ROTH.
Mr. COBLE.
Mr. COBEY.
Mr. CONTE.
Mr. LIGHTFOOT.
Mr. COATS.
Mr. MOORHEAD.

(The following Members (at the request of Mr. Pease) and to include extraneous matter:)

Mr. HOYER.
Mr. MCHUGH.
Mr. MARKEY.
Mr. LUNDINE.
Mr. BERMAN.
Mr. FRANK.
Mr. FASCELL.
Mr. TALLON.
Mr. STOKES.
Mr. BRUCE.
Mr. DOWNEY of New York.
Mr. LEVIN of Michigan.
Mr. SMITH of Florida.
Mr. DERRICK.
Mr. DICKS.
Mr. MORRISON of Connecticut.
Mr. SIKORSKI.
Mr. WRIGHT.
Mr. COLEMAN of Texas.
Mr. YATRON.
Mr. DELLUMS.
Mr. ROWLAND of Georgia.
Mr. FAUNTROY.
Mr. LEHMAN of Florida.
Mr. STARK.
Mr. ROYBAL.
Mr. RODINO.
Mr. LAFALCE.

SENATE BILL AND CONCURRENT RESOLUTION REFERRED

A bill and concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1848. An act to amend the Federal Food, Drug, and Cosmetic Act to establish conditions for the export of drugs; to the Committee on Energy and Commerce and Foreign Affairs.

S. Con. Res. 139. Concurrent resolution to limit the amount that may be expended in any fiscal year by a Member of Congress for franked mail; to the Committee on House Administration.

BILL AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following day present to the President, for his approval, a bill and joint resolutions of the House of the following titles:

On May 19, 1986:

H.R. 4382. An act to require the Architect of the Capitol to place a plaque at the original site of Providence Hospital;

H.J. Res. 234. Joint resolution designating the week of May 18, 1986, through May 24, 1986, as "National Food Bank Week";

H.J. Res. 427. Joint resolution designating the week beginning on May 11, 1986, as "National Asthma and Allergy Awareness Week";

H.J. Res. 492. Joint resolution to designate the week of June 1, 1986, as "National Neighborhood Housing Services Week"; and

H.J. Res. 613. Joint resolution allowing qualified persons representing all the States to be naturalized on Ellis Island on July 3 or 4, 1986.

ADJOURNMENT

Mr. CRANE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 58 minutes p.m.) under its previous order, the House adjourned until Wednesday, May 21, 1986, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3535. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 155 of the Omnibus Budget Reconciliation Act of 1981 and the United States Grain Standards Act to recover the costs of carrying out the provisions of the United States Grain Standards Act, and for other purposes; to the Committee on Agriculture.

3536. A communication from the Adjutant General, the Veterans of Foreign Wars of the U.S., transmitting proceedings of the 86th national convention of the Veterans of Foreign Wars of the United States held in Dallas, TX, on August 16-23, 1985, pursuant to 36 U.S.C. 118; 44 U.S.C. 1332 (H. Doc. No. 99-223); to the Committee on Armed Services and ordered to be printed.

3537. A letter from the Secretary of Education, transmitting a review of the national assessment of educational progress, pursuant to 20 U.S.C. 1221(k)(6); to the Committee on Education and Labor.

3538. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed lease of defense articles to Argentina (transmittal No. 29-86), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

3539. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report on the political contributions of Cynthia Shepard Perry, of Texas, as Ambassador to the Republic of Sierra Leone, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

3540. A letter from the Assistance Administrator for Administration and Resources Management, Environmental Protection Agency, transmitting notice of new and altered Federal records systems, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3541. A letter from the Director, Administrative Office of the United States Courts, transmitting the concerns of the judicial Conference of the Untied States regarding budgetary reductions which impact on the security and safety of the Federal judiciary; to the Committee on the Judiciary.

3542. A letter from the executive director, American Chemical Society, transmitting a report and financial audit for the society, pursuant to Public Law 88-504, section 3 (36 U.S.C. 1103); to the Committee on the Judiciary.

3543. A letter from the Administrator, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting the Ocean Thermal Energy Conversion Report for fiscal year 1985, pursuant to 42 U.S.C. 9165; to the Committee on Merchant Marine and Fisheries.

3544. A letter from the Special Council, U.S. Merit Systems Protection Board, transmitting a copy of a report by the Secretary of Transportation setting forth the findings and conclusions of the Secretary's investigation into allegations of violations of the law mismanagement, a gross waste of funds and a substantial and specific danger to public safety in the air collision avoidance program of the Federal Aviation Administration, pursuant to 5 U.S.C. 1206(b)(5)(A); to the Committee on Post Office and Civil Service.

3545. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Social Security Act and related laws to make adjustments in benefits, improve administration, and make corrections and clarifications in the old-age, survivors, and disability insurance program, to make adjustments in benefits under the supplemental security income program, and for other purposes; to the Committee on Ways and Means.

3546. A letter from the Secretary of Agriculture, transmitting the third quarterly commodity and allocation table showing current programming plans for food assistance, pursuant to 7 U.S.C. 1736b(a); jointly, to the Committees on Agriculture and Foreign Affairs.

3547. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a report on the nondisclosure of safeguards information for the quarter ending March 31, 1986, pursuant to AEA, section 147e, (94 Stat. 788); jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RODINO: Committee on the Judiciary. House Resolution 409. Expressing the sense of the House of Representatives that the Attorney General should examine evi-

dence regarding the activities of former U.N. Secretary General Kurt Waldheim during the Second World War and should determine whether such evidence requires that Kurt Waldheim be denied admission into the United States (Rept. 99-607). Referred to the House Calendar.

Mrs. BURTON of California: Committee on Rules. House Resolution 458. Resolution waiving certain points of order against the conference report on (H.R. 2672) to redesignate the New York International and Bulk Mail center in Jersey City, NJ, as the "New Jersey International and bulk Mail Center," and to honor the memory of a former postal employee by dedicating a portion of a street at the New York International and Bulk Mail Center in Jersey City, NJ, as "Michael McDermott Place," and against the consideration of such conference report, (Rept. 99-608). Referred to the House calendar.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 4212. A bill to provide for the reauthorization of the Deep Seabed Hard Mineral Resources Act, and for other purposes (Rept. 99-609, Pt. 1). Order to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOEHLERT:

H.R. 4849. A bill to allow homeowners to deduct the full amount of prepaid interest paid in connection with the refinancing of their principal residence for the taxable year in which paid; to the Committee on Ways and Means.

By Mr. ANNUNZIO:

H.R. 4850. A bill to apply the National Labor Relations Act to persons employed in food service activities under the Architect of the Capitol; to the Committee on Education and Labor.

By Mr. COURTER:

H.R. 4851. A bill to repeal section 2406 of title 10, United States Code, relating to cost and price management of contracts with the Department of Defense; to the Committee on Armed Services.

By Mr. DERRICK:

H.R. 4852. A bill to designate the U.S. Post Office to be constructed in Barnwell, SC, as the "Solomon Blatt, Sr., Post Office"; to the Committee on Post Office and Civil Service.

By Mr. EVANS Of Iowa (for himself, Mr. PANETTA, and Mr. BEREUTER):

H.R. 4853. A bill to create a secondary market for sound mortgages secured by farm real estate and guaranteed by the Farmers Home Administration, and for other purposes; to the Committee on Agriculture.

By Mr. LIGHTFOOT (for himself, Mr. TOWNS, and Mr. HATCHER):

H.R. 4854. A bill to authorize loans under the Small Business Act for economic injury caused by Federal action, to establish criteria for the determination of substantial economic injury under section 7 of the Small Business Act, and for other purposes; to the Committee on Small Business.

By Mr. McCOLLUM:

H.R. 4855. A bill to authorize the President to present a special congressional gold medal to Joe Kittinger; to the Committee on Banking, Finance and Urban Affairs.

By Mr. REGULA (for himself and Mr. RAHALL):

H.R. 4856. A bill to provide for the commercialization of new clean coal retrofit technologies and the development of additional electric generation and industrial energy capacity; jointly, to the Committee on Energy and Commerce, and Science and Technology.

By Mr. SIKORSKI:

H.R. 4857. A bill to amend section 207(e) of title 18, United States Code, to require that the Executive Office of the President be treated as a single agency or department; to the Committee on the Judiciary.

By Ms. SNOWE (for herself and Mr. BEREUTER):

H.R. 4858. A bill to amend section 552 of title 5, United States Code, to exempt from disclosure to the public matters relating to the design and construction of facilities of a diplomatic nature if such disclosure would present a physical security threat to that facility or would endanger the life or physical safety of any individual in those facilities; to the Committee on Government Operations.

By Mr. THOMAS of California:

H.R. 4859. A bill to enhance the value of the naval petroleum reserves by improving the production and pricing mechanisms applicable to such reserves; jointly, to the Committees on Armed Services, and Energy and Commerce.

By Mr. TORRICELLI (for himself, Mr. NELSON of Florida, Mr. BROWN of California, Mr. ANDREWS, Mr. GORDON, Mr. VOLKMER, Mr. MINETA, Mr. RALPH M. HALL, Mr. DORNAN of California, Mrs. BENTLEY, Mr. DOWNEY of New York, Mr. DYMALLY, Mr. LIPINSKI, and Mr. LEVINE of California);

H.R. 4860. A bill authorizing the construction of a replacement orbiter for the Space Transportation System; to the Committee on Science and Technology.

By Mr. SOLARZ:

H.R. 4861. A bill to amend title 10, United States Code, to permit members of the Armed Forces to wear, under certain circumstances, items of apparel not part of the official uniform; to the Committee on Armed Services.

By Mr. HAMILTON (for himself, Mr. VISCLOSKY, Mr. MCCLOSKEY, Mr. SHARP, Mr. JACOBS, Mr. MYERS of Indiana, Mr. BURTON of Indiana, Mr. HILER, Mr. COATS, Mr. HILLIS, Mr. GARCIA, Mr. WORTLEY, Mr. FASCELL, Mr. LANTOS, Mr. FUSTER, Mr. KOSTMAYER, Mr. DELLUMS, Mr. SMITH of Florida, Mr. WILSON, Mr. DE LA GARZA, Mr. FISH, Mr. BEDELL, Mr. FEIGHAN, Mr. MURPHY, Mr. MATSUI, Mr. ANTHONY, Mr. DYMALLY, Mr. PERKINS, Mr. BUSTAMANTE, Mr. FUQUA, Mr. FAZIO, Mr. HORTON, Mr. HUGHES, Mr. COELHO, Mr. GREEN, Mr. WIRTH, Mr. RALPH M. HALL, of Ohio, Mr. LENT, Mr. MARTINEZ, Mr. OWENS, Mr. GUNDERSON, Mr. MOORHEAD, Mr. MRAZEK, Mr. BROOMFIELD, Mr. STUMP, Mr. LAGOMARSINO, Mr. JEFFORDS, Mrs. BURTON of California, Mr. BARNES, Mr. BROOKS, Mr. LAFALCE, Mr. KINDNESS, Mr. VOLKMER, Mr. FROST, Mr. RICHARDSON, Mr. MONSON, Mr. CONYERS, and Mr. YATRON):

H.J. Res. 640. Joint resolution to designate 1987 as the "National Year of the Americas"; to the Committee on Post Office and Civil Service.

By Mr. HAMMERSCHMIDT (for himself, Mr. HOWARD, Mr. SNYDER, Mr. MINETA, Mr. ROE, Mr. STANGELAND, Mr. OBERSTAR, Mr. GINGRICH, Mr. CLINGER, Mr. MOLINARI, Mr. YOUNG of Missouri, Mr. SHAW, Mr. RAHALL, Mr. MCEWEN, Mr. SAVAGE, Mr. BOEHLERT, Mr. LIGHTFOOT, Mr. LIPINSKI, Mr. ROWLAND of Georgia, Mr. GRAY of Illinois, and Mr. TRAFICANT):

H. Con. Res. 339. Concurrent resolution expressing the sense of Congress that the essential air transportation program should be maintained for the 10-year period of which it is authorized; to the Committee on Public Works and Transportation.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

380. By the SPEAKER. Memorial of the House of Representatives of the State of Illinois, relative to the nuclear accident in the Soviet Union; to the Committee on Foreign Affairs.

381. Also, memorial of the general assembly of the State of Illinois, relative to a proposed memorial in the District of Columbia honoring the women who served in the Armed Forces; to the Committee on House Administration.

382. Also, memorial of the general assembly of the State of Georgia, relative to an amendment to the Constitution of the United States; to the Committee on the Judiciary.

383. Also, memorial of the Senate of the State of Hawaii, relative to the exemption of matured money market certificates as preferential transfers in bankruptcy proceedings; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 471: Mr. DORNAN of California, Mr. MONSON, Mr. HUTTO, Mr. NIELSON of Utah, and Mr. SKEEN.

H.R. 1089: Mr. CLAY.

H.R. 1375: Mr. OWENS.

H.R. 1589: Mr. WORTLEY.

H.R. 1625: Mr. HYDE.

H.R. 1705: Mr. MITCHELL and Mr. YATRON.

H.R. 1809: Mr. HYDE.

H.R. 2793: Mr. FISH.

H.R. 3006: Mr. GINGRICH.

H.R. 3042: Mr. SOLARZ.

H.R. 3087: Mr. KOSTMAYER and Mr. MINETA.

H.R. 3260: Mr. RINALDO.

H.R. 3429: Mr. MCGRATH, Mr. VENTO, Mr. ALEXANDER, Mr. SEIBERLING, and Mrs. BURTON of California.

H.R. 3644: Mr. PURSELL.

H.R. 3710: Mrs. MEYERS of Kansas, Mr. SUNDQUIST, Mr. WALGREN, Mr. SHUMWAY, and Mr. DICKINSON.

H.R. 3733: Mr. HAWKINS, Mr. GRAY of Illinois, Mr. RAHALL, Mr. FAUNTROY, Mr. PENNY, Mr. BUSTAMANTE, Mr. SKELTON, Mr. JACOBS, Mr. FRANK, Mr. LUKEN, and Mr. KLECZKA.

H.R. 4301: Mr. BARNES, Mr. CHAPPIE, and Mr. YATES.

H.R. 4344: Mr. BILIRAKIS and Mr. CAMPBELL.

H.R. 4355: Mr. CLAY and Mr. FAUNTROY.

H.R. 4390: Mr. AKAKA.

H.R. 4422: Mr. GLICKMAN, Mr. CROCKETT, Mr. MORRISON of Connecticut, Mr. RICHARDSON, and Mr. MOLLOHAN.

H.R. 4448: Mr. DUNCAN.

H.R. 4469: Mr. FEIGHAN, Mr. CROCKETT, Mr. HALL of Ohio, and Mr. BOEHLERT.

H.R. 4538: Mr. DREIER of California, Mr. WORTLEY, Mr. LUNGREN, Mr. KEMP, Mr. CRAIG, Mr. CHAPPIE, Mr. GINGRICH, and Mr. SUNIA.

H.R. 4545: Mr. DASCHLE, Mr. PEPPER, Mr. APPLEGATE, Mr. ROE, Mr. HOWARD, and Mr. WEISS.

H.R. 4573: Mr. THOMAS of California, Mr. HYDE, Mr. WORTLEY, Mr. CHAPMAN, Mr. LAGOMARSINO, Mr. OWENS, Mr. DORNAN of California, Mr. FASCELL, Mr. ANDREWS, Mr. MORRISON of Connecticut, and Mr. KOSTMAYER.

H.R. 4615: Mr. LEHMAN of Florida, Mr. EDWARDS of California, Mr. DORGAN of North Dakota, Mr. SABO, Mr. LOWRY of Washington, Mr. GARCIA, Mr. FORD of Michigan, Mr. BROWN of California, Mr. FLORIO, Mr. SMITH of Florida, Mr. BUSTAMANTE, Mrs. BOXER, Mr. VENTO, Mr. BATES, Mr. WEAVER, Mr. SEIBERLING, Mr. EVANS of Illinois, Mr. LEVINE of California, Mr. MORRISON of Connecticut, Mr. MRAZEK, Mr. OWENS, Mr. STARK, Mr. DOWNEY of New York, Mr. ECKART of Ohio, Mr. FROST, and Mr. SCHEUER.,

H.R. 4621: Mr. HYDE and Mr. OXLEY.

H.R. 4638: Mr. SEIBERLING, Mr. BILIRAKIS, and Mr. MCGRATH.

H.R. 4681: Mr. KOSTMAYER, Mr. GILMAN, Mr. JEFFORDS, Mr. KILDEE, and Mr. LEVINE of California.

H.R. 4703: Mr. ROSE, Mr. BEVILL, Mr. APPLEGATE and Mr. SAVAGE.

H.R. 4755: Mr. FAZIO, Mr. MRAZEK, and Mr. OWENS.

H.R. 4763: Mr. BATEMAN and Mr. SMITH of New Hampshire.

H.R. 4787: Mrs. COLLINS.

H.R. 4830: Mr. PACKARD and Mr. OXLEY.

H.J. Res. 7: Mr. CRAIG, Mr. WHITTAKER, Mr. SUNDQUIST, Mr. ZSCHAU, and Mr. TAYLOR.

H.J. Res. 131: Mr. ST GERMAIN, Mr. STRANG, Mrs. BURTON of California, and Mr. BOUCHER.

H.J. Res. 326: Mr. CHAPPIE, Mr. BERMAN, Mr. KINDNESS, Mr. WAXMAN, Mr. BONER of Tennessee, Mr. DARDEN, Mr. HUTTO, Mr. CLINGER, Mr. KASTENMEIER, Mr. BARNARD, Mr. YOUNG of Missouri, Mr. COURTER, Mr. HUNTER, Mr. PACKARD, Mr. MILLER of Ohio, Mr. EDWARDS of Oklahoma, Mr. BUSTAMANTE, Mr. SCHUMER, Mr. HAYES, Mr. GOODLING, Mr. SCHEUER, Mr. MCKINNEY, Mr. YATRON, Mr. VANDER JAGT, Mr. YOUNG of Alaska, Mr. CHANDLER, Mr. BIAGGI, Mr. RUSSO, Mr. TOWNS, Mr. LOWRY of Washington, Mr. FUSTER, Mr. SCHUETTE, Mr. JONES of Tennessee, Ms. SNOWE, Mr. KRAMER, Mr. WIRTH, Mr. FLIPPO, Mrs. LLOYD, Mr. CONYERS, Mr. DWYER of New Jersey, Mr. COOPER, Mr. MARTINEZ, Mr. FASCELL, Mr. ROEMER, Mr. BREAUX, Mr. WHITLEY, Mr. MCDADE, Mr. HEFNER, Mr. STOKES, Mr. NATCHER, Mr. ROSE, Mr. ACKERMAN, Mr. DOWDY of Mississippi, Mr. MINETA, Mr. PICKLE, Mr. LOWERY of California, Mr. WILSON, Mr. FRANKLIN, Mr. GALLO, Mrs. BOGGS, Mr. ZSCHAU, Mr. FISH, Mr. SUNDQUIST, Mr. DREIER of California, Mr. FAUNTROY, Mr. HANSEN, Mr. ROWLAND of Georgia, Mr. LOEFFLER, Mr. PARRIS, Mr. HALL of Ohio, Mr. TRAFICANT, Mr. HEFTEL of Hawaii, Mr. BARTLETT, and Mr. SHELBY.

H.J. Res. 381: Mr. STUDDS.

H.J. Res. 435: Mr. HATCHER, Mr. KOSTMAYER, Mr. CLAY, Mr. CAMPBELL, and Mr. HEFNER.

H.J. Res. 512: Mr. MACKAY, Mr. HARTNETT, Mr. FAUNTROY, Mr. FUSTER, Mr. TOWNS, Mr. DENNY SMITH, Mr. FUQUA, Mr. WOLF, Mr. MARKEY, Mr. DEWINE, Mr. SMITH of Florida, Mr. HORTON, Mr. FAZIO, Mr. FRANK, Mr. BUSTAMANTE, Mr. WILSON, Mr. BEDELL, Mrs. COLLINS, Mr. LAGOMARSINO, Mr. LUNGREN, Mr. MRAZEK, Mr. MONSON, Mr. KOLBE, Mr. HATCHER, Mr. WORTLEY, Mr. LANTOS, Mr. LIPINSKI, and Mr. DORNAN of California.

H.J. Res. 532: Mr. MOORHEAD, Mr. GEPHARDT, Mr. COUGHLIN, Mr. NELSON of Florida, Mr. SYNAR, Mr. MONTGOMERY, and Mr. JONES of Tennessee.

H.J. Res. 552: Mr. MARTIN of New York, Mr. CROCKETT, Mr. TRAXLER, Mr. MOAKLEY, Mr. BOSCO, Mr. HUBBARD, Mrs. BURTON of California, Mr. O'BRIEN, Mr. OLIN, Mr. DE LA GARZA, Mr. HAYES, Mr. WILSON, Mr. ALEXANDER, Mr. HENRY, Mr. ROWLAND of Georgia, Mr. MCKINNEY, Mr. BOLAND, Mr. GIBBONS, Mr. LEWIS of California, Mr. OWENS, Mr. MCEWEN, Mr. SHUMWAY, Mr. BEVILL, and Mr. STARK.

H.J. Res. 555: Mr. FAUNTROY, Mr. HAYES, Mr. LEVINE of California, Mr. MONSON, Mr. DORGAN of North Dakota, Mr. LEVIN of Michigan, Mrs. COLLINS, and Mr. LIPINSKI.

H.J. Res. 559: Mr. HALL of Ohio, Mr. MONSON, and Mr. BADHAM.

H.J. Res. 568: Mr. BLAZ, Mr. BORSKI, Mr. SCHEUER, Mr. CARNEY, Mr. HORTON, Mr. CHAPPIE, Mr. SAVAGE, Mr. BUSTAMANTE, Mr. DANNEMEYER, Mr. ACKERMAN, Mr. FRANK, Mr. CALLAHAN, Mr. LEACH of Iowa, Mr. DAUB, Mrs. HOLT, Mr. MRAZEK, Mr. LAGOMARSINO, Mr. LEVIN of Michigan, Mr. OWENS, Mr. HATCHER, Mr. WORTLEY, Mr. COELHO, Mr. LEHMAN of Florida, Mr. MONSON, Mr. SMITH of Florida, Mr. COATS, Mr. WOLF, Mr. BENNETT, Mr. BARNES, Mr. TORRICELLI, Mr. BEDELL, Mr. DWYER of New Jersey, Mr. BEVILL, Mr. MCGRATH, Mr. BONER of Tennessee, Mr. TOWNS, Mr. ROE, Mr. WAXMAN, Mr. ANDREWS, Mr. MAZZOLI, Mr. DE LA GARZA, Mrs. BOXER, Mr. HENRY, Mr. BIAGGI, Mr. VALENTINE, Mr. HUGHES, Mr. DORNAN of California, Mr. GUARINI, Mr. FISH, Mr. RINALDO, Mrs. KENNELLY, Mr. LUKEN, Mr. RAHALL, Mr. PACKARD, Mr. ANDERSON, Mr. MARTINEZ, Mr. PURSELL, Mrs. COLLINS, Mr. CONYERS, Mr. COYNE, Mr. DARDEN, Mr. DASCHLE, Mr. DIOGUARDI, Mr. DYMALLY, Ms. KAPTUR, Mr. CONTE, Mr. DANIEL, Mr. MCDADE, Mr. RITTER, Mr. DYSON, Mr. LAFALCE, Mr. MANTON, Mr. BERMAN, Mr. HOYER, Mr. WATKINS, Mr. DIXON, Mr. DOWDY of Mississippi, Mr. ERDREICH, Mr. FAUNTROY, Mr. FEIGHAN, Mr. FLIPPO, Mr. FOGLIETTA, Mr. GILMAN, Mr. HAYES, Mr. JACOBS, Mr. HYDE, Mr. KANJORSKI, Mr. KASICH, Mr. KOLTER, Mr. KOSTMAYER, Mr. LANTOS, Mr. KASTENMEIER, Mr. LENT, Mr. LEWIS of California, Mr. MATSUI, Mr. MOORE, Mr. MADIGAN, Mr. MORRISON of Connecticut, Mr. MURPHY, Mr. O'BRIEN, Mr. FUQUA, Mr. ORTIZ, Mr. PEPPER, Mr. PERKINS, Mr. RICHARDSON, Mr. RODINO, Mr. SKELTON, Mr. NEAL, Mr. SPRATT, Mr. TALLON, Mr. TAUZIN, Mr. THOMAS of Georgia, Mr. WALGREN, Mr. WILSON, Mr. MCCLOSKEY, Mrs. BURTON of California, Mr. SAXTON, Mr. VANDER JAGT, Mr. SLAUGHTER, Mr. ROSE, Mr. GREEN, Mrs. BENTLEY, Mr. PARRIS, Mr. APPLEGATE, Mr. YOUNG of Florida, Mrs. ROUKEMA, Mr. RANGEL, Mr. YATES, Mr. CLAY, Mr. EARLY, Mr. LOEFFLER, Mr. MOLLOHAN, Mr. SWINDALL, Mr. CROCKETT, Mr. ATKINS, Mr. ROBERTS, Mr. FOLEY, Mr. FOWLER, Mr. SUNIA, Mr. DENNY SMITH, Mr. ARCHER, Mr. FRENZEL, Mr. RAY, Mr. HEFTEL of Hawaii, Mr. FAZIO, Mr. GINGRICH, Mr. DURBIN, Mr. STRATTON, Mr. MARTIN of New York, Mr. MCHUGH, Mr. LEHMAN of California, Mr. BOSCO, Mr. CARPER, Mr. COUGHLIN, and Mr. EMERSON.

H.J. Res. 591: Mr. NEAL.

H.J. Res. 619: Mr. GRAY of Illinois, Mr. SHUMWAY, Mr. WEISS, Mr. TOWNS, Mr. NICHOLS, Mr. DAUB, Mr. YOUNG of Missouri, Mrs. COLLINS, Mr. ROE, Mr. HAYES, Mr. GREGG, Mr. LEVINE of California, Mr. ANDREWS, Mr. SWINDALL, Mr. ALEXANDER, Mr. VENTO, and Mr. FROST.

H.J. Res. 622: Mr. MONSON.

H.J. Res. 624: Mr. DORNAN of California, Mr. COURTER, Mr. ROBINSON, and Mr. WILSON.

H.J. Res. 632: Mr. FOGLIETTA, Mr. TOWNS, Mr. DIXON, Mr. HOWARD, Mr. LEHMAN of California, Mr. OWENS, Mr. MANTON, Mr. DYMALLY, Mr. AKAKA, Mr. FAUNTROY, Mrs. BURTON of California, Mr. WAXMAN, Mr. HAYES, Mr. EDGAR, Mr. YATES, Mr. BRYANT, Mr. RODINO, Mr. DELLUMS, Mr. BENNETT, Mr. WYDEN, Mr. ROEMER, Mr. PRICE, Mr. WOLPE, Mr. DAVIS, Mr. ACKERMAN, Mr. MINETA, Mr. O'BRIEN, Mr. GRAY of Illinois, Mr. WEISS, Mr. WALGREN, Mr. LOWRY of Washington, Mr. TRAXLER, Mr. TORRICELLI, Mr. SABO, Mr. STARK, Mr. SAVAGE, Mr. ORTIZ, Mr. MAZZOLI, Mrs. BOXER, Mr. RALPH M. HALL, Mr. BOLAND, Mr. MOAKLEY, Mr. MAVROULES, Mr. MRAZEK, Mr. HEFNER, Mr. DASCHLE, Mr. GARCIA, Mr. ALEXANDER, Mr. BONER of Tennessee, Mr. BOSCO, Mr. DE LUGO, Mr. DIOGUARDI, Mr. DORGAN of North Dakota, Mr. MURPHY, Mr. MOORHEAD, Mr. MATSUI, Mr. FISH, Mr. CROCKETT, Mr. CONYERS, Mr. CALLAHAN, Mr. MCKINNEY, Mr. DWYER of New Jersey, Mr. EVANS of Iowa, Mr. LEVIN of Michigan, Mr. FAZIO, Mr. MCHUGH, Mr. MCDADE, Mr. MCCLOSKEY, Mr. CHAPPIE, Mr. MARTINEZ, Mr. HORTON, Mr. CAMPBELL, Mr. JACOBS, Mr. FEIGHAN, Mr. LUNGREN, Mr. LOWERY of California, Mr. TALLON, Mrs. LLOYD, Mr. GUNDERSON, Mr. FRANK, Mr. MORRISON of Connecticut, Mr. GRAY of Pennsylvania, Mr. HALL of Ohio, Ms. KAPTUR, Mr. HOYER, Mr. LENT, Mr. HENRY, Mr. JENKINS, Mr. KASICH, Mr. BIAGGI, Mr. CARPER, Mr. STOKES, Mr. GREEN, Mr. KOSTMAYER, Mr. SHARP, Mr. DORNAN of California, and Ms. OAKAR.

H. Con. Res. 27: Mr. HEFNER, Mr. FRANK, Mr. WILSON, and Mr. SPENCE.

H. Con. Res. 117: Mr. GEKAS.

H. Con. Res. 133: Mr. HUGHES, Mr. DIOGUARDI, and Mr. SCHUMER.

H. Con. Res. 173: Mr. BIAGGI.

H. Con. Res. 335: Mr. CONTE and Mr. ALEXANDER.

H. Res. 388: Mr. EDWARDS of California, Mr. BERMAN, Mr. BARNES, Mr. DORNAN of California, and Mr. REID.

H. Res. 409: Mr. ST GERMAIN, Mr. DWYER of New Jersey, Mr. REID, and Mr. YATRON.

H. Res. 411: Mr. KANJORSKI, Mr. SCHUMER, Mr. SCHEUER, Mr. FRANK, Mr. NEAL, Mr. FUSTER, Mr. OWENS, Mr. KLECZKA, Mr. MORRISON of Connecticut, and Mr. OBERSTAR.

H. Res. 412: Mr. KOLBE, Mr. COURTER, Mr. ROE, and Mr. WOLPE.

H. Res. 451: Mrs. BOGGS, Mr. BONER of Tennessee, Mr. BOUCHER, Mr. BRYANT, Mrs. COLLINS, Mr. DONNELLY, Mr. DYMALLY, Mr. FEIGHAN, Mr. EDWARDS of California, Mr. HOWARD, Mr. JACOBS, Mr. KINDNESS, Mr. MCKERNAN, Mr. MITCHELL, Mr. SAXTON, Mrs. SCHROEDER, Mr. SEIBERLING, Mr. SMITH of Florida, Mr. SPRATT, Mr. STUDDS, Mr. TAUKE, Mr. TRAFICANT, Mr. UDALL, Mr. WALGREN, Mr. WHITEHURST, and Mr. YATES.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

354. By the SPEAKER: Petition of the council of the village of McDonald, Trumbull County, OH, relative to American prisoners of war and missing in action in Southeast Asis; to the Committee on Foreign Affairs.

355. Also, petition of Maria Castillo, et al, of Caracas, Venezuela, relative to the situation in Central America; to the Committee on Foreign Affairs.

356. Also, petition of the Southern Christian Leadership Conference, Atlanta, GA, relative to the native American people of Big Mountain; to the Committee on Interior and Insular Affairs.

357. Also, petition of the City Council of Bay Village, OH, Relative to "Save American Industry/Jobs Day"; to the Committee on Post Office and Civil Service.

358. Also, petition of the City Council of Elyria, OH, relative to "Save American Industry/Jobs Day"; to the Committee on Post Office and Civil Service.

359. Also, petition of the Chamber of Commerce of Lorain, OH, relative to "Save American Industry/Jobs Day"; to the Committee on Post Office and Civil Service.

360. Also, petition of the Graduate Student Council, University of Tennessee, Knoxville, TN, relative to sections 117(d) and 127 of the Internal Revenue Code; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXII, proposed amendments were submitted as follows:

H.R. 1

By Mr. AKAKA:

(Amendment to the amendment in the nature of a substitute (text of H.R. 4746)).

—Page 13, after line 19, insert the following new section (and redesignate the subsequent sections, and conform the table of contents, accordingly):

SEC. 123. MORTGAGE INSURANCE ON HAWAIIAN HOME LANDS AND INDIAN RESERVATIONS.

(a) APPLICABILITY OF MORTGAGE INSURANCE ON HAWAIIAN HOME LANDS.—Section 247(c)(1) of the National Housing Act is amended by inserting before the period at the end the following: "(or, in the case of an invidividual who succeeds a spouse or parent in an interest in a lease of Hawaiian home lands, such lower percentage as may be established for such succession under section 209 of the Hawaiian Homes Commission Act, 1920, or under the corresponding provision of the Constitution of the State of Hawaii adopted under section 4 of the Act entitled 'An Act to provide for the admission of the State of Hawaii into the Union', approved March 18, 1959 (73 Stat. 5))".

(b) MORTGAGE INSURANCE ON HAWAIIAN HOME LANDS AS OBLIGATIONS OF GENERAL INSURANCE FUND.—Section 247 of the National Housing Act is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c) Notwithstanding any other provision of this Act, the insurance of a mortgage using the authority contained in this section shall be the obligation of the General Insurance Fund established in section 519. The mortgagee shall be eligible to receive the benefits of insurance as provided in section 204 with respect to mortgages insured pursuant to this section, except that (1) all references in section 204 to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the General Insurance Fund; and (2) all references in section 204 to section 203 shall be construed to refer to the section under which the mortgage is insured.".

(c) MORTGAGE INSURANCE ON INDIAN RESERVATIONS AS OBLIGATIONS OF GENERAL INSURANCE FUND.—Section 248 of the National Housing Act is amended—

(1) in paragraphs (3) and (5) of subsection (f), by striking "insurance fund" each place it appears and inserting "General Insurance Fund";

(2) by redesignating subsections (f), (g), and (h) as subsections (g), (h), and (i), respectively; and

(3) by inserting after subsection (e) the following new subsection:

"(f) Notwithstanding any other provision of this Act, the insurance of a mortgage using the authority contained in this section shall be the obligation of the General Insurance Fund established in section 519. The mortgagee shall be eligible to receive the benefits of insurance as provided in section 204 with respect to mortgages insured pursuant to this section, except that (1) all references in section 204 to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the General Insurance Fund; and (2) all references in section 204 to section 203 shall be construed to refer to the section under which the mortgage is insured.".

By Mr. BEREUTER:

(Amendments to the amendment in the nature of a substitute (text of H.R. 4746).)

—Page 22, strike line 15 and all that follows through page 31, line 15, and insert the following:

SEC. 144. URBAN DEVELOPMENT ACTION GRANT SELECTION CRITERIA.

(a) CONSIDERATION OF PRIOR FAILURE TO RECEIVE GRANT.—Section 119(d)(1)(C) of the Housing and Community Development Act of 1974 is amended by inserting after the last semicolon the following: "the failure of the city or urban county to receive a preliminary grant approval under this section on or after December 21, 1983;".

(b) PORTION OF SELECTIONS BASED SOLELY ON PROJECT QUALITY.—Section 119(d) of the Housing and Community Development Act of 1974 is amended by adding at the end the following new paragraph:

"(3) After making grants with respect to areas described in subsection (b)(2) during any funding round under this section, the Secretary shall distribute the remaining grant funds under this section so that to the extent practicable during such funding round—

"(A) 50 percent of the funds is first made available utilizing all of the criteria established under paragraph (1); and

"(B) 50 percent of the funds is then made available solely on the basis of the criteria established under paragraph (1)(C).".

(Amendment to the amendment in the nature of a substitute offered by Mr. Wylie (test of H.R. 4757).)

—Page 19, after line 12, insert the following new subsection:

(a) CONSIDERATION OF PRIOR FAILURE TO RECEIVE GRANT.—Section 119(d)(1)(C) of the Housing and Community Development Act of 1974 is amended by inserting after the last semicolon the following: "the failure of the city or urban county to receive preliminary grant approval under this section on or after December 21, 1983;".

Page 19, line 13, insert before "Section" the following: "(b) PORTION OF SELECTIONS BASED SOLELY ON PROJECT QUALITY.—".

By Mrs. BURTON of California:

(Amendment to the amendment in the nature of a substitute (text of H.R. 4746).)

—Page 90, after line 4, insert the following new section (and conform the table of contents accordingly):

SEC. 245. PROCEDURES AND POLICIES FOR MANDATORY MEAL PROGRAMS IN ASSISTED HOUSING FOR THE ELDERLY.

(a) EXEMPTIONS FROM MEAL PROGRAMS.—

(1) REQUIRED EXEMPTIONS.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program shall grant a tenant an exemption from such participation if—

(A) the program cannot satisfactorily accommodate the special dietary or health needs of the tenant, as certified by the physician of the tenant;

(B) the program cannot satisfactorily accommodate the special diet or food practice tenets of the religion of the tenant;

(C) participation in the program substantially interferes with the employment of the tenant; or

(D) participation in the program constitutes an unbearable financial hardship on the tenant, taking into consideration the cost to the tenant of meals not covered by the program and other necessary living cost remaining after payment of charges for the program.

(2) ADDITIONAL EXEMPTIONS.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program may grant a tenant an exemption from such participation for any additional reason determined by the owner to be appropriate.

(b) FINANCIAL ASSISTANCE.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program may, in lieu of granting an exemption under subsection (a)(1)(D), provide the tenant with financial assistance toward the cost of participation in the program.

(c) ACCEPTANCE OF FOOD STAMPS AS PAYMENT.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program shall accept food stamps toward payment for the meals included in such program.

(d) DEFINITIONS.—For purposes of this section:

(1) The term "assisted housing" means housing that is assisted under section 202 of the Housing Act of 1959, section 236 of the National Housing Act, or section 8 of the United States Housing Act of 1937.

(2) The term "elderly" means any individual who is not less than 62 years of age or any family the head of which (or whose spouse) is not less than 62 years of age.

(e) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out this section.

(Amendment to the amendment in the nature of a substitute offered by Mr. Wylie of Ohio (text of H.R. 4757)).

—Page 77, after line 6, insert the following new section (and conform the table of contents accordingly):

SEC. 224. PROCEDURES AND POLICIES FOR MANDATORY MEAL PROGRAMS IN ASSISTED HOUSING FOR THE ELDERLY.

(a) EXEMPTIONS FROM MEAL PROGRAMS.—

(1) REQUIRED EXEMPTIONS.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program shall grant a tenant an exemption from such participation if—

(A) the program cannot satisfactorily accommodate the special dietary or health

needs of the tenant, as certified by the physician of the tenant;

(B) the program cannot satisfactorily accommodate the special diet or food practice tenets of the religion of the tenant;

(C) participation in the program substantially interferes with the employment of the tenant; or

(D) participation in the program constitutes an unbearable financial hardship on the tenant, taking into consideration the cost to the tenant of meals not covered by the program and other necessary living costs remaining after payment of charges for the program.

(2) ADDITIONAL EXEMPTIONS.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program may grant a tenant an exemption from such participation for any additional reason determined by the owner to be appropriate.

(b) FINANCIAL ASSISTANCE.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program may, in lieu of granting an exemption under subsection (a)(1)(D), provide the tenant with financial assistance toward the cost of participation in the program.

(c) ACCEPTANCE OF FOOD STAMPS AS PAYMENT.—The owner of any assisted housing for the elderly that requires tenants to participate in a meal program shall accept food stamps toward payment for the meals included in such program.

(d) DEFINITIONS.—For purposes of this section:

(1) The term "assisted housing" means housing that is assisted under section 202 of the Housing Act of 1959, section 236 of the National Housing Act, or section 8 of the United States Housing Act of 1937.

(2) The term "elderly" means any individual who is not less than 62 years of age or any family the head of which (or whose spouse) is not less than 62 years of age.

(e) REGULATIONS.—The Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out this section.

By Mr. ROTH:

(Amendment to the amendment in the nature of a substitute (text of H.R. 4746).)

—Page 48, strike lines 8 and 9 and insert the following (and conform the table of contents accordingly):

SEC. 205. VOUCHER DEMONSTRATION PROGRAM.

(a) OPERATION OF PROGRAM.—Section 8(o) of the United States Housing Act of 1937 is amended—

(1) in the first sentence of paragraph (1), by striking "In" and all that follows through ", the" and inserting "The";

(2) by striking paragraph (4);

(3) by redesignating paragraphs (5) through (8) as paragraphs (4) through (7), respectively; and

(4) in paragraph (5), as so redesignated by this subsection, by striking "an initial" and inserting "a".

Page 48, line 10, insert before "Section" the following: "(b) ADMINISTRATIVE FEES.—".

Page 48, line 11, strike "is amended" and insert the following: "(as amended by subsection (a) of this section) is further amended".

Page 48, line 13, strike "(9)" and insert "(8)".

H.R. 4800

By Mr. JEFFORDS:

—Page 327, line 16, strike out "$500,000,000" and insert in lieu thereof "$480,000,000".

Page 341, line 6, strike out "$500,000,000" and insert in lieu thereof "$470,000,000".

Page 340, after line 25 insert the following new chapter:

CHAPTER 4—COLLEGE RESEARCH FACILITIES

SEC. 545. REPLACEMENT AND MODERNIZATION OF COLLEGE RESEARCH FACILITIES.

(a) PURPOSE.—It is the purpose of this section to assist in revitalizing the Nation's academic research programs through capital investments in laboratories and other research facilities at universities and colleges.

(b) PROGRAM ESTABLISHMENT.—To carry out this purpose, the Secretary of Education shall, from the sums available under subsection (g) to carry out this section in any fiscal year, establish and carry out a new university research laboratory modernization program that will provide assistance for the replacement of modernization of such institutions' obsolete laboratories and other research facilities.

(c) COMPETITIVE GRANTS; REGULATIONS.—The university research laboratory modernization program established pursuant to subsection (b) shall be carried out through projects which involve the replacement or modernization of specific research facilities at universities and colleges. Funds shall be awarded in response to specific proposals submitted by such universities and colleges, in accordance with regulations prescribed by the Secretary of Education to carry out the purpose of this part. Funds to carry out the program shall be awarded on a competitive basis. The funds so awarded to any university or college shall be in an amount not exceeding 50 percent of the cost of the replacement or modernization involved (with the funds required to meet the remainder of such cost being provided by the institution involved or from other non-Federal public or private sources).

(d) CRITERIA FOR AWARD.—Criteria for the award of funds to any institution for a project under a university research laboratory modernization program shall include—

(1) the quality of the research and training to be carried out in the facility or facilities involved.

(2) the congruence of the institution's research activities with the future research needs of the agencies referred to in subsection (f); and

(3) the contribution which the project will make toward meeting national, regional, and State research and related training needs.

(e) EQUALIZATION OF FEDERAL FUNDS.—At least 15 percent of the amount available under this section in any fiscal year shall be available only for awards to universities and colleges that received less than $10,000,000 in total Federal obligations for research and development (including obligations for the university research laboratory modernization program) in each of the two preceding fiscal years.

(f) CONSULTATION.—In prescribing regulations and conducting the program under this section, the Secretary of Education shall consult with—

(1) the National Science Foundation;

(2) the Department of Health and Human Services;

(3) the Department of Defense;

(4) the Department of Energy;

(5) the National Aeronautics and Space Administration; and

(6) the Department of Agriculture.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated (in addition to sums authorized by section 511) $50,000,000 for fiscal year 1987 and such sums as may be necessary for each succeeding fiscal year to carry out this section.

Page 350, after line 25, insert the following new subsection (and redesignate the succeeding subsections accordingly):

"(f) The Secretary shall identify individuals, including employees of the Department of Labor, who shall be available on a regional basis to provide planning, operational, and technical assistance to labor-management committees described in subsection (b).

Page 356, line 13, insert before the close quotation marks the following: "Such report shall also include an analysis of alternative methods for reducing the adverse effects of displacements of farmers and ranchers, not only on the individual farmer or rancher but on the surrounding community.".

Page 357, after line 9, insert the following new subsection:

(e) ADDITIONAL STUDIES.—The National Commission for Employment Policy shall conduct research related to the provisions of this subtitle. Such research shall include examinations of—

(1) the role of the employment services in implementing programs to enhance services provided under this subtitle, and

(2) alternative techniques for managing production cutbacks without permanently reducing workforces.

A report on the research conducted under this subsection shall be submitted to the Congress not later than 18 months after the date of enactment of this Act.

EXTENSIONS OF REMARKS

LIBYA, THE COVERT OPTION AND INTELLIGENCE OVERSIGHT

HON. HENRY J. HYDE
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. HYDE. Mr. Speaker, the recent raid on Libya has triggered a number of thoughtful articles that have underscored the vital role intelligence plays in combating terrorism. Unfortunately, this Nation's intelligence capabilities are not what they should be, and much of the blame can be attributed to damaging leaks from sources in both the executive and legislative branches.

Until we can demonstrate that we can keep a secret, we are not going to get the kind of intelligence necessary to combat effectively this modern scourge of civilization.

Columnists Suzanne Garment and Cord Meyer, as well as our collegue MIKE DEWINE, have written timely and succinct articles on our intelligence problems that deserve my colleagues' immediate attention. Particularly noteworthy is a recommendation by all three of these respected voices that Congress reduce regular access to sensitive information by establishing a Joint Committee on Intelligence along the lines of House Joint Resolution 7—a measure that I introduced at the beginning of this Congress and which now has 153 bipartisan cosponsors from all points on the political spectrum. The cited articles and a list of House Joint Resolution 7's cosponsors follows:

Armey, Richard K. (TX).
Badham, Robert E. (CA).
Barton, Joe (TX).
Bateman, Herbert H. (VA).
Bentley, Helen D. (MD).
Bereuter, Doug (NE).
Berman, Howard L. (CA).
Biaggi, Mario (NY).
Bilirakis, Michael (FL).
Blaz, Ben (Guam, del).
Bliley, Thomas J., Jr. (VA).
Boehlert, Sherwood L. (NY).
Broomfield, William S. (MI).
Burton, Dan (IN).
Campbell, Carroll A., Jr. (SC).
Chandler, Rod (WA).
Chappie, Gene (PA).
Clinger, William F., Jr. (PA).
Coats, Dan (IN).
Cobey, William W., Jr. (NC).
Coble, Howard (NC).
Coleman, E. Thomas (MO).
Coughlin, Lawrence (PA).
Courter, Jim (NJ).
Craig, Larry E. (ID).
Crane, Philip M. (IL).
Crockett, Geo. W., Jr. (MI).
Dannemeyer, William E. (CA).
Daub, Hal (NE).
DeLay, Tom (TX).
DeWine, Michael (OH).
Dickinson, William L. (AL).
DioGuardi, Joseph J. (NY).
Dornan, Robert K. (CA).
Dreier, David (CA).
Duncan, John J. (TN).
Eckert, Fred J. (NY).
Edwards, Mickey (OK).
Fascell, Dante B. (FL).
Fawell, Harris W. (IL).
Fiedler, Bobbi (CA).
Fields, Jack (TX).
Franklin, Webb (MS).
Frenzel, Bill (MN).
Gallo, Dean A. (NJ).
Gekas, George W. (PA).
Gingrich, Newt (GA).
Goodling, William F. (PA).
Gradison, Willis D., Jr. (OH).
Gray, Kenneth J. (IL).
Gregg, Judd (NH).
Grotberg, John E. (IL).
Hartnett, Thomas, F. (SC).
Henry, Paul B. (MI).
Hiler, John (IN).
Hillis, Elwood (IN).
Horton, Frank, (NY).
Hughes, William J. (NJ).
Hunter, Duncan (CA).
Kasich, John R. (OH).
Kindness, Thomas N. (NH).
Kolbe, Jim (AZ).
Lagomarsino, Robert J. (CA).
Latta, Delbert L. (OH).
Leath, Marvin (TX).
Lewis, Jerry (CA).
Lewis, Tom (FL).
Lightfoot, Jim (IA).
Lipinski, William O. (IL).
Livingston, Bob (LA).
Lloyd, Marilyn (TN).
Loeffler, Tom (TX).
Lott, Trent (MS).
Lowery, Bill (CA).
Lujan, Manuel, Jr. (NM).
Lungren, Dan (CA).
McCain, John (AZ).
McCollum, Bill (FL).
McEwen, Bob (OH).
McGrath, Raymond J. (NY).
McKernan, John R., Jr. (ME).
McKinney, Stewart B. (CT).
McMillan, J. Alex (NC).
Madigan, Edward R. (IL).
Martin, David O'B. (NY).
Martin, Lynn (IL).
Martinez, Matthew G. (CA).
Matsui, Robert T. (CA).
Meyers, Jan (KS).
Michael, Robert H. (IL).
Miller, John R. (WA).
Molinari, Guy V. (NY).
Monson, David S. (UT).
Montgomery, G.V. (Sonny) (MS).
Moorhead, Carolos J. (CA).
Mrazek, Robert J. (NY).
Myers, John T. (IN).
Nichols, Bill (AL).
Nielson, Howard C. (UT).
O'Brien, George M. (IL).
Oxley, Michael G. (OH).
Parris, Stan (VA).
Pashayan, Charles, Jr. (CA).
Petri, Thomas E. (WI).
Porter, John Edward (IL).
Pursell, Carl D. (MI).
Regula, Ralph (OH).
Ritter, Don (PA).
Roberts, Pat (KS).
Rogers, Harold (KY).
Roth, Toby (WI).
Rowland, John G. (CT).
Rudd, Eldon (AZ).
Saxton, Jim (NJ).
Sensenbrenner, F. James, Jr. (WI).
Shaw, E. Clay, Jr. (FL).
Shumway, Norman D. (CA).
Siljander, Mark D. (MI).
Skeen, Joe (NM).
Slaughter, D. French, Jr. (VA).
Smith, Christopher H. (NJ).
Smith, Denny (OR).
Smith, Robert C. (NH).
Smith, Virginia (NE).
Snowe, Olympia J. (ME).
Solomon, Gerald B.H. (NY).
Spence, Floyd (SC).
Stangeland, Arlan (MN).
Strang, Michael L. (CO).
Stratton, Samuel S. (NY).
Sundquist, Don (TN).
Sweeney, Mac (TX).
Swindall, Patrick L. (GA).
Tauke, Thomas J. (IA).
Taylor, Gene (MO).
Thomas, Robert Lindsay (GA).
Vander Jagt, Guy (MI).
Vucanovich, Barbara F. (NV).
Walker, Robert S. (PA).
Weber, Vin (MN).
Whitehurst, G. William (VA).
Whitley, Charles (NC).
Whittaker, Bob (KS).
Wilson, Charles (TX).
Wolf, Frank R. (VA).
Wortley, George C. (NY).
Yatron, Gus (PA).
Young, C.W. Bill (FL).
Young, Don (AK).
Zschau, Ed (CA).

[From the Wall Street Journal, Apr. 18, 1986]

START TREATING U.S. INTELLIGENCE AS VITAL BUSINESS

(By Suzanne Garment)

Here are some snapshots of Washington in the week of the Tripoli bombing:

The president was on television explaining the reasons for the air strike. On March 25, he said orders went out from Tripoli to attack Americans in West Berlin. On April 4 the terrorist told Tripoli they would attack the next day. On April 5 they reported success.

The U.S. will pay a price for the president's specificity. But no one doubted that he had to speak in this much detail.

On Monday at 4 p.m. EST, administration officials began confidential consultations on the Libyan strike with the congressional leadership, consistent with the War Powers Act. Afterward, journalists learned from a couple of senators that the president would be making a big statement at 9 that night. The story that U.S. action was imminent made the CBS news at 6:30 p.m.—before the raid actually began.

At breakfast Thursday, Secretary of Defense Caspar Weinberger emphasized once more that the U.S. fighter-bombers had homed in precisely on terror-related facili-

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

ties. "The targets were effectively covered," he said with some satisfaction.

Later he mentioned Libya's report, widely accepted by the press, that Muammar Qadhafi's adopted baby daughter had been killed. The secretary said he'd been told there was no evidence that Col. Qadhafi had in fact ever adopted a child. Of course, Mr. Weinberger added, "not an awful lot is known about Libya."

The Libyan incident has us relearning basic lessons about international conflict, intelligence and secrecy. Before we forget what we have seen, we should try to turn these lessons into some concrete improvements in intelligence policy.

Many of us noted, for instance, that an F-111 is not just a piece of waste, fraud and abuse. To take another example, we saw that when you are bombing a city, bravery and physical skill are of no use unless you know where your targets are. Or another: You can be very good at collecting information through machines, yet dangerously deficient in the intelligence work that has to be done by humans.

We have also been reminded that leaked information can invite disaster. We have seen once more that when it comes to secrets, the U.S. Congress is a sieve.

No one thought much about any of these things a decade ago, when it was open season on government secrets in general and the intelligence agencies in particular.

Intelligence was seen as a moral issue. Out of this view came the Senate's new Select Committee on Intelligence in 1976, and a House counterpart in 1977. We also got a law saying that the president must directly approve any U.S. covert action and tell Congress about it.

The results were predictable. Covert actions became riskier for presidents, and therefore declined. The new committees, 29 congressmen plus their staffs, made it harder to keep secrets. Sometimes the Hill leaked. Sometimes executive-branch dissidents leaked to the Hill, which then leaked in turn. After one of these disclosures, congressmen would publicly add their own two cents and serve as an amplifier for the leaked information.

Beyond specific committees and laws, the intellectual climate got clammy. Congressmen became obsessed with procedural prerogative and phony legalism. We ended up having open hearings on whether to dispense covert aid. We began to see in the press actual leaked stories of U.S. covert-action proposals, and no punishment rained down on the perpetrators.

Also, some people in the oversight committees started thinking that they should actually help manage the intelligence enterprise. This fall, the Senate committee's staff drafted a "National Intelligence Strategy: Guidelines for FY 87." It was turned out to be an awesomely sophomoric document that could not really be fixed, because it treated intelligence as a commodity you can produce more or less the way you make widgets.

In short, for many people intelligence is still an ideological plaything rather than an enterprise whose results matter intensely in the real world.

Some of this can be fixed only by a broad change in attitudes toward intelligence, the legislative-executive balance, and secrecy. Some can be helped along by modest structural fixes.

For instance, what are we doing with two intelligence oversight committees, when we could do the job with one reasonably sized joint committee?

There is already some feeling in each house that you would get more mutual confidence, hence better oversight, by having fewer fingers in the pie. Rep. Henry Hyde has introduced a joint-committee resolution in the House. Sen. Dan Quayle is pushing the idea in the Senate.

The plan has a big problem, of course: It would deprive some congressmen of their places at the intelligence table. You can even find some people who criticize the idea on the merits. These people talk about checks and balances. They say it's good for lots of congressmen to learn something about the intelligence field.

But the oversight process has more important purposes than to serve as a tutorial for broad sections of Congress. As for checks and balances, is our intelligence apparatus so tough and bad that a single congressional watchdog committee cannot cope with it?

In the quiet after the Libyan attack, Washington heard the familiar sound of offended congressmen, whining that they had not been consulted enough about it. This lack of seriousness shows why we would be better off with fewer congressmen intimately involved in intelligence issues. And it is this type of impulse that we all have to start controlling in ourselves if intelligence matters are to be treated seriously again.

[From the Washington Times, Apr. 25, 1986]

REAGAN'S GAMBLE AND THE COVERT OPTION

(By Cord Meyer)

(Cord Meyer is a nationally syndicated columnist.)

If Ronald Reagan's retaliatory bombing raid against Libya results in fulfilling Secretary of State George Shultz's hope for an internal coup that topples Col. Muammar Qaddafi and replaces him with a more moderate leader, there will be few at home or in Europe to criticize the president for his high-risk gamble.

Given President Reagan's long streak of good luck in world affairs, such a benign coup cannot be ruled out. But the latest intelligence suggests that Col. Qaddafi is in effective control after some confused infighting between regular Libyan army units and his revolutionary guards.

Reagan officials now concede they do not expect any early overthrow of the Libyan dictator, and the consequences of the American attack have to be weighed in the knowledge that Col. Qaddafi will be on stage to orchestrate the Arab world's response.

Both moderate Arab diplomats and American Middle Eastern experts are convinced that in coming weeks the Libyan leader will play to the hilt his favorite role of David against Goliath. Waving the flag of his Islamic radicalism, he will attempt to rally the Arab masses against U.S. interests and allies. Moderate Arab regimes, who have no use for Col. Qaddafi, have had to join in publicly condemning the raid.

State Department officials concede that the Arab rulers who have been most cooperative with the United States, such as Egyptian President Hosni Mubarak and King Hussein of Jordan, will be under the heaviest pressure to reduce their ties to the United States. As one veteran Qaddafi watcher observed, "We may have made a hero our of a bum."

Wearing the cloak of injured innocence and playing on anti-American emotions stirred up by his agents, Col. Qaddafi can be counted on to widen his already considerable influence in the Sudan, where he has been quick to offer Libyan planes and pilots to help the provisional government deal with the revolt in the South. With the United States having to reduce its diplomatic presence because of a terrorist incident, the expending Libyan influence in the Sudan can be a threat to both Egyptian and U.S. strategic interests.

The Soviet Union stands to profit in a number of ways from Col. Qaddafi's ability to survive the U.S. strike. Some Arab ambassadors in Washington, in fact believe the American attack was deliberately encouraged by the Soviet authorities. They cite the discreet removal of Soviet navel vessels from Libyan harbors prior to the attack and the well-timed appearance of Georgia Arbatov on American television to dismiss the notion that Libya could count on Soviet support.

The most obvious Soviet gain is on the propaganda front in Western Europe, where popular demonstrations against the U.S. action have given the Soviets a new opportunity to exploit the peace movement. General Secretary Mikhail Gorbachev has astutely posed as a responsible statesman, and the flurry of Soviet arms control proposals is designed to highlight the contrast with the American bombers over Libya.

Nor is it by any means certain that, if Col. Qaddafi were overthrown, a successor regime in Libya would necessarily be pro-Western. With 5,000 Soviet technicians in Libya to advise the government and the army, the Soviet KGB has been in an excellent position to recruit army and air force officers as ideologically committed agents, as it did prior to the Communist coup in Afghanistan.

Moreover, the Reagan administration has had to pay a high price in order to win strong bipartisan support for its reprisal policy. Only by revealing information derived from Libyan coded cables was it possible to prove Col. Qaddafi's directive role in the disco bombing in West Berlin.

But in the process of informing the American public, the administration also alerted the Libyans to the vulnerability of their cable traffic. Since the Libyans now buy sophisticated European communications gear, it will be a long time before the United States again has the access to the vital information that it has lost.

Finally, in respect to the innocent people killed in the air raid, the Reagan administration can plead that the crude blunderbuss of military reprisal was forced upon it by the proven inability of the Congress to keep secret the more selective tool of covert action.

Plans for working secretly against Col. Qaddafi with the Egyptians and the responsible Libyan opposition were aborted last November by suspected leaks to The Washington Post from the congressional intelligence committees.

In order to recover the American covert action capability, Republican Rep. Henry Hyde of Illinois has introduced a bill with 142 co-sponsors that would merge the Senate and House intelligence oversight committees into a single joint committee with much-reduced staff and membership.

The blunt instrument of aerial bombardment is no substitute for the scalpel of effective covert action in dealing with the Col. Qaddafis of this world.

[From the Washington Times, Apr. 25, 1986]

REAGAN'S GAMBLE AND THE COVERT OPTION

(By Mike DeWine)

(Mike DeWine, a Republican congressman from Ohio, is a member of the House Foreign Affairs Committee and its subcommittee on Africa.)

The U.S. air strike in Libya demonstrates more effectively than hours of committee hearings why Congress should rethink its restrictions on U.S. use of covert activity abroad.

Faced with an international menace like Muammar Qaddafi, President Reagan in the 1980s has fewer viable options than President Eisenhower would have had in the 1950s. The single biggest reason is Congress' steady efforts to restrict U.S. covert activities.

If this were the 1950s, we might have awakened one morning to find that Col. Qaddafi had been deposed in a coup, or was otherwise gone from the scene. Now, by contrast, he is still in a position to direct terrorism.

The disaffection for covert operations among many in Congress is paralleled in the country as a whole. One problem seems to be that covert activity goes against the American preference for deciding questions and taking action out in the open and achieving a quick, clear resolution of problems. Yet covert action may sometimes be a better tool than overt action for dealing with the delicate problems encountered in foreign policy. In addition, the most common argument against covert activities is the moral argument—that it is immoral for the United Sates to intervene secretly in another country. But if congressional restrictions on covert action effectively limit the president's choices to military action like the air strike against Libya, the moral argument collapses. In the most blunt example, given that no other tactic has worked, is it not better morally to help depose Col. Qaddafi than to kill an innocent Libyan child with an American bomb?

In the same way, I believe strongly that if we had had an opportunity to assassinate Hitler it would have been morally justified to do so. Millions of innocent people died because he remained in power as long as he did.

This is what I thought as the first reports of our raid surfaced in the evening news. While many Americans might initially cheer our show of force, I wondered how they would feel when the sun rose over Libya and television transmitted pictures of bloody children's bodies and twisted civilian buildings.

That is not to say that our military execution of this operation was lacking. In fact, I think the current evidence shows the plan was carefully crafted and brilliantly executed, with every effort made to avoid hurting civilians. Neither do I criticize President Reagan's decision to take this action.

My criticism is with those who have limited the choices available to American presidents in dealing with fanatics like Col. Qaddafi.

Covert action is not the only possibility. For example, tough economic sanctions might have put enormous pressure on Col. Quddafi—if our allies would have cooperated. Four and a half years of unilateral economic sanctions by the United States, however, didn't have enough impact.

With the failure of economic sanctions, covert action does become a consideration. To mount such an operation, Congress has required the president to honor a host of reporting requirements. For example, all the members of the House and Senate intelligence committees must be informed. That is 31 people; committee staff adds another 92 with varying degrees of access to the information. These briefings have made it easy for one person who does not believe the operation should proceed to appoint himself or herself to stop it. No need to bother with a long legislative process; you merely pick up the phone and call a reporter.

This might have happened most recently in the very case of Libya. Without conceding that such a plan actually existed, it should be noted that an alleged covert plan wound up on the front page of the Nov. 3, 1985, Washington Post. The headline of this story by Bob Woodward read: "CIA Anti-Qaddafi Plan Backed; Reagan Authorizes Covert Operation to Undermine Libyan Regime.

The world then read that "President Reagan has authorized a Central Intelligence Agency covert operation designed to undermine the Libyan regime headed by Col. Muammar Qaddafi, according to informed government sources."

"The plan, which involves CIA assistance to another country or countries in North Africa and the Middle East that oppose Qaddafi, has run into initial resistance from the House and Senate Select Committees on Intelligence, which oversee the CIA."

Such a plan may not have existed, but if it had, it should never have been disclosed in the media.

No one yet knows how the current confrontation with Col. Qaddafi will play out, and I'm not advocating a particular action in this situation. But I do believe careful consideration of the reasons for the first U.S. bombing raid since Laos in 1973 suggests that we reassess our restrictions on covert action.

An excellent starting point is a proposal by Illinois Republican Rep. Henry Hyde to combine the House and Senate select committees on intelligence into one smaller joint committee and to cut back significantly on the number of people with access to intelligence information.

My point is not that every secret scheme should be indulged, but that Congress has imposed such high procedural hurdles that effective covert action has become virtually impossible. While the United States on some occasions may have misused covert action, Congress's overreaction to this was and is a grave mistake.

Covert action, judiciously used, can be an important tool of foreign policy. It sometimes can help us avoid action that is more costly in innocent human life and more destabilizing in terms of world politics. It protects and enhances the cooperative efforts of other countries which for various reasons, many require the option of "plausible denial."

Foreign policy rarely presents good choices; usually the task is choosing the best of several bad choices. Limiting the options may only compel us to take more drastic action than we need to.

[From the New York Times, Apr. 23, 1986]

INSTEAD, BE COVERT

(By Michael DeWine)

(Michael DeWine, Republican of Ohio, is a member of the House Foreign Affairs Committee.)

WASHINGTON.—Now that we've seen overt military action in Libya, is covert action still such an unpalatable alternative?

President Reagan has fewer workable options today than President Dwight D. Eisenhower would have had in the 1950's in the face of an international menace. The single biggest reason for this is Congress's steady effort, in the 1970's to restrict American covert activities.

If this were the 1950's, we might have awakened one morning to find that Col. Muammar el-Qaddafi had been deposed in a coup or otherwise removed. Now, by contrast, he is still in a position to direct terrorism.

The most common argument against covert activities is the moral argument—that is is unethical for America to intervene secretly in another country. But if Congressional restrictions on covert action effectively leave the President no choice but military action like the air strike against Libya, then the moral argument collapses. Given that no other tactic has worked, is it not morally better to help depose Colonel Qaddafi than to kill an innocent Libyan child with an American bomb? Would it not have been morally justified to assassinate Hitler, if we had had an opportunity to do so?

This is what I thought as the reports of our raid flashed across the television screen. While many Americans might initially cheer our show of force, I wondered how they would feel when they saw the sun rise over Libya, revealing children's bodies and twisted civilian buildings.

That is not to say that the execution of the operations was lacking. The plan was carefully crafted and executed, with every effort made to avoid hurting civilians. Nor do I criticize the President's decision to take this step. My quarrel is with those who have limited the choices available to Presidents dealing with fanatics like Colonel Qaddafi.

Covert action is not the only possibility. Tough economic sanctions might have put enormous pressure on Libya—if our allies had cooperated. But four and a half years of unilateral American sanctions had little impact.

So what about covert action? Congress has required the President to honor a host of reporting requirements before mounting any such operation. All members of the House and Senate intelligence committees must be informed—31 people plus their committee staffs, which adds another 92 people. And any one of these people who does not believe in the operation can appoint him or herself to stop it: all they need to do is pick up the phone and call a reporter.

This might have happened in the case of Libya. There may or may not have been a plan in this case, but a report of one appeared on the front page of The Washington Post. The story, on Nov. 3, cited "informed Government sources" and alleged that President Reagan has authorized a covert operation—it was to be run by the Central Intelligence Agency and include another country or countries in North Africa—to undermine the Qaddafi regime. The story also noted, rather revealingly, that the plan had met some resistance from the House and Senate Select Committees on Intelligence. Whether or not a plan existed, it should never had been disclosed in the media.

No one yet knows how the confrontation with Colonel Qaddafi will play out, and I am not advocating any particular action. But I do believe that careful consideration of the reasons for the first major American bombing raid since those in Laos in 1973 suggests that we reassess our restrictions on covert action. My point is not that every secret

scheme should be indulged but that Congress has imposed such high procedural hurdles that effective covert action has become virtually impossible.

Covert action, judiciously used, can be an important tool of foreign policy. It can help us avoid more costly and destabilizing operations that involve the loss of innocent life. It can also enhance cooperation with other countries that for various reasons require the option of "plausible denial."

Foreign policy rarely involves good choices; usually, the task is choosing the best of several bad choices. Limiting the options may only compel us to take more drastic action than we need to take.

MARTIN ANDERSON ON DEPLOYING STRATEGIC POINT DEFENSES NOW

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. COURTER. Mr. Speaker, Martin Anderson, a former policy development assistant to President Reagan, has published an article in yesterday's Wall Street Journal which my colleagues should read. Mr. Anderson points out that under the current terms of the ABM Treaty, the United States is entitled to deploy an antiballistic missile defense at a single site, Grand Forks, ND.

Since the site was originally designated for the safeguard ABM in 1969, the technology of strategic defense systems has undergone quantum leaps in certainty and accuracy. Mr. Anderson believes the technology of at least a point defense has matured enough for the United States to consider immediate development and deployment.

The modest investment we have made so far in strategic defense research is beginning to demonstrate the feasibility of the SDI approach. As Mr. Anderson argues, the ABM Treaty does not prevent us from going beyond the research phase to the level of development of at least a point defense system at Grand Forks.

The article follows:

[From the Wall Street Journal, May 19, 1986]

THE UNITED STATES CAN BUILD A PINPOINT STRATEGIC DEFENSE NOW

(By Martin Anderson)

Americans are among the most insured people in the world. We have medical insurance, auto-accident insurance, fire insurance, earthquake insurance, burglary insurance, libel insurance, and even life insurance. We are insured up to our chins against almost any calamity that could befall us, except one—accidental annihilation by a nuclear missile.

We all know that the massive and increasing nuclear-missile arsenals of the world have created the small but real possibility that there could be an unauthorized or an accidental launch of a nuclear missile. Adding to that risk is the growing concern that a ruthless radical of the Qadhafi variety will manage someday soon to get his hands on a nuclear bomb and a missile capable of delivering the bomb to a faraway taget.

As the risk of a deliberately planned all-out nuclear war between the two superpowers has receded, we have almost totally disregarded the growing risk of a small nuclear attack on the U.S. Neglect of this danger is unconscionable. The consequences of even one nuclear warhead striking a heavily populated area of this country would be catastrophic. The loss of life would be appalling.

That we choose to live so dangerously is baffling. It is baffling because we could build a limited missile defense today, at low cost, in full accord with the current ABM treaty, that would insure against such a tragedy.

The U.S. Army has already demonstrated conclusively that we have the technology—on our scientific shelves—to build an interceptor missile that can stop and destroy an incoming nuclear missile high above the earth's surface. On June 10, 1984, the Army fired an old Minuteman missile toward a target 4,000 miles away. Once the incoming missile was detected, a new interceptor launched a 70-foot engineering marvel, cobbled up from old missile parts and topped with an ultrasecret, state-of-the art sensing device. The interceptor flew flawlessy and homed in on the incoming Minuteman at a distance of more than 100 miles above the earth. In the brittle cold and near vacuum of outer space, the interceptor collided with the Minuteman missile at a speed of more than 20,000 miles per hour.

What happened was a collision of such power and intensity that both missiles were literally pulverized. We all have a pretty good idea of what happens when two automobiles, each traveling 60 miles per hour, hit head on. The interceptor missile hits its target at least 165 times harder.

And that was the old interceptor missile. By early 1986, the Army had completed plans for a better one. It's called ERIS, which stands for Exoatmospheric Reentry-vehicle Interceptor Subsystem. The new interceptor missile is extremely accurate, carries no explosives in its nose cone, and is only 20 inches in diameter and less than 14 feet long. Utilizing our existing radar system, with some upgrading, we could build a complete limited missile defense system (with 100 missiles) for about $150 million a year, or a total cost of $1.5 billion spread over 10 years. If we started today, the first missile would be standing guard, ready to fire, in the early 1990s.

Under terms of the ABM treaty, both the U.S. and the Soviet Union have the right to deploy as many as 100 interceptor missiles at designated launch sites. The Soviet treaty site is near Moscow; ours is at Grand Forks, N.D., next to the Canadian border. The Soviet ABM missiles are in place, the only operational missile defense system in the world. We started to build such a system in the late 1960s, but stopped and tore it all down in 1975. So we have a nice building site ready and waiting.

The area of earth that can be effectively protected by an interceptor missile is called its "footprint." The size of the protection footprint is determined by how soon we can detect an incoming nuclear missile and the speed of the interceptor missile. Because of the "footprint" phenomenon, the Soviet missle defense site near Moscow actually can provide a limited defense for a large part of the Soviet Union.

The footprint of an interceptor missile based in Grand Forks, N.D., also would be enormous. It would cover the entire continental U.S., all of Mexico and most of Canada. A single site could provide a limited defense against nuclear missiles for virtually all of North America.

Just one interceptor missile could destroy an accidentally launched nuclear missile. One hundred interceptor missiles could effectively insure us against virtually anything but an all-out nuclear attack by the Soviet Union. And, in addition to protecting us from an errant ICBM, this new system also could protect us from an errant missile launched from a Soviet submarine lurking off our coast.

Last February, President Reagan talked of "pushing forward our highly promising Strategic Defense Initiative—a security shield that may one day protect us and our allies from nuclear attack, whether launched by deliberate calculation, freak accident, or the isolated impulse of a madman." And then he asked, "Isn't it better to use our talents and technology to build systems that destroy missiles, not people?"

Most people would answer yes. Missile defense is clearly morally superior to the doctrine of mutually assured destruction. But shouldn't we also ask why we don't now build and deploy what we know we can build, why we don't deploy live interceptor missiles while we press ahead with the futuristic research of SDI?

Or perhaps we should put it this way: What will we say to the people living in an American city who, someday in the future, learn that in 15 or 20 minutes they will be annihilated by a nuclear bomb and ask for help? Will we be able to say "no problem," and quickly fire some interceptor missiles, or will we have to say "sorry" and then live with the knowledge of what we could have done?

The full-scale Strategic Defense Initiative has been the subject of intense debate about its scientific feasibility and its complex implications for military strategy. A missile insurance system is not subject to scientific debate. We have already successfully tested a prototype. A missile insurance system does not complicate military strategy. It simply protects us from accidental annihilation.

We should begin immediately to build, and then deploy, the best interceptor missiles we can create. They could turn out to be the most important insurance program the American people ever had.

THE PERILS OF PROTECTIONISM

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. CRANE. Mr. Speaker, in a 1964 speech before the Senate, Senator Fulbright lamented the fact that, "We are handicapped by policies based on old myths rather than current realities." His words mirror my own sentiments exactly as this body approaches yet another debate and vote on U.S. trade policy. I am afraid that this entire process is still held captive to some anachronistic yet popular myths about what a successful trade policy is. Too many Members, on both sides of the aisle, still seem to believe that protectionism is a viable policy, a policy that will benefit this country, a policy that will bring greater prosperity to a greater number of Americans. Nothing could be further from the truth. Surely history has taught us that much, or at least should have taught us that much.

And yet the Ways and Means Committee has now favorably reported a trade bill that threatens to return us to those dark days following the passage of the Smoot-Hawley tariffs of 1930. The myth seems to persist that what we are doing is protecting jobs in the United States, when in fact protectionism begets protectionism, and retaliation breeds retaliation. Barriers are raised and jobs are lost instead of protected. Domestic industries lose their competitive edge and become even less able to compete, and costs for everyone are raised. The trade imbalance, instead of improving, gets worse, as the economy declines and exports decrease. Yet somehow the protectionist myth lives on.

As this process plays itself out, I sincerely hope that my colleagues will reexamine some of the fundamental premises upon which their assumptions about trade are based. I also hope that they will take a few moments of their time to read the following editorial which appeared last week in the Washington Times. It further describes the dangers of enacting protectionist trade measures like the one which we will soon be asked to consider.

[From the Washington Times, May 15, 1986]

CREATING A TRADE MONSTER

(By William Niskanen, Jr.)

Congress, led by the House Democrats, is in danger of voting for the worst trade legislation since the Smoot-Hawley tariff of 1930. Let me count the ways.

The House is expected to act next week on a Democratic leadership bill whose worst features were recently approved by the Ways and Means Committee, normally an island of sanity on trade issues. The bill defines a number of additional practices in foreign countries as a basis for import restrictions by the United States.

Imports from any country with an "unwarranted" trade surplus with the United States would be subject to U.S. trade restraints sufficient to reduce this surplus by 10 percent each year for four years, unless the government of that country quickly agrees to actions consistent with these targets. Imports from Japan, West Germany, Taiwan, and perhaps other countries would be subject to this provision, which might be dubbed "son of surcharge"—an earlier effort to impose a 25 percent tariff surcharge on imports from countries with whom the United States had a large deficit. A similar bill, specific to Japan, has been approved by the Senate Finance Committee.

This provision would make a substantial bilateral trade surplus with the United States actionable under U.S. trade laws, even in the absence of any specific injury in the United States or specific unfair trade practice by the foreign country.

Imports of telecommunications equipment from any country that does not provide fully competitive market opportunities to U.S. telecommunications products would be subject to U.S. trade restraints sufficient to achieve "reciprocal" market conditions. At present, this provision would apply to almost all other countries, because the telephone and telegraph systems of most other countries are government-owned or restrict purchases from foreign suppliers. A similar bill is pending the Senate.

Imports of products made with subsidized resources would in many cases be subject to countervailing duties. On that basis, most American farm and forest products would be subject to countervailing duties by other governments because they use subsidized water and electric power.

Imports of any product subject to "export targeting" would be subject to mandatory retaliation. On its face, this provision is appealing, but export targeting includes a large number of government and business practices that are difficult even to define, let alone to counter.

The denial of "internationally recognized worker rights" or the toleration of cartels would be defined as an "unreasonable" practice subject to optional retaliatory U.S. trade restraints. In effect, the United States would be saying to the rest of the world that we will reduce our imports from any country that lacks labor and antitrust laws similar to those of the United States.

Each of these provisions involves a unilateral U.S. definition of "fair" trade that is inconsistent with current international trade agreements, and on which there is no basis for new agreement. It is the fairness of an international bully boy, threatening actions that will harm both ourselves and others, not the fairness of the leader of the community of free nations.

This is not all. The Ways and Means bill transfers significant trade authority from the President to the U.S. Trade Representative, who is in no position to weigh the impact on critical foreign relations—or on the U.S. economy is in the same way as the President. The bill also specifies the membership of the Trade Policy Committee, reducing the influence of those agencies that best represent the interests of the consumers, exporters, and our large national interests. And a new "fair trade advocates" branch in the Office of the Trade Representative would assist business in petitioning for countervailing duties. This would transform what has been an effective presidential agency into another "independent" commission more subject to the parochial interests of Congress.

Several other provisions of this bill are dear to the hearts of the House Democrats. At the requests of an industry petitioning for relief from imports under the "escape clause," the government would establish an advisory group with the usual representatives from labor, management, consumers, communities, and the goverment to develop an "industry adjustment" plan. Only those who have not served on such committees, or have nothing better to do, could maintain an enthusiasm for this remnant of the 1983 industrial policy proposals.

One provision would dedicate revenues from tariffs and quotas to a greatly expanded trade Adjustment Assistance Fund and provide expedited access to this fund. Another mischievous provision would make the use of "fast track" trade negotiating authority contingent on calling a conference on international monetary reform.

This bill deserves the title ERISA—in this case standing for "Every Ridiculous Idea Since Adam."

The Democratic leadership is pushing the House to the wall, with an all-out campaign for a tough, election-year; protectionist bill.

The most charitable comment about this process is that the Democratic leadership is allowing its crazies to have their day, with full knowledge that President Reagan will veto the bill. If they are not serious, why go through this charade?

If they *are* serious, however, the Democrats have reaffirmed their incapacity to govern.

AN ORWELLIAN ARGUMENT AGAINST THE TEST BAN

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. MARKEY. Mr. Speaker, in a major departure from the policies of previous administrations, the Reagan administration now argues that a Comprehensive Test Ban (CTB) Treaty might encourage the proliferation of nuclear weapons.

Since the signing of the Nuclear Non-Proliferation Treaty in 1968, U.S. policy has been that the negotiation of a test ban would serve U.S. security interests by strengthening efforts to prevent nuclear proliferation. The Reagan administration has turned that policy on its head. Apparently, their visceral distaste for a CTB is so great that they feel compelled to argue that a test ban will actually encourage proliferation.

In testimony before the Senate Armed Services Committee on April 29, Assistant Secretary of Defense Richard Perle declared that:

Given our reliance of the free world on nuclear weapons to deter aggression, a CTB at this time could encourage the retention and proliferation of nuclear weapons. Nuclear weapons states could be expected to hedge against possible reliability problems by increasing the number and yield of warheads in their respective stockpiles. Non-nuclear weapon states who did not have to address the question of an independent nuclear capability because of U.S. nuclear guarantees, would have to reassess their requirements for national security, should they lose confidence in the U.S. nuclear deterrent. Under these circumstances, the nuclear options cannot (sic) be excluded. Hence, a CTB could lead to a less safe and fare (sic) more dangerous world than we have today.

I have yet to see one shred of evidence that supports this patently ridiculous and Orwellian contention. A simple reading of the final declaration of the recent Non-Proliferation Treaty review conference suggests that the Reagan administration stands alone and isolated in this view. The rest of the world is convinced a CTB would help discourage proliferation.

For over 30 years, every American President until Reagan has sought to negotiate a ban on nuclear testing. President Eisenhower proposed such a halt in 1957, and later remarked that the failure to achieve a CTB was one of the greatest disappointments of his Presidency. In his 1963 American University speech, President Kennedy noted that a test ban "would check the spiralling arms race in one of its most dangerous areas. It would place the nuclear powers in a position to deal more effectively with one of the greatest hazards which man faces, the further spread of nuclear weapons."

This judgment has been shared by Presidents Johnson, Nixon, Ford, and Carter.

Last September, the 127 signatories of the Nuclear Non-Proliferation Treaty of 1968 met in Geneva to review the operation of the treaty. In their final declaration, they noted that CTB negotiations had not been resumed and reaffirmed their determination "to achieve

the discontinuance of all test explosions of nuclear weapons for all time."

A letter from Deputy Assistant Secretary of Defense Frank Gaffney earlier this year declared that a CTB "would not strengthen stability but rather lead to a less secure and more dangerous world as the nuclear nations, unsure of the reliability of their nuclear weapons, increased their stockpiles to compensate for this uncertainty and as some non-nuclear nations, unsure of the reliability of the guarantees of the nuclear states, decided their security required them to build independent nuclear forces."

Surprised by Mr. Gaffney's argument that a CTB would encourage both vertical and horizontal proliferation, I wrote Secretary of State Shultz to find out whether Mr. Gaffney's statements accurately represented official administration policy. The State Department response, dated April 17th, was coordinated by an interagency team and signed by Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs James W. Dyer. It confirms that the administration position is now that a test ban could encourage nuclear both vertical and horizontal proliferation because it might result in less "reliable" nuclear weapons.

I would like to call the attention of my colleagues to this letter, along with a recent letter to the New York Times that disputes its central contentions.

The letters follow:

U.S. DEPARTMENT OF STATE,
Washington, DC, April 17, 1986.

Hon. EDWARD J. MARKEY,
House of Representatives.

DEAR MR. MARKEY: Thank you for your letter of February 14, 1986 to Secretary Shultz concerning US policy regarding a comprehensive test ban (CTB) and non-proliferation. The following information is provided in response to your specific questions.

Question 1: Does the Administration believe that a CTB would encourage the proliferation of nuclear weapons?

Answer 1: While we believe that we must actively investigate technologies that could one day make us less dependent on offensive nuclear arms for our security, nuclear weapons will clearly remain the key element of deterrence for the foreseeable future. During such a period, where both the US and our friends and allies must rely upon nuclear weapons to deter aggression, some level of nuclear testing will continue to be required.

Nonetheless, a comprehensive test ban remains a long term objective of the United States. We believe such a ban must be viewed in the context of a time when we do not need to depend on nuclear deterrence to ensure international security and stability, and when we have achieved broad, deep and verifiable arms reductions, substantially improved verification capabilities, expanded confidence-building measures, and greater balance in conventional forces. For our part, the United States is energetically pursuing negotiations and discussions with the Soviet Union on concrete steps in all of these areas. We have made clear our strong and continuing view that Soviet calls for an immediate and unverifiable nuclear testing moratorium are not a basis for meaningful progress to this end. Our position on the unacceptability of such moratoria remains unchanged.

Our position is that in the absence of the above-noted context, a CTB could encourage inter alia the proliferation of nuclear weapons—"vertical" proliferation—if it led to serious questioning of the US nuclear deterrent. Further, a CTB might actually lead to an increase in the number of nuclear weapons in nuclear weapon states if such states become concerned about stockpile reliability. In the case of the United States, we should not forget that, thanks in part to the lessons learned from a well-structured program of nuclear testing, the United States has been able to reduce considerably the number of nuclear weapons in our stockpile since the 1960's. Weapons states might seek to offset the erosion of confidence in the reliability of their nuclear weapons stockpile. Others might seriously consider expanding their stockpile to compensate for the risks of unreliability over time.

With regard to so-called "horizontal" proliferation, a US-Soviet CTB under present conditions would not necessarily constitute a brake on the plans or intentions of potential nuclear states. Whether to "go nuclear" is a decision of highest national security importance for various states, and ultimately depends on a variety of underlying circumstances—regional tensions, desire for enhanced political influence or prestige, and concern about activities of neighbors—that would not be significantly changed by a CTB. Nor would third party adherence to a CTB prevent such a nation from designing a reliable first-generation weapon; as you know, the device dropped on Hiroshima had not been tested. Whether, in such circumstances, individual states would feel that their security required them to develop national nuclear capabilities is a question which cannot be answered in the abstract. It seems clear, however, that any decrease in the credibility of the US nuclear deterrent would lead other countries to carefully reassess their national security calculations. In that context their adoption of nuclear options cannot be excluded.

Question 2: Has the Administration in fact made this argument to the signatories of the Non-Proliferation Treaty?

Answer 2: Administration officials have discussed issues related to nuclear non-proliferation in the context of briefings on our testing policy with allied governments, some of which are signatories of the NPT.

Question 3: If so, why has the US been unable to convince the signatories of the NPT that this is true?

Answer 3: The question implies that no NPT signatories share this view. We know of no basis for such an assertion.

Question 4: What, if any non-nuclear nations allied to the US have indicated that the conclusion of a CTB Treaty between the United States and the Soviet Union might lead them to build indpendent nuclear deterrent forces?

Answer 4: We are not aware that any US allies have indicated that the conclusion of a CTB Treaty between the US and the Soviet Union might lead them to build independent nuclear deterrent forces. However, inasmuch as the US position vis-a-vis a CTB under present circumstances has been consistently clear, none of our allies has had to address the proposition suggested by your question. As a general rule, they—like we—do not publicly discuss responses to hypothetical situations.

Sincerely,

JAMES W. DYER,
Acting Assistant Secretary,
Legislative and Intergovernmental Affairs.

[From the New York Times, May 5, 1986]

TEST BAN WOULD HELP CONTAIN NUCLEAR PROLIFERATION

To the Editor:

Whatever one may think of the Administration's other arguments for continuing nuclear-weapons testing, trying to justify it on the ground that a comprehensive test ban treaty would increase the risk of proliferation is outrageous (news story, April 22). As one who dedicated his 19-year career in the U.S. Government primarily to heading off the spread of nuclear weapons to additional countries, I am convinced the very opposite is true.

Can the Administration seriously believe that if there were a comprehensive treaty ban our North Atlantic Treaty Organization and Asian allies would decide to abandon the nonproliferation treaty and develop their own nuclear weapons as a consequence? No one seriously versed in this field believes that they would respond in that way. The countries of real current proliferation concern are Pakistan and India, Israel, South Africa and—to a recently lessened degree—Argentina and Brazil. These countries have eschewed the nonproliferation treaty (which they say is discriminator), built sensitive nuclear facilities that they have refused to submit to international safeguards and, in some cases, refused to renounce the option to conduct "peaceful" nuclear explosions that are indistinguishable from weapons tests.

A comprehensive test ban treaty, which would be nondiscriminatory, is one of the most promising vehicles for surmounting these problems. If India and Pakistan joined a test ban, India would gain an assurance that Pakistan would not proceed to a test that could demonstrate a nuclear-explosive capability and give its leaders confidence that what they had developed would work; Pakistan would gain an assurance that India would not resume its nuclear-testing program, and both would be effectively precluded from developing more advanced nuclear explosives, such as thermonuclear, boosted or miniaturized weapons, or explosives that they could claim were for "peaceful" purposes.

It would have even clearer advantages for Argentina and Brazil, where mutual reassurance is the key requirement. It could also help dampen concern about Israel and South Africa, if they joined it, and reduce pressure on their antagonists to go nuclear.

Israel, South Africa, India and Brazil did join the limited-test-ban treaty, in which they expressed their determination to achieve a comprehensive test ban (so did the United States), and in the last two years the heads of India and Argentina have joined in highly publicized declarations urging prompt conclusion of a comprehensive ban.

In addition to these possible direct benefits affecting holdouts from the nonproliferation treaty, a comprehensive ban would be of substantial help in preserving and extending the nonproliferation treaty. It is the measure most persistently demanded by nonnuclear states that are parties to the nonproliferation treaty as a demonstration that the superpowers are fulfilling their part of the bargain under that treaty. And,

to the extent that a comprehensive ban was joined by nonproliferation treaty holdouts, it would reduce the risk of defections from that treaty by parties that feel threatened by the holdouts.

For these reasons, a comprehensive test ban could—as stated in the reports of panels from the United States and Western Europe published in early April by the Council on Foreign Relations—make a significant contribution to containing proliferation.—Charles N. Van Doren, Washington, April 22, 1986.

(The writer was assistant director of the United States Arms Control and Disarmament Agency, 1977–80.)

CAN WE TRUST A STAR WARS SHIELD?

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. McHUGH. Mr. Speaker, last week the New York Times published an op-ed article by Dr. Kurt Gottfried regarding the strategic defense initiative. In his article, Dr. Gottfried draws a parallel between SDI and the Soviet nuclear plant at Chernobyl, which recently experienced such a catastrophic failure.

In essence, Dr. Gottfried points out that the Chernobyl plant and SDI both represent extremely complex technologies that cannot be assumed to always perform according to design. That is especially true when the system cannot be tested under realistic conditions, as is the case with SDI. Indeed, as Dr. David Parnass has pointed out, the computer software for the SDI can never be tested since we can never know with real assurance how the Soviets would respond to SDI deployments.

I urge our colleagues to carefully consider Dr. Gottfried's comments, particularly his argument that the SDI will not be subject to sufficient internal "checks and balances." Admittedly, the SDI Office has proposed to establish its own "think tank" to provide itself with objective and unbiased analysis. Yet, how unbiased will that analysis be if the think tank is fully funded by the Pentagon and has no responsibility but to the SDI Office? Or if its analysts are chosen by the Director of the SDI Office or his assistants, and if those analysts are required to pass a litmus test of support for the SDI before receiving their jobs?

This is in fact the procedure envisioned by the Pentagon for this so-called think tank, and I have real questions about the procedure. These and other points will be debated by the House when we consider the Defense Department budget for fiscal year 1987. As we begin to give these issues the attention they deserve, Dr. Gottfried's article is a good starting point.

The article follows:

[From the New York Times, May 14, 1986]

TRUST A 'STAR WARS' SHIELD?

(By Kurt Gottfried)

ITHACA, N.Y.—Chernobyl and Challenger. Two distinct tragedies with a common implication: complex technological systems, run by vast organizations, are prone to catastrophic failures that only trial and error can reveal. It is folly to presume that systems of such intricacy will always perform in accordance with design—especially those that cannot undergo real-life tests.

A space-based defense against nuclear missiles is precisely that sort of system. Hence, it cannot provide reliable protection against attack.

No fundamental technical hurdles block the path to safe nuclear power or manned space flight. Their problems are institutional. The thousands of people, scores of companies and web of Government agencies that plan, build and operate the power plants and manned spacecraft are confronted by competing demands of cost, schedules and safety. Often safety does not receive the attention it must have since it is an obstacle to objectives that were irresponsibly bloated to marshall public support. But nuclear power plants operate for years and yield hands-on experience with their problems. The shuttle is flown again and again, until a fatal flaw is tragically revealed.

In this country, furthermore, the nuclear power industry and space program operate in the open. The inevitability of blunder brings their inner workings to light, despite the tendency of all bureaucracies to resist and even hide from their critics. In the Kremlin, astride the most oppressive and Byzantine of bureaucracies, this syndrome finds its most pathological expression.

To err is human. To cover up, is also. We ignore all experience when we suppose a large enterprise, even one as outstanding as the National Aeronautics and Space Administration, will correct its own mistakes. This was well understood by the Founding Fathers who, in a simpler age, designed the Constitution to aid our ability to penetrate official shields.

But the Strategic Defense Initiative will face neither realistic testing nor traditional "checks and balances." The Administration proposes to put a swarm of "battle stations" into space. There they would wait for years, always at the ready to counter a nuclear attack. An automated battle station, with its panoply of lasers, mirrors and targeting instruments, is easily as complicated as a nuclear power plant. In terms of complexity, our "Star Wars" shield would be analogous to a flotilla of orbiting nuclear plants that must cooperate with the precision of a symphony orchestra. With what confidence could a network of nuclear power stations be simultaneously turned on while itself under nuclear attack—stations that had never operated singly, let alone together, in such an environment? That question gives a rough measure of the task faced by the Initiative.

The Pentagon would pursue this mission in secrecy, knowing that its products cannot be put to realistic test short of nuclear war. No human life would be taken by meltdowns or defective O rings. The compulsion to ignore problems and doubts would have a free run. Whistle-blowers would be intimidated, blunders classified. No one would have any idea of how the shield would actually perform under attack.

In short, there is a vast gulf between a technology that is to work in benign surroundings and one that must operate under nuclear attack. No hostile power is spending billions on fiendish schemes for disrupting our nuclear power plants, whose problems are solely our responsibility. But billions of rubles would be devoted to fooling and destroying our shield in space. And what those rubles can do cannot be known until the very first time that shield must protect us, without any last-minute request to Moscow for a postponement if we're not quite ready for World War III.

All this is clear to our military leaders. They will refuse to rely on an untried strategic defense as the first line of defense. They know that a dream cannot dispel the harsh realities that emanate from thermonuclear detonations. They will insist that our defense continue to rest on deterrence by threat of nuclear retaliation.

Future historians will struggle to explain to their incredulous readers how it could be that a president with a whim of iron could have launched this nation on so extravagant a chase after so wispy a mirage.

THE TRADE BILL—AN EXERCISE IN POLITICAL GRANDSTANDING

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. FRENZEL. Mr. Speaker, the Wall Street Journal of today included a forthright editorial on the trade bill, painting it "an exercise in political grandstanding". I couldn't agree more.

I hope my colleagues will read the editorial. It is an accurate portrayal of the trade package. It also reminds us of what happens when a bad bill becomes law by reviewing the 1970–71 wage-price control law which was passed by Democrats in an effort to set a political trap for then President Nixon. When Nixon used the powers, and the economy degenerated, the Democrats may have got their wish, but the whole country suffered. The same thing should not be repeated by passage of this trade bill. I urge my colleagues to oppose it.

The editorial follows:

TRADE-BILL TERPSICHORE

That outrageously protectionist trade bill House Democrats have concocted is described by the Washington Post as a "shin-kicker," intended to make President Reagan pay heed to companies and labor unions protesting about competition from foreign goods.

Rep. Bill Frenzel (R., Minn.) comes closer to the mark in saying that the House leadership "prefers an issue to a law."

In short, this bill, now scheduled for floor debate in the House next week, is an exercise in political grandstanding. With it, House Democrats want to show they are willing to get tough with foreigners who so deviously scheme to sell Americans Sonys and Audis. No president with any regard for the health of the international economy could sign it. But a veto, the progenitors believe, will cost Republicans votes in November.

We would urge them not to be quite so certain. Congressmen spend their time preoccupied with parochial concerns, failing to discern that Americans are becoming more internationalist in their economic thinking. Americans need only look around to see that they derive some very large benefits from internationalized innovation and competition. Moreover, the trade bill's authors have so overplayed their hands that knowledgeable people doubt their seriousness. It's not nice to play games with legislation.

It's not nice partly because it demeans lawmaking, but partly as well because it car-

ries certain dangers. There is always a possibility that events will conspire to allow a bad bill to actually become law.

Something of that sort happened in 1970-71. A Democratic Congress set a political trap for Richard Nixon not unlike the one now being laid for Ronald Reagan. Congress gave Mr. Nixon something he did not want, the discretionary power to control prices and wages, burying it in a veto-resistant defense production bill.

The Democrats then piously proclaimed that Mr. Nixon had all the authority he needed to "control inflation," then 5.5%. Republicans were furious over being set up to be blamed for inflation. They called it "devious Democratic demagoguery."

Almost a year to the day after Mr. Nixon accepted those unwanted powers, the collapse of the Bretton Woods international monetary system prompted him to use them. He applied "temporary" controls. They disrupted U.S. production, helping precipitate, among other things, the first oil "crisis." Underlying inflationary pressures rose and eventually exploded, real incomes fell and the nation's economic policy debate degenerated into confusion and acrimony.

The trade bill is cut from the same cloth. One of its more mindless provisions would require 10% annual reductions in the United States trade deficits with Japan, Taiwan and West Germany. To accomplish that pointless feat would necessitate market interference of the most ham-handed type, disrupting capital flows as well as trade. It would also be a gross violation of international trade rules hard on the heels of Mr. Reagan's success in Tokyo in engendering a new round of trade-liberalization talks.

Still another section would attempt to legislate "workers' rights" in countries shipping goods to the U.S. Every U.S. trading partner will see the hypocrisy. The intent isn't to protect workers abroad but to keep the goods they make out of the U.S. market.

The bill would make it mandatory for the president to retaliate by a certain date against any nation deemed guilty of an "unfair" practice. This, too, is ham-handed. An arbitrary deadline could simply cut off talks on some issue at a crucial point, quite possibly losing some U.S. exporter a sale. To argue that Congress can legislate in advance the outcome of negotiations betrays, among other unattractive qualities, a streak of arrogance.

As we say, these and other exercises in economic demolition in the bill have led us and a good many other people to conclude that the Democratic leadership is not serious. Maybe things look different from inside the Beltway, but from our perspective it's hard to see how playing fast and loose with public policy can be regarded as good politics.

WALL STREET JOURNAL ENDORSES DEFENSE REORGANIZATION LEGISLATION

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. COURTER. Mr. Speaker, as the following Wall Street Journal editorial notes, Congress is finally beginning to move in the direction of a streamlined military command structure and procurement system. By a 95 to 0 vote, the other body passed a defense reorganization bill which effectively adopts the smooth, uncomplicated chain of command in operation during the recent Libya raid, and also reduces Defense Department headquarters and defense agencies staffs by 17,000 personnel.

Uncharacteristically, the bill in the other body also commands the Congress to begin healing itself, by reducing burdensome reporting requirements and exercising restraint in its demands for additional data from Defense Department witnesses. The House will soon have its own opportunity to debate and approve defense reform legislation. All in all, this activity is most welcome, after so many years of inaction and uncertainty.

I urge my colleagues to read the editorial that follows:

[From the Wall Street Journal, May 19, 1986]

UNTANGLING THE COMMAND CHAIN

An untold story about the successful raid on Libya is how well the chain of command worked by contrast, say, to the management of the earlier, trouble-plagued United States "peacekeeping" operation in Lebanon. One factor was the direct involvement of the chairman of the Joint Chiefs of Staff, Adm. William J. Crowe, a command veteran with joint operations experience in Europe, the Mediterranean and the Pacific. Another was the simplified command line, which, in effect, went from Adm. Crowe to Gen. Bernard W. Rogers, Supreme Allied Commander/Europe, and Adm. Frank B. Kelso II, Commander of the Sixth Fleet. As a result, the Air Force and Navy task forces worked together superbly.

That's the way the military is supposed to operate. Unfortunately, that hasn't always been true in the past. Bureaucratic burdens and interservice conflicts and confusion have too often fouled the command chain. A new defense reorganization bill—recently passed by the Senate in a 95-0 vote—tries to codify some of the improvements evidenced in the Libya attack and seems to have a good chance of succeeding.

The legislation's emphasis is on strengthening the Joint Chiefs of Staff, reducing interservice rivalry and cutting bureaucracy—both in the Pentagon and in congressional oversight committees. The bill is the result of several years' work by the Senate Armed Services Committee, beginning with John Tower and the late Scoop Jackson and continuing through Barry Goldwater and Sam Nunn.

As Sen. Goldwater said, the bill recognizes that "our national defense could be substantially strengthened by more effectively integrating the powerful capabilities of the four military services." Added Sen. Nunn: "Military operations stretching over time from the Spanish-American War to the attack at Pearl Harbor to the Iran hostage rescue mission to Grenada have proven that weak interservice cooperation has not been unique to any one presidency or administration. The bill tackles this historic and difficult problem by strengthening those elements of the U.S. defense establishment that are responsible for thinking beyond individual service interests, including the chairman of the Joint Chiefs of Staff and the unified war-fighting commands in the field."

The legislation would reinvigorate the JCS as a source of professional military advice to civilian decision-makers. The JCS chairman would become the principal military adviser to the president, secretary of defense and the National Security Council. He would be required to develop a joint military doctrine and to see whether our equipment, manpower and budgetary resources are sufficient to meet those tasks. The president or the secretary of defense could at any time include the JCS chairman in the chain of command, as was done on an ad hoc basis in the Libya raid.

The measure also stresses the important role of joint operations from the JCS on down. For instance, a requirement for JCS membership would be service in one or more joint duty positions "for a substantial period of time." Commanders in chief (called "CINCs") of unified and specified commands would be given more authority, with the aim of increasing operational flexibility and reducing service conflicts. And the JCS would review the joint service work of all officers of three- and four-star rank.

Bureaucracy would be reduced, including a personnel cut of 17,700 (or 10.4%) at Defense Department headquarters. Congressional micromanagement of the Pentagon would also be reversed, with committee chairmen given more control over requests for data and the number of congressionally required Defense reports sliced by 265, or about two-thirds of the current 400 total.

The trust of the Senate's measure—just as in the recent Packard Commission report—is to move away from the micromanagement installed by the McNamara whiz kids. The new emphasis is on slimming the Pentagon's operations to get it into better fighting shape. The stress on joint efforts is an attempt to stop intersevice battling. The House Armed Services Committee is now considering similar measures, following passage last year of a less sweeping reform bill.

The Senate's plan certainly has a lot to recommend it, but it is still only on paper. As Sen. Nunn commented, today's military is "a group of allstars who are not accustomed to planning together and playing on the same team." What will be needed, of course, will be leadership within the Pentagon to implement reforms and make them stick. Adm. Crowe has already amply demonstrated his ability in the field. If the reforms make it through Congress, he may have a better chance to show that same effectiveness inside the Pentagon itself.

A VOTE IN FAVOR OF REPEALING OUTSIDE INCOME INCREASE

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. WIRTH. Mr. Speaker, I support the action taken by the House on House Resolution 432 on April 23. House Resolution 432 reversed the action taken in the House the preceding day, April 22, which increased the limit on honoraria Members of the House can accept from 30 percent of their salary to 40 percent.

The House action, called by some a pay hike, was highly inappropriate from both a procedural and substantive perspective and I strongly support the repeal effort.

I especially object to the manner in which the proposed income increase was considered by the House. The resolution was

brought to the House floor with no advance notice. Only a handful of Members were present on the floor and the resolution passed by voice vote without debate. As I understand it, copies of the resolution were not even available.

Whether or not Members of Congress need or deserve a pay raise is open to debate—and any proposal altering Members' income ought to be openly debated. This effort to sneak an income increase through the House without the knowledge or consent of the majority of the Members is an affront to the American people.

Even if the proposed income increase were openly brought up and debated, however, I would remain opposed. Congress has no business raising its own earnings at a time when budget cuts are forcing many Americans to get by with less.

Moreover, this particular proposal was defective. While its proponents argued that it simply increased the limit on honoraria from 30 to 40 percent, the measure effectively removed the limitations on all other outside earned income—such as legal fees, corporate directors fees, commissions and other income for personal services.

Mr. Speaker, I applaud your decision to permit prompt reconsideration of the outside income increase. The subsequent vote overwhelmingly repealing the increase sends a strong message to those who would attempt a similar slight of hand in the future.

As one of our colleagues, Mr. DURBIN, so aptly characterized the vote: "This is the wrong thing to do, the wrong time to do it, and the wrong way to approach it."

DR. F. WAYLAND PARSONS, COMMUNITY EDUCATOR, RETIRES

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. MOORHEAD. Mr. Speaker, following 52 years' involvement with Glendale public schools—as a student, teacher, and administrator—Dr. Wayland Parsons will retire in June 1986.

He has served the Glendale Unified School District for the past 38 years, since 1960 as deputy superintendent of administration. In this position, he has been responsible for management of all school district budgeting and finance, plus all administrative support services. His leadership has maintained Glendale schools as one of the most efficient and well managed public agencies in California.

SUPERINTENDENTS' ADVISER, HISTORICAL RESOURCE

His broad knowledge covering public education and the development of Glendale schools during the past half-century have earned him deep respect from colleagues statewide. In fact, Wayland's memories of Glendale school district facilities and fiscal history makes him one of the community's key resources on these topics.

Just as important, Dr. Parsons has been an adviser and friend to four district superintendents, more than two dozen elected members of boards of education, and countless Glendale school administrators, teachers, and support staff.

ROOTS IN GLENDALE

Dr. Parsons was born in Glendale and attended Edison Elementary, Roosevelt Junior High and Hoover High, plus Glendale Community College. After serving as a U.S. Naval officer in World War II (1942–46), he completed his studies for a B.A. degree in education and social science from the University of Redlands. In subsequent years, he earned M.S. and doctoral degrees in education from U.S.C.

CAREER IN GLENDALE SCHOOLS

His district service began in 1948 as a teacher at R.D. White Elementary School. In 1951–52 he worked as an elementary school counselor. From 1952–56 he assumed district administrative responsibilities as assistant to Superintendent Normal Hayhurst. Among other accomplishments, he coordinated two successful bond elections for school construction and improvements—each raising $10 million plus—and a general tax override election for increasing district operational funds.

In 1956 he was appointed vice principal of Clark Junior High, becoming Clark's principal in 1957. In 1960 he was named district deputy superintendent, a position he has occupied for the past 26 years.

COMMUNITY, FAMILY AND THE FUTURE

Through the years, Dr. Parsons has been an active member of such community groups as Glendale Rotary club, past president; Glendale Chamber of Commerce; Glendale Red Cross; Verdugo Hills Boy Scout Council; and Glendale First United Methodist Church. His retirement plans include traveling with his wife Lucille, a former teacher, sailing on his 27-foot boat and, just to keep a hand in education, teaching a course in what else? School finance for California State University, Northridge.

TRIBUTE

On June 12, Dr. Parsons will be honored by the Glendale Unified School District and his many, many friends. In paying tribute to him, it is fairly easy to list his credits, his achievements, his associations. It is not easy, however, to quantify his influence, to assess the benefits which have come to so many of us because of his decency and common sense and determined goodwill.

Mr. Speaker, I am grateful to Dr. Parsons for a lifetime of professional and personal giving. May retirement be as good to him as he has been for so many years to us.

WISCONSIN AND THE CONSUMER RAIL EQUITY ACT

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. GUNDERSON. Mr. Speaker, I am submitting an editorial that appeared in the Wisconsin State Journal last week entitled "State Has Stake in Rail Equity Act." This informative editorial, outlining the Wisconsin perspective, discusses the vital concerns facing many areas, especially rural areas, throughout the United States regarding rail transportation and rates.

As a cosponsor of H.R. 4096, the Consumer Rail Equity Act, this legislation has a broad fiscal impact upon all rail shippers, most notably agricultural and energy shippers in Wisconsin, and will help keep rail rates to captive shippers at reasonable levels. H.R. 4096 would require the railroad companies to prove that their rates are reasonable, not the shippers, as current law states.

During the 96th session of Congress, the Staggers Rail Act was passed to spur the economic well being or railroad companies through regulatory freedom. Congress also directed the Interstate Commerce Commission [ICC] to protect railroad consumers and shippers who might be subject to unusually high rates to move their products.

I urge my colleagues to review the Wisconsin State Journal editorial closely, and consider joining the more than 70 cosponsors in support of H.R. 4096, the Consumer Rail Equity Act.

[From the Wisconsin State Journal, May 13, 1986]

STATE HAS STAKE IN RAIL EQUITY ACT

About two-thirds of the electricity generated in Wisconsin comes from coal-fired utility plants. Four-fifths of the coal used by those plants is hauled into the states by railroads.

In 1982, for example, about 14 million tons of coal were delivered to Wisconsin utilities and 11 million tons arrived by rail. Most of that coal was the low-sulfur Western variety, which helps to reduce sulfur-dioxide emissions.

The state Public Service Commission says state utilities spent more than $150 million on Western coal in 1982, with rail transportation costs accounting for nearly $90 million of the total. Rail transit continues to rise as a percentage of Wisconsin's total coal bill, thanks to five straight years of double-digit increases levied by shippers.

Who pays for the higher rail costs? Utility companies at first, but those costs are quickly passed along to consumers.

That is why Wisconsin has a stake in a piece of legislation pending in Congress called the "Consumer Rail Equity Act." In effect, it would force the Interstate Commerce Commission to assure reasonable rail rates where no effective competitive alternative exists.

Re-regulation? Definitely not. The provisions of the Consumer Rail Equity Act, which has bipartisan support, would simply force the ICC to follow the intent of what has proved to be a largely successful de-regulation effort: the Staggers Rail Act of 1980.

The Staggers Act gave the nation's sagging railroads the economic boost they needed by deregulating competitive rail traffic. It came not a moment too soon, given the sorry state of the U.S. rail industry in the late 1970s.

As part of the Staggers Act, however, Congress recognized the need to protect consumers and businesses that are "captive" to a single railroad for transportation of goods. It directed the ICC to prevent monopolistic practices where the conditions are ripe—an intent the agency seems to have forgotten.

The Consumer Rail Equity Act does not re-regulate anything de-regulated by the Staggers Act. It simply puts teeth in the bill's original intent by providing a more accurate test for determining the revenue needs of a railroad; shifting the burden of proving whether a rate increase is reasona-

ble to the railroads; and codifying the ICC's process for demonstrating market dominance.

Public Service Commissioner Branko Terzic, a staunch defender of an unfettered economy, summed up his support for the Consumer Rail Equity Act when he said: "Where there are truly free markets, you don't need regulation. But where there is a monopoly or something close, regulation becomes necessary."

Congress should pass the Consumer Rail Equity Act.

A TRADE STRATEGY FOR AMERICA

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. LUNDINE. Mr. Speaker, I would like to call attention to an article by a distinguished American, the Governor of Ohio, Richard Celeste. In an essay in the April 26 edition of the New York Times, Mr. Celeste underscores the overriding need for a strong American trade policy.

The effect of the current ambivalent trade strategy has been dramatic. It has resulted in the greatest trade imbalance in U.S. history. Thousands of jobs have been lost. Investment decisions have been put off in the face of a protectionist international marketplace and the future looks no better. In noting these facts, Mr. Celeste raises the very issues that H.R. 4800, the Trade International Economic Policy Reform Act, addresses.

America's trade problem will not solve itself. Governor Celeste's observations lead us to the same conclusion that H.R. 4800 reaches: a strong U.S. trade policy is a necessity. If we do not act, Americans will go on suffering. Mr. Celeste makes that admirably clear. I insert his essay in the RECORD:

[From the New York Times, Apr. 26, 1986]

TRADE, A TWO-WAY STREET

(By Richard F. Celeste)

COLUMBUS, OHIO.—The United States balance sheet with foreign trading partners is shocking. In January, the excess of imports over exports reached a record $16.5 billion. The total value of the products we import hit a monthly record of $33.5 billion. This hemorrhage is continuing despite falling oil prices and a 23 percent drop in the value of the dollar from a year ago.

The trade deficit means that the United States is losing its competitive edge in the global marketplace. It also means that we cannot regain that edge without a coherent trade policy.

What is the problem? The problem is thats trade strategy has been an afterthought under the Reagan Administration. The results have been disastrous. In 1984, the trade deficit reached a record $123 billion, only to be surpassed last year with a $148 billion trade deficit.

Statistics such as these tend to numb the mind. But for more than 1,000 unemployed pottery workers in Harrison County, Ohio, they are very real. These workers, and those who've lost their jobs at a machine tool company in Cincinnati and a shoe manufacturer in Nelsonville, are keenly aware that unrestrained imports, combined with the absence of a national strategy for exports, cost them their jobs.

Governors and state development officials have worked aggressively on their own to promote industrial competitiveness. But the trade deficit continues to neutralize these efforts, devastating our industries and exporting thousands of jobs.

Here in Ohio, for example, my colleagues and I have conducted trade missions to China, India, Africa and Europe, all with tangible results for Ohio-made exports. Yet Ohio remains vulnerable. Ohio has long been one of the top exporting states—third in the nation last year in the dollars value of exports and second in the number of jobs dependent on international trade. So we're hit harder than most states by this growing trade deficit.

More than 176,000 Ohioans filed claims for assistance under the Trade Readjustment Act from the beginning of 1979 through 1985. More than 140,000 of those lost their jobs in the auto industry because of unrestrained foreign competition.

Between 1970 and 1984, Ohio's steel industry lost 46,100 jobs. The Government's unwillingness to act effectively to curb unfair steel imports is partly responsible. Meanwhile, Japanese restrictions on our semiconductor imports have forced a Cincinnati manufacturer to scale back a proposed $39 million expansion. Japan blocks imports of semi-conductors from us while they dump them in our market.

We must fight back, not with knee-jerk protectionist reactions but with firm, fair and consistently administered policies to insure that trade is a two-way street. Here are six steps, recently approved by the Democratic Governors' Association, that would help balance trade more fairly.

1. We should strengthen our industries through public investments such as job training, education, basic and commercial research and economic development programs. These investments are the very ones Washington is reducing.

2. We must do more to promote our own exports. This includes easing licensing restrictions and helping farmers and small- and medium-sized companies improve their export activities.

3. We must enforce existing laws against unfair trade practices and push hard to open foreign markets. The Administration has been preaching free trade. But if trade isn't fair, it's not truly free. Our industries and farmers should have the same access to foreign markets that importers have to ours. If the Administration doesn't recognize this, then Congress should press our trading partners to reinvest favorable trade balances in our marketplace.

4. We must stabilize the dollar. The high trade value of the dollar acts as heavy tax on exports and a costly subsidy for imports. While the dollar has declined against some currencies in recent months, it is still overvalued. We must therefore accelerate efforts to reduce the Federal budget deficit and cooperate with our major trading partners in international currency markets.

5. It is essential for the Administration to recognize its role in resolving the international debt crisis, which has already cost the United States more than a million jobs and it having a terrible effect upon our long-term economic interests.

6. We must address the needs of workers and industries hit hardest by the trade deficit. Managers of American companies, determined to keep their world market share, are moving facilities overseas, leaving unemployed workers here. We are sending away jobs that, in all likelihood, will never return. Congress should therefore increase its assistance to workers, industries and communities swamped by the flood of imports.

In Ohio, we are investing heavily to help our basic industry modernize and to diversify our economy. But Ohio can invest $2.75 million in Armco Steel's new electogalvanizing line—an example of advanced steelmaking technology and a symbol of the steel industry's efforts to renew itself—and still risk losing our investment to unfair foreign competition and destructive price wars.

This nation needs a strong, steady policy—a policy that strikes a middle ground between being simple protectionists and being the patsies of world trade.

BONEHEADED PROTECTIONISM

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. FRENZEL. Mr. Speaker, the Minneapolis Tribune printed an editorial today which challenged Democrats to vote against their trade bill. In one of its critiques of the bill, it labels the section of the bill which would require 10 percent reduction per year in trade surpluses we face with certain countries "a boneheaded protectionist provision".

I commend the article to my colleagues as a good review of the follies of the trade bill:

[From the Minneapolis Star & Tribune, May 20, 1986]

DEMOCRATS SHOULD DEFEAT THEIR HOUSE TRADE BILL

House Democrats are staging a cynical charade this week. They are bringing up for debate and a vote an angry trade bill that has little purpose except to sound tough about foreigners who make things Americans want to buy. The bill would do most Americans great harm. It would torpedo the negotiations for more liberal world trade that President Reagan urged at the Tokyo summit.

But the House bill is not intended to become law. It is put up as a target for the Senate to shoot down or for Reagan to veto if the Senate fails. Then in next fall's election campaigns, Democrats can claim that they tried to save U.S. jobs from foreign competition, but Republicans wouldn't let them.

At least we hope the Republicans won't. Legislators often pretend to favor a bill they know is bad, relying on the bill's eventual defeat by other legislators or by a veto. On small matters that sort of flummery may be forgivable. But large matters are different because mistakes are more dangerous. Trade is a large matter. The House Democrats' bill is truly dangerous.

For instance, it includes a boneheaded protectionist provision that would require West Germany, Taiwan and Japan to reduce their trade surpluses with the United States by 10 percent a year for the next four years. That sounds tough, all right. But so rapid a turnaround in trade with those nations would only be possible if they or this country kept their products out of the United States by high tariffs or low quotas. Either way, U.S. consumers would face higher prices and less choice among those countries' products. And either way, West Ger-

many, Taiwan and Japan might counter U.S. trade restrictions with barriers of their own against U.S. products. That would sound tough, too. But the outcome for all sides would be less trade and lower living standards.

We doubt many Democrats want that result. They probably prefer that the lower-valued dollar and increased competitiveness of U.S. industry be allowed to improve trade balances without clumsy attempts by government to intervene in particular industries. And as long-time internationalists, most Democrats presumably favor multilateral efforts to build trade in a world market, not unilateral protectionist efforts for short-term gains.

Democrats should not leave it up to Republicans to defeat the self-destructive House trade bill. They should drop the charade and do the job themselves.

BOTH U.S. RADIO BROADCASTING FACILITIES IN EUROPE THREATENED

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. COURTER. Mr. Speaker, during the last few weeks the whole world has recognized one of the most cruel features of life under Soviet rule: The Soviet leaders' flat refusal to provide either their own or any other people with meaningful information about immediate threats to their life and health. The unprecedented nuclear catastrophe at Chernobyl is now thought by medical experts to affect 100,000 Russians whose health will have to be monitored for years. Yet for days the Soviet Government remained silent about the ongoing events, using such preposterous excuses as the claim that foreign governments are shut down on weekends.

The need for public information is manifest, in the free world and especially in Soviet-dominated areas. Almost the only news about Chernobyl received behind the Iron Curtain was broadcast by Radio Europe and Radio Liberty. These stations have been providing an essential service to the Russian and other East and Central European peoples for decades. They are one of the most significant demonstrations of our friendship as well as a powerful force for peace, because understanding and knowledge have always been the way to peace.

But now because of budgetary constraints and exchange rate instability, the radio stations are jeopardized and may have to cease broadcasts after July 4. It would be ironic and tragic for this to happen now, when the radios have just shown how essential they are to the information-starved peoples behind Soviet lines.

The following article by Malcolm Forbes Jr. convincingly argues the case for emergency supplemental funding now being considered by Congress. I believe the mutual hopes for peace and friendship between Americans and Russians would be fostered by continuing Radio Liberty and Radio Free Europe broadcasting.

A THREAT TO BOTH U.S. RADIOS IN EUROPE

(By Malcolm S. Forbes Jr.)

Radio Free Europe and Radio Liberty are in jeopardy.

The Chernobyl nuclear disaster emphasized the importance of these stations to the peoples of Eastern Europe and the Soviet Union. As press accounts have confirmed, the stations have been a source of breaking news for audiences in the Soviet bloc and have also provided listeners with the practical advice on survival that one might expect of a radio station in this country at times of national or local emergency.

Despite severe jamming, except in Hungary and Rumania, more than 50 million adults behind the Iron Curtain listen to the stations at least once a week. One clear reason for this is that the stations try to concentrate on local events and trends. They are, in that sense, a surrogate domestic radio service for each of these countries.

Yet Radio Free Europe and Radio Liberty may have to stop broadcasting by July 4.

The immediate problem is this: since the bulk of their operations are in Munich, two-thirds of the radio's costs must be paid in West German marks, not dollars. That's no problem as long as the value of the dollar does not change. But it has—with a vengeance.

The Administration assumed, for buying purposes, a dollar-mark exchange rate of 3.08 marks to the dollar when the 1986 fiscal year began last fall. Since then, of course, the dollar has plunged, and now buys only 2.17 marks. With an operating budget of around $100 million (which comes entirely from funds appropriated by Congress), this means that the stations face a shortfall of more than $22 million. This represents a cut nearly five times larger than the Gramm-Rudman-Hollings reduction that the operation described earlier this year. In a matter of weeks, the stations will run out of cash.

An emergency supplemental measure is before Congress that provides, among other things, for an appropriation that would make up the devastating foreign exchange shortfall. Support for the full $22 million is imperative if the radios are to continue operating. Congress has always given strong bipartisan support in the past. The question is whether it will do so in an era of tight budgets.

Unfortunately, the emergency supplemental appropriation is part of a larger bill that contains numerous items the Reagan Administration opposes. The White House has indicated it may veto the bill in its present form. The Munich operation would then become a victim of a dispute between the executive and legislative branches not of its own making. Delay in funding might prove as deadly as denial.

We have little room for maneuver. During the 1970's, shrinking budgets forced the radios to cut personnel from 2,700 to 1,700.

The falling dollar is the immediate peril. But there is a longer-term danger: many of our transmitting facilities are outmoded. For every dollar we spend on broadcasting, the Soviet Union spends the equivalent of $3 to block the signal. That's why our outdated transmitters must be rehabilitated. There's no point in broadcasting if the message can't get through.

Though the costs are small potatoes by Washington standards, the radios play a vital role for the United States and the West. Change in the totalitarian societies of the Soviet bloc won't come about on the battlefield in this nuclear age. It will come about through internal pressures such as those that brought Solidarity into existence in Poland. Jerzy Urban, the Polish Government spokesman, is on record as saying, "If you would close Radio Free Europe, the underground [Solidarity] would cease to exist."

In the short term, the existence of Radio Free Europe and Radio Liberty is jeopardized by the falling dollar. In the long term, the lack of money to rehabilitate our transmitting facilities poses an equal threat. Congress should pay close attention.

WHY SHOULD WE DECIDE IN THE DARK ABOUT COMPENSATION LAWS AND PROGRAMS?

HON. JOHN E. PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. PORTER. Mr. Speaker, one of the public responsibilities we acknowledge in America today is the provision of very basic help for those who truly cannot help themselves. As a society we believe that no one should be allowed to starve or to suffer needlessly when they have absolutely no means of self help. Fortunately, our society is one with means, both private and public, to respond to many of its compassionate concerns.

One issue which is, therefore, permanently on the agenda of the legislative branch in Congress and state legislatures is the structure and type of assistance and compensation systems that should be funded with taxpayer money. I have been looking particularly into the issue of the public compensation systems that provide help when people are injured, often through no fault of thier own. The perceived gaps in public and private compensation systems are one factor pushing the courts to expand the concept of fault in liability cases, as a means of providing more adequate compensation to injured people. The gaps and overlaps in compensation for injuries also raise fundamental public policy issues of equity and overall fiscal and budgetary responsibility.

I have found, surprisingly, that we lack the most basic data on the incidence of personal injuries and accidential illnesses in the American population. No comprehensive national survey of the way that people get compensation or support themselves in the aftermath of an unexpected accident has ever been done. In Britain a major national study of this type has just been completed at Oxford University under the auspices of the Social Science Research Council and produced some fascinating results.

It is imperative that American legislators and executive branch agencies and private organizations which are major actors in the compensation systems quickly gain a better understanding of what is going on in our own country. Perceptions of the present situation, which may or may not correspond to the unexamined reality, are creating a legislative environment for fundamental shifts in Federal State relations, particularly in the areas of tort and insurance law. These changes may well turn out to be counterproductive. We remain

in the dark, however, in projecting the consequences because we do not even understand the present situation.

I have participated in many discussions on the subject of liability; the need for better understanding of the objective facts of the situation is raised by every party in these discussions. State officials lack data to help guide their decisions on public assistance priorities and tort and insurance regulation. Members of Congress face decisions on more than 100 new legislative initiatives in a virtual information vacuum. Judges, juries, lawyers, businesses, municipal officials, professionals, and the public lack confidence in their judgment of what is reasonable behavior and reasonable compensation.

As we face the broader issues of what Government priorities should be in an era of budgetary austerity and how we can get both efficiency and fairness in the interplay of public and private compensation systems, including the tort system, we simply must have better data. We must have it for intelligent debate on the appropriate targetting and affordable levels of public compensation programs like Social Security Disability Insurance, workers' compensation, Medicare, and Medicaid. We must have it, along with parallel research by legal scholars into changing tort doctrines, to understand how to restore the balance between risk taking and risk avoidance so that liability problems do not continue to slash business innovation and productivity, employment, high-risk medical care, and municipal services.

I have been working with the General Accounting Office and with the Department of Health and Human Services to encourage them to make this study a priority for their research in the coming year. This research project may well merit private support as well, since it will enable both Federal and State Governments to make informed policy choices for the future on compensation matters which are of vital importance to the private sector. Universities and other research organizations should be encouraged to explore the many questions of interactions among the compensation systems which data from such a study could illuminate.

If a national date base can be collected, of sufficient comprehensiveness and detail to show how current sources of compensation and support interact at both national and State levels, it could be a catalyst for future movement beyond the current sterile debates and partial solutions to a more fundamental rethinking of national priorities in the compensation field.

SOUTH AFRICA: ACTIONS SPEAK LOUDER THAN WORDS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. DOWNEY of New York. Mr. Speaker, actions speak louder than words. That seems to be the motto of South Africa. The South African Government has violated the sovereignty of three of its neighbors, Botswana, Zambia, and Zimbabwe. It has callously murdered three people, and wounded countless others.

The message it has sent to those who are currently attempting to find a peaceful resolution of the crisis in South Africa is: talk all you want, we have the military force and we will use it at will.

South Africa has demonstrated once again its contempt for law, for morality and for its greatest fan—the Reagan administration.

The Reagan administration has bought the Botha regime time because it has argued that given enough time, Mr. Botha will bring about the reforms in apartheid he so passionately seeks.

The administration served as midwife to the Lusaka Agreement and the Nkomati Accord, both of which have failed to produce peace in their time. The South Africans have not ended their support for the rebels seeking to overthrow the Government of Mozambique, as they promised to do in the Nkomati Accord. The attack on Zambia finally puts an end to any hope that the Lusaka Agreement will be carried out.

Why then, Mr. Speaker, does the administration continue to march with Pretoria? We have had the by now customary statement of outrage by a Presidential spokesperson. But that is all. It is still business as usual. Perhaps our Ambassador will be recalled briefly. But just as surely he will return and his return will assure Mr. Botha that he is free to continue the murderous and racist policy of apartheid

Isn't it time to do something more—to rip the cloak of sanctimony from Mr. Botha's claim that he is merely preserving Western values? Isn't it time to do something? The South African Government knows that actions speak louder than words. It is time for the administration to act, not just to speak. It is time for sanctions.

JOSEPH R. MESKO: SMALL BUSINESS PERSON OF THE YEAR FROM PENNSYLVANIA

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. McDADE. Mr. Speaker, I rise today to recognize an outstanding small business owner from the 10th Congressional District of Pennsylvania, Joseph R. Mesko. Mr. Mesko, president of the Mesko Glass & Mirror Co., Inc. in Scranton, PA, is one of the Small Business Persons of the Year. This award is given annually to small business owners whose achievements best exemplify America's entrepreneurial spirit.

Joseph Mesko started the glass business with his brother in 1941. When his brother passed away in 1946, Mr. Mesko quit college and bought the business from his sister-in-law, using all his savings to do so. In 1 year, the company had 10 employees and $30,000 in sales. The business kept increasing in the Scranton area and Mesko saw the need and opportunity to expand his business to nearby communities. Mr. Mesko entered into some new areas of the glass business with greenhouses and commercial store fronts, providing an architect to work with clients on these projects. In 1972, he started Thermolite which manufactures insulated glass, due to customer concern over energy conservation. He also started to supply steel doors. Mr. Mesko is still planning to expand his shop and begin fabrication of store front operations. The firm now, 40 years later, has 104 employees with sales of over $4.5 million. Mesko Glass Co. started as a family business and continues to remain one, with 9 of his 10 children currently working in different areas of the business. Mr. Mesko is also active in the community.

Mr. Speaker, it is a great honor to join with the residents of the 10th Congressional District in congratulating Joseph Mesko on his being chosen one of the Small Business Persons of the Year. I ask my colleagues to please join with me in wishing him every success in the future.

FARM GROUPS OPPOSE TRADE BILL

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. FRENZEL. Mr. Speaker, printed below are letters from the Farm Bureau and from the National Grange which represent many farm groups in opposition to the trade bill. Since agriculture would be the prime target for retaliation by our trading partners should this bill become law, it's easy to see why these groups oppose the bill.

This important industry can't stand much more hard luck, particularly one precipitated by our own Government. I hope that my colleagues will heed their advice.

The two letters follow:

NATIONAL GRANGE,
Washington, DC, May 19, 1986.

Hon. BILL FRENZEL: Many of the legislative proposals to deal with our international trade deficit problems, including major elements of the House "Omnibus Trade" bill (H.R. 4800—The Trade and International Economic Policy Reform Act of 1986), pose serious dangers for our U.S. agricultural export markets. We urge you to weigh these issues carefuly before supporting any measure such as H.R. 4800 which includes undue restriction of Presidential authority to consider all national interests and which has other proposals that would not conform to our obligations under the General Agreement on Tariffs and Trade.

Such proposals to deal with our very serious international trade problems would bring retaliatory action against our agricultural and other exports, would in other ways reduce the ability of our trading partners to purchase U.S. products, and would seriously jeopardize our chances for success in a new round of multilateral trade negotiations aimed at dealing with these problems more appropriately through an improved system of international trading rules.

While we agree that more aggressive action is still needed in the interests of the U.S. trading community to deal with unfair competition, the proposals of H.R. 4800 intended to strengthen Sections 201 and 301 of the Trade Act of 1974 have not been properly designed and would bring more damage than benefits to our national trade interests.

We would be pleased to join with Congressional and other trade leaders in encouraging the Administration to step up still further its Section 301 and other initiatives of recent months, and to hold firm in its expressed intent to gain major improvements and reforms in the GATT through a comprehensive new round of negotiations which puts export subsidies and other critical agricultural concerns on the highest level of priority.

We believe that these issues of such great national importance deserve further consideration, in order to eliminate the dangers that we see in some of the proposals of H.R. 4800.

American Soybean Association.
Farm & Industrial Equipment Institute.
Grain Sorghum Producers' Association.
Millers' National Federation.
National Association of Wheat Growers.
National Grange.
National Soybean Processors' Association.
National Turkey Federation.
The Rice Millers' Assocation.
United Fresh Fruit & Vegetable Association.

AMERICAN FARM BUREAU FEDERATION,
Washington, DC, May 9, 1986.

Hon. WILLIAM FRENZEL,
U.S. House of Representatives, Washington, DC.

DEAR REPRESENTATIVE FRENZEL: Last week the Ways and Means Committee approved an omnibus trade bill that, it adopted in its present form, would represent a major setback for U.S. agricultural export interests.

The American Farm Bureau Federation represents three-fourths of all farmers producing virtually every agricultural product in the United States. Because of the crucial importance of exports to American agriculture, our members have adopted a clear policy opposing protectionist legislation that would result in foreign retaliation against our trade. There are several such measures in the current bill.

The following represents our views on some of the proposals that have surfaced on key elements of the trade bill:

SECTION 201. IMPORT RELIEF FROM FAIR TRADE

Many proposals for improvements to Section 201 stem from unhappiness with the President's refusal to accept the International Trade Commission's [ITC] recommendation for import relief on shoes last year. As a consequence, one proposal would remove the President's override authority in Section 201 cases on the basis of overall national interest. Farm Bureau cannot support this change. Eliminating the President's ability to decide whether import restrictions on fair trade is in the overall national interest would no doubt harm U.S. agricultural trade much more than help it.

Another proposal would allow trade relief if imports are determined to be simply "the cause" of injury to a domestic industry rather than a "substantial cause" of injury. Farm Bureau cannot support this change because it would open the gate to a flood of requests for import protection, which would result in retaliation against U.S. agriculture. It would also result in other countries adopting similar requirements on our trade.

Fast-track emergency procedures for perishable agricultural products have been proposed. Farm Bureau strongly supports fast-track provisions consistent with the General Agreement on Tariffs and Trade (GATT).

Farm Bureau supports the proposal in the bill to require a study by the U.S. Trade Representative (USTR) and the U.S. Department of Agriculture (USDA) on the possible impact on U.S. agricultural exports resulting from import restrictions under Section 201.

SECTION 301 RELIEF FROM FOREIGN UNFAIR TRADE PRACTICES

The most significant proposal for improving Section 301 would establish mandatory deadlines for investigations and retaliatory actions. Farm Bureau supports this concept, consistent with our international obligations, as the most effective means of making the 301 process work to the advantage of U.S. producers. These improvements should be made in conjunction with major changes in the GATT dispute settlement mechanism.

Any measure, such as that contained in the bill, providing for mandatory action against foreign countries having trade surpluses with the United States would be strongly opposed by Farm Bureau.

Farm Bureau also opposes provisions that would bring labor issues into international trade considerations. Such provisions would be unworkable and would result in a large-scale increase in trade disputes and retaliatory actions at a time when the world should be seeking a reduction in such problems.

COUNTERVAILING DUTIES

Among the suggestions for improving the countervailing duty law is one prohibiting foreign export taxes from providing the basis for suspension agreements (i.e. foreign export taxes on subsidized or dumped products cannot be used to avoid U.S. countervailing or antidumping duties). This is clearly consistent with our policy.

Another proposal involves the problem of "producer standing" in trade relief cases where producers of raw farm products have been ineligible to participate in some trade complaints on processed agricultural products. The language contained in the bill, which is supported by Farm Bureau, would represent a major improvement in current ITC procedures.

NEGOTIATING AUTHORITY

The trade bill proposes to grant authority to the Administration to enter into trade negotiations and calls for changes in GATT rules. Farm Bureau can support this as long as agriculture is a top priority, especially with respect to improvements in international rules on subsidies and the dispute settlement mechanism.

Farm Bureau supports legislation that would close the present loophole resulting from the Caribbean Basin Economic Recovery Act that allows the duty-free importation of non-Caribbean ethanol products by essentially transhipping them through Caribbean countries with minimal processing.

Lastly, Farm Bureau will support incorporation of legislation in the trade bill requiring the labeling of imported products according to country of origin, legislation such as that introduced by Congresswoman Bobbi Fiedler (R-CA) (H.R. 4337).

Farm Bureau's trade interests extend well beyond the issues raised in this letter. Our major concern is that U.S. and world economies continue to grow. Increased overall trade is vital to economic growth and, in turn, to U.S. farm income. Any future trade legislation must be weighed, in the final analysis, against its overall contribution to increased trade and growth. Fighting over a fixed or shrinking economic pie is a losing proposition for U.S. agriculture and the nation.

Farm Bureau is not opposed to positive trade legislation. There are areas where we believe U.S. trade statutes could be improved and some of our specific suggestions are, in fact, included in the current bill. On balance, however, the negative elements of this bill make it unsupportable by U.S. agriculture.

We urge you to remove protectionist elements of the legislation and keep it from being what certainly now is an agricultural trade.

Sincerely,

DEAN R. KLECKNER,
President.

KEEP EMBASSY FLOOR PLANS OUT OF THE HANDS OF TERRORISTS

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Ms. SNOWE. Mr. Speaker, today I am introducing legislation to close a loophole in the Freedom of Information Act that could allow international terrorists to obtain detailed floor plans for U.S. embassies and other diplomatic facilities. Specifically, the legislation allows the Secretary of State to withhold design and construction plans for a diplomatic facility if disclosure threatens the security of that facility or endangers the lives of those who work there.

I support the Freedom of Information Act, and believe that it both symbolizes our open society and strengthens our democratic political system. But the authors of the act never intended it to be a tool for terrorists, which, as the result of legal precedent, is exactly what it has the potential of being.

The Freedom of Information Act, as currently written and administered, permits the withholding of sensitive classified information. The presumption is, however, that all requests for unclassified materials will be honored. The State Department controls access to blueprints and other sensitive plans during construction, but many of these plans are controlled as proprietary information, not as classified information, due to the magnitude of the embassy construction process. The costs of building an entire embassy as a fully classified project would be prohibitive. It would balloon the cost of building embassies and actually reducing our ability to rebuild or refurbish many of our insecure embassies overseas.

To build an entire embassy as a classified project, every worker on an embassy site, from a bricklayer to those who deliver cement, would have to be Americans with a full security clearance. This would go far beyond even the provision in the Diplomatic Security Act that passed the House last month requiring all contractors and at least 80 percent of all supervisory personnel to be Americans.

Although no one has yet sought the plans for U.S. embassies through the Freedom of Information Act, if requests are made they could not be denied. The time for us to correct this loophole in the legislation is now, before such requests might compromise the

safety of U.S. embassies and diplomats around the world.

I urge all of my colleagues to support this modest adjustment in the Freedom of Information Act. Keeping blueprints for U.S. embassies out of the hands of terrorists is the least we can do to protect those who risk their lives serving U.S. interests overseas.

IS THE ABM TREATY A HOSTAGE?

HON. NORMAN D. DICKS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. DICKS. Mr. Speaker, I rise to express my deep concern that the administration may be engaged in an act of political terrorism.

Yesterday, the fiscal year 1987 arms control impact statements were released. These annual documents are the most comprehensive statement of administration policies on strategic programs and their implications for arms control.

This year, the statement on the strategic defense initiative includes the following passage:

In October 1985, the President determined that as long as the program receives the support needed to implement its plan it is not necessary to restructure the SDI program toward the boundaries of treaty interpretation which the United States could observe.

Does this mean that compliance with the ABM Treaty is being held hostage to Congressional support for funding the full SDI budget request? Was this the real purpose for the revised Treaty interpretation which suddenly appeared last year?

I hope this is not the case. Adherence to the restrictions of the ABM treaty is a question of utmost importance with immense national security implications. Any decision on the treaty must be made on its own merits, not as an exercise in political arm twisting. Until we know whether SDI can in fact support the introduction of defenses it makes no sense to eliminate the only constraint on an offensive/defensive arms race.

In light of this new statement, I believe it is even more important for the Congress to go on record in support of current policy, to keep meaningful constraints on the Soviets as well as ourselves. I have introduced House Concurrent Resolution 336 to express this Congressional support and urge my colleagues to join as cosponsors.

MAJORITY LEADER SALUTES WORK OF HOUSE SELECT COMMITTEE ON HUNGER AND CHAIRMAN MICKEY LELAND

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. WRIGHT. Mr. Speaker, as the Nation prepares to show its concern for the hungry and homeless through Hands Across America on Sunday, May 25, this body can take pride in the House Select Committee on Hunger for having provided a singularly effective focus on hunger for the past 2 years. It is the only institution in the U.S. Government addressing the specific issue of hunger and malnutrition at home and around the world.

During a period of increasing concern about the human suffering caused by famine and poverty, the committee has been a unique resource for Members of Congress and interested citizens.

The committee is responsible for helping save numerous lives through bipartisan efforts that assured adequate relief funding to famine victims in Ethiopia, Sudan, and 20 African nations. Beyond that, millions of children in poor nations will survive because the committee demonstrated the value of increased support for vitamin A supplementation, immunization, oral rehydration, and other primary health care intervention in the cycle of malnutrition and disease that wipes out the lives of more than 30,000 children every day.

A belief that the great productivity of American farmers should be more effectively used to eliminate hunger has been an operating principle of the House Select Committee on Hunger. Last year, through the farm bill, the committee took the lead in expanding the kinds of quantities of commodities—in the section 416 surplus removal program—available to less developed countries and strengthened the developmental impact of the Food for Peace Program.

The committee has pursued new developmental approaches to assisting small farmers in Africa and throughout the world. Through hearings, reports, and a major study by the Office of Technology Assessment, the committee is also demonstrating the enormous potential of credit availability expansion for the poor and hungry.

The hungry people in the United States have been an equal concern of the committee—particularly children, the homeless, the elderly, and other susceptible to the damaging effects of malnutrition. No nation in which 8 million people are unemployed and 33 million people live below the poverty level can cease to examine the dangers of hunger and malnutrition.

We have a far better understanding of the causes and results of hunger in the world and in our own country because the committee continues to study and analyze the nature of this as yet undefeated enemy of humanity. The committee reflects the commitment of the American people and the Congress to a sustained fight and, as such, the committee should be maintained until success is achieved—and hunger is eradicated.

For all these reasons, then, I offer a salute today to the House Committee on Hunger and its distinguished and hard-working chairman, MICKEY LELAND.

To Mr. LELAND, the task of heading this committee is not just another routine legislative responsibility but further an opportunity to exercise his own deeply held personal commitment to assist those in our world who suffer and die simply for lack of food.

Through Chairman LELAND's strong, compassionate leadership, the Congress has become more sensitive to the problems of poverty and scarcity, and the world has been given an opportunity to view the United States of America in its humanitarian concern for the hungry, both at home and abroad.

CALL TO CONSCIENCE VIGIL FOR SOVIET JEWS

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. HOYER. Mr. Speaker, for 10 years Members of this Chamber have risen in the conscience vigil to remind ourselves and the world of the plight of Soviet Jews. Today I reintroduce the case of a man who has sought to practice his religion, preserve his culture and emigrate to Israel. For seeking to realize these desires, Iosif Begun [pronounced YOsef Beh-GOON] was sent first to internal exile, then to hard labor camp, and now to prison.

Fifteen years ago, in 1971, Iosif Begun first applied to emigrate to Israel. The Soviet authorities' response to his application was to remove him from his post as senior research fellow at the Moscow Central Scientific Research Institute for Economic Problems. He could no longer find work in his field, applied mathematics.

Iosif Begun petitioned the Soviet authorities to allow him and others to teach Hebrew, which he considered a vital means of transmitting Jewish culture. He and his fellow refuseniks were denied permission. So he tutored Hebrew privately—and was arrested for "parasitism," the crime of not working. He spent 1 year in internal exile, and upon attempting to rejoin his family was arrested for violating the internal passport regulations. This time he spent 2 years in internal exile.

In 1982, Iosif Begun was tried for anti-Soviet agitation and sentenced to 7 years of hard labor and 5 years of internal exile. Presently he is serving his sentence in Chistopol Prison, cut off from family and friends. He continues to practice his religion. And he continues to hope to emigrate to a land where faith and teaching Hebrew are not considered crimes against the state.

On April 3 of this year, my colleagues in the Maryland House of Delegates passed a resolution to express support for Iosif Begun as he serves his third term. This commendable action on the part of the Maryland State Legislature indicates the deep commitment lawmakers at every level of government—from city to county to State to national bodies—have made to seek freedom for every Soviet Jew. We will not end our vigil until we have seen the gates of Jewish emigration from the Soviet Union reopen. And we will not be silent as long as Iosif Begun and his fellow believers remain imprisoned. Mr. Speaker, I respectfully request that a copy of the Maryland resolution be made part of the RECORD and appear right after my remarks.

Mr. Speaker, I would like to thank our colleague, Representative TOM KINDNESS, for organizing this year's conscience vigil for Soviet Jews. I am convinced that such appeals as ours are heard not just by the Soviet authorities, but also by those on whose behalf we

rise time and again to say, "Let our people go."

MARYLAND HOUSE OF DELEGATES RESOLUTION

Whereas, it has been brought to the attention of the Maryland House of Delegates that the civil liberties and human rights of Iosif Begun have been repeatedly denied by the Soviet government and,

Whereas, Iosif Begun has been prohibited from expressing his religious beliefs through the teaching of Hebrew and,

Whereas, Iosif Begun has been denied the right to practice and demonstrate his prominence in the field of technical sciences and,

Whereas, Iosif Begun has fought repeatedly for the right to emigrate but has met with resistance and subsequent hardships through incarcerations,

Now, therefore, be it resolved: That the Speaker, Delegate Marilyn Goldwater and the members of the Maryland House of Delegates offer their support and commendations to Iosif Begun for his ability to endure under extreme circumstances and duress,

And directs this resolution be presented on this 3rd day of April, 1986.

BENJAMIN L. CARDIN,
Speaker of the House.

STREAMLINE DEFENSE PROCUREMENT: REPEAL SECTION 917

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. COURTER. Mr. Speaker, many Members of the House and the other body have been effusive in their praise of the Packard Commission's recommendations for defense acquisition reform. However, it is apparent that there is a reluctance to take some of these recommendations to heart, to put the words into action.

Specifically, the Packard Commission made the following observation:

A streamlined organization for defense acquisition is not enough. It must be matched by streamlined procedures. Over the years, Congress and DOD have tried to dictate management improvements in the form of ever more detailed and extensive laws and regulations. As a result, the legal regime for defense acquisition is today impossibly cumbersome * * *. The sheer weight of such requirements often makes well-conceived reform efforts unavailing.

One of the most notorious set of defense procurement requirements is known to most of my colleagues as section 917, or the "Work Measurement Rules." As envisioned by the distinguished Congresswoman from California and the Member of the other body from Iowa, the data provided by defense contractors under these rules would ensure that the defense industry does not bilk the Defense Department and the taxpayers by overcharging for employee labor and related costs.

The objective of section 917 is unassailable, but the actual implementation threatens to become a paperwork nightmare. We all know that with paperwork come production delays and additional costs. Assistant Secretary of Defense James Wade has estimated that the yearly costs of section 917 compliance may be as much as $250 million. One major company in the defense industry estimates its initial implementation costs for section 917 compliance at $25 million, with yearly costs of $8 to $10 million thereafter. These costs will eventually be passed on to the taxpayers.

Section 917 became part of the fiscal year 1986 Defense Authorization Act without the benefit of hearings by any committee of the House. The sales pitch for the requirement on the floor was irresistable: Let's force the unscrupulous, untrustworthy defense industry to provide volumes of historical data on labor and materials costs, production costs, and price quotations for future work by subcontractors, so that we may better judge a contractor's efficiency.

In addition, section 917 requires that this data be recorded and provided in a single, specific format. Even the smallest widget manufacturers must comply with section 917, and spend tens of thousands of dollars in the process.

Another of the most attractive selling points for section 917 was the mistaken notion that the required data would be provided before a contract award, so that costs could be evaluated before taxpayer's dollars were committed. In fact, the important data on contractor pricing and negotiating strategy do not even exist before a contract is awarded and the product design is completed. Section 917 also requires work measurement data for development contracts, but these data are also not available until the development is completed and much of the money is already spent.

Part of the inspiration for section 917 was a desire to apply commercial production standards to a uniquely military enterprise. In many instances, this is a worthy goal, because, in principle, it ensures that the Defense Department will not contract for expensive gold-plated specialty items when available commercial items will do the job for a lower cost. However, it must be understood that the defense industry is like no other industry in the world. it responds to one specific market's demand and, in many respects, it requires unique standards to measure its performance.

However, under section 917, commercial measurement standards will be inappropriately applied to numerous unrelated defense industry tasks. Each of the many separate operations in defense production, from simply picking up an object to machining a part on a computer-controlled lathe, will be subject to a work measurement standard. One New Jersey defense manufacturer told me that even the act of loading defense electronic components onto a transport truck will be covered under section 917. As a way of reducing costs and increasing efficiency in the defense industry, section 917 is clearly self-defeating.

It may also be that those who support section 917 are not aware of the burden that the rules would impose on small businesses interested in defense procurement. Because the rule applies to all negotiated contracts and subcontracts in excess of $100,000, many small businesses will be swept up in a net designed to capture large corporations.

Congress has been trying to encourage more small businesses to join the defense industrial base, in order to increase competitive pressure and broaden expertise in specialized production skills. Implementation of section 917 can only have a chilling effect on this process, as many small businesses, already intimidated by existing procurement regulations, simply give up and stick with more flexible and predictable commercial contracts.

The question that should be applied to all military procurement reforms is: Does this reform improve the procurement process, so that the taxpayers get the best product for the lowest cost in the shortest time? It is not at all apparent that section 917 improves the procurement process, although it most certainly complicates and unduly prolongs it. This would appear to be regulation for its own sake, micromanagement elevated to an art form.

Our obligation, then, seems clear and unambiguous. We should repeal section 917 before its damaging effects radiate out into the defense industry. The repeal of section 917 will still leave in place thousands of regulations and reporting requirements to help us keep a close eye on the defense industry. We will be increasing defense procurement efficiency by eliminating one onerous bureaucratic reporting requirement which, if implemented, would aggravate the near-paralysis that already grips the defense procurement process. I urge my colleagues to give favorable consideration to the section 917 repeal legislation that I am introducing today.

RECENT ADDRESS BY JONAS SAVIMBI, PRESIDENT OF UNITA, TO A GROUP OF BLACK JOURNALISTS

HON. MARK D. SILJANDER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. SILJANDER. Mr. Speaker, my office recently received a copy of a speech which Dr. Jonas Savimbi, president of UNITA, addressed to a group of black journalists.

This speech clearly shows that Dr. Savimbi and UNITA in Angola have the support of black Americans. This speech also demonstrates the sincere and democratic intentions of UNITA.

I would like to share with my colleagues this speech. I believe that it will shed more light on the issues which surround the debate concerning U.S. support for UNITA. I hope it will relieve any apprehensions my colleagues may have in supporting UNITA.

PREPARED REMARKS OF HON. JONAS SAVIMBI, PRESIDENT, NATIONAL UNION FOR THE TOTAL INDEPENDENCE OF ANGOLA

I am very pleased to be with you this afternoon. It is always good to come to the beautiful "Capital City" of the free world.

In my previous travels to the United States, I did not have much of an opportunity to talk with many black journalists. With the exception of Leon Dash of the Washington Post, who spent many days and nights in the bush with us, there have been few opportunities to discuss the Angola issue with black journalists.

Therefore, prior to my visit, I directed my Foreign Secretary, Jeremias Chitunda, to arrange a function for black journalists as well as other special guests such as we have

here today. I think that it is important that black Americans hear my views directly and not have them filtered by various media interpretations and by those who have other interests.

Given some of the misinformation which I have read since my arrival, it is especially important that I have this opportunity today to address black journalists and other members of the black community. You should know that this is the only function during my entire stay in your country that UNITA is sponsoring.

I wanted to tell you my side of the UNITA story—why we do what we do and what we hope to accomplish.

I have been struggling against colonialism and foreign domination for 28 years. It began against the Portuguese. When colonial Africa was being divided by the Europeans, we were not invited to sit at the table. We thought colonialism had ended. But, it has now returned and continues in Angola with the Cubans, the Russians, the North Koreans and Portuguese Mercenaries.

We want reconciliation, harmony and the right to have open and free elections in Angola. In this regard, we are no different than the people of the District of Columbia who, for many years, fought to obtain Home Rule and voting rights. In the District of Columbia, after many years of effort, you now have an elected mayor, city council, school board and other local offices. That's what we want in Angola. The right to have elections to make our leaders accountable. What is wrong with that?

Contrary to the views of our opponents, UNITA shares the same desires for self determination as do the people of the District of Columbia. Just as your Congress ended the bondage of the District by enacting Home Rule, we hope that it will give UNITA aid so that we might release ourselves from the bondage of the MPLA's slavery.

Also, here in America, you have the right to free speech, religion and other basic freedoms of which we still dream and fight. In Angola, we have the repressive MPLA government which is propped up by the Soviet Union, Cuban troops numbering over 35,000, 1,500 Soviet advisors, 2,000 North Koreans, 2,500 East Germans and over a thousand Portuguese mercenaries. How would you like that in your backyard? You would not in the District, Maryland or Virginia, and we do not want it in Angola. That's what this fight is all about.

As you know, there have been a few demonstrators during my visit. In your country you have the right, we do not. These demonstrators are very interesting. They demonstrate against me and UNITA—one man and one organization. Let them come to Angola and see how well they would do against 1,000 Soviet tanks, 200 Soviet Mig fighters and 160 Soviet helicopters. Then again, they had better stay in your country because if they come to Angola, they probably would end up driving the tanks and flying the helicopters and Migs against us for the Soviets.

If I can do anything today, I would like to correct some of the misconceptions and misinformation which has been circulated by our opponents and their allies in your country. I specifically direct your attention to the article from the Washington Afro American newspaper of December 28, 1985, which is in your packets, regarding a letter my Foreign Secretary, Mr. Chitunda, sent to Mr. Randall Robinson of TransAfrica.

As Mr. Chitunda stated, the allegations and statements made against UNITA by TransAfrica have been false, and misleading and only serve to confuse Americans, particularly black Americans. Today, I want to set the record straight.

One of the most successful tactics of our opponents, both black and white, has been to distort the truth regarding my relationship with South Africa. We are called puppets of the South African government. These allegations are an insult to the intelligence of black and white Americans. Our opponents feel that if they mention South Africa, black Americans will not look at the merits of our case. Apparently, I have more respect for the intelligence of black Americans then they do.

We accepted South Africa assistance because of the geopolitical realities of Southern Africa in which South Africa is by far the dominant economic and military power. Our critics know this but it would not suit their purposes to say otherwise.

They use South Africa as an issue against me and know full well that several black African states have ties to South Africa due to economic necessity. I do not hear criticisms of Mugabe in Zimbabwe for being a puppet of South Africa because he has a South African Trade Official in the Country.

I challenge you as black journalists and all reporters to start asking these questions. Scrutinize my views and positions, but please be just as diligent in examining the contradictions of those who criticize me. Is not that the role of a journalist? Do not judge me by a double standard!

The silence of UNITA's critics and the press on these and other issues is deafening and is probably nowhere more apparent than in the Cuban presence in my country. Here, we can see just how crafty the Soviets are. They give $2 billion in military assistance to the MPLA government, have the battles fought by predominatly dark skinned Cuban troops with white officers, all in the name of denying freedom and democracy to black Angolans.

I have no doubt that if there were free and open elections held today in my country that UNITA would have the votes of not only 65% of the people who now support us, but also the other 35%. We should at least have the chance to lose in a fair and open election process.

And what kind of government does UNITA believe in? UNITA would not allow the Soviets to strip our sea lane waters of the MPLA; UNITA would not have been in the disgraceful position of being one of the few countries in the United Nations which did not condemn the Russians for the Korean airline disaster; UNITA would not have allowed the Russians to use our airfields to launch spy missions against the British in the Faulklands crises; UNITA would not name streets after Karl Marx as has the MPLA and, UNITA would not join the Soviets in boycotting the Olympics. If there is any pupped in Angola, it is the MPLA government which allows Moscow and Havana to pull its strings.

Unfortunately, there are still too many in the United States, for whatever reason, who do not understand the real issues in our struggle. They hide behind the phony smoke-screen of South Africa saying that they are concerned about black South Africans, yet, they don't seem to care about black Angolans killing other black Angolans with Russia aid. Does a black life mean less if taken by a black Angolan or Cuban than if by a white South African? Does the color of the killer determine the degree of protest?

Finally, let me answer those who have called me a tribalists, a communist, a marxist and so many other names. First, I can not be communist and a puppet of South Africa. I am a Christian. How can I be a total of the CIA and at the same time be a marxist. And, just look around you and see how many we have from UNITA here today. They are from different tribes in different parts of our country. Our support is based upon nationhood and not tribalism. So, the critics are wrong again.

I challenge my critics and those of UNITA to come to Angola and see for themselves. To see all of us working together and fighting together as you have seen in the photographs in the back of the room. You will see how we help ourselves in food, health care, agriculture. You will see how we get and use our weapons—65% of which are captured. Come and see how my guerilla training in China has helped our effort. China was the best in Guerilla warfare and so I went to train with the best.

I am Jonas Savimbi and I want Angola free. For that and because of the forces we fight, I have been criticized and UNITA is attacked and are judged by a double standard of morality. All I want for Angola is what you have in America—a system of democratic institutions with people living in harmony.

In conclusion, I believe that America's vision was best characterized by the crew of the shuttle that met with disaster last week. There were women, white men, an Asian and a black American. That crew said all there is to say about your country. I want a country in Angola that is free so that we too can have the same kind of society. Thank you very much and God be with you.

THE INEQUITY OF THE TAX REFORM ACT OF 1984

HON. ROBERT LINDSAY THOMAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. THOMAS of Georgia. Mr. Speaker, I rise in strong support of legislation being introduced today by my friend and colleague, the Honorable DOUG BARNARD. This bill relates to a major inequity that has come about through an Internal Revenue Service interpretation of a provision of the Tax Reform Act of 1984.

This inequity centers on the imposition of a tax on persons riding on corporate aircraft in seats that would have otherwise gone unoccupied on business-related flights. In the past, corporate aircraft operators routinely have allowed the family members of employees or others to occupy these empty seats. But under the new IRS ruling, the persons "hitching" a ride would be subject to a tax, and the aircraft owner would be subject to a nightmare of determinations and accounting procedures.

In some cases, a passenger would be subject to a tax on one portion of a trip, but not on another. In some cases, as many as 13 separate accounting procedures will be necessary to conform with the rules as they apply to a trip. In short, this will be a regulatory jungle of monumental proportions.

Clearly, this was not the intent of Congress. Commercial airlines and railroads can offer their unsold seats to employees and their fam-

ilies without such a tax. But corporate aircraft owners cannot, even though the trip is strictly business related and would be made with or without the empty seats filled.

In addition to the obvious inequity here, I am strongly opposed to the IRS regulations because of the powerful negative impact this will have on the market and the manufacture of corporate aircraft. In my own congressional district, the Gulfstream Aerospace Corp., employs 3,400 highly skilled persons with an annual payroll of $90 million. Any regulation that further burdens corporate aircraft owners will have a chilling effect on the operation of Gulfstream and similar facilities.

Mr. Speaker, I should point out that this is the worst possible time for general aviation manufacturers to suffer additional problems. Those manufacturers are already reeling under the poorest sales year since the industry began keeping records in 1945. They are being swamped by subsidized foreign imports, a crisis of liability insurance and radically altered marketing conditions. In 1978, our Nation produced 17,811 general aviation aircraft. In 1981, they produced 9,457. Based on projections from the first quarter of this year, the total sales for 1986 are estimated at only 1,400.

Clearly, the last thing general aviation needs today is yet another regulatory burden, particularly a burden will neither generate significant revenue nor was ever intended by the Congress to be implemented in the first place.

INTRODUCTION OF THE CONCURRENT RESOLUTION ON THE ESSENTIAL AIR SERVICE PROGRAM

HON. JOHN PAUL HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. HAMMERSCHMIDT. Mr. Speaker, today I am introducing a concurrent resolution expressing the sense of Congress that the Essential Air Service [EAS] Program should be maintained for at least the 10-year period for which it was authorized.

When Congress adopted the Airline Deregulation Act of 1978, it was concerned that giving the airlines new freedom over their routes and fares would result in the abandonment of air service to small communities. To prevent this, it included in the new law a provision to guarantee essential air service to these communities. Under this provision, any community that was listed on an airline's certificate when the Deregulation Act was passed was guaranteed essential air service, even if a subsidy had to be paid to an air carrier to provide it.

The law stated that the EAS guarantee was to remain in effect for a 10-year period; that is, until October 24, 1988.

For the past 2 years, however, the administration has proposed to eliminate this guarantee ahead of schedule. By doing so, they are asking us to break the 10-year commitment we made to the small communities of this Nation. The very existence of these proposals has cast doubt on the future of the EAS guarantee and has caused some airlines to reconsider their participation in the EAS Program, to the detriment of the communities involved.

In addition, there are rumors that the Department of Transportation [DOT] may reorganize their EAS Division in a way that could undermine the guarantees in the law.

It should be noted that the amount of Federal funds needed to support the EAS Program is very small and has been decreasing. A few years ago, more than $100 million per year was spent on this program. But during fiscal year 1985, only $33.6 million of a $41.4 million appropriation was needed. The President's budget estimates that $37.8 million will be spent during the current fiscal year, although actual expenditures may be somewhat less than that. Since carryover funds remain from prior year appropriations, the amount needed to fund the program in fiscal year 1986 could be reduced even further.

There are now about 50 small air carriers that receive the subsidy payments to serve about 150 small communities in 40 States. If the subsidy payments were to end, these communities would almost certainly lose all air service and be cut off from the Nation's air transportation system.

In addition, there are more than 400 communities in almost every State, territory, and possession that benefit from the essential Air Service Program even though their air service is not subsidized. These are communities for which the law requires DOT to establish essential air service levels. An airline serving one of these communities cannot terminate or reduce service below the established EAS levels unless it first gives advance notice to the community and to DOT. When DOT receives this notice, it must then prohibit that airline from terminating or reducing its service until a replacement carrier can begin service. This protects these communities from sudden and unannounced interruptions in air service. Without the essential Air Service Program, this protection would be gone.

The administration justifies its proposal to eliminate the EAS Program "in light of the overall success of airline deregulation." While it may be that the Nation's overall experience with airline deregulation has been successful, many small communities have not shared in this success. Indeed, this was to be expected and that is precisely why the EAS provision was included in the Deregulation Act. Although many small communities are now served by new commuter air carriers without reliance on EAS subsidy payments, most continue to benefit from the underlying EAS service guarantees and advance notice requirements in the current law. Others do depend on the EAS subsidy payments for their sole air link to the Nation's air transportation system. More importantly, these communities have the right to expect that we will live up to the 10-year air service guarantee that Congress gave them in 1978.

For these reasons, I invite Members of Congress to join me and other members of the Committee on Public Works and Transportation as cosponsors of the EAS resolution. If you are interested, please contact our Aviation Subcommittee staff at extension 63220.

THERE GOES THE NEIGHBORHOOD

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. WIRTH. Mr. Speaker, I call to your attention and to the attention of my colleagues the following editorial which appeared in the January 6 edition of Broadcasting magazine, and an enlightening letter in response by Dr, Dale L. Kunkel, a research fellow at the Center for Research on the Influences of Television on Children, at the University of Kansas, which appeared in the January 21 edition of Broadcasting.

Dr. Kunkel expresses his very compelling thoughts on the issue of children's programming which is designed solely for the promotion of toy lines, commonly known as "program-length commercials." I wholeheartedly agree with Dr. Kunkel that such a practice raises serious questions relating to the ever increasing commercialization of children's programming, and the ability of children to differentiate between programs and commercial content. In fact, I have introduced legislation which would direct the Federal Communications Commission [FCC] to begin an official inquiry assessing these questions and others related to the program-length commercial format.

Dr. Kunkel's thoughtful letter comes from the perspective of one who has extensively studied children's television programming, and who has greatly assisted the members and staff of the House Telecommunications Subcommittee in our analysis of this critical issue. I encourage my colleagues to read it.

[From the Broadcasting Magazine, Jan. 6, 1986]

THERE GOES THE NEIGHBORHOOD

This may come under the heading of shoveling sand against the sea, but we are constrained to protest the practice of inserting commercial messages in the context of dramatic programming in exchange for goods or services and even cash. The subject popped to mind last week during a CBS made-for-TV movies in which the hero, for no valid dramatic purpose, was diverted to pick up his Hertz car at a counter conspicuously so labeled. Whatever suspension of disbelief existed at that moment burst instantly in the realization that someone had just sold out something.

We're all long since inured to the blatant commercial bazaar that exists in game shows, with product mention and payoffs the order of the day. But one hopes it's not too late to head off the practice in other parts of the programming spectrum. This medium's big enough to pay its own way.

[From the Broadcasting magazine, Jan. 21, 1986]

COMMERCIAL CRITIC

EDITOR: I couldn't agree more with your Jan. 6 editorial, "There goes the neighborhood," which describes the growing practice of incorporating commercial messages within the content of entertainment programing. The incident that prompted the editorial was, in your words, a scene from a recent TV movie "in which the hero, for no

valid dramatic purpose, was diverted to pick up his Hertz car at a counter conspicuously so labeled." You needn't have looked so long or hard, however, to find a single such scene on which to base your commentary. A glance at virtually any of the first-run syndicated children's programs currently airing would reveal the unabashed promotion lines of toy products upon which these programs are based.

Such programing, commonly labeled as "program-length commercials" or "product-driven shows," has turned the standard practice of program/product liaisons on its head. Previously, programs were conceived and developed based on their ability to provide children with worthwhile entertainment and perhaps even some positive social values, with program-related products following the emergence of a show's popularity. Today, the decision to move forward on children's program proposals centers primarily on the new show's ability to attract the collaboration of a major toy manufacturer in the early conceptualization stages. Program themes and characters are then products that are constantly featured within the body of every program episode. Who needs 30-second commercials when you can have 30 minutes of product promotion instead?

It is only through the absolute abdication of any regulatory oversight of children's television by the present FCC that this type of programing arrangement has been allowed to emerge.

As your editorial so aptly states, "The medium's big enough to pay its own way." Given your concern with the growing commercialization found within adult dramatic program content, I think it only fair and consistent that you also speak out against the proliferation of program-length commercials in children's television.—*Dale L. Kunkel, research fellow, Center for Research on the Influences of Television on Children, University of Kansas, Lawrence.*

CUBAN INDEPENDENCE DAY

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. FASCELL. Mr. Speaker, today, May 20th, marks the 84th anniversary of Cuban independence and the first anniversary of Radio Marti. The convergence of these two significant events underscores a vital message for all of us—that freedom is fragile at best, that once won, it is never guaranteed, but must be protected and nurtured by each succeeding generation.

Clearly, there would be no need for Radio Marti if the freedom so valiantly wrested from colonial Spain by Jose Marti, Maximo Gomez, Antonio Maceo, and countless other Cuban patriots many years ago had not, in our lifetime, been stolen from the people by Fidel Castro and his followers.

Twenty-seven years of Communist dictatorship have not quenched the Cuban people's thirst for freedom. This burning desire is kept alive in the hearts of the island's captive people and by the hundreds of thousands of Cubans who were forced from their homeland, often with little more than the clothes on their backs, to take refuge in the United States. And it is kept alive by the Voice of America's Radio Marti which is the only source of balanced and unbiased information available to the citizens of Cuba.

Cuban Independence Day marks the culmination of a 30-year struggle to free this lovely island from domination by a foreign power, Spain. A foreign power in effect dominates Cuba again today—and so the struggle continues. Ultimately, the result will be the same, because no amount of repression can kill the longing of the people to live in dignity and freedom.

Many of those who fled Cuba in the past few decades represented that nation's brightest and best, and Fidel Castro's loss has become this nation's gain. Dedicated and hard-working, these exiles readily assimilated into south Florida; our traditions and values were theirs, and they soon became loyal and constructive citizens of this country. Cuban-Americans have enriched the econony, culture, politics, and lifestyle of their new homeland, and we are all the better for it.

Their successes are everywhere, from soaring bank buildings and thriving small businesses to the Cuban-American National Foundation, a group of prominent civic leaders and businessmen, chaired by Mr. Jorge Mas Canosa, who monitor human rights violations in Cuba and provide accurate information and research on issues to the media and the Congress.

Truth is a mighty weapon in the struggle for liberty and it is the weapon Castro fears most. For this reason, he has bitterly opposed Radio Marti. And for this reason, if for no other, Radio Marti deserved our support.

Today, as we join in celebrating Cuban Independence Day, we honor as well the vitality of the Cuban people and the contributions they have made to their adopted homeland. Above all, we share in their dreams that Cuba again will be made free.

To this end, all Americans, regardless of heritage, have a stake. To this cause, we share a common dedication.

GEORGE NELSON, LABOR'S ADVOCATE

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. LUNDINE. Mr. Speaker, several weeks ago, my uncle, George Nelson, died in Wilmington, NC, where he retired after serving as legislative director for the International Association of Machinists and Aerospace Workers for 30 years.

Ever since I was a young boy, I knew that being a lobbyist wasn't necessarily a dirty job. Uncle George was the only lobbyist I knew and he was a kindly, honest man with a wonderful sense of humor. When I was just learning to talk, he taught me how to say "International Association of Machinists" which amazed adults when they first encountered my uncle and me.

Later, during the 1950's and 1960's, when there were only a few lobbyists in this town, Uncle George took me around, introducing me to some of the great and powerful public servants of the day. I remember once sitting in the chair of then Vice President Johnson on the Senate side of the Capitol.

George Nelson really believed in labor's cause. He fought for better health care legislation starting in the 1940's. He was a strong supporter of the mediation process to resolve disputes.

He was a charter member of Local 1558 of the IAM in Jamestown, NY. His advocacy of labor's cause as a young man sometimes resulted in severe discomfort for my conservative grandmother.

According to family legend, George once got a large crowd to come to the Brooklyn Square section of Jamestown to hear then Senator Wagner speak on wage and hour laws; when George got home, Grandma sent him to bed without any supper.

George was a real character. He will be long remembered in Washington, particularly by his colleagues at the Machinists Union. They sent me the following biography which I wanted to share with the current Members of Congress, most of whom came here since George Nelson retired:

George R. Nelson, known as the dean of organized labor's lobbyists on Capitol Hill until his retirement in 1976, died Saturday, May 8, 1986. He was 75.

During his 30 years as legislative director for the International Association of Machinists and Aerospace Workers (IAM), Nelson played key roles in every legislative battle in which organized labor was engaged.

During the 1940s, he fought against the Taft-Hartley amendments to the National Labor Relations Act and later was credited with tempering Landrum-Griffin amendments to that act which made those amendments more palatable to organized labor.

In the 1950s, Nelson was credited with playing a key role with both Congress and the then AFL (American Federation of Labor) to win legislation that set up group health programs for federal government employees.

He was a member of the President's Committee on National Employ the Handicapped programs, labor chairman of the Cooperative Health Federation of America and a member of the Public Health Association.

During World War II, he served as labor member both for the Federal Manpower Commission and the U.S. Treasury Department's War Bond Division.

In addition to representing IAM members before Congress, Nelson also served as the union's liaison with the Federal Mediation and Conciliation Service and kept records on arbitrators and any precedent-setting decisions they made during his career.

A native of Jamestown, New York, Nelson was a charter member of IAM Local 1558, Jamestown, which he joined in March, 1936.

After holding nearly every elective position in that local, including local president, he was elected business agent of IAM District 65 in Jamestown in October 1941. Local 1558 is affiliated with the district.

He was appointed to the International Union Staff with the title of Grand Lodge Representative September 1, 1946. Because of his lobbying skills, he was immediately assigned as legislative representative, the post he held for 30 years until his retirement in 1976.

H.R. 2505

HON. WILLIAM W. COBEY, JR.

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. COBEY. Mr. Speaker, I am pleased to announce that today the House of Representatives passed H.R. 2505, a private relief bill on behalf of Mr. Kenneth David Franklin, of Raleigh, NC. This action has come about after 4 years of tireless efforts by Mr. Franklin.

In 1979, Mr. Franklin found himself in an unfortunate situation, when after working for the Department of Justice for 7 years, was forced to leave this position due to a progressive neuromuscular disease. At this time he was misinformed that he was ineligible for disability retirement benefits. Therefore, Mr. Franklin, believing that it would serve him no advantange to keep his funds in the system, withdrew his money from the Federal Retirement System.

A few years later and again having to leave a subsequent job, Mr. Franklin found himself in a catch-22 situation. Because he had not adequately contributed to his second job in the previous 10 years, he was not able to qualify for Social Security disability benefits. At the same time, he was still not able to qualify for any disability retirement. Mr. Franklin's attempts to rectify and failing to qualify for either source of retirement income was continually denied.

Even though the Office of Personnel and Management recognized that Mr. Franklin was in this difficult situation through no fault of his own, they were not able to act, lacking the authority to waive the regulations. Pursuing every avenue of possible relief to no avail, Mr. Franklin was left with no choice other than to seek private relief legislation.

This bill merely permits Mr. Franklin to apply for disability retirement and redeposit his funds in the Federal Retirement System. I am pleased to be able to see justice recited in this situation. Mr. Franklin has been extremely patient in awaiting this long overdue opportunity.

U.S. CUSTOMS COMMISSIONER HAS HURT INTERNATIONAL WAR ON DRUGS

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. COLEMAN of Texas. Mr. Speaker, the war against international drug smuggling may have been damaged irreparably by the recent irresponsible comments and unsubstantiated charges against Mexico by the United States Commissioner of Customs, William von Raab. As reported in the attached article by the Dallas Morning News, Mr. von Raab's testimony before the Senate Foreign Relations Committee, which contained numerous errors and used unsubstantiated rumors from informants as fact, has hurt relations with our third largest trading partner and ally. Tragically, the Commissioner may well have angered the Mexican Government to the point where it may refuse to continue to cooperate, and as we all know, without cooperation from Mexico, the war on drugs is hopeless.

The von Raab affair has once again underscored the fact that the administration has no Mexico policy. It raises the question: Who is in charge of relations with Mexico? Is it the Commissioner of Customs? Does the United States Secretary of State or the Department of State have any influence or impact on United States policy toward Mexico? Why is the Customs Commissioner allowed to testify before the Senate Foreign Relations Committee to deliberately and personally insult the President of Mexico and falsely accuse a Texas bank of laundering narcotics profits?

Mr. Speaker, top DEA officials characterize Mr. Von Raab as being out of control, not in command of the facts, and unable to be reined in. Is this any way to run an agency, much less our policy toward a major Western ally and southern neighbor? Mr. Speaker, the von Raab affair and the embarrassment it has brought to the Customs Service, the Department of the Treasury, and our international credibility should cause the Commissioner, at the very least, to consider the consequences of his ill-advised actions and to take immediate steps to repair the damage he has caused.

[From the Dallas (TX) Morning News, May 16, 1986]

U.S. OFFICIALS ASSAIL CUSTOMS CHIEF FOR CHARGES

WASHINGTON.—State Department and Justice Department officials declared angrily Thursday that William von Raab, commissioner of the U.S. Customs Service, may have harmed the war against international drug smuggling by making unsubstantiated charges against Mexican officials.

One U.S. official accused von Raab of "reporting rumor as fact" in testimony Monday and Tuesday before a Senate subcommittee investigating the role of Mexico in the U.S. drug trade.

"If we had a way of reining him in, we would do it," said one top U.S. drug enforcement official. "He's certainly not doing us any favors." Von Raab's office declined comment.

But a Customs Service spokesman admitted Thursday that von Raab was wrong when he said at the subcommittee hearings that illegal drug money had made a bank in the border town of Presidio the sixth-largest in Texas.

"It's not true," customs spokesman Jim Mahan acknowledged in response to an inquiry. "It was bad intelligence that came in to us from one of our field offices. I won't go any further than that."

In his testimony, von Raab also told the Senate subcommittee that Gov. Rodolfo Felix Valdes of the Mexican state of Sonora owns four ranches that grow opium and marijuana.

But administration officials who specialize in Mexican affairs said Thursday that informants had told U.S. officials that it was another governor, Antonio Toledo Corro of Sinaloa, who had the ranches and had entertained fugitive Miguel Felix Gallardo, who is accused of the 1985 murder of U.S. narcotics agent Enrique Camarena.

In Tucson on Thursday, the *Arizona Daily Star* published an interview with Felix Valdes in which he denied the allegation and said he was considering a libel suit.

The governor told the *Star* he suffered "irreparable political damage" and was "personally attacked and defamed for absolutely no reason."

Felix Valdes said he didn't own a "square meter of farmland in Sonora, much less four ranches."

In Washington Thursday, some U.S. officials—all of whom spoke on the condition they not be named—said that even the tips that von Raab repeated accurately are just that—tips from informants—and have not been nailed down.

One example was the assertion that members of Mexican President Miguel de la Madrid's family were involved in the drug trade. The tip, one source said, is that a cousin of the president has been smuggling narcotics from Colombia to Mexico City under cover of diplomatic immunity.

"We've heard those rumors, second- or third-hand—hell, von Raab got them from us—but it is not the kind of thing that even in the U.S. we could go into court on," one federal law enforcement official said. "Von Raab has absolutely astounded a lot of people at Justice and the DEA (Drug Enforcement Administration)."

Ironically, it was Drug Enforcement Administration Administrator John Lawn who originally pushed von Raab to get involved in the issues surrounding official Mexican involvement in drug trafficking after Enrique Camarana was kidnapped and tortured to death by Mexican drug dealers who were assisted by Mexican police.

But now they don't know how to turn him off, they said. And in repeating unverified statements given to the Drug Enforcement Administration by confidential informants, von Raab is doing much more harm than good, officials said Thursday.

During the subcommittee hearing, von Raab said the Presidio bank had a "cash flow of $7.1 million." Customs spokesman Mahan said Thursday that he could not explain what von Raab meant, or thought he meant, by the statistic.

"I don't know how that got into our report, but we apologize for it," Mahan said of von Raab's statement. "We have egg on our face, and I admit it."

Jose D. Leyva, vice president of First Presidio Bank, the only financial institution in the town of 2,500, said Wednesday his bank had total assets of $11.2 million. By comparison, Republic Bank of Dallas, one of the state's largest, had assets of $15.8 billion at the end of 1985.

The bank's cash flow is less than $2 million a year, according to bank President Richard Stack.

Texas Banking Commissoner James Sexton said he doubted the Presidio bank was among the largest of 888 state banks in Texas. The median total assets among Texas state banks is $45 million, Sexton said.

The claim "about us being the sixth-largest (bank in Texas), it's plain ridiculous," Slack said Thursday. "We're ready for inspection any time they want to come down and inspect us. We comply strictly with the law in this laundering business."

Federal law requires a bank to report any transaction of over $10,000 in an effort to deter the laundering of illegal profits.

In Washington, one top federal law enforcement official said Thursday that the Drug Enforcement Administration was worried that, in the next 24 hours, the Mexican government might tell the agency, which is allowed to operate in Mexico, to leave. "And

we don't want to leave," the official said. "Then we'd really have problems."

In a protest announced Thursday by the Mexican Embassy in Washington, Mexico accused the United States of sowing "suspicion, distrust and animosity" between the two countries by publicly suggesting that government corruption in Mexico is contributing to a sharp increase in cross-border drug smuggling.

The protest, addressed to Secretary of State George Shultz and delivered to the State Department Wednesday night, said the statements by senior U.S. officials at the Senate subcommittee hearings represented a "distorted view of Mexican reality" and constituted "a clear and unacceptable violation of Mexican sovereignty."

The protest note reiterated Mexico's view that the United States is not doing enough to combat drug production on its own territory and to crack down on domestic distribution and consumption.

INTRODUCTION OF SMALL BUSINESS DISASTER LOAN IMPROVEMENT ACT

HON. JIM ROSS LIGHTFOOT

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. LIGHTFOOT. Mr. Speaker, I'd like to call to my colleagues' attention a problem facing many rural communities. You've heard lots about the farm crisis and our farmers, but there's a neglected segment of rural communities that is hurting right along with the farmer: small business. As you can imagine, when farmers don't have cash for purchases, small town merchants' business dries up. Whether the merchant sells farm-related products or not, the rural small business needs help.

We're putting billions into farm programs, but the rural small businesses are left to fend for themselves. In many cases, the effects of dropping land values, 6 years of high interest rates, and dramatically reduced sales have caused many rural small businesses to close their doors. It's hard for a small business to survive for long on a 40 percent drop in sales.

For that reason, today I'm introducing legislation to expand the criteria for SBA nonphysical disaster loans. The economic problems facing rural small businesses are through no fault of their own, and in most cases, can be traced to the effects of Government action. But rural banks—already struggling themselves—are seldom in a position to help out ailing small businesses in their communities. The SBA can fill this gap but has refused to do so.

As you may be aware, programs have existed within SBA for the past few years to meet this need, but most applications have been denied.

Therefore, the legislation I am introducing will expand the criteria to make it easier for small businesses to qualify for economic disaster loans. We've had a program in place for the past several years to provide loans to businesses which have been hurt by such things as the PIK Program or the farm crisis, but the SBA, in most cases, has found excuses to refuse the applications which businesses file.

This bill will make it harder for SBA to turn those applications down. It will define that: One, a decrease in operating capital of over 25 percent over 1 year's time, or two, a decrease in sales volume over a 6-month period following some Federal action such as PIK, or the laying off of employees, are criteria that SBA must consider in determining eligibility for these disaster loans.

The bill will also prevent SBA from denying the loans, as they have been, on the basis of preexisting debt. This criteria alone has prevented many small business in rural America from qualifying over the past few years. The bill will be retroactive, as well, to 1982, so that those small businesses who were denied PIK-related disaster assistance will be able to reapply.

I ask your help in making these programs work. I urge my colleagues to join me in cosponsoring the SBA Disaster Loan Improvement Act.

TRIBUTE TO ROBERT M. EBERHARDT

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. SHUMWAY. Mr. Speaker, at this time I would like to request that my colleagues join with me in paying tribute to Robert M. Eberhardt, who is about to receive the Distinguished Good Citizen Award from the Boy Scouts of America, Forty-Niner Council in Stockton, CA.

The Distinguished Good Citizen Award is bestowed upon those individuals who have demonstrated outstanding service to youth in the community. Bob Eberhardt is exceptionally well qualified to join the impressive ranks of those who have received this respected tribute.

While Bob's community service and volunteer contributions of time and effort have encompassed virtually every area of civic endeavor, his efforts on behalf of youth are particularly noteworthy. A strong and long-term supporter of Boy Scouts, Bob was especially instrumental in promoting scouting ideals. His dedicated work has benefited not only young scouts themselves, but also those trained for scouting as a career. Through his service with the University of the Pacific's Board of Regents, Bob Eberhardt played a strong role in encouraging the training program for such careers at UOP.

A past director of the Boys Club of Stockton, Bob always has provided a fine example for youth to emulate. Few individuals can claim his outstanding record of achievement, or his equally respected roster of giving. He is a successful professional, an admired family man, and a man who always finds time to share his knowledge, experience, and leadership abilities with every worthy civic cause.

Bob Eberhardt always demonstrates what I consider to be an American ideal: Sharing his own success with others, and paving the way for young Americans to follow in his footsteps. I am strongly committed to the spirit of volunteerism in America, and Bob Eberhardt exemplifies the importance of that ideal. More importantly, his tireless contributions have demonstrated how positive and beneficial volunteerism can be in molding good citizenship for future generations.

I am pleased and proud to count Bob Eberhardt among my good friends, and to have the honor of representing him in the Congress. I know that my colleagues will be pleased to join with me in congratulating Bob for this most recent acknowledgement of his numerous achievements, and in expressing appreciation to him for his admirable work.

TAIWAN SHOULD FREE MR. YAO

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. LEACH of Iowa. Mr. Speaker, I recently had the privilege to visit with Chou Ching-yu, a distinguished member of the Taiwan National Assembly and a leading democratic opposition figure and human rights advocate on the island, who is visiting the United States as a participant in the International Visitor Program sponsored by the United States Information Agency (USIA).

A psychiatric social worker by profession, Chou Ching-yu is the wife of Yao Chia-wen, a distinguished human rights lawyer who is presently serving the seventh year of a 12-year prison sentence handed down by the authorities in Taiwan in the wake of the 1979 human rights day rally in Kaohsiung.

It is an embarrassment to our age that any government anywhere finds the advocacy of human rights and democracy a challenge to its legitimacy. Although Taiwan properly prides itself on its strong anticommunist stance and its alliance with the free world, the government's commitment to democratic values and principles is unimpressive. The continued incarceration of democratic oppositionists like Mr. Yao is an embarrassment to friends of Taiwan and a stumbling block to internal reconciliation. The much appreciated release of Lin Yi-hsiung and Rev. Kao Chun-ming make it difficult to understand why the authorities in Taiwan have refused thus far to commute Mr. Yao's sentence.

Along with my colleagues concerned for the future of Taiwan, I would respectfully urge Taiwanese authorities to reconsider Mr. Yao's case. His continued incarceration is disproportionately important because it is perceived by the American people as a test of our mutual commitment to freedom and democratic values. In the absence of formal diplomatic ties between the United States and Taiwan, the closeness of ties between the American people and the people of Taiwan rests heavily on perceptions. To the degree that a government finds it necessary or convenient to imprison individuals for defending democratic rights it cannot help but find its reputation tarnished and its friendship valued less highly.

In meeting with Chou Ching-yu, I was struck by her remarkable spirit in the face of the personal hardships she and her husband have

suffered. Out of adversity has emerged a courageous commitment to national politics. Drawing on her professional experience as a psychiatric social worker, Chou Ching-yu has ministered to the needs of other political prisoners and their families. To that end, she established in 1981 the Taiwan Care Center which arranges for visits to political prisoners, medical assistance, financial help at the time prisoners are released, and encouragement and support for the families of those being held. The center also publishes "Care" magazine, a much respected periodical. Chou Ching-yu's initiative serves as a model for her own island and for countries where citizens are placed in jail for upholding the fundamental rights of citizenship. Chou Ching-yu's efforts to work with the families of political prisoners is a credit to the Taiwanese people and a tribute to all who carry the torch of democratic ideals.

Again, Mr. Speaker, it is my hope that the authorities in Taiwan, in a spirit of compassion and tolerance for democratic dissent, will review the case of Mr. Yao and authorize his early release.

Thank you.

NATIONAL TOURISM WEEK

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. ROTH. Mr. Speaker, among the many countries on Earth, the United States indisputably contains some of the grandest, most scenic, and most beautiful of natural treasures. These sites are home to numerous outdoor activities. Furthermore, the United States also contains some of the most developed and exciting urban areas anywhere. Our own wealth of natural and manmade resources has enabled the travel and tourism industry to become America's third largest retail industry.

Travel and Tourism accounts for some stunning economic and employment data. For example, most firms which benefit from travel and tourism are small businesses. They provide jobs for people in the food services, the lodging businesses, and the transportation industries, among others. Travellers collectively spent $229 billion on these services. In my own home State, Wisconsinites count on tourists to support 106,000 jobs, or 5.8 percent of all jobs in Wisconsin.

Among the locations that draw visitors to Wisconsin are the Northwoods and Door County, two prime outdoor locations for fishing, camping, and nature watching. These popular places are promoted in Rand McNally's new book, "Vacation Places Rated—Finding the Best Vacation Place in America," as among the top vacation spots in the Nation. The importance of these areas to Wisconsin's economic well-being is almost immeasurable.

Tourism has a social, as well as an economic, benefit. Travel allows for interaction among the diverse people of the United States. Besides helping reduce our balance-of-trade deficit, foreign visitors bring an important form of social interaction to Americans by traveling in the United States. They bring an international perspective to the country that only helps Americans to understand foreign attitudes. The social benefits entail a mutual understanding by travelers and residents of various cultures, mannerisms, backgrounds, and experiences. This occurs through the sampling of new cuisines and the viewing of local heritage.

I am pleased that this week, May 18–24, 1986, has been recognized as National Tourism Week by the Congress and by the President. Travel and tourism should properly be recognized as the prominent economic and social force it truly is. Through such recognition we show our approval of the industry and support the small businessmen who constitute a large part of the industry.

These hardworking men and women are notable in their devotion and commitment to the tourists; they make sure that attractions are in functioning order and they make facilities safe for mass use. The trade they inspire serves not only their financial goals, but also serves the whole Nation by stimulating employment and by producing tax revenue. And of course, the social aspect of their work must also be highly regarded.

The travel industry plays an important role in our Nation. This year the dedication of tour operators, travel agents, restauranteurs, and hotel owners will be all the more necessary since they will host one of the largest tourist groups in recent memory. The United States will attract an enormous number of foreign visitors because of the attractive exchange rate of their currency against the dollar. Furthermore, more Americans will choose to travel domestically this year and catch the spirit of seeing all of what these United States have to offer. Gas prices promise to be low all summer, so Americans as well as foreign guests will be traveling to various tourist areas relatively cheaply.

All these factors could add up to a banner year for the Nation's tourism industry. We are taking a step in the right direction toward promoting the economic and social benefits of tourism by celebrating National Tourism Week. The theme of this week is "Tourism Works for America." I certainly agree that it does. As a member of the Steering Committee of the Congressional Travel and Tourism Caucus, I urge my colleagues to give their strongest possible support to an industry whose health is crucial to our economy.

CHRISTIAN ADVOCATES FOR PUBLIC EDUCATION

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. RODINO. Mr. Speaker, last Saturday I was pleased to attend the First Annual Teachers Brunch, held by the Christian Advocates for Public Education of Essex County at the Bethany Baptist Church in Newark.

The brunch was held to encourage and support teachers and school administrators in their efforts to maintain quality education in the community.

C.A.P.E. was established in 1981, with the help of fine people like Beverly Dunston-Scott, now its president, and Dr James Scott, pastor of the Bethany Baptist Church. Its mission is the establishment of a network of parents, children, teachers and administrators to focus on overcoming obstacles to teaching and learning.

Mr. Speaker, I commend Beverly and James Scott and the other members of C.A.P.E. who have worked hard to make Newark a better place to teach and learn. I commend to you the following Statement of Purposes and Objectives of C.A.P.E.:

CHRISTIAN ADVOCATES FOR PUBLIC EDUCATION, INC.

PURPOSES AND OBJECTIVES

The Christian Advocates for Public Education (C.A.P.E.) is an interchurch group of men and women concerned about public education and strives to establish a network among persons who seek to apply Christian ethics to educational issues. The group represents several Protestant Churches in Essex County. There is no attempt to convert children or parents to a religious philosophy. C.A.P.E.'s concern reflects the belief in the human worth and dignity of all God's children.

PURPOSES

To establish a network among churches, families and schools that: (a) encourages parental participation in the education of their children; (b) strengthens parent/child relationships; (c) provides positive male and female role models for children of various ages; and (d) addresses major problems impeding learning and self-discipline.

OBJECTIVES

1. To provide a supportive environment for one and two parent families that addresses problems and pressures of child-rearing, and offers constructive methods for dealing with these problems/issues.
2. To develop an understanding of communications as a two-way process between parents and children.
3. To increase parental understanding of human sexuality so that they may deal constructively with matters of dating, sexual behavior and problems of pregnancy.
4. To maximize existing strengths of parent/child relationships and propose alternative ways to discipline children.
5. To increase parent's understanding of their role and responsibility in nurturing self-discipline within their children.
6. To expand parental understanding of self-discipline as necessary for academic achievement and social growth.

LOMOND ELEMENTARY SCHOOL: AN EXAMPLE OF EXCELLENCE

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. STOKES. Mr. Speaker, I am very proud to announce to my colleagues that Lomond Elementary School in Shaker Heights is one of two schools in the 21st District of Ohio nominated for an award given by the U.S. Department of Education to the Nation's most exemplary elementary schools.

Lomond is a science and French magnet school, and it is indeed an outstanding elementary school. It is a visually exciting place

where student work is prominently displayed throughout the building and a student-centered, multicultural atmosphere is clearly projected. Lomond hosts a climate where learning is meaningful and exciting and parents, staff, and community members are encouraged to participate in and benefit from the learning experience.

It is the students, however, who reap the greatest benefit. The active, achievement-oriented environment of Lomond makes students eager to attend school. This is evidenced by the average daily attendance rate of 97 percent. The children are also mastering basic skills: Standardized Achievement Test scores for 1984–85 show that 92 percent of Lomond students were at or above grade level in math, 94 percent scored as well in reading. The school is ethnically and racially balanced and the 464 member student body includes five children from Japan, four from Poland, three from Taiwan, two from Korea, and one from mainland China which lends the school cultural diversity as well.

But what makes Lomond a unique school, Mr. Speaker, is the innovative, ambitious, and creative approach to learning taken by Principal Dr. Albert G. Roberts and his staff of 40 dedicated professionals. They are constantly seeking new ways to keep the students interested in learning and challenging them to reach for the sky.

For example, classroom lessons at each grade level are enhanced by special field experiences, using outside resources such as the Cleveland Zoo, Sea World, NASA, Shaker Lakes Nature Center, Cleveland Natural History Museum, Art Museum, SHHS Planetarium, and Severance Hall. In June, Lomond sixth graders will be going on an archeological dig with Case Western University. This past April, 49 Lomond pupils participated in an exchange program with school children from Canada. According to Principal Roberts, the goal of the exchange program was to help the youngsters develop a sense of the interdependence of the two countries and to foster a sense of respect for cultural differences.

Mr. Speaker, Lomond School also recognizes the importance of being a part of the community. For example, the school hosts a French breakfast so that neighborhood residents who don't have children in Lomond can visit and share in the excitement of active learning.

Perhaps the most important aspect of the Lomond School mission is its emphasis on science and French education which is integrated throughout the curriculum. At a time when there is national concern regarding American students' achievement in scientific disciplines, Lomond's concentration in that subject area encourages and promotes analytical thinking and problem solving—skills that will assist its students in all aspects of life. Similarly, the school's French and language programs improve communications skills and demonstrate to the children that the nations of the world are dependent on one another and that the knowledge and understanding of different cultures promotes global harmony.

Mr. Speaker, I am very proud that Lomond Elementary School has been recognized by the U.S. Department of Education and wish to extend my most sincere congratulations to Principal Dr. Albert G. Roberts, and the students, staff, and parents of Lomond School for distinguishing themselves and their community through the school's performance and selection in the exemplary elementary school competition.

BRIGHAM YOUNG UNIVERSITY CENTER FOR NEAR EASTERN STUDIES IN JERUSALEM

HON. RICHARD STALLINGS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. STALLINGS. Mr. Speaker, I rise today to express my gratitude to 153 of my colleagues who have joined me in signing a letter to the Israeli Knesset regarding the building of the Brigham Young University Center for Near Eastern Studies in Jerusalem.

Mr. Speaker, Brigham Young University, a school with an outstanding academic tradition, is attempting to provide its students with a well-rounded education in many cultures. Because of this goal, BYU has established centers in many regions of the globe where students can spend one or two semesters during their education studying in a foreign country. BYU has centers in Europe, Asia, and Central America. In addition, BYU has a center in Israel for Near Eastern Studies. This facility is quite small and BYU is attempting to expand that facility.

The expansion of the BYU facility in Jerusalem has drawn fire from some orthodox Jews who feel that the BYU center could become a base for missionary activity for the church which sponsors BYU, the Church of Jesus Christ of Latter-day Saints. I understand this concern. However, BYU has a long-standing policy that its Jerusalem Center not be used as a base for proselytizing for the Mormon Church. The center's sole purpose is to serve as a facility for better educating students.

Last summer, I had an opportunity to travel to Israel to meet with leaders of the Israeli Government and the mayor of Jerusalem. I saw first hand the center which Brigham Young University is building and I also witnessed demonstrations by a small group of religious leaders protesting the BYU building. After talking with the demonstrators, it became apparent to me that there has been a misunderstanding between the two groups. The protestors did not want missionaries proselytizing, but they also failed to understand that the officials of BYU also did not want, nor would they allow, students at the center to proselyte Jews into the Mormon faith. The center which BYU is constructing is purely for academic purposes.

Because of my experience in Israel and my personal friendship with Jeffrey Holland, the president of BYU. I volunteered my help to BYU in securing a resolution to the confrontation in Jerusalem. Last month, I was approached by officials from Brigham Young University and asked if I would draft a letter from the Congresss of the United States to the Israeli Knesset requesting that progress on the BYU center not be impeded. I was pleased to assist in the drafting of this letter. I was joined by my colleague from California, the Honorable RON PACKARD, in asking other Members of Congress to sign this letter. I originally hoped that we could obtain 50 signatures, but I was overjoyed when 153 of my colleagues joined this effort, including the leadership of both political parties.

This letter reaffirms our commitment to Israel and its longstanding support of democracy and plurality. Israel has historically been a true friend and ally. This letter requests that Israel maintain its commitment to the basic freedoms, respect for human life, dedication to democractic principles and freedom of religion.

I am convinced that the hundreds of BYU students who travel to Israel to participate in this study program will serve as excellent ambassadors for both countries. I think it will help foster the spirit of understanding and cooperation between our two nations.

The letter who had delivered to the Knesset yesterday by President Holland and I understand that it was well received. I also have learned that a legal opinion was handed down yesterday by the office of the attorney general of Israel that stated that there was no possible way to revoke Brigham Young's current building permit or its permit to use the land. The center already has a building permit and approval from the mayor of Jerusalem.

In closing, I want to once again thank my colleagues who signed the letter. I know more Congressmen would have signed the letter if we had not been under such strict time constraints.

FRIENDSDAY BRINGS PEOPLE TOGETHER

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. LEHMAN of Florida. Mr. Speaker, mental illiness is truly a community problem. It strikes people irrespective of age, income, race, religion or gender. Mental illness can destroy careers, disrupt families, separate friends, and ruin lives. Unfortunately, cutbacks have been made in Government mental health programs, stretching the resources of local mental health agencies to the limit.

The people of Dade County have found a way to help fill in the gaps in the fight against mental illness. On May 31, the Community Mental Health Agencies in Dade County will join with the MetroDade County Commission, the city of Miami, the city of Hialeah, Hospital, and thousands of caring and concerned citizens for the first annual Friendsday celebration.

Friendsday provides an opportunity for people to express their support and encouragement to those who are on the road to rehabilitation and recovery. It will include over 2,000 participants competing in a wide variety of athletic activities and will feature appearance by government leaders, well-known entertainers, members of the Miami Dolphins football team, and local media personalities.

Mr. Speaker, I want to commend everyone who has worked so hard to make Friendsday

a reality. Their efforts in our community demonstrate what friendship is all about.

STATEMENT HONORING DR. JAMES BIRREN, RETIRING DEAN AND DIRECTOR OF THE ANDRUS GERONTOLOGY CENTER, UNIVERSITY OF SOUTHERN CALIFORNIA

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. ROYBAL. Mr. Speaker, I rise today before my colleagues to recognize and honor Dr. James Birren, distinguished educator, research scientist, and public activist in the field of gerontology. Over the last four decades Dr. Birren has helped to raise the country's awareness about the issues confronting older Americans. His commitment to the field of aging in both the policy arena and in academia has been consistently manifested at the the local, national, and international levels. Through Dr. Birren's leadership and innovation, the Andrus Gerontology Center at the University of Southern California, of which he is dean and director, was developed. It has evolved into the largest and most well respected academic gerontological center in the Nation.

The impact of Dr. Birren's work can be seen in the advancement of scientific knowledge concerning the basic processes of aging; in the building of organizations which respond to the needs of the elderly, and in the development of a multidisciplinary context in which to teach students both aging policy and practice methods. In his role as educator, Dr. Birren has conducted a tremendous amount of scholarly research and has written over 210 publications. He has also been a mentor to many fine students, two of whom are currently working as staff directors of the House and Senate Committees on Aging. Furthermore, as advisor and committee chairman of the White House Conferences on Aging, he has helped shape national policy.

Appropriately, Dr. Birren's accomplishments have been internationally recognized by numerous honors and awards. He was elected executive committee chairman of the International Association of Gerontology, was awarded the coveted Brookdale Foundation Award for Meritorious Research, and earned an honorary doctorate from the University of Gothenborg, Sweden, to name a few.

A career spanning this wide range of contribution and accomplishment is indeed unique. Despite his retirement as dean of the Ethel Percy Andrus Gerontology Center, Dr. Birren will continue to influence the field of gerontology through his teaching and research. Mr. Speaker, I ask my colleagues to join with me in wishing Dr. James Birren much success in his retirement. We are proud to honor an individual of such high caliber who has not only been a catalyst for scientific progress in the field of gerontology, but who has responded with so much energy and commitment to the needs of older Americans.

THE FIGHT AGAINST NEUROFIBROMATOSIS CONTINUES

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. CONTE. Mr. Speaker, today, I rise to draw the attention of my colleagues to a disease which attacks many Americans of all ages. Neurofibromatosis has historically been one of the least understood diseases which affect men and women worldwide. The first time that this disease was given serious and sober consideration was with the case of Joseph (John) Merrick, frequently referred to as the elephant man. So many people are well acquainted with this brave man's story that there is no reason for me to go into the details. Suffice it to say that with Mr. Merrick's case, nearly 100 years ago, the first honest attempts to understand this disease began, and this struggle has continued through today, when numerous areas of society are joining to find answers to the riddles posed by this neurological disorder.

The National Institute of Neurological and Communicative Disorders and Stroke has led the national research fight to find the causes and treatments of neurofibromatosis. This fiscal year, the NINCDS expects to spend over $3.7 million on research pertaining to neurofibromatosis and related neurogenetic disorders, including $559,000 for projects directly related to neurofibromatosis.

In the private sector neurofibromatosis research is supported by groups like The Neurofibromatosis Association, Inc. As well as promoting resarch into neurofibromatosis, NFA provides information and support to families inflicted with the disease and strives to educate the public about the various facets of neurofibromatosis.

A proclamation made by Governor Michael S. Dukakis of Massachusetts marked May 1986 as Neurofibromatosis Awareness Month in the Commonwealth of Massachusetts. I would like to take this opportunity to add my voice to Governor Dukakis'. With so many people working at so many levels, I remain confident that the mystery of neurofibromatosis can be solved, and that people throughout the world can be spared from the agony of this disease. It wil not be easy, but we have no alternative but to continue fighting neurofibromatosis.

LET'S COME TO GRIPS WITH THE REAL TRADE BARRIERS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. CRANE. Mr. Speaker, the time has come for us to take a good hard look at the U.S. trade imbalance, what is causing it, and what we are doing about it. The House is about to consider major trade legislation. I urge my colleagues to consider carefully the impact of their votes. The enactment of any protectionist legislation such as the bill currently being considered is dangerous and ill advised. Protectionist measures invite retaliation by our trading partners, which will ultimately make it more, not less difficult to sell American goods abroad. All of this spells economic disaster. We dare not forget that the Great Depression was ushered in by a protectionist bill, the infamous Smoot-Hawley Act.

Instead of enacting protectionist legislation, we must come to grips with the fundamental issues that affect the trade imbalance. Among these is the question of productivity. Over the past 3 years, the rate of American productivity growth has increased from nearly zero to only 3 percent per year. Compare this to the performance of other industrialized countries such as Japan, which has sustained 8 percent annual productivity growth for a longer period. The result is that Japan's productivity has increased 45 percent more than that of the United States over the past 8 years.

What are the causes of our lackluster performance in productivity growth? Our low rate of capital formation is surely a factor. The rate of capital formation per worker in the United States in recent years has only been about one-third of that of Japan. Capital costs are also about 5 percentage points lower in Japan than in the United States.

Additional blame for this situation is the fact that we have created an environment that is not particularly conducive to industry growth. Excessive regulation, tax laws that penalize savings, and deficit spending by the Federal Government have all contributed to the evolution of this environment.

We have set up balky and excessively stringent regulations such as the corporate average fuel economy [CAFE] standards, which dictate to carmakers the fuel economy their products must meet. This hinders the ability of American automakers to compete and is the kind of decision that should be made in the marketplace, and not by the Government.

Our tax laws do not encourage either private citizens or corporations to save. As a result, the United States has one of the lowest rates of savings in the industrialized world. This means that there is less money available to finance growth.

And our deficit spending necessitates Government borrowing which further depletes the pool of funds available for capital expansion while pushing up interest rates and unnaturally inflating the dollar.

The net result of all of this is a system that enourages neither investment in tangible capital or in research and development. It is time we came to realize the comprehensive nature of our trade imbalance. No trade bill alone will solve all our trade problems, and a protectionist trade bill can only make them worse. Protectionist legislation is an invitation to disaster. Let us instead come to grips with the REAL trade barriers that we have erected ourselves.

George N. Hatsopoulos, in the May 14, 1986 Wall Street Journal, writes convincingly on the need for us to address our productivity crisis. I commend the article to my colleagues' attention and include it here.

[From the Wall Street Journal, May 14, 1986]

PRODUCTIVITY LAG IS REAL TRADE BARRIER

(By George N. Hatsopoulos)

What the U.S. has "lost" in trade imbalances over the past five years for the most part has been "found" by just five countries: Japan, West Germany, France, Italy and Canada. These gainers in market share are not low-wage, underdeveloped nations of the Third World. They have well-developed manufacturing sectors and relatively high standards of living. And they are gaining on the U.S. because of their increased productivity.

An overvalued dollar has often been cited as a cause for the U.S. trade crisis. Exchange rates have played a part, though they are cyclical and for the most part self-correcting.

What ought to occupy our attention now is U.S. industry's long-term problem of high costs, both for the production of existing products and the development of new ones. This disadvantage, which threatens to further worsen our trade balance in years to come, can be seen in cost comparisons between the U.S. and its major competitor, Japan.

JAPANESE PRODUCTIVITY

From 1977 to 1985, labor costs per unit of output in manufacturing rose 50% more in the U.S. than in Japan, even though real wage costs per hour rose by 20% *less* in the U.S. The gap is thus 70%, of which changes in the exchange rate account for only 25%.

The rest of the explanation lies in productivity. During the past three years America's manufacturers increased their rate of productivity growth from near zero to about 3% per year. However, Japan has registered 8% annual gains over a far longer period. As a result, its productivity has increased 45% more than that of the U.S. in the past eight years.

It is unlikely that U.S. manufacturers can sustain even the present 3% rate of productivity growth, because the recent gains were scored during an economic recovery. Moreover, proposed tax-reform legislation is likely to retard capital formation and further slow U.S. progress in this area.

Why does the U.S. lag in productivity growth? Until recently the explanation was that other countries started from a much lower base. This answer is no longer credible, however, for Japan's manufacturing productivity, in absolute terms, has actually reached that of the U.S.; yet its rate of growth has continued unabated.

Instead, the major reason can be found in America's sluggish rate of investment in both tangible and knowledge-related capital. Over the past few years, the rate of tangible capital formation per worker in the U.S. has been less than one-third of that in Japan. Athough no data exist on knowledge-related capital, the disparity there may be even greater.

Equally clear is the reason behind the poor U.S. record of investment. It is the high cost of capital—the threshold rate of return from an investment adjusted for inflation—required to cover payments demanded by investors and lenders and to satisfy all tax liabilities. The primary determinant of capital formation is the cost of capital relative to the cost of labor. By my calculation using a formula developed by Profs. Dale Jorgenson of Harvard and Robert Hall of Stanford, the real cost of capital in Japan in 1984 (latest data available) was only 2½%. In the U.S., it was 7½%.

Capital costs are much lower in Japan because the financial environment is more favorable to industry than in America. Although Japan has a higher corporate tax rate and no investment tax credit, such disadvantages are greatly outweighed by what's afforded by Japan's financial system. Japan's national savings rate is much higher than America's. In Japan, debt vehicles that would be considered equity in the U.S. allow much more leveraging of capital. No Glass-Steagall Act exists to prevent bankers from lending to companies in which they hold an interest. And, of course, equity appreciation is not subject to a capital gains tax, which encourages companies to retain earnings rather than distribute them as dividends.

This system, and not any break in direct corporate taxation, provides industry with lower real interest rates, a lower real cost of equity, and access to a much greater proportion of investment funds having tax-deductible returns than does the U.S. financial system at a comparable risk.

The U.S. is now nearly 45% worse off in the productivity war than it was in 1977. Next year the difference will be 50%, the following year 55%, and so on until we cure our fundamental weakness. Time alone won't correct this problem.

With Japan's cost of capital only one-third that of the U.S., it is not surprising that Japanese managers invest more and can afford to undertake longer-term projects than can their U.S. competitors. So fundamental differences in managerial culture are not necessary to explain Japan's takeoff. Any manager who acts rationally in the U.S. environment of high capital cost—even a Japanese manager coming here—would have to invest less because that policy provides the optimum benefit to shareholders.

High-technology industries provide no refuge for the U.S. in its struggle to regain competitive advantage. The Japanese are now actively targeting such industries for special marketing, research and development, and investment support, just as they have done in the past with steel, automobiles and other basic industries. America may be even more vulnerable in the high-tech sector, relative to traditional industries, because its cost of capital disadvantage is even greater for intangible investments, (i.e., knowledge capital) than it is for plant equipment and other physical assets, which have enjoyed higher levels of tax credits.

It may require five to 10 years of R&D to introduce products based on new technology. Such investments are undertaken only in an environment where costs, especially capital costs, are low enough to justify the wait.

U.S. trade deficits must be cut if America is not to accumulate so much foreign debt it will be hard pressed to pay it off. In the short run this is going to require not only the continuing wage restraint but a further fall in the dollar. Parity in unit labor costs would require its decline to about 140 yen from about 160 yen currently. But the bigger concern remains productivity.

For now, U.S. manufacturers will have to offer significant price concessions to regain their market share. The disparity in productivity growth between that of the U.S. and that of other industrialized nations will maintain the cost pressure on U.S. manufacturers that has led them in the past to curtail development at the expense of product equality.

The perennial victim of the U.S.'s chronically weak productivity growth is, of course, the American worker. According to the 1986 Economic Report to the President, real hourly earnings in the U.S. have remained unchanged for the past 15 years.

In the long term, America's competitive position can be restored only through a comprehensive national campaign designed to close its enormous investment gap. No single measure can resolve the problem—the U.S. must use all the tools at its disposal, including credit, tax and monetary policy.

Increased capital formation can be achieved only by lowering the cost of capital, which in turn requires raising our national rate of savings. Higher savings demand that we curtail consumption in the short run in order to provide the resources needed for the long-term expansion.

CHALLENGE OF THE 1980'S

Some might suggest that little can be done to modify ingrained behavior patterns sufficiently to stimulate the needed boost in national savings. In fact, America's response to the energy crisis provides ample proof that seemingly intractable habits can change dramatically, once a consensus for action has been created. Through a combination of economic forces and concerted policy initiatives responding to the 1973 oil embargo, the U.S. has been able to arrest the seemingly relentless rise in energy demand that was once widely thought to be an essential ingredient of economic growth. In 1985, Americans consumed virtually the same amount of energy as they did in 1973—and produced 35% more goods and services.

America's productivity challenge of the 80s is no less threatening than the energy crisis of the 70s. Eliminating the many subsidies that encourage consumption at the expense of capital formation will not be an easy task. Only awareness and understanding will see us through.

Mr. Hatsopoulos is chairman of Thermo Electron of Waltham, Mass.

CHAMBERS ELEMENTARY SCHOOL: AN EDUCATIONAL SUCCESS STORY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. STOKES. Mr. Speaker, a success story is currently unfolding in my district that I would like to bring to the attention of my colleagues. The characters involved include some of my youngest constituents, a group of dedicated educators, and a resourceful, creative, and committed elementary school principal. The story is presently taking place at Chambers Elementary School, in East Cleveland, OH, which has recently been selected as a finalist in the U.S. Department of Education competition for excellence in elementary schools. Clearly, this honor is well-deserved.

Mr. Speaker, I have visited Chambers on several occasions. The children are bright, curious, and eager to learn. The teachers are interested, caring, and they challenge the children. The principal, J. Joseph Whelan, is an innovator and acutely sensitive to the needs of his students and staff. During his first 13

years as principal of Chambers he was forced to operate in a deteriorating school building that was consistently cited for safety building code violations. A grassroots community movement finally forced the board of education to seek a bond issue that resulted in the construction of a new building for Chambers.

Mr. Speaker, I participated in the groundbreaking ceremony for the new school, and believe that the start of a new building also represented a fresh start for the children of East Cleveland. Principal Whelan has taken good advantage of the new building and the accompanying uplifted attitudes and spirits of the staff and children to implement new programs which have enabled the students to excel in that environment.

The progress of Chambers Elementary School was recently detailed in an article appearing in the Cleveland Plain Dealer. I submit this article for inclusion in the CONGRESSIONAL RECORD, and salute Chambers Elementary School on being selected as a finalist in the Education Department's excellence in elementary schools competition.

[From the Plain Dealer, Apr. 26, 1986]

E. CLEVELAND SCHOOL DRAWS A BEAD ON EXCELLENCE

(By Terry Fuchs)

The odds against East Cleveland's Chambers Elementary School are more than most schools could probably beat.

Each year, one fourth of the school's 760 pupils are new students, which often means they are below grade level in basic skills.

About two-thirds of the pupils come from single-parent homes, where they may not always get support needed to do well in school.

Three-quarters are from low-income families and often arrive at school without proper clothing.

But Chambers has managed to overcome these odds. As proof of its efforts, the school is a finalist in the U.S. Education Department's competition for excellence in elementary schools.

The extra effort can be seen everywhere.

During the winter, Principal J. Joseph Whelan stands at the school entrance handing out mittens to pupils from needy families.

At the beginning of the year, teachers call parents to introduce themselves. And throughout the year Whelan and teachers enforce a strict homework policy. All of this is to encourage parental involvement.

But more obvious of all, there is the new school.

Ten years ago Chambers was an overcrowded, crumbling, three-story brick building on Shaw Ave. Paint and plaster were peeling; pipes and wires were exposed. City building inspectors had cited the school for safety building code violations.

There was one girls' and one boys' restroom for 1,028 pupils.

"We organized a parent group and always had someone at the school board meetings," said Lucille Wooden, who had a grandson at the school. "We spent a year and a half badgering them (the school board)."

They successfully pressured the board to seek a bond issue for building improvements, which passed in 1978.

In the summer of 1982 the old building was demolished. In its place is now a barren field, awaiting a playground and parking lot. In the fall of 1982, the new, $4 million school opened its doors.

Upon entering the brown-brick, multilevel building, it's almost possible to forget it's a school. A lobby leads into an atrium with plants and numerous wall hangins.

Each grade's classrooms, from kindergarten through sixth grade, are identified by a different color, as is the gymnasium and cafeteria.

Whelan, who began his 17-year tenure as principal at the old school, says the new building, with its new atmosphere, has improved the attitudes of both pupils and staff. "The children feel safe and happy; they feel good in here," he said.

Whelan also likes to show off the other "extras" he feels contribute to Chambers' success.

A special program teaches pupils at the all-black school about the Statue of Liberty. "We feel that blacks do not really know what the statue is all about, since it (the statue) is more of an ethnic thing, for people coming over from Europe, when the blacks were already here," Whelan said.

Each Friday, Whelan invites six pupils to have lunch with him "to eat and talk about me and my personal life. And they do ask about my personal life!" he said, laughing.

A scholarship fund was established in memory of Annette Lawrence, a Chambers teacher murdered three years ago. A $500 college scholarship is awarded each year to a senior high school student, and a computer is given to a sixth-grade pupil.

Teachers are honored for perfect attendance and for years of service. Whelan gives them flowers at least once a month to show his appreciation for their work.

On May 1 and 2, U.S. Education Department evaluators will visit Chambers as part of an elementary school recognition program. The evaluators will visit classes, meet with staff, and talk to members of the community. Chambers, along with Shaker Heights' Lomond Elementary School and North Olmsted's Forest Elementary School, is one of the 257 finalst schools throughout the nation.

The winning schools will be named in June, and representatives from them will be invited to Washington for a national recognition ceremony and receive a specially designed flag. There is no pre-determined number of winners, according to Patricia McKee, director of the recognition program.

A TRIBUTE TO ANITA HIRSCH

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to a truly outstanding individual, Anita Hirsch. For many years Anita has been an inspiration to those of us who are deeply committed and dedicated to the cause of Soviet Jewry.

On May 18, Anita will be honored at the annual dinner of the Community Relations Committee of the Jewish Federal Council for her tireless leadership on behalf of Soviet Jews. As the Representative for California's 26th District, and as one who feels honored to have Anita as a close friend, I ask my colleagues to join me in paying tribute to this exceptional member of the southern California community.

Anita has journeyed to and from the Soviet Union with great frequency since her first trip in 1981. Her travels have been made for the purpose of maintaining a life link between Jews of the free world and those who live under the oppression of the Soviet Government.

Functioning in a diplomatic behind-the-scenes manner, Anita operates in a way that is always consistent with the overall objectives of the organized Soviet Jewry movement in this country. She participates on a national, as well as an international level—attending meetings on Soviet Jewry in Europe, Israel, Washington DC, and New York.

In Los Angeles, she is a driving force behind the Commission on Soviet Jewry of the Community Relations Committee. It was her hard work that made possible the concept and production of "A Tribute to Soviet Jews," which was published in connection with the 1984 Olympic games in Los Angeles.

As a member of the briefing committee of the Commission on Soviet Jewry, which prepares travelers for their visits to the Soviet Union, Anita contributes the insight and knowledge acquired through her extensive travels. Her intimate understanding of the culture and customs of the Soviet Union, as well as her friendship with both European and American activists make her an invaluable committee member.

Through the selfless dedication of Anita Hirsch, hope is nourished for hundreds of Soviet Jews. It is with great pleasure and honor that I join with my colleagues and the Jewish Federation Council to pay tribute to Anita Hirsch for her many years of dedication, guidance, wisdom and commitment to the cause of Soviet Jewry.

JACK SHILLINGER HONORED BY NATIONAL CEREBRAL PALSY GROUP

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. LEHMAN of Florida. Mr. Speaker, at the 1986 Annual Conference of United Cerebral Palsy Associations held in New Orleans earlier this month, Jack Shillinger, a friend and constitutent, received the President's Award for the outstanding contributions he has made to United Cerebral Palsy and for his work on behalf of people—particularly children—with cerebral palsy.

If ever an award was well-deserved, it is this one.

Jack Shillinger has worked selflessly over 20 years for cerebral palsy people as an association adviser, organizer, fund raiser and board member. From time to time, he has been asked to lend his special skills to help other cerebral palsy groups in Florida and around the Nation. His efforts have made a big impact on our community and on the lives of hundreds of families and individuals.

A modest person, Jack Shillinger never sought public recognition over the years, choosing instead to take personal satisfaction in his community service work for cerebral palsy people and Temple Israel of Greater Miami. You can't keep such a distinguished

record of service and accomplishment hidden forever, though. It is heartwarming to know that Jack was chosen for this award, because in his case, the "outstanding contributions" mentioned in the award are all true.

I know my colleagues join me in extending to Jack and his wife, Marjorie, our heartiest congratulations and thanks for a job well done.

ETHICS IN GOVERNMENT ACT

HON. GERRY SIKORSKI

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. SIKORSKI. Mr. Speaker, today I join with two of my distinguished colleagues in the Senate, Senator GARY HART and Senator DAVID BOREN, in introducing legislation to toughen existing Government ethics laws by placing certain White House offices off-limits to former executive staff members who become lobbyists.

The Ethics in Government Act bars former Government officials from influencing agencies, bureaus or departments to which they were attached on issues on which they were personally and substantially involved. But under existing law, integral parts of the White House operation have been deemed independent entities.

Our legislation would define the Office of the President as consisting of the Office of Management and Budget, the National Security Council, the Council of Economic Advisors, the Council of Environment Quality, the Office of Science and Technology, the United States Trade Representative and the White House Office of Policy Development.

Over the last 5 years, we have seen that the administration places little emphasis on ethics enforcement and ethics compliance and has little concern that ethics laws are being broken. Our legislation will prevent former White House officials from strolling through the corridors of the executive office buildings, trading on their influence, twisting arms and collecting on past favors.

Mr. Speaker, in addition to introducing this legislation, as chairman of the Subcommittee on Investigations of the Committee on Post Office and Civil Service, I have called on the General Accounting Office to examine the factual and legal basis for the creation of these ethics loopholes in the Executive Office and similar ones throughout the Federal Government.

WHEN WILL THE JAPANESE LEARN TO PLAY FAIR IN TRADE?

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. STARK. Mr. Speaker, last week Japanese Prime Minister Nakasone ordered his Government to draw up emergency measures to help small- and medium-sized export-oriented companies handle the recent increases in the value of the yen. While no specific actions have been agreed on, they could include special loans to those companies and interest rate cuts to devalue the currency.

Clearly, the Japanese think they are facing a trade crisis, but last year their trade surplus was roughly $60 billion. What might they do if their books start to balance?

Mr. Speaker, it's about time the Japanese faced up to their responsibilities as an economic power in an increasingly interdependent world. They cannot continue their xenophobic mercantilistic practices and expect the rest of the world, on whom they depend for their prosperity, to be willing or even able to continue to deal with them. There are grave economic problems around the world—a huge trade deficit here, crushing foreign debt in Latin America, stagnation in most developing countries—and the Japanese continue to turn a blind eye and stash away their horde of gold.

Think of the benefit to our economy if the Japanese would open up their markets and let U.S. companies sell there on a fair basis. Think of the help to Latin America if they would invest their $60 billion surplus in productive projects there instead of in short-term securities here. To date, though, they have been unwilling even to discuss these matters seriously. What can they be thinking of?

Mr. Speaker, I'd also like to know just what of import was discussed at the recent economic summit in Tokyo. It's awfully tough to have substantive economic discussions with the Japanese if our leaders spend their whole time directing war whoops at Libya or condemning the Soviets for their nuclear accident. That may be important but it's not really relevant. The gathering in Tokyo was billed as an economic summit and precious little economics was discussed. That's unfortunate. Another opportunity wasted by the Reagan administration.

MASSACHUSETTS BAY COMMUNITY COLLEGE—A QUARTER CENTURY OF EXCELLENCE

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. FRANK. Mr. Speaker, on June 1 Massachusetts Bay Community College will conduct its commencement exercises. While graduation day at any institution of higher education is an important occasion, much deserving of celebration, June 1 will mark a special anniversary for MMBC. On that date, in addition to commemorating the completion of their studies, the graduating students, along with their families and school officials, will salute MMBC's 25th year of operation. I would like to add my voice to the many others which will be commending this fine school for its many years of excellence and service to the State of Massachusetts.

Located in Wellesley, MA since 1973, the college—which was founded in 1961—has consistently offered a high quality of educational instruction to the cities and towns west of Boston. Nearly 10,000 students have graduated from MBCC during that period, and more than 100,000 have enrolled in college courses since its inception. From a modest graduating class of 77 students in 1963, a class of more than 500 will receive more than 40 different degrees on June 1.

Mr. Speaker, the mission of Massachusetts Bay Community College, as described in the catalog for the current academic year, has been "to serve as a comprehensive student-centered, open access institution with a strong commitment to excellence in all its offerings." There is no doubt that this mission has been fulfilled in the years since 1961, and I am confident that the college will continue to meet that high standard as it expands its many course offerings and increases the opportunities it offers for life-long learning.

I would like to commend the students, faculty, administration, trustees, and staff of Massachusetts Bay Community College for their association with a quarter century of excellence, and to join them in looking forward to the next 25 years.

HONORING ROBERT McNEIL, SAN GABRIEL VALLEY NAACP'S DISTINGUISHED CITIZEN

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. TORRES. Mr. Speaker, I ask my colleagues in Congress to join me in honoring the service and dedication of Robert McNeil, a member of the Baldwin Park City Council.

On June 7, 1986, Mr. McNeil will receive the Distinguished Citizen Award from the San Gabriel Valley Branch of the National Association for the Advancement of Colored People [NAACP]. He will receive this award at the NAACP's San Gabriel Valley Branch Annual Awards and Freedom Fund Banquet. The proceeds from the banquet will enable the San Gabriel Valley NAACP to expand its community activities in the East Valley and begin much needed youth programs during the 1986–87 fiscal year.

Mr. Speaker, it is an honor for me to recognize my friend, Councilman Robert McNeil from the city of Baldwin Park. He was first elected to the city council in 1978 and has served continuously for over 8 years. As a councilman for Baldwin Park he serves as first vice president to the League of California Cities, chairman of the board of the Mid-Valley Manpower Consortium, and as a member of the transportation commission for the Southern California Association of Governments. He has consistently worked to better the well-being of the residents of Baldwin Park.

Councilman McNeil is a native of Lillington, NC, and attended A&T University of Greensboro as well as Hampton Institute in Hampton, VA. He came to California with his wife, Julia, in 1964 and settled in Baldwin Park where they raised their family. He started working at Baldwin Park Post Office and recently retired from the Los Angeles County Assessor's Office as a real estate appraiser.

Since moving to Baldwin Park, Councilman McNeil has been exceptionally active. He has

been involved with the local PTA, school sports clubs and the Lions Club. His efforts helped organize and bring the first City of Hope Auxiliary to Baldwin Park. He is recognized by his friends and neighbors as a leader of the community.

Mr. Speaker, I want to commend the dedication and commitment Councilman McNeil has given to the city of Baldwin Park. His leadership has furthered the reputation and economic status of the city. I want to congratulate him for receiving the NAACP's Distinguished Citizen Award.

FRANKLIN H. GOTTSHALL TO BE HONORED

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. YATRON. Mr. Speaker, on June 4, 1986, the Boyertown Area Historical Society will honor one of the most notable contributors to the preservation of the historical and cultural heritage of eastern Pennsylvania, Mr. Franklin H. Gottshall. An octogenarian, Mr. Gottshall has spent a lifetime observing and chronicling the rich and varied history of our area.

In the course of his life, Mr. Gottshall has pursued a number of interests and, to this day, he is still a master craftsman, a teacher, and a lecturer. He is the author of 16 highly acclaimed books and is widely recognized as one of the most distinguished authorities on the history and culture of our area. Though in his eighth decade, he still continues to work and write each day and often contributes articles to esteemed national periodicals.

The Boyertown Area Historical Society will be honoring Mr. Gottshall for his immeasurable contribution to our knowledge and understanding of the history of the eastern region and its multifaceted cultural heritage. Mr. Speaker, I know my colleagues will join me in commending Mr. Franklin H. Gottshall for his life's work and dedication to the preservation of eastern Pennsylvania's history and culture and in wishing him continued success and happiness.

JOHN SANDERS OF DANVILLE, IL HONORED

HON. TERRY L. BRUCE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. BRUCE. Mr. Speaker, on June 21, 1986, the United States sends a scholar, John Sanders of Danville, IL to Israel for the 6 weeks Seminars Abroad Program. This program, funded through the Fulbright Foundation, has awarded these grants since 1946 in an effort to foster better understanding between the people of the United States and other countries. Toward that end, we could send no finer American representative than John Sanders.

John has taught for more than 30 years and has been recognized many times in his profession. The Governor of Illinois named John as a master teacher. He also received the teacher of the year award at Danville High School and has been recognized for his excellence in teaching by the University of Chicago and Illinois State University.

John is literally an inspiration to his colleagues. Last fall he was asked to deliver the keynote address at a New York teachers conference. His address, "What Do I Do? I Teach" was reminiscent of his earlier speech in Illinois. "I Teach Because I Love People."

In these statements, John points out that love of humanity, and pride in one's profession are the core that leads to true excellence in education. This is the excellence that John Sanders has practiced in Illinois for over 30 years.

One of America's recent heros, Christa McAuliffe, said "I touch the future, I teach." John Sanders has touched the lives and altered the future of thousands in his long career and those of us privileged to live with him here in central Illinois are better for it.

His roles have been many: Husband, his wife Judith, also at Danville High School; father, three sons, Kevin, Kerry, and John; grandfather to Sharon, Heather, and Justin; teacher; and now Fulbright scholar.

Mr. Speaker, Danville and the State of Illinois, take great pride in the excellent scholar we send to Israel to represent American ideas, as well as American ideals, John Sanders.

A TRIBUTE TO MR. ROBERT LEE PAGE

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. COBLE. Mr. Speaker, I would like to take this opportunity to congratulate one of my constituents, Mr. Robert Lee Page, who has been named the 1986 North Carolina Small Businessman of the Year by the U.S. Small Business Administration. Mr. Page represents a success story that I think my colleagues would like to know.

Mr. Page is the president of Replacements, Ltd., a business which locates and sells discontinued crystal and china. During the past 4 years, he turned what began as a weekend hobby into a multimillion-dollar business. Replacements, Ltd., opened in the back room of a brick building on Holbrook Street in Greensboro with only one part-time employee and earned $52,000 in sales during the first year. Today, the business, still located on Holbrook Street, but now in an 18,000-square-foot facility, employs 50 people and had sales of $4 million in the past year.

I feel that Mr. Page is an excellent choice for the SBA honor. The success of Replacements, Ltd., is a perfect example of how important small businesses are to our economy. Robert Lee Page took an interest in collecting crystal and china and turned it into a thriving business that employs 50 people and serves more than 170,000 clients. Since serving on the House Small Business Committee, I have seen how small businesses create most of the new jobs in our economy, and that's why it's important to recognize successful firms such as Replacements, Ltd.

Mr. Page is also active in the Greensboro community. He has contributed to Greensboro area athletic teams and the Triad Council on Alcohol and Drug Awareness, and has sponsored an Indian foster child for 15 years. I am pleased that the SBA selected someone as worthy as Robert Lee Page. I am also pleased that the Sixth District is the home of the 1986 Small Business Person of the Year winner.

REMEMBERING NYDIA MEYERS

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. PURSELL. Mr. Speaker, I rise today in memory of an outstanding woman who played an important role in one of the communities I represent from Michigan's Second District.

Earlier this month, Mr. Speaker, Mrs. Nydia Meyers passed away at the age of 73. As I mentioned, she was an outstanding woman who long will be remembered by the people of Tecumseh, MI.

Dr. Meyers' work in cancer research continues to be recognized in the science community. Holding degrees from the University of Michigan and Stanford, Dr. Meyers taught for 25 years both here in America and abroad—teaching at all levels, I might add.

Her teaching experience included serving as head of the chemistry department at Findlay College in Findlay, OH.

Born in Russia, Dr. Meyers married another outstanding person, Mr. Allen Meyers. Mr. Meyers was an aviation pioneer. He designed and built the Meyers 200, a widely acclaimed plane which was well known in aviation circles.

He ran his business, and promoted aviation in general, from the Al Meyers Airport in Tecumseh.

Since his death 10 years ago, Mrs. Meyers has been active carrying on the memory of her husband. A fitting job since Nydia Meyers, herself, was an airplane enthusiast, holding both personal and commercial pilot licenses.

Through the Allen H. Meyers Foundation, she has given thousands of dollars to students for tuition and other college expenses.

She was an active member of the Tecumseh Chamber of Commerce and recently was appointed to the Michigan Historical Commission/Michigan Historical Observation Committee for the State's 150th-year celebration.

At the time of her death, Mrs. Meyers was involved with preparations for a community-wide celebration of the 50th anniversary of the Al Meyers Airport.

Mr. Speaker, I think it only fitting that I pay tribute to Dr. Meyers at this time.

On July 4, members of the Tecumseh and Lenawee County community will gather in a tribute to a woman whose tireless efforts have helped make life a little nicer for so many. I ask my colleagues to join with me in saying thank you to Nydia Meyers, thank you for doing all you did.

CREDIT UNION LEADER TO RETIRE

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. LEVIN of Michigan. Mr. Speaker, it is a privilege for me to pay tribute to Don Murray, who is retiring after nearly 40 years of service to the credit union movement. Don Murray has served Credit Union ONE as treasurer-manager since 1948 when it was known as the Ferndale Co-op Credit Union. Credit Union ONE is now 75,000 members strong, its growth complimented by the dedication and professionalism of Mr. Murray.

In 1985, he was inducted into the Michigan Credit Union League Hall of Fame and received their distinguished service award. Mr. Murray has served as a trustee of the League of Housing Foundation since 1970, and is a charter member of the League Life Insurance Co. He has served in several positions with the Michigan Credit Union League and the national organization over the years.

On May 22, he will be honored by his family, colleagues, and friends for his years of service and commitment to the development of the credit union system, and his outstanding leadership. I congratulate Mr. Murray on his career accomplishments, and wish him a healthy and happy retirement.

REAL TRADE REFORM

HON. DAN COATS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. COATS. Mr. Speaker, there should be no one in this Chamber who would seriously argue against the need to reform our trade laws. I have been supporting a series of measures designed to help solve America's trade problems, which I would like to take a moment to discuss.

First, recognizing that a substantial component of our massive trade deficit is a result of an extensive list of industry-specific unfair trade barriers, I cosponsored and supported H.R. 3131, the Telecommunications Trade Act, which seeks to obtain reciprocal treatment for U.S. telecommunications exports.

On a broader scale, the Energy and Commerce Committee, on which I serve, has documented counterfeiting, quota fraud, targeting, dumping, subsidization, other tariff and nontariff barriers to U.S. exports, copyright and trademark theft, and predatory import surges as elements of our trading situation that can, and must, be resolved if we are to begin to stop the job and economic losses our U.S. industries are facing.

I think our inability to respond to these practices is partly a result of our trade policy decisionmaking apparatus which is too divided and cumbersome. Some 25 departments and agencies administer our trade laws. This structure needs to be consolidated. Therefore, I introduce H.R. 4383 to establish a single, unified Department of Trade to do just that.

Finally, and most importantly, our trade laws are not geared to providing balanced, speedy, and effective relief. They need to be modernized to respond to the new realities of world trade. If trade remedies or negotiating leverage are available too little or too late, they may as well not be available at all. If there is no real impetus for our trade officials to act, no pressure to seek solutions, there will be no progress in reducing our trade deficit.

For all of these reasons, I joined in the efforts of the Energy and Commerce Committee last fall to draft a bipartisan, far-reaching and fair trade reform bill. We carefully excluded from that bill mandatory tariffs and quotas, performance requirements, sector-specific relief, industrial policy, and GATT violative remedies or requirements. We introduced H.R. 3777, the Trade Law Modernization Act, and that bill was ordered reported by our committee on November 25, 1985, by an overwhelming bipartisan majority.

I hoped that H.R. 3777 would be the broad reform bill around which a bipartisan majority in the Ways and Means Committee and the House could rally. I hoped Congress could present a bill like H.R. 3777 to the President with overwhelming support. In my work on this issue, I, along with my Republican and Democratic colleagues have sought to solve our trade problems with realistic legislation that could be enacted into law. We wanted action, not political posturing and not political confrontation.

Now I am deeply disappointed this is not what is occurring. The legislative process on trade reform has deteriorated into partisan, political posturing by the majority. The Democrats have presented to this House a bill that adopts many of the reforms originated in H.R. 3777, but the bill goes much farther to include controversial, radical, and highly protectionist provisions that do not achieve the result of fair and realistic change.

H.R. 4800 has generated business community concern and opposition, adverse reactions from our trading partners, and threats of retaliation. In particular, the sections of the bill requiring tariffs and quotas against countries with high trade balances with the United States, without regard to which products are traded fairly or unfairly with the United States, are not trade law reform—they truly turn trade law on its head. I do not see these changes as necessary or desirable. I feel the same way about sections requiring adherence to world labor standards even if we don't impose those standards in the United States, and those sections establishing a council in Industrial Competitiveness—an undisguised attempt to impose industrial policy on American taxpayers—who don't want or need it.

H.R. 4800 is bad trade law because it is excessively protectionist. We need good trade law reform. I have proposed to President Reagan a three-point program to help solve our trade problems. In addition to a Department of Trade, the basic principles of the program are reciprocity and tough, but fair, trade laws and enforcement.

I think there is congressional and public support for these principles of reciprocity and effective laws that are strongly enforced, not for partisan, unworkable attacks on the world trading system. I hope the House will repudiate the politics so obvious in H.R. 4800, I am supporting legislation which will do just that—the Trade Expansion and Competitiveness Act of 1986, H.R. 4830, the Republican alternative to H.R. 4800. This legislation is going to be offered as a substitute to H.R. 4800.

H.R. 4830 is good trade law reform, without going too far. It speaks to every one of the problems we tackled in H.R. 3777. It takes strong action to establish reciprocity and open markets, stop fraud and counterfeiting, and allow U.S. officials to act, and act quickly, to stop unfair trade practices. Adoption of this substitute will tell the world the U.S. Congress is serious about changing our trade laws and improving our trading sitution. Nothing in this bill is political—nor is it meant to be. Our industries don't need politics—they need our help. Our unemployed workers don't partisanship—they need an answer that has a chance of becoming law. The substitute provides help and answers. I urge my colleagues to support it.

I want to cite one example of the difference between the Democrat bill and the Republican substitute which illustrates the many ineffective provisions within H.R. 4800. H.R. 4800 purports to help open world markets to U.S. goods, but it contains a provision that is specifically designed to place additional restrictions on exports of Alaskan oil. This looks like a market-closing action to me. It will prevent the United States from acting in a positive way to increase exports and reduce the trade deficit. It this is trade reform, the United States is in trouble. Needless to say, our Republican substitute avoids this kind of fortress America attitude.

I hope this House will adopt the substitute. It is a good bill, and its adoption will keep Members on both sides of the aisle from having to choose between a clear effort to polarize Members on a key issue, and the necessity for real trade law reform now.

NATIONAL SCIENCE WEEK

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. RITTER. Mr. Speaker, May 11 to 17 is designated as National Science Week to honor our past scientific endeavors. In my own district, the Northhampton Junior High School participated in the nationwide launch of 175,000 weather tracking balloons to mark the beginning of the second annual National Science Week. As a former scientist and a member of the Science and Technology Committee, I am fully aware of how these past achievements have provided the United States with its current high standard of living and quality of life. America's scientific leadership is recognized worldwide and America's contributions to science is evident by the 124 Nobel prizes awarded to American scientists and engineers since the mid 1940's. These awards and the technological benefits that occurred since 1945 reflect the strong, long-term U.S. investment in science and technology by the Federal Government and its partner—industrial America.

This investment did not pay dividends in the first year nor in the fifth year. We are reaping the benefits today—just look at the products and possible products coming from out investment in recombinant DNA research—new drugs to fight cancer, new weather and disease-resistant plants and novel industrial products such as metal ore recovery microbes. The investment in semiconductors research in the 1940–50's now provides computers in cars to optimize performance and to reduce pollution.

But what about our future? Do we continue to follow what is apparently a sharp investment strategy and provide adequate support for our ongoing basic research and invest in the development of our future scientists? The National Science Foundation, under the direction of Mr. Erich Block, has taken the initiative to increase the support of the U.S. science infrastructure and to develop highly innovative programs like the Engineering Research Centers to accelerate the transition of basic research to industrial use. The Franklin Institute Science Museum and Planetarium in Philadelphia, PA, under the direction of Mr. Joel Bloom, have created a wonderfully stimulating "Hands On" science exhibit for children of all ages 8 to 14. This exhibit is now here in Congress and will travel to other science museums throughout the country. The museum also has created complete kits and instructions to assist science teachers in the elementary schools to demonstrate scientific principles in a hands-on fun way.

It is approaches like these which will provide the United States with a continuing strong science base and enable us to compete effectively in the global marketplace and allow us to celebrate National Science Week in the future.

GRANITE MONUMENT UNVEILED IN MACON, GA

HON. J. ROY ROWLAND

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. ROWLAND of Georgia. Mr. Speaker, earlier this month a granite monument was unveiled at a park in Macon, GA, to the memory of Marine Sgt. Rodney M. Davis.

Nineteen years ago, Sergeant Davis gave his life to save the members of his platoon in the Quang Nam Province of Vietnam. When a live grenade was thrown into their midst, the young sergeant didn't hesitate—he smothered the explosion with his own body.

ROTC students at Northeast High School, which used to be the Peter G. Appling High School where Sergeant Davis graduated in 1961, led the efforts to raise the money to erect the monument. A number of students were on hand for the unveiling, as were Sergeant Davis' mother, Mrs. Ruth Davis, and other family members and friends.

Sergeant Davis is an inspiration to all of us in Macon and middle Georgia. He is especially an inspiration to many young people. The unveiling of this monument, Mr. Speaker, makes this a very special Memorial Day period for our area of Georgia.

LEGISLATION TO DESIGNATE THE SOL BLATT, SR., POST OFFICE IN BARNWELL, SC

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. DERRICK. Mr. Speaker, I have introduced legislation today which would designate the U.S. post office to be constructed in Barnwell, SC, as the "Soloman Blatt, Sr., Post Office."

Solomon Blatt, "Speaker Emeritus" of the South Carolina House of Representatives, died on May 14, 1986, at the age of 91. As I indicated in my remarks of last week, Sol had a tremendous influence on my life. I will always be grateful for the opportunity I had to serve with him in the South Carolina General Assembly. He instilled in me certain principles which I know I will continue to follow throughout my career.

Sol was a man who dedicated his life to public service. Barnwell County respected his outstanding leadership ability as evidenced by the fact he served in the State legislature from 1933 till his death.

Mr. Speaker, it would be a fitting tribute to name the new post office in Barnwell after Sol Blatt, Sr. A companion measure has been introduced in the Senate by Messrs. THURMOND and HOLLINGS. I hope that my colleagues in the House will expeditiously consider and support passage of this legislation.

THE PEARL ARMELIN EDGERLY FOUNDATION

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. DELLUMS. Mr. Speaker, I would like to commend the founders of the Pearl Armelin Edgerly Foundation of Oakland, CA. This foundation is committed to building the future. Specifically, it is committed to assisting the need to complete their education in various fields of human endeavor, including education, health, economic development and small business.

The Pearl Armelin Edgerly Foundation is a non-profit entity which will function in the private sector in an effort to meet a share of the challenge posed by the continuing cutbacks in Government programs which have traditionally met the needs of the poor in this country. The foundation hopes to serve as a conduit for private funds, functioning to breath life into the vital building blocks of our society—the individuals whose education, whose health, and whose ability to function effectively will determine the very future of our Nation.

I commend the Edgerly Foundation founders as it launches its funding efforts in Oakland, CA. We wish it every possible success.

A TRIBUTE TO DETECTIVE SERGEANT RALPH BROWN

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. FAUNTROY. Mr. Speaker, I would like to bring to the attention of my colleagues, the retirement of a public servant, Detective Sergeant Ralph Francis Brown, who has distinguished himself as a outstanding member of the District of Columbia Metropolitan Police Department.

A native of Louisburg, NC, Ralph Francis Brown moved his family to Washington, DC, after graduating from North Carolina A&T University with an Associates Degree, and serving his country for 2 years in the United States Army.

He began his law enforcement career with the DC Metropolitan Police Department as a foot patrolman at the Sixth District, where he performed his duties with distinction, and was promoted to detective. His next promotion was to sergeant and he was transferred to the Second District. Continuing up the ranks, Ralph Brown was made a plainsclothes detective sergeant and moved to the Sex Squad at Police Headquarters. Culminating his career as a Detective Sergeant, Ralph Brown retires effective May 21, 1986, from the Detective Unit at the Sixth District.

Mr. Speaker, I want to commend the commitment and dedication Detective Sergeant Ralph Brown has given to the law enforcement profession. Indeed, he has served as a positive role model for our youth and has helped to fight crime, making the streets and neighborhoods safe for all the citizens of the District of Columbia. He will be missed by his fellow officers and all who have been touched by this personal involvement and leadership. I wish he, his wife, Johnnie Elaine, and their two daughters, Thursday and Sharon, all the best in the many years to come.

RECIPIENTS OF THE LON O. HOCKER TRIAL LAWYER MEMORIAL AWARD

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. GEPHARDT. Mr. Speaker, in 1954, Mary Hocker established the Lon O. Hocker Trial Lawyer Memorial Award in memory of her husband, as outstanding St. Louis trial lawyer. Since then, the award has been bestowed upon lawyers under age 36 who have demonstrated unusual proficiency in the art of trial advocacy.

I am pleased to recognize, at this time, the 1985 recipients of the award: G. Stephen Long, Thomas DeVoto and John Morthland. These gentleman have proven their adeptness and mastery of the American legal system.

Mr. Long has a B.A. degree cum laude in government from Harvard University and received his J.D. degree from the University of

Wisconsin. He has practiced law in the Kansas City area since 1979 with the firm of Shughart, Thomson & Kilroy, P.C.

Mr. DeVoto received his B.A. degree from Fairfield University and his J.D. degree from St. Louis University. He is a partner in the St. Louis law firm of Wuestling & James.

Mr. Morthland received his B.S. degree in business administration from the University of Missouri-Columbia and his J.D. degree from Loyola University. He is a partner in the Hannibal firm of Wasinger, Parsham & Morthland.

I congratulate these young men who have set goals for others to follow. They have demonstrated their proficiency, and like those before them, will move ahead to aid our judicial system as it guards all American freedom and liberties.

Mr. Speaker. A special individual prompted Mary Hocker to establish this award and three special individuals have received it. I wish them the best of luck in the future.

CELEBRATING CUBAN INDEPENDENCE DAY AND THE FIRST ANNIVERSARY OF RADIO MARTI

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. SMITH of Florida. Mr. Speaker, it is with great pleasure that I rise today to mark two important anniversaries of which the Cuban people are very proud. On May 20, 1902—84 years ago—the United States granted Cuba its iindependence, ushering in an era of democracy and liberty for the people of that beautiful island which was shattered by the Communist takeover by Castro in 1959. Eighty-three years later, on May 20, 1985, the United States inaugurated Radio Marti, sending hopes for freedom and liberty once again to the people of Cuba.

It is fitting that we should celebrate both anniversaries on the same day. Jose Marti and other Cuban patriots devoted their lives to bringing about a government with democratic principles—with freedom of the press, freedom of assembly, freedom of religion, and freedom of thought. These courageous individuals fought to bring the spirit of liberty to Cuba—a goal now shared by Radio Marti. In 1 year, this radio program has become the voice of democracy for millions of people living under the Communist rule of Fidel Castro.

On this first anniversary of Radio Marti, the people of the United States renew their pledge of freedom with their Cuban neighbors. On this day of independence, we salute the brave Cuban patriots who fought to bring democracy to their nation. It is a day of great pride and hope for the Cuban people and a symbol for democracy and freedom in Latin America.

TRIBUTE TO DR. ROBERT DOUDS

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. THOMAS of California. Mr. Speaker, my fellow Representatives. Friends and family of a well-known and highly respected physician in my district gathered recently on the sad occasion of his death.

Dr. Robert Douds was a general practitioner in Bakersfield for 42 years. He began a career in medicine when the friendly family doctor wasn't as rare as it is today. He maintained a small-town doctor's warmth throughout his long career by truly caring about the well-being of every one of his patients.

He came to California from Kentucky after graduation from the University of Louisville School of Medicine in 1934. He served his 1-year internship in Fresno, CA before coming to Bakersfield. Dr. Douds served his residency at what was then called Kern General Hospital. General Hospital has since been renamed Kern Medical Center.

After the attack of Pearl Harbor Dr. Douds put his special talent to use in serving his country. He joined the Army and served in the medical corps. After World War II Douds returned to Bakersfield and started his private practice.

Mr. Douds retained his license to practice medicine even after his retirement and was an active member of the Kern County Medical Society, the California Medical Association, the American Medical Association, and the Academy of Family Practice.

He is missed not only by his friends and family but also by the many members of the Bakersfield community whose lives he touched by his professional caring, and his easy-going and positive outlook on life.

GOLD MEDAL FOR JOE KITTINGER

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. McCOLLUM. Mr. Speaker, I and all of the Fifth District of the State of Florida which I represent in this body are honored to have a true American hero as a neighbor and friend. The time has arrived for the U.S. Congress to join the numerous public and private organizations which have recognized the outstanding achievements of Joe Kittinger by issuing a Congressional gold medal in his behalf.

The Congressional Gold Medal has been awarded by this body for exceptional contributions in the field of air and space exploration on several occasions. The Wright brothers, Charles Lindberg, General "Billy" Mitchell, and two different teams of balloonists who crossed the Atlantic Ocean are among the recipients of our Nation's highest civilian award. Joe Kittinger, a name well-known in central Florida and throughout aviation circles, has accomplished tremendous feats which favorably compare with those of this small gold medal club.

Joe, a native of Orlando, FL, has been flying aircraft since 1949, lighter-than-air balloons since 1955 and hot-air balloons since 1964. He is currently chief of operations for Rosie O'Grady's flying circus.

From 1949 to 1978, he served with the U.S. Air Force. Joe flew 483 missions during his three tours of duty in Vietnam and spent nearly 1 year as a prisoner of the North Vietnamese. The Silver Star, the Legion of Merit, the Distinguished Flying Cross, and the Bronze Star are only the beginning of a long list of decorations Joe earned during his military career.

Joe is also the holder of several world records which include the highest parachute jump, the longest parachute free fall and the first man to break the speed of sound without an aircraft or space vehicle. In September 1984, Joe completed the first solo trans-Atlantic flight from Maine to Italy in the 10-story Rose O'Grady balloon of peace. At the young age of 58, Joe has plenty of time to go after his other goals which include a solo trans-Pacific balloon flight among other things.

By issuing a Congressional Gold Medal for Joe Kittinger, we will accomplish much more than paying tribute to this great man. We will be recognizing the rare spirit which has made and will continue to make America the envy of all nations. I urge my colleagues to join me in awarding a Congressional Gold Medal to Joe Kittinger.

CHERNOBYL—THE INTERNATIONAL COVERUP

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. SOLOMON. Mr. Speaker, exactly 2 weeks ago today, when the world was horrified to learn about what was happening at the Chernobyl nuclear power station in the Soviet Union, the Soviet representative to the United Nations stood in the general assembly hall to address the nations of the world. Among other issues, he spoke on the subject of peace—and with a straight face, shamelessly, he solemnly declared that the most important international challenge in today's world is "to prevent the world from sliding towards a nuclear catastrophe . . . ."

Big words for the representative of a regime that was at that very moment perpetrating the biggest coverup of modern times. All of the Ambassador's words about "nuclear catastrophe," "relaxation of international tension," and "peaceful cooperation beneficial for all countries" were being betrayed by his own government even as he spoke.

Mr. Speaker, I have risen before in this House to say that behind all of Mr. Gorbachev's smiles and well-tailored suits—behind his carefully-crafted public image—there beats the heart of just one more brutal Communist thug. Once again all of the sham and duplicity with which the Soviets treat their own people—let alone everybody else—have been exposed.

Today our Congress pays tribute to Anatoly Shcharansky. If there is anything that his life and witness can teach us it is this: We can only trust the Soviet Communists to do one thing—to act like Soviet Communists. They respect nothing but strength. They fear nothing except the truth.

I hope that from Anatoly Shcharansky's visit, coming as it does on the heels of the Soviet coverup at Chernobyl, we will recognize anew the sinister and devious character of the Soviet system—that there is no convergence of mutal and lasting interests between ourselves and the Soviet leaders. One side or the other must ultimately prevail. The Soviet challenge is more than merely economic or political competition—it represents the most brutal assault ever launched against the Judeo-Christian ethic and every other standard of civilized behavior.

HOUSE OF REPRESENTATIVES—*Wednesday, May 21, 1986*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray, O God, that we will not have to see evil in other people in order to feel good about ourselves. May not our righteousness come by seeing the mistakes of others and making comparisons that come to our favor. Rather, O gracious God, may we accept responsibility for our own lives and do justly, love mercy, and ever walk humbly with You. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2672) "An act to redesignate the New York International and Bulk Mail Center in Jersey City, New Jersey, as the 'New Jersey International and Bulk Mail Center', and to honor the memory of a former postal employee by dedicating a portion of a street at the New York International and Bulk Mail Center in Jersey City, New Jersey, as 'Michael McDermott Place'."

The message also announced that the Senate disagrees to the amendment of the House to the concurrent resolution (S. Con. Res. 120) "Concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1987, 1988, and 1989," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. DOMENICI, Mrs. KASSEBAUM, Mr. BOSCHWITZ, Mr. ANDREWS, Mr. QUAYLE, Mr. GORTON, Mr. CHILES, Mr. HOLLINGS, Mr. JOHNSTON, Mr. SASSER, and Mr. METZENBAUM to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 142. Concurrent resolution authorizing a technical correction to be made in the enrollment of the bill H.R. 2672.

PERMISSION TO OFFER AMENDMENTS EN BLOC PRINTED IN THE RECORD ON MAY 20, 1986, TO H.R. 4800, TRADE AND INTERNATIONAL ECONOMIC POLICY REFORM ACT OF 1986

Mr. JEFFORDS. Mr. Speaker, I ask unanimous consent that I may be permitted to offer the amendments en bloc printed in the RECORD of May 20, 1986, to H.R. 4800, in lieu of the amendments printed on May 15, 1986.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

SEQUESTRATION OF LOAN GUARANTEE COMMITMENTS

The SPEAKER. Pursuant to the provisions of clause 5, rule I, the unfinished business is the question of suspending the rules and passing the Senate bill, S. 2416, as amended.

The Clerk read the title of the Senate bill.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the Senate bill, S. 2416, as amended, on which further proceedings were postponed on Tuesday, May 20, 1986, and on which the yeas and nays are ordered.

The vote was taken by electronic device and there were—yeas 398, nays 0, not voting 35, as follows:

[Roll No. 130]

YEAS—398

Ackerman	Boehlert	Chappie
Akaka	Boland	Cheney
Alexander	Boner (TN)	Clay
Anderson	Bonior (MI)	Clinger
Andrews	Bonker	Cobey
Annunzio	Borski	Coble
Anthony	Bosco	Coelho
Applegate	Boucher	Coleman (MO)
Archer	Boulter	Coleman (TX)
Aspin	Boxer	Combest
AuCoin	Brooks	Conte
Barnard	Brown (CA)	Conyers
Barnes	Brown (CO)	Cooper
Bartlett	Broyhill	Coughlin
Barton	Bruce	Courter
Bateman	Bryant	Coyne
Bates	Burton (CA)	Craig
Bedell	Burton (IN)	Crane
Bellenson	Bustamante	Crockett
Bennett	Byron	Daniel
Bentley	Campbell	Dannemeyer
Bereuter	Carney	Darden
Berman	Carper	Daschle
Bevill	Carr	Daub
Biaggi	Chandler	Davis
Bilirakis	Chapman	de la Garza
Bliley	Chappell	DeLay
Dellums	Hunter	Moore
Derrick	Hutto	Moorhead
DeWine	Hyde	Morrison (CT)
Dickinson	Ireland	Morrison (WA)
Dicks	Jacobs	Murphy
Dingell	Jeffords	Murtha
DioGuardi	Jenkins	Myers
Dixon	Johnson	Natcher
Donnelly	Jones (NC)	Nelson
Dorgan (ND)	Jones (OK)	Nichols
Dornan (CA)	Jones (TN)	Nielson
Dreier	Kanjorski	Nowak
Duncan	Kaptur	Oakar
Durbin	Kasich	Oberstar
Dwyer	Kastenmeier	Obey
Dymally	Kemp	Olin
Dyson	Kennelly	Ortiz
Early	Kildee	Owens
Eckart (OH)	Kindness	Oxley
Eckert (NY)	Kleczka	Packard
Edwards (CA)	Kolbe	Panetta
Edwards (OK)	Kolter	Parris
Emerson	Kramer	Pashayan
English	LaFalce	Pease
Erdreich	Lagomarsino	Penny
Evans (IA)	Lantos	Pepper
Evans (IL)	Latta	Perkins
Fawell	Leach (IA)	Petri
Fazio	Leath (TX)	Pickle
Feighan	Lehman (CA)	Porter
Fiedler	Lehman (FL)	Price
Fields	Leland	Pursell
Fish	Lent	Quillen
Flippo	Levin (MI)	Rahall
Florio	Levine (CA)	Rangel
Foley	Lewis (CA)	Ray
Ford (MI)	Lewis (FL)	Regula
Ford (TN)	Lightfoot	Reid
Fowler	Lipinski	Ridge
Frank	Livingston	Ritter
Franklin	Lloyd	Roberts
Frenzel	Loeffler	Robinson
Frost	Long	Roe
Fuqua	Lott	Roemer
Gallo	Lowery (CA)	Rogers
Gejdenson	Lowry (WA)	Rose
Gekas	Luken	Rostenkowski
Gephardt	Lundine	Roth
Gibbons	Lungren	Roukema
Gilman	Mack	Rowland (CT)
Gingrich	Madigan	Rowland (GA)
Glickman	Manton	Roybal
Gonzalez	Marlenee	Rudd
Goodling	Martin (IL)	Russo
Gordon	Martin (NY)	Sabo
Gradison	Martinez	Savage
Gray (IL)	Matsui	Saxton
Gray (PA)	Mavroules	Schaefer
Green	Mazzoli	Scheuer
Gregg	McCain	Schneider
Guarini	McCandless	Schroeder
Gunderson	McCloskey	Schuette
Hall (OH)	McCollum	Schulze
Hall, Ralph	McCurdy	Schumer
Hamilton	McDade	Seiberling
Hammerschmidt	McEwen	Sharp
Hansen	McGrath	Shaw
Hartnett	McHugh	Shelby
Hatcher	McKernan	Shumway
Hawkins	McKinney	Shuster
Hayes	McMillan	Sikorski
Hefner	Meyers	Siljander
Hendon	Mica	Sisisky
Henry	Michel	Skeen
Hertel	Mikulski	Skelton
Hiler	Miller (OH)	Slaughter
Hillis	Miller (WA)	Smith (FL)
Holt	Mineta	Smith (NE)
Hopkins	Mitchell	Smith (NJ)
Horton	Moakley	Smith, Denny (OR)
Howard	Molinari	
Hoyer	Mollohan	Smith, Robert (NH)
Hubbard	Monson	
Huckaby	Montgomery	Smith, Robert (OR)
Hughes	Moody	

Snowe	Tallon	Weaver
Snyder	Tauke	Weber
Solarz	Tauzin	Weiss
Solomon	Taylor	Wheat
Spence	Thomas (CA)	Whitley
Spratt	Thomas (GA)	Whitten
St Germain	Torres	Williams
Staggers	Torricelli	Wilson
Stallings	Towns	Wirth
Stangeland	Traficant	Wise
Stark	Traxler	Wolf
Stenholm	Udall	Wolpe
Stokes	Valentine	Wortley
Strang	Vander Jagt	Wright
Stratton	Vento	Wyden
Studds	Visclosky	Wylie
Stump	Volkmer	Yates
Sundquist	Vucanovich	Yatron
Sweeney	Walgren	Young (AK)
Swift	Walker	Young (FL)
Swindall	Watkins	Young (MO)
Synar	Waxman	

NAYS—0

NOT VOTING—35

Armey	Fascell	Neal
Atkins	Foglietta	O'Brien
Badham	Garcia	Richardson
Boggs	Gaydos	Rinaldo
Breaux	Grotberg	Rodino
Broomfield	Heftel	Sensenbrenner
Callahan	Kostmayer	Slattery
Coats	Lujan	Smith (IA)
Collins	MacKay	Whitehurst
Dowdy	Markey	Whittaker
Downey	Miller (CA)	Zschau
Edgar	Mrazek	

□ 1125

Mr. COUGHLIN and Mr. BEREUTER changed their votes from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title of the Senate bill was amended so as to read: "An act to revise further the limitation applicable to chapter 37 of title 38, United States Code, for fiscal year 1986, for the purpose of implementing any order issued by the President for such fiscal year under any law providing for the sequestration of new loan guarantee commitments, and for other purposes."

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mrs. COLLINS. Mr. Speaker, I was unavoidably absent on rollcall No. 130, the vote on the motion to suspend the rules and pass the bill S. 2416 to raise the ceiling on Veterans' Administration home loan guarantee programs.

I support the measure. I would have voted aye on its passage.

PERSONAL EXPLANATION

Mr. KOSTMAYER. Mr. Speaker, I was in Pennsylvania yesterday for the primary election. My flight to Washington, DC, was unavoidably delayed, causing me to miss today's first vote on S. 2416, a bill to permanently exempt the Veterans' Administration home loan guarantee program from the sequestration process mandated by Gramm-Rudman. However, had I been present, I would have voted for S. 2416.

A similar House bill (H.R. 4775) was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mrs. Emery, one of his secretaries.

PERMISSION FOR SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS AND HUMAN RESOURCES OF THE COMMITTEE ON GOVERNMENT OPERATIONS TO MEET ON TOMORROW DURING 5-MINUTE RULE

Mr. WEISS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Intergovernmental Relations and Human Resources of the Committee on Government Operations be permitted to meet tomorrow during the 5-minute rule.

I have cleared this with the ranking minority member of the subcommittee, the gentleman from Pennsylvania [Mr. WALKER], and he has no objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

APPOINTMENT OF CONFEREES ON SENATE CONCURRENT RESOLUTION 120, CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1987

Mr. GRAY of Pennsylvania. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate Concurrent Resolution (S. Con. Res. 120) setting forth the congressional budget for the U.S. Government for the fiscal years 1987, 1988, and 1989, with the House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? The Chair hears none, and appoints the following conferees: Messrs. GRAY of Pennsylvania, WRIGHT, DERRICK, WILLIAMS, WOLPE, RUSSO, JENKINS, LEATH of Texas, and SCHUMER, Mrs. BOXER, Messrs. MACKAY, SLATTERY, LATTA, and KEMP, Mrs. MARTIN of Illinois, Ms. FIEDLER, and Messrs. GRADISON, LOEFFLER, MACK and GOODLING.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO HAVE UNTIL 5 P.M., FRIDAY, MAY 30, 1986, TO FILE REPORT ON H.R. 4801, SENTENCING GUIDELINES ADJUSTMENT ACT OF 1986

Mr. BERMAN. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary file a report on H.R. 4801, Sentencing Guidelines Adjustment Act of 1986, during the recess of the House, by 5 p.m. on Friday, May 30, 1986.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

TRADE AND INTERNATIONAL ECONOMIC POLICY REFORM ACT OF 1986

The SPEAKER. Pursuant to House Resolution 456 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4800.

□ 1130

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4800) to enhance the competitiveness of American industry; and for other purposes, with Mr. BEILENSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Tuesday, May 20, 1986, all time for general debate had expired.

Pursuant to the rule, the bill is considered as having been read for amendment under the 5-minute rule. The amendments printed in section 2 of House Resolution 456, agreed to by the House on May 15, 1986, are considered as having been adopted.

No other amendments to the bill are in order except the following amendments printed in the CONGRESSIONAL RECORD of May 15, 1986, except amendment numbered (12) shall be the text of H.R. 4830 in lieu of being printed in the RECORD, and except amendment numbered (10) shall be printed in the CONGRESSIONAL RECORD of May 20, 1986, in lieu of the CONGRESSIONAL RECORD of May 15, by, and if offered by the designated Members or their designees, which shall be considered only in the following order, shall be considered as having been read, shall not be subject to amendment or to a demand for a division of the question, and each amendment shall be debatable for 30 minutes, or 1 hour in the case of amendments (8) and (12), the time to be equally divided and controlled by the proponent of

the amendment and a Member opposed thereto:

(1) The amendment by Representative CRANE to subtitle A of title I;

(2) The two amendments by Representative FRENZEL to subtitles A and B of title I;

(3) The amendment by Representative AUCOIN to title I;

(4) The amendment by Representative DINGELL to title II;

(5) The amendment by Representative COLEMAN of Texas to title III;

(6) The amendment by Representative ROTH to title III;

(7) The two amendments by Representative BONKER to title IV;

(8) The amendment by Representative WYLIE to title IV;

(9) The amendment by Representative EVANS of Illinois to title V;

(10) The amendment by Representative JEFFORDS to title V;

(11) The amendment by Representative BROYHILL to title VII; and

(12) The amendment by Representative MICHEL.

The text of H.R. 4800, as amended, is as follows:

H.R. 4800

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Trade and International Economic Policy Reform Act of 1986".

(b) TABLE OF CONTENTS.—

TITLE I—TRADE LAW AMENDMENTS

Subtitle A—Enforcement of United States Trade Agreement Rights and Response to Foreign Trade Practices

Sec. 111. Reference to the Trade Act of 1974.
Sec. 112. Determinations requiring action.
Sec. 113. Export targeting.
Sec. 114. Investigatory procedures.
Sec. 115. Mandatory initiation of certain investigations by Trade Representative.
Sec. 116. Recommendations for Presidential action by Trade Representative.
Sec. 117. Modification and termination of actions.
Sec. 118. Barriers to market access.
Sec. 119. Mandatory negotiations and action regarding foreign countries having excessive and unwarranted trade surpluses with the United States.
Sec. 120. Conforming amendments and effective date.

Subtitle B—Relief From Injury Caused by Import Competition, Subsidies, Dumping, and Unfair Trade Practices

CHAPTER 1—RELIEF FROM INJURY BY IMPORT COMPETITION

Sec. 121. Import relief.
Sec. 122. Adjustment Assistance Trust Fund.
Sec. 123. Expedited consideration of petitions for adjustment assistance.
Sec. 124. Market disruption.

CHAPTER 2—AMENDMENTS TO THE COUNTERVAILING AND ANTIDUMPING DUTY LAWS

Sec. 131. Reference.
Sec. 132. Processed agricultural products.
Sec. 133. Definition of domestic subsidy.
Sec. 134. Material injury and threat of material injury.
Sec. 135. Resource input subsidies.
Sec. 136. Diversionary dumping.
Sec. 137. Downstream product monitoring.
Sec. 138. Private remedy for injury resulting from dumping.
Sec. 139. Miscellaneous amendments.

CHAPTER 3—INTELLECTUAL PROPERTY RIGHTS

Sec. 141. Congressional findings and purposes.
Sec. 142. Protection under the Tariff Act of 1930.
Sec. 143. Action regarding foreign market access barriers affecting intellectual property.
Sec. 144. Negotiating objectives regarding intellectual property rights.

Subtitle C—Trade Negotiating Objectives and Authority

Sec. 151. Reference to Trade Act of 1974.
Sec. 152. Overall and principal trade negotiating objectives of the United States.
Sec. 153. Extension of trade agreement authority.
Sec. 154. Agreements regarding nontariff barriers to, other distortions of, trade.
Sec. 155. Compensation authority.
Sec. 156. Tariff agreements with Canada.
Sec. 157. Time for submission of certain reports.
Sec. 158. Negotiating objectives regarding high technology access.

Subtitle D—Functions of the United States Trade Representative

Sec. 161. Trade policy functions.
Sec. 162. Fair Trade Advocates Branch.
Sec. 163. Trade policy agenda.

Subtitle E—Miscellaneous Trade Law Provisions

Sec. 171. Imports affecting national security.
Sec. 172. Reallocation of GSP benefits to Latin American debtor nations.
Sec. 173. Transfer of authority under GSP to the United States Trade Representative.
Sec. 174. Appointment of Chairman and Vice Chairman of International Trade Commission.
Sec. 175. Scofflaw penalties for multiple customs laws offenders.
Sec. 176. Metallurgical coal exports to Japan.
Sec. 177. Steel imports.
Sec. 178. Import monitoring by the International Trade Commission; technical amendments.

TITLE II.—INTERNATIONAL TRADE IN TELECOMMUNICATIONS PRODUCTS AND SERVICES

Sec. 201. Short title.
Sec. 202. Findings and purposes.
Sec. 203. Negotiating objectives.
Sec. 204. Investigation of foreign telecommunications trade barriers.
Sec. 205. Action by the President in response to investigations by Trade Representative.
Sec. 206. Review of trade agreement implementation by Trade Representative.
Sec. 207. Consultations.
Sec. 208. General trade agreement authority.
Sec. 209. Compensation authority.
Sec. 210. Definition of telecommunications product.
Sec. 211. International obligations.

TITLE III—EXPORT ENHANCEMENT

Sec. 301. Short title.
Sec. 302. Findings and purposes.

Subtitle A—Export Promotion

Sec. 311. United States and Foreign Commercial Service.
Sec. 312. Diplomatic missions.
Sec. 313. Market development cooperator program.
Sec. 314. Agricultural trade policy.
Sec. 315. Agricultural trade research and reports.
Sec. 316. Export-Import Bank.
Sec. 317. Country reports on economic policy and trade practices.
Sec. 318. Authorization of appropriations.

Subtitle B—Export Controls

Sec. 321. Oil exports to noncontiguous countries.
Sec. 322. National security controls.
Sec. 323. Enforcement.
Sec. 324. Authorization of appropriations.
Sec. 325. GAO report.

Subtitle C—Debt, Development, and World Growth

Sec. 331. International negotiations.
Sec. 332. Trade liberalization in developing countries.
Sec. 333. Overseas Private Investment Corporation.
Sec. 334. Trade and Development Program.
Sec. 335. Countertrade.

Subtitle D—Protection of United States Business Interests Abroad

Sec. 341. Protection of United States intellectual property.

Subtitle E—Miscellaneous Provisions

Sec. 351. Trading with the Enemy Act.
Sec. 352. Budget Act.

TITLE IV—BANKING COMMITTEE PROVISIONS

Subtitle A—Competitive Exchange Rate Act of 1986

Sec. 401. Short title.
Sec. 402. Findings and purposes.
Sec. 403. International negotiations on exchange rate reform.
Sec. 404. Strategic currency reserve.
Sec. 405. Reporting requirements.
Sec. 406. Congressional recognition of the recommendations of the International Monetary Fund.
Sec. 407. Definitions.

Subtitle B—International Debt, Trade, and Financial Stabilization Act

CHAPTER 1—SHORT TITLE; PURPOSES; AND DEFINITIONS

Sec. 411. Short title.
Sec. 412. Purposes.
Sec. 413. Definitions.

CHAPTER 2—MEASURING THE IMPACT OF THE DEBT CRISIS ON WORLD TRADE, DEVELOPMENT, AND FINANCIAL STABILITY

Sec. 416. Findings.

CHAPTER 3—INCREASING WORLD BANK EFFECTIVENESS

Sec. 421. Rapid loan disbursements.
Sec. 422. Structural adjustment lending.
Sec. 423. Reducing capital flight.
Sec. 424. Increasing World Bank lending resources.

CHAPTER 4—INCREASING WORLD TRADE AND ECONOMIC GROWTH

Sec. 426. Trade liberalization in developing countries.
Sec. 427. Increased trade and investment in developing nations.

CHAPTER 5—INSURING THE STABILITY OF THE INTERNATIONAL FINANCIAL SYSTEM
Sec. 431. Private capital sources for developing nations.
Sec. 432. Mobilization of private capital.
CHAPTER 6—MULTILATERAL INVESTMENT GUARANTEE AGENCY
Sec. 436. Short title.
Sec. 437. Acceptance of membership.
Sec. 438. Governor and Alternate Governor.
Sec. 439. Applicability of Bretton Woods Agreements Act.
Sec. 440. Restrictions.
Sec. 441. Federal reserve banks as depositories.
Sec. 442. Jurisdiction of United States courts and enforcement of arbitral awards.
Sec. 443. Force and effect of Convention.
Sec. 444. Full faith and credit for arbitral awards; jurisdiction.
CHAPTER 7—INTER-AMERICAN DEVELOPMENT BANK
Sec. 446. Merger of inter-regional and ordinary capital.
Sec. 447. Waiver of country program limitations under new replenishment agreement under certain conditions.
Subtitle C—Competitive Tied Aid Fund Act
Sec. 451. Short title.
Sec. 452. Competitive tied aid fund.
Subtitle D—Council on Industrial Competitiveness Act
Sec. 461. Short title.
Sec. 462. Findings and purposes.
Sec. 463. Council established.
Sec. 464. Duties of the Council.
Sec. 465. Membership.
Sec. 466. Executive director and staff.
Sec. 467. Powers of the Council.
Sec. 468. Effects of imports on domestic industries.
Sec. 469. Reports.
Sec. 470. Authorization of appropriations.
Sec. 471. Definitions.
TITLE V—EDUCATION AND TRAINING FOR AMERICAN COMPETITIVENESS
Sec. 501. Short title.
Sec. 502. Findings and purposes.
Subtitle A—Education for American Competitiveness
Sec. 511. Authorization of appropriations.
Sec. 512. Definitions.
CHAPTER 1—EDUCATION AND TRAINING TO STRENGTHEN THE COMPETITIVENESS OF DOMESTIC INDUSTRY
Sec. 521. Program authorized.
Sec. 522. Allotment to States.
Sec. 523. State plans.
Sec. 524. Literacy training.
Sec. 525. Vocational training services.
Sec. 526. Education in mathematics, science, or foreign languages.
Sec. 527. Eligible service providers.
Sec. 528. Limitation on administrative costs.
CHAPTER 2—POSTSECONDARY EDUCATION PROGRAMS TO IMPROVE INSTRUCTION IN MATHEMATICS, SCIENCE, AND FOREIGN LANGUAGE
Sec. 531. Programs authorized.
Sec. 532. Selection of grant recipients.
Sec. 533. Applications.
Sec. 534. Summer institutes and workshops.
Sec. 535. Acquisition and use of equipment.
Sec. 536. Educational partnership programs.
CHAPTER 3—EDUCATIONAL TELECOMMUNICATIONS
Sec. 541. National educational telecommunications demonstration program.
Subtitle B—Training for Industrial Competitiveness
Sec. 551. Authorization of appropriations.
Sec. 552. Training programs under Job Training Partnership Act.
Sec. 553. Job banks.
Sec. 554. Studies.
TITLE VI—AGRICULTURAL TRADE
Subtitle A—Improvement of Agricultural Trade Policy and Market Development Activities
Sec. 601. Purpose of subtitle.
Sec. 602. Designation of the Department of Agriculture as lead agency for agricultural trade.
Sec. 603. Consultation by the Secretary of Agriculture.
Sec. 604. Reorganization of the Department of Agriculture.
Sec. 605. Conforming amendments to title 5, United States Code.
Sec. 606. Transfer of entities to the Foreign Agricultural Service and establishment of commodity division.
Sec. 607. Establishment of the General Sales Manager's Office.
Sec. 608. Establishment of office to monitor trade practices.
Sec. 609. Establishing an office to provide assistance to victims of unfair trade practices.
Sec. 610. Provision of technical assistance in trade negotiations.
Sec. 611. Long term agricultural trade strategy reports.
Sec. 612. Declaration of policy respecting food aid and market development.
Sec. 613. Reporting by the Secretary of Agriculture.
Sec. 614. Establishment of Office of Food Aid Policy.
Sec. 615. Commodities for cooperator organizations.
Sec. 616. Department of Agriculture contract authority for individuals abroad.
Sec. 617. Limitation on spending authority.
Sec. 618. Export enhancement program.
Sec. 619. Implementation of certain sections of 1129 and 1167 of the Food Security Act.
Subtitle B—Domestic Markets for Agricultural Commodities and Products
Sec. 631. Study relating to honey.
Sec. 632. Rose study report.
Sec. 633. Determining material interference caused by imported tobacco.
Sec. 634. Import inventory.
Sec. 635. Sense of Congress—action in response to foreign import restrictions on United States citrus fruits and beef products.
Subtitle C—Miscellaneous
Sec. 651. Class I and II milk.
Sec. 652. Protection of quality of export grain.
Sec. 653. Findings and sense of Congress with respect to European Community.
TITLE VII—FOREIGN CORRUPT PRACTICES AND ADJUSTMENT PLAN REVIEW
Sec. 701. Foreign Corrupt Practice Act amendments.
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TITLE I—TRADE LAW AMENDMENTS

Subtitle A—Enforcement of United States Rights Under Trade Agreements and Response to Certain Foreign Trade Practices

SEC. 111. REFERENCE TO THE TRADE ACT OF 1974.

Unless otherwise provided, whenever in this chapter an amendment or repeal is expressed in terms of an amendment to, or repeal of, a title, section, subsection, or other provision, the reference shall be considered to be made to a title, section, subsection, or other provision of the Trade Act of 1974 (19 U.S.C. 2101 et seq.).

SEC. 112. DETERMINATIONS REQUIRING ACTION.

Section 301 (19 U.S.C. 2411) is amended as follows:

(1) Subsection (a) is amended—

(A) by redesignating paragraph (2) as paragraph (5); and

(B) by striking out paragraph (1) and inserting the following:

"(1) MANDATORY ACTION.—

"(A) IN GENERAL.—If the President on his own motion determines, or the United States Trade Representative (hereinafter in this chapter referred to as the 'Trade Representative') determines under section 304(a), that—

"(i) the rights of the United States under any trade agreement are being denied; or

"(ii) an act, policy, or practice of a foreign country—

"(I) is inconsistent with the provisions of, or otherwise denies benefits to the United States under, any trade agreement, or

"(II) is unjustifiable and burdens or restricts United States commerce (including commerce between the United States and another foreign country),

the President, subject to subparagraph (B), shall take action under subsection (b) or (c), or both, and shall take all other appropriate and feasible action within his power, to enforce such rights or to obtain the elimination of such act, policy, or practice. Such action shall be devised so as to affect goods or services of the foreign country involved in an amount that is equivalent in value to, and necessary to eliminate fully, the burden or restriction being imposed by that country on United States commerce.

"(B) EXCEPTION.—The President is not required to take action under subparagraph (A) in any case in which—

"(i) the Contracting Parties to the General Agreement on Tariffs and Trade (hereinafter in this title referred to as the 'GATT') have determined, or a panel of experts has reported to the Contracting Parties, that—

"(I) the rights of the United States under a trade agreement are not being denied; or

"(II) the act, policy, or practice is not a violation of, or inconsistent with, the rights of the United States, or does not deny, nullify, or impair benefits to the United States under any trade agreement; or

"(ii) the President finds that—

"(I) the foreign country is taking satisfactory measures to grant the rights of the United States under a trade agreement,

"(II) the foreign country has agreed to eliminate or phase out the act, policy, or practice, or has agreed to an imminent solution, that is satisfactory to the President, to the burden or restriction on United States commerce,

"(III) it is impossible for the foreign country to achieve the results described in subclause (I) or (II), as appropriate, but the foreign country agrees to provide to the United States compensatory trade benefits that are satisfactory to the President, or

"(IV) such action is not in the national economic interest of the United States because it would result in United States economic interests being more adversely affected if action were taken under this subclause than if not, and he includes the reasons for such finding in the report required under paragraph (D).

"(C) EXPORT TARGETING.—If—

"(i) the Trade Representative determines that a policy or practice of export targeting by a foreign country exists with respect to a class or kind of merchandise under investigation; and

"(ii) the United States International Trade Commission (hereinafter in this chapter referred to as the 'Commission') determines under subsection (d) of section 302 that imports or sales for importation of that merchandise are causing the injury, threat of injury, or retardation described in paragraph (1) of that subsection to an industry in the United States;

the President shall take all appropriate and feasible action within his power to obtain the elimination of, or to offset fully the injurious effects of, such export targeting (or both obtain such elimination and offset such effects). Such action shall consist of—

"(I) action under subsection (b) or (c), or both;

"(II) the entry into an agreement under which the foreign country provides an imminent solution to the burden or restriction on United States commerce, or compensatory trade benefits satisfactory to the President;

"(III) administrative actions, and, if necessary, proposed legislation, to implement any other government action which would restore or improve the international competitive position of the industry that has been injured or threatened with injury; or

"(IV) any combination of the actions listed in subclauses (I), (II), and (III).

Any action taken under subsection (b) or (c) shall be devised so as to affect goods or services of the foreign country involved in an amount that is equivalent in value to, and necessary to eliminate fully, the burden or restriction imposed by that country on United States commerce not otherwise eliminated or offset under this subparagraph. The action under this subparagraph shall, to the extent possible, reflect the full benefit level of the policy or practice of export targeting to the beneficiary over the period during which it has an effect.

"(D) REPORT TO CONGRESS.—The President shall promptly report in writing to Congress with respect to each action taken (or the reasons why no action was taken)—

"(i) to enforce the rights of the United States or to eliminate the acts, policies, and practices described in subparagraph (A); or

"(ii) to eliminate or offset the policy or practice described in subparagraph (C).

"(2) DISCRETIONARY ACTION.—If the President on his own motion determines, or the Trade Representative determines under section 304(a), that an act, policy, or practice of a foreign country is unreasonable or discriminatory and burdens or restricts United States commerce (including commerce between the United States and another foreign country); the President, if he determines that action by the United States is appropriate, shall take all appropriate and feasible action within his power to obtain the elimination of that act, policy, or practice.

"(3) EFFECT IF ACTION REQUIRED TO BE TAKEN UNDER SECTION 311.—The President may not take any action under paragraph (1) or (2) with respect to a foreign country during any time during which action is required to be taken regarding that country under section 311.

"(4) UNITED STATES AGRICULTURAL EXPORTS.—Before determining to take action to restrict imports under this subsection, the President shall take into account the likely impact that such action will have on United States agricultural exports. A statement regarding the likely impact, if any, of an import restricting action on United States agricultural exports shall be included in the notice of the determination required to be published under subsection (d).".

(2) Subsection (b) is amended—

(A) by amending that part that precedes paragraph (1) to read as follows: "For purposes of carrying out paragraphs (1) and (2) of subsection (a), the President is authorized to—";

(B) by striking out the period at the end of paragraph (2) and inserting "; or "; and

(C) by inserting after paragraph (2) the following:

"(3) withdraw or refrain from proclaiming under title V—

"(A) the designation of such foreign country as a beneficiary developing country; or

"(B) the designation of any product of such foreign country as an eligible article.".

(3) Paragraph (1) of subsection (c) is amended by striking out "may" and inserting "is authorized to".

(4) Subsection (d) is amended—

(A) by amending the first sentence of paragraph (1) to read as follows: "If the President determines to take action on his own motion under subsection (a)(1) or (2), the President shall publish notice of the determination, including the reasons therefor, in the Federal Register."; and

(B) by amending paragraph (2) to read as follows:

"(2) ACTION AFTER RECOMMENDATION.—

"(A) IN GENERAL.—Unless subparagraph (B) applies, the President, within 30 days after the date he receives the recommendation of the Trade Representative under section 304, shall—

"(i) determine what action, if any, he will take under this section; and

"(ii) implement the action.

"(B) DELAY IN DETERMINING OR IMPLEMENTING ACTION.—Subject to subparagraph (C), the President may delay determining the action he will take, or delay implementing action, under subsection (b) or (c), or both—

"(i) if either—

"(I) in the case of an investigation initiated under section 302(b), the petitioner requests such delay, or

"(II) in the case of an investigation initiated under section 302(c), such delay is requested by the domestic industry that would benefit from the action; or

"(ii) the President determines that substantial progress is being made to grant the rights or to achieve a satisfactory solution with respect to the act, policy, or practice concerned.

"(C) LIMITATION ON DELAY AND IMPLEMENTATION.—No delay under subparagraph (B)—

"(i) in determining what action to take;

"(ii) in implementing an action; or

"(iii) in both determining and implementing an action;

may exceed 90 days.

"(D) NOTICE.—The President shall promptly cause notice to be published in the Federal Register of—

"(i) each determination made under subparagraph (A);

"(ii) each delay decided upon under subparagraph (B); and

"(iii) the reasons for the determination or delay.".

(5) Subsection (e) is amended—

(A) by striking out "For purposes of this section," and inserting "For purposes of this chapter,";

(B) by amending paragraph (3) to read as follows:

"(3) UNREASONABLE.—The term 'unreasonable' means any act, policy, or practice which, while not necessarily in violation of or inconsistent with the international legal rights of the United States, is otherwise deemed to be unfair and inequitable. The term includes, but is not limited to, toleration of cartels, and any act, policy, or practice that—

"(A) denies internationally recognized worker rights which include—

"(i) the right of association,

"(ii) the right to organize and bargain collectively,

"(iii) a prohibition on the use of any form of forced or compulsory labor,

"(iv) a minimum age for the employment of children, and

"(v) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health;

"(B) denies fair and equitable—

"(i) market opportunities,

"(ii) opportunities for the establishment of an enterprise, or

"(iii) provision of adequate and effective protection of intellectual property rights."; and

(C) by adding at the end thereof the following new paragraphs:

"(7) FOREIGN COUNTRY.—The term 'foreign country' includes any foreign instrumentality.

"(8) EXPORT TARGETING.—The term 'export targeting' means any government plan or scheme consisting of a combination of coordinated actions, whether carried out severally or jointly, that are bestowed on a specific enterprise, industry, or group thereof the effect of which is to assist the enterprise, industry, or group to become more competitive in the export of a class or kind of merchandise.

"(9) INTERESTED PERSONS.—For purposes of sections 301(d)(1), 302(b)(2)(B), 304(b)(1), and 307(b), the term 'interested persons' includes, but is not limited to, domestic firms and workers, representatives of consumer interests, and United States product exporters that may be affected.".

SEC. 113. EXPORT TARGETING.

Section 302 (19 U.S.C. 2412) is amended as follows:

(1) Subsection (b)(2) is amended to read as follows:

"(2) AFFIRMATIVE DETERMINATION.—

"(A) INITIATION.—If the Trade Representative determines to initiate an investigation with respect to a petition he shall initiate an investigation with respect to the issues raised. If the investigation is with regard to alleged export targeting, the Trade Representative shall immediately transmit to the Commission a copy of the petition or, if the investigation is initiated by motion of the Trade Representative, a written statement describing the issues under investigation.

"(B) NOTICE.—The Trade Representative shall publish a summary of the petition in the Federal Register and shall, as soon as possible, provide opportunity for the presentation of views by interested persons concerning the issues, including a public hearing—

"(i) within the thirty-day period after the date of the determination (or on a date after such period if agreed to by the petitioner) if a public hearing within such period is requested in the petition; or

"(ii) at such other time if a timely request therefor is made by the petitioner or by any interested person.

"(C) SPECIAL RULES IN EXPORT TARGETING INVESTIGATIONS.—

"(i) TIME FOR DETERMINATION.—If a petition alleges export targeting, the Trade Representative must make a determination regarding the allegation within 180 days after the date on which the investigation is initiated. The Trade Representative shall publish notice of the determination in the Federal Register. The Trade Representative may consult with appropriate Federal agencies in making that determination.

"(ii) TERMINATION.—If the determination of—

"(I) the Trade Representative under clause (i) is negative; or

"(II) the Commission under section 302(d)(1) is negative;

the Trade Representative shall terminate the investigation.".

(2) The following new subsection is added at the end thereof:

"(d) INJURY CAUSED BY EXPORT TARGETING.—

"(1) DETERMINATION BY COMMISSION.—No later than the 180th day after the date on which the Trade Representative transmits to the Commission under subsection (b)(2)(A) a copy of a petition or a written statement regarding alleged export targeting with respect to a class or kind of merchandise, the Commission shall make a determination (and report the determination and the basis therefor to the Trade Representative) regarding whether—

"(A) an industry in the United States is materially injured, or is threatened with material injury; or

"(B) the establishment or growth of an industry in the United States is being materially retarded;

by reason of imports of that merchandise or by reason of sales (or the likelihood of sales) of that merchandise for importation.

"(2) MATERIAL INJURY.—

"(A) IN GENERAL.—The term 'material injury' means harm which is not inconsequential, immaterial, or unimportant.

"(B) VOLUME AND CONSEQUENT IMPACT.—In making determinations under this subsection, the Commission shall consider, among other factors—

"(i) the volume of imports or sales of the merchandise which is the subject of the investigation;

"(ii) the effect of imports or sales of that merchandise on prices in the United States for like products; and

"(iii) the impact of imports or sales of such merchandise on domestic producers of like products.

"(C) EVALUATION OF VOLUME AND PRICE EFFECTS .—For purposes of this subsection—

"(i) VOLUME.—In evaluating the volume of imports or sales of merchandise, the Commission shall consider whether the volume of imports or sales of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.

"(ii) PRICE.—In evaluating such effect of imports or sales of the merchandise on prices, the Commission shall consider—

"(I) whether there has been significant price undercutting by the imported merchandise as compared with the price of like products of the United States; and

"(II) whether the effect of imports or sales of such merchandise otherwise depresses prices to a significant degree or prevents to a significant degree price increases that otherwise would have occurred.

"(iii) IMPACT ON AFFECTED INDUSTRY.—In examining the impact on the affected industry involved in the investigation, the Commission shall evaluate all relevant economic factors which have a bearing on the state of the industry, including, but not limited to—

"(I) actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilization of capacity;

"(II) factors affecting domestic prices;

"(III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, outlays for research and development, and investment; and

"(IV) decreases in sales or prices, or both, of United States exports of like products in third country markets.

"(3) THREAT OF MATERIAL INJURY.—

"(A) IN GENERAL.—In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the merchandise under investigation, the Commission shall consider, among other relevant economic factors—

"(i) any increase in production capacity or existing unused capacity in the exporting country under investigation that is likely to result in a significant increase in imports of the merchandise to the United States;

"(ii) any rapid increase in United States market penetration and the likelihood that the penetration will increase to an injurious level;

"(iii) the probability that imports of the merchandise under investigation will enter the United States at prices that will have a

depressing or suppressing effect on domestic prices of like products;

"(iv) any substantial increase in inventories of the merchandise in the United States; and

"(v) any other demonstratable adverse trends that indicate the probability that the importation (or sales for importation) of such merchandise will be the cause of actual injury.

"(B) BASIS FOR DETERMINATION.—Any determination by the Commission under this subsection that an industry in the United States is threatened with material injury shall be made on the basis of the evidence that the threat of material injury is real and that actual injury is imminent. Such a determination may not be made on the basis of mere conjecture or supposition.

"(4) ADDITIONAL FACTORS.—The Commission shall also take into account, in addition to the factors under paragraph (2)(B)(iii), such information as may be available to it as to actual or potential sales by the country under investigation to third country markets and the impact of such sales on the affected industry, including the impact on sales or prices of like products of the United States to such third country markets.

"(5) STANDARD FOR DETERMINATION.—The presence or absence of any factor which the Commission is required to evaluate under paragraph (2)(C) or (3) shall not necessarily give decisive guidance with respect to the determination of material injury by the Commission.

"(6) REMEDIES UNDER TARIFF ACT OF 1930.—If, in the course of an investigation conducted under this subsection, the Commission has reason to believe that a foreign government is engaged in any action or practice for which relief is available under section 303 or title VII of the Tariff Act of 1930, the Commission shall inform the administering authority and the Trade Representative. The Trade Representative shall consult with the petitioner, if any, regarding the advisability and desirability of taking action under the appropriate provisions of section 303 or title VII of the Tariff Act of 1930.".

(3) The side heading for such section is amended by striking out "initiation of".

SEC. 114. INVESTIGATORY PROCEDURES.

(a) PETITION DETERMINATIONS.—The second sentence of section 301(d)(1) (19 U.S.C. 2411(d)(1)) is amended by inserting "by interested persons" after "presentation of views".

(b) OBTAINING INFORMATION.—Section 302 (19 U.S.C. 2412) is further amended by adding at the end thereof the following new subsection:

"(e) OBTAINING INFORMATION.—

"(1) IN GENERAL.—With respect to any investigation initiated under subsection (b)(2), the Trade Representative shall direct to the foreign countries relevant to the investigation such inquiries as the Trade Representative considers appropriate for the purpose of obtaining information relevant to the determinations and recommendations required under section 304(a).

"(2) VERIFICATION AND USE OF BEST INFORMATION OTHERWISE AVAILABLE.—The Trade Representative may, as to any information furnished in response to an inquiry under paragraph (1), request that the foreign country furnishing such information provide such documentation, or permit such verification, of the information as the Trade Representative considers appropriate. With respect to any information requested in an inquiry under paragraph (1) which is either—

"(A) not furnished in a timely manner;

"(B) is furnished in incomplete or inadequate form; or

"(C) is not documented or verified to the extent considered sufficient by the Trade Representative;

the Trade Representative may disregard all or any part of such information, and instead utilize the best information otherwise available for purposes of making the determinations and recommendations required under section 304(a).".

(c) DELAY OF CONSULTATION REQUEST.—Section 303(b)(1)(A) (19 U.S.C. 2413(b)(1)(A)) is amended by inserting ", after consulting with the petitioner," after "may".

(d) RECOMMENDATIONS.—Section 304(b) (19 U.S.C. 2414(b)) is amended—

(1) by striking out "Before recommending that the President take action under section 301" and inserting "Before making a recommendation to the President under subsection (a) on what action, if any, he should take under section 301, including action";

(2) by amending paragraph (1) to read as follows:

"(1) shall provide opportunity (after giving not less than 30 days notice thereof) for the presentation of views by interested persons, and such opportunity shall include a public hearing, if requested by any interested person;"; and

(3) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(4) by inserting after paragraph (1) the following new paragraph:

"(2) shall, if a policy or practice of export targeting is involved, consult with representatives of the United States industry and workers affected by the policy or practice, and with other interested persons, with respect to the nature of the appropriate remedial action, including possible affirmative measures to enhance the international competitiveness of that industry;".

SEC. 115. MANDATORY INITIATION OF CERTAIN INVESTIGATIONS BY TRADE REPRESENTATIVE.

Section 302(c) (19 U.S.C. 2412(c)) is amended by adding at the end thereof the following new paragraph:

"(3) MANDATORY INITIATION.—Within 90 days after an act, policy, or practice is identified under section 181(b)(1) as having significant adverse impact on United States exports, the Trade Representative, if the act, policy, or practice—

"(A) is considered by the Trade Representative as likely being an act, policy, or practice described in section 301(a)(1)(A); and

"(B) is not otherwise the subject of an investigation under this title;

shall consult with interested persons and shall initiate an investigation under subsection (b)(2) regarding that act, policy, or practice if the Trade Representative determines that—

"(i) such consultations indicate that action under this subchapter would likely result in expanded export opportunities for United States products;

"(ii) action under this subchapter would not likely result in United States exports suffering significant adverse effects because of displacement in export markets, foreign retaliation, or foreign action that is similar to action that could be taken under this subchapter; and

"(iii) it is in the economic interest of the United States to initiate such an investigation.".

SEC. 116. RECOMMENDATIONS FOR PRESIDENTIAL ACTION BY TRADE REPRESENTATIVE.

Section 304(a) (19 U.S.C. 2414(a)) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(2) by striking out all that precedes subparagraph (A) in paragraph (1) and inserting the following:

"(1) IN GENERAL.—On the basis of the investigation under section 302, and the consultations (and the proceedings, if applicable) under section 303, and subject to subsection (b), the Trade Representative shall—

"(A) determine whether—

"(i) the rights to which the United States is entitled under any trade agreement are being denied, or

"(ii) any act, policy, or practice described in section 301(a) exists; and

"(B) if the determination under subparagraph (A) is affirmative, and, if the investigation was with regard to alleged export targeting, the Commission made an affirmative determination under section 302(d) regarding injury, the threat of injury, or retardation, recommend to the President what action the President should take under section 301.

"(2) TIME FOR MAKING DETERMINATIONS AND RECOMMENDATIONS.—The Trade Representative shall make the determination and recommendation, if required, under paragraph (1) not later than—"; and

(3) by amending paragraph (2) (as added by paragraph (2))—

(A) by inserting ", or 9 months after the date of the investigation initiation, whichever first occurs" before the semicolon in subparagraph (C), and

(B) by striking out "12 months" in subparagraph (D) and inserting "9 months (11 months in the case of a petition alleging export targeting)"; and

(4) by striking out "paragraph (1)" each place it appears in paragraphs (3) and (4) (as redesignated by paragraph (1)) and inserting "paragraph (2)".

SEC. 117. MODIFICATION AND TERMINATION OF ACTIONS.

Title III is amended by adding at the end thereof the following new section:

"SEC. 307. MODIFICATION AND TERMINATION OF ACTIONS.

"(a) IN GENERAL.—The President may modify or terminate an action taken under section 301 if—

"(1) the Contracting Parties to the GATT have determined, or a panel of experts has reported to the Contracting Parties, that—

"(A) the action violates, or is inconsistent with, the international obligations of the United States, or

"(B) the foreign act, policy, or practice to which the action responds—

"(i) is not a violation of a trade agreement, or

"(ii) is not inconsistent with the provisions of, or otherwise does not otherwise deny, nullify, or impair benefits to the United States under, any trade agreement; or

"(2) the President determines that—

"(A) the foreign act, policy, or practice has been eliminated or is being phased out in a manner satisfactory to the President, or

"(B) on the basis of review and assessment under subsection (b), the action is not effective or its continuation is not in the national economic interest.

"(b) BIENNIAL REVIEW AND ASSESSMENT.—The Trade Representative shall, on a bien-

nial basis, review and assess the results of each action taken under section 301.

On the basis of such review, the Trade Representative shall recommend that such modifications and terminations be made under subsection (a) as he considers appropriate. During the review, the Trade Representative shall consult with the petitioner, if any, and other interested persons affected by the action under review concerning its effectiveness and whether any modification or termination of the action is indicated.

"(c) NOTICE; REPORT TO CONGRESS.—The President shall promptly cause notice to be published in the Federal Register of, and report in writing to Congress with respect to, any modification or termination of an action under subsection (a) and the reasons therefor.".

SEC. 118. BARRIERS TO MARKET ACCESS.

Section 181(b)(1) (19 U.S.C. 2241(b)(1)) is amended—

(1) by inserting "and the Committee on Foreign Affairs" after "Ways and Means" in the first sentence; and

(2) by adding at the end thereof the following new sentence: "Commencing with the analysis and estimate required to be submitted on or before October 30, 1986, the Trade Representative shall identify those acts, policies, and practices included in the analysis that had significant adverse impact on United States exports during the reporting period.".

SEC. 119. MANDATORY NEGOTIATIONS AND ACTION REGARDING FOREIGN COUNTRIES HAVING EXCESSIVE AND UNWARRANTED TRADE SURPLUSES WITH THE UNITED STATES.

(a) IN GENERAL.—Title III is amended by adding at the end thereof the following:

"Subchapter B—Special Provisions Regarding Trade Deficits

"SEC. 311. MANDATORY NEGOTIATIONS AND ACTION REGARDING FOREIGN COUNTRIES HAVING EXCESSIVE AND UNWARRANTED TRADE SURPLUSES.

"(a) DETERMINATION OF EXCESSIVE TRADE SURPLUS COUNTRIES.—

"(1) DETERMINATIONS.—The Commission, on the basis of the best available trade data, shall—

"(A) determine whether each major exporting country is an excessive trade surplus country for 1985 and for each year occurring within the period beginning on January 1, 1987, and ending December 31, 1990; and

"(B) determine if the percentage obtained by dividing—

"(i) the deficit of the United States, if any, in the merchandise balance of trade between the United States and the rest of the world during each of such years, by

"(ii) the gross national product of the United States for such year,

is less than 1.5 percent.

"(2) REPORTS.—The Commission shall make the determinations required under paragraph (1), and prepare and submit to the Trade Representative a report thereon, by April 1 of the year after the year with respect to which the determinations apply; except that the determinations for 1985 must be made, and the report submitted, by December 1, 1986.

"(3) PUBLICATION IN FEDERAL REGISTER.—Each report submitted to the Trade Representative under paragraph (2) shall be published in the Federal Register.

"(4) SUSPENSION OF APPLICATION OF SECTION.—For any year for which the Commission reports that the percentage referred to in paragraph (1)(B) is less than 1.5 percent—

"(A) no determinations are required under subsection (b)(1) for that year; and

"(B) no actions may be taken under subsection (e) during that year.

"(b) DESIGNATION OF EXCESSIVE AND UNWARRANTED TRADE SURPLUS COUNTRIES.—

"(1) DETERMINATIONS.—The Trade Representative shall, during the 15-day period beginning on the day after the day on which a report is submitted under subsection (a)(2) (but before January 1, 1987, with respect to the report submitted for 1985), determine whether each major exporting country identified as an excessive trade surplus country in the report maintained, during the year to which the report applies, a pattern of unjustifiable, unreasonable, or discriminatory trade policies or practices that have a significant adverse effect on United States commerce and contribute to the excessive trade surplus of that country. In making determinations under this paragraph, the Trade Representative shall take into account—

"(A) information submitted under section 181;

"(B) the recommendations, if any, for action made under section 304 with respect to that country;

"(C) countervailing duty and antidumping duty actions taken under section 303 and title VII of the Tariff Act of 1930 with respect to merchandise of that country;

"(D) adverse determinations under the GATT relating to that country; and

"(E) any other relevant information pertaining to the trade practices or policies of that country, including, but not limited to, the existence of discriminatory government procurement, excessive government regulation designed to discriminate against imported products, governmental tolerance of extensive dumping in foreign markets, export subsidy and targeting policies, excessive tariff barriers, and any other illegal trade barrier.

"(2) DESIGNATION.—If not designated as an excessive and unwarranted trade surplus country for the preceding year, a major exporting country with respect to which affirmative determinations are made under subsection (a)(1) and paragraph (1) for the same year shall, on the last day of the 15-day period referred to in paragraph (1), be designated as an excessive and unwarranted trade surplus country for such same year and such designation shall remain in effect until terminated.

"(3) TERMINATION OF DESIGNATIONS.—The designation of a major exporting country as an excessive and unwarranted trade surplus country shall terminate if a negative determination is made by the Commission under subsection (a)(1) with respect to any year, or by the Trade Representative under paragraph (1) with respect to any year. The termination shall apply for the year in which either of such negative determinations is made and shall continue in effect until affirmative determinations, if any, regarding that country are made under subsection (a)(1) and paragraph (1) with respect to the same year.

"(4) LIST.—The Trade Representative shall publish in the Federal Register, by the 10th day after the last day of the 15-day period referred to in paragraph (1), a list of all major exporting countries the designations of which as excessive and unwarranted trade surplus countries have not been terminated.

"(c) SURPLUS REDUCTION GOALS.—

"(1) FOR COUNTRIES DETERMINED TO BE EXCESSIVE AND UNWARRANTED TRADE SURPLUS COUNTRIES FOR 1985.—With respect to any major exporting country designated as an excessive and unwarranted trade surplus country for 1985, the surplus reduction goals are—

"(A) a bilateral trade surplus during 1987 in an aggregate value not exceeding 90 percent of the bilateral trade surplus of that country for 1985; and

"(B) a bilateral trade surplus for each year after 1987 in an aggregate value not exceeding 90 percent of the amount of the bilateral trade surplus of that country for the preceding year that would have occurred if the surplus reduction goal for the preceding year had been met.

"(2) FOR OTHER COUNTRIES.—With respect to any major exporting country designated as an excessive and unwarranted trade surplus country for any year (hereafter in this paragraph referred to as the 'designation year') after 1986, the surplus reduction goals are—

"(A) a bilateral trade surplus during the year after the designation year in an aggregate amount not exceeding 90 percent of the bilateral trade surplus of that country for the designation year; and

"(B) a bilateral trade surplus for each year thereafter in an aggregate amount not exceeding 90 percent of the amount of the bilateral trade surplus of that country for the preceding year that would have occurred if the surplus reduction goal for the preceding year had been met.

"(d) NEGOTIATIONS.—

"(1) IN GENERAL.—During the 60-day period after the 15-day period referred to in subsection (b)(1), the Trade Representative shall enter into negotiations with each foreign country that was designated as an excessive and unwarranted trade surplus country on the last day of that 15-day period under subsection (b)(2) for the purpose of entering into a bilateral trade agreement to achieve the surplus reduction goals set forth in subsection (c).

"(2) EXTENSION.—If the Trade Representative considers that further negotiations with a foreign country are necessary to reach an agreement that will achieve the surplus reduction goals referred to in subsection (c), the Trade Representative may extend the 60-day period referred to in paragraph (1) by not more than an additional 60 days.

"(e) PRESIDENTIAL ACTION.—If the Trade Representative is unable to enter into a trade agreement under subsection (d) with an excessive and unwarranted trade surplus country to achieve the surplus reduction goals set forth in subsection (c), the President, after the close of the 60-day negotiating period (or the last day of that period as extended under subsection (d)(2)), shall take such of the following actions with respect to that country that he considers necessary or appropriate to achieve the surplus reduction goals:

"(1) Suspend, withdraw, or prevent the application of benefits of trade agreement concessions to carry out any trade agreement with that country.

"(2) Direct customs officers to assess duties or impose other import restrictions on the products of that country for such time, in such an amount, and to such a degree as the President determines appropriate.

"(3) Negotiate agreements (including, but not limited to, orderly marketing agreements) with that country.

"(4) Take administrative action, and if necessary, propose legislation, to implement any other government action which would

restore or improve the international competitive position of United States industries with that country;

except if the action taken under any of paragraphs (1) through (4) with respect to any year does not achieve the surplus reduction objective for that year, the President, for the next year, shall impose such quantitative restrictions on the importation into the United States of the products of that country as are necessary to ensure that the reduction goal for the next year is achieved. The President shall take into account the effect that action proposed to be taken under this subsection may have on existing bilateral trade agreements.

"(f) SURPLUS GOAL REDUCTION AND WAIVER.—

"(1) IN GENERAL.—Subject to paragraph (2), the President may—

"(A) reduce the surplus reduction goal under subsection (c) for any excessive and unwarranted trade surplus country for any year if the President—

"(i) considers that, because of balance of payment difficulties (including debt repayments), the country cannot meet the goal for that year without suffering significant economic harm; and

"(ii) develops a plan of action for otherwise achieving the fundamental purposes of this section; or

"(B) waive the taking of any action under subsection (e) with respect to any excessive and unwarranted trade surplus country for any year if he—

"(i) considers that the taking of any such action would cause substantial harm to the national economic interest of the United States, and

"(ii) develops a plan of action for otherwise achieving the fundamental purposes of this section.

"(2) CONDITIONS AFFECTING REDUCTIONS AND WAIVERS.—

"(A) CONGRESSIONAL NOTIFICATION.—No reduction under paragraph (1)(A) or waiver under paragraph (1)(B) for any year with respect to any excessive and unwarranted trade surplus country shall have force and effect unless the President submits to the Congress within 10 days after the close of the period referred to in subsection (e) a document stating his intention to implement such a reduction or waiver and containing the plan of action required under such paragraph for achieving the fundamental purposes of this section.

"(B) CONGRESSIONAL DISAPPROVAL.—No reduction under paragraph (1)(A) or waiver under paragraph (1)(B) for any year with respect to any excessive and unwarranted trade surplus country shall have force and effect if a joint resolution described in section 152(a)(1)(C) is enacted within the 60-day period beginning on the date on which the document referred to in subparagraph (A) regarding the reduction or waiver is submitted to Congress.

"(g) ROUNDING OF TRADE STATISTICS.—For purposes of this section, any trade statistic or limitation shall—

"(1) be rounded off to the nearest billion dollars; and

"(2) shall be adjusted to reflect the fact that certain products of the United States may not, under law, be exported.

"(h) ADMINISTRATION.—

"(1) IN GENERAL.—The President shall apply the actions taken under subsection (e) on such intra-annual bases as the President considers appropriate to achieve the purposes of this section.

"(2) MONITORING.—The Secretary of the Treasury and the Commission shall undertake such intra-annual monitoring and analysis of the imports to the United States of products of excessive and unwarranted trade surplus countries with respect to which trade agreements entered into under subsection (d) and actions under subsection (e) are in force as may be necessary for purposes of evaluating the efficacy of the actions. The results of all such monitoring and analysis shall be immediately submitted to the President and the Trade Representative.

"(3) CPI ADJUSTMENT.—For each year after 1986, the Trade Representative shall adjust the dollar limitation set forth in subsection (i)(2) and (5) to reflect the percentage increase or decrease in the Consumer Price Index, published by the Bureau of Labor Statistics of the Department of Labor, for the preceding year.

"(i) DEFINITIONS.—For purposes of this section—

"(1) The term 'excessive trade surplus country' means any major exporting country which has—

"(A) a bilateral export percentage for the year that exceeds 175 percent, and

"(B) a bilateral trade surplus for the year that exceeds the bilateral trade surplus limitation for such country for the year.

"(2) A foreign country is a major exporting country for a year if the aggregate value of the merchandise trade between such foreign country and the United States during such year is more than $7,000,000,000.

"(3) The term 'foreign country' includes any instrumentality of a foreign country.

"(4) The term 'bilateral export percentage' means, with respect to any foreign country for any year, the percentage determined by dividing—

"(A) the aggregate value of nonpetroleum products of such country exported to the United States during such year; by

"(B) the aggregate value of nonpetroleum products of the United States imported into such country during such year.

"(5) The term 'bilateral trade surplus' means, with respect to any foreign country for any year, an excess of—

"(A) the aggregate value of nonpetroleum products of such country exported to the United States during such year; over

"(B) the aggregate value of nonpetroleum products of the United States imported into such country during such year;

if such excess is at least $3,000,000,000.

"(6) The term 'bilateral trade surplus limitation' means, with respect to any foreign country for any year, the amount determined by multiplying—

"(A) the bilateral trade surplus of such country for the preceding year; by

"(B) 90 percent.

"(7) The term 'nonpetroleum product' means any merchandise other than merchandise classified to division 33 of the Standard International Trade Classification (revision II) published by the United Nations.

"(8) The term 'value' means—

"(A) with respect to merchandise imported into the United States, the customs valuation under the Tariff Act of 1930 of those imports, plus all freight, insurance, and other charges incurred regarding the importation (excluding United States tariffs and import excise taxes), and

"(B) with respect to merchandise imported into a foreign country, the transaction prices of such imports plus the freight, insurance, and other charges determined by the Secretary of the Treasury that are incurred in placing the exports alongside the carriers at the United States ports of export.

"(9) The term 'entered' means entered, or withdrawn from warehouse, for consumption in the customs territory of the United States.

"(10) The term 'entry' includes any withdrawal from warehouse.

"(11) The term 'best trade data available' means—

"(A) with regard to data on the international trade of the United States, official trade information, including the estimates required under section 181, of the United States Government, and

"(B) with regard to data on the international trade of any other country, data that the Commission determines is the most reliable data available for the period under consideration, and may include estimates if the actual data required by this section, or the forms of the data required by this section, are not directly available.

"(12) Any article that is grown, produced, or manufactured in a country is a product of such country.

"(13) Any reference to a year in this section shall be treated as a reference to a calendar year.

"(j) TERMINATION OF EFFECT OF SECTION.—Neither this section nor any action taken, or agreement entered into, under the authority of this section shall have force and effect after December 31, 1990.".

(b) CONFORMING AMENDMENTS.—Section 152(a)(1) (19 U.S.C. 2192(a)(1)) is amended—

(1) by striking out "and" at the end of subparagraph (A);

(2) by striking out the period at the end of subparagraph (B) and inserting "; and"; and

(3) by adding after subparagraph (B) the following:

"(C) a joint resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows: 'That the Congress does not approve the reduction or waiver (under section 311 of the Trade Act of 1974) described in the document transmitted to Congress on .', the blank space being filled with the appropriate date.".

SEC. 120. CONFORMING AMENDMENTS AND EFFECTIVE DATE.

(a) CONFORMING AMENDMENTS.—Title III is further amended—

(1) by striking out "United States Trade Representative (hereinafter in this chapter referred to as the 'Trade Representative')" in section 301(c)(2)(B) and section 302(a)(1) and inserting "Trade Representative";

(2) by amending the table of contents by—

(A) inserting before the entry for section 301 the following:

"Subchapter A—General Provisions", and

(B) by adding at the end of the entries for title III the following:

"Sec. 307. Modification and termination of actions.

"Subchapter B—Special Provisions Regarding Trade Deficits

"Sec. 311. Mandatory negotiations and action regarding foreign countries having excessive and unwarranted trade surpluses.";

(3) by striking out "Initiation of" in the entry for section 302 in the table of contents;

(4) by striking out "an interested party" in section 305(b) and inserting "a person"; and

(5) by striking out "or instrumentality" each place it appears.

(b) EFFECTIVE DATE.—

(1) Unless otherwise provided in paragraphs (2) and (3), this chapter and the amendments made by it take effect on the date of the enactment of this Act.

(2) The amendments made by sections 112 and 114(d) apply to—

(A) petitions filed, and investigations initiated on his own motion by the United States Trade Representative, under section 302 of the Trade Act of 1974 on or after the date of the enactment of this Act; and

(B) petitions filed, and investigations self-initiated by the Trade Representative, under such section 302 before such date of enactment if by that date no recommendation had been made under section 30— regarding the petition or investigation.

(c) RECOMMENDATIONS BY TRADE REPRESENTATIVE.—The amendments made by paragraphs (1), (2), and (4) of section 116 apply to petitions and investigations described in paragraphs (1) and (2) of subsection (b). The amendments made by paragraph (3) of section 116 apply to petitions and investigations described in paragraph (1) of subsection (b).

Subtitle B—Relief From Injury Caused by Import Competition, Subsidies, Dumping, and Unfair Trade Practices

CHAPTER 1—RELIEF FROM INJURY CAUSED BY IMPORT COMPETITION

SEC. 121. IMPORT RELIEF.

(a) IN GENERAL.—Chapter 1 of title II of the Trade Act of 1974 (19 U.S.C. 2251-2253) is amended to read as follows:

"CHAPTER 1—IMPORT RELIEF

"SEC. 201. PETITION FOR RELIEF.

"(a) FILING.—A petition for eligibility for import relief for the purpose of facilitating orderly adjustment to import competition may be filed with the Commission by an entity, including a trade association, firm, certified or recognized union, or group of workers, which is representative of an industry. The petition shall—

"(1) include a statement describing the specific purposes for which import relief is being sought, which may include such objectives as facilitating the orderly transfer of resources to alternative uses and other means of adjustment to new conditions of competition;

"(2) if critical circumstances are alleged to exist, include information supporting that allegation; and

"(3) if desired by the petitioner, request that an industry adjustment plan be prepared under section 203.

"(b) DISTRIBUTION OF COPIES OF PETITIONS.—Whenever a petition is filed under subsection (a), the Commission shall promptly transmit copies of the petition to the Trade Representative and the agencies directly concerned.

"(c) EMERGENCY ACTION IF PERISHABLE PRODUCTS INVOLVED.—A person that files a petition under subsection (a) alleging import competition from a perishable product may also file a request with the Secretary of Agriculture in accordance with section 209 for emergency action under that section.

"SEC. 202. PRELIMINARY DETERMINATION REGARDING CRITICAL CIRCUMSTANCES.

"(a) IN GENERAL.—If a petition filed under section 201(a) alleges that critical circumstances exist, the Trade Representative shall, within 30 days after the date of filing, make a preliminary determination regarding whether there is the likelihood that such circumstances exist. The Trade Representative shall promptly publish notice of the determination in the Federal Register.

"(b) ACTION IF DETERMINATION AFFIRMATIVE.—If the preliminary determination under subsection (a) is affirmative, the Trade Representative shall—

"(1) order the suspension of the liquidation of all articles subject to the determination that are entered, or withdrawn from warehouse for consumption, on or after the date of publication of notice in the Federal Register under subsection (a); and

"(2) may order the posting of a cash deposit, bond, or other security, in such amount as he considers appropriate, for the ent../ of articles to which such suspension of liquidation applies.

"(c) DURATION OF ACTION.—

"(1) The Trade Representative shall terminate a suspension of liquidation ordered under subsection (b)(1), and release any bond or other security, and refund any cash deposit, required under subsection (b)(2) when—

"(A) the Commission determines under section 204 that critical circumstances do not exist;

"(B) a denial of import relief for the industry concerned under section 206 becomes final; or

"(C) if the Commission determined that critical circumstances do exist and import relief of a kind not referred to in paragraph (2) is provided under section 206, the order implementing the relief may so provide.

"(2) If the Commission determined that critical circumstances do exist and import relief described in section 210(2)(A)(i) or (ii) is provided under section 206, the increase in, or imposition of, duties under that relief shall apply to articles with respect to which liquidation was suspended under subsection (b)(1).

"(d) CRITICAL CIRCUMSTANCES.—For purposes of this section, critical circumstances exist if a substantial increase (absolutely or relatively) in the quantity of an article being imported into the United States over a relatively short period of time has led to circumstances in which a delay in the taking effect of import relief would cause harm that would significantly impair the effectiveness of such relief.

"(e) PERISHABLE PRODUCTS EXCLUDED.—Action may not be taken under this section with respect to any article that is a perishable product under section 209.

"SEC. 203. INDUSTRY ADJUSTMENT PLANS.

"(a) APPOINTMENT OF INDUSTRY ADJUSTMENT ADVISORY GROUP.—If the petitioner indicates under section 201(a)(3) that it wishes that an industry adjustment plan be prepared, the Trade Representative shall promptly—

"(1) establish an industry adjustment advisory group (hereinafter referred to in this section as the 'group') for the industry concerned; and

"(2) after consultation with the petitioner, appoint the membership of the group which shall consist of—

"(A) not less than 2, but not more than 4, individuals who are representative of the workers in the industry,

"(B) not less than 2, but not more than 4, individuals who are representative of firms within the industry, one of which shall be representative of small business firms,

"(C) 1 representative for the communities that are, or will likely be, dislocated by the injury, or the threat thereof, to the industry caused by import competition,

"(D) 1 individual who is knowledgeable regarding the special concerns of consumers of articles of the kind produced by the industry, and

"(E) 1 representative from each of the Department of Labor, the Department of Commerce, and the Department of Agriculture (if injury, or the threat thereof, to an agricultural industry is alleged).

The Trade Representative, or a designee of the Trade Representative, shall chair the group.

"(b) FUNCTION OF GROUP.—The group shall undertake to prepare, and submit to the Commission, an industry adjustment plan for the industry concerned. The last day on which a plan may be submitted by the group to the Commission is the 120th day after the day on which the petition is filed under section 201(a).

"(c) PLAN CONTENTS.—The industry adjustment plan for an industry should contain—

"(1) an assessment of the current problems of the industry (including, but not limited to, an assessment of the ability of producers in the industry to generate the adequate capital needed to modernize their domestic plants and equipment), and a strategy to enhance its competitiveness;

"(2) objectives, and specific steps that workers and firms could usefully undertake, to improve the ability of the industry to compete or to assist the industry to adjust to new competitive conditions; and

"(3) actions which may be taken by the appropriate Federal agencies under existing authority, or under new legislation, to assist—

"(A) in achieving the objectives referred to in paragraph (2), and

"(B) in remedying the dislocation to workers and communities caused by the serious injury, or threat thereof, caused by import competition.

To the extent practicable, objectives and steps referred to in paragraph (2) that are developed under a plan shall be designed to ensure that the industry concerned will be able to operate viably after import relief under this chapter is terminated.

"(d) INTENTIONS REGARDING PLAN IMPLEMENTATION.—If a plan is prepared under this section for an industry, the Trade Representative, after submission of the plan to the Commission under subsection (b) and before the close of the period referred to in section 205(b), shall seek to obtain, on a confidential basis, information from workers and from firms in the industry regarding—

"(1) how the workers and firms intend to act upon the objectives and steps specified in the plan; and

"(2) any other actions the workers or firms, or both, intend to take which will foster such objectives.

The Trade Representative shall transmit such information to the Commission, the Secretary of Labor, and the Secretary of Commerce on a confidential basis. The Trade Representative shall include with such confidential information any other information obtained by the Trade Representative on the capability, referred to in subsection (c)(1), of the industry to generate capital.

"(e) ADMINISTRATIVE SUPPORT.—The Trade Representative and, if appropriate, the Secretary of Labor, the Secretary of Commerce, and the Secretary of Agriculture shall provide appropriate administrative support to each group established under subsection (a).

"(f) NO EFFECT IF PLAN NOT REQUESTED OR PREPARED.—Neither—

"(1) the absence of a request by a petitioner that an industry adjustment plan be prepared under this section; nor

"(2) the failure of a group to prepare an industry adjustment plan;

may be taken into account by the Commission or Trade Representative in making any determination, or taking any action, under this chapter.

"SEC. 204. INVESTIGATIONS BY COMMISSION.

"(a) IN GENERAL.—Upon—

"(1) the filing of a petition under section 201(a);

"(2) the request of the President or the Trade Representative;

"(3) resolution of either the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate; or

"(4) its own motion;

the Commission shall promptly make an investigation to determine whether an article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.

"(b) ECONOMIC FACTORS.—

"(1) In making determinations under subsection (a), the Commission shall take into account all economic factors which it considers relevant, including (but not limited to)—

"(A) with respect to serious injury, the significant idling of productive facilities in the industry, the inability of a significant number of firms to operate domestic production facilities at a reasonable level of profit, and significant unemployment or underemployment within the industry;

"(B) with respect to threat of serious injury—

"(i) a decline in sales,

"(ii) a decrease in market share,

"(iii) a higher and growing inventory (whether maintained by domestic producers, importers, wholesalers, or retailers),

"(iv) a downward trend in production, profits, wages, or employment (or increasing underemployment) in the domestic industry concerned,

"(v) the extent to which the United States market is the focal point for the diversion of exports of the article concerned by reason of restraints on exports of such article to or on imports of such article into third country markets, and

"(vi) the inability of producers in the domestic industry to generate adequate capital to finance the modernization of their domestic plants and equipment.

"(C) with respect to substantial cause, an increase in imports (either actual or relative to domestic production) and a decline in the proportion of the domestic market supplied by domestic producers.

"(2) The presence or absence of any factor which the Commission is required to evaluate in subparagraphs (A) and (B) of paragraph (1) is not necessarily dispositive of whether an article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry.

"(c) DETERMINATION OF DOMESTIC INDUSTRY.—For purposes of subsection (a), in determining the domestic industry producing an article like or directly competitive with an imported article, the Commission shall—

"(1) in the case of a domestic producer which also imports, treat as part of such domestic industry only its domestic production;

"(2) in the case of a domestic producer which produces more than one article, treat as part of such domestic industry only that portion or subdivision of the producer which produces the like or directly competitive article; and

"(3) in the case of one or more domestic producers who produce a like or directly competitive article in a major geographic area of the United States and whose production facilities in such area for such article constitute a substantial portion of the domestic industry in the United States and primarily serve the market in such area, and where the imports are concentrated in such area, treat as such domestic industry only that segment of the production located in such area.

"(d) OTHER MATTERS PERTAINING TO INVESTIGATIONS.—In the course of any investigation under subsection (a), the Commission shall—

"(1) for the purpose of assisting the Trade Representative in making determinations under section 205, investigate and report on efforts being made, or planned to be made, or both, by firms and workers in the industry to compete more effectively with imports;

"(2) investigate any factor which in its judgment may be contributing to increased imports of the article under investigation, and, whenever in the course of its investigation the Commission has reason to believe that the increased imports are attributable in part to circumstances which come within the purview of subtitles A and B of title VII or section 337 of the Tariff Act of 1930, or other remedial provisions of law, the Commission shall promptly notify the appropriate agency so that such action may be taken as is otherwise authorized by such provisions of law; and

"(3) after reasonable notice, hold public hearings and afford interested parties an opportunity to be present, to present evidence, and to be heard at such hearings.

"(e) IMPORT RELIEF DETERMINATIONS.—

"(1) If the Commission finds with respect to any article, as a result of its investigation, the serious injury or threat thereof described in subsection (a), the Commission shall—

"(A) determine the method and extent of import relief for the industry which is necessary to prevent or remedy that injury or threat; and

"(B) if the petition alleged critical circumstances, determine if critical circumstances exist.

"(2) If an industry adjustment plan for the industry was prepared under section 203, the Commission shall take the contents of the plan into account in making determinations under paragraph (1)(A).

"(f) REPORT BY COMMISSION.—

"(1) The Commission shall report to the Trade Representative its findings, and the basis therefor, with respect to each investigation undertaken under subsection (a). The report shall be made at the earliest practicable time, but not later than 6 months after the date on which the petition is filed, or resolution is received, or the motion is adopted, as the case may be.

"(2) The Commission shall include in the report required under paragraph (1)—

"(A) any dissenting or separate views by members of the Commission regarding the findings;

"(B) the import relief determination made under subsection (e);

"(C) if an industry adjustment plan was prepared under section 203, a copy of the plan; and

"(D) an estimate of the effect of the recommended import relief on consumers and on competitors in the domestic markets.

"(3) The Commission, after submitting any report to the Trade Representative under paragraph (1), shall promptly make it available to the public (with the exception of information which the Commission determines to be confidential) and cause a summary thereof to be published in the Federal Register.

"(4) Within 48 hours after the Commission finds with respect to any article the serious injury or threat thereof described in subsection (a), it shall notify the Secretary of Labor and the Secretary of Commerce of—

"(A) the finding;

"(B) the identity of the domestic producers and products within the scope of the finding; and

"(C) all nonconfidential information obtained by the Commission during the investigation that may be relevant to a determination of eligibility for adjustment assistance under chapters 2 and 3.

"(5) Except for good cause determined by the Commission to exist, no investigation for the purposes of this section shall be made with respect to the same subject matter as a previous investigation under this chapter, unless 1 year has elapsed since the Commission made its report to the President or the Trade Representative as the case may be of the results of such previous investigation.

"SEC. 205. ACTION BY TRADE REPRESENTATIVE AFTER INVESTIGATION.

"(a) IN GENERAL.—

"(1) After receiving a report from the Commission containing an affirmative finding under section 204 that increased imports have been a substantial cause of serious injury or the threat thereof with respect to an industry, the Trade Representative, subject to section 206, shall, unless he determines that the provision of import relief is not in the national economic interest of the United States, provide import relief to the extent that, and for such time (not to exceed 5 years) as, he determines necessary to prevent or remedy the serious injury or the threat thereof to the industry and to facilitate the orderly adjustment to competitive conditions by the industry.

"(2) If an industry adjustment plan was prepared under section 203, the Trade Representative may condition the provision of the import relief on compliance by workers or firms, or both, in the industry with such elements of the plan as he considers appropriate.

"(b) TIME LIMITATIONS.—The Trade Representative shall make the determinations necessary to carry out paragraph (1) or (2), as the case may be, of subsection (a) within 60 days (30 days in the case of a supplemental report under subsection (d)) after receiving a report from the Commission containing an affirmative finding under section 204 (or a finding under section 204 which he considers to be an affirmative finding, by reason of section 330(d) of the Tariff Act of 1930, within such 60-day (or 30-day) period); except that if information or advice is requested under subsection (e), the Trade Representative shall make the determinations necessary to carry out paragraph (1) or (2) within 30 days after the information or advice is received.

"(c) FACTORS AFFECTING PROVISION OF IMPORT RELIEF.—In determining whether to provide, and the method and duration of, import relief under subsection (a)(1), the Trade Representative shall take into account, in addition to such other considerations as he may consider relevant—

"(1) information and advice from the Secretary of Labor on the extent to which workers in the industry have applied for, are receiving, or are likely to receive adjustment assistance under chapter 2 or benefits from other manpower programs;

"(2) information and advice from the Secretary of Commerce on the extent to which firms in the industry have applied for, are receiving, or are likely to receive adjustment assistance under chapter 3;

"(3) the probable effectiveness of the provision of adjustment assistance under chapters 2 and 3 in remedying the dislocation to workers and communities caused by the serious injury or threat thereof to the industry;

"(4) the contents of the industry adjustment plan, if any, prepared under section 203;

"(5) the probable effectiveness of import relief as a means to promote adjustment, the efforts being made or to be implemented by the industry concerned to adjust to import competition, and other considerations relative to the position of the industry in the Nation's economy;

"(6) the effect of import relief on consumers (including the price and availability of the imported article and the like or directly competitive article produced in the United States) and on competition in the domestic markets for such articles;

"(7) information and advice from the Secretary of Agriculture on the likely effect of the import relief on the agricultural exports of the United States;

"(8) the effect of import relief on the international economic interests of the United States;

"(9) the impact on United States industries and firms as a consequence of any possible modification of duties or other import restrictions which may result from international obligations with respect to compensation;

"(10) the geographic concentration of imported products marketed in the United States;

"(11) the extent to which the United States market is the focal point for exports of such article by reason of restraints on exports of such article to, or on imports of such article into, third country markets; and

"(12) the economic and social costs which would be incurred by taxpayers, communities, and workers, if import relief were or were not provided.

"(d) SUPPLEMENTAL REPORT.—The Trade Representative may, within 15 days after the date on which he receives an affirmative finding of the Commission under section 204 with respect to an industry, request additional information from the Commission. The Commission shall, as soon as practicable but in no event more than 30 days after the date on which it receives the Trade Representative's request, furnish additional information with respect to such industry in a supplemental report.

"SEC. 206. CONDITIONS AND LIMITATIONS REGARDING IMPORT RELIEF.

"(a) CONGRESSIONAL REVIEW.—

"(1) On the day the Trade Representative makes the import relief determination necessary to carry out section 205(a), the Trade Representative shall transmit to Congress a document describing that relief. If the import relief to be provided by the Trade Representative differs from the import relief recommended by the Commission under section 204(e), he shall state the reason for the difference. The document shall also set forth the opinion of the Trade Representative regarding the likely impact, if any, that such import relief will have on agricultural exports of the United States.

"(2) On the day on which the Trade Representative determines under section 205(a) that the provision of import relief to a domestic industry is not in the national economic interest of the United States, the Trade Representative shall transmit to Congress a document setting forth such determination and the reasons why, in terms of the national economic interest, he is not providing import relief and also what other steps he is taking, beyond adjustment assistance programs immediately available to help the industry to overcome serious injury and the workers to find productive employment.

"(3) On the day on which the Trade Representative implements any import relief under section 205 not reported under paragraph (1), he shall transmit to Congress a document setting forth the action he is taking and the reasons therefor.

"(4) If the Trade Representative reports under paragraph (1) that the import relief being provided differs from the import relief recommended by the Commission under section 204(e), or that import relief will not be provided, the import relief recommended by the Commission under section 204(e) shall take effect (as provided in paragraph (5)) upon enactment of a joint resolution described in section 152(a)(1)(A) within the 90-day period beginning on the date on which the document referred to in paragraph (1) is transmitted to the Congress.

"(5) If the contingency set forth in paragraph (4) occurs, the Trade Representative shall (within 30 days after the enactment of the joint resolution referred to in paragraph (4)) provide the import relief that was recommended by the Commission under section 204(e).

"(b) TIME FOR TAKING EFFECT.—Import relief (other than through orderly marketing agreements) under this chapter shall be ordered, or otherwise implemented, and take effect within 15 days after the import relief determination date unless the Trade Representative announces on such date his intention to negotiate one or more orderly marketing agreements in which case import relief shall be implemented and take effect within 90 days after the import relief determination date.

"(c) ORDERLY MARKETING AGREEMENTS.—

"(1) If the Trade Representative provides import relief other than through orderly marketing agreements, he may, after such relief takes effect, negotiate orderly marketing agreements with foreign countries, and may, after such agreements take effect, suspend or terminate, in whole or in part, any import relief previously provided.

"(2) If the Trade Representative negotiates an orderly marketing agreement and such agreement does not continue to be effective, he may, consistent with the limitations contained in section 207(a), provide any other import relief described in section 210(2).

"(3) For purposes of this subsection, the term 'import relief determination date' means the date of the Trade Representative's determination under section 205(a).

"(d) TREATMENT OF CERTAIN SUSPENSIONS OF DUTY.—

"(1) The suspension of—

"(A) item 806.30 or 807.00 of the Tariff Schedules of the United States with respect to an article; and

"(B) the designation of any article as an eligible article for purposes of title V;

shall be treated as an increase in duty under section 210(2)(A)(i).

"(2) No order providing for a suspension referred to in paragraph (1) with respect to any article shall be made by the Trade Representative, or recommended by the Commission under section 204(e), unless the Commission, in addition to making an affirmative determination with respect to such article under section 204(a), determines in the course of its investigation under section 204 that the serious injury (or threat thereof) substantially caused by imports to the domestic industry producing a like or directly competitive article results from, as the case may be—

"(A) the application of item 806.30 or item 807.00, or

"(B) the designation of the article as an eligible article for the purposes of title V.

"(e) REGULATIONS.—

"(1) The Trade Representative shall by regulations provide for the efficient and fair administration of any the import relief provided under this chapter.

"(2) In order to carry out an orderly marketing agreement concluded to carry out this chapter, the Trade Representative may prescribe regulations governing the entry or withdrawal from warehouse of articles covered by such agreement. In addition, in order to carry out any orderly marketing agreement concluded under this chapter with one or more countries accounting for a major part of United States imports of the article covered by such agreements, including imports into a major geographic area of the United States, the Trade Representative may issue regulations governing the entry or withdrawal from warehouse of like articles which are the product of countries not parties to such agreement.

"(3) Regulations prescribed under this subsection shall, to the extent practicable and consistent with efficient and fair administration, insure against inequitable sharing of imports by a relatively small number of the larger importers.

"SEC. 207. EXTENSION, MODIFICATION, AND TERMINATION OF IMPORT RELIEF.

"(a) EXTENSION, MODIFICATION, AND TERMINATION.—Any import relief provided under this chapter—

"(1) shall, unless extended under paragraph (3), terminate no later than the close of the day which is 5 years after the day on which import relief with respect to the article in question first took effect pursuant to this section;

"(2) if provided for a period of more than 3 years, shall, to the extent feasible, be phased down during the period of such relief, with the first reduction of relief taking effect no later than the close of the day which is 3 years after the day on which such relief first took effect;

"(3) may be extended by the Trade Representative at a level of relief no greater than the level in effect immediately before such extension, for one period of not more than 3 years if the Trade Representative determines, after taking into account the advice received from the Commission under subsection (b) and after taking into account the considerations described in section 204(c),

that such extension is in the national interest; and

"(4) shall be terminated by the Trade Representative if he determines, after taking into account the advice received from the Commission under subsection (b) and after seeking advice of the Secretary of Commerce and the Secretary of Labor (and the Secretary of Agriculture if an agricultural product is involved), that such reduction or termination is in the national interest.

"(b) COMMISSION REVIEW.—

"(1) So long as any import relief remains in effect, the Commission shall keep under review developments with respect to the industry concerned (including the progress and specific efforts made by the firms in the industry concerned to adjust to import competition). The Commission shall submit to the Trade Representative, and make available to the public, a report on the review undertaken under this paragraph for the first biennial period, and each annual period thereafter, that the import relief is in effect.

"(2) Upon request of the Trade Representative or upon its own motion, the Commission shall advise the Trade Representative of its judgment as to the probable economic effect on the industry concerned of the extension, reduction, or termination of the import relief.

"(3) Upon petition on behalf of the industry concerned, filed with the Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date any import relief provided under this chapter is to terminate by reason of the expiration of the initial period therefor, the Commission shall advise the Trade Representative of its judgment as to the probable economic effect on such industry of such termination.

"(4) In advising the Trade Representative under paragraph (2) or (3) as to the probable economic effect on the industry concerned, the Commission shall take into account all economic factors which it considers relevant, including the considerations set forth in section 205(c) and the progress and specific efforts made by the industry concerned to adjust to import competition.

"(5) Advice by the Commission under paragraph (2) or (3) shall be given on the basis of an investigation during the course of which the Commission shall hold a hearing at which interested persons shall be given a reasonable opportunity to be present, to produce evidence, and to be heard.

"SEC. 208. MISCELLANEOUS PROVISIONS.

"(a) ARTICLES TO WHICH CHAPTER NOT APPLICABLE.—No investigation may be made under section 204 with respect to an article which has received import relief under this chapter unless 2 years have elapsed since the last day on which such import relief was provided with respect to that article.

"(b) OTHER PROVISIONS.—

"(1) Actions by the Trade Representative to this chapter may be taken without regard to the provisions of section 126(a) of this Act but only after consideration of the relation of such actions to the international obligations of the United States.

"(2) If the Commission treats as the domestic industry production located in a major geographic area of the United States under section 204(b)(3)(C), then the Trade Representative shall take into account the geographic concentration of domestic production and of imports in that area in providing import relief, if any, which may include actions authorized under paragraph (1).

"SEC. 209. EMERGENCY ACTION REGARDING IMPORTS OF PERISHABLE PRODUCTS.

"(a) IN GENERAL.—If a petition is filed with the Commission under section 201 alleging injury from imports of a perishable product, the petitioner may also file, at any time during the 150-day period after the date of filing under such section, a request with the Secretary of Agriculture (hereinafter in this section referred to as the 'Secretary') that emergency action be taken under subsection (d) with respect to that product.

"(b) DETERMINATION BY SECRETARY.—Within 20 days after a request is filed under subsection (a), the Secretary, after consultation with the Trade Representative and after providing opportunity for the presentation of views by interested parties, shall decide—

"(1) whether there is reason to believe that the perishable product is being imported into the United States in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing a perishable product like or directly competitive with the imported product; and

"(2) if the decision under paragraph (1) is affirmative, whether emergency action under subsection (c) is warranted.

For purposes of paragraph (1), normal seasonable fluctuations in imports of a perishable product may not be treated as being a substantial cause of serious injury or the threat thereof.

"(c) NEGATIVE DECISION.—(1) If a negative decision is made under subsection (b) regarding a request, the Secretary shall immediately publish notice of the decision in the Federal Register and advise the person who filed the request of the decision.

"(2) After a negative decision is made under subsection (b), a request may be refiled with the Secretary. A request may be refiled one or more times, but a refiling may not be made—

"(A) sooner than the 30th day after the date of a negative decision; or

"(B) after the 150th day after the date on which the petition was initially filed under section 201.

"(d) AFFIRMATIVE DECISION.—(1) If an affirmative decision is made under subsection (b) regarding a request, the Secretary shall—

"(A) determine the method and extent of emergency action to be imposed with respect to imports of the perishable product concerned that is necessary to prevent injury to the domestic industry;

"(B) immediately submit notice of the determination to the Trade Representative; and

"(C) unless the Trade Representative decides within 7 days after the date of such notice that the taking of emergency action under this section to the domestic industry is not in the national economic interest, order the Commissioner of Customs to take such action with respect to imports of the perishable products.

"(2)(A) Except as provided in subparagraph (B), emergency action under this section may consist of either or both of the following:

"(i) An increase in, or the imposition of, a duty on the perishable product.

"(ii) A modification of, or the imposition of, a quantitative limitation on the importation into the United States of the perishable product.

"(B) If a decision by the Secretary under subsection (b) covers any article that is a perishable product—

"(i) of a beneficiary country within the meaning of paragraph (5) of section 213(f) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(f)(5)); or

"(ii) of Israel within the meaning of subsection (e) of section 404 of the Tariff and Trade Act of 1984 (19 U.S.C. 2112 note);

the Secretary may take with respect to that product only the emergency action authorized under such section 213(f) or section 404, as the case may be.

"(e) REQUEST FOR TERMINATION OF EMERGENCY ACTION.—(1) Any person who is adversely affected by the taking of emergency action may, on or after the 30th day after the day such action first took effect, request the Secretary to terminate the action.

"(2) Within 20 days after a request is filed under paragraph (1), the Secretary, after consultation with the Trade Representative and after providing opportunity for the presentation of views by interested persons, shall decide whether changed circumstances warrant the termination of the emergency action.

"(3) If a negative decision is made under paragraph (2) regarding a request, the Secretary shall immediately publish notice of the decision in the Federal Register and advise the person who filed the request of the decision. After a negative decision under paragraph (2) is made, a request may be refiled with the Secretary. A request may be refiled one or more times, but a refiling may not be made—

"(A) sooner than the 30th day after the date of a negative determination; or

"(B) after the day on which the Commission issues its report under section 204(f) regarding the petition filed under section 201.

"(4) If an affirmative determination is made under paragraph (2) regarding a request, the Secretary shall order the Commissioner of Customs to immediately terminate the action.

"(f) TERMINATION OF EMERGENCY ACTION.—Unless terminated under subsection (e)(4), emergency action that is taken under subsection (c) with respect to an imported perishable product may not remain in effect after the date on which—

"(1) the Commission reports under section 204(f) that it did not find the serious injury or threat thereof described in section 204(a) to the industry;

"(2) the denial of import relief for the industry under section 206 becomes final; or

"(3) import relief for the industry first takes effect under section 205(a) or 206(a)(5) except that the Secretary may terminate such action whenever he determines that because of changed circumstances such action is no longer warranted.

"(g) DEFINITION OF PERISHABLE PRODUCT.—For purposes of this section, the term 'perishable product' has the same meaning that is given that term under section 404(e) of the Tariff and Trade Act of 1984 (12 U.S.C. 2112 note).

"SEC. 210. DEFINITIONS.

"As used in this chapter:

"(1) The term 'Commission' means the United States International Trade Commission.

"(2)(A) The term 'import relief' means one or more of the following actions with respect to an imported article:

"(i) Subject to subparagraph (B), the ordering of an increase in, or the imposition of, any duty on the article.

"(ii) Subject to subparagraph (B), the ordering of a tariff-rate quota on the article.

"(iii) The ordering of a modification of, or the imposition of, any quantitative restriction on the importation into the United States of the article.

"(iv) The negotiation, conclusion, and carrying out of orderly marketing agreements with foreign countries limiting the export from foreign countries and the importation into the United States of the article.

"(B) No order issued to implement import relief described in clause (i) or (ii) of subparagraph (A) shall be made increasing a rate of duty to (or imposing) a rate which is more than 50 percent ad valorem above the rate (if any) existing at the time of the order.

"(C) The import relief specified in clauses (iii) and (iv) of subparagraph (A) may not be provided to any industry at the same time.

"(3) The term 'industry' includes producers located in the United States insular possessions.

"(4) The phrase 'significant idling of productive facilities' includes the closing of plants or the underutilization of production capacity.

"(5) The term 'substantial cause' means a cause which is important and not less than any other cause.

"(6) The term 'Trade Representative' means the United States Trade Representative."

(b) CONFORMING AMENDMENTS.—

(1) TRADE ACT OF 1974.—The Trade Act of 1974 is amended as follows:

(A) Section 123(b)(4) (19 U.S.C. 2133(b)(4)) is amended by striking out "203(h)" and inserting "207(a)".

(B) section 127(b) (19 U.S.C. 2137(b)) is amended by striking out "203" and inserting "205".

(C) Sections 224 and 264 (19 U.S.C. 2274 and 2354) are each amended—

(i) by striking out "201" in subsection (a) and inserting "204";

(ii) by striking out "201" in subsection (b) and inserting "204(f)"; and

such section 264 is amended by striking out "201(b)" in subsection (c) and inserting "204(a)".

(D) Section 406 (19 U.S.C. 2436) is amended—

(i) by striking out "201(a)(1)" in subsection (a)(1) and subsection (d) and inserting "201(a)";

(ii) by striking out "subsections (a)(2), (b)(3), and (c) of section 201" in subsection (a)(2) and inserting "sections 201(b) and 204(c) and (d)(3)";

(iii) by amending subsection (b)—

(I) by striking out "sections 202 and 203" each place it appears and inserting "section 205", and

(II) by striking out "201(b)" and inserting "204(a)"; and

(iv) by striking out "202 and 203" in subsection (c) and inserting "205".

(2) CARIBBEAN BASIN ECONOMIC RECOVERY ACT.—Section 213 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703) is amended—

(A) by amending subsection (e)(1)—

(i) by striking out "President may by proclamation" and inserting "United States Trade Representative", and

(ii) by striking out "proclaimed pursuant to section 203" and inserting "provided under chapter 1 of title II";

(B) by striking out "President under section 201(d)(1)" in subsection (e)(2) and inserting "United States Trade Representative under section 204";

(C) by striking out "(a) and (c) of section 203" in subsection (e)(3) and inserting "chapter 1 of title II";

(D) by amending subsection (e)(4)—

(i) by striking out "proclamation" and inserting "import relief",

(ii) by striking out "made under subsections (a) and (c) of section 203" and inserting "provided under chapter 1 of title II"; and

(iii) by striking out "201(b)" each place it appears and inserting 204";

(E) by amending subsection (e)(5)—

(i) by striking out "proclamation issued pursuant to section 203" and inserting "import relief provided under chapter 1 of title II", and

(ii) by striking out "subsections (h) and (i) of section 203" and inserting "section 207";

(F) by amending subsection (f)(2) by striking out "President" each place it appears and inserting "United States Trade Representative;

(G) by amending subsection (f)(4)—

(i) by amending subparagraph (A) by striking out "proclamation" and inserting "provision", and by striking out "202(a)(1)" and inserting "205", and

(ii) by striking out "the President makes a determination pursuant to section 203(b)(2)" in subparagraph (B) and inserting "the United States Trade Representative makes a determination under section 206(a)(2)".

(3) TARIFF AND TRADE ACT OF 1984.—

(A) Section 307(b)(4) of the Tariff and Trade Act of 1984 (19 U.S.C. 2114d(4)) is amended by striking out "actions taken under 203" and inserting "import relief provided under chapter 1 of title II.

(B) Title IV of the Tariff and Trade Act of 1984 is amended—

(i) by amending section 403—

(I) by striking out "President under section 201(d)(1)" in subsection (b) and inserting "United States Trade Representative under section 204",

(II) by striking out "subsections (a) and (c) of section 203" in subsections (c) and (d) and inserting "chapter 1 of title II",

(III) by striking out "section 203" in subsection (e)(1) and inserting "chapter 1 of title II", and

(IV) by striking out "subsections (h) and (i) of section 203" in subsection (e)(2) and inserting "subsections (a) and (b) of section 207"; and

(ii) by amending section 404—

(I) by striking out "President" each place it appears therein and inserting "United States Trade Representative";

(II) by striking out "proclamation of import relief under section 202(a)(1)" and inserting "provision of import relief under chapter 1 of title II", and

(III) by striking out "President makes a determination under section 203(b)(2)" and inserting "United States Trade Representative makes a determination under section 205(a)".

(4) TARIFF ACT OF 1930.—Section 330(d) of the Tariff Act of 1930 (19 U.S.C. 1330(d)) is amended—

(A) by amending paragraph (1)—

(i) by striking out "201" and inserting "204", and

(ii) by striking out "(b)(1)" and inserting "(a)";

(B) by amending paragraph (2)—

(i) by striking out "President" each place it appears and inserting "United States Trade Representative",

(ii) by striking out "201" the first place it appears and inserting "204",

(iii) by striking out "201(d)(1)" and inserting "204(e)",

(iv) by striking out "202 and 203" each place it appears and inserting "205" and 206", and

(v) by striking out "203(b)" in subparagraph (B) and inserting "206(a)"; and

(C) by striking out "203(c)(1)" in paragraph (4) and inserting "206(a)(4)".

(5) TABLE OF CONTENTS.—The entry for such chapter 1 in the table of contents to the Trade Act of 1974 is amended to read as follows:

"CHAPTER 1—IMPORT RELIEF

"Sec. 201. Petition for relief.
"Sec. 202. Provisional import relief if critical circumstances exist.
"Sec. 203. Industry adjustment plans.
"Sec. 204. Investigations by commission.
"Sec. 205. Action by trade representative after investigation.
"Sec. 206. Conditions and limitations regarding import relief.
"Sec. 207. Extension, modification, and termination of import relief.
"Sec. 208. Miscellaneous provisions.
"Sec. 209. Emergency action regarding imports of perishable products.
"Sec. 210. Definitions.".

(c) PERISHABLE ARTICLES.—Section 404(e) of the Trade and Tariff Act of 1984 (19 U.S.C. 2112 note) is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by striking out the period at the end of paragraph (6) and inserting "; and"; and

(3) by adding at the end thereof the following:

"(7) Chinese gooseberries provided for in item 149.48 of the TSUS.".

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on the date of the enactment of this Act and shall apply with respect to petitions filed under chapter 1 of title II of the Trade Act of 1974 on or after that date. Any petition filed under section 201 of such chapter before such date of enactment, and with respect to which the United States International Trade Commission did not make a finding before such date with respect to serious injury or the threat thereof, may be withdrawn and refiled, without prejudice, by the petitioner if the petitioner wishes to seek import relief in conjunction with an industry adjustment plan under section 203 (as amended by subsection (a)).

SEC. 122. ADJUSTMENT ASSISTANCE TRUST FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a trust fund to be known as the Adjustment Assistance Trust Fund (hereinafter in this section referred to as the "Trust Fund").

(b) TRANSFERS TO FUND.—The Secretary of the Treasury shall transfer, at least quarterly, to the Trust Fund out of the general fund of the Treasury of the United States amounts determined by the Secretary of the Treasury to be equivalent to the amounts received into the general fund that are attributable to—

(1) the imposition of import relief under chapter 1 of title II of the Trade Act of 1974 of a kind described in section 210(2)(A) (i) and (ii) of that Act; and

(2) the public auctioning of import licenses under section 1102 of the Trade Agreements Act of 1979 (19 U.S.C. 2581).

(c) EXPENDITURES FROM FUND.—Amounts in the Trust Fund shall only be available—

(1) to carry out section 231 of title II of the Trade Act of 1974; and

(2) to the extent provided for in advance by appropriation Acts, to carry out chapters 2 and 3 of such title II (except section 231).

(d) DISPOSITION OF SURPLUS AMOUNTS.—Any amount remaining in the Trust Fund at the close of a fiscal year shall be deposited into the general fund of the Treasury as miscellaneous receipts.

SEC. 123. EXPEDITED CONSIDERATION OF PETITIONS FOR ADJUSTMENT ASSISTANCE.

(a) PETITIONS BY WORKERS.—Subchapter A of chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.) is amended—

(1) by amending section 221(a) to read as follows:

"(a)(1) A petition for certification of eligibility to apply for adjustment assistance under this chapter may be filed with the Secretary of Labor (hereinafter in this chapter referred to as the 'Secretary') by a group of workers or by their certified or recognized union or other duly authorized representative.

"(2) If the petitioning group of workers is in a domestic industry with respect to which the United States International Trade Commission (hereinafter in this chapter referred to as the 'Commission') has determined, within 3 years before the date of the petition, under section 203(a) that an imported article is the substantial cause of serious injury, or threat thereof, to that industry, the Secretary shall give expedited consideration to the petition. For purposes of this paragraph, a tie vote by the Commissioners on a petition may not be treated as an affirmative determination.

"(3) Upon receipt of the petition, the Secretary shall promptly publish notice in the Federal Register that he has received the petition and initiated an investigation."; and

(2) by striking out "International Trade Commission (hereafter referred to in this chapter as the 'Commission')" in section 224(a).

(b) PETITIONS BY FIRMS.—Section 251(a) of the Trade Act of 1974 (19 U.S.C. 2341 et seq.) is amended to read as follows:

"(a)(1) A petition for certification of eligibility to apply for adjustment assistance under this chapter may be filed with the Secretary of Commerce (hereinafter in this chapter referred to as the 'Secretary') by a firm or its representative.

"(2) If the petitioning firm is in a domestic industry with respect to which the United States International Trade Commission has determined, within 3 years before the date of the petition, under section 203(a)(1) that an imported article is the substantial cause of serious injury, or threat thereof, to that industry, the Secretary shall give expedited consideration to the petition. For purposes of this paragraph, a tie vote by the Commission on a petition may not be treated as an affirmative determination.

"(3) Upon receipt of the petition, the Secretary shall promptly publish notice in the Federal Register that he has received the petition and initiated an investigation.".

SEC. 124. MARKET DISRUPTION.

Section 406 of the Trade Act of 1974 (19 U.S.C. 2436) is amended—

(1) by striking out "President" each place it appears in paragraphs (3) and (4) of subsection (a), and in subsections (b), (c), and (d), and inserting "United States Trade Representative";

(2) by striking out "Communist country" each place it appears therein and inserting "non-market economy country"; and

(3) by amending subsection (e) to read as follows:

"(e) For purposes of this section, the term 'non-market economy country' means any country dominated or controlled by communism."; and

(4) by adding at the end thereof the following new subsections:

"(f)(1) For purposes of this section, market disruption exists within a domestic industry whenever an article is being imported into the United States in such increased quantities (either absolutely or relatively) as to be an important cause of material injury or the threat thereof, to the domestic industry providing an article like or directly competitive with the imported article.

"(2) In making its determination under paragraph (1), the Commission shall consider, among other factors—

"(A) the volume of imports of the merchandise which is the subject of the investigation;

"(B) the effect of imports of the merchandise on prices in the United States for like or directly competitive articles;

"(C) the impact of imports of such merchandise on domestic producers of like or directly competitive articles; and

"(D) evidence of disruptive pricing practices, or other efforts to unfairly manage trade patterns.

"(3) For purposes of paragraph (2)—

"(A) In evaluating the volume of imports of merchandise, the Commission shall consider whether the increase in the volume of imports of the merchandise, either in absolute terms or relative to production or consumption in the United States, is significant.

"(B) In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether—

"(i) there has been significant price undercutting by the imported merchandise as compared with the price of like products of the United States, and

"(ii) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.

"(C) In examining the impact on the affected industry, the Commission shall evaluate all relevant economic factors which have a bearing on the state of the industry, including, but not limited to—

"(i) actual and potential decline in output, sales, market share, profits, productivity, return on investments, and utilization of capacity.

"(ii) factors affecting domestic prices, and

"(iii) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment.

"(4) In making its determination under paragraph (1), the Commission shall, where appropriate, cumulate imports from 2 or more non-market economy countries subject to investigation under this section.

"(g) The Commission may recommend, in addition to other relief available under this section, a variable tariff based on a comparison of average domestic producer prices and average import prices.

"(h) The Trade Representative may deny import relief with respect to imports from a non-market economy country only if the provision of such relief would have a serious negative impact on the domestic economy.".

CHAPTER 2—AMENDMENTS TO THE COUNTERVAILING AND ANTIDUMPING DUTY LAWS

SEC. 131. REFERENCE TO THE TARIFF ACT OF 1930.

Unless otherwise provided, whenever in this chapter an amendment or repeal is expressed in terms of an amendment to, or repeal of, a title, subtitle, section, subsection, or other provision, the reference shall be considered to be made to a title, subtitle, section, subsection, or other provision of the Tariff Act of 1930 (19 U.S.C. 1671 et seq.).

SEC. 132. PROCESSED AGRICULTURAL PRODUCTS.

(a) DEFINITION OF INDUSTRY.—Section 771(4) (19 U.S.C. 1677(4)) is amended by adding at the end thereof the following new subparagraph:

"(E) INDUSTRY PRODUCING PROCESSED AGRICULTURAL PRODUCTS.—

"(i) IN GENERAL.—In an investigation involving a processed agricultural product produced from any raw agricultural product, the producers or growers of the raw agricultural product may be considered part of the industry producing the processed product if—

"(I) the processed agricultural product is produced from the raw agricultural product through a single continuous line of production; and

"(II) there is a substantial coincidence of economic interest between the producers of the raw agricultural product and the producers of the processed agricultural product based upon relevant economic factors, which may, in the discretion of the Commission, include price, market value added by the producers, or other economic interrelationships (regardless of whether such coincidence of economic interest is based upon any legal relationship).

"(ii) PROCESS.—For the purposes of this subparagraph, the processed agricultural product shall be considered to be processed from a raw agricultural product through a single continuous line of production if—

"(I) the raw agricultural product is substantially or completely devoted to the production of the processed agricultural product; and

"(II) the processed agricultural product is produced substantially or completely from the raw product.

"(iii) EVALUATION OF FACTORS.—For purposes of this subparagraph, in evaluating the factors relevant to the question of coincidence of economic interest, the Commission shall—

"(I) if price is taken into account, consider the degree of correlation between the price of the raw agricultural product and the price of the processed agricultural product; and

"(II) if market value added by the producers is taken into account, consider whether the value of the raw agricultural product constitutes a significant percentage of the value of the processed agricultural product.

"(iv) RAW AGRICULTURAL PRODUCT.—For purposes of this subparagraph, the term 'raw agricultural product' means any farm, forest, or fishery product.".

(b) DEFINITION OF MATERIAL INJURY.—Section 771(7)(F) (19 U.S.C. 1677(7)(F)) is amended—

(1) by striking out "and" at the end of subclause (VII);

(2) by striking out the period at the end of subclause (VIII) and inserting ", and"; and

(3) by adding at the end thereof the following:

"(IX) in any investigation under this title which involves imports of both a raw agri-

cultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that an affirmative determination by the Commission with respect to either the raw agricultural product or the processed agricultural product (but not both) would result in an increase in the imports of the other agricultural product to an injurious level.".

(c) DEFINITION OF INTERESTED PARTIES.—Section 771(9) (19 U.S.C. 1677(9)) is amended—

(1) by striking out "and" at the end of subparagraph (E) and inserting in lieu thereof a comma;

(2) by striking out the period at the end of subparagraph (F) and inserting in lieu thereof ", and"; and

(3) by adding at the end thereof the following new subparagraph:

"(G) in any investigation under this title involving an industry engaged in producing a processed agricultural product, as defined in paragraph (4)(E), a coalition or trade association which is representative of either processors or processors and producers.".

(d) CONFORMING AMENDMENTS.—

(1) Section 702(b)(1) and 732(b)(1) (19 U.S.C. 1671a(b)(1) and 1673(a)(b)(1)) are each amended by striking out "subparagraph (C), (D), or (E) of section 771(9)" each place it appears and inserting in lieu thereof "subparagraph (C), (D), (E), (F), or (G) of section 771(9)".

(2) Subsections (g)(2) and (h)(1) of sections 704 and 734 (19 U.S.C. 1671c; 1673c) are each amended by striking out "subparagraphs (C), (D), (E), and (F)" and inserting in lieu thereof "subparagraph (C), (D), (E), (F), or (G)".

(3) Section 514 (19 U.S.C. 1514) is amended by striking out "as defined in section 771(9)(C), (D), (E), and (F) of this Act".

(4) Subsection (a) of section 516 (19 U.S.C. 1516(a)) is amended by adding at the end thereof the following new paragraph:

"(3) Any producer of a raw agricultural product who is considered under section 771(4)(E) to be part of the industry producing a processed agricultural product of the same class or kind as the designated imported merchandise shall, for purposes of this section, be treated as an interested party producing such processed agricultural product.".

SEC. 133. DEFINITION OF DOMESTIC SUBSIDY.

Section 771(5)(B) of the Tariff Act of 1930 (19 U.S.C. 1677(5)(B)) is amended—

(1) by striking out clauses (i) and (ii) and inserting the following new clause:

"(i) The provision of capital, loans, loan guarantees, goods, or services at preferential rates or on terms inconsistent with commercial considerations."; and

(2) by redesignating clauses (iii) and (iv) as clauses (ii) and (iii), respectively.

SEC. 134. MATERIAL INJURY AND THREAT OF MATERIAL INJURY.

Section 771(7) (19 U.S.C. 1677(7)) is amended—

(1) by amending clause (iv) of subparagraph (C) to read as follows:

"(iv) CUMULATION.—For purposes of clauses (i) and (ii), the Commission shall cumulatively assess the volume and effect of imports from two or more countries of like products if such imports compete with each other, and with like products of the domestic industry, in the United States market, and if such imports—

"(I) are subject to any investigation under section 303, 701, or 731;

"(II) are subject to any final order or suspension agreement resulting from an investigation under section 303, 701, or 731; or

"(III) were entered before any quantitative restraint was imposed on the importation of like products, if such restraint was the basis on which a petition filed under section 303, 701, or 731 was withdrawn after the administering authority made an affirmative preliminary determination on the petition.

Subclauses (II) and (III) apply only if the order, agreement, or restraint concerned came into effect within the 12-month period ending on the date the investigation with respect to which this clause is being applied is initiated.";

(2) by amending clause (i) of subparagraph (F) (as amended by section 132(b))—

(A) by inserting the following before the comma at the end of subclause (I): "provided by a foreign country and effects likely to be caused by the subsidy";

(B) by striking out "and" at the end of subclause (VIII);

(C) by striking out the period at the end of subclause (IX) and inserting in lieu thereof ", and"; and

(D) by adding at the end thereof the following new subclauses:

"(X) any government plan or scheme consisting of a combination of coordinated government actions, whether carried out severally or jointly, that are bestowed on a specific enterprise, industry, or group thereof the effect of which is to assist the enterprise, industry, or group to become more competitive in the export of the merchandise; and

"(XI) the extent to which the United States is a focal point for exports of the merchandise by reason of restraints on exports of the merchandise to, or on imports of the merchandise into, third country markets.";

(3) by adding at the end of paragraph (F) the following new clauses:

"(iii) CUMULATION.—To the extent practicable, for purposes of clause (i) (III) and (IV), the Commission shall cumulatively assess the volume and effect of imports from two or more countries of like products if such imports—

"(I) compete with each other, and with like products of the domestic industry, in the United States market; and

"(II) are subject to any investigation under section 303, 701, or 731.

"(iv) EFFECT OF DUMPING IN THIRD-COUNTRY MARKETS.—In investigations under subtitle B, the Commission shall consider whether dumping in third country markets, as evidenced by findings or antidumping remedies in other GATT member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation, suggests a threat of material injury to the domestic industry. In the course of its investigation, the Commission shall request information from the foreign manufacturer, exporter, or United States importer concerning this issue. If the foreign manufacturer, exporter, or United States importer does not provide specific and convincing information to establish that there is no threat of injury to the United States industry, then the Commission may draw adverse inferences. For purposes of this clause, the term 'GATT member market' means any country which is a signatory to The Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (relating to antidumping measures), and the European Community shall be treated as being one country."; and

(4) by adding at the end thereof the following:

"(G) SPECIAL RULES FOR FUNGIBLE PRODUCTS.—

"(i) IN GENERAL.—The Commission shall not determine that there is no material injury, or no threat of material injury, to United States producers of a fungible product by reason of imports (or sales or offers of sale for importation) of that fungible product solely on the basis of evidence that—

"(I) sales or offers of sale of the imported merchandise were not the first sales or offers at a reduced price in the relevant market;

"(II) price declines of similar magnitude occurred in other comparable markets (including submarkets or localities) where there is a relationship between the prices in such markets and the prices in the import impacted market;

"(III) United States producers also import the merchandise under investigation; or

"(IV) United States producers of the product are profitable.

"(ii) DEFINITION.—For the purposes of this clause, the term 'fungible product' means merchandise sold by weight or volume without significant product differentiation in such merchandise whether produced by foreign or domestic producers.".

SEC. 135. RESOURCE INPUT SUBSIDIES.

(a) IN GENERAL.—Subtitle D (19 U.S.C. 1677 et seq.) is amended—

(1) by adding at the end of section 771(5) the following:

"(C) Any resource input subsidy provided for under section 771B."; and

(2) by adding after section 771A the following new section:

"SEC. 771B. RESOURCE INPUT SUBSIDIES.

"(a) GENERAL RULE.—A resource input subsidy exists if—

"(1) a product (hereinafter referred to in this section as an 'input product')—

"(A) is provided or sold by a government or a government-regulated or controlled entity within a country (hereinafter referred to in this section as 'exporting country'), for input use within that country, at a domestic price that—

"(i) is lower than the fair market value of the input product; and

"(ii) is not freely available, by reason of government regulation or control, to United States producers for purchase of the input product for export to the United States; and

"(B) would, if sold at the fair market value, constitute a significant portion of the total cost of the manufacture or production of the merchandise in or for which the input product is used; or

"(2) the right to remove or extract a product (hereinafter in this section referred to as the 'removal right') is provided or sold by a government or a government-regulated or controlled entity within a country and—

"(A) that product is for input use within that country;

"(B) the removal right is provided or sold at a domestic price that is lower than the fair market value of that right, and

"(C) the product to which the removal right applies would, if that right was sold at a fair market value, constitute a significant portion of the total cost of the manufacture or production of the merchandise in or for which the product is used.

"(b) AMOUNT OF RESOURCE INPUT SUBSIDIES.—

"(1) IN GENERAL.—The amount of a resource input subsidy is the difference between the domestic price of an input product, or of a removal right, and the fair market value of that product, or right, respectively.

"(2) EXCLUSIONS.—For purposes of this section, the terms 'domestic price' and 'fair market value' do not include, with respect to an input product, the costs incident to the transportation and handling required to move the product from its point of production to the respective domestic or foreign destination.

"(c) DEFINITIONS AND RULES.—For purposes of this section—

"(1) FAIR MARKET VALUE.—The term 'fair market value' means—

"(A) with respect to an input product, the price that, in the absence of government regulation or control, a willing buyer would pay a willing seller for that product from the exporting country in an arms-length transaction; and

"(B) with respect to a removal right, the price that, in the absence of government regulation or control, a willing buyer would pay a willing seller in an arms-length transaction for the removal right in the country providing or selling the right.

"(2) RULES FOR INPUT PRODUCTS.—In determining the fair market value of an input product, the administering authority shall take into account—

"(A) the export price of the product;

"(B) the prices at which the product is generally available in world markets;

"(C) the current market clearing price at which the product can be sold competitively by the exporting country in the markets of other countries (including the United States) that are non-State-controlled-economy-country markets; and

"(D) the availability to the exporting country of markets described in paragraph (C).

"(3) RULES FOR REMOVAL RIGHTS.—In determining the fair market value of a removal right, the administering authority shall take into account—

"(A) the price paid in the exporting country for a comparable removal right not subject to government regulation or control;

"(B) the price paid in the exporting country for a comparable removal right sold or offered for sale through a process of competitive bidding; and

"(C) the price paid for a comparable removal right in comparable regions of countries other than the exporting country.

"(4) INPUT USE.—The term 'input use' refers to the use (directly or indirectly) of an input product in the manufacture or production of any class or kind of merchandise that is the subject of an investigation under this title.".

(b) INJURY TEST REQUIRED IN ALL CASES IN WHICH RESOURCE INPUT SUBSIDIES ARE ALLEGED.—Notwithstanding subsection (b) of section 303 of the Tariff Act of 1930 (19 U.S.C. 1303), sections 703(a) and 705(b) of that Act (relating to injury determinations by the United States International Trade Commission) shall apply to any investigation under that section in which the existence of resource input subsidies under section 771B of that Act is alleged.

(c) CONFORMING AMENDMENT.—The table of contents for title VII is amended by inserting after the entry for section 771A the following:

"Sec. 771B. Resource input subsidies.".

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to investigations initiated by petition or the administering authority under subtitle A of title VII of the Tariff Act of 1930 on or after the date of the enactment of this title.

SEC. 136. DIVERSIONARY DUMPING.

(a) IN GENERAL.—Subtitle B (19 U.S.C. 1673 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 739. DIVERSIONARY DUMPING.

"(a) DEFINITION OF DUMPED INPUT PRODUCT.—For purposes of this section, the term 'dumped input product' means a class or kind of merchandise to which there applies either—

"(1) an antidumping duty order issued under section 736(a), or

"(2) an international arrangement or agreement described in subsection (c)(2)(B) which was entered into after at least a preliminary affirmative determination under section on 733(b) was made.

"(b) IN GENERAL.—If the administering authority finds, during an investigation under this subtitle, that—

"(1) a dumped input product is incorporated into, or otherwise used in the manufacture or production of, the merchandise that is the subject of the investigation; and

"(2) the manufacturer or producer of such merchandise purchased the dumped input product for a price that is less than the adjusted foreign market value of that product;

the administering authority shall determine the diversionary dumping benefit for the merchandise and apply that benefit in determining the foreign market value of the merchandise under section 773(a).

"(c) DIVERSIONARY DUMPING BENEFIT.—

"(1) IN GENERAL.—The amount of a diversionary dumping benefit for merchandise is the difference, if any, by which—

"(A) the adjusted foreign market value of the dumped input product concerned exceeds

"(B) the price for which the manufacturer purchased the dumped input product.

"(2) ADJUSTED FOREIGN MARKET VALUE.—The adjusted foreign market value for a dumped input product is—

"(A) if an antidumping duty order issued under section 736(a) applies to the product, the foreign market value used to determine the current antidumping duty imposed on the product; or

"(B) if the investigation regarding the dumped input product under this subtitle was terminated or suspended because of the entry into force with respect to the United States of any international arrangement or agreement that contains quantitative restrictions on, or other terms and conditions relating to, the importation into the United States of the product, the foreign market value of the product as determined by the administering authority on the basis of the best available information, including any information gathered in the previous investigation of the dumped input product and the allegations contained in the petition filed with respect to such investigation.".

(b) CONFORMING AMENDMENTS.—

(1) Section 773(a) (19 U.S.C. 1677b(a)) is amended by striking out "increased by," and inserting "increased by the amount of any diversionary dumping benefit determined under section 739(a) and by,".

(2) The table of contents for subtitle B is amended by inserting after the entry for section 738 the following.

"Sec. 739. Diversionary dumping.".

SEC. 137. DOWNSTREAM PRODUCT MONITORING. ZH4800.007

Subtitle D (19 U.S.C. 1677 et seq.) (as amended by section 135) is amended by adding at the end thereof the following:

"SEC. 780. DOWNSTREAM PRODUCT MONITORING.

"(a) DEFINITIONS.—As used in this section—

"(1) The term 'component part' means an imported article that—

"(A) during the 5-year period before the date on which a petition is filed under subsection (b) has been subject to—

"(i) an order issued under this title imposing a countervailing duty or antidumping duty of 15 percent ad valorem or higher, or

"(ii) an agreement entered into under section 704 or 734 after a preliminary affirmative determination under section 703(b) or 733(b)(1) was made involving an estimated net subsidy or net dumping margin of 15 percent ad valorem or higher; and

"(B) because of its inherent characteristics is routinely used as a major part, component, assembly, subassembly, or material in other manufactured articles.

"(2) The term 'downstream product' means any imported manufactured article into which is incorporated any component part.

"(b) PETITION REQUESTING MONITORING.—

"(1) IN GENERAL.—A domestic producer of an article that is like a component part or a downstream product may petition the administering authority to designate a downstream product for monitoring under subsection (c). The petition shall specify—

"(A) the downstream product;

"(B) the component product incorporated into such downstream product; and

"(C) reasons for suspecting the likely diversion, as a result of the imposition of antidumping or countervailing duties, of exports of the component part to the United States into increased production and exportation to the United States of such downstream product.

"(2) ACTION ON PETITIONS.—Within 14 days after receiving a petition, the administering authority shall determine whether there is a reasonable likelihood that imports into the United States of the downstream product will increase as an indirect result of any diversion with respect to component parts. In making such a determination, the administering authority may, if appropriate, take into account such factors as—

"(A) the value of the component part in relation to the value of the downstream product;

"(B) the extent to which the component part has been substantially transformed as a result of its incorporation into the downstream product; and

"(C) the relationship between the producers of component parts and producers of downstream products.

"(3) PUBLICATION OF DETERMINATION.—The administering authority shall publish notice of each determination under paragraph (2) in the Federal Register.

"(4) DETERMINATIONS NOT SUBJECT TO JUDICIAL REVIEW.—A determination by the administering authority under paragraph (2) is not subject to judicial review.

"(c) ITC MONITORING.—

"(1) NOTICE TO ITC.—The administering authority shall immediately inform the Commission of an affirmative determination under subsection (b)(2) regarding a downstream product.

"(2) MONITORING.—The Commission shall immediately commence the monitoring of

the levels of trade in downstream products regarding which notice is received under paragraph (1). If the Commission finds that imports of a downstream product being monitored increased during any calendar quarter by 5 percent or more over the preceding quarter, the Commission shall analyze that increase in the context of overall economic conditions in that product sector.

"(3) REPORTS.—The Commission shall make quarterly reports to the administering authority regarding the monitoring and analyses undertaken under paragraph (2). The Commission shall make the reports available to the public.

"(d) ACTION ON BASIS OF MONITORING REPORTS.—The administering authority shall review the information in the reports prepared by the Commission under subsection (c) and—

"(1) consider the information in determining whether to initiate an investigation under section 702(a) or 732(a) regarding any downstream product; and

"(2) request the Commission to cease monitoring any downstream product if the information indicates that imports into the United States are not increasing and there is no reasonable likelihood of diversion with respect to component parts.".

(b) The table of contents for title VII is amended by adding at the end of the following:

"Sec. 780. Downstream product monitoring.".

SEC. 138. PRIVATE REMEDY FOR INJURY RESULTING FROM DUMPING.

(a) IN GENERAL.—Subtitle B (19 U.S.C. 1673 et seq.) is amended by inserting after section 739 the following new section:

"SEC. 740. PRIVATE REMEDY FOR INJURY RESULTING FROM DUMPING.

"(a) DEFINITIONS.—For purposes of this section—

"(1) The term 'court' means the Court of International Trade.

"(2) The term 'eligible party' means a manufacturer, producer or wholesaler of a product in the United States that is a like product to a class or kind of merchandise with respect to which an antidumping order was issued under section 736.

"(3) The term 'less than fair value' means the extent to which the foreign market value as defined in section 773 exceeds United States price as defined in section 772.

"(b) CAUSE OF ACTION.—

"(1) IN GENERAL.—An eligible party that suffers economic loss by reason of the importation and sale at less than fair value by the defendant of merchandise of the class or kind referred to in subsection (a)(2) may bring an action for damages in the court against any of the following:

"(A) Any manufacturer of the merchandise.

"(B) Any exporter, importer or consignee who knew or had reason to know that the merchandise was sold at less than fair value.

"(c) DAMAGES.—

"(1) IN GENERAL.—In any action brought under subsection (b), the eligible party, upon a finding of liability on the part of the defendant, is entitled to recover actual damages for the economic loss sustained by the eligible party.

"(2) CALCULATION OF DAMAGES.—In calculating damages for purpose of this section, the court shall give regard to economic loss to the eligible party resulting from the importation into the United States and sale of less than fair value merchandise during a period of 3 years the date of the publication of the order referred to in subsection (a)(2).

"(d) TIME FOR BRINGING ACTION.—

"(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), an action may not be brought under this section unless commenced within two years after the date on which the order under section 736 is published in the Federal Register.

"(2) TOLLING OF LIMITATION.—The running of the limitations in paragraph (1) shall be suspended while any judicial review or remand of an affirmative determination under subsection (a) or (b) of section 735 is pending and until a decision upon that review is rendered.

"(3) An action may not be commenced until more than 30 days after an order under section 736 is published in the Federal Register. If an action is commenced in the court under section 516(A), no action may be brought under this section until the exhaustion of all appeals.".

(b) CONFORMING AMENDMENT.—The table of contents for subtitle B is amended by adding at the end thereof the following:

"Sec. 740. Private remedy for injury resulting from dumping.".

SEC. 139. MISCELLANEOUS AMENDMENTS.

(a) APPLICATION OF COUNTERVAILING AND ANTIDUMPING DUTIES TO GOVERNMENTAL IMPORTATIONS.—Section 771 (19 U.S.C. 1677) is further amended by adding at the end thereof the following new paragraph:

"(18) APPLICATION TO GOVERNMENTAL IMPORTATIONS.—Merchandise imported by, or for the use of, an agency of the United States Government is not exempt from the imposition of countervailing duties or antidumping duties under this title.".

(b) ACCESS TO INFORMATION.—Section 777 (19 U.S.C. 1677f) is amended—

(1) by amending subsection (b)(1)(B)(ii) to read as follows:

"(ii) a statement to the administering authority that certain types of business proprietary, privileged, or classified information should not be released under administrative protective order, or a statement to the Commission that information should not be released under administrative protective order.";

(2) by amending subsection (c)(1)—

(A) by amending subparagraph (A) to read as follows:

"(A) IN GENERAL.—Upon receipt of an application (before or after receipt of the information requested) which describes in general terms the information requested and sets forth the reasons for the request, the administering authority shall make all confidential information presented to, or obtained by it, during a proceeding (except privileged information, classified information, and information of a type which the administering authority determines should not be released under administrative protective order) available under a protective order described in subparagraph (B), regardless of when the information is submitted during a proceeding. The Commission may make confidential information submitted by any other party to the investigation available under a protective order described in subparagraph (B)."; and

(B) by adding at the end thereof the following new subparagraphs:

"(C) TIME LIMITATION.—The administering authority shall determine whether to make information available under this paragraph not later than 14 days (or 21 days if the statements described in subsection (b)(1)(B)(ii) are submitted with such information) after the date on which an application for disclosure is submitted under subparagraph (A). If the determination is affirmative, confidential information already submitted to the administering authority shall be made available, subject to the terms and conditions of the protective order, on the date such determination occurs. Confidential information submitted to the administering authority after such determination shall be served as required by subsection (d).

"(D) FAILURE TO DISCLOSE.—If a person submitting information refuses to disclose confidential information (except privileged information, classified information, or information of a type which the administering authority determines should not be released under protective order) pursuant to a protective order described in subparagraph (B), the administering authority shall return the information, and any nonconfidential summary thereof, to the person submitting it and shall not consider them."; and

(3) by adding at the end thereof the following new subsections:

"(d) SERVICE.—Any party submitting information to the administering authority during a proceeding shall, at the same time, serve the information upon all other parties to the proceeding. The administering authority shall not accept any such information that is not accompanied by a certificate of service. Confidential information shall only be served upon parties that are subject to protective order; however, a nonconfidential summary thereof shall be served upon all other parties.

"(e) NOTIFICATION.—The administering authority shall, within 14 days of receipt, notify all parties of the submission of information relevant to the proceeding by a person who is not a party to the proceeding.

"(f) TIMELY SUBMISSIONS.—Information shall be submitted to the administering authority during the course of a proceeding on a timely basis and shall be subject to comment by other parties within such reasonable time as the administering authority shall provide. If information is submitted without an adequate opportunity for other parties to comment thereon, the administering authority shall return the information to the party submitting it and shall not consider it.".

(c) DRAWBACK TREATMENT.—

(1) Section 779 (19 U.S.C. 1677h) is amended by striking out "shall be treated as any other customs duties." and inserting "may not be treated as being regular customs duties.".

(2) The section heading for such section 779 is amended by striking out "DRAWBACKS" and inserting "DRAWBACK TREATMENT".

(3) The table of contents for title VII is amended by striking out "Drawbacks." in the entry for section 779 and inserting "Drawback treatment.".

(d) CERTIFICATION OF SUBMISSIONS IN COUNTERVAILING AND ANTIDUMPING PROCEEDINGS.—

(1) Subtitle D (19 U.S.C. 1677 et seq.) (as amended by sections 135 and 137) is amended by adding at the end thereof the following new section:

"SEC. 781. CERTIFICATION OF SUBMISSIONS.

"Any person providing factual information to the administering authority or the Commission in connection with a proceeding under this title on behalf of the petitioner or any other interested party shall certify that such information is accurate and complete to the best of that person's knowledge.".

(2) CONFORMING AMENDMENT.—The table of contents for title VIII is amended by inserting at the end thereof the following:

"Sec. 781. Certification of submissions.".

(e) STANDARD OF DETERMINATION.—Section 771(7)(E) is amended to read as follows:

"(E) STANDARD FOR DETERMINATION.—The presence or absence of any factor which the Commission is required to evaluate under subparagraph (C) or (D) shall not necessarily give decisive guidance with respect to the determination by the Commission of material injury.".

CHAPTER 3—INTELLECTUAL PROPERTY RIGHTS

SEC. 141. CONGRESSIONAL FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) international protection of intellectual property rights is vital to the international competitiveness of United States persons that rely on intellectual property protection;

(2) United States persons that rely on intellectual property protection are among the most advanced and competitive in the world;

(3) the existing protection under section 337 of the Tariff Act of 1930 against unfair trade practices is cumbersome and costly and has not provided United States owners of intellectual property rights with adequate protection against foreign companies violating such rights;

(4) the upcoming multilateral trade negotiations provide—

(A) a forum in which foreign market access for United States persons that rely on intellectual property protection can be enhanced, and

(B) an opportunity to develop and strengthen international rules and procedures for intellectual property right protection and enforcement;

(5) foreign barriers, including restrictions and conditions on investment, permits and various other regulatory restrictions on business operations, seriously impede the ability of the United States persons that rely on intellectual property protection to operate overseas thereby harming the economic interests of the United States.

(b) PURPOSES.—The purpose of this chapter are—

(1) to provide for the development, with appropriate consultations, of an overall strategy to foster open international markets for United States persons that rely on intellectual property protection, and the authority to carry out such strategy through strengthened unilateral, bilateral, and multilateral efforts and the use of all appropriate instruments to achieve the objectives set forth in this chapter;

(2) to amend section 337 of the Tariff Act of 1930 to make it a more effective remedy for the protection of United States intellectual property rights; and

(3) to set forth principal United States negotiating objectives for multilateral and bilateral agreements in order to strengthen and expand international rules and procedures for intellectual property rights protection and enforcement and to enhance foreign market access.

SEC. 142. PROTECTION UNDER THE TARIFF ACT OF 1930.

(a) IN GENERAL.—Section 337 of the Tariff Act of 1930 (19 U.S.C. 1337) is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a)(1) Subject to paragraph (2), the following are unlawful, and when found by the Commission to exist shall be dealt with, in addition to any other provision of law, as provided in this section:

"(A) Unfair methods of competition and unfair acts in the importation of articles (other than articles provided for in subparagraphs (B), (C), and (D)) into the United States, or in the sale of such articles by the owner, importer, consignee, or agent of either, the threat or effect of which is—

"(i) to destroy or substantially injure an industry, in the United States;

"(ii) to impair or prevent the establishment of such an industry; or

"(iii) to restrain or monopolize trade and commerce in the United States.

"(B) The unauthorized importation into the United States, or the unauthorized sale within the United States after importation, of articles that—

"(i) infringe a valid and enforceable United States patent or a valid United States copyright registered under title 17, United States Code; or

"(ii) are made, produced, processed, or mined under, or by means of, a process covered by the claims of a valid and enforceable United States patent.

"(C) The importation into the United States, or the sale within the United States after importation, of articles that infringe a valid and enforceable United States trademark registered under the Trademark Act of 1946, if the manufacture or production of the article was unauthorized.

"(D) The importation of a semiconductor chip product in a manner that constitutes infringement of a mask work registered under chapter 9 of title 17, United States Code.

"(2) Subparagraphs (B), (C), and (D) of paragraph (1) apply only if an industry in the United States, relating to the articles, patent, copyright, trademark, or mask work concerned, exists or is in the process of being established.

"(3) For purposes of paragraph (2), an industry in the United States shall be considered to exist if there is in the United States, with respect to the articles, patent, copyright, trademark, or mask work concerned—

"(A) significant investment in plant and equipment;

"(B) significant employment of labor or capital; or

"(C) substantial investment in its exploitation, including engineering, research and development, or licensing.".

(2) Subsection (c) is amended by inserting before the period in the first sentence the following: ", except that the Commission may, by issuing a consent order or on the basis of a settlement agreement, terminate any such investigation, in whole or in part, without making such a determination".

(3) Subsection (e) is amended—

(A) by striking out "If" in the first sentence and inserting "(1) If"; and

(B) by adding at the end thereof the following new paragraphs:

"(2) A complainant may petition the Commission for the issuance of an order under this subsection. The Commission shall make a determination with regard to such petition by no later than the 90th day after the date on which the Commission's notice of investigation is published in the Federal Register. The Commission may extend the 90-day period for an additional 60 days in a case it designates as a more complicated case. The Commission shall publish in the Federal Register its reasons why it designated the case as being more complicated. The Commission may require the petitioner to post a bond as a prerequisite to the issuance of an order under this subsection.

"(3) The Commission may grant preliminary relief under this subsection or subsection (f) with respect to a violation involving a registered trademark, copyright, or mask work or a patent, to the same extent as preliminary injunctions and temporary restraining orders may be granted under the Federal Rules of Civil Procedure.".

(4) Subsection (f) is amended—

(A) by striking out "In lieu of" in paragraph (1) and inserting "In addition to, or in lieu of,"; and

(B) by striking out "$10,000" in paragraph (2) and inserting "$100,000".

(5) Such section is further amended—

(A) by striking out "President" each place it appears in subsection (g) and inserting "United States Trade Representative";

(B) by redesignating subsections (g), (h), (i), and (j) as subsections (i), (j), (k), and (l), respectively; and

(C) by inserting after subsection (f) the following new subsection:

"(g)(1) If—

"(A) a complaint is filed against a person under this section;

"(B) the complaint and a notice of investigation are served on the person;

"(C) the person fails to respond to the complaint and notice or otherwise fails to appear to answer the complaint and notice;

"(D) the person fails to show good cause why the person should be not be found in default; and

"(E) the person seeks relief affecting solely that person,

the Commission shall presume the facts alleged in the complaint to be true and shall, upon request, issue an exclusion from entry or a cease and desist order, or both, which affects only that person unless, after considering the effect of such exclusion or order upon the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers, the Commission finds that such exclusion or order should not be issued.

"(2) A general exclusion from entry of the articles concerned, regardless of the source or importer of the article, may be issued if—

"(A) no person appeared to contest an investigation concerning a violation of the provisions of this section, and

"(B) such a violation is established by substantial, reliable, and probative evidence.

"(h) The Commission may by rule prescribe sanctions for abuse of discovery and abuse of process to the extent authorized by Rule 11 and Rule 37 of the Federal Rules of Civil Procedure.".

(6) Subsection (j) (as redesignated by paragraph (4)(A) of this section) is amended—

(A) by inserting "(1)" before the first sentence; and

(B) by adding at the end the following:

"(2) If any person who has previously been found by the Commission, on the basis of a contested proceeding, to be in violation of this section petitions the Commission for a determination that the peititioner is no longer in violation of this section or for a modification or rescission of an exclusion from entry or order under subsection (d), (e), (f), or (g)—

"(A) the burden of proof in any proceeding before the Commission regarding such petition shall be on the petitioner; and

"(B) relief may be granted by the Commission with respect to such petition—

"(i) on the basis of new evidence or evidence that could not have been presented at the prior proceeding, or

"(ii) on grounds which would permit relief from a judgment or order under the Federal Rules of Civil Procedure.".

(7) Subsection (k) (as redesignated by paragraph (4)(A) of this section) is amended—

(A) by striking out "claims of United States letters patent" in the first sentence and inserting "proceeding under subsection (a)(1) (B), (C), or (D)"

(B) by striking out "a patent owner" in the second sentence and inserting "an owner of the patent, copyright, trademark, or mask work".

(8) Such section is further amended by adding at the end the following:

"(m)(1) Information submitted to the Commission or exchanged among the parties in connection with proceedings under this section which is designated as confidential by the person submitting it may not be disclosed (except under a protective order issued under regulations of the Commission which authorizes limited disclosure of such information) to any person (other than a person described in paragraph (2)) without the consent of the person submitting it.

"(2) Notwithstanding the prohibition contained in paragraph (1), information referred to in that paragraph may be disclosed to—

"(A) an officer or employee of the Commission who is directly concerned with carrying out the investigation in connection with which the information is submitted, or

"(B) an officer or employee of the United States Customs Service who is directly involved in administering an exclusion from entry under this section resulting from the investigation in connection with which the information is submitted.".

(b) TECHNICAL AMENDMENTS.—Section 337 (as amended by subsection (a)) is further amended—

(1) by amending subsection (c)—

(A) by striking out "(d) or (e)" and inserting "(d), (e), or (f)",

(B) by striking out "or (f)" and inserting "(f), or (g)", and

(C) by striking out "and (f)" and inserting "(f), and (g)";

(2) by striking out "or (f)" each place it appears in subsection (i) and inserting "(f), or (g)";

(3) by striking out "(g)" in subsection (j) and inserting "(i)"; and

(4) by striking out "or (f)" in subsection (k) and inserting "(f), or (g)".

(c) CONFORMING AMENDMENT.—The Act entitled "An Act to limit the importation of products made, produced, processed, or mined under process covered by unexpired valid United States patents, and for other purposes", approved July 2, 1940 (54 Stat. 724, 19 U.S.C. 1337a) is repealed.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), the amendments made by this chapter shall apply with respect to findings made by the United States International Trade Commission under section 337 of the Tariff Act of 1930 on or after the date of the enactment of this Act.

(2) INVESTIGATIONS.—In the case of any investigation under section 337 of the Tariff Act of 1930 which must be completed by the International Trade Commission within 6 months after the date of the enactment of this Act, the Commission may, upon determining and declaring that the investigation is complicated, take up to an additional 3 months beyond the original statutory deadline to complete the investigation.

SEC. 143. ACTION REGARDING FOREIGN MARKET ACCESS BARRIERS AFFECTING INTELLECTUAL PROPERTY.

(a) IDENTIFICATION OF FOREIGN COUNTRIES MAINTAINING BARRIERS.—

(1) Within 12 months after the date of the enactment of this Act, and on an annual basis thereafter, the United States Trade Representative (hereinafter in this section referred to as the "Trade Representative") shall identify those foreign countries that, in the judgment of the Trade Representative, maintain the most significant barriers or impediments to market access for United States persons that rely on intellectual property protection.

(2) For purposes of making an identification under paragraph (1) with respect to any foreign country, the Trade Representative shall—

(A) identify and analyze the acts, policies, and practices of that country which constitute significant barriers to, or distortions of, United States intellectual property that is—

(i) protected by patents, copyrights, and mask works, and

(ii) exported or licensed by United States persons that rely on intellectual property protection;

(B) estimate the trade-distorting impact on United States commerce of the acts, policies, or practices of that country that are contained in the annual report required under section 181 of the Trade Act of 1974;

(C) decide whether the potential market in that country for United States persons that rely on intellectual property protection is substantial; and

(D) take into account such other information as may be submitted under subsection (e) by United States persons that rely on intellectual property protection or by other sources.

(b) NEGOTIATING PRIORITIES AND TIMETABLE.—

(1) The Trade Representative shall—

(A) determine those foreign countries (hereinafter in this section referred to as "priority countries") identified under subsection (a) to which priority should be given in conducting consultations and negotiations under subsection (c); and

(B) establish a timetable for carrying out such consultations and negotiations with such priority countries.

(2) For purposes of determining priority countries under paragraph (1), the Trade Representative may—

(A) select only those foreign countries identified under subsection (a) that—

(i) have the largest potential markets for United States persons that rely on intellectual property protection, or

(ii) have the most onerous acts, policies, or practices that deny fair and equitable market access to United States persons that rely on intellectual property protection,

if the Trade Representative considers that available resources are inadequate, particularly in view of other principal negotiating objectives, to pursue effectively consultations and negotiations with all countries identified under subsection (a)(1); and

(B) exempt any foreign country if the Trade Representative considers that consultations and negotiations with that country would be detrimental to the interests of the United States.

(c) NEGOTIATIONS TO OBTAIN MARKET ACCESS—

(1) The President shall direct the Trade Representative to enter into consultations and negotiations with the priority countries, in accordance with the timetable established under subsection (a)(1)(B), in order to seek trade agreements which provide for the harmonization, reduction, elimination, or prohibition of restrictions, barriers, fees, or other trade-distorting acts, policies, or practices in order that United States persons that rely upon intellectual property protection will obtain fair and equitable market access to such countries.

(2) During the 5-year period beginning on the date of the enactment of this Act, the President may enter into bilateral or multilateral trade agreements with foreign countries which meet the objective under paragraph (1). Such agreements shall be subject to section 102(c), (d), (e), and (f) and section 151 of the Trade Act of 1974.

(d) OTHER ACTION.—

(1) If the President is not able to enter into a trade agreement providing for fair and equitable market access for United States persons that rely on intellectual property protection with a priority country within 2 years after the date on which it is determined to be such a country under subsection (b)(1)(A), the President shall take such actions as he deems appropriate, including but not limited to, any action under subsection (b) or (c) of section 301 of the Trade Act of 1974, with respect to any product or service of such country.

(2) The President may defer action under paragraph (1) upon providing written certification to the Congress, at 12-month intervals, that the consultations or negotiations with that priority country are making substantial progress.

(e) REPORT TO CONGRESS.—On or before the date which is 2 years after the date of the enactment of this Act, and every 2 years thereafter, the President shall notify the appropriate committees of the Congress of the extent and effect of the efforts undertaken during that period to obtain fair and equitable market access in each of the priority countries for United States persons that rely upon intellectual property protection. Such notification, which shall be in the form of a written report, shall include—

(1) information with respect to any action taken, or proposed to be taken, and the results thereof, under existing authority to eliminate or reduce the acts, policies, or practices identified in the report required under section 181 of the Trade Act of 1974 which restrict or distort market access to each such country including, but not limited to—

(A) any action under section 301 or other provision of the Trade Act of 1974, and

(B) any negotiation or consultation under subsection (c) or under section 102 of the Trade Act of 1974;

(2) if action referred to in paragraph (1) was not taken, an explanation of the reasons therefor; and

(3) recommendations to the Congress of any additional legislative authority or other action which the President believes is necessary and appropriate to obtain foreign market access for United States persons that rely on intellectual property protection.

(f) REQUIRED CONSULTATIONS.—The Trade Representative shall consult with the appropriate committees of the Congress, other interested agencies, United States persons that rely on intellectual property protection, and appropriate committees established under section 135 of the Trade Act of

1974, and shall provide an opportunity for the presentation of views by other interested parties—

(1) before identifying the significant barriers and distortions under subsection (a), determining priority countries under subsection (b)(1)(A), and establishing the timetable under subsection (b)(1)(B);

(2) in conducting negotiations under subsection (c);

(3) in developing the report required under subsection (e); and

(4) for purposes of determining under subsection (d) whether action by the President is appropriate under any provision of the Trade Act of 1974 with respect to any act, policy, or practice referred to in subsection (a)(2) of a priority country.

(g) DEFINITION.—For purposes of this section, the phrase "United States persons that rely upon intellectual property protection" means—

(1) citizens or nationals of the United States;

(2) corporations, partnerships, or other legal entities organized or existing under the law of any State or the District of Columbia, or under Federal law; or

(3) any subsidiary or division, if located in the United States, of any entity referred to in paragraph (2);

whose principal line of business—

(A) involves the creation, production, or licensing of literary or artistic works which are copyrighted,

(B) is the manufacture of products that are patented or for which there are process patents, or

(C) is the manufacture of semiconductor chip products for which a mask work is registered under chapter 9 of title 17, United States Code.

SEC. 144. NEGOTIATING OBJECTIVES REGARDING INTELLECTUAL PROPERTY RIGHTS.

(a) IN GENERAL.—Chapter 1 of title I is amended by inserting after section 104A the following new section:

"SEC. 104B. NEGOTIATING OBJECTIVES WITH RESPECT TO INTELLECTUAL PROPERTY RIGHTS.

"Principal United States negotiating objectives under section 102 shall be—

"(1) to seek enactment and effective enforcement by foreign countries of laws which adequately recognize and protect intellectual property under copyrights, patents, trademarks, mask works and trade secrets; and

"(2) to develop and strengthen bilateral and multilateral international rules and dispute settlement procedures against trade-distorting practices arising from inadequate national protection and enforcement of intellectual property rights, including—

"(A) early adoption of the GATT Anti-Counterfeiting Code, and concurrent development in the GATT, in cooperation with international technical organizations such as the World Intellectual Property Organization (WIPO), of substantive norms and standards for the protection and enforcement of other forms of intellectual property, and

"(B) the supplementing and strengthening of standards for protection and enforcement in existing international intellectual property conventions, including expansion to cover new and emerging technologies and elimination of discrimination or unreasonable exceptions or pre-conditions to protection.".

(b) CONFORMING AMENDMENT.—The table of contents for such chapter 1 is amended by inserting after the entry for section 104A the following:

"Sec. 104B. Negotiating objectives with respect to intellectual property rights.".

Subtitle C—Trade Negotiating Objectives and Authority

SEC. 151. REFERENCE TO TRADE ACT OF 1974.

Unless otherwise provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a title, section, subsection, or other provision, the reference shall be considered to be made to a title, section, subsection, or other provision of the Trade Act of 1974 (19 U.S.C. 2101 et seq.).

SEC. 152. OVERALL AND PRINCIPAL TRADE NEGOTIATING OBJECTIVES OF THE UNITED STATES.

(a) OVERALL TRADE NEGOTIATING OBJECTIVES.—(1) The overall trade negotiating objectives of the United States under sections 101 and 102 of the Trade Act of 1974 (19 U.S.C. 2111 and 2112) are as follows:

(A) To achieve a more open, fair, and nondiscriminatory international trading system with respect to goods, services, and related foreign investment in which the benefits of trade are shared more fully within trading countries, as well as among them.

(B) To obtain equitable and reciprocal competitive opportunities, in general as well as in individual sectors, for United States manufacturing, mining, agriculture, and services in foreign markets.

(C) To expand and improve the rules and procedures of the General Agreement on Tariffs and Trade (hereafter in this section referred to as the "GATT") in order to restore the confidence of governments and private sectors in the relevance and effectiveness of the international trading system and its institutions.

(b) PRINCIPAL TRADE NEGOTIATING OBJECTIVES.—The principal trade negotiating objectives of the United States under sections 101 and 102 of the Trade Act of 1974 are as follows:

(1) To improve the dispute settlement mechanisms and procedures of the GATT so as to ensure the expeditious and decisive resolution of all types of disputes covered by GATT rules.

(2) To strengthen the GATT rules pertaining to subsidy practices and countervailing measures by—

(A) prohibiting the use of export subsidies on primary products;

(B) treating as subsidies prohibited under such rules resource subsidies, subsidized inputs, and other forms of government intervention that have the effect of subsidizing domestic producers and causing injury or other adverse effects to foreign interests;

(C) sanctioning the imposition of special penalty measures to discourage, rather than merely offset, the persistent use by governments of subsidy practices which cause injury to foreign producers; and

(D) in cases in which subsidies on exports to a third country market lead to the displacement of another country's exports, authorizing the country suffering displaced exports to impose countervailing measures on imports of the subsidizing country (preferably on a like or similar product) equivalent to the amount of displacement.

(3) To enhance the GATT through—

(A) the adoption of an article of the GATT declaring that the denial of internationally recognized worker rights is an unjustifiable means for a country or any of its industries to gain competitive advantage in international trade;

(B) the amendment of one or more existing articles of the GATT to affirm the principle set forth in subparagraph (A); or

(C) the adoption and implementation of a code on internationally-recognized worker rights (as defined in section 502(a)(4) of the Trade Act of 1974).

(4) To strengthen the GATT rules pertaining to dumping practices and antidumping measures by—

(A) developing procedures to determine and effective measures to deter and counteract diversionary dumping practices through the use of dumped inputs which are injurious to foreign producers;

(B) expediting procedures in order to provide more timely antidumping relief, particularly for products with short-life cycles;

(C) developing effective means to counteract dumping practices which displace sales in third country markets; and

(D) authorizing the imposition of special sanctions to deter repetitive dumping practices by manufacturers, producers, or exporters.

(5) To develop rules to limit and counteract industrial export targeting practices which are injurious to foreign producers.

(6) To bring about greater balance between international trade benefits and obligations and the fuller participation of developing countries in the international trading system by—

(A) reducing and eliminating the reliance of developing countries on special and differential treatment from developed countries; and

(B) requiring developing countries, commensurate with their attaining more advanced and competitive levels of economic development—

(i) to provide reciprocal benefits, and

(ii) to assume equivalent obligations with respect to their import and export practices.

(7) To develop principles, rules, and procedures regarding, and to reduce barriers and other distortions affecting, those kinds or conditions of international trade not presently or adequately covered, including—

(A) barriers to trade in services and high technology products, requirements or restrictions affecting investment flows and high technology transfers, and other barriers referred to in section 104A of the Trade Act of 1974; and

(B) protection and enforcement of intellectual property rights referred to in section 104B of the Trade Act of 1974;

in order to create an international system that reflects and addresses, on a comprehensive basis, present and future trade and trading practices.

(8) To achieve more open and fair conditions of trade in agricultural commodities by—

(A) developing, strengthening, and clarifying rules to discipline restrictive and trade-distorting import and export practices; and

(B) eliminating and reducing substantially specific constraints to fair and open trade, such as tariffs, quantitative restrictions, export subsidies, and other nontariff practices.

(9) To improve the operation and expand the coverage of, and the participation of countries in, the agreements concluded in the Tokyo Round of GATT negotiations.

(10) To strengthen the GATT rules regarding the conditions and procedures for applying all types of safeguard measures taken by governments to limit injurious import competition in order to ensure trans-

parency and to promote adjustment in the use of such measures.

(11) to develop principles, rules, and procedures concerning offsets and other countertrade requirements in order to minimize any adverse effect of such requirements on domestic products and industries;

(12) To promote world market access on an equitable and reciprocal basis by achieving the maximum reduction, elimination, or harmonization of existing specific tariff and nontariff trade barriers to exports, particularly—

(A) those barriers that are identified from time-to-time in the analyses and estimates required under section 181 of the Trade Act of 1974; and

(B) those disparities in tariff levels which impede access to particular export markets.

(13) To develop rules that impose a greater responsibility on countries with large and persistent current account surpluses to undertake policy changes aimed at restoring current account equilibrium, including expedited implementation of trade agreements where feasible and appropriate.

(14) To develop mechanisms to assure greater coordination, consistency, and cooperation between international trade and monetary systems and institutions.

(c) AGREEMENTS TO ACHIEVE OBJECTIVES.—The overall and principal objectives listed in subsections (a) and (b) are to be achieved, to the maximum extent feasible, through multilateral trade agreements (negotiated with both developed countries and developing countries) that provide, on a reciprocal and mutually advantageous basis, for—

(1) the reduction, elimination, or harmonization of barriers to, and other distortions of, international trade; and

(2) the development, clarification, or extension of principles, rules, and procedures governing that trade;

except that bilateral agreements and other agreements of kinds other than multilateral agreements should be negotiated to achieve such objectives in circumstances where the use of such other kinds of agreements would be more effective or appropriate, or the entering into of multilateral agreements is not feasible.

SEC. 153. EXTENSION OF TRADE AGREEMENT AUTHORITY.

(a) BASIC EXTENSION.—

(1) TARIFF REDUCTION.—Section 101 (19 U.S.C. 2111) is amended—

(A) by striking out "5-year period" in subsection (a)(1) and inserting "14-year period"; and

(B) by striking out "January 1, 1975" each place it appears therein and inserting "January 1, 1987".

(2) NONTARIFF BARRIER REDUCTION OR ELIMINATION.—Section 102(b)(1) (19 U.S.C. 2112(b)(1)) is amended by striking out "13-year period" and inserting "14-year period".

(b) ADDITIONAL EXTENSION.—If before November 3, 1988, the United States Trade Representative submits to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report certifying that—

(1) sufficient progress has been made under the authority of sections 101 and 102 of the Trade Act of 1974 to justify the continuation of negotiations under such sections; and

(2) such a continuation of negotiations is likely to achieve the overall and principal United States negotiating objectives set forth in section 172;

then, effective January 3, 1989, sections 101(a)(1) and 102(b)(1) of the Trade Act of 1974 are each amended by striking out "14-year period" and inserting "16-year period".

(c) TARIFF AGREEMENTS REGARDING ARTICLES NOT DESIGNATED AS ELIGIBLE ARTICLES UNDER THE GSP.—Section 101 (19 U.S.C. 2111) is further amended—

(1) by inserting "except as provided in subsection (d)," before "may proclaim" in subsection (a)(2); and

(2) by adding at the end thereof the following new subsection:

"(d)(1) The President may not proclaim, under the authority of this section, the reduction or elimination of any duty on any article that, on the date of the enactment of the Comprehensive Trade Policy Act of 1986, was not designated as an eligible article under title V.

"(2) For purposes of subsections (c), (d), (e), (f), and (g) of section 102 and section 151, any provision of a trade agreement entered into under subsection (a)(1) that reduces or eliminates a duty on any article to which paragraph (1) applies shall be treated as a trade agreement entered into under section 102.".

SEC. 154. AGREEMENTS REGARDING NONTARIFF BARRIERS TO, AND OTHER DISTORTIONS OF, TRADE.

(a) CUSTOMS ACTION UNDER CERTAIN TRADE AGREEMENTS.—Section 102(b) (19 U.S.C. 2112(b)) is amended by adding at the end thereof the following new paragraph:

"(5) In the implementation of any bilateral trade agreement entered into with a foreign country under paragraph (2)(A) or (4)(A), the Commissioner of Customs shall issue such rules and regulations as are necessary to prevent the transshipment through the country of articles subject to quantitative import restrictions under United States law.".

(b) CONSULTATION WITH COMMITTEES.—The second sentence of section 102(c) is amended to read as follows: "Such consultation shall include the nature of the agreement, how and to what extent the agreement will achieve the overall and principal United States negotiating objectives set forth in section 152 of the Trade and International Economic Policy Reform Act of 1986, and all matters relating to the implementation of the agreement under subsections (d) and (e).".

(c) PREREQUISITE FOR ENTRY INTO FORCE OF TRADE AGREEMENTS.—Section 102(e)(2)(B) is amended to read as follows:

"(B) a statement—

"(i) that the agreement achieves overall and principal United States negotiating objectives set forth in section 152 of the Trade and International Economic Policy Reform Act of 1986; and

"(ii) of his reasons as to—

"(I) how and to what extent the agreement achieves the negotiating objectives referred to in clause (i), and why and to what extent the agreement does not achieve other such negotiating objectives,

"(II) how the agreement serves the interests of United States commerce, and

"(III) why the implementing bill and proposed administrative action is required or appropriate to carry out the agreement; and"

(d) FAST TRACK.—

(1) The first sentence of section 102(f) is amended—

(A) by striking out "may recommend" and inserting in lieu thereof "shall recommend"; and

(B) by striking out "is consistent" and inserting in lieu thereof "is appropriate and consistent".

(2) Subsections (c) through (f) of section 102 of the Trade Act of 1974 shall not have effect, and no trade agreement entered into under subsection (b) of section 102 (other than a trade agreement provided for in paragraph (4) of that subsection) may enter into force with respect to the United States, during the period beginning on the date of the enactment of the Trade and International Economic Policy Reform Act of 1986 and ending on the earlier of—

(A) the date on which the international conference on the exchange rate system, referred to in section 403 of the Competitive Exchange Rate Act of 1986, is convened; or

(B) the date on which the President reports to the Congress in writing that the conference referred to in section 403 of the Competitive Exchange Rate Act of 1986 cannot be convened because of the unwillingness of one or more of the major currency countries to participate in such a conference.

(e) TECHNICAL AMENDMENT.—Section 102(g)(1) is amended to read as follows:

"(1) the term 'barrier' includes any duty or import restriction;".

SEC. 155. COMPENSATION AUTHORITY.

Section 123(a) (19 U.S.C. 2133(a)) is amended to read as follows—

"(a) Whenever any action taken under chapter 1 of title II or chapter 1 of title III, by statute, or through any tariff reclassification increases or imposes any duty or other import restriction, the President—

"(1) may enter into trade agreements with foreign countries or instrumentalities for the purpose of granting new concessions as compensation in order to maintain the general level of reciprocal and mutually advantageous concessions; and

"(2) may proclaim such modification or continuance of any existing duty, or such continuance of existing duty-free or excise treatment, as he determines to be required or appropriate to carry out any such agreement;

but only if the entering into of any such agreement is necessary or appropriate to meet the international obligations of the United States.".

SEC. 156. TARIFF AGREEMENTS WITH CANADA.

(a) IN GENERAL.—Chapter 2 of title I is amended by inserting at the end thereof the following new section:

"SEC. 129. NEGOTIATION OF CERTAIN MISCELLANEOUS TARIFF AGREEMENTS WITH THE GOVERNMENT OF CANADA.

"(a) In order to facilitate negotiations with respect to a trade agreement with the Government of Canada authorized pursuant to subsection (b)(4) of section 102, the President may, subject to the provisions of subsections (b), (c), and (d) of this section—

"(1) enter into tariff agreements relating to the items listed in this section; and

"(2) may proclaim the modification or elimination of any existing duty on these items as he deems appropriate.

"(b) The President shall exercise his authority under this section only with respect to articles provided for in the following items of the Tariff Schedules of the United States (19 U.S.C. 1202):

"(1) Frozen cranberries (provided for in item 146.71).

"(2) Dialysis cyclers (provided for in item 709.17).

"(3) Packaging goods for tea (described in headnote 2 to subpart A of part 11 of schedule 1).

"(4) Dried fababeans (provided for in items 140.11 and 140.16).

"(5) Cat litter (provided for in items 256.90 and 512.24).

"(6) Mechanics tool boxes (provided for in item 706.62).

"(7) Medical tubing (provided for in item 772.65).

"(8) Synthetic fireplace materials (provided for in item 792.32).

"(9) Spirits (provided for in items 169.21 and 169.22).

"(10) Miners safety lamps, components, and battery chargers (provided for in items 683.80 and 682.60).

"(11) Computerized paper cutter control retrofit units (provided for in items 685.90 and 676.15).

"(c) The President shall exercise his authority to proclaim changes in existing duties under this section only to the extent that tariff concessions of approximately equivalent value are granted by the Government of Canada in exchange for reductions authorized under this section.

"(d) The President may exercise the authority granted under this section only during the 5-year period beginning on the date of the enactment of this section.".

(b) CONFORMING AMENDMENT.—The table of contents of chapter 2 of title I is amended by adding at the end thereof the following:

"Sec. 129. Negotiation of certain miscellaneous trade agreements with the Government of Canada.".

SEC. 157. TIME FOR SUBMISSION OF CERTAIN REPORTS.

Section 135(e) (19 U.S.C. 2155(e)) is amended—

(1) by inserting after "United States" in the second sentence the following: "and achieves the overall and principal negotiating objectives set forth in section 152 of the Trade and International Economic Policy Reform Act of 1986;"; and

(2) by inserting after the first sentence the following new sentence: "Each report, if it applies to a trade agreement entered into under section 102, shall be provided under the preceding sentence not later than the date on which the draft of the implementing bill for the agreement is submitted to Congress under section 102(e).".

SEC. 158. NEGOTIATING OBJECTIVES REGARDING HIGH TECHNOLOGY ACCESS.

Section 104A (19 U.S.C. 2114b) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection.

"(d) ACCESS TO HIGH TECHNOLOGY.—

"(1) IN GENERAL.—Principal United States negotiating objectives shall be to obtain the elimination or reduction of foreign barriers to, and foreign government acts, policies, or practices which limit, equitable access by United States persons to foreign-developed technology, including barriers, acts, policies, or practices which have the effect of—

"(A) restricting the participation of United States persons in government-supported research and development projects;

"(B) denying equitable access by United States persons to government-held patents;

"(C) requiring the approval or agreement of government entities, or imposing other forms of government intervention, as a condition for the granting of licenses to United States persons by foreign persons (except for approval or agreement which may be necessary for national security purposes to control the export of critical military technology); and

"(D) otherwise denying equitable access by United States persons to foreign-developed technology or contributing to the inequitable flow of technology between the United States and its trading partners.

"(2) DOMESTIC OBJECTIVES.—In pursuing the objectives described in paragraph (1), the United States shall take into account the policies of the United States Government in licensing or otherwise making available to foreign persons technology and other information developed by United States laboratories.".

Subtitle D—Functions of the United States Trade Representative

SEC. 161. TRADE POLICY FUNCTIONS.

(a) TRADE REPRESENTATIVE.—Section 141(c) of the Trade Act of 1974 (19 U.S.C. 2171(c)) is amended to read as follows:

"(c)(1) The United States Trade Representative shall—

"(A) have primary responsibility for developing, and for coordinating the implementation of, United States international trade policy, including commodity matters, and, to the extent they are related to international trade policy, direct investment matters;

"(B) serve as the principal advisor to the President on international trade policy and shall advise the President on the impact of other policies of the United States Government on international trade;

"(C) have lead responsibility for the conduct of, and shall be the chief representative of the United States for, international trade negotiations in which the United States participates;

"(D) issue policy guidance to departments and agencies on basic issues of policy and interpretation arising in the exercise of international trade functions, to the extent necessary to assure the coordination of international trade policy and consistent with any other law;

"(E) act as the principal spokesman of the President on international trade;

"(F) be chairman of the interagency trade organization established under section 242(a) of the Trade Expansion Act of 1962, and shall consult with and be advised by such Committee in the performance of his functions.".

(b) INTERAGENCY TRADE ORGANIZATION.—Section 242(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1872(a)) is amended to read as follows:

"(a) The President shall establish an interagency organization to assist him in carrying out the functions vested in him by the trade laws and to advise the United States Trade Representative in carrying out his functions under section 141 of the Trade Act of 1974. Such organization shall be composed of the following:

"(1) The Trade Representative, who shall be chairperson.

"(2) The Secretary of Commerce.

"(3) The Secretary of State.

"(4) The Secretary of the Treasury.

"(5) The Secretary of Agriculture.

"(6) The Secretary of Labor.

The Trade Representative may invite representatives from other agencies, as appropriate, to attend particular meetings if subject matters of specific functional interest to such agencies are under consideration. It shall meet at such times and with respect to such matters as the President or the Chairman shall direct.".

SEC. 162. FAIR TRADE ADVOCATES BRANCH.

Section 141 of the Trade Act of 1974 (19 U.S.C. 2171 et seq.) is amended by adding at the end thereof the following new subsection:

"(g) FAIR TRADE ADVOCATES BRANCH.—

"(1) There is established in the Office a Fair Trade Advocates Branch (hereinafter referred to as the 'Branch') which shall assist qualifying industries in obtaining remedies and benefits under the trade laws—

"(A) by preparing and initiating cases (other than those which, in the opinion of the Branch, are frivolous) for qualifying industries under the trade laws;

"(B) acting as an advocate in proceedings regarding such cases before the respective agencies responsible for administering the trade laws; and

"(C) in pursuing administrative and judicial appeals,where appropriate, of such cases.

"(2) For purposes of this subsection—

"(A) The term 'qualifying industry' means—

"(i) any small business which, in the judgment of the Branch, due to its small size has neither the adequate internal resources nor the financial ability to obtain qualified legal or technical assistance;

"(ii) any industry which, because of its competitive position or location in export markets would suffer serious adverse economic impact, including reprisals, if it pursued on its own a case under a trade law; or

"(iii) any industry whose case, in the judgment of the Branch, is meritorious for policy or other reasons, and the industry lacks adequate resources to obtain remedies against unfair trade practices.

A decision by the Branch regarding whether any industry is a qualifying industry under this subsection is not reviewable by any other agency or by any court.

"(B) The term 'trade law' means the following:

"(i) Title VII of the Tariff Act of 1930 (19 U.S.C. 1671 et seq., relating to the imposition of countervailing duties and antidumping duties).

"(ii) Section 337 of the Tariff Act of 1930 (19 U.S.C. 1337, relating to unfair practices in import trade).

"(3) Each agency responsible for administering a trade law shall provide technical and other assistance to the Branch to enable it to prepare and file petitions and applications to obtain the remedies and benefits that may be available under that law.".

SEC. 163. TRADE POLICY AGENDA.

(a) IN GENERAL.—By no later than March 1 of each year, the United States Trade Representative shall submit in writing (in confidence if appropriate) to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate (hereinafter referred to as the "Committees") a statement of—

(1) the trade policy objectives and priorities of the United States for the year, and the reasons therefor;

(2) the actions proposed or anticipated to be undertaken during the year to achieve such objectives, including actions under the authority of the trade laws and any negotiations contemplated with foreign countries; and

(3) any proposed legislation necessary or appropriate to achieve such objectives.

(b) CONSULTATION BEFORE STATEMENT.—Before submitting the statement required under subsection (a) for any year, the United States Trade Representative shall seek advice from the appropriate sector advisory committees established under section 135 of the Trade Act of 1974 (19 U.S.C. 2155) and shall consult with the Committees.

(c) CONSULTATION AFTER STATEMENT.—The United States Trade Representative and the officials of other Federal agencies, as appropriate, shall consult periodically with the Committees with respect to the objectives and priorities set forth in the statement required under subsection (a) for any year regarding the status and results of the actions undertaken, and any development which may require, or result in, changes to any of such objectives or priorities.

Subtitle E—Miscellaneous Trade Law Provisions

SEC. 171. IMPORTS AFFECTING NATIONAL SECURITY.

(a) AMENDMENT TO TEA OF 1962.—Section 232(b) of the Trade Expansion Act of 1962 (19 U.S.C. 1862(b)) is amended—

(1) by inserting "(1)" before "Upon request";

(2) by amending the third sentence by striking out "one year" and inserting "90 days (180 days if the Secretary determines that the investigation is extraordinarily complicated)";

(3) by striking out the last sentence; and

(4) by adding at the end thereof the following:

"(2) If the Secretary finds under paragraph (1) that an article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, he shall advise the President of that finding in the report required under paragraph (1). Within 30 days after receiving the report, the President shall—

"(A) determine whether he concurs with the advice of the Secretary;

"(B) if he concurs, determine the nature and duration of the action that, in his judgment, must be taken to adjust the imports of the article and its derivatives so that such imports will not threaten to impair the national security; and

"(C) report in writing to the Congress the reasons for the determination under subparagraph (A), or under both subparagraphs (A) and (B), as the case may be.

"(3) If the President determines under paragraph (2)(B) to take action to adjust imports of an article and its derivatives, the President shall implement that action no later than the 15th day after the day on which he determines to take action under paragraph (2)(B).".

(b) APPLICATION OF AMENDMENTS.—The amendments made by subsection (a) apply with respect to—

(1) investigations that are requested or applied for, or initiated by the Secretary of Commerce on his own motion, under section 232(b) of the Trade Expansion Act of 1962 on or after the date of the enactment of this Act; and

(2) any advice submitted by the Secretary of Commerce to the President before such date of enactment under such section 232(b) to the effect that imports of an article threaten to impair the national security, and with respect to which no action was taken by the President under such section on that advice before such date.

For purposes of applying paragraph (2), a report containing advice to the President shall be treated as having been received by the President under paragraph (1) of such section on the date of the enactment of this Act.

SEC. 172. REALLOCATION OF GSP BENEFITS TO LATIN AMERICAN DEBTOR NATIONS.

Section 504(c)(3) of the Trade Act of 1974 (19 U.S.C. 2464(c)(3)) is amended—

(1) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively;

(2) by inserting after subparagraph (B) the following new paragraph:

"(C)(i) Not earlier than January 4, 1987, the President shall waive the application of this subsection with respect to any eligible article of any beneficiary developing country that—

"(I) qualifies for waiver under subparagraphs (A) and (B);

"(II) is located in the Western hemisphere south of the United States;

"(III) is determined by the President to have difficulty servicing the debt it owes to foreign or multilateral sources; and

"(IV) has not less than 20 percent of the debt that it owes to foreign or multilateral sources held by any combination of United States banks, the International Monetary Fund, and the World Bank.

"(ii) The aggregate value of articles to which waivers made under clause (i) may apply for any calendar year may not exceed the aggregate value of the articles with respect to which countries, on the basis of exports during the preceding calendar year, are no longer treated under this subsection as beneficiary developing countries.

"(iii) The President shall allocate the aggregate value waived under clause (i) for any calendar year among beneficiary developing countries referred to in that clause. In making any such allocation, and in deciding which eligible articles to which allocation applies, the President shall give great weight to—

"(I) the amount of foreign and multilateral debt of each such country, relative to the gross national product of that country;

"(II) the estimated percentage of export earnings that each country would be required to devote to servicing foreign and multilateral debt under existing contracts; and

"(III) the trade surplus that each country holds with the United States, relative to that country's level of debt outstanding to foreign or multilateral sources."; and

(3) by striking out "subparagraph (A)" in subparagraph (E)(i) and (ii) (as redesignated under paragraph (1)) and inserting "subparagraphs (A) and (C)".

SEC. 173. TRANSFER OF AUTHORITY UNDER GSP TO THE UNITED STATES TRADE REPRESENTATIVE.

Title V of the Trade Act of 1974 (19 U.S.C. 2461 et seq.) is amended—

(1) by striking out "President" each place it appears and inserting "United States Trade Representative";

(2) By amending subsection (a) of section 502—

(A) by striking out "with respect to which there is in effect an Executive order or Presidential Proclamation" in paragraph (1) and inserting "which is designated",

(B) by striking out "of the United States designating such country" in paragraph (1),

(C) by striking out the parenthetical clause in paragraph (2), and

(D) by striking out "by Executive order or Presidential Proclamation" in paragraph (3).

(3) by amending subsection (a) of section 503—

(A) by amending the second sentence to read as follows: "Before any such list is furnished to the Commission, there shall be in effect a designation of beneficiary developing countries under section 502."; and

(B) by striking out "by Executive order or Presidential proclamation" in the last sentence; and

(4) by amending subsection (b) of section 504 by striking out "issues an Executive order or Presidential proclamation revoking" in the last sentence and inserting "revokes".

SEC. 174. APPOINTMENT OF CHAIRMAN AND VICE CHAIRMAN OF THE UNITED STATES INTERNATIONAL TRADE COMMISSION.

(a) IN GENERAL.—Section 330(c) of the Tariff Act of 1930 (19 U.S.C. 1330(c)) is amended as follows:

(1) Paragraph (1) is amended to read as follows:

"(1) The President shall appoint, by and with the advice and consent of the Senate, the chairman and vice chairman of the Commission from among the members of the Commission not ineligible, under paragraph (3), for appointment.".

(2) Paragraph (3) is amended—

(A) by amending subparagraph (A) to read as follows:

"(3)(A) The President may not appoint as chairman of the Commission for any term any commissioner who is a member of the political party of which the chairman of the Commission for the immediately preceding term is a member.";

(B) by striking out "designate" in subparagraph (B) and in the first sentence in subparagraph (C) and inserting "appoint"; and

(C) by striking out the last sentence of subparagraph (C).

(b) APPLICATION.—The amendments made by subsection (a) apply to each appointment of a chairman and vice chairman of the United States International Trade Commission that is made after March 31, 1986.

SEC. 175. SCOFFLAW PENALTIES FOR MULTIPLE CUSTOMS LAW OFFENDERS.

(a) ORDERS BY SECRETARY OF THE TREASURY.—

(1) The Secretary of the Treasury (hereinafter in this section referred to as the "Secretary") shall by order prohibit any person who is a multiple customs law offender from—

(A) introducing, or attempting to introduce, foreign goods into the customs territory of the United States; and

(B) engaging, or attempting to engage, any other person for the purpose of introducing, on behalf of the multiple customs law offender, foreign goods into such customs territory.

If the multiple customs law offender is a firm, corporation, or other legal entity, the order shall apply to all officers and principals of the entity. The order shall also apply to any employee or agent of the entity if that employee or agent was directly involved in the violations of the customs laws concerned.

(2) The prohibition contained in an order issued under paragraph (1) shall apply during the period which begins on the 60th day after the date on which the order is issued and ends on the third anniversary of that 60th day.

(b) IDENTIFICATION OF MULTIPLE CUSTOMS LAW OFFENDERS.—Each Federal agency shall notify the Secretary of all final convictions and assessments made incident to the enforcement of the customs laws under jurisdiction of that agency.

(c) PENALTY.—Whoever violates, or knowingly aids or abets the violation of, an order issued by the Secretary under this section shall be fined not more than $250,000 or imprisoned not more than 10 years, or both.

(d) RULES.—The Secretary shall prescribe rules to carry out this section, including rules governing the procedures to be used in

issuance of orders under subsection (a). Such rules shall also include a list of the customs laws.

(e) DEFINITIONS.—For purposes of this section:

(1) The term "multiple customs law offender" means a person that, during any period of 7 consecutive years occurring after the date of the enactment of this Act, was either convicted of, or assessed a civil penalty for, 3 separate violations of one or more customs laws finally determined to involve gross negligence, fraud, or criminal culpability.

(2) The term "customs law" means any Federal law providing a criminal or civil penalty for an act, or failure to act, regarding the introduction of, or the attempt to introduce, foreign goods into the customs territory of the United States; including, but not limited to, sections 496 and 1001 (but only with respect to customs matters), and any section of chapter 27, of title 18, United States Code, and section 592 of the Tariff Act of 1930.

SEC. 176. METALLURGICAL COAL EXPORTS TO JAPAN.

It is the sense of Congress that—

(1) the objectives of the November 1983 Joint Policy Statement on Energy Cooperation, as it relates to United States exports of metallurgical coal to Japan, have not been achieved;

(2) the President should seek to establish reciprocity with Japan with respect to metallurgical coal exports and steel product imports;

(3) to that end the President should direct the United States Trade Representative to negotiate an agreement with Japan under which Japan will import United States metallurgical coal in quantities equivalent to that used in the production of Japanese steel products that are exported to the United States; and

(4) the President should report to the Congress by November 1, 1987, regarding the results of the outcome of any negotiation undertaken in response to this section.

SEC. 177. STEEL IMPORTS.

Section 805 of the Steel Import Stabilization Act is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c)(1) Any steel product that is manufactured in a country that is not party to a bilateral arrangement from steel which was melted and poured in a country that is party to a bilateral arrangement (hereinafter in this subsection referred to as an 'arrangement country') will be treated for purposes of the quantitative restrictions under that arrangement as if it were a product of the arrangement country.

"(2) If the Customs Service, in applying paragraph (1), is provided with valid documentation of the nature and amount of the steel product exported by an arrangement country to a country that—

"(A) is not an arrangement country; and

"(B) has transformed the product for export to the United States;

the Customs Service shall treat such documented product, for purposes of enforcing quantitative restrictions, as if it were a product of the arrangement country.".

SEC. 178. IMPORT MONITORING BY THE INTERNATIONAL TRADE COMMISSION; TECHNICAL AMENDMENTS.

(a) MONITORING OF IMPORTS.—The United States International Trade Commission shall, beginning on the date of the enactment of this Act, monitor imports into the United States for the purposes of identifying, ranking, and providing analysis with respect to, those classes or kinds of imported merchandise that may pose potential significant problems from import competition for United States industries, based on such factors as changes in net trade balances of the articles concerned and evidence of increasing import penetration of the domestic market. The Commission shall submit to the Committee on Ways and Means a quarterly report regarding the monitoring required under this subsection.

(b) CONFIDENTIAL INFORMATION.—The first sentence of section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)) is amended by striking out ", and shall report to Congress" and inserting ". However, the Commission may not release information which the Commission considers to be confidential business information unless the party submitting the confidential business information had notice, at the time of submission, that such information would be released by the Commission, or such party subsequently consents to the release of the information. The Commission shall report to Congress".

(c) PAPERWORK REDUCTION.—Section 330 of the Tariff Act of 1930 (19 U.S.C. 1330) is amended by adding at the end thereof the following new subsection:

"(f) The Commission shall be considered to be an independent regulatory agency for purposes of chapter 35 of title 44, United States Code.".

TITLE II—INTERNATIONAL TRADE IN TELECOMMUNICATIONS PRODUCTS AND SERVICES

SEC. 201. SHORT TITLE.

This title may be cited as the "Telecommunications Trade Act of 1986".

SEC. 202. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) rapid growth in the world market for telecommunications products and services will continue for several decades;

(2) the United States can improve prospects for—

(A) the growth of—

(i) United States exports of telecommunications products and services, and

(ii) export-related employment and consumer services in the United States, and

(B) the continuance of the technological leadership of the United States,

by undertaking a program to achieve an open world market for trade in telecommunications products, services, and investment;

(3) most foreign markets for telecommunications products, services, and investment are characterized by extensive government intervention (including restrictive import practices and discriminatory procurement practices) which adversely affect United States exports of telecommunications products and services and United States investment in telecommunications;

(4) unfair and discriminatory trade practices in foreign countries have resulted in, and continue to threaten, the loss of jobs in the United States telecommunications industry;

(5) the open nature of the United States telecommunications market, accruing from the liberalization and restructuring of such market, has resulted, and will continue to result, in a dramatic increase in imports of telecommunications products and a growing imbalance in competitive opportunities for trade in telecommunications; and

(6) unless this imbalance is corrected through the achievement of fully competitive market opportunities for United States telecommunications products and services in foreign markets, the United States should avoid granting continued open access to the telecommunications products and services, and other products and services, of such foreign countries in the United States market.

(b) PURPOSES.—The purposes of this title are—

(1) to foster the economic and technological growth of and employment in the United States telecommunications industry and all United States persons who benefit from a high quality telecommunications network;

(2) to ensure that countries which have made commitments to open telecommunications trade fully abide by those commitments; and

(3) to achieve a more open world trading system for telecommunications products and services through negotiation and achievement of fully competitive market opportunities for United States telecommunications exporters and their subsidiaries in those markets in which barriers exist to free international trade.

SEC. 203. NEGOTIATING OBJECTIVES.

(a) PRIMARY OBJECTIVES.—The primary negotiating objectives of the United States under this title regarding telecommunications products and services are to provide for—

(1) the nondiscriminatory procurement of telecommunications products and related services by foreign entities that provide local exchange telecommunications services which are owned, regulated, or controlled by foreign governments;

(2) assurances that any requirement for the registration of telecommunications products, which are to be located on customer premises, for the purposes of—

(A) attachment to a telecommunications network in a foreign country, and

(B) the marketing of the products in a foreign country,

be limited to the certification by the manufacturer that the products meet the standards established by the foreign country for preventing harm to the network or network personnel;

(3) transparency of, and open participation in, the standards-setting processes used in foreign countries with respect to telecommunications products;

(4) the ability to have telecommunications products, which are to be located on customer premises, approved and registered by type, and, if appropriate, the establishment of procedures between the United States and foreign countries for the mutual recognition of type approvals;

(5) access to the basic telecommunications network in foreign countries on reasonable and nondiscriminatory terms and conditions (including non-discriminatory prices) for the provision of value-added services by United States suppliers; and

(6) monitoring and effective dispute settlement provisions regarding matters referred to in paragraphs (1) through (5).

(b) SECONDARY OBJECTIVES.—The secondary negotiating objectives of the United States under this title regarding telecommunications products and services are to obtain—

(1) national treatment for telecommunications products and services that are provided by United States firms;

(2) most-favored-nation treatment for such products and services;

(3) nondiscriminatory procurement policies with respect to such products and services and the inclusion under the Agreement on Government Procurement of the procurement (by sale or lease by government-owned or controlled entities) of all telecommunications products and services;

(4) the reduction or elimination of customs duties on telecommunications products;

(5) the elimination of subsidies, dumping, violations of intellectual property rights, and other unfair trade practices that distort international trade in telecommunications products and services;

(6) the elimination of investment barriers that restrict the establishment of foreign-owned business entities which market such products and services; and

(7) monitoring and dispute settlement mechanisms to facilitate compliance with telecommunications trade agreements.

SEC. 204. INVESTIGATIONS OF FOREIGN TELECOMMUNICATIONS TRADE BARRIERS.

(a) REQUIRED INITIAL INVESTIGATIONS.—

(1) The United States Trade Representative (hereinafter in this title referred to as the "Trade Representative"), in consultation with the Secretary of Commerce and the interagency trade organization established under section 242(a) of the Trade Expansion Act of 1962 (19 U.S.C 1872), shall undertake an investigation with respect to each foreign country for the purposes of—

(A) identifying and analyzing those acts, policies, and practices in the markets of that foreign country that deny fully competitive market opportunities to telecommunications products and services of United States firms; and

(B) establishing, on the basis of the analysis under subparagraph (A) and after taking into consideration—

(i) the needs of the affected United States industries,

(ii) the competitiveness of United States industries in domestic and world markets,

(iii) the progress being made to expand market opportunities under existing agreements or ongoing negotiations, and

(iv) the availability of appropriate incentives and effective remedies,

the specific primary and secondary negotiating objectives specified in section 203 that should be pursued in negotiations under section 205 in order to obtain fully competitive market opportunities in that foreign country for telecommunications products and services of United States firms.

(2) The Trade Representative may exclude any foreign country from the investigations required to be conducted under paragraph (1) if the Trade Representative determines that the potential market in that country for United States telecommunications products and services is not substantial.

(3) The Trade Representative shall complete each investigation required to be undertaken under paragraph (1) by no later than the 180th day after the date of the enactment of this Act.

(b) OTHER INVESTIGATIONS.—If at any time after the investigations required under subsection (a) are completed the Trade Representative—

(1) on his own motion, considers that there is reason to believe that any act, policy, or practice in the market of a foreign country is such as to deny fully competitive market opportunities to telecommunications products or services of United States firms; or

(2) accepts a petition filed by an interested party alleging that any act, policy, or practice described in paragraph (1) exists;

the Trade Representative may undertake an investigation with respect to the foreign country concerned for the purposes described in subparagraphs (A) and (B) of subsection (a)(1). An investigation undertaken under this subsection shall be completed within 180 days after the date on which the Trade Representative commences the investigation under paragraph (1) or the petition is filed under paragraph (2).

(c) REVIEW OF MARKETS OF COUNTRIES INITIALLY EXCLUDED FROM INVESTIGATION.—The Trade Representative shall—

(1) at least annually, review the potential market for United States telecommunications products and services in countries that were excluded from investigation under subsection (a) and with respect to which no investigation has been initiated under subsection (b); and

(2) if he considers any such country to have a market for United States telecommunications products and services which is substantial, undertake, and complete within 180 days, an investigation for the purposes described in subparagraphs (A) and (B) of subsection (a)(1) regarding that country.

(d) REPORT TO CONGRESS.—The Trade Representative shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the investigations undertaken under subsections (a), (b), and (c). Each report shall be submitted within 30 days after the investigation is completed.

SEC. 205. ACTION BY THE PRESIDENT IN RESPONSE TO INVESTIGATIONS BY TRADE REPRESENTATIVE.

(a) IN GENERAL.—After—

(1) all investigations required under section 204(a) are completed (and in no case later than the 180th day after the date of the enactment of this Act); and

(2) each investigation undertaken under section 204(b) or (c) is completed;

the President shall enter into negotiations with the foreign country or countries subject to investigation for the purpose of entering into bilateral or multilateral trade agreements, as appropriate, under section 208 which achieve the specific primary and secondary negotiating objectives that were established under section 204(a)(1)(B) with regard to such countries.

(b) ACTIONS TO BE TAKEN IF NO AGREEMENT OBTAINED.—

(1) If the President is unable during the negotiating period to enter into a trade agreement or agreements under section 208 with a foreign country which achieve the specific primary and secondary negotiating objectives established for that country under section 204(a)(1)(B), the President, by no later than the close of the negotiating period—

(A) shall take whatever actions are authorized under paragraph (3) that are necessary and appropriate to achieve the purposes of the primary objectives not covered by agreement; and

(B) may take whatever actions are authorized under paragraph (3) that are necessary to achieve the secondary objectives not covered by agreement.

(2) In taking action under paragraph (1)(A) and (B), the President shall first take those actions which most directly affect trade in telecommunications products and services with the country concerned.

(3) The President is authorized to take any of the following actions under paragraph (1)(A) and (B):

(A) Terminate, withdraw, or suspend any portion of any trade agreement entered into under—

(i) the Trade Act of 1974;

(ii) section 201 of the Trade Expansion Act of 1962; or

(iii) section 350 of the Tariff Act of 1930;

with respect to any duty or import restriction imposed by the United States on any telecommunications product.

(B) Take any action described in section 301 of the Trade Act of 1974.

(C) Prohibit the Federal Government from purchasing specified telecommunications products.

(D) Increase domestic preferences under title III of the Act of March 3, 1933 (41 U.S.C. 10a, et seq.) for purchases by the Federal Government of specified telecommunications products.

(E) Suspend any waiver of domestic preferences under title III of the Act of March 3, 1933 (41 U.S.C. 10a, et seq.) which may have been extended pursuant to the Trade Agreements Act of 1979 with respect to telecommunications products or any other products.

(F) Order the appropriate Federal officials to deny Federal funds or Federal credits for purchases of specified telecommunications products of any specified foreign country.

(G) Suspend, in whole or in part, benefits accorded articles from specified foreign countries under title V of the Trade Act of 1974 (19 U.S.C. 2461, et seq.).

(4) Notwithstanding section 125 of the Trade Act of 1974 and any other provision of law, if any portion of a trade agreement described in paragraph (3)(A) is terminated, withdrawn, or suspended under paragraph (1) with respect to any duty imposed by the United States, the rate of such duty determined by the President up to the rate provided for in rate column number 2 of the Tariff Schedules of the United States shall apply to such products after the date on which such termination, withdrawal, or suspension takes effect.

(5) No action taken under paragraph (1) shall affect any binding obligations under any written contract entered into before the date of the enactment of this Act, to which any citizen or national of the United States is a party.

(6) Any action the President decides to take under subparagraph (3) of this subsection shall be treated as an action necessary to implement a trade agreement for the purposes of section 151 and subsections (c), (d), (e), (f), and (g) of section 102 of the Trade Act of 1974.

(c) NEGOTIATING PERIOD.—

(1) For purposes of subsection (b), the term "negotiating period" means—

(A) with respect to a foreign country investigated under section 204(a), the 18-month period beginning on the date of the enactment of this Act; and

(B) with respect to a foreign country investigated under section 204 (b) or (c), the 12-month period beginning on the date the investigation was completed.

(2) The negotiating period with respect to a foreign country may be extended by not more than two 12-month periods. An extension of the negotiating period shall take effect if (and only if)—

(A) the President, not less than 90 days before the negotiating period expires (or if

extended previously, before the first extension period expires), submits to the House of Representatives and the Senate—

(i) a draft of a negotiating period extension bill, and

(ii) a statement that—

(I) substantial progress is being made in negotiations with the foreign country concerned, and

(II) further negotiations are necessary to reach an agreement which meets the specific primary and secondary negotiating objectives established under section 204(a)(1)(B) with regard to that country; and

(B) before the expiration of the negotiating period (or the first extension thereof), a negotiating period extension bill is enacted into law.

(3) For purposes of this subsection, the term "negotiating period extension bill" means a bill of either House of Congress the matter after the enacting clause of which is as follows: "That the Congress approves the extension for 12 months of the negotiating period with that was requested by the President on .", the first blank space being filled with the name of the foreign country concerned, and the second blank space being filled with the date on which the submissions to Congress under paragraph (2)(A) regarding the extension were made.

(4) On the day on which submissions to Congress under paragraph (2)(A) regarding an extension are made, the negotiating period extension bill submitted by the President shall be introduced (by request) in the House by the majority leader of the House, for himself and the minority leader of the House, or by Members of the House designated by the majority leader and minority leader of the House; and shall be introduced (by request) in the Senate by the majority leader of the Senate, for himself and the minority leader of the Senate, or by Members of the Senate designated by the majority leader and minority leader of the Senate. If either House is not in session on the day on which such a trade agreement is submitted, the implementing bill shall be introduced in that House, as provided in the preceding sentence, on the first day thereafter on which that House is in session. Such bills shall be referred by the Presiding Officer of the respective Houses to the Committee on Ways and Means and the Committee on Finance.

(5) Subsections (d) through (g) of section 151 of the Trade Act of 1974 apply to any agreement period extension bill. Any reference in such subsections to an implementing bill shall be treated as a reference to a negotiating period extension bill.

(d) MODIFICATION AND TERMINATION AUTHORITY.—The President may modify or terminate any action taken under subsection (b) if, and only if, the foreign country concerned enters into a trade agreement under section 208 which achieves the specific negotiating objective regarding which such action was taken.

(e) REPORT.—The President shall promptly inform the House Committee on Ways and Means and the Senate Committee on Finance of any action taken under subsection (b) or of the modification or termination of any such action under subsection (d).

SEC. 206. REVIEW OF TRADE AGREEMENT IMPLEMENTATION BY TRADE REPRESENTATIVE.

(a) DEFINITION.—For purposes of this section, the term "trade agreement" means—

(1) a trade agreement entered into under section 208 that is in force with respect to the United States; and

(2) a trade agreement regarding telecommunications products or services that was in force with respect to the United States on the date of the enactment of this Act.

(b) PERIODIC REVIEW.—

(1) The Trade Representative shall review each trade agreement to determine whether any act, policy, or practice of the foreign country—

(A) is not in compliance with the terms of the agreement; or

(B) otherwise denies, within the context of the terms of the trade agreement, to telecommunications products and services of United States firms fully competitive market opportunities in that foreign country.

(2) The Trade Representative shall carry out the reviews required under paragraph (1)—

(A) with respect to each trade agreement described in subsection (a)(1), within 6 months after the agreement enters into force with respect to the United States, and annually thereafter; and

(B) with respect to each trade agreement described in subsection (a)(2), within 18 months after the date of the enactment of this Act, and annually thereafter.

(c) REVIEW FACTORS.—

(1) In undertaking reviews under subsection (a), the Trade Representative shall consider any evidence of actual patterns of trade (including United States exports of telecommunications products to a foreign country and sales and services related to those products) that do not reflect patterns of trade which would reasonably be anticipated to flow from the concessions or commitments of such country based on the international competitive position and export potential of such products and services.

(2) The Trade Representative shall consult with the United States International Trade Commission in regard to the actual patterns of trade described in paragraph (1).

(d) ACTION IN RESPONSE TO AFFIRMATIVE DETERMINATION.—If the Trade Representative makes an affirmative determination under subsection (b) with respect to any act, policy, or practice of a foreign country, the Trade Representative shall take whatever action authorized under paragraph (e) that is necessary—

(1) to offset fully such act, policy, or practice, and

(2) to restore the balance of concessions in telecommunications products and services trade between the United States and such foreign country;

except that the Trade Representative may not take any action under subsection (e) on the basis of a review under subsection (b) regarding a trade agreement described in subsection (a)(2) before the President takes action under section 205(b)(3) with respect to any country.

(e) AUTHORIZED ACTIONS.—

(1) The Trade Representative is authorized to take the following actions under subsection (d):

(A) Terminate, withdraw, or suspend any portion of any trade agreement entered into under—

(i) the Trade Act of 1974,

(ii) section 201 of the Trade Expansion Act of 1962, or

(iii) section 350 of the Tariff Act of 1930,

with respect to any duty or import restriction imposed by the United States on any telecommunications product.

(B) Take any action under section 301 of the Trade Act of 1974.

(2) Actions described in paragraph (1) may be taken under subsection (d) with respect to other than telecommunications products and services only if—

(A) the Trade Representative has taken all feasible actions described in subparagraphs (A) and (B) of paragraph (1) with respect to telecommunications products and services; and

(B) the applicable objectives established in section 204(a)(1)(B) have not been achieved.

(3) Notwithstanding section 125 of the Trade Act of 1974 and any other provision of law, if any portion of a trade agreement is terminated, withdrawn, or suspended under paragraph (1)(A) with respect to any duty imposed by the United States on any product, the rate of such duty determined by the United States Trade Representative up to the rate provided for in rate column number 2 of the Tariff Schedules of the United States shall apply to such products after the date on which such termination, withdrawal, or suspension takes effect.

(4) Any action the Trade Representative decides to take under paragraph (1) shall be treated as necessary to implement a trade agreement for the purposes of section 151 and subsections (c), (d), (e), (f) and (g) of section 102 of the Trade Act of 1974.

(f) ACTIONS NOT TO AFFECT CERTAIN CONTRACTUAL OBLIGATIONS.—No action taken under this section shall affect any binding obligations under any written contract entered into before the date of the enactment of this Act, to which any citizen or national of the United States is a party.

(g) MODIFICATION AND TERMINATION AUTHORITY.—The Trade Representative may modify or terminate any action taken under subsection (e) if, and only if, he determines that the foreign country has taken appropriate remedial action regarding the act, policy, or practice concerned.

(h) REPORT.—The Trade Representative shall promptly inform the House Committee on Ways and Means and the Senate Committee on Finance of any actions taken under subsection (c) or of the modification or termination of any such action under subsection (g).

SEC. 207. CONSULTATIONS.

(a) ADVICE FROM DEPARTMENTS AND AGENCIES.—For purposes of determining appropriate action under section 205(b) or 206(d), the President and the Trade Representative shall consult with the Secretary of Commerce and the interagency trade organization established under section 242(a) of the Trade Expansion Act of 1962 (19 U.S.C. 1872).

(b) ADVICE FROM THE PRIVATE SECTOR.—The—

(1) Trade Representative, in conducting investigations and establishing negotiating objectives under section 204, and for purposes of determining appropriate action under section 206(d); and

(2) President, for purposes of determining appropriate action under section 205(b);

shall provide the opportunity for presentation of views by any interested party, including appropriate committees established under section 135 of the Trade Act of 1974.

(c) CONSULTATIONS WITH CONGRESS AND OFFICIAL ADVISORS.—For purposes of conducting negotiations under section 205(a), the President shall keep appropriate committees of the Congress, as well as appropriate committees established pursuant to section 135 of the Trade Act of 1974, currently informed with respect to—

(1) the negotiating priorities and objectives for each country involved;

(2) the assessment of negotiating prospects, both bilateral and multilateral; and

(3) any United States concessions which might be included in negotiations to achieve the objectives described in section 205.

SEC. 208. GENERAL TRADE AGREEMENT AUTHORITY.

(a) IN GENERAL.—During the 42-month period beginning on the date of enactment of this Act, the President may enter into trade agreements, for purposes of achieving the primary and secondary negotiating objectives established under section 204(a)(1)(B), with foreign countries. The trade agreements may provide for—

(1) the harmonization, reduction, or elimination of—

(A) duties, or

(B) restrictions on, barriers to, or other distortions of international trade, or

(2) the prohibition of, or limitations on the imposition of—

(A) duties, or

(B) restrictions on, barriers to, or other distortions of international trade.

(b) AGREEMENT TREATED IN SAME MANNER AS AGREEMENT UNDER SECTION 102 OF THE TRADE ACT OF 1974.—

(1) For purposes of section 151 and subsections (c), (d), (e), (f), and (g) of section 102 of the Trade Act of 1974, any trade agreement entered into under subsection (a) (other than a trade agreement provided for under paragraph (2)) shall be treated as a trade agreement entered into under section 102 of the Trade Act of 1974.

(2) The President may by proclamation implement any trade agreement entered into under subsection (a) that provides solely for unilateral concessions by a foreign country to the United States.

(c) APPLICATION OF AGREEMENT BENEFITS.—Notwithstanding any other provision of law, any agreement entered into under this section may provide that the benefits and obligations of such agreement—

(1) apply solely to the parties to the agreement, or

(2) not apply uniformly to all parties to such agreement.

SEC. 209. COMPENSATION AUTHORITY.

(a) IN GENERAL.—If—

(1) the President takes action under section 205(b); or

(2) the Trade Representative takes action under section 206(d); and

(3) such action is found to be inconsistent with the international obligations of the United States, including the obligations under the General Agreement on Tariffs and Trade;

the President may enter into trade agreements with the foreign country concerned for the purpose of granting new concessions as compensation for such action in order to maintain the general level of reciprocal and mutually advantageous concessions.

(b) AGREEMENT TREATED IN SAME MANNER AS AGREEMENT UNDER SECTION 102 OF THE TRADE ACT OF 1974.—For purposes of section 151 and subsections (c), (d), (e), (f), and (g) of section 102 of the Trade Act of 1974, any trade agreement entered into under subsection (a) shall be treated as a trade agreement entered into under section 102 of the Trade Act of 1974.

SEC. 210. DEFINITION OF TELECOMMUNICATIONS PRODUCT.

For purposes of this title, the term "telecommunications product" means any paging alerting device provided for in item 685.70 of the Tariff Schedules of the United States (19 U.S.C. 1202), as in effect on November 14, 1985, and any article that is classified under the following item numbers of such Schedules:

684.57	684.67	685.28	688.17
684.58	684.80	685.30	688.41
684.59	685.16	685.32	707.90
684.65	685.24	685.34	
684.66	685.25	685.48	

SEC. 211. INTERNATIONAL OBLIGATIONS.

Nothing in this title may be construed to require the President and the United States Congress to act in a manner inconsistent with the legal obligations of the United States, including the General Agreement on Tariffs and Trade.

TITLE III—EXPORT ENHANCEMENT

SEC. 301. SHORT TITLE.

This title may be cited as the "Export Enhancement Act of 1986".

SEC. 302. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress makes the following findings:

(1) While a free and open world trading system has contributed substantially to world growth and prosperity in the 20th century, current macroeconomic policies and trade imbalances seriously threaten that system.

(2) The world trading system cannot be sustained without balanced and continued growth policies among the United States and its trading partners.

(3) World economic growth requires both a monetary system which fosters and supports stable exchange rates and the coordination of macroeconomic policies among industrialized countries.

(4) The United States trade deficit in 1985 of $148,500,000,000 threatens the long-term economic well-being of the United States.

(5) The unchecked bilateral trade imbalances between the United States and its trading partners could jeopardize the political, strategic, and economic relationships of the United States with other countries, relationships which are vital to world stability and peace.

(6) In order to provide more balanced and sustainable economic growth in the United States and abroad, the United States must lower its trade deficit by implementing macroeconomic and trade policies which facilitate and expand export opportunities.

(7) As real gross national product has risen by 12 percent since 1980, manufactured exports have stagnated and agricultural exports have fallen by nearly 30 percent, so that an estimated 1,500,000 jobs have been lost.

(8) The significant decline in recent years in the volume and value of agricultural exports makes the development and implementation of an effective United States agricultural trade policy imperative.

(9) The indebtedness of third world countries not only poses risks for United States banks with long-term loans to developing countries, but is responsible for the loss of $18,200,000,000 in exports and an estimated 500,000 in jobs between 1980 and 1983.

(10) In spite of the continuing need to expand exports, current Federal Government export promotion and facilitation programs are not sufficient to meet the challenge of competition from other countries for world markets.

(11) United States and Foreign Commercial Service Officers are often accorded insufficient status abroad, and are frequently diverted from their primary duty of promoting United States exports in order to perform export licensing duties.

(12) The activities of the Overseas Private Investment Corporation and the Trade and Development Program serve important United States development assistance and international economic objectives.

(13) Inadequate protection of and enforcement procedures for United States intellectual property interests abroad have resulted in the counterfeiting of United States trademarks and the piracy of United States copyrights, patents, and mask works, acts which violate basic international principles of fair trade, cause trade distortions due to lost sales by countries whose companies have developed the counterfeited or pirated goods, pose health and safety threats to consumers, and have caused a loss of United States jobs.

(b) PURPOSES.—The purposes of this title are—

(1) to promote world growth as a means of improving the standard of living in the United States and abroad;

(2) to broaden overseas markets for United States exports;

(3) to emphasize the importance for United States exports of establishing a stable and competitive dollar;

(4) to increase United States exports by—

(A) strengthening the United States and Foreign Commercial Services;

(B) improving the regulation of export trading companies;

(C) providing for tied aid export financing to counter foreign tied aid credits; and

(D) streamlining export controls for national security purposes; and

(5) restoring the markets for United States exports in developing countries by—

(A) committing the United States to world growth;

(B) broadening the authority of the Overseas Private Investment Corporation to help increase economic activity in developing countries; and

(C) enhancing the resources of the Trade and Development Program.

Subtitle A—Export Promotion

SEC. 311. UNITED STATES AND FOREIGN COMMERCIAL SERVICE.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Secretary of Commerce shall establish, within the International Trade Administration, the United States and Foreign Commercial Service. The Secretary shall, to the greatest extent practicable, transfer to the Commercial Service the functions of the United States and Foreign Commercial Services.

(2) ASSISTANT SECRETARY OF COMMERCE AND DIRECTOR GENERAL.—The head of the Commercial Service shall be the Assistant Secretary of Commerce and Director General of the Commercial Service, who shall be appointed by the President, by and with the advice and consent of the Senate.

(3) COORDINATION WITH FOREIGN POLICY OBJECTIVES.—The Secretary shall take the necessary steps to ensure that the activities of the Commercial Service are carried out in a manner consistent with United States foreign policy objectives, and the Secretary shall consult regularly with the Secretary of State in order to comply with this paragraph.

(4) AUTHORITY OF CHIEF OF MISSION.—All activities of the Commercial Service shall be subject to section 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927).

(b) STATEMENT OF PURPOSE.—The purpose of the Commercial Service is to promote and protect United States business interests abroad. In pursuit of this purpose, the Com-

mercial Service shall place primary emphasis on the promotion of exports of goods and services from the United States, particularly by small businesses and medium-sized businesses, by carrying out activities such as—

(1) identifying United States businesses with the potential to export goods and services and providing such businesses with advice and information on establishing export businesses;

(2) providing United States exporters with information on economic conditions, market opportunities, and the legal and regulatory environment within foreign countries;

(3) providing United States exporters with information and advice on the necessary adaptation of product design and marketing strategy to meet the differing cultural and technical requirements of foreign countries;

(4) providing United States exporters with actual leads and contacts within foreign countries;

(5) assisting United States exporters in locating reliable sources of business services in foreign countries;

(6) assisting United States exporters in their dealings with foreign governments and enterprises owned by foreign governments; and

(7) assisting the coordination of the efforts of State and local agencies and private organizations which seek to promote United States business interests abroad so as to maximize their effectiveness and minimize the duplication of efforts.

(c) OFFICES.—

(1) IN GENERAL.—The Commercial Service shall consist of a headquarters office, district offices located in major United States cities, and foreign offices located in major foreign cities.

(2) HEADQUARTERS.—The headquarters of the Commercial Service shall provide such managerial, administrative, research, and other services as the Secretary considers necessary to carry out the purposes of the Commercial Service.

(3) DISTRICT OFFICES.—The Secretary shall establish district offices of the Commercial Service in any United States city in a region in which the Secretary determines that there is a need for Federal Government export assistance.

(4) FOREIGN OFFICES.—(A) The Secretary shall, after consultation with the Secretary of State, establish foreign offices of the Commercial Service. These offices shall be located in foreign cities in regions in which the Secretary determines there are significant business opportunities for United States exporters.

(B) The Secretary shall, in consultation with the Secretary of State, assign to the foreign offices Commercial Officers and such other personnel as the Secretary considers necessary. In employing Commercial Officers and such other personnel, the Secretary shall use the Foreign Service personnel system in accordance with the Foreign Service Act of 1980. The Secretary shall designate a Commercial Officer as head of each foreign office.

(C) Upon the request of the Secretary, the Secretary of State shall attach the Commercial Officers and other employees of each foreign office to the diplomatic mission of the United States in the country in which that foreign office is located, and shall obtain for them diplomatic privileges and immunities equivalent to those enjoyed by Foreign Service personnel of comparable rank and salary.

(D) For purposes of official representation, the senior Commercial Officer in each country shall be considered to be the senior United States commercial representative in that country, and the United States chief of mission in that country shall accord that officer all privileges and responsibilities attending such a position.

(E) The Secretary of State is authorized, upon the request of the Secretary, to provide office space, equipment, facilities, and such other administrative and clerical services as may be required for the operation of the foreign offices. The Secretary is authorized to reimburse or advance funds to the Secretary of State for such services.

(d) RANK OF COMMERCIAL OFFICERS IN FOREIGN MISSIONS.—

(1) MINISTER-COUNSELOR.—(A) The Secretary shall, within 6 months after the date of the enactment of this Act, submit to the President and the Congress a list of those United States missions abroad which the Secretary determines to be commercially significant or to be located in a geographical area of commercial importance to the United States.

(B) Notwithstanding any other provision of law, the Secretary of State shall accord the diplomatic title of Minister-Counselor to the senior Commercial Officer assigned to any of the missions designated under subparagraph (A).

(2) CONSUL GENERAL.—In any United States consulate in which a vacancy occurs in the position of Consul General, the Secretary of State, in consultation with the Secretary shall consider filling that vacancy with a Commercial Officer if the primary functions of the consulate are of a commercial nature and if there are significant business opportunities for United States exporters in the region in which the consulate is located.

(e) REPORT BY THE PRESIDENT.—Within 1 year after the date of the enactment of this Act, the President shall submit a report to the Congress containing an evaluation of existing export promotion services of the Department of Commerce, recommendations for improving those services, and proposals for new export promotion services.

(f) INFORMATION DISSEMINATION.—In order to carry out subsection (b)(7), to lessen the cost of distribution of information produced by the Commercial Service, and to make that information more readily available, the Secretary should establish a system for distributing that information in those areas where no district offices of the Commercial Service are located. Distributors of the information should be State export promotion agencies. The distribution system should be consistent with cost recovery objectives of the Department of Commerce.

(g) AUDITS.—The Inspector General of the Department of Commerce shall perform a general audit of the operations of the Commercial Service within 1 year after the date of the enactment of this Act, and within every 2-year period thereafter. The Inspector General shall report to the Congress the results of each such audit. In addition to an overview of the activities and effectiveness of Commercial Service operations, the audit shall include—

(1) an evaluation of the current placement of domestic personnel and recommendations for transferring personnel among district offices; and

(2) an evaluation of the current placement of foreign-based personnel and recommendations for transferring such personnel in response to newly emerging business opportunities for United States exporters.

(h) REPORT BY THE SECRETARY.—Not later than January 1, 1987, the Secretary shall submit a report to the Committee on Foreign Affairs of the House of Representatives and the appropriate committee of the Senate on the feasibility and desirability, progress to date, the present status, and the 5-year outlook of the comprehensive integration of the functions and personnel of the foreign and domestic export promotion operations within the International Trade Administration of the Department of Commerce.

(i) DEFINITIONS.—For purposes of this section—

(1) the term "Secretary" means the Secretary of Commerce;

(2) the term "Commercial Service" means the United States and Foreign Commercial Service;

(3) the term "United States exporter" means—

(A) a United States citizen;

(B) a corporation, partnership, or other association created under the laws of the United States or of any State; or

(C) a foreign corporation, partnership, or other association, more than 95 percent of which is owned by persons described in subparagraphs (A) and (B),

that is engaged in exporting goods or services produced in the United States;

(4) the term "small business" means any small business concern as defined under section 3 of the Small Business Act (15 U.S.C. 632);

(5) the term "State" means any of the several States, the District of Columbia, or any commonwealth, territory, or possession of the United States; and

(6) the term "United States" means the several States, the District of Columbia, and any commonwealth, territory, or possession of the United States.

SEC. 312. DIPLOMATIC MISSIONS.

(a) IN GENERAL.—(1) The Secretary of State and the Secretary of Commerce shall periodically review the current number of personnel assigned to United States diplomatic missions outside the United States to determine whether an adequate number of such personnel are engaged in economic or commercial duties to assist United States exporters and businesses doing business outside the United States. Whenever the Secretary of State and the Secretary of Commerce determine such number to be insufficient, they shall take such steps as may be necessary to increase the number of such personnel by adjustment of resources and personnel and other appropriate measures.

(2) The Secretary of State and the Secretary of Commerce should extend the length of assignment required of personnel described in paragraph (1) in order to ensure greater continuity in promoting United States exports.

(b) REPORTS.—Each chief of a United States diplomatic mission to a country which is an important United States trading partner and which has significant potential for United States export sales shall, not later than 1 year after the date of the enactment of this Act, and every 12 months thereafter, prepare and transmit to the President and to the Congress a report describing—

(1) the strategy used by such mission to expand United States exports; and

(2) the efforts of such mission to assist United States industries in expanding export sales and in improving their market position relative to other foreign competitors.

SEC. 313. MARKET DEVELOPMENT COOPERATOR PROGRAM.

(a) AUTHORITY TO ESTABLISH PROGRAM.—Title II of the Export Administration Amendments Act of 1985 (15 U.S.C. 4051 and following) is amended—

(1) by redesignating sections 202 and 203 as sections 203 and 204, respectively; and

(2) by inserting after section 201 the following:

"SEC. 202. MARKET DEVELOPMENT COOPERATOR PROGRAM.

"(a) AUTHORITY TO ESTABLISH PROGRAM.—In order to—

"(1) identify market opportunities,

"(2) introduce new products and processes,

"(3) eliminate trade and technical barriers, and

"(4) improve economic and trade relations between the United States and other countries,

the Secretary of Commerce is authorized to establish a Market Development Cooperator Program. The purpose of the program is to develop, maintain, and expand foreign markets for nonagricultural goods and services prod ced in the United States.

"(b) MARKET DEVELOPMENT COOPERATOR PROGRAM.—The Secretary of Commerce is authorized to enter into contracts with—

"(1) nonprofit industry organizations,

"(2) trade associations,

"(3) State departments of trade and their regional associations, including centers for international trade development, and

"(4) private industry firms or groups of firms in cases where no entity described in paragraph (1), (2), or (3) represents that industry,

(in this section referred to as 'cooperators') to engage in activities in order to carry out the purposes set forth in paragraphs (1) through (4) of subsection (a). The costs of activities under such a contract shall be shared equitably among the Department of Commerce, the cooperator involved, and, whenever appropriate, foreign businesses. The Department of Commerce shall undertake to support direct costs of activities under such a contract, and the cooperator shall undertake to support indirect costs of such activities. Activities under such a contract shall be carried out by the cooperator with the approval and assistance of the Secretary.

"(c) BUDGET ACT.—Contracts may be entered into under this section in a fiscal year only to such extent or in such amounts as are provided in appropriations Acts.".

(b) DEFINITION OF EXPORT PROMOTION PROGRAM.—Section 201(d) of the Export Administration Amendments Act of 1985 (15 U.S.C. 4051(d)) is amended—

(1) in paragraph (3) by striking "and";

(2) in paragraph (4) by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(5) the Market Development Cooperator Program established under section 202.".

SEC. 314. AGRICULTURAL TRADE POLICY.

(a) STATEMENT OF POLICY.—It is the policy of the United States—

(1) to provide, through all possible means, agricultural commodities and the products thereof for export at competitive prices, with full assurance of quality and reliability of supply;

(2) to support the principle of free trade and the promotion of fair trade in agricultural commodities and the products thereof;

(3) to support fully the negotiating objectives set forth in section 152(b) of this Act to eliminate or reduce substantially constraints to fair and open trade in agricultural commodities and the products thereof;

(4) to utilize fully statutory authority to counter aggressively unfair foreign trade practices and to use all other available means, including export restitution, export bonus programs, and, if necessary, restrictions on United States imports of foreign agricultural commodities and the products thereof, in order to encourage fair and more open trade; and

(5) to provide for increased representation of United States agricultural trade interests in the formulation of national fiscal and monetary policy affecting trade.

(b) AMENDMENTS TO P.L. 480.—

(1) WOOD AND WOOD PRODUCTS.—Section 104(b)(1) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704(b)(1)) is amended in the first sentence by inserting "(including wood and wood products of the United States)" after "agricultural commodities".

(2) DEFINITION.—Section 108(i) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1708(i)) is amended—

(A) in paragraph (1) by striking "and";

(B) in paragraph (2) by striking the period and inserting "; and"; and

(C) by adding at the end the following:

"(3) the terms 'private sector development activity' and 'private enterprise investment' include the construction of low- and medium-income housing and shelter."

(c) MARKET DEVELOPMENT ACTIVITIES.—In order to improve the market development activities of the USDA, the following shall apply:

(1) In order to provide enhanced trade policy and international economic information, the Secretary is authorized to expand the number of agricultural counselors, attaches, assistant attaches, and other diplomatic representatives of the USDA overseas. The Secretary shall, to the maximum extent possible, assign agricultural marketing specialists or agricultural trade officers in overseas posts that offer short- or long-term market potential for United States agricultural commodities or products thereof and that are not served by an Agricultural Trade Office, agricultural trade officer, or agricultural marketing specialist.

(2) The Secretary shall assist departments of agriculture of the States in supporting the export efforts of private companies, including the stationing of marketing specialists in States or regions as a part of the normal rotation of these specialists between Washington, D.C. and overseas locations.

(d) AMENDMENT TO THE AGRICULTURAL TRADE AND EXPORT POLICY COMMISSION ACT.—Section 1224 of the Agricultural Trade and Export Policy Commission Act (Public Law 98-412) is amended by striking "sixty" and inserting "ninety".

SEC. 315. AGRICULTURAL TRADE RESEARCH AND REPORTS.

(a) RESEARCH.—There are authorized to be appropriated to the Secretary of Agriculture such sums as may be necessary to conduct research that would enhance the long-term competitiveness in world markets of United States agricultural commodities and the products thereof.

(b) REPORTS.—The Secretary of Agriculture shall—

(1) monitor research and trade practices carried out by foreign countries to promote the export of agricultural commodities and the products thereof; and

(2) report annually to the Congress concerning—

(A) trends in the comparative position of the United States and foreign countries in the export of agricultural commodities and the products thereof, organized by major commodity group and including a comparative analysis of the cost of production of such commodities and products;

(B) new developments in research conducted by foreign countries that may affect the competitiveness of United States agricultural commodities and the products thereof;

(C) the level of subsidies provided by foreign countries and the United States to promote the export of agricultural commodities and the products thereof; and

(D) the marketing in nonmarket economies of United States agricultural commodities and the products thereof.

SEC. 316. EXPORT-IMPORT BANK.

(a) FINDINGS.—The Congress makes the following findings:

(1) The actual level of support provided by the Export-Import Bank to United States exporters has decreased significantly since 1980, including a reduction from $5,400,000,000 in direct loans in fiscal year 1981 to $1,500,000,000 in direct loans in fiscal year 1984.

(2) The value of nonagricultural United States exports supported by the Export-Import Bank, in relation to all such exports, has also declined consistently during the last 5 years, from approximately 13 percent in 1980 to approximately 7 percent in 1985.

(3) The level of official financing provided by the governments of other industrialized countries to their exporters is typically from 25 to 40 percent of the nonagricultural exports from those countries.

(4) The programs of the Export-Import Bank, especially the direct loan program, enable United States exporters to compete in world markets on the basis of quality, price, and service, and are often crucial to the success of export endeavors. Export-Import Bank programs are particularly important for high technology products and large scale projects that are very capital intensive or that require longer terms.

(b) STATEMENT OF POLICY.—It is the sense of the Congress that the availability of adequate and flexible financing provided by the United States Government for United States exports contributes to the maintenance and expansion of United States exports and at the same time can serve to reverse the trend toward overseas production.

SEC. 317. COUNTRY REPORTS ON ECONOMIC POLICY AND TRADE PRACTICES.

The Secretary of State shall, not later than January 31 of each year, prepare and transmit to the Committee on Foreign Affairs and the Committee on Ways and Means of the House of Representatives, and to the Committee on Foreign Relations and the Committee on Finance of the Senate a detailed report regarding the economic policy and trade practices of each country with which the United States has an economic or trade relationship. The Secretary may direct the appropriate officers of the Department of State who are serving overseas, in consultation with appropriate officers or employees of other departments and agencies of the United States, including the Department of Agriculture and the Department of Commerce, to coordinate the preparation of such information in a country in order to prepare the report under this section. The report shall identify and describe, with respect to each country—

(1) the macroeconomic policies of the country and their impact on the overall growth in demand for United States exports;

(2) the impact of macroeconomic and other policies on the exchange rate of the country and the resulting impact on price competitiveness of United States exports;

(3) any change in structural policies (including tax incentives, regulations governing financial institutions, production standards, and patterns of industrial ownership) that may affect the country's growth rate and its demand for United States exports;

(4) the management of the country's external debt and its implications for trade with the United States;

(5) acts, policies, and practices that constitute significant barriers to United States exports or foreign direct investment in that country by United States persons, as identified under section 181(a)(1) of the Trade Act of 1974 (19 U.S.C. 2241(a)(1));

(6) acts, policies, and practices that provide direct or indirect government support for exports from that country;

(7) the extent to which the country's laws and enforcement of those laws afford adequate protection to United States intellectual property, including patents, trademarks, copyrights, and mask works; and

(8) the country's laws and enforcement of those laws with respect to internationally recognized worker rights (as defined in section 502(a)(4) of the Trade Act of 1974), the conditions of worker rights in any sector which produces goods and in which United States capital is invested and the extent of such investment, and the extent to which the goods produced under these conditions are imported into the United States.

SEC. 318. AUTHORIZATION OF APPROPRIATIONS.

Section 203 of the Export Administration Amendments Act of 1985, as redesignated by section 104(a)(1) of this Act, is amended (effective October 1, 1986) by striking "$113,273,000 for each of the fiscal years 1985 and 1986" and inserting "$123,922,000 for each of the fiscal years 1987 and 1988".

Subtitle B—Export Controls

SEC. 321. OIL EXPORTS TO NONCONTIGUOUS COUNTRIES.

Section 7(d)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2406(d)(1)) is amended to read as follows: "(1) No domestically produced crude oil may be exported from the United States, subject to paragraph (2) of this subsection. The prohibition contained in the preceding sentence shall not apply to—

"(A) crude oil which is exported to an adjacent foreign country to be refined and consumed in that country in exchange for the same quantity of crude oil being exported from that country to the United States; except that, with respect to domestically produced crude oil transported by pipeline over rights-of-way granted pursuant to section 203 of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1652), such exchange must result through convenience or increased efficiency of transportation in lower prices for consumers of petroleum products in the United States as described in paragraph (2)(A)(ii) of this subsection, or

"(B) crude oil which is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign country and reenters the United States.".

SEC. 322. NATIONAL SECURITY CONTROLS.

(a) MULTIPLE LICENSE AUTHORITY.—Section 4(a)(2)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2403(a)(2)(A)) is amended in the first sentence by inserting "(except the People's Republic of China)" after "controlled countries".

(b) AUTHORITY FOR REEXPORTS.—Section 5(a) of such Act (50 U.S.C. App. 2404(a)) is amended by adding at the end the following:

"(4) No authority or permission to reexport any goods subject to the jurisdiction of the United States may be required—

"(A) to or from any country which maintains export controls on such goods cooperatively with the United States pursuant to the agreement of the group known as the Coordinating Committee or pursuant to an agreement described in subsection (k) of this section, except that the Secretary may require a license for the reexport of such goods to such end users as the Secretary may specify by regulation, or

"(B) from any country when the goods to be reexported are incorporated in other goods and—

"(i) do not exceed $10,000 in value, and

"(ii) do not constitute more than 20 percent of the value of the goods in which they are incorporated.".

(c) EXPORTS OF LOW TECHNOLOGY ITEMS.—Section 5(b)(2) of such Act (50 U.S.C. App. 2404(b)(2)) is amended to read as follows:

"(2) No authority or permission to export may be required under this section for the export to any country other than a controlled country of any goods or technology which is at such a level of performance characteristics that the export of the goods or technology, were it made pursuant to the agreement of the group known as the Coordinating Committee, would require only notification of participating governments of the Committee. The Secretary may require any person exporting any such goods or technology to a country other than a controlled country to notify the Department of Commerce of those exports.".

(d) LIST REVIEWS.—

(1) CONTROL LIST.—Section 5(c)(3) of such Act (50 U.S.C. App. 2404(c)(3)) is amended—

(A) in the first sentence—

(i) by striking "shall review" and inserting "shall conduct partial reviews of"; and

(ii) by striking "year" and inserting "calendar quarter";

(B) in the second sentence—

(i) by striking "annual" the first place it appears and inserting "quarterly"; and

(ii) by striking "annual" the second place it appears;

(C) in the third and fifth sentences by striking "such" and inserting "each"; and

(D) by adding at the end the following: "All goods and technology on the list shall be reviewed at least once each year.".

(2) LIST OF MILITARILY CRITICAL TECHNOLOGIES.—Section 5(d)(5) of such Act (50 U.S.C. App. 2404(d)(5)) is amended in the first sentence by striking "at least annually" and inserting "on an ongoing basis".

(e) CONTROL LIST REDUCTION.—Section 5(c) of such Act (50 U.S.C. App. 2404(c)) is amended by adding at the end the following:

"(4) The Secretary, in consultation with the Secretary of Defense, shall, on the basis of subsections (b)(2), (f), (g), and (m) of this section, and on the basis of such other criteria and procedures as the Secretary, in consultation with the Secretary of Defense, considers appropriate, identify those goods subject to export controls under this section which contribute least directly to the military potential of any controlled country and which in the aggregate constitute approximately 40 percent of all goods subject to export controls under this section. The goods so identified shall include all medical instruments and equipment, and goods so widely available to the general public in retail outlets that the export controls on those goods are rendered ineffective in achieving their purpose. The number of goods subject to export controls under this section shall be determined on the basis of Schedule B of the Statistical Classification of Domestic and Foreign Commodities Exported by the United States (as issued by the Bureau of the Census). The Secretary shall submit to the Congress and to the Coordinating Committee, within 1 year after the date of the enactment of this subsection, a list of the goods identified under the first sentence (by the Schedule B number referred to in the third sentence), together with the total number of goods subject to export controls under this section. Notwithstanding any other provision of this Act, of the total number of goods subject to export controls under this section (as submitted under the preceding sentence)—

"(A) 10 percent of such goods, as identified by the Secretary at the time the list is submitted, shall, 90 days after the date of submission of the list, no longer be subject to export controls under this section and shall, at the end of that 90-day period, be removed from the control list;

"(B) an additional 10 percent of such goods, as identified by the Secretary at the time the list is submitted, shall, 1 year after the end of the 90-day period referred to in subparagraph (A), no longer be subject to export controls under this section and shall, at the end of that 1-year period, be removed from the control list; and

"(C) an additional number of such goods, constituting approximately 20 percent of such goods, shall, 2 years after the end of the 90-day period referred to in subparagraph (A), no longer be subject to export controls under this section and shall, at the end of that 2-year period, be removed from the control list,

except to the extent a law is enacted retaining export controls on any goods referred to in subparagraph (A), (B), or (C), as the case may be.".

(f) FOREIGN AVAILABILITY.—

(1) AVAILABILITY IN PARTICULAR COUNTRIES.—Section 5(f) of the such Act (50 U.S.C. 2404(f)) is amended—

(A) in the first sentence of paragraph (1) by inserting "including sources within any such country and" after "sources outside the United States,";

(B) in the second sentence of paragraph (1)—

(i) by striking "controlled countries" and inserting "a country to which exports are controlled under this section"; and

(ii) by inserting "to that country" before "during the period of such foreign availability";

(C) in paragraph (4), by inserting in the first sentence "with respect to controlled countries (other than the People's Republic of China)" after "maintained under this section";

(D) by redesignating paragraphs (5) through (7) as paragraphs (6) through (8), respectively; and

(E) by inserting after paragraph (4) the following:

"(5) In any case in which export controls on goods or technology are maintained under this section with respect to the People's Republic of China or any other coun-

try other than a controlled country notwithstanding foreign availability to that country, on account of a determination of the President that the absence of the controls would prove detrimental to the national security of the United States, the Secretary of State shall actively pursue negotiations under subsection (k) with the government of the country involved. One goal of such negotiations shall be to secure the cooperation of that country in imposing and enforcing export controls, comparable to those imposed under this section, on the export of the goods or technology with respect to which there is foreign availability to that country. If an agreement is reached pursuant to such negotiations and the Secretary of State determines, 1 year after the country involved has maintained such export controls, that such controls are comparable to those imposed under this section, Secretary may not, while that determination is effective, require a validated license for the export of the goods or technology involved to that country.".

(2) FOREIGN AVAILABILITY DETERMINATIONS.—Section 5(f)(3) of such Act (50 U.S.C. App. 2404(f)(3)) is amended by inserting after the second sentence the following:

"In a case in which an allegation is received from an export license applicant, the Secretary shall respond in writing to the applicant, and publish in the Federal Register, within 30 days after receipt of the allegation, that—

"(A) the foreign availability does exist and the requirement of a validated license has been removed or the applicable steps are being taken under paragraph (4) or (5);

"(B) the foreign availability may exist but further examination of the issue is necessary in order to make a determination; or

"(C) the foreign availability does not exist.

In the case in which subparagraph (B) applies, the Secretary shall, within 6 months after the initial response and publication, respond in writing to the applicant and publish in the Federal Register, that—

"(i) the foreign availability does exist and the requirement of a validated license has been removed or the applicable steps are being taken under paragraph (4) or (5); or

"(ii) the foreign availability does not exist.

In any case in which the publication is not made within that 6-month period, the Secretary may not require a license for the export of the goods or technology with respect to which the foreign availability allegation was made.".

(3) TECHNICAL ADVISORY COMMITTEE DETERMINATIONS.—Section 5(h)(6) of such Act (50 U.S.C. App. 2404(h)(6)) is amended—

(A) in the first sentence by striking "controlled countries, from sources outside the United States," and inserting "a country to which exports are controlled under this section, from sources outside the United States, including sources within any such country and";

(B) in subparagraph (A) by inserting "to the country involved" after "goods or technology";

(C) in subparagraph (B) by striking "or" and inserting "in a case in which foreign availability exists to controlled countries (other than the People's Republic of China),";

(D) by redesignating subparagraph (C) as subparagraph (D); and

(E) by inserting after subparagraph (B) the following:

"(C) negotiations in accordance with subsection (f)(5) are being conducted in the case of foreign availability to the People's Republic of China or any other country other than a controlled country, or".

(4) TECHNICAL AMENDMENT.—Section 14(a)(8) of such Act (50 U.S.C. App. 2413(a)(8)) is amended by striking "5(f)(5)" and inserting "5(f)(6)".

(g) DEFINITION OF AVAILABILITY.—Section 5 of such Act (50 U.S.C. App. 2404) is amended by adding at the end the following:

"(r) AVAILABILITY DEFINED.—For purposes of subsections (d), (f), and (h) of this section, the term 'available in fact to controlled countries' includes availability of any goods or technology in any country—

"(1) from which the goods or technology is not restricted for export to any controlled country; or

"(2) in which such export restrictions are determined by the Secretary of Commerce to be ineffective.".

(h) INDUSTRY REPRESENTATIVE TO COCOM.—Section 5(i) of such Act (50 U.S.C. App. 2404(i)) is amended by adding at the end the following:

"For purposes of reviews of the list referred to in paragraph (1), the President shall include as part of the United States delegation to the Coordinating Committee representatives of industry who are knowledgeable with respect to the items being reviewed.".

SEC. 323. ENFORCEMENT.

Section 12(a)(2)(B) of the Export Administration Act of 1979 (50 U.S.C. App. 2411(a)(2)(B)) is amended by adding at the end the following: "The Customs Service may not seize or detain for more than 10 days any shipment of goods or technology which the Secretary has determined are eligible for export under a general license under section 4(a)(3).".

SEC. 324. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 18(b) of the Export Administration Act of 1979 (50 U.S.C. App. 2417(b)) is amended to read as follows:

"(b) AUTHORIZATION.—There are authorized to be appropriated to the Department of Commerce to carry out the purposes of this Act—

"(1) $40,935,000 for the fiscal year 1987, of which $12,746,000 shall be available only for enforcement, $2,000,000 shall be available only for foreign availability assessments under subsections (f) and (h)(6) of section 5, and $26,189,000 shall be available for all other activities under this Act;

"(2) $40,935,000 for the fiscal year 1988, of which $12,746,000 shall be available only for enforcement, $2,000,000 shall be available only for foreign availability assessments under subsections (f) and (h)(6) of section 5, and $26,189,000 shall be available for all other activities under this Act; and

"(3) such additional amounts for each of the fiscal years 1987 and 1988 as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs.".

(b) ENFORCEMENT ACTIVITIES OF THE CUSTOMS SERVICE.—Section 12(a)(6) of the Export Administration Act of 1979 (50 U.S.C. App. 2411(a)(6)) is amended by striking "$12,000,000 in the fiscal year 1985 and not more than $14,000,000 in the fiscal year 1986" and inserting "$14,000,000 in the fiscal year 1987 and not more than $14,000,000 in the fiscal year 1988".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1986.

SEC. 325. GAO REPORT.

The Comptroller General of the United States shall conduct an evaluation of activities of the Department of Defense conducted pursuant to the Presidential Directive of January 4, 1985, regarding the review of export license applications, under the Export Administration Act of 1979, for the export of goods and technology to countries other than controlled countries. One purpose of the study is to determine if Department of Defense activities provide information about the diversion of United States technology from sources outside the United States to controlled countries that would not otherwise be available to other agencies with enforcement responsibilities under that Act. The study shall include a review of all Department of Defense activities in determining export control policy, making foreign availability determinations, and reviewing the control list, and the relationship between the Department of Defense and other agencies responsible for implementing the Export Administration Act of 1979. In conducting the study, the Comptroller General shall make a special effort to gather information from United States exporters, particularly those that have had applications for proposed exports to countries other than controlled countries reviewed by the Department of Defense. The Comptroller General shall submit a report on the evaluation to the Congress not later than 6 months after the date of the enactment of this Act. If necessary, the report may be submitted on a classified basis.

Subtitle C—Debt, Development, and World Growth

SEC. 331. INTERNATIONAL NEGOTIATIONS.

(a) MULTILATERAL NEGOTIATIONS.—The President and the Secretary of the Treasury shall take the necessary steps to continue ongoing negotiations with West Germany, the United Kingdom, France, and Japan, as well as to initiate negotiations with other countries through appropriate multilateral organizations, including the Organization for Economic Cooperation and Development, the United Nations, and the International Monetary Fund, in order to—

(1) coordinate macroeconomic policies of the major industrial countries so as to promote stable exchange rates and growth patterns;

(2) achieve expansionist economic policies and agreements which have the specific purpose of increasing the size of the market for exports from the United States and developing countries;

(3) promote growth-oriented economic policies in both developed and developing countries;

(4) encourage both developed and developing countries to base growth on a balance of foreign and domestic demand and to discourage excessive reliance by those countries on exports for growth; and

(5) advise the trading partners of the United States that the United States is prepared to retaliate against countries, in an equivalent manner, in cases involving unfair trade practices.

(b) INTERNATIONAL ECONOMIC OR TRADE DISCUSSIONS.—

(1) DECLARATION OF THE UNITED STATES OBJECTIVE.—The Congress hereby declares that a key objective of the United States in its participation in economic summits and international meetings on economics or trade is to obtain the agreement of the participants in any such summit or meeting to adopt growth-oriented national economic

policies and to take such actions as may be necessary to increase the size of the market for exports from the United States and developing countries.

(2) EXECUTIVE ACTIONS.—The President and the Secretaries of the Treasury and State shall seek to place discussions with respect to the agreement described in paragraph (1) on the agenda of any economic summit or international economic meeting to which the United States is a party and shall report to the Congress on any success they may have had in achieving such agreement at any such meeting.

SEC. 332. TRADE LIBERALIZATION IN DEVELOPING COUNTRIES.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that increases in the development of, and the achievement of prosperity for, developing countries and the recovery of the economic strength of the United States and the other industrialized countries can only be assured if world trade is expanded and market access for all countries is increased.

(b) DECLARATION OF POLICY.—The Congress declares it to be the policy of the United States that any foreign assistance provided by the United States to developing countries shall be consistent with and supportive of long-term trade liberalization in those countries.

SEC. 333. OVERSEAS PRIVATE INVESTMENT CORPORATION.

(a) REAFFIRMATION OF SUPPORT FOR OPIC.—The Congress reaffirms its support for the Overseas Private Investment Corporation as a United States Government agency serving important development assistance goals. In order to enhance the Corporation's ability to meet these goals, the Overseas Private Investment Corporation should increase its loan guaranty and direct investment programs.

(b) INCREASE IN GUARANTIES AND DIRECT INVESTMENTS.—

(1) LOAN GUARANTIES.—Section 235(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2195(a)) is amended—

(A) by redesignating paragraph (5) as paragraph (6); and

(B) by inserting after paragraph (4) the following:

"(5) Subject to paragraphs (2), (3), and (4), the Corporation shall issue at least $200,000,000 in guaranties under section 234(b) in each fiscal year, to the extent that there are eligible projects which meet the Corporation's criteria for such guaranties.".

(2) DIRECT INVESTMENT.—Section 235(b) of the Foreign Assistance Act of 1961 is amended—

(A) by striking the comma after "Act of 1981" and inserting a period; and

(B) by striking "and the Corporation shall use" and all that follows through "funding" and inserting the following:

"The Corporation shall make loans in amounts of not less than $25,000,000 under section 234(c) in each fiscal year, to the extent that there are eligible projects which meet the Corporation's criteria for such loans".

(c) INCREASE IN STAFF.—In increasing the guarantee and direct investment programs provided by the amendments made by subsection (b), the Congress expects that the Overseas Private Investment Corporation will increase its professional and administrative staff to the extent necessary to administer fully those expanded programs.

SEC. 334. TRADE AND DEVELOPMENT PROGRAM.

(a) REAFFIRMATION OF SUPPORT FOR TRADE AND DEVELOPMENT PROGRAM.—The Congress reaffirms its support for the Trade and Development Program, and believes that the Program's ability to support high priority development projects in developing countries would be enhanced by an increase in the funds authorized for the Program as well as by a clarification of the Program's status as a separate component of the International Development Cooperation Agency.

(b) INCREASE IN AUTHORIZATION AND ESTABLISHMENT AS SEPARATE AGENCY.—Section 661 of the Foreign Assistance Act of 1961 (22 U.S.C. 2421) is amended—

(1) in subsection (b)—

(A) by striking "(b)" and inserting "(c)"; and

(B) by striking "$20,000,000 for fiscal year 1987" and inserting "$25,000,000 for fiscal year 1987"; and

(2) by inserting after subsection (a) the following:

"(b) The purposes of this section shall be carried out by the Trade and Development Program, which shall be a separate component agency of the International Development Cooperation Agency. The Trade and Development Program shall not be an agency within the Agency for International Development or any other component agency of the International Development Cooperation Agency.".

SEC. 335. COUNTERTRADE.

(a) FINDING.—The Congress finds that developing countries are relying increasingly on countertrade as a means of sustaining imports as well as foreign markets in the short-term, and as a means of developing new export industries and exploiting underdeveloped natural resources in the long-term.

(b) ESTABLISHMENT OF INTERAGENCY GROUP.—The President shall establish an interagency group on countertrade, to be composed of such Government departments and agencies as the President considers appropriate. The Secretary of Commerce shall be the chairman of the interagency group. The interagency group shall review United States policy on countertrade and shall make recommendations to the President and the Congress on the use of countertrade as a mechanism for enhancing bilateral United States foreign economic assistance programs and on expanding the information available on countertrade, including information on export opportunities.

Subtitle D—Protection of United States Business Interests Abroad

SEC. 341. PROTECTION OF UNITED STATES INTELLECTUAL PROPERTY.

It is the sense of the Congress that—

(1) the Secretary of State, the United States Trade Representative, and the relevant United States Ambassadors should engage in immediate discussions with the appropriate countries to reduce instances of piracy of copyrights, patents, and mask works and counterfeiting of trademarks, to obtain adherence to existing international conventions for the protection of copyrights, patents, and trademarks, to work toward the development of an international convention for mask works, and to gain the participation and support of those countries in the development of international intellectual property codes in future multilateral trade negotiations;

(2) the Secretary of State should urge international technical organizations, such as the World Intellectual Property Organization, to provide expertise and cooperate fully in developing effective standards, in the General Agreement on Tariffs and Trade, for the international protection of intellectual property rights;

(3) the President should take immediate and forceful action against those countries which are not prepared to commit formally to immediate improvements in their protection of United States intellectual property; and

(4) development assistance programs administered by the Agency for International Development, especially the reimbursable development program, should, in cooperation with the Copyright Office and the Patent and Trademark Office, include technical training for officials responsible for the protection of patents, copyrights, trademarks, and mask works in those countries that receive such development assistance.

Subtitle E—Miscellaneous Provisions

SEC. 351. TRADING WITH THE ENEMY ACT.

(a) TERMINATION OF OFFICE OF ALIEN PROPERTY.—(1) The Trading with the Enemy Act is amended by striking subsections (b) through (e) of section 39 (50 U.S.C. App. 39) and inserting the following new subsection:

"(b) The Attorney General shall cover into the Treasury, to the credit of miscellaneous receipts, all sums from property vested in or transferred to him under this Act—

"(1) which he receives after the date of the enactment of the Export Enhancement Act of 1986, or

"(2) which he received before that date and which, as of that date, he had not covered into the Treasury for deposit in the War Claims Fund, other than any such sums which the Attorney General determines in his discretion are the subject matter of any judicial action or proceeding.".

(2) Subsection (f) of such section is amended—

(A) by striking "(f)" and inserting "(c)"; and

(B) by striking "through (d)" and inserting "and (b)".

(b) REMOVAL OF REPORTING REQUIREMENT.—Section 6 of such Act (50 U.S.C. App. 6) is amended in the next to last sentence by striking ": *Provided further,*" and all that follows through the end of the section and inserting a period.

(c) IMPORTATION OF PUBLICATIONS, ETC.—Section 5(b) of such Act (50 U.S.C. App. 5(b)) is amended by adding at the end the following new paragraph:

"(4) The authority granted to the President in this subsection does not include the authority to regulate or prohibit directly or indirectly the importation (commercial or otherwise) of publications, films, posters, phonograph records, photographs, microfilms, microfiche, tapes, or other informational materials from any country.".

SEC. 352. BUDGET ACT.

Any new spending authority (within the meaning of section 401 of the Congressional Budget Act of 1974) which is provided under this title shall be effective for any fiscal year only to the extent or in such amounts as are provided in appropriation Acts.

TITLE IV—BANKING COMMITTEE PROVISIONS

Subtitle A—Competitive Exchange Rate Act of 1986

SEC. 401. SHORT TITLE.

This subtitle may be cited as the "Competitive Exchange Rate Act of 1986".

SEC. 402. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress hereby finds that—

(1) the continuing United States merchandise trade deficit, which is projected to exceed $140,000,000,000 in 1985, jeopardizes the competitive position of many United States industries;

(2) the agriculture and basic manufacturing sectors of the economy and even the best firms in the high technology industry and service sector are losing markets to foreign competitors which, once lost, are not easily regained;

(3) an important factor contributing to our current trade crisis has been the United States dollar, the rise in which over earlier years contributed substantially to our current trade deficit;

(4) the foreign indebtedness of the United States is rapidly escalating as the United States—

(A) has gone from being a $150,000,000,000 net creditor nation as of the end of 1982 to being a debtor nation; and

(B) is continuing to go further into debt at the rate of $10,000,000,000 per month;

(5) a sudden and severe drop in the dollar would reignite inflation and increase interest rates which could choke off our economic recovery;

(6) a relatively stable exchange rate for the dollar at competitive levels is desirable and should be encouraged;

(7) coordinated intervention which is reinforced by changes in domestic economic policy can, under appropriate circumstances, shift exchange rates in desirable directions;

(8) developments since the September 22, 1985, meeting of the United States, Japan, West Germany, France, and the United Kingdom (commonly known as the Group of Five) are a promising example of such intervention;

(9) the actual exchange rate of the dollar cannot be brought into alignment with its competitive exchange rate unless—

(A) the Federal budget deficit is reduced;

(B) some modification is made in the existing international exchange rate system; and

(C) the macroeconomic policies of the major industrialized nations are well coordinated;

(10) it would be useful to supplement the efforts described in paragraph (9) with appropriate strategic intervention by the United States in foreign exchange markets as part of a coordinated international strategic intervention effort involving the other major industrialized countries;

(11) the Secretary of the Treasury and the Board of Governors of the Federal Reserve System should—

(A) cooperate with the other major industrialized countries in the international currency markets, and

(B) use appropriate strategic intervention to the extent required to achieve and maintain the exchange rate of the dollar at a level that reflects international competitive relationships;

(12) the Secretary of the Treasury has major responsibility within the executive branch for—

(A) formulating domestic economic policy;

(B) representing the United States in international economic negotiations regarding exchange rates and coordination of domestic economic policies; and

(C) intervening on behalf of the United States in currency markets;

(13) in the past, Congress has established negotiating priorities for representatives of the United States to international trade negotiations; and

(14) the United States currently lacks a forum for discussion of policies affecting the exchange rates of the dollar.

(b) PURPOSES.—The purposes of this subtitle are—

(1) to encourage the President to seek to confer and negotiate with other countries through an international conference to recommend proposals to reform the exchange rate system so as to obtain—

(A) better coordination of macroeconomic policies, and

(B) greater stability in trade and current account balances and in the exchange rates of the dollar and other currencies;

(2) to provide for internationally coordinated strategic intervention in currency markets, when appropriate, in order to adjust the exchange rates of the dollar and other currencies so as to ensure that American industry is competitive in world markets; and

(3) to increase the accountability of the President for the impact of exchange rates on trade competitiveness.

SEC. 403. INTERNATIONAL NEGOTIATIONS ON EXCHANGE RATE REFORM.

(a) POLICY.—A top priority of the United States in international economic negotiations shall be the achievement of a competitive exchange rate for the dollar.

(b) INTERNATIONAL CONFERENCE ON EXCHANGE RATE SYSTEM.—The President shall seek to confer and negotiate with other countries through an international conference on the exchange rate system, either through a newly created mechanism or an existing mechanism such as the International Monetary Fund or the Organization for Economic Cooperation and Development—

(1) to review the existing international exchange rate system;

(2) to develop a program for reform of that system to provide for long-term exchange rate stability and an agenda for implementing such program; and

(3) to recommend proposals to achieve—

(A) better coordination of macroeconomic policies of the major industrialized nations; and

(B) greater stability in trade and current account balances and in the exchange rates of the dollar and other currencies.

SEC. 404. STRATEGIC CURRENCY RESERVE.

(a) ESTABLISHMENT.—The Secretary shall establish a Strategic Currency Reserve within the stabilization fund established by section 5302(a)(1) of title 31, United States Code, consisting of assets denominated in foreign currencies purchased through intervention in the exchange markets. Such assets shall be accumulated and used as part of a coordinated international strategy to achieve competitive exchange rates for the dollar and other currencies and exchange rate stability.

(b) PURCHASES AND SALES OF FOREIGN CURRENCY.—The Secretary, in consultation with the Chairman of the Board, shall purchase and sell foreign currencies at such times as any such purchase or sale would be most effective and in such amounts as will not expose the Treasury to unacceptable losses—

(1) to offset speculative movements of the actual exchange rate of the dollar away from its competitive exchange rate; or

(2) to assist the gradual movement of the actual exchange rate of the dollar toward its competitive exchange rate.

(c) INTERNATIONAL COORDINATION.—Purchases and sales under subsection (b) shall be coordinated with other countries to the extent possible.

SEC. 405. REPORTING REQUIREMENTS.

(a) REPORTS REQUIRED.—In furtherance of the purposes of this subtitle, the Secretary, after consultation with the Chairman of the Board, shall submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, within 30 days of the enactment of this subtitle and on April 20 and September 20 of each year thereafter, independent written reports.

(b) CONTENTS OF REPORT.—Each report submitted under subsection (a) shall contain—

(1) a determination of the approximate changes in the actual exchange rate of the dollar which would be required, as of the time of the report, in order to attain a balance in the United States merchandise trade account and a balance in the United States current account;

(2) in any case in which the actual exchange rate of the dollar exceeds the exchange rate for the dollar which would be consistent with either a merchandise trade balance or a current account balance, an assessment of the effects such excess exchange rate has on production, employment, and international competitive performance among United States manufacturing, agricultural, and mining industries;

(3) an evaluation of the conditions that cause the actual exchange rate of the dollar to exceed the competitive exchange rate;

(4) recommendations for changing United States economic policy in order to attain an appropriate and sustainable balance in the current account, together with an assessment of the costs and benefits which would accompany any such change;

(5) any recommendation for changes in United States policies which was made by the International Monetary Fund on the occasion of the most recent consultation requested by such Fund under Article IV of the Fund's Articles of Agreement, together with an explanation of how the Secretary has implemented or plans to implement any such recommendations or why it is economically sound to ignore any such recommendation;

(6) a report on any progress made by the Secretary and any other officer or employee of the United States (in the United States or abroad) in—

(A) adjusting the actual exchange rate of the dollar toward its competitive exchange rate, including the effect of any intervention in foreign exchange markets on such actual exchange rate; and

(B) achieving long-term reform of the international exchange rate system to reduce instability and disequilibrium in exchange rates;

(7) a statement of the objectives and plans of the Secretary with respect to—

(A) the pursuit of domestic economic policies which are consistent with the achievement of an appropriate and sustainable current account balance;

(B) the policy on intervention in foreign exchange markets; and

(C) any negotiations with other countries on any reform in the international exchange rate system,

including any obstacles that would delay any progress with regard to any such objective or plan;

(8) an assessment of the impact currency transactions under this subtitle have had on foreign exchange markets; and

(9) a detailed statement of the reasons for any lack of progress regarding international negotiations on the reform of the exchange rate system, and, if exchange rate reform negotiations have not gone forward by the beginning of any negotiations concerning the General Agreement on Tariffs and Trade, a detailed statement of the reason for the delay in such negotiating efforts.

(c) COUNTRY-BY-COUNTRY ANALYSIS.—

(1) IN GENERAL.—Each report under subsection (a) shall also contain an analysis of—

(A) the extent to which the actual exchange rate of the currency of each country described in paragraph (2) differs from the competitive exchange rate of each such currency; and

(B) any trend or policy which affects any such exchange rate or the international capital flows between or among any such countries and the United States.

(2) PARAGRAPH (2) COUNTRIES.—The countries referred to in paragraph (1) are Canada, Japan, Germany, and any other country with which the United States has substantial bilateral trade competition or bilateral capital flows.

(d) CONSULTATION WITH CONGRESS.—The Secretary shall consult with the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on the report after the report has been received by the respective Committees. After receiving such report and consulting with the Secretary, each such Committee shall submit to its respective body a report containing its view and recommendations with respect to the Secretary's intended policies.

SEC. 406. CONGRESSIONAL RECOGNITION OF THE RECOMMENDATIONS OF THE INTERNATIONAL MONETARY FUND.

Upon completion of any consultation with the United States requested by the International Monetary Fund under Article IV of the Fund's Articles of Agreement, the Secretary shall transmit to the Congress—

(1) all official United States documents submitted to the Fund in the course of that consultation; and

(2) all official Fund documents arising from that consultation.

SEC. 407. DEFINITIONS.

For purposes of this subtitle—

(1) SECRETARY.—The term "Secretary" means the Secretary of the Treasury.

(2) BOARD.—The term "Board" means the Board of Governors of the Federal Reserve System.

(3) COMPETITIVE EXCHANGE RATE.—The term "competitive exchange rate" means the set of exchange rates that would be consistent with an appropriate and sustainable balance in the current account, as determined by the Secretary based on an appropriate methodology that takes into account the appropriate factors which provide the most opportune prospect for economic growth in the United States.

Subtitle B—International Debt, Trade, and Financial Stabilization Act

CHAPTER 1—SHORT TITLE; PURPOSES; AND DEFINITIONS

SEC. 411. SHORT TITLE.

This subtitle may be cited as the "International Debt, Trade, and Financial Stabilization Act".

SEC. 412. PURPOSES.

The purposes of this subtitle are as follows:

(1) Alleviate the current international debt crisis in order to make the debt situation of developing countries more manageable and permit the resumption of sustained growth in those countries.

(2) Expand the world trading system and raise the level of exports from the United States to the developing countries in order to reduce the United States trade deficit and foster economic expansion and an increase in the standard of living in the developing nations.

(3) Increase the stability of the world financial system and insure the safety and soundness of United States depository institutions.

(4) Provide a clear statement of support for the United States debt initiative for the heavily indebted developing countries, including an expanded role for the World Bank and other multilateral development banks in resolving the current debt crisis and achieving sustained growth and development for the developing nations.

(5) Provide explicit directions to the President and the Secretary of the Treasury about the initiatives which should be undertaken by the United States to resolve the international debt crisis and achieve the twin goals of enhancing the stability of the world financial system and expanding world trade and development.

SEC. 413. DEFINITIONS.

For purposes of this subtitle—

(1) MULTILATERAL DEVELOPMENT BANK.—The term "multilateral development bank" means the International Bank for Reconstruction and Development, the Inter-American Development Bank, the African Development Bank, and the Asian Development Bank.

(2) WORLD BANK.—The term "World Bank" means the International Bank for Reconstruction and Development.

(3) STRUCTURAL ADJUSTMENT LENDING.—The term "structural adjustment lending" means lending for broad macroeconomic stability and in support of structural economic reforms, including lending for trade liberalization, mobilization of domestic and foreign capital, and institutional reform to expand the private sector.

(4) TRADE AND INVESTMENT LIBERALIZATION.—The term "trade liberalization" means the reduction of tariff and non-tariff barriers to imports and the reduction of barriers to foreign direct and portfolio investment.

CHAPTER 2—MEASURING THE IMPACT OF THE DEBT CRISIS ON WORLD TRADE, DEVELOPMENT, AND FINANCIAL STABILITY

SEC. 416. FINDINGS.

The Congress hereby finds the following:

(1) The indebtedness of developing countries represents a grave threat to—

(A) the health and viability of the world trading system because it prevents sustained growth in the developing world while seriously eroding the trading posture and the economic well-being of the United States; and

(B) the stability of the international financial system and the safety and soundness of United States depository institutions.

(2) With respect to trade—

(A) the United States trade deficit with developing countries, which amounted to $53,000,000,000 in 1984, has cost over 1,000,000 jobs in the United States since 1980;

(B) the burden of public and private debt now borne by the developing nations—

(i) seriously limits their capacity to import goods and service from the United States; and

(ii) is a major contributing factor to the current United States trade deficit;

(C) since the beginning of the debt crisis in 1982, the developing nations have relied heavily on import substitution and export promotion to improve their own balance of payments which has exacerbated the United States trade deficit with the developing nations, thereby fueling the pressures within the United States for protectionist legislation;

(D) the developing nations were the fastest-growing market for United States goods before the debt crisis began and they remain the largest future potential market for United States exports; and

(E) trade and investment barriers must be decreased in developing countries if United States exports are to expand and if those nations are to resume sustained growth.

(3) With respect to the stability of the world financial system—

(A) the amount of the debt which developing countries owe to both private and public creditors is now approaching $900,000,000,000 which constitutes a debt service burden on the developing countries which is politically unsustainable and potentially disruptive to the world financial system;

(B) the amount of the debt which developing countries owe to commercial banks worldwide is over $600,000,000,000 of which $134,000,000,000 is owed to commercial banks in the United States;

(C) the exposure of the 100 largest United States banks to developing country debt is equal to 110 percent of the aggregate equity capital of those banks and the exposure of certain major United States banks exceeds that ratio;

(D) the indebtedness of developing countries has doubled since 1980;

(E) much of the proceeds of commercial loans which were made to the developing nations in the 1970's and early 1980's was used for purposes which did not increase the capital generating capacity of the borrowing nations with the result that some of these borrowers cannot manage their debt on the terms originally negotiated; and

(F) the debt service requirements of the debt of developing countries have resulted in a net transfer of capital from the developing countries to the industrialized nations since 1982 (in 1984 alone, the developing nations sent almost $15,000,000,000 more back to the developed world than they received) and this capital flow situation cannot be sustained over the long term.

(4) Partly because the markets for raw commodities upon which the economies of the nonindustrialized nations are necessarily dependent are expected to remain depressed over the next few years, the problems associated with the debt service burdens of developing countries are likely to grow worse without sustained cooperative efforts on the part of the developing and developed countries;

(5) The recent and dramatic drop in the price of oil, which will benefit most developing countries, will increase financing difficulties for some debtor countries, such as Mexico.

(6) Capital flight, which has been caused in part by—

(A) a lack of domestic confidence in the economies of developing countries, particularly the financial sectors of such economies; and

(B) United States fiscal and monetary policies in effect since 1980 which have resulted in an overvalued dollar, excessive def-

icit spending, and historically high real interest rates,

is another component of the problem confronting the debtor developing countries and credible estimates suggest that if, in the case of at least some of the developing countries, the indigenous capital which is now held abroad were repatriated to such countries, those countries would have a significantly lower external debt.

(7) Indebted developing countries have significantly improved their current account balances since the beginning of the debt crisis, but such improvements have been made at the cost of—

(A) declining standards of living which fail to provide for the basic human needs of the citizens of such countries with a concomitant rise in political discontent; and

(B) an exacerbated trade deficit for the United States with a concomitant rise in protectionist sentiment.

(8) The debt initiative unveiled by the Secretary of the Treasury James Baker in Seoul, Korea, in October of 1985 was a positive shift in United States policy toward an emphasis on the need for achieving growth in the debtor nations through—

(A) the adoption of sound, growth-oriented economic policies by the debtor nations;

(B) an increase in world trade; and

(C) increased and more effective project and adjustment lending by the multilateral development banks and increased lending by the commercial banks;

(9) If the debt initiative is to achieve its stated goals, the Congress must act to provide a clear statement of United States policy on international debt management and trade liberalization and to provide direction to the President and other executive officers of the United States in carrying out such policy.

(10) A resolution of the current international debt problem will require—

(A) an increase in the flow of private capital, in both debt and equity form, to the developing countries; and

(B) an increase in the role played by the public sector and the commercial financial institutions in providing assistance to the developing countries and in managing the international debt situation.

(11) The World Bank and the regional multilateral development banks are the appropriate institutions to lead and coordinate the international efforts to resolve the current developing country debt situation, but, to succeed, the multilateral development banks will—

(A) require additional resources;

(B) need to develop more innovative lending practices; and

(C) need the political support of the United States.

CHAPTER 3—INCREASING WORLD BANK EFFECTIVENESS

SEC. 421. RAPID LOAN DISBURSEMENTS.

In order to provide a rapid infusion of needed capital into developing countries—

(1) FULL RELEASE OF COMMITTED LOAN FUNDS AT BEGINNING OF PROJECT PERIOD.—The Secretary of the Treasury shall instruct the United States Executive Director of the World Bank to initiate discussions with other directors of such bank and to propose that a temporary adjustment be made in the current disbursement practices of such bank so as to permit, for a period of not more than 4 years, full release of committed loan funds to the central bank of any recipient country at the beginning of a project period, when such action is appropriate and is requested by the recipient country, to the extent that—

(A) adequate accounting safeguards can be maintained to insure that the terms of the respective loan agreements are honored; and

(B) the recipient country adequately describes how the accelerated disbursement of such funds will contribute to long-term economic growth.

(2) INCREASES IN MULTILATERAL DEVELOPMENT BANKS' SHARES OF PROJECT LOANS.—The Secretary of the Treasury shall instruct the United States Executive Directors of the multilateral development banks to initiate discussions with other Directors of their respective banks and to propose that each bank's share of any project loan already approved and awaiting disbursement should be immediately increased by such amount as the Directors of each such bank determine to be appropriate, taking into account the current ability of the recipient country to meet its counterpart funding requirements.

SEC. 422. STRUCTURAL ADJUSTMENT LENDING.

(a) DIRECTIONS TO UNITED STATES EXECUTIVE DIRECTOR OF THE WORLD BANK.—In order to promote the economic policy adjustments which are needed to assist developing countries, the Secretary of the Treasury shall instruct the United States Executive Director of the World Bank to initiate discussions with other directors of the bank and to propose that—

(1) an increase be made in the amount of structural adjustment lending by the World Bank and any percentage limitation on the number of structural adjustment loans in the World Bank's lending portfolio be removed, except that such Director shall make it clearly understood that United States policy does not favor the displacement or replacement of project lending by structural adjustment lending but the addition of structural adjustment lending to the bank's loan mix;

(2) appropriate action be taken by the bank to ensure that the aims of structural adjustment lending can be achieved;

(3) the conditionality of structural adjustment lending should include innovative requirements designed to minimize any adverse impact of such lending on the lowest income groups in the developing countries, including a requirement that each country receiving such lending establish a fund to be used for guaranteeing private loans to microenterprise borrowers within such country; and

(4) appropriate action be taken by the bank to ensure that structural adjustment lending is consistent with environmentally sound and responsible development practices that lead to sustainable long-term management of the natural resources of these countries.

(b) SMALL-SCALE CREDIT.—The Secretary of the Treasury shall instruct the United States Director of the World Bank to enter into negotiations with other Directors of such Bank and to propose that a fund be established within the World Bank for purposes of making small-scale credit available to lower income groups in developing countries which have had no access to such credit. To the extent appropriate, the extension of any credit through such fund to a borrower in a developing country should be coordinated with the guarantee fund described in subsection (a)(3) with respect to such country.

(c) REPORT BY THE SECRETARY OF THE TREASURY.—

(1) REPORT REQUIRED.—The Secretary of the Treasury shall, before the end of the 1-year period beginning on the date of the enactment of this subtitle and in conjunction with and consultation with the United States Executive Director of the World Bank, prepare and transmit a report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate on the effectiveness of increased reliance on structural adjustment lending as a means of achieving economic reforms.

(2) CONTENTS OF REPORT.—The report prepared under paragraph (1) shall include—

(A) information about the extent to which structural adjustment lending has increased domestic savings rates, liberalized trade, encouraged direct investment in developing countries, and reduced capital flight; and

(B) economic and demographic data on the impact of structural adjustment lending on various income groups within the recipient countries, particularly the impact of such lending on the provision of resources to meet the basic human needs of the lowest income groups, including the need for adequate nutrition and basic health care.

SEC. 423. REDUCING CAPITAL FLIGHT.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) past and continuing transfers of capital from developing countries pose a problem of great importance for which a solution must be found before the international debt crisis can be resolved and economic growth in developing countries can be enhanced and sustained; and

(2) the United States Executive Director of the World Bank should—

(A) initiate discussions with other directors of the bank for the purpose of developing policy proposals for both developed countries and developing countries, respectively, which, if implemented, would reduce the level of capital transfers from the developing countries by enhancing incentives to invest in developing countries and thereby reduce the impact of such capital flight on the economies of such countries; and

(B) report any such proposal which is applicable with respect to the United States to the Secretary of the Treasury and the Chairman of the Board of Governors of the Federal Reserve System.

(b) INSTRUCTIONS TO UNITED STATES EXECUTIVE DIRECTORS OF MULTILATERAL DEVELOPMENT BANKS.—The Secretary of the Treasury shall instruct the United States Executive Directors of the multilateral development banks to initiate discussions with other directors of their respective banks and to propose that each such bank increase lending for the purpose of reforming the financial sectors of indebted developing countries with particular emphasis on increases in loans for activities which would have the effect of enlarging the capital markets and encouraging domestic savings in those countries.

SEC. 424. INCREASING WORLD BANK LENDING RESOURCES.

(a) WORLD BANK LENDING AFFILIATE.—The President shall initiate negotiations with other member nations of the World Bank—

(1) to provide for the establishment by the World Bank of a banking entity or affiliate for which the World Bank would initially provide $1,000,000,000 in capital from its own capital account;

(2) to authorize such banking entity or affiliate—

(A) to offer for public subscription such amount of stock in such entity or affiliate as the directors of the World Bank may determine to be appropriate; and

(B) to borrow such amounts as may be determined by the directors of the World Bank to be appropriate and to issue bonds, notes, and other evidence of indebtedness for the amounts borrowed; and

(3) to authorize such banking entity or affiliate to make or guarantee loans to the extent the total amount of disbursed or guaranteed loans outstanding at any time does not exceed an amount equal to 5 times the amount of capital and surplus of such entity or affiliate.

(b) STUDY AND REPORT BY THE SECRETARY OF THE TREASURY.—

(1) STUDY REQUIRED.—The Secretary of the Treasury shall conduct a study of the need for a general increase in the amount of capital of the World Bank.

(2) REPORT REQUIRED.—The Secretary of the Treasury shall prepare and transmit a report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate on the conclusions reached by the Secretary in the course of conducting the study under paragraph (1) not later than November 1, 1986, or 60 days after the enactment of this subtitle, whichever date occurs later.

(3) CONTENTS OF REPORT.—The Secretary's report shall include—

(A) a detailed explanation of the reason for any recommendation of the Secretary for an increase in the amount of capital of the Bank and a general explanation of the Secretary's timetable and plans for presenting a request for such an increase to the Congress; and

(B) a discussion of the feasibility of achieving any such increase in capital exclusively through the use of callable capital rather than paid-in capital.

CHAPTER 4—INCREASING WORLD TRADE AND ECONOMIC GROWTH

SEC. 426. TRADE LIBERALIZATION IN DEVELOPING COUNTRIES.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that the expansion and liberalization of world trade can make an important contribution to the development of, and the achievement of prosperity for, the developing nations and sustained growth in the United States and other nations.

(b) DECLARATION OF UNITED STATES POLICY.—The Congress declares it to be the policy of the United States that any assistance provided to developing nations shall be consistent with and supportive of long-term trade liberalization in those countries and in worldwide markets.

(c) DIRECTIONS TO UNITED STATES EXECUTIVE DIRECTORS OF MULTILATERAL DEVELOPMENT BANKS.—The Secretary of the Treasury shall instruct the United States Executive Directors of the multilateral development banks—

(1) to initiate discussions with other directors of their respective banks and to propose that all new loans or guarantees entered into by the respective banks shall be consistent with, and in all feasible cases shall be conditioned upon, the reduction of existing trade and investment barriers or limitations on access to the markets of the recipient countries;

(2) to vote against any loan the making of which would be inconsistent with the long-term advancement of trade liberalization and increased market access within recipient countries, and that, while it is in the interest of the United States to promote development in developing countries and remove barriers to trade and investment, the promotion of such development through the sustained use of any form of governmental subsidies the effect of which is to give producers in such countries an unfair advantage over producers in developed countries or other developing countries is contrary to the interests of the United States;

(3) to initiate discussions with other directors of their respective banks and to propose that the structural adjustment loans and the sectoral loans described in title II not be approved until an assessment of the extent to which the extension of such loans will promote trade liberalization and increase market access is made by the staff of the respective bank and presented to the Executive Directors of such bank;

(4) to take actions to assure that United States firms are fully informed of bidding opportunities in countries receiving loans from the respective banks;

(5) to take actions to assure that United States firms can focus on projects in which they have a particular interest or competitive advantage and to permit them to complete and have an equal opportunity in submitting timely and conforming bidding documents;

(6) to thoroughly investigate any complaints from United States bidders about the awarding of multilateral development bank procurement contracts to ensure that all multilateral development bank contract procedures and rules are observed and that United States firms are treated fairly;

(7) to promote opportunities for exports of goods and services from the United States; and

(8) to ensure that project loans by the respective multilateral development banks for commodities, materials, or products do not contribute to a surplus in world markets in which—

(A) the prices of such commodities, materials, or products are low or are falling; and

(B) the commodities, materials, or products could cause material injury to United States producers of the same, similar, or competing commodities, materials, or products.

(d) COORDINATION OF WORLD BANK ACTIONS WITH ACTIONS UNDER GATT.—The Secretary of the Treasury shall instruct the United States Director of the World Bank to initiate discussions with other directors of such bank and to propose that the bank coordinate its actions more closely with the actions taken by the Contracting Parties to the General Agreements on Tariffs and Trade (GATT) in order to ensure that, if actions taken under such General Agreements have the effect of liberalizing trade, such actions are rewarded by appropriate additional public and private capital from the World Bank.

(e) COOPERATION OF GATT PARTIES IN PREPARATION OF COUNTRY-BY-COUNTRY REVIEW.—The Secretary of the Treasury shall instruct the United States Director of the World Bank to initiate discussions with other directors of such bank and to propose that, in acquiring information for and in the preparation of the bank's annual country-by-country review, the bank seek the cooperation and the participation of the representatives of the Contracting Parties to the General Agreements on Tariffs and Trade (GATT).

(f) APPOINTMENT OF FOREIGN COMMERCIAL OFFICERS.—

(1) APPOINTMENT.—The Secretary of the Treasury, in conjunction with the Secretary of Commerce, shall appoint a foreign commercial officer to serve with each of the United States Executive Directors of multilateral development banks.

(2) DUTIES OF OFFICERS.—It shall be the duty of each foreign commercial officer to assist the United States Executive Director with respect to whom such officer has been appointed in carrying out the duties of such Executive Director described in paragraphs (4), (5), (6), and (7) of subsection (c).

SEC. 427. INCREASED TRADE AND INVESTMENT IN DEVELOPING NATIONS.

(a) MULTILATERAL NEGOTIATIONS.—The President and the Secretary of the Treasury shall seek to continue ongoing negotiations with West Germany, the United Kingdom, France, and Japan (commonly known as the "Group of 5") as well as to initiate negotiations with other countries within appropriate multilateral organizations, including the Organization for Economic Cooperation and Development, in order to—

(1) coordinate macroeconomic policies of the major industrial countries so as to promote non-inflationary economic growth and stable exchange rates;

(2) achieve sustained non-inflationary economic growth and thereby increase the size of the market for exports from the United States and developing countries;

(3) promote growth-oriented economic policies in both developed and developing countries; and

(4) encourage both developed and developing countries to base growth on a balance of foreign and domestic demand and to discourage excessive reliance by those countries on exports for growth.

(b) INTERNATIONAL ECONOMIC OR TRADE DISCUSSIONS.—

(1) DECLARATION OF UNITED STATES OBJECTIVE.—The Congress hereby declares that a key objective of the United States in its participation in economic summits and international meetings on economics or trade is to encourage industrial countries to pursue policies which will promote non-inflationary economic growth and to increase the size of the market for exports from the United States and the developing countries.

(2) EXECUTIVE ACTIONS.—The President and the Secretary of the Treasury shall seek to place discussions with respect to the agreement described in paragraph (1) on the agenda of any economic summit or international economic meeting to which the United States is a party and shall report to the Congress on any success they may have had in achieving such agreement at that meeting.

(c) PURCHASE OF OIL FROM DEVELOPING COUNTRIES.—In light of the current dislocation in the world oil markets which has had a significant effect on heavily indebted developing countries which are oil exporters, the Secretary of the Treasury, in conjunction with the Secretary of Energy, shall initiate consultations with Japan, West Germany, France, the United Kingdom, and any other country which holds debt of developing countries for the purpose of examining possible options for reducing the debt burden of developing countries which export oil. Such options should include—

(1) the possibility of increasing the amount of purchases of, and the inventorying of, oil from such developing countries, including Mexico, Venezuela, and Nigeria; and

(2) the possibility of using the oil reserves of such developing countries as collateral for new loans to such countries or as payment for existing debt of such countries.

To the extent appropriate, such consultations should be conducted in conjunction with, and should draw on the expertise of, the International Energy Administration. Such Secretaries shall periodically advise and consult with the appropriate committees of the Congress on the progress of such consultations.

(d) BARTERING OF AGRICULTURAL COMMODITIES FOR OIL.—The President shall, to the maximum extent possible, arrange for acquisitions of petroleum from debtor developing countries through the barter of surplus agricultural commodities.

CHAPTER 5—INSURING THE STABILITY OF THE INTERNATIONAL FINANCIAL SYSTEM

SEC. 431. PRIVATE CAPITAL SOURCES FOR DEVELOPING NATIONS.

(a) STUDY REQUIRED.—The Secretary of the Treasury, working in conjunction with the Chairman of the Board of Governors of the Federal Reserve System and the Comptroller of the Currency, shall explore the changes in the structure of United States capital markets and the regulation of private financial institutions which would be necessary in order to bring about a lasting resolution of the international debt crisis in a manner which is consistent with both increased growth in debtor nations and increased stability of the United States financial system.

(b) TOPICS TO BE INCLUDED IN STUDY.—The study conducted by the Secretary of the Treasury, in conjunction with the Chairman of the Board of Governors of the Federal Reserve System and the Comptroller of the Currency, shall include an analysis of the following proposals:

(1) Amendment of the National Bank Act and any regulatory change which may be necessary to permit longer writeoff periods for losses associated with loans to debtor developing countries.

(2) Statutory or regulatory changes which may be appropriate—

(A) to encourage the growth of a secondary market in developing country debt;

(B) to provide security for the existing commercial bank debt of less developed countries; or

(C) to create a discount facility for such debt.

(3) Statutory, regulatory, or treaty changes that would be required to create a new fund or funds to be administered by the multilateral development banks—

(A) in which shares could be purchased by financial institutions; and

(B) the assets of which would be used to create new lending capacity for developing nations.

(4) Payment of a portion of the debt service obligations of developing countries in local currencies.

(5) Evaluation of any other options which would have the effect of increasing the utilization of domestic and international capital markets in addition to the commercial banks to provide capital for developing nations, and an assessment of how the World Bank might implement such options.

(c) REPORT TO CONGRESS.—The Secretary of the Treasury, in conjunction with the Chairman of the Board of Governors of the Federal Reserve System and the Comptroller of the Currency, shall prepare and transmit a report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate before the end of the 3-month period beginning on the date of the enactment of this subtitle on the advisability of implementing any of the proposals analyzed in the study conducted pursuant to subsection (a) together with any recommendation of such Secretary for legislation which the Congress should consider.

SEC. 432. MOBILIZATION OF PRIVATE CAPITAL.

(a) MULTILATERAL DEVELOPMENT BANK ACTION.—The Secretary of the Treasury shall instruct the United States Executive Directors of the multilateral development banks to initiate discussions with other directors of their respective banks and to propose that—

(1) greater use of co-financing be made by each such bank to encourage increased commercial bank participation in lending by such bank; and

(2) steps be taken to make credits available to satisfy the capital needs of private, income-generating, small businesses or microenterprises owned by the very poorest individuals in the developing countries.

(b) INCREASE IN WORLD BANK'S ROLE AS INTERMEDIARY.—The Secretary of the Treasury shall instruct the United States Executive Director of the World Bank to initiate discussions with other directors of the bank and to propose that steps be taken to increase the bank's role as an intermediary and coordinator in generating new capital and creating new capital instruments, particularly drawing on world securities and capital markets, for the benefit of developing countries.

CHAPTER 6—MULTILATERAL INVESTMENT GUARANTEE AGENCY

SEC. 436. SHORT TITLE.

This chapter may be cited as the "Multilateral Investment Guarantee Agency Act".

SEC. 437. ACCEPTANCE OF MEMBERSHIP.

The President is hereby authorized to accept membership for the United States in the Multilateral Investment Guarantee Agency (hereinafter in this chapter referred to as the "Agency") provided for by the Convention Establishing the Multilateral Investment Guarantee Agency (hereinafter in this chapter referred to as the "Convention") deposited in the archives of the International Bank for Reconstruction and Development (hereinafter in this chapter referred to as the "Bank").

SEC. 438. GOVERNOR AND ALTERNATE GOVERNOR.

The Governor and Alternate Governor of the Bank, appointed under section 3 of the Bretton Woods Agreements Act, shall serve as Governor and Alternate Governor, respectively, of the Agency.

SEC. 439. APPLICABILITY OF BRETTON WOODS AGREEMENTS ACT.

The provisions of section 4 of the Bretton Woods Agreements Act shall apply with respect to the Agency to the same extent as such provisions apply to the Bank and the International Monetary Fund. Reports with respect to the Agency under paragraphs (5) and (6) of section 4(b) of such Act shall be included in the reports made pursuant to such paragraphs after the date the United States accepts membership in the Agency.

SEC. 440. RESTRICTIONS.

Unless authorized by law, neither the President nor any person or agency shall, on behalf of the United States—

(1) subscribe to shares of stock of the Agency;

(2) vote for or agree to any amendment of the Convention which increases the obligations of the United States, or which changes the purpose or functions of the Agency; or

(3) make a loan or provide other financing to the Agency.

SEC. 441. FEDERAL RESERVE BANKS AS DEPOSITARIES.

Any Federal Reserve bank which is requested to do so by the Agency shall act as its depositary or as its fiscal agent, and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks.

SEC. 442. JURISDICTION OF UNITED STATES COURTS AND ENFORCEMENT OF ARBITRAL AWARDS.

(a) VENUE.—For the purposes of any civil action which may be brought within the United States, its territories or possessions, or the Commonwealth of Puerto Rico, by or against the Agency in accordance with the Convention (including an action brought to enforce an arbitral award against the Agency), the Agency shall be deemed to be an inhabitant of the Federal judicial district in which—

(1) its principal office within the United States is located; or

(2) its agent appointed for the purpose of accepting service or notice of service is located.

(b) JURISDICTION.—Any action described in subsection (a) to which the agency is a party shall be deemed to arise under the laws of the United States. The district courts of the United States, including the courts enumerated in section 460 of title 28, United States Code, shall have original jurisdiction of any such action.

(c) REMOVAL.—Whenever the Agency is a defendant in any action in a State court, it may at any time before the trial thereof remove the action into the appropriate district court of the United States in the manner provided in section 1446 of title 28, United States Code.

SEC. 443. FORCE AND EFFECT OF CONVENTION.

Articles 43 through 48 of the Convention shall have full force and effect in the United States, its territories and possessions, and the Commonwealth of Puerto Rico, upon the entry into force of the Convention for the United States.

SEC. 444. FULL FAITH AND CREDIT FOR ARBITRAL AWARDS; JURISDICTION.

(a) IN GENERAL.—Any award of an arbitral tribunal resolving a dispute arising under Article 57 or Article 58 of the Convention shall create a right arising under a treaty of the United States. The pecuniary obligations imposed by such an award shall be enforced and shall be given the same full faith and credit as if the award were a final judgment of a court of general jurisdiction of one of the several States. The provisions of title 9, United States Code, shall not apply to enforcement of awards rendered pursuant to the Convention.

(b) JURISDICTION.—The district courts of the United States (including the courts enumerated in section 460 of title 28, United States Code) shall have exclusive jurisdiction over actions and proceedings under subsection (a), regardless of the amount in controversy.

CHAPTER 7—INTER-AMERICAN DEVELOPMENT BANK

SEC. 446. MERGER OF INTER-REGIONAL AND ORDINARY CAPITAL.

The Inter-American Development Bank Act (22 U.S.C. 283) is amended by adding at the end thereof the following new section:

"SEC. 32. The United States Governor of the Inter-American Development Bank is hereby authorized to agree to and to accept the amendments to the Articles of Agreement in the proposed resolution entitled 'Merger of Inter-regional and Ordinary Capital Resources'.".

SEC. 447. WAIVER OF COUNTRY PROGRAM LIMITATIONS UNDER NEW REPLENISHMENT AGREEMENT UNDER CERTAIN CONDITIONS.

The Secretary of the Treasury shall instruct the United States Executive Director of the Inter-American Development Bank to initiate discussions with other directors of such bank and to propose that a provision be included in any replenishment agreement which is negotiated after the date of enactment of this subtitle which would allow the directors of such bank to waive any country program limitation contained in such replenishment agreement if the directors determine that—

(1) the waiver would not deprive any other country of any resources which are available under such agreement for such country; and

(2) the country for which the waiver would be made has—

(A) a need for the resources which the waiver would make available; and

(B) the capacity to absorb such additional resources.

Subtitle C—Competitive Tied Aid Fund Act

SEC. 451. SHORT TITLE.

This subtitle may be cited as the "Competitive Tied Aid Fund Act".

SEC. 452. COMPETITIVE TIED AID FUND.

The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 15. COMPETITIVE TIED AID FUND.

"(a) FINDINGS.—The Congress hereby finds that—

"(1) tied and partially untied aid credits offered by other countries are being used in a predacious manner to distort competitive markets and undercut American exporters;

"(2) the predacious use of tied and partially untied aid credits undermines export credit discipline under the Arrangement on Guidelines for Officially Supported Export Credits established through the Organization for Economic Cooperation and Development; and

"(3) the establishment of a temporary Competitive Tied Aid Fund in the Treasury of the United States to target the export markets of countries which exploit or abuse tied or partially untied aid credits for commercial purposes and which impede progress in negotiating greater discipline over the use of such credits will facilitate negotiations to eliminate the use of such credits for commercial purposes and will thereby help protect American exporters from unfair and predacious official export competition.

"(b) COMPETITIVE TIED AID FUND.—

"(1) ESTABLISHMENT BY SECRETARY OF THE TREASURY.—In order to provide a means for inducing other countries to pursue negotiations on a comprehensive arrangement to restrict the use of tied aid and partially untied aid credits for commercial purposes, the Secretary of the Treasury shall establish a fund in the Treasury of the United States to be known as the 'Competitive Tied Aid Fund', consisting of such amounts as may be appropriated to the Fund.

"(2) EXPENDITURES FROM FUND.—Amounts in the Fund may be used to supplement the financing of United States exports to foreign markets which are actual or potential export markets for any country which—

"(A) engages in predacious official export financing through the use of tied or partially untied aid credits; and

"(B) impedes negotiations to eliminate the use of such credits for commercial purposes.

"(3) ADDITIONAL REQUIREMENTS.—In carrying out this section, the Secretary—

"(A) should avoid using the total amount in the Fund to provide financing for only 1 or 2 export projects;

"(B) should seek to use amounts in the Fund to make financing available only for United States exports that would be reasonably competitive in the absence of the predatory export financing practices of the other country; and

"(C) shall ensure that amounts in the Fund are used only to assist exportation by persons described in paragraph (1), (2), or (3) of section 238(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2198(c)).

"(4) CONSULTATION WITH ADVISORY COUNCIL.—The Secretary shall consult with the National Advisory Council on International Monetary and Financial Policies in—

"(A) determining the foreign countries which offer predacious tied or partially untied aid credits and which impede negotiations to restrict their use to legitimate foreign aid; and

"(B) reviewing proposed transactions under this section.

"(5) POLICY AND PROCEDURE GUIDELINES.—The Secretary shall establish policy and procedure guidelines for the development and implementation of the Fund. In establishing such guidelines, the Secretary shall—

"(A) devise a method for determining the number of American jobs which will be created or retained through assistance from the Fund, and give such factor consideration in making assistance available; and

"(B) describe the method of publicizing the availability of assistance from the Fund, and the terms and conditions under which such assistance is available to both large and small exporters.

"(c) DEFINITIONS.—For purposes of this section—

"(1) TIED AID AND PARTIALLY UNTIED AID CREDIT.—The terms 'tied aid credit' and 'partially untied aid credit' mean any official credit which has a grant element greater than zero percent, as determined by the Development Assistance Committee of the Organization for Economic Cooperation and Development, and which is, in fact or in effect, tied to—

"(A) the procurement of goods or services from the donor country, in the case of tied aid credit; or

"(B) the procurement of goods or services from a restricted number of countries, in the case of partially untied aid credit.

"(2) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

"(3) FUND.—The term 'Fund' means the Competitive Tied Aid Fund established pursuant to subsection (b)(1).

"(d) REPORT TO CONGRESS.—The Secretary shall transmit to the Congress, on a quarterly basis, a report setting forth the activities carried out under this section. Each such report shall include—

"(1) information on applications used by the Secretary for making assistance available under subsection (b)(2);

"(2) information on the disposition of such applications;

"(3) an identification of the foreign governments whose behavior the Secretary is trying to influence by the use of such assistance, and an explanation of why the assistance involved is deemed likely to influence that behavior;

"(4) evidence that clearly demonstrates that assistance under subsection (b)(2) has been used for the purposes of this section;

"(5) information on any progress that has been made in negotiations on agreements within the Organization for Economic Cooperation and Development to limit the use of tied aid credits and partially untied aid credits;

"(6) information on the extent to which tied aid credits and partially untied aid credits are being used at the time of such report by major trading countries within such Organization, the terms of such any credits, and the market sectors with respect to which such credits are being used; and

"(7) information on the extent to which assistance under this section has been effective—

"(A) in discouraging the use of tied aid credits and partially untied aid credits for commercial purposes by other countries; and

"(B) in helping to protect United States exporters from unfair and predacious official export competition.

"(e) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There is hereby authorized to be appropriated to the Fund for the fiscal year beginning on October 1, 1986, $300,000,000. Except as provided in paragraph (2), such sums shall remain available until expended.

"(2) RESCISSION AUTHORITY.—

"(A) DETERMINATION BY PRESIDENT.—If the President determines that any amount appropriated to the Fund is not required to achieve the purpose of the Fund, the President shall transmit a special message of such determination to the Congress in the manner provided in section 1012(a) of the Impoundment Control Act of 1974.

"(B) SPECIAL MESSAGE.—Any message under this paragraph shall be treated as a special message under such section for purposes of such Act.

"(f) EXPORT-IMPORT BANK.—

"(1) IMMEDIATE IMPLEMENTATION.—Until such time as the funds authorized to be appropriated under subsection (e) become available for expenditure, the Bank shall make aggressive use of the Bank's authority to offer tied aid credits, in accordance with any recommendation of the Secretary of the Treasury as to how such credits could most effectively and efficiently promote the purposes of this section.

"(2) SUBSEQUENT REIMBURSEMENT.—The Bank shall be reimbursed for the cost of any tied aid credits the Bank authorizes pursuant to this subsection from the appropriated funds authorized by this section, when such funds become available.".

Subtitle D—Council on Industrial Competitiveness Act

SEC. 461. SHORT TITLE.

This subtitle may be cited as the "Council on Industrial Competitiveness Act".

SEC. 462. FINDINGS AND PURPOSES.

(a) The Congress hereby finds that—

(1) the preeminence of the United States in international industrial competition is seriously threatened and the insulation of United States domestic markets from international competition is at an end;

(2) the United States has been slow to accept and adapt to the reality of a highly competitive global marketplace and to regard the industrial development of com-

peting countries as a challenge and an opportunity for its own economic growth;

(3) some major consequences of this failure to adapt are unnecessary plant closings, high unemployment, and a deterioration in the quality of jobs available for American workers;

(4) to be successful in the world arena, the United States must address the erosion of comparative advantage of its basic industries in a number of areas, including innovation, investment, and productivity;

(5) efforts to reverse the decline of American industry have been hindered by a number of factors, including—

(A) a long-term decline in relative productivity growth;

(B) insufficient capital investment in the revitalization of basic industries and in the commercialization and diffusion of new technologies;

(C) a lack of adequate patient capital to invest in smaller, innovative firms;

(D) insufficient investment in civilian research and development in comparison with our major competitors;

(E) a series of systemic inefficiencies in the management and organization of business, including adversarial labor-management relations and short-term time horizons; and

(F) a serious erosion in the institutional support for production, including a lack of high quality domestic and international economic data needed to—

(i) reveal sectoral strengths and weaknesses;

(ii) identify potential new markets and future trends; and

(iii) provide necessary information regarding the industrial strategies of our foreign competitors;

(6) helping to support the competitiveness of United States industries is a proper and necessary role for government, working with the private sector;

(7) at present, industrial policy in the United States is composed of a variety of Government programs, subsidies, and regulatory oversight functions which often are not coordinated, cohesive, or consistent;

(8) while our economy benefits when business, labor, government, academia, and public interest groups work together cooperatively, there exists no effective, high-level forum for developing a consensus on economic policies;

(9) the decline in United States industrial competitiveness endangers the economic stability of the Nation;

(10) such decline also endangers the ability of the United States to maintain the defense industrial base which is necessary to the national security of the United States;

(11) progress on the issue of competitiveness requires a recognition that the world is moving rapidly toward the creation of an integrated and interdependent economy, a world economy in which the policies of one nation have a major impact on other nations;

(12) effective management of such an integrated world economy requires a significant increase in multilateral solutions to such issues as trade, tax, investment, and the distribution of world markets and world production;

(13) effective participation by the United States in this process has been inhibited by the lack of specific mechanisms—

(A) to identify the problems of particular industries and sectors; and

(B) to develop specific solutions to those sectoral problems within the broader range of national economic policies;

(14) such lack of specific mechanisms has been particularly harmful to those labor intensive industries which must compete with very low wages paid in foreign countries;

(15) it is now imperative that Government, business, labor, academia, and public interest groups act together to develop and coordinate long-range strategies for helping to assure the international competitiveness of United States industries; and

(16) such strategies should be balanced by—

(A) encouraging the development of emerging industries which can provide substantial economic growth and employment; and

(B) directing resources into the revitalization of mature and linkage industries.

(b) It is the purpose of this subtitle—

(1) to develop recommendations for long-range strategies for promoting the international competitiveness of United States industries; and

(2) to establish the Council on Industrial Competitiveness which will—

(A) gather and analyze information regarding the competitiveness of United States industries;

(B) create an institutional forum where national leaders with experience and background in business, labor, government, academia, and public interest activities will—

(i) identify economic problems inhibiting the competitiveness of United States industries;

(ii) develop long-term strategies to address such problems; and

(iii) create a broad consensus in support of such strategies; and

(C) make recommendations on issues crucial to the development of coordinated industrial strategies.

SEC. 463. COUNCIL ESTABLISHED.

There is established in the executive branch of the Government an independent agency to be known as the Council on Industrial Competitiveness.

SEC. 464. DUTIES OF THE COUNCIL.

The duties of the Council are—

(1) to develop and promote policies which enhance the productivity and international competitiveness of United States industries;

(2) to assess private sector requests for governmental assistance or relief and to recommend, as a condition of such assistance or relief—

(A) those actions of the private sector which will ensure that the applicant involved, by receiving the assistance or relief, will become internationally competitive in the future; and

(B) any adjustment commitments which should be entered into by relevant parties, such as management and employees of the applicant, shareholders, creditors, suppliers and dealers, and financial institutions, to ensure that the applicant will become internationally competitive in the future;

(3) to collect and analyze relevant domestic and international data concerning current and future economic trends and market opportunities;

(4) to monitor the changing nature of the United States industrial economy and its capacity—

(A) to provide marketable goods and services in domestic and international markets; and

(B) to respond to international competition;

(5) to prepare and publish reports containing the recommendations of the Council with respect to industrial development priorities;

(6) to create a forum or forums where national leaders with experience and background in business, labor, academia, public interest activities, and Government will—

(A) identify national economic problems;

(B) develop recommendations to address such problems; and

(C) create a broad consensus in support of such recommendations;

(7) to establish industry subcouncils of public and private leaders to develop similar long-term strategies for sectors of the economy;

(8) to provide policy recommendations and guidance to the Congress, the President, and the Federal departments and agencies regarding specific issues concerning industrial strategies;

(9) to annually report to the President and the Congress—

(A) on the state of the national economy;

(B) on the status of major sectors of the national economy; and

(C) on the effect of existing Government policies on industries;

(10) to review and evaluate specific policy recommendations developed by the industry subcouncils and transmit such recommendations to the implementing agencies concerned; and

(11) to evaluate existing Government policies and business practices in terms of the competitive impact of such policies and practices.

SEC. 465. MEMBERSHIP.

(a) The Council shall be composed of sixteen members as follows:

(1) Four members appointed by the President, who shall be heads of Federal departments or agencies, Members of Congress, or representatives of State or local governments.

(2) Four members appointed by the President, by and with the advice and consent of the Senate—

(A) who shall be national leaders with experience and background in business, including at least one individual selected from the small business community; and

(B) who shall have a broad understanding of the United States economy and the United States position in the world economy.

(3) Four members appointed by the President, by and with the advice and consent of the Senate—

(A) who shall be national leaders with experience and background in the labor community; and

(B) who shall have a broad understanding of the United States economy and of the United States position in the world economy.

(4) Four members appointed by the President, by and with the advice and consent of the Senate, each of whom—

(A) shall be selected from the academic community or have been active in public interest activities; and

(B) shall have a broad understanding of the United States economy and of the United States position in the world economy.

(b) The Council shall not commence its duties until all the members specified in paragraphs (2), (3), and (4) of subsection (a) have been appointed and have qualified.

(c)(1) A vacancy in the Council shall be filled in the same manner in which the original appointment was made.

(2)(A) Any member appointed to fill a vacancy occurring before the expiration of the term for which such member's predecessor

was appointed shall be appointed only for the remainder of such term.

(B) A member may serve after the expiration of such member's term until such member's successor has taken office.

(d)(1) No member may serve more than two consecutive terms.

(2) Members of the Council may be removed by the President only for malfeasance in office.

(e) Not more than nine members of the Council shall be of the same political party.

(f)(1) Members appointed under paragraphs (2) through (4) of subsection (a) shall be appointed for terms of six years.

(2) Of the members first appointed under paragraphs (2) through (4) of subsection (a)—

(A) three shall be appointed for a term of two years;

(B) three shall be appointed for a term of three years;

(C) three shall be appointed for a term of four years; and

(D) three shall be appointed for a term of six years; as designated by the President at the time of appointment.

(g)(1) Each member of the Council who is not otherwise in the service of the Government of the United States or any State or local government—

(A) shall receive a sum not to exceed an amount equivalent to the compensation paid at level II of the Executive Schedule, pursuant to section 5313 of title 5, United States Code, prorated on a daily basis for each day spent in the work of the Council; and

(B) shall be paid actual travel expenses, and per diem in lieu of subsistence expenses when away from his usual place of residence, in accordance with section 5703 of such title.

(2) Each member of the Council who is otherwise in the service of the Government of the United States or any State or local government shall serve without compensation in addition to that received for such other service, but while engaged in the work of the Council shall be paid actual travel expenses, and per diem in lieu of subsistence expenses when away from his usual place of residence, in accordance with subchapter 1 of chapter 57 of title 5, United States Code.

(h) Nine members of the Council constitute a quorum, except that a lesser number may hold hearings if such action is approved by a two-thirds vote of the entire Council.

(i)(1) The Council shall elect, by a two-thirds vote of the entire Council, a Chairman from among the individuals appointed under paragraphs (2) through (4) of subsection (a).

(2) The Chairman shall serve full time.

(j) The Council shall meet at the call of the Chairman or a majority of its members, except that the Council shall meet not less than six times during each calendar year.

(k)(1) Each member of the Council shall designate one alternate representative to attend any meeting that such member is unable to attend.

(2) In the course of attending any such meeting, an alternate representative shall be considered a member of the Council for all purposes, including voting.

(l)(1) Except as provided in subsection (j), no action whatsoever (whether involving administrative or personnel matters, establishing policy, or any other type of action) shall be taken by the Council unless approved by two-thirds of the entire membership of the Council.

(2)(A) If a two-thirds consensus, as required under paragraph (1), cannot be reached on a matter referred to the Council by the President, or either House of the Congress, the Council shall transmit a report to the President and both Houses of the Congress explaining why a consensus could not be reached on such matter.

(B) Such report shall include all information gathered by the Council on such matter and a list of potential policy options for addressing the concern involved.

(m) The Council may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay for GS-16 of the General Schedule.

(n) Upon request of the Council, the head of any other Federal agency is authorized to detail, on a reimbursable basis, any of the personnel of such agency to the Council to assist the Council in carrying out its duties under this subtitle.

(o)(1) An individual may not be appointed as a member of the Council if, at any time within the 1-year period ending on the date on which any such appointment would otherwise be effective, such individual has acted as an agent or attorney for, or performed any other professional service for or on behalf of, the government of any foreign country, any agency or instrumentality of the government of a foreign country, or any foreign political party.

(2) If, after an individual is appointed as a member of the Council, such individual acts or performs in any manner or capacity described in paragraph (1), such individual shall cease to be a member of the Council as of the date such individual acts or performs in such manner or capacity.

SEC. 466. EXECUTIVE DIRECTOR AND STAFF.

(a)(1) The principal administrative officer of the Council shall be an Executive Director, who shall be appointed by the Council.

(2) The Council shall consult with the President and leaders of the Congress before appointing an individual to the position of Executive Director.

(3) The Executive Director shall serve full time.

(b) Within the limitations of the Council's appropriations, the Executive Director may appoint the personnel of the Council in accordance with the civil service and classification laws.

SEC. 467. POWERS OF THE COUNCIL.

(a) The Council may, for the purpose of carrying out the provisions of this subtitle, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Council considers appropriate. The Council may administer oaths or affirmations to witnesses appearing before the Council.

(b) If so authorized by the Council, any member or agent of the Council may take any action which the Council is authorized to take under this section.

(c)(1)(A) The Council may secure directly from any department or agency of the United States information necessary to enable the Council to carry out the provisions of this subtitle.

(B) Upon request of the Chairman of the Council, the head of such department or agency shall furnish such information to the Council.

(2) In any case in which the Council receives any information from a department or agency of the United States, the Council shall not disclose such information to the public unless such department or agency is authorized to disclose such information pursuant to Federal law.

(d) The Council may accept, use, and dispose of gifts or donations of services or property.

(e) The Council may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(f) The Administrator of General Services shall provide to the Council, on a reimbursable basis, such administrative support services as the Council may request.

(g)(1) The Council shall establish, when and for such period of time as the Council deems appropriate, industry subcouncils of public and private leaders representing the major economic interests affected by sectoral policies.

(2) Subcouncil members shall serve on a part-time basis.

(3)(A) Such subcouncils shall examine the competitive problems facing individual industries in the economy and develop recommendations regarding long-term strategies which could improve the competitiveness of such industries.

(B) In the course of developing recommendations, the industry subcouncils shall hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as such subcouncils consider appropriate.

(4)(A) The industry subcouncils shall report their findings and recommendations to the Council.

(B) Where appropriate, each of the subcouncil's reports shall assess the effectiveness of employee ownership as one of the tools and long-term strategies for improving the competitive problems facing the industry.

(C) The Council shall review the findings and recommendations of the subcouncils in preparing the Council's recommendations.

SEC. 468. EFFECTS OF IMPORTS ON DOMESTIC INDUSTRIES.

(a) The Council shall examine and make available to the public all international agreements on foreign trade that have been agreed to by the United States.

(b) The Council shall continuously monitor, and maintain public records regarding, the effect of imports on all major United States industries and on such other United States industries as may be specified by the Council.

SEC. 469. REPORTS.

(a) Not later than one year after the date of the enactment of this subtitle, the Council shall transmit a report to both Houses of the Congress and the President containing recommendations of the Council for changes in any Federal policy necessary to implement effective industrial strategies.

(b)(1) The Council shall annually prepare and transmit to the President and to each House of the Congress a report setting forth—

(A) the major industrial development priorities of the United States;

(B) the policies needed to meet such priorities; and

(C) a summary of existing Government policies affecting industries.

(2) Such report shall contain a statement of the findings and conclusions of the Council during the previous fiscal year, together with any recommendations of the Council for such legislative or administrative actions as the Council considers appropriate.

(c)(1) Upon receipt by either House of the Congress, the report shall be referred to the appropriate committee or committees of each House.

(2) The Council shall consult with each such committee with respect to such report and, following such consultation, each such committee shall submit to its respective House a report setting forth the views and recommendations of such committee with respect to the report of the Council.

SEC. 470. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for fiscal year 1987 not to exceed $25,000,000 to carry out the provisions of this subtitle.

SEC. 471. DEFINITIONS.

For purposes of this subtitle—

(1) the term "Council" means the Council on Industrial Competitiveness established under section 463;

(2) the term "member" means a member of the Council on Industrial Competitiveness; and

(3) the term "United States" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, American Samoa, and any other territory or possession of the United States.

TITLE V—EDUCATION AND TRAINING FOR AMERICAN COMPETITIVENESS

SEC. 501. SHORT TITLE.

This title may be cited as the "Education and Training for American Competitiveness Act".

SEC. 502. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) the relationship between a strong and vibrant educational system and a healthy national economy is inseparable in an era in which economic growth is dependent on technology and is imperiled by increased foreign competition;

(2) our Nation's once undisputed pre-eminence in international trade is facing unprecedented challenges from competitor nations (A) whose trade positions are abetted by unfair economic and market factors, such as low employee wages and failure to recognize, and abide by, fundamental labor rights, and (B) who have given priority to the relationship between education and economic growth in areas such as high technology industries;

(3) our standing in the international marketplace is being further eroded by the presence in the workforce of millions of Americans who are functionally, or technologically, illiterate or who lack the mathematics, science, foreign language, or vocational skills needed to adapt to the structural changes occurring in the global economy;

(4) our competitive trade position is also being eroded by declines in the number of students taking advanced courses in mathematics, science, and foreign languages and by the lack of modern technical and laboratory equipment in our institutions of higher education;

(5) restoring our competitiveness and enhancing our productivity will require that all workers possess basic educational skills and that many others possess highly specific skills in mathematics, science, foreign languages, and vocational areas; and

(6) our Nation must recognize the substantial impact that an investment in human capital will have on increasing productivity.

(b) PURPOSES.—It is therefore the purpose of this title to establish national programs designed—

(1) to improve our productivity and competitive position by investing in human capital;

(2) to assist out-of-school youth and adults who are functionally illiterate in obtaining the basic skills needed for them to become productive workers in a competitive economy;

(3) to help educational institutions prepare those engaged either directly or indirectly in trade-related fields by improving and expanding instruction in mathematics, science, and foreign languages and by modernizing laboratory and technical equipment;

(4) to enhance the skills of workers affected, or about to be affected, by foreign competition, in order to prevent dislocation within existing industries and to strengthen emerging domestic industry; and

(5) to accomplish such purposes without impairing the availability of funds to carry out existing programs that address the needs of dislocated workers, such as title III of the Job Training Partnership Act and the trade adjustment assistance provisions of the Trade Act of 1974.

Subtitle A—Education for American Competitiveness

SEC. 511. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this subtitle, for fiscal year 1987 and for each succeeding fiscal year, $500,000,000 of which—

(1) 80 percent shall be available to carry out chapter 1; and

(2) 20 percent shall be available to carry out chapter 2.

SEC. 512. DEFINITIONS.

As used in this subtitle—

(1) the term "Secretary" means the Secretary of Education;

(2) the terms "local educational agency", "State board", and "State educational agency" have the meanings given such terms by section 521(19), (28), and (30) of the Carl D. Perkins Vocational Education Act;

(3) the term "institution of higher education" has the meaning given by section 481(a)(1) of the Higher Education Act of 1965;

(4) the term "community-based organization" has the meaning given such term by section 4(5) of the Job Training Partnership Act; and

(5) the term "State" includes the District of Columbia and Puerto Rico.

CHAPTER 1—EDUCATION AND TRAINING TO STRENGTHEN THE COMPETITIVENESS OF DOMESTIC INDUSTRY

SEC. 521. PROGRAM AUTHORIZED.

From the funds appropriated to carry out this chapter, the Secretary shall make grants to State educational agencies in accordance with the requirements of this chapter to assist in the establishment and operation of programs to improve the education and skills of our current and future workers in those areas that will enhance their productivity and competitiveness.

SEC. 522. ALLOTMENT TO STATES.

(a) FORMULA FOR ALLOTMENT.—From the amount appropriated to carry out this chapter for any fiscal year, the Secretary shall—

(1) allot one-half of such amount among the States with approved plans under section 523 on the basis of the relative number of unemployed individuals who reside in each such State as compared to the total number of such individuals who reside in all such States; and

(2) allot one-half of such amount among such States on the basis of the relative number of adult individuals who reside in each such State and who—

(A) do not have a certificate of graduation from a school providing secondary education (or its equivalent); and

(B) are not currently required to be enrolled in school;

as compared to the total number of such individuals who reside in all such States.

(b) DATA BASES.—The Secretary shall determine—

(1) the number of individuals described in subsection (a)(1) in the same manner as such individuals are determined for purposes of section 301(b)(1) of the Job Training Partnership Act (29 U.S.C. 1601(b)(1)); and

(2) the number of individuals described in subsection (a)(2) in the same manner as such individuals are determined for purposes of section 305(a) of the Adult Education Act (20 U.S.C. 1204(a)).

SEC. 523. STATE PLANS.

(a) SUBMISSION OF PLANS.—Any State that desires to obtain an allotment under section 522 shall submit to the Secretary a plan that complies with the requirements of this section. Such plan shall be submitted by the State educational agency after approval by the State board (if the State board is a separate agency).

(b) CONTENTS OF PLAN.—A State plan shall contain—

(1) a description of the services to be provided under, and the relative portions of funds available under this subtitle to be used for, sections 524, 525, and 526;

(2) a description of—

(A) the methods by which the services will be made available to those areas of the State in greatest need for such services; and

(B) the criteria by which the areas in greatest need will be determined;

(3) a description of the criteria and methods that will be used to select service providers from among those eligible under section 527;

(4) a description of the criteria, methods, and procedures that will be used to identify and qualify eligible recipients of such services;

(5) assurances that the State will comply with the administrative cost limitations contained in section 528;

(6) assurances that the funds provided under this chapter will be used so as to supplement and not to supplant funds available from State and local and other Federal sources; and

(7) such other information and assurances as the Secretary may require by regulation.

(c) APPROVAL OF PLANS.—The Secretary shall approve a plan submitted under this section unless the Secretary finds, after notice and opportunity for a hearing on the record, that the plan does not comply with the requirements of this section.

(d) COORDINATION WITH JOB TRAINING PROGRAMS.—Each State is authorized and encouraged to include in its plan under this section provisions to improve the coordination of services provided under this chapter with the services provided under part H of title IV of the Job Training Partnership Act (as added by subtitle B of this title).

SEC. 524. LITERACY TRAINING.

Funds made available under this chapter may be used, in accordance with the provisions of an approved plan, to provide literacy training—

(1) to unemployed or underemployed individuals who need to learn or improve their basic skills in order to enhance their employability;

(2) to displaced workers in order to assist them to enter into adult basic education or to benefit from additional job training or retraining;

(3) to illiterate adults; and

(4) to illiterate, out-of-school youth who are not enrolled in other education programs.

SEC. 525. VOCATIONAL TRAINING SERVICES.

Funds made available under this chapter may be used, in accordance with the provisions of an approved plan, to provide vocational training—

(1) to workers who have been or who are about to be adversely affected by foreign competition, in order to assist such workers to obtain and retain employment and to upgrade their job skills;

(2) to unemployed or underemployed individuals in order to assist them to obtain and retain employment in new, expanding, or export-related industries or businesses;

(3) to current employees in existing industries and businesses in order to make such industries and businesses more competitive; and

(4) to individuals in order to assist their entry into, or advancement in, high technology occupations or to meet the technological demands of other industries or businesses.

SEC. 526. EDUCATION IN MATHEMATICS, SCIENCE, OR FOREIGN LANGUAGES.

Funds made available under this chapter may be used, in accordance with the provisions of an approved plan, to provide elementary or secondary level instruction in mathematics, science, or a foreign language through—

(1) programs that are designed to address needs for such instruction that are not being met by programs receiving assistance under the Education for Economic Security Act through such activities as (A) partnerships in education with business, industry, and labor; (B) interdisciplinary programs in such subject areas; and (C) advanced or supplementary instruction in such areas in after-school and summer programs;

(2) programs to enable students to begin preparation for advanced courses and careers in mathematics, science, engineering, and technology; and

(3) programs that develop the specific technological and foreign language skills required by local industries and businesses.

SEC. 527. ELIGIBLE SERVICE PROVIDERS.

A State educational agency may enter into an agreement with any one or more of the following for the provision of services under this chapter—

(1) local educational agencies;

(2) eligible recipients of funds under the Adult Education Act;

(3) eligible recipients of funds under the Carl D. Perkins Vocational Education Act;

(4) the State board; or

(5) other agencies or organizations (including community-based organizations) within the State providing educational and training services as described in this chapter.

SEC. 528. LIMITATION ON ADMINISTRATIVE COSTS.

Not more than 5 percent of the amount paid under this chapter to any State educational agency for any fiscal year may be used by such agency to cover the costs of administering the programs under this chapter.

CHAPTER 2—POSTSECONDARY EDUCATION PROGRAMS TO IMPROVE INSTRUCTION IN MATHEMATICS, SCIENCE, AND FOREIGN LANGUAGE

SEC. 531. PROGRAMS AUTHORIZED.

From the funds available to carry out this chapter, the Secretary shall make grants in accordance with the requirements of this chapter to institutions of higher education—

(1) to establish and operate a summer institute or workshop under section 534;

(2) to acquire special equipment or operate a workshop under section 535;

(3) to establish and operate educational partnership programs under section 536; or

(4) to perform a combination of the activities referred to in paragraphs (1), (2), and (3).

SEC. 532. SELECTION OF GRANT RECIPIENTS.

(a) COMPETITIVE SELECTION.—The Secretary shall award grants under this chapter competitively, on the basis of the quality of the proposal contained in the institution's application under section 533.

(b) LIMITATIONS ON AWARDS.—In making awards under subsection (a), the Secretary shall ensure that—

(1) one-half of the funds awarded will be used for activities under sections 534 and 536, and one-half for activities under section 535;

(2) there is an equitable geographic distribution of the funds awarded under this chapter; and

(3) the award to any institution or consortium of institutions is not less than $100,000 or more than $500,000 for any fiscal year.

SEC. 533. APPLICATIONS.

An institution of higher education or consortium of such institutions that desires to obtain a grant under this chapter shall submit an application to the Secretary that contains—

(1) a description of the activities that will be performed in accordance with section 534, 535, or 536 (or any combination thereof) with funds made available under this chapter;

(2) assurances that the institution will obtain from donors, or otherwise provide from non-Federal sources, not less than one-half of the costs of the programs conducted with funds made available under this chapter;

(3) a description of the resources available to meet the requirements of paragraph (2); and

(4) such other information and assurances as the Secretary may require by regulation.

SEC. 534. SUMMER INSTITUTES AND WORKSHOPS.

(a) USE OF FUNDS.—Funds made available by grant under this chapter may be used—

(1) for summer institutes that provide for intensive training in foreign languages and cultures critical to the national economy—

(A) for secondary and postsecondary school students;

(B) for language teachers and faculty to improve language proficiency and pedagogical techniques; and

(C) for American international business persons, on a cost reimbursement basis, to improve their effectiveness in doing business abroad;

(2) for intensive workshops for preservice and in-service math and science teachers and faculty to demonstrate the most recent developments in science, technology, and mathematics and their application to improve our economic development, particularly as related to businesses and industries engaged in substantial export or foreign trade activities; and

(3) for stipends for individuals described in subparagraph (A) and (B) of paragraph (1) while attending institutes conducted under such paragraph.

(b) STUDY ABROAD.—An institution of higher education using funds to provide the training described in subsection (a)(1) is authorized and encouraged to provide such training in a foreign country and to use the resources provided by such country to comply with the requirements of section 533(2).

(c) WORKSHOP PLANNING.—An institution of higher education using funds to provide the workshops described in subsection (a)(2) is authorized and encouraged to involve units of State and local government, labor, business, and industry in the planning for such workshops.

SEC. 535. ACQUISITION AND USE OF EQUIPMENT.

Funds made available by a grant under this subtitle may be used—

(1) for the purchase of laboratory and other special equipment suitable for use in providing undergraduate classroom instruction in mathematics or science, or both; and

(2) for workshops for secondary and vocational school teachers and postsecondary institution faculty on the use of such equipment.

SEC. 536. EDUCATIONAL PARTNERSHIP PROGRAMS.

(a) USE OF FUNDS.—Funds made available pursuant to this chapter may be used for costs associated with establishment and operation of educational partnerships between institutions of higher education and local educational agencies to provide advanced instruction to students in the areas of mathematics, science, and computer technology.

(b) SPECIFICALLY PERMITTED USES.—Permissible uses of funds under this section include—

(1) costs associated with entering into resource sharing with government, private business, industry, and institutions;

(2) stipends or salary supplements for university faculty and staff involved in the educational partnership program under this subtitle;

(3) development of curriculum that provides superior preparation in any one or more of the areas of mathematics, science, and technology;

(4) acquisition of textbooks, materials, and supplies to be utilized in instructional programs to be used under this subtitle; and

(5) additional transportation costs for students as a result of their participation in the educational partnership program under this subtitle.

(c) USE FOR GENERAL OVERHEAD PROHIBITED.—Funds made available pursuant to a grant under this section may not be used in connection with the general overhead costs of the applicant.

CHAPTER 3—EDUCATIONAL TELECOMMUNICATIONS

SEC. 541. NATIONAL EDUCATIONAL TELECOMMUNICATIONS DEMONSTRATION PROGRAM.

(a) PROGRAM AUTHORITY.—The Secretary of Education is hereby authorized to provide grant assistance to a non-profit State corporation to pay the Federal share of the costs of the design, development, and construction, including renovation, of a model, regional advanced educational telecommunications network and technology resource centers. Such centers shall enable private and public post-secondary educational institutions, elementary and secondary school systems, libraries, and other institutions in the region to share educational resources and improve and expand instruction in

mathematics, science, foreign languages, vocational education, continuing education, and basic and remedial educational skills.

(b) MATCHING REQUIREMENT.—Financial assistance made available under this section shall be matched by State funds and funds from other sources.

(c) SEPARATE AUTHORIZATION.—There are hereby authorized to be appropriated (in addition to sums authorized by section 511) such sums as may be necessary to carry out the provisions of this section. Funds appropriated pursuant to this section shall remain available until expended.

Subtitle B—Training for Industrial Competitiveness

SEC. 551. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subtitle $500,000,000 for fiscal year 1987 and such sums as may be necessary for each succeeding fiscal year.

(b) ALLOCATION OF APPROPRIATIONS.—From the funds appropriated pursuant to subsection (a)—

(1) 60 percent shall be available to carry out section 492 of the Job Training Partnership Act (as added by section 552 of this Act);

(2) 20 percent shall be available to carry out section 493 of such Act (as so added);

(3) 9 percent shall, subject to subsection (c), be available to carry out section 494 of such Act (as so added);

(4) 10 percent shall, subject to subsection (c), be available to carry out section 505 of such Act (as added by section 553 of this Act); and

(5) one percent shall be available to carry out section 554 of this Act.

(c) LIMITATIONS ON DURATION.—Notwithstanding subsection (b)—

(1) the allocation required by paragraph (3) of such subsection shall be required only for fiscal years 1987 and 1988; and

(2) the allocation required by paragraph (4) of such subsection shall be required only for fiscal years 1987 through 1990.

Funds which remain unallocated by reason of paragraphs (1) and (2) of this subsection shall be reallocated by apportioning such funds among paragraphs (1) and (2) of subsection (b) proportionately.

SEC. 552. TRAINING PROGRAMS UNDER THE JOB TRAINING PARTNERSHIP ACT.

(a) AMENDMENT.—Title IV of the Job Training Partnership Act is amended by adding at the end thereof the following new part:

"PART H—TRAINING FOR INDUSTRIAL COMPETITIVENESS

"USE OF FUNDS

"SEC. 491. From the funds available to carry out this part, the Secretary shall—

"(1) provide training and employment assistance to trade-impacted workers in accordance with section 492;

"(2) provide financial and technical assistance to labor-management committees in accordance with section 493; and

"(3) establish demonstration programs to improve worker adjustment to changing world markets in accordance with section 494.

"TRADE-IMPACTED WORKER ASSISTANCE

"SEC. 492. (a)(1) The Congress finds that—

"(A) the vast majority of trade-impacted workers are production employees of manufacturing industries and agriculture whose income losses and barriers to reemployment are generally higher than those for other dislocated workers;

"(B) programs of assistance for trade-impacted workers are most effective when delivered before or soon after the dislocations occur; and

"(C) because import and export competition tends to affect employment opportunities in entire industries and not merely in specific firms, and because the skills, work experience, and barriers to reemployment are similar for dislocated workers from a given industry, industry-wide programs of adjustment assistance are the most efficient way to aid trade-impacted workers.

"(2) It is the purpose of this section to assist individuals injured by import competition to adjust to new economic circumstances and to find stable productive employment.

"(b)(1) From the funds available to carry out this section, the Secretary shall, on a competitive basis, provide financial assistance to programs established under this section that provide training and employment assistance to workers in industries that are determined by the Secretary, in accordance with subsection (e), to have been adversely affected by international trade.

"(2) For purposes of applying for such financial assistance, eligible applicants shall be public or private nonprofit entities (including, but not limited to, administrative entities under section 103(b)(1)(B) of this Act, State and local government agencies, labor organizations, industry associations, joint labor-management committees, and community-based organizations) and consortia of any such entities.

"(c) An individual shall be eligible for services under this section if such individual—

"(1) is or was employed in such an industry; and

"(2) meets the criteria contained in section 302(a) of this Act.

"(d)(1) An eligible individual under subsection (c) may be provided with—

"(A) intensive job search assistance;

"(B) basic skills training and other educational assistance;

"(C) job training;

"(D) job development;

"(E) training in jobs skills for which demand exceeds supply;

"(F) supportive services, including commuting assistance and financial and personal counseling;

"(G) pre-layoff assistance; and

"(H) relocation assistance.

"(2) Such an individual may also receive a subsistence stipend during enrollment in a program described in paragraph (1) if that individual is unemployed and is not currently receiving unemployment compensation or trade readjustment allowances.

"(3) Services provided under this section shall be in addition to, and shall be coordinated with, services provided under title III of this Act and shall supplement and not supplant any other federally assisted training assistance or services.

"(e) The Secretary shall, by regulation, prescribe criteria for determining if an industry, including agriculture, has been adversely affected by international trade. Such criteria shall provide for the consideration of the extent to which—

"(1) significant numbers of employees, including farmers, have become, or are likely to become, unemployed or underemployed for significant periods of time;

"(2) imports of goods produced or manufactured by the industry have increased or exports of such goods have decreased;

"(3) the sales and production rates of the industry have substantially declined, either in absolute terms or in relation to the total sales and production of goods in the United States; and

"(4) the industry is recognized as needing protection under laws or practices designed to protect United States industries from unfair foreign competition.

"JOINT LABOR-MANAGEMENT TRAINING PROGRAMS

"SEC. 493. (a) From the funds available to carry out this section, the Secretary shall award, on a competitive basis, grants to labor-management committees to provide not more than one-half of the cost of establishing and operating programs of training, retraining, and education for eligible workers.

"(b)(1) To be eligible for a grant under this section, a labor-management committee shall demonstrate to the Secretary in its application that—

"(A)(i) the committee was established by a voluntary cooperative agreement, between the employer and the employees employed at or operating out of a single site, that complies with the requirements of subsection (d), and (ii) the employer has certified that it will comply with the terms of such agreement;

"(B) the committee does not have, as one of its purposes, the discouragement of the exercise of rights contained in section 7 of the National Labor Relations Act (29 U.S.C. 157) or the interference with collective bargaining in any plant or industry;

"(C) the employer is undertaking a modernization or other production adjustment program in order to remain or become competitive in international markets;

"(D) the employer has undertaken to provide or to secure from non-Federal sources the remaining one-half of the costs of programs under this section;

"(E) the programs to be provided will be in addition to training programs already provided or required to be provided;

"(F) an identification of (i) the persons or agencies from whom services will be obtained for employees under this section and (ii) the specific services that will be provided; and

"(G) a description of any arrangements that have been made with the administrative entity for a service delivery area in the vicinity for the purpose of—

"(i) obtaining information concerning (and improved access to) educational and training services available in the locality, such as institutional skill training, on-the-job training, training programs operated by employers or labor organizations, or on-site, industry-specific training supportive of industrial or economic development;

"(ii) providing, through the service delivery area, local providers of education and training with information concerning the needs of the committee for their services; and

"(iii) assessing such training and educational needs, providing information and recommendations regarding such needs to local educational and training service providers, and matching such training needs to the programs available.

"(2) For purpose of programs under this section, an eligible worker is a worker who is or may be at risk of losing employment because of skill obsolescence or because of a modernization or other production adjustment program which his or her employer is undertaking in order to remain or become competitive in international markets.

"(c) A labor-management committee may use funds under this section to provide to or obtain for eligible workers any one or more of the following services:

"(1) early warning adjustment services in the event of mass layoffs or plant closings including such services as personal and financial counseling, referral to community services, career counseling, job search assistance, job development, retraining, and relocation assistance;

"(2) aptitude testing and career counseling;

"(3) on-the-job training;

"(4) institutional training;

"(5) tuition assistance;

"(6) upgrading of skills; and

"(7) education, including basic skills and literacy training as well as more advanced education intended to increase the proficiency and adaptability of workers in a changing work environment.

"(d) The cooperative agreement providing for the establishment of a labor-management committee meets the requirements of this subsection if the agreement—

"(1) provides that there shall be at least as many representatives of employees on the committee as there are representatives of the employer;

"(2) provides that where eligible employees have designated one or more exclusive representatives under the National Labor Relations Act, each of those representatives shall serve on the committee as representatives of those employees;

"(3) provides that eligible employees who have not designated an exclusive representative under the National Labor Relations Act may be represented on the committee by such a representative or by one of such employees as chosen in a secret ballot election, except that the ratio of the number of employee representatives chosen pursuant to this paragraph to the number of representatives selected under paragraph (2) may not exceed the ratio of the number of employees who are not represented by an exclusive representative as provided under the National Labor Relations Act to the number of employees who are so represented;

"(4) provides that all decisions of the committee shall be by mutual agreement of a majority of the employer representatives and a majority of employee representatives on the committee; and

"(5) provides that (A) committees may designate, by mutual agreement of employer and employee representatives on the committee, one individual, not otherwise employed by or under contract to the employer, to act as chairperson of the committee, and (B) where such an individual is not so designated, the chairperson shall be designated by mutual agreement of the employer and employee representatives on the committee from among the employee representatives on the committee.

"(e) Upon approval of a grant request but prior to providing any funds, the Secretary shall require the committee and the employer to enter into a contract with the Secretary to perform the services for which the Secretary is providing funds under this section.

"(f) The Secretary shall not provide any additional financial assistance to any committee after receiving notice from the chairperson selected under subsection (d)(5) that the representatives of either the employer or the employees on the committee, or both, have expressed, in writing, an unwillingness to participate in the further activities of the committee. A chairperson shall so notify the Secretary within 10 days after receiving an expression of such unwillingness, unless it is earlier withdrawn.

"(g)(1) Nothing in this subsection shall be construed to affect the terms or conditions of any collective bargaining agreement, whether entered into before or after the date of entry into an agreement under subsection (d).

"(2) No money or other things of value provided by an employer to a committee pursuant to this section shall be held to be a violation of paragraph (1) or (2) of section 302(a) of the Labor Management Relations Act, 1947, or section 8(a)(2) of the National Labor Relations Act.

"DEMONSTRATION PROGRAMS

"SEC. 494. (a) From the funds available to carry out this section, the Secretary shall, within 6 months after the date of enactment of this section, establish programs to demonstrate the feasibility of providing worker retraining payments, not to exceed $4,000 each, to workers who—

"(1) are or were employed in an industry determined (under section 492) to have been adversely affected by international trade, and

"(2) meet the criteria contained in section 302(a) of this Act,

in order to permit such workers to purchase their own job search, education, training, and retraining services from providers who are certified for such purpose by a State job training coordinating council.

"(b) Programs established under subsection (a) shall be established in a manner which—

"(1) provides a suitable cross section of employees by income, education, job experience, and occupation;

"(2) assesses the relative cost and benefits of providing assistance through direct payments to participants as compared to providing assistance through delivery of services to participants; and

"(3) evaluate such programs in terms of the performance standards established by the Secretary pursuant to section 106(g) of this Act.

"(c) The Secretary shall submit a report evaluating the success of the demonstration programs established pursuant to this section to the Congress not later than 6 months after the conclusion of the study under this section.".

(b) CLERICAL AMENDMENT.—The table of contents of such Act is amended by inserting at the end of the matter relating to title IV of such Act the following:

"PART H—TRAINING FOR INDUSTRIAL COMPETITIVENESS

"Sec. 491. Use of funds.
"Sec. 492. Trade-impacted worker assistance.
"Sec. 493. Joint labor-management training programs.
"Sec. 494. Demonstration programs.".

SEC. 553. JOB BANKS.

(a) AMENDMENT.—Title V of the Job Training Partnership Act is amended by adding at the end thereof the following new section:

"STATE JOB BANK SYSTEMS

"SEC. 505. (a) The Secretary shall carry out this section with sums available pursuant to section 551 of the Education and Training for American Competitiveness Act.

"(b) The Secretary shall make such sums available through the United States Employment Service for the development and implementation of job bank systems in each State. Such systems shall be designed to use computerized electronic data processing and telecommunications systems for such purposes as—

"(1) identifying job openings and referring jobseekers to job openings, with continual updating of such information;

"(2) providing information on occupational supply and demand; and

"(3) utilization of such systems by career information delivery systems (including career counseling programs in schools).

"(c) Wherever possible, computerized data systems developed with assistance under this section shall be capable of utilizing software compatible with other systems (including management information systems and unemployment insurance and other income maintenance programs) used in the administration of employment and training programs. In developing such systems, special consideration shall be given to the advice and recommendations of the State occupational information coordinating committees (established under section 422(b) of the Carl D. Perkins Vocational Education Act), and other users of such systems for the various purposes described in subsection (b) of this section.".

(b) CLERICAL AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 504 the following:

"Sec. 505. State job bank systems.".

SEC. 554. STUDIES.

(a) BENEFIT PORTABILITY.—The Secretary of Labor shall, within 6 months after the date of enactment of this Act, commence a study of methods of implementing portability for pensions and health benefits for dislocated workers. Such study shall also evaluate the benefits of providing early retirement benefits without penalty for older dislocated workers. A report on the study conducted under this subsection shall be submitted to the Congress not later than 18 months after such date of enactment.

(b) DATA ON MASS LAYOFFS.—Section 462(e) of the Job Training Partnership Act is amended—

(1) by striking out "and" at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(5) the mass layoffs or closings that are caused by or substantially related to international trade.".

(c) DATA ON DISPLACED FARMERS AND RANCHERS.—Section 462 of such Act is further amended by adding at the end the following new subsection:

"(f)(1) The Secretary shall develop, in coordination with the Secretary of Agriculture, statistical data relating to permanent dislocation of farmers and ranchers due to farm and ranch failures. Among the data to be included are—

"(A) the number of such farm and ranch failures;

"(B) the number of farmers and ranchers displaced;

"(C) the location of the affected farms and ranches;

"(D) the types of farms and ranches involved; and

"(E) the farm and ranch failures that are caused by or substantially related to international trade.

"(2) The Secretary shall publish a report based upon such data as soon as practicable after the end of each calendar year. Such

report shall include a comparison of data contained therein with data currently used by the Bureau of Labor Statistics in determining the Nation's annual employment and unemployment rates and an analysis of whether farmers and ranchers are being adequately counted in such employment statistics.".

(d) FAILURE TO PROVIDE INTERNATIONALLY RECOGNIZED WORKER RIGHTS.—(1) The Secretary of Labor shall conduct a study to identify the countries that fail to recognize and enforce, and the producers that fail to comply with, internationally recognized worker rights. The Secretary shall consult with the Secretary of State in identifying the countries that fail to recognize and enforce and the producers that fail to comply with such rights.

(2) A report on the study conducted under this subsection shall be submitted to the Congress annually.

(3) As used in this Act, the term "internationally recognized worker rights" includes—

(A) the right of association;

(B) the right to organize and bargain collectively;

(C) the right to be free from the use of any form of forced or compulsory labor;

(D) a minimum age for the employment of children; and

(E) acceptable conditions of work with respect to minimum wages, maximum hours of work, and occupational safety and health.

TITLE VI—AGRICULTURAL TRADE

Subtitle A—Improvement of Agricultural Trade Policy and Market Development Activities

SEC. 601. PURPOSE OF SUBTITLE.

It is the purpose of this subtitle to increase the effectiveness of the Department of Agriculture in agricultural trade policy formulation and implementation and in assisting United States agricultural producers participate in international agricultural trade, by reorganizing and strengthening the operations of the Department of Agriculture in these areas.

SEC. 602. DESIGNATION OF THE DEPARTMENT OF AGRICULTURE AS LEAD AGENCY FOR AGRICULTURAL TRADE.

(a) IN GENERAL.—Subject to subtitle D of title I of this Act, and except as provided in subsection (b), the Department of Agriculture shall have primary responsibility within the executive branch of the Federal Government with respect to all matters concerning agricultural trade and agricultural trade policy.

(b) EXCEPTION.—The designation made in subsection (a) does not limit the exercise by the Department of Commerce and the International Trade Commission of the responsibilities and authority assigned them with respect to the regulation of United States agricultural imports.

SEC. 603. CONSULTATION BY THE SECRETARY OF AGRICULTURE.

The Secretary of Agriculture shall, through such mechanism as the President shall establish by executive order, consult with the appropriate officials of the other agencies of the Federal Government to coordinate actions and programs of such agencies affecting agricultural trade policy with the programs of the Department of Agriculture and with the agricultural trade policy of the United States.

SEC. 604. REORGANIZATION OF THE DEPARTMENT OF AGRICULTURE.

(a) UNDER SECRETARY FOR TRADE AND INTERNATIONAL AFFAIRS.—(1) The President, by and with the advice and consent of the Senate, shall appoint in the Department of Agriculture an Under Secretary of Agriculture for Trade and International Affairs (hereinafter in this title referred to as the "Under Secretary for Trade").

(2) The Under Secretary for Trade shall—

(A) assume the duties relating to international affairs of the Under Secretary of Agriculture for International Affairs and Commodity Programs;

(B) serve as a member of—

(i) the Board of Directors of the Commodity Credit Corporation;

(ii) the Trade Policy Review Group; and

(iii) the Subcommittee on Food Aid of the Development Coordination Committee;

(C) direct—

(i) all programs and duties performed by the Office of International Cooperation and Development;

(ii) all programs or duties performed by the International Transportation Service Branch of the Office of Transportation; and

(iii) such programs or duties currently assigned to the Forest Service, the Soil Conservation Service, the Food Safety and Inspection Service, the Federal Grain Inspection Service, the Animal and Plant Health Inspection Service, and other agencies within the Department of Agriculture as the Secretary of Agriculture finds to be directly related to agricultural export sales, market development, and relevant technical assistance; and

(D) perform such other functions and duties as may be required by law or prescribed by the Secretary of Agriculture.

(b) UNDER SECRETARY FOR COMMODITY PROGRAMS.—(1) The President, by and with the advice and consent of the Senate, shall appoint in the Department of Agriculture an Under Secretary of Agriculture for Commodity Programs.

(2) The Under Secretary of Agriculture for Commodity Programs shall—

(A) assume the duties relating to commodity programs of the Under Secretary of Agriculture for International Affairs and Commodity Programs;

(B) serve as a member of the Board of Directors of the Commodity Credit Corporation; and

(C) perform such other functions and duties as may be required by law or prescribed by the Secretary of Agriculture.

(c) CONFORMING REPEAL.—Section 501(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 2211a(a)) is repealed.

(d) ADDITIONAL ASSISTANT SECRETARIES OF AGRICULTURE.—The President, by and with the advice and consent of the Senate, may appoint in the Department of Agriculture up to two additional Assistant Secretaries of Agriculture to assist the Under Secretary for Trade.

SEC. 605. CONFORMING AMENDMENTS TO TITLE 5, UNITED STATES CODE.

Title 5, United States Code, is amended by—

(1) in section 5314, striking out

"Under Secretary of Agriculture for International Affairs and Commodity Programs." and inserting in lieu thereof the following:

"Under Secretary of Agriculture for Commodity Programs.

"Under Secretary of Agriculture for Trade and International Affairs."; and

(2) in section 5315, striking out "Assistant Secretaries of Agriculture (7)." and inserting in lieu thereof "Assistant Secretaries of Agriculture (9).".

SEC. 606. TRANSFER OF ENTITIES TO THE FOREIGN AGRICULTURAL SERVICE AND ESTABLISHMENT OF COMMODITY DIVISION.

(a) TRANSFER OF ENTITIES.—The International Economics Division of the Economic Research Service, and the World Agricultural Outlook Board, of the Department of Agriculture shall be entities within the Foreign Agricultural Service of the Department of Agriculture.

(b) ESTABLISHMENT OF COMMODITY DIVISION.—(1) The Secretary shall establish within the Foreign Agricultural Service a commodity division to promote value-added products not covered by cooperator agreements and to help to develop a cooperator organization to support the marketing role of the division.

(2) The work and activities of such division shall include market analysis for products described in paragraph (1), as well as market development.

(3) Any cooperator organization referred to in paragraph (1) shall be as broadly based as possible and shall include export trading companies and export management companies dealing in food products, as well as manufacturers and distributors of individual brands and product lines.

SEC. 607. ESTABLISHMENT OF THE GENERAL SALES MANAGER'S OFFICE.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish in the Department of Agriculture an office to be known as the "Office of the General Sales Manager" and appoint a General Sales Manager to head such office. The General Sales Manager shall be under the direction of the Under Secretary for Trade.

(b) DUTIES.—The General Sales Manager shall assume responsibility for all programs or duties performed by the Foreign Agricultural Service with respect to—

(1) export sales;

(2) market development;

(3) agricultural trade offices; and

(4) the requirements of titles I and III of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.).

SEC. 608. ESTABLISHMENT OF OFFICE TO MONITOR TRADE PRACTICES.

(a) ESTABLISHMENT WITHIN THE DEPARTMENT OF AGRICULTURE.—The Secretary of Agriculture shall establish an office within the Department of Agriculture to carry out the duties described in subsection (b) under the direction of the Under Secretary for Trade.

(b) DUTIES.—The office established under subsection (a) shall—

(1) continuously monitor and study trade practices carried out by other nations to promote the export of agricultural commodities and products; and

(2) submit quarterly reports of its findings to the Secretary of Agriculture.

(c) REPORTING BY THE SECRETARY.—(1) Within 15 days after receiving a report under subsection (b), the Secretary of Agriculture shall submit to the committees listed in paragraph (2) any report received under subsection (b)(2), together with the Secretary's findings and recommendations with respect to the level of subsidies provided by other nations and the United States to promote the export of agricultural commodities and products.

(2) Items described under paragraph (1) shall be reported to—

(A) the Committee on Agriculture, Nutrition, and Forestry, the Committee on Foreign Relations, and the Committee on Finance of the Senate; and

(B) the Committee on Agriculture, the Committee on Foreign Affairs, and the Committee on Ways and Means of the House of Representatives.

SEC. 609. ESTABLISHING AN OFFICE TO PROVIDE ASSISTANCE TO VICTIMS OF UNFAIR TRADE PRACTICES.

(a) ESTABLISHMENT WITHIN THE DEPARTMENT OF AGRICULTURE.—The Secretary of Agriculture shall establish an office within the Department of Agriculture to carry out the duties described in subsection (b) under the direction of the Under Secretary for Trade.

(b) DUTIES.—The office established under subsection (a) shall take the following actions with respect to United States citizens and organizations damaged by unfair agricultural trade practices and policies:

(1) The Office shall assist such persons in preparing cases before—

(A) the United States Trade Representative;

(B) the International Trade Commission;

(C) the United States Department of Commerce;

(D) the Court of International Trade; and

(E) any other similar agency.

(2) The Office shall provide and update information to such persons regarding the incidence and severity of such practices and policies.

(3) The Office shall inform such persons of any adverse effect on them caused by such practices and policies of which they are not aware.

(4)(A) The Office shall report information relating to such unfair trade practices and the effects of such practices to the appropriate Federal agency or agencies, together with a recommendation by the Secretary of Agriculture with regard to what actions should be initiated under the trade laws.

(B) Upon receipt of such information and recommendation, the appropriate Federal agency or agencies shall consult with the Secretary of Agriculture with regard to what actions, if any, will be initiated and the reasons therefor.

(c) REPORT.—The Secretary of Agriculture shall submit, with the information described in section 608(c), a report of the assistance provided under this section.

(d) COORDINATION.—The Office shall coordinate its activities with the Fair Trade Advocate established under title I of this Act.

SEC. 610. PROVISION OF TECHNICAL ASSISTANCE IN TRADE NEGOTIATIONS.

The Secretary of Agriculture shall provide technical services to the United States Trade Representative on matters pertaining to agricultural trade and with respect to international negotiations on issues related to agricultural trade.

SEC. 611. LONG TERM AGRICULTURAL TRADE STRATEGY REPORTS.

(a) PREPARATION; MATTERS TO BE INCLUDED.—(1) The Secretary of Agriculture shall prepare, and the President shall submit together with the budget for each fiscal year, a Long Term Agricultural Trade Strategy Report establishing recommended policy and spending goals for United States agricultural trade and exports for 1-year, 5-year, and 10-year periods, beginning on October 1 of the next fiscal year. Each such report shall include the following:

(A) Findings with respect to trends in the comparative position of the United States and other nations in the export of agricultural commodities and products, organized by major commodity group and including a comparative analysis of the cost of production of such commodities and products.

(B) Findings with respect to new developments in research conducted by other nations that may affect the competitiveness of United States agricultural commodities and products.

(C) Findings and recommendations with respect to the marketing in nonmarket economies of United States agricultural commodities and products.

(D) The agricultural trade goals for every agricultural commodity and value-added product produced in the United States for the period in question, expressed in both physical volume and monetary value.

(E) Recommended Federal policy and programs to achieve the agricultural trade goals.

(F) Recommended levels of Federal spending on international programs and activities of the Department of Agriculture to meet the agricultural trade goals.

(G) Recommended levels of Federal spending on programs and activities of agencies other than the Department of Agriculture to meet the agricultural trade goals.

(H) Recommended long-term strategies for growth in agricultural trade and exports—

(i) taking into account United States domestic competitiveness, trade negotiations, and international monetary and exchange rate policies; and

(ii) including specific recommendations with respect to export enhancement programs (including credit programs and export payment-in-kind programs), market development activities, and foreign agricultural and economic development assistance activities needed to implement such strategies.

(2) Provisions of each Long Term Agricultural Trade Strategy Report that relate to recommended levels of spending on international activities of the Department of Agriculture for the upcoming fiscal year shall be treated as the President's annual budget submission to Congress for such programs for such fiscal year, and shall be submitted in addition to the budget request for other programs of the Department of Agriculture for such fiscal year.

(3) The President shall include in each Long Term Agricultural Trade Strategy Report recommendations for such changes in legislation governing international programs of the Department of Agriculture as are required to meet the long term goals established in the Report.

(b) IDENTIFICATION OF CHANGES THAT MAY AFFECT PREVIOUS REPORTS.—The President, in each succeeding annual Long Term Agricultural Trade Strategy Report after the first such report, shall identify any such recommendations that might modify the long term policy contained in any previous such report.

(c) ESTABLISHMENT OF OFFICE.—The Secretary of Agriculture shall establish within the Department of Agriculture an Office of Agricultural Trade Policy Planning and Evaluation under the direction of the Under Secretary for Trade. Such office shall coordinate the preparation of the President's Long Term Agricultural Trade Strategy Report.

SEC. 612. DECLARATION OF POLICY RESPECTING FOOD AID AND MARKET DEVELOPMENT.

It is the policy of the United States to use food aid and agriculturally related foreign economic assistance programs more effectively to develop markets for United States agricultural commodities and products.

SEC. 613. REPORTING BY THE SECRETARY OF AGRICULTURE.

(a) REPORTING ON CERTAIN PROGRAMS.—The Secretary of Agriculture, after consultation with the Administrator of the United States Agency for International Development, shall report annually to Congress on the extent that food aid and agriculturally related foreign economic assistance programs of the previous year, other than direct feeding or emergency food aid, that are administered by Federal agencies or by nongovernmental entities serve direct market development objectives for United States agricultural commodities and products.

(b) SCOPE OF REPORTING REQUIREMENT.—The programs referred to in subsection (a) include—

(1) programs under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.);

(2) programs under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) and the Food for Progress Act of 1985 (7 U.S.C. 1736o); and

(3) technical and economic assistance programs carried out by United States Agency for International Development.

SEC. 614. ESTABLISHMENT OF OFFICE OF FOOD AID POLICY.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish in the Department of Agriculture the Office of Food Aid Policy (hereinafter in this section referred to as the "Office").

(b) DIRECTOR.—The Secretary of Agriculture shall appoint a director of the Office who shall—

(1) serve under the direction of the General Sales Manager;

(2) develop in cooperation with the director of the Office of Agricultural Trade Policy Planning and Evaluation a comprehensive strategy for coordinating agriculturally related foreign economic assistance, food aid, and market development objectives for United States agricultural commodities and products;

(3) monitor the compliance of programs and policies of Federal agencies and related entities with the market development objectives of the Department of Agriculture; and

(4) serve as the principal staff representative of the Secretary of Agriculture in deliberations of the staff working group of the Subcommittee on Food Aid of the Development Coordination Committee.

SEC. 615. COMMODITIES FOR COOPERATOR ORGANIZATIONS.

The Secretary of Agriculture is authorized to make available to cooperator organizations commodities owned by the Commodity Credit Corporation, which shall be used by such cooperators in projects designed to expand markets for United States agricultural commodities and products.

SEC. 616. DEPARTMENT OF AGRICULTURE CONTRACT AUTHORITY FOR INDIVIDUALS ABROAD.

The Secretary of Agriculture may contract with individuals outside the United States for personal services to be performed outside the United States. Such individuals shall not be regarded as employees of the United States Government under any law, including any law administered by the Office of Personnel Management.

SEC. 617. LIMITATION ON SPENDING AUTHORITY.

Any new spending authority created by the amendments made by section 605 shall be effective for any fiscal year only to the

extent provided for in advance in appropriation Acts.

SEC. 618. EXPORT ENHANCEMENT PROGRAM.

Section 1127(b) of the Food Security Act of 1985 (7 U.S.C. 1736v) is amended by—

(1) striking out paragraph (2) and inserting in lieu thereof the following:

"(2) shall, to the extent that agricultural commodities and products thereof are to be provided to foreign purchasers during any fiscal year, give priority to all interested foreign purchasers who—

"(A) have traditionally purchased United States agricultural commodities and the products thereof; and

"(B) continue or begin to purchase such commodities and the products thereof on an annual basis in quantities greater than the level of purchases in a previous representative period;";

(2) striking out "and" at the end of paragraph (4);

(3) striking out the period at the end of paragraph (5) and inserting "; and" in lieu thereof; and

(4) adding at the end the following:

"(6) shall report to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Forestry, and Nutrition of the Senate every 30 days a current list of countries provided agricultural commodities and products under this section and a justification for participation in this section.".

SEC. 619. IMPLEMENTATION OF SECTIONS OF 1129 AND 1167 OF THE FOOD SECURITY ACT.

It is the sense of Congress that the Department of Agriculture should expedite the implementation of sections 1129 and 1167 of the Food Security Act of 1985 (Public Law 99-198), relating to the barter of agricultural commodities. Congress recognizes the importance of barter programs in expanding agricultural trade, and emphasizes this importance to the Department.

Subtitle B—Domestic Markets for Agricultural Commodities and Products

SEC. 631. STUDY RELATING TO HONEY.

(a) STUDY.—The Secretary of Agriculture shall conduct a study to determine the effect of imported honey on United States honey producers, the availability of honey bee pollination within the United States, and whether imports of honey tend to interfere with or render ineffective the honey price support program of the Department of Agriculture.

(b) REPORT.—Not later than 60 days after the date of the enactment of this Act, the Secretary shall report the results of such study to the Committee on Agriculture and the Committee on Ways and Means of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance of the Senate.

SEC. 632. ROSE STUDY AND REPORT.

(a) STUDY.—The Secretary of Agriculture, in conjunction with the United States Trade Representative, not later than 120 days after the date of enactment of this Act, shall complete a study—

(1) to determine the effect of rose imports during the period beginning January 1, 1982, and ending with the most recent calendar quarter for which information is available, into the United States on the domestic rose growing industry; and

(2) to provide an economic analysis of factors of production and marketing of such imports.

(b) REPORT.—The Secretary shall report the results of the study conducted under subsection (a), as soon as the study is completed, to the Committee on Agriculture and the Committee on Ways and Means of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance of the Senate.

SEC. 633. DETERMINING MATERIAL INTERFERENCE CAUSED BY IMPORTED TOBACCO.

Section 22(a) of the Agricultural Adjustment Act (7 U.S.C. 624(a)) is amended by adding at the end thereof the following: "For purposes of any investigation conducted with respect to tobacco, or articles containing tobacco, imported into the United States, the Commission shall take into account contributions and assessments imposed under sections 106A and 106B of the Agricultural Act of 1949 (7 U.S.C. 1445-1, 1445-2) on tobacco producers in determining whether such imported tobacco or articles materially interfere with the tobacco price support program carried out by the Department of Agriculture.".

SEC. 634. IMPORT INVENTORY.

(a) COMPILATION AND REPORT ON IMPORTS.—The Secretary of Agriculture, in consultation with the Secretary of Commerce, the International Trade Commission, the United States Trade Representative, and any other Federal agency, shall compile and report to the public statistics on the total value and quantity of imported raw and processed agricultural products.

(b) COMPILATION AND REPORT ON CONSUMPTION.—The Secretary shall also compile data on the total amount of production and consumption of domestically produced raw and processed agricultural products.

(c) ISSUING OF DATA.—The data required from the Secretary under this section shall be compiled and issued in a format that correlates statistics for the quantity and value of imported agricultural products to the production and consumption of domestic agricultural products. The Secretary shall issue this report on a quarterly basis.

SEC. 635. SENSE OF CONGRESS—ACTION IN RESPONSE TO FOREIGN IMPORT RESTRICTIONS ON UNITED STATES CITRUS FRUITS AND BEEF PRODUCTS.

(a) FINDINGS.—The Congress finds that—

(1) trade partners of the United States are engaging in unreasonable, unjustifiable, and discriminatory acts, policies, and practices, including the use of import quotas, that tend effectively to prohibit or unreasonably burden United States exports of—

(A) oranges, grapefruit, and other citrus fruits; and

(B) fresh, chilled, and frozen beef and other beef products; and

(2) such acts, policies, and practices deny access to such markets for United States producers of such exports, reduce agricultural exports and farm income, and contribute to the United States trade deficit and the Federal budget deficit.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that if a country is found to engage, in violation of the General Agreement on Tariffs and Trade, in any such acts, policies, and practices against any such United States exports the President should take steps, including the imposition of import fees and duties, which will result in the exclusion of the importation of similar or other products from such country found to be in violation of the General Agreement on Tariffs and Trade into the United States until such acts, policies, and practices are eliminated.

Subtitle C—Miscellaneous

SEC. 651. CLASS I AND II MILK.

(a) IN GENERAL.—Notwithstanding any other provision of law, milk produced by dairies—

(1) owned or controlled by foreign persons or entities; and

(2) financed by or with the use of industrial revenue bonds;

shall not be classified as class I or class II milk for the purposes of the milk marketing program under provisions of the Agricultural Adjustment Act reenacted with amendments by Agricultural Marketing Agreement Act of 1937.

(b) REGULATIONS.—The Secretary of Agriculture shall prescribe regulations to carry out this section.

(c) LIMITATION.—This section shall not apply with respect to any dairy that has begun operation before May 6, 1986.

SEC. 652. PROTECTION OF QUALITY OF EXPORT GRAIN.

Section 6 of the United States Grain Standards Act (7 U.S.C. 78) is amended by adding at the end thereof the following:

"(c)(1) To protect the quality of grain exported from the United States, no dockage or foreign material (including dust or particles of whatever origin) once removed from grain shall be recombined with any grain when there is a possibility that the recombined product may be exported from the United States; and no dockage or foreign material of any origin may be added to any grain that may be exported when the result will be to reduce the grade or quality of the grain or to reduce its ability to resist spoilage.

"(2) Nothing in paragraph (1) shall be construed to prohibit—

"(A) the treatment of grain to suppress, destroy, or prevent insects and fungi injurious to stored grains;

"(B) the export of dockage or foreign material removed from grain when such dockage or foreign material is pelletized or a part of a processed ration for livestock, poultry, or fish and is exported separately and uncombined with any whole grain; and

"(C) the addition to grain of confetti, or any other material that serves the same purpose, in an amount necessary to facilitate identification of ownership or origin of a particular lot of grain.

"(3) Adjustment of the moisture content of grain that may be exported is permitted by the blending of such grain with a similar grain of different moisture content if the difference between the moisture contents of the grains being blended does not exceed 4 per centum, but the addition of water to grain that may be exported is prohibited except by aeration of such grain with natural air.".

SEC. 653. FINDINGS AND SENSE OF CONGRESS WITH RESPECT TO THE EUROPEAN COMMUNITY.

(a) FINDINGS.—Congress finds that—

(1) as part of the terms under which Spain and Portugal joined the European Community in January of this year, the European Community has imposed import quotas on oilseeds and oilseed products in Portugal, in violation of the General Agreement on Tariffs and Trade (hereinafter in this section referred to as "GATT");

(2) the European Community has imposed a quota requiring that Portugal purchase at least 15.5 percent of its grain from other European Community countries, in violation of the GATT;

(3) the European Community has replaced GATT-bound 20 percent tariffs on corn and grain sorghum imports entering Spain with the European Community's variable levy system, which is currently equivalent to a tariff of more than 100 percent, before negotiating compensation as agreed to previously and directed by international trade rules;

(4) the restrictions imposed by the European Community will impair access for as much as $1,000,000,000 worth of United States agricultural products to markets in Portugal and Spain, and adversely affect the economic livelihood of United States farmers and related industries;

(5) despite Cabinet-level approaches to the European Community in recent months, the European Community has been unwilling to rescind the illegal quotas or to compensate the United States for the damage caused by the higher tariffs;

(6) prior enlargements of the European Community in 1973 and 1981 have adversely affected United States agricultural exports to the Community;

(7) the President on March 31 announced his intention to use existing authority to respond to the restrictions of the European Community by imposing quotas and tariff increases or by withdrawing tariff bindings to produce equivalent restrictive effects or comparable loss of trade on European Community imports into the United States; and

(8) the President's proposed actions to defend legitimate United States trade interests are consistent with a free but fair trade policy.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the administration should continue to firmly oppose actions by the European Community to—

(A) impose quotas on oilseeds and oilseed products in Portugal;

(B) impose a grain purchase requirement quota on Portugal; and

(C) place variable levies on corn and grain sorghum entering Spain before negotiating compensation; and

(2) unless the European Community rescinds the trade-restrictive measures referred to in paragraph (1) or the United States receives prompt and complete compensation for any loss of trade resulting from the enlargement of the European Community, the administration should take actions, such as the President has announced, to impose trade restrictions on a sufficient value of exports of the European Community to the United States to reestablish the balance of concessions under the GATT and other international trade agreements.

TITLE VII—FOREIGN CORRUPT PRACTICES AND ADJUSTMENT PLAN REVIEW

SEC. 701. FOREIGN CORRUPT PRACTICES ACT AMENDMENTS.

(a) PROHIBITED TRADE PRACTICES BY ISSUERS.—Section 30A of the Securities Exchange Act of 1934 (15 U.S.C. 78dd-1) is amended to read as follows:

"PROHIBITED FOREIGN TRADE PRACTICES BY ISSUERS

"SEC. 30A. (a) It shall be unlawful for any issuer which has a class of securities registered pursuant to section 12 of this title or which is required to file reports under section 15(d) of this title, or for any officer, director, employee, or agent of such issuer or any stockholder thereof acting on behalf of such issuer, to make use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to—

"(1) any foreign official for purposes of—

"(A) influencing any act or decision of such foreign official in his official capacity, including a decision to fail to perform his official functions; or

"(B) inducing such foreign official to use his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist such issuer in obtaining or retaining business for or with, or directing business to, any person, including the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government;

"(2) any foreign political party or official thereof or any candidate for foreign political office for purposes of—

"(A) influencing any act or decision of such party, official, or candidate in its or his official capacity, including a decision to fail to perform his or its official functions; or

"(B) inducing such party, official, or candidate to use its or his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist such issuer in obtaining or retaining business for or with, or directing business to, any person, including the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government; or

"(3) any person, while knowing or recklessly disregarding that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official, to any foreign political party or official thereof, or to any candidate for foreign political office, for purposes of—

"(A) influencing any act or decision of such foreign official, political party, party official, or candidate in his or its official capacity, including a decision to fail to perform his or its official functions; or

"(B) inducing such foreign official, political party, party official, or candidate to use his or its influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist such issuer in obtaining or retaining business for or with, or directing business to, any person, including the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government.

"(b)(1) It shall be a defense to actions under subsection (a) that—

"(A) the payment was made for the purpose of expediting or securing the performance of a routine governmental action by a foreign official; or

"(B) the payment, gift, offer, or promise of anything of value that was made, was expressly permitted under a law or regulation of the government of the country involved.

"(2) For purposes of paragraph (1)(A), the term 'routine governmental action' means an action which is ordinarily and commonly performed by a foreign official and includes—

"(A) processing governmental papers, such as visas and work orders;

"(B) loading and unloading cargoes; and

"(C) scheduling inspections associated with contract performance,

and actions of a similar nature. 'Routine governmental action' does not include any decision by a foreign official on the question of whether, or on what terms, to award new business to or to continue business with a particular party, or the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government.

"(c) An issuer may not be held vicariously liable, either civilly or criminally, for a violation of subsection (a) by its employee or agent, who is not an officer or director, if—

"(1) such issuer has established procedures which can reasonably be expected to prevent and detect, insofar as practicable, any such violation by such employee or agent, and

"(2) the officer and employee of the issuer with supervisory responsibility for the conduct of the employee or agent used due diligence to prevent the commission of the offense by that employee or agent.

Such issuer shall have the burden of proving by a preponderance of the evidence that it meets the requirements set forth in paragraphs (1) and (2).

"(d) Not later than one year after the date of the enactment of the Export Enhancement Act of 1986, the Attorney General, after consultation with the Commission, the Secretary of Commerce, the United States Trade Representative, the Secretary of State, and the Secretary of the Treasury, and after obtaining the views of all interested persons through public notice and comment procedures, shall determine to what extent compliance with this section would be enhanced and the business community would be assisted by further clarification of the preceding provisions of this section and may, based on such determination and to the extent necessary and appropriate, issue—

"(1) guidelines describing specific types of conduct, associated with common types of export sales arrangements and business contracts, which for purposes of the Department's present enforcement policy, the Attorney General determines would be in conformance with the preceding provisions of this section; and

"(2) general precautionary procedures which issuers may use on a voluntary basis to conform their conduct to the Department's present enforcement policy regarding the preceding provisions of this section.

The Attorney General shall issue the guidelines and procedures referred to in the preceding sentence in accordance with the provisions of subchapter II of chapter 5 of title 5, United States Code, and those guidelines and procedures shall be subject to the provisions of chapter 7 of that title.

"(e)(1) The Attorney General, after consultation with appropriate departments and agencies of the United States and after obtaining the views of all interested persons through public notice and comment procedures, shall establish a procedure to provide responses to specific inquiries by issuers concerning conformance of their conduct with the Department's present enforcement policy regarding the preceding provisions of this section. The Attorney General shall, within 30 days after receiving such a request, made in accordance with that procedure, issue an opinion in response to that request. The opinion of the Attorney General shall state whether or not certain specified prospective conduct would, for purposes of the Department's present enforcement policy, violate the preceding provisions of

this section. Additional requests for opinions may be filed with the Attorney General regarding other specified prospective conduct that is beyond the scope of conduct specified in previous requests. In any action brought under the applicable provisions of this Act, there shall be a rebuttable presumption that conduct, which is specified in a request by an issuer and for which the Attorney General has issued an opinion that such conduct is in conformity with the Department's present enforcement policy, is in compliance with the preceding provisions of this section. Such a presumption of compliance may be rebutted by a preponderance of the evidence. In considering the presumption of compliance for purposes of this subparagraph, a court shall weigh all relevant factors, including but not limited to whether the information submitted to the Attorney General was accurate and complete and whether it was within the scope of the conduct specified in any request received by the Attorney General. The Attorney General shall establish the procedure required by this paragraph in accordance with the provisions of subchapter II of chapter 5 of title 5, United States Code, and that procedure shall be subject to the provisions of chapter 7 of that title.

"(2) Any document or other material which is provided to, received by, or prepared in the Department of Justice or any other department or agency of the United States in connection with a request by an issuer under the procedure established under paragraph (1), shall be exempt from disclosure under section 552 of title 5, United States Code, and shall not be made publicly available regardless of whether the Attorney General responds to such a request or the issuer withdraws such request before receiving a response.

"(3) Any issuer who has made a request to the Attorney General under paragraph (1) may withdraw such request prior to the time the Attorney General issues an opinion in response to such request. Any request so withdrawn shall have no force or effect.

"(4) The Attorney General shall, to the maximum extent practicable, provide timely guidance concerning the Department's present enforcement policy with respect to the preceding provisions of this section to potential exporters and small businesses that are unable to obtain specialized counsel on issues pertaining to such provisions. Such guidance shall be limited to responses to requests under paragraph (1) concerning conformity of specified prospective conduct with the Department's present enforcement policy regarding the preceding provisions of this section and general explanations of compliance responsibilities and of potential liabilities under the preceding provisions of this section.

"(f) For purposes of this section—

"(1) the term 'foreign official' means any officer or employee of a foreign government or any department, agency, or instrumentality thereof, and any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality;

"(2) a person meets the 'knowing' standard for purposes of subsection (a)(3) if—

"(A) that person is aware or substantially certain, or

"(B) that person is aware of a high probability, which he or she consciously disregards in order to avoid awareness or substantial certainty, and does not have an actual belief to the contrary,

that a third party will offer, pay, promise, or give anything of value to a foreign official, foreign political party or official thereof, or candidate for political office for purposes prohibited by subsection (a)(3);

"(3) a person meets the 'recklessly disregarding' standard of subsection (a)(3) if that person is aware of a substantial risk that a third party will offer, pay, promise, or give anything of value to a foreign official, foreign political party or official thereof, or candidate for political office for purposes prohibited by subsection (a)(3), but disregards that risk; and

"(4) the term 'substantial risk' means a risk that is of such a nature and degree that to disregard it constitutes a substantial deviation from the standard of care that a reasonable person would exercise in such a situation.".

(b) VIOLATIONS.—Section 32(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78ff) is amended to read as follows:

"(c)(1)(A) Any issuer that—

"(i) violates section 30A(a) (1) or (2); or

"(ii) violates section 30A(a)(3) and meets the 'knowing' standards of that section (as defined by section 30A(f)(2)),

shall be fined not more than $2,000,000.

"(B) Any issuer that violates section 30A(a) shall be subject to a civil penalty of not more than $10,000 imposed in an action brought by the Commission.

"(2)(A) Any officer or director of an issuer, or stockholder acting on behalf of such issuer, who—

"(i) willfully violates section 30A(a) (1) or (2); or

"(ii) willfully violates section 30A(a)(3) and meets the 'knowing' standard of that section,

shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

"(B) Any employee or agent of an issuer who is a United States citizen, national, or resident or is otherwise subject to the jurisdiction of the United States (other than an officer, director, or stockholder acting on behalf of such issuer), and who—

"(i) willfully violates section 30A(a) (1) or (2); or

"(ii) willfully violates section 30A(a)(3) and meets the 'knowing' standard of that section,

shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

"(C) Any officer, director, employee, or agent of an issuer, or stockholder acting on behalf of such issuer, who violates section 30A(a) shall be subject to a civil penalty of not more than $10,000 imposed in an action brought by the Commission.

"(3) Whenever a fine is imposed under paragraph (2) upon any officer, director, employee, agent, or stockholder of an issuer, such fine may not be paid, directly or indirectly, by such issuer.".

(c) PROHIBITED TRADE PRACTICES BY DOMESTIC CONCERNS.—Section 104 of the Foreign Corrupt Practices Act of 1977 (15 U.S.C. 78dd-2) is amended to read as follows:

"PROHIBITED FOREIGN TRADE PRACTICES BY DOMESTIC CONCERNS

"SEC. 104. (a) PROHIBITION.—It shall be unlawful for any domestic concern, other than an issuer which is subject to section 30A of the Securities Exchange Act of 1934, or for any officer, director, employee, or agent of such domestic concern or any stockholder thereof acting on behalf of such domestic concern, to make use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to—

"(1) any foreign official for purposes of—

"(A) influencing any act or decision of such foreign official in his official capacity, including a decision to fail to perform his official functions; or

"(B) inducing such foreign official to use his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist such domestic concern in obtaining or retaining business for or with, or directing business to, any person, including the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government;

"(2) any foreign political party or official thereof or any candidate for foreign political office for purposes of—

"(A) influencing any act or decision of such party, official, or candidate in its or his official capacity, including a decision to fail to perform his official functions; or

"(B) inducing such party, official, or candidate to use its or his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality,

in order to assist such domestic concern in obtaining or retaining business for or with, or directing business to, any person, including the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government; or

"(3) any person, while knowing or recklessly disregarding that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official, to any foreign political party or official thereof, or to any candidate for foreign political office, for purposes of—

"(A) influencing any act or decision of such foreign official, political party, party official, or candidate in his or its official capacity, including a decision to fail to perform his or its official functions; or

"(B) inducing such foreign official, political party, party official, or candidate to use his or its influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government instrumentality,

in order to assist such domestic concern in obtaining or retaining business for or with, or directing business to, any person, including the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government.

"(b) DEFENSES.—(1) It shall be a defense to actions under subsection (a) that—

"(A) the payment was made for the purpose of expediting or securing the performance of a routine governmental action by a foreign official; or

"(B) the payment, gift, offer, or promise of anything of value that was made was expressly permitted under any law or regulation of the government of the country involved.

"(2) For purposes of paragraph (1)(A), the term 'routine governmental action' means an action which is ordinarily and commonly performed by a foreign official and includes—

"(A) processing governmental papers, such as visas and work orders;

"(B) loading and unloading cargoes; and

"(C) scheduling inspections associated with contract performance,

and actions of a similar nature. 'Routine governmental action' does not include any decision by a foreign official on the question of whether, or on what terms, to award new business to or to continue business with a particular party, or the procurement of legislative, judicial, regulatory, or other action in seeking more favorable treatment by a foreign government.

"(c) DUE DILIGENCE.—A domestic concern which is not an individual may not be held vicariously liable, either civilly or criminally, for a violation of subsection (a) by its employee or agent, who is not an officer or director, if—

"(1) such domestic concern has established procedures which can reasonably be expected to prevent and detect, insofar as practicable, any such violation by such employee or agent, and

"(2) the officer and employee of the domestic concern with supervisory responsibility for the conduct of the employee or agent used due diligence to prevent the commission of the offense by that employee or agent.

Such domestic concern shall have the burden of proving by a preponderance of the evidence that it meets the requirements set forth in paragraphs (1) and (2). The first sentence of this subsection shall be considered an affirmative defense to actions under subsection (a).

"(d) GUIDELINES BY THE ATTORNEY GENERAL.—Not later than 6 months after the date of the enactment of the Export Enhancement Act of 1986, the Attorney General, after consultation with the Securities and Exchange Commission, the Secretary of Commerce, the United States Trade Representative, the Secretary of State, and the Secretary of the Treasury, and after obtaining the views of all interested persons through public notice and comment procedures, shall determine to what extent compliance with this section would be enhanced and the business community would be assisted by further clarification of the preceding provisions of this section and may, based on such determination and to the extent necessary and appropriate, issue—

"(1) guidelines describing specific types of conduct, associated with common types of export sales arrangements and business contracts, which for purposes of the Department's present enforcement policy, the Attorney General determines would be in conformance with the preceding provisions of this section; and

"(2) general precautionary procedures which domestic concerns may use on a voluntary basis to conform their conduct to the Department's present enforcement policy regarding the preceding provisions of this section.

The Attorney General shall issue the guidelines and procedures referred to in the preceding sentence in accordance with the provisions of subchapter II of chapter 5 of title 5, United States Code, and those guidelines and procedures shall be subject to the provisions of chapter 7 of that title.

"(e) OPINIONS OF THE ATTORNEY GENERAL.—(1) The Attorney General shall, within 30 days after receiving a request which relates to compliance with the preceding provisions of this section, review the proposed conduct and state the present enforcement intention of the Department of Justice. Such a statement shall be final and binding on the Department, subject to the discovery of new evidence with respect to the conduct.

"(2) Any document or other material which is provided to, received by, or prepared in the Department of Justice or any other department or agency of the United States in connection with a request by a domestic concern under the procedure established under paragraph (1), shall be exempt from disclosure under section 552 of title 5, United States Code, and shall not be made publicly available regardless of whether the Attorney General responds to such a request or the domestic concern withdraws such request before receiving a response.

"(3) Any domestic concern who has made a request to the Attorney General under paragraph (1) may withdraw such request prior to the time the Attorney General issues an opinion in response to such request. Any request so withdrawn shall have no force or effect.

"(4) The Attorney General shall, to the maximum extent practicable, provide timely guidance concerning the Department's present enforcement policy with respect to the preceding provisions of this section to potential exporters and small businesses that are unable to obtain specialized counsel on issues pertaining to such provisions. Such guidance shall be limited to responses to requests under paragraph (1) concerning conformity of specified prospective conduct with the Department's present enforcement policy regarding the preceding provisions of this section and general explanations of compliance responsibilities and of potential liabilities under the preceding provisions of this section.".

"(f) VIOLATIONS.—(1)(A) Any domestic concern that—

"(i) violates subsection (a)(1) or (2); or

"(ii) violates subsection (a)(3) and meets the 'knowing' standards of that subsection (as defined by subsection (h)(4)),

shall be fined not more than $2,000,000.

"(B) Any domestic concern that violates subsection (a) shall be subject to a civil penalty of not more than $10,000 imposed in an action brought by the Commission.

"(2)(A) Any officer or director of a domestic concern, or stockholder acting on behalf of such domestic concern, who—

"(i) willfully violates subsection (a)(1) or (2); or

"(ii) willfully violates subsection (a)(3) and meets the 'knowing' standard of that subsection,

shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

"(B) Any employee or agent of a domestic concern who is a United States citizen, national, or resident or is otherwise subject to the jurisdiction of the United States (other than an officer, director, or stockholder acting on behalf of such domestic concern), and who—

"(i) willfully violates subsection (a)(1) or (2); or

"(ii) willfully violates subsection (a)(3) and meets the 'knowing' standard of that section,

shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.

"(C) Any officer, director, employee, or agent of a domestic concern, or stockholder acting on behalf of such domestic concern, who violates subsection (a) shall be subject to a civil penalty of not more than $10,000 imposed in an action brought by the Commission.

"(3) Whenever a fine is imposed under paragraph (2) upon any officer, director, employee, agent, or stockholder of a domestic concern, such fine may not be paid, directly or indirectly, by such domestic concern.".

"(g) INJUNCTIONS.—Whenever it appears to the Attorney General that any domestic concern or officer, director, employee, agent, or stockholder thereof is engaged, or is about to engage, in any act or practice constituting a violation of subsection (a), the Attorney General may bring a civil action in an appropriate district court of the United States to enjoin such act or practice, and upon a proper showing a permanent or temporary injunction or a temporary restraining order shall be granted without bond.

"(h) DEFINITIONS.—As used in this section—

"(1) the term 'domestic concern' means—

"(A) any individual who is a citizen, national, or resident of the United States; and

"(B) any corporation, partnership, association, joint-stock company, business trust, unincorporated organization, or sole proprietorship which has its principal place of business in the United States, or which is organized under the laws of a State of the United States or a territory, possession, or commonwealth of the United States;

"(2) the term 'foreign official' means any officer or employee of a foreign government or any department, agency, or instrumentality thereof, and any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality;

"(3) the term 'interstate commerce' means trade, commerce, transportation, or communication among the several States, or between any foreign country and any State or between any State and any place or ship outside thereof, and such term includes the intrastate use of—

"(A) a telephone or other interstate means of communication, or

"(B) any other interstate instrumentality.

"(4) a person has 'knowledge' for purposes of subsection (a)(3) if—

"(A) that person is aware or substantially certain, or

"(B) that person is aware of a high probability, which he or she consciously disregards in order to avoid awareness or substantial certainty, and does not have an actual belief to the contrary,

that a third party will offer, pay, promise, or give any—

"(4) a person meets the 'knowing' standard for purposes of subsection (a)(3) if—

"(A) that person is aware or substantially certain, or

"(B) that person is aware of a high probability, which he or she consciously disregards in order to avoid awareness or substantial certainty, and does not have an actual belief to the contrary,

that a third party will offer, pay, promise, or give anything of value to a foreign official, foreign political party or official thereof, or candidate for political office for purposes prohibited by subsection (a)(3);

"(5) a person meets the 'recklessly disregarding' standard of subsection (a)(3) if that person is aware of a substantial risk that a third party will offer, pay, promise, or give anything of value to a foreign official, foreign political party or official thereof, or candidate for political office for purposes prohibited by subsection (a)(3), but disregards that risk; and

"(6) the term 'substantial risk' means a risk that is of such a nature and degree that

to disregard it constitutes a substantial deviation from the standard of care that a reasonable person would exercise in such a situation.".

(d) INTERNATIONAL AGREEMENT.—

(1) NEGOTIATIONS.—It is the sense of the Congress that the President should pursue the negotiation of an international agreement, among the largest possible number of countries, to govern persons from those countries concerning acts prohibited with respect to issuers and domestic concerns by the amendments made by this section. Such international agreement should include a process by which problems and conflicts associated with such acts could be resolved.

(2) REPORT TO CONGRESS.—(A) Within 1 year after the date of the enactment of this Act, the President, taking into consideration the report submitted under subsection (d), shall submit to the Congress a report on—

(i) the progress of the negotiations referred to in paragraph (1),

(ii) those steps which the executive branch and the Congress should consider taking in the event that these negotiations do not successfully eliminate the competitive disadvantage of United States businesses that results when persons from other countries commit the acts described in paragraph (1); and

(iii) possible actions that could be taken to promote cooperation by other countries in international efforts to prevent bribery of foreign officials, candidates, or parties in third countries.

(B) The President shall include in the report submitted under subparagraph (A)—

(i) any legislative recommendations necessary to give the President the authority to take appropriate action to carry out clauses (ii) and (iii) of subparagraph (A);

(ii) an analysis of the potential effect on the interests of the United States, including United States national security, when persons from other countries commit the acts described in paragraph (1); and

(iii) an assessment of the current and future role of private initiatives in curtailing such acts.

SEC. 702. ADJUSTMENT PLAN REVIEW.

(a) IN GENERAL.—If—

(1) an industry adjustment plan is prepared for a domestic industry under section 203 of the Trade Act of 1974 (hereinafter referred to as the "Act") incident to an investigation under section 204 of the Act; and

(2) import relief is provided to that industry under section 205 of the Act as a result of that investigation;

a review committee, consisting of the United States Trade Representative, the Secretary of Labor, the Secretary of the Treasury, and the Secretary of Commerce (who shall chair the committee) shall—

(A) monitor, on a continuing basis, actions taken by the workers and firms in the industry to improve the competitive position of the industry, including actions mentioned in information obtained under section 203(d) of the Act;

(B) make such recommendations for administrative action under existing statutory authority as may be necessary to achieve the objectives and steps that are specified in the plan; and

(C) after consultation with the industry adjustment advisory group that prepared the plan and with other appropriate industry advisory groups, submit to Congress such recommended legislation as the review committee considers necessary or appropriate for the purpose of achieving such objectives and steps.

(b) CONSULTATION AFTER REVIEW.—If the review committee determines under subsection (a) with respect to an industry adjustment plan that the firms or workers in the domestic industry are not implementing, or are implementing in an unsatisfactory manner, the objectives, steps, and actions specified in the plan (including actions mentioned in the information obtained under section 203(d) of the Act), the review committee shall consult with the firms and workers in the industry on an individual or joint basis, as appropriate.

(c) ACTION AFTER CONSULTATION.—

(1) If, after consultation under subsection (b) and after taking into account such other relevant information as may be available, the review committee determines that the failure to implement, or failure to implement satisfactorily, the objectives, steps, and actions referred to in subsection (b)—

(A) is not justified by changed circumstances; and

(B) has adversely affected overall implementation of the objectives and steps specified in the industry adjustment plan;

the Secretary of Commerce shall inform the United States Trade Representative of the determination and the United States Trade Representative shall then request the United States International Trade Commission to issue a report under section 207(b) of the Act within 60 days of the date of such request.

(2) After taking the report prepared by the Commission under paragraph (1) and the determination of the review committee into account, the United States Trade Representative shall—

(A) determine whether the import relief provided to the industry under section 205 of the Act should be terminated or modified; and

(B) may provide for the termination of the relief or for such modification of the relief as he considers necessary or appropriate.

TITLE VIII—TARIFF AND CUSTOMS PROVISIONS

SEC. 801. REFERENCE.

Whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a schedule, headnote, item, or other provision, the reference shall be considered to be made to a schedule, headnote, item, or other provision of the Tariff Schedules of the United States (19 U.S.C. 1202).

Subtitle A—Miscellaneous Tariff and Customs Provisions

CHAPTER 1—PERMANENT CHANGES IN TARIFF TREATMENT

SEC. 811. IMPORTATION OF FURSKINS.

Headnote 4 to subpart B of part 5 of schedule 1 is repealed.

SEC. 812. SALTED AND DRIED PLUMS.

Subpart B of part 9 of schedule 1 is amended—

(1) by amending the item description for item 149.26 to read as follows: "Dried, salted, or not salted but not otherwise further prepared"; and

(2) by striking out item 149.28 and inserting the following:

	"Otherwise prepared or preserved:		
149.30	Plums, soaked in brine and dried	2¢ per lb.	2¢ per lb.
149.31	Other	17.5% ad val.	35% ad val.".

SEC. 813. GRAPEFRUIT.

Subpart A of part 12 of schedule 1 is amended by—

(1) inserting after item 165.29 the following new items and the superior heading thereto, with the superior heading at the same indentation level as the superior heading "Orange" to items 165.27 and 165.29:

	"Grapefruit:		
165.31	Not concentrated and not made from a juice having a degree of concentration of 1.5 or more (as determined before correction to the nearest 0.5 degree).	20¢ per gal.	70¢ per gal.
165.34	Other	35¢ per gal.	70¢ per gal.";

and

(2) by redesignating items 165.32 and 165.36 as items 165.37 and 165.38, respectively.

SEC. 814. CARROTED FURSKINS.

Subpart D of part 15 of schedule 1 is amended—

(1) by amending item 186.20—

(A) by striking out "use, and carroted furskins" in the article description and inserting "use", and

(B) by striking out "15% ad val." in column 1 and inserting "Free"; and

(2) by inserting after item 186.20 the following new item:

"186.22	Carroted furskins	15% ad val.	35% ad val.".

SEC. 815. TARIFF TREATMENT OF CERTAIN TYPES OF PLYWOOD.

Headnote 1 of part 3 of schedule 2 is amended—

(1) in paragraph (b) by inserting immediately before the semicolon at the end thereof the following: "or any edge of which has been tongued, grooved, lapped, or otherwise worked";

(2) in paragraph (c) by inserting immediately before the semicolon at the end thereof the following: "or any edge of which has been tongued, grooved, lapped, or otherwise worked"; and

(3) in paragraph (e) by inserting before "chiefly" the following: "other than plywood, wood-veneer panels, or cellular panels,".

SEC. 816. BROADWOVEN FABRICS OF MAN-MADE FIBERS.

(a) AMENDMENT.—Subpart E of part 3 of schedule 3 is amended by striking out item 338.50 and inserting the following new items with the article description for item 338.60 at the same indentation level as the article description for item 338.40:

"338.60	Containing 85% or more by weight of continuous man-made fibers.	2¢ per lb. + 17.9% ad val.	81% ad val.
	Other:		
338.70	Weighing not more than 5 oz. per square yard	2¢ per lb. + 17.9% ad val.	81% ad val
338.80	Other	2¢ per lb. + 17.9% ad val.	81% ad val.".

(b) STAGING.—The rate of duty in column numbered 1 for each of items 338.60, 338.70, and 338.80 (as added by subsection (a)) shall be subject to all staged rate reductions for item 338.50 which were proclaimed by the President before the date on which the amendments made by subsection (a) take effect.

SEC. 817. URANIUM HEXAFLUORIDE (UF_6).

(a) AMENDMENT.—Subpart C of part 2 of schedule 4 is amended by redesignating item 422.52 as item 422.54, and by inserting after item 422.50 the following new items and the superior heading thereto, with the superior heading at the same indentation level as the article description for item 422.50:

	"Hexafluoride (UF_6):		
422.51	If imported for use in reactors in the United States and a product of a country that requires that uranium mined in that country be converted or upgraded into uranium hexafluoride (UF_6) before export.	$3 per lb	$3 per lb.
422.53	Other	Free	Free."

(b) TERMINATION.—Items 422.51 and 422.53 (as added by subsection (a)) shall cease to have force and effect, and the President shall by proclamation eliminate such items, and the superior heading thereto, when the President finds that no foreign country requires the conversion or upgrading of uranium mined in that country into uranium hexafluoride (UF_6) before export from that country.

SEC. 818. SILICONE RESINS AND MATERIALS.

(a) AMENDMENT.—Part 4 of schedule 4 is amended—

(1) by amending subpart A—

(A) by striking out "provided for in part 1C" in headnote 1 and inserting ", other than silicones, provided for in part 1", and

(B) by amending headnote 2 to read as follows:

"2. (a) The term 'synthetic plastics materials' in this subpart—

"(i) embraces products formed by the condensation, polymerization, or copolymerization of organic chemicals and to which an antioxidant, color, dispersing agent, emulsifier, extender, filler, pesticide, plasticizer, or stabilizer may have been added; and

"(ii) includes silicones (including fluids, resins, elastomers, and copolymers) whether or not such materials are solid in the finished articles.

"(b) The products referred to in (a) contain as an essential ingredient an organic substance of high molecular weight; and, except as provided in (a)(ii) of this headnote, are capable, at some stage during processing into finished articles, of being molded or shaped by flow and are solid in the finished article. The term includes, but is not limited to, such products derived from esters of acrylic or methacrylic acid; vinyl acetate, vinyl chloride resins, polyvinyl alcohol, acetals, butyral, formal resins, polyvinyl ether and ester resins, and polyvinylidene chloride resins; urea and amino resins; polyethylene, polypropylene, and other polyalkene resins; siloxanes, silicones, and other organo-silicon resins; alkyd, acrylonitrile, allyl, and formaldehyde resins, and cellulosic plastics materials. These synthetic plastics materials may be in solid, semi-solid, or liquid condition such as flakes, powders, pellets, granules, solutions, emulsions, and other basic crude forms not further processed.",

(C) by inserting after item 445.54 the following new item with the article description at the same indentation level as the article description for item 445.54:

"445.55	Silicone resins and materials.	3.9% ad val.	3.7% ad val.	25% ad val.".

and

(D) by redesignating item 445.56 as item 445.60; and

(2) by amending headnote 2 to subpart B by adding at the end thereof the following:

"(c) For the purpose of the tariff schedules, the term 'rubber' does not include silicones.".

(b) STAGING.—Effective with respect to articles entered, or withdrawn from warehouse for consumption, after December 31, 1986, item 445.55 is amended—

(1) by striking out "3.9% ad val." in column 1 and inserting "3.7% ad val."; and

(2) by striking out "3.7% ad val." in the "Special" column.

(c) CONSEQUENTIAL AMENDMENT.—(c) Whenever the rate of duty specified in column 1 for item 445.55 is reduced to the same level as the corresponding rate of duty specified in the column entitled "Special" for such item, or to a lower level, the rate of duty in such "Special" column shall be deleted.

SEC. 819. CLASSIFICATION OF NAPHTHA AND MOTOR FUEL BLENDING STOCKS.

Part 10 of schedule 4 is amended—

(1) by amending headnote 1 by inserting "motor fuel blending stocks," immediately after "except";

(2) by amending headnote 2—

(A) by striking out "and" at the end of subdivision (a);

(B) by striking out the period at the end of subdivision (b) and inserting "; and"; and

(C) by adding at the end thereof the following:

"(c) 'Motor fuel blending stock' (item 475.27) means any product (except naphthas provided for in item 475.35) derived primarily from petroleum, shale oil, or natural gas, whether or not containing additives, to be used for direct blending in the manufacture of motor fuel.";

(3) by inserting in numerical sequence the following new item:

"475.27	Motor fuel blending stocks	1.25¢ per gal	2.5¢ per gal.".	

and

(4) by amending 475.30 by striking out "fuel)" and inserting "fuel or motor fuel blending stocks)".

SEC. 820. TELEVISION APPARATUS AND PARTS.

(a) PERMANENT TREATMENT.—The headnotes to part 5 of schedule 6 are amended—

(1) by amending headnote 3 by striking out "assembled," in subparagraph (a) and inserting "assembled in its cabinet,";

(2) by redesignating headnotes 4, 5, and 6 as headnotes 5, 6, and 7, respectively; and

(3) by inserting after headnote 3 the following new headnote:

"4. Picture tubes imported in combination with, or incorporated into, other articles are to be classified in items 687.35 through 687.44, inclusive, unless they are—

"(i) incorporated into complete television receivers, as defined in headnote 3;

"(ii) incorporated into fully assembled units such as word processors, ADP terminals, or similar articles;

"(iii) put up in kits containing all the parts necessary for assembly into complete television receivers, as defined in headnote 3; or

"(iv) put up in kits containing all the parts necessary for assembly into fully assembled units such as word processors, ADP terminals, or similar articles.".

(b) TEMPORARY TREATMENT.—Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new items:

"912.14	Television picture tubes which would be included in assemblies provided for in item 684.96 but for headnote 4 to part 5, and not provided in item 912.16.	11% ad val.	No change	On or before 10/31/87"; and
"912.16	Television picture tubes, color, having a video display diagonal of less than 12 inches and under (provided for in item 687.35, part 5, schedule 6).	Free	No change	On or before 12/31/90".

SEC. 821. BICYCLE-TYPE AND EXERCISER-TYPE SPEEDOMETERS.

(a) AMENDMENT.—Subpart D of part 2 of schedule 7 is amended by striking out item 711.93 and inserting the following new item with the article description at the same indentation level as the article description for item 711.90:

"711.92	Bicycle-type and exerciser-type speedometers and parts thereof.	18.3% ad val.	17% ad val.	110% ad val.".

(b) STAGING.—

(1) the rate of duty in column numbered 1 for item 711.92 (as added by subsection (a)) shall be subject to all staged rate reductions for item 711.93 that were proclaimed by the President before the 15th day after the date of the enactment of this Act.

(2) whenever the rate of duty specified in column numbered 1 for such item 711.92 is reduced to the same level as the corresponding LDDC rate of duty specified in the column entitled "Special" for such item, or to a lower level, the LDDC rate of duty in such "Special" column shall be deleted.

SEC. 822. MARKING OF WATCHES AND WATCH COMPONENTS.

Headnote 4 to subpart E of part 2 of schedule 7 is amended to read as follows:

"4. Special Marking Requirements: Any movement or case provided for in this subpart, whether imported separately or attached to any article provided for in this subpart, shall not be permitted to be entered unless legibly and indelibly marked by cutting, die-sinking, engraving, stamping, or mold-marking (either indented or raised), as specified below:

"(a) Watch movements shall be marked on one or more of the bridges or top plates to show—

"(i) the name of the country of manufacture;

"(ii) the name of the manufacturer or purchaser; and

"(iii) in words, the number of jewels, if any, serving a mechanical purpose as frictional bearings.

"(b) Clock movements shall be marked on the most visible part of the front or back plate to show—

"(i) the name of the country of manufacture;

"(ii) the name of the manufacturer or purchaser; and

"(iii) the number of jewels, if any.

"(c) Watch cases shall be marked on the inside or outside of the back case, or, at the option of the manufacturer, bezels shall be marked, to show—

"(i) the name of the country of manufacture; and

"(ii) the name of the manufacturer or purchaser.

If the manufacturer chooses to mark the bezels, it shall be entitled to use an alphanumeric code to designate the name of the country of manufacture and the name of the manufacturer or purchaser, so long as each such code and its referent are not duplicative of any other code and referent and are subject to inspection by the public.

"(d) Clock cases provided for in this subpart shall be marked on the most visible part of the outside of the back to show the name of the country of manufacture.".

SEC. 823. CASEIN.

(a) HUMAN FOOD AND ANIMAL FEED USE.—Subpart D of part 4 of schedule 1 is amended by striking out item 118.45 and inserting the following:

	"Casein, caseinates, and milk protein concentrate for human food and animal feed use:			

118.46	Dried milk (described in items 115.45, 115.50, 115.55, and 118.05) which contains not over 5.5 percent by weight of butterfat and which is mixed with other ingredients, including but not limited to sugar, if such mixtures contain over 16 percent milk solids by weight, are capable of being further processed or mixed with similar or other ingredients and are not prepared for marketing to the retail consumers in the identical form and package in which imported..	1.3¢ per lb.....	5.5¢ per lb.
118.48	Other.....	0.2¢ per lb.....	5.5¢ per lb".

(b) INDUSTRIAL USE.—Subpart B of part 13 of schedule 4 is amended—

(1) by amending the superior heading to items 493.12, 493.14, and 493.17 to read as follows: "Casein and mixtures in chief value of casein (other than a product described in 118.45) for use other than in human food or animal feed:";

(2) by striking out the superior heading to items 493.14 and 493.17;

(3) by striking out item 493.14; and

(4) by aligning item 493.17 at the same indentation level as the article description for item 493.12.

CHAPTER 2—TEMPORARY CHANGES IN TARIFF TREATMENT

SEC. 831. COLOR COUPLERS AND COUPLER INTERMEDIATES.

Subpart B of part 1 of the Appendix is amended—

(1) by inserting ", but excluding 6,7-dihydroxy-2- naphthalene sulfonic acid sodium salt provided for in item 403.57," after "schedule 4" and before the paren in item 907.10; and

(2) by striking out "9/30/85" in each of items 907.10 and 907.12 and inserting in lieu thereof "12/31/90".

SEC. 832. POTASSIUM 4-SULFOBENZOATE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.26	P-sulfobenzoic acid, potassium salt (provided for in item 404.28, part 1B, schedule 4).	Free.....	No change...	On or before 12/31/90".

SEC. 833. 2,2'-OXAMIDO BIS-[ETHYL 3-(3,5-DI-TERT-BUTYL-4-HYDROXYPHENYL)PROPIONATE].

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following item:

"907.09	2,2'-Oxamido bis-[ethyl 3-(3,5-di-tert- butyl-4- hydroxy-phenyl) propionate] (provided for in item 405.34, part 1B, schedule 4).	Free.....	No change...	On or before 12/31/90".

SEC. 834. DICYCLOHEXYLBENZOTHIAZYLSULFENAMIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.45	Dicyclohexylbenzothiazylsulfen- amide (provided for in item 406.39, part 1B, schedule 4).	Free.....	No change...	On or before 12/31/90".

SEC. 835. 2,4 DICHLORO-5-SULFAMOYL BENZOIC ACID.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.48	2,4 Dichloro-5-sulfamoyl benzoic acid (provided for in item 406.56, part 1B, schedule 4).	Free.....	No change...	On or before 12/31/90".

SEC. 836. DERIVATIVES OF N-[4-(2-HYDROXY -3-PHENOXYPROPOXY)PHENYL]ACETAMIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.11	Mixtures containing derivatives of N-[4-(2-hydroxy-3-phenoxypropoxy)phenyl] acetamide (provided for in item 407.16, part 1B, schedule 4).	Free.....	No change...	On or before 12/31/90".

SEC. 837. 1,2-DIMETHYL-3,5-DIPHENYL-1-H-PYRAZOLIUM METHYL SULFATE (DIFENZOQUAT METHYL SULFATE).

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.24	1,2-Dimethyl-3,5-diphenyl-1-h-pyrazolium methyl sulfate (difenzoquat methyl sulfate) (provided for in item 408.19, part 1C, schedule 4).	Free.....	No change...	On or before 12/31/90".

SEC. 838. DICOFOL.

Item 907.15 of the Appendix is amended to read as follows:

"907.15	1,1-Bis(4-chlorophenyl)-2,2,2, trichloroethanol (Dicofol) (provided for in item 408.28, part 1C, schedule 4).	Free.....	No change...	On or before 12/31/90".

SEC. 839. CERTAIN KNITWEAR FABRICATED IN GUAM.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"905.45	Sweaters that— (i) do not contain foreign materials in excess of the percentage of total value limitation contained in general headnote 3(a), and. (ii) are assembled in Guam, exclusively by United States citizens, nationals, or resident aliens, by joining together (by completely sewing, looping, linking, or other means of attaching) at least 5 otherwise completed major knit-to-shape component parts of foreign origin,. if entered before the aggregate quantity of sweaters described in (i) and (ii) that is entered during any 12-month period after October 31, 1985 exceeds the duty-free quantity for that period. The duty-free quantity—. (I) for the 12-month period ending October 31, 1986 is 161,600 dozen; and. (II) for any 12-month period thereafter is an amount equal to 101 percent of the duty-free quantity for the preceding 12-month period..	Free.....		Before 11/1/92".

SEC. 840. 3,7-BIS(DIMETHYLAMINO)-PHENAZATHIONIUM CHLORIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.43	3,7-Bis(dimethylamino)-phenazathionium chloride (methylene blue) (provided for in item 409.74, part 1C, schedule 4).	Free.....	No change...	On or before 12/31/90".

SEC. 841. 3,5-DINITRO-O-TOLUAMIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"906.42	3,5-Dinitro-o-toluamide (provided for in item 411.93, part 1C, schedule 4).	Free.....	No change...	On or before 12/31/90".

SEC. 842. SECONDARY BUTYL CHLORIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.55	Secondary butyl chloride (provided for in item 429.47, part 2D, schedule 4).	Free.....	No change...	On or before 12/31/90".

SEC. 843. CERTAIN NONBENZENOID VINYL ACETATE-VINYL CHLORIDE-ETHYLENE TERPOLYMERS.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following item:

"907.83	Nonbenzenoid vinyl acetate-vinyl chloride-ethylene terpolymer, containing by weight less than 50 percent derivates of vinyl acetate (provided for in item 445.48, part 4A, schedule 4).	Free.....	No change...	On or before 12/31/90".

SEC. 844. TUNGSTEN ORE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"910.95	Tungsten ore (provided for in item 601.54, part 1, schedule 6).	Free.....	No change...	On or before 12/31/90".

SEC. 845. CERTAIN STUFFED TOY FIGURES.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"912.32	Stuffed toy figures of animate objects (except dolls) not having a spring mechanism and not exceeding 25 inches in either length, width, or height (provided for in item 737.30, Part 5E, Schedule 7).	Free.....	No change...	On or before 12/31/90".

SEC. 846. CERTAIN PLASTIC SHEETING.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"915.10	Transparent plastic sheeting containing 30% or more of lead, by weight (provided for in item 774.55, part 12B, schedule 7).	Free.....	No change...	On or after 12/31/90".

SEC. 847. DUTY FREE ENTRY OF PERSONAL EFFECTS AND EQUIPMENT OF PARTICIPANTS AND OFFICIALS INVOLVED IN THE 10TH PAN AMERICAN GAMES.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"915.20	Personal effects of aliens who are participants in or officials of the Tenth Pan American Games, or who are accredited members of delegations thereto, or who are members of the immediate families of any of the foregoing, persons, or who are their servants; equipment for use in connection with such games; and other related articles as prescribed in regulations issued by the Secretary of the Treasury.	Free	Free	On or before 9/30/87".

SEC. 848. DOLL WIG YARNS.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"905.30	Grouped filaments and yarns, not textured, in continuous form, colored, of nylon or modacrylic, whether or not curled, of not less than 20 denier per filament, to be used in the manufacture of wigs for dolls (provided for in item 309.32 and 309.33, part 1E, schedule 3, or item 389.62, part 7B, schedule 3).	Free	No change	On or before 12/31/90".

SEC. 849. CARDING AND SPINNING MACHINES.

(a) IN GENERAL.—Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"912.03	Carding and spinning machines specially designed for wool, other than machines specially designed for the manufacture of combed wool (worsted) yarns (provided for in item 670.04, part 4E, schedule 6).	Free	No change	On or before 12/31/90".

(b) PARTS.—The headnote to Subpart E of part 4 of schedule 6 is amended by striking out "item 912.04" each place it appears and insert in lieu thereof "item 912.03 or 912.04".

SEC. 850. CERTAIN BICYCLE PARTS.

(a) IN GENERAL.—

(1) GENERATOR LIGHTING SETS.—Item 912.05 of the Appendix is amended by striking out "6/30/86" and inserting in lieu thereof "12/31/90".

(2) BICYCLE CHAINS.—Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"912.06	Bicycle chains (provided for in items 652.13 and 652.15, part 3F, schedule 6).	Free	No change	On or before 12/31/90".

(3) OTHER BICYCLE PARTS.—Item 912.10 of the Appendix is amended—

(A) by striking out "multiple free wheel sprockets" and inserting in lieu thereof "free wheel sprockets";

(B) by inserting "front and rear derailleurs, shift levers, cables and casings for derailleurs" immediately after "drum brakes";

(C) by inserting "and" after "frame lugs,";

(D) by striking out ", and parts of bicycles consisting of sets of steel tubing cut to exact length and each set having the number of tubes needed for the assembly (with other parts) into the frame and fork of one bicycle"; and

(E) by striking out "6/30/86" and inserting in lieu thereof "12/31/90".

(b) EXCEPTION TO CUSTOMS EXEMPTION APPLICABLE TO FOREIGN TRADE ZONES.—Section 3(b) of the Act of June 18, 1934 (commonly known as the Foreign Trade Zones Act, 19 U.S.C. 81c(b)), is amended by striking out "June 30, 1986" and inserting in lieu thereof "December 31, 1990".

SEC. 851. 1-(3-SULFOPROPYL) PYRIDINIUM HYDROXIDE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following item:

"906.46	1-(3-Sulfopropyl) pyridinium hydroxide (provided for in item 406.42, part 1B, schedule 4).	Free	No change	On or before 12/31/90".

SEC. 852. d-6-METHOXY-α-METHYL-2-NAPHTHALENEACETIC ACID AND ITS SODIUM SALT.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.39	d-6-Methoxy-α-methyl-2-naphthaleneacetic acid and its sodium salt (provided for in item 412.22, part 1C, schedule 4).	Free	No change	On or before 12/31/90".

SEC. 853. CERTAIN PESTICIDES.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new items:

"907.26	Dinocap (provided for in item 408.16, part 1C, schedule 4).	Free	No change	On or before 12/31/90
907.27	Mixtures of 1,1-bis(4-chlorophenyl)-2,2,2-trichloroethanol (dicofol) and application adjuvants (provided for in item 408.36, part 1C, schedule 4).	Free	No change	On or before 12/31/90
907.28	Mixtures of Mancozeb and dinocap (provided for in item 408.38, part 1C, schedule 4).	Free	No change	On or before 12/31/90
907.29	Dinocap (provided for in item 408.38, part 1C, schedule 4).	Free	No change	On or before 12/31/90".

SEC. 854. CHOLESTYRAMINE RESIN USP.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.30	Cross-linked polyvinylbenzyltrimethyl-ammonium chloride (cholestyramine resin USP) (provided for in item 412.70, part 1C, schedule 4).	Free	No change	On or before 12/31/90".

SEC. 855. 3-AMINO-3-METHYL-1-BUTYNE.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.53	3-amino-3-methyl-1-butyne (provided for in item 425.52, part 2D, schedule 4).	Free	No change	On or before 12/31/90".

SEC. 856. MANEB, ZINEB, MANCOZEB, AND METIRAM.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"907.60	Maneb, zineb, mancozeb and metiram (provided for in item 432.15, part 2E, schedule 4).	Free	No change	On or before 12/31/90".

SEC. 857. NICOTINE RESINS.

Item 907.63 is amended—

(1) by amending the article description to read as follows: "Nicotine resin complex put up in measured doses in chewing gum form (provided for in item 438.02, part 3B, schedule 4)"; and

(2) by striking out "12/31/87" and inserting "12/31/90".

SEC. 858. HOSIERY KNITTING NEEDLES.

Subpart B of part 1 of the Appendix is amended by inserting in numerical sequence the following new item:

"912.12	Hosiery knitting needles (provided for in item 670.62, part 4E, schedule 6).	Free	No change	On or before 12/31/90".

SEC. 859. EXTENSION OF CERTAIN EXISTING SUSPENSIONS.

Each of the following items is amended by striking out the date in the effective date column and inserting "12/31/90":

(1) Item 903.60 (relating to mixtures of mashed or macerated hot red peppers and salt).

(2) Item 903.65 (relating to cantaloupes).

(3) Items 905.10 and 905.11 (relating to certain wools).

(4) Items 906.10 and 906.12 (relating to needlecraft display models).

(5) Item 907.01 (relating to triphenyl phosphate).

(6) Item 907.17 (relating to sulfapyridine).

(7) Item 911.25 (relating to synthetic rutile).

(8) Item 911.95 (relating to certain clock radios).

(9) Item 912.07 (relating to machines designed for heat-set, stretch texturing of continuous man-made fibers).

(10) Item 912.08 (relating to hosiery knitting machines).

(11) Item 912.09 (relating to double-headed latch needles).

(12) Items 912.30, 912.34, and 912.36 (relating to stuffed dolls, certain toy figures, and skins thereof).

(13) Item 912.45 (relating to umbrella frames).

(14) Items 903.70 and 903.80 (relating to crude feathers and down).

CHAPTER 3—OTHER CUSTOMS AND EFFECTIVE DATE PROVISIONS

SEC. 861. GSP TREATMENT OF WATCHES.

Section 503(c)(1)(B) of the Trade Act of 1974 (19 U.S.C. 2463(c)(1)(B)) is amended to read as follows:

"(B) watches, except those watches the United States Trade Representative specifically determines, after public notice and comment, will not cause material injury to watch manufacturing and assembly operations in the United States or the United States insular possessions,".

SEC. 862. MARKING OF CONTAINERS OF IMPORTED MUSHROOMS.

Imported preserved mushrooms shall not be considered to be in compliance with section 304 of the Tariff Act of 1930 (19 U.S.C. 1304) or any other law relating to the marking of imported articles unless the containers thereof indicate in English the country in which the mushrooms were grown.

SEC. 863. CUSTOMS SERVICES AT PONTIAC/OAKLAND, MICHIGAN, AIRPORT.

Section 236 of the Trade and Tariff Act of 1984 (19 U.S.C. 58b) is amended—

(1) by striking out "and" at the end of subsection (a)(1);

(2) by redesignating paragraph (2) of subsection (a) as paragraph (3); and

(3) by inserting after paragraph (1) of subsection (a) the following new paragraph:

"(2) the airport located at Pontiac/Oakland, Michigan, and"; and

(4) by striking out "20" in subsection (c).

SEC. 864. ETHYL ALCOHOL AND MIXTURES THEREOF FOR FUEL USE.

(a) IN GENERAL.—During the effective period of item 901.50 of the Tariff Schedules of the United States (19 U.S.C. 1202; hereinafter referred to in this section as the "Schedules"), and except as provided in subsection (b), no ethyl alcohol or a mixture thereof may be considered—

(1) for purposes of general headnote 3(a) of such Schedules, to be—

(A) the growth or product of an insular possession of the United States,

(B) manufactured or produced in an insular possession from materials which are growth, product, or manufacture of any such possession, or

(C) otherwise eligible for exemption from duty under such headnote as the growth or product of an insular possession; or

(2) for purposes of section 213 of the Caribbean Basin Economic Recovery Act, to be—

(A) an article that is wholly the growth, product, or manufacture of a beneficiary country,

(B) a new or different article of commerce which has been grown, produced, or manufactured in a beneficiary country,

(C) a material produced in a beneficiary country, or

(D) otherwise eligible for duty-free treatment under such Act as the growth, product, or manufacture of a beneficiary country;

unless the ethyl alcohol or mixture thereof is an indigenous product of that insular possession or beneficiary country.

(b) EXCEPTION.—

(1) Subject to the limitation in paragraph (2), subsection (a) shall not apply to ethyl alcohol that is—

(A) imported into the United States during calendar years 1987 and 1988; and

(B) produced in an azeotropic distillation facility located in an insular possession of the United States or a beneficiary country, if that facility was established before, and in operation on, January 1, 1986.

(2) The exception provided under paragraph (1) shall cease to apply during each of calendar years 1987 and 1988 to ethyl alcohol produced in a facility described in paragraph (1)(B) after 20,000,000 gallons of ethyl alcohol produced in that facility are entered into the United States during that year.

(c) DEFINITIONS.—For purposes of this section:

(1) The term "ethyl alcohol or a mixture thereof" means ethyl alcohol or any mixture thereof described in item 901.50 of the Appendix to the Schedules.

(2) Ethyl alcohol or a mixture thereof may be treated as being an indigenous product of an insular possession or beneficiary country only if the ethyl alcohol or a mixture thereof—

(A) has been both dehydrated and produced by a process of full-scale fermentation within that insular possession or beneficiary country; or

(B) has been dehydrated within that insular possession or beneficiary country from hydrous ethyl alcohol that includes hydrous ethyl alcohol which is wholly the product or manufacture of any insular possession or beneficiary country and which has a value not less than—

(i) 30 percent of the value of the ethyl alcohol or mixture, if entered during calendar year 1987 (except that this clause shall not apply to any ethyl alcohol or mixture which has been dehydrated in the United States Virgin Islands by a facility with respect to which (I) the owner has entered into a binding contract for the engineering and design of full-scale fermentation capacity, and (II) authorization for operation of a full-scale fermentation facility has been granted by the Island authorities before May 1, 1986),

(ii) 60 percent of the value of the ethyl alcohol or mixture, if entered during calendar year 1988, and

(iii) 75 percent of the value of the ethyl alcohol or mixture, if entered after December 31, 1988.

(d) AMENDMENT TO APPENDIX TO SCHEDULES.—The item designation for item 901.50 of the Appendix to the Schedules is amended to read as follows: "Ethyl alcohol (provided for in item 427.88, part 2D, schedule 4) or any mixture containing such ethyl alcohol (provided for in part 1, 2 or 10, schedule 4) if such ethyl alcohol or mixture is to be used as fuel or in producing a mixture of gasoline and alcohol, a mixture of a special fuel and alcohol, or any other mixture to be used as fuel (including motor fuel provided for in item 475.25), or is suitable for any such uses.".

(e) CONFORMING AMENDMENTS.—

(1) General headnote 3(a)(i) of the Schedules is amended by inserting "and except as provided in section 864 of the Trade and International Economic Policy Reform Act of 1986," after "part 7 of schedule 7,".

(2) Section 213(a)(1) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(a)(1)) is amended by inserting "and subject to section 864 of the Trade and International Economic Policy Reform Act of 1986," after "Unless otherwise excluded from eligibility by this title,".

(3) The headnotes to subpart A of part 1 of the Appendix to the Schedules are amended by adding at the end thereof the following:

"2. For purposes of item 901.50, the phrase 'is suitable for any such uses' does not include ethyl alcohol (provided for in item 427.88, part 2D, schedule 4) that is certified by the importer of record to the satisfaction of the Commissioner of Customs ('Commissioner') to be ethyl alcohol or a mixture containing such ethyl alcohol imported for uses other than fuel use or in producing such fuel related mixtures. If the importer of record certifies nonfuel use for purposes of establishing actual use or suitability under item 901.50, the Commissioner shall not liquidate the entry of ethyl alcohol until he is satisfied that the ethyl alcohol has in fact not been used for fuel use or use in producing such fuel related mixtures. If he is not satisfied within a reasonable period of time not less than 18 months of the date of entry, then the duties provided for in item 901.50 shall be payable retroactive to the date of entry. Such duties shall also become payable, retroactive to the date of entry, immediately upon the diversion to fuel use of any ethyl alcohol or ethyl alcohol mixture certified upon entry as having been imported for nonfuel use.".

SEC. 865. CUSTOMS BOND CANCELLATION STANDARDS.

Section 623(c) of the Tariff Act of 1930 (19 U.S.C. 1623(c)) is amended by adding at the end thereof the following new sentence: "In order to assure uniform, reasonable, and equitable decisions, the Secretary of the Treasury shall publish guidelines establishing standards for setting the terms and conditions for cancellation of bonds or charges thereunder.".

SEC. 866. RELIEF OF THE W.M. KECK OBSERVATORY PROJECT, MAUNA KEA, HAWAII.

The Secretary of the Treasury is authorized and directed to admit free of duty the following articles for the use of the California Association for Research in Astronomy in the construction of the optical telescope for the W.M. Keck Observatory Project, Mauna Kea, Hawaii:

(1) The telescope structure.

(2) The observatory domes, produced by Brittain Steel, Ltd., of Vancouver, British Columbia, Canada.

(3) The primary mirror blanks, produced by the Schott Glassworks, Frankfurt, Federal Republic of Germany.

If the liquidation of the entry of any such article has become final, the entry shall be reliquidated and the appropriate refund of duty made.

SEC. 867. RELIEF OF RUKERT MARINE CORPORATION OF BALTIMORE, MARYLAND.

(a) RELIQUIDATION AND REFUND.—Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law, the entries listed in subsection (b) shall be reliquidated without liability of the importer of record for antidumping duties; and if any such duty has been paid, either through liquidation or compromise under section 617 of the Tariff Act of 1930 (19 U.S.C. 1617), refund thereof shall be made.

(b) ENTRIES.—The entries referred to in subsection (a) are as follows:

Entry Number	Date of Entry
144549	March 26, 1976
150297	April 27, 1976
152729	May 11, 1976
156068	May 26, 1976
161653	June 23, 1976
168759	July 30, 1976
173393	August 25, 1976
175173	September 3, 1976
178811	September 23, 1976
108842	November 18, 1976
113000	December 9, 1976
115229	December 21, 1976
120070	January 17, 1977
120908	January 20, 1977
121403	January 24, 1977
130005	March 10, 1977.

SEC. 868. RELIEF OF MINEMET, INC., NEW YORK.

Notwithstanding any provision of the Tariff Act of 1930 or any other provision of the law to the contrary, the Secretary of the Treasury shall reliquidate, as free of duty under item 911.12 of the Appendix to the Tariff Schedules of the United States, as in effect at the time of entry, the entries numbered 00329493 (dated March 16, 1979), 00329494 (dated March 13, 1979), 00329495 (dated March 28, 1979), and 00330003 (dated March 21, 1979), made at New York, New York, and covering tubular tin products, if a

certificate of actual use (remelt certificate) for the articles covered by the four entries is submitted to the United States Customs Service at the port of entry within 120 days from the date of enactment of this Act.

SEC. 869. EFFECTIVE DATES.

(a) IN GENERAL.—(1) Except as provided in paragraphs (2), through (6) and in subsection (b), the amendments made by subtitles B and C and sections 861 and 862 shall apply with respect to articles entered on or after the 15th day after the date of the enactment of this Act.

(2) Section 822 applies to articles entered on or after the 30th day after the date of the enactment of this Act.

(3) Section 839 applies to articles entered after October 31, 1985.

(4) Section 850 applies to articles entered after June 30, 1986.

(5) The amendment made by paragraphs (8) and (13) of section 859 and by section 864 applies to articles entered after December 31, 1986.

(6) The amendment made by sections 857(2) and 859(14) applies to articles entered after December 31, 1987.

(7) Section 863 takes effect January 1, 1987.

(b) RETROACTIVE APPLICATION.—(1) Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon proper request filed with the customs officer concerned on or before the 90th day after the date of the enactment of this Act the entry of any article described in paragraph (2) shall be treated as provided in such paragraph.

(2)(A) In the case of the application of any amendment made by sections 814, 831, 838, 847, 857, and by paragraphs (1) through (7) and (9) through (12) of section 859 to any entry—

(i) which was made after the applicable date and before the 15th day after the date of the enactment of this Act; and

(ii) with respect to which there would have been no duty if the amendment made by such section applied to such entry;

such entry shall be liquidated or reliquidated as though such entry had been made on the 15th day after the date of the enactment of this Act.

(B) For purposes of subparagraph (A), the term "applicable date" means—

(i) in the case of section 857, November 14, 1984;

(ii) in the case of section 859(2), May 15, 1985;

(iii) in the case of section 859 (1), (3), (4),and (11), June 30, 1985;

(iv) in the case of sections 831, 838, and 859 (5) and (10), September 30, 1985;

(v) in the case of sections 814 and 859 (6), (9), and (12), December 31, 1985;

(vi) in the case of section 847, May 31, 1986; and

(vii) in the case of section 850, June 20, 1986.

(c) DEFINITIONS.—For purposes of this section—

(1) The term "entered" means entered, or withdrawn from warehouse for consumption, in the customs territory of the United States.

(2) The term "entry" includes any withdrawal from warehouse.

Subtitle B—Implementation of Nairobi Protocol

CHAPTER 1—SHORT TITLE, PURPOSE, REFERENCE, AND EFFECTIVE DATE

SEC. 871. SHORT TITLE.

This subtitle may be cited as the "Educational, Scientific, and Cultural Materials Importation Act of 1986".

SEC. 872. PURPOSE.

The purpose of this subtitle is—

(1) to provide for the implementation by the United States of the Protocol (S. Treaty Doc. 97-2, 9; hereinafter referred to in this Act as the "Nairobi Protocol") to the Agreement on the Importation of Educational, Scientific, and Cultural Materials (17 UST (pt. 2) 1835; commonly known as the "Florence Agreement");

(2) to clarify or modify the duty-free treatment accorded under the Educational, Scientific, and Cultural Materials Importation Act of 1982 (Public Law 97-446, 96 Stat. 2346-2349; hereinafter referred to in this title as the "1982 Act"), the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-65, 80 Stat. 897 et seq.), and Public Law 89-634 (80 Stat. 879); and

(3) to continue the safeguard provisions concerning certain imported articles provided for in the 1982 Act.

SEC. 873. REFERENCE.

Whenever an amendment or repeal in this subtitle is expressed in terms of an amendment to, or repeal of, an item, headnote, or other provision, the reference shall be considered to be made to an item, headnote, or other provision of the Tariff Schedules of the United States (19 U.S.C. 1202; hereinafter in this subtitle referred to as the "TSUS").

SEC. 874. EFFECTIVE DATE.

This subtitle takes effect on, and the amendments to the TSUS made by it apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the latest of—

(1) the 15th day after the date of the enactment of this Act; or

(2) the 15th day after the deposit of the United States ratification of the Nairobi Protocol.

SEC. 875. RETROACTIVE APPLICATION.

Notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, upon proper request filed with the customs officer concerned on or before the 90th day after the effective date of this subtitle, in the application of the relevant provisions of this subtitle to the entry of any article—

(1) which was made on or after August 12, 1985, and before the effective date of this subtitle; and

(2) with respect to which there would have been no duty if the relevant provisions of this subtitle applied to such entry;

such entry shall be liquidated or reliquidated as though such entry had been made on or after the effective date of this subtitle.

CHAPTER 2—AMENDMENTS TO IMPLEMENT THE NAIROBI PROTOCOL

SEC. 881. REPEAL OF 1982 ACT.

The 1982 Act is repealed.

SEC. 882. TREATMENT OF PRINTED MATTER AND CERTAIN OTHER ARTICLES.

(a) Items 270.45 and 270.50 are redesignated as 270.46 and 270.48, respectively.

(b) Part 5 of schedule 2 is amended as follows:

(1) The following new item is inserted in numerical sequence:

"270.90	Catalogs of films, recordings, or other visual and auditory material of an educational, scientific, or cultural character.	Free	Free".

(2) Items 273.45 through 273.55 and the superior heading thereto are stricken and the following new item is inserted in lieu thereof:

"273.52	Architectural, engineering, industrial, or commercial drawings and plans, whether originals or reproductions.	Free	Free".

(3)(A) The superior heading to items 274.50 through 274.70, inclusive, is amended by inserting "(including developed photographic film; photographic slides; transparencies; holograms for laser projection; and microfilm, microfiches and similar articles except those provided for in item 737.52)" after "Photographs".

(B) The following new items are inserted in numerical sequence under the superior heading "Printed not over 20 years at time of importation:", and before and at the same hierarchical level as "Lithographs on paper:":

"274.55	Loose illustrations, reproduction proofs or reproduction films used for the production of books.	Free	Free
274.56	Articles provided for in items 270.05, 270.10, 270.25, 270.55, 270.63, 270.70, and 273.60 in the form of microfilm, microfiches, and similar film media.	Free	Free".

(C) Item 735.20 is stricken out and the following new items and superior heading thereto are inserted in lieu thereof:

	"Puzzles; game, sport, gymnastic, athletic, or playground equipment; all the foregoing, and parts thereof, not specially provided for:		
735.21	Crossword puzzle books, whether or not in the form of microfilm, microfiches, or similar film media.	Free	Free
735.24	Other	5.52% ad val.	40% ad val.".

(D) Item 737.52 is amended by inserting "(whether or not in the form of microfilm, microfiches, or similar film media)" after "Toy books".

(E) Item 830.00 is amended by inserting "; official government publications in the form of microfilm, microfiches, or similar film media" at the end of the article description thereof.

(F) Item 840.00 is amended by inserting ", whether or not in the form of microfilm, microfiches, or similar film media" after "documents".

SEC. 883. VISUAL AND AUDITORY MATERIAL.

(a) Headnote 1 of part 7 of schedule 8 is amended to read as follows:

"1. (a) No article shall be exempted from duty under item 870.30 unless either:

"(i) a Federal agency or agencies designated by the President determines that such article is visual or auditory material of an educational, scientific, or cultural character within the meaning of the Agreement for Facilitating the International Circulation of Visual and Auditory Materials of an Educational, Scientific, or Cultural Character (17 UST (pt. 2) 1578; Beirut Agreement), or

"(ii) such article—

"(A) is imported by, or certified by the importer to be for the use of, any public or private institution or association approved as educational, scientific, or cultural by a Federal agency or agencies designated by the

President for the purpose of duty-free admission pursuant to the Nairobi Protocol to the Florence Agreement, and

"(B) is certified by the importer to be visual or auditory material of an educational, scientific, or cultural character or to have been produced by the United Nations or any of its specialized agencies.

For purposes of subparagraph (i), whenever the President determines that there is or may be profitmaking exhibition or use of articles described in item 870.30 which interferes significantly (or threatens to interfere significantly) with domestic production of similar articles, he may prescribe regulations imposing restrictions on the entry under that item of such foreign articles to insure that they will be exhibited or used only for nonprofitmaking purposes.

"(b) For purposes of items 870.32 through 870.35, inclusive, no article shall be exempted from duty unless it meets the criteria set forth in subparagraphs (a)(ii) (A) and (B) of this headnote.".

(b) Item 870.30 is amended by inserting "(except toy models)", and by striking out "headnote 1" and inserting in lieu thereof "headnote 1(a)" after "models".

(c) The following new items and superior heading are inserted in numerical sequence in part 7 of schedule 8:

	"Articles determined to be visual or auditory materials in accordance with headnote 1 of this part:		
870.32	Holograms for laser projection; microfilm, microfiches, and similar articles.	Free	Free
870.33	Motion-picture films in any form on which pictures, or sound and pictures, have been recorded, whether or not developed.	Free	Free
870.34	Sound recordings, combination sound and visual recordings, and magnetic recordings; video discs, video tapes, and similar articles.	Free	Free
870.35	Patterns and wall charts; globes; mock-ups or visualizations of abstract concepts such as molecular structures or mathematical formulae; materials for programmed instruction; and kits containing printed materials and audio materials and visual materials or any combination of two or more of the foregoing.	Free	Free".

SEC. 884. TOOLS FOR SCIENTIFIC INSTRUMENTS OR APPARATUS.

Part 4 of schedule 8 is amended by adding in numerical sequence the following new item:

"851.67	Tools specially designed to be used for the maintenance, checking, gauging or repair of scientific instruments or apparatus admitted under item 851.60.	Free	Free".

SEC. 885. ARTICLES FOR THE BLIND AND FOR OTHER HANDICAPPED PERSONS.

(a) Items 825.00, 826.10, and 826.20 are repealed.

(b) Part 7 of schedule 8 is amended—

(1) by adding the following new headnote after headnote 2:

"3. For the purposes of items 870.65, 870.66, and 870.67—

"(a) The term 'blind or other physically or mentally handicapped persons' includes any person suffering from a permanent or chronic physical or mental impairment which substantially limits one or more major life activities, such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.

"(b) These items do not cover—

"(i) articles for acute or transient disability;

"(ii) spectacles, dentures, and cosmetic articles for individuals not substantially disabled;

"(iii) therapeutic and diagnostic articles; or

"(iv) medicine or drugs."; and

(2) by inserting, in numerical sequence, the following new items:

	"Articles specially designed or adapted for the use or benefit of the blind or other physically or mentally handicapped persons:. Articles for the blind:		
870.65	Books, music, and pamphlets, in raised print, used exclusively by or for them.	Free	Free
870.66	Braille tablets, cubarithms, and special apparatus, machines, presses, and types for their use or benefit exclusively.	Free	Free
870.67	Other	Free	Free".

CHAPTER 3—AUTHORITY TO MODIFY CERTAIN DUTY-FREE TREATMENT ACCORDED UNDER THIS SUBTITLE

SEC. 891. AUTHORITY TO LIMIT CERTAIN DUTY-FREE TREATMENT.

(a) AUTHORITY TO LIMIT.—

(1) The President may proclaim changes in the TSUS to narrow the scope of, place conditions upon, or otherwise eliminate the duty-free treatment accorded under sections 884 and 885 with respect to any type of article the duty-free treatment of which has significant adverse impact on a domestic industry (or portion thereof) manufacturing or producing a like or directly competitive article, and provided the effect of such change is not inconsistent with the provisions of the relevant annexes of the Florence Agreement or the Nairobi Protocol.

(2) If the President proclaims changes to the TSUS under paragraph (1), the rate of duty thereafter applicable to any article which is—

(A) affected by such action, and

(B) imported from any source,

shall be the rate determined and proclaimed by the President as the rate which would then be applicable to such article from such source if this title had not been enacted.

(b) RESTORATION OF TREATMENT.—If the President determines that any duty-free treatment which is no longer in effect because of action taken under subsection (a) could be restored, in whole or in part, without a resumption of significant adverse impact on a domestic industry or portion thereof, the President may proclaim changes to the TSUS to resume such duty-free treatment.

(c) OPPORTUNITY TO PRESENT VIEWS.—Before taking an action under subsection (a) or (b), the President shall afford an opportunity for interested Government agencies and private persons to present their views concerning the proposed action.

(d) CONTINUATION OF PROCEEDINGS UNDER 1982 ACT.—Any action in effect or any proceeding in progress under section 166 of the 1982 Act on the day that Act is repealed shall be considered as an action or proceeding, and shall be continued or resumed, under this section.

SEC. 892. AUTHORITY TO EXPAND CERTAIN DUTY-FREE TREATMENT ACCORDED UNDER SECTION 312.

(a) EXPANSION OF DUTY-FREE TREATMENT.—If the President determines such action to be in the interest of the United States, he may proclaim changes to the TSUS in order to remove or modify any condition or restriction imposed under headnote 1 of part 7 of schedule 8 (as amended by section 313 of this Act), on the importation of articles provided for in items 870.30 through 870.35, inclusive (except as to articles entered under the terms of headnote 1(a)(i) of part 7 of schedule 8), in order to implement the provisions of annex C-1 of the Nairobi Protocol.

(b) EFFECTIVE DATE OF CHANGES.—Any change to the TSUS proclaimed under subsection (a) shall be effective with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date on which the President proclaims such change.

SEC. 893. CHANGES TO TSUS TO IMPLEMENT FLORENCE AGREEMENT PROVISION.

(a) AMENDMENT OF ITEM 851.60.—Item 851.60 is amended by striking out "Instruments" and inserting in lieu thereof "Scientific instruments".

(b) HEADNOTE CHANGE.—Headnote 6 of part 4 of schedule 8 is amended—

(1) by amending subdivisions (a) and (b) to read as follows:

"6. (a) For purposes of item 851.60—

"(i) the term 'scientific instruments and apparatus' means scientific instruments and apparatus for deriving information from, or generating data necessary to, scientific experimentation by means of sensing, analyzing, measuring, classifying, recording, or similar operations; and

"(ii) the term 'scientific' means pertaining to the physical or life sciences and, under certain circumstances, to applied sciences. Such instruments and apparatus do not include materials or supplies, or ordinary equipment for use in building construction or maintenance or in supporting activities (such as administration or operating residential or dining facilities) of the institution seeking their entry under this item.

"(b) An institution desiring to enter an article under this item shall make an application therefor to the Secretary of Commerce, including therein (in addition to such other information as may be prescribed by regulation) a description of the article, the purposes for which the instrument or apparatus is intended to be used, the basis for the institution's belief that no instrument or apparatus of equivalent scientific value for such purposes is being manufactured in the United States (as to which the applicant shall have the burden of proof), and a statement that the institution either has already placed a bona fide order for such instrument or apparatus or has a firm intention to place an order therefor on or before the final day specified in paragraph (d) of this headnote. If the Secretary finds that the application is in accordance with pertinent regulations, he shall promptly forward copies thereof to the Secretary of Health and Human Services. If, at any time while its application is under consideration by the Secretary of Commerce or on appeal from a finding by him before the United States Court of Appeals for the Federal Circuit, the institution cancels an order for the instrument or apparatus covered by its application, or if it no longer has a firm intention to order such article, it shall promptly so notify the Secretary of Commerce or the Court, as the case may be.";

(2) by amending subdivision (c) by—

(A) striking out "Health, Education, and Welfare" and inserting in lieu thereof "Health and Human Services"; and

(B) by striking out, in the third sentence, "the Secretary of the Treasury and", and by striking out, in the last sentence, "the

Treasury" and inserting in lieu thereof "Commerce";

(3) Subdivision (e) is amended by striking out "Court of Customs and Patent Appeals" and inserting in lieu thereof "Court of Appeals for the Federal Circuit"; and

(4) Subdivision (f) is amended to read as follows:

"(f) The Secretary of Commerce may prescribe regulations to carry out his functions under this headnote.".

SEC. 894. STATISTICAL INFORMATION.

In order to implement effectively the provisions of section 891, the Secretary of the Treasury, in conjunction with the Secretary of Commerce, shall take such actions as are necessary to obtain adequate statistical information with respect to articles to which amendments made by section 885 apply, in such detail and for such period as the Secretaries consider necessary.

AMENDMENT OFFERED BY MR. CRANE

Mr. CRANE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. CRANE: On page 12, line 18, strike the word "because" and all that follows thereafter through line 24, and insert in lieu thereof: ", in which case the President must announce alternative measures which may include a continuation of negotiations".

On page 13, strike lines 6 through 14; on line 18, place a period after the word "targeting" and strike all that follows through line 21 on page 14. On page 21, beginning on line 4, strike section 113.

On page 19, strike line 9 and all that follows thereafter through line 9 on page 20.

Beginning on page 37, strike section 119.

The CHAIRMAN. Pursuant to House Resolution 456, the amendment is considered as having been read.

The gentleman from Illinois [Mr. CRANE] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

The Chair recognizes the gentleman from Illinois [Mr. CRANE].

Mr. CRANE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to summarize the four components of my amendment very quickly, and then I will elaborate on them one at a time.

First, it provides Presidential authority to reject the U.S. Trade Representative's recommendations on relief, but it requires the President to recommend alternative measures.

Second, it strikes separate procedures including the injury test for targeting, but maintains targeting as a cause of action under section 301.

Third, it strikes internationally recognized workers' rights as a cause of action under 301, the so-called Pease provision.

Finally, it strikes the provision that requires mandatory action in the form of quotas, surcharges, or voluntary restraints against foreign countries that have trade surpluses with the United States, the so-called Gephardt provision.

Taking them in order, Mr. Chairman, H.R. 4800 would transfer the decisionmaking authority to the U.S. Trade Representative, and thus require mandatory Presidential retaliation in certain 301 cases by an inflexible deadline. My amendment would maintain Presidential discretion to determine whether action under 301 was in the national economic interest. The President, unlike under existing law, would be required to announce alternative measures if he elected to exercise this discretionary authority.

I think that there are three basic reasons for accepting this provision.

First, the current administration is already using section 301 aggressively.

Second, retaliation must be selective and timely. Mandatory retaliation may be arbitrary and poorly timed for U.S. interests. An entire negotiating process could be undermined by this.

Finally, the President must retain the discretion to determine the dimensions of retaliation. This provision could force us to retaliate in an amount greater than the burden of restriction on commerce.

The targeting provision in H.R. 4800 would provide a separate ITC procedure and injury test under section 301 for targeting. My amendment would delete the special procedure but would maintain a general targeting definition as a cause of action under 301. Thus each case would have to be individually investigated and ruled on.

The reasons for this portion of the amendment are several.

□ 1135

First, the injury test is not required, nor should it be, for targeting or anything else that would be a cause of action under section 301. Including an injury test in section 301 would merge section 201 procedures into 301, which makes no sense since 301 is a market access remedy and not a domestic injury remedy.

Under H.R. 4800, all elements of targeting would constitute a violation of trade agreements, even though some elements, such as financing schemes, are not clearly covered by GATT. H.R. 4800 also makes action against targeting mandatory under section 201 if the ITC determines material injury.

The inflexible definition and mandatory retaliation will bring into question certain U.S. practices of Government-sponsored research and development, such as that done by NASA, the Department of Energy and the Department of Defense, that then leads to commercial development and use.

U.S. exporters of high technology and other products may be vulnerable if our trading partners adopt similar targeting provisions.

On the Pease provision, Mr. Chairman, this makes denial of internationally recognized worker rights an unfair practice actionable under section 301 and that includes such things as violation of freedom of association, violation of collective bargaining rights, violation of minimum wage laws, proper working conditions in terms of hours and wages and violation of occupational safety and health standards.

It seems to me that this provision, Mr. Chairman, should be deleted for the following reasons:

The United States, first of all, has not signed these international labor organization worker rights. It is irresponsible, it seems to me, to brand a violation of a standard as unfair when the United States is not even a party to the standards. If enacted, our export trade could be just as susceptible to arbitrary scrutiny and retaliation. I think worker rights questions are better pursued in the context of multilateral trade negotiations.

Finally, turning to the so-called Gephardt provision of the bill, this would force U.S. trading partners with "excessive and unwarranted" trade surpluses with the United States to reduce those surpluses by 10 percent a year for 4 years. Excessive surpluses are defined as a 175-percent ratio of exports to imports, a trade surplus with the United States of $3 billion, and a global trade surplus in the previous year. If a 10-percent reduction cannot be achieved with negotiations, it would have to be achieved with a unilateral imposition of tariffs or quotas. Trade in petroleum products is excluded because of its critical nature.

Based on 1985 figures, the proposal would target West Germany, Japan, and Taiwan, and could apply to Brazil, Korea, Italy, and Hong Kong. If applied only to West Germany, Japan, and Taiwan, however, it would require trade deficits reductions of $7.5 billion in 1987 and $25.8 billion between 1987 and 1990.

This provision is flawed for several reasons. First of all, it could force the United States to violate GATT if negotiations are unsuccessful.

Second, it is likely to result in significant U.S. import restrictions and foreign export restraints, but will do little to increase U.S. exports.

It would require U.S. trading partners to reduce their bilateral trade deficits by an amount greater than the total impact of their trade barriers. For example, in the case of Japan, Japan would be forced to reduce its deficit by $17 billion over the next 4 years, but Japanese import barriers are estimated to limit only $5 billion to $8 billion in U.S. sales. Thus, even if Japan eliminated all import restrictions, it would still need to reduce its bilateral deficit by an additional $9 billion to $12 billion, which would require significant export restraints.

Quantitative export restraints are the only certain method for meeting the levels, since the effect of eliminat-

ing import barriers is difficult to predict.

It could close U.S. access to markets in these countries. Because agricultural products comprise the leading exports from the United States, retaliation against U.S. products to the affected country.

It makes absolutely no economic sense, since trade imbalances may have nothing to do with unfair trade practices.

Import restrictions also, Mr. Chairman, will increase the dollar's value against the currency of the targeted country, making it harder to export. This will actually work to increase or aggravate our trade deficits.

This is most ironic at the present time when, vis-a-vis the German mark, the dollar is devalued 28 percent, and against the yen, it is down over 35 percent from 1 year ago.

Finally, Mr. Chairman, let me just quote from some of our journals that cover the spectrum from the Washington Post to the Wall Street Journal. The Washington Post editorially found most objectionable this so-called Gephardt amendment in the bill and objectionable for the reaons in part that I indicated.

Their final conclusion editorially was:

> Frustration rarely produces good legislation. This bill is a shin-kicker, intended to attract attention. In fact, it is succeeding very effectively. But among American industries, it will hurt the most competitive and help only the least competitive.

The Wall Street Journal describes it as an exercise in political grandstanding and says:

> One of its more mindless provisions would require 10-percent annual reductions in the U.S. trade deficits with Japan, Taiwan, and West Germany.

The New York Times says:

> It's time to fight back, by jingo. America won't put up with unfair foreign trade competition anymore. So say many Members of the House, including the Democratic leadership. They contend they knew the dangers of protectionism, yet what they propose instead will not help. On the contrary, it would shoot American consumers in the foot.

Then it goes on to say that one provision, sponsored by our colleague, the gentleman from Missouri [Mr. GEPHARDT], would seriously threaten the system of open world trade.

"Many industries abroad," they add, "would be delighted to have an excuse to get their governments to set quotas that limit exports to America—and then to raise prices. That's just what has happened with the quotas on Japanese cars. The big losers are American consumers."

I think on balance, Mr. Chairman, that there are profound reasons for opposing the bill in its entirety, but clearly my amendment is targeted toward one of the most objectionable features that came out of our own committee's contribution to this product; namely, the Ways and Means Committee.

I reserve the balance of my time, Mr. Chairman.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. PEASE].

The CHAIRMAN. Is the gentleman from Illinois opposed to the amendment?

Mr. ROSTENKOWSKI. I am opposed to the amendment, Mr. Chairman.

Mr. CHAIRMAN. The gentleman from Illinois [Mr. ROSTENKOWSKI] is recognized for 15 minutes and the gentleman from Ohio [Mr. PEASE] will be recognized for 4 minutes.

Mr. PEASE. Mr. Chairman, the only argument that we heard this morning from the gentleman from Illinois about the worker rights provision, of which I am the author, is that the United States has not signed some of the covenants of the International Labor Organization which constitute internationally recognized worker rights.

Mr. Chairman, I want to emphasize that although the United States has not ratified specifically some of the ILO covenants, just as it took us over 40 years to ratify just recently a genocide treaty, every one of the worker rights which are specified in this bill have been recognized in law or in the Constitution of the United States.

I will specify the rights: Freedom of association; that is guaranteed in our first amendment.

The right to join a union and bargain collectively: That is in National Labor Relations Act of 1935.

Prohibition on a slave, forced, or compulsory labor: The 13th amendment to the Constitution, the Taft-Hartley Act of 1947, and title 18 of the U.S. Criminal Code.

A minimum age for the employment of children: The Fair Labor Standards Act of 1938.

Minimum wage and hours of work: Similarly in the Fair Labor Standards Act of 1938.

Basic standards for health and safety: The Occupational Safety and Health Act of 1970.

So we have specifically for each one of the worker rights specified in this bill enshrined them either in the U.S. Constitution or in U.S. law.

Now, let me emphasize, Mr. Chairman, that the worker rights language is not a new initiative. It is an extension of existing trade law. The identical list of worker rights is already in U.S. law in relation to the Generalized System of Preferences and in the Overseas Private Investment Corporation.

Further, the new trade bill merely extends the definition of unfair trade practices which is already in section 301 of the Trade Act of 1974.

The existing section 301 defines as unreasonable or unfair three trade practices: Denial of market access, denial of the opportunity to establish a business, and failure to protect copyrights, patents, and so forth.

Note that these three practices are not a violation of GATT. The United States unilaterally labels them as unreasonable acts subject to action under section 301.

The new trade bill merely adds a fourth practice—repression of labor rights—to that list.

Mr. Chairman, the bottom line is this: Jobs in the towns and cities of every one of us are in jeopardy because of a flood of foreign imports coming in and often made by exploited labor.

What the author of this amendment is trying to tell us is that it is not unfair for goods to come into our market made by 12-year-old children sold into indentured servitude by their parents, children working 12 hours a day, 7 days a week, in sweatshops around Southeast Asia.

This year, next year, and the year after, each one of us is going to have to go back home and meet, unfortunately, with groups of workers who have lost their jobs because of foreign imports. Who among us wants to tell them that we do not think it is any of our business how much those kids who work in those sweatshops get paid?

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 4 minutes to the gentleman from Missouri [Mr. GEPHARDT].

Mr. GEPHARDT. Mr. Chairman, I rise in opposition to the Crane amendment, which I believe would severely weaken this legislation. Most important, the Crane amendment would strike the amendment which I offered in committee and which was adopted by a wide margin.

Over the last several years, we have seen America's competitive position erode to the point where we face a trade crisis of historical proportions. We have been reduced to the position of the world's largest debtor nation will a whopping external debt of $101 billion last year—and rising.

We have seen the trade deficit quadruple to $148 billion last year—a figure that is expected to further increase to more than $170 billion this year.

We have seen the loss of more than 1.7 million manufacturing jobs during this administration. According to figures from the Bureau of Labor statistics, some States face disproportionate effects: My home State of Missouri has seen the loss of 35,100 jobs since 1979 in manufacturing; the neighboring State of Illinois, however, has seen their industrial base devastated with a loss of 290,500 manufacturing jobs since 1979.

We have seen more than half a million farms forced into foreclosure due to decreased export opportunities.

The amendment which I offered, now contained in section 119 of title I, is quite simple. It gives the President the tools to deal with unfair trading practices, and gives him goals for success. The amendment provides the President with the flexibility that is needed to respond to the problems in the international marketplace.

Most important, the amendment makes the President accountable to Congress and the American people for his failure to develop a strong, coherent trade agenda that not only seeks to open markets abroad for our products, but that also enhances the ability of American businesses to compete with imports on our own shores.

President Reagan only began to realize that we had a trade problem when concern in Congress reached the boiling point last year. He has responded to the problem of limited market access abroad with piecemeal actions and press releases. Yesterday, President Reagan had the audacity to release a final decision in the machine tool case—a case originally filed in March 1983, more than 3 years ago.

If anything, the President's action yesterday strengthens my belief that Congress is on the correct course in addressing this issue today. The trade issue should not be governed by press releases and politics—our country's economic future is at stake.

The United States is both a player and a referee in the world trading system. As a player, we must do the best we can to enhance export opportunities for our businesses. As a referee, we must ensure that the world trading system is open to all trading nations—industrialized and lesser-developed countries alike.

As a player, we must open markets to our products. That is what my amendment would do. This amendment has been widely misunderstood. Simply stated, the amendment would give the President the leverage he needs to leverage-open the markets of countries that have sought to exclude not only U.S. products, but those of all trading nations. Demanding freedom of access to other markets isn't protectionism, it's free trade.

Section 119 requires that countries be examined to determine if they have excessive trade surpluses—defined as a ratio of bilaterial exports over imports of 175 percent, and a total bilateral surplus with the United States in excess of $3 billion. If a country has an excessive trade surplus, the U.S. Trade Representative would be directed to examine the trading practices of that country to determine if they have a pattern of unfair barriers that have an adverse effect on trade.

If a country is found to have an excessive surplus and trade barriers that have a significant adverse effect on our balance of trade, the President would be directed to negotiate agreements with those countries to reduce their barriers so as to meet the surplus reduction goals in the bill—a 10 percent reduction in the bilateral trade surplus each year.

If the President was unable to negotiate agreements to meet the goals of the act, he would be given a variety of tools to achieve its goals. These tools include licensing, certification, withdrawal of trade benefits, imposition of duties, or any other avenue he wished to pursue.

If, after the first year, the President was still unable to meet the goals of the act, he would be directed to impose quantitative limitations on the imports from that country, either on a product-by-product basis, or across the board.

The President would be given the opportunity to waive the sanctions in the bill under either of two circumstances. A waiver would be subject to congressional disapproval and would not eliminate the duty of the President to negotiate agreements, or come up with an alternative action plan, to meet the objectives of the act.

A waiver could be issued if: First, a country has balance-of-payment difficulties; or second, the imposition of sanctions would not be in the economic interest of the United States.

The world trading system has no sanctions against countries who structure themselves to run up large surpluses. The major mercantilist culprits in the world economy today are Germany, Japan, Korea, and Taiwan. The countries cannot be expected to restructure themselves internally without a major push from the outside.

The case of Japan is worth exploring in detail, not because it is different from the others, but because it is more familiar. Recent events in Japan clearly show the internal pressures against change that are typical of all four countries.

Every year, soon before the annual economic summit, we have come to expect a propaganda barrage from Japan about major new changes in its trade posture. Yet, every year, Japan's trade surplus has expanded further. For the last 5 years, Japan's trade surplus has ballooned as fast relative to its economy as our monstrous trade deficit has swelled relative to our economy.

For this year's propaganda effort, Prime Minister Nakasone appointed a blue ribbon commission to propose changes in Japan's trade policy. Rather than focus on specific import restrictive practices, this commission looked at ways to change the structure of the Japanese economy to reduce the trade surplus and the dependence on exports. Many believe that last year's Gephardt-Bentsen-Rostenkowski bill contributed significantly to this needed change of emphasis by Japan.

Soon after the commission issued its report (that included a number of useful changes), Prime Minister Nakasone came to the United States to trumpet the report. He proclaimed that a new day has come to Japan and that they now had a concrete plan to bring down their export surplus by stimulating internal demand.

Meanwhile, back in Japan, business leaders were going into an uproar over the report. They encouraged a palace coup by the major aspirants in the LDP to become Prime Minister. Last week, that coup was completed and, according to many press accounts, Nakasone has become a lame duck with 6 more months in office.

It is important for the United States to continue to emphasize to Japan that we find its dependence on export surpluses unacceptable. Now, just as they are about to replace the Prime Minister, Congress should make clear that it expects Japan to carry out the thrust of the commission's report.

Likewise, it is important to send this message to the other egregious mercantilist countries. The economic structures of Germany, Korea, and Taiwan have become as dependent on export surpluses as that of Japan.

In the absence of congressional pressure last year, neither Germany nor Japan would have come to the Plaza Hotel to work out an agreement to raise their exchange rates. Likewise, if we don't keep up the pressure this year, Germany, Japan, Korea, and Taiwan will have no incentive to make the tough decisions internally to reduce their export dependence.

Treasury Secretary Baker gave some very pertinent testimony on this subject last week. According to him, the sharp decline in the dollar over the last year, and particularly since September, was the direct result of congressional activity to bring down the trade deficit. The rest of his testimony was discouraging and should lead us to redouble our efforts. He predicted that the decline in the dollar will not reduce our trade deficit this year and may not reduce it much more than $25 billion next year. In other words, without further changes, we could be left indefinitely with an annual trade deficit of $120 billion and foreign indebtedness growing $100 billion annually.

To make matters worse, Secretary Baker strongly hinted that the dollar should strengthen against the yen because of the difficulties that the strong yen was causing Japan. Germany is also complaining about the "weakness" of the dollar, despite their continuing large export surpluses and our huge deficits. They, too, would benefit from an effort to strengthen the dollar against the yen.

Our goal must be to achieve a more equitable trading relationship so that our trade deficit gets on a steady track toward balance and we reduce our foreign borrowing. At the same time, the four mercantilist countries must also move back toward balance from the other direction. We cannot sit back and wait for further declines in the dollar to accomplish all that. In fact, achieving better trade balances will require more attention to the internal structure of mercantilist countries and less to exchange rates. That's precisely what passage of this legislation would do.

□ 1150

Mr. CRANE. Mr. Chairman, I yield 3 minutes to the gentleman from Nebraska [Mr. DAUB].

Mr. DAUB. I thank the gentleman for yielding this time to me.

Mr. Chairman, the Gephardt amendment, I say to my colleagues, attempts to deal with our trade deficit first by a unilateral demand that other countries simply automatically just reduce their trade surpluses against us. Such unilaterism violates our own international obligations under GATT.

The Gephardt amendment is woefully uninformed since it assumes that the trade deficit is caused by trade policies of other countries. These policies allegedly include massive dumping, subsidization and other unfair trade acts. In fact, however, the trade deficit has been brought about primarily by the high dollar. In other words, the problem has been one of monetary not trade policy. The Gephardt amendment thereby applies a draconian solution, a mechanistic way of dealing with the trade deficit that is not only calculated to offend our trading partners but, as I said, it also rejects international efforts to solve these problems. It belies the genuine intention on the part of the United States to help launch and actively participate in a new round of multilateral trade negotiations.

Europe ranked No. 1 in agriculture purchases for a total of $6.5 billion. Japan ranked No. 2, for a total of $5.4 billion. And Taiwan ranked No. 7, for a total of $1.2 billion. That is a total among these three specifically targeted countries on whom mandatory retaliation and in 4 months countervailing duties would be imposed of $13 billion that would be taken away from the American farmer. That figure approaches the entire outlay for our Commodity Credit Corporation in 1985.

I would like my colleagues to remember one thing about the voluntary restraints that we entered into with Japan on automobile imports. The consumer price index increased 27 percent since we entered into that little deal. The increase in car prices in America has been 47 percent, an average of $1,600 per car. The Gephardt amendment is designed to get rid of jobs in our productive export sector while protecting jobs in failed parts of our industrial sector, and at the same time it is going to export more jobs. It is going to create, I guess, the best kind of politics here the majority party knows how to create—solving problems with inflation, shrinking the pie again instead of expanding the pie.

I hope my colleagues, particularly from agriculture country, will remember the lessons of inflationary antitrade policy which is going to raise the prices to consumers of toasters and cars and clothes and just about everything else that one can imagine.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. GUARINI].

Mr. GUARINI. I thank the gentleman for yielding this time to me.

Mr. Chairman, I appreciate the opportunity to speak today to urge support for the targeting provisions of title I of H.R. 4800. These provisions are essential in updating our trade laws and making them responsive to our highly sophisticated world trading patterns and practices.

Government intervention has become an integral part of other nations' economic policies and a great threat to reestablishing an open trading system. The ITC has documented the existence of foreign industrial targeting practices by the Governments of Japan, European Community countries, Korea, Taiwan, Mexico, and Canada. Since the 1950's, the Japanese Government has given preferential and special tax loans and grants to aircraft/aerospace and computer industries. Since the 1970's they have placed high tariffs, restrictive quotas, and imposed investment restrictions to promote the semiconductor industry. The European Community has given special treatment to the coal, steel, and textile industries, while Brazil has concentrated on giving special benefits to the computer, electrical equipment, aerospace, and auto industries.

In H.R. 4800, we clearly define targeting and make action mandatory under section 301 in cases where injury is found. Section 301 is intended to provide relief from actions of foreign governments which "burden or restrict" U.S. commerce. Certainly, the loss of major market share due to foreign industrial targeting would be considered a "burden" on U.S. commerce.

The injury requirement for targeting under section 301 avoids frivolous petitions and allegations of industrial targeting. Mandatory action is important to assure U.S. industries that their Government is willing to defend them against unfair trade practices.

The targeting provisions of title I are essential in updating and modernizing our trade laws. They are an integral part of our efforts to combat unfair trade practices. For these reasons, I urge you to oppose any effort to delete or modify the targeting provisions.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. BONKER].

Mr. BONKER. I thank the gentleman for yielding this time to me.

Mr. Chairman, I would like to commend the gentleman from Ohio [Mr. PEASE] for his persistent efforts to extend international protection for worker rights wherever they may be.

I think we should recognize that his provision in this bill does not break any new statutory ground. The 1984 Trade and Tariff Act directed the President, in reviewing countries' eligibility for GSP, to consider additional factors, including respect for worker rights. Last year, when Congress favorably acted on the OPIC reauthorization, we included similar criteria to further efforts to protect international worker rights.

So I think what we are doing today by rejecting the Crane amendment is to not only be consistent with previous acts of this body, but to take it a step further by trying to bring other countries to the bargaining table when it comes to worker rights.

Mr. Chairman, I would like to say a word about those on the other side who have complained over the years, sometimes bitterly, about forced labor or slave labor in Communist countries. It is always a big issue when it is brought to the floor that we ought to routinely criticize those Marxist regimes that engage in the exploitation of their workers, but I would maintain that exploitation of workers really adheres to no political label, whether it be a Marxist regime or a rightist dictatorship. If people are going to be exploited for economic gain, then we ought to deal with that problem through our bilateral relations and through multilateral organizations.

The provision is entirely consistent with present law and will help this country deal effectively with what we now recognize is an unfair trade practice in the exploitation of workers.

The CHAIRMAN. The gentleman from Illinois [Mr. CRANE] has 2 minutes remaining.

Mr. CRANE. Mr. Chairman, I yield the remainder of my time to my good friend and colleague, the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. I thank the gentleman for yielding this time to me.

Mr. Chairman, I have pointed out before that there are at least a dozen and a half elements in this bill that would be veto bait, and that the strong veto suggestions coming from the White House are not idle threats.

The three items that the gentleman from Illinois [Mr. CRANE], the ranking member of the Subcommittee on

Trade, seeks to strike in this particular amendment are three of the most offensive of those items to international trade and to the administration.

The first, on the subject of targeting, is something that does not belong in the act. There is no need to provide extra proof under section 301, proof of injury. It is an extra burden for American industry which American industry would prefer not to have.

The creation of mirror laws would mean that American semiconductors, computers, aircraft, satellites, ceramics, and other DOD and NASA items would be subject to compensation and retaliation, and American agriculture would be in the same position.

□ 1200

With respect to the Gephardt amendment, it is really the centerpiece of the Democrat election issue bill of 1986, otherwise described by the sage of Kansas, Mr. ROBERTS, as being the Press Release Opportunity Act.

It makes competitiveness and hard work an unfair act. It is based on the fundamental belief that America cannot compete. If we were in a revolutionary war, we would probably call it the give-up-the-ship amendment.

This is something that tells people who work hard and build up trade surpluses with us, which we would like to do with them some day if we can, that they are unfair traders.

Of the countries that are going to be affected in the first wave, the Federal Republic of Germany's greatest unfair practice is that they are part of the European Community's Common Agricultural Program. The European Community, like the United States, subsidizes agriculture. Hong Kong would be in the next wave of affected countries. It is almost spotless on the fairness issue.

No other portion of the bill is as great a threat to a real trade war as the Gephardt amendment.

The Pease amendment on internationally recognized labor standards, which of course, are not internationally recognized, is another attempt to force our culture on the rest of the world. What it says is that every country whose labor standards are different from the ideals established by the gentleman from Ohio [Mr. PEASE] is guilty of unfair trade practices. That is an absurd basis for trade laws, and particularly harsh, even punitive, on struggling third and fourth world countries.

Vote for the Crane amendment. It stops the flow of blood from three of the worst running sores in the bill. It won't cure the bill but it will improve it by at least 15 percent.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield the remaining time to the gentleman from Florida [Mr. GIBBONS], the chairman of the Subcommittee on Trade, to close debate.

The CHAIRMAN. The gentleman from Florida [Mr. GIBBONS] is recognized for 3 minutes.

Mr. GIBBONS. Mr. Chairman, the problem with the Crane amendment is that it takes us back to the status quo, and the status quo is not sufficient for the conditions today.

Through H.R. 4800, we serve notice on the world that we stick to the high principles of free and open and competitive trade. But we have changed our tactics. The tactics that we used in the 1940's were sufficient for the conditions of the 1940's but the tactics of the 1940's are not sufficient to the condition today.

So while we hold the principles of free and open and fair competitive trade high, we say that in order to enforce that, and in order to carry out that principle, we must change our tactics of enforcement of the law.

In 1947 and 1948, when these tactics were promulgated, the world was far different than today. There was not a surplus of consumer goods on the world market. There was not a surplus of high-technology goods available to the world. There was not a surplus of any kind of goods available to the world.

I can remember when I tried to buy a car and they were not available unless you had a certificate of necessity. I tried to buy a business suit to start my practice of law and what I got was really disreputable because there were not any consumer goods available. Clothing was still being rationed. Tires were still being rationed.

Consequently, there was no dumping of consumer goods on the world market in the 1940's. There was no subsidization of goods on the world market in the 1940's. We could have a rather relaxed attitude toward those practices.

Today, the world is awash with consumer goods, agricultural products, high-technology goods, and all kinds of capital products. Governments now are subsidizing into our market unfairly, targeting our market to take it away from us by unfair business practices and dumping their goods in here in conspiracies to take our market.

These are the kinds of problems we have got to face. We cannot have free trade, we cannot have competitive trade, unless we are willing to fight, with the tools of our trade law, those unfair business practices and unfair governmental practices that dominate today's market.

Mr. CRANE's amendment goes back to the status quo, which simply will not work. Therefore, the Crane amendment should be defeated.

I commend the gentleman from Ohio [Mr. PEASE] for breaching the sensitive subject of labor practices, practices such as hiring people at an unconscionably early age and working them for 16 or 17 hours a day. We have got to start looking at that and this is a fair start. It is discretionary, but it is a useful tool to encourage respect for human rights.

The Crane amendment should be defeated.

Mr. SEIBERLING. Mr. Chairman, I rise in strong support of the labor rights provisions of the committee bill, and in strong opposition to the amendment of the gentleman from Illinois [Mr. CRANE].

The committee bill defines as an unreasonable trade practice the denial of internationally recognized workers' rights. These rights include collective bargaining, child labor laws, and reasonable health and safety standards. Under the provision, the President would be given authority to reduce imports from countries which violate international labor standards. The American people, I believe, strongly support this approach. My latest questionnaire to all the residents of my district brought 7,200 responses, and indicated that not only do people want to tighten protection against unfair import practices (77 percent for, 15 percent against), but also that they want to curtail imports from countries with substandard worker and environmental protections (60 percent for, 25 percent against).

That the committee adopted the labor rights provisions is due in large measure to the efforts of my friend and colleague from Ohio, DON PEASE, who has almost single-handedly pushed the committee, and now the House, to take action on labor rights. DON PEASE has been a pioneer in exploring this aspect of the trade problem, and he deserves our admiration for bringing this issue so forcefully to our attention.

Enactment of the labor rights provisions will accomplish two important objectives. First, it will help stem the loss of U.S. jobs to countries which are all too ready to exploit their own people, condemning them to substandard working conditions and desperately low wages in order to obtain a trade advantage over the United States. Second, it will prod those countries to better the lot of their own labor force.

For those Members of this body who have complained long and loud about the difficulty of competing against dirt-cheap Third World wages, the labor rights provisions of H.R. 4800 will help to stop the standard of living of American workers from being inexorably undermined. For those who express concern about global unrest, the labor rights provisions will help undercut one of the key causes of such unrest—abject poverty in the developing countries of the world—by encouraging governments to provide a better standard of living for their workers.

Today, workers in Third World countries are going through all the agony that the developed countries went through in the early days of the industrial revolution in the late 18th and early 19th centuries. Workers in Third World countries are being exploited in the very same manner, and because they have not developed strong unions and laws to protect labor, indeed because their governments often systematically deny them their rights, we are forced with the spectre of workers in the United States, giving up their own standard of

living because of competition from these exploited industrial conditions.

It was these very same practices and conditions which gave rise to Marxism. If we really want to take action which will preserve American jobs and further the cause of peaceful democratic stability, then we will retain the labor rights provision in this bill. Its adoption will help accelerate a rise in work and living standards around the world while making it more likely that all compete on the same footing. I urge the rejection of any amendment to delete these provisions in the committee bill.

The CHAIRMAN. Under the rule, all time for debate on this amendment has expired.

The question is on the amendment offered by the gentleman from Illinois [Mr. CRANE].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CRANE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 137, noes 276, not voting 20, as follows:

[Roll No. 131]

AYES—137

Archer	Hammerschmidt	Packard
Armey	Hansen	Parris
Bartlett	Hartnett	Penny
Barton	Hiler	Petri
Bateman	Hillis	Porter
Beilenson	Holt	Pursell
Bentley	Hopkins	Quillen
Bereuter	Hughes	Roberts
Bilirakis	Hyde	Roth
Bliley	Ireland	Rowland (CT)
Boulter	Jeffords	Rudd
Broomfield	Johnson	Saxton
Brown (CO)	Kasich	Schaefer
Burton (IN)	Kemp	Schuette
Carney	Kindness	Sensenbrenner
Chandler	Kolbe	Shaw
Chappie	Lagomarsino	Shumway
Cheney	Leach (IA)	Siljander
Coats	Lent	Skeen
Coleman (MO)	Levine (CA)	Slaughter
Combest	Lewis (CA)	Smith (NE)
Courter	Lewis (FL)	Smith, Denny (OR)
Craig	Lightfoot	Smith, Robert (NH)
Crane	Loeffler	Smith, Robert (OR)
Dannemeyer	Lowery (CA)	Snyder
Daub	Lungren	Solomon
DeLay	Mack	Stangeland
DeWine	Madigan	Strang
Dornan (CA)	Marlenee	Stump
Dreier	Mazzoli	Sundquist
Duncan	McCain	Sweeney
Eckert (NY)	McCandless	Swindall
Edwards (OK)	McCollum	Tauke
Emerson	McGrath	Taylor
Evans (IA)	McHugh	Thomas (CA)
Fawell	Meyers	Vander Jagt
Fiedler	Michel	Vucanovich
Fields	Miller (OH)	Walker
Fish	Miller (WA)	Weber
Frenzel	Molinari	Whitehurst
Gallo	Monson	Wolf
Gekas	Moore	Wylie
Gingrich	Moorhead	Young (FL)
Gradison	Morrison (WA)	
Green	Myers	
Gregg	Nielson	
Hamilton	Oxley	

NOES—276

Ackerman	Anthony	Bates
Akaka	Applegate	Bedell
Alexander	Aspin	Bennett
Anderson	AuCoin	Berman
Andrews	Barnard	Bevill
Annunzio	Barnes	Biaggi
Boehlert	Guarini	Perkins
Boggs	Gunderson	Pickle
Boland	Hall (OH)	Price
Boner (TN)	Hall, Ralph	Rahall
Bonker	Hatcher	Rangel
Borski	Hawkins	Ray
Bosco	Hayes	Regula
Boucher	Hefner	Reid
Boxer	Hendon	Richardson
Breaux	Henry	Ridge
Brooks	Hertel	Rinaldo
Brown (CA)	Horton	Ritter
Broyhill	Howard	Robinson
Bruce	Hoyer	Roe
Bryant	Hubbard	Roemer
Burton (CA)	Huckaby	Rogers
Bustamante	Hunter	Rose
Byron	Hutto	Rostenkowski
Callahan	Jacobs	Roukema
Campbell	Jenkins	Rowland (GA)
Carper	Jones (NC)	Roybal
Carr	Jones (OK)	Russo
Chapman	Jones (TN)	Sabo
Chappell	Kanjorski	Savage
Clay	Kaptur	Scheuer
Clinger	Kastenmeier	Schneider
Cobey	Kennelly	Schroeder
Coble	Kildee	Schulze
Coelho	Kleczka	Schumer
Coleman (TX)	Kolter	Seiberling
Collins	Kostmayer	Sharp
Conte	Kramer	Shelby
Conyers	LaFalce	Shuster
Cooper	Lantos	Sikorski
Coughlin	Leath (TX)	Sisisky
Coyne	Lehman (CA)	Skelton
Crockett	Lehman (FL)	Slattery
Darden	Leland	Smith (FL)
Daschle	Levin (MI)	Smith (NJ)
de la Garza	Lipinski	Snowe
Dellums	Livingston	Solarz
Derrick	Lloyd	Spence
Dickinson	Long	Spratt
Dicks	Lott	St Germain
Dingell	Lowry (WA)	Staggers
DioGuardi	Luken	Stallings
Dixon	Lundine	Stark
Donnelly	MacKay	Stenholm
Dorgan (ND)	Manton	Stokes
Dowdy	Martin (IL)	Stratton
Downey	Martin (NY)	Studds
Durbin	Matsui	Swift
Dwyer	Mavroules	Synar
Dymally	McCloskey	Tallon
Dyson	McCurdy	Tauzin
Early	McDade	Thomas (GA)
Eckart (OH)	McEwen	Torres
Edgar	McKernan	Torricelli
Edwards (CA)	McKinney	Towns
English	McMillan	Traficant
Erdreich	Mica	Traxler
Evans (IL)	Mikulski	Udall
Fascell	Mineta	Valentine
Fazio	Mitchell	Vento
Feighan	Moakley	Visclosky
Flippo	Mollohan	Volkmer
Florio	Montgomery	Walgren
Foley	Moody	Watkins
Ford (MI)	Morrison (CT)	Waxman
Ford (TN)	Murphy	Weaver
Fowler	Murtha	Weiss
Frank	Natcher	Wheat
Franklin	Neal	Whitley
Frost	Nelson	Whitten
Fuqua	Nichols	Williams
Garcia	Nowak	Wilson
Gejdenson	Oakar	Wirth
Gephardt	Oberstar	Wise
Gibbons	Obey	Wolpe
Gilman	Olin	Wortley
Glickman	Ortiz	Wright
Gonzalez	Owens	Wyden
Goodling	Panetta	Yates
Gordon	Pashayan	Yatron
Gray (IL)	Pease	Young (AK)
Gray (PA)	Pepper	Young (MO)

NOT VOTING—20

Atkins	Grotberg	Mrazek
Badham	Heftel	O'Brien
Bonior (MI)	Latta	Rodino
Daniel	Lujan	Smith (IA)
Davis	Markey	Whittaker
Foglietta	Martinez	Zschau
Gaydos	Miller (CA)	

□ 1220

The Clerk announced the following pair:

On this vote:

Mr. Zschau for, with Mr. Davis against.

Messrs. FRANKLIN, RAY, SPENCE, ROGERS, and HUBBARD changed their votes from "aye" to "no."

Mr. HUGHES changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. FRENZEL: On page 57, strike line 17 and all that follows thereafter through line 13 on page 61. On page 404, strike line 14 and all that follows thereafter through line 3 on page 407.

On page 68, lines 12 and 22, and on page 69, lines 1, 10 and 17, strike "Trade Representative" and insert "President". Make conforming changes to maintain Presidential authority to provide relief.

On page 94, beginning on line 9, strike section 122.

The CHAIRMAN. Pursuant to the rule the amendment is considered as having been read.

Pursuant to House Resolution 456 the gentleman from Minnesota [Mr. FRENZEL] will be recognized for 15 minutes and a Member opposed will be recognized for 15 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my first amendment relates to the trade remedy title of the bill, title I, subtitle B, chapter 1. The bill language is a revision of section 201 of the Trade Act of 1974, the "fair trade" law. Under this law, a company or industry may petition the Government for relief due to injury caused by rapidly increasing imports.

During the markup of the Ways and Means trade package, this section did receive a considerable amount of attention by those who sought to make some positive improvements, but all efforts to strike some kind of compromise failed. The three sections of my amendment were all offered as separate amendments but failed on a party-line vote.

Because I believe that the removal of these three items would make this section of the bill more attractive to the administration and to good trade policy. I think it is worth the Members' time to bring them up again for consideration by the full House in one amendment.

The first part of my amendment relates to the industry adjustment advisory groups established in the bill. The original Trade Subcommittee language was pure and simple industrial policy. The language was toned down between the subcommittee and full committee. However, in title VII, the foreign corrupt practices section, there is further language which would reinstate the industrial policy nature of title I.

This language is simply not necessary. The establishment of these kind of adjustment advisory groups would seem to raise some serious antitrust problems. I also fail to see why an industry adjustment plan is necessary, since a petitioner now can present an adjustment plan in a 201 petition. Also, the ITC considers adjustment on its own, whether or not a petitioner submits a plan, in the process of determining whether relief is necessary.

Mr. Chairman, I believe we have a fairly clear consensus in this country against industrial policy. This country just is not ready for more Government interference in the private sector. In fact the mood of the country seems to be in the other direction.

I also have yet to see a successful coordinated industrial policy in another country. If it doesn't work in other countries, why would it work here.

The second part of my amendment would maintain current Presidential authority to provide import relief. Right now the President reviews any ITC's decision that recommend import relief should be given and makes his own final decision based upon all considerations, including foreign policy. The President is the only person who has access to all of the factors that must be considered before giving relief. The final decision should remain with him.

I believe no President would design a bill which stripped his authority as this bill does. The final section of the amendment strikes the adjustment assistance trust fund. The trust fund would earmark any duties or quota auction funds for use in an expanded trade adjustment assistance program. The administration strongly opposes any earmarking of duties which has the effect of taking a program off budget. All Government programs should have to prove themselves through the normal appropriations process. They should not become entitlements.

Since there are few current duties that would be designated to trust fund, and no current funding from quota auctions, I am at a loss as to why we need this trust fund. Quota auctions were included in the subcommittee bill, but were removed due to serious opposition from the private sector.

Mr. Chairman, I do not believe that this amendment includes language that should be controversial. The intent is to strike sections of the bill that are not necessary.

I urge my colleagues to support this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. GIBBONS. Mr. Chairman, I rise in opposition to the Frenzel amendment.

The CHAIRMAN. The gentleman from Florida [Mr. GIBBONS] is recognized for 15 minutes.

Mr. GIBBONS. Mr. Chairman, I yield 4 minutes to the gentleman from New Jersey [Mr. GUARINI].

Mr. GUARINI. I thank the Chairman.

Mr. Chairman, the industry advisory group is a key tool in making section 201 useful. What it really basically does is call together industry, labor and government into a panel assisted by consumer and community interests and a small business representative. Where there is an industry that is pressed for hard times and they need help because of increased import competition, there is a partnership that is formed. We are all in this trade effort together to make our economy work.

Traditionally, labor has been antagonistic to industry and vice versa. Government has been a reluctant part of this whole marriage.

We have learned through MITI, which the Japanese have operated, that they have gotten together a strategy, not a national policy but a strategy for which their industries can prosper and which they can share information and which they can form a mechanism to present views other than the petitioner's view.

□ 1235

Now the administration currently can consider the petitioner's view and has a mechanism only for the petitioner. What we are really doing is broadening this whole cooperative partnership effort to extend it to other partners and other people in the industry.

So I think that it is really an essential part of modernizing our trade effort. It certainly is not an industrial policy, because we are dealing with the private sector.

We had an RFC, [Reconstruction Finance Corporation] which helped ailing industries. We do not have such a policy today. It worked very, very well. And what happened there was that we had a cooperative effort on the part of all parties to make an industry work where it was hurting.

I think it is about time that we learned a lesson from our trading partners and put together this team, this partnership, where we are all working toward a common purpose, and that is trying not to get an elite board, not picking winners or losers, but rather trying to develop a strategy for U.S. industries to modernize and adjust to increased import competition.

On these grounds, I urge you to vote against the Frenzel amendment.

Mr. GIBBONS. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. PEASE].

Mr. PEASE. Mr. Chairman, I rise in opposition to the Frenzel amendment, all three parts of it.

First of all, this amendment would strike from the bill a provision that creates industry adjustment advisory groups.

Section 201 of the Trade Act allows relief to be granted to American industries, relief in the form of quotas or tariffs, when those industries are heavily impacted by imports that are fairly traded.

We do not make that relief permanent. We make it temporary. The object is to give the industry a period of time to adjust and get back on its feet, modernize, go into new lines of products or whatever. And we want to use the period of time to make that industry more competitive.

We think it is important to have industry adjustment advisory groups which would get together labor, management and community people and to sit down and decide and advise the industry what needs to be done to become more competitive. Otherwise, we could be granting 3 or 4 or 5 years of relief with tariffs and quotas, and, at the end of that 5-year period, not be any further ahead than we were at the start. That is not the purpose of section 301.

I would emphasize that this is an industry adjustment advisory group; it is not industrial policy. It has no powers to require anything.

Second, the Frenzel amendment would strike from the bill a section which transfers power from the President to the U.S. Trade Representative in section 201 cases. The gentleman from Minnesota [Mr. FRENZEL] admits that the USTR will not make decisions which patently go against the desires of the President, and we understand that, too, But right now too often trade decisions are bound up in foreign policy considerations by the time they get to the White House. This is a different section of the law, but just yesterday, the White House agreed after 2½ years to try to take some action and help the machine tool industry. I dare say that the holdup was due to matters other than trade considerations.

In a way, this provision protects the President. He can allow the USTR to make decisions based on trade considerations and can say to a foreign secretary or ambassador, "This was not my decision. This was a decision of the USTR."

But when it comes down to a really important consideration that might le-

gitimately override the trade matter, then the President could certainly have an influence with his USTR.

Finally, the Adjustment Assistance Trust Fund, I think is important. We are here today discussing trade legislation because of this administration's callous, doctrinaire disregard for what happens to workers in factories that are closed down because of imports coming into this country.

What we say in section 201 is, yes, we believe in free trade; yes, we are going to allow imports; but also, yes, we are going to help the workers, the communities, the firms that are the victims of this trade policy, that lose jobs because of this. We need for that purpose an adjustment fund. That is what this bill provides.

Mr. FRENZEL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. CRANE].

Mr. CRANE. Mr. Chairman, I thank the gentleman for yielding this time to me. I want to commend the gentleman for his insights on the committee, and again here in the Committee of the Whole House, with this particular amendment.

This advisory group we have heard likened to MITI, the Ministry of Industry and Trade in Japan. MITI does encourage cooperation over there, It encourages cooperation on the part of businesses to sit down and pool resources, to make R&D breakthroughs with a view to increasing productivity, a very positive thing that should be emulated here in the United States.

However, it seems to me that in this instance the advisory group we are creating is not designed to create new products to try to export into other markets. Rather, it is designed to try to prop up failing industries that are not being subjected to unfair trade practices, but rather are simply inefficient. In that sense, I do not see an analogy that is valid when discussing this advisory group that is created under H.R. 4800.

On the Presidential authority question, I could not again agree more with my colleague from Minnesota, because it seems to me that there are national interests that are affected from time to time, and they came forward very dramatically when Secretary of State Shultz was in Turkey recently. He wanted to talk bases and they wanted to talk textiles.

So there are considerations that go beyond the narrow scope of just individual economic concerns.

Finally, on the trust fund question, TAA has really been a great failure in terms of cost-benefit ratios. Only about 5 perent of the people who have utilized the Trade Adjustment Assistance Act moneys in the past have found new employment through that source. It is a faulty program.

Mr. Chairman, for all of these reasons, I think the amendment by the gentleman from Minnesota [Mr. FRENZEL] should be supported.

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes to the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Chairman, I rise in opposition to the Frenzel amendment.

The issue for America is: How do we as a nation modernize and adjust our industrial and defense bases fast enough to meet the competition in so many threatened industries—in machine tools, steel, semiconductors, textiles, motor vehicles, shipping, and so many others?

I have believed for some time that this country lacks cohesive industry adjustment alternatives in which all interested parties—management, labor and government—can rally behind and work together for productivity improvements.

Under the committee bill, industries that are struggling with import competition have the option, just the option, to file a petition with the U.S. Government requesting relief in the form of tariffs or quotas. But if our Government is going to offer tariff protection to these industries, why not require that they live up to their end of the bargain?

The adjustment section of this bill finally offers the opportunity for our Government to use its authority to exact a quid pro quo for regaining competiveness. If America is going to regain market share in world markets, we must make temporary government regulatory authority part of the solution, not part of the problem. We cannot allow industries to leave a period of shelter in the same condition as when they petitioned for assistance. Quite honestly, it absolutely makes no sense to support any of our trade law remedies if they do not encourage efforts to regain competitiveness.

□ 1245

We cannot allow industries to leave a period of shelter in the same condition as when they petitioned for assistance. Quite honestly, it absolutely makes no sense to support any of our trade law remedies if they do not encourage efforts to regain competitiveness. The people in America beckoned for swift action to restore U.S. preeminence in world markets. The industry adjustments section of this bill is just the answer to their call.

I urge my colleagues to vote against the Frenzel amendment and for regaining industrial competitiveness in America.

Mr. FRENZEL. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, we have enjoyed a brief but spirited debate on this particular amendment. Most of the excitement seems to center around the adjustment advisory groups, and I note that some members of the Ways and Means Committee are objecting to striking wording in title VII which they have already agreed to strike in the ways and means section. I must confess to some confusion about that particular matter.

I tried to explain to the body earlier that this language crept in through the Foreign Affairs Committee section of the bill. Clearly, I think it is against the wishes of a majority on the Ways and Means Committee.

I must repeat again that creating industrial policy groups is contrary to U.S. policy and contrary to the feelings of the people of the United States.

Yes, under section 201, it is useful to help industries down on their luck to regain their competitiveness through temporary assistance if they are willing to provide some self help. It is not a good idea to establish a committee composed mostly of people within the industry, that is, to put the fox in charge of the hencoop, and then to have them recommend the exact policy to restore that industry, and finally to make that industry-sponsored subsidy plan the standard for the world.

Yes, under the Ways and Means Committee bill industry-sponsored industrial policy is not mandatory. But please remember, in nearly every feature that was discretionary in present trade law, the Ways and Means Committee came back this year and said, "We must make them mandatory."

And what will happen in the future is that if these plans are not accepted by the USTR, next year we will be right back here with a bill saying we will now make them mandatory.

Finally, I want to talk about trade adjustment assistance.

The gentleman from Ohio [Mr. PEASE] has carried the lion's share of the burden in trying to keep a program alive. I concur with his desire to keep the program alive. I lack a good deal of his enthusiasm for various aspects of the program, however.

But we do have a TAA Program which was kept open by the Congress. Any of us could have objected to the unanimous-consent request and killed it. I did not, because I thought it was a good thing to have on the books, at least until we can find a better way to serve the TAA needs.

I have to remind the House that however juicy this sounds, and however much people who are out of work demand the benefits, and no matter how much the various trade unions who have taken advantage of it believe it is a good program, it is fair to say that over the past 3 years the people completing programs compared to the number starting or who have been enrolled in programs is somewhere around a ratio of 1 in 7. That is, the program has just not been successful.

We do need to repair it. It is not such a good program that we ought to make a pie available so that all of the blackbirds who want to eat the pie get in there and mess around with it before we know that the program works. Clearly the one we have now does not work.

Again, I state that my amendment only repeals an obsolete trust fund which has negligible financing. It does not affect our TAA Program at all.

My amendment should be passed.

Mr. Chairman, I reserve the balance of my time.

Mr. GIBBONS. Mr. Chairman, I yield 2½ minutes to the gentleman from Arizona [Mr. McCAIN].

Mr. McCAIN. I thank the gentleman for yielding.

Mr. Chairman, I rise in reluctant opposition to the Frenzel amendment. I emphasize "reluctance" because I believe that the gentleman from Minnesota [Mr. FRENZEL] is accurate in many of his statements made in his amendment. I believe the President should fashion American trade policy, as he has so well articulated.

However, if the President refuses to exercise powers granted to him, perhaps we need to make some changes.

As you undoubtedly are aware—and I would like to remind my colleagues from Minnesota—in 1984 the copper industry, utilizing section 201 of the Trade Act of 1974, filed for relief from injury caused by unfair import competition. The President denied relief, despite the findings of the International Trade Commission.

As you may recall, the ITC found that copper imports were a substantial cause of injury to the U.S. copper industry and recommended the imposition of import relief measures. The President and this administration rejected this or any other action.

I would like to say to my colleagues from Minnesota that I strongly believe that if there are industries in the United States that have been found to be victims of unfair trade competition, I refer specifically to the case of copper industries subsidized with American tax dollars through international organizations—I am speaking specifically of Chile, Zaire, and Zambia—which subsidize exports of copper so that they could dump them on the world market, thereby turning cities in this country and my state into ghost towns because of the shutdowns of the copper industry throughout this country, I would suggest that we probably need to take stronger measures in order to ensure that all of our industries, not just the copper industry, are allowed a level playing field.

I would suggest to the gentleman from Minnesota that if there is repetitions of findings of the ITC of unfair trade practices upon the part of our competitors and there is no action on the part of this or any other administration, then there will be a call for action on the part of the American people, and members of these industries which are the victims of unfair trade competitions will demand action, I think they deserve it.

Mr. FRENZEL. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, I thank the gentleman from Arizona for his good counsel, and I appreciate that extractive industries not only in his State, but all over the United States, and all over the world are suffering. It is mostly true of minerals like copper and other mined objects. The mining business is in a terrible state, and I sympathize with the problem in his district.

However, the gentleman does mention unfair trade practices. This section of the trade law of course, is in section 201, which refers to injured U.S. companies and industries, but there is no requirement or showing of unfair trade practice to get relief under this section of the act. All that is required is that one show injury, and upon that showing gain the President's approval for some sort of particular relief, which could be tariff, or quota, or VRA, or other kind of relief, whatever seems to be most appropriate under the circumstances.

My amendment only tries to get this industry group out of making trade policy. I believe that any industry has sufficient access now either to the Department of Commerce or to the USTR to be able to make recommendations under current circumstances.

But to give those industrial policy plans new stature under law means that there will be great pressure on the agencies involved to make those plans mandatory. If that occurs, we will be surrendering to industrial policy determinations made at the worst possible level, that is, by the benefited industries and their employees.

Mr. Chairman, I hope that the amendment will be accepted.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. PEASE].

Mr. PEASE. I appreciate the gentleman yielding.

Mr. Chairman, I think it is important that we keep in mind what these advisory groups would do and not do and how far they are away from industrial policy.

The gentleman from Minnesota has just said if this happens and then if that happens and then if a third thing happens, then we get into industrial policy made at the wrong level by the wrong group.

But there are a couple of big "ifs" there. This bill does not provide for that. It provides for an industry advisory group made up of people from the industry, from worker groups, from communities which would sit down and try to figure out a way to salvage an industry, make it more competitive, allow it to go into different lines of production and return to health so that jobs and communities all across America can be preserved.

That is all we are trying to do with these groups.

Mr. GIBBONS. Mr. Chairman, I yield myself the balance of my time, to close debate.

The CHAIRMAN. The gentleman from Florida [Mr. GIBBONS] is recognized for 2 minutes.

Mr. GIBBONS. Mr. Chairman, I think we have heard enough reasons why the Frenzel amendment should be rejected. This is not industrial policy. This is just good sound quid pro quo. If you are going to give an industry some protection under the trade laws, you ought to get something out of that industry in the way of concessions from the people who are in the industry, and that is what this does. It is purely a voluntary procedure. I do not think it hurts the trade laws at all, and I would ask for a "no" vote on the Frenzel amendment.

The CHAIRMAN. Under the rule, all time for debate on this amendment has expired.

The question is on the amendment offered by the gentleman from Minnesota [Mr. FRENZEL].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 109, noes 306, not voting 18, as follows:

[Roll No. 132]

AYES—109

Archer	Holt	Petri
Armey	Hunter	Porter
Bartlett	Hyde	Roberts
Barton	Ireland	Roukema
Bilirakis	Kemp	Saxton
Broomfield	Kindness	Schaefer
Brown (CO)	Kramer	Schneider
Burton (IN)	Lagomarsino	Schuette
Carney	Latta	Sensenbrenner
Chandler	Leach (IA)	Shaw
Chappie	Lent	Shumway
Cheney	Lewis (CA)	Shuster
Courter	Lewis (FL)	Siljander
Crane	Lightfoot	Slaughter
Dannemeyer	Livingston	Smith (NE)
Daub	Loeffler	Smith, Denny (OR)
DeLay	Lowery (CA)	Smith, Robert (NH)
Dickinson	Lungren	Smith, Robert (OR)
DioGuardi	Mack	Solomon
Dornan (CA)	Madigan	Stangeland
Dreier	Marlenee	Strang
Duncan	Martin (IL)	Stump
Eckert (NY)	McCandless	Sweeney
Edwards (OK)	McCollum	Swindall
Evans (IA)	McGrath	Tauke
Fawell	Meyers	Thomas (CA)
Fiedler	Miller (OH)	Walker
Fields	Miller (WA)	Weber
Fish	Molinari	Whitehurst
Frenzel	Monson	Whittaker
Gallo	Moore	Wolf
Gingrich	Moorhead	Wylie
Gradison	Morrison (WA)	Young (FL)
Green	Myers	
Gregg	Nielson	
Hansen	Oxley	
Hartnett	Packard	
Hiler	Parris	

NOES—306

Ackerman	Fazio	Mikulski
Akaka	Feighan	Miller (CA)
Anderson	Flippo	Mineta
Andrews	Florio	Mitchell
Annunzio	Foley	Moakley
Anthony	Ford (MI)	Mollohan
Applegate	Ford (TN)	Montgomery
Aspin	Fowler	Moody
Atkins	Frank	Morrison (CT)
AuCoin	Franklin	Murphy
Barnard	Frost	Murtha
Barnes	Fuqua	Natcher
Bateman	Garcia	Neal
Bates	Gejdenson	Nelson
Bedell	Gekas	Nichols
Beilenson	Gephardt	Nowak
Bennett	Gibbons	Oakar
Bentley	Gilman	Oberstar
Bereuter	Glickman	Obey
Berman	Gonzalez	Olin
Bevill	Goodling	Ortiz
Biaggi	Gordon	Owens
Blliley	Gray (IL)	Panetta
Boehlert	Guarini	Pashayan
Boggs	Gunderson	Pease
Boland	Hall (OH)	Penny
Boner (TN)	Hall, Ralph	Pepper
Bonior (MI)	Hamilton	Perkins
Bonker	Hammerschmidt	Pickle
Borski	Hatcher	Price
Bosco	Hawkins	Quillen
Boucher	Hayes	Rahall
Boulter	Hendon	Rangel
Boxer	Henry	Ray
Breaux	Hertel	Regula
Brooks	Hillis	Reid
Brown (CA)	Hopkins	Richardson
Broyhill	Horton	Ridge
Bruce	Howard	Rinaldo
Bryant	Hoyer	Ritter
Burton (CA)	Hubbard	Robinson
Bustamante	Huckaby	Roe
Byron	Hughes	Roemer
Callahan	Hutto	Rogers
Campbell	Jacobs	Rostenkowski
Carper	Jeffords	Roth
Carr	Jenkins	Rowland (CT)
Chapman	Johnson	Rowland (GA)
Chappell	Jones (NC)	Roybal
Clay	Jones (OK)	Rudd
Clinger	Jones (TN)	Russo
Coats	Kanjorski	Sabo
Cobey	Kaptur	Savage
Coble	Kasich	Scheuer
Coelho	Kastenmeier	Schroeder
Coleman (MO)	Kennelly	Schulze
Coleman (TX)	Kildee	Schumer
Collins	Kleczka	Seiberling
Combest	Kolbe	Sharp
Conte	Kolter	Shelby
Conyers	Kostmayer	Sikorski
Cooper	LaFalce	Sisisky
Coughlin	Lantos	Skeen
Coyne	Leath (TX)	Skelton
Craig	Lehman (CA)	Slattery
Crockett	Lehman (FL)	Smith (FL)
Daniel	Leland	Smith (NJ)
Darden	Levin (MI)	Snowe
Daschle	Levine (CA)	Snyder
Davis	Lipinski	Solarz
de la Garza	Lloyd	Spence
Dellums	Long	Spratt
Derrick	Lott	St Germain
DeWine	Lowry (WA)	Staggers
Dicks	Luken	Stallings
Dingell	Lundine	Stark
Dixon	MacKay	Stenholm
Donnelly	Manton	Stokes
Dorgan (ND)	Markey	Stratton
Dowdy	Martin (NY)	Studds
Downey	Martinez	Sundquist
Durbin	Matsui	Swift
Dwyer	Mavroules	Synar
Dymally	Mazzoli	Tallon
Dyson	McCain	Tauzin
Early	McCloskey	Taylor
Eckart (OH)	McCurdy	Thomas (GA)
Edgar	McDade	Torres
Edwards (CA)	McEwen	Torricelli
Emerson	McHugh	Towns
English	McKernan	Traficant
Erdreich	McKinney	Traxler
Evans (IL)	McMillan	Udall
Fascell	Mica	Valentine
Vento	Weiss	Wolpe
Visclosky	Wheat	Wortley
Volkmer	Whitley	Wright
Vucanovich	Whitten	Wyden
Walgren	Williams	Yates
Watkins	Wilson	Yatron
Waxman	Wirth	Young (AK)
Weaver	Wise	Young (MO)

NOT VOTING—18

Alexander	Hefner	Pursell
Badham	Heftel	Rodino
Foglietta	Lujan	Rose
Gaydos	Michel	Smith (IA)
Gray (PA)	Mrazek	Vander Jagt
Grotberg	O'Brien	Zschau

□ 1310

Mrs. VUCANOVICH, Mr. CRAIG, and Mrs. ROUKEMA changed their votes from "aye" to "no."

Mr. KINDNESS, Mrs. ROUKEMA, Mr. KRAMER, and Mr. HUNTER changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. FRENZEL: On page 111, beginning on line 12, strike section 135.

On page 19, between lines 15 and 16 insert the following: "(A) constitutes unfair government pricing of natural resources or of the right to remove or extract natural resources."

On page 119, beginning on line 1, strike section 137.

On page 123, beginning on line 5, strike section 138.

The CHAIRMAN. Pursuant to House Resolution 456, the amendment is considered as having been read.

The gentleman from Minnesota [Mr. FRENZEL] will be recognized for 15 minutes and a Member opposed will be recognized for 15 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, this amendment is a little more exciting than the last two, because this deletes a section relating to natural resources in which Members who have interests in timber, oil, and other resource items will certainly have a great interest.

What my amendment does is strike the so-called natural resources portion of the bill in the countervailing duties section, and instead makes unfair Government pricing of natural resources or the right to remove or extract natural resources as a separate cause of action under 301.

My amendment still leaves two avenues to those industries which believe that they are being subjected to unfair practices. One would be to go forward under countervailing-duty laws as they exist today, which the timber industry is doing. As I understand the recent Department of Commerce ruling with respect to a case with Mexico relating to carbon black, there is some new hope that that will be successful.

□ 1320

Under my amendment, there would be a second option. That would be to file our case for unfair trade practices under section 301, as I already explained just a minute ago.

The bill, on the other hand, makes a unilateral definition of natural resource subsidy. Unfortunately, this bill is rife with unilateral definitions. It makes unilateral definitions for the United States of items that have a known definition in international law.

The risk that one runs when one does such a thing is that every other country in the world will pass the same kind of a law which will therefore make U.S. industries vulnerable under those particular laws which we ourselves invented.

The problem arose several years ago. The House passed a natural resources bill very similar to this in 1984, could not reconcile it with the Senate, and it was lost. So we have it back before us.

However, it is in worse form because of the timber section in which one of the tests for subsidy is whether another country's stumpage cost is lower than the stumpage cost in the highest cost region of the United States. That kind of comparison, of course, is an American selling price of the worst kind, and clearly violative of our international obligations.

The second thing my amendment does is strike the burdensome provisions on downstream product monitoring. For some reason the committee decided that the Department of Commerce, which does not have very much money, should spend lots of time monitoring imports where there has been a problem with dumping 5 years previously.

It is not a terrible part of the law, but it is not good use of scarce resources. We have precious few resources. We have about 130 people in the USTR. We have a small office over in Commerce and we have a few hundred people at the U.S. International Trade Commission. If we give them enough studies and monitoring to do, they will not be able to do the job that the Members of this House expect them to do in administering our trade laws.

Finally, I think another important feature of my amendment is that it strikes the provisions which establish a private cause of action in the Court of International Trade for damages against manufacturers, exporters, importers or cosignees for economic losses associated with imports sold at less than fair value.

This is the so-called Guarini amendment which says that in addition to

antidumping duties, the aggrieved company can go into court and sue and get damages awarded to it. Under our international treaties, it is quite clear that there is no additional penalty available other than the antidumping duties.

The problem, of course, is compounded by the fact that frequently our courts cannot reach across the ocean to the person who may have done the dumping. In such cases, under the Guarini amendment, the American company could sue an American importer, which will simply have the effect of raising costs of everybody.

Now, those of you who like trial lawyers and like to see large settlements and huge bonuses for lawyers will probably like this provision. I think American industry is scared of this feature with good reason, and very nervous that it is going to raise the cost of doing business both in America, and offshore, to a very high level.

Mr. Chairman, I yield myself 2 additional minutes and I yield to the gentleman from Illinois [Mr. CRANE].

Mr. CRANE. Mr. Chairman, I thank the gentleman for yielding.

Going back to making the natural resource subsidies actionable under section 301 and anticipating the probability of mirror legislation by other trading partners, thinking to some of our own cities that I believe probably would qualify; grazing rights, for example, on Federal lands, would it be the gentleman's understanding that would constitute a natural resource subsidy under the language of the bill?

Mr. FRENZEL. Under the definition of this bill, it is my judgment that that would be actionable against the U.S. company in the case of a mirror law in other countries.

Mr. CRANE. How about hydropower projects, TVA, for instance?

Mr. FRENZEL. Of course, that is an American subsidy which could be countervailed.

Mr. CRANE. And some of the prices on natural gas that are still under control?

Mr. FRENZEL. Well, that has been a problem and that is true. That will be covered if this bill were passed in another country.

Mr. CRANE. So any other country that had mirror legislation on the books could turn this particular language around, use our identical language and nail us for the same practices that we are using.

Mr. FRENZEL. In my judgment it would cover nearly every agricultural product that we sell abroad, would be countervailable with the passage of this kind of law in another country.

Mr. CRANE. I thank the gentleman.

Mr. FRENZEL. Mr. Chairman, I yield myself 1 additional minute.

I do so to explain to the body that it was not my first choice that we offer all these amendments in packages. It was something that was required by the Rules Committee and by the effort of the leadership to move the bill promptly forward. I apologize that we do not have time to attack each of these bad features separately. Unfortunately, under the rules we cannot.

Mr. Chairman, I reserve the balance of my time.

Mr. ROSTENKOWSKI. Mr. Chairman, I rise to oppose the amendment.

The CHAIRMAN. The gentleman from Illinois [Mr. ROSTENKOWSKI] is rcognized for 15 minutes.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. RUSSO].

Mr. RUSSO. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota and I would like to take this opportunity to deal with that portion of his amendment striking the downstream product monitoring provision contained in H.R. 4800.

We have known for some time that our antidumping and countervailing duty laws are being evaded by the further processing abroad of dumped or subsidized components through a technique known as diversionary downstream dumping.

The best way to describe this behavior is through example. Japanese fiber producers avoid the 23-percent antidumping duty now imposed on plied acrylic yarn by using surrogate processors in other countries. Shipments of cold finished bar from the European Community more than doubled when restraints were placed on that product's raw material, hot rolled bar.

In 1984, and again this year, we developed a remedy to deal with diversionary downstream dumping which occurs when a manufactured product containing a dumped input product is exported to the United States. Unfortunately, this provisions was dropped in conference because of administration objections. Two years have passed, and we have yet to recieve any indication from the executive branch that they take this problem seriously. So this year, in addition to again adopting a downstream dumping remedy, the Ways and Means Committee also approved a product monitoring provision enabling us to complete our defenses against diversionary dumping.

Many of the industries affected by downstream diversion are composed of small businesses. They simply do not have the resources to track diversion. Section 137 of the trade bill establishes a modest monitoring program that would give small business that information.

Companies making products like dumped or subsidized components could ask the Commerce Department to designate downstream products for monitoring. Only products made from components that are already subject to high dumping or subsidy findings would be eligible. Commerce would be required to simply act on the petitions. The monitoring function would be carried out by the International Trade Commission. The ITC would track imports of the monitored product and analyze those cases where imports increased by 5 percent or more in any quarter.

As I understand it, there are only about 25 products currently subject to dumping or countervailing duty orders or suspension agreements that would be eligibile for downstream monitoring. Of those products, about one-half are already being monitored under the Commerce Department's Steel Import Program.

So there is no major administrative problem in dealing with this monitoring.

During debate in full committee, a representative of the ITC stated that the monitoring would cause no significant administrative burden. Since the Commerce Department's role in the process is limited to the simple determination of whether diversion is likely, no significant strain on its resources will be caused by this provision. In fact, we have given the Commerce Department the power to terminate the monitoring process if they find that imports of the downstream product are not increasing and there is no reasonable likelihood of diversion.

So there really is no major administrative burden. We have tried to deal with the objections that the administration raised 2 years ago. We have dealt with them and again they do not want to help us on this issue of diversionary dumping. It is important that we finally do what is necessary to protect American industries. When we know there is diversionary dumping, we need to act and we need to act quickly.

Thus, the program represents a reasonable attempt to provide an early warning signal of possible diversionary practices. It works in tandem with the remedy we've created, a version of which was contained in the Republican substitute produced by the minority on the Ways and Means Committee. Today, we have an opportunity to confront forcefully an unfair trade practice that we rightly described as pernicious 2 years ago. I urge my colleagues to support this part of H.R. 4800 and oppose the Frenzel amendment.

Mr. GIBBONS. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, when I heard the gentleman from Minnesota [Mr. FRENZEL] describe this provision, I hardly recognized it because the gentleman's description does not comply with what I see in the proposed statute here.

Let us go to page 111 and examine it. I would ask you to read it, because in

the 2 minutes I have I cannot read the whole thing to you and explain it, but let me say this. This is an antisubsidy section of the law, an antisubsidy section of the law. Subsidies are now and have been illegal under international law and under U.S. law for so long a time that man cannot remember.

What are we merely attempting to do here? Somehow our antisubsidy laws over the long years have been eroded by administrative interpretation and judicial interpretation and now a resource that a country finds in its treasury if it delivers it unfairly to a private producer is not counted as a subsidy anymore, but if they give a cash subsidy to a private producer, there is no doubt that it is a subsidy.

I ask you this question. In practical effect, is there any difference in taking a resource subsidy out of your treasury, an in-kind gift, and giving it away to a private business entity, or taking cash out of your treasury and giving it away to a private entity? That is the test that we are trying to meet.

This is a generic piece of legislation. It does not deal with any specific type of resource. It just says that if you have got a resource in your treasury and you are giving it away or selling at less than fair market value, then you have got to pay the subsidy penalty. That is all that it does.

Mr. RUSSO. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. GUARINI].

Mr. GUARINI. Mr. Chairman, I rise in support of compensatory damages for illegal dumping where it has in fact been found by the ITC and by the Department of Commerce.

Where there is an injury, there must be a corresponding remedy. Now, under our law of 1916, we do in fact have treble damages and criminal violations for illegal dumping. The fact is that this has never been exercised because the level of proof is so high that it was almost impossible to prove the case, and because you have to show specific intent. There is no violation of GATT, because this has already been grandfathered in long before GATT ever came into existence in 1948.

Also, this is a private remedy. It is not between countries. It is between private parties.

In regard to whether or not it applies to American companies, if they are benefiting by illegal dumping, putting factories and workers out of work in other parts of our country, they should be held responsible. We should have the same level of test for them that applies to anyone else.

As far as lawyers are concerned, there are no legal fees that are prescribed in this particular bill. Also, it is going to be highly expensive to bring this kind of an action. It can only be brought after there has been a finding, a ruling by the ITC. It only goes back for 3 years for damages. There is a 2-year statute of limitations. It has been very, very carefully thought out.

□ 1335

Let me say it is the biggest deterrent we have in the 458 pages of our trade bill to assure protection to our industries here that are illegally being preyed upon by foreign companies that are forcing illegal practices on our companies and putting our people out of work.

It is not consistent. It is not protectionism. It already exists in our law, and I think it is about time we did have an effective cause of action which we could being here in our court system where a wrong has been perpetrated. If an American company feels that there is a problem, they can always get indemnified by that foreign manufacturer. There are safeguards and protections for our own companies here. It is about time that we did bring a cause of action and enforce our antidumping laws.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas [Mr. ANTHONY].

Mr. AuCOIN. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. I yield to the gentleman from Oregon.

Mr. AuCOIN. Mr. Chairman, I rise in opposition to the amendment.

There is great, great concern in the Northwest and elsewhere that American lumber producers are being forced to operate under the yoke of unfair competition from Canadian lumber manufacturers.

The unfairness arises from low-cost raw materials. In this case, the sale of stumpage from provincial forests in Canada at prices that may not represent fair market value.

Unfortunately, current law is unclear in determining whether natural resource subsidies are countervailable. The provision in H.R. 4800 authored by my colleague from Florida, Mr. GIBBONS, takes away this uncertainty.

American manufacturers should not be saddled with an unfair burden of competing against imports if the raw materials in those imports are subsidized, if the cost of those raw materials are a significant part of the overall product cost, and if the subsidy causes injury to domestic manufacturers.

This may well be the case with Canadian lumber. The American lumber industry has recently filed a countervailing duty case, and that case may well determine that a duty is in order. With hope, the natural resource subsidy provision in H.R. 4800 will clarify the issues in this case.

Mr. Chairman, in a period of record demand for softwood in the United States, mills throughout the Nation and especially in the Northwest are still struggling to compete. This legislation might help them overcome unfair competition. The amendment before us, however, would weaken this chance.

To address the unfair trading practices of other nations, in this case for products involving natural resources, I urge that this amendment be rejected.

Mr. ECKART of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ANTHONY. I yield to the gentleman from Ohio.

Mr. ECKART of Ohio. I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the amendment, which is an important section on which the gentleman from Arkansas assisted me.

I rise today in support of H.R. 4800, the omnibus trade bill, and against the Frenzel amendment. This amendment would delete one of the most important provisions of the bill: Section 138 of H.R. 4800, which would allow domestic companies a private cause of action for illegal dumping.

Currently, the only tool against illegal dumping are countervailing duties. While these are not very effective, most often they are too little, too late. It usually takes several years for the Department of Commerce to make a finding of dumping. Foreign firms, with no disincentive against dumping, continue to dump their goods into our markets during this period. Even if these foreign producers are hit with countervailing duties years after they began their illegal activities, they still are not adversely affected as they simply pass the duty on to the consumer.

Most importantly, our domestic firms witness their markets deterioration at the hands of foreign dumped goods. By the time that limited relief in the form of countervailing duties is received, our firms have lost significant market share to exports and, in some dire cases, our firms have even gone out of business. The best solution to remedy this dramatic problem is an economic disincentive to halt dumping and that is just what this provision in the bill, and similar to the Trade Law Improvement Act which I introduced with Representative TRAFICANT recently, is designed to do.

This provision of the omnibus trade bill is a microcosm of what this debate on trade is all about. It's all about jobs. This provision is not protectionism; instead, it gives the American business and the American worker a chance to compete fairly. This amendment would merely continue to facilitate the import invasion which has led to the loss of some 4 million American jobs, over 40,000 in northeast Ohio alone. I urge my colleagues to reject this amendment and vote in favor of this job saving legislation.

Mr. ANTHONY. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota [Mr. FRENZEL].

Both international and U.S. law recognize that subsidies distort the market and harm the world economy. Both international and United States law recognize that subsidized goods

should be subject to countervailing duties. There is no reason to treat natural resource subsidies any differently.

Mr. FRENZEL says that natural resource subsidies, the Government provision of resources at less than a fair market value, should be subject to action as unfair trade practices but not as countervailable subsidies. There is no reason to distinguish natural resource subsidies from other subsidies. Nor is there a rational basis to distinguish removal right subsidies from other natural resource subsidies in terms of available remedies. Indeed, if the United States imposes a remedy against natural resource pricing as an unfair trade practice, as opposed to action against an illegal subsidy, United States action may be subject to claims of compensation under the GATT.

Remedies against unfair trade practices are entirely discretionary with the President. Under the unfair trade practices provision, the President may choose not to act against a natural resource subsidy for any number of reasons unrelated to the issue of the subsidy itself.

Under current law, the President already has the authority to act against unfair trade practices, including unfair natural resource pricing, but no action has been taken. The number of outstanding trade disputes demonstrates the inability of discretionary unfair trade practices provisions to deal adequately with our current $150 billion trade deficit. Proposals to relegate natural resource subsidies to unfair trade remedies are obviously intended to prevent effective action against foreign subsidies which are costing U.S. jobs.

Countervailing duty decisions are made in public, quasijudicial proceedings which allow both sides to effectively present their case. If a foreign program is a subsidy and injures a U.S. industry, a duty should be placed upon goods benefiting from that subsidy. The procedural safeguards of the countervailing duty law are both necessary and adequate if natural resource subsidies are to be acted against effectively.

Natural resource subsidies are harming, among others, the U.S. lumber, petrochemical, cement, and fertilizer industries. There is no reason to delay action in making such subsidies countervailable. While the Commerce Department has recently issued an opinion indicating that it may now find natural resource subsidies countervailable, that decision is preliminary and should not prevent Congress from taking necessary action.

As Chairman GIBBONS has stated, if foreign governments are not subsidizing natural resources they have no reason to be concerned with this provision. If they are subsidizing, the United States should impose duties.

Mr. FRENZEL. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Louisiana [Mr. MOORE], who is the author of many of the splendid portions of the natural resource sections of the bill.

Mr. MOORE. I thank the gentleman for yielding this time to me.

Mr. Chairman, this bill has a lot of bad in it and it has a lot of good in it. This section is one of the good parts. It is one that should be retained.

I was the coauthor of these provisions that passed in the House trade bill in 1984 and were dropped in conference. I am sorry they were. I am privileged now to be a coauthor again, with the distinguished chairman of the Trade Subcommittee, in bringing this legislation, the natural resources title, back before you.

Let me tell my colleagues, the question is really a very simple one. It is a complicated bill. A lot of people are not familiar with all the terminology. A lot of people on the Committee on Ways and Means are not either. Do not feel lonesome.

What this simply says is this: If you believe that subsidizing a raw material that goes into a finished product ought to have a countervailing duty against it when it comes into this country in the amount of that subsidy, then you are for the bill and you are against this amendment. It is just that simple.

What we are trying to get at here is the situation where a foreign country is subsidizing a raw material, we call it a natural resource, that goes into a finished product. I do not see how anybody can justify that subsidy or say that is right. The trade law we have right now in this country says that when somebody subsidizes a finished product and it comes into the country, we put a countervailing duty on it in the amount of that subsidy, so they will not subsidize it. If somebody is subsidizing an automobile or whatever, we can put a countervailing duty on it in the amount of the subsidy.

This bill allows us to now do that for a raw material that goes into that finished product. Without this language, we will not be able to have a countervailing duty. There is something called the general availability test, which is something I find very hard to justify in our trade law. What it says is, if that natural resource is generally available to anybody who goes to that country, that subsidizing that natural resource, that is OK, that is not against our law. That, to me, is an export jobs provision that is in our own law.

What it says is, if you have a cement plant or an ammonia plant or a lumber mill and you can go to Canada or Mexico and they will sell you the natural resource below the market price and subsidize it for you, that is OK. But if you stay here in the United States and operate that same lumber mill and try to compete with them, that is just your tough luck.

That is why we need a countervailing duty on a natural resource subsidy. What many of the countries have learned, like Canada in the case of timber, is that they cannot subsidize the lumber itself. They know that. Mexico has learned in the case of natural gas they cannot subsidize the chemicals made from it, the ammonia. Venezuela has learned they cannot subsidize the finished product, gasoline, made from oil because we put a countervailing duty on it. But, aha, they have learned there is a loophole in our law we are trying to plug in this bill, and that hole is this:

You can subsidize the raw material from which it is made and that is OK. That is all right. You can sell the product then in the United States, undercut the American product, and it is all right under our law.

This provision of the bill blocks that and stops it. It is not automatic. It says, No. 1, somebody still has to file a complaint; No. 2, you have to find that in fact there was a subsidy of that raw material that it has sold below the free market price for what that material should be; and No. 3, you have sustained an injury. If you can prove that, as under existing law for finished products, you can get a countervailing duty.

So, my colleagues, do not be bamboozled or fooled. It is a very simple matter. If you want to authorize cheating on raw materials, you vote "yes" on the amendment. If you want to put a stop to it, vote for the bill and vote down the amendment.

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. BONKER].

Mr. BONKER. I thank the gentleman for yielding this time to me.

Mr. Chairman, I am sorry the gentleman from Minnesota had to lump all his items into one amendment, because I share many of his concerns, but I must part company with him on the resource subsidy issue.

The question is: Why is this provision necessary in the trade bill that is before us? It is important if we are going to establish a definitional standard on what constitutes a resource subsidy. Presently, the countervailing duty laws allow for relief when a foreign government is proven to have engaged in subsidized practices, like workers' wages or transportation, but there is no comparable provision or standard when it comes to resource subsidies. The result is that the rulings of the Department of Commerce are not very consistent.

If we look at just one case, involving carbon black, it was a decision out of ITA in favor of the foreign government the first time around, and that

was based on the Canadian lumber issue, and then subsequently they reversed their ruling on this case and now it appears that the Canadian lumber issue is up in the air again.

If there is not a single standard, if there is not a consistent means for the trade agencies to apply the trade laws, then we are going to have a great deal of uncertainty and inconsistency.

□ 1345

With respect to the Canadian issue, the Canadian provinces now have 35 percent of our market in wood products. Do they achieve that goal because they are more competitive? No. According to an ITC report, they are not more competitive. They are getting that sizable share of our market because they are subsidizing their resource.

In 1985, U.S. timber interests had to pay $105 per thousand board feet versus $10 per thousand board feet by our Canadian neighbors. The provision in the bill is not protectionist; it actually fills the gap by providing a definitional standard for what constitutes a resource subsidy.

That is why we should vote down the amendment.

Mr. FRENZEL. Mr. Chairman, I think the gentleman from Idaho [Mr. CRAIG] is expecting to get time from both sides, and I yield 1 minute to the distinguished gentleman from Idaho.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from Idaho [Mr. CRAIG].

The CHAIRMAN. The gentleman from Idaho [Mr. CRAIG] is recognized for 2 minutes.

Mr. CRAIG. Mr. Chairman, I rise today in opposition to the Frenzel amendment to delete section 135 of H.R. 4800.

It is almost a catch-22 position for me. H.R. 4800 has been windowdressed and made a political document, at a time when we need to pass constructive and helpful trade legislation.

While there are many provisions in H.R. 4800 I find hard to support, section 135 of the bill is needed to help rectify our current trade imbalance, with one or our major trade partners—Canada.

The administration has come full circle in recognizing the inherent trade problem that exists between Canada and the United States. It isn't the administration that presents the problems to our domestic timber industry; it is the Canadians' unwillingness to negotiate in good faith.

Subsidized Canadian lumbers have dramatically injured the United States softwood lumber industry. Over 650 U.S. softwood lumber mills have closed since 1977 and tens of thousands of U.S. workers have been forced out of work.

In my own State of Idaho, 20 mills have closed, displacing 3,000 workers and silencing many axes that used to be heard in Idaho's plentiful forests.

By eliminating section 135 in H.R. 4800, we are simply reverting back to our existing trade laws, making the issue of natural resource subsidies remedy actions as unfair trade practices under section 301 but not as counterviable subsidies.

Section 135 addresses the trade distorting effects resulting from subsidization of input products used in manufacturing products as well as the trade distorting effects resulting subsidization of removal rights.

The Frenzel amendment will not accomplish what we need to have done, in the area of subsidies given to raw products by our foreign trade partners.

Section 135 is the hammer the domestic timber industry needs to keep the saw mills humming and American homes being built by American timber.

To coin a popular phrase these days: "I just want to right the playing field so it is level" and we are competing equally.

Adoption of the Fenzel amendment will keep the playing field tilted, and our mills silent.

I urge my colleagues to reject my good friend of Minnesota, Mr. FRENZEL's amendment and support keeping section 135 in the bill.

Mr. FRENZEL. Mr. Chairman, to repeat, giving effect to the portion of my amendment that strikes the natural resources section, if you would follow the language of my amendment, natural resource subsidies could still be handled under the countervailing duty portion of the law and, in addition, there would be a separate cause of action under section 301, which is the unfair practices section.

There is plenty of room to attack natural resource subsidies from abroad which are unfair or that cause injury to U.S. companies or to our industry completely. What my amendment is aimed at is the unilateral description by the United States that something another country has done for 70 years is suddenly contrary to our trade laws.

We still ought to observe the international standard until we can amend the international standards which define subsidy. If the Canadians are guilty of unfair practices they can be countered under CVD laws, or, in my amendment, under section 301. Now I want to talk a little bit more on this private cause of action, the so-called Guarini amendment, to remind the Members of this body that in the old days, America used to be the country that had the most antidumping objections in the entire world.

In 1983 and 1984, we fell behind and we were only No. 2 as the world's biggest dumper. Last year, I am pleased to note that we have regained our stature as the world's No. 1 dumper. We had 63 cases against us. Japan, the No. 2 country and second-largest world trader, had only 62. That means that if other countries impose the Guarini burdens on our country, American commerce is going to find itself more penalized than any other country in the world.

Obviously, it is unworthy of us to burden our commerce with this tribute to the lawyers. I urge the adoption of my amendment.

Mr. GIBBONS. Mr. Chairman, I want to close by saying that I think there has been a good debate on this section. I think we have heard enough arguments to know that the Frenzel amendment should be rejected. It is very simple. This is an antisubsidy section. Subsidies have always been against the international rules. They have always been against our own rules. We should vote them down again.

I ask for a "no" vote on the Frenzel amendment.

The CHAIRMAN. Under the rule, all time for debate on this amendment has expired.

The question is on the amendment offered by the gentleman from Minnesota [Mr. FRENZEL].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic devise, and there were—ayes 79, noes 338, answered "present" 1, not voting 15, as follows:

[Roll No. 133]

AYES—79

Archer	Gregg	Packard
Armey	Hiler	Porter
Bereuter	Holt	Pursell
Bilirakis	Jeffords	Roberts
Broomfield	Johnson	Saxton
Bustamante	Kemp	Schaefer
Carney	Lagomarsino	Schneider
Cheney	Leach (IA)	Shaw
Coats	Lightfoot	Shumway
Coleman (TX)	Livingston	Siljander
Coughlin	Lowery (CA)	Smith (NE)
Crane	Lungren	Smith, Robert (NH)
Dannemeyer	Mack	Spence
Daub	Madigan	Stangeland
DeLay	Marlenee	Stump
DioGuardi	McCain	Swindall
Dornan (CA)	McCandless	Tauke
Dreier	McCollum	Thomas (CA)
Eckert (NY)	Meyers	Vucanovich
Emerson	Michel	Weber
Evans (IA)	Miller (OH)	Whitehurst
Fawell	Molinari	Whittaker
Fields	Monson	Wortley
Fish	Moorhead	Wylie
Frenzel	Morrison (CT)	Young (FL)
Gradison	Nielson	
Green	Oxley	

NOES—338

Ackerman	Anthony	Barnes
Akaka	Applegate	Bartlett
Alexander	Aspin	Barton
Anderson	Atkins	Bateman
Andrews	AuCoin	Bates
Annunzio	Barnard	Bedell

Beilenson	Gejdenson	Mollohan
Bennett	Gekas	Montgomery
Bentley	Gibbons	Moody
Berman	Gilman	Moore
Bevill	Gingrich	Morrison (WA)
Biaggi	Glickman	Mrazek
Bliley	Gonzalez	Murphy
Boehlert	Goodling	Murtha
Boggs	Gordon	Myers
Boland	Gray (IL)	Natcher
Boner (TN)	Gray (PA)	Neal
Bonior (MI)	Guarini	Nelson
Bonker	Gunderson	Nichols
Borski	Hall (OH)	Nowak
Bosco	Hall, Ralph	Oakar
Boucher	Hamilton	Oberstar
Boulter	Hammerschmidt	Obey
Boxer	Hartnett	Olin
Breaux	Hatcher	Ortiz
Brooks	Hawkins	Owens
Brown (CA)	Hayes	Panetta
Brown (CO)	Hefner	Parris
Broyhill	Hendon	Pashayan
Bruce	Henry	Pease
Bryant	Hertel	Penny
Burton (CA)	Hillis	Pepper
Burton (IN)	Hopkins	Perkins
Byron	Horton	Petri
Callahan	Howard	Pickle
Campbell	Hoyer	Price
Carper	Hubbard	Quillen
Carr	Huckaby	Rahall
Chandler	Hughes	Rangel
Chapman	Hunter	Ray
Chappell	Hutto	Regula
Chappie	Hyde	Reid
Clay	Jenkins	Richardson
Clinger	Jones (NC)	Ridge
Cobey	Jones (OK)	Rinaldo
Coble	Jones (TN)	Ritter
Coelho	Kanjorski	Robinson
Coleman (MO)	Kaptur	Roe
Collins	Kasich	Roemer
Combest	Kastenmeier	Rogers
Conte	Kennelly	Rose
Conyers	Kildee	Rostenkowski
Cooper	Kindness	Roth
Courter	Kleczka	Roukema
Coyne	Kolbe	Rowland (CT)
Craig	Kolter	Rowland (GA)
Crockett	Kostmayer	Rudd
Daniel	Kramer	Russo
Darden	LaFalce	Sabo
Daschle	Lantos	Savage
Davis	Latta	Scheuer
de la Garza	Leath (TX)	Schroeder
Dellums	Lehman (CA)	Schuette
Derrick	Lehman (FL)	Schulze
DeWine	Leland	Schumer
Dickinson	Lent	Seiberling
Dicks	Levin (MI)	Sensenbrenner
Dingell	Levine (CA)	Sharp
Dixon	Lewis (CA)	Shelby
Donnelly	Lewis (FL)	Shuster
Dorgan (ND)	Lipinski	Sikorski
Dowdy	Lloyd	Sisisky
Downey	Loeffler	Skeen
Duncan	Long	Skelton
Durbin	Lott	Slattery
Dwyer	Lowry (WA)	Slaughter
Dymally	Luken	Smith (FL)
Dyson	Lundine	Smith (NJ)
Early	MacKay	Smith, Denny (OR)
Eckart (OH)	Manton	Smith, Robert (OR)
Edgar	Markey	Snowe
Edwards (CA)	Martin (IL)	Snyder
Edwards (OK)	Martin (NY)	Solarz
English	Martinez	Solomon
Erdreich	Matsui	Spratt
Evans (IL)	Mavroules	St Germain
Fascell	Mazzoli	Staggers
Fazio	McCloskey	Stallings
Feighan	McCurdy	Stark
Fiedler	McDade	Stenholm
Flippo	McEwen	Stokes
Florio	McGrath	Strang
Foley	McHugh	Stratton
Ford (MI)	McKernan	Studds
Ford (TN)	McKinney	Sundquist
Fowler	McMillan	Sweeney
Frank	Mica	Swift
Frost	Mikulski	Synar
Fuqua	Miller (CA)	Tallon
Gallo	Miller (WA)	Tauzin
Garcia	Mineta	Taylor
Gaydos	Moakley	Thomas (GA)
Torres	Volkmer	Walgren
Torricelli	Walker	Watkins
Towns	Waxman	Weaver
Traficant	Weiss	Wheat
Traxler	Udall	Valentine
Vander Jagt	Vento	Visclosky
Whitley	Whitten	Williams
Wilson	Wirth	Wise
Wolf	Wolpe	Wright
Wyden	Yates	Yatron
Young (AK)	Young (MO)	

ANSWERED "PRESENT"—1

Jacobs

NOT VOTING—15

Badham	Hansen	O'Brien
Foglietta	Heftel	Rodino
Franklin	Ireland	Roybal
Gephardt	Lujan	Smith (IA)
Grotberg	Mitchell	Zschau

□ 1405

The Clerk announced the following pair:

On this vote:

Mr. Zschau for, with Mr. Gephardt against.

Messrs. BURTON of Indiana, CHAPPIE, BROWN of Colorado, and KRAMER changed their votes from "aye" to "no."

Messrs. LIVINGSTON, EMERSON, and FIELDS changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. AU COIN

Mr. AuCOIN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. AuCoin: Page 185, between lines 10 and 11, insert the following:

SEC. 179. SENSE OF CONGRESS REGARDING ACCESS TO THE JAPANESE SEMICONDUCTOR MARKET.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that—

(1) the maintenance of a healthy domestic semiconductor industry is essential to the development of the United States economy and the preservation of the national security of the United States;

(2) the United States semiconductor industry is a world leader in semiconductor technology and has demonstrated its competitiveness in all markets to which it has had free access;

(3) in 1983, the Department of Commerce and the United States Trade Representative concluded that evidence "suggested that the intent of the Government of Japan . . . has been to offset the effects of liberalization" of the semiconductor market;

(4) on June 14, 1985, the Semiconductor Industry Association filed a petition with the United States Trade Representative requesting the President to take action to open the Japanese semiconductor market to United States semiconductor manufacturers, and July 11, 1985, the United States Trade Representative initiated an investigation into the allegations supporting such request;

(5) negotiations are underway with the Government of Japan to resolve the issue of free access to the Japanese semiconductor market, but such negotiations have not progressed; and

(6) the semiconductor trade issue should be resolved through a program to increase, rather than restrict, international semiconductor trade.

(b) SENSE OF CONGRESS.—In view of the findings under subsection (a), it is the sense of Congress that—

(1) The Government of Japan should allow United States semiconductor manufacturers full and substantial access to the Japanese semiconductor market; and

(2) the President should immediately—

(A) take all appropriate and feasible action in his power to achieve full and substantial access to the Japanese semiconductor market for United States semiconductor manufacturers, and

(B) determine if the actions of the Government of Japan in restricting access to its semiconductor market warrant Presidential action under section 301 of the Trade Act of 1974.

Amend the table of contents of the bill by inserting after the entry for section 178 the following:

"Sec. 179. Sense of Congress regarding access to the Japanese semiconductor market.".

The CHAIRMAN. Under the rule, the amendment is considered as read.

Pursuant to House Resolution 456, the gentleman from Oregon [Mr. AuCOIN] will be recognized for 15 minutes and a Member opposed thereto will be recognized for 15 minutes.

The Chair recognizes the gentleman from Oregon [Mr. AuCOIN].

Mr. AuCOIN. Mr. Chairman, almost 1 year ago the American Semiconductor Industry Association presented evidence to the United States Trade Representative that the Government of Japan had denied United States companies full access to Japanese markets.

Part of the American case rests on the fact that American manufacturers have won, through competition, 55 percent of the European semiconductor market while those same quality United States manufacturers have gained only 11 percent of Japan's market.

Moreover, it is interesting that in that European market, where American semiconductor manufacturers go head to head with Japanese competitors under the same rules, Americans have captured 55 percent of the market while the Japanese have 12 percent.

So when the United States manufacturers took that section 301 action against Japan, they asked the President to eliminate those barriers they feel they face.

Mr. Chairman, section 301 of the Trade Act of 1974 is designed to provide a quick, expedited resolution of disputes of this kind. But here we are, nearly a year later and the U.S. Government still has not officially determined whether or not the charges made by American industry do in fact have merit. If such an affirmative finding were to be made, the President

would have to decide whether or not to take reciprocal action against the Japanese. Personally, I would rather not see the President have to resort to retaliatory action against our friends in Japan.

I would rather see the United States and Japan reach an agreement by themselves whereby Japan would expand its market to competition from our semiconductor industry. But progress to that end has been excruciatingly slow. A few weeks ago it looked as if the discussions had truly reached an impasse; in fact there is no guarantee that it will not yet happen.

To make matters worse, Mr. Chairman, the United States Trade Representative has been reluctant to make a formal finding that Japan has in fact engaged in unfair trading practices.

The reason is probably the worst-kept secret in this town; namely, that there is disunity among the various departments within this administration on this question. Disunity among the Department of State, Department of Commerce, and even the Office of Management and Budget.

This has prevented a joint recommendation from reaching the President's desk. The amendment I offer is the same as a resolution I introduced just after the announcement that the Japanese-United States semiconductor negotiations had broken down. The amendment's purpose, Mr. Chairman, is to send a message to the parties involved in the issue.

The message to the Reagan Administration is that the semiconductor industry deserves an answer to its complaint from its own government. That is No. 1.

Second, it deserves from the Japanese Government something called good, old-fashioned, head-to-head free competition within the marketplace of Japan when it comes to semiconductors.

My amendment calls on the Government of Japan in sense-of-the-Congress language to guarantee full and substantial access to its markets for the United States semiconductor industry. There is no reason why our friends should not grant that which we grant to them. My amendment also directs the President of the United States to immediately determine if complaints made by the American Semiconductor Industry Association are valid and whether or not Japanese actions constitute unfair trade under section 301 of our trade laws.

Once a determination is made, the President would still have the option of ordering reciprocal action by the United States.

In other words, Mr. Chairman, my amendment calls on both parties in this situation to fish or cut bait on a matter of extreme importance not only to the semiconductor industry but in turn to the security posture and industrial competitiveness of America as a whole.

Many workers in the semiconductor sector are being laid off today because of lost opportunities, lost sales, and lost profits caused by alleged barriers and lack of market access abroad.

I hope my colleagues will join me in support of this amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member seek time in opposition to the amendment?

Mr. FRENZEL. Mr. Chairman, I make such a request.

The CHAIRMAN. The gentleman from Minnesota [Mr. FRENZEL] is recognized for 15 minutes.

Mr. FRENZEL. Mr. Chairman, I yield myself 3 minutes.

I yield to the distinguished gentleman from Arizona [Mr. MCCAIN].

Mr. MCCAIN. I thank the gentleman for yielding.

Mr. Chairman, I would like to congratulate the gentleman from Oregon on his amendment. I think it is timely, it is appropriate, it is an example of what our trade policy should be; breaking down the barriers that exist rather than erecting our own.

I am well acquainted with the semiconductor industry. It is the No. 1 employer in my district and State. I have visited numerous plants and facilities and have witnessed firsthand our state-of-the-art equipment, our process, and the facilities.

I would like to emphasize, Mr. Chairman, that our industry has been in a recession lately and a rather serious one. It is not because of a lack of productivity; it is not because of a lack of modernization, nor is it because of excess wages.

The semiconductor industry in the world holds 55 percent of the market in Europe, 50 percent in the Pacific rim outside of Japan, 83 percent of our domestic market, yet only 10 percent of the market in Japan is held by American semiconductors. It obviously does not square with our competitiveness worldwide.

□ 1420

The semiconductor industry is vital to our future competitiveness and to our national defense.

Mr. Chairman, I would suggest that if the United States is squeezed out of the semiconductor industry, it could have devastating effects on our ability to defend this Nation. I do not think we can tolerate further actions which have the effect of damaging this industry and diminishing its future.

I understand, as the gentleman from Oregon pointed out, that negotiations are taking place between the United States and Japan. I think we have reason for optimism. But I would like to remind this body that for 10 years the Japanese Government has assured our industry that they would have an increasing share of their market. It was 10 percent at that time; it remains 10 percent.

Mr. Chairman, I think that we need to send a message to the Japanese Government that the American people are serious, that we demand a level playing field on the semiconductor industry worldwide, as well as in Japan.

Mr. Chairman, I appreciate the gentleman from Oregon offering this amendment.

Mr. FRENZEL. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, the amendment of the gentleman from Oregon is also in the Republican substitute. It was put there through the good work of the gentleman from California [Mr. ZSCHAU], who is one of this body's resident semiconductor experts.

Mr. Chairman, I have no further requests for time from this side. It is unlikely that we shall seek a vote on this. I reserve the balance of my time.

Mr. AUCOIN. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. PICKLE].

Mr. PICKLE. Mr. Chairman, I support the amendment offered by the gentleman from Oregon. I feel very strongly that the administration must quit dragging its feet and proceed with a positive determination that the semiconductor case merits action under section 301.

The semiconductor industry is a vital component in our electronics and manufacturing industry sectors. Semiconductors are used in every imaginable piece of equipment we manufacture. It is a high-technology product, R&D intensive, and dependent upon technological gains in order to satisfy our insatiable thirst for faster, better, more sophisticated machines. If we are to maintain our capability for technological advancements, then we must take steps to ensure a strong and viable semiconductor industry.

Time is running out on the semiconductor case. Negotiations with Japan have broken down because they insist on denying fair market access to our products. At the same time, the administration has not stated affirmatively that the case is actionable.

It seems that if the administration would make clear that it plans to take action under section 301—and retaliate if we are unable to reach a negotiated solution—then the Japanese might be more inclined to reach an agreement with us.

This amendment calls for an immediate resolution of this case. If the Japanese refuse to open their market then we should enforce existing laws which address this unfair trade practice.

I have communicated my strong feelings on this issue to the administration. An "aye" vote on this amend-

ment will indicate broad support for timely resolution of meritorious cases against foreign unfair trade practices. Concerns about unfair trade are not limited to heavy manufacturing industries. We need to get a handle on this problem and I urge an "aye" vote on this amendment.

Mr. AUCOIN. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. EDWARDS].

Mr. EDWARDS of California. Mr. Chairman, I rise in strong support of this semiconductor amendment to the omnibus trade bill; and, I compliment the gentleman from Oregon for introducing it.

Already, a year has gone by with a section 301 case pending on this important issue; and valiant efforts on the part of U.S. negotiators to resolve this pressing problem have been to no avail.

I understand the reluctance of the administration to issue a formal finding that our good friend and strong ally, the great country of Japan, is unduly protecting its domestic market from free trade in semiconductor chips.

However, the evidence really is uncontroverted; and, it is in the best interests of the valued friendship we have with Japan that this troubling issue be speedily resolved.

We need to let Japan know that our semiconductor industry, so vital to our economy and to our security, has the full backing of the United States Congess in its attempt to have free trade in the Japanese market. We need to give the President this additional tool to help bring this about.

I urge my colleagues to vote to adopt this amendment and do just that.

Mr. AUCOIN. Mr. Chairman, may I inquire of the Chair as to how much time I have remaining?

The CHAIRMAN. The gentleman from Oregon [Mr. AUCOIN] has 7 minutes remaining.

Mr. AUCOIN. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. MINETA].

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. MINETA. I yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, I rise in strong support of this amendment.

Mr. Chairman, this amendment reflects the provisions of a resolution, House Resolution 454, which I have cosponsored along with Mr. AUCOIN, Mr. MINETA, Mr. EDWARDS, and others. The amendment calls upon the Governments of Japan and the United States to resolve the pending section 301 semiconductor case.

Almost 1 year ago the United States semiconductor industry presented evidence to the USTR demonstrating that Japan had impeded the access to their market. A section 301 investigation was immediately initiated. Since then, the United States has been negotiating with Japan to convince them to expand their market.

Unfortunately, negotiations have broken down. Worse, the United States is reluctant to make a formal finding that Japan has, in fact, unduly protected their markets.

The semiconductor industry deserves action. Japan must open its markets or the United States should enforce United States laws to help respond to unfair trade practices.

One of our most innovative and productive industries has been unfairly inhibited in its development and growth. That limitation has impacted directly on my district through a loss of jobs both actual and potential.

The strong message this vote will provide can be used by our Trade Representative Clayton Yuetter to make clear to the Japanese that we will not tolerate a protectionist approach on still another high-technology trade issue.

Mr. MINETA. Mr. Chairman, I rise today to give my wholehearted support to the AuCoin amendment to the omnibus trade bill and to thank the gentleman from Oregon for offering it today.

After months of fruitless negotiation, talks between the United States and Japan trade representatives concerning semiconductors have reached an impasse. As a result, American semiconductor manufacturers are operating at a severe disadvantage. They cannot fully recover from the damages to the industry of past dumping actions by foreign semiconductor chip manufacturers; nor can they hope to gain greater access to markets in Japan without Japan first easing barriers that currently forestall free (and open trade. These are the problems our negotiators set out to address and yet an agreement still eludes us.

This is a high stakes game. Both the Japanese and the United States are keenly aware that semiconductors are the vital building blocks to all high technology products. Developing the most advanced, highest quality chips at reasonable prices guarantees domestic industries a secure place in the world marketplace. Competition between American and foreign manufacturers is healthy and is a great stimulant to the research and development capabilities of our own industries.

But, creating excess manufacturing capacity and then dumping chips at below market prices—a strategy attributable to Japanese chip producers—isn't healthy competition. Rather, it destabilizes the chip markets through illegal unfair means.

Our laws guard against these activities and the semiconductor industry is pursuing remedies, although not without some permanent losses in product lines.

Simultaneously, semiconductor manufacturers quite rightly are seeking to compete in the Japanese marketplace on a fair and equitable basis. This means that artificially contrived impediments designed to prevent entry of American products into their marketplace will ultimately have to give way to genuine competition among all manufacturers.

The merits of the products themselves, fair and reasonable pricing, and ready availability should be the factors determining sales of semiconductor chips—not a system which has as its primary prerequisite absolute protection of the home marketplace for domestic producers.

In Japan, our producers have achieved 11 percent of the semiconductor market; in Europe, our producers enjoy more than 50 percent of the market share. Surely, this illustrates our ability to compete successfully in parts of the world where free and open choices in product consumption can be made.

Our trade negotiators have been through a long and tedious negotiating process to resolve these semiconductor issues. This resolution is designed to give these negotiators further backing in their efforts. We want to demonstrate that the full force of Congress is behind efforts to expand accessibility to Japanese markets and to resolve dumping disputes.

Moreover, we expect the President to also give greater weight to these negotiations and to determine once and for all if indeed this inaccessibility to Japan's markets warrants further action under our trade laws—specifically section 301 of the Trade Act.

Last June, the Semiconductor Industry Association filed a petition with the U.S. Trade Representative and in July 1985 the trade Representative initiated investigations into the allegations set forth in SIA's findings. This investigation is still pending, notwithstanding acknowledgement by the Trade Representative that indeed the access question is a serious one—demanding constant negotiations over the past year. Therefore, it is time to formally act on this pending petition by the industry association.

I think this amendment today is a thoughtful and timely approach to a serious, long-term trade problem and I would urge my colleagues to vote for it.

The gentleman from Oregon [Mr. AUCOIN] has brought this matter up today, in the context of the omnibus trade bill, because success in commerce in cutting edge technology will benefit the entire Nation. Again, I thank him for his wise approach to a difficult issue.

□ 1430

Mr. AUCOIN. Mr. Chairman, I yield myself the remaining amount of time.

The CHAIRMAN. The gentleman from Oregon [Mr. AUCOIN] is recognized for 2 minutes.

Mr. AUCOIN. Mr. Chairman, I would just close by saying to my colleagues

that the Joint Economic Subcommittee on Economic Goals and Intergovernmental Policy took testimony on the effects of liberalization of the Japanese semiconductor market. What that testimony indicated was that such liberalization which is called for under my amendment could mean the creation of 17,000 to 27,000 new jobs here in America. Sales by United States firms in Japan could be expected to increase to a level of between $2.4 billion and $4.2 billion. It would boost worldwide sales for the U.S. industry from 11 to 24 percent.

For those reasons, Mr. Chairman, I urge adoption of my amendment, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon [Mr. AuCoin].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. AuCOIN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 134]

ANSWERED "PRESENT"—412

Ackerman	Boucher	Coughlin
Akaka	Boulter	Courter
Alexander	Boxer	Coyne
Anderson	Breaux	Craig
Andrews	Brooks	Crane
Annunzio	Broomfield	Crockett
Anthony	Brown (CA)	Daniel
Applegate	Brown (CO)	Dannemeyer
Archer	Broyhill	Darden
Armey	Bruce	Daschle
Aspin	Bryant	Daub
Atkins	Burton (CA)	Davis
AuCoin	Burton (IN)	de la Garza
Barnard	Byron	DeLay
Barnes	Callahan	Dellums
Bartlett	Campbell	Derrick
Barton	Carney	DeWine
Bateman	Carper	Dickinson
Bates	Carr	Dicks
Bedell	Chandler	DioGuardi
Beilenson	Chapman	Dixon
Bennett	Chappell	Donnelly
Bentley	Chappie	Dorgan (ND)
Bereuter	Cheney	Dornan (CA)
Berman	Clay	Dowdy
Bevill	Clinger	Downey
Biaggi	Coats	Dreier
Bilirakis	Cobey	Duncan
Bliley	Coble	Durbin
Boehlert	Coelho	Dwyer
Boggs	Coleman (MO)	Dymally
Boland	Coleman (TX)	Dyson
Boner (TN)	Collins	Early
Bonior (MI)	Combest	Eckart (OH)
Bonker	Conte	Eckert (NY)
Borski	Conyers	Edgar
Bosco	Cooper	Edwards (CA)
Edwards (OK)	Levine (CA)	Roberts
Emerson	Lewis (CA)	Robinson
English	Lewis (FL)	Roe
Erdreich	Lightfoot	Roemer
Evans (IA)	Lipinski	Rogers
Evans (IL)	Livingston	Rose
Fascell	Lloyd	Rostenkowski
Fawell	Loeffler	Roth
Fazio	Long	Roukema
Feighan	Lott	Rowland (CT)
Fiedler	Lowery (CA)	Rowland (GA)
Fields	Lowry (WA)	Roybal
Fish	Luken	Rudd
Flippo	Lundine	Russo
Florio	Lungren	Sabo
Foley	Mack	Savage
Ford (MI)	MacKay	Saxton
Ford (TN)	Madigan	Schaefer
Fowler	Manton	Schneider
Franklin	Markey	Schroeder
Frenzel	Marlenee	Schuette
Fuqua	Martin (IL)	Schulze
Gallo	Martin (NY)	Schumer
Garcia	Martinez	Seiberling
Gaydos	Matsui	Sensenbrenner
Gejdenson	Mavroules	Sharp
Gekas	Mazzoli	Shaw
Gilman	McCain	Shelby
Gingrich	McCandless	Shumway
Glickman	McCloskey	Shuster
Gonzalez	McCurdy	Sikorski
Goodling	McDade	Siljander
Gordon	McEwen	Sisisky
Gradison	McGrath	Skeen
Gray (IL)	McHugh	Skelton
Green	McKernan	Slattery
Gregg	McKinney	Slaughter
Guarini	McMillan	Smith (FL)
Gunderson	Meyers	Smith (NE)
Hall (OH)	Mica	Smith (NJ)
Hall, Ralph	Michel	Smith, Denny (OR)
Hamilton	Mikulski	
Hammerschmidt	Miller (CA)	Smith, Robert (NH)
Hansen	Miller (OH)	
Hartnett	Miller (WA)	Smith, Robert (OR)
Hatcher	Mineta	
Hawkins	Mitchell	Snowe
Hayes	Moakley	Snyder
Hefner	Molinari	Solarz
Hendon	Mollohan	Solomon
Henry	Monson	Spence
Hertel	Montgomery	Spratt
Hiler	Moody	St Germain
Hillis	Moore	Staggers
Hopkins	Moorhead	Stallings
Horton	Morrison (CT)	Stangeland
Howard	Morrison (WA)	Stark
Hoyer	Mrazek	Stenholm
Hubbard	Murphy	Stokes
Huckaby	Murtha	Strang
Hughes	Myers	Stratton
Hunter	Natcher	Studds
Hutto	Nelson	Stump
Hyde	Nichols	Sundquist
Ireland	Nielson	Sweeney
Jacobs	Nowak	Swift
Jeffords	Oakar	Swindall
Jenkins	Oberstar	Synar
Johnson	Obey	Tauke
Jones (NC)	Olin	Tauzin
Jones (OK)	Ortiz	Taylor
Jones (TN)	Owens	Thomas (CA)
Kanjorski	Oxley	Thomas (GA)
Kaptur	Packard	Torres
Kasich	Panetta	Torricelli
Kastenmeier	Parris	Towns
Kemp	Pashayan	Traficant
Kennelly	Pease	Traxler
Kildee	Penny	Udall
Kindness	Pepper	Valentine
Kleczka	Perkins	Vander Jagt
Kolbe	Petri	Vento
Kolter	Pickle	Visclosky
Kostmayer	Porter	Volkmer
Kramer	Price	Vucanovich
LaFalce	Pursell	Walgren
Lagomarsino	Quillen	Walker
Lantos	Rahall	Watkins
Latta	Rangel	Waxman
Leach (IA)	Ray	Weaver
Leath (TX)	Regula	Weber
Lehman (CA)	Reid	Weiss
Lehman (FL)	Richardson	Wheat
Leland	Ridge	Whitehurst
Lent	Rinaldo	Whitley
Levin (MI)	Ritter	Whittaker
Whitten	Wolpe	Yatron
Williams	Wortley	Young (AK)
Wilson	Wright	Young (FL)
Wirth	Wyden	Young (MO)
Wise	Wylie	
Wolf	Yates	

□ 1445

The CHAIRMAN. Four hundred and twelve Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Oregon [Mr. AuCoin] for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 408, noes 5, not voting 20, as follows:

[Roll No. 135]

AYES—408

Ackerman	Coleman (MO)	Gallo
Akaka	Coleman (TX)	Garcia
Alexander	Collins	Gaydos
Anderson	Combest	Gejdenson
Andrews	Conte	Gekas
Annunzio	Conyers	Gibbons
Anthony	Cooper	Gilman
Applegate	Coughlin	Gingrich
Archer	Courter	Glickman
Armey	Coyne	Gonzalez
Aspin	Craig	Goodling
Atkins	Crane	Gordon
AuCoin	Crockett	Gradison
Barnard	Daniel	Gray (IL)
Barnes	Dannemeyer	Green
Bartlett	Darden	Gregg
Barton	Daschle	Guarini
Bateman	Daub	Gunderson
Bates	Davis	Hall, Ralph
Bedell	de la Garza	Hamilton
Beilenson	DeLay	Hammerschmidt
Bennett	Dellums	Hansen
Bentley	Derrick	Hatcher
Bereuter	DeWine	Hawkins
Berman	Dickinson	Hayes
Bevill	Dicks	Hefner
Biaggi	Dingell	Hendon
Bilirakis	DioGuardi	Henry
Bliley	Dixon	Hertel
Boehlert	Donnelly	Hiler
Boggs	Dorgan (ND)	Hillis
Boland	Dornan (CA)	Hopkins
Boner (TN)	Dowdy	Horton
Bonior (MI)	Downey	Howard
Bonker	Dreier	Hoyer
Borski	Duncan	Hubbard
Bosco	Durbin	Huckaby
Boucher	Dwyer	Hughes
Boulter	Dymally	Hunter
Boxer	Dyson	Hutto
Breaux	Early	Hyde
Brooks	Eckart (OH)	Ireland
Broomfield	Eckert (NY)	Jacobs
Brown (CA)	Edgar	Jeffords
Brown (CO)	Edwards (CA)	Jenkins
Broyhill	Edwards (OK)	Johnson
Bruce	Emerson	Jones (NC)
Bryant	English	Jones (OK)
Burton (IN)	Erdreich	Jones (TN)
Byron	Evans (IA)	Kanjorski
Callahan	Evans (IL)	Kaptur
Campbell	Fascell	Kasich
Carney	Fawell	Kastenmeier
Carper	Fazio	Kemp
Carr	Fiedler	Kennelly
Chandler	Fields	Kildee
Chapman	Fish	Kindness
Chappell	Flippo	Kleczka
Chappie	Florio	Kolbe
Cheney	Foley	Kolter
Clay	Ford (MI)	Kostmayer
Clinger	Ford (TN)	Kramer
Coats	Fowler	LaFalce
Cobey	Franklin	Lagomarsino
Coble	Frost	Lantos
Coelho	Fuqua	Latta

Leach (IA)	Nowak	Smith, Robert (NH)
Leath (TX)	Oakar	Smith, Robert (OR)
Lehman (CA)	Oberstar	Snowe
Lehman (FL)	Obey	Snyder
Leland	Olin	Solarz
Lent	Owens	Solomon
Levin (MI)	Oxley	Spence
Levine (CA)	Packard	Spratt
Lewis (CA)	Panetta	St Germain
Lewis (FL)	Parris	Staggers
Lipinski	Pashayan	Stallings
Livingston	Pease	Stangeland
Lloyd	Penny	Stark
Loeffler	Pepper	Stenholm
Long	Perkins	Stokes
Lott	Petri	Strang
Lowery (CA)	Pickle	Stratton
Lowry (WA)	Porter	Studds
Luken	Price	Stump
Lundine	Pursell	Sundquist
Lungren	Quillen	Sweeney
Mack	Rahall	Swift
MacKay	Rangel	Swindall
Madigan	Ray	Synar
Manton	Regula	Tallon
Markey	Reid	Tauke
Marlenee	Richardson	Tauzin
Martin (IL)	Ridge	Taylor
Martin (NY)	Rinaldo	Thomas (CA)
Martinez	Ritter	Thomas (GA)
Matsui	Roberts	Torres
Mavroules	Robinson	Torricelli
Mazzoli	Roe	Towns
McCain	Roemer	Traficant
McCandless	Rogers	Traxler
McCloskey	Rose	Udall
McCurdy	Rostenkowski	Valentine
McDade	Roth	Vander Jagt
McEwen	Roukema	Vento
McGrath	Rowland (CT)	Visclosky
McHugh	Rowland (GA)	Volkmer
McKernan	Roybal	Vucanovich
McKinney	Russo	Walgren
McMillan	Sabo	Walker
Meyers	Savage	Watkins
Mica	Saxton	Waxman
Michel	Schaefer	Weaver
Mikulski	Scheuer	Weber
Miller (CA)	Schneider	Weiss
Miller (OH)	Schroeder	Wheat
Miller (WA)	Schuette	Whitley
Mineta	Schulze	Whittaker
Mitchell	Schumer	Whitten
Moakley	Seiberling	Williams
Molinari	Sensenbrenner	Wilson
Mollohan	Sharp	Wirth
Monson	Shaw	Wise
Montgomery	Shelby	Wolf
Moody	Shumway	Wolpe
Moore	Shuster	Wortley
Moorhead	Sikorski	Wright
Morrison (CT)	Siljander	Wyden
Morrison (WA)	Sisisky	Wylie
Mrazek	Skeen	Yates
Murphy	Skelton	Yatron
Murtha	Slattery	Young (AK)
Myers	Slaughter	Young (FL)
Natcher	Smith (FL)	Young (MO)
Nelson	Smith (NE)	
Nichols	Smith (NJ)	
Nielson	Smith, Denny (OR)	

NOES—5

Frenzel	Lightfoot	Whitehurst
Hartnett	Rudd	

NOT VOTING—20

Badham	Gray (PA)	Neal
Burton (CA)	Grotberg	O'Brien
Bustamante	Hall (OH)	Ortiz
Feighan	Heftel	Rodino
Foglietta	Holt	Smith (IA)
Frank	Lujan	Zschau
Gephardt	McCollum	

□ 1455

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. COLEMAN OF TEXAS

Mr. COLEMAN of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. COLEMAN of Texas: Page 255, after line 9, insert the following new section (and redesignate existing section 352 as section 353):

SEC. 352. RELATIONS WITH MEXICO.

(a) FINDINGS.—The Congress finds that—

(1) Mexico and the continued stability of its governing structure is of vital strategic importance to the national security interests of the United States;

(2) while the economic, cultural, and historical ties between Mexico and the United States are both varied and strong, foreign relations between the governments of these countries continue to be carried out on an ad hoc basis and in a crisis-to-crisis context;

(3) the failure by the United States to establish a comprehensive and ongoing foreign policy with respect to Mexico manifests itself in legislative and administrative policies which often have unintended adverse or contradictory results in the two countries;

(4) the absence of an established United States foreign policy with respect to Mexico also works against the possible resolution of myriad bilateral issues now confronting the two countries; and

(5) in order to improve relations with Mexico, the United States Government must take actions, conducted in the spirit of mutual respect and cooperation, which prioritize its foreign and economic policies toward Mexico.

(b) UNITED STATES-MEXICO BILATERAL COMMISSION.—(1)(A) The President shall establish an interagency group to be known as the "United States-Mexico Bilateral Commission" (hereafter in this subsection referred to as the "Commission").

(B) Membership on the Commission shall be composed of the Secretary of State, the Secretary of the Treasury, the Attorney General, the Secretary of Commerce, and the the United States Trade Representative.

(C) The Chairman of the Commission shall be the Secretary of State (or a delegate of the Secretary).

(D)(i) The members of the Commission shall (not later than 3 months after the date of enactment of this Act) execute a written memorandum of understanding which includes the goal of the Commission. The goal of the Commission shall be—

(I) to serve as a formal mechanism by which economic relations between the United States and Mexico are conducted in a comprehensive manner which allows input from any concerned agency of the United States; and

(II) to provide a channel of communication between the Government of the United States and the Government of Mexico pertaining to economic relations.

(ii) Not later than six months after the the execution of the memorandum of understanding, each member of the Commission shall present to the Commission a review of all United States-Mexico issues which affect that member's agency. Each presentation shall include an assessment of, as well as recommendations for, action by that member.

(2)(A) Not later than three months after the date of the enactment of this Act, the President shall report to the Congress on the actions and the progress made to establish the Commission. The report shall include any necessary legislative recommendations to assist the President in establishing the Commission as well as a time certain for the Commission's establishment.

(B) Not later than six months after the date of enactment of this Act and every three months thereafter, the Chairman of the Commission shall report to the Congress on the activities of the Commission. Each such report shall include the specific projects, issues, and agency actions taken to achieve the goal of the Commission which occurred in the three-month period preceding the last such report as well as proposed projects, issues, and agency actions.

(3) The Commission shall endeavor to meet semiannually with representatives of Mexico in order to carry out the goal of the Commission.

(d) BILATERAL SUMMIT ON ECONOMIC RELATIONS.—(1) It is the sense of the Congress that, consistent with the goal of strengthening political and commercial relations between the United States and Mexico, a bilateral summit on economic relations as they pertain to trade and commerce, between these two countries should be held. The objectives of the summit should include—

(A) a discussion of the question of Mexico as a contracting party to the General Agreement on Tariffs and Trade;

(B) a discussion of the pending graduation from the Generalized System of Preferences of those Mexican products currently covered under such System;

(C) the promotion of direct investment in Mexico by United States businesses;

(D) the resolution of problems related to United States fishing rights within the territorial waters of Mexico;

(E) the resolution of problems related to the trucking and transportation of products between the United States and Mexico, including a discussion of the construction of international bridges as a means to help alleviate these trucking and transportation problems;

(F) a discussion of the possibility of eventually establishing a free-trade zone along both sides of the United States-Mexico border;

(G) promotion of the development of industry along the United States-Mexico border regions in order to encourage increased employment opportunities;

(H) a discussion of the policies related to the development of the petroleum industry and alternative energy sources in the United States and Mexico;

(I) a discussion of the issues related to pollution arising from sources within the United States or Mexico which affects the other country, including water pollution, air pollution, soil pollution, and sewage treatment;

(J) a discussion on the development and coodination of border crossings between the United States and Mexico;

(K) a review and evaluation of all joint research and development projects currently being conducted between the United States and Mexico at both private and public levels, including projects in the areas of business, health, technology, and public policy;

(L) a discussion of mutual problems and concerns that confront both the United States and Mexico in the development of a comprehensive national policy regarding immigration; and

(M) a discussion of mutual problems and concerns that confront both the United States and Mexico on the issues of external debt and foreign investment.

(2) The President is urged to enter into negotiations with representatives of the Government of Mexico for the purpose of commencing talks between the United States and Mexico in order to achieve the objectives described in paragraph (1).

The CHAIRMAN. Pursuant to House Resolution 456, the amendment is considered as having been read.

The gentleman from Texas [Mr. COLEMAN] is recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

The Chair recognizes the gentleman from Texas [Mr. COLEMAN].

Mr. COLEMAN of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to have the opportunity to offer this amendment to the full House for consideration and inclusion to H.R. 4800, the Trade and International Economic Policy Reform Act of 1986.

Since I first came to Washington, I discovered one of the major flaws in our foreign and trade policies: A failure to accord our relations with Mexico the priority status that they deserve. Despite the national security significance of Mexico particularly in view of their regional interest in Central America, plus the fact that Mexico is our third-largest international trading partner. Yet the United States continues to adopt a casual and fractured approach to bilateral relations with them.

Recent evidence of this unfortunate fact can be found in last week's public orgy of "Mexico bashing" engaged in by the United States Customs Commissioner and an Assistant Secretary of State. While much of what was alleged against officials of the Government of Mexico had to be subsequently retracted, the fact that relatively minor agency heads have the ability to publicly attack a neighbor and ally without administration oversight, highlights what I call the sorry state of affairs that typifies our relations with Mexico.

The amendment I am offering today deals primarily with taking positive steps on the part of this Government to improve relations with the Republic of Mexico on a wide range of concerns. The inclusion of this amendment to the omnibus trade bill is warranted due to the fact that when we speak of United States-Mexico relations, we are referring to a subject premised on a strong degree of trade and commerce.

The first portion of this amendment makes several findings with respect to the state of current United States-Mexico relations. In so doing, the essential point to be made is this: Trade and diplomatic relations with Mexico are not the foreign policy priority of the United States that they should be. As a result, the United States policy toward Mexico is characterized by individual agency responses to specific problems or crises involving Mexico in an ad hoc and fragmentary manner.

To remedy the absence of a consistent and comprehensive foreign policy toward the Republic of Mexico, the second portion of this amendment creates a Cabinet-level United States-Mexico Bilateral Commission. On the U.S. side, the Commission would be composed of the Departments of State, Justice, Commerce, and the Treasury as well as the Office of the U.S. Trade Representative.

Not limited to just the above-mentioned agencies, the Commission would serve as a formal mechanism by which relations with Mexico could be conducted in a comprehensive fashion and would allow for input from all concerned Federal agencies on a variety of bilateral issues. Significantly, the Commission will represent the establishment of formal and ongoing channels of communications between our two governments and be comprehensive in nature.

Chaired by the Secretary of State, the Commission will oversee the development of a Government-wide bilateral issues agenda representing an official compilation of all activities relative to Mexico. Regular reports on the Commission's work will be made to Congress so that there is enhanced information flow in this area to assist the formulation of legislation as needed.

By creating this Commission, we are not asking these agencies and departments to do something that they are not already mandated to do. What is novel in this approach is that for the first time, the United States Government would have the ability to speak with one voice relative to bilateral relations and policies with Mexico. Moreover, and by elevating the priority status afforded relations with Mexico, the work of these agencies and departments with regard to Mexico will become more than an afterthought.

This Commission is not designed to be yet another bureaucratic entity requiring massive amounts of taxpayer dollars to make it operational. Since all the participating members of the Commission are mandated and funded to do the work already, this amendment merely directs their energies into a more focused channel.

The third portion of this amendment calls for the United States and Mexico to conduct a bilateral economic summit—a course of action that would greatly assist the work of the Commission in assessing policy priorities and concerns. While the amendment lists numerous suggested topics for discussion at the summit, this agenda should not be considered exhaustive. Though such a summit would represent an enormous breakthrough in United States-Mexico relations, the Commission would provide the framework for the essential followup. Consequently, this amendment offers hope for the continuity of summitry in the field of bilateral relations with Mexico.

Regarding the list of subjects to be addressed at the summit, I would like to point out that in adopting this amendment, Congress would not be expressing an opinion on the merits or lack thereof of selected concepts to be discussed. Rather, it is my belief that these subjects are currently topics of concern between our two countries and must necessarily be evaluated on a bilateral basis.

Mr. Chairman, there is no doubt in my mind that trade legislation is long overdue. Neither can it be disputed that Mexico and our relations with them must be given more attention. United States relations with Mexico are substantially economic in nature and the overall health of our neighbor and ally is inextricably woven into the fabric of our southwestern border economy.

Adoption of this amendment would, I believe, send a positive signal to the Government of Mexico that this country is finally serious about accepting its responsibility in crafting a coherent and comprehensive foreign policy—a foreign policy that acknowledges the international dynamics at work in our bilateral relationship and, for the first time, commits the resources of our Nation to addressing these concerns.

Mr. Chairman, I would sincerely urge my colleagues on both sides of the aisle to lend their support to this amendment.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. COLEMAN of Texas. I yield to the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. I thank the gentleman for yielding.

Certainly the time is appropriate for an amendment of this kind because of the evident strain in the relationships between the United States and Mexico. Both because of our closeness and because of our economic and trade difficulties, it is important to have the kind of relationship that is called for in this amendment.

□ 1505

So, on behalf of the Foreign Affairs Committee, I have no difficulty with the amendment. However, I do want to make one slight reservation. I am not sure that we ought to take an interagency working group and legislate it in statute. Nevertheless, I do not find that so objectionable as to want to reject the amendment. I think the concept is vital. I think the time for

summit discussion is now and I think it is appropriate to say so in legislation.

So with that slight reservation, I want to thank the gentleman for his leadership, as this is an important area that needs to be addressed.

Mr. COLEMAN of Texas. Mr. Chairman, I thank the gentleman from Florida for his support and that of his committee.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member seek time in opposition to the amendment?

Mr. FRENZEL. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Minnesota [Mr. FRENZEL] is recognized for 15 minutes.

Mr. FRENZEL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New Mexico [Mr. SKEEN].

Mr. SKEEN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of this amendment offered by the gentleman from Texas.

You know, we were the greatest traders on this Earth at one time. The Yankee trader was known throughout this world, once we got this country established, and we have lost our touch. We particularly lost our touch in connection with some of the nations closest to us, one of them being Mexico. Those of us who live along that border I think are excruciatingly aware of just how far astray we have gone in dealing with our neighbors.

We treat Mexico many time as a territory of the United States, rather than as a country that should be dealt with on the basis of bipartisan negotiation.

I think that this amendment hits exactly to the heart of this problem, puts us in a better position. For many years the United States has had so many trade policies within Government; Customs had one trade policy, Treasury has another, the State Department has one and so on down the line.

It is now time to come together with a comprehensive trade policy in dealing with one of our nearest and dearest friends in our relations.

I think this amendment does exactly that. I know it is specific to Mexico. Maybe it is going to be argued that it is not appropriate, but I think it is extremely appropriate, because after all, they are the third greatest trading nation customer of the United States. I think it is time now that we treated them as equals and that we put this kind of trade negotiation on a much higher level than they are now.

I urge total support for this amendment and commend the gentleman for offering it.

Mr. COLEMAN of Texas. Mr. Chairman, I appreciate the comments of my colleague, the gentleman from New Mexico, who is a valued member of the Border Caucus and I think he brings a unique knowledge of the border region to this Congress.

Mr. Chairman, I am happy to yield to the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. Mr. Chairman, I thank the gentleman very much for yielding.

I would like to ask the gentleman whether or not he contemplates in this interagency group and the whole economic, social and other conversations and discussions that would take place would also include discussion of one of the most important subjects that we have between ourselves and the Mexicans, and that is the problem of drugs, illicit narcotics which have been flowing across the border of Mexico into the United States in late terms in even greater amounts than in previous years and the problems we have had with that are problems that need to be solved and need to be solved now.

The advent of heroin coming across, of cocaine, rock or crack, as we call it, and all the other new forms, including large new amounts of marijuana, have made a lot of people in the United States suspicious of the Government of Mexico.

I think that is one of the areas where mutual distrust can be turned into mutual cooperation. I would like to hear the gentleman's comments about the necessity of discussing that as part of this whole package.

Mr. COLEMAN of Texas. Mr. Chairman, I would say to the gentleman from Florida and to my colleagues that it is absolutely critical that we not have each individual agency head going about making statements that wind up having to be retracted, as they were this week to some extent, causing problems for our own Department of State and this administration and our country ultimately.

It seems important to me that we at long last find a vehicle, and I submit that it is the Economic Summit, it is a commission that can bring together the separate agency heads to deal with the very issues which the gentleman from Florida just mentioned, as well as the support that I received from the chairman of the Foreign Affairs Committee a moment ago.

This kind of a commission and this concept of ongoing discussion does solve those problems. What better place to take up the issues that concern so many Americans, concerning the illegal smuggling that goes on from one country to another.

I think it is extremely important that that be a topic of discussion and that is why I pointed out that certainly the list of items which are pertinent to a trade bill are not exhaustive.

Mr. SMITH of Florida. Mr. Chairman, if the gentleman will yield just a little further, I would also like to point out that we are in a crisis situation now in terms of our relations with Mexico and that part of the problem is drugs and that is a problem for us in the United States.

I had conversations, as the chairman of the Foreign Affairs Committee did, with the Mexican Ambassador to the United Nations. I think that his remarks are going to be hopefully rebutted by some of the things that may be discussed here, and that is the notion that Mexico believes that if it were not for the United States, there would be no drug problem in the world and no drug growing in Mexico. That is just not true. We need the Mexicans to begin to realize that in the 1980's drugs are going to be grown and sold even if it is elsewhere in the world besides here and that they need to help us more than they have been in the past in curing the problem of drugs flowing across the border.

I would hope that the gentleman, as this bill makes its way through the process, including the Senate, would allow for any amendments which would flesh out this pattern of cooperation on drugs to be placed in the bill.

Mr. COLEMAN of Texas. Mr. Chairman, I thank the gentleman for his remarks. I think they are pertinent and important. The Select Committee on Narcotics has been across the Southwest and I think has correctly reported some of the great difficulties in this area.

I thank the gentleman for his contribution.

Mr. SMITH of Florida. Mr. Chairman, I thank the gentleman for yielding.

Mr. COLEMAN of Texas. Mr. Chairman, I reserve the balance of my time.

Mr. McCAIN. Mr. Chairman, I support the amendment of my colleague from Texas. Last week's events make plain the need for greater communication between American and Mexican officials. We cannot afford to ignore Mexico, and we cannot afford to let our problems fester. The time has come to move away from incendiary statements about our neighbor. We must, instead, enhance cooperation in areas of mutual interest.

Differences between our two nations are not unsolvable. Our systems of government are not antithetical. Our economies are closely linked—Mexico is our third largest trading partner. Finally, our security can only be increased by cooperating with the Mexican Government in ensuring the stability of their nation.

As we prepare for the future, we must improve relations through an equal copartnership that will enhance the business, trade and social ties that bind our nations together. A United States-Mexican Bilateral Commission, and a summit between our two leaders, would greatly aid that process. This measure comes

at a critical time in relations between our two countries. I urge my colleagues to support the amendment.

Mr. FRENZEL. Mr. Chairman, as on the last amendment, I am unaware of objections on this side to the amendment. We believe there is no need to have a recorded vote on it. We wish the gentleman great success.

Mr. Chairman, I yield back the balance of my time.

Mr. COLEMAN of Texas. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. COLEMAN].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ROTH

Mr. ROTH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. ROTH: In title III, strike subtitle B and insert the following:

Subtitle B—Export Controls

SEC. 321. NATIONAL SECURITY CONTROLS.

(a) MULTIPLE LICENSE AUTHORITY.—Section 4(a)(2)(A) of the Export Administration Act of 1979 (50 U.S.C. App. 2403(a)(2)(A)) is amended in the first sentence by inserting "(except the People's Republic of China)" after "controlled countries".

(b) EXPORTS OF LOW TECHNOLOGY ITEMS.—Section 5(b)(2) of such Act (50 U.S.C. App. 2404(b)(2)) is amended to read as follows:

"(2) No authority or permission to export may be required under this section for the export to any country other than a controlled country of any goods or technology which is at such a level of performance characteristics that the export of the goods or technology, were it made pursuant to the agreement of the group known as the Coordinating Committee, would require only notification of participating governments of the Committee. The Secretary may require any person exporting any such goods or technology to a country other than a controlled country to notify the Department of Commerce of those exports.".

(c) LIST REVIEWS.—

(1) CONTROL LIST.—Section 5(c)(3) of such Act (50 U.S.C. App. 2404(c)(3)) is amended—

(A) in the first sentence—

(i) by striking "shall review" and inserting "shall conduct partial reviews of"; and

(ii) by striking "year" and inserting "calendar quarter";

(B) in the second sentence—

(i) by striking "annual" the first place it appears and inserting "quarterly"; and

(ii) by striking "annual" the second place it appears;

(C) in the third and fifth sentences by striking "such" and inserting "each"; and

(D) by adding at the end the following: "All goods and technology on the list shall be reviewed at least once each year.".

(2) LIST OF MILITARY CRITICAL TECHNOLOGIES.—Section 5(d)(5) of such Act (50 U.S.C. App. 2404(d)(5)) is amended in the first sentence by striking "at least annually" and inserting "on an ongoing basis".

(d) FOREIGN AVAILABILITY DETERMINATIONS.—Section 5(f)(3) of such Act (50 U.S.C. App. 2404(f)(3)) is amended by inserting after the second sentence the following:

"In a case in which an allegation is received from an export license applicant, the Secretary shall respond in writing to the applicant, and publish in the Federal Register, within 30 days after receipt of the allegation, that—

"(A) the foreign availability does exist and the requirement of a validated license has been removed or the applicable steps are being taken under paragraph (4);

"(B) the foreign availability may exist but further examination of the issue is necessary in order to make a determination; or

"(C) the foreign availability does not exist.

In the case in which subparagraph (B) applies, the Secretary shall, within 6 months after the initial response and publication, respond in writing to the applicant and publish in the Federal Register, that—

"(i) the foreign availability does exist and the requirement of a validated license has been removed or the applicable steps are being taken under paragraph (4); or

"(ii) the foreign availability does not exist.

In any case in which the application is not made within that 6-month period, the Secretary may not require a license for the export of the goods or technology with respect to which the foreign availability allegation was made.".

(e) AGREEMENTS ON EXPORT CONTROLS.—Section 5(k) of such Act (50 U.S.C. App. 2404(k)) is amended by adding at the end the following: "In any case in which such negotiations produce an agreement on export controls on any goods or technology which are comparable in practice to those export controls imposed under this section, and the Secretary of State determines, 1 year after the country involved has maintained such export controls, that such controls are comparable in practice to those imposed under this section, the Secretary may not, while that determination is effective, require a validated license for the export to that country of the goods or technology that are subject to the agreements.".

SEC. 322. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Section 18(b) of the Export Administration Act of 1979 (50 U.S.C. App. 2417(b)) is amended to read as follows:

"(b) AUTHORIZATION.—There are authorized to be appropriated to the Department of Commerce to carry out the purposes of this Act—

"(1) $35,935,000 for the fiscal year 1987, of which $12,746,000 shall be available only for enforcement, $2,000,000 shall be available only for foreign availability assessments under subsections (f) and (h)(6) of section 5, and $21,189,000 shall be available for all other activities under this Act;

"(2) $35,935,000 for the fiscal year 1988, of which $12,746,000 shall be available only for enforcement, $2,000,000 shall be available only for foreign availability assessments under subsections (f) and (h)(6) of section 5, and $21,189,000 shall be available for all other activities under this Act; and

"(3) such additional amounts for each of the fiscal years 1987 and 1988 as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs.".

(b) ENFORCEMENT ACTIVITIES OF THE CUSTOMS SERVICE.—Section 12(a)(6) of the Export Administration Act of 1979 (50 U.S.C. App. 2411(a)(6)) is amended by striking "$12,000,000 in the fiscal year 1985 and not more than $14,000,000 in the fiscal year 1986" and inserting "$14,000,000 in the fiscal year 1987 and not more than $14,000,000 in the fiscal year 1988".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1988.

SEC. 323. CAO REPORT.

The Comptroller General of the United States shall conduct an evaluation of activities of the Department of Defense conducted pursuant to the Presidential Directive of January 4, 1985, regarding the review of export license applications, under the Export Administration Act of 1979, for the export of goods and technology to countries other than controlled countries. One purpose of the study is to determine if Department of Defense activities provide information about the diversion of United States technology from sources outside the United States to controlled countries that would not otherwise be available to other agencies with enforcement responsibilities under the Act. The study shall include a review of all Department of Defense activities in determining export control policy, making foreign availability determinations, and reviewing the control list, and the relationship between the Department of Defense and other agencies responsible for implementing the Export Administration Act of 1979. In conducting the study the Comptroller General shall make a special effort to gather information from United States exporters, particularly those that have had applications for proposed exports to countries other than controlled countries reviewed by the Department of Defense. The Comptroller General shall submit a report on the evaluation to the Congress not later than 6 months after the date of the enactment of this Act. If necessary, the report may be submitted on a classified basis.

The CHAIRMAN. Pursuant to House Resolution 456, the gentleman from Wisconsin [Mr. ROTH] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Chairman, I agree with the chairman that this is a very important amendment. This amendment strikes certain provisions now in the bill concerning out national security.

Why is this amendment necessary? The bill before us, without corrections, would seriously jeopardize our national security.

In a declassified report released 8 months ago, entitled "Soviet Acquisition of Significant Western Technology," it reveals that:

Over 5,000 Soviet military equipment and weapons systems projects each year benefit from Western technology and documents.

Over 60 percent of critical documents and hardware acquisitions by the Soviets are of United States origin.

In 1970, the Soviets did not even have one factory capable of producing integrated circuit boards. Then we went through the détente era and opened our technology supermarket to the KGB head buyers. Today the Soviets have 20 factories producing inte-

grated circuits, and we wonder why we have a $290 billion defense budget.

If you want a smaller defense budget and want an adequate defense for America's future, then this amendment is a must.

One of the provisions now in the bill would require an automatic 40-percent cut in the list of items that are controlled for national security purposes—40 percent.

This provision sets up an arbitrary formula which mandates tough cuts in our control list, even though the items on the list are known to contribute significantly to the military potential of our adversaries.

Can this House in good conscience condone this proposal? I do not think so.

Let me point out another provision now in the bill that would strap our national security export control efforts. The provision concerns reexport controls. If enacted, companies would no longer have to obtain permission from the Commerce Department to reexport their products if shipped to one our allies. Basically, once the produce is received by the first buyer, we would then no longer track the item.

Some of you have heard of Richard Mueller. He is the West German citizen wanted for having diverted tens of millions of dollars of high technology to the Soviet Union. Mueller set up a vast network of dummy companies to transfer technology from Western Europe to the Eastern bloc. At one point he had some 75 firms operating in Austria, France, Switzerland, the United States, the United Kingdom, and West Germany. If this provision stays in the bill, it will only make it easier for the Richard Muellers of the world to continue to sell millions of dollars worth of technology to the Soviets without ever having to worry about the consequences.

Another provision in the bill which my amendment strikes would expand the definition of foreign availability. For example, if a foreign product is freely available in one country, then it would have to be decontrolled for all other countries. For example, if a French supercomputer is found in Libya, then we would have to decontrol our supercomputers to the Soviet Union. I ask you, does that sound like a wise course? It does not to me and I do not think it does to you, either.

This amendment strikes those provisions which would endanger our national security. That is all it does.

Yes, we want American business and industry to sell overseas and to compete overseas. We want to sell with the verve of a door-to-door salesman, but we also have an obligation to protect our national security. That is why this amendment has been introduced, to help our exporters, but also to protect our national security.

My amendment is straightforward. It makes it easier for business to compete overseas and at the same time protect our sophisticated technology.

I ask you, for the good or our Nation, to support this amendment.

The CHAIRMAN. Does any Member seek time to opposition to the amendment?

Mr. BONKER. Mr. Chairman, I rise in opposition to the amendment

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. BONKER] for 15 minutes.

Mr. BONKER. Mr. Chairman, we seem to be back into the debate concerning the Export Administration Act and I believe it very clearly boils down to this question: How do we most effectively control truly critical military technology and still enable our high technology exporters to compete effectively in world markets?

In discussing the export control provisions in this bill, let us be clear about one thing. The committee provisions do not in any way jeopardize national security interests, but instead seek to streamline unnecessary export controls and remove low technology items from the control list.

Now, what are we talking about when we say low technology items? This hand-held calculator is one item that is on the control list. We have computerized chess games and other video games that are on the control list, home personal computers, telephones, and the wiring that goes into lightbulbs, over 200,000 items which are on that control list. It is little wonder that the Department of Commerce and the Department of Defense can effectively control goods and technology with unnecessary items such as these on the control list.

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There is no way such items are going to enhance the Soviet Union's military capability. Perhaps some of these could disrupt their economic capability, but they certainly will not enhance their military capability.

What the provisions in the bill attempt to do is, over a period of time, remove these unnecessary items from the list through a methodical process that would take 3 years. Why 40 percent? The Secretary of Commerce, Malcolm Baldrige, has stated on several occasions publicly that "the list is too wide by perhaps as much as 30 to 40 percent."

So we are placing into the committee bill the 40-percent figure to which Secretary Baldrige refers. There is no way that the Commerce Department can effectively remove these items unless it is mandated by the Congress.

We have also attempted to deal with the foreign availability problem. That fact remains that we control items that are available and in circulations worldwide. We have previously placed provisions in the Export Administration Act that direct the Secretary to remove those items which are found to be available abroad if he could not negotiate successfully to have the other country control those items. Despite our good intent, the Commerce Department is not carrying out the law as intended, so we are putting more explicit language in this bill.

I would add, Mr. Chairman, that the business and trade community supports this title. While they have had serious questions about other sections of this legislation, they clearly support title III, and in particular the provisions on export policy control.

So I would urge Members to defeat the Roth amendment and make it possible for U.S. high-technology industries to reclaim their competitive position in the world.

Mr. Chairman, I rise in strong opposition to the amendment offered by the ranking minority member of the subcommittee, the gentleman from Wisconsin [Mr. ROTH].

The amendment strikes the most important provisions adopted by the Committee on Foreign Affairs to streamline unnecessary export controls and mandate that the executive branch carry out existing statutory directives to reduce the size of the unwieldly export control list.

Three years ago, the President's Commission on Industrial Competitiveness placed the cost of export controls at $12 billion annually. These self-imposed disincentives and barriers to U.S. exports must be carefully weighed so as to minimize unnecessary restraints in order to better protect U.S. national security, and the economic competitiveness of American industries.

As Mr. ROTH noted, Congress did labor long and hard to strike the appropriate balance between our security and economic needs in the reauthorization of the Export Administration Act. Over 2½ years of careful consideration by Congress culminated in enactment of the Export Administration Amendments Act of 1985, containing many important reforms of the export control process. Almost a year after enactment, however, the executive branch has failed to carry out these crucial reforms. It is largely due to the executive branch's repeated failures to implement the provisions of the act that these further amendments and clarifications are necessary.

I would like to briefly describe the national security export control provisions contained in title III of the bill which Mr. ROTH seeks to strike. I believe that his concern for the provisions adopted by the Committee on Foreign Affairs are unfounded, and will explain why these provisions actually serve to better protect U.S. national security interests, while streamlining the export licensing process.

The Roth amendment strikes section 322(b) of H.R. 4800, which amends the Export Administration Act of 1979, as amended, to eliminate the licensing requirement for reexport of goods to or from countries participating with the United States in Coordinating Committee for Multilateral Export Controls [Cocom] and other countries maintaining comparable

controls pursuant to section 5(k) of the act. Section 322(b) of the bill also eliminates reexport requirements for U.S. parts and components falling under certain de minimus limits.

Licensing of reexports among our allies who participate with the United States in multilateral controls is a duplicative paper exercise, since the United States has the opportunity to veto any proposed reexport of a Cocom-controlled good or technology. U.S. reexport controls continue to offend and irritate U.S. allies, aggravating resistance to the extraterritorial application of U.S. laws. In insisting on unilateral reexport controls the United States undermines its credibility and harms the cooperation and effectiveness within Cocom which the United States seeks to promote. The most recent expression of concern among U.S. allies on this issue is evidenced by a February 1986 resolution of the European Parliament stating that "products listed by Cocom and of U.S. origin should not require an additional reexport license if they are reexported from Cocom countries under Cocom rules." While eliminating the authority for the executive branch to require a reexport license for Cocom or cooperating countries, section 322(b) does enable the Secretary to require a license for the reexport of U.S. goods for particular end users specified by the Secretary in regulation, thereby ensuring continued discretion to control reexports to known diverters of controlled items.

This provision of the bill also addresses the problem of foreign manufacturers "designing out" U.S. parts and components from their products in order to avoid delays and costs of U.S. export controls. Such efforts to "de-Americanize" foreign products result in the elimination of U.S. firms from the world market for parts and components, and make it difficult for U.S. exporters to recover lost sales and market shares. Eliminating the requirement of prior authorization in certain situations before a foreign manufacturer may export products that incorporate U.S. origin parts and components, if their aggregate value in a foreign product is less than 20 percent or $10,000, recognizes the need for a distinction between inconsequential parts and major items. It has come to my attention that the executive branch has under consideration similar proposals to eliminate reexport authorization for parts and components; I strongly support and encourage such initiatives.

The Roth amendment also strikes section 322(e) of the bill before us. This section amends the Export Administration Act to require the Secretary of Commerce, in consultation with the Secretary of Defense, to identify approximately 40 percent of the goods on the control list which contribute least directly to the military potential of any controlled country, and to submit to Congress and Cocom a list of such items. Such goods are to be removed from the control list over a 3-year period, unless Congress acts to maintain controls on any particular items.

Some 200 broad categories of goods and technology, including technical data, which encompass hundreds of thousands of products are currently subject to validated license requirements under the act. Despite repeated congressional efforts to reduce the list gradually and selectively, the list continues to grow. In theory, each item on the control list was placed there because the export of the item could make a significant contribution to the military capability of a potential adversary. Unfortunately, the executive branch is extremely hesitant to remove any item from the list, even in light of technological advances among potential adversaries. In 1979, Congress mandated the Department of Defense to identify those technologies which are most critical to superior military capability, so that Commerce could decontrol less critical products. This effort to streamline our controls has not yet succeeded, due to the fact that the Militarily Critical Technologies List catalogs every modern industrial process. Congress also mandated indexing—a procedure to raise the technical parameters of controlled items as technology advances—which has yet to be implemented. In 1985, Congress mandated reductions of the list on the basis of foreign availability, low technology—as defined by agreement between the United States and our Cocom partners—embedded microprocessors, and other criteria.

In light of executive branch failure to implement each of these specific categories for removal from the list, and the failure of the effort to focus on the most militarily critical technologies, the committee is compelled to mandate the identification of a specific percentage of the list, based on the criterion of contributing least directly to military potential, for eventual removal, while leaving the identification of the items to executive branch discretion. Only in this manner can the U.S. Government reconcile the need to protect national security and to permit nonstrategic exports to take place. As was the case in 1979, and as is still the case now, less than 1 percent of the approximately 120,000 export applications for free world destinations are denied. Such figures are an alarming indication that the export licensing system is more a paper exercise than an instrument of control. Fewer controls, efficiently administered, will be more effective in protecting U.S. national security and economic competitiveness.

In addition, the Roth amendment strikes section 322(g) of the bill, which defines "available in fact to controlled countries" for the purposes of foreign availability to include availability in Western countries in which there are no restrictions on exports to the Soviet bloc, or in which those restrictions are ineffective. The need for this clarifying provision arises from the interpretation contained in executive branch regulations that inappropriately restricts the ability of exporters to submit allegations of foreign availability. Availability of goods in a Western country, including a Cocom country, if uncontrolled for export to the Soviet bloc or if such controls are determined by the Secretary of Commerce to be ineffective, constitutes foreign availability, and should be considered as such for the purpose of decontrol or negotiations. Maintaining controls on goods which are available from foreign suppliers neither denies the goods or technology to a controlled country nor furthers U.S. national security.

The Roth amendment also strikes section 322(h) of the bill, which requires the President to include as part of the U.S. delegation to Cocom, for the purposes of reviewing the control list, representatives of U.S. industry. Inclusion of knowledgeable industry representatives as part of the U.S. delegation will benefit U.S. participation in Cocom by improving the quality of technical assessments. U.S. Government personnel are not and cannot be knowledgable about the complex technical parameters of each controlled item. For this reason, other Cocom members have effectively utilized industry experts, with no apparent adverse consequencs. Appointment of industry representatives would be required for list review only, alleviating conflict-of-interest concerns which might be associated with review of exception cases. It is expected that industry participation at Cocom will reduce the incidence of confusing and overly restrictive regulations, which unnecessarily impede U.S. exporters.

Another important provision of H.R. 4800 which Mr. ROTH proposes to strike concerns the prohibition of the Customs Service from seizing or detaining for more than 10 days, goods or technology which the Secretary of Commerce has determined are eligible for export under a general license. This provision is prompted by concerns over recent reports of the Customs Service inappropriately detaining shipments which the Commerce Department has determined do not require a validated export license. Such unwarranted detentions do not serve U.S. interests, but instead obstruct legitimate exports. This provision does not limit the Customs Service's century's-old authority, but merely requires Customs to release after 10 days shipments of uncontrolled goods. The provision puts a time limit on the bureaucratic decisionmaking process to prevent indefinite delays for U.S. exporters.

Finally, the Roth amendment would revise section 324 of the bill, which authorizes appropriations to the Department of Commerce in each of the fiscal years 1987 and 1988 of $40,935,000, to reduce the authorized amount by $5 million in each fiscal year, reflecting the administration's request. The committee adopted the increased authorization to enable the Commerce Department to meet its increased responsibilities under the 1985 act and under this bill.

Mr. Chairman, I'd like to quote for my colleagues from the Committee on Foreign Affairs' report on reauthorization of the Export Administration Act in 1979:

The administration of export controls has not substantially improved since enactment of the Export Administration Amendments of 1977. The number of export license applications received by the Department of Commerce has been increasing at a rate of about 20 percent per year. * * * Meanwhile the number of applications requiring more time to process than the 90 days envisioned in the law is growing even faster. * * * Less than one-half of 1 percent of all applications received in 1978 were rejected. The committee finds these figures alarming for several reasons. First, they indicate that the export licensing bureaucracy is becoming inundated with more license applications than it can reach considered judgment on. The committee does not believe that the national security is well served by this situation. The ratio of licenses received to licenses denied indicates that far too much review is

undertaken for the amount of control achieved.

This statement was written in 1979 to reflect concerns about our export licensing system at that time. Yet, if we change the number of licenses and the years, the same description is applicable today. In over 7 years, there has been no substantial improvement or streamlining of the export licensing system. Meanwhile, the number of applications grow—to over 140,000 in 1986—and the paper exercise continues, resulting in delays and lost business opportunities for U.S. exporters. And with the increased paper burden comes the increased chance that truly strategic goods, which we must keep out of the hands of our adversaries, will slip through the cracks. The executive branch has been talking about improving our export control system for years, yet we see little evidence that the bureaucracy will change. With a trade deficit in excess of $150 billion, we can no longer wait for a streamlining of the licensing process; our national security and our future economic competitiveness demand action. For this reason, Congress must force the executive branch to implement previous mandates and reforms to streamline unnecessary export controls and remove low technology from the control list. This bill takes these necessary steps. I urge my colleagues to vote against the Roth amendment.

Mr. ROTH. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. COURTER].

Mr. COURTER. I thank the gentleman for yielding this time to me.

Mr. Chairman, I stand in strong support of the Roth amendment and I really disagree with the previous speaker. I really believe that there is going to be a second May Day parade in Moscow if this amendment is not passed.

The bill, as far as I am concerned, has a meat-ax approach. The bill says that 40 percent of those sophisticated technologies that are military critical have to be eliminated from the control list, the military critical technologies list. I am not sure how that 40-percent figure was arrived at, but it seems to me it is similar to telling the Washington Redskins to remove 40 percent of their least effective offensive players. It is going to make a real difference.

It seems to me that those particular technologies that are placed on the list are placed on there because if they got in the wrong hands they would enhance our adversaries' military capabilities. To say that regardless of what those technologies are, 40 percent must be decontrolled, 40 percent of that particular list must be eliminated, is irrational. Maybe, and I am sure there are extreme items on that list that must be removed and should be removed because they are not important technologies, they are not militarily critical, but to say that across the board, the meat-axe approach, 40 percent of those items should be eliminated from controls, I think, is preposterous. I think we have to adopt the Roth amendment.

Second, the bill goes on and says that if a component is $10,000 or less, than there are no controls whatsoever, no licensing requirements whatsoever, for reexport, regardless of the acknowledged military criticality of the technology. So those small items, they can be laser technology, computer technology, diode technology, avionics technology, sensor technology, if the components are less than $10,000 they can be reexported from any allied country to a Communist country with no licensing requirement whatsoever, no controls whatsoever, no paper records.

I urge my colleagues to vote in favor of the logical amendment, the Roth amendment, to protect our national security.

Mr. BONKER. Mr. Chairman, I yield 2 minutes to the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. I thank the gentleman for yielding time.

Mr. Chairman, I rise in opposition to the amendment. The fact is that there is nothing in this bill that would endanger national security. We still have to rely on the common sense of the people who are running this Government in this administration with respect to these matters.

As a matter of fact, the bill enhances national security because the executive branch would not waste time and resources in focusing on technology that is either outdated or should no longer be on the export control list. The problem is that once an item is put on the list, it stays forever, so today there are over 200,000 items on the list.

It just begs common sense to think that an item that was put on the list many years ago still has some critical military significance, such as a handheld calculator. It just does not make sense. It causes a tremendous amount of unnecessary work.

The Secretary of Commerce himself is the one who came up with the 40-percent figure. He estimated, and his department works with this every day, that we could cull at least 40 percent of the items from the list. Just think of the time and the paperwork that is involved if you keep those items on the list. It will take time and paperwork to get them off the list, admittedly, but at least it will free up time, not only for administration officials but also for companies which are literally breaking their backs trying to stay in business from having to cope with the process.

As far as report controls for Cocom is concerned, they involve duplication and unnecessary paperwork and there is nothing in the provision in the bill that would prevent our Government from tracking the end use of any item.

Mr. ROTH. Mr. Chairman, I yield 1 minute to the gentlewoman from Tennessee [Mrs. LLOYD].

Mrs. LLOYD. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in strong support of the amendment of the gentleman from Wisconsin [Mr. ROTH].

The provisions in the bill as reported would do irreparable damage to our ability to control the flow of militarily critical technologies to our adversaries.

This year the President is requesting $320 billion for defense. We need huge defense budgets because of the threat we face from the military capabilities of the Soviet Union. Weapon systems are complex and costly. Much of the cost is attributable to the superior technologies we, in the United States, have developed. Conducting the research and applying the research for defense purposes is a very expensive proposition. One of the most effective means of holding defense costs down is to preclude the sale of the militarily critical technologies to the Warsaw Pact, thereby forcing the Soviets to incur the expense of developing these technologies—if they could develop them at all.

The bill as reported disrupts a carefully devised system balancing the benefits of free and open markets with restrictions on the flow of technology that can be used for military purposes. The current system was put together after a difficult conference on amendments to the Export Administration Act. The changes made at that time have not had a full opportunity to reach fruition, and the provisions in this bill would prevent that from ever occurring.

The amendment of the gentleman from Wisconsin deletes the most harmful of those provisions, and I urge Members to support the amendment.

Mr. BONKER. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. EDWARDS].

Mr. EDWARDS of California. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise today in strong support of title III of the Trade and International Economic Policy Reform Act and in opposition to the Roth amendment. These provisions provide a necessary reform of the Nation's export control law. They will help to restore U.S. competitiveness by eliminating unnecessary controls on readily available technological items and reducing the size of the overgrown control list. With the trade deficit expected to exceed $150 billion this year, enactment of these reforms is critical.

I represent a portion of California known as Silicon Valley where innovate companies have been at the heart of the explosive develop-

ment of high technology, providing hundreds of thousands of new jobs and hundreds of millions of dollars in goods sold overseas. While these businesses once enjoyed healthy surpluses, they are now faced with deficits—something unthinkable just a few short years ago.

Export controls are undermining the competitiveness of American high-technology exports. Firms in my district and throughout the country are constantly faced with extensive licensing delays and bureaucratic hassles. The burdensome licensing process set up by our Government is giving American exporters a reputation for unreliability which is hindering their sales. The President's own Commission on Industrial Competitiveness estimated 3 years ago that export controls cost exporters as much as $12 billion per year.

Congress acknowledged the pressing need to ease troublesome export controls when we approved the 1985 Export Administration Amendments Act. The legislation, which was the product of 3 years of prudent review, carefully recognized the need to balance national security interests with the promotion of exports. This essential balance was achieved by strengthening controls on high-technology exports of strategic significance and decontrolling less sensitive exports. But nearly 1 year later, the executive branch has not implemented the law to eliminate these nonstrategic goods from the control list.

Title III of the Trade and International Economic Policy Reform Act will help ensure that the Export Administration Act Amendments of 1985 are enforced properly as mandated by Congress. It orders the administration to finally narrow the scope and size of the massive control list. Moreover, it eliminates duplicative licensing among U.S. allies for the reexport of goods which are multilaterally controlled while also eliminating licenses for low-technology shipments to free world destinations.

Each year, virtually 99 percent of the more than 120,000 license applications the Commerce Department receives for exports to non-Communist countries are approved. Such figures are a clear indication that the export licensing system is more of a time-consuming paper exercise than an effective control mechanism. It is my firm belief that by removing unnecessary and burdensome export restrictions, limited resources can best be applied to controlling the transfer of militarily sensitive items. Fewer controls, I am certain, can be administered more efficiently and can be more effective in protecting U.S. national security and economic competitiveness.

I urge my colleagues to show their strong support for title III by opposing efforts to weaken this important section of the Trade and International Economic Policy Reform Act.

Mr BONKER. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in strong opposition to the Roth amendment. The amendment has been described as one that simply affects national security export controls. That unfortunately is not wholly accurate. I believe that all of the Members should be aware that the Roth amendment would actually go so far as to eliminate current restrictions on the export of domestically produced crude oil.

Congress has debated this issue countless times over the past decade, and in each instance the conclusion was clearcut. Exporting American crude oil simply does not make sense. With Japan as a likely client for American oil, any positive impact that oil exports would have on our trade deficit with the Japanese would only weaken the pressure on Japan to reduce their barriers to American products. It would provide an illusion of progress, masking the serious trade inequities that exist in our relationship with the Japanese. Moreover, our overall balance of trade would suffer since the price of replacing oil from foreign sources is generally higher than domestic crude.

There are also negative consequences for national security. Exporting American crude oil would leave the United States more dependent on insecure foreign oil supplies. In addition, there is evidence that exporting domestic crude oil would hurt American consumers because of the higher cost of replacement oil. Added costs to our Government as a result of lower tax revenues in the shipping sector, defaults in federally guaranteed loans and write-offs of investments in our transportation infrastructure would increase the Federal deficit.

With all of these arguments against exporting American crude oil, it is easy to understand why Congress has consistently reaffirmed its support for the prudent restrictions on the export of this precious natural resource. The facts have not changed, nor should our national policy change.

I would urge all of my colleagues to oppose the Roth amendment, and support the restrictions on exporting American oil.

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PARLIAMENTARY INQUIRY

Mr. YOUNG of Alaska. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. YOUNG of Alaska. Mr. Chairman, can I move to strike the last word and get 5 minutes?

The CHAIRMAN. The time is controlled by the gentleman from Wisconsin [Mr. ROTH]. The gentleman has to seek time from the gentleman from Wisconsin or the gentleman from Washington [Mr. BONKER].

Mr. YOUNG of Alaska. Mr. Chairman, there is no parliamentary method by which I can refute the, very frankly, misrepresentation by the previous gentleman in the well?

The CHAIRMAN. The Chair advises the gentleman he must obtain time from one of the two gentlemen who control the time.

Mr. YOUNG of Alaska. There is no other way? I can move the Committee rise, for instance, and get some time?

The CHAIRMAN. That is not a debatable question.

Mr. YOUNG of Alaska. I cannot refute those statements that were made that were completely——

The CHAIRMAN. In the opinion of the Chair, the gentleman has already made his point and the Chair now recognizes the gentleman from Wisconsin.

Mr. ROTH. Mr. Chairman, I yield 1½ minutes to my friend, the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, there are certain times when issues come before us on the House floor that cut across all of the cross currents, the competing interests that face this House. This is one of those issues.

I am directing my comments to the foreign availability section that the gentleman from Wisconsin [Mr. ROTH] would cut out with his amendment. That foreign availability section—I call it the if-you-can't-beat-them-join-them section or the section that applies to Lenin's statement that the capitalists would sell the Soviet Union the rope with which to hang them because it says very plainly that if another country, like France, is selling to the Eastern bloc, to our adversaries, the technological wherewithal to kill American soldiers or to kill Israeli soldiers, then, in fact, that we can do the same thing and that our capitalists and our businessmen can join them in that effort.

I want to ask every Member in this House to answer for themselves this question: When you go out on your travels across the world in West Berlin and to Israel and to other parts of the world and you meet with American service men and women, will you be able to look them in the eye and tell them that pursuant to your trade bill, you passed an amendment or a provision that allowed Western businesses to sell the technological wherewithal to kill Americans to the Eastern bloc? That is precisely what this does and I urge passage of the Roth amendment.

Mr. BONKER. Mr. Chairman, I yield 1 minute to the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. Mr. Chairman, I rise in opposition to the Roth amendment.

We've heard several good reasons why this amendment should be defeated. As one who represents Oregon's Silicon Forest, I can tell you that our export control laws are strangling U.S. industry. I therefore welcome the effort by my friend from Washington to further streamline our export control laws.

I'd like to use my time to address a provision in H.R. 4800 which I authored that would be eliminated if this amendment were to pass. That's the

section requiring the President to appoint a representative from U.S. industry to the Cocom negotiating team.

The purpose of the U.S. Cocom delegation is to decide what products will be controlled or decontrolled by the Allied nations. It's imperative, therefore, that our delegates be knowledgable on the most recent advances in all forms of technology.

Unfortunately, our delegation has often lagged far behind the other Cocom nations in terms of our level of technical expertise. U.S. personnel from Commerce, State, and the Department of Defense are not and cannot have complete knowledge about the complex technical parameters of each item under review.

Other Cocom nations, such as West Germany, Great Britain, Canada, Japan, Italy, and the Netherlands, are usually not behind the eight ball because they have regularly, habitually, perpetually invited industry representatives to sit with them and advise them at Cocom.

The provision that Mr. ROTH would delete merely says that our negotiators should have the same benefits that our allies do. We should have the benefit of someone who has been in the trenches.

I would remind my colleagues that having an industry representative with our U.S. team is not unprecedented. There have been a few occasions in the past when our delegation has dipped into the private sector to get the counsel and advice of an expert on the items under review.

In fact, we just learned that on Tuesday the Department of Defense publicly acknowledged to a group of U.S. businessmen that DOD has invited industry representatives to the Cocom negotiations and intends to invite more. This news comes on the heels of an interview by Dr. Stephen Bryen, the Deputy Undersecretary of Defense for Trade Security Policy, in which he stated that, and I quote:

> There was a role for industry representatives in Cocom for discussions about technical levels of products.

For those who are concerned about possible conflicts of interest, I would note that an industry representative would only be appointed for the purposes of list review only. They would not be involved in the review of specific cases.

Bringing an industry representative into this process will alleviate some of the confusing and overly restrictive regulations which too often come out of the Cocom negotiations. In turn, that would allow U.S. exporters to get into the world market more quickly. And that means more sales and more jobs.

Let's not take a head-in-the-sand approach to the control of sophisticated items.

There are experts out there—let's use them.

I encourage my colleagues to defeat the Roth amendment.

Mr. ROTH. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. The gentleman from Wisconsin [Mr. ROTH] has 5½ minutes remaining.

Mr. ROTH. Mr. Chairman, I yield such time as he may consume to the gentleman from Arizona [Mr. MCCAIN].

Mr. ROTH. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of the Roth amendment to H.R. 4800. This amendment would strike certain provisions in the bill concerning national security export controls and restore the administration's budget request for the Export Control Administration. One of the provisions in the bill would require an automatic 40-percent cut in the list of items that are controlled for national security purposes. I, like many of my colleagues, support the orderly decontrol of products that are no longer militarily critical. However, this arbitrary 40-percent cut could seriously undermine our national security by potentially forcing strategic items to be removed from the control list. These provisions are strongly opposed by the Cabinet and the Defense Department as expressed in a letter by Under Secretary of Defense Fred Ikle.

Contrary to the impression you might have been given about the position of Commerce Secretary Malcolm Baldrige, the Commerce Department strongly supports the Roth amendment.

Furthermore, the legislation would increase the budget of the Office of Export Administration by 40 percent from its present authorization. In this period of budget constraints which is having an impact upon virtually every portion of the budget, I believe that we cannot afford such a large budget increase. We can do more by reducing the budget deficit and the value of the dollar so that American products can once again compete in the world marketplace.

An industry's representative should sit in on Cocom? Who, a competitor? What about security?

I urge my colleagues to support the Roth amendment.

PREFERENTIAL MOTION OFFERED BY MR. YOUNG OF ALASKA

Mr. YOUNG of Alaska. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

> Mr. YOUNG of Alaska moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The motion offered by the gentleman being a highly privileged one in the Committee of the Whole, the gentleman from Alaska [Mr. YOUNG] is recognized for 5 minutes on behalf of his motion.

Mr. YOUNG of Alaska. Mr. Chairman, I offer this motion in an attempt to obtain time because of the restricted time under the rule to expose the straw man concerning the Roth amendment pertaining to Alaskan export of oil.

A moment ago, there were some statements made that were, in fact, not in truth, probably offered because of lack of information. The Roth amendment does not allow new exports. It only eliminates the unneeded restrictions imposed in the trade bill that came from the gentleman from Washington [Mr. BONKER].

That bill eliminates Presidential flexibility. Currently, there are five statutes which control the export of oil from the United States, but these controls allow the President enough flexibility to approve exports that are in the national interest.

While most of title III is aimed at eliminating export controls, the bill, as reported out of committee, would place the ability of the President, this Congress, and States of this Nation in a straitjacket. They would be unable to trade oil.

It is only a small amount of oil which we speak of. It does not damage the merchant marine fleet. It would allow, by the President's suggestion, 6,000 barrels a day of Cook Inlet oil, which is not North Slope crude oil, to be exported to whoever would buy it.

□ 1540

I remind the membership that the author of that amendment, the gentleman from Washington [Mr. BONKER], is quoted in an Alaskan newspaper as saying: The Cook Inlet ruling is "more symbolic than substantive."

Six thousand barrels per day is one-third of 1 percent of all Alaskan oil. This is about one small tanker, be it American bottom, every 6 months. This oil is not connected with North Slope oil, which is 1,600,000 barrels a day. In fact, it would require the Congress to act before North Slope oil could ever be exported.

My friends, let us bring that to a point. We heard about the cost to the consumer. We are shipping Alaskan oil 11,900 miles to the consumers on the east coast. It is costing the consumers $9 a barrel. We can buy oil that cheap from the Middle East. But we cannot sell it to the closest market. However, we will not get in that large argument of 1,600,000 today.

I think it is very, very unfortunate that the committee saw fit, when we are talking about developing trade, to put one industry in a straitjacket and not allow it to export oil. Some 6,000 barrels of oil a day will not protect the

merchant marine fleet which I support very strongly.

What a terrible time to put forth this straitjacket activity. If we want to talk about the North Slope oil and the cost to the consumer, we have $100 million a year that goes to the Panama Canal community for a pipeline—the moving from a 25,000-deadweight-ton ship to a 90-ton-deadweight ship. Three ships to carry one tanker's supply of oil. This adds the cost to the east coast consumer.

More than that, this is supposed to be a trade bill; this is to be a bill to supposedly help our industries, and what are we doing with this bill? We are trying to give some to someone and take it away from others. This bill takes from our American industry the means to develop oil in the frontier areas.

I suggest respectfully, that the Roth amendment, as proposed, should be adopted for national security on the energy field so we can go forth and look for our frontier oil areas.

We cannot do it if we are put in a straitjacket.

Mr. Chairman, at this time I withdraw my motion.

The CHAIRMAN. Without objection, the motion offered by the gentleman from Alaska [Mr. YOUNG] is withdrawn.

There was no objection.

The CHAIRMAN. The Chair will state that the gentleman from Washington [Mr. BONKER] has 7 minutes remaining.

Mr. BONKER. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. BROOKS].

Mr. BROOKS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Wisconsin which would strike key provisions in the omnibus trade bill (H.R. 4800). As I understand it, these provisions were adopted by the Committee on Foreign Affairs in order to reduce duplication and unnecessary paperwork and redtape requirements placed on American industry by the Export Administration Act.

Supporters of the Roth amendment maintain that the language contained in the committee bill would seriously undermine the national security controls placed on the export of critical technologies. What is implied in this rhetoric is that the committee's provision would somehow harm our Nation's national defense effort. This is not true of course. We are all concerned about our Nation's defense. We do not want sensitive technology critical to our military to be put in the hands of our enemies by some greedy promoter who couldn't care less as long as he's making a buck.

The problem is that DOD, in making an effort to ensure this doesn't happen, would prohibit the export of any technology remotely related to military uses. In the process, they are harming one of the most vital and healthy segments of our economy—the computer and telecommunications industry. The committee's bill attempts to strike a balance between the need to protect national security while, at the same time, promoting America's exports. The first step in this process is to eliminate low-technology, nonstrategic goods from the export control list so that our companies can compete better in the world market.

My colleagues should not forget the fundamental principle which DOD chooses to ignore in debates such as this—a strong national defense cannot be achieved without a healthy economy and the ability of our domestic industry to compete in the world market. You can't win the war by undermining our industrial base. I wish DOD would wake up to this fact before it is too late. I urge my colleagues to support the committee's position on the matter.

Mr. BONKER. Mr Chairman, I yield 1 minute to the gentleman from Flordia [Mr. MICA].

Mr. MICA. Mr. Chairman, let me just say that what we are talking about here is an issue that I think is really misunderstood by the House. There are at least 200,000 items on a list that we cannot ship; and we do not know what is on that list—we do not know if these cards or those glasses or this microphone or this pen in my pocket—anything could be on the list.

We do know that of the 200,000 and maybe 500,000 items on the list, that in 1979 less than 1 percent were rejected. In 1980, 1981, 1982, 1983, less than 1 or 2 percent rejected. We are saying 500,000, 200,000 items must go through this scrutiny for a less than 1 percent—I know the gentleman rises to tell me I am correct on this issue.

We are enforcing a system that does not work, and every statistic proves that it does not work.

Mr. BONKER. Mr. Chairman, I yield 1 minute to the gentleman from Nebraska [Mr. BEREUTER], a distinguished member of the committee.

Mr. BEREUTER. My colleagues, my 2 years in the military were spent in counterintelligence and counterespionage. I am not about to do anything that is contrary to the national interest, but I ask Members to vote against the Roth amendment.

We are so sweeping in what we try to cover by our export licensing procedure that we do not cover what is really critical. It is important that we eliminate some of the controls on low technology.

The President's own Commission on Industrial Competitiveness suggests that this costs the American exporter $12 billion a year. I also remind my colleagues, particularly on this side of the aisle, that three of the amendments that would be stricken by the Roth amendment are coming from our colleague from California [Mr. ZSCHAU].

Mr. Chairman, the Bonker amendment to the trade bill, title III, this existing language of the bill, helps U.S. export competitiveness by eliminating unnecessary controls on low-technology items and reducing the size of the overgrown control list.

Nearly 1 year after enactment of the Export Administration Amendments [EAA] the executive branch has not implemented the trust of the law. Excessive controls on high technology exports have turned an industry that was a net export earner of $26 billion in 1981 to a net exporter of $7 billion in 1985. With a trade deficit exceeding $150 billion this year, we have to free up nonstrategic, foreign available goods from controls.

Each year 99 percent of the more than 120,000 license applications the Commerce Department receives are approved for Free World destinations; the licensing process results in excessive paper-shuffling that President Reagan's Young Commission on Industrial Competitiveness estimates cost exporters $12 billion per year.

Where our allies have comparable export control systems to that of the United States, it makes no sense to insist on re-export licensing requirements; the language in the bill strikes this requirement for nonstrategic trade.

It would not be difficult to reduce the list of export control items by more than 30 percent, as Secretary Baldridge has achnowledged, by eliminating nonstrategic items without jeopardizing U.S. security interests.

I urge your support for the committee; your opposition to the Roth amendment.

Mr. ROTH. Mr. Chairman, I yield 1½ minutes to the gentleman from Alabama [Mr. DICKINSON].

Mr. MICA. Will the gentleman yield for 15 seconds?

Mr. ROTH. Mr. Chairman, I will yield 15 seconds to the gentleman from Florida [Mr. MICA].

How many items did the gentleman say were on the control list?

Mr. MICA. I'm sorry?

Mr. ROTH. How many items did the gentleman say were on the control list?

Mr. MICA. We do not know——

Mr. ROTH. Well, then, how can the gentleman say 40 percent should be taken off if we do not know how many are on the list?

Mr. MICA. We have been told——

Mr. ROTH. Mr. Chairman, I yield 1½ minutes to the gentleman from Alabama.

Mr. MICA. May I have my 15 seconds?

We have been told at least 200,000, and possibly 500,000.

The CHAIRMAN. The Chair advises the gentleman from Florida that the gentleman from Wisconsin took his 15 seconds.

Mr. DICKINSON. Mr. Chairman, I rise in support of this amendment because I think it is very much needed.

I do not know how many Members are aware, but this appeared in the press; it got some ripple effect but not a great deal; but last year it was learned that the North Koreans were flying Hughes helicopters; and at first it was a very close held secret and then as it turned out they had over 30 helicopters.

Well, we tried to find out, and the South Koreans were upset about it; and we found out that the helicopters were sold to Germany, who then transferred them to a company that then clandestinely sold them to North Korea.

That was against the law, because we had the right to relicense the further sale or transfer those items of military equipment. Under this Roth amendment we retain that right, but without the Roth amendment, we cannot follow the item as it leaves the original purchase—he gets it in fee simple, he can transfer it on.

A prime example were some sophisticated computers. They were sold overseas; they subsequently were transferred to Poland and then were in the process of being shipped to the Soviet Union.

I think it is a good amendment; the Department of Defense wants it; I would ask for its support.

Mr. BONKER. Mr. Chairman. I yield 1 minute to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Mr. Chairman, I rise to oppose the amendment. There has been a lot of discussion about what should be on the list, is the list too extensive, what are the standards for foreign availability determinations; but one part of the Roth amendment, one part of this amendment would eliminate a key provision of this bill that says for items which are not on the list, they are not supposed to be controlled, Customs cannot detain them for longer than 10 days without the specific authority of the Department of Commerce.

We have heard story after story from exporters seeking to export commodities which no one has determined risk our national security; which are not on any list; which are detained for months and months at a time before Customs finally releases those items.

The provisions in title III would stop that practice, would require better coordination. Surely our governmental processes are not so paralyzed that where an item affecting national security is being detained, the Departments of Defense, Customs, and Commerce cannot coordinate a response and give due process to the exporter in this situation.

The CHAIRMAN. The Chair would advise the gentleman from Wisconsin [Mr. ROTH] he has 2 minutes remaining; the gentleman from Washington [Mr. BONKER] has 4 minutes remaining.

Mr. ROTH. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. HUTTO].

Mr. HUTTO. Mr. Chairman, I hope that all Members here on the floor and those watching television will realize that this is a very, very important amendment, and it pertains to national security.

I think we are doing a dangerous thing if we pass this bill without the Roth amendment. About 2 years ago, the chairman of the Committee on Armed Services appointed me to chair a special panel on technology transfer, to try to do something about the tremendous problem that we have with the slippage of our technology to the Soviet Union and the Warsaw Pact nations.

□ 1550

And I tell you that I think a lot of people do not realize what a problem that is. You know, we are spending about $25 billion or $30 billion a year on the research and development here, and the Soviets are getting a free ride. You know, if we could control our technology a little better, I do not think that we would necessarily have to spend as much on defense. So I would call all of our Members' attention to the fact that, if we do not strike these, we are loosening up more than we are now and, I think, allowing more slippage of our technology to the Soviet Union and the Warsaw Pact nations. I know in the Export Administration Act that we had arguments over this problem a year or so ago. Out of the Export Administration Act in conference came some reasonable controls, I think. But if we pass the bill without the Roth amendment today, then we are loosening up even further. Would we want to do that just because we want to sell something that would endanger our security, just because we would loosen up to allow some contractor who want to sell a product to some country overseas that might eventually get into the hands of the Soviet Union? I think not. I think we desperately need to have more control. We can still have the militarily critical technologies list, and we can take those items off which are not critical. But I say to you that if we pass the bill without the Roth amendment, we are loosening up even more on foreign availablility, on a number of other items, so I would ask all Members to vote "yes" on the Roth amendment.

Mr. BONKER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, I travel a good deal around the world speaking to American businessmen who are trying to carry our cause, sell American goods in various parts of the world. No part of our law is more irritating than the administration of the licensing laws.

I do not know whether the committee's bill is overwritten; I do knot know whether the gentleman from Wisconsin has made too tough an amendment. I do know that we need to give American business greater latitude. We simply must let our people sell goods that are being sold by other countries. There is no reason to continue this penalty.

I urge a vote against the Roth amendment and in support of the committee bill.

Mr. BONKER. Mr. Chairman, I yield 1½ minutes to the gentleman from California [Mr. MINETA].

Mr. MINETA. Mr. Chairman, I rise today to oppose the Roth amendment to title III of the Omnibus Trade Act.

Mr. Chairman, our current export control policies stifle exports of high tech products—the very area where we are world leaders, where our products are of the highest quality and where our goods are greatly sought after.

Of course we need to protect our high tech products from wanton use by our enemies. But, by reaching far beyond reasonable security precautions and by failing to implement orderly and comprehensible licensing application procedures, we are in fact foolishly and needlessly inhibiting vital international commerce.

Our national security interests are certainly not served by the confusion, by the procedural delays, and, ultimately, by the lost opportunities in the foreign marketplace. And, yet, these are the circumstances engendered by an overreaching Export Administration Act.

Today, we have an opportunity to improve current conditions. The Foreign Affairs Committee has reported a bill which streamlines an unwieldy system. This bill would have the dual effect of treating our high tech industry more fairly and confining our controls to high tech products which are genuinely unavailable to, and coveted by, our enemies.

The approach taken in this bill is balanced and carefully crafted. This amendment's attempt to tamper with it will send us reeling backward. We will be fencing in our own products and illogically preventing them from reaching the international marketplace.

Ironically, passage of this amendment would erode our competence in producing high-tech products and, ultimately, would be far more damaging to our national security than anything contemplated in this bill.

Mr. Chairman, I congratulate the gentleman from Washington, [Mr. BONKER] and his colleagues in the committee who produced this fine bill and I urge my colleagues to oppose ef-

forts to weaken or undermine their efforts.

The CHAIRMAN. The gentleman from Washington [Mr. BONKER] has 1½ minutes remaining. The gentleman from Wisconsin has no time remaining.

Mr. BONKER. Mr. Chairman, I yield myself such time as I may consume.

I would like to make an observation about one effect of Mr. ROTH's amendment that deals with the prohibition on the export of North Slope Alaskan oil. Mr. ROTH's amendment would actually strike all of the existing provisions in the Export Administration Act which currently ban the prohibition of North Alaskan Slope oil. I think the issue should be addressed. While removal of that ban may enable us to export more oil to Japan and improve our trade imbalance with Japan, we would have to import oil to make up for the loss. So there is really no net gain as a result of allowing export of oil to Japan. Meanwhile, all of the refineries on the west coast and in the gulf coast have been retrofitted to take this high-sulfite, heavy crude oil. If we were to allow the export of this oil, I do not know where we would find replacements for those refineries to serve our own consumers.

Mr. ROTH. Mr. Chairman, would my good friend from Washington yield for just 10 seconds?

Mr. BONKER. For just 10 seconds, I yield to the gentleman.

Mr. ROTH. I thank the gentleman for yielding.

The gentleman is very sophisticated and knowledgeable in this area. The gentleman has read my amendment. The gentleman knows that my amendment makes no change whatsoever to the existing law.

Mr. BONKER. Well, my staff informs me that it strikes all the existing prohibitions.

Mr. ROTH. Your staff did not read the amendment.

Mr. BONKER. Mr. Chairman, in conclusion, I would note that, what we are attempting by way of this bill——

The CHAIRMAN. Under the rule, all time for debate on this amendment has expired.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. ROTH].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ROTH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 181, noes 238, not voting 14, as follows:

[Roll No. 136]

AYES—181

Archer	Gunderson	Pepper
Armey	Hall (OH)	Petri
Aspin	Hammerschmidt	Porter
Barton	Hansen	Ray
Bateman	Hartnett	Regula
Bennett	Hefner	Ritter
Bevill	Hendon	Roberts
Bilirakis	Hiler	Robinson
Bliley	Hillis	Roemer
Boggs	Hopkins	Rogers
Boulter	Hunter	Roth
Breaux	Hutto	Roukema
Broomfield	Hyde	Rowland (GA)
Brown (CO)	Ireland	Schroeder
Broyhill	Jenkins	Schuette
Burton (IN)	Jones (OK)	Schulze
Byron	Kasich	Sensenbrenner
Callahan	Kemp	Shaw
Campbell	Kolbe	Shumway
Carney	Kramer	Shuster
Carr	LaFalce	Siljander
Chappell	Lagomarsino	Sisisky
Chappie	Latta	Skeen
Cheney	Leach (IA)	Slattery
Coats	Leath (TX)	Slaughter
Cobey	Lent	Smith, Denny (OR)
Coble	Lewis (CA)	Smith, Robert (NH)
Coleman (MO)	Lewis (FL)	Smith, Robert (OR)
Combest	Lightfoot	Snowe
Cooper	Lipinski	Snyder
Courter	Livingston	Solomon
Craig	Lloyd	Spence
Crane	Loeffler	Spratt
Daniel	Lott	Staggers
Dannemeyer	Lowery (CA)	Stangeland
Darden	Lungren	Stenholm
Daub	Mack	Strang
DeLay	Madigan	Stratton
DeWine	Marlenee	Stump
Dickinson	Martin (IL)	Sundquist
Dorgan (ND)	Martin (NY)	Sweeney
Dornan (CA)	McCain	Swindall
Dreier	McCandless	Tauzin
Duncan	McCollum	Taylor
Dyson	McEwen	Thomas (CA)
Eckert (NY)	McMillan	Valentine
Edwards (OK)	Meyers	Vucanovich
Emerson	Michel	Walker
English	Miller (OH)	Weber
Erdreich	Molinari	Whitley
Evans (IA)	Monson	Whittaker
Fawell	Montgomery	Whitten
Fiedler	Moore	Wirth
Flippo	Moorhead	Wolf
Fowler	Murtha	Wylie
Franklin	Neal	Young (AK)
Gallo	Nichols	Young (FL)
Gekas	Nielson	
Gilman	Oxley	
Gingrich	Packard	
Goodling	Parris	
Gordon	Pashayan	

NOES—238

Ackerman	Brooks	Donnelly
Akaka	Brown (CA)	Dowdy
Anderson	Bruce	Downey
Andrews	Bryant	Durbin
Annunzio	Burton (CA)	Dwyer
Anthony	Bustamante	Dymally
Applegate	Carper	Early
Atkins	Chandler	Eckart (OH)
AuCoin	Chapman	Edgar
Barnard	Clay	Edwards (CA)
Barnes	Clinger	Evans (IL)
Bartlett	Coelho	Fascell
Bates	Coleman (TX)	Fazio
Bedell	Collins	Feighan
Beilenson	Conte	Fields
Bentley	Conyers	Fish
Bereuter	Coughlin	Florio
Berman	Coyne	Foley
Biaggi	Crockett	Ford (MI)
Boehlert	Daschle	Ford (TN)
Boland	Davis	Frank
Boner (TN)	de la Garza	Frenzel
Bonior (MI)	Dellums	Frost
Bonker	Derrick	Fuqua
Borski	Dicks	Garcia
Bosco	Dingell	Gaydos
Boucher	DioGuardi	Gejdenson
Boxer	Dixon	Gibbons
Glickman	McCloskey	Saxton
Gonzalez	McCurdy	Schaefer
Gradison	McDade	Scheuer
Gray (IL)	McGrath	Schneider
Gray (PA)	McHugh	Schumer
Green	McKernan	Seiberling
Gregg	McKinney	Sharp
Guarini	Mica	Sikorski
Hall, Ralph	Mikulski	Skelton
Hamilton	Miller (CA)	Smith (FL)
Hatcher	Miller (WA)	Smith (NE)
Hawkins	Mineta	Smith (NJ)
Hayes	Mitchell	Solarz
Henry	Moakley	St Germain
Hertel	Mollohan	Stallings
Horton	Moody	Stark
Howard	Morrison (CT)	Stokes
Hoyer	Morrison (WA)	Studds
Hubbard	Mrazek	Swift
Huckaby	Murphy	Synar
Hughes	Myers	Tallon
Jacobs	Natcher	Tauke
Jeffords	Nelson	Thomas (GA)
Johnson	Nowak	Torres
Jones (NC)	Oakar	Torricelli
Jones (TN)	Oberstar	Towns
Kanjorski	Obey	Traficant
Kaptur	Olin	Traxler
Kastenmeier	Ortiz	Udall
Kennelly	Owens	Vander Jagt
Kildee	Panetta	Vento
Kindness	Pease	Visclosky
Kleczka	Penny	Volkmer
Kolter	Perkins	Walgren
Kostmayer	Pickle	Watkins
Lantos	Price	Waxman
Lehman (CA)	Pursell	Weaver
Lehman (FL)	Quillen	Weiss
Leland	Rahall	Wheat
Levin (MI)	Rangel	Whitehurst
Levine (CA)	Reid	Williams
Long	Richardson	Wilson
Lowry (WA)	Ridge	Wise
Luken	Rinaldo	Wolpe
Lundine	Roe	Wortley
MacKay	Rose	Wright
Manton	Rostenkowski	Wyden
Markey	Rowland (CT)	Yates
Martinez	Roybal	Yatron
Matsui	Russo	Young (MO)
Mavroules	Sabo	
Mazzoli	Savage	

NOT VOTING—14

Alexander	Heftel	Rudd
Badham	Holt	Shelby
Foglietta	Lujan	Smith (IA)
Gephardt	O'Brien	Zschau
Grotberg	Rodino	

□ 1615

Messrs. WILSON, GEJDENSON, WISE, TRAXLER, HERTEL of Michigan, and BATES changed their votes from "aye" to "no."

Messrs. DORGAN of North Dakota, ROBINSON, SPRATT, and NIELSON of Utah, Mrs. ROUKEMA, Messrs. STRANG, SLATTERY, and CARR, Mrs. BOGGS, and Mr. BEVILL changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BONKER

Mr. BONKER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. BONKER: Strike section 452 and insert the following:

SEC. 452. AMENDMENTS TO TRADE AND DEVELOPMENT ENHANCEMENT ACT OF 1983

(a) FUNCTIONS OF NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL POLICIES.—Section 646 of the Trade and Development Enhancement Act of 1983 (12 U.S.C. 635s) is amended—

(1) in subsection (a)(2) by striking "without the unanimous consent of the members of the National Advisory Council on International Monetary and Financial Policies" and inserting "unless a majority of the members of the National Advisory Council on International Monetary and Financial Policies approve the financing"; and

(2) by adding at the end the following:

"(b)(1) It shall be the duty of the National Advisory Council on International Monetary and Financial Policies to—

"(A) establish policy and procedure guidelines for the development, implementation, and coordination of the programs authorized by sections 644 and 645;

"(B) oversee the operation of those programs;

"(C) recommend improvements in the manner in which those programs are carried out;

"(D) encourage private financial institutions to participate in those programs; and

"(E) develop a system, incorporating both public and private sources of information, for monitoring the use of tied-aid credits by foreign governments.

"(2) In connection with the establishment of policy and procedure guidelines pursuant to paragraph (1)(A), the National Advisory Council shall—

"(A) recommend procedures which would assure that if an application is submitted to the Export-Import Bank or the Agency for International Development for assistance under sections 644 or 645, the application can be processed and the assistance made available within 30 calendar days after the application is submitted;

"(B) establish a policy with regard to—

"(i) the degree to which proof is required, in order to receive assistance under sections 644 or 645, that a foreign offer of a tied aid credit has been made or (on the basis of past practice or a course of dealing) can reasonably be expected; and

"(ii) the time at which and the manner in which evidence of such offer shall be submitted;

"(C) devise a method for determining the number of American jobs which will be created or retained through assistance under this Act, and give such factor consideration in making assistance available; and

"(D) describe the method of publicizing the availability of financing under sections 644 and 645, and the terms and conditions under which such assistance is available to both large and small exporters.".

(b) REPORT TO CONGRESS AND TERMINATION OF ACT.—The Trade and Development Enhancement Act of 1983 is amended by adding at the end the following new sections:

"SEC. 648. REPORT TO CONGRESS.

"The President shall transmit to the Congress, on a quarterly basis, a report setting forth the activities carried out under sections 644 and 645. Each such report shall include—

"(1) information on applications used by the Export-Import Bank and the Agency for International Development for making assistance available under sections 644 and 645;

"(2) information on the disposition of such applications;

"(3) an identification of the foreign governments whose behavior the President is trying to influence by the use of such assistance, and an explanation of why the assistance involved is deemed likely to influence that behavior;

"(4) evidence that clearly demonstrates that assistance under sections 644 and 645 has been used for the purposes of this Act;

"(5) information on any progress that has been made in negotiations on agreements within the Organization for Economic Cooperation and Development to limit the use of tied aid credits;

"(6) information on the extent to which tied aid credits are being used at the time of such report by major trading countries within such Organization, the terms of any such credits, and the market sectors with respect to which such credits are being used; and

"(7) information on the extent to which assistance under this Act has been effective—

"(A) in discouraging the use of tied aid credits for commercial purposes by other countries; and

"(B) in helping to protect United States exporters from unfair and predacious official export competition.

"SEC. 649. TERMINATION OF AUTHORITIES.

"The authorities contained in this Act shall cease to be effective upon a certification by the President to the Congress that a majority of the members of the National Advisory Council on International and Monetary Financial Policies have determined that—

"(1) the United States has reached an agreement with the governments of the other member countries of the Organization for Economic Cooperation and Development which ends abuse of tied aid credits in pursuit of national commercial benefits; and

"(2) these governments are honoring the terms of that agreement.".

(c) FUNDING BY THE AGENCY FOR INTERNATIONAL DEVELOPMENT.—Section 645(d) of Trade and Development Enhancement Act of 1983 (12 U.S.C. 635r(d)) is amended by striking "allocated for Commodity Import Programs".

The CHAIRMAN. Pursuant to House Resolution 456, the gentleman from Washington [Mr. BONKER] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

The Chair recognizes the gentleman from Washington [Mr. BONKER].

Mr. BONKER. Mr. Chairman, I am pleased that many of my colleagues are here as we commence debate on this amendment because it is another issue that prompts a great deal of confusion.

Mr. Chairman, this issue is referred to in a variety of terms: mixed credits, tied aid, a war chest. Put simply, it means our ability to match what we call mixed credits offerings by other countries in this fiercely competitive world market.

Currently, the French, the Italians, the Japanese, and others engage in this predatory activity known as mixed credits, which simply means that oftentimes when their companies are bidding on a contract, the government weighs in with a concessionary loan or some foreign assistance to provide their companies with a competitive edge. The result is a loss somewhere between $8 and $10 billion a year in these contracts.

There is no disagreement in this House that we need a program to combat the mixed credits threats of other countries. In 1983, we passed legislation to establish a Mixed Credits Program involving the Eximbank and AID. And we also established a National Advisory Council to consider these mixed credits matters. The administration, however, wants to move the program to the Department of Treasury. Therefore we now must deal with whether we should have a Department of Treasury Program, an offensive strategy, or whether we should retain the existing program.

The language in the bill is the Banking Committee's provision on mixed credits, which is essentially the administration's request. The alternative which we are offering is supported broadly by the business community and almost all those who are presently engaged in export activity.

What my amendment does is simply remove the $300 million authorization in this bill. Both budget resolutions have eliminated any money to carry out this War Chest Program. So we feel that we should not be authorizing money that neither will be in the budget resolution nor appropriated.

Second, the amendment clarifies current law that AID's ESF money—Economic Support Fund money—can be used to support U.S. mixed credits offerings. Again this was implied in earlier statutes, but we need to be a little more explicit.

We also attempt to streamline the National Advisory Council. Currently the law provides for a unanimous vote, so one agency can, in effect, veto a NAC application. What we would like to do is provide for a unanimous vote so that all members of NAC have an equal vote so that we can make these determinations in a timely fashion.

Last, we have a sunset provision. The whole idea behind mixed credits is not that we want to use concessionary loans and foreign aid to carry out commercial transactions. We are against that practice. But we want to bring the other countries into the negotiations so that they will put an end to the practice.

My amendment allows that, once that happens, then this law terminates. It is a sunset provision. I believe that if you have had a chance to look at the two provisions that are before us, the Banking Committee's provision and my amendment, and consider that the exporting community supports my alternative, you will see that the Bonker amendment is the way to go.

The CHAIRMAN. Does any Member seek time in opposition to the gentleman's amendment?

The gentleman from North Carolina [Mr. NEAL] is recognized for 15 minutes.

Mr. NEAL. Mr. Chairman, I am amazed at this amendment. It simply abolishes our war chest.

Now, the Banking Committee, which is the committee of primary jurisdiction, has passed it; the Foreign Affairs Committee, of which the gentleman is a member, has passed a version. It is not exactly the same as our version. But this is nothing more than unilateral disarmament.

Here is the situation: A number of countries in the world steal our exports by deeply subsidizing on the basis of their credit, so deeply that our companies, our exporters, cannot compete.

This war chest is an attempt to let the Secretary of the Treasury—it would be under his control—selectively target some of these countries to get them to stop this practice, to fight them, using their own kinds of weapons.

If we do as the gentleman from Washington [Mr. BONKER] suggests, we take away all possibility of our having this tool.

Let me say this: When we first started the hearings, the French were the major offenders. Our witnesses told us the French were the major offenders. We could not get them to the bargaining table. I cannot prove this, but I think, as a result of our having passed the bill out of committee, they have become more receptive to negotiating an end to this mixed credits practice.

Now the Japanese are the worst offenders. If we do not pass something, if we do not arm our Department of the Treasury, I am sure the French will come back at us, steal our exports, the Japanese, the Canadians, and others will do the same thing.

Now, I understand that the Foreign Affairs Committee passed a little different version of the war chest bill, minor differences. I thought the gentleman was going to offer an amendment to insist upon his little different approach. I think ours is better, ours is stronger. It would be less wasteful in that approach. That would have been subject, certainly, to the will of the committee. But what he is doing now is simply throwing in the towel. He is saying, "We are not going to engage in this battle for exports."

I think maybe part of the reason he is suggesting this is that he is worried that we will not get the appropriations for it. Maybe not. I do not know. We cannot decide that here today. But having this authorization in place, even without the appropriation being in hand gives us some leverage at the bargaining table. Destroying the authorization would completely weaken our posture. We would give up without even trying.

Now, I hope that we get the appropriation. But as I say, I do not know. I cannot predict that at this point.

Let me make one final point, Mr. Chairman. The gentleman's amendment does one other thing. It completely destroys the authority of the Secretary of the Treasury to engage in the practice of fighting the mixed credits in any form whatsoever. He now has the authority. He would have the authority under the bill. But this approach would simply completely disarm the Secretary of the Treasury.

There is absolutely nothing to be gained from this. Even without the appropriation, it gives us some leverage at the bargaining table, and I certainly hope the Committee rejects this amendment.

Mr. LEACH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. NEAL. I yield to the gentleman from Iowa.

□ 1630

Mr. LEACH of Iowa. I thank the gentleman for yielding to me.

I would just like to emphasize to the gentleman that this is an approach that is to be respected, but it is an approach that goes very much counter to something that was very carefully crafted by the House Banking Committee.

It has four disadvantages: One, it complicates very much the administration of our basic Foreign Aid Program by making an open-ended, if not entitlement program, out of ESF.

Second, it puts a potential drain on Eximbank reserves, Eximbank being the basic entity under the jurisdiction of the gentleman from North Carolina.

Third, it establishes a very cumbersome procedure administratively without targeting what we are trying to do and that is to change other countries' unfair trade tactics in this area.

Finally, it disperses control of how decisions are made among individual members of the so-called NAC. I would just simply suggest that this is an approach that is worthy of serious consideration, but I think it is worthy of consideration in a committee context, not a floor discussion of this particular legislation.

My own sense is the gentleman from Washington has an approach that ought to be considered at another time and at another place. But at this particular time and this particular place, as much as I am opposed to the bill in its entirety, I think this language within the bill ought to be maintained intact.

Mr. NEAL. I thank the gentleman.

The gentleman from Iowa touched on one very important point, I think. The fact is that this is an attempt to make sure that the Eximbank has enough funds for its primary purpose, which is to support our exports. We hope we get an appropriation for this war chest to replenish the funds of Exim that it is already using, and successfully, I might say, in reducing the practice of the use of mixed credits by other countries. My concern is that without this authorization we would have no hope for the appropriation, and it could weaken Eximbank's ability to do its business.

Mr. Chairman, I reserve the balance of my time.

Mr. BONKER. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, the war chest is empty, and it will continue to be empty because we do not have in our budget resolution or in our appropriation bill money for the War Chest Program. I do not think we should be authorizing $200 million or $300 million or $500 million if that money is not there. I do not know who we are fooling, but we are not fooling ourselves.

Second, if we do authorize the $300 million, then we give the Treasury Department, with this newly found authority, license to go in and raid the Exim Direct Loan Program. That program is already being scaled down considerably. We need to protect the integrity of that program.

Third, my amendment is entirely consistent with what the House did in 1983 in setting up this program.

Mr. Chairman, I yield 3 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], who, incidentally, has been the principal sponsor of mixed credits legislation here in the House and has been a true advocate of setting an effective Mixed Credits Program.

Mrs. JOHNSON. I thank the gentleman for yielding to me.

Mr. Chairman, I rise in strong support of the amendment, and far from eliminating the war chest, this amendment is the only way that we can have a war chest. If we follow the course laid out in the bill, we will simply gut the Eximbank Direct Loan Program, whose resources have been cut by more than 80 percent in recent years, but whose program is essential to support exports, because we cannot, with Gramm-Rudman, appropriate the $300,000 the committee bill assumes.

If we follow the course set forth in this amendment, then we will have the opportunity to use foreign aid, unearmarked economic support funds that are already in the pipeline, to support mixed credits projects. The economic support funds are ample for the dual purpose of providing economic development projects for other nations and at the same time increasing demand for American products abroad.

Far from eliminating the influence of the Treasury on this important mixed credit program, this bill rather

assures that all those who participate in carrying out trade-related responsibilities in the executive branch will work together to effectively implement the mixed credits program.

This bill requires a majority of the members of the National Advisory Council that governs the Eximbank to concur in the use of mixed credits. It means that Commerce, that U.S. Trade Representative, that Eximbank and that Treasury will all be involved in these decisions.

Remember, it is the Secretary of the Treasury that chairs the National Advising Council. So far from cutting the Secretary of the Treasury out of the process, it cuts him in. This bill provides a coordinated, integrated mechanism to implement trade policy in America. It is not an initiative that fractures, that further fractures, the decisionmaking process by which we implement trade policy, as does the legislation before us.

Mr. Chairman, the Bonker amendment is a very good amendment. This amendment will allow the war chest proposal to be a reality. It will provide the money and coordinated authority for a strong mix credit program. It will allow America to be out there standing behind her businessmen that are trying to compete for contracts with foreign producers backed by predatory financing, for contracts that have, in some cases, decades of follow-on business in goods and services associated with them. It will allow us to guarantee the working people of this Nation that they can compete out there in the international market on the basis of the cost of production and the quality of their goods.

Mr. Chairman, there is a certain mythology surrounding the export credit issue, and that is the mistaken belief that our Eximbank Programs only help a few large companies and therefore represent a subsidy for big business. Like all mythology, this story can be entertaining. But when jobs are at stake in your districts, I know you want the facts, not the myths.

I have seen a listing of subcontractors and suppliers provided by a large engineering company in my State, and which itself is a subcontractor for an even larger construction services firm, and I count 63 subs and suppliers in 16 States for 1 boiler unit in a powerplant, a sector in which competition is great and the use of mixed credits pervasive.

Another document available, a United States AID employment creation study, describes how 2,135 man-years of employment were tied to a major project in Egypt with the help of AID funds.

I am also aware of a major United States medical supply company that is currently competing against mixed credits in Brazil for a contract that would benefit at least 60 suppliers in the United States.

Indeed, this kind of a program, this mixed credit initiative is not a big business aid program; it is a jobs program that affects every district in this Nation. The Bonker-Johnson-Ridge amendment will give us the wherewithal to ensure fair competition for our exporters plus jobs for our people competitive position in important markets.

I urge the Members' support of this amendment.

Mr. NEAL. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in opposition to the Bonker amendment and in support of the position taken by the gentleman from North Carolina. I think he is right on this amendment. I would point out to my colleagues that my substitute for the Banking Committee title includes the Neal provision for a tied-aid fund to be established under the authority of the Secretary of the Treasury.

Many U.S. companies have testified before the International Economic Policy Subcommittee chaired by Representative BONKER, and also before the subcommittee which is chaired by Representative NEAL on the need for the U.S. Government to confront the tied-aid problem head-on, as they say it.

That is precisely what the tied-aid credit provision does which is now in the bill. On the substance of the amendment itself, the Banking Committee has not held any hearings or markups on the need to change the provisions of the existing Tied-Aid Credit Program which was created as a part of the earlier omnibus package of IMF and housing legislation back in 1983.

Now is not the time and the House floor is not the place, it seems to me, to make these kinds of substantive changes in the legislation if they are in fact needed at all.

On the issue of changing the control of the Tied-Aid Program from the Eximbank to a majority of the members of the National Advisory Council, an interagency body, including such Agencies as Treasury, Commerce, State, and the Federal Reserve, these changes are not really needed and would make the process much more cumbersome in this Member's opinion.

Presently, a unanimous decision of the National Advisory Council is required before the awarding of a tied-aid financing package. In short, this amendment is giving short shrift to the American exporters. The proper answer is to keep the provisions reported by the Banking Committee and which is contained in both the current bill and in my substitute.

Mr. LEACH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman.

Mr. LEACH of Iowa. I thank the gentleman for yielding.

Mr. Chairman, this is a very esoteric issue with both sides having the same goal, but to put one thing very straight: I think it should be on the record that the Department of Treasury, the Reagan Department of Treasury, the Department headed by Jim Baker is in adamant opposition to this particular amendment.

I just think in this chemistry when we really have a hard time understanding the subtleties of difference, we ought to recognize the profesionals in the administration have real concern.

□ 1640

Mr. WYLIE. The gentleman makes an excellent point. I think it is one that deserves attention and therefore urge that the Bonker amendment be defeated.

Mr. BONKER. Mr. Chairman, I yield 2 minutes to the distinguished chairman of the Committee on Foreign Affairs, the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I rise in support of the amendment.

What we find here is that we have an existing program of mixed credits, with the money coming out of ESF funds—economic support funds—and some Exim money. Whether or not there will be enough money to continue with the program is a matter of judgment. All we know right now is that there is not any new money in the Budget Committee recommendation for a new $300 million "war chest" that has gone forward.

If we leave the language as it came out of the Banking Committee, what we would be doing is changing the present law and funding this Mixed-Credit Program out of funds that are supposed to go to the Eximbank Direct Loan Program.

The real question that is before us, aside from the obvious jurisdictional problem, is either leave the present law where it is, with a program that has been financed out of economic support funds and some Exim funds in the hopes that the funds will eventually be there so that the program can continue or transfer the program to the Treasury Department and it would likely be funded from the Direct Loan Program by Eximbank.

It is for these reasons, therefore, because exporters are nervous about how this would be administered and funded, that I think we ought to leave the present law as it is, and that is what the amendment of the gentleman from Washington [Mr. BONKER] does.

Mr. NEAL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I just want to make one comment, and then yield to the gentleman from New York. In response, if I may have the attention of the distinguished chairman of the Committee on Foreign Affairs, I want to point out that I chair the subcommittee that authorizes Eximbank, and three is nothing that we want to do less than weaken it. The whole reason for this is to try to appropriate some money for this Mixed-Credit Program so that it will not weaken Eximbank. So the gentleman, I know, has come over to our side, and I am grateful for his support.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. NEAL. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I am with the gentleman. I hope that we can get the money. I just do not think that we ought to transfer it.

Mr. NEAL. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. LUNDINE].

Mr. LUNDINE. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to the Bonker amendment.

First, though, I would like to say that I strongly admire the work that the gentleman from Washington [Mr. BONKER] has done on this entire trade issue, and I admire the work that he has done to support exports. I just feel that we all agree that mixed credits are a problem. Our trading competitors are mixing foreign aid with export credits. It is a question of how you are going to deal with that problem.

To my friends on this side of the aisle I would like to say that the one thing that the administration wants that we on the Banking Committee decided that they ought to have is a $300 million war chest to deal with this problem of mixed credits. This amendment takes that away. If Members want only to make political points, then they should go ahead and vote against that. But if we want legislation, if we want something in there that the administration frankly wants, as well as something that we want to address our trade problems, then I think that we ought to oppose this amendment and support the program.

Mixed credits are a serious and growing problem. they have grown from $2.1 to $6.5 billion since 1980. There is no reason to take away the $300 million war chest that is in this bill in order to deal with that problem.

I think that the amendment guts the provision that would give us some capacity to deal with this offensive practice, and I urge the Members to support the real capacity to deal with our export problems and to compete with those who use this practice of mixed credits.

The CHAIRMAN. The Chair wishes to advise the gentleman from Washington [Mr. BONKER] has 5 minutes remaining. The gentleman from North Carolina [Mr. NEAL] has 2 minutes remaining, and he is entitled to close.

Mr. BONKER. Mr. Chairman, I yield 1 minute to the gentlewoman from Connecticut [Mrs. JOHNSON] for the purpose of a response.

Mrs. JOHNSON. I thank the gentleman for yielding.

Mr. Chairman, the plain, bottomline fact of the matter is that there is no $300 million war chest in the budget. There is no place to get the $300 million except from the direct loan program or some other program, and in other years there has been no willingness to appropriate $300 million from some other program. That is why we have taken the realistic approach of finding not only a source of funds but a legitimate source of funds, because most nations are using their foreign aid to couple it with the demand that the receiving countries use it to buy the providing country's projects.

When you build a powerplant in Egypt, there is no reason if American foreign aid dollars are building that powerplant, why they should not be buying the plant from our producers and our subcontractors and supporting all those jobs in America. Other nations are coupling foreign aid with development projects, and we should do no less.

Mr. BONKER. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. The gentleman from Washington [Mr. BONKER] has 4 minutes remaining.

Mr. BONKER. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. RIDGE].

Mr. RIDGE. Mr. Chairman, I rise in strong support of the amendment offered by my colleague from the State of Washington and commend the gentlewoman from Connecticut for her initiative in this effort.

My colleague from Iowa suggested that there are really some very subtle differences in the committee language and in the amendment as offered, but I would suggest that there are some very real and practical differences as well.

The money that would be used to satisfy the need that this country has to address mixed-credit predatory financing from our competitors is real and alive and available through the amendment of the gentleman from Washington [Mr. BONKER]. The suggested war chest is just not available. At best, it would only be appropriated by reducing the limited funding provided in the Exim Bank, certainly not an acceptable alternative. At worst, the unfunded war chest to be used solely for negotiating is an empty and dormant threat.

If you are consistent in your belief in Gramm-Rudman, if you believe that one of the objectives in Gramm-Rudman was to find new, innovative ways to address real problems without automatically looking for an increase of funding from an additional source somewhere, then Congressman BONKER's amendment meets that objective.

Another very real difference in the two approaches is that the Banking Committee language will be used strictly to negotiate. That is the posture and the premise through which and by which the administration has suggested support.

Let me describe the negotiations. We have probably been negotiating since 1979 when the world community started using mixed credits at about $1 billion. We negotiated this year on April 17, 18, and 19 in Paris. Those negotiations failed. While we have been negotiating, the use of mixed credits internationally has gone to almost $7 billion. So if they want an effective tool that meets Gramm-Rudman objectives, then I urge my colleagues to support the amendment offered by Congressman BONKER.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. BONKER], who has 2 minutes remaining.

Mr. BONKER. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Mr. Chairman, I rise in strong support of the Bonker amendment.

Mr. BONKER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I shall simply close by stating what should have been obvious throughout this debate, and that is, we are not far apart on the differing versions—the banking provision and the amendment that I am offering. Those in the trade community, however, strongly support our approach, because they believe that it is more practical and will be more effectively applied if we are going to combat mixed-credit offerings from other countries.

The offensive strategy mixed credits is not sufficient. It is not sufficient to go after the French, as the author of the provision in the bill suggests. The French may concede and accept some of our reforms in the OECD but the Japanese are off doing it, and so are the others; we simply do not have enough money to bring about this offensive strategy to all recalcitrant countries.

□ 1650

Meanwhile, our exporters are losing vital contracts as they attempt to compete. They are losing these contracts because other countries are providing

this assistance that gives their companies a competitive edge.

The language of my amendment is narrowly structured so that we can effectively combat these mixed credits problems. We can do so without authorizing the $300 million that we all know does not exist, at least in this Congress.

Mr. Chairman, I urge support for the amendment.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I happen to be a member of both committees in which the debate is taking place. I strongly support the Bonker approach.

The gentleman from Pennsylvania has made important and relevant points about timeliness.

The gentlewoman from Connecticut has warned about the need for appropriations and authorizations for the $300 million and the chairman of the subcommittee has just reminded us again how important it is that we keep a defensive capacity as well as an offensive program that the administration would like.

So I urge my colleagues in this instance to support the amendment of the gentleman from Washington and I thank the gentleman for his time.

Mr. BONKER. Mr. Chairman, I thank the gentleman.

Mr. NEAL. Mr. Chairman, I must point out that in the Bonker approach, there is no money. There is absolutely no money. What we are doing is taking away authority of the Secretary of the Treasury to stop, to try to stop through negotiations, with a little power behind the negotiations, to stop this insidious practice.

There is no money in the ESF Fund. That money is called for. There is not enough to go around.

What we are trying to do here is to authorize the appropriation of some money so that we can mount a vigorous campaign.

Now, as the gentleman from Washington pointed out, the French are starting to come around. Why? They have been engaging in this practice for years. They started to come around, I think, because they saw that we had a credible threat. This amendment would destroy completely that credible threat.

Mr. LEACH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. NEAL. I yield to the gentleman from Iowa.

Mr. LEACH of Iowa. Mr. Chairman, I just want to make one partisan observation, and that is that this particular provision that is in the bill was proposed by the President of the United States, and in a bipartisan fashion the distinguished subcommittee chairman, who was just speaking, advanced it through the Banking Committee and has brought it to the floor.

It is a bipartisan approach favored by the administration that is not being tampered with. That tampering is well intended, but my argument would be, stick with the President, stick with the subcommittee chairman of jurisdiction and keep the bill as it is.

Mr. NEAL. Mr. Chairman, I thank the gentleman for his comments.

I am sure it is well intentioned, just like it will be well intentioned if we said the way to solve our military problems would be to unilaterally disarm. It is a great idea. I am sure it would be well intentioned, but it is certainly clear that it will not work.

We have an approach here that we tried to get in the last Congress.

Mr. Chairman, I urge rejection of the amendment.

Mr. VENTO. Mr. Chairman, I oppose the amendment to the Export Trading Company offered by the gentleman from Washington [Mr. BONKER].

The amendment offered by Mr. BONKER amends the Federal Reserve Act and the Bank Holding Company Act. Amendments to these acts are clearly and wholly within the jurisdiction of the Committee on Banking, Finance and Urban Affairs and should certainly have been considered by the committee of jurisdiction. The Federal Reserve Act and Bank Holding Company Act provide the basic structure of the banking system in our country and before consideration on the House floor, the Committee on Banking, Finance and Urban Affairs deserves a chance to examine and act upon this legislation.

If a committee frustrates action on legislation which has broad support in the House, the Rules Committee and the rules of the House itself provide opportunities for the House to act on such legislation. However, this is not the situation the House, this committee, faces today. I do not believe that anyone has contended that the Banking Committee has frustrated attempts to consider amendments to the ETC Act. The Banking Committee is a substantial contributor to H.R. 4800 and would have considered this amendment if given a chance. Since the amendment was not considered by the appropriate committee, there remain many critical unanswered questions about the effects of this amendment.

The basic purpose of an Export Trading Company is to promote the export of U.S.-produced goods or services. To receive Export Trading Company status at least one-half of a company's revenue must be generated from the export of U.S.-produced products. The amendment today seriously would undermine this safeguard. It would allow companies to count as U.S. exports: First, trade it facilitates between two foreign countries; and second, the value of products U.S. companies accept by as payments in lieu of currency, an arrangement commonly known as countertrade.

Countertrade has a very real cost for American industry and workers. Export trading companies should be promoting the export of U.S. made goods and the importation of foreign-held U.S. dollars. By encouraging countertrade—a sophisticated form of barter—this amendment turns logic on its head. It allows companies to receive the benefit of Export Trading Company status by giving them credit for the importation of foreign products costing the loss of American jobs and industry. The countertrade provision of this amendment defeats the basic purpose of this legislation and of the Export Trading Company Act.

The gentleman may know that the Banking Committee has been concerned about the effects of countertrade for several years. Indeed the committee recently received the first of two reports on the effect of countertrade. I would counsel my friend from Washington that this amendment which promotes countertrade is definitely premature, considering that there are very real and very serious concerns about the displacement of U.S. goods, the loss of U.S. jobs, and the loss of U.S. markets as a direct result of countertrade agreements.

I would also point out that the amendment is inconsistent with other provisions of the legislation. One of the principal objectives of the trade negotiations required by H.R. 4800 is to reduce the incidence of countertrade and its harmful effect on U.S. goods and services. It would send mixed signals to our trading partners and to our own domestic industries to be encouraging countertrade by this amendment and yet negotiating to reduce countertrade as required by section 152(b)(11).

The amendment also alters the relationship between bank holding companies and its affiliates. This amendment would exempt loans and transactions with an Export Trading Company from section 23A. Current law only provides seven exemptions for the safest and most heavily secured transaction, typically secured by U.S. securities of a value greater than the value of the transaction. Certainly financing exports via the amendment is not of the same low risk nature as the current limited exemptions. This is a change which could have significant safety and soundness risk to the U.S. banking system through this uncontrolled holding company, Export Trading Company facilities.

Mr. Chairman, the amendment is fatally flawed on jurisdictional grounds and certainly in substance. I urge my colleagues to defeat this amendment.

The CHAIRMAN. Under the rule, all time for debate on this amendment has expired.

The question is on the amendment offered by the gentleman from Washington [Mr. BONKER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BONKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 248, noes 166, not voting 19, as follows:

[Roll No. 137]

AYES—248

Ackerman	Armey	Bartlett
Akaka	Aspin	Bates
Anderson	Atkins	Bedell
Andrews	AuCoin	Beilenson
Anthony	Barnes	Bennett

Bereuter	Gradison	Pepper
Berman	Gray (IL)	Petri
Bevill	Green	Pickle
Boehlert	Gregg	Pursell
Boggs	Guarini	Quillen
Boner (TN)	Hall (OH)	Rahall
Bonior (MI)	Hall, Ralph	Reid
Bonker	Hamilton	Richardson
Borski	Hatcher	Ridge
Bosco	Hayes	Rinaldo
Boucher	Hefner	Ritter
Boulter	Henry	Roberts
Breaux	Hertel	Robinson
Brooks	Horton	Roe
Broomfield	Howard	Rostenkowski
Brown (CA)	Hoyer	Roth
Brown (CO)	Huckaby	Rowland (CT)
Bruce	Hughes	Roybal
Bryant	Hyde	Russo
Burton (CA)	Jacobs	Sabo
Burton (IN)	Jeffords	Savage
Bustamante	Johnson	Scheuer
Byron	Jones (NC)	Schneider
Carr	Jones (OK)	Schroeder
Chandler	Jones (TN)	Schuette
Clay	Kaptur	Seiberling
Clinger	Kennelly	Shelby
Cobey	Kildee	Sikorski
Coble	Lantos	Siljander
Coelho	Leath (TX)	Sisisky
Coleman (TX)	Lehman (FL)	Skeen
Collins	Leland	Skelton
Conyers	Levine (CA)	Slattery
Crockett	Livingston	Smith (FL)
Daniel	Lloyd	Smith (NE)
Daschle	Long	Smith, Robert (OR)
Daub	Lowry (WA)	Snowe
Davis	Luken	Solarz
de la Garza	MacKay	Spratt
Dellums	Madigan	Staggers
Derrick	Manton	Stallings
Dicks	Markey	Stangeland
Dingell	Marlenee	Stark
DioGuardi	Martin (IL)	Stenholm
Dixon	Martinez	Stokes
Donnelly	Matsui	Studds
Dorgan (ND)	Mavroules	Swift
Dowdy	McCain	Synar
Downey	McCloskey	Tallon
Durbin	McCurdy	Tauke
Dwyer	McDade	Tauzin
Dymally	McKernan	Torres
Early	McKinney	Torricelli
Eckart (OH)	Mica	Towns
Edgar	Mikulski	Traficant
Edwards (CA)	Miller (CA)	Udall
Edwards (OK)	Miller (WA)	Valentine
English	Mineta	Visclosky
Erdreich	Mitchell	Watkins
Evans (IL)	Moakley	Waxman
Fascell	Mollohan	Weaver
Fazio	Montgomery	Weber
Feighan	Moody	Weiss
Fish	Moore	Wheat
Flippo	Morrison (WA)	Whitten
Florio	Natcher	Williams
Foley	Nelson	Wilson
Ford (TN)	Nichols	Wirth
Frenzel	Oberstar	Wise
Frost	Obey	Wolf
Fuqua	Olin	Wolpe
Garcia	Ortiz	Wright
Gejdenson	Owens	Wyden
Gibbons	Oxley	Yates
Gilman	Panetta	Yatron
Glickman	Pashayan	Young (AK)
Gonzalez	Pease	Young (MO)
Goodling	Penny	

NOES—166

Annunzio	Carper	Dannemeyer
Applegate	Chapman	Darden
Archer	Chappell	DeLay
Barnard	Chappie	DeWine
Barton	Cheney	Dickinson
Bateman	Coats	Dornan (CA)
Bentley	Coleman (MO)	Dreier
Biaggi	Combest	Duncan
Bilirakis	Conte	Dyson
Bliley	Cooper	Eckert (NY)
Boland	Coughlin	Emerson
Broyhill	Courter	Evans (IA)
Callahan	Coyne	Fawell
Campbell	Craig	Fiedler
Carney	Crane	Fields
Ford (MI)	Lewis (FL)	Roukema
Fowler	Lightfoot	Rowland (GA)
Frank	Lipinski	Saxton
Franklin	Loeffler	Schaefer
Gallo	Lott	Schulze
Gaydos	Lowery (CA)	Schumer
Gekas	Lundine	Sensenbrenner
Gingrich	Lungren	Sharp
Gordon	Mack	Shaw
Gunderson	Martin (NY)	Shumway
Hammerschmidt	Mazzoli	Shuster
Hansen	McCandless	Smith (NJ)
Hartnett	McCollum	Smith, Denny (OR)
Hawkins	McEwen	Smith, Robert (NH)
Hendon	McGrath	Snyder
Hiler	McHugh	Solomon
Hillis	McMillan	Spence
Hopkins	Meyers	St Germain
Hubbard	Miller (OH)	Strang
Hunter	Molinari	Stratton
Hutto	Monson	Stump
Ireland	Moorhead	Sundquist
Jenkins	Mrazek	Sweeney
Kanjorski	Murphy	Swindall
Kasich	Murtha	Taylor
Kastenmeier	Myers	Thomas (CA)
Kemp	Neal	Thomas (GA)
Kindness	Nielson	Traxler
Kleczka	Nowak	Vento
Kolbe	Oakar	Volkmer
Kolter	Packard	Vucanovich
Kostmayer	Parris	Walgren
Kramer	Perkins	Walker
LaFalce	Porter	Whitehurst
Lagomarsino	Price	Whitley
Latta	Rangel	Whittaker
Leach (IA)	Ray	Wortley
Lehman (CA)	Regula	Wylie
Lent	Roemer	Young (FL)
Levin (MI)	Rogers	
Lewis (CA)	Rose	

NOT VOTING—19

Alexander	Heftel	Rudd
Badham	Holt	Slaughter
Boxer	Lujan	Smith (IA)
Foglietta	Michel	Vander Jagt
Gephardt	Morrison (CT)	Zschau
Gray (PA)	O'Brien	
Grotberg	Rodino	

□ 1705

The Clerk announced the following pair:

On this vote:

Mr. Gephardt for, with Mr. Rudd against.

Mr. SCHUMER and Mr. VOLKMER changed their votes from "aye" to "no."

Messrs. MADIGAN, SILJANDER, BOULTER, COBLE, MANTON, TAUKE, BROOMFIELD, and BARTLETT changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BONKER

Mr. BONKER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. BONKER: Add the following at the end of title IV (page 324, after line 18):

Subtitle E—Export Trading Companies

SEC. 481. EXPORT TRADING COMPANIES.

(a) REPORT ON EXPORT TRADING COMPANIES.—The Export Trading Company Act of 1982 (15 U.S.C. 4001 et seq.) is amended by inserting after section 104 the following new section:

"SEC. 105. REPORT ON EXPORT TRADING COMPANIES.

"Not later than one year after the date of the enactment of the Trade and International Economic Policy Reform Act of 1986 and annually thereafter, the Secretary of Commerce shall submit a report to the Congress on the activities of the Department of Commerce to promote and encourage the formation of export trade associations and export trading companies. The report shall include a survey of the activities of export management companies and export trade associations, as well as an analysis of the operating experiences of those export trading companies established pursuant to this Act. The report shall not contain any information subject to the protections from disclosure provided in this Act.".

(b) DEFINITION OF EXPORT TRADING COMPANY.—Section 4(c)(14)(F)(i) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(14)(F)(i)) is amended by striking "for purposes of exporting goods or services produced in the United States" and inserting "for purposes of exporting goods or services produced in the United States by that company, its affiliates, or unaffiliated persons,".

(c) DEFINITION OF PRINCIPALLY ENGAGED IN EXPORTING.—Section 4(c)(14)(F) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(14)(F)) is amended—

(1) by striking the period at the end of clause (i) and inserting a semicolon;

(2) by striking "and" at the end of clause (iii);

(3) by striking the period at the end of clause (iv) and inserting a semicolon; and

(4) by inserting after clause (iv) the following new clauses:

"(v) an export trading company shall be treated as organized and operated principally for the purposes described in clause (i) if that company derives more than one-half of its revenues in each consecutive five-year period from—

"(I) the export of goods or services produced in the United States by that company, its affiliates, or unaffiliated persons, or

"(II) from facilitating the export of goods or services produced in the United States by unaffiliated persons by providing one or more export trade services; and

"(vi) for the purpose of clause (v), revenues from third party trade, and the value of goods or services taken back by the export trading company as part of a countertrade transaction, shall be treated as export revenues if such third party trade or countertrade transaction (as the case may be) involves the export of goods or services produced in the United States.".

(d) RELATIONS WITH AFFILIATES.—Section 23A(d) of the Federal Reserve Act (12 U.S.C. 371c(d)) is amended—

(1) by striking "and" at the end of paragraph (6);

(2) by striking the period at the end of paragraph (7) and inserting "; and"; and

(3) by adding at the end the following:

"(8) transactions with an affiliate which is an export trading company, as defined in section 4(c)(14)(F)(i) of the Bank Holding Company Act of 1956.".

(e) INVENTORY.—Section 4(c)(14)(A) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843 (c)(14)(A)) is amended—

(1) by redesignating clauses (v) and (vi) as clauses (vi) and (vii), respectively; and

(2) by inserting after clause (iv) the following:

"(v) The Board may not impose, by regulation, a dollar limit on the amount of goods

which export trading companies may maintain in inventory; except that the Board may impose, by order, a dollar limit on the amount of goods which a particular export trading company may maintain in inventory after such company has been operating for a reasonable period of time if, under the particular facts and circumstances, it finds that such limit is necessary to prevent risks that would affect the financial or managerial resources of an investor bank holding company to an extent which is likely to have a materially adverse effect on the safety and soundness of any subsidiary bank of such bank holding company.".

The CHAIRMAN. Pursuant to House Resolution 456, the gentleman from Washington [Mr. BONKER] will be recognized for 15 minutes on behalf of his amendment, and the Chair will recognize for 15 minutes a Member in opposition to the amendment.

The Chair recognizes the gentleman from Washington [Mr. BONKER].

Mr. BONKER. Mr. Chairman, this second amendment concerns export trading companies and amends existing statutes to encourage bank holding companies to become more involved in the establishment of export trading companies.

□ 1715

Yesterday, the distinguished chairman of the Committee on Banking, Finance and Urban Affairs, the gentleman from Rhode Island [Mr. ST GERMAIN] stated on the floor during general debate that he believed it would be beneficial to all concerned if some discussions involving myself and the gentleman from Georgia [Mr. BARNARD], Mr. Volcker of the Federal Reserve Board, and the Department of Commerce, would get together to discuss further ways that we could help facilitate the involvement of banks and export activity.

I welcome the distinguished chairman's suggestion and would like to proceed in a dialog for a few moments to see if it is possible for me to withdraw my amendment.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield to me?

Mr. BONKER. I am happy to yield to the distinguished chairman, the gentleman from Rhode Island [Mr. ST GERMAIN].

Mr. ST GERMAIN. Mr. Chairman, I am pleased to say that, again, as I said yesterday, that it would be my intent to arrange for a meeting and for discussions that would involve the gentleman from Washington [Mr. BONKER], the Federal Reserve, and I am sure the Chairman, Paul Volcker, would like to be part of this as well.

Mr. Baldrige is the gentleman who came to me originally on this legislation and I am sure he would be happy to join us, as well as the distinguished eminent gentleman from Georgia [Mr. BARNARD].

We could have discussions to determine if, by regulation, we could accomplish many of the aims of the gentleman from Washington that have been expressed in these amendments.

Mr. LEACH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. BONKER. I am happy to yield to the gentleman from Iowa.

Mr. LEACH of Iowa. Mr. Chairman, I certainly appreciate the discussion that is taking place and I would hope that the two distinguished chairmen would include the minority in these discussions of legislation of such weighty significance, and I would only express my concerns that we are talking about safety and soundness in the banking system, as well as the separation of commerce and banking.

These are weighty philosophical issues and they should be carefully considered. I would hope we would have some bipartisan input on these issues as well.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield to me?

Mr. BONKER. I yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. Mr. Chairman, the gentleman from Iowa [Mr. LEACH], I am sure, realizes that the chairman of the Committee on Banking, Finance and Urban Affairs has conducted the committee with bipartisan support. This legislation originally was enacted with bipartisan support and certainly I intend to continue that and have input from the minority as well because it is always very helpful.

To go one step further, we will have these discussions and if they are not satisfactory, then the next step naturally would be hearings by the subcommittee of jurisdiction, which happily I also chair.

If necessary, we will have hearings. I have already told my staff to be geared up for this if we find that this is the step that has to be taken next. But at all times, the concern of the gentleman from Iowa [Mr. LEACH] also is my concern and that is the separation of banking and commerce.

I think that the gentleman from Washington [Mr. BONKER] has some very legitimate points that he is making and certainly we want to encourage export trading companies. We want to make sure that the lack of export trading companies to date is not due to any attitude by the regulators that has prevented them from proceeding under the legislative mandate that we adopted before.

If we need a little bit of change by regulation or if we have to amend the legislation slightly, we will do so, but we will certainly preserve the safety and soundness of the banking system as well.

Mr. BONKER. Mr. Chairman, I welcome the chairman's statement. I appreciate the spirit of cooperation and will be happy to join him in further discussions.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

AMENDMENT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. WYLIE: On page 255, strike out line 16 and all that follows through the remainder of title IV and insert in lieu thereof the following (and conform the table of contents accordingly):

TITLE IV—BANKING COMMITTEE PROVISIONS

SEC. 401. EXCHANGE RATE STABILITY.

(a) FINDINGS.—The Congress finds that—

(1) the Economic Declaration of May 6, 1986, reaffirmed the support of the seven major industrialized countries for the improvement in the functioning of the world monetary and trading system;

(2) the policies adopted at earlier economic summits have helped to bring about world economic expansion, a reduction in the rate of inflation, and a shift in exchange rates which better reflect fundamental economic conditions;

(3) the implementation of new procedures, through the Group of Five and the Group of Seven Finance Ministers, for effective coordination of international economic policy should lead to smaller swings in exchange rates, the further opening of the international trading system, and the promotion of noninflationary growth;

(4) the Reagan administration has taken significant policy actions to stabilize exchange rate fluctuations and, in conjunction with the Board of Governors of the Federal Reserve System and other central banks, has succeeded in bringing down the value of the dollar in successive stages, thereby improving the competitiveness of United States exporters;

(5) the drop in oil prices has dampened a possible inflationary impulse from the falling dollar and less expensive oil with a lower dollar will mean a large improvement of the United States current account balance in the coming months;

(6) leading experts are unable to agree on what constitutes an appropriate and sustainable level for the dollar in relation to the other key countries of the world; and

(7) global leaders are divided on the need to implement a formal and highly structured exchange rate system, such as a target zone approach, but are united in their determination to better manage the system of floating rates through a policy of enhanced economic cooperation and surveillance.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the Reagan administration has substantially reduced the value of the dollar and is successfully coordinating its economic policies to the maximum degree possible with our major trading partners;

(2) the Reagan administration should continue the progress achieved in the recent Tokyo Economic Summit and in the Group of Five initiative last year to promote long-term exchange rate stability and sustain noninflationary economic growth; and

(3) any congressional action on the exchange rate issue at this time is unneeded and potentially harmful in that it might

further weaken the dollar and stimulate inflation.

SEC. 402. DEBT RESOLUTION.

(a) FINDINGS.—The Congress finds that—

(1) the Reagan administration, under the leadership of Secretary of the Treasury James A. Baker, has put in place a comprehensive debt strategy in coordination with other industrialized countries, the International Monetary Fund, and the World Bank;

(2) The Tokyo Economic Declaration of May 6, 1986 reaffirms the importance of the so-called "Baker Plan" which, under a framework of structural and policy reforms aimed at economic growth, would provide additional public and private resources for the largest debtor nations;

(3) this initiative reinforces, and in no way replaces, the continued need for a case-by-case approach to the international debt problem;

(4) the administration's debt strategy will over time increase United States exports to those developing countries which have been most affected by the debt crisis;

(5) the leading industrialized countries should maintain and, where appropriate, expand bilateral and multilateral financial flows to developing countries and in return, recipient countries must continue to carry out structural adjustment policies coupled with international capital repatriation and domestic capital mobilization measures;

(6) there is an immediate need to improve the climate for foreign direct investment in developing countries and to promote more open trading policies;

(7) all multilateral development bank lending should continue to be measured against stringent economic performance criteria; and

(8) there is a need for closer cooperation between the World Bank and the International Monetary Fund, for increased commercial bank lending, and for flexibility in rescheduling debts.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Reagan administration should continue to have the maximum amount of discretion and flexibility in implementing its cooperative debt strategy and

(2) the objectives of such a strategy should continue to emphasize the need for adjustment policies and sound economic planning in developing countries to promote sustained, noninflationary economic growth.

SEC. 403. COMPETITIVE TIED AID FUND.

The Export-Import Bank Act of 1945 (12 U.S.C. 635 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 15. COMPETITIVE TIED AID FUND.

"(a) FINDINGS.—The Congress hereby finds that—

"(1) tied and partially untied aid credits offered by other countries are being used in a predacious manner to distort competitive markets and undercut American exporters;

"(2) the predacious use of tied and partially untied aid credits undermines export credit discipline under the Arrangement of Guidelines for Officially Supported Export Credits established through the Organization for Economic Cooperation and Development; and

"(3) the establishment of a temporary Competitive Tied Aid Fund in the Treasury of the United States to target the export markets of countries which exploit or abuse tied or partially untied aid credits for commercial purposes and which impede progress in negotiating greater discipline over the use of such credits will facilitate negotiations to eliminate the use of such credits for commercial purposes and will thereby help protect American exporters from unfair and predacious official export competition.

"(b) COMPETITIVE TIED AID FUND.—

"(1) ESTABLISHMENT BY SECRETARY OF THE TREASURY.—In order to provide a means for inducing other countries to pursue negotiations on a comprehensive arrangement to restrict the use of tied aid and partially untied aid credits for commercial purposes, the Secretary of the Treasury shall establish a fund in the Treasury of the United States to be known as the 'Competitive Tied Aid Fund', consisting of such amounts as may be appropriated to the Fund.

"(2) EXPENDITURES FROM FUND.—Amounts in the Fund may be used to supplement the financing of United States exports to foreign markets which are actual or potential export markets for any country which—

"(A) engages in predacious official export financing through the use of tied or partially untied aid credits; and

"(B) impedes negotiations to eliminate the use of such credits for commercial purposes.

"(3) ADDITIONAL REQUIREMENTS.—In carrying out this section, the Secretary—

"(A) should avoid using the total amount in the Fund to provide financing for only 1 or 2 export projects;

"(B) should seek to use amounts in the Fund to make financing available only for United States exports that would be reasonably competitive in the absence of the predatory export financing practices of the other country; and

"(C) shall ensure that amounts in the Fund are used only to assist exportation by persons described in paragraph (1), (2), or (3) of section 238(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2198(c)).

"(4) CONSULTATION WITH ADVISORY COUNCIL.—The Secretary shall consult with the National Advisory Council on International Monetary and Financial Policies in—

"(A) determining the foreign countries which offer predacious tied or partially untied aid credits and which impede negotiations to restrict their use to legitimate foreign aid; and

"(B) reviewing proposed transactions under this section.

"(5) POLICY AND PROCEDURE GUIDELINES.—The Secretary shall establish policy and procedure guidelines for the development and implentation of the Fund. In establishing such guidelines, the Secretary shall—

"(A) devise a method for determining the number of American jobs which will be created or retained through assistance from the Fund, and give such factor consideration in making assistance available; and

"(B) describe the method of publicizing the availability of assistance from the Fund, and the terms and conditions under which such assistance is available to both large and small exporters.

"(c) DEFINITIONS.—For purposes of this section—

"(1) TIED AID AND PARTIALLY UNTIED AID CREDIT.—The term 'tied aid credit' and 'partially untied aid credit' means any official credit which has a grant element greater than zero percent, as determined by the Development Assistance Committee of the Organization for Economic Cooperation and Development, and which is, in fact or in effect, tied to—

"(A) the procurement of goods or services from the donor country, in the case of tied aid credit; or

"(B) the procurement of goods or services from a restricted number of countries, in the case of partially untied aid credit.

"(2) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

"(3) FUND.—The term 'Fund' means the Competitive Tied Aid Fund established pursuant to subsection (b)(1).

"(d) REPORT TO CONGRESS.—The Secretary shall transmit to the Congress, on a quarterly basis, a report setting forth the activities carried out under this section. Each such report shall include—

"(1) information on applications used by the Secretary for making assistance available under subsection (b)(2);

"(2) information on the disposition of such applications;

"(3) an identification of the foreign governments whose behavior the Secretary is trying to influence by the use of such assistance, and an explanation of why the assistance involved is deemed likely to influence that behavior;

"(4) evidence that clearly demonstrates that assistance under subsection (b)(2) has been used for the purposes of this section;

"(5) information on any progress that has been made in negotiations on agreements within the Organization for Economic Cooperation and Development to limit the use of tied aid credits and partially united aid credits;

"(6) information on the extent to which tied aid credits and partially untied aid credits are being used at the time of such report by major trading countries within such Organization, the terms of such any credits, and the market sectors with respect to which such credits are being used; and

"(7) information on the extent to which assistance under this section has been effective—

"(A) in discouraging the use of tied aid credits and partially untied aid credits for commercial purposes by other countries; and

"(B) in helping to protect United States exporters from unfair and predacious official export competition.

"(e) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—There is hereby authorized to be appropriated to the Fund for the fiscal year beginning on October 1, 1986, $300,000,000. Except as provided in paragraph (2), such sums shall remain available until expended.

"(2) RESCISSION AUTHORITY.—

"(A) DETERMINATION BY PRESIDENT.—If the President determines that any amount appropriated to the Fund is not required to achieve the purpose of the Fund, the President shall transmit a special message of such determination to the Congress in the manner provided in section 1012(a) of the Impoundment Control Act of 1974.

"(B) SPECIAL MESSAGE.—Any message under this paragraph shall be treated as a special message under such section for purposes of such Act.

"(f) EXPORT-IMPORT BANK.—

"(1) IMMEDIATE IMPLEMENTATION.—Until such time as the funds authorized to be appropriated under subsection (e) become available for expenditure, the Bank shall make aggressive use of the Bank's authority to offer tied aid credits, in accordance with any recommendation of the Secretary of the Treasury as to how such credits could most effectively and efficiently promote the purposes of this section.

"(2) SUBSEQUENT REIMBURSEMENT.—The Bank shall be reimbursed for the cost of any tied aid credits the Bank authorizes

pursuant to this subsection from the appropriated funds authorized by this section, when such funds become available.".

SEC. 404. LOAN GUARANTEES TO PROMOTE EXPORTS FROM SMALL, MEDIUM-SIZED, AND MINORITY BUSINESSES OR AGRICULTURAL CONCERNS.

(a) SHARE OF LOAN GUARANTEES.—Section 206 of the Export Trading Company Act of 1982 (12 U.S.C. 635a-4) is amended by striking out "major share" in the next to the last sentence and inserting in lieu thereof "significant share".

(b) REPORT.—Not later than one year after the effective date of this section, the Board of Directors of the Export-Import Bank shall report to the Congress on the implementation of the amendment made by subsection (a).

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the first day of the first fiscal year beginning after the date of the enactment of this Act.

SEC. 405. ENHANCED PROCUREMENT OPPORTUNITIES AT THE MULTILATERAL DEVELOPMENT BANKS.

(a) PROJECTS IN RECIPIENT COUNTRIES.—The United States Executive Director of each of the multilateral development banks shall promote procurement opportunities relating to the assistance provided by such banks in recipient countries for United States firms. In promoting procurement opportunities, each such Executive Director shall—

(1) keep United States firms fully informed of bidding opportunities in recipient countries and publicize such opportunities to the greatest extent possible;

(2) assist United States firms in focusing on those projects in which they have a particular interest or competitive advantage;

(3) when appropriate and required, assist United States firms in completing and submitting accurate and timely bidding documents;

(4) thoroughly investigate complaints regarding the awarding of contracts; and

(5) ensure that contract procedures and rules are strictly observed.

(b) ASSIGNMENT OF FOREIGN COMMERCIAL SERVICE OFFICERS.—

(1) WORLD BANK.—The Secretary of Commerce should continue to assign one foreign commercial service officer to the office of the United States Executive Director of the International Bank for Reconstruction and Development.

(2) OTHER MULTILATERAL DEVELOPMENT BANKS.—The Secretary of Commerce shall assign on a part-time basis—

(A) one foreign commercial service officer to the office of the United States Executive Director of the Inter-American Development Bank;

(B) one foreign commercial service officer to the office of the United States Executive Director of the Asian Development Bank; and

(C) one foreign commercial service officer to the office of the United States Executive Director of the African Development Bank.

(3) DUTIES.—Each foreign commercial service officer assigned under this subsection shall assist the Executive Director in the performance of the duties described in subsection (a).

SEC. 406. MULTILATERAL DEVELOPMENT BANK POLICIES TO PROMOTE FAIR TRADE AND INVESTMENT.

(a) FINANCIAL ASSISTANCE POLICIES TO PROMOTE FAIR TRADE AND INVESTMENT PRACTICES.—

(1) INSTRUCTIONS TO EXECUTIVE DIRECTORS.—The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development and the regional development banks to initiate a wide consultation with the presidents of their respective institutions with regard to the development of financial assistance policies which, to the maximum feasible extent—

(A) reduce obstacles to and restrictions on international trade and investment in goods and services;

(B) eliminate unfair trade and investment practices; and

(C) promote mutually advantageous economic relations.

(2) COORDINATION WITH TRADE POLICY COMMITTEE.—The Secretary of the Treasury shall work closely in this effort with the Trade Policy Committee.

(3) COORDINATION WITH GATT.—As part of this effort, the Secretary of the Treasury shall also instruct the United States Executive Director of the International Bank for Reconstruction and Development to encourage close cooperation between the staff of the Bank and the Secretariat of the Contracting Parties to the General Agreement on Tariffs and Trade (GATT).

(b) FAIR TRADE AND INVESTMENT PRACTICE PROVISIONS IN COUNTRY LOAN AGREEMENTS.—

(1) INSTRUCTIONS TO WORLD BANK EXECUTIVE DIRECTOR.—The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development to work to have the Bank obtain, prior to the extension to any country of loans by the Bank, the agreement of such country to eliminate (in a manner consistent with such country's balance of payments adjustment program) unfair trade and investment practices with respect to goods and services which the United States Trade Representative, after consultation with the Trade Policy Committee, has determined have a significant deleterious effect on the international trading system.

(2) UNFAIR TRADE AND INVESTMENT PRACTICES DEFINED.—Unfair trade and investment practices include—

(A) the provision of predatory export subsidies, employed in connection with the exporting of agricultural commodities and products thereof to foreign countries;

(B) the provision of other export subsidies, such as government subsidized below-market interest rate financing for commodities or manufactured goods;

(C) unreasonable import restrictions;

(D) the imposition of trade-related performance requirements on foreign investment; and

(E) practices which are inconsistent with international agreements.

(c) DIRECTIONS TO UNITED STATES EXECUTIVE DIRECTORS OF MULTILATERAL DEVELOPMENT BANKS.—The Secretary of the Treasury shall instruct the United States Executive Directors of the multilateral development banks to ensure that project loans by the respective multilateral development banks for commodities, materials, or products do not contribute to a surplus in world markets in which—

(1) the prices of such commodities, materials, or products are low or are falling; and

(2) the commodities, materials, or products could cause material injury to United States producers of the same, similar, or competing commodities, materials, or products.

The CHAIRMAN. Pursuant to the provisions of House Resolution 456, the gentleman from Ohio [Mr. WYLIE] will be recognized for 30 minutes and a Member opposed will be recognized for 30 minutes.

The Chair advises Members of the House that this will be the final amendment to be acted upon this evening.

The Chair recognizes the gentleman from Ohio [Mr. WYLIE].

Mr. WYLIE. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, it seems to me that the authors of title IV have given up on the free enterprise system just at a time when it seems to be working so well. The title does three things which lead me to this conclusion.

First, it would establish a new bureaucracy called the Council on Industrial Competitiveness which, by definition and responsibilities, would be in effect a central economic planning council. The Council would cost $25 million to create in the first year; and $139 million over a 5-year period, according to the Congressional Budget Office. This new bureaucracy would have the power to review all private sector requests for government assistance of any kind, including farm loans, Eximbank loans, and other loans which come from the Federal Government, which might have some impact on international trade. I doubt if the farm community will be happy when they learn that a farmer might have to get another bureaucratic approval for price support money or other farm loans on the condition that farmers will be "internationally competitive in the future." I would think this would be particularly troublesome at a time when there is enough stress in the farm community.

Second, the title calls for the creation of a new World Bank, within the World Bank. This new entity would lend up to $5 billion to lesser developed countries to stimulate their economy, with the remote hope that they would buy American-made products. There is nothing to prevent the LDC's from using the money to buy from Japan, Taiwan, South Korea, or any other country.

Another major thrust of title IV is to encourage more and faster World Bank lending. At a time, when the World Bank has the ability to increase its lending by roughly $2 billion per year for the next 3 years, we do not need these new lending provisions.

In addition, Treasury objects to this proposal because it could raise the cost of borrowing money for use by the World Bank.

□ 1725

Third, the title would create a new, unnecessary fund; the strategic currency reserve fund, with the existing

exchange stabilization fund, whose purpose would be to intervene in the currency markets to buy and sell dollars, yen, deutsche marks, or whatever in the hope of manipulating the value of the dollar.

At best it is redundant. The existing exchange stabilization fund has over $12 billion in assets, and for the first time ever, there would be tinkering by committees of Congress as to how and at what price the value of the dollar should be fixed.

My substitute would eliminate these unnecessary bureaucracies and unproductive government intervention. It would retain the good part of title IV, to wit: The bipartisan competitive tied-aid fund to combat unfair trade financing practices, which has been signed off on by the administration.

I know that if our constituents were polled on title IV, and really, I have not received a single letter in favor of title IV, they would tell us that they do not favor a new bureaucracy, more deficit spending, or a new World Bank Bank.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WYLIE. Mr. Chairman, I yield myself 1 additional minute.

Mr. Chairman, I urge an aye vote on my amendment because it is a responsible vote, and it is also good politics, I would say to the Members.

Mr. WYLIE. I yield such time as he may consume, to the gentleman from Oklahoma [Mr. JONES].

Mr. JONES of Oklahoma. Mr. Chairman, I rise in support of your amendment, but I do so with deep reservations.

I oppose the language in the bill creating a new super World Bank and a new World Bank bureaucracy.

I oppose bailing out big banks that have pursued questionable lending practices in the Third World and now want us to bail them out when the borrowers can't pay.

This administration has opposed many of my efforts to get eased loan terms for Oklahoma farmers who have fallen on hard times. Why should our tax dollars go to help powerful bankers collect on their loans to Latin America?

Unfortunately, the Wylie amendment does not simply strike this World Bank language. This amendment praises the President's efforts, and those of Treasury Secretary Baker, to help restructure Third World debt.

Their efforts should not be praised—they should be denounced. The Baker plan has resulted in anti-American lending policies which encourage, for example, Argentina to export more beef and wheat.

The World Bank is lending Argentina $350 million to compete with Oklahoma's two greatest argicultural sectors, and our tax dollars are supporting that loan.

Again, Mr. Chairman, I support this amendment because the language in the bill must be struck. But I oppose any support whatsoever for the Reagan-Baker bailout of spendthrift money center banks. The Baker plan is as unacceptable as the World Bank provisions in this bill.

Mr. WYLIE. Mr. Chairman, I thank the gentleman very much for his support, and I know that will go a long way to helping me win it.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Members seek time in opposition to the amendment?

Mr. LUNDINE. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from New York [Mr. LUNDINE] is recognized for 30 minutes.

Mr. LUNDINE. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. LAFALCE] the chairman of the Subcommittee on Economic Stabilization.

Mr. LAFALCE. Mr. Chairman, I think the primary issue before all of us in consideration of this entire bill is how we can best address the problem of the burgeoning U.S. trade deficit.

When I first began examining the subject myself, at the beginning of 1983, as chairman of the Committee of Economic Stabilization, that previous year we had a trade deficit of approximately $40 billion. We heard many expert witnesses give dire predictions that unless some agressive action was taken, some appropriate aggressive action, that trade deficit might well increase in a matter of years to about $150 billion.

We were faced with almost total inactivity from that time to the present and, as a matter of fact, our trade deficit, as we are painfully aware of now, is $150 billion.

Well, confronted with the question, "What should we do about it?" We can take the laissez-faire approach and say "Do virtually nothing. Leave it to the magic of the marketplace and all will be well."

Well, American industry and American jobs have been decimated and are being decimated. We can take another approach. That is an approach advocated by many and practiced by some who oppose it theoretically; and that is the approach of protectionism.

Even the Reagan administration, an ardent theoretical foe of protectionism, has in fact resorted to it in a number of instances. I believe that pure and simple protectionism can be self-defeating, if not in the short term, certainly in the long term.

I think there is a third approach, and that approach is to enhance our competitiveness. Now, that is easy to say and virtually all can agree; and the question is: How do you enhance your competitiveness? I think there are a great many things we need to do.

We need to take better macroeconomic approaches; we need to take better microeconomic approaches. Now, insofar as macroeconomics are concerned, we have to concern ourselves about fiscal policy. That was not particularly within the purview of the Committee on Banking.

We also have to concern ourselves with monetary policy, both domestic and international. I think the Competitive Exchange Rate Act is an excellent macroeconomic approach. I think the Competitive Exchange Rate Act rejects the approach of the Reagan administration for the first 4½ years of its existence when it said, "The overvalued dollar is a good thing." It rejects the approach of Secretary of the Treasury Donald Regan and it really embraces the approach of Secretary of the Treasury Jim Baker, and mandates that the Baker approach be carried out in the future and that he report to us periodically.

In microeconomics, though, there are a good many individuals, including President Reagan's own Commission on Industrial Competitiveness, who believe that we have terrible coordination amongst existing agencies, amongst the private and the public sector.

Mr. WYLIE. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from New York [Mr. KEMP] who has been a real leader on the subject of exchange rate stability and is in favor of the amendment.

Mr. KEMP. Mr. Chairman, I rise in strong support of my colleague's amendment. I find myself at odds with two friends on the other side of the aisle with districts that are contiguous to mine, and who have similar problems in the trade area.

I rise in strong support of the Wylie amendment for several reasons, notwithstanding the problems which need to be addressed. Personally, I take a back seat to no one with regard to my desire or my efforts to get this administration to move toward coordinating those fiscal and monetary policies important to bringing more stability to not only exchange rates, but also to trade policies of ourselves and other countries.

That is why I worked last year with other members of the Subcommittee on Foreign Operations to block supplemental appropriations for the multilateral development banks. We got the administration's attention, and an agreement—that the United States would place greater emphasis on lending policies that would mean greater economic growth—and better markets for U.S. exports.

That really, I would say to my friend, Mr. LAFALCE, is not as much the issue as is the fact that setting up a national industrial policy planning board is not the direction in which we

should move. I say that, again with great respect for my friends on the other side of the aisle, that it is my sincere belief that it is not laissez-faire to turn against a policy that has driven the European economies toward stagnation, toward the failure to create the entrepreneurial climate that is so important to creation of jobs.

It is hard to remember that only a year ago the world was trapped by the Feldstein-Stockman theory that interest rates and exchange rates were solely determined by budget deficits. This year the world—and the gentleman from Niagara Falls alluded to this—the world is observing that central banks, including our own, can lower interest rates and stabilize the value of a currency by actively intervening in those foreign and domestic currency markets.

That is a major change by this administration. It should be encouraged, and I applaud the efforts of those who are bringing attention on both sides of the aisle to this problem, as does Mr. WYLIE. He calls for a sense-of-Congress resolution that the administration move as quickly as possible to continue its progress toward exchange rate stability. That is something that I have worked for. I think other Members, the Senator from New Jersey, Mr. BRADLEY, the gentleman from New York and others, all agree.

The problem is, that the amendment of the majority party sets up a $25 million permanent bureaucracy in Washington—the Council on Industrial Competitiveness—to decide who ought to get more favorable treatment in terms of the private sector. We do not need another bureaucracy. That is not what the American people are asking of Congress, to set up what I consider to be a step in the direction of national industrial planning, something that will not boost trade.

Second, the amendment creates, as the gentleman from Ohio pointed out, a new entity at the World Bank. The World Bank does not need any few facilities. It already is large enough. To add another $5 billion World Bank facility on top of the World Bank is to use, in my view, U.S. tax dollars ultimately which will finance the bank's promotion of competition with U.S. industry and jobs.

□ 1735

I cannot imagine why we need to set up another World Bank facility. They have already been loaning money to Third World countries to build airports, airlines, steel mills, factories to compete with those that are in the districts of the three of us, I might say to my friends who are still on the floor.

And let's keep in mind that the majority of these loans do not go to the private sector, but rather to foreign governments to set up state controlled businesses. These industries are free of any market forces, and like any bureaucracy they will do anything to survive, including establishing trade barriers to U.S. products.

Not too long ago, the House of Representatives passed a budget resolution supported by the majority party that slashed defense, and raised taxes on the American people. And now they wish to give $5 billion to the World Bank. That money can better be used in the United States to cut taxes and create jobs.

H.R. 4800 also establishes a Strategic Currency Reserve. Now it is the honest view of many Members that if we have a facility in our own Treasury or in the U.S. Government the Economic Stabilization Fund—we can use it to intervene to create more currency stability.

I favor stability, but I question the idea of setting up in the United States a fund which will be financed by taxpayers—or at least the credit sources of western banks—to defend foreign currencies against the unsound monetary policies of other nations.

Correct me if I am wrong, but if a government is allowing its currency to devalue, we then would intervene.

Mr. LAFALCE. I was not going to but——

Mr. KEMP. Just let me finish my question.

Mr. LAFALCE. The gentleman said, "Correct me if I am wrong."

Mr. KEMP. But let me at least finish, the question was rhetorical, but I should have time to at least get the question out, I may say to my friend.

We would be intervening to buy the currency of a foreign government which we think is at a level that enables them to gain unfair trade advantage against products the United States produces. I personally find it inconceivable that we are going to put together an exchange rate stabilization fund to intervene in foreign exchange markets to defend countries who are using their currencies, according to the IMF, to gain more exports in the market. What we could have is a situation where the IMF, financed by the U.S. taxpayer, will as it has done in the past tell Third World governments to devalue their currencies to boost their exports, and then the United States is going to intervene and defend their currency against the very advice they are getting from the IMF and World Bank, which will in turn have a new facility. It is outrageously Rube Goldbergish and has little to do with promoting U.S. trade.

I suggest we should support the gentleman from Ohio's amendment which will have the effect of striking the $5 billion World Bank facility, the Strategic Currency Reserve Fund, and the Council on Industrial Competitiveness. The American people needs less government and more jobs, not the opposite.

The CHAIRMAN. The time of the gentleman from New York [Mr. KEMP] has expired.

Mr. LUNDINE. Mr. Chairman, I yield myself 1 minute. I do so in order to say to my friend from western New York that he is incorrect. We already have an exchange stabilization fund for the purpose of conducting international monetary operations, and all the currency exchange reserve is designed to do is to allow for greater stability and greater capacity to carry out what the Secretary of the Treasury—I thought with his support, and certainly with mine—was already undertaking, which was to stabilize and make more reasonable the value of the dollar.

Mr. KEMP. Mr. Chairman, would the gentleman yield for a question?

Mr. LUNDINE. I will give the gentleman the same courtesy that he gave to the gentleman from New York [Mr. LAFALCE].

Mr. KEMP. I want to say to my friend that I did try to yield to him.

Mr. LUNDINE. Well, whatever I have left of my 1 minute, the gentleman is welcome to.

Mr. KEMP. Are we going to use the money to defend the dollar or the French franc?

Mr. LUNDINE. The U.S. dollar has been overvalued.

Mr. KEMP. That is true.

Mr. LUNDINE. By more than 50 percent.

Mr. KEMP. That is true, but whose currency are we going to defend?

Mr. LUNDINE. Mr. Chairman, I yield 3 minutes to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. Mr. Chairman, I rise in opposition to the Wylie amendment. I have a lot of respect for my colleague from Ohio, as he knows, for him, but he is, however, absolutely dead wrong with this amendment. This is perhaps one of the most important sections of the bill. So I hope that you take a look at what the Wylie amendment is trying to do.

Now, if you are concerned about the international debt and the burdens which have closed markets to U.S. firms and caused more than 1 million jobs from lost exports, you will vote against the Wylie amendment. If you are concerned about the fact that our companies are not necessarily informed of the bidding opportunities for contracts in countries receiving these loans, and if you are concerned about helping U.S. firms with contracts for their products so that they have a competitive advantage, you will vote against the Wylie amendment. If you are concerned with the sound fundamental economic policy that will reduce the economic debt accumulated

by these developing nations, you will vote against the Wylie amendment.

No trade measure would be complete without addressing the severe economic consequences of international debt among these developing nations.

Continuing the policies of providing loans on demand will no longer work.

Almost 40 percent of our exports now go to developing nations that are heavily in debt. The Wylie substitute will allow the mistaken policies of international lending to continue to the detriment of not only the developing countries but to the detriment of our own people, our own American businesses, which cost us jobs.

In addition, I want to make reference to the part of the bill that relates to the committee chaired by Mr. LAFALCE. We created, and due to the chairman's work, the council that would be comprised of every different group, business, labor, government, to cooperate and coordinate our activities so that we can be more competitive in the world market. We are one of the few countries where, frankly, at times our business and labor community and government do not go in sync so we can all really progress toward ending this terrible trade deficit.

So if you are concerned about the debt accumulation of these Third World countries, if you are concerned about our enormous deficit because of this problem, if you are concerned about becoming truly more competitive in the world, then you will absolutely positively vote against the Wylie amendment, which attempts to gut all the efforts of this committee and Mr. LUNDINE's efforts.

Mr. WYLIE. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I do not know how we are going to save American jobs by adding $5 billion to a new World Bank or by creating a new central economic planning council, I would submit.

Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. SHUMWAY].

Mr. SHUMWAY. Mr. Chairman, I appreciate the gentleman from Ohio yielding me this time, and I rise in strong support of his amendment and in strong opposition to the banking provisions which are now contained in title IV of this legislation.

I have now served as ranking member, ranking minority member on the Economic Stabilization Committee for the past almost 4 years. During that time, Chairman LAFALCE and I have enjoyed having several hearings into the subject, first, of industrial policy, more recently into what might make American industry more competitive in the world of nations.

Time and again we have had witnesses come before us who have defended, on the one hand, the free enterprise system or have said it does not work and we need to set up some kind of a central planning bureau to better set the tone for competitiveness in American industry.

I agree with the chairman that indeed one of the prime issues before us today is, how do we best address this matter of a trade deficit? How do we enhance, using his words, competitiveness? I would suggest to Members that we do not enhance the effort of our industry by enhancing the bureaucracy in creating this new Commission, which has already been described by prior speakers.

We recognize that there are changing dynamics in the international marketplace; we recognize there are some governments that have made deliberate efforts to restrain free and fair trade. We recognize that some of our own industries have not been competitive for reasons of our own. But I think we will succumb to a delusion if we somehow believe that these and other evils that may confront our ability to compete are going to be resolved by the creation of another bureaucracy. That is exactly what this legislation would do. A $25 million permanent bureaucracy known as the Council on Industrial Competitiveness.

Had the Rules Committee been more lenient in giving us a rule for today's debate, I would have offered an amendment to change the title of this to "Central Planning Bureau" because that would be a more fitting description as to what this council is intended to do. This is supposed to provide a forum for the principal players in the economic game, government, business, labor, and academia, so they could somehow mull through the muddle of our macroeconomic policies and rationally and coherently design the winning game plan for the economy. I suggest to Members that that is simply blue smoke and mirrors, and I hope Members of the House do not buy that line.

Indeed, it is reminiscent of the managed economy that we see in Japan. Some people, I believe, would like us to have the same kind of control over our economy as MITI does in that country. I would suggest to Members that it is wrong for us to give the Government the ability to pick winners and losers, to ascribe to a council the kind of political motivation and distortion that would come from political clout within the industrial community.

The council's role extends far beyond the realm of simply being an adviser or a micromanager because it is empowered to review all private sector requests for Government assistance of any kind and to make recommendations as a condition of that assistance.

I suggest to Members that an unprecedented sweep of authority, in effect, would give the council control over such parts of our economy as the Fed's discount window loans, Eximbank loans, HUD loans to the poor and the elderly, Trade Act relief measures for manufacturers, student loans, farm loans, and many, many others. It is costly, it is unnecessary, it duplicates services already performed by the Commerce Department and other agencies of the Government. We simply have a responsibility to not direct the activities of the private sector but to streamline our own processes of Government and create an environment in which the individual and collective talents of the private sector can be focussed to meet the competitive challenges facing our economy. The council does not do this.

For these reasons, I urge my colleagues to join me in opposing H.R. 4800.

Mr. LUNDINE. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR of Michigan. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to the substitute and in strong support of the Banking Committee title.

Mr. Chairman, the signs of America's industrial problems are not hard to find.

Last month's record trade deficit was merely the latest in a long string of records that have seen our manufacturing trade deficit increase fivefold in just 3 years.

Real wages for American workers grew steadily from World War II through 1973. Since then, they have declined.

Today, wages have dropped to the 1962 level. The American standard of living has been set back a quarter of a century.

Yes, we have come a long way since the bitter days of the last recession, the deepest since the Great Depression. Areas like my home State of Michigan, which was among the hardest hit, can proudly claim to have come back the farthest, to have worked a miracle of economy recovery.

Yet that good news cannot cloud the hard fact that today, far into the recovery, our annual national unemployment rate is still higher than at any time during the entire decade—of the 1960's.

We have reason to be proud, but much work yet to do.

This old system that pits labor and management against each other, and Government against both, can no longer work. In the New World marketplace we have to learn to work together, or we will be passed by those countries that already do.

I am particularly proud that the Banking Committee has included in the trade bill the council on industrial competitiveness, a measure based on legislation first introduced 4 years ago by the gentleman from New York [Mr.

LUNDINE], the gentleman from Indiana [Mr. HAMILTON], and myself.

Cooperation has worked for our industrial competitors like Japan where business, labor, Government, consumer, and academic leaders come together through their industrial structure council to forge a concensus for the future.

And it can work in America.

We saw the fruits of cooperation in the Chrysler Corp. where management, labor, and Government worked together, making shared sacrifices, saving a great American corporation and saving hundreds of thousands of jobs in communities across our country.

Mr. Chairman, over the last several decades, small yearly declines in economic performance have slowly eroded America's industrial strength. In increments almost too small to notice, we have lost our competitive edge in the world marketplace.

At each point, our Nation had the chance to chose growth, yet at each point we delayed. And today again, there are those who chose to deny the facts and embroil the debate in long outdated idealogy.

The council is attacked as State planning, when in fact the council will be controlled by private sector leaders and its decisions will bind no one.

The council is attacked as "targeting winners and losers," when in fact the council will control no resources, make no loans.

What the council does do is to provide our Nation with a forum where we can come together, find the facts and then face them, a place where we can forge a consensus for competitiveness and growth.

I urge the House to reject the Wylie substitute and adopt the Omnibus Trade Act.

□ 1750

Mr. WYLIE. Mr. Chairman, I yield 1½ minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Chairman, I rise in support of the Wylie substitute to the banking section of the trade bill. This country doesn't need the extra layers of bureaucracy and red tape in the bill's banking section. The creation of the Council on Industrial Competitiveness alone would be reason to oppose this section. And there are other reasons.

The Wylie substitute responsibly sets forth congressional intent for our international lending policies without handcuffing the administration to legislative mandates which may not be right for each and every economy and situation with which it must deal.

As you have already heard, the banking section incorporates four bills passed by the Banking Committee. While all of these provisions in H.R. 4800 are laudable in their goals, they defeat our mutual purpose of streamlining our trade policy to compete successfully with the world's most efficient systems.

First, on competitive exchange rates, the bill would create a brand new and unnecessary pool of money which the administration can use to intervene in foreign currency markets to help achieve and maintain a "competitive exchange rate" for the dollar.

The Wylie substitute acknowledges the significant progress made by this administration in negotiations leading to a drop in the value of the dollar. The recent agreements made at the Tokyo Economic Summit in particular are most encouraging. This will help the competitiveness of U.S. manufacturers. The substitute encourages the adminstration to continue negotiations to maintain its progress. Why create a new reserve with new regulations to achieve something on which we are already making great strides?

Mr. Chairman, the second section incorporates the International Debt, Trade, and Financial Stabilization Act into the bill. I support the goals of this section, particularly efforts to assist recipient countries through the use of structural lending. This would help them restructure their economies away from top heavy and inefficient government-owned monopolies and toward more productive private enterprises. It would free up more Government funds for both social services and debt repayment. However, the bill gives specific directions to the U.S. executive directors of the multilateral development banks to vote against certain loans which do not meet vaguely defined trade-related goals. These restrictions may defeat the very purpose of the section which are so important.

The Wylie substitute expresses the sense of Congress that the administration should continue to have the maximum amount of discretion and flexibility in implementing its cooperative debt strategy. I strongly agree with the Wylie substitute that the objectives of this strategy should continue to emphasize the need for economic adjustment policies within recipient countries to help them streamline their economies. The Wylie substitute requires the U.S. executive directors at the MDB's to work toward eliminating unfair trading practices and other obstacles to international trade and investment, and to promote mutually advantageous economic relations. These countries must know that we cannot continue to help nations who close their doors to our products.

Third, Mr. Chairman, the bill includes a section on competitive tied aid. It creates a $300 million competitive tied-aid fund or "war chest" to counter the predatory practices of some countries who use a combination of concessionary loans and outright grants to promote purchase of their exports. This is a good section of the bill and I am happy to note that the Wylie substitute includes a similar section as well.

Fourth, and last, Mr. Chairman, the bill would create a Council on Industrial Competitiveness and would authorize $25 million, that we don't have, to fund the Council. I have no problem with a lot of interested intellectuals getting together to hash out what's wrong with U.S. industry today. Certainly people have been doing that for years. And on the more formal level, there are already productive groups actively organized for that purpose representing government, business, and academia. A good example is the business-higher education forum at which members of the Northeast-Midwest congressional coalition have participated. These get togethers produce valuable insights into the competitive problems and successes in U.S. industry.

The problems arise, Mr. Chairman, when another group gets appointed and becomes another official layer of bureaucracy with entrenched interests and constituencies. As the bill stands, the Council on Industrial Competitiveness would be able to review all private sector requests for Federal assistance, including import relief. It would then pronounce its judgment on whether the assistance is warranted and on what conditions, such as wage and benefit cuts or plant closings, should be imposed on that assistance. What happens when the ITC finds injury in a trade case but the Council on Industrial Competitiveness cannot come to any agreement on what industry should do to compete more efficiently against the imports? That industry does not need any more delay in having remedies implemented. It does not need labor, industry, and Government officials, some of whom may not even be familiar with the particular industry in question, deciding what mix of restructuring is necessary to meet the challenge posed by a flood of imports.

Perhaps some wage and benefit cuts would be necessary, but they would have to be negotiated with the relevant unions, not dictated by some Government bureaucracy. Perhaps some plants need to be closed or consolidated, but again those are difficult decisions and decisions which are not applicable to all sectors of a particular industry or even one company. We do not need another layer of Government bureaucracy in the way. What we need is a more efficient, more streamlined, competitive industry, standing up to the challenges it faces.

Mr. Chairman, overall, I believe that the Wylie substitute more effectively responds to the needs of our international lending system and U.S. industry. Clearly, we cannot stand idly by

and watch our industries suffer while our foreign competitors prosper as a result of their own restrictive trade barriers. Moreover, we cannot watch while foreign debt burdens drain away once lucrative markets for our products overseas. Our own trade policy has not been an effective one. The trade policies of the world community cannot continue to be set with one set of rules for the United States and one set of rules for our trade partners. We need strong action now, but what we don't need is a muscle-bound giant unable to tread delicately through the nuances of international trade and lending.

Mr. LUNDINE. Mr. Chairman, I yield 3 minutes to the gentleman from Alabama [Mr. ERDREICH].

Mr. ERDREICH. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, it seems to me that we have a very clear and easy choice. I rise in opposition to the Wylie amendment. Do we want to have an aggressive, strong national policy that seeks to do for this Nation what other nations do, and that is aggressively put our American interests, economic interests, first in the world marketplace as other countries put their economic interest first?

The Wylie amendment to me would do devastation to a major and important segment of this bill, a portion of the bill that assures that we are going to add leverage against our competitors across the world spectrum, competitors that use every sort of leverage in their interests. Why should we not do everything that we can do to develop what I think very simply is a business nationalism, which I do not think there is anything wrong with, putting the interests of this country forward with a renewed and a vigorous activism of this Government in international trade?

Our future in Alabama and across this country depends on it. Our jobs are at stake. And if we were to go with what the gentleman from Ohio [Mr. WYLIE] seeks, and I have respect for what the gentleman is intending to do, but I do not think how the gentleman comes down on this issue is correct. We would, in essence, have a prescription for doing nothing, and nothing over the past 5 years has given us a $150 billion trade deficit, has made this Nation a debtor nation for the first time in about 60 or 70 years. We need the sort of provisions that are in the bill as written.

Mr. Chairman, I urge that we reject the Wylie amendment.

Mr. WYLIE. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH of Iowa. Mr. Chairman, I thank the gentleman from Ohio for yielding to me.

Mr. Chairman, the bill as drafted is an alleged solution to last year's problems. In contrast, the Wylie substitute, by building on this year's successes, is realistic and it is workable.

In the exchange rate arena what is needed is will and judgment in current institutions including the Treasury and the Federal Reserve Board, not greater expenditures of taxpayer funds for new industrial and economic advisory panels.

The authors of this bill have correctly spotlighted the key problem in world trade. But spotlighting and correcting are not synonymous.

While well meaning, I have little doubt that what this bill creates is monetary confusion, more instability and greater exchange rate swings. There is simply no substitutes for strong leadership in our present institutions. This approach that is being advocated and brought before this body today bifurcates and splinters exchange rate policy.

The Wylie substitute, on the other hand, constructively addresses the problem without meddling in finely tuned apparatuses. It deserves our support.

Mr. LUNDINE. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN of Michigan. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I have heard the description of the Competitiveness Council, and I do not recognize it at all. It is kind of the old device of trying to kill something with caricature.

It is not an effort of central planning. Do not throw that red herring on the floor of the House. It is not that at all.

As the bill says, the Council would gather and analyze information. An institutional forum would be created to identify economic problems inhibiting the competitiveness of the U.S. industries, and develop some long-term strategies to address such problems and create a broad consensus. That is not central planning.

So having information and exchanging ideas and talking about alternatives is a long, long way from central planning. There has to be something between chaos and central planning.

Let me just indicate what I said yesterday in a one-minute speech. I was talking with a reporter who said to me, "You know, out in California, the first cars that rolled off the GM-Toyota assembly line had 60- to 70-percent Japanese content. Do you know that the second-line cars will have? Ninety percent Japanese-made content."

We need to talk about issues like the long-run place of U.S. automobile companies within automobile capacity and production and sales in America.

I think the burden is on your shoulders to come up with something besides the status quo. Industry after industry has lost ground in this country. And what you are essentially creating is a stone wall, that is all, plus some epithets.

This country as a country has to stand up to the questions of where we are going. That does not mean all the answers are in Washington. A few of them will be, but you have to ask the questions, and you have to have the information to address those questions and alternatives. Getting management and labor and education institutions and all the private sector together to talk about these issues is not planning, it is good commonsense.

Mr. Chairman, I want to yield to the gentleman from Ohio [Mr. WYLIE] because I would like to have some confrontation on this so that everybody understands it.

Mr. WYLIE. Not confrontation, maybe dialog.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. LEVIN] has expired.

Mr. WYLIE. Mr. Chairman, I yield myself 1 minute to respond to the gentleman from Michigan.

Mr. Chairman, it says here that the Council on Industrial Competitiveness shall:

* * * assess private sector requests for governmental assistance or relief and to recommend, as a condition of such assistance or relief—

(A) those actions of the private sector which will ensure that the applicant involved, by receiving the assistance or relief, will become internationally competitive in the future; and

(B) any adjustment commitments which should be entered into by relevant parties, such as management and employees of the applicant, shareholders, creditors, suppliers and dealers, and financial institutions, to ensure that the applicant will become internationally competitive in the future.

That sounds like central planning to me.

□ 1800

Mr. LEVIN of Michigan. Mr. Chairman, will the gentleman yield so that I might respond?

Mr. WYLIE. I yield to the gentleman from Michigan.

Mr. LEVIN of Michigan. All that says is that if Chrysler Corp. or any other company comes before this Congress again and asks for help, that there will be an institutional mechanism within this Congress to make sure that they do not steal the bank—and Chrysler did not—and that we get a pound of flesh and equity for all the people of this country. That is all it says. It is not central planning whatsoever.

Mr. LUNDINE. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, I have a very high regard for the distinguished gentleman from Ohio. He is a

friend of mine personally, and I respect his views and his opinions.

I do think that the apprehension that I have heard expressed here today about the Industrial Competitiveness Council, however, is misplaced. Surely it makes sense that if a business is going to come and apply to the Government for help, to avoid its bankruptcy or its failure, to avoid an industry's having to go completely out of business and just cave into foreign competition, that we have a right as a nation to expect in return that that business or that industry, labor, and management working together, will come to an agreement on some kind of a minimal social compact where they will install the labor-saving devices and the time-saving mechanisms that are necessary to make that business competitive.

What good does it do if we give them aid and bail them out and they do not do those things necessary to make themselves competitive on world markets?

That is what it says.

Let me give you just one illustration that has been used. Chrysler Corp. probably is the very best of all illustrations of a company that pulled itself together by labor and management working harmoniously as a team, and they rose like a phoenix from the ashes. There were many, including David Stockman, who said, "Let Chrysler go down the drain. They are not worth saving. They cannot be saved." The staid Wall Street Journal said, "Let them go down the drain. It is a waste of money to try to save them."

Instead, we turned it over to a group of people that we thought had the vision and the determination to make it work. What happened? Labor and management worked together. The Chrysler management for the first time in the history of a major industrial company placed the head of a labor organization on its board of directors. And for the first time, labor had a sense of belonging. Chrysler went a step further than that and made $1.5 million of its common stock available to those who worked for Chrysler. For the first time they sensed that they had a stake in making things more competitive and taking the little sacrifices that were necessary in order that the company as a whole might survive.

The first thing you know, representatives of labor were coming in with labor-saving ideas, time-saving notions, and soon it became a team. Because it was a team, now, this month, this year, Chrysler is announcing the lowest cost subcompact car on the market. It has become competitive with international competition.

That is all that we are suggesting. I think it is a benign thing. I think it is the very kind of thing we need to be encouraging so that we will have more productivity, more competition. That is what we are for. We say we believe in competition. That is the free market. That is the magic of the marketplace. Let us make ourselves more competitive, to the end that "Made in the U.S.A." once again will be a badge of value and quality throughout the world.

Mr. WYLIE. Mr. Chairman, I yield myself 1 minute to respond to the gentleman from Texas.

Mr. Chairman, I do respect the gentleman from Texas, but he has not read the amendment, and we did not need this language or this new council to effect the loan guarantee arrangement for Chrysler. I was here. I supported the Chrysler loan guarantee, and it worked out very, very well.

I mentioned request for farmers, agricultural loans. In this amendment, there is no limitation as to Chrysler. It applies to everybody in the private sector who seeks or receives assistance from the Federal Government. We want all of our exporters to be competitive internationally.

What about Export-Import Bank loans? Are we going to have them second-guessed by this council? What about the auto industry? What about the steel industry, to make them competitive? I would assume that they would apply to this council to see if there is some quantitative desirability to making a loan to them. What about student loans? Students get assistance or relief from the Federal Government. Do they have to go before this proposed council for review?

It sounds ridiculous, I know. The gentleman is laughing, and he has only mentioned Chrysler, but all of these people and agencies that I mentioned receive assistance from the Federal Government, and I think they would have to go before this council.

Mr. LUNDINE. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. LAFALCE].

Mr. LAFALCE. Mr. Chairman, we have heard so many misleading arguments on the floor of this House that it is almost impossible to find the time in days and years to answer them, but let me try, briefly.

First of all, so far as a central planning governing body, nothing could be further from the truth. This council does not have one power of its own. It is an advisory body. It can recommend. It creates a place where individuals from labor, management, Government, and public interest groups can sit down together, discuss their issues.

Second, with respect to the position of the gentleman from Ohio, I remind him of the time when he was opposed primarily to a bank and offered an amendment to the Banking Committee and expressed the thought that if the bank were defeated, then the council might be a good idea. That was the first year 1984. We, then, in this Congress rejected the concept of a bank, at least did not bring it up, and said, "Let's confine ourselves exclusively to a council."

With respect to the Chrysler situation, Chrysler is different from other situations only in this respect: Federal legislation was necessary. Usually Federal legislation is not necessary for those thousands of supplicants who come to the Federal Government seeking financial assistance or trade relief in one way or another.

I wrote a dissenting opinion in the Banking Committee, saying I opposed the Chrysler legislation because, as it came out of the Banking Committee, there was no conditionality attached to it—there was no requirement for shared sacrifices on the part of labor and management so that Chrysler could be competitive.

The Senate, especially Senator RICHARD LUGAR and then Senator PAUL TSONGAS, amended the Senate bill to demand that all those parties with an interest in Chrysler do get together in order to make the shared sacrifices necessary to enhance their competitiveness.

The steel industry wants a trigger pricing mechanism. The auto industry wants voluntary restraints. The public should get something for it. No more giveaways. That is what this bill says. No more giveaways. The public should get competitiveness.

Mr. WYLIE. Mr. Chairman, I yield 2 minutes to the gentleman from Idaho [Mr. CRAIG].

Mr. CRAIG. I thank the gentleman for yielding, and I stand in favor of his amendment.

Mr. Chairman, I would ask my colleagues of this body if you now believe that this bill does embody the concept of central planning and that the amendment of my colleague from Ohio strikes that, which I think is very valid, let me tell you a couple of other things that he would strike from the bill that I think are essentially very important for us to talk about this afternoon.

A month ago, I introduced House Concurrent Resolution 287 which opposed MIGA—that is, Multilateral Investment Guarantee Agency—a concept that the World Bank came up with that said to the taxpayers of this country, "We want your money so if we make bad loans, you will bail them out." That is what it said.

The bill embodies that legislation, that language, that concept, and the Wylie amendment opposes it. I do not think the taxpayers of this country have enough money to bail out the bad loans of our multilateral financing organizations. But your legislation includes it.

Another piece of legislation that I was involved in introducing was saying that when multilateral development

banks make loans for the promotion of, and the production of, agriculture in Third World nations for export trade to compete against our farmers, that ought to be disallowed, that our contributions to those banks ought to be diminished in the next term by the amount of the loan that went in to compete against our farmers that we are subsidizing to keep out of bankruptcy today.

The Wylie amendment provides for that kind of provision. That is what it offers. That is what it represents. It says charity begins at home and we will not use our taxpayers' money to bail out bad loans from our international banking system, and we will also not use our taxpayers' dollars to compete against our farmers.

Mr. LUNDINE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this has been called a solution to last year's problem. This has been called essentially unnecessary. Well, if you believe that a $150 billion trade deficit is last year's problem, then vote for the Wylie amendment.

Very frankly, to my colleagues on this side of the aisle, if you believe everything the Reagan administration has done throughout these 5-plus years is perfect, then vote for the Wylie amendment.

I want to see bipartisanship. I doubt if even the sponsor of this amendment would deny that in my subcommittee, and in general, that I have been denied a bipartisan opportunity to forge legislation. And until recently, most of these provisions were bipartisan. But now the issue is drawn very clearly. If you think it ain't broke, then don't try to fix it.

But, ladies and gentlemen of the House, I say it is broke. How is it broke? The dollar is still overvalued. We talk a lot about the depreciation of the dollar as against the yen. We, from upstate New York, know what it is like to compete against the Canadians who have a 70-cent dollar. It is hard to be 30 percent better than your competitors just in southern Ontario.

If you vote for the Wylie amendment, you are voting to leave it to Baker. There used to be a television program, I think, "Leave it to Beaver." Well, this is "Leave it to Baker."

This is the fundamental issue: Is Congress going to set the public policy with regard to exchange rates, with regard to our approach to the Mexican and Third World debt? Is Congress going to set the essential policy with regard to an industrial strategy for the private sector to know how it is going to compete with other nations, or are we going to leave it to the administration?

I say that this administration was late in coming around to a realization that a strong dollar is not something that is good for American competitiveness but something that is actually harmful.

We have been told that to reject the amendment is tinkering by Congress. Well, I would remind the people in this body that our forefathers in this Constitution thought that it was the job of the legislative branch, not the job of the executive branch, to conduct international monetary and international financial and economic policy, and I say right now is when we are facing up to the issue of whether we believe we can set public policy. Are we creating some new bank with $5 billion? No. What we are doing is taking $1 billion already in the World Bank and leveraging that so that a growth strategy for these countries that conforms to the idea of the Secretary of the Treasury but gives it more impetus can actually be implemented.

With respect to Third World debt, let me just say, in conclusion, that about one-third of our total trade problem—$53 billion—is due to the fall-off in our balance of trade with these Third World countries.

What we are proposing that would be gutted by the Wylie amendment, in addition, incidentally, to the Multilateral Investment Guarantee Corporation that was requested by the administration, we would gut every other positive progressive proposal to give some teeth to the idea that we have got to develop a growth strategy for these Third World countries so that they can buy U.S. goods.

I ask you to vote against the Wylie amendment, stand up for Congress' ability to set public policy in international economic policy, stand up for a positive approach to dealing with our trade deficit.

Mr. WYLIE. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. LEACH].

□ 1815

Mr. LEACH of Iowa. I thank the gentleman for yielding to me.

Mr. Chairman, this debate has clearly indicated the real problem is that we have misleading and unrealistic expectations. The distinguished majority leader gives us the impression that this bill will bring us more Chrysler miracles. We are not creating a Reconstruction Finance Administration, we are not creating a substitute Congress; we are proposing $25 million for an economic advisory panel. It is money for economists, not blue collar workers.

There is an additional provision for a World Bank Bank of up to $5 billion in leveraged funds for the World Bank. Maybe that is a good idea, but I do not think anyone in this body should be so confused as to think that that will provide loans for their companies in their districts.

Simply put, this bill is a nonfix for a real problem, and the public should not be fooled by the tomfoolery.

Mr. WYLIE. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of the Wylie amendment. It accomplishes what I tried to do in an agriculture amendment, but which the Foreign Affairs Committee buried.

Mr. Chairman, when the Agriculture Committee met to discuss its proposals for the agricultural provisions of this bill, I offered an amendment to our report proposing that sense of the Congress language be included in this bill instructing the Agency for International Development not to fund foreign agricultural projects which have the effect of promoting competition against U.S. exports. Unlike some of our past attempts to deal with this subject, this was not a controversial amendment. Two of the organizations which often object to this type of legislation, AID and the Land Grant Universities, both signed off on my amendment. It was adopted unanimously in the Agriculture Committee with bipartisan expressions of support.

Sadly, though, this amendment, as well as a number of other good agriculture amendments, got scuttled in a turf battle with the Foreign Affairs Committee. It is certainly most unfortunate that an amendment that everyone agrees to in substance nevertheless cannot see the light of day. There are no good reasons for that, and I don't think any of our constituents approve of our doing business in this way.

At a time when our budget deficit is burgeoning and our farm economy is sagging, it makes no sense for the Federal Government to be spending tax dollars to drum up new competition for our own farmers. The attention that some of my colleagues and I have called to this subject so far has had a positive effect. AID no longer funds soybean projects in Argentina and Brazil. Language in this bill requiring the Secretary of Agriculture to study the programs of AID to determine how they serve our market development objectives will help keep the pressure on. None of us is opposed to legitimate and important work AID does to help alleviate hunger in Third World countries. But some of our foreign agricultural projects have gone beyond mere humanitarian assistance to helping other countries develop export capabilities for products U.S. producers export. I, for one, will continue to insist that the Congress speak out on this subject to make it clear that our No. 1 priority is our own farmers here at home.

The Wylie amendment helps us stress that fundamental point. I urge its adoption.

Mr. WYLIE. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. I thank the gentleman for yielding me this time.

Mr. Chairman, I want to compliment the gentleman on his amendment. What I have difficulty understanding is in November, this President carried 49 States for a second term based on the philosophy that we ought to limit Government involvement in the private sector and in fact limit the growth of Government.

Since this President has been in office, we have had nothing but growth, once we have been able to get our monetary policy put into shape. We have been able to have growth and create jobs in this country.

Now we are calling for the creation of a Government bureaucracy that is designed to pick winners and pick losers. Frankly, I do not understand it.

Let me say a couple of other things. I do not want to live in Canada; I do not want to live in Taiwan; I want to live in the United States. If I am asked to live in those other countries for any period of time, it would have to be with U.S. dollars in my pocket because it is the U.S. dollar that has strength around the world. That is why we are now working, Secretary Baker is now working, to try to get the dollar in line with other currencies, and he has been successful.

So successful, that in Tokyo, Mr. Nakasone now, it is questionable whether he is going to be returned to office because our President has been so successful in moderating the value of the dollar. Because of the moderation in the value of our dollar vis-a-vis the value of other currencies, we are without question, going to see improvement in our foreign trade balance just simply because of Baker's efforts.

Now, Jim Baker does not want $300 million of taxpayers' money; Jim Baker believes he has the tools at the Fed, the open market policies, the discount rate, working and coordinating with other countries to achieve a moderation of the dollar. He does not want this language; he does not want this money. He believes that it is sensitive; he believes that this whole area is something where the Congress itself should not be involved; 435 Members, the Secretary of the Treasury. It simply goes too far.

Mr. LAFALCE. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman.

Mr. LAFALCE. I thank the gentleman.

Mr. Chairman, just to point out one thing. Secretary Baker not only wants the $300 million; he asked for it.

The CHAIRMAN. The Chair will advise the Members that the gentleman from Ohio [Mr. WYLIE] has 3 minutes remaining and the gentleman from New York [Mr. LUNDINE] has 3 minutes remaining.

My WYLIE. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. GINGRICH].

Mr. GINGRICH. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of the Wylie amendment. I have limited time, so I just want to focus on a couple of pages to point out how amazing this Council is.

The American left cannot advocate bureaucratic socialism so it advocates an academic, bureaucratic planning system that is bizarre. If you read page 312, it is the "Universal Meddling Act." This agency will look at anything it wants to for virtually any reason that it wants to.

Then you look at the board we are going to appoint that is going to make all these wise decisions; that is going to make us more competitive.

"Four members shall be national leaders with experience and background in the labor community." Does that mean they will be appointees from big labor, or does that mean three of the four will be nonunion which will be an act or reflection of the work force?

Four members will be appointed, "* * * from the academic community." Now, I am a former college professor. Let me tell you: If you seriously think that hiring 4 college professors is going to make a major contribution while working with four big labor leaders, while working with four big business leaders, while sitting down with four already-appointed executive branch members, this is the Democratic Party's contribution to competition? No wonder the McGovern-Carter-Mondale cycle keeps reoccurring. This is one more bureaucratic, centralized, big-government, meddle in the private sector, meddle in the small businessman, take power from back home, slow everything down.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman.

Mr. McKINNEY. I thank the gentleman for yielding.

Would the gentleman agree that I agree with him on trade policy in general? No. Would the gentleman agree that I have not been a very good Republican on this bill? You would probably say, "no."

The fact of the matter is, and I have told the chairman and with deep respect, this bill adds an enormous bureaucracy, an enormous cost, it takes decisions from where they should be made, and sends you and I home to our districts, you and I, home to our districts, to daycare, and food stamps, and everything else and says, "no."

Mr. GINGRICH. Mr. Chairman, I urge the Members to vote "yes" on the Wylie amendment.

Mr. WYLIE. Mr. Chairman, I yield 1 minute to the gentleman from Mississippi [Mr. LOTT].

Mr. LOTT. I thank the gentleman for yielding me this time.

Mr. Chairman, I urge my colleagues to vote for the Wylie amendment. I think I have proven by my votes already today, to the consternation of some of my friends and colleagues, that I would like for us to have a strong trade bill. But I think that the section in the bill that Wylie would eliminate is a travesty. It does cost additional money. In fact, we do not know exactly how much it will windup costing in the final analysis.

This $5 billion that this new bank entity will spend is supposed to be taken out of their hide; I do not think we know what the cost will be for what is in the bill in the particular title IV.

There will, no question, be more bureaucracy involved in this whole area of trade based on what is in title IV. A new bank in the World Bank? How many of you like what the World Bank is doing now?

A lot of you do not like what they are doing. Just double that. A new entity in the World Bank. A World Bank bank; that says a lot in itself.

This also would allow for tinkering with currency values, and that concerns me considerably. I do not see how that is going to help us in the trade policy if we allow this additional strategic currency reserve to be involved when we already have people in place to do that job.

Worst of all, this particular title, unless it is amended with the Wylie amendment, will be the worst form of social and industrial engineering. I urge the adoption of the Wylie amendment.

□ 1825

Mr. LUDINE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank the gentleman from Mississippi and the gentleman from Ohio for proving the point that the issue here is, if Members think that everything is all well and there are no problems with trade, then they should vote for the Wylie amendment. If, however, they think that the Congress ought to set the policy with respect to the exchange rate target for the dollar, with respect to our positive approach to the debt-ridden problems of the Third World, with respect to the other issues involved here, then I would say they should vote with the committee and against the Wylie amendment.

Mr. Chairman, I yield 2 minutes to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. I thank the gentleman for yielding time to me.

Mr. Chairman, I just was struck by my friend and colleague from Columbus who talked about this President's national ability to get votes. This is the same President who has given us the largest trade deficit in the history of this country, the result of which is thousands and thousands of jobs lost, some permanently—hopefully not—but permanently to our American citizens. This is the same President who said, "Why don't we export the farmers, not their products?" This is the same President who waited until yesterday to even mention the crisis in the machine tool industry. They have been pleading with the President not only for jobs but for national security interests to do something about the fallout in heavy manufacturing. This is the same President who has a Commerce Department that puts out a report that says we can import our metal fasteners, our nuts, bolts, and screws. There are 100,000 of them in every plane that we attempt to use for the defense of our country, but the Commerce Department under the leadership of this President says, "Why don't we import them from Japan and Germany and Taiwan and other areas, and we can still have a great national security?"

If Members believe in that status quo, then they should gut this bill and vote for the Wylie amendment. If they want to see some progress, if they want to see us address this international debt that is causing our own people to loss their jobs, then they will support the committee, they will absolutely support this bill. I really plead with them to reject the status quo, to do something about this enormous trade deficit, to show how truly we can be American and care about Americans for a change. I urge a vote against the Wylie amendment.

Mr. LUNDINE. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Chairman, I rise in support of the Wylie amendment.

What we have here is a failure to communicate, or more properly, to understand what it is we are really doing. The omnibus trade bill (H.R. 4800) is intended to correct our current trade imbalance; however, it does so in the manner of an ill-conceived fire extinguisher: something is burning, so grab anything you can to throw on it in the hope of putting it out. Of course, water or a chemical retardant would be preferable. Unfortunately, this bill is the financial equivalent of kerosene; it will merely fan the flames.

One of the more odious provisions in H.R. 4800 is title IV, which attempts to address the issues of U.S. trade and foreign debt by creating a bureaucracy—just what we need one more of—to oversee the flinging of more money down the black hole of fiscal irresponsibility.

Our negative trade balance, which results in a loss of jobs and a general decline in economic productivity, is but one symptom of monetary instability. Budget deficits and mounting Federal debt are also symptomatic of this financial quicksand. The U.S. dollar is in the currently unenviable position of being the reserve currency of the world, and it is fluctuations in the exchange rates between the dollar and foreign currencies which is a major influence on trade. It is essential that we understand the nature and effects of exchange rates as a monetary device.

In H.R. 4800, however, all we have is another attempted bailout: U.S. taxpayers are being asked to underwrite poor judgment, defective banking practices, and discredited monetary policies. It is totally unrealistic to expect yet another level of bureaucracy and yet another infusion of credit to signal improvement in the overall trade picture. At a time when the U.S. prime rate is twice that of our major competitors—8.5 percent compared to 4.5 percent to the interbank rates for Japan and West Germany—what prompts supporters of this bill to think that the banking provisions contained in title IV will do anything to benefit the economic base necessary for trade in the first place?

My able colleague, the gentleman from Ohio [Mr. WYLIE], said it correctly and succinctly: "not one of my constituents has asked me to create a new bureaucracy or to encourage irresponsible World Bank lending." This legislation is not the answer; honest money is. In order to address our trade imbalance, we must first nurture the health of our economy. And the key to stimulating productivity, investment, and savings is lower interest rates. We can drastically reduce interest rates by fixing the dollar once more to gold. Monetary reform—sound money—is the necessary first step: before you fight the fire, you have to ensure that the fire truck is operating and that there is water in the reservoir. And, like the kerosene, leave this bill in the can.

Mr. LAFALCE. Mr. Chairman, the decline in U.S. industrial competitiveness has now reached crisis proportions. America's inability to compete in world markets, as President Reagan's own Commission on Industrial Competitiveness reported just over a year ago, is one of the most serious challenges facing the United States. If we look beyond the short run, the inescapable conclusion is that competitiveness may well be the pivotal economic issue for our country for the rest of this century. The provisions in the banking title of this bill confront that issue by providing mechanisms for explicitly shaping our economic policies to enhance our competitive position.

Measures of our underlying competitiveness are getting worse, not better, and the trend is not new. The fundamental measure of our economic condition in a world economy is our trade picture. The skyrocketing U.S. trade deficit—a staggering $150 billion last year—is perhaps the best evidence of our competitive decline. But it is not the only evidence.

Inflation-adjusted wages is another straightforward measure of U.S. industrial competitiveness. Real wages grew steadily from World War II until 1973. Since then they have fallen and the trend is still downward. Unemployment remains a serious problem. We now have 8 million people actively looking for work. Some 168,000 jobs were lost in manufacturing last year.

Our productivity growth has come to an ominous halt and has been outstripped by virtually all our competitors. The United States no longer is the world's most productive nation in several industries, including autos and machine tools, and the productivity gap is widening rapidly.

Falling interest rates have led to rising corporate indebtedness, but not to the sustained capital investment they were supposed to foster. Business investment in new, commercially productive plant and equipment is extremely low, as 20 percent of our industrial capacity remains idle.

Our problems are not confined to one region or only to our basic industries. We have lost market share in all the high technology or "sunrise" industries. Nor can the deterioration in American manufacturing be comfortably dismissed by the claim that we are becoming a service economy. Services and manufacturing are often inextricably linked. If other companies, notably Japanese, dominate complex manufacturing, it is naive to believe that they will rely on our financial services, lawyers, or advertising agencies.

Instead of investing at home, U.S. companies are stampeding offshore. To a shocking degree, many of our corporations have begun to operate, not by competing with Japan or Korea, but by distributing sophisticated products made in those countries. Taken collectively, such an approach spells disaster for our country's economic future.

The changes in our trade laws that this bill effects are critical, but they will not solve the problems I have enumerated. If we are to successfully compete in the new world economy, we must also work together to get our own house in order. Business and labor cannot solve these problems alone. Too many variables are beyond their control. Nor can traditional macroeconomic fiscal and monetary policy turn our trade deficit around. A coordinated set of microeconomic policies is critical to any effort to reverse our declining competitiveness.

Attitudes must change. In this era of fierce foreign competition, strategies for enhancing competitiveness must be developed in cooperation with business, Government and labor, and Government must work actively to fulfill its responsibility to create an environment which advances U.S. competitive interests.

Our failure to develop a coordinated competitiveness strategy does not reflect a reluctance to embrace specific policies toward industry. We now have an expensive, inarticulate and badly coordinated set of industrial policies, encompassing special tax incentives, antitrust policies, Federal credit programs, and various forms of trade relief, to name just a few, and these policies cost the taxpayer billions each year. But we have no mechanism to focus these policies on performance which strengthens the competitive base of our economy. At the same time the Federal Govern-

ment is pursuing its vast and incoherent array of industrial policies, the industries which it is supposedly helping are continuing to decline.

No high level forum exists for developing a consensus on economic policies that will positively enhance our competitive position. At a time when it is imperative that we work together, counterproductive adversarial relationships remain the order of the day. The basic issue confronting the U.S. economy is the inability of all those participants with important stakes in its success to act together, to build a consensus about common economic problems and to mobilize resources in pursuit of our common goals.

In the past few years, dozens of reports on the long-term competitiveness of the American economy have been issued by numerous blue-ribbon, bipartisan commissions. Groups as diverse as the Business-Higher Education Forum, the Center for National Policy, the Committee on the Next Agenda, the AFL-CIO, and the White House Conference on Productivity concur that we need an institutional mechanism to focus attention on competitiveness issues in the policymaking process and develop consensus regarding Government policies affecting industry.

My minority colleagues have argued there is no need for a mechanism to generate policy recommendations on competitiveness issues. Yet, in June of 1983, President Reagan appointed his own temporary Commission on Industrial Competitiveness. The Young Commission unanimously called on America to make U.S. competitiveness the primary item on the economic agenda for the next decade and offered a series of thoughtful proposals for Government and private action. The Commission argued, and I quote, "mechanisms should be developed for building consensus among key sectors of society to better respond to our competitive challenges." The Commission's report could have been a focal point for a national debate and the foundation on which to build a new consensus for needed policies. But, the report and its recommendations have been basically ignored by this administration.

The message that is being sent to the Congress and the President by distinguished leaders from business, Government, unions, and academe is that Government must give much more attention to the management of its affairs and how those affairs affect the competitiveness of our Nation's economy. In response to that concern, this bill would create a 16-member Council on Industrial Competitiveness, an independent entity with membership drawn equally from business, labor, Government, and academia or public interest groups. This Council will serve as a much-needed instrument for focusing Government policy more explicitly on improved competitiveness and productivity. It will provide a mechanism through which key economic actors can work cooperatively to develop a long-term competitiveness strategy for our economy and for specific industries and sectors, and create a consensus in support of that strategy.

The Council would examine the countless number of Government programs that already provide assistance to industry, and coalesce these programs into an overall strategy for growth and competitiveness. In addition, the Council would introduce the important concept of conditionality into programs of Government assistance. Too often, Government provides substantial assistance to industry, but has no mechanism to tie that assistance to improved competitive performance. The council would, where appropriate, assess private sector requests for Government assistance or relief, and recommend conditions designed to actually improve the international competitiveness of the industry concerned.

The Council is a deliberative body with no direct line authority or program responsibility. No action can be brought about by administrative fiat. The Council and its industry subcouncils are essentially forums for bringing together the affected parties in our economy. Their main task is the mobilization of consensus for an economic strategy based on generally accepted data and analysis, and supported wherever possible by reciprocal commitments from affected parties.

Without such an institution, we will be forced to rely on reactive, and potentially protectionist and prosperity we as a nation need. Politically powerful firms or industries will continue to demand—and receive—aid from the executive branch and the Congress, and their petitions will always be presented in a crisis context. If our Government fails to develop institutions to apply, examine, and coordinate these decisions on an above-board basis, the alternative is what we already have: not the absence of industrial strategies, but rather unwise one, both costly and ineffective.

The chaos of our policymaking process with regard to industry is intrinsically at odds with the fair market philosophy underlying the legislation now under consideration. We argue that we simply want a fair market for American goods and services. To argue convincingly, we must have mechanisms for assessing the degree to which our own competitive problems are our own fault. But, unlike most of our trading partners, we have yet to develop a unified policy to handle competitiveness problems at home. If we hope to integrate ourselves into an orderly trading system, we must take the difficult but necessary steps to bring coordination to our own system. We cannot pretend to wisely redirect the shifting tides of hegemonic power when we fail to understand and direct the ebbs and flows of our own economy.

The substitute offered by Mr. WYLIE would strike the Council from this bill. Frankly, I am somewhat astounded by the opposition of some of the Republican colleagues to the Council proposal. We are talking about an advisory mechanism that can bring Government, business, labor, and key industry analysts together solutions to our competitiveness problems. No action can be taken by administrative fiat, no obligations can be imposed, no Government money can be allocated. If we cannot take this small step, I do not know where we can hope to start resolving our own competitive problems.

There is more bipartisan consensus on this issue than my minority colleagues seem inclined to admit. The House Republican Trade Partnership Act includes the creation of a Commission on Trade. That Commission focuses to narrowly on trade laws and policies and thus, in my view, unnecessarily duplicates the functions of the Office of the U.S. Trade Representative. But it shares some important concepts with the Council proposal. It is an advisory commission; it consists of representatives of business, labor, academia, and consumer groups; and it is to develop, and I quote, "policy recommendations aimed a facilitating the transfer of U.S. resources and manpower to applications where they enjoy the greatest comparative advantage." Purely and simply, it seeks the development of an industrial competitiveness strategy.

My Republican colleagues argue that we do not need to spend money on the creation of a new bureaucracy. The Council would not be a large bureaucracy but an innovative mechanism for bringing a new perspective to existing policymaking. It is some of the proposals offered by the minority that are in fact far more drastic. The Republican trade package suggests the need for a new Department on Trade, a far more costly and far-reaching undertaking than the creation of a council. We do not need to recognize what we do but to focus it. Government now spends a great deal of money on programs of assistance to industry, often great deal of money on programs of assistance to industry, often ill-advisedly. If the Council succeeds in bringing some intelligent focus to what we do, we will save far more than we spend.

Critics of industrial strategy often mischaracterize it as central planning or overly interventionist. Such characterizations reflect a complete misunderstanding of current reality and of the principles underlying the Council proposal. Government makes policy having a direct impact on industrial performance and prospects all the time. In fact, experts estimate that half of all actions taken by business are in direct response to the decisions of Government. The Council would not impose industrial plans, but initiate a cooperative process through which all parties with an economic interest can coordinate efforts to ensure that Government policy enhances the competitive position of U.S. industry. The intent is to create a structure that would help to guarantee that whatever Government assistance is channeled to industry reflects conscious policy choices and effectively serves a public purpose.

The Wylie substitute would also eliminate the Competitive Exchange Rate Act, another key element of this trade package. The high dollar has devastated U.S. industry for the past several years, and erratic currency fluctuations have made it impossible for U.S. businesses to plan. Yet, the administration touted the high dollar as a symbol of our economic leadership and belittled the problems it caused for U.S. industries in world markets, while totally disregarding the impact of wide currency fluctuations on U.S. businesses.

The administration has finally acknowledged the exchange rate problem and, certainly, Secretary Baker's recent efforts should be encouraged. But, the new program of enhanced surveillance announced after the summit is only a small step, not a solution. In the face of serious exchange rate problems, the administration offers only a loose mechanism with ill-defined goals, sustained only by peer pressure. A far broader and more authoritative initiative is required.

The intent of the exchange rate provisions in this bill is to significantly increase the accountability of the President for the impact of exchange rates on trade competitiveness and ensure that the thrust of recent administration efforts continues. Under the exchange rate proposal, the Secretary of the Treasury is directed to develop and implement a strategy involving a combination of international negotiations, strategic intervention, and domestic economic policy reforms to move the dollar to a competitive level and minimize the destabilizing fluctuations in exchange rates that have characterized the last several years.

This administration continues to pretend that its own domestic economic policy choices have no impact on exchange rates and the competitive position of our traded goods sector. The legislation would bring these issues together and highlight their clear interrelationship. We must focus far greater attention on the policy choices that affect the dollar's value and the effect of those choices on American industry.

If we are serious about solving our trade problems, we must undertake a broad-based effort to minimize the erratic fluctuations in exchange rates that have been characteristic in the last several years, and move the dollar toward a realistic, sustainable level that will ensure that U.S. industry regains and retains competitiveness in world markets. This legislation would ensure such an effort takes place. We cannot afford to leave its occurrence to chance.

The efforts embodied in the banking title to focus our own economic policies more effectively on enhancing U.S. competitiveness are a critical part of this trade initiative. The Wylie amendment suggests that we can afford to do nothing. We have done that for too long. I urge my colleagues to defeat the Wylie amendment.

Mr. ALEXANDER. Mr. Chairman, I rise today in opposition to the Wylie substitute to title IV of H.R. 4800. The Banking Committee provisions in title IV represent the most significant contribution of this bill to solving the trade problem.

The Competitive Exchange Rate Act of 1986 which is incorporated into title IV makes the establishment of a strong and stable international monetary system a primary economic goal. If the United States is to regain its stronghold in world trade, the problem of the overvalued dollar must be addressed.

Since 1981, the dollar has risen to record heights. Fred Bergsten of the Institute for International Economics estimated the dollar to be overvalued by 75 percent at its highest level. Treasury Secretary Baker blamed the dollar's distortion for half of the U.S. trade deficit or $74 billion. That means $74 billion in lost income and lost jobs. Without addressing the problem of exchange rates, clearly we cannot expect to solve the trade deficit.

The economy of the First District of Arkansas has suffered severely from the effects of the overvalued dollar and the trade deficit. Farmers in my district can no longer export their products because they are too expensive on the world market. Since the dollar began its climb in 1981, the agricultural balance of trade has dropped from $26.6 to $9 billion in 1985, a 66-percent drop. Meanwhile over 2,000 footwear workers have lost their jobs due to the import of cheap foreign products.

Because of the dollar's devastating results, the urgent need has arisen to examine the Government's role in the dollar marketplace and to take action to offset its crippling effects. Now that the economic problem has been recognized, a process must be created through which a political solution can be reached. I have introduced legislation, H.R. 3771, which would create such a process.

This bill, a bill to establish the U.S. Dollar Valuation Board and for other purposes, would create a process for negotiating a new exchange rate system with our major trading partners.

H.R. 3771 would establish a Dollar Valuation Board that would be responsible for determining daily the value of the dollar vis-a-vis the currencies of our major trading partners, making recommendations to the President, based on its findings, on how to correct any misalignments, and finally, negotiating international monetary reform with our trading partners.

I have asked Mr. LUNDINE, sponsor of the exchange rates subtitle, whether it is his understanding that a vehicle like the Dollar Valuation Board would be one of the approaches given serious consideration within the framework of the banking title as a process for achieving international monetary reform?

Mr. LUNDINE has assured me that the purpose of subtitle A of title IV is to ensure that the Secretary of Treasury determines a competitive exchange rate of the dollar and takes steps to achieve that competitive exchange rate in the marketplace. He has told me that such mechanisms as the Dollar Valuation Board could be employed to achieve that purpose and should be seriously considered in conjunction with the monetary reform conference called for in the bill.

Mr. Chairman, I would like to insert at this point a letter to Secretary Baker and an article from the Wall Street Journal.

CONGRESS OF THE UNITED STATES,
February 10, 1986.

JAMES BAKER, III,
Secretary of Treasury, Washington, D.C. 20220

DEAR MR. SECRETARY: During his address on the State of the Union, the President said,

"The constant expansion of our economy and exports requires a sound and stable dollar at home and reliable exchange rates around the world."

I applaud the President for his recognition of this pressing need to study the dollar and its relationship to the currencies of our trading partners. The value of the dollar and the volatility of exchange rates have been a serious problem which has greatly concerned me since the dollar began its rapid rise in 1980.

The dollar's strength has resulted in crises in several key American industries and is the largest contributing factor to the towering trade deficit of $148 billion. In 1985, you estimated that the high value of the dollar caused half of the U.S. trade losses. Fred Bergsten of the Institute of International Economics (IIE) blames the overvalued dollar for a figure as high as 75% of the current negative trade balance. Several publications by the IIE support this finding.

This extreme dollar value is crippling entire sectors of our economy. Farm income has dropped drastically because U.S. farm products have become too expensive to compete on the world market. Foreign imports have flooded the American marketplace. Textile and footwear workers are losing their jobs because U.S. firms are no longer able to compete with cheap foreign goods.

The dollar's destructiveness also threatens the long-term strength of our economy. Due to lower cost of production and capital, American firms are relocating overseas. Further, foreign industries are developing and strengthening the demand for their goods in our markets.

The dramatic fluctuations in the dollar value have drastically impacted the domestic economy since the abandonment of the Bretton Woods system in 1973. The dollar has floated along this erratic path, in fact rarely stabilizing at an equilibrium level in the 13 years of floating exchange. From July 1976 to October 1978, the dollar depreciated by 21% against ten major currencies, contributing to the chronic inflation of that period.

For the past four years the dollar has reached unprecedented heights. Economists estimate the dollar to be overvalued by at least 40%, some place the figure as high as 70%. The dollar's strength has directly and adversely affected American export industries and domestic industries facing import competition. In essence, the strong dollar erects barriers to exporters and offers a subsidy to importers. Exports of agriculture and capital goods have dropped drastically. At the same time, the dramatic increase in imports of relatively cheap foreign goods has gravely wounded import sensitive industries such as steel, textiles, and footwear. Since the ascent of the dollar in 1980, agriculture exports have dropped 20% and 30,000 footwear workers have lost their jobs.

In the long-term, the United States will suffer greater losses because of capital flight. American companies attracted by production costs overseas are moving their operations to foreign countries in order to remain competitive. Ford Motor Company, for example, will soon import its compact cars from Korea. Caterpillar Tractor closed its Illinois operations in order to expand overseas.

At the same time, foreign manufacturers are establishing markets for their goods and building distribution networks. In 1984, imports captured 40% of U.S. real growth in consumer goods. The dollar has clearly overshot its equilibrium value and its distorting effects on the economy are exacting too great a toll.

Because of the dollar's devastating effects, the urgent need has arisen to examine government's role in the dollar marketplace and take action to offset the overvaluation. Now that the economic problem has been recognized, a process must be created through which international economic choices can be debated and through which a policy (political solution) can emerge. The President himself suggested such an approach when he requested a study "to determine if the nations of the world should convene to discuss the role and relationship of our currencies."

Given the three options: protectionism, interventionism, and international cooperation, the President's choice is preferred. Protectionism does not address the fundamental problem of a strong dollar. Intervention represents a short-term option with little real impact on the huge sum of money

traded daily in the capital markets. Hence the remaining and most valid option is international cooperation.

If indeed, international monetary cooperation is placed on the agenda of annual economic summits to be discussed on a continuing basis it will offer the potential for achieving a political solution leading to stability in currency. However, I would suggest the consideration of a more formalized process to ensure that this most serious economic problem receives the close attention that it warrants.

I believe that a formal process is needed to bring together our trading partners for deliberate actions on the relationship of currencies. In 1944, the Bretton Woods conference provided the vehicle for constructing an international monetary system. I offer the idea for one mechanism through which international agreement may be achieved. I propose the establishment of temporary Currency Valuation Boards in each participating nation to serve as a vehicle similar to Bretton Woods. These Boards would serve until a new international monetary system had been constructed.

Each Currency Valuation Board would determine target goals for the value of its country's currency. The Boards from all nations would then meet to discuss these goals, working towards an international agreement.

The Dollar Valuation Board would ascertain the "real" value of the dollar taking into consideration the underlying competitiveness of the U.S. economy. A currency's "real" value is often aligned with its Purchasing Power Parity which reflects a comparison of the costs of purchasing the same basket of goods in different economies.

This Board would seem to be most effective as an independent agency equal in stature to the Federal Reserve Board. The Board itself would consist of three members appointed by the President to serve seven-year rotating terms.

The Board would determine daily the "real" value of the dollar with respect to other trading nations. These findings would be released to the President, Congress, other government agencies and the general public. In addition, the Board would also make recommendations to the President, Congress, and the Federal Reserve Board for short-term and long-term monetary policy that would achieve this "real" value.

Further, the board will present the President with a monetary reform agenda to be discussed at the international economic conferences so that the U.S. can work with our trading partners to establish realistic currency values. Included in this agenda should be the recommendation to each trading partner to establish their own Currency Valuation Board. These Boards would meet in an attempt to achieve and maintain currencies of trading nations with valuation ranges that represent their true competitive levels.

The establishment of a Dollar Valuation Board would be the first step in achieving an international agreement to mutually determine the relative real value of each participating nation's currency and thus avoid the radical and unreasonable shifts in any currency's value.

History illustrates the benefit of international cooperation and a stable exchange system. Stable exchange rates contributed to the greatest period of economic growth during this century. The Marshall Plan, in the years after World War II, relied heavily on the stability of exchange rates. This program benefited workers and farmers world over. Even the lesser developed countries experienced economic growth at an unusually high rate. That period also fostered lasting peace among members of the Bretton Wood Accord.

Without international monetary stability, we are already witnessing violence wrought by economic frustration. In Brazil, a nation floundering under its enormous dollar-denominated debt, citizens riot in protest of stringent monetary controls enforced by the International Monetary Fund.

And in our own country, farmers who resent their land being taken often resort to a stand-off with local law enforcement officials. Unfortunately, as their anger and frustration mounts, so too will their need to lash out at the system.

Mr. Secretary, we must act to ease the economic pain brought about by an unstable monetary system. I suggest that the Administration and Congress start the process by showing our willingness to participate in and lead the effort of international cooperation.

With kindest regards, I am

Sincerely,

BILL ALEXANDER,
Member of Congress.

[From the "The Wall Street Journal", May 6, 1986]

SUMMIT COUNTRIES AGREE ON PLAN SEEKING LESS CURRENCY VOLATILITY

Review Boards and Option of Joint Intervention Are Included in Proposal

(By Art Pine, Staff Reporter of the Wall Street Journal)

TOKYO—The seven largest industrial democracies agreed on a plan to heighten coordination of their economic policies and help stabilize the volatile exchange rate system.

The plan, adopted by the heads of government at the annual seven-nation economic summit here, establishes a system of high-level review boards to facilitate the coordination. A country that strayed too far from the indicated course would come under heavy pressure from the other six to adopt "remedial" measures to alter its economic policies.

If necessary, the seven governments would intervene jointly in the foreign currency markets to try to influence a country's exchange rate.

The proposal, drafted by the Reagan administration, is designed to tighten international management of the current floating exchange rate system. Since 1973, exchange rates have been free-floating, set almost entirely by the markets.

The plan is designed to build on actions taken by the Group of Five, the informal organization of finance ministers and central bankers that launched the Sept. 22 attack on the dollar. Besides the U.S., the G-5, as it has become known, comprises West Germany, Japan, Britain and France. The plan also would create a new Group of Seven, adding Canada and Italy, the two other countries that participate in the annual economic summit.

U.S. Treasury Secretary James Baker and Deputy Secretary Richard Darman conceived the plan a month ago. The effort is aimed partly at damping protectionist pressures in the U.S. The dollar's sharp rise from 1980 through 1985 drew the ire of some businessmen because it made foreign goods cheaper and their own exports more expensive. In addition, they complained that the current floating-rate system is too volatile, Making planning difficult and adding to costs.

Although the dollar's value has come down sharply over the past 15 months, Mr. Baker is convinced that protectionist pressures in the U.S. still are strong.

However, adoption of the plan to heighten policy coordination came at the expense of a companion U.S. proposal. It was aimed at prodding West Germany and Japan to spur their domestic demand so thay can absorb a larger share of worldwide imports. The U.S. agreed to drop its push to add the call for growth to the summit communique as the price for winning West Germany's support for the currency plan. That push was to have been the centerpiece of Washington's economic agenda for the summit. The U.S. will raise the issue again later this year.

Mr. Baker conceived his currency-coordination plan after it became clear that there wasn't the political will among the major industrial countries to overhaul the present monetary system—either by returning to a fixed-rate system or by establishing "target zones" within which currencies could fluctuate.

Under a target-zone system, central banks would be required to take action if exchange rates exceeded pre-set limits.

The coordination plan announced yesterday marked a narrowing of Mr. Baker's original proposal. He earlier had suggested that the summit countries set up "objective indicators" for measuring their economic performance that would automatically trigger group-review sessions when a country's economy got out of line. But West Germany and Japan balked, complaining it would cut into their control over their own economic policies.

Nevertheless, senior U.S. officials indicated that if the plan appeared to work, it would end the U.S. current push for monetary overhaul and "obviate the need for" Washington to call a new international monetary conference to discuss revamping the current exchange rate system. President Reagan has asked Mr. Baker to study the question and make recommendations by December.

Leaders of the seven countries approved the plan yesterday and are expected to endorse it formally in a communique today.

Adoption of the new plan marked the most dramatic move to deal with the exchange-rate problem since the five-country attack on the dollar that Mr. Baker launched at New York's Plaza Hotel last Sept. 22. "This is building on the Plaza Agreement," Mr. Baker told reporters.

Like the Plaza Agreement, the latest U.S. proposal has its share of risks:

—Despite the pledges of support by the seven heads of government, there's still plenty of room for the major countries to ignore the new stepped-up pressure to change their policies.

Because it deals with sovereign nations the plan has no formal requirement that a country follow the advice that the other six have given it. Indeed, a less-formal system of international peer-pressure has been in effect for six years, and the U.S. has consistently brushed aside demands that it cut back its budget deficit. And countries' abilities to forecast economic performance are scanty at best. "There's no structural leap forward here," scoffed British Chancellor of the Exchequer Nigel Lawson.

—Even if the seven countries keep their economic policies in line, the proposal may

not stabilize the exchange rate system as much as proponents hope. Analysts point out that other factors also work to move exchange rates up or down. Dollars poured into the U.S. in 1982 and 1983, for example, partly because investors viewed it as a "safe haven" from political turmoil and the global debt problem. That in turn helped send the dollar's value even higher.

—The summit countries' commitment to the plan is still to be tested. Although all seven heads of government agreed to the proposal at the Tokyo summit, West Germany, for example, remains unenthusiastic about it.

At the same time, U.S. officials hope the plan will provide Japan's government with an adequate face-saving gesture to offset their rebuff of Tokyo's request last weekend that the U.S. intervene to help slow the yen's rise. The speed with which the Japanese currency has risen has hurt exporters in Japan and put new political pressure on Prime Minister Yasuhiro Nakasone. Mr. Nakasone vowed publicly last week to press the U.S. for some help.

It wasn't immediately clear how the currency markets would react to the new plan once its details were announced, but an adverse market reaction could deal the plan a serious blow. Much of yesterday's large drop in the dollar, especially against the Japanese yen, took place in New York trading before news of the Tokyo accord was circulated.

Observers also noted that yesterday's trading was a typically light, with markets closed in both London and Tokyo because of holidays. Nonetheless, some U.S. currency traders yesterday were expressing skepticism about chances for the accord to succeed.

The Group of Five will meet several times a year to review countries' economic performance. The G-7 will convene once a year and will also meet on decisions—such as last September's Plaza accord—that involve changes in the whole international monetary system. Both groups will have a hand in monitoring individual countries economic performance.

Mr. LUNDINE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Under the rule, all time for debate on this amendment has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. WYLIE].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WYLIE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 188, noes 221, not voting 24, as follows:

[Roll No. 138]

AYES—188

Archer	Boulter	Coats
Armey	Broomfield	Cobey
AuCoin	Brown (CO)	Coble
Bartlett	Broyhill	Coleman (MO)
Barton	Burton (IN)	Combest
Bateman	Callahan	Coughlin
Bentley	Campbell	Courter
Bereuter	Chandler	Craig
Bilirakis	Chappie	Crane
Bliley	Cheney	Daniel
Boehlert	Clinger	Dannemeyer
Daub	Leach (IA)	Roth
Davis	Leath (TX)	Roukema
DeLay	Lent	Rowland (CT)
DeWine	Lewis (CA)	Saxton
Dickinson	Lewis (FL)	Schaefer
DioGuardi	Lightfoot	Schneider
Dornan (CA)	Livingston	Schuette
Dreier	Loeffler	Schulze
Duncan	Lott	Sensenbrenner
Eckert (NY)	Lowery (CA)	Shaw
Edwards (OK)	Lungren	Shumway
Emerson	Mack	Siljander
English	Madigan	Skeen
Fawell	Martin (IL)	Slattery
Fiedler	McCain	Slaughter
Fields	McCandless	Smith (NE)
Fish	McCollum	Smith (NJ)
Franklin	McCurdy	Smith, Denny (OR)
Frenzel	McEwen	Smith, Robert (NH)
Gallo	McGrath	Smith, Robert (OR)
Gekas	McKernan	Snowe
Gilman	McKinney	Snyder
Gingrich	McMillan	Solomon
Glickman	Meyers	Spence
Goodling	Michel	Stallings
Gradison	Miller (OH)	Stangeland
Green	Miller (WA)	Stenholm
Gregg	Molinari	Strang
Gunderson	Monson	Stump
Hamilton	Montgomery	Sundquist
Hammerschmidt	Moore	Swindall
Hansen	Moorhead	Tallon
Hartnett	Morrison (WA)	Tauke
Hendon	Myers	Taylor
Henry	Neal	Thomas (CA)
Hiler	Nichols	Valentine
Hillis	Nielson	Volkmer
Hopkins	Oxley	Vucanovich
Horton	Packard	Walker
Hughes	Parris	Watkins
Hunter	Pashayan	Weber
Hutto	Petri	Whitehurst
Hyde	Porter	Whittaker
Ireland	Pursell	Whitten
Jeffords	Quillen	Wolf
Jones (OK)	Ray	Wortley
Kasich	Regula	Wylie
Kemp	Ridge	Young (AK)
Kindness	Rinaldo	Young (FL)
Kolbe	Ritter	
Kramer	Roberts	
Lagomarsino	Robinson	
Latta	Rogers	

NOES—221

Ackerman	Collins	Gaydos
Akaka	Conyers	Gejdenson
Anderson	Cooper	Gibbons
Andrews	Coyne	Gonzalez
Annunzio	Crockett	Gordon
Applegate	Darden	Gray (IL)
Aspin	Daschle	Gray (PA)
Atkins	de la Garza	Guarini
Barnard	Dellums	Hall, Ralph
Barnes	Derrick	Hatcher
Bates	Dicks	Hawkins
Bedell	Dingell	Hayes
Beilenson	Dixon	Hefner
Bennett	Donnelly	Hertel
Berman	Dorgan (ND)	Howard
Bevill	Dowdy	Hoyer
Biaggi	Downey	Hubbard
Boggs	Durbin	Huckaby
Boland	Dwyer	Jacobs
Boner (TN)	Dymally	Jenkins
Bonior (MI)	Dyson	Johnson
Bonker	Early	Jones (NC)
Borski	Eckart (OH)	Jones (TN)
Bosco	Edgar	Kanjorski
Boucher	Edwards (CA)	Kaptur
Breaux	Erdreich	Kastenmeier
Brooks	Evans (IL)	Kennelly
Brown (CA)	Fascell	Kildee
Bruce	Fazio	Kleczka
Bryant	Feighan	Kolter
Burton (CA)	Flippo	Kostmayer
Bustamante	Florio	LaFalce
Byron	Foley	Lantos
Carper	Ford (MI)	Lehman (CA)
Carr	Ford (TN)	Lehman (FL)
Chapman	Fowler	Leland
Chappell	Frank	Levin (MI)
Clay	Frost	Levine (CA)
Coelho	Fuqua	Lipinski
Coleman (TX)	Garcia	Lloyd
Long	Panetta	Staggers
Lowry (WA)	Pease	Stark
Luken	Penny	Stokes
Lundine	Pepper	Stratton
MacKay	Perkins	Studds
Manton	Pickle	Sweeney
Markey	Price	Swift
Martinez	Rahall	Synar
Matsui	Rangel	Tauzin
Mavroules	Reid	Thomas (GA)
Mazzoli	Richardson	Torres
McCloskey	Roe	Torricelli
McDade	Roemer	Towns
McHugh	Rose	Traficant
Mica	Rostenkowski	Traxler
Mikulski	Rowland (GA)	Udall
Miller (CA)	Roybal	Vento
Mineta	Russo	Visclosky
Mitchell	Sabo	Walgren
Moakley	Savage	Waxman
Mollohan	Scheuer	Weaver
Moody	Schroeder	Weiss
Mrazek	Schumer	Wheat
Murphy	Seiberling	Whitley
Murtha	Sharp	Williams
Natcher	Shelby	Wilson
Nelson	Shuster	Wirth
Nowak	Sikorski	Wise
Oakar	Sisisky	Wolpe
Oberstar	Skelton	Wright
Obey	Smith (FL)	Yates
Olin	Solarz	Yatron
Ortiz	Spratt	Young (MO)
Owens	St Germain	

NOT VOTING—24

Alexander	Gephardt	Morrison (CT)
Anthony	Grotberg	O'Brien
Badham	Hall (OH)	Rodino
Boxer	Heftel	Rudd
Carney	Holt	Smith (IA)
Conte	Lujan	Vander Jagt
Evans (IA)	Marlenee	Wyden
Foglietta	Martin (NY)	Zschau

□ 1835

The Clerk announced the following pairs:

On this vote:

Mr. Badham for, with Mr. Gephardt against.

Mr. Zschau for, with Mr. Morrison of Connecticut against.

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. DASCHLE. Mr. Chairman, I rise in support of H.R. 4800, the omnibus trade bill of 1986, which was introduced by our distinguished majority leader, Rep. JIM WRIGHT. This legislation will send a long neglected message to our country's international trading partners: No longer will the United States be content to act as a doormat in world trade. No longer will countries be able to use the United States as a dumping ground for their surplus products. No longer will unfair trade practices against U.S. products be excused by our pursuit of the illusive goal of free international trade.

Quite frankly, it is a sad testimonial to our Nation's trade policies that this legislation is even necessary. It is regrettable that we need such a vehicle for sending a message to our trading partners. Perhaps even more regrettable is the fact that the administration, which steadfastly maintains that stronger trade measures are unnecessary, needs this legislative direction.

We are told to believe that the administration is adequately protecting our trading rights throughout the world. "Adequate protection" is not what pork producers in the Midwest feel when on a daily basis they see semitrailers

carrying live, imported hogs traveling the interstate highways. Nor is "adequate protection" the reaction of cattle producers when these same semis are seen carrying live cattle to slaughter in the United States.

Agricultural producers in South Dakota understand what this country's current trade policy has done to their industry and support tougher sanctions against unfair trade practices. When the grievances of the shoe industry, the textile industry, and the automobile industry are aired, Midwesterners can understand the pain. They can understand the damage caused by a "free trade policy" that provides a blank check to our trading competitors and shackles the domestic industry against which it competes. These individuals are not opposed to a "free" trade policy, as long as it is also a "fair" trade policy. The United States and its trading partners should be held to the same trading standards. That proposition does not exist in international trade today. H.R. 4800 acknowledges and addresses this unfortunate reality.

I commend the chairman of the House Ways and Means Committee. Mr. ROSTENKOWSKI, for the initiative he has taken in bringing this comprehensive trade bill to the House floor. As a member of the House Agriculture Committee. I also appreciate the fact that this committee was asked to make recommendations on the agricultural provisions of H.R. 4800. I would like to take a moment to comment on this important section of H.R. 4800.

When the omnibus trade bill was considered by the House Agriculture Committee, I offered an amendment which would require the President to take a tough, retaliatory trade response against those countries guilty of unfair trade practices against the United States. My amendment, which was unanimously adopted in committee, would have permitted the President to suspend these sanctions if the offending country agreed to stop their unfair practices, or provide producers in this country with reciprocal treatment. The provision finally adopted by the House Ways and Means Committee would also force the President to demand equal treatment in the international trading market.

The Agriculture Committee also agreed to a series of amendments addressing more directly the serious problem of imported cattle, pork, and lamb. The current meat import law, the Meat Import Act of 1979, basically defines only beef products as "meat articles" for definition under the import quota law. An amendment I offered would include all forms of live animals and processed pork under the "meat article" definition.

Also, the committee accepted an amendment I cosponsored which would place a 6-month moratorium on all beef imported from Canada, during which time the International Trade Commission must determine whether Canada is importing subsidized beef from the European Community in order to export their own beef supplies to this country.

As Members of this body might imagine, these two provisions were vehemently opposed by administration policymakers. Even though these amendments were not included in the final version of this omnibus trade bill, sufficient support has been generated within the livestock industries to ensure that this issue will be brought up for further consideration later this year.

The Ways and Means Committee did, however, accept a number of the Agriculture Committee's recommendations, including a provision which I sponsored with Congressman PENNY on the quality of grain being exported from this country and a provision requiring better import monitoring.

When farmers market dirty grain, they get penalized and receive less money for their product. When our grain exporters market their dirty grain, current grain standards allow them additional profit. There is great concern among farmers that the practice of adding dirt or dust reduces U.S. competitiveness in foreign markets. Some of our competitors—notably Canada—have stricter standards for grain exports than does the United States.

The grain quality amendment would protect the quality of grain exported from the United States. No foreign material, once removed, could be recombined, nor could foreign material of any origin be added to any grain to be exported which would result in reducing the grade or quality of the grain. The provision would also allow for adjustment of the moisture content of grain—blending not to exceed 4 percent.

H.R. 4800 also contains a provision on import monitoring. While import statistics are maintained on a continual basis, domestic production and consumption data that corresponds with import data is not maintained. This makes it virtually impossible to analyze the impact agricultural imports are having on the U.S. agricultural sector as a whole.

In an effort to answer the question: "To what extent are the levels of imports causing injury to U.S. farmers or to U.S. agriculturally related industries?", there is a need for designation of a lead agency to analyze and compile all existing data. My amendment gives the Secretary of Agriculture the responsibility for collecting and maintaining this necessary data.

In addition, to the above provisions. I was pleased that my colleagues on the Ways and Means Committee adopted a provision which will benefit our domestic ethanol industry. It puts our Nation in a position to finally close the door on heavily subsided Brazilian and Spanish wet ethanol imports coming through the Caribbean Basin. It closes loopholes that have allowed importers to evade duties on foreign-produced ethanol.

This bill is tough medicine for both our trading partners and administration policymakers. It mandates a response from administration trade policymakers that should come naturally and should not have to be legislated. It addresses a serious trade policy void that has been prevalent for all too long, a void that errs on the side of dropping our guard against our trading partners. All of this is done, of course, in the name of "free trade."

Let there be no mistake about the future of H.R. 4800. Administration officials have made daily policy statements against this bill. Nine Cabinet Secretaries and other high administration officials have told us that they will urge the President to veto this bill. And, for a President who went to the heart of the Midwest to claim that imports were not the farmers and ranchers problem, these officials will probably not have to work very hard to convince the President of the need to veto this bill.

Administration opposition will not alter the bottomline fact. We must open our eyes to this trading situation. We must tell our trading partners the "free ride is over." We must assure our domestic industries, whether it is agriculture, textiles, shoes, or any other, that we are not callous to the problems that unfairly subsidized imports have caused their industries.

This bill does that, Mr. Chairman. That is why I made the contribution to the agricultural section of this bill. That is why I strongly support this legislation.

Mr. FORD of Michigan. Mr. Chairman, I rise in strong support of H.R. 4800, the Trade and International Economic Policy Reform Act.

The time is now to take action to address our current trade problems. It is clear that the Reagan administration has failed to address our trade problems in a satisfactory manner. Our trade deficit has skyrocketed from $25 billion in 1981 to $148.5 billion last year. But instead of responding to our trade problems using the full force of our existing trade laws, the administration has done little more than negotiate with our trading partners. While the administration negotiates, however, American jobs and our manufacturing base are moving overseas.

Auto workers, steel workers, and small businessmen in my district know all too well the price of this trade deficit. Each $1 billion in our trade deficit costs the United States approximately 25,000 jobs. Since 1981, our Nation has lost 3 million jobs because of our trade deficit. The days are long gone when a young man or woman could get a job in an auto plant right out of high school, buy a new car within a year, and then think about buying a house and starting a family.

Of the 1.7 million in lost manufacturing jobs, the bulk are production jobs. In the auto industry, production worker employment is over 100,000 less than the 1978 level. At the same time, we tend to forget that managerial and other white-collar workers are also adversely affected by our trade problems. For example, in the auto industry between 1978 and 1985, one white-collar job was lost for every four blue-collar jobs. In addition to the 27,100 white-collar job loss in the auto industry during this period, Ford Motor Co. recently announced that it will eliminate up to 25 percent of its white-collar work force—13,000 jobs.

The administration continues to drag its feet on the trade crisis confronting the United States. Over $50 billion of our 1985 trade deficit is composed of trade with Japan. And nearly half of this amount consists of automobiles and auto parts. Yet, what has the administration done to address this problem?

During both the 97th and 98th Congresses, the House passed domestic content legislation. But, faced with adamant opposition from the administration, these bills were never reported by committee in the other body. Enactment of domestic content legislation would have provided import relief for our auto industry and, most importantly, its workers.

Instead, the only restraint on the import of Japanese cars is the voluntary restraint agree-

ment. Yet, the level imposed by the VRA has grown from 1.68 million cars in 1981 to 2.3 million this year. In fact, the Japanese exceeded the VRA in the year that ended in March by 4,000 cars.

The time for timid negotiations and unenforceable trade agreements is over. Now we need action. In my mind, H.R. 4800 does not go far enough in many respects. I recognize, however, that faced with the veto threats of the White House, there is only so far that we in the House can go.

Mr. Chairman, the product of six committees, H.R. 4800 addresses our trade problems in a comprehensive manner. I want to congratulate the Committee on Ways and Means for incorporating into its bill two provisions in particular that I view as crucial to addressing our trade problems.

First, H.R. 4800 will require the President to take mandatory action against our major trading partners that undertake unfair trade practices and have excessive trade surpluses with the United States. This provision would require the President to negotiate with certain nations to reduce their trade surpluses in 1987 by 10 percent from their 1985 trade surpluses with the United States and 10 percent in each succeeding year. If this provision were to take effect today, three nations—Japan, Taiwan, and West Germany—would be required to reduce their surplus with the United States. Clearly, action against these nations is warranted. Japan ran up a $51 billion trade surplus with the United States while both Taiwan and West Germany had a $13 billion 1985 surplus. If these nations fail to make this reduction, the President would be required to take a number of steps to reach this goal, including the suspension of trade agreements and the imposition of quotas and tariffs.

The second major provision of the Ways and Means bill would specify that the denial of internationally recognized workers' rights is an unreasonable trade practice. This would permit the President to take retaliatory action against countries which violate international labor standards such as collective bargaining, child labor laws, and health and safety standards. Korean and Taiwanese auto companies compensate their workers with pay and benefits at the rate of $1.75 per hour. These manufacturers are then able to undercut prices on American-built cars. While we cannot increase the wage levels of these nations, we can push them to recognize basic rights of workers.

In the area of steel imports, H.R. 4800 would put real teeth into their voluntary restraint agreements negotiated with 17 other nations and the EEC. Under the current system, these nations are able to circumvent the limits imposed by these agreements.

Other important provisions in this bill include a private right of action by a company to sue in the Court of International Trade for economic damages against foreign manufacturers or importers who dump products on the U.S. market. This will allow American manufacturers, such as steel companies, to be compensated directly for losses that they sustain from such practices.

H.R. 4800 also requires the President to take action against certain unfair trade practices. Under current law, the President has broad discretion whether to respond to unfair trade practices. The administration has refused to impose quotas and tariffs when these actions are clearly warranted, as in the footwear case.

I am an original cosponsor of legislation developed by the Education and Labor Committee that has become title V of H.R. 4800. Title V authorizes several education programs which would advance the knowledge and skills of current and future workers in areas that will enhance their productivity and competitiveness.

Up to $400 million is authorized to be distributed to State educational agencies that can select from among three categories of programs, depending upon individual State needs. Literacy programs authorized under this section address the needs of unemployed or underemployed individuals, displaced workers, and out-of-school youth to enhance their employability. Vocational education programs would focus on workers adversely affected by foreign competition to help them obtain and retain employment. The math, science, and foreign language addresses needs that are not being met under the Education for Economic Security Act.

$100 million is reserved for postsecondary education programs that would improve and expand foreign language skills of individuals as well as encourage a greater number of students both to enter the fields of and to become highly trained in mathematics and science. The education programs authorized under this bill are a modest attempt to help us compete more effectively both at home and in the global market.

Title V also creates two new training programs to assist trade-impacted companies and their employees. The first gives the Secretary of Labor authority to award grants for programs to retrain, counsel, relocate, and provide job search assistance to dislocated workers in industries which have been hurt by international competition. Assistance would be delivered to the dislocated workers much faster and more effectively than under the trade adjustment assistance program since once an industry is certified as trade impacted, there would be no need to certify particular firms or dislocated workers. This special trade-impacted worker program will provide $300 million above and beyond the funding authorized for training and job search assistance under title III of the JTPA.

The second program authorizes the Secretary to make grants to joint labor-management councils for 50 percent of the cost of upgrading the skills of workers whose jobs are at risk because of international competition. Rather than waiting until jobs are lost, the program will encourage employers and employees to take preventive measures to ensure the kind of high-quality, well-trained work force that international competition demands.

Mr. Chairman, I urge my colleagues to support this bill.

Mr. STAGGERS. Mr. Chairman, during the debate on H.R. 4800, the trade bill, I have heard many of my colleagues voice concern that this legislation is unnecessary and protectionist. I differ with both points.

If we were working with an administration that aggressively pursued a defined trade policy then I would agree. But the fact of the matter is that the administration has refused consistently to exercise any leadership or vision in this area. The fact is that we have no trade policy at all.

The Congress and American industry have been patient. We have given the administration nearly 6 years to formulate a trade policy. During this time American industry has taken every step at its disposal to make itself more competitive. But what have we received in return for our patience? Under this administration's "policy" we have traded jobs at home for a higher trade deficit. We have traded college educations, which might have been, for a higher trade deficit. And, for many, we have traded the American dream for a foreign car and a higher trade deficit.

This administration has effectively told the American worker to take a walk, and it has forced him to wear foreign shoes. As I speak today we see that 77 percent of the footwear market is composed of imports. The nonrubber footwear industry alone accounts for $5.3 billion of the total trade deficit.

If the administration won't uphold its obligation to the American worker and his family, then this body will. We believe that a fair opportunity in the international marketplace is a basic right.

To those who say that this bill is protectionist, I respond to the contrary. Indeed, the basis of this bill is that we enter into reciprocal agreements with our trading partners. Our goal is to foster free trade, growth, and opportunity in the international marketplace. Those who fear that this legislation will invite retaliation from our trading partners remind me of those who make sure to close the barn door after the horse has escaped. We are suffering retaliation today because we are without a trade policy. This legislation will move us closer together, not pull us farther apart.

Aside from those points, Mr. Chairman, I would like to emphasize two extremely positive aspects of this bill for West Virginia. First, I am especially supportive of the education and training measures within this bill. In fiscal year 1987 we provide $500 million to retrain American workers who are displaced from their jobs because we haven't had a trade policy. We provide another $500 million for literacy training, vocational education, and math and science training. These programs will be targeted to areas that have high unemployment and that have high rates of illiteracy.

The second provision that I wholeheartedly support will help West Virginia coal. This provision directs the President and the U.S. Trade Representative to negotiate an agreement with Japan under which Japan will import United States metallurgical coal in quantities equal to the amount used in the production of Japanese steel products that are exported to the United States. The President is directed to report the result of these negotiations to the Congress by November 1, 1987. The coal industry has suffered greatly because of unfair trade practices, and I am optimistic that this provision will provide badly needed relief.

Mr. Chairman, we are not here to ask for special breaks for special interests, we are here to ask for a fair break for the American worker. For 204 of our 210 years of our Na-

tion's existence the American worker has outproduced every nation on Earth and, given a fair chance, we will regain that prominence. Let's not allow 6 years of this administration's indifference to ruin 200 years of world leadership.

Mr. Chairman, this bill is good for West Virginia workers, its good for the American worker, and I urge a "yes" vote on final passage.

Mr. RAHALL. Mr. Chairman, I rise today in strong support of H.R. 4800, the Trade and International Economic Policy Reform Act of 1986. We must modernize U.S. trade laws. One only has to take into account our 1985 record breaking trade deficit of $148.5 billion—which far surpassed our 1984 deficit—to realize that U.S. trade policy has got to be revised. Our trade deficit has grown despite the depreciation of the dollar against other currencies, which theoretically should have helped ease the imbalance. Estimates of the number of Americans out of work because of the unfavorable trade balance vary from 1.5 million to as high as 4 million workers. Today, unemployment is the single most important concern facing my State of West Virginia. There, the unemployment rate, which although for the first time since 1982 is not the country's highest, is still in double digits. The enactment of this comprehensive trade bill will provide the crucial impetus to efforts to put our American industries and workers on a fair and even playing field with our competitors around the world.

There are several provisions in H.R. 4800 which I feel are especially important. One of these is the worker rights provision which is not a new proposal but an extension of existing trade law. These workers rights—the right to organize and bargain collectively, freedom of association, a prohibition on the use of forced or compulsory labor, a minimum age for children workers, and reasonable work conditions in regard to wages, hours of work, and occupational safety and health—are already in U.S. law in relation to the Generalized System of Preferences and the Overseas Private Investment Corporation. The denial of these internationally recognized workers rights must be defined as an unfair trade practice by the United States. I do not feel that it is at all unreasonable for us to require that our competitors grant their workers the same rights that we in the United States recognize without question as basic to our workers. This legislation would allow the President to take retaliatory action, including imposed higher tariffs and raising import quotas, against countries that violate international labor standards.

Of great importance to many industries, including the American specialty steel industry, is the provision which permits the imposition of duties against diversionary dumping. Diversionary dumping occurs when a foreign material or component is dumped in a third country market and then incorporated into a product being imported into the United States. Heretofore, U.S. industries have not been compensated for economic injury caused by dumping—this bill would allow U.S. firms and workers to file private lawsuits to recover damages related to imports for the first time.

H.R. 4800 provides much needed assistance to those who have been put out of work by foreign imports. The current administration's policy has been to ignore the retaining needs of these jobless Americans—only 7,000 people entered retraining programs last year and the administration wants to terminate these programs. This legislation streamlines and targets retraining more quickly to those industries hardest hit by imports and promotes computerized job banks to facilitate new careers and relocation where necessary. The bill also authorizes subsistence stipends to those being retrained.

H.R. 4800 contains a provision of great importance to the U.S. coal industry, section 176. This provision provides a sense of the Congress that the objectives of the November 1983 Joint Policy Statement on Energy Cooperation as it relates to U.S. exports of metallurgical coal to Japan have not been achieved and urges the President to direct the U.S. Trade Representative to negotiate an agreement with Japan under which that country will import quantities of U.S. metallurgical coal in amounts equivalent to Japan's market share of steel products imported into the United States.

With this provision, we are seeking reciprocity in the steel and metallurgical coal trade between the United States and Japan as metallurgical coal is an essential ingredient in steelmaking.

The Japanese have flagrantly ignored the commitment made to the United States in the Joint Policy Statement on Energy Cooperation as it pertains to metallurgical coals. In that statement, the Japanese were to maintain current levels of United States metallurgical coal imports and seek to increase their purchases from this country if conditions in their steel industry so permitted. While Japanese steel production has, in fact, increased since 1983, that country has nonetheless slashed the amount of metallurgical coal it purchases from the United States.

The inclusion of this provision in H.R. 4800 is intended to send a strong signal to the Japanese that we are calling their bluff and that we expect our agreements to be honored. The efforts on behalf of this provision by my friend RONNIE FLIPPO of Alabama and by the chairman of the Trade Subcommittee, SAM GIBBONS, are deeply appreciated.

Mr. MURPHY. Mr. Chairman, I rise today in strong support of H.R. 4800, the Trade and International Economic Policy Reform Act.

Contrary to reports we hear about the problems with American workers, by and large they are a patient and hard-working lot and only want a fair days pay for a good days work. During today's debate on trade, Congress would be wise to keep an ear tuned to our shops, mills and factories. Our wage earning constituents are telling us loud and clear that talk is cheap.

For too long, we have sat idle while the policies of this administration have devastated America's standing in world trade. As a result, since 1981 the United States' trade deficit has grown sixfold, from $25 billion to $150 billion. In just the last 2 years the trade deficit has doubled. In fact, with a net external debt of $101 billion, the United States is now the world's greatest debtor nation. Is this the kind of future we want to be planning for our children?

These sad statistics do not tell the whole story. The American worker, however, realizes the very real and serious consequences for our economy of these numbers. Export related jobs are down 25 percent. Over 2.3 million manufacturing employees have been displaced. And between 1979 and 1984, 11.5 million Americans joined the unemployment rolls because of plant closure, slack work or layoffs.

In my own district, statistical unemployment remains in double figures largely because imported steel has crippled America's steel and coal industries. Between 1980 and 1985, over 153,000 American steel workers lost their jobs. Yet, the Reagan administration ignored voluntary quotas and allowed foreign steel to double its market share. In 1980, imported steel accounted for 16.3 percent of the U.S. market. By 1985 the imported share had risen to 30.7 percent and climbing.

The result of our current national trade policy is that 8.4 million Americans remain unemployed. Another 7 million people are too discouraged to continue seeking employment and are no longer counted in monthly unemployment figures. Economic necessity has forced millions more to take jobs far below their ability or ambition.

Moreover, for many of those lucky enough to hold on to their jobs, a bitter price is paid. If you do work, you work for less. Since 1977, the average weekly earnings for U.S. production employees has fallen 9 percent. This severe erosion of our standard of living is shattering the hope of many hard-working Americans. For the first time in our history we have a generation coming into the work force who do not expect to live as well as their parents. What has happened to the American dream?

A careful, nonpartisan and responsible examination of economic reality in the last 5 years demands that we take a new direction in trade policy. With the Trade and International Economic Policy Reform Act, Congress has taken the first step in restoring America's place in the world economy. H.R. 4800 gives the United States the tools that it needs to reduce the enormous trade deficit and ensure America's competitiveness in world markets for years to come.

H.R. 4800 sends a clear message to our trading partners—we will no longer tolerate unfair trading practices and we will vigorously enforce U.S. trade laws. New guidelines for American trade negotiations establish that unfair labor practices abroad which give foreign producers a competitive advantage will be met with a swift and appropriate response. America will enjoy an enhanced ability to deal with many exploitive foreign labor practices that undermine U.S. products.

The bill strengthens America's export position and promotes world growth by giving the President new tools to open markets overseas and provides an opportunity for U.S. firms to adapt to new international competition.

Most importantly, Mr. Chairman, H.R. 4800 addresses the problems of American workers displaced because of trade. The act establishes programs of education and training designed to improve the competitiveness of American workers in international markets.

Only a committed investment in our human capital will ensure that the United States regains its place in the world economy.

Mr. Chairman, H.R. 4800 is a bill for the American worker. It rectifies the unfair and ill-conceived trade policies of the last 5 years by preserving fair and open trade among nations. The act would prod our trading partners to drop unfair restrictions on our exports and force others to end unjust labor practices that undermine worker rights everywhere. The message from our mills and factories is clear, trade legislation is long overdue and this bill deserves our unqualified support.

Mr. MANTON. Mr. Chairman, I rise in strong support of H.R. 4800, the Trade and International Economic Policy Reform Act of 1986. I want to commend the leadership for bringing this comprehensive trade reform measure to the floor of the House.

Mr. Chairman, the Reagan administration claims this bill will spark a trade war. I disagree. That war is already on and America is losing. Last year the U.S. trade deficit was a record breaking $148.5 billion and there is little relief in sight. American firms and workers continue to fall victim to the unfair trading practices and closed market policies of our foreign competitors. The Reagan administration has the tools to fight these unfair trade practices. Yet the President has refused to act. Under the Reagan administration, the U.S. trade imbalance has increased by a staggering 600 percent. More than 4 million American jobs have been lost. For the first time since World War I, the United States has become a new debtor nation.

Mr. Chairman, America must fight back. The administration's free trade rhetoric must be backed by tough action to eliminate unfair trade and to open foreign markets to U.S. goods. H.R. 4800 would require the President to retaliate against nations that have been found guilty of violating existing trade agreements or engaging in unjustifiable trade practices. The legislation would also require mandatory negotiations with any major U.S. trading partner that has built an excessive trade surplus over the U.S. based on a pattern of unfair trading practices or closed market policies. In addition, the legislation streamlines and modernizes existing trade law to strengthen our ability to fight unfair trade and promote U.S. exports.

H.R. 4800 also contains an important provision to combat the use of mixed credits by other nations. Mixed credits are a combination of official export loans sanctioned by the Organization of Economic Cooperation and Development [OECD] and low interest foreign aid loans or grants. The use of mixed credits by other nations places U.S. exporters at a severe disadvantage. Despite agreements to limit their use, some countries continue to offer mixed credits to help their exporters capture foreign markets.

H.R. 4800 would create a $300 million war chest to fight the use of mixed credits. However, I am concerned that funding for the war chest would come out of the limited funds available for Eximbank direct credits. Eximbank direct loans enable U.S. firms to successfully compete for export sales. It is vital to maintain the viability of the Eximbank Direct Credit Program.

Mr. Chairman, I strongly support the amendment offered by the gentleman from Washington [Mr. BONKER] that would make certain that our efforts to fight mixed credits do not detract from the Eximbank Direct Credit Program. Under the Bonker amendment, existing resources within the Agency for International Development would be utilized to support U.S. mixed credits.

Furthermore, the Bonker amendment would make the program more workable by requiring only a majority vote of the National Advisory Council [NAC] to authorize the use of mixed credits. The existing provision of H.R. 4800 would require a unanimous vote by the NAC to permit the use of mixed credits.

Mr. Chairman, we need to fight the use of mixed credits and I believe the amendment offered by the gentleman from Washington, [Mr. BONKER], takes the right approach.

Mr. Chairman, in closing I want to again commend the leadership for giving the House an opportunity to act on legislation designed to remedy our serious trade problems. H.R. 4800 will make certain that American firms and workers are given an opportunity to compete in the international marketplace on a level playing field. I urge my colleagues to support this important legislation.

Mr. OWENS. Mr. Chairman, workers' rights have developed over the last century in this country. It took years of struggle to establish basics such as a minimum wage, a limited workweek and the end to child labor. Other rights such as workers' compensation, unemployment insurance and health and safety standards came later. These rights were not gained without recognizing that the society as a whole would have to provide the means to make them a reality and that the society as a whole would benefit from decent working conditions for all.

The omnibus trade bill includes a workers' rights provision which extends section 301 of the Trade Act of 1974. In that act, three trade practices are declared to be unfair. They include denial of market access, denial of the opportunity to establish a business in a foreign country and the failure to protect copyrights, patents, and other intellectual property rights. The bill before us, H.R. 4800 would merely add to the list of unfair trade practices. The elements which would be added are freedom of association, the right to organize and bargain collectively, a prohibition on the use of forced or compulsory labor, a minimum age for the employment of children and acceptable conditions of work with respect to wages, hours of work and occupational safety and health. These provisions have already been included in the generalized system of preferences and the Overseas Private Investment Corporation requirements. They are nothing new.

How can anyone be opposed to an ending of child labor? Does it really matter whether we are talking about 10 year olds in Thailand or 10 year olds here? If one cannot find oneself opposed to the use of the labor of children, how can we realistically expect adult workers here to compete with the economically coerced labor of children abroad? The practical reality is that children who are viewed as an expendable resource to be used up in factories in other countries can invariably provide cheaper labor than adult Americans.

In the area of free association and organizing rights, it is clear that these rights also stand as a surrogate for voluntary labor. Workers who have no options but to work at subsistence wages where they cannot organize to improve the working conditions or the wages are, in a very real sense, forced labor. When their employers can rely on the power of the State to defeat any attempt to improve their lot, then we are really back to the issue of compulsory labor. Such labor will inevitably be cheaper than American workers.

How, one may ask, can we really know if wages are unreasonably low and working conditions are dreadful? One can simply compare the buying power of the wage in relation to the cost of living. For example, in Haiti, the daily wage generally falls between $2.50 and $3.50 per day. However, in Port Au Prince, the price of rice is 60 cents per pound when the cost in New York City is from 20 to 40 cents depending on the quantity and place of purchase. In the case of Thailand, it is not clear that the child workers are even paid, but rather that they are given rice and vegetables and a place to sleep in a storeroom.

The workers' rights provisions in H.R. 4800 do not impose American standards on workers or employers in other countries. They simply open the door to fair labor practices from which improvements in the conditions of work, wages and the end to child labor will result. These do not go as far as basic entitlements which American workers are generally given as a part of employment. They do not guarantee benefits such as health insurance or Social Security coverage. They simply allow workers to associate with one another, organize if they choose and play a role in the establishment of what the working conditions and standards will be. As such, they deserve our support. They will protect American workers as well as workers abroad who are currently unable to exercise any control over their own work situation.

I urge my colleagues to support H.R. 4800 and to defeat any attempt to delete the workers' rights provision of the bill.

Mr. FAZIO. Mr. Chairman, I rise in support of H.R. 4800, the Trade and International Economic Policy Reform Act of 1986.

I would like to commend the six committees, their chairmen and members for putting together this landmark piece of legislation. This bill represents the most comprehensive effort to reform and modernize our trade laws in years. I think the Congress, and indeed the Nation, owes a sincere debt of gratitude to Mr. ROSTENKOWSKI, Mr. GEPHARDT, Mr. GIBBONS, Mr. FASCELL, Mr. BONKER, Mr. ST GERMAIN, Mr. HAWKINS, Mr. DE LA GARZA, Mr. DINGELL, Mr. FLORIO, and all of the others who played a role in this effort, for bringing this bill to the floor.

As the author of H.R. 4226, the Competitive America Trade Reform Act of 1986, one of the first omnibus trade proposals introduced in the House, I am particularly pleased that the bill before us today takes a comprehensive approach to solving the very serious trade and competitiveness problems facing the Nation today.

H.R. 4800 offers a comprehensive, growth-oriented solution to the trade crisis. It offers a concerted and coordinated trade policy that calls for action on a broad array of fronts. It recognizes that no single action alone can reverse the trend of expanding trade deficits. And, it reflects the reasoned view that it's not enough to rely on free markets as the Reagan administration has advocated.

Since 1981, the U.S. trade deficit has nearly quadrupled, and the current account balance has plummeted from plus $6 billion to minus $110 billion. Over 1.7 million manufacturing jobs have been lost, and roughly half a million farms have been forced to foreclosure. The administration's blind faith in free trade has meant a sustained pattern of foreign capture of both our domestic markets and our foreign markets. And, as millions of American jobs have gone overseas, it is unconscionable that the administration has slashed export promotion programs, rejected existing authority to fight unfair trade practices, and tried to eliminate assistance to trade-dislocated workers.

Faced with an overwhelming call for action on the trade front, primarily from this Chamber and the authors of this bill, the administration has been prodded into taking a few responsible steps toward addressing the trade problem. The administration has stepped up efforts to enforce some of our existing trade laws, and Treasury Secretary James Baker III's initiative to devalue the dollar through the group of five meeting at the Plaza Hotel in September of last year continues to show considerable promise. To those who claim we act with purely partisan motives here today, the record shows we have all applauded Secretary Baker's more realistic, pragmatic approach. The administration should continue these efforts. But clearly more must be done if we are to put the brakes on the trade deficit which raced past $148 billion last year and is still gaining speed.

H.R. 4800 offers a concrete solution. It doesn't address our trade deficit by closing the world out. Critics to the contrary, this is not a protectionist bill. It seeks to make American businesses and workers winners rather than losers by enhancing U.S. competitiveness and opening up new markets for U.S. goods and services.

As in my proposal, H.R. 4800 builds on recent efforts at bringing down the dollar. It mandates intervention in the currency markets to stabilize the value of the dollar at a competitive level and directs the President to initiate new international negotiations to achieve long-term reform of the international monetary system.

We should never go back to fixed exchange rates; but we can reach multilateral agreements to prevent the extreme distortions that have recently plagued the world's currency market. Already there are political rumblings in Japan about a stronger yen. We must act now to head off turmoil in monetary values. New agreements on monetary stability can also prevent a war of competitive currency devaluations—a dangerous prospect that becomes more of a concern as the dollar falls against a broader range of currencies. It was just this kind of beggar-thy-neighbor monetary competition that sent the world economy into a downward spiral in the 1930's.

The bill also calls for a more active defense of America's trading rights. It calls for a new round of trade negotiations so that we can expand international trading rules to cover farm products, high-technology and services—key American industries that now are at the mercy of foreign governments who subsidize their exports and foreign industries who dump their products on our shores.

An activist trade policy, such as that which is called for in this bill, is founded on a recognition that our economic security is as urgent a priority as our national security. Far too often, the President has waited to take action on trade disputes until the political heat became unbearable. That strategy may have protected the administration's political security, but it has done nothing to protect the economic security of our farmers, microchip producers, and steelworkers. We need trade sanctions that take effect—not when the President's polls begin to drop—but as soon as our trading rights are violated. That's the kind of approach offered in this bill.

H.R. 4800 also recognizes that we must start investing in our factories and our people if we are going to win the global competition. Protectionism cannot improve the quality of American cars or computers. But major investments in basic research, technical training, and education can. The Government must also work to foster better cooperation between industry, labor, and public institutions at all levels. The bill addresses both of these needs. It includes funding for a variety of education and training programs to enhanced the competitiveness and productivity of our work force. And, it creates a Council on Industrial Competitiveness, a 16-member panel to help identify needed changes in Federal policy to promote the efficiency and resourcefulness of U.S. industries.

The bill also gives workers and firms an opportunity to adapt to foreign competition. Jobs will still be lost due to foreign competition, but H.R. 4800 recognizes that a humane enlightened Government must facilitate the transition to new employment opportunities for workers in industries which are unavoidably dislocated by foreign competition. Starting over will not be easy for those who have to go through retraining, wrenching change rarely is, and Government must do its share to make that transition attainable. In the final analysis an open economy will not long remain so if those who are thrown out of jobs are given a lecture on the virtues of free trade rather than the skills to regain their economic independence. We offer more. This bill offers a revitalized and expanded program of training and employment assistance to trade impacted workers, including farmers.

Finally, the bill recognizes the need to stimulate demand for American products in developing countries. Those nations once absorbed 40 percent of our exports. But a heavy burden of international debt has crushed the ability of many of these nations to "buy American." The bill takes steps to ease the recessions and debt crises which plague these nations, which in turn will allow us to boost our exports, particularly agricultural commodities, while improving the climate for democracy and human rights in Latin America and elsewhere.

H.R. 4800 fills the void, the vacuum that had existed until very recently in the administration's policy, and represents an effort to put in place the effective instruments we need for the creation of a cohesive trade policy and an agenda for competitiveness. Some provisions may be in need of some adjustment. But clearly we need to establish the ground rules for America's growth and competition in the world marketplace for the next half century, and this is a constructive step toward that goal.

Mr. OBERSTAR. Mr. Chairman, the principal purpose of trade legislation should be to reverse the trend during the last several years of annual deficits that have mushroomed from $26 billion in 1980 to $148.5 billion in 1985. We have accumulated $400 billion in total trade deficits over the course of the Reagan administration, and the administration's refusal to acknowledge the drastic consequences for our domestic economy of this massive trade imbalance suggests there is little hope for relief unless Congress acts on H.R. 4800, the Trade Reform Act.

The administration has been largely unsuccessful in attempting to persuade our trading partners to open their markets to U.S. goods in the same manner that we open our markets to their products. It is clear to thousands of U.S. workers who have lost their jobs to imports that the simplistic and one-sided free trade policy of recent years has failed and that the victims of that failure are U.S. workers, industry and agriculture.

These facts alone indicate why we are here today. The administration has defaulted on its obligation to provide for the domestic trade economy, and the Congress must now reclaim its constitutional authority in foreign trade matters and clearly establish a fair trade policy for the administration to follow.

A careful study of U.S. trade practices reveals commonsense measures that should have been made integral parts of U.S. trade policies at the outset—policies that are only now being taken seriously. These measures include provisions to deal with nations which abuse or exploit workers' rights, and nations choosing to operate with export surpluses.

These important factors, the same ones the gentleman from Illinois proposes to eliminate, are not only important to rectify gross trade injustices, but they also force other nations to upgrade themselves to 20th-century standards. Child labor, sweatshop conditions and exploitative wages belong to this Nation's past. America's refusal to insist that our trading partners respect minimal workers' rights undermine all that progressive labor laws have achieved for workers in the American marketplace and which domestic industries adhere to and that refusal gives foreign competition an unfair advantage based upon exploitation of their work force.

While the United States has no authority to force other nations to adopt our work codes, we do have the option of imposing consequences upon those nations which permit exploitative measures as a means of reducing the labor costs of their goods, which then can be sold in the United States at prices much below domestic prices.

Our imports of labor-intensive products have not helped to promote human rights or raise living standards for workers overseas. In fact, income distribution in the Third World has become less equitable, with the poorest people now 10 to 20 percent worse off than they were 25 years ago.

In developing nations that rely on labor-intensive exports, dictatorships of the right and left keep wages down and keep the work force in line. They do this with the knowledge that other nations are eager for their products and will allow these inhumane practices to continue.

And yet we continue to allow these products into our country, products that we would not allow to be produced here under such conditions. American workers and industries who play by the one-sided rules of free trade come out the losers to their competition in nations which choose to operate in total disregard of labor standards we adopted decades ago.

But aside from these humanitarian reasons, economic sense tells us that cheap labor elsewhere means cheap imports on the U.S. market, which means inability of U.S. goods to compete. Current law and trade policy require our industries to compete under these conditions, to the detriment of our principles, our jobs and our industrial base.

We are not trying to dictate standards of workers' rights throughout the world. We are trying to end the unfair advantage foreign goods enjoy through the exploitation of their workers. These provisions of H.R. 4800 make guilty nations accountable for their practices by defining violations of internationally recognized labor rights as an unreasonable trade practice subject to retaliatory measures by the United States.

The Crane amendment would eliminate the requirement in this bill for negotiations with major trading partners determined to have an excessive trade surplus as the result of unjustifiable trade policies. These negotiations would seek to reduce the 1987 surplus 10 percent below the 1985 surplus, and to cut the surplus an additional 10 percent below the previous year's surplus for subsequent years.

Opponents to this provision claim that the administration is already aggressively fighting unfair trade practices by negotiating market-opening agreements and through GATT negotiations. But look at the track record. The plain and simple truth is the administration's attempts to reverse the trade imbalance just aren't working; their actions appear mere tokenism.

A case in point is steel. The domestic steel industry has been devastated by a surge in imports since 1980. In that year the value of domestic steel shipments was $30.7 billion. Last year domestic steel shipments were valued at $24.9 billion. Foreign imports in 1984 accounted for a historic annual high of 26.4 percent of the U.S. market. Last year, imports took 23.2 percent of the domestic market which is far short of the President's own target.

Clearly, imports are largely responsible for the devastation of American industry. In my own district, the Mesabi Iron Range will employ some 6,000 iron ore miners this year. In 1980 these same mining operations employed 15,000 workers.

Two years ago this body came very close to enacting the Fair Trade in Steel Act, which would have imposed mandatory quotas on steel and iron ore imports. The President interceded at the last hour, asking for authority to negotiate voluntary restraint agreements, with a goal of reducing imports to 18.5 percent of the domestic market. Congress dropped the quota bill, passed the VRA authority, and a year and a half later we are a long way from that target.

In fact, as the period for negotiated settlements draws to a close, it does not appear likely that we will even come close to the President's own modest goal. The most recent indicators reveal that imported steel accounted for 23.2 percent of the domestic market. The voluntary approach just plain doesn't work.

The failure of the VRA program is only one indication of the administration's dismal trade track record. We have been patient but we cannot afford to be patient any longer. Our trading partners have indicated no willingness to adjust their markets to our grievances—and why should they? Until the United States indicates its dissatisfaction with current practices and takes a tough stand against them, there is no incentive or practical reason for nations to reevaluate, much less change, their trade practices.

The provisions opposed by the Crane amendment are the heart and soul of the trade bill. Without workers' rights language and export surplus provisions, violating nations will continue to operate virtually unscathed. And we will have failed our obligations to American industry and to American workers by failing to enact legislation that effectively addresses one of the worst inequities in current trade practice.

Mr. DOWNEY of New York. Mr. Chairman, I want to express my strong opposition to the removal right provision in H.R. 4800, which would restrict imports of Canadian lumber and other wood products.

If you ask the proponents to defend this provision, they tell you that Canadian timber is subsidized by its Government. They also argue that Canadian timber is less expensive that United States timber. And, they claim that without restrictions on imports of Canadian lumber, American jobs will be lost.

These are all appealing arguments. If I did not know the facts, I, too, might support the removal right provision. Fortunately, I do know the facts.

I know that the question of whether or not a subsidy exists on Canadian timber has been exhaustively debated since 1982. The International Trade Commission and the U.S. Department of Commerce agree that under current law, no substantial subsidy exists.

I know that the Department of Commerce examined the cost differences between Canadian and United States lumber in a wide-ranging study. The Department concluded that it would be "arbitrary and capricious" to compare stumpage fees in the two countries.

There are also jobs studies that show that this Nation will lose more jobs with the removal right provision than without it. One estimate is that 27,380 jobs will be lost if this provision becomes law, more than 2,600 jobs in my State. These are workers in industries that use or transport Canadian lumber. And New York is not alone. Forty-six States will lose jobs if this provision becomes law.

The removal right provision in H.R. 4800 should be opposed by anyone who cares about the American worker, business owner or consumer. If the proposed change in the law were to take effect, the higher cost of Canadian lumber in question would be passed through the entire wood-using economy. From the forest to the homebuilder company, from the lumber company to the hardware store, from the sawmill to the morning newspaper, higher prices will have to be paid all along the way.

The consumers of wood products will lose, too. The cost of the average home will rise by several thousands of dollars. The National Association of Home Builders estimates that for every $1,000 increase in the cost of an average home, more than 300,000 families are priced out of the housing market.

Mr. Chairman, the removal right provision does not belong in this important piece of trade legislation and I am sorry that there was no opportunity provided under the rule to consider it alone. If there had been, I would have voted to remove the removal right provision. Our bill is supposed to help American workers and consumers—not hurt them.

Mr. BEDELL. Mr. Chairman, today I rise in support of the omnibus trade bill of 1986, which represents the most comprehensive effort to reform and modernize our trade laws in years. If approved, this measure will enact needed and extensive changes in U.S. trade practices, and policies. While I am in support of such changes, I do so with certain concern because of a provision that will amend the tariff schedules of the United States to allow the importation of fur skins from the Soviet Union. In my view, it is unfortunate that the authors of this legislation apparently did not take into account the possible adverse effects that this particular provision could have upon our domestic fur industry.

In its present form, this provision will lift a 34-year-old ban on the importation of seven wild furs from the Soviet Union. The furs included are: Kolinsky (Asian mink), muskrat, ermine, fox, weasel, marten, and mink. Four out of seven of these furs are produced in this country, both in the wild and by ranching operations. In this regard, it is important to note that each of these domestic operations are part of a thriving billion-dollar U.S. fur industry. With the introduction of Soviet furs into the United States market, it is possible that there will be a deleterious impact on the United States fur industry. For example, we know that the Soviets produce approximately 13 million mink pelts per year. Of this amount, the Soviets export 4.25 million or 25 percent of those pelts to other countries. Although the amount of mink pelts exported from the Soviet Union may not seem damaging to United States fur markets here and abroad, we must consider that, with added access to the United States market, the Soviets easily could obtain an advantage over United States producers by increasing their exports and flooding the United States market.

Clearly, it is in the best economic and national security interests of the United States to establish strong bilateral trading relationships with all nations, including the Soviet Union. Administration officials have noted that "peaceful trade" with the Soviet Union represents the first step toward global stability and a better working relationship with the Soviet Union which will benefit both of our nations. While I firmly support a strengthening of such trade, I do not believe there has been sufficient research made to make an accurate analysis of the possible negative impact on the U.S. industry if the ban on furs is lifted. With only limited knowledge of Soviet industry and trade policy, we endanger a part of our domestic industry, only to perform an act of good will.

In conclusion, although it is important to keep a strong bilateral trade relationship with the Soviet Union, we should not needlessly sacrifice our domestic industries to make symbolic gestures to it or any other country. We must be fully aware of the possible effects of our actions on our national industries and, as such, the long-term health of the U.S. economy. Finally, I shall lend my support to passage of this legislation as a result of its many merits which will reconstruct and strengthen our trade policies and abilities to compete more effectively. Hopefully, this legislation will maintain America's role as a leading industrial power. Nevertheless, it remains my hope that problems affecting United States-Soviet fur trade will be better addressed either by Congress or by Executive action before, not after, any damage to the United States fur industry is evidenced.

Mr. MOLLOHAN. Mr. Chairman, I rise today in support of H.R. 4800, the Trade and International Economic Policy Reform Act.

This is a good bill. No one here will argue that it is a perfect bill, but, considering the complexity of the issues involved and the divergent views of this House, it is an excellent package.

Opponents of H.R. 4800 argue that it is intended not so much to solve our trade problems as to embarrass the President. This is incorrect: The trade policy of the President—when he finally got around to claiming one—is sufficiently embarrassing without any assistance from the House of Representatives. The credit there is all his.

Opponents also argue that the bill is, in the words of Clayton Yeutter, "Festooned with special-interest provisions," and "measures that are pure protectionism." Well, yes, there are special-interest provisions: H.R. 4800 takes a special interest in the damage unfair foreign subsidies have caused our steel industry; it takes a special interest in the damage unfair—not to mention inhumane—foreign labor practices have caused our textile and shoe industries; it takes a special interest in foreign companies' predatory targeting of our telecommunications industry. I'm glad the bill's sponsors took this special interest in these industries when they drafted the package. Frankly, it's about time someone took a special interest in these problems.

Are these measures "pure protectionism?" No. Indeed the prevalent theme throughout this wide-ranging bill is that it is designed to enhance our ability to react to other countries' unfair trade policies. The United States does not have a first-strike trade policy and this bill will not establish one: It merely improves our defensive posture. This theme is overlooked by the bill's opponents.

The Rostenkowski-Gephardt provisions, for instance, are described by Clayton Yeutter as requiring "an annual 10-percent reduction in our bilateral trade deficits with Japan, Taiwan, and West Germany, through unilateral tariffs or quotas if necessary." Sure, that sounds overtly protectionist, but Ambassador Yeutter ignores the qualifying language of the provision, which would mandate the reductions only for countries that "maintained a pattern of unjustifiable, unreasonable, or discriminatory trade policies or practices." In short, we would demand these trade concessions only after a demonstration of unfair foreign trading practices.

Section 301 of the 1974 Trade Act authorizes retaliatory action against unfair trade practices. H.R. 4800 facilitates the process and expands the concept of unfair trade practices to include industrial targeting and deprivation of internationally recognized labor rights. While the latter criterion is admittedly controversial, I believe it does constitute an unfair trade policy, giving the United States an economic justification to retaliate as well as imposing upon us a moral obligation to further the quest for workers' basic rights.

H.R. 4800 amends the section 201 escape procedure, transferring authority to make final decisions on whether an industry has been hurt by imports from the President to the U.S. trade representative. As the trade representative serves at the behest of the President, I'm not sure how effective this change will be, but, considering that for every two times a President has upheld an ITC finding of import damage since 1975, he has rejected three more; it is at least a step in the right direction.

So-called diversionary dumping, where an exporter dumps its products in the United States via a third country to evade our present antidumping laws, is patently unfair. Again, the bill's prohibition of this practice simply places the United States in a better position to defend itself from predatory foreign trade policies.

The same is true of provisions protecting the United States from natural resource subsidies. Is it fair for the Mexican Government to sell Pemex crude oil to its carbon black industry at $2 a barrel when a carbon black plant in my district has to buy oil at the world market price? Notwithstanding the recent drop in the price of oil, the Mexican carbon black industry has a distinct—and unfair—advantage over the West Virginia company.

Other sections of the bill increase the ITC's ability to react to foreign corporations' confiscation of U.S. trademarks, patents, and copyrights, and direct the trade representative to negotiate open markets for the American telecommunications industry.

I cannot overstate the case, Mr. Chairman. These provisions, all of them are defensive in nature. They would give the United States a defense not against simple foreign competition—the American worker needs no defense from that—but against unfair foreign policies. The American worker and manager can successfully compete against their counterparts from any part of the globe, but they cannot be expected to compete alone against foreign competitors who are actively and aggressively supported by their government.

Mr. FRENZEL. Mr. Chairman, one example of a protectionist giveaway to a U.S. industry in H.R. 4800, the omnibus trade bill, relates to hogs and pork products. This section of the bill passed in our committee without adequate hearing or attention.

Section 132 of H.R. 4800 would amend the definition of "industry" in certain antidumping and countervailing duty investigations involving processed agricultural products, and permit the International Trade Commission to combine farmers and processors into a single industry for purposes of the injury test. As written, the amendment applies to all of agriculture, but it is clearly targeted at imports of fresh, chilled, and frozen pork from Canada. An association of United States hog farmers has already secured countervailing duties on imports of live hogs from Canada, and now seeks duties on Canadian pork imports, even though such imports constitute only about 3 percent of United States pork consumption.

Proponents of section 132 argue that the legislation will close a loophole in existing law. They claim that, in the absence of duties of Canadian pork meat, the Canadians are circumventing the duties on live hogs by slaughtering the hogs in Canada and shipping them to the United States as pork. But the statistics do not support this claim.

Since the final countervailing duty order on live hogs from Canada was issued last August, these imports have fallen precipitously. According to the Department of Commerce, Canadian hog imports averaged about 139,000 head per month during January–July 1985, but fell to just over 51,000 head per month during August–December 1985. And, in the first quarter of 1986, imports averaged less than 49,000 head per month, in contrast to an average of over 180,000 head per month during the first quarter of 1985. This decline in average monthly imports during the first quarter of 1986 compared to the first quarter of 1985 is the equivalent of over 22 million pounds of fresh, chilled, and frozen pork per month.

This decline in hog imports has not been offset to any significant degree by an increase in imports of pork meat. Imports of fresh, chilled, and frozen pork from Canada during August–December 1985 averaged just over 1 million pounds per month higher than in January–July 1985. Similarly, in the first quarter of 1986, pork imports averaged just over 1 million pounds per month greater than in the first quarter of 1985. Hence, only about one-twentieth of the decline in hog imports has been offset by an increase in pork imports. The perceived threat of product-shifting from live hog imports to pork imports simply has not materialized.

Not only is section 132 unnecessary to protect American hog farmers from increased Canadian pork imports, but it also appears to violate the GATT. The Trade and Tariff Act of 1984 contained a similar provision which combined grape growers and wine producers into a single industry under the antidumping and countervailing duty laws. A GATT panel deter-

mined earlier this year that this 1984 legislation is inconsistent with the GATT antidumping and subsidies codes. In light of this decision, it is doubtful that legislation to combine hog farmers and pork packers into a single industry could survive a GATT challenge. The passage of such legislation only invites retaliation by our trading partners.

Another, perhaps greater, danger of the legislation is the possibility that other nations may adopt similar policies with respect to U.S. exports. The premise of the allegation that Canadian pork imports are subsidized is the claim that Canadian Government programs for hog farmers bestow indirect subsidies on pork packers. If the United States imposes countervailing duties on that basis, what is to prevent other nations from determining that U.S. farm programs, which cover a wide range of agricultural commodities, bestow indirect subsidies on U.S. agricultural processors and their exports? Duties on a variety of processed agricultural exports could result.

In sum, the passage of section 132 would pose a significant risk to U.S. agricultural exports, and the arguments in favor of section 132 are simply unconvincing. The proposed change in the antidumping and countervailing duty laws does not appear to be in the best interests of the United States, and would only complicate our trade relations with Canada at a time of important and sensitive trade negotiations between the two countries.

Mr. CRANE. Mr. Chairman, I rise today to express my opposition to the removal-right provision of H.R. 4800 which is designed to restrict imports of Canadian lumber and other wood products.

My opposition to this legislation springs from a philosophical aversion to protectionism as well as a very practical concern about the impact that such restrictions will have on our economy.

In a 1983 countervailing duty case, the U.S. Department of Commerce completed a wide-ranging study of the lumber industry in both countries and concluded that it would be "arbitrary and capricious" to compare stumpage fees in the two countries. The Department held that the timber-pricing policies in Canada did not constitute a subsidy under international trade rules.

Now, the U.S. timber industry wants to amend countervailing duty laws to redefine "subsidy" in a blatant attempt to overturn the outcome of the 1983 CVD case. The removal-right provision would virtually guarantee the United States industry a subsidy finding of at least 30 percent against Canadian lumber imports.

My colleagues who support this provision suggest that all they are trying to do is give the Department of Commerce some guidance in defining subsidy cases in future years. They think that the Commerce Department made the wrong decision in 1983 and want to help it make the right one in the future.

But, Mr. Chairman, what I want to know is why we're amending our CVD laws to fit the needs of the U.S. timber industry when the industry feels comfortable filing a CVD under current law.

The U.S. timber industry filed a new CVD case on this past Monday, May 19. Apparently, it is confident that it can win a new case without this amendment to CVD laws. So, why are we bothering with it?

The removal-right provision targets our best trading partner, Canada. Passing legislation that would result in high tariffs on one of Canada's most important exports to the United States would create long-term tensions between our two countries and could derail free trade agreement negotiations now under way.

I urge my colleagues to oppose the removal-right provision of H.R. 4800. I will continue to oppose it, should we go to conference with the Senate on a trade bill.

Mr. BROWN of California. Mr. Chairman, I rise in support of H.R. 4800, the Omnibus Trade Bill of 1986. In the past, I have been reluctant to support protectionist trade measures because I believe they are only short-term solutions at best. Lately, though, this avoidance has slowly begun to erode.

Since 1981, the U.S. trade deficit has grown enormously—from $25 billion when the Reagan administration took office, to nearly $150 billion in 1985. In just the last 2 years, the trade deficit has more than doubled. So far, our trade deficit has cost America some 2.2 million jobs. Recent news reports and special documentaries have vividly depicted the plight of workers who have lost jobs due to the mounting trade imbalance. It is apparent that whatever trade policy the administration has ostensibly formulated, it has not been effective.

The huge trade deficit has had dramatic consequences for American firms and workers. Manufacturing has been hit particularly hard, with the loss of an estimated 2 million jobs due to imports. Even the traditionally strong export industries—agriculture, high technology, and services—have suffered substantial losses. Agricultural exports have fallen from $25 billion in 1981 to just $7 billion in 1985.

Our businesses and our workers simply cannot compete against those countries that erect trade barriers. They cannot protect themselves against those countries who practice foreign industrial targeting, who close their markets to American products, and whose governments subsidize and dump their products on the American consumer. But our workers and businesses don't want protectionism; what they want is fair access to foreign markets. H.R. 4800 is the tool needed to ensure fair access to these foreign markets. It will compel our trading partners to play by the rules.

If adopted, the omnibus trade bill will set new guidelines for American trade negotiations so that unfair trade actions will be promptly met with an appropriate and tough American response. It will improve our country's ability to respond to a wide variety of unfair trade practices by mandating that the President take action in clear cases of foreign violations of existing trade agreements and unjustifiable trade practices.

Unlike many of the other 300 trade bills introduced during this session of Congress, the omnibus trade bill has been carefully drafted to avoid overly protectionist measures. Rather, it targets only those countries who are guilty of practicing unfair trade actions.

I can sympathize with my colleagues who feel compelled by their constituencies to support protectionist legislation. Recently, the Kaiser Steel plant in my district was forced to close its doors. Kaiser Steel, in its prime, employed over 8,000 people. It experienced many of the same difficulties the rest of the domestic steel and manufacturing industries faced: primarily, damaging governmental subsidies of foreign steel production by exporting countries and dumping.

But, during the summer of 1984, the Kaiser plant was bought by California Steel and has been renovated and reopened. Currently, it is able to employ 800 people. Now, however, the plant faces a different problem; it needs slab steel for production but it is not available at reasonable prices on the domestic west coast market. It is economically feasible for it to import from foreign countries.

I also hesitate to take an overly protectionist stance on trade because of the high volume of California exports, particularly agricultural products. I can, however, support H.R. 4800, because I don't believe it is protectionist legislation. What it is, is a comprehensive piece of legislation which sends a clear signal to our foreign trading partners—play fair. It attempts to resolve such complex issues as the overvalued dollar, international competitiveness, and export promotion and control.

This trade legislation is not aimed at eliminating competition, but at eliminating unfair trading practices. It is by no means perfect, but it is far superior to the present laissez-faire trade policy of the Reagan administration. I urge my colleagues to support this legislation, and send a message to the administration that something must be done—and done now.

Mrs. COLLINS. Mr. Chairman, I am honored to join my colleagues today in speaking in support of H.R. 4800, the Trade and International Economic Policy Reform Act of 1986. Today, America faces a crisis—a crisis so profound that it threatens the future of countless generations. The economy of our Nation is under attack from the unfair trading practices of other countries. Over the past 5 years, our trade deficit has jumped from a record $40 billion in 1981 to $150 billion in 1986. This trade deficit is being felt throughout our society, with crippling results for many economic sectors.

Everybody knows that our steel industry produces a world-class, quality product, yet it is losing its market to the unfair competitive practices of overseas firms. For example, specialty steel mills have updated their factories, restructured their internal organization, and renegotiated labor contracts in order to maintain competitiveness, but, in spite of these efforts, European producers dumped 247,000 tons of stainless sheet and strip steel products on the United States in the first quarter of 1986, usurping 23.8 percent of the domestic market. This was done in a concerted effort to undercut American manufacturers and in direct violation of negotiated trade agreements.

The story is similar regarding our telecommunications industry. U.S. systems have traditionally been regarded as the finest in the world and our computer manufacturers have grown into a substantial industry of enormous importance to our balance of trade. Now, they too are threatened. Foreign competitors have copied American technology and used it to diminish our market share. We could accept this

if we had that level playing field, but they have used their underpaid labor force to gain an unfair advantage against the U.S. industries which provided them with their technological head start.

Not only is this unfair competition destroying our industry, but it is stealing American jobs and moving them overseas. American workers are the most productive in the world. They built this Nation into an economic dynamo with their sweat and hard work and have been rewarded with one of the highest standards of living in the world. And yet time and time again, foreign competitors have undercut the American worker through unfair labor practices often. Their laborers are underpaid, many impose substandard living conditions on their workers, and some even resort to forced labor. There is no way that our industries can compete against such practices and I doubt if there is anyone in this Nation who wants to reduce the standard of living of our work force to the economic dictates of others. Instead, we have to force our foreign competitors to vie with us on the high level that we have established.

The Trade and International Economic Policy Reform Act of 1986 accomplishes this goal. This bill gives us the tools it needs to lessen our enormous trade deficit, to insist that foreign producers compete in a fair manner, and to protect important American jobs.

President Reagan has denounced this bill as protectionist legislation. In my opinion, such a view is patently untrue. H.R. 4800 has been carefully designed to instill fair trading practices among our competitors. The trade policies of the current administration have been misguided and naive, leaving America ill-equipped for the challenges of the competitive market of the modern world. Industry and labor are doing their part. They are taking the difficult steps necessary to revitalize U.S. industry, now Government must do its part. We can no longer bury our heads in the sand while the rest of the world surpasses us. The President should wake up to the realities of the world and respond accordingly. H.R. 4800 provides the vehicle for this response.

This legislation also gives our trade negotiators the tools they need to effectuate a realistic, positive, sturdy, growing economic system enhanced with the ability to respond to unfair trading practices with tough sanctions. It mandates Presidential action in clear cases of foreign violations. It also speeds American responses to violations, sending the clear message internationally that we will no longer tolerate unfair trading practices. Therefore, H.R. 4800 will promote free and open trade among all nations and strengthen worldwide economic growth.

I want to emphasize two sections of the bill that I feel are of particular importance: the establishment of education and training programs (title V) and the regulation of the telecommunications trade (title II). I have worked closely with my colleagues in committee to help produce these two critical sections. The education and training programs to be instituted under title V would give American labor the resources to remain competitive. Subtitle A of this legislation authorizes $500 million in fiscal 1987, providing programs for workers' continuing education. Programs would be funded through State education agencies [SEA] and would support literacy training, vocational education, and education in mathematics, science, or foreign languages. Under subtitle B, $500 million would be provided for training and employment assistance on an industry-wide basis to workers in industries, including farmers, adversely affected by trade. The combination of these programs will allow our workers to maintain their competitiveness and insure that they remain the most productive in the world.

Title II, International Trade in Telecommunications Products and Services, is designed to allow the American telecommunications industry to regain its competitive role. In spite of our technological lead, American industry's share of the world market has been slipping in recent years. This is the result or practices of other nations, which prohibit or limit American sales while taking advantage of lenient U.S. trade laws to compete in our domestic market. Title II would remedy this problem by requiring an investigation of foreign trade practices to identify barriers to U.S. firms, calling for negotiations to remove these barriers, and establishing countermeasures in the event that they are not removed. Title II will give new life to our telecommunications industry and restore its competitive lead.

These two programs represent just parts of the most comprehensive trade bill that this body has produced. Six committees labored in concert to develop a truly integrated fair-trade program. The Omnibus Trade bill will return America to industrial competitiveness, allow our workers to increase their productivity, and insure that our Nation will once again compete in a fair international market. I urge all my colleagues, on both sides of the aisle, to join with me in voting for H.R. 4800. Let's establish fairness and openness in international trade.

Mr. ROSTENKOWSKI. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. HUGHES] having assumed the chair, Mr. BEILENSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4800) to enhance the competitiveness of American industry; and for other purposes, had come to no resolution thereon.

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT WHILE HOUSE IS IN SESSION TOMORROW, MAY 22, 1986

Mr. LUNDINE. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology be permitted to sit while the House is in session tomorrow.

This request has been cleared with the minority members of the committee, I understand. It is for a markup of the National Bureau of Standards and the National Science Foundation bills.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

INTRODUCTION OF JOINT RESOLUTION TO COMMEMORATE LAST VOYAGE OF THE "PRIDE OF BALTIMORE"

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks)

Mrs. BENTLEY. Mr. Speaker, today I introduced a joint resolution to commemorate the last voyage of the *Pride of Baltimore*. Just last week the vessel, the *Pride of Baltimore*, sailed the Caribbean Sea. On May 13, 1986, the *Pride of Baltimore* was bound for the Port of Norfolk, having departed St. John's in the Virgin Islands.

Later that same day, the clipper was overcome with the tempestuous storm and high winds and waves. Eight of the crew members survived the sinking clipper and were on a raft in the Carribean for 4½ days until rescued by a freighter on May 19. It is believed that two other crew members were drowned in the sinking of the *Pride of Baltimore*. And two more are listed as missing.

Mr. Speaker, the heroic lives and death of the crew members of the clipper provides an opportunity to commemorate the last voyage of the *Pride of Baltimore*.

I, therefore, urge my colleagues both in the Senate and the House of Representatives to join me in designating the day of June 1, 1986, as the *"Pride of Baltimore* Day." We must not let the heroic lives and death of crew members of the clipper vessel, the *Pride of Baltimore*, go without proper congressional commemoration and recognition.

□ 1850

TERRORISM AND THE MEDIA

(Mr. LUKEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUKEN. Mr. Speaker, the threat of terrorism is a worldwide concern. In our effort to control terrorism, the role of television has become an issue.

In the aftermath of last year's TWA hijacking and the TV interviews with the hostages in captivity, many commentators accused the networks of serving as an instrument of terrorism.

Some of us suggested to the networks that they hold a summit and adopt guidelines intended to neutralize television as a terrorist weapon. The networks refused.

Subsequently, on May 5, NBC News aired an interview with Abu Abbas,

the man who admits directing last October's seajacking of the *Achille Lauro*. Abbas is a fugitive from American Justice, a man whom most Americans would call public enemy No. 1. Most Americans would turn him in immediately upon locating him. NBC, however, admitted in its coverage that it had made a deal with Abbas to refrain from disclosing his whereabouts, in exchange for the interview.

This cynical arrangement reflects the white-hot competition among the networks. Again, I am calling on the networks to draw up guidelines that will prevent a reoccurrence of this recent casualty of the ratings wars.

ANNUAL REPORT OF UNITED STATES-JAPAN COOPERATIVE MEDICAL SCIENCE PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Energy and Commerce:

(For message, see proceedings of the Senate of today, May 21, 1986.)

TRIBUTE TO STATE REPRESENTATIVE PHILIP STONE OF KENTUCKY

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, I want to take this time to express congratulations to and appreciation for my longtime friend, State representative Philip Stone of Central City, KY.

Philip Stone, a Democrat, at age 75 the oldest person serving in the Kentucky Legislature, was elected a Muhlenberg County magistrate in 1938 and held that office for 4 years. Since that time Philip Stone has worked with and for the Kentucky highway patrol and State police, served as chief deputy sheriff of Muhlenberg County, and for 12 years in the elective office of Muhlenberg County judge, the county's highest office.

Philip Stone was elected chairman of the Muhlenberg County Democratic Party Executive Committee for 1973–74.

Philip Stone was elected State representative for Muhlenberg and McLean Counties in western Kentucky in 1974 and has served with distinction in that position ever since that 1974 election.

Philip Stone has announced this year that he will not seek reelection for another term.

Could he win if he had run for reelection? Yes, indeed, is the answer.

My wife, Carol, and I are very fond of State representative Philip Stone and his lovely wife, Thelma. Philip and Thelma Stone have been married 46 years. They have one son—Philip Stone Jr., a talented Louisville, KY, pharmacist.

Philip and Thelma Stone deserve the very best of everything as they soon enjoy retirement years. My prayer is that God will richly bless both of them.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro temporE (Mr. DOWDY of Mississippi). It is the intention of the Chair to proceed with special orders pending the receipt of the Senate's adjournment resolution.

The Chair intends to interrupt to entertain that message when received.

NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. CLINGER] is recognized for 5 minutes.

Mr. CLINGER. Mr. Speaker, I understand that shortly our colleague from Maryland will take a special order to express concern over the methods of a grassroots lobbying organization called the National Committee to Preserve Social Security and Medicare. This group was instituted some 3 years ago by a former Member of Congress, James Roosevelt. It is alleged that this group has raised money to support its work by frightening elderly people into contributing to its cause. More specifically, the National Committee has been accused of mailing people horror stories concerning premature discharges of Medicare patients.

There are a number of horror stories that can be truthfully told about such discharges. These discharges have been caused by the Prospective Payment System that Congress instituted 3 years ago. There is quite a big difference between frightening people by inaccurately telling a story and telling a story which is, by its nature, frightening. The National Committee has been accused of frightening people for no reason. This is simply not true. What is true is that the Prospective Payment System has caused problems which are scaring Medicare beneficiaries. These fears are legitimate fears and not the fabrication of the National Committee.

Not only do I know that these charges are unfounded, I am amazed that they have even been made. Every member of this body has seen the mail sent to their offices by direct mail outfits representing causes ranging from support for the Contras to saving the whales. This mail is often exaggerated and less than accurate. The mailings of the National Committee, however, are neither exaggerated nor inaccurate. If I thought they were, I would not have worked as closely with them as I have in recent months.

The fact of the matter is I recently worked very closely with the National Committee's staff drawing up legislation which would prevent the Treasury Department from raiding the Social Security Trust Funds as it did last fall. I found the staff to be comprised of dedicated and committed individuals who contributed a very high level of expertise and professionalism. This contribution played a major role in the drafting of the Social Security Trust Fund Protection Act (H.R. 4067).

Not only did the National Committee play such an advance key role, they have also committed to the huge expense of gathering grassroots support by contacting millions of Americans. And that, Mr. Speaker, is the essence of good lobbying. They first educate, and then they generate constituent response.

On the basis of this work, I commend the National Committee for its commitment and service to America's elderly and request that its detractors refrain from their unwarranted criticisms.

Mr. COUGHLIN. Mr. Speaker, will the gentleman yield?

Mr. CLINGER. I yield to my colleague, the gentleman from Pennsylvania.

Mr. COUGHLIN. I thank the gentleman for yielding.

Mr. Speaker, I want to associate myself with the remarks of my colleague, the gentleman from Pennsylvania. They are excellent remarks and I join him.

Mr. Speaker, James Roosevelt's National Committee to Preserve Social Security and Medicare raises a lot of dust around here. Maybe we need to be stirred up to do things to benefit America's senior citizens. All that Mr. Roosevelt has urged us to do is to honor the promises we have already made to America's senior citizens to provide them adequate retirement income and health care security.

America's senior citizens want us to preserve their Social Security and Medicare benefits. They want an independent Social Security agency and safeguards for their Social Security Trust Funds. They want protection from catastrophic health care costs. And they want us to guarantee quality care in hospitals and nursing homes.

This is what National Committee members are telling me when they write me letters at Mr. Roosevelt's request. They are thoughtful and well-informed. This is a great service to us in our continuing efforts to represent Americans of all ages.

My colleagues who criticize the National Committee for so-called scare tactics are missing the point. The reason over 3 million Americans have become members of the National Committee and support Mr. Roosevelt's

efforts with contributions is because they agree with him that the problems are indeed "scary." They want someone like Mr. Roosevelt who will fight to protect their benefits and will not rest until he succeeds.

Mr. Roosevelt and his members have been instrumental in slowing down Medicare premium increases, freezing doctor's fees and guaranteeing the Social Security COLA. The National Committee is not an enemy but an ally to those of us who want to protect senior citizens from cuts.

I for one am joining Mr. Roosevelt and his members in the latest campaign to improve the quality of care Medicare beneficiaries receive in hospitals. I want to praise him for his recent initiative to educate his members about their rights to quality hospital care and how to appeal if they receive poor quality care. And I agree with him that we need legislation to improve the protection of Medicare patients.

Mr. Roosevelt represents millions of senior citizens. I respect him and the members of the National Committee. I want to work with them to preserve Social Security and Medicare for all Americans. I urge my colleagues to do the same.

□ 1900

GENERAL LEAVE

Mr. PEASE. Mr. Speaker, I ask unanimous consent that all Members may be permitted to revise and extend their remarks during consideration today of the bill H.R. 4800 and the amendments considered thereto and to include therein extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

THE TRADE BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. PEASE] is recognized for 5 minutes.

Mr. PEASE. Mr. Speaker, I believe that the debate on H.R. 4800 has gone very well today. We have had good discussion of the trade bill and we made good progress.

I will tell you what is interesting to me about the debate on the amendments today. That is, the bipartisan nature of the discussion and the support of amendments.

This trade legislation started out as bipartisan legislation. Most of the core of the amendments, the sections 201 and 301 of the Trade Act, were contained in bills introduced in both the other body and in the House on a bipartisan basis with a lot of support on both sides of the aisle.

The Reagan administration over the last week, in its excessive opposition to the bill, has tried to paint it as a partisan measure, as an effort by the Democratic majority to make a campaign issue, to embarrass the minority party. That simply has not been true.

As a matter of fact, some of that accusation of partisanship has been picked up by the press quoting the administration; some of it has crept into the debate over the last 2 days.

Yet, I think if anyone looked at the votes that were cast today, they will see that this is simply not a correct accusation on the part of the administration.

On the first amendment that we considered today offered by the gentleman from Illinois [Mr. CRANE], that amendment was defeated by a vote of almost—in fact, a little over, 2 to 1. Forty-four minority Members of the House joined with Members of the majority in defeating that amendment.

Next came an amendment by the gentleman from Minnesota [Mr. FRENZEL]. That was defeated by a vote of almost 3 to 1. Some 65 Republicans voted with the majority against that amendment.

Then the gentleman from Minnesota [Mr. FRENZEL] offered another amendment which was defeated by over 4 to 1, with 98 Republicans, over half the Members of the minority part in the House voting no.

What this says to me is there is a bipartisan majority in the House not willing to accept the administration line that we must lie prostrate before our competitors on the field of international trade.

Yet there is a bipartisan majority which takes a tough attitude for trade which wants to make sure we have a level playing field, which wants to put the Federal Government on the side of fair trade. Yes, a bipartisan majority which wants to be able to go home this weekend and say yes to our constituents that we do believe in free trade, we do expect trade to continue, but we also understand that some firms, some workers, some communities will be the losers in this game of trade.

Accordingly, we are going to adopt trade legislation which recognizes this fact of life. We are going to try to guarantee that the competition these firms and workers face will be fair trade. We are going to try to provide help with the adjustment process, try to encourage U.S. exports so we can create some new jobs.

You know what is going to happen next? The Committee on Finance of the other body, led by Republicans, will report out a very similar bill to ours. A bipartisan majority on the floor of the other body will pass that bill by a wide margin; a bipartisan conference committee will iron out the differences between the two versions and a bipartisan majority in each House will adopt the conference committee report.

So again, I invite Republican Members of this body to join hands tomorrow with us to pass this bill and show the American people that we are listening to them on trade.

Join us, in other words, for a vote on final passage. Doing something about huge trade deficits is a bipartisan matter. Let us show that to our constituents who desperately want us to act affirmatively on trade.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 144. Concurrent resolution providing for an adjournment of the House from May 22, 1986 to June 3, 1986, and for an adjournment of the Senate from May 21, 1986, to June 2, 1986.

MESSAGE FROM THE SENATE

The SPEAKER pro tempore. The Chair lays before the House the following message from the Senate.

The Clerk read as follows:

S. CON. RES. 144

Resolved by the Senate (the House of Representatives concurring), That when the House adjourns on Thursday, May 22, 1986, pursuant to a motion made by the majority leader of the House, or his designee, in accordance with this resolution, it stand adjourned until 12 o'clock meridian on Tuesday, June 3, 1986, and that when the Senate adjourns on Wednesday, May 21, 1986, pursuant to a motion made by the majority leader of the Senate, or his designee, in accordance with this resolution, it stand adjourned until 2 o'clock p.m. on Monday, June 2, 1986, or until 12 o'clock meridian on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution.

SEC. 2. The Speaker of the House, after consultation with the minority leader of the House, and the majority leader of the Senate, after consultation with the minority leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The SPEAKER pro tempore. The question is on the Senate concurrent resolution.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

LITERACY ASPECTS OF THE TRADE BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. COOPER] is recognized for 5 minutes.

Mr. COOPER. Mr. Speaker, today I would like to touch briefly on an aspect of H.R. 4800 that has gone largely unnoticed. It is a small aspect of the bill, but it is one that I feel will be a very important part of the bill in

terms of the long-term future of this Nation.

The omnibus trade bill has many, many different elements in it, many, many important features. This is a small one, but it is a very, very important one.

It is easy to overlook, in fact, the entire education and training element of the bill. It amounts in total to about $1 billion. That is a lot of money, but it is still ending up being a small portion of this bill. It is even easier, though, to overlook the $100 million or so that will be spent on literacy programs within that education and training budget.

Literacy is my primary focus today and the reason for that focus is this: While $100 million in the U.S. Congress seems to be a small amount of money nowadays, it ends up being a terrific amount of money because in real terms, $100 million would double the current U.S. national effort to deal with the literacy problem that we have in this country. So that doubling that I feel is significant, that doubling that I hope will result from this bill, it is that doubling that I think is a clear departure from virtually any other Federal program that I can think of.

As we all know, this is an era of cuts, not of increases. Few, if any, programs in this day and time have been doubled, but I think this is a very worthy effort that should be doubled, even at a time like this, even at a time of Gramm-Rudman.

The House budget resolution included $500 million for education and training programs under this bill. The literacy aspect of this bill should be included in the House budget resolution, as it has been, and that means that the money under this bill would not add to our deficit. It would be part of the House budget plan which would, if enacted, give us a total budget deficit of $137 billion next year, which is under the Gramm-Rudman deficit target.

The specific figures in the education section of the bill are these: $500 million has been allocated overall. Eighty percent of that amount, or $400 million, is reserved for elementary and secondary education.

□ 1910

That $400 million can be split in any one of three ways, according to the wishes of the State involved. First, literacy; second, vocational education; third, some of the high-technology skills like math and science education and also language skills.

So literacy is just one-third of the possible uses that the $400 million could be put to. Even if literacy ended up with only one-quarter of the total, literacy would still be receiving about $100 million which, as I said earlier, would double the current U.S. effort on the literacy problem.

That, I feel, is a historic policy shift that this body is taking. In dollar terms it still seems small to us, but it is a step in the right direction; it is a step that I feel years down the road will be recognized as a major policy shift by this body to finally, at long last, deal with education as a major national problem—not just education of our young people as is so often the case, but the education of our adults who missed the education they were entitled to when they were younger.

The policy shifts involved are many. It is easy to dismiss the trade problem as an economic problem, a problem having to do with our industries; this bill today recognizes that a key part of our trade problem is our human resources problem. Not just the literacy aspect of it; also the vocational aspect; the high-technology skills such as math, science, and languages, as I mentioned earlier.

Mr. Speaker, surely literacy has got to be the most fundamental of all these educational difficulties; even the U.S. Department of Education today will admit that between 17 million and 21 million are illiterate. Other experts put the figure at more like 60 million Americans. Surely this is the fundamental educational problem of our time, and at long last this trade bill, in what is admittedly a minor aspect of the overall bill, will finally address it and address it in what has got to be a major way, since we are doubling the budget for it.

I am pleased with this initiative; I hope it is just the beginning of a long march in the direction of a war on literacy. It needs to be a battle hard fought, and it needs to be a battle that this country wins.

At least we are beginning that battle today, and I feel that 1986 will be viewed, because of this bill, as a serious effort in that direction.

RESTRUCTURING THE POSTAL SERVICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. FORD] is recognized for 5 minutes.

Mr. FORD of Michigan. Mr. Speaker, today, I am introducing a bill which would effect the first major change in the structure of the U.S. Postal Service since the enactment of the Postal Reorganization Act of 1970.

As chairman of the Committee on Post Office and Civil Service, I do this with mixed emotions. After some serious early reservations, I came to be one of the act's strongest supporters. Under Postmaster General Bolger, who served from 1978 through 1984, the Postal Service and its 700,000 employees achieved financial stability and service excellence.

But late in Mr. Bolger's tenure, storm clouds began to gather over the office of the Postmaster General. More and more, the nine Presidentially appointed Governors of the Postal Service injected themselves into the day-to-day management of the institution. More and more, the chief executive—the Postmaster General—found himself hamstrung by a micromanaging, meddling group of Governors.

The Board of Governors which the Congress created in the Postal Reorganization Act of 1970 was supposed to be akin to a corporate board of directors in the private sector. Our idea worked for a while, but during the past few years we have seen our creation turn into something which isn't remotely similar to a corporate board.

The Board has interfered unduly with collective bargaining, with financial planning, with service modernization, with procurement, and with personnel matters.

During the past 18 months, we have had three Postmasters General—and it will be four with the imminent departure of Albert V. Casey. All have found it impossible to do the job because of the meddlesome way the Board has interfered.

I am not saying that each of the Governors individually is an undesirable or incapable person. Some are and some aren't. But I am saying that the system has failed. When a group with the power of this Postal Service Board can be captured and manipulated by one or two or three willful members, each with a personal agenda, there is something gravely wrong.

The Postal Service is the most visible symbol of our Government. Every American uses it and needs it. The flag flies in front of a post office in nearly every city, town, and village across the Nation.

The Postal Service is not a money-making or power-grabbing vehicle. It is one of our oldest and most revered national institutions. It is also our largest domestic civilian employer, presently employing some 783,000 people, delivering 150 billion pieces of mail, and operating a $30 billion budget.

The Postal Service and the American people deserve something better than what they have been getting from this Board. It is time to restore the Postmaster General to Cabinet rank and put him or her fully in charge by also making the Postmaster General the Chairman of the Board.

The bill which I am introducing today, and which my distinguished colleague in the other body, TED STEVENS, is also introducing in almost identical form today, would do just that.

Before I proceed to summarize the bill's provisions, let me anticipate and answer one question. Why would I want to give this President the power to appoint the Postmaster General? Doesn't the quality of some of his past nominations to the Board of Governors bode ill for his choice for Postmaster General?

Well, first of all, let me say that I do not do this lightly. I have given this issue much thought over many months and perhaps my decision speaks loudly about just how bad I believe things are in the Postal Service right now. But more importantly, I believe that by restoring the Postmaster General to Cabinet rank—as my bill would do—and placing the President, whoever he or she may be, directly at the top of the line of responsibility for run-

ning the Postal Service, we necessarily force the President to nominate a Postmaster General of the highest ability and integrity. In other words, I am confident that the quality of this President's nominee for Postmaster General will be much, much higher than the quality of some of his past nominees for seats on the Board. It is one thing to give part-time Board seats to political cronies, or to personal friends, or to friends of personal friends, but it is quite another to place a person in full charge of the Nation's largest and most visible Federal institution.

A summary of my bill follows:

First, the Postmaster General shall be appointed by the President, with Senate confirmation.

Second, the Postmaster General shall be Chairman of the Board of Governors.

Third, the Postmaster General shall appoint the Deputy Postmaster General.

Fourth, the Postmaster General and the Deputy shall be Governors and shall be eligible to vote on all matters, including rate decisions.

Fifth, the number of compensable yearly meeting days for the Governors shall be reduced from 42 to 30. The rate of $300 per meeting day and $10,000 annual salary remain unchanged.

Sixth, expenditures by the Board and by the individual Governors would be permitted only for "essential activities of the Board." The Chairman, that is the Postmaster General, would judge the appropriateness of all expenditures. Only the Chairman could authorize payment of vouchered expenses.

Seventh, annually, the Chairman—the Postmaster General—would submit to Congress and to the President a report of all expenses incurred by the Board and by each Governor individually.

FREEDOM OF INFORMATION ACT AMENDMENTS OF 1986

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma [Mr. ENGLISH] is recognized for 5 minutes.

Mr. ENGLISH. Mr. Speaker. I am today introducing the Freedom of Information Act Amendments of 1986. This bill amends the Freedom of Information Act to provide fairer and more efficient procedures for the treatment of freedom of information requests for business records submitted to Government agencies. I am pleased that TOM KINDNESS, ranking minority member of the Subcommittee on Government Information, Justice, and Agriculture, has joined me in sponsoring this legislation.

The bill requires each Federal agency to establish procedures by which those who submit business information must designate as confidential any information that the submitter claims is exempt from disclosure on the grounds that the information falls within the FOIA's existing fourth exemption.

Prior to disclosing any information so designated, each agency is required to notify the submitter that a request had been made and to offer an opportunity to submit written objections to disclosure.

The purpose of these procedures is simple. If an agency is considering the disclosure of sensitive corporate information, it is only fair that the agency consult with the submitter of the information in order to make sure that valuable information is not improperly released.

In order to reduce delays that may result from the new notice and comment requirement, the bill also provides an expedited access procedure that will shorten the time limits and otherwise require expedition in cases where a requester can demonstrate a compelling need for the records.

In order to limit the burden on agencies, the bill does not require notice in instances where the information requested was not designated by the submitter; where an agency determines prior to giving notice that the request should be denied; where disclosure is otherwise required by law; or where the information is already public.

Finally, the bill establishes rules for the judicial review of so-called reverse-FOIA lawsuits. These lawsuits arise when a submitter goes to court to prevent the disclosure of information believed to be exempt from disclosure. This is not a new remedy, since reverse-FOIA lawsuits have been brought in the past under the Administrative Procedure Act. However, the bill establishes a specific cause of action under the FOIA for the first time.

Those who follow legislative developments regarding the FOIA are aware that efforts have been underway for some time aimed at developing a more comprehensive package of FOIA amendments. I had hoped that we might be able to address some of the problems that have arisen with regard to fees, fee waivers, delays, and exemptions. It now appears that the attempt to write a broader bill must be shelved for now.

Work on these issues dates back to the last Congress and beyond. In the last year, the subcommittee has focused its activities on developing a consensus among the FOIA requester community, the business coalition on FOIA, the Justice Department, and others. Because of the politics surrounding the FOIA and because of the difficult and delicate nature of the law itself, I have always believed that a prerequisite to passage of amendments to the FOIA amendments is a consensus among those interested in the FOIA.

During the last 6 months, some progress has been made toward reaching the necessary agreement. The Justice Department abandoned some of its earlier proposals that would have made radical changes in the FOIA. The requester community has been cooperative in identifying problems with the FOIA process and in suggesting solutions. But as discussions proceeded, it became apparent that there was considerable disagreement within the administration on compromise FOIA amendments.

During all of these discussions, the business community has been waiting patiently for consideration of changes in the procedures for the processing of requests for business information. Of all of the FOIA amendments that have been considered, the business procedures appear to be the least controversial.

The pressures of the legislative calendar in this election year are forcing us to start formal action. We cannot delay any longer while searching for that still elusive compromise. There are very few legislative days left, and we must begin the hearing process now.

The Subcommittee on Government Information, Justice, and Agriculture will conduct a hearing on the Freedom of Information Act Amendments of 1986 on June 5, 1986. Anyone with an interest in this hearing is invited to contact the subcommittee.

Mr. KINDNESS. Mr. Speaker, today, I am joining my Government Information Subcommittee chairman, GLENN ENGLISH, in introducing legislation which would amend the Freedom of Information Act (5 U.S.C. 552) to provide separate statutory procedures for the handling of requests for public disclosure of information submitted to Government agencies by business concerns. I am particularly pleased that this legislation incorporates most of the important elements of a bill I introduced last October, H.R. 3496.

Before refreshing our colleagues' memories as to the need and rationale for this legislation, I would like to concur in the comments made today by Chairman ENGLISH with respect to the effort he and I have made over the past 2 years to develop a consensus for a broader package of amendments to the Freedom of Information Act. Those amendments would address particular problems with the administration of the act which have arisen as a result of agency practices, the nature and volume of requests at particular agencies, and court decisions interpreting the act.

Over the past 2 years, I have held a number of meetings with persons concerned with the operation of the act and have encouraged them to contribute to the development of a bill that would attempt to balance their sometimes conflicting desires. Naturally, I am disappointed that our efforts have not developed a consensus. But, with the time remaining in this Congress, I agree that the time has come to get moving on those proposals which have proven the least controversial and they are embodied in this bill which we introduce today.

Despite the fact that the bill we introduce today is the least controversial proposal to amend the Freedom of Information Act, some remain unconvinced of the need for this legislation. Accordingly, I would like to restate the explanation I gave for this legislation when I introduced H.R. 3496.

One aim of the bill is to discourage the use of the Freedom of Information Act by business concerns who burden the limited resources of Federal agencies by filing FOIA requests for information submitted to those agencies by their competitors. Another aim of the bill is to provide additional safeguards against ill-considered or inadvertant disclosure of information which would cause substantial competitive harm to the business concern which submitted the information. And last, but certainly not least, the bill attempts to achieve these aims without adding unduly to the time needed to process legitimate requests for such information filed by private citizens, the press, and public interest groups.

Truckloads of information are submitted annually to Federal Government agencies by business concerns for regulatory, licensing, procurement, and statistical purposes. Once

submitted to the Government, that information becomes agency records and thereby subject to requests for disclosure made pursuant to the Freedom of Information Act.

The Freedom of Information Act is properly weighted toward disclosure of information. The general rule is that agency records must be disclosed unless the information contained therein falls within one of nine exemptions. Records exempted from disclosure include national security information, law enforcement investigatory records, agencies' deliberative documents, and information specifically exempted from disclosure by other statutes. One of those exemptions covers confidential business records whose disclosure would cause substantial competitive harm to the business concern which submitted them. Those exemptions authorize—they do not require—agencies to withhold agency records from the public.

If the agency decides to withhold the records, the requester may go to court and get de novo review of the agency's decision (rather than simply a determination of whether the agency's decision was arbitrary, capricious, or an abuse of discretion). In that litigation, the agency bears the burden of proving that the records withheld do fall within the asserted exemption. And, if the requester substantially prevails, the court may award reasonable attorney fees and other litigation costs incurred by the requester.

Placing the burden on the agency to justify withholding pursuant to the act's exemptions is proper as in most cases the justification for asserting a particular exemption is clearly within the knowledge of the agency to assert. However, that is not necessarily so in the case of information submitted by business concerns to the agency. Whether disclosure of that information will cause substantial competitive harm to the business concern which submitted it will require the agency to draw upon the knowledge of the submitter and possibly outside sources as well in order to make a proper identification.

To their credit, a number of Federal agencies have recognized these limitations and have, by agency rule, provided notice to submitters of business information when a request is made for disclosure of that information. The submitter is then afforded an opportunity to provide reasons why these records should be withheld, if the submitter believes there is cause for withholding.

Unfortunately, the time limits for agency response under FOIA limit the opportunity for the submitter to prepare and provide a suitable justification to the agency for withholding, and they limit the opportunity for the agency to give careful consideration to the competing claims of submitter and requester. Ofttimes, submitters will race to the courthouse to seek an injunction against disclosure. In such a case, called a "Reverse-FOIA" action, the court is faced with the complicated question of what standard of review to apply to the case since the case does not arise under the FOIA but rather chapter 7 of the Administrative Procedure Act (5 U.S.C. 701 et seq.).

A recent U.S. circuit court of appeals decision illustrates the unfortunate state of the law on that question. On May 25, 1984, the District of Columbia Circuit issued an opinion in *National Organization of Women* v. *Social Security Administration*, 736 F. 2d 727 (CADC, 1984), on the issue of whether the district court erred in granting a preliminary injunction against disclosure of equal employment opportunity reports based upon de novo review of the agency's action. In order to reach the decision, the court had to decide whether the factfinding procedures of the agency were adequate. In the end, the three circuit judges agreed that the preliminary injunction was proper, but they disagreed over whether the agency's factfinding procedures were adequate and thus over whether it was proper for the district court to have reviewed the agency's action de novo, citing several other cases in support of their different conclusions on this issue.

The legislation we introduce today, then, would require agencies to provide timely notice to submitters who designate information claimed to be exempt from disclosure; would give the submitter 10 working days to provide its objections to disclosure to the agency; and would provide for de novo judicial review of the submitter's objections to disclosure.

The bill makes no change in the coverage of the business records exemption nor does it unduly lengthen the agency process for handling requests for business records. And if the submitter seeks judicial review, the submitter bears the burden of justifying the claim of exemption.

The majority of cases do not go to court. the ones that do confront the court with a garden-variety of agency procedures which lengthens the litigation process while the litigators argue over what process the court should follow in determining whether the agency's process was adequate. Some standard operating procedures at the agency can only improve the processes there where most FOIA disputes are resolved.

This legislation represents a good-faith effort to balance the legitimate claims of the business community with the policy of disclosure embodied in the Freedom of Information Act. Unlike most Government information, most business records submitted to Government agencies are generated outside of Government. The submitter thus retains an interest in the information supplied to Government agencies. Likewise, the public has a legitimate interest in whether those agencies are properly fulfilling their responsibilities which require the collection of such information. I believe that this bill strikes the proper balance between these legitimate interests.

Some have argued that this legislation is not necessary because of the dearth of "horror stories" of improper and damaging disclosures and because some agencies are already, by rule, providing notice and an opportunity for submitters to object to disclosure. Like the busy street with a school crossing which cries out for a traffic signal, I am not one to stand around and wait for a horror story to occur if reasonable means can be taken to make it less likely. I have also never been too comfortable with relying on the good graces of agencies, utilizing ofttimes ambiguous authority to do as much or as little as they think they can get away with.

Furthermore, the state of the law on agency and judicial review of requests for, and objections to, disclosure of business records is chaotic. Congress should step in and resolve the issues by creating separate statutory procedures for the handling of requests for records submitted by business concerns. This bill offers the ways in which to accomplish those ends and I look forward to the hearing that Chairman ENGLISH announced today and, ultimately, to passage of this legislation by the 99th Congress.

INTRODUCTION OF THE HUNGER RELIEF ACT OF 1986

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, today I am proud to introduce the Hunger Relief Act of 1986. This is a 12-point proposal to address the serious problem of hunger that remains in our society. This proposal does not establish new Federal programs. Instead, this proposal strengthens the network of services already in place. This morning the senior Senator from the Commonwealth of Massachusetts and I had a press conference to announce that each of us today is introducing in our respective bodies the Hunger Relief Act of 1986. We were privileged to have my distinguished colleague from Vermont, JIM JEFFORDS, appear with us also on the podium to declare his support for this bill. We were also privileged to hear moving statements about the reality of hunger from Virginia M. Beverly of the National Anti-Hunger Coalition, and Arthur Simon, executive director of Bread for the World.

The Hunger Relief Act of 1986 is a 12-point proposal to address the serious problem of hunger that remains in our society. This proposal does not establish new Federal programs. Instead, this proposal strengthens the network of services already in place.

The Hunger Relief Act of 1986 will make a meaningful contribution toward the elimination of hunger within the severe budgetary constraints which we now face. For that reason, the cost for next year is kept below $1 billion. This bill does not create new programs.

The bill strengthens the network of services already available through the major nutrition assistance programs—Food Stamps, School Breakfast and Lunches, Child Care Food Programs, and Elderly Nutrition. In addition, the bill strengthens the nutrition education programs and also creates a national nutrition monitoring system. Nutrition education and monitoring are areas which may have received too little attention in the past. To the extent that Americans are not nutritionally literate, programs which provide direct nutrition assistance are less effective.

I request unanimous consent to include a summary of the bill in the RECORD following my remarks as well a listing of the 32 national religious and philanthropic organizations which have endorsed the bill.

These proposals reflect valuable input from the House committees concerned with the hunger issue, including MICKEY LELAND'S Select Committee on Hunger. MICKEY and his

committee are the conscience of the House on this issue. We also received valuable input from GUS HAWKINS, the chairman of the committee on Education and Labor, and DOUG WALGREN, the chairman of the Science and Technology Subcommittee which handles nutrition research and monitoring issues.

We are not proposing new programs but we do try to make existing programs more meaningful and effective. We must do this because, despite our efforts over the past two decades, there is still hunger in America. The question is no longer whether there is hunger in America but why is there hunger, and what can be done about it.

Why is there still hunger in America? Why does hunger exist in a land of overwhelming agricultural bounty, with the storage of surpluses costing over $1 million a day? Why does hunger exist when our Department of Agriculture must store 600 million pounds of surplus cheese? Why does hunger exist in a nation which has forged a network of food assistance programs designed to assure every man, woman, and child a nutritious diet? Why does hunger exist in a country renowned for its charity and compassion and good will in helping the needy both here and abroad. Why hunger in America?

It is here. Its existence, has been substantiated by countless studies—from the hearings of the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, which I have the honor to chair, Senate hearings, the Select Committee on Hunger, the GAO, the Governor's Conference, the Mayors Conference, even the President's own Task Force on Hunger. The evidence is there. The consequences are frightening:

Increases in nutrition-related health problems in children; the existence of severe undernutrition usually found in Third World countries.

Doubling and tripling of those resorting to soup kitchens and food pantries—one food pantry in Detroit, Project Hope, has some 16,000 senior citizens waiting to get benefits.

Increasing anemia among young children; and the list goes on and on and on.

Why is there hunger in America? The causes are complex. Part of the cause of hunger is the legacy of the recession—families left behind with no jobs. Part of the cause is lack of access—nearly 14 million or 41 percent of those eligible for food stamps on the basis of income alone do not receive this needed nutrition assistance. Part of it is lack of funds—more than 7 million women and infants eligible for WIC do not receive this crucial nutrition assistance. More than 3 million poor children do not get school lunches. Almost 12 million poor children do not get breakfast. Part of the cause is related to the trap of poverty itself—in 1984, the most recent year for which poverty statistics are available, the poverty rate was higher than any year since 1966, excluding the poverty surge during the 1982-83 recession. Currently in America, one of every four children lives below the poverty line.

Why should we be concerned about hunger in America? After all, that's another side of America that most do not see, do not touch, do not know. But we are a compassionate people—and we should care for our fellow human beings—that is inherent in our moral fiber. Thank God for the charities, the churches, the Salvation Army, the private sector that cares about this problem and tries to provide help. But surely hunger is not just a private sector problem. Hunger eats away at the very fabric of our society. And we pay a huge human and financial cost for hunger. Hunger is not cheap. The low-weight infant or the child born with a birth defect becomes both tomorrow's human and financial cost to society. The elderly couple forced into a nursing home becomes a cost. The child too hungry to learn in school becomes a cost. We pay a high price for hunger in America. And the price is our future.

It's for all of these reasons that it must be attacked—on a broad scale by the private and public sector. The Hunger Relief Acts of the past few years tried to address this problem. The reforms in the farm bill tried to help meet this need. But more is needed.

The Hunger Relief Act of 1986 will make a meaningful addition to our arsenal aimed at eliminating hunger in America.

Hands Across America demonstrates that we are indeed a compassionate society that is unwilling to tolerate hunger. One event can focus on the promise of America to end hunger. But it takes a solid program and commitment enacted at the national level to deliver on that promise. This week let us combine the spirit of Hands Across America and action on this bill into ending this national shame once and for all.

To date the following organizations have endorsed the Hunger Relief Act of 1986:

Bread for the World.
Interfaith Action for Economic Justice.
Church Women United.
United Church of Christ Office for Church in Society.
Mennonite Central Committee U.S./Peace Section Washington Office.
Church of the Brethren Washington Office.
American Baptist Churches U.S.A.
Washington Office Presbyterian Church (U.S.A.).
Friends Committee on National Legislation.
Lutheran Office for Governmental Affairs.
Union of American Hebrew Congregations.
Episcopal Church National Hunger Committee.
Presiding Bishop's Fund for World Relief/The Episcopal Church.
Food Research and Action Center.
National Anti-Hunger Coalition.
Results.
National Council of Senior Citizens.
Community Nutrition Institute.
Coalition on Human Needs.
Public Voice for Food and Health Policy.
National PTA.
American Federation of State, County, and Municipal Employees.
The Rural Coalition.
National Rural Housing Coalition.
World Hunger Year.
American Public Health Association.
The Villers Advocacy Associates.
American Public Welfare Association.
National Education Association.
National Black Child Development Institute.
American Women's Political Caucus.
National Farmers Union.

Following is a summary description of the Hunger Relief Act of 1986. This is a comprehensive antihunger initiative which includes needed improvements to food stamps, child nutrition programs, WIC, nutrition education, elderly feeding, commodity distribution, and nutrition research and monitoring.

The Hunger Relief Act of 1986 is a 12-point program which has a fiscal year 1987 outlay of less than $1 billion.

FISCAL YEAR 1987 OUTLAYS

[In millions of dollars]

FOOD STAMPS

1. Move toward a policy to base Food Stamp benefits on the average cost of the Department of Agriculture's Low Cost Food Plan Rather than the Thrifty Food Plan..... 404

This represents a commitment to move toward a guarantee of actual rather than theoretical nutritional adequacy under the Food Stamp program. Although a skilled shopper can purchase a nutritionally adequate diet under the Thrifty Food Plan which is currently used to determine benefits, the reality is that most low-income persons do not have the nutritional knowledge to purchase a nutritionally adequate diet within the budgetary constraints of the Thrifty Food Plan. Because of budgetary constraints, the initial step would be a Fiscal Year 1987 benefit increase of 2.5 percent above the CBO baseline. Over the following three years, there would be additional increments above the baseline of 2.5 percent. At the end of four years, the Congress would reassess the appropriate level of nutritional adequacy under the Food Stamp program.

2. Raise the cap on the shelter deduction from $147 to $175. The cap is already scheduled to increase to $152 in October 1986..... 75

This proposal is designed to address the "heat or eat" dilemma faced by many poor families.

3. Liberalize the medical deduction for the elderly (as passed by the House last year) to set the threshold at 5% of gross income or $35, whichever is less)..... 11

This proposal responds to increasing copayments and deductions in both private medical insurance and medicare. The 5 percent threshold is the same as the level in the Federal income tax for medical deductions.

4. Asset Limits..... 50

Raise asset limits to $2,250 for non-elderly households and $3,500 for elderly households. Raise the limit for automobile to $5,500 as recommended by President's Task Force on Food Assistance. The cost estimate is based on half year implementation in fiscal year 1987. The Department of Agriculture would also be directed to submit a report to the Congress on the administrative feasibility and budgetary implications of making the asset test for both automobiles and other assets based on net asset value.

5. Outreach..... 1

The matching funding would be restored to give States the option to inform elderly, unemployed, or disabled persons about the availability of Food Stamp benefits. This restoration would complement an excellent outreach campaign which is being conducted by the Advertising Council.

6. Child Support Payments..... 75

Exempt the first $50 a month paid in child support from counting against food stamps. This would make food stamps consistent with AFDC and would increase the incentive for a parent with children to get child support from the absent parent. The proposal can be defended as a measure to help children. Under current law, states have to pay the cost of the $50 disregard if they elect to allow the $50 a month exemption for food stamps.

CHILD NUTRITION

7. School Meals Programs..... 93

Defray the increased costs of maintaining and improving the nutritional quality of school breakfasts by increasing the reimbursement rate by 5 cents for all breakfasts and by an additional 5 cents for "severe need" schools (defined by current law as schools that serve 40% or more of their meals to students whose family income is below 185% of poverty).

Increase Federal reimbursement for reduced-price lunches and breakfasts and thereby lower the maximum price that children pay for a reduced-price lunch from 40 cents to 25 cents and 30 cents to 15 cents for a reduced-price breakfast. This provision will assist the children of low income working poor families (families whose income is between $13,645 and $19,703). This category of participation suffered a 16.6% drop in school lunch and a 34.4% drop in school breakfast as a result of the cut in reimbursement required by the Omnibus Reconciliation Act of 1981.

8. Child Care Food Programs..... 32

Increase the reimbursement rate by 5 cents for breakfasts served in both day care centers and family and group day care homes. Allow reimbursement for either one additional snack a day or meal a day in the Child Care Feeding Program.

9. WIC..... 138

Increase funding for WIC over the fiscal year 1987 baseline by $0.15 billion in budget authority in fiscal year 1987, $0.20 billion in fiscal year 1988, and $0.30 billion in fiscal year 1989. This would allow participation to increase by an estimated 280,000 in fiscal year 1987, increasing to 380,000 by fiscal year 1989. The current caseload is just under 3.3 million, and the fiscal year 1987 baseline level is $1.6 billion.

10. Elderly Nutrition and Commodity Assistance..... 51

Increase the authorization levels for congegate meals, home-delivered meals, and nutrition education for the elderly. The specific authorizations levels would be as follows:

Congregate Meals—From $395 million to $410 million;

Home-Delivered Meals—From $75.6 million to $95.6 million. Currently, 225 million meals a year are served in the Congregate and Home-Delivered Meal Programs. This increase would provide an additional 10.2 million meals.

Commodities for Elderly Feeding Programs—From $144 to $149 million.

Temporary Emergency Food Assistance Program (TEFAP)—From $50 to $70 million in Fiscal Year 1987 and an increase of $5 million in Fiscal Year 1986.

Allow the untilized caseload for which funds have been appropriated in the Commodity Supplemental Food Program (CFSP) to be used either to serve additional elderly persons at existing projects or to fund additional projects which would serve elderly persons.

11. Nutrition Education..... 32

Increase the authorization levels for the major nutrition education programs as follows:

Expanded Food and Nutrition Program (EFNEP)—From $60 to $75 million;

Community Food and Nutrition Program—An authorization level of $5 million would be specified.

Authorize $10 million in Fiscal Year 1987 for Nutrition Education Training in schools.

12. The National Nutrition Monitoring and Related Research Act of 1986 (H.R. 2436) as reported by the Committee on Science and Technology. This authorization is not scored by the Congressional Budget Office as having a direct cost.

ACTIVITIES OF THE SO-CALLED NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. BYRON] is recognized for 60 minutes.

GENERAL LEAVE

Mrs. BYRON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order this evening.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

Mrs. BYRON. Mr. Speaker, I rise today to call my colleagues' attention to the latest fund-raising scheme being perpetrated upon a very vulnerable group of Americans, our senior citizens. As many of you are aware, this travesty is the work of an organization calling itself the National Committee To Preserve Social Security and Medicare. It is chaired by former Congressman James Roosevelt, the son of one of our greatest Presidents.

It was Franklin Delano Roosevelt who championed the cause of the elderly. It was his legacy, the Social Security system, which now enables our elderly population to maintain dignity in their twilight years.

It is unfortunate that many of our older Americans have been exploited by that instant name recognition and by that organization's consistent practice of printing the names of Members of Congress and Senators at the top of their solicitations.

Two years ago, almost to the day, Members of this distinguished body spoke at length on this same issue. Then, as now, the topic of conversation involves the frightening language and misleading information being used in mass mailings sent to the Nation's elderly by Mr. Roosevelt's group. As recently as 3 weeks ago, Senator WALLOP from Wyoming took them to task on their questionable and self-promoting tactics.

Many of you have seen copies of their most recent mail solicitation or have received $10 checks from your constituents because of the confusing directions in the text of the group's letter. While the letter raises legitimate concerns about Medicare patients being released sicker and quicker from hospitals, it contains misinformation designed to instill fear in the hearts of our senior citizens. A paragraph from that document states "if you have a heart attack, your medicare coverage will pay for only 3 days, 19 hours of hospital care." Another sentence asserts that "too many elderly patients are being thrown out of hospitals." No doubt, the average senior citizen will become very alarmed by those statements.

What really upsets me about their letter is the wording on the last page which states and I quote:

So it's vitally important you send at least $10 today with your signed petition to your Congresswoman Beverly B. Byron * * *

The implications are that not only am I soliciting funds but that my vote can be purchased for $10. I resent those implications in the strongest possible terms. Where is our truth in advertising? Why are the elderly being preyed upon by a group which purports to be their advocate?

Mr. Speaker, my main purpose today is to personally question the scare tactics, misinformation and the ethics of circulating such misleading materials to our senior citizens.

I cannot understand why a group such as this would purposely frighten our elderly into thinking that they will receive second-class medical care, that they will be evicted from their hospital beds before they are healthy enough to go home, that their $10 contributions will purchase legislative influence.

The National Committee to Preserve Social Security and Medicare could play a responsible role in shaping the direction of senior social programs. Their 10-point legislative program contains many of the goals that I have advocated during my years in this Congress. They have the potential to make meaningful contributions to this body. However, they have not yet demonstrated that ability.

Our patience with them is wearing thin. It is time for an accounting. It is time for this body to act—to fully examine the intent and questionable ethics of this group. I urge you to join with me in asking the House Select Committee on Aging and the Subcommittee on Social Security to investigate and resolve the deceptive practices employed by the National Committee to Preserve Social Security and Medicare, and the use of the name of James Roosevelt to come to that end.

Mr. Speaker, at this time I yield to the gentleman from New York [Mr. GREEN].

Mr. GREEN. Mr. Speaker, there is a lot of talk in Washington about the ethics involved in former Government officials' leaving the Government to lobby the very people with whom they had worked so closely. It seems to me that the subject of this special order today is only a stone's throw away.

We are not dealing here with the lobbying of other officials, who, it might be argued, can easily check the accuracy of the information they receive. What we are dealing with here is much worse: Former Members of Congress preying on one of the most vulnerable groups in society—senior citizens.

Those former Members mail solicitations which give the impression of being official Government mailings, and which contain misleading and factually incorrect information. Particularly appalling are the alarmist tactics used in these mailings, leading the elderly to believe that if they don't send a check for $10 to $30 to these groups immediately, their Social Security benefit checks will be in danger. Seniors in New York City have called my office terribly frightened that this would happen to them.

One senior called me recently about the latest Roosevelt committee solicitation which asks people if they would consider authorizing their future membership dues to be charged to their Visa or Mastercard account, in order to save the costs of mailing renewal notices. "To cut red tape and costs," as he puts it. An intriguing idea for quietly taking money from the very people this group purports to protect.

Well, if it is any comfort to my colleagues on the other side of the aisle, I should like to note that this is a bipartisan problem, as Mr. Roosevelt is not alone in his campaign. Former Congressman William C. Wampler has formed the "Social Security Benefit Protection Service" with an alleged mission "to help our nation's elderly receive all the benefits they worked for, were promised, and deserve * * * and to help keep Social Security strong so that those entering it today will benefit from it tomorrow." All this for a mere $15 "basic membership" contribution, although, this group states, "we desperately need contributions of $25 or more."

I checked Wampler's group and found it had not been registered as a lobbying organization. From an exchange of letters with Mr. Wampler it is clear that his groups only function is to check citizen's records of Social Security contributions—something anyone can do on his own, not for $15 or $25, but for 14 cents, the price of a postcard.

It is a sad state of affairs when former Government officials take advantage of the people's trust. I am not opposed to lobbying on these issues—but I am deeply disturbed by the use of false information and scare tactics. If our former colleagues have any respect for Congress or for the people, then I hope this special order will inspire them to clean up their acts.

I am not sure what else we can do about such groups—and, given the growth of the senior citizen population, I suspect others will be tempted to enter the arena. But I have sent warnings to thousands of seniors in my district, saying "Check before you write a check."

□ 1920

I thank the gentlewoman for yielding.

Mrs. BYRON. I thank the gentleman very much. I appreciate his support on this issue because it is one that I find very, very difficult to understand.

Mr. Speaker, my colleague from Maryland, Congresswoman BENTLEY, had wished to make a few comments on this, but due to the time and the hour getting late, she had an appointment in Baltimore.

I want to say that her testimony and statement will be submitted for the RECORD.

Mr. Speaker, I yield to the gentleman from Florida [Mr. HUTTO].

Mr. HUTTO. I want to commend the gentlewoman from Maryland for taking this special order to address a subject that has needed addressing for a long time. I think it is very good that the gentlewoman has taken this special order so that we can tell the American people and our colleagues, as I think all of them know by now, that it is a cruel hoax that is being perpetrated on our senior citizens by this group. I think that our great late President Roosevelt would trun over in his grave if he knew that this son was participating in something of this nature.

I have written to my senior citizens who have asked me about this for the last few years, telling them not to contribute. I hope that we can get that message around because really this organization can do nothing but hurt their cause.

The Congress of the United States has addressed Social Security. It is sound, supposedly, well into the next century. If they are going to contact anyone, it should be their Member of Congress.

Mrs. BYRON. It is interesting, one of our colleagues from Tennessee stopped me just yesterday and said that the question that they are asked more often than any on a call-in show is, "Should I contribute to this program?" They have said unequivocally that they should not, do not contribute to this program.

Mr. HUTTO. That is right. But still they are getting these constant flood of letters, and many of them are contributing because some of the senior citizens have to exist on a meager fixed income check from Social Security. They are dependent on it; they are very nervous that something might happen to it. When they get these letters they promote fear, then of course they want to do what they can to try to save Social Security. So, many of them are still contributing, believing that that will help. But I applaud the gentlewoman for taking this special order, and I hope that we can get the message around the Nation that our senior citizens should not be taken in by this sort of thing. And I hope that they will quit contributing.

Mrs. BYRON. There is an enormous number of very caring Members in this body, very concerned about the practices and about what is happening to our senior citizens. We as a group are addressing this in the way that it should be addressed.

Mr. HUTTO. And I appreciate very much the gentlewoman doing this. I thank the gentlewoman.

Mrs. BYRON. Let me talk a little bit about the letter that I received from one of my constituents. It is a fairly lengthy letter, but I find it really very interesting, the comments that he has written along the side.

On one of them, on the very front page near the bottom, is, "Is the money really being spent by uncaring bureaucrats? I have given to James Roosevelt many, many times."

Another comment on another page: "Does he lobby? I have read that he doesn't." That is in the paragraph in the letter, it says, "I must step up our lobbying activities, present testimony before Congress and send representatives to plead our case to your Congressmen on a person-to-person basis."

Well, I have yet to see anybody in my office pleading their case on any basis. The only thing I have seen in my office is some checks, some $10 bills sent in by constituents of mine having read the one paragraph where it says, "It is important you send at least $10 today with your petition signed to your Congresswoman."

That is what I find very, very difficult.

Mr. Speaker, I yield to the gentleman from Kentucky [Mr. HUBBARD].

Mr. HUBBARD. I thank the gentlewoman very much for yielding.

Mr. Speaker, I am joining my colleagues today in commenting on the National Committee to Preserve Social Security and Medicare and its continuing mass solicitations and campaign of fear directed at our country's senior citizens.

As I previously stated on the House floor regarding the activities of James Roosevelt and his Committee to Preserve Social Security and Medicare, elderly citizens, individually, have approached me at town hall meetings

and questioned the purpose of this organization and what it purported to claim in its fundraising mass mailings. Last December on the floor I called the craftily drafted mailings "a campaign of fear." It is now springtime and the retirees of Kentucky's First Congressional District still raise questions at town hall meetings in western Kentucky about James Roosevelt and the organization with which he is associated.

Not a month has gone by since the beginning of 1985 that new mass mailings have not been sent to my constituents, who in turn, question me about the validity of the statements and the validity of the National Committee to Save Social Security and Medicare. At times, it appears to only be a very unique organization. Who runs it? Who are the real individuals behind it?

I have often wondered whether James Roosevelt runs the organization, or whether an advertising agency runs it.

I have just seen a copy of the January-February issue of the so-called official newsletter of NCPSSM with the masthead "Saving Social Security." It was in a newspaper format filled with articles that read more like op-ed pieces and advertising of products directed at retirees. Not one news article had a byline to identify who wrote the piece. Nor was an editor or associate editor or writer listed.

Who are the individuals producing these newsletters and fundraising letters of the NCPSSM?

At the same time, NCPSSM is flooding the rural mailboxes in western Kentucky asking for donations, we have other organizations also using similar tactics to sell insurance and other products in brochures imitating official Social Security letters. Misleading direct mail advertising is under the jurisdiction of the U.S. Postal Service.

Mr. Roosevelt, in his newsletters, continues to emphasize his threat to sue the Secretary of the Treasury over questions of improperly handling the assets and interest earnings of the Social Security trust funds. No suit has been filed. Is this claim just a ruse to continue laying the groundwork for future appeals to the elderly for more contributions?

Based upon my past experiences in dealing with senior citizens who sincerely question the motives of the NCPSSM, I am joining with my colleagues and the gentlewoman from Maryland in asking the House Select Committee on Aging and the House Ways and Means Subcommittee on Social Security to hold hearings and investigate the questionable practices employed by this group.

Just last week, two elderly ladies in Henderson, KY, told me they have mailed over $100 each to the National Committee to Preserve Social Security. They were asking me if they should send in more money to this committee.

The national chairman of this committee is former U.S. Congressman James Roosevelt. This is my 12th year in Congress. I've never met Mr. Roosevelt.

I urge senior citizens to believe that we in Congress will always work to save Social Security.

Mrs. BYRON. I thank the gentleman for joining me in this special order this evening because I think there is an interesting thread here that many of the rural districts are the ones being targeted.

Mr. Speaker, I yield to the gentleman from Illinois.

Mr. CRANE. I do this because we have a problem on our side of the aisle with a conflicting engagement and Members on this side of the aisle would want the opportunity to participate.

Mr. Speaker, I would like to call the attention of my colleagues and the American people to the group which calls itself "The National Committee to preserve Social Security and Medicare." This organization is headed by the son of Franklin Delano Roosevelt, James Roosevelt, and claims to be a guardian of the Social Security system. However, I am greatly concerned about the tactics which this organization uses to raise funds for its so-called lobbying effort and openly wonder whether this group actually accomplishes what it says it sets out to do. In addition, I am concerned that this group may be misleading the elderly into believing that Social Security and Medicare face immediate financing problems which may threaten the availability of benefits.

As a member of the Social Security Subcommittee, I have received numerous inquiries about this organization. Many elderly individuals in my district have received official-looking letters which claim that the Social Security and Medicare systems are facing imminent danger and that a $10 contribution to this group would help prevent the destruction of the Social Security and Medicare systems.

Here is an example of what my constituents have received from the NCPSSM:

During the debt-limit debate last November, the NCPSSM sent out an "Urgent-Action-Gram" on the issues of disinvestment of the Social Security trust funds and payment of Social Security benefits checks to beneficiaries on December 3. The letter implied that only one-half of December's Social Security benefits could be paid and a $10 contribution to the NCPSSM was vital to the effort to restore the Social Security trust funds to the level necessary to pay all benefits due. The truth of the matter was that the December benefits were not in danger and the trust funds were not about to be depleted. Let me quote a December 2, 1985, letter to me from the chairman of the Social Security Subcommittee, Representative JIM JONES:

> First and foremost, it is not true, as the Roosevelt group alleges, that the December Social Security checks are in doubt, or that the entire system is on the verge of collapse as a result of the policy of disinvestment . . . [T]he temporary debt extension legislation enacted on November 14 provided for the full restoration of Social Security reserves drawn down in October and November.

I don't know how much money Mr. Roosevelt was able to raise by scaring the elderly into contributing to his so-called cause. But I am certain that, if Mr. Roosevelt had been straightforward about the actual situation of the trust funds, very little would have been raised.

Any one familiar with NCPSSM's correspondence recongizes the organization's expert attention to details relevant to fundraising. But attention to accuracy and honesty about Social Security and Medicare issues is missing. Its letters all contain errors that are either designed or just happen to increase the chances of a response, specifically a contribution. In the past, fundraising letters were sent in envelopes which suggested they came from an agency of the Federal Government. According to the U.S. Postal Service, the envelopes "suggested to the recipient that the envelope contains official information pertaining to his or her benefits." The words "National Committee * * * Social Security and Medicare," "legal document," along with a seal that bears a remarkable resemblance to the seal of a Social Security card, all support the contention of the U.S. Postal Service. When someone receives such a piece of mail, hurriedly opens it up, then finds a letter which discusses how Social Security and Medicare face imminent destruction unless immediate action is taken, how can he or she not be scared into sending $10 to the organization?

The U.S. Postal Service, the Justice Department, and the Social Security Administration have all told the NCPSSM to clean up its act and not send misleading material to potential contributors; The Postal Service objected to the envelope which contained on the cover the words "Time dated legal document Justice Department objected to the NCPSSM stationery which contained a seal which bore a remarkable resemblance to the Official U.S. seal, while the Social Security Administration objected to the NCPSSM charging its members for information about their social security benefits, information which could be received free of charge by simply writ-

ing the Social Security Administration.

Mr. Roosevelt's group only gave token heed to the requests of these agencies of the Federal Government. In order to satisfy the Postal Service, it changed the word "legal" to "official," to satisfy the Justice Department, it shifted the direction which the head of the eagle on the seal faced, and to satisfy the Social Security Administration, it offered to refund money only to those individuals who specifically requested a refund.

Americans today are concerned with terrorism. But don't the tactics used by James Roosevelt's group appear to be a type of terrorism in a different form? Can't we call these tactics a terrorism of the pocketbook? Millions of American retirees depend upon Social Security. Any indication that benefits will be reduced, let alone not be received, evokes fears that there won't be food on the table at the end of the month, that important medical care will not be available. This fear may lead the Social Security recipient to send $10, $20, or even $30 from his or her small social security check to this group which claims to be working to save the Social Security system. Mr. Roosevelt calls the contributions an investment to "block the rich and powerful forces who would destroy Social Security and Medicare." But I don't think this to be true.

If the American people have concerns about the future of the Social Security and Medicare systems, I would suggest they save the money they would send to such groups as the NCPSSM and write me and the other members of the Social Security Subcommittee on Ways and Means Committee directly. I assure you we will carefully consider your concerns. Why deal with the middle man?

The organization in question, the National Committee to Preserve Social Security and Medicare, is engaged in a kind of terrorism of seniors. It is filling seniors with fright sending publications out in envelopes like this marked "Urgent. Important Social Security and Medicare Information Enclosed." Then they have "time dated official national committee documents enclosed" printed on the front cover. These sorts of documents give a sense of urgency and apprehension, I think, to seniors who can very easily confuse these kinds of documents with official documents.

The envelopes referred to read as follows:

NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICARE, NATIONAL ADMINISTRATIVE OFFICE, 1300 19TH ST. N.W., WASHINGTON, D.C. 20036.

National Committee Social Security and Medicare documents enclosed.

URGENT! IMPORTANT SOCIAL SECURITY AND MEDICARE INFORMATION ENCLOSED

ATTN: POTEAU, POSTMASTER
Rt 3 Box 10G, Poteau, OK 74953.

Time Dated Official National Committee Documents Enclosed. Expedite for Immediate Delivery.

URGENT!

IMPORTANT SOCIAL SECURITY AND MEDICARE INFORMATION

ENCLOSED

NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICARE, NATIONAL ADMINISTRATIVE OFFICE, 1300 19TH ST. N.W., WASHINGTON, D.C. 20036.

National Committee Social Security and Medicare documents enclosed.

URGENT! IMPORTANT SOCIAL SECURITY AND MEDICARE INFORMATION ENCLOSED

Attention: Kensington Postmaster
CAR-RT SORT **CR 07

Time Dated Official National Committee Documents Enclosed. Expedite for Immediate Delivery.

Mrs. BYRON. The interesting thing is that some of my constituents have come to me with their envelopes in their hands and they have perceived it to be a letter from me, or they think it is a letter from their Social Security, or letter, an official letter from their Government.

□ 1935

In this country we have a wonderful availability of trusting our Government, and that is what is happening. These people are trusting their Government to take care of them. Their perception is that their $10 is going to take care of them.

Mr. CRANE. The envelopes have an official look about them, there is no question about it. And it has got to create that sense of urgency.

When this organization has asked people, for example, to send $10 to get an update on your own Social Security status, that may cover their cost of doing that process for you, but as the gentlewoman knows and every Member knows in this Chamber, any constituent can contact our congressional office if they need guidance on this question and, the fact of the matter is their Government will provide this service free. As a result, it is a disturbing thing when you realize that not only are the fright alarms sent out, and we went through that drill last year when we were reaching the end of funding of the Government at the end of the fiscal year and we unfortunately—and I underscore the word "unfortunately"—dipped into Social Security funds, which I frankly think was a mistake, to tide us over temporarily, but there was an alarm sent out, a special alarm, by this organization suggesting that that somehow would destroy the funding base on the Social Security Program.

It is that sort of thing, it seems to me, that preys upon people with a limited understanding perhaps of how the system works. As I said, it has got to be a little more difficult for the gentlewoman in the well to take out this special order to discuss this problem, but it does need discussion.

Mrs. BYRON. I have to disagree with the gentleman. It is not at all difficult. It is an issue that I think is wrong, and it is one that I feel very strongly about. When my name is used in a letter to my constitutents to send in $10 to me and that is going to resolve their Social Security problems, that is wrong.

Mr. CRANE. Let me reassure the gentlewoman that all of us around here are very proud of the gentlewoman for having done this.

I might add, too, that it was on the gentlewoman's side of the aisle, notwithstanding the utilization of that historic Roosevelt name, that the first indictment of this organization took place a couple of years ago in this Chamber.

But I would think that so long as this organization is viable, that perhaps we ought to do this on an annual basis, so as to reassure seniors that it is not the kind of an organization that I would hope my father of 85 would be a member of, and I would hope he would not be troubled by receiving these kinds of communications any more than our distinguished colleague's mother would receive these communications and be subjected to the unnecessary frights and alarms that urgent, important, official notification on the front of the envelope suggests.

Mrs. BYRON. I appreciate the gentleman joining me this evening.

Mr. CRANE. We are more than happy that the gentlewoman had done this, and the gentlewoman is doing a great public service.

Mr. Speaker, I as a Republican want to salute the gentlewoman as one on the other side of the aisle who, in this instance especially—not exclusively, but especially—has risen above any differences that we may have on a partisan basis, to look to the concerns and the welfare of those who are the people that perhaps we should be most concerned about in our society. They brought us up. They took care of us. They nurtured us. And this is no time to put them in a state of panic.

Mrs. BYRON. Mr. Speaker, I yield to the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Speaker, I thank the gentlewoman for yielding to me.

I want to commend and congratulate BEVERLY BYRON for helping to blow the whistle on the National Committee to Preserve Social Security and Medicare. This special order is long overdue.

In my own district in Toledo, OH, not a week goes by that I do not get a letter from a constituent who is confused, upset or alarmed over a mailing received from this organization, the National Committee to Preserve Social Security and Medicare.

In 1984, this organization collected over $9 million from older Americans.

How do they collect this money? Not through the time-honored method of grassroots activism by its members. Unlike other respected senior citizens' organizations like AARP or NCSC, whose members belong to and are involved in local chapters—a "member" of the National Committee to Preserve Social Security and Medicare is merely expected to send in his or her $10 to a post office box every time a mail solicitation arrives from that group's Washington headquarters.

And what sort of fundraising techniques do they employ? They send official-looking letters, using the names of elected representatives, predicting dire consequences for Social Security and Medicare if people don't send in their contributions. People should know that they can always voice their concerns about these programs directly to their Senators and Representatives. Sometimes, the national committee offers "services" to the elderly, such as providing them with their Social Security earnings statement, which already can be provided free of charge through any Social Security or congressional office. This organization has even sent fund solicitations to individuals implying that they have responded to previous appeals, when they clearly had not. For example, one distraught woman in my district sent me a letter from the national committee addressed to her husband which said he "recently signed a petition" on behalf of the organization. Her husband has been dead for 11 years.

Organizations that present themselves as advocates for the elderly should inform and help them—not distribute misleading materials that frighten them into parting with their precious retirement dollars. I, too, would encourage the House Select Committee on Aging and the House Ways and Means Subcommittee on Social Security to investigate and highlight the extremely questionable practices of the National Committee to Preserve Social Security and Medicare.

Now the gentleman whose name has been mentioned here this evening, Mr. James Roosevelt, the head of this committee, uses his title as a former Member of Congress to lend legitimacy to this money-churning operation.

I called the organization after they first started mailing into my district 3 years ago and I did not get any replies from the organization. I finally asked if I could arrange to have Mr. Roosevelt come to my office, because I frankly did not believe that he existed. Eventually he showed up on my doorstep, and we had a conversation. I could not believe that someone who was Franklin Roosevelt's son to actually do what he was doing across this country and in my district. At the time, he was misusing my name in the mailings that were being sent out, and people in my district thought that they were mailing money to me as a Member of Congress. So I felt that it was my obligation to tell him to change the format of his mailings and to stop calling himself a Member of Congress, to make it a former Member of Congress, and now he is using that in the literature that he has.

Mrs. BYRON. He has a new one, "United States Congress (retired)."

Ms. KAPTUR. Yes; they probably spent a lot of money figuring that one out.

But I told him that I was not interested in him scaring the seniors of my district and, in fact, I did not want him to give the impression that when people mailed him money they were then mailing money to me. I asked him to stop doing that.

I had to go on television several times in my district to tell seniors that they do not have to send him money. Many of them think that if they do not send him money, they are not going to get their Social Security check or their Medicare benefits.

I did extract an agreement from him after several minutes of discussion that if seniors in my district wanted their money back that he would be willing to give them their money back. Believe me, I am trying to get as many seniors their money back as I can.

The seniors in my district were surprised to find out that he never came to lobby me or to present me their petitions which he claims to be doing in all of the letters that he sends out. In fact, I had never heard from him, just like our colleague from Kentucky.

One of the other things that this organization does is they try to give Members of Congress campaign contributions with the money that seniors send them. Basically what I say to the seniors in my district is that if they are interested in Social Security, what they should do is make sure that the people who are running in those districts are committed to the Social Security and Medicare Programs while they are running for office, and they do not have to spend this extra money and send it to some post office box in Washington, that they should really depend on their own Members of Congress.

□ 1945

But I am sick and tried of this group worrying these senior citizens in my district, and I am tired of having to go on television or radio over and over again, telling our seniors, "You do not have to mail to this national committee to preserve Social Security and Medicare."

So I would urge the gentlewoman from Maryland to continue on in her efforts to urge senior citizens around the country not to contribute to this organization and, hopefully, through more public spotlights being focused on them, we can right a very wrong situation.

I thank the gentlewoman for this opportunity to participate in her special order.

Mrs. BYRON. Mr. Speaker, I want to thank my colleague, the gentlewoman from Ohio, because I think it is an issue that has really not hit one area of the country but it has gone across the entire country.

I am delighted to realize and to understand that the gentlewoman has seen Mr. Roosevelt, because in his communique he said he does meet with Congressmen and Senators on a person-to-person basis. I have yet to ever hear from or to be contacted by the organization, until I took this special order out. And you would be amazed the communications I have had since I have had this special order.

Ms. KAPTUR. I might just tell the gentlewoman that it is very difficult to get him into your office. And during the conversation I had with him, which is now about 2 years ago, he indicated he was not living in Washington, he was living in Palm Springs, CA, and, thus, it was difficult for him to come to Washington, but the staff here, whoever they are, was handling the day-to-day operations of this organization.

Mrs. BYRON. I thank the gentlewoman again for joining me on this special order. A special order is only as good as those Members who participate, and I am delighted to have as many Members participate as we have seen this evening.

Mr. Speaker, one of my colleagues, the gentleman from West Virginia [Mr. WISE] wished to join us in this dialog, and I think the gentleman has a district somewhat similar to mine, with the problem that I have already highlighted.

Mr. WISE. Very much similar.

I appreciate the gentlewoman yielding, and I just want to say that my observation is that the quickest way to get to see Mr. Roosevelt is to participate in a special order such as this one, because I had a similar experience as the gentlewoman from Ohio, in that I had been raising some concerns on the floor of the House about this organization. I had never seen a lobbyist before from the National Committee to Save Our Social Security and Medicare. Mr. Roosevelt did come by and spoke with me, much along the same lines as the gentlewoman from Ohio mentioned, made

certain promises, and I have never seen a lobbyist in the 2½ years since. I also sit on the Subcommittee on Aging, directly involved with aging issues, but I have yet to see a lobbyist from the committee on any issue. I think that is significant, because it is important to warn senior citizens in West Virginia and across the country, in Maryland and everywhere else, of the questionable fund-raising procedures of groups such as the National Committee to Save Our Social Security and Medicare. The problem is that these groups are raising money from the elderly by unnecessarily frightening them with horror stories about Social Security being in danger or that the Medicare Program is about to fold. These groups, of course, follow a similar pattern, urging similar citizens to spend $10 or $15 in a contribution for lobbying or litigation. And one of these groups, and I think a prime example, is James Roosevelt's National Committee to Preserve Social Security and Medicare. It raises millions of dollars through direct mail campaigns. But yet it rarely lobbies or follows through.

For instance, I have gone back through and looked at the number of times I have been contacted on an issue by lobbyists from this organization. The answer: Absolutely none. I have not been contacted, nor has any of my staff, except when we call them.

Then I went back and I looked at one of the mailings in November:

Send me $10 or $15—

Mr. Roosevelt asks—

Help us stop the disinvestment of Social Security, and we are going to hire lawyers and lobbyists.

Well, of course, I have never seen a lobbyist, so I looked at what litigation has been filed. There was litigation filed, of course, following that, by several Members of Congress, by several respected senior groups, but to this day, so far as I know, not one piece of paper has been filed in any courtroom by the National Committee to Save Our Social Security and Medicare. Where does that money go?

The group also asks for money more than once a year. It is not just a simple membership drive, but it is repeated fundraising appeals, month after month these mailings go out.

So I think this is of great concern. It is with rising frustration that I am here again tonight because, as the gentlewoman noted, many of us rose 2 years ago on the questionable fundraising tactics of James Roosevelt and the National Committee to Preserve Social Security and Medicare. I was hopeful that the criticism then would lead Mr. Roosevelt to alter his methods, but I am sorry to report this really has not happened.

I want to congratulate the gentlewoman from Maryland [Mrs. BYRON] for being kind enough to alert me to a mailing that her constituents had received, and I assume mine will, if they have not already, be receiving it shortly. This mail was sent across the country just recently to millions of people who have already contributed to Mr. Roosevelt's organization. And, as in the past, I am sure it is only a matter of time before the inquiries start flooding into my office.

Last fall, in November, Mr. Roosevelt scared senior citizens into thinking they were in danger of losing their Social Security benefits. I think it is worthwhile to point out that what he was talking about then was Social Security disinvestment. And most of us in this body disagreed with administration's policies then. But the implicit message in that mailing in November was that the money would not be there in December for December's checks, and that was clearly misleading senior citizens. That money was never in doubt, and Mr. Roosevelt knew it, and anyone who knew anything about the issue. And, once again, that was a mailing where they wanted $10 or $15 immediately:

Rush it to me right away, don't delay, so that we can immediately rush to the courthouse and file litigation,

Which of course they have never filed.

Mrs. BYRON. There is no excuse for a former Member not understanding the ways of this body.

Mr. WISE. Particularly one who is as well versed in Social Security as Mr. Roosevelt was.

And now, apparently, from the mailing the gentlewoman was kind enough to lend me, we are now focusing on Medicare, that is the national committee is, and through the use of questionable and undocumented examples, he leads senior citizens to believe that under the Medicare prospective payments system they will be tossed out of the hospital before they fully recover.

There are problems with the DRG system, but this House is trying to deal with them, and indeed there are some improvements that have already been made. But Mr. Roosevelt makes no mention of this in his letter.

Mr. Roosevelt is right to alert Members to some of the difficulties that the Diagnostic Related Group, or the DRG, system has caused for senior citizens, but I wish he could leave it at that. Instead, in what has become an all too familiar routine, he closes his letter with what? Of course another urgent appeal for funds:

Dig in today, don't delay, send it away.

He states that he must step up his Washington lobbying activities, present testimony before Congress, and send his representatives to plead his case on a person-to-person basis. But what persons is he talking to? I have never seen them.

Mrs. BYRON. I have never seen them.

Mr. WISE. The gentlewoman has never seen them. The other Members here have never seen them.

Mrs. BYRON. My staff has never seen them.

Mr. WISE. In 1984 the National Committee to Preserve Social Security and Medicare, according to the financial reports they filed, spent over $13 million. To what use was this money spent? Over $12 million of the $13 million, according to their report, was allocated. For what important lobbying activities? Direct mailing expenses. That is, raising money to raise money. The senior citizens of this country are sending in their money to an organization that uses these funds simply to raise more money. If Mr. Roosevelt is so concerned about the welfare of seniors, I urge him to stop spending so much money on fundraising and spend more time and effort providing seniors with accurate information.

One final note. I also join with the gentlewoman in urging both the Committee on Aging and the Ways and Means Subcommittee on Social Security to hold hearings into this. But they do not have to make it just on Mr. Roosevelt. There are numerous other groups out there. I think there are some indicators that senior citizens might want to look at. For instance, when they are considering whether or not to send their hard-earned Social Security dollars into an organization, does that organization have elections for policymaking members? How do they keep in touch with their membership? And does their membership actually have a voice in the running of that organization?

Mrs. BYRON. The only time you hear from that organization is when they are asking for more funds.

Mr. WISE. Exactly. What kind of communciations do you get from that organization besides fundraising appeals.

But I think perhaps my hope is that the Committee on Aging or the other committees of the House could develop some criteria that senior citizens could use to judge groups. I am not here to stand in judgment of the many senior citizen organizations, but I do think it is important how they make their policies. Who decides, for instance, what the policies will be? How do they keep in touch with their membership, and does the membership have an opportunity to have a hand in policymaking? Are there elections for board of directors members? There is no election, as far as I know, for the National Committee to Preserve Social Security and Medicare.

So there are other groups out there also that are, in my way of thinking, bilking senior citizens by frightening them.

So it is important that we bring this to the attention of seniors across the country.

To Mr. Roosevelt, I appeal to you to end your organization's tactics. As a former Member of Congress, you have served your country honorably. Your family name is associated with some of our country's proudest accomplishments, of course including the implementation of the Social Security system. Every one of these mailings diminishes your standing. I urge you immediately to put a halt to them. Stop frightening people unnecessarily, Mr. Roosevelt, because the most important thing that is happening here is senior citizens' Social Security checks are not in danger as a result of any action of the Congress or the administration. The most danger to them right now are the actions of the National Committee to Save Social Security and Medicare, which is trying to extract $10 to $15 on a regular basis.

I would just like to close with an example of why I became involved with this and why I congratulate the gentlewoman from Maryland for holding this special order. A gentleman from my district, a senior citizen, came up to me about 6 months ago and said, "Bob, I have been getting these mailings from James Roosevelt of the National Committee." The gentleman was of humble means. He said, "Bob, I have been getting these mailings from James Roosevelt and the national committee. He is asking for $10 to $15, and I sent it to him. I sent him another $10 to $15. Bob, I have sent him $45 now. Do I have to send him any more?"

I said, "Do not send him any more, you do not have to."

I hope that message gets across to a lot of other senior citizens.

I thank the gentlewoman very much for her leadership in putting this special order together, and I appreciate the opportunity to speak tonight.

Mrs. BYRON. Once again I appreciate the gentleman taking the time. The hour is running late, and yet I think it is an extremely important issue that we need to discuss.

Mr. Speaker, my colleague, the gentleman from Georgia [Mr. ROWLAND], has a few words to say on this subject.

Mr. ROWLAND of Georgia. Mr. Speaker, I thank the gentlelady for providing us with the time to express our views and the concerns of our constituents about the activities of the National Committee to Preserve Social Security and Medicare. I appreciate the opportunity to provide information to the American public about this organization and its methods. My purpose in rising today is to discuss three aspects of this committee's functioning which concern me and many other Members of the Congress.

First, I am concerned that in spite of changes in their solicitation methods, the committee still insists on using techniques in their mailings that generate fear and outpourings of anxiety on the part of our senior citizens. I have received some very disturbing correspondence from constituents expressing their apprehension about the stability of the Social Security system. Additionally, the letters reveal that these constituents mistakenly believe that actions are supposedly being taken by the Congress to reduce benefits, dismantle Social Security, or further tax benefits. In short, Mr. Speaker, the solicitation letters from the national committee generate apprehension among our elderly. I have made every effort to assure my constituents that I will work for and support the Social Security system which has served our retired workers well for 50 years. Furthermore, I am sure that the vast majority of my colleagues in the House would take the same position. My comment to the committee on this spreading of misleading information is that immediate changes should be made in their promotional material. Their current methods are not fair to the Congress and certainly not fair to elderly Americans.

Second, I must take very serious issue with the committee's solicitation methods. Not every recipient of these scare letters will understand them for what they are: fundraisers. In some cases, my constituents have written to me explaining that they have sent $10 on three different occasions to the committee and ask how much more they must sent to protect their Social Security benefits. Now, Mr. Speaker, I fully support the rights of any group to raise money in an effort to better express its views to the Members of Congress. On the other hand, I cannot go along with an unbridled campaign to deprive many of our poorest citizens of their merger Social Security benefits. While $10 may be considered a modest amount of money, it can mean the difference between buying food or medicine for some of my constituents. While there is no direct coercion in the message being put out by the National Committee, there is more than a subtle threat that Social Security benefits are endangered and that only through the payment of these membership dues can they be saved. This kind of solicitation of our elderly, and particularly in the case of the poor elderly, is unconscionable. Mr. Speaker, it's simply hard to believe that a former Member of this body would lend his name to an organization which engages in such questionable methods. Third, to what end are these funds being collected, and how effectively are they being utilized for the benefit of the National Committee's membership? As we all know, periodically, we receive correspondence from this group repeating its distorted message and trumpeting its latest membership totals and financial clout. To my knowledge, no one from this organization has ever directly contacted my office by phone or in person on behalf of Social Security recipients.

I think this is what the gentlewoman was just talking about with our colleague, the gentleman from West Virginia. We just do not hear from these people.

Mrs. BYRON. The same thing with our colleague, the gentlewoman from Ohio, and the same thing with our colleague, the gentleman from Kentucky.

Mr. ROWLAND of Georgia. Exactly.

Apparently the major focus is correspondence and, as has already been noted, much of that correspondence is directed toward our elderly to solicit more funds. Recently, I have learned that this group has established a political action committee. I certainly have no objection to the participation of PAC's in our political process. However, I would hope that any contributor to a PAC does so freely and with full knowledge of how his or her money will be used. Mr. Speaker, I hope that the people who have contributed understand that this is how their funds will be used. I am afraid that just as in other areas, the National Committee has not been fully open with our seniors about the use of the dues money and other contributions.

Finally, Mr. Speaker, I must express surprise that we are still today raising these questions about this organization. Almost 2 years ago to the day, our colleagues engaged in this same kind of exchange about this group. Today, we again find ourselves raising the same questions. Somehow we should be able to bring this matter to closure. Surely the Congress has the ability to effectively deal with any organization which engages in activities that deprive America's senior citizens of a portion of their modest income and unnecessarily alarms them about an unwarranted loss of Social Security benefits. Mr. Speaker, I would call upon the appropriate subcommittees of the House to fully investigate the National Committee and report back on its findings.

□ 2000

Mrs. BYRON. I appreciate the gentleman coming over and taking part in this special order because, once again, as I have said earlier, I think it is an extremely important issue that has disturbed me greatly.

Mr. ROWLAND of Georgia. It certainly is.

Mrs. BYRON. I think when the letter, and the letter that I have here from one of my constituents in Mountain Lake Park, MD, it says in it, "I urge you to sign a petition," but it also says that, "* * * your rights will not be abused by uncaring Government bureaucrats."

He commented on the bottom, "Is this money really being spent by uncaring bureaucrats?" That is the perception that my constituents have.

Mr. ROWLAND of Georgia. Let me say this to the gentlewoman, it has been some 4 or 5 weeks ago that in church one morning I had three different people come up to me and talk about what you have just pointed out. They were very concerned. They wanted to know if this was an organization they needed to make a contribution to in order to preserve Social Security.

Mrs. BYRON. That is what is wrong.

Mr. ROWLAND of Georgia. That is it.

Mrs. BYRON. Thank you very much.

Mr. Speaker, I am just going to wind up this special order. I have several colleagues that have asked to submit statements for the RECORD. Congressman HILER from Indiana cannot be on the floor this evening, but I have his statement here and I am going to have that inserted in the RECORD for him.

Let me just close with one thing that I find very interesting that some of our colleagues have taken a special order on and have discussed that scare tactics are necessary to take care of Medicare and to make sure that it is preserved. This organization, in my understanding, in my estimation, could serve a great deal of benefit for our senior citizens and help develop legislation and help work toward what we all are concerned about and that is a good life for our senior citizens.

Scare tactics, I do not think, are necessary. But I have to say to former Congressman Roosevelt that with a name and a heritage, with the legend of the Roosevelt name also comes a responsibility, and in my estimation, I do not feel that he is meeting that responsibility that comes with the memory of his father and the memory of the great service that FDR has given to this Nation.

Mr. HILER. Mr. Speaker, I wish to commend my colleague from Maryland, Congresswoman BYRON, for bringing this problem to our collective attention on the floor. Many of us have been contacted by senior constituents who honestly feared that they were about to lose their Social Security and Medicare benefits unless they made a contribution—in most cases a contribution they could not afford—to the National Committee to Preserve Social Security and Medicare.

Some of my senior constituents have sent me letters and urgent "action-grams" they have received from this organization, along with handwritten appeals begging me to intercede in their behalf even though they cannot afford to send money. A quick glance at this group's mailings makes it easy to understand how this fear is induced. The mailings are the result of state-of-the-art direct mail operations complete with official-looking seals, liberal sprinklings of the addressee's name throughout, case studies of such horrors as a heart patient being turned out of a hospital in his pajamas, and personal postscripts urging immediate contributions for the purpose of lobbying Congress to prevent such atrocities. Incidentally, I would point out that I have never been lobbied by any Washington representative of this national group.

In a recent mailing to my congressional district, I attempted to assure my constituents, first, that their benefits are not in doubt, and, second, that they most certainly do not have to part with their hard-earned, fixed dollars in order to save those benefits. Some constituents wrote back expressing relief. One woman from Nappanee, IN, wrote, "I want to thank you for your assurance that Social Security is not on its way out. That will relieve the minds of many senior citizens. I am 92 years old and I want to feel secure." Another woman from Granger, IN, also wrote concerning the "literature" from the James Roosevelt committee, "Do you have any idea how many senior citizens think it's official? Let me tell you there are lots and lots of them. These people need your assurance at this time."

Indeed they do, and that's why I thank my colleague for bringing this special order to the floor so that we can state once and for all that we know how important Social Security and Medicare benefits are to our senior Americans and they do not have to pay anyone to tell us that.

This is America and, obviously, any group has a right to solicit funds for its cause. But I hold in very low esteem solicitations which play on the No. 1 vulnerabilities of our parents and grandparents, and any group that does that needs to clean up its act.

Mr. ARCHER. Mr. Speaker, first, I want to commend the gentlelady from Maryland, Representative BYRON, for initiating this colloquy, and my colleague PHIL CRANE for ensuring that this exchange demonstrates a serious bipartisan concern about the National Committee to Preserve Social Security and Medicare.

No programs enjoy a broader bipartisan support than do Social Security and Medicare. As the ranking Republican member on the Social Security Subcommittee, I can assure you personally that no member of that subcommittee or of the full Ways and Means Committee advocates or supports drastic cuts in either program. In fact, our committee venerates both programs only slightly less than the American flag, motherhood, or apple pie. They are politically safe and economically stronger than at any point in the last 10 years. As an aside, the trust funds have benefited from the fact that more Americans are working now than ever before.

Against that backdrop, the mailings of the national committee are a disgrace. They generate needless fears among concerned senior citizens by suggesting that "urgent" action is necessary to protect these programs. Further, once a senior citizen has paid his or her $10 membership fee he is manipulated to make additional emergency contributions.

The disinvestment issue last November was a classic example. The disinvestment problem was real enough, and both senior citizens and contributing workers had every reason to be concerned about the method by which Treasury disinvested long-term securities to finance the payment of Social Security checks. So, I'm sure our former colleague James Roosevelt would argue that the committee's urgent action-gram dated November 8, 1985, was timely and appropriate. But, in my view the issue was set up as a "strawman" to scare senior citizens into contributing $10 or $15 to the coffers of the committee, not to hire attorneys, file lawsuits or support legislation as represented.

The political facts are that Congress was on top of the issue in 1985, and took immediate steps to restore the disinvested funds, and make whole the loss of interest suffered by the trust funds. On February 18, 1986, the Social Security Subcommittee held a hearing on disinvestment to determine whether legislation was needed to preclude any future disinvestments as an ingenious way to avoid the debt ceiling. Witnesses that day included representatives from Treasury and GAO, Mary Falvey-Fuller, one of Social Security's public trustees, and two reputable beneficiary organizations, the Save Our Security Coalition [SOS] and the American Association of Retired Persons [AARP].

Ladies and gentlemen, the National Committee to Preserve Social Security and Medicare did not ask to testify at that hearing. They failed to take the opportunity to appear before the one committee in the House of Representatives that can initiate Social Security legislation.

Nor, as I understand it, did the national committee ever file a law suit. I would have to question whether or not their conspicuous absence on February 18 wasn't due to their reluctance to answer questions about their use of the $250,000 they sought to raise via that urgent-action-gram.

Finally, to demonstrate the bipartisan nature of my concerns, I must note for the record that our former colleague, Republican William C. Wampler, possibly inspired by the committee's dubious success, has founded his own Social Security Benefits Protection Service and for another $15 or $25 he too will help you preserve your Social Security and Medicare benefits.

If I had only one brief message I could deliver to all Social Security and Medicare beneficiaries, it would be: Folks, please, save your money. If you're concerned, use some of it for postage and write your Representative directly telling him or her your specific concerns about Social Security. I guarantee we listen to our constituents' views with more respect than either James Roosevelt or William Wampler can command by shilling for these direct mail organizations who prey on your fears.

In conclusion, let me repeat that no programs enjoy broader bipartisan support than do Social Security and Medicare. The debates will continue as we monitor program costs and objectives, and some changes are inevitable as society and its needs change, but the basic programs are not threatened. To suggest repeatedly—as does the National Committee to Preserve Social Security and Medicare—that a "crisis" exists is, in my view, deplorable. I share with another Roosevelt my firm belief that "the only thing we have to fear is fear itself."

Mr. DAUB. Mr. Speaker, I appreciate this opportunity to voice my serious concern over

the tactics employed by James Roosevelt and the National Committee to Preserve Social Security and Medicare [NCPSSM].

As everyone is aware, Mr. Roosevelt's committee solicits money through the mail and uses it for so-called educational purposes. The committee has created the misconception that it provides the most accurate information about Social Security Benefits, while in fact, a Member of Congress or the local Social Security office can provide the most clear and up-to-date information with respect to the program—information that is free of charge.

Most of us on both sides of the aisle agree that the deceiving tactics employed by the NCPSSM evoke such ill-emotion from those who read the material that confidence in the U.S. Government deteriorates to a large extent—making the legislative process that much more difficult. Moreover, I have received—as has every other Member of Congress—numerous letters from upset older Americans over the last few years as a result of the NCPSSM mailings that not only produce an unhealthy view of Government, but actually evoke real concerns from the elderly with respect to their continued ability to subsist in the absence of contributions to the committee.

One of the many examples of the problems created by the NCPSSM is that of a man over 80 years old who became so frightened over the committee's mailing on the recent Treasury Department action to disinvest the Social Security trust funds that he had to have his daughter call my office to inquire about the situation. The format of the mailing contained so many inaccuracies—as is generally the case—that the man did not know if he would receive his next check and meet his monthly financial obligations.

In fact, it was not true—as the Roosevelt group alleged in its "urgent-action-gram" last November—that the entire Social Security system was on the verge of collapse, or that December checks were in doubt as a result of disinvestment. I commend the Social Security Subcommittee chairman on his prompt reply to NCPSSM to refute these allegations, but I, nonetheless, regret that so many senior citizens are allowed to be deceived on such an important matter.

The committee's most recent effort—the "Medicare patient's bill of rights" card—that asserts that without a $10 or $15 contribution medicare patients will be thrown out of hospitals "sicker and quicker" is ludicrous. In this case, Roosevelt's group exploited unfortunate rare case histories as a fundraising mechanism; the mailing even intimates that the contribution will be sent directly to Members of Congress.

The Republican Study Committee has published a report on the NCPSSM litany of deceptive tactics that I would like to enter into the RECORD. Responsible senior citizen advocacy groups are essential to educating Members of Congress and to stimulate public debate. However, it is clear from my experience and from the RSC's report that the NCPSSM employs questionable tactics that are certainly anything but responsible.

Although the group claims to lobby Congress on behalf of senior citizens—and although I am aware that written testimony has been prepared by the NCPSSM for various committee hearings—I am both amused and concerned that the group has not had the courage to actually appear at a congressional hearing. I think such absences indicate the type of dubious operation being conducted by the NCPSSM. Furthermore, I think it would be useful to conduct a congressional investigation into this operation and ensure that the group functions in a manner that is responsible.

Mr. BATEMAN. Mr. Speaker, I rise today to speak in support of my colleagues who oppose the methods utilized by organizations such as the National Committee to Preserve Social Security which is presided over by James Roosevelt. This group, supposedly a champion of rights for our Nation's elderly, uses a great variety of tactics to create apprehension and fear in our retired citizens in its endless campaign for funds. I can think of nothing worse than to take advantage of the poor, old, and disabled of our great country who are least able to protect themselves and who are most vulnerable to abuse.

I believe, Mr. Speaker, that the citizens of our Nation should be made aware of the true nature of the National Committee to Preserve Social Security and Medicare so that they can protect themselves from misinformation. I get many phone calls and letters from my constituents in America's First District who have reached a state of grave anxiety because they have been told by Roosevelt's Committee that Congress is trying to drastically reduce their Social Security and Medicare benefits. We need to bring an end to such mental anguish among the elderly as a direct result of the misleading information they receive.

Mr. Speaker, the Members of Congress on both sides of the aisle have worked to protect the rights and benefits of our Nation's Social Security recipients. Our constituents should be advised that they need not send money to a national group in order to be heard in Congress. In fact their personal letters sent directly to Members are always more effective. I do not need a national committee to tell me about the needs of the elderly in my district, as I am sure my colleagues do not need to be informed about their respective districts.

I applaud my colleagues who have spoken out against the National Committee to Preserve Social Security and Medicare and I sincerely hope that the citizens of our great country can become better informed to prevent future abuses by such groups.

Mr. WHITTAKER. Mr. Speaker, I would like to commend my colleague form Maryland, BEVERLY BYRON, for bringing this issue to the floor of the House. We who are charged with insuring the well-being of Social Security are gravely concerned with organizations which prey on the fears of older Americans for the sake of raising a buck.

When the so-called National Committee to Preserve Social Security and Medicare falsely sounds the alarm it worries seniors who oftentimes depend on this valued program for their only income. It worries me, too. This is an unethical way of squeezing a few dollars out of folks who can't afford to make such a contribution.

The "Committee" is "crying wolf" when Social Security is on a fairly sound footing. Will Americans hear the call if and when the system does need help? I hope so. And my guess is it will be no thanks to the "National Committee."

Mr. Speaker, like me, many of my colleagues are working to help keep Social Security from ever becoming a political football. I cosponsored legislation which would take the system out of the grab bag of Federal programs and set Social Security up as an independent agency. Hundreds of my colleagues stand with me for a strong Social Security system and against cuts in benefits.

Mr. Speaker, we don't think much of lobby groups that raise tons of money by using scare tactics to convince their members that dollars are desperately needed to make their pitch on Capitol Hill. The distressing thing about the National Committee to Preserve Social Security and Medicare is that it is headed by a former Congressman who ought to know better.

I have never met with anyone from that organization to discuss the future of Social Security and Medicare. I have never asked for this group's help and I certainly don't want anyone from my district to write a $10 check to see that I get this group's advice.

No one—especially those of us who are responsible for making certain that program is on a sound footing today—would deny that Social Security has had its problems in the past. However, it is unconscionable for professional fundraisers to stir up the anxiety of elderly Americans on fixed incomes just to squeeze out a dollar here and there.

Mr. Speaker, let me emphasize that I have no quarrel with the folks who have given money to this or other groups under the false impression that this was the only way their voices will be heard on Capitol Hill. But, the next time, they should simply write their Congressman or Senator. All that will cost you is 22 cents. In my office, a hand-written note from someone back home certainly has a greater impact than any lobbyist.

One wonderful lady from Fort Scott, KS, said it all in a letter to me recently. She had just received the latest in a series of fundraising letters from the National Committee. She said:

> At one time we sent this organization $10 and have been asked for more money almost every week. We stopped because we decided we may as well have a cut in Social Security as to continue sending them money.

Mr. Speaker, my advice to those people who receive fundraising appeals from this or similar groups is, "Save your money." No outsider has to tell me what's good for Social Security and Medicare. No lobbyist has to tell me what's good for my many elderly constituents who depend on those programs.

My one special interest group is the people of the Fifth District. That's my job.

Again, I thank the gentlewoman, BEVERLY BYRON, for giving me the opportunity to address this troubling issue.

THE EXPORTATION OF COMMUNIST REVOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Indiana [Mr. BURTON] is recognized for 60 minutes.

Mr. BURTON of Indiana. Mr. Speaker, for the past 3 to 4 years, I and many of my colleagues have been very concerned about what is going on in Central America. I serve on the Western Hemisphere Subcommittee of the Committee on Foreign Affairs and have had to deal with the problems of the Communist Sandinistas for the past 3 years on an intimate basis. I know every Member of this House is concerned about what is going on down there, but those on the Foreign Affairs Committee have been living with it on a day-to-day basis.

Now, in the past few days and weeks, we have become even more concerned because it appears as though the attempts by this administration to work out a proper settlement to that problem are in great jeopardy.

The Communist Sandinista government which took power in 1979 made promises to the people of Central America, in particular, Nicaragua, that there would be free elections, freedom of assembly, freedom of religion; all the things that we hold dear. None of those commitments have been kept.

Now, 7 years later, they are exporting revolution throughout the region. We find in Chalatenango Province in El Salvador Communist weapons. Weapons that have come from Vietnam, from the Soviet Union, from Bulgaria, and other Communist bloc countries. That have come through Cuba and Nicaragua in that country being utilized by Communist guerrillas to undermine the democratically elected Government of El Salvador.

Not only that, but they are exporting revolution not only in Central America but in Latin America as well. There are 12 countries south of the Mexican-American border that have either Communist guerrillas trained in Nicaragua or weapons that came through Nicaragua or both. Yet, today, we are about to embark upon an agreement process which entrench the Communist Sandinista government and they will never be able to be taken from power except by direct intervention on the part of the United States of America.

In Nicaragua today, we have an organization called the Contras. The Contras are people, many of whom took part in the overthrow of the Somoza government in 1979; they were part of the Sandinista movement. But the promises of the revolution were not kept. There is no democracy there today, there is just tyranny. So these people who wanted the democracy to come to Nicaragua have taken to the hills. Campesinos, small farmers, businessmen, religious people, and other leaders have taken to the hills to fight to regain the promise of that revolution of 1979.

They have grown from a meager 500 to 600 people initially to between 15,000 and 20,000. Some people believe as many as 25,000 in the Contra Army. We have supplied them with humanitarian and economic assistance, but we have not given them the military assistance they need to force the Communist Sandinista government to live up to the commitments they made in 1979.

Yet, today, we see an agreement about to take place which will solidify the Communist position in Nicaragua. The people who have been fighting for their freedom in the hills of Nicaragua, the Contras, the freedom fighters are about to be cut off from any support, military or economic or humanitarian or otherwise in the not too distant future.

That concerns us. That concerns many Members of Congress a great deal. People like Jeane Kirkpatrick, former U.N. Ambassador to the United Nations, has stated her concern, and I am going to read an article that was written in the Washington Post and in the Indianapolis Star just recently written by her which spells our her concerns about a false agreement being signed during the Contadora process which is coming up in June.

On June 6, the nations called the Contradora nations will be meeting in one last-ditch effort to hammer out an agreement that everybody can live with down there which will guarantee freedom and democracy for all the countries in Central America. But many of us are concerned that this is going to be a ruse used by the Communists to keep power, to let that cancer grow throughout Central America and ultimately all of Latin America so that this entire hemisphere will be jeopardized by the Communist menace.

The Cubans, in the late fifties took power; the Communists in Cuba took power. Fidel Castro promised that there would be democracy in Cuba. That has never taken place.

In the early 1960's, we had a crisis known as the Cuban Missile Crisis and Fidel Castro and Nikita Khrushchev of the Soviet Union had brought Soviet missiles, capable of hitting United States cities, to put on that little island.

President Kennedy created an embargo, a blockade of Cuba to get those weapons out of there. He told Nikita Khrushchev and he told Castro that the only way we would lift that blockade and eliminate the risk of war with Cuba and the Soviet Union was for them to get those missiles out of there and to get the Soviet troops out of Cuba and to make sure that Cuba would make a pledge that they would not export revolution throughout our hemisphere. That they would cease and desist as far as exporting Communist revolution in the Western Hemisphere of this world.

□ 2010

Twenty-some years later now, we see that the Cubans did not live up to that agreement. The Cubans have been exporting revolution throughout all of this hemisphere wherever possible. They have exported revolution into Nicaragua, into Guatemala, into Honduras, into El Salvador, and into many other Latin American countries, and they have been very effective. They did not live up to that agreement.

As a matter of fact, most Communist agreements have not been lived up to. If you look back to the 1953 Korean armistice, that was violated before the ink was even dry. The 1954 Geneva accords on Indochina were violated before the ink was dry, the 1962 declaration on the neutrality of Laos was violated before the ink was dry, and the 1973 Paris peace accords on ending the war and restoring peace in Vietnam were violated before the ink was dry.

Now we are faced with the very likely possibility that the Communists will be able to reach an agreement with the Contadora nations on June 6 which will entrench them, keep them in power as far as we can see into the future. While they may agree to terms which may seem plausible at the outset, the risk is very, very great that they will violate those treaties, just as the other treaties that I enumerated a few moments ago were violated.

We cannot allow this to happen. We must make absolutely sure that the Communist government of Nicaragua lives up to the commitments that they made to the Organization of American States in 1979, that democracy returns to Nicaragua, that the humanitarian violations that have been taking place down there are stopped, that the persecution of the people in the church, the Catholic Church and other churches down there, will stop, and that the freedom of the press that was promised in 1979 will be realized and the freedom of assembly and free elections will be realized as well. But the Communist Sandinista government has said time and again that they do not intend to let that happen.

As a matter of fact, between 1 and 2 weeks ago, Daniel Ortega said this: I cannot quote him verbatim, but the gist of his comments was that "we are not going to allow one rifle to leave Nicaragua until we have achieved our goals." And their goals are very clear. They have said time and again that they want a revolution without borders, a revolution that spreads throughout Central America into El Salvador, Guatemala, Honduras, and ultimately Mexico. Their ultimate goal is to have a Communist government in Mexico, just south of the Mexican-American border.

That is going to drive tens of millions of people from Central and Latin

America into the United States, creating economic hardship and a military situation that we cannot tolerate.

We certainly do not want to have to defend the 2,000-mile border between the United States and Mexico with American troops, and the only way to avoid that is to help the freedom fighters who are trying to bring democracy back to Nicaragua. If a phony agreement is signed on June 6 during this Contadora process, the hope of the Contras being able to exert pressure on the Nicaraguan Government, the Communists down there, to bring about democracy will end.

If on June 6 a Contadora agreement is signed, it is my view as a Member of Congress that we will not have the votes necessary to get the $100 million in humanitarian and military aid that is necessary to keep the Contras a viable force. Conversely, if we do get the aid to the Contras, it is my view that within 6 months to a year they could double their force from 20,000 troops to 40,000 troops and be able to exert severe military pressure on the Communist Sandinista government and force them to live up the commitments which they made in 1979.

That is the very reason that the Communist Sandinista government is about to sign this agreement. My intelligence sources have told me that the Soviet Union and the Cubans have been exerting great pressure on the Communist Sandinista government to sign almost any agreement put before them. The other Contadora nations and Central American nations have agreed to certain principles, and if those principles are agreed to in a written document of Contadora, they will sign it.

The Communists in Nicaragua in my view are being pressured by the Soviet Union and the Cubans to sign a document knowing full well that they intend to violate it. If they sign that agreement on June 6, there will be a feeling of euphoria throughout this body, especially as far as my liberal congressional colleagues are concerned. That euphoria will last maybe for 6 months, maybe for a year, maybe even for 2 years, because in my view the Communist Sandinistas will probably live up at least part of the agreement during that period of time.

But before long, the Communists will violate that treaty, that agreement, just like they violated the 1953 Korean armistice, the 1954 Geneva accords, the 1962 declaration of neutrality on Laos, and the 1973 Paris agreements on ending the war and restoring peace in Vietnam.

When they start violating that agreement, then my colleagues and I will be debating on this floor whether or not there are more military arms from the Soviet Union and Soviet-bloc countries coming into Nicaragua, whether or not Nicaragua has violated its treaty by exporting revolution to El Salvador, Guatemala, Honduras, and so forth, and whether or not weapons are getting through to those countries through Nicaragua and Cuba. We will be arguing whether or not Communist terrorist guerrillas are being trained in Nicaragua and being exported to other Central and Latin American countries. But we will not accomplish anything, because an agreement will have been signed, and because that agreement will have been signed, we will sit by and harangue and harangue and harangue while country after country is subverted and falls to the Communist menace.

One day 5 or 6 or 7 years from now, because we have been duped into believing the Communists will live up to an agreement again, we will see the Communists moving northward right behind the masses of humanity they are driving up there who are fleeing oppression.

At that point, we will have to make a decision: Do we let all of Central America and Mexico go Communist, or do we do our best to try to preserve freedom in this hemisphere? At that point my colleagues and I will engage ourselves in another debate, only this time it will be: Do we send American boys down there to fight for freedom? That is something that is not necessary if we deal with the problem today.

If we deal with the problem today by giving aid to the freedom fighters in Nicaragua, they can put pressure on the Communist Sandinista government, they can stop the Communists from exporting revolution and keep that revolution from spreading throughout our hemisphere. But if we wait, the debate on this floor will be: Do we send American troops?

The debate will be something like this, my friends: Are we getting ourselves into another Vietnam? Why should we be involved in this? Those people want communism, or it would not be a Communist country. They will ignore the fact that the Communist tryannies came out of the barrel of a gun and not through democratic institutions and free elections. And we will debate and we will debate and we will debate. Ultimately, somebody will say, "We have no choice. We have to defend our southern flank." At that point, my friends—my friends in this Congress and people across this country—should realize we will have to vote to declare war on the Communists who are taking over all of Central America.

That is a prospect that I do not want to have to deal with, and I do not think any American who loves freedom and loves our boys and the future generations of this country wants to have to contend with that prospect. That is why today I urge my colleagues who may be watching this on television to use what influence they have on the State Department, on the National Security Council, and on the Presidents of Central America, to make sure that a phony agreement is not signed on June 6, to make sure that any agreement that we agree to that is agreed to by the Contadora nations has teeth in it, real teeth, to make sure that the Sandinistas live up to the promises that they made to the OAS in 1979, and to make sure that we are not going to cut off aid to the Contras, the freedom fighters, until we know for sure that they have lived up to that agreement.

Mr. Habib, our envoy to Central America of recent days, said recently in a letter to some of my Democrat colleagues that whenever an agreement is signed that reaches the 21 objectives of Contradora, we will immediately cease and desist in giving aid to people like the freedom fighters in Nicaragua. That is not exactly the language he used, but that is the gist of his letter. If an agreement is signed, there will be no aid going to the Contras.

It should not be that way. If an agreement is signed and the agreement has teeth in it, and the agreement conforms to the promises made to the OAS by the Communists in 1979, we still must supply the Contras until we are sure that every part of the agreement has been met. We must not allow an agreement to be signed that will cut off aid to those freedom fighters, because they are the only viable force down there fighting the Communists.

Daniel Ortega has said recently, with some of his leaders in his military junta down there in Nicaragua, that if aid is cut off to the Contras, he will sign an agreement. Mr. Habib has said if an agreement is signed, aid will be cut off to the Contras. The other Contadora nations have likewise headed in the same direction. So here we are today just a couple of weeks before June 6, with all of the interested parties, saying: "We are about ready to sign this agreement. All we have to do is make sure that there is no aid to the Contras, and that the Communists will live up to some kind of a Contadora agreement."

How can you enforce an agreement if you do not have some force to use to make sure that they live up to the agreement? If there is no military force down there, if every stick of military opposition is pulled away from the freedom fighters, how do you enforce any resolution that is signed by the Communists and the Contadora nations?

There has to be some mechanism, some force behind any agreement. Otherwise, you just have a piece of paper that people agree to live up to, and pieces of paper the Communists

have violated throughout history since 1917 when they came to power in the Soviet Union.

I think that I have made my point perfectly clear, and that is, one more time, that if an agreement is signed on June 6 by the Contadora nations, including the Communist Nicaraguans, we must make sure that it does not include cutting off aid to the freedom fighters until we know that the Communist Nicaraguan Government has lived up to every commitment that they made to OAS in 1979.

□ 2020

If we could not have aid to the freedom fighters before all of these promises have been kept, then we are sowing the seeds of war for the people of this country, the young men and women of this country in the future.

On May 19, Jeane Kirkpatrick, former Ambassador to the United Nations from the United States, wrote this article in the Washington Post and the Indianapolis Star and many other publications across the country. I would like to read it to you right now.

There is a widespread belief in Washington that Nicaragua will sign the Contadora Treaty on June 6 at a meeting of foreign ministers of five Central American countries and eight associated South American nations. This belief persists even though some Nicaraguan Junta Leaders indicate the contrary. There is also widespread fear that Nicaragua will sign the agreement, never fulfill its terms and nonetheless reap the benefits of compliance by its neighbors and the United States.

It is a reasonable fear based on the past behavior of the Sandinistas.

After all, the Sandinistas in 1979 promised democratic elections, free press and assembly, and rule of civil law. These commitments were made when Sandinista leaders needed help in ousting Somoza and winning power. Once in power, the Junta leaders rejected talk of elections, claiming that Nicaragua had already voted "with their blood and with the guns in their hands."

None of the promises made to the Organization of American States was kept. Instead, the Sandinista Government gagged the press, denied the right of assembly, subjected businesses and trade unions to comprehensive controls, and suspended the rule of law. When elections were finally held in 1984, the government controlled the choice of candidates, the campaign and the outcome.

What reason is there, then, to believe that the same leaders who made solemn written promises of democracy six years ago will honor them now if they sign the proposed treaty?

The treaty would commit its signatories to democratic freedoms and elections, the removal of foreign military and security personnel, an end to importation of foreign arms and noninterference in the internal affairs of each other. The 21 Contadora objectives are wholly consistent with the goals of U.S. policy in the region.

But Nicaragua President Daniel Ortega and the Junta do not speak as though they are planning a democratic transition.

"We are not going to disarm the revolution," Ortega said last week. "Not one rifle will leave Nicaragua in any negotations."

Junta member Sergio Ramirez Mercado said Nicaragua would be disposed to sign the Contadora treaty only if the United States pledged to respect its terms. Special envoy Ambassador Philip Habib has already informally indicated the United States would do so. In a letter to three Democratic Congressmen, Habib asserted that the United States would support a treaty that provided for "comprehensive, verifiable and simultaneous implementation", adding "we would not feel politically bound to respect an agreement that Nicaragua was violating."

But would the United States move to demobilize and disband the Contras while Nicaragua stalls and dissembles? One of the treaty's provisions, the one Nicaragua is most concerned with, would outlaw "irregular military forces"—that is the Contras—and dismantle their bases.

The Sandinistas might even cut off their flow of weapons and guerrillas to neighboring countries. However, it would be easy enough to resume full-scale support a year or two later.

Such a swindle would not be the first one experienced by the United States. We have already made real concessions in exchange for promised goods that never materialized. At Yalta, Stalin promised free elections for Poland. North Vietnam promised a ceasefire and withdrawal of foreign troops from Laos and Cambodia.

At Helsinki, the Soviets promised to respect human rights and permit emigration. Following the Cuban missile crisis, Nikita Khrushchev promised President Kennedy the Soviet Union would not install offensive weapons in Cuba and would not use that country to export revolution in the hemisphere. The Communist record of treaty compliance reminds one of Thomas Hobbs' dictum that "covenants without swords" are not to be relied on.

Obviously, the United States should not acquiesce in an agreement which will not be fulfilled. To acquiesce in tyranny for Nicaragua, turmoil for Central America and enhanced risks for American national security is simply unthinkable.

If the freedom fighters are disarmed, there will be no swords and the agreement can be violated.

Obviously, the United States should not acquiesce in an agreement which will not be fulfilled. To acquiesce in tyranny for Nicaragua, turmoil for Central America and enhanced risks for American national security is simply unthinkable.

I urge my colleagues and the people of the United States of America to contact the people in the State Department, the National Security Council, and the President of the United States to exert pressure on those Central American countries to make sure that there is compliance with any agreement and that if a phony agreement is signed, that those Central American countries run the risk of having to go it alone if a war breaks out down there because of this phony agreement.

The United States should not be relied upon to come to their rescue if they knowingly sign an agreement they know the Sandinistas are going to violate. We should not be "Big Brother." We are trying to help them right now and if they are not willing to be helped, we should not be the scapegoat sometime down the road in the future.

American boys should not be the cannonfodder for mistakes made in Central America today. I am very concerned about that as a father. I have an 11-year-old son and in 5 or 6 or 7 years if a war breaks out he might very well be called upon to go down there and protect the southern border of the southern flank of the United States. That need not happen if we continue to support the freedom fighters until a fair and real agreement is signed and implemented and carried out. To disarm the Contras immediately upon the signing of an agreement would be a tragic mistake and it would be sowing the seeds of war for the United States in the future.

OUR NATION'S TRADE PROBLEMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GAYDOS] is recognized for 60 minutes.

Mr. GAYDOS. Mr. Speaker, for more than 15 of the 18 years I have spent in the Congress, I have focused much of my energy on the Nation's trade problems.

As a cofounder of the Congressional Steel Caucus in 1972 and, today, as the current chairman of the Caucus Executive Committee, I have made every possible effort to inform you, my colleagues, of the dangers this Nation faces from the unrestricted and rising tide of imported goods.

In the late 1970's and the early 1980's, I used the example of the impact imports had on the steel industry to awaken your interest, but, today, steel is only one of too many embattled industries—machine tools, consumer electronics, textiles, shoes, heavy equipment—all on the verge of extinction because the trade laws aren't working or aren't being enforced to the fullest.

Well, Mr. Speaker, this week the house is considering H.R. 4800, the Trade and International Economic Policy Reform Act of 1986. It is our answer to dealing with the soaring trade deficits that have resulted in the demise of too many American industries and businesses.

H.R. 4800 offers some positive avenues to dealing with both sides of the trade problem in this country—it aims at reducing imports by focusing on those countries with whom the United States has the largest deficits and at the same time seeks to encourage American businesses to export more and to provide training to help improve the skills of American workers

and, thereby, make them more productive.

While this last is important, my concerns for the steel industry lead me to focus more on the import side of the bill rather than the export side.

I particularly want to speak to that section that would require mandatory negotiations with any major U.S. trading partner which has an "excessive trade surplus" with us.

I especially like the idea that those nations deemed to have that "excessive trade surplus" would have to negotiate because to fail to do so would result in serious consequences.

I also strongly support the provision in the bill that requires Presidential action against the offending country. While the bill does give the President the choice of quotas, tariffs, or marketing agreements, he couldn't just stand idly by while a situation worsened.

I almost wish we had included those same requirements for Presidential action in our revision of sections 201 and 301 of the 1974 Trade Act in 1979 and 1984. Right now, the President may follow the recommendations of the U.S. International Trade Commission, may amend the recommendations, or may ignore them entirely.

I remember the debates on that 1974 Trade Act and on the amendments offered to it in 1979 and 1984. During those debates I said that while the provisions of the laws on unfair trading practices, dumping, and subsidization were adequate, unless they were enforced, they wouldn't mean anything. As we all know, they have not been enforced adequately over the years.

That is one reason I support these provisions in H.R. 4800. At least in cases where this Nation has suffered unwarranted trade deficits at the hands of a particular country or two, there is some recourse for resolving the issue, for insuring that nations gaining benefits at our expenses will have to reduce that impact.

We have a long way to go, however, toward restoring and revitalizing our industry.

Just a brief look at a couple of recent headlines will give us some idea of the scope and range of the problem.

On May 1, the U.S. Department of Commerce reported that the U.S. merchandise trade deficit surged to $14.5 billion for the month of March, a $2 billion rise from February and $4 billion above the figure for last March—1985—the year the United States reported a record merchandise trade deficit of $148.5 billion.

If the pace continues for the rest of this year as it has for the first quarter of 1986, last year's trade deficit of $148.5 billion will pass into oblivion as we set a new and infinitely worse deficit.

Even more than just the numbers is the issue of whom we have the deficit with. Two weeks ago, in USA Today, an article described the shifts in the balances of trade for the seven nations that attended the Tokyo summit talks. Of the seven nations at that summit meeting—the United States, Great Britain, France, West Germany, Japan, Canada, and Italy—only the United States had a worse deficit in 1985 than it had in 1981.

In 1981, Great Britain, West Germany, Japan, and Canada had trade surpluses, while the United States, France, and Italy had deficits. What's more, the U.S. deficit was the largest even then, $30 billion.

In 1985, the United States, Great Britain, France, and Italy have deficits in trade, but only the United States trade deficit, over the $120 billion mark, stands out. Further, the trade surpluses of both West Germany and Japan have tripled between 1981 and 1985.

Another startling bit of information: A General Accounting Office study of 2,400 businesses noted that more than 1 million workers with companies having at least 100 employees lost their jobs in 1983–84 because those companies permanently reduced their work force or went out of business.

The study wasn't designed to determine the impact of imports on those companies, but since some two-thirds of the job losses were concentrated among larger firms in the manufacturing sector, my guess is that high levels of imported goods had a large impact.

The steel industry is an easy example to use. In 1975, all segments of the American steel industry employed just under 500,000 workers. If we include companies that either used steelmill products or companies that produced raw and finished materials for the steel industry, the number would be closer to 1 million.

In December 1985, employment in the steel industry, including both salaried and wage employees was 201,000, a drop of about 12,000 from December 1984.

Even more tragic, since December 1985, another 10,000 steel jobs have disappeared, leaving 191,000 wage and salaried employees. Further, the shrinkage of steel industry employment is not over.

At this point, it should be noted that the steelmakers and the United Steelworkers of America are engaged in negotiating new contracts.

Thus far, two of the integrated steel companies, LTV and National, and the Steelworkers have come to terms which offer substantial concessions by the workers in terms of hourly wage and benefit rates and work rules which will enable the companies to increase their productivity and lower costs.

That brings everyone up to date on where things are in the steel industry except for a review of the President's program of voluntary restraint agreements as a means of reducing steel imports.

That program, put into place in September 1984, was supposed to bring the import levels of steel products to just over 20 percent of the U.S. market.

Well, that program that was instituted some 18 months ago, leaves a lot to be desired.

As of March 31, 1986, the import penetration level of steel products was 24.4 percent for the month of March and 24.1 percent for the first quarter of 1986—January to March.

It is true that things are better than 1985. In March 1985, imports represented 24.5 percent of the steel mark, one-tenth of a percent higher for March 1985, as compared to March 1986. Not exactly a lot of improvement.

Given those kinds of statistics, Mr. Speaker, there is no doubt in my mind that H.R. 4800, the Trade and International Economic Policy Reform Act of 1986, is a vital part of the program.

I commend you for your farsightedness in bringing this issue to this point and I want to commend our majority leader for his efforts and skills in bringing together the products of six separate House committees into this omnibus package without having a major jurisdictional battle on the floor.

H.R. 4800 is a necessary piece of legislation if we are ever going to get some kind of handle on America's trade problems. We need this bill because it contains the kinds of all-inclusive elements that tie the whole series of related issues together into one meaningful and workable package.

I am proud to be a part of the supporting team on this bill.

□ 2035

GENERAL LEAVE

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CEREMONY OF WELCOME FOR NATAN (ANATOLY) SHCHARANSKY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. WRIGHT] is recognized for 10 minutes.

Mr. WRIGHT. Mr. Speaker, on Tuesday May 13, 1986, Congress welcomed Natan (Anato-

ly) Shcharansky. The ceremony of welcome on that day was a moving and important expression of continued support in Congress for the cause of human rights and freedom of emigration. I submit for the RECORD the text of all of the remarks made at that ceremony and commend them to the attention of all of my colleagues:

SPEECH BY CONGRESSMAN SIDNEY R. YATES, MAY 13, 1986, IN HONOR OF ANATOLY SHCHARANSKY

Mr. Speaker, Senate majority leader, Mr. Shcharansky, Mrs. Shcharansky—Avital—in absentia, distinguished guests and friends.

This is a unique and memorable occasion. The Congress has heard and honored Presidents, Kings, world statesmen—today we hear and honor a common—and yet, an uncommon man. We honor a man who has demonstrated against overwhelming odds his adherence in his own way of our declaration of independence, who has joined with Thomas Jefferson in swearing upon the altar of God "eternal hostility against every form of tyranny over the minds of man."

With courage, with independence, with a bristling wit, he endured the worst of the Soviet gulag—and he won!

A few nights ago, I had dinner with Gerda Klein, a distinguished author and a survivor of the Nazi death camps. She spends a great deal of her time speaking to schoolchildren, telling the story of her brutal ordeal at the hands of the Nazis from 1942 to 1945. During a question period in one school, she told me with a smile, the reaction of one little boy was: "how awful—why didn't you write your Congressman?"

Anatoly Shcharansky did write his Congressman—not directly but much more effectively through his beautiful, indomitable wife Avital. Over the last seven or eight years, Avital Shcharansky has pounded the corridors of the Capitol and visited every congressional office in pleading for our help for her unfairly imprisoned husband. That her husband is here today in freedom is as much her victory as his.

I first met Anatoly—now Natan—in 1976 as a member of Speaker Carl Albert's mission to the Soviet Union. That evening while dining in our hotel with Georgy Arbatov the head of Russia's U.S. Canadian bureau, I told him I was going to visit a number of refuseniks. He threw up his hands: "Don't tell me about them!" He cried. "I don't want to hear about them!" But he did hear about them from every member of the delegation. I remember what the refuseniks told me: "Please, please do not repeal Jackson-Vanik. We need pressure like that if we are ever to be free.

A few days later, our group met with Secretary Leonid Breznev. When I raised the question of human rights provision in the third basket of the Helsinki agreement, he protested: Again, he cried: "I hear of nothing else. 155 times I have had to answer questions on immigration." He said: "I can't force people to leave. In our country anyone can leave who wants to go unless he's a criminal or has state secrets. If you have names, give them to Secretary Ponomarev. He'll take good care of it." Secretary Ponomarev did take good care of it. I never heard from him again. Ten years ago it was Breznev. Today it is Gorbachev.

One of those responsible for keeping the cause alive and well is the Speaker of the House. Both personally and officially he has given aid and sustenance to every initiative to help the cause of freedom, including freedom of immigration. In his trip last year to the Soviet Union, he raised and pressed hard with Soviet officials to allow Soviet applicants to leave. He has been unwavering in his support for Avital and Anatoly Shcharansky. I'm proud and honored to present my leader, the Speaker of the House, Thomas Phillip O'Neill.

WELCOMING REMARKS BY THE SPEAKER, THOMAS P. O'NEILL, JR., MAY 13, 1986

Mr. Leader, Members of the House and Senate, honored guests.

Today Congress has the honor and privilege of welcoming Anatoly Shcharansky. Only a few months ago, a prisoner of conscience in the Soviet Union, today he is a free man—reunited with his wife and his people.

As Speaker of the House, on behalf of all of my colleagues, I am personally honored to welcome Anatoly Shcharansky.

It is fitting that the House and Senate should join together for this ceremony of welcome. This Congress is dedicated above all else to protecting the blessings of liberty guaranteed by our Constitution.

Anatoly Shcharansky's personal struggle for freedom reminds us that liberty is only safe if each individual fights to protect it. He has become a symbol around the world that individual liberties are as fragile and important today as they were nearly two hundred years ago when our Constitution was drafted.

As an exile and prisoner—Anatoly Shcharansky came to represent hundreds of thousands of Soviet Jews who desire to leave the Soviet Union but are denied exit visas.

As a leader of the Helsinki Watch movement in the Soviet Union, Anatoly Shcharansky helped open the eyes of the west to the human rights problems of the Soviet Union.

As a husband forcibly separated from his wife for over twelve years—anatoly Shcharansky and his wife Avital have endured the injustice that Soviet emigration policies cause for many separated families.

Today as we gather to celebrate the freedom of one man and the success of the many who devoted years of efforts, protests and pleas to win his release, we must also remember that for hundreds of thousands who wish to emigrate the future still looks bleak.

Soviet emigration policies have not been altered in any radical way. The release of this prominent refusenik has not, so far, been followed by the release of enough others.

Immediately prior to this ceremony, the leaders of Congress—House and Senate—Democrat and Republican—had the opportunity to meet privately with Anatoly Shcharansky. At that meeting, we pledged to continue our efforts to win the freedom of the 400,000 Soviet Jews who desire to leave the Soviet Union.

We pledged that success in winning the release of Anatoly Shcharansky is proof that we need to do much more, not proof that we have done enough.

On a recent visit to the Soviet Union, I raised the issue of emigration with the leaders of that nation. I am pleased to report that several of the individual cases that were raised during my visit have been successfully closed—individuals allowed to emigrate, families reunited.

At future meetings with Members of Congress, and at future meetings where our two nations raise issues of trade and international peace, the question of human rights and the freedom to emigrate will continue to be raised. The freedom of each individual is sacred to us.

The people of the United States and the Congress of the United States rejoice in the freedom of Anatoly Shcharansky.

The strength of character and conviction that sustained Anatoly Shcharansky through his ordeal of exile and imprisonment make him a hero and a leader. Just as his leadership served as the pulse of the Soviet Jewry movement in the Soviet Union, he will remain a leader of the struggle for human rights as a free man.

It is a privilege to welcome Anatoly Shcharansky to the Congress of the United States.

STATEMENT BY ROBERT W. KASTEN, JR., HONORING NATAN SHCHARANSKY, MAY, 13, 1986

One week ago today, many of us were gathered here in this rotunda in remembrance of the Holocaust.

We remembered that April day, 41 years ago, when American soldiers first entered a Nazi concentration camp.

Liberating the camps changed those men forever, for they had looked into the face of evil . . . the immense evil that man is capable of inflicting on his fellow man . . . determined acts of evil against specific men, women, children.

The Nazis always tried to obscure the details and specifics. They didn't talk, for example, of murder. They use obscure terms like "resettlement" or "special treatment." They knew that tyranny could not survive in the sharp light of truth.

(Pause.)

Natan Shcharansky is standing here today because he had the courage to remain a free man in a totalitarian state, and because we have succeeded in shining that sharp light of truth on the Government of the Soviet Union.

All the years of protest, all the letters, all the marches were not in vain. The attention of the world is now focused on the plight of Soviet Jewry. The bright light of truth has been to prevail.

And that is why it is so crucial that we continue to make our voices heard. Now is not the time to back away, to trust in the new Soviet leadership to be somehow more humane, more moderate, more forgiving.

No. The actions of the Soviet Government over the past two weeks, the continued occupation of Afghanistan, the fact that so few are following Natan Shcharansky to freedom—these actions must speak to us more loudly than empty words.

We must tell Mr. Gorbachev that we will not stand silently by while our brothers and sisters are persecuted . . . that the plight of Soviet Jewry will not be downplayed in the interests of diplomacy . . . that the issues of peace and human rights cannot be separated.

Four decades ago, we were slow to face the truth, and we failed to save Europe's Jewry. Today, the fate of Soviet Jewry is in our hands. We must not give up . . . we must not let down . . . we must carry on, for the brilliant light of truth to finally prevail.

(Pause.)

Ladies and gentlemen, it is now my honor to introduce to you our distinguished majority leader, a man who has helped lead the fight here in the Senate to free Natan Shcharansky, and to focus worldwide attention on the plight of Soviet Jews. He is a statesman, he is respected for his strength and commitment, and I know he is dedicated to continuing to fight for our cause. It is

a distinct pleasure for me to introduce the very distinguished majority leader of the United States Senate, Robert Dole of the State of Kansas.

STATEMENT OF SENATOR BOB DOLE, WELCOME FOR NATAN (ANATOLY) SHCHARANSKY, ROTUNDA, U.S. CAPITOL, MAY 13, 1986

Why do the righteous suffer? It is a question which has plagued man throughout his history. Even before God spoke to Job out of the whirlwind, there were true believers whose faith was forged in the crucible of individual suffering. In trial came triumph, in victimization, victory. And yet no civilization which values life and all that makes life worth living can take for granted the persecution and degradation of men and women whose only "crime" is their allegiance to a power higher than any state.

Americans overlook such outrages at grave peril to our own moral standing. For as a freedom loving people, we must be advocates for human liberty wherever it is endangered. As children of the twentieth century—the bloodiest, most oppressive of the modern era—either we stand up for prisoners of conscience wherever they are endangered, or else we risk the crime of silence, that murderous prelude to Auschwitz and Buchenwald.

Today, we welcome such a man, an authentic hero in the struggle for human possibility. We recall the horrors to which he has been subjected—and we rejoice in his reunion with loved ones. But in celebrating his release, we also shine the light on thousands of others who remain imprisoned by a godless state. We point an accusing finger at a system of truancy, pledged to stamp out Jewish culture. We arraign an official star chamber which is itself prepared to incarcerate the faithful for their refusal to accept atheist dogma. In the words of Elie Wiesel:

"Russian Jews must know that we care about their plight. That their suffering, their resistance to injustice matters to us deeply. Now that they have challenged us not only with their eyes, but with their actions, with their lives, we must respond in kind, and raise our voice in protest. Yes, we must be heard not only by the oppressors, but by our oppressed brothers and sisters as well. They need to know that they are not alone. That we have learned not to be indifferent."

Ladies and gentleman, when he was once charged with being too idealistic, Woodrow Wilson had a timeless response. "That is how I know I am an American," He said. "Because I am an idealist."

Our guest of honor is an idealist whose ideals landed him in prison. For lighting Hanukkah candles and reciting Hebrew Psalms, he was put away in solitary confinement. For refusing to abandon his God, he was given bread and water—bread every other day. For holding the men in Moscow accountable for compliance with the Helsinki accords on human rights, he had his own human rights taken away. But no regime, no party and no politburo could break his will or shake his beliefs.

And now he comes to us, to remind us of others who share his plight. We would do him strange honor indeed, if we were to forget the thousands who still languish behind bars, and who seek nothing more than the chance to emigrate to a land where they can worship their God as he would have them. So today is one of Thanksgiving, but also of renewed concern—of gratitude for Natan Shcharansky's rescue, and determination that we will not rest until the key is turned that will unlock countless cells in that unhappy land where dissent is held to be a criminal offense, and true faith is feared as the enemy of political orthodoxy. It is in that spirit that I present to you a man who lends heroic stature to this old, proud citadel of human freedom . . . a free man, and a citizen of the world . . . Anatoly (Natan) Shcharansky.

REMARKS BY ANATOLY (NATAN) SHCHARANSKY, CAPITOL ROTUNDA, MAY 13, 1986

I was told that it would be very disrespectful if I came without a tie and without a formal speech so I am in a very uncomfortable situation.

Distinguished ladies and gentlemen, Members of the Congress of the United States of America.

In 1975 I had my first meetings with American Senators and Congressmen. Since those days and up to now, in the eyes of the Soviet Leadership, the Congress of the United States of America and I became accomplices in crime.

Reading the fifteen thousand pages of my criminal accusation, I found hundreds of pages of Congressional Records with testimonial speeches which you made on behalf of human rights and on behalf of Soviet Jews. I read a lot of character references given by the KGB about the late Senator Javits, about the late Senator Jackson, and about many other Senators and Congressmen. All these documents were used during my trial as the proof of my treason. That's why I was very glad and happy to know after my release that my accomplices didn't abandon me and that our "criminal collaboration" continued and continues up to this day.

I want to express my deep gratitude to the Congress of the United States of America for your firm stand in the cause of human rights, for your special support of Soviet Jewry and of course for the helping hand you lent my wife Avital during all the years of her struggle for my release.

Ladies and gentlemen, the time hasn't yet come for us to rest on our laurels. I am released. But four hundred thousand Soviet Jews who have already asked to leave are still kept as prisoners in the Soviet Union. Dozens of members of the Helsinki groups are still kept in the camps. A powerful campaign is waged against our Jewish culture. Many Hebrew teachers are in prison. The Soviet authorities do their best to isolate millions of Soviet Jews from the body of their nation.

The important role which the American Congress played in the past in saving Soviet Jews, its extensive experience and the role which the American Congress plays in formulating American policy all give you a unique opportunity to make the Soviet Union open the gates for Soviet Jews.

Congressional actions such as the Jackson Amendment or the Public Law of July 1985 drive home to the Leadership of the Soviet Union a basic truth that they continue to hope to circumvent: real understanding between East and West can only be built in an atmosphere of mutual trust. Trust means that obligations already undertaken in the Helsinki process will be fulfilled. Trust means that understanding between the east and the west must be based on the human values common to all civilized men. No amount of bargaining, of give and take, of mutual concessions can take the place of such trust.

Experience has taught the Jews of the Soviet Union, taught me while I was in the camp struggling against the KGB, that lesser demands and fewer expectations lead to a situation where our oppressors feel that they should be rewarded for cosmetic concessions. I will give you an example from concrete, every day life in the Soviet camp. In the prison camps the Soviet authorities have approximately twenty different regimes of feeding people, of giving different quantities of food. If you don't behave in the way they want you to behave, this portion becomes less, less and less. The lowest two are 9a and 9b. Under 9b you receive food of only 900 calories a day. So if you don't give up you receive less and less food. And if one day you give up, what do you get for this? You get 9a. Practically all the time, almost to the last moment—except during the two months when they were preparing me for export, I received menu 9b. Many of my friends who still remain in the camps and who don't give up, who say no to all the approaches of the KGB, receive this diet. And those who are broken, what do they receive? They receive 9a and it has made a big deal for them. The same can happen if for example we would now start discussing with them canceling the Jackson amendment. We saw fifty thousand Jews a year allowed to leave, now it's down to practically zero. They can multiply the zero twice or thrice, they can let one, two, three hundred people a month go and say look what big progress it is. But ladies and gentleman can 9a be the recipe for East-West detente?

The Jackson amendment must be maintained and reinforced so that the Soviets will realize that only real and irreversible progress and not public relations gimickry, only the release of the four hundred thousand Soviet Jews who have decided to emigrate can serve as a foundation for real dialogue.

If we are firm, that dialogue can begin and can result in a better world for us and for our children. Compromising these principles that can give meaning to a new dialogue would damage America's moral credibility, guarantee failure to achieve for Russian Jewry anything but menu 9a and in the long run undermine the stability of any economic or political understanding between the major powers.

I address you today after having discussions with the leaders of the House and Senate. They assured me that they would continue their strong support for the cause of Soviet Jewry and the cause of human rights in the Soviet Union. I am very grateful to them for this and I hope in the future we will continue the struggle together.

In the Liberty Garden in the center of Jerusalem there is a bell which is an exact replica of the Liberty Bell in the United States of America. The words inscribed on the bell were given to the world through the Jewish people thousands of years ago and formed the basis of the American ideal. "Proclaim liberty throughout the Land". History has conferred on you the task of maintaining that ideal. I am absolutely sure that you will be equal to it.

Thank you.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore, entered, was granted to:

(The following Members (at the request of Mr. CLINGER) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 60 minutes, today.

(The following Members (at the request of Ms. KAPTUR) to revise and extend their remarks and include extraneous material:)

Mr. PEASE, for 5 minutes, today.

Mr. COOPER, for 5 minutes, today.

Mr. FORD of Michigan, for 5 minutes, today.

Mr. ENGLISH, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. HUBBARD, for 5 minutes, today.

Mr. WRIGHT, for 10 minutes, today.

Mr. ALEXANDER, for 60 minutes, today.

Mr. CLAY, for 60 minutes, on May 22.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MURPHY, during general debate on H.R. 4800, in the Committee of the Whole, today.

Mr. STAGGERS, during general debate on H.R. 4800, in the Committee of the Whole, today.

Mr. MCCAIN, on the Coleman of Texas amendment to H.R. 4800, in the Committee of the Whole, today.

Mrs. COLLINS, following rollcall No. 130 on S. 2416, today.

Mr. KOSTMAYER, following rollcall No. 130 on S. 2416, today.

(The following Members (at the request of Mr. CLINGER) and to include extraneous matter:)

Mr. MCDADE.

Mr. PORTER.

Mr. GALLO in two instances.

Mr. RUDD.

Mr. SOLOMON.

Ms. SNOWE.

Mr. LENT.

Mr. GRADISON.

Mr. DAUB.

Mr. COURTER.

Mr. MCCAIN.

Mr. CRANE.

Mr. LEWIS of California.

Mr. BROOMFIELD.

Mr. SAXTON in two instances.

Mr. DREIER of California.

Mr. GEKAS.

Mr. YOUNG of Florida.

Mr. KEMP in two instances.

Mr. ROTH.

Mr. YOUNG of Alaska.

(The following Members (at the request of Ms. KAPTUR) and to include extraneous matter:)

Mr. DORGAN of North Dakota.

Mr. MORRISON of Connecticut in two instances.

Mr. LUKEN.

Mr. OBEY.

Mr. TORRES.

Mr. MILLER of California.

Mr. COLEMAN of Texas.

Mr. DERRICK.

Mr. YATRON.

Mrs. LLOYD.

Mr. HAMILTON.

Mr. DOWNEY of New York in three instances.

Mr. O'NEILL.

Mr. SMITH of Iowa.

Mr. FORD of Michigan.

Mr. RODINO.

Mr. FASCELL.

Mr. STARK.

Mr. MAVROULES.

Mrs. COLLINS.

Mr. SCHUMER.

Mr. FEIGHAN.

Mr. LANTOS.

Mr. ROE in two instances.

Mr. BOLAND.

Mr. KOLTER in two instances.

Mr. WAXMAN.

Mr. ORTIZ.

Mr. BEDELL.

Mr. CLAY.

Mr. FORD of Tennessee.

Mr. LIPINSKI.

Mr. BRUCE.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 173. An act to settle and adjust the claim of the Tehran American School for $13,333.94.

ADJOURNMENT

Mr. GAYDOS. Mr. Speaker. I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 39 minutes p.m.), the House adjourned until tomorrow, Thursday, May 22, 1986, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3548. A communication from the President of the United States, transmitting a request for a reappropriation in the amount of $10,000,000 and supplemental appropriation language for fiscal year 1986 for the Department of Justice and supplemental appropriation language for fiscal year 1986 for the Department of Labor, pursuant to 31 U.S.C. 1107 (H. Doc. No. 99-224); to the Committee on Appropriations and ordered to be printed.

3549. A letter from the Administrator, General Services Administration, transmitting notification of a technical violation of the Anti-Deficiency Act, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

3550. A letter from the Deputy Secretary of Defense, transmitting a report on suspension and debarment of defense contractors, pursuant to Public Law 99-145, section 954(a) (99 Stat. 702); to the Committee on Armed Services.

3551. A letter from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend title 10, United States Code, to permit the involuntary order to active duty of a member of the Reserve components of the Armed Forces of the United States missing, detained or interned in a foreign country against his will, or held captive by a hostile force; to the Committee on Armed Services.

3552. A letter from the Secretary of Education, transmitting a copy of proposed final regulations for the Library Services and Construction Act—State-administered program and direct grant programs for Indian tribes and Hawaiian natives, foreign language materials acquisition, and literacy, pursuant to 20 U.S.C. 1232(d)(i); to the Committee on Education and Labor.

3553. A letter from the Administrator, General Services Administration, transmitting a draft of proposed legislation to amend 31 U.S.C. 3726, payment for transportation, to permit prepayment audits for selected transportation bills, to permanently authorize payment of transportation audit contractors from carrier overpayments collected, and to authorize net overpayments collected to be transferred to the Treasury; to the Committee on Government Operations.

3554. A letter from the Director, Office of Information Resources Management, Department of the Interior, transmitting notification that the Bureau of Mines is proposing to alter an existing Privacy Act system of records notice pertaining to personnel security files, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3555. A letter from the Special Counsel, U.S. Merit Systems Protection Board, transmitting notification of a report received by the Secretary of the Treasury on the results of his investigation into allegations of misuse of Government vehicles and misconduct by employees of the U.S. Mint, San Francisco, CA, pursuant to 5 U.S.C. 1206(b)(5); to the Committee on Post Office and Civil Service.

3556. A letter from the Secretary of Energy, transmitting the fifth annual revised comprehensive program management plan for the Federal wind energy technology program, pursuant to Public Law 96-345, section 4(c); to the Committee on Science and Technology.

3557. A letter from the Assistant Attorney General, Department of Justice, and the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled, "Indian Gambling Authorization and Regulation Act of 1986"; jointly, to the Committees on Interior and Insular Affairs and the Judiciary.

3558. A letter from the Comptroller General of the United States, transmitting a report entitled, "Hazardous Waste—DOD's Efforts to Improve Management of Generation, Storage, and Disposal" (GAO/NSIAD-86-60); jointly, to the Committees on Government Operations, Armed Services, and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS: Committee on Government Operations. H.R. 1400. A bill to extend the authorization of appropriations for general revenue sharing for five years; with amendments (Rept. 99-610). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ENGLISH (for himself and Mr. KINDNESS):

H.R. 4862. A bill to amend the Freedom of Information Act to provide procedures for the processing of requests for confidential business information; to the Committee on Government Operations.

By Mr. BRYANT:

H.R. 4863. A bill to amend chapter 11 of title 18, United States Code, to prohibit any former Member of Congress or former high-level Federal official, or any person who has had a top secret or higher security clearance from representing or advising a foreign government or foreign-government entity in a transaction with, or a matter before, the U.S. Government; to the Committee on the Judiciary.

By Mr. DOWNEY of New York (for himself and Mr. CARNEY):

H.R. 4864. A bill entitled, the "Fire Island National Seashore Amendments Act of 1986"; to the Committee on Interior and Insular Affairs.

By Mr. FASCELL (for himself, Mr. GILMAN, Mr. MCHUGH, Mr. CONTE, Mr. DIXON, and Mr. LELAND):

H.R. 4865. A bill to establish the Africa Famine, Recovery, and Development Fund for the relief, recovery, and long-term development of sub-Saharan Africa, and for other purposes; jointly, to the Committees on Foreign Affairs, and Banking, Finance and Urban Affairs.

By Mr. FORD of Michigan (for himself, Mr. CLAY, Mrs. SCHROEDER, Mr. GARCIA, Mr. LELAND, Ms. OAKAR, Mr. SIKORSKI, Mr. MCCLOSKEY, Mr. ACKERMAN, Mr. DYMALLY, Mr. DE LUGO, Mr. HORTON and Mr. YOUNG of Alaska):

H.R. 4866. A bill to amend chapter 2 of title 39, United States Code, with respect to appointment, pay, and status of the Postmaster General and the Deputy Postmaster General, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. KEMP (for himself, Mr. LANTOS, Mr. GILMAN, Mr. FASCELL, Mr. BROOMFIELD, and Mr. HYDE):

H.R. 4867. A bill to authorize the President to award congressional gold medals to Doctors Andrei Sakharov and Yelena Bonner for the great personal sacrifice they have made to further the causes of human rights and world peace; to the Committee on Banking, Finance and Urban Affairs.

Mr. GRAY of Pennsylvania (for himself, Mr. FAUNTROY, Mr. WOLPE, Mr. SOLARZ, Mr. ROEMER, Mr. CONTE, Mr. GRADISON, Mr. LEACH of Iowa, Mr. WEBER, Mrs. SCHNEIDER, Mr. FOLEY, Mr. FISH, Mrs. SCHROEDER, Mr. RODINO, Mr. WHEAT, Mr. ALEXANDER, Mr. GEPHARDT, Mr. COELHO, Mr. RANGEL, Mr. MCKINNEY, Mr. TOWNS, Mr. DYMALLY, Ms. OAKAR, Mr. GOODLING, Mr. BERMAN, Mr. WEISS, Ms. SNOWE, Mr. GARCIA, Mr. ST GERMAIN, Mr. MILLER of Washington, and Mr. BARNES):

H.R. 4868. A bill to prohibit loans to, other investments in, and certain other activities with respect to, South Africa, and for other purposes; jointly, to the Committees on Foreign Affairs, Banking, Finance and Urban Affairs, Ways and Means, and Public Works and Transportation.

Mr. KRAMER:

H.R. 4869. A bill to provide that cost-of-living adjustments of certain Federal benefit programs shall be treated the same as similar adjustments in social security benefits; to the Committee on Government Operations.

By Mr. DREIER of California:

H.R. 4870. A bill to allow depository institution holding companies to establish subsidiaries to engage in certain securities activities, to establish a system for regulating depository institutions to be known as consumer banks, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MRAZEK:

H.R. 4871. A bill to prevent Federal funds received under any grant from the National Institutes of Health from being used to obtain animals from animal shelters for research purposes; to the Committee on Energy and Commerce.

By Mr. RICHARDSON:

H.R. 4872. A bill to place a moratorium on the forceable eviction and relocation of Navajo and Hopi Indians, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, and Appropriations.

By Mr. RICHARDSON (for himself, Mr. LUJAN, and Mr. SKEEN):

H.R. 4873. A bill to authorize certain transfers affecting the Pueblo of Santa Ana in New Mexico, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RITTER:

H.R. 4874. A bill to enhance the availability and affordability of professional liability insurance by requiring certain standards in State tort liability systems; jointly, to the Committees on the Judiciary, and Energy and Commerce.

By Mr. ROE:

H.R. 4875. A bill to provide a 5-year suspension of the duty on silk yarn; to the Committee on Ways and Means.

By Mr. ROWLAND of Georgia (for himself, Mr. BLILEY, Mr. BILIRAKIS, Mr. HEFNER, Mr. WAXMAN, Mr. BARNARD, Mr. DARDEN, Mr. HATCHER, Mr. FOWLER, Mr. JENKINS, Mr. RAY, Mr. THOMAS of Georgia, Mr. GINGRICH, Mr. SWINDALL, Mr. LEHMAN of Florida, Mr. MICA, Mr. PEPPER, Mr. SMITH of Florida, Mr. SHAW, Mr. OLIN, Mr. YOUNG of Florida, Mr. BOUCHER, Mr. SLAUGHTER, Mr. WHITEHURST, Mr. FASCELL, Mr. DERRICK, and Mr. DASCHLE):

H.R. 4876. A bill to amend section 9528 of the Consolidated Omnibus Budget Reconciliation Act of 1985 to hold States harmless, during fiscal year 1987, against a decrease in payment rates under the Medicaid Program resulting from enactment of that section; to the Committee on Energy and Commerce.

By Mr. SCHUMER:

H.R. 4877. A bill to provide for the collection of independently verified data regarding certain insurance matters, to make such data available to certain State and Federal officials for use in making policy decisions and determinations with respect to the insurance industry, and for other purposes; to the Committee on Energy and Commerce.

By Mr. SEIBERLING (for himself, Mr. UDALL, Mr. YOUNG of Alaska, Mr. LAGOMARSINO, Mr. BLAZ, and Mr. AKAKA):

H.R. 4878. A bill to require the Secretary of the Interior to submit to the House Interior and Insular Affairs Committee and the Senate Energy and Natural Resources Committee certain information regarding Micronesian governments; to the Committee on Interior and Insular Affairs.

By Ms. SNOWE:

H.R. 4879. A bill to amend the Urban Mass Transportation Act of 1964 to increase the percentage of funds allocated to rural areas; to the Committee on Public Works and Transportation.

By Mr. PANETTA:

H.R. 4880. A bill to amend the Food Stamp Act of 1977, the Child Nutrition Act of 1966, and the National School Lunch Act to improve the availability of benefits under such acts; to provide for a program for nutrition monitoring and research; and for other purposes; jointly, to the Committees on Agriculture, Education and Labor, and Science and Technology.

By Mr. STARK (for himself, Mr. DUNCAN, Ms. MIKULSKI, Mr. FORD of Tennessee, Mr. RANGEL, and Mr. WHITTAKER):

H.R. 4881. A bill to amend title XVIII of the Social Security Act with respect to coverage of optometrists' services and coverage of occupational therapy services under the Medicare Program; jointly, to the Committees on Ways and Means, and Energy and Commerce.

By Mr. WAXMAN (for himself, Mr. SCHUMER, Mr. ROYBAL, Mr. RINALDO, Mr. PEPPER, Mr. SCHEUER, Mr. WALGREN, Mr. SHELBY, Mr. WYDEN, Mr. SIKORSKI, Mr. WIRTH, Mr. FLORIO, Mr. LUKEN, Ms. MIKULSKI, Mr. LELAND, Mrs. COLLINS, Mr. RICHARDSON, Mr. BATES, Mr. WHITTAKER, Mr. BLILEY, Mr. ATKINS, Mr. BARNES, Mr. BEDELL, Mr. BIAGGI, Mrs. BOXER, Mr. CHAPMAN, Mr. DIXON, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. FAZIO, Mr. FORD of Tennessee, Mr. FRANK, Mr. JEFFORDS, Mrs. JOHNSON, Mr. LEVIN of Michigan, Mr. MARTINEZ, Mr. MACKAY, Ms. OAKAR, Mr. OWENS, Mr. REID, Mr. STARK, Mr. SUNIA, Mr. TORRES, Mr. TRAFICANT, Mr. WEISS, and Mr. YATES):

H.R. 4882. A bill to amend title XIX of the Social Security Act to permit States, at their option, to provide Medicaid coverage for poor elderly or disabled individuals and to provide medical assistance for poor, Medicare beneficiaries in meeting Medicare cost-sharing requirements; to the Committee on Energy and Commerce.

By Mr. YOUNG of Alaska (for himself, Mr. UDALL, and Mr. SEIBERLING):

H.R. 4883. A bill to provide options for land exchanges involving lands on Admiralty Island, AK, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mrs. BENTLEY:

H.J. Res. 641. Joint resolution commemorating the last voyage of the Pride of Baltimore; to the Committee on Post Office and Civil Service.

By Mr. SOLOMON:

H. Res. 459. Resolution expressing the support and encouragement of Congress for those working for freedom and against com-

munism in southwest Africa/Namibia; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 615: Mr. DIOGUARDI and Mr. KEMP.
H.R. 979: Mr. ROBINSON.
H.R. 1294: Mr. MOLINARI.
H.R. 1309: Mr. BROOKS, Ms. OAKAR, Mr. MARKEY, Mr. STUDDS, Mr. WILSON, Mrs. COLLINS, Mr. MINETA, and Mr. HALL of Ohio.
H.R. 1471: Mr. SHUMWAY, Mr. TOWNS, Mr. STUMP, Mr. DANNEMEYER, and Mr. EDWARDS of Oklahoma.
H.R. 1577: Mr. YOUNG of Alaska.
H.R. 1887: Mr. FISH.
H.R. 1946: Mr. BILIRAKIS, Mr. Cheney, Mr. DEWINE, and Mr. ROGERS.
H.R. 2741: Mr. ROWLAND of Connecticut.
H.R. 2791: Mr. GEKAS and Mr. FISH.
H.R. 2798: Mr. PENNY.
H.R. 3006: Mr. APPLEGATE and Mr. RAY.
H.R. 3024: Mr. DUNCAN, Mr. SPRATT, Mr. RICHARDSON, and Mr. GARCIA.
H.R. 3480: Mr. ZSCHAU, Mr. BOEHLERT, Mr. RITTER, Mr. MINETA, Mr. SWEENEY, Mr. HEFTEL of Hawaii, Mr. YOUNG of Missouri, Mr. SMITH of Florida, Mr. LUJAN, Mr. FAZIO, Mr. ANDREWS, Mr. REID, Mr. MCGRATH, Mrs. HOLT, Mr. ROE, Mr. MONSON, Mr. RANGEL, Mrs. SCHROEDER, Mr. LEWIS of Florida, Mr. LUNDINE, Mr. DYMALLY, and Mr. BROWN of California.
H.R. 3487: Mrs. BENTLEY.
H.R. 3662: Mr. COELHO, Mr. LELAND, Mr. OWENS, Mr. HOWARD, Mr. GAYDOS, Mr. MANTON, Ms. MIKULSKI, Mr. TORRICELLI, Mr. TAUZIN, and Mr. LENT.
H.R. 3800: Mr. PETRI, Mr. STAGGERS, Mr. DAUB, Mr. SAVAGE, Mr. MOODY, Mr. DANIEL, Mr. VISCLOSKY, Mr. ROGERS, and Mr. LATTA.
H.R. 3989: Mr. BARNARD, Mr. BRUCE, Mr. CRAIG, Mr. MORRISON of Washington, Mr. NEAL, Mr. OLIN, Mr. ROBERTS, Mr. STENHOLM, and Mr. THOMAS of California.
H.R. 4024: Mr. BORSKI, Mr. RANGEL, Mr. TORRES, and Mr. TOWNS.
H.R. 4077: Mr. MONTGOMERY.
H.R. 4136: Ms. MIKULSKI.
H.R. 4204: Mr. STARK.
H.R. 4205: Mr. BARNARD, Mr. GREEN, Mr. BARNES, and Mrs. SCHROEDER.
H.R. 4243: Mr. WILLIAMS.
H.R. 4333: Mr. HEFTEL of Hawaii.
H.R. 4344: Mr. TALLON.
H.R. 4369: Mr. MONSON.
H.R. 4388: Mr. COUGHLIN, Mr. TAUKE, Mr. BERMAN, Mr. DORNAN of California, Mr. ROGERS, and Mr. GILMAN.
H.R. 4391: Mr. LUJAN and Mr. DAUB.
H.R. 4397: Mr. TALLON and Mr. BARNARD.
H.R. 4424: Mr. FASCELL and Mr. LEVINE of California.
H.R. 4450: Mr. LEWIS of Florida, Mr. MOAKLEY, Mr. DONNELLY, Mr. PENNY, Mr. MOLLOHAN, Mrs. SCHNEIDER, Mr. MCKINNEY, and Mr. DASCHLE.
H.R. 4524: Mr. SMITH of New Hampshire, Mr. WEAVER, and Mr. SCHUETTE.
H.R. 4617: Mr. FRANKLIN, Mr. BARNARD, and Mr. GLICKMAN.
H.R. 4650: Mr. STRANG.
H.R. 4658: Mr. DONNELLY and Mr. FRANK.
H.R. 4659: Mr. HUNTER, Mr. MCDADE, Mr. SWINDALL, Mr. KINDNESS, Mr. BLAZ, Mr. BIAGGI, Mr. ECKERT of New York, Mr. MILLER of Ohio, Mr. OXLEY, Mr. FAWELL, Mr. DIOGUARDI, Mr. HILER, Mr. ARMEY, Mr. DAUB, and Mr. BOULTER.
H.R. 4660: Mr. MORRISON of Washington and Mr. KOLBE.
H.R. 4663: Mr. HOWARD.
H.R. 4682: Mr. COUGHLIN, Mr. TAUKE, Mr. BERMAN, Mr. DORNAN of California, Mrs. VUCANOVICH, Mr. BROWN of California, Mr. DREIER of California, and Mr. BUSTAMANTE.
H.R. 4696: Mr. GORDON, Mr. SWIFT, Mr. DURBIN, Mr. ATKINS, and Mr. NATCHER.
H.R. 4711: Mr. EDWARDS of Oklahoma, Mr. OWENS, Mr. ROE, Mr. BERMAN, Mr. BEDELL, Mrs. BURTON of California, Mr. FISH, Mrs. BOXER, Mr. WHITEHURST, and Mr. TORRICELLI.
H.R. 4714: Mr. MORRISON of Washington.
H.R. 4755: Mr. BLAZ and Mrs. BOXER.
H.R. 4791: Mr. SCHUETTE and Mr. ROBERTS.
H.R. 4825: Mr. SOLARZ and Mr. OWENS.
H.R. 4839: Mr. DAUB.
H.R. 4841: Mr. PENNY.
H.R. 4853: Mr. MORRISON of Washington and Mr. SCHUETTE.
H.R. 4860: Mr. FUQUA.
H.J. Res. 209: Mr. FISH.
H.J. Res. 379: Mr. BARTLETT.
H.J. Res. 385: Mr. HUNTER, Mr. CLINGER, Mr. MARTINEZ, Mr. FRENZEL, Mr. WHEAT, Mr. DELAY, Mr. SMITH of Iowa, Ms. FIEDLER, Mr. MCEWEN, and Mr. DINGELL.
H.J. Res. 429: Mr. HARTNETT, Mr. SMITH of Iowa, Mr. TALLON, Mr. SCHUETTE, Mr. ROEMER, Mr. FAUNTROY, Mr. CONTE, Mr. ALEXANDER, Mr. AKAKA, Mr. SAXTON, Mr. ERDREICH, Mr. MCHUGH, Mr. SHUMWAY, Mr. BARNES, Mr. OBERSTAR, Mr. GALLO, Mr. RINALDO, Mr. WAXMAN, and Mr. SOLARZ.
H.J. Res. 546: Mr. MCKERNAN, Mr. DORNAN of California, and Mr. FAUNTROY.
H.J. Res. 571: Mr. GEJDENSON, Mr. TALLON, Mr. DIXON, Mr. BARNES, Mrs. BOXER, Mr. DANNEMEYER, Mr. WAXMAN, Mr. SAVAGE, Mr. TORRICELLI, Mr. RICHARDSON, Mr. DOWDY of Mississippi, Mr. HEFTEL of Hawaii, Mr. MONSON, Mr. REID, Mr. HALL of Ohio, Mr. ANDREWS, Mrs. JOHNSON, Mr. KASICH, Mrs. BURTON of California, Mr. HOWARD, Mr. KOLTER, Mr. PASHAYAN, Ms. MIKULSKI, Mr. FUQUA, Mr. SIKORSKI, Mr. EVANS of Illinois, Mr. O'BRIEN, Mr. MARKEY, Mr. JONES of North Carolina, Mr. BRYANT, Mr. BONER of Tennessee, Mr. ROSE, Ms. SNOWE, Mrs. LONG, Mr. CONYERS, Mr. HAYES, Mr. FRENZEL, Ms. KAPTUR, Mr. HORTON, Mr. WOLPE, Mr. ANDERSON, Ms. OAKAR, Mr. WEISS, Mr. LOWRY of Washington, Mrs. KENNELLY, Mr. HOYER, Mr. WYLIE, Mr. LEVIN of Michigan, Mr. BATES, Mr. GEPHARDT, Mr. BERMAN, Mr. HATCHER, Mr. BEVILL, Mr. CONTE, Mr. SCHUMER, Mr. HAMMERSCHMIDT, Mr. NIELSON of Utah, Mr. TRAXLER, Mrs. COLLINS, Mr. RODINO, Mr. MRAZEK, Mr. FISH, Mr. MCDADE, Mr. FEIGHAN, Mr. BORSKI, Mr. SHUMWAY, Mr. COLEMAN of Texas, Mrs. MEYERS of Kansas, Mr. GEKAS, Mr. LIPINSKI, Mr. LAFALCE, Mr. LEHMAN of Florida, Mr. RANGEL, Mr. MATSUI, Mrs. ROUKEMA, and Mr. HEFNER.
H.J. Res. 623: Mr. ROBERTS, Mr. AKAKA, and Mr. HEFTEL of Hawaii.
H. Con. Res. 27: Mr. BEVILL.
H. Con. Res. 129: Mr. CLINGER, Mr. MRAZEK, and Mr. STOKES.
H. Con. Res. 292: Mr. SMITH of Florida.
H. Con. Res. 306: Mr. FISH, Mr. VENTO, and Mr. REID.
H. Con. Res. 317: Mrs. BENTLEY, Mr. BERMAN, Mr. BIAGGI, Mr. BUSTAMANTE, Mrs. COLLINS, Mr. CONTE, Mr. COUGHLIN, Mr. COURTER, Mr. DEWINE, Mr. DORNAN of California, Mr. DURBIN, Mr. ECKART of Ohio, Mr. ERDREICH, Mr. FEIGHAN, Mr. FISH, Mr. FRANK, Mr. GEJDENSON, Ms. KAPTUR, Mr. KOSTMAYER, Mr. LANTOS, Mr. LEVINE of California, Mr. LOWRY of Washington, Mr. MCCAIN, Mr. MACKAY, Mr. MARTINEZ, Ms. MIKULSKI, Mr. OBERSTAR, Mrs. ROUKEMA, Mr. SAXTON, Mrs. SCHROEDER, Mr. SILJANDER, Mr. SOLOMON, Mr. SYNAR, Mr. TORRICELLI, Mr. WEISS, and Mr. WOLPE.
H. Con. Res. 321: Mrs. COLLINS, Mr. CARPER, and Mr. MOLINARI.
H. Con. Res. 325: Mrs. COLLINS.
H. Con. Res. 326: Mr. BEREUTER and Mr. MARTINEZ.
H. Con. Res. 330: Mr. ANNUNZIO, Mr. GUARINI, Mr. RUSSO, and Mr. GILMAN.
H. Con. Res. 332: Mr. BLILEY, Mr. MCHUGH, Mr. MURPHY, Mr. ANNUNZIO, Mr. FRANK, Mr. BONIOR of Michigan, Mr. DWYER of New Jersey, Mr. BOSCO, Mr. MORRISON of Connecticut, Mr. SYNAR, Mr. LEHMAN of Florida, Mr. SMITH of Florida, Mr. WILSON, Mr. HOWARD, Mr. FAZIO, Mr. DURBIN, Mr. KLECZKA, Mr. COURTER, Mr. FEIGHAN, Mr. HORTON, Ms. MIKULSKI, Mr. ACKERMAN, Mr. GREEN, Ms. OAKAR, Mr. MRAZEK, Mr. FORD of Michigan, Mr. KINDNESS, Mr. BEDELL, Mr. VOLKMER, Mr. LANTOS, Mr. COUGHLIN, Mr. PURSELL, Mr. HOYER, Mr. WORTLEY, Mr. LEVINE of California, Mr. HUGHES, Mr. FASCELL, Mr. DORNAN of California, and Mr. BIAGGI.
H. Con. Res. 334: Mr. SOLOMON, Mr. BONIOR of Michigan, Mr. DWYER of New Jersey, Mr. ACKERMAN, Mr. FRANK, Mr. LEVINE of California, and Mr. SMITH of Florida.
H. Con. Res. 338: Mr. BEILENSON, Mr. FRANK, Mr. GLICKMAN, and Mr. REID.
H. Res. 237: Mr. FISH.
H. Res. 373: Mr. NEAL, Mr. TRAXLER, and Mr. BATES.
H. Res. 454: Mr. NELSON of Florida, Mr. FAZIO, Mr. WILSON, Mr. MARKEY, Mr. BERMAN, Mr. LEVIN of Michigan, Mr. CONTE, and Mrs. BOXER.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1

By Mr. TAUKE:

(Amendment to the amendment in the nature of a substitute (text of H.R. 4746).)

—Page 27, line 9, strike the quotation mark and final period.

Page 27, after line 9, insert the following new subparagraph:

"(C) The Secretary shall publish in the Federal Register a description of each application receiving the preliminary approval of the Secretary under this section. Such publication shall be made not later than 90 days after the granting of the preliminary approval.".

Page 32, after line 24, insert the following new paragraph:

"(4) PROJECTS INCREASING MARKET SHARE OF NONDOMESTIC CORPORATION.—No assistance may be provided or utilized under this section for any project that the Secretary determines will be used to expand the market share of a nondomestic business entity in a manner that decreases the market share or operations of a domestic business entity.

Page 33, line 1, strike "(4) DEFINITION.—" and insert "(5) DEFINITIONS.—(A)".

Page 33, after line 4, insert the following new subparagraphs:

"(B) For purposes of this subsection, the term 'domestic business entity' means any business entity not described in subparagraph (C).

"(C) For purposes of this subsection, the term 'nondomestic business entity' means any business entity—

"(i) more than 50 percent of the ownership of which is held by persons who are not citizens or permanent residents of the United States;

"(ii) that is controlled by persons who are not citizens or permanent residents of the United States; or

"(iii) that is a subsidiary of, or is controlled by, another business entity described in clause (i) or (ii).

Page 33, line 5, strike "(5)" and insert "(6)".

(Amendment to the amendment in the nature of a substitute offered by Mr. WYLIE of Ohio (text of H.R. 4757).)

—Page 19, line 15, strike "paragraph" and insert "paragraphs".

Page 20, line 3, strike the quotation mark and final period.

Page 20, after line 3, insert the following new paragraph:

"(4) The Secretary shall publish in the Federal Register a description of each application receiving the preliminary approval of the Secretary under this section. Such publication shall be made not later than 90 days after the granting of the preliminary approval.".

Page 20, before line 4, insert the following new section (and redesignate the subsequent sections, and conform the table of contents, accordingly):

SEC. 148. PROHIBITION ON USE OF URBAN DEVELOPMENT ACTION GRANTS TO INCREASE MARKET SHARE OF NONDOMESTIC CORPORATIONS.

(a) IN GENERAL.—Section 119(h) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end the following new paragraph:

"(2)(A) No assistance may be provided or utilized under this section for any project that the Secretary determines will be used to expand the market share of a nondomestic business entity in a manner that decreases the market share or operations of a domestic business entity.

"(B) For purposes of this paragraph:

"(i) The term 'domestic business entity' means any business entity not described in clause (ii).

"(ii) The term 'nondomestic business entity' means any business entity—

"(I) more than 50 percent of the ownership of which is held by persons who are not citizens or permanent residents of the United States;

"(II) that is controlled by persons who are not citizens or permanent residents of the United States; or

"(III) that is a subsidiary of, or is controlled by, another business entity described in subclause (I) or (II).".

(b) APPLICABILITY.—The amendments made by this section shall be applicable to urban development action grants that have not received the preliminary approval of the Secretary of Housing and Urban Development before the date of the enactment of this Act.

SENATE—*Wednesday, May 21, 1986*

(Legislative day of Monday, May 19, 1986)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Gracious God, we join in sympathy with Senator DECONCINI and his family in the loss of his father. May they enjoy the peace of God that passes understanding in this time of sorrow. We ask Thy blessing upon Andrei Sakharov on the occasion of his birthday and we commend his wife to Your gracious care as she returns back to the U.S.S.R.

Father God, almost everything that happens here is important to someone negatively or positively. Whether simple or cosmic, issues discussed here impinge upon some, often many—often all the people of the Nation and sometimes of the world. Help us to remember Father that no social unit is more important than the family—that no culture can long endure the disintegration of the home. Lead the Senators to give strong leadership to the primacy of the home and family. Much work awaits the Senators' time and energies these next 2 weeks. Help the Senators to make time for family as they respond to all these demands. May those who travel go and return in safety and may this recess be one of total satisfaction to all who labor here. In Jesus' name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator DOLE, is recognized.

Mr. DOLE. Mr. President, I thank the distinguished Presiding Officer, Senator THURMOND.

SCHEDULE

Mr. DOLE. Mr. President, under the standing order, the leaders have 10 minutes each followed by special orders in favor of Senators HAWKINS, CRANSTON, PROXMIRE, KERRY, BUMPERS, LEAHY, and LEVIN.

Then there will be routine morning business not to extend beyond the hour of 12 noon with Senators permitted to speak therein for not more than 5 minutes each.

At the conclusion of routine morning business, the Senate could be asked to turn to any legislative or executive items cleared for action—possibly the veto message to accompany the Saudi arms sale, and votes can be expected throughout the day.

I am advised that there will be a rollcall vote requested on the conference report to accompany S. 124, the Safe Drinking Water Act. And that vote will come about, as I understand it, 12:20 or 12:30.

In addition, we are still making an effort to bring up the supplemental appropriations bill. At least we hope to start that before we leave here this evening.

It would be my hope that we could complete our action, and our work today, say between 5 and 6 o'clock.

Mr. CRANSTON. Mr. President, will the leader yield for one question?

Mr. DOLE. Yes.

Mr. CRANSTON. Will the leader indicate whether we will or will not vote on the Saudi arms package?

Mr. DOLE. I hope to have some indication by, say, 1 o'clock.

Mr. CRANSTON. I thank the leader very much.

Mr. DOLE. It would only be a guess, of course, about how long debate might take. I assume it would not take any lengthy debate.

Mr. CRANSTON. I can assume it would be very swift.

CENTRAL AMERICAN AGREEMENT MUST BE VERIFIABLE

U.S. SUPPORTS NEGOTIATED SETTLEMENT

Mr. DOLE. Mr. President, the United States supports a peaceful, negotiated resolution of the conflict in Central America. That is the policy of our Government and our President, and it is a policy I strongly endorse.

But the President has also made clear—and, again, I support him strongly—that the resolution we seek, and will insist on, is a real one—one that adequately addresses our concerns, one that will protect our security interests in the region, and one that meets the needs, and aspirations, of the democratic governments of the region and, the people of all the countries there, including the people of Nicaragua.

The Contadora nations are again circulating a draft agreement, and are hoping to have all the nations of the region sign it by early June. Our allies and friends in the region are looking at it very carefully. We have to be equally careful in our own examination.

TESTS OF A GOOD AGREEMENT

What kind of agreement will meet our needs and serve our interests? In my view, any agreement we support must meet three tests. And let me say that again, so it is clear—it must meet all three of the following tests, each of them equally essential.

CONSISTENT WITH OUR GOALS

First, at a minimum, any agreement must comport with the goals we have set "vis-a-vis" Nicaragua. It must require that the Sandinistas:

Stop supporting war against their democratic neighbors;

Reduce the foreign military and terrorist presence in their country, which threatens the peace and security of the entire region;

Halt their alarming, offensive military buildup, aimed at threatening and intimidating the democratic states of the region; and

Reverse the trend of dictatorship and oppression within Nicaragua, giving all political forces in the country—including the democratic resistance—a real role in the political process. Putting it another way, the Sandinistas have to dismantle their dictatorship and begin the process of democratization.

MUST BE VERIFIABLE

Second, any agreement which we support must be verifiable. We have to be able to know, with certainty and in a timely manner, whether or not all of the parties to the agreement—including the Sandinistas—are keeping their word.

The record is not encouraging. The Sandinistas have broken every major agreement and promise they have made; to the Organization of American States; to their neighbors, and to their own people. They told the OAS they wanted to replace Somoza's dictatorship with democracy; instead, they instituted a new form of oppression, aided and abetted by foreign powers. They have promised their neighbors, again and again, that they have no designs on their territory, and no intention to destabilize them; meanwhile they give all out, decisive support to guerrilla movements throughout the region. They have promised their people democracy and prosperity; they have delivered oppression and misery.

We are just not going to take their word for anything any more.

And we are not going to support any agreement which leaves the process of

verification up in the air, or the mechanisms for verification so muddled, or politicized as to be practically worthless.

We will insist on independent, well-funded, ably staffed, and properly equipped observer teams, who can do their job without fear, and without the need for an OK from any of the concerned parties.

SPECIFIC IN ACTIONS AND TIMETABLE

Finally, any agreement which we support must be specific enough so that the observer teams—and the nations of the world—can see clearly whether the agreement is being upheld and, if not, who is to blame. We will not accept an agreement which offers only grand rhetoric, vague formulas, general plans and empty promises. An agreement which we will support must have clear cut, specific goals and clear cut, specific timetables for achieving those goals.

We do not want an unverifiable pledge that the Sandinistas will stop supporting regional insurgencies. We insist on the creation of a program of verification, including teams of observers, who can give us independent assurances that no more Sandinista advisers, and no more Soviet- and Cuban-supplied weapons, are flowing out of Nicaragua to the guerrillas.

We do not want some empty assurances that the Soviet, Cuban, and terrorist presence will be scaled down and the military buildup reversed. We want to know that the Soviet and Cuban forces and the Libyan and PLO terrorists are getting out, now, and that all offensive weapons are being crated up, and shipped out.

We do not want some vague promise of democratic reform in Nicaragua. We want to know that the Contras, and all the other legitimate political forces in the country, will be able to play a significant role in the political process, starting now. We need binding guarantees on free speech; free elections; a free press; and religious freedom for all—guarantees these freedoms will be implemented now.

MINIMUM FORMULA FOR REAL PEACE

These are minimum goals. The minimum to meet our legitimate needs and concerns; the minimum to give peace a real chance in Central America. Any other kind of agreement would not serve our interests; would not be good for our allies and friends in the region; would not help the people of Nicaragua achieve the democracy they so badly deserve; and, above all, would not contribute to the stability, security, and the peace of Central America.

□ 1110

Mr. President, this may be the last opportunity for the Contadora process to work—to achieve the end we all so strongly want. It may also be the last chance for the Marxist regime in Nicaragua to turn away, voluntarily, from its path of unsavory alliances and military buildup, regional aggression, and domestic suppression.

I sincerely hope the Sandinistas take this opportunity. If they do not, though, and their past record gives me little optimism, let them know, and let the world know, that we remain committed to our ideals, our goals, and our friends; determined to meet our responsibilities; and prepared to do what is necessary to protect our national interest.

NATIONAL ANDREI SAKHAROV DAY

Mr. DOLE. Mr. President, earlier this spring Congress proclaimed this day, May 21, as "National Andrei Sakharov Day."

No man symbolizes the struggle for human rights, for world peace, better than Andrei Sakharov.

A renowned scientist, one of the founders of the Moscow Helsinki Watch Group, and Nobel Peace laureate, Dr. Sakharov has committed his life to the fight for individual freedom, in his country, in every country.

Sakharov has written:

I am not a professional politician. That is why I am always bothered by questions concerning the usefulness and eventual results of my actions. I am inclined to believe that moral criteria in combination with unrestricted inquiry provided the only possible compass for these complex and contradictory problems. I shall refrain from specific predictions, but today, as always, I believe in the power of reason and the human spirit.

Because Dr. Sakharov continues to believe in the power of reason and the human spirit, it is only fitting that this country, founded on the principles of individual freedom, honor him on his 65th birthday. By remembering Dr. Sakharov, and the despicable conditions and gross injustices he must live with, perhaps we will hold more dear the many fruits of democracy that we often take for granted.

We extend our best wishes and heartfelt support to Dr. Sakharov. And ask that his brave wife, Yelena Bonner, who is here in Washington today, will convey our commitment to fight for his freedom and for the basic human rights of all his countrymen.

A DANGEROUS HABIT: COKE IS IT

Mr. DOLE. Mr. President, the Senator from Florida, Mrs. HAWKINS, has a special order this morning. In her absence, at this time I wish to present her statement for the Senate. It is as follows:

A DANGEROUS HABIT: COKE IS IT

Mrs. HAWKINS. Mr. President, there is a dangerous myth that pervades certain elements within our society. That fantasy is the myth of the "recreational drug," or the fanciful distinction between "soft" and "hard" drugs. There is a growing body of evidence that the so-called recreational drugs, marijuana and cocaine, are not harmless and innocent as some would lead us to believe. Rather they can have devastating effects on our own bodies, our families, our friends and the people we come into contact with every day.

For years we have lived under the illusion that cocaine in not physically addicting like the lower class drugs of heroin and opium. Instead we said that with time, cocaine could become psychologically addicting. Now, however, scientific evidence is pointing to growing evidence that cocaine is in fact physically addicting and that certain forms of cocaine have acquired a reputation for being the "most addictive substance known to man."

Current research into the effects of cocaine have focused on a chemical in the brain known as dopamine. Dopamine molecules are one of several chemicals that permit electrical charges to jump the gap between nerve cells known as the synapse. To send a message, a nerve cell releases thousands of dopamine molecules, which activate receptors on the adjacent nerve cell. Once the message is complete the dopamine molecules return to the sending nerve cell and are reabsorbed awaiting future use.

Cocaine blocks this reabsorption.

The result is that dopamine remains in the gap between the cells stimulating the receptors on the adjacent cell over and over again.

After a while, however, the process begins to change. Eventually the dopamine buildup is washed out of the synapse, and the brain's supply of this essential substance is squeezed out. By this time the receptor cells have become supersensitive and accustomed to receiving this continuous signal. As a consequence of this combination of effects—that is, where the cells have become accustomed to continuous stimulation while at the same time the supply of the stimulant, dopamine, has been washed out of the system—the body is left craving a new supply of dopamine—a supply that cocaine can fill. So the addiction begins.

In the past people did not believe cocaine to be addictive because unlike drugs such as heroin there were no obvious physical signs of withdrawal. But according to Dr. Frank Gawin, a Yale University addiction expert, "cocaine is a physically addictive drug where alterations occur in the part of the brain that affects psychology. So the expression of the addiction is psychological." In other words, cocaine messes with your mind, and one of the psychological symptoms of addiction is chemically induced depression.

In addition to this recent research on cocaine addiction, there have been numerous animal studies on the effects of cocaine use. In one study on laboratory monkeys it was found that when given free access to a steady supply of cocaine, the monkeys would ingest the cocaine to the exclusion of food and water. Eventually the monkeys died. No other drug tested had this effect.

Though there are still questions about the exact nature of cocaine addiction, the results of these findings are alarming. They are especially alarming in the light of the growing acceptance of the inexpensive and hyperaddictive form of cocaine known as "crack" or "rock." These new forms of cocaine are especially attractive to our young people because they afford a cheap high. What they may not realize is they may

spend the rest of their lives paying for their cocaine habit.

Mr. President, while in the past there may have been a tendency to look on cocaine as "harmless" or "recreational," I believe that the results of this recent research should debunk these myths. I hope that it will also encourage us to redouble our efforts to block the flow of these destructive substances into our schools, communities and workplaces.

LETTER TO SECRETARY SHULTZ ON URGING DENIAL OF VISA TO TERRORIST YASSER ARAFAT

REPORTS ARAFAT INTENDS TO COME TO U.N.

Mr. DOLE. Mr. President, last week, I spoke briefly on the floor about my concern over reports that the PLO's Yasser Arafat plans to attend a U.N. Security Council session in New York next month.

Although the State Department has not been able to confirm Arafat's intention, reports that he wants to come to New York persist.

WE HAVE THE RIGHT TO DENY VISA

My staff has researched the legal issues involved, and I am convinced that we have the right—under the Immigration and Naturalization Act, among other laws, and under our headquarters agreement with the United Nations—to deny Arafat a visa.

I am also convinced that we should. Arafat and the PLO espouse terrorism as a tactic; they practice terrorism and have made hundreds of Americans, and many other innocent civilians around the globe, their victims.

I do not want Arafat in New York, spreading his poison. I do not want him at the United Nations, which is supposed to be a forum to encourage civilized conduct among nations. He does not deserve to be there. His presence would be an insult.

LETTER TO SHULTZ

Today I wrote to Secretary of State Shultz on this matter, urging that he instruct American consular personnel around the globe to deny any visa request that comes in from or on behalf of Arafat.

Mr. President, I ask unanimous consent that the text of my letter to Secretary Shultz be included in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
OFFICE OF THE MAJORITY LEADER,
Washington, DC, May 21, 1986.

Hon. GEORGE P. SHULTZ,
Secretary of State,
Department of State,
Washington, DC.

DEAR MR. SECRETARY: I am deeply disturbed by reports that the leader of the Palestine Liberation Organization (PLO), Yasser Arafat, intends to attend a United Nations Security Council session in New York in June.

Arafat and the PLO have long espoused terrorism as a method of achieving their political goals and have practiced terrorism against innocent Americans and others around the globe. Arafat's presence in New York would be an insult to the hundreds of Americans who have suffered and died as a result of PLO-sponsored terror. His appearance at the UN would be a mockery of that organization's stated purpose, to encourage peaceful, civilized relations among nations.

I do not want Arafat in the United States spreading his poison. The American people do not want him here. I am sure you don't either.

We have the right to deny him a visa, under the Immigration and Naturalization Act and other laws and in accord with our headquarters agreement with the UN. I urge you to instruct all US consular personnel around the globe to reject any visa application made by or on behalf of Yasser Arafat.

Sincerely yours,

BOB DOLE,
U.S. Senate.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. Under the standing order, the Democratic leader is recognized.

EXPECTED PRESIDENTIAL VETO OF RESOLUTION OF DISAPPROVAL

Mr. BYRD. Mr. President, I want to say just a few words about the expected Presidential veto of the resolution of disapproval of the Saudi arms sale. I regret that the President is taking this step. The overwhelming vote on both sides of the Hill and in both parties indicates strongly the unease with which this sale is viewed up here.

I would hope that the President would sit down with leaders of both parties and attempt to work out a feasible and prudent process which would address the real needs and concerns of Saudi Arabia and which would advance the peace process in the region.

There ought to be strings attached to any arms sale that would ensure the progress and advancement of the peace process.

Mr. President, I will have more to say on that matter later.

Mr. CRANSTON. Mr. President, will the Senator yield briefly?

Mr. BYRD. Yes.

Mr. CRANSTON. I applaud the statement of the minority leader, the distinguished Senator from West Virginia.

With regard to the Saudi arms sale, I think this proposal is a far more sensible way to proceed than to have a collision over a veto and a deep division in our country.

An overwhelming majority in the Senate and in the House voted against the sale. It was not just a vote against the sale of the Stingers. The Stingers were the most objectionable part of the package. The package was greatly reduced from an earlier package. It was reduced because of the opposition expressed by Senators of both parties.

But the basic principle remains—a deep, deep question as to the advisability of providing any sophisticated American arms to a nation that has undermined American policy in many, many ways and that has sided with terrorists and aided terrorists, specifically siding with Qadhafi in our recent showdown with Libya.

The Saudis called us the aggressors, called us the imperialists. I do not see why we should reward a nation that behaves in that way, until we reach a better understanding of what we can expect of them, with access to sophisticated arms. I therefore applaud the statement of my leader.

Mr. BYRD. I thank the distinguished Senator from California who has been the leader on this side of the aisle in working for, and supporting the adoption of, the arms sales resolution of disapproval.

Mr. President, I join with the distinguished Senator from California in respect to what he has said in regard to the Stingers. The sale still includes 1,666 Sidewinder missiles, I believe.

Mr. CRANSTON. Yes.

Mr. BYRD. I will have more to say about that later, but I do wish to tell the distinguished minority whip that I thank him for his kind words.

Mr. CRANSTON. I would like to add that the package still maintains the Harpoons, another deadly missile.

Mr. BYRD. Yes, indeed.

66TH BIRTHDAY OF ANDREI SAKHAROV

Mr. BYRD. Mr. President, today is the 65th birthday of Soviet human rights champion and Nobel Peace Prize laureate, Dr. Andrei Sakharov.

I can think of no more fitting way to mark this occasion than to call on the Soviet Union to free Dr. Sakharov from his internal exile in the closed city of Gorky and to restore fully his human rights.

A world-renowned physicist, Dr. Sakharov turned from the task of designing weapons of mass destruction to devote himself to defending individual freedoms for those many Soviet citizens denied such human rights.

His courage in the face of many acts of repression by the Soviet Government, as that regime tried to silence him, has inspired millions throughout the world to join the human rights crusade.

Dr. Sakharov has fought for many years against the abuses of the Soviet Government. He has fought that regime's oppression through the eloquence of his own words, and through his determination to suffer hunger strikes in the defense of human rights.

He has had the courage to continue to condemn Soviet human rights practices even as the Government sentenced him to internal exile. Along with his wife, Dr. Yelena Bonner, herself a courageous human rights activist, Dr. Sakharov has demonstrated that the moral courage of a few individuals can humble the collective strength of the highly organized, highly regimented Soviet system.

Dr. Bonner soon will return to the Soviet Union after receiving medical treatment in the United States. Her release to obtain such treatment only was granted after her husband protested repeated refusals by the Soviet Government to allow her to travel for such a humanitarian purpose.

Dr. Sakharov's own individual protest stimulated governments and their citizens worldwide to intercede on his wife's behalf, and finally, the Soviet Government relented.

There is no better way for the Congress and people of the United States to honor Andrei Sakharov and mark his 65th birthday than to underscore our commitment today to continue to speak out against and to protest the denial of his human rights, and those of so many other Soviet Jews and other people in the Soviet Union.

NEAR COLLISION AT CHICAGO O'HARE AIRPORT

Mr. BYRD. Mr. President, this past Saturday, May 17, a USAIR DC-9 and an American Airlines Boeing 727 came very close to a disastrous collision at Chicago's O'Hare International Airport. The two airliners were carrying a total of 224 passengers and crew.

According to a report which appeared in Monday's New York Times, the USAIR DC-9, bound for Pittsburgh, was taking off at the same time as the American Airlines 727, which was bound for Oklahoma City. The two airliners were on separate, but intersecting, runways. As the two aircraft were taking off, heading toward the intersection of the two runways, the USAIR pilot saw the American Airlines jet heading toward him on the other runway. He managed to pull his plane off the ground at slower than normal speed and avoided a collision—a collision which would have surely been disastrous.

According to the FAA, there were a total of 420 operational errors reported at airport air traffic control towers in 1985.

The incident has been declared an "operational error" by the FAA, although some sources quoted in the Times story characterized it as a "very close call." This most recent "operational error" is attributed to an air traffic controller who failed to ensure that the two aircraft were in compliance with FAA rules governing the safe separation of aircraft.

In a report on the incident at Chicago's O'Hare in Monday's Washington Post, the air traffic controller to whom the error has been attributed "had his hands full" rerouting other traffic because of rain and fog when the incident occurred.

Mr. President, this is but the latest in a number of similar incidents in which commercial passenger aircraft narrowly have averted a disastrous encounter. In the past 2 years, according to a recent NTSB report of the results of its investigation of 26 such incidents, "the number of near-collision ground incidents has increased significantly." Unfortunately, the NTSB points out, the magnitude of this problem is difficult to determine because of incomplete reporting and lack of FAA followup investigations.

The NTSB report notes that the FAA has taken steps to halt such incidents, and that those measures may prove effective. However, the NTSB warns that many of the FAA's efforts may be "questionable unless some of the basic ATC [air traffic control] problems involving adequacy of controller training, coordination in the tower, and supervision are resolved. "Until these problems are adequately addressed," the NTSB warns, "controllers will continue to forget aircraft, there will be continued breakdowns in coordination in the tower, and supervisors will not be free to monitor performance of controllers or assist controllers."

Mr. President, this latest incident at O'Hare Airport is a grim reminder that despite the assurances of some, aviation safety is confronted by serious problems which must be addressed if the Nation is to avoid a repeat of 1985—the worst year since 1977 for U.S. air carrier operations in terms of the number of fatalities.

I have introduced legislation, S. 2417, the Aviation Safety Commission Act, as a first step in addressing some of these problems. I was gratified that the distinguished chairman of the Aviation Subcommittee of the Senate Committee on Commerce, Science, and Transportation, Senator KASSEBAUM, asked to be added as a cosponsor of this legislation, and that she announced she would schedule aviation safety hearings in her subcommittee in July.

□ 1120

I urge my colleagues in the Senate to join as cosponsors of this legislation, which was offered by me on behalf of Senators HOLLINGS, FORD, ROCKEFELLER, and others in a bipartisan effort to begin the enormous task of addressing the many difficult issues associated with aviation safety. Senators on both sides of the aisle, including Senator MARK ANDREWS and others, are joining as cosponsors, have already joined, or are contemplating joining. I shall work with my colleagues to ensure that the Senate will act expeditiously to enact this important legislation before we adjourn for the August recess.

Mr. President, I ask unanimous consent that articles from the New York Times, and the Washington Post be printed in the RECORD. I also ask unanimous consent that a summary of the NTSB report to which I referred in my remarks, be printed in the RECORD.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

[From the New York Times, May 1, 1986]

U.S. BOARD STUDIES CHICAGO AIRLINER INCIDENT

(By Richard Witkin)

The National Transportation Safety Board said yesterday that it was investigating the report of a near-collision of two airliners taking off on intersecting runways in Chicago Saturday.

The pilot of one plane, a USAir DC-9, pulled his craft off the ground prematurely, at slower than normal speed, to avoid hitting the other plane, an American Airlines Boeing 727, Government and airlines spokesmen said.

It was not immediately clear how high the DC-9 was when it crossed the path of the 727, which was apparently still on the ground. But several sources termed the incident a "very close call."

The two planes were carrying a total of 212 passengers and 12 crew members.

"OPERATIONAL ERROR," F.A.A. SAYS

Morton Edelstein, spokesman for the Federal Aviation Administration in Chicago, said the incident had been declared an "operational error" by officials in the tower at O'Hare International Airport. This was implicit acknowledgement that a mistake had been made by one or more air-traffic controllers in allowing two airliners to be given takeoff clearances that failed to insure compliance with rules on safe separation.

The incident occurred as critics in Congress, other agencies and the private sector were questioning the adequacy of F.A.A. supervision of air safety, not only in the area of air-traffic control but also in aircraft maintenance and security against terrorism.

Last week, the safety board voiced new concerns about the kind of near-collision that happened Saturday in Chicago, and expanded on earlier recommendations for remedial measures by the aviation agency.

The report was based on a 10-month study of the 26 most serious such incidents last year. Among other things, the report called for creation of a special team to develop memory aids for controllers, and improvement in airport "signs, markings and procedures."

The safety board inquiry will seek to determine why conflicting instructions might have been given to the two crews, and whether tower supervisors should have caught any errors.

A board spokesman, William Bush, said an investigator in Chicago had taken steps to impound tapes of tower-to-cockpit conversations.

The F.A.A. said the controller who had handled both planes had been relieved of his duties, which is routine in significant operating errors.

Mr. Edelstein said that the normal complement of controllers was on duty at the time, just after 10 A.M. in Chicago. He said, too, that the clearances had been given about 15 seconds apart and that the controller had been assigned the extra responsibility of radioing revised routings to some planes because of bad weather.

THE RUNWAYS INTERSECTED

This is what is known about the incident from official sources:

The twin-jet DC-9, headed for Pittsburgh with 110 passengers and a crew of five, was taking off on Runway 4L, the most westerly of three Chicago runways that are headed 40 degrees to the northeast.

The three-engine American 727, with 102 passengers and a crew of seven, bound for Oklahoma City, took off on Runway 32R, the most easterly of three runways headed 320 degrees to the northwest.

The intersection is halfway down the two runways. Use of intersecting instead of parallel runways is routine, officials said, and depends on such factors as traffic density, weather, noise, rules, and landing patterns.

The USAir co-pilot saw the other plane heading toward his from the right, and his DC-9 was hauled into the air at a speed below normal. The USAir crew waited until they arrived in Pittsburgh to tell the F.A.A. what had happened. The American crew learned of the near-collision only after reaching Oklahoma City.

[From the Washington Post, May 19, 1986]

AIR CONTROLLER "HAD HANDS FULL"

CHICAGO.—An air traffic controller overseeing takeoffs of two jets that nearly collided at O'Hare International Airport Saturday "had his hands full" rerouting other traffic because of rain and fog when the incident occurred, authorities said.

A USAir jet carrying 110 passengers had to make a sudden, early takeoff to avoid an airliner that crossed its path on a runway.

"We don't know if the controller cleared them at the wrong time, or if one of the pilots waited on the runway too long after he was cleared," Federal Aviation Administration spokesman Mort Edelstein said.

SAFETY BOARD REPORT URGES STEPS TO CURB RUNWAY COLLISION DANGER

The National Transportation Safety Board (NTSB) has concluded that more than a dozen measures should be undertaken to reduce the potential danger of aircraft collisions or other unsafe activities on or near runways at U.S. airports.

The recommendations were made to the Federal Aviation Administration (FAA) following a special investigation of 26 such incidents by the Safety Board. The investigation followed a near collision of two DC-10's at the Minneapolis-St. Paul International Airport in March 1985. One plane was taking off while the other was authorized to taxi across the same runway.

The Safety Board called for:

—Improved training for tower controllers, ranging from use of simulation practices to development of memory aids.

—Better control tower supervision and coordination.

—More precise and standardized operating practices by both controllers and pilots.

—Improved reporting and investigation of runway incursion incidents.

—Adequate runway and taxiway signs.

The Safety Board, noting a rise in runway incidents in the last year or so, said the magnitude of the problem could not be measured because of both incomplete reporting and lack of follow-up investigations by the FAA. The NTSB said it believes that recent FAA efforts to halt runway incursions will lead to a reduction in such incidents. NTSB added:

"However, many of the projects are incomplete and the effectiveness of them is questionable unless some of the basic ATC (air traffic control) problems involving adequacy of controller training, coordination in the tower and supervision are resolved. Until these problems are adequately addressed, controllers will continue to forget aircraft, there will be continued breakdowns in coordination in the tower, and supervisors will not be free to monitor performance of controllers or assist controllers."

Seventeen of the 26 incidents investigated by the NTSB were described by FAA as controller-induced incursions, or "operational errors"; nine were categorized as pilot incursions, or "pilot deviations." However, the investigation revealed that despite these categorizations, many involved combinations of pilot and controller factors.

The Safety Board identified a lack of controller supervisions or back-up personnel in towers when some runway incursions occurred. In the majority of these controller-induced incidents, the NTSB found that although staffing was sufficient for all operating positions, supervisors often were not in the tower cabs or because of other responsibilities were not available to monitor controller performance. When assigned, controllers-in-charge usually had other responsibilities which prevented them from performing a supervisory function.

The NTSB also discovered what it called deficiencies in FAA's tower controller training program. It said the training was not the "best available" and cited some aspects of the U.S. Air Force controller training as superior.

The practical application of air traffic procedures through simulation practices would give new controller better work habits, better understanding of both proper coordination and scanning techniques, and would better prepare student controllers for their responsibilities, the Safety Board said.

In runway incursions caused by pilot errors, there were seven cases of unauthorized runway crossing or entry for takeoff. In some of these, runway and taxiway signs are missing. At least twice, pilots did not comply with controller clearances that they had acknowledged. Pilots contributed to some incursions by failing to communicate properly with controllers and failing to be vigilant.

The NSTB noted that some pilot deviations occur because of misunderstood, but acknowledged clearances, and concluded that pilots should use proper phraseology and read back taxi, takeoff and landing clearances.

The Safety Board's special investigation report added that pilots could reduce the risk of runway incursions by scanning more effectively before taxiing onto active runways; by reducing taxi speed while approaching and preparing to cross runways; and, importantly, by delaying a request for clearance to cross a runway until actually ready to do so.

The special investigation was the NTSB's first broad examination of the incursion problem, although it has investigated individual runway incidents and accidents in the past. Of 19 previous recommendations issued following these earlier investigations, less than half have been fully adopted by FAA.

RECOGNITION OF SENATOR CRANSTON

The PRESIDING OFFICER. Under the previous order, the Senator from California is recognized for not to exceed 5 minutes.

A WEST COAST EXPORT LICENSING OFFICE

Mr. CRANSTON. Mr. President, the fastest growing markets for high-technology products are the newly industrializing economies on the Pacific Rim and California is on the leading edge of capturing those markets. The demand by Pacific Rim nations for electronic technology will grow steadily for the foreseeable future. The potential is enormous.

California and other Western business executives should be getting advice, information, guidance, and, above all, encouragement from the Government to increase our export business. They are not getting that now. That is one of the reasons for our current trade deficit.

Washington thinking is often light-years away in terms of the everyday business needs of California and the West. A bill we passed last year now requires the Export Administration Office in Washington to stay open until 5 p.m. West coast time. It used to close at 2 p.m. That is 5 p.m. Washington time. The fact that we had to pass a law to get them to understand that the Western business day goes on for another 3 hours shows what we are up against.

Even a routine license request now takes about 2 weeks to process and if there are complications, it could—and does—take months.

That is why I am introducing legislation directing the Reagan administration to open an export licensing office on the west coast.

A Western regional export licensing office is badly needed and long overdue. California businesses alone filed more than 31,000 requests for export licenses last year. That means one out of four of all the export license requests that all American businesses filed with the Export Administration came just from California.

Electronic components and communications equipment, which accounts for much of California's license requests, amounts to more than $4 billion annually. A west coast office would give California and other west coast exporters direct access to speed up present time-consuming licensing procedures.

I believe that in many cases we could cut in half the time it now takes a west coast business to get an export license out of Washington.

The result will be millions of dollars in savings to west coast exporters over the years. And if they get the kind of

service they should get, it could mean millions of dollars more in increased sales.

Finally, Mr. President, it is important to note we can do this without spending a lot of taxpayers' money. The new office could be set up in an existing Department of Commerce facility and staffed with the present Department personnel.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconson is recognized for not to exceed 5 minutes.

HOW AN OFFSHOOT OF STAR WARS COULD SPARK A NUCLEAR EXCHANGE IN EUROPE

Mr. PROXMIRE. Mr. President, 16 years ago, this body ratified the Anti-Ballistic Missile Treaty by an overwhelming vote. Only two Senators opposed it. The ratification of that treaty committed the United States to a combination of arms control and deterrence as the most practical way to prevent the initiation of a nuclear war. Support for the ABM Treaty was not based on the pie-in-the-sky unreality of eliminating nuclear weapons from the face of the Earth. The treaty recognized that unfortunately and sadly nuclear weapons are here to stay. Through all of world history, no technology that brings a massive increase in military power has even been wiped out or disinvented or has disappeared or ever will. Nuclear weapons are a sure and certain fact of life as long as mankind dwells on this planet.

Attempts to eliminate them are as fruitless as attempts to grant mankind immortality or to prevent winter from ever coming again to northern Wisconsin. The ABM Treaty also recognized that for the foreseeable future the United States and the Soviet Union would continue to be rivals for world leadership and would both be heavily armed with nuclear weapons.

This realism brought the U.S. Senate to the conclusion that the most practical basis for peace was mutual deterrence. As long as both sides recognized that a nuclear war would mean total obliteration, it was obvious neither side would provoke such a war.

The problem was how to maintain, how to preserve this understanding between two countries, each capable of utterly destroying the other. Both superpowers must fully understand the futility of nuclear war under any and all circumstances. How could this standoff, this balance of nuclear terror, be stabilized so that neither superpower would be tempted to attack the other?

What was the most likely threat to deterrence? Was it possible that one of the two armed-to-the-teeth nuclear powers would build a defense against the other's nuclear arsenal so that it could launch a preemptive strike and then hunker down behind its antimissile defense?

Such a prospect seemed unlikely in 1972 when the Senate ratified the ABM Treaty. Nevertheless, it loomed as a tempting possibility. The Soviet Union had made a halting start at developing such a technology. No one could predict where the magic of such technology might lead. Only one thing was sure: The cost would be immense. The economic burden of such technology would be enormous. But there was a far more significant price that an antimissile defense system would exact. Such a defense would sharply increase the uncertainty, the threat, the danger that one side or the other, having developed an antimissile or SDI or star wars system would be far more likely to initiate a preemptive nuclear strike.

So if the star wars system worked, would not deterrence fade? It would indeed. Here's how: A President or a Soviet leader believing that his country could survive a nuclear strike would no longer fear that a nuclear attack would be suicide. As SDI or star wars proceeded, both superpowers would know this. With that knowledge, with the expectation that time was eroding the deterrence that had prevented nuclear attacks in the past, the prospect of nuclear war would greatly increase. It would not be likely to await the perfection of a star wars defense.

This was the concern of the Nixon administration and the overwhelming majority of the Senate in 1972. Then came the Anti-Ballistic Missile Treaty. Why did that treaty shoot through the Senate with only two dissenting votes? First and above all, Senators recognized that the treaty would preserve the nuclear deterrence that had preserved nuclear peace throughout the age of nuclear weapons. Second, Senators believed that the treaty would save both superpowers from an economically ruinous arms race. Third, the treaty made arms control agreements that reduced and stabilized nuclear weapons possible.

In an article in the October issue of Arms Control Today, Jonathan Stein brilliantly highlights a more immediate threat to the ABM Treaty. Stein is the author of "From H-Bomb to Star Wars." He is also a legislative assistant to Senator PAUL SIMON. Stein points out that antitactical ballistic missiles constitute the star wars supporters' response to European's fear that star wars will isolate Western Europe from the protection of the United States great military power. This antitheater ballistic missile or ATBM has come on as a kind of kid brother of star wars. It would use star wars technology to provide defense against short range nuclear missiles in Europe. Stein contends that this ATBM Program constitutes a sure violation of the ABM Treaty. As Stein puts it:

> Article VI of the ABM treaty enjoins the parties from giving missiles, launchers or radars other than ABM interceptor missiles, ABM launchers or ABM radars, any strategic ABM capability, and further disallows testing of these components in an ABM mode. This would prohibit the testing of ATBM's against theater or intermediate-range systems, since the trajectories, velocities, and radar images of intermediate-range missiles are similar to those of strategic submarine-launched ballistic missiles. Intercept capabilities acquired during the testing and development of an ATBM could be readily transferred to a strategic program.

Stein also spells out the grim practical effect of proceeding with this antitactical nuclear weapon, this mini offshoot of star wars. He asks: How would the Soviets respond? Obviously they will respond by developing ways of maintaining an effective offensive force. That means the Soviets will come on strongly with reentry vehicles and penetration aids. They will struggle to saturate, jam, spoof, and overwhelm NATO's defensive weapons.

Suppose we push NATO ATBM's. Then what follows in the event of a European war? Answer: An early and sure rush to use nuclear weapons to suppress ATBM defenses and eliminate counter offenses. The side that strikes first has a big advantage. The ATBM's constitute a formula for a quick and sure nuclear war in Europe.

□ 1130

Mr. President, I ask unanimous consent that an article by Jonathan Stein, in Arms Control Today, that parallels much of what I have said, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ANTI-TACTICAL BALLISTIC MISSILES—NEW THREAT TO THE ABM TREATY

(By Jonathan B. Stein)

To date, the debate over President Reagan's Strategic Defense Initiative has focused on the efforts of the administration to redefine the SDI program and reinterpret the ABM Treaty so as to allow testing and development of space-based defenses to proceed unimpeded. This frontal attack on the ABM Treaty has so dominated the arms control discussion of the past two years that another effort to circumvent the treaty, the anti-tactical, or anti-theater, ballistic missile (ATBM) program, has gone virtually unnoticed.

In his various attempts to support the Star Wars concept and to respond to European fears of creating a "Fortress America," President Reagan has acknowledged the need to develop defensive measures against ballistic missile threats of less than intercontinental range. However, the administration's effort to develop ATBMs, driven by its desire to win allied support for SDI and to register progress in defense research and development, ignores a number of serious

ADDENDUM

Three epidemiological studies in the U.S. did not find a positive relationship between excess levels of arsenic in drinking water and adverse health effects. A survey of over 200 residents in Fairbanks, Alaska, exposed to mean arsenic drinking water levels of 224 ppb displayed no increases in skin disorders, although the longest exposure in the study population was only ten years (Harrington, et al, 1978). Likewise, Morton et al (1976) did not report any increase in the incidence of skin cancer between 1958 and 1971 in Lane County, Oregon, where the arsenic content of the drinking water supplies was relatively high, although only 5% of the arsenic levels of the county drinking water supplies exceeded 100 ppb. A study in Utah by Southwick et al (1981) compared the health status of 145 persons consuming drinking water with arsenic levels averaging approximately 200 ppb as compared to a matched control group of 105 participants from a neighboring community where drinking water arsenic levels averaged 20 ppb. The investigators did not find any cutaneous manifestations of arsenic toxicity. In addition, cancer incidence and death rates did not indicate an excess of cancer in the exposed community.

There are a number of possible explanations for the seemingly conflicting data of the three U.S. epidemiological studies and the Taiwan report. There was a large difference in the drinking water arsenic levels. The average arsenic levels of the drinking water supplies in Taiwan considerably exceeded those of the U.S. communities studied. In addition, the duration of exposure and amount of arsenic ingested in the U.S. studies were much less than in the Taiwan studies. Lack of adequate nutrition and exposure to other environmental pollutants may have exacerbated the effects of arsenic exposure in Taiwan. In addition, as emphasized in the text of this report, it is believed that the Taiwan subjects were exposed to trivalent arsenic in their drinking water in contrast to the pentavalent form in the U.S. studies.

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Mr. PRESSLER. Mr. President, water quality in the United States has become a major health and public welfare issue. The Clean Water Act, Superfund, and other legislation have been debated in an effort to assure Americans a good quality water supply. Most of these bills address the issue of water pollution and the potential contamination of ground water supplies by chemicals and other sources. This is an important issue but we must not forget those areas with naturally poor quality ground water. We should examine how we can provide people in these areas with better quality water.

My home State of South Dakota has naturally very poor water quality in certain areas. Studies of South Dakota's public community water systems have found that 67 percent of the water systems do not meet EPA drinking water standards for dissolved solids. Thirteen percent of the public water systems contained over four times the amount of dissolved solids allowed by EPA standards. Dissolved solids in water supplies at this level have been found to adversely affect livestock and domestic animals. Three percent of South Dakota's public water systems contain radium 226/228. This poor water quality is especially prevalent in western South Dakota. The water in this area contains exceedingly high levels of sodium, sulfate, and iron which cause digestive problems in humans and livestock.

These poor quality water supplies create public health problems. I recently met with a resident of western South Dakota who had been required to take medication for high blood pressure for years. His doctor suggested he start buying his water for drinking and cooking. He did this, and as a result has been able to stop taking medication for high blood pressure. Owners of restaurants and service stations in western South Dakota must caution visitors about the possible hazards of drinking the water. Wells and water systems have a short useful life because of the effects of the water on the pipes. People in this area of western South Dakota desperately need good quality water. Residents in the area have been working for over 25 years to develop a rural water system to bring good water to their farms, ranches, and rural communities.

Since South Dakota is a relatively arid State, surface water is limited. However, the Missouri River runs through the center of South Dakota and is a potential source of good quality water. The WEB pipeline project in north central South Dakota is the largest rural water project in the United States. This project will provide Missouri River water to 25,000 people in a 10-county area. Residents in western South Dakota have also proposed a similar project, and I have introduced legislation to authorize this project. The Lyman-Jones West River rural water system would provide high quality domestic water to more than 6,000 people in the area. The project would also provide water for hundreds of thousands of head of livestock. Im-

prevalence of skin cancer with the long term consumption of drinking water from wells with high arsenic levels (Tseng et al, 1968; Tseng, 1977). The prevalence was dose dependent. While this study has been critically reviewed on a variety of occasions and found to have possible limitations (e.g. observer bias, presence of other toxic agents in the drinking water), its findings, nevertheless, are remarkably similar to reports by other investigators from different countries which also had shown that prolonged consumption of water with high levels of inorganic arsenic is associated with the occurrence of a variety of skin disorders including skin cancers (Geyer, 1898; Arguello et al., 1939, Zaldivar, 1974; and Borgono et al, 1977). In addition, it appears beyond dispute that medicinal use of Fowler's solution which contains A_2O_3 is a human skin carcinogen (Fierz, 1965; Sommers and McManus, 1953).

These studies collectively provide strong evidence for the position that inorganic arsenic is a human skin carcinogen. These data are in striking contrast to massive volumes of animal model data which overwhelmingly indicate that inorganic arsenic is not a carcinogen (see NAS, 1977 for review). Nevertheless, since the human data are so strong and consistent, they should override the generally negative animal model data with respect to human hazard assessment.

2. The Historical Basis for the Arsenic Drinking Water Standard:

The original EPA approach for setting a drinking water standard for arsenic was to limit human drinking water consumption to approximately 10 percent of that obtained via the diet. Since a survey by Schroeder and Balassa (1966) suggested that 900 μg/day was the average daily human dietary intake, 50 μg/L was allowed for intake from drinking water. In the intervening years this position has appeared to become more insecure on scientific grounds. Some of the reasons for the eroding of confidence in this value stems from the following observations:

(i) the original human daily dietary arsenic value of Schroeder and Balassa (1966) appears to have been found in error. Market-basket surveys of U.S. diets over the past decade have consistantly revealed that intake values are from 10-50 μg per day or >90% lower than originally believed (Jelinek and Corneliussen, 1977).

(ii) the chemical forms of arsenic in food are no longer believed to be very relevent for assessing the risks of consuming inorganic arsenic since food-borne arsenic is almost exclusively in the organic form and behaves very differently both chemically and toxicologically from inorganic species.

(iii) the EPA has adopted the general use of quantitative risk assessment (QRA) for estimating low dose cancer risks associated with carcinogen exposure. If that methodology where applied to the arsenic situation based on the Taiwan studies, the predicted upper levels of risk would be strikingly high (i.e. one skin cancer per 100 persons over a 70 year lifetime) (NAS, 1983). In fact, the risk could be so high that it is likely that the risks could be considered unacceptable at commonly encountered levels.

Given the large number of drinking water sources that would fail to be acceptable, the Agency has not wanted to implement in a regulatory sense the estimate of cancer risk predicted from the Taiwan data. This selected use of QRA is questionable since EPA uses it with animal studies whose extrapolative relevance and study design relevance are in many respects even more unrealistic than the Taiwan data. This is not to suggest, however, that EPA is wrong to ignore the risk calculations based on the Taiwan data because of large uncertainties in the quality of certain aspects of the data.

As a way to deal with this issue the Agency acted responsibly by asking the National Academy of Sciences to provide an independent review of the epidemiological data associated with arsenic. The NAS reviewed these data including the existence of several limited epidemiological studies in the U.S. which did not show any association between arsenic levels in drinking water and skin cancer (Addendum 1). The NAS (1983) concluded that the standard could stay where it was at present given the apparent absence of any evidence in the U.S. that arsenic in drinking water was associated with skin cancer.

The bottom line then is that the U.S. has an arsenic drinking water standard for which the original basis no longer exists but is believed to be providing "apparent" sufficient safety from skin cancer. Yet, what should the health criteria be for an arsenic primary drinking water standard?

3. The Need for a More Toxicologically Defensible Standard:

Should the criteria be based on the Taiwan data? Some of the major concerns with this study include, in part, what was the chemical form of arsenic and the distinct possibility of other toxicants in drinking water which could have confounded the initial interpretation of the data (EPA, 1980). It appears that pentavalent arsenic (As-V) was not present and it appears that arsenic trioxide (As-III) was the predominant form (NAS, 1977; EPA, 1980). If one calculates the likely amount of As consumed over the years of exposure in Taiwan, then the dose of arsenic associated with induced skin cancer was very comparable to the estimated total amount given to people who developed skin cancer following exposure to Fowler's solution (NAS, 1977).

Since it is now generally accepted that As-III and not As-V was the predominate chemical form of arsenic in the Taiwan wells, it has been suggested that the arsenic standard in the U.S. take this chemical speciation issue into account. In fact, the arsenic form in the drinking water of places in the U.S. where the epidemiological studies have been negative (Morton et al, 1976) with respect to adverse health effects have been of the As-V form (EPA, 1980). Many toxicological studies have indicated that the As-III form is considerably more toxic than the pentavalent form (NAS, 1977). It is this issue of chemical speciation that is crucial in the assessment of arsenic risk from consumption of drinking water.

For the sake of argument here, let's accept the assumption that As-III is a definite human skin carcinogen when orally consumed. Now consider experimental evidence on the fate of As-V in animal models and humans. Research in mice indicates that As-V is rapidly and predominately excreted unchanged. However, approximately 5% of As-V excreted in the urine is excreted in the As-III form (Vahter and Envall, 1983.) An even higher percentage of As-III is excreted by the rabbit following As-V exposure. These data indicate that at least in these two animal species that As-V is converted to As-III for urinary excretion. In fact, the conversion is likely to be higher than 5% because it is believed that other metabolites such as the mono- and dimethyl organic metabolite forms originate through the following metabolic scheme of As-V to As-III to the monomethyl form to the dimethyl form (Vahter and Envall, 1983). These data suggest that even when one consumes As-V that some low level of As-III will be formed and thereby lead to some cancer risk although considerably lower than from just As-III exposure alone.

This position is supported by tracer studies which compared the tissue disposition of As-III and As-V in mice. This study showed that the As-III form was preferentially retained in the skin by a factor of from about 2 to 8-fold greater than As-V depending on the time interval after exposure (Lindgren et al, 1980). Given the assumption that As-III is a skin carcinogen, it would appear that it reaches the site of susceptibility (i.e. skin) in substantially greater amounts than does the pentavalent form. This information suggests that using total arsenic levels and calculating risks of skin cancer based on studies (i.e. Taiwan) where As-III was the form clearly would overstate the risk where the predominant form of arsenic in the water is pentavalent. Furthermore, Creculius (1977), in a limited human volunteer study, did not find any evidence that As-V is converted to As-III in contrast to the animal data noted above. If this were the case then the risk of skin cancer would be expected to be considerably lower since disposition in the skin of mice/rabbits after the As-V treatment is believed to result in large part from its reduction to the As-III form.

4. Summary:

There are convincing data that arsenic is a human skin carcinogen. However, arsenic appears to be carcinogenic in the As-III form. The most likely reason for negative epidemiological studies in the U.S. with respect to drinking water levels of arsenic and skin cancer is that the overwhelmingly predominant form of arsenic has been As-V. Of considerable further relevance to these negative epidemiological studies is that they were also not associated with the well recognized precursors of skin cancer (e.g. increases in skin pigmentation). Furthermore, animal data with mice and rabbits suggest that the As-V form can be converted to the trivalent form in vivo. However, a comparable type of study in humans did not show a similar conversion of As-V to As-III.

The proposed standard of 50 ppb is therefore likely to be adequate for protecting human health from skin cancer when the exposure is in the form of pentavalent arsenic. However, it is unlikely that this value is sufficient to protect the public from As-III induced skin cancer even if the risk estimations based on the Taiwan study are markedly overstating the actual risk.

From a regulatory perspective the EPA should ideally attempt to establish separate standards for As-V and As-III because of their widely differing toxicities and also because of the established relationship between As-III exposure and the occurrence of skin cancer. The problem with the present approach of using total arsenic values is that the 50 ug/L value may be very inadequate for preventing As-III-induced adverse effects but probably adequate if the predominant chemical speciation were As-V. Recognition of this distinction also allows the Agency to take into consideration the issue of balancing concerns of essentiality with toxicity (Nielsen et al, 1975; Nielsen and Shuler, 1978).

that has no corollary in the United States, and in so doing, caused unwarranted expenditure of public and private funds to correct a nonexistent health problem.

In 1969, the State of Nevada Health Board conducted a hearing to determine if the level of arsenic in drinking water in Fallon, NE, was a public health problem. Based on expert testimony, the board determined there was no need to restrict the use of the water supply even though at 0.10 mg/1 it contained twice the U.S. Public Health Service Standard of 0.05 mg/l. They also requested a study to substantiate or refute this conclusion. The Desert Research Institute conducted a study and confirmed that there was no risk to health from drinking water containing arsenic at the 0.10 mg/l level.

It appears that part of the difference of opinion as to the toxicity of arsenic is related to the type of arsenic involved. I ask unanimous consent that a report prepared by the U.S. Navy, which has a similar problem at its Air Station at Fallon, NE, be entered into the RECORD immediately following my statement.

This report, which was prepared by Dr. Ed Calabrese, professor of toxicology at the University of Massachusetts, argues that the toxicity of arsenic depends on the chemical form of the arsenic, that trivalent arsenic is far more toxic than pentavalent.

The EPA is currently reviewing comments on their proposed rulemaking for recommended maximum contaminant levels. I hope that they consider the considerable body of evidence that argues the difference in toxicity between pentavalent and trivalent arsenic, and adjust their rulemaking accordingly.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE NAVY,
OFFICE OF THE CHIEF OF NAVAL OPERATIONS,
Washington, DC, March 13, 1986.

COMMENT CLERK,
Criteria and Standards Division, Office of Drinking Water (WH-550), Environmental Protection Agency, Washington, DC.

DEAR SIR: The Federal Register of November 13, 1985 invited comments on the EPA proposed Recommended Maximum Contaminant Levels (RMCLs) for inorganic chemicals in drinking water (40 CFR 141). We are particularly concerned with the EPA proposed RMCL for arsenic and therefore requested a leading toxicologist, Dr. Ed Calabrese, Professor of Toxicology at the University of Massachusetts, to review the RMCL for us. Dr. Calabrese's comments are attached.

Our strong interest in the proposed RMCL stems from the drinking water supply at the Naval Air Station, Fallon, Nevada which originates from wells containing approximately 100 ppb of naturally-occurring pentavalent arsenic.

Our review of Dr. Calabrese's work confirms our concerns that the proposed arsenic RMCL is based largely upon epidemiological data of trivalent contamination. In the United States however, pentavalent arsenic is the most prevalent form in drinking water. This is pazticularly important in view of the fact that many toxicological studies have indicated that pentavalent arsenic is considerably less toxic than trivalent arsenic. Thus, an RMCL for arsenic based largely upon trivalent data, will cause needless concern and expenditure of public funds to build and operate water treatment facilities.

We therefore strongly recommend that the proposed RMCL for arsenic recognize the difference between the trivalent and pentavalent forms through the establishment of a higher RMCL for pentavalent arsenic.

Sincerely,

J. B. GREEN, Jr.,
Captain, CEC, U.S. Navy; Director, Environmental Protection, Safety and Occupational Health Division.

A CRITIQUE OF THE PROPOSED RMCL FOR ARSENIC

(Edward J. Calalbrese, PhD.)

SCIENTIFIC CONCLUSIONS

There is sufficient evidence to conclude that arsenic trioxide is a human carcinogen based on evaluations of the long-term application of Fowler's solution. It appears probable that the skin cancer associated with arsenic exposure in the Taiwan studies is due to the presence of arsenic trioxide and not the pentavalent form in the drinking water.

Attempts to validate the Taiwan study in the U.S. have not confirmed the original Taiwan findings with three human population studies showing no association between the presence of elevated levels of arsenic in the drinking water and the occurrence of arsenic induced skin cancer and even the precursors of such skin cancer.

The reasons for this lack of validation are conjectural but may be related to inadequacies in the sample size, duration of exposure and range of arsenic levels in the drinking water. However, it may also be related in part to the general lack of trivalent arsenic in the water sources.

While genetic assays (e.g. sister chromatid exchange) of humans exposed to Fowler's solution for prolonged periods and who had developed skin cancer were positive (Burgdorf, et al, 1977), similar assays in non-skin cancerous humans exposed to drinking water with elevated levels (110 ppb) of pentavalent arsenic for >5 years were not different from controls (Vig, 1984).

The toxicity of arsenic depends in large part on the chemical form of arsenic. Most investigators have concluded that the trivalent form is significantly more toxic than the pentavalent form due to its high capacity to attack sulfhydryl groups and thereby disrupt many enzyme systems.

Pharmacokinetic differences are also apparent between the tri and pentavalent forms of arsenic. Of particular relevance is the significantly larger retention of the trivalent form and its preferentially greater deposition in skin tissue. This is particularly important given the association of arsenic with skin cancer.

Evidence with animal models indicates that a small percentage of pentavalent arsenic is converted to the trivalent form in vivo. This was not shown to be the case in a limited human volunteer study.

POLICY RECOMMENDATIONS

From a human health perspective, there is strong justification for a drinking water standard for inorganic arsenic.

Based on a knowledge of the pharmacokinetics, toxicological actions and likely mechanisms of toxicity of arsenic, separate arsenic RMCLs for the trivalent and pentavalent forms are justified.

Given the size of the available data base, any RMCL for arsenic should be based on human data. The EPA should not use the provisional AADI as the basis of the RMCL in light of the fact that copious human epidemiologic data exist on both the trivalent and pentavalent forms. The extrapolative relevence of the monkey data while probably more valuable than data from some rodent model studies is especially limited given the miniscule sample size used.

Given the present observations that prolonged exposure in the U.S. to pentavalent arsenic in drinking water at levels in excess of the standard by at least 2-fold is not associated with skin cancer as well as not with any of the precursors of arsenic related skin cancer suggests that the value of 50 ppb is consistant with protecting the public health from this outcome. It also suggests the possibility that higher levels of exposure (i.e. at least 100 ug/L) do not pose any demonstrable risk of skin cancer.

The proposed RMCL has an important public health inadequacy. It deals with total arsenic and yet the tri- and pentavalent forms are believed to present very divergent risks to the public. The proposed RMCL may be adequate when the exposure is predominantly from the pentavalent form with only a small percentage in the trivalent state. However, if the situation were reversed, there may well be undue public health risk. If two separate RMCLs were developed it is possible that the trivalent would require a value considerably below the 50 ppb while the pentavalent RMCL may be justifiably above the 50 ppb value but this determination will require further evaluation and toxicological assessment. Thus, it is recommended that the EPA reevaluate the proposed RMCL and give serious consideration to developing two separate standards. Clearly, such a course of action would be both more consistant with the science and in the best interests of protecting the public health.

RESEARCH RECOMMENDATIONS

It is essential to attempt to confirm the findings in humans that pentavalent arsenic consumed from drinking water is not excreted, in part, in the trivalent form.

The uptake of arsenic by foods during the cooking process needs to be assessed.

A continuous dermatological surveillance program for precursors of arsenic related skin cancer in a model community where "high" levels of pentavalent arsenic is present should be undertaken. This would provide human data for validating possible standards. A similar program for cytogenetic and reproductive surveillance in appropriately selected communities would be significant value.

BACKGROUND

1. Arsenic as a Skin Carcinogen in Humans:

The U.S. EPA's drinking water standard for arsenic is based in part on the premise that inorganic arsenic is a skin carcinogen in humans. This position is supported in large part from a large-scale human population study in Taiwan which associated the

ground water resources within designated sole source aquifer areas. EPA will provide half the necessary funds, and a total of $77.5 million is authorized for the Sole Source Aquifer Demonstration Program for fiscal years 1987 through 1991. A number of measures may be included in the protection plans to maintain the water quality of the aquifer, and a community can use its approved "208 plan" for the comprehensive management plan required under this program.

The new demonstration program will be particularly helpful to the State of Washington, where a significant portion of the population relies on aquifers for their sole or principal water source. The Environmental Protection Agency has designated three aquifers in Washington as sole source aquifers: Spokane-Rathdrum Prairie, Camano Island, and Whidbey Island. In addition, the Cross Valley, Newberg, and Seven Lakes aquifers are begin considered for sole source designation. The Spokane-Rathdrum Aquifer, which is the only source of drinking water for a metropolitan population of approximately 320,000, is in need of immediate assistance. The quality of this aquifer's water is declining at a significant rate due to seepage from septic systems. The city of Spokane has developed a plan to prevent further degradation of their aquifer, a key element of which is the use of pollution abatement measures. I would like to extend my special thanks to Senator DURENBERGER and professional staff member, Heather Wicke, for their assistance in ensuring that Spokane will be able to use funds under the Sole Source Aquifer Protection Program to defray the cost of pollution abatement measures which provide the only feasible option for preserving Spokane's aquifer.

I am confident that the Sole Source Aquifer Demonstration Program will accomplish its purpose of enabling communities to take the necessary actions to preserve the quality and quantity of their water sources. Furthermore, S. 124 makes critical improvements in the Safe Drinking Water Act which will ensure that all public water systems provide high quality water. I urge my colleagues to give this measure their full support.

Mr. HELMS. Mr. President, I shall vote in favor of the conference report on S. 124, the Safe Drinking Water Act Amendments of 1986, but I am nonetheless concerned about one section of the bill, section 205, which will allow substantial Federal involvement in ground water monitoring. I feel I should make this concern a matter of record.

Section 205, entitled "State Programs to Establish Wellhead Protection Areas," requires each State to submit a program within 3 years to protect wellhead areas within its jurisdiction from contaminants that may—and I stress the word "may"—have any adverse effect on the health of persons. Failure to create an approved plan will prevent the State from obtaining Federal funds to implement the program.

My concern with this is twofold: First, through a sort of "carrot and a stick" approach, the States will be forced to develop a comprehensive federally approved plan to control ground water quality. Controlling ground water quality requires monitoring the land use of surface area surrounding a water well or wellfield which supplies a public water system.

The point is this: Control over land use has always fallen within State and local domain; thus, this section will further erode State authority to control land use.

Second, Mr. President, I'm concerned about the enormous amount of litigation which will almost certainly arise as a result of section 205. The section's exposure to the citizen suit provisions of the act expands even further the opportunity for environmental activities to sue in Federal court, and thus is certain to add to an already overloaded Federal docket.

Furthermore, Mr. President, the vagueness of the statutory language invites judicial policymaking, a role which this Senator believes should be reserved for Congress.

Lest I be misunderstood, let me be clear and emphatic: Everyone favors "safe drinking water." That is without question. But, Congress, in its zeal to implement noble ideas, often ends up creating more problems than it solves. I hope the program created by section 205 will not travel down that path.

Mr. BRADLEY. Mr. President, I am delighted that the conference report on S. 124, the Safe Drinking Water Act Amendments of 1986, takes an important step forward toward ensuring the health of our constituents. Its focus is an area critical yet often overlooked: Our drinking water supply.

One element of this important bill is a provision that I proposed which bans the use of lead and lead solders in drinking water systems. This simple change will begin to correct a widespread and long ignored health hazard.

Mr. President, the problem with lead contamination was brought very close to home for me when New Jersey health officials found lead leaching into drinking water on Ocean County in amounts exceeding the EPA standard. However, this is truly a national problem. A survey of State health agencies revealed that 22 out of 29 States contacted have experienced difficulties with lead leaching into drinking water. The States not reporting any problems also admitted to not having performed extensive sampling. My office questioned States from Maine to Texas to California. The States of Oregon, Wisconsin, Minnesota, New York, Massachusetts and Delaware who have already banned the use of lead solder and pipes in potable water systems. Other countries have also recognized the dangers of lead contamination and Denmark, West Germany, Great Britain and the Netherlands all prohibiting the use of lead in drinking water systems.

We place great emphasis, as a Nation, on safe drinking water. Often, safe drinking water requires the use of expensive measures such as the addition of anticorrosive chemicals or expensive purification methods. The prohibition of lead in drinking water systems represents a simple, inexpensive, preventative step we can take to avoid further contamination of our drinking water supplies. My amendment does not ask anyone to rip up old plumbing systems. Rather, the amendment tries to arrest the problem before it progresses further by concentrating on new construction and repair of existing plumbing.

I applaud my colleagues for the progress that passage of this act represents. The threat of drinking water contamination is real, and this act gives the EPA the tools and the directive to meet this threat head-on.

ARSENIC IN DRINKING WATER

Mr. HECHT. Mr. President, an adequate supply of safe, potable water is important to our communities. In Nevada it can mean the difference between survival and demise of a community or settlement. In many of Nevada's small communities, residents have been drinking the local water untreated for years—certainly long before EPA standards were established. So it bothers me that EPA can essentially close down these communities by declaring their water unsafe—not because of manmade chemicals, but because the waters contain some natural chemical or element.

For example, Mr. President, arsenic occurs naturally in drinking water supplies in many parts of the country. In the Western part of the United States, sometimes the only source of drinking water for a community may contain arsenic at levels higher than the current EPA interim standard, which is based on the old public health standards. In many cases, residents of Western towns have been drinking this water, which contains naturally occurring pentavalent arsenic, for generations, with no apparent adverse effects. The EPA, however, in developing pemanent standards, has relied on the existing interim standards and a study conducted in Taiwan involving trivalent arsenic.

Mr. President, I am concerned that the EPA, in the name of expediency, is going to regulate the level of arsenic in drinking water based on a study

tection Demonstration Program" which has important implications for the Nation as a whole, and for New York State in particular.

EPA'S REGULATION AND ENFORCEMENT

There are more than 200,000 public water systems in the United States, including nearly 60,000 community water systems for year round residents. In 1983, a study by the Office of Technology Assessment reported contamination in 29 percent of the ground water drinking water supplies of more than 950 U.S. cities with populations of 10,000 people or more. Although EPA and other agencies have identified over 700 substances including synthetic organic chemicals, heavy metals, and pesticides in drinking water, EPA has regulated fewer than 25 contaminants since passage of the act in 1974.

While it is true that the act has helped to reduce bacteria and other traditional contaminants in public water supplies, I and other members of the Environment and Public Works Committee are concerned about the health effects of other chemical contaminants. In the amendments we have directed EPA to establish limits for an additional 83 contaminants, many of which are industrial solvents and pesticides known to adversely affect human health.

Because reports by GAO have indicated that EPA and some States have been lax in enforcing the Safe Drinking Water Act, several measures in the amendments will strengthen enforcement. In 1984 alone, there were 64,000 reported violations of drinking water standards. Of the approximately 60,000 community water systems, 842 were frequent violators of the microbiological standards in the act. In order to increase enforcement options the amendments raise maximum civil penalties for violators of standards or schedules from $5,000 to $25,000 per day. Moreover, EPA is authorized to issue administrative penalties of up to $5,000. Courts may impose criminal penalties of up to 5 years in prison plus a fine of up to $50,000 for certain violations.

Another provision designed to improve the act is the new application of enforcement authorities formerly available only under the Solid Waste Disposal Act to enforce the Drinking Water Act's ban on class IV injection wells which dispose of hazardous or radioactive wastes into or above an underground drinking water source. In States with numerous injection wells associated with oil and gas production the amendments require the State to certify that a plan is being implemented to protect against leaks or malfunctions in the wells.

In addition to the measures regulating injection wells which might pollute drinking water supplies, the 1974 Drinking Water Act Amendments require the States to design and to carry out wellhead protection programs around public water wells. These plans will identify sources of contamination, specify duties of the local water systems and State and local governments, and describe contingency plans for alternate drinking supplies in cases of contamination. The act authorizes EPA to make grants to the States for 50 to 90 percent of costs of developing and implementing these State programs.

SOLE SOURCE AQUIFER DEMONSTRATION PROGRAM

Besides these important generic provisions in the 1986 amendments to the Safe Drinking Water Act, I am pleased to call the Senate's attention to the Sole Source Aquifer Demonstration Program, modeled after the Sole Source Aquifer Protection Act, which I first introduced in 1982. This will be of special interest to residents of Long Island, where over 3 million people drink from one aquifer. In Nassau County alone, studies have detected synthetic organic chemicals in 119 of 389 public wells. These chemicals come from diverse sources: Solvents from industries and resident's homes, pesticides from farms, nitrates from lawn fertilizers, and chemicals which leach from landfills.

New Yorkers are well aware of the need to safeguard their water resources. The work for the State legislature, the Commission on Water Resource Needs of Long Island, the State Department of Environmental Conservation, and a number of citizen groups has made New York a leader in ground water management.

The Sole Source Aquifer Demonstration Program will provide Federal grants through EPA to finance 50 percent of the costs of developing and implementing an aquifer protection plan. States, cities, and other qualified political subdivisions are eligible to apply for these grants, which can amount to as much as $4 million per year in Federal aid for each sole source aquifer. This program will enable State and local governments to cooperate with EPA in designing these plans. The legislation enumerates a number of mandatory elements for the plans, as well as some elements which the States may choose to include depending on individual conditions.

I believe that the sole source provisions will contribute significantly to conservation and management of ground water resources which are irreplaceable. The purpose of these provisions is not to prevent development, but to allow States to encourage development in areas best suited to it. Safeguards of public notice, advisory boards, and public hearings are built into the sole source provisions. States and localities are subject to all existing constitutional and statutory limits on their actions. Plans must be submitted jointly with the Governor of the State, and must be approved by the EPA Administrator.

The safe drinking water amendments authorize $10 million for fiscal year 1987, $15 million for fiscal year 1988, and $17.5 million for each of the 3 fiscal years 1989 through 1991 to fund the Sole Source Aquifer Demonstration Program. I personally supported this level of funding because I believe adequate funding is a requisite to the success of the program. Once our sole source aquifers are polluted, it is well nigh impossible to clean them up, for both economic and technological reasons. The prudent course is to keep these drinking water supplies clean at the outset.

I believe that the Safe Drinking Water Act Amendments of 1986 move us further toward that laudable goal.

Mr. GORTON. Mr. President, I would like to express my support for the conference report on S. 124, the Safe Drinking Water Act Amendments of 1986. I commend my colleague, Senator DURENBERGER, chairman of the Subcommittee on Toxic Substances and Environmental Oversight, for his diligent work in developing this important legislation and guiding it through the Senate and the conference committee to final passage. S. 124 makes major improvements to the existing law and will greatly enhance protection of our Nation's drinking water. The bill provides needed impetus to the Environmental Protection Agency to issue regulations for contaminants of drinking water, greatly expands the monitoring requirements for public water systems, and will substantially strengthen the regulation of underground injection operations that could affect drinking water supplies.

I especially would like to commend the committee members for their foresight in establishing a new program to protect sole source aquifers. In the 97th, 98th, and 99th Congresses I joined Senator MOYNIHAN as a cosponsor of the Sole Source Aquifer Protection Act designed to prevent the degradation of our most critical underground water supplies. I am pleased that S. 124 incorporates the preventative approach in this bill to protect sole source aquifers.

The Sole Source Aquifer Demonstration Program contained in S. 124 is a comprehensive step toward protecting one of our Nation's most valuable natural resources. Communities which depend on one aquifer as their sole or principal source of drinking water are in need of special assistance to preserve their vulnerable water sources. Under the Sole Source Aquifer Demonstration Program, State and local governments and other planning agencies may work with EPA in developing, implementing, and assessing demonstration programs designed to protect

Mr. SIMPSON. Today the Senate takes up consideration of the conference report on S. 124, the Safe Drinking Water Act Amendments of 1986. As one of the Senate conferees on this important environmental legislation, I am most pleased that the House and Senate have been able to formulate a piece of legislation that will significantly increase the level of public health protection achieved by EPA in regulation of our drinking water supplies.

The bill agreed to by the conferees should be very effective in helping EPA in developing and issuing new health based standards for drinking water supplies. Over 750 synthetic organic chemicals, pesticides, and inorganic chemicals have been found in drinking water supplies throughout the Nation. However, EPA has only had an opportunity to regulate fewer than 25 of these contaminants in the past 12 years. The new safe drinking water bill requires EPA to set standards for 83 contaminants within the next 3 years and this will be the main element of this public health statute.

One of the most important issues dealt with in the Drinking Water Conference is the protection of our ground water resources. The conferees crafted a new "well-head protection area" concept that would allow States to develop plans to prevent contamination—as defined by the Safe Drinking Water Act—from entering underground drinking water supplies near the area of "draw down" for public consumption. This rather narrow ground-water provision does not cover potential sources of drinking water or other ground-water supplies, nor is it intended to regulate contaminants other than those defined by the Drinking Water Act. Because EPA is directed to identify 83 new contaminants within the next 3 years, these will be the focus of voluntary ground-water protection action by the States.

The ground-water provision was developed with western Senators who have serious concerns about State flexibility and States' rights. In essence, the ground-water protection program is a voluntary program taken on by States wishing to add additional protection to underground drinking water supplies. Each and every State has its individual ground-water contamination problems and the ground-water protection program developed by the conferees was designed to foster individual and unique approaches to these problems. A State may even choose not to adopt a ground-water protection program if it decides that it is unnecessary, and it may do so without fearing any Federal penalty. The legislative language makes it very clear that the States have total flexibility to develop their own protection plans and that in no way is this Federal law altering existing water rights or priorities, nor are there limitations on the ability of States to manage, regulate, protect or identify ground water resources within their jurisdiction.

The conferees also dealt with the highly technical issue of granular activated carbon [GAC] technologies for removal of halogenated organic chemicals. The conferees made it clear that in setting an MCL where GAC is a consideration, that the cost of GAC and other alternative treatment technologies should be taken into account. This was a positive step to assure that communities would not be unnecessarily burdened by requirements for a level of technology which may be ever greater than needed to protect the public health.

The conferees have worked diligently to craft a piece of legislation which will put the Safe Drinking Water Act "back on track," with a resulting protection of our public drinking water supplies for the next generation. I urge the Members of the Senate to vote affirmatively on the conference report in order that we can send it to the President for signature.

It has been most gratifying to me to see the completion of action on the Safe Drinking Water Act. The 99th Congress has worked hard to reauthorize environmental legislation and the Safe Drinking Water Act will be the first of several environmental statutes that will be reauthorized by the Senate this year. The American people can take heart in the progress we have made in passing these laws that continue to protect the public health environment.

Mr. CRANSTON. Mr. President, I am pleased to voice my strong support for the conference report on the Safe Drinking Water Amendments of 1985 (S. 124).

It's extremely important that Congress give final approval to this new law to protect the American people from the growing threat of drinking water contamination.

Since passage of the Safe Drinking Water Act in 1974 we have made much progress in making our water safer from bacteria and other traditional contaminants. But there is increasing concern about chemical contamination of drinking water supplies and ground water from pesticides and industrial chemicals.

Today, 22 percent of the Nation's small water systems and 37 percent of the large water systems supplied by ground water already have at least one volatile organic contaminant. In Santa Clara County, California's 24 public and private wells have been polluted with trichloroethane [TCA], 1,1 dichloroethylene [DCE] and freon 113. In Hanford, CA, aresenic has been found in drinking water supplies. In McFarland, six wells have been shutdown because of nitrate contamination. In the San Fernando Valley of Los Angeles, trichloroethylene [TCE], perchloroethylene [PCE], carbon tetrachloride, and chloroform have been detected in a number of public wells. Nationwide over 700 contaiminants have been identified in our drinking water. Yet to date, EPA has regulated fewer than 25 of them.

This bill puts EPA on a schedule and requires the agency to set more national standards for contaminants in our drinking water—regulating 85 additional toxic chemicals in the next 3 years and more thereafter—and requires these standards to be based on best available technology, taking costs into account. The legislation also increases monitoring for unregulated chemical contaminants, provides technical assistance to small rural and Indian water systems which are the ones most often violating the law, and improves enforcement by requiring EPA to take action in every case in which drinking water requirements are violated and the State does not act.

Especially important is a provision designed to prevent underground sources which are now clean from becoming contaminated. The legislation would establish a nationwide program requiring States to establish wellhead protection areas around drinking water system wells where pollutants could flow into undergound areas containing drinking water supplies. This narrow provision does not cover potential sources of drinking water or other ground water supplies which do not serve as drinking water. Further, the provision was carefully written to make sure that States have flexibility to develop plans and that existing water rights and existing authorities for States to manage, regulate and protect ground water within their jurisdictions are not limited.

In sum, I believe the Safe Drinking Water Act amendments represent a giant step forward in improving the quality of America's drinking water and ensuring the health of the public. And I urge prompt approval of the conference report.

Mr. MOYNIHAN. Mr. President, it is with great pleasure that I rise to support passage of the conference version of the Safe Drinking Water Amendments of 1986 in the U.S. Senate. The House and Senate have labored long and well over this legislation, which when signed by the President, will reauthorize and strengthen the 1974 Safe Drinking Water Act. That we were able to reach a consensus on this bill is extremely gratifying to me, as one who first introduced related ground water legislation in the Senate in 1982. I shall first describe the problems which the Safe Drinking Water Act is designed to address, and then describe the "Sole Source Aquifer Pro-

the Agency in establishing standards, not to preclude other comparably effective technologies from consideration as a basis for setting an MCL. The particular concern about exclusive consideration of GAC for trihalomethane removal is that, because of the particular physical and chemical characteristics of disinfection byproducts and the frequency and levels of occurrence, a standard based on GAC system designed specifically for a high level of THM removal may be very expensive to meet.

The bill language allows EPA to consider treatment technologies or means other than GAC for purposes of setting a standard if another technology or method would achieve a comparable or higher level of removal than a feasible GAC technology could achieve. In the case of establishing a new standard for THM's, EPA is not authorized to select a GAC system without regard to cost or select a GAC system for THM removal that would achieve an insignificant reduction in contamination for an unreasonable increase in cost. Therefore, the bill provides the Administrator the discretion necessary to produce a protective and cost-effective standard. It is the committee's expectation that the Administrator will revise the existing THM standard on this basis to provide greater public health protection from this drinking water contaminant as soon as possible.

Mr. SIMPSON. As a member of the conference committee on this bill, I would like to confirm that this is also my reading of the statutory language. I would also like the chairman to provide responses for the record to two other related questions answered at the first meeting of the conferees. First, it is my understanding that treatment technologies and means other than granular activated carbon technology may be used to meet a maximum contaminant level set by EPA. For example, if a public water system chose to use chloramines rather than GAC technology to meet a standard for disinfection byproducts because they found it to be more cost-effective, that would be permissible under the statute.

Mr. DURENBERGER. That is correct. All systems are required to meet the established standard but are not required to employ a specific technology in order to do so.

Mr. SIMPSON. In addition, it is my understanding that if a public water system does not exceed a maximum contaminant level for a specific contaminant it is not required to install a treatment technology to remove such contaminant.

Mr. DURENBERGER. That is correct.

Mr. SIMPSON. I thank the Senator for his precise explanation and confirmation of my understanding of this important legislation.

INDIAN TRIBES AMENDMENT

Mr. HART. I would like to engage several of my distinguished colleagues, including the chairman of the Safe Drinking Water Conference Committee, in a discussion of the amendments in this bill intended to help Indian tribes address their existing drinking water supply problems. There is an urgent need for attention and assistance directed toward correcting problems which exist at a significant number of systems owned and operated by Indian tribes. As many as one-half of the tribal water systems nationwide do not meet minimal standards. This is due, in part, to poor raw water quality and to the financial and technical constraints on these systems. The Ute Mountain Ute Tribe in my own State of Colorado has had to live without a reliable, safe water supply for over 100 years. Mr. Chairman, I think the United States has a trust responsibility to help the Indian people remedy such problems, and that was my primary interest in originally cosponsoring these amendments to the Safe Drinking Water Act.

Mr. DURENBERGER. I agree with my able colleague that we do have such a responsibility and expect that the relevant amendments will focus the efforts of EPA and other appropriate agencies in aiding Indian tribes to improve their essential water supplies.

Mr. ABDNOR. Mr. President, I believe that significant progress will be made toward this objective by providing the EPA Administrator the authority to treat Indian tribes as States under the act and to provide such tribes grant and contract assistance to carry out functions provided by this title. The EPA is also given discretion to find an alternative means of meeting the purposes of the act if treating a tribe as a State would be inappropriate.

The Indian drinking water survey required of EPA within 12 months will serve as an important foundation of information for determining assistance priorities and charting progress. This survey is to be a thorough accounting of drinking water problems for each Indian reservation or community.

Mr. BURDICK. As another of the original cosponsors of these amendments, I believe one of the principal ways in which problems will be effectively addressed is through the provision of grants to tribes to implement the requirements of the act. I want to underscore the fact that the administration is not restricted to the 75/25 matching grant for State programs in the case of Indian tribes. The tribes I represent in North Dakota could not afford to develop these programs if they were required to provide matching funds.

Mr. DURENBERGER. I thank the Senator from North Dakota for making this point. The conferees recognized that tribal governments, unlike State governments, do not have a regulatory program base, an underlying financial and budgetary foundation or a supporting tax infrastructure which could be used in cost-sharing on these programs. Furthermore, funding assistance priorities should be established according to the severity of the problems identified in the EPA survey.

Mr. BURDICK. Another key aspect of these amendments is the earmarking of technical assistance funds for use by Indian tribes to improve the operation of their supply systems and increase compliance with drinking water standards. Three percent of the technical assistance funds—authorized at a level of $10 million per year—or a minimum of $280,000 is to be set aside for this purpose. These funds will be put to extremely good use in this manner since Indian systems represent about 1.5 percent of small systems nationwide but have a standards exceedance rate nearly four times greater than all other public supply systems.

Mr. DURENBERGER. I thank the Senator from North Dakota for his comments and join with him and Senators HART and ABDNOR in expressing strong interest in seeing that these amendments result in safer drinking water for Indian tribes.

TECHNICAL ASSISTANCE

Mr. BURDICK. I would like the distinguished chairman of the conference committee to indicate for the record what the committee's expectation was with respect to the funding and implementation of the technical assistance amendment in the bill.

Mr. DURENBERGER. I am pleased to respond to the Senator from North Dakota regarding this provision which will be crucial to the implementation of the act's requirements at small public water systems. Other amendments in the bill require the issuance of more drinking water standards which will, in turn, require systems to do more monitoring and to take action when contaminants are discovered in drinking water supplies. The conferees anticipated that small systems would have difficulty complying with these additional requirements without approriate technical assistance. This provision may mean the difference between an effective program or widespread noncompliance. Therefore, it should be regarded as a funding priority by EPA.

The assistance provided may be in the form of training programs, circuit-rider programs or other activities that will directly increase compliance. Funds are to be used by organizations such as the National Rural Water Association which have particular knowledge of the problems and needs of rural communities and experience in providing on-site assistance.

Many States, including Texas, already have such a program in place to prevent this kind of contamination, and would not be required to make additional changes to their program under this provision. Further, States not choosing to comply with these provisions would only be ineligible for funds to put such a wellhead protection program in place.

More specifically, this provision requires a State within 3 years to submit a wellhead protection plan to the EPA Administrator, who only has authority to disapprove such a plan.

The plan is to:

First, identify who in the State has authority to develop and implement the plan,

Second, include information on the wellhead protection area, such as hydrogeological data on the flow of the aquifer and the recharge zone, and whatever information the State believes is necessary to determine what area around a wellhead should be protected. In Texas, for example, the State has determined that on the whole, a protective radius of 150 feet is adequate to protect drinking water wells from contaminants which may have any adverse effect on the health of persons.

Third, the State should also identify likely manmade sources of contamination around the wellhead protection area. For example, if there is a municipal landfill in the region, this should be identified.

Fourth, the means by which the State plans on putting such a program in place, such as technical assistance, training programs, and so forth, should be outlined in the State plan as well.

Fifth, recognizing that even the best plans may be unable to prevent contamination of drinking water wells, the State should also give consideration to how replacement water supplies would be provided to an area dependent upon drinking water wells.

Sixth, last of all, before drilling new drinking water wells, a State plan should require that possible contamination sources be considered when selecting a site for the new well. In this way, we hope to encourage States to plan ahead to avoid possible contamination rather than have the public face the expensive, health-threatening problems of drinking water well contamination.

These requirements are a commonsense outline of the kinds of issues the States should address when submitting their wellhead protection plans. As I have stated earlier, many States, such as Texas, already have such a program in place that would meet these requirements. States where wells are a primary source of drinking water for many communities already have this kind of information, and we would not require more. We are encouraging States, to the extent they have not already done so, to think ahead about the problem of drinking water well contamination so they can prevent problems from occurring.

The EPA is only given authority to disapprove such plans if it does not include one or more of the required enumerated elements and is, therefore, not adequate to protect public water systems as required by this section. If EPA does not respond to a State plan within 9 months, it is deemed approved under this section. If there is a problem with the plan, EPA is required to so inform the Governor in writing. In these cases, the State would have 6 months to resubmit their plan.

If a State plan has been disapproved by the Administrator (even if resubmitted), then the State is ineligible for assistance under this wellhead protection provision. This is the only penalty that can be applied to the States pursuant to this provision. We are aware that some States have not chosen to protect their ground water in this fashion and thus did not want to penalize them for forging ahead of the Federal Government in a slightly different direction.

Last of all, we agreed to a provision in the House bill addressing a problem to brine contamination in the State of Ohio which must also include a certification that there is a State program that is being adequately enforced that protects persons from contamination associated with the annular injection or surface disposal of brines from oil and gas production. This House provision was designed to encourage the State of Ohio to more vigorously address its brine-related problems.

During this conference, some comments were made about the sweeping nature of this wellhead protection provision. The conferees do not intend this to be a massive ground water protection program. The Senate, in particular, has not had an opportunity to review the issue of ground water and to develop a comprehensive ground water protection program.

This addition to the Safe Drinking Water Act is aimed, first, only at underground sources of drinking water and not all ground water. Second, it is intended to be a modest first step for States to make. Our penalties provision makes it clear that States choosing to maintain a different approach to ground water protection will only lose funding under this particular section. The Senate conferees anticipate that a more ambitious ground water protection program may be developed in the near future, but this is merely a means of encouraging States to focus on the problem at this time.

Mr. President, I am very pleased that this conference has successfully concluded its business, and I am pleased with the constructive and focused conference report that we have before us today.

GRANULAR ACTIVATED CARBON TECHNOLOGY

Mr. WILSON. I would ask my distinguished friend from Minnesota, the chairman of the Safe Drinking Water Conference Committee, to respond to several questions concerning the agreement reached in conference on the standard-setting amendments to the act. First, it is my understanding that the agreement reached in conference did not change the intent of the standard-setting amendments originally passed by the Senate in S. 124. Can the chairman confirm this for the record?

Mr. DURENBERGER. That is correct.

Mr. WILSON. I thank the Senator for his confirmation and ask the able chairman to further clarify my understanding of the conference agreement by restating how cost is to be considered in the process of determining a maximum contaminant level for a drinking water contaminant.

Mr. DURENBERGER. I would be pleased to provide such a clarification for my distinguished colleague. The bill directs the Administrator of EPA to set the maximum contaminant level (MCL) as close to the maximum contaminant level goal, which is based solely on health effects data, as is feasible using the best available technology and taking cost into consideration.

The bill establishes granular activated carbon [GAC] technology as a feasible technology for the removal of synthetic organic chemicals. The conference committee recognized that the cost-effectiveness of contaminant removal with this technology can vary from contaminant to contaminant. Therefore, in setting the MCL, the Administrator is to take cost and effectiveness into consideration at different levels of contaminant removal by granular activated carbon technology to arrive at the final standard. The Administrator's primary consideration in setting a standard should, of course, be public health protection with technological and cost considerations defining the limits of feasibility.

Mr. WILSON. Your response confirms my view that this regulatory process will not lead to unreasonable costs to public water systems and the public. My particular concern is with trihalomethane [THM] removal where a level of removal comparable to or higher than that which could be achieved with GAC technology may be achieved more cost-effectively by using an alternative technology. Could such an alternative technology be used in this case as a basis for setting the drinking water standard?

Mr. DURENBERGER. The intent of the bill language regarding the feasibility of GAC was to establish this technology as a benchmark to guide

which can be borne by large water systems.

Enforcement of drinking water standards and regulations has seriously lagged over the years. The bill gives the Agency new administrative order authority which EPA has said would greatly enhance its enforcement capabilities. The bill also requires the Agency or the States to move expeditiously against violators. Where necessary, the law provides for variances and exemptions for systems that cannot meet certain requirements. These provisions are to be used sparingly and not as means of avoiding enforcement actions.

In recognition of the difficulties that small water supply systems may have in complying with the new requirements, the bill provides for technical assistance to these systems.

Finally, in addition to correcting deficiencies in existing Safe Drinking Water Act programs, the bill establishes a new program to protect public water supply wells from potential contamination. My own State of Vermont—and several other States—already have programs to accomplish that goal. The program in the bill requires all the States to take steps to protect their underground sources of drinking water.

Mr. President, S. 124 makes major improvements in the law that protects the water people drink. Where necessary, a balance has been struck between achievability and the goal of absolute safety of drinking water, but the emphasis is consistently on protecting human health.

I urge my colleagues in the Senate—and the President—to recognize this as important legislation that should be enacted without further delay.

Mr. BENTSEN. Mr. President, I am pleased that we have completed work on amendments to the Safe Drinking Water Act. These amendments, agreed upon by the conferees, produce a workable and more effective drinking water program to protect the public from contaminants found in drinking water.

To date, the Environmental Protection Agency has issued drinking water standards for only 22 contaminants in the decade since the Safe Drinking Water Act was enacted. The amendments require EPA to accelerate this pace to and within 3 years of enactment to set standards for 83 contaminants previously listed by the Agency as contaminants of concern. In order to accommodate the Administrator's need for discretion and the Agency's comments that their concerns about some of these contaminants has decreased over time, we permit EPA to substitute and set standards for up to seven new contaminants.

This bill also addresses the feasibility of granulated activated carbon (GAC) technology. Legislation passed by both Houses concluded that GAC is available for the control of synthetic organic chemicals, taking cost into account. The bill does not require the use of GAC. Rather, it requires that the type of removal that can be achieved feasibly using GAC will be a benchmark against which to compare alternative technologies.

Moreover, we recognize that GAC is not a one-dimensional technology. Instead, it is a water treatment technology comprised of a variety of factors such as retention time, the quality of the carbon used, and the frequency of regeneration of the carbon. The effectiveness of GAC is also dependent upon the character of the contaminant that is being treated.

For example, in the conference report to this bill, the conferees indicate that "as a guide as to feasibility and effectiveness, the Administrator should consider a range of granular-activated carbon systems comparable to those able to achieve 90- to 99-percent removal of trichloroethylene." This reference is intended to suggest that there are systems which have been designed using GAC as a mechanism to specifically remove organic contaminants from drinking water. This guide is referenced to distinguish these systems from GAC systems which have been designed for general odor and taste improvement purposes. The guide is not intended to suggest that a system designed for trichloroethylene will achieve the same level of effectiveness for another organic contaminant. It is not intended to suggest that 90- to 99-percent removal is the feasible level of removal for other organic contaminants. With regard to such other contaminants, GAC may only achieve such removal rates, if it can achieve such removal rates, at unreasonably great expense and time thereby considerably changing the factors which make up the feasibility and effectiveness determinations. GAC is not the only technology available for removing contaminants, but it is, as the conferees have determined, a technology that is available for setting maximum contaminant levels. We expect that removal rates and the technologies used to set MCL's will vary among contaminants, so long as all standards are established to prevent known or anticipated adverse effects on health.

In a new section, 1426 of the Safe Drinking Water Act, the Administrator is required, not later than 18 months after enactment, to modify regulations previously promulgated under the Safe Drinking Water Act to identify monitoring methods for class I injection wells. Such monitoring regulations may include ground water monitoring. The purpose of such regulations is to assure that there is the earliest possible detection of fluid migration from the injection well. In considering monitoring methods, the Administrator should take into account the risks associated with ground water monitoring, which can disturb natural barriers protecting the underground injection zone. these disturbances from ground water monitoring could, under certain circumstances, increase the risk of leakage from the injection zone. In addition, ground water monitoring is not always reliable, since the monitoring well may easily miss a plume migrating from the injection zone.

Other monitoring methods, such as monitoring of the annulis, may be more effective in predicting migration from the zone. Particularly useful in many cases is monitoring of the pressure of the annulis. Such a monitoring methodology will provide early and reliable indication of fluid migration without disturbing the injection zone. If material is migrating, the pressure in the annulis will drop, and those monitoring the injection well will be alerted to a problem. This method may be more reliable than ground water monitoring, which can easily miss a plume leaching from the injection zone.

Due to the variety of hydrogeological climates in which underground injection wells are located, permitting States flexibility in determining which monitoring method is most appropriate is an essential feature of any regulations. One national monitoring methodology could well do more to promote fluid migration from an injection zone than to provide early warning of such migration. States have long experience in underground injection, and this experience should be applied to this important area of environmental protection. For these reasons, the conference agreement continues the current reliance on the knowledge of the States in determining the appropriate use of ground water monitoring methods to be identified by the Administrator. States which regulate underground injection currently will continue to determine the applicability of these monitoring methods.

The conferees agreed to add a new section 1427 to the Safe Drinking Water Act to provide for protection of wellhead areas. This is a compromise between the House, which had an expansive ground water protection program in their bill, and the Senate, which had no such provision.

The wellhead protection provision is a focused provision designed to encourage States to protect areas around drinking water wellheads from possible sources of contamination. Experience has shown that drinking water wells are most likely to be contaminated at the wellhead when substances on the surface near the wellhead leach down the well and into the aquifer.

will benefit from the increased knowledge of the quality of their drinking water without being burdened with unaffordable costs.

The Safe Drinking Water Act is an important statute to provide safe drinking water supplies in both rural and urban areas. Rural areas and small water supply systems present particularly difficult problems in administering a national safe drinking water program. The amendments continue the strong congressional support for the National Rural Water Association and its circuit rider program. The amendments authorize $10 million annually in fiscal years 1987 through 1991 for technical assistance to small public water supply systems. This authorization will continue to enable them to achieve and maintain compliance with national drinking water regulations.

The National Rural Water Association provides a useful and important service to ensure that rural small water supply systems are operated in a safe fashion. These amendments will strengthen EPA's ability to work cooperatively with the small water supply systems.

A major source of controversy in the amendments is in regard to ground water protection. It makes absolutely no sense to create regulations for the water coming out of the well without recognizing that certain areas immediately adjacent to a well may be contributing to the contaminants found in that well. The area surrounding a public water supply well is of critical importance. Areas immediately adjacent to public water supply wells are susceptible to pollution and warrant special protection.

The wellhead protection area is defined as the surface and subsurface area surrounding a water well or well field, supplying a public water system, through which contaminants are reasonably likely to move toward and reach the well or wellhead.

It is important to recognize that the wellhead protection program is like a mouse as compared to an elephant in regard to the scope of the problem that needs to be addressed.

The wellhead area protection program is a flexible, important step forward, but it cannot replace the need for a comprehensive ground water protection legislation. It must be recognized that the wellhead protection provision highlights the problem and is responsive to the needs of States that will be responsible for implementing this program.

Under this new program, States are given wide-ranging flexibility in order to determine what type and level of wellhead protection program makes sense within the specific context of the geology found within the individual State.

It is important to recognize that the problems facing the Nation's ground water go far beyond the mere area adjacent to a public water supply system. The committee has held a number of hearings on ground water, and I am a cosponsor of major ground water protection legislation to address the problem comprehensively. It is my hope that the committee will continue to work toward the enactment of comprehensive ground water legislation.

The Safe Drinking Water Act is a public health statute. The wellhead protection program makes sense within that context. But the larger problems facing this Nation's ground water resources are related to both health and the environment. Protection that meets these goals is the long-term direction for Congress to take.

The immediate goal that needs to be addressed is getting the Safe Drinking Water Act back on track. The American public deserves assurance that the water coming out of their taps is safe and healthful. These amendments will take a significant step toward meeting that goal.

Mr. President, it is our profound hope that this legislation will spur EPA and relevant agencies to do what they should be doing, making sure that our drinking water is safe. It is my strong belief that the amendments will help us along that track and help us achieve that goal.

I again thank the Senator from Minnesota.

Mr. STAFFORD. Mr. President, I am extremely pleased to be able to urge the Senate to approve the conference report on S. 124, the Safe Drinking Water Act Amendments of 1986. This is the first major environmental bill in the 99th Congress to have reached this point in the legislative process, and its enactment will mark a major improvement in protection provided for drinking water in this country.

I first want to congratulate Senator DURENBERGER, the distinguished chairman of the Toxic Substances and Environmental Oversight Subcommittee for his leadership in shepherding this bill through a long and difficult process. Work on this legislation began in the 98th Congress and came very close to final passage by both Houses only to die in the final days of that Congress. And it has taken another year and a half in this Congress to bring us to this point.

Senator DURENBERGER has had the able assistance of Senator BAUCUS, the ranking minority member of the subcommittee. These Senators' patience and persistence have paid off finally in the conference report before us.

Mr. President, this bill does many important things, most of which the distinguished Senator from Minnesota has ably described. I want to add my comments on only a few.

The bill requires the Administrator of the Environmental Protection Agency to set standards for 83 specified contaminants within 3 years of enactment. Progress in regulating drinking water contaminants has been very slow over the past decade, and the provision in the bill is intended to assure that the more rapid progress achieved by the Agency in the last year is maintained.

The list of contaminants specified is a list published by EPA as contaminants for which they were developing the bases for regulating. Recognizing that new information could change the priorities for determining which contaminants should be regulated first, the conferees provided authority for the Administrator to substitute up to seven contaminants for those specified in the list of 83. Substitutions can be made if regulation of the new contaminants are judged to be more protective of human health than regulation of the listed contaminants.

The list is the minimum number of contaminants the Administrator is expected to regulate. If additional contaminants prove to be of concern during the period the Agency is working on the list of 83, additional standards should be developed.

One goup of contaminants that is already of concern and is not on the list is the family of trihalomethanes (THM). Because these substances are byproducts of the disinfection of water, there is widespread exposure to them. Preliminary evidence indicates that levels of THM's currently permitted in drinking water may constitute a significant threat to human health. The Agency should undertake the review of THM's it has indicated it may begin at the earliest possible time, and should establish the level of protection that is needed, consistent with the best technology available.

Another concern that is not represented by the specific contaminants on the list of 83 is the lack of a standard for total organic contamination. Because of the significant scientific uncertainty regarding the additive or synergistic effects of exposure to multiple organics, the protection offered by single contaminant standards may be inadequate. Thus, the promulgation of maximum contaminant goals and levels for total organic contamination is needed.

In addition to assuring that the Agency continues to regulate an increasing number of contaminants, the bill also modifies the standard-setting requirements of existing law and commands the Agency to require the highest feasible level of removal of contaminants that are harmful to health from drinking water. "Feasible" means the highest level of removal that can be achieved by technology, the cost of

and the efforts to develop ground water protection and correction programs both by the Federal Government and among the several States. In particular, we are concerned about the use of standards promulgated under the drinking water law as central elements of ground water protection programs developed by the States and as cleanup standards under the Federal Superfund Program. Mr. President, I am one Senator who does not believe that the maximum contaminant levels established under the Safe Drinking Water Act are appropriate for use in either of these ways. Drinking water MCL's, as I have tried to make clear here today, are not simply health standards but include other factors, as well. Rather than use these standards developed in one context for a public health program, in an entirely different setting for resource-based decisions in regard to ground water protection, it would be far better to simply develop ground water protection and correction standards directly. I hope soon to suggest a comprehensive ground water protection program to the Senate.

Mr. President, I want to once again thank my colleagues who served on the conferences committee and worked so hard to make this legislation possible. With that I would recommend to the Senate the adoption of this conference report. Thank you, Mr. President.

Mr. President, I yield at this point to my colleague from Montana [Mr. BAUCUS].

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I rise in strong support of the Safe Drinking Water Act Amendments of 1986. These amendments will strengthen the law to protect this Nation's public water supplies. The Safe Drinking Water Act was enacted in 1974 to ensure that public drinking water supplies are safe.

This law was enacted out of a concern raised by a National Academy of Science's report that found the presence of over 700 contaminants in the city of New Orleans' water supply.

Since the act became law, EPA has set standards for only 22 contaminants—22 out of a minimum of 700 contaminants that now exist. If we accept this list as all-inclusive—and it is not—the public is protected from less than three-fourths of 1 percent of the contaminants in drinking water.

Even worse, most of these contaminants were regulated by the public health service in the early 1960's and then incorporated into the Safe Drinking Water Act. Only two standards have been finalized in the last 10 years.

We take drinking water for granted. When you turn on the tap, you expect the water to be safe.

A 1983 report by the Office of Technology and Assessment found that 29 percent of the ground water drinking supplies of the 954 U.S. cities with populations over 10,000 are contaminated. An EPA study found that water from 45 percent of public water systems relying on ground water has detectable levels of volatile, organic chemicals.

It is time that EPA begins aggressively implementing the Safe Drinking Water Act. It is clear that a discretionary approach of having EPA choose what and when to regulate contaminants is not working.

The Safe Drinking Water Act Amendment of 1986 will get this important public health statute back on the track to meeting its goal—protecting the public health.

The amendments reiterate that recommended maximum contaminant levels are the health-based goal that we should be striving for. The maximum contaminant level goal shall be issued simultaneously with primary drinking water regulations, linking these to integral concepts together.

The amendments require the regulation of 83 contaminants over the next 3 years. EPA must regulate 9 contaminants within 12 months of enactment, 40 additional contaminants within 24 months, and the remaining contaminants within 36 months. In order to provide flexibility to EPA in implementing this requirement, the agency is permitted to substitute up to seven contaminants for the contaminants listed in the amendments, if regulating the substitute contaminants would be more protective of public health.

EPA must then set in place a process to develop a priority list of contaminants which may require regulation at 3-year intervals thereafter. The agency must then propose regulations for at least 25 of these listed contaminants within 24 months and set regulations for the remaining contaminants within 36 months. This provision is meant to set up an ongoing process to regulate contaminants of concern.

In the past, there has been a great deal of disparity between the public health protection level of the recommended maximum contaminant level and the actual regulated standards or maximum contaminant level. The MCL goals must under these amendments be set at levels at which no adverse health effects are anticipated to occur and which allow an adequate margin of safety. This change in the law is being made to reiterate that RMCL's are health-based standards while MCL's are not. But it is the clear intent of Congress that MCL's be as close to the health-based standards as possible. The primary drinking water regulations must be set as close to the MCL goal as feasible. Feasible is defined as the use of the best available technology, taking cost into account.

In the past, there has been continuing debate as to whether or not granular activated carbon is considered a feasible technology. Granular activated carbon is the most effective technology available for the control of synthetic organic chemicals. These amendments make granular activated carbon the benchmark technology. The granular activated carbon technology will be designated as feasible. Any alternative found to be the best available technology must be at least as effective in controlling contaminants as granular activated carbon.

The current standard-setting practice at EPA has led to the promulgation of at least one standard which provided a level of protection that condones a risk of 1 excess cancer death per 10,000 population. This level of health protection is unacceptable.

It is unacceptable from a public health standpoint. It is intolerable when technology such as granulated activated carbon exists and EPA's own research shows that levels of organic contaminants could be reduced to the level of detection.

Within 18 months of enactment, EPA must promulgate regulations specifying criteria under which filtration is required as a treatment technique for public water systems supplied by surface water sources. The threat of Giardia contaminating our public water supplies is a growing national problem as well as other filterable contaminants. Requiring EPA to promulgate regulations will determine when a public water supply should use filtration as a treatment technique for public water supply systems supplied by surface water sources.

Within 36 months of enactment, EPA will be required to promulgate regulations requiring disinfection and specifying criteria for variances. This requirement will ensure the expanded use of disinfection recognizing that from a public health perspective, when considering adverse side effects, the technology is not always either prudent or efficient.

A new requirement for the monitoring of unregulated contaminants will allow us to begin to understand the nature and extent of contaminants in our drinking water. The inventory of these contaminants will provide a tremendous boost to development of a national drinking water data base.

The amendment recognizes that small systems supplying less than 150 service connections may be ill-equipped and unprepared to arrange for the analysis of samples of unregulated contaminants. The amendments provide that water samples are to be made available for analysis by the Environmental Protection Agency for these small systems. Thus, rural areas

gress actually defined them in 1974 never came to a conclusion. There is not now in regulation any provision to carry out the requirements of the 1974 act with respect to sole source aquifers.

Nevertheless, and despite these all too familiar problems with the drinking water program at the Federal level, many State and local governments have put the concept of sole source aquifer to good use and are busy protecting those unique and vulnerable drinking water resources from contamination. One place that has made especially significant use of the concept is Long Island, NY. The aquifers of Long Island which make up a complex and interconnected hydrological system are truly a sole source of drinking water for some 3 million persons. And Long Island has begun significant efforts to protect these aquifers in ways that might prove useful in other parts of the Nation. Long Island is not the only such example. Communities in Texas, Massachusetts, and Washington State are making comparable efforts.

It is the purpose of this amendment to provide a demonstration program to assist those local governments which have made a start in protecting their sole source aquifers. It is a demonstration program. This is not the first cycle of some open ended Federal commitment to ground water protection. The definition of sole source aquifer in the Federal law could not serve usefully as the foundation for any such commitment. So we are limited to demonstrations. But supporting demonstrations is one useful and important role that a national government can and should play in a federal system like ours.

From the tenor of these remarks it should be clear that it was only through the leadership and persistence of Senator MOYNIHAN that the conference was persuaded to adopt this demonstration program. His tireless efforts overcame the doubts that many of us had on this subject. And as a result of his efforts an approach to ground water protection that was pioneered in his State may well become the model for other programs all across the Nation.

Mr. President, this conference report also includes new provisions to protect the surface and subsurface land areas around the drinking water wells of public water systems that rely on ground water resources. This provision was worked out in the conference as a compromise with the House. The structure of the amendment is similar to the structure of the original, comprehensive House ground water program. But the scope of the program the conference reports is very much narrower than the House bill and the Federal-State relationship provides infinitely more flexibility for the States to design and establish their own programs than would have been provided had we adopted the House bill.

Under the conference agreement, the Administrator has the authority to disapprove State-proposed wellhead protection programs. If a State develops a program and the Administrator disapproves it, the State can choose not to resubmit the program, and the only consequence is that they will not receive Federal grants to implement the program. States do not suffer any sanction from the Federal Government, other than the loss of the grant to develop and implement the program, if they do not submit a program which can be approved by the Administrator.

The reason that the Administrator is given the authority to disapprove a State program is to make sure that scarce Federal dollars are not sent to support State wellhead protection programs that are ineffectual or inappropriate. If States do not submit serious and effective proposals, there is no reason that they should expect Federal dollars under this program. By disapproving a State proposal, the Administrator is able to prevent that result. But there is no attempt here to compel States to submit programs that can meet the standard of some national criteria for wellhead protection.

Mr. President, although the wellhead protection program is structured in the ways similar to the original House ground water protection program, it is also important to point out the ways in which it is different from the House bill. For one thing there is no provision in this section for a citizen suit to enforce the requirements to define wellhead areas, identify sources of contaminants or develop plans to protect ground water resources. It would not be appropriate to make the first step in a national ground water protection effort a step into Federal district court to establish the outlines of 50 State programs in consent decrees approved by Federal judges.

A second element which was in the House bill, but which is dropped from the conference report was the requirement that Federal development projects or projects assisted by Federal funds be consistent with State or local wellhead protection programs. Several Federal departments and agencies expressed concern to the conferees about these proposed consistency requirements. And in response to these requests which were summarized and focused by the Attorney General in a letter to the conferees, we have dropped the consistency requirement.

In its stead these amendments include language which has become virtually boilerplate in other Federal statutes. It requires Federal agencies that have jurisdiction over potential sources of contamination within wellhead areas to operate those facilities under the same rules and regulations and in the same manner as is required of any other person. The President is given authority to exempt any Federal facility from this requirement, if he determines that it is in the paramount interest of the United States to do so. As I say, Mr. President, this language which occurs in the Clean Air Act, the Clean Water Act, the Solid Waste Disposal Act, the Superfund amendments which are now pending in the conference, and which is included in the current law verision of the Safe Drinking Water Act itself has become a standard feature of Federal law to rationalize the regulatory status of Federal facilities without establishing an onerous and complicated review process as might be required by some interpretations of the consistency language which was included in the House amendment.

Mr. President, the sole source aquifer demonstration program and the wellhead area protection program are new elements of the drinking water law that differ in important respects from the programs that have been included in that law in the past. At the State level of government, drinking water programs are most frequently administered by public health agencies. That is most appropriate, since the drinking water law is a public health law that involves analysis of water supplies and other analytical procedures that health departments are best equipped to carry out. But these two new ground water provisions have inmportant elements which are focused on resource protection rather than public health. In that regard, it is essential that EPA give States great flexibility in determining which State agencies shall administer these new programs and not require that they be managed by the same State agencies that carry out other parts of the drinking water program.

We, of course, face a similar issue here at the Federal level. The agency has established an Office of Ground Water Protection to implement the national ground water strategy. We see these programs as fitting into that strategy quite well and believe that they should be managed in that Office and in coordination with other ground water protection efforts. To make my point specific, EPA is required to provide technical guidance to the States and public water supply systems on the methods that might be used to most appropriately define wellhead protection areas. The expertise of the Office of Ground Water Protection is much better matched to this task than is the Drinking Water Office at EPA.

Mr. President, as I conclude these comments I want to say that we are expecially sensitive to the relationship between the drinking water program

nancial assistance to the States and especially to small public water supply systems. I have just described the program of assistance to make sure that monitoring for unregulated contaminants is conducted for small systems. This legislation meets the same objective in other ways including a substantial authorization for general technical assistance and measures to increase cooperation between EPA and Indian tribes which have experienced great difficulty in securing safe and adequate drinking water supplies.

On the subject of technical assistance, I would make mention of the very important role that the National Rural Water Association has played in bringing the promise of safe drinking water to the small towns and rural communities of America. The conference report includes specific mention of circuit rider programs—meaning technicians who are available to a large number of communities and travel among them providing assistance and advice in the operation of water supply systems. This provision was crafted with the National Rural Water Association in mind. I would note that the President's budget for 1987 proposed elimination of the grant for the National Rural Water Association and that in response the Committee on Environment and Public Works in its annual report to the Budget Committee recommended that the grant be continued.

LEAD BAN

Mr. President, before turning to the subject of ground water protection in the conference report, I wish to review one other item directly related to the activities of the drinking water program. When the Senate considered and adopted amendments to Superfund, Senator BRADLEY sponsored an amendment that would ban the use of lead pipes and solder for use in drinking water distribution systems. This is a very important amendment and I am pleased that we could include the Bradley amendment here in the Safe Drinking Water Act Amendments of 1986 rather than wait for action on lead in drinking water supply systems as a part of Superfund.

Lead which leaches from solder and pipes has become a public health concern in several States and steps are being taken in many communities to deal with this public health threat. A part of the Bradley amendment which we include here directly bans the use of lead solder or lead pipe in any construction which is to be a part of a drinking water supply system. This ban applies not only to materials used in constructing the drinking water system owned by the public water supplier, but also to the pipes and solder used in the construction of new homes and commercial buildings.

Since EPA is not experienced and probably not capable of effectively enforcing a ban in buildings under construction or repair this legislation includes a special enforcement provision which has created some confusion and needs clarification. It is not the intention of the conferees that EPA enforce the ban directly on builders and contractors. The ban is to be enforced only through State and local building and plumbing codes. It is our intention that State and local governments make the modifications in codes and regulations necessary to effectuate the ban as soon as possible. And we make the ban in Federal law effective immediately for that purpose. But realizing that it will take some time for State and local governments to modify their laws, we do not place any sanction against a State for failure to enforce the ban until 2 years after the date of enactment of this legislation. If at that point a State has not made the changes in its regulations, the Administrator is authorized to withhold a portion of the State's drinking water grant as a sanction.

I want to say again how much we appreciate the role that Senator BRADLEY played in shaping this amendment. At one point he held back the amendment so we could proceed with Senate consideration of the drinking water bill and at every point in the process he has been cooperative with the needs of the committee and the views of other members on this amendment. His leadership on this matter has made an important contribution to public health protection and is rewarded in full today as the Senate sends his proposal with this conference report on to the President for signature.

GROUND WATER PROTECTION

The issue that has caused the greatest controversy with respect to this legislation and which delayed completion of the conference for so many months is ground water protection, the sixth and final major element of the bill that I would review for my colleagues today. The House bill included a comprehensive ground water protection program. The Senate bill did not. Nor was the Senate prepared to consider a comprehensive ground water protection program as a part of this conference.

Thanks largely to the leadership of Senator MOYNIHAN, the Senate bill did include a demonstration program for sole source aquifers to support a few truly outstanding ground water protection programs across the Nation. And I will want to comment further on the sole source aquifer program in a moment, but the program that we did include was intended to be only a demonstration program and was clearly not the beginning of a comprehensive, national program to protect our ground water resoruces.

I have long advocated such a national program. I believe that the debate in the Senate on a comprehensive ground water protection bill will begin in the next few months. But I have steadfastly resisted making that debate a part of the consideration of the drinking water amendments. The drinking water program does not work well. It needs attention in its own right. And it needs a legislative fix as soon as possible.

Holding out for a ground water program as a part of the drinking water conference has only proved to slow the process. And we still do not have the bill signed by the President. The very small amount that has been done in these amendments to make a start on ground water protection may yet turn out to be the excuse for a Presidential veto.

So we have resisted the House insistence on a ground water package. We were true to the Senate's desire in that respect. We come back with a sole source aquifer program which is very much the cousin of the proposal that we took to the conference. And we have a modest program for those States which are ready to take steps to protect the waters that are near to drinking water wells used by public water supply systems. Both of these programs fit well within the context of the drinking water law and neither of them infringes on the traditional relationship between the Federal Government and State and local governments in matters of land use and water resources.

Let me describe the program to protect sole source aquifers first. It is a grant program. It authorizes assistance to State and local governments to plan and implement programs that will protect sole source aquifers. "Sole source aquifers" is a concept placed in the original Safe Drinking Water Act to identify drinking water sources that were especially important—important presumably because they would be hard to replace should they become contaminated. That was the concept.

Unfortunately the language in the original statute was less than artfully drafted. The language actually refers to "sole or principal sources" of drinking water in the text of the law. When EPA tried to put this concept into a regulatory definition in the mid-1970's they were unsuccessful. The way the statute is drafted their is nothing "sole" about a sole source aquifer. Wherever more than 50 percent of the population relies on ground water for drinking water, the aquifer from which the water is taken is by definition the principal source of drinking water and thus subject to designation under the drinking water law whether or not it is a unique source of supply. EPA's attempt to make a useful distinction between sole source aquifers as the valuable resources we might imagine them to be and as the Con-

the use of this factor in the standard-setting process. It is rather the result of the rules under which the legislative process is conducted.

However, it does seem to this Senator that the use of practical quantitation limits cannot be considered as conforming to the amendments that we are adopting here today. Nowhere does this conference report or the underlying law allow EPA to set a standard which is less stringent than can be achieved by the best available treatment technology that is feasible. PQL's bear no relationship to the feasibility of treatment technologies. In fact, the preamble to the MCL's contained data and information showing that levels much lower than the proposed MCL's could and are being achieved in the United States by treatment systems using GAC, the benchmark for SOC's established by this act.

These amendments require the consideration of the best available treatment technology which is affordable to large systems as a benchmark in setting MCL's. EPA's practical quantitation limits are not derived from treatment techniques and are not even based on the best available analytical technology. The PQL's are based on the capacity of the average lab doing a routine analysis to detect a particular contaminant at a reliable level.

In the preamble to these proposed regulations, EPA makes the argument that they cannot enforce a standard at a level which is below the limit of detection. The argument is interesting, but largely irrelevant to the issues at stake here. For EPA has not proposed a standard which is below the limit of detection. Good labs using good techniques are by the data that EPA itself presents capable of detecting levels at only one-tenth of the level proposed by EPA as the MCL's for four of these five contaminants. All EPA need do is require upgrading of the analytical techniques used in testing water supplies for compliance purposes.

Of all the factors that the administrator might consider in establishing drinking water standards, the one that is least useful—that is most likely to be out-of-date tomorrow—is the capacity of the average laboratory to detect a particular contaminant. We are going through a literal revolution in the analytic techniques that are used to detect and measure pollutants and contaminants in the environment. The development of new techniques and the spread of those techniques to average labs is nothing short of phenomenal.

When EPA takes the least stable of all numbers—a concept not mentioned in the law or the amendments—and uses it to set MCL's for items like trichloroethylene, benzene and vinyl chloride, they are taking a very large risk that the decision will be overturned by a court and that the whole effort to set drinking water standards will once again be hopelessly and unnecessarily delayed. The mandate of the law is to set the standard as close to the RMCL as is feasible applying treatment techniques to relatively clean water. To the extent that has not been clear under current law, it is made emphatically certain by these amendments. That mandate has not been satisfied, in this Senator's judgment, by the MCL's that were established using practical quantitation limits for the five volatile organics in the November 1985 proposal.

DISINFECTION AND FILTRATION

Mr. President, the third major element of these amendments is found in the provisions for disinfection and filtration of drinking water supplies. The administrator is to promulgate requirements for filtration by all systems using surface water sources and for disinfection by all systems. These requirements will add to public health protection by establishing minimum levels of treatment and protection even where no specific MCL has been violated. There are a vast array of viral and biological contaminants that can be transported in drinking water supplies. These and other elements which threaten human health can frequently be removed by these widely used treatment techniques.

The provisions of the conference report with respect to filtration and disinfection track the Senate bill in two very important respects. First, the administrator is to consider whether there are protection measures that systems relying on surface waters can take which are as protective of public health as is filtration. Where such active measures to protect watersheds are in place, the system may not be required to install filtration. Second, EPA is to provide technical assistance to small systems so that they might effectively implement disinfection techniques.

One further comment also needs to be made on this subject, Mr. President. On reading the House debate on the conference report of last Tuesday, one might get the impression that no system which is in compliance with all the MCL's will be required to employ disinfection or filtration. Such an interpretation would not be in conformance with the legislative language reported by the conference. Compliance with existing drinking water standards is not an indication that there is no need for filtration or disinfection. Filtration will be required at surface water systems unless a system meets equivalent health protection criteria established by EPA. Therefore, systems in compliance with the MCL's are not automatically exempt from the filtration requirements.

MONITORING UNREGULATED CONTAMINANTS

The fourth major provision included in these amendments is the program for monitoring unregulated contaminants. Under the Safe Drinking Water Act local public water supply systems are only required to monitor for those contaminants for which a national standard has been established. Because EPA has set very few standards, an insufficient amount of monitoring has been conducted. We know that the monitoring has been insufficient because a very few States, including my own State of Minnesota and including California, have conducted independent monitoring programs testing for a wide range of potential contaminants. And a wide range of contaminants has been discovered. Several communities in Minnesota which believed that their water was safe because it met all Federal standards have been shocked and dismayed to learn that the water is actually spiked with a toxic chemical, and in some cases a mixture of chemicals, that cannot be seen or tasted or smelled. The contaminants were not previously detected or suspected by monitoring under the drinking water law because there were no standards for the chemicals in question.

These amendments will bring the added measure of protection which is afforded by broad gauge monitoring to all of the communities in the Nation. EPA will establish a list of contaminants—in addition to those contaminants for which standards are set—and the water supply of every community will be tested at least once every 5 years for that broad range of contaminants.

To make sure that this program is effective for the thousands of small water systems across the country, the Senate bill and the conference report contain an authorization of $30 million to pay for the required sampling and analysis at small systems. I want to say to my colleagues that this is not just another grant program which the President and the Congress are free to kill by failing to provide the necessary appropriation. The Administrator is required to establish a program for monitoring unregulated contaminants which is a nondiscretionary duty that can be enforced by any citizen in district court. Small systems satisfy their responsibilities under the amendments by making their systems available for sampling. The authorization is an authorization for EPA to provide the Agency with the resources necessary to carry out the testing that is mandated. EPA cannot avoid the responsibility by failing to seek—or actively opposing—an appropriation for that purpose.

TECHNICAL ASSISTANCE

The fifth major element in the conference report is found in a series of provisions to provide technical and fi-

cially susceptible persons, exposure to the contaminants through other media, synergistic effects and chronic effects which fall short of adverse health but which may increase the risk of illness were to be considered by NAS in making recommendations on standards to EPA. We do not expect this advisory relationship to be terminated by the result of these amendments and find that the consideration once assigned explicitly to NAS should continue to be matters that are weighed by EPA in establishing drinking water standards and health goals.

TREATMENT TECHNOLOGY

Mr. President, the second major amendment to the Safe Drinking Water Act made by this bill establishes a new technology benchmark in the standard-setting process. There are several regulatory steps in setting a national drinking water standard. First, the Agency establishes a health-based goal which under current law is called the recommended maximum contaminant level or RMCL. This number is set a level so that a person consuming water containing that amount of the contaminant would experience no adverse health effects even if the contaminant is consumed over a whole lifetime. By law the RMCL also encompasses an adequate margin of safety to protect those among us who are especially sensitive to a particular contaminant.

Once the RMCL or health goal is established, the administrator begins work on the enforceable standard, the maximum contaminant level. This is the standard which applies to the water delivered to consumers by public water systems. It is a standard at the tap. The MCL is set as close to the goal as possible, but recognizes that some water supplies have been contaminated and that our capacity to remove those contaminants and reach the goal is limited by the constraints of available treatment technology.

The amendments we will adopt today instruct the administrator to set the MCL at a level which is as close to the goal as possible using the best available treatment technology which is affordable for a large public water supply system. Under current law the administrator is to set the MCL considering the use of treatment technology which is "generally available." The administrator has not been able in the 12 years that the drinking water program has been in place to suitably define the concept "generally available."

So these amendments delete the reference to "generally available" technology and shift to considerations more familiar in environmental law. We begin here with an assumption that a public water system has a relatively uncontaminated water supply which nevertheless exceeds the RMCL—the health-based goal—for the contaminant in question. The task is to set an enforceable standard as close to the health-based goal as possible. It must be achievable and, thus, must consider the technologies which are effective in removing that contaminant from water. EPA selects and applies that technology which is most effective and which can be afforded by the largest public water systems considering the ability of the systems to spread the cost of the treatment technology over a large number of consumers. The standard, the maximum contaminant level or MCL, is established by factoring together these three items: The health goal; the effectiveness of treatment technologies in removing contaminants; and the level of treatment that is affordable for the largest public water supply systems.

Mr. President, as I explain these amendments, it is also helpful to indicate what they are not. This is not an instruction for the administrator to conduct a cost-benefit analysis to determine the MCL. The law emphatically does not provide that the administrator will set the MCL at a level where benefits outweigh costs, nor does it require EPA to balance costs and benefits in any other way. Cost only enters into the judgment of the administrator in defining which treatment technologies are to be considered best available technologies. And availability in this instance is considered only in the context of the largest water supply systems, not all systems or average systems. Any effort to weigh costs and benefits under the Safe Drinking Water Act and to set standards only where EPA can quantify benefits which outweigh costs would not be lawful. The act requires EPA to set a standard for every contaminant that may have any adverse effect on health and to set the enforceable MCL as close to the health goal as can be achieved by feasible technology.

There are two other items related to the technology factor in setting standards which need to be mentioned at this point. The first relates to granular activated carbon or GAC, one of the treatment technologies that is available to remove synthetic organic chemicals from drinking water supplies. In a few moments, I will be joined by other Members of the Senate for a brief colloquy on this subject, but let me say here that the conference report is consistent with the provision passed by the Senate in regard to GAC.

The Senate bill and the conference report establish that GAC is to be considered feasible—that is effective and affordable for large systems—to use in removing synthetic organic chemicals. In setting standards for any synthetic organic chemical, the administrator is to select a level which is not less than the level that could be achieved using a feasible GAC system.

At the time the Senate passed this legislation, some were proposing an amendment that would have deleted GAC as the benchmark for trihalomethanes or THM's. The Senate did not adopt such as an amendment and GAC is the benchmark for THM's. But in using this technology factor the administrator is to recognize that there is an almost infinite variation in the design of GAC systems. It is possible to design such a system, where cost is not a factor, with almost unlimited capacity. The particular GAC configuration that is used in establishing the MCL for THM—if, in fact, GAC is determined to be the best available technology for this purpose—is to be a configuration that would be affordable to large public water systems in the United States.

The second issue that needs to be mentioned in regard to the use of technology and cost factors in setting MCL's was raised by EPA when it published proposed maximum contaminant levels for eight volatile organic chemicals in November of last year. In making that proposal, EPA did not follow the steps which I have just described. They did establish RMCL's for each of the contaminants. But rather than select an effective and affordable treatment technology to establish the MCL as close to the RMCL as possible, the Agency inserted an entirely new concept into the standard-setting process.

Before considering the effectiveness and affordability of treatment technologies, EPA examined and included as a consideration the availability and effectiveness of technologies for detecting these eight volatile organics in water supplies. EPA found that there is a limitation on the capacity of present technology to detect these contaminants. Such a limitation is not unexpected. There is always a limit on detection. What was unexpected is that EPA chose one version of the limit of detection as the drinking water standard, the MCL, for five of the contaminants. Such a step is contemplated nowhere in the Safe Drinking Water Act or in these amendments.

This new factor—a level EPA calls the practical quantitation limit or PQL—was not debated or considered by the conferees on these amendments. It is quite outside the scope of the conference, since the Senate passed its bill in May 1985 and the House a month later. EPA did not propose use of the PQL until November 1985. So we were unable to consider this new issue in the conference. The fact that we have chosen not to comment on practical quantitation limits should not be in any way or in any forum considered an endorsement of

SETTING STANDARDS

The amendments reported by the conference require EPA to set standards for 83 specific contaminants within a 3-year period. By early June 1989, maximum contaminant levels for 83 chemical, biological, and radiological agents specifically named in the conference report must be promulgated by EPA.

This list is EPA's own list. EPA is moving in this direction. It is sometimes said—mistakenly—that the list contains 85 contaminants. The original lists which when combined had 85 elements also contained disinfection and filtration among those 85 requirements. Those two items are included at another point in this bill. So the number is 83.

It is unusual for the Senate to include a specific list of pollutants with specific deadlines for standards in the language of a bill. Choosing contaminants and scheduling the regulatory process is not normally a legislative function. But the history of the drinking water program more than justifies the use of lists and deadlines by the Congress to assure that standards are actually established and at the earliest possible date.

I would make specific comment on the subject of deadlines to illustrate the concerns that give rise to this section of the bill. Even after EPA announced its commitment to set standards for all of these contaminants, other parts of the executive branch raised barriers to the swift and certain completion of the task. For instance, last September the Senate found it necessary to adopt an amendment to the Superfund reauthorization which required the Office of Management and Budget to release recommended maximum contaminant levels for 40 contaminants that had been submitted to OMB for review according to the provisions of Executive Order 12291. The EPA proposals has been sitting on a desk at OMB for 6 months without any response or concurrence from the regulatory review office.

To be certain that such tactics will not ultimately defeat our intent in adopting these amendments, the bill contains deadlines. These deadlines make the duty of the Administrator to establish standards a nondiscretionary duty and allow any citizen to bring suit to compel action, should the Administrator fail to meet the timetable established in the bill. It should be clear that it was not only the failure of EPA that prompted us to adopt these provisions.

The list and the deadlines were both included in the legislation sent to the conference by the Senate. These are our proposals. However, the current Administrator of the Environmental Protection Agency has many times expressed concern about this section because of the lack of any discretion in carrying out the duties as provided in the Senate bill. It was also argued in the conference that the House bill which took a very different approach to standard-setting provided the Administrator with considerable discretion as to which contaminants would be regulated.

The conference report, in response to the Administrator's request, adds an element of discretion to the standard-setting process. The Administrator is authorized to substitute up to seven contaminants which are not on the list for seven contaminants which are. He still must set standards for 83 contaminants in 3 years. Seventy-six of those contaminants must be from the list published in the conference report. But seven may be items which are not currently on the list.

The Administrator has expressed to me personally his view that more than seven substitutions may be justified. And as we move closer to the end of this 3-year regulatory process, Congress may be persuaded that more than seven substitutions are justified. If so, Congress may amend the law to allow other substitutions and speaking for myself, I will entertain any such proposal from the Administrator at the appropriate time and with a sympathetic ear.

On the subject of substitutions, there is a parameter that I personally believe is of a high priority and which is not on the list of 83 contaminants, but ought to be considered by the administrator at the earliest possible date. I believe that we need a maximum contaminant level for the total concentration of organic chemicals in drinking water supplies. A total organics standard would be an unusual standard under the Drinking Water Program—most of the numbers are for specific constituents. But it would not be unique. The standard for trihalomethanes is a number set for the combined concentration of four compounds including chloroform and bromoform. A total organics standard would simply expand on the concept of the THM standard and set an upper bound on the combined concentration of all organic chemicals.

There are at least two good reasons for establishing a total organics standard. First, it is obvious to anyone who has studied the Safe Drinking Water Act that the chemical revolution in the marketplace moves faster than the standard-setting process at EPA. It takes many months—years—under the best of circumstances to set a standard for a contaminant after it has been detected in drinking water supplies. By the time an enforceable standard has been established drinking water supplies may have become significantly contaminated in many parts of the country. A total organics number could stand in for a specific standard during this period of regulatory development and provide at least an upper bound on the amount of contamination allowed.

Second, it is suspected, although very costly to prove, that some organics which occur in combination may have additive or synergistic effects on human health. A total organics standard would assure that Americans were not exposed to huge doses of harmful chemicals in mixtures where the amount of each element was defined as safe by itself but where the combination presents a severe risk. In this regard, I think of the recent MCL's for volatile organics. The evidence presented by EPA suggests that many of these contaminants are found together in water supplies. Although we might be willing to consume water with five parts per billion TCE or five parts per billion benzene, water that contained 10 or 15 different chemicals of that type with total concentrations ranging up to 100 parts per billion might reasonably be subject to a different qualitative judgment on health, even if it meets the quantitative standard for each of the contaminants taken individually. So I would be more than sympathetic to a proposal from EPA to substitute a total organics standard for one of the items on the legislated list.

Mr. President, before turning to the second major element of these amendments let me mention one final subject with respect to the standard-setting process. In amending the existing Safe Drinking Water Act to provide this expedited standard-setting schedule, we have removed several provisions in the law which were the foundation of the process designed in 1974. Those changes as I have tried to make clear are most appropriate, because the process as originally designed did not work. Nevertheless, there were some concepts included in that original framework which may still prove useful, if operated on a somewhat less formal basis. In this regard, I am particularly mindful of the role that was established for the National Academy of Sciences in the original act.

The National Academy of Sciences never took well to its assignment to quickly develop explicit recommendations for standards on specific contaminants. But the continuing studies and reports by NAS on drinking water and public health have provided, and we hope will continue to provide, guidance to the Agency as it conducts the risk assessments that lead to RMCL's and health goals.

Every risk assessment includes dozens of decisions to extrapolate from the data which is available and which is relevant to a determination of a specific numerical standard that will adequately protect public health. Under current law several considerations including the impact on espe-

Mr. President, the Safe Drinking Water Act was first enacted by the Congress in 1974. The need for a national statute to protect public health from drinking water contaminants was recognized by the Congress only after surveys by the Environmental Protection Agency in the early 1970's had shown that public water supplies were widely contaminated with synthetic organic chemicals—the new man-made compounds that have revolutionized every facet of American life in the last half of the 20th century. Whatever miracles these new chemical substances have produced in the home or at the workplace, their presence in drinking water supplies has been recognized as a substantial threat to the Nation's health. The public concern for the quality of drinking water particularly in large cities drawing water from rivers and other unprotected surface water supplies, provided the impetus that was needed to first enact the Safe Drinking Water Act of 1974.

The theory of the Safe Drinking Water Act is quite simple. The program has two parts. First, EPA is to establish national standards for drinking water quality. These standards are numerical criteria for each contaminant which may be found in a drinking water supply and which has or may have an adverse effect on health. The EPA standard is the maximum concentration of the contaminant allowable. At the time the Safe Drinking Water Act was adopted, more than a dozen such standards, principally for metals and other inorganic elements, had been established by the Public Health Service. EPA was to rapidly fill out this list with standards for a wide range of other contaminants.

The second part of the theory of the drinking water program is that water suppliers, the operators of the 60,000 public water systems which exist in this country, will monitor the quality of the water delivered to consumers and treat that water if necessary to assure that the concentration of each contaminant remains below the acceptable levels established by EPA.

The theory of the Safe Drinking Water Act is appropriate to our Federal system of goverment. The central, National Government conducts the research on health effects and treatment technologies that is necessary to set standards that will provide adequate protection of public health. And local governments, which most often own and operate the water supply systems, put the standards into practice by applying them to the water they deliver to the American people.

The Safe Drinking Water Act is, indeed, simple in theory. In fact, Congress expected the program to fall quickly into place. The original statute is replete with quick deadlines stated as mere days from enactment—60 days, 90 days, 180 days.

It is now 12 years later and the Safe Drinking Water Act once again comes to the floor of the Senate with most of the original promise unfulfilled. The act has failed miserably. In all of the time that has elapsed since enactment, the Environmental Protection Agency has set standards for only a handful of contaminants—six pesticides, all of which have been banned for use—a half a standard for thihalomethanes, one of the principal contaminants of concern in the early 1970's—and radionuclides.

Seven hundred different organic, inorganic, biological, and radiological contaminants have been detected in the drinking water supplies of the United States. And yet today after 12 years under the Safe Drinking Water Act we have standards for only 23 contaminants and two-thirds of those were established by the Public Health Service in the 1960's long before anybody had even contemplated a national environmental protection agency. A miserable, discouraging, disturbing record—that is the legacy of the drinking water program at the Federal level of government.

Because EPA set few standards, water systems at the local level have not monitored for the broad range of contaminants likely to be found in water supplies. Even for those standards that are in place, it was soon discovered that most public water systems were woefully unprepared to implement the measures required of them by the drinking water law. In 1981, the General Accounting Office conducted a study of compliance by local systems with the requirements of the Safe Drinking Water Act. The requirements are principally of three types: To monitor supplies for the contaminants for which EPA has set standards; to report to the consumer if the standard is exceeded; and to take steps to come into compliance with the law—to treat contaminated water—if existing quality does not meet the national standard. GAO had a great deal to report.

The record of the drinking water program at the local level is a match for our experience at the national level of government. It is not a happy record. Violations are not in the hundreds. Violations are not in the thousands. Each year violations of the Safe Drinking Water Act by local public water suppliers number in the tens of thousands.

The failure of the program at the local level is in large part understandable. The operation of the water supply systems in most small towns is not a high-technology endeavor. There has been no revolution in the capacity of small communities to protect their water supplies from these new chemical contaminants. Water supply is public works. Many towns still don't charge consumers for water. Few small towns can afford to pay a water engineer fulltime to run the system. Management is quite often done by a volunteer who is not by training or inclination part of the theory of the Safe Drinking Water Act.

So the job did not get done in 90 days in 1974. And even with the amendments we report today, it will be a long time before we can say that the promise of the law—a safe drinking water supply for all Americans—has been fulfilled. Although the amendments we bring back from the conference are modest in scope when viewed in light of the public health challenge that we face, they do contain elements which we believe will bring the theory of the Safe Drinking Water Act closer to the reality of the human institutions which day to day administer its provisions—at all levels of government. There are six major elements to these amendments which I would like to review for my colleagues today.

SUMMARY

First, EPA is required to establish standards for a specific list of 83 contaminants within a 3-year period.

Second, the amendments establish a new benchmark based on best available treatment technology to be used by EPA in writing the standards that will facilitate selection of the appropriate numerical criteria.

Third, EPA is instructed to mandate filtration and disinfection, or steps equally protective of water supplies, as appropriate treatment techniques for all systems to remove contaminants including contaminants for which national standards have not been set.

Fourth, local public water supply systems will be required to monitor, not only for the contaminants for which standards have been set as required by current law, but also for a broad range of other contaminants, as well.

Fifth, significant programs of technical and financial assistance to small systems for conducting monitoring and implementing treatment techniques are authorized.

And sixth, the bill includes new programs to protect the ground water resources that are used by more than 40,000 public water systems to provide drinking water supplies to their communities.

Mr. President, that is a summary of the six major elements in the conference agreement. Working together they are designed to correct the problems that have prevented the drinking water law from fulfilling the promise that was made 12 years ago. I would now review each of these six elements of the bill in some detail so that members will understand the conference report and to elaborate on the legislative history of the more technical items.

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In another year, WDAY will be 65 years old. But I think I can say with some assurance that this venerable station will not be retiring. I look forward to another 64 years of fine programming and outstanding public service.

THE FUTURE OF ELLIS ISLAND

Mr. MOYNIHAN. Mr. President, the ongoing national debate about proposed restorations at Ellis Island has brought forth suggestions from every quarter, but, unhappily, not many solutions. There are a number of buildings on the island, all in a state of serious disrepair. The main building, through which some 12 million hopeful immigrants entered the United States, is now being restored. Few complain about the nature or intent of that effort.

But a great deal of argument does yet surround plans for what to do with the rest of the place. After considering the various possibilities, including the addition of a luxury hotel or a kind of ethnic museum and shopping mall, it becomes very clear that we need and ought not rush to construction. The fact is that we do not have any really good or comprehensive plan to restore the whole of Ellis Island. A recent New York Times editorial had it exactly right: "Until there's a very good plan, why not choose the final option, leaving the south section as is—what Interior officials call "the Fence"?

Mr. President, this is the answer. Let us wait a bit, until we can make a wise and sensible decision about how to make all of Ellis Island a place America can look to with pride. I urge the Senate to consider this editorial, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to printed in the RECORD, as follows:

[From the New York Times, May 18, 1986]

THE OTHER ELLIS ISLAND

Even as you climb ashore, 10 minutes from lower New York, it's clear that the great Ellis Island controversy arises from a great misunderstanding. Contrary to wide public impression, no one wants to desecrate or commercialize the vast brick temple through which 12 million people entered America. Far from it. The ornate red building is veiled in scaffolding, evidence of a loving restoration that will cost more than $100 million. By 1992, it will constitute a vast, evocative monument to the Golden Door.

Nevertheless, there's another Ellis Island, to the south, separated by a ferry slip and only narrowly connected. The north part is being restored without debate. All the argument concerns the south part. Few of the 12 million immigrants went there; it's the site of an abandoned hospital and two dozen crumbling contagious-disease wards. What should be done with these buildings and with this other island?

It was conflict over rival solutions in February that prompted Interior Secretary Donald Hodel to dismiss Chrysler's Lee Iacocca as head of an advisory commission. One plan sounded like tourist plastic: a smorgasbord of ethnic food counters, displays, dances. Another plan sounded perversely plush: a hotel and conference center, with overtones of hot tubs for the rich and famous.

Now the partisans seem to be moving toward a common ground. Mr. Iacocca sees merit in the newest conference-center proposal, which de-deluxes the original plan. This may also be the choice of the advisory commission and others who want the Other Ellis Island restored. It is probably the only option that can pay for itself.

There are appealing arguments for other options, like restoring the hospital but razing the small buildings—which are even now a ruin of rust and vines and broken glass. The quaint spitting sinks in the tuberculosis wards are cracking off alligatored walls. Rubble obscures the crematorium, morgue and mattress sterilizer. The idea is to tear all or most of this down and create a park here, facing the Statue of Liberty.

The flaw in such plans is that they cost money, money that is nowhere in sight. Mr. Iacocca's remarkable campaign is raising $265 million to refurbish the Statute and rescue Ellis Island North. With the drive almost finished and with Congress gripped by Gramm-Rudman fever, there's no other source of funds. To do no more than raze the buildings on the south section would cost $10 million. Saving some and creating a park ("Constitution Gardens," with international participation) would cost $40 million. Where would the money come from?

The conference-center plan, which would pay for itself, is by no means offensive. A facility run by universities that could host meetings of, for instance, the World Bank would not traduce tradition. In all, it is a pretty good remedy—and that is precisely its defect. Until there's a very good plan, why not choose the final option, leaving the south section as is—what Interior officials call "the Fence"? Restoring the north buildings will have already accomplished the principal duty, to recall and honor those who have made this a nation of immigrants.

To close the Other Ellis Island is to open possibilities for a later generation, one with a better plan and a stronger interest in paying for it. To settle for pretty good today clangs with dull defeatism. People willing to settle for pretty good would not have left Cork, Cologne and Catania to make the hard trip to Ellis Island and beyond.

SAFE DRINKING WATER AMENDMENTS CONFERENCE REPORT

Mr. DURENBERGER. Mr. President, I submit a report of the committee of conference on S. 124 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 124) entitled the "Safe Drinking Water Amendments of 1985", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of May 5, 1986.)

Mr. DURENBERGER. Mr. President, I am very pleased to bring before the Senate today the conference report on the Safe Drinking Water Act Amendments of 1986. This marks the successful conclusion of what has been a long and difficult legislative process. The first version of these amendments was introduced in 1983. The Committee on Environment and Public Works first reported a bill at the end of the 98th Congress. The Senate passed its bill last May and it is only now that we are able to bring the conference report to the Senate floor.

I want to begin this morning by thanking each of the Senate conferees for their efforts to get this bill adopted. Senator BAUCUS who is the ranking member of the subcommittee where these amendments originated has been a constant coauthor and partner in the process. Senator STAFFORD, the distinguished chairman of the Committee on Environment and Public Works, has kept the drinking water bill near the top of the list of his own priorities which has made it possible to clear each of the hurdles from hearings to the conference report.

One of the most controversial elements of this legislation has been the ground water issue. Ground water is an extremely difficult subject. The great variation in ground water uses, resources, and problems across the Nation makes it almost impossible to find any national program, however modest, that can satisfy all interests. We think we have accomplished that in this bill. At least we make a start. And that would not have been possible were it not for the patience and active involvment of the other two Senate conferees, AL SIMPSON and LLOYD BENTSEN. It was easy for me to take a ground water amendment. But for these two Senators representing Western States, it was a tough road to follow. That we have all arrived at the same destination and that we are all in agreement on the ground water provisions of this conference report is a tribute to their legislative skills.

bases, will equal in numbers the Philippine military.

As presently constituted, the Philippine army is "not capable of defeating the insurgents," let alone of protecting the U.S. bases from unconventional attack. The base perimeters are supposed to be patrolled by the Philippine military, but crucial deficiencies in that coverage were exposed in September 1985 by a U.S. Senate subcommittee.

A second "Pearl Harbor," that is, a Soviet pre-emptive bombing from the Soviet-controlled Cam Ranh Bay and Da Nang of Subic and Clark (a mere two hours' flying time away) could wipe out logistical support for the 7th Fleet and the 13th Air Force.

Things are getting sticky in the Pacific. The USSR grows stronger in the area with each passing day, not only militarily but also politically, especially among the archipelagic island ministates in the South Pacific.

It's time for America to wake up.

ROMANIA'S "SPRING OFFENSIVE"

Mr. TRIBLE. Mr. President, in many warring countries around the world, the term "spring offensive" has a singular, significant meaning. It is that time of year when rainly seasons stop, skies clear, and the ground dries and hardens, paving the way for new ground and air attacks against one's opponent.

Each year in Romania, President Ceascescu wages a spring offensive of a different sort—one aimed at persuading the President and Congress into extending for another year Romania's most-favored-nation [MFN] trade privileges. President Reagan will make that decision soon, and true to form, Romania has embarked on a series of duplicitous gestures designed to prove it has finally seen the light on the question of human rights.

Last week, for example, Romanian authorities released a priest from prison. Constantin Sfatcu had been locked away behind Romanian prisons for years. But Sfatcu's only offense was that he resisted the regime's merciless attempts to persecute the Christian church in Romania out of existence.

In a land groaning under the weight of official oppression, a gesture such as Sfatcu's release is a welcome development. We can no doubt expect a few more like it in the weeks ahead. For Ceascescu has embarked on his annual campaign to preserve the MFN status that means hundreds of millions of dollars to his Government.

Every year, the script is the same. The U.S. decision on Romania's MFN status is made by the President in June. Several weeks prior to that, Romania takes a half step toward civilization. It refrains from destroying a church here. It releases a priest from prison there. It promises U.S. diplomats that such steps are the beginning of a new, enlightened era in Romania. Ceascescu swears that the human rights situation will improve, that churches will be free and Bibles plentiful. As a result of these glowing pledges, the United States again extends Romania's trade privileges.

And then, inexorably, the heavy hand of the Romanian state once more descends on the Christian church.

Once more, believers are harassed and intimidated by the state. Churches are threatened with destruction. Prison terms of incarcerated Christians mysteriously lengthen, and the oft-promised flow of Bibles and other religious materials never materializes.

When will we realize the true purpose of Ceascescu's annual courtship of the United States? Despite his annual promises, Ceascescu is a Communist, antireligious to the core. He will release just enough priests to retain his MFN benefits, but no more.

Those who believe otherwise may take comfort from the results of Romania's spring offensive, for one more priest has been freed. But if Romania's MFN is routinely renewed, the reprieve afforded religious believers will be short lived. The respite that arrives in May and June will dissipate by July. What then shall America do for Christians and other oppressed people in Romania?

The United States need not be a party to Ceascescu's deception. I urge President Reagan to recommend against renewal of Romania's MFN privileges. And I urge this Congress to quickly pass legislation I have sponsored that would suspend Romania's MFN status for 6 months.

For Christians and others suffering at the hands of Romania, the next several weeks are crucial. For us, the choice is a simple one. Will we once more rely on Ceascescu's empty promises, knowing that the result for Romania's Christians will be painfully brief respite from persecution? Or will we make clear to Ceascescu that his token concessions will not satisfy America's commitment to human rights and religious freedom?

A TRIBUTE TO HARRY PAUL LUDWIG

Mr. GLENN. Mr. President, I rise today to salute the memory of a distinguished Ohioan, Harry Paul Ludwig, whose untimely death May 6 brought sadness to all who knew and loved him. Harry Ludwig was born in McKeesport, PA and grew up near Akron, OH. He graduated from the University of Akron in 1968 and joined the U.S. Army. From May 1969 to May 1970 he served, with great distinction, in Vietnam as a platoon leader in the Army's elite Ranger corps. His exceptional bravery and courageous leadership under fire earned him numerous awards and decorations. As I read through his award citations, I was profoundly impressed by the description of a man who consistently placed the welfare of his men above his own personal safety, a man of exceptional professional competence and courage.

Harry Ludwig received the Silver Star, the Soldier's Medal, the Bronze Star Medal with "V" Device and two Oak Leaf Clusters, the Purple Heart Medal with two Oak Leaf Clusters, the Air Medal, the Army Commendation Medal with two Oak Leaf Clusters and "V" Device, the National Defense Service Medal, the Vietnam Service Medal with three Service Stars, the Vietnam Campaign Medal with 1960 Device, the Combat Infantryman's Badge, the Parachute Badge, the Vietnam Gallantry Cross with Gold Star and Palm Device, and the Vietnam Civil Actions Medal. This impressive list may well have earned Harry Ludwig the proud distinction of being the most highly decorated Ohio veteran of the Vietnam War.

After leaving the Army in 1971 Harry Ludwig joined the U.S. Secret Service, where he continued to serve with distinction until his death.

I offer my deepest sympathy to his family in their time of grief. I know that they feel his loss most keenly. But while he is gone now, he is not forgotten. He leaves behind a legacy of unbounded courage and devotion to duty. He leaves with us a sterling example of bravery, of natural leadership, and of selflessness. It is a proud legacy, and one in which I sincerely hope his grieving family and friends can find some small measure of comfort.

TRIBUTE TO WDAY

Mr. BURDICK. Sixty-four years ago, a new sound was heard for the first time over the prairies in my home State, a sound that has continued unbroken since May 22, 1922. On that day, radio came to North Dakota.

WDAY, based in Fargo, was the 53d radio station in the Nation—the first in the Northwest, and one of the first to broadcast west of the Mississippi. While the airwaves over Minneapolis were still silent, the people of Fargo were getting news, weather, music, and entertainment over the air. They also heard the occasional sound of bells from the old Fargo courthouse tower where the station first began its broadcasts.

Radio was a new technology in 1922. The sets themselves, homemade or purchased downtown, were cranky and unreliable. I remember straining to hear through the static, and feeling lucky if I caught half the words in any program.

Listening to radio was a novelty in the 1920's. It was a new form of entertainment and everyone loved it. Of course, there were those who said it couldn't last—just a passing fad. Well,

I hope, Mr. President, there will be a campaign in this country somewhere to buy a house for Dr. Bonner near her children in Massachusetts, and that such a house will become the symbol to the world that Dr. Sakharov is not free and does not live in that house.

I pray that someday soon Dr. Bonner and Dr. Sakharov can live in that house and that they will be able to plant the flowers of freedom there in freedom.

Mr. President, I fear very much for them now. I ask unanimous consent that an article from the New York Tribune on their likely future be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Tribune, Apr. 29, 1986]

BONNER FEARS SOVIETS WILL ISOLATE HER AND SAKHAROV FOR LIFE

WASHINGTON, April 29.—Yelena Bonner today accused Soviet secret police of falsifying videotape of her husband, Andrei Sakharov, and said Westerners should believe nothing Soviet authorities say about him.

She also said she believed Soviet authorities would put Sakharov and herself into total isolation when she returns home next month and may try to make them prisoners for life.

She said recent Soviet videotape of an apparently healthy Sakharov was faked, in one case using a 1984 scene of Sakharov eating huge mouthfuls of food to try to disprove he was on a hunger strike in 1985.

She spoke through an interpreter at a conference sponsored by the American Association for the Advancement of Science.

"I'm afraid that we will find ourselves in total isolation," she said. "The West will receive about us only falsified information.

She said Sakharov was concerned that Soviet authorities would attribute false statements to him and said he "asks that you never believe information" not confirmed by his family.

"Information on Dr. Sakharov is filtered through the KGB," she said. "Editing of the film has rendered it into an instrument of disinformation."

She called a statement in the film that Sakharov read *Time* and *Newsweek* magazines "another lie," saying he had not seen those magazines in 6 years.

She also said Sakharov's doctors fed him forcibly, tied him down and humiliated him.

"These were the words of his chief physician: 'We won't allow you to die but we will make a cripple of you'," she said through the interpreter.

She said limited sentences are sometimes turned into life terms by Soviet authorities and the interpreter said, "She said she believes this probably will happen to them."

She said she would return to the Soviet Union in less than a month, ending a 5-month trip to Italy and the United States for medical treatment and a visit with her daughter in Boston.

She had promised Soviet authorities she would not speak to the press during the trip but she began criticizing Soviet authorities at public appearances last month.

She said then that western reaction would determine how Soviet authorities would treat herself and Sakharov.

Although she said she expected total isolation, the interpreter said at the end of the session, "She believes ultimately we all will achieve the release of Dr. Sakharov."

Mr. WALLOP. Mr. President, the great Sakharov is under sentence of death—slow, inexorable, cruel and certain death. I wish our President had defied the advice of those timid souls around him and met with Dr. Bonner to honor Dr. Sakharov. I wish they had said that prisoners of conscience who exist are every bit as important to the world as prisoners of conscience who have been freed. He would have told General Secretary Gorbachev that we care about his cruelty and his country's broken promises to the world.

Mr. President, a country which cannot trust its own people cannot itself be trusted.

GRAVE SOVIET THREAT IN THE PACIFIC GOES UNNOTICED

Mr. WALLOP. Mr. President, Senator GOLDWATER and I recently brought to the attention of the Senate, in our statements in the RECORD in April in support of United States military sales to Taiwan, the dangerous growth of Soviet naval power in the Pacific, particularly in the straights of Taiwan. The Soviet naval expansion there is coupled with an increasing Soviet buildup of Soviet SS-20's in the Far East.

The overall Soviet buildup of its military power in the Pacific is alarming and now poses a grave threat to our national security and to that of our Pacific area allies. I urge my colleagues to pay close attention to this. It must not escape our notice until it may be too late to counter effectively.

For that reason, Mr. President, I ask that an excellent analytical article on Soviet military expansion in the Pacific by Arnold Beichman of the Hoover Institute, which appeared in the April 15 edition of the New York City Tribune, be reprinted in the RECORD to bring this dangerous trend to the attention of the Senate and the American people.

The article follows:

[From the New York City Tribune, May 15, 1986]

LITTLE NOTICE GIVEN TO GRAVE SOVIET THREAT IN PACIFIC

(By Arnold Beichman)

It is extraordinary how little public attention has focused on one of the major geopolitical phenomena of the century: the extraordinary growth of the Soviet navy in the Pacific.

The Pacific Ocean, which President Reagan has just overflown, is no longer mare nostrum ("our sea"), as it was after the defeat of the Japanese navy in 1945.

Public and media inattention to so historic an event is difficult to explain. After all, from World War II to the present, our politico-military problems in the misnamed Pacific area have been far greater and more costly in human life—Mao's China, the Korean war and Chinese entry, Vietnam, North Korea, Kampuchea, the Philippines—than in the Atlantic, where a relative peace has reigned on land and sea for more than four decades.

And it is also in the Pacific area that American business has found important market economy trading partners whose trade turnover with the United States is said to exceed that between the United States and the European Community.

The world's second-largest economy, Japan, living under a Soviet nuclear-missile threat, remains a staunch U.S. ally despite intensive Soviet "active measures" aimed at destabilizing that country and establishing a neutralist, non-aligned Japan.

While at the highest levels of the U.S. Navy there is confidence that in a U.S.-Soviet showdown the United States would prevail, there is no certainty that a USSR which in 20 years has doubled the size of its Pacific surface and air fleet, and which has thereby become a realistic threat to the ASEAN countries, would allow itself to remain permanently in a position of qualitative inferiority to the U.S. Navy. Experts on Soviet naval developments have pointed out that not only is the number of Soviet attack submarines increasing but that their quality is improving.

In addition, the Soviets possess the world's largest and most sophisticated inventory of naval mines, while U.S. Pacific fleet's mine, countermeasures today would be insufficient to deal adequately with even a limited Soviet mining effort.

According to Professor Alvin H. Bernstein, chairman of the Department of Strategy at the U.S. Naval War College, the buildup of Soviet forces in the Asia-Pacific region "shows no sign of abating."

Linked with the Soviet buildup is an increase in the number of SS-20 intermediate-range ballistic missiles in the Far East (one-third of the total Soviet force), and the likely introduction of the longer-range land mobile SS-X-25, which could threaten Australia. Last November, three new Soviet warships entered the Pacific Fleet—a nuclear-powered guided-missile cruiser, the Frunze, and two guided-missile destroyers—as an additional Soviet surface action group.

Writing in the spring issue of *The National Interest*, Mr. Bernstein says: "The quality of Soviet air and naval forces in the East can be expected to improve as well with the introduction of new tactical and strategic aircraft possessing more capable systems . . . and quieter, more operationally sophisticated submarines."

Bernstein does not envision any outbreak of hostilities in the Pacific. Rather he says Soviet developments in the Pacific "add up to an exercise in coercive diplomacy typical of a power that relies on long-term effects of fear to achieve its ends, the most immediate of which is probably to intimidate the regional powers into distancing themselves from the United States."

A more immediate target of Soviet military and naval exercises is Communist China, which recently observed a Soviet amphibious exercise only 100 miles from the Chinese border. The USSR is concerned about Chinese naval operations, particularly in submarine warfare training.

The most immediately serious problem for the U.S. Navy is Subic Naval Base and Clark Air Base, described as the largest U.S. military centers outside U.S. territory. Bernstein cites a recent CIA estimate that within three years the Communist New People's Army, which seeks U.S. ouster from these

have a matched sibling available as a bone marrow donor. Another 9,000 patients annually are diagnosed with diseases that could benefit from this treatment. Their only hope for receiving a potentially life-saving transplant must come from a matched, unrelated donor—if one is available.

In the event of a nuclear disaster, bone marrow transplants would become even more vital. Since many victims of a radiation accident would likely have been with their families at the time of exposure, matched siblings would probably have been radiated themselves, and would need bone marrow transplants as well.

The only way to prepare for this demand is to assure that a population of previously typed donors will be available. Throughout the country, there are several disparate registries of typed volunteers willing to donate if necessary. These are often formed by the families of patients who have become frustrated in their efforts to find unrelated donors.

So the pool of donors is out there, but we need a way to link them together. Experts say that in order to meet the transplant needs of our population, we will need a volunteer group of between 500,000 and 1 million people. Even if small registries could identify that many volunteers, sorting through them to find accurate matches would be next to impossible—especially under the sort of circumstances that prevailed at Chernobyl. The only effective long-term solution must be a single national registry, capable of providing numerous donors in a short time.

Mr. President, the U.S. Navy has launched a pilot project in this direction. I wish them well, and I look forward to the results of their efforts. I also want to commend the Senator from Nevada [Mr. LAXALT] for his work in establishing this effort.

But it is too early to tell whether the Navy project will work. Moreover, in the long run, I believe it is vital that we make a national bone marrow registry a top civilian priority. The Navy assures us that it would make donations available to the general public, and I am sure it would. But this is far too important to place solely under military authority.

A bone marrow registry is not just preparation for civil defense. We need it for other purposes, and we need to now.

Transplantation is perhaps the fastest moving and most exciting medical development in this country. We must do everything we can, in the spirit of the National Organ Transplantation Act, to promote this vital and life-saving technology.

DR. SAKHAROV AND DR. BONNER

Mr. WALLOP. Mr. President, I just came from the celebration in the House of Representatives honoring the 65th birthday of Dr. Sakharov. I heard a speech by his wife, Dr. Bonner, which I think may well risk her life. She made the statement that in the Soviet Union everyone lies—the press, the scientists, even the party lie to their own people, lie to the world, and she said she would never return were it not for her loved Dr. Sakharov and her obligation as a wife.

She said that Dr. Sakharov is in danger, and the West continues to ignore him. It is today that we honor the 65th birthday of one of the greatest human rights fighters of this century, one of the most courageous humans of this century, and one of the most morally grounded and gifted humans this world has ever known.

We must be saddened and angered that he remains in exile in Gorky in the Soviet Union where he is soon to be rejoined by his wife, Dr. Bonner, herself one of the great human rights fighters of this century.

Mr. President, we in the Congress had hoped that this might be a joyous occasion, one to celebrate Dr. Sakharov's freedom. As we know, I introduced legislation this spring to proclaim today as "Andrei Sakharov Honor and Freedom Day", and 29 Senators cosponsored this legislation. But because of the Judiciary Committee rules, and because of what can only be called a desire to be soft the Foreign Relations Committee practically blocked the Senate from any consideration of such a resolution. We worked long and hard to do it, and we wanted to send a clear message to the Soviet leadership, and to General Secretary Gorbachev that there is a price to be paid for their failure to live up to their own solemn promises made in international agreements on human rights. That agreement, like so many others, they simply comply with to their own convenience and ignore with impugnity.

I also sent a letter to the President requesting that he meet Dr. Yelena Bonner who is in this country on medical leave until May 24, and time runs short. Thirty-five U.S. Senators on both sides of the aisle signed that letter. We asked the President to meet Dr. Bonner to make a clear and unequivocal statement on behalf of prisoners of conscience who still remain in the Soviet Union. Despite the release of Anatoly Shcharansky, the continued internal exile of Dr. Sakharov and many others such as Orlov, Marchenko, and Nekipelov remains a statement on the Soviet leaders' unabated and evil denial of the basic human and civil rights of their own people, and of their utter disdain for the agreements they sign.

Mr. President, the most knowledgeable Soviet human rights activists point out that there can be no progress on human rights in the Soviet Union unless the leaders of the West send clear messages to the Soviet leader that he will be held accountable for his and his country's failure to live up to the promises made to the world in written agreements such as the Helsinki Final Act.

I find it inexcusable, as I noted in my April 29 special order on the floor on U.S.-U.S.S.R. nuclear fusion cooperation, that the United States should continue such cooperation with the Soviet Union while one of its leading nuclear physicists, and the father of their fusion research, Dr. Sakharov, remains in exile.

I raised this question in recent hearings in the Senate Energy Committee, and I will continue to do so until Sakharov is freed. Let the Soviet leaders be put on notice that we will keep the pressure on after his birthday ceremony is over. Dr. Sakharov and Dr. Bonner and all others will never be out of our thoughts and actions until justice is done.

Mr. President, I am particularly deeply saddened by the imminent departure of Dr. Bonner. She leaves her children, her aging mother, to rejoin her husband in intolerable unjust internal exile in the Soviet Union. Her courage and devotion are examples to lovers of freedom everywhere on this planet, and her courage moves me deeply. As I saw her surrounded by friends and people who wish she and her husband well, health and freedom, one knows that she is in effect going back to a death sentence unless we in the West can continue to monitor their existence and their well-being.

We must carry on Dr. Bonner's work for her when she returns to that exile and that isolation. We must stand up for the rights of the 13 million people—13 million—Mr. President, identified by Dr. Anatoly Shcharansky, who are in prison, who are in exile, who are in labor camps, who are in gulags because they believed in the principles and promises that the Soviet Government made when they singed the Helsinki accords. No birthday parties, no rallies, or gala concerts can substitute for the hard work we must do to help them and to achieve Dr. Sakharov's release as well as those of other Soviet prisoners of conscience.

□ 1210

I think, Mr. President, that rather than celebrating this day, Dr. Sakharov's 65th birthday, we should perhaps fast, because he is not free, because Dr. Bonner willingly is leaving our freedom to return to share that radical exile with her husband as a wife would.

TABLE 3.—U.S. SALT-ACCOUNTABLE SYSTEMS, 1985–2000, ASSUMING EARLY RETIREMENTS OF POSEIDONS FOR SALT COMPLIANCE—Continued

System	SALT-accountable inventory as of end calendar year															
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Minuteman 3–Mk 12	750	720	630	600	600	600	600	600	600	600	600	600	600	600	600	600
Minuteman 3–Mk 12A	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900	900
MX	0	100	400	500	500	500	500	500	500	500	500	500	500	500	500	500
Small ICBM (Mobile)	0	0	0	0	0	0	0	20	100	200	300	400	500	500	500	500
Subtotal	2,107	2,166	2,370	2,440	2,440	2,440	2,440	2,460	2,540	2,640	2,740	2,840	2,940	2,940	2,940	2,940
SLBM RV's:																
Polaris	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Poseidon–C3	2,880	2,400	2,240	1,760	1,280	800	640	320	160	160	160	160	160	0	0	0
Poseidon–C4	1,536	1,536	1,536	1,536	1,536	1,536	1,536	1,536	1,536	1,152	1,152	896	384	0	0	0
Trident–C4	1,344	1,536	1,536	1,536	1,536	1,536	1,536	1,536	1,152	960	768	384	192	0	0	0
Trident–D5	0	0	0	192	384	768	960	1,152	1,728	2,112	2,496	3,072	3,456	3,840	3,840	3,840
Subtotal	5,760	5,472	5,312	5,024	4,736	4,640	4,672	4,544	4,576	4,384	4,576	4,512	4,192	3,840	3,840	3,840
Heavy bomber warheads:																
B–52G (Penetrate)	700	700	700	400	0	0	0	0	0	0	0	0	0	0	0	0
B–52G (Stdoff/Pen)	1,568	912	352	0	0	0	0	0	0	0	0	0	0	0	0	0
B–52G (Standoff)	0	492	912	1,176	1,176	1,176	1,176	1,176	780	384	0	0	0	0	0	0
B–52H (Penetrate)	870	630	420	210	0	0	0	0	0	0	0	0	0	0	0	0
B–52H (Stdoff/Pen)	144	528	752	672	.....	0	0	0	0	0	0	0	0	0	0	0
B–52H (Standoff)	0	0	140	660	1,920	1,920	1,920	1,920	1,920	1,920	1,920	1,920	1,920	1,920	1,920	1,920
B–1B (Penetrate)	48	400	1,152	1,568	1,568	1,568	1,568	1,568	1,040	512	0	0	0	0	0	0
B–1B (Stdoff/Pen)	0	0	0	0	0	0	0	0	770	1,496	2,200	2,200	2,200	2,200	2,200	2,200
ATB	0	0	0	0	0	0	0	144	424	704	984	1,056	1,056	1,056	1,056	1,056
Subtotal	3,330	3,662	4,428	4,686	4,664	4,664	4,664	4,808	4,934	5,016	5,104	5,176	5,176	5,176	5,176	5,176
Total warheads	11,197	11,300	12,110	12,150	11,840	11,744	11,776	11,812	12,050	12,040	12,420	12,528	12,308	11,956	11,956	11,956

EARTH'S GREENHOUSE EFFECT

Mr. GORE. Mr. President, I want to take this opportunity to discuss what I believe to be one of the most serious long-term environmental problems facing the United States and the World—the greenhouse effect. This phenomenon, which is the result of the buildup of atmospheric carbon dioxide and other trace gases, is causing a global warming that could have disastrous results, including the melting of glacial ice and an increase in the worldwide sea level.

Some scientists predict that the sea level may rise by as much as 1 foot within the next 30 to 40 years. The rise could cause an increase in both the frequency and extent of coastal flooding and erosion due to storms. As a consequence, buildings and roads in coastal regions would be damaged and beaches and marshes would be destroyed.

An article in the April 11, 1986 issue of the New York Times dramatized the drastic impact of the greenhouse effect, and the massive and costly dislocations it might produce. Two geologists proposed storing the excess water that would lead to sea level rise in inland basins before it reached the oceans.

Such a project would divert the flow of rivers around the world into large reservoirs, including the Caspian Sea and the Rocky Mountain Trench. The scientists contend that planning for these projects must be started now, so that they can be well under way in time to avert worldwide disaster.

The environmental and ecological consequences of this approach—not to mention the cost—would be considerable. But the prospect of having to disrupt the world's rivers just to keep our heads above water should illustrate the enormous potential for serious global consequences that the greenhouse effect possesses.

Mr. President, it is imperative that we explore measures to prevent and mitigate the impact of the greenhouse effect. If there is to be an effective global effort to address this major environmental problem, then all nations must coordinate their activities.

To address this problem, I have introduced Senate Concurrent Resolution 96. The bill calls for an international year of study on the greenhouse effect and would be the beginning of a long-term cooperative analysis by scientists from all over the world.

The legislation would first, coordinate and promote domestic and international research efforts on both the scientific and policy aspects of this problem; second, identify strategies to reduce the increase of carbon dioxide and trace gases; third, study ways to minimize the impact of the greenhouse effect; and fourth, establish long-term research plans.

The concept of an international year of scientific study has been used successfully in the past. One example is the 1957 International Geophysical Year, during which monitoring of atmospheric carbon dioxide was begun.

This legislation would provide us the information we need to predict and perhaps prevent the increase in sea levels. Nations and coastal communities will need more data in deciding what action to take.

The sooner we start planning for the future, the better it will be for all of us. In this case, unless we look ahead, the impact of the greenhouse effect may overwhelm us—leaving us as a nation with its finger in the dike while the water flows over the top.

Mr. President, I believe Senate Concurrent Resolution 96 will significantly improve national and international research coordination and cooperation. I urge my colleagues to support this legislation.

NATIONAL REGISTRY OF BONE MARROW DONORS

Mr. GORE. Mr. President, I would like to speak briefly about the growing need for a national registry of voluntary bone marrow donors.

The National Organ Transplant Act of 1984, which I sponsored, called on the National Institutes of Health to conduct a study into bone marrow donations and transplants. A year ago, NIH convened a technology assessment meeting to address the feasibility of a bone marrow transplantation registry.

The study has issued its report, and Mr. President, I am disappointed in its findings. The meeting suggested that we rely on local registries to type and identify potential donors. It advised against a national registry for unrelated donors.

Mr. President, I think the recent disaster at Chernobyl showed the world just how important bone marrow transplantation has become. Dr. Robert Gale heroically offered the Soviets his expertise, and may well have saved many lives.

But Dr. Gale's heroics were limited by the amount of bone marrow available for transplant. There is a tremendous and growing demand for bone marrow. Bone marrow transplantation is the therapy of choice for some 5,500 victims of aplastic anemia, leukemia, or congenital immune deficiency syndromes in this country each year. Four thousand of these patients will not

500 Midgetman missiles are deployed, the capability lost by dismantling the Minuteman III silos would be more than replaced.

10. Deployment of air-launched cruise missiles (ALCMs): For the United States to deploy the planned force of ALCM-quipped heavy bombers yet remain within SALT ceilings, this nation would have(to dismantle many Minuteman III silos under the Poseidon retention alternative or many Poseidon launchers under the Poseidon dismantlement alternative.

Several SALT ceilings compel dismantlement of existing systems as new ones are introduced. SALT I permits the United States to have 710 launchers of Titans and SLBMs; if this nation dismantles all its Titan silos, as is currently being done, it may deploy up to 710 SLBM launchers. As new Tridents enter the force and push the number of Titan plus SLBM launchers over 710, the United States can compensate only by dismantling Titan silos, the two Polaris submarines (which still carry SALT-accountable SLBM launchers but no SLBMs) that are in service as attack submarines, or Poseidon submarines.

SALT II limits launchers of MIRVed ballistic missiles to 1,200, and limits "MIRVed systems" (heavy bombers equipped for long-range cruise missiles and launchers of MIRVed ballistic missiles) to 1,320. Accordingly, either side can deploy 120 heavy bombers equipped for long-range cruise missiles without having to dismantle launchers of MIRVed ballistic missiles. If either side chooses to have more than 120 heavy bombers equipped for long-range cruise missiles yet remain within the 1,320 ceiling, it would have to compensate by having fewer than 1,200 launchers of MIRVed ballistic missiles.

The current U.S. plan is to deploy more than 120 heavy bombers equipped for long-range cruise missiles, as the following Defense Department statement indicates:

As part of the President's strategic modernization program, we modified 90 B-52Gs to carry cruise missiles; all of these are now operational. Additionally, beginning in 1985, we began converting our 90 B-52Hs to carry cruise missiles.[2]

Both of Poseidon retention alternative and the Poseidon dismantlement alternative, as projected in my April 24 memorandum, assume that the United States proceeds with the current plan to convert B-52HS to ALCM carriage, and that B-1Bs are converted to ALCM carriage as B-52G ALCM carriers are retired. In both projections, the United States exceeds 120 ALCM carriers, but remains within the 1,320 ceiling for MIRVed systems by dismantling some launchers of MIRVed ballistic missiles.

Specifically, under the Poseidon retention alternative, 130 Minuteman III silos would be dismantled through 1989, 74-76 to permit deployment of ALCM-equipped heavy bombers and the remaining 54-56 to permit deployment of additional Trident submarines. Even though ten Tridents begin sea trials after 1989, when the last Minuteman III silo is dismantled under the Poseidon retention alternative, no additional silos need to be dismantled. The number of ALCM-equipped heavy bombers reaches 196 (the level projected through 2000) in 1989, and Poseidon submarines must be dismantled thereafter first to remain within the 710 SALT I ceiling and then because of aging.

Under the Poseidon dismantlement alternative, for the period 1986-1989, as many Poseidon submarines are dismantled to permit additional ALCM-equipped heavy bombers as are dismantled to permit additional Tridents. After 1989, as with the Poseidon retention alternative, Poseidons are dismantled first to permit additional Tridents within the 710 ceiling, and later because of aging.

TABLE 3.—U.S. SALT-ACCOUNTABLE SYSTEMS, 1985–2000, ASSUMING EARLY RETIREMENTS OF POSEIDONS FOR SALT COMPLIANCE

System	SALT-accountable inventory as of end calendar year															
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
ICBM's:																
Titan 2	27	13	4	2	2	2	2	2	2	2	2	2	2	2	2	2
Minuteman 2	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450
Minuteman 3–Mk 12	250	240	210	200	200	200	200	200	200	200	200	200	200	200	200	200
Minuteman 3–Mk 12A	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300
MX	0	10	40	50	50	50	50	50	50	50	50	50	50	50	50	50
Small ICBM (Mobile)	0	0	0	0	0	0	0	20	100	200	300	400	500	500	500	500
Subtotal	1,027	1,013	1,004	1,002	1,002	1,002	1,002	1,022	1,102	1,202	1,302	1,402	1,502	1,502	1,502	1,502
SLBM's:																
Polaris	32	32	32	32	32	32	16	0	0	0	0	0	0	0	0	0
Poseidon–C3	288	240	224	176	128	80	64	32	16	16	16	16	16	0	0	0
Poseidon–C4	192	192	192	192	192	192	192	192	192	144	144	112	48	0	0	0
Trident–C4	168	192	192	192	192	192	192	192	144	120	96	48	24	0	0	0
Trident–D5	0	0	0	24	48	96	120	144	216	264	312	384	432	480	480	480
Subtotal	680	656	640	616	592	592	584	560	568	544	568	560	520	480	480	480
Heavy bombers:																
B–52G (Penetrate)	70	70	70	40	0	0	0	0	0	0	0	0	0	0	0	0
B–52G (Stdoff/Pen)	98	57	22	0	0	0	0	0	0	0	0	0	0	0	0	0
B–52G (Standoff)	0	41	76	98	98	98	98	98	65	32	0	0	0	0	0	0
B–52H (Penetrate)	87	63	42	21	0	0	0	0	0	0	0	0	0	0	0	0
B–52H (Stdoff/Pen)	9	33	47	42	0	0	0	0	0	0	0	0	0	0	0	0
B–52H (Standoff)	0	0	7	33	96	96	96	96	96	96	96	96	96	96	96	96
B–1B (Penetrate)	3	25	72	98	98	98	98	98	65	32	0	0	0	0	0	0
B–1B (Stdoff/Pen)	0	1	2	2	2	2	2	2	35	68	100	100	100	100	100	100
ATB	0	0	0	0	0	0	0	18	53	88	123	132	132	132	132	132
Subtotal	267	290	338	334	294	294	294	312	314	316	319	328	328	328	328	328
SNDV SALT accountability:																
Titan plus SLBM Launchers	707	669	644	618	594	594	586	562	570	546	570	562	522	482	482	482
MIRVed ICBM Launchers	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550	550
MIRVed SLBM Launchers	648	624	608	584	560	560	568	560	568	544	568	560	520	480	480	480
Heavy bombers with ALCMs	107	132	154	175	196	196	196	196	196	196	196	196	196	196	196	196
MIRVed ICBM plus SLBM Lnchrs	1,198	1,174	1,158	1,134	1,110	1,110	1,118	1,110	1,118	1,094	1,118	1,110	1,070	1,030	1,030	1,030
MIRVed Systems	1,305	1,306	1,312	1,309	1,306	1,306	1,314	1,306	1,314	1,290	1,314	1,306	1,266	1,226	1,226	1,226
Total SNDV's	1,974	1,959	1,982	1,952	1,888	1,888	1,880	1,894	1,984	2,062	2,189	2,290	2,350	2,310	2,310	2,310
SSBN's:																
Polaris	2	2	2	2	2	2	1	0	0	0	0	0	0	0	0	0
Poseidon–C3	18	15	14	11	8	5	4	2	1	1	1	1	1	0	0	0
Poseidon–C4	12	12	12	12	12	12	12	12	12	9	9	7	3	0	0	0
Trident–C4	7	8	8	8	8	8	8	8	6	5	4	2	1	0	0	0
Trident–D5	0	0	0	1	2	4	5	6	9	11	13	16	18	20	20	20
Total	39	37	36	34	32	31	30	28	28	26	27	26	23	20	20	20
ICBM RV's:																
Titan 2	17	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minuteman 2	440	440	440	440	440	440	440	440	440	440	440	440	440	440	440	440

[2] U.S. Department of Defense. Annual Report, Fiscal Year 1987 (1986): 218. My projections for the no-SALT case, the Poseidon retention alternative, and the Poseidon dismantlement alternative show 194 B-52s equipped for ALCMs. The discrepancy between 194 and the 180 shown in the Defense Department statement results because the latter figure is for primary authorized aircraft, a measure that excludes about ten percent of the bomber force that is expected to be undergoing major repairs or maintenance at any time. The additional ten percent are SALT-accountable, however.

tlement alternative. My estimate of the additional cost, in millions of FY86 dollars, is as follows:

1. Additional Poseidon submarine refueling overhauls: 4 at $160 million each	$640
2. Operation and support for additional ship-years: 71 at $13 million per ship-year	923
3. Scrapping Minuteman III silos: 130 at $1 million each	130
4. Preparation needed to scrap Minuteman III silos	2
5. Minus savings from operating fewer Minuteman III silos: 1,751 silo-years (1986-2000) at $460,000 each	−806
Total	889

Notes (keyed to line numbers above).

1. Refueling overhauls. Estimating additional cost for overhauls under the Poseidon retention alternative as compared to the Poseidon dismantlement alternative requires calculating the number of additional overhauls required by the former alternative and the cost per overhaul.

The Navy's Legislative Liaison Office indicated that 13 Poseidons will require overhauls between FY86 and FY90 (and none thereafter) if these ships are retained to the end of their service lives, or seven overhauls if the Poseidon dismantlement alternative is followed. I have estimated additional overhauls the Poseidon retention alternative requires as follows: The Poseidon dismantlement alternative entails 188 ship-years from 1986 to 1998. (One ship-year is one ship in service for one year, whether the ship is at sea, in port, or being overhauled.) Keeping all Poseidons until the end of their service lives, with no dismantlement for SALT, entails 286 ship-years. The Poseidon retention alternative entails 259 ship-years. The difference between 188 and 259 is 72% of the difference between 188 and 286; applying this ratio to overhauls, 4.32 is 72% of the difference between 7 and 13. Thus the Poseidon retention alternative should require four more overhauls than the Poseidon dismantlement alternative.

Regarding cost per overhaul, Navy Secretary John Lehman indicated on April 16, 1986, in answers submitted to the Senate Armed Services Committee for the record, that a refueling overhaul for a Poseidon submarine would cost $150 to $170 million per ship. I use the average, $160 million.

Note that cost of dismantling the submarines is excluded from this table because all Poseidons would be dismantled by the end of 1998 under either alternative. The United States would delay incurring the costs of dismantling Poseidons, about $20 million per ship, under the Poseidon retention alternative; these costs would be spread more evenly over time in the Poseidon dismantlement alternative.

2. Cost of operation and support. A Defense Department information paper of March 31, 1986, indicated that annual operating expenses are about $13 million a year per Poseidon. The Navy's Legislative Liaison Office indicated that the Navy must pay almost as much during the two years a ship is in overhaul because most of the crew remains associated with the ship. For lack of a precise figure, I used $13 million for each ship-year. The Poseidon dismantlement alternative results in 188 ship-years from 1986 on; the Poseidon retention alternative results in 259 ship-years for that period, for a difference of 71.

3. Cost of scrapping Minuteman silos. The Air Force estimated, on a preliminary basis, that it would cost $1 million to render a Minuteman III silo non-SALT-accountable. No silos would be scrapped under the Poseidon dismantlement alternative, vs. 130 for the Poseidon retention alternative. Another 50 Minuteman III silos will be converted to hold MX regardless of the course this nation chooses on SALT; the cost of that conversion does not affect the present calculation.

4. Cost of preparing to dismantle Minuteman III silos. The Air Force estimates that it would cost $2 million to do the planning and contract preparation needed to dismantle these silos.

5. Annual operating cost of a Minuteman silo. The Air Force indicated that the FY86 operating and support funding for all 1,000 Minuteman silos was $460,393,000, including personnel, and that these costs probably could not be allocated by type of Minuteman. This analysis therefore uses $460,400 as the cost to operate a silo for a Minuteman III with a Mk12 reentry vehicle (RV) for a year. The Poseidon retention alternative would result in 1,751 fewer silo-years between 1986 and 2000 than the Poseidon dismantlement alternative. (One silo-year is one silo operational for one year.)

FORCE COMPARISONS

This section indicates the net advantages and disadvantages for the force structure of the Poseidon retention alternative as compared to the Poseidon dismantlement alternative. For items 1-6, I use RV-years (where one unit is one RV deployed for one year) to measure the differences. For example, deploying 50 MX missiles (10 RVs apiece) for 20 years yields 10,000 RV-years. For item 7, I use ship-years, as explained on page 2. Only measures concerning Minuteman IIIs, Titans, and Poseidons are compared here because they are the only systems assumed to differ in numbers deployed by year between the two cases.

1. Additional SLBM RV-years: 11,360. This measure counts each submarine-launched ballistic missile (SLBM) RV on a submarine that is in service for one year as one unit, whether the submarine is at sea, in port, or in overhaul. It subtracts SLBM RV-years for the Poseidon dismantlement alternative from SLBM RV-years for the Poseidon retention alternative.

2. Additional survivable SLBM RV-years: 6,248. This measure multiplies item 1 by 0.55, as each Poseidon is at sea for roughly 55 percent of its life, during which time the submarine is thought to be survivable.

3. Minuteman III RV-years lost, 1986-2000: 5,253. This measure aggregates the number of Minuteman III RVs lost each year, for 1986-2000, under the Poseidon retention alternative, which requires dismantling 130 Minuteman III silos as one means of complying with SALT. It excludes the 50 Minuteman IIIs removed to permit deployment of 50 MX missiles.

Minuteman III missiles armed with Mk12 RVs, the missiles whose silos would be dismantled, have some ability to destroy Soviet targets (such as ICBM silos, leadership bunkers, and communication facilities) hardened to withstand nuclear weapon effects. Two such RVs would have roughly 75% chance of destroying a target hardened to withstand 2,000 pounds per square inch (psi) of blast pressure, or a 50% chance of destroying a 5,000-psi target. For comparison, Poseidon RVs have a much lower explosive yield and much poorer accuracy, so have a negligible chance of destorying hard targets, while a single MX RV has about a 95% chance of destroying a 5,000-psi target.

4. Additional RV-years: 5,106. This measure subtracts item 3, plus the six Titan RV-years lost in 1986 under the Poseidon retention alternative, from item 1. It shows the gain in total deployed RVs from the Poseidon retention alternative as compared to the Poseidon dismantlement alternative.

5. Additional survivable RV-years: 5,723. This measure subtracts Minuteman III survivable RV-years lost by the Poseidon retention alternative from Poseidon survivable RV-years gained by that alternative. The measure multiplies item 3 by 0.1, the fraction of the Minuteman force that was expected to survive attack in the early 1980s (see FY82 Department of Defense Annual Report, p. 111), and subtracts the result from item 2. Presumably, Minuteman survivability would be even lower in the 1990s, assuming that Soviet ability to destroy silos continues to improve and that no effort is made to harden Minuteman silos further. This measure indicates the extent to which Poseidon retention increases U.S. ability to retaliate after absorbing a Soviet attack.

6. Additional alert RV-years; 333. Minuteman IIIs, operational Titans, and most at-sea Poseidon submarines are assumed to be on alert, ready for prompt launch. This measure subtracts item 3 (and the six Titan RVs operational in 1986) from item 2. It also subracts 656 Poseidon SLBM RV-years from the result to correct for the fact that Poseidon submarines based at Charleston, S.C., that carry the Poseidon missile must travel and long way to be within range of Soviet targets, while the other missile submarines (those carrying the Trident I SLBM, or the Poseidon SLBM but based at Holy Loch, Scotland) are within range of some Soviet targets while in port. It indicates that the Poseidon retention alternative and the Poseidon dismantlement alternative are just about equal in terms of U.S. ability to retaliate against non-hardened targets during an attack, assuming that Minuteman IIIs are launched on warning that an attack is in progress so none are destroyed by enemy fire.

7. Additional Poseidon ship-years; 71. One unit is one Poseidon submarine in service (whether at sea, in port, or in overhaul) for one year. The higher the number, the more submarines will be at sea, and the more difficult it would be for the Soviets to destroy them all.

8. Hard-target capability vs. survivability: The Poseidon retention alternative trades hard-target capability for survivability. It reduces the number of Minuteman IIIs deployed, as noted on page 7. On the other hand, it keeps substantially more Poseidons in the force than does the Poseidon dismantlement alternative until 1995, by which time newer systems with enhance survivability are expected to be deployed in quantity: the "Midgetman" small ICBM, the Advance Technology Bomber, and additional Trident submarines. In 1992, for example, the first year in which Midgetman and the Advanced Technology Bomber are expected to be deployed, the United States would have 23 Poseidons (vs. 30 now), as compared to 14 if this nation followed the Poseidon dismantlement alternative.

9. Permanent loss of Minuteman III silos: Under the Poseidon retention alternative, the United States would permanently forgo 130 Minuteman III silos and the right to convert them to hold MXs or to superharden them for MX, Minuteman, or Midgetman because SALT I and II forbid construction of new ICBM silos. The Air Force Office of Legislative Liaison indicated that current plans are to retain Minuteman II and III at least through 2000, and that there are no current plans to dismantle them after that time because of aging.[1] Dismantling 130 silos would sacrifice 390 RVs, 3.4% of that total RVs projected for 2000 under the Poseidon retention alternative, and perhaps 39 survivable RVs. This nation would thereby lose some prompt hard-target capability.

The loss of the silos would probably not affect future deployment of MX. In the Fiscal year 1986 Department of Defense Authorization Act, Congress prohibited the deployment of more than the currently-planned 50 MX missiles in Minuteman silos. Accordingly, this nation seems unlikely to deploy any MXs in Minuteman III silos that would remain after the first 50 MXs are deployed. If, as many anticipate, 50 MX and

[1] Telephone conversation, May 1986.

clear war. It is more than a gamble: It is an exercise in technological hubris which recent experience—whether with the shuttle or at Chernobyl—warns against.

Midgetman's total costs for research, procurement, deployment, and operation over a 15-year cycle might be about $45 billion for a force of 500 missiles; $45 billion is pin-money for SDI, whose research costs alone might rival this sum. As for the costs of a limited system—not the President's full-scale defense—we have yet to see any official estimates. And for good reason, since one must begin estimating those costs in the hundreds of billions of dollars.

Midgetman's dependence upon arms control is modest, amounting only to the preservation of SALT II limits. Its compatibility with arms control on the other hand, ought to be singularly high since it is a standard piece of modernization, following, rather than establishing any precedent. SDI, on the other hand, demands arms control of the most drastic kind, while creating conditions that work powerfully against any arms control at all.

In short, we have discovered the simplest, earliest, least cost, least risk cure for the problem of ICBM vulnerability; and it is the Midgetman, rather than some early form of SDI. What remains for SDI is its original role as an intriguing possibility in our long-term future; the role that most Americans still think SDI is serving; the role that its developers and enthusiasts have already abandoned.

And yet, Mr. President, why bother to argue all these issues, if SDI is already a fact of life? The reason for so doing is because we still have the ability to make choices about SDI which can mean the difference between its continuing as a force outside of, rather than in support of, rational efforts to prevent nuclear war. In a subsequent speech, I plan to discuss the requirements of such a transition.

SALT DISMANTLING

Mr. GORE. Mr. President, there has been a disquieting silence from the White House, concerning the President's decision in the matter of the SALT no-undercut policy. Weeks ago, the press carried accounts outlining in some detail what he intends to do—dismantle Poseidon submarines and possibly accelerate the Midgetman ICBM—and yet there is still no public statement. Clearly, what is going on is a struggle within the administration as to how this action should be characterized; and the outcome of that struggle is important.

If the President announces finally that he intends to dismantle submarine launchers because they are old and not useful, and that this should not be viewed as a SALT-related action, something will have changed in existing policy. Namely, the next time the question of dismantling arises—and it will happen this fall—the presumption will then be that the President will not order any further dismantling for the sake of SALT compliance. He may of course act contrary to that presumption, but not without seeming to reverse himself.

It is extremely unfortunate that the dismantling issue has been dealt with as an annual crisis, rather than as a long-term policy issue. I believe that the result has been to prevent us from approaching the problem as intelligently as possible; that is to say, we have not asked how best to take the necessary cuts because we have been consumed time and again by debate as to whether the cuts will occur.

In a speech in this Chamber on April 30, I presented materials prepared by the Congressional Research Service, in which the focus was precisely on the question of how best to dismantle. There was a very strong case, in that study, that from a long-term point of view, we should retain Poseidon submarines for as long as possible, rather than put them on the block first. If we want to maintain the largest inventory of survivable warheads for the longest possible time, it would appear that we should consider taking early cuts in Minuteman launchers.

Today, I wish to submit for the RECORD a followup analysis by the CRS which adds considerable detail to the earlier study, mainly in tems of estimating dollar costs of retaining Poseidons for as long as possible, while taking SALT-related cuts in other systems. Based on the calculations in this report, one would conclude that such an approach works out to our net advantage by almost $900 million.

This report is also notable because it makes an effort to focus attention on how dismantling might take place in order to accommodate the conversion of bombers to ALCM carriers, if that process takes us—as seems likely—well beyond the 120 bombers once thought to be the program limit. The right question to be asking is the one posed by the report: How should we best plan dismantlings as modernization proceeds?

Unfortunately, the issue this fall is still going to be whether dismantling will proceed at all. And, if the President frames his current decision in language which announces the end, rather than the continuance of his no-undercut policy, those of us who support arms control must redouble our efforts to conserve what there is, as the basis for better to come.

Mr. President, I ask unanimous consent to have printed in the RECORD a summary and some tabular material which details the weapons systems involved on both sides.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY

This memorandum compares costs and force consequences of two alternative courses of action the United States could follow to remain within SALT I and II ceilings as new strategic systems are added. In the "Poseidon dismantlement alternative," this nation dismantles Poseidon submarines as the primary means of remaining in compliance with SALT; in the "Poseidon retention alternative," other systems are dismantled to delay Poseidon dismantlement.

The Poseidon retention alternative trades ability to destroy hard targets for survivability. It primarily sacrifices some ICBMs that have some hard-target capability but little ability to survive attack in order to retain more SLBMs having negligible hard-target ability but much greater survivability than ICBMs. Specifically, under the Poseidon retention alternative, the United States would dismantle 130 Minuteman III silos. These silos would be permanently forgone because SALT I and II forbid construction of new ICBM silos (but not the deployment of mobile ICBMs). The 130 Minuteman III missiles would carry 13% of the RVs on the ICBM force projected under the Poseidon dismantlement alternative for 2000. In exchange, the Poseidon retention alternative would temporarily retain more Poseidon SLBMs and submarines than would be the case under the Poseidon dismantlement alternative. This increase would last until the middle 1990s, when deployment of a new generation of strategic forces with enhanced survivability is projected to be well underway. The Poseidon retention alternative gives up 5,253 Minuteman III RV-years during the period 1986-2000, where one unit is one RV deployed on a Minuteman III for one year, to obtain 5,723 more survivable RV-years during the same period, where one unit is one survivable RV deployed for one year. (See pages 7-8, item 5, for calculation of this latter figure.)

The net cost to the United States of following the Poseidon retention alternative instead of the Poseidon dismantlement alternative is $889 million (FY86 dollars). Under the former alternative, the net annual cost of deploying each additional survivable RV beyond those provided under the latter alternative is about $155,000 ($889 million divided by 5,723).

Each alternative maintains about the same average number of RVs able to attack targets promptly during the period 1986-2000.

Attention has focused on an interservice aspect of dismantlement for SALT compliance: Should a Navy or an Air Force system be dismantled to permit deployment of a new Navy system? The Poseidon retention alternative would require dismantling some Air force systems (Minuteman III launchers) as Navy systems (Trident submarines) enter the inventory. But the converse situation could also arise. As ALCM-equipped heavy bombers that enter the inventory beginning in late 1986 compel retirement of ICBM or SLBM launchers, the Poseidon dismantlement alternative would require dismantling some Navy systems (Poseidons) as Air Force systems (ALCM-equipped heavy bombers) enter the inventory.

COST

The Poseidon retention alternative costs somewhat more than the Poseidon disman-

example to show how a $30,000 family is better off under the Finance Committee's proposal. However, if that same family in his example bought a modestly priced car, it would not see its taxes cut, but would actually experience a tax increase under the Finance Committee plan because the sales tax on that car would no longer be deductible.

Another example looked at a family making twice the amount—$60,000—but assumed the same amount of an IRA contribution as was assumed in the $30,000 example. If, however, the IRA contribution was doubled commensurate with the doubling of the income, then this $60,000 family in the example would not receive a $580 tax cut under the Finance Committee bill, but rather an $80 tax increase.

In the current environment of trains leaving stations, it is doubly important for the Senate to make sure that it deliberates carefully. I fully agree that the public wants tax fairness and tax reform. They are outraged, and properly so, about the fact that some profitable corporations and wealthy individuals have been paying little or nothing in taxes. We should have a tax reform bill which does away with this inequity.

But the need to do something does not absolve us of the need and the duty to ask questions which the public would like to have answered. Before we proceed, we should have answers available to be reviewed and analyzed.

Simply put, before we do anything else, we should know which Americans would pay more in taxes under the June tax reform bill, and which ones would pay more in taxes under the July tax bill which the budget resolution requires to reduce the deficit. Maybe my fears are misplaced. Maybe the tax reform bill won't lead to tax increases on millions of Americans. But the Senate has a right to know. And, of course, the people have a right to know before we are rushed to judgment.

□ 1150

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 12 noon, with statements therein limited to 5 minutes each.

The Senator from Tennessee is recognized.

Mr. GORE. Thank you, Mr. President.

POTENTIAL HAZARDS AND COSTS OF SDI

Mr. GORE. Mr. President, in my preceding speech on the subject of the strategic defense initiative—the fifth in this series—I analyzed the implications of SDI for national security from the perspective of nuclear deterrence.

I had two objectives in that speech. First, to demonstrate that the relationship between defenses and offenses can be fraught with risk for the United States. Second, to get closer to the real nub of this issue, which is, whether SDI can do anything for national security commensurate with its potential hazards and costs. This second question will be the theme of my remarks today.

The first step in such a discussion must be to define terms; specifically, to make a statement about the purposes of SDI that is consistent with fact rather than rhetoric. The rhetoric, of course, is that SDI will lead to a highly reliable defense against virtually any conceivable nuclear attack directed at the cities of the United States and her allies.

It ought to be clear, however, that reality falls far short of this standard. Indeed, what we may expect of SDI is, essentially, a glorified ballistic missile defense system; differing from the old ABM programs mainly in that its major elements would be based in space. Put in these terms, the issue simplifies into an assessment of risk versus benefit for ballistic missile defense generally, and for placing such defenses in space as a particular approach.

The risks associated with ballistic missile defense have been well understood ever since the exhaustive ABM debate of the late 1960's. What we learned then applies now. While the motive for defending silos may be to improve stability by reducing fear of a successful first strike, there is another way to construe it, and that is as the basis for a first strike capability. Therefore, defending ICBM silos is—inescapably—a powerful stimulant for a dual arms race, in which defenses and offenses continuously scramble over each other in an endless search for equilibrium.

The fact that SDI proposes to place the major components of a defensive system into orbit, does not fundamentally alter its nature or implications. If anything, the shadows of an arms race are only deeper around a space-based defense, as compared to what we now call a "conventional" ballistic missile defense.

If it is true that the fundamental problems relating to missile defenses have not changed, it is equally true that the basic argument in favor of defenses is still with us: a cure for the vulnerability of land-based missiles. And who is to say that this is a negligible problem? Even those who believe that ICBM vulnerability has been wildly overstated are forced to concede its political importance, if only because it has bedeviled all our decisions about strategic nuclear matters for so long.

Anything that might resolve this problem is worth serious consideration. And were there no approach except missile defense, then it would be in order to consider the full range of possibilities, ranging from terminal defense, through conventional ABM defenses to SDI. But stubborn as the vulnerability issue may be, it has also begun to yield to conceptions that restore survivability without defenses and their side effects.

The first and foremost of these concepts is to mesh arms control and modernization in such a way as to make a successful first strike theoretically impossible for either side. This is the route proposed by the Scowcroft Commission, and its major elements are to encourage the de-MIRV'ing of ICBM forces in the long term, with the development and deployment of the Midgetman as a bridge to that outcome.

I have spoken here at other times about the concept of price-to-attack: a measurement of the commitment of weapons required to produce a given level of damage against strategic forces. The price-to-attack Midgetman must be reckoned in terms of a very large fraction of the Soviet Union's ballistic missile force; too large a fraction to support any rational plan of attack. Indeed, given the minimal warning time, it would require the entire Soviet arsenal to attack Midgetman.

Rather, the choice would almost seem to be to leave Midgetman alone, and concentrate on other targets instead. But such a decision would itself be deeply repugnant to anyone planning nuclear war; and it is precisely in the Midgetman's ability to enforce this kind of conflict—this irreconcilability among the essential elements of a first-strike—that its greatest merit lies.

The kind of SDI that we are being urged to build would also seek to deter a first-strike by raising the price to attack our ICBM force. And it is therefore fair to ask for a comparison of these two quite different approaches to the same problem.

By 1992, we can have begun the deployment of Midgetman, which raises the price to attack dramatically. By 1992, we can only have decided that we will attempt to deploy an SDI system at some point in the future.

Midgetman's ability to perform as required is a very sure thing, given the progress of the program thus far, and its reliance on technologies we understand very well. SDI's ability to perform as required is a complete gamble, given the exotic nature of the technologies, and the impossibility of ever testing the complete system except under the circumstances of actual nu-

The 234-page report was prepared by the nonpartisan OTA for the Senate Committee on Commerce, Science and Transportation and the House Committee on Science and Technology. The House Budget and Senate Appropriations committees also posed topics for the study.

"There is no compelling, objective, external case" for building a space station "to be used to support over 100 conceptual uses, fOw of which have been sharply defined or gained wide acceptance as important objectives of the Space program," the study says.

It does not oppose a space station, per se, saying "a persuasive case can be made for acquiring some long-term infrastructure in near-Earth space, some of which would allow a human work force to be retained there for extended periods."

President Reagan has made building a space station a national goal, and the space agency is deciding what such a facility, expected to cost about $8 billion in 1984 dollars, should include.

The report spelled out "kinds" of goals the nation should set: increase the efficiency of space activities and reduce their costs; involve the public; reap scientific, economic, social and political benefits; increase international cooperation; and "spread life, in a responsible fashion, throughout the solar system."

It suggested a number of objectives, such as a global warning system of potentially hazardous natural events; a transportation service from Earth to the moon and "a modest human presence" on the moon; medical studies of direct interest and short space visits by the public.

RECOGNITION OF SENATOR LEVIN

The PRESIDING OFFICER. The Senator from Michigan is recognized under special order not to exceed 5 minutes.

COMMENDATION OF SENATOR BUMPERS

Mr. LEVIN. First, Mr. President, let me commend my friend from Arkansas. He always hits the nail right on the head on this issue and it is the nail critical to keeping that horseshoe on, that is critical to keeping the horse going, which is critical to winning the battle, and which is critical to winning the war. I commend him for it. It is not glamorous stuff; it is critical stuff.

QUESTIONS ABOUT TAX REFORM

Mr. LEVIN. Mr. President, Within a couple of weeks, the Senate will be asked to turn to the tax reform bill reported out of the Senate Finance Committee. Much has been written about this bill. However, despite all of the discussion thus far, it seems to me that a number of fundamental questions have yet to be answered. The Senate is entitled to the answers to these questions before the debate begins—not during or after.

First, both the House and the Senate budget plans assume that revenues will be raised as part of the effort to reduce the Federal deficit. The Senate budget plan calls for raising between $35 and $46 billion over the next 3 years. By definition, a revenue neutral tax bill doesn't address the revenue requirements of the budget resolution. So my first inquiry is, "Where can this additional deficit reduction revenue come from and who is going to bear the brunt of it?"

There is a good deal of confusion related to this point. Senator DOLE and Secretary of the Treasury Baker recently indicated that the tax reform bill may generate a net tax increase for the first year or so—and they seemed to suggest that, somehow, those increased revenues would eliminate the need for revenue increases mandated by the budget resolution for that period. At the moment, according to a report in the Washington Post, House and Senate Budget Committee leaders are resisting that effort. They recognize that the tax reform bill is advertised as being revenue neutral. In other words, any extra revenue that the bill would produce in the beginning of the period analyzed would be offset by reductions in revenue in the end. Using a tax reform surplus to meet deficit reduction goals would be counting revenue twice. A merchant who sells the same item twice can get in trouble and so can the Congress if it double-counts its revenues.

Since there is no net revenue increase in the tax reform bill, we are still left with the basic question: Where will we get the revenue to fulfill the Senate's commitment to reduce the deficit? We can get it in only two ways: from individuals or businesses.

If this new revenue comes from individuals, what form will it take? Well, it probably will not be a rate increase—not when the attraction of tax reform was a 27 percent top bracket. Many people speculate that the budget gap can be filled through excise tax increases of one form or another. But that, for example, might mean that the working poor who are taken off the income tax rolls under the tax reform bill may find themselves paying almost as much, if not more, in increased excise taxes. After all, a 62 percent cut in income taxes for taxpayers making under $10,000 a year (as provided by the Finance Committee bill) sounds large, but averages out to only about $45. And it doesn't take too large an increase in selected excise taxes to extract more than $45 from an individual. The Congress will look mighty foolish if, in June, it proclaims as part of the tax reform bill that millions of people are getting their income taxes cut; and then in July as part of the reconciliation bill required by the budget resolution, it increases other taxes on some items they purchase. It isn't really fair to forget to tell those who are being offered the elixir of tax reform that it may have one heck of an aftertaste.

And if the tax increase needed to meet the budget targets falls on corporations, then that certainly decreases the appeal of the Finance Committee bill. After all, one of its compelling features from a business perspective was that it raised corporate taxes by a net of $100 billion instead of the $120 billion proposed by the President or the $140 required by the House bill. But if you add about $40 billion in deficit reduction taxes to $100 billion in tax reform taxes, businesses may not be as impressed.

Furthermore, a major business complaint about the Tax Code recently has been that it changes every year or so, making planning impossible. If the Finance Committee does not spell out how it intends to raise the revenues needed to meet the budget/deficit targets until after a tax reform bill is voted on, then business may have second thoughts about the whole package when the second shoe drops. Seeking continuity, the business community instead will have found the predictability of a roulette wheel.

The interplay between tax reform and deficit reduction is important. And that is why the Senate wisely decided on April 10, by a vote of 72 to 24, to consider deficit reduction before tax reform. It makes sense for the full Senate to know how the Finance Committee specifically proposes to do its part in meeting the Senate's top priority of deficit reduction, before we lock ourselves into divvying up new revenues in a tax reform bill.

The second basic question which it is essential to answer before we can have an informed debate on this bill is, "How many individuals will be paying more in taxes under this tax reform bill and who are they?" That is why I have asked the Finance Committee to provide the Senate with information before this debate begins on what percentage and what number of taxpayers per income group will be paying more in taxes under this bill and what percentage and what number will be paying less. As the bill has been described, it sounds like the only taxpayers who would be paying more under this bill are some wealthy taxpayers who have been sheltering all or almost all of their income from taxes. But if a significant number of middle-income taxpaying Americans will be paying more in taxes under the Finance Committee bill than under current law, then surely the Senate and the people should be aware of it. The Senate should not be stampeded into acting on a tax bill based on a leap of faith that it will not increase the taxes on a significant number of middle-income taxpayers.

For example, one of the chief supporters of the tax reform bill gave an

COMMANDERS LIST SHORTAGES

But the combat commanders have continued to deliver these warnings:

The armed forces lack enough aircraft and ships for a quick reinforcement of American forces in Europe, or for a rapid deloyment to the Persian Gulf or for contingencies elsewhere.

The forces lack stockpiles of ammunition to sustain them for the many months it would take American industry to produce munitions faster than they were consumed in battle.

High-powered weapons, such as supersonic fighter planes, would use up vast quantities of spare parts in combat. But industry would be unable to produce enough to replace parts as they are used up.

The services lack stockpiles of shoes, cold-weather clothing and other mundane items to carry on a long war.

Combat medical facilities could render immediate care to only three of every 10 men who might be wounded in battle. The Pentagon has drawn up plans for improving medical readiness but it will take five years for that to be carried out.

The combat commanders asserted that those weaknesses could be what they called "war-stoppers." If American forces ran out of ammunition, for example, the United States might have to stop fighting.

Although spending for the items in question has gone up under the Reagan Administration, it has not risen so much as spending for arms. From 1981 to 1985, the Administration obtained from Congress a 65 percent increase in spending for weapons—the budget for which was already greater—but a 49 percent increase for materiel to prepare and sustain the forces.

The commander of United States forces in the Pacific region, Adm. William J. Crowe Jr., told Congress in February: "Shortages of essential war-fighting items still remain to be addressed. These programs must be protected." He cited shortages of air-to-air missiles and 155-milimeter and 8-inch artillery ammunition, as well as spare parts.

Adm. Wesley L. McDonald, who commands American forces in the Atlantic, said that "correcting ordnance deficiencies is my No. 1 priority" in preparing units for sustained combat. He said downward trends had been reversed but "we still have a long way to go." Ordnance comprises arms, ammunition, and military equipment.

Gen. Paul F. Gorman, the Army officer who recently retired as commander of United States forces in Latin America, said the United States lacked enough forces trained for guerrilla warfare and counterinsurgency operations, intelligence gathering units and equipment, small boats and helicopters, medical support and logistics equipment, such as trucks.

EXHIBIT 3

AIR FORCE: NO NEED FOR STATION/MAN-IN-SPACE

There has been no change in the Air Force position that it has no need to use the Space Station being developed by NASA or to have a military man in space.

Asked in a Congressional closed-door session if the Air Force or any other armed service had defined any potential space station requirements since last year, Under Secretary of the Air Force Edward C. Aldridge replied:

"No, sir; we have not, but we have not stopped searching . . . [In late March] I wrote a memorandum to the Vice Chief of Staff of the Air Force asking him to set up a study between the Space Division of the Air Force and the Space Command of the Air Force to continue to look to see if there is something we could do to better define the Air Force role of man in space—Air Force man in space. We have not found that, we call it, 'the pearl,' for the use of man in space at this point, but we have not stopped looking."

Asked to give the DOD position on use of the station, he said:

"The DOD position was, and still is, that we see no militarily useful purpose for the NASA Space Station. In that position statement, we also explained that we would continue to study the potential utility of military man in space and possible use of the NASA Space Station for such things as research and development.

"Since taking that position, we have been studying our options as a user in more detail, and are nearly complete with an extensive study concerning the subject. We will be identifying the types of research and development activities which may be done on a space station within the next year."

STATION DECISION OVERRODE STRONG OPPOSITION

WASHINGTON.—President Reagan rejected strong opposition from the Defense Dept., intelligence community and Office of Management and Budget in his decision to commit the U.S. to deployment of a permanently manned space station within a decade.

Opposition in the Defense Dept. was primarily from Defense Secretary Caspar W. Weinberger and his staff. The Air Force and Navy said they have no current station requirement, but they do not specifically oppose the development.

Even after the President made the station decision, Defense opposition continued, and Weinberger wrote National Aeronautics and Space Administration head James M. Beggs to restate his opposition to the project. The basic Defense concern is that the project will drain development funding in general and dilute some space shuttle resources important to Defense space operations.

There is a view in the White House that the strong opposition from the Defense Dept. actually helped President Reagan make a favorable decision on the station goal. This is because the Administration's Defense Dept. budget already is receiving strong criticism. Had the Defense Dept. and intelligence community strongly supported the initiative, it could have exacerbated the situation with a high-visibility project.

By rejecting the opposition and developing the station for civil space objectives, the White House believes it was able to make a statement on the peaceful uses of space, although NASA will maintain a liaison with the Defense Dept. during the station program.

The White House has received input from numerous military officers supporting the station and saying they believe military station requirements will develop now that the Administration has committed to the project. Reagan also rejected strong opposition from the Office of Management and Budget, believing that the development expense was small compared with the national benefit that will be derived from the initiative.

During Beggs' initial space station briefing for the President and Cabinet, OMB Director David Stockman argued against the development as one additional program that would drive up the national deficit.

The President told Stockman that it was a good thing he was not there when King Ferdinand and Queen Isabella were considering whether or not to fund Christopher Columbus.

OMB continued to fight the program but was effectively silenced when at the end of a later budget session the President ended the meeting by saying he thought it would be a mistake not to approve the station development.

The strength of the President's commitment to the station as reflected in the wording of the State of the Union address continued to be an issue until just hours before it was delivered to a joint session of Congress.

Initially the wording was for just a "permanent" space station, forcing NASA to change some of its own documentation that read "permanently manned."

On the morning of the speech, however, officials supporting the station realized this and other ambiguous wording could be interpreted as less than full presidential support. They were successful in convincing the President to change the wording that had been prepared for him and to instead state specifically, "Tonight I am directing NASA to develop a permanently manned space station—and to do it within a decade."

[From the Washington Post, Nov. 14, 1984]

PLANNED SPACE STATION UNJUSTIFIED, REPORT SAYS

The kind of space station NASA is planning cannot be justified on scientific, economic or military grounds, according to a study prepared for the congressional committees that control the country's space program.

Not just Congress, but the entire nation, ought to consider what the country wants to do in the second quarter-century of the space era, the congressional Office of Technology Assessment said in a report, "Civilian Space Stations and the U.S. Future in Space," published yesterday.

The space station envisioned by the National Aeronautics and Space Administration, the report said, "is only one alternative in a wide range of options."

Thomas F. Rogers, director of the two-year study, said the time has come for the general public to play a greater role in space program goals.

"We've been spending $7.5 billion a year, every year; we can do anything we want to do," he said. "It's great, it's exciting, but we're missing large numbers of important activities by allowing all this to go on under technological drive—not policy drive, economic drive, social drive, the way everything else is done in this country at that level of public expenditure."

NASA spokesman William O'Donnell said the agency would have no comment until it has studied the report.

The report characterizes the nation's goals in space as shortsighted and norrow, reflecting the views only of the science and technology communities and not of the general public, which foots the bills.

It asks, "How can the U.S. people and government justify, today, continuing to make such truly great and continuing public expenditures on space-related matters perceived by most of our general public . . . lying well outside of the mainstream of their personal interests and concerns . . . during an extended period of unusual national financial stringency?"

could be taken from American forces elsewhere.

In a third case, that of a counterinsurgency similar to the early days of the war in Vietnam, Mr. Korb asserted, "We would have no trouble with something like that." American forces have trained for counterinsurgency operations in Central America.

Mr. Korb said further that four million people, twice the number in the armed forces today, could be under arms in a matter of days by calling up reserves and recalling retired personnel.

But he acknowledged that, despite improvements, the armed forces were far short of the air and sea transport needed to carry reinforcements, new weapons, ammunition and spare parts to sustain American forces on distant battlefields.

SWITCH FROM CARTER STRATEGY

After the Reagan Administration came to office in January 1981, it adopted a military strategy fundamentally different from that of the Carter Administration. The change required a basically different policy on military readiness and the capacity to sustain forces in war.

The ability to sustain forces means having a stockpile of weapons, ammunition, food, fuel and other supplies that would enable a unit to continue fighting until American industry could produce enough to replace losses in battle. That capacity is usually measured in the number of days' supplies on hand.

THE CARTER ERA ASSUMPTION

In military policy, the Carter Administration assumed that a war with the Soviet Union would be fought with conventional arms for 30 days, then with nuclear weapons, and so ammunition and spare parts would be needed for only a month.

In contrast, the Reagan Administration has asserted that a nuclear stand-off is possible with a stronger United States deterrent. But the Soviet Union, officials reasoned, might then be tempted to war on the United States and its allies with its much larger conventional forces.

To deter Moscow, the Administration has set a goal of having all forces ready for combat on the first day of a war and the capacity to sustain battle until American industry could shift into large-scale wartime production.

Mr. Korb, who is Mr. Weinberger's senior adviser on readiness, said in the interview that the armed forces were ready for about 15 days of intense battle when the new Administration took over in 1981.

If a war in Europe on the scale of World War II broke out tomorrow, he said, "We would have enough to get involved, to deal with the situation and to buy us time to do all the other things we need to do." He referred to conscription and industrial mobilization.

"We could fight in Europe in a war as intense as the so-called Six-Day War with the supplies we have on hand, against a maximum threat, easily for a month," Mr. Korb said, referring to the war between Israel and Arab nations in 1967, which was notable for heavy firepower on both sides.

He said that by using older munitions in reserve stocks, such a war in Europe could be extended to closer to 45 days. "By the end of the decade," he said, that time "will be twice as much as we have now," assuming that funds were approved by Congress, many members of which would prefer spending for lucrative weapons programs in their home districts.

CONFIDENT ON SUPPLIES

If American forces are sent to the region around the Persian Gulf to protect the industrial world's oil sources, "they're not going to run out of ammunition within a month," Mr. Korb said, adding, "Longer than that, they'll take the materiel from someplace else."

"Assuming that you didn't have trouble in other parts of the world," he said, "you would be able to drain those stocks." Implicit in that assumption, however, is the danger of hostilities in two places, such as the Persian Gulf and Korea, at the same time.

While senior civilian officials and military officers in the Pentagon have focused on procuring new weapons for the future, field commanders have complained that they have been shorted on ammunition and spare parts to fight a war now.

Mr. Korb, who has been a spokesman for the field commanders in debates within the Defense Department, said that decisions to cut back on ammunition and spare parts as the military budget has come under pressure have been reasonably balanced.

NOT THE "EASY WAY OUT"

"We haven't taken the traditionally easy way out of budget cutbacks," he said. That way would have been to slice into mundane accounts for bullets and repairs rather than airplanes and tanks.

Mr. Korb, however, cautioned Mr. Weinberger in a memorandum in February that military readiness could become a public issue and added, "Any time one tries to simplify and summarize a subject as complex as defense readiness, he is vulnerable to challenge."

In the interview, Mr. Korb said that to expand the forces rapidly "we could get the people we have our hands on now within days." There are 2.1 million men and women on active duty and 1.5 million more in the individual reserves.

In addition, retired officers and non-commissioned officers under the age of 60 could be recalled to relieve active duty personnel at desk jobs. "We have retirees walking around with orders right now," Mr. Korb said.

CARGOES AND CAPACITIES

As for air and sea transport, Mr. Korb acknowledged, there is a long way to go. His staff said that in 1981 the armed forces had a capacity of 28 million ton-miles a day, the equivalent of moving 28,000 tons of cargo a thousand miles. That has been increased to 33 million ton-miles a day this year.

The staff said that airlift capacity was scheduled to reach 50 million ton-miles a day in 1990 but that the goal of 66 million ton-miles a day would not be reached until 1996. That capacity includes military aircraft and civilian planes used in emergencies.

At sea, the armed forces had shipping with a capacity of 3.1 million tons in 1961. By this year, that had increased to 3.8 million tons and was scheduled to reach 4.1 million tons by 1990. But the goal of 4.6 million tons would not be achieved until about 1996, the staff said.

[From the New York Times, May 22, 1985]

FUNDS FOR MILITARY READINESS AT ISSUE

(By Richard Halloran)

WASHINGTON, May 21.—The military programs bill being debated in the Senate today would cut funds for military readiness despite pleas from operational commanders that such programs be protected.

Commanders who would be responsible for military operations have asserted that their forces already have deficiencies that would make it impossible for them to sustain a prolonged campaign fought with conventional arms.

The Senate Armed Services Committee has recommended that funds the Reagan Administration requested for operations and maintenance, a leading element in budget accounts that provide for readiness, be cut by $1.5 billion while the House Armed Services Committee has recommended a $1.8 billion cut.

Congressional officials said more cuts would most likely be made by each house since operations and maintenance, for which the Administration had requested $20.9 billion, have little support among Congressmen, who prefer weapon programs that bring money and jobs to their districts. The 1985 budget was $20.9 billion as well.

The operations account includes training, flying, steaming ships, practice ammunition and other elements that go into making forces ready for combat, plus pay for civilian employees of the Defense Department.

RELIANCE ON NUCLEAR WEAPONS

Other funds for readiness and sustaining a campaign are scattered elsewhere in the budget. An account of those categories is difficult until the legislation has been adopted and funds have been recalculated to show what has been allotted to readiness and sustainment.

The commander of American forces in Europe, Gen. Bernard W. Rogers, told Congress last week that the lack of capacity for sustained warfare in his command "compels the alliance to rely excessively on the early first use of nuclear weapons."

General Rogers said that even though the capacity of his forces had improved in recent years, his troops would be unable to sustain a conventional battle for long because they lacked "trained manpower, ammunition and war reserve materiel."

General Rogers was reflecting a theme that ran through the testimony of operational commanders when they testified earlier. They said that despite the $1 trillion spent on the armed forces since 1981, their forces have crippling defects.

DEFICIENCIES IN TRANSPORT

For instance, Gen. Wallace H. Nutting, commander of Army and Air Force combat units in the United States, singled out shortages of air and sea transport as a deficiency. "No matter how combat-ready our forces are," he said, "they represent a paper that is without the ability to rapidly deploy various crisis zones."

In contrast, Secretary of Defense Caspar W. Weinberger said in his annual report to Congress, "We are confident that we have achieved the level necessary to deter aggression today and, if necessary, to react effectively."

Similarly, the Secretary of the Navy, John F. Lehman Jr., testified, "The fleet is more ready to go in harm's way than at any time in recent peacetime history." He dismissed critics as "amateurs purporting to speak with authority."

The readiness issue arose last year when a report from the House Appropriations Subcommittee on Defense asserted that the armed forces could not sustain conventional combat. Mr. Weinberger denounced that as "not only wrong but dangerously wrong."

will somehow materialize in the future or that it is simply not important.

MYTHOLOGICAL JUDGMENTS

The problem with this practice is, if you gamble wrong, you lose a war.

There is an old saying among fighter pilots: "A fighter plane without munitions is just another unscheduled airline." Unfortunately, our own war-reserve planning is based on a series of mythological judgments that may be better suited to operating the world's largest airline instead of winning a war.

In a war, particularly a major war in Europe, our forces are certain to meet a massive number of enemy tanks. At last count, Warsaw Pact tanks outnumbered NATO tanks 2½ to 1. The Warsaw Pact has amassed 50,000 tanks and produces 3,600 more each year. The destruction of a certain percentage of these tanks by U.S. forces in a major war is allocated to the Air Force. The remainder of the task is left to the Army.

For the sake of illustration, let us assume that the Air Force must destroy a mere 10% of these tanks. A "probability of kill" (Pk) is assigned to various Air Force weapons to destroy enemy tanks—probabilities ranging as high as 0.85 Pk (i.e. once the weapon is fired, the assumption is that there exists an 85% chance the weapon will destroy its target). Thus the total number of Warsaw Pact tanks times 0.10 divided by 0.85 would provide a rough estimate of war requirements for a particular munition. From there, a procurement objective is established for the first 30 days and 60 days of a war.

With two exceptions the current Air Force munitions level, even calculated using such a loose set of assumptions as described above, does not approach even the 30-day war requirement. Some other rules of thumb that aren't considered include:

The probability of kill assigned to each weapon is almost always optimistic. The original claim for the Air Force's "Sparrow" missile was a Pk of 0.85. In operation it actually achieved a kill ratio an order of magnitude lower.

In the case of Air Force air-to-ground weapons assigned to kill tanks, the assumption that weapons will be fired only at tanks is a delusion. For every weapon fired at a tank it is probable that 20 will be fired at trucks, armored personnel carriers and other enemy vehicles.

During long storage periods of WRM, weapons "disappear." Faulty weapons and munitions that degrade over time and can be identified are often removed from the WRM stockpile and never replaced. After 10 years less than half of the original allotment may still exist.

Even the strongest advocates of high-tech weaponry and "smart" missiles will acknowledge that 20% to 30% of the weapons will not work due to an inherent complexity that increases their likelihood of failure. When war begins these weapons are worthless, and unfortunately cannot be identified beforehand.

Once a war commences, munitions will be lost at a tremendous rate—a factor also not considered in the calculations of WRM. These include munitions that go down with a lost aircraft or resupply ship, those lost when a base or depot is overrun by enemy advances, munitions stored in the Pacific theater while the war is in Europe and munitions lost in the chaos of war.

U.S. war planners are content to gamble on a high-stakes, winner-take-all, short-war scenario that risks lives and joepardizes the freedom of the U.S. and its NATO allies. Content with less than a 30-day supply of munitions, it seems our war planners must be operating from one of four assumptions:

There won't be a war. This is a wonderful hope, but a dangerous assumption. If our conventional-munitions stockpile is known to be inadequate, our policy represents the opposite of deterrence. In fact, it only makes war more likely since it is an invitation to attack.

There may be a war, but it's one we can win in just a few days. Some people believe a short, vicious blitzkrieg type of war is possible. Possible, yes. But if the Soviets win, we lose. If NATO forces could stop an initial massive Soviet armored thrust there would have to be a second, much longer and brutal campaign to regain our initial losses. With the Soviet's massive advantage in heavy armor, no serious observer believes that NATO would win a short war.

Losing a war is not all that bad an option. No one believes that losing Europe to the Soviets is an acceptable option. Today, the world industrial centers are the U.S., Japan, Europe and the Soviet Union. A new alignment in which Europe is enveloped in the Soviet Bloc would completely disrupt the balance of power.

We'll resort to tactical nuclear weapons when the going gets tough. This option, unfortunately, is all too real. However, it raises serious questions: Will the use of tactical nuclear weapons be allowed in Europe? If so, will their use escalate the conflict to the strategic nuclear level?

Assume for the moment that they will not be used. We then face the specter of embracing option three (losing Europe to the Soviets is an acceptable option) because, as is evident, our pitifully small WRM stockpiles surely do not support the pipe dream expressed in option two (we can win a major war in just a few days). "Use 'em or lose 'em" inevitably will be the driving philosophy as NATO starts to lose a conventional war.

Once tactical nuclear weapons are employed it is certainly a madman's guess as to whether their use can be contained or if one side will escalate into an all-out nuclear exchange.

These scenarios can be avoided. The U.S. and NATO have the resources to ensure an adequate WRM stockpile to deter and quite possibly win a conventional war in Europe if the Soviets attack.

In 1980 the Pentagon budget was $130 billion. Today, after five years of low inflation, that budget is now $300 billion. Yet our WRM stockpiles are still in sad shape. Only 4% of the Air Force's budget, 4% of the Army's and 5% of the Navy's are earmarked for munitions procurement.

The services currently are drafting and revising plans for their FY 1987 budgets. To date, the Air Force has comtemplated its needs and decided that 22% of its "cuts" to meet budget constraints should be applied to the paltry 4% of the budget dedicated to . . . munitions.

Even at that, cuts were not applied evenly across the munitions budget. The low-cost 30-mm bullet, the one truly proven and tested antitank killer, was zeroed out. Air-dropped cluster munitions, land mines and other simple munitions took cuts of about 50%. The remaining munitions budget was dominated by two weapons: the IIR Maverick missile and the Amraam radar missile.

Both of these weapons are enormously complex and expensive, and neither has ever passed a genuinely combat-relevant test. But spending for each system approaches a billion dollars a year. Funding of the Maverick was cut about 10%. Funding for the Amraam was actually increased more than 10%.

STRAIGHTFORWARD REFORMS

This week, Sen. Gordon Humphrey (R., N.H), chairman of the Preparedness Subcommittee of the Senate Armed Services Committee, will begin the first of four hearings to address the problem. Reforms in this area are fairly straightforward.

War-reserve munitions budgets for all of the services should be at least doubled. Also, allowances for munitions loss rates and inefficiencies must be included in future calculations of WRM requirements.

Furthermore, we should not purchase any munitions until they pass sufficient, strenuous testing in combat simulations.

And finally, the 30-day requirement for supply levels should be immediately replaced by a requirement to store enough munitions to last from the start of the war until industrial mobilization can sustain a prolonged conflict. This period is typically as short as six months, but could be as long as 18 months.

If the U.S. and its allies are not willing to initiate these steps through their armed services they will continue to walk hand in hand down a path that unnecessarily endangers the lives and liberty of free people throughout the world.

[From the New York Times, Aug. 25, 1984]

U.S. TROOPS TERMED ABLE TO FIGHT FOR 30 DAYS IN CONVENTIONAL WAR

(By Richard Halloran)

WASHINGTON, Aug. 23.—The Defense Department's senior official responsible for military readiness says American forces could fight in a conventional conflict of the intensity of World War II for at least 30 days with the supplies on hand, twice as long as four years ago.

The official, Lawrence J. Korb, also said in an interview, that the readiness of the armed forces and their ability to continue fighting would double again by the end of the decade, to 60 days, if Congress approved President Reagan's military budgets.

Mr. Korb, the Assistant Secretary of Defense for manpower, installations and logistics, provided the most specific defense of the Reagan Administration's posture on military readiness since the release of a critical staff report by the House Appropriations Committee a month ago.

That report, made public by a committee controlled by Democrats, contended that military readiness had declined, despite rising military spending, and that United States forces could not sustain combat against the Soviet Union or any lesser power.

Since then, Secretary of Defense Caspar W. Weinberger and other Administration officials have traded charges with leading Democrats over military readiness. Walter F. Mondale, the Democratic Presidential candidate, has contended that too much money has been spent on nuclear arms and not enough has been spent to make conventional forces ready.

CONFIDENT ON COUNTERINSURGENCY

In the interview Wednesday, Mr. Korb said American forces could sustain a war of the same intensity as the Korean War for 30 days in the region around the Persian Gulf. After that, he said, arms and supplies

more munitions than ever before, and the 1973 Arab-Israeli War, are factored in.

Ammunition types are divided into two categories: threat-oriented and level-of-effort ammunition. Threat-oriented ammunition, such as Pershing II missiles, are target-limited, so demand for ammunition is calculated by the number of rounds needed to defeat a specified number of targets. The level-of-effort category—rifle and cannon fire, for example—is assumed to be shooter-limited with demand contingent on the average number of rounds expended per shooter per combat day.

In event of a major war in Europe, the Air Force would be assigned a certain percentage of enemy weapons to destroy and the Army would target the rest.

But there are many gaps. Maj. Gen. Alexander K. Davidson, director of plans at Air Force headquarters, told a Senate Armed Services subcommittee hearing in December that munitions requirements for his service "are computed only for certain scenarios. Munitions required to support any other contingency operation must be taken from stockpiles developed for those particular scenarios."

The Air Force computer model figures the probability of kill for each of 3.5 million combinations of aircraft, weapon, target, weather and scenario. Other calculations follow and a munitions objective is established.

"The models don't take reality into account," insists Heubusch. "They ignore the fact that war is chaotic, that supply ships get downed, that sometimes you have to jettison supplies from an aircraft, that there are a lot of accidents."

Korb insists that the computer models used by the Pentagon "are the best the state of the art has." But Smith has called for reforms that would make allowances for such munition loss rates and inefficiencies.

The passage of Gramm-Rudman during the last frenetic days of the 1985 congressional session has introduced a new—and worrisome, to many—element into the calculations of future defense budgets. The historic law requires Congress and the president to eliminate the $200 billion federal deficit by 1991 and triggers massive spending cuts to achieve that goal. Democratic Rep. Les Aspin of Wisconsin, chairman of the House Armed Services Committee, predicts that Gramm-Rudman will cause future defense budgets to decline by 10 percent annually.

Despite a bleak outlook for ammunition funding, readiness and sustainability advocates are heartened by the increased attention being paid to the ammunition issue by some members of Congress. Smith recently aired his complaints on *The Wall Street Journal's* editorial page and Republican Sen. Gordon J. Humphrey of New Hampshire, chairman of the Senate Armed Services Subcommittee on Preparedness, has held hearings on the issue.

Meanwhile, Mandelbaum, the assistant director of logistics, says that because the United States is so far short of its long-term munitions goals, the Pentagon is currently "making an assessment of our capability, given where we are and where we can potentially go under realistic fiscal constraints."

[From the Baltimore News American, Nov. 3, 1985]

U.S. MUNITIONS STOCKPILE LOW

(By Knut Royce)

WASHINGTON.—The United States military's shiny new guns have no bullets.

After five years of record peace-time spending for state-of-the-art airplanes, ships and tanks, the Pentagon's munitions stockpile today might not be able to match what was dropped or fired in a month in Vietnam.

More worrisome, a fully mobilized industry would need nearly two years to catch up to wartime requirements. No one expects the United States to have the sustained buildup time it enjoyed in World War II or in Vietnam if Warsaw Pact nations suddenly invaded Western Europe.

Some U.S. Army units in South Korea have a three days' supply of ammunition to halt a North Korean invasion—but only if they carefully control their fire, according to a congressional study. Fighter pilots train for years without even launching a missile and NATO officials fear they would have to resort to theater nuclear weapons after the first several days of a Soviet bloc invasion.

The Army's Concept Analysis Agency, which reviews theoretical war models and projects requirements, annually—and vainly—recommends that the purchase of rockets, bombs, artillery shells and bullets be increased five-fold and that this level be usustained for five to 10 years, according to military sources.

That's the good news.

The bad news is that the problem might be getting worse. While Pentagon spending has been soaring overall, funding for conventional munitions hit a peak in fiscal 1982 but has been anemic ever since. The military, according to internal Pentagon records, expects low ammunition purchases through 1991.

Spending for tactical missiles has increased significantly, but because they are so costly, they are bought in far fewer numbers than conventional munitions.

Today, according to congressional, military and industry experts, America's munitions stockpile is only marginally improved from the late 1970s, when military readiness was at a low. This nominal growth is in sharp contrast to the enormous funding increases over the past five years for the weapon systems designed to shoot those munitions.

Underlying the problem, they say, is that, with the exception of the costly missiles, there is no constituency inside the Pentagon or in Congress to support the buying of bombs, bullets and rockets.

"There's nobody home in the Pentagon," said Ray Thorkildsen, who retired last year after 21 years in the Pentagon as a munitions specialist. "So a good part of the (munitions) community now calls me just to chat, to get advice, guidance and help. There isn't anybody over there (at the Pentagon) who advocates ammunition."

A Pentagon spokesman said that senior officials there would not comment on the military's munitions stockpile because they do not want to "upstage" testimony they will give Thursday before a Senate Armed Services subcommittee scheduled to hold hearings on the matter.

But Lawrence Korb, until recently the assistant secretary of defense for manpower, installation and logistics, agreed that the services often "lowball" munitions requirements. But he also points an accusing finger at Congress.

"Munitions didn't seem to have much of a lobby and they seemed to cut (funding) quite a bit at the Hill," he said in an interview. "It was comparatively easier to cut munitions as opposed to big weapon systems. If you canceled a big weapon system that was authorized, everybody would know it, whereas if you cut munitions, it was really hard to get a lot of people excited about it."

Sen. Gordon J. Humphrey, R-N.H., chairman of the Senate armed services preparedness subcommittee, which has jurisdiction over the funding for munitions and will hold Thursday's hearings, is alarmed by the consequences of this neglect.

"I don't want to scare everybody out of their wits," he said in an interview, "but we're simply unprepared in this area of conventional munitions. This area has been underfunded year after year, to the point that the Defense Department no longer asks for anything close to what it needs, so used are they to the (munitions) budget being slashed."

Korb, who was a respected bureaucrat, arrived at the Pentagon in 1981 with a Reagan administration breathing fire and brimstone at the military's lack of readiness to go to war and ability to wage it over a period of time.

The new administration promptly doubled from the previous year the fiscal 1982 budget request for Army ammunition (such as rockets, bombs, artillery shells and bullets) to $3.9 billion, and this was approved by Congress. Then the backslide began.

By 1983 Congress' ammunition funding for the Army dropped to $2.6 billion. It remained steady the next two years, but this year's funding is expected to be $2.1 billion.

The Army had planned for sizable increases in ammunition funding in the latter years of five-year plans.

Korb said that the administration's plan was to secure the hefty munitions buy in 1982, then "going very heavy in weapons procurement in 1983 and 1984, and then in 1985 going very heavy on munitions to support the procurement."

"But by the time 1985 came around, we were beginning to feel the (overall defense) cutbacks," he said.

[From the Wall Street Journal, Oct. 29, 1985]

RESTOCK INADEQUATE MUNITIONS RESERVES

(By Denny Smith)

The U.S. and its allies must build up their munitions stockpiles immediately. The need for such action is best demonstrated by recounting an incident during the 1973 Yom Kippur War. By day six of that war Israeli forces were close to running out of munitions. Without the help of an 11th-hour massive munitions airlift by the U.S., the Israelis would have been driven into the sea.

The lesson learned? Israeli war planning fell far short in establishing the proper level of war reserves. They, like the war planners of most Western nations, established a war-reserve requirement that is based on a huge gamble, a gamble that war would not come or that a war could be won in a few days.

Alarmingly, the U.S. is in precisely the same condition as was Israel prior to the Yom Kippur War, with one important exception. We have no one to bail us out.

Always present during times of fiscal austerity is the requirement of stretching a military budget. In this budget-stretching game, War Reserve Munitions (WRM) take a back seat to the procurement of glamorous, sophisticated and expensive weapons carriers. Our own Defense Department places the lion's share of money into the procurement of a relatively small number of expensive weapons platforms, and gambles on the notion that either sufficient WRM

private ammunition manufacturer. Adds a former Pentagon official, "Ammunition always takes second place . . . until you get into combat."

The shortage is exacerbated by the fact that the other NATO members have even less ammunition than the United States. In addition, some U.S. officials question whether in a general mobilization U.S. industry will be able to make up for years of neglect. "The capacity of the production base is well short of the mobilization requirement," Mandelbaum says.

Some officials—Republican Rep. Denny Smith of Oregon, for one—say the situation is actually much worse than it appears because the assumptions used to predict ammunition requirements are seriously flawed. "The [computer] models wildly understate the need," says Smith aide John Heubusch.

The deficiencies in munitions are longstanding and well documented. R. Joe Hammond, who served with the Army's ordnance division from 1950 to 1977, was so concerned about weaknesses in this area that he wrote a book about the importance of ammunition stocks and manufacturing capability. "With almost three-quarters of the 20th century as history, major historical 'lessons learned' have been promptly ignored," he wrote.

In 1983, a stinging investigation by the House Appropriations Committee concluded: "The Army has neither sufficient materiel and ammunition stockpiles now nor sufficient industrial surge capacity to equip the current force and sustain combat operations."

U.S. Army Gen. Bernard Rogers, the NATO commander, sent shudders throughout the alliance with repeated warnings that NATO forces would be able to repel the Warsaw Pact with conventional weapons for only a short time before they would have to escalate to nuclear weapons.

"They don't have enough conventional munitions to fight the war as long as may be necessary to keep it from escalating," agrees Lawrence J. Korb, former assistant secretary of defense for manpower, installations and logistics. Exact totals of U.S. and NATO war reserve stocks are classified. Korb, who is now vice president of corporate operations for the Raytheon Corp. in Washington, D.C., says the United States could fight an all-out war in Europe for 30 days.

But Heubusch, Smith's aide, says: "We have barely enough to last through a couple of weeks."

Critics of the administration's defense spending priorities cite many examples of ammunition shortages. The House Appropriations Committee study, for instance, found that the average fighter pilot at Langley Air Force Base in Virginia fires only one live missile every one to two years because training with live munitions has been scaled back. A Pentagon source said in an interview that stockpiles are insufficient to deploy the Army's AH-64 Apache advanced attack helicopter in combat with a full load of 30mm ammunition. "We'd run out after a few sorties." he predicts.

John Buchanan, a retired Marine Corps lieutenant colonel, says that during his career, the ammunition for "air weaponry was measured in days, in many cases, less than a week." Buchanan, now a senior analyst for the nonprofit, Washington, D.C.-based Committee for National Security, says the Marine Corps has no pre-positioned ammunition and plans to rely on Army supplies in the event of war. "That always does make you nervous," he says "The most important thing is to have ammunition on hand to be able to fight."

According to Congressional Budget Office Director Rudolph Penner, the United States spent $46 billion on munitions stocks between 1981 and 1985, and this has increased reserves significantly. Still, he says, "major gaps exist . . . between what the services have and what they say they need to meet a full range of possibilities."

Pentagon figures show that during the past five years Army stocks rose by 14 percent, the Navy's by 58 percent, Marine Corps' by 24 percent and the Air Force's by 62 percent. However, the Defense Department's own figures show that in 1982 this still left the Army with only 80 percent of its ammunition requirements, while the Navy had less than 30 percent, the Marine Corps about 45 percent and the Air Force just over 30 percent.

In the past, the Pentagon has projected that it could fulfill its munitions goals by the early 1990s, but some analysts fear that the timetable could be derailed by a Gramm-Rudman budget cutting mandate. "Under Gramm-Rudman, the first thing that would be cut is ammunition," says Buchanan.

During the last five years of extraordinary overall defense growth, funding for Army munitions accounts has been erratic. In fiscal 1982, Congress appropriated $2.38 billion for ammunition. But in fiscal 1983 and 1984, Congress only appropriated $2.1 billion and $1.98 billion, respectively. In 1985, that amount jumped to $2.6 billion, but declined again—to $2.49 billion—in 1986. In fact, while Army leaders are asking for increases in their total budgets, Brig. Gen. Guy P. Bowen, executive director for conventional ammunition for the Army, told Senate subcommittee questioners last October that his service plans to request $200 million less for fiscal 1987. Subsequent proposed requests for conventional munitions—not padded against inflation—call for $2.2 billion in fiscal 1988, $2.3 billion in 1989, $2.5 billion in 1990 and $2.6 billion in 1991. According to Korb, the Army itself has cut back on its sustainability goals, dropping the requirements for a 60-day supply of munitions by 1988 to a 50-day supply.

Funding for tactical missiles rose significantly over the past five years as the Air Force in particular, sought to equip the aircraft in which it invested heavily and which are now coming on line. But because the missiles are more costly, fewer numbers can be bought than other types of conventional munitions.

Smith, who is co-chairman of the congressional Military Reform Caucus, faults the Pentagon for lavishing its proportionally meager munitions budgets on many of the wrong items. He has criticized continued and, in some cases, increased funding for munitions that are costly, complex and untested in combat, while other, simpler, less expensive, proven items are neglected.

In particular, Smith criticizes significant additional investments in the IIR Maverick missile and the advanced medium-range air-to-air missiles (AMRAAM), which cost about $1 billion a year, and, yet, "have never passed a genuinely combat-relevant test."

Moreover, he charges that the Pentagon in its 1987 budget deleted funding for the low-cost 30mm bullet—which he calls "the one truly proven and tested anti-tank killer," while money for air-dropped cluster munitions and land mines was cut by about 50 percent.

The General Accounting Office (GAO) also has criticized munitions spending practices. Last year, GAO issued a report suggesting that $1.1 billion in Amry ammunition funds be rescinded because of technical problems, excess inventory, production delays or overstated costs. Defense experts say the GAO conclusions should not be interpreted as evidence that munitions budgets are too high, rather that the Pentagon has incorrectly allocated the money to certain items.

At the heart of the debate over ammunition stockpiles is the United States' wartime production capability. Some defense experts believe the administration is correct in investing more heavily in tanks, aircraft and ships because it takes longer to produce weapons than it does munitions. But others say that under current conditions it would take the U.S. production base—a combination of Army-operated plants, plants run by private companies under U.S. contract, and companies that make munitions and their components—two years or more to fully mobilize, a weakness that cripples the country's ability to respond quickly and decisively in the face of an attack.

Smith, for one, condemns U.S. war planners for being "content to gamble on a high-stakes, winner-take-all, short war scenario that risks lives and jeopardizes the freedom of the United States and its NATO allies."

A 1983 GAO study found that the U.S. munitions production base, with a replacement value of $23 billion, has a tremendous capacity and generally can supply the nation's peacetime munitions needs. But GAO also determined that the base lacks the capacity to produce much of the newer, more sophisticated ammunition required in wartime; it said that if war erupted, some facilities could not be fully used because of serious capacity imbalances.

GAO pointed to insufficient production capacity in 105 of the 311 munitions items considered critical to a war effort and predicted, "There does not appear to be any near-term solution to this problem."

Maj. Gen. Robert Molinelli, director of combat support systems for the Army, says that since 1970, the Army has spent $3.4 billion to modernize and expand the ammunition base. This has included construction of a new plant at Mississippi Army Ammunition Plant for production of 155mm ICM ammunition and 14 new TNT manufacturing lines at plants in Radford, Virginia; Joliet, Illinois; and near Chattanooga, Tennessee.

But this investment is far less than required. One Congress-initiated Army study estimated that necessary improvements to the production base would cost upward of $30 billion, but a congressional source says the total could run as high as $65 billion. The Army identified $175 million as the cost of priority work in 1986, but Congress cut that to $103 million.

How the Pentagon calculates munitions needs is extremely complicated and features significantly in the controversy.

Expected wartime ammunition consumption rates are obtained from computer wargame simulations. Variables used in the calculations include the particular scenario under which a war would develop, anticipated sizes of U.S. and enemy forces, theater of conflict, duration of hostilities, capabilities and vulnerabilities of weapon systems, and doctrine and tactics of opposing forces. Historical data, including statistics from Vietnam, when the United States expended

velopment, test, and evaluation for the Air Force the following amounts:

(1) Not to exceed $350,000,000 for the MX missile program.

(2) Not to exceed $50,000,000 for use by the National Aeronautics Space Administration in establishing a shuttle and expendable launch vehicle quality control and safety research program

TITLE III—PROGRAM LIMITATIONS AND RESTRICTIONS; REPORTS

MX MISSILE PROGRAM

SEC. 301. Funds appropriated to or for the use of the Department of Defense may not be used for procurement of MX missiles or for construction in connection with the MX missile program unless such funds were appropriated and made availabe for such purposes before the date of the enactment of this Act.

STRATEGIC DEFENSE INITIATIVE

SEC. 302. (a) Not more than $2,952,000,000 may be obligated or expended during fiscal year 1987 by or on behalf of the Department of Defense in connection with the Strategic Defense Initiative program.

(b) Not more than $317,000,000 may be obligated or expended during fiscal year 1987 by or on behalf of the Department of Energy in connection with the Strategic Defense Initiative program.

AQUILA REMOTELY PILOTED VEHICLE PROGRAM

SEC. 303. (a) Funds appropriated to or for the use of the Army for fiscal year 1987 may not be obligated or expended for procurement of the Aquila remotely piloted vehicle.

(b) Not more than $170,000,000 of funds appropriated to or for the use of the Army for fiscal year 1987 for research, development, test, and evaluation may be used in connection with the Aquila remotely piloted vehicle program.

ADVANCED MEDIUM RANGE AIR-TO-AIR MISSILE PROGRAM (AMRAAM)

SEC. 304. Funds appropriated to or for the use of the Air Force for fiscal year 1987 may not be obligated or expended for procurement of the Air Force's Advanced Medium Air-to-Air Missile (AMRAAM).

SPACE STATION RESEARCH PROGRAM

SEC. 305. Not more than $260,000,000 of funds appropriated to or for the use of the National Aeronautics and Space Administration for fiscal year 1987 may be used for research, development, test, and evaluation in connection with the Space station program.

TRANSATMOSPHERIC VEHICLE

SEC. 306. Not more than $50,000,000 of funds appropriated to the Department of Defense for fiscal year 1987 research, development, test, and evaluation may be obligated or expended in connection with the Transatmospheric Vehicle program.

ACCELERATION OF DEPLOYMENT OF D-5 MISSILES

SEC. 307. (a) The Secretary of Defense shall study the feasibility of completing by 1993 the backfitting of D-5 missiles into all Trident submarines that are currently fitted (as of the date of the enactment of this Act) with C-4 missiles.

(b) The Secretary shall submit a report to Congress, not later than January 10, 1987, on the results of the study referred to in subsection (a) together with such comments and recommendations as the Secretary considers appropriate.

SMALL ICBM PRODUCTION RATE

SEC. 308. (a) The Secretary of Defense shall conduct a study to determine the most practicable and cost-efficient production schedules available to the Department of Defense in connection with the small intercontinental ballistic missile program. In carrying out such study, the Secretary shall take into account all relevant factors, including economic, strategic, and mobilization factors.

(b) The Secretary shall submit to Congress, not later than July 1, 1987, a report on the results of the study referred to in subsection (a) together with such comments and recommendations as the Secretary considers appropriate.

TITLE IV—GENERAL PROVISIONS

ADVANCED TECHNOLOGY BOMBER PROGRAM

SEC. 401. (a) The Secretary of Defense shall submit to Congress, not alter than 90 days after the date of the enactment of this Act, a detailed report on the costs incurred by the Department of Defense previous to the date of the report in connection with the Advanced Technology Bomber (Stealth) program and the projected cost of the program over the next five years.

(b) The Secretary shall include in such report the feasibility and desirability of replacing all B-52 bomber aircraft with the Advanced Technology Bomber (Stealth) aircraft.

TITLE V—SPECIAL AUTHORIZATION FOR AUDITORS

SPECIAL AUTHORIZATION FOR AUDITORS

SEC. 501. (a) The Secretary of Defense shall employ such number of auditors, in addition to the number employed by the Department of Defense on May 1, 1986, as he determines necessary to conduct a careful and continuing review of spare parts purchases by the Department of Defense.

(b) There is authorized to be appropriated $10,000,000 for fiscal year 1987 to carry out the provisions of subsection (a).

EXHIBIT 1

[From the Wall Street Journal, Apr. 8, 1986]

LOGISTICS OFFICERS FRET THAT GRAMM-RUDMAN MAY HINDER U.S. MILITARY COMBAT READINESS

(By Tim Carrington)

TINKER AIR FORCE BASE, OKLA.—This sprawling archipelago of parts warehouses and aircraft workshops is the military's biggest logistics center, keeping thousands of warplanes and related systems ready for combat. But officers here are fretting that Washington will scrimp on the funds needed for military readiness.

The source of apprehension is the Gramm-Rudman deficit-reduction law. The fear is that the Pentagon, as it did during past budget crunches, will squeeze funding for maintenance, repair, training and transportation in order to insulate big dollar weapons programs from cuts. Already there are some early signs that today's budget pressures will hurt military readiness. Moreover, the threat that the U.S. arsenal will be less ready comes at at time when the president is using the military more often as a diplomatic and political tool around the world.

The fears appear to be well-grounded: Although the overall Air Force budget would grow by 7% under the Reagan administration's request for fiscal 1987, proposed funding for Air Force spare parts would drop 40% from the levels planned a year ago. Lloyd Mosemann, Air Force deputy assistant secretary for logistics, says, "I anticipate that we won't fund spares as completely as we did."

SPARE PARTS: THE AIR FORCE CUTS BACK

[In billions of dollars for fiscal 1987]

	Funding planned a year ago	1987 request
Initial spares	$1.1	$0.9
Replenishment spares	4.9	2.6
Total	6.0	3.5

ENGINE EXHAUSTION

"When you have a reduction in logistics money, you can't buy the spare parts to replace fuel controls, etc.," says Maj. Gen. William Bowden, commander of the Tinker logistics operation. "At some point, you end up with engine exhaustion."

Others offer more dire prognoses. "The U.S. faces the real prospect of entering the 1990s with shiny, new, high-technology forces that look impressive but cannot roll or sail or fly to where they might be needed," says the Committee for National Security, an independent research group, in a recent budget study.

Because it takes about two years for parts to be delivered, funding shortfalls today won't create noticeable readiness problems until about 1989. Nonetheless, here are early signs that such problems may be brewing:

The B-1, the Air Force's newest bomber, already faces parts shortages here at Tinker, where the planes will be maintained and overhauled. According to Gen. Bowden, this year's Gramm-Rudman cuts dipped into dollars earmarked for stocking up parts for the aircraft. "Gramm-Rudman will have impact on the B-1," he says. "We still have a lot of parts to buy for it."

EXHIBIT 2

THE MUNITIONS GAP

(By Carol Giacomo)

A U.S. artillery commander in South Korea recently told congressional investigators that he has a three-day supply of ammunition with which to ward off an attack by North Korean troops—a smaller amount than he would have fired in one day in Vietnam. To compensate for the shortage, U.S. and South Korean forces have been instructed to conserve their ammunition by limiting their rate of fire to a specified number of rounds per hour, the congressional investigators learned.

The artillery commander in South Korea is not alone. Combat officers in each of the services are increasingly being faced with a frustrating dilemma that is laden with irony: They have some of the newest and best weapon systems in the world, but not enough ammunition to adequately train their troops on the weapons or to send them into battle for more than a short time.

Ammunition budgets have actually increased since President Reagan took office in 1981, but not by enough to even come close to keeping pace with what the services need. "Our stockpile for most level-of-effort munitions are well short of our long term goal," Jay Mandelbaum, the Pentagon's assistant director for logistics, readiness and sustainability told Congress in December.

And now with the budget cutting ax and the specter of the Gramm-Rudman budget balancing law hanging over readiness accounts for fiscal 1987 and beyond, the situation is about to get much worse. "My company considers Gramm-Rudman to be a catastrophe for our defense buildup," say one

The GAO has recently reported that the cost estimate for the Aquila is $2.1 billion, almost four times higher than its $563 million estimate in 1979. Last August the Army confirmed Aquila's inability to acquire, track, and designate moving targets, or to navigate and fly for extended periods without updated information from its ground control station. And so last September the Army suspended all operational testing of Aquila.

At a bare minimum we should not be going into production right now on this system until we work out the technical problems. That's just commonsense. I also believe we should cut the goldpate-driven R&D funding and direct the Army to simplify its requirements and return to something more like the original concept. Accordingly, my bill zeroes production funding for the Aquila and halves the R&D request.

I would note in passing that by bill last year made a start on strengthening the role of the Chairman of the Joint Chiefs of Staff, a need recognized and acted upon in the BARRY GOLDWATER Department of Defense Reorganization Act. I was pleased to vote for that bill, which passed so overwhelmingly, and so I do not include last year's provision that sought to strengthen the Chairman of the Joint Chiefs of Staff and the Joint Staff more generally.

This bill also contains several provisions pertaining to three essential strategic weapons programs that I strongly support: the Trident missile and submarine, the advanced technology Stealth bomber, and the small ICBM. My bill asks the Navy to study the feasibility of accelerating the deployment of all our Trident submarines with the advanced D-5 missile by 1994. The D-5 will be as capable as the MX missile in terms of hard-target destruction capability, but unlike the MX it will be based on submarines and thus will be almost completely invulnerable to Soviet attack.

My bill also asks the Air Force to study the feasibility of replacing all 263 of our B-52 bombers with the advanced technology bomber, the Stealth bomber. According to press reports the Air Force plans to produce 132 Stealth bombers, primarily to replace just the 167 G models of the B-52. My bill directs the Secretary of Defense to examine the feasibility and desirability of replacing the additional H model B-52's with Stealth bombers. It also directs the Secretary to report to Congress a report on the costs of the Stealth program.

This bill directs the Secretary of Defense to study the desirability of different production rates for the small ICBM. The small ICBM, unlike the MX, will be highly survivable because it will be mobile. In the past the United States has usually bought its ICBM's very quickly and then closed down the production lines. There is no doubt that this is probably the cheapest way to do it, but there are other considerations that may suggest that production be stretched out. It may well be important to maintain a warm production line on ICBM's to give us response options if the Soviets greatly expand their forced deployments beyond what we project as likely. This could also give the Soviets added incentive not to break out of the numerical limits of arms control agreements.

Mr. President, it is more urgent than ever that we meet the real defense needs of our country. This bill is just a small, but I believe signficant step, in the direction of a stronger, and smarter, national defense. I urge my colleagues to give it their serious consideration.

I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2480

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Defense Enhancement Act of 1986".

AUTHORIZATION FOR SPECIFIED PROGRAMS

SEC. 2. Funds authorized to be appropriated in this Act for fiscal year 1987 are for specified programs and, unless otherwise specifically indicated, are in addition to any funds which may be authorized to be appropriated for other programs, projects, and activities of the Department of Defense for fiscal year 1987 in any other Act.

TITLE I—PROCUREMENT

ARMY

SEC. 101. Funds are authorized to be appropriated for fiscal year 1987 for procurement for the Army as follows:

(1) For spares and repair parts for aircraft, $1,198,300,000.

(2) For the Multiple Launch Rocket System (MLRS), $574,400,000.

(3) For the Stinger surface-to-air missile program, $469,600,000.

(4) For the TOW missile program, $190,700,000.

(5) For missile spares and repair parts, $319,600,000.

(6) For the M198 Howitzer (155mm, towed) program, $43,700,000.

(7) For 5-ton trucks, $130,000,000.

(8) For the diesel forklift truck program (6,800 pounds), $36,700,000.

(9) For spares and repair parts for tracked combat vehicles, $696,200,000.

(10) For ammunition, $2,727,100,000, of which not less than $74,800,000 shall be available for the 2.75 Hydra-70 rocket program.

NAVY

SEC. 102. Funds are authorized to be appropriated for fiscal year 1987 for procurement for the Navy as follows:

(1) For spares and repair parts for aircraft, $2,272,300,000.

(2) For aviation support equipment, $1,138,300,000.

(3) For the AIM/RIM Sparrow missile program, $311,000,000.

(4) For the AIM-9L/M Sidewinder missile program, $105,100,000.

(5) For the AGM-84A Harpoon missile program, $220,500,000.

(6) For the AGM-88A HARM missile program, $272,200,000.

(7) For the SM-2 MR missile program, $534,200,000.

(8) For MK-48 ADCAP torpedo program, $627,400,000.

(9) For spares and repair parts for weapons, $286,400,000.

(10) For ordnance support equipment, $1,358,300,000.

MARINE CORPS

SEC. 103. Funds are authorized to be appropriated for fiscal year 1987 for procurement for the Marine Corps as(follows:

(1) For the Hawk missile program, $147,600,000.

(2) For the TOW missile program, $46,700,000.

(3) For the Stinger surface-to-air missile program, $100,000,000.

(4) For the M198 Howitzer (155mm, towed) program, $57,000,000.

(5) For the M-16 rifles, $8,700,000.

(6) For spares and repair parts, $85,100,000.

(7) For ammunition, $627,300,000, of which not less than $5,000,000 shall be available for the 2.75 Hydra-70 rocket program.

AIR FORCE

SEC. 104. Funds are authorized to be appropriated for fiscal year 1987 for procurement for the Air Force as follows:

(1) For spares and repair parts for aircraft, $3,835,100,000.

(2) For the AGM-88A HARM missile program, $585,400,000.

(3) For spares and repair parts for missiles, $434,200,000.

(4) For munitions and associated equipment, $2,192,500,000, of which—

(A) $321,600,000 shall be available only for CBU-89 Gator anti-tank munitions;

(B) $114,200,000 shall be available only for Durandal runway bombs; and

(C) $52,100,000 shall be available only for 2,000-pound high explosive bombs.

(5) For long lead items for new photoreconnaissance satellites, $100,000,000.

RESERVE COMPONENTS

SEC. 1105. Funds are authorized to be appropriated for fiscal year 1987 for procurement for the reserve components of the Armed Forces as follows:

For the Army National Guard, $158,500,000, of which—

(1) $50,000,000 shall be available only for Stinger missiles and necessary launchers;

(2) $60,000,000 shall be available only for the Multiple Launch Rocket System (MLRS) and necessary launchers;

(3) $28,000,000 shall be available only for M-113A3 Armored Personnel Carriers;

(4) $10,200,000 shall be available only for AN/PRC-104 radio sets;

(5) $9,900,000 shall be available only for AN/GRC-193A radio sets; and

(6) $3,400,000 shall be available only for AN/GRC-213 radio sets.

For the Air National Guard, $171,000,000 for C-130H Program.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. There is authorized to be appropriated for fiscal year 1987 for research, de-

yet here we are spending well over $20 billion so that by the 1990's just 1 missile of the 50 we are going to deploy can survive. We are going to pay over $20 billion for one surviving MX missile, even though we are spending billions on the highly survivable Trident II D-5 missile that will be available in just 3 years. We also are funding research on the small ICBM, which is truly mobile and will be able to survive a Soviet attack, unlike MX. These are the missiles we should be putting more emphasis on, and which I strongly support.

So my bill proposes to delete all MX production and military construction funding and cut the R&D in half. At the same time, it directs the Navy to plan on backfitting the Trident II missile into existing Trident submarines at a faster rate.

We certainly need to improve our air-to-air capability, and I support the basic rationale of the AMRAAM missile. But we need to buy it if it works at a price we can afford, and know that it will work. But it makes no sense at all to go into a heavy production schedule for AMRAAM when it has only completed a very few of its test flights. Defense Secretary Weinberger certified the AMRAAM ready for production in March when only four tests of AMRAAM had been conducted, none of them operational. The director of operational test and evaluation at the Pentagon, former test pilot Jack Krings, certified last December that "there is a low probability of adequate test results being available for an operational capability forecast before March certification." I ask unanimous consent that a memo from the Mr. Krings to Secretary Weinberger be printed in the RECORD.

There being no objection, the memo was ordered to be printed in the RECORD, as follows:

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, DC, December 17, 1985.

AMRAAM SPR

I. SUMMARY

There is a low probability of adequate test results being available for an operational capability forecast before March certification.

II. BASIS

1. Test information gathering rate suggests very limited useful data will be available for March certification.

2. Progress in testing is hampered by missile hardware availability, software development and limited test assets.

3. The key test asset, the ACE 2 POD fits the F16, has AMRAAM size/type hardware and necessary software for three (Stage 3) missile shots. It is 5-6 months late and has not been successfully flown. We are still three missile test flights away from the level of data planned at certification time.

4. Three test firings have been accomplished to date: unplanned test problems requiring repeated tests precluded accomplishment of all scheduled events. This and continued normal test problems will typically accumulate re-test events. This compounds schedule slipping.

5. Testers are successfully controlling tests insuring tests requirements are achievable before expending valuable limited tests assets.

6. There is little realistic potential for acceleration and schedule recovery.

III. SUGGESTIONS

1. A realistic schedule showing "expected" not "possible" test progress is needed to properly prepare for the March certification.

2. HAC/USAF program and test management has been suspect in the past. Little progress through additional manpower/funding increase is possible. Remember AMRAAM is only 5% of HUGHES BUSINESS.

JACK.

Mr. BUMPERS. The Packard Commission on Defense Management said it exactly right in their interim report to the President:

The proper use of operational testing is critical to improving the operational performance of new weapons. We recommend that operational testing begin early in advanced development and continue through full-scale development, using prototype hardware. The first units that come off the limited-rate production line should be subjected to intensive operational testing and the systems should not enter high-rate production until the results from these tests are evaluated.

The fact that operational tests on AMRAAM have not been conducted means that it is premature to begin production on it. Accordingly, my bill permits full funding of research and development of AMRAAM but denies money for any production. Let's be sure this missile works at a cost we can afford before we sink billions into it. I would note in passing that my bill last year proposed cutting all production funds for the notorious DIVAD gun, which had failed its tests miserably. I am pleased that even though Congress couldn't muster the courage to kill the DIVAD, Secretary Weinberger killed it, and I applaud his action.

My bill also holds the growth in funding for the space station to 25 percent and the space plane to 100 percent. I believe that the space station is a logical step for us to take in our space program. But is is unwise to force this step before we are ready to take advantage of it. No less than the National Academy of Sciences, and many other prestigious scientists, are saying that it is too soon for the space station, that we still have not fully taken advantage of the space shuttle and its special spacelab package. The Air Force has testified that it has no need of the space station; I ask unanimous consent that an article from Defense Daily entitled "Air Force: No Need for Station/Man-in-Space," another entitled "Station Decision Overrode Strong Opposition" from Aviation Week and Space Technology and a third article on the OTA study appear in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Our own Office of Technology Assessment has concluded that the type of space station that NASA is planning cannot be justified on scientific, economic, or military grounds; I ask unanimous consent that an article from the Washington Post entitled "Planned Space Station Unjustified, Report Says" appear in the RECORD at the conclusion of my remarks. Furthermore, White House Science Adviser George Keyworth was an early critic of the space station and said in February 1983 that such a manned facility would be a most unfortunate step backward.

In addition, the space station is critically dependent on the space shuttle, whose availability for nonmilitary missions has been seriously set back. At a time when our military readiness is suffering, and we are having difficulties in putting anything into space, I think that a more deliberate pace for the space station, with a 25-percent increase in funding, is appropriate.

The administration has proposed a huge 400-percent increase in funding for research on the space plane, from less than $50 million in fiscal year 1986 to $200 million in fiscal year 1987. Again, I do not question the need for some basic research on this advanced concept, but it is clear that the pace and scope of this program is being driven by the need of star wars to find a cheaper way to deliver the huge amount of equipment it will entail into orbit around the Earth.

The space plane has been dubbed the "Orient Express" by the President, trying to emphasize the potential of an incredibly costly civilian version of this plane to transport millionaire passengers to Tokyo in 2 hours. However, its star wars orientation is clear: The SDI Office is putting up more funding for it than NASA is, $685 million for SDIO versus $600 million for NASA, out of a total program cost of $3 billion. Again, at a time when we are shortchanging our military readiness, I think holding the space plane to a 100-percent funding increase for fiscal year 1987, as my bill does, is not too much to ask.

The Army's Aquila is a classic tale of Pentagon goldplating. Originally the Army sought to develop a cheap, remotely piloted vehicle [RPV] that could provide useful battlefield information to field commanders. The Israelis have done this very successfully with their Mastif and other similar RPV's. Their success in Lebanon with RPV's is legendary in military circles. But unfortunately the Army took this good, simple, basic concept, and started laying more and more requirements on it, until now we have a program that is behind schedule, above cost, and having technical difficulties.

nized. The Army plans to buy a wide variety of trucks, including the 5-ton truck. But while tanks and planes get what they need, even the commanding general of the Army's Tank Automotive Command, Maj. Gen. Arthur Holmes, says trucks are considered one of the Army's most critical shortfalls. Today the Army is 27 percent short of its requirement, and current projections of new purchases and retirements show that the shortage will improve only very slightly by 1989, when we will still be 23 percent short. Accordingly, my bill provides $130 million to buy an extra 1,250 of these trucks.

The other 12 percent of the equipment provided for in my bill are mostly of the same sort: unglamorous but essential ingredients for a strong defense posture, things like: 2.75-inch rockets, armored personnel carriers, improved radio sets, C-130 transport planes, and multiple launch rocket systems for the Guard.

My bill also provides $10 million to hire additional auditors to review spare parts purchases to reduce the likelihood that we will pay exorbitant prices for simple parts. Our spare parts pricing situation is a national scandal that is eroding popular support for our defense program. These auditors will more than pay their way in terms of reduced costs for spare parts.

In the last few months we have been both saddened and upset at the string of rocket launcher failures that our space program, both military and civilian, has suffered. Not only has this resulted in the tragic loss of seven fine astronauts, but it has greatly damaged our long-term ability to continue gathering intelligence information from space.

My bill takes two concrete steps to begin addressing these problems. First, it provides $50 million to the Air Force for space shuttle and expendable launch vehicle quality control and safety research programs, to get a better handle on why we have had such a serious string of launch failures. The Air Force should cooperate with NASA as much as possible in conducting this research. Second, it provides $100 million in long-lead procurement funds for new photo reconnaissance satellites. We are now reportedly operating with just one such satellite, with no back ups available. These satellites are absolutely critical to our security, and it is unthinkable that we allow ourselves to remain in so tenuous a position on such a vital intelligence asset. We need to act now so that when our launch ability is returned to full operational stat}s, we will be able to remedy this hemorrhage of our intelligence capabilities.

The following table summarizes the additions my bill makes for defense:

ADDITIONS FOR FISCAL YEAR 1987 DEFENSE BUDGET

[Dollar amounts in millions]

	Quantity	Cost
ARMY		
Multiple lauch rocket system missiles	13,286	$100.0
Stinger anti-aircraft missiles	[1] 2,950	177.6
TOW anit-tank missiles	[1] 5,000	56.1
5-ton trucks	[1] 1,250	130.0
Howitzers, towed, 155mm	[1] 79	43.7
Fork lifts, 6,000 pound diesel	[1] 154	15.7
Hydra-70 rockets	124,000	30.0
Ammunition	([1])	797.1
Aircraft Spares and repair parts	([1])	487.8
Missile Spares and repair parts	([1])	168.7
Tracked combat vehicles spares and repair parts	([1])	226.4
Subtotal		2,233.1
ARMY NATIONAL GUARD		
M-113A3 armored personnel carriers	106	28.0
Stinger missiles and necessary launchers	780	47.0
MLRS launchers and associated missiles	30	60.0
AN/PRC-104 radio sets	754	10.2
AN/GRC-193A radio sets	310	9.9
AN/GRC-213 radio sets	184	3.4
Subtotal		158.5
NAVY		
AIM/RIM-7 Sparrow air-to-air missiles	[1] 194	31.6
AIM-9L/M Sidewinder air-to-air missiles	[1] 541	40.5
AGM-84A Harpoon anti-ship missiles	[1] 59	80.6
AGM-88A HARM anti-radar missiles	[1] 67	15.5
SM-2 MR ship defense missiles	[1] 56	20.7
MK-48 ADCAP torpedoes	[1] 53	118.7
Aircraft spares and repair parts	([1])	416.2
Weapons spares and repair parts	([1])	135.7
Aviation support equipment	([1])	174.8
Ordnance support equipment	([1])	98.5
Subtotal		1,132.8
MARINE CORPS		
Hawk air defense missiles	[1] 120	32.2
TOW anti-tank missiles	[1] 1,740	13.2
Stinger anti-aircraft missiles	[1] 638	30.7
Howitzer, towed, 155mm, M198	[1] 25	12.0
M-16 rifles	[1] 2,778	1.2
Hydra-70 rockets	20,667	5.0
Ammunition	([1])	14.0
Other spares and repair parts	([1])	60.4
Subtotal		168.7
AIR FORCE		
AGM-88A HARM anti-radar missiles	[1] 399	92.4
Aircraft spares and repair parts	([1])	357.2
Missile spares and repair parts	([1])	100.0
Munitions and associated equipment	([1])	646.3
Includes:		
3,540 [1] GATOR anti-tank munitions: $127.4 million	([1])	
1,008 [1] Durandal runway attack bombs: $26.1 million	([1])	
3,899 [1] 2,000-pound high explosive bombs: $8.5 million	([1])	
Long lead procurement for new photoreconnaissance satellite		100.0
Space Shuttle and expendable launch vehicle quality control/safety research		50.0
Subtotal		1,346.7
AIR NATIONAL GUARD		
C-130H Transport planes	9	171.0
Subtotal		171.0
Spare parts auditors		10.0
Total		5,220.8

[1] Indicates where the administration's fiscal year 1987 budget provides less funding for this item than they estimated a year ago. In most cases this bill makes up the entire shortfall.

The cuts proposed in this bill are simple, will have virtually no adverse effect on our security, and are far less important than the add-ons listed above:

PROGRAM REDUCTIONS

[In billions of dollars]

Program	Cut	Comment
MX	1.91	Zeroes procurement, related military construction, and halves R&D.
SDI (DOD)	1.85	Allows a $190M increase over 1986.
SDI (DOE)	.29	Allows a 10-percent increase over 1986.
AMRAAM	.75	Cuts all production, retains R&D.
Aquila (RPV)	.17	Zeroes production and halves R&D.
Space station	.15	Allows a 25-percent increase over 1986.
Orient Express	.10	Allows a 100-percent increase over 1986.
Total	5.22	

My proposed cut in star wars would still allow a healthy $190 million growth in that program over last year's $2.75 billion level, double the year before. At a time when we don't have enough ammunition, it makes no sense to spend nearly $2 billion more in 1987 than we will in 1986 on a program where we haven't even identified the basic technologies for achieving its goals.

The program is riddled with other contradictions, too, like the fact that any space based components will be extremely vulnerable to the star wars system of the other side. Star wars is also completely ineffective against the fastest growing part of the Soviet offensive nuclear threat, their bombers and cruise missiles. We do far more for our security by buying ammunition and torpedoes than we do by nearly doubling our spending in 1 year on a dubious SDI research program for the 21st century that even the French say they could counter.

The tragic shuttle disaster and other recent rocket launcher failures should not dishearten us, but they serve as somber reminders that high technology does occasionally fail, and so it is the worst kind of wishful thinking to believe that star wars will render nuclear weapons impotent and obsolete. Even most of the President's national security advisers are backing away from this rhetoric, and are now speaking in terms of star wars helping to strengthen deterrence. The only problem with this is that it is not true, as even the President's chief adviser on strategic weapons, Lt. Gen. Brent Scowcroft, agrees.

Furthermore, the shuttle accident has delayed further shuttle launches by 18 months, until July 1987. The current budget proposals for star wars assumed a smoothly operating shuttle program. Thus the star wars program, which depends very heavily upon the shuttle for its experiments over the next few years, will have its schedule set back by the shuttle delays anyway. A reduced rate of spending growth is thus entirely reasonable. My bill allows a healthy $100 million increase.

The MX has been debated endlessly, but the simple fact remains that it will be incapable of surviving a Soviet first strike. We would never fund a conventional weapon that was so vulnerable,

cuts in munitions, and this is one of the reasons for my bill.

The Senate took a very important step the other day in approving the BARRY GOLDWATER Department of Defense Reorganization Act of 1986 by the amazing vote of 95–0. That margin says something about this body's appreciation for the concerns that our beloved senior Senator from Arizona has about the way the Pentagon does business, and the way Congress fulfills, or rather does not fulfill, its oversight role. I certainly hope that piece of legislation, and whatever legislation follows from the Packard Commission's recommendations, will begin to rectify the way we underfund readiness and unglamorous weapons in favor of the big ticket items.

Senator GOLDWATER put his finger right on the problem during the debate on his bill when he said:

> We are buying a lot of equipment, I hate to tell you, that we do not need. We just need a lot more of fundamental, down-to-earth weapons to go out and fight a war. We do not need all this fancy stuff.

I could not agree with him more. Here we are throwing multiple billions of dollars at too many big-ticket weapons, as well as several smaller-ticket weapons projects that at a minimum need more research before we rush into production. Yet at the same time we are not adequately funding a large number of important conventional weapons and readiness items that will do a lot more to strengthen this country's defenses.

Everyone here supports a strong defense posture. We may differ on what constitutes the best way to achieve such a posture, but no one doubts the need for it. We live in a very volatile and dangerous world, as recent events in the Middle East and Europe sadly attest. The continuing carnage in the Persian Gulf, where Iran and Iraq are slaughtering thousands of each others soldiers reminds us that we must remain strong and at the same time strive for a more peaceful and humane world.

This bill is straightforward, and similar in many ways to a bill which I introduced last year. My new bill adds over $5 billion for a variety of conventional weapons and equipment programs which have been underfunded over the years. Some of this is for munitions that have recently been used against Libya, yet where the administration is, incredibly enough, proposing cutbacks for this year. A lot of the money would be used for ammunition and spare parts, where major cutbacks have been made. All of it is for weapons that we will almost surely need to call upon over the next few years. We certainly are a lot more likely to need them than the MX missile or star wars.

I would pay for this purchase of $5 billion in conventional weapons by taking a few programs in the Defense Department, the Energy Department, and NASA and cutting them back from the inflated levels requested by the administration. In most cases my bill still allows some increase in funding for these programs.

Specifically, my bill would cut $4.78 billion from the President's fiscal year 1987 defense budget proposals, along with $290 million from the star wars part of the Department of Energy's budget and $150 million from NASA, for a total of $5.22 billion. It would put this amount into unglamorous but vitally important programs such as ammunition, cannons, antitank weapons, ammunition trucks, spare parts, and many more. These items contribute a lot more to the kind of strong, smart defense we need than does a $25 billion missile that has only a 2-percent chance of surviving a Soviet first strike, like MX.

The fact is, weapons like MX and star wars are weakening our defense posture. If you take a look at the administration's spending proposals, you will find huge increases for star wars, the Orient Express, the space station, and healthy funding levels for MX, even though we have stopped the MX program at 50 missiles. But if you look a little closer, you'll be shocked to see what got axed in order to make room for the likes of star wars and the Orient Express: 797 million dollars' worth of ammunition for the Army, when we are already woefully short of enough ammo to last in a conventional war; munitions for the other services, such as the 2,000-pound bombs, Harpoon antiship missiles, and Sidewinder air-to-air missiles that we have used effectively against Libya. Torpedoes for the Navy, surface-to-air missiles for the Army; cannons and ammunition trucks for the Army; literally billions cut from spare parts for all the services; and more.

These cutbacks are upsetting, but they show where we should start in supporting a stronger, smarter defense posture. About 88 percent of the add-ons I am proposing in this bill are restorations of what the administration said last year that we needed to buy in 1987. My good friend, Senator DIXON, not long ago pointed out here on the floor of the Senate the major cutbacks in spare parts and ammunition funding for the three services that the administration made between last year and this year. Senator DIXON's figures are exactly right, and the problem he points out is a real one. My bill restores a major portion of the cuts he pointed out to us, and it also restores additional cuts in specific weapons.

Our military people recognize the problem, as a recent news article shows. I ask unanimous consent that an excerpt from an article from the Wall Street Journal entitled "Logistics Officers Fret That Gramm-Rudman May Hinder U.S. Military Combat Readiness" be entered into the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUMPERS. For example, last year at this time the administration said that they were going to ask for $585.4 million in Air Force funding and $272.2 million in Navy funding for high speed antiradiation missiles for fiscal year 1987. Our military used these HARM's, as they are called, against Libyan radars recently. But this year the administration is actually asking for $92.4 million less than they said they would for HARM's for the Air Force and $15.5 million less for the Navy. Yet at the same time they were asking for a 75-percent increase for the Pentagon and a 109-percent increase for the Department of Energy in star wars funding. My bill restores full funding for HARM missiles for both services.

Likewise the administration said last year that in the fiscal year 1987 budget they would request funds for about 16,000 2,000-pound, high-explosive bombs, guided versions of which we used in the Libyan air raids. But this year they have requested funds for only about 12,000. The same thing has happened to Sidewinder heat-seeking missiles. My bill makes up both of these shortfalls.

Our ammunition problems are serious, as Military Logistics magazine recently highlighted. Listen to what the Pentagon's assistant director for logistics, readiness and sustainability told Congress in December:

> Our stockpile for most level-of-effort munitions are well short of our long-term goal.

An Army artillery commander in South Korea has told congressional investigators that he only has a 3-day supply of ammunition to fend off a North Korean attack. I ask unanimous consent that the article from Military Logistics entitled "The Munitions Gap" be entered into the RECORD at the end of my remarks, as well as several other related articles.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. BUMPERS. What good does it do us to have the most advanced fighters and tanks and ships if they run out of ammunition in a few days? As one fighter pilot put it, if a fighter doesn't have ammunition, it's just another unscheduled airliner. Accordingly, over $1.5 billion in my bill goes to buy more munitions, which we so badly need.

A good example of this is the lowly 5-ton ammunition truck. This is not a glamour item. But if there's a battle going on, these vehicles are absolutely essential for getting ammunition and other equipment up to the front. The need for these trucks is well-recog-

The key to a policy that can be sustained over the long term is balance in how we employ the range of instruments available to combat terrorism. The American people do not support a major escalation of violence in the most dangerous region in the world, nor does the situation warrant it.

The administration must not obsessively focus on Qadhafi and extremists like him.

As difficult as it will be after years of neglect, we must renew our role as mediator between moderate Arab leaders and Israel. We have an abiding national interest in a meaningful process in the Middle East which addresses the Palestinian problem, undermines the radical elements, and, above all, ends the conflict between Israel and its neighbors.

If we fail to demonstrate our commitment to this role, our campaign against terrorism will depend largely on force and other kinds of pressure. There will be no positive component aimed at depriving Qadhafi and those like him of a justification for terrorism and a recruiting ground among desperate or despairing Palestinians.

The conditions under which military force can legitimately and appropriately be used against terrorists are limited. Force alone will not end terrorism, nor can it be a substitute for a diplomatic policy that addresses the causes of terrorism.

Terrorism in the Middle East—the overriding terrorist problem today—is rooted in the Arab-Israeli conflict.

The rallying cause of most Middle East terrorists is the 2 million Palestinians who have lived in poverty in camps in Lebanon, Syria, the West Bank, and Gaza for two generations. The primary target of all Palestinian violence is Israel. We are the secondary target because of our firm support of Israel. Feeding this resentment is Arab envy of Israel's military prowess and its development into a modern industrial country, while the Arab States have remained far behind.

Qadhafi, like other extremists, holds the Palestinian cause aloft as a banner, thereby obtaining legitimacy for his acts of violence. But his hatred of the United States and the West goes far beyond the rights of the Palestinians and is not shared by more moderate Arab leaders.

The solutions which we would advocate to the conflicts in the Middle East will not satisfy Qadhafi or the radical Palestinians. Nor would resolving the Palestinian problem end terrorism. But progress on an Arab-Israeli peace is the single most important step we can make to isolate those like Qadhafi who are wedded to violence, and to reduce the incidence of terrorism against Americans.

The administration knows this—or should know it.

The President's abortive September 1, 1982, Middle East peace initiative was acclaimed as signaling a determination to restart the Camp David peace process. However, when it did not produce immediate results, it was not followed up.

One has to question whether that initiative reflected a genuine understanding by the administration of the fundamental importance for U.S. interests of peace in that region, or whether it was simply a short-term public relations gesture.

Since then the administration has failed to address these root causes of terrorism in its debate over the proper U.S. response to Qadhafi. Nor is there any sign that the administration now has a plan for following up its use of military force with a determined effort to reopen diplomatic channels to the key actors in the Middle East conflict.

The President has made a commitment to combat terrorism. This commitment has the full support of the American people and the Congress. He has my firm support. But our support must not be taken as a license to continue to replace a sophisticated, flexible, and comprehensive policy with brute force. The President demonstrated the strength of his commitment to stop terrorists by bombing Libya, and he should now pursue the commitment he made to the Middle East peace process in 1982.

Mr. President, I do not argue that we should seek peace in the Middle East solely as a counterterrorism strategy. Our interests in a peaceful settlement transcend the terrorist problem. Nor do I contend a Middle East peace process can, by itself, solve terrorism. But without it our counterterrorism effort will be crippled.

Terrorism is as old as recorded history. We are not going to wipe it out with a single air strike. We must be prepared for years of patient diplomacy, political and economic pressure, moral example and, in those limited circumstances where it is appropriate and necessary, the use of force.

RECOGNITION OF SENATOR BUMPERS

The PRESIDING OFFICER. The Senator from Arkansas [Mr. BUMPERS] is recognized under a special order for not to exceed 5 minutes.

Mr. BUMPERS. I thank the Chair.

S. 2480—NATIONAL DEFENSE ENHANCEMENT ACT

Mr. BUMPERS. Mr. President, as devoted as this great body and the President are to the defense and security of America, we invariably seem to overfund the glamorous and exotic weapons, with their glamorous and exotic price tags, at the expense of the less glamorous but more essential weapons and equipment that we need to keep our forces strong and ready. The bill which I introduce today tries to rectify this problem that has plagued our defense posture for far too long.

Everybody knows that when times get tight for the Pentagon, and often even when they're not, they cut back on readiness and other programs to make room for strategic missiles, top-of-the-line fighters, big ships, and the like. And lest I be accused of pointing my finger just at the Pentagon, I have to admit that we do it up here, too, every one of us. We often do these things because it's politically easier to vote for the glamorous, well known big weapons. We're told that the glamor weapons are vital for national security. The President pleads with us. The manufacturers plead with us. The thousands of good people whose jobs are tied to those programs plead with us. And Lord knows the lobbyists plead with us. It gets so you're made to feel like Benedict Arnold and Tokyo Rose all rolled into one if you vote for less than every penny that is requested for these fancy weapons, even if they can't survive a Soviet first strike, like MX, or can be easily countered by the Soviets, like star wars. But the administration does not hesitate to cut back on the kinds of weapons that really contribute to our security, and which we are a lot more likely to need to use in the uncertain months and years ahead.

Everybody here has been hit up by the MX lobby, or the star wars lobby, or the battleship lobby. But when was the last time you got concerned by the ammunition lobby? Or the howitzer lobby? Or the spare parts lobby? When was the last time you got thousands of those preprinted, preaddressed, prethought-out postcards pleading with you to buy more torpedoes, or antitank missiles? I have been here going on 12 years, and it has never happened to me. But for the sake of America's security, I wish there were a combat readiness lobby, and that we would all hear from them once in a while. Our defense posture would be a lot better off if we did.

Lawrence Korb, who until recently was the Assistant Secretary of Defense for Manpower, installations, and logistics, has made this same point. As he put it:

> Munitions didn't seem to have much of a lobby and they seemed to cut (funding) quite a bit at the Hill. It was comparatively easier to cut munitions as opposed to big weapon systems. If you canceled a big weapon system that was authorized, everybody would know it, whereas if you cut munitions, it was really hard to get a lot of people excited about it.

Unfortunately, Larry Korb is right on the mark. But this is one Senator who is excited, and upset, about the

bent upon the arms control community to watch closely the disparate programs put forward by DOD and the SDIO. To this end, Congress should establish reporting requirements for the ATBM program, preferably with technology development updates matched to proposed mission areas (e.g., describing how the Terminal Imaging Radar Experiment would fit into hard-site point defense or ATBM missions).

In addition, the administration should be required to submit separate listings of test schedules and justify test activities under the terms of the ABM Treaty. While not in itself an inhibition, such a list would go a long way toward keeping Congress and the public informed about respect for—or suspicious interpretations of—the treaty's terms. Congress should call for a thorough debate of the entire ATBM issue. Failing this, we are likely to find ourselves sailing through a tiny loophole in the ABM Treaty onto vast, uncharted seas of strategic peril.

MYTH OF THE DAY: THE DEPARTMENT OF DEFENSE DOES NOT REALLY HAVE AN INFLATION DIVIDEND

Mr. PROXMIRE. Mr. President, the myth of the day is that the Department of Defense does not really have an inflation dividend. Well, the fact is they do. They reprogram with congressional approval excess appropriations that flow from inflation, but the myth is that no funds over and above what Congress approves become available through an inflation dividend. Well, it does. In March, the GAO reported that between fiscal year 1982 and fiscal year 1986 the Department of Defense cashed in on an inflation dividend of $39.5 billion and piled up another $5 billion from overprojecting the price of fuel. That is a fact. When I say $1 billion, I am not talking about a few thousand dollars. I have maybe $100 here, $10 and $20 bills. I am not talking about that kind of money. I am not talking about millions of dollars. I am not talking about hundreds of millions. I am talking about a thousand million dollars multiplied by 44. In other words, roughly $44 billion. That was the inflation dividend and that was the excess over what Congress actually appropriated that the Defense Department has had over the last 5 years.

Mr. President, I yield the floor.

RECOGNITION OF SENATOR LEAHY

The PRESIDING OFFICER. The Senator from Vermont [Mr. LEAHY] is recognized under a special order for not to exceed 5 minutes.

Mr. LEAHY. I thank the Chair.

AFTER LIBYA: THE UNITED STATES RESPONSE TO INTERNATIONAL TERRORISM

Mr. LEAHY. Mr. President, I wish to speak to the Senate about a subject that is in the minds of practically every American today.

The killings of Americans by terrorists have deeply affected all of us. Since the air strike against Colonel Qadhafi, the stakes have changed dramatically. Americans—with good reason—are concerned and uncertain about where these events will lead and whether the United States has a policy that really can stop these terrorists.

Stopping terrorism has become a top priority of the American people. They want to see effective action by the United States and our allies that will halt these murderous attacks. But, they are also concerned about our retaliation leading to an endless spiral of violence.

Ever since the Iranian hostage crisis, as terrorists became more sophisticated, their attacks against Americans more frequent and their targets more indiscriminate and lethal, I have urged the administration to develop a comprehensive counterterrorism policy. Such a policy must combine diplomatic and political action, international measures such as economic sanctions, effective military capabilities, and the will to use all these instruments in a proper balance.

As the cornerstone of that policy, I stressed the need to improve our intelligence. We must have an accurate picture of who and where terrorists are, who is supporting and directing them, and who is responsible for specific terrorist outrages.

I also spelled out the conditions which I believe must exist before military force can legitimately be used:

The safety of any hostages.

The capability to carry out a discriminate strike against known terrorists.

An adequate basis in international law for the use of force.

And a consensus among the President, Congress, and the American people, about the limits on and purposes of any use of force.

The decision to bomb Libya was made after Colonel Qadhafi ordered the bombing in West Berlin that killed and wounded Americans, and when we had evidence that he planned upward of 30 attacks against American installations, diplomats, and tourists.

After our repeated warnings were met with more violence, and our attempts to enlist our allies in less drastic measures failed, the administration stopped publicly debating whether to use force against a state that supports terrorism. The question became how best to use it.

In the month since the bombing, debate over the proper U.S. response to terrorism from the Middle East has resumed.

According to the polls, at least two-thirds of Americans support the President's use of force against Libya. An even greater number think terrorism will continue and that a major terrorist incident will occur in the United States this year.

Many thoughtful and concerned Vermonters who have contacted me believe the bombing was a dangerous mistake. They warn that by resorting to military force we lose our moral advantage over terrorists, and that force only incites more violence without addressing the causes of terrorism. They are afraid that this escalating violence so close to the world's oil fields may lead to a full-scale war between superpowers.

Clearly, if the use of force against terrorists is to achieve the goal of deterring further attacks, it must not be ruled out under any or all circumstances. President Reagan said the air strike was "but a single engagement in a long battle against terrorism," and that our policy will now involve an "escalating response."

Each time we have incontrovertible evidence that Qadhafi is responsible for a terrorist attack against Americans, we can expect the President to respond in some fashion. He has threatened to bomb Syria or Iran if they are linked to terrorism in which Americans are the victims.

I believe the bombing of Libya was a legitimate response to deter terrorism. I also believe that because of it we have crossed an important line in our fight against terrorism.

It moved us beyond the period of loud rhetoric and no action.

There are signs that it stunned Qadhafi and incited some dissension within his ranks. Far from uniting the Arab countries behind Qadhafi, there is evidence that he is now more isolated and estranged from moderate Arab leaders than before.

It was followed by welcome diplomatic actions against Libya by Western Europe. At the Tokyo summit, several key allies joined with us in a clear statement against terrorism which strengthens the possibility of united international action.

These are positive results of the President's decision to retaliate.

But I also believe the President will make a very serious mistake if he misreads the American people's support for the bombing of Libya as endorsement of a policy that continues to emphasize military force over diplomacy and negotiation in the Middle East.

By itself, the bombing will not stop Qadhafi. His opposition to the Middle East status quo is a matter of faith, not a response to pressure at home or abroad. He is only one of several leaders in the Middle East who use terrorism by radical groups as a weapon to attack Israel, to drive out the United States and other Western nations, and to prevent the reemergence of a peace process in that region.

arms control and foreign policy implications, including possible violations of the ABM Treaty and damaging strategic and political repercussions within the Western alliance.

Defense against tactical ballistic missiles in Europe, such as the Soviet SS-21 (120 kms) and the SS-23 (500 kms), received start-up funds in 1982 as a joint-service weapons program. The program, known simply as "ATM", will be funded independently of SDI at $62.7 million in FY86 as an Army R&D effort. ATM is being funded to supplement older air defense programs, such as the Patriot and Improved Hawk air-defense (anti-aircraft) systems, whose program managers are now investigating the possibility of acquiring a limited anti-cruise and anti-tactical ballistic missile capability. The Patriot, which has received the most attention, consists of a long-range surface-to-air missile (SAM), effective up to altitudes of 80 kilometers or more, linked to a radar set, command and control post, and early-warning network. The Patriot and Improved Hawk may soon be tested against short-range tactical or longer-range theater missiles, a technological advancement known as "SAM upgrade."

More exotic plans for ATBMs, moving well beyond air-defense systems of limited anti-tactical missile capability, draw heavily on the SDI research now underway. The Strategic Defense Initiative Organization (SDIO) believes that a variety of systems demonstrations with ATBM applications can be ready by 1990 or shortly thereafter. These include space- and ground-based laser and sensor devices, an airborne optical system experiment utilizing an advanced infrared sensor for warhead tracking and decoy discrimination, and high-speed endoatmospheric kinetic-energy interceptors known as SR-Hit and ER-Hit (Small-Radar and Extended-Range Homing Intercept Technology).

One rationale for proceeding with SAM upgrade stems from a growing U.S. concern that two new Soviet mobile SAMS—the SA-10 and the SA-X-12, each with a 100 kilometer range—will soon provide the Soviet Union with an anti-tactical missile capability and possibly a wider territorial defense capability against U.S. or NATO intermediate-range missiles. The Pentagon also believes the Soviet ballistic missile defense program, presumably much of which is relevant to ATBM technologies, is proceeding at a rapid pace.

Full ATBM program costs are difficult to establish owing to the uncertain direction of the program. It is not clear whether it will become a significant part of SDI, or simply borrow disparate hardware as components and systems become available. Nonetheless, as the debate over SDI has made clear, it seems improbable that defensive systems development will become marginally less expensive than offensive countermeasures in *any* realm of defense, be it tactical, theater, or strategic.

ATBMs have generated an enthusiastic following within the professional defense community, which apparently believes them to be in conformity with the ABM Treaty. Although the legality of tactical BMD, if unambiguously limited on scope and range, is not now in question, a theater BMD would seriously violate the ABM Treaty on a number of counts.

Article VI of the ABM Treaty enjoins the parties from giving "missiles, launchers, or radars other than ABM interceptor missiles, ABM launchers, or ABM radars," any strategic ABM capacity, and further disallows testing of these components "in an ABM mode." This would prohibit the testing of ATBMs against theater or intermediate-range systems, since the trajectories, velocities, and radar images of intermediate-range missiles are similar to those of strategic submarine-launched ballistic missiles. Intercept capabilities acquired during the testing and development of an ATBM could be readily transferred to a strategic ABM program.

The SAM upgrade issue also falls under this article of the treaty and would relate both to the U.S. and Soviet programs if it can be demonstrated that these systems have acquired strategic ABM capability. No Soviet or U.S. SAMs have been unambiguously tested against theater or strategic ballistic missiles, and there remains much scepticism in the technical community whether future SAM modifications will ever grant more than a modicum of strategic ABM capability. Nevertheless, even a very limited capability acquired through development and testing would violate the treaty.

Article IX of the ABM Treaty prohibits the parties from transferring technology or deploying outside its national territory strategic" ABM systems or components" limited by the treaty. Agreed Statement G refines this third-party clause by constraining the transfer of "technical descriptions or blueprints . . . for ABM systems and their components." Accordingly, the U.S. could not legally provide strategically capable ATBM components or systems to NATO for an allied ATBM program.

Article V of the ABM Treaty bans the development, testing, or deployment of mobile land-based or sea-, air-, or spacebased systems and components. The article also bans launching more than one interceptor missile at a time or giving a system rapid reload or MIRVed capability. These restrictions would severely inhibit an ATBM system. The idea that an ATBM network could function effectively without mobility (especially of sensors), without a rapid, automated firing response, without a reload capability, without MIRVed interceptors, or without basing of ancillary systems and components in air and space, would not be in keeping with the thrust of the parent SDI program. Abandoning these capabilities would be analogous to attempting to perform the terminal phase defense of hardened targets with 1960s technology.

The administration is unlikely to admit that ATBMs are being developed or tested with stategic ABM capability. In this sense, an 'ATBM loophole' may soon develop akin to the ASAT loophole: both testing and development will proceed under the guise of other, seemingly unrestricted programs directed at fulfilling ostensible theater-range missions. The end result will be an abrogated or progressively eroded ABM Treaty. Either way, an offense-defense arms race will ensue to the detriment of both superpowers.

Within the Western alliance, ATBM could wreak serious strategic and political damage. ATBM proponents claim that even a partial defense, wherever deployed, can play a useful role in enhancing deterrence against both limited and large nuclear attacks. Smaller missile salvos, it is argued, would be relatively easy to intercept, and larger attacks would be deterred by the uncertainty in predicting which reentry vehicles would penetrate to their targets. NATO would be defended against accidental or unauthorized use as well, and new opportunities for arms reduction, by phasing in ATBMs and phasing out intermediate- and medium-range missiles, would ineluctably follow.

The real impact of deploying ATBMs is likely to be just the opposite. The Soviet Union will first respond by devising means to maintain an effective offensive force. It would undoubtedly add reentry vehicles and penetration aids to saturate, jam, spoof, and overwhelm NATO's defensive weapons. Moreover, the introduction of even partially effective NATO ATBMs would, in the event of hostilities, invite an early, massive attack to suppress defenses and eliminate offenses.

Just as a NATO ATBM force would require the Soviet Union to commit to a massive strike early in a crisis, so a Warsaw Pact ATBM would remove the viability of gradual or flexible escalation. ATBM thus uniquely works against NATO policy and Western interests, for it is the threat of 'graduated' nuclear escalation that is believed to deter the much stronger conventional forces of the Soviet bloc. Britain and France will surely view a highly mobile Soviet ATBM program, deployed in Eastern Europe and the western military districts of the Soviet Union, as a "legal" means of degrading their nuclear deterents.

More NATO research toward ATBMs would also give the Soviet Union every incentive to accelerate their own ATBM research and development programs. Furthermore, an increased ATBM effort in conjunction with the SDI program will virtually guarantee an early redirection of Soviet research well beyond their SAM upgrade projects. Because of increased U.S. and Soviet warhead requirements to assure penetration of the new defense systems, arms reduction will be even more complicated. The NATO allies may in fact be placed in the unpalatable position of requiring additional intermediate nuclear forces to penetrate the Soviet ATBM and upgraded SAM network.

Finally, the ATBM mission will be hampered by the scant prospect that any survivable defensive system architecture can or will be built that is not subject to readily available or easily designed countermeasures. All manner of countermeasures now under development or investigation with applicability to the SDI program will be equally relevant for penetrating ATBM defenses: destruction of radars and infrared sensors through direct attack or nuclear-induced electromagnetic pulse; use of penetration aids and decoys, including aerosols, chaff, and highly reflective balloons; and proliferation of the incoming 'threat cloud' by multiplying the number of reentry vehicles in present arsenals.

The ATBM program rationale and mission is as unclear as that of the larger SDI program. Some see ATBMs as a useful defensive component of the NATO INF modernization program. Others see it as a program to defend hardened fixed targets, such as critical air fields, naval bases, and command, control and communications facilities. Still others believe it may eventually be possible to defend European cities, and some would like to see a multifunctional mobile ATBM to defend fronts and armies on the move. Whatever the rationale, there are so many conceptual problems with the idea of ATBM defense that it would be foolhardy to rush into any commitment to the program.

Given this confusion of goals for the ATBM program, its close relationship to the strategic defense effort, and the connection between all aspects of ballistic missile defense and ABM Treaty survival, it is incum-

proved health standards would bring as many benefits as these economic benefits.

Water pollution is a major concern, but providing good quality water for all Americans should also be a priority. There is no difference between water polluted by man-made causes or by nature. The effects are the same. We must give the naturally occurring water problems more attention. There are many other areas like western South Dakota where water quality is very poor. The development of rural water systems has helped eliminate this problem in many areas, but there are many more areas that still need some type of rural water system to improve water quality. I have introduced legislation to address this problem in South Dakota and urge my colleagues to examine the water quality in their home States. Action may be needed on a national basis to meet the unique water needs of rural areas.

Mr. DURENBERGER. Mr. President, I now ask for the yeas and nays on the conference report.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Washington [Mr. EVANS], the Senator from Arizona [Mr. GOLDWATER], the Senator from Florida [Mrs. HAWKINS], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Oregon [Mr. PACKWOOD], and the Senator from Delaware [Mr. ROTH] are necessarily absent.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 94, nays 0, as follows:

[Rollcall Vote No. 106 Leg.]

YEAS—94

Abdnor	DeConcini	Hatfield
Andrews	Denton	Hecht
Armstrong	Dixon	Heflin
Baucus	Dodd	Heinz
Bentsen	Dole	Helms
Biden	Domenici	Hollings
Bingaman	Durenberger	Humphrey
Boren	Eagleton	Inouye
Boschwitz	East	Johnston
Bradley	Exon	Kassebaum
Bumpers	Ford	Kasten
Burdick	Garn	Kennedy
Byrd	Glenn	Kerry
Chafee	Gore	Lautenberg
Chiles	Gorton	Laxalt
Cochran	Gramm	Leahy
Cohen	Grassley	Levin
Cranston	Harkin	Long
D'Amato	Hart	Lugar
Danforth	Hatch	Mathias
Matsunaga	Proxmire	Stennis
Mattingly	Pryor	Stevens
McClure	Quayle	Symms
McConnell	Riegle	Thurmond
Melcher	Rockefeller	Trible
Metzenbaum	Rudman	Wallop
Mitchell	Sarbanes	Warner
Moynihan	Sasser	Weicker
Nickles	Simon	Wilson
Nunn	Simpson	Zorinsky
Pell	Specter	
Pressler	Stafford	

NOT VOTING—6

Evans	Hawkins	Packwood
Goldwater	Murkowski	Roth

So the conference report was agreed to.

□ 1300

Mr. DURENBERGER. Madam President, I move to reconsider the vote by which the conference report was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DURENBERGER. Madam President, let me conclude by expressing my appreciation to all of my colleagues for the unanimous support of the conference report. I think it is an indication, as I indicated in my earlier remarks, that a lot of somewhat divergent interests ended up at the same destination at an appropriate time. I trust that those at the White House who will make the final decision on whether or not this bill will be law will take that vote that has just concluded as an important message.

As I conclude, let me expresss my appreciation, in addition to those for whom I have already expressed it, especially to Jimmie Powell, who, as of several weeks ago, celebrated his 10th year of association, in one way or another, with me, and yesterday celebrated his 37th birthday. I wish we could have come to this conclusion yesterday, because it is Jimmie Powell whose work on the Safe Drinking Water Act made the reauthorization that is before us today possible.

The other thing that he has contributed to this process is that he has made the act itself an effective tool of protecting municipal water supplies in America, which it had not been until he undertook to assist me in the process of developing the reauthorization.

I would also give the appropriate and deserved credit to another member of the staff of the Environment and Public Works Committee, Heather Wicke, who has carried the burden of weaving our way through a variety of interests and, again, helping us find the appropriate destination.

At the same time, I express appreciation to Ron Cooper, who is Senator BAUCUS's principal staff member on this issue; to Kate Kimball, from the minority staff; to Brent Erickson, staff member for Senator SIMPSON; to Jim Strock, on the majority side; to Kathy Cudlipp, the staff counsel; and Lee Fuller, the minority staff director; all of whom made more than appropriate and significant contributions to the development of the conference report which we have just approved.

Madam President, I yield the floor.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO THE LATE WILLIAM C. LEE AND TO DESIGNATE "WILLIAM C. LEE DAY"

Mr. HELMS. Madam President, I ask that the Senate now turn to Senate Concurrent Resolution 140, to pay tribute to the late William C. Lee, and to designate June 6, 1986, as "William C. Lee Day." This has been cleared by both sides, I might add.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A Senate concurrent resolution (S. Con. Res. 140) to pay tribute to the late William C. Lee and to designate June 6, 1986, as "William C. Lee Day."

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Carolina?

There being no objection, the Senate proceeded to consider the current resolution.

Mr. HELMS. Madam President, there are 36 cosponsors of this concurrent resolution. I ask unanimous consent that their names be printed in the RECORD.

There being no objection, the names of the cosponsors were ordered to be printed in the RECORD, as follows:

Senators Domenici, Dole, Wilson, East, Thurmond, Grassley, Cohen, Gorton, Mattingly, Cochran, Denton, Hatch, Heinz, D'Amato, Wallop, Warner, Trible, Quayle, Hatfield, Rudman, Boschwitz, McClure, Evans, Specter, Humphrey, Hawkins, Simon, Kerry, Melcher, Pryor, Harkin, Boren, Moynihan, Byrd, Chiles, and Leahy.

Mr. HELMS. Mr. President, this resolution honors Maj. Gen. William C. Lee of Dunn, NC, for his outstanding military service to his country during World Wars I and II, and especially for his role in developing airborne troops as a major part of our Army. On June 6, 1986, the homeplace of General Lee in Dunn will be opened to the public as the William C. Lee Airborne Museum.

Mr. President, this resolution recites several of the achievements of General Lee, including his becoming recognized, deservedly, as the "Father of the United States Airborne;" it further resolves that Congress recognize

the contribution of General Lee to his country, expressing the gratitude of the Nation to his family, and declaring June 6, 1986, as William C. Lee Day.

Mr. President, let me also mention that the driving force in giving General Lee the honor he deserves is Hoover Adams of Dunn, editor and publisher of the Dunn Daily Record. Mr. Adams is a longtime friend of mine, a true American patriot, and a dedicated member of his community. Without his efforts and the efforts of others in Dunn, I am confident that there would be no General Lee Airborne Museum. Mr. Adams is owed a debt of gratitude.

Mr. President, I ask unanimous consent that two articles about General Lee be printed in the RECORD. They are "Father of United States Airborne," which appeared in the summer 1958 edition of Airborne Quarterly, and "General From N.C. Immortalized by D-Day Troops," by Dennis Rogers, which appeared in the June 5, 1984, edition of the Raleigh News and Observer.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

FATHER OF UNITED STATES AIRBORNE

(The Airborne Association is resolved to honor the memory of the late General William C. Lee with an Airborne Memorial Library in his home town of Dunn, North Carolina.)

At the Third Annual Meeting of The Airborne Association in 1957, the membership adopted a resolution to endorse and promote the erection of an Airborne Memorial dedicated to the memory of the late Major General William C. Lee.

General "Bill" Lee is known affectionately as the "Father of United States Airborne." Long before there was even a "first test platoon" his sole interest as a young War Department officer was that of laying the groundwork for Army parachute troops.

While serving in the office of the Chief of Infantry, he became interested in applying the use of parachuting to military tactics as a medium for increased mobility in modern war.

At that time, several European countries, including Russia, had piled up a significant lead in airborne experimentation. General (then Major) Lee was the leading member of a small group of officers who, by a combination of vision, persuasiveness and daring, convinced the Army that airborne must be an element of the U.S. armed forces.

In July of 1940, he directed the organizing, equipping and testing of a group of parachutists who are now identified as the "original test platoon." The leaders of this platoon were First Lieutenant (now Colonel) William T. Ryder and Second Lieutenant (later Colonel) James F. Bassett. The latter lost his life in a helicopter crash at Fort Bragg. The XVIII Airborne Corps Chapter of The Airborne Association is named the Colonel James E. Bassett Chapter in his memory.

Part of the story of the original test platoon is told in the March 1956 issue of Airborne Quarterly in an article titled "Jumping for Centuries."

Through General "Bill" Lee's enforts, the test platoon was expanded on October 1, 1940 into the 501st Infantry Parachute Battalion. In March of 1941 the Battalion was further expanded to form the Provisional Parachute Group at Fort Benning, Georgia, with Lee, by then a Colonel, in command.

Under his inspired direction, additional airborne units, including glider elements, were formed and trained in the new concept of vertical envelopment. In March of 1942, "Bill" Lee was promoted to Brigadier General and ordered to head the new Airborne Command, at Fort Bragg, North Carolina. Airborne Command was the over-all headquarters of all parachute and glider troops.

He personally participated in the numerous tests and experiments involving parachutes and gliders, including body-shocking glider snatch, and was twice injured in these tests.

When Pearl Harbor startled the world in December of 1941, General Lee was in the hospital at Fort Benning in a plaster cast because he had broken his back in a parachute jump. The following day, he borrowed some civilian clothes and went AWOL from the hospital to Washington to plead and argue for expansion of U.S. parachute forces.

It was General Lee's recommendation that one of the infantry divisions being readied for combat in 1942 be converted into two airborne divisions. The 82d Infantry Division, commanded by General Bradley at first, was considered by Army Ground Forces to be the best of the new divisions, General Lee was instrumental in the selection of the 82d to be split up into the 82d and 101st Airborne Divisions in July of 1942.

On General McNair's recommendation, Brigadier General William C. Lee was given command of the 101st Airborne Division and the added star of a major general. The formation of two airborne divisions under command of General Matt Ridgway and Bill Lee was eloquent recognition of the vision of General Lee.

Both the 82d and the 101st were moved from Louisiana to Fort Bragg, North Carolina. There General Lee devoted himself tirelessly to the task of whipping the 101st into shape, setting a constant example of selfless dedication to perfecting his division in the new art of vertical warfare. Typically, on one occasion, he jumped in a training maneuver while recuperating from pneumonia.

General Lee took the 101st Airborne Division overseas and continued its training in Southern England. Shortly before the Normandy invasion, he was stricken with a heart attack which forced his retirement from active duly in October of 1944.

Only those who worked personally with Bill Lee can appreciate the tremendous outpouring of mental and physical effort that he put into airborne from 1939 to the eve of D-Day in 1944. His was the pick-and-shovel work before promotion and glory. His was the vision that conceived of glider troops before gliders had even been developed. His was the foresight that coined the word "airborne" to allay jealousy between parachute and glider troops.

And his were the dreams and convictions back in 1940 that U.S. Airborne would go into action as divisions, as a corps, and even as part of an allied airborne army. Others were then calling his dreams just figments of imagination that would never become reality.

When hostilities ended and the troops were back home in 1946, historians took time to evaluate the birth and growth of airborne. Every avenue of research into the past of American airborne led back inevitably to Bill Lee. Even before he died in June of 1948, General Lee was called the "Father of U.S. Airborne." And when all else is forgotten about the beginnings of American airborne, Bill Lee will always be remembered as the brilliant visionary who converted a dream of space warriors into the reality of airborne units starting with the first test platoon through to the great Allied Airborne Army of 1944 and 1945.

It is in recognition of the great contributions General Lee made toward the development of a new idea in war that The Airborne Association is resolved to promote an Airborne Memorial in his memory.

Should the memorial be merely a symbolic monument? Should it be located overseas where troopers bled and died? Should it be spotted in the Nation's capital? Or should it be something utilitarian which might serve more fittingly to preserve for posterity the memories of both the living and the dead who helped achieve the glory that surrounds everything associated with American airborne?

These and a host of other considerations were resolved in the decision to promote a utilitarian Airborne Memorial dedicated to the memory of the "Father of United States Airborne"—a memorial to be located in the town of his birth a short half-hour's journey from Fort Bragg, North Carolina, the present day "Home of the Airborne."

Many suggestions have been examined. They range from a $300,000 civic community center to an airborne memorial library in the home of General Lee in Dunn, North Carolina. Mrs Lee has graciously offered to sell the magnificent Lee family home to the Memorial for far less than the cost of constructing a comparable building. This last suggestion seems to be the choice of nearly everyone with whom it has been discussed.

Contributions started coming in immediately after the resolution was adopted in 1957. To handle the financing of the Memorial project separately from normal Association activities, The Association has established "The Airborne Association Memorial Fund." All contributions are segregated in this fund for the specific purpose designated by a donor.

At present, in addition to the Lee Memorial, the fund will eventually provide money for educational scholarships for children of deceased airborne troopers. All donations are entered on a standard form and given a number. The donors are rostered in numerical sequence and the rosters and signed donation forms become a permanent record of the Fund.

A form for your contribution is printed on page 24 of this issue. You are invited to share in the first and only Airborne Memorial for all of airborne and the distinguished "Father of United States Airborne"—General William C. Lee.

GENERAL FROM N.C. IMMORTALIZED BY D-DAY TROOPS

DUNN.—It was 40 years ago tonight when Bill Lee of Dunn became a legend.

He wasn't there when it happened. He was at home in his mansion on Divine Street in Dunn, still trying to recover from a heart attack almost a year earlier.

He didn't know that shortly after midnight, when the first U.S. combat troops landed in the fields and hedgerows of France, it would be his name they would shout as their victory cry.

It was the privates' way of honoring the small-town general from North Carolina

they had followed from the swamps of Louisiana to the sandy hills of Cumberland County to the meadows of England to the burning night skies over Normandy.

"Not being there with his men that day was his greatest heartbreak," said Hoover Adams, a Dunn newspaper publisher who served as Bill Lee's aide and friend during World War II.

Maj. Gen. William C. Lee of Dunn did not win his fame or his stars in combat. His was a more thankless task. He was a planner, an organizer and a trainer. But the men he sent into combat—and would have led had his heart not failed—ignited the world's imagination on the day of America's greatest military victory.

It was D-Day, 40 years ago tomorrow, when the military gospel according to Bill Lee was proved true.

More than 10,000 U.S. paratroopers jumped into the darkened skies of France on the night of June 5, 1944, many hours before the troops landed on the Normandy beaches we remember as Omaha, Utah, Gold, Sword and Juno.

Bill Lee had taken a small test platoon of paratroopers and in four years molded them into a crack unit of elite soldiers. They landed behind enemy lines that dark night and, often fighting alone or in small groups hastily put together, bought time for the men who landed on the beaches. That was what Bill Lee had said they could do, and they did it.

And that night, when they leaped from the planes, they did not shout "Geronimo!" as they had been trained. Loaded down with up to 100 pounds of equipment and all the guns and ammunition they could carry, the paratroopers shouted "Bill Lee!" as they hit the silk.

Lee won accolades and medals and the friendship of the famous, but no soldier was ever paid a higher tribute.

Bill Lee grew up in Dunn. He was a hotshot athlete, a big strapping kid who haunted the playing fields and hunting grounds of Harnett County. He went away to college on a baseball scholarship, and they still say he knocked the longest home run ever hit at N.C. State University.

But his would be the life of a professional soldier. He fought in World War I, but it was his peacetime service that made him famous. He was a fast-tracker in the Army, going to all the right schools and serving in all the right, but almost invisible, jobs.

When Hitler was planning his conquest of the world, Bill Lee was there as a military observer, reporting to a disbelieving military that a madman was building a mighty army. Lee also saw Hitler's use of paratroopers and came home convinced that paratroopers could make the difference.

No one wanted to hear that. Lee became such a proponent of air borne training that he once was forbidden to discuss the subject because his bosses were tired of hearing it. But he was right and he knew it, and so did President Franklin D. Roosevelt.

The President listened to the young officer from Dunn and, despite the objections of most of the military brass in Washington, told him to go ahead and see what he could do with his idea of sky soldiers.

"General Lee had been to the World's Fair in New York and seen those parachute towers they were using as rides," Adams said. "He ordered two of them for Fort Benning, Ga."

Using carnival rides and his own belief in what he was doing, Lee took a handful of soldiers with their out-of-date equipment and untried techniques. And when the dust had settled, he was the commanding general of the crack 101st Airborne Division.

Lee was at Eisenhower's side when D-Day was planned. he trained his paratroopers hard for their mission, and to this day the manual on airborne operations he wrote is still being used.

"There is no doubt that Bill Lee would have been the first American to hit France on D-Day," said Adams. "He would have been the first man out of the first airplane."

But it was not to be. Lee suffered a heart attack before the invasion and was sent home to Dunn to recuperate. He died four years later. His heart never healed.

The people of Dunn will remember their most famous son Friday night with a black-tie dress ball. The proceeds will be used to finish the museum the town is putting in Lee's home. Tickets are $100 a couple. You can get information by calling 892-4113 in Dunn.

A reporter once asked Bill Lee who the most important man in the military was. Lee said, "The buck private, of course."

Forty years ago tonight, 10,000 of those buck privates he loved and led painted their faces black, jumped out of airplanes and shouted his name in gratitude.

They were living up to another comment he once made: "You do not have a history," he told his first band of paratroopers. "But you have a rendezvous with destiny."

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 140) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 140

Whereas Major General William C. Lee of Dunn, North Carolina, served the United States with distinction in World Wars I and II;

Whereas General Lee was instrumental in conceiving and establishing the use of parachute and glides troops in the United States Army;

Whereas General Lee played a primary role in planning the assault on Nazi forces in France by over 10,000 United States paratroopers in connection with D-Day operations;

Whereas General Lee has become known as the "Father of the United States Airborne"; and

Whereas on June 6, 1986, the homeplace of General Lee in Dunn, North Carolina, will be opened as the William C. Lee Airborne Museum: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States recognizes the notable contribution of Major General William C. Lee to his country; expresses to his family the appreciation and gratitude of the Nation for his long, faithful, and outstanding military service; and designates June 6, 1986, as "William C. Lee Day".

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the family of Major General William C. Lee.

Mr. HELMS. Madam President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. DENTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1310

Mr. DENTON. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF THE DEVOTION OF BOB HOPE TO THE UNITED STATES ON HIS 83D BIRTHDAY

Mr. DENTON. Madam President, I send a resolution to the desk, and ask unanimous consent to proceed to its immediate consideration. It is my understanding that this resolution has been cleared on both sides.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

Mr. DENTON (for himself, and Senators ABDNOR, BOREN, BUMPERS, BURDICK, BYRD, COCHRAN, DECONCINI, DIXON, DOLE, DURENBERGER, EAST, GOLDWATER, GRASSLEY, HATCH, HAWKINS, HECHT, HEFLIN, HELMS, HOLLINGS, KASSEBAUM, KASTEN, LAXALT, LEVIN, LUGAR, MCCLURE, MURKOWSKI, PRESSLER, ROTH, SIMPSON, STAFFORD, STENNIS, SYMMS, THURMOND, TRIBLE, WALLOP, WARNER, WILSON, AND ZORINSKY) submitted the following resolution (S. Res. 413), to recognize the devotion of Bob Hope to the United States on his eighty-third birthday.

Whereas the favorite and most beloved entertainer in America, Bob Hope, will observe his eighty-third birthday on May 29, 1986;

Whereas Bob Hope has staunchly supported American values and the interests of the Nation;

Whereas Bob Hope has entertained the men and women of the Armed Forces, both at home and overseas, since 1941; and

Whereas Bob Hope has received many awards including a Congressional Gold Medal and the Medal of Freedom: Now, therefore, be it

Resolved, That the Senate reaffirms its recognition of the devotion of Bob Hope to the United States and to the members of the Armed Forces and extends its best wishes to Bob Hope on the occasion of his having attained the age of eighty-three years young.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama?

There being no objection, the Senate proceeded to the immediate consideration of the resolution.

Mr. DENTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. DENTON. Mr. President, only occasionally does a Member of this body have the privilege to introduce legislation with such enjoyment as I

feel today, along with 39 of my colleagues.

The purpose of the resolution is to recognize the devotion of Bob Hope to the United States on the occasion of his 83d birthday. It speaks for itself.

But, Madam President, I would add that it is entirely fitting that this body should mark Bob's 83d birthday which falls on next Thursday, a week from tomorrow, when as we know, we will be absent.

I can think of no individual who has been more representative of the best of America, who has performed more service to its citizens, who has cared more for our men and women in uniform, and who has better exemplified the humanity of this great land.

I cannot calculate, and I am not sure that anyone could, the number of hours, days, months—and I am sure that it runs into years—that Bob Hope has given of his own time to entertain our men and women in uniform, both in war and in peace, both in the United States and overseas. And I have had the privilege as one in uniform to enjoy those performances. His generosity in that respect is truly unbounded.

I owe him another personal debt, Madam President. During his 1971-72 Christmas tour in Southeast Asia, he personally went to the North Vietnamese Embassy in Laos to discuss the problem of American prisoners of war in North Vietnam. He did that as a private citizen at the request of the families of the prisoners, including my own family.

Unfortunately, Bob had to abandon his efforts because the North Vietnamese refused to allow him to visit Hanoi, and refused to deal with him seriously.

We in Hanoi did not know about his effort at the time, but I know that we would have welcomed him as a visitor far more than we did those Americans whom the North Vietnamese welcomed and did put in touch with us.

I am one of the Americans whom he has blessed with his personal friendship. I owe him personal gratitude for favors, and I convey gratitude on behalf of groups such as the ex-POW's, all the armed services, as well as all Americans for whom his many contributions have brought so much joy and benefit.

We all know that, in addition to his national and international achievements, Bob has been unselfish and caring for his family as well as for his fellow man. Together he and his lovely wife Delores raised four children, and his grandchildren abound.

Finally, Bob Hope has brought happiness and laughter to millions upon millions of Americans with his unique brand of humor, always gentle. He has the knack of making us laugh not at ourselves but because of the joy of life. His talent is not only unexcelled, but unique.

He is truly one of a kind. We Americans are proud and grateful that he is an American.

Mr. President, I ask all of my colleagues to join with me in cosponsoring the resolution, and I hope that we can pass it today as a truly fitting tribute to a great and beloved American.

Thank you, Madam President.

Mr. PRESSLER. Mr. President, I support the resolution of the Senator from Alabama. Bob Hope is a true national treasure, having been one of show business' brightest stars from vaudeville to radio, Hollywood, and television. His achievements and rewards are many, including a Congressional Gold Medal and the Medal of Freedom.

On the occasion of Bob Hope's 83d birthday, it is appropriate to recognize his lifetime of devotion to the servicemen and women of this country. He has traveled the world to entertain our Armed Forces, from World War II to Korea, Vietnam, and more recent conflicts.

I myself spent two Christmas holidays in Vietnam in the U.S. Army, and both times I was part of a very appreciative audience when Bob Hope and his show came to entertain the American forces there. Many American veterans have memories of similar shows in remote parts of the world, and all are grateful for his concern and thoughtfulness.

The PRESIDING OFFICER. Is there further debate on the resolution?

Hearing none, the question is on agreeing to the resolution.

The resolution (S. Res. 413) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 413

A resolution (S. Res. 413) to recognize the devotion of Bob Hope to the United States on his eighty-third birthday.

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Resolved, That the Senate reaffirms its recognition of the devotion of Bob Hope to the United States and to the members of the Armed Forces and extends its best wishes to Bob Hope on the occasion of his having attained the age of eighty-three years young.●

Mr. DENTON. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1330

Mr. MOYNIHAN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANDREI SAKHAROV'S BIRTHDAY

Mr. MOYNIHAN. Madam President, today is Andrei Sakharov's 65th birthday. When Yelena Bonner was first in Washington at a reception last March, she mentioned to Senator KERRY and to me that she hoped the Senate might take note of the occasion of his 65th birthday, which, she told us, would be on May 21. Then she added a comment which seems to us so important, so concise and so necessary to know. She said: "The Soviet Union does not respect silent people." On the other hand, and as we do know, it ceaselessly attempts to silence people who ought to be heard.

Banished to the city of Gorky, Andrei Sakharov and his wife, Yelena Bonner, who is briefly in the West for medical treatment, have faced constant harassment from the KGB, meant to discourage their continuing commentary on the state of human rights in the Soviet Union and to further isolate them from their own people and from those of us in the West—and East and North and South, for that matter—who wish to associate ourselves with their work.

Their work, it should be recalled, intensified in the aftermath of the signing of the Helsinki declarations in 1975. These declarations granted, in the human rights provisions of the so-called third basket, what is in essence a treaty right to the citizens of the subscribing nations to take note of their government's own conduct wih respect to the commitments which were made. Helsinki Watch Committees were formed throughout Western Europe, in the United States and Canada, and briefly, desperately, courageously, one was formed in Moscow. Andrei Sakharov, one of the great physicists of our age, a member of the Soviet Academy, a Nobel laureate, gave his incomparable prestige to that enterprise. And with its contempt for its own people as well as for world opinion and international commitments, which too often characterizes the Soviet regime if not invariably so, Sakharov was sent into internal exile. He was banished to the city of Gorky, a city which is forbidden to Western visitors and even forbidden to Soviet visitors who do not have business there.

It was as cruel and intentionally cruel an act as one could imagine for the Sakharovs. He is not just a spokesman for the legitimate aspirations of the Soviet peoples; he is also a physicist of the most extraordinary achievement. I shall be speaking in a little while of some remarks made by our own most distinguished physicist, Sidney Drell, of the Stanford Linear Accelerator Center, who spoke of Sakharov and noted that his theoretical work is leading us at long last to an understanding of why the universe is composed of matter and not antimatter.

This is a mind the work of which will go down in this century along with that of Albert Einstein and the great masters of quantum mechanics, whose theoretical work has led us outward into the universe and inward into the atom and changed our understanding of all reality as we previously knew it.

Sakharov's work can only be done, as Sidney Drell observes, in the company of other physicists and with access to their new findings, with colloquys, with conferences, with exchange with his own peers, with his students—all that is denied him; the science in him killed, if you will, and the man imprisoned. That the Soviet Union has done this in an act of contempt for its own people and for the good opinion of the world has to be one of the most chilling facts of our age. They do not care what they do to Andrei Sakharov and they do not care what we think about it. That is evident. The rare exchange of this prisoner for that prisoner has not changed their internal policies.

Perhaps we will know, but it must be known to them and to the rest of the world that here, on the floor of the Senate, we know and we remember and we will continue to do so on this day.

A number of us have asked to speak and we shall speak with as much time as the Senate can make available to us. I do not want to do more than introduce the remarks that my good friend and colleague, Senator KERRY, and I shall make at the outset. I see that my friend from Massachusetts is on the floor and I wonder if he would wish to speak at this moment.

□ 1340

Mr. KERRY. Madam President, I thank my friend, the distinguished Senator from New York, not only for joining me in this effort and for allowing me the time to speak, but also for his concern and for his continued commitment to the effort to not be silent, to join Andrei Sakharov and others in the effort to bring to the world's attention on a continued basis, until they can be free, their plight and to remind people that we have a responsibility to do so.

Not long ago both the distinguished Senator from New York and I were meeting with Yelena Bonner here in Washington, and she pulled us aside and whispered to us, "Please don't forget that the 21st of May is the birthday of Andrei Sakharov." And so we are here today to join with our colleagues and with the institution of the Senate to remind people of our responsibility to pick up on the efforts that this great individual is making on behalf of all people in the world, and particularly what he is lending to the moral force behind the notion of individual freedom of liberty.

Today marks the 65th birthday of Andrei Sakharov. Obviously, in many ways this birthday is not a day to celebrate because Andrei Sakharov remains in what is known as "internal exile" in the Soviet Union, in the closed city of Gorky. He is separated from his wife Yelena Bonner, who is able to be here in the United States largely because of the commitment and because of the efforts of Andrei Sakharov. It is testimony alone to the plight in which they lived and he now lives that in order to secure the medical treatment for his wife, in order to gain for her the right to care for herself and to be cared for he had to stop eating; he had to literally refuse life in order to give life. He is separated from his children who live in Newton, MA, whom I have come to know, who have also been brought into the effort to try to bring the attention of the world to the plight of their parents to have to give up food and to be willing to turn away from life itself. He is not allowed to communicate with friends and colleagues even within the Soviet Union or to return to his home in Moscow.

Dr. Sakharov is a prisoner of the Soviet system—isolated and cut off from the world except to the degree that the world is willing to make him not isolated and not cut off.

By standards which the Soviet Union takes pains to avoid, Dr. Sakharov's birthday, however, may be in some sense a cause for celebration, and I say that because it is a celebration of the triumph of human spirit over the forces of oppression.

Yelena Bonner, his wife, has said, "The Soviet Union does not respect silent people."

Well, we do not tend to be silent in this country, and because of the actions and behavior of the Soviet Union, we frankly care little at this moment in time about their feelings regarding us on the issue of respect. We do not intend to be silent, but they should know that the world respects Dr. Sakharov because he has never remained silent.

When he was awarded the Nobel Prize in 1975, a prize that he was not allowed by the Soviets to receive, the citation by the Nobel committee cited him "the spokesman for the conscience of the world." And even from his place of exile in Gorky, Dr. Sakharov has continued to call upon the conscience of the world with great courage and obviously at great risk to his own life.

Andrei Sakharov has spoken out for human rights in the Soviet Union and throughout the world. He has spoken out in an effort to try to hold his country to the very standards which his country has promised to uphold in the Helsinki accords, the United Nations Charter, the Universal Declaration of Human Rights, and the International Covenant on Civil and Political Rights. He has spoken out on behalf of the Solidarity movement in Poland and on behalf of thousands of Jews who are still oppressed in the Soviet Union.

Above all, Dr. Sakharov has been a spokesman for peace. As a nuclear physicist—I listened to my colleague extol his abilities as a physicist—he has been one of the creators, we know, of the hydrogen bomb, but he has also been one of the creators of a new sense of responsibility about the consequences of having created that bomb.

He knows too well and he attempts to teach as well the consequences of that destructive power. He has accepted the moral responsibility, no matter what it has meant to he and his family and his life, of speaking out for nuclear arms control and restraint. His actions, the risks he has taken, have never been on his own behalf. He has always spoken out on behalf of others, taken risks on behalf of humanity, on behalf of the larger issue than himself, and particularly on behalf of his wife and his family and his fellow citizens. Andrei Sakharov has taken on the rulers of the Soviet Union because of that for which he stands. Because of the kind of man that he is, I think we can say today he has won in a sense. They may imprison his body, but they cannot place this man's spirit behind bars. They cannot imprison his determination to be an individual. He has won because due to his hunger strikes and the moral force he has brought to bear on the Soviet Government they were forced to relent and to finally allow Yelena Bonner to come to this country for medical treatment. He has won because he has inspired the world with his moral leadership and his courage.

In the 1975 Nobel Prize lecture, Dr. Sakharov said, though he could not deliver it himself, "We must make good the demands of reason and create a life worthy of ourselves and of the goals we only dimly perceive." In 1982, from exile in Gorky, Andrei Sakharov said, "I shall continue to live in the hope that goodness will finally triumph."

Today, Mr. President, on his 65th birthday, Andrei Sakharov is still, as we all know too well, not free but because of his courage and the inspiration and the moral leadership that he has given us, I believe that some day goodness will finally triumph and Andrei Sakharov will be free.

This is a man who gives meaning to words which many of us have listened to and believed in for a long time in this country about how individuals can make a difference, about how when you strike out against injustice you can change a small portion of events. Andrei Sakharov is literally sending out a ripple of hope to people all across the world and with that ripple this is one individual, one human being who has the ability to help sweep down the mightiest walls of oppression and resistance.

I should like, Mr. President, to call the attention of my colleagues to an article written in the Washington Post recently, "Yelena Bonner: My Life With Sakharov." That article outlines in stark, vivid fashion the nature of the existence of these human beings, how despite the fact that they have money to pay for window cleaning, they cannot get window cleaning because they are not allowed to have contacts with people, how they have to drive elsewhere to listen to the radio because their television and radio and phonograph are jammed, how they cannot use the phone. This man has no phone in his apartment. They must go elsewhere in the effort to be able to have contact even with those with whom he is alleged to be able to work.

So I ask unanimous consent that this article be printed in the RECORD.

Madam President, I thank my colleague, the distinguished Senator from New York, for joining me in this colloquy.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 11, 1986]

YELENA BONNER: MY LIFE WITH SAKHAROV

(By Yelena Bonner)

During my five-month visit to America, there have been many receptions, lunches, dinners, and serious conversations about my husband Andrei Sakharov and his ordeal. The questions vary, but sometimes it is abundantly clear that the questioner knows nothing about him. The questioner doesn't even know why he came to ask his question. Everyone was asking, so he asked, too.

It's that way back home in Russia, when you see a line in the street. That means something has been put out for sale, so you get in line, too. You don't know what they're selling. And the people ahead of you don't either. It doesn't matter, you'll figure it out later.

But even friends who know quite a lot about Andrei ask: "Who takes care of Andrei while you are here?"

No one. He is alone. Alone. He cleans up, mops the floor in the kitchen, does the laundry. He goes to the store, buys food, brings it home and cooks it. He eats alone, then washes the dishes.

"Does he really know how to manage?"

Yes, he knows. And it does not bother him. He does not think that household chores divert him from "eternal" and "immortal" matters. He respects such tasks, and is willing to help even when I am home, sometimes snatching work right out of my hands. It is in fact important to understand his attitudes toward such things. It resembles his attitudes toward people. Just as there are no little people or unimportant lives, there is no insignificant work.

He gets annoyed when someone asks: "Andrei Dmitrievich, you are such a great man, you need peace and quiet. Why should you risk you health going on hunger strikes for Liza and Yelena and Bukovsky and Ogurtsov and Moros?" He finds it difficult to reply to people who do not understand the roots of his behavior.

Sometimes people have asked him: "Why bother writing about some Jew who would like to emigrate?" Such questions he finds offensive, and he is puzzled that people who have met him do not know him at all.

He approaches household matters and everyday life with the same simplicity and respect as he does people. But it is difficult for him to be alone. He does not have time for everything he wants to do. Things require much more effort than they do in America. Sometimes he lacks the physical strength to cope.

"And when you were living alone, was your life like that, too?" people ask me.

"Yes, just like that."

"How did you manage if you needed six cardiac bypasses?

I managed, I did what I could. Two years ago I could not wash the windows before I sealed them for the winter. I washed them last summer, but I was feeling worse again in the fall, so over the winter they were dirty. I have money to pay a window cleaner, but I am forbidden to have contacts with people.

One day my television set broke down. I found the telephone number of a repair shop in the phone book and went outside to call. I did not have to look too far for a pay phone; the first two were out of order, but the third was working. I was still dialing the number when my secret service escort (or KGB agent—I don't know what to call him in order to avoid being accused of slander) pulled open the door and held down the button. He chewed me out, saying I knew very well that I was not allowed to use the telephone. Then he agreed to tell his boss that I needed a television repairman. Two days later the policeman who stands guard at our door politely told me: "The repairman is coming tomorrow."

"Why did you have to go to a pay phone? Can't you call from your house?" people ask.

We have no phone in our apartment. Academician Sakharov has been living in Gorky six years without a telephone. There have been times when I needed urgent medical assistance, not a television repairman. Andrei would have to run outside, even in freezing weather, to look for a phone booth. In winter, still fewer work properly. But now he is alone, and I don't know what would happen in case of a medical emergency.

In Soviet-made films shown in the West, Andrei speaks quite a bit on the phone. It is a deliberate attempt to convince the audience that he has a telephone. While I have been in America, they have allowed us the luxury of speaking to each other. Andrei is summoned to a telephone center, but not the usual one for international calls. Post Office 107 is especially equipped with a hidden camera, and the films have demonstrated how easily, with no regard for the law, they listen to and record conversations between a husband and wife. I don't know who makes the movies, but I think the sequences exposing our family affairs to the whole world are anti-Soviet. In any democratic country, where the law protects the individual and not the state, Andrei and I would win a court case against the anonymous peeping Toms who direct the films and the government officials who authorize them. Remember Watergate. A President was forced to resign because of wiretapping.

"Do you listen to the radio?"

Yes, we do. In order to tune in, we travel to the extreme edge of town, to the racetrack or to the cemetery. There we can pick up some Western stations. It isn't bad in spring and summer, but it is cold and windy in winter. The days are short; we don't like to drive at night because the roads are often not clear—you can see that in one of the films the authorities made—and they are slippery. So we seldom listen to the radio in winter.

"Why don't you listen at home?"

Because it is jammed. In our house, or at least in our apartment, since I don't know about the rest of our 10-story building, some device has been installed which prevents us from listening to the radio, which interferes with our television reception and also with our phonograph. The jamming occurs around the clock. We have tested it morning, afternoon, evening and night.

"Is it harmful for your health?"

Andrei has thought about this and does not know. I don't understand things at all.

"Can you read newspapers and magazines?"

All the Soviet ones we want. The Western magazines which we had managed to collect over four years, among them issues of *Newsweek, Time, Paris Match, U.S. News and World Report,* were all taken during the search of May 8, 1984. They have not been returned, nor have our clippings from Western newspapers. Even our Soviet press clippings were confiscated.

"What else do you read?"

Andrei does not read a lot—I am speaking about belles-letres where he usually follows my recommendations. He spends more time on scientific journals and reprints. I read a great deal, mostly Soviet intellectual magazines, both fiction and non-fiction; they contain much that is interesting. I also read books. While I was able to go back and forth between Moscow and Gorky, I would get English and American detective stories. My English is not up to more serious reading, but I am quite able to understand my favorite heroes, Nero Wolfe and his sidekick Archie the ladies' man. I also read Agatha Christie and John le Carre (difficult for me), among others. Occasionally, Andrei also reads English mysteries.

"Where do you get the Russian books and magazines? Do you buy them?"

Some newspapers we simply buy. We have yearly subscriptions for most of the literary journals and the newspapers. Subscribing is rather complicated in the Soviet Union, because many publications are "limited." That means that there is a ceiling on subscriptions and very few copies ever appear on sale. This may seem astonishing to people in the West—there are willing customers who cannot buy what they want, but that's the

way it is. I don't know if there is any other explanation for the limits besides the paper shortage, but often the limits are on the most popular publications. There is also a shortage of books that people would want to buy.

Andrei Dmitrievich and I have no problem getting subscriptions, and we can order practically anthing we want, with the exception of the magazines *America* and *England*. That is because I am a war veteran, and war veterans may subscribe to whatever they desire without worrying about limits. All I have to do is show my papers and pay for the entire year. For 1986 I spent nearly 500 rubles on subscriptions—and by Soviet standards, especially bearing in mind the low prices of our publications, that is a lot of money. As the saying goes, "Read until you can't stand it."

We have no problems with obtaining books, either. As long as Andrei Dmitrievich is an academician, he may order many of the books published in the U.S.S.R. from the Academic Bookstore in Moscow. In the past, we used to go there every month, and what a pleasure it is to dig around in books! The two of us were like Karl Marx, who when asked, "What is your favorite pastime?" replied: "Digging around in books."

Now we order books from the Academic Book catalogue and receive them by mail. That's less exciting. And for some reason, the best books often don't reach us. On the average, we order 25 to 30 rubles' worth of books a month. Books and magazines are the luxury of our life, just as they had been in my life before I met Sakharov.

Besides the things necessary for everyday living, we have made few purchases in our years together. In Moscow we did not buy any furniture except for some things for the kitchen and the bed we slept in. In Gorky, I bought a desk, a book shelf, a table and a few table lamps. We have not purchased a single carpet or crystal objet d'art (material, albeit superficial, indicators of life-style in our society). And we're not overly extravagant in terms of clothing, either. Look how far the question of reading material has taken me. But I think that the reader, interested in much or even in everything about Andrei Dmitrievich, will forgive me.

"What is the food situation in Gorky?"

It's not catastrophic and probably very much the way it is in any Soviet city other than Moscow or Leningrad. I will simply list what there is in the stores—not even in stores in general, but in the one where we market. It is located two or three blocks from us, perhaps a bit more. The return trip is uphill, and carrying groceries is too much for me since my heart attack. So I drive to the store. Andrei usually walks.

The grocery store always has sugar, tea (very poor quality), salt, some sort of cookies, rice, vegetable oil, several types of candy, semolina, and sometimes other grains and macaroni, but there has not been any buckwheat in the last six years. There is no butter, they do have margarine, sometimes cheese, almost always eggs. As for other food products—meat, chicken, sausage, fish—when they appear, so do long lines.

The dairy store almost always has milk and yogurt in the mornings, and often has cottage cheese and sour cream, and sometimes regular cheese. The vegetable store sells potatoes, carrots and beets, and very rarely squash or cauliflower. Apples, grapes and other fruits create very long lines—especialy for bananas or oranges. There are always juices.

The bakery has bread, black and white, during the day, but runs out in the evening, especially on Fridays, when people shop for their weekend trips to the country.

There is also a wine and vodka shop. They don't always have vodka, and long lines form when it's on sale. As a war veteran, I can shop without standing in line, simply by showing my papers. I sometimes use that right, especially to buy cottage cheese or fruit. Once I used it to purchase vodka. In the summer of 1985 I had lost weight drastically and developed abscesses under my arm. Concerned that the infection might spread, I decided to disinfect the skin thoroughly. Neither alcohol-saturated pads nor alcohol is available, so I went to buy some vodka. I picked the wrong day, a Friday, and the line was long. I took out my papers and people let me through to the front of the line. I asked for a bottle and then for two—it would save me a trip if the infection spread. When I came out of the store, a bottle of vodka in each hand, my KGB escort said, "Yelena Gaeorgiyevna, you don't use to drink, did you?"

"You'd drive anyone to drink."

I don't know whether he believed I had taken to drink or not. But this was during the gloomiest days of June 1985.

Gorky has several outdoor farmers' markets. On the average, the prices are three times what they are in the stores, and for some items, even higher. For instance, meat in the store costs 2 rubles a kilogram and between 6 and 8 rubles at the market. Potatoes in the store are 10 kopeks a kilogram and 30 to 50 kopeks in the market. Cottage cheese is 1 ruble at the store and 4-5 rubles in the market. To all intents and purposes, berries and certain fruits and vegetables exist only at the markets.

In the winter, the selection is very poor, and in order to get anything at all, you must arrive before eight in the morning. I always oversleep. In the summer, the market is much more festive—there are flowers, berries, and colorful fruits, primarily from the southern republics.

But the prices are horrifying. On a television program for New Year's Eve 1985, one of our comics joked that the Division for Combatting Embezzlement of Socialist Property would do well by arresting anyone shopping for melons or pears at the market; they would never go wrong, because no one can afford them on his salary alone. That's an exaggeration, of course, but there is a grain of truth in it, even though I see many shoppers at the markets.

Once again, my status as a veteran of the Great Patriotic War (World War II) allows us not to worry too much about groceries. Every city has special stores for this category of people. When I was exiled, I requested that I be put on the eligibility list of one of these stores. Before that, I used to bring almost all of our groceries from Moscow. Once I was assigned, we visited the special store twice a month to pick up our allotments.

Each allotment includes 1.5 kilograms of meat, one chicken, 1 kilogram of fish, buckwheat groats, peas, mayonnaise, 600 grams of butter, canned goods and a half kilogram of cheese. That food order really helps us out—especially in winter.

As I said, we used to go twice a month. But it was a form of social contact—with other customers, with the salespeople—and so we were forbidden to visit the store. Now the order is delivered to our apartment. Unfortunately, the privileges accorded veterans of the Great Patriotic War are not extended to other handicapped persons, who could use this sort of help to alleviate the hardships of their life.

One of the most frequent questions: "In the past, Andrei Dmitrievich did not want to emigrate. What is his attitude now?"

It seems to me that as soon as Andrei began to have contacts with journalists in 1972, they started asking this question. We were living on Chkalov Street, never suspecting that we would wind up in Gorky. Andrei would reply in a few words, most often in one brief sentence: "I don't discuss hypothetical situations."

In 1973 he received his first invitation to spend a year at Princeton University as a visiting professor. He accepted with thanks, but said he was not ready to emigrate and he was not preparing to do so. He added that he did not consider emigration possible for himself and gave several reasons why. This conversation was not reported accurately by the correspondent who discussed the invitation with him; the second half was simply omitted. To the best of my recollection, Andrei did not make any official attempt to go to Princeton.

When he received the Nobel Prize, he applied to the Office of Visas and Registration (OVIR) for a visa and was refused.

In 1977 he accepted an invitation to attend the AFL-CIO convention in America, although he did not reach OVIR in the application process. The Academy of Sciences did not issue one of the needed documents, so it was impossible to proceed.

In early 1983, Andrei received an invitation from the Norwegian government to take up permanent residence in Norway. The invitation was sent at the behest of the Norwegian parliament and all of the parties voted for it. Andrei replied to the invitation with the following letter:

To: The Norwegian Government

I accept with gratitude the invitation of the Norwegian government to move with my family to Norway for permanent residence. Any possibility for my departure from the USSR depends on the decision of the Soviet authorities. I was earlier (1975 and 1977) denied permission to take trips abroad and reference was made to the secret character of my work until July 1968. I hope you will ask the authorities about the possibility of my departure at this time.

In the case of a refusal, I hope the Norwegian government will support the following request which is of vital importance for our family. In September 1982, my wife Yelena Bonner submitted an application to travel to Italy for ophthalmological treatment including possible eye surgery. Her eye disease is the result of a concussion she suffered at the front during World War II. Because of the special conditions under which we live, medical treatment in the USSR is not possible.

Respectfully,

ANDREI SAKHAROV.

"What is your attitude toward the reports that your husband will be exchanged soon?"

My attitude is negative—not toward an exchange but toward the reports. I consider them disinformation. I think the story about an exchange on May 18 appeared in the press to make people forget that May 21 will be Andrei Dmitrievich's 65th birthday and to deter the kind of open and solemn ceremonies which have marked that day in past years.

"Are you planning to return to the USSR and, if so, when?"

I am planning to return and have even drawn up a list of the things I should buy, although I have not yet made the actual purchases. I expect to fly back toward the end of May.

□ 1350

Mr. MOYNIHAN. Madam President, I very much agree with and share the hopes to which the distinguished Senator from Massachusetts has referred. What will be the outcome of all this? What is the prospect for changed conditions and circumstances in the Soviet regime? I do not know.

The totalitarian regime is an altogether new experience for mankind—ideological and, at some levels, technological—and we do not know if such regimes ever collapse. But we can be sure that they decline. They decline when it becomes necessary for them to suppress their best and most creative people, which they have done in the case of Sakharov.

We know him as a scientist of world class who would have taught scientists equally capable, if not possessed of his rare genius. They have lost those students that Sakharov would have had. They have lost those people who would have been inspired by him.

It has been commented that 25 years ago, Soviet science had some things to be said for it. It was not without achievements. Russia was a European nation, with European standards of achievement and productive of scientific work. Even 25 years ago, you could find such work being done in the Soviet system—fine technology. They put the first satellite in space, and they put the first man in space. They have not done anything for a quarter of a century since.

You cannot command science. You can command prison guards, not science. You cannot summon forth the great achievements of the rare individual such as Sakharov.

It is that decline which is seemingly inherent in the system, and especially so with respect to matters of knowledge and understanding. A system which lives on a monopoly of knowledge by a very few simply cannot, in the end, be creative in a world of science, which, of necessity, requires the diffusion of knowledge. It will not happen. A regime will decline and does decline; it does not collapse.

This was clear very quickly after the Helsinki accords were signed. In 1975 the Nobel Committee awarded the prize for peace to Sakharov, citing him as "the spokesman for the conscience of mankind." Well, that is a fine Norweigan thought—the conscience of mankind. I do not know whether there is objectively such as phenonmenon, but I would like to think there might be. The citation went on to say:

In a convincing fashion Sakharov has emphasized that the inviolable rights of man can serve as the only sure foundation for a genuine and long-lasting system of international cooperation. * * * He has * * * fought for the ideal of a state founded on the principle of justice for all.

There is something antique to that language, is there not—"the inviolable rights of man"?

There are not many places in the world any longer where men's rights are thought to be inviolable, and not many places where they are not violated. Still, the Nobel Prize originated in an earlier age, an age that never knew totalitarianism.

A few months later, I was asked to come to Jerusalem for a special convocation of the Hebrew University, to which Sakharov had also been invited. The Helsinki accords had guaranteed individuals the right to associate with persons in other countries, guaranteed the right to leave a country for purposes such as a convocation of a great, world class university such as the Hebrew University.

Sakharov, on the telephone, has accepted the invitation, stating that he would be honored. Einstein was one of the founders of the Hebrew University, which has always had very special connections with physicists. At the last moment, with no explanation, with no announcement, it simply became clear that Sakharov was not going to appear, and his doctorate was awarded in absentia.

I spoke on that occasion, and I should like to cite the final remarks I made. I said:

Sakharov wanted to come * * * and Sakharov is not here. Which all the more enhances the importance of this occasion for those of us who are here. We are here to witness that he is not. We are here to attest to the world and most especially to the rulers of the Soviet Union that we most willingly share our honor and his with those who stand with him. More. That if he should think it fit company we would want it understood that we are among those who stand with him.

For Sakharov is here. And those who stand with him are here.

Madam President, we cannot say that these words have had much consequence. In a very few years Sakharov's confinement to Moscow was ended and he was exiled to Gorky. Yet, the world has not failed to note this. We would be wrong, in a very large manner, if we did not perceive the degree to which the treatment of the Sakharovs in the Soviet Union—and the others with them on the Helsinki Watch Committee—has all but finally destroyed the reputation of the Soviet Union as a place where reasonable hopes of humankind might reside.

This was a condition the Soviet Union once enjoyed in the West. After all, Marxist doctrine is Western. It is a condition the Soviets enjoyed for the first half century of the Soviet State—a widespread disposition either to share some of their ideology or at least to be sympathetic to it, and a wish that the Soviet Union somehow would rid itself of errors that were not inherent in the system, so that it might be humanized and become what it claimed it would be. All that is past.

Here and there on the peripheries of the metropolitan world there will be regimes coming to power ill-wedded to this ancient and discredited and all but vanished belief. There are Marxist-Leninists in Managua, we may be sure—more, perhaps, than there are in Moscow. But as a living doctrine, as a viable and competitive proposition about the future, and politics is an argument about the future, the Soviets fail, and it is their treatment of people such as Andrei Sakharov that has led to the almost visible physical collapse of attachment to that system in the West in the past decade.

□ 1400

(Mr. CHAFEE assumed the chair.)

Mr. MOYNIHAN. Mr. President, I call attention to some remarks made recently by Sidney Drell, who is, of course, one of our most eminent physicists, and is deputy director of the Stanford Linear Accelerator Center.

He spoke at a dinner for Yelena Bonner that was held in February in New York and spoke so lovingly of his friendship with her husband, Andrei Sakharov, and of a letter he had written to General Secretary Gorbachev in this matter.

I made reference earlier, Mr. President, to Sakharov's role in the world of physics. He is referred to most frequently as the father of the Soviet hydrogen bomb, and no doubt he was. But his seminal contributions to physics in general are perhaps not fully understood. This passage is in Sidney Drell's remarks which I referred to earlier and now quote. He said that the crucial contribution that Andrei Sakharov has made has been:

. . . to our quest to understand the evolution of the universe following its physical beginnings in the "Big Bang" of twenty billion or so years ago. Sakharov has provided the only clue we have for understanding why our universe is made predominantly of matter and not anti-matter. It is the suggestion that the proton, the nucleus of the hydrogen atom—long believed to be a stable particle of nature—may in fact decay just like other forms of subnuclear matter, albeit very, very slowly. This bold hypothesis is currently being tested at laboratories around the world. It is comforting to know that our universe lacks anti-matter because if a matter galaxy or star—or whatever—met one of anti-matter, we would all go "poof".

Mr. Drell also sent a letter to General Secretary Gorbachev last January 21, in which he asked the following:

If you refuse to let us welcome Sakharov here in the West with open arms and hearts which many of my colleagues and I and many of our universities are prepared to do, at least, Mr. General Secretary, permit Andrei and Yelena to return to Moscow and restore their privileges as Soviet citizens

able to work and speak out for peace and contribute to the world of physics.

When that will happen we shall see. But for the moment we stand on the Senate floor to attest to Sakharov's continuing exile.

Mr. President, I ask unanimous consent at this point in the RECORD that the remarks of Dr. Drell on February 11 and his earlier letter of January 21 to General Secretary Gorbachev be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REMARKS AT DINNER FOR YELENA BONNER, NEW YORK, NY

(By Sidney D. Drell)

Yelena, you and Andrei know very well of my respect, my admiration, my support, and my love for you and what you stand for. On that I need say no more. Sakharov is not only a personal friend to me, but also a scientific colleague. I resent deeply the loss to science—not just to Russian science but to the whole world—caused by his six-year-long exile in Gorkiy. There he has been forced to work under a terribly severe handicap, isolated from the newest results and stimulating discussions which form the lifeblood for an active research scientist.

You should know that in addition to Andrei's deserved reputation as the courageous voice of the conscience of mankind and his recognition as the father of the Soviet H-bomb, he has made seminal contributions of crucial importance to our quest to understand the evolution of the universe following its physical beginnings in the "Big Bang" of twenty billion or so years ago. Sakharov has provided the only clue we have for understanding why our universe is made predominantly of matter and not anti-matter. It is the suggestion that the proton, the nucleus of the hydrogen atom—long believed to be a stable pride of nature—may in fact decay just like other forms of subnuclear matter, albeit very, very slowly. This bold hypothesis is currently being tested at laboratories around the world. It is comforting to know that our universe lacks anti-matter because if a matter galaxy or star—or whatever—met one of anti-matter, we would all go "poof". Collisions between little pieces of matter and anti-matter would make nuclear explosions look like a pop-gun.

Why does the Soviet Union so cruelly and mercilessly seek to destroy this scientific giant of whom they should be so proud as a national treasure, one of the greatest leaders of their strong scientific tradition? Do they really feel so weak as to fear his lone voice? For two decades Sakharov has repeatedly spoken eloquently about the need for the Soviet Union and the U.S. to give highest priority to efforts to reduce the danger of nuclear holocaust through good faith negotiations, cessation of nuclear weapon testing, and arms reductions. Sakharov's words are very similar to those of General Secretary Sakharov's in recent months.

I consider General Secretary Sakharov ill informed, indeed, if his grounds for forbidding Sakharov to come to the West are Sakharov's knowledge of Soviet weapons secrets which could be harmful to Soviet security. I've heard that argument many times before from Soviet officials and reject it totally. I know something about this subject from more than two decades of active involvement with the U.S. Government in technical issues of national security. Sakharov has not been in contact with Soviet work on nuclear weapons or military systems for twenty years. Given such a long lapse of time I know of no secrets that he could bring—even were he inclined to (which I very much doubt)—that could in the least compromise Soviet security. But I will respond to Mr. Gorbachev by saying that:

"If you refuse to let us welcome the Sakharovs here in the West with open arms and hearts—as many of my colleagues and I, as well as our universities are prepared to do—at least, Mr. General Secretary, permit Andrei and Yelena to return to Moscow and restore their privileges as Soviet citizens, able to work and speak out for peace and contribute to the world of physics."

Yelena, never doubt the strength and constancy of our support and love for you and Andrei, to whom your friend Lev Kopelev—Rubin in Solzhenitsyn's "First Circle"—has paid so fitting and beautiful a tribute in his autobiography, "Ease My Sorrows":

"The majesty of his spirit, the power of his intellect and the purity of his soul, his chivalrous coverage and selfless kindness feed my faith in the future of Russia and mankind."

STANFORD LINEAR ACCELERATOR CENTER, STANFORD UNIVERSITY,
Stanford, CA, January 22, 1986.

General Secretary MIKHAIL GORBACHEV,
The Kremlin,
Moscow, U.S.S.R.

DEAR MR. GENERAL SECRETARY: I write as a nuclear physicist who has been involved for many years in the analysis of weapons and efforts through arms control negotiations to reduce the dangers they pose.

I am pleased that 1986 has started with concrete new initiatives leading to raised hopes for progress in the mutual efforts of the Soviet Union and the United States to reduce the threat of nuclear holocaust. I welcome your important call for an end to all underground nuclear weapon tests based on verifiable procedures and for a major reduction in our current arsenals.

Recent proposals by you and by President Reagan, as well as your recent Summit meeting, have indeed raised the hopes of many people throughout our troubled world for the new year. To many, it is a source of great encouragement that the leaders of the world's two most powerful nations have declared their intentions to improve cooperation while working to reduce the threat of conflict between our societies. This hope is further fueled by anticipation of the follow-on-summits of 1986 and 1987 with their promise of substantive achievements.

At the same time as I express my support and appreciation for these important initiatives, I wish to address another issue that is of deep personal concern to me and to many people of good will in many nations. My reason for writing a personal letter to you is to urge you to permit an improvement in the circumstances of my friend and scientific colleague, Academician Andrei Sakharov.

Is it too much to hope, Mr. General Secretary, that 1986 may also see the return of Sakharov, one of the Soviet Union's most distinguished citizens, to his home and the normal privileges of a Soviet citizen in Moscow? Recall the important—indeed crucial—contributions that Sakharov has made to the very issues you yourself have raised in presenting Soviet positions for pursuing peace. For many years he has emphasized—as both you and President Reagan have also warned—that "the questions of war and peace are so crucial, they must be given absolute priority even in the most difficult circumstances" and that:

"The unchecked growth of thermonuclear arsenals and the build-up toward confrontation threaten mankind with the death of civilization and physical annihilation. The elimination of that threat takes unquestionable priority over all other problems in international relations. This is why disarmament talks, which offer a ray of hope in the dark world of suicidal nuclear madness, are so important."

At the summit you and President Reagan encouraged expanded U.S.-Soviet cooperation in fusion research for producing energy. Soviet achievements and worldwide stature in this sophisticated scientific field are based on the pioneering work of Andrei Sakharov in developing the tokamak concept. Sakharov's own participation in an expanded cooperative to harness fusion for peaceful purposes would do more than add his own considerable brainpower to this effort—many of his western colleagues would be strongly motivated to join in with him

On August 6, 1985, the fortieth anniversary of the atomic bombing of Hiroshima, you announced a five-month moratorium on underground nuclear bomb tests by the Soviet Union and offered to extend it into 1986 on a mutual basis with the U.S. It will indeed be a great day when the U.S. and the Soviet Union achieve a comprehensive test ban treaty and ban once and for all further development of deadly nuclear weapons. The path toward such a goal is long and arduous; and prominent among the first footprints on that path are those of Andrei Sakharov made almost thirty years ago. We honor his influential efforts within the Soviet Union which culminated in the Limited Test Ban Treaty of 1963, terminating above-ground testing of nuclear weapons and the buildup of radioactive poisons in the atmosphere. He said then that a complete:

". . . cessation of test explosions will preserve the lives of hundreds of thousands of people and will have a still greater indirect effect by helping to lessen international tension and to reduce the possibility of a nuclear war—the greatest danger of our age."

Can we hope to hear his reasoned and eloquent public voice, now silenced in Gorkiy, once again addressing this issue in 1986?

Is it too much to hope that we may also benefit from Sakharov's contribution to the renewed debate on the problems, prospects, and dangers of intensified U.S.-Soviet rivalry in developing weapons in space? He was ahead of his time when, in a 1967 interview with Ernest Henry, he simply and correctly described the dangers of a world armed with both offensive nuclear missiles and defenses against them:

"As everyone knows, the United States and the Soviet Union possess enormous stockpiles of strategic missiles with thermonuclear warheads. The two countries are, speaking figuratively, armed with nuclear 'swords'. The construction of an antimissile defense system would mean adding a 'shield' to the 'sword'. I think that such an expansion of nuclear missile armament would be very dangerous. This is why. Under the present political and technological conditions, a 'shield' could create the illusion of invulnerability. For the 'hawks' and 'madmen', a shield would increase the lure of nuclear blackmail. It would strengthen their attraction to the idea of a 'preventive' thermonuclear strike."

His technical judgment was also accurate, in my opinion, when he wrote to me from Gorkiy in 1983 in his last publicly available statement (Foreign Affairs, Summer 1983):

"Much is written about the possibility of developing ABM systems using super-powerful lasers, accelerated particle beams, and so forth. But the creation of an effective defense against missiles along these lines seems highly doubtful to me."

There is no doubt that his voice could make important contributions to the public debate on this issue which is so fundamental to future U.S.-Soviet policy planning and arms control prospects.

Finally, Mr. General Secretary, consider simply the human element. Sakharov is a great theoretical physicist, and it was as scientist to scientist that I first met him in Moscow at a working seminar organized by the Soviet Academy of Sciences. Soviet achievements in science are a source of great national pride, and Sakharov is one of your greatest theoretical physicists. How sad it is that he is now almost totally isolated from his scientific colleagues, their discussions, criticisms, and their latest results, which are so essential to a scientist's work. Is Soviet fear of his lone voice so great as to justify this destruction of a scientific giant?

The Soviet Union has gained deserved credit and praise for taking the step of compassion in permitting Andrei Sakharov's wife, Elena Bonner, to visit her family and seek much needed medical care here. I urge that you now take the second humane step of permitting Andrei Sakharov to return to Moscow to work for peace and for physics.

Respectfully yours,

SIDNEY D. DRELL,
Professor and Deputy Director, Stanford Linear Accelerator Center, President, American Physical Society.

Mr. MOYNIHAN. Mr. President, I see that my distinguished friend and colleague from Michigan has risen and I am happy to yield the floor to him on this occasion.

Mr. LEVIN. I thank my friend from New York and for his earlier effort.

The PRESIDING OFFICER (Mr. NICKLES). The Senator from Michigan.

Mr. LEVIN. I thank the Chair.

First, let me commend my friend from New York for what he and the Senator from Massachusetts are doing today. It is critically important that we not forget Andrei Sakharov, and again the Senators from New York and Massachusetts are taking the lead in making sure that the world remembers the Andrei Sakharovs that are still without freedom to emigrate, indeed within their country to live where they might choose.

Mr. President, today we are honoring a man of extraordinary courage, a man with a deep commitment to freedom and peace. Andrei Sakharov is a preeminent defender of human rights; and because he spoke out so vigorously and so often, he was finally forcefully denounced by the Soviet press, and banished from his home into internal exile.

For 6½ years, Andrei Sakharov has lived in isolation in the city of Gorky. Under the strict regimen imposed by the Soviet Government, he is forbidden to leave the city limits, forbidden to meet with foreigners and "criminal elements," forbidden to correspond or talk on the telephone with foreigners, even prohibited from scientific and purely personal communications, including those with his children and grandchildren.

But even under the restrictions of internal exile, Sakharov's mind has remained free, and, although with considerable difficulty, some of his writings still manage to reach the West. He writes on a whole range of issues—arms control and nuclear disarmament; the responsibility of scientists; the nature of the Soviet system and prospects for reforming it—but ultimately, everything ties back in to the question of human rights. In Sakharov's own words:

I am convinced of the interrelatedness of international security and defense of human rights * * *. The most important conditions for international trust and security are the openness of society, the observation of the civil and political rights of man—freedom of information, freedom of religion, freedom to choose one's country of residence (that is, to emigrate and return freely), freedom to travel abroad, and freedom to choose one's residence within a country.

Andrei Sakharov speaks and writes eloquently and directly. Reading his words, one knows instinctively that he is expressing fundamental truths about people and nations and how they should act toward each other. He is not saying anything completely new—many others have written about peace and freedom, responsibility and human rights. But the way Andrei Sakharov expresses himself, and most importantly, the place Andrei Sakharov sits while he writes, give his words a special urgency.

On the occasion of his 65th birthday, we must pledge ourselves to continue all efforts, both public demonstrations and quiet diplomacy, that might lead to Andrei Sakharov's release from internal exile.

Again I commend my friend from New York for his all-out efforts to keep this case before the court of public opinion.

Mr. President, at the request of the Senator from Massachusetts I ask unanimous consent, and I am sure my friend from New York will concur in this, that all statements relative to Andrei Sakharov's 65th birthday be accepted into the RECORD as though read and inserted as part of these proceedings which have been initiated by the Senators from New York and Massachusetts.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. I thank my friend from New York for yielding the floor and thank the Chair.

Mr. MOYNIHAN. Mr. President, I thank the Senator from Michigan, who is characteristically gracious, and we very especially welcome his presence on the floor on this occasion. He is always there when these issues arise, and that is why he has won the respect and affection of so many of us on both sides of this aisle and, I suspect, why he has learned to be feared in other parts of the world. That does him equal honor.

Mr. LEVIN. I thank the Senator.

□ 1410

Mr. MOYNIHAN. Mr. President, the question remains of the behavior of the Soviet Union. What can they hope to achieve, as Sidney Drell has also remarked, by destruction of a scientific giant? I know they do not care about Sakharov as a person. The regime does not indulge in such behavior.

But do they not know that even today as they speak about nuclear war, they do so in exactly the terms that he introduced them to 18 years ago, when he published his essay, "Thoughts on Progress, Peaceful Coexistence and Intellectual Freedom"?

It is Sakharov's position that the questions of war and peace are so crucial that, "They must be given absolute priority even in the most difficult of circumstances."

Now, it is an irony that with time, and now with the nuclear disaster at Chernobyl, the Soviet leaders have at least come to the point where they speak in these terms. When Mr. Gorbachev spoke to the world after the disaster at the Chernobyl reactor, he took note of the absolute priority of the questions of war and peace, nuclear war and peace. And yet, who is to believe the Soviet leaders if they have imprisoned the very man who first put this proposition to them? What can they expect from the West in the way of trust? Are they in fact speaking the truth of their own convictions? If they are, they have defeated them by their behavior to this extraordinary man.

When you think of a man of his stature in science, it does no wrong to think of Apollo, the Greek god of science and such-like inspiration. I find myself thinking of the tale of Cassandra, who Apollo looked upon with favor and granted the gift of prophecy, but then, having decided he thought otherwise of her, punished her not by taking away the gift of prophecy but leading others not to believe her when she spoke.

In some way the Soviet leaders are beginning to get themselves in this same position. If they have learned from this great Apollonian man, if indeed they have learned the absolute priority of the questions of nuclear war and peace, then their treatment of him has been such to make them not believed when they speak. They might consider this, if these words reach them—and, incidentally, Mr. President, these words will reach them. They are more than a little conscious

of what is said on the floor of the U.S. Senate. And they must really ask, as they come to Geneva with proposals on arms control which have to be attended to and are; they must really ask, when they consider whether we will abide by treaties, ratified or otherwise and on the assumption that they are doing the same; they must really ask, as they propose yet new understandings in the world: Who will believe them when they have imprisoned the man who first taught them the need to do so, the man who first gave them this capacity for destruction and first warned them of what it meant?

It was Sakharov in 1958 who first spoke of the dangers of continued testing in the atmosphere, which led in a not very long time to the Limited Test Ban Treaty, perhaps the most important single arms control agreement we have reached with the Soviet Union. He gave them the power. He warned them against its use. They have commenced to speak as if they understood the warning. But who is to believe them when they have imprisoned the man who first made it, who first told them, who first warned them?

This is much more an obstacle to understanding between the two nations than is probably understood in the Soviet system. It is very hard for them to make the leap into our sensibilities and system, even as it is hard for us to do likewise. We probably both have mirror images of the other, thinking the other's system cannot be all that different from the one we have. But they are so profoundly different. Still information does make its way through.

I have spoken in this country to persons who, at one time or another, have translated articles I have written on subjects I would have thought of no very great importance, but nontheless translated them for members of the Politburo. They do know what is going on in the world, to a degree. Sometimes their understanding is alarmingly at odds with reality and we do very much wonder who reports what to whom and what is their measure of reality.

But they must know the treatment of Sakharov has become a central standard of measure for assessing the trustworthiness of their propositions about the world's most profound issue, the issue of nuclear war and peace.

What are they to be trusted to do with respect to nuclear war if they have imprisoned the man who first gave them the capacity and warned them against its use? Do they understand this? I do not know how we would ever learn.

It is surely the case that they know that he does not possess any state secrets that would jeopardize the Soviet state if he were to come to the West. As we ourselves learned in short order after World War II with the explosion of the nuclear weapons in the United States, there are no secrets in science. There can be secrets in technology and there can be secrets in planning and operation, but science has no secrets. The Soviet physicists of the 1940's were fully able to reproduce the work of the American and British and German physicists of the midforties here in the United States. I think of Hans Bethe and Oppenheimer and of course the British who also worked at Alamogordo. Science is an international commodity. And from the beginning of quantum mechanics, it was clear enough what the structure of the atom would be. And once that became clear, the process of fission followed almost as a matter of deduction.

□ 1420

The technology is more demanding by far. But that technology is primarily a matter of resources. When they are gathered together and applied to an enterprise, the results can be predicted with high order of competence. If you know theoretically what to do and you find the resources to put that theory into practice, you can predict success with repeatability.

On the other hand, to return to the remarks I made a little earlier, for the Soviets to destroy a scientific giant, as Sidney Drell wrote in his letter to Gorbachev, is the first step in destroying their own science. To some it is doing no more than disabling their reputation for trustworthiness with regard to the most central aspect of our relationship with them—nuclear arms control. But they are just as surely beginning to erode their capacity to maintain themselves at least to a measure of Western standards of performance on the fringes of science, and to keep pace with the great enterprises now afoot in particle physics.

They will pay a price for this. They are paying a price for this. They have managed by sending their greatest physicists into exile. They proceeded with a program of nuclear reactors which ended up with the first genuine disaster of the age of nuclear power. The world watched as they were not horrified, and at some levels were contemptuous. What manner of men think they can deal with such matters competently when systematically they destroy their own competence?

Do the Soviets understand this? I do not know, Mr. President. But whether or not they understand it, it is true. There is more at stake with them in their treatment of Andrei Sakharov than is perhaps possible for totalitarian regimes to comprehend, and yet whether or not they comprehend those stakes, they are real. That cost is being paid.

As I draw this colloquy to a close on the occasion of the 65th birthday of Andrei Sakharov, I think my colleagues who joined me on this occasion would agree that in a year's time we shall return to the floor on May 21, either to witness the fact that he is still in Gorky, or to celebrate what small or large changes in his circumstances may have intervened.

Mr. President, I thank you for your courteous attention.

ANDREI SAKHAROV'S 65TH BIRTHDAY

Mr. KENNEDY. Mr. President, today the Senate pauses to extend best wishes to Andrei Sakharov on his 65th birthday. We are honored to have with us today his wife, Yelena Bonner, whom the Soviets finally permitted to come to the United States for medical treatment—but only after a long and bitter struggle, including a prolonged hunger strike by Dr. Sakharov. She has spent the last several months in Newton, MA, with her children, and will be returning to internal exile in Gorky later this week.

I met this morning with Yelena Bonner who expressed great appreciation for the efforts of so many concerned Americans to gain freedom for herself and her husband. Ms. Bonner and Dr. Sakharov have been living in exile in Gorky for many years—deprived of the most basic of human rights. Andrei Sakharov is under constant surveillance, prohibited from leaving Gorky, and forbidden any contact with foreigners. His plight has become a symbol of oppressed people throughout the world.

This extraordinary man has become a spokesman for the conscience of the world. A recipient of the Nobel Peace Prize, Dr. Sakharov has spoken out on peace and disarmament, on freedom of association, movement, information and opinion, on protection of the environment and on nuclear powerplants. In his 1975 speech accepting the Nobel Peace Prize, Dr. Sakharov spoke of the need to fight for every individual, against every act of injustice, and against every violation of human rights. "Peace, progress, human rights—these three goals are indissolubly linked: It is impossible to achieve one if the others are ignored."

We have not forgotten those eloquent words spoken 11 years ago. On this celebration "in abstentian" of Dr. Sakharov's birthday, we renew our pledge never to give up or give in. Not only for Dr. Sakharov, but also for the thousands of oppressed in the Soviet Union and throughout the world—whose names we do not know—we pledge to fight for the goals of peace, progress, and human rights.

Mr. President, I ask unanimous consent that two recent articles by Yelena Bonner and Andrei Sakharov may be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, May 18, 1986]

AMERICANS DON'T WANT WAR—THEY WANT HOUSES, WITH YARDS, AND SO DO I

(By Yelena Bonner)

I am convinced that Americans want peace. I don't know about America—I'm not a specialist, like the schoolchildren who travel around the world on peace missions and can explain everything about rockets and so on. But while I am not as competent to judge, I maintain that Americans do not want war.

What Americans want is a house. No matter their place on the social ladder, their salary, capital, inheritance, winnings in the lottery or on the stock market (for me with my lack of education in these matters it is almost one and the same, even though I do know that people win more frequently—and lose more frequently!—playing the stock market than the lottery), they want a house of their own.

They want a house and the ground it stands on, and a surrounding bit of land. That's all. Some own a tiny house, like a toy cottage, and only the soil is in their flower boxes; others have lots of bedrooms, baths, and extensive lawns. The desire to own a house is not a class ambition; it encompasses upper, middle, upper-middle, or lower-income groups, and is an expression of a national trail, a desire for privacy.

Even one of New York's homeless, huddling in a blanket over a grating, will be insulted if you invade his privacy. A house is the symbol of independence, not even a material one, but some sort of combined spiritual and physical independence. The American feeling about his house expresses the main traits of Americans—the desire for privacy and independence. But that attitude gives rise to a third trait, "my house is my pride and joy."

And from that comes "My city, my state, my country is my pride and joy." There is no aggression or parochialism in that attitude. It is open and kind and caring both toward the house and toward everything that it stands for, the soil in the flower boxes and the lovingly-tended lawn, even if it's only three yards square. And, I say, this shows that Americans care about land in general and about the whole world. Only the other day my son told me that according to a poll, 43 percent of all Americans prefer growing flowers to any other outdoor pastime.

Americans do not want war. They want a house. The first lady says that when the president retires, they will sell the house in which they lived before the presidency. The children are grown and the place is too big for them, so they will buy a smaller house. A wonderful plan! And it's wonderful that the whole country knows it. The president doesn't want war, he wants a new house.

I also want a house, in addition to my usual wants that everyone be together and healthy and that there be no war. With enough land around it, and no more, for me to plant flowers. For the sake of nostalgia I could grow an ordinary Russian cornflower and an ordinary Russian daisy and a single birch tree. But to tell the truth, I find nostalgia a form of play acting.

I don't need a lot of bedrooms, just one for us and one for mother, a guest room and one more so that I'm always ready for our grandchildren. And I'd like a room where I could at last spread out my book and where Andrei could make a mess. What nonsense I'm writing! I want a house! This is me, who should be counting the days, no, the hours of my freedom to do what I want, even to type this freely, to type all my unattainable nonsense, such as "I want a house."

But you know, I'm sixty-three, and I've never had a house; not only that, I've never had a corner I could call my own. I started out like everyone else: a normal childhood, but then came a strange orphanhood—father and mother arrested and no one knowing whether they were alive or not. I lived in a single room with my grandmother, brother and sister. On the other side of the wall (we could hear everything) lived a man named Fyodorov with his wife and four children. When he got drunk he beat them. If they managed to get away, they would spend the night with us, sitting on the old trunk. Fyodorov never broke into our room. He was afraid of grandmother—everyone was afraid of her except me. I had my own fears, of course, but ever since my parents' arrest, I have never allowed myself to show my dread of anything.

Then there was the army. I guess there was a time when my "house" was a compartment in the hospital train, where I was head nurse. The war ended, and many people shared my room with me, like girl friends in Leningrad after the evacuation was over. Later, we had a room in a communal apartment—my first husband, two children, my mother, and I; often we had friends staying the night. There were 48 people in one apartment, and one toilet.

Later in Moscow, we had two rooms in the apartment where my mother, the children and I lived, and then we were joined by my son-in-law, and then by Sakharov. I think that the first time I was mistress of my own place was—it's hard to believe—in Gorky, in exile.

I do not want that. I want a house. My daughter has a house in Newton, Mass. It make me so happy to think that she has a house. Her family is caught up in our affairs, in our Gorky horrors and suffering, and our cares. They have forgetten the pleasure of their house. I want them to go back to caring about it. It has done so much for them—my daughter and her husband and their two children have been living in the house since their arrival in 1977. My son came there, followed by his wife, and their daughter was born there. Two families shared the house in a most un-American way—it was almost a communal apartment and it had almost a third family: my mother arrived and the impossibility of going back to Russia has kept her there close to six years. Where else could she go—live in exile in Gorky?

My dream, my own house, is unattainable for me and my family—that is, for my husband and myself, as unattainable as heaven on earth. But I want a house. If not for me, then for my son and his family. My son and I plan to buy one. And I am learning many new things. The house should be near good schools, my grandaughter is three and schooling is not far off in the future. It should be in the suburbs—vacations are short and a child should not have to grow up in a polluted city. It should be close to their work—both parents have jobs and there is only one car. It should have a full foundation and basement (I had never known such considerations to exist). It should have three bedrooms so that my mother can be with them, or at least visit. It should have a room and bath in the basement for guests. It should have a studio—Alyosha wants more than a house, he needs a workroom for his mathematics. But the cost is . . . oh! I want, I want, I want. More than the children, I want. But it's time for me to pack my bags. Not tomorrow, but very soon. The children live here, I live over there.

My time here has been a highlight of my entire life. For instance, I went to the Virgin Islands. I had never been in a climate like that, near palm trees—coconuts really do fall! My bare feet had never felt sand like this. The warm and quiet sea splashed just twenty steps away from me. I would call it paradise, but paradise is not simply a question of climate, or sand, or sea, or even apples (or pears—that historical argument from the Garden of Eden has yet to be solved). Paradise is being with people you love and treasure and not worrying about them. I wish Andrei were here. I wish my mother could sit in a rocker in the shade near those sweet, sleep-incuding oleanders, and I wish I could pick up the phone once a week and hear the calm voices of my children. Paradise, it turns out, is so simple and, it turns out, unattainable for me.

Long, hot hours on the white, hot sand; the sea—light blue, dark blue, turquoise. The bay is small—even with my ailing legs I managed to wander all the way to its left point one day, and to its right on another. I will always remember that arc, a smooth edge of sand, and the sea, which doesn't roar, but whispers, babbles. I'm afraid of lapsing into sentimentality (I think I already have, in fact), but I've never seen such a sea . . . it has such tranquility.

Perhaps I have grown more tranquil here. I am grateful that I was invited to that island and that it was so simple to give me five days to catch my breath, to work, and to have peace. Maybe those days let me regain my senses—to stop losing my temper with my family; to understand that I can change nothing or correct nothing; to stop tormenting my heart (the six bypasses may not be able to take it) and the hearts of others—hearts I love.

My husband told me just five months ago (God, I haven't seen him in five months and want to be with him so much!), "The world is further away from war than it has been in a long time." I believe him, and on that score, I live calmly. Especially since I have more than enough worries, cares, and misfortunes of my own.

What difference does it make if Gorbachev and Reagan meet in June or some other month? What difference does it make which of them is being cranky? First Gorbachev plays hard to get, like a girl invited for a date, pouting, considering: "I don't know, I have to think about it, probably not." Then Reagan sounds like a jealous girl, "It's her or me. Now or never." A recent newspaper article set me thinking along these lines. Actually, all three are alien to me—the newspaper and the two governments. I must be one of the world's least interested people in the problems that Reagan and Gorbachev are threatening to discuss or not discuss, when and if they meet or don't meet.

I want a house. I don't want war. Americans want a house, too. Americans don't want war.

So now with my surgically repaired organ of feelings and circulation I am writing in a hotel in New York, which is simultaneously a city and a country and a world. I am on the eighth floor in a corner room. One window opens on 61st Street, the other on Central Park. In two directions, unfolding from an angle, stetches a panorama that needs nothing added to it. Against the blue of the sky are the gray silhouettes of buildings that pierce it (light gray in the sun, darker in shadow), lines, lines, lines. How

can anyone say that New York is not beautiful? For me it is the city of cities, ready for the future.

Today I saw something amazing from the windows of this room.

I got up early, a bit after six. The haze of burgeoning buds barely showed over the trees, and the grass had not yet taken on a greenish hue. It was still yellow, the color of grass shoots. And now it's noon, and there is a delicate green smoke over the trees and the grass has turned green, a tender, tender green. So quickly, spring came in six hours. Lord, I want the whole world to feel this good. They say New York is at its best in springtime. And now I'm going downstairs into the city.

[From the New York Times, July 21, 1986]

A RETURN TO GORKY, AND A NOBEL SPEECH

(By Andrei D. Sakharov)

(Today is Andrei D. Sakharov's 65th birthday. My husband is celebrating it alone in Gorky. In two weeks, I will return to him and again share the ordeal of exile. The six months I have spent in America since I arrived for medical treatment have convinced me that my husband and his fate will be remembered here. I hope that some of the ideas that he expressed in his 1975 Nobel Peace Prize address will be remembered as well.—*Yelena G. Bonner*)

Peace, progress, human rights—these three goals are indissolubly linked: it is impossible to achieve one if the others are ignored.

International trust, mutual understanding, disarmament and international security are inconceivable without an open society, freedom of information, freedom of conscience and the right to travel and choose the country in which one wishes to live. Freedom of conscience, together with other civil rights, provides a basis for scientific progress and a guarantee that it will not be misused, a basis for economic and social progress and a guarantee that social rights can be defended effectively.

Détente can be assured only if it is accompanied by consistent attention to the availability and free exchange of information in all countries and absolute respect in all countries for civil and political rights. In short, in addition to détente in the fields of disarmament and trade, détente is needed in the field of ideas.

The Final Act signed at Helsinki is noteworthy because it extends official recognition to the complex approach which seems to be required for the solution of international security problems. The Act contains farreaching provisions on the connections between international security and the defense of human rights, the free flow of information and freedom of movement. These rights are secured by solemn undertaking of the participating states. Obviously, we cannot speak of guaranteed results, but we can speak of new opportunities that can be realized only by long-term, systematic work, in which the participating states, and especially the democracies, maintain a united and consistent attitude.

We must fight for every individual and against every act of injustice and against every violation of human rights. So much in our future depends on this.

In struggling to defend human rights, we ought first and foremost to protect the innocent victims without demanding the destruction or total condemnation of the regimes we hold responsible. We need reform, not revolution. We need a flexible, pluralist, tolerant society, which will foster a climate of free inquiry and debate and the open-minded use of the successes of all social systems. What is détente? What is rapproachement? We are concerned not with words but with a willingness to create a better and more decent society, a better world order.

Thousands of years ago, tribes were engaged in a fierce struggle for survival. It was important not only to know how to handle a club but also to be capable of intelligent thought, preservation of common knowledge and experience, and altruistic assistance to other members of the tribe.

Today, the whole human race faces a similar test. In endless space, many civilizations are bound to exist, among them societies wiser and more "successful" than ours.

An infinite number of other civilizations may exist on the preceding and following pages of the Book of the Universe. Yet we should not minimize our sacred endeavors in this world, where, like faint glimmers in the dark, we have emerged for a moment from the dark chaos of unconscious matter in order to fulfill the demands of reason and to create a life worthy of ourselves and of the goals we only dimly perceive.

Mr. DECONCINI. Mr. President, I am pleased to join my colleagues today to honor Dr. Andrei Sakharov on his 65th birthday. The importance of this occasion cannot be underestimated. Dr. Sakharov, a distinguished Soviet scientist and renowned advocate of human rights, is a prisoner in his own country. Why? Because he continues to speak out against Soviet violations of basic human rights and fundamental freedoms.

Dr. Sakharov has dedicated his life to the welfare of all mankind. His ideals formed the basis of the human rights section of the 1975 Helsinki accords, and he is the first Russian to win the Nobel Peace Prize. His accomplishments are numerous and worthy of praise. And yet, these very achievements are discredited by his own government.

Since January 1980, Dr. Sakharov has been held "hostage" in the isolated city of Gorky because of his condemnation of the invasion of Afghanistan by the Soviet Union.

The punishment of a man with such a brilliant scientific career and with such a deep compassion for the suffering of others is incomprehensible. More importantly, Sakharov's endurance of constant harassment is to be admired by all of us. His dedication to social justice is the epitomy of the heights to which the human spirit can rise despite the adversities it may face.

Mr. SIMON. Mr. President, I am honored to speak today on the occasion of Andrei Sakharov's birthday.

Mr. Sakharov is known as the world's spokesman for human rights. He founded the Helsinki Watch Group in the Soviet Union to monitor Soviet compliance with the Helsinki accords. He has gone on two hunger strikes to protest his and his friends' treatment by the Soviet Government. His dedication to the most noble cause of preserving human dignity is formidable. His strength through the years has proven indomitable.

The Soviets have exiled Andrei Sakharov and cut his connections to the outside world. The Soviets have forced-fed Mr. Sakharov, have forced him to appear in film as healthy and have abused Mr. Sakharov's human rights.

I look forward to the day when I can stand in this Chamber and welcome Andrei Sakharov to our Nation. I wish Andrei Sakharov birthday greetings and hope that next year, he will celebrate his birthday in freedom.

IN RECOGNITION OF ANDREI SAKHAROV'S 65TH BIRTHDAY

Mr. LAUTENBERG. Mr. President, I rise to honor Dr. Andrei Sakharov on his 65th birthday, designated by Congress as "National Andrei Sakharov Day".

Andrei Sakharov has brought Soviet abuses of human rights to world attention. As a dedicated human rights activist, he played a key role in founding the Moscow Helsinki Group to monitor Soviet compliance with human rights guarantees in the Helsinki accords. He has demonstrated unparalleled courage and tenacity in his efforts to urge Soviet compliance with the Helsinki accords. In 1975 the world recognized his contributions on behalf of human rights and world peace by awarding him the Nobel Peace Prize.

The Soviet Government also has honored Sakharov by awarding him the Hero of the Soviet Union Medal three times. But Sakharov's unrelenting commitment to the cause of human rights has embarrassed the Soviet Union, and they seek to crush him. To destroy his spirit. To quell his tireless efforts for freedom. Despite the honors the Soviets and the world conferred on him, in 1980 the Soviet Government banished Andrei Sakharov to internal exile in the city of Gorky for his human rights activities.

For 6 years, Andrei Sakharov has lived in the closed city of Gorky. The Soviets have systematically persecuted and isolated him and have sought to destroy his credibility in the Soviet Union and in the West. Despite these efforts, Andrei Sakharov has succeeded in keeping the eyes of the world focused on his struggle for human rights, individual freedom, and peace among nations. He has demonstrated that his quest for freedom is stronger than the Soviets desire to silence him.

That Andrei Sakharov is denied basic human rights is reprehensible. The Soviet Union has signed the Final Act of the Conference on Cooperation and Security in Europe. It is bound by the Universal Declaration of Human Rights. And it has ratified the International Covenant on Civil and Political Rights. These agreements guarantee Andrei Sakharov the right to freedom of movement, expression, and as-

sembly. They guarantee his right to family reunification. The Soviet Union must be held accountable for the promises it made when it signed these agreements; Promises it made to Andrei Sakharov and to all citizens of the Soviet Union.

Andrei Sakharov has not been alone in his campaign. His wife, Dr. Yelena Bonner, has raised a loud, strong voice for human rights. She, too, has been continually harassed and persecuted by the Soviets for these activities. She was sentenced to 5 years of internal exile in 1984 on charges of "slandering the Soviet State". After many years of urging and protest, the Soviets recently permitted Dr. Bonner to receive specialized health care in the West. I am pleased that after so many years the Soviets finally accommodated her medical needs and that she is in Washington, D.C. today to participate in ceremonies honoring her courageous husband. I regret, however, that her husband is not able to celebrate his 65th birthday in freedom. That he is forced to celebrate behind the walls of Soviet oppression.

Today Andrei Sakharov sits in banishment in Gorky. For his continuing efforts on behalf of the oppressed, he suffers. For his persistence and dedication in light of the grim fate mapped out by the Soviet Union, we applaud him and urge him to continue with his fight. For his sake and for the sake of all who respect and cherish freedom.

Dr. Sakharov's plight serves as a reminder to the free world of the great strides necessary in the Soviet Union to ensure the human and political rights of all citizens. We must speak out today for Andrei Sakharov's freedom. And we must continue to speak out on his behalf on every occasion so that he may celebrate his next birthday in freedom.

IN HONOR OF ANDREI SAKHAROV

Mr. RIEGLE. Mr. President, today, is Dr. Andrei Sakharov's 65th birthday. In his honor, Congress has designated May 21, 1986 "National Andrei Sakharov Day" so that all the world might pay tribute to this remarkable man, who has been called "the spokesman for the conscience of mankind."

Today, I am proud to join others in focusing public attention on the plight of Dr. Sakharov and his wife, Yelena Bonner, and in so doing, promote a greater appreciation for the suffering being endured by them and countless other Soviet citizens who are being denied their basic human rights.

The story of Dr. Sakharov and his wife is well know to us all. They have paid dearly for their insistence that the Soviet Government respect their right to human dignity and freedom.

Since 1980, Andrei Sakharov has languished in internal exile in the closed city of Gorky. Harassed by the secret police, he is denied the company of friends and colleagues and is not permitted to communicate with his family in the West.

Despite these hardships, he continues to speak out against Soviet violations of basic human rights and fundamental freedoms. His commitment to human rights, which saw him play a key role in the founding of the Moscow Helsinki Monitoring Group to oversee Soviet compliance with the Helsinki Final Act, is still evident today.

That commitment was recognized by the world when, in 1975, he was awarded the Nobel Peace Prize for "his love of truth and strong belief in the inviolability of human beings," and for his "courageous defense of the human spirit."

Until 1984, when she, too, was sentenced to internal exile for "slandering the Soviet State," Dr. Bonner served as the communication link between her husband and the outside world.

The free world was blessed recently with the visit to the West of Yelena Bonner. Despite official warnings not to talk to the media, Dr. Bonner did speak to us, and taught us a great deal. She showed us a world that few of us ever imagined; a world of isolation and physical difficulties that has been the Sakharovs' life for the past 6 years.

Echoing the words of Anatoly Shcharansky, Yelena Bonner reminded us that protests of Soviet human rights violations must be loud, they must be clear, and they must be consistent. Without that kind of support, those fighting for their rights inside the Soviet Union face a future of continued repression, with little hope of change.

The cover of respectability which the Helsinki accords lend the Soviet Government disappears when contrasted with the inhumane treatment of Dr. Sakharov and millions of others like him.

In their treatment of Dr. Sakharov, the Soviets show the world that they have no respect for the rights of their citizens, which are guaranteed in the Helsinki Final Act. This same blatant disregard was clearly demonstrated by their failure to immediately notify all of their citizens, and the citizens of neighboring countries, of the Chernobyl accident, so that precautionary measures could be taken.

Similarly, the Sakharov family is not permitted to be reunited, in violation of the Helsinki accords' guarantee of family reunification and family contact.

The Soviets' vow to "facilitate human contacts between people" was again shown to be hollow when they refused to permit Americans with loved ones living in areas affected by the Chernobyl accident to communicate with each other.

As Dr. Bonner's son, Alexei Semyonov, told us shortly before the November 1985 summit, in an appeal on his parents' behalf:

> If the Soviet Union is indeed interested in constructive talks, in creating an atmosphere of good will at the summit, they should make improvements in the human rights area which are of grave and immediate concern to the west. Human rights policy is the one true indicator of the Soviets' intentions; if they are not willing to make a humanitarian gesture of releasing my parents, living symbols of the struggle for human rights in the Soviet Union, then they are not interested in results at the Geneva talks.

The Soviet authorities must recognize that the treatment of their citizens is not an internal matter that can be ignored. Helsinki changed all that.

And so, on his 65th birthday, we say to Dr. Sakharov, so that all the world may hear: You are not alone. And neither are the countless others who struggle daily around the world for their freedom.

I urge that the Soviet Government honor Dr. Sakharov's request to freely emigrate to the West. The symbolic importance of such a gesture would provide important evidence of Soviet willingness to abide by its international human rights commitments, and would advance the discussion of other critically-important bilateral issues, including arms control, trade and human exchanges.

I urge our own Government to give the Sakharov case the priority attention it deserves. Just as it was appropriate for President Reagan to meet with Anatoly Shcharansky last week, so, too, is it appropriate for him to meet with Dr. Bonner before she returns to the Soviet Union.

Quiet diplomacy is simply not enough. As Shcharansky has argued, such an approach:

> . . . can only help if it is supported by strong public pressure so that for the Soviet Union there will be no illusions that the question of human rights, the questions of Soviet Jewry, the question of emigration are all very closely related to their economic and political interests.

He went on to say:

> I am sure that my release would never have been possible if there were not such a strong open campaign for me, and if President Reagan personally did not take such a strong, open position on my behalf.

Mr. President, Dr. Sakharov and his family and the other countless families seeking to join their loved ones must have their dream answered, just as Anatoly Shcharansky's finally was.

To all of them, we renew our pledge to speak out on their behalf and to fight for their rights until justice is done.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

□ 1450

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico.

FUTURE TEACHER TRAINING CORPS FELLOWSHIP ACT

Mr. BINGAMAN. Mr. President, I have already sent to the desk a bill which I ask be referred to the appropriate committee. The bill, Mr. President, is the Future Teacher Training Corps Fellowship Act. It is designed to help deal with the problem of teacher shortages and teacher quality in America. Senators ROCKEFELLER, MATSUNAGA, GLENN, BURDICK, MECLCHER, and BYRD have joined me in this legislation and I welcome their support as original cosponsors.

This past Friday the Carnegie Forum on Education and the Economy released its study, "A Nation Prepared: Teachers for the 21st Century." This report calls for sweeping changes in the teaching profession. It says:

• • • Americans have not yet fully recognized two essential truths: First, that success depends on achieving far more demanding educational standards than we have ever attempted to reach before, and second, that the key to success lies in creating a profession equal to the task—a profession of well-educated teachers prepared to assume new powers and responsibilities to redesign schools for the future. Without a profession possessed of high skills, capabilities, and aspirations, any reforms will be short lived. To build such a profession—to restore the Nation's cutting edge—the Task Force calls for sweeping changes in education policy."

Its recommendations include a national certification of teachers, a national proficiency exam, a new position of "lead teacher", a greater voice for instructors, and teacher incentives tied to schoolwide student performance. The report also calls for other changes that bear more directly on the bill I am introducing today: To require a bachelors degree in the arts and sciences as a prerequisite for the professional study of teaching; to develop a new professional curriculum in graduate schools of education leading to a master in teaching degree, based on systematic knowledge of teaching and including internships and residencies in the schools; and to mobilize the Nation's resources to prepare minority youngsters for teaching careers.

The report recommends scholarships for master graduates to help defray the cost of their graduate studies. The report also recommends, "financial assistance for highly talented graduate students interested in preparing themselves for fields in which substantial long-term teacher shortages exist." The report emphasizes that, "the Federal Government should refocus all financial aid relating to the preparation of teachers to the graduate level."

This bill attempts to do that. Its aim is to attract outstanding individuals to the teaching profession, at a time when the need is greater than ever before.

STATEMENT OF NEED—TEACHER SHORTAGE

Mr. President, we are in the grips today of a serious teacher shortage that promises only to worsen. It is estimated that between 1986 and 1992 this Nation will need 1.3 million new teachers. This is in the face of a declining pool of young college graduates from which prospective teachers can be recruited—smaller than at any time in recent history. The decline occurs at a time the children of the "Baby Boomers" are creating heavy demands for schooling. The number of new teachers entering the profession each year declined for 300,000 in 1972 to fewer than 150,000 in 1982. Within this decade 50 percent of the current teaching force will retire.

Moreover, the shortage will not be uniform. Some sections of the country will be harder hit than others. For example, California will need 85,000 new teachers by 1990. A 1984 annual survey of teacher placement officers also showed that five teaching fields—mathematics, physics, chemistry, computer programming and data processing—were particularly short of teachers.

Increasing career opportunities for women and minorities have also decreased the once readily available pool of potential teachers. Compounding the problem is the dramatic increase in the minority student population, even as the proportion of minority teachers is declining. By the 1990's, minorities will constitute 30 percent of the total school population; yet, they will comprise less than 5 percent of the elementary and secondary teaching force.

THE FUTURE TEACHER TRAINING CORPS FELLOWSHIP ACT

My hope is that the legislation we are introducing today will help reverse these disturbing trends.

The purpose of the Future Teacher Training Corps Act is to award graduate fellowships through State grants to outstanding undergraduate students and to midcareer people who are interested in the teaching profession. In return for the scholarship, the recipient will agree to teach in geographical areas of the State or in subject areas where a teacher shortage exists. The bill defines fields of study in shortage areas as math, the sciences, and any other three subjects as determined by the State. Geographic shortage areas, also determined by the State, may include remote rural areas or inner-city schools.

The State would be the grantee, receiving grants in proportion to its share of the total school-age population. The bill requires that recipients be selected on the basis of outstanding scholarship in undergraduate school, and if appropriate, previous work experience.

The bill sets certain preconditions that a State must meet to qualify as a grantee. One of these requirements is that a recipient may only attend institutions that have a clinical internship program approved by the State. Further, the State must have a precertification teachers examination program in place by the time the first recipients graduate. These two requirements work together to ensure that students will have a practical intership experience, while also requiring that the State have in place an exam for entering teachers to test their academic skills. Currently 30 States have in place or are considering a precertification exam for incoming teachers.

Education experts point to the serious underrepresentation of minority teachers in the United States. This bill requires the State to recruit underrepresented groups in teaching, including black Americans, Hispanics, Asian Americans, and American Indians.

A student will continue to receive a $5,000 annual fellowship if he or she is enrolled full time in a graduate program pursuing teacher certification, participates in a clinical internship program approved by the State, and if appropriate, pursues academic courses in the field in which he or she intends to teach. Those targeted for participation are students now in undergraduate school that may need an incentive to enter teaching, or those desiring to make a midcareer change. Recipients cannot be certified by the State at the time of the award, so the legislation will not take current teachers out of the teaching force and further erode our teacher supply.

EDUCATIONAL EXCELLENCE IN THE NATIONAL INTEREST

In response to the perceived educational decline many State and local governments have made sweeping changes in curricula, high school graduation requirements, testing programs, and policies for the certification and compensation of teachers. Although States and localities bear primary responsibility for elementary and secondary education, educational achievement is clearly a national concern. And that concern must focus on the competence and productivity of the labor force produced by our schools. As the Chairman of a Senate Democratic Working Group on Economic Competitiveness I have seen the critical need to improve our human capital resources, particulary our educational resources. To meet the demands of the world marketplace and our national demands at home, education is the key to a highly skilled work force. And, it begins with quality teachers.

QUALITY TEACHERS FOR EDUCATIONAL EXCELLENCE

Teachers are the most important, yet the most underrated component of educational excellence.

To make this point the Rand Corp. in a report described a want-ad for a typical secondary school teaching assignment:

College graduate with academic major (master's degree preferred). Excellent communication and leadership skills required. Challenging opportunity to serve 150 clients daily, developing up to five different products each day to meet their needs. This diversified job also allows employee to exercise typing, clerical, law enforcement, and social work skills between assignments and after hours. Adaptability, helpful, since suppliers cannot always deliver goods and support services on time. Typical work week 47 hours. Special nature of work precludes fringe benefits such as lunch and coffee breaks, but work has many intrinsic rewards. Starting salary $12,769, with a guarantee of $24,000 after only 14 years.

The description makes the point: Who would be interested in such a job?

Yet, whether one agrees with the conclusions and approach of the Carnegie Report to improve the profession, at least we are talking about the right issues. A group of deans from many of America's foremost education schools who call themselves the Holmes Group, has also urged major reform of teacher education. Their report, Tomorrow's Teachers, states:

The quality of teachers will not be improved unless we improve the quality of their education—and we cannot accomplish this task without changing the universities, the credentialing systems, and the schools themselves.

CONCLUSION

Americans should be told that nothing of substance can be accomplished until expectations for their children have been radically changed. We need a wholly new and higher standard of performance than has ever before been achieved by most American schools.

If our standard of living is not to fall steadily in the years ahead, if our democracy is to function effectively into the next century, our schools must graduate the vast majority of their students with achievement levels long thought possible for only the privileged few. The American mass education system, designed in the early part of this century for a mass-production economy, will not succeed if it merely regains the standard of excellence it once had.

Everything depends on the teachers. Without very well-educated teachers, great gains in the education of our youth simply cannot be achieved.

I therefore urge support for this legislation.

I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2487

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Future Teacher Training Corps Act".

SEC. 2. Title V of the Higher Education Act of 1965 is amended by adding at the end thereof the following new part:

"PART G—FUTURE TEACHER TRAINING CORPS FELLOWSHIPS

"FINDINGS AND STATEMENT OF PURPOSE

"SEC. 581. (a) The Congress finds that—

"(1) excellence in and access to education is a national priority to improve human resources of the Nation, particularly to maintain economic competitiveness of the Nation;

"(2) although the States and localities bear primary responsibility for elementary and secondary education, educational achievement is a national concern;

"(3) demographic trends show a serious teacher shortage with some estimates projecting by 1990 1 million new teachers will be needed in the United States;

"(4) shortages of teachers exist in certain geographic areas of each State and in certain subject matter areas;

"(5) while there is a dramatic increase in minority student population, the proportion of minority teachers is declining, so that by 1990 minorities will constitute 30 percent of the total school population and comprise less than 5 percent of the elementary and secondary teaching force; and

"(6) it is appropriate to provide fellowship funds for outstanding students and experienced individuals to encourage them to pursue careers in teaching and to help address the serious teacher shortage.

"(b) The purpose of this part is to make available, through grants to the States, fellowships to individuals—

"(1) who are outstanding postsecondary students or experienced individuals, and

"(2) who demonstrate an interest in a teaching career and a desire to teach in areas of the State in which there is a shortage of elementary or secondary school teachers or in fields of study in which there is a shortage of elementary or secondary school teachers in the State, or both.

"ALLOTMENT OF FUNDS

"SEC. 582. (a) GENERAL ALLOTMENT.—From the sums available pursuant to section 590(a) to carry out this part in any fiscal year, the Secretary shall allot to each State an amount which bears the same ratio to such remainder as the school-age population of the State bears to the school-age population of all States, except that no State shall receive less than one-half of 1 percent of such remainder.

"(b) MOST RECENT DATA.—For the purpose of this section, the population of a State and of all States shall be determined by the most recently available data from the United States Census Bureau.

"(c) REALLOTMENT.—If any State elects not to receive its allotment under this part, the Secretary shall reallot, among the remaining States, amounts from such State in accordance with subsection (a) of this section.

"(d) DEFINITION.—For the purpose of this section, the term 'school-age population' means the population 5 years of age through 17 years of age.

"SELECTION OF FELLOWSHIP RECIPIENTS

"SEC. 583. (a) SELECTION REVIEW PANEL.—The Governor shall appoint a Selection Review Panel for the purpose of selecting individuals who will be awarded fellowships under this part who are interested in careers in teaching and who agree to teach in areas of the State in which there is a shortage of elementary or secondary school teachers or in fields of study in which there is a shortage of elementary or secondary school teachers in the State, or both.

"(b) SELECTION PROCEDURE.—(1) The Governor shall establish selection procedures to be applied by the Selection Review Panel appointed pursuant to subsection (a), together with such application procedures as may be necessary.

"(2) The application procedures established under paragraph (1) shall include—

"(A) rank in the graduating class at an institution of higher education,

"(B) grade point average in the institution of higher education,

"(C) leadership activities in the institution of higher education,

"(D) scores on recognized admission examinations for institutions of higher education and for graduate education, if applicable,

"(E) recommendations of faculty at an institution of higher education,

"(F) submission of evidence of scholarship, including a writing sample or a completed project, and

"(G) a description of previous work experience.

"GRANT APPLICATIONS

"SEC. 584. (a) IN GENERAL.—The Secretary is authorized to make grants to States in accordance with the provisions of this part. In order to receive a grant under this part, a State shall submit an application at such time, in such manner, and containing or accompanying such information as the Secretary may prescribe. Each application shall set forth a program of activities for carrying out the purpose set forth in section 581 in such detail as will enable the Secretary to determine the degree to which such program will accomplish such purpose.

"(b) TERMS OF APPLICATIONS.—The Secretary shall approve an application only if the application—

"(1) describes the selection criteria and procedures to be used by the State in the selection of fellowships under this part which meet the requirements of section 583 and the other provisions of this part;

"(2) provides that the Governor of the State will administer the program;

"(3)(A) describes the outreach effort the Governor intends to use to publicize the availability of the fellowships authorized by this part to postsecondary students in the State and to potential midcareer applicants in the State;

"(B) provides assurances that the State will recruit among underrepresented groups for the program authorized by this part, particularly Black Americans, Hispanics, Asian Americans, and American Indians;

"(4) provides assurances that each recipient eligible under section 586(c) who receives a fellowship shall enter into an agreement with the Governor under which the recipient shall—

"(A) within the 3-year period after completing the postsecondary education for which the fellowship was awarded—

"(i) teach in areas of the State in which there is a shortage of elementary or secondary school teachers or in fields of study in

which there is a shortage of elementary or secondary school teachers in the State for a period of not less than 3 years for the first year for which assistance was received and 4 years if the recipient receives assistance for 2 years; and

"(ii) teach in areas of the State in which there is a shortage of elementary or secondary school teachers in a field of study in which there is a shortage of elementary or secondary school teachers in the State for a period of not less than 2 years for the first year for which assistance was received, and 3 years if the recipient receives assistance for 2 years,

in an elementary or secondary school of a local educational agency of such State, a public elementary or secondary school of such State, an Indian school funded by the Bureau of Indian Affairs, or a public educational program in such State, any of which may be determined by such State, but in no event shall any recipient be required to teach for less than 2 years or more than 4 years;

"(B) provide the Governor with evidence of compliance with section 586 as required by such agency; and

"(C) repay all or part of a fellowship received under section 585 plus interest and, if applicable, reasonable collection fees, in compliance with section 587 and regulations issued by the Secretary under section 588, in the event that the conditions of clause (A) are not complied with, except as provided for in section 589;

"(5) provides (A) that the agreement entered into with recipients shall fully disclose the terms and conditions under which assistance under this part is provided and under which repayment may be required, and (B) a description of the manner in which the Governor will collect amounts owed under the program authorized by this part;

"(6) provides assurances that fellowship recipients may only attend institutions of higher education that have a clinical internship or experience program approved by the State;

"(7) provides that the State has a continuing education requirement for practicing teachers within the State;

"(8) provides assurances that a precertification teachers examination program will be in effect not later than 2 years after the first fellowships are awarded in the State under this part;

"(9) provides assurances that fellowships authorized by this part will be awarded without regard to sex, race, handicapping condition, or creed;

"(10) provides assurances that, with respect to the awarding of fellowships under this part, equal opportunity will be given to all postsecondary students in the State; and

"(11) provides that not more than 3 per centum of the grant shall be used for the administrative costs of the State in carrying out the provisions of this part.

"(c) CONSULTATION.—In developing the selection criteria and procedures to be used by the State, the State shall solicit the views of local educational agencies and other interested parties as the State deems appropriate, including classroom teachers, representatives of institutions of higher education, and representatives of the general public.

"AMOUNT AND DURATION OF ASSISTANCE

"SEC. 585. (a) IN GENERAL.—Each recipient shall receive a fellowship not to exceed $5,000 for each academic year of graduate education in preparation to become an elementary or secondary school teacher. No individual shall receive fellowship assistance for more than 2 years of graduate education, as determined by the Governor.

"(b) INTERNSHIP ASSISTANCE.—Each institution of higher education, at which fellows receiving assistance under this part are enrolled in a post-baccalaureate program, is encouraged to insure that each such fellow will participate in an internship program at an elementary or secondary school of a local educational agency under which the local educational agency will provide assistance to the participating fellow.

"FELLOWSHIP CONDITIONS

"SEC. 586. (a) Recipients of fellowship assistance under this part shall continue to receive such fellowship payments only during such periods that the Governor finds that the recipient is—

"(1) enrolled in a post-baccalaureate program in an institution of higher education;

"(2) pursuing such a program for teacher certification, and, if necessary, together with courses in an academic field in which the student intends to teach;

"(3) participate in a clinical internship experience program approved by the State; and

"(4) maintaining satisfactory progress as determined by such institution of higher education.

"(b) At the time a recipient of a fellowship is chosen, the recipient may not meet the teacher certification standards of the State.

"FELLOWSHIP REPAYMENT PROVISIONS

"SEC. 587. Recipients found by the Governor to be in noncompliance with the agreement entered into under section 584(b)(4) shall be required to repay a pro rata amount of the fellowship awards received, plus interest, a penalty equal to 100 percent of such pro rata amount of such fellowship awards (without regard to interest thereon), and, where applicable, reasonable collection fees, on a schedule and at a rate of interest to be prescribed by the Secretary by regulations issued pursuant to this part.

"EXCEPTIONS TO REPAYMENT PROVISIONS

"SEC. 588. (a) IN GENERAL.—A recipient shall not be considered in violation of the agreement entered into pursuant to section 584(b)(4)(C) if the recipient—

"(1) is serving, not in excess of 3 years, as a member of the armed services of the United States;

"(2) is temporarily totally disabled for a period of time not to exceed 3 years as established by sworn affidavit of a qualified physician;

"(3) is unable to secure employment for a period not to exceed 12 months by reason of the care required by a spouse who is disabled;

"(4) is seeking and unable to find full-time employment for a single period not to exceed 12 months; or

"(5) satisfies the provisions of additional repayment exceptions that may be prescribed by the Secretary in regulations issued pursuant to this part.

"(b) TOTAL DISABILITY.—A recipient shall be excused from repayment of any fellowship assistance received under this part if the recipient becomes permanently and totally disabled as established by sworn affidavit of a qualified physician.

"AUTHORIZATION

"SEC. 589. (a) AUTHORIZATION AND NUMBER OF FELLOWSHIPS AUTHORIZED.—(1) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this part for the fiscal year 1987 and for each of the succeeding fiscal years ending prior to October 1, 1990.

"(2) The Secretary is authorized during the fiscal year 1987 and for each of the succeeding fiscal years ending prior to October 1, 1990, to award not to exceed 5,000 fellowships under this part.

"(b) AVAILABILITY OF FUNDS.—Sums appropriated pursuant to this section for any fiscal year shall be available until the end of the second fiscal year succeeding the fiscal year for which they were appropriated.

"DEFINITIONS

"SEC. 590. As used in this part—

"(1) 'clinical internship or experience program' means a program that provides the student with a progressive series of preprofessional field experiences in a regular school classroom setting on a regular basis throughout the student's graduate education, including classroom observation, tutorial roles with students, teacher helper roles, teacher aide roles, and internships or periods of student teaching;

"(2) 'continuing education' means a program of education that takes into account developments in theories of learning and content areas, and may include locally based in-service instruction;

"(3) 'fields of study in which there is a shortage of elementary or secondary school teachers' means mathematics, the sciences, and any 3 other fields of study designated by the Governor;

"(4) 'Governor' means the chief executive of a State; and

"(5) 'State' means the several States of the Union, the District of Columbia, and the Commonwealth of Puerto Rico.".

Mr. BINGAMAN. Mr. President, I know that the Senator from West Virginia would like to speak, also, on behalf of this bill, and I therefore yield the floor.

□ 1500

Mr. ROCKEFELLER. Mr. President, I strongly commend my distinguished colleague, Senator BINGAMAN, for proposing the Future Teacher Training Corps Fellowship Program. It is consistent with the work he has been doing as chairman of the Competitiveness Task Force, which has been very aggressively at work on our side of the aisle.

Our task force's view is that America must compete in the world not just through its trade policy or its fiscal policy or its budget policy, but also by creating an excellent education policy. In fact, there is some feeling that education is at the root of all we have to do in order to make ourselves great again as a country.

Every policy is important, other interests are important; but without an excellent education system in place, all else eventually fails.

Therefore, for this and other reasons, I am very proud to be a cosponsor of this legislation. The Future Teacher Training Corps addresses the need to attract more individuals into the teaching profession, and it also calls for the improvement of the skills of those who are already in the profession.

As the Senator from New Mexico indicated, it would award fellowships to college students and to teachers who are in midcareer who qualify by meeting certain standards. Both of those categories of individuals would be eligible for financial aid to obtain graduate degrees in subjects which are fundamental to the future of our country.

Some of the subjects that will be targeted are those where we are the weakest—math, science, chemistry, physics. I would like to see foreign languages receive special emphasis as well.

The Japanese have been translating and reading our technological journals and literature for a generation, reading everything we publish, and learning from our successes and our mistakes. They have learned our lessons and leapfrogged past us to outdo us in product development and applications. We, on the other hand, decline to learn to speak Japanese, decline to familiarize ourselves with other languages—this is a major reason why we are being beat in trade.

I support the idea of assisting future and existing teachers to obtain graduate degrees. I believe the Federal Government must set a national goal of keeping our good teachers. Attracting more people into teaching should be a supreme national priority.

Mr. President, I also hope that at some point soon we will recognize that there are a lot of young people approaching or already in college who also want to get into teaching or who might choose to get into teaching should the incentive and encouragement from the Federal Government, or otherwise, be offered.

Coming from a rural State, West Virginia, I think it is essential that targeted Federal help—such as undergraduate scholarships—be provided to encourage bright high school and college students to enter teaching and teach in underserved areas of the States they come from. But that is a matter for another day.

Experts are focusing on the prospect of a severe teacher shortage over the next decade. I worry about it. I also think we have an absolute crisis on our hands at this moment.

The National Association of Independent Schools reported recently that about half of the new science and about half of the new math teachers in 1982 were hired with emergency certificates—emergency certificates, Mr. President, because qualified teachers were simply not available.

□ 1510

Now, one can talk about trying to do a better job in competing with the Japanese, the Germans and Koreans, but one cannot achieve much without having an adequate teaching force that is well enough trained and which is ample enough in size so that we do in fact compete successfully with them.

The fact of the matter is that the average American high school student knows only about half as much math as does his or her Japanese high school equivalent. That is stunning, to say the least. American students continue to be among the poorest achievers in international competitions in math and in science. This is wrong for the Nation and dangerous for the Nation's future.

The Future Teacher Training Corps bill, through Senator BINGAMAN's leadership, recognizes that this is a national crisis and that indeed education must be a national priority. And following from that, there must be a national effort to turn the situation around.

Mr. President, we need to invest in direct incentives to attract the very best, brightest, and most motivated of all of our students to go into the teaching profession. It is not a secret but it is discouraging that our students these days who are studying to be teachers in colleges are not necessarily amongst those with the highest academic ratings. This situation is intolerable and we simply cannot stand for it.

Mr. President, I had the honor to study in Japan at a university for a number of years and had a chance to learn the language and to observe the education system very closely. It has always interested me and still impresses me that in Japan, if you are a teacher, you are granted the respect and placed on the salary scale at about the same level of a Japanese civil servant. About the most prestigious thing one can do in Japan is go in the foreign service. If you are a graduate of a top university and seek a secure life with the highest prestige in Japanese society, you go into the foreign service. Just below the foreign service is teaching. Teaching in Japan is just about the most important thing one can do, and teachers are paid accordingly. Teachers are well paid because the country considers teaching to be an honorable profession, and because the education ethic is so strong the young people aspire to be teachers in the first place. As a consequence they attract their best and brightest.

Mr. President, I am encouraged by the higher standards and expectations being placed on public education by all of us—parents, teachers, students, school systems, and taxpayers. We are recognizing that there is a relationship between the quality of our education system and our position in the world and our future ability to compete in this world. I think we are realizing the importance of education faster than we ever have before, and I suggest to you in the last 4 or 5 years there has been a substantial leap forward in that effort.

Still, are we doing enough about it at the State level and at the Federal level? If one assumes, as I do, that education is the beginning, the base, from which everything else eventually develops, from which all other skills, all other possibilities eventually develop, then we have to do our very best at all levels. Society must pay for what it values.

Mr. President, I submit to you that it is hardly fair to expect our teachers to pass on to their students what teachers themselves may not know. We have an opportunity through this bill to do something which is significant. The most important function that our society can perform, other than defending ourselves as a country, is to educate our children properly to prepare for the rest of their lives and the future of the world. The key to excellence in education is a high-quality teaching force.

I urge our colleagues to support this legislation.

I thank and commend my colleague from New Mexico.

Mr. BINGAMAN. Mr. President, I commend Senator ROCKEFELLER, my colleague from West Virginia, for his excellent statement in support of this bill and for his strong support and help in putting this legislation together, and his great interest which is well known to all on this issue of how to develop excellence in our work force and in our schools.

Mr. President, I yield the floor.

Mr. BOREN. Mr. President, I am pleased to join my colleague, Senator BINGAMAN, by cosponsoring a bill to establish the "Future Teacher Training Corps Fellowship Program."

The need to encourage our best and brightest students into entering teaching careers will be the most important investment we can make in our Nation's future. The need for well-trained teachers to develop our human resources should be our central goal in forming a strong defense and strong domestic economy.

Through this legislation, States will have the ability to reward our students who choose to go into the teaching field with grants for post-baccalaureate study. To have these students then commit to teach in underserviced State school districts, will be a great benefit to improve the academic quality in our schools. It is well-developed, well-thought legislation that should earn the support of all those interested in the needs of education for the next several decades.

I commend Senator BINGAMAN for his initiative and strongly give my support for this effort.

Mr. BYRD. Mr. President, I am pleased to join my colleagues today in cosponsoring the Future Teacher Training Corps Act. I, too, am vitally concerned about the critical teacher

shortage our Nation faces. As early as next year, it is estimated that the shortage will amount to as many as 30,000 teachers nationwide, and the figures for the years beyond grow rapidly because of declining numbers of graduates entering the teaching profession and the number of current teachers retiring from the profession.

Clearly, we as a nation cannot afford a teacher shortage of this magnitude. More importantly, we can not afford a shortage of quality teachers.

The bill being introduced today addresses these two problems. It will provide fellowships at the graduate level to students with outstanding undergraduate records in the arts and sciences who would like to become teachers, to outstanding professionals in midcareer who would like to become teachers, and to current teachers who would like to upgrade their skills. The fellowships would be paid back over time—the time varying according to whether or not the fellowship grantee, after receiving the graduate degree, then teaches in an area of the country which is experiencing a teacher shortage or teaches a subject for which there is a shortage of teachers.

Mr. President, this bill would implement one of the important recommendations of the recent Carnegie Foundation report on teaching as a profession. I strongly support this recommendation as an adjunct to existing Federal level efforts to increase the pool and quality of teachers in our Nation. I look forward to the debate which the introduction of this legislation will occasion. It will be one more opportunity to look at the Federal role in education, and, hopefully, an opportunity to enhance that role and the derivative benefits.

● Mr. GLENN. Mr. President, I am deeply concerned about the serious decline in the quality of math and science education in this country. I believe that we need to take immediate action to address this problem. That is why I have joined by colleague, Senator BINGAMAN, as an original cosponsor of the Future Teacher Training Corps Fellowship Program.

In 1960, John Kennedy called on the American people to join with him in meeting the challenges of the New Frontier. We responded to that call and moved our economy into its most dynamic decade of growth in this century. We did it by expanding opportunities for all of our citizens and by setting new standards of excellence in education, research, and development. The world has changed dramatically since then and so have the challenges that confront us.

Our scientific and technological leadership is being overtaken by competitors throughout the world, the productivity of our workers and industries is lagging behind that of our trading partners, and the foundation of educational excellence upon which we built our international preeminence is being eroded by a rising tide of mediocrity. Our education system is simply not providing the education in science and technology which is required in order for our young people to move into high technology jobs.

In business, in government, and in the military, science is becoming the key to success. My own State of Ohio has come to the realization that even smokestack America is a high technology industry. Just outside of Canton, OH, a steel processing facility has computerized much of its operation and is using sophisticated materials-handling techniques and equipment. Obviously while steelmaking experience is important, high technology education is just as vital for workers at this plant.

As our need for scientific and engineering personnel increases, we are in danger of drawing down our pool of qualified personnel to dangerously low levels. We can no longer tolerate substandard instruction in math and science in our public schools, yet we lack incentives for highly qualified persons to take teaching positions. This legislation addresses this problem by awarding graduate fellowships through a State grant both to outstanding undergraduate students and to those in midcareer. These individuals must devote a specified amount of time to the teaching profession and they teach in subject areas where a teacher shortage exists, or in an area of the State in which there is a teacher shortage. I have long been an advocate of this approach and in previous years introduced similar legislation on this issue.

The challenge of international competition and technological change place a premium on the kind of long-term investments in education that this bill will provide. I urge my colleagues to join me in cosponsoring this important legislation.●

Mr. MELCHER. Mr. President, first of all, I associate myself with the remarks of Senator BINGAMAN and Senator ROCKEFELLER in describing their bill that was just introduced. I am honored and pleased that they accept me as a cosponsor to what I believe is very telling and needed legislation for education.

URGENT SUPPLEMENTAL APPROPRIATIONS BILL

Mr. MELCHER. Mr. President, the urgent supplemental appropriations bill has been under consideration of House and Senate committees or awaiting House and Senate floor consideration since some time in March. So on that basis, it has never seemed very urgent. Now the bill will not be considered until after the Senate returns on June 3 because I objected to immediate consideration of it yesterday. If I had not objected, I am sure others would have, because there are a number of problems with the bill that need to be addressed prior to its consideration on the Senate floor. Of these problems, mine may not be the most serious, but I believe it is prudent for me to explain to the Senate the corrections I would like to see made in the bill prior to considering it here on the Senate floor in June.

Agricultural trade has been held back by the administration to the extent it has worsened our balance of payments and contribution to the low commodity prices agriculatural producers receive for their production. With the enactment of the farm bill last December and President Reagan's recent announcements of increasing both economic and food assistance to the Philippines, I had anticipated that sizeable shipments of both wheat and milk to the Philippines would be recommended and approved by the State Department. Indeed, the Philippine package proposal President Reagan requested of Congress a few weeks ago actually contained some of the parts of the farm bill that are key to agricultural trade enhancement—section 416 and section 1111 of the farm bill, and Food for Progress—all of which are segments within the farm bill that we hope will expand agricultural trade. Having assumed that the administration was intent on moving this Philippine package to match the urgent needs of that exist in the Philippines, I was rather surprised to learn the day before yesterday that the State Department had requested the Senate Appropriations Committee to include one and only one portion of the administration's Philippine package in this urgent supplemental appropriations bill. That portion is for $150 million to be used for economic and military assistance to the Philippines. None of the other items of this Philippine package were requested of the Appropriations Committee.

So that one single item is the only feature out of the administration's request for Philippine assistance that is in this urgent supplemental bill.

That is just not good enough since there is true urgency, and other parts of the administration's proposal should go along with the $150 million in cash. I have previously testified to the House Foreign Relations Asian and Pacific Subcommittee on the Philippine aid package, and I ask unanimous consent that my testimony to that subcommittee be printed in the RECORD following the conclusion of this statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

□ 1520

Mr. MELCHER. Mr. President, prior to taking up this urgent supplemental appropriations bill in June, I shall diligently try to work out with other Senators and get agreement with the State Department on my proposal to expand developmental assistance without significant cost to the United States but with considerable advantage to the Philippines by using large quantities of U.S. surplus wheat and milk shipments to the Philippines over the next 3 years. Wheat and milk are in great surplus in the United States, already under Federal ownership, and under section 416 these Philippine shipments will not be counted as budget outlays subject to Gramm-Rudman restrictions. In the Philippines there is need for the food assistance and for economic development, and part of that can be financed by sales of the wheat and milk in the Philippines—monetization—so that a portion of the commodities can finance economic development.

Specifically, $50 million of each commodity could be utilized each year for the next 3 years; that is, $150 million in additional wheat and $150 million in additional milk which is over and above the milk and wheat that the existing private voluntary organizations can use in their feeding programs. CARE, Catholic Relief Services and World Vision are all operating in the Philippines, and soon the National Cooperative Business Association will have projects in the Philippines. Part of the funds gained by monetizing wheat and milk in the Philippines will be used to set up a foundation or, actually, a bank of cooperatives to provide assistance for rural development within the Philippines.

In turn, CARE, Catholic Relief Services, World Vision, and National Cooperative Business Association can use this assistance from the foundation or a newly formed Philippine bank of the cooperatives to carry out their cooperative development projects.

In addition, the Philippine sugar quota should be increased and that is particularly significant since the most impoverished areas in the Philippines needing economic assistance are in the sugar-producing areas.

All the Philippine assistance package that I have outlined can be in the bill in June and, if approved, the cost would be about the same as the $150 million now in the Philippine aid section, but the actual amount of assistance would be more than tripled using wheat and milk surplus commodities from the United States.

Over the next 10 days I would hope that we can work out the necessary amendments regarding this Philippine package to include in the urgent supplemental and I will be happy to discuss any of these matters with any Senators or their staffs.

EXHIBIT 1

STATEMENT BY SENATOR JOHN MELCHER—ASIAN SUBCOMMITTEE, HOUSE FOREIGN RELATIONS COMMITTEE

There are three essentials needed to revitalize the relationship between the Philippines and the United States. The Philippines are our long-time allies and the mutual interests of our two countries must emphasize the strategic importance of the Philippines for the United States in terms of mutual national defense, mutual cultural ties and mutual trade opportunities.

The three essentials to renew our strong ties are, first, food for the 40 percent of the unemployed or under-employed Filipino families; second, re-invigorating the Philippine economy to permit renewal of normal trade opportunities and resume the interrupted growth pattern of mutual trade; and, third, to utilize these two essentials to quell the insurgents and bring peace and harmony throughout the Philippines.

It is not necessary for me to dwell on the strong historic ties between our two countries, nor could I over-emphasize the United States-Philippine alliance that developed in this century where American and Filipino armed forces fought side by side in three wars in the Pacific, nor can I over-emphasize that in Southeast Asia the Philippines are the gateway for American trade. There are 55 million Filipinos, where strong family ties and the pursuit of education for all children are dominant, where English is the language of education, commerce and government, and where democracy patterned after the U.S. Constitution and Bill of Rights is in the blood of the population of the entire nation.

The recent revolution of the Philippine people to change their government has sparked the renewal of hope and vigor within them. In all the world's history that revolution is without parallel and the presence of the people themselves restrained and inhibited the firing of rifles, automatic weapons and cannon, restrained and inhibited the use of rockets and bombs, restrained and inhibited bloodshed and killing, yet the Filipino revolution succeeded in replacing the government of Marcos with that of Corazon Aquino. At this particular time, stimulated by their victory, there must not be any lull in meeting the needs of Filipino familes. Without U.S. help—substantial help—this transition period, while the Aquino government establishes the procedure and timetable for adoption of a new constitution and filling the vacancies of mayors and governors, could lead to further penetration of both the deteriorating economy and greater insurgent unrest in the Philippines.

Senate Agriculture Committee Chairman Jesse Helms approved my request to send three of the Senate Agriculture Committee staff and one of my own staff to the Philippines for a ten-day visit in early April. The staff assessed the need, in particular, for food assistance, increased developmental aid, particularly in agriculture and food productin, the need for redevelopment of the Philippine sugar industry with an increase in U.S. sugar quotas, and the inner ties of food and economic development in quelling the insurgents.

Their report to the Senate Agriculture Committee emphasizes the urgency of prompt action by the United States, particularly through the use of private voluntary organizations already there—CARE, Catholic Relief Services, and various segments of Caritas operating under the auspices of the Church. Vice President and Foreign Minister Salvador Laurel detailed for President Reagan in their Indonesian visit the need for $2 billion in U.S. assistance. President Corazon Aquino stressed the urgency of substantially greater assistance to Secretary of State George Shultz in his recent Manila visit.

Yet the package recommended by the Administration for the Philippines neither meets the test of urgency expressed by our Filipino friends nor does it meet the test of U.S. vital interests in Southeast Asia in terms of strategic national defense nor in terms of the urgent need of U.S. trade in Southeast Asia. The Administration's proposal as outlined by the State Department would free up withheld funds that are the lease payments for Subic Naval Base and Clark Air Force Base. Their proposal for the sugar compensation program, P.L. 480 and Section 416 would range in food assistance from somewhere between $43 and $58 million. That is equivalent to one glass of milk and one serving of good, nutritious American wheat for each Filipino per year. In addition, it would permit one DPT inoculation for one out of 100 of Filipino babies next year. That, I must emphasize, is like casting one biscuit into the water. The needs are there. The Filipinos are our friends and allies. They are historically our best trading partners in all of Southeast Asia. They are the Americans of the Pacific and they deserve more. We have the food, we have the DPT vaccine and measles vaccine, and other medical supplies, and they need it now.

Two other points should be made about the Administration's assistance package for the Philippines. The State Department requests an additional $100 million in economic support funds and the conversion of $100 million of development assitance funding from loan to grant to provide a total of $140 million in grant development assistance. While new appropriations are hard to come by, let me point out that the $100 million in new appropriations for economic support funds happens to be the same amount of money that the President is asking Congress to appropriate for 15,000 Nicaraguan Contras whose structure, performance and reliability is counted on by President Reagan to overthrow the Nicaraguan government in a country whose population totals about three million people. President Aquino and Vice President Laurel are speaking for a country to which we have close ties with 55 million people attempting to quell an insurgency involving 20,000 armed guerrilla fighters and without assistance from the United States to the government of the Philippines due to the results of depressed economy and shortages of food, could easily lead to an insurgency of 50, 60, or 100 thousand. The Administration's description of requirements for protecting U.S. interests in the friendliest of all of our Pacific trading partners is not only unrealistic, it has a peculiar short-sighted viewpoint and could dearly cost the United States over the next few years untold billions of dollars in readjusting our strategic defense in the Pacific, loss of trade plus the suffering that would occur between our two countries in loss of cultural ties.

We have thousands of Filipinos in our armed forces; we have one million Filipino citizens in the United States, plus another half million Filipinos residing in the United States who seek to be citizens. We have hundreds of U.S. Filipino companies and the opportunity to move forward in addressing their needs to the mutual advantage of the U.S. has never been greater. So the Ad-

ministration's proposal should be promptly relegated to the back rows and the priorities should be assessed by Congress itself, beginning this day with this hearing, by this subcommittee.

First, food assistance should be expedited immediately in quantities proportionate to the dimensions of the need and should be rapidly distributed through the PVO's and the Church in harmony with the Aqunio government. The staff representing the Senate Agriculture Committee can vouch both for the distribution systems through the PVO's and the church in cooperation with the government of immediate food assistance being ready to operate when the food gets there, combined with the long-term development programs essential for economic recovery directly with the people in the areas where food needs are greatest.

Meanwhile, here in the United States there are mountains of food stored in federal warehouses already bought and paid for. In conversation with Cardinal Jaime Sin just this past Monday evening, he confirmed the need for wheat and milk. It is significant that two of our largest federally owned surplus commodities here in the United States are wheat and milk, neither of which can be successfully produced in the tropical climactic conditions of the Philippines. This is particularly relevant both to the present and future needs of the Philippines. First, it is food assistance now, secondly, it is the expansion of the trade potential for these commodities, United States to the Philippines, in the years to come. If it is necessary to put a dollar value on that assistance at this point in time, let us recognize that over the next three years $360 million in wheat and milk should be immediately programmed, will be beneficially used through these organizations, and will be accounted for. Let there be no question that utilization of food assistance does involve 10 to 15 percent monetization of the commodities in the Philippines. Milk is the most easily monetized commodity to be sold on the market in the Philippines to raise the necessary funds to meet the processing, transportation and distribution costs. Using 416 as the Administration finally now recommends, does not pose an immediate budget impact and will be scored as no impact by the CBO and OMB methods of budget bookkeeping in order to comply with Gramm-Rudman restraints. There may be other 416 food assistance needs such as soybeans or butter oil. The Administration package also contains assistance to support private sector development under provision 1111 of the 1985 farm bill that permits the sale of U.S. commodities converted into local currency in the Philippines to finance development programs. Along with the monetization under Section 416, their recommendations should be accepted.

Negros and Panay are two of the hardest hit economically depressed areas in the Philippines with thousands of unemployed families due to the shutdown of about one-half of the Philippine sugar industry. Economic redevelopment should be started immediately and the United States should do so by increasing the Philippine sugar quota. Joined by Senator Inouye, I have introduced in the Senate S. 2451, that would restore to the Philippines part of their lost sugar quota by requiring that those developed countries such as South Africa, Canada and Australia that import into their own countries to meet their own consumers' needs should lose their U.S. export quota in favor of countries such as the Philippines. After all, if a country doesn't produce enough sugar for its own use, imports sugar for its own use at a world price of about 5 cents per pound and then sells part of that to the United States under U.S. quota for 18 cents a pound, the United States is being taken for too much of a Sugar Daddy.

The long history of the U.S. importing sugar from the Philippines commenced in 1796 when the trading clipper Astrea out of Salem, Massachusetts, brought back from the Philippines a cargo of sugar. In the late 1800's the United states averaged 120,000 tons of sugar each year from the Philippines. As our population has grown, so has the sugar produced in the Philippines exported to the U.S. grown to a million tons per year in the 1930's and intervening decades into the 1970's. After the demise of the U.S. Sugar Act in 1974, international sugar traders shifted Philippine sales to Japan and other closer countries, replacing it with sugar from Caribbean countries. Under Secretary of State Haig in 1982, the reestablishment of a country-by-country sugar quota import system for the United States decimated the Philippines by drastically reducing their quota which now amounts to about 300,000 tons, to less than one-third of the historic sugar shipments from the Philippines. Sugar quotas in the United States are established to split up the one-half of the sugar consumed in the United States that we import. The arrangement most developed countries use is to assure supply from developing countries with a stable price for the quota amount. No country, no matter how poor they are, can afford to produce sugar to be dumped on the world market, which is usually at a sacrifice price of 5-6 cents per pound. Production costs in all countries, even with $1.00 per day per worker labor costs, exceed that amount. Hence, sugar quotas to the United States, Europe or other developed countries are the essential life's blood of any sugar-producing nation. The Haig decision to decimate the Philippine sugar quota in the United States effectively and unfairly punished the Philippine sugar workers and their families. The Philippine capacity to produce sugar had to be cruelly and wantonly deteriorated, inflicting stark malnutrition on the sugar workers, particularly in Negros and Panay. The destitution that this has imposed was witnessed a month ago by the staff from the Senate Agriculture Committee. There is no more urgent need for revitalization of the Philippine economy than a restitution of a portion of the U.S. sugar quota that was stripped from them in the early part of this decade.

Nevertheless, Special Envoy Habib, Ambassador to the Philippines Stephen Bosworth and Secretary of State George Shultz have consistently and emphatically told the government of the Philippines that no restitution will be made. This cannot be allowed. Congress must intervene and I strongly urge this subcommittee to include in your bill this year the requirements of restitution. I am submitting with your consent to this hearing record a letter dated this week from Ambassador Palaez stating that urgent based. That urgent request has been reiterated over and over during the past year by Salvador Laurel as the opposition leader of UNIDO, as candidate for the vice presidency, and as vice president. The government of President Corazon Aquino as is stated in the Ambassador's letter views this as of highest urgency. I can only add my own strong recommendation to theirs for prompt restitution and I can only note that on the part of the United States it is absolutely essential for resumption of good economic ties between our two countries that what was unfairly taken from the Filipino people be returned to them now for regaining normalization of trade opportunities for our two countries. After all, they have to sell to us in order to regain trading status with the United States. The Aquino government must have foreign exchange in order to purchase badly needed fertilizer and other supplies to rebuild their economy. This is the positive start that can be met this year and nothing in the recommendations of the Administration would provide that kind of start for 1986 and 1987 that can even compare in any meaningful substance for the balance of 1986 and 1987 than the restitution of sugar quotas to the Philippines in their recovery. We have no time to wait and this is the industry that can provide the first start for economic recovery of the Philippines.

General Fidel Ramos, Chief of the Philippine armed forces, has stressed over the past three years the significance of food assistance for the under-nouished and malnourished and economic opportunity as the best means of ending the insurgency in the Philippines. He has consistently and courageously related these basic needs as fundamental for redressing the causes of insurgency.

I conclude my testimony today by encouraging this subcommittee to accept Eddie Ramos's views, to recognize the practical admonitions of Cardinal Sin and the international private voluntary organizations, and to listen to the polite and respectful requests of the Aquino government on behalf of the Filipino people. They are a friendly, loyal, warm and hospitable people. Despite our shortcomings in dealing with them, the Filipino people are still our best friends. In their very courteous manner they have stated to the U.S. government repeatedly all that I have stated but, because they are so courteous and so friendly, they have not pounded on the table or beat down our doors to emphasize the urgency of their needs. Perhaps it is the American disposition to respond the most to the countries with the loudest squeaking axles, but it is not the Filipino custom to continually badger and berate. That is not their nature. The State Department's package is totally inadequate and those of us in Congress who better understand both the great friendship of the Filipinos and the strategic importance in defense and trade of the Philippines itself must have the foresight and the fortitude to reject the Administration's inadequacies and build on our mutual future by meeting Philippine needs as they exist today.

Mr. MELCHER. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

□ 1530

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL TOURISM WEEK

Mr. COCHRAN. Mr. President, it may be surprising to many people that the third largest retail industry in the United States is travel and tourism. This industry accounts for over 4.9 million jobs in America, making it the second largest private employer in the Nation. The tourism industry generates over $25 billion in Federal, State, and local tax revenues each year.

Last year, I was a cosponsor of Senator SASSER's resolution, S.J. Res. 141, proclaiming this week, May 18–24, 1986, as "National Tourism Week." The week is designed to highlight the importance of tourism in the United States and to recognize the achievements of those employed in the industry. Although we all appreciate the significance of the cultural and social attractions found in each of our States, we must also realize the major role these sights and the tourism industry itself play in our Nation's economic picture.

Figures from the Travel and Tourism Government Affairs Council tell us that travel receipts make up over 6 percent of the gross national product. In 1983, domestic and foreign travelers in the United States spent $210 billion and supported 4 million American jobs. Employment in the field has risen 60 percent in the last 10 years. The travel and tourism industry now serves as the first, second, or third largest employer in 41 States. In 14 States, it is the largest employer.

Much of the tourism industry's success is due to international visitors. In 1984, over 21 million foreign vacationers spent $14 billion in the United States According to the U.S. Travel and Tourism Administration, those numbers are expected to increase steadily over the next few years.

In Mississippi, the travel and tourism industry plays a vital role in our States' economy. According to latest figures, the industry is the third largest employer in my State. In 1983, tourism accounted for 29,300 jobs, and tourists spent over $1 billion that, in turn, generated $4 million in local tax revenues. Each year, thousands of tourists visit unique and popular attractions such as the Mississippi Gulf Coast, the Civil War battleground at Vicksburg which is a National Military Park, William Faulkner's home Rowan Oak in Oxford, Jefferson Davis' home Beauvoir, other antebellum homes throughout the State, and numerous State parks and recreation lakes.

Mr. President, this week as we recognize the value and importance of the travel and tourism industry, I congratulate all those whose hard work contributes so much to the success of that industry throughout the United States.

THEODORE H. WHITE: 1915–86

Mr. MOYNIHAN. Mr. President, yesterday at noon, friends of Theodore H. White gathered for a memorial service at New York's incomparable Temple Emanu-El. After an opening hymn by Cantor Howard Nevison and prayers by Dr. Ronald B. Sobel, senior rabbi, there were five eulogies, which I ask unanimous consent to have printed in the RECORD as a mark of respect for this revered American writer who so loved our political institutions, and not least the Senate.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

THEODORE H. WHITE: 1915–86

(By Senator Daniel Patrick Moynihan)

I met Teddy White first some thirty-five years ago in London. He was then writing his second book, "Fire in the Ashes," asserting with his great gift of prophecy that decent, democratic, reasonably prosperous societies were emerging in Western Europe for all that World War II might be assumed to have made this impossible. He was just back from Italy. There was good news and bad. The Christian Democrats seemed to be holding; the Communists could no longer control the streets. But hunger held on also. In Naples the street urchins had reddish hair. Kwashiakor, he explained. A word I'd never heard.

I was giving a small party, which promptly centered on him and his news from across the Channel. Just as promptly *he* turned to a group of somewhat older English ladies. Three beats. His face radiant in expectation. Then his question. "Tell me. What would you say was the most important event in Britain in your lifetimes?"

The ladies hesitated. Thought. Then the answer: "The General Strike of 1926."

It was an epiphany to me, a young American with no memory much earlier than the war, and London still half rubble from it. But in the minds of these Britons, the war had only affirmed the integrity of the realm. It was the earlier prospect of collapse of law and community that had left horror in their hearts.

Teddy understood. The balance of liberty and order, and the imperiled circumstance of each, had become the central theme of his work; a deeply Hebraic theme, one might add. He develops it most fully in his extraordinary play Caesar at the Rubicon. The precise spot where the thirteenth legion crossed is not clear: "One of three little gullies that fall off the shoulder of Sant' Arcangelo, just north of Rimini. . . ." But the significance is. In a Prologue he writes:

"The Rubicon is more than an event, more even than a watershed. It was tragedy, one of the half-dozen great tragedies of human civilization. With the crossing of the Rubicon in 49 B.C., five hundred years of experiment in self-government failed."

He gives us a Caesar torn with conflict. He must save the Republic. But saving it, he will destroy it. He wishes to return to Rome to run for the office. (Teddy revelled, of course, in the minutae of politics. In the course of his research he discovered that Roman candidates, too, had advance men, nomenclators, fellows who whispered names to candidates as they made their way about the Forum.) The Senate would not allow Caesar to run. This denied him his right, but it was arguably the Senate's prerogative to do so. He waits at Ravenna: Legions ready; able to break the law, but unable. "Slave," he says of himself, "as Caesar is to order."

Tension mounts, the will of the Senate snaps. A national emergency is declared. Law is suspended. Legions march.

The Senate flees, and so now there is no law save Caesar's, and so all is lost. The historian Asinius Pollio has the last lines: ". . . if men cannot agree on how to rule themselves, someone else must rule them."

It would be 1,800 years until the experiment would be tried again, and it would be here in America. In an Epilogue, Teddy writes:

"In Caesar, more clearly than in any other historic character, ancient or modern, one sees the terrible conflict between the idea of liberty and the idea of order. Rarely does any civilization harness the two; but when that happens the results can be as spectacular and magnificent as they were in Republican Rome; in ancient Athens; in England at its apogee; in the United States for how long we do not know."

That closing note soon emerged in his work. For how long we do not know. He had returned home to chronicle the experiment at its center. And oh, what spectacle! What magnificence! Then what riot. Ruin. Then by degrees a measure of reconciliation. The Republic tested? Strengthened? He was not sure.

He was sure that no things mattered more, no institutions could he love more than those of the American democracy. His gifts of love are the magisterial volumes on the making of the Presidents which already have taught a generation of Americans how their politics work and why they must.

In return, no writer has been so loved by those who knew him; no teacher more respected by those he taught.

REMARKS BY RICHARD CLURMAN AT THEODORE H. WHITE MEMORIAL SERVICE

My name is Dick Clurman.

Teddy always said that every chapter should start with a strong topic sentence. Among the hundreds he wrote was one for the opening of "America in Search of Itself." It said: "There is always a first question in telling any story—where to begin."

I have no trouble knowing where to begin today. I have my topic sentence for the beginning of this memorial chapter.

Teddy White was a lover.

Sure, he was many other things. He taught us. Professor White. Rabbi White. Reporter White. Journalist-Historian White. He taught the whole world in his writing. Everyone has said—many very well—that he transformed and energized American political reporting and in so doing the very political process itself. He brought us the touch, sound, feel and the meaning of everything and everyone he ever wrote about. (With the possible exception of Julius Caesar, in the one bomb and only play he ever wrote).

If you were just a caring citizen, one of his friends said the other day, you wanted to read his writing. But if you were a young journalists you aspired to write and report the way he did. In print, he was the greatest explainer of us all. A virtuoso yarn spinner at the loom of modern history. The pre-eminent political writer of his time. All true. You can read all about it. No excesses there. It is a record of journalistic glory. Let it stand and grow.

But I want to talk about another Teddy.

I do not presume to speak for his friends. Only as one of them. I look around this room. I see many of you out there. I think of those who could not be here because they are scattered around the globe doing Teddy's kind of work. I think of others who only read, admired and were inspired by him from afar. All of us who knew him have our stories, our recollections, our luminous and yes, ridiculous and riotous tales. So I'd like to talk about Teddy and us. The many ways that he loved us and we loved him.

Not long ago we were walking down the street after lunch with a few of you. He stopped, turned, grabbed me by the shoulders and said: "You know, the greatest capital asset any of us have, outside our family, is our friends." He meant it as passionately as he said it. Teddy was a sensuous man, his cup was always running over. Full of vitality, mirth, angst, sentiment, and love.

Not that he was profligate with his love. But he wasn't a bit exclusive about it either. You might even say he loved too much, his children, his family, his friends, his country. He suffered for their and our sadnesses, rejoiced in their and our happiness. He gave pieces of himself to everyone who came into his wide embrace. And once you did—friend or acquaintance, giver or taker—he never let anyone go. Some people are kind and caring mostly for their close friends. Teddy was there for everybody—friends, families of friends, friends of friends of friends—or strangers who entered his tender orbit.

To mention only one or two of his kindnesses is to exclude a thousand others. I doubt there is a person here who cannot fill in his or her own touching examples. In Teddy's modest but memorable phrase, he was just "soft on the human race."

He was almost physical about it. A hugger, a kisser, a toucher, in spirit as well as in fact. An enhancer. He raised the temperature of human warmth and passion. The Teddy we remember most today is the man who touched us with that love and caring. Other than my own son, he is the only grown man I have ever known who literally kissed or hugged or said some unembarrassed word of endearment whenever we met or parted.

What a sight he was. Not quite the fly on the wall he professionally pretended to be. Listen to his friend Dick Dougherty, that permanent newspaperman, really describing Teddy at work on the campaign trail: "Teddy White has a mind like a woodland pond—busy with movement and sound: Bird song, bugs, the whir of wings, snaps in the underbrush, fish jumping. Sometimes there are clouds overhead: Gloom and rolls of thunder; sometimes theoretical myths descend: Ideas flash like lightning, insights strike like hailstones. My God, of course why had he not thought of that before? The beaverlike figure sits up, the bright eyes widen behind thick lenses, his mouth opens in unabashed admiration of the mind's fecundity." That was our Teddy.

How he listened, what he saw and reported. He converted the familiar before our eyes to the unfamiliar insight our minds never saw before. Out the window of an airplane, just another flight into La Guardia Airport, coming into the city about which he had written "I've come to love more than any in the world." On the deck of the Missouri. In the midst of a Chinese famine. At Hyannis mourning and forever memorializing a murdered President, from the press gallery at a political convention in San Francisco's Cow Palace or at a street rally on New York's lower East Side.

He liked especially to tell about the last war he ever covered, the 6-day war in the Middle East. He glowed when he recalled how he and I made our way in a Hertz rented car up to the head of an Israeli tank column advancing to 15 miles outside Damascus. Along the route, stopping frequently, Teddy shouted questions in his Talmudic Hebrew to joyous civilians who answered this overflowing journalist with flowers and embraces as he struggled to get it all down in his tattered notebook. If you can love a war—Teddy loved that war.

He never stopped looking, wondering, caring. A month ago on a Sunday, he said, "I haven't seen the changes in our city in a long time." So for half a day we toured lower Manhattan in Teddy's battered car. Teddy all the way inspecting, asking, exclaiming, reminiscing, comparing. We had planned to do it again in June. I doubt I will without him. It would be different—everything will.

Two weeks before he died, he was working on a cover piece about America as a nation of immigrants for the Fourth of July issue of a magazine. I told him it would be "a piece of cake for you, Teddy. You'll never have to move from your chair. You've got it all." Not Teddy. He flew off next day to the Mexican border at Tijuana. When he came back, I could hear him forming the facts for his lead as he told me about it. Twilight. Sad-eyed American border patrolmen, shrouded in black coveralls. Mounted on black horses. The better to blend into the blackness of the night. The drama, the complexity, the anguish of it all. Where did it fit into the Ellis Island of his parents' generation? What was the answer?

Yes, he watched, he saw, he embraced and he wrote. But he was no slouch at talking either. Not always right. Not always beautiful. At times a bit obtuse. Who of his friends hasn't had the experience of Teddy coming into an office or living room, peeling off his jacket, loosening his tie down to mid-chest, hiking up his pants, slouching in a chair or even lying down on the couch? Then hunching up his shoulders in that prefatory body language and starting to talk. But you knew you were really in for it when he got up, started to pace up and down, clouds of smoke billowing around him, and with that slight stammer of sing-song intensity, began to tell you, dammit what you should know.

Once in London, when he was on a postbook vacation and I was working, I rang him up and invited him—why not—to join me at my interview with the Prime Minister. He came along and when I asked the PM my first soft-ball question, Harold Wilson said he'd be more interested in hearing Mr. White's view of that political situation. And so we did for my allotted 1 hour, until I said "thank you, Mr. Prime Minister, and thank you, Mr. White, for telling the Prime Minister and me what we needed to know."

Although he was a vintage quality male chauvinist, women and men alike found him, well, adorable—in the most gentle, authentic sense of that much-abused adjective. He almost totally lacked pretense. It was both beguiling and embarrassing that he handled his celebrity like an awkward amateur. But he had the rollicking sense of his own ridiculousness in the midst of the awe with which strangers often approached him.

His friends and family didn't need to keep him from puffing up. He loved a good jape at his own expense. At the grand old age of 26, he first returned from China to his family in Boston. No longer did he feel like that self-described Harvard meatball, who taught Hebrew on the side to earn his keep. Now he was a famed foreign correspondent and dressed for the part, wearing, of all things, a white tropical sharkskin suit topped by a pith helmet. His sister, Gladys, who is here today, took one look at him and said: "You still look Jewish to me, Teddy."

And so he did our beloved friend with a heart so big it finally overpumped his brain and exploded, then quietly and with loving mercy it stopped, to bring us here today.

It is often said on these occasions, especially about us irreverent journalists, that someone like Teddy, if there ever was someone like him, wherever he is up there would be looking down on what's happening in this sanctuary and be laughing. Not our sentimental Teddy. He would be crying, not with sadness, but just because there is a time to laugh and a time to cry. He knew that better than any of us. Our wonderful, friend, journalist, American, world citizen. Lover. No, he would not be laughing. He would be crying—just as we all are today.

REMARKS OF DR. JOHN K. FAIRBANK

I taught him for two years and learned from him for forty.

I was privileged to be Teddy's tutor at Harvard. My wife Wilma and I were a sort of home base during his transition from scholarship to journalism. Teddy's genius was of course a combination of several extraordinary qualities. They were all there in his vibrant 21-year-old personality when we first met in 1936. First of all, Teddy loved people. He charmed them, sympathized with them, gave himself to them and soon knew what they felt and thought. Second, Teddy's passion was to understand how people interacted to produce events, and how events interacted to produce history. For him philosophy was simply words. A junior year tutorial essay says "Philosophy has been to me, always, an excursion into the realm of things which are not." He wanted no axe to grind but a story to tell.

Third, he excelled in the reporter's task of amassing the historical and current details of a scene by strenuous legwork and then creating concepts that fit the details together. When he saw New York, London, and Paris for the first time on his way to China in 1938, Teddy's letters compared the three cities as parts of a worldwide metropolitan community, as very similar headquarters of power. His memoir "In Search of History" plays himself down as a mere sightseer in 1938 but his talent was already in action. He wrote us how London had more unemployed beggars than New York and Paris combined, but also more construction of new buildings. "I have covered Paris thoroughly," says Teddy, "and have seen not a single new building going up." Paris just after Munich was eroding, it was sick. He calls it "a woman in a silk gown and white fur, and dirty underwear." His eloquence was already producing purple metaphors.

Once arrived in China in January 1939 Teddy became phenomenally enterprising and resourceful. He makes friends of every journalist and editor in Hong Kong, Shanghai, and Peking. He gets himself taken by the Japanese on a tour of Manchukuo, where he finds Japanese Harvard men. Finally he lands a job editing English in the Nationalist propaganda ministry in Chungking.

His preparation for journalism has been to audit a summer course in journalism and work a bit on the college daily while doing

intensive Chinese full time at the University of Michigan in the summer of 1938.

In September 1939 Teddy gets the backing of Time magazine to explore the anti-Japanese front in northwest China. He spends several weeks roughing it on foot and horseback, scores several scoops and returns a certified war correspondent. His report is featured in Time for Dec. 18, 1939. From there he goes on up with Time-Life. The transition from being a summa cum laude scholar to being a top journalist has taken less than two years.

Teddy's greatest contribution to the American people's understanding of China was his 1946 book with Annalee Jacoby, "Thunder out of China." By describing China's revolution in the light of history and the current facts, this best-seller helped General Marshall as secretary of state keep us from intervening in what might have become a super-Vietnam disaster.

Teddy White has been rightly eulogized as a story teller and analyst of institutional processes. But he first came to national attention by breaking the World War II censorship—both Chinese and American—on the facts in China. He set us on the path of our thirty-year-long struggle to accept the Chinese revolution.

REMARKS OF BLAIR CLARK

I'm Blair Clark and I've known Teddy for nearly 34 years. Like all of us here, I admired and respected him—and, like so very many of us here, I also loved him.

It was hard not to. He was the most lovable of men.

He never held a grudge. He was incapable of hatred. Meanness was a stranger wherever Teddy White was.

I once suggested to him that an interesting, even important, piece he could do would be on how Henry Luce dealt with him . . . and with the kind of honest reporting he did. After all, TIME fired Teddy after putting him through the torture of having Whittaker Chambers rewrite his copy from China, reversing the meaning. But Teddy couldn't do that. It wasn't in his nature. He suffered grievously from it (in every way, financially too) but he forgave Luce—his first boss, the remote professional father-figure. And later they were reconciled. There was no calculation on Teddy's part in accepting Luce's overtures. He just treated him as he himself would have wanted to be treated. Golden Rule Teddy.

And in 1965 Henry Luce and Clare Luce came to Teddy's fiftieth birthday, which Nancy and I gave together . . . and both gave warm tributes to the prodigal, now back in the fold from which he'd been driven. Teddy's warm spirit was dominant. And so all of us there that night felt good in his presence.

We all know that the "Making of the President" books were his great, truly original contributions to journalism and to the history of our age. But not everyone knows that the decision to do that wonderful 1960 book was an enormously risky one for Teddy, a chancy leap into the financial void. (Of course it wasn't the first big chance he took on a book—think of the novels!).

In these days of million-dollar advances for mere celebrities, it's hard to believe that Teddy himself took so much of the money risk on those two years of labor (even though he always had the loyal support of his friend and editor Mike Bessie).

This may explain the inscription Teddy wrote on the title page of the copy he gave me of "Making. . . . 1960". It reads "For Blair Clark—my personal consultant—whose persistent provocation and unrelieved bad advice led to the writing of this ridiculous work; without him, I might have committed myself to something worthwhile. With deep distemper and with great ingratitude . . . affectionately, Teddy White." That was Teddy.

No need today for me to rehearse the brilliant career. What we dwell on is the person who made it, the obstacles overcome, the character that triumphed, in his work and in his life. Was there ever such a winning combination of strength and persistence—tempered by gentleness and loyalty? Let's not forget the humor—often acid and profane, funny as could be, but never mean. And always, of course, the intellect, the constantly sharpened wit, the devotion to his country and its sometimes messy democratic ways he understood so well—and loved.

Can I say that I once hired Teddy? Well, when I was a panjandrum at CBS News, I did persuade him in 1962 to be a political consultant and to help work out the new ways of covering elections, instantly. But actually he and I hired and fired each other all the time. It was a game he invented—because Teddy was a great fantasist. He escaped that way from the real world of brilliantly observed reality, close analysis, and moral observation into a never-never land of Pure Power (imaginary, of course). There, on many an evening, we used to found and topple communication empires, hire and fire each other, promote friends, put down adversaries, reorganize corporations, float equities, found dynasties, and always in our play, come out richly on top. Heyden and David were often part of this game, triumphing too. Many a laugh as he staged a coup against me as Chairman, or sometimes vice versa.

I would say a word about Teddy as family man, as father. He was a deeply devoted parent, almost to the point of obsession with ways to help create the happiness of his children, Heyden and David. I'm sure dear Heyden will say someting about that. I loved his two children from infancy on, and he proved often that he loved mine. Family meant nearly everything to him. His sense of obligation was enormous. He rejoiced in their successes and agonized over their problems. No parent ever felt more responsible or tried harder to do the right thing for his children. Their loss, and adorable Beadie's, will be the hardest to bear.

And then there's Teddy the friend. Was anyone ever more loyal and patient with his horde of friends, more helpful, more interested in their lives, successes and failures? He was (in a figure of speech he'd certainly edit out) a Damon to a multitude called Pythias. I see several of that name out there . . . and not all men!

So, finally . . . did Teddy White ever find the history he spent his life searching for? Well, of course not—he would have laughed at such pretension. But he came close, very close, didn't he? And he never quite the strenuous search for that elusive reality, and for its meaning in our lives.

For that, and for the life of this splendid man, we owe him our loving gratitude, enshrined in memory for the rest of our lives.

EULOGY FOR DAD

When I was in China last summer, my tour group spent three days at the Lake of Heaven, which lies near the base of the highest mountain in the Tien Shan range. There, I met a young American who had just finished a year of study at the University of Peking and was on his way to Tibet. I asked what had gotten him started on China and he told me that when he was sixteen, his father had given him "In Search of History," by Theodore White. He decided that if one poor boy from Boston could get to the Yenan caves and meet Mao, another might go as far. I introduced myself and we marvelled at the happy accident which had brought us together: he was there because of my father and I too was most assuredly there because of my father. At the foot of the mountain in the bright sun, I thanked my parents for what they had given me, starting with my life, and for having done the very best they could to allow me to treasure this meeting.

My brother and I have been talking over our memories of Dad during the last few days. Many of them are too pungent for a ceremonial occasion like this, but one of our favorites is his recurrent Sunday lunch fantasy of himself as a courtier of Louis XV. To all the other courtiers, the king is Son Altesse or Sa Majesté, but to Dad, he is, quite simply and intimately, "Quinze". Sitting around the living room in Bridgewater, Dad reveals to us in horribly accented French all sorts of details about "Quinze's" poor personal hygiene "après la chasse."

Our father was a man of extraordinary exuberance and he loved the feel of words. Once at Fire Island, when David was about ten, Dad came home from the Collingwood's riotously drunk. Although there was a fierce storm and the rain was pounding, Dad determined that it was time for an adventure; so he hauled David out of bed in his pyjamas, and they went for a ride in the Bismarck, out small outboard motor boat, wailing the Volga Boat Song and simultaneously shouting crispish naval commands to each other. Dad never noticed the six-inch cut he got when he tripped over some bricks and landed on a clam shell, and David never forgot the night. The single moment I recall whenever I think of my father is an early evening in May when I was thirteen. I came downstairs with my carefully memorized speech from Henry V and found Dad in the garden. As I stood on the little balcony which overlooks it and began to recite to him, he took up the speech and proclaimed it with me. I shall never forget the shared exhilaration of Shakespeare in our hearts and his positively shouting: "For Harry, England and St. George!"

As I have said, my father was a man of words. Two words that stick in my mind are "bloviate" and "lovely". The first he spoke with round-cheeked relish; the second with a wistful caress. He was both of these. Most of all in his own mind, however, he was a pater familias, the original patriarch whose family went far beyond Bede, my brother and me, or his sister Gladys and his brother Bobby. It included anyone lucky enough to be at his oval table at Passover, Thanksgiving or Christmas, or any night for Bede's delicious salads. He made his own Hagada for Passover on 3 x 5 cards and assigned us parts; At Thanksgiving every year—for custom and ceremony were all-important to him—he asked each person at the table what he (or she) was thankful for. We answered him with an ease and unself-consciousness that made clear the spell he could cast over his sources and subjects. But Christmas was his chef d'oeuvre. He was the CEO of the Christmas tree. He made separate piles of presents for each person, distributed his socks full of the accumulated spare change of the year, and provided Hefty trash bags to dispose of wrappings in record time.

My father was like a changeable sky—with the clouds moving across and casting a shadow and then leaving the sun to shine—the sky of early May when his birthday was (though like Eeyore he claimed to hate birthdays). He was truly Taurus—bull-headed and stiff-necked. For better or for worse, he almost never gave up. What we in his family know is that he was incapable of ceasing to love. If he was miffed, like a good Jewish father, because we did't call him enough, he would threaten piteously never to call us again and be on the line to us by the end of the week. I could always tell when Dad had telephoned because the message tape took twice or three times as long to rewind. He liked to think out loud on the machine where no one could interrupt him. My father's love for us more than radiated and reverberated: it enfolded us, taught us, kept us safe, and made us strong. And his death cannot, thank God, ever remove the imprint of that love.

Anyone who ever heard him sing "Jingle Bells" knows that my father was tone deaf even though on the rare occasions when he took out his trumpet, Brahms' Lullaby came out right, if brassy. But he loved music—the campfire tunes of the Union army, the liturgical chants of Yossele Rosenblatt, the folk ballads and protests(!) of Joan Baez, the love songs and laments which my brother composed, and the Renaissance madrigals and motets which I and my friends performed in his house every spring for several years. Because music made him happy, some friends of his and mine are going to sing two motets for you now, one by Heinrich Schütz and the other by Thomas Tallis.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

□ 1550

Mr. SASSER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ADMINISTRATION'S TRADE POLICIES

Mr. SASSER. Mr. President, I wish to bring to the attention of my colleagues some disturbing consequences of this administration's trade policies. I am referring to the devastating repercussions in our farm communities from the administration's policy on the international debt crisis.

Last week, the Secretary of the Treasury, Mr. Baker, appeared before a joint meeting of the Banking Committee and the Finance Committee to discuss the administration's comprehensive trade plan, commonly referred to as the "Baker plan." A key element of the Baker plan calls for improving growth in those developing nations with a heavy debt burden, and for ensuring that trade is not only free but also fair. Secretary Baker asserted that this policy "Will have long-range positive effects on the U.S. economy and world stability."

I would like very much to believe the Secretary's prognosis, but one needs only to look at America's farms to develop deep skepticism about any positive effects emerging from this administration's international debt repayment initiative.

Let us look at the facts. American farmers rely on world markets to consume about 40 percent of their output. But from an historic peak in 1981 of $43.8 billion and 162 million metric tons of produce, our overseas farm sales are projected to drop to $29 billion and 120 million metric tons this year. Our farmers are facing direct competition from our Latin American and South American neighbors. These same neighbors are targeted by the Baker initiative to receive loans from U.S. commerical banks, the International Monetary Fund, and the World Bank for internal growth-oriented reforms.

Under the guise of so-called growth-oriented reforms, this administration intends to solve the global debt crisis by encouraging our direct competitors in the soybeans market, Brazil and Argentina, to further increase their soybean exports. This approach is particularly evident in the $350 million World Bank loan to Argentina that my distinguished colleague from Alabama, the Honorable HOWELL HEFLIN, so ably examined before this body last week. This loan was made contingent on Argentina reducing its export tax on argicultural commodities. By the World Bank's own projections, this reduction will encourage Argentine farmers to boost agricultural exports, soybeans included, by as much as 6.5 million metric tons.

We can clearly see the implications of this increase simply by looking at soybean markets. Soybeans were the leading cash crop in my native State of Tennessee up until 1984. At its peak in 1979, harvested acres of soybeans in Tennessee reached 2.6 million acres. In 1985, only 1.5 million acres were harvested, a 42-percent decline in a scant 5 years. While the U.S. market share of soybean exports was over 90 percent in the early 1970's, it is now slightly over 80 percent. Since 1981 alone, U.S. soybean exports have fallen 36 percent, or by 9 million metric tons.

No wonder there is gloom and doom and despair down on the farm these days.

Yet during this same period, Argentina's soybean exports doubled—went up 200 percent. Brazilian soybean exports quadrupled—up to 400 percent. While world exports of soybean oil rose from 650,000 million metric tons in 1960 to 3.6 million metric tons in 1983, the U.S. share of the world soybean oil market dropped from 88 percent in 1962 to 22 percent in 1981.

□ 1600

In other words, U.S. farmers have lost 66 percent of the world's soybean market in the space of less than two decades. To be sure, some of that market loss may be attributed to the European Community. Some of it, however, is Brazil's emergence as a major soybean exporter. Brazil and Argentina combined export today more soybean oil and more soybean meal than we do in the United States. Brazil and Argentina have put us in the back of the bus, so far as the export of soybean meal and soybean oil are concerned.

When Secretary Baker came before the combined Finance Committee and Banking Committee, I questioned him on the wisdom of making additional loans to Argentina. He replied that U.S. policy is to vote against any World Bank loan that is tied directly to increasing production of a good currently in oversupply in the United States. However, Mr. Baker went on to add this caveat—that this Argentina loan is a sectoral-type loan, meaning that technically the loan has no such direct tie, being sectorwide in its application to agricultural commodities.

What that says, in simple language, is that the U.S. Government will encourage U.S. commercial banks to make loans to Argentina and will make no connection between the fact that we have a surplus of soybeans in this country, that our farmers are losing out in the international soybean market, and the fact that Argentina is taking away vast shares of our market share in soybeans.

If this is the type of sector loan the administration is encouraging, I fear for our farmers. A staff report produced recently by the Joint Economic Committee provides a useful summary of the impact on Latin American economies of repaying their spiralling debt. Forced into a dramatic expansion of exports in order to earn the hard currency to pay their debts, these countries have flooded world markets with agricultural products. The resulting decline in prices has been a major contributor to the disaster we have on American farms. Yet, with farm foreclosures and bankruptcies hitting historic rates, with agricultural banks falling like flies across this land, this administration's response has been to encourage more debt among Latin American nations, more money flowing from U.S. banks, from the World Monetary Fund, from the World Bank, into these Latin American and South American countries that are taking American farmers' markets away from them.

When we passed the farm bill last year, we had high hopes that by reducing our loan rates we would increase our agricultural export competitiveness. However, this administra-

tion's policy could negate any gains we might make under this farm bill. We cannot afford to continually encourage open-ended exports of agricultural commodities that we have in oversupply at home, running over in our warehouses, rotting in our grain silos. I do not believe that our farmers should, or can, face much further erosion of their export market. Yet, such a result is where I fear this administration's policies are leading us. We cannot solve the global debt crisis at the expense of the American farmer. He cannot afford it any more. He cannot stand it.

In the days ahead, I intend to point out the dire consequences of the administration's policy on American farm commodities. I believe we must forge a solution to the world debt crisis which does not sacrifice America's farm families, which does not sacrifice our great capacity to produce food and fiber in the United States, not just for ourselves but for others in the world, and which does not compromise or damage our capacity to get our fair share of the world's international markets.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. EVANS). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MATHIAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

□ 1700

STATE DEPARTMENT BUDGET

Mr. MATHIAS. Mr. President, in London, an excellent book on the state of military deployment around the world, "The Military Balance," is published each year by the International Institute for Strategic Studies. As my colleagues are aware, it is a thorough, precise account of the armed forces and weaponry of every country from Afghanistan to Zimbabwe, with, of course, an emphasis on the United States and the Soviet Union.

Everything you need to know is there, from the number of Soviet Badger bombers in Irkutsk to the coastal patrol craft deployed by Cape Verde. This reliable manual came to mind the other day as I tried to think of some way that we could quantify the operations of our Department of State. But in the end, aside from a listing of foreign service officers and embassies around the globe, I concluded that there is no definitive manner in which you can offer a quantitative or a qualitative account of the contributions of the department to our national security. How do you ever measure a demarche, a note verbal, a close personal relationship?

The State Department, our first line of defense in effect, is involved in a line of work which does not permit easy and specific summarization. There are, to be sure, annual reviews of performance and periodic up or out requirements. But the business of the department—diplomacy—remains a grey area which does not fit easily between the pages of a book, any book.

Successes and failures, when they occur, are by no means clearcut. Perhaps the best description of the nature of this work was penned a few years ago by James Reston in his "Sketches in the Sand," when he wrote: "Foreign relations are like human relations. They are endless. The solution of one problem usually leads to another." And that is not counting the myriad problems that never get solved.

I raise this issue to highlight the apparent desire to reduce the budget of the State Department by $220 million or 15 percent—cuts that may be well-intentioned but amount to impractical and untimely restraints on the operations of what one could argue is our most important single agency. The first duty of the State, after all, is the security of the Nation. And while our Armed Forces zemain our ultimate line of defense, and they must be fully supplied and trained, our State Department is dedicated to a round-the clock, round-the world effort to make certain that they do not need to be used. After his years at the department, Henry Kissinger observed that it is staffed by "probably the ablest and most professional group of men and women in public services."

Since Ben Franklin and Thomas Jefferson and Thomas Pinckney went off to Europe to represent us in our infancy, our diplomats have trooped off to all four corners of the globe to represent our interests. Two hundred years ago, that meant a small delegation in a few capitals. Today, it means small, medium and large delegations in hundreds of capitals and important cities where we have critical political, economic, military and cultural relations. And I don't need to tell you what that also means in the world of 1986; it means financial sacrifice, family disruption and considerable danger. As the New York Times pointed out last month, more senior diplomats have been murdered than generals and admirals killed in action in Korea and Vietnam.

We are taking steps to protect our diplomats abroad more effectively in the face of a heightened terrorist threat. The Senate Foreign Relations Committee approved $1.1 billion in the next year for embassy security 2 weeks ago. The amount was less than the State Department requested, but our reduction was a judicious one which will meet immediate needs and construction timetables while leaving room for a review of more long-range items.

The Department's budget is another matter. Current proposals to cut the operating budget by 21 to 25 percent would cut right to the heart of our global presence, our ability to conduct foreign policy throughout the world. Preliminary projections indicate that the State Department would be forced to close more than 40 embassies and consulates and fire one of every five of its employees if the $220 million budget reduction is approved. Major programs of the Agency for International Development, some of them in cirtical areas of long-term development, refugee assistance and narcotics control, would have to be curtailed. Many of the successful, new programs of the United States Information Agency, including President Reagan's commitment to an exchange program with the Soviet Union, would have to be put aside.

I do not think that George Shultz is exaggerating when he says that the large cuts under consideration "would ravage this country's international presence and seriously harm our national security."

Is there anyone who believes that we need less information and less intelligence from the South Africas and Philippines and El Salvadors of the world? Is there anyone who believes that we should have a smaller diplomatic delegation in Paris than Japan—or fewer consulates in Europe or some Middle Eastern States than the Soviet Union? Under the Gramm-Rudman ax, State just closed a consulate in Rotterdam, the largest port city in Europe, a city where we fought tooth and nail to block a Soviet consulate. It may be necessary to fortify our embassies; but is there anyone who believes we should begin a retreat into fortess America?

The proposed cuts in the State Department budget are especially disturbing because they come at the same time as a thoroughly ill-timed assault on our foreign aid program. Foreign aid has few friends largely because it has fewer constituents—at least direct constituents who vote and contribute funds. But I hardly need to remind my colleagues that foreign aid is in most cases in our national interest. With few exceptions, the money we send abroad—directly and through multilateral institutions—is used to boost agricultural production, establish critical infrastructures, attack disease and advance literacy. In short, to attack the many basic problems of underdevelopment which often give rise to repression and revolution. In short, to try to tackle problems in a peaceful, economic and essentially diplomatic manner which limits the potential for

conflict and keeps us from military involvement in many areas. And yet for all the talk of vast amounts of foreign aid, the percentage of our gross national product that is devoted to foreign development assistance remains lower than that of all industrialized democracies—for all industrialized democracies.

A great nation, one dedicated as we are to peace and freedom and human rights, can not increase its shipment of Stinger missiles and reduce its export of food and clothing—without suffering a real loss in the credibility of our claim to an exceptional status in the international community.

One of our ablest diplomats, John Kenneth Galbraith, a man who certainly knows a penny-wise, pound-foolish scheme when he sees one, once observed that diplomacy "often involves starting in one direction and moving eventually in another." I hope and trust that this will prove to be the case in our deliberations on the State Department's 1987 operating budget and our allocations for foreign assistance.

THE "PRIDE OF BALTIMORE"

Mr. MATHIAS. Mr. President, it is with sadness that we learned on Monday of the tragic sinking of the *Pride of Baltimore*. This clipper ship caught the imagination of many in this hemisphere and most recently in Europe. It evoked the image of what sailing was when America was just taking its place in the world.

But today our prayers are with the families and friends of the four missing crewmen who were lost when the *Pride* sank in heavy weather last Wednesday on the Atlantic Ocean. We are grateful that eight members of the crew have been rescued after floating in a raft for almost 5 days. We share in their families' joy knowing that they are safe and sound.

The *Pride* was Baltimore's ambassador of goodwill to the world. It brought the message of the city of Baltimore's renaissance to its many admirers. I had hoped it would continue that mission for many years but there are always risks in going to sea. Man's use of the sea has always been fraught with peril.

The circumstances of the loss are not only tragic but ironic. Avoiding the danger of terrorism that shortened her European visit, the *Pride* met another.

Mr. President, I ask that editorials on the *Pride* from yesterday's Baltimore Sun and Evening Sun be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Evening Sun, May 20, 1986]

LOST PRIDE

The hearts of Baltimorians go out to the families of the missing crewmen of the Pride of Baltimore, and to the survivors. Their harrowing ordeal is too typical of the realities of the age of sail, the romance of which, with the aid of modern safety and navigation features, they carried on.

Questions must be asked and answered by competent authorities about this tragedy, about the communication practice that left the vessel's shore managers blissfully unaware four days after it capsized, and about the degree of risk undertaken. Other craft under sail and other crews at sea are entitled to all that this can teach them. The Pride must be assumed to have been seaworthy, with experienced officers and capable crew. She had been sailing for nine years, through gales and squalls stronger than the one that overturned her. She had run before storms, and lost jib booms, and gone aground off Delaware Bay, and lost radio contact—and her crew and managers gained from these experiences.

The Pride of Baltimore was a successful promotion for the city and its commerce, commanding more attention at ports of call than at home. It attracted local media. Business people entertained clients aboard. Baltimore will always treasure pictures of the Pride sailing under Tower Bridge at London, off Black Rock Castle in Ireland, in rendezvous with the nuclear submarine Baltimore, past the Little Mermaid in Copenhagen, snuggling under tall ships and calling at Gdynia in Poland with videos of Polish-American life in Baltimore.

Useful as the Pride has been since its maiden voyage in May 1977, however, business has never paid all its cost. This replica of an early Nineteenth Century schooner known as a Baltimore clipper was built in the Inner Harbor at city expense and was at first operated that way. In 1980 it was transferred to a corporation able to raise private funds with the aim of self-sufficiency. Yet the Pride was subsidized annually (this year $75,000) by taxpayers as a civic promotion.

The tragedy will mar the imminent launching of a sister vessel, the Lady Maryland, being completed at the same site by some of the same builders. It is a replica Chesapeake pungy, a slightly later version of schooner, intended as a floating classroom for the study of Chesapeake ecology and commerce. The tragedy will also mar the joyful convening of tall ships in Baltimore this summer.

Joining that flotilla was an afterthought. Berthed over the winter in Malaga, Spain, the Pride had originally been scheduled to call at northeastern Mediterranean ports this summer. But because of the terrorism scare, it was diverted home to join the tall ships in New York and Baltimore. The Pride had crossed the Atlantic uneventfully when a "white squall" arose from nowhere in the mythical "Bermuda triangle" and destroyed her. Baltimore's loss is great.

OUR PRIDE IS LOST

From whatever aspect we view it, the sinking of the Pride of Baltimore is a tragedy of unprecedented proportions for her home port. Most deplorable is the loss of life which transcends all the other losses: two of the 12 crew members are apparently dead; two others are unaccounted for. As of today the search for them is continuing with Baltimore's hopes and prayers.

The Pride was the ultimate symbol of a city, plying the Seven Seas to tell the world that Baltimore's seagoing heritage had been reclaimed. She was a worthy re-creation of the revolutionary Baltimore clippers, uniquely evolved in the Chesapeake Bay, that outraced and outmaneuvered anything afloat in the first half of the 19th century.

So devastatingly effective were these topsail schooners as privateers in the War of 1812 that Baltimore was denounced on the floor of the British Parliament as "that nest of pirates." It was in an attempt to bottle up these marauders that the British attacked Baltimore in 1814, and, as we all know, the successful defense of Fort McHenry inspired the National Anthem.

To dramatize Baltimore's renaissance by handcrafting, on the very edge of the Inner Harbor, an authentic reproduction of a Baltimore clipper was an idea that immediately identified the city. Harborplace, the crowning commercial achievement of the Inner Harbor, adopted a line-drawing of the Pride as its emblem. The clipper was to have joined the tall ships that will salute the 100th anniversary of the Statue of Liberty in New York Harbor on July 4. Now all these dreams have been lost in a cruel Atlantic storm somewhere east of the Bahamas.

But even as we mourn, tales of heroism and sacrifice on the part of crew members and Capt. Armin Elsaesser—he is among those missing—are beginning to reach us. The "white squall" that capsized the vessel apparently struck so suddenly that there was no time for emergency measures. Nevertheless, an official inquiry will have to pose the question as to whether these procedures were adequate.

Sadly, the answers to such after-the-fact questions, if they are found, will be of no consolation for the bereaved and for the city. In an actual and symbolic sense, the Pride of Baltimore is lost.

"PATENT PENDING" AND "INVENTION AND ENTERPRISE" EXHIBITS

Mr. MATHIAS. Mr. President, as chairman of the Patents, Copyrights and Trademarks Subcommittee, I want to call the attention of my colleagues to two exhibits opening at the Smithsonian Institution on June 20 to mark the 150th anniversary of the 1836 Patent Act.

"Patent Pending" is an exhibition of almost 100 patent models that represent a broad cross section of 19th century inventions. Among the famous models on display is one of a device used for lifting vessels over shoals which was personally submitted by Abraham Lincoln for the patent he received in 1849. The "Invention and Enterprise" exhibition focuses on 10 major inventions and pays tribute to American ingenuity and our entrepreneurial spirit.

Throughout most of the 19th century, inventors were required to include a model of their invention with their patent application. In those days, exhibitions of patent models were a major attraction of the Patent Office. At one time almost 175,000 were on display, drawing thousands of visitors from all over world who came to admire American know-how.

Tragically, several thousand models were lost in fires during the 1800's. A number of important models that re-

mained made their way to the Smithsonian, but most of those were sold at auction in 1925 by order of Congress due to lack of space and funds to care for them. Today much of this collection—a national treasure—is scattered across the country.

These patent models demonstrate our great American pioneer spirit—a spirit that nurtured such great inventors as Alexander Graham Bell, Samuel B. Morse, the Wright brothers, and Thomas Alva Edison, transforming our Nation from a raw, undeveloped country into an industrial giant and economic leader.

The exhibitions commemorating this spirit are most timely and welcome, for there are signs that today invention is on the wane in America.

Of all the U.S. patents granted last year, only 54 percent went to Americans. In too many fields, we are losing our competitive edge to foreign nationals who are increasingly taking advantage of our patent system and beating us at our own game. Our trade deficit can be partly attributed to a current attitude of complacency toward innovation, new technology, and productivity in America.

With these concerns in mind, a group of public-minded citizens, guided by leaders of industry, education and government, recently established a nonprofit foundation to launch a "Rekindle the Spirit" campaign. The U.S. Patent Model Foundation is enlisting corporate sponsors and plans to raise $20 million to recover the 50,000 to 100,000 surviving original models of 19th century inventions and to provide funding for their care and exhibition by the Smithsonian. Throughout the campaign, the patent models will be used as symbols to inspire a rebirth of American ingenuity and inventiveness. In addition to protecting and studying the patent model collection, the Foundation's plans include educational and public awareness programs, American Ingenuity scholarships and invention awards in coordination with the Smithsonian.

To celebrate the commencement of this campaign, and the sesquicentennial of the 1836 Patent Act, a special selection of the patent models will be featured in the June 20 Smithsonian exhibitions.

I urge Senators to attend the "Patent Pending" and "Invention and Enterprise" exhibits at the Smithsonian. They show the creative eagerness of our Nation's early years and how, in the words of Abraham Lincoln, our patent system "adds the fuel of interest to the fires of genius."

HELEN B. TAUSSIG, M.D.

Mr. MATHIAS. Mr. President, yesterday Dr. Helen B. Taussig died. As a pediatric cardiologist, she attracted worldwide fame for developing the "blue baby" operation that has saved the lives of countless children with congenital heart defects.

Earlier this year, I had the privilege of narrating a network television spot—an "American Portrait"—on Dr. Taussig's remarkable achievements. Her work at the Johns Hopkins Medical School and Hosptial brought the gift of life to untold numbers of children for whom medical science had previously offered no hope.

Mr. President, I ask unanimous consent that an obituary of Dr. Taussig from today's Baltimore Sun be printed in the RECORD.

There being no objection, the obituary was ordered to be printed in the RECORD, as follows:

HOPKINS' HELEN TAUSSIG, NOTED CARDIOLOGIST, DIES

(By David Michael Ettlin)

Dr. Helen Brooke Taussig, who won the nation's and medical world's highest honors for her role as co-developer of the "blue baby" operation at Johns Hopkins Hospital, was killed in an automobile accident yesterday afternoon near her Pennsylvania home.

Dr. Taussig, 87-year-old professor of medicine emeritus at Hopkins, was leaving the parking lot of the Pennsbury Township municipal center—apparently after voting in a local election—when she drove her car into the path of another vehicle on U.S. 1, police said.

She was pronounced dead at 4:42 p.m., an hour after the crash, at the Chester County Hospital. A passenger in her car and the driver of the other vehicle also were injured, police said.

"Helen Taussig is recognized as the first lady of cardiology in the world, and she will be greatly missed," said Dr. Richard Ross, dean of the Hopkins Medical School, where she had been professor emeritus since 1963.

In recent years, Dr. Taussig had lived in the Crosslands retirement community in Kennett Square but remained active in medical and ethical organizations, and in research at the University of Delaware on heart malformations in birds.

She continued to visit in Baltimore with colleagues at Johns Hopkins and, in February, attended a recital at the Peabody Conservatory of Music given in her honor by Samuel Sanders—a pianist who 39 years earlier had undergone the operation developed by Dr. Taussig and the late Dr. Alfred Blalock.

Dr. Taussig was awarded the Medal of Freedom, the nation's highest civilian honor, by President Lyndon B. Johnson for her role in alerting the public to the dangers of the drug thalidomide. She was the first woman elected president of the American Heart Association, and the list of her awards, appointments, society memberships and honorary degress was said to run seven single spaced typed pages.

Yet becoming a doctor had not been easy. She has been told, in applying to the Harvard school of public health in the early 1920s, that she could not get a degreee there because she as a woman.

Dr. Taussig was born in Cambridge, Mass., in 1898, the daughter of Frank William Taussig, a noted Harvard economist, and the granddaughter of William Taussig, a horse and buggy doctor for whom the William Taussig School for handicapped children in St. Louis is named.

Dr. Taussig studied at Radcliffe College and at the University of California, where she earned her bachelor of arts degree in 1921. She took up medical studies at the Boston University Medical School, where she first became interested in heart malformations, and moved to Baltimore in 1923 to attend the Hopkins Medical School.

Dr. Taussig graduated in 1927, and became head of the Hopkins' Harriet Lane pediatric clinic three years later.

After years of research at Hopkins, Dr. Taussig became convinced that "blue babies"—children with congenital heart defects—were "blue" because they did not receive enough oxygen in their blood. The idea led to development of the so-called "blue baby" operation with Dr. Blalock.

After reading of an operation in Boston in which the ductus arteriosus, a blood vessel not needed by babies after birth, had been closed, Dr. Taussig theorized that if an artery to the heart could be closed, one could also be opened.

When Dr. Blalock became chief surgeon at Hopkins in 1941, Dr. Taussig suggested to him that an operation on constricted arteries of blue babies could save these children from enforced inactivity and early death.

The first Taussig-Blalock operation was performed, unsuccessfully, in 1944, but the next operation and 80 percent of those that followed were successful.

Dr. Denton Cooley, now chief of surgery at the Texas Heart Institute and an assistant in the first blue baby operations, said last night that the procedure was "the dawn of pediatric heart surgery" and Dr. Taussig was "an institution in herself . . . the most respected pediatric cardiologist in the world."

Dr. Cooley added that the blue baby operation was "every inspiring—for me, the real dawn of corrective surgery for patients with congenital heart disease," provided the first proof that patients with heart disease could undergo anesthesia and gave inspiration to doctors in the further development of openhear surgery.

A quiet, gracious woman, Dr. Taussig referrd to the hundreds of children who came to her for treatment as "my babies."

She maintained a large correspondence with many of the youngsters and their families and kept a sizable scrapbook containing snapshots of many of her young patients.

Dr. Taussig remained modest about the honors her work earned.

She once remarked, "You have your sadnesses as well as your successes. One reads all about the successful operations, but not about the unsuccessful ones, the sorrow and the background of hard work. It's the clinical errors that keep you humble.

"On the whole, though," she added, "I think I've done more good than harm."

Dr. Taussig was the first American physician to conduct an on-the-spot investigation in West Germany of birth defects caused by thalidomide, a tranquilizing drug.

Her report, published in June 1962, aroused the attention of physicians and the public in the United States and led, two years later, to a $40,000 research fellowship from the National Foundation, which enabled her to direct further studies into the effects of drugs on unborn babies.

A founder of the Heart Association of Maryland, Dr. Taussig served as the organization's president from 1952 to 1954. She had been a member of its executive board since 1952.

She was a member of the international branch of Physicians for Social Responsibil-

ity, a board member of the Right to Die organization and an outspoken critic of the Right to Life movement—and was outspoken to the end with her views on questions of social and medical ethics.

In 1984, Dr. Taussig participated with a panel of distinguished physicians in drawing up guidelines for doctors on life-and-death decisions in the cases of gravely ill patients—including when it is ethical to withhold drugs, and sometimes even food and water.

DEBORAH S. LIPMAN

Mr. DOMENICI. Mr. President, I would like to take a moment to note that the majority staff of the Senate Budget Committee will be losing a valuable member today. Debbie Lipman, the transportation analyst and team leader for the Natural Resources Group, is leaving my budget staff today to join the Washington Area Metropolitan Transit Authority [Metro] as their director of government relations.

Ms. Lipman joined the staff of the committee in the summer of 1981, during the conference on that year's reconciliation bill, the Omnibus Budget Reconciliation Act of 1981. Besides that year's budget, she has worked with us on the completion of four other budget resolutions.

Mr. President, there are numerous examples of her excellent work. One instance that comes to mind is her tireless work on the 1982 gas tax bill. She drew upon her expertise as a budget analyst and her knowledge of transportation programs to provide excellent staffing for this Senator throughout a session that seemed to have no end.

Mr. President, we passed the conference report on the gas tax bill on December 23, 1982, 2 days after the Senate passed its version of the bill. The vote on final passage on the gas tax bill was preceded by 26 separate votes, 9 of these were cloture motions. In addition, there were three motions to waive the Budget Act. During that last-minute rush to pass a bill involving taxing, spending, transportation, and Budget Act issues, Ms. Lipman devoted tireless hours to help us produce a bill.

Ms. Lipman has become an expert analyst on a wide array of transportation and infrastructure issues. Her counsel and guidance has been sought and desired by members of the Budget, Appropriations, and authorizing committees on both sides of the Capitol.

We will miss her. I know I speak for all Members of the Senate when I say we wish her the very best of luck in her new endeavors.

TRIBUTE TO JUDY ROLFE ON RENOMINATION TO NATIONAL ADVISORY COUNCIL

Mr. MELCHER. Mr. President, it is always a pleasure for me to support deserving Montanans for positions with the Federal Government. Such is the case with Judy Rolfe who has been renominated for membership on the National Advisory Council on Women's Educational Programs. I would add that Judy has been elected chairman of this important advisory group by the council itself.

Judy was born in Anaconda, MT, and graduated from high school in Butte, MT. She also attended Montana State University in Bozeman, MT, where she is now active as an automobile dealer.

In fact, Judy has been chairman of the Government Affairs Committee of the Bozeman Area Chamber of Commerce, on the board of directors of the Junior Achievement of Bozeman, and a member of the Bozeman Auto Dealers Association.

She was also selected as an Outstanding Young Woman of America in 1974. She is married and has two children.

Judy has already provided good service to this Advisory Council and I am pleased that her service will continue.

IN MEMORIAM—RICHARD FELDER TURNER, JR.

Mr. DENTON. Mr. President, a great Alabamian passed away last week. Richard Felder Turner, Jr., of Mobile, AL, was great, not because of wealth or fame, but because of what he was as a man, as a father, as a citizen.

Richard was a friend and supporter of mine, but I was not unique in that respect. Richard was a friend and supporter of many people—from all walks of life, at all income levels, without regard to race or station in life.

Richard Turner contributed to many causes, but he contributed something much more precious than gold or silver, though he gave his share of money, too. Richard gave of himself, generously—his time, his advice and his patience.

Politics was Richard's favorite avocation; it was "in his blood," as they say. And rightly it should have been. His grandfather, John McDuffie, was a Congressman from Alabama and later a Federal district court judge. Richard first worked in a political campaign at the age of 12 and remained active in campaigns until the day of his death. But in all his years of political involvement, Richard Turner never, Mr. President, never once asked for anything for himself. The only thing that he sought for his contribution was good government.

As a worker and doer, Richard never considered any task too menial for himself in aid of a friend. Nor was he a "fair weather" friend; even when friends were unkind or uncaring, Richard was always there when they needed him.

In recent years, Richard Turner fought a courageous battle for his own life. In 1978, Richard contracted a rare and incurable lung disease, one that was both debilitating and incapacitating. It slowed him down, but it did not stop him. Richard forged ahead with his work for friends and community.

Last Friday morning, Richard Turner lost that struggle. He was only 44 years old. But in Richard's case, it was not the quantity, but the quality of his years of contribution.

I will remember Richard Turner for what he was and what he did—for his country, for his family, for his fellow man.

My great sympathy goes out to his wife, Rondi, and to his two sons, Pat and Richard III.

THE RETIREMENT OF DR. JOHN W. MANLY

Mr. HOLLINGS. Mr. President, it gives me great pleasure today to recognize and honor Dr. John W. Manly upon his retirement as executive vice president of Tri-County Technical College in Pendleton, SC. He was an early participant in the technical education system of South Carolina.

Dr. Manly's illustrious career as an educator began in 1960 as a teacher of industrial arts in the South Carolina Public School System. His service to the technical education system began in 1964, when he joined Greenville Technical College as an instructor in drafting and design technology.

During his 7 years at Greenville Tech, Dr. Manly served in various capacities from night director to dean of the Health Career Center. Mr. President, it was as dean of the Health Career Center that he developed a health care center that served as a national model.

Dr. Manly joined the staff of Tri-County Technical College in 1971 as executive director and will retire on June 30, 1986, as the executive vice president. During the early days of his tenure at Tri-County Technical College, Dr. Manly established the child development department, a program that coordinates activities with day care services throughout the community.

Working closely with Clemson University, Dr. Manly planned, implemented, and directed a special training program for vocational/technical education teachers which has provided teaching skills to more than 100 South Carolina vocational education teachers.

Mr. President, Dr. Manly's skills were not only strong in developing an outstanding curriculum at Tri-County

Tech, but he has been instrumental in providing pivotal leadership in the preparation of grant applications which have resulted in the construction of four buildings and Federal assistance through title III of the Higher Education Act.

Tri-County Technical College and the State of South Carolina will surely miss the dedicated services of Dr. John Manly when he takes a well-deserved retirement on June 30, 1986. However, his devoted and talented work as an executive officer will continue to be felt through the credible technical education system he helped to create. As the system celebrates its 25th anniversary this year, it is important that we reflect as well on the dedicated men and women like Dr. Manly who have made our system of technical education the success it is today.

Mr. MATHIAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BOSCHWITZ). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE PRESIDENTIAL VETO ON THE SAUDI ARMS SALE

Mr. DOLE. Mr. President, it is my understanding that the President has vetoed the resolution of disapproval on the Saudi arms sale, and that somewhere there is a messenger—[laughter]—who has that information. I would say to my distinguished colleagues that I prepared to take up the veto and vote in 30 minute or less and dispose of this matter for a number of reasons.

First of all, we do plan to leave here this evening for the so-called Memorial Day recess and will not return until June 2. At that time, it was my hope that we could take up, if not the tax bill, the higher education bill. And if we delay action on the veto message coming to the Senate, unless we have some unanimous-consent agreement, then the message would be before us and could not be displaced without unanimous consent.

Second, it would seem to me that this matter has been around long enough. There could be an argument made that the White House delayed in vetoing the disapproval resolution until they felt they had the votes, and I think that probably is a just argument. I do not quarrel with the White House for that. After all, I have said a number of times in the past few days that if we had the votes, we would vote before the recess; if we did not have, we would try to work on votes during the recess.

Now I believe—and I do not have any absolute certainty—that we have the votes to sustain the veto, to uphold the President's position. And I would like very much to proceed with that forthwith. Let us proceed with whatever debate on either side, have the debate, and have the vote. We would then have this particular issue behind us, and we could face up to whether it is higher education, the tax bill, the budget resolution, whatever, when we return.

Now I have been advised that it may not be possible to vote this evening. Again, I am not quarreling with that. The opponents have that right. It may be in their interests now to delay, as they may have perceived the White House delaying, until some of the absentees return and until the forces on the other side have an opportunity to see what they can do to prevail on this issue. And it is an important vote.

It would seem to me, though, if we do that, the vote becomes more politicized. I would hope we could have some agreement to vote at 6 o'clock, 6:30, 7 o'clock or 7:30 this evening. I have indicated to the Chief of Staff at the White House that the distinguished minority leader indicated to me, that they were in a caucus and that it was the feeling—I guess nearly a unanimous feeling—of the caucus that because certain Members had to be absent—Senator DECONCINI because of the death of his father, others who had commitments and who had to leave, and that it would not be possible to vote today. Of course, the alternative would be to be here tomorrow and I guess Friday, or whatever.

Mr. President, it would seem to me, under these circumstances, as a practical matter, we are not going to vote. We are prepared to vote. Those who wish to sustain the President's veto are here, as far as I know. We believe that we should act.

I remind my colleagues, that when there was an effort to bring up the resolution of disapproval, I do not believe that this Senator delayed bringing that matter to the floor.

□ 1730

So I think—and I hope—there might be some reciprocity and that we could now act on the disapproval of the resolution.

But having said that, I would be pleased to yield the floor, and yield to the distinguished minority leader who may have other ideas.

I yield the floor.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, the distinguished majority leader has stated his responsibility. He has stated what the administration would like to see this afternoon; namely, a vote on the President's veto of the disapproval resolution.

The distinguished majority leader has stated the problems that he faces. He has laid his cards out on the table. We have both talked with our colleagues privately.

So we both know pretty well what the situation is. We all know that the administration delayed until they felt confident that they had the votes to uphold the President's veto. That is the administration's prerogative to do so. I do not like the veto. But in talking with the White House last night, I was told quite candidly that they did not have the votes at that time, but they hoped to have the votes by this morning. I indicated to the White House that the distinguished majority leader had said to me in a colloquy that it was his hope that we could have a vote on the veto by noon or early in the afternoon today. The White House indicated that they hoped that to be the case, but that if they did not have the votes to sustain by noon, the veto message would be later in coming.

So having been around here a little while, I understand that language. Now they have the votes. From their point of view, I certainly can see the situation as they do. The distinguished majority leader, being the loyal, dedicated majority leader that he is, would like to have that vote on the override today.

If I were in his position and viewed the matter as he does, I would in all likelihood want to have the vote at this late hour also.

We who oppose this sale feel that we have a justifiable case to try to override this vote. I need not attempt at this moment to state that case. Others have stated it, and there will be time for us to fully state it later—on another day, I hope.

I compliment Senator CRANSTON, who has with great commitment, dedication, and acumen opposed this sale from the beginning, and has, in regard to this particular issue, been the one on whom we have placed responsibility for counting and rounding up the votes. Most of our Senators are waiting to vote. Some have had to leave. Senator DECONCINI has had to leave town, as the distinguished majority leader has already stated, because of the death of Senator DECONCINI's father.

So we have lost a few Senators, not many, but every vote counts in this situation.

This is a matter of great importance and to the interests of the United States. After all, that should be our first interest, and our main goal.

It is not a matter so much as to who can win or who cannot win in this vote. It is not just another political game. That is not it. There are other

issues and times in which U.S. interests are not so deeply involved and so deeply impacted as in this instance.

We see this matter differently. Some will see it one way, and some the other. The point is that, because of the late hour we are losing Senators who are opposed to the arms sale.

The adjournment resolution has not yet been brought up, but the recess will begin at close of business today.

So we, who feel strongly about the resolution of disapproval, having supported it, and who feel just as strongly about the need to override the Presidential veto, are willing to wait until a time when Senators on both sides of the issue and on both sides of the aisle are all here. They are not here now. Until this afternoon we had the votes to override. We are not willing to cast our lot at this moment. We are not willing to subject the best interests of the United States, as we see it, to a vote now.

Once the veto message is brought in the door, except by unanimous consent, spread upon that journal, and stated by the clerk, we have no alternative but to stay on that business until it is completed. There is no timeframe. It does not have to be within 1 hour, 1 day, or 1 week, or 1 month.

We are willing on this side to agree to vote at a time certain, or no later than a time certain on Wednesday next, and in the meantime, we are agreeable to bringing up other matters. So we are willing to have an agreement so that Senators may know that this vital issue will not be voted on until Wednesday, June 4.

But under the circumstances, may I say to the distinguished majority leader, and through him to the White House, that we are prepared to debate this matter at length if the measure is brought in before the Senate at this time. He can adjourn the Senate, and in the meantime, it would not be prejudicial to either side or any Senator's rights. He could adjourn the Senate over. Barring that, he can bring it up before the Senate, and offer a cloture motion. But that, too, under rule XXII, has its liabilities and problems for both sides. A motion to refer could be made to the Committee on Foreign Relations, but that is debatable. But the distinguished majority leader could move to table that.

So really what the majority leader is faced with, in the final analysis, is, there will be no votes today.

□ 1740

There are some of us who are prepared to talk about this veto at length now. That is not intended as a threat. But we prefer to enter into a consent agreement to delay the vote. While the White House may have difficulty understanding the arcane rules and procedures here in the Senate, nevertheless the majority leader has to be bound by those rules and precedents, and I am bound by the same. I am confident the majority leader will impress upon the White House the situation as it is.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. First, I want to thank the distinguished minority leader for his remarks about my efforts with regard to this issue. I am grateful for his hard work also on the issue.

Let me say that I am delighted that the leaders are reaching an agreement on when we should proceed to vote on this matter.

Delay has been a strategy used by one side or the other rather obviously depending on how they thought the vote might occur at any particular time. The people who support the arms sales were considering putting this over until June so that they would have maximum time to work on those they would like to switch and vote with them. We have been ready to vote until today. But now, when it turns out to be to the advantage of those favoring the sale to vote today, it is to the disadvantage of those who oppose the sale.

We would lose today. We would lose because six people are absent, five of whom voted against the sale when we voted it down, and the sixth who would have voted against the sale had that Member been present. There were no absentees on the other side. So that puts us at a distinct disadvantage.

Incidentally, of those who are absent, four are Republicans and two are Democrats.

I have no idea how this vote will come out in June, but I think there should be an opportunity for all Senators to know when the vote will come so that all who are concerned will have a maximum opportunity to be present. We will be delighted to vote at that time, and we will hope that we will win. We will work to win. We will, of course, accept the verdict and not engage in any delaying tactics at that time. We are perfectly willing to enter into an agreement to vote at a time certain after we return.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I think the RECORD clearly reflects that if the message were brought in and read into the RECORD, there would be no vote this evening. I think that is fairly clear. If I could force a vote, I would. But obviously, as I understand, we have at least three here, and I assume others, who are prepared to talk.

And I think, because of outside circumstances, many colleagues will be gone on both side of the aisle.

Since it is clear that the President would probably prevail this afternoon, the strategy apparently is to delay, in hopes that maybe there will be some changes made, or some who would now vote for the President will change their mind, or there will be more people present and maybe one or two more votes to sustain the veto when we return.

I am not 100 percent certain whether we have the votes now. I hope that we have the votes to sustain the President's veto.

I remind my colleagues, of the 73 votes in support of the resolution, I did not support it, 26 Republicans did.

I would hope this will not become a totally partisan matter. It almost is at this point, almost a solid block on the other side opposing the President. In my view, that does not send the appropriate signal to our friend, the State of Israel, or the moderate Arab States in that part of the world. I do believe that even though there has been no concerted effort by certain groups to make this a political issue, it has become highly politicized. It is now sort of a struggle between the President of the United States and the Democrats in the Senate.

I am not certain that is the way foreign policy should be conducted.

In any event, it is clear we are not going to be able to vote tonight.

Mr. GOLDWATER. Will the Senator yield?

Mr. DOLE. I am happy to yield?

Mr. GOLDWATER. I listened to the remarks of the minority leader. I understood him to say that there might be unanimous consent to vote next Wednesday. Has that been discussed?

Mr. CRANSTON. A week from Wednesday.

Mr. DOLE. The 4th of June.

Mr. GOLDWATER. A unanimous consent to vote on this next Wednesday, is that true?

Mr. DOLE. We have not propounded that request. That was one suggested, for Wednesday or Thursday. I am advised that Wednesday would not be a good day. It would more apt to be on a Thursday, if we can obtain that consent. If somebody objects, obviously, that is something else.

Mr. METZENBAUM. The Senator from Arizona is referring to next Wednesday.

Mr. DOLE. If it is on Wednesday, it would be on the 4th of June, which would be a week from next Wednesday.

Mr. GOLDWATER. That would be June 4. I would have to object to that. I have some very important committee business that day. We will fill that day from 7 o'clock until probably after dinner. I think we ought to vote tonight, frankly. That is what the majority party is for. We are supposed to

run this place, but I am beginning to think we do not.

If you suggest the 4th, I am going to object.

Mr. DOLE. I think the 4th is not a good day, come to think of it. [Laughter.]

That is for a number of reasons. One was just stated. And I beleive I indicated it would not be good from the President's standpoint.

Mr. BYRD. Mr. President, if the 4th cannot be agreed to, I would be happy for us to try to have it on the 5th at some hour, if that would be more convenient for the distinguished Senator from Arizona and others.

Mr. DOLE. Mr. President, unless somebody wishes to speak, I am going to suggest the absence of a quorum.

Mr. CRANSTON. I would like to speak for just one moment.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. I would simply like to state that this is not a partisan issue as far as this Senator is concerned. It is not supposed to be a partisan issue and it should not be viewed in partisan terms. I believe that a majority of Republicans voted against the sale. I know that a majority of Democrats voted against the sale. I know that many Republicans are still against the sale as are many Democrats.

I would like to simply point out that my principal coleader in the effort thus far is one of today's absentees, ROBERT PACKWOOD, of Oregon, who is not here because they just had a primary in his State. He would like to be here when we vote. That is one reason for waiting until he can be here, to help out when we do vote.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

□ 1830

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL THANKS TO ANN K. HALDEMAN

Mr. DOLE. Mr. President, before adjourning, I want to take a moment to say a special thanks to Ann K. Haldeman, who is today leaving her post as an assistant in the Republican cloakroom.

Ann has been an integral member of the cloakroom staff for more than 3 years. Her dedication, intelligence, and sunny disposition have earned her many, many friends—both Senators and staff.

We wish her the very best of luck as she ventures home to California and in whatever endeavor she follows in the future.

Mr. BOSCHWITZ. Mr. President, if the leader will yield——

Mr. DOLE. I am happy to yield.

Mr. BOSCHWITZ. I join in the comment that Ann has a very sunny disposition, and she will be very much missed in the cloakroom. Her competence, her followup, and her reliability—all one has to do is call and ask her—is always at a very high level, and will be missed.

Mr. DOLE. I thank this distinguished Senator from Minnesota.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER (Mr. CHAFEE). The Senator from California.

TAX REFORM

Mr. CRANSTON. Mr. President, when the Senate debates tax reform, among the most difficult issues the Senate will face will be assessing and modifying the Finance Committee's recommendations as to how all American taxpayers will make the transition from today's Tax Code to tomorrow's tax reform plan.

As the Senate settles down to debate the tax reform bill, we will see that the substantive changes in the overall bill which will be made need not be divisive nor destructive of the package.

Many of our constituents know that they can learn to do business under the new law, because they believe that ultimately the Congress of the United States is not going to pass a tax reform bill which treats them unfairly.

But they ask only for a chance to make the transition, so that they have the chance to adapt to the new law.

That is reasonable.

It is fair.

And it makes good economic and political sense.

I, for one, will be working to assure fair transition rules for investors in real estate.

There are ways to work out transitions for these taxpayers and businesses adversely impacted by the tax reform plan which will pay for themselves fairly, moderately, and in consistency with the tax reform plan.

Among the various proposals which have been suggested to me and which I am studying are combinations of "grandfathering" periods up to 10 or 12 years from date of investment, caps on deductions, and other limitations proportionate to a fair return on investment.

A reasonable goal would be to design transition provisions which return to the investor a fair rate rather than a return based solely upon tax-advantaged values under current law.

I think it highly unfair for the Senate to repeal laws we passed to induce investors to make investments and thereby to turn a once-profitable investment into a losing proposition. We should not use the taxing power wantonly to invite and then to destroy private investment in housing and real estate.

The case for fairness is well stated by a Californian who is a typical investor in a low-income housing tax shelter who wrote me as follows:

> The Government, in effect, said it wanted low-income housing, but that it didn't want to pay for it itself. Knowing that the private sector would not provide it as things stood because of negligible return on such an investment, it provided tax writeoffs as the incentive to invest. Since the Government controlled the rents (as the only way to insure that the projects would continue to be for low-income tenants, who could not afford market rates), the tax incentives were the only way for a private investor to achieve a reasonable return.

Mr. President, all the pejoratives about real estate tax shelters will not change those facts one bit.

We have a moral obligation to treat these investors fairly. I urge Senators to keep an open mind and to join in the process of developing a consensus on how the Senate will meet its obligation for a fair transition from current tax law to reformed tax law.

Mr. President, the record also will show that in 1981 many spokespeople for the real estate industry warned against shortening depreciation for real estate to 15 years. They said at the time that overly rapid depreciation would result in overbuilding. And that result is exactly what we have seen in commercial construction—not, I stress, in housing construction.

The 1981 tax bill was an excess. We've been engaged ever since in rolling back what was done in the burst of enthusiasm for Reaganomics. The Packwood-27 bill is simply the last step in taking back what Congress and President Reagan gave away in 1981. This is necessary to do. But in the process of doing in the name of tax reform what could not otherwise be done, let us not unfairly tax investments made in reliance on earlier tax legislation.

□ 1840

Many of those investments were made for a solid social purpose, to help provide low-cost and moderate-income housing for, in many cases, working Americans who can no longer afford housing under today's circumstances without such help.

If we do not find some way to continue to provide, let me add, some incentive for the building of low-cost and moderate-income housing, we will have a housing crisis in this country.

Mr. President, I yield the floor.

ADJOURNMENT OF THE HOUSE FROM MAY 22, 1986 TO JUNE 3, 1986, AND ADJOURNMENT OF THE SENATE FROM MAY 21, 1986 TO JUNE 2, 1986

Mr. DOLE. Mr. President, I send a concurrent resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 144) providing for an adjournment of the House from May 22, 1986 to June 3, 1986, and for an adjournment of the Senate from May 21, 1986 to June 2, 1986.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

Mr. BYRD. Mr. President, I do not have any objection. I just want to make certain it has the usual recall paragraph in it.

The PRESIDING OFFICER. The resolution does have the recall paragraph.

Mr. BYRD. Then I have no objection.

Mr. DOLE. I ask that the concurrent resolution be read.

The PRESIDING OFFICER. The clerk will read the concurrent resolution.

The assistant legislative clerk read as follows:

Resolved by the Senate (the House of Representatives concurring), That when the House adjourns on Thursday, May 22, 1986, pursuant to a motion made by the Majority Leader of the House, or his designee, in accordance with this resolution, it stand adjourned until 12 o'clock meridian on Tuesday, June 3, 1986, and that when the Senate adjourns on Wednesday, May 21, 1986, pursuant to a motion made by the Majority Leader of the Senate, or his designee, in accordance with this resolution, it stand adjourned until 2 o'clock p.m. on Monday, June 2, 1986, or until 12 o'clock meridian on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution.

SEC. 2. The Speaker of the House, after consultation with the Minority Leader of the House, and the Majority Leader of the Senate, after consultation with the Minority Leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 144) was agreed to.

Mr. BYRD. Mr. President, I thank the distinguished majority leader, I thank the Chair, and I thank the clerk for the reading of the concurrent resolution for the Record.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRESIDENTIAL VETO OF RESOLUTION OF DISAPPROVAL OF SAUDI ARABIA ARMS SALE

Mr. DOLE. Mr. President, there is a messenger at the door.

The PRESIDING OFFICER. The Senate will receive a message from the President of the United States.

Pursuant to article I, section 7 of the Constitution, the Chair announces the President of the United States has returned Senate Joint Resolution 316 together with his objections, which will be entered as a part of the Journal, and which the clerk will read.

The assistant legislative clerk read as follows:

To the Senate of the United States:

I am returning herewith without my approval S.J. Res. 316, a resolution that would halt the proposed sale of defensive missiles to Saudi Arabia.

The U.S. defense relationship with Saudi Arabia was started by President Roosevelt in 1943 and endorsed by every President since. I cannot permit the Congress to dismantle this longstanding policy, damage our vital strategic, political and economic interests in the Middle East and undermine our balanced policy in that region.

The American people and their representatives should understand that this sale is in our interests. It is not just a favor to our friends in Saudi Arabia. Moreover, it is not being done at anyone's expense.

The security of Israel remains a top priority of this administration. This sale will not endanger Israel's defenses, a fact that is underscored by Israel's decision not to oppose the sale.

Stability of the oil-rich Persian Gulf is another goal of great importance. In a region living in the shadow of the tragic and gruesome Iran-Iraq war, and threatened by religious fanaticism at its worst, we cannot afford to take stability for granted. Saudi willingness to stand up to Iranian threats has been key in preventing the spread of chaos. It has been Saudi Arabia's confidence in our commitment to its security that has allowed it to stand firm.

But Saudi Arabia produces no weapons of its own and we have not sold the Saudis new arms in almost 2 years. If we suddenly shut off that supply, it will weaken our own credibility, as well as the Saudis' ability to defend themselves. It would send the worst possible message as to America's dependability and courage.

Behind the scenes, the Saudis have aided the effort to combat terrorism, which is as much, if not more, of a threat to them as it is to us. Recently, they refused Qadhafi's requests for aid. Several times in recent months, they have been instrumental in offsetting unjust criticism of the United States and preventing radical states from undertaking joint action against our country.

The Saudis have proven their friendship and good will. They have assisted our efforts to support responsible governments in Egypt, Jordan, and Sudan. They have worked quietly in the search for peace in Lebanon, in the Arab-Israeli conflict, and in the Iran-Iraq war. They also provide impressive assistance to the government of Pakistan and to Afghan refugees.

In the long run this sale will be good for America, good for Israel, good for Saudi Arabia, and good for the cause of peace.

I ask members of both parties to sustain this veto and to join me in protecting our country's vital interest.

RONALD REAGAN.

THE WHITE HOUSE, *May 21, 1986.*

□ 1845

Mr. DOLE. Mr. President, I ask unanimous consent that the veto message to accompany Senate Joint Resolution 316, the Saudi arms sale, received from the President today, be temporarily laid aside; that the Senate proceed to its consideration at 10 a.m. on Thursday, June 5; and that time for debate on the veto message be limited to 4 hours to be equally divided, in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, reserving the right to object, and of course, I will not object, but for the RECORD "in the usual form" in this instance would mean the time for debate be equally divided between the majority and minority leaders or their designees; is that correct?

Mr. DOLE. That is correct.

Mr. BYRD. I thank the Chair.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I further ask unanimous consent that the vote occur at 2 p.m. on Thursday on the question: "Shall the joint resolution pass, the objection of the President of the United States to the contrary notwithstanding?"

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I ask unanimous consent to include in the RECORD at this point a letter directed to me received from

the President today, May 21, concerning the modification of the original sale to Saudi Arabia with reference to the Stinger missile.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, May 21, 1986.

Hon. ROBERT DOLE,
Majority Leader, U.S. Senate,
Washington, DC.

DEAR BOB: For the past two weeks, I have shared your concern for our ability to gain necessiry congressional support for the Saudi missile sale in its present configuration. Yesterday I met with the Saudi Ambassador to the United States, His Royal Highness Prince Bandar bin Sultan, to discuss this issue. Prince Bandar informed me that the Saudi Government, recognizing the particular sensitivity of Stingers being transferred to any country and the importance of the sale to the security of the Persian Gulf area, has decided to withdraw its request for Stingers.

Today I am signing a message to the Senate vetoing S.J. Res. 316, which would disapprove the sale of all missiles included in this notification: AIM-9L, AIM-9P, Harpoon, and Stinger. If my veto is sustained, I will proceed with the sale but will not include the 200 Stinger launcher systems and the 600 missile reloads. A subsequent Saudi renewal of their request for Stingers would require the submission of another notification of the sale to the Congress in accordance with Section 36(b) of the Arms Export Control Act.

It is my sincere hope that with this modification of the Saudi request, the Congress will agree to this sale. It remains a vital and timely symbol of U.S. security commitments in the Middle East.

Sincerely,

RONALD REAGAN.

Mr. BYRD. Mr. President, before the distinguished majority leader turns to another subject, I wish to thank the majority leader and to thank the Members of the Senate on both sides of the aisle for their patience and their forbearance and for the consideration of the problems on both sides of the aisle and on both sides of the question. I also wish to commend again the distinguished minority whip, Mr. CRANSTON, for his perseverance, his persuasive efforts, and his commitment in this matter. I am glad that the Senate has been able to reach a resolution that has been agreeable to both sides of the aisle which will permit this important matter to be decided at a time when all Senators, I am certain, will have a better opportunity than at this point to be present to cast their votes thereon.

□ 1900

Mr. DOLE. Mr. President, I thank the distinguished minority leader.

I have indicated to Don Regan, the Chief of Staff, that I know the President would like to have had this matter disposed of this evening, as would the majority leader, the Presiding Officer [Mr. CHAFEE], and others, but that was not to be. I think they understand that.

I indicated that there would be absentees on both sides. This would give them sufficient notice. There may be other absentees, there may be illness or other reasons why Senators could not be here.

At any rate, this matter is locked in. This matter will be laid to rest on Thursday, June 5, at 2 p.m.

I think there was some concern about Senators during the recess period being bombarded by both sides; but, in any event, that would not be without precedent.

So it seems to me that we have resolved the matter as best we could.

ORDER FOR CONSIDERATION OF S. 1965, HIGHER EDUCATION ACT OF 1965, ON JUNE 2

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 1965, a bill to reauthorize and revise the Higher Education Act of 1965, and for other purposes, at 3 p.m. on Monday, June 2, 1986.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I have indicated to the distinguished minority leader that there will be debate only on Monday; there will not be votes. The agreement holds that there will be no votes after 6, and if any rollcall votes are requested, they will be put over until Tuesday.

Mr. BYRD. I thank the majority leader for stating that there will be no rollcall votes, I do this especially on behalf of Mr. PELL. Mr. PELL has not made this a condition. Mr. PELL never does that. But out of respect for Mr. PELL and his great dedication to the subject matter of this act, I feel honor bound to try to protect him.

I again thank the distinguished majority leader for his statement that there will be no rollcall votes on this matter on Monday.

Mr. DOLE. Mr. President, I ask unanimous consent that if any rollcall votes are ordered, they be postponed until Tuesday, June 3, at a time to be agreed upon by the minority leader and the majority leader.

The PRESIDING OFFICER. Without objection, it is ordered.

NATIONAL TOURISM WEEK

Mr. PRESSLER. Mr. President, I take this opportunity to encourage my colleagues to join me in recognizing May 18-25, 1986, as National Tourism Week.

Many people are surprised to learn that travel and tourism is the third largest retail or service industry in the United States, exceeded only by automobile and food sales. Tourism is a $260 billion industry which employs almost 5 million people in our country. At the State level, travel and tourism is the first, second, or third largest employer in 41 States.

The impact of this activity is accentuated by the fact that the industry is still rapidly growing—the 2.9 million new travel- and tourism-related jobs created in the past 10 years represent 18 percent of the total increase in employment. For every two jobs added in the travel and tourism industry, another job is created in businesses supplying related goods and services. It is clear that the breadth and variety of businesses involved in the travel and tourism industry is enormous.

Primary travel-related businesses include intercity bus, rail passenger and air passenger carriers, eating and drinking establishments, hotels and motels, campgrounds and trailer parks, car rental firms, oceangoing cruise lines, amusement and recreation services, and others.

However, the volume of goods and services required by these primary travel and tourism enterprises creates a vast interrelated constituency. People who travel need a mode of transportation, a place to visit, shelter, and food. They seek entertainment, recreation, and souvenirs. They require a wide variety of other kinds of assistance along their way: Automotive repairs, services for the handicapped, medical attention, security, et cetera.

In order to fully realize the contribution the travel and tourism industry can make to a State or national economy, I believe more cooperation and coordination is necessary. Kay Steuerwald, a member of my U.S. Senate Travel and Tourism Industry Advisory Council, and president of the Mountain Co. at Mount Rushmore National Memorial in South Dakota, issued a relevant challenge recently. She told local travel and tourism promoters to "get political" or miss the economic boat.

I challenge my colleagues today to "get political" about travel and tourism as well. This enormous and expanding industry, and the goods and services industries that complement it, arguably comprise one of the most important and influential economic forces in nearly every one of our home States. I believe no one in the Congress can afford to ignore this fact.

I challenge each of my colleagues to embark upon a timely expedition to discover the full extent of the travel and tourism industry and its related support industries in their own home States.

As chairman of the Business, Trade, and Tourism Subcommittee, I welcome the opportunity to assist Senators in this endeavor through any of the following services:

First, the coordination of a statewide tourism/business conference to explore the interrelationships between travel and tourism and other businesses in your State;

Second, information on possibilities for growth or other assistance that is available through the U.S. Travel and Tourism Administration [USTTA] and private national travel and tourism organizations;

Third, suggestions of industry experts who are available to address local travel- and tourism-related groups; and

Fourth, other travel- and tourism-related activities.

By supporting the continuation of USTTA, we stand to multiply the fiscal impacts of international tourism and to ensure that "have not" States are given an opportunity to share the wealth with those States that can afford impressive promotional budgets.

In addition, USTTA provides us with the ability to compete for the International visitor's dollar in a world where each nation is increasingly anxious to improve its own balance of trade. Developing countries especially recognize the importance of earning foreign exchange, and competition between developed nations is also escalating. Canada alone will spend over $40 million, or $1.62 per capita, on national tourism promotion in 1986. We will spend a little over $11 million in the United States—less than 3 cents per capita.

How important is the "export" of travel and tourism to the U.S. balance of payments? The Office of the U.S. Trade Representative and the Department of Commerce note that, in 1985, tourism exports represented 25 percent of the $45 billion generated by all services experts. This perkentage has been higher, however, and it can be improved if we allow USTTA to continue its efforts.

USTTA is striving to increase the U.S. world market share from its present level of 11 percent to at least 13 or 14 percent. No other agency is in a position to accomplish what USTTA does through its international negotiations to break down travel barriers, and through the sophisticated cooperative advertising marketing initiatives carried out by its 10 overseas offices.

I recently introduced S. 2307, along with 17 cosponsors, to reauthorize funding for this important agency for 1987, 1988, and 1989. During this 1986 National Tourism Week, I would invite my colleagues to join me in cosponsoring this legislation.

In summary, I would say that time is of the essence. The competition for the travel and tourism dollar is fierce. You can help your State reap the economic benefits of travel and tourism by providing it with all the relevant information and assistance that is available. You can help the United States reap the benefits from increasing its share in the world travel and tourism market by supporting the continued authorization of funding for USTTA.

I look forward to working with my colleagues in seeking to accomplish both of these objectives as we observe this year's National Tourism Week and look to the days that follow.

AN AMERICAN SUCCESS STORY

Mr. PRESSLER. Mr. President, I recently had the distinguished honor of addressing the graduating class of the Vietnamese-American Entrepreneur Training Program [VETP] at Georgetown University. The 42 graduating students, along with their instructors, should serve as an inspiration to all of us.

The goal of the Vietnamese-American Entrepreneur Training Program is to build on the experience and education of new immigrant Americans by training these individuals to enter the mainstream of American business and generate opportunities for others. Most of these students have been well educated in Vietnam, but lack the understanding of how to transfer these skills to American business. Through this bilingual program, students are able to learn approximately 1 year's worth of material in 4 months. They are instructed in accounting, finance, marketing, and taxation for small businesses.

Equally important to this program are its sponsors—the people and institutions that care enough to reach out and help these special Americans. I want to commend Georgetown University for sponsoring this one-of-a-kind program, and the Fairfax County Department of Manpower Services and Howard University's Small Business Development Center which have provided funding and support for the Vietnamese-American Entrepreneur Training Program. The people at these institutions have made a difference. Because of their involvement, these new Americans will receive valuable training making it possible for them to own a small business.

Mr. President, one man in particular deserves a lion's share of the credit for this program. Pho Ba Long, the VETP director, is that man. I met Pho Ba Long in 1967 while I was serving in Vietnam. He was then dean of the School of Business and Government at Da Lat University. He and his family came to America in 1975 and have truly become an American success story.

Long's wife Clare has a master's degree in business administration. His oldest son, Hong-Phong, will graduate from Georgetown's School of Foreign Service this spring. Le Thu graduated from Marymount College and is beginning a job at the Department of Commerce shortly. Hong-Lan, the third son, will graduate from the U.S. Air Force Academy next May. Hong-Quant is in his second year at the University of Virginia studying engineering. Long-Chau and Hong-Ming, the youngest two children, are 16 and 13 years old. This is an impressive educational background for any family. Yet, the Longs achieved this against great odds—the children did not speak English. They had to master the difficult English language and adjust to a new culture.

Pho Ba Long's total dedication to the VETP Program can be seen in a recent letter he wrote about the program. I ask unanimous consent that Pho Ba Long's letter be placed in the RECORD at the conclusion of my statement.

The people and institutions which have devoted their time and talent to the Vietnamese-American Entrepreneur Training Program receive little recognition for their services. That is why I wanted to take this opportunity to pay tribute to them. The Vietnamese people have a proverb, "If the people are rich, the country is strong." And as one of the students said at graduation, "Together we and our friends are making out people rich, ourselves rich, our community prosperous, and this country stronger."

HISTORIC PRESERVATION

Mr. HOLLINGS. Mr. President, I would like to offer my congratulations to Mrs. Frances Ravenel Smythe Edmunds of Charleston, SC. Mrs. Edmunds has for years been in the forefront of the historic preservation movement. Recently, the Historic Charleston Foundation honored Mrs. Edmunds by naming their new education center the "Frances R. Edmunds Center for Historic Preservation."

Mrs. Edmunds, who retired from her position as executive director of the foundation in July 1985, has been responsible for many of the successes of the foundation. She developed the revolving preservation fund which has restored more than 100 homes in Charleston's Old and Historic District. She lobbied for height and tourism management ordinances, and also supported the ordinance which prevents owners from allowing old buildings to deteriorate.

Mr. President, I could go on and on about Mrs. Edmunds' honors, but instead ask unanimous consent to submit for the RECORD and article from the News and Courier which does that. She deserves to be congratulated and commended for a job superbly done. Charleston has been very lucky to have such a supportive friend and member of the community.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DREAM OF HISTORIC PRESERVATION CENTER BECOMES REALITY

(By Frank P. Jarrell)

The little columned building at the corner of Meeting and Chalmers streets was erected in the early 1930s. It was a pretty fancy place, especially for a gasoline station.

Today, the building still stands, but the fuel it dispenses is a different mix. The little brick building is the Frances R. Edmunds Center for Historic Preservation, the dispensing point for the education programs of the Historic Charleston Foundation.

The center honors Frances Ravenel Smythe Edmunds who retired in July 1985 as executive director of the foundation. Although it has been operating since March, the formal opening will be Tuesday, at an invitation-only ceremony.

Lawrence A. Walker, president of the foundation's board of trustees, says, "The center is an idea that Mrs. Edmunds conceived a long time ago as something that would be unique in the country. It would be a center for preservationists, a place with a good reference library, a source of material that might not be otherwise readily available. In addition, it would sponsor seminars on preservation techniques as well as be a part of the education posture of the community by having programs for schoolchildren."

Planning for the center started about a decade ago. Six years ago, the organization started searching for a site. The result was the old filling station, which has been renovated. "It's not only a good location, but good for the community. What we did was help maintain the one-story profile at that very important corner shared by the Fireproof Building (headquarters of the South Carolina Historical Society), Hibernian Hall and Washington Park. The center basically precludes anyone putting some sort of high-rise there."

By naming the center for Mrs. Edmunds, the foundation honors one of the city's leaders, a nationally recognized pioneer and expert in historic preservation. Walker says: "I recently attended a hearing of the Coastal Council, which Frances also attended. When she got up to talk, there was loud applause from the audience—not just when she was finished. I think that's a very good indication of the appreciation that a large segment of our community has for what Frances has contributed for the 30-odd years she has been involved."

Richard W. Salmons, chairman of the foundation's education committee, says: "Frances has been Mrs. Preservation for decades and the building is a continuing step in the bolstering of preservation by the foundation. In the past, we've done a lot of buying and refixing, but this center is a different slant, toward training and education. . . . It's only right that it should be named for her."

Mrs. Edmunds joined the foundation when it was incorporated in April 1947. After having filled several positions, she was named director in 1955, after the foundation acquired the Nathaniel Russell House, one of its first major properties.

In 1958, she developed the foundation's revolving preservation fund. Using private donations, the foundation purchased endangered houses to sell to buyers who would agree to restore them without destroying their architectural integrity. More than 100 homes have been restored in the city's Old and Historic District because of the fund.

During her tenure, Mrs. Edmunds supported the city's ordinance preventing owners from allowing old buildings to deteriorate, promoted the extension of the Old and Historic District, and lobbied for height and tourism management ordinances.

She also helped develop several supporting programs, including operations of Historic Charleston Reproductions, the Festival of Houses and two house museums—the Russell and Edmondston-Alston houses.

Mrs. Edmunds, a Charlestonian, attended St. Timothy's School in Maryland and graduated from the College of Charleston in 1939.

Because of her work, the National Trust for Historic Preservation awarded her the Louise duPont Crowninshield Award. She has also received the U.S. Interior Department's Conservation Service Award, the Historical Savannah Foundation Award, the Realtor Appreciation Award of the Greater Charleston Board of Realtors and was named to the Charleston Federation of Women's Clubs' Hall of Fame. In addition, she is a life member of the Historic Charleston Foundation's board of trustees.

Mrs. Edmunds says the center should be a way to show residents and visitors "what we've achieved in Charleston. We've never had a base for a full education program before."

The building itself, "is a type of preservation, although I seriously doubt it would qualify as that now. In fact, it was one of the motivating factors in our passing the first preservation ordinance in America."

Before Charleston's historic district was established, she explains, corner buildings were being torn down to make way for filling stations. When the center was originally built, as a service station, details of the Gabriel Manigault House, which once stood at George and Meeting streets, were incorporated in the construction. "I really don't think that would be called preservation today," Mrs. Edmunds says, laughing.

R. Angus Murdoch, who replaces Mrs. Edmunds as the foundation's executive director, says the education center purpose is twofold: specific and general. Specific education concerns the research materials and preservation seminars. The general education applies to visitors who just walk in. "The tourists are always walking in, so it's also a visitors information center. Although that wasn't a large theme in the planning, we knew it would happen."

Murdoch says the foundation projects that 100,000-125,000 people will use the center each year. "The exhibits inside are designed so people can interact on a number of levels, detailed or not. If you want to read it all, the exhibit is almost a book on the history of Charleston preservation."

SYRIA AND INTERNATIONAL TERRORISM

Mr. HELMS. Mr. President, press reports today indicate that Italy's interrogation of the one surviving terrorist involved in the attack on the Rome airport last December has brought an admission that Syria is directly implicated in the attack. According to the Leslie H. Gelb article in today's New York Times, Mohammed Sarham has admitted that Syrian agents trained him, and accompanied him on his journey from the Bekaa region of Lebanon to Damascus through Belgrade, and then on to Rome.

This admission comes on the heels of the British reports of a Syrian role in the aborted attempt to blow up an El Al airliner in London.

Mr. President, this evidence put forward by our allies has apparently shaken our own intelligence community and the State Department in their campaign to portray Syria as a "stabilizing influence" in the Middle East. I strongly supported President Reagan in his air strike against the terrorist training centers in Libya, because Libya obviously plays a role in staging international terrorist operations. But I deeply believe that Libya is merely the front operation for the much more fundamental involvement of Syria and Iran.

Instead of directly facing the deep involvement of Syria in international terrorism, the State Department has taken the approach of covering up for Syrian terrorist activities and portraying Syria as a positive factor in Middle East politics. Of course, just the opposite is true.

Mr. President, I have been deeply concerned for the last year that, in the wake of the hijacking of TWA flight 847, Syria has been portrayed as having had a positive influence. At the time, however, Lebanon was punished with threats of closing its national airport.

Mr. President, Iran and Syria, both of whom are officially categorized by our Government as states sponsoring terrorism, were intimately involved in the planning and execution of the hijacking of TWA 847. The hijacking, of course, commenced at the Athens airport and not the Beirut airport. While it is true that there have been, and are now, serious security problems at the Beirut airport, punishing the Lebanese people and their government for a hijacking in which neither the people nor their government was involved was counterproductive and avoided the real issue of Syrian and Iranian involvement.

On June 27, 1985, I went into some detail on this floor about the involvement of Iran and Syria in international terrorism and their involvement in the TWA 847 hijacking. On April 15 of this year, I discussed the operations of Libya, Syria, and Iran in joint terrorist operations.

Syria and Iran should not be rewarded with specious rhetoric about rapprochement and new relations. We should not forget that Syria is in military control of the Bekaa Valley and provides not only protection for but also material assistance and counseling for Shi'ite terrorist groups and the Iranian revolutionary guards stationed there.

We should not forget that the Syrian dictatorship is not only highly

unstable but also guilty of massive human rights violations against its own people. It is a fact that Mr. Assad's minority Alawite dictatorship systematically suppresses the human rights of the majority of the population. The Syrian dictatorship is a well-known Soviet client state which has relentlessly advanced Soviet interests in the region. In fact, without Soviet backing the Syrian dictatorship would collapse.

THE SYRIAN FACTOR IN THE MIDDLE EAST

Mr. President, it may be useful for my colleagues to review the rise to power of Hafez Assad and the dictatorship of the Alawite minority. I have put together a summary with the assistance of Middle East experts.

Mr. President, the following table illustrates the religious composition of Syria's population as estimated for 1985. Senators will note the minority position of the Alawites who number about 10 percent of the total population. Yet the Alawites, by using Mr. Assad and his military supporters, have imposed a dictatorship on the country.

Religious Composition of Syria's Population, 1985

Estimated total resident population	10,000,000
Orthodox Muslims	7,150,000
Native Sunni Arabs	5,700,000
Kurds	900,000
Palestinian Arabs	300,000
Turkomans	150,000
Circassians	100,000
Heterodox Muslims	2,000,000
Alawis	1,350,000
Druzes	300,000
Ismailis	200,000
Ithna 'ashari (Imami, Mutawali) Shiis	150,000
Christians:	
Orthodox denominations:	
Melkite (Greek)	330,000
Armenian Apostolic	130,000
Syrian (Jacobites)	110,000
Catholic demominations:	
Greek Catholics	90,000
Syrian Catholics	30,000
Armenian Catholics	20,000
Maronites	20,000
Nestorian (Assyrian)	20,000
Roman Catholics	10,000
Chaldeans	10,000
Protestant denominations	30,000
Others (Yazidis, Bahais, Jews, etc.)	50,000

After Syrian independence in 1946, the Alawites, who had been traditionally at the economic and social fringe, became members of secular Socialist parties which promised them increased economic and social status. The Baath ("Renaissance") Party recruited heavily among the Alawites. In 1963, the Baath Party seized power in Syria and the Alawites then had their political vehicle.

In 1966, the Alawites led a radical rural based Baath faction in the military which then displaced Sunni Baathist officers. Mr. Assad, then Minister of Defense, became the leader of subgroup within this faction and in 1970 launched a coup against Baathist rival factions. Mr. Assad, for public relations purposes and to mask Alawite domination, appointed some Sunnis to high-profile public officers.

Mr. Assad's power base began to narrow in the overall Baath organization including both civilian and military. It then narrowed even further within the military wing of the Baath Party until his base finally ended with support only from Alawite military officers. Not surprisingly, his Alawite background came under increasing attack by militant orthodox Sunni leaders. By the late 1970's there was widespread resentment of Alawite minority domination, rampant corruption, and economic policies which favored rural and Alawite interests over those of the urban Sunni and other non-Alawite Syrians.

Basing itself upon this increasing resentment of the Mr. Assad dictatorship, the Sunni Moslem Brotherhood organization launched a series of guerrilla attacks which culminated with an armed rising in the city of Hama in 1982. Mr. Assad, utilizing his most virulent shock troops called the Saraya al-Difa ("defense companies") which were commanded by his brother Rifat, massacred at least 20,000 men, women, and children in the city of Hana.

The Muslim Brotherhood has since joined with other opposition groups in forming the National Alliance for the Liberation of Syria. Whether this front will gather enough support to topple the Mr. Assad dictatorship is an open question at this time.

Mr. Assad's health is widely known to be poor. He suffered from a heart attack in November 1983 and dropped out of sight for several months. This occasioned some internal struggles for power which included moves by his brother Rifat. Mr. Assad also reportedly has serious diabetic and other afflictions. The problem succession internally within his own ruling group, not to mention the very real potential of an opposition coup, could very well plunge Syria into violent internal chaos. Given Mr. Assad's support of international terrorism, this outcome might well be beneficial to the Western world.

THE SYRIAN IMPERIAL CONCEPT: "GREATER SYRIA"

Mr. President, if Mr. Assad's dictatorship were concerned only with ruthless subjugation of the Syrian people, that would be bad enough. But if we are to understand why Mr. Assad is conducting a campaign of international terrorism against the United States and the West, it is necessary to understand the underlying motivation. The Baathist ideology is not only relentlessly expansionist, but based in Arab racism.

The central psychological factors driving Syrian foreign policy under Mr. Assad's dictatorship are the geopolitical concept of a "greater Syria" and pathologic hatred of Israel. In 1920, modern Syria was carved out of the Ottoman Empire which collapsed in the wake of World War I. Britain and France divided the Mesopotamian Basin into spheres of influence with Syria falling into the French sphere and "Trans-Jordan," Palestine, Lebanon, and Iraq falling into a British sphere.

Since ancient times, within the Mesopotamian Basin there has been a struggle for power and influence between Damascus and Baghdad. This is reflected today in political rivalry between Syria and Iraq within the Arab world. The concept of greater Syria, or Pan-Syrianism, in a geographic sense includes today's Syria, Lebanon, Israel (referred to by the Syrian regime as "southern Syria"), Jordan, Iraq, and parts of Turkey. This accounts for Mr. Assad's manipulation of events in the region toward the objective of the creation of a modern-day greater Syria encompassing the areas I have just described.

It should be noted that the concept of greater Syria is not based on Muslim fundamentalism, but on pan-Arabism. In other words, the Baath ideology demands that the Arab States within the historic Syrian claim should unite on the basis of their common Arabic heritage. Arab Christians are welcome within the secular Baath party, but Jews are excluded by definition. In what would seem to be a paradox, Iran, though a Muslim nation, is not an Arab nation, and is not an object of Syrian aggression. Thus the secular Baath regime in Syria can easily have a pragmatic cooperation with Iran for international terrorism.

On the other hand, the concept of greater Syria in the political sense requires the complete destruction of Israel as well as dominance within the Arab world and confrontation with the Western World. Israel lies within the geographic boundaries of the area marked out for acquisition, and as a Jewish state is totally incompatible with Pan-Arabism. There is no escaping the logical consequences of the Pan-Syrian ideology as long as it serves as the basis of action for the current, or any future, regime in Damascus.

Mr. President, the Department of State refuses to recognize this fact and continues to treat Mr. Assad as some sort of positive factor in Middle Eastern politics. Indeed, Mr. Assad's role for the Department of State is central in its conception of how to deal with the Middle East in spite of well-documented Syrian support of international terrorism and the complete failure of the State Department concept that

Syria could be bought with Saudi Arabian money and oil.

As a result of grave miscalculations by the State Department with respect to Syria, innocent American citizens have been murdered in Syrian-supported terrorist attacks. Of course, this line of policy is nothing new. It is merely a continuation of Kissinger's failed Middle East "shuttle diplomacy" in which Mr. Assad played a central role as Henry's "friend." The United States-mediated 1974 Syrian-Israeli disengagement agreement, for example, enabled Mr. Assad to recover some of the territory in the strategic Golan Heights which Damascus lost to Israel during the 1967 war. Today, the State Department has encouraged and facilitated Syrian domination of Lebanon as a stabilizing factor in the Middle East.

The State Department has also downplayed the Syrian role in international terrorism and its direct connection with the TWA 847 hijacking and the more recent Rome and Vienna airport massacres.

In a report prepared by the Senate Subcommittee on Security and Terrorism in June 1985 entitled "State Sponsored Terrorism," the committee found that Syrian diplomats recruit terrorist trainees, pass weapons through the Syrian diplomatic pouch, and furnish passports and safehouses for international terrorists. It is no secret that Syria harbors and provides safe haven for numerous terrorist groups in Damascus.

Among the international terrorist groups based in Damascus are: The Popular Front for the Liberation of Palestine, the Democratic Front for the Liberation of Palestine, and the National Salvation Front. This latter terrorist umbrella organization is composed of the Abu Musa faction from Arafat's Fatah, the Popular Front for the Liberation of Palestine-General Command, the Popular Struggle Front, the Palestinian Liberation Front, and the Saiqa.

Mr. President, I commend the distinguished Senator from Alabama [Mr. DENTON] for his great leadership in unmasking international terrorism in the hearings of his subcommittee.

Aside from the many terrorist groups operating from inside Syria, it must not be forgotten that numerous terrorist organizations operate out of the Syrian-controlled Bekaa Valley in Lebanon. These terrorist groups include the Iranian Revolutionary Guards, the fanatic Shiite Hisbollah, and the variety of groups that undertake terrorist operations under the name of the Islamic Jihad. The State Department has yet to explain to the Congress, let alone to the American people, just how Syrian is a stabilizing factor in Lebanon in light of its massive direct and indirect support of international terrorism. One wonders how the State Department explains this to its own employees based in the Middle East and subject to Syrian-backed terrorist attacks such as those against our embassy in Lebanon in April 1983.

KISSINGER, THE MIDDLE EAST, AND DETENTE

Mr. President, the brutal Syrian occupation of a large part of Lebanon and its move toward hegemony over Lebanon is, as I indicated earlier, the result of the Kissinger Middle East policy of a decade ago. How quickly we seem to forget the days of the so-called shuttle diplomacy which led directly to the chaos and bloodshed we now see in Lebanon and the buildup of international terrorist operations we confront the world over. Can anyone honestly say that Syria has been or is or will be a "stabilizing force" in the Middle East? This is precisely the illusion that the State Department has sought to create.

Mr. President, the fact of the matter is that the Syrian dictatorship actively promotes chaos in Lebanon and terrorism around the world in an attempt to deflect the massive internal opposition to its rule in Syria and to promote its geopolitical program of geographic and political conquest and empire in the Middle East. Of course, this fits in neatly with the Soviet regional strategy which aims at the strategic encirclement of the Arabian peninsula and the destabilization of all moderate governments in the area. In this context, Israel's very survival is seriously threatened as well.

A blunt question emerges: Is the State Department on the side of the United States and the West or do its policies facilitate Soviet regional objectives in the Middle East? Over the last several years, it has become fashionable in State Department policy to think in terms of negotiated regional settlements to which the Soviet Union should play a role. For example, the State Department has conducted talks at the highest levels with Soviet counterparts on Central America, Southern Africa, Afganistan, and the Middle East.

THE PRESISTENCE OF DR. KISSINGER'S THEORIES

Mr. President, the concept of involving the Soviet Union in negotiated regional settlements is nothing new. We have seen it all before in the theories of Dr. Henry Kissinger and in the bitter fruit of his practice.

The concept of involving the Soviet Union in negotiated regional settlements is central to Dr. Kissinger's academic writing as well as to his diplomatic activity. In Dr. Kissinger's theorizing, the Soviet Union should be recognized as a "legitimate" power that could be assuaged and satisfied through diplomatic negotiations along the lines of the Old World "sphere of influence" policy of the former European imperial power brokers, such as Metternich and Bismark, who captivated Dr. Kissinger at Harvard.

The decade of the 1970's, therefore, opened with Dr. Kissinger's concept of "détente" with the Soviet Empire. According to his so-called grand design, the containment doctrine, which the State Department promoted in the post-World War II era, would be replaced with the new approach called "détente." Of course, the earlier "containment doctrine" was fatally flawed itself because it handed the initiative over to the enemy, the Soviet Union. American foreign policy became merely reactive on a case-by-case basis while awaiting the great day when the supposedly "contained" Soviet Union would "mellow."

But Dr. Kissinger's new approach—détente—involved the idea that a legitimate international order simply meant the acceptance of a set of rules of conduct that were respected by all powers. The question arises, however, whether the legitimacy of an international order, conceived as a consensus on rules of conduct, synonymous with stability and ultimately with peace. Détente with the Soviet Union was Dr. Kissinger's instrument to achieve the so-called legitimate international order.

Dr. Kissinger's paradigm, however, was fundamentally flawed. The missing element is an ethic of a peaceful order which involves more than just an agreement on a set of rules. Dr. Kissinger's system was empty of moral content and, therefore, is irrelevant to the great issues of our times which center on the values and principles fundamental to the preservation of a way of life basic to our civilization.

Mr. President, we were told that détente involved interdependency, deterrence, and arms control. The atmosphere of détente, however, has swayed Western psychology toward a downgrading of the Soviet threat, cutting defense budgets, and disrupting alliances. The world power balance, or the "correlation of forces" as the Soviets call it, was further tipped in the Soviets' favor.

Mr. President, the dynamics of the détente process have led to a demoralization of the West during the last decade. The Soviets have acted with relative impunity in subjugating the brave Afghan nation; in further repressing the Polish nation and the nations of eastern Europe; in attempting to assassinate the Pope in Rome; in bringing violence and devastation to the New World, particularly in Central America; in spreading war and misery on the African continent; in fomenting bloodshed and conflict in the Middle East; in murdering a plane load of innocent men, women, and children aboard the Korean 007 plane flight; and, in spreading international terrorism across the face of the Earth.

Dr. Kissinger's détente rested on the thesis that the dominating affect of greater interdependency would restrain Soviet behavior. Have the Soviets been "restrained" over the last decade? In spite of billions of dollars of credits and loans, in spite of billions of dollars' worth of Western technology, in spite of innumerable exchanges across a broad range of fields, the Soviet empire has not been restrained in the least.

Mr. President, nothing has changed with the foreign policy of the State Department since the departure of Dr. Kissinger. Indeed, many of his devotees and proteges hold positions of high trust in this administration. They are transfixed and mesmerized by Dr. Kissinger's grand design which they all too eagerly pursue for lack of any of their own concepts based upon a traditional understanding of American purpose and diplomacy. No one can deny the hidden and now more overt push over the last 5 years by the State Department to move into a new phase of détente. The agenda is the same as it was under Dr. Kissinger: arms control, East-West trade, and regional issues.

THE STATE DEPARTMENT AND SYRIA

As for regional issues, it is the same agenda in the Middle East. For this reason, Syria is still the darling of the State Department policy planners. The overall concept is still the same: Syria will be the stabilizing force and a deal on a regional level, in a sphere of influence Old-World-style, will be worked out with the Soviet Empire. Of course the "settlement" or deal will not be to United States advantage nor, for that matter, to Israel's advantage. The deal will not even be to the advantage of Arab moderates who, essentially, will be thrown to the dogs and languish under the influence of Syrian, Iranian, and Libyan dictators and fanatics acting in the service of the Soviet Union. Nevertheless, the State Department will bend every effort to carry forward its regional strategy because the Soviet Empire must be appeased and the "process of negotiations" held sacrosanct.

Mr. President, as I mentioned earlier, it is no secret that Syria is deeply involved in international terrorism and fully cooperates with the Soviet KGB as well as with the terrorist infrastructures established by Khomeini of Iran and Qadhafi of Libya. It is high time that the United States, as well as our allies and friends, undertake not only a policy to isolate the Mr. Assad dictatorship in Syria but also undertake a policy of active measures against the Mr. Assad dictatorship with a view to its ultimate destruction and the liberation of the Syrian nation.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mrs. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

ANNUAL REPORT OF THE UNITED STATES-JAPAN COOPERATIVE MEDICAL SCIENCE PROGRAM—MESSAGE FROM THE PRESIDENT—PM-145

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 5(h) of the International Health Research Act of 1960 (Public Law 86-610), I transmit herewith the Nineteenth Annual Report of the U.S.-Japan Cooperative Medical Science Program for the period of July 1984 to July 1985.

RONALD REAGAN.

THE WHITE HOUSE, *May 21, 1986.*

VETO MESSAGE ON S.J. RES. 316, SAUDI ARMS SALES DISAPPROVAL—MESSAGE FROM THE PRESIDENT—PM-146

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States:

To the Senate of the United States:

I am returning herewith without my approval S.J. Res. 316, a resolution that would halt the proposed sale of defensive missiles to Saudi Arabia.

The U.S. defense relationship with Saudi Arabia was started by President Roosevelt in 1943 and endorsed by every President since. I cannot permit the Congress to dismantle this long-standing policy, damage our vital strategic, political and economic interests in the Middle East and undermine our balanced policy in that region.

The American people and their representatives should understand that this sale is in our interests. It is not just a favor to our friends in Saudi Arabia. Moreover, it is not being done at anyone's expense.

The security of Israel remains a top priority of this administration. This sale will not endanger Israel's defenses, a fact that is underscored by Israel's decision not to oppose this sale.

Stability of the oil-rich Persian Gulf is another goal of great importance. In a region living in the shadow of the tragic and gruesome Iran-Iraq war, and threatened by religious fanaticism at its worst, we cannot afford to take stability for granted. Saudi willingness to stand up to Iranian threats has been key in preventing the spread of chaos. It has been Saudi Arabia's confidence in our commitment to its security that has allowed it to stand firm.

But Saudi Arabia produces no weapons of its own and we have not sold the Saudis new arms in almost 2 years. If we suddenly shut off that supply, it will weaken our own credibility, as well as the Saudis' ability to defend themselves. It would send the worst possible message as to America's dependability and courage.

Behind the scenes, the Saudis have aided the effort to combat terrorism, which is as much, if not more, of a threat to them as it is to us. Recently, they refused Qadhafi's requests for aid. Several times in recent months, they have been instrumental in offsetting unjust criticism of the United States and preventing radical states from undertaking joint action against our country.

The Saudis have proven their friendship and good will. They have assisted our efforts to support responsible governments in Egypt, Jordan, and Sudan. They have worked quietly in the search for peace in Lebanon, in the Arab-Israeli conflict, and in the Iran-Iraq war. They also provide impressive assistance to the government of Pakistan and to Afghan refugees.

In the long run this sale will be good for America, good for Israel, good for Saudi Arabia, and good for the cause of peace.

I ask members of both parties to sustain this veto and to join me in protecting our country's vital interest.

RONALD REAGAN.

THE WHITE HOUSE, *May 21, 1986.*

MESSAGES FROM THE HOUSE

At 12:24 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 173. A bill to settle and adjust the claim of the Tehran American School for $13,333.94.

The message also announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 2416. An act to revise further the limitation applicable to chapter 37 of title 38, United States Code, for fiscal year 1986, for the purpose of implementing any order issued by the President for such fiscal year under any law providing for the sequestration of new loan guarantee commitments.

The message further announced that the House insists upon its amendment to the concurrent resolution (S. Con. Res. 120) setting forth the congressional budget for the U.S. Government for the fiscal years 1987, 1988, and 1989, disagreed to by the Senate; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. GRAY of Pennsylvania, Mr. WRIGHT, Mr. DERRICK, Mr. WILLIAMS, Mr. WOLPE, Mr. RUSSO, Mr. JENKINS, Mr. LEATH of Texas, Mr. SCHUMER, Mrs. BOXER, Mr. MACKAY, Mr. SLATTERY, Mr. LATTA, Mr. KEMP, Mrs. MARTIN of Illinois, Ms. FIEDLER, Mr. GRADISON, Mr. LOEFFLER, Mr. MACK, and Mr. GOODLING as managers of the conference on the part of the House.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2971. An act granting the consent of the Congress to the amendments to the Susquehanna River Basin Compact;

H.R. 4434. An act to amend the act entitled "An act granting a charter to the General Federation of Women's Clubs";

H.R. 4529. An act to authorize appropriations for the United States Mint for fiscal year 1987, and for other purposes;

H.R. 4530. An act to amend the Department of Defense Authorization Act, 1985, to provide that members of the Commission on Merchant Marine and Defense shall not be considered to be Federal employees for certain purposes, to extend the deadline for reports of the Commission, and to extend the availability of funds appropriated to the Commission; and

H.R. 4588. An act to authorize appropriations for the Administrative Conference of the United States, and for other purposes.

The message further announced that pursuant to the provisions of section 4(b) of Public Law 94-201, the Speaker appoints to the Board of Trustees of the American Folklife Center in the Library of Congress for a term ending March 3, 1992, the following from private life: Mr. Russell W. Fridley of St. Paul, MN, and Ms. Judith McCulloh of Urbana, IL.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

S. 173. An act to settle and adjust the claim of the Tehran American School for $13,333.94.

The enrolled bill was subsequently signed by the President pro tempore (Mr. THURMOND).

At 1:59 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 1027. An act for the relief of Kenneth David Franklin.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1291. An act for the relief of Ray A. Bonney.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 1291. An act for the relief of Ray A. Bonney; to the Committee on Armed Services.

H.R. 2971. An act granting the consent of the Congress to the amendments to the Susquehanna River Basin Compact; to the Committee on the Judiciary.

H.R. 4434. An act to amend the act entitled "An act granting a charter to the General Federation of Women's Clubs"; to the Committee on the Judiciary.

H.R. 4529. An act to authorize appropriations for the U.S. Mint for fiscal year 1987, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

H.R. 4588. An act to authorize appropriations for the Administrative Conference of the United States, and for other purposes; to the Committee on the Judiciary.

MEASURE HELD AT THE DESK

The following bill was ordered held at the desk by unanimous consent:

H.R. 4530. An act to amend the Department of Defense Authorization Act, 1985, to provide that members of the Commission on Merchant Marine and Defense shall not be considered to be Federal employees for certain purposes, to extend the deadline for reports of the Commission, and to extend the availability of funds appropriated to the Commission.

MEASURE PLACED ON THE CALENDAR

The Committee on the Judiciary was discharged from the further consideration of the following bill; which was placed on the calendar:

H.R. 3773. An act to amend the Stevenson-Wydler Technology Innovation Act of 1980 to promote technology transfer by authorizing Government-operated laboratories to enter into cooperative research agreements and by establishing a Federal Laboratory Consortium for Technology Transfer within the National Science Foundation, and for other purposes.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, May 21, 1986, she had presented to the President of the United States the following enrolled bill:

S. 173. An act to settle and adjust the claim of the Tehran American School for $13,333.94.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3202. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 155 of the Omnibus Budget Reconciliation Act of 1981 and the United States Grain Standards Act to recover the costs of carrying out the provisions of the United States Grain Standards Act, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3203. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, a report on suspension and debarment of defense contractors; to the Committee on Armed Services.

EC-3204. A communication from the Acting Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend title 10, United States Code, to permit the involuntary order to active duty of a member of the reserve components of the Armed Forces of the United States missing, detained, or interned in a foreign country against his will, or held captive by a hostile force; to the Committee on Armed Services.

EC-3205. A communication from the Comtroller General of the United States, transmitting, pursuant to law, a report entitled "Hazardous Waste: DOD's Efforts to Improve Management of Generation, Storage, and Disposal"; to the Committee on Armed Services.

EC-3206. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on loan, guarantee, and insurance transactions supported by Eximbank during April 1986 to Communist countries; to the Committee on Banking, Housing, and Urban Affairs.

EC-3207. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report entitled "Annual Energy Review 1985"; to the Committee on Energy and Natural Resources.

EC-3208. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Social Security Act and related laws to make adjustments in benefits, improve administration, and make corrections and clarifications in the old-age, survivors, and disability insurance program, to make adjustments in benefits under the supplemental security income program, and for other purposes; to the Committee on Finance.

EC-3209. A communication from the Secretary of Health and Human Resources, transmitting, pursuant to law, the annual report on public advisory committees established under section 1114(f) of the Social Security Act 1985; to the Committee on Finance.

EC-3210. A communication from the Administrator of the Office of Juvenile Justice and Delinquency Prevention, Department of Justice, transmitting, pursuant to law, the report of the Attorney General's Advisory Board on Missing Children; to the Committee on Judiciary.

EC-3211. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Library Services and Construction Act—State-Administered Program and Direct Grant Programs for Indian Tribes and Hawaiian Natives, Foreign Language Materials Acquisition, and Literacy; to the Committee on Labor and Human Resources.

EC-3212. A communication from the Secretary of the Senate, transmitting, pursuant to law, a full and complete statement of the receipts and expenditures of the Senate, showing in detail the items of expense under proper appropriations, the aggregate thereof, and exhibiting the exact condition of all public moneys received, paid out, and remaining in my possession from October 1, 1985, through March 31, 1986; ordered to lie on the table.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-729. A resolution adopted by the Mayor and Council of the Borough of Woodstown, New Jersey favoring an amendment to the 16th amendment to the Constitution relating to taxation; to the Committee on the Judiciary.

POM-730. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Labor and Human Resources.

"JOINT RESOLUTION MEMORIALIZING THE PRESIDENT AND THE CONGRESS OF THE UNITED STATES TO ESTABLISH AN EMERGENCY BOARD TO SETTLE THE RAILROAD WORKERS' STRIKE IN MAINE

"We, Your Memorialists, the Senate and House of Representatives of the State of Maine in the One Hundred and Twelfth Legislative Session, now assembled, most respectfully request and petition the President of the United States and the Congress of the United States, as follows:

"Whereas, during the protracted railroad workers' strike, resulting from irreconciliable differences between Guilford Transportation Industries, Inc., and members of the Brotherhood of Maintenance of Way Employees; and

"Whereas, mounting safety problems exist, resulting from trains carrying toxic material passing through rural and urban countryside, which threatens the safety of the citizenry; and

"Whereas, the economic situation has worsened and the railroad strike is having a direct and detrimental effect on Maine business and industries, to the extent that one large paper company has laid off a substantial number of employees; and

"Whereas, the harmful effect of the railroad workers is as substantial as the harm on Maine's industry as a whole, causing a detrimental economic and psychological impact on almost 1,000 railroad workers; and

"Whereas, this group of Maine union members, a union consisting of only 110 employees, has provided the impetus for a possible nationwide strike; now, therefore, be it

Resolved: That We, your Memorialists, respectfully request and petition that the state governments of all states affected and the Federal Government apply pressure on the Guilford Transportation Industries, Inc., to bargain in good faith with the respective unions involved in this dispute, and to reach an agreement in order to resolve this difficult and tension-filled situation; and be it further

Resolved: That copies of this Memorial, duly authenticated by the Secretary of State, be transmitted to the Honorable Ronald W. Reagan, President of the United States, the Honorable George Bush, President of the Senate, and the Honorable Thomas P. O'Neill, Jr., Speaker of the House of Representatives of the Congress of the United States, and each Member of the Senate and House of Representatives in the Congress of the United States from this State; the United States Department of Transportation; and the New England Governors."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources, with amendments:

S. 1793. A bill to amend the Public Health Service Act to establish a grant program to develop improved systems of caring for medical technology dependent children in the home, and for other purposes (Rept. No. 99-306).

By Mr. HATCH, from the Committee on Labor and Human Resources, without amendment:

S. 2057. A bill to establish the President's Council on Health Promotion and Disease Prevention (Rept. No. 99-307).

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

H.R. 237. An act to amend the Fair Debt Collection Practices Act to provide that any attorney who collects debts on behalf of a client shall be subject to the provisions of such Act.

By Mr. ANDREWS, from the Select Committee on Indian Affairs, without amendment:

H.R. 1904. An act to provide for the use and distribution of funds appropriated in satisfaction of judgments awarded to the Chippewas of the Mississippi in Docket Numbered 18-S before the Indian Claims Commission (Rept. No. 99-309).

By Mr. GARN, from the Committee, on Banking, Housing, and Urban Affairs, without amendment:

S.J. Res. 353. An original joint resolution to provide for the extension of certain programs relating to housing and community development, and for other purposes.

By Mr. McCLURE, from the Committee on Energy and Natural Resources:

Report to accompany the bill (S. 1225) to amend the Atomic Energy Act of 1954, as amended, to establish a comprehensive, equitable, reliable, and efficient mechanism for full compensation of the public in the event of an accident resulting from activities undertaken under contract with the Department of Energy or activities undertaken by Nuclear Regulatory Commission licensees involving nuclear materials (with additional and minority views) (Rept. No. 99-310).

By Mr. DURENBERGER, from the Select Committee on Intelligence, without amendment:

S. 2477. An original bill to authorize appropriations for fiscal year 1987 for intelligence activities of the United States Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes; referred jointly to the Committees on Armed Services, the Judiciary, Foreign Relations, and Governmental Affairs for the 30-day time period provided in section 3(b) of Senate Resolution 400, 94th Congress, provided that the Committee on the Judiciary be restricted to the consideration of title V and section 603, the Committee on Foreign Relations be restricted to the consideration of title VI, and the Committee on Governmental Affairs be restricted to the consideration of sections 401 and 409, provided that if any of said Committees fails to report said bill within the 30-day time limit, such committee shall be automatically discharged from further consideration of said bill in accordance with section 3(b) of Senate Resolution 400, 94th Congress. (Rept. No. 99-307).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry:

Christopher Hicks, of Maryland, to be General Counsel of the Department of Agriculture;

Peter C. Myers, of Missouri, to be Deputy Secretary of Agriculture.

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

David F. Goldberg, of Illinois, to be a Director of the Securities Investor Protection Corporation for a term expiring December 31, 1986.

(The above nomination was reported from the Committee on Banking, Housing, and Urban Affairs with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DURENBERGER from the Select Committee on Intelligence:

S. 2477. An original bill to authorize appropriations for fiscal year 1987 for intelligence activities of the U.S. Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes; referred jointly to the Committees on Armed Services, the Judiciary, Foreign Relations, and Governmental Affairs for the 30-day time period provided in section 3(b) of Senate Resolution 400, 94th Congress, provided that the Committee on the Judiciary be restricted to the consideration of title V and section 603, the Committee on Foreign Relations be restricted to the consideration of title VI, and the Committee on Governmental Affairs be restricted to the consideration of sections 401 and 409, provided that if any of said committees fails to report said bill within the 30-day time limit, such committee shall be automatically discharged from further consideration of said bill in accordance with section 3(b) of Senate Resolution 400, 94th Congress.

By Mr. DECONCINI:

S. 2478. A bill relating to the tariff treatment of meat products processed abroad from cattle of U.S. origin; to the Committee on Finance.

By Mr. TRIBLE (for himself, Mr. WEICKER, Mr. BUMPERS, Mr. DANFORTH, Mr. CHILES, Mr. RUDMAN, Mr. LEVIN, Mr. COCHRAN, Mr. SASSER, Mr. MATTINGLY, Mr. DIXON, Mr. NICKLES, Mr. NUNN, Mr. D'AMATO, Mr. BAUCUS, Mr. GRASSLEY, Mr. HARKIN, Mr. KERRY, Mr. ZORINSKY, Mr. MOYNIHAN, and Mr. BOREN):

S. 2479. A bill to amend chapter 39 of title 31, United States Code, to require the Federal Government to pay interest on overdue payments, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BUMPERS:

S. 2480. A bill to enhance the readiness and fighting capability of the Armed Forces of the United States through the implementation of more combat-capable procurement policies, and for other purposes; to the Committee on Armed Services.

By Mr. METZENBAUM (for himself, Mr. GORTON, Mr. KENNEDY, Mr. BINGAMAN, and Mr. STAFFORD):

S. 2481. A bill to amend the Clayton Act regarding antitrust enforcement, and for other purposes; to the Committee on the Judiciary.

By Mr. DECONCINI:

S. 2482. A bill to require the Secretary of Health and Human Services to establish a Medicare demonstration project for veterans; to the Committee on Finance.

By Mr. MOYNIHAN (for himself and Mr. D'AMATO):

S. 2483. A bill to amend the Fire Island National Seashore Act of 1964; to the Committee on Energy and Natural Resources.

By Mr. DURENBERGER:

S. 2484. A bill to amend the Internal Revenue Code of 1954 to allow individuals not eligible for employer sponsored health plans or Federal health programs a refundable credit against income tax for qualified health insurance premiums, and to allow a deduction for health insurance premiums of self-employed individuals; to the Committee on Finance.

By Mr. DURENBERGER:

S. 2485. A bill to amend the Internal Revenue Code of 1954 to include in gross income and impose social security taxes on certain employer contributions to accident or health plans, to allow individuals a credit against income tax for certain health insurance premiums, and for other purposes; to the Committee on Finance.

By Mr. DURENBERGER:

S. 2486. A bill to amend the Internal Revenue Code of 1954 to include in gross income employer contributions to accident or health plans, to allow individuals a nonitemized deduction for certain accident and health insurance costs, to allow individuals who itemize, a portion of the remainder of such costs, to raise the threshold for deductible medical expenses to 10 percent of adjusted gross income, and for other purposes; to the Committee on Finance.

By Mr. BINGAMAN (for himself, Mr. ROCKEFELLER, Mr. MATSUNAGA, Mr. GLENN, Mr. BURDICK, Mr. MELCHER, Mr. BYRD, and Mr. BOREN):

S. 2487. A bill to provide grants to States for fellowships for individuals who have outstanding ability, demonstrate an interest in a teaching career, and will teach in areas of the State in which there is a shortage of quality elementary or secondary school teachers or in fields of study in which there is a shortage of quality elementary or secondary school teachers, or both, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BRADLEY (for himself and Mr. LAUTENBERG):

S. 2488. A bill to amend the Tariff Schedules of the United States to provide for the temporary suspension of the duty on nonbenzenoid vinyl acetate-vinyl chloride-ethylene terpolymer, containing by weight less than 50-percent derivatives of vinyl acetate; to the Committee on Finance.

By Mr. KENNEDY (for himself, Mr. GRASSLEY, Mr. HEINZ, Mr. METZENBAUM, Mr. GLENN, and Mr. ROCKEFELLER):

S. 2489. A bill to improve the training of physicians in geriatrics; to the Committee on Labor and Human Resources.

By Mr. LAUTENBERG (for himself and Mr. BRADLEY):

S. 2490. A bill to provide a 5-year suspension of the duty on silk yarn; to the Committee on Finance.

By Mr. GARN (for himself, and Mr. PROXMIRE) (by request):

S. 2491. A bill to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HEINZ (for himself, Mr. BRADLEY, and Mr. BURDICK):

S. 2492. A bill to amend title XIX of the Social Security Act to permit States, at their option, to provide Medicaid coverage for poor elderly or disabled individuals and to provide medical assistance for poor, Medicare beneficiaries in meeting Medicare cost-sharing requirements; to the Committee on Finance.

By Mr. STEVENS:

S. 2493. A bill to amend chapter 2 of title 39, United States Code, with respect to appointment, pay, and status of the Postmaster General and the Deputy Postmaster General, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BRADLEY (for himself, Mr. HEINZ, and Mr. GLENN):

S. 2494. A bill to amend title XVIII of the Social Security Act to modify the limitations on payment for home health services under the Medicare program to conform regulations; to assure that all legitimate costs are taken into account in calculating such limitations; to provide affected parties an opportunity to comment on revisions in Medicare policies; and to require discharge planning procedures; to the Committee on Finance.

By Mr. KENNEDY:

S. 2495. A bill to amend the Food Stamp Act of 1977, the Child Nutrition Act of 1966, and the National School Lunch Act to improve the availability of benefits under such acts, to provide for a program for nutrition monitoring and research, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. WALLOP (for himself, Mr. GRASSLEY, and Mr. DECONCINI):

S. 2496. A bill to authorize the President to award congressional gold medals to Drs. Andrei Sakharov and Yelena Bonner for the great personal sacrifice they have made to further the causes of human rights and world peace; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SIMON (for himself and Mr. ROCKEFELLER):

S. 2497. A bill to provide for the collection of data regarding certain insurance matters, to make such data available to the States for use in making policy decisions and determinations with respect to the insurance industry, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. KENNEDY (for himself, Mr. WEICKER, Mr. PROXMIRE, Mr. SPECTER, Mr. BIDEN, Mr. SARBANES, Mr. CRANSTON, Mr. KERRY, Mr. LEVIN, Mr. BRADLEY, Mr. HART, Mr. RIEGLE, Mr. METZENBAUM, Mr. LEAHY, Mr. LAUTENBERG, Mr. HARKIN, and Mr. SIMON):

S. 2498. A bill to prohibit loans to, other investments in, and certain other activities with respect to, South Africa, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. RIEGLE:

S. 2499. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to increase the benefit payable with respect to the death of a public safety officer, and for other purposes; to the Committee on the Judiciary.

By Mr. GRAMM:

S. 2500. A bill to require the President to initiate negotiations with Mexico for the purpose of entering a Free Trade Area agreement; to the Committee on Finance.

By Mr. DANFORTH:

S. 2501. A bill to extend for 3 years the existing suspension of duty on triphenyl phosphate; to the Committee on Finance.

By Mr. ABDNOR (for himself, Mr. HELMS and Mr. EAST):

S. 2502. A bill entitled the "Workers Freedom of Choice Act"; to the Committee on Labor and Human Resources.

By Mr. CRANSTON:

S. 2503. A bill to clear certain impediments to the licensing of the vessel Wanderbird for employment in the coastwise and fisheries trades; to the Committee on Commerce, Science, and Transportation.

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 2504. A bill to authorize certain transfers affecting the Pueblo of Santa Ana in New Mexico, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. GARN:

S. 2505. A bill for relief of Michael J. Smith; to the Committee on Armed Services.

By Mr. HECHT (for himself and Mr. LAXALT):

S. 2506. A bill to establish a Great Basin National Park in the State of Nevada and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. METZENBAUM:

S.J. Res. 352. Joint resolution to designate the week beginning September 7, 1986, as "Gaucher's Disease Awareness Week"; to the Committee on the Judiciary.

By Mr. GARN:

S.J. Res. 353. An original joint resolution to provide for the extension of certain programs relating to housing and community development, and for other purposes; from the Committee on Banking, Housing, and Urban Affairs; placed on the calendar.

By Mr. CHILES (for himself, Mr. BURDICK, Mr. ZORINSKY, Mr. HOLLINGS, Mr. BRADLEY, Mr. HECHT, Mr. ABDNOR, Mr. STENNIS, Mr. MATTINGLY, Mr. LONG, Mr. NUNN, Mr. BUMPERS, Mr. DOLE, Mr. MOYNIHAN, Mr. LEVIN, Mr. THURMOND, Mr. DECONCINI, Mr. COHEN, and Mr. CRANSTON):

S.J. Res. 354. Joint resolution to designate the week of October 5, 1986, through Octo-

ber 11, 1986, as "National Drug Abuse Education and Prevention Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. WALLOP (for himself, Mr. MATTINGLY, Mr. MCCLURE, Mr. QUAYLE, Mr. WARNER, Mr. HECHT, Mr. HELMS, Mr. SYMMS, Mr. GOLDWATER, Mr. GARN, Mrs. HAWKINS, Mr. HOLLINGS, Mr. TRIBLE, Mr. GRAMM, Mr. MURKOWSKI, Mr. ARMSTRONG, Mr. LAXALT, Mr. THURMOND, Mr. EAST, Mr. HATCH, Mr. WILSON, Mr. RUDMAN, Mr. GORTON, Mr. DENTON, Mr. CHAFEE, Mr. GRASSLEY, and Mr. LUGAR):

S. Res. 412. A resolution to thank the Honorable Margaret Thatcher; to the Committee on Foreign Relations.

By Mr. DENTON (for himself, Mr. ABDNOR, Mr. BOREN, Mr. BUMPERS, Mr. BURDICK, Mr. BYRD, Mr. COCHRAN, Mr. DECONCINI, Mr. DIXON, Mr. DOLE, Mr. DURENBERGER, Mr. EAST, Mr. GOLDWATER, Mr. GRASSLEY, Mr. HATCH, Mrs. HAWKINS, Mr. HECHT, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mrs. KASSEBAUM, Mr. KASTEN, Mr. LAXALT, Mr. LEVIN, Mr. LUGAR, Mr. MCCLURE, Mr. MURKOWSKI, Mr. PRESSLER, Mr. ROTH, Mr. SIMPSON, Mr. STAFFORD, Mr. STENNIS, Mr. SYMMS, Mr. THURMOND, Mr. TRIBLE, Mr. WALLOP, Mr. WARNER, Mr. WILSON, Mr. ZORINSKY, and Mr. CRANSTON):

S. Res. 413. Resolution to recognize the devotion of Bob Hope to the United States on his eighty-third birthday; considered and agreed to.

By Mr. MURKOWSKI (for himself, Mr. DECONCINI, Mr. THURMOND, Mr. DENTON, Mr. BOSCHWITZ, Mr. ABDNOR and Mr. CRANSTON):

S. Res. 414. Resolution expressing the sense of the Senate regarding the resumption of technical meetings with the government of the Socialist Republic of Vietnam on the issues of the repatriation of remains of American servicemen, joint excavations of crash sites and investigation of so-called "live sighting" reports; to the Committee on Foreign Relations.

By Mr. DOLE (for himself and Mr. BYRD):

S. Res. 415. Resolution to direct the Senate Legal Counsel to represent Senator Trible and his staff, and to authorize the testimony of such staff in the case of Commonwealth of Virginia V. Scott Bonner Bento, et al; considered and agreed to.

By Mr. DECONCINI (for himself and Mr. MURKOWSKI):

S. Con. Res. 143. Concurrent resolution expressing the sense of the Congress on the resumption of the United Nations High Commissioner for Refugees Orderly Departure Program for Vietnam; to the Committee on Foreign Relations.

By Mr. DOLE:

S. Con. Res. 144. Concurrent resolution providing for an adjournment of the House from May 22, 1986 to June 3, 1986, and for an adjournment of the Senate from May 21, 1986 to June 2, 1986; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DECONCINI:

S. 2478. A bill relating to the tariff treatment of meat products processed abroad from cattle of U.S. origin; to the Committee on Finance.

TARIFF TREATMENT OF MEAT PROCESSED ABROAD FROM U.S. CATTLE

● Mr. DECONCINI. Mr. President, the cattle feeding industry in Arizona and southern California is in dire economic straits due to the lack of slaughter facilities in the region. Slaughterhouses in both Phoenix and Los Angeles are almost gone, overrun by urban sprawl. Since 1976 the productive slaughter plants in the Southwest have gone from approximately 36 plants to only 6. At the same time, feeding numbers have gone from 1,200,000 head of cattle annually to only 650,000. Now all these feedyards continue to operate, but the slaughterhouses are gone. In response to this problem, I am introducing a companion bill to H.R. 4744 sponsored by Congressman THOMAS of California. This legislation would enable a group of individual cattle feeders in both States, in cooperation with Mexican and U.S. slaughter and distributor partners, to construct a meat slaughterhouse on the United States-Mexican border at San Luis, Sonora, Mexico.

When fully operational, this plant would utilize 2,000 head of cattle per day, and would support many cattle ranches and numerous feed lots in both Arozona and California. Such a plant would help the cattle sector, the feed producing sector, as well as the feeding and service sectors. It is estimated that such a plant will pump nearly $2 million daily into the depressed economy of cattle purchases, as well as all the other related service industries. Additionally, this plant will provide 600 jobs per shift, and the plant, after the first 2 years, will operate two shifts per day.

Under current provisions of U.S. tariff law, special tariff treatment is accorded to U.S. products assembled abroad. The U.S. Customs Service has ruled that the walking of U.S. cattle into Mexico for disassembly, with the meat products being returned to the United States, does not qualify for such treatment under current tariff provisions. This bill would amend the Tariff Schedules of the United States to provide the duty free return of slaughtered and processed U.S. produced beef; and would technically amend the Meat Import Act of 1964 to exempt such products from quota, since the beef is of U.S. origin I believe that these changes are necessary to address what has become an emergency situation that is affecting the long-term survival of the cattle feeding industry in Arizona and California.

Mr. President, I request that the full text of this bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2478

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of schedule 8 of the Tariff Schedules of the United States is amended—

(1) by inserting at the end of the headnotes to such subpart the following new headnote:

"5. For purposes of item 805.30, a bovine is of United States origin if it—

"(a) was calved in the United States, or

"(b) was in the United States continuously during the 90-day period before the date of its exportation."; and

(2) by inserting in numerical sequence the following new item having the same degree of identification as item 805.00:

"805.30	Meat and meat products, hides, tallow, offal, and other products of slaughter, of bovines of United States origin exported in condition ready for slaughter and not advanced in value other than by slaughter and further processing.	Free	Free".

SEC. 2. The Meat Import Act of 1979 (93 Stat. 1291) is amended—

(1) by striking out the semicolon at the end of subparagraph (A) and inserting ", except for articles provided for under item 805.30;"; and

(2) by striking out the period at the end of subparagraph (C) and inserting ", except for articles provided for under item 805.30.".●

By Mr. TRIBLE (for himself, Mr. WEICKER, Mr. BUMPERS, Mr. DANFORTH, Mr. CHILES, Mr. RUDMAN, Mr. LEVIN, Mr. COCHRAN, Mr. SASSER, Mr. MATTINGLY, Mr. DIXON, Mr. NICKLES, Mr. NUNN, Mr. D'AMATO, Mr. BAUCUS, Mr. GRASSLEY, Mr. HARKIN, Mr. KERRY, Mr. ZORINSKY, and Mr. MOYNIHAN):

S. 2479. A bill to amend chapter 39 of title 31, United States Code, to require the Federal Government to pay interest on overdue payments, and for other purposes; to the Committee on Governmental Affairs.

PROMPT PAYMENT AMENDMENTS

Mr. TRIBLE. Mr. President, today, along with Senators WEICKER, BUMPERS, DANFORTH, CHILES, RUDMAN, LEVIN, COCHRAN, SASSER, MATTINGLY, DIXON, NICKLES, NUNN, D'AMATO, BAUCUS, GRASSLEY, HARKIN, KERRY, ZORINSKY, and MOYNIHAN, I am introducing the Prompt Payment Amendments of 1986. The purpose of this legislation is straightforward: to ensure that the Federal Government pays its bills on time.

In response to severe problems in receiving payment for goods and services, Congress enacted the Prompt Payment Act of 1982, Public Law 97-177. This law requires the Federal Government to pay its bills on time and pay interest when payments are late.

Since implementation of the act, payments to Government contractors have improved. Overall, the Government's bill paying practices are far better.

However, significant problems persist. In a regrettably large number of instances, either through inefficiency or outright subterfuge, Federal agencies circumvent the requirements of the Prompt Payment Act.

Agencies have prevented the payment clock from running by delaying acceptance or invoice certification. Far too many invoices are "lost" by the Government, requiring contractors to expend additional time and effort resubmitting invoices.

In addition, rather than paying promptly, the agencies purposely delay payment until the last possible moment. Agencies have refused to pay the legally mandated interest and early payment discounts are taken long after the discount period has expired. Moreover, the Prompt Payment Act has been misconstrued as not applying to progress payments.

Such practices violate the letter and spirit of the law. Payment problems adversely affect contractors doing business with the Federal Government, particularly small businesses which often face grave financial difficulties when payment is late. No firm wants to encounter the financial problems created by late payments, so fewer and fewer firms opt for Government work. In short, we all lose.

The legislation I am introducing today corrects these problems. First, the bill defines receipt of invoice more precisely. The head of an agency is deemed to receive an invoice when, first, the payment office actually receives a proper invoice, or second, 5 days after the property is actually delivered, or third, final performance of a service is actually completed. This change is likely to result in fewer so-called lost invoices.

Second, the 15-day grace period is phased out. The grace period was included in the Prompt Payment Act at the request of the Office of Management and Budget to assist the implementation of prompt payments. This 15-day period is unnecessary now that agencies have experience with the act and have streamlined their payment procedures.

Third, the interest payment provisions are strengthened. Interest penalties should be paid without requiring contractors to make a specific request. If interest penalties are not made, the agency will be required to pay a penalty amounting to the original interest payment.

Fourth, while it was intended that the act apply to progress payments and retained amounts under construction contracts, some agencies have refused to construe the language of the act properly. Therefore, my legislation specifies that these payments are subject to the Prompt Payment Act.

I believe that these provisions will ensure that the Prompt Payment Act meets its objective of making the Government a reliable and efficient billpayer. The Federal Government has improved its bill paying practices, but it can do better. I ask my colleagues to join with me in order to enact the prompt payment amendments of 1986 in a timely manner.

Mr. President, I ask unanimous consent that the text of the bill be printed in the CONGRESSIONAL RECORD.

Mr. President, I ask unanimous consent that the Small Business Committee National Advisory Council's recent resolution on implementation of the Prompt Payment Act be included in the RECORD. In addition, the Small Business Legislative Council has endorsed the provisions of my bill and I ask unanimous consent that their letter be included in the RECORD as well.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2479

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Prompt Payment Amendments of 1986".

CONGRESSIONAL FINDINGS

SEC. 2. The Congress finds that—

(1) the billpaying practices of most Federal Government agencies have substantially improved after three years of implementation of the Prompt Payment Act (codified in chapter 39 of title 31, United States Code), and the improvement has resulted in fairer treatment of contractors who furnish supplies, services, or construction to the Federal Government, especially small businesses;

(2) the substantial improvement in such billpaying practices permits the gradual elimination of certain grace periods which afford the Government additional time to pay its bills without incurring interest penalties otherwise due and which are subject to abuse if not effectively controlled;

(3) the provisions of the Prompt Payment Act require clarification to assure that the Act's protections apply to certain contract payments excluded from coverage as a result of the manner in which Federal Government agencies have implemented such provisions;

(4) the requirement that agencies automatically pay required interest penalties with delinquent payments needs to be strengthened;

(5) the Federal Government agencies have implemented the provisions the agencies to take discounts for early payment months after the expiration of the discount period specified in the contractor's invoice;

(6) late payments owed to contractors for supplies delivered or services performed have been made without an interest penalty because of the unlimited time afforded agencies to formally accept the contractor's performance; and

(7) many of the most persistent and vexatious billpaying problems faced by contractors in dealing with the Federal Government are caused by a failure of the system of Government-wide procurement regulations to implement the provisions of the Prompt Payment Act.

DEFINITIONS AND APPLICATION

SEC. 3. (a) Section 3901(a)(4) of title 31, United States Code, is amended to read as follows:

"(4) the head of the agency is deemed to receive an invoice on the later of—

"(A) the date on which the designated payment office or finance center of the agency actually receives a proper invoice; or

"(B) on the fifth day after the date on which the property is actually delivered or final performance of a service is actually completed in accordance with the terms of the contract, unless the contract specifies a longer period for agency acceptance of the property to be delivered or the service to be performed.".

(b)(1) Section 3901 of such title is further amended by adding at the end the following new subsection (c):

"(c) This chapter applies to the United States Postal Service. However, the Postmaster General shall be responsible for issuing the implementing procurement regulations, solicitation provisions, and contract clauses as part of the Postal Contracting Manual.".

(2) Section 410(b) of title 39, United States Code, is amended by inserting after clause (8) the following new clause (9):

"(9) Chapter 39 of title 31.".

INTEREST PENALTIES: REDUCTIONS IN GRACE PERIOD; INCREASED PENALTIES

SEC. 4. (a) Section 3902(b)(3) of title 31, United States Code, is amended to read as follows:

"(3) when the item is not an item referred to in clauses (1) and (2) of this subsection, before the 8th day after the required payment date (if the solicitation for the contract under which the pavement is due was issued before October 1, 1988).".

(b) Section 3902 of such title is further amended by redesignating subsections (c) through (e) as subsections (d) through (f), respectively, and by inserting after subsection (b) the following new subsection (c):

"(c)(1) Any amount of an interest penalty which exceeds $1.00 and is due a business concern under this section shall be paid without regard to whether the business concern has requested payment of such penalty.

"(2) if a business concern—

"(A) is due an interest penalty;

"(B) is not paid the interest penalty in a payment made by an agency; and

"(C) makes a written demand, after the expiration of the 15-day period beginning on the date such payment is made, that the agency pay such a penalty,

such business concern shall be entitled to receive an interest penalty equal to twice the amount of the interest payment that would otherwise be due.".

INTEREST PENALTIES ON PROGRESS PAYMENTS AND RETAINED AMOUNTS UNDER CONSTRUCTION CONTRACTS

SEC. 5. Section 3903 of title 31, United States Code, is amended by redesignating clauses (4) and (5) as clauses (5) and (6), respectively, and by inserting after clause (3) the following new clause (4):

"(4) in the case of a construction contract, provide for the payment of interest on—

"(A) any progress payments due under the contract; and

"(B) any amounts which have been retained during the performance of the contract and are due to be released to the contractor after final acceptance of the construction,

if not paid to the contractor by the required payment date;".

LIMITATIONS ON DISCOUNT PAYMENTS

SEC. 6. Section 3904 of title 31, United States Code, is amended by inserting after the first sentence the following: "For the purpose of the preceding sentence, the specified time shall be calculated from the date the invoice under the contract is received by the designated payment office or finance center until the date of payment.".

REPORTS

SEC. 7. Section 3905(a) of title 31, United States Code, is amended to read as follows:

"(a)(1) By the 60th day after the end of the fiscal year, the head of each agency shall submit to the Director of the Office of Management and Budget a report on the agency's payment practices, including a description of the extent to which these practices satisfy the requirements of this chapter.

"(2) In addition to such other information as may be required by the Director, the report required by paragraph (1) shall include—

"(A) the number, amounts, and frequency of interest penalty payments, and the reasons such payments were not avoided by prompt payment; and

"(B) the number, dollar value, and frequency of invoices paid after the required payment date without payment of an interest penalty, and the reasons no obligation to pay an interest penalty was incurred with respect to such invoices.".

IMPLEMENTATION THROUGH THE FEDERAL ACQUISITION REGULATION

SEC. 8. (a) The single system of Government-wide procurement regulations, as defined in section 3(4) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(4)), shall be modified to provide appropriate solicitation provisions and contract clauses that implement chapter 39 of title 31, United States Code, and the regulations prescribed under section 3903 of such title.

(b) The solicitation provisions and contract clauses required by subsection (a) shall include the following matters:

(1) Authority for a contracting officer to specify for a contract or class of contracts a specific payment period, which—

(A) in the case of payments due for commercial items or services, is similar to the payment period or periods permitted in prevailing private industry contracting practices;

(B) in the case of payments due for noncommercial items and services, does not exceed 30 days unless the circumstances of the procurement action require a longer period for payment; and

(C) in the case of progress payments due under construction contracts, does not exceed 7 days, unless the contracting officer determines that the prevailing practice in private construction contracts requires a longer payment period.

(2) A conclusive presumption that the Federal Government has accepted property or services by the fifth day after the date on which the property is delivered or final performance of the services is completed in accordance with the other terms and conditions of the contract, unless the circumstances of the procurement require a longer period for acceptance by the Federal Government and such longer period is specified in the contract.

(3) The limitation that the Federal Government may take a discount offered by a contractor for early payment by the Federal Government only in accordance with the time limits specified by the contractor.

(4) The requirements of section 3902(c) of title 31, United States Code.

(c) The regulations required by subsection (a) shall be published as proposed regulations for public comment as provided in section 22 of the Office of Federal Procurement Policy Act (41 U.S.C. 420) within 120 days of the date of the enactment of this Act.

EFFECTIVE DATES

SEC. 9. (a) The amendments made by sections 3(a), 4, 5, and 6 shall apply to payments under contracts awarded during or after the first fiscal quarter which begins more than 90 days after the date of the enactment of this Act.

(b) The amendments made by section 3(b) shall apply to payments under contracts awarded on or after October 1, 1987.

(c) The amendment made by section 7 shall apply to the report required by section 3905(a) of title 31, United States Code, for each fiscal year beginning after September 30, 1986.

RESOLUTION OF NATIONAL ADVISORY COUNCIL ON IMPLEMENTATION OF THE PROMPT PAYMENT ACT

Whereas, the members of the National Advisory Council to the Senate Committee on Small Business, having considered the Federal agency implementation of the Prompt Payment Act, Public Law 97-177, during the three years since it became effective on October 1, 1982, have found that the objectives of the legislation and the intent of Congress are not being fully attained;

Whereas, some Federal agencies continue to make payments beyond the payment date specified in its contracts or beyond the times specified in the Act, without the payment of interest;

Whereas, some Federal agencies are abusing the fifteen day "grace period" provided in the Act by failing to initiate payment action on contractors' invoices until the expiration of thirty days;

Whereas, some Federal agencies are delaying payments to small business contractors by rejecting their invoices as "improper" after the fifteen days provided by the Act;

Whereas, some Federal agencies are delaying payments to small business contractors by refusing formal acceptance of supplies, services or construction so as to delay the start of the payment periods mandated by the Act, after which interest must be paid;

Whereas, some Federal agencies are failing to automatically pay interest due to small business contractors, rather requiring them to make a demand for payment of interest contrary to the Act's self-enforcing intent;

Whereas, these problems with agency implementation of the Act are placing substantial financing burdens on small business government contractors, and acting as an obstacle to small business participation in the Federal procurement market, thus denying the Government the advantages of the competition, industry, and innovation provided by many small businesses;

Therefore, be it resolved, That, the National Advisory Council to the Senate Committee on Small Business calls upon the Congress, especially the Senate and House Committees on Small Business, the Senate Governmental Affairs Committee, and the House Government Operations Committee which were instrumental in the passage of the Prompt Payment Act, to:

1. conduct oversight hearings on the implementation of the Prompt Payment Act though OMB Circular A-125, the Federal Acquisition Regulation, and the implementing regulations of individual Federal agencies; and

2. to consider modifications to the Prompt Payment Act that will address demonstrated implementational abuses by some Federal agencies and assure attainment of Congressional intent and objectives in passing the Act.

SMALL BUSINESS LEGISLATIVE COUNCIL,
Washington, DC, May 15, 1986.

Hon. LOWELL WEICKER,
Chairman, Committee on Small Business, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: We wish to convey to you the Small Business Legislative Council's, endorsement of the legislation introduced by Senator Trible, entitled the "Prompt Payment Act Amendments of 1986."

The Small Business Legislative Council (SBLC) is a permanent coalition of eighty-eight trade associations representing over four million small businesses. Our sole mission is to represent the interests of small business in national policy matters.

The original Prompt Payment Act, Public Law 97-177, was an important landmark in the relationship between the government and small business contractors. It greatly improved the government's payment practices by requiring the payment of interest on late payments. As we said then, and has been demonstrated by the experience of the last three years, if the legislation works as it is designed, the government will not incur tremendous financial burdens as agencies have improved their payment systems. However, as is frequently the case, agencies found "loopholes" which allow them to circumvent the intention of the law.

Now that we have had a three year shakedown, it is the time to tighten up the law and to clear up the ambiguities.

Therefore, on behalf of our organization we would like to endorse the Prompt Payment Act Amendments of 1986 and urge the Senate to pass this important legislation.

Sincerely,

JOHN S. SATAGAJ,
President.

MEMBERS OF THE SMALL BUSINESS LEGISLATIVE COUNCIL

Alliance of Independent Store Owners and Professionals.
American Association of MESBICs.
American Association of Nurserymen.
American Consulting Engineers Council.
American Dental Trade Association.
American Subcontractors Association.

American Textile Machinery Association.
American Trucking Association, Inc.
Amusement and Music Operators Association.
Architectural Precast Association.
Associated Equipment Distributors.
Association of Independent Corrugated Converters.
Association of Physical Fitness Centers.
Association of Small Business Development Centers.
Association of Small Research, Engineering and Technical Service Companies.
Automotive Service Councils, Inc.
Automotive Warehouse Distributors Association.
Building Service Contractors Association International.
Business Advertising Council.
Chicago Gift Show Inc.
Christian Booksellers Association.
Direct Selling Association.
Electronic Representatives Association.
Florists' Transworld Delivery Association.
Furniture Rental Association of America.
Greater Washington Ibero-American Chamber of Commerce.
Helicopter Association International.
Independent Bakers Association.
Independent Bankers Association of America.
Independent Insurance Agents of America, Inc.
Independent Sewing Machine Dealers Association.
Institute of Certified Business Counselors.
International Communications Industries Association.
International Franchise Association.
International Reciprocal Trade Association.
Jewelers of America.
Latin American Manufacturers Association.
Machinery Dealers National Association.
Manufacturers Agents National Association.
Marking Device Association.
Menswear Retailers of America.
National Association for the Self-Employed.
National Association of Aircraft and Communication Suppliers.
National Association of Brick Distributors.
National Association of Catalog Showroom Merchandisers.
National Association of Chemical Distributors.
National Association of Development Companies.
National Association of Home Builders.
National Association of Manufacturing Opticians.
National Association of Minority Contractors.
National Association of Plumbing-Heating-Cooling Contractors.
National Association of Realtors.
National Association of Retail Druggists.
National Association of Small Business Investment Companies.
National Association of the Remodeling Industry.
National Association of Truck Stop Operators.
National Association of Women Business Owners.
National Candy Wholesalers Association.
National Council for Industrial Innovation.
National Electrical Contractors Association.
National Fastener Distributors Association.
National Grocers Association.
National Independent Dairy-Foods Association.
National Moving and Storage Association.
National Office Products Association.
National Parking Association.
National Precast Concrete Association.
National Shoe Retailers Association.
National Small Business Association.
National Society of Public Accountants.
National Tire Dealers & Retreaders Association.
National Tooling and Machining Association.
National Tour Association.
National Wine Distributors Association.
Opticians Association of America.
Petroleum Marketers Association.
Power and Communications Contractors Association.
Retail Floorcovering Institute.
Retail Tobacco Dealers of America.
Small Business Council of America, Inc.
Small Manufacturers Council.
Society of American Florists.
Specialty Advertising Association International.
United Bus Owners of America.
United Federation of Small Business.
Urethane Foam Contractors Association.
Web Sling Association.

● Mr. DIXON. Mr. President, I am pleased to be an original cosponsor of the Prompt Payment Act Amendments of 1986.

Businesses, especially small businesses, often incur a significant amount of expense in providing for products or services under contract with Federal agencies. It seems only fair that the obligations of these agencies are settled on a timely basis so as to minimize the accounts receivable interval.

While the Prompt Payment Act has substantially improved the Government's paying practice, problems still remain. The legislation we are introducing today provides the modifications necessary to close existing loopholes and insure that our small businesses receive contract payments in a timely fashion. We have similar provisions in Illinois law, and I am glad to report that these procedures work well in my State. We should do the same at the Federal level.●

● Mr. D'AMATO. Mr. President, I rise today to join my distinguished colleague from Virginia as an original cosponsor of the Prompt Payment Act Amendments of 1986. This legislation amends the Prompt Payment Act, Publc Law 97-177, to correct the abusive practices of some Government agencies and to assure the implementation of congressional intent and objectives.

The Prompt Payment Act established payment terms for Government contractors providing supplies, services, or construction to Federal agencies if the individual contract did not specify a specific payment term. This law was necessary to correct the abusive payment practices of some Federal Government agencies; long delays in paying its contractors is injurious to a business enterprise, especially a small business. Therefore, it became necessary to assure that businesses were paid in a timely manner or that interest penalties be paid for late payments.

Mr. President, although the Prompt Payment Act has tremendously increased the timeliness of payments, some agencies continue to delay payment by exploiting the act's purposes. The Prompt Payment Act Amendments of 1986 would correct the abuse in a reasonable manner.

Mr. President, I urge my colleagues to act expeditiously on this legislation.●

● Mr. MOYNIHAN. Mr. President, I am pleased to join my distinguished colleague from Virginia [Mr. TRIBLE], and the other cosponsors of S. 2479, The Prompt Payment Act Amendments of 1986.

Four years ago, Congress passed the Prompt Payment Act (Public Law 97-177) in an attempt to ensure that contractors who perform a service for the Federal Government are paid on time, or receive an interest penalty for late payment. I was an original cosponsor of that measure, too.

Today we are introducing legislation to correct the problems that have emerged during the implementation of the original act. This new legislation would reduce the grace period for late payment allowed the Federal Government from 15 to 8 days, and would double the interest penalty due if a contractor must request payment of the penalty by the Government. The amendments we are proposing to Public Law 97-177 would also provide for payment of interest on late progress payments due under a construction contract.

This legislation also requires the head of each agency to submit an annual report to the Director of the Office of Management and Budget on the agency's payment practices: The number, amounts, and frequency of interest penalty payments, and the reasons for late payment; and, the number, dollar value, and frequency of invoices paid after the required payment date without payment of an interest penalty, and the reasons no interest penalty was incurred.

Just as the Federal Government expects services or products to be delivered in a timely fashion by the businesses with which it contracts, so too does the Government have a responsibility to make prompt payment on its obligations. I am hopeful that hearings will soon be held on this legislation, and that any difficulties experienced by businesses in receiving prompt payment by Federal agencies will be resolved.●

By Mr. BUMPERS:

S. 2480. A bill to enhance the readiness and fighting capability of the

Armed Forces of the United States through the implementation of more combat-capable procurement policies, and for other purposes; to the Committee on Armed Services.

(The statement of Mr. BUMPERS and the text of the legislation appear earlier on in today's RECORD.)

By Mr. METZENBAUM (for himself, Mr. GORTON, Mr. KENNEDY, Mr. Bingaman, and Mr. STAFFORD):

S. 2481. A bill to amend the Clayton Act regarding antitrust enforcement, and for other purposes; to the Committee on the Judiciary.

ANTITRUST IMPROVEMENT ACT

● Mr. METZENBAUM. Mr. President, today I am introducing legislation to allow State attorneys general to sue on behalf of indirect purchasers, and in some cases, indirect sellers, in antitrust cases. This bill represents a limited reversal of the result in the Supreme Court's 1977 opinion in the *Illinois Brick* case. I am pleased to be joined by Senators GORTON, KENNEDY, BINGAMAN, and STAFFORD as original cosponsors.

In *Illinois Brick*, the Supreme Court held that the antitrust laws did not allow persons who did not buy directly from the defendant to sue in an antitrust case. The result of this decision is a major inequity in the law. If consumers pay higher prices because food manufacturers have fixed prices, they cannot sue because they have not purchased directly from the manufacturer. If all the automakers in the United States fix prices, the only ones who can sue are the dealers.

There is no doubt that persons who purchase indirectly from price fixers can be harmed substantially by having to pay higher prices. Yet the law provides them no remedy. If the direct purchaser decides to sue, he or she can collect all the damages from higher prices even if the direct purchaser was able to pass on all or part of the higher prices to others, In these cases, the direct purchaser may receive a windfall far in excess of his own injury. If the direct purchaser decides not to sue, for example, because of a close business relationship with the price fixer, there is no remedy at all. Consumers are injured but the persons who have violated the antitrust laws pay nothing.

Prior to the decision in *Illinois Brick*, hundreds of millions of dollars in illegal overchargers were recovered in treble damage actions under the Sherman and Clayton Acts by States and consumers. In just one case, involving sales of tetraclycline, over $100 million was recovered by States and consumers of the products after a number of pharmaceutical companies had been charged with price fixing. There is little doubt that consumers today are substantially overcharged by some price-fixing conspiracies with no way of seeking redress.

The Court in *Illinois Brick*, decided that allowing claims by indirect purchasers presented three types of problems: First, a reduction in deterrence based on the fact that each person in the distribution chain had less incentive to sue since his damages were only a portion of the overcharge; second, the possibility a defendant would be subject to multiple recovery if he could be sued by both direct and indirect purchasers for the same violation; and third, the complexity of determining the damages incurred by purchasers at difference levels of the distribution chain.

The bill I am introducing deals with each of these problems. First, the bill allows suits only by State attorneys general on behalf of their States and individuals in their States. This bill is similar to the approach taken by the senior Senator from Washington in the amendment he filed earlier this Congress entitled the Taxpayer Antitrust Enforcement Act of 1985. In 1976 Congress authorized the State attorneys general to sue parens patriae in order to recover on behalf of consumers in their States. This bill builds on that principle. By limiting the indirect purchaser or seller claims to those made by State attorneys general, the bill insurers that claims will be brought only by responsible State officials. Consequently, the possibility of frivolous or insignificant claims is virtually eliminated. The claims that will be brought will be limited to cases where consumers have suffered significant harm from higher prices.

There is little possibility that deterrence will be reduced if this bill is enacted. Potential price fixers will know that they can be sued by direct purchasers, as now, and in addition by State attorneys general on behalf of indirect purchasers. Indirect purchaser suits will typically be brought where thousands of consumers have been harmed and damages are substantial. Under current law, manufacturers may not have to pay compensation at all if direct purchasers do not sue, even in the case of a major price-fixing scheme. The bill would allow the manufacturer to be sued by the State attorney general whether or not a direct purchaser files a claim. Under these circumstances, deterrence will be greater not less.

Second, the bill is careful to insure that defendants do not have to pay twice for the same injury. In any case where an indirect purchaser or seller makes a claim, the defendant has the opportunity to raise a "pass on" defense to a claim by a direct purchaser. This defense allows the damages owed by the defendant to be reduced if it is shown that the direct purchaser has passed on some or all of his damages to the person making the indirect claim. In addition, as discussed further below, the bill provides rules for allocating damages and special procedures to prevent multiple recovery.

Third, the bill limits indirect seller suits to those brought by State attorneys general on behalf of farmers or ranchers who sell agricultural products. In the case of these products, there is a particular potential for injury through price-fixing conspiraces by those in the distribution chain who do not deal directly with the original producers. Farmers typically sell their products to handlers who set prices competitively. Prices fluctuate depending on the supply of products brought to market and the demand for the product by buyers downstream in the distribution chain. However, other levels of the distribution chain can be much less competitive due to higher concentration in the market and business practices which facilitate price fixing. Consequently, it is particularly unfair to farmers and ranchers to preclude any ability on their part to recover for injuries because they do not deal directly with those engaging in antitrust violations.

Fourth, under the bill, claims by indirect purchasers or sellers must be based on a conspiracy to fix prices, such as price fixing among competitors, vertical price fixing, bid rigging, or similar agreements. This limitation would insure that indirect claims are allowed in the case of the most egregious and harmful violations, while limiting them to cases where the problem of allocating damages is least difficult.

Finally, the bill requires any indirect purchaser or seller bringing suit to provide public notice of the allegations of his suit and, if possible, a description of the direct purchasers who may have been injured. Similarly, direct purchasers or sellers who bring suit must provide reasonable notice to the State attorneys general of their allegations, for example, by notifying the National Association of State Attorneys General.

The bill provides the following rules for allocating damages:

First, in a case where the direct purchaser initiates a suit, the indirect purchaser or seller suit must be brought within 6 months and must be joined with the pending action. Consequently, all parties would be before the court.

Second, in a case where the indirect purchaser initiates the suit and a direct purchaser or seller brings a subsequent action, the defendant has the right to require consolidation of the actions. As in the first case, all parties would then be before the court.

Third, in a case where there are both indirect and direct claims, the recovery of the direct purchaser or seller is reduced by the amount that the in-

direct purchaser or seller shows is properly attributable to it. The indirect purchaser or seller has the burden of showing that any overcharge or underpayment was passed on by the direct purchaser or seller.

Fourth, in a case where there is no claim based on direct purchases or sales, the recovery of the indirect purchaser or seller is equivalent to the total overpayment or undercharge less the amount the defendant shows has not been passed on to the indirect purchaser or seller. In any subsequent claim by a direct purchaser or seller, the defendant would be entitled to deduct from the damages he owes any amounts recovered by the indirect purchaser or seller.

The result of these rules is that in the great majority of cases, the claims would be consolidated and the court would have the opportunity to consider evidence regarding the proper allocation of damages in the same proceeding. Since any claim based on indirect purchases or sales would have to be brought in the same action within 6 months, the parties would not be faced with the problem of determining the proper damages while facing the uncertainty of future claims based on indirect purchases or sales.

The fact is that, in most antitrust cases, no claim based on indirect purchases or sales would be brought at all. Prior to the Illinois Brick decision, there were a small number of such cases though they were very significant for the consumers affected. However, they were overwhelmingly exceeded by standard direct purchaser claims. In the cases where State attorneys general would bring a claim based on indirect purchases, almost all of them are likely to be heard in a consolidated proceeding with direct claims. Consequently, the court will be able to manage the litigation and determine the proper allocation of damages.

CONCLUSION

The Illinois Brick decision created a major inequity in current law. The rule announced in that case means persons can suffer major economic losses from criminal price fixing with no means of seeking redress. Our American legal system should not tolerate such a result.

Legislation to overturn the Illinois Brick decision is strongly supported by the State attorneys general as well as many consumer organizations, farmers, and ranchers. This bill would overturn the unfairness of current law without creating undue complexity in litigation or unfairness to defendants.

I ask unanimous consent that a copy of the bill and a resolution of the National Association of Attorneys General be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2481

Be it enacted by the Senate and House of Representatives of the United States of Amercia in Congress assembled, That this Act may be cited as the "Antitrust Improvement Act of 1986".

SEC. 2. Section 4C(a)(1) of the Clayton Act is amended by adding between the first and second sentences thereof the following: "In any civil action alleging a contract, combination, or conspiracy to fix, maintain, or stabilize prices, a claim for damages may be based on indirect purchases. In the case of a civil action on behalf of producers of agricultural products, a claim for damages may be based on indirect sales in addition to any other claim permitted.".

SEC. 3. Section 4C of the Clayton Act is amended by adding at the end thereof the following:

"(e)(1)(A) If a State attorney general asserts a claim for damages based on indirect purchases or sales pursuant to subsection (a)(1), the defendant shall be entitled to allege, as a partial or complete defense to a claim by a direct purchaser or seller based on the same or substantially the same alleged conduct, that some or all of what would otherwise constitute the direct purchaser's or seller's damages were passed on by the direct purchaser or seller to persons on whose behalf the claim for damages from indirect purchases or sales was brought.

"(B) In the case of a claim based on indirect purchases or sales, the award shall be treble the amount of the overcharge or underpayment shown by the indirect purchaser or seller to be properly allocable to it (in addition to costs and attorneys' fees): *Provided,* That in the case where no claim by a direct purchaser or seller is pending, the defendant shall have the burden of establishing that the total overcharge or underpayment was not passed on to the indirect purchaser or seller.

"(C) The amount awarded to a plaintiff for a claim based on direct or indirect purchases or sales shall not duplicate amounts previously awarded to a direct or indirect purchaser or seller for the same overcharge or underpayment based on proof in fact of such injury.

"(2)(A) Any person entitled to maintain an action pursuant to subsection (a)(1), alleging injury from indirect purchases or sales, may intervene in any action under section 4 alleging injury from direct purchases or sales based on the same or substantially the same alleged conduct, if a request for such intervention is made within six months after the date of the filing of the initial action. The failure to request intervention in a pending action by any person alleging injury from indirect purchases or sales, within such time, shall constitute a bar to a claim by such person for injury from indirect purchases or sales based on the same or substantially the same alleged conduct.

"(B) Any person initiating an action under section 4 may intervene in any action under subsection (a)(1) which alleges injury from indirect purchases or sales based on the same or substantially the same alleged conduct.

"(C) Upon a request made by the defendant, the court shall order the consolidation of any pending actions pursuant to subsection (a)(1) alleging injury from indirect purchases or sales and any other action under section 4 based on the same or substantially the same alleged contract, combination, or conspiracy.

"(3) Upon the initiation of any action pursuant to subsection (a)(1) alleging injury from indirect purchases or sales, the State attorney general shall provide reasonable public notice of the allegations of the suit and, to the extent possible, a general description of any direct purchasers who may be entitled to maintain an action under section 4.

"(4) Upon the initiation of any action pursuant to section 4 alleging a contract, combination, or conspiracy to fix, maintain, or stabilize prices, the plaintiff shall provide reasonable notice of the allegations of the suit to the State attorneys general.".

RESOLUTION XI—ILLINOIS BRICK

Whereas, the United States Supreme Court held in *Illinois Brick* v. *Illinois* that only direct purchasers of price-fixed items may sue the antitrust violator and that all who purchased on an indirect basis through a middleman are precluded from recovering damages; and

Whereas, the states spend billions of dollars each year in the procurement of goods and services for state and local governments on an indirect basis, and under *Illinois Brick* they are unable to recover tax dollars from price-fixers and other antitrust violators from whom they purchased indirectly; and

Whereas, the effectiveness of the parens patriae provision of the Hart-Scott-Rodino Antitrust Improvements Act of 1976 may be severely diminished by *Illinois Brick*;

Whereas, legislation is pending in the United States Congress that would have the effect of overruling *Illinois Brick*;

Now, therefore, be it resolved, that the National Association of Attorneys General:

1. Reaffirms its strong support for federal legislation to reverse the effects of *Illinois Brick Co.* v. *Illinois* so that state Attorneys General may pursue fully price fixing and bid rigging cases under the Sherman Act; and

2. Commends United States Senators Slade Gorton, Warren Rudman, John Danforth, Robert Stafford, Thomas Eagleton, and Jeff Bingaman for their efforts to bring such legislation to the floor of the Senate for consideration by the entire Senate; and

3. Authorizes the Executive Director and General Counsel of this Association to transmit these views to the Administration, the Congress, and other interested individuals.●

● Mr. KENNEDY. Mr. President, I am pleased to cosponsor legislation to address the most egregious problems caused by the Supreme Court's 1977 decision in the case of Illinois Brick Co. versus Illinois, which held that indirect purchasers cannot sue price-fixers.

In the real world, this means that States, counties, and cities might pay millions of dollars in illegally high prices for roads, buildings, or bread for consumption in State institutions, yet could not recover that money even though the price-fixing scheme is later exposed and established. For example, suppose a group of cement manufacturers conspire to fix the price of materials they sell to highway construction contractors, who in turn pass on the higher cost of those illegal prices to State and local government agencies which must pay more for public roads. Under Illinois Brick, the high-

way construction contractors may sue the cement manufacturers for price fixing. But the State and cities, and the taxpayers who must ultimately foot the bill, are out of luck. Since they are "indirect purchasers," not directly dealing with the price fixers, Illinois Brick bars their suit to recover damages.

As a result of Illinois Brick, States had to drop or settle suits involving millions of dollars, and they refrained from bringing many others. The Attorney General of West Virginia, then president of the National Association of Attorneys General, testified in connection with a previous Illinois Brick bill that all of the States combined had lost the opportunity to recover $750 million in cases that were pending at the time Illinois Brick was decided. And then Assistant Attorney General for Antitrust John Shenefield told the committee that Illinois Brick would block recovery by the United States of some $200 million in pending cases. These estimates do not include the opportunity costs of cases which have not been brought because of the Illinois Brick bar to such suits. At a time of critical Federal deficits and sharp reductions in Federal aid to States, it is irresponsible to preclude recovery by governmental entities of illegal overcharges.

Opponents of legislation have argued that the direct purchasers will sue, and thereby provide adequate enforcement for deterrence of others. However, in many cases, where it is quite easy to pass on the increased prices to the next purchaser in the chain, direct purchasers will have more to lose by alienating a supplier, than they have to gain by an expensive lawsuit.

The Illinois Brick case is a good example. The builders simply passed on to local governments the overcharges they paid to cement block manufacturers who had fixed prices. The end result is that price fixing in many cases will go unpunished and the consumers, or the taxpayers, in the case of government purchases will not be compensated for their loss. In short, the Illinois Brick decision stands the antitrust law on its head because it prevents recovery by the persons actually injured.

When Congress first passed the Sherman Act, almost 100 years ago, the sponsors made clear that they sought to protect the consumers, who were the real victims because they paid the increased prices passed on by middlemen. When the government makes proprietary purchases, it is the "consumer." But the ultimate victim is the taxpayer, who must pay higher taxes or accept fewer services when tight budgets are drained by illegal overcharges.

This bill is not a complete reversal of Illinois Brick. It is limited to the clearest and most compelling aspect of the Illinois Brick problem—its impact on government proprietary and parens patriae suits. It is supported by the National Association of Attorneys General. I urge my colleagues to adopt this bill.●

By Mr. DECONCINI:

S. 2482. A bill to require the Secretary of Health and Human Services to establish a Medicare demonstration project for veterans; to the Committee on Finance.

MEDICARE DEMONSTRATION PROJECT FOR VETERANS

● Mr. DECONCINI. Mr. President, I am introducing legislation today to establish a 2- to 3-year Medicare demonstration project for veterans which will not require the allocation of additional Federal funds. The project will be administered by the Secretary of the Department of Health and Human Services.

This project will permit 15 to 25 participating non-Federal acute care hospitals to offer inpatient and outpatient hospital services at no out-of-pocket expense to veterans 65 years and older, by waiving the Medicare deductible and coinsurance. These hospitals will not claim the waived deductibles or coinsurance as a loss, therefore the Federal Government will not be responsible for covering any of the waived fees.

I am initiating this demonstration project due to the success of a similar program called "MED VET," initiated by the Valley View Community Hospital in Arizona. MED VET permits a Medicare-eligible veteran to enroll in the program by showing a current Medicare card and proof of veteran status. If the veteran ever needs hospital care, it will be provided without any charges to the patient, although the hospital retains the right to bill supplementary insurance, if available.

Perhaps the best way to describe how the program has benefited the community is to let the participants speak for themselves. The following article, published in the Peoria Times on September 6, 1985, describes one person's experience:

TO THE EDITOR:

About five months ago, I attended the monthly meeting of the Post 94 American Legion in Sun City West. The guest speaker was a lady representing Valley View Community Hospital in Youngtown.

She explained a new health program called "MED VET," which entitles all veterans to be treated at Valley View on the same scale as Veterans Hospital. All hospital-related services will be paid by Medicare if the person qualifies for Medicare.

At 10 a.m. on June 22, my 69th birthday, I had strong chest pains. I called my son Stan and asked him to take me to Valley View. I felt like I was having a heart attack.

Within six minutes I was in the emergency room being treated, which I believe saved my life.

I was a patient at Valley View for 10 days and the treatment I received was excellent.

After discharge from the hospital my cardiologist prescribed medication to be taken three times per day for the rest of my life. One's own physician may treat him at Valley View.

As the former service officer of Post 94 American Legion, I feel it is the duty of all the veterans organizations (especially in the Sun City, Peoria, El Mirage, Surprise, and Youngtown areas) to inform each member of this program offered at Valley View.

I also urge the newspapers to print more about this program for the benefit of their families. They don't have to be members of any organization, but have to have their Honorable Discharge and be on Medicare.—Rudolph J. Stobierski.

The veterans in Arizona are proud of this program, which was conceived by the administrator of Valley View Community Hospital, Larry Mullins, a veteran himself. As Post Commander Ken McLaughlin wrote in appreciation:

On behalf of VFW Peoria Post 2135 and unanimous approval of the comrades, especially those that have utilized the MED VET Program, we pledge to you, Valley View Community Hospital and the MED VET Program, our fullest support.

Several benefits of the program are apparent: The older veteran can receive affordable care within his or her community, hospital facilities are used more efficiently, and the program can be used to inform veterans of important health care information.

Although four other hospitals in Arizona, Florida, and California have adopted MED VET, and 20 other hospitals would like to initiate it, a snafu in current law makes it difficult for hospitals to offer this type of program. Interpretation of current Medicare-Medicaid Fraud and Abuse Amendments could imply that waivers of deductibles and coinsurance, even though the hospital does not want to collect the money from the patient or Medicare, may be improper. Current law does not give the Secretary of Health and Human Services the discretionary authority to determine if waivers, in certain cases, are beneficial and should be allowed.

Under the proposed demonstration project, MED VET will continue, in Arizona and elsewhere, while simultaneously evaluating the effect of the program on the Medicare system. The utilization of inpatient and outpatient services by veterans enrolled in this Medicare demonstration project will be compared to the use of such services by regular Medicare patients. This should incur no extra cost since data regarding admissions and length of stay are already collected as part of the Medicare Program.

The demonstration project will be evaluated by the Secretary of Health and Human Services. Representatives of veterans' service organizations will be afforded the opportunity to com-

ment on the project before a final report is submitted by the Secretary to the Committee on Finance in the Senate and the Committee on Ways and Means in the House of Representatives.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2482

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MEDICARE DEMONSTRATION PROJECT FOR VETERANS.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") shall develop and carry out a demonstration project in which participating non-Federal subsection (d) hospitals, as defined in section 1886(d)(1)(B) of Social Security Act, waive the right to payment for any deductibles and coinsurance amounts imposed under parts A and B of title XVIII of such Act with respect to inpatient and outpatient hospital services provided to veterans (as defined in section 101(2) of title 38, United States Code) who are eligible for benefits under such parts.

(b) PARTICIPATION.—The demonstration project shall include not less than 15, nor more than 25, of those hospitals that agree to particpate in the demonstration project and to follow the following guidelines:

(1) Any medicare-eligible veteran is eligible to participate upon verification of his or her veterans status and medicare eligibility.

(2) The hospital agrees to waive the right to payment for any deductibles and coinsurance amounts imposed under parts A and B of title XVIII of the Social Security Act with respect to inpatient and outpatient services furnished to eligible veterans.

(3) The hospital reserves the right to bill private medical insurers, where applicable.

(4) Other physician financial considerations are a matter to be decided independently between the physician and the patient.

To the greatest extent possible, participating hospitals shall be located in the various regions of the United States.

(c) DURATION.—The demonstration project shall be initiated not later than 45 days after the date of the enactment of this Act and shall continue for not less than two, nor more than three, years.

(d) STUDY.—The Secretary shall compare the utilization of inpatient and outpatient hospital services by veterans participating in the demonstration project (including the frequency of admission and length of stay) with that of other medicare-eligible individuals, and shall evaluate the effect of such project on expenditures under title XVIII of such Act.

(e) TREATMENT OF WAIVERS.—Waiver by a participating hospital of the right to payment for any deductible or coinsurance amount imposed under title XVIII of the Social Security Act with respect to inpatient and outpatient hospital services provided to a medicare-eligible veteran shall not constitute a violation of section 1877 of such Act.

(f) INFORMATION.—The Secretary may require hospitals participating in the demonstration project to submit such information as the Secretary determines necessary to make the comparisons and evaluations required under subsection (d).

(g) REPORT.—Not later than 90 days after the close of the demonstration project, the Secretary shall report the results of the study required to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate. The Secretary shall provide representatives of appropriate veterans' service organizations with an opportunity to comment on the demonstration project and these comments shall be included in the Secretary's report.●

By Mr. MOYNIHAN (for himself and Mr. D'AMATO):

S. 2483. A bill to amend the Fire Island National Seashore Act of 1964; to the Committee on Energy and Natural Resources.

FIRE ISLAND NATIONAL SEASHORE AMENDMENTS

Mr. MOYNIHAN. Mr. President, I rise today along with my distinguished colleague, the junior senator from New York, Mr. D'AMATO, to introduce an amendment to the Fire Island National Seashore legislation enacted into law 22 years ago. This bill is identical to a bill being introduced in the House today by Representatives THOMAS DOWNEY and WILLIAM CARNEY, within whose districts the seashore lies.

The bill we are introducing today is very small and very simple, but it is very important to the residents and homeowners of Fire Island. Fire Island National Seashore, though a Federal enclave, incorporates several towns and a fair amount of private property. As a protected seashore, the zoning regulations of the towns must conform with those set by the Secretary of the Interior, given to protect Federal resources. Following the lead of the Congress in enacting the Coastal Zone Management Act of 1972, New York enacted its own coastal management act in 1981. Since that time the residents of Fire Island have worried about conforming with duplicative and sometimes contradictory coastal zoning regulations set by the State and Federal Governments. This arrangement is unfair and overly burdensome to those residents and must be changed.

The Congress made clear its intent that regulation within the seashore remain the joint activity of the Federal Government and the towns in the last round of Fire Island amendments 2 years ago. We noted the intent of the Congress in the House committee report to the Fire Island Seashore amendments of 1984. Unfortunately, we did not write the intent into the amendment itself in the last round. We must do so now.

If this amendment is not adopted, homeowners on Fire Island Seashore will be subject to two different and potentially conficting sets of regulations of the State and Federal Governments. This bill does not preclude State involvement with regulation of private property altogether, rather, it merely affirms that in the case of conflicting regulations, those developed through the Federal-town government mechanism will prevail.

In again tightening the Fire Island National Seashore Act of 1964, this bill will retain an equitable means of protecting both the rights of private property owners, and the public resources of the seashore. I urge that this small matter be expeditiously considered by the appropriate committee, as it is essential to the residents of the seashore.

Mr. D'AMATO. Mr. President, I rise today with my colleague from New York, Senator MOYNIHAN, to introduce legislation to amend the Fire Island National Seashore Act (P.L. 88-587). The bill we are introducing today is identical to legislation being proposed in the House of Representatives by Congressmen BILL CARNEY and TOM DOWNEY, whose districts include the area coverd by this bill.

This legislation is designed to reaffirm Congress' intent when the Fire Island National Seashore Act was first passed. Specifically, we are reaffirming that the regulation of private property within the seashore remain a joint activity between the Federal Government and the local government, rather than to allow an intervening level of State regulation.

This legislation is needed so that homeowners in the area will not be subject to two different and potentially conflicting sets of policies and regulations. The regulatory mechanism combines the zoning authority of the towns to protect the health, welfare, and safety of individuals with the Secretary of the Interior's responsibility to protect the park resources and the environment. It is important to note that this bill does not preclude State involvement with regard to regulation of property within the seashore. It merely affirms that, in the case of conflicting regulations, those developed through the Federal-town government mechanism will prevail.

Mr. President, I believe this legislation represents an equitable means of protecting both the rights of private property owners and the public resources of the seashore. I urge my colleagues to join in supporting this legislation.

By Mr. DURENBERGER:

S. 2484. A bill to amend the Internal Revenue Code of 1954 to allow individuals not eligible for employer-sponsored health plans or Federal health programs a refundable credit against income tax for qualified health insurance premiums, and to allow a deduction for health insurance premiums of self-employed individuals; to the Committee on Finance.

S. 2485. A bill to amend the Internal Revenue Code of 1954 to include in gross income and impose social security taxes on certain employer contributions to accident or health plans, to allow individuals a credit against income tax for certain health insurance premiums, and for other purposes; to the Committee on Finance.

S. 2486. A bill to amend the Internal Revenue Code of 1954 to include in gross income and employer contributions to accident or health plans, to allow individuals a nonitemized deduction for certain accident and health insurance costs, to allow individuals who itemize, a portion of the remainder of such costs, to raise the threshold for deductible medical expenses to 10 percent of adjusted gross income, and for other purposes; to the Committee on Finance.

PRIVATE HEALTH INSURANCE LEGISLATION

● Mr. DURENBERGER. Mr. President, I rise today to introduce a package of three bills. These bills represent alternative approaches to modify Federal tax policy to promote the expansion of private health insurance and to reform the manner in which the Federal Government subsidizes employer-paid health insurance.

INTRODUCTION

Mr. President, over the past 6 years I have been striving with many of my colleagues to reform the Nation's health care system. Our goal has been to provide all Americans access to cost-effective, quality health care. The best means to accomplish this goal is to provide Americans the means and incentives to choose between health benefit plans, and through these choices to bring forces to bear on the health system to provide real value for the services rendered.

The Federal Tax Code excludes employer-paid health benefit plan premiums from both business payroll and employee income taxation. This tax exclusion had enabled 146 million Americans to obtain employer-paid health plan coverage. However, with no limit on the amount of the premium which can be excluded from taxable income, employees have little incentive to move away from expensive and inefficient plans.

This problem is reflected by the recently reported experience of Chrysler Motors. In 1982, Chrysler was paying more than $300 million for employee health insurance premiums; $300 million on which no Federal taxes were paid.

To their credit, Lee Iacocca and others at Chrysler became alarmed at the rising cost of the health benefits and asked one simple question: What were they—and the Federal Government—getting for their $300 million. The answer was, nobody knew. When they undertook a major study to find the answer, Chrysler was shocked to learn:

First, Chrysler-insured employees, retirees and dependents, received more than 1 million laboratory tests at a cost of $12 million, more than 5 tests for every man, woman, and child insured.

Second, Blue Cross/Blue Shield payments per dermatologist were more than double those for the average practitioner, and 25 percent greater than the average payment for chest surgeons. Per capita, dermatologists grabbed more of the Michigan Blue Cross/Blue Shield insurance dollars than any other specialist.

Third, in the Detroit area, the cost for the average length of stay at hospitals used by Chrysler ranged from $3,028 up to $6,077—a 100 percent spread.

Fourth, variations were just as wide between the fees physicians charged for the same services as well as in the tests and x rays they prescribed for the same diagnoses.

Fifth, the single most costly medical procedure Chrysler paid for was the $4 million doctors billed the company for visits to hospitalized patients.

Sixth, prescription drugs were overused and sometimes abused, and there were repeated errors and excess charges in hospital bills.

Mr. President, I am not shocked at what Chrysler learned. These findings of high costs, extremely variable charges, inefficiency, and abuse are predictable outcomes of corporate and Federal tax policies providing open-ended, price-insensitive subsidies for health insurance. To deal with these problems, Chrysler and, increasingly, other firms have implemented new policies that require competition among their health service suppliers and price sensitive decisionmaking on the part of their employees. It is high time the Federal Government recognized its complicity in creating this flawed system and reformed its policy of providing an open-ended, price-insensitive subsidy for employer-paid health plan coverage.

At the same time that the current policy promotes inefficiency, it leaves 63 million Americans under the age of 65 with no Federal subsidy of any kind for private health insurance. Mr. President, 37 million of these Americans, more than half of them children, are uninsured for all or part of the year.

We can be very proud that over 60 percent of our population is protected against the high costs of illness and injury through employer-sponsored health benefit plans. We cannot, however, allow ourselves to be blinded by this apparent success since it is limited to only those Americans who happen to work for an employer who provides health insurance benefits. Neither should we be paralyzed into inaction by the uncertainty that any change in the current tax treatment of health benefits may create. We are already in the throes of the most important reform of the tax code in a generation, and the inequities of the current tax exclusion should not be left out.

Mr. President, the challenge before us is to use this opportunity of tax reform to bring equity and fairness to the way the Federal Government subsidizes health plan coverage. This is why I am introducing these alternative proposals today.

THE TAX EXCLUSION AND HEALTH PLAN INCENTIVES

Since 1954 the Federal tax code has provided a double subsidy for health insurance bought for employees by employers. The employer's taxable income is reduced by the amount of the health insurance premiums paid, and the employee excludes the dollar value of the health insurance premium from his or her taxable income. So, workers who receive employer-paid health plan benefits have ready access to doctors and hospitals whenever they need it, and American taxpayers will pay $35.2 billion in 1987 to provide this protection to about 146 million people.

In addition, through flexible spending accounts, salary reduction and other applications of section 125 of the Internal Revenue Code—cafeteria plans—employees can arrange to have a substantial part of their out-of-pocket medical expenses paid with tax-free dollars. This subsidy will cost taxpayers $7.7 million in 1987.

Mr. President, together these two Federal subsidies will cost the American taxpayer $42.9 billion in 1987.

It makes good sense for society to subsidize individual decisions to buy health care coverage. Tax subsidies for health insurance have encouraged the spread of private coverage, thus protecting people from financial hardship and the public from carrying their burden. On the other hand, uninsured people often postpone health care until they are so ill they need to be hospitalized. Thus, they incur larger costs than necessary which leads to personal financial hardship and, for many, dependence on the social welfare safety net.

These advantages of a publicly subsidized but essentially private system of insurance through employment are important and need to be maintained. The reliance on open-ended third party coverage for medical expenses, however, has resulted in problems as well: unnecessarily generous benefit packages, increasing demand for services, inappropriate utilization, and skyrocketing costs.

Employees have struggled to come to grips with these problems over the past decade, and they have implemented some changes designed to increase the efficiency of this system. Employer-paid health plan premiums began

rising faster than inflation in the 1950's. In 1950 health insurance premiums represented just 0.95 percent of disposable income. By 1960 this ratio had risen to 2.13 percent, by 1970 to 2.87 percent, and in 1983 health insurance premiums equaled 4.80 percent of disposable income. During the 1970's, when this increase in the cost of health insurance relative to disposable income was greatest, employers became concerned that employer-paid health benefit plans were providing inflationary incentives to the health insurance industry. For this reason, many employers advocated letting employees buy their own health coverage out of cash compensation. Because employers could not easily convert to the latter system, they began to use other means to encourage their employees to be more cost conscious in their selection of health plans and use of health services. This initially took the form of cost-sharing through higher deductibles and employee copayments for services utilized. More recently, employers have required policies to include utilization review mechanisms and surgical second opinion provisions.

Still, Mr. President, for 146 million Americans covered by employer-paid health benefit plans, our system of private health care services financed by employer-employee arrangements works well. The Federal subsidy for this system is in the national interest. It has enabled the private sector to finance health care at less total cost to the Federal Treasury than would a centralized national health service. This subsidy will continue to benefit our Nation in the future if we follow-through on the midcourse corrections that employers—and now Medicare and, in some States, Medicaid—have started on the payment side. But American business needs to take at least four more steps to complete the midcourse correction and, with the help of changes in Federal tax policy, put us on a course of affordable, high quality health care for all our citizens.

These changes include:

First, provide all employees with choices of health plans and make equal contribution to each plan. Each plan should require some cost sharing, and provide taxable rebates or other benefits to those selecting low cost plans.

Second, provide that each plan has a minimum benefit which includes catastrophic coverage.

Third, establish tough specifications for health plans to meet to be included among employer-sponsored choices so as to ensure quality care and employee satisfaction, plus restraint on health plan costs increases.

Fourth, limit the employer dollars that will be paid for employee group health plan coverage to an amount which is compatible with the tradition of "insurance" or "financial risk" rather than third-party payment-in-full for all services.

Mr. President, the Federal Government also has an important role to play in continuing private health insurance system reform. There are four things seriously wrong with the way our tax laws now treat health insurance and employer-paid health benefits: the inequity of the subsidy, the rapidly increasing cost of the subsidy to the Federal treasury, the inherent cost-increasing incentives of the subsidy, and the linkage between employment and insurance required by the subsidy.

EQUITY AND FAIRNESS CONCERNS

Mr. President, the present tax treatment of health insurance is blatantly unfair. It subsidizes people who need help the least, and it does nothing for those who need help the most.

The tax subsidy is generous to the rich. Mr. Lee Iacocca, chairman of the board of Chrysler Motors, the same Chrysler Motors that was shocked to discover the inefficiency and abuse present in their health benefit plans, earned $1.6 million in salary and bonus last year, and over $11 million when deferred compensation is counted, and received $3,300 in tax free health benefits. It is unconscionable to me that a man making $1.6 million a year should receive an open-ended, tax free health benefit while millions of Americans receive no Federal subsidy at all. Tax subsidies are nonexistent for millions of people who need help the most: the part-time employed, the intermittently employed, the self-employed, the unemployed, and those in businesses where employers do not provide health insurance. If these people can get health insurance at all, they pay much higher premiums, get fewer benefits, and pay for it with net-after-tax dollars.

Mr. President, these are people whose decisions to buy health insurance are greatly influnced by its cost and their incomes. From 1978–83 health insurance premiums for policies offered by commercial insurance companies increased by 102 percent, and over the same time period premiums for Blue Cross/Blue Shield policies increased by 101 percent. While Government and large business employers have the ability to keep up with the raising cost of health insurance even in hard times—for example, Chrysler—small businesses, and self-employed people cannot.

Consider the situation of a typical farmer in Minnesota or any other farming region. Since farmers are not employees of companies offering employer-sponsored health insurance, they cannot exclude the monthly premium for a health benefit plan from their taxable income. The cost of insurance for family coverage in a non-group policy for a farmer aged 35 with a $100 deductible in Minnesota is $232 per month, and, unlike Mr. Iacocca's employer-paid premium, the total amount of the Minnesota farmer's premium must be paid out of the farmer's pocket with after-tax dollars.

This situation is shared not just by farmers, but by the families of all Americans who are self-employed, temporarily unemployed, not eligible for their employer's health insurance plan, or who are employed by an employer that does not offer health insurance as a benefit.

The majority of this group simply cannot afford to pay the full cost of health coverage, typically available to them only at expensive, nongroup rates, and they must go insured for at least part of the year. Since they are outside any of the established health care plans, they receive very few preventive health services. When illness or accident strikes these unfortunate people often go without needed health care. If their health problems are severe and they seek care, they are liable for the full cost of hospital and doctor bills. In reality these costs are usually so enormous that the individual cannot pay but part of them and the hospitals and physicians end up providing the needed care as charity care or writing off the bills as bad debt.

If we believe that Federal tax policy ought to be used to promote the spread of private health insurance, then these are the people on whom the tax incentives should now be targeted.

Mr. President, this inequitable Federal policy of subsidizing health plans for some Americans and not others threatens the national welfare. In 1987, 63 million Americans who are not eligible for Medicare will receive no Federal tax subsidy to help them afford private coverage under health benefit plans. Many millions of these Americans will dig down deep into their own pockets and pay the total cost of health insurance with after-tax dollars. Many millions of other Americans will run the risk of being uninsured for the financial costs of illness and accidents because they simply cannot afford to pay for the full cost of those premiums. In my own State of Minnesota, 342,000 people are uninsured during the year. This means that 1 out of every 12 Minnesotans is unprotected against the high cost of illness and injury. Nationally, there are 37 million uninsured, and the number is increasing every year.

Why should we allow thousands of dollars of open-ended tax subsidy per year for over 146 million individuals when 63 million Americans receive zero subsidy? The policy is not only unfair, the absence of Federal assistance for these individuals and their families causes enormous problems for them and for the Nation.

Mr. President, just 3 or 4 years ago these problems didn't seem as serious even though they existed, largely because our 7,700 American hospitals and tens of thousands of individual professionals took care of those who could not pay. Uninsured persons could receive care free from community hospitals when they became seriously ill and couldn't pay, and the hospitals simply passed on the costs to third-party payors. Many doctors also provided care for free or substantially reduced fees to those who were uninsured.

But now cost-conscious competitive medical plans and Medicare's prospective payment system are rapidly replacing traditional cost-unconscious insurance, and hospitals are finding they have nobody to whom to send the bills for so-called uncompensated care. Last year in my home State of Minnesota, the hospitals provided about $46 million worth of free care; $21 million to the uninsured and indigent population and $25 million as bad debt. Nationally, hospitals provided $4.2 billion in uncompensated care in 1978, increasing to $6.2 billion in 1982, the most recent year for which such national data are available. No one doubts that the amount of uncompensated care provided by hospitals has continued to grow, and the resulting financial strain on many hospitals, especially those serving large numbers of poor patients, is requiring them to reevaluate their commitment to community service.

As a result, uninsured patients are frequently referred or transferred to public hospitals financed by local taxes and some State taxes. The New England Journal of Medicine recently published the results of a study of transfers to Cook County Hospital during 1983–84. This study revealed: 81 percent were unemployed; 87 percent were transferred because they lacked adequate medical insurance; only 6 percent of the patients had given informed consent for transfer; 24 percent of the patients were in an unstable clinical condition at the transferring hospital; 22 percent required admission to an intensive care unit, usually within 24 hours of arrival.

The proportion of transferred medical-service patients who died, 9.4 percent, was 2½ times as great as the proportion of medical-service patients who were not transferred, 3.8 percent.

The Congress tried to address this particular problem with legislation in the fiscal year 1986 reconciliation bill which requires hospitals that participate in Medicare to provide emergency services for people with an urgent need for care, including women in labor, regardless of their ability to pay. This provision, of course, does not solve the problem. Hospitals and doctors are still faced with providing care to patients who cannot possibly pay for it.

Many of the individual stories of uninsured patients seeking a hospital or physician willing to care for them are very disturbing. Only last February I submitted a statement for the CONGRESSIONAL RECORD expressing my personal outrage over the extreme difficulty an uninsured young woman, Linda S. Cohen, had in obtaining lifesaving surgery for a malignant melanoma.

At a hearing I chaired last fall on infant mortaility I was told equally distressing accounts of personal suffering caused by lack of access to the health care system. One of them concerned a Minnesota woman who was pregnant and living in a battered women's shelter. She was ineligible for Medicaid, and couldn't afford to buy insurance. The only way she could get proper care for here unborn child and here other children was to go back to her husband. the unborn baby was later injured in the womb by her husband's continued battering.

Sadly, the plight of these unfortunate women is not all that unusual. The fear of becoming sick or injured without access to medical care is a part of everyday life for the estimated 37 million Americans who are currently uninsured for health expenses.

Mr. President, the fact is that the Federal taxes used to buy Mr. Iacocca's health insurance last year could have provided access for at least three uninsured poor families in Detroit.

COST TO THE FEDERAL TREASURY

Mr. President, the second problem with the current tax subsidy is its huge, open-ended cost to American taxpayers. Estimates from the Department of Health and Human Services indicate that by 1987 the tax expenditure—including FICA taxes—for employer-sponsored health insurance will total $35.2 billion, increasing to $50.4 billion in 1991. The tax expenditure in 1987 would have been even higher if it were not for the emergence of cost sharing in private health insurance plans, limits employers placed on health plan contributions, and increased use of HMO's, PPO's and other managed health care systems with prospective payment arrangements.

All these reforms occurred in the early 1980's. If the 1978–81 trend in tax expenditurses had continued unaltered, the 1987 tax expenditure for employer-sponsored health insurance would have been about $52 billion.

The cost to the Treasury of flexible spending accounts is growing more rapidly than the tax exclusion. Tax law permits employees to direct employers to place part of their pay in "flexible spending accounts." Employees use these accounts to pay out-of-pocket medical expenses, including such items as eye glasses and cosmetic surgery. The Department of Health and Human Services estimates that the tax expenditure for these accounts will be $7.7 billion in 1987 and increase to $22 billion in 1991.

Taken together, Mr. President, the tax expenditure for these two subsidies will increase 69 percent to $72.4 billion in the next 5 years.

It is senseless to struggle as hard as we do to save billions out of Medicare or Medicaid while allowing the loss of uncontrolled billions of dollars through such tax breaks. And, it is just as illogical for the Finance Committee in tax reform to reduce the Federal income tax rates to 15 percent and 27 percent by eliminating more justifiable tax preferences while retaining this non-means-tested, open-ended tax subsidy.

INCENTIVES FOR INEFFICIENCY

Mr. President, the third thing wrong with the way our tax law treats health insurance is that it reinforces the cost-increasing incentives in the health care financing and delivery system. It induces employment groups to buy cost-unconscious, open-ended comprehensive insurance. It tells upper income groups that if they decide on still more costly benefits, Government will pay 40 to 50 percent of the extra cost.

Mr. President, evidence from the experience of the Federal employees health benefits plan [FEHBP] strongly suggests that no Chrysler employee needs $3,300 a year worth of group health insurance. The Blue Cross/Blue Shield high option plan offered through the FEHBP provides excellent benefits: $1,500 catastrophic expense protection; a $50 deductible per hospital admission—$200 annual maximum; 100 percent payment of hospital charges with no day limit; 80 percent payment of surgical charges; 80 percent payment of inpatient doctor visits; 100 percent of outpatient surgery; 80 percent of outpatient diagnostic tests, and outpatient doctor visits; 80 percent of inpatient psychiatric care up to $4,000 and 100 percent over that amount up to $75,000; and 70 percent of charges for 50 psychiatric outpatient visits. In addition the plan offers coverage for alcohol and drug abuse detoxification, home health care, use of midwives, and prescription drugs.

These are comprehensive benefits with built-in incentives for efficiency, and Federal employees are very satisfied with the plan. The total cost of this plan for family coverage is just $3,017.04 per year—$251.42 per month, and the Federal Government contributes just $1,267.15 per year—$108.14 per month, both figures well under those for Mr. Iacocca's health plan.

If a Federal employee opted for even lower out-of-pocket premium costs, he could choose, among others, the Blue

Cross/Blue Shield standard option with a $2,500 catastrophic expense limit; a $100 deductible per hospital admission—$250 annual deductible limit; 100 percent of hospital charges for the first 180 days and 75 percent payment after the first 180 days of stay; payment of 75 percent of charges for inpatient surgery, and doctor visits, outpatient diagnostic tests, and outpatient doctor visits; and somewhat more limited mental health benefits, the cost of health insurance would be just $1,659.84 per year for family coverage—$138.32 per month, and the Federal contribution is just $1,244.88 per year—$103.74 per month.

Mr. President, the employee and the Federal Government get excellent value for their money in these, and many other plans offered by FEHBP. If Federal employees want to purchase insurance from less efficient plans, or extremely generous benefits, or first dollar and every dollar coverage, they pay the full additional cost. The same principle should apply to Mr. Iacocca's employer-paid health premium and all other federally subsidized insurance in the private business sector.

Through the open-ended tax subsidy, the government is helping and encouraging upper income people and large employer groups to bid up the prices and standards of care that the uninsured must pay for directly and the Government must pay for through Medicare and Medicaid. Government is subsidizing its own competition and is driving lower income Americans into unprotected status.

The role played by flexible spending accounts also contributes to the inflationary forces within the health system. Those employees fortunate enough to have a flexible spending account are able to purchase health services and devices with pretax dollars, thus insulating themselves from the full cost of the consumer decisions.

THE LINKAGE BETWEEN EMPLOYMENT AND HEALTH INSURANCE

Mr. President, the fourth major defect in the present tax treatment is that it reinforces the link between jobs and health insurance. People lose their health insurance and their tax subsidy when they lose their jobs. Just when they need "insurance" the most. This link complicates the problem of getting everyone covered under a health benefits plan.

It is becoming urgent that we take decisive steps to make sure that all Americans have access to health care plans. If we don't, the strategy of competition will produce socially unacceptable results, and society may turn toward high-cost, inefficient, and regulatory solutions.

THREE BILLS

Mr. President, this Nation can and must find ways to reduce the number of Americans uninsured for medical care expenses. Last year I introduced S. 1211, the Health Equity and Fairness Act of 1985. S. 1211 included three provisions designed to make private health insurance more readily available to many of those now uninsured: First, health insurance premium tax deductions for self-employed and unemployed persons; second, mandatory catastrophic loss protection for employer-sponsored health insurance plans; and third, time limited continuity of coverage options for those who lose eligibility for employer-sponsored insurance. The continuity of coverage provision was included in the fiscal year 1986 reconciliation bill signed into law by the President.

Today, Mr. President, I introduce three bills that pick up where last session's efforts left off: S. 2484, the Uninsured Workers' Health Insurance Act of 1986; S. 2485, the Health Equity and Incentives Reform Act of 1986; and S. 2486, the Health Plan Promotion Act of 1986. Each of these bills would substantially increase the ability of Americans to purchase private health insurance plans.

These proposals offer three alternative approaches to reducing the number of Americans without health plan coverage and providing equity in the tax treatment of health plan premiums. All three are compatible with the wider ranging S. 2403, the Access to Health Care Act of 1986, introduced on May 1, 1986, by myself and my distinguished colleagues, Senator EDWARD KENNEDY, Senator JOHN HEINZ, and Senator DONALD RIEGLE. A companion bill to S. 2403 has been introduced in the House of Representatives by the chairman and ranking minority member of the Ways and Means Health Subcommittee, Mr. FORTNEY STARK and Mr. WILLIS GRADISON.

This cooperation among Members of both Chambers of the Congress and both political parties reflects the depth of our mutual concern over our increasing failure to provide access to adequate health care for 37 million Americans. While specific proposals may differ in their approach to this problem, there is an emerging consensus, in the Congress and across the Nation, that there is a Federal role in assuring all Americans adequate access to quality health services.

Mr. President, I introduce these proposals in the wake of the tax reform bill, which has been reported by the Senate Finance Committee. The Finance Committee measure includes a provision allowing self-employed people to deduct 50 percent of the cost of their health plan coverage from their taxable income. This is an important step forward, but the tax reform bill does not address any of the other problems I have outlined in the current tax treatment of health insurance.

In the spirit of equity through tax reform, these three bills offer somewhat different approaches to solving these problems. Each bill conforms to the same set of principles: increasing equity and incentives for efficiency, reducing costs to the taxpayers, and eliminating the requirement that individuals be covered by employer-paid health insurance in order to receive a Federal subsidy for health plan coverage. I offer these varied ideas as alternatives to achieving the same end. Each deserves discussion by my colleagues in the Congress and by the providers and consumers of health services. I look forward to that discussion, and it is my hope that one of these approaches will be enacted into law this year.

THE UNINSURED WORKERS' HEALTH INSURANCE ACT OF 1986

S. 2484, the Uninsured Workers' Health Insurance Act of 1986 primarily targets heads of households who are not eligible for employer-sponsored insurance.

S. 2484 maintains the existing tax exclusion for employer-paid health insurance premiums while enabling self-employed people to deduct health insurance premiums from their taxable income. Other individuals not eligible for employer-paid health benefit plans are allowed a refundable tax credit for the purchase of health plan coverage with the value of the credit declining as the taxpayer's adjusted gross income increases. The refundable tax credit targets the additional subsidies where they are needed the most: for individuals and families with incomes under $30,000. Those with greater incomes would receive no Federal subsidy.

Mr. President, if we were to build a Federal health plan premium tax policy from scratch, the income adjusted refundable tax credit would be the way to go. However, since we have had a tax policy in effect for over 30 years that provides a tax exclusion for all income groups, adoption of this approach for all taxpayers would prove a radical departure. I acknowledge this political reality and, instead, limit the approach to those individuals not currently offered employer-sponsored health insurance.

S. 2484 has four basic provisions:

First, any individual who is not eligible for employer-sponsored insurance and who is not covered by a Federal health program is eligible for a refundable tax credit for the payment of premiums for health plan coverage.

Employees, employee spouses, and dependents who are eligible for employer-sponsored insurance are not eligible for this refundable tax credit. For purposes of qualifying for the credit, insurance provided through the employer but without an employer

contribution does not qualify as employer-sponsored insurance.

Second, the amount of the refundable tax credit available in any case depends on income and insurance coverage status, for example, individual, family.

AMOUNT OF REFUNDABLE TAX CREDIT

Income	Insurance Coverage Status	
	Individual	Family
Not over $20,000	$400	$800
$20,001 to $25,000	200	400
$25,001 to $30,000	100	200
Over $30,000		

Third, this act enables the owners of unincorporated businesses and self-employed persons to deduct health insurance premiums from their taxable income.

Fourth, the changes in Federal tax law required by this act shall apply to taxable years beginning after December 31, 1985.

No source of funding for S. 2484 has been identified here to make this proposal budget neutral. If, however, this approach generates support among my colleagues in the Congress, a funding mechanism such as the health benefit tax cap will be put forward.

Mr. President, this bill was drafted in consultation with Gail Wilensky, Ph.D., vice president for health affairs at Project Hope and one of our Nation's leading health economists, and I greatly appreciate her assistance.

THE HEALTH EQUITY AND INCENTIVES REFORM ACT OF 1986

S. 2485, the Health Equity and Incentive Reform Act of 1986, while also using a refundable tax credit mechanism to provide a health insurance subsidy, is not as radical in its approach as the previous bill. Higher income individuals and families as well as poor people would receive a limited refundale tax credit. Thus, this bill not only provides a Federal tax incentive to those not offered employer-sponsored insurance, but also limits the current open-ended Federal subsidy for employer-sponsored health insurance.

S. 2485 includes the following specific provisions:

First, the Internal Revenue Code is modified to state that all employer contributions to employee health benefits, other than compensation for occupationally related illness or injury, are included in the wages and gross incomes of employees subject to Federal income and FICA taxes. Employers will assign all contributions to employee health benefits to individual employees using equitable actuarial methods.

Second, every lawful resident of the United States is entitled to receive a refundable tax credit, or direct payment to his or her health plan, equal to 40 percent of his or her payments up to 40 percent of the limit on subsidized premiums.

Third, the limit on subsidized premiums is $65 per month per household member covered under the plan up to a maximum of $195, in 1987. The limit in subsequent years is increased in proportion to GNP per capita. Thus, the cost to the Federal budget will grow with the GNP, not faster.

Fourth, in 1989, these limits would be replaced by a set of limits based on the ages of the insured and any other important factors that help predict medical costs per person. A uniform limit on subsidized premiums would put a greater financial burden on older groups with predictably higher costs. This provision requires that, starting no later than 1989, the limits would be adjusted for the age of the covered people and for other relevant factors that reflect relative need for medical services.

Fifth, a qualified health benefit plan will have to meet certain minimum conditions: First, catastrophic expense protection; and second, the option for the subscriber to cover his or her dependents.

Sixth, This credit is not available to Medicare and Medicaid beneficiaries, and active duty military and their dependents. Their arrangements are not changed by this legislation.

Seventh, the changes in Federal tax law required by this act shall apply to taxable years beginning after December 31, 1986.

Mr. President, I am very grateful to Prof. Alain C. Enthoven, Ph.D., Marriner S. Eccles Professor of Public and Private Management at Stanford University, for his substantial contribution to S. 2485, the Health Equity and Incentives Reform Act of 1986.

THE HEALTH PLAN PROMOTION ACT OF 1986

Mr. President, of the three bills I am introducing today, S. 2486, the Health Plan Promotion Act of 1986, comes closest to maintaining the structure of health benefit tax deductions with which employers and employees have become familiar over the last 30 years. While the bill requires that all employer-paid health plan premiums be included in gross income, employers will be allowed a deduction for the value of the premiums they pay, and all taxpayers will be allowed a nonitemized deduction from gross income for the value of premiums whether they are paid by the taxpayer or by the taxpayer's employer.

S. 2486 contains the following key provisions:

First, the Internal Revenue Code is modified to state that all employer contributions to employee health benefits other than compensation for occupational related illness or injury, are to be included in the wages and gross incomes of employees subject to Federal income and FICA taxes. Employers will assign all contributions to employee health benefits to individual employees using equitable actuarial methods.

Second, employers are permitted to deduct the cost of health insurance premiums for employees as a business expense.

Third, in calculating taxable income, individuals may claim a nonitemized deduction for the cost of their accident and health insurance to the extent such costs do not exceed specified levels. Such costs would be deductible whether paid by the taxpayer or the taxpayer's employer.

Fourth, the deduction would not be available to Medicaid or Medicare recipients.

Fifth, for single taxpayers, the deductible level is $75 a month—$900 per year. For married taxpayers, the deductible level is $175 a month—$2,100 per year.

Sixth, the current section 213 deduction threshold for medical expenses is raised from 5 percent of adjusted gross income to 10 percent of adjusted gross income. Amounts paid in excess of the deductable levels specified in paragraph 5 would be deductible as a section 213 expense.

Seventh, a qualified health benefit plan will have to meet certain minimum conditions: First, catastrophic protection; and second, at least 20 percent cost sharing by the beneficiary.

Eighth, the amendments to Federal tax law required by this act shall apply to taxable years beginning after December 31, 1986.

Mr. President, I would like to anticipate and address now some potential objections to these proposals.

Some may observe that passage of one of these bills by itself will not solve the problem of uninsured people. That is correct. Even with a subsidy, some will choose not to buy insurance. Others will be unable to because it is not available. Additional steps are needed to assure that all Americans have access to health plan coverage. This would be an appropriate area for action by the States.

Mr. President, I have recently introduced S. 2403, The Access to Health Care Act of 1986, which encourages the establishment of statewide health insurance pools to provide coverage for those people with preexisting medical conditions. The bill also requires State plans for providing medical care to people uninsured for other reasons. These State plans may take any of a number of different approaches. They might modify Medicaid eligibility rules, or establish other types of State health insurance pools, or in other ways give all their citizens the subsidized opportunity to buy health care coverage. The Federal subsidies proposed in these bills would be of substantial help to such State efforts.

The argument has been made that a limit on tax-free employer contributions would destroy group health insurance. That is not correct. We have a great deal of group insurance based on limited employer contributions and cost-conscious choice by employees. The largest example, the Federal Employees Health Benefits Program, covering about 10 million people, has been in successful operation for 25 years. Group health insurance does not depend on unlimited subsidies. On the other hand, a limited subsidy is needed to encourage even the healthy to insure. This is especially true in the case of poor people who, if they had to pay the full premium cost, might be tempted to take a chance on going uninsured. That is why these bills replace a Federal policy of unlimited subsidies to people who have employer-paid health insurance and nothing for those who do not, with limited subsides for all.

Many may object to this proposal because it would raise taxes. This is understandable. Nobody likes to have their taxes increased. But if we are to deal with the problem of over 37 million uninsured, it is going to be necessary to find the funding to offer all Americans access to health plan coverage.

It is undesirable to raise taxes on income because of what it does to incentives to work, save and invest. We don't want to raise marginal income tax rates. In fact, the tax reform bill we have just unanimously voted out of the Senate Finace Committee reduces the marginal tax rates and substantially eliminates other types of tax deductions. Taxing excess employer contributions to health insurance is logical and desirable because of the need to make everyone cost conscious in their choice of a health plan.

If tax subsidies to health insurance are important to business executives and union members, as they have told me, they must be even more important to the part-time employed, the intermittently employed, the self-employed, the unemployed, and people employed in industries whose employers do not provide health insurance.

Why, Mr. President, shouldn't they get at least the same tax subsidies for health insurance as the Tax Code allows for the well-to-do with employer-paid insurance. If the answer is that the budget can't stand the extra cost, why shouldn't we divide equally whatever amount the budget can stand?

In order to help others understand the current Federal subsidy for a typical health benefit plan and how this subsidy would change under each of the three bills I am introducing, I have provided an example set of calculations. As these calculations show, each of the bills I am introducing today provides a reasonable, limited subsidy where none currently exists to all Americans who purchase nonemployer-sponsored health benefit plan coverage.

Mr. President, I ask unanimous consent that the example calculations I have provided and the three bills be printed in consecutive order in the CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXAMPLE: CALCULATIONS OF TAX SUBSIDIES FOR HEALTH INSURANCE UNDER CURRENT LAW, S. 2484, S. 2485, AND S. 2486

The following calculations are for two similar individuals: married, filing jointly, with 3 household members, income equal to $25,000, with family health insurance premiums of $200 per month. The premium for Person A is paid for by employer and excluded from taxable income under current law. Person B does not have employer-sponsored insurance and currently pays the full premium out of after-tax dollars.

	Monthly	
	Tax subsidy to A	Tax subsidy to B
Current law	$48.58	0
S. 2484, the Uninsured Worker's Health Insurance Act of 1986	48.58	$33.33
S. 2485, the Health Equity and Incentives Act of 1986	78.00	78.00
S. 2486, the Health Plan Promotion Act of 1986	43.08	43.08

S. 2484

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Uninsured Workers' Health Insurance Act of 1986".

SEC. 2. REFUNDABLE CREDIT FOR HEALTH INSURANCE PREMIUMS OF UNINSURED WORKERS.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. HEALTH INSURANCE PREMIUMS OF UNINSURED WORKERS.

"(a) IN GENERAL.—In the case of an uninsured worker, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the amount of qualified health insurance premiums paid by such worker during such taxable year which does not exceed the applicable amount.

"(b) APPLICABLE AMOUNT.—

"(1) IN GENERAL.—For purposes of this section, the applicable amount shall be determined in accordance with the following table:

"If the uninsured worker's taxable income is:	*The applicable amount is:*
Not over $20,000	$400
Over $20,000 but not over $25,000	200
Over $25,000 but not over $30,000	100
Over $30,000	0.

"(2) APPLICABLE AMOUNT FOR FAMILY COVERAGE.—In the case of family coverage, each applicable amount set forth in the table in paragraph (1) shall be doubled.

"(c) DEFINITIONS.—For purposes of this section—

"(1) UNINSURED WORKER.—

"(A) IN GENERAL.—The term 'uninsured worker' means any individual—

"(i) who is not eligible for any employer sponsored health plan and is not covered by any Federal health program, and

"(ii) whose spouse is not eligible for family coverage under any employer sponsored health plan.

"(B) EMPLOYER SPONSORED HEALTH PLAN.—

"(i) IN GENERAL.—The term 'employer sponsored health plan' means any accident or health plan with respect to which employer contributions are excluded from gross income of the employee under section 106.

"(ii) UNFUNDED CONTINUATION AND CONVERSION OPTIONS NOT INCLUDED.—The term 'employer sponsored health plan' does not include any insurance provided through the employer on the basis of continuation coverage and conversion coverage if provided without such employer's contribution.

"(C) FEDERAL HEALTH PROGRAM INCLUDES MEDICAID.—The term 'Federal health program' includes any State plan approved under title 19 of the Social Security Act.

"(2) QUALIFIED HEALTH INSURANCE PREMIUMS.—The term 'qualified health insurance premiums' means premiums for insurance covering medical care (as defined in section 213(d)(1)).

"(3) FAMILY COVERAGE.—The term 'family coverage' means coverage for—

"(A) the uninsured worker,

"(B) the spouse of the uninsured worker, and

"(C) any dependent of the uninsured worker (as defined in section 152).

"(d) MARRIED COUPLE MUST FILE JOINT RETURN.—

"(1) IN GENERAL.—If the uninsured worker is married at the close of the taxable year, the credit provided by this section shall be allowed only if the uninsured worker and the spouse of such worker file a joint return for the taxable year.

"(2) MARITAL STATUS.—Marital status shall be determined under section 143.".

"(b) COORDINATION WITH OTHER SECTIONS.—Subsection (e) of section 213 of the Internal Revenue Code of 1954 (relating to deduction for medical, dental, etc., expenses) is amended to read as follows:

"(e) COORDINATION WITH OTHER SECTIONS.—For purposes of this section—

"(1) EXCLUSION OF INSURANCE PREMIUM EXPENSES ALLOWABLE AS CREDIT AGAINST TAX.—The amount paid during the taxable year for medical care shall be reduced by the amount allowable to the taxpayer as a credit under section 35.

"(2) EXCLUSION OF AMOUNTS ALLOWED FOR CARE OF CERTAIN DEPENDENTS.—Any expense allowed as a credit under section 21 shall not be treated as an expense paid for medical care.".

(c) CLERICAL AMENDMENT.—The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 is amended by striking out the last item and inserting in lieu thereof the following new items:

"Sec. 35. Health insurance premiums of uninsured workers.

"Sec. 36. Overpayments of tax.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1986.

SEC. 3. HEALTH INSURED COSTS OF SELF-EMPLOYED INDIVIDUALS MADE DEDUCTIBLE.

(a) IN GENERAL.—Section 213 of the Internal Revenue Code of 1954 (relating to deduction for medical, dental, etc. expenses) is amended by adding at the end thereof the following new subsection:

"(f) SPECIAL RULE FOR SELF-EMPLOYED INDIVIDUALS OF UNINCORPORATED TRADES OR BUSINESSES.—In the case of an individual who is a self-employed individual (within the meaning of section 401(c)(1)) who owns the entire interest in an unincorporated trade or business—

"(1) there shall be allowable as a deduction for any taxable year an amount equal to the expenses paid during such taxable year for insurance which constitutes medical care for the individual, his spouse, or dependents,

"(2) no other deduction shall be allowable under this chapter with respect to such amount, and

"(3) such amount shall not be taken into account under subsection (a).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1985.

S. 2485

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Health Equity and Incentives Reform Act of 1986".

SEC. 2. INCLUSION OF EMPLOYER CONTRIBUTIONS TO HEALTH PLANS IN INCOME AND IN SOCIAL SECURITY WAGE BASE.

(a) INCLUSION IN INCOME.—Section 106 of the Internal Revenue Code of 1954 (relating to contributions by employer to accident and health plans) is amended to read as follows:

"SEC. 106. CONTRIBUTIONS BY EMPLOYER TO ACCIDENT AND HEALTH PLANS.

"(a) IN GENERAL.—Except as otherwise provided in this section, contributions by the employer to accident or health plans for compensation (through insurance or otherwise) to his employees for personal injuries or sickness shall be included in gross income.

"(b) CONTRIBUTIONS WITH RESPECT TO OCCUPATIONALLY RELATED ILLNESS OR INJURY.—Gross income does not include contributions referred to in subsection (a) if such contributions are made—

"(1) with respect to coverage under any workmen's compensation act.

"(2) for in-plant first aid, or

"(3) for treatment of occupationally related illness or injury.

"(c) CONTRIBUTIONS FOR MEDICARE RECIPIENTS.—With respect to any individual described in section 35(q) for any month, gross income does not include contributions referred to in subsection (a) to the extent such contributions (other than contributions made with respect to coverage under any workmen's compensation act) do not exceed the amount described in section 35(d)(1)(A)(i).".

(b) INCLUSION IN SOCIAL SECURITY WAGE BASE.—

(1) TAX BASE.—Section 3121(a) of the Internal Revenue Code of 1954 (defining wages) is amended by adding at the end thereof the following:

"Nothing in this subsection shall exempt from 'wages' as used in this chapter any employer contribution described in section 106 which is not excluded from gross income under subsection (b) or (c) of such section.".

(2) BENEFIT BASE.—Section 209 of the Social Security Act is amended by adding at the end thereof the following:

"Nothing in any of the foregoing provisions of this section shall exempt from 'wages' as used in this chapter any employer contribution described in section 106 of the Internal Revenue Code of 1954 which is not excluded from gross income under subsection (b) or (c) of such section.".

(c) EFFECTIVE DATES.—

(1) GROSS INCOME.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1986.

(2) SOCIAL SECURITY WAGE BASE.—The amendments made by subsection (b) shall apply to remuneration paid after December 31, 1986.

SEC. 3. REFUNDABLE CREDIT FOR PREMIUMS FOR CERTAIN HEALTH PLANS.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. PREMIUMS FOR CERTAIN HEALTH PLANS.

"(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 40 percent of the qualified health premiums of the taxpayer.

"(b) ASSIGNMENT OF CREDIT FOR PAYMENT OF PLAN PREMIUMS.—Any taxpayer may designate for the taxable year (at such time, in such manner, and subject to such conditions as are provided by regulations prescribed by the Secretary) payment of the credit allowed under subsection (a), to the extent of any overpayment of tax for such taxable year, to any qualified health care financing and delivery plan.

"(c) QUALIFIED HEALTH PREMIUMS.—For purposes of this section, the term 'qualified health premium' means, with respect to any month during the taxable year, the amount paid or incurred by or on behalf of the taxpayer as a premium to a qualified health care financing and delivery plan for coverage under such plan for such month.

"(d) MONTHLY LIMITATION ON PREMIUMS ELIGIBLE FOR CREDIT.—

"(1) IN GENERAL.—The amount of qualified health premiums taken into account under this section with respect to any month shall not exceed the lesser of—

"(A) the product of—

"(i) $65, and

"(ii) the number of individuals in the taxpayer's family who receive (by reason of the taxpayer) coverage under the plan at any time during such month, or

"(B) $195.

"(2) FAMILY MEMBERS.—For purposes of paragraph (1), the term 'taxpayer's family' means—

"(A) the individual,

"(B) the spouse of the individual, but only if such individual and spouse file a joint return for the taxable year in which the month occurs, and

"(C) each dependent child or such individual for such month.

"(e) QUALIFIED HEALTH CARE FINANCING AND DELIVERY PLAN.—For purposes of this section, the term 'qualified health care financing and delivery plan' means any plan which meets the requirements of paragraphs (1), (2), (3), (4), and (5).

"(1) BASIC HEALTH SERVICES.—

"(A) IN GENERAL.—Subject to copayments, coinsurance, and deductibles, a plan meets the requirements of this paragraph only if such plan provides coverage for at least physician and hospital inpatient and outpatient services which are reasonable and necessary for the diagnosis and treatment of illness and injury.

"(B) USE OF CONTRACTING PROVIDERS.—

"(i) IN GENERAL.—A plan shall not fail to meet the requirements of this paragraph if payment for services described in subparagraph (A) is made only if such services are provided by selected contracting providers.

"(ii) SUBSCRIBERS MUST BE NOTIFIED OF CONTRACTING PROVIDERS.—Clause (i) shall apply only if the subscribers to this plan are informed before subscribing as to the location and identities of the contracting providers.

"(iii) EXCEPTION FOR EMERGENCY SERVICES.—Clause (i) shall not apply to medically necessary emergency services if a contracting provider is unavailable.

"(C) NO EXCLUSION, ETC., BASED ON PRIOR MEDICAL CONDITION.—After the expiration of 6 months following the first day of plan coverage of any individual, there shall be no exclusions or restrictions on the coverage for services described in subparagraph (A) based upon the prior medical condition of such individual.

"(2) CATASTROPHIC EXPENSE PROTECTION.—

"(A) IN GENERAL.—A plan meets the requirements of this paragraph only if such plan provides for payment of 100 percent of the cost of basic health services provided during any calendar year with respect to any subscriber to the extent the subscriber's out-of-pocket expenses for such costs would otherwise exceed $3,500 for such year.

"(B) CERTAIN COSTS NOT TAKEN INTO ACCOUNT—For purposes of subparagraph (A), there shall not be taken into account any cost—

"(i) for which the subscriber is compensated for by insurance or otherwise, or

"(ii) which is attributable to a service rendered by a provider not authorized to provide such service under the plan.

"(C) SERVICE WITH RESPECT TO SUBSCRIBER.—For purposes of subparagraph (A), a service is provided with respect to a subscriber if such service is provided to the subscriber or any individual who is covered by the plan by reason of the subscriber.

"(3) CANCELLATION PROHIBITION.—A plan meets the requirements of this paragraph only if coverage provided under the plan may not be cancelled for any reason based upon the status or actions of the covered individuals, other than nonpayment of premiums.

"(4) COVERAGE FOR DEPENDENTS.—A plan meets the requirements of this paragraph only if the plan meets the requirements of subparagraphs (A), (B), (C), and (D).

"(A) IN GENERAL.—A plan meets the requirements of this subparagraph only if the plan provides that—

"(i) each subscriber has the option to purchase coverage under the plan for the spouse and each dependent child of the subscriber, and

"(ii) if such option is exercised, such coverage shall commence at the time of marriage, birth, or adoption, as the case may be.

"(B) DISABLED DEPENDENTS.—

"(i) IN GENERAL.—A plan meets the requirements of this subparagraph only if the plan provides that coverage under the plan shall continue for any qualified disabled dependent (in the same manner as if he were a dependent child) for so long as such dependent—

"(I) continues to be a qualified disabled dependent, and

"(II) resides in the same household as the subscriber.

"(ii) QUALIFIED DISABLED DEPENDENT.—For purposes of clause (i), the term 'qualified disabled dependent' means any individual—

"(I) who would (but for subsection (f)(1)(B)(i)) be a dependent child of the subscriber,

"(II) who is disabled, and

"(III) who became disabled during a period in which the individual was dependent child of the subscriber.

"(iii) DISABLED DEFINED.—For purposes of this subparagraph, an individual is disabled if the individual is unable to engage in substantial gainful activity.

"(D) ILLNESSES COMMENCING DURING DEPENDENCY.—

"(i) IN GENERAL.—A plan meets the requirements of this subparagraph only if the plan provides that coverage under the plan with respect to any illness shall continue for any qualified ill dependent (in the same manner as if such dependent were a dependent child) for the duration of the illness.

"(ii) QUALIFIED ILL DEPENDENT.—For purposes of clause (i), the term 'qualified ill dependent' means any individual—

"(I) who would (but for subsection (f)(1)(B)(i)) be a dependent child of the subscriber, and

"(II) who became ill during a period in which the individual was a dependent child of the subscriber.

"(E) REGULATIONS.—The Secretary shall by regulation establish criteria for determining onset and duration of disability and illness for purposes of this paragraph.

"(f) RULES RELATING TO DEPENDENT CHILDREN.—For purposes of this section—

"(1) IN GENERAL.—The term 'dependent child' means, with respect to a subscriber, an individual who is—

"(A) a dependent of such subscriber (within the meaning of section 152), and

"(B) a child of the subscriber (within the meaning of section 151(e)(3), who—

"(i) has not attained the age of 19, or

"(ii) is a student (within the meaning of section 151(e)(4)).

"(2) DETERMINATION OF DEPENDENCY.—For purposes of subsection (d)(2)(C), an individual shall be treated as a dependent child for any month if such individual is a dependent child for the calendar year in which the month occurs.

"(g) NO CREDIT FOR INDIVIDUALS COVERED BY MEDICARE.—An individual shall not be taken into account under subsection (d)(2) for any month if, for such month, such individual is entitled to benefits under part A of title XIII of the Social Security Act.

"(h) INFLATION ADJUSTMENT OF DOLLAR AMOUNTS.—

"(1) IN GENERAL.—Not later than December 15 of 1987 and each subsequent calendar year, the Secretary shall prescribe dollar amounts which shall apply in lieu of the dollar amounts contained in subsection (d)(1) with respect to taxable years beginning in the succeeding calendar year.

"(2) METHOD OF PRESCRIBING DOLLAR AMOUNTS.—The dollar amounts which under paragraph (1) are to apply in lieu of the dollar amounts contained in subsection (d)(1) with respect to taxable years beginning in any calendar year shall be determined by increasing each such dollar amount by the inflation adjustment for such calendar year (rounded off to the next highest dollar).

"(3) INFLATION ADJUSTMENT.—For purposes of paragraph (2), the inflation adjustment for any calendar year is the percentage (if any) by which—

"(A) the average per capita GNP for the preceding calendar year, exceeds

"(B) the average per capita GNP for calendar year 1985.

"(4) AVERAGE PER CAPITA GNP FOR ANY CALENDAR YEAR.—For purposes of paragraph (3), the average per capita GNP for any calendar year is the average of the per capita Gross National Product for the 36-month period ending on June 30 of such calendar year.

"(5) GROSS NATIONAL PRODUCT.—For purposes of paragraph (4), the term 'Gross National Product' means the Gross National Product published by the Department of Commerce.

"(i) NONRESIDENT ALIENS INELIGIBLE FOR CREDIT.—No credit shall be allowed under this section to any nonresident alien.".

(b) INFORMATION PROVIDED TO SUBSCRIBERS.—Subsection (a) of section 6051 of the Internal Revenue Code of 1954 (relating to receipts for employees) is amended—

(1) by striking out "and" at the end of paragraph (6),

(2) by striking out the period at the end of paragraph (7) and inserting in lieu thereof ", and", and

(3) by adding at the end thereof the following new paragraph:

(8) the total amount of employer contributions on behalf of the employee for each month of such calendar year to a qualified health care financing and delivery plan (as defined in section 35(e)) and the type coverage of the employee under such plan for each such month.".

(c) CLERICAL AMENDMENT.—The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 35. Premiums for certain health plans.

"Sec. 36. Overpayments of tax.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1986.

(e) STUDY ON ADJUSTMENT OF MONTHLY LIMITATIONS.—

(1) IN GENERAL.—The Secretary of Health and Human Services shall study and report to Congress, not later than March 31, 1988, on alternative methods for adjusting the monthly limitation on premiums eligible for credit under section 35(d) of the Internal Revenue Code of 1954 so as to take into account the ages of different individuals and other actuarial factors (such as those described in section 1876(a)(1)(B) of the Social Security Act) that reflect the relative cost of health care services for different individuals.

(2) CONSIDERATIONS.—In doing the study, the Secretary shall—

(A) consider the practicality of administration of alternative methods and the equity and incentives to individuals in different age and actuarial groups in each method, and

(B) only consider adjustments that are designed to produce the same aggregate tax expenditures as would be produced if there were no changes in section 35 of the Internal Revenue Code of 1954.

SEC. 4 PROVIDING PORTABILITY OF HMO BENEFITS FOR EMPLOYEES.

Section 1310(a) of the Public Health Service Act (42 U.S.C. 300e-9(a)) is amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding paragraph (2), if an employer or State or political subdivision thereof described in paragraph (1) employs an individual who, immediately preceding the date of the employment, is enrolled with a qualified health maintenance organization and who continues to reside in the area served by the organization, such employer, State, or political subdivision thereof shall include in the health benefits plan offered to such employee the option of continuing membership in such qualified health maintenance organization and the amount of the employer's contribution with respect to such plan and such employee may not be less than the smallest contribution the employer, State, or political subdivision thereof would otherwise make with respect to another qualified health maintenance organization offered by the employer, State, or political subdivision thereof to such employee.".

S. 2486

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Health Plan Promotion Act of 1986".

SEC. 2. INCLUSION OF EMPLOYER CONTRIBUTIONS TO ACCIDENT AND HEALTH PLANS IN GROSS INCOME.

(a) INCLUSION IN GROSS INCOME.—Part II of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new section:

"SEC. 89. CONTRIBUTIONS BY EMPLOYER TO ACCIDENT AND HEALTH PLANS.

"Gross income includes contributions by the employer to accident and health plans for compensation (through insurance or otherwise) to his employees for personal injuries or sickness.".

(b) REPEAL OF EXCLUSION.—Section 106 of the Internal Revenue Code of 1954 (relating to contributions by employer to accident and health plans) is repealed.

(c) CONFORMING AMENDMENTS.—

(1) Subsection (c) of section 104 of the Internal Revenue Code of 1954 (relating to compensation for injuries or sickness) is amended to read as follows:

"(c) CROSS REFERENCE.—

"For exclusion of part of disability retirement pay from the application of subsection (a)(4) of this section, see section 1403 of title 10, United States Code (relating to career compensation laws).".

(2) Paragraph (20) of section 7701(a) of such Code (relating to definitions) is amended by striking out "sections 104, 105, and 106" and inserting in lieu thereof "sections 89, 104, and 105".

(d) CLERICAL AMENDMENT.—The table of sections for part II of subchapter B of chapter 1 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new item:

"Sec. 89. Contributions by employer to accident and health plans.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1986.

SEC. 3. DEDUCTION FOR COSTS OF ACCIDENT AND HEALTH INSURANCE.

(a) IN GENERAL.—Section 63 of the Internal Revenue Code of 1954 (defining taxable income) is amended—

(1) in subsection (b)(1)—

(A) by striking out "and" at the end of subparagraph (B),

(B) by inserting after subparagraph (C) the following new subparagraph:

(D) the direct accident and health insurance deduction provided by subsection (j), and",

(2) in subsection (f)—

(A) by striking out "and" at the end of paragraph (2),

(B) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a comma and "and", and

(C) by adding at the end thereof the following new paragraph:

"(4) the direct accident and health insurance deduction.", and

(3) by adding at the end thereof the following new subsection:

"(j) DIRECT ACCIDENT AND HEALTH INSURANCE DEDUCTION.—

"(1) DEDUCTION ALLOWED.—In the case of any eligible individual, the amount of premiums paid for qualified accident or health insurance shall be allowed as a direct accident and health insurance deduction.

"(2) LIMITATION ON DIRECT DEDUCTION ALLOWED.—

"(A) IN GENERAL.—The amount allowable as a direct accident and health insurance deduction under paragraph (1) to any eligible individual shall not exceed—

"(i) $75 per month for qualified accident or health insurance covering such individual only,

"(ii) $175 per month for such insurance covering such individual and such individual's spouse, or

"(iii) $225 per month for such insurance covering such individual and such individual's family.

"(B) HUSBAND AND WIFE.—In the case of a husband and wife filing separate returns, clauses (ii) and (iii) of subparagraph (A) shall be applied by substituting '$137.50' and '$112.50' for '$175' and '$225', respectively.

"(C) COST-OF-LIVING ADJUSTMENT.—

"(i) IN GENERAL.—The dollar amounts specified in clauses (i) and (ii) of subparagraph (A) and subparagraph (B) shall be increased for months in each calendar year after 1987 by the cost-of-living adjustment for such calendar year.

"(ii) COST-OF-LIVING ADJUSTMENT.—For purposes of clause (i), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

"(I) the CPI for the preceding calendar year, exceeds,

"(II) the CPI for the calendar year 1986.

"(iii) CPI FOR ANY CALENDAR YEAR.—For purposes of clause (ii), the CPI for any calendar year is the average of the Consumer Price Index as of the close of the 12-month period ending on September 30 of such calendar year.

"(iv) CONSUMER PRICE INDEX.—For purposes of clause (iii), the term 'Consumer Price Index' means the last Consumer Price Index for all-urban consumers published by the Department of Labor.

"(D) COVERAGE FOR ONLY PART OF MONTH.—If an eligible individual is covered under qualified accident or health insurance for only a portion of a month, the amount allowable under paragraph (1) as a deduction with respect to such month shall be an amount which bears the same ratio to the applicable dollar amount under subparagraph (A) for such month as such portion bears to the entire month.

"(E) FAMILY.—For purposes of this paragraph, the term 'family' means, with respect to any eligible individual, a spouse or a dependent (as defined in section 152) who receives coverage under qualified accident or health insurance by reason of a relationship to such individual.

"(F) MONTH.—For purposes of this paragraph, the term 'month' means a calendar month.

"(3) ELIGIBLE INDIVIDUAL.—For purposes of this subsection, the term 'eligible individual' means any individual who, with respect to any month, is not entitled to benefits under title XVIII of the Social Security Act or to medical assistance under a State medicaid plan approved under title XIX of such Act.

"(4) QUALIFIED ACCIDENT OR HEALTH INSURANCE.—For purposes of this section, the term 'qualified accident or health insurance' means any accident or health insurance which constitutes medical care (as defined in subparagraphs (A) and (B) of section 213(d)).

"(5) INSURANCE PAID BY INDIVIDUAL OR INDIVIDUALS'S EMPLOYER.—For purposes of paragraph (1), the amount of premiums for qualified accident or health insurance may be paid by the eligible individual or such individual's employer, or both.".

(b) EXCESS AMOUNTS DEDUCTIBLE UNDER SECTION 213.—

(1) IN GENERAL.—Subsection (a) of section 213 of the Internal Revenue Code of 1954 (relating to deduction for medical, dental, etc., expenses) is amended to read as follows:

"(a) ALLOWANCE OF DEDUCTION.—There shall be allowed as a deduction—

"(1) the amount of expenses paid during the taxable year, not compensated for by insurance or otherwise, for medical care of the taxpayer, his spouse, or a dependent (as defined in section 152), and

"(2) the amount allowable as a direct accident and health insurance deduction under section 63(j)(1) which exceeds the limitation imposed by section 63(j)(2),

to the extent that such amounts exceed 10 percent of adjusted gross income.".

(2) CONFORMING AMENDMENT.—Subparagraph (C) of section 213(d)(1) of such Code (defining medical care) is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and "other than insurance, the premiums of which are subject to the provisions of section 68(j) and subsection (a)(2) of this section.".

(C) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar months beginning after December 31, 1986, in taxable years ending after such date.

SEC. 4. SECTION 213 DEDUCTION THRESHOLD INCREASED TO 10 PERCENT.

(a) IN GENERAL.—Subsection (a) of section 213 of the Internal Revenue Code of 1954 (relating to deduction for medical, dental, etc., expenses) (as amended by section 3(b)(1) of this Act) is amended by striking out "5 percent" and inserting in lieu thereof "10 percent".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1986.

By Mr. BINGAMAN (for himself, Mr. ROCKEFELLER, Mr. MATSUNAGA, Mr. GLENN, Mr. BURDICK, Mr. MELCHER, Mr. BYRD, and Mr. BOREN):

S. 2487. A bill to provide grants to States for fellowships for individuals who have outstanding ability, demonstrate an interest in a teaching career, and will teach in areas of the State in which there is a shortage of quality elementary or secondary schoolteachers or in fields of study in which there is a shortage of quality elementary or secondary schoolteachers, or both, and for other purposes; to the Committee on Labor and Human Resources.

(The remarks of Mr. BINGAMAN and Mr. ROCKEFELLER and the text of the legislation appear earlier in today's RECORD.)

By Mr. KENNEDY (for himself, Mr. GRASSLEY, Mr. HEINZ, Mr. METZENBAUM, and Mr. GLENN):

S. 2489. A bill to improve the training of physicians in geriatrics; to the Committee on Labor and Human Resources.

GERIATRIC PHYSICIANS GRADUATE MEDICAL EDUCATION ACT

● Mr. KENNEDY. Mr. President, I wish to introduce the Geriatric Physicians Medical Education Act of 1986.

In recent years, the need for improving the training of physicians in geriatrics has become increasingly apparent. Major demographic changes are occurring within our aging society. For example, it has been projected that by the year 2000, 13 percent of Americans will be 65 years of age and older. About half of these individuals will be 75 years or older. Persons 85 years of age and older are the fastest growing category of the U.S. population; their number is expected to more than double by the end of the century.

Mr. President, in view of these remarkable changes in our society, it is essential that tomorrow's physicians be prepared to meet the challenge of caring for our elderly citizens. Although we have experienced an enormous growth of knowledge regarding the diagnosis and treatment of diseases of the elderly, we have not devoted adequate attention to providing our young doctors in training with the necessary knowledge and skills to give our elderly the care which we are now capable of delivering.

The purpose of this bill is to rapidly increase the number of academic geriatricians available for the faculties of our teaching hospitals. We need to train a cadre of academic physicians to provide teaching in geriatrics to all physicians in training who take care of adults, and particularly to primary-care residents. The basic underlying principle is that every physician who cares for adults should be trained extensively in the principles of geriatrics.

Adequate attention to training of young physicians in geriatrics is lacking. The essence of the problem is as follows:

There are now only approximately 400 academic physicians who characterize themselves as geriatricians; a substantially smaller number have formal training in geriatrics.

There are now approximately 800 training programs for internal medicine and family practice residents. Since it is essential that all internists and family physicians (as well as all other physicians who care adults) receive extensive training in geriatrics, it is important that each training program have on its staff at least two geriatricians who are active clinician-teachers involved in teaching within the hospital, at ambulatory training sites, and at long-term care facilities.

There are now a maximum of 90 geriatricians per year produced by the less than 50 training programs located at VA hospitals and other teaching hospitals. Not all of these physicians remain in academic medicine. At this rate of training, assuming minimal attrition, it will require more than 15 years to fulfill just the current need for somewhere in excess of 1,600 academic geriatricians needed for resident training within our graduate medical education programs in family practice and internal medicine.

It is necessary to establish a goal of graduating at least 900 additional trainees over the next 5 years just to meet the teaching needs in geriatrics. Present programs which train geriatric faculty cannot expand their capacity because it is difficult to fund the additional faculty members needed to expand these training centers. Faculty practice income does not provide adequate support for their salary due to the great amount of physician time required for each patient visit and the absence of income-generating procedures in the practice of geriatrics.

Thus, in order to provide tomorrow's practicing physicians with the geriatric knowledge and skills which they need, it is necessary to make an investment today to provide salary for the faculty who will train these teachers, who in turn will educate tomorrow's physicians. The value of the additional $4 million per year which this bill authorizes will be infinitely multiplied by the impact that this new generation of academic geriatricians will have upon the residents they train in future decades.

Mr. President, I would also like to take this opportunity to emphasize another important aspect of this bill. This relates to provision of geriatric health care for the elderly mentally retarded persons. Currently, there is a major deficiency in the training of primary care physicians to provide medical services for this segment of the American population. As other Americans, mentally retarded persons are surviving to an ever-increasing older age. In fact, during the next 35 years, the number of mentally retarded persons over the age of 55 will double. There is a growing recognition among health policymakers and providers that our current health care resources are insufficient to meet current needs and certainly will be inadequate to meet future needs.

In the field of mental retardation, there is an existing technology that can be applied to the training of health care providers. We expect that this knowledge of lifelong disability and impairment can be drawn upon in the development of the geriatric training programs that will be established as a result of this legislation. The Joseph P. Kennedy, Jr., Foundation has been at the forefront of providing models in such training. An excellent example of this is the current program at the Shriver Center in Waltham, MA. This program, the first in the Nation, has served as a model for the cross-training of physicians in geriatrics and mental retardation. This effort represents only a beginning. I hope that you will join me in the future in pursuing other legislation to ensure appropriate care for the mentally retarded elderly.

The legislation which I am introducing today recognizes the key role of the primary care physician in bringing to our elderly the rapidly expanding body of knowledge in geriatrics and gerontology which will greatly enhance their quality of life. I urge my colleagues to support speedy passage of this bill so that we may meet the urgent requirement to improve geriatric training for the primary care physician without further delay.●

● Mr. HEINZ. Mr. President, today I am joining with my colleagues, Senators KENNEDY, GLENN, GRASSLEY, and METZENBAUM in introducing the Geriatric Physicians Graduate Education Act of 1986. This legislation addresses a critical problem: The shortage of adequately trained physicians to meet the needs of a growing elderly population. This bill is an attempt to solve the problem by providing funds to train medical school faculty, who can in turn educate medical students and practicing physicians about the special medical problems associated with aging.

Mr. President, medical schools now produce very few physicians with any substantive knowledge of geriatric medicine. The 1986 data from the American Medical Association show that of the 520,000 doctors in the United States, there are only 922 geriatricians. A national total of 922 geriatricians is a surprisingly small number in contrast to the 8,000 geriatricians needed by 1990, a need identified by the National Institute on Aging in its "Report on Education in Geriatrics and Gerontology," prepared for the Secretary of Health and Human Services in 1984.

Experts testifying before the Special Committee on Aging have presented evidence that those who care for older patients are not prepared to cope with the multiple complex diseases and conditions frequently associated with these patients. The result too often is inadequate care, including drug misuse, misdiagnosis, and even death.

The shortage of practitioners stems from a critical shortage of academic physicians with any extensive background in geriatrics. The 1984 NIA report stated that a minimum of 900 geriatric faculty will be needed before the year 2000. Unless we have well-trained teachers, no physicians will be appropriately trained to care for this Nation's older citizens. The Geriatric Physicians Graduate Education Act of 1986 would provide the financial support needed to train physicians as educators in the specialty of geriatrics.

The Geriatric Physicians Graduate Education Act of 1986 sets a goal of graduating at least 900 additional trainees over the next 5 years to meet minimum teaching needs for geriatrics. This legislation would strengthen existing geriatric fellowship programs and promote development of new programs providing for a total of 40 geriatric training centers.

This bill would provide funds for physicians participating in three specialized training programs. The first program provides the opportunity for midcareer physicians to come back to the classroom for a year of focused training in the special skills needed to care for older patients. Two additional programs would encourage new family medicine and general internal medicine specialists to enter 1 or 2 years of training in the practice of geriatrics. These physicians would also be trained to conduct the research needed to improve and expand our knowledge of proper care for older persons.

Mr. President, when Congress enacted the Health Research Extension Act—Public Law 99-158—it recognized the need to establish a comprehensive plan to train professionals in geriatrics. The conference report for Public Law 99-158 requires the Secretary of Health and Human Services report to Congress by March 1, 1987, with policy recommendations to provide for the specific numbers and types of health personnel that will be needed to meet the health needs of the elderly for the next four decades. This information will be very important. However, I feel that it would be a critical error to postpone establishment of training programs that we know are needed while we await these administration recommendations. The Geriatric Physicians Graduate Education Act of 1986 provides a responsible base on which to build a more comprehensive program for training health professionals in geriatrics today, not tomorrow.

Mr. President, this legislation focuses a critical need: Training physicians to teach their peers. The total cost to the Federal Government for this essential program is minimal—$20

million over the next 5 years—which I believe is a small investment with a big return not only in quality health care for older Americans but in potential savings for Medicare, Medicaid, and families of America's aged. We will not be supporting more doctors, but rather more appropriately trained doctors.

Mr. President, we cannot afford to spend Federal dollars for inappropriate and dangerous health care. I am strongly committed to making certain that this Nation develops programs which offer cost-effective means of improving the health care provided to older Americans. Last year, I introduced the Geriatric Research, Education and Training Act [GREAT], which would substantially increase funding for training a wide range of health personnel in the care of the aged. Also, when the Finance Committee considered reform of Medicare payments for graduate medical education during last year's reconciliation markup, we provided, at my request, an exemption for geriatric trainees to ensure that at least some funding would be available from Medicare to train physicians in caring for the elderly. Thus, today, I again offer my support for geriatrics by joining my colleagues in introducing the Geriatric Physicians Graduate Education Act of 1986.●

● Mr. METZENBAUM. Mr. President, I'm sure we're all aware of the good news—that today's Americans are living longer than ever before. Most of us are aware of the dramatic changes in longevity. We may know that, in 1900, the average life expectancy was only 45 years. On average now, however, males born in 1983 will live 71 years and females 78 years. And more and more people are living into their eighties, nineties, and even hundreds. It has been estimated that more than 1 of every 10 Americans—some 13 percent of us—will be over 65 by the year 2000.

Medical professionals believe that people can do much themselves to extend the healthy productive years of their extended lives by establishing good dietary habits, exercising regularly, not smoking, getting proper medical care.

The bad news is that extended life includes special health problems. Our primary care physicians will need to know more about the aging process. They will need to know more about how to prevent, treat, or postpone the diseases and adverse conditions that interfere with the quality of life in our later years.

As the "Baby Boomers" of yesteryear become the seniors of tomorrow, this Nation must prepare to deal with the inevitable health care needs of the growing numbers of older Americans.

Of major concern is the fact that less than 100 geriatricians are being produced each year. We have some 800 residency training programs in internal medicine and family practice, but there are fewer than 400 faculty-level geriatricians available to staff these programs.

As has been noted, the act we are introducing today would make funds available only to those fellowship programs that address the full range of geriatric health care, including comprehensive instruction in the physical and mental disabilities of the elderly, and patient management in acute and chronic care settings.

Recently, I introduced bills, cosponsored by several of my colleagues, which would alleviate the suffering of Alzheimer's disease victims and their families. Alzheimer's is one of the very tragic diseases that strikes older Americans with increasing frequency as longevity increases. It is a degenerative, neurological disorder, devastating in its effects—robbing victims of mind, memory, personality. The costs are staggering—physically, mentally, emotionally, and financially.

Diagnosis is difficult, and some of those said to have Alzheimer's disease have been found to have other conditions, reversible in nature. Primary care physicians need to know more about these conditions. It is essential that they be educated and skilled in diagnosis and treatment of the adverse health conditions of the elderly, and in strategies for maintaining quality of life throughout the extended years of life.

Comprehensive instruction by knowledgeable faculty should alleviate the shortage of such physicians, and promises thereby to provide better health care for our growing population of older Americans.

Therefore, I urge my colleagues to support this effort to insure that there will be an adequate supply of primary care physicians, and that they are equipped to manage the health care of the elderly, our own health care as we grow older.●

● Mr. GLENN. Mr. President, as the senior Democratic member of the Senate Special Committee on Aging, I am pleased to join Senators KENNEDY, HEINZ, GRASSLEY, and METZENBAUM in introducing the Geriatric Physicians Graduate Medical Education Act of 1986. This legislation represents an important step toward insuring that our Nation's health care providers are adequately trained in geriatric medicine.

We all know our population is aging and it is time for us to plan for these demographic changes. By the year 2025, 20 percent of our population will be over 65. Understanding this and keeping in mind that the largest percentage of the U.S. health care dollar is spent on the health needs of older Americans, simple common sense dictates that we make sure the providers taking care of our elderly are sufficiently trained in geriatric medicine.

The current critical shortage of trained health care professionals was fully documented in the 1984 National Institute on Aging "Report on Education and Training in Geriatrics and Gerontology." This report pointed out that a growing demand for hospital, long-term care, and community services will clearly accompany the demographic changes in the elderly population.

Currently there are fewer than 400 faculty level geriatricians available to staff more than 800 training programs in internal medicine and family practice. The bill we are introducing today will provide incentives—through faculty support—to expand current geriatric fellowship programs and to develop new programs. This approach should provide, within 5 years, a sufficient number of trained faculty members to staff all internal medicine and family practice residency training programs across the country.

Preparing now to have adequately trained personnel in the health care field is good public policy, not only because it is humane, but because it will also prove to be cost effective in terms of diagnosis, treatment, and prevention. Without adequate research and trained practitioners, we cannot expect the medical and technological breakthroughs needed to combat the various diseases and conditions that particularly affect the elderly, such as Alzheimer's disease and other dementias, arthritis, osteoporosis, coronary heart disease, hypertension, and cancer. Not only are these conditions devastating to the affected individual and his or her family and friends, but they are also costly to all of us.

I view the Geriatric Physicians Graduate Medical Education Act of 1986 as a first step up the ladder of success toward adequately training the health care providers who will be responsible for taking care of our everincreasing elderly population. This bill is important in that it addresses the weaknesses we currently face in the internal medicine and family practice field. However, it does not address the shortages of faculty adequately trained in geriatrics and gerontology who teach our nurses, geriatric dentists, social workers, occupational therapists, optometrists, pharmacists, podiatrists, respiratory therapists, and who would encourage researchers to concentrate on the biomedical, behavioral, and social problems of the elderly.

Last year, I joined Senator HEINZ in introducing S. 1100, the Geriatric Research, Education, and Training Act of 1985 [GREAT], which provides for a much more comprehensive framework to address our shortages in these other fields. Although it appears unlikely that Congress will act on the GREAT bill this year, I remain committed to

this legislation and will continue to work for its passage. However, I cannot and will not wait around for action on S. 1100. Therefore, I am strongly supporting the bill we are introducting today as a more modest, but necessary, first step.

I am proud to say that my home State of Ohio was the first State to provide financial support to each of its seven medical schools to establish offices of geriatric medicine. In 1977, the Ohio General Assembly enacted legislation which established a separate line item in the higher education budget to do this. Funding has risen from $350,000 in fiscal year 1979 to $1.27 million in fiscal year 1986. This experience has provided us with numerous innovative approaches to educating medical students and practitioners about the needs of elderly patients and has stimulated exciting new research.

The Congress can provide the leadership to ensure that Ohio's innovations in geriatric education are possible on a national basis. This experience needs to be replicated throughout the country if we hope to overcome the well-documented shortages of adequately prepared health care professionals to meet the challenge of our rapidly growing aging population. I believe that the Geriatric Physicians Medical Education Act of 1986 will help us meet this challenge head-on and I urge my colleagues in the Senate to join me in supporting this important legislation.●

By Mr. LAUTENBERG (for himself and Mr. BRADLEY):

S. 2490. A bill to provide a 5-year suspension of the duty on silk yarn; to the Committee on Finance.

SILK YARN DUTY SUSPENSION

● Mr. LAUTENBERG. Mr. President, I rise to introduce legislation to suspend temporarily the duty on imports of certain silk yarns. I am joined by my colleague Senator BRADLEY.

This legislation would assist a manufacturer of silk fabric in my State. Kalkstein Silk Mills of Paterson manufactures silk fabric, primarily for sale to makers of neckties. This silk fabric manufacturer must import its silk yarn. There is virtually no spinning of yarn in the United States.

Meanwhile, silk fabric and necktie manufacturing faces increasing import competition, particularly from Italy and other European countries. Imposing a tariff on silk yarn impairs the ability of silk mills in the United States to compete, without providing any measurable benefit to other domestic businesses.

Mr. President, there was a time when a substantial amount of silk fabric was woven in America, much of it in Paterson, where I was born. My father worked in a silk mill. After World War II, silk was replaced not by imports, but by new, man-made fabrics produced in the United States. The silk industry in New Jersey all but disappeared.

To survive in today's competitive environment, substantial investment in equipment is required. There is no reason to make matters even more difficult for a domestic manufacturer of silk fabric.

Mr. President, I have discussed this bill with the representatives of textile manufacturers and textile and apparel unions. They have no objection to the bill. Indeed, it would assist a domestic textile manufacturer.

Last, Mr. President, I would note that this bill is unrelated to ongoing efforts to renegotiate the multifiber arrangement. I am aware that there is an effort to include certain textile and apparel articles made with blends of silk and other fibers. The MFA does not now cover silk. Blending MFA-covered fibers with relatively small amounts of silk has been used to avoid current quotas. This bill does not affect that issue. This bill affects pure silk yarns. Moreover, it is a tariff bill, not a quota bill.

Mr. President, the revenue impact of this bill would be quite minor. The column 1 rate of duty for the yarns covered by this bill is 5 percent ad valorem. Total imports of the silk yarn covered by this bill total slightly over $4 million. And close to 10 percent of that already comes in duty free under the generalized system of preferences.

I urge my colleagues to support this bill.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SILK YARN.

Subpart B of part 1 of the Appendix to the Tariff Schedules of the United States is amended by inserting in numerical sequence the following new item:

"905.25	Yarns of silk (provided for in item 308.30 or 308.51).	Free	Fee	No change	On or before 12/31/90 ".

SEC. 2. EFFECTIVE DATE.

The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption after the date that is 15 days after the date of enactment of this Act.●

By Mr. GARN (for himself and Mr. PROXMIRE) (by request):

S. 2491. A bill to facilitate the provision of additional financial resources to the Federal Savings and Loan Insurance Corporation; to the Committee on Banking, Housing, and Urban Affairs.

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION RECAPITALIZATION ACT

● Mr. GARN. Mr. President, today, Senator PROXMIRE and I are introducing by request the proposal designed to recapitalize the Federal Savings and Loan Insurance Corporation [FSLIC]. This bill is an important piece of legislation which is intended to provide statutory authority for raising additional resources for the FSLIC. This bill will also be included in a more comprehensive piece of banking legislation which will be introduced shortly after the Memorial Day recess.

Mr. President, I ask unanimous consent that a section-by-section analysis of the letter of transmittal, and a letter from the Office of Management and Budget be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Section-by-Section Analysis]

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION RECAPITALIZATION ACT OF 1986

Section 1. This section states the title of the Act as the "Federal Savings and Loan Insurance Corporation Recapitalization Act of 1986."

Sec. 2. Section 2 amends the Federal Home Loan Bank Act to add a new section 21 that would require the Federal Home Loan Banks ("FHLBanks" or "Banks") to invest in the newly created "Financing Corporation", which, in turn, would be required to invest in the Federal Savings and Loan Insurance Corporation ("FSLIC"). Under paragraph (1) of subsection (a) of new section 21 of the Federal Home Loan Bank Act, the Federal Home Loan Bank Board ("board") would be required to charter the Financing Corporation, which would be under the direction of the Financing Corporation Directorate ("Directorate"), and operated by the Directorate subject to the board's rules, regulations, orders, and directions. Subsequent provisions of this Act describe the Financing Corporation, which would be owned by the FHLBanks and would be used as a means of financing an equity transfer to FSLIC. Paragraph (1) also would require each FHLBank to purchase non-voting capital stock in the Financing Corporation at such time and in such amounts as prescribed by the board. The stock would have par value and would be transferable only among the Banks, in the manner prescribed by the board. The Banks' investment would be lawful, notwithstanding limitations found elsewhere in the Federal Home Loan Bank Act.

The Directorate would consist of three members, one of whom would be the Director of the Office of Finance of the FHLBanks or his successor, and two of whom would be selected by the Chairman of the Federal Home Loan Bank Board from among the presidents of the FHLBanks. Each of the two FHLBank presidents would serve for a term of one year. No president of a FHLBank could be selected to serve an additional term on the Directorate unless each of the FHLBank presidents had already served at least as many terms as the president being selected to serve the additional term. The legislation provides that the Chairman of the Federal Home Loan Bank Board will select a chairman of the Directorate from among its three members.

Paragraph (2) of subsection (a) of new section 21 would limit the aggregate amount of the Banks' investment in the Financing Corporation to $3 billion, the cumulative investment by each Bank to the aggregate of its legal reserves plus "undivided profits." For purposes of the Banks' investment in the Financing Corporation, the language referring to legal reserves and "undivided profits" is intended to include all retained earnings of the FHLBanks except for those amounts held in the "dividend stabilization reserve" as of December 31, 1985. The "dividend stabilization reserve" is excluded from investment in the Financing Corporation because it includes funds, above the legal reserves, that had been determined not to be dividended in the year earned, so as to create a possible supplement to future years' dividends. This special dividend reserve, would, however, have to be used completely before a FHLBank, subject to board approval, could ever draw on its legal reserves under the circumstances outlined under section 5 of this Act. To ensure that only the amount held in the "dividend stabilization reserve" as of December 31, 1985, is excluded from the amounts that may be invested in the Financing Corporation, the legislation specifically lists the amounts held by each FHLBank in its "dividend stabilization reserve" as of December 31, 1985. For purposes of this Act, "undivided profits" includes retained earnings other than legal reserves and amounts held in the "dividend stabilization reserve" as of December 31, 1985. "Legal reserves" refers to the amount each FHLBank has and is required to carry to a reserve account pursuant to the first two sentences of Section 16(a) of the Federal Home Loan Bank Act.

Under paragraph (3) of subsection (a) of new section 21, each FHLBank would be required to purchase a specified percentage of the first $1 billion of stock in the Financing Corporation. The percentage of the first $1 billion that each Bank is required to invest in non-voting capital stock of the Financing Corporation is derived from a formula taking into account each Bank's individual share of total FHLBank System retained earnings (minus their "dividend stabilization reserves") and the share of FSLIC-insured deposits held by each Bank's member institutions. By taking into account the shares of FSLIC-insured deposits held by Banks' member institutions, the formula accommodates Banks' member institutions that are insured by the Federal Deposit Insurance Corporation.

Allocation of the remaining stock purchases is based on the percentage of total assets of FSLIC-insured members represented at each Bank; however, the amount of stock that any FHLBank would be required to purchase is limited to the total of its legal reserves plus undivided profits, which are described above. The aggregate amount of Financing Corporation stock that must be purchased by all of the FHLBanks is not reduced because of the above limitation, which may affect particular Banks. Therefore, paragraph (4) of this subsection provides for a reallocation of stock purchases among Banks that have not reached their limits.

Paragraph (4) of subsection (a) of new section 21 provides that if a Bank could not purchase the full amount of stock in the Financing Corporation because that amount exceeded its legal reserves plus undivided profits, the amount that that Bank could not purchase would be prorated for investment among the remaining FHLBanks based on their stock holdings in the Financing Corporation, as long as the cumulative amount of funds required to be invested in by the remaining Banks did not exceed their legal reserves and undivided profits. Any such FHLBank that did not purchase the full amount of Financing Corporation stock as required under the formula in the preceding paragraph would be obligated to purchase at some future time from those Banks to which such stock was reallocated, the stock that would have originally been allocated to it. Until the restricted Bank had fulfilled this repurchase obligation, it would be prohibited from paying dividends in excess of one-half of its net earnings. Such funds not paid out in dividends would be placed in a reserve required by the board and would not be available for dividends.

Under subsection (b) of new section 21, the Financing Corporation, subject to rules, regulations, orders, and directions prescribed by the board, would be provided with corporate powers necessary and appropriate for its operation as a specialized corporate entity. Such corporate powers would include the power to issue obligations in the form of non-voting capital stock to the FHLBanks; to invest in any securities issued by FSLIC; to borrow from the capital markets by issuing debt, the maturity of which (including any refinancings) could not exceed thirty years, and the net proceeds of which would be required to be invested in FSLIC under terms and conditions approved by the board; and other powers which are customary and usual for corporations generally. Under the terms of this subsection, the Financing Corporation would have no paid employees and the Directorate could, with the approval of the board, authorize the officers, employees, or agents of the FHLBanks or board to act on behalf of the Financing Corporation to perform the Financing Corporation's functions.

Under paragraph (1) of subsection (b) of new section 21, obligations of the Financing Corporation (which would be issued only with the approval of the board), like FHLBank obligations, would be lawful investments, and could be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which would be under the authority or control of the United States or any officer or officers thereof. This subsection would also authorize the Federal Reserve banks to act as depositaries, custodians, and/or fiscal agents for the Financing Corporation in the general performance of its powers under this Act.

Pursuant to paragraph (2) of subsection (b) of new section 21, obligations of the Financing Corporation would be treated in the same manner as FHLBank obligations for purposes of investment, sale, underwriting, purchase, use as collateral, and dealing by financial institutions such as banks, thrifts, and credit unions.

Under paragraph (3) of subsection (b) of new section 21, the Financing Corporation would bear exclusive liability for its obligations and interest thereon. The Financing Corporation's obligations and interest theron would not be obligations of or guaranteed by the FHLBanks, the United States, or FSLIC. Obligations of the Financing Corporation would have the same tax status as obligations of the FHLBanks and the Financing Corporation would have the same tax status as the FHLBanks. The Secretary of Treasury would be authorized to prepare the necessary forms of stock, debentures, and bonds, as approved by the board, pursuant to Section 23 of the Federal Home Loan Bank Act, for obligations of the Financing Corporation, as the Secretary of Treasury is also so authorized for obligations of the FHLBanks.

Under paragraph (4) of subsection (b) of new section 21, all instruments issued by the Financing Corporation would be exempt securities under the provisions of the Federal securities law administered by the Securities and Exchange Commission. This exemption is the same as that enjoyed by obligations of the FHLBanks.

Under paragraph (5) of subsection (b) of new section 21, the Financing Corporation would be prohibited from making any net new borrowings after December 31, 1996, although the Financing Corporation would be permitted to refinance previously issued debt after December 31, 1996. Refinancings of previously issued debt could not mature later than December 31, 2026.

Under paragraph (6) of subsection (b) of new section 21 would accord the Financing Corporation the same coverage under the Government Corporations Control Act as the FHLBanks are accorded under that Act pursuant to Section 11(j) of the Federal Home Loan Bank Act (12 U.S.C. 1431(j)). Thus, audits of the Financing Corporation by the General Accounting Office could be conducted although the Financing Corporation would have no Government capital invested in it. In addition, the Secretary of the Treasury, a Federal Reserve bank, or a bank designated as a depositary or fiscal agent of the United States Government would have the authority to keep the Financing Corporation's accounts (although the Secretary of Treasury could waive this provision regarding accounts and there is separate authority for Federal Reserve banks to act as depositaries, custodians, and/or fiscal agents for the Financing Corporation pursuant to new paragraph 21(b)(2)). Before the Financing Corporation could issue obligations and offer them to the public, the Secretary of the Treasury would prescribe the various conditions to which the obligations would be subject (including the form, denomination, maturity, and interest rate), the way and time the obligations would be issued, and the price for which the obligations would be sold. This procedure is currently in place for the issuers who are subject to Section 9108(a) of title 31, United States Code (part of the Government Corporations Control Act) and in practice the Treasury generally approves terms and conditions on obligations as proposed by these issuers. Finally, before the Financing Corporation could buy or sell a direct obligation of the United States Government, or an obligation on which the principal, interest, or both, is guaranteed, of more than $100,000, the Secretary of Treasury would have to approve the purchase or sale, although the Secretary could waive this requirement. All of these authorities also pertain to the FHLBanks' issuance of debt.

Under new subsection 21(c) the Financing Corporation would invest those assets that it does not invest in FSLIC, in the same set of obligations and under the same conditions as FHLBanks are permitted to invest their reserves under the current Section 16 of the Federal Home Loan Bank Act. These investments include: (1) investments in zero-coupon securities, which investments would be used to defease at maturity the principal of debt issued by this Financing Corporation; and (2) short-term investments of the net proceeds of debt issued by the Financing

Corporation prior to the purchase of FSLIC capital stock and certificates.

Under new subsection 21(d), obligations issued by the Financing Corporation and outstanding would be issued at such times and in such amounts as the board determines, but would not be permitted to exceed the greater of (1) five times the Financing Corporation's paid-in capital, as determined by the board, or (2) the face amount (which for zero-coupon securities would be the principal amount due at maturity) of obligations invested in by the Financing Corporation pursuant to subsection 21(c). The second restriction would permit the Financing Corporation to exceed a five-to-one leverage only if it could purchase securities whose amount due at maturity would at least equal the principal amount due on all the Financing Corporation's debt, thereby ensuring that the debt principal would be repaid.

New subsection 21(e) would require both retirement of all Financing Corporation obligations and liquidation of the Financing Corporation no later than December 31, 2026. This date relates to the date in new subsection 21(b) which provides both that the Financing Corporation cannot issue obligations whose maturities exceed thirty years, and that the Financing Corporation can make no net new borrowings after December 31, 1996. The board, on behalf of the FHLBanks, would be the successor to the powers of the Financing Corporation deemed necessary by the board to be preserved.

Section 3. Section 3 would establish the status of the Financing Corporation as a "mixed ownership" government corporation, which is the same status accorded to FHLBanks, under the Government Corporations Control Act. Although there would be no government capital invested in the Financing Corporation, this category of "mixed ownership" has been accorded to the Financing Corporation to provide it with parallel legal status to that of the FHLBanks.

Section 4. Section 4 would empower FSLIC to issue equity in the forms of redeemable non-voting capital stock and non-redeemable capital certificates. The non-voting capital stock would be issued in an amount equal to the aggregate investment by the FHLBanks in the Financing Corporation. The Financing Corporation would be the sole purchaser of both the capital certificates and the capital stock issued by FSLIC, and proceeds paid to FSLIC from that purchase would be included as part of the primary reserve of FSLIC. The capital certificates and stock would pay dividends equal to the Financing Corporation's interest payments on its obligations and issuance costs, on or before the dates on which such amounts would be due and payable, minus any net interest payments to the Financing Corporation on short term investments of the net proceeds of its obligations prior to the purchase of capital certificates and capital stock in FSLIC, as determined by the board. Thus, dividends paid by FSLIC will cease at such time that all Financing Corporation obligations mature since the Financing Corporation will be dissolved at that time.

This section also would authorize FSLIC to pay off and retire its capital stock upon maturity of all the obligations issued by the Financing Corporation. Since FSLIC's capital certificates would be non-redeemable, FSLIC would extinguish them with no payoff at the time FSLIC retired the capital stock. FSLIC would be authorized to make such payoff on the retired capital stock solely with its contributions accumulated in its "equity return account," an account created under this Act that could include annual contributions made by FSLIC according to statutorily prescribed formulae. Any such contributions would be made at the end of each year beginning in 1997 and ending in the year during which the last obligation of the Financing Corporation matures. Contribution amounts made to the equity return account would not be included as FSLIC reserves. Such contribution amounts would be the only monies included in the equity return account. Any interest earned on the funds in the equity return account would be for the account of FSLIC and would not be included as part of the equity return account, but would be added to the reserves of FSLIC. While the contributions to the equity return account would be made annually as prescribed above, no payoff and retirement of FSLIC stock would be authorized to be made until the maturity of all Financing Corporation obligations.

The formulae for the annual contributions are described below. No annual contributions can be required to be made if the FSLIC reserves are less than .50 percent of all accounts of all insured members (as of December 31 of the preceding year). In any year in which FSLIC's reserves are equal to .50 percent of all accounts of all insured members or greater (as of December 31 of the previous year), the contribution would be the amount invested by the Financing Corporation in FSLIC capital stock, divided by the number of years from the first year after 1996 that the reserves to accounts ratio reached .50 percent to the year in which the last maturing obligation of the Financing Corporation matures (which could be no later than 2026).

The legislation also provides for additional contributions as determined by the board, under certain circumstances. In any year in which the FSLIC's reserves are equal to 1.0 percent of all accounts of all insured members or greater up to and including 1.25 percent of all accounts (as of December 31 of the preceding year), the additional contribution as determined by the board could be a maximum of 6 percent per year compounded on the amount invested by the Financing Corporation in FSLIC capital stock computed from the year the investment was made to the year in which the last maturing obligation of the Financing Corporation matures (not later than 2026), divided by the number of years from the first year after 1996 that the reserves to accounts ratio reached 1.0 percent to the year in which the last maturing obligation of the Financing Corporation matures. The legislation sets forth two other formulae for possible additional contributions if the reserves to accounts ratio of FSLIC were to increase, raising the percentage compounded and subtracting from these in the numerator of the fraction, the amounts already paid out in additional contributions. All these additional contributions, which would be above the repayment of the amount invested by the Financing Corporation in FSLIC capital stock, would be subject to the discretion of the board.

This legislation is structured carefully to create, in a fair and appropriate manner, budgetary collections from the equity investments in FSLIC that would offset budgetary outlays resulting from FSLIC's case resolution costs. The equity investments in FSLIC should be counted as offsetting collections for three primary reasons. First, FSLIC would never repay, under any circumstances, the bulk of the funds invested in it by the Financing Corporation (the non-redeemable capital certificates). Second, any possible repayment of the capital investment in FSLIC stock at time of retirement would be dependent on FSLIC's financial performance. Indeed, the FHLBanks' capital contribution to the Financing Corporation may never be paid back, as would be clearly reflected in the FHLBanks' independently audited financial statements. Finally, FSLIC would have no responsibility to pay off the principal of the Financing Corporation's debt; the Financing Corporation's debt would be solely its own responsibility.

Section 4 also makes clear that the term "Financing Corporation" refers to the corporation chartered pursuant to section 2 of this legislation, new section 21 of the Federal Home Loan Bank Act. Finally, section 4 makes clear that certain statutorily prescribed actions regarding the FSLIC's primary and secondary reserves could not be triggered as long as shares of the capital stock of the FSLIC are outstanding.

Section 5. Section 5 would amend Section 16 of the Federal Home Loan Bank Act to allow the board, under certain circumstances, to authorize a FHLBank to declare and pay dividends out of its undivided profits or legal reserves, but only after such Bank has reduced all other reserves (e.g., the "dividend stabilization reserve") to zero. Such an extraordinary dividend may be permitted where (1) a FHLBank incurs a charge-off related to its investment in the Financing Corporation and (2) the board determines there is an extraordinary need for payment of such dividends. Any such use of dividend profits or legal reserves would not affect the requirements for FHLBanks' investments in Financing Corporation stock.

Section 6. Section 6 is meant to clarify that the sentences referring to the retirement of capital stock in subsection 402(h) of the National Housing Act do not cover either FSLIC stock or FSLIC certificates issued pursuant to this Act.

DEPARTMENT OF THE TREASURY,
Washington, DC, May 20, 1986.

The Hon. GEORGE BUSH,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: There is transmitted herewith a draft bill, the "Federal Savings and Loan Insurance Corporation Recapitalization Act of 1986."

The Administration has made assistance to the Federal Savings and Loan Insurance Corporation ("FSLIC") fund a high priority. This bill would strengthen the FSLIC fund, and concomitantly, the Federal Home Loan Bank System as a whole. In doing so, it should help reaffirm depositor confidence in the thrift industry. The Federal Home Loan Bank Board ("FHLBB"), the Federal Home Loan Banks ("FHLBanks"), and the Treasury Department worked together to prepare this bill.

The proposed bill, which provides for the recapitalization of FSLIC, produces several important benefits. Under the bill, FSLIC would be able to employ about $25 billion over five to six years to resolve its case load of problem thrifts, thereby halting expansion of the problem. The certain availability of about $25 billion should increase depositor confidence. This confidence plus the sale, merger, or liquidation of the weakest thrifts should help the industry lower its cost of funds. In addition, the bill provides

for the FSLIC recapitalization burden to be shared fairly between the thrifts and the FHLBanks; contributions are structured to minimize the adverse effects on both. FHLBank debt should be protected from possible higher borrowing spreads. Moreover, the equity nature of the FHLBanks' capital contribution to the Financing Corporation should ease the FHLBanks' accounting treatment. The formula that governs the FHLBanks' capital contribution will accommodate FHLBanks with a large percentage of members insured by the Federal Deposit Insurance Corporation. Finally, the flexibility built into the bill permits the FHLBB to raise a range of funds for FSLIC, depending on FSLIC's needs.

The proposed bill would require the FHLBanks to invest in the newly created, limited purpose Financing Corporation, which, in turn, would be required to invest in FSLIC. More specifically, the FHLBanks would be required to invest up to $3 billion from their earned surplus in the Financing Corporation over time. The Financing Corporation would leverage that investment by issuing obligations to the public, the proceeds of which would be invested in FSLIC non-redeemable capital certificates and non-voting capital stock.

The proposed bill requires the FHLBB to charter the Financing Corporation, which would be operated by the Financing Corporation Directorate—composed of two FHLBank presidents and the Director of the Office of Finance of the Federal Home Loan Banks. The Financing Corporation would be subject to rules, regulations, and some specific directions of the FHLBB. The FHLBB would require each FHLBank to invest in non-voting capital stock of the Financing Corporation over a period of approximately five to six years according to formulae set forth in the proposed legislation. The Financing Corporation would issue long-term obligations to the public, for which the Financing Corporation alone would be liable. The Financing Corporation would assure payment of the principal on its obligations by purchasing long-term zero-coupon instruments whose value at maturity would equal the obligations of the Financing Corporation when those obligations come due.

The Financing Corporation's activities would be limited to those necessary to effect the recapitalization of FSLIC. In addition, the Financing Corporation's authority to borrow would be restricted with respect to its capital base. The Financing Corporation would have no paid employees and would sunset by 2026, or sooner if it repaid all its debt.

The legislation provides for the Financing Corporation to invest in FSLIC through two types of FSLIC equity—non-voting capital stock and non-redeemable capital certificates. The investment in the FSLIC non-voting capital stock would be in an amount equal to the aggregate investment by the FHLBanks in the capital stock of the Financing Corporation. FSLIC would pay dividends to the Financing Corporation on the equity issued by FSLIC, and the Financing Corporation would employ these dividends to pay the interest on its debt. Upon repayment of all of the Financing Corporation's obligations (which must occur by 2026), FSLIC would extinguish its capital certificates without repayment, and retire and possibly pay off its outstanding capital stock. The funds for this payoff of the non-voting capital stock would come solely from FSLIC's payments into an "equity return account," pursuant to formulae set forth in the bill. Depending upon FSLIC's financial performance, FSLIC could begin making contributions to this equity return account in 1997.

The bill is structured carefully to create, in a fair and appropriate manner, budgetary collections from the equity investments in FSLIC that will offset budgetary outlays resulting from FSLIC's case resolution costs. The equity investments in FSLIC should be counted as offsetting collections for three primary reasons. First, FSLIC would never repay, under any circumstances, the bulk of the funds invested in it by the Financing Corporation (the non-redeemable capital certificates). Second, any possible repayment of the capital investment in FSLIC stock and return on this equity at time of retirement is dependent on FSLIC's financial performance. Indeed, the FHLBanks' capital contribution to the Financing Corporation may never be paid back, as will be clearly reflected in the FHLBanks' independently audited financial statements. Finally, FSLIC will have no responsibility to pay off the principal of the Financing Corporation's debt; the Financing Corporation's debt will be solely its own responsibility.

There is also enclosed a section-by-section analysis explaining the provisions of the draft bill, and a letter from the Office of Management and Budget explaining its conclusion that the equity investments in FSLIC count as a budgetary collection.

It will be appreciated if you will lay the enclosed bill before the Senate. A similar proposal has been transmitted to the Speaker of the House of Representatives.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the presentation of the proposed legislation to the Congress and that its enactment would be in accord with the President's program.

Sincerely,

ROBERT M. KIMMITT,
General Counsel.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, May 19, 1986.

Hon. GEORGE D. GOULD,
Under Secretary, Department of Treasury, Washington, DC.

DEAR GEORGE: We have reviewed the Treasury proposal to recapitalize the Federal Savings and Loan Insurance Corporation (FSLIC) and consider that the capital infusion into FSLIC should be scored as an offsetting collection.

Let me review how we distinguish among three different types of transactions: budget receipts, offsetting collections, and borrowing.

Budget receipts are composed of all those collections from the public that arise as a result of the exercise of the Government's sovereign powers to compel payment: essentially taxes and non-taxes (such as compulsory social insurance premiums).

Offsetting collections are payments from the public as a consequence of business-type transactions plus payments by the Government to itself.

Outlays are calculated as the sum of disbursements less offsetting collections.

Borrowing, on the other hand, is neither income nor an offset to spending, but is the principal means of financing deficits.

The Treasury proposal takes the form of user charges on the industry rather than taxes or borrowing. The proposal incorporates two distinct forms of stock to be sold to the industry. The first is $3 billion of non-voting capital stock, while the other is $8 to $12 billion of non-redeemable capital certificates. Both types of stock have the characteristics of an equity infusion and constitute offsetting collections—not borrowing. The FSLIC has total control of the funds and is not required to redeem the stock or the certificates. In fact, the plan is structured so that FSLIC will redeem only the non-voting capital stock, and that only if the FSLIC fund exceeds a certain reserve-to-deposit ratio. At the time the FSLIC issues stock, we plan to score the proceeds of these sales as offsetting collections to the FSLIC fund. If and when the capital stock is redeemed, we plan to score the redemption as obligations and outlays. Naturally, all dividend payments would be scored as obligations and outlays.

Let me cite examples of some similar budgetary accounting. One example is the recapitalization of the National Credit Union Share Insurance Fund (NCUSIF). Title VII of the Deficit Reduction Act of 1984 (P.L. 98-369) required all federally insured credit unions to make a deposit to the fund of 1 percent of their insured shares. As in the case of the FSLIC proposal, the NCUSIF has total control of the funds. Moreover, if a credit union terminates its Federal insurance and withdraws from the fund, the deposit is refunded to the extent that it has not been impaired through previous losses.

Another example of private ownership in a Federal enterprise is the Central Liquidity Facility (CLF). In order to become a member of the CLF, a credit union must purchase stock based on its asset size. The CLP pays an annual dividend on the stock. Members are free to withdraw from the CLP and may redeem their stock. We treat the purchase of stock as an offsetting collection and we score the payment of dividends and the redemption of stock as an obligation and an outlay.

The FSLIC recapitalization proposal is similar in nature to the NCUSIF and CLF capitalizations. Obviously the detailed financial arrangements differ in nature. Nevertheless, we conclude that because of the characteristics of the FSLIC stock issue, the proceeds from the sale of stock constitute an offsetting collection under our budget accounting principles.

Sincerely yours,

JOSEPH R. WRIGHT,
Deputy Director.●

By Mr. HEINZ (for himself, Mr. BRADLEY, and Mr. BURDICK):

S. 2492. A bill to amend title XIX of the Social Security Act to permit States, at their option, to provide Medicaid coverage for poor, elderly, or disabled individuals and to provide medical assistance for poor, Medicare beneficiaries in meeting Medicare cost-sharing requirements; to the Committee on Finance.

LOW-INCOME ELDERLY AND DISABLED MEDICAID AMENDMENTS

● Mr. HEINZ. Mr. President, I rise today to introduce the Low-Income Elderly Protection Amendments of 1986. I am pleased to be joined by Senators BRADLEY and BURDICK in support of this effort. More than 2 million elderly

in this Nation with incomes below the Federal poverty line are not covered by Medicaid. This bill will close this gaping hole in our health care system.

Health care is the window of vulnerability for the elderly and disabled poor in this country. Medicaid only covers about 36 percent of America's aged poor—leaving 2.2 million seniors with no Medicaid coverage. Medicare coverage is also inadequate for these seniors, covering less than half of the average health bill for the elderly. Seniors covered by Medicare incur significant out-of-pocket expenses before Medicare coverage begins, including Medicare deductibles and premiums which currently total $753 a year. Medicare also does not cover the costs of prescription drugs. It is not unusual for an elderly person with a common health problem like angina, diabetes, or arthritis to pay $50 or more every month for prescription drugs.

While Medicaid serves as supplementary health insurance coverage for 3.2 million very low-income Medicare beneficiaries, the elderly poor not covered by Medicaid are left with out-of-pocket costs ranging from one-fourth to one-third of their annual incomes. The result: Many low-income elderly cannot afford the health care they need.

Medicaid was created as the health care safety net for this Nation's poor, and, on average, it has served us very well. Medicaid provides supplementary Medicare coverage for 3.2 million seniors and purchases Medicare part B insurance for 2.3 million aged Medicaid beneficiaries. We can all take pride in the Medicare and Medicaid Programs and the standard of health care that these programs have helped maintain for most of the elderly in this country.

There are, however, 2.3 million elderly persons who do not fit into the averages and have been left out of the health care picture altogether. These vulnerable older and disabled persons lie just outside the safety net's reach. Their incomes are a few dollars too high to allow them to qualify for Medicaid under traditional income tests, but far too low to allow them to afford the health care they need.

They fall within a crack created by a quirk in the eligibility requirements for Medicaid. Eligibility for Medicaid is currently linked to eligibility for assistance under the AFDC or SSI programs, and the income levels for both these programs lie below the Federal poverty line. The Federal poverty line is currently $5,360 for a single person and $7,240 for a couple, or $447 per month for a single and $603 per month for a couple. The SSI income eligibility limit is $111 less than poverty—$336—per month for a single person and $199 less than poverty—$504—per month for a couple.

Under current law, the two primary ways a person can become eligible for Medicaid coverage are to be eligible for SSI cash payments, or to spend down to 133⅓ percent of the AFDC level under the medically needy category. All States must cover the "categorically needy"—generally persons receiving assistance under AFDC or SSI—under their Medicaid plans.

Aged and disabled persons whose incomes fall between the very low SSI level and the Federal poverty line, however, are required to impoverish themselves to the even lower SSI level before they can become eligible for health care coverage under Medicaid. For those 2.2 million seniors with incomes between the Federal and State poverty lines, adequate health care is a distant hope that can be achieved only after the grim spectre of further impoverishment.

Clearly, any member of our society who is at or below the Federal poverty line is already impoverished. Requiring additional impoverishment as a prerequisite to receiving adequate health care seems callous at best.

This legislation would turn the distant hope of adequate health care into a reliable fact of life for the elderly and disabled poor. By establishing a new categorically needy program for seniors and the disabled with incomes below the Federal poverty line, low-income seniors and the disabled would no longer be forced to spend down to an even more impoverished level for Medicaid eligibility and the Federal Government would provide matching payments for Medicaid coverage.

This bill would separate Medicaid eligibility from eligibility for SSI and AFDC, in effect saying that no matter how an individual's income relates to SSI or AFDC, if his income is at or below the Federal poverty rate, and if he is a senior or is disabled, he can be considered Medicaid eligible with Federal matching payments at the States' option.

The effect of the bill would be to provide Medicaid health care and prescription drug coverage to low-income elderly and the disabled; it would cover their Medicare premiums, deductibles for both Parts A and B services and coinsurance payments. Medicaid coverage for this population would also guarantee that physicians accept the Medicaid payment as payment in full, as Medicaid physicians are required to accept assignment.

Medicaid coverage for this population group is especially important since the elderly and disabled poor have large health care needs. Death rates among the elderly poor are 50-percent higher than for other Medicare beneficiaries. Despite their greater health needs, they receive 35-percent fewer physician visits, use 29-percent fewer prescription drugs, and are 18-percent less likely to be admitted to a hospital.

The costs of providing this vital health care coverage to this targeted group are low. The Congressional Budget Office has estimated that this legislation would cost a total of $144 million in the first full year of implementation—$79 million to the Federal Government, $65 million to the States.

For the first time, we would be giving States the flexibility to target their resources to provide health care to a specific, high-risk population. This legislation, which is being introduced in the House today by Congressman WAXMAN, the distinguished chairman of the Health and Environment Subcommittee of the Energy and Commerce Committee, is meant to go hand in hand with legislation introduced earlier this session by Senators CHILES and DURENBERGER. The Chiles and Durenberger bills would allow States to provide Medicaid coverage to pregnant women and children below the Federal poverty line.

The legislation Congressman WAXMAN and I are introducing today complements the Chiles/Durenberger bills, both of which I have cosponsored, by giving each State the option of providing Medicaid coverage to elderly and disabled poor after coverage has been provided to pregnant women and children below the poverty line in that State.

I sincerely hope my colleagues will join me in supporting this legislation, which has already been provided for in the House budget resolution. For the Federal Government, this bill represents a very small price tag. For 2.2 million elderly and disabled poor in this country, it represents nothing short of a distant hope come true.

Mr. President, I ask that the text of the bill be printed in full at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

"(A) who are 65 years of age or older or are disabled individuals (as determined under section 1614(a)(3)),

"(B) whose income (as determined under section 1612 for purposes of the supplemental security income program) does not exceed an income level established by the State consistent with paragraph (2)(A), and

"(C) whose resources (as determined under section 1613 for purposes of the supplemental security income program) do not exceed (except as provided in paragraph (2)(B)) the maximum amount of resources that an individual may have and obtain benefits under that program.

"(2)(A) The income level established under paragraph (1)(B) may not exceed—

"(i) 100 percent, or

"(ii) such lesser percent as the State establishes under subsection (h)(2)(A) as amended by section 2 of the Medicaid Infant Mortality Amendments of 1986),

of the nonfarm official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.

"(B) In the case of a State that provides medical assistance to individuals not described in section 1902(a)(10)(A) and at the State's option, the State may use under paragraph (1)(C) such resources level (which is higher than the level described in that paragraph) as may be applicable with respect to individuals described in paragraph (1)(A) who are not described in section 1902(a)(10)(A).".

S. 2492

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Low Income Elderly and Disabled Medicaid Amendments of 1986".

TITLE I—OPTIONAL COVERAGE OF ELDERLY AND DISABLED POOR FOR ALL MEDICAID BENEFITS

SEC. 101. ELIGIBILITY.

(a) CREATION OF NEW OPTIONAL CATEGORICALLY NEEDY GROUPS.—

(1) IN GENERAL.—Subsection (a)(10)(A)(ii) of section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended—

(A) by striking "or" at the end of subclause (VII),

(B) by striking the semicolon at the end of subclause (VIII) and inserting ", or", and

(C) by adding at the end the following new subclause:

"(IX) subject to subsection (l)(3), who are described in subsection (l)(1);".

(2) DESCRIPTION OF INDIVIDUALS.—Such section is further amended by adding at the end the following new subsection:

"(l)(1) Individuals described in this paragraph are individuals—

(b) REQUIREMENT OF COVERAGE OF CERTAIN PREGNANT WOMEN AND CHILDREN AND OTHER SPECIAL RULES.—Section 1902(1) of such Act, as added by subsection (a)(2), is further amended by adding at the end the following new paragraphs:

"(3) A State plan may not provide coverage for individuals under subsection (a)(10)(A)(ii)(IX) unless the plan provides coverage of some or all of the individuals described in subsection (h)(1) (as inserted by section 2(b) of the Medicaid Infant Mortality Amendments of 1986, H.R. 4630).

"(4) Notwithstanding subsection (a)(17), for individuals described in paragraph (1) who are covered under the State plan by virtue of subsection (a)(10)(A)(ii)(IX)—

"(A) the income standard to be applied is the income standard described in paragraph (1)(B), and

"(B) except as provided in section 1612(b)(4)(B)(ii), costs incurred for medical care or for any other type of remedial care shall not be taken into account in determining income.

Any different treatment provided under this paragraph for such individuals shall not, because of subsection (a)(17), require or permit such treatment for other individuals.".

SEC. 102. EFFECTIVE DATE.

The amendments made by this title shall apply to payments to States for calendar quarters beginning on or after July 1, 1987, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

TITLE II—OPTIONAL COVERAGE OF POOR MEDICARE BENEFICIARIES FOR MEDICARE COST-SHARING EXPENSES

SEC. 201. ELIGIBILITY.

(a) OPTIONAL COVERAGE OF QUALIFIED MEDICARE BENEFICIARIES FOR MEDICARE COST-SHARING.—Section 1902(a)(10) of the Social Security Act (42 U.S.C. 1396a(a)(10)) is amended—

(1) by striking "and" at the end of subparagraph (C),

(2) by inserting "and" at the end of subparagraph (D), and

(3) by inserting after subparagraph (D) the following new subparagraph:

"(E) at the option of a State but subject to subsection (1)(3), for making medical assistance available for medicare cost-sharing (as defined in section 1905(o)(3)) for qualified medicare beneficiaries described in section 1905(o)(1);".

(b) QUALIFIED MEDICARE BENEFICIARY DEFINED.—Section 1905 of such Act (42 U.S.C. 1396d) is amended by adding at the end the following new subsection:

"(o)(1) The term 'qualified medicare beneficiary' means an individual—

"(A) who is entitled to hospital insurance benefits under part A of title XVIII (including an individual entitled to such benefits pursuant to an enrollment under section 1818),

"(B) who, but for section 1902(a)(10)(E) and the election of the State, is not eligible for medical assistance under the plan,

"(C) whose income (as determined under section 1612 for purposes of the supplementary security income program) does not exceed an income level established by the State consistent with paragraph (2)(A), and

"(D) whose resources (as determined under section 1613 for purposes of the supplemental security income program) do not exceed (except as provided in paragraph (2)(B)) the maximum amount of resources that an individual may have and obtain benefits under that program.

"(2)(A) The income level established under paragraph (1)(C) may not exceed—

"(i) 100 percent, or

"(ii) such lesser percent as the State establishes under subsection (h)(2)(A) (as amended by section 2 of the Medicaid Infant Mortality Amendments of 1986),

of the nonfarm official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.

"(B) In the case of a State that provides medical assistance to individuals not described in section 1902(a)(10)(A) and at the State's option, the State may use under paragraph (1)(D) such resource level (which is higher than the level described in that paragraph) as may be applicable with respect to individuals described in paragraph (1)(A) who are not described in section 1902(a)—(10)(A).".

"(c) REQUIREMENT OF COVERAGE OF CERTAIN PREGNANT WOMEN AND CHILDREN AND OTHER SPECIAL RULES.—

(1) Requiring coverage of certain pregnant women and children and income standard to be used—Section 1902(1) of such Act, as added by section 101 of this Act, is amended—

(A) in paragraph (3), by inserting "or coverage under subsection (a)(10)(E)" after "subsection (a)(10)(A)(ii)(IX)", and

(B) by adding at the end of the following new paragraph:

"(5) Notwithstanding subsection (a)(17), for qualified medicare beneficiaries described in section 1905(c)(1)—

"(A) the income standard to be applied is the income standard described in section 1905(o)(1)(C), and

"(B) except as provided in section 1612(b)(4)(B)(ii), costs incurred for medical care or for any other type of remedial care shall not be taken into account in determining income.

Any different treatment provided under this paragraph for such individuals shall not, because of subsection (a)(17), require or permit such treatment for other individuals.".

(2) EFFECTIVE DATE OF BENEFITS.—Section 1902(e) of such Act is amended by adding at the end the following new paragraph:

"(6) If an individual is determined to be a qualified medicare beneficiary (as defined in section 1905(c)(1)), such determination shall apply to services furnished after the end of the month in which the determination first occurs. For purposes of payment to a State under section 1903(a), such determination shall be considered to be valid for an individual for a period of 12 months, except that a State may provide for such determinations more frequently, but not more frequently than once every 6 months for an individual.".

SEC. 202. BENEFITS.

(a) LIMITED, MEDICARE GAP-FILLING BENEFITS.—Section 1902(a)(10) of the Social Security Act (42 U.S.C. 1395a(a)(10)) is amended, in the matter after subparagraph (D)—

(1) by striking "and" before "(VI)" and inserting a comma,

(2) by inserting before the semicolon at the end the following: ", and (VII) the medical assistance made available to a qualified medicare beneficiary described in section 1905(c)(1) shall be limited to medical assistance for medicare cost-sharing (described in section 1905(o)(3)), subject to the provisions of subsection (m) and section 1916(b)".

(b) MEDICARE COST-SHARING DEFINED.—Section 1905(c) of such Act, as added by section 201(b), is amended by adding at the end the following:

"(3) The term 'medicare cost-sharing' means the following costs incurred with respect to a qualified medicare beneficiary:

"(A) Premiums under part B and (if applicable) under section 1818.

"(B) Deductibles and coinsurance described in section 1813.

"(C) The annual deductible described in section 1833(b).

"(D) The difference between the amount that is paid under section 1833(a) and the amount that would be paid under such section if any reference to '80 percent' therein were deemed a reference to '100 percent'.

Such term also may include, at the option of a State, premiums for enrollment of a qualified medicare beneficiary with an eligible organization under section 1876.".

(C) PAYMENT AMOUNTS.—Section 1902(a) of such Act, as amended by section 101 of this Act, is further amended by adding at the end the following new subsection:

"(m) In the case of medical assistance furnished under this title for medicare cost-sharing respecting the furnishing of a service or item to a qualified medicare beneficiary, the State plan may provide payment in an amount with respect to the service or item that results in the sum of such payment amount and any amount of payment made under title XVIII with respect to the service or item exceeding the amount that is

otherwise payable under the State plan for the item or service for eligible individuals who are not qualified medicare beneficiaries.".

(d) CONFORMING AMENDMENTS.—

(1) TREATMENT OF BENEFITS.—Section 1902(a)(10)(C) of such Act (42 U.S.C. 1396a(a)(10)) is amended, in the matter before clause (i), by inserting "or (E)" after "subparagraph (A)".

(2) PAYMENT OF MEDICARE PREMIUMS AND PART A DEDUCTIBLE.—Section 1903(a)(1) of such Act (42 U.S.C. 1396b(a)(1)) is amended—

(A) by inserting "deductible amounts under part A and" after "(including expenditures for",

(B) by inserting "(and, in the case of qualified medicare beneficiaries described in section 1905(o)(1), part A)" after "premiums under part B", and

(C) by striking "or (B)" and inserting "(B) are qualified medicare beneficiaries described in section 1905(o)(1), or (C)".

(3) TIMING OF BENEFITS.—Section 1905(a) of such Act (42 U.S.C. 1396d(a)) is amended, in the matter before subdivision (i), by inserting "or, in the case of a qualified medicare beneficiary described in section 1905(o)(1), if provided after the month in which the individual becomes such a beneficiary" after "makes application for assistance".

(4) COPAYMENTS.—

(A) Section 1902(a)(15) of such Act (42 U.S.C. 1396a(a)(15)) is amended by inserting "are not qualified medicare beneficiaries (as defined in section 1905(o))1)) but" after "older who".

(B) Subsections (a) and (b) of section 1916 of such Act (42 U.S.C. 1396o) are each amended by striking "section 1902(a)(10)(A)" and inserting "subparagraph (A) or (E) of section 1902(a)(10)".

SEC. 203. EFFECTIVE DATE.

The amendments made by this title apply to payments under title XIX of the Social Security Act for calendar quarters beginning on or after July 1, 1987, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.●

By Mr. STEVENS:

S. 2493. A bill to amend chapter 2 of title 39, United States Code, with respect to appointment, pay, and status of the Postmaster General and the Deputy Postmaster General, and for other purposes; to the Committee on Governmental Affairs.

APPOINTMENT, PAY, AND EXPENSES OF THE POSTMASTER GENERAL

Mr. STEVENS. Mr. President, I am today introducing legislation similar to that which will be introduced in the other body by my good friend, BILL FORD, Chairman of the House Post Office and Civil Service Committee, to allow once again for the Presidential appointment and Senate confirmation of the Postmaster General beginning in May of 1989. My bill would reestablish this Presidential responsibility prospectively.

Let me say at the outset that my introduction of this bill is not in any way meant to be a criticism of the current Postmaster General, Al Casey. Al has done an outstanding job in a very tough and short period of time. Al and his lovely wife, Ellie, are planning to return to Dallas, TX, this fall where he will become Professor Emeritis of the SMU Business School.

The goal of this legislation is to strengthen the position of the Postmaster General and the U.S. Postal Service. As a Cabinet member, the Postmaster General will be able to present to the President and the other heads of Federal departments the difficulties and problems faced by his department. The Postmaster General can be helpful in meeting the challenges facing the Cabinet day in and day out.

The appointment date of a Presidentially appointed Postmaster General was set for May of 1989 in order to take politics out of the selection as much as possible. I do not know who will be President in 1989 so there is no attempt to politicize this office.

In addition, this bill provides that the Postmaster General will become Chairman of the Board of Governors, that he shall appoint the Deputy Postmaster General, and that they both will become voting members of the Board of Governors. It just makes sense that the chief executive officer of the Postal Service also be the Chairman of the Board. It is also logical that the Postmaster General be able to select his chief deputy.

The U.S. Postal Service, one of the oldest and most important of all Federal services, is responsible for the transportation of letters and parcels to every corner of the Nation. To carry out this goal in the most efficient and least costly manner, we continue to need dedicated individuals in top management just as we need dedicated mail carriers, clerks, mechanics, and all the other 750,000 key postal workers throughout the Nation. This legislation will help us attract the very best top management possible.

Mr. President, I ask unanimous consent to have the bill printed at the end of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2493

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. APPOINTMENT, PAY, AND EXPENSES OF POSTMASTER GENERAL AND OTHER GOVERNORS OF POSTAL SERVICE; ANNUAL REPORT.

Section 202 of title 39, United States Code, is amended by striking out subsections (c) and (d) and inserting in lieu thereof the following:

"(c) The President shall appoint the Postmaster General, by and with the advice and consent of the Senate. The Postmaster General shall—

"(1) be a voting member of the Board of Governors; and

"(2) serve as Chairman of the Board of Governors; and

"(3) be paid at a rate equal to the annual rate of basic pay payable for positions at level I of the Executive Schedule, under section 5312 of title 5.

"(d) The Deputy Postmaster General shall—

"(1) be appointed by, and serve at the pleasure of, the Postmaster General;

"(2) be a voting member of the Board of Governors; and

"(3) be paid at a rate, as determined by the Postmaster General, not more than the annual rate of basic pay payable for positions at level II of the Executive Schedule, under section 5313 of title 5.

"(e) Each Governor (other than the Postmaster General and the Deputy Postmaster General) shall—

"(1) be paid basic pay at the rate of $10,000 per year;

"(2) in addition to basic pay, be paid $300 for each day on which such Governor attends an official meeting of the Board;

"(3) be reimbursed for actual expenses (including travel expenses) incurred in connection with attendance at official meetings of the Board.

The Board may conduct official meetings as often as may be necessary to carry out its functions under this title, but a Governor shall not be paid under paragraph (2) for more than 24 days in a calendar year.

"(f) Funds available to the Board shall be used only for essential activities of the Board. Expenses of the Board shall be paid from such funds only upon vouchers signed by the Chairman—

"(1) after a determination by the Chairman that such expenses are necessary, reasonable, and directly related to the functions of the Board; and

"(2) in the case of expenses of a Governor, after a determination by the Chairman that such expenses are incurred in the performance of official duties as a Governor.

Payments pursuant to the preceding sentence shall be audited at least annually by the Comptroller General under section 2008(a) of this title.

"(g) Not later than January 31 of each year, the Chairman of the Board of Governors shall submit to the President and to the Congress, with respect to the operations of the Board for the preceding calendar year, a report of—

"(1) the pay and reimbursed expenses of each Governor; and

"(2) all contracts and other agreements requiring payment from funds available to the Board or the Postal Service.".

SEC. 2. STATUS OF POSTMASTER GENERAL AND DEPUTY POSTMASTER GENERAL AS FULL VOTING MEMBERS OF THE BOARD OF GOVERNORS.

Section 202 of title 39, United States Code, as amended by section 1, is further amended—

(1) by striking out "Nine of the members, to be known as" in the second sentence of subsection (a) and inserting in lieu thereof the following: "Two of the Governors shall be the Postmaster General and the Deputy Postmaster General. The remaining 9";

(2) by striking out the third sentence of subsection (a);

(3) in the fourth sentence of subsection (a), by inserting after "The" the following: "nine";

(4) by striking out the fifth and sixth sentences of subsection (a);

(5) in the first sentence of subsection (b), by striking out "9 Governors" the first place it appears and inserting in lieu thereof "Governors (other than the Postmaster

General and the Deputy Postmaster General)";

(6) in the second sentence of subsection (b), by inserting after "Any" the following: "such"; and

(7) in the third sentence of subsection (b), by striking out "A Governor" and inserting in lieu thereof "Any such Governor".

SEC. 3. TECHNICAL AMENDMENTS.

(a) DEFINITION.—Section 102 of title 39, United States Code, is amended by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) 'Governor' means the Postmaster General and the Deputy Postmaster General (each when acting in the capacity of a Governor), and each of the 9 additional Governors appointed by the President under section 202(a).

(b) REPEAL OF OBSOLETE VOTING PROVISION.—Subsection (c) of section 205 of title 39, United States Code, is amended by striking out "except—" and all that follows through the end of the subsection and inserting in lieu thereof "except as otherwise provided in this title.".

SEC. 4. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on May 15, 1989.

By Mr. BRADLEY (for himself, Mr. HEINZ, and Mr. GLENN):

S. 2494. A bill to amend title XVIII of the Social Security Act to modify the limitations on payment for home health services under the medicare program to conform to regulations; to assure that all legitimate costs are taken into account in calculating such limitations; to provide affected parties an opportunity to comment on revisions in medicare policies; and to require discharge planning procedures; to the Committee on Finance.

MEDICARE HOME HEALTH CARE IMPROVEMENT

● Mr. BRADLEY. Mr. President, I rise today to introduce the Medicare Home Health Care Improvement Act of 1986. Joining me in introducing this legislation are the Senators from Pennsylvania [Mr. HEINZ] and Ohio [Mr. GLENN]. This bill attempts to ensure that elderly individuals who need home care services receive them. It does so by stopping the Health Care Financing Administration from arbitrarily restricting home care services financed by Medicare.

Mr. President, the Congress has consistently supported efforts to expand home care services—in part to meet the needs of the growing number of people who need some level of care after their discharge from the hospital. Last month I held a Senate Aging Committee hearing in New Jersey to find out from Medicare recipients and health care providers just how well the Medicare home health care programs are working. One message came through loud and clear. The Health Care Financing Administration, through a variety of administrative mechanism, has made it very difficult—and frequently impossible—for elderly patients to receive the home care services that they need and are entitled to under Medicare. I found out that in New Jesey there has been an actual reduction in the number of patients being accepted for home care and a significant increase in the number of patients being denied Medicare coverage for home care services. This is simply not acceptable. I heard story after story from elderly New Jerseyans who are caring for even older patients, siblings or spouses about their frustrations with HCFA. And health care providers reported vastly differing decisions from HCFA on substantially similar cases.

This hearing led me to the inescapable conclusions that people with real needs are not being helped as they should be by Medicare. It is clear that we need legislation to stop HCFA from unilaterally and arbitrarily restricting eligibility for home care services. This legislation does just that.

In 1983, in an attempt to control rapidly increasing hospital costs, Congress enacted a new prospective method utilizing diagnosis related groupings, or DRG's, to reimburse hospitals for their care of Medicare patients. The DRG system provides an incentive for hospitals to reduce the length of a hospital stay to only that period of time where a patient requires acute care. This means that some people leave the hospital sicker and quicker than in the past.

There is nothing wrong with reducing the length of a hospital stay so long as a patient has access to a less intensive level of care after their stay in the hospital setting. Indeed, when services in hospitals are cut back, there is an obvious need to increase the availability of home care services to fill that gap. And that is exactly what we have seen over the past few years—the proportion of patients leaving the hospital that are receiving home care services has expanded fairly rapidly in recent years.

Mr. President, Medicare has always provided limited reimbursement for home care. A person is eligible for Medicare coverage if he or she meets the following criteria:

In need of skilled nursing care—in other words, sick enough to need medical care as distinguished from personal care alone.

In need of intermittent, as opposed to daily, care—in other words, not too sick to need full time care.

The patient must be homebound—in other words, so sick as to be unable to leave the home for any period of time.

Except for hospice patients, the patient must have rehabilitative potential—in other words, not in need of long-term custodial care.

But the hearings in New Jersey and other reports from around the country indicate that individuals meeting these criteria are not receiving needed home care.

That is the reason we are introducing this legislation today. This legislation does three things:

First, the bill mandates discharge planning. Currently, many elderly beneficiaries are being discharged from hospitals without adequate planning for their home care needs. The bill requires all hospitals to develop a discharge plan for their patients that evaluates the patients' likely need for appropriate home care services and the availability of those services. All health care facilities would be required to develop a discharge plan for all in-hospital patients as well as patients scheduled for ambulatory, or out-patient surgery.

Second, the bill stops HCFA from circumventing the regulatory process. Over the past few months, HCFA has unilaterally promulgated major policy changes through written and verbal directives and manuals, rather than through the regulatory process. This gives the public little or no opportunity to comment on changes in policy. My legislation ends that practice and requires HCFA to comply with the Federal Administrative Procedures Act. This would ensure that policy changes are only instituted through the normal regulatory process, which will permit a thorough review of changes in policy by Congress and the general public.

Third, the bill stops HCFA from arbitrarily restricting reimbursement for various home care services. HCFA recently established a new policy that limits reimbursement levels for each type of home care service, including skilled nursing services, physical therapy and social work services. These policies severely restrict the capacity of home care agencies to provide a full range of services to meet the need for services in their particular communities. The bill prohibits HCFA from establishing separate cost limits and allows home care agencies to continue to combine costs in order to better meet the needs in their community. In addition, the bill requires HCFA to take into account all legitimate costs when it establishes reimbursement for home care services.

Mr. President, we are all too aware that the present system of Medicare reimbursement for home care is totally geared toward post-acute care rather than long-term care. For many years I have tried to get the Senate to focus on the need to expand home care services to include long-term care. I will not give up that fight. But that is a fight for another day. Today, I am asking my colleagues to take important and needed actions to make sure that elderly, sick Americans receive the post-acute care Medicare home care benefits that Congress intended them to have. This bill goes a long way

to protecting older Americans in need of care.

I ask unanimous consent that a copy of the bill appear in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2494

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

(a) SHORT TITLE.—This Act may be cited as the "Medicare Home Health Care Improvement Act of 1986."

SECTION 101. MODIFYING LIMITS ON PAYMENT FOR HOME CARE SERVICES

(a) CONFORMING AMENDMENT—Section 1861(v)(1)(L) of the Social Security Act is amended by striking out "the 75th percentile" and all that follows through "as the Secretary may determine." and inserting in lieu thereof "for cost reporting periods beginning on or after—

"(i) July 1, 1985, and before July 1, 1986, 120 percent,

"(ii) July 1, 1986, and before July 1, 1987, 115 percent, or

"(iii) July 1, 1987, 112 percent,

of the mean of the labor-related and nonlabor per visit costs for free standing home health agencies. Such limitations shall be applied on an aggregate basis for the agency, rather than on a discipline specific basis, with appropriate adjustment for administrative and general costs of hospital-based agencies".

(b) CALCULATION OF PER VISIT COSTS—In determining per visit costs pursuant to clauses (ii) and (iii) of section 1861(v)(1)(L) of the Social Security Act, the Secretary shall take into account all costs to be incurred by home health agencies in the cost reporting period to which such clause (ii) or (iii), as the case may be, applies, including: costs attributable to increases in the intensity of home health services that have occurred as a result of decreases in the duration of the hospital stays of home health patients and the increased use of home health services as an alternative to admission to a hospital; the costs attributable to the startup costs of relatively new agencies; and the costs attributable to the implementation and the ongoing administration of billing and coverage verification procedures.

(c) GAO REPORT.—The Comptroller General shall study and report to Congress, not later than December 31, 1986, on the appropriateness and impact on beneficiaries of applying the per visit cost limits for home health services under the medicare program on a discipline-specific basis, rather than on an aggregate basis for all home health services furnished by an agency, and the appropriateness and impact on beneficiaries of the percentages specified in subsection (a).

(d) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to cost reporting periods beginning on or after July 1, 1985. The amendment made by subsection (b) shall apply to cost reporting periods beginning on or after January 1, 1987.

SECTION 201. PROVIDING GREATER PUBLIC COMMENT

(a) Section 1871 of the Social Security Act is amended by adding the following:

"Such regulations shall be subject to general notice, publication and opportunity for comment to the same extent as rule making which is subject to the provisions of 5 U.S.C. 553; provided, however, that the provisions of such section 553 which afford special treatment for interpretative rules, general statements of policy and statements of policy shall not be applicable. For purposes of the preceding sentence, the term "regulations" shall mean any statement which initiates, clarifies or otherwise modifies a policy or procedure or its application and which can be expected to have a significant effect on individuals who are entitled to benefits under this title or any institution, agency or other party from whom such individuals obtain health services or items."

(b) The amendment made by subsection (a) shall apply to policy issued on and after July 1, 1986.

SEC. 301. REQUIRING HOSPITALS TO PROVIDE DISCHARGE PLANNING PROCESS.

"(a) REQUIREMENT AS CONDITION OF PARTICIPATION.—Section 1861(e)(6) of the Social Security Act (42 U.S.C. 1395x(e)(6)) is amended—

(1) by inserting "(A)" after "(6)", and

(2) by inserting before the semicolon at the end the following: "and (B) has in place a discharge planning process that meets the requirements of subsection (ee)".

(b) DISCHARGE PLANNING PROCESS.—Section 1861 of such Act is further amended by adding at the end the following new subsection:

"DISCHARGE PLANNING PROCESS

"(ee)(1) A discharge planning process of a hospital shall be considered sufficient if it is applicable to services furnished by the hospital to individuals entitled to insurance benefits under this title and if it meets the guidelines and standards established by the Secretary under paragraph (2).

"(2) The Secretary shall develop guidelines and standards for the discharge planning process in order to ensure a timely and smooth transition to the most appropriate type of and setting for post-hospital or rehabilitative care. The guidelines and standards shall include the following:

"(A) The hospital must identify, at an early stage of hospitalization, those patients who are likely to suffer adverse health consequences upon discharge in the absence of adequate discharge planning.

"(B) Hospitals must provide a discharge planning evaluation for patients identified under subparagraph (A) and for other patients upon the request of the patient, patient's representative, or patient's physician.

"(C) Any discharge planning evaluation must be made on a timely basis to ensure that appropriate arrangements for post-hospital care will be made before discharge and to avoid unnecessary delays in discharge.

"(D) A discharge planning evaluation must include an evaluation of a patient's likely need for appropriate post-hospital services and the availability of those services.

"(E) The results of a discharge planning evaluation must be made available to the patient (or the patient's representative) and the patient's physician for use in establishing an appropriate discharge plan.

"(F) Upon the request of a patient's physician, the hospital must arrange for the development and initial implementation of a discharge plan for the patient.

"(G) Any discharge planning evaluation or discharge plan required under this paragraph must be developed by, or under the supervision of, a registered professional nurse, social worker, or other appropriately qualified personnel."

(c) COVERAGE.—The discharge planning process shall be undertaken for all patients admitted to the hospital, including patients scheduled for ambulatory surgery.

(1) The third sentence of section 1832(a)(2)(F)(i) is amended as follows: between "safety," and "and" add "standards with respect to discharge planning as defined in section 1861."

(2) Section 1832(a)(2)(F)(ii) is amended after Section III by adding the following new subsection: "IV. All patients receive adequate discharge planning services, as defined in section 1861."

(d) EFFECT OF ACCREDITATION.—The second sentence of section 1865(a) of such Act (42 U.S.C. 1395bb(a)) is amended—

(1) by inserting ", requires a discharge planning process (or imposes another requirement which services substantially the same purpose)," after "the same purpose)", and

(2) by inserting "clause (A) or (B) of" after "comply also with".

(e) EFFECTIVE DATE.—The requirements of section 1861(ee) of the Social Security Act shall apply to agreements entered into with hospitals, under section 1866 of the Social Security Act, on or after one year after the date of the enactment of this Act.●

● Mr. HEINZ. Mr. President, it gives me great pleasure to join with my distinguished colleagues, Senators BRADLEY and GLENN, in introducing a bill which will address three of the difficult problems Medicare beneficiaries face in getting the home health care they need.

This legislation, which consolidates several provisions from bills I have introduced earlier, would require: First, the Health Care Financing Administration to fairly and adequately pay for home health services, second, that hospitals provide Medicare beneficiaries with discharge planning services as a prerequisite for participation in the Medicare Program, and third, that HCFA provide public notices in the Federal Register of transmittals and guidelines issued by the agency that have a significant effect on Medicare policy.

This legislation is needed for the very simple and well-documented reason that, partly as a result of the Medicare prospective payment system, Medicare beneficiaries are being discharged from hospitals sooner and in greater need of care after leaving the hospital than ever before. From October 1, 1983, when the prospective payment system was implemented, to March 31, 1985, hospital discharges to home health care increased by 37 percent. Discharges to skilled nursing facilities increased similarly. This means that by the end of the first calendar quarter of 1985, more than 50,000 additional patients were being discharged yearly to skilled nursing facilities and home health care than had been discharged to these same providers at the beginning of PPS.

This increase in use of post-hospital services directly follows the intent of Congress in passing the Medicare prospective payment system. The idea behind the prospective payment legis-

lation was to provide incentives for Medicare patients to be cared for in the least costly, most appropriate health care settings, and to encourage use of skilled nursing facilities and home health care as substitutes for more costly hospital inpatient care.

We are clearly seeing these incentives change the way health care is delivered in this country and the increased use of home health care is one indication of this change. At the same time that increased use of home health care is encouraged under PPS, however, the Health Care Financing Administration is working to prevent any increased use of the Medicare home health benefit. Health care is like a balloon, Mr. President. If we squeeze down on the acute end, the sick have to find care at the posthospital end. Squeezing down on both ends, as HCFA would like to do, gives seniors in need of health care no where to go.

This legislation would work on three fronts to ensure that seniors can get the home health care they need. First, Medicare patients will not be able to get home health care if HCFA does not adequately reimburse for these important services. To ensure adequate xayment, this bill borrows provisions concerning home health reimbursement that were agreed to by both Houses of the Congress and originally included in the Consolidated Omnibus Budget Reconciliation Act of 1985. These provisions, which I introduced last year as amendments to the reconciliation bill, were unfortunately dropped from the bill as finally signed into law at the administration's request.

These provisions would allow HCFA to impose slightly decreasing payment levels for home health care services, but would allow home health agencies to aggregate their payments—be paid on a lump-sum basis for the different services they provide, rather than being paid individually for each separate service. The legislation would also require HCFA to develop its payment levels based on the most recent cost data available, adequately adjusted for changes that have occurred as the result of PPS, costs attributable to the startup costs of new home health agencies, and costs attributable to the new, time-consuming billing and review procedures HCFA has imposed on health agencies in the last year.

Second, discharge planning is the vital element to assure that Medicare beneficiaries will actually find their way to the home health care they need. Proper discharge planning provided in hospitals before the patient is discharged can help evaluate the patient's needs, and, taking into account his and his family's wishes, can help match patients with posthospital providers to care for the patient after discharge.

Using language from S. 2331, the Medicare Quality Protection Act which I introduced last month with Congressman STARK, this bill would require that hospitals have a meaningful discharge planning process to aid Medicare patients as they move through the health care system.

Third, home health and other Medicare providers are finding that the rules of the Medicare game are ever changing and open to interpretation. Currently, Medicare regulations are exempt from the requirement of public notice and comment under the Administrative Procedures Act. While DHHS currently follows APA requirements for regulations on a voluntary basis, I believe we need to make this voluntary agreement a legal requirement to ensure that Medicare beneficiaries and providers continue to receive this important information.

In addition, I believe HCFA/DHHS transmittals, guidelines, and program instructions to fiscal intermediaries should also be subject to public notice under the APA. This bill would require published notice in the Federal Register of the issuance of any Medicare communication that would have the effect of changing Medicare policy, including the name and phone number of the HCFA contract responsible for the issuance. HCFA often uses these guidelines and transmittals to institute important changes in Medicare policy, such as its interpretation of "intermittent" care.

Currently, information about part B changes can only be found in a private, costly journal, unavailable to many providers and senior advocates. Last year, the Federal Register published 112,000 pages. This requirement, which would add only public notice, not publication of the full text to the Register, would add an estimated 70 pages a year—not an overwhelming burden on the Federal Government, and certainly a small price to pay for informed beneficiaries and an openly run Federal health care program.

I have long advocated bringing the Medicare Program under the Administrative Procedures Act and am pleased to have this provision included in this bipartisan legislation.

These three elements—fair home health care payments, adequate and proper discharge planning, and an openly run Federal health care program—are vital to ensuring that the price for heavyhanded cost containment on both ends of the health care spectrum is not paid for by the deterioration of the health and well-being of our Nation's elderly.

I urge my colleagues to support this legislation that will restore quality and access to a pendulum that has swung too far in the direction of cost cutting.●

By Mr. KENNEDY:

S. 2495. A bill to amend the Food Stamp Act of 1977, the Child Nutrition Act of 1966, and the National School Lunch Act to improve the availability of benefits under such acts, to provide for a program for nutrition monitoring and research, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

HUNGER RELIEF ACT

● Mr. KENNEDY. Mr. President, some chapters in the war on poverty have been bright additions to our national history, and, until 1981, the war on hunger was a bright page. The other America was discovered in the early 1960's, and perhaps the most shocking fact about the destitution that we discovered in our midst was that millions of Americans were without enough to eat. Doctors in some clinics were prescribing food for their patients—food that their patients could not afford. The Food Stamp Program was launched as a pilot program by President Kennedy, the first public step in a long-term national commitment to eradicate hunger in America.

That program and others proved to be effective, and they were expanded to meet the need. A Harvard School of Public Health Task Force reported in 1967 that there was widespread starvation in this country, but that by 1977, we had largely succeeded in ending hunger and malnutrition, chiefly because of effective Government action.

In 1981, the Reagan administration enacted the broadest, deepest cuts in food programs in history—and then adopted economic policies that sent unemployment into double digits. The result was inevitable, foreseeable, and cruel. I saw it first hand in 1983 when I visited four cities and rural Kentucky to explore the extent of American hunger. In 1985, the Harvard physicians returned to the field and this is what they found:

> Perhaps never in the past half century has hunger in this Nation spread so rapidly. It returned because programs which virtually ended hunger in the past decade have been weakened.

At the same time that hunger was returning to America, famine swept Africa. I traveled with my family to Ethiopia and the Sudan and saw the pain of the people and children of Africa. The world reached out to them, and an unprecedented relief effort turned the tide for famine; 7 million lives were saved. Of that effort, the world and the people of this country are justly proud.

But there remains a crisis here in America. Millions of Americans and their children are without enough to eat. Many of the same people who worked to saves lives in Africa have turned their energies to restore hope

for millions at home. The hands across America event this Sunday will show the concern and commitment of Americans to the hunger that other Americans suffer. Their hands will reach from coast through desert, to cities and farms, and from hand to hand a bond will be forced against poverty, hunger, and neglect.

Today, I join my efforts with theirs in a new commitment to eliminate hunger in America. The goal is both achievable and affordable—we can reach it by December 1986, if we have the will to do so.

I am introducing today legislation to carry out that commitment by expanding the reach of the Food Stamp Program and feeding hungry children and elderly Americans. Congressman PANETTA has introduced a similar bill in the House of Representatives. We want Government to join hands with private citizens to end hunger in this country. Private efforts are vital, but they are no substitute for public action. I hope that the administration will join me in this commitment and I hope that my colleagues in the Senate will work with me to enact the Hunger Relief Act of 1986.

THE HUNGER RELIEF ACT OF 1986: A 12-POINT PLAN

1. BASIC FOOD STAMP BENEFITS

Add $400 million per year (2½% increase per year) to the thrifty food plan with the ultimate aim of moving to the low cost food plan as the basis for the Food Stamp Program.

2. SHELTER DEDUCTION

Raise the shelter deduction from $147 to $175 to make up for the loss in indexing when the adminstration froze it in 1981.

3. ELDERLY MEDICAL DEDUCTION

Liberalize the medical deduction for the elderly to set the threshold at 5% of gross income or $35, whichever is less, to respond to increasing copayments and deductions in both private medical insurance and Medicare.

4. ASSET LIMITS

Raise the asset limits to correspond with the President's Task Force on Hunger recommendations.

$2,250 for nonelderly households.
$3,500 for elderly households.
$5,500 for automobiles.

5. OUTREACH

Restore the Federal 50% matching funds for States who opt to provide food stamp outreach services.

6. CHILD SUPPORT DISREGARD

Exempt the first $50 a month paid in child support from counting against food stamps to make the Food Stamp Program consistent with AFDC.

7. CHILD NUTRITION: BREAKFAST AND LUNCH

Increase the Federal reimbursement for school breakfasts to help defray the cost of maintaining and improving the nutritional quality of breakfast.

Return the cost of reduced price breakfasts to pre-1981 status of 15¢ from current 30¢.

Return the cost of reduced price lunch to pre-1981 status of 25¢ from current 40¢.

8. CHILD CARE FOOD PROGRAM

Increase the reimbursement rate for child care breakfasts by 5¢.

Return a meal or snack (provider's choice) to the program. The administration cut both a meal and a snack in 1981 from the program.

9. WIC

Increase WIC funding by $550 million over 3 years. This will add 380,000 eligible women, infants, and children to the program.

ELDERLY NUTRITION

Increase authorization levels for congregate and home-delivered meals and elderly feeding commodities programs.

Increase the temporary emergency food assistance program [TEFAP] authorization level.

11. NUTRITION EDUCATION

Increase the authorization levels for the major nutrition education programs as follows:

Increase the expanded food and nutrition program by $15 million.

Add $5 million to the authorization level for the community food and nutrition program.

Add $10 million to the authorization level for nutrition education training in schools.

NUTRITION MONITORING

Enact the National Nutrition Monitoring and Related Services Act.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2495

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Hunger Relief Act of 1986".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title and table of contents.

TITLE I—GENERAL FOOD AND NUTRITION PROGRAMS

Sec. 101. Food stamp program.
Sec. 102. Temporary emergency food assistance program.
Sec. 103. Food, nutrition, and consumer education program.

TITLE II—SPECIAL FOOD AND NUTRITION PROGRAMS FOR CHILDREN, WOMEN, AND THE ELDERLY

Sec. 201. School breakfast program.
Sec. 202. School lunch program.
Sec. 203. Child care food program.
Sec. 204. Special supplemental food program for women, infants, and children (WIC).
Sec. 205. Nutrition education and training program.
Sec. 206. Older Americans programs.
Sec. 207. Commodity supplemental food program.
Sec. 208. Community food and nutrition program.

TITLE III—NUTRITION MONITORING AND RELATED RESEARCH

Subtitle A—General Provisions

Sec. 301. Short title.
Sec. 302. Purposes.
Sec. 303. Definitions.

Subtitle B—Nutrition Monitoring and Related Research

Sec. 310. Establishment of Coordinated Program.
Sec. 311. Functions of the Secretaries.
Sec. 312. Development of Comprehensive National Nutrition Monitoring and Related Research Plan.
Sec. 313. Implementation of the Comprehensive Plan.
Sec. 314. Scientific research and development in support of Coordinated Program and Comprehensive Plan.
Sec. 315. Authorization of appropriations.

Subtitle C—National Nutrition Monitoring Advisory Council

Sec. 320. Establishment of the Council.
Sec. 321. Functions of the Council.

Subtitle D—Dietary Guidance

Sec. 330. Establishment of dietary guidelines.

TITLE IV—EFFECTIVE DATES

Sec. 401. Effective dates.

TITLE I—GENERAL FOOD AND NUTRITION PROGRAMS

SEC. 101. FOOD STAMP PROGRAM.

(a) ADJUSTMENT OF COST OF THRIFTY FOOD PLAN.—The second sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

(1) by striking out "and (8) on October 1, 1985, and each October 1 thereafter", and inserting in lieu thereof "(8) on October 1, 1985, and October 1, 1986"; and

(2) by inserting after "size" the last place it appears the following: "; and (9) on October 1, 1987, and each October 1 thereafter, increase the cost of such diet by the sum of 2.5 percent and any increase in the cost of the thrifty food plan for the 12 months ending the preceding June 30 and round the result to the nearest lower dollar increment for each household size, except that the cost of the thrifty food plan as so increased may not exceed the cost of the low cost food plan for such household size".

(b) EXCLUSION OF CERTAIN CHILD SUPPORT PAYMENTS FROM INCOME.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (d), by amending clause (13) to read as follows: "(13) any child support payments received with respect to one or more dependent children, but not in excess of $50 per month"; and

(2) by striking out subsection (m).

(c) DEDUCTION FOR EXCESS SHELTER EXPENSE.—The proviso to the fourth sentence of section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended—

(1) by striking out "$147" and inserting in lieu thereof "$175"; and

(2) by striking out "$256, $210, $179, and $109" and inserting in lieu thereof "$305, $250, $213, and $130".

(d) DEDUCTION FOR EXCESS MEDICAL EXPENSES OF THE ELDERLY AND DISABLED.—Clause (A) of the last sentence of section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking out "$35 a month" and inserting in lieu thereof "the lesser of $35 a month or 5 percent of monthly household income after any exclusions and before any deductions provided for in this section".

(e) LIMITATION ON RESOURCES.—Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended—

(1) in the first sentence, by striking out "$2,000" and all that follows through

"$3,000" and inserting in lieu thereof "$2,250 or, in the case of a household that consists of or includes a member who is 60 years of age or older, $3,500"; and

(2) in the second sentence, by striking out "$4,500" and inserting in lieu thereof "$5,500".

(f) PUBLIC INFORMATION.—

(1) OUTREACH ACTIVITIES.—Section 11(e)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(1)(A)) is amended by inserting after "funds provided under this Act" the following: "except for activities, implemented at the discretion of the State agency, that provide program information (including program eligibility and benefit guidelines) to unemployed, disabled, or elderly persons who apply, or may be eligible, for participation in the program".

(2) ADMINISTRATIVE COSTS.—The first sentence of section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended by striking out "and (4) fair hearings" and inserting in lieu thereof "(4) fair hearings, and (5) activities providing program information to unemployed, disabled, or elderly persons".

(g) AUTHORIZATION OF APPROPRIATIONS.—The second sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking out "$13,936,000,000" and all that follows through "1990" and inserting in lieu thereof the following: "$14,700,000,000 for the fiscal year ending September 30, 1987; $15,500,000,000 for the fiscal year ending September 30, 1988; $16,300,000,000 for fiscal year ending September 30, 1989; and $16,900,000,000 for the fiscal year ending September 30, 1990".

(h) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall submit, to the Speaker of the House of Representatives and the President pro tempore of the Senate, a report containing an evaluation of the budgetary and administrative consequences under the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) that would result from calculating the value of the financial resources (including licensed vehicles) of households for purposes of determining eligibility to participate in the program solely on the basis of the amount of equity such households have in such resources.

SEC. 102. TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM.

Section 204(c)(1) of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended—

(1) by striking out "$50,000,000 for each of the fiscal years" and inserting in lieu thereof "$55,000,000 for the fiscal year", and

(2) by inserting "$70,000,000 for the fiscal year ending" after "1986, and".

SEC. 103. FOOD, NUTRITION, AND CONSUMER EDUCATION PROGRAM.

Section 1588(a) of the Food Security Act of 1985 (7 U.S.C. 3175e(a)) is amended—

(1) by striking out "$6,000,000" and inserting in lieu thereof "$21,000,000"; and

(2) by striking out "$8,000,000" and inserting in lieu thereof "$23,000,000".

TITLE II—SPECIAL FOOD AND NUTRITION PROGRAMS FOR CHILDREN, WOMEN, AND THE ELDERLY

SEC. 201. SCHOOL BREAKFAST PROGRAM.

(a) REDUCED PRICE BREAKFASTS.—Section 4(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)) is amended—

(1) in paragraphs (1)(B) and (1)(C), by striking out "30" each place it appears and inserting in lieu thereof "15"; and

(2) in paragraph (2)(C), by striking out "30" and inserting in lieu thereof "15".

(b) ADDITIONAL FUNDING TO IMPROVE SCHOOL BREAKFAST PROGRAM MEAL PATTERN.—Section 4(b) of the Child Nutrition Act of 1966 is amended by adding at the end thereof the following new paragraph:

"(3)(A) Except as provided in subparagraph (B), the Secretary shall increase by 5 cents the annual adjusted payment for each breakfast served under this Act and section 17 of the National School Lunch Act (42 U.S.C. 1766) to assist States in improving the nutritional quality of such breakfasts, to the extent feasible.

"(B) The Secretary shall increase by 10 cents the annual adjusted payment for each breakfast served to a child qualifying for a free or reduced-price breakfast at schools that are in severe need.".

(c) REVIEW OF NUTRITION REQUIREMENTS.—

(1) REVIEW.—The Secretary of Agriculture shall review and revise the nutrition requirements for meals served under the school breakfast program established under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) to improve the nutritional quality of such meals, taking into consideration both the findings of the National Evaluation of School Nutrition Programs and the need to provide increased flexibility in meal planning to local school food service authorities.

(2) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall promulgate regulations to implement such revisions.

SEC. 202. SCHOOL LUNCH PROGRAM.

(a) INCREASE IN FEDERAL REIMBURSEMENT FOR REDUCED PRICE MEALS.—Section 11(a)(2) of the National School Lunch Act (42 U.S.C. 1759a(a)(2)) is amended by striking out "40" and inserting in lieu thereof "25".

(b) CONFORMING AMENDMENT.—The third sentence of section 9(b)(3) of the National School Lunch Act (42 U.S.C. 1758(b)(3)) is amended by striking out "40" and inserting in lieu thereof "25".

SEC. 203. CHILD CARE FOOD PROGRAM.

Section 17(f)(2)(B) of the National School Lunch Act (42 U.S.C. 1766(f)(2)(B)) is amended by striking out "two meals and one supplement" and inserting in lieu thereof "two meals and two supplements or three meals and one supplement".

SEC. 204. SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC).

(a) LIMITED STATE ENTITLEMENT.—Section 17(g) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g)) is amended—

(1) by inserting "(1)" after "(g)";

(2) in paragraph (1) (as so designated), by striking out the first sentence and inserting in lieu thereof in lieu thereof the following new sentence: "For fiscal years 1987, 1988, 1989, there are authorized to be appropriated, and the Secretary shall pay to each State agency, such sums as may be necessary to provide supplemental foods, nutrition services, administration, and such other programs, services, and activities as are authorized for eligible women, infants, and children under this section, except that the amount appropriated under this sentence may not exceed $1,750,000,000 for fiscal year 1987, $1,850,000,000 for fiscal year 1988, and $1,950,000,000 for fiscal year 1989."; and

(3) by inserting after paragraph (1) (as so designated) the following new paragraph:

"(2) Each State agency shall be entitled to payment under this section for each fiscal year in an amount equal to the allocation of the State agency (as determined under subsections (h)(2) and (i)) of the authorization levels specified in paragraph (1).".

(b) CONFORMING AMENDMENT.—The second sentence of section 17(a) of the Child Nutrition Act of 1966 is amended by striking out ", up to the authorization levels set forth in subsection (g) of this section,".

SEC. 205. NUTRITION EDUCATION AND TRAINING PROGRAM.

Section 19(j)(2) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(j)(2)) is amended—

(1) in the first sentence, by striking out "ending on or before September 30, 1984,"; and

(2) in the second sentence, by striking out "$5,000,000" and inserting in lieu thereof "$15,000,000".

SEC. 206. OLDER AMERICANS PROGRAMS.

(a) CONGREGATE NUTRITION SERVICES.—Section 303(b)(1) of the Older Americans Act of 1965 (42 U.S.C. 3023(b)(1)) is amended by striking out "$395,000,000" and inserting in lieu thereof "$425,000,000".

(b) HOME DELIVERED NUTRITION SERVICES.—Section 303(b)(2) of the Older Americans Act of 1965 (42 U.S.C. 3023(b)(2)) is amended by striking out "$75,600,000" and inserting in lieu thereof "$95,600,000".

(c) AVAILABILITY OF SURPLUS COMMODITIES.—Section 311(c)(1)(A)(i) of the Older Americans Act of 1965 (42 U.S.C. 3030a(c)(1)(A)(i)) is amended by striking out "$144,000,000" the last place it appears and inserting in lieu thereof "$154,000,000".

SEC. 207. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

Section 5(f) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended by inserting in lieu thereof "for mothers, infants, and children and for low-income elderly persons" after "sites for the program".

SEC. 208. COMMUNITY FOOD AND NUTRITION PROGRAM.

Section 618A(b) of the Community Services Block Grant Act (42 U.S.C. 9910a(b)) is amended by inserting in lieu thereof "and $5,000,000 for fiscal year 1987" after "1986".

TITLE III—NUTRITION MONITORING AND RELATED RESEARCH

Subtitle A—General Provisions

SEC. 301. SHORT TITLE.

This title may be cited as the "National Nutrition Monitoring and Related Research Act of 1986".

SEC. 302. PURPOSES.

It is the purpose of this title—

(1) to make more effective use of Federal and State expenditures for nutrition monitoring;

(2) to enhance the performance and benefits of current Federal nutrition monitoring and related research activities;

(3) to establish and facilitate the timely implementation of a coordinated National Nutrition Monitoring and Related Research Program and thereby establish a scientific basis for the maintenance and improvement of the nutritional status of the United States population and the nutritional quality of the United States food supply;

(4) to establish and implement a comprehensive National Nutrition Monitoring and Related Research Plan to assess on a continuing basis the dietary and nutritional status and trends of the United States population, the state-of-the-art, future monitoring and related research priorities, and the relevant policy implications;

(5) to establish and improve national nutritional and health status data and related

data bases and networks, and to stimulate research necessary to develop uniform indicators, standards, methodologies, technologies, and procedures for nutrition monitoring;

(6) to establish a central Federal focus for the coordination, management, and direction of Federal nutrition monitoring activities;

(7) to establish mechanisms for addressing the nutrition monitoring needs of Federal, State, and local governments, the private sector, scientific and engineering communities, health care professionals, and the public in support of the objectives described in paragraphs (1) through (6); and

(8) to provide for the conduct of such scientific research and development as may be necessary or appropriate in support of such objectives.

SEC. 303. DEFINITIONS.

As used in this title:

(1) INTERAGENCY BOARD FOR NUTRITION MONITORING AND RELATED RESEARCH AND BOARD.—The terms "Interagency Board for Nutrition Monitoring and Related Research" and "Board" mean the Federal coordinating body established by section 310(c).

(2) JOINT IMPLEMENTATION PLAN FOR A COMPREHENSIVE NATIONAL NUTRITION MONITORING SYSTEM.—The term "Joint Implementation Plan for a Comprehensive National Nutrition Monitoring System" means the plan of that title submitted to the Congress in September 1981 by the Department of Agriculture and the Department of Health and Human Services, pursuant to section 1428 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3178).

(3) LOCAL GOVERNMENT.—The term "local government" means a local general unit of government or local educational unit.

(4) NATIONAL NUTRITION MONITORING ADVISORY COUNCIL AND COUNCIL.—The terms "National Nutrition Monitoring Advisory Council" and "Council" mean the advisory body established by section 320.

(5) NUTRITION MONITORING AND RELATED RESEARCH.—The term "nutrition monitoring and related research" means the set of activities necessary to provide timely information about the role and status of factors that bear on the contribution that nutrition makes to the health of the United States population, including—

(A) dietary, nutritional, and health status measurements;

(B) food consumption measurements;

(C) food composition measurements and nutrient data banks;

(D) dietary knowledge and attitude measurements; and

(E) food supply and demand determinations.

(6) NATIONAL NUTRITION MONITORING AND RELATED RESEARCH PLAN AND COMPREHENSIVE PLAN.—The terms "National Nutrition Monitoring and Related Research Plan" and "comprehensive plan" mean the comprehensive plan established by section 312.

(7) NATIONAL NUTRITION MONITORING AND RELATED RESEARCH PROGRAM AND COORDINATED PROGRAM.—The terms "National Nutrition Monitoring and Related Research Program" and "coordinated program" mean the coordinated program established by section 310(a).

(8) SECRETARIES.—The term "Secretaries" means the Secretary of Agriculture and the Secretary of Health and Human Services acting jointly.

Subtitle B—Nutrition Monitoring and Related Research

SEC. 310. ESTABLISHMENT OF COORDINATED PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—There is established a 10-year coordinated program, to be known as the National Nutrition Monitoring and Related Research Program, to carry out the purpose of this title.

(b) IMPLEMENTATION.—The Secretaries shall be responsible for the implementation of the coordinated program.

(c) ESTABLISHMENT OF BOARD.—

(1) IN GENERAL.—To assist in implementing the coordinated program, there is established an Interagency Board for Nutrition Monitoring and Related Research.

(2) CHAIRPERSONS.—An Assistant Secretary in the Department of Agriculture (designated by the Secretary of Agriculture) and an Assistant Secretary in the Department of Health and Human Services (designated by the Secretary of Health and Human Services) shall act as joint chairpersons of the Board.

(3) REMAINING MEMBERSHIP.—The remaining membership of the Board shall consist of additional representatives of Federal agencies, as considered appropriate by the joint chairpersons of the Board.

(4) MEETINGS.—The Board shall meet no less often than once every 3 months.

(d) ADMINISTRATOR.—

(1) IN GENERAL.—To establish a central focus and coordinator for the Nutrition Monitoring and Related Research Program, the Secretaries may appoint a full-time Administrator of Nutrition Monitoring and Related Research.

(2) APPOINTMENT.—The Administrator shall be—

(A) an individual who is eminent in the field of nutrition monitoring and related areas; and

(B) be selected on the basis of the established record of expertise and distinguished service of the individual.

(3) DUTIES.—The Administrator shall—

(A) administer the coordinated program with the advise and counsel of the joint chairpersons of the Board;

(B) serve as the focal point for the coordinated program; and

(C) serve as the Executive Secretary for the National Nutrition Monitoring Advisory Council.

SEC. 311. FUNCTIONS OF THE SECRETARIES.

(a) IN GENERAL.—The Secretaries, with the advice of the Board, shall—

(1) establish the goals of the coordinated program, identify the activities required to meet such goals, and identify the responsible agencies;

(2) update and integrate the Joint Implementation Plan for a Comprehensive National Nutrition Monitoring System into the coordinated program;

(3) assure the timely implementation of the coordinated program and the comprehensive plan established under section 312;

(4) include in the coordinated program and the comprehensive plan a competitive grants program in accordance with this title, to encourage and assist the conduct, by Federal and non-Federal entities on an appropriate matching funds basis, of research (including research described in section 312(a)(3)) that will accelerate the development of uniform and cost-effective standards and indicators for the assessment and monitoring of nutritional and dietary status and for relating food consumption patterns to nutritional and health status;

(5) include in the coordinated program and the comprehensive plan a grants program, in accordance with this title, to encourage and assist State and local governments in developing the capacity to conduct monitoring and surveillance of nutritional status, food consumption, and nutrition knowledge and in using such capacity to enhance nutrition services (including activities described in sections 312(a)(5) and 312(b)(9));

(6) include in the coordinated program an annual interagency budget for each fiscal year of the program;

(7) foster productive interaction between Federal efforts, State and local governments, the private sector, scientific communities, health professionals, and the public;

(8) contract with a scientific body, such as the National Academy of Sciences or the Federation of American Societies for Experimental Biology—

(A) to interpret available date analyses; and

(B) every 2 years, or more frequently if appropriate, to publish a report on the dietary, nutritional, and health-related status of the population of the United States and the nutritional quality of the national food supply;

(9) foster cost recovery management techniques; and

(10) impose appropriate charges and fees for publications of the coordinated program, including print and electronic forms of data and analysis, and utilize the proceeds of such charges and fees for purposes of the program (except that no such charge or fee imposed on an educational or other nonprofit organization shall exceed the actual costs incurred by the program in providing the publication or publications involved).

(b) ANNUAL REPORTS.—The Secretaries shall submit to the President for transmittal to the Congress by January 15 of each year an annual report that shall—

(1) evaluate the progress of the program under this title;

(2) summarize the results of such program components as are developed under section 312;

(3) analyze the dietary, nutritional, and related health status of the United States population, the nutritional quality of the national food supply, the relevant policy implications of the findings, and future nutrition monitoring and related research priorities;

(4) include in full the annual report of the Council as specified in section 321; and

(5) include an executive summary of the report most recently published by the scientific body specified in subsection (a)(8).

SEC. 312. DEVELOPMENT OF COMPREHENSIVE NATIONAL NUTRITION MONITORING AND RELATED RESEARCH PLAN.

(a) DESIGN.—The Secretaries, with the advice of the Board, shall prepare and implement a comprehensive plan for the coordinated program that shall be designed—

(1) to assess, collate, analyze, and report on a continuous basis the dietary and nutritional status and trends of the United States population (dealing with such status and trends separately in the case of preschool and school-age children, pregnant and lactating women, elderly individuals, low-income populations, blacks, Hispanics, and other minorities as appropriate), the state-of-the-art, future monitoring, and related research priorities, and relevant policy implications of the findings;

(2) to assess, analyze, and report on a continuous basis, for a representative sample of

the low-income population, food and household expenditures, participation in food assistance programs, and periods experienced when resources were not sufficient to provide an adequate diet;

(3) to sponsor or conduct research necessary to develop uniform indicators, standards, methodologies, technologies, and procedures for conducting and reporting nutrition monitoring and surveillance;

(4) to develop and update a national dietary and nutritional status data bank, a nutrient data bank, and other data resources as required;

(5) to assist State and local agencies in developing procedures and networks for nutrition monitoring and surveillance; and

(6) to focus the relevant activities of the Federal agencies.

(b) COMPONENTS.—The comprehensive plan shall, at a minimum, include components to—

(1) maintain and coordinate the National Health and Nutrition Examination Survey (NHANES) and the Nationwide Food Consumption Survey (NFCS);

(2) provide by 1990 for the continuous collection, processing, and analysis of nutritional and dietary status data through a stratified probability sample of the United States population designed to permit statistically reliable estimates of high-risk groups and geopolitical and geographic areas and to permit accelerated data analysis (including annual analysis, as appropriate);

(3) maintain and enhance other Federal nutrition monitoring efforts such as the Centers for Disease Control Nutrition Surveillance Program and the Food and Drug Administration Total Diet Study, and, to the extent possible, coordinate such efforts with the surveys described in paragraphs (1) and (2);

(4) incorporate, in the survey design, military and (where appropriate) institutionalized populations;

(5) complete the analysis and interpretation of NHANES and NFCS data sets collected prior to 1984 within the first year of the comprehensive plan;

(6) improve the methodologies and technologies, including those suitable for use by States and localities, available for the assessment of nutritional and dietary status and trends;

(7) develop uniform standards and indicators for the assessment and monitoring of nutritional and dietary status, for relating food consumption patterns to nutritional and health status, and for use in the evaluation of Federal food and nutrition intervention programs;

(8) establish national baseline data and procedures for nutrition monitoring;

(9) provide scientific and technical assistance, training, and consultation to State and local governments for the purpose of obtaining dietary and nutritional status data and developing related data bases and networks to promote the development of regional, State, and local data collection services to become an integral component of a national nutritional status network;

(10) establish mechanisms to identify the needs of users of nutrition monitoring data and to encourage the private sector and the academic community to participate in the development and implementation of the comprehensive plan and contribute relevant data from non-Federal sources to promote the development of a national nutritional status network;

(11) compile an inventory of Federal, State, and nongovernment activities related to nutrition monitoring and related research;

(12) focus on national nutrition monitoring needs while building on the responsibilities and expertise of the individual membership for the Board;

(13) administer the coordinated program, define program objectives, priorities, oversight, responsibilities, outcomes, and resources, and define the organization and management of the Board and the Council; and

(14) provide a mechanism for periodically evaluating and refining the coordinated program and the comprehensive plan that facilitates cooperation and interaction by State and local governments, the private sector, scientific communities, and health care professionals, and that facilitates coordination with non-Federal activities.

(c) ALLOCATION OF FUNCTIONS.—The comprehensive plan shall—

(1) allocate all of the projected functions and activities under the coordinated program among the various Federal agencies and offices that will be involved; and

(2) contain an affirmative statement and description of the functions to be performed and activities to be undertaken by each of such agencies and offices in carrying out the coordinated program.

(d) SUBMISSION OF PLAN.—The comprehensive plan—

(1) shall be submitted in draft form to the President for submission to the Congress, and for public review, within 12 months after the date of enactment of this Act;

(2) shall be available for public comment for a period of 60 days after submission in draft form under paragraph (1) by means of publication in the Federal Register;

(3) shall be submitted in final form, incorporating such needed revisions as may arise from comments received during the review period, to the President for submission to the Congress within 60 days after the close of the period allowed for comments on the draft comprehensive plan under paragraph (2); and

(4) shall constitute the basis on which each agency participating in the coordinated program requests authorizations and appropriations for nutrition monitoring and related research during the 10-year period of the program.

(e) APPROPRIATIONS.—Nothing in this section shall be construed as modifying, or as authorizing the Secretaries or the comprehensive plan to modify, any provision of an Act appropriating funds (or any other provision of law relating to the use of appropriated funds) that specifies—

(1) the department or agency to which funds are appropriated; or

(2) the obligations of such department or agency with respect to the use of such funds.

SEC. 313. IMPLEMENTATION OF THE COMPREHENSIVE PLAN.

(a) IN GENERAL.—

(1) IMPLEMENTATION.—The comprehensive plan shall be—

(A) carried out during the period ending with the close of the ninth fiscal year following the fiscal year in which the comprehensive plan is submitted in its final form under section 312(d)(3);

(B) carried out in accord with, and meet the program objectives specified in, section 312(a) and paragraphs (1) through (11) of section 312(b);

(C) managed in accord with paragraphs (12) through (14) of section 312(b);

(D) carried out, by the Federal agencies involved, in accord with the allocation of functions and activities under section 312(c); and

(E) funded by appropriations that shall be made to such agencies pursuant to section 315 for each fiscal year of the program.

(2) OVERSIGHT.—The Congress through its appropriate authorizing committees shall exercise continuing oversight over the coordinated program, taking into account the annual reports of the Secretaries and such other information and data as may be developed.

(b) REGULATORY AUTHORITY.—Nothing in this subtitle shall be deemed—

(1) to grant any new regulatory authority;

(2) to limit, expand, or otherwise modify any regulatory authority under existing law; or

(3) to establish new criteria, standards, or requirements for regulation under existing law.

SEC. 314. SCIENTIFIC RESEARCH AND DEVELOPMENT IN SUPPORT OF COORDINATED PROGRAM AND COMPREHENSIVE PLAN.

The Secretaries shall provide for and coordinate the conduct, by the National Science Foundation, the National Aeronautics and Space Administration, the National Oceanic and Atmospheric Administration, the National Bureau of Standards, and other suitable Federal agencies, of such scientific research and development as may be necessary or appropriate in support of the coordinated program and the comprehensive plan and in furtherance of the purposes and objectives of this title.

SEC. 315. AUTHORIZATION OF APPROPRIATIONS.

(a) APPROPRIATIONS.—

(1) REQUESTS.—Authorizations and appropriations for the fiscal year in which the comprehensive plan is submitted in final form under section 312(d)(3) and for each of the 9 succeeding fiscal years, for purposes of carrying out the coordinated program and implementing the comprehensive plan, shall be requested by the Secretaries and by each of the agencies that are allocated responsibilities under the coordinated program pursuant to section 312(c), in a separate line item of the budget of the agency involved and consistent with the interagency budget for the coordinated program.

(2) 3-YEAR BASIS.—To the maximum extent feasible such appropriations shall be provided on a 3-year basis, subject to annual authorization Acts.

(b) ADDITIONAL FUNDS.—Nothing in this subtitle is intended either—

(1) to authorize the appropriation or require the expenditure of any funds in excess of the amount of funds that would be authorized or expended for the same purposes in the absence of the coordinated program; or

(2) to limit the authority of any of the participating agencies to request and receive funds for those purposes (for use in the coordinated program) under other laws.

Subtitle C—National Nutrition Monitoring Advisory Council

SEC. 320. ESTABLISHMENT OF THE COUNCIL.

(a) IN GENERAL.—

(1) ESTABLISHMENT.—The President shall establish, within 90 days after the date of enactment of this Act, a National Nutrition Monitoring Advisory Council.

(2) DUTIES.—The Council shall—

(A) assist in carrying out the purposes of this title;

(B) provide scientific and technical advice on the development and implementation of the coordinated program and comprehensive plan; and

(C) serve in an advisory capacity to the Secretaries.

(3) COMPOSITION.—The Council shall consist of 11 voting members, of whom—

(A) 7 members shall be appointed by the President; and

(B) 4 members shall be appointed by the Congress, of whom—

(i) one member shall be appointed by the Speaker of the House of Representatives;

(ii) one member shall be appointed by the minority leader of the House of Representatives;

(iii) one member shall be appointed by the President pro tempore of the Senate; and

(iv) one member shall be appointed by the minority leader of the Senate.

(4) NONVOTING MEMBERS.—The Council shall also include the joint chairpersons of the Board as ex officio nonvoting members.

(b) GENERAL APPOINTEES.—The persons appointed to the Council—

(1) shall be eminent in the fields of administrative dietetics, clinical dietetics, community nutrition research, public health nutrition, nutrition monitoring and surveillance, nutritional biochemistry, food composition and nutrient analysis, health statistics management, epidemiology, food technology, clinical medicine, public administration, health, education, nutritional anthropology, food consumption patterns, food assistance programs, agriculture, and economics; and

(2) shall be selected solely on the basis of established records of distinguished service.

(c) PRESIDENTIAL APPOINTEES.—The persons appointed to the Council by the President shall include—

(1) one member who is a director of a nutrition research unit that is primarily supported by Federal funds, and who has a specialized interest in nutrition monitoring;

(2) one member who is an employee of a State government and who has a specialized interest in nutrition monitoring;

(3) one member who is an employee of a local government and who has a specialized interest in nutrition monitoring; and

(4) one member who is an appointed representative of the Food and Nutrition Board of the National Academy of Sciences.

(d) REPRESENTATION.—The Council membership shall at all times have representatives from various geographic areas, the private sector, academia, scientific and professional societies, minority organizations, and public interest organizations.

(e) CHAIRPERSON.—

(1) ELECTION.—The Chairperson of the Council shall be elected from and by the Council membership.

(2) TERM OF OFFICE.—The term of office of the Chairperson shall not exceed 5 years.

(3) VACANCIES.—In case a vacancy occurs in the Chairpersonship, the Council shall elect a member to fill such vacancy.

(f) TERMS OF OFFICE.—

(1) IN GENERAL.—The term of office of each of the voting members of the Council shall be 5 years, except that of the 7 members first appointed by the President—

(A) 1 member shall be appointed for a term of 2 years;

(B) 3 members shall be appointed for a term of 3 years; and

(C) 3 members shall be appointed for a term of 4 years,

as designated by the President at the time of appointment.

(2) VACANCIES.—Any member elected to fill a vacancy occurring prior to the expiration of the term for which the predecessor of the member was appointed shall be elected for the remainder of such term.

(3) CONSECUTIVE TERMS.—No member shall be eligible to serve continuously for more than 2 consecutive terms.

(g) INITIAL APPOINTMENT.—Initial Council members shall be appointed or designated (without regard to the requirements of the Federal Advisory Committee Act) not later than 90 days after the date of enactment of this Act.

(h) MEETINGS.—

(1) IN GENERAL.—The Council shall meet on a regular basis at the call of the Chairperson, or on the written request of one-third of the members.

(2) QUORUM.—A majority of the appointed members of the Council shall constitute a quorum.

(i) FEDERAL EMPLOYMENT AND TRAVEL EXPENSES.—Appointed members of the Council—

(1) shall not be employed by the Federal Government; and

(2) shall be allowed travel expenses as authorized by section 5703 of title 5, United States Code.

(j) EXECUTIVE SECRETARY.—The Administrator of Nutrition Monitoring and Related Research (if appointed under section 310(d)) shall serve as the Executive Secretary of the Council.

SEC. 321. FUNCTIONS OF THE COUNCIL.

The Council shall—

(1) provide scientific and technical advice on the development and implementation of all components of the coordinated program and the comprehensive plan;

(2) evaluate the scientific and technical quality of the comprehensive plan and the effectiveness of the coordinated program;

(3) recommend to the Secretaries, on an annual basis, means of enhancing the comprehensive plan and the coordinated program; and

(4) submit to the Secretaries an annual report that shall—

(A) contain the components specified in paragraphs (2) and (3); and

(B) be included in full in the annual report of the Secretaries to the President for transmittal to the Congress as specified in section 311(b).

Subtitle D—Dietary Guidance

SEC. 330. ESTABLISHMENT OF DIETARY GUIDELINES.

(a) IN GENERAL.—The Secretaries shall issue and publish basic dietary guidelines for the general population based on scientific knowledge and the dietary patterns and nutritional status of the population.

(b) REVIEW OF OTHER DIETARY GUIDELINES.—

(1) SUBMISSION.—Any Federal agency planning to issue basic dietary guidance for the general population shall submit the text of the proposed guidance to the Secretaries for review prior to release.

(2) COMPLETION DEADLINE.—The review process shall be completed within a period of 6 months after the proposed guidance is so submitted.

(3) NONISSUANCE WITHOUT APPROVAL.—Except as provided in paragraph (4), the guidance shall not be issued until the Secretaries have approved the proposed materials and notified the head of the agency of such approval.

(4) ISSUANCE WITHOUT OBJECTION.—If the Secretaries fail to express any objection within that 6-month period, the submitting agency may issue the dietary guidance.

TITLE IV—EFFECTIVE DATES

SEC. 401. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), this Act shall become effective on October 1, 1986.

(b) EXCEPTION.—Section 104 shall become effective on the date of enactment of this Act.●

By Mr. WALLOP (for himself, Mr. GRASSLEY, and Mr. DECONCINI):

S. 2496. A bill to authorize the President to award Congressional Gold Medals to Doctors Andrei Sakharov and Yelena Bonner for the great personal sacrifice they have made to further the causes of human rights and world peace; to the Committee on Banking, Housing, and Urban Affairs.

CONGRESSIONAL GOLD MEDALS TO ANDREI SAKHAROV AND YELENA BONNER

● Mr. WALLOP. Mr. President, today I am introducing a bill to authorize the President of the United States to award Congressional Gold Medals to Doctors Andrei Sakharov and Yelena Bonner for the great personal sacrifice they have made to further the causes of human rights and world peace. Companion legislation is being introduced in the House. It is my hope that this legislation can be moved quickly so that it may encourage and comfort Dr. Yelena Bonner on her long journey, beginning May 24, to rejoin her husband, Dr. Andrei Sakharov, in internal exile in the closed city of Gorky in the Soviet Union.

Mr. President, if there ever were two more obvious deserving candidates for these gold medals, they are Dr. Sakharov and Dr. Bonner. They are two of the most courageous fighters for freedom and human rights of our time. Dr. Bonner was a founding member of the Moscow Helsinki Accords Monitoring Group in 1976. That group has suffered unbearably for its legitimate battle with the Soviet leadership on behalf of human and civil rights in the U.S.S.R. All but two of its members have been sentenced, imprisoned, tortured, or banished, including Dr. Bonner herself.

Dr. Sakharov, a noted physicist, author, and humanitarian, won the Nobel Peace Prize in 1975 for his love of truth and strong belief in the inviolability of the human being, for his fight against violence and brutality, for his courageous defense of the freedom of the human spirit, and for his unselfishness and strong humanitarian convictions which turned him into the spokesman for the conscience of mankind.

This same human being now suffers internal exile in the Soviet Union, banished forever from the very mankind he so loves and under the sentence of a slow and inexorable death. I spoke out for him and his brave wife in my floor statement here earlier today. Many of my Senate colleagues

joined me in making eloquent statements in the Senate today about the Sakharovs and their freedom fight.

I think, Mr. President, that all of us can make no more fitting tribute to Dr. Sakharov's 65th birthday today, May 21, 1986, than to authorize President Reagan to award the Congressional Gold Medals to Dr. Andrei Sakharov and to his wife, Dr. Yelena Bonner.●

By Mr. SIMON (for himself and Mr. ROCKEFELLER):

S. 2497. A bill to provide for the collection of data regarding certain insurance matters, to make such data available to the States for use in making policy decisions and determinations with respect to the insurance industry, and for other purposes; to the Committee on Commerce, Science, and Transportation.

INSURANCE TREND FORECASTING ACT

● Mr. SIMON. Mr. President, there is a growing public realization that liability insurance is an essential financial service and that the market for this service lacks stability. In a short span of time, problems with the price and supply of commercial liability insurance have developed into a severe and perplexing national crisis. The effects of the crisis cut across virtually every sector of the economy, affecting several segments of American society, and have brought forth tumultuous outcries of public concern. Many hearings have been held and there has been an increase in legislative activity at both the State and Federal levels as policymakers grapple with finding solutions to this crisis.

The liability insurance crisis defies easy analysis and the quick-fix. The role of the Federal Government is unclear because tort law and insurance regulation—major components of this issue—have traditionally been left up to the States. The structural changes that may be necessary in both the insurance industry and the legal community will take considerable time, energy and study to work out.

One of the problems in attempting to deal with the crisis is a serious shortage of credible insurance data and information. Policymakers are reluctant to rely upon data supplied or interpreted by the insurance industry, or upon data assembled and analyzed in studies commissioned by parties with significant economic stakes in the issue. The Federal Establishment and the Congress have relatively little knowledge and expertise in the arcane complexities of the insurance industry.

The data shortage has been cited in nearly every congressional hearing which have focused on the liability insurance crisis. The insurance industry has repeatedly characterized themselves as an industry that thrives on data and statistics which they say they would be "happy to share" with lawmakers. The industry maintains, however, that lawmakers do not know what to ask for or how to ask for it. The fact is that policymakers have neither the human resources nor the requisite expertise to adequately analyze data and advise other lawmakers on the findings.

The bill that I introduced today directly addresses the data problem, and was formulated with little technical advice or input from the insurance industry. I expect criticism, but this should not deter our purpose to acquire and maintain an adequate insurance database and the requisite expertise to effectively analyze reported information. My intent is that this data base, which would be available to both State and Federal lawmakers, would assist State officials in regulating insurance industry operations and shed light on the relationship between the civil justice system and insurance rates.

An article in the May 20 edition of the Journal of Commerce states that the New York State Commission, investigating the liability insurance crisis, recently voted to recommend a "serious inquiry" into the merits of a greater Federal role in insurance, specifically in the collection of more detailed information on industry practices. This finding from the Nation's leading insurance regulatory power is most significant.

Frankly, we cannot duck this problem and hope that it will go away. Collecting and analyzing the hard data is necessary to bring sense and stability to the commercial liability insurance industry.

Mr. President, I ask unanimous consent that a summary and a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE INSURANCE TREND FORECASTING ACT OF 1986

The unavailability and unaffordability of liability insurance has captured the attention of government officials at all levels. Although the insurance industry is regulated at the state level, no responsible federal official can ignore the pleas of the public whose businesses are going under or who cannot send their children to play at the local playground because the park district cannot find affordable insurance. As I delved into this problem, I was struck by the lack of independent information available on how insurance is priced.

The Insurance Trend Forecasting Act of 1986 is designed to provide a database at the federal level to assist state officials in regulating the insurance industry. By setting up a central location in the Department of Commerce to receive and analyze data generated by the property/casualty insurance companies, state insurance directors will have more complete information in order to regulate more efficiently. While recognizing and promoting the principle of state regulation of the insurance industry, the Act also recognizes that a regulator in Illinois confronted by day-care center operators who cannot find liability insurance can act more swiftly and more effectively to stabilize price and coverage limits if he or she knows that day-care centers in West Virginia are also experiencing difficulty finding affordable liability insurance.

One of the most debated arguments in the insurance crisis is the link between our civil justice system and insurance rates. The Act provides a mechanism to define how important that relationship actually is. Among the reporting requirements are a series of questions regarding pay-outs, costs of settling a claim in court, out of court or in the regular course of business and the types of pay-outs made to a claimant. Also included in the reporting requirements are questions about the costs of a policy and the highest and lowest premiums charged. This information will then be analyzed by the Secretary and reported to the states and to Congress.

No specific insurance company will be named in the report of the Secretary to avoid both uncompetitive behavior and illogical analysis of data.

SECTION-BY-SECTION ANALYSIS OF THE INSURANCE TREND FORECASTING ACT OF 1986

This bill authorizes the collection and analysis of data generated by the property/casualty insurance industry to assist state officials in their capacity to regulate available and stable insurance markets. The data reported will also shed light on the relationship between the civil justice system and insurance rates. Lastly, the analysis of the data will fill a void in expertise that currently exists within the federal government.

Section 1 sets out that the short title of this bill as the "Insurance Trend Forecasting Act of 1986."

Section 2 states that the property/casualty insurance industry is crucial to the smooth functioning of our economy. Section 2 also notes that no coordinated and comprehensive data base of insurance or civil justice statistics exists. This section also finds that the information provided by this bill will assist state insurance regulators to stabilize insurance cycles.

Section 3 states the purposes of the act. The information collected and analyzed will be distributed to the states—the regulators of the industry. The states could regulate more thoroughly and efficiently by knowing if day care centers in one state are in the same situation as day care centers in another state. This section states that the Act will assist in determining the relationship between the civil justice system and insurance rates. This section also recognizes the need to create a reservoir of expertise for the federal government.

Section 4 explains the definition of terms used throughout the Act.

"Claims paid" is used to explain any payment that a property/casualty insurance company makes in the regular course of business, as a judgment made in court or as a settlement negotiated out of court.

The terms "commerical casualty insurance policy or policies" and "commercial property insurance policy or policies" mean policy or policies which insure commercial, nonprofit or governmental entities against covered property damage or injury occurring on their property or occurring as a result of their activities.

"Insurance company" means any entity which issues or administers any property/casualty insurance policy.

"Classification of business" means a business, nonprofit or governmental entity which has similar risk characteristics and is engaged in similar activity. For example, a classification of business could be amusement parks.

"Unit of exposure" means the common denominator used to measure risk. For example, if one policy covers ten day-care centers, then there are ten units of exposure.

"Reserves" means liabilities established and liabilities incurred but not reported for a future payment of a claim.

"Secretary" means the Secretary of Commerce.

"State" is defined to include the fifty states, the District of Columbia, Puerto Rico and other possessions of the United States.

Section 5 details the data that the Act requires the property/casualty insurance companies to report for the previous year. The reporting date conforms to the state reporting date of March 31 to promote efficiency for the companies. A property/casualty insurance company must report by state and by rating territory. For each class of business that they write, they will report the following:

The total amount of premiums earned and the total amount of premiums written;

The total number of units of exposure and what the standard was by which they determined risk;

The lowest and highest premiums charged per unit of exposure;

The lowest and highest coverage written per unit of exposure;

The total number and total amount of claims paid out per unit of exposure, a breakdown into monetary categories of the amount of all claims, and a breakdown into monetary categories of the amounts of types of economic and noneconomic damages for all claims adjudicated;

Total amount of direct legal costs and loss adjustment expenses incurred by the insurance company in a judicial proceeding and whether the insurance company prevailed;

The total number and amount of claims paid out per unit of exposure, a distribution by size of claim for all settlements negotiated out of court and expenses incurred;

The total amount of administrative overhead, in terms of underwriting expenses and claims adjustment expenses;

The average amount of reserves per unit of exposure;

The total amount of reserves in terms of liabilities incurred and liabilities incurred but not reported;

The percentage of units of exposure that a company wrote which were cancelled or were nonrenewed.

Clause 2 of section 5 asks the insurance companies to report increases in coverage of 25 percent or more, decreases in coverage of 15 percent or more, increase in premium for the same coverage of 25 percent or more and decreases in premium for the same coverage of 15% or more.

Clause 3 of section 5 asks for a report of all investment income earned and other information in order for the Secretary to evaluate whether the premium is adequate to pay losses.

Section 6 explains which information the Secretary will analyze and report. Without mentioning any property/casualty company by name, the information collected in section 5 will be compiled and reported. The analysis section of the Secretary's report will:

Analyze the difference in coverage and price for classes of business with similar characteristics by state, for example, a rural day care center in Illinois compared to a rural day care center in West Virginia;

Analyze the difference in claims paid by class of business by state;

An analysis of the relationship between claims paid for each class of business and the fluctuation or insurance coverage and rates.

The Secretary's report will be issued by September 30 and sent to the Governor of each state, the Mayor of the District of Columbia, Congress, the Comptroller General and the Director of the Congressional Research Service. Copies of the report will be available to the public.

Section 7 outlines that the penalty for failing to report or for falsification of data will be $300,000.

Section 8 states that the Secretary will issue regulations within ninety days of enactment of the Act. All information reported must be verified by an accredited and independent actuary.

Section 9 notes that the Secretary will work with all interested parties to issue a standard reporting form which will be available to the property/casualty company by writing to the Secretary. The reporting form will also be published in the Federal Register. All information reported to the secretary is confidential except as is necessary to publish the required report.●

● Mr. ROCKEFELLER. Mr. President, I am pleased to cosponsor S. 2497 the Insurance Trend Forecasting Act of 1986, with my colleague Senator SIMON. This bill requires the insurance industry to disclose a wide range of data to the Department of Commerce, which will in turn analyze that data and distribute it to the State insurance companies and to Congress.

I believe that the answer to the current insurance crisis is twofold. First, the tort system merits reforms at the Federal and State level. Second, the insurance industry must be held accountable for its practices. At present, it's impossible to adequately examine the insurance industries practices without an independent source of reliable, impartial, and accessible insurance data. Horror stories and anecdotes are not enough.

Insurance companies must admit that their recent disastrous financial results were in part due to their own mismanagement. Then, they must contribute hard facts to the tort reform debate, showing how specific reforms will control litigation and insurance costs.

Recent events in West Virginia have made it crystal clear to me that this data must be collected at the national level. Right now the West Virginia State Legislature is in special session, due to the rash and reprehensible actions of four major medical malpractice insurers in my State. The 1986 session of the West Virginia Legislature passed a bill which, among other provisions, requires data disclosure from the industry. The industry's response was to issue cancellation notices to over 7,000 West Virginia doctors and other professionals. The industry has decided to use West Virginia as an example to the Nation. Their message is loud and clear: We will abandon your State rather than disclose detailed information or submit to new State regulation.

It's easy for medical malpractice insurers to use West Virginia as their test case. After all, our State is small and we don't have many physicians. West Virginia is a miniscule percentage of their total sales. If a national data collection bill were passed, the industry could not walk away from it so easily. It would certainly be a lot tougher for the industry to stop sales of all insurance nationwide because they disliked the provisions in a bill.

As a member of the Senate Commerce Committee, to which this bill is being referred, I will be pushing for data disclosure on the part of industry. I know there's room for improvement in the bill I'm endorsing today. I am convinced, however, that the concept is right. There is a desperate need for reliable and independent information about insurance.

The States have played a lead role in the insurance area and I believe that should continue. The purpose of this bill is not for Congress to regulate insurance but we need to develop some expertise on this issue at the Federal level. By providing a mechanism to gather and analyze data to assist States in stabilizing insurance cycles, this bill will actually help prevent Federal regulation.

I welcome the opportunity to work with the insurance industry and other interested parties on this data disclosure bill. This kind of legislation is essential to solve the insurance crisis and to rebuild consumers' confidence in the insurance industry.●

By Mr. RIEGLE:

S. 2499. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to increase the benefit payable with respect to the death of a public safety officer, and for other purposes; to the Committee on the Judiciary.

PUBLIC SAFETY OFFICERS' DEATH BENEFITS AMENDMENTS

● Mr. RIEGLE. Mr. President, I rise today to introduce a bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to increase the benefit payable with respect to the death of a public safety officer. This legislation is identical to H.R. 4818 which was introduced by Representatives TRAXLER on May 13.

The Public Safety Officers Death Benefits Program was created in 1976. Under this program, all police officers who are killed in the line of duty, including sheriffs and correctional offi-

cers, receive a $50,000 death benefits for their survivors. This bill would increase the benefit to $100,000. The increase in the Death Benefits Program would be provided for by the establishment in the Treasury of a special fund, to be known as the "Public Safety Officers' Death Benefits Trust Fund." Each person convicted of a felony would pay $500 into the trust fund. Last year, $11.4 million was appropriated for the officers' Death Benefit Program. This amount would be easily covered by the trust fund concept to fund the increase.

As we recently celebrated National Police Week and Police Memorial Day, I think it is appropriate to introduce this legislation for the survivors of our law enforcement officers who are killed in the line of duty.

I urge all my colleagues to join me in supporting this legislation.●

By Mr. KENNEDY (for himself, Mr. WEICKER, Mr. PROXMIRE, Mr. SPECTER, Mr. BIDEN, Mr. SARBANES, Mr. CRANSTON, Mr. KERRY, Mr. LEVIN, Mr. BRADLEY, Mr. HART, Mr. RIEGLE, Mr. METZENBAUM, Mr. LEAHY, Mr. LAUTENBERG, Mr. HARKIN, and Mr. SIMON):

S. 2498. A bill to prohibit loans to, other investments in, and certain other activities with respect to, South Africa, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

ANTI-APARTHEID ACT

Mr. KENNEDY.

Mr. President, today, with Senator LOWELL WEICKER and 15 other Senators, I am introducing the Anti-Apartheid Act of 1986. This legislation is the next step in the worldwide struggle to end apartheid in South Africa.

If enacted into law, this legislation would accomplish the following:

It would prohibit any U.S. person from making any loan to any South African entity;

It would prohibit any U.S. person from making any new investment in South Africa;

It would prohibit any U.S. person from assisting in the exploration for, or the research, development, or production of new energy sources in South Africa;

It would prohibit any U.S. person from making any deposit in a South African bank;

It would prohibit South African banks from operating in the United States;

It would ban the importation of uranium, coal, and steel from South Africa;

It would prohibit any South African airline from landing in the United States;

It would require U.S. computer companies to divest their holdings inside South Africa unless certain conditions were met; and

It would provide for $25 million in assistance for community development projects for those disadvantaged by apartheid.

We introduce this legislation today to renew our effort to put the United States on the right side of history and justice in the struggle to end that evil system.

And we are introducing this legislation today—simultaneously on the floor of both the House and Senate—as a response to the true voice of South Africa's future. Last month, Bishop Desmond Tutu declared:

> I have no hope of real change from the South African government unless they are forced. We face a catastrophe in this land, and only the action of the international community by applying pressure can save us. Our children are dying. Our land is burning and bleeding, and so I call upon the international community to apply punitive sanctions against this government—to help us establish a new South Africa—non-racial, democratic, participatory and just.

The Anti-Apartheid Act of 1986 responds to Bishop Tutu's call by seeking a broad range of specific new American economic sanctions against South Africa. We appeal to the consciences of all Americans—Republicans and Democrats, young and old, black and white. It is time for us once again to make common cause with those South Africans who so courageously work for justice in their tortured and tormented land.

To those who see faint signs of progress and ask us to hold off, we say, "Read the morning headlines; talk to anyone in South Africa; open your eyes to the truth that the progress is too little and it may soon be too late."

Last year at this time, 70 South Africans were dying each month because of the violence of apartheid—and Congress responded. This year, that number has almost doubled—and Congress must respond again.

Last year at this time, there was trouble in Langa and in the townships of the Vaal Triangle. This year, every black township from Alexandra to the Eastern Cape is consumed with violence or ready to explode. The funerals we see today are a symbol of the all-consuming funeral that is coming for South Africa tomorrow if apartheid does not end.

Last year at this time, we urged the Government of South Africa to release Nelson Mandela and begin a dialog for a peaceful transition to majority rule. This year, Nelson Mandela is still in prison, and the dream of dialog is dashed.

True, President Botha has announced the end of the pass laws—and that is a hopeful step forward. But it pales beside the steps backward that are being taken every day: a new homeland is scheduled to be created in December; forced removals are relentlessly proceeding; blacks are still denied every fundamental political right; the bloodshed and brutality of apartheid are worsening with every passing month.

A year ago, the Reagan administration opposed sanctions against South Africa for as long as possible, until the administration's ineffective policy of "quiet diplomacy" and "constructive engagement" was repudiated by Congress as an embarrassment to America's ideals and to our role in the world.

We hope that the administration's reaction will be different in 1986. We had prepared this legislation well before South Africa's latest outrage—the raw military strikes this week against its three African neighbors. I urge the administration to reassess its preliminary statement that no further U.S. sanctions are called for, even after the raid. The sanctions we have are not strong enough—and the raid on South Africa's neighbors is now exhibit A in the case for strengthening them.

Let us work together in this country and with our friends and allies in other lands to halt the violence, cruelty and racism in South Africa. Passing this legislation alone will not end apartheid. But it is a signal to every other nation that the United States of America is ready to do more than we have done so far to end the nightmare of apartheid and bring justice to a new South Africa.

To Desmond Tutu and Alan Boesak and Beyers Naude, to Nelson Mandela and Winnie Mandela and all the others who live in the prison of apartheid, and to all the heroes and martyrs of the freedom struggle in South Africa, we say to you today, "We are with you—and, working together, we shall overcome."

I ask unanimous consent that the full text of the proposed legislation be inserted at this point in the RECORD, along with other statements of support.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2498

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Anti-Apartheid Act of 1986".

SEC. 2. PROHIBITIONS ON LOANS TO, NEW INVESTMENT IN, AND OTHER ACTIVITIES INVOLVING SOUTH AFRICA.

(a) PROHIBITIONS.—

(1) ON UNITED STATES PERSONS.—No United States person may, directly or through another person—

(A) make any loan or other extension of credit to, or provide funds for the purpose of making a loan or other extension of credit to, the Government of South Africa or any corporation, partnership, or other organization which is owned or controlled by the Government of South Africa, as deter-

mined under regulations which the President shall issue;

(B) otherwise make any investment in South Africa;

(C) contribute technology or technological information, training, or services of any kind to the exploration for, or the research, development, or production of, new, or to the expansion of existing, energy sources in, for, or on behalf of South Africa; or

(D) make any deposit in—

(i) a foreign bank which is organized under the law of South Africa or owned or controlled by South African nationals; or

(ii) a branch of a bank or foreign bank if that branch is located in South Africa.

(2) ON CERTAIN FOREIGN BANKS—(A) No foreign bank which is organized under the laws of South Africa or owned or controlled by South African nationals may establish or operate any branch or agency in the United States.

(b) EXCEPTION.—

(1) The prohibition contained in subsection (a)(1)(A) shall not apply to any loan or extension of credit for which an agreement is entered into before May 21, 1986.

(2) The prohibition contained in subsection (a)(1)(B) shall not apply to an investment which consists of earnings derived from a business enterprise in South Africa established before May 21, 1986, and which is made in that business enterprise.

(3) The prohibition contained in subsection (a)(1)(C) shall not apply with respect to a contract entered into before May 21, 1986.

SEC. 3. BAN ON IMPORTATION OF URANIUM, COAL, AND STEEL.

Notwithstanding any other provision of law, the following products of South Africa may not be imported into the United States: uranium ore, uranium oxide, coal, and steel.

SEC. 4. CONDITIONAL DIVESTITURE FROM COMPUTER INDUSTRY.

(a) PROHIBITIONS.—Unless the conditions set forth in subsection (b) are met within 12 months after the date of the enactment of this Act, then—

(1) effective 6 months after the end of that 12-month period, no United States person may, directly or indirectly, make or hold any investment in South Africa in a business enterprise that sells computers, computer software, or goods or technology intended to service computers; and

(2) no computers, computer software, or goods or technology intended to service computers may be exported, directly or indirectly, to South Africa.

(b) CONDITION.—The conditions referred to in subsection (a) are the following:

(1) The President certifies to the Congress that the Government of South Africa—

(A) has freed Nelson Mandela and all political prisoners, and has entered into good faith negotiations with truly representative leaders of the black majority for a new political system; or

(B) has totally dismantled the apartheid system.

(2) A joint resolution is enacted approving the President's certification.

(c) DEFINITION.—For purposes of subsection (a)(2), the term "computer" includes any computer that is the direct product of technology of United States origin.

(c) PROCEDURES FOR CONSIDERATION OF JOINT RESOLUTION.—

(1) REFERRAL OF JOINT RESOLUTION.—All joint resolutions introduced in the House of Representatives and the Senate shall be referred immediately to the appropriate committees.

(2) COMMITTEE DISCHARGE.—If the committee of either House to which a joint resolution has bmen referred has not reported it at the end of 30 days after its introduction, the committee shall be discharged from further consideration of the joint resolution or of any other joint resolution introduced with respect to the same matter.

(3) CONSIDERATION OF RESOLUTIONS.—A joint resolution under this subsection shall be considered in the Senate in accordance with the provisions of section 601(b)(4) of the International Security Assistance and Arms Export Control Act of 1976. For the purpose of expediting the consideration and passage of joint resolutions reported or discharged pursuant to the provisions of this subsection, it shall be in order for the Committee on Rules of the House of Representatives to present for consideration a resolution of the House of Representatives providing procedures for the immediate consideration of a joint resolution under this subsection which may be similar, if applicable, to the procedures set forth in section 601(b)(4) of the International Security Assistance and Arms Export Control Act of 1976.

(4) RECEIPT OF RESOLUTIONS FROM THE OTHER HOUSE.—if before the passage by one House of a joint resolution of that House, that House receives a joint resolution with respect to the same matter from the other House, then—

(A) the procedure in the House shall be the same as if no joint resolution had been received from the other House; but

(B) the vote on final passage shall be on the joint resolution of the other House.

(5) COMPUTATION OF LEGISLATIVE DAYS.—In the computation of the period of 30 days referred to in paragraph (2), there shall be excluded the days on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain or because of an adjournment of the Congress sine die

(6) JOINT RESOLUTION DEFINED.—For purposes of this subsection, the term "joint resolution" means a joint resolution the matter after the resolving clause of which is as follows: "That the Congress, having received on a certification by the President under section 4(b)(1) of the Anti-Apartheid Act of 1986, approves the President's certification.", with the date of the receipt of the certification inserted in the blank.

SEC. 5. ASSISTANCE FOR SOUTH AFRICA.

(a) AUTHORIZED ANNUAL AMOUNT OF ASSISTANCE.—In addition to any amount used for the Human Rights Fund for South Africa, up to $25,000,000 may be used each fiscal year for assistance for South Africa under the Foreign Assistance Act of 1961 and section 2(b) of the Migration and Refugee Assistance Act of 1962.

(b) USES OF ASSISTANCE.—Of the assistance authorized by subsection (a)—

(1) $4,000,000 shall be for refugee education assistance programs; and

(2) the remainder shall be for community development projects that are selected in consultation with truly representative leaders of South Africans disadvantaged by the apartheid system, that are under the leadership and control of such disadvantaged South Africans, and that are not conducted by or thorugh organizations in South Africa financed or controlled by the Government of South Africa.

(c) REPORTS.—Not later than the end of each calendar quarter, the President shall transmit to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate a report setting forth—

(1) the names and a description of the recipients of assistance that are described in subsection (b)(2);

(2) the amounts of assistance granted to each such recipient; and

(3) who was consulted in selecting such recipients.

(d) EFFECTIVE DATE.—This section shall apply with respect to assistance in fiscal year 1987 and thereafter.

SEC. 6. PROHIBITION ON LANDING RIGHTS OF SOUTH AFRICAN AIRCRAFT.

(a) PROHIBITION.—The Secretary of Transportation shall prohibit the takeoff and landing of any aircraft by an air carrier owned, directly or indirectly, by the Government of South Africa or by South African nationals.

(b) EXCEPTIONS FOR EMERGENCIES.—The Secretary of Transportation may provide for such exceptions from the prohibition set forth in subsection (a) as the Secretary considers necessary to provide for emergencies in which the safety of an aircraft or its crew or passengers are threatened.

(c) DEFINITIONS.—For purposes of this section, the terms "aircraft" and "air carrier" have the meanings given those terms in section 101 of the Federal Aviation Act of 1958 (49 U.S.C. App. 1301).

SEC. 7. REGULATORY AUTHORITY.

The President shall issue such regulations, licenses, and orders as are necessary to carry out this Act. The President shall issue such regulations not later than 90 days after the date of the enactment of this Act.

SEC. 8. ENFORCEMENT AND PENALTIES.

(a) AUTHORITY OF THE PRESIDENT.—Subject to subsection (b), the President shall take the necessary steps to ensure compliance with this Act and any regulations, licenses, and orders issued to carry out this Act, including establishing mechanisms to monitor compliance with this Act and such regulations, licenses, and orders. In ensuring such compliance, the President may conduct investigations, hold hearings, administer oaths, examine witnesses, receive evidence, take depositions, and require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to any matter under investigation.

(b) ENFORCEMENT OF PROHIBITION ON FOREIGN BANKS.—The Comptroller of the Currency, in the case of a Federal branch or agency, and the Board of Governors of the Federal Reserve System, in the case of any other branch or agency, shall take the necessary steps to ensure compliance with section 2(a)(2), including revoking any existing authority of any foreign bank subject to the prohibition in section 2(a)(2) to establish or operate a branch or agency in the United States.

(c) PENALTIES.—

(1) FOR PERSONS OTHER THAN INDIVIDUALS.—Any person, other than an individual, that knowingly violates the provisions of this Act or any regulation, license, or order issued to carry out this Act shall be fined not more than $500,000.

(2) FOR INDIVIDUALS.—Any individual who knowingly violates the provisions of this Act or any regulation, license, or order issued to carry out this Act shall be fined not more than $250,000, or imprisoned not more than 5 years, or both.

(d) ADDITIONAL PENALTIES FOR CERTAIN INDIVIDUALS.—

(1) IN GENERAL.—Whenever a person commits a violation under subsection (c)—

(A) any officer, director, or employee of such person, or any natural person in control of such person who willfully ordered, authorized, acquiesced in, or carried out the act or practice constituting the violation, and

(B) any agent of such person who willfully carried out such act or practice,

shall be fined not more than $250,000, or imprisoned not more than 5 years, or both.

(2) RESTRICTION ON PAYMENT OF FINES.—A fine imposed under paragraph (1) on an individual for an act or practice constituting a violation may not be paid, directly or indirectly, by the person committing the violation itself.

(e) SEIZURE AND FOREFEITURE OF AIRCRAFT.—Any aircraft used in connection with a violation of section 6 or any regulation, license, or order issued to carry out that section shall be subject to seizure by and forfeiture to the United States. All provisions of law relating to the seizure, forfeiture, and condemnation of articles for violations of the customs laws, the disposition of such articles or the proceeds for the sale thereof, and the remission or mitigation of such forfeitures shall apply to the seizures and forfeitures incurred, or alleged to have been incurred, under this subsection, insofar as such provisions of law are applicable and not inconsistent with the provisions of this Act; except that all powers, rights, and duties conferred or imposed by the customs laws upon any officer or employee of the Department of the Treasury shall, for purposes of this subsection, be exercised or performed by the Secretary of Transportation or by such persons as the Secretary may designate.

SEC. 9. NEGOTIATIONS; REPORTS TO CONGRESS.

The President shall, by means of both bilateral and multilateral negotiations, including through the United Nations, attempt to persuade the governments of other countries to adopt restrictions on activities with respect to South Africa consistent with the provisions of this Act. The President shall submit annual reports to the Congress on the status of negotiations under this section. Each such report shall include a description of—

(1) the extent to which other countries have adopted restrictions consistent with the provisions of this Act; and

(2) the extent to which nationals of those countries have complied with any such restrictions, or have taken actions to diminish the impact on South Africa of the provisions of this Act.

SEC. 10. REPORT TO CONGRESS WITH RESPECT TO DIVESTITURE; TERMINATION OF PROVISIONS OF ACT.

(a) REPORT BY THE PRESIDENT.—The President shall, after May 31, 1988, and before June 30, 1988, report to the Congress on whether the Government of South Africa has met the conditions set forth in subsection (d). If the President determines that the conditions have not been met, the President shall include in the report his recommendations as to whether United States persons should be required to divest themselves of their investments in South Africa.

(b) DETERMINATION OF MET CONDITIONS.—If the President determines, at any time after the report made under subsection (a), that the conditions set forth in subsection (d) have been met, the President may submit that determination, and the basis for the determination, to the Congress.

(c) CONGRESSIONAL ACTION TERMINATION PROVISIONS OF THE ACT—Upon the enactment of a joint resolution approving a determination of the President under subsection (a) or (b) that the conditions set forth in subsection (d) have been met, the provisions of this Act, and all regulations, licenses, and orders issued to carry out this Act, shall terminate.

(d) STATEMENT OF CONDITIONS.—The conditions referred to in subsections (a) and (b) are that the Government of South Africa—

(1) has freed Nelson Mandala and all political prisoners, and has entered into good faith negotiations with truly representative leaders of the black majority for a new political system; or

(2) has totally dismantled the apartheid system.

SEC. 11. DEFINITIONS.

(a) IN GENERAL.—Subject to subsection (b), for purposes of this Act—

(1) UNITED STATES PERSON.—The term "United States person" means any United States resident or national and any partnership, corporation, or other entity organized under the laws of the United States or of any of the several States, of the District of Columbia, or of any commonwealth, territory, or possession of the United States.

(2) INVESTMENT IN SOUTH AFRICA.—The term "investment in South Africa" means—

(A) a commitment of funds or other assets (in order to earn a financial return) to a business enterprise located in South Africa or owned or controlled by South African nationals, including—

(i) a loan or other extension of credit made to such a business enterprise, or security given for the debts of such a business enterprise;

(ii) the beneficial ownership or control of a share or interest in such a business enterprise, or of a bond or other debt instrument issued by such a business enterprise; or

(iii) capital contributions in money or other assets to such a business enterprise; or

(B) the control of a business enterprise located in South Africa or owned or controlled by South African nationals, in cases in which subparagraph (A) does not apply.

(3) SOUTH AFRICA.—The term "South Africa" includes—

(A) the Republic of South Africa;

(B) any territory under the administration, legal or illegal, of South Africa; and

(C) the "bantustans" or "homelands", to which South African blacks are assigned on the basis of ethnic origin, including the Transkei, Bophuthatswana, Ciskei, and Venda.

(4) BUSINESS ENTERPRISE.—The term "business enterprise" means any organization, association, branch, or venture which exists for profitmaking purposes or to otherwise secure economic advantage, and any corporation, partnership, or other organization which is owned or controlled by the Government of South Africa, as determined under regulations which the President shall issue.

(5) BRANCH.—The term "branch" means the operations or activities conducted by a person in a different location in its own name rather than through a separate incorporated entity.

(6) SOUTH AFRICAN NATIONAL.—The term "South African national" means—

(A) a citizen of South Africa; and

(B) any partnership, corporation, or other entity organized under the laws of South Africa.

(7) CONTROL BY SOUTH AFRICAN NATIONALS.—South African nationals shall be presumed to control a business enterprise or foreign bank if—

(A) South African nationals beneficially own or control (whether directly or indirectly) more than 50 percent of the outstanding voting securities of the business enterprise or bank;

(B) South African nationals beneficially own or control (whether directly or indirectly) 25 percent or more of the voting securities of the business enterprise or bank, if no other person owns or controls (whether directly or indirectly) an equal or larger percentage;

(C) the business enterprise or bank is operated by South African nationals pursuant to the provisions of an exclusive management contract;

(D) a majority of the members of the board of directors of the business enterprise or bank are also members of the comparable governing body of a South African national;

(E) South African nationals have the authority to appoint a majority of the members of the board of directors of the business enterprise or bank; or

(F) South African nationals have the authority to appoint the chief operating officer of the business enterprise or bank.

(8) CONTROL BY UNITED STATES PERSONS.—A United States person shall be presumed to control a business enterprise in South Africa if—

(A) the business enterprise is operated by the United States person pursuant to the provisions of an exclusive management contract;

(B) a majority of the members of the board of directors of the business enterprise are also members of the comparable governing body of the United States person;

(C) the United States person has the authority to appoint a majority of the members of the board of directors of the business enterprise; or

(D) the United States person has the authority to appoint the chief operating officer of the business enterprise.

(9) LOAN.—The term "loan" includes an extension of credit as defined in section 201(h) of the Credit Control Act (12 U.S.C. 1901(h)).

(10) BANK.—The term "bank" means—

(A) any depository institution as defined in section 19(b)(1)(A) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A));

(B) any corporation organized under section 25(a) of the Federal Reserve Act (12 U.S.C. 611 et seq.);

(C) any corporation having an agreement or undertaking with the Federal Reserve Board under section 25 of the Federal Reserve Act (12 U.S.C. 601 et seq.); and

(D) any bank holding company as defined in section 2(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(a)).

(11) POLITICAL PRISONER.—The term "political prisoner" means any person in South Africa who is incarcerated or persecuted on account of race, religion, nationality, membership in a particular social group, or political opinion, but the term "political prisoner" does not include any person who ordered, incited, assisted, or otherwise participated in the persecution of any person on account of race, religion, nationality, membership in a particular social group, or political opinion.

(b) ADDITIONAL DEFINITIONS.—For purposes of—

(1) section 2(a)(1)(C)—

(A) the term "energy sources" includes both mineral and nonmineral fuel resources, including solar, geothermal, fossil, nuclear,

electrical, and synthetic fuel energy resources;

(B) the term "development" includes those activities conducted to make energy sources available or usable, including drilling and the construction or other preparation of facilities or other means for the removal or conversion to usable form of any energy source;

(C) the term "production" includes those activities conducted for the removal or conversion to usable form of any energy source, including refining, milling, any other processing, generation, transmission, and storage; and

(D) the term "services" includes construction, engineering, design, management, and maintenance services;

(2) sections 2(a)(1)(D), 2(a)(2), and 8(b), the term "foreign bank" has the meaning given that term in section 1(b) of the International Banking Act of 1978 (12 U.S.C. 1301(b)); and

(3) sections 2(a)(2) and 8(b), the terms "agency", "branch", "Federal agency", and "Federal branch" have the meanings given those terms in section 1(b) of the International Banking Act of 1978.

SEC. 12. APPLICABILITY TO EVASIONS OF ACT.

This Act and the regulations issued to carry out this Act shall apply to any person who undertakes or causes to be undertaken any transaction or activity with the intent to evade this Act or such regulations.

SEC. 13. CONSTRUCTION OF ACT.

Nothing in this Act shall be construed as constituting any recognition by the United States of the homelands referred to in section 11(a)(3)(C).

STATEMENT OF THE NATIONAL EDUCATION ASSOCIATION IN SUPPORT OF FURTHER ECONOMIC SANCTIONS AGAINST THE GOVERNMENT OF SOUTH AFRICA

We consider it to be an unfortunate and sad circumstance to have to appear again in support of deeper economic sanctions against the racist Government of South Africa. But that Government, of its own free will, allows us no choice.

The National Education Association has joined with other sincere supporters of the free South Africa movement in previous press conferences here in the Capitol and State Department. We have joined in demonstrations at the Embassy of South Africa. We were with many of you in support of H.R. 1460, last year's Anti-Apartheid Act, and we are here again today in support of more elaborate sanctions than those called for in the previous act, those sanctions that were in part aborted by the Executive order. If need be we will be coming back again and again until our national policies toward South Africa promote equality, freedom, and justice in that unjust land.

We have spoken here before about the disproportionate burden carried by the child victims of apartheid. Families are broken through forced separation, children die of inadequate nourishment and an absence of proper medical care, educational opportunity is denied and 60 percent of black children drop out of school in their first 5 years, student leaders and activists are intimidated and detained by Government forces, violence permeates the township, villages, and schools, and the killing of schoolchildren and black youth continues.

Since we last appeared with you, we have met in Southern Africa with our colleagues in the Black Teachers' Union. We have pledged to them that we will do all that is in our power to support their aspirations for their students and families, their aspirations for the multiracial equality they seek in the democratic future of their country. We view our participation today as a part of that pledge.

NEA remains confident that continued United States economic pressure and a renewed moral leadership will be important in producing actions by the South African Government toward ending the inhumane policies of apartheid.

Of those who would criticize as too severe, the sanctions we are here to support, we ask that they realize that it takes only the release of a man unjustly imprisoned for nearly a quarter of this century and good faith negotiations with black leadership to make these sanction moot. The legislation properly offers the Government of South Africa the opportunity to avoid entirely the suffering threatened by a further depressed economy. The choice is theirs.

We wholeheartedly, and with hopes for a rapid end to the injustice, support the steps now proposed by the Subcommittee on Africa. We look forward to the day our friends in South Africa invite our country to celebrate peace and justice when it finally, and inevitably, comes to that troubled nation.

STATEMENT BY THE RT. REV. JOHN T. WALKER, EPISCOPAL BISHOP OF WASHINGTON

The Anti-Apartheid Act of 1986 is an important one calling for strong action against South Africa for its attacks on Zambia, Zimbabwe and Botswana. It is not enough to simply decry the South African Government's attack. Sanctions, at least as strong as those voted by Congress, are now needed. The Anti-Apartheid Act of 1986 serves that purpose extremely well.

It is to be hoped that the Congress of the U.S. will take the lead by supporting this legislation. There may yet be time for a peaceful settlement in Southern Africa. It will, however, slip away if appropriate legislation is not passed.

STATEMENT OF THE WASHINGTON OFFICE ON AFRICA IN SUPPORT OF STRONG UNITED STATES SANCTIONS AGAINST SOUTH AFRICA

The Washington Office on Africa, a church and trade union sponsored lobbying and research organization, reiterates our goal of working for the implementation of total comprehensive sanctions against South Africa. Today, we acknowledge the efforts of our Congressional allies to work for stronger sanctions against South Africa. The legislation being offered today, while falling short of comprehensive sanctions, contains a number of important provisions which would apply increased pressure on Pretoria to dismantle apartheid. This selective sanctions bill could send an important signal to the white minority that U.S. patience with apartheid is fast running out. We are particularly pleased with the incorporation of a section calling for U.S. corporations to withdraw from Namibia. The struggle of Namibia's people against apartheid's colonialism has been greatly overshadowed by events in South Africa and throughout the region.

This week's unprovoked military raids by South Africa into Botswana, Zambia, and Zimbabwe; Pretoria's continued illegal occupation of Namibia; and the Botha regime's continued brutal war against its people demonstrate the urgent need for strong comprehensive economic sanctions by the U.S. against South Africa. Comprehensive sanctions imposing a total trade embargo, requiring full corporate disinvestment and ending nuclear and military cooperation are the only viable and non-violent means remaining to effectively pressure South Africa to end the evil system of apartheid.

Over the next weeks and months we look forward to working with the congressional sponsors of this legislation to fashion the strongest possible sanctions bill. We will be offering suggestions and amendments aimed at achieving effective and comprehensive sanctions legislation. Throughout this process we will be lobbying the Congress and mobilizing the American people to push for the toughest measures against Pretoria.

All of South Africa's most popular black leaders and organizations have now called for sanctions, including the African National Congress, the Pan-Africanist Congress, the United Democratic Front, and the Congress of South African Trade Unions. In addition, South African church leaders have appealed for sanctions, including Bishop Tutu, the Rev. Allan Boesak, Dr. Beyers Naude, and Father Smangaliso Mkatshwa. Their pleas to the World Council of Churches' Emergency Meeting in Harare, Zimbabwe in December, 1985 were pivotal to the American church's intensified efforts to obtain complete and immediate sanctions. Most recently, in the wake of South Africa's barbarous attacks, Prime Minister Robert Mugabe of Zimbabwe and President Kenneth Kaunda of Zambia reiterated their call for comprehensive and mandatory economic sanctions against Pretoria.

Nearly 2,000 persons have now died, mostly at the hands of South African security forces. Thousands of black men, women and children are being detained, tortured and butchered by Botha's government. South Africa has shown its utter contempt for human life, civilized values and peace. In the final analysis—given the violence, intransigence and arrogance of the Botha regime—comprehensive sanctions will communicate to South Africa the serious U.S. commitment to the speedy abolition of apartheid. Today, we urge Congress to act swiftly to pass comprehensive sanctions and for President Reagan to sign such legislation into law.

STATEMENT OF TRANSAFRICA IN SUPPORT OF THE ANTI-APARTHEID ACT OF 1986

Last September, the President of the United States derailed the Congressional initiative to impose stringent sanctions against the Republic of South Africa by implementing his own set of sanctions far weaker than the punitive measures being considered by Congress at the time. TransAfrica wasted little time to condemn President Reagan's Executive Order, for the intransigence of the South African government in the past had taught us that a mere slap on the wrist by the Reagan Administration and other apologists for apartheid would do little to move the Pretoria regime into dismantling the insidious system of racial separation.

Tragically, the events which have unfolded in South Africa during the nine months the Executive Order has been in effect, have proved that our initial assessment was indeed correct—the Executive Order has done nothing to alleviate the deteriorating situation in South Africa. As evidenced by the continuing detention of anti-apartheid activists by South African Security forces; the staggering increase in the number of people being killed daily in the townships and homelands; and most recently, by

South Africa's unprovoked attack upon three sovereign nations; the regime in Pretoria has no intention of negotiating with legitimate black leaders to establish a new political and economic order in that country. Nor does the government have any misgivings about using brute force to violently suppress even non-violent opponents of apartheid.

Every significant anti-apartheid organization within South Africa has urged the international community to apply economic pressure on the apartheid regime. Nobel Laureate Bishop Desmond Tutu has publically stated that international sanctions on South Africa remain the last hope for peaceful change in South Africa.

TransAfrica welcomes the Anti-Apartheid Act of 1986 as another positive step towards the removal of international support for the government of South Africa. It is our hope that Congress ratifies this bill without delay.

● Mr. WEICKER. Mr. President, today I join with Senator KENNEDY and others in introducing the Anti Apartheid Act of 1986.

Once again the Congress is being asked to help shape the United States role in South Africa and once again, this debate occurs at a time of crisis for South Africa and the entire region.

In only one area of this debate has there been an advance and that has not been progress, but rather a grim progression in the number of South African dead. In March, 171 lives were lost, the greatest toll of death in a single period since 1984.

The administration's discredited constructive engagement policy continues to isolate the United States from the entire region. That isolation intensified this week after the desperate attacks by South Africa against three neighboring nations. Despite the words from the White House and State Department Monday, the administration's inaction supports only the status quo and allies this Nation only with a potential race war in a region where the majority seek racial peace.

Despite proclamations to the contrary, there has been no change in the structure of apartheid by the South African government. Even with the symbolic abolishment of the pass system, the government maintains strict segregation and migration control and has granted itself new emergency powers to deal with unrest. At the same time, it guarantees the unrest will continue by keeping leaders of the South African majority in prison and refusing even basic discussions of democracy.

In the face of this political stagnation and personal tragedy, it remains for Congress, in response to the will of the American people, to break the cycle. This bill is a clear message to the South African government and the South African people. It says we will no longer subsidize efforts that strengthen the former at the expense of the latter. American investment and technology can no longer ride shotgun while the South African government circles the wagons around its repressive society.

The question each Member of Congress will face in this debate is "how can we afford to abandon South Africa?" The answer to that question is simple. Our call is not to abandon South Africa. In reality, we embrace South Africa—the future, democratic South Africa—by abandoning apartheid.

Assistant Secretary of State Chester Crocker said recently in testimony before a committee of the House of Representatives, "we take it as a given that apartheid is a doomed system. What matters is how it ends and what follows it." No government can dictate South Africa's future. But the question the American people must consider is whether this Nation should continue to resist inevitable change in league with South Africa's apartheid past, or respond to the leadership of South Africa's future.

But our time is short. The killing in South Africa continues and the voices of moderation founder in a gathering storm of revolution. Bishop Desmond Tutu, an unassailable prophet of peace, told the world in March, "our land is burning and bleeding and so I call (on) the international community to apply punitive sanctions against this government to help us establish a new South Africa, non-racial, democratic, participatory and just. I have no hope of real change from this government unless they are forced."

The time has come to apply that force. With a clear voice, the American people stand on the side of a democratic rebirth in South Africa. We can only fail our people and the people of South Africa by a continued static witness of the death rattle of apartheid.

I urge the Senate to consider this legislation without delay.●

● Mr. LEAHY. Mr. President, I am very pleased to be an original cosponsor of this important legislation.

Last year I supported the conference report agreed to by the Senate and House, which called for economic sanctions against South Africa if that country did not take significant steps to dismantle apartheid. Unfortunately, that legislation never became law because of the President's much weaker Executive order.

I supported antiapartheid legislation last year because I believed that the Congress of the United States should speak to the evil of apartheid through law, not through Executive order. I also believed, as did so many others who supported that legislation, that the Executive order was far too weak to bring about the reforms which were required to prevent an escalation of the bloodshed in South Africa.

In the past 12 months, over 1,200 blacks have been killed in racial violence in South Africa. Government reforms, such as the abolition of the pass laws, have not addressed the fundamental issues of continued white political domination and the segregation of residency and education.

Yet while these pillars of apartheid remain intact, during the past year we have seen the strengthening of forces for negotiated political change in the white community. White businesses have called more strongly for major political change, young Afrikaners have talked with the exiled African National Congress, and more whites have been talking about sharing power with blacks. These groups understand that nothing less than serious progress toward black majority rule will prevent a full-scale civil war in South Africa.

Regrettably, the Botha government's recent air strikes against alleged ANC sites in Zimbabwe, Botswana and Zambia have cast an ominous new cloud over these positive changes.

Mr. President, South African apartheid is a moral outrage. As the leader of the free world, the United States has a responsibility to use its economic, political and moral powers to bring about an end to this abhorrent system. This administration's policy of constructive engagement has been a profound disappointment to those of us who expect our Government to set an example that is consistent with our principles as a nation.

One of the central features of this legislation is to stop the United States from funding apartheid. The President's Executive order has not done that. Far from being heavy-handed, the "Anti-Apartheid Act of 1986" would impose sanctions in stages. It calls for the South African Government to enter into good faith negotiations with representative leaders of the black majority, for a new political system based on an undivided South Africa with majority rule. More severe sanctions would be imposed only if the South African Government refused to take significant steps to dismantle apartheid.

The South African people have looked to us for help in their struggle. If we again fail to act, we continue to bear responsibility for supporting racism and prolonging the bloodshed. We owe it to the black majority to send the strongest message that we can that we are behind them in their struggle for freedom, and that we are true to the founding principles of our own country. I strongly urge my colleagues to send that message by supporting this legislation.●

● Mr. PROXMIRE. Mr. President, I welcome this opportunity to voice my strong support for the renewed effort we are commencing today to have Congress, at long last, enact into law measures demonstrating America's abhorrence of South Africa's immoral

apartheid system. The Anti-Apartheid Act of 1986 is not designed to punish South Africa, but rather to send encouragement to all those people of good will in that country who are striving to being about a peaceful end to an evil racial system.

Last year we in Congress, by passing bills imposing economic sanctions on the South African Government, forced the Reagan administration to change its failed policy of constructive engagement in dealing with South Africa. We sent a clear signal that America could no longer continue business as usual with South Africa's Apartheid Government. The actions taken last year were only a warning shot of the further steps Congress would take if real change was not forthcoming in that country.

President Botha, in his January speech opening the Capetown Parliament said "South Africa has outgrown apartheid" and give us hope that South Africa might be taking heed of the worldwide revulsion against its benighted racial system. Since then, however, while the South Africa Government has done some minor tinkering with aspect of its oppressive system, it has made no real effort to deal with the key question—institution of a government by the consent of the governed. South Africa's race classification system remains in place unchanged. Under that system all rights a person may exercise throughout his life in South Africa are determined by his race classification at birth, that is, white, Asian, colored or black. The 70 percent of the population who are classified black have no political rights under that system. Since blacks have no political rights, it makes it difficult for them to achieve a gradual peaceful change in that country's racial policies and violent change becomes an attractive alternative. As President Kennedy once said "Those who make peaceful change impossible make violent change inevitable." Violent change in South Africa is not in our interest nor in the interest of white or black South Africans.

The bill we are introducing today, the Anti-Apartheid Act of 1986, is specifically designed to help the process of peaceful change in South Africa. It does set forth sanctions against the Government, but it is not a disinvestment bill. It makes clear to South Africa that political change must be instituted if American corporations are to play a growing role in that country's economy. All of the sanctions in the bill which include: First, a prohibition on new bank loans and investment in South Africa; second, a ban on imports of coal, uranium and steel from South Africa; third, a ban on landing rights in the United States for South African aircraft; and fourth, a conditional disinvestment of our computer companies from South Africa after 18 months can be waived if certain conditions are met. The conditions are designed to help bring change. They require only that the President be able to certify to Congress that the Government of South Africa "has freed Nelson Mandela and all political prisoners, and has entered into good faith negotiations with truly representative leaders of the black majority for a new political system" or has dismantled the apartheid system. If Congress agrees with either of these certifications, the sanctions are removed.

It is our hope that the bill will lead to the good faith negotiations that are South Africa's hope. In April Archbishop Tutu called on the international community to pressure the Government by means of economic sanctions to move toward nonviolent change. In May the Southern African Catholic Bishops Conference called on the world community to put economic pressure on the Apartheid Government and to link such pressure with negotiations with accepted leaders of the people. The Protestant South African Council of Churches has long called for economic sanctions against the Government. Our country should respond to the moral voices of the South African people—both white and black. This bill is designed to do just that.

I will work with my House and Senate colleagues to ensure the passage of this legislation because it is the right thing to do, and is also in our national interest.●

● Mr. LEVIN. Mr. President, the situation in South Africa is at a most critical juncture. Repression of black leaders is intensifying and the immoral influx control measures are being tightened. Clashes between the black community and security forces are a daily occurrence.

Since the lifting of the state of emergency, the death rate has increased from 3 to 5 per day. The mild sanctions which the President imposed against the regime last September did not represent any significant change in U.S. policy toward the region.

For years Members of Congress have made statements and filed resolutions decrying the policies of South Africa and urging the President to stop asking Pretoria to change and begin acting in ways which would produce change.

Many of us have done that. I have filed resolutions urging freedom for Nelson Mandela and urging South Africa to adopt a one-person one-vote policy. And all of that, while it may have given some hope to those seeking change, has not produced change in South Africa or in the White House.

Well, this bill does not ask for general changes in attitude or broad shifts in policy. It details a specific series of steps which the United States will take until South Africa makes certain changes.

This bill reflects our frustration; but it also reflects our considered belief that this is the best—the only—way to create the conditions that all people who love freedom and respect human dignity want to see in South Africa.

Over a year ago Bishop Tutu expressed his hope, our hopes, when he explained to his "dear white fellow South Africans" what black South Africans are about. "We too," he explained, "love to be with our wives everyday, we too want our children to rush out to meet us as we come back from work, we too would like to live where we can afford it. We too want to be able to move freely everywhere in the land of our birth, we too want to have security of tenure. We too want to participate in the decisions that affect our lives. These are not extravagant demands. They are the expectations of any human being." We want to have a new kind of South Africa. Where we all, black and white can walk tall together . . ."

They are our expectations as well. And with this bill, I hope they will be realized.●

By Mr. DANFORTH:

S. 2501. A bill to extend for 3 years the existing suspension of duty on triphenyl phosphate; to the Committee on Finance.

SUSPENSION OF DUTY ON TRIPHENYL PHOSPHATE

● Mr. DANFORTH. Mr. President, today I am introducing legislation which would extend the duty suspension of triphenyl phosphate, a chemical used primarily as a flame-retardant additive in films, plastics, and other products.

The duty on triphenyl phosphate was first suspended in the 97th Congress because there was no domestic source of the chemical for commercial use. The domestic supply situation has not improved in the last 3 years.

The bill represents the Senate counterpart of H.R. 2300, introduced last year by Representative GEPHARDT.

I ask unanimous consent that the text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2501

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That item 907.01 of the Appendix to the Tariff Schedules of the United States is amended by striking out "9/30/85" and inserting in lieu thereof "9/30/88".

SEC. 2. The amendments made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after October 1, 1985.●

By Mr. ABDNOR (for himself, Mr. HELMS, and Mr. EAST):

S. 2502. A bill entitled the "Workers Freedom of Choice Act"; to the Committee on Labor and Human Resources.

WORKERS FREEDOM OF CHOICE ACT

● Mr. ABDNOR. Mr. President, many people talk about individual freedom and make overtures toward it. We have, today, an opportunity to act. I am introducing, S. 2502, the Workers Freedom of Choice Act.

Many legislative attempts have been made that supposedly were designed to help the workers of our country. The intent is admirable, yet I believe the point is missed. If we really want to protect the freedoms of individuals, we should pass the Workers Freedom of Choice Act.

This legislation gives all employees a choice: a choice of joining or not joining a union. It doesn't take anything away from anyone or give anyone an advantage. All this legislation does is give individuals the freedom of choice—one of the principles which our Nation was built on.

Section 7 of the National Labor Relations Act states the right to not joining a union can be denied to workers "to the extent that such right may be affected by an agreement requiring union membership as a condition of employment." There is no choice.

Where is the freedom when a precondition of employment is set? Where is the individual choice?

It is not a question of union membership, or a question of labor versus management or management versus unions. It is a question of choice, and I believe individuals must have the right to choose. Forcing individuals to join a union prior to employment is wrong. An individual has the ability to choose if given that opportunity. Why must a group make a decision an individual is qualified to make? Whatever happened to individual choice or freedom?

Attempts have been made to limit the freedom of choice; and if any of those attempts are made here, I will offer this act as an amendment to every attempt made.

Mr. President, the Workers Freedom of Choice Act is a basic piece of legislation, one that will return the right to choose to individuals where it rightfully belongs.

Additionally, Mr. President, I want to thank my colleagues, Messrs. HELMS, and EAST, for joining me in this effort. I also look forward to adding others to the list as we move this legislation.

With unanimous consent, I ask that the text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2502

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 7 of the National Labor Relations Act is amended by striking out "except to the extent that such right may be affected by an agreement requiring membership in a labor organization as a condition of employment as authorized in section 8(a)(3)".

By Mr. CRANSTON:

S. 2503. A bill to clear certain impediments to the licensing of the vessel *Wanderbird* for employment in the coastwise and fisheries trades; to the Committee on Commerce, Science, and Transportation.

LICENSING OF VESSEL WANDERBIRD

Mr. CRANSTON. Mr. President, today I am submitting legislation to permit the licensing of the sailing vessel *Wanderbird* to engage in the coastwide and fisheries trade.

Wanderbird is an oak-planked, copper-sheathed schooner built in Germany in 1883. She is an 85-foot pilot schooner originally commissioned by the German government to help guide ships through the complexities of the North Sea Coast.

In the 1880's, competition among pilots to earn piloting fees resulted in races to meet incoming vessels. Winning those races meant more money for the owners. Accordingly, they sought the fastest, sturdiest vessels available. The pilot schooners were designed to be fast whether going upwind, crosswind or downwind and they were designed to be easily handled by a short-handed crew.

The *Wanderbird* was such a vessel, fast, sturdy and easy to handle in tough, cold waters.

For 43 years *Wanderbird* worked the North Sea and then, a journalist—Warwick Tompkins—purchased her and re-outfitted the vessel in 1929. Subsequently, he sailed her to a transatlantic record run of 16 days.

In 1936, Warwick Tompkins took *Wanderbird* to San Francisco via Cape Horn. In 1969, the current owner, Harold Sommer, purchased the historic vessel and began a painstaking restoration. By 1981 *Wanderbird* was ready to sail again.

She currently is moored at Sausalito, CA. Her present owners, Harold and Annaliese Sommers, would like to be able to use the *Wanderbird* as a commercial crusing vessel in San Francisco Bay and along parts of the coast of California.

A survey by a reputable yacht surveyor which has been furnished to me and will be forwarded to the Subcommittee on Merchant Marine reports *Wanderbird* "cannot be faulted in any way."

Of equal importance, the survey report says of the rebuilding of *Wanderbird,* "There is no part of the vessel which has not received the very best American craftsmanship and materials."

This bill will enable *Wanderbird* to earn her keep again as a working cruise vessel under sail. She will be a welcome, beautiful sight in San Francisco Bay and along the lovely coast of California.

By Mr. DOMENICI (for himself and Mr. BINGAMAN):

S. 2504. A bill to authorize certain transfers affecting the Pueblo of Santa Ana in New Mexico, and for other purposes; to the Select Committee on Indian Affairs.

SANTA ANA PUEBLO LAND TRANSFERS

● Mr. DOMENICI. Mr. President, I am most happy to join Senator JEFF BINGAMAN today in introducing legislation to settle several important land issues for Santa Ana Pueblo in our home State of New Mexico. All three New Mexico Congressmen in the House of Representatives are introducing an identical bill today. We are united as a delegation in our support for the provisions of this bill.

This bill will accomplish three land-related goals for the Pueblo of Santa Ana. First, we will ensure that the pueblo has the rights to the sand and gravel for about 494 acres that the pueblo purchased from private individuals. This will promote the economic viability of the tribe's commercial sand and gravel operation on the land. Second, our bill corrects technical errors that were made in the 1978 transfer of lands to the tribe in Public Law 95-498. Third, a legislative solution is needed to carry out the agreement between the tribe and the University of New Mexico settling the trespass on Santa Ana lands at the State-run Coronado State Park and Monument. The land for this park and monument is owned by the University of New Mexico. Finally, this legislation includes general provisions protecting any existing and valid claims of any person with current rights of ownership, use, or access to any of the lands affected by this bill.

GRAVEL RIGHTS

As a long-time supporter of self-determination, I am very proud of Santa Ana Pueblo's effort to commercialize the available and abundant supply of sand and gravel for the benefit of the entire tribe. Their initiative was apparent from the very beginning of this venture when the tribe purchased private land from non-Indian owners in September 1981. A tribal sand and gravel business has been established on these lands.

In 1983, the United States Supreme Court in *Watt* v. *Western Nuclear Corp.* changed the legal status of the tribe's gravel by including gravel in its definition of "coal and other minerals." This action had a very negative impact on the growing sand and gravel

business as the tribe no longer owned the gravel. The gravel would henceforth be under the control of the Bureau of Land Management, U.S. Department of the Interior. The Santa Ana Pueblo had determined that gravel was not a "mineral" under existing law when the land was purchased in 1981. The value of the gravel was a major factor in the original decision to buy the land. It also played a major role in determining the price of the land purchased for this purpose. The Supreme Court decision clearly upset the gravel cart.

Our bill transfers all mineral rights to the tribe and declares them "to be held by the United States in trust for the benefit of the Pueblo of Santa Ana." It also "waives any claims the United States may have against the Pueblo of Santa Ana" for any exploitation by the Pueblo of Santa Ana of any mineral rights, including, of course, gravel.

TECHNICAL AMENDMENTS

The errors made in the descriptions of the lands affected by Public Law 95-498 are comprehensively corrected in this bill. There is no net increase or decrease in acreage. Erroneous references, descriptions, easement rights, and other technical changes are made.

CORONADO MONUMENT

A small strip of this State-run park and monument is located on Santa Ana lands. The United States, at the Pueblo's request, filed suit against the state and the University of New Mexico, the land owners, for trespass. The parties have reached an agreement and this bill implements the settlement.

This site was the winter headquarters of Spanish explorer Francisco Vasquez de Coronado and his men in 1540-41, during their famous explorations of the American Southwest. The State of New Mexico has since developed picnic and camping sites on Santa Ana land adjacent to the Coronado Monument. In 1940, after the trespass became known, the Congress authorized a trade of lands to compensate the Pueblo of Santa Ana for the small strip of the University of New Mexico patent that extended on to the Pueblo's land. Santa Ana did not consent to the trade and took the case to court after the State of New Mexico fenced off the Indian land in question.

This bill provides the authority for settlement of the dispute in accordance with the agreement reached between the parties. Under this plan, the University of New Mexico will be allowed to convey about 120 acres of land on the west and north sides of the patented parcel to the Pueblo of Santa Ana in exchange for the Pueblo's land being used at the Coronado State Monument (about 26 acres). There are also protections in the bill for any possible adverse impacts on the Monument of any development of the lands within 100 yards of the Coronado Monument boundary.

GENERAL PROVISIONS

These provisions are generally applicable to the three parts of the bill discussed above. All existing rights of ownership or access are protected. Any mineral leases, including oil and gas leases, are continued in full force. Any pending applications for leases will be rejected upon passage of this bill. No valid existing rights will be affected since no application has yet been issued or approved on the lands in question.

Finally, those lands which are to be held in trust for Santa Ana Pueblo will be subject to the laws and regulations applicable to other trust property.

In conclusion, I urge my colleagues to support this legislation on behalf of Santa Ana Pueblo. By passing this bill we will be helping tribal economic self-sufficiency by removing a major obstacle to their sand and gravel business. We will also be clarifying and settling important land boundaries and the dispute with Coronado State Monument. After the careful work of the New Mexico Congressional Delegation on this matter, I am confident that passage of this bill will be a positive step forward for the Santa Ana Pueblo.●

● Mr. BINGAMAN. Mr. President, I am pleased to introduce a bill today with my colleague, the senior Senator from New Mexico, Mr. DOMENICI, that would clarify many outstanding land issues concerning the Santa Ana Pueblo.

I have been working with the pueblo since the last Congress to reach a workable and fair compromise. I believe the version we introduce today will accomplish the ends of all parties concerned.

The legislation has four major components that I wish to highlight. The first provision conveys to the pueblo mineral interests in a tract of land the pueblo purchased from private land owners for the express purpose of a tribally-owned sand and gravel operation. At the time the pueblo purchased the land in 1981, it was believed that gravel was not a mineral within the terms of the Stock-Raising Homestead Act. The Supreme Court however, in 1983, held in Watt versus Western Nuclear Corp. that "coal and other minerals" includes gravel. Consequently, this decision has removed pueblo title to the gravel which has undercut the viability of a tribal sand and gravel operation. With this transfer of mineral title, the pueblo will once more be able to continue an enterprise that promotes employment for the peublo and economic development for the entire State. The conveyance of the mineral interests is made to the United States to be held in trust for the pueblo.

The second provision of this bill corrects the legal description of land conveyed to the pueblo pursuant to Public Law 95-498. Several errors were made in the description of the lands affected by that act. The Southern Pueblo Agency of the Bureau of Indian Affairs prepared these corrections and has attested to their accuracy. No new change in current land status is made by these corrections.

The third provision of this bill authorizes the exchange of lands between the Santa Ana Pueblo and the University of New Mexico due to the trespass of the Coronado Monument. I am pleased that the parties in litigation over the trespass issue have reached an agreement and have decided to abide by this accord. The executed agreement signed by all the interested parties, the New Mexico Governor's Office, the Natural Resources Department of New Mexico, the U.S. attorney's office, the Bureau of Indian Affairs, the Pueblo of Santa Ana, the University of New Mexico, and the Museum of New Mexico, contains a deadline of December 31, 1986, for passage of a land exchange bill. As a result, it is appropriate for the Congress to meet this deadline to carry out the terms of the negotiated settlement. The agreement provides that the Pueblo will relinquish to the university 26.57 acres along the east side of Coronado Park and Monument, in exchange for 120 acres just west of the Park and Monument, and that two 4-year tuition scholarships each year for a total of 5 years, will be awarded to qualified Santa Ana students. The agreement states in pertinent part the following:

> Each of the parties of this agreement acknowledges that the conveyances required by this agreement can only be completed if approved by the Congress of the United States and other State and Federal agencies. The university requires congressional approval because its patent restricts the university's power to alienate the property and restricts the use of the property to archeological purposes. The United States and the Pueblo require congressional approval because the Indian Non-Intercourse Act (25 U.S.C. section 177) and other congressional acts restrict the power of the Pueblo to alienate any of its real property.

The agreement further states that the Pueblo is charged with the responsibility of taking the necessary steps to seek congressional approval with the concurrence of the other parties.

And finally, the last provision of the bill assures that all pre-existing legal rights are protected and any mineral leases, including oil and gas leases are continued in full effect. Any pending applications for leases however, have not yet been issued or approved, and therefore no valid existing rights have vested in the applicants.

Mr. President, I believe that this legislation will finally bring us closer to a

reconciliation of many outstanding matters concerning the use of the Santa Ana Pueblo's land and resources. I urge my colleagues to support this effort. Senator DOMENICI and I have the full support of the other members of the New Mexico delegation and a similar bill has also been introduced in the House.

Thank you, Mr. President.●

By Mr. HECHT (for himself and Mr. LAXALT):

S. 2506. A bill to establish a Great Basin National Park in the State of Nevada, and for other purposes; to the Committee on Energy and Natural Resources.

GREAT BASIN NATIONAL PARK ACT

● Mr. LAXALT. Mr. President, It is with a sense of pride and anticipation that I introduce a bill, with my distinguished colleague [Senator HECHT], to provide for the creation of the first national park in Nevada.

The park site is indeed a gem. It incorporates a significant portion of the South Snake range in eastern Nevada and includes the second highest peak in the State, Wheeler Peak. It will include some of the oldest living trees in the world, the Bristlecone pine (some being over 5,000 years old). It will also incorporate Lehman Caves National Memorial. The park will offer to the Nation the first interpretive example of a vast area of our national land mass called the Great Basin. Thus, the name chosen for the park will be the Great Basin National Park.

Mr. President, the Great Basin covers some 200,000 square miles of western desert. It includes almost all of Nevada and extends into portions of four other western States. It represents a significant proporation of our total land mass. It is called Great Basin because all the drainage systems are internal. They do not reach the ocean.

The Great Basin topography is characterized as "basin and range," alternating valleys and mountain ranges. This vast area includes a(rich and varied flora and fauna, including a number of unique species. If I may paraphrase a description from author John McPhee, the mountain ranges of the basin and range stand on their own, like warships, "and the Great Basin is an ocean of loose sediment with these mountain ranges standing in it as if they were members of a fleet without precedent."

Great Basin ranges are not created by compressional forces which pile them on top of each other but rather by plate fractures which cause them to be created independently. The basins which separate them are 10 to 15 miles wide and are generally bone dry. Thus the faunas in the high ranges tend to be distinct from one another because of the island nature of each range. "Supreme over all is silence * * * a soundless immensity with mountains in it." Such is the nature of the Great Basin we propose to interpret through a Great Basin National Park. Perhaps no area can adequately represent such a vast area with its isolated and distinct faunas. And certainly no park can adequately preserve the serenity extant in much of it, but the Snake Range and surrounding area are very representative and beautiful in their own right.

The park has, in fact, been the subject of considerable interest in the past. Two bills have been introduced to establish the park in the same Wheeler Peak area. It is my hope we may succeed this time.

Specific features of our proposed park are 13,063-foot. Wheeler Peak, the ancient bristlecone pine forests, the natural rock bridge known as Lexington Arch, one of the few active permanent glaciers in the lower States, Lehman caves, and many still unexplored caves, and numerous lakes, some of which are glacially fed.

The park boundaries have been drawn so as to preserve within the immediate vicinity of the park the traditional ranching and mining activities which have characterized man's activity since his arrival, providing that additional historic resource to park visitors.

The unique and fragile beauty of the Great Basin has, so to speak, been a candle kept under a bushel. Nevada's unique beauty includes the basin and range topography, as represented by the proposed Great Basin Park. It is time to make such beauty available to all our citizens.●

By Mr. METZENBAUM:

S.J. Res. 352. Joint resolution to designate the week beginning September 7, 1986, as "Gaucher's Disease Awareness Week"; to the Committee on the Judiciary.

GAUCHER'S DISEASE AWARENESS WEEK

● Mr. METZENBAUM. Mr. President, today I am introducing a joint resolution designating the week beginning September 7, 1986 as "Gaucher's Disease Awareness Week." This is a companion to House Joint Resolution 615 introduced in the House by Congressman LAWRENCE SMITH on April 29, 1986.

Gaucher's disease is an inherited, genetic disorder which occurs among all known racial and ethnic groups. It is the most common disorder in the family of painful and deadly enzyme diseases, and even more prevalent than Tay-Sachs among Eastern European Jews. Gaucher's disease may best be described as a genetic timebomb. With a carrier rate of 1 in 12 persons, the next generation is at high risk.

The disease is caused by the body's failure to produce an essential enzyme. The absence of this enzyme causes the body to accumulate abnormal quantities of lipids in the spleen, liver, bone marrow, and, in some cases, lungs, heart, and brain. It can cause deterioration of the nervous system, bone degeneration, enlarged spleen, and severe damage to the liver and other organs.

In the infantile form, death occurs within 2 years. In the juvenile form, the life span is dramatically foreshortened. In its chronic form, the occurrence and severity of symptoms are variable. There is no treatment as yet, but there is promising research.

At a number of medical centers in the United States and abroad, research focuses on three aspects of the disease: enzyme replacement, gene repair, and treatment programs. The research serves as a model for unlocking the mysteries associated with all the many enzyme disorders, and an estimated 300 other genetic diseases.

In 1984 the National Gaucher Foundation was established to promote and support Gaucher's research and to increase public awareness regarding this disease. It is essential to raise awareness of the genetic nature of Gaucher's disease, the critically high number of carriers, the possibilities inherent in prevention and treatment in this era of gene engineering, and the potential for victims of other genetic diseases.

Therefore, Mr. President, I urge my colleagues in the Senate to support this joint resolution so that we may focus attention on understanding and finding a cure for the victims of Gaucher's disease and for the victims of other genetic disorders. I ask unanimous consent that this joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 352

Whereas Gaucher's disease is caused by the failure of the body to produce an essential enzyme;

Whereas the absence of such enzyme causes the body to store abnormal quantities of lipids in the liver and spleen and frequently has an adverse effect on tissues in the body, particularly bone tissue;

Whereas among Jewish persons, Gaucher's disease is the most common inherited disorder affecting the metabolism of lipids, which are one of the principle structural components of living cells;

Whereas there is no known cure for Gaucher's disease and no successful treatment of the symptoms of the disease;

Whereas the increased awareness and understanding of Gaucher's disease by the people of the United States can aid in the development of a treatment and cure for the disease;

Whereas the National Gaucher's Disease Foundation provides funds for research in the United States with respect to the disease; and

Whereas research and clinical programs with respect to Gaucher's disease should be increased: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning September 7, 1986, is designated "Gaucher's Disease Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.●

By Mr. CHILES (for himself, Mr. BURDICK, Mr. ZORINSKY, Mr. HOLLINGS, Mr. BRADLEY, Mr. HECHT, Mr. ABDNOR, Mr. STENNIS, Mr. MATTINGLY, Mr. LONG, Mr. NUNN, Mr. BUMPERS, Mr. DOLE, Mr. MOYNIHAN, Mr. LEVIN, Mr. THURMOND, Mr. DECONCINI, Mr. COHEN, and Mr. CRANSTON):

S.J. Res. 354. Joint resolution to designate the week of October 5, 1986, through October 11, 1986, as "National Drug Abuse Education and Prevention Week"; to the Committee on the Judiciary.

NATIONAL DRUG ABUSE EDUCATION AND PREVENTION WEEK

● Mr. CHILES. Mr. President, today I am introducing a joint resolution to designate October 5-11, 1986, as "National Drug Abuse Education and Prevention Week." I am delighted to be joined in this effort by Senators BURDICK, ZORINSKY, HOLLINGS, BRADLEY, HECHT, ABDNOR, STENNIS, MATTINGLY, LONG, NUNN, BUMPERS, DOLE, MOYNIHAN, LEVIN, THURMOND, DECONCINI, COHEN, and CRANSTON.

I am also pleased to have the support of the National Federation of Parents for Drug-Free Youth. The federation will be holding its national convention during the week we are designating as "National Drug Abuse Education and Prevention Week."

In recent years we have done much toward reducing the supply of drugs coming into our country. We have strengthened our border patrols, Coast Guard, and other police forces to curb the influx of illegal drugs into our cities and towns. But today drug abuse remains a national tragedy.

In addressing drug abuse, though, we too often focus only on the supply side of the program. The resolution I am introducing also encourages us to examine the demand side: the pressures that influence our young people to begin misusing drugs. It is my hope that National Drug Abuse Education and Prevention Week will stimulate interest in education programs both in school and at home which provoke discussions about drugs and encourage young people to develop realistic views about drug abuse and the resulting harmful effects. In addition to traditionally abused drugs, I hope that these discussions will include information about designer drugs, the most recent phenomenon in the illicit drug market.

I would like to take this opportunity to acknowledge the Drug Education Program which Ms. Joanne Riviere conducts in her fifth grade class at Palmetto Elementary School in Miami, FL. Last May, as part of their class study, her students wrote to me about a problem they had perceived with regard to certain chemicals which are diverted from legitimate industrial purposes to the production of illicit drugs. Their main concern was the chemical ether which is often used in the filtering stage of cocaine processing. In investigating this matter, I found that many other legitimate drugs are similarly used in producing illicit drugs.

On October 8, 1985, I introduced legislation—S. 1746—which directs the Attorney General to study and recommend methods to control the diversion of legitimate precursor and essential chemicals to the production of illegal drugs. This bill is now pending in the Judiciary Committee. I urge that committee to address this important issue expeditiously, and I again applaud the efforts of Ms. Riviere and her students which led to this legislation. I further hope that the joint resolution I am introducing today for "National Drug Abuse Education and Prevention Week" will encourage other teachers, students, and parents to focus their attention on this national problem.●

ADDITIONAL COSPONSORS

S. 419

At the request of Mr. GRASSLEY, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 419, a bill to amend the Internal Revenue Code of 1954 to allow a deduction for one-half of the expenses paid by a self-employed taxpayer for individual health insurance premiums.

S. 1704

At the request of Mr. MCCLURE, the name of the Senator from Nebraska [Mr. ZORINSKY] was added as a cosponsor of S. 1704, a bill to authorize an increase in the appropriation ceiling for the North Loup Division, Pick-Sloan Missouri Basin Program, Nebraska.

S. 1766

At the request of Mr. MATHIAS, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 1766, a bill to designate the Cumberland terminus of the Chesapeake and Ohio Channel National Historical Part in honor of J. Glenn Beall, Sr.

S. 1917

At the request of Mr. BRADLEY, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 1917, a bill to amend the Foreign Assistance Act of 1961 to provide assistance to promote immunization and oral rehydration, and for other purposes.

S. 1941

At the request of Mr. DENTON, the names of the Senator from North Carolina [Mr. HELMS] and the Senator from Virginia [Mr. TRIBLE] were added as cosponsors of S. 1941, a bill to protect the security of the United States by providing for sanctions against any country that provides support for perpetrators of acts of international terrorism.

S. 1942

At the request of Mr. DENTON, the names of the Senator from North Carolina [Mr. HELMS] and the Senator from Virginia [Mr. TRIBLE] were added as cosponsors of S. 1942, a bill to amend title 10, United States Code, to improve the security of United States military installations.

S. 2064

At the request of Mr. WARNER, the names of the Senator from Florida [Mr. CHILES] the Senator from Ohio [Mr. METZENBAUM], and the Senator from Washington [Mr. GORTON] were added as cosponsors of S. 2064, a bill to require the President to make an annual report on the national strategy of the U.S. Government to certain committees of Congress and to require joint Committee meetings to be held on such report.

S. 2081

At the request of Mr. STAFFORD, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 2081, a bill to reauthorize the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, the Community Services Block Grant Act, for deferred cost care programs, and for other purposes.

S. 2083

At the request of Mr. STAFFORD, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 2083, a bill to amend the toxic Substances Control Act to require the Environmental Protection Agency to set standards for identification and abatement of hazardous asbestos in the Nation's schools, to mandate abatement of hazardous asbestos in the Nation's schools in accordance with those standards, to require local educational agencies to prepare asbestos management plans, and for other purposes.

S. 2220

At the request of Mr. CRANSTON, the names of the Senator from Ohio [Mr. METZENBAUM] and the Senator from Connecticut [Mr. WEICKER] were added as cosponsors of S. 2220, a bill to provide for a mutual, verifiable moratorium on the testing of nuclear warheads, and for other purposes.

S. 2230

At the request of Mr. ROTH, the names of the Senator from Virginia [Mr. TRIBLE] and the Senator from New Hampshire [Mr. HUMPHREY] were

added as cosponsors of S. 2230, a bill to improve the management of the Government by establishing an Office of Federal Management in the Executive Office of the President, and for other purposes.

S. 2274

At the request of Mr. KASTEN, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 2274, a bill to provide that certain individuals who are not citizens of the United States and certain persons who are not individuals shall be ineligible to receive financial assistance under the price support and related programs administered by the Secretary of Agiculture.

S. 2286

At the request of Mr. DECONCINI, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 2286, a bill to prohibit the sale, donation, or other transfer of Stinger antiaircraft missiles to democratic resistance forces in Afghanistan and Angola unless certain conditions are met.

S. 2291

At the request of Mr. BIDEN, the names of the Senator from West Virginia [Mr. ROCKEFELLER] and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of S. 2291, a bill to amend the Energy Reorganization Act of 1974 to create an independent Nuclear Safety Board.

S. 2294

At the request of Mr. WEICKER, the name of the Senator from Utah [Mr. HATCH] was added as cosponsor of S. 2294, a bill to reauthorize certain programs under the Education of the Handicapped Act, to authorize an early intervention program for handicapped infants, and for other purposes.

S. 2332

At the request of Mr. BOSCHWITZ, the names of the Senator from Minnesota [Mr. DURENBERGER] and the Senator from Wisconsin [Mr. KASTEN] were added as cosponsors of S. 2332, a bill to provide credit assistance to borrowers of loans made by commercial lending institutions, Farm Credit System institutions, and the Farmers Home Administration, and for other purposes.

S. 2333

At the request of Mr. DURENBERGER, the names of the Senator from North Dakota [Mr. BURDICK] and the Senator from Connecticut [Mr. DODD] were added as cosponsors of S. 2333, a bill to amend title XIX of the Social Security Act to strengthen and improve Medicaid services to low-income pregnant women and children.

S. 2401

At the request of Mrs. KASSEBAUM, the names of the Senator from Michigan [Mr. LEVIN], the Senator from Rhode Island [Mr. PELL], and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of S. 2401, a bill to prohibit the manufacture or distribution in, or the importation into, the United States of certain firearms.

S. 2410

At the request of Mr. BAUCUS, the names of the Senator from North Dakota [Mr. ANDREWS], the Senator from Texas [Mr. BENTSEN], the Senator from Oklahoma [Mr. BOREN], the Senator from North Dakota [Mr. BURDICK], the Senator from Maine [Mr. MITCHELL], and the Senator from West Virginia [Mr. ROCKEFELLER] were added as cosponsors of S. 2410, a bill to amend the Social Security Act to provide for improved treatment of small rural hospitals and sole community hospitals under title XVIII and XIX of such Act, and for other purposes.

S. 2411

At the request of Mr. D'AMATO, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 2411, a bill to prohibit possession, manufacture, sale, importation, and mailing of ballistic knives.

S. 2421

At the request of Mr. GORTON, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 2421, a bill to amend the Truth in Lending Act.

S. 2444

At the request of Mr. STAFFORD, the name of the Senator from New York [Mr. MOYNIHAN] was added as cosponsor of S. 2444, a bill to reauthorize the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, the Community Services Block Grant Act, the dependent care State grant program, and for other purposes.

S. 2453

At the request of Mr. COHEN, the name of the Senator from Florida [Mr. CHILES] was added as a cosponsor of S. 2453, a bill to enhance the capabilities of the United States to combat terrorism and other forms of unconventional warfare.

SENATE JOINT RESOLUTION 134

At the request of Mr. BIDEN, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of Senate Joint Resolution 134, a joint resolution to designate "National Safety in the Workplace Week".

SENATE JOINT RESOLUTON 169

At the request of Mr. MATHIAS, the names of the Senator from Utah [Mr. HATCH], the Senator from Missouri [Mr. EAGLETON], and the Senator from California [Mr. CRANSTON] were added as cosponsors of Senate Joint Resolution 169, a joint resolution to commemorate the bicentennial anniversary of the first patent and the first copyright laws.

SENATE JOINT RESOLUTION 244

At the request of Mr. DECONCINI, the names of the Senator from Nevada [Mr. LAXALT], the Senator from Georgia [Mr. MATTINGLY], the Senator from Oklahoma [Mr. NICKLES], the Senator from Georgia [Mr. NUNN], the Senator from Virginia [Mr. TRIBLE], and the Senator from Nebraska [Mr. ZORINSKY] were added as cosponsors of Senate Joint Resolution 244, a joint resolution to designate October 8, 1986, as "National Fire Fighters Day."

SENATE JOINT RESOLUTION 322

At the request of Mr. LAUTENBERG, the names of the Senator from Nebraska [Mr. EXON], and the Senator from Nebraska [Mr. ZORINSKY] were added as cosponsors of Senate Joint Resolution 322, a joint resolution to designate December 7, 1986, as "National Pearl Harbor Remembrance Day" on the occasion of the anniversary of the attack on Pearl Harbor.

SENATE JOINT RESOLUTION 338

At the request of Mr. RIEGLE, the names of the Senator from South Carolina [Mr. HOLLINGS], the Senator from Nebraska [Mr. ZORINSKY], the Senator from Florida [Mr. CHILES], the Senator from North Dakota [Mr. BURDICK], the Senator from Iowa [Mr. HARKIN], and the Senator from Nevada [Mr. HECHT] were added as cosponsors of Senate Joint Resolution 338, a joint resolution to designate November 18, 1986, as "National Community Education Day."

SENATE JOINT RESOLUTION 346

At the request of Mr. HEINZ, the names of the Senator from Maryland [Mr. MATHIAS], and the Senator from Maine [Mr. COHEN] were added as cosponsors of Senate Joint Resolution 346, a joint resolution to designate June 21, 1986, as "National Save American Industry and Jobs Day."

SENATE JOINT RESOLUTION 347

At the request of Mr. LEVIN, the names of the Senator from Washington [Mr. GORTON], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Kansas [Mrs. KASSEBAUM], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 347, a joint resolution to designate the week of May 19, 1986, through May 24, 1986, as "National Homelessness Awareness Week."

SENATE CONCURRENT RESOLUTION 131

At the request of Mr. HART, the names of the Senator from Oklahoma [Mr. BOREN], the Senator from Nebraska [Mr. EXON], the Senator from Nevada [Mr. HECHT], the Senator from Vermont [Mr. LEAHY], the Senator from Oklahoma [Mr. NICKLES], the Senator from Illinois [Mr. SIMON], and the Senator from Virginia [Mr. TRIBLE] were added as cosponsors of Senate Concurrent Resolution 131, a concurrent resolution expressing the

sense of the Congress that the Soviet Union should immediately provide for the release and safe passage of Naum Meiman and Inna Kitrosskaya-Meiman.

SENATE CONCURRENT RESOLUTION 138

At the request of Mr. DOLE, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of Senate Concurrent Resolution 138, a concurrent resolution expressing the sense of the Congress with respect to Farm Credit System agricultural loan restructing.

SENATE CONCURRENT RESOLUTION 140

At the request of Mr. HELMS, the names of the Senator from New Mexico [Mr. DOMENICI], the Senator from Kansas [Mr. DOLE], the Senator from California [Mr. WILSON], the Senator from North Carolina [Mr. EAST], the Senator from South Carolina [Mr. THURMOND], the Senator from Iowa [Mr. GRASSLEY], the Senator from Maine [Mr. COHEN], the Senator from Washington [Mr. GORTON], the Senator from Georgia [Mr. MATTINGLY], the Senator from Mississippi [Mr. COCHRAN], the Senator from Alabama [Mr. DENTON], the Senator from Utah [Mr. HATCH], the Senator from Pennsylvania [Mr. HEINZ], the Senator from New York [Mr. D'AMATO], the Senator from Wyoming [Mr. WALLOP], the Senator from Virginia [Mr. WARNER], the Senator from Virginia [Mr. TRIBLE], the Senator from Indiana [Mr. QUAYLE], the Senator from Oregon [Mr. HATFIELD], the Senator from New Hampshire [Mr. RUDMAN], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Idaho [Mr. MCCLURE], the Senator from Washington [Mr. EVANS], the Senator from Pennsylvania [Mr. SPECTER], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Florida [Mrs. HAWKINS], the Senator from Illinois [Mr. SIMON], the Senator from Massachusetts [Mr. KERRY], the Senator from Montana [Mr. MELCHER], the Senator from Arkansas [Mr. PRYOR], the Senator from Iowa [Mr. HARKIN], the Senator from Oklahoma [Mr. BOREN], the Senator from New York [Mr. MOYNIHAN], the Senator from West Virginia [Mr. BYRD], the Senator from Florida [Mr. CHILES], the Senator from Vermont [Mr. LEAHY], and the Senator from Nevada [Mr. HECHT] were added as cosponsors of Senate Concurrent Resolution 140, a concurrent resoluton to pay tribute to the late William C. Lee and to designate June 6, 1986, as "William C. Lee Day."

SENATE CONCURRENT RESOLUTION 141

At the request of Mr. D'AMATO, his name was added as a cosponsor of Senate Concurrent Resolution 141, a concurrent resolution expressing the sense of Congress for full representation by American ethnic groups in the awarding of Statue of Liberty medals.

SENATE RESOLUTION 330

At the request of Mr. DENTON, the name of the Senator from Virginia [Mr. TRIBLE] was added as a cosponsor of Senate Resolution 330, a resolution establishing a Special Committee on Families, Youth, and Children.

SENATE RESOLUTION 409

At the request of Mr. MATTINGLY, the names of the Senator from Oklahoma [Mr. NICLKES], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Nevada [Mr. LAXALT], the Senator from Indiana [Mr. QUAYLE], the Senator from Alaska [Mr. STEVENS], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from California [Mr. WILSON] were added as cosponsors of Senate Resolution 409, a resolution to express the sense of the Senate that the tax reform legislation, when that bill is signed into law, remain unchanged for a minimum of five years, for the purpose of promoting economic growth and opportunity.

AMENDMENT NO. 1729

At the request of Mr. DOMENICI, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of Amendment No. 1729 intended to be proposed to S. 1004, a bill to authorize and direct the Secretary of Energy to establish a program to provide for reclamation and other remedial actions with respect to mill tailings at active uranium and thorium processing sites.

SENATE CONCURRENT RESOLUTION 143—URGING THE RESUMPTION OF THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES ORDERLY DEPARTURE FROM VIETNAM

Mr. DECONCINI (for himself and Mr. MURKOWSKI) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 143

Whereas the United Nations Orderly Departure Program for Vietnam has enabled more than 100,000 persons to leave Vietnam without facing the hazards of departure by sea, which has exposed thousands of Vietnamese to the risks of weather, unseaworthy vessels, and the depredations of pirates;

Whereas the international community, the United States Government, and the American people have expressed their support for the agreement reached between the United Nations High Commissioner for Refugees and the Vietnamese authorities in 1979 to establish the Orderly Departure Program for Vietnam (hereafter in this preamble referred to as the "Departure Program");

Whereas that agreement provides for both "family reunion and humanitarian cases" to depart Vietnam through the Departure Program and for the Government of Vietnam to provide the United Nations High Commissioner for Refugees and the receiving countries with every facility to implement the Departure Program;

Whereas the President, in consultation with the Congress, proposed in September 1984, and reaffirmed in September 1985, that the United States was prepared to receive (1) persons of special humanitarian concern from Vietnam, in particular the "re-education camp" prisoners, thousands of whom remain imprisoned because of their past associations with United States programs and policies in the region or with the former Government of the Republic of Vietnam; and (2) the Amerasian children and their mothers and other close relatives remaining in Vietnam;

Whereas the United States and other concerned governments have earnestly sought improvements in the operation of the Departure Program at meetings organized by the United Nations High Commissioner for Refugees with representatives of the Socialist Republic of Vietnam; and

Whereas the authorities of the Socialist Republic of Vietnam on January 1, 1986, suspended the inverviewing and processing of all applicants in Vietnam for resettlement in the United States, thus threatening to interrupt the flow of departures from Vietnam by those found eligible for admission to the United States as refugees or immigrants: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby calls upon the Government of the Socialist Republic of Vietnam—

(1) to permit the immediate resumption of interviewing and processing of applicants in Vietnam who have received preliminary approval from the United States Government for resettlement in the United States under the United Nations High Commissioner for Refugees Orderly Departure Program for Vietnam; and

(2) to permit the orderly departure of "re-education camp" prisoners, Amerasian children, and other persons of special humanitarian concern to the United States.

● Mr. DECONCINI. Mr. President, on behalf of myself and the distinguished chairman of the Senate Committee on Veterans Affairs, Senator MURKOWSKI, I am submitting today a concurrent resolution expressing the sense of Congress that the Socialist Republic of Vietnam should (1) immediately resume the interviewing and processing of applicants in Vietnam who have received preliminary approval from the U.S. Government for resettlement in the United States under the United Nations High Commissioner for Refugees [UNHCR] Orderly Departure Program, and (2) permit the orderly departure of "re-education camp" prisoners, Amerasian children, and other persons of special humanitarian concern to the United States.

Mr. President, our good friend from Florida, Congressman MICHAEL BILIRAKIS, who traveled to Vietnam with Senator MURKOWSKI, Congressman MCEWEN, and myself in January, will be introducing companion legislation in the House of Representatives.

While the congressional members of the Murkowski Codel were in Hanoi pursuing the POW/MIA issue with Vietnamese officials, other members of our staffs visited the Phanat Nikhom Refugee Camp in Thailand. In subse-

quent reports to us, they underscored the importance of the Orderly Departure Program [ODP] continuing in an unimpeded manner.

Mr. President, the Orderly Departure Program was negotiated in 1979 between the Socialist Republic of Vietnam [SRV] and the United Nations High Commissioner for Refugees in response to the flood of boat people who fled Vietnam in 1978 and 1979. Many of these "boat people" traveled in unsafe vessels and unnecessarily died as a result of storms, drownings, and attacks by pirates. The Orderly Departure Program was established to provide a humane and orderly way in which refugees could leave Vietnam and resettle in nations willing to accept them.

The Orderly Departure Program works like this:

Interest expressed. A person in the United States or in the SRV contacts the ODP office at the American Embassy in Bangkok, or a voluntary agency in the United States, expressing interest in the ODP. The ODP office requests an immigrant visa petition from the relative in the United States or proof of a past close association with the United States.

Documentation. Upon receipt of an approved immigrant visa petition [I-130] or of evidence of close past ties with the United States, the ODP office in Bangkok opens a file and requests the documents required to complete the application. When the ODP is satisfied with the documentation submitted, it then adds the name of the applicant to the list of names of those approved for entry to the United States which is periodically forwarded to the Vietnamese authorities through the UNHCR representatives. The ODP office simultaneously issues a letter of introduction for use by the individual in Vietnam to obtain an exit permit, although this has often not been required by the Vietnamese authorities.

Exit permit. After the Vietnamese authorities issue an exit permit—which may take anywhere from 6 to 24 months, from the time of the initial request—they may then arrange for the applicant to be interviewed by UNHCR interviewers in Ho Chi Minh City—which may easily be another 18 months, or longer, after issuance of the exit permit.

Medical exam. During the week following the UNHCR interview, the applicant undergoes a medical examination at Cho Ray Medical Center.

ODP office review. The UNHCR interview file, along with the results of the medical exam, is then forwarded to ODP Bangkok for final review and approval. Final approval may take several months, depending on the existing backlog and/or whether or not more documentation is required.

UNHCR role. Upon final approval, the name of the applicant is telexed to the UNHCR for submission to the Vietnamese authorities for manifesting on the earliest possible flight out of Vietnam.

U.S. Government exit interview. Immediately prior to departure, an exit interview is conducted by a consular officer of the U.S. Government at the Tan Son Nhut Airport in Ho Chi Minh City.

Transportation. Travel, food, and lodging are provided by the Intergovernmental Committee for Migration under the terms of an agreement with the Bureau for Refugees Program, Department of State. However, all ODP applicants are expected to repay the transportation cost to ICM. These loan collections are then used to finance the transportation of future departees.

Training/U.S. arrival. The individual transits Bangkok for a brief period—not to exceed 12 days—and continues traveling to either the United States or, if qualified, to English as a second language and cultural orientation training in Bataan. During this period, private voluntary agencies find sponsors to care for the individual when he/she arrives in the United States.

Since the Orderly Departure Program was established in 1979, over 105,000 people have left Vietnam, 45,000 of whom have been or will be resettled in the United States. Despite any problems we may have had with the SRV, with regard to the ODP, those statistics represent positive progress.

As you may be aware, the President of the United States, in consultation with the Congress, expressed in September 1984, and reaffirmed in September 1985, our desire to receive persons of special humanitarian concern from the SRV. The groups of particular concern to us are the "re-education camp" prisoners, thousands of whom remain imprisoned because of their past associations with United States programs and policies in the region, or with the former Government of the Republic of Vietnam; and the Amerasian children, their mothers, and other close relatives remaining in Vietnam. While the SRV has not responded in a very positive manner to this initiative, the ODP must proceed so that thousands of refugees and immigrants can be resettled.

Regrettably, on January 1, 1986, the SRV unilaterally suspended UNHCR interviewing and processing of applicants in Ho Chi Minh City for departure to the United States. This resolution is intended to send a strong signal to the SRV that the suspension of the interviewing and processing of applicants is a matter of grave humanitarian concern to the U.S. Government and the U.S. Congress. It is extremely important that the SRV know that the executive and legislative branches of our Government speak with a strong and united voice on this important issue.

I urge all of our colleagues to join with Senator MURKOWSKI and myself in cosponsoring this resolution so there can be no doubt as to where the U.S. Congress stands on the importance of the UNHCR Orderly Departure Program. Hopefully, enactment of this resolution will convince the SRV to immediately resume the UNHCR interviewing and processing of refugees under the ODP.●

SENATE CONCURRENT RESOLUTION 144—PROVIDING FOR AN ADJOURNMENT OF THE SENATE AND THE HOUSE

Mr. DOLE submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 144

Resolved by the Senate (the House of Representatives concurring), That when the House adjourns on Thursday, May 22, 1986, pursuant to a motion made by the Majority Leader of the House, or his designee, in accordance with this resolution, it stand adjourned until 12 o'clock meridian on Tuesday, June 3, 1986, and that when the Senate adjourns on Wednesday, May 21, 1986, pursuant to a motion made by the Majority Leader of the Senate, or his designee, in accordance with this resolution, it stand adjourned until 2 o'clock p.m. on Monday, June 2, 1986, or until 12 o'clock meridian on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution.

SEC. 2. The Speaker of the House, after consultation with the Minority Leader of the House, and the Majority Leader of the Senate, after consultation with the Minority Leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

SENATE RESOLUTION 412—THANKING THE HONORABLE MARGARET THATCHER

Mr. WALLOP (for himself, Mr. MATTINGLY, Mr. MCCLURE, Mr. QUAYLE, Mr. WARNER, Mr. HECHT, Mr. HELMS, Mr. SYMMS, Mr. GOLDWATER, Mr. GARN, Mrs. HAWKINS, Mr. HOLLINGS, Mr. TRIBLE, Mr. GRAMM, Mr. MURKOWSKI, Mr. ARMSTRONG, Mr. LAXALT, Mr. THURMOND, Mr. EAST, Mr. HATCH, Mr. WILSON, Mr. RUDMAN, Mr. GORTON, Mr. DENTON, Mr. CHAFEE, Mr. GRASSLEY, and Mr. LUGAR) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 412

Whereas the Government of the United States, having obtained irrefutable evidence that the present regime in Libya did engage in an act of war against the United States by ordering a bombing of a crowded building in Berlin frequented by American citizens in which an American serviceman was killed and others wounded, along with many civilians; and

Whereas the Government of the United States both before and after this incident has received reliable information that the same Libyan government has been systematically planning, aiding, and abetting similar terroristic attacks which constitute acts of war against the United States of America; and

Whereas the President of the United States, in response to these outrages and acting within his constitutional prerogatives and pursuant to his solemn obligation as commander in Chief to defend the United States and its citizens, did resolve to launch an airstrike against selected military targets in Libya involved in support of these acts of terrorism aimed at the United States; and

Whereas the President, in order to make this airstrike effectively, requested the permission of our NATO ally, the United Kingdom, permission to dispatch some of our aircraft from bases in the United Kingdom; and

Whereas this permission was graciously granted by the Prime Minister of the United Kingdom, Margaret Thatcher; and

Whereas Margaret Thatcher has been subjected to harsh domestic criticism for supporting this American operation; and

Whereas Margaret Thatcher has forcefully defended in Parliament her decision as follows:

"Terrorism is a scourge of the modern age. Libya has been behind much of it and was planning more. The United Kingdom has itself suffered from Libya's actions. The United States, after trying other means, has now sought by limited military action to induce the Libyan regime to desist from terrorism. This is in the British interest. It is why the government supports the U.S. action"; and

Whereas in taking her decision and defending it with courage and uncommon eloquence, she has demonstrated her friendship for the United States, and her government has given the world a lesson in what it means to be a courageous and dependable ally against a common danger:

Resolved, that it is the sense of the Senate of the United States that we are deeply grateful to the Prime Minister and to the British Government for their timely and loyal support and for giving the United States the assistance it requested to facilitate the efforts of our Government to take action to deter terrorist attacks by the Libyan regime against America and its friends and allies.

Be it further resolved that on behalf of the American people we express our heartfelt thanks to the people of the United Kingdom for this welcome expression of friendship and solidarity.

Mr. WALLOP. Mr. President, I stand today to submit a sense of the Senate resolution to thank Margaret Thatcher, her government, and the people of the United Kingdom for their support in our hour of need; in this case, allowing the United States to use British air bases for launching an American retaliatory strike against those who support, train, and equip international terror in Libya.

Our two great English-speaking nations have often come to each other's aid when others would not. While we have our differences over many matters of policy, there has never been any doubt in my mind that the British and American people share the strongest of bonds: the love of freedom and the moral strength and capacity to see that liberty and justice prosper in what often seems to all of us a barbarous world.

International terrorism is not a phenomenon born of social misery or unrest. It is not the cause of freedom fighters who seek to liberate their country from some foreign power or despot. It is most often directed at those countries that have the most democratic forms of government, and its targets are almost always innocent civilians, many women and children.

No; as Benjamin Netanyahu stated correctly, international terrorism "is rooted in the political ambitions and designs of expanionist states and the groups that serve them. Without the support of such states, international terrorism would be impossible."

Margaret Thatcher, who exemplifies the best qualities of British leadership, understands this. Although she has come under harsh domestic political criticism for her support of this legitimate American response to international terror, she stands firm and has staunchly defended her actions.

She states eloquently in the parliament:

Terrorism is a scourge of the modern age. Libya has been behind much of it and was planning more. The United Kingdom has itself suffered from Libya's actions. The United States, after trying other means, has now sought by limited military action to induce the Libyan regime to desist from terrorism. This is in the British interest. It is why the government supports the U.S. action.

I should like to take a moment to read into the RECORD the words of another great British statesman in his expression of admiration for Franklin Roosevelt. I believe it aptly captures the feeling those who sponsored this resolution have for Prime Minister Thatcher.:

I have always taken the view that the fortunes of mankind in its tremendous journey are principally decided for good or ill—but mainly for good, for the path is upward—by its greatest men and its greatest episodes.

I therefore hail it as a most fortunate occurrence that at this awe-striking climax in world affairs there should stand at the head of the American Republic a famous statesman, long versed and experienced in the work of government and administration, in whose heart there burns the fire of resistance to aggression and oppression, and whose sympathies and nature make him the sincere and undoubted champion of justice and of the freedom, and of the victims of wrongdoing wherever they may dwell.

We Americans are fortunate indeed that the British democracy is headed today by a woman who embodies those qualities which Winston Churchill so graciously bestowed upon President Roosevelt 45 years ago. We are moreover fortunate that the British people have, in their wisdom, seen fit to place such a statesman as Prime Minister Thatcher at the helm of the British ship of state. For this, and for their welcome expression of friendship and solidarity toward the United States, we also offer our heartfelt thanks to the people of Great Britain.

I encourage my colleagues who have not yet become cosponsors of this resolution of thanks to do so.

SENATE RESOLUTION 413—RECOGNIZING THE DEVOTION OF BOB HOPE ON HIS 83D BIRTHDAY

Mr. DENTON (for himself, Mr. ABDNOR, Mr. BOREN, Mr. BUMPERS, Mr. BURDICK, Mr. BYRD, Mr. COCHRAN, Mr. CRANSTON, Mr. DECONCINI, Mr. DIXON, Mr. DOLE, Mr. DURENBERGER, Mr. EAST, Mr. GOLDWATER, Mr. GRASSLEY, Mr. HATCH, Mrs. HAWKINS, Mr. HECHT, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mrs. KASSEBAUM, Mr. KASTEN, Mr. LAXALT, Mr. LEVIN, Mr. LUGAR, Mr. MCCLURE, Mr. MURKOWSKI, Mr. PRESSLER, Mr. ROTH, Mr. SIMPSON, Mr. STAFFORD, Mr. STENNIS, Mr. SYMMS, Mr. THURMOND, Mr. TRIBLE, Mr. WALLOP, Mr. WARNER, Mr. WILSON, and Mr. ZORINSKY) submitted the following resolution; which was considered and agreed to:

S. RES. 413

Whereas the favorite and most beloved entertainer in America, Bob Hope, will observe his eighty-third birthday on May 29, 1986;

Whereas Bob Hope has staunchly supported American values and the interests of the Nation;

Whereas Bob Hope has entertained the men and women of the Armed Forces, both at home and overseas, since 1941; and

Whereas Bob Hope has received many awards including a Congressional Gold Medal and the Medal of Freedom: Now, therefore, be it

Resolved, That the Senate reaffirms its recognition of the devotion of Bob Hope to the United States and to the members of the Armed Forces and extends its best wishes to Bob Hope on the occasion of his having attained the age of eighty-three years young.

SENATE RESOLUTION 414—RELATING TO THE RESUMPTION OF TECHNICAL MEETINGS RELATED TO AMERICANS MISSING-IN-ACTION IN SOUTHEAST ASIA

Mr. MURKOWSKI (for himself, Mr. DECONCINI, Mr. THURMOND, Mr. DENTON, Mr. BOSCHWITZ, and Mr. ABDNOR) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 414

Whereas, 2,435 servicemen are still unaccounted for in Southeast Asia;

Whereas, significant progress has been made in the ongoing talks between the United States and Vietnamese governments toward the resolution of issues surrounding American military persons who served

during the Vietnam war and are still listed as missing in action;

Whereas, both the United States government and the Vietnamese Foreign Minister Nguyen Co Thach have agreed that such talks should proceed as a humanitarian effort, apart from all other political issues;

Whereas, during the past five years, Vietnam has steadily increased the level of its cooperation in resolving the POW/MIA issue and, during 1985, Vietnam agreed to increase the technical meetings to at least six a year, has repatriated more remains than during any year since 1973, carried out the first U.S. Vietnamese joint crash site excavation, and announced Vietnam's intention to resolve the MIA issue "within two years";

Whereas, the level of U.S./Vietnamese cooperation must be accelerated, not suspended, if the POW/MIA issue is to be resolved within two years;

Now, therefore, be it

Resolved, That—

(1) the U.S. government continue to make every effort to have the technical meetings between high-level representatives of Vietnam and the U.S. government resume as expeditiously as possible;

(2) The U.S. government continue to underscore the importance of proceeding on an accelerated track to pursue the resolution of the POW/MIA issue as a humanitarian effort, apart from all other issues; and

(3) the U.S. government give the highest priority to efforts to resolve all aspects of the POW/MIA issue.

SEC. 2. (a) This resolution may be cited as the "POW/MIA Technical Meetings Initiative of 1986".

(b) The Secretary of the Senate shall transmit a copy of this resolution to the President, the Secretary of Defense, and the Secretary of State.

● Mr. MURKOWSKI. Mr. President, I rise at this time to submit, along with my distinguished colleague Senator DENNIS DECONCINI of Arizona, and others Senate Resolution 414.

This resolution expresses the sense of the Senate regarding the presumption of technical meetings with the Government of the Socialist Republic of Vietnam on the issues of the repatriation of remains of American servicemen, joint excavations of crash sites and investigations of so-called live sighting reports. It is fitting that Senator DECONCINI and I introduce this legislation for our colleagues consideration at a time when our Nation commences its observance of Memorial Day. I am also pleased to join with Senator DECONCINI as an original cosponsor on a Senate resolution expressing grave concern with the recent turn of events regarding the Orderly Departure Program.

In the debate and rhetoric about the political and moral dimensions of warfare that will inevitably take place on Memorial Day, let us not lose sight of the human sacrifices that comprise the true nature of war. It is the men and women who have made that final and painful sacrifice in the name of duty that we must honor. As a nation we were divided in the 1960's and 1970's over the war in Indochina. Let us today set aside these bitter controversies and unite in honoring most solemnly those who lost their lives in that arena just as we honor those who fell in other wars fought by the United States.

There can be no more fitting commemoration of Memorial Day than to redouble our efforts on behalf of those servicemen who remain unaccounted for from the Vietnam war. It would be a shame if we were to spare any effort to determine the fate of those still missing in action. We must keep with the families of the MIA's who bear the agonizing hope that, against all odds, their missing ones might still be alive as prisoners of war, a hope that cannot be resolved until a full accounting has been made of every young man who fought for his country in Vietnam.

Moreover, on this Memorial Day let us keep faith with those Vietnamese who have suffered in the new Vietnam by virtue of their past association with the American presence. After 1975, South Vietnamese of the Republic of Vietnam who had been associated with Americans during our long common struggle became prime targets for persecution by the Hanoi government. As is well known, a million Vietnamese fled by boat subsequently to escape the new Communist regime.

A valuable program exists to help Vietnamese seeking to leave Vietnam legally. It is the Orderly Departure Program [ODP] and the United States is fully committed to it. The ODP was established under the auspices of the United Nations High Commissioner for Refugees and has enabled over 100,000 persons to leave Vietnam safely since 1979. Of these, about one-half have come to the United States. This program is the best means to reunite families torn apart by war and offers an alternative to flight by boat. Through the ODP, we have a particular concern for three specific groups: for Amerasian children, for Vietnamese citizens who were employed by us until 1975, and for former officials of the South Vietnamese government and military.

Since January 1986, Vietnam has ceased cooperation with the ODP program. American working for the UNHCR in Ho Chi Minh City have been summarily ordered out of the country. Because all candidates for American visas must be interviewed personally, Hanoi has, in effect, left the program to dry up.

There are, at this moment, between 600 and 1,000 fully processed applicants waiting for Vietnam to finally manifest them on the flight to Bangkok and freedom. In addition there are between 9,500 and 10,000 applicants who are fully processed but who have minor technical complications hold up their departure.

We have urged Hanoi to get the process moving again, but without success to date. As with the MIA issue, I fear to say that Hanoi may be tying the ODP program to political issues. This would be most unfortunate—and contrary to Hanoi's own interests—that humanitarian issues should be so merged with political issues.

It is also regrettable that Vietnam has refused to engage in a sincere dialog regarding "reeducation camp" prisoners still held in Vietnam. In 1984, Foreign Minister Nguyen Co Thach pledged to release all reeducation detainees if the United States would accept them. In spite of the enormous problems involved in accepting tens of thousands of refugees, the United States welcomed Thach's proposal and sought ways to implement it. Thach's proposal, however, turned out to be misleading. Hanoi more recently has insisted that it would carry out its pledge only if the United States would restrict the exercise of free speech and political expression of these refugees once they were in our country. He based this demand on Vietnamese national security considerations. This demand is, of course, wholly unacceptable, given the constitutional rights all our residents enjoy. Hanoi must have been aware of our position on this fundamental question.

In spite of these difficulties, Memorial Day should thus be the occasion for us to renew our efforts not only on the MIA/POW issue but also on behalf of the ODP program and of the reeducation camp inmates. The United States must not forget the Vietnamese who fought for the independence of the Republic of Vietnam until 1975.

Mr. President, I am taking this opportunity to introduce a resolution to express my very strong concern and that of Senator DECONCINI regarding the suspended talks with the Vietnamese to resolve the issues surrounding Americans still missing in Southeast Asia.

On April 28, I met in New York for more than 2 hours with Bui Xuan Nhat, the Vietnamese Acting Permanent Ambassador to the United Nations. The specific purpose for this meeting was to discuss the importance of resuming the technical meetings regarding Americans still missing in action in Southeast Asia. The Vietnamese canceled the ongoing technical talks scheduled for April, and threatened to delay the meetings indefinitely after the Vietnamese denounced the United States antiterrorist strike in Libya. I shared with the Ambassador the extensive conversations I had with Foreign Minister Thach in Hanoi on this subject and of the Foreign Minister's commitment to me that the resolution of the MIA issue was a humanitarian one which must not be linked to other matters.

Ambassador Nhat and I made significant progress on this issue. He told

me that the technical talks will be rescheduled shortly. I believe the Vietnamese agree that in order to proceed with our mutually shared goal of a full MIA accounting, we must not link this issue to any political or economic end. It is for this reason that I believe this Senate resolution endorsing the resumption of these talks as a very high priority, humanitarian effort, will go a long way to demonstrate to the Vietnamese Government our country's commitment to the resolution of this issue.

I am pleased that my colleague on the Senate Veterans' Affairs Committee and a member of the congressional delegation I led to Southeast Asia early this year, Senator DECONCINI, has joined me as an original cosponsor in this important effort. I urge my colleagues support of this measure.●

SENATE RESOLUTION 415—AUTHORIZING REPRESENTATION BY THE SENATE LEGAL COUNSEL

Mr. DOLE (for himself and Mr. BYRD) submitted the following resolution; which was considered and agreed to:

S. RES. 415

Whereas, in the case of *Commonwealth of Virginia* v. *Scott Bonner Benton, et al.*, Crim. No 761GC86004126-00, pending in the General District Court, Richmond, Virginia, the prosecution has obtained a subpoena for testimony of Senator Paul S. Trible, Jr.;

Whereas, Carol Ann Johnson, Richmond Office Assistant to Senator Trible, has by agreement with the Assistant Commonwealth's Attorney been substituted as a subpoena respondent;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. 288b(a) and 288c(a)(2) (1982), the Senate may direct its counsel to represent Members or employees of the Senate with respect to subpoenas issued to them in their official capacity;

Whereas, by the privileges of the United States Senate and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that testimony of employees of the Senate is or may be needful for use in any court for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges and rights of the Senate: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent Senator Paul S. Trible, Jr., Carol Ann Johnson, and any other staff assistant of Senator Trible who may be asked to testify in the case of *Commonwealth of Virginia* v. *Scott Bonner Benton, et al.* or subsequent related proceedings.

SEC. 2. That Carol Ann Johnson and any other staff assistant of Senator Trible who may be asked is authorized to testify in the case of *Commonwealth of Virginia* v. *Scott Banner Benton, et al.* including any appeals thereto, except concerning matters which may be privileged.

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. ANDREWS. Mr. President, I would like to announce for the information of the public that the Select Committee on Indian Affairs will be holding a hearing on Thursday, June 12, 1986, in Senate Russell 485, at 9:30 a.m., on S. 830, a bill to amend the Indian Education Act and other acts relating to Indian education to include native Hawaiians. Those wishing additional information should contact the committee at 224-2251.

SUBCOMMITTEE ON WATER AND POWER

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public, that the Subcommittee on Water and Power of the Committee on Energy and Natural Resources has scheduled a hearing on Tuesday, June 24, 1986, beginning at 10:00 a.m. in Room SD-366 of the Senate Dirksen Office Building, Washington, DC.

The purpose of this hearing is to receive testimony on the general relationship between the Federal Energy Regulatory Commission and related State public utility regulatory commissions and S. 1149, to amend the Federal Power Act to allow State commissions to determine whether to exclude all or part of a rate set by the Federal Energy Regulatory Commission based on construction cost.

Those wishing to testify or submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Water and Power, U.S. Senate, Washington, DC 20510. For further information regarding this hearing, please contact Ms. Debbi Rice or Mr. Russell Brown at 202-224-2366.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources will conduct a field hearing on Thursday, September 4, 1986, beginning at 9:00 a.m. at the Albuquerque Convention Center, Albuquerque, NM, on Technology Transfer.

The hearing will be jointly held with the House Science and Technology Committee for the purposes of exploring how technology is transferred from national laboratories to private industry, and how that process can be improved.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Subcommittee on Energy Research and Development, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510.

For further information regarding this hearing, please contact Mr. K.P. Lau or Ms. Marilyn Meigs of the subcommittee staff at 202-224-4431.

SUBCOMMITTEE ON FOREIGN AGRICULTURAL POLICY

Mr. HELMS. Mr. President, I wish to announce that the Subcommittee on Foreign Agricultural Policy of the Committee on Agriculture, Nutrition, and Forestry chaired by Senator RUDY BOSCHWITZ, has scheduled a series of hearings entitled "Preparing for the GATT: a review of agricultural trade issues."

The schedule of hearing dates and the topics to be discussed are as follows:

Tuesday, June 3, Prospects for world food production (short-term and long-term).

Tuesday, June 17, Part I: Agricultural Export Commission Part II: FAS cooperators (market development).

Tuesday, July 22, Barriers to agricultural trade—market access and export subsidies around the world (including the United States).

Tuesday, July 29, Impact of the 1985 farm bill on world agricultural trade.

Tuesday, August 5, GATT negotiations—What's at stake for U.S. agriculture?

Each day's hearing will begin at 9:30 a.m. and will be held in room 332 Russell Senate Office Building.

If further information is needed regarding these hearings, please contact Dan Pearson of Senator BOSCHWITZ' staff at 224-5641 or the committee staff at 224-2035.

SUBCOMMITTEE ON PUBLIC LANDS, RESERVED WATER, AND RESOURCE CONSERVATION

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public that a public hearing has been scheduled before the Subcommittee on Public Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources on Friday, June 20, 1986, at 9:30 a.m. in room SD-366 of the Senate Dirksen Office Building in Washington, DC 20510.

Testimony will be received on the following measures: S. 2266, to establish a ski area permit system on national forest lands established from the public domain, and for other purposes; S. 2287, to amend the Wild and Scenic Rivers Act to designate a certain portion of the Great Egg Harbor River in the State of New Jersey for potential addition to the Wild and Scenic Rivers System; S. 2320, to amend an act to add certain lands on the Island of Hawaii to Hawaii Volcanoes National Park, and for other purposes; S. 2351, to revise the boundaries of Olympic National Park and Olympic National Forest in the State of Washington, and for other purposes; and S. 2466, a bill to designate a segment of the Saline Bayou in Louisiana as a component of the National Wild and Scenic Rivers System.

Those wishing to testify should contact the Subcommittee on Public

Lands, Reserved Water and Resource Conservation of the Committee on Energy and Natural Resources, room SD-308, Dirksen Senate Office Building, Washington, DC 20510. Oral testimony may be limited to 3 minutes per witness. Witnesses may be placed in panels, and are requested to submit 25 copies of their testimony 24 hours in advance of the hearing, and 50 copies on the day of the hearing. For further information, please contact Tony Bevinetto or Patty Kennedy of the subcommittee staff at (202) 224-0613.

SUBCOMMITTEE ON NATURAL RESOURCES DEVELOPMENT AND PRODUCTION

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Natural Resources Development and Production Subcommittee of the Senate Energy and Natural Resources Committee.

The hearing will take place on Thursday, June 26, 1986, beginning at 10 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC. Testimony is invited regarding the prospects for exporting American coal.

For further information regarding this hearing, you may wish to contact Ms. Ellen Rowan on the subcommittee staff at (202) 224-5205. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Natural Resources Development and Production Subcommittee, Committee on Energy and Natural Resources, Dirksen Senate Office Building, Washington, DC 20510.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. DURENBERGER. Mr. President, I ask unanimous consent that the Committee on Agriculture be authorized to meet during the session of the Senate on Wednesday, May, 21, 1986, in order to conduct a business meeting until 1:30 p.m. on the nominations of Peter Myers, to be Deputy Secretary of Agriculture, and Christopher Hicks, to be General Counsel, United States Department of Agriculture.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. DURENBERGER. Mr. President, I ask unanimous consent that the Committee on Banking, Housing and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, May 21, to hold a hearing on the following:

Housing bill; H.R. 237, Fair Debt Collections Practices Act; and nomination of David Goldberg to be Director of SIPC.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. DURENBERGER. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, May 21, 1986, in order to conduct a business meeting on the following items:

S. 2255, Senate Concurrent Resolution 123, House Concurrent Resolution 301, and the use of the Official Office Expense Account to defray the cost of drug testing for Senate staff, and requests from the Sergeant of Arms that his office assume responsibility for office automation training and that funds from the Computer Center budget be reprogrammed.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON STRATEGIC AND THEATER NUCLEAR FORCES

Mr. DURENBERGER. Mr. President, I ask unanimous consent that the Subcommittee on Strategic and Theater Nuclear Forces of the Committee on Armed Services, be authorized to meet during the session of the Senate on Wednesday, May 21, 1986, in order to receive testimony concerning S. 2199, the fiscal year 1987 Department of Defense authorization, and also to receive testimony concerning nuclear reactor safety.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

INTERNATIONAL ECONOMY

● Mr. DANFORTH. Mr. President, I am pleased to be able to share with my colleagues an article from the SAIS Review by Senator JOHN HEINZ entitled "The United States and the New International Economy: Facing the World as It Is."

Senator HEINZ' provocative article takes a realistic view of the world economy today and offers trade policy alternatives to help America cope. He attempts to go beyond the simplistic labels of "free trade" and "protectionism" that so often dominate the trade debate and offers a thoughtful and timely contribution to ongoing deliberations in Congress over U.S. trade policy.

Mr. President. I ask that the article by Senator HEINZ be printed in the RECORD.

The article follows:

THE UNITED STATES AND THE NEW INTERNATIONAL ECONOMY: FACING THE WORLD AS IT IS

(By John Heinz)

American trade policymakers can resolve the country's trade crisis only by adapting its free-trade philosophy to fit the modern world. The first challenge is to understand the limitations of U.S. economic power in a world very different from that of thirty, or even twenty, years ago—where financial flows now dwarf trade flows. The second task is to recognize the limitations of traditional analysis about the implementation of free-trade philosophy as it was understood in the postwar era. The world economy actually operates quite differently from the way economics textbooks tell us it should, and nations do not always act in the rational way economists would lead us to expect. If the United States is to meet these two challenges, it must act more aggressively in support of both the liberal international trading system and the nation's own economic interests. While the present system should not be abandoned, the United States cannot afford to base its trade policy solely on preservation of the status quo.

"Free trade is not a principle. It is an expedient." In an era that venerates free trade, it is useful to remember Benjamin Disraeli's dictum of 1843. Trade was both a principle *and* an expedient for the British, whose industrial development, dominance of the sea lanes, and far-flung empire allowed them to benefit from the art of trading as well as from the results of such activity. This happy circumstance fostered a marriage of convenience between enlightened self-interest and an economic theory that, in the age of mercantilism, was not yet so highly regarded.

Although Europe and especially Asia have not forgotten Disraeli's insight, since the Franklin D. Roosevelt administration the United States has espoused a laissez-faire, free-trade philosophy regardless of whether or not this furthered the national interest. As the country recovered from the Depression and World War II, this philosophy worked well. During the two decades following the war, U.S. economic dominance resembled that of Britain in the late nineteenth century. The United States accounted for some 60 percent of the free world's gross domestic product (GDP). Moreover, historians commonly agree that during the 1950s and early 1960s America's great strength allowed the nation to absorb economic burdens—which for it were modest—in the interest of maintaining the trading system and sustaining economic recovery in war-ravaged Europe. As long as the total pie was expanding, sacrifices were easy. The cost was small and the political and economic gains were immediate and real. In short, the United States benefited from the principle of free trade, satisfying both theological purists and American economic interests.

In the present period, however, the United States' continued pursuit of what is now an outdated interpretation of free trade defies reality rather than accommodates it. As economic growth has slowed in so many parts of the world, the consequences of the nation's failure to adjust its vision have become obvious. The report of the President's Commission on Industrial Competitiveness, which appeared in January 1985, summarized:

"Most dramatic, perhaps, is our declining position in the world trading arena. . . . The deterioration of our trade balance began more than a decade ago, when the dollar was widely thought to be weak. In industry after industry, U.S. firms are losing market share. Even in high technology—often referred to as the 'sunrise' industries—

the United States lost world market share in 7 out of 10 sectors." [1]

Looking more closely at the trade deficit, the National Association of Manufacturers (NAM) has concluded that virtually all of the deficit increase from $69 billion in 1983 to $123 billion in 1984 was attributable to a $50 billion increase (to $89 billion) in the deficit for manufactured goods. Only three years earlier, in 1981, the United States had shown a $5 billion surplus in that sector. This astounding deterioration resulted from a 36 percent jump in manufactured imports in 1984 over 1983, accompanied by exports continuing at a level lower than in 1981. The NAM made the following observations:

"The trade balance worsened as much in capital goods and 'high technology' products, sectors in which the United States is thought to be especially competitive, as in other industrial sectors. Hi-tech imports since 1980 have grown at a 21 percent annual rate, while exports have increased at an average rate of only 5 percent. This emphatically contradicts the assumption that the trade crisis only threatens uncompetitive or 'smokestack' industries".[2]

The significance of these developments for the U.S. economy cannot be underestimated. According to the NAM,

"The recovery of 1983-84 stimulated U.S. industrial production, but manufacturing employment and capacity utilization have remained well below levels of earlier peak periods. The Federal Reserve's industrial production index has fallen in the past 12 months, thus reversing its growing trend of 1983-84.

"Beginning in mid-1984, the worsening U.S. balance in 'net exports' has acted as a drag on GNP growth and may well shorten the present economic growth cycle. Had exports only remained constant instead of worsening since the middle of last year, the annual rate of GNP growth would have been 4.9 percent instead of 2.2 percent. This contrasts with previous recoveries in the 1970s, when U.S. export growth strengthened and prolonged domestic growth cycles".[3]

In short, U.S. policies during the last several years have led to a severe—and possibly permanent—contraction in the nation's manufacturing sector, with all the political, economic, and national-security consequences this implies. That six to eight million new service jobs have been created is good news, but it does not mitigate the fact that two million individuals have been permanently deprived of their manfacturing jobs and are unprepared to cope with the economic changes that are occurring. As William R. Hawkins, assistant professor of economics at Radford University in Virginia, has said, "The long-run replacement of high value-added industry by low value-added industry will undermine the American economic strength. Wealth and power ultimately rests on the power of production, not consumption." [4]

Although the events and policies of the last four years have brought the U.S. economy to the trade crisis evidenced by the huge U.S. trade deficit, the nation's continued failure to respond to changes in the world trading system (particularly since the early 1970s) and the decline in its share of free world GNP (from 60 to 25 percent) have also figured significantly. At this point I would highlight what appear to be the most important changes.

Exposed Economies. The increasing speed and sophistication of transportation and communications systems have created a true world market—for services as well as goods. For example, who would have thought, even ten years ago, that over half the country's daily supply of fresh carnations and chrysanthemums would be shipped from overseas? Satellite communications and electronic financial systems now permit virtually instantaneous transfer, not only of news but of data and business and financial transactions. Approximately $30 trillion of foreign-exchange transactions occurred in 1984 (or more than $11 billion every working day), a volume of transactions that dwarfs trade flows by a factor of ten. These developments have made virtually every economy accessible to every other, excluding those choosing to restrict such access.

Growth of the Trade Sector. The decline in the rate of domestic economic growth in the United States has made foreign markets more important—both for American producers perceiving them to be a means of growth and for foreign producers seeking to take advantage of the U.S. open market to promote their own growth. While foreign trade represented 7 percent of U.S. GNP in 1970, in 1984 it amounted to 14.7 percent. This was still behind the ratio of most European nations, but a significant increase nonetheless. In part it reflected the slowdown in expansion of the total "pie," which has occurred over the last ten years because of slower domestic growth. Thus, renewed attention was focused on foreign trade, where growth was more likely, if only at the expense of others.

Demand for Discipline. Both of the developments mentioned above have worked together to create pressure for stronger international standards on the conduct of commercial activities and for a better means of enforcing those standards. It is no longer only such "declining" import-impacted industries as steel, footwear, and textiles that are sensitive to these problems; now such modern, technologically competitive industries as machine tools and semiconductors, as well as growing segments of the agricultural sector, are joining the chorus of complaints about access to foreign markets and subsidized imports. These complaints translate not so much into cries for protection as into demands for equitable treatment; hence the newly popular term "fair trade."

Failure of Adjustment. This greater insistence on discipline in the rules of multilateral trade has been heightened by the almost universal failure of developed countries to pursue and implement successfully adjustment strategies for industries that are no longer competitive. In steel, for example, the United States and the European Community (EC) represent constrasting extremes of failure. The United Stats, having virtually no policy, has forced the industry to adjust in the most painful way possible. The result has been abrupt reductions in employment (from 453,000 in 1979 to 215,000 in May 1985) and a rise incoporate bankruptcies (Wheeling-Pittsburgh, McLouth) and mergers (LTV-Republic). The EC, on the other hand, has consistently postponed adjustment by continuing subsidies and attempting to regulate levels of production between the member nations. The result has been an adjustment so slow that it has done little more than transfer the burden for shrinkage to the United States. To the extent that developed nations with mature economies fail at adjustment, they increase the number of constituencies demanding protection and slow down a process that would allocate resources efficiently.

Breakdown of Consensus of Rules. The world has witnessed the growing importance of non-Western trade players, whose standards, practices, and approach to business are at variance with the essentially Western trade system drawn up by the United States and its European allies in the postwar era. The growing problem of patent piracy and other forms of theft of intellectual property (for example, books, recordings, and tapes) is a manifestation of the fact that many of the less developed countries LDCs) and newly industrialized countries (NICs) do not accept or have not developed Western legal standards and even regard them as instruments of economic exploitation.

Recognition of Economic Change. The difficulties that the United States and other developed nations have experienced in responding to the rapid industrialization of certain LDCs has been matched on the LDCs' part by a reluctance to accept the additional responsibility that accompanies development. For the United States, admitting that a Korea or Brazil can manufacture products of equal quality to ours at less cost has been a painful adjustment. Likewise, for countries such as Korea or Brazil to realize that industrialization must be coupled with a phasing out of LDC preferences and that a market-oriented system without subsidies offers the best hope of further balanced growth, will be equally painful yet no less necessary.

The Debt Bomb. The United States must come to terms with the devastating effect of the LDC debt crisis. In recent years nearly 40 percent of U.S. exports went to Third World markets—more than to Europe and to Japan combined—but debt problems and the inability to finance previous levels of imports caused a $22 billion deterioration in U.S. exports to Latin America alone between 1981 and 1984 as well as a loss of 550,000 jobs. While action on the part of the International Monetary Fund (IMF) in 1983 and 1984 staved off catastrophe, there is a growing suspicion that those steps were only palliative postponing but not preventing crisis. At the same time the debtor nations complained that IMF austerity programs had failed and should be replaced by more humane, development-oriented approaches with greater World Bank involvement, (although few, if any, of the nations in question have fully implemented or tested their IMF programs). At the annual IMF/World Bank meeting in Seoul in October 1985, Treasury Secretary Baker offered a plan to lend an additional $29 billion, a sum that some LDSs feel is too small and some U.S. banks consider too large. Growing private bank reluctance to provide new funds in the face of increasing LDC resistance to repayment cannot be unexptected, but it demonstrates the difficulty of arriving at any long-term solution.

These changes have produced a very different trading system, one in which the United States is no longer the dominant player and in which no widespread agreement exists on the rules of the game. The implications for American firms doing business internationally are clearly spelled out in a speech by Cordell Hull, director and senior vice president of Bechtel Power Cor-

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[1] *Global Competition: The New Reality.* Report of the President's Commission on Industrial Competitiveness, January 1985, 13.

[2] *U.S. Trade, Industrial Competitiveness and Economic Growth.* National Association of Manufacturers, August 1985, 40.

[3] Ibid.

[4] William R. Hawkins, letter to the editor, *The American Spectator,* October 1985.

poration, a company on the cutting edge of large-scale engineering and construction technology. Commenting on the growing need for subsidized government support of exports, Hull said,

In the 1960's the U.S. engineering and construction industry did not need as much credit support from Eximbank with respect to other international activities because:

—This country held a commanding lead in technical know-how, equipment quality, and price position backed by strong project management capabilities. . . .

—Competition from the newly industrialized countries was virtually non-existent. . . .

—Foreign exchange rates were stable and, for the most part, predictable.

Moving into the 1970's, economic storm clouds gathered as:

Host countries became more directly involved in project development and consequently required financing for their projects; in response, foreign engineering and construction competitors quickly emerged supported by subsidized government loans. . . .

—Emerging foreign competition secured increasingly larger shares of the engineering and construction market with their government's subsidies and support. Further, some of these competitors were state enterprises, directly owned and backed by their governments, able to take extraordinary risks with impunity.[5]

"Men learn from their mistakes how to make new ones." U.S. policymakers could benefit from this observation of British historian A.J.P. Taylor. They have lost their way in the transition to a new economic world, but they have not lost their baggage—theirs is still the classic laissez-faire, free-trade theology of the past. Does the suggestion that free-trade concepts are irrelevant mean they should be abandoned for a return to the celebrated days of Smoot-Hawley protectionism? Of course not. The theory—and the textbooks—are still useful. The question is how to apply them to a contemporary economic world. This demands not only a deep understanding of the changes in the system but also a redefinition of the term "free trade" so that it will be relevant for the present and for the remainder of this century.

The high priests of free trade make two mistakes in defining the principle to which they cling. They focus exclusively on the entry of foreign goods into the United States, while expecting the country to maintain the trading system single-handedly, and they persist in adhering to an artificial, stylized model rather than coming to terms with the human reality of trade.

The tunnel vision of American free traders is perplexing. In reality, free trade means, or ought to mean, the operation of free-market principles in the movement of goods, services, and capital across national borders. Today, of course, this would dictate that all parties lower tariffs, remove barriers to access, and resist new protectionist devices. However, free trade also means the free market operates in the production process and government decisionmaking. It means that dumping, subsidization, and government ownership of the means of production are not permitted. It means an end to arbitrary standards and testing requirements and protectionist government procurement policies, aggressive prosecution of patent piracy or other intellectual-property infringements, the lifting of constraints on services, and capital transfers, and the imposition of constraints on targeting of resources, including capital, to specific sectors. In short, free trade means permitting the most efficient allocation of economic resources *globally* and operating *all* economies on the basis of the principle of comparative advantage.

In modern times, however, achieving real free trade has been complicated by nations with interventionist governments, which have been able to "create" comparative advantage by subsidizing production, managing growth, and restricting competition, both foreign and domestic. For example, the Japanese economy has demonstrated that strong companies can be created by a combination of government-encouraged investment, protection of infant industries from imports, and forced consolidation of production to eliminate "damaging" domestic competition. With the government's blessing, these companies dominate their domestic markets and do not have to contend with import competition until they have achieved maturity, if then. Yet in a market exposed to global competition such entities would not have developed the same way, and resources would not have been diverted in an arguably less efficient direction.

From a narrow point of view the Japanese system has been extraordinarily successful. Through adroit management of the country's currency and capital market, through careful government guidance, and through the close cooperation of social groups (that in the United States are dedicated adversaries), the Japanese have created a dynamic, growing economy well positioned to take advantage of technological change.

Yet the cost of this industrial policy cannot be ignored, because it is the United States and others outside Japan who pay it. In some sectors products that can compete are simply excluded—blatantly in agriculture, more subtly in many industrial products. In other sectors foreign competition is excluded only until the Japanese have an equal, or superior, product. Then, when it no longer matters, the door is opened. The result is market distortion. Compared to a free-market philosophy, perhaps this is more clever; certainly it is more successful. Still, the person with the better idea, with the competitive edge, is out in the cold—unless, of course, he is Japanese.

One nation practicing this philosophy is a problem. If every nation practiced it, commerce would be paralyzed completely. Yet the trend, at least in Asia, is to imitate the closed-market model of the Japanese. Coping with this distortion of the free market is a challenge with which neither Gatt rules nor U.S. law are yet equipped to deal. If the United States fails to recognize it as a problem, however, it certainly will never be resolved.

The second mistake free traders make is to approach the international economic system as if it were a finely balanced clock instead of a Rube Goldberg contraption. In this mechanistic view all problems are caused by the high value of the dollar, which is itself the result of the federal budget deficit and the failure to cut spending. Simplistically presented, the budget deficit causes higher interest rates because the government competes with the private sector in the capital markets. Higher interest rates lead to an inflow of capital investment and a greater demand for the dollar, which in turn raises the value of the dollar in relation to other currencies, thereby encouraging imports and discouraging exports. Then, to reverse the tide, the United States cuts spending and reduces the deficit, thereby bringing interest rates down and prompting foreign investors to move out of dollars and into other currencies. After a time lag, this will right the U.S. trade balance.

The only problem with this elegant, seamless, and simple theory is that it does not reflect what has actually happened. It provides only a limited explanation for the trade deficit. This is not to say the theory is entirely wrong, only that it is incomplete. The United States has had a substantial trade deficit since 1976. In 1979, when the government intervened to stabilize the rapidly sliding dollar, the country still registered a $40 billion trade deficit. The trade deficit is now three times higher, but the fact remains that there have been significant deficits with both a low and a high dollar. While the dollar has no doubt been overvalued, one should have no illusions that its depreciation will either eliminate the deficit or solve the system's fundamental problems.

A second consideration is foreign investment. Has it risen during this period of supposedly high interest rates and a rising dollar? In fact, it has increased less than one would expect. Capital inflows totaled $75 billion in 1981, $94 billion in 1982, and $84 billion in 1984. The main reason for the sharp deterioration in the current account is the large decline in the export of U.S. capital ($110 billion in 1981 versus only $18 billion in 1984), which previously had offset the foreign inflows.

A third factor is interest rates. The prime rate peaked at 22 percent in 1980. Since then, it has moved more or less steadily downwards (thanks to the Reagan administration's policies). In the fall of 1985 it had fallen to 9.5 percent, a significant decrease over four years. What happened to the dollar during this period of declining real and nominal rates? It went up—until last February. In the following eight months it declined in value 31 percent against major European currencies and over 22 percent against the yen.

What happened in February to cause this welcome event? There was no significant change in interest rates. Nor did the United States reduce spending. It did not have a budget then, and there was little to indicate that it would get one. Indeed, the country had no budget until 1 August, and the one finally developed was generally considered a disappointment in terms of reducing the budget deficit. In fact, the sharpest decline against the yen came after the 21 September G-5 meeting in which Secretary Baker and his colleagues announced a program of greater macroeconomic policy coordination. There were no changes in economic fundamentals that could fully explain the significant effects the new policy has had. Perhaps because of this, economists have criticized the program as largely one of smoke and mirrors. (What this demonstrates if anything, is the value of smoke and mirrors in the foreign exchange markets.)

In other words, exchange rate management is more complicated than textbook theory suggests. Had the administration not overestimated the rationality and foresight of the market and had it understood the roles that psychology and intuition play, it could have tempered the dollar's rise over the past four years. It also needn't have dallied until September 1985 to improve coordi-

[5] Cordell Hull, speech at the "Trade 1984" conference, U.S. State Department, Washington D.C., 25 October 1984.

nation of macroeconomic policies among the major trading nations, which is absolutely essential to balanced exchange rates. The alternative to more aggressive exchange-rate management by the administration and the Federal Reserve Board is legislated exchange-rate stabilization schemes involving continued Federal Reserve activity in the market. Variations of this theme have been proposed in Congress, but it would be difficult to design in legislation a program that would be as flexible and that would be undertaken administratively.

To summarize, the view that exchange rates fluctuate according to rational evaluations of short-term economic indicators is an overly simplistic explanation of a much more complex reality—a reality in which intuition and expectations figure as significantly as perceptions of the reality, and in which the United States is generally considered to be a "save haven" for investment in an increasingly uncertain world. The dollar may or may not fall, regardless of spending reductions (although this is an important objective for a host of other reasons); its fall will not by itself cause the current-account balance to return to equilibrium. As noted, the U.S. trade balance was in trouble long before the dollar began its climb.

Furthermore, there are other systematic flaws that transcend the issue of exchange rates. The yen, for example, is not weak against all currencies. According to conventional theory, Japan's exports ought to be declining and its imports increasing in countries that have weak currencies vis-à-vis the yen. In the case of Korea, however, although the yen appreciated 48 percent against the won, Korean exports to Japan have increased only 2 percent per year. In Germany, the yen appreciated 28 percent against the mark, yet German exports to Japan have grown only 1 percent per year.

The problem of the dollar, therefore, will be best handled by recognizing the complexities of the trading and international financial system instead of relying on theories that ignore them. Although an understanding of the limits of traditional models or modes of thinking will not lead to different conclusions on what must be done about the budget deficit, interest rates, or the dollar, it should lead to a realization that these are not the *only* areas that require attention.

To say that we do not yet fully understand the operating principle of free trade in the contemporary economy would be an understatement. But we are slowly beginning to recognize the complexities of the world and the creativity and determination with which governments and individuals invent new means of distorting the free market to serve their short-term political or economic ends at the expense of others. For example, does the fact that most foreign producers in the steel industry—many of them government-owned, with no profit expectations—have engaged in dumping and subsidizing put the question of steel import restraints in a different light? If not, does the fact that the European Community has once again extended its subsidies to European steel producers—after promising three times in six years to eliminate them—suggest that the free-market concept is a bit tarnished around the edges? Is it in the interest of the United States to permit unemployment to be exported to its shores?

The policymakers with free-trade tunnel vision would suggest that the two issues are unrelated. EC subsidies are deplorable and every bit as market distorting as has been suggested. Yet that does not, the argument continues, imply that the United States should compound the error by retaliating. This is precisely the point where so many in Congess part company with the theoreticians—if not in the case of steel, then in any of a hundred other instances.

The United States must act more aggressively in such situations for two reasons. First, the two issues most certainly are related. In the case of steel, EC subsidies are violations of GATT rules (which the Ec has accepted) and U.S. law. They severely depress prices in the U.S. market, often to a degree out of proportion with the amount of steel actually involved. The International Trade Commission recognized this problem explicitly in a 1982 case involving Spanish steel: "In a market where discounting is now commonplace, the mere presence of an offer from an importer of steel at a lower price can have a discernible impact." [6] Price suppression has prevented the U.S. steel industry from earning enough money to make the new investment necessary to remain competitive. The EC action, as well as that of numerous other producers, affects the U.S. industry; by definition, it ought to affect U.S. policy as well.

The argument that the United States should welcome cheap imports when European taxpayers have picked up part of the tab is also dangerously misleading, because the strength of any economy rests on production, not consumption. The presence of a domestic industry competing with imports not only has national-security implications in such cases as steel, it also has major price implications for the long term, because it guarantees continued competition in the classic Western sense. In the textile industry, for example, the last U.S. producer of velveteen went into bankruptcy in 1984. Within a few months the price of imported velveteen had risen 33 percent. Although velveteen, unlike steel, may not be essential to U.S. defense, this example illustrates even the short-term consequences of permitting the demise of an American industry. In my judgment it is a high price for consumers, not to mention the unemployed, to pay for cheaper fabric in this year's fashions. Such an approach literally sacrifices future economic strength for the sake of a few lower prices today.

The enactment of legislation in 1984 requiring country of origin labeling on apparel has also provided a valuable lesson in pricing. For the first time consumers can see, in catalogues and in stores, that identical items from the United States and abroad have the same retail price, despite the fact that the foreign goods almost certainly cost less to produce. The benefit in these cases goes not to the consumer but to the retailer who, not suprisingly, prefers the larger markup he can obtain with foreign goods.

The second reason that the United States should act more aggressively is a tactical one. The United States has for years tried to establish some international discipline over subsidized export financing practiced by its trading partners. As the following example proves, and aggresive policy may be the only way to force an offending country back into the market system.

Export credit subsidies, which virtually all economists condemn, give export contracts not to the most efficient producer, the best-quality product, or even the lowest price, but to those companies with the biggest pot of government money behind them. Since many credits involve major projects such as nuclear or conventional power plants or civil aircraft, thousands of jobs and hundreds of millions of dollars are at stake. Because no one pays cash for projects that will take years to build, the critical element is not the bid price but the financing terms, which will determine the total cost.

While this problem has not been solved, thanks to the persistence of mixed credits some of the worst offenders were eliminated by the 1983 OECD agreement. This was achieved partly because of a congressional commitment to a "war chest"—a proposed $1 billion fund that would be available to match the subsidies employed by U.S. competitors—and partly because on several occasions the administration actually did supply a match through regular Export-Import Bank programs. In other words, the United States succeeded only after it had demonstrated its commitment to act unilaterally if necessary (a commitment exemplified by the then-deputy secretary of the treasury Tim McNamar in his famous "deep pockets" speech of June 1981). Of course, progress was delayed for several years by the inexplicable refusal of the Office of Management and Budget to support a subsidy fund. This was penny-wise and pound-foolish. By late 1985, however, the administration had reversed its position and as of this writing is supporting a similar approach to combat mixed creidts. Like the proverbial mule who had to be hit over the head with a two-by-four to get his attention, some of our trading partners require more than gentle remonstrance to be persuaded to rectify what they and we know to be distortions of the free market and violations of GATT. On occasion U.S. pressure has even been welcomed by a foreign government convinced that remedial action was needed but not willing to accept its political consequences. In those cases the foreign government can foist the blame for an unpopular measure on the United States.

Because of countervailing political pressures, the United States has often failed to take actions it knows are necessary. Trade policy usually loses to other considerations. The Defense Department and the National Security Council, for example, opposed strong actions against Japan when the United States was trying to persuade the Japanese government to increase its defense spending. Similarly, U.S. reluctance to press such countries as China, Mexico, and Korea on a variety of trade issues is related to the desire to maintain good political relations.

Clearly, the actions of foreign governments affect U.S. industries directly and adversely (a fact often conveniently forgotten by free traders). Often the only way to respond to those actions is through threatened or actual retaliation. Trade policy consists of a series of determined efforts to resolve discrete problems. The philosophical framework within which those actions are taken does not constitute policy, but merely rhetoric. It is action that shapes policy—action on such issues as steel, citrus, textiles, a new Round, services, and government procurement—and it is these specific cases that the United States should concentrate its efforts.

The following principles do provide a basis for a true "free trade" policy as well as a contex for specific actions that should be taken on particular problems.

Adjustment. A healthy economy is a changing economy; yet a changing economy creates victims—people and companies left behind as they lose their competitiveness. Victims of change caused by dumped im-

[6] USITC, Pub. No. 1331, December 1982.

ports or blocked market access abroad are particularly angry, since their unemployment is not due to market forces. In either case, however, these victims are lobbyist for protection, and they rarely distinguish among themselves as victims of "free trade" or "unfair trade."

A proper approach to adjustment, therefore, is essential both to the long-term economic health of the United States and to its political interest in reducing the constituency for protectionism. As noted before, however, neither the United States nor any other country has undertaken adjustment very effectively. It is difficult. Employees in import-impacted industries (footwear, textiles, apparel) are often at the low end of the wage, job, skill, and education scales. Plants are often located in rural areas where alternative job opportunities are limited. In other cases, like that of steel, workers are often highly paid, highly skilled, proud of their job, and reluctant to change, particularly since most alternatives would pay less.

Nevertheless, it should be recognized that import restraint will often be an integral part of adjustment. Article XIX of the GATT acknowledges this and allows procedures for providing such relief on the conditions that it be temporary, declining in effect, and undertaken pursuant to a determination of domestic injury. The purpose of such temporary relief is to provide an umbrella under which an orderly adjustment to the new competitive reality can occur, either through an orderly phasedown or the creation of an economic climate conducive to new investment and the restoration of competitiveness. (The affected industry, of course, invariably defines its objectives as the latter, despite the fact the former might be more appropriate. Article XIX would permit import restraint for either purpose.)

Free traders frequently miss this point. The real issue in the footwear Section 201 case, for example, was not whether a protectionist action would or would not be taken, but rather whether the industry could become more competitive (as it claimed) and whether import restraints were necessary to accomplish that. This is the kind of analysis the government should undertake. Legislation that I originally proposed in 1983, and that has been included in the Senate's bipartisan Trade Enhancement Act, would ensure analysis of this kind and create a requirement for a quid pro quo among industry, labor, and the government, in which import relief could be provided in return for an industry adjustment plan and appropriate commitments toward its implementation.

The fact that adjustment is difficult does not decrease its importance either to affected workers or to the United States' continued leadership of the trading system. U.S. failure to face and resolve adjustment problems domestically can only discourage other nations from meeting their responsibilities; since equalizing the pace of adjustment among countries is essential to maintaining trade "peace," this failure will also retard general systemic change.

Systemic Reforms. It is not news to suggest that the GATT is weak compared to what was promised in the International Trade Organization in the 1940s and the reality of existing counterpart institutions. Its disciplinary process is extremely slow and often ineffective, as "losing" countries (including the United States) block adoption of panel reports. As of September 1985 the United States had secured favorable panel reports in five cases (pasta, citrus, canned fruit, leather, and EC use of the value-added tax in government procurement); no remedial action has yet been taken.

It is not the purpose of this article to launch into an extended discussion of structural reform. However, of the changes that could be made, probably the two most useful would be (1) a move away from consensual decisionmaking, thereby permitting a less-than-unanimous vote to authorize action, and (2) expansion and redefinition of code coverage.

The first option is not new; indeed, I proposed it in a 1983 speech. As was true of the notorious Polish *liberum veto* of the Middle Ages, the requirement of unanimity is a guarantee of paralysis. Since virtually every finding will hurt someone in the short run, it is easy to find at least one opponent on any given issue. Bitter experience has shown that not everyone is equally committed to open markets, but if the system is to function at all it must be assumed that at least a majority is committed to an open market in any given case. The system should be revised to reflect this reality.

The second change that has been proposed—code redefinition and expansion—reflects the experience of the United States in the Tokyo Round, in which America essentially traded quantitative concessions on tariffs for promises of good behavior. It was subsequently discovered that vague phrases and limited coverage of the GATT codes made differences of interpretation the rule rather than the exception. In many cases, such as the definition of what constitutes subsidy, the United States needs to plug holes left over from the Tokyo Round as well as broaden coverage to reflect new market distortions that have been developed in the last six years in order to circumvent the MTN codes' strictures. Only through this kind of revitalization can we breathe new life into this moribund institution. Perhaps the forthcoming new round will provide that opportunity.

Exchange-Rate Management. While there are those who call for a return to fixed rates or the creation of a new system of fixed or semifixed bands within which currencies would fluctuate, the weight of evidence suggests that the floating-rate system is adequate to U.S. needs. What has been lacking is careful, foresighted management of the system, as well as an understanding that good management depends upon a mix of policy tools.

Obviously reduction of the U.S. federal budget deficit is a necessary step. Better psychological management, as discussed above, is also a critical element; it can mitigate, but not reverse, fundamental trends. Equally important, particularly with respect to Japan, is better macroeconomic policy coordination among the developed countries. As long as Japanese consumption is depressed, savings are high, and interest rates are low, capital will go elsewhere. In its first term the Reagan administration interpreted "policy coordination" to mean persuading everyone else to follow U.S. policies. It also took a "macho" approach to exchange rates. A strong dollar meant a strong economy. Recently, under the guidance of Secretary of the Treasury James Baker, the administration has shown itself to be more flexible and accommodating in the interest of obtaining policy consensus and more skilled in talking the dollar down. One way to continue the move toward policy consensus is to broaden discussion on it. Those calling for a "new Bretton Woods," as I did in 1983, recognize the need for better macroeconomic policy coordination and for an institutional framework within which this can occur. As mentioned earlier, congressional proposals have called for mandatory exchange rate intervention by the Fedeal Reserve Board under specified circumstances. Although this kind of mechanical approach is not to be preferred, Congress may conclude that it has no alternative if the dollar does not settle at an appropriate level.

Encourage Market-Oriented Policies. There have been numerous instances of market-distorting practices in a wide variety of countries and economic systems. The United States needs to emphasize the gradual but definite elimination of such practices, not only with respect to such "classic" protectionist actions as extraordinarily high tariffs or low quotas on selected items or other barriers to market access, but also with respect to the fundamental market orientation of other nations' domestic economies. Our trading partners must be encouraged to take such measures as phasing out subsidies, eliminating state control of enterprises, refusing to permit the government to set prices, and encouraging competition. Painful though they might be in the short run, steps such as these will not only bring countries more in line with their international obligations but will promote healthier, more balanced growth. This is particularly important for the NICs and LDCs carrying heavy international debt burdens. The simple fact of access to the U.S. market cannot by itself solve their debt problems, nor will it lead to long-term balanced growth domestically. Their pursuit of market-oriented policies is good for both the United States and for them.

More Aggressive Tactics. This article has demonstrated the need for both new policies and new *tactics* premised on new attitudes toward policymaking and negotiation. The challenge is occasioned not only by a changed world but by common sense. Granted, any country is subject to domestic political pressures, and it would be foolish not to expect these to prevail at times, as they so clearly have in the cases of European farmers and numerous special Japanese interests. Obviously, nations are free to pursue what policies they deem appropriate, but when the United States is hurt by these policies, it should pursue policies of its own to balance the costs.

It has been apparent for years that international institutions are not in any condition to make cases for the United States, however legitimate these might be. It continues to make sense to work within those institutions, as we have in numerous Section 301 cases. However, when the United States has been determined to be in the right, it should design follow-up policies that will enforce rights as well as strengthen the system in the process. To fail to do so is not only to earn the reputation of an international patsy—a reputation the United States has already acquired on trade issues in numerous countries—but also to contribute to further deterioration of international discipline.

In many respects both the pressure for action from the American public and the great free-trade debate among politicians are questions of tactics, not objectives. Everyone would probably agree that market deviations ought to be eliminated. The question is not the objective but rather how to achieve it. The last ten years have demonstrated that to threaten and complain alone

are inadequate. On occasion retaliation will have to be the answer.

Avoidance of protectionist actions at home has not been included in the foregoing policy recommendations. The omission is intentional. If the United States successfully pursues the other proposed policies—adjustment at home and restoration of international discipline and market-oriented policies abroad—pressures for unilateral trade restraint will diminish. To act otherwise is to treat symptoms rather than causes.

The policy recommendations described here reflect goals that are broadly shared by U.S. politicians and economists with regard to the kind of economic system that would be good for the United States and the world: a market system in which barriers are removed and strong international discipline ensures that they stay removed. It is more on matters of emphasis that I differ with the recommendations of others. However, that difference is based on an appreciation of the way the world has changed since World War II—and how it continues to change—and of the need for the United States to understand and adapt to those changes rather than to pretend they have not occurred. Only by meeting these challenges can U.S. policymakers make the principle of free trade an expedient for U.S. and world economic interests.●

THE RESULTS OF FURTHER DEFENSE CUTS

● Mr. GOLDWATER. Mr. President, I invite the attention of my colleagues to an article written by Senator DAN QUAYLE that appeared in the Washington Times on Monday, May 12, 1986.

In this article Senator QUAYLE has highlighted many of the consequences that will inevitably result from further reductions in the President's defense budget.

Those with short memories may not recall the conditions of the late 1970's that resulted from our systematic underfunding of defense requirements throughout that decade. Senator QUAYLE does an excellent job of reminding us of those consequences and gives fair warning that if we continue to hack away at the defense budget we will soon recreate those conditions.

I commend Senator QUAYLE for this outstanding article and I encourage every Member of the Senate to read it carefully.

Mr. President, I ask that this article be printed in the RECORD.

The article follows:

[From the Washington Times, May 12, 1986]

HACKING AWAY AT DEFENSE

(By Dan Quayle)

After weeks of painstaking give and take, the U.S. Senate on May 2 voted 70-25 to approve a budget for the 1987 fiscal year that meets the Gramm-Rudman-Hollings deficit target in a responsible manner—by further reducing domestic spending, by curbing the amount of new revenues, and by sustaining the investment we must make to safeguard our national security.

A majority of Senate Republicans *and* Democrats voted for the compromise budget package, which calls for the bare minimum we should allocate for defense spending—$301 billion.

At long last, the U.S. House of Representatives in preparing its version of the 1987 budget. Given that the House Budget Committee has now reported a plan that cuts new military spending authority from this year's level of $287 billion to $285 billion—and that House Republicans are proposing $292 billion for defense in 1987—I think it's time to set the record straight on defense spending.

As a candidate for re-election, I recognize the political advantages of railing against the Pentagon. With the electorate still reeling from spare-parts "horror stories," anyone calling for defense cuts is on politically safe ground.

But before members of Congress begin the stampede to see who can cut defense the most, they should consider carefully the consequences of hacking away at defense for the fourth consecutive year.

Last year the Congress cut $36 billion from the president's defense request. For the first time in 15 years, that produced a defense budget with negative real growth (6 percent less than the preceding year's budget). While the budget the Senate has approved for 1987 provides $19 billion less than the president requested for defense, it at least allows for enough growth in defense spending to cover inflation costs. But the defense levels being discussed by both House Democrats and Republicans would, if adopted, yield two consecutive years of negative defense growth just eight months after Congress committed itself to maintaining 3 percent *real growth* for defense in both 1987 and 1988. Some commitment!

Some members of Congress have encouraged the popular but spurious notion that growth in the defense budget created the deficit and must therefore be slashed. That idea is directly contradicted by the facts. During the last two decades (during which most of our national debt was amassed), for every dollar of growth realized in the defense budget, non-defense programs grew seven dollars. That's right: non-defense growth (including all domestic and entitlement programs) outpaced defense spending increases by more than 7-to-1 over the past 20 years. Defense spending *did not* create the deficit.

It will surprise some members of Congress to learn that the defense budgets proposed by the president will actually *decline* as a share of gross national product over the next four years. From a high of 6.4 percent of GNP in 1985, the defense share declines steadily until it levels off at 6.1 percent in the years 1988-90. Since 1940, only during the 1970s have we maintained a lower average share of GNP for defense (6 percent) than would be maintained under the Reagan defense budgets (6.2 percent). And all of us remember the calamities brought about by that "decade of neglect" as we systematically underfunded our defense requirements. We are paying today for our shortsightedness of the 1970s.

The question is not whether we can afford to spend 6.2 percent of GNP for defense, but whether we can afford *not* to. A second year of severe defense reductions will have serious long-term consequences. They include: Slowing our conventional and strategic force modernization.

Dramatic cuts will lead to program stretch-outs delaying the delivery of new equipment to the inventory. Our forces, already at a numerical disadvantage, will gradually lose their qualitative edge as Soviet technological advances continue. Critically important but expensive programs such as the Advanced Tactical Fighter, Advanced Tactical Aircraft, MV-22 Osprey (JVX), LHX light helicopter, and C-17 airlift programs—all designed to maintain our technological advantage—will likely be terminated under further defense cuts. Our inability to maintain adequate conventional forces will compel a greater reliance on nuclear weapons. The capabilities of our strategic forces and our national military communications, warning, and surveillance systems will be diminished, shifting the delicate balance between the United States and the Soviet Union.

Prospects for meaningful arms control agreements will be reduced.

Many of the staunchest advocates of defense reductions are also the most vocal in support of arms control agreements. Yet by slashing the defense budget, we hand the Soviets results they could not hope to achieve at the negotiating table. Such unilateral reductions only encourage Soviet intransigence and delays: why negotiate at all when the U.S. Congress is willing to hand over one concession after another for nothing in return?

Defense cuts will jeopardize procurement stability and drive up costs.

Efficient production rates and vigorous competition cannot be maintained in a declining budget. Defense cuts will force a return to sole-source procurements and stretched-out, uneconomical production rates for aircraft, ships, tanks, missiles, and other weapons systems.

One of the Packard Commission's key recommendations is simply this: if you want to cut the cost of defense, stabilize the budgeting process.

Defense cuts will jeopardize readiness and sustainability.

Invariably, when major defense reductions are made, a significant share is taken from the Operations and Maintenance accounts and other areas that directly affect readiness and sustainability. The rapid spendout rates of these accounts produce attractive outlay "savings" unlike the slower spending procurement accounts. These reductions in flying hours, training days, steaming hours, spare parts, and munitions may contribute to solving short-term budgetary problems, but in the long run will cost us dearly.

Must we repeat the cycle that led to the defense crises of the late 1970s when we had ships that couldn't sail, aircraft that couldn't fly, and a "hollow" Army filled with Category IV recruits (those having the lowest aptitude for military service)?

Will we have to wait until another Desert One disaster awakes us and the headlines shout "U.S. Military Unprepared" before we realize we have skimped just a little too much in our attempt to buy defense "on the cheap"?

Investment in national security is the insurance we pay for our freedoms. Freedom is America's most cherished commodity, and we ought to be willing to pay for it.●

NATIONAL TOURISM WEEK

● Mr. DOMENICI. Mr. President, when someone takes a vacation they are getting an education on different social atmospheres, cultures, and economic situations. Little do they know that they are also contributing to the

economy of the regions they're visiting. Vacationers spent $244 billion in 1984 on travel and tourism in this country. This accounted for 6 percent of our gross national product. Travel and tourism is the third largest retail or service industry, and the second largest employer, in America.

Tourism lets a person explore the lifestyles and cultures of different areas. Traveling gives a person the chance to see other areas that are different from his own. The traveler can experience different geographical settings, cultures, people, food, and interesting places that played a role in the development of our great Nation.

One hundred and fifty-one million Americans and twenty-one million foreign visitors travel for either business or pleasure in the United States every year. Tourism has produced $51 billion in U.S. wages and salaries, and supports 6.9 million jobs directly and indirectly. Along with producing jobs and bringing in revenue, tourism and travel brings in $25 billion in local, State, and Federal taxes.

Mr. President, more and more people will be traveling throughout the United States in the coming months. It is important that people realize the effects of tourism. The week of May 18–24, 1986, is designated as "National Tourism Week." The purpose of this week is to increase the awareness of Government officials and the public of the role tourism and travel plays in the social, cultural, and economic welfare of America. I urge my colleagues and all America to join me in celebrating "National Tourism Week."●

A TRIBUTE TO ANDREI SAKHAROV ON HIS 65TH BIRTHDAY

● Mr. HATCH. Mr. President, I am honored to join my colleagues today in paying tribute to Dr. Andrei Sakhorov on his 65th birthday. The world-renowned nuclear physicist, human rights advocate and winner of the 1975 Nobel Peace Prize has courageously stood up for peace, freedom, and human rights in spite of the harsh reprisals meted out to him by the Soviet Government.

When Sakharov learned in 1961 that the Soviets were about to violate the United States-Soviet nuclear test ban, he protested. For his efforts to stop multimegaton atmospheric tests, he received a stinging rebuke from Nikita Khrushchev who reportedly said, "Leave it to us who are specialists in this tricky business to make foreign policy. I would be a slob and not chairman of the council if I listened to the likes of Sakharov."

After the publication of his 1968 work, "Progress, Coexistence and Intellectual Freedom," in the West, Dr. Sakharov's security clearance was abruptly canceled and his brilliant scientific career was squelched. His unceasing efforts on behalf of Soviet dissidents and political prisoners further antagonized the Soviet leadership. When the Soviets invaded Afghanistan in December 1979 Sakharov again refused to be silent. He condemned the brutal assault on the Afghan people. Three weeks later, in January 1980, he was sentenced to internal exile in the city of Gorky without even the pretense of a trial.

In the first years after Dr. Sakharov's exile, his wife, Yelena Bonner, continued to travel freely between Gorky and Moscow, but the situation changed drastically in May 1984 when Dr. Sakharov initiated a hunger strike in support of his wife's efforts to go abroad for medical treatment.

The Soviet authorities accused Yelena Bonner of plotting with the United States embassy in Moscow to take refuge there and to use Dr. Sakharov's hunger strike to mount an anti-Soviet campaign. She was eventually convicted of anti-Soviet slander and was also sentenced to exile in Gorky. At one point the Soviet authorities forcibly took Dr. Sakharov to a hospital where, according to accounts received in the West, he was force-fed and administered mind-altering drugs.

Except for Yelena Bonner's current trip to the United States for medical treatment, Dr. Sakharov and his wife have been forced to live in almost total isolation: they have no telephone; the KGB monitors their every action. In return for allowing Yelena to come to the United States for medical treatment, the Soviets made Dr. Sakharov sign away his right to ever leave the Soviet Union.

Mr. President, as my colleagues are well aware, the Soviets' goal is to reduce Andrei Sakharov to the status of a nonperson. I am firmly convinced, however, that they will not succeed; the truth of the matter is that the Soviet leadership is afraid of Andrei Sakharov. Just think of it, the Soviet Union—with its vast military arsenal—still cannot silence the voice of freedom. The Soviets can persecute Andrei Sakharov, force him into exile and even torture him, but they cannot change the fact that he has become a symbol of freedom to millions of people all over the world.

Mr. President, I am deeply honored to pay tribute to Dr. Andrei Sakharov, one of the greatest freedom fighters of our time. I ask that an article from Reader's Digest entitled "The Persecution of Andrei Sakharov" be printed in the RECORD in its entirety.

The article follows:

THE PERSECUTION OF ANDREI SAKHAROV

It is January 22, 1980, a cold, gray Tuesday in Moscow. A policeman stands in the center of Leninsky Prospekt, one of Moscow's main streets, searching the southbound traffic. At 2 p.m. he sees what he is looking for—a black, chauffeur-driven Volga limousine—and signals it to the curb. A stoop-shouldered man with a wisp of white hair and deep-set eyes is sitting in the back.

Passers-by turn to watch while plainclothes police, whose high-handed self-assurance marks them as KGB, get into the car, which then melts into the traffic. One more comrade is being hauled off to confront the error of his ways.

But there is a difference. This comrade is Andrei Sakharov—one of the towering intellects of our time and the outspoken soul of the beleaguered human-rights movement in the U.S.S.R. Unable to silence him, afraid to rouse the ire of the civilized world by murdering him, the Kremlin has decided to isolate Sakharov.

It all goes quickly. Sakharov is driven to the office of the procurator general of the U.S.S.R. and informed that for anti-Soviet activities he is to be stripped of his decorations and awards, and deprived of the right to live in Moscow, the city where he has spent nearly his whole life. That afternoon, he and his second wife, Elena Bonner, are flown 250 miles east to Gorki, a drab military-industrial city closed to foreigners and far from the academic stiumulation essential to Sakharov's work.

On days when the wind wasn't blowing too hard, the exile would walk in the dreary district where he was made to live. Usually Elena Bonner walked with him, slowly, both with ailing hearts, both suddenly turned old. Sakharov would carry a heavy shoulder bag crammed with manuscripts, journals, a radio. He took it everywhere, even when he went to buy bread. Why? "Because the police would break in, smash the radio and steal the papers," said the exile. They had done it before.

Ironically, Andrei Sakharov had once been a pillar of the establishment, among the most privileged of Soviet citizens. Although he never joined the Communist Party, the men in the Kremlin considered him one of their own, their scientific prodigy. They showered him with every honor and material comfort.

But Sakharov was not one of them. In 1953, he had made the decisive contribution to the Soviet hydrogen bomb in the belief that once both superpowers held this catastrophic weapon they would be forced to negotiate their differences. Gradually he felt driven to speak out against the nuclear threat to humanity. Then he began raising issues that no one wanted to talk about, taking the side of those who were in trouble with the KGB because of what they said or believed.

Dissent in the U.S.S.R. is a lightning rod; eventually it called down on Sakharov's head the thundering fulminations of the wardens of Soviet orthodoxy. He was unmoved; he did not lust for power or the material rewards that separated the classes in the so-called classless society. But to people who spend endless hours waiting in line just to buy the day's necessities, Sakharov was impossible to understand. "What does he want?" they asked in bewilderment. "He had everything and he threw it away."

The Sakharovs are installed in a KGB-controlled apartment: four small rooms on the ground floor of a building across from the police station. The police can—and do—look directly into their windows. There is no telephone; soon after they move in, a police post is established outside their door—a table, a chair, four six-hour shifts every day.

Still stunned by what has happened to them, they are grateful for the couple

across the hall. "If you need anything, just knock," says the husband. A woman who lives upstairs befriends them; her child suffers from an allergic rash, and Elena Bonner, a pediatrician, prescribes a successful treatment.

But the KGB sees everything. One day the couple deliberately turn their backs on the Sakharovs. And when the woman upstairs next sees Bonner, she cries out, "Whore! It would have been better for my child to rot than be touched by your dirty hands!"

Andrei Dmitrievich Sakharov was born in Moscow on May 21, 1921, and grew up in a lively, intellectually invigorating household. Like many Russian families, this one suffered during the Stalin terror—nine close relatives were arrested as "enemies of the people," and seven of them disappeared in camps or internal exile. But Andrei's father, a well-known author and physics teacher, was spared, and the boy went on to Moscow State University. He was the most brilliant physics student anyone there could remember.

Graduated in the spring of 1942, Sakharov was detailed to a munitions factory on the Volga, where he could apply his genius at physics and mathematics to solving engineering problems. Afterward he returned to Moscow, pursued his studies, married, published several significant scientific papers. Then, one day in 1948, he disappeared from public view; not a word was heard of him for nearly ten years. In deepest secrecy, Sakharov had been put to work with the handful of scientists racing to develop a thermonuclear weapon.

On August 22, 1953, the Soviets successfully detonated a hydrogen bomb, and three months later, at age 32, Andrei Sakharov was secretly elected to the Soviet Academy of Sciences, the youngest man ever so honored. But his subsequent efforts to stave off the "criminal" multi-megaton tests in the atmosphere brought a warning from Premier Khrushchev: those decisions would be made in the Kremlin; they did not concern scientists.

It was a turning point. When the tests went on, Sakharov was "seized," as he put it, "with an awful sense of powerlessness . . . it was terrible. After that I was a different man."

He protested other government policies: openly disagreeing with Khrushchev's plan to send students to work in factories or on farms; opposing the influence of Trofim Lysenko, the quack geneticist whose malign power had debased Soviet biology and genetics; decrying the industrial pollution of Siberia's once-magnificent Lake Baikal. In 1966, after writers Andrei Sinyavsky and Yuli Daniel were sent to prison for "slandering the U.S.S.R.," Sakharov and other intellectuals wrote the new Soviet leader, Leonid Brezhnev, that a revival of the Stalinist repression would be "a great disaster."

Still, the men in the Kremlin were willing to gloss over his addled notions—what could a nuclear scientist understand of politics?—if only he would shut up. Not one understood the passion that drove him. The year was 1968 and Sakharov's "manifesto," Progress, Coexistence, and Intellectual Freedom, a major statement of his worldview, was already circulating in the Russian underground press. In it, Sakharov detailed his vision of a future free of the tensions and repressions afflicting men and nations, and with an enlightened Soviet Union joining the West to save mankind from the disasters of civilization—war, pollution, starvation.

When the document was published in the West, it made Sakharov world-famous. But the more he was hailed abroad, the testier grew the Soviet leaders. They began to react with venom: Sakharov's security clearance was abruptly canceled; he was dropped to the lowest possible work for his academic ranking, his brilliant career forced into a scientific backwater. In the midst of these travails, his first wife died of cancer.

By the terms of his exile, Sakharov is forbidden to leave Gorki or communicate with foreigners and "criminal elements." Friends are turned away at the door and threatened with jail if they return. Whenever Sakharov steps out of his building, plainclothes policemen follow. Once, he and Elena Bonner are walking in a thick aspen grove, and their guards lose sight of them. Within minutes a helicopter comes booming out of the sky to search for the couple.

More and more Sakharov's first concern was to help victims of the Soviet system. And more and more his own fate became intertwined with theirs—human-rights advocates, Tatars not allowed to live in their Crimean homeland, fundamentalist Christians persecuted for practicing their faith, Jews who had lost their jobs because they asked to live in Israel. He spent days answering the thousands of letters that now came to him, writing appeals, interceding with the authorities or consulting lawyers on behalf of imprisoned dissidents. It was a struggle with few victories. But he did not give up.

He began to appear at the trials of those charged with political offenses. It was at such a trial, in October 1970, that Sakharov met Elena Bonner. She was a force in her own right, a tough-minded activist, 47 years old. Her mother had spent 17 years in labor camps and internal exile, and her father had died in prison, before both were "rehabilitated" by a regretful motherland. Sakharov, the middle-aged widower with three grown children, and Elena Bonner, long divorced with two grown children, fell deeply in love. They were married the following year.

The government-orchestrated pressures against Sakharov built relentlessly. Two alleged Arab terrorists broke into his apartment in 1973 and threatened him with "something worse than death" if he continued to make public statements about Israel. In Moscow—where there are no street maps worthy of the name—the idea that two foreigners could even locate Sakharov's apartment without police connivance is ludicrous.

Around the same time, Elena Bonner's daughter was expelled from Moscow University and her son was denied entry. She herself was called in by the KGB four times and abusively interrogated. Depressed, the weariness in his face reflecting tremendous burdens, Sakharov protested against this official "thuggery."

Elena Bonner in his lifeline. As long as the police allow her to leave Gorki, she travels to Moscow regularly and is able to let the free world know something of Sakharov's life in exile. Returning, she brings news, scientific books and papers, and fresh food rarely available in Gorki.

But the KGB watchdogs are biding their time; they know what to do. When Sakharov is effectively isolated, when the world can no longer learn what he is doing or thinking, or the state of his health—in short, when he has become a non-person—the Kremlin will have resolved the Sakharov problem.

In December 1982, Bonner is subjected to a humiliating body search aboard the Moscow train, put off and forced to walk to the nearest station. The following April in Gorki, she suffers a massive coronary seizure, but appears to recover. Later in 1983 she suffers a second severe heart attack. But she is indomitable. In only a few weeks she is bound again for Moscow, carrying what she fears may well be Andrei Sakharov's last message from exile.

In October 1975, electrifying news came to Sakharov: he had just been named winner of the Noble Peace Prize. His friends around the world exulted, certain this new high exposure would ensure his safety. But the fury in the Kremlin was now unbounded. No Soviet citizen had ever before been so honored. That the coveted prize should now go to their most dangerous and implacable foe was intolerable. With malice aforethought, the hierarchy refused to grant Sakharov a visa to accept the award when he applied. In the end Bonner went to Oslo and read his speech to the distinguished gathering.

Democratization of the Soviet system is essential to world peace, he said, and international security inconceivable without an open society. He called for an amnesty of all Soviet political prisoners, named 120 "known to me" and begged forgiveness from others not mentioned. "Every single name, mentioned and unmentioned, represents a hard and heroic destiny, years of struggling for human dignity."

When Soviet forces invaded Afghanistan in late December 1979, Sakharov condemned this brutal violation of international law. Three weeks later, he was exiled to Gorki without even the pretense of a trial. But he continued to plague the Kremlin leaders. When they refused an exit visa for his daughter-in-law, Liza Alexeyeva, who wanted to join her husband in the United States, he and Elena Bonner began a hunger strike that riveted world attention on this latest Soviet exercise in malevolent injustice. After 18 desperate days, during which both Sakharovs came close to death, the Kremlin capitulated. Liza Alexeyeva was given her visa.

But that success was only one more score to be settled. In the fall of 1983, following Bonner's second heart attack, Sakharov petitioned the state to permit her to go abroad for treatment. He feared for her life if she were to be hospitalized in Russia, he said frankly, "and her death would be my own." Last February Sakharov petitioned once more. There was no reply.

On April 24, friends in Moscow received a telegram from Elena Bonner saying she would arrive on May 2. When she did not appear, it was recalled how she had repeatedly emphasized that her failure to keep pre-arranged travel plans could mean only that she was being held against her will.

On May 6, Irina Kristi, a close friend, took the train to Gorki and, as specified in a contingency plan long before, met the Sakharovs in front of their apartment building. Hastily they gave her the grim news: that Bonner was confined to Gorki and under investigation for "defaming the Soviet state," and that she had also been threatened with a charge of treason, a crime that carries the death penalty; that Sakharov had begun a hunger strike on May 2 and meant to "fast to the end if they do not let her go abroad for medical treatment."

At that point, an impenetrable curtain of silence descended around the Sakharovs. Official disinformation abounded, however, At the end of May, Soviet officials blandly declared that Sakharov "was well, eating

regularly and leading an active way of life." But subsequent evidence passed on to the international press by reliable sources inside the U.S.S.R. suggested that Sakharov was being force-fed in a Gorki hospital and treated with mind-altering drugs. Responding to rising concern in the West, the Soviets released a month-old videotape late last August. In in, Sakharov appeared to have aged "significantly and dramatically," according to his son-in-law Efrem Yankelevich. Around the same time, it was reported that Bonner had been sentenced to five years of internal exile after being convicted of "slandering the Soviet state."

In the judgment of Elena Bonner's daughter, Tatiana Yankelevich, who lives in the United States, the Kremlin's goal has been "to bury the Sakharovs in Gorki—alive or dead." Will the Soviet authorities succeed? So far, they have ignored the formalized representations of Western leaders. But can they turn a deaf ear if ordinary people from all over the world join their voices in a combined crescendo of protest? Follow the instructions below and let the Kremlin know that attempts to make a non-person of Russia's most admired citizen have failed. Let Soviet officialdom see that the free world will not forget Andrei Sakharov.●

PROPOSED ARMS SALES

● Mr. LUGAR. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Committee on Foreign Relations.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification has been received.

Interested Senators may inquire as to the details of this advance notification at the office of the Committee on Foreign Relations, room SD 423.

The notification follows:

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, DC, May 20, 1986.

Dr. M. GRAEME BANNERMAN,
Staff Director,
Committee on Foreign Relations,
U.S. Senate, Washington, DC.

DEAR DR. BANNERMAN: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b)(1) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country for major defense equipment tentatively estimated to cost $14 million or more.

Sincerely,

PHILIP C. CAST,
Lieutenant General, USAF,
Director.●

ARTICLE BY MOSHE YEGAR, CONSUL GENERAL OF ISRAEL IN NEW YORK

● Mr. D'AMATO. Mr. President, I rise today to share with my colleagues an article written by a dear friend of mine, Moshe Yegar, the Consul General of Israel. Mr. Yegar has been an outspoken advocate for Jews in the Soviet Union. His article clearly articulates the plight of Soviet Jewry and the urgency of increasing emigration levels for refusniks.

Mr. President, it is a great honor for me to submit Mr. Yegar's article for the RECORD, and I ask that this article be printed in the RECORD in its entirety.

The article follows:

[From the New York Times, May 8, 1986]

IN THE SOVIET UNION, MANY SHCHARANSKYS

(By Moshe Yegar)

Anatoly B. Shcharansky arrives in New York today, his first trip abroad since he left the Soviet Union for Israel in February. Mr. Shcharansky has come home to Israel, and he is free to travel as he likes, but the plight of Soviet Jews persists.

On July 14, 1978, Mr. Shcharansky was convicted of treason, espionage and anti-Soviet agitation. No one in the West believed these charges, and it was clear that the Soviet authorities had singled him out because he was a courageous and outspoken activist on behalf of Jewish emigration.

Mr. Shcharansky came out of his ordeal—the prolonged interrogation, threat of execution, eight years in prison and labor camp, tortures of cold and hunger, months in solitary confinement, years without mail or visiting rights—in remarkable physical and mental condition. He is indeed an extraordinary man, a unique and heroic figure. There is no question that few could have survived the hardships he endured.

There are, however, many Shcharanskys in the Soviet Union. By attempting to crush him, the authorities hoped to break the spirit of the Jewish community in the Soviet Union. Instead, they galvanized the Jewish community not only there but around the world as well.

The reawakening of Jewish identity and purpose in the Soviet Union is one of the miracles of our time. Sixty-eight years ago, Russian Jews—relentlessly persecuted by the Czarist regime—welcomed the Bolshevik Revolution. Anti-Semitism has, however, remained endemic in the Soviet Union, and the persecution of Jews is just as characteristic of the regime now as it was under the Czars.

The Soviet Union is the only country outside the Arab world in which virulent anti-Semitic literature is officially sanctioned by the Government—often but not always masquerading as "anti-Zionist" propaganda. Most synagogues have been closed, worshippers threatened and religious practices suppressed; study of Hebrew and possession of Hebrew books are criminal offenses; and Jews suffer discrimination in higher education. This is in marked contrast to the treatment of other national minorities whose languages and cultures are studied with relative freedom.

But what makes the Soviet leaders immeasurably worse than the Czars is their policy on emigration. One would have expected that, like the Czars, they would want to rid themselves of these "undesirables." From the time of the problems of the 1880's until the eve of World War I, more than two million Jews were allowed to leave. In contrast, the Soviet authorities bar Jews from leaving, discriminate against and punish them. Why? Perhaps the notion that anyone would prefer the "decadent" West to the "workers' paradise" is seen as a dangerous heresy. Perhaps the authorities fear that if Jews were granted the right to emigrate, other minorities would demand it, too.

Moscow did temporarily open the gates, allowing more than 250,000 Jews to leave between 1968 and 1979. But since then, the flood of emigrants has been reduced to a trickle, and, despite Mr. Shcharansky's release, there is so far no sign of a thaw. Many of the 400,000 Jews who have taken the first step in the arduous emigration procedure, by requesting invitations from relatives abroad, have been threatened with harassment. Those who have applied for exit visas and been turned down—there are 15,000 such "refuseniks"—are dismissed from their jobs, publicly vilified, physically assaulted, confined in mental institutions and arrested on fabricated charges.

Yet the spirit of Soviet Jews remains indomitable. Mr. Shcharansky was speaking for all of them at his trial when he said: "For more than 2,000 years the Jewish people, my people, have been dispersed. But wherever they are, wherever Jews are found, every year they have repeated, 'Next year in Jerusalem.'"

Moscow ought to heed these words now and avail itself of a golden opportunity. By permitting unrestricted Jewish emigration to Israel, the Soviet authorities could establish their credibility as supporters of the most basic right—emigration. It would serve their own interests to do so. For the Soviet Union cannot realistically expect an easing of international pressure on this issue so long as a single Jew is denied his dream to join his people in Israel.●

AN AGENDA FOR UNITED STATES-SOVIET EXCHANGES

● Mr. SIMON. Mr. President, since I came to Congress in 1975, I have given considerable thought to Soviet-American relations, and worked on education and exchange program legislation. Today I would like to offer, in my first detailed address before the Senate on the subject of United States-Soviet relations, some thoughts on the connection between our foreign policy goals and exchange programs.

When I speak on this issue, I do not do so as a partisan, because I am pleased to note the emphasis President Reagan gave to exchange programs at his Geneva meeting with Secretary Gorbachev. I particularly appreciate the leadership of Charles Wick and Ambassador Stephen Rhinesmith at the U.S. Information

Agency (USIA) who understand the importance of exchanges and have made a significant contribution to the Nation through the promotion of exchanges.

THE POWER OF IDEAS

Throughout history, ideas have moved people and armies. Jesus, Marx, and Jefferson have changed more lives than military conquerors. The invention of the printing press revolutionized the medieval world and laid the basis for progress in every field of endeavor. Ideas spread quickly. And centuries ago, what seemed like a quick spread of ideas through books over a period of months, has been changed into a spread of ideas in minutes throughout the world. That is part of the information revolution in which we find ourselves.

Information is power, and the ability to communicate effectively can alter the balance of power as surely as a squadron of fighter planes or a naval flotilla. Public diplomacy sometimes can prove more decisive than the blunt instruments of war, and we must rely on it more—one of the failures of U.S. foreign policy in recent years.

Unfortunately, we still need the instruments of war as well as the instruments of diplomacy. It would be ideal to work always with friends and adversaries with logic, fairness, and common sense. This is not the state of the world, nor will it be. We must prepare for threats to our Nation's security, and give assistance to others who need a shield for their defense.

But we also owe it to ourselves to examine whether these threats are real, and if they are real, whether we have been given a balanced picture. We should regularly question our assumptions. We must seek balance as we allocate resources to further American foreign policy.

Today we find ourselves aboard an imbalanced ship of state, perilously close to capsizing economically, because of our excessive reliance on the military to carry out policy aims. We are losing precious cargo from that ship of state in a shortsighted quest with too heavy a military emphasis on superiority. Security can only come when we see the world as it is, not as we would like it to be. In my years of public life, I have seen us spend more and more and more on military security and achieve greater and greater and greater insecurity, not only for ourselves but for all the world. Like a greyhound at a dogtrack, we chase the rabbit of permanent military superiority, but like that greyhound, we shall never catch it. Those in the stands observing us know that. But like the greyhound, we do not. We expend greater and greater efforts for an illusory prize. The military-industrial complex—about which President Eisenhower warned us—cheers us on, but if we want something more than those cheers, we must always be thoughtful and deliberate in advancing our foreign policy objectives.

On a future occasion, I will address the fundamental question which needs reexamining: What should be the basic objectives of U.S. foreign policy? Today, I want to discuss one aspect of implementing our current policies.

PEOPLE-TO-PEOPLE

What I propose today is a significant expansion of our exchange programs with other countries. Our foreign policy will improve as we learn more about other countries and as others learn more about us. Americans, at their best, have not been content simply to learn facts; we have also wanted to understand the nature of things. That is true of others also. There is a need for other nations to understand our values, our political system, our aspirations, and our weaknesses and strengths. It is pure gain for us to learn more about others and for them to learn more about us. An understanding of their cultures, their languages, their hopes and fears will lead to less internation tension.

President Reagan confirmed this with his people-to-people exchange initiative at the November summit in Geneva. I applaud his leadership on this. We need to get serious about exchanges, and the President's ideas and our tradition serve as an important start. The costs are not significant when we consider the scope of the Federal budget. But they must come from somewhere. There is only one large discretionary pool of funds, and that is the Department of Defense budget. Since an exchange program serves the security interests of our country, it is a logical place to look.

When the Fulbright program was under consideration in 1946, former President Herbert Hoover was asked to comment on the undertaking. Hoover recalled that a similar program, much smaller in size, was initiated in 1920 with Belgium. The exchanges continued until World War II began. Hoover noted that many prominent Belgian graduate students and faculty studied in the United States; one Prime Minister and six cabinet members were exchangees. As a result of this program, Hoover said that he doubted "whether there is a country in Europe where the ideals and purposes of the American people are so well understood and so respected as they are in Belgium." Just before the war, Hoover argued that the old World War I European war debts ought to be converted into funds for exchanging scholars across the Atlantic. The former President said:

> There will thus be created a joint interest with us from which we will generate benefits far greater than we will otherwise receive. The cumulative effect over the years of building up a great body of influential men and women in those countries who would understand our country and believe in us would count greatly both in economic relations and in times of international emergency. And we shall have made a contribution to civilization which may be of no quick material value but which will later serve as a great monument to our foresight.

TRANSPLANTING AMERICAN IDEALS

I've had the experience in many countries, as have many of my colleagues, of walking into a meeting with a cabinet member or high official of another country and learning that that person was a Fulbright Scholar at Northwestern University or the University of Chicago or Harvard, or the University of Illinois or the University of California or some other institution. I remember visiting one country, meeting the cabinet, and finding that the majority of the members of the cabinet had gone to U.S. schools under one program or another. And in this very key country in Africa, there is no question in my mind that the exchange programs have played a role in keeping that country from going in the Marxist direction.

Mr. President, if we look at our efforts in educational and cultural exchanges during the start of the rapid period of decolonization and the emergency of dozens of new nation-states, we see a time when we could have and should have done more. This is starting to change, and I applaud Charles Wick's efforts on this front. And I also applaud our former colleague, Senator William Fulbright of Arkansas, who contributed immensely to world understanding through his efforts. But much more needs to be done.

For example, we need to be training more English teachers for overseas assignments and strengthening the binational cultural centers beyond their already strong base in Latin America. Another program that has struggled back from the lean years between 1979–81 is the "International Visitors" initiative, which a 1982 GAO report said "provides American taxpayers with the best return on their dollars in the foreign policy field." The report also called educational exchanges and the international visitors program the "most effective tools of public diplomacy" and recommended "material" stengthening.

In 1980, I had the pleasure of hosting a British journalist in my office in the other body for 2 weeks under the auspices of the International Visitors Program. The journalist, Ivan Barnes, happens to be the foreign editor of the London Times, although he had never been to the United States. He covered my 1980 campaign as well as the Presidential election, and has since provided the Times with some of the best American reporting that great paper has had.

MISSED OPPORTUNITIES

Another area where the administration has missed a chance to mold future area-specialists is its failure to request any funding, once again, for title VI of the Higher Education Act for foreign language and international studies programs. This falls under section 102(b)(6) of the Fulbright-Hays Act. The Department of Education says that these are well-established progams now, and that the need for further Government support is unfounded. But just a few years ago, in 1982, Secretary of Defense Caspar Weinberger wrote me about the military's problems in foreign language expertise. He wrote then: "We both know that the American educational system is not at present producing fluent non-native speakers in the numbers our national security system requires." He cited testimony of Adm. Bobby Inman, then deputy director of the CIA, as saying that "the foreign language capability of our country is getting worse," not better.

I don't think that Secretary of Education William Bennett would propose scaling back these areas if he knew that only one in three research papers on the Soviet Union or China used original source citations, or that only three in five American scholars can conduct research in the language of their chosen area specialty. Former Ambassador to Italy Richard Gardner told me that he was embarrassed by translations he read by key U.S. personnel serving in Italy. He is one of the few Ambassadors we have had in recent years fluent in the language of the country where he was stationed. Given our sorry lack of foreign language competence, and our generally poor knowledge of international relations, we're clearly moving in the wrong direction with these invaluable programs.

On the plus side, some programs have at least partially recovered from budget cuts, and some others have actually prospered. The Fulbright program, for example, has seen 147,000 American and foreign participants from over 40 countries since its inception in 1946. It is a lasting monument to one of our greatest statesmen, Senator William Fulbright, and a fitting testament to his wisdom and foresight.

In fiscal year 1982, the first year of the Reagan administration, some 5,000 Fulbright scholarships were awarded; in fiscal year 1984, there were some 6,700 grantees and the projection for fiscal year 1985 is in the neighborhood of 7,100. These numbers compare favorably with those of fiscal year 1965, when there were over 5,000 grantees, and fiscal year 1975, when the number had dropped to under 2,500. The estimates for fiscal year 1986 are roughly similar to fiscal year 1985, but I hope that we can continue on the previous upward path and provide even more support for one of the best educational opportunities available today.

A good program is the "Youth Exchange Initiative," which began with a 3-year, $10 million fund for 5,000 exchangees. The focus is on the developing world, and I believe that Mr. Wick is on the right track with this program: By the end of fiscal year 1986, we will have spent a total of $14 million on these youth exchanges since we began this effort. This is exactly the kind of program we need with the Soviet Union, and in October 1985, I introduced, with Senator PELL, the United States-Soviet "Student Exchange-for-Peace Program," which closely parallels the President's November summit proposal to Mr. Gorbachev.

UNITED STATES-SOVIET EXCHANGES

The United States-Soviet relationship is our No. 1 foreign policy concern. Yet in 27 years of exchanges, we have managed to average only 600 Americans and 250 Soviet scholars exchanged each year. Contrast these numbers with an average of 14,000 per year with Japan; 5,500 with Britain; 3,600 with West Germany; 3,000 with France; and 14,000 with the People's Republic of China.

We will probably not soon reach the level of good relations with Moscow that we have with Paris, London, or Bonn, but who would have thought as late as 1968 that we would achieve the far-reaching accord with Beijing which we did following the Nixon summit? Our problems with China in the postwar years were no less real than many of our current problems with the Soviet Union.

We have a staggering task ahead of us in Soviet studies that directly affects our future relationship with Moscow. We need to build a much larger corps of Soviet and Eastern European specialists so that we can draw on a broadly based and reliable cadre of professionals to help formulate policy. While we have a few outstanding scholars and Soviet watchers in the United States, there are not nearly enough full-time Soviet experts and even fewer who have actually spent a significant amount of time studying in the Soviet Union.

For example, this year, only about 200 American and Soviet scholars are being exchanged, about half the Americans through IREX, the International Research and Exchanges Board. There are many more American scholars, however, who would like the opportunity to observe the country of their studies up close, but lack of funds blocked this avenue. The National Council for Soviet and East European Research, which advises the Department of State's Title VIII grants office, reports that they received far more applications for study grants than they could possibly absorb; they could fund only one-sixth of the applicants. There is no dearth of interest, just of means.

According to the National Council:

> The central fact remains that close to 100 promising projects by competent scholars, with a total value of some $10 million, will not be funded . . . [These applications] provide eloquent testimony that the gap between current resources and the needs of the profession and the nation is manifest, compelling, and altogether too great.

Title VIII was given a 10-year authorization for annual funding at $4.8 million. It already has been cut to $4.6 million this fiscal year when the Gramm-Rudman sequester order went through March 1. Now the Office of Management and Budget, in another example of misplaced priorities, has cut back the fiscal year 1987 request to $4 million. I believe this vital program ought to be doubled, but for now it should at least be restored to its original funding level of $4.8 million in this year's budget.

There are 67 universities in the Soviet Union that are universities in the Western sense. Yet only two or three American universities, and one consortium of Midwestern universities, have set up "sister university" programs with just two Soviet schools: Moscow State and Leningrad State. Part of the problem comes from the Soviet end. The prospect of allowing high school or even college-age students to come to the United States for study frightens some of the Soviet bureaucrats charged with overseeing ideological purity within their youth organizations. But we owe it to ourselves to break down these barriers through persistent effort. Now that effort seems to be paying off. It is important for an influential segment of Soviet society to see us as we are, not as the propaganda mills portray us. And we should avoid distortions of the Soviet Union through similar on-the-scene observation.

In terms of officially sponsored exchanges, we expressed our dissatisfaction with the Kremlin by allowing the cultural exchanges accord to lapse in 1980 after the invasion of Afghanistan, as we did with three of the science and technology agreements in 1982 following the imposition of martial law in Poland. The National Academy of Sciences is down to about half the number of exchanges compared to the 1979 level. The real point after Afghanistan should have been that we need greater understanding, not less understanding. I appreciate the motivation of our policymakers in canceling the cultural exchange agreements because of Afghanistan, but that action was a mistake.

Exchanges can be most valuable precisely when relations are strained. Relations grew worse between 1981 and 1985, and two-way exchanges suffered. Would it not have been better to increase direct contact with each other

when hostility was on the rise? Would it not have made more sense to have our youth, scholars, and professionals engaged in routine discussion with the other superpower capable of global destruction?

Clearly, we are not going to see a far-reaching effect on United States-Soviet relations overnight, although I agree with President Reagan on the potential impact a doubling or tripling of our exchange activities might have on Soviet behavior—and on our behavior—in the long term. A major expansion in this area could lead to better relations and better crisis management, despite the reality that our different national interests and social systems will inevitably lead to some tensions and political conflict.

That is why I support the people-to-people initiative. There are now more than 50 proposals in the fields of performing arts, sports, youth, film, education, professionals, citizens, and health care exchanges under consideration. For the first time, Moscow has agreed in principle to exchange high school students. The wisdom of this move is apparent, but my guess is that future generations will view it as a historic acceptance of reality.

For example, had a young Eureka College student named Ronald Reagan spent his junior year in Moscow, and had a young law student named Mikhail Gorbachev spent a year at an American college, relations today between our two countries surely would be better. Given the gulf between our two governments and peoples, bridging it becomes that much more important—particularly in difficult times, when leaders must act quickly.

THE MANDATE OF HISTORY

Never before in history has it been so important that two nations get along with each other. For the first time in history we have two nations who can literally destroy civilization. This is why the recent Cultural Exchanges Agreement is so crucial. Charles Wick, Director of USIA, put it best when he said the agreement "reflected the concept that cold war rhetoric, distortions, misunderstandings, unseemly allegations, and the like have contributed to international tensions and that those tensions and the ever-present fear that they could lead to armed conflict, could be reduced by wider contact between the people of both countries."

Both sides benefit from exchanges. The State Department in August 1983 reported that science contacts overall have "provided us with a better understanding overall of the capabilities of Soviet science." It went on to say that these exchanges give us "an opportunity to conduct joint research in areas where the Soviets are more advanced and/or have unique resources or facilities," and also allow us to directly communicate "American views to an influential segment of Soviet society." This is an invaluable payoff.

Some have charged that exchanges are dangerous, because the Soviets use their people to gather intelligence or steal technology. There have been some problems, and we ought to be careful. But the problem has been blown out of proportion. Most espionage is conducted through illegal means and trade diversion.

In fact, the 1985 DOD-CIA report, "Soviet Acquisition of Military Significant Western Technology," says that academic exchanges gave Moscow just 5 percent of the technology "judged most significant during the late 1970's and early 1980's." Even this accusation comes up a bit short on evidence, when the relevant footnote admits there is "little data indicating that specific scientists were tasked to acquire information for Soviet military research projects." The great danger is not from exchanges, but from not having enough exchanges.

At this point in time, exchanges may be particularly beneficial. Mr. Gorbachev has made numerous personnel changes, reflecting his desire to get a hold of the Soviet Union's economic mess. East-West trade will play an important part in this economic revival. Good relations are no longer just important, they are imperative. In a letter I received from the eminent diplomat George Kennan, he says that he does not think it "impossible, if steady gentle pressure is maintained from our side, that the influence of Gorbachev, obviously a much more flexible and imaginative person than most of those who preceded him, will serve to loosen up the rigidities of Soviet control over these exchanges and to make them more productive." This makes good sense to me, because it is in Mr. Gorbachev's best interest to move in this direction.

LOSING THE SCHOLARSHIP WAR

Are the Soviets blind to these and other benefits flowing from exchange programs? Not at all. In an area of the world that many of us would agree is a vital national interest—Central America—our exchange initiatives have dwindled. In the contest for the hearts and minds of our southern neighbors in the Caribbean, who has stepped in to fill the breach? If you guess the Soviet Union, you are right.

While we debate aid to the Contras, and the elements of the Caribbean Basin Initiative, we failed to include until this year some kind of long-term educational and exchange program with the region; the Soviets have not neglected this vital part of regional strategy. Literacy campaigns, large-scale efforts to teach the peasants how to read and write, are the first initiatives organized by Communist revolutions wherever and whenever they occur.

Between 1977 and 1982, Central American academic exchanges with the Soviet bloc, excluding Cuba, increased by over 300 percent, reaching a level of more than 3,400 exchangees compared with U.S. awards of less than 400. In 1984, the respective numbers were 3,030 to 226. If we include Cuba, there are over 7,000 exchangees with the Soviet Bloc. In just 5 years, then the bloc has increased its total exchange effort seven-fold, while the American effort has fallen dramatically. USIA's new Central American Program of Undergraduate Scholarships [CAMPUS] idea, and attempt to bring more students from the region to study in the United States, has 154 students in attendance this year in American universities. Clearly, we have a long way to go before we approach the Soviet and Soviet-sponsored numbers.

It is simply amazing to me that we are not putting far more money and effort into a regional exchange initiative at a time when the military battle for Central America rages unabated. Whatever the real level of Soviet military aid, the figures I cited demonstrate that Moscow is looking beyond the next move on the Central American chessboard.

In sub-Saharan Africa, we are making the same mistake. Much has been made of the Marxist influence within the African National Congress [ANC]. There are obvious reasons why the ANC and other resistance groups in southern Africa have turned to Soviet assistance; our relationship with the Government of South Africa is a contributing factor. Another factor is the importance the Soviets attach to direct exchanges with African students, and not just in Angola, Ethiopia, or Mozambique.

In Mauritania and Senegal, two countries I visited recently, the comparative numbers are astonishing. There are three government-sponsored Mauritanians studying in U.S. schools; there are more than 300 in Soviet schools. The figures are comparable for Senegal. While there are now almost 35,000 sub-Saharan Africans studying in the United States, only 2.5 percent are here on U.S. Government scholarships. This means that the vast majority are here on their own resources, mostly children of the wealthy elite. As important as children of the elite are—and we welcome them—we need to reach others in the developing countries.

THE COST OF ONE FIGHTER

Where does all this leave us? My hope is that we begin to look seriously at the long-range benefits that stem from exchanges. They can contribute to our foreign policy in more ways than we can guess. When the USIA wants to spend $159 million in fiscal year 1986 on exchange activities—an

increase of $29 million—and Congress balks at providing the full increase, then we need to take another look at our priorities. The increase in question, incidentally, is roughly equivalent to the cost of one F-15 fighter.

Some may ask, "Why all the fuss over a few exchange programs? Why not spend more and more on defense? Why not buy that extra F-15 instead of spending money on exchanges?" The answer is simple. Look at all we have to gain through the spread of American ideas and commerce, and consider the technical and cultural information we gain about other lands. We are building a base of understanding that can make sensible cuts in defense spending possible. The United States and the U.S.S.R. stand to gain the most through exchanges, because we have the special responsibility to avoid nuclear war.

By underfunding exchanges, we cheat ourselves and others.

The entire exchange effort contributes to our foreign policy goals and to the common defense, not only defense against military threats and terrorist attacks fueled by hatred and misunderstanding, but defense against poverty and disease and the afflictions of humanity. Exchanges build a strength gained from knowledge and understanding.

AN AGENDA

As in other areas, our policy on exchanges needs a guiding strategy if it is to be effective. We must know in advance what we would like to achieve, but we also have to identify funding possibilities and realistic goals. I would like to propose several objectives that make sense as we begin the second half of the 1980s:

First, double Title VIII funding in fiscal year 1987 and subsequent years. Title VIII is also known as the "Soviet and East European Research and Training Act," presently funded at $4.8 million. An annual allocation of $10 million per year will enable us to conduct far more Soviet research than we can today, and train a new generation of Russian and other Soviet language speakers. This will fill a critical national need. Doubling title VIII will cost us very little, but the administration has requested a decrease in funding. This is shortsighted. The Modern Language Association has set a goal of 100,000 Russian-speakers by 1988. That target now seems beyond our reach, but why not aim for 1990? Exchanges will only realize their fullest potential when we have mastered each other's languages.

Second, expand the Central American Program of Undergraduate Scholarships [CAMPUS] administered by USIA. We can no longer pretend that military force alone will solve our hemispheric problems. The Soviets and Cubans have a very extensive scholarship and exchange effort underway in the region, and the United States ought not to abandon the educational high ground to Moscow and Havana. A good goal to aim for would be to bring in as many exchangees from Central America as currently attend schools and universities in the East bloc. This year, out of 154 students, only 6 come from Nicaragua. This number must rise if we want to spread American political values. I will propose that we increase this program by $1.6 million, to bring the number of these scholarships up to 200. I hope that with these additional scholarships more students from the warring states of the region can be brought together in the United States.

Third, resurrect the Critical Foreign Languages Study Program enacted in the 1984 Emergency Math and Science Act. No money was appropriated in fiscal year 1986 for this much-needed language training. At a minimum, we should be spending $10 million this year for high school and college students to learn the Slavic languages, Chinese, Japanese, Arabic, Faris, and other languages critical to national security.

Fourth, we ought to encourage American students and faculty to learn more about the Third World, where we have a number of very difficult foreign policy problems. One way to do this would be to convert some of the outstanding military sales credits into an exchange program. The Treasury Department lists these debts annually; they now stand at about $13 billion.

We could allow a small percentage of each country's debt, perhaps no more than 5 percent, to be repaid by establishing on the national university campus an exchange program for U.S. students and scholars. The host country would provide accommodations, tuition, and other necessary arrangements including stipends. Since repayment under the Military Sales Credit Program goes to the Treasury and not to Government agencies, no Department would actually be out any money. And since a great many countries have not repaid their debt, we at least would be seeing some net gain over the present situation where we continue to carry these countries as outstanding debtors.

Fifth, finally, we should establish a National Endowment for International Studies. This idea was introduced several years ago by Michael Sovern, president of Columbia University. While going beyond the limits of international exchanges, a National Endowment in this area would complement and bolster an expanded exchanges effort. Additional savings might even be realized, if we start to channel Government funding for international studies and foreign language training through this one institution.

As laid out by President Sovern, the endowment would begin with a 5-year program for innovative foreign language training at the primary, secondary, and undergraduate levels; would grant competitive graduate fellowships in all areas of international studies, including language studies; and would make use of matching funds to make grants for a variety of research projects in foreign policy analysis. Within several years, dispersed programs like the Department of Education's Title VI for foreign language training centers, and the Department of State's Title VIII for Soviet and Eastern European training would be subsumed under this new endowment. The lack of commitment to title VI, for example, has been demonstrated repeatedly: the Department has not requested any funds since 1981. This kind of negligence would not exist under a National Endowment's auspices.

Startup costs need be only a third or so of the established endowments, or $50 million. Considering the importance of such an undertaking, and the comprehensive nature of international studies, this is a fair expenditure for a new National Endowment. I would hope we can agree on the need for this new endowment in time to approve funds for fiscal year 1988.

BRIDGES TO UNDERSTANDING

These programs are just a start. The cost to the Treasury would be $71.6 million, about one-fiftieth of 1 percent of this year's function 050 defense authorization request. I suggest that the Defense Department authorization be reduced by that amount to cover the cost of these programs.

There are many other new and innovative exchange program ideas now surfacing in the wake of the President's Geneva summit. A boost has been given to private-sector and nonprofit exchanges, which we should encourage. The President has moved deftly on starting to promote United States-Soviet exchanges. It is now up to Congress to build on our present exchanges effort and help bring about a more secure future.●

NATIONAL TOURISM WEEK

● Mr. ABDNOR. Mr. President, I am pleased to note that May 18 to 24 has been designated as National Tourism Week and across our Nation a variety of events are planned to highlight the importance of the tourism industry to the American economy.

Last year alone, travel and tourism was a $225 billion industry, employing nearly 7 million Americans—our Nation's second largest industry.

In my own State of South Dakota, travel and tourism is our second largest industry as well. Tourists provide $1.3 million per day during their visits

to our State and provide over 14,000 jobs to South Dakotans.

May 18 to 24 marks the third national celebration of tourism week and I am pleased, as a member of the Congressional Tourism Caucus, to join with 700,000 South Dakotans in saluting the efforts of the entire tourism industry in educating and informing the public as to the importance of this industry to all Americans.

Tourism, indeed does work for America!●

GENERAL REVENUE SHARING

● Mr. SASSER. Mr. President, on April 24 I delivered a statement on the floor of the Senate in support of the General Revenue Sharing Program.

At that time I also introduced several statistical tables to be included with my prepared remarks. Inadvertently, one of the tables showing the State-by-State impact of eliminating general revenue sharing under two scenarios was only partially included in the RECORD.

Therefore, I ask that the entire table be included in the RECORD to correct this mistake.

The table follows:

TABLE 4.—STATE-BY-STATE IMPACT OF ELIMINATING GENERAL REVENUE SHARING UNDER TWO SCENARIOS

State	Raise property taxes to make up loss	Across-the-board reduction local services to make up loss				
	Percent increase in local government property tax, excluding special districts	Reduction of police officers	Reduction of fire officers	Reduction of teachers	Reduction of human service workers	Reduction of street maintenance workers
Alabama	35.71	420	207	13	51	806
Alaska	7.13	19	12	191	3	49
Arizona	13.88	213	79	13	124	351
Arkansas	46.23	282	113	1	25	610
California	10.06	1,475	642	541	4,746	1,321
Colorado	12.05(	229	71	0	376	381
Connecticut	2.58	131	90	1,065	107	156
Delaware	25.34	74	22	0	0	18
Dist. of Col.	4.43	40	12	97	126	20
Florida	8.87	917	378	0	172	853
Georgia	13.92	745	383	27	69	983
Hawaii	7.44	144	70	0	9	116
Idaho	17.28	123	38	0	28	126
Illinois	11.78	1,267	459	8	682	1,277
Indiana	10.31	306	188	1	709	555
Iowa	7.53	183	86	0	186	622
Kansas	7.54	151	63	0	24	423
Kentucky	37.01	404	211	0	72	496
Louisiana	17.89	491	166	2	41	749
Maine	6.99	93	76	642	45	229
Maryland	5.72	216	108	1,559	5	271
Massachusetts	4.16	358	297	2,232	65	398
Michigan	11.57	775	336	0	403	1,081
Minnesota	9.31	216	87	0	956	659
Mississippi	21.22	253	122	15	151	1,007
Missouri	24.08	504	159	0	32	651
Montana	6.69	79	26	4	70	193
Nebraska	11.41	124	50	4	87	461
Nevada	12.77	57	26	0	11	51
New Hampshire	4.14	58	42	148	90	125
New Jersey	5.47	549	211	990	1,291	509
New Mexico	26.73	165	66	0	25	244
New York	6.11	1,124	411	2,934	4,707	1,303
North Carolina	9.01	344	146	3,173	326	213
North Dakota	13.29	56	17	1	45	209
Ohio	16.68	855	463	65	1,662	1,073
Oklahoma	28.40	294	156	4	17	591
Oregon	13.93	277	96	0	59	350
Pennsylvania	14.53	961	355	15	1,465	1,218
Rhode Island	3.79	65	57	368	33	60
South Carolina	22.86	441	162	0	42	362
South Dakota	13.97	78	30	0	38	298
Tennessee	8.24	250	925	1,567	91	419
Texas	8.47	1,177	539	5	123	1,843
Utah	17.63	178	74	0	16	231
Vermont	13.47	50	36	0	0	212
Virginia	5.16	251	149	2,427	272	211
Washington	14.35	314	139	0	11	489
West Virginia	39.52	209	98	0	3	158
Wisconsin	11.99	426	180	40	526	929
Wyoming	10.95	81	20	0	4	105
Total for all States	9.20	18,494	8,150	18,152	20,220	26,065

Note: Calculations based on data provided in Bureau of the Census, Governmental Finance in 1983–1984, and Public Employment in 1984.

ALL-AMERICAN BUCKLE UP

● Mr. DOMENICI. Mr. President, each year over 40,000 people are killed in automobile accidents; another 250,000 are subjected to moderate to severe injuries and still another 2 million receive minor injuries. Public payments when people are seriously injured in auto accidents amount to over $7.5 billion. These payments include medical bills, lost revenue, and direct payments for damages. Not only do the victims suffer physical damages, they also feel the emotional and economic strains when there is an injury or when damage is administered.

It is a proven fact that seatbelts prevent injuries, unnecessary costs to individuals and businesses, and most importantly they save lives. Last year, there were almost as many people killed in car accidents as there were American soldiers killed during our Nation's involvement in Vietnam. Yet, every day Americans fail to take the time to buckle up, even though buckling up can prevent injuries and death. A lot of unnecessary destruction and pain can be prevented with the use of seatbelts.

There is something being done to educate the public on the need to utilize the various passive restraint devices. The Department of Transportation in cooperation with automakers, insurers, safety organizations, and others have started a $40 million a year education program. This program is designed to encourage the use of

safety belts and to educate the public on the mandatory usage laws. Another program is the safety belt contest. The mayor of Santa Fe, NM, has challenged the mayors of all cities with a population of at least 15,000 to this safety belt contest. This contest encourages the development of community programs designed to increase safety belt usage among the drivers of automobiles, vans, and light trucks. The U.S. Conference of Mayors has recognized the accomplishments of this challenge and recently had an awards ceremony recognizing those cities who put forth outstanding effort.

Mr. President, it is essential that the public find some way to realize and overcome the serious problem of motor vehicle fatalities and injuries. I urge all my colleagues and all Americans to join me in observing "All American Buckle Up" on May 22, 1986. "All American Buckle Up" and other programs throughout the country have helped us realize how important seatbelts are to all of us. By buckling up we can all help save lives and unnecessary pain and suffering.●

SALUTE TO DR. THEODORE J. JEMISON

● Mr. LUGAR. Mr. President, I wish to acknowledge the lifelong dedication and contributions of Dr. Theodore J. Jemison to the religious, political, and civic affairs of this Nation.

Dr. Jemison is the president of the National Baptist Convention, U.S.A., with a membership of 7.8 million people. He is also the pastor of Mt. Zion First Baptist Church in Baton Rouge, LA. Dr. Jemison has contributed his time and talent to ensure that the human rights of all citizens are protected, and has received numerous citations and awards for his service and commitment. On June 16, 1986, Dr. Jemison will convene his annual convention in the great city of Indianapolis, IN. I ask my colleagues today to join me in saluting the work of Dr. Jemison and wishing the convention the best of success in this and future endeavors.●

OLDER AMERICANS MONTH

Mr. DOMENICI. Mr. President, it is a privilege and honor to speak on behalf of Older Americans Month. The proclamation to decree the month of May as Older Americans Month has been issued every year since 1963. Even so it is perhaps more meaningful now as we see an increase in the population of our senior citizens. Today there are 28 million Americans over the age of 65 and their numbers are expected to rise. By the year 2000 20 percent of the U.S. population will exceed 65 years of age and the number of those over 85 will double. These elderly Americans utilize services that make up 28 percent of the current Federal budget. Yet even with these expenditures many elderly suffer economic, health, and labor-related problems.

The designation of this month as "Older Americans Month" will kick off activities on the State and local level which will honor older Americans. These activities will allow the public to express gratitude and discover the great impact the elderly have on our country. One example of a senior citizen whose contributions to society can be felt nation-wide is Virginia Crenshaw of New Mexico. Her list of activities include the cochairman of both the 1981 White House Conference on Aging and the Governor's Task Force of Long Term Care in New Mexico. Another service to her State and Nation include a post on the 1986 Planning Commisison titled "Glorieta Conference on Aging." Thus with the recognition of contributing senior citizens such as Mrs. Crenshaw it will become obvious that we owe a special debt of gratitude to our older citizens. After all, older Americans have played a major role in creating the bounties of life that we all enjoy. Furthermore, the elderly are our country's most vital reservoir of knowledge and experience.

All Americans benefit from and appreciate the older segment of our society. None more than the citizens of New Mexico whom I represent. We have over 160,000 Americans over 65 years of age in our State and a projected figure of 299,010 for the year 2000. New Mexico is honoring these citizens this month with the senior Olympics and with numerous banquets throughout the State. I urge other groups to join us in showing appreciation to these citizens who have more experience than any of us about living in a democratic society.●

THE NATIONAL ASSOCIATION OF INTERCOLLEGIATE ATHLETICS' WRESTLERS TRIP TO CHINA

● Mr. ANDREWS. Mr. President, I would like to call to my colleagues' attention an effort currently underway to promote international understanding and cooperation through the timeless practice of athletic competition. On June 6, 1986, the NAIA wrestling team will start a 3-week cultural and athletic exchange tour of the People's Republic of China.

Thirteen outstanding young Americans and three coaches will be afforded a unique opportunity to participate in and observe the lifestyles and culture of mainland China. These athletes will also serve as unofficial ambassadors from the United States. To this end, I am confident that both the Chinese hosts and their American guests will benefit positively from this personal interchange.

Mr. President, I am particularly proud of two specific members of the exchange team: Mike Olson, team leader for the tour, and Kelly McNary. Both of these fine North Dakotans are from Dickinson State College and epitomize ideals synonymous with American youth and those who teach and guide them. I wish my fellow North Dakotans and all the team members well as they undertake this journey of understanding to the People's Republic of China.●

TAX OVERHAUL TAKES WING

● Mr. DURENBERGER. Mr. President, on May 7, after nearly 2 months of markup, the Finance Committee ordered reported sweeping tax reform legislation that could change the economic landscape of the country. The committee's deliberations were often difficult and pressured. However, we ultimately achieved a bill that I believe will benefit the entire country.

Recently I came across an article in Newsday providing an "insider's" view of the Finance Committee deliberations. The article was written by my distinguished colleague from New York, Senator PAT MOYNIHAN. I believe the article provides an excellent insight into how the committee achieved its tax reform bill.

Mr. President, I ask that the text of Senator MOYNIHAN's article be printed in the RECORD.

[From Newsday, May 18, 1986]

TAX OVERHAUL TAKES WING

HOW A HANDFUL OF SENATORS FASHIONED A SWEEPING REVISION OF THE U.S. TAX CODE. AN INSIDER'S ACCOUNT

(By Daniel Patrick Moynihan)

It was an inauspicious beginning, but by the time we finished, the Senate Finance Committee had hammered out a sweeping plan that could change radically, and for the better, the way Americans pay their taxes. Sen. Bob Packwood (R-Ore.) tells the story, so I see no reason it shouldn't be recorded:

It is Friday morning, April 25. The Finance Committee, which Packwood chairs, is finishing up its second week of writing a tax reform bill. It has not been going well for the chairman. He had prepared a long (221-page) detailed proposal that generally followed President Ronald Reagan's original tax proposal. Like the president, Packwood sought to lower tax rates for both individuals and businesses by removing many exemptions, thereby maintaining federal revenue. In addition, both the president and the House of Representatives (which adopted a bill last December) proposed to increase business taxes in order to reduce individual rates still further.

This was the Packwood plan. But the Finance Committee—the Senate's tax-writing panel, with 11 Republican and nine Democratic senators—wasn't going along. Amendment by amendment, the committee restored favors to particular industries that Packwood proposed to eliminate to raise revenue and thereby cut rates. Our low point came when we solemnly concluded that the depreciable life of an oil refinery

was five years—an absurd idea for so permanent a structure.

On that Friday morning, Sen. Dave Durenberger (R-Minn.) and I had assembled the votes to strike the provision ending the deductibility of state and local taxes. This involved something more than a financial interest. It was to us a matter of constitutional principle: that the federal government not invade the fiscal reserves of the states and their subdivisions. The president himself had once denounced such a proposal as a "tax on a tax."

Packwood did not disagree. But he recognized that our amendment would be followed by dozens more. His proposal was in ruins. He banged the gavel and announced there would be no more votes that day, and no more meetings until further notice. Tax reform was promptly pronounced dead.

Thank God it was Friday. Or so you might think if you hold with tax reform, as I do. Packwood summoned his chief of staff, Bill Diefenderfer, and together they wandered off to The Irish Times, a tavern near the Capitol. They ordered a pitcher of ale and asked themselves: What next?

Defeat was certain, dishonor not. Packwood is not that sort. Nor Diefenderfer, a bulldog of a man with a sea captain's beard and a bos'n's girth and way of staying on deck. (I have seen him literally on his feet in the committee room for 14 hours). Both are of that genus known as progressive Republicans. Diefenderfer, assistant director of the Domestic Council under President Gerald R. Ford, had come back into government specifically to help with the tax bill.

At the tavern, they decided that if they were to go down to defeat, it would be in the cause of the most extraordinary tax bill in our history.

In the Finance Committee, they would be going against the history's tide. Years ago William Jennings Bryan described big business as "nothing but a collection of organized appetites." For going on two centuries, something such has been the role of the Finance Committee, at least where taxes are concerned. This is not a role to be deprecated. It is what James Madison assumed representative government would be like and, indeed, the committee was established in 1815 in response to his call for a uniform national currency.

Rufus King of Jamaica was one of the five original members, but thereafter New York interest dropped off. Jim Wadsworth of Geneseo served for two years under President Calvin Coolidge. That was that until I asked to join in 1977.

New York has paid for being off Finance for so long. The whole era of modern taxation, trade legislation and Social Security legislation has come into being with no New York say on the subject, as far as the Senate side is concerned.

Not so other states, especially the new ones, formed after the Union. Finance was where the money was, and that was where they needed to be. The oil and gas states, the mining states, the timber states all needed to be on Finance and were.

Their presence was evident that week of April 20, when Packwood saw his original tax proposal unravel, and when he then decided to go for broke.

The following Tuesday I was asked if I would meet next morning in Packwood's office with a group of Finance members who were still willing to fight for a bill. The Soviet disaster at Chernobyl was on everyone's mind, and no one noticed us. Three Republicans and three Democrats gathered. On the Republican side: Packwood, Rhode Island's Sen. John Chafee and Missouri's Sen. John Danforth. On our side: myself, New Jersey's Sen. Bill Bradley and Maine's Sen. George Mitchell.

Packwood's proposition was plain. We were getting nowhere in trying to change the old code sentence by sentence. Every such sentence represented some victory by some interest at some point in the past. Those interests would have someone on the committee to fight for them.

We were six. We thought we might have a few absent friends. The administration wanted a bill. What was there to lose, given that we had already lost? The next seven days may well have made history.

The "core group," as we commenced to call ourselves, made two basic decisions. Rather, Packwood did and presented them to us. Would we join? The first was to adopt Bradley's idea of two drastically lowered income tax rates: 15 percent for families with incomes of up to $42,300 and 27 percent thereafter. (This included the president's all-important proposal to raise the "personal exemption" to $2,000, so children in a family once more become a factor in the tax system). This, of course, meant a sharp cutback in familiar "deductions" such as interest payments, apart from mortgage interest.

The second decision, less-noticed, was a proposition I first introduced three years ago, and sponsored again last year along with Chafee. In somewhat oversimplified terms, this proposal divides income into "active" and "passive" categories. Active income is what you earn as salary, as well as any interest or dividends. Passive income is the "paper" gain or, in the usual case, loss from investments in businesses in which the investor is not actively involved; such businesses are often designed to create artificial tax losses that offset salary or interest income.

The idea was given to me by Donald Schapiro, an eminent New York tax lawyer, as a feature of my minimum tax proposal, designed to ensure that at least a minimum tax is paid by people with large, "sheltered" incomes. I almost got it into the 1984 tax bill, losing 10-9 in a closed committee session. A year ago I reintroduced it with Chafee.

Now David Brockway, chief of staff of the Joint Committee on Taxation, which is pretty much the tax brains of both Finance and the House Ways and Means Committee, came up with a startling idea. If we were to take Schapiro's concept and apply it across the board, we would pick up $50 billion over five years. Fifty billion dollars! The president's proposal had required raising $120 billion over five years from the corporate sector; Ways and Means, $140 billion. We could cut this figure back to $100 billion or so simply by putting a stop to tax shelters. Not one of us had any idea how huge the practice had grown.

By now the whole committee was meeting in the back room of the Finance Committee suite, with the "core group" meeting first each morning in Packwood's office. Our discussions made their way, naturally enough, to the press corps (and the lobbyists, by the increasing hundreds—thousands?) in the corridor outside.

On Friday, May 2, the Wall Street Journal reported of the Brockway proposal:

"The effect would be to nearly wipe out tax shelters that are a major force in financing commercial real estate construction, oil and gas drilling and certain agricultural activities, such as cattle feeding."

The Journal story displayed an unintended irony: An advertisement on the bottom of the page, indeed directly following the story, read:

"Feeding Cattle Could Help Reduce Your Tax Bite. Alta Verde Industries, a long-time South Texas custom feed lot, is now placing cattle on feed for sale in early 1987. The ratio of 1986 expense to equity required is approximately 3 to 1. If this interests you as an individual or closely held corporation, check with your accountant, tax attorney or professional financial adviser and write or call for more information with no obligation."

I have no bones, you might say, with the fold at Alta Verde, but such a tax shelter works like this: By investing, say, $100,000 in cash to buy cattle and borrowing $300,000 to buy the grain to fatten them, you get a paper "loss" of $300,000 by feeding them (thus, "equity . . . 3 to 1") and this loss can be deducted from your income this year. When the cows are sold next year, they are recorded as "capital gains," which are taxed at 40 percent of the sale price. Result? Well, put it this way: Last year 60 percent of the nation's millionaires paid less than 20 percent in taxes, while 20 percent of these paid less than 10 percent in taxes.

Since we also decided to abolish capital gains, in effect we abolished capital gains for feed lots, box cars, barges, thoroughbred horses and so on through the $50-billion scandal—I use the word carefully—of tax shelters under the current income tax code.

In the end, it was as simple, or as complex, as that. On Saturday, May 3, the "core group" met all day, and individually into the night, and worked out the hundred details. Strange thing—both the press corps and the lobbyists assumed we were taking the weekend off and so they did. No one was outside in the corridor. Sunday, May 4, we finished up.

The next day the full committee commenced meeting and by 12:30 in the morning of May 7, we had a bill. Oil and gas got a bit back by way of tax shelters. Mining did. In the Finance Committee, they always will. But the basic bill remained, and it carried 20-0 for the simple reason that whatever our state or regional interests, we all knew something radical had to be done and there would never be a better time to do it.

I hope something like this passes the Senate, and that something close emerges from a conference committee with House Ways and Means (My colleagues, Rep. Charles B. Rangel, fourth-ranking member of Ways and Means, has been hugely supportive.) If it does, Americans can start making economic decisions in economic terms and not in terms of the tax code. That is the great object, and we have come as close as anything we ever dreamed of.

There will be more than a little dislocation, and for some persons, some pain.

Although state and local taxes, local property taxes, personal property taxes (as on a mobile home) continue to be deductible, sales taxes are not. First I, then Durenberger, moved to retain present law, but lost 13-7. We will continue to press the issue. The House bill preserves the deductibility and we may yet succeed.

There is a case to be made for three rates rather than two—say, 35 percent for the highest income groups. But consider: Six million to 7 million poor persons will be off the income tax rolls altogether, and some four-fifths of households will be at the 15 percent rate.

On balance, I hold that we did a week's work. If it comes to nothing, don't expect it to be tried again soon.

When the final vote came, the Finance Committee rose as a man to applaud Bob Packwood. A large basement room of the Dirksen Senate Office Building, jammed with an overflow of lobbyists listening to the proceedings, broke out in hissing.●

ANDREI SAKHAROV

● Mr. BRADLEY. Mr. President, today I join my colleagues in celebration of the 65th birthday of Andrei Dmitrievich Sakharov, a Nobel Peace Prize winner, distinguished physicist, and defender of human rights.

Mr. Sakharov is the leader in the Soviet Union in the fight for peace and human rights, a hero to freedom-loving people throughout the world. He is a lonely voice speaking out against oppression, urging the Soviet Government to provide its citizens with the rights and freedoms that it promised them when it signed the Helsinki Final Act. He has continued his struggle for individual freedom through articles, interviews, and hunger strikes, including a hunger strike to help his wife, Yelena Bonner, obtain an exit visa for medical treatment. He has sought food for the starving people of Kampuchea, argued on behalf of the right of the Tartar people to live in their Crimean homeland, and fought for the freedom to emigrate from the Soviet Union. In 1975, Mr. Sakharov was awarded the Nobel Peace Prize in recognition of his ideals and courageous struggle for individual freedom and civil rights.

Unfortunately, on this day, Mr. Sakharov will be spending his birthday in isolation in Gorky, where Soviet authorities have held him since 1980, when he condemmed the Soviet invasion of Afghanistan. In Gorky, he is separated from his family and friends, barred from scientific work and normal social activities. In other words, he is being subjected to perhaps the most cruel type of torture—intellectual and emotional isolation.

Recently, the President signed a resolution making May 21, 1986, National Andrei Sakharov Day, a day on which we can celebrate Mr. Sakharov's continued commitment to peace and human rights. It is for this struggle that we honor this brave man, and for these principles that we cherish his story. As the Nobel Peace Prize Committee so aptly dubbed him, Mr. Sakharov is "the conscience of mankind."●

LAUTENBERG LEADERSHIP ON COMBATING RADON

● Mr. BRADLEY. Mr. President, residents of New Jersey and of probably every other State in the country are becoming more aware of a potential health threat that we have had little experience in combating. That is the threat of radon in our homes. This gas which can build up in enclosed areas, such as homes, is feared not only because it can cause cancer, but because it cannot be seen or smelled. It is a silent threat to our homes and families.

Both my colleague from New Jersey and I have been working to alert New Jerseyites to this potential problem, to help New Jerseyites find reasonably priced methods to discover whether their homes have a radon problem, and to get EPA to undertake research on ways to retrofit homes to eliminate radon buildup. Senator LAUTENBERG also recently went to Sweden to learn about techniques they have developed to deal with this problem.

All New Jerseyites were pleased last week when Senator LAUTENBERG unveiled a public-private effort to build 100 new homes in New Jersey to demonstrate construction techniques to prevent the buildup of radon. The "New Jersey Radon-Proofing Project" was recently described in articles written by Gordon Bishop for the Newark Star Ledger. I ask to insert those articles in the RECORD so other Senators may learn of this innovative program. Senator LAUTENBERG is to be commended for his leadership in the effort to combat radon contamination in New Jersey.

The articles follow:

RADONPROOF HOMES TO BE BUILT IN JERSEY

(By Gordon Bishop)

The nation's first radonproof homes will be built in New Jersey this year as models for the housing industry in building new homes and correcting older ones affected by harmful radioactive emissions escaping from the ground.

The plan to build the first 100 radon-free homes in the Garden State was unveiled yesterday by U.S. Sen. Frank R. Lautenberg (D-N.J.) at a press conference in his Newark office.

The radonproofing project, estimated to cost $270,000, will be funded by federal, state and private resources, Lautenberg announced.

The 100 homes will be built throughout northern New Jersey in varying geological conditions and will be ready for testing by this winter, Lautenberg said.

Construction sites will be assessed for radon risk along the Reading Prong, a geologic formation containing radioactive materials—uranium, radium, radon and other cancer-causing substances.

"The homes will be built incorporating a variety of techniques designed to prevent radon contamination," Lautenberg said. "The goal of the project is to develop effective measures which can then be incorporated at virtually no cost into the design and construction of new homes."

The senator, a member of the Senate Environment and Public Works Committee, said New Jersey is ahead of the country in identifying radon sources and setting up programs to mitigate the dangers.

"We are now entering a new phase: Building new homes in identified 'hot spots' that will have state-of-the-art protection against contamination," Lautenberg stated. "Our efforts will serve as a model for the rest of the country."

Joining in the radonproofing program will be the National Association of Homebuilders Research Foundation, the New Jersey Builders Association, the State Department of Community Affairs (DCA), which regulates the housing industry, and the U.S. Environmental Protection Agency (EPA).

The homebuilders have put up the first $85,000 as "seed money" to get the program started, according to David Jackson of Summit, past president of the New Jersey Homebuilders Association, which has 2,300 members.

State Sen. John Dorsey (R-Morris) announced the DCA will be assuming a $140,000 share of the program, and the EPA the remainder, or $45,000.

About 1.6 million residents of New Jersey living along or near the Reading Prong in 10 northern-central counties may be exposed to various levels of the naturally occurring radon gas emanating from certain granite and gravel formations in the ground.

More than 6 million people may be affected by radon emissions nationwide, based on preliminary estimates by the EPA and Department of Energy. At least 30 states are known to have radon "hot spots."

The radonproofing project came about following a task force investigation of radon problems in Sweden. Lautenbeg led a delegation of local, state and federal officials and organizations to Sweden last January to learn how it responded to its environment-health radon problem in the late 1960s and early '70s.

The "radonproof" homes project was originally intended as a three-state proposal, inlcuding New Jersey, Pennsylvania and New York. But the other states have not moved on it as quickly as New Jersey's builders, according to Lautenberg.

The Reading Prong, which originates in easten Pennsylvania, traverses through New Jersey and lower New York before terminating in southwestern Connecticut.

"The national and New Jersey homebuilders wanted to get working on the new homes construction project right away in order to select the participating builders and have the homes built in time for the fall-winter heating season," Lautenberg explained.

"Once the results of the work are in, within a year, the aim will be to incorporate the effective measures into normal building practices in radon-prone areas."

Jackson said buyers of new homes will, as a result of the Lautenberg plan, receive a certificate validating that the structure is safe from radon gas.

"It will be the same as having proof that a home has been checked and certified against termites," Jackson said. "This is just one more safety check in the building code."

Also participating in the press conference was Marlene McMahon of Basking Ridge, executive director of the Builders Association of Somerset-Morris which has 260 members.

McMahon commended Clinton Town Mayor Robert Nulman for responding to the radon problem in several homes in his community by dealing with the public in an "informational rather than inflammatory way."

LAUTENBERG LEADS WAY ON RADONPROOFING

(By Gordon Bishop)

U.S. Sen. Frank R. Lautenberg (D-N.J.) has once again taken the lead in protecting

New Jersey's homes against potentially lethal radon gas emissions.

Under a $270,000 program unveiled by Lautenberg this week, 100 new homes in North Jersey will be built with radon-prevention systems. It is the first such project in the United States designed to solve the problem of deadly particles trapped inside structures sitting on geological formations containing radioactive substances.

The 100 new dwellings will serve as a working laboratory in which all kinds of "radonproofing" techniques will be tested. The Lautenberg radon program eventually will help builders in New Jersey and throughout the nation to install effective and the least expensive devices in both new and existing homes where harmful gases are escaping from the ground.

The goal of the radonproofing project is to make all buildings safe from radioactive emissions occurring naturally in granite bedrock containing uranium deposits.

After the program has been completed and guidelines are established, purchasers of new and old homes will receive a certificate assuring them that their investment is fully protected against radon emissions.

As a member of the Senate Environment and Public Works Committee, Lautenberg has brought together a team of local, state and federal organizations ultimately responsible for responding to the radon health issue affecting some six million people in more than 30 states.

In New Jersey, more than a million residents in 10 counties may be exposed to radon gases in their homes and workplaces. It is a natural environmental condition that becomes a problem only when an improperly insulated building is placed on land underlain with radioactive materials.

Lautenberg and New Jersey have taken a leadership position because the Garden State has the greatest concentration of people affected by radon particles. But the environmental-health problem, Lautenberg repeatedly stresses, is solvable.

At a press conference in his Newark office this week, Lautenberg announced his pioneering remediation "New Jersey Radon-Proofing Project" with the National Association of Homebuilders Research Foundation.

At the senator's side were David Jackson of Summit, past president of the New Jersey Homebuilders Association (2,300 members); Marlene McMahon, executive director of the Builders Association of Somerset-Morris (260 members), and State Sen. John Dorsey (R-Morris), whose district falls within the radon-bearing formation known as the Reading Prong.

The Lautenberg plan involves a $270,000 investment in radon remediation approaches that will become the models for those areas of America where "hot spots" have been detected.

The builders have put up $85,000 as seed money to start the project. Sen. Dorsey said he expects the State Department of Community Affairs (DCA), which regulates the building industry, to come up with another $140,000, while the U.S. Environmental Protection Agency (EPA) will round out the balance with a $45,000 matching grant.

Lautenberg established a Radon Task Force last January when he led a delegation to Sweden to learn how that Scandinavian country was dealing with its radon problem. The EPA's top radon official was part of the Lautenberg delegation.

After returning from Stockholm, Lautenberg immediately put together a radon detection and prevention plan-of-action at the federal level, working with both the EPA and the New Jersey Department of Environmental Protection (DEP).

The DEP earlier this year launched a radon "test-and-correct" program funded by the state Legislature. The DEP this past winter began its search for the radon "hot spots" under a $2.6 million program. The Department of Health was given $600,000 to conduct epidemiological studies to determine the link between radon gas and lung cancer.

Because of Lautenberg's and the DEP's extensive investigation into radon sources and the steps needed to correct them, New Jersey avoided what could have been a wholesale panic by property owners selling out as quickly as possible and moving to safer grounds.

Instead, property owners, builders and the real estate industry have informed the public and prospective homebuyers exactly what the situation is and what can be done to correct it.

As a result, residents living along the Reading Prong have not fled out of ignorance and lost their greatest investment in the process.

Lautenberg knows first-hand about the impact of radon on property values. He lives in Montclair, just a few blocks from rows of fine homes that were built on radon-contaminated soil. That is a manmade problem, one the state is handling.

The natural radon emissions are being addressed by the Lautenberg remediation plan.●

NATIONAL ANDREI SAKHAROV DAY

● Mr. BOREN. Mr. President, I am pleased to take this opportunity to join with my colleagues today in recognizing "National Andrei Sakharov Day." Unfortunately, it is necessary to continue to dramatize the plight of those like him to whom the Soviet Government has denied basic human rights.

Dr. Sakharov remains in exile in Gorky for his staunch stance in support of human rights in the Soviet Union. The Nobel Committee has called Dr. Sakharov, "The Spokesman for the Conscience of Mankind," And indeed, he is. Despite his imprisonment, Dr. Sakharov continues to speak out on such issues as peace and disarmament, freedom of association, freedom of movement, freedom of information, and freedom of opinion. He also remains a strong international voice against capital punishment, on environmental protection, and on nuclear powerplants.

There are strong signals being sent back and forth between the White House and the Kremlin that every issue is negotiable. That does offer a glimmer of hope, but what is really needed is substantive policy changes. By openly supporting such human rights activists as Dr. Sakharov, our Government shows the world, including the Soviet Union, that the United States is a supporter of human rights.

Mr. President, we do indeed have a stake in this battle for human rights. My colleagues and I continue to be concerned with bringing justice to those so unfairly oppressed. In keeping with the U.S. concern for human rights, I vigorously join my colleagues in recognizing National Andrei Sakharov Day in hopes that change will occur and the oppressed will be freed.●

NOTICE OF DETERMINATIONS BY THE SELECT COMMITTEE ON ETHICS

● Mr. RUDMAN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35, for Mr. S. Richard Rolf, a member of the staff of Senator MARK O. HATFIELD, to participate in a program in Turkey sponsored by the Turkish Foreign Policy Institute, from May 22 to May 28, 1986.

The committee has determined that participation by Mr. Rolf in the program in Turkey at the expense of the Turkish Foreign Policy Institute is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Christine Dawson, a member of the staff of Senator DANIEL J. EVANS, to participate in a program in Turkey sponsored by the Turkish Foreign Policy Institute, from May 22 to May 28, 1986.

The committee has determined that participation by Ms. Dawson in the program in Turkey at the expense of the Turkish Foreign Policy Institute is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Christopher A. McLean, a member of the staff of Senator EXON, to participate in a program in Taiwan, sponsored by the Tamkang University from May 23 to May 30, 1986.

The committee has determined that participation by Mr. McLean in the program in Taiwan at the expense of the Tamkang University is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Brenda Sanford, a member of the staff of Senator PAUL LAXALT, to participate in a program in Taiwan

sponsored by the Soochow University, from May 21 to May 30, 1986.

The committee has determined that participation by Ms. Sanford in the program in Taiwan at the expense of the Soochow University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Matthew Gerson, a member of the staff of the Patents, Copyrights and Trademarks Subcommittee, to participate in a program in Taipei, Taiwan, sponsored by the Soochow University, from May 22 to May 29, 1986.

The committee has determined that participation by Mr. Gerson in the program in Taipei, Taiwan, at the expense of the Soochow University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. William C. Jacobs, a member of the staff of Senator DANIEL J. EVANS, to participate in a program in the Republic of Turkey, sponsored by the Turkish Foreign Policy Institute, from May 22 to 28, 1986.

The committee has determined that participation by Mr. Jacobs in the program in the Republic of Turkey, at the expense of the Turkish Foreign Policy Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Ms. Diana Rubin, a member of the staff of Senator FRANK LAUTENBERG, to participate in a program in the Republic of Turkey, sponsored by the Turkish Foreign Policy Institute, from May 22 to 28, 1986.

The committee has determined that participation by Ms. Rubin in the program in the Republic of Turkey, at the expense of the Turkish Foreign Policy Institute, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Peter Kinzler, a member of the staff of Senator CHRISTOPHER DODD, to participate in a program in Taipei, Taiwan, sponsored by Soochow University, from May 22 to 29, 1986.

The committee has determined that participation by Mr. Kinzler in the program in Taipei, Taiwan, at the expense of Soochow University, is in the interest of the Senate and the United States.

The select committee has received a request for a determination under rule 35, for Mr. Paul Manchester, a member of the staff of the Joint Economic Committee, to participate in a program in Taipei, Taiwan, sponsored by Tamkang University, from May 23 to 31, 1986.

The committee has determined that participation by Mr. Manchester in the program in Taipei, Taiwan, at the expense of Tamkang University, is in the interest of the Senate and the United States.●

S. 1990, THE EDUCATION AND TRAINING PARTNERSHIP ACT

● Mr. QUAYLE. Mr. President, S. 1990, the Education and Training Partnership Act, is a bill I introduced as a first effort to improve the Federal role in administering labor market related programs.

Since 1982, Congress has reformed the administration of some major labor market related programs, including the Job Training Partnership Act, the Wagner-Peyser Act, and the Carl D. Perkins Vocational Education Act. The rationale for this reform was to eliminate barriers to coordination among related programs and to give the private sector, who are the consumers of job training, a significant role in setting policy and in program administration. States and localities are implementing these reforms.

As a leader in developing those administrative reforms, I believe it is time Congress turned to an examination of administration at the Federal level to determine whether improved coordination and private sector involvement would enable us to more effectively meet the national goals that our labor market programs are designed to address. For further elaboration on these points, please refer to statements I inserted in the CONGRESSIONAL RECORD last year on April 3, with accompanying statements by Senators HATCH and KENNEDY, the chairman and ranking minority member, respectively, of the Labor Committee, and on December 19, when I introduced S. 1990.

So far, I am pleased with the public debate that has taken place on S. 1990. This bill has served as a focal point for discussions, throughout the country, about the Federal role in the labor market. It has been a hotly debated topic in national meetings of educators, job trainers, and public and private personnel professionals. In Senate hearings, on February 19 and 25, the Secretary of Labor, Bill Brock, and the Secretary of Education, Bill Bennett, testified on S. 1990, along with a host of other witnesses from the public and private sector.

Although strong support for S. 1990 was expressed, particularly its objectives, serious concerns were also raised regarding its specifics. In order to explore possible changes to S. 1990 or alternative proposals, I am soliciting examples of the need for improved coordination or private sector involvement at the Federal level that would enhance program effectiveness.

I understand that introduction of S. 1990 has already had some positive impact by spurring better efforts at coordination among State and local entities. Although I am delighted to learn of that side effect, the discussion should now focus on the objectives of S. 1990: The need at the Federal level for improved coordination and private sector participation. Specifically, we need information about situations where, given all the best intentions and goodwill, more effective delivery of services cannot be achieved because the policy or regulations developed at the Federal level inhibit or prevent it.

For example, I am very interested in responses to the following questions:

First, do Federal regulations or statutory requirements prevent the coordination of related programs to address the labor market needs of individuals or populations eligible for services under Federal programs? If so, please give examples.

Second, if private sector participation is valuable at the State and local levels, would it also be beneficial at the Federal level? If so, please explain. If not, why not? Examples?

Besides promoting more effective and efficient administration, S. 1990 establishes a mechanism that can provide leadership at the national level in setting long range policy goals. Under S. 1990, the private sector and the heads of key agencies are brought together in a forum in which they can serve as advocates for the coordination of policies that affect the labor market but which are independently developed by a broad array of agencies. Also in this forum, current labor market programs may be assessed as a whole to determine whether they can adequately meet the emerging needs that are indicated by labor market trends—worker dislocation and skill shortages—and demographics—high illiteracy rates and increasing numbers of disadvantged and minority youth.

One, is there a need for such a mechanism at the Federal level? If so, should any modifications be made to S. 1990 or are there alternative mechanisms to perform this function?

I welcome all suggestions for improvements to S. 1990, changes or alternatives, especially if they can be made in conjuction with concrete examples of the need for better coordination or private sector involvement. I would like to see this request for information widely distributed by national, State, and local organizations. The responses I receive will be compiled for use in further discussions.●

AN OPEN LETTER TO THE SOVIET ACADEMY OF SCIENCES ON BEHALF OF ANDREI SAKHAROV

● Mr. MITCHELL. Mr. President, today I join my colleagues in honoring Andrei Sakharov. Physicist, activist, and hero of the international human rights movement, Mr. Sakharov shall

not be forgotten—despite the illegal efforts of the Soviet Government to isolate and silence him.

In an effort to be of assistance to Mr. Sakharov and his wife Elena Bonner, I have written a letter on their behalf to be sent to Mr. Sakharov's colleagues in the Soviet Union. Top officials of the Soviet Academy of Sciences enjoy direct access to the Government of the Soviet Union and could discuss Mr. Sakharov's case with the KGB. Copies of the letter will also be sent to other important Soviet officials. At the present, such public attention is Andrei Sakharov's only form of protection from the actions of the Soviet Government.

I ask that the letter be printed in the RECORD.

The letter follows:

U.S. SENATE,
Washington, DC, May 21, 1986.

ANATOLIY P. ALEKSANDROV, D.PM.S.,
President, Academy of Sciences, U.S.S.R., Leninskiy Prospekt #14, Moscow 117901, U.S.S.R.

DEAR DR. ALEKSANDROV: I am writing to you today to urge you to do all you can to help your colleague, Dr. Andrei Sakharov, who now languishes in internal exile in the city of Gorky.

Dr. Sakharov is well known in the West as both a scientist and an activist in the area of human rights. His basic research into the peaceful uses of thermonuclear energy and his insights into the possibilities of proton decay are invaluable contributions to the body of scientific knowledge. His commitment to the linkage between scientific progress, world peace and human rights, for which he was awarded the Nobel Peace Prize in 1975, has made a permanent impression on the people of the United States.

The isolation of Dr. Sakharov from his colleagues, family and friends is tragic. The world is being deprived of one of its great minds and those close to Dr. Sakharov are suffering great personal hardship. All the more terrible is the fact that Dr. Sakharov is forced to live in Gorky in violation of the Soviet constitution. He has never been convicted of any crime nor has he ever been tried. The decree of the Presidium of the U.S.S.R. Supreme Soviet which banished him to Gorky has never been seen—probably because it would be unconstitutional.

The Congress of the United States has declared May 21, 1986 "Andrei Sakharov Day" to honor Dr. Sakharov on his birthday for his contributions to the world community and to draw attention to the nature of his current situation. We understand that you, as President of the Academy of Sciences of the U.S.S.R., enjoy direct access to the leaders of your country. Won't you do all you can to help a valuable colleague and an important member of the world community?

Respectfully yours,

GEORGE J. MITCHELL,
United States Senator.●

VIEWS OF ECONOMIST ELIOT JANEWAY

● Mr. MOYNIHAN. Mr. President, we all know Eliot Janeway for his distinguished work in economics and journalism. He is, of course, a man of many talents. On May 4, he showed us another: Eliot Janeway preached a sermon—a fine sermon about our children and the economy—at the Unitarian Church of All Souls in New York City.

Mr. President, it is not unusual to hear cogent economic and political arguments from Eliot Janeway. It is somewhat unusual to hear his arguments from the pulpit. In any event, Eliot Janeway's words deserve our fullest attention, and I ask that the text of his sermon be printed in the RECORD.

OUR ECONOMY IS AS HEALTHY AS THE CHILDREN WE REAR: CAN WE AFFORD TO ABANDON THEM?

(Sermon preached by Eliot Janeway)

A sense of inspired duty accompanies me to this pulpit, distinguished by the worthy son of Senator Frank Church, my late comrade in arms in the cause of peace. All of us remember the missionary spirit Senator Church injected into the tawdry world of the political game. All of us see the leadership role Forrest is reasserting for religion. The tradition established by the statesman father lives on in the work of the evangelical son.

But in paying my respects to the pragmatic charisma Forrest personifies, I confess to feeling some professional concern over the competition he is giving to us writers. Selfishness prompts me to hope that he will continue to give away his wisdom from the pulpit, and not compete with harassed authors in selling it at retail. Of one market forecast, however, I have no doubt whatever: runaway success as a best seller for his new book, The Devil and Dr. Church. I am here today to claim equal time for Forrest's wily and resourceful silent partner. I boast certain qualifications to speak in behalf of this universally maligned fellow-traveler of Forrest's.

When modern society was being born, Spinoza gave it a birthday present in the form of his monumental Tractatus Thelogicus-Politicus, secularizing the medieval concept of the Heavenly City. We are overdue for a Tractatus Theologicus Economicus. Religion in America is alive, if not necessarily well. Economics may or may not be alive; at best, however, it is not well. If you don't believe this yet, you will by the end of 1986.

The economy is tapping out a message for you. We have all heard about the business cycle and how it does or does not work. But I can tell you one thing about the way we work when it doesn't: we go activist. The time has come for us to do so again. The performance of our economy is failing to heal the wounds in our society. Instead, the wounds in our society are infecting the fiber of our economy.

Our economy and our government—between what they are doing and what they are not doing—are hurting millions of people. Some of these victims of our policies, and of our lack of policies, are young enough to be innocent of any responsibility for their own behavior. Others are old enough to pack a vicious retaliatory punch. So whether we know what is best for us all, or whether we merely know what is good for us alone, the message the economy has for us is surfacing into the biggest open secret in circulation. It is a worrisome one. Even Wall Street is hearing rumors that Utopia is a bit behind schedule.

Yet economics, for all its lapses, has a mission of mercy to perform for its most defenseless victims. The devotees of economics who practice politics are ignoring the dropouts from our society. The aim of this mission, in the spirit of the Tractatus Theologicus-Economicus we need, is to activate our religious institutions to render educational first aid to our victimized young. Our mission is to show how to help youngsters who cannot help themselves, and whom the economy cannot help. Our religious institutions can offer economics a challenge to regain relevance. They can join with economics in reaching across the gap that divides the earning participants in our economy from the alienated members of our society.

Having legitimized economics for use from the pulpit—at least in a dissenting version—here goes. Employability in our high-tech society depends on two stern conditions—literacy (including math literacy) and health (including preventive health).

When our high-tech society was being born, Veblen emerged as its prophet. This most distinctive of American social thinkers, this most creative of critics of the technological revolution which dominates the twentieth century, is entirely ignored by the teachers of our Yuppie MBAs. He foresaw our evolution into a high-debt society; though debt was not de rigueru in Veblen's day. Yet our economists and their political clients are still astounded to discover the high-debt consequences for our high-tech society: longer life expectancy on lowered retirement income expectancy. If you don't believe me, ask Exxon, a blue-chip legendary for being cash-rich. It has just batted up a fielders' choice to 25 percent of its work force: give up pensions or accept severance.

Increasingly, every young person literate enough to join the work force will labor under pressure to stay in it as long as health permits. Incomes are falling, but health costs are soaring, along with the cost of health insurance. The poor can't afford it; even the skilled are losing coverage. Permit this aging history buff to remind you that it was John Locke, physician by training and philosopher by vocation, who discovered that babies are born with their brains entirely susceptible to environmental impressions, and who dedicated the first Constitution adopted to this country to "Life, liberty, *health* and the pursuit of happiness." There's progress for you. We surrendered responsibility for the physical foundations of happiness before we set up our government to help us in pursuit of it. Let me call on you from Forrest's pulpit to dedicate ourselves to the pursuit of this abandoned vision of Locke's. Locke knew something that we have forgotten.

Historically, cheap and ignorant labor was deemed an asset, from early slave societies until the Victorian age. Young to work and young to the grave; the less you know, the less you need to know, to devalue the wisdom of the poet.

In our time, we have achieved dramatic progress in establishing literacy and health as requirements for employment, and in providing both. But our government has stopped buying these admission tickets for millions of youngsters deprived of family support to finance their graduation from society into the economy. Nor does our society provide meaningful standby support. Our population of single-parent families is exploding, and aggravating the problem. For the gory details, read the eloquent and searching book, *Family and Nation*, by our Senator, Pat Moynihan.

Far be it from me to enter a plea of extenuating circumstances for Gramm-

Rudman. My friend Senator Hollings, the law's co-sponsor, has a ready answer for questions about the meaning of the Act: "Ask Ted Kennedy," says Senator Fritz, "he voted for it." "BGR" (*Before* Gramm-Rudman), the money the government spent on education and health was not buying an acceptable minimum of either for our abandoned young—no more than, in Senator Church's day, the money we sprayed into the bog of Vietnam bought us victory.

If you can keep a secret, Gramm-Rudman was born dead. April 15th has come and gone without a budget. Congress hasn't waited for a second successive quarter of complaints from back home to give Gramm-Rudman a silent burial. When Congress stops talking, and starts operating, it means business. And when Congress means business, business is bad. So say what you will about how quick the members of Congress may or may not be, they were quicker to get the message of distress from the economy than the wizards of Wall Street. Not, however, that burying Gramm-Rudman will restore the cuts it decreed for education and health. Think of what happens when oxygen is cut off in an intensive care unit: the cuts are fatal, but turning on the oxygen again won't restore the patient to health.

Motivation is needed as well to make the difference. In the private sector, small business provides more jobs than big business—it did even before blue chip employers began mass-producing pink slips. Ghetto youngsters can't qualify for jobs without help. But, increasingly, small business can't pay for training or health care. Only one economic oasis in the social jungle still provides both plus security: the armed services. Aspiring young Blacks, Hispanics and Asians—of both sexes—at the secondary school level have been grasping at the opportunities opened to them by the military. Neither the private sector, nor such social programs as government still provides, are even in the running with alternative offers. Only minority youngsters already able to pass rigorous scholastic and health examinations can take advantage of this career option. But seizing it means putting on a uniform and taking orders. I am indebted to Senator Nunn's staff for the revelation that, in lackluster years, the ratio of minority enlistments remains static, suggesting that the pool of eligible minority youth is stagnant. Which tells us what a long way we have to go to get to where in our smugness we think we are. The opportunities we believe we offer are mockeries.

Once the motivated and qualified minority of minority youth find their own way out of the ghetto, only the young victims are left. Government has cut them off, and society has no solution for them. Yet their plight is an urgency for everyone in society with any sense as well as conscience.

Hence, voluntarism. Translated programmatically, voluntarism calls for a little bit of money, a great many facilities (which is one way religious institutions can lead), plus all of us who care—not just about the lost generation we are failing to rear, but about the promise we have failed to keep to provide freedom from fear, and freedom from want, from the cradle to the grave.

Having exhorted you to embrace voluntarism as the desperate but pragmatic strategy it is, let me make one thing perfectly clear, as the most eminent alumnus of Watergate used to say. Voluntarism won't solve the problem of tomorrow's employability presented by today's uncared for and untrained children. But it will advertise the need for solutions on a scale larger than any of us can provide. Even so, voluntarism is, at best, a miniature of the solution. Only the government can mount the full-fledged offensive that only voluntarism can spearhead.

Again and again, our history has vindicated today's dissenters as tomorrow's prophets. The life of Frank Church proves that. But the purpose of expressing, then acting out, our dissent is to do more than preserve our peace of mind, more than just to make ourselves feel good, more than to invite caricature of ourselves as frustrated do-gooders. It is to turn what's right into what works.

The way to do that is to open the eyes of the kids in the streets to see the lives they can make for themselves. Let us help them grasp the helping hands that can teach them skills they need to grow up into the economy. Voluntarism challenges us to motivate them to accept the boost that our government denies them but that we can begin to bring them.

But where to begin? How to reach the young victims of malign neglect? By tailoring our efforts to attract their attention. Their world is studded with rock stars, sports stars, TV stars and, yes, crime stars—all with glamour available for role modeling. I said crime stars, and I mean it. Headlines grabbed by shrewd DAs making plea bargaining deals with busted crime stars change nothing. Crime marches on, relentlessly spawning new and richer crime stars. What have we to lose if we invite DAs to take a broader view and try a new kind of deal with their wised-up catches? What's wrong with motivating these phony Robin Hoods to warn their proteges off the streets and into schools?

The starts that have been made via show biz will not help youngsters across the literacy gap or the health gap. The money the stars raise will not buy the necessary motivation or discipline. Putting it in the bank is not enough to graduate youngsters from the streets into productive and healthy lives in the economy. But money raised by stars can open an avenue for organized voluntarism. It can enlist the folk heroes of our ghetto culture—yes, including its crime stars—to catch the attention and fire up the motives of the youngsters whom the economy needs and who need the economy.

Our religious establishments are the obvious places to look for hospitality and for dedicated helpers—of course, under strict vows not to proselytize. Both the places and the people can also provide the community support long overdue for employed single parents, who are established within the economy, but who lack community support facilities for child care as well as educational opportunities, neither of which they can afford. We want a three-shift economy, worked by parents in their prime, paying taxes as trade-off for their benefits. We need community support for our full workforce to support prosperity for us all.

Nervous Nellies we will always have with us. Efforts at improvement will always be met with accusations of imperfection. Help the young, and risk complaints of indifference to the old. Protect the benefits of the aged, and risk complaints of neglect of the young. Nonsense. We have obligations to our old folks and to our young folks. We can earn wherewithal to pay these debts as we move our victimized young up the social escalator into health and employment. But if we fail to do so, our debts will get us.

The alliance between young and old is a natural match, if not made in heaven, then made to make life better on earth. The old are the teachers from whom the young are most apt to learn, without suspicion, fear or jealousy. Their mutuality of interest is financial as well as emotional, as we stand to learn the hard way the next time we return to an expanding economy. If we tolerate the present drift, the unemployability of the disabled young will run us into costly shortages and rampant inflation in the early stages of the next honest-to-God recovery. Retirees on fixed incomes will be the first to suffer.

Economic anemia is easier and quicker to cure than a social cancer. Devising new ways to get the economy moving again will take only a few of the hard years at hand. But growing a new crop of literate, employable teenagers will take half a generation from the time we start, if we start yesterday.

Ask Forrest where to begin. He is ready with a list of people and places volunteers can look to for the training they will need. Volunteers will need all the help they can get to shame the government into picking up from where they leave off. Who knows, even this devil's advocate may be able to lend a helping hand. As Senator Church would have told you, the devil speaks a language which even our sovereign truant in Washington can be made to understand.●

FREE SAKHAROV

● Mr. D'AMATO. Mr. President, today we celebrate the 65th birthday of one of the world's genuine heros, Dr. Andrei Sakharov. Both the Senate and the House have adopted resolutions designating today as "National Andrei Sakharov Day." But this is not a typical birthday celebration to mark the passage of yet another year. Rather it is a celebration of the triumph of the human spirit over the forces of repression and intolerance. Sakharov's birthday has become a rallying point for his friends and supporters.

Andrei Sakharov was born in Moscow on May 21, 1921. His father was a well-known physics teacher and author of many textbooks and popular science books. His childhood was spent in a large communal apartment where traditional values, including respect for hard work and ability, mutual aid, and love for literature and science, were fostered.

In 1945 he became a graduate student at the Lebedev Physical Institute. Three years later, Sakharov was included in the research group which developed a thermonuclear weapon. The next 20 years were spent in various research centers throughout the U.S.S.R. In 1950, in collaboration with Igor Tamm, Sakharov engaged in some of the earliest research into controlled nuclear reactions. He was elected to the prestigious U.S.S.R. Academy of Sciences in 1953.

His social and political views underwent a major evolution during the 15-year period between 1953 to 1968. Sakharov's work in the thermonuclear field was to have a profound impact on his attitudes on many issues in these areas. During the 1950's he began a

campaign to halt the testing of nuclear weapons. His initial involvement in human rights issues date back to the late 1960's when he made a series of appeals on behalf of victims of Soviet repression.

A detailed statement of his views on these matters was included in his essay entitled, "Thoughts on Progress, Peaceful Coexistence, and Intellectual Freedom," which was published in 1968. Sakharov has noted that the essay was a real turning point. It received widespread attention in the West and became the subject of increasing criticism in the Soviet press. Official reaction included termination of many privileges previously enjoyed by Sakharov and his family. In addition, he was barred from work on classified projects. Nevertheless, he continued to speak out openly in opposition to Soviet human rights violations.

In 1975, Andrei Sakharov was awarded the Nobel Peace Prize. The citation issued by the Nobel Committee recognized Sakharov as a "spokesman for the conscience of mankind."

On January 22, 1980, Sakharov was detained by Soviet officials and informed that a decree of the Presidium of the Supreme Soviet had stripped him of all decorations and awards. Furthermore, he was told that an order had been issued to banish him to Gorky, a city off limits to foreigners.

This illegal act represents an attempt by Soviet authorities to isolate Sakharov and his wife, Yelena Bonner. Together, they have been subjected to constant harassment by the KGB and denied their basic human rights. For example, they are prohibited from leaving Gorky without official permission, from meeting or corresponding with foreigners, even with family members who live abroad, and others. Sakharov is also required to report regularly to the local police.

Meanwhile, the Kremlin has orchestrated an extensive disinformation campaign designed to divert Western concern over Sakharov's well-being. This effort has failed miserably and only raises additional questions regarding Sakharov's plight. In an appeal to the West, Sakharov has asked that "the government leaders in States signing the Helsinki Final Act, * * * defend me on legal and humanitarian grounds and to oppose new acts of repression."

Their brutal treatment of Dr. Sakharov and many others, who dare speak out in defense of human rights, is a clear demonstration of the Soviet leadership's disregard for human rights commitments which they have voluntarily accepted. It also raises serious questions regarding the Kremlin's willingness to live up to other agreements, particularly those in the area of arms control.

Mr. President, I request that the text of an article by Yelena Bonner describing her husband's travail be printed in the RECORD.

Mr. President, as Chairman of the Commission on Security and Cooperation in Europe, I pledge to continue to speak out until Sakharov is allowed to return to his home in Moscow or emigrate. Perhaps the Soviet authorities will permit Sakharov to celebrate his next birthday in freedom with his family.

The article referred to follows:

YELENA BONNER: MY LIFE WITH SAKHAROV

(By Yelena Bonner)

During my five-month visit to America, there have been many receptions, lunches, dinners, and serious conversations about my husband Andrei Sakharov and his ordeal. The questions vary, but sometimes it is abundantly clear that the questioner knows nothing about him. The questioner doesn't even know why he came to ask his question. Everyone was asking, so he asked, too.

It's that way back home in Russia, when you see a line in the street. That means something has been put out for sale, so you get in line, too. You don't know what they're selling. And the people ahead of you don't, either. It doesn't matter, you'll figure it out later.

But even friends who know quite a lot about Andrei ask: "Who takes care of Andrei while you are here?"

No one. He is alone, Alone, He cleans up, mops the floor in the kitchen, does the laundry. He goes to the store, buys food, brings it home and cooks it. He eats alone, then washes the dishes.

"Does he really know how to manage?"

Yes, he knows. And it does not bother him. He does not think that household chores divert him from "eternal" and "immortal" matters. He respects such tasks, and is willing to help even when I am home, sometimes snatching work right out of my hands. It is in fact important to understand his attitudes toward people. Just as there are no little people or unimportant lives, there is no insignificant work.

He gets annoyed when someone asks: "Andrei Dmitrievich, you are such a great man you need peace and quiet. Why should you risk your health going on hunger strikes for Liza and Yelena and Bukovsky and Ogurtsov and Moroz?" He finds it difficult to reply to people who do not understand the roots of his behavior.

Sometimes people have asked him: "Why bother writing about some Jew who would like to emigrate?" Such questions he finds offensive, and he is puzzled that people who have met him do not know him at all.

He approaches household matters and everyday life with the same simplicity and respect as he does people. But it is difficult for him to be alone. He does not have time for everything he wants to do. Things require much more effort than they do in America. Sometimes he lacks the physical strength to cope.

"And when you were living alone, was your life like that, too?" people ask me.

"Yes, just like that."

"How did you manage if you needed six cardiac bypasses?"

I managed. I did what I could. Two years ago I could not wash the windows before I sealed them for the winter. I washed them last summer, but I was feeling worse again in the fall, so over the winter they were dirty. I have money to pay a window cleaner, but I am forbidden to have contacts with people.

One day my television set broke down. I found the telephone number of a repair shop in the phone book and went outside to call. I did not have to look too far for a pay phone; the first two were out of order, but the third was working. I was still dialing the number when my secret service escort (or KGB agent—I don't know what to call him in order to avoid being accused of slander) pulled open the door and held down the button. He chewed me out, saying I knew very well that I was not allowed to use the telephone. Then he agreed to tell his boss that I needed a television repairman. Two days later the policeman who stands guard at our door politely told me: "The repairman is coming tomorrow."

"Why did you have to go to a pay phone? Can't you call from your house?" people ask.

We have no phone in our apartment. Academician Sakharov has been living in Gorky for six years without a telephone. There have been times when I needed urgent medical assistance, not a television repairman. Andrei would have to run outside, even in freezing weather, to look for a phone booth. In winter, still fewer work properly. But now he is alone, and I don't know what would happen in case of a medical emergency.,

In Soviet-made films shown in the West, Andrei speaks quite a bit on the phone. It is a deliberate attempt to convince the audience that he has a telephone. While I have been in America, they have allowed us the luxury of speaking to each other. Andrei is summoned to a telephone center, but not the usual one for international calls. Post Office 107 is specially equipped with a hidden camera, and the films have demonstrated how easily, with no regard for the law, they listen to and record conversations between a husband and wife. I don't know who makes the movies, but I think the sequences exposing our family affairs to the whole world are anti-Soviet. In any democratic country, where the law protects the individual and not the state, Andrei and I would win a court case against the anonymous peeping Toms who direct the films and the government officials who authorize them. Remember Watergate. A President was forced to resign because of wiretapping.

"Do you listen to the radio?"

Yes, we do. In order to turn in, we travel to the extreme edge of town, to the racetrack or to the cemetery. There we can pick up some Western stations. It isn't bad in spring and summer, but it is cold and windy in winter. The days are short; we don't like to drive at night because the roads are often not clear—you can see that in one of the films the authorities made—and they are slippery. So we seldom listen to the radio in winter.

"Why don't you listen at home?"

Because it is jammed. In our house, or at least in our apartment, since I don't know about the rest of our 10-story building, some device has been installed which prevents us from listening to the radio, which interferes with our television reception and also with our phonograph. The jamming occurs around the clock. We have tested it morning, afternoon, evening and night.

Is it harmful for your health?"

Andrei has thought about this and does not know. I don't understand such things at all.

"Can you read newspapers and magazines?"

All the Soviet ones we want. The Western magazines which we had managed to collect over four years, among them issues of Newsweek, Time, Paris Match, U.S. News and World Report, were all taken during the search of May 8, 1984. They have not been returned, nor have our clippings from Western newspapers. Even our Soviet press clippings were confiscated.

"What else do you read?"

Andrei does not read a lot—I am speaking about belles-letres where he usually follows my recommendations. He spends more time on scientific journals and reprints. I read a great deal, mostly Soviet intellectual magazines, both fiction and non-fiction; they contain much that is interesting. I also read books. While I was able to go back and forth between Moscow and Gorky, I would get English and American detective stories. My English is not up to more serious reading, but I am quite able to understand my favorite heroes, Nero Wolfe and his sidekick Archie the ladies' man. I also read Agatha Christie and John le Carre (difficult for me), among others. Occasionally, Andrei also reads English mysteries.

"Where do you get the Russian books and magazines? Do you buy them?"

Some newspapers we simply buy. We have yearly subscriptions for most of the literary journals and the newspapers. Subscribing is rather complicated in the Soviet Union, because many publications are "limited." That means that there is a ceiling on subscriptions and very few copies ever appear on sale. This may seem astonishing to people in the West—there are willing customers who cannot buy what they want, but that's the way it is. I don't know if there is any other explanation for the limits besides the paper shortage, but often the limits are on the most popular publications. There is also a shortage of books that people would want to buy.

Andrei Dmitrievich and I have no problem getting subscriptions, and we can order practically anything we want, with the exception of the magazines America and England. That is because I am a war veteran, and war veterans may subscribe to whatever they desire without worrying about limits. All I have to do is show my papers and pay for the entire year. For 1986 I spent nearly 500 rubles on subscriptions—and by Soviet standards, especially bearing in mind the low prices of our publications, that is a lot of money. As the saying goes, "Read until you can't stand it."

We have no problems with obtaining books, either. As long, as Andrei Dmitrievich is an academician, he may order many of the books published in the U.S.S.R. from the Academic Bookstore in Moscow. In the past, we used to go there every month and what a pleasure it is to dig around in books! The two of us were like Karl Marx, who when asked, "What is your favorite pastime?" replied: "Digging around in books."

Now we order books from the Academic Book catalogue and receive them by mail. That's less exciting. And for some reason, the best books often don't reach us. On the average, we order 25 to 30 rubles' worth of books a month. Books and magazines are the luxury of our life, just as they had been in my life before I met Sakharov.

Besides the things necessary for everyday living, we have made few purchases in our year's together. In Moscow we did not buy any furniture except for some things for the kitchen and the bed we slept in. In Gorky, I bought a desk, a book shelf, a table and a few table lamps. We have not purchased a single carpet or crystal objet d'art (material, albeit superficial, indicators of life-style in our society). And we're not overly extravagant in terms of clothing, either. Look how far the question of reading material has taken me. But I think that the reader, interested in much or even in everything about Andrei Dmitrievich, will forgive me.

"What is the food situation in Gorky?"

It's not catastrophic and probably very much the way it is in any Soviet city other than Moscow or Leningrad. I will simply list what there is in the stores—not even in stores in general, but in the one where we market. It is located two or three blocks from us, perhaps a bit more. The return trip is uphill, and carrying groceries is too much for me since my heart attack. So I drive to the store. Andrei usually walks.

The grocery store always has sugar, tea (very poor quality), salt, some sort of cookies, rice, vegetable oil, several types of candy, semolina, and sometimes other grains and macaroni, but there has not been any buckwheat in the last six years. There is no butter, they do have margarine, sometimes cheese, almost always eggs. As for other food products—meat, chicken, sausage, fish—when they appear, so do long lines.

The dairy store almost always has milk and yogurt in the mornings, and often has cottage cheese and sour cream, and sometimes regular cheese. The vegetable store sells potatoes, carrots and beets, and very rarely squash or cauliflower. Apples, grapes and other fruits create very long lines—especially for bananas or oranges. There are always juices.

The bakery has bread, black and white, during the day, but runs out in the evening, especially on Fridays, when people shop for their weekend trips to the country.

There is also a wine and vodka shop. They don't always have vodka, and long lines form when it's on sale. As a war veteran, I can shop without standing in line, simply by showing my papers. I sometimes use(that right, especially to buy cottage cheese or fruit. Once I used it to purchase vodka. In the summer of 1985 I had lost weight drastically and developed abscesses under my arm. Concerned that the infection might spread, I decided to disinfect the skin thoroughly. Neither alcohol-saturated pads nor alcohol is available, so I went to buy some vodka. I picked the wrong day, a Friday, and the line was long. I took out my papers and people let me through to the front of the line. I asked for a bottle and then for two—it would save me a trip if the infection spread. When I came out of the store, a bottle of vodka in each hand, my KGB escort said, "Yelena Gaeorgiyevna you don't use to drink, did you?"

"You'd drive anyone to drink."

I don't know whether he believed I had taken to drink or not. But this was during the gloomiest days of June 1985.

Gorky has several outdoor farmers' markets. On the average, the prices are three times what they are in the stores, and for some items, even higher. For instance, meat in the store costs 2 rubles a kilogram and between 6 and 8 rubles at the market. Potatoes in the store are 10 kopeks a kilogram and 30 to 50 kopeks in the market. Cottage cheese is 1 ruble at the store and 4–5 rubles in the market. To all intents and purposes, berries and certain fruits and vegetables exist only at the markets.

In the winter, the selection is very poor, and in order to get anything at all, you must arrive before eight in the morning. I always oversleep. In the summer, the market is much more festive—there are flowers, berries, and colorful fruits, primarily from the southern republics.

But the prices are horrifying. On a television program for New Year's Eve 1985, one of our comics joked that the Division for Combatting Embezzlement of Socialist Property would do well by arresting anyone shopping for melons or pears at the market; they would never go wrong, because no one can afford them on his salary alone. That's an exaggeration, of course, but there is a grain of truth in it, even though I see many shoppers at the markets.

Once again, my status as a veteran of the Great Patriotic War (World War II) allows us not to worry too much about groceries. Every city has special stores for this category of people. When I was exiled, I requested that I be put on the eligibility list of one of these stores. Before that, I used to bring almost all of our groceries from Moscow. Once I was assigned, we visited the special store twice a month to pick up our allotments.

Each allotment includes 1.5 kilograms of meat, one chicken, 1 kilogram of fish, buckwheat groats, peas, mayonnaise, 600 grams of butter, canned goods and a half kilogram of cheese. That food order really helps us out—especially in winter.

As I said, we used to go twice a month. But it was a form of social contact—with other customers, with the salespeople—and so we were forbidden to visit the store. Now the order is delivered to our apartment. Unfortunately, the privileges accorded veterans of the Great Patriotic War are not extended to other handicapped persons, who could use this sort of help to alleviate the hardships of their life.

One of the most frequent questions: "In the past, Andrei Dmitrievich did not want to emigrate. What is his attitude now?"

It seems to me that as soon as Andrei began to have contacts with journalists in 1972, they started asking this question. We were living on Chkalov Street, never suspecting that we would wind up in Gorky. Andrei would reply in a few words, most often in one brief sentence: "I don't discuss hypothetical situations."

In 1973 he received his first invitation to spend a year at Princeton University as a visiting professor. He accepted with thanks, but said he was not ready to emigrate and he was not preparing to do so. He added that he did not consider emigration possible for himself and gave several reasons why. This conversation was not reported accurately by the correspondent who discussed the invitation with him; the second half was simply omitted. To the best of my recollections, Andrei did not make any official attempt to go to Princeton.

When he received the Nobel Prize, he applied to the Office of Visas and Registration (OVIR) for a visa and was refused.

In 1977 he accepted an invitation to attend the AFL-CIO convention in America, although he did not reach OVIR in the application process. The Academy of Sciences did not issue one of the needed documents, so it was impossible to proceed.

In early 1983, Andrei received an invitation from the Norwegian government to take up permanent residence in Norway. The invitation was sent at the behest of the Norwegian parliament and all of the parties voted for it. Andrei replied to the invitation with the following letter:

To: The Norwegian Government

I accept with gratitude the invitation of the Norwegian government to move with my family to Norway for permanent residence. Any possibility for my departure from the USSR depends on the decision of the Soviet authorities. I was earlier (1975 and 1977) denied permission to take trips abroad and reference was made to the secret character of my work until July 1968. I hope you will ask the authorities about the possibility of my departure at this time.

In the case of a refusal, I hope the Norwegian government will support the following request which is of vital importance for our family. In September 1982, my wife Yelena Bonner submitted an application to travel to Italy for ophthalmological treatment including possible eye surgery. Her eye disease is the result of a concussion she suffered at the front during World War II. Because of the special conditions under which we live, medical treatment in the USSR is not possible. . . .

Respectfully,

Andrei Sakharov.

"What is your attitude toward the reports that your husband will be exchanged soon?"

My attitude is negative—not toward an exchange but toward the reports. I consider them disinformation. I think the story about an exchange on May 18 appeared in the press to make people forget that May 21 will be Andrei Dmitrievich's 65th birthday and to deter the kind of open and solemn ceremonies which have marked that day in past years.

"Are you planning to return to the USSR and, if so, when?"

I am planning to return and have even drawn up a list of the things I should buy, although I have not yet made the actual purchases. I expect to fly back toward the end of May.●

BONNER'S RETURN TO EXILE

● Mr. D'AMATO. Mr. President, I rise today to focus attention on the case of Yelena Bonner, wife of Nobel laureate Andrei Sakharov, who will soon rejoin her husband in exile in the closed city of Gorky. The Moscow Helsinki Group, organized by Bonner and 10 other Soviet human rights advocates, was established on May 12, 1976. The primary purpose of the group was to promote human rights in the U.S.S.R. and monitor Soviet violations of the Helsinki final act. Soviet authorities arrested Bonner, a founding member of the group, and charged her with "slandering the Soviet state" in 1984 in connection with her human rights activities. She was subsequently sentenced to 5 years' internal exile and permitted to join Sakharov in Gorky, where he had been banished since 1980.

Soviet authorities have arrested, detained, imprisoned, and exiled other group members as well. These harsh reprisals underscore Soviet contempt for the concept of human rights and for those who speak out in support of these rights. In addition, they highlight Soviet disregard for their human rights commitments, especially those included in the final act, which they have voluntarily accepted.

Mr. President, I request that a brief biographical sketch of Yelena Bonner, as well as a recent article by her, be printed in the RECORD.

Mr. President, as Chairman of the Commission on Security and Cooperation in Europe, I commend Yelena Bonner for her steadfast commitment to human rights and dedication to the principles contained in the Helsinki accords. Perhaps one day soon she and her husband, will be able to live in the comfort of their own home, free from the constant harassment they face in Gorky. Until that day, let us persist in our efforts, both public and private, to secure their freedom.

The material referred to follows:

ELENA GEORGIEVNA BONNER

In 1937, Bonner's father, Gevorg Alikhanov, head of the Comintern Employment Section, was shot. Her mother, Ruf Bonner, was tried in December of the same year for the "crime" of being married to an "enemy of the people." She subsequently spent 17 years in labor camps and exile until she was rehabilitated in 1954. Elena moved to Leningrad to live with her grandmother during this period.

For one year before the war, Bonner studied at the Philological Faculty of Leningrad State University. During the war, she served as a nurse aboard a medical train. Bonner was wounded on the battle-front, leading to loss of vision in one eye and progressive blindness in the other. She graduated from the Leningrad Medical Institute in 1954 and practiced medicine in Leningrad clincis until 1961, when she moved to Moscow and took a position at the Medical School for Nurses there.

Bonner became a member of the Communist Party in 1965, but withdrew from membership in 1971. She married Andrei Sakharov on August 7, 1971.

She is an invalid of the second category due to contusions she suffered during the war. These wounds have engendered a serious eye condition which led to her retirement from the medical profession in 1971.

In 1975, Bonner traveled to Oslo to accept her husband's Nobel Peace Prize. This was the first of several trips to the West for medical treatment. In 1983, she suffered her first heart attack. Despite her declining health, Bonner has been denied permission by the Soviet authorities to obtain treatment in the West.

In 1984, she was arrested, tried, and sentenced to 5 years of internal exile for "slandering the Soviet state." Her term of exile is being served in Gorky, the closed city where her husband has been banished illegally since 1980.

After several delilitating protest hunger strikes, Bonner was finally permitted to go to the West for medical treatment in late 1985. She has also visited her mother, children and grandchildren in Massachusetts, while appealing to the Soviet authorities to allow Sakharov to return to Moscow or emigrate.

[From the Washington Post, May 18, 1986]

AMERICANS DON'T WANT WAR—THEY WANT HOUSES, WITH YARDS, AND SO DO I

(By Yelena Bonner)

I am convinced that Americans want peace. I don't know about America—I'm not a specialist, like the schoolchildren who travel around the world on peace missions and can explain everything about rockets and so on. But while I am not as competent to judge, I maintain that Americans do not want war.

What Americans want is a house. No matter their place on the social ladder, their salary, capital, inheritance, winnings in the lottery or on the stock market (for me with my lack of education in these matters it is almost one and the same, even though I do know that people win more frequently—and lose more frequently!—playing the stock market than the lottery), they want a house of their own.

They want a house and the ground it stands on, and a surrounding bit of land. That's all. Some own a tiny house, like a toy cottage, and only the soil is in their flower boxes; others have lots of bedrooms, baths, and extensive lawns. The desire to own a house is not a class ambition; it encompasses upper, middle, upper-middle, or lower-income groups, and is an expression of a national trait, a desire for privacy.

Even one of New York's homeless, huddling in a blanket over a grating, will be insulted if you invade his privacy. A house is the symbol of independence, not even a material one, but some sort of combined spiritual and physical independence. The American feeling about his house expresses the main traits of Americans—the desire for privacy and independence. But that attitude gives rise to a third trait, "my house is my pride and joy."

And from that comes "My city, my state, my country is my pride and joy." There is no aggression or parochialism in that attitude. It is open and kind and caring both toward the house and toward everything that it stands for, the soil in the flower boxes and the lovingly-tended lawn, even if it's only three yards square. And, I say this shows that Americans care about land in general and about the whole world. Only the other day my son told me that according to a poll, 43 percent of all Americans prefer growing flowers to any other outdoor pastime.

Americans do not want war. They want a house. The first lady says that when the president retires, they will sell the house in which they lived before the presidency. The children are grown and the place is too big for them, so they will buy a smaller house. A wonderful plan! And it's wonderful that the whole country knows it. The president doesn't want war, he wants a new house.

I also want a house, in addition to my usual wants that everyone be together and healthy and that there be no war. With enough land around it, and no more, for me to plant flowers. For the sake of nostalgia I could grow an ordinary Russian cornflower and an ordinary Russian daisy and a single birch tree. But to tell the truth, I find nostalgia a form of play acting.

I don't need a lot of bedrooms, just one for us and one for mother, a guest room and one more so that I'm always ready for our grandchildren. And I'd like a room where I could at last spread out my books and where Andrei could make a mess. What nonsense I'm writing! I want a house! This is me, who should be counting the days, no, the hours of my freedom to do what I want, even to type this freely, to type all my unattainable nonsense, such as "I want a house."

But you know, I'm sixty-three, and I've never had a house; not only that, I've never had a corner I could call my own. I started out like everyone else: a normal childhood, but then came a strange orphanhood—father and mother arrested and no one

knowing whether they were alive or not. I lived in a single room with my grandmother, brother and sister. On the other side of the wall (we could hear everything) lived a man named Fyodorov with his wife and four children. When he got drunk he beat them. If they managed to get away, they would spend the night with us, sitting on the old trunk. Fyodorov never broke into our room. He was afraid of grandmother—everyone was afraid of her except me. I had my own fears, of course, but ever since my parents' arrest, I have never allowed myself to show my dread of anything.

Then there was the army. I guess there was a time when my "house" was a compartment in the hospital train, where I was head nurse. The war ended, and many people shared my room with me, like girl friends in Leningrad after the evacuation was over. Later, we had a room in a communal apartment—my first husband, two children, my mother, and I; often we had friends staying the night. There were 48 people in one apartment, and one toilet.

Later in Moscow, we had two rooms in the apartment where my mother, the children and I lived, and then we were joined by my son-in-law, and then by Sakharov. I think that the first time I was mistress of my own place was—it's hard to believe—in Gorky, in exile.

I do not want that. I want a house. My daughter has a house in Newton, Mass. It makes me so happy to think that she has a house. Her family is caught up in our affairs, in our Gorky horrors and suffering, and our cares. They have forgotten the pleasure of their house. I want them to go back to caring about it. It has done so much for them—my daughter and her husband and their two children have been living in the house since their arrival in 1977. My son came there, followed by his wife, and their daughter was born there. Two families shared the house in a most un-American way—it was almost a communal apartment and it had almost a third family: my mother arrived and the impossibility of going back to Russia has kept her there close to six years. Where else could she go—to live in exile in Gorky?

My dream, my own house, is unattainable for me and my family—that is, for my husband and myself, as unattainable as heaven on earth. But I want a house. If not for me, then for my son and his family. My son and I plan to buy one. And I am learning many new things. The house should be near good schools, my grandaughter is three and schooling is not far off in the future. It should be in the suburbs—vacations are short and a child should not have to grow up in a polluted city. It should be close to their work—both parents have jobs and there is only one car. It should have a full foundation and basement (I had never known such considerations to exist). It should have three bedrooms so that my mother can be with them, or at least visit. It should have a room and bath in the basement for guests. It should have a studio—Alyosha wants more than a house, he needs a workroom for his mathematics. But the cost is . . . oh! I want, I want, I want. More than the children, I want. But it's time for me to pack my bags. Not tomorrow, but very soon. The children live here, I live over there.

My time here has been a highlight of my entire life. For instance, I went to the Virgin Islands. I had never seen a climate like that near palm trees—coconuts really do fall! My bare feet had never felt sand like this. This warm and quiet sea splashed just twenty steps away from me. I would call it paradise, but paradise is not simply a question of climate, or sand, or sea, or even apples (or pears—that historical argument from the Garden of Eden has yet to be solved). Paradise is being with people you love and treasure and not worrying about them. I wish Andrei were here. I wish my mother could sit in a rocker in the shade near those sweet, sleep-inducing oleanders, and I wish I could pick up the phone once a week and hear the calm voices of my children. Paradise, it turns out, is so simple and, it turns out, unattainable for me.

Long, hot hours on the white, hot sand; the sea—light blue, dark blue, turquoise. The bay is small—even with my ailing legs I managed to wander all the way to its left point one day, and to its right on another. I will always remember that arc, a smooth edge of sand, and the sea, which doesn't roar, but whispers, babbles, I'm afraid of lapsing into sentimentality (I think I already have, in fact), but I've never seen such a sea . . . it has such tranquility.

Perhaps I have grown more tranquil here. I am grateful that I was invited to that island and that it was so simple to give me five days to catch my breath, to work, and to have peace. Maybe those days let me regain my senses—to stop losing my temper with my family; to understand that I can change nothing or correct nothing; to stop tormenting my heart (the six bypasses may not be able to take it) and the hearts of others—hearts I love.

My husband told me just five months ago (God, I haven't seen him in five months and want to be with him so much), "The world is further away from war than it has been in a long time." I believe him, and on that score, I live calmly, especially since I have more than enough worries, cares, and misfortunes of my own.

What difference does it make if Gorbachev and Reagan meet in June or some other month? What difference does it make which of them is being cranky? first Gorbachev plays hard to get, like a girl invited for a date, pouting, considering; "I don't know, I have to think about it, probably not." Then Reagan sounds like a jealous girl, "It's her or me. Now or never." A recent newspaper article set me thinking along these lines, actually, all three are alien to me—the newspaper and the two governments. I must be one of the world's least interested people in the problems that Reagan and Gorbachev are threatening to discuss or not discuss, when and if they meet or don't meet.

I want a house. I don't want war. Americans want a house, too. Americans don't want war.

So now with my surgically repaired organ of feelings and circulation I am writing in a hotel in New York, which is simulataneously a city and a country and a world. I am on the eighth floor in a corner room. One window opens on 61st Street, the other on Central Park. In two directions, unfolding from an angle, stretches a panorama that needs nothing added to it. Against the blue of the sky are the gray silhouettes of buildings that piece it (light gray in the sun, darken in shadow), lines, lines, lines. How can anyone say that New York is not beautiful? For me it is the city of cities, ready for the future.

Today I saw something amazing from the windows of this room.

I got up early, a bit after six. The haze of burgeoning buds barely showing over the trees, and the grass had not yet taken on a greenish hue. It was still yellow, the color of grass shoots. And now it's noon, and there is a delicate green smoke over the trees and the grass has turned green, a tender, tender green. So quickly, spring came in six hours. Lord, I want the whole world to feel this good. They say New York is at its best in springtime. And now I'm going downstairs into the city.●

NEEDS OF INDIGENT CITIZENS

● Mr. DANFORTH. Mr. President, following a recent trip to Springfield, MO, the distinguished Senator from New Mexico [Mr. DOMENICI] brought to my attention a series of articles concerning the needs of indigent citizens who are mentally or emotionally disturbed. This sensitive and insightful series addresses a broad range of issues and presents a disturbing picture of the limits on our ability to help some of the most unfortunate and troubled Americans. I commend these three articles by Sarah Overstreet of the Springfield News-Leader to my colleagues, and ask that they be printed in the RECORD.

The articles follow:

[From the News-Leader (Springfield, MO), Apr. 6, 1986]

SAFETY NET MISSES INDIGENT MENTALLY ILL

(By Sarah Overstreet)

Until this year, Janet and Helen lived on the streets of Springfield.

Both women are seriously and chronically mentally ill. Both receive small government subsidy checks. Until they were taken in by a group of Franciscan nuns and the Springfield parish of the Catholic Church, which bought the old Missouri Hotel on Commercial Street to run as a boarding home for indigents, the women followed the same routine every month:

On the day they received their checks, they would take some of the money and get drunk. A day or two later they would come into the sisters' soup kitchen, bruised and penniless from being robbed and beaten. Intermittently, they would gain a warm place to stay by turning to prostitution.

Janet and Helen (not their real names) are among the many indigent mentally ill in southwest Missouri who are slipping through the holes of a bureaucratic safety net.

Over the last 30 years, state institutions have gradually relinquished care of people like Janet and Helen. But the states have been sporadic about providing mental health care in communities, which were to assume the care the institutions relinquished.

Without the constant supervision of the institution, hordes of mentally ill patients have disappeared from the system, often turning up among the numbers of homeless "street people."

Lacking any kind of formal supervision and too ill to keep up medicines that control their illness, they often receive no care unless it is undertaken by charitable organizations.

Such is the care administered by the Franciscan nuns and the Catholic Church.

Of the approximately 325 needy people cared for at The Kitchen, the meal distribution center operated by the sisters at 420 E. Commercial St., Sister Lorraine Biebel esti-

mates that at least 10 percent are in need of some kind of psychiatric intervention.

She can only guess because these are the people whose histories are hardest to trace. In our metropolitan areas, studies have indicated that approximately 50 percent of the cities' skid row populations are chronically and seriously mentally ill. Of those, 75 percent suffer from schizophrenia, a biochemical disease that manifests itself in delusions and psychoses.

From the sparse biographies Biebel has been able to glean from the people she serves, she has found that some of them have been in mental institutions in the past.

Psychiatric professionals agree that these people are not derelicts or winos, or individuals who simply do not want to work for a living. They are people whose mental illness causes them to have serious trouble providing the basic necessities of life for themselves.

When indigents in Springfield have needed hospitalization for crises stemming from their mental illness, Biebel has been able to arrange it through the Burrell Community Mental Health Center. The Missouri Department of Mental Health allots six beds in Springfield for hospitalization of mentally ill indigents in crisis.

But there are no services in Springfield for mentally ill indigents who need chronic custodial supervision. Biebel and others from the Catholic Church have tried to fill the void, but it's a difficult job. Missouri law makes it illegal to involuntarily commit a mentally ill person for hospitalization unless the person is dangerous to himself and others.

Uncooperative mentally ill indigents can go where they want, and often get into trouble.

"No matter how obnoxious or out-of-control they get, we can't do anything unless they are dangerous to themselves or someone else," Biebel said. "Some of them are very hard to take, but we are the only facility in town that will take them. We tolerate a lot, just to keep them off the streets."

And six beds for the indigent mentally ill apparently are not enough. The DMH projects that this area needs 105 beds.

For decades, St. John's Regional Health Center has taken in the excess. "For years, St. John's has been 'City Hospital' here, because the sisters won't turn them away," Springfield psychiatrist Dr. Philip LeFevre said.

Chris Thompson, St. John's vice president, said 17-18 percent of the hospital's yearly services are charity cases.

"When I came to Springfield in 1971, there were three psychologists in town, and we'd admit seven to nine psychiatric patients (to St. John's) a night, get them stabilized, and put them out on the street again," LeFevre said. "That has continued to the present; they're just divided up among 12 psychiatrists now."

Sometimes the indigent mentally ill seek help from other local private hospitals during crisis periods—times when they are disoriented, psychotic, perhaps even dangerous to themselves or others.

Lee Callahan is public relations director for the Alliance for the Mentally Ill, a Springfield support group of family and friends of the mentally ill. She recalls an experience that occurred while she was waiting in a doctor's office near a local hospital:

A young man wandered into the doctor's office and cowered with his thin coat around his face. Callahan gained his confidence enough to look in his bag, and saw prescriptions for drugs used to treat severe mental illness.

"The doctor's nurses ordered him out of the office, and it was freezing cold," Callahan remembers. "I went into the hall and called the hospital where the prescriptions were from, and found he had been discharged. The hospital had called a taxi to take him to Burrell, but didn't give him any money to pay for it. The taxi driver kicked him out in front of the doctor's building."

Callahan called the police, and she and officers called other hospitals and Burrell Center, but were unable to find a shelter for him.

"The police ended up taking him to a group home run by the Greene County Association for the Mentally Retarded for the night," Callahan said. "I don't know what happened to him after that."

Lt. John Brooks of the Springfield Police Department said the incident described by Callahan is not an isolated occurrence in Springfield.

"I've had some of the sergeants inform me of times when there were no facilities available for these people," Brooks said. "Our greatest problem with dealing with the mentally ill who have lost control is the resources available to us after normal working hours. We often find there is no one for us to get hold of locally."

Brooks said that there are many times when Burrell Center's allotted beds are filled, and officers have to take mentally ill patients to the state hospital in Nevada.

"One sergeant told me that more often than not, if they're not under a doctor's care or if they don't have insurance, we'll end up taking them to Nevada," Brooks said.

A trip to Nevada pulls two officers off their beats for five hours, and a dispatch call of "possible mental involved" requires three or four officers on the scene, Brooks said. Often, these confrontations take several hours, he said. "That's not without some effect on protection for the rest of the community," he said.

LeFevre said some of the people constantly bounce back and forth from dangerous episodes here to the state mental hospital in Nevada. "We had a paranoid schizophrenic kid here who set fire to his parents' house and was sent to Nevada. Two days later he was back on our doorstep, discharged from Nevada with the diagnosis of 'nothing wrong'."

In 1968, while a physician in New York City, Springfield psychiatrist Dr. Emasue Snow conducted a psychiatric study in the five boroughs of the city, in which she interviewed all the women who were arrested in one 24-hour period. She found that 45 percent were chronically mentally ill and living on the streets.

"An indigent mentally ill person is a real problem to the community," Snow said. "They're either being anti-social, setting fires, getting undressed in the road, or they're in a hospital, or they're in jail.

"I don't have any statistics on the extent of the problem here, but I know it's one we deal with, seemingly, all too frequently," Brooks said.

"Sometimes, they'll float through town, come in on a bus, and they're completely disoriented. A lot of times they'll do pretty well as long as they're on medication, but they'll come out of institutions and get only a minimal amount of medication when they're released, and run out, and don't know how to get it."

Biebel said she encountered a man who had been handed a bus ticket to Springfield from another large metropolitan area. The man had no idea of where he was or why he was here when he arrived.

The Catholic sisters at the Missouri Hotel run a health screening program in which hotel residents and low-income non-residents are regularly monitored by health professionals, and prescriptions for medicine are kept current and filled.

However, monitoring the mentally ill at the hotel is a slow and difficult process, and the sisters have just begun to assess needs and obtain prescriptions, Biebel said. "We're having a hard enough time catching up with the elderly people and those who are cooperative, so we haven't done too well with the mentally ill yet."

Area Services, Funds Called Inadequate for Mentally Ill

Treatment services for the severely mentally ill in southwest Missouri are incomplete, and funds available for treatment of the needy mentally ill are woefully inadequate, say local mental health professionals and families of the mentally ill.

Critics trace inadequacies to the late 1950s and early 1960s, when problems with the United States' mental institutions became the subject of national attention. At that time, many institutions' successes were overshadowed by stories of overmedication, cruel warehousing and outright abuse of patients.

The national Community Mental Health Centers (CMHC) Act in the mid-1960s set about to rectify the situation by getting patients out of faraway institutions and into outpatient care through mental health centers located in their own communities. The movement was called deinstitutionalization, and it was heralded as the liberation of the mentally ill.

Indeed, therapists had reason to hope for a brighter tomorrow. In 1957, a new drug was discovered that had, for the first time, a positive and controlling effect on some forms of biochemical mental illness. Even better drugs soon followed. It was believed that patients who took these miracle drugs could become functioning members of society, as long as they continued taking their medication.

Today, two decades later, critics are accusing the CMCH Act of failing the mentally ill and society in ways that are just as crucial—although different—as those in which some of the institutions failed.

What happened?

First, critics argue, the community mental health centers cannot treat those whom they cannot reach. In many states, including Missouri, laws against involuntary hospitalization—except in cases where the person is thought to be dangerous to himself or others—make it easy for seriously mentally ill people to go untreated.

Second, critics of the CMHC Act point out that when legislators implemented the act, they did not make provisions to ensure that funds would follow patients from the institutions to community treatment.

In Springfield, that criticism picks up a third factor: Compared with the need, there is very little supervised care available for the chronically mentally ill who need supervision, families of patients say.

Some services do exist in Springfield for the mentally ill in acute or "crisis" situations, but not nearly enough. However, government statistics indicate patients outnumber the available service slots.

Since the CMHC Act was implemented, patients have been released from institutions in numbers that reduced the population by as much as 80 percent in some institutions. The Missouri Department of Mental Health says statistics are not available for the 1960s, but in 1974, 3,657 patients were cared for in state psychiatric hospitals. In 1984, that number had dropped to 1, 642, a loss of almost 56 percent.

However, today the state allots money to pay for the hospitalization of only 33 psychiatric patients statewide outside its institutions, and those funds are earmarked for use only for paOients in acute situations.

The Missouri Department of Mental Health projects a need of 105 state-funded adult in-patient psychiatric beds in Springfield, but the department has been allotted only six state-funded beds—and only for patients in crisis situations, not for the care of the chronically mentally ill.

"It's absurd," says Todd Schaible, executive director of Burrell Community Mental Health Center, Inc., which has the contract to disburse the state-allotted beds for indigents here. "These people have a right to treatment in their communities."

Yet Schaible remains a strong supporter of the CMHC Act, which he believes is a sound idea that most state legislatures have failed to follow up adequately.

"In terms of state appropriations, we are way down at the bottom," he says.

Of Springfield's mentally ill who are not indigent, some are well enough to participate in group homes and supervised apartments administered by Burrell Center, which can house only 74 patients in varying stages of semi-independence.

However, many are forced to live at home with families who are often ill-equipped to cope with patients suffering devastating depressions and detachment from reality. There are no psychiatric boarding or nursing homes here.

Often, families of mentally ill members have no insurance for treatment, and private care in competent psychiatric facilities available in other regions of the state costs thousands of dollars a month.

The families of patients who need more supervision than are available in Burrell Center programs, or who are not able to get into the Burrell programs, are left with two options:

To care for their seriously mentally ill loved ones in their homes and have them treated as outpatients here.

To send them to the state mental hospital in Nevada.

However, just getting a mentally ill patient admitted to Nevada can be difficult, families say.

"It's almost as hard to get into Nevada as jail," says Wes Curtis, president of the local support group the Alliance for the Mentally Ill. "You have to prove some very sticky points. Because the old system (institutionalization) was abused, the law says no one can be admitted unless they are shown to be dangerous to themselves or others, and then only for short periods of time."

Springfield psychiatrist Dr. Emasue Snow says Burrell Center statistics for average length of stay in acute psychiatric hospital care—11 days—seems brief for treatment of a severely mentally ill person.

Severely mentally ill patients are difficult to manage even under the best hospital conditions, says Springfield psychiatrist Dr. Philip LeFevre. Caring for the family member at home is fraught with frustration, failure and the restriction of normal life for family members, he said.

Leaving a loved one in a mental institution far from home can be equally as painful.

When Wanda Donaldson's adult son began to have psychotic episodes in 1968, she and her husband decided they couldn't care for him at home with four other children to care for. They sent him to Nevada.

"It seemed worse than a prison," Donaldson, a Springfield nurse, remembers. "The patients were 'bombed' out of their minds on drugs to make them totally ineffective. One of the times my son was in, his therapist had 170 patients."

Donaldson recalls that on several occasions, her son was released from Nevada with no prior notice to the family.

"One time he called us from the intersection of Highway 13 and I-44, and asked us to come get him. Another time he was discharged, he showed up with his feet blistered and bleeding, and didn't know where he was.

"It's funny how they know how to get home, but sometimes they don't. Sometimes they disappear forever."—Sarah Overstreet.

MENTAL HOSPITAL NEED VIEWS DIFFER

Some local professionals and families of the mentally ill believe the state should build mental hospitals in several locations statewide to adequately care for the mentally ill.

Other professionals and family members fear this option, saying it would be a step backward toward the problems encountered in mental institutions several decades ago.

Building several state mental hospitals throughout Missouri, including Springfield, was one of the possible options recommended in January by consultants hired by the Missouri Department of Mental Health.

However, the state Mental Health Commission, a board of governor's appointees who direct the DMH, charged that the DMH consultants' recommendation overlooked local health care facilities already in place.

Todd Schaible, executive director of Burrell Community Mental Health Center, agrees with the Mental Health Commission. He thinks the state should appropriate money to utilize existing psychiatric hospital services here, and augment them with other needed services.

"The Mental Health Centers Act (the act that mandated community mental health centers in the mid-1960s to get patients out of institutions) was intended to create programs such as specialized services for drug abuse and adult day treatment, and to create some system of coordination for these services," Schaible said. "But the act didn't provide ways to provide for group farms and group homes for the chronically ill person. We have only begun to do what needs to be done. The money hasn't yet been spent here."

To build mental hospitals without first exploring all the medical resources already here is reactionary, simply the "easy way out," Schaible says.

Yet Springfield psychiatrists Philip LeFevre and Emasue Snow believe a mental hospital is needed here—a modern, progressive research and treatment facility.

LeFevre and Snow believe it is impossible to attract the cream of the medical crop to a community like Nevada, home of the state hospital. They favor construction of a mental hospital here, where the already strong medical community could work in tandem with a mental hospital.

Some local families of the mentally ill favor the security of a mental hospital within their own community, where patients would be supervised and cared for and where families could visit often. Others, like Alliance for the Mentally Ill President Wes Curtis, favor the establishment of extensive community mental health operations where several stages of treatment are available.

"We need a center (a hospital) that would have acute care for the chronics, those who are always in trouble; a psychiatric care home; a psychiatric boarding house; and a supervised apartment program in close proximity to the hospital," Curtis said. "They need stages they can work through."

The center should include psychosocial programs for the patients, Curtis said. There are none available in Springfield now, he said.

However, Curtis would like to see the federal and state governments out of the picture, and see local communities support programs for the mentally ill through a mill tax. He and other AMI members were disappointed when county residents voted down a mill tax last April that would have provided for the care of mentally ill. There are already mill taxes that raise funds for the mentally retarded and developmentally disabled here.

LeFevre, Snow and some members of AMI dislike the fact that severely chronically mentally ill patients are not always seen by a psychiatrist at Burrell Center, even though a psychiatrist is on call. They also object to a chronically ill patient being seen by several different clinicians, who often are not psychiatrists, during the course of treatment at Burrell.

"Schizophrenics need to have the same psychiatrist over a long period of treatment," LeFevre said. "They have a very difficult time relating to anyone, and at Burrell, they'll finally build up trust in someone, and then are taken away."

"They (Burrell center staff) are not aware of the degree of illness they're working with," Snow said. "I sent a schizophrenic patient to Burrell recently for adult day treatment, and they canceled the treatment because he was late. He was afraid to go in. He was too sick for someone to expect him to be aggressive or take any initiative for his own care."

Schaible said he had no way of knowing which patient Snow was referring to, but he thought the circumstance she mentioned was unlikely. "I don't know if she's relying on what the patient said, but we have a certain percentage of patients who cancel their appointments, and we spend a great deal of time trying to reschedule them." Burrell's chronically mentally ill patients often cancel or miss appointments, he said.

Schaible said the Burrell Center tries to keep chronic patients under the care of one primary therapist, despite the high turnover that exists in all treatment programs that depend on limited state monies for salaries.

"We are doing the best we can with the resources made available to us," Schaible said. "If we had a staff of psychiatrists, and that's where we put all our money, we'd reduce our services probably by 80 percent. And even if the monies were available to meet every need, I'm not sure this is the best use of a psychiatrist's skill."

LeFevre said despite his criticism of Burrell Center, he thinks a good state mental hospital could be administered in conjunction with, and function as part of, Burrell Center. "But I think the state should hire a

good psychiatrist to run the hospital."—Sarah Overstreet.●

NATIONAL HOMELESSNESS AWARENESS WEEK

● Mr. GORTON. Mr. President, today I have the pleasure of adding my name as a cosponsor to Senate Joint Resolution 347, a resolution that designates the week of May 19 as National Homelessness Awareness Week.

We live in the wealthiest country on Earth, yet thousands of our fellow citizens are forced to live in the streets. Although we are enjoying a nationwide economic recovery of unprecedented strength, recent reports from my State indicate that the recovery has yet to reach many of our least fortunate citizens.

Puget Sound emergency shelters report that the number of people turned away from shelters continues to grow despite an increase in temporary accommodations for the homeless. Emergency shelters in King, Snohomish and Pierce Counties in Washington State turned away 4,641 homeless people last year because they were filled to capacity, a 26-percent increase from 1984. According to a recent survey, the region's shelters can serve only 20 to 30 percent of those who request assistance. The Federal Government must do more to help stem this homelessness crisis.

I am happy to report to my colleagues that the Senate Banking Committee has just approved a measure that will greatly enhance our response to homeless Americans. Modeled after a bill that I introduced jointly with Senator MOYNIHAN, the measure would provide a three-part program for helping homeless Americans: It helps homeless Americans meet their emergency food and shelter needs, provides capital assistance to those rehabilitating or converting buildings into shelters, and establishes a demonstration program for helping homeless Americans get back into traditional housing.

Since 1983, Congress has provided for an Emergency Food and Shelter Program to help homeless Americans. The program provides grants to local homeless programs to assist in meeting the needs of homeless citizens. By all measures the program has been a resounding success, providing assistance to the homeless with a minimum of overhead. Last year, the Emergency Food and Shelter Program provided an estimated 68 million meals at an average cost of 75 cents, and 6.2 million nights of shelter at an average cost of $2.25. The program provided assistance to 6,223 agencies in 1,360 counties and cities.

The Emergency Food and Shelter Program is unique in that it is administered by a collection of national private charities in conjunction with the Federal Government. This National Board of Charities had brought its expertise to bear on the problem of homelessness, and has provided assistance to service providers in a timely and cost-effective manner. Up to this point in time, however, Congress has attached an authorization for the program to appropriations bills. This has resulted in an ad hoc, year-to-year Federal response to the problem of homelessness.

The bill just approved by the Banking Committee ends the uncertainty created by the earlier congressional approach to this program. It provides an authorization of $73 million for this program in 1987, and allows appropriations in 1988.

The Emergency Food and Shelter Program, however, is not designed to meet the problems of homelessness in two important respects. First, while the Emergency Food and Shelter Program has been essential in reducing the suffering of our Nation's hungry and homeless, it is not designed to help these Americans return to traditional housing and independent living. There needs to be an examination of the avenues open for helping homeless Americans return to independent living.

The Senate Banking Committee has approved a Transitional Housing Demonstration Program that will allow homeless persons to have an address, a place to take a shower, and an opportunity to save some money for a deposit for traditional housing. This program will allow the Secretary of Housing and Urban Development to develop models for helping the homeless make a transition to independent living. Up to $10 million may be spent for this program in 1987.

The second problem not addressed by the Emergency Food and Shelter Program is the capital needed to establish a shelter for homeless persons. The Banking Committee provides an Emergency Shelter Grants Program to help satisfy this need. States, local governments, and local nonprofit charitable organizations would be awarded Federal assistance that could be used to rehabilitate or convert existing structures into emergency shelters. The committee would authorize about $40 million for this program.

Mr. President, although I have no illusion that these provisions will solve the problem of homelessness, I do believe that the Banking Committee's action is a positive step forward in addressing the issue. During this week of awareness on the crisis of homelessness, I urge my colleagues to join me in endorsing this measure.●

OUR FINE CAPITOL POLICE

● Mr. BOREN. Mr. President, we are extremely fortunate to have a fine dedicated group of men and women serving with the U.S. Capitol Police. We are sincerely grateful to them for their public service.

Recently, Senator KASSEBAUM and I wrote a letter to Hon. James J. Carvino, Chief of the Capitol Police, on an issue of police policy. I ask that the text of our letter be printed in the RECORD.

The letter follows:

MAY 21, 1986.

Hon. JAMES J. CARVINO,
Chief, U.S. Capitol Police,
Washington, DC.

DEAR CHIEF CARVINO: We want to commend you for your decision to restore the past policy of regular assignments as opposed to rotating assignments for Capitol Police officers. Such policy is broadly favored by the police officers themselves and helps police morale.

In addition, regular assignments enhance Capitol security as officers become familiar with those persons who usually work and pass through the physical areas for which they have responsibility. They are also a great convenience to Members and their staffs and visitors who become personally acquainted with police officers who work near their offices.

Building a personal acquaintance between officers and Members of the Senate creates a more harmonious and pleasant working environment for everyone.

Thank you for taking this action.

Sincerely,

NANCY KASSEBAUM,
U.S. Senator.
DAVID L. BOREN,
U.S. Senator.

ETHNIC REPRESENTATION IN THE AWARDING OF STATUE OF LIBERTY MEDALS

● Mr. D'AMATO. Mr. President, I rise today to cosponsor S. Con. Res. 141, sponsored by my good friend and colleague, the distinguished junior Senator from Arizona. This resolution addresses the problem of ethnic representation in the awarding of Statue of Liberty Medals.

The Statue of Liberty Commission has announced a list of 12 foreign-born Americans to be honored for their contributions to the United States. These medals will be awarded at the Fourth of July national celebration of the Statue of Liberty. Although I commend the idea, I am very concerned that major ethnic groups have been omitted from the list of 12. Such major groups as Irish, Italian, Polish, and Greek Americans are not included in the current list.

The Statue of Liberty celebration is especially important to Americans of ethnic decent. The Statue of Liberty and Ellis Island are symbolic of the freedom many of the immigrants sought when they came to America. This is why it is imperative that the list of 12 be expanded to ensure full representation of all ethnic groups.

The contributions of ethnic Americans are immeasurable. During the

Fourth of July celebration of one of the most enduring figures of American freedom, the Statue of Liberty, we should recognize the accomplishments of all ethnic Americans.

Mr. President, I commend Senator DECONCINI and Congressman BIAGGI, the sponsor of a similar bill in the House of Representatives, for their initiative on this important matter. I urge my colleagues to join me as cosponsors of S. Con. Res. 141.

Thank you, Mr. President.●

QUASQUICENTENNIAL OF IMMANUEL LUTHERAN CHURCH

● Mr. RIEGLE. Mr. President, today I would like to pay special tribute to Immanuel Lutheran Church in Bay City, MI which is celebrating the 125th anniversary of its founding.

Immanuel was founded in 1861 by a Bavarian missionary and a small group of German Lutherans who wanted to form their own church. This missionary, Rev. Ferdinand Sievers was one of several German Lutheran pastors sent to Michigan to form agricultural colonies and bring Christianity to the Indians.

Their first building, purchased in 1862, was an 18 by 30 foot rough board building seating 48 people that they obtained for $150. Over the years the city and the congregation experienced a rapid population growth, and in 1890 a much needed new church was dedicated that seated 750 members. The church grew with the community and after 60 years it soon became apparent that another new building would be needed to accommodate the needs of the growing congregation. Ground was broken for the current structure on May 5, 1957, and after holding services in the school auditorium during its construction, the new church was dedicated on December 14, 1958, and has stood strong ever since serving the citizens of Bay City and surrounding towns.

Over its 125 years Immanuel Lutheran Church has grown to be an active, involved congregation of almost 2,700 members. Generations of Michigan families have been a part of Immanuel from baptism, through confirmation, marriage; for their entire lives. Throughout the years of the Civil War, social uprisings and national problems, the church has been a constant source of comfort and enlightenment for the many families who have sat in its pews.

Throughout 1986 Immanuel will be holding special events and reunions bringing together thousands of people from Michigan and the rest of the country whose lives have been enriched by membership in its congregation and education in its school.

Again, I wish to congratulate Immanuel and Reverend Tyvela on this important milestone and wish them much success in all future endeavors.●

QUOTAS ON EUROPEAN GOODS

● Mr. LEVIN. Mr. President, on Friday May 16, 1986, the Washington Post ran a headline which promised some good news. "Reagan Imposes Quotas on European Goods," it said in bold face type; and then there was a subhead that said "Action Retaliates for Portugese Curbs."

The headlines looked good. With hope in my heart, I put on my glasses to read the rest of the story.

As I read on, however, things went downhill. Paragraph 2 revealed that "the White House * * * said the new retaliatory quotas would have no immediate effect on EC [European Community] sales in this country. Paragraph 3 explained why:

White House spokesman Larry Speakes said the import limits were set high enough to avoid harming European sales because EC restrictions on grains and oil seeds, largely soybeans, would not pinch American exports until the end of the year. Speakes warned, however, that Reagan will lower the quotas or impose tariffs when the EC restrictions begin to hurt American farm sales.

"Well, another example of the administration making a tough speech and taking a weak stand," I thought.

But Mr. President, it was even worse than that. The tough speech, and the threats it contained, are not going to scare the European Community. Not if they were smart enough to keep reading that Post story which went on to conclude—in paragraphs 12 and 13—that the EC restrictions were not just a "threat"; they were actually harming American farming interests. The story indicated that Mr. Speakes admitted that "Spanish tariffs 'began to pinch right off the bat.'" And Deputy U.S. Trade Representative Alan Woods said that "American farmers have sold no grain to Spain since March 1." Yet the story concluded with this observation:

Nonetheless, the presidential action to retaliate against the EC for the Spanish tariffs will not take effect until July 1 to allow time for negotiations over compensation to the United States for lost grain sales.

Now Mr. President, first the story says we will retaliate; then it says we will only retaliate when other people's actions start to hurt us; and then it concludes by saying that their actions are hurting us already—but we will not retaliate until we give the people who are hurting us time to decide whether they want to compensate us for the suffering they have already caused.

Mr. President, I may have had to put on my glasses to read the fine print in that story. But the members of the EC are not blind—the message is pretty clear to them: They can get away with what they are doing now for as long as they want to. And the American people are not shortsighted either, Mr. President, they know that we are being robbed blind and they want something done about it.

I believe the Senate can do something about it. I ask that the full text of the story appear in the RECORD at this point so that my colleagues may have this information available to them when we move—as I hope we will very soon—to consider trade legislation.

The article follows:

REAGAN IMPOSES QUOTAS ON EUROPEAN GOODS

(By Stuart Auerbach)

President Reagan yesterday imposed quotas on imports of white wine, chocolates and other products from the European Community in retaliation for Common Market restrictions on U.S. farm sales to Portugal.

But the White House, apparently to defuse what has threatened to become a major transatlantic trade war, said the new retaliatory quotas would have no immediate effect on EC sales in this country.

White House spokesman Larry Speakes said the import limits were set high enough to avoid harming European sales because EC restrictions on grains and oil seeds, largely soybeans, would not pinch American exports until the end of the year. Speakes warned, however, that Reagan either will lower the quotas or impose tariffs when the EC restrictions begin to hurt American farm sales.

"What we are attempting to do here is to mirror the actions of the EC. When they put a hit on us, we'll come back and do a like action against them that will have the same dollar effect," Speakes said.

He described the president's actions as a "fair and measured" response to the EC's "illegal" and "unfair" quotas, and urged negotiations to avoid a transatlantic trade war.

"This is a dispute the United States sought to avoid," he said. "We hope the EC will respond in a way that will help us settle this dispute without further damaging our trading relationship."

This is the second major administration trade action in two days, and it comes as Congress is about to consider a major trade bill that President Reagan has attacked as protectionist and harmful to the nation's economy. Although Speakes denied there was any connection between the president's announcement of retaliation and upcoming congressional action on trade, he attacked a bill due to come to the House floor Tuesday as "heavily protectionist" and "catastrophic."

The administration intensified its assault on that Democratic-sponsored bill, releasing a letter to all congressmen from nine Cabinet members that called the bill "defensive and defeatist."

This legislation would severely damage our economy, reduce our international competitiveness, destroy American jobs and embroil as in trade conflicts with virtually all our significant trading partners," the letter said. It was signed by Secretary of State George P. Shultz, Defense Secretary Caspar Weinberger, Commerce Secretary Malcolm Baldridge, Education Secretary William Bennett, Treasury Secretary James A. Baker III, Agriculture Secretary Richard E. Lyng, Labor Secretary William E. Brock,

Budget Director James Miller and U.S. Trade Representative Clayton Yeutter.

Although the statement of presidential action appeared to postpone an immediate trade war, European and American officials emphasized the seriousness of the dispute between the United States and the EC over agricultural trade that arose when Spain and Portgual joined the 10-nation Common Market.

In integrating those two countries into Western Europe's agricultural policies, the EC established quotas on grain and oil seeds bought by Portugal and tariffs on Spain's purchases of grains. U.S. officials estimated these restrictions could cost American farmers $1 billion.

Speakes said the Spanish tariffs "began to pinch right off the bat." Deputy U.S. Trade Representative Alan Woods said American farmers have sold no grain to Spain since March 1.

Nonetheless, the presidential action to retaliate against the EC for the Spanish tariffs will not take effect until July 1 to allow time for negotiations over compensation to the United States for lost grain sales.●

PRC ARMS SALE

(By request of Mr. DOLE, the following statement was ordered to be printed in the RECORD):

● Mr. MURKOWSKI. Mr. President, in the last 2 weeks the Senate has taken two important decisions regarding this Nation's policy toward the sale of arms to other countries.

One was widely publicized. By a substantial margin, the Senate voted to object to a proposal to sell $354 million worth of air defense missiles to Saudi Arabia. The other received a great deal less attention: on May 9, the Congress having failed to register objections, the administration became free to proceed with an even larger proposed sale of arms to the People's Republic of China.

This sale involves $550 million worth of advanced technology to upgrade the avionics capability of China's F-8 fighter-interceptor aircraft. It will provide them with an all-weather, day/night, look-up-look-down capability they do not presently have. The Chinese believe they need that capability to maintain a defensive balance on their northern border with the Soviet Union.

Mr. President, I do not oppose this sale as such. I have followed its development closely. Viewed as an individual proposal, it makes sense, and I support it. My concern is that, while we have carefully reviewed the details of this particular sale, we have not thought through sufficiently the long-term policy on which it means we are embarking.

This is not the first arms transfer to the PRC to be approved by Congress since U.S. policy was amended to envision such agreements.

Last September, Congress considered and did not object to the sale of a munitions factory to the PRC. This was the first official government-to-government arms transaction under the Foreign Military Sales (FMS) Program. The Defense Department had originally estimated the potential value of that sale at $98 million, though I understand now that the Chinese may decide to purchase only 37 million dollars worth of its components.

Prior to this, there had been a number of private commercial sales which did not require congressional review. In fiscal year 1982 and fiscal year 1983, there were approximately $1 million in commercial sales. In fiscal year 1984, the figure had risen to $22 million. In fiscal year 1985, it was $30 million. And in the first 6 months of fiscal year 1986, we have delivered approximately $35 million worth of arms to China through commercial sales, with licenses granted for up to a total of $118 million.

These items included the civilian version of the Sikorsky S-70C helicopter; a set of six General Electric LM-2500 naval engines; and a large number of smaller items in the communications and other areas.

So this is not the first such sale. However, it represents a quantum leap—both in dollar terms and in the level of sophistication we are willing to provide—in our evolving arms supply relationship with the PRC. I strongly agree with my colleagues that we need to take a careful look at that relationship and exercise great caution and restraint as it develops.

A number of my concerns are addressed by the Foreign Relations Committee's letter to the President regarding three criteria to be applied to any future military sales proposals involving the PRC. Such sales:

Should not increase the threat to members of ASEAN or China's other non-Communist neighbors;

Should be clearly defensive in nature; and

Should not upset the existing military balance between the PRC and Taiwan.

I want to commend the distinguished chairman of the Foreign Relations Committee for the constructive and conciliatory role he played in working out this agreement. It is typical of his style of leadership. The Senator from Indiana is doing his country a major service in this difficult assignment by the way in which he is helping create a broad consensus on these issues about where our national interest really lies.

Even if these assurances are provided, however, I remain concerned about where we are going over the long run with this kind of sale. We need to know more clearly how its fits into our expanding military relationship with China and, in turn, where this military relationship fits into our still limited political relations.

Under the Taiwan Relations Act, we have an obligation to provide Taiwan with the arms it needs to maintain a stable military balance with the PRC. At the same time, however, we have a commitment under the 1982 Joint Communique with the PRC to gradually reduce arms transfers to Taiwan.

It will be very difficult to meet both these obligations in the context of an expanding arms supply relationship with the PRC. We have three things here: expanding arms sales to the PRC; selling Taiwan what it needs to balance out those new arms; and gradually getting out of the business of selling arms to Taiwan. You can do any two of those things, but you cannot do all three.

Mr. President, last fall we approved a sale of $98 million for a munitions factory. We then approved, or acquiesced in, a sale of 550 million dollars' worth of advanced technology for military aircraft. My question is, what are we likely to be asked to approve next? Where are we going?

U.S. policy on this issue should not be shaped by a series of ad hoc arms sale opportunities. Nor should we allow it to become a spiraling, open-ended relationship in which we sell more to both Taiwan and the People's Republic of China to keep the balance which exists today. Instead, we need a clearly articulated, long-term policy against which each individual arms sale opportunity will be weighed.

Mr. President, a decade ago, in Iran, we made the mistake of letting our arms supply relationship get out ahead of our overall political relationship. We and our friends in the Persian Gulf are still paying for that mistake. This time, as we embark on what appears to be a major arms supply relationship, let us make sure we have thought through carefully exactly where we want to go.●

THE EFFECTS OF THE LIABILITY INSURANCE CRISIS

● Mr. McCONNELL. Mr. President, I wish again today to bring to the attention of my colleagues in the Senate the latest consequence of the ongoing crisis in the liability and insurance areas. As you know, over the past few months few problems facing our country have occupied more of my attention than this one. These latest examples of the crisis are particularly troublesome, because they demonstrate graphically the extent to which this crisis is affecting Americans from all walks of life.

First, an article from the Lexington Herald-Leader recently points out that the Cumberland County, KY, jail has been closed because the liability insurance for the facility was canceled. The local jailer, Mr. Bobby Riddle, noted that "it's an added expense for the taxpayers, but there was nothing else I could do * * * it's a shame."

A more extensive article, Mr. President, points out that the insurance

crisis has affected nearly every aspect of business and society in Kentucky. Among other areas, this article notes that the crisis has disrupted recreation, day care, municipal government, public agencies, physicians and health care, schools, small businesses, farmers, clergy, and others.

For example, the Lexington Ice Center has been without insurance since last year. The city of Highland Heights has nearly lost its police force. Members of the clergy have had to take out pastoral insurance. There are other examples too numerous to mention. And Kentucky is just like every other State in this respect, for the problem is national in scope.

Finally, Mr. President, I bring to my colleagues' attention an article from the New York Times, pointing out that the Boy Scouts of America will begin imposing a $20 fee for every boy scout troop and cub scout pack in the country to help pay the liability insurance costs. The fee is the first of its kind in the history of the organization. In explaining the need for the fee, Mr. Lawrence F. Potts, chief financial officer of the Boy Scouts, noted that "if a scout is injured at a den or troop meeting, given the practice of today, that scout's family will be besieged by attorneys who tell them they should be compensated in some way."

There is no doubt that we as a body must come to grips with the problems represented by these incidents. The Judiciary Committee as well as the Commerce Committee now has before it legislation that will deal with the fundamental, underlying problem, the excesses of the tort law system. I hope we will take up that legislation at the appropriate time before this session ends, because the problems are significant, and they will not go away.

Mr. President, I ask that the three articles I mentioned be printed in the RECORD.

The articles follow:

CUMBERLAND JAIL CLOSED OVER LACK OF INSURANCE

(By Bill Estep)

Cumberland County Jailer Bobby Riddle closed his 14-bed lockup early yesterday because its insurance company had refused to renew liability coverage for the facility.

Insurance for the jail, written by a local agent representing a national company, expired April 14, Riddle said, but the company continued to cover the facility until yesterday.

The grace period ran out yesterday and he had not yet obtained insurance from another company, so he closed the jail, Riddle said.

Riddle said four prisoners were in the jail in Burkesville when he shut it down.

One was scheduled for release, and a second was released for the weekend and may receive some form of alternate sentence so he does not have to be incarcerated next week, Riddle said.

Jail employees transferred the other two prisoners to the Monroe County Jail in Tompkinsville, about 20 miles west of Burkesville, he said.

Riddle, reached by telephone at the empty jail yesterday, said that he thought he had lined up another company willing to insure the facility, but that it would take a "few days" to work out details of the policy.

He said the jail probably would not be able to reopen for 10 days to two weeks.

Any people arrested before them will be transported to the Monroe jail, he said.

"It's an added expense for the taxpayers, but there was nothing else I could do," he said. "It's a shame. A lot of people in this county are mad about it."

Riddle said the Cumberland County Jail held prisoners on occasion for neighboring Adair County, because the jail there is closed while a new regional holding facility is being built.

"This puts them in a hard spot, too," he said.

Riddle said he did not know why the jail's previous insurer, which he identified as Penco, declined to renew its coverage this year.

He said the estate of an inmate who died in the jail last year filed a $3 million lawsuit against the jail and the county hospital, but the case has not been heard.

"We've not had any other claims," he said.

The local broker for the insurance company Riddle identified could not be reached for comment.

Problems in getting and keeping insurance and giant increases in rates have plagued many government agencies in Kentucky this year, as insurance companies struggle to recover from years of high claims, industry price wars and poor investments.

Riddle said he did not think the liability policy he was seeking with a new insurance company would cost much more than the old policy. He did not know the cost of either policy.

The county jail in nearby Taylor County closed last year after a lawsuit judgment against it, Riddle said.

Riddle said he did not know what to expect with the weekend coming up and the jail closed.

"Sometimes it gets pretty busy," he said. "But I don't think there'll be any big problems—we'll just take 'em on to Monroe County."

THE INSURANCE CRISIS IN KENTUCKY

(By Jacqueline Duke)

A county jail in Kentucky has had to close, city goverments have considered suspending their police forces, and a transit authority has had to raise its fares. The reason: the insurance crisis.

The soaring cost and scarcity of insurance have affected nearly everyone, from doctors, who are changing the way they practice medicine, to farmers, who are taking their chances with uninsured crops. Ultimately, the insurance crisis is forcing all consumers to pay more for their coverage and for nearly every service and product.

The crisis has hit Kentucky and every other state in the nation, topping legislative agendas and commanding attention from the White House. In Kentucky, soaring costs and scarcity of insurance have prompted the General Assembly to order an investigation of the entire insurance industry.

More immediately, the crisis has hurt businesses large and small. The University of Kentucky, for example, has been without liability insurance for 10,000 employees since February. And the owner of a Lexington tobacco warehouse who could not reinsure the building took a $300,000 to $400,000 loss when was it destroyed by a recent fire.

Homeowners and motorists have not been immune, either. In the Lexington area, homeowners insurance has increased about 5 percent, while automobile insurance has gone up as much as 30 percent, according to local agents.

The difficulty in obtaining fire and auto insurance is reflected in the number of people who must buy it through state-established risk pools. The number of risk-pool automobile policies doubled between 1984 and 1985, preliminary figures for this year indicate even larger increases; the number of homeowner policies increased by 50 percent.

Between 1981 and 1985, premiums on individual health insurance policies written by Blue Cross-Blue Shield of Kentucky, the state's largest health insurer, doubled.

The reasons for the insurance crisis are varied and complex. Price wars among insurance companies backfired when interest rates started dropping in the early 1980s, claims began pouring in, and the money to pay them was locked into suddenly unprofitable investments. To create more capital, the companies raised their rates. Meanwhile, litigation escalated and jury awards soared.

The results of the crisis are simple: Insurance of nearly every type, when it can be had, is costly and will become even more so. Policies for cities and certain businesses have been canceled without explanation. And fewer and fewer insurance companies are willing to write new ones.

Examples of policy cancellations and exorbitant premiums abound in Lexington and elsewhere in the state. Here are a few:

RECREATION

The Lexington Ice Center takes a tremendous gamble every time someone steps onto the skating rink. That's because the ice center has been without liability insurance since late last year, when its policy was canceled, manager Eddie Yeast said.

"The only thing we have to protect ourselves is our assets," he said. "We can't feasibly afford insurance."

In 1985 the ice center paid $24,000 for liability insurance. This year the same coverage would cost between $180,000 and $200,000.

Liability insurance for Lexington's YMCA has doubled in the past year, going from $12,000 to $24,600, director Dale Packer said. So far, the organization has not had to pass that cost on to members.

"The only reason we don't have to is the growth we're having in new members," Packer said.

DAY CARE

Like many day-care operators, Camille Haggard of Lexington learned last year that her insurance company would not renew her policy. Since January, Ms. Haggard, who operates Big Bird East, had searched without luck for a new policy she could afford. As president of the state day-care association, Ms. Haggard also has had the burden of keeping members up to date on the gain insurance outlook.

Just this month a lone insurance company came through for Ms. Haggard and other Kentucky day-care operators. Continental Insurance has agreed to write policies for Kentucky day-care enters if they apply directly and meet the many requirements. The price, for $1 million worth of liability insurance, is $15.90 per child per year.

Other companies wanted $50 a child, Ms. Haggard said.

"My attitude is the company has come through when no other company in the nation has," she said.

CITIES

A lawsuit almost cost the city of Highland Heigh's its police force and has left it with lingering problems. The Northern Kentucky city was informed that its police liability insurance was not being renewed because an Ohio man fleeing police in that state sued Highland Heights after his car crashed into a city police cruiser set up as a roadblock.

City officials managed at the last possible minute to obtain insurance in January. But it cost nearly three times as much as the year before—$3,300 compared with $1,265—and

"If we had been unable to get a policy, we had thought about taking our men off the street. It could have put us out of business," said Roy Bartlett, city administrator.

To pay for additional coverage for its police force and other city officials, Highland Heights has passed a 7 percent tax on insurance premiums.

Even with the surcharge, the city might not be able to afford the extra insurance, Bartlett said.

The city of Elsmere, meanwhile, has no liability insurance for its police cruisers, refuse trucks and other city vehicles. No company would write a policy, said Nancy Bowman, the city clerk.

The general liability insurance Elsmere managed to obtain is double the cost of last year, $21,000.

In Versailles, the cost of liability insurance has soared from $9,000 to $23,000.

PUBLIC AGENCIES

On Friday the Cumberland County Jail was closed because its liability insurance expired and the insurer refused to renew it. Prisoners were transferred to the Monroe County Jail, 20 miles away in Tompkinsville.

The Lexington-Fayette County Health Department had two months to find liability and medical malpractice insurance when its longtime insurer, Integrity of New Jersey, decided to discontinue writing general liability for such agencies.

"You didn't know whether you would have to close down or not," said Dr. John Poundstone, director of the health department.

The health department managed to obtain general liability insurance, but with half as much coverage as in 1985. Last year the agency paid $27,917 for a broad package of liability insurance. This year's more limited policy costs $22,000. The health department is spending an additional $10,000 to buy separate malpractice insurance for its physicians, or $32,000 in all.

Furthermore, an obstetrics clinic was suspended because of insurance problems facing the volunteer obstetricians. Their 1986 coverage apparently does not extend to the residents they supervise, Poundstone said. Rather than take the risk, the health department assigned clinic patients to the volunteer obstetricians, who see them in their private offices.

"They didn't want to take the risk of having the residents do the deliveries," Poundstone said.

The Lexington Transit Authority raised its rates 10 cents this month, partly to compensate for the huge increase in the cost of liability insurance. This year's premium is $222,000, compared with $65,000 in 1985.

"We feel we were lucky to get liability insurance," manager Pat Hamric said.

With federal transit cuts likely under the Gramm-Rudman deficit-reduction law, LexTran officials are wondering how the transit authority can afford another huge increase.

PHYSICIANS, HEALTH CARE

When Dr. Preston Nunnelley began practicing medicine in 1974, he recalled, he paid about $3,500 for malpractice insurance. This year, Nunnelley, who specializes in obstetrics and gynecology, is paying about $40,000.

Ob/gyns pay among the highest malpractice premiums of any physicians in Kentucky. And Nunnelley predicts many of them will begin to give up the practice of delivering babies—something that he said already was happening in other states.

"It's getting to the point where I expect in the next year or two, unless we have some type of relief. you're going to see more and more people drop out of obstetrics," he said. "It's still probably one of the most gratifying professions, but it also is becoming more and more tense as the fear of litigation continues."

Family practitioners, meanwhile already have stopped delivering babies in some parts of Kentucky, said Dr. Jerry Martin, outgoing president of the Kentucky chapter of the American Academy of Family Physicians.

Martin said one colleague recently gave up obstetrics after his malpractice insurance for obstetrics alone went up $5,000. The physician, Martin said, would have had to increase his delivery fees by $125 just to break even.

"Women will just have to go somewhere else to get delivered or there's going to have to be something done" to relieve physicians, he said.

Comprehensive Care Center in Lexington has seen huge jumps in two types of insurance it carries. Professional liability for counselors and physicians has increased from $19,473 last year to $31,087, or 60 percent. Fire and casualty insurance has gone from $5,700 to $9,400, a 65 percent rise. Officials predict liability insurance for board members, now $2,300, will double this year.

"We're eating all these losses so far," said Joe Toy, head of purchasing for Comprehensive Care, which serves a 17-county area.

Director Robert Walker predicts that patient fees eventually will have to increase to compensate for the high price of insurance.

"We have a record of no suits," said Walker, who called the insurance increase "incredible."

The Bluegrass Association for Retarded Citizens is having difficulty obtaining professional liability insurance, which it is seeking for the first time as a precautionary measure. The association supervises residential placement of the mentally handicapped.

"Finding companies that have a good rating that are even willing to provide insurance is hard to find," director Rick Christman said, "It's a terrible problem."

SCHOOLS

The Fayette County public schools could not renew their liability insurance this year and had to turn to the Kentucky School Boards Association Insurance Trust. The trust provides liability insurance to the majority of Kentucky schools.

For that particular policy, the school system paid $28,103; it paid $9,753 in 1985. In addition, Fayette County had to spend an extra $25,000 for athletic insurance because that coverage was excluded from the general policy.

For school systems across the state, general liability premiums increased an average of 260 percent, said David Keller, executive director of the insurance trust.

SMALL BUSINESSES

Acme of Kentucky once competed with other window-cleaning companies for jobs on Lexington's tall office towers and other buildings. But this year, Acme has restricted its work to two-story structures. With its insurance estimated to increase tenfold, the company could not afford to remain competitive.

"If I had continued to do high work, then I don't know if I could have continued to get insurance or not," said Dave Wilson, an owner of the company.

FARMERS

James Barton's 1,300 acres of field crops and tobacco will go uninsured this year.

"It got so high we had to drop it," said Barton, who lives in northern Fayette County. "We can risk a disaster every 10 or 20 years."

Crop insurance has gone up an average of 35 percent.

That has made other area farmers think twice about renewing policies.

Hampton Henton, a Woodford County farmer, is insuring only his 20 acres of tobacco. He will take the risk on his other crops, he said, "because of the cost."

CLERGY

When people started suing ministers several years ago, the Rev. Wayne Holcomb of Lexington added pastoral insurance to the church's liability policy.

"Most all of us carry that kind of insurance now," said Holcomb, the pastor at Hill 'n' Dale Christian Church.

The cost is minimal, he said, but the implications are not.

"I think that it's a sign of the times. People have become sue-happy," he said. "They sue over the most ridiculous things."

RESPONSE

Nearly everyone needs insurance of some type. And insurance companies can choose to write or withhold it. Consequently, the cost and scarcity of insurance have caused anger, frustration and a sense of helplessness among individuals and business people.

Several groups in Kentucky are doing something about the insurance stranglehood. For lawyers, skating rink operators and municipalities, self-insurance is becoming increasingly attractive. In some cases, it is becoming a necessity.

The 1986 General Assembly failed to pass legislation to limit damage awards against cities in civil lawsuits. As a result, the Kentucky Municipal League is organizing a pool insurance program for cities, which have been hit with premium increases ranging from 40 percent to more than 800 percent.

The league hopes to have insurance available by September.

"It's about the only option cities have at the current time," said Ed Griffin, the executive director.

The Lexington Ice Center and other skating rinks across the country that have been unable to get liability insurance are exploring the possibility of forming their own insurance company, Yeast said.

And Charles English, president-elect of the Kentucky Bar Association, said a survey was being conducted of the group's 9,000 members to determine interest in forming a legal malpractice insurance company. The average price of legal malpractice insurance has gone from $800 a year to $3,000, he said.

"I'm hopeful that it will be a reasonable alternative and that it will provide Kentucky lawyers with access to an insurance market with a reasonable cost," English said.

Experts say that expensive premiums probably are here to stay. However, the pace of the premium's escalation is expected to slacken, they say.

State Insurance Commissioner Gilbert McCarthy predicts that insurance prices will begin to level off in the beginning of 1987. Other, experts do,. too.

"The rate of increase will diminish, but not the rates themselves," said Paul Wish, vice president of A.M. Best Co., a New Jersey data gathering business.

[From the New York Times, May 20, 1986]

BOY SCOUTS PLAN A SPECIAL LIABILITY INSURANCE FEE

(By Robert Pear)

WASHINGTON May 19—The Boy Scouts of America will impose a $20 fee on every Boy Scout troop and Cub Scout pack in the country to help pay liability insurance costs, officials of the organization said today.

The fee is the first of its kind in the Scouts' 76-year history and reflects their commitment, in the words of the Boy Scout motto, to "be prepared" for the liability insurance crisis, the officials said.

Lawrence F. Potts, chief financial officer of the Boy Scouts, said there had not been an extraordinary number of accidents of claims. But he said: "Boy Scouts don't just sit around and read books. They row boats, go skiing, play basketball and football. A certain number of them get injured."

The $20 fee will be imposed on each of the 51,586 Cub Scout packs, 49,639 Boy Scout troops and 21,142 Explorer posts, as well as on similar units like Varsity Scout teams, the officials said. They hope to raise about $2.5 million, or one-fourth of the total liability insurance premium for the year. The remainder comes from the national organization, based in Irving, Tex., and from local councils, scattered around the country. More than 3.7 million youths 7 to 20 years old are enrolled in American scouting organizations.

SHARP RISE IN PREMIUMS

Mr. Potts said the Boy Scouts' insurance costs had risen from $2 million in 1984 to $4 million in 1985 and $10 million this year. Insurance now accounts for about one-fourth of the organization's total budget, he said.

The new fee comes as liability insurance premiums have been rising dramatically for many other individuals and entities, including physicians, local government agencies, amusement parks, day-care centers and manufacturers of vaccines and athletic equipment.

Scouting officials acknowledged that the insurance fees could hurt membership in some low-income neighborhoods, but he said Boy Scouts, being resourceful, could pay the new surcharge by selling popcorn or candy or washing cars.

Ted Accas, a spokesman for the Boy Scouts, said it was the organization's "fervent hope" that the new fee would not be a barrier to membership. The $20 charge, he said, will be just another item in the budgets of most Boy Scout troops. But he said the cost would not be entirely negligible for "kids in East Harlem or in the Watts section of Los Angeles."

The Greater New York Council of the Boy Scouts, with more than 80,000 youngsters, is the largest in the country. The council's contribution to liability insurance costs is rising from $47,000 this year to $106,000 next year, according to Robert A. Williams, a spokesman for the council. This contribution is in addition to the $20 fee to be paid by each unit, he said.

BESIEGED BY ATTORNEYS

Mr. Potts, the chief financial officer of the Boy Scouts of America, said the insurance was provided by "a conglomeration of different companies and different policies."

"If a scout is injured at a den or troop meeting, given the practice of today, that scout's family will be besieged by attorneys who tell them they should be compensated in some way," Mr. Potts said.

Nevertheless, he said, the number of claims, about 200 a year is "minuscule" in view of all the sailing, boating, swimming, camping, hiking and other outdoor activities done by Scouts.

In a separate action, the Scouts are raising individual membership fees in September. The fee for Cub Scouts and Boy Scouts now $3 a year, will be increased to $4, according to Paul I. Ernst, registration director for the national organization. For Explorer Scouts, which offers career programs for young men and women, the fee will rise to $4 from $3.50.

These changes are due to increases in costs generally, not just insurance costs, Mr. Ernst said.

NO FEE BY GIRL SCOUTS

Gordon v. MacKay, controller of the Girl Scouts of the U.S.A., said his organization had no plans for a special insurance fee. He said that premiums had been rising, but he would not give details.

The Boy Scouts of America is a member of the steering committee of the American Tort Reform Association, a coalition urging Federal and state legislators to impose limits on damage awards in personal injury lawsuits. Other members include the American Medical Association, the Food Marketing Institute, the National Association of Home Builders and the Business Roundtable, which is composed of chief executive officers from about 200 major companies.

Scouting officials said the details of the new insurance fee might be reported soon in Boys' Life, the monthly magazine better known for adventure stories and hobby articles.●

THE GOVERNMENT IS WATCHING YOU

● Mr. COHEN. Mr. President, over the past few years, I have become increasingly concerned over the Federal Government's widespread use of computer matching and the implications that this practice has for the privacy of American citizens. In computer matches, Federal Government agencies routinely exchange thousands of records on individuals with other Federal and State agencies to detect fraud and abuse in their programs, or to determine whether persons are eligible to receive Government benefits. Many of these matching programs involve highly sensitive information about individual citizens, such as Federal income tax and earnings data.

While the Government must take full advantage of the technology and computerization available to it to ensure that it is spending tax dollars wisely, too little attention has been paid to where these information practices are leading us as a society. The massive collection and exchanges of personal information about citizens—often without their knowledge—can pose threats to the privacy and due process rights of the persons whose records are matched. Matching programs also raise questions about how the information will be used, and whether it will be subject to abuse, either by overzealous bureaucrats or by persons who gain unauthorized access to the information. Further, it raises questions of whether individuals will have their Government benefits wrongfully terminated or suspended based on faulty or out-of-date information used in computer matches.

Since 1981, the Subcommittee on Oversight of Government Management, which I chair, has been investigating and monitoring the growth of computer matching. Hearings held by the subcommittee have revealed that computer matching is being widely promoted by this administration and the Congress, without adequate consideration being given to the due process and privacy side of the equation. This summer, my subcommittee will hold additional hearings on computer matching by Federal and State agencies.

Mr. President, an article that recently appeared in the Washington Post Magazine provides an excellent discussion of the issues raised by computer matching. I ask that the article entitled, "Watching Me, Watching You," by Pete Early, be printed at this point in the RECORD.

The article follows:

WATCHING ME, WATCHING YOU

(By Pete Earley)

John first spotted her on his commute to work: midthirties, chestnut hair, driving a steel-blue Mercedes with a vanity plate that read MINE.

He rushed to his office, turned on his computer, pulled out his file of codes and went to work. Tracking down this beauty would be cinch, he muttered to himself, scanning in his mind the access he had as a social worker to numerous public and confidential government records. Checking out people had become a natural part of his day—it was part of his job to separate valid welfare applicants from chislers. John pressed a few buttons on the keyboard, entered the authorizing code, hit the "execute" button, accessed files from the Department of Motor Vehicles, typed in the license tag M-I-N-E, pressed the "search" button and waited. It seemed like forever, then, filling the screen like magic was this:

License tag: MINE. Vehicle: 1984 Mercedes Benz 190e. Owner: MARCI HAMILTON. 2727 Skyline Drive. Drivers License No. 524-64-6789. Date of birth: 9-5-51. Sex: Female. Weight: 105. Height: 5-6.

John smiled. He knew from experience that the number on Marci Hamilton's license was also her Social Security number. He entered 524-64-6789 on the keyboard

and told the computer to search wage records that employers are required to file every quarter with state unemployment compensation and tax offices:

524-64-6789. MARCI HAMILTON. Employer: Bivens Manufacturing Co. From: 5-26-76 to current. Position: National Sales Director. Gross pay 1985: $66,134. First Quarter earnings: $16,526.

Not bad, John thought. He typed Marci's address into the computer and told it to search the local Register of Deeds' records:

2727 Skyline Drive. Block 221, Lot 5. Land Assessed: 25,072. Improved Assessment: 65,251. Total Assessment: 90,323. Built 1980. Use: residential. Deed of Trust recorded: 11-3-81. Loan Instrument: 23489. Amount: $65,000, between Albert Jacob and Marci Hamilton Stratford, and First National Security Bank. Other personal assets: 25 foot sailboat, assessed at $15,000.

John paused. Marci Hamilton had once been Marci Stratford. He decided to check county divorce records:

Divorce 5-7-85: Marci Hamilton Stratford versus Albert Jacob Stratford. Married: 12-7-78. Number of Children: two; Andrew Thomas: born 5-5-79; Lynn Carroll Richards, born: 7-8-75. Grounds for divorce: infidelity. Divorce sought by: wife. Custody of children: wife. Race: husband; Caucasian; wife; Caucasian. Number of previous marriages: husband; none. wife; one. Date first marriage was terminated: 9-5-76. Place: Reno, Nev.

John considered linking his computer with the State Data Exchange Network, which would give him access to records in other states, such as Nevada, where Marci's divorce had been granted. Instead, he decided to search local school enrollment records for information about their children.

Student enrolled: Lynn Carroll Richards, Somerset School for the Deaf . . . Andrew "Andy" Thomas Stratford, Thomas Edison High, morning; Tri-Area School for Gifted and Talented, afternoons.

John decided to check federal records from the Internal Revenue Service next. Because IRS files are confidential, he could not connect his computer to the IRS computer in Washington. Instead, he put Marci's name on a list that was mailed by the state welfare office to the IRS the next day. A short time later, John received a computer tape from the IRS that contained tax information about Marci's unreported income:

FORM 1090, UNEARNED INCOME:

INTEREST; $2,500 from 25,000 C.D., First National Bank; $5,000 from $50,000 C.D., First National Bank; $3,000 from $30,000 C.D., Central States Bank; $200, Landmark Bank, local Savings Acct.

DIVIDENDS: $1,500, Bevins Furniture, 5,000 shares.

CAPITAL GAINS: $12,000, sale of IBM stock.

OTHER: $7,000, rental from house at 100 Lark Avenue; $5,000 executive sales bonus from Bivens Furniture; $3,245, winnings from wagers at Highland Horse Race Track.

John reviewed what he had learned. Marci was recently divorced after a six-year marriage. She had filed for divorce after charging her husband with adultery. It was her second marriage. Her 10-year old daughter, by her first marriage, had a hearing problem. Her 6-year-old son was above-average in school. Marci had an expensive home; secure, high-paying job; rental and stock earnings; a prestige car; and enjoyed sailing and betting on the horses.

John called Bivens Furniture.

"Good afternoon, this is Ms. Hamilton," a pleasant voice said.

"I don't want to sound too forward," John explained, "but I feel like I already know you. You see, I met some people at a party the other night and they told me all about you and your little girl Lynn, with the hearing problem, and how Andrew, I mean, Andy, is so smart in school."

"Really, who told you about us?" asked Marci.

"This is really embarrasing," replied John, "I mean really embarrassing, but I don't remember their names. It was a big party, you know. Anyway, they said we had a lot in common."

John and Marci are not real persons: They were created to illustrate this story. But the background check that John performed on his desk-top computer is not the stuff of fantasy.

Right now, the Reagan administration is pushing state governments to computerize their records and establish programs that will allow public employees to peek into the financial and personal records of nearly every American.

The White House is doing this as part of a campaign to reduce fraud in federal welfare programs by requiring states to investigate the backgrounds of welfare applicants before adding them to federal benefit rolls. Under regulations published Feb. 28, all states must establish "income verification programs" this fall. The programs will enable social workers to check a welfare applicant's finances by examining state unemployment insurance wage and benefits records; Social Security wage records; and some Internal Revenue Service records. This is the first time the IRS has disclosed information to the states about the individual taxpayer's unearned income from bank accounts, stocks, etc.

Technically, the federal government cannot require a state to computerize its records. But the White House's Office of Management and Budget has written its "income verification programs" so stringently that it will be difficult and expensive for states to meet the Sept. 30 deadline without using a computer.

OMB also has encouraged states to go even further, if it's legally possible—for example, to tap into bank records, private credit-checking agencies or hospital records. States have responded enthusiastically: most have given social workers direct access to state wage information, property records, motor vehicle records and public school enrollment records. Some states are also computerizing birth, marriage, divorce and death records. The White House also has announced that it is drafting legislation that will enable states to inspect information now collected by the Immigration and Naturalization Service and the Veterans Administration. Eventually, states may be allowed to have direct access via their computers to federal records in these and other agencies.

The OMB, which is overseeing this massive state computerization and data-swapping effort, insists that the public has nothing to fear. The federal government is not setting up one, giant computer system, but "54 state/territorial systems, each operating independently," OMB recently said in a press release.

"Pre-screening welfare applicants will reduce error rates and better target precious resources to the truly deserving," OMB Director James C. Miller Jr. explained. OMB's new verification procedures will save taxpayers $375 million next year alone.

But these 54 systems are not separate. They will be able to exchange information, and they will have access to records of all Americans, not just those who apply for welfare.

In effect, the federal government is creating a de facto national data bank through state governments.

"The computer is not the problem," explained David Linowes, former chairman of the now defunct Privacy Protection Study Commission, the last presidential panel appointed to investigate privacy concerns. "The problem is balancing a citizen's privacy rights with the quest for government efficiency."

Nevertheless, the federal government, under Presidents Jimmy Carter and Ronald Reagan, has spent more time devising ways to use computers to ferret out fraud, waste and abuse than it has worrying about Americans' right to privacy.

"When this administration has had to choose between government efficiency, law enforcement and protecting Americans' privacy, it always has come down on the side of efficiency and law enforcement," said Jerry Berman, director of the American Civil Liberties Union's Project on Privacy and Technology.

Robert Ellis Smith, publisher of Washington-based Privacy Journal, says the Reagan administration has paid scant attention to privacy concerns, but has "elevated" the use of computers as weapons against waste, fraud and abuse "to an art form."

In a 1983 report titled "Who Cares About Privacy?" the House Government Operations Committee reached the conclusion that no one in the federal bureaucracy really is paying much attention to the Privacy Act of 1974—the federal law passed after the Watergate debacle to protect Americans from unwarranted government intrusion. That law prohibited the government from collecting information about citizens without their consent. But the Carter and Reagan administrations, in their zeal to improve government efficiency and nab crooks, have weakened the law and inadvertently pushed us to the brink of an Orwellian nightmare.

Big Brother was born Nov. 9, 1977. Joseph A. Califano Jr., secretary of what then was the Department of Health, Education and Welfare, made the delivery. On that date, Califano announced Project Match, an innovative way to catch welfare cheats with the aid of government computers.

Federal investigators, Califano explained, had programmed a computer to compare two huge sets of federal records. One was a list of welfare recipients in 21 states and jurisdictions where there were high numbers of either welfare recipients or federal employes (including New York City and the Washington suburbs). The other list contained information that had been supplied by all federal employes at the time they were hired. In a matter of days, the computer had pulled together the names of everyone on both lists. Obviously, Califano said, there were people gainfully employed by the federal government who were also on the welfare rolls illegally.

Califano, with much hoopla, predicted that this "computer matching" would revolutionize government investigations. But behind the scenes, some Carter administration lawyers were concerned that Project Match was illegal.

Califano todays recalls that some HEW attorneys were disturbed about Project Match

in its early stages, but "the lawyers ultimately okayed everything."

"I was trying to move against fraud . . . in a department that was appallingly unmodern," Califano said. In some cases financial records at HEW were kept in shoe boxes, Califano said. "Our initial idea was to run welfare records against federal tax returns," Califano recalled, "but I was told there was a law which prohibited that. I told my staff to determine what records we could use."

Internal HEW memos, first made public in 1981 by Computerworld, a computer industry newspaper, revealed that HEW attorneys had a difficult time meeting Califano's request—at first.

Project Match, the lawyers warned, appeared to violate the Privacy Act, which specifically prohibited federal agencies from swapping information about Americans without first obtaining their permission. The Privacy Act also said the government couldn't collect information for one reason and then use it for another.

In order for HEW to perform Project Match, the agency had to get federal personnel records from the Department of Defense and the now defunct Civil Service Commission. But both of those agencies claimed the Privacy Act prohibited them from sending the records to HEW. No federal employes had given DOD or CSC permission to send their records to HEW nor had they been told when they went to work for the government that their personnel files might be used as part of a welfare investigation.

In a 12-page memo, HEW attorneys suggested that Califano's office fall back on an old Washington standby—bureaucratese—to circumvent the Privacy Act restrictions. If HEW treated the record exchange "as something other than a disclosure of records" it might be able to avoid Privacy Act problems, the lawyers explained. They suggested that HEW describe its record request as interdepartmental "'assistance' rather than as a transfer of records."

DOD and CSC refused, but both agencies eventually found "loopholes" in the Privacy Act that made it possible for them to help HEW. In effect, the government broadened the definition of "routine information": data that were previously protected by the Privacy Act suddenly could be exchanged.

Some members of Congress were becoming concerned about computer matching. But Richard Neustadt, than a Carter aide, told the White House in a 1978 memo that those members of Congress "have avoided public comment because they are reluctant to attack a procedure that identifies federal employees who are cheating the government."

Neustadt, who now owns a telecommunications company in New York City, said during an interview that the White House also was concerned about the privacy implications of matching. But, he said, "matching showed us a way to really do something about ending fraud."

The White House asked Terril Steichen, an analyst at the White House Office of Telecommunications Policy, to draft guidelines for computer matching so that it wouldn't get out of hand. Steichen's proposal contained three key safeguards. Federal agencies had to justify each match, certify that a computer match was the only way an agency could achieve its goal and prove that the match would save the government more money than it would cost.

"OMB found the guidelines too restrictive," said Steichen, now a vice president at a private telecommunications company. OMB officials "felt none of the proposed computer matches could pass the guidelines."

Steichen unsuccessfully urged for tight control of matching. "It is only a matter of time before the public begins to perceive these matching programs as the beginning of a government data bank,"he warned.

Nearly one year after OMB rejected Steichen's guidelines, it released its own computer matchng rules. Though they were less restrictive than Steichen's proposals, they did require computer matches to be cost effective and federal agencies had to submit a detailed description of a match to OMB and Congress 60 days before conducting it.

"We felt those requirements would protect the public," recalled Neustadt, "especially the public disclosure provision. If an agency was going to do something really dumb, they'd have to tell Congress and OMB first, which could stop them."

Computer matching and Ronald Reagan were made for each other. He had campaigned on cutting federal fat and eliminating waste, and he saw matching as a way of achieving both. He also found just the right group in government to implement computer matches—federal inspectors general.

Carter had never liked the IGs—independent investigators and auditors who work in most large federal agencies. But Reagan invited them to the White House, told them to be as "mean as junkyard dogs" in "digging up waste, fraud and abuse" and sent them off and running with his blessing. The IGs soon were claiming millions of dollars in taxpayer savings because of innovative computer matches.

The story of little José Martinez is typical of the IGs' heavily publicized success stories. Federal welfare investigators learned about the boy when they asked a computer to compare federal Medicaid and welfare records.

José's mother had been receiving financial aid for more than four years for her son, yet she had never filed a Medicaid claim on his behalf. José had never visited a doctor for treatment of a virus, an earache or a broken bone.

"It just didn't seem right," said Howard Pierce, the agent who investigated the case. It wasn't. Little José only existed in federal welfare records. Louis and Angela Lopez had created an entire, fictional family to qualify for higher welfare benefits, collecting $60,000 during a four-year period by using three aliases and make-believe children.

Such stories wowed the press and Congress but unsettled the ACLU and other critics of computer matching. The ACLU took a more detailed look at Project Match.

At a press conference in September 1978, Califano had released the names of 15 HEW employees who, he said, had been indicted on charges of welfare fraud based upon Project Match. None of the persons had been contacted before Califano released their names. The ACLU decided to track down all of the 15 employes and hear their side of the story.

One woman, the ACLU discovered, quit nursing school when she was diagnosed as having cervical cancer; she began accepting welfare. After months of cobalt treatment, she convinced her doctor to let her return to work. She notified the welfare department after she went to work for a federal agency, but the office continued to send her checks.

The woman notified the welfare office once again and told them to stop the payments. They didn't and the woman eventually used the money to pay medical bills. After Califano released her name, the woman lost her job and then was charged with fraud, the ACLU discovered. But the judge dismissed the case against her when he discovered that she had twice informed the welfare department that she had returned to work.

The ACLU learned that of the 15 cases, five were dismissed, four persons pleaded guilty to misdemeanors (theft under $50) and six pleaded guilty to felonies. Federal judges, unimpressed with the government's "best cases," ordered a total repayment of less than $2,000 and refused to levy any prison sentences.

The ACLU continued its study and reviewed all Project Match cases. HEW had found 638 federal employes on welfare rolls but only 55 of those cases were ever prosecuted. The ACLU and others soon claimed that computer matching cost more than it saved.

The White House moved quickly to silence such criticism. On May 11, 1982, OMB announced new guidelines for computer matching. The rules no longer required federal agencies to show that their matches were cost effective. The Carter administration had issued its guidelines after a seven-month period of public notice, debate, and comment. The Reagan administration announced its revisions without any formal notice outside the government.

The new guidelines also said that agencies no longer had to provide Congress or OMB with detailed explanations about matches.

Gone now was any remnant of the Privacy Act safeguards.

In December 1982, the White House ordered the Internal Revenue Service to use its tax records to help the U.S. Selective Service track down young men who the government believed had not registered for the draft—a computer match that wouldn't have had a chance in the early '70s slipped past Congress with barely a murmur.

Computer matching was about to enter a new phase, technically called "front-end verification." Rather than catching crooks after they were on welfare, why not use computer matches to determine whether an applicant was qualified to receive welfare in the first place.

The Grace commission, a group of private businessmen appointed by President Reagan to study federal benefit programs, liked the idea.

It is "inconsistent," the commission said, for the government to say that only poor people can receive welfare and then make no effort to "verify the applicant's assertions." With that in mind, it recommended that states be required to perform vigorous investigations before allowing anyone to receive welfare.

To help the states do this, the federal government had to open up Social Security Administration wage records and some Internal Revenue Service files to the states, the Grace commission said.

In addition, it said, welfare applicants should be required to obtain Social Security numbers and also to submit their federal income tax returns to the government when they applied for benefits.

The commission concluded that states had to computerize, centralize and standardize their records. "A uniform data gathering and entering process makes possible an intrajurisdictional records search," the task force explained. "The past history of each individual will be stored in the computer."

The White House sent the Grace commission's extensive recommendations to Congress, where they were automatically added to the massive Deficit Reduction Act of 1984 by the Republican staff of the House Ways and Means Committee. There was some concern among committee members about the recommendations, a staff attorney recalled, but "no one wanted to be against a program that would help catch people who were cheating the government."

Only Sen. William S. Cohen (R-Maine), chairman of a Senate subcommittee on oversight of government management, raised any questions about the "income verification procedures," by then hidden in the major $50 billion tax bill. Cohen made the procedure more palatable by adding a clause that prohibited welfare agencies from denying anyone welfare benefits based solely on a computer match. Welfare workers had to give the applicant a chance to explain his case in person.

OMB pushed to get its new procedures in place. The rules were published on Feb. 28 of this year and the states were given until May 29 to comply. After a number of states objected to the deadline, OMB agreed to give states until Sept. 30 to comply if they needed extra time.

OMB is so sure that its income verification is a good idea that it already is drafting legislation to expand the program. Families whose children apply for low-interest college loans from the government, veterans who check in at VA hospitals, retired coal miners who request black lung benefits and young families who ask the Farmers Home Loan Administration for a mortgage—all will soon have to undergo the same computer checks as welfare applicants if OMB gets its way.

Linda C. Connelly began as a social worker in North Carolina 16 years ago, moving up the hierarchy to her current job as quality assurance chief of Medicaid. North Carolina already has a State Information Process Center where an IBM 3090 mainframe keeps tabs on 80 percent of all state records.

Within a few minutes, Connelly can use a computer terminal to review any North Carolinian's motor vehicle records and state wage records, which employers must file. She also has access to information sent to the state from the Social Security Administration.

North Carolina has a privacy law that prohibits social workers from disclosing information from welfare records to outsiders. The state also has programmed its computer so that social workers can only look at the specific information that they need. For example, social workers do not have access to motor vehicle records that identify drivers with outstanding tickets. Connelly acknowledged, however, that the state currently could not tell if a social worker in a county office typed his neighbor's name into the state computer out of curiosity.

"We can't say for sure that a social worker isn't abusing the system," she said. "But we hope that they aren't, and if we catch them, they will be in trouble."

Connelly said that she really isn't worried that state employees in North Carolina might misuse the state computer network either now or when it soon begins receiving federal records.

What worries her more, she said, is an apparent shift in the attitude of the federal government toward states. The emphasis from Washington used to be on making sure that states were getting help to the needy as quickly as possible. Now, the emphasis is on "making sure states are complying exactly with the wording of various regulations."

The shift is subtle. It has moved from concern about people to concern about regulations and, in the process, Linda Connelly said, her job sometimes isn't as much fun as it once was.●

CONFERENCE REPORT ON CIVIL SERVICE RETIREMENT

● Mr. MATHIAS. Mr. President, the task we completed last night first faced us 2½ years ago, when the requirement that new Federal workers be put under Social Security took effect under the Social Security Amendments of 1983. From that day, Congress knew it had to develop a retirement plan to cover employees hired after January 1, 1984. As we began this monumental task, we had no magic blueprint for a new plan. The only thing we knew for certain was that whatever we created, it would have to be vastly different from the existing Civil Service Retirement System not only because of the Social Security component, but because we were constrained by mounting cost considerations.

The distinguished Senator from Alaska [Senator STEVENS], who has devoted so much of his time and expertise to this endeavor, faced many frustrations in his early attempts to devise a retirement scheme that everyone—Congress, the administration, and Federal workers—could live with. To accomplish this, he and other Members of Congress rolled up their sleeves and proceeded quietly to work. Publicly, we waited for all of those who had an interest in the new system to realize that we were being forced to break new ground and that the old had to make way for the new. I would say that the wait has been well worth it.

The new retirement plan that we brought to the Senate yesterday is a good one that I believe will be attractive not only to new employees but to employees covered under the old system as well. It has three tiers: Social Security; a basic annuity—defined benefit plan; and a thrift/saving plan. Moreover, it has been tailored in such a way that all workers, whatever their income levels, will be treated basically the same and have approximately the same percentage of salary replaced through their pension—except those workers who are able to take full advantage of the thrift plan.

In important ways, the new retirement system has features that are similar to those in the current plan. For example, certain employees will still be able to retire at age 55 with 30 years of service. This "minimum" retirement age will gradually increase to 57 over a period of years. Employees who have reached the age of 60 and 62 will be able to reitre with unreduced benefits with 20 and 5 years of service, respectively.

In addition, the basic annuity will still be computed on the basis of the average salary of the highest 3 years of service, rather than on the basis of the highest 5 years of service. There will also be cost-of-living adjustments [COLA's] to protect older Federal retirees from inflation. The Social Security portion of the pension will receive a full COLA; the basic annuity will get full inflation protection up to 2 percent inflation. If inflation is higher than 2 percent, the adjustment would equal CPI minus 1 percent.

The retirement plan that has been created distinguishes itself from the current plan in positive ways as well. The most far-reaching distinctions are that employees have more control over their retirement and greater flexibility in employment.

First, a tax-deferred thrift plan gives employees the ability to invest a portion of their retirement contribution so that they can increase their potential retirement income. At present, employees cannot invest the money they have contributed toward their retirement.

More importantly, the Social Security and the thrift tiers of the new plan make it portable. This means that employees will be able to join, rejoin, or leave Government service with greater ease. The Government will benefit from a fresh influx of talented, experienced people from the private sector who want the opportunity to perform Government service. Employees will also benefit because they will not longer have to forgo vested retirement benefits to take more challenging positions in the private sector.

All of these factors add up to a retirement system that is fair to the employee and to the American taxpayer. With this plan, we have substantially reduced the cost to Government of maintaining a retirement program for its employees. But we also have to plan that is generous enough to compare with some of the best pension programs in the private sector. Congress recognized these competing goals when it began the long process of creating a new retirement system and it has achieved both goals admirably. The benefit is twofold: the new retirement system will be a good tool for attracting and retaining qualified people for Government service. It will also better protect Federal employees against attacks on the civil service retirement programs as being too costly, especially in comparison with the private sector.

Since the new retirement system will not take effect until January 1987, Congress has made provision in this bill to continue the interim retirement system through the remainder of this year. The interim plan will be retroac-

tive to May 1, to cover the period when certain employees were forced to make both Social Security and civil service retirement contributions. Therefore, employees who paid an extra 5.7 percent of their salary toward retirement will have that money reimbursed to them as quickly as possible.

Mr. President, it is not often that the Senate, by an overwhelming majority, supports a project of this magnitude. Now that we have adopted the conference report on H.R. 2672, I would like to extend my heartfelt thanks and appreciation to three men in this body who have made this plan a reality—Senator STEVENS, Senator EAGLETON, and Senator ROTH. By putting in long hours, making tough decisions, and guiding us through the rough waters we treaded recently, they have made a potentially explosive issue a virtually painless exercise. I, for one, am grateful to them for their courage and their leadership. And I am gratified that my colleagues have joined me in supporting this excellent work product.●

FIGHTING FRAUD AND MISINFORMATION

● Mr. COHEN. Mr. President, last week, a Wall Street Journal op-ed piece by Paul Craig Roberts, criticizing legislation to strengthen Federal remedies against fraud, was inserted in the CONGRESSIONAL RECORD. This article, which appears on page S6077 of the May 15 RECORD, contains numerous misstatements and inaccuracies that bear rebuttal.

The legislation in question—S. 1134, the Program Fraud Civil Remedies Act—would permit agencies to initiate administrative proceedings in those false claim and false statement cases under $100,000 that the Justice Department declines to litigate. Senators ROTH, LEVIN, NUNN, CHILES, GRASSLEY, GORE, HEINZ, DECONCINI, RIEGLE, DODD, MATSUNAGA, LEAHY, KENNEDY, ROCKEFELLER, and BOREN have joined me as cosponsors.

Fraud against the Government is pervasive. While judicial remedies are available to penalize and deter such fraud, the cost of litigation—particularly for the small-dollar cases—often exceeds the amount recovered, making it economically impractical for the Justice Department to go to court.

The General Accounting Office documented this problem in a 1981 report, which reviewed more than 77,000 fraud cases committed against the Government during a 3-year period. Of those cases referred to the Justice Department, the GAO found that less than 40 percent were prosecuted, in many cases because of the small dollars involved. The Government is, therefore, left without an adequate remedy for many small-dollar cases.

The consequence, according to the Justice Department, is that the Federal Government loses "tens, if not hundreds, of millions of dollars" to fraud each year. Beyond the actual monetary loss, fraud in Federal programs also erodes public confidence in the administration of these programs by allowing ineligible persons to benefit from them.

Since 1981, the Governmental Affairs Committee has worked diligently to fashion a solution to this problem. The Program Fraud Civil Remedies Act, which marks the culmination of that effort, would capture those small-dollar fraud cases that now fall through the cracks of our judicial system. Last November, after careful consideration, the committee reported S. 1134 with only one dissenting vote.

It's worth noting, moreover, that this legislation is supported by the major players in the fight against fraud—the Justice Department, the General Accounting Office, and the inspectors general—as well as the Administrative Conference of the United States, the Federal Bar Association, and the Packard Commission.

The benefits of establishing an administrative proceeding to adjudicate small-dollar frauds, as provided in S. 1134, are numerous. First, it would allow the Government to recover money that, up until now, has been irretrievably lost to fraud. Second, it would provide a more expeditious and less expensive procedure to recoup losses, compared with the extensive investments of time and resources required to litigate in Federal court. And finally, such an administrative remedy would serve as a deterrent against future fraud by dispelling the perception that small-dollar frauds against the Government may be committed with impunity.

Despite the widespread support for S. 1134 and the benefits to be gained, consideration of this legislation by the full Senate has been forestalled through a campaign to misinform the public about its provisions. Much of this misinformation, which is contained in the Wall Street Journal article written by Mr. Roberts, would lead the uninformed to believe that the proposed administrative remedy in S. 1134 is, at best, novel, or, at worst, extremely unfair. Neither is the case.

Approximately 200 statutes authorize the administrative imposition of civil penalties. The civil monetary penalties law, in particular, permits the Department of Health and Human Services to impose penalties administratively against health-care providers who bill the Government for services never provided. Since implementation of this statute in 1983, HHS has been able to recover over $22 million. It should be abundantly clear, therefore, that the administrative proceeding proposed in S. 1134 is by no means novel.

Moreover, administrative remedies are not only effective, but fair. In drafting S. 1134, the Governmental Affairs Committee made sure that elaborate due process protections were built into the Program Fraud proceedings. As Prof. Harold Bruff, a noted administrative and constitutional law scholar, stated in a recent letter to me:

> S. 1134 not only passes due process scrutiny; . . . it goes as far to protect those charged with fraud as is possible without impairing the government's efforts to obtain remedies that will protect the public fisc.

Contrary to Mr. Roberts' assertion that "provisions * * * of S. 1134 do not seem to grant the accused any real right to be heard," anyone alleged to be liable under the bill would have a right to a hearing before an administrative law judge—a trained, independent hearing examiner. The hearing would be conducted according to the provisions of the Administrative Procedure Act, which entitles the person to a written notice of the allegations, the right to be represented by counsel, and the right to present evidence on his or her own behalf. The bill even goes beyond these APA protections by granting the person discovery rights.

The Supreme Court, in fact, has upheld laws that provide far less elaborate due process protections than are afforded by S. 1134.

Mr. Roberts' article contains other errors as well. Typical is the contention that S. 1134 "could easily catch anyone who makes an honest mistake."

This simply is not true. Under S. 1134, the Government would not only have to prove that a claim or statement is false, but also that the person either "knows or has reason to know" that the claim is false. This knowledge standard ensures that a person who makes a false claim or statement through "an honest mistake" would not be held liable. Moreover, this is not a new standard, but one based on court interpretations of present law.

Mr. Roberts also contends that the testimonial subponea authority granted by S. 1134 to inspectors general is both "new and apparently unlimited." Neither charge is accurate.

The authority is not new. More than 65 laws already grant such authority, ranging from the broad power given to te Department of Health and Human Services for investigations of claims for Social Security retirement and disability benefits to the authority given to the Department of Agriculture for investigations under the Horse Protection Act.

Nor is this authority unlimited. As in all investigations, the subpoena must be necessary and relevant. The IGs, who must personally approve the sub-

poenas, the Justice Department, which has veto authority over their use, and the courts of law, where the subpoenas may be challenged, all stand ready to safeguard against abuse. In addition to these safeguards, S. 1134 provides due process protections for those individuals subpoenaed to testify.

Enactment of an administrative remedy for small-dollar fraud cases is long overdue. The fact that the Justice Department is unable, as a practical matter, to pursue most cases where the Government does not sustain a significant monetary loss is an open invitation to those individuals tempted to defraud the Federal Government.

Until Federal agencies are given the power to bring administrative proceedings in such cases, these small-dollar frauds will continue unabated. The Program Fraud Civil Remedies Act will help combat fraud without in any way compromising the rights of individuals accused of wrongdoing.●

HERB BOWDEN, SMALL BUSINESS PERSON OF THE YEAR

● Mr. WEICKER. Mr. President, I take this opportunity to congratulate Herb Bowden, president of Sencore, Inc., in Sioux Falls, SD, for being selected as South Dakota's Small Business Person of the Year. Although Herb is not one of my constituents, I have had the pleasure of working with him in my role as chairman of the Small Business Committee. Herb founded Sencore in 1952 with $800. Today his electronic manufacturing firm is netting more than $15 million in yearly sales and profits of more than $2 million a year.

For 4 years Herb has served as a member of the committee's National Advisory Council. The Council which is the first citizen's advisory group to be established in the Senate, consists of 25 small business owners from all over the United States. Members of the Council come to Washington once a year at their own expense to provide the committee with a grassroots perspective on issues affecting small business. Herb's involvement with the Council over the past few years has been invaluable. His active participation at Council meetings combined with his unique insight into the problems affecting the small business community has been of tremendous help to the committee in formulating its legislative agenda.

Again, I wish to congratulate Herb Bowden for his outstanding contributions to the small business community and his work on behalf of the Senate Small Business Committee's National Advisory Council.●

SMALL BUSINESS WEEK

● Mr. WEICKER. Mr. President, it gives me great pleasure to rise today and speak on behalf of the 14.2 million small businesses in this country and herald the achievements of this important sector of our society. Small business is the key engine of our economy; it has created the lion's share of new jobs over the last several years, and is at the forefront of innovation and research. So as we celebrate small business week I think it is important for the Senate to recognize the importance of small business and encourage the growth of the entrepreneurial spirit in America.

Mr. President, small business week provides me the yearly opportunity to call to the attention of the Senate the achievements of a small business person from my home State of Connecticut. This year's Connecticut small business person of the year is an outstanding citizen and entrepreneur.

This year's winner, Mr. Phil Edelstein purchased in 1970 the Danbury Plumbing Supply Co., which at that point had three employees and a sales volume of $570,000. He set out to expand the company and, with the help of a federally guaranteed SBA loan, he moved the company out of its 100-year-old wooden building into a modern, 12,000 square-foot building with a much-needed outdoor storage yard in Danbury's commerce park. The very small company that Mr. Edelstein purchased in 1970 now boasts 20 employees and a sales volume of $6.8 million. Having outgrown its commerce park home, the Danbury Plumbing Co. is now searching for a new site. The company projects $10 million in sales by 1988 and a total 26 employees, a far cry from the 100-year-old wooden building Mr. Edelstein started with.

Phil Edelstein is not the kind of man who makes a profit and forgets that a successful business has a responsibility to its community. The Danbury Plumbing Supply Co. has an affirmative action program, and a sincere effort has always been made to attract and hire people of minority groups. Minority employment in the company is at 15 percent, and the company has hired part-time workers through the Danbury Association of the Retarded and Handicapped, as well as through the State Department of Labor.

He has said, and I quote:

Our constant support and interest in our community and State has resulted in our feeling that both Danbury and Connecticut has given all of us a quality of life that cannot be equaled. We have always been proud to pay our dues for the privilege of living and working here.

Mr. President, what makes heralding the achievements of Phil Edelstein and the Danbury Plumbing Supply Co. so rewarding is the fact that the Federal Government, and, to be exact, the Small Business Administration, played a role in the success story. And today, there are those who will make the case for terminating the agency. All I will say to the critics is that if they would get away from the anecdotal reports of waste at the agency, examine the record and get a good look at the benefits that have been derived by the Federal Government lending a helping hand to businessmen like Phil Edelstein, then I think we could end this insidious debate and get on with continuing assisting small business in America.●

ABANDONED MINE REHABILITATION

Mr. McCLURE. Mr. President, last night during the discussion on the nomination of Jed Christensen, I committed to the Senator from Tennessee that Mr. Christensen would commit in writing the offer which had previously been made to assist the State of Tennessee in rehabilitation of abandoned mine areas. Although Tennessee has lost the 50 percent State share of collections due to its having given up primacy, I congratulate the Department and the new Director of the Office of Surface Mining Reclamation and Enforcement for their concern. I ask that a copy of the letter from Mr. Christensen be printed in the RECORD.

The letter follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF SURFACE MINING,
Washington, DC, May 21, 1986.

Hon. JAMES A. McCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I very much appreciate the work you and the Committee staff have done in reaching an innovative and equitable resolution allowing priority reclamation of abandoned coal mine lands in Tennessee. We will continue to work closely with Governor Lamar Alexander in the identification of priority sites.

Under Governor Alexander's leadership, Tennessee now has instituted a State-funded AML program that will operate in Fiscal Year 1986. Pursuant to our discussions, the Office of Surface Mining Reclamation and Enforcement (OSMRE) will spend approximately $1 million in Fiscal Year 1986 for high-priority reclamation projects, to be identified in our continuing discussions with Governor Alexander.

The federally-funded AML work will augment the State's AML program on high-priority projects. At the same time, the renewed State AML program will maintain the State AML staff as an active organizational unit, ready to resume full operation of a permanent, federally-funded State AML program when Tennessee once again assumes primacy.

As Tennessee and OSMRE continue working toward their mutual goals of environmentally sound coal mining and the reclamation of abandoned coal mine lands, we will plan to continue operating an appropriately funded federal AML program in Tennessee through Fiscal Year 1987, by match-

ing Tennessee's 1987 State-funded AML program dollar-for-dollar.

It has been your commitment which has led to a workable solution to this problem. Because of your support, we can now continue to build on the cooperation we have enjoyed with Governor Alexander, to address the real concerns shared by all of us.

Sincerely,

JED D. CHRISTENSEN,
Director.●

"MASSACRE IN COLOMBO"

● Mr. DURENBERGER. Mr. President, I would like to draw my colleagues attention to an editorial that appeared May 15 in the Wall Street Journal entitled "Massacre in Colombo."

On May 3 terrorist groups placed a bomb aboard an Air Lanka plane at Colombo's International Airport, destroying the plane and killing 17 passengers—French, German, British, Japanese, Sir Lankans, and Maldives among them. A few days later, on May 7, a bomb was set off in the capital's central telegraph office killing 12 people and injuring over 150. Tamil terrorist groups fighting for a separate state are reported to have been responsible for these two attacks.

The problems and frustrations facing the Government of Sir Lanka are not unlike those which this country confronts in its efforts to combat terrorist groups. President Jayewardene of Sir Lanka has been trying to negotiate with the groups responsible for the attacks, but hitherto with little success. This only reinforces my belief that terrorism cannot be eliminated solely by the efforts of victim governments; each act of terrorism must be regarded as an attack against all mankind. We will only defeat this scourge when the world community comes together to fight against it. It is with this in mind that I think the situation in Sir Lanka deserves our attention and action to lend whatever support we can to resolving their problems. If Sir Lankans strive to restore the ethnic harmony between the Sinhalese and the Tamils, their success in that effort is in the best interest of the United States.

Mr. President, I ask that the text of the editorial be printed in the RECORD.

The editorial follows:

[From the Wall Street Journal, Thursday, May 15, 1986]

MASSACRE IN COLOMBO

Americans may not consider the friendly, scenic island nation of Sri Lanka as a hot spot in the East-West conflict, but don't tell that to the Sri Lankans. In recent days, bombs have ripped apart an Air Lanka jetliner, killing 16, and a telegraph office in downtown Colombo, killing 12 and marking a major escalation of violence. One more Western-leaning country looks like falling into the maw of the international terror network.

Like many such troubles, Sri Lanka's have their roots in ethnic squabbles, in this case between the minority Tamils and the majority Sinhalese. But as in Lebanon or Ireland, whatever legitimate grievances the Tamils do have long ago ceased to be relevant. Radicals quickly polarized matters, terrorizing both Sinhalese and any Tamils moderate and courageous enough to want to negotiate.

The Colombo government has offered some autonomy for Tamil majority areas, but the radicals by now won't settle for anything less than a separate state.

There may have been a time when these local disputes could be fought without outside influence, but that day is long gone. Nowadays radicals anywhere can avail themselves of sanctuaries, training camps and weapons dealers only too willing to promote trouble in a democratic state. The Tamil groups began tying themselves into this network and bragging about it, telling visiting reporters about their links to the radical offshoot of the PLO led by George Habash and about how their men had trained in Lebanon.

"Our basic alliance is still with the PLO. But we maintain active contact with the other groups like the Zimbabwe African People's Union, the Zimbabwe African National Union and the African National Congress," one of the Tamil leaders told an Indian reporter two years ago.

Sri Lankan officials have also claimed to have evidence of East German aid to the Tamils, and, in any case, East Bloc aid to PLO terrorists is old news. The opportunities for mayhem must seem too good to be true. Sri Lanka remains an underdeveloped place with a weak military. Terrorist sanctuaries are available across the Palk Strait in the Indian state of Tamil Nadu, which is dominated by ethnic Tamils who support the separatists. When Rajiv Gandhi's government tried to deport two Tamil terrorist leaders last year, demonstrations broke out in the state, and India backed down. Nor does it hurt that all of the major Tamil groups are avowed Marxists seeking to divide a "capitalist" state. India has done its best to try to mediate this dispute, but its efforts have foundered on the demands of Tamil radicals.

Sri Lankan President Junius Jayawardene said Sunday that his country could be dismembered unless the West comes to his aid with arms and money. "Ours is a democratic country," he said, "and it is being destroyed by the people." It is probably time for the U.S. and other countries to respond to his request. In modern times, terrorism is invasion by other means and the Sri Lankas of the world are the front-line states.●

BURIED ALIVE: THE PLIGHT OF SOVIET JEWS

● Mr. D'AMATO. Mr. President, the editor-in-chief of Reader's Digest, Kenneth O. Gilmore, sent me a copy of an article which will appear in the June edition concerning Soviet Jewry. The article, which is entitled "Buried Alive: The Plight of Soviet Jews," clearly describes the adversities faced by Jews in the Soviet Union. As chairman of the Helsinki Commission on Human Rights in Europe, I realize how important it is to make the public aware of human rights abuses in other nations. This article goes a long way toward educating the public on this very serious problem.

Mr. President, I am pleased to share with my colleagues this article. I ask that it be printed in the RECORD.

The article follows:

[A Reader's Digest Reprint]

BURIED ALIVE: THE PLIGHT OF SOVIET JEWS

(By Lawrence Elliott)

(To be a Jew in Russia today is to face a living death: prospects for a normal life—an education, a job, a future—have never been bleaker; yet even to ask to emigrate is to risk persecution or prison. Can't we in the West help? Do we have the will?)

Anatoly Shcharansky's walk across Berlin's Glienicke Bridge to freedom on a stinging cold morning last February exhilarated the non-communist world. Shcharansky had been the animating spirit of the beleaguered human-rights movement in the Soviet Union. Nervy, iron-hearted, he spoke for the thousands of Jews refused permission to emigrate, then braved the Kremlin's wrath and the KGB's inexorable retribution: a crudely fabricated charge of spying, a sentence of 13 years in prisons and a labor camp.

Now, having served nine years—including 403 days in a frigid punsihment cell where he was fed only every second day—here he came walking into West Berlin, unbroken, uncompromising, mocking his tormenters to the end. At the East Berlin airport they had ordered him to march straight ahead to a car that would take him to the crossing point. Said Shcharansky, "I agree to nothing proposed by the KGB"—and strode off to freedom, zigzagging the whole way.

Millions rejoiced; some even hailed his release as proof that freedom was an irrepressible idea. If so, it was an idea whose time has not yet come for the rest of the Soviet Jews—and Shcharansky was the first to say so. He vowed not to forget "those whom I left in the camps and prisons, who are still in exile, or struggling for their rights to emigrate." Their true numbers are unknown, these people who live in limbo, and for them the only changes have been for the worse.

For Jews in the U.S.S.R. today, life on the always precarious razor's edge has turned critical. Jew-hating is in full fashion, with anti-Semitism rampant in the press, and on radio and television. A Jew's prospects for an education and a decent job are bleaker than at any time since the Revolution. Every expression of Jewish faith and tradition is under attack.

Yet never has it been harder for Jews to leave. Emigration, which exceeded 51,000 in 1979, was below 1200 last year.

Still they keep trying. There is reason to believe that nearly half the Jewish population of two million would ask for visas if they thought they could get them. At least 30,000 have been turned down—some again and again. "Refuseniks" are official pariahs, defamed, routinely dismissed from the jobs, then prosecuted for "parasitism." All they can do is wait, watching helplessly as their creative years slip away in the day-in, day-out struggle to survive.

Your name is Nadezhda Fradkova, and in 1978 you live and work as a linguist in Leningrad. You have been made to feel that being a Jew conflicts with being a loyal Soviet citizen. You apply for a visa to immigrate to Israel.

They tell you your father will not give his permission. You cannot believe your ears. Your father divorced your mother before you were born. You are 31 years old, and

you have never even met him. You protest. And, as often as possible, you reapply for a visa. To no avail.

You lose your job and support yourself as a cleaning woman and by giving private language lessons. Years pass. In March 1983 you start a hunger strike. The KGB drags you off to a hospital where you are drugged and force-fed.

In May the KGB releases you, but soon you are on another hunger strike, and they come for you again. This time, with a friend's help, you smuggle an appeal to the outside world. Your captors let you go—for a moment.

On May 2, 1984, you are arrested and taken to a psychiatric hospital where you are registered as mentally disturbed. In July, you are kept in total isolation. In September, you are judged fit to stand trial.

Never in the history of Soviet jurisprudence has the defendant in a political trial been acquitted. You are sentenced to two years' imprisonment. In September 1985, in a labor camp in Arctic north, you are put in a punishment cell for starting another hunger strike. When you finally complete your sentence, you will apply again for an exit visa. They cannot take away your hope.

Anti-Semitism was banned by law after the Revolution. But under Stalin, Bolsheviks began terrorizing those who clung to a Jewish religious or community life. Unlike every one of the other 100-odd nationalities in the Soviet Union, Jews were expressly denied their own schools, as well as Hebrew newspapers and books. Synagogues were shut down and rabbis persecuted. Even the teaching of Hebrew was made a crime.

The new Israeli nation handed Stalin—and every one of his successors—a fresh pretext for anti-Semitism. When the Kremlin reviled Israel and its "Zionist warmongers," the threat to Jews in the U.S.S.R. was painfully clear.

But something remarkable happened: instead of being cowed by this abuse of Israel, many Jews found that their feelings of Jewishness intensified, and this served to rekindle Jewish thought and tradition. Israel gave them hope. Putting their fears behind them, Jews began demanding the right to emigrate. Though the Kremlin responded with intimidation by the secret police, raids and arrests, the impulse to go swelled. In 1970, after only 1000 exit visas were granted, the bravest of the thousands who had been refused defied authorities; they staged sit-ins, wrote open letters to the United Nations, even renounced their citizenship. "Each person has his quota of fear," said one. "We have used up ours."

You are Vladimir Slepak. Your father is an old Bolshevik whose faith in the Revolution remained unshaken even during Stalin's purges and anti-Semitic spasms, even though he nearly lost his life. When you refuse to join the Communist Party, your father is appalled. Later, when you and your wife, Mariya, put in for visas to Israel, you hear that he goes to the KGB and demands that you be denied permission to leave.

You lose your job as head of a television-research laboratory. Your visa application is turned down repeatedly. You and Mariya make common cause with other refusniks in Moscow. You teach yourself Hebrew and attend classes on Jewish culture and history. You are the rock of the Jewish community. Anatoly Shcharansky is in your apartment when the KGB comes to arrest him.

The KGB watches you. Your apartment is ransacked; you are endlessly questioned, fired from one job after another, twice put in "preventive detention." A KGB officer says you cannot leave the Soviet Union—you know state secrets.

"What secrets?" you ask. "In our lab we were fourteen years behind the West."

He smiles. "That's the secret."

The years pass. Your elder son miraculously gets an exit visa. One day in 1978, you and Mariya hang a banner from your window, "Let us out to our son in Israel." For this you are arrested and sentenced to five years of internal exile. Mariya is given a suspended sentence.

They send you to a place near the Mongolian border where the winter winds cuts like a knife. Here Mariya joins you and you serve out your sentence in a one-room flat without water. When you return to Moscow, you apply again for a visa. You have no illusions. But if the visa comes you could be packed in an hour. You have already waited 16 years.

In the mid-1960's, some 4500 Jewish families who had applied to emigrate years before were suddenly given exit visas. This was unprecedented. But even more remarkable was the rising tide of Jewish emigration that followed—nearly 230,000 let go over the next ten years.

What happened? Compassion had nothing to do with it. On the contrary, Moscow, aware that the Jewish emigration movement had attracted the sympathy of the civilized world, coldly decided to make it pay. In the judgment of William Korey, director of international policy research for B'nai B'rith, the Jewish became hostages: "'You want Jews allowed out?' the Soviets were saying. 'Well, we want your wheat and technology; we want credits and tariff preference.' The more hope they had for increased trade, the more exit visas became available."

The question is why, in 1980, they began closing the tap, until today it is a heartbreaking trickle. Had inherent Russian anti-Semitism reasserted itself? Were they losing too many productive professionals? Was emigration ending along with détente?

There is truth in all of this, but the truest explanation lies in a time bomb Moscow cannot defuse: the shrink percentage of Russians in the Soviet empire (an inflated 52 percent in the most recent census), and the growing size and restiveness of other national groups. If Jews were allowed to leave, how long before disaffected Ukrainians or Lithuanians began asking to be reunited with their families in Sweden, Canada and the United States? What if Estonians, Uzbeks or Georgians began demanding more cultural rights, more autonomy? The men in the Kremlin simply quit while they were ahead.

Will the gates reopen? Listen to what Mikhail Gorbachev said in French-television interview last October: "There is no country where Jews have as many rights as in the U.S.S.R. If there is a problem of reunions among family members, we accept that. When do we prevent the resolution of such problems? When the applicant knows state secrets. Then we given him the possibility of waiting." In other words, nothing is wrong; therefore, nothing will change.

One day in 1978 you apply for an emigration visa. You, too, are turned down. You lose your Moscow residence permit. To avoid being expelled, you must hide from the KGB and give up your job as an English teacher. You are Yuli Edelshtein, age 20, and in the days ahead you face the worst the Soviet state has to offer.

You feel you are marking time; the visa will come. Waiting, you teach Hebrew to young people, as do your friends Aleksander Kholmiansky and Dan Shapiro.

The teaching of Hebrew is no longer illegal in the U.S.S.R., but all the unofficial teachers in Moscow, perhaps 50, have been visited by the police and warned to quit. Few do. In the summer of 1984, several Hebrew teachers are beaten and jailed. Aleksander Kholmiansky is arrested, accused of stepping on flowers in a public park. He spends ten days in jail. Released, he is immediately arrested again for "hooliganism." The rest of you walk a narrow line. "Don't even cross the street against a red light," you warn your students.

It doesn't help. After your house is searched by the KGB, you are arrested on September 4 on false drug charges. Your students are interrogated; Dan Shapiro's home is searched. He is arrested for refusing to identify himself and for attacking a policeman.

At your trial in December a parade of paid witnesses stumble through false accusations until even the judge is embarrassed. Nonetheless, you are sentenced to three years' imprisonment. Six weeks later, Aleksander Kholmiansky gets a year and a half.

In the summer of 1985 your wife, Tanya, is allowed to visit. She brings news of Dan Shapiro. In June he appeared on Soviet television in a carefully rehearsed presentation, and condemned the Jewish activist movement as slanderous and anti-Soviet. In return, he was given a suspended sentence. You tell Tanya that Dan must not be blamed; the KGB has so many ways to break a man.

Tanya complains to the camp commander that you have been mistreated. He replies that they mean to beat the religion out of you one way or another. In March you suffer a bad "accident," with broken bones and subsequent infection.

Can we in the West help Yuli Edelshtein? Can we help Nadezhda Fradkova, Vladimir Slepak and all the other Soviet Jews imprisoned in the Gulag, or buried alive in a land they want to leave? Do we have the right?

The International Covenant on Civil and Political Rights assures anyone the right to leave any country; the U.S.S.R. signed it in 1973. The Helsinki accord obligates the signatory powers to provide exit visas for those seeking reunion with their families; the Soviets ratified it in 1975. So we have the right.

Do we have the means? History tells us the Soviets respond neither to threats nor out of moral or humanitarian considerations; they respond when it is in their own interest to do so. Our job is to persuade them that there can be no agreements or concessions in areas of their interest—no arms-control treaty, no expanded trade under most-favored-nation status, no computer technology—until there is a change in the Soviet policy on human rights and emigration. So we have the means.

Which brings us to the final question: Do we have the will?●

NAUM AND INNA MEIMAN: STRANGERS IN A FAMILIAR LAND

● Mr. SIMON. Mr. President, when a Jew in the Soviet Union wants to emigrate to another country, the process is arduous, frightening and lengthy.

Unlike the West, the Soviet Union requires that each citizen apply to the Government for permission to leave. It is then up to the state to decide one's fate.

Naum and Inna Meiman chose to apply to emigrate. They have been waiting for years for the necessary permission. In that time, the Meimans have been completely ostracized from Soviet society. Naum was forced to retire from his profession as a mathematician. Inna's friends are other people in the same situation. The Meimans' telephone was recently disconnected. The Soviet Government has cut the Meimans off entirely.

My question to the Soviets is: If you do not approve of the Meimans, why not let them go? Isn't it easier to let them go than to continue to use resources to harass them?

I strongly urge the Soviets to allow the Meimans to emigrate to Israel.●

NATIONAL HOMELESSNESS AWARENESS WEEK

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of Senate Joint Resolution 347, National Homelessness Awareness Week, and I ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. Mr. President, there is no objection to the request to discharge the commitee, and there is no objection to the immediate consideration.

The PRESIDING OFFICER. Withoug objection, it is so ordered.

The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 347) to designate the week of May 19, 1986, through May 24, 1986, as "National Homelessness Awareness Week".

The Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 347

Whereas an estimated 3,000,000 individuals in the United States are homeless;

Whereas an increasing number of homeless individuals are women, children, families, minorities, mental patients, and elderly individuals;

Whereas the demand for emergency shelter increased by more than 20 percent in 22 cities in 1985;

Whereas many emergency shelters do not have sufficient space to provide shelter for everyone who seeks shelter;

Whereas many emergency shelters are in violation of numerous health and safety standards;

Whereas factors contributing to the problem of homelessness include shortages in housing for low-income individuals, deinstitutionalization of mentally ill individuals, drug and alcohol abuse, and unemployment;

Whereas homelessness is a complex problem that cannot be solved by providing only food and shelter;

Whereas organizations, such as the Community for Creative Non-Violence, Luther Place, the House of Ruth, the National Coalition for the Homeless, Headquartered in New York, LIFE (Love Is Feeding Everyone) in East and South Los Angeles, and Saint Peter's Coalition on Temporary Shelter in Detroit are committed to helping homeless individuals in the United States by providing food, clothes, shelter, and medical treatment;

Whereas public awareness with respect to the problem of homelessness should be increased; and

Whereas efforts by the Federal Government and the governments of States to solve the problem of homelessness should be increased: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of May 19, 1986, through May 24, 1986, is designated as "National Homelessness Awareness Week", and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

1986 SPECIAL OLYMPICS TORCH RELAY PERMISSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be discharged from further consideration of House Concurrent Resolution 311, a House concurrent resolution, permitting the 1986 Special Olympics Torch Relay to be run through the Capitol Grounds on May 30, 1986, or such other date the Speaker of the House or President pro tempore of the Senate jointly authorize, and I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 311) to permit the 1986 Special Olympics Torch Relay to be run through the Capitol Grounds.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 311) was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SEQUENTIAL REFERRAL OF S. 1822

Mr. DOLE. Mr. President, I ask unanimous consent that Calendar No. 654, S. 1822, be sequentially referred to the Committee on Finance for its consideration thereof, that any amendments reported by the Committee on Finance relating to the subject matter of S. 1822, as reported, shall be in order and that the period for consideration by the Committee on Finance shall not extend beyond the close of business on June 11, 1986, provided that, if S. 1822, is not reported by the Committee on Finance at such time, it shall be immediately discharged from further consideration thereof and that the bill be available for consideration on June 12, 1986.

Mr. BYRD. Mr. President, reserving the right to object, if the Chair will bear with me.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

Mr. BYRD. Reserving the right to object.

Mr. President, I move my reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR STAR PRINT—H.R. 2672, CONFERENCE REPORT

Mr. DOLE. Mr. President, I ask unanimous consent that the conference report to accompany H.R. 2672, the Federal Employees Retirement System Act, reflect the following changes, which I send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

USE OF CERTAIN LANDS WITHIN THE SEQUOIA NATIONAL PARK

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate turn to Calendar No. 512, House Joint Resolution 382.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD. There is no objection.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 382) to authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project.

The Senate proceeded to consider the resolution, which had been reported from the Committee on Energy and Natural Resources, with amendments as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italics.)

H.J. RES. 382

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is hereby authorized to issue a permit for ten years, and may issue not more than **[**two renewals**]** *one renewal* of equivalent duration, for portions of an existing hydroelectric project, known as the Kaweah Project of Southern California Edison Company, to continue to occupy and use lands of the United States within Sequoia National Park as necessary for continued operation and maintenance.

SEC. 2. The Secretary shall not execute any permit renewal prior **[**sixty**]** *one hundred and twenty* calendar days from the date the same is submitted to the Committee on Energy and Natural Resources of the United States Senate and to the Committee on Interior and Insular Affairs of the United States House of Representatives.

SEC. 3. The permit shall contain a provision prohibiting expansion of the Kaweah Project in Sequoia National Park and shall also contain such other terms and conditions as the Secretary of the Interior shall deem necessary and proper for the management and care of Sequoia National Park and the purposes for which it was established.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

Mr. McCLURE. Mr. President, I am pleased that the Senate is finally able to take action on House Joint Resolution 382, which would authorize the continued use of certain lands within the Sequoia National Park by portions of an existing hydroelectric project.

As my colleagues are well aware, consideration of House Joint Resolution 382 by the full Senate has been delayed pending resolution of several questions regarding an amendment which was to be proposed by the junior Senator from California [Mr. WILSON]. It is my understanding that there is no longer a need for the amendment and that the distinguished Senator does not intend to offer the amendment.

Mr. President, be that as it may, members of the staff of the Committee on Energy and Natural Resources and I worked closely with the Senator from California in the preparation of the amendment the intent of which was to address the need by the Secretary of the Interior for the authority to make a loan for research into the agricultural waste water drainage problems of the Central Valley in California. Circumstances dictate that the need for that authority on the part of the Secretary is no longer necessary. But, for the information of the Senate and concerned members of the water resources and environmental communities who supported the amendment, I think it would be useful to have the amendment and an exchange of correspondence between myself and Secretary of the Interior Donald Paul Hodel printed in the RECORD.

Therefore, I ask unanimous consent that the draft amendment and my letter dated May 16, 1986, and Mr. Hodel's response of May 19, 1986, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. McCLURE. Mr. President, although the amendment is not now necessary, I would like to commend the distinguished junior Senator from California for his diligent efforts and cooperation during the course of the amendment's formulation.

EXHIBIT 1

U.S. SENATE, COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC, May 16, 1986.

Hon. DONALD PAUL HODEL,
Secretary, Department of the Interior, Washington, DC.

DEAR MR. SECRETARY: I am writing with respect to the proposed loan of $3.7 million for research into the treatment of drainage water within certain areas of the Central Valley Project, including construction of a prototype plant, which the Department of the Interior was urged to make in the Conference Committee Report on the Energy and Water Development Appropriations Act for Fiscal Year 1986 (Public Law 99-141). I understand from correspondence which you have had with certain Members of the House that there is some concern that since funds would come from the construction account of the Bureau of Reclamation, and since the loan would likely be made to the Westlands Water District, the loan might have to be considered a contract for repayment of construction charges, triggering the provisions of the Reclamation Reform Act of 1982. I also understand that you have concluded that the statute referred to in the Report (the 1966 Act) does not provide adequate authority for you to make the loan as urged.

As a Member of the Conference Committee, I believe that I can clarify what the conferees intended. As Chairman of the Energy and Natural Resources Committee, I also can express my intent as to the enclosed amendment. The construction account was used solely as a source of funds and for no other purpose. The conferees believed that based on our experience there would be sufficient funds available in that account to fulfill the other objectives set forth in the statement of managers and also accomplish this loan. The conferees did not specify to whom this loan should be made, but we left the selection to you in the expectation that upon review you would be able to select the most capable entity.

With respect to your concern that the 1966 Act does not provide the necessary authorization for this loan, I have enclosed a draft amendment which I believe would provide the necessary authority as an independent provision of law. It is also consistent with the intent of the Appropriations conferees. I would appreciate it if you would review the amendment and let me know as soon as possible if it will provide you with the necessary authority.

Since neither the attempted use of the 1966 Act nor the enclosed proposed authority is intended to be granted pursuant to the Reclamation laws, the provisions of the Reclamation Reform Act could not be triggered. This is true regardless of the source of funds or the potential recipient. Therefore, absent a specific statement in the draft amendment that the loan is to be made subject to the provisions of the Reclamation law, I would expect the Department to conclude that the provisions of the Reclamation Reform Act would not apply to this loan.

Sincerely,

JAMES A. MCCLURE, *Chairman.*

PROPOSED AMENDMENT

At the end of the bill insert the following new subsection 4:

"SEC. 4. The Secretary of the Interior is hereby authorized to loan $3.7 million from funds appropriated pursuant to Title II of the Energy and Water Development Appropriations Act of November 1, 1985 (Public Law 99-141; 99 Stat. 564). Such loan shall be made to a local government agency or other appropriate entity as determined by the Secretary for the purposes of, among other things, investigating the economic, scientific and technological feasibility of alternative solutions to agricultural waste water drainage problems in the Central Valley of California, establishing a prototype facility to test the feasibility of pretreatment of drainage water, and evaluating various brine disposal techniques: *Provided,* That such loan shall be made on such terms and conditions as the Secretary shall deem appropriate, notwithstanding any provisions of Title VII of Public Law 98-369 (98 Stat. 1175), and shall be repaid within twenty years with interest computed in accordance with section 80(a), of Public Law 93-251 (88 Stat. 34) and 18 CFR 704.39 as in effect February 1, 1986."

THE SECRETARY OF THE INTERIOR,
Washington, May 19, 1986.

Hon. JAMES A. MCCLURE,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing in response to your letter concerning the proposed loan of $3.7 million for research into the treatment of agricultural drainage water within certain areas of the Central Valley Project, including construction of a prototype plant. I appreciate your clarification as a Member of the Appropriations Conference Committee and as Chairman of the appropriate authorizing Committee.

As you correctly indicate in your letter, it was not our intention to suggest that such a research loan must necessarily trigger the provisions of the Reclamation Reform Act, but only that such a loan would trigger the provisions of that Act if it were intended to involve repayment of construction charges by a water district under Reclamation law.

The draft amendment which you provided with your letter would confer the necessary authority for the Department to enter into the loan. It would also be consistent with the intent of the conferees as you have expressed it. Although the independent nature of the authority in the proposed amendment indicates that Reclamation law would not apply to this transaction, I would nevertheless request that your letter clarifying Congressional intent and this response be placed into the legislative history for this amendment when the amendment is passed. Such definitive legislative history would moot the concerns of the Solicitor with respect to the applicability of the Reclamation laws, referenced in my previous correspondence to certain Members of the House. It would be clear that the loan would not be made pursuant to the Reclamation laws and therefore would not involve repayment of construction charges pursuant to such laws, even if the loan is made to the Westlands Water District.

I hope that this letter clarifies our position in this matter.

Sincerely,

DONALD PAUL HODEL.

Mr. WILSON. Mr. President, the House joint resolution before us is a noncontroversial bill that has been agreed to by all interested parties. We probably would have disposed of this bill long before today were it not for an unrelated controversy concerning a proposed loan to a water district in California.

What sparked this delay was my intent to offer an unrelated amendment to the joint resolution before us to authorize a $3.7 million loan to the Westlands Water District in California for use in studying feasible agriculture drainwater technologies. The chairman of the Energy and Natural Resources Committee had most graciously acceded to my request to delay action on House Joint Resolution 382 pending a resolution of a number of problems associated with this proposed loan.

The preparation of this particular amendment which would have authorized this loan had taken several months and much time of the chairman, his staff, and other individuals. Just as this amendment had been finalized and cleared for action, it turns out that the water district who would receive the loan found that it could arrange private financing at a cheaper interest rate than allowed for in the proposed amendment. This new development obviously renders moot the need for this amendment and it is for that reason that I will not be offering it to this joint resolution.

Nonetheless, I am deeply grateful to the chairman and his staff for the considerable time and effort devoted to the preparation of this proposed amendment.

With that, I know of no objection to House Joint Resolution 382 and urge its adoption.

The PRESIDING OFFICER. The joint resolution is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the joint resolution.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution (H.J. Res. 382) was read the third time and passed.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HELD AT THE DESK—H.R. 4530

Mr. DOLE. Mr. President, I ask unanimous consent that once the Senate receives from the House H.R. 4530, dealing with members of the Commission on Merchant Marine and Defense, it be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

TESTIMONY OF SENATE EMPLOYEE IN OFFICE SIT-IN PROSECUTION

Mr. DOLE. Mr. President, on behalf of myself and the distinguished minority leader, Mr. BYRD, I send to the desk a resolution from the Senate Legal Counsel and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 415) to direct the Senate Legal Counsel to represent Senator Trible and his staff, and to authorize the testimony of such staff in the case of *Commonwealth of Virginia* v. *Scott Bonner Benton, et al.*

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, this Thursday afternoon in a Virginia General District Court, nine protestors who conducted a sit-in at Senator TRIBLE's Richmond office on March 21 will be tried for trespassing. Although Senator TRIBLE himself was subpoenaed by the Commonwealth to testify in that proceeding, a member of his staff who actually witnessed the event, Carol Johnson, has by mutual agreement been substituted as a respondent.

This resolution would direct the Senate Legal Counsel to represent both Senator TRIBLE, Ms. Johnson and any other members of the staff who may be asked to testify relative to this particular incident. It would also authorize the testimony of such staff at the initial trial as well as any subsequent appeals. Mr. President, I move adoption of the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 415) was agreed to.

The preamble was agreed to.

The resolution with its preamble, reads as follows:

S. RES. 415

Whereas, in the case of Commonwealth of Virginia v. Scott Bonner Benton, et al., Crim. No. 761GC86004126-00, pending in the General District Court, Richmond, Virginia, the prosecution has obtained a subpoena for the testimony of Senator Paul S. Trible, Jr.;

Whereas, Carol Ann Johnson, Richmond Office Assistant to Senator Trible, has by agreement with the Assistant Commonwealth's Attorney been substituted as a subpoena respondent;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. 288b(a) and 288c(a)(2) (1982), the Senate may direct its counsel to represent Members or employees of the Senate with respect to subpoenas issued to them in their official capacity;

Whereas, by the privileges of the United States Senate and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that testimony of employees of the Senate is or may be needful for use in any court for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges and rights of the Senate: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent Senator Paul S. Trible, Jr., Carol Ann Johnson, and any other staff assistant of Senator Trible who may be asked to testify in the case of Commonwealth of Virginia v. Scott Bonner Benton, et al, or subsequent related proceedings.

Sec. 2. That Carol Ann Johnson and any other staff assistant of Senator Trible who may be asked is authorized to testify in the case of Commonwealth of Virginia v. Scott Bonner Benton, et al, including any appeals thereto, except concerning matters which may be privileged.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL INTERSTATE HIGHWAY DAY

Mr. DOLE. Mr. President, I ask unanimous consent that the Judiciary committee be discharged from further consideration of House Joint Resolution 636, National Interstate Highway Day, and I ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

Mr. BYRD. Mr. President, there is no objection on this side to the request for discharging the committee, and there is no objection to the request for immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection, the joint resolution will be considered as having been read twice by title.

Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The joint resolution (H.J. Res. 636) was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the resolution was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CRITICAL CARE WEEK

Mr. DOLE. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of House Joint Resolution 526, Critical Care Week, and I ask for its immediate consideration.

Mr. BYRD. Mr. President, there is no objection to either request.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 526) designating the week of May 25, 1986, through May 31, 1986, as "Critical Care Week."

The Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. The question is on the third reading and passage of the joint resolution.

The joint resolution (H.J. Res. 526) was ordered to a third reading, was read the third time, and passed.

The preamble was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SEQUESTRATION LIMITATION FOR CERTAIN LOAN GUARANTEES

Mr. DOLE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2416.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives.

Resolved, That the bill from the Senate (S. 2416) entitled "An Act to revise further the limitation applicable to chapter 37 of title 38, United States Code, for fiscal year 1986, for the purpose of implementing any order issued by the President for such fiscal year under any law providing for the sequestration of new loan guarantee commitments", do pass with the following amendments:

(1) Page 2, line 4, strike out ["$30,900,000,000".], and insert: "$40,000,000,000".

(2) Page 2, after line 7, insert:

SEC. 2. TREATMENT OF CERTAIN ADMINISTRATIVE EXPENSES.

(a) IN GENERAL.—Section 1824(b) of title 38, United States Code, is amended by adding at the end of following new sentence: "For purposes of this subsection, the term 'administrative expenses' shall not include expenses incurred by the Administrator for appraisals performed after February 1, 1986, on a contractual basis in connection with the liquidation of housing loans guaranteed, insured, or made under this chapter.".

(b) USE OF SAVING.—Any saving in the General Operating Expenses Account of the Veterans' Administration that results from the implementation of the amendment made by subsection (a) shall be used by the Administrator of Veterans' Affairs for the purpose of administering the housing, compensation, pension, and education programs in title 38, United States Code, in a more timely manner.

Amend the title so as to read: "An Act to revise further the limitation applicable to chapter 37 of title 38, United States Code, for fiscal year 1986, for the purpose of implementing any order issued by the President for such fiscal year under any law providing for the sequestration of new loan guarantee commitments, and for other purposes.".

Mr. DOLE. Mr. President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR JOINT REFERRAL ON THE INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1987

Mr. DOLE. Mr. President, I ask unanimous consent that once the Select Committee on Intelligence reports the Intelligence Authorization Act for Fiscal Year 1987, it be referred jointly to the Committees on Armed Services, the Judiciary, Foreign Relations, and Governmental Affairs for the 30 day time period provided in section 3(b) of Senate Resolution 400, 94th Congress; provided that the Committee on the Judiciary be restricted to the consideration of title V and section 603, the Committee on Foreign Relations be restricted to the consideration of title VI, and the Committee on Governmental Affairs be restricted to the consideration of sections 401 and 409; provided that if any of said committees fails to report said bill within the 30-day time limit, such committee shall be automatically discharged from further consideration of said bill in accordance with section 3(b) of Senate Resolution 400, 94th Congress.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE CALENDAR

Mr. DOLE. Mr. President, I inquire of the distinguished minority leader if he is in a position to confirm any or all of the following nominations on the Executive Calendar:

Calendar No. 784, under the Marine Corps; Calendar Nos. 789, 790, and 791, under the Coast Guard; Calendar Order No. 787, Marvin Duncan; Calendar Order No. 788, Frank Naylor; Calendar Order Nos. 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819; and the nominations placed on the Secretary's desk under the Coast Guard.

Mr. BYRD. Mr. President, reserving the right to object.

Mr. President, there is no objection on this side to the several nominees which have been identified by the distinguished majority leader and we are prepared to proceed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I appreciate the response of the minority leader.

I ask unanimous consent that the Senate go into executive session to consider the nominations just identified and that they be considered en bloc and confirmed en bloc.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

IN THE MARINE CORPS

The following-named colonels of the Marine Corps for promotion to the permanent grade of brigadier general, under title 10, United States Code, section 624:

James E. Sniffen	Jeremiah W. Pearson, III
John S. Grinalds	Walter E. Boomer
David V. Shuter	Frank A. Huey
Bobby G. Butcher	John A. Studds
George L. Cates	William M. Keys
Richard H. Huckaby	

FARM CREDIT ADMINISTRATION

Marvin Duncan, of Missouri, to be a member of the Farm Credit Administration Board, Farm Credit Administration, for a term of 4 years, new position.

Frank W. Naylor, Jr., of Virginia, to be a member of the Farm Credit Administration Board, Farm Credit Administration, for a term of 6 years, new position.

IN THE COAST GUARD

Vice Adm. Paul A. Yost, Jr., U.S. Coast Guard, to be Commandant, U.S. Coast Guard for a term of 4 years with the grade of admiral while so serving.

Rear Adm. James C. Irwin, U.S. Coast Guard, to be the Vice Commandant, U.S. Coast Guard with the grade of vice admiral while so serving.

Rear Adm. Donald C. Thompson, U.S. Coast Guard, to be the Commander, U.S. Coast Guard Atlantic Area with the grade of vice admiral while so serving.

HARRY S. TRUMAN SCHOLARSHIP FOUNDATION

Richard J. Fitzgerald, of Illinois, to be a member of the Board of Trustees of the Harry S. Truman Scholarship Foundation for a term expiring December 10, 1991, reappointment.

NATIONAL COUNCIL ON THE HANDICAPPED

Nanette Fabray MacDougall, of California, to be a member of the National Council on the Handicapped for a term expiring September 17, 1987, reappointment.

John F. Mills, of Virginia, to be a member of the National Council on the Handicapped for a term expiring September 17, 1988.

Robert S. Muller, of Michigan, to be a member of the National Council on the Handicapped for a term expiring September 17, 1988.

Brenda Premo, of California, to be a member of the National Council on the Handicapped for a term expiring September 17, 1988.

Phyllis D. Zlotnick, of Connecticut, to be a member of the National Council on the Handicapped for a term expiring September 17, 1988.

DEPARTMENT OF LABOR

Paula V. Smith, of Missouri, to be Administrator of the Wage and Hour Division, Department of Labor.

John A. Pendergrass, of Minnesota, to be an Assistant Secretary of Labor.

Salvatore R. Martoche, of New York, to be an Assistant Secretary of Labor.

RAILROAD RETIREMENT BOARD

Charles J. Chamberlain, of Illinois, to be a member of the Railroad Retirement Board for the term of 5 years from August 29, 1984, reappointment.

U.S. INSTITUTE OF PEACE

Morris I. Leibman, of Illinois, to be a Member of the Board of Directors of the U.S. Institute of Peace for a term of 2 years expiring January 19, 1987, new position.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Phyllis P. Berney, of Wisconsin, to be a member of the National Council on the Arts for a term expiring September 3, 1990.

Lynne Vincent Cheney, of Wyoming, to be chairperson of the National Endowment for the Humanities for a term of 4 years.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE COAST GUARD

Coast Guard nominations beginning Alan R. Dujenski, and ending Robert S. Samuelson, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 12, 1986.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the several nominations were confirmed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONFIRMATION OF THE NOMINATION OF ROBERT S. MULLER

Mr. RIEGLE. Mr. President, I am pleased to support the nomination of Robert S. Muller to serve on the National Council on the Handicapped. Mr. Muller is a resident of Grand Rapids, MI, and has been an outstanding member of the community for many years. He was educated at Aquinas College in Grand Rapids, and has been an active alumnus and faculty member. He has served as chairman of the National Roundtable on Corporate Development for Americans with Disabilities, and has distinguished himself as a strong supporter of opportunities for handicapped citizens. I am sure that his wife, children, and friends in Grand Rapids are justifiably proud of his achievements.

Mr. Muller is also a recipient of the Michigan Handicapped American of the Year Award as well as other awards and honorary degrees which acknowledge his value to the community. I am proud to support such a distinguished nominee from my State, and I am sure that he will serve ably as a member of the National Council on the Handicapped.

CONFIRMATION OF THE NOMINATION OF MORRIS LEIBMAN AND CHARLES CHAMBERLAIN

Mr. SIMON. Mr. President, today we will consider several nominees from the State of Illinois for various positions. They are Morris Leibman, nominee as a member of the U.S. Peace Institute; and Charles Chamberlain, nominee as a member of the Railroad Retirement Board.

Mr. Morris Leibman is a senior partner in the Chicago-based law firm of Sidley and Austin. He has served in Federal Government, he has supported numerous local and national organizations and has been active in the American Jewish community. His personal interest in the Peace Institute and its goals recommend him highly to be a member of the board and I am pleased that the Committee on Labor and Human Resources took action this week and the full Senate has taken action today to confirm him.

Charles Chamberlain has been nominated as a labor member of the U.S. Railroad Retirement Board. He was born in Ashton, IL, and now lives in Crystal Lake, IL. He is a member of the Brotherhood of Railway Signalmen and was originally appointed by President Carter to the Board on October 24, 1977, to fill an unexpired term ending in 1978. He was subsequently reappointed to a 5-year term on the Board and has served well during this time. I am pleased to support his renomination and am glad that his nomination has been confirmed today.

CONFIRMATION OF THE NOMINATION OF LYNNE CHENEY

Mr. KENNEDY. Mr. President, I support the nomination of Dr. Lynne Cheney for the position of chairperson of the National Endowment for the Humanities.

As the ranking minority member of the Committee on Labor and Human Resources, I have a longstanding commitment to the Humanities Endowment. I believe that the agency's role in suppport of the humanities is an important one.

As with its sister agency, the Arts Endowment, the National Endowment for the Humanities acts as a catalyst to bring additional support to exceptional humanities projects and programs. NEH support signals excellence and peer review endorsement.

I am confident that Lynne Cheney will bring leadership and vision to the Endowment. It has been a personal pleasure for me to work with her on the Bicentennial Commission for the last year. She is an exceptionally perceptive and articulate individual whom I am sure will be an effective advocate for the humanities.

Not surprisingly, the entire humanities constituency, scholars, students, members of the higher education community, have endorsed this nomination. She enjoys, as well, the support of the Labor Committee.

I very much look forward to working with Dr. Cheney to develop long-term goals and direction for the Endowment. NEH has an important mission to encourage scholarship and understanding of the humanities and I know that this mandate will be fully realized under her leadership.

I commend her to my colleagues.

CONFIRMATION OF THE NOMINATION OF LYNNE CHENEY

Mr. SIMPSON. Mr. President, it is such a special pleasure to say a few words today on behalf of the nomination of Lynne Cheney to serve as the Chairperson of the National Endowment for the Humanities.

Lynne Cheney is just a very special lady—a superb person. Furthermore, she is remarkably talented. Her background—both in educational credentials and in professional achievements—is rock solid and noteworthy.

She is an accomplished writer—who has achieved national recognition for both her fictional and nonfictional works.

A particular feature of her educational, professional and personal background, which is the source of special pride for Lynne herself and for so many of us who deeply admire her, is her strong and broad roots in the State of Wyoming. She is indeed "one of us."

Lynne Cheney was born in Casper, WY, and grew up there—and married a very sharp and talented young local

fellow named DICK CHENEY who currently represents our State in the U.S. House of Representatives. What a superb pair they are.

Lynne has written extensively about Wyoming in her many publications. Cheyenne, WY, served as the setting for one of her books—Sisters. She has been actively involved in the University of Wyoming—as an instructor and lecturer. In fact, Lynne serves as a unique representative of the many women who have achieved prominence and recognition in our State. Wyoming has a long and very proud tradition of recognizing the contributions of its women—since the first territorial legislature in 1869, when women were accorded full suffrage. Ours is the "equality State"—the first government to extend the right to vote to women.

Lynne has earned this special recognition among her fellow Wyomingites for her well regarded talents as a novelist, feature writer, professor, and editor. She is a can do person in the best sense of the phrase. Lynne has our love and respect because she is just a fine person—and that is also an important quality to bring to Government service.

My deal friend, Congressman DICK CHENEY, Lynne and their two daughters, Mary and Elizabeth, draw strength and support from one another. Ann and I cherish their friendship. They all pursue their goals with the vision and spirit and enthusiasm that comes from such a close union. And that is the extra dimension that Lynne Cheney brings with her to this position—the dimension of a human being who has lived and shared a full life, experiencing the things that serve to round us out.

It would not really be possible for the Senate to consider a nominee more appropriately suited to the task of Chairperson of the National Endowment for the Humanities than Lynne Cheney. Professionally, she has achieved the deep respect of all who have known her. And personally, she is a caring, articulate, thoughtful and compassionate human being.

Lynne Cheney will bring to the National Endowment for the Humanities the same energy, dedication, common sense, great spirit, enthusiasm and intelligence that she has demonstrated in all of her personal and professional endeavors.

The President has made an excellent choice in nominating Lynne Cheney to serve in this important post. I commend her nomination to the full Senate without any hesitation or reservation whatsoever.

CONFIRMATION OF THE NOMINATIONS OF FRANK W. NAYLOR, JR., AND MARVIN R. DUNCAN

Mr. DOLE. Mr. President, today the Senate has confirmed the nominations of Frank W. Naylor, Jr., and Marvin R. Duncan to the Farm Credit Administration [FCA] Board.

FCA BOARD

The Farm Credit Amendments Act of 1985, signed into law on December 23, was an important step taken by Congress and the administration to restore confidence in the Farm Credit System [FCS] throughout the farm belt. It was hoped the legislation would assist the FCS in making the necessary internal reforms needed to remain as a viable and healthy lender of agricultural credit.

The new act restructured the Farm Credit Administration into an independent agency in the executive branch composed of the Farm Credit Administration Board. Under the act, the management of the FCA is left up to the FCA Board consisting of three members appointed by the President with the advice and consent of the Senate. The President was directed to appoint one member as Chairman of the Board and to appoint no more than two members from the same political party. Mr. Naylor has been chosen to head the new Board.

TERMS AND POWERS

FCA Board members will have terms of 6 years, except the first two members appointed to the Board, excluding the Chairman, will serve a term of 2 years and 4 years. The first two members can then be reappointed to a full 6-year term. Otherwise, members will not be allowed to succeed themselves. The Board is directed to meet at least monthly with a quorum consisting of two members.

Included in the powers of the Board are the approval of rules and regulations for implementation of the act and the examination of the condition, regulation, and performance of FCS institutions. The Chairman of the Board is directed to consult with the Secretary of the Treasury, with the Board of Governors of the Federal Reserve System and with the Secretary of Agriculture in connection with system policies on farmers and the agricultural economy.

NOMINATION PROCESS

Mr. President, I have been advised the White House has selected a member to fill the third position on the Board and is in the process of getting a final clearance check before a public announcement is made. I have stated on a couple of occasions on the Senate floor the necessity of getting the FCA Board operative. It is the responsibility of the new FCA Board and the Capital Corporation, once they are appointed and organized, to help alleviate the confusion in the countryside over the contradictory policies being followed by the regional FCS districts and their member institutions.

CONGRESSIONAL INTEREST

Mr. President, many of my colleagues would agree that we should move swiftly on the confirmation of the FCA Board. I believe this has been underscored by recent actions in both Houses. Last week, I introduced Senate Concurrent Resolution 138, a bipartisan resolution sponsored by over 60 Senators urging the FCS to practice forbearance instead of foreclosure on its borrowers and encouraging the FCA to follow the guidelines announced recently by regulators of commercial lenders. A similar measure was passed last week in the House on a unanimous vote.

I would just suggest that a vast majority of Members in both Houses want to ensure that the pending reform of the FCS will proceed in a reasonable and timely manner. We gave assurance today by confirmation of Mr. Naylor and Mr. Duncan.

STRONG CONGRESSIONAL SUPPORT

Mr. President, I would like to comment briefly on the background of Mr. Naylor and Mr. Duncan. Many of my colleagues, especially those on the Agriculture Committee, are aware of Mr. Naylor's involvement in developing the farm bill, the farm credit bill, and other farm-related legislation. I have been personally appreciative of the fine working relationship I have had with Frank Naylor and I know many of my colleagues here would say the same about their working relationship with him.

BACKGROUND OF FRANK NAYLOR

Frank Naylor is a native of Kansas. His family's ancestors homesteaded in Kansas in the 1850's. He grew up in Kansas and attended the University of Kansas in 1961. After serving in Vietnam, he moved to Washington in 1969 as Deputy Director of the Federal Crop Insurance Corporation [FDIC]. He continued to gain experience as a financial manager by becoming Associate Administrator of the Farmers Home Administration [FmHA] in 1973 and Administrator in 1976.

After 4 years in California with the Farm Credit System, he returned to Washington as Under Secretary of Agriculture. This progressive series of responsibilities in the field of agricultural credit has given him a broad background that I feel is essential to anyone taking on the responsibility of guiding the Farm Credit Administration in this time of transition and change.

BACKGROUND OF MARVIN DUNCAN

Mr. President, I have also been able to work with Marvin Duncan on several occasions and have found him very helpful to my efforts. Dr. Duncan is Senior Deputy Governor of the FCA and is responsible for directing strategic planning for the agency.

Before joining the FCA, Dr. Duncan was a vice president and economist with the Federal Reserve Bank of Kansas City where he headed the regional economics group within the Economic Research Department and was responsible for directing research

in agriculture, energy, and regional economics. Dr. Duncan has also spent many years in farm management and agribusiness and has served on the faculties of North Dakota State University and Iowa State University.

CONCLUSION

Mr. President, I would just conclude by stating that the confirmation nominations of Frank Naylor and Marvin Duncan will help to ensure the strength and soundness of the farm credit system.

CONFIRMATION OF THE NOMINATIONS OF FRANK W. NAYLOR, JR., AND DR. MARVIN R. DUNCAN

Mr. HELMS. Mr. President, I am delighted that these nominees have been confirmed by the Senate. Both of these gentlemen are well known to many Senators. Frank W. Naylor, Jr., has served admirably as Under Secretary of Small Community and Rural Development for the Department of Agriculture since 1981. In this capacity, he has been at the forefront of policy development in agricultural credit for the administration. Many of us have worked closely with him over the years and know the depth of his understanding about this most critical subject.

Dr. Marvin R. Duncan has served as Senior Deputy Governor for the Farm Credit Administration since last August and was actively involved with the development of the Farm Credit Act Amendments of 1985. Subsequent to assuming the position at FCA, Dr. Duncan had served as vice president and economist of the Federal Reserve Bank of Kansas City. He has been deeply involved with agriculture all of his life and brings a personal perspective to service on the Board.

I am pleased that the President has nominated two individuals with the qualifications that Mr. Naylor and Dr. Duncan obviously possess. I am equally pleased that Frank Naylor and Marvin Duncan are willing to make the sacrifices necessary to serve in these most difficult positions.

We are all aware that these are not easy times in some segments of the agricultural community. And, in many ways, the toughest job will be to ensure that the Farm Credit System remains a reliable provider of credit to farmers and ranchers all across the country. The responsibility of the Farm Credit Administration is to regulate the banks and associations of the System and will, therefore, play a vital role in its future.

It is absolutely essential that we have persons appointed to these positions who will immediately provide the leadership necessary to resolve the problems confronting the Farm Credit System. I am pleased to support both nominees, and the Senate has acted quickly to confirm them so that they might proceed with the difficult task at hand.

Mr. DOLE. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate resume legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CERTAIN ACTION ON JUNE 2, 1986

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate convenes on June 2, at 2 p.m., the reading of the Journal be dispensed with; that no resolutions come over under the rule; that the call of the calendar be dispensed with; that following the recognition of the two leaders under the standing order, there be special orders in favor of the following Senators for not to exceed 5 minutes each: Senators HAWKINS, THURMOND, CRANSTON, PRESSLER, PROXMIRE, MATHIAS, and GORE; to be followed by a period for the transaction of routine morning business not to extend beyond 3 p.m., with Senators permitted to speak therein for not more than 5 minutes each; provided, further, that the morning hour be deemed to have expired.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO FILE REPORTS ON THURSDAY, MAY 29, 1986

Mr. DOLE. Mr. President, I ask unanimous consent that during the adjournment of the Senate, committees be authorized to file reports between 10 a.m. and 12 noon on Thursday, May 29.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I understand that one report to be filed during that time will be the report on the tax reform bill.

PROGRAM FOR MONDAY, JUNE 2, 1986

Mr. DOLE. Mr. President, to recap for Monday, June 2, 1986, first I remind my colleagues that is the day the Senate goes public as far as televising the Senate proceedings.

We will convene that day at 2 p.m.

ROUTINE MORNING BUSINESS

After the special orders identified earlier for Senators HAWKINS, THURMOND, CRANSTON, PRESSLER, PROXMIRE, MATHIAS, and GORE for not to exceed 5 minutes each, there will be routine morning business not to extend beyond the hour of 3 p.m. with Senators permitted to speak therein for not more than 5 minutes each.

Then we will move to the higher education bill, S. 1965.

It is my understanding after visiting with the chairman and the Secretary of Education today that the bill may be disposed of without too many amendments. I know the Secretary of Education indicated that he had a number of amendments, and they were delivered to the chairman of the Education Committee, Senator STAFFORD.

It is also my understanding that there are 50 cosponsors to the Higher Education Act. It is a bipartisan bill. It is my hope that we can dispose of that bill no later than Tuesday.

It then would be my intention on late Tuesday, or Wednesday, depending upon the wishes of the distinguished chairman of the Finance Committee, Senator PACKWOOD, to turn to the tax reform bill.

That will have given the Budget Committee adequate time to provide the waiver needed to proceed to the tax bill.

I guess they can keep the tax bill for up to 10 days. But I am advised again by the chairman that I believe they can take care of the committee concerns in a matter of 48 hours.

There will be no rollcall votes on Monday.

So, hopefully, on Wednesday, we would be on the historic Tax Reform Act, and then on Thursday under the previous agreement we would set-aside the tax bill on Thursday, the fifth, and proceed to the consideration of the message on the Presidential veto.

Then, after 2 o'clock, after that is disposed of, we will be back on tax reform.

Again, I do not know what the chairman, Senator PACKWOOD, wishes or has in mind for a Friday session. But I assume we will be in a position to indicate that to our colleagues maybe as early as Tuesday, the third.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The minority leader.

DEATH OF EVO ANTON DECONCINI, FATHER OF SENATOR DECONCINI

Mr. BYRD. Mr. President, it is with deep sorrow that I note that Evo Anton DeConcini, the father of our distinguished colleague from Arizona, passed away yesterday at the age of 85.

Born March 25, 1901, he was the son of an immigrant Austrian father and Italian mother.

A graduate of the University of Arizona and the University of Arizona School of Law Mr. DeConcini was successful in building the family's expan-

sive real estate and development business.

He also had an active and successful political career serving as Pima County Superior Court Judge—1941-46—and Arizona Supreme Court Judge (1949-53), positions which earned him the nickname "The Judge." He served as chairman of the Pima County, AZ, Democratic Party—1940—and chairman of the Arizona State Democratic Party—1956-57.

In addition to his business and political careers, Mr. DeConcini was an important and active member of his community. He served as president of the Tucson Community Chest and the Tucson Social Service Exchange, and as chairman of a campaign to raise $1 million for improvements in a local hospital.

Foremost, he was a dedicated family man. Senator DECONCINI said his father "was a role model for his children, and he encouraged us to reach out, to stretch ourselves, when pursuing our goals."

□ 1910

My condolences and my wife's condolences, and I am sure I speak for all of our colleagues in the Senate, go to his wife, Ora, his daughter, Danielle Thu, and son, Dino, as well as to our esteemed colleague, Senator DENNIS DECONCINI.

Mr. President, I ask unanimous consent that an article with regard to Mr. DeConcini from the Arizona Daily Star be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EVO A. DECONCINI, PROMINENT DEMOCRAT, EX-JUSTICE OF SUPREME COURT, DIES AT 85

(By Joe Burchell)

Evo Anton DeConcini, a prominent Democrat, former Arizona Supreme Court justice and the father of U.S. Sen. Dennis DeConcini, died yesterday at age 85.

A family spokesman said DeConcini had been ill from several ailments for about a month. He died in his sleep at 5:30 a.m. at St. Josephs Hospital. The probable cause of death was heart failure.

DeConcini was often called "the judge," a reference to his years as a Supreme Court judge in Pima County, from 1941 through 1946, and a state Supreme Court justice from 1949 through 1953.

He was also the founder of the DeConcini fortune, made in real estate.

Sen. Dennis DeConcini, D-Ariz., was last with his father for several hours on Saturday.

"My father will be missed by many," he said yesterday. "He had a close and loving relationship with his wife and children. He was a role model for his children, and he encouraged us to reach out, to stretch ourselves, when pursuing our goals."

Former Gov. Sam Goddard, a Democrat and former Tucsonan who now lives in Phoenix, remembers DeConcini for more than just his contributions to Arizona's political history.

Goddard was in one of the first post-World War II classes to go through the University of Arizona law school. Rep. Morris K. Udall, D-Ariz. and former Democratic Gov. Raul Castro were in the same class. Former Democratic Congressman Stewart Udall was a year ahead of them.

Morris Udall yesterday described DeConcini as "one of the outstanding Arizonans of his generation."

"He was our patron saint," Goddard said of DeConcini. From his position of influence, DeConcini helped the soldiers-turned-students find jobs, counseled them, and helped them set up a nursery for the families many of them were already raising, Goddard said.

Although DeConcini is most widely recognized for his political and business achievements, U.S. District Judge Richard Bilby said he remembers DeConcini as "a fine lawyer. He knew the law and he knew how to get things done."

As two members of Tucson's tiny legal community of 50 years ago, Bilby's father and DeConcini had been close personal friends for many years and their families spent a great deal of time together since they only lived a few blocks apart.

The only blemish on DeConcini's public image came from an incident that seemed to link his family to the Mafia. In 1954, DeConcini was one of six Tucson residents who testified as character witnesses for Joseph Bonanno, a fellow Tucson resident as well as a reputed Mafia chief.

DeConcini was born March 25, 1901, in Iron Mountain, Mich. He was the son of an immigrant Austrian father and an Italian mother.

He moved to Tucson with his sister Alice in 1921, two years after graduating from high school in Wisconsin. After a brief fling at the hotel business, they moved on to Los Angeles, but returned nine months later to stay.

DeConcini went to work in a service station and started attending the University of Arizona part time.

During this period, he started subdividing and selling land in what has now become the center of the city. That sowed the seeds for the family's expansive real estate and development business.

In 1932, DeConcini graduated from the UA law school and married Ora Webster, a school teacher who had moved to Tucson from Thatcher a few years earlier. In 1933 he was admitted to the bar.

A year later he became involved in politics, working for the election of Democrat John L. Sullivan as attorney general. DeConcini was credited with engineering a successful Sullivan campaign in Pima County and was rewarded with an assistant attorney general's position in 1935.

DeConcini left the Attorney General's Office the next year to run for Pima County attorney.

He lost, finishing third in a Democratic primary.

Until his most recent illness, DeConcini regularly attended Democratic party functions, Democratic National Committeeman, Martin Bacal said.

And many Democratic candidate headquarters, including the county party headquarters, are leased from the DeConcini family, often at favorable rates.

He also passed the political bug along to the other members of his family.

Besides the senator, another son, Dino, was an aid to former Democratic Gov. Raul Castro and an unsuccessful candidate for attorney general. Ora DeConcini is a former Democratic National Committeewoman. His cousin, Evo J. DeConcini, is a hearing officer for the Arizona Corporation Commission.

In 1941, DeConcini received an appointment to the state Board of Regents, but he resigned less than a year later after he was appointed as a Pima County Superior Court judge, a position he held until his term expired in 1946.

Sullivan resigned the attorney general's post in the wake of a bribery scandal in 1947, 13 years after DeConcini helped him to get elected. DeConcini was appointed to serve out the remaining year of his term.

Rather than stay in the Attorney General's Office at the end of that year, DeConcini opted instead to run for a seat on the Arizona Supreme Court in 1948. The campaign was successful.

DeConcini did not seek re-election when he completed his term in 1953. He returned to Tucson to reenter private law practice and manage his real estate investments.

His other political activities included terms as chairman of the Pima County Democratic Party in 1940 and chairman of the state party in 1956-57.

DeConcini also served as director and president of the Tucson Community Chest, and was the first president of the Tucson Social Service Exchange.

In 1948, he was general chairman of a campaign to raise $1 million for improvements at St. Mary's Hospital and also helped raise money for St. Joseph's Hospital and the now defunct Comstock Charity Hospital.

He was active in the Pima County Bar Association and was its president in 1956.

He also was a member of the Fellows of the American Bar Foundation, several state and county bar associations, the American Judicature Society, the legal fraternity Phi Alpha Delta and the Western division board of National Probation and Parole Association.

His club and lodge memberships included Elks, Moose, Old Pueblo Club, Round Table, Sierra Club and the Italian-American Club.

DeConcini was awarded the Star of Solidarity by the Republic of Italy in 1954, the Medallion of Merit by the UA in 1959, and the Award of Merit of the UA alumni in 1963.

He is survived by his wife, Ora; a daughter, Danielle Thu of Tucson; sons Dennis and Dino, of Phoenix, and David of Tucson; and 12 grandchildren.

There will be a rosary for DeConcini at 8 p.m. tomorrow at the Newman Catholic Student Center, 1625 E. Second St.

Funeral services will be at 9 a.m. Friday at SS. Peter and Paul Church, North Campbell Avenue and East Lee Street, followed by a graveside service at Holy Hope Cemetery.

The family requests memorials in DeConcini's name be made to Meals for Millions or the Community Food Bank.

Mr. BYRD. Mr. President, I thank the distinguished majority leader.

Mr. DOLE. Mr. President, I certainly want to join the distinguished minority leader in the comments he just made with reference to the father of the distinguished Senator from Arizona [Mr. DECONCINI].

BIG DECISIONS AHEAD

Mr. DOLE. Mr. President, at the close of business today, we reach a key

milestone on this year's legislative journey. We have come a long way, but there are many miles to go. Before us are issues of tremendous importance, some historic in nature. When we return from the Memorial Day recess, my priority will be action on the Senate Finance Committee's revolutionary tax reform package. Working with Chairman BOB PACKWOOD, I hope to be debating this legislation as early as June 3d or 4th. Enacting true tax reform will affect the lives of every American; in my view, for the better. After all, the taxpayers have suffered with the current system of inequity and confusion long enough. During our time back home, we will hear the voice of the people loud and clear on tax reform. Let us bring their common sense back to Washington with us.

At the same time, House and Senate budget conferees will hopefully hammer out a budget- and deficit-reduction plan for 1987. Once that goal is accomplished, we can push ahead with appropriations bills, and committees can begin drafting legislation to achieve their reconciliation savings.

TWO CRITICAL ECONOMIC ISSUES

No two issues are more critical to the health and well-being of the U.S. economy than the tax bill and budget. If Congress can accomplish those twin goals, the amazing period of economic prosperity we have witnessed during the past 4 years, will continue into the foreseeable future.

There is yet another major hurdle in our path—an issue that transcends our own borders and transcends party lines--trade. I am pleased that the Senate Finance Committee opened hearings on the bipartisan omnibus trade bill last week. And I hope that after we finish floor action on the tax bill, the committee can begin serious consideration of major trade reform. We need tough legislation that will guarantee fair trade and fair play overseas. There is simply too much at stake in terms of American jobs to let this issue get away from us.

CONCLUSION

So there it is, Mr. President. As I said at the outset, we have quite a challenge before us. But the potential benefits for the country should be more than enough reason to get us moving. The truth is, we are running short on time. Come June 2, there will be only 65 legislative days before our scheduled adjournment date.

There is one wild card in all of this that just might make the difference—television. When the distinguished Senator from South Carolina [STROM THURMOND] opens this Chamber at 2 p.m. on June 2, America will be watching. For the first time, Senate proceedings will be beamed coast to coast for home viewing and for use on the evening news. This historic breakthrough could be the catalyst for real action. The people will demand nothing less. If they don't like what they are seeing, you can bet we will hear about it—and that is just what we need.

I wish all of my colleagues a safe, happy, and fruitful recess. Spend time with your families, friends, and constituents. Please get some rest. It is going to be a sprint to the finish.

ADJOURNMENT UNTIL MONDAY, JUNE 2, 1986, AT 2 P.M.

Mr. DOLE. Mr. President, there being no further business to come before the Senate, I move that we stand in adjournment, in accordance with Senate Concurrent Resolution 144, until Monday, June 2, 1986, at 2 p.m.

The motion was agreed to and, at 7:10 p.m., the Senate adjourned until Monday, June 2, 1986, at 2 p.m.

NOMINATIONS

Executive nominations received by the Senate May 21, 1986:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

J. Michael Dorsey, of Missouri, to be an Assistant Secretary of Housing and Urban Development, vice Warren T. Lindquist, resigned.

DEPARTMENT OF JUSTICE

William H. Ewing, Jr., of Tennessee, to be U.S. attorney for the western district of Tennessee for the term of 4 years, reappointment).

IN THE AIR FORCE

The following midshipmen, U.S. Naval Academy, for appointment as second lieutenants in the Regular Air Force, under the provisions of sections 541 and 531, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

Averett M. Allen, [redacted]
Robert C. Black, [redacted]
Kenneth A. Reiman, [redacted]
John T. Singel, [redacted]
Larry S. Walker, [redacted]

IN THE MARINE CORPS

The following-named Marine Corps Enlisted Commissioning Education Program graduate for permanent appointment to the grade of second lieutenant in the U.S. Marine Corps, pursuant to title 10, United States Code section 531:

James J. Justice, 5350.

IN THE NAVY

The following-named lieutenant commanders in the staff corps of the Navy for promotion to the permanent grade of commander, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

MEDICAL CORPS (210X)

Adams, David B.
Adams, Henry George
Alexander, Charlotte E.
Alexander, James Charle
Alexander, James Thomas
Almond, Myron David
Anderson, Mary Alice
Andersonprotzel, Cris J.
Andrus, Christine Mille
Babcock, Nolan C.
Baer, Karl Guther
Barkhoff, Rise Lavonne
Batten, George B.
Batten, Kristine Witmer
Bebout, Robert G.
Bergfield, Thomas G.
Beyer, Gregory L.
Bishop, John W.
Boice, Douglas Brittin
Bosse, Michael Joseph
Boston, Edward G.
Brodine, Stephanie Kay
Brower, Richard A.
Browning, Mark D.
Buchta, Kathryn, Slomins
Buck, Richard Lawrence
Bundens, Warner Perry
Burwell, Richard Keith
Butler, Frank Kennedy J.
Calebaugh, Donald Lawre
Carson, John Frederick
Chalmers, Antonia Co.
Chobanian, Sarkis J.
Clapper, Mark F.
Clement, Patrick A.
Clemons, Peter Michael
Coleman, Calude Leroy
Collins, William Thomas
Congleton, Michael Will
Corbett, David W.
Corrall, Carmen J.
Crane, Jeffrey M.
Cueva, Mary Carolina
Cullison, Thomas R.
Daniel, Thomas E.
Davee, Thomas Southerla
Davenport, Nicholas Ant
Dolney, James Kenneth
Ducatman, Alan Marc
Eastman, Thomas Wayne
Eaton, Peter Wesley
Eder, William Ruppert
Elegado, Benicio Diaz
Elledge, Elliott Freder
Esposito, Paul W.
Faith, William T.
Ferry, Philip J., III
Foote, Norman Noel
Forehand, Ronald L.
Fraser, James R.
Fredericks, Michael Roy
Gabriel, Keith R.
Galdi, Albert Peter
Getz, Stanley B., Jr.
Gibson, Kim Fricke
Glessner, Steven F.
Goldstein, Richard Step
Gonzalez, Xavier Lopez
Goodman, Floyd Keith
Greif, Jon Meredith
Hamelberg, Kim S.
Hansen, Harold Wayne
Hansen, Marshall P.
Harries, Thomas Joseph
Harvey, Joan
Harviel, Jay Duncan
Hayes, Francis M., Jr.
Henry, Robert A., Jr.
Hess, Leonard W.
Hibbs, Richard G., Jr.
Hickey, Therese Marie
Hinkson, Montgomery
Hoffman, Stephen Lev
Holmes, Elaine Campbell
Hoskins, Iffat Abbasi
Houkom, John Arnold
Howard, Richard Karl
Howell, Harold Blane
Hughes, William Edward
Hunt, Wesley Scott
Hynd, Robert F.
Jaindl, Jeffrey J.
Jenkins, Fitzgerald Hun

Johanek, Michael Freema
Johnson, Robert P.
Johnson, Wayne T.
Jones, Dan Michael
Jones, Edgar T.
Kent, Peter D.
Khan, Anjum
Kim, Byung Jin Min
Klos, Joseph Rodney
Kuczler, Frank John, Jr.
Lamb, Harold Bransford
Lammert, Gary R.
Larned, David C.
Larosa, John Joseph
Liston, William A.
Little, William Luverne
Logue, Michael J.
Luhn, Roderick Fenner
Lukowski, Peter Joseph
Lundgrin, Daryl Brent
Martin, Lawrence K., Jr.
Matecjun, John Matthew
Mathis, William F.
Mayers, Douglas Lytle
Mayo, Joseph F., Jr.
McIver, Ronald Allen
McLellan, David Curtis
Metz, Stephen Allan
Miller, Stephen A.
Miller, William Farring
Mills, John William
Montgomery, Jay R.
Moore, Homer J., Jr.
Moore, Thomas R.
Murphy, Mark Edwin
Nading, John Henry
Nagi, Constance
Nanfro, John J.
Nash, John D.
Newcomer, John Allen
Nishida, Dennis Douglas
Noack, Nelleen G.
Nolan, Thomas E.
Norconk, James Joseph J.
Olafson, Raymond Paul
Opoliner, Lawrence Harv
Pakzad, Mehdi
Paleologo, Fred Peter
Piech, Richard Frank
Platzer, Peter Benham
Pon, Eugene
Potter, Henry Gilbert
Pratt, Michael Francis
Prophete, Robert Y.
Pugh, Basil Lester
Ragan, Joseph N.
Ray, Joel W.
Rice, Linda Jo
Robertson, David Wayne
Rose, Jerry Wade
Rosenstock, Joel
Russell, John Michael
Saul, William L.
Savage, Robert M.
Scherokman, Barbara Jea
Scotti, Frank A.
Shea, William Michael
Shilling, William Arthu
Siemer, Daniel John
Simpkins, Cuthbert Ormo
Sizemore, Richard Tom I.
Smyth, Lawrence T., Jr.
Sollock, Ronald Lee
Soroka, Paul Z.
Sowell, James R.
Steger, James Warren
Tanksley, Radford D., Jr.
Taylor, Robert Elmore
Tedesco, Joseph M.
Terbush, James Wayne
Thompson, Craig Bernie
Timberlake, Gregory A.
Timtiman, Mercedita Tem
Turk, Kyong T.
Turner, James Angus
Turner, Sibley N.
Vernalis, Marina N.
Wand, Kevin Timothy
Warlick, Steven R.
Warren, Tony E.
Weatherby, Ellsworth, II
Weaver, John Edward
Welsch, Robert J.
White, John M., Jr.
Whitman, Monroe Calvin
Wilson, George Charles
Wilson, Terence Scott
Wittgrove, Alan Craig
Yunan, Evelina
Zaloga, Gary P.

SUPPLY CORPS (310X)

Adams, Mark Mathew
Alderman, Howard Leon
Anderson, James Samuel
Arinaga, Larry Kaoru
Ball, Edgar Scott, Jr.
Bell, William Ronald
Bernacki, William John, Jr.
Blount, William Thomas
Boyle, John Earl
Bristow, James Steven
Bristow, William Davis
Brown, Alfred Aster
Bunker, Thomas Allen
Carman, Kevin Ross
Carroll, Joseph David
Chudzinski, John Michael, Jr.
Cook, James Edward
Coon, Wynn Lewis
Cornely, Edward Phillip
Courter, David Earle
Cronauer, Harold Thomas, Jr.
Davidson, Mary Ellen
Davis, James Clifton III
Dismuke, Henry
Erno, Michael Leroy
Flores, Rufino Bartolome
Foley, George B.
Ford, David Alexander
Foster, Robert Leslie
Frank, Dennis Michael
Friedel, John Michael
Greiner, Robert Alfred
Grimes, Gary Charles
Hall, Kennard Ray
Hartman, Douglas Martin
Hauser, Christopher George
Hesch, Gerald Fank
Hiza, George William
Hoffer, Jayme Warren
Huber, Christopher Douglas
Hughes, Gary Jack
Hund, John Joseph
Jacobs, George Ross, III
Jacobson, Lee
Jaggard, Michael Francis
Jordan, Leonard Rice, III
Joslin, Richard Morten
Kellam, Steven Lloyd
Lambert, John Robert
Lancaster, Donald Deloes, Jr.
Lancaster, Merle Leon
Law, Robert Vincent
Leclair, Daniel Vincent
Maas, Steven Wells
Maiman, Dennis Paul
Mallon, Patrick Joseph
McGee, Gary Owen
McMican, William James
Merrill, Kenneth James, III
Milligan, Robert Lee
Mitchell, Dennis Floyd
Mitchell, Mark Leonard
Moore, James Berry
Morrision, Richard E. Paul, Jr.
Munson, Timothy Olin
Nelson, Stewart Albert
Orr, William David
Pinion, Edward Wesley
Popp, Ronnald Gordon
Porterfield, George Lawrence
Proctor, Leonard Lewis
Rountree, James Sumner
Rushing, Melvern Robert
Sanders, Robert Edinburgh
Sandy, Kathleen Ann
Schaffer, John Edward
Schmidt, Colman Arthur
Schrader, Thomas Diedrich
Simmons, John Richard
Sona, David Albert
Sorenson, Charles Eric
Sparks, George Francis
Sugermeyer, Robert Storck
Sullivan, Nicholas Martin
Thomas, Weldon Eugene
Thornton, Robert Gregory
Vandernoot, Craig Martin
Verostek, Ronald Francis
Wadsworth, David Barry
Waits, Clifford Holloway, Jr.
Wenzel, Kenneth Edmund
West, Paul Kenton
Westin, Mark David
Wortman, David Carl
Wright, William Arthur
Young, Mark Alan
Zimmermann, Bruce Edward

CHAPLAIN CORPS

Atwater, Jefferson D.
Belanus, Donald G.
Carter, John Thomas
Darcy, William John
De Long, Stanley William
Ferguson, Melvin Ray
Foster, Raymond Orville
Hamilton, Loy Blane
Kurilec, Robert Edward
May, Charles Henry
Oddo, Peter Andrew
Page, Roger W.
Peters, Michael nmn
Pierce, R. Bruce
Pucciarelli, George W.
Pyrch, Paul
Rowland, Robert Gene
Trawick, Milton Lamar
Vintinner, Gerald S.

CIVIL ENGINEER CORPS (510X)

Ackerbauer, Blair
Anderson, Lee Lawrence, Jr.
Augustin, James Henry, Jr.
Berriman, John Wallace
Bittle, James Earle
Boothe, Thomas Mattison,
Checkovich, James Keith
Clements, Neal Woodson, Jr.
Corbett, James Thomas
Doyle, John Raymond
Fritchen, David Rex
Galer, Kenneth Oriel
Goddard, Nelson George
Gorden, David William
Haas, Richard Fredrick, Jr.
Hutchins, Donald Bruce
Keene, Ronald Earl
Kendall, James Bruce
Kennedy, Michael Gray
Kleven, Courtney Craig
Knoll, Joseph Carl
Krochalis, Richard Francis
Leidholt, Deane Edward
Leonard, Donald Burgess
Miller, Steven Ridgely
Praskievicz, Michael Wallace
Roach, David Gepard
Rodriguez, Glenn Robert
Schlehr, Christopher George
Seltzer, George Harrison III
Shultz, Robert Larry
Sollenberger, Lee Andrew

Steinbrugge, Richard Leonard
Streicher, Burton Loyal
Wegener, Gary Raymond
White, Judson Henry, Jr.
Ybanez, Robert Enrique

JUDGE ADVOCATE GENERAL'S CORPS (250X)

Baggett, Joseph Edward
Becker, Fred Reinhardt
Champagne, Gerald Edwar
Halvorson, James E.
Horgan, Mark Michael
Ledvina, Thomas Neal
McLaughlin, Peter John
Ottie, Frederick N.
Parnell, Joe M.
Peace, David Leslie
Prochazka, Frank J
Radd, John David
Stimson, Paul M.
Tapajcik, John Michael
Walsh, Richard Francis

DENTAL CORPS (220X)

Anderson, Maxwell H.
Arendt, Douglas M.
Bezdek, Donald J.
Bookwalter, Charles
Boyd, William J., Jr.
Bramwell, John D.
Casella, Michael J.
Cathers, Samuel J.
Christian, Leslie Allen
Dern, William M.
Diehl, Mark C.
Dodd, Robin B.
Durkowski, Jerry S.
Durm, William B., IV
Eldridge, Marion C.
Engler, Robert A.
Fehling, Alfred W., Jr.
Flanigan, Timothy J.
Flath, Robert K.
Gloria, Joseph A.
Goodwin, David Andrew
Hamilton, Robert E.
Harrison, Kenneth Michael
Hart, Franklin Earl
Hill, Thomas Marshall
Huffman, Thomas Dean
Hunter, Alvin John
Hutto, Robert E.
Jones, Gordon K.
Kiselica, Lawrence D.
Knoppel, Dorothy Ellan
Koffler, David Gary
Kozlowski, Gregory G.
Kratochvil, Frank James
Lessmann, Ronald Paul
Little, Michael E.
Mathis, Barry James
McAmis, Ronald Wayne
Meyer, Daniel M.
Mork, Thomas O.
Moss, Stanley D.
Potter, Stephen Conrad
Richardson, Albert Charles
Sansom, Byron Paul
Schmid, Paul Edward
Turner, Charles
Turner, Harry Guthrie
Turner, Robert Jeffrey
Twohey, Sheila McCabe
Vinci, Richard C.
Waterman, Marc Norris
Weisenseel, John A.
Whitt, Joseph C.
Wiley, Paul Marshall
Yorty, Jack S.

MEDICAL SERVICE CORPS (230X)

Anderson, Charles Lawson
Ayers, Robert Ransome
Barina, Fred George, Jr.
Barnett, Phillip Jay
Beatty, Earl, III
Black, Ronald Wayne
Bohnet, Herbert F.
Bolduc, Paul R.
Bourgeois, August Louis
Campos, Theodore Ramiro
Carter, Robert Charles
Christopher, John Peter
Crittenden, George Howard
Davidson, Dennis Martin
Defibaugh, Thomas Richard
Derr, John David
Dittman, David
Estey, Melvyn Adams, Jr.
Evans, William Hector J.
Gammarano, Peter Vincent
Gervais, David Royal
Gibson, George E., Jr.
Greedan, Andre Michael
Grissom, Michael Phillip
Hughes, Haywood Nance
Jillson, Susan Gerhard
Jones, Buddy Lowell
Kramer, Jeffrey Allan
Lane, John Charles
Larocco, James Michael
Meyer, Michael
Mikkelsen, Donald John
Miller, Robert Martin
Morrison, Kathleen Doug
Moses, William Robert
Oldham, Richard Thomas
Parr, Laurence Fredrick
Rand, Bruce Paul
Rathjen, Roger Lee
Rockhill, Robert Clayton
Rooney, John Anthony
Rosciam, Charles Joseph
Sampson, Raymond Norman
Skog, Roy Reynold, Jr.
Smith, Donald Anthony
Vasquez, Jesse Hernande
Watts, Len Stanley
Weinberg, Sheila Ray
Zimmerman, Craig Alan
Zimmerman, John Harvey

NURSE CORPS (290X)

Brinckerhoff, Judith C.
Burns, Kathryn Patricia
Campbell, Mari Elizabeth
Carroll, Sue Miller
Cornish, David Luther
Cronin, Mary Ann
Ellis, Susan Lynn F.
Flynn, Mary Taylor
Foster, Irene Antoinett
Fridley, Julianne K.
Glenn, Judy Jean
Henbest, David
Jones, Donald Gerard
Kraper, Mary Julie
Kunkel, Ann Marie
Marine, Peggy Diane
McMahon, Linda Ungvarsk
Minnick, Kristine Ellen
O'Hare, Patricia Jeanne
Petersen, Patricia Lynn
Peterson, Janet Lou
Pruitt, Nancy Strohsche
Schemmer, Carol Lucy
Schulte, Linda Ann
Shelton, Mary Cornelius
Swan, Catherine Ann
Swanson, Jane Westmorel
Tomsky, Carol Nanette
Williams, Mary Deborah
Wright, Mitchell Paul
Young, Robert Raymond
Zabel, Nancy Diane

LIMITED DUTY OFFICER (SUPPLY) (651X)

Pratt, Walter John

CONFIRMATIONS

Executive nominations confirmed by the Senate May 21, 1986:

FARM CREDIT ADMINISTRATION

Marvin Duncan, of Missouri, to be a member of the Farm Credit Administration Board, Farm Credit Administration, for a term of 4 years.

Frank W. Naylor, Jr., of Virginia, to be a member of the Farm Credit Administration Board, Farm Credit Administration, for a term of 6 years.

IN THE COAST GUARD

Vice Adm. Paul A. Yost, Jr., U.S. Coast Guard, to be Commandant, U.S. Coast Guard for a term of 4 years with the grade of admiral while so serving.

Rear Adm. James C. Irwin, U.S. Coast Guard, to be the Vice Commandant, U.S. Coast Guard with the grade of vice admiral while so serving.

Rear Adm. Donald C. Thompson, U.S. Coast Guard, to be the commander, U.S. Coast Guard Atlantic Area with the grade of vice admiral while so serving.

HARRY S. TRUMAN SCHOLARSHIP FOUNDATION

Richard J. Fitzgerald, of Illinois, to be a member of the Board of Trustees of the Harry S. Truman Scholarship Foundation for a term expiring December 10, 1991.

NATIONAL COUNCIL ON THE HANDICAPPED

Nanette Fabray MacDougall, of California, to be a member of the National Council on the Handicapped for a term expiring September 17, 1987.

John F. Mills, of Virginia, to be a member of the National Council on the Handicapped for a term expiring September 17, 1988.

Robert S. Muller, of Michigan, to be a member of the National Council on the Handicapped for a term expiring September 17, 1988.

Brenda Premo, of California, to be a member of the National Council on the Handicapped for a term expiring September 17, 1988.

Phyllis D. Zlotnick, of Connecticut, to be a member of the National Council on the Handicapped for a term expiring September 17, 1988.

DEPARTMENT OF LABOR

Paula V. Smith, of Missouri, to be Administrator of the Wage and Hour Division, Department of Labor.

John A. Pendergrass, of Minnesota, to be an Assistant Secretary of Labor.

Salvatore R. Martoche, of New York, to be an Assistant Secretary of Labor.

RAILROAD RETIREMENT BOARD

Charles J. Chamberlain, of Illinois, to be a member of the Railroad Retirement Board for the term of 5 years from August 29, 1984.

U.S. INSTITUTE OF PEACE

Morris I. Leibman, of Illinois, to be a member of the Board of Directors of the U.S. Institute of Peace for a term of 2 years expiring January 19, 1987.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Phyllis P. Berney, of Wisconsin, to be a member of the National Council on the Arts for a term expiring September 3, 1990.

Lynne Vincent Cheney, of Wyoming, to be chairperson of the National Endowment for the Humanities for a term of 4 years.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify

before any duly constituted committee of the Senate.

IN THE MARINE CORPS

The following-named colonels of the Marine Corps for promotion to the permanent grade of brigadier general, under title 10, United States Code, section 624:

James E. Sniffen
John S. Grinalds
David V. Shuter
Bobby G. Butcher
George L. Cates
Richard H. Huckaby
Jeremiah W. Pearson, III
Walter E. Boomer
Frank A. Huey
John A. Studds
William M. Keys

IN THE COAST GUARD

Coast Guard nominations beginning Alan R. Dujenski, and ending Robert S. Samuelson, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on May 12, 1986.

EXTENSIONS OF REMARKS

FEDERAL COURT STRIKES DOWN PRESIDENTIAL DEFERRAL POWER

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 20, 1986

Mr. MORRISON of Connecticut. Mr. Speaker, on Friday May 16, the U.S. District Court for the District of Columbia issued a decision holding that the President lacks the power under the Impoundment Control Act of 1974 to defer spending of appropriated funds.

I am a plaintiff in one of the two consolidated cases, along with my colleagues, Mrs. BOXER, Mr. LOWRY of Washington, and Mr. SCHUMER, the National League of Cities, the U.S. Conference of Mayors, and a number of cities and other beneficiaries of funding under the affected programs. The city of New Haven, CT, in my district, is the plaintiff in the other case.

I want to share this important constitutional decision, which firmly upholds the Congress' power to control spending, with all my colleagues.

[U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA]

CITY OF NEW HAVEN, CONNECTICUT, PLAINTIFF, *v.*

UNITED STATES OF AMERICA, DEFENDANT.

CIVIL ACTION NO. 86-0455

NATIONAL LEAGUE OF CITIES, ET AL., PLAINTIFFS, *v.*

SAMUEL R. PIERCE, JR., ET AL., DEFENDANTS.

CIVIL ACTION NO. 86-0460

THE CITY OF CHICAGO, ET AL., PLAINTIFFS, *v.* UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, ET AL., DEFENDANTS.

CIVIL ACTION NO. 86-0967

MEMORANDUM AND ORDER

These consolidated cases, now before the Court on the parties' cross-motions for summary judgment, present a challenge to the President's deferral of the expenditure of funds appropriated by Congress for various domestic programs in fiscal 1986.[1] Specifically, plaintiffs contend that the statute pursuant to which the President has acted to defer "budget authority"[2] is unconstitutional by reason of the presence of an inseverable one-House legislative veto provision in the legislation as enacted. For the reasons set forth below, plaintiffs' motions for summary judgment will be granted, defendants' motion for summary judgment denied, and the declaratory and injunctive relief sought will be entered as prayed.

In November, 1985, President Reagan signed the fiscal year 1986 appropriations bill for the Department of Housing and Urban Development ("HUD"), Pub. L. No. 99-160, 99 Stat. 909 (1985), which appropriated funds for certain long-standing local housing and community development programs. On February 5, 1986, the President sent impoundment notices to Congress pursuant to the Budget and Impoundment Control Act of 1974 announcing his deferrals of the expenditure of funds for the four programs at issue here. H. Doc. No. 99-161, 99th Cong., 1st Sess. 246-53 (1986); 51 Fed. Reg. 5829, 553-58 (Feb. 18, 1986). The deferrals were not made in response to the Balanced Budget and Emergency Deficit Control Act of 1985, Pub. L. No. 99-177, 99 Stat. 1038 (1985), but were, rather, intended by the President to bring 1986 spending levels into line with his 1987 proposed budget. H. Doc. No. 99-161 at 246. The deferrals have been put into effect and are indisputably having a present (and by plaintiffs undesired) impact on the programs, their proponents, and their intended beneficiaries.

Plaintiffs are various representatives of those affected: cities, mayors, community groups, members of Congress, associations of mayors and municipalities, and disappointed expectant recipients of benefits under the programs so diminished. Nominal defendants are the United States, the Secretary of HUD (the "Secretary"), and the Director of the Office of Management and Budget ("OMB").

Of the four programs in jeopardy the first is known as the Section 8 Housing Assistance Payments Program ("Section 8"), established by the Housing and Community Development Act of 1974, amending the Housing Act of 1937. 42 U.S.C. § 1437(f) (1982 & Supp. I 1983 & Supp. II 1984). Section 8's purpose is to assist lower-income families in obtaining housing by, *inter alia*, a direct housing subsidy. The Secretary of HUD disburses funds to state and local housing agencies which, in turn, use the funds to obtain housing for low income families. The HUD appropriations bill for fiscal year 1986 included nearly $2.4 billion for direct housing subsidies, of which the President has deferred all but $184 million.

The second program concerned was created by Section 202 of the Housing Act of 1959, 12 U.S.C. § 1701q (1982 & Supp. I 1983 & Supp. II 1984) ("Section 202"), to assist in housing the elderly and handicapped with direct loans to private non-profit corporations, limited profit sponsors, consumer cooperatives, and certain public agencies for use in constructing or rehabilitating low cost rental units. Section 202 also operates in conjunction with Section 8 to provide a direct subsidy for rental costs incurred by elderly and handicapped people living in Section 202 housing. The fiscal year 1986 HUD appropriations bill included $631 million for the Secretary of HUD to lend under Section 202 and $1.6 billion for rent subsidies under Section 8. The President deferred approximately $600 million in construction loan money and all but $12.8 million of the rent subsidies.

The Community Development Block Grant ("CDBG") program originated in Title I of the Housing and Community Development Act of 1974. 42 U.S.C. § 5301 (1982 & Supp. I 1983 & Supp. II 1984). The CDBG program was designed to consolidate a number of grant programs providing federal assistance to local governments with funds to, *inter alia*, acquire property, construct public facilities, rehabilitate housing, support economic development projects, and extend social and health services to low income people. The CDBG program allocation for fiscal year 1986 was $3.1 billion. The President deferred $500 million.

The final program affected was created by Section 312 of the Housing Act of 1964, as amended, 42 U.S.C. § 1452b (1982 & Supp. I 1983) ("Section 312"). Under Section 312, the Secretary lends funds to assist in the rehabilitation of single- and multi-family residential property in low-income neighborhoods. Typically, cities or local public agencies administer the program, lending money to low- and middle-income people who will occupy the housing they will use the funds to rehabilitate. For fiscal year 1986 Congress appropriated no new funds for the Section 312 program, but instead directed that all funds remaining in the program, $166 million, should be made available for new loans in 1986. The President has deferred $135 million of the sum.

Plaintiffs have submitted numerous affidavits—of mayors, city managers, directors of local public agencies, and intended beneficiaries of the depleted programs—attesting to the observable impact the budget deferrals have had and will have on local affairs. The affidavits assert (presently without contradiction), for example, that only a fraction of the eligible low-income families will receive Section 8 assistance this year; that no elderly or handicapped people will receive rent subsidies; and that no loans to rehabilitate housing in depressed neighborhoods will be made. The mayors and city managers state that they have had to cut their CDBG programs, necessitating the layoff of staff and a substantial reduction in such social and health services as shelters for the homeless, meals to elderly, public transportation for the elderly and handicapped, job training, health and dental care for low-income people, and child care for single parents.

In deferring the expenditure of appropriated funds the President acted pursuant to the Budget and Impoundment Control Act of 1974, Pub. L. No. 93-344, 88 Stat. 297, or

[1] Jurisdiction is predicated upon 28 U.S.C. § 1331. Plaintiffs initially sought a preliminary injunction, and the parties submitted memoranda accordingly. Prior to hearing, however, the parties proposed, and the Court agreed, that the matter be treated as one of cross-motions for summary judgment, the issues being exclusively of law and the merits having been fully briefed. The Court consolidated the hearing on plaintiffs' motion for a preliminary injunction with hearing on the merits pursuant to Fed.R.Civ. P. 65(a)(2), gave the parties additional time to supplement the record as appropriate to cross-motions for summary judgment, and has decided the case on an expedited basis.

[2] "Budget authority" means the "authority provided by law to enter into obligations which will result in immediate or future outlays involving Government funds . . . ." 2 U.S.C. § 622(2) (1982).

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

more precisely, Title X of the Act, also known as the Impoundment Control Act of 1974 (the "Act" or "ICA"), Pub. L. No. 93-344, §§ 1001-1017, 88 Stat. 297, 323-37 (codified at 2 U.S.C. §§ 681-88 (1982 & Supp. II 1984)). Under the Act the President can impound funds in two ways. First, he may propose to "rescind," or cancel, all or part of the budget authority Congress has appropriated for a particular program. 2 U.S.C. § 683. To propose a rescission the President must sent a special message to Congress detailing the amount of the proposed rescission, the reasons for it, and a summary of the effects the rescission would have on the programs involved. Congress then has 45 days within which to approve the proposed rescission by a "rescission bill" that must be passed by both houses. Id. If it fails of approval, the President must allow the full amount appropriated to be spent.

The Act's second device enabling the President to impound funds is one of "deferral," or delay, of the budget authority appropriated. 2 U.S.C. § 684. The President or certain subordinate officers of the Executive Branch may propose to defer the expenditure of funds without advance congressional approval, but the President must promptly notify Congress of the deferral, the reasons for the deferral, the impact the deferral will have on the programs involved, and "any legal authority invoked by him to justify the proposed deferral." 2 U.S.C. § 684(a)(4). The statute as written, however, allows a deferral to be overridden by a resolution of disapproval passed by either House.

It is this latter provision of the Act that plaintiffs challenge as unconstitutional, allowing, as it does, for a so-called one-House legislative veto of impoundments proposed by the President. Defendants concede, of course, that a one-House veto is unconstitutional under the Supreme Court decision in *Immigration and Naturalization Service* v. *Chadha*, 462 U.S. 919 (1983), but they argue that the morbid provision alone may be excised from the Act, leaving the remainder of the statute intact, including the deferral authority itself. Plaintiffs vigorously dispute the severability of the one-House veto from the grant of power it was expected to contain, contending that Congress would never have passed a statute conferring such authority without it. The principal question presented, therefore, is whether the one-House veto is discretely severable from the rest of the ICA, and if not, how much other statutory tissue must accompany it.[3]

II.

In *Chadha*, the Supreme Court ruled that "invalid portions of a statute are to be severed ' "[u]nless it is evident that the Legislature would not have enacted those provisions which are within its power, independently of that which is not." ' " 462 U.S. at 931-32, quoting *Buckley* v. *Valeo*, 424 U.S. 1, 108 (1976), quoting *Champlin Refining Co.* v. *Corporation Comm'n of Oklahoma*, 286 U.S. 210, 234 (1932)). The presence of a severability clause in the legislation creates a presumption of severability, id. at 932, and a "provision is further presumed severable if what remains after severance 'is fully operable as a law.' " *Chadha*, 462 U.S. at 934, quoting *Champlin*, 286 U.S. at 234.[4]

The Court of Appeals for this circuit has recently had occasion to apply *Chadha* in *Alaska Airlines, Inc.* v. *Donovan*, 766 F.2d 1550 (D.C. Cir. 1985), *cert. granted*, 106 S. Ct. 1259 (1986), in a severability case.[5] Holding that the proponents of inseverability had not met their burden of overcoming the presumption of severability, the court articulated the analytical process it would follow:

"Our charge is to save as much of the statute as we can, consistent of course with the underlying legislative intent. Only if we conclude that Congress would not have included a provision absent the constitutionally flawed portion is that provision to fall. The issue cannot be whether Congress preferred the statute with the unconstitutional provision over the same statute without that provision. Manifestly, Congress' preference is abundantly clear from its inclusion of the unconstitutional provision. Nor is the question whether Congress would have passed some alternative version of the statute if it knew that it could not lawfully have included the offending provision. That is, "the question is not whether Congress would have enacted th[is] exact statute[] had it known at the time of enactment that the legislative veto provisions were invalid, but rather, whether Congress would have preferred th[is] statute[], after severance of the legislative veto provision[], to no statute[] at all." *Gulf Oil Corp.* v *Dyke*, 34 F.2d 979, 804 (T.E.C.A.) (emphasis in original), cert. denied — U.S. —, 105 S. Ct. 173, 83 L.Ed.2d 108 (1984)."

766 F.2d at 1560 (footnote omitted).

A similar analysis is apposite here, but it points ineluctably to a contrary conclusion as to the severability vel non of the one-House veto, without more, from the ICA. This case involves a statute vastly different in origin, purpose, and effect. As the very title of the Act suggests, a search for means by which Congress could wrest *control* over the budget from what it perceived as a usurping Executive was the *raison d'etre* of the entire legislative effort. Control—how to regain and retain it—was studied and debated at length, on the floor and in committee, over a period of years by a Congress virtually united in its quest for a way to reassert its fiscal prerogative. A clearer case of congressional intent—obsession would be more accurate—is hard to imagine.

Before examining the documentary legislative history of the ICA, a digression into the historical political context in which it was conceived is necessary. In the early 1970's, President Nixon began to use impoundments as a means of shaping domestic policy to his liking, withholding funds from various programs he did not favor. The legality of these impoundments was repeatedly litigated, and by 1974, impoundments had been vitiated in more than 50 cases and upheld in only four.[6]

Congress was incensed at what many members regarded as an unconstitutional arrogation of budgetary power by President Nixon.[7] Realizing that case-by-case adjudications were both inefficient and unpredictable, it began consideration of definitive legislation for impoundment control. See Abascal and Kramer, *Presidential Impoundment Part II: Judicial and Legislative Responses*, 63 Geo. L.J. 149, 169 (1974). In 1972 Congress established a Joint Study Group on Budget Control to study the matter and make recommendations to Congress; the Group's report, issued the following year, called for wide-ranging reform of the budget process. Joint Study Comm. on Budget Control, 93d Cong., 1st Sess., *Recommendations for Improving Congressional Control Over Budgetary Outlay and Receipt Totals* (Comm. Print 1973). In 1973 both Houses first proposed their own bills.

It is apparent from historical circumstances alone that the legislation to which Congress was building would be designed and expected to mark the limits of Congressional and Presidential power in the matter of impoundments henceforth, beyond the incumbency of the then-President, at the time preoccupied with the aftermath of Watergate, who had, by the time the legislation was being readied, forsworn the use of impoundments for the duration of his administration altogether. Note, Texas Law Review, at 703-04 n.62. Congress was intent upon recovering its primacy in matters of money and spending for all time.

In 1973 the Senate passed a bill that purported to give the President limited authority to impound appropriations for 60 days, provided that the appropriation be available for obligation at the end of 60 days if its im-

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[3] Defendants also suggest that plaintiffs are without standing to force adjudication of the issue, because not all have demonstrated any direct injuries they have themselves suffered as a result of the deferrals or shown how they would benefit if the relief prayed were granted. It is now well-settled, however, that if one plaintiff has standing to bring an action, a court need not consider the standing of all other plaintiffs before addressing the merits. *See, e.g., Watt* v. *Energy Action Educational Foundation*, 454 U.S. 151, 160 (1981); *Buckley* v. *Valeo*, 424 U.S. 1, 12 (1976) (*per curiam*). The Court's review of the interests asserted in the several cases before it discloses that at least one plaintiff is immediately concerned with each of the programs affected by the deferrals and will likely benefit if the funds are restored.

[4] The statute at issue in Chadha contained a severability clause; the ICA contains no such clause, but its absence is not dispositive, merely evidence of congressional intent. In considering the ICA Congress, anticipating Chadha, recognized that the one-House veto provision might be held unconstitutional, but it did not even discuss the addition of a severability clause. See, e.g., H.R. Rep. 93-658, 1st Sess. 87 (1973) (minority views) (one-House veto was "of doubtful legal effect").

[5] *Alaska Airlines* reversed a district court decision holding the reservation of a one-House veto over agency regulations implementing an employee protection program in deregulatory legislation to be inseverable from the program itself. The court of appeals found the program, as established by the statute, to be fully operable with or without the oversight afforded by the one-House veto, and the program, rather than the oversight, the dominant legislative objective.

[6] *See e.g., Train* v. *City of New York*, 420 U.S. 35 (1975) (municipal waste treatment projects); *Guadamuz* v. *Ash*, 368 F. Supp. 1233 (D.D.C. 1973) (environmental and housing rehabilitation funds); *National Council of Community Mental Health Centers, Inc.* v. *Weinberger*, 361 F. Supp. 897 (D.D.C. 1973) (public health funds). For a complete list of impoundment cases, see Staff of Joint Comm. on Congressional Operations, 93d Cong., 2d Sess., *Special Report on Court Challenges to Executive Branch Impoundments of Appropriated Funds* (Comm. Print 1974); Staff of House Comm. on Government Operations, 93d Cong., 2d Sess., *Report on Presidential Impoundment of Congressional Appropriated Funds: An Analysis of Recent Federal Court Decisions* (Comm. Print 1974). *See also* Note, *Addressing the Resurgence of Presidential Budgetmaking Initiative: A Proposal to Reform the Impoundment Control Act of 1974*, 63 Tex. L. Rev. 693, 697 n.24 (1985) (hereinafter cited as "Note, Texas Law Review").

[7] *See generally Joint Hearings on Impoundment of Appropriated Funds by the President Before the Ad Hoc Subcomm. on Impoundment of Funds of the Senate Comm. on Government Operations and the Subcomm. on Separation of Powers of the Senate Comm. on the Judiciary*, 93d Cong., 1st Sess. (1973); and *Hearings on Executive Impoundment of Appropriated Funds Before the Subcomm. on Separation of Powers of the Senate Comm. on the Judiciary*, 92d Cong., 1st Sess. (1971).

poundment were not approved by Congress by concurrent resolution. S. 373, 93d Cong., 1st Sess., passed Senate, 119 Cong. Rec. 15,255 (1973). That same year the House passed a bill containing anti-impoundment measures giving the President authority to cancel or delay budget authority upon notice to Congress of his action, subject, however, to a one-House veto. H.R. 7130, 93d Cong., 2d Sess., passed House, 119 Cong. Rec. 39,740 (1973). In 1974 the Senate unanimously adopted the House bill after substituting for the one-House veto the language of a new Senate bill, S. 1541, 93d Cong., 2d Sess. (1974), which forbade impoundments altogether. 120 Cong. Rec. 7938 (1974). (S. 1541 would have required the President to propose *rescissions* whether he wished to evade, or merely delay, budget authority.) The bill also purported to amend the Anti-Deficiency Act to eliminate any possible basis for its invocation by a President as authority for impoundments.[8]

In conference committee a compromise was reached that included features of both the House and Senate bills, and the conference committee report makes it clear that the Houses were equally committed to confining a President's power to impound appropriations and to restore to Congress ultimate control over the budget process. See S. Conf. Rep. No. 93-924, 93d Cong., 2d Sess. 49, 76-78 (1974). The compromise bill adopted the Senate approach for rescissions, or permanent impoundments, requiring approval for rescissions, or permanent impoundments, requiring approval through the enactment of legislation. It employed the House approach for deferrals, or temporary impoundments, allowing the deferrals to become effective unless disapproved by either House. The compromise bill also incorporated an amendment to the Anti-Deficiency Act similar to that proposed by the Senate bill.

The ensuing debates upon the compromise conference bill in both Houses demonstrate near-unanimous consensus on the part of the members that total congressional control over the impoundment process would be a legislative *sine qua non*. Without a ready device to quash any impoundment of which it disapproved—temporary or permanent—Congress was of no mind to concede to any President a warrant to impound at all.

Representative Brotzman, for example, said:

"Until now, the President's impoundment of funds has been the only thing keeping this spending under control. I believe that impounding of funds ultimately works to the detriment of every American citizen by weakening the separation of powers between the executive and legislative branches.

"However, if the Congress were to destroy this power to impound funds, without first providing the machinery to responsibly handle the Federal budget, the result would be bankruptcy for the American people.

"There must be a mechanism in the Congress to effectively limit congressional spending and this bill accomplishes the goal. . . .

"The bill permits the President to impound funds solely for contingencies ro to affect [sic] certain savings. The President is required to report any impoundment action to the Congress by means of a deferral message, and the Congress is given the right to pass an impoundment resolution disapproving the deferral, thereby making the funds available for their intended purpose." 120 Cong. Rec. 19,685-86 (1974). Representative Randall termed impoundment control one of the "tools for budget control," and also an important "tool to fight the impoundment process of funds appropriated needed to carry out authorized programs so urgently needed by our people." *Id.* at 19,686-87. Representative Sisk expressed his belief that congressional appropriations needed protection from executive impoundment, stating "the Congress has the opportunity to stop the arrogation of power of the Nation's purse strings," and "[t]here are several significant provisions in the budget control bill, but none are as important as the prohibition against impoundment by executive fiat. . . ." *Id.* at 19,687. Representative O'Neill emphasized the importance of Congress' ability under the compromise bill "to review and terminate the impoundment of funds by the executive branch" and to determine whether impoundments are necessary. *Id.* at 19,689. Numerous statements from other representatives declare support in like terms for the compromise bill and the need for control of Presidential impoundments. *See, e.g., id.* at 19,680 (Rep. Sikes); *id.* at 19,684 (Rep. Pickle); *id.* (Rep. Bingham); *id.* at 19,685 (Rep. Badillo); *id.* at 19,690 (Rep. Annunzio); at 19,695 (Rep. Pepper); *id.* at 19,696 (Rep. Matsunsaga).

Senator Tower also declared his approval of congressional control of impoundments, saying that control of the President's ability to impound "should help restore a better balance between the executive and legislative branches of government." *Id.* at 20,485. Other senators concurred. *See, e.g., id.* at 20,470-71 (Sen. Metcalf); *id.* at 20,472-73 (colloquy between Sen. McClellan and Sen. Ervin): *id.* at 20,476 (Sen. Cranston); *id.* at 20,481 (colloquy between Sen. Humphrey and Sen. Ervin); *id.* at 20,485 (Sen. Tower).

The one-House veto was specifically extolled as an integral component of the control machinery being considered. On the House side numerous statements by representatives illustrate the importance they attached to it. Rep. Bolling's statement in support of the conference bill is an example:

"From the start I have held to the position that impoundment control is an essential component of budget reform. It makes no sense for Congress to establish new procedures for the appropriation of funds if the President can override the will of Congress by means of impoundment. At the same time, the methods used to control Presidential impoundments must be reasonable and appropriate. They should neither deny the President the capability to manage the executive branch nor impose upon Congress the burden of redoing its previous decisions. In line with this position, the House last year passed H.R. 8480 to provide for the veto of any impoundment by either the House or Senate and a similar provision was incorporated into H.R. 7130 when it was approved by the House last December.

"I can report that the conference bill both upholds the position of the House and makes some worthwhile elaborations in the procedures of expenditure control. The bill addresses the various types of impoundments and provides appropriate procedures for each. First, it provides for disapproval by either the House or the Senate of Presidential proposals to defer the expenditure of funds. Analysis has shown that deferrals constitute the lion's share of impoundment actions and many of these are for routine financial purposes and involve neither questions of policy nor attempts to negate the will of Congress. In the case of deferrals, disapproval can be expressed by resolution of either the House or the Senate. Such disapproval will clearly instigate [sic] the view of Congress that the deferral is not merely a routine financial matter. When disapproved by either House or Senate, a deferral must cease at once."

120 Cong. Rec. 19,674 (1974).

Similar sentiments were expressed in the Senate. Senator Ervin, a member of the conference committee, reported his satisfaction with the impoundment control portion of the compromise bill and stated that the "highly controversial issue" of impoundment control "is dealt with by way of an effective compromise." *Id.* at 20,464. He noted that "the President has no power under the Constitution to impound lawfully appropriated funds in the absence of a delegation of such authority by the Congress," but that there were situations in which deferral or rescission of budget authority was the best policy. *Id.* Therefore, he said, the compromise bill addresses "three types of executive actions and places *restrictions on each of them.*" Id. (emphasis added).[9]

Thus, unlike the challenged provision of the statute in *Alaska Airlines*, the one-House veto is not to the ICA merely a superfluous afterthought; it is, rather, the instrument expressly chosen by a nearly unanimous Congress to exert its control over impoundments-by-deferral when proposed by the President.[10]

Defendants' contention that the primary objective of Congress in passing the Act was to improve the quality of the information it would receive about proposed deferrals in the accompanying "message" is simply not

[8] The Anti-Deficiency Act is codified at 12 U.S.C. §§ 1341 and 1512 (1982). Prior to its amendment in 1974, the Anti-Deficiency Act permitted the President to "apportion" funds where justified by "other developments subsequent to the date on which such appropriation was made available." 31 U.S.C. § 665(c)(2) (1970) *amended* by Budget and Impounding Control Act of 1974, Pub. L. No. 93-344, Tit. X. § 1002, 88 Stat. 297, 332. President Nixon relied on this section as authorization for the impoundments he made. Note, Texas Law Review, at 699-700. The Act was amended to limit apportionments to provision for contingencies, to achieve savings made possible by changes in requirements or program efficiency, or as specifically provided by law. 12 U.S.C. § 1512(c)(1). The amendment was part of the overall reform of the budget process, and was intended to prohibit the use of apportionment as an instrument of policy-making. See, e.g., 120 Cong. Rec. 7658 (1974) (remarks of Senator Muskie).

[9] The one-House veto had also been discussed in the floor debates on the original bills, with members expressing similar views. *See, e.g.,* 119 Cong. Rec. 39,341 (1973) (remarks of Rep. Bolling); *id.* at 39,363 (remarks of Rep. Hammerschmidt); *id.* at 39,725 (remarks of Rep. Whitten); *id.* (remarks of Rep. Eckhart); *id.* at 39,725-26 (amendment to replace one-House veto provision with concurrent resolution provision rejected); 120 Cong. Rec. 7657 (1974) (remarks of Sen. Roth); *id.* at 7657-59 (colloquy between Sen. Roth and Sen. Muskie); *id.* at 7659 (amendment to permit one-House veto rejected).

The Court has neither been cited to, nor has found on its own, *any* expressions of support for the proposition that the President be allowed to defer budget authority *without* the check afforded by *at least* a one-House veto.

[10] The compromise bill passed the House 401 to 6, 120 Cong. Rec. 19,698 (1974); the Senate 75 to 0. 120 Cong, Rec. 20,500 (1974). Such opposition as there was came from House members who advocated adoption of the Senate's earlier version refusing all impoundment authority to the President. *See, e.g.,* 120 Cong. Rec. 19,693 (1974) (Rep. Harrington); *id.* at 19,696 (Rep. Drinan).

borne out by the legislative history. To be sure, Congress wanted notice of Presidential budgetary actions, and there are expressions during the debates of dissatisfaction with the sufficiency of Presidential communications under prior law,[11] but it was the notice provision, not the veto, if anything, which was merely incidental. The debates centered upon the issue of whether the President should be able to impound at all, or should be permitted to impound, but with various congressional circumscriptions of his power to do so. It does not appear from the voluminous history of the ICA in its entirety that Congress was very much concerned with, let alone determined to achieve, further detail about future Presidential impoundments absent a mechanism for exercising control over them.

III.

In *Alaska Airlines* the court noted that the statute without the one-House veto would operate as intended. In doing so it distinguished *American Federation of Government Employees* v. *Pierce*, 697 F.2d 303 (D.C. Cir. 1982), an earlier case in which it had found a one-House veto inseverable because severance would have left a legislative result the opposite of that Congress intended.[12] Severance in the instant case, too, would demolish the congressional control over a species of impoundment that was at its heart.

Indeed, if the Court were to find the one-House veto to be serverable from the deferral power itself, not only would it confirm in the President the very power that Congress has never acknowledged him to have at all, it would also enable him to employ it, in effect, as a "line-item veto" (which is, of course, anathema to Congress) by signing an appropriations bill and later "deferring" any and all specific appropriations for agencies or programs he thought underserving. That neither this nor any President has done so to date is irrelevant; the potential for it is, however, most relevant to a retrospective inquiry into Congress' willingness in 1974 to have accepted an ICA shorn of the one-House veto but in all other respects as it appears today.

Defendants point out that the deferral power can never be the true equivalent of a line-item veto, in that an enactment "vetoed" by the President is permanently canceled, whereas an appropriation "deferred" must be available for obligation before the end of the fiscal year. See 2 U.S.C. § 684(a). The argument ignores the practical realities of the budget process, however, for when the expenditure of funds is deferred for one year, those funds remain available and may be used to offset budgetary requirements for the following fiscal year.[13] The argument also ignores economic reality as well; the timing of an expenditure may be as or more important to Congress than the total amount spent.

Plaintiffs postulate two further anomalous, although still hypothetical, consequences of a President uninhibited by the prospect of a one-House veto in his exercise of the deferral authority given him by the ICA. Having no other mechanism at hand, the only way Congress can reverse a Presidential deferral is by enacting new legislation ordering the President to spend the money (an alternative, by the way, Congress specifically considered and discarded when it passed the ICA).[14] If the new legislation were then vetoed by a President determined to prevail, Congress would have to muster a two-thirds majority of each House to vote to override. Plaintiffs also suggest that unconstrained deferral authority pursuant to the ICA would, in effect, nullify Congress' amendment to the Anti-Deficiency Act.[15] The amendment limited the President's ability to "apportion" funds to three carefully-delineated situations in an effort to remove any colorable basis under the Anti-Deficiency Act for his impoundment of appropriated funds in the guise of an "apportionment." To find the President now unchecked in his deferral power by the one-House veto would be to permit him to apportion funds in the guise of a "deferral."

The Court concludes that the legislative history of the ICA demonstrates that Congress would not have conceded any deferral authority to the President at all in the absence of the one-House veto provision. It can be said with conviction that Congress would have preferred no statute to one without the one-House veto provision, for with no statute at all, the President would be remitted to such pre-ICA authority as he might have had for particular deferrals which, in Congress' view (and that of most of the courts having passed upon it) was not much.

IV.

Having found it evident that Congress would not have enacted those provisions of the ICA which are within its power independently of that which is not, under *Chadha* and *Alaska Airlines* this Court must now look to whether the ICA is presently fully operable as a law without the one-House veto provision. In support of their contention that the ICA is a law entire unto itself sans the one-House veto, defendants point to the way in which Congress and the President have operated under the ICA since *Chadha*.[16] But, the fact that both Houses of Congress have either acquiesced in, or passed legislation to overturn, other Presidential deferrals in the three years since *Chadha* does not establish that *the law* is operable. The ICA does not provide the mechanism for the enactment of legislation; the Constitution does. That Congress has done so proves not that the statute is operable, but that Congress has acted outside the confines of the statute and in the exercise of its Article I constitutional powers. The Court finds that the ICA is not fully operable as a statute without the one-House veto provision. The modus vivendi which has evolved between the President and Congress is the years intervening, ostensibly pursuant to the ICA, could in fact have existed in the absence of any statute at all.

V.

Defendants assert that if this Court finds that the one-House veto is inseverable, it must then strike all other impoundment-related provisions of Title X of the ICA, including the amendment to the Anti-Deficiency Act, and thereby return the parties to the *status quo ante* the CIA's enactment in 1974. They argue that to strike only the deferral provision would be to destroy the symmetry of the constitutional accommodation the Act represented between the Executive and Legislative Branches with respect to the whole subject of Predidential impoundments.

The Court of Appeals for this circuit, however, has instructed that courts must "save as much of the statute as we can, consistent with the underlying legislative intent," *Alaska Airlines, Inc.* v. *Donovan*, 766 F.2d at 1560 (footnote omitted), and the excision of more than the deferral authority would constitute unnecessary mutilation. The paramount legislative objective of the ICA, i.e., of controlling impoundments, is best implemented by leaving rescission authority and the Anti-Deficiency Act as written, and as the President and Congress agreed upon them originally.

VI.

Finally, defendants contend that a finding that the one-House veto provision is inseverable will not provide the plaintiffs the relief they seek, viz. the present availability to them of the total appropriations for obligation, because the statutes pursuant to which the appropriations were made do not mandate the expenditure of funds now and, thus, the President may withhold the funds independently of the ICA. *See UAW* v. *Donovan*, 746 F.2d 855 (D.C Cir. 1984). But the President acted pursuant to the ICA in defferring the budget authority at issue here. He did not assert an independent basis for his deferrals, see H. Doc. 99-161; 51 Fed. Reg. 5829 (Feb. 18, 1986), and the Court can decide only the matters presented to it by the actual case or controversy before it. The status of the President's authority to impound funds independently of the ICA will once again have to await yet another case.

For the foregoing reasons, it is, this *16th* day of May, 1986.

Ordered, that plaintiffs' motions for a preliminary injunction are denied as moot; and it is

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[11] *See* 120 Cong. Rec. 20481-82 (colloquy between Sen. Humphrey and Sen. Ervin). Two years earlier, Congress had passed a law designed to require the President to submit information about impoundments to Congress. Federal Impoundment and Information Act of 1972, Pub. L. No. 92-599, 86 Stat. 1325 (codified at 31 U.S.C. § 581c-1 (1970 & Supp. II 1972), *repealed by* Budget and Impoundment Control Act of 1974, Pub. L. No. 93-344, Tit. X, § 1003, 88 Stat. 297, 332.

[12] In *Pierce*, at issue was a provision of an appropriations act for HUD which provided that no funds could be used for a reorganization of HUD without the prior approval of the Appropriations Committees of both Houses. The court of appeals found the approval clause invalid but inserverable, basing its decision on the act's legislative history from which it derived its belief that "[n]either House . . . would have accepted a complete ban on reorganizing HUD—yet that is precisely the result severance would have brought about." *Alaska Airlines*, 66 F.2d at 1565.

[13] In his Section 8 deferral message to Congress, the President stated that he intended to use appropriations deferred from fiscal year 1986 to offset appropriations for fiscal year 1987. *See* H. Doc. 99-161 at 246; 51 Fed. Reg. 5953. *See also* Summary, Fiscal Year 1987 Budget, U.S. Department of Housing and Urban Development, H-2, H-4, and H-14.

[14] The House Report accompanying H.R. 7130 stated that a one-House veto provision "is suggested on the ground that the impoundment situation established by the bill involves a presumption against the President's refusing to carry out the terms of an already considered and enacted statute. To make Congress go through a procedure involving agreement between the two Houses on an already settled matter would be to require both, in effect, to reconfirm what they have already decided." H.R. Rep. No. 93-658, 93d Cong., 1st Sess. 42 (1973). Ultimately, this objection prevailed with respect to deferrals. See S. Rep. 93-924 (1974) (Conference Committee Report); 2 U.S.C. § 684.

[15] See footnote 8, *supra*.

[16] Through fiscal 1985 the President had proposed 152 deferrals, of which Congress has disallowed 21 by legislation has signed into law.

From 1975 through mid-1983, of over 1,000 Presidential deferrals, Congress rejected 100, by one-House veto or subsequent legislation.

Further Ordered, that plaintiffs' motions for summary judgment is denied; and it is

Further Ordered, that plaintiffs' motion for summary judgment are granted; and it is

Further Ordered, that the one-House veto provision is hereby declared inseverable from the remainder of section 1013 of Pub. Law 93-344, codified at 2 U.S.C. § 684 (1982), and section 1013 is therefore set aside in its entirety; and it is

Further Ordered, that defendants are ordered to make available for obligation the full amount of funds Congress appropriated for (a) the Section 8 Housing Assistance Payments Program, 42 U.S.C. § 1437(f); (b) the Section 202 Program of the Housing Act of 1959, 12 U.S.C. § 1701(g); (c) Title I of the community Development Block Grant Program of the Housing and Community Development Act of 1974, 42 U.S.C. § 5301; and (d) the Section 312 Program of the Housing Act of 1964, 42 U.S.C. § 1452b, which defendants have withheld pursuant to the deferral messages sent by the President to the Congress; and it is

Further Ordered, *sua sponte,* that the injunction hereinabove entered is stayed until completion of appellate proceedings herein.

HONOR YOUR ROOTS

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mrs. COLLINS. Mr. Speaker, during a recent visit to Denver, CO, I met with an Alpha-Kappa Alpha soror, Ms. Patricia Sandersbrown, who impressed me with her strong sense of "remembering from whence one came." As part of her tribute to and remembrance of black American heritage, she wrote a very poignant poem entitled, "Honor Your Roots."

I would like to take this opportunity to share with my colleagues a copy of this poem.

HONOR YOUR ROOTS

(By Patricia Sandersbrown)

It's time we remembered what we've left behind;
We need to honor our roots, keep them in mind.
So come, gather 'round and listen for awhile,
Every man, every woman, and every lil' chile:
I've got some preachin' to do, I've got somethin' to say;
Y'all sit down and hush up! Hear me today!
Now, don't roll your eyes, don't shake your head,
Don't whisper to your neighbor, ". . . should've stayed in bed! . . ."
Don't try to sneak out . . . somebody close that door!
Hey, man, sit up! What ya sleepin' for?
Do you think this story ain't about you?
Check again . . . check your skin . . . it's you!, it's you!
Now, I know this talk about roots might be too tough;
Talkin' 'bout when times were hard and roads were rough!
We may want to forget that long ago time;
Forget 'bout pickin' cotton, sayin' "Shine for a dime?"
We may not want to hear this talk 'bout roots
With our carefree curls and our three-piece suits!
You say, why talk about being colored now that we're BLACK?
And I say 'cause we arrived at our Blackness on our colored kins' backs!
They carried us here, just as sure as we're born;
It was their sweat and tears, ironin' sheets, shuckin' corn.
Oh, I know we've got class now, and all sorts of degrees!
But, our great-grandmamas scrubbed floors on their knees!
We've got to remember, we cannot forget;
We may not be slaves, but we're not free yet!
There's a long way to go and the distance is far;
And we can't make the journey with a luxury car!
Fine clothes, big homes and diamond rings
Are good to have, but they're just things!
Our culture is rich, don't keep it inside;
Don't let things be the basis of your Black pride!
Let us stand tall, Black people, and believe in our worth,
And let our Black pride shine as we strut this earth!
Real pride is not the "what", and it's not the "who",
It's not what you "have", and it's not what you "do"!
Our roots are our heritage, our legacy to uphold;
We must honor them and cherish them, whether young or old.
Well . . . all this talkin' 'bout roots should never end,
But, I'm done with my preachin' . . . y' all can say, "Amen!"

THE 65TH BIRTHDAY OF DR. ANDREI SAKHAROV—LETTER FROM ROBERT L. BERNSTEIN

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. LANTOS. Mr. Speaker, today marks the 65th anniversary of the birth of Soviet scientist and human rights leader Andrei Sakharov. Today, at a special commemoration of this event held by the Committee on Foreign Affairs, Dr. Sakharov's devoted wife Yelena Bonner, American human rights leaders, and distinguished Members of Congress paid tribute to this great man.

In 1975, Dr. Sakharov's Nobel Peace Prize lecture—which he was not allowed to deliver in person—was prophetic in sounding the call for observance of human rights:

Peace, progress, human rights—these three goals are indissolubly linked: it is impossible to achieve one of them if the others are ignored. . . . We must fight for every individual and against every act of injustice and against every violation of human rights. So much in our future depends on this.

Today, Mr. Speaker, a number of individuals paid tribute to Dr. Sakharov. I would like to place in the RECORD a letter from Mr. Robert L. Bernstein to Ambassador Anatoliy F. Dobrynin, former Soviet Ambassador to the United States and now Secretary of the Central Committee. Mr. Bernstein's letter summarizes the abuse and mistreatment that Andrei Sakharov and Yelena Bonner have suffered and calls for their release from exile in Gorki.

Mr. Bernstein speaks with authority on the Sakharovs. He is chairman of the board, president, and chief executive officer of Random House Publishers, which is the publisher of Andrei Sakharov's books: "Sakharov Speaks," "My Country and the World" and "Alarm and Hope." Furthermore, Mr. Bernstein is a committed leader for human rights in the United States. He is chairman of the Fund for Free Expression and the U.S. Helsinki Watch, an organization which he founded in 1979.

Mr. Speaker, I strongly urge my colleagues in the House to read and consider Mr. Bernstein's outstanding letter. One of the highest tributes to the integrity and character of Dr. Sakharov is that men like Bob Bernstein devote their lives and energies to the cause of human rights which Dr. Sakharov exemplifies.

LETTER OF ROBERT L. BERNSTEIN TO AMBASSADOR ANATOLIY F. DOBRYNIN

DEAR AMBASSADOR DOBRYNIN: Today is Andrei Sakharov's sixty-fifth birthday, and I find myself in a United States Congress meeting room with Yelena Bonner Sakharov and a host of American Senators, Representatives, and other dignitaries and friends honoring Andrei and Yelena Sakharov and discussing ways to talk to the Soviets about them.

At the outset, let me outline what has happened to them since the time in 1968 when Andrei expressed national and foreign policy views with which past Soviet general secretaries did not agree.

First, he was removed from all defense work.

Second, he was prevented from doing his own scientific work.

Third, Yelena Bonner Sakharov's children, who have become as close to Andrei Sakharov as any children born to him, and who have stood by him, were forced to leave the country with their children. (Yelena Bonner Sakharov's mother has also left the country and would now like to live out her final years in Moscow, but not if she were separated from her daughter.)

Fourth, in 1980 the Sakharovs were suddenly judged too dangerous to be allowed to speak to anybody, and were removed and confined to the city of Gorky, where Andrei Sakharov remains to this day and where his wife will shortly join him once again.

Fifth, The Sakharovs had to watch, helplessly, as friends, not as honored and protected by past services to the Soviet Union, were sent away to camps and prisons because of their participation in the Helsinki Watch—even though the Soviet Union signed the Helsinki Final Accord on August 1, 1975, and even though the Final Accord confirms, and I quote: "the right of the individual to know and act upon his rights and duties . . . in the field of human rights . . ."

In Gorky, the Sakharovs have been unable to live a normal life. They are under constant surveillance by the K.G.B. Books and writing are repeatedly confiscated. People are warned not to talk with them. They cannot communicate freely. They are not allowed to see friends. A simple phone call is most difficult, as they have no phone available near their home. Yet in an effort to prove that Andrei Sakharov still lives like an average citizen, even his visits to the doctor have been filmed and later released

to the American press. Does this hurt Sakharov or the Soviet Union?

In the last few years, Sakharov has resorted in desperation to hunger strikes, very serious hunger strikes, even though he has a heart condition—first, in order to gain permission for his daughter-in-law to leave to join her husband in the United States, and then, several times, to secure approval so that Yelena Bonner could travel to Italy for badly needed eye treatment and to the United States for a major heart operation.

That is the record, Ambassador Dobrynin. No one denies that your nation is powerful enough to do what it has done to the Sakharovs, or to any human being who lives in the Soviet Union. But surely the unavoidable question is this: What, for all the extraordinary measures you have taken to silence Andrei Sakharov, have you gained?

First, perhaps, Andrel Sakharov's views on foreign policy have not recently been directly expressed to the world, although his ideas, such as nuclear control and disarmament, have now become part of your government's official policy.

Second, he cannot release any military information—though he has been barred from such information for many years, and it is hard to believe data twenty years old would have value in today's fast-moving world.

And third, you may possibly believe (though there is much evidence to the contrary) that you gain from Sakharov's serving as an example of what can happen to one who speaks his thoughts, signaling silence to others who might otherwise wish to speak or write their views.

Now what is it, on the other hand, Ambassador Dobrynin, that you lose by persecuting Andrei Sakharov and Yelena Bonner Sakharov?

All over the world, there are thousands of intelligent and educated people who keep Andrei Sakharov and Yelena Bonner Sakharov in the forefront of their minds and conversation in every contact that they make with representatives of your country. More important, because of the Sakharovs, they believe that none of the Soviet professionals they deal with are free to speak their real thoughts. There is a wariness that has to impede progress between your best minds and the best minds of other nations. These are people who have children and grandchildren and realize there must be international and certainly U.S.-Soviet solutions to world problems.

The National Academy of Sciences has now resumed exchanges, but do you really believe this will continue for long if there is not some change in the status of the Sakharovs? I know too many scientists who feel strongly about their confined colleague to believe that it will.

They will not stop the exchanges as a negotiating ploy. They will only stop because they will feel guilty about not trying to help a colleague, because they will feel frustrated and maybe used. It will be an act of despair. They will be torn between wanting progress and wondering if it is possible with a nation that makes a symbol of persecution of one of its own best minds.

You have maintained exchange with foreign book publishers, while denying some admittance to the Moscow Book Fair for expressing their views freely—and while continuing to silence and exile your own writers whom these very publishers publish. The Sakharovs are the most prominent example. At some point, won't the publishers face the same problems as the scientists?

Other exchanges are now starting in many fields because people want to believe that Mr. Gorbachev does think, particularly after Chernobyl, that exchanges are good, that they do increase understanding between nations and that knowledge can only cross borders where there is a free flow of ideas.

There is, at this moment, great movement among the people of many nations—both private citizens and professional groups—to reach out to the Soviet Union for the sake of all of us.

Ambassador Dobrynin, you have spent many years in the United States. If you are the man I am told you are, you recognize that fair treatment of the Sakharovs would make an enormous psychological difference to many who wish no harm either to the Soviet Union or to the United States—who wish only that the two nations would cease their confrontation, particularly in armaments, and forge a new era of mutual assistance.

Symbolism is important. Releasing the Sakharovs risks so little. Holding them blocks so much. I hope your wisdom and experience will lead you to the same conclusion.

Sincerely,

ROBERT L. BERNSTEIN.

LBJ, CIVIL RIGHTS, AND VIETNAM

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. PICKLE. Mr. Speaker, the decade of the 1960's is remembered for a multitude of reasons. We were a society torn apart; there was violence in our city streets and protests on our college campuses. Our children rejected much that was America, our boys fought an elusive enemy, and America fell victim to social unrest which threatened life as we'd come to know it.

Dr. Walt W. Rostow, aide and confidante of then-President Lyndon B. Johnson, recently spoke on this period and of the forces driving our President to take critical and much-criticized steps. I commend to my collegues the following statement delivered by Walt Rostow at Hofstra University with certainty that you, too, will be enlightened by his analysis. I think it is an accurate and concise analysis, and it should be brought to the attention of our colleagues.

I. INTRODUCTION: THE PROPOSITION

In the short time available I shall confine myself to one proposition and a brief comment on it. The proposition is that President Johnson's perspective on Vietnam and Southeast Asia was strongly affected by his judgment of the greatly increased future importance to the United States of Asia as a whole. But there was a second strand. His vision of a future where Asians and Americans would live and work in increasing intimacy converged, in the late 1950's, with his assumption of leadership in the Senate on the issue of civil rights leading to the legislation of 1957. This convergence accounts for the reversal of his position on statehood for Hawaii. The mixture of races in Hawaii became in his eyes not, as it had been to those who opposed statehood, a dangerous example and precedent, but an asset in our relations with Asia and an asset as we struggled to build a peaceful multiracial society of equal opportunity at home.

Johnson's position on civil rights was, or course, not wholly determined by his view of the future importance of Asia. But the latter reinforced his position on the former. He understood that a segregationist America could not be a valid and effective partner with Asia beginning to demonstrate its dynamism in the second half of the 1950's.

II. THE EAST-WEST CENTER SPEECH, OCTOBER 18, 1966

My first insight into this linkage occurred on October 17, 1966, en route from Washington to Hawaii, on the first leg of his three week tour through Asia. Johnson had worked hard with several of us on his major speech in Honolulu to be delivered at the East-West Center. On Air Force One, however, after reading over the draft, he dictated a passage which included the following:[1]

"My forebears came from Britain, Ireland, and Germany. People in my section of the country regarded Asia as totally alien in spirit as well as nationality. * * *

"We, therefore, looked away from the Pacific, away from its hopes as well as away from its great crises.

"Even the wars that many of us fought here were often with leftovers of preparedness, and they did not heal our blindness * * *

"One consequence of that blindness was that Hawaii was denied its rightful part in our Union of States for many, many years.

"Frankly, for two decades I opposed its admission as a State, until at last the undeniable evidence of history, as well as the irresistible persuasiveness of Jack Burns, removed the scales from my eyes.

"Then I began to work and fight for Hawaiian statehood. And I hold that to be one of the proudest achievements of my 25 years in the Congress."

Later in the speech he referred to Hawaii as "a model of how men and women of different races and different cultures can come and live and work together; to respect each other in freedom and in hope."

There is no doubt that John Burns had a considerable impact on Johnson in this matter. Burns was the Hawaiian Delegate (without voting rights) to the Congress in the late 1950's, and later governor of the state.

Johnson also referred in his Honolulu speech to the East-West Center as "this very special place to me." And, indeed, it was. He initiated the legislation creating the center, nurtured it in the Senate, and was active as Vice President in assuring its funding. It remained to him a living part of his vision of future relations in the Pacific Basin.[2]

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[1] Public Papers of the Presidents, Lyndon B. Johnson, 1966, Washington, DC: G.P.O., 1967, vol. II, pp. 1220-21 (Item 533).

[2] In the Preface to its 25th anniversary publication, Asia-Pacific Report: Trends, Issues, Challenges, Honolulu: East-West Center, 1986, p. vii, the Center's President, Victor Hao LI, observes: "No one could then [1960] have predicted the scope and rapidity of changes that would occur in the Asia-Pacific region in the next 25 years. Nevertheless, the people who conceived the idea of an East-West Center, including then Senate Majority Leader Lyndon Baines Johnson and Hawaii Congressional Delegate John Burns, recognized the inherent dynamism of the region and appreciated its long-run importance to the United States."

The theme of Johnson's 1966 tour through Asia was not Vietnam. It was the future of Asia; the need for Asia to organize regionally to shape its own destiny; his hope and faith that "sooner or later the pragmatic and compassionate spirit of the Chinese people will prevail * * * and the policies of mainland China will offer and permit * * * reconcilation"; and the future role of the United States as "a neighbor among equals—a partner in the great adventure of bringing peace, order, and progress to a part of the world where much more than half of the entire human race lives." He saw the frustration of aggression in Southeast Asia—with the assistance of New Zealand, Australia, South Korea, the Philippines, and Thailand—as a condition for the vision to come to life.

I can attest that this was a major part of the framework within which he viewed our task in Southeast Asia from April 1, 1966, when I went over to the White House from the State Department, to January 20, 1969.

III. INTERPRETATIONS OF JOHNSON AND VIETNAM

In Asia and the Pacific Johnson's view was fully understood. Indeed, leadership in building Asian regionalism was in the hands of a remarkable group of statesmen in the whole arc from Wellington and Canberra through Djakarta and Bangkok to Tokyo and Seoul. Without their leadership, American advocacy would have been fruitless. But neither at the time nor in retrospect was it widely appreciated in the West that Johnson's approach to the problem of Vietnam was deeply rooted in his vision of the inevitably increasing importance of Asia and the need for the fragmented states of Asia to organize on a regional and sub-regional basis. Among western journals only the London Economist and Fortune, for example, discussed seriously the significance of these themes in reporting his 1966 trip through Asia. As for historical commentary, I would guess that most analysts would accept the central thesis of Leslie Gelb and Richard Betts in their serious study, "The Irony of Vietnam":[3] "U.S. leaders considered it vital not to lose Vietnam by force to communism. They believed Vietnam to be vital not for itself, but for what they thought its 'loss' would mean internationally and domestically."

I have no doubt that there were some officials in the Executive Branch in the 1960's who took precisely the view Gelb and Betts assert. But Lyndon Johnson—and, I would add John Kennedy—was not among them. Johnson did, indeed, consider the impact of failure to honor successfully the Southeast Asia Treaty on other American alliances and on American society. But that treaty unambiguously threw the mantle of U.S. protection and commitment over South Vietnam; and he believed that treaty reflected abiding American interests in Asia. And he did not require a super-computer—or even an abacus—to understand that Asia would soon be at least as important to the United States as Europe—if not more important. Incidentally, he would have chuckled with satisfaction at learning that 25% of the undergraduate students at the University of California at Berkeley are Asian or of Asian extraction.

[3] Leslie H. Gelb with Richard K. Betts, "The Irony of Vietnam: The System Worked, 1950-1975," Washington, DC: The Brookings Institution, 1979, p. 25.

IV. A CONCLUSION

I have chosen this theme today not to argue that President Johnson was correct; although I believe he was. I chose it in the hope that this dimension of his perspective on Vietnam will be understood and taken into account in future analyses of the 1960's.

His perspective may be worth considering for another reason. Southeast Asia as of 1986 is both a hopeful and a precarious place. President Carter and President Reagan have reaffirmed the continued applicability of the Southeast Asia Treaty to Thailand, including the 1962 supplementary U.S. commitment to act in support of the treaty whether or not other signatories respond. It is by no means certain that we shall again confront military crisis in that region: the ASEAN countries used well the time bought between 1965 and 1975 and are much stronger and more confident now than twenty years ago; Hanoi has had great difficulty trying to consolidate its empire in Indo-China as well as in expanding and modernizing the Vietnamese economy; President Ford and his successors did not accept the actions of the Congress in the mid-1970's as determining long run U.S. policy toward Southeast Asia; our relations with China in that region as elsewhere have changed for the better. On the other hand, large Vietnamese forces are on the long and highly vulnerable Thai border; substantial Soviet naval and air forces operate out of the bases we built at Cam Ranh Bay and around Danang just across from Subic Bay and Clark Field in the Philippines; another large port is reported being built in Kampuchea by the Soviet Union. The sea routes of the South China Sea and through the Straits to the Indian Ocean—so literally vital to Japan and China—and to all the other countries of the Pacific Basin—are not as secure as they were.

Not many recall that Franklin Roosevelt cut off from Japan the flow of scrap iron and oil and sequestered their assets when they threatened those routes by moving their forces from northern to southern Indo-China in 1941. And FDR's eight successors—without exception—have all asserted our security interests in the area. The nine presidents may have been wrong; but I suggest that it would be useful, in this period of relative calm and hope for the Pacific Basin, that we as a nation come to a stable consensus on our policy toward the region.

FISCAL YEAR 1987 BUDGET: COMMITMENT TO OUR CHILDREN AND FAMILIES

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. MILLER of California. Mr. Speaker, the budget resolution which was passed by the House on May 15 deserves the support of every Member of this House, for several important reasons. This budget makes a serious and immediate downpayment to reduce the deficits that constitute a major threat to the long-term fiscal security of this Nation.

Unlike past budgets, however, the House wrote a budget which equitably reduces Federal spending. Our cuts are divided almost exactly 50-50 between defense and domestic spending, as directed by the deficit reduction law. In the past, our budgets, imposed enormous domestic cuts, awarded huge increases in spending to the Pentagon—but paid for them by increasing the deficit. We are all indebted to former OMB Director David Stockman for his congent analysis of how this deceitful strategy was practiced by the White House and OMB over the last several years.

We should support this budget for another reason, too. For after years of mindless retreat, the Congress is drawing a line in the sand and refusing to ratify additional cutbacks in successful programs that provide essential health, nutrition, and education services to the people we represent, including children, who are the poorest of all Americans.

As the chairman of the Select Committee on Children, Youth and Families, which I am honored to chair, I am especially pleased that the House passed a budget which recommits this Government to intelligent and humane domestic policies that invest in the future instead of stealing from it to pay for the Pentagon and the deficit.

POVERTY, ILLNESS AFFECTING CHILDREN

We are all paying—and we will continue to pay—an enormous price for our habit of stealing from the future:

Three million newly impoverished children since 1979, the greatest 5-year increase in three decades;

Over half of all black preschoolers are inadequately immunized against childhood disease; and

Postneonatal mortality and low birthweight rates are rising, in a country with the most sophisticated medical technology and best trained practitioners in history.

And what was the response of the administration? They proposed cutting children's programs $5 billion below the inadequate services we currently provide.

Those cuts would be in addition to the nearly $3 billion cut from children's discretionary programs in the last 6 years.

The staff of the House Select Committee on Children, Youth and Families has prepared a summary of the real cuts in basic support services for children since 1980, which I am submitting for the record at the end of my remarks today. This analysis demonstrates that each year, our most vulnerable children are protected by a bipartisan Congress from the President's budget.

Mr. Speaker, there is something very wrong when the leaders of this Nation look down from their positions of power and privilege, and tell the poorest, the sickest, the most vulnerable, and powerless among us, that they must sacrifice more.

There is something very wrong, Mr. Speaker, when year after year, the greatest burden for reducing the deficit must fall on those who have given up the most and who have the least.

There is something terribly wrong when the defenseless must sacrifice food, education, and housing so that the Defense Department can spend $800 million of our tax money every day—and far more if the administration gets its way.

This year, we are going to reach different conclusions because of Gramm-Rudman—which I didn't support, but which is the law—

because of the size of the deficits and because of the failure of the administration to propose serious and equitable ways to reduce the deficit.

This year this Congress and the American people are going to have to do something that I have been calling for since I first proposed the "Pay As You Go" budget back in 1981: We are going to have to make tough choices.

And I believe that this Congress, like the Budget Committee, will not abandon our children, our families, and our poor.

One of the important reasons for that change is that these programs make good economic sense, as well as good social policy. All the studies, including those by this administration, prove it.

SOUTHERN GOVERNORS' INITIATIVE

Let me quote from a recent address by the distinguished Governor of the State of South Carolina, Richard W. Riley, who has been an outstanding leader in promoting cost-effective health policies in his State and throughout the South.

[From remarks of Gov. Richard W. Riley (SC) before National Governors' Association Human Resources Committee, February 24, 1986]

In Virginia, women who received comprehensive prenatal care had a low birth weight rate of 73.7 per 1,000 live births, in contrast to 262.5 for those without prenatal care—a three-fold difference.

In Kentucky, the perinatal death rate for women with prenatal care was 15 per 1,000, compared to 77 per 1,000 for those without prenatal care.

In Missouri, babies born to white women who had prenatal care had a prematurity rate of 50 precent lower than those born to white mothers who had prenatal care.

The cost effectiveness is clear.

The American Academy of Pediatrics reported in 1984 that cost effectiveness estimates range from two to ten dollars saved for every dollar spent on prenatal care.

Oregon officials found the cost of treating five high risk babies would pay for providing prenatal care to 149 women.

The Virginia State Perinatal Services Advisory Council found that by providing better prenatal care, the state could save $49.8 million in state expenditures for long term care for the mentally retarded per year.

The California Department of Health Services estimates that $6-7 million in neonatal intensive care expenses for 3,700 low birth weight babies could have been saved if their mothers had had prenatal care. This care would have cost only $2.8 million, less than half of what the immediate intensive care costs were. If one were to include the long term care costs, the savings would be even higher.

Michigan state officials found that over six dollars could be saved on every dollar spent by the state to provide prenatal care to 14,000 uninsured women. Without prenatal care 6,000 of the babies born to these women would need NICU care. With prenatal care, at least 1,500 of these babies would not need neonatal intensive care services, saving over $30 million.

Colorado Department of Health officials, considering the savings prenatal care would bring by prevention of prematurity, estimate that nine dollars would be saved for each dollar spent for prenatal care. If long term costs were included, the savings could be as much as eleven dollars for each one dollar spent on prenatal care.

In order to provide all poor women whose income are below the federal poverty level with access to prenatal care services, we need to amend the Medicaid law so that states may target preventive services to improve birth outcomes. The Medicaid program is currently paying a high cost for illnesses.

This year, our budget includes a "Children's Initiative" to target additional funds to proven programs that save money, and save lives at the same time.

Let us be very clear: Many programs for children and families are still going to be cut in this budget. Under this budget, we will cut an additional $43 billion from the domestic budget over the next 3 years. More than half that amount will come from nondefense discretionary programs; another $18 billion will come from nondefense discretionary programs; another $18 billion will come from entitlements, many of which serve poor, elderly, handicapped, and undernourished people.

But we are going to make a modest effort, because to continue to ignore the growing human need in this country—in order to feed the Pentagon—is unconscionable, as well as bad economics.

THE CHILDREN'S INITIATIVE

In function 400, we add about $25 million for Indian Child Welfare Service about current levels, a tiny effort to address the chronic problems faced by native American children.

In function 500, we support several of the key education programs, because education has lost about 22 percent of its budget since the Reagan administration came to office. So we restore some support to the programs for the handicapped, to disadvantaged children and to Indian children.

We provide an additional $100 million for Head Start, a program the administration loves to compliment but forgets to fund. Head Start is one of those highly successful programs that reaches only a fraction of the eligible population, even though we know that children who participate will perform better in later schooling.

We provide a very modest increase in title IV-B, Child Services, which is the preventive service program which helps prevent unnecessary and excessively long placements in foster care and other types of costly maintenance programs.

And we meet the funding target for Graduate Student Loans which is contained in H.R. 3200, which we have approved.

In function 550, we provide $25 million for an expanded childhood Immunization Program, and $75 million for the Maternal and Child Health block grant. And we adopt the unanimous recommendation of the Southern Governor's Association to expand Medicaid eligibility to families which are below the poverty line. If there is any serious question whether we need this expanded medical coverage, let us recall that one-third of our Nation's poor children either have no medical insurance, or are covered for only a portion of the year.

Medicaid, which provides health care to the poorest children, reached only 49 percent of the poor—compared to 65 percent in 1969.

We provide an increase of about $70 million for WIC, the Women, Infants and Children supplemental feeding program, which today reaches fewer than half the high-risk people who need it. And many States—Florida, Kansas, Washington, Arizona, Idaho, Alaska, Utah, Arkansas, Hawaii, and my own State of California— serve 30 percent or less.

Now this is a very modest and responsible plan. We are investing in successful programs, and we are investing in the future of these families and these children. For we know that if we fail to respond today, they will revisit us for a generation and more to come, costing more each step of the way in remedial, unemployment, health care, and law enforcement.

As the man in the television commercial used to say, "You can pay me now, or pay me later."

To those in the Senate and the administration who say we cannot afford these minor increases, I challenge you to tell us your alternative for avoiding the poverty, the sickness, the illiteracy, the joblessness, the crime, the despair and the social unrest which we know are the inevitable results of Government's indifference: "Growth in the economy," as promised by Mr. Stockman and Professor Laffer? The evidence shows that despite a booming recovery, millions of Americans, especially children, are being left behind, and will stay behind for their entire lifetimes if we leave their well-being to the luck of the marketplace.

CHILDREN NOT A PARTISAN ISSUE

Let us not make this into a Democrat versus Republican, big spender versus deficit cutter, liberal versus conservative, issue. Our research on the select committee shows we can overlook those traditional polarizations and come together behind fiscally sound policies that help kids.

That is the select committee's message in our "Opportunities for Success" report, which was endorsed by committee members of both parties. That is the message of the Southern Governors, Democrat and Republican, who endorsed the health initiative we have incorporated in our budget.

Let's stop the inflamed and inflated rhetoric around this budget. The American people recognize bombast when they hear it. They know tough choices have to be made.

The American people aren't expecting miracles from this Congress, but they are expecting the truth, some compassion and decency, and the courage to say "no" to an insatiable, $800 million a day military machine.

They don't believe that the Pentagon is going to starve to death on the $285 billion this budget will give it next year, and they are right.

And they know that we cannot continue to demand more and more sacrifice from those who have less and less—our schools, our children, our poor, our troubled teenagers, our single parent families, our elderly, and our sick.

So I call upon members of both parties to support the House budget as a responsible, if painful, effort to move this country back to fiscal health. It is a budget which shows compassion, realism, and is honest with the American people about what we must spend and

what we must do to fulfill our promise to every American and to restore this country to greatness.

The report of the staff of the Select Committee on Children, Youth and Families follows:

A 1986 CONSTANT DOLLAR ANALYSIS OF FUNDING FOR PROGRAMS WHICH ASSIST CHILDREN: HIGHLIGHTS OF THE REAGAN RECORD

1980–86: REAL CUTS IN BASIC SUPPORT SERVICES FOR CHILDREN

Total spending on major discretionary programs assisting children declined by (over $2.9 billion) or nearly 15 percent over the last six years.

Social services

Hardest hit among programs for children were those funded through the Social Service Block Grant (SSBG). Over the past six years, the SSBG was cut by over $1.2 billion. Funding in FY 86 was one-third less than in FY 80.

Funding for child abuse prevention and treatment suffered a 19 percent decline between 1980 and 1986.

Education

Compensatory Education Programs for Disadvantaged Children (Chapter I) lost over $870 million since 1980.

In addition to Chapter I cuts, vocational education was cut by $250 million, bilingual education by nearly $100 million, and Indian Education by $40 million. Overall spending for major education programs declined by over $1.25 billion, a 22 percent reduction.

Health

Spending on major health care programs (apart from Medicaid) declined by over $800 million or 32 percent.

Despite a national problem of teenage pregnancy and rising numbers of single parent families, funding for family planning services was cut by nearly one-third between FY 80 and FY 86.

Spending on programs under the Preventive Health Block Grant in FY 86 was less than one-third the amount budgeted for FY 80. Programs under the Alcohol, Drug Abuse, and Mental Health Block Grant were cut by nearly 50 percent over the last six years.

Child nutrition

Child nutrition programs were cut by over $400 million or by nearly 10 percent since 1980. The school lunch program alone was slashed by nearly 50 percent.

Entitlement programs

Since 1980, nearly two million children have fallen into poverty, a 16 percent increase. Yet funding for AFDC, the primary income support entitlement program for children in poor families, declined by nearly $300 million.

Food Stamp benefits rose by only $60 million between 1980 and 1986, an increase of less than 1 percent.

THE PRESIDENT'S FY 1987 BUDGET PROPOSES STILL MORE DEVASTATING CUTS

Funding for all programs assisting children, including entitlement and discretionary programs, would be reduced by over $4 billion in FY 87. The amount budgeted would be $5 billion below the amount needed to maintain current service levels.

Discretionary programs alone would suffer over $1 billion in cuts, bringing the total to over $4 billion through FY 1987, a 20 percent decline since the beginning of the decade.

Social services

FY 87 funding for the Head Start program, proven effective in preventing early school failure among low income children, would be $22 million below the amount needed to maintain current enrollment levels.

Education

Combined with earlier cuts, overall spending on major education programs would be nearly 30 percent lower in FY 87 than FY 80.

Funding for vocational education would be slashed by over 50 percent in FY 87. Total funding for the program would be two-thirds below the FY 80 level.

Child nutrition

The President would further reduce spending on child nutrition by $625 million, bringing the total amount cut from the program to over $1 billion through FY 87. The school lunch program would be targeted for a $500 million cut, reducing spending from FY 86 levels by 95 percent, and effectively eliminating the program for thousands of moderate and low income children.

Entitlement programs

The Reagan budget would cut FY 87 funding for AFDC by over 1.5 billion, the single largest proposed cut in children's programs.

Funding for health care services under Medicaid would be cut by over $700 million in FY 87. The amount budgeted would be 1.2 billion below the amount projected by CBO needed to maintain current service levels.

FY 87 cuts in funding for child nutrition programs combined with a cut of over three quarters of a billion dollars in Food Stamps would reduce spending for the two primary nutrition programs serving children by $1.4 billion.

BLACK HERITAGE DAY PARADE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. RODINO. Mr. Speaker, on Sunday, May 25, I will have the honor of once again participating in the Annual Black Heritage Day Parade in Newark, NJ. As in the past 8 years, thousands of people will line the streets to rejoice in the rich contributions Afro-Americans have made to the culture and heritage of our Nation.

The sponsor of this event is the Black Heritage Day Parade Commmittee, a nonprofit organization that was established in 1978 to educate black people in Newark about the richness of their heritage and to foster cooperation and unity among the diverse groups of people who are all committed to equal rights in our society.

In addition, the committee also helps provide seminars in black history for Newark residents, particularly young people, and in other ways build a sense of community pride and awareness in the achievements of black Americans—on both a local and national level.

I would like to express my appreciation and commendation to the many, many people who have worked so hard to make sure that this celebration will be a success. Specifically, I want to recognize the parade officers—Mr. Kurt A. Culbreath, chairperson; Mr. Michael Cook, co-chairman; Ms. Alberta Hunt, treasurer; Ms. Deborah L. Bryant, secretary; and Mr. Shawii Johnson, sergeant at arms.

The marshals of this year's parade represent some of the leading organizations in our community. The grand marshal will be Hon. Larry Hazzard, Commissioner, Boxing and Athletes; and the deputy grand marshal will be Hon. Wyman E. Garrett, MD, Obstetrics and Gynecology. The mistress of ceremonies will be Ms. Edna Bailey, Editor, Newark Star. All of these individuals have played crucial roles in the fight for equal justice and civil rights. They have given a great deal of themselves for the betterment of our entire society, and I salute them for their outstanding work in our community.

The theme of this year's Black Heritage Day Parade is "A Tribute to Black Athletes."

The significant advances black Americans have made are too numerous to be mentioned here, and we all know the names of the laws we worked to pass and the social programs that were implemented as a result. The important thing now is to guard against those who would turn back the clock on civil rights. We cannot afford to let that happen.

While all of these laws and programs may not work perfectly, there can be no doubt that they have made a great improvement in the quality of life of millions of Americans and, more importantly, that they have brought the prospect of opportunities to those to whom the doors were previously closed. But instead of the fine tuning that may be necessary to perfect these programs and laws, we have seen the imperfections being used as an excuse to undercut or abolish them.

And so, while we joyously celebrate 20 years of progress we must be ever vigilant to those who would reverse our successes. We often feel that, instead of moving toward Dr. King's "sunlit path of racial justice," we are merely struggling to mark time.

In the quest for freedom, there will continue to be struggles ahead. Yet I am confident that we shall be on the march again under the banner of equal rights and justice for all of our citizens, and that we shall again prevail.

A TRIBUTE TO THE ALLENTOWN FIRE DEPARTMENT

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. RITTER. Mr. Speaker, I would like to commend the Allentown Fire Department for its efforts in fighting muscular dystrophy every year for the past 4 years, the department has held a Muscular Dystrophy Fun Fair to raise money for the cause. This year, the military joins the effort to raise money during the fair on June 7.

The U.S. Marine Corps, the U.S. Air Force, the U.S. Navy, and the Pennsylvania Army National Guard will be attending the fair and the day will be dubbed Military Appreciation Day in their honor.

I think it is important that a community service joins with the military to fight such a debilitating disease.

A REFORM WORTHY OF THE NAME

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. COURTER. Mr. Speaker, the Senate Finance Committee has put together a tax overhaul plan which would go a long way toward establishing a fairer Tax Code for individual taxpayers which, at the same time, preserves or creates important incentives for economic growth in the private sector.

Indeed, there are areas in the Finance Committee initiative which must be significantly altered. But the following editorial from the Record of Hackensack, NJ, points out that any major changes must maintain the incentives for growth and equitable approach of the overall plan.

A REFORM WORTHY OF THE NAME

The Senate Finance Committee has turned a pumpkin into Cinderella's coach. In the twinkling of an eye the committee's first tax plan, which Chairman Robert Packwood and colleagues had laced with special-interest loopholes, was no more. In its place, a new deal for taxpayers—one of the rare pieces of legislation which actually deserves to be called a reform. But in the fairyland of Washington, alas, all this can disappear as quickly as it took form.

The Committee's proposal, one of the most important economic measures in a decade, offers fairness, efficiency, and, for many taxpayers, more money in their pockets. Rates would be cut and trimmed and 6 million of the nation's wage earners will be dropped from the rolls completely. To pay for the cuts, the committee wants to close many of the loopholes that have allowed countless millionaires and corporations to pay little or no taxes. Tax shelters that have helped clog cities with pointless new office buildings would be abolished, diverting hundreds of millions of dollars to more productive use. Capital gains would be taxed as heavily as other income, and corporate taxes would rise.

Washington's springtime green is about to disappear beneath a flood of corporate blue, however, as thousands of lobbyists and business people mobilize to see that none of these worthwhile changes happens. They have a full month before the Senate votes on the tax bill. That means a month to work the telephone, visit congressional offices, prepare detailed position papers, and speak, more or less indirectly, of campaign contributions. Once the Senate votes, a House-Senate conference committee is still to come. Real-estate agents and home builders will fight for tax breaks traditionally enjoyed by their industry. Companies like General Electric and General Dynamics that pay little or no tax will fight to keep it that way.

The lobbyists can be beaten only if everyone who has ever muttered about tax revolts realizes they have a historic opportunity. There's a good argument for several changes. Individual Retirement Accounts, for example, provide a good way to supplement private pension plans and Social Security, and it's easy to question the committee's decision to end IRA benefits for most taxpayers. But restoring this break, used chiefly by those earning more than $30,000-a-year, will cost the federal government $30 billion over five years. That might lead to a move to raise corporate taxes, which would lead corporations to demand special favors in compensation, and on and on and on. Members of the Senate and the joint committee should close the door on all amendments, for fear of starting a chain reaction that could destroy the bill.

Part of the credit for the tax plan must go to President Reagan, who made tax reform his chief domestic priority for his second term. Part goes to Mr. Packwood, who worked with diligence and imagination.

But the proposal is above all a personal victory for Sen. Bill Bradley. It was Mr. Bradley who first proposed a tax package that is very similar to the one endorsed by the committee, and Mr. Bradley who worked doggedly for five years to sell tax reform to his colleagues. It was Mr. Bradley who, with tact and persistence, helped persuade Mr. Packwood to call a halt to the explosion of giveaways that the chairman first contemplated.

Mr. Bradley says he first realized the unfairness of the tax system when, as a highly paid young superstar for the New York Knicks, he listened to a tax lawyer coach him in ways to avoid taxes. It's a conversation the lawyer has cause to regret. It's likely to mean the demise of a cumbersome tax system that has benefitted only the very wealthy and their highly paid tax experts.

ANDREI SAKHAROV

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. FEIGHAN. Mr. Speaker, this morning, Members of the House had an opportunity to join with Dr. Yelena Bonner and celebrate the 65th birthday of her husband, Nobel Peace laureate, Andrei Sakharov. Dr. Bonner, who this week ends her brief stay in the United States, will shortly return to Dr. Sakharov in the closed city of Gorki, where they have lived in internal exile for the last 6 years.

The inhuman and unjust treatment of these two remarkable human beings has been noted many times on the House floor. The Soviet government deserves the condemnation of all free people for their unconscionable treatment of the Sakharovs. Andrei Sakharov and Yelena Bonner, despite years of torment, psychological and physical torture, and their separation from friends and loved ones, stand as beacons in a dark land. Their determination, their courage, and their love inspire the efforts of all who care about the cause of human liberty and the spirit of freedom.

President Reagan has proclaimed today National Andrei Sakharov Day, in fitting tribute for this remarkable man. Despite his present confinement, we join in praying that the Soviet government will at long last recognize that the exile of Sakharov does nothing to assist the cause of world peace, that it troubles and concerns all of us, and that it reduces the chances for a lasting peace and real cooperation between our two people.

I have written a note to Dr. Bonner, expressing the best wishes of all Americans to her and her family on Dr. Sakharov's birthday. Though he is unable to celebrate with those he loves most, he can be secure in the knowledge that he is not forgotten, that his cause and the cause of liberty for all who are oppressed in the Soviet Union remain in our minds and in our hearts, and that his is a voice that can never be silenced.

Mr. Speaker, I ask that my note to Mrs. Bonner on her husband's 65th birthday be included in the RECORD following my remarks.

HOUSE OF REPRESENTATIVES,
Washington, DC, May 21, 1986.

DEAR MRS. BONNER. I join with all Americans in extending my best wishes to you and your family on the 65th birthday of your husband, Nobel Laureate Andrei Sakharov.

The fate of Dr. Sakharov, a towering figure of the 20th Century, will continue to be of grave concern to us until he receives the freedom for which he has so valiantly struggled.

Please extend to him our admiration and respect and our determination to pressure the Soviet government on your behalf and on behalf of all who seek the truth, fight for justice and inspire the cause of humanity.

Best regards,

EDWARD F. FEIGHAN.

A GERMAN PERSPECTIVE OF AMERICA

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. GRADISON. Mr. Speaker, recently I had the privilege of having a foreign fellow in the 1985–86 Congressional Fellowship Program in my office for 4 months. Mr. Klaus Frankenberger is a doctoral candidate and former research associate at the Institute of American Studies of the University of Frankfurt.

After the completion of his fellowship, Mr. Frankenberger wrote a thoughtful essay on the American constitutional system, challenging some of his previously held assumptions, and comparing the American and European approach to government. I hope my colleagues find his remarks of interest. A somewhat shorter version of this essay recently appeared in the Cincinnati Post. I am glad to report that Mr. Frankenberger is now a member of the professional staff of the American Embassy in Bonn.

GERMAN-AMERICAN PERSPECTIVES

Klaus D. Frankenberger

As a German student of American government and politics, I was granted the opportunity to be immersed in the mechanics, processes, and subtleties of the U.S. Congress. I witnessed firsthand the crucial importance of the personalities of congressional policymakers in shaping issues, debates, and finally, legislation. So I am tempted to reflect upon some selected aspects of my temporary host country from foreigner's perspective. Hopefully, my observations are not excessively biased, and my generalizations do not transcend reasonable limits of validity.

The American government is made up of an elaborate system of institutions competing for legislative authority and political influence. The Constitution provides for a complex system of checks and balances which divides power among (and within) separated governmental institutions, but makes their functional cooperation a prerequisite, without which no policies can be formulated and no legislation passed. This means, of course, that major political issues will usually only be resolved after a time-consuming and protracted bargaining process has produced a viable consensus among the political actors.

The necessity to arrive at a consensus is reflected in the internal structures and arrangements of Congress itself. Open to the influence, and pressure, of outside political and social forces, members of both the House of Representatives and the Senate actively participate in all stages of the decision-making process. Compared to Germany (and other Western democracies), little power is vested in the leadership of both the Senate and House or in the leaders of both parties. Instead, power is dispersed among a plethora of committees and subcommittees which jealously guards their turf. But ultimately, it is the individual elected members who hold the balance of power, as they see to their political interests, and not their party leadership as would be the case in the German Bundestag.

Without question, there are highly visible Congressmen and Senators who set the agenda and channel the flow of congressional activities and, of course, there is the President who is the focus of most of the public and media attention. But to ignore the concerns and reservations of the individual members over a period of time only invites retribution and conflict in the future.

Members of Congress, even though clearly identified as Republicans or Democrats, are political entrepreneurs in their own right. Unlike German political parties which are strong socio-political organizations that have all the necessary instruments to whip wavering members into line, even denying them a slot on the ballot for the next election, American parties reflect the much more heterogeneous nature and diversity of the American society. By comparison, if not design, American political parties display organizational weakness and programmatic ambiguity.

Members of Congress do not rely on their political parties for their mandate to serve in the Congress. They may rely on them for broad ideological perspectives, and look for specific cues when it comes to policy areas that do not fall within the realm of their parochial interests. But their political office is hardly predicated on the parties; rather, it is based on their own campaigns which, in turn, focus almost exclusively on their district or state.

As political entrepreneurs, they constantly seek to reap individual political benefits, the most prized of which is reelection (which will allow the incumbent to climb to the next step on the congressional seniority ladder). The entrepreneurial style is enforced by election campaigns that are managed by the candidates' own campaign organizations. They are exclusively set up for the purpose of devising a campaign strategy, and raising the funds to wage credible campaigns. In Germany, it is the parties that provide the logistics of the campaigns, and elections are publically funded.

To cater to what he perceives are his constituents' interests is the raison d'etre of any members of Congress. These interests are endlessly laid out for him by vocal groups of constituents who do not hesitate to remind him that THEY are the final arbiter. Even though a member's decision might reflect his own principles, his degree of loyalty to his party, to the President, and to the institution in which he serves, the commitment to his district takes precedent.

Members generally follow the same ground rules in that they are trying to distribute as many government benefits as possible among their respective districts, notwithstanding their sometimes contrary ideological beliefs that may point in the direction of leaner government. Because they vigorously articulate and defend their constituents' concerns, the final national policy which Congress and the President agree upon often merely cumulates parochial interests.

The recent examples of tax reform, and pork barrel, and agricultural subsidies, among others, illustrate a general process in which, from a European perspective, the national interest, conceptually transcending pure parochialism, is often ignored, if not seriously compromised. In Europe, the federal government is executing the "national interest" on the basis of party and civil service support. In the U.S., the "national interest" is the result of the political interaction of many independent individuals and groups who usually approach the process from different perspectives. The open state of the American "national interest" in subject to the political interpretation and influence of shifting coalitions which follow their own economic needs, their ethnic heritage, or their moral persuasions.

American policymaking, through protracted bargaining and consensus, is time consuming, prone to stalemate, and even inefficient. Only with a clear sense of urgency and crisis is the process expedited and stripped of its built-in delaying procedures. However, this system is a true expression of a pluralistic and open society guaranteeing participation to the largest possible extent. It is "conservative" in the sense that major policy changes can only be brought about when a substantial majority consents. And, as former Representative Barber Conable often remarked, that's just what the founding fathers intended.

This contrasts with well-entrenched aspects in the German form of government which is also representative in nature, but which discourages a wise use of plebiscitary instruments. Truly a PARTY democracy, it bestows on the PARTIES almost "constitutional" status. They, together with the bureaucracies, shape policies and make decisions. In Germany, and other developed democracies, it is the PARTY, NOT the individual member, which is responsible for the operation of the various branches of government. The distribution of party strength in the German Bundestag shapes almost totally the decision-making process. This makes the decisions highly predictable.

The American and German economies operate under the same broad principles of competition and marked-induced adjustments of economic behavior, but there are substantial differences in the degree of government intervention in the economy and the state of industrial relations which supplement microeconomic policy.

What are the consequences of these differences? One is that the German economy has produced NO net increase in employment since the EARLY 1970s. This, of course, contrasts dramatically with the American experience during the same period in which 26 MILLION new jobs were created. What explains Germany's dismal employment performance (including unemployment rates that have persistently hovered around the 9% mark for the better part of the 1980s)?

The German economy has grown by productivity growth rather than by producing more goods and services by an enlarged workforce. Through productivity growth, the nation increased its wealth and international competitiveness, and bolstered wages. But the German economy did not, however, enhance the chances of those entering the labor market and who do not find gainful employment as readily as in the U.S. This leads to an unemployment situation where up to two-thirds of those who file for unemployment benefits in Germany are longterm unemployed (compared with 28% in the U.S.).

The picture is just the opposite in the U.S. where short-term unemployment predominates. This is not to ignore the regional pockets of serious long-term unemployment which is partly associated with the reduced demand for labor in the manufacturing sector due to automatization and foreign competition. But it does emphasize the highly dynamic nature of the U.S. labor market. Changes in the American economy have wrought a service sector in which, by now, more than 70% of all nonfarm employment is concentrated. The service sector's potential for job creation has been unheard of in Europe.

Germany has tried to restructure and modernize its industrail sector which has bolstered the country's international economic position and served as the key to its economic success and political stability for the past 25 years. Germany's is still an industrial economy, albeit a very modern one. Structural changes in the economy, which can lead to dislocation and frictions do not command an outright enthusiasm among the major players in German politics, even though most will acknowledge the desirability for change.

Unlike Germany's the American economic system provides significant opportunities for those individuals willing to assume risks, and exhibit flexibility and geographic mobility. Social mobility usually follows in lockstep. Risk-taking and the economic appreciation of the flexibility to pursue different careers in various economic fields lie at the heart of the innovation and dynamics in the American economy. Risk-taking and broad-based economic innovation are culturally encouraged in the U.S. In Germany, they are treated with suspicion. In the U.S., material benefits and social recognition are bestowed on entrepreneurs who successfully face competition. That is not the case in Germany.

And unlike Germany, those who fail do not have the advantage of being absorbed by generous and more extensive social-welfare programs as in the German case. In Germany, a vast array of transfer payments, provided for by each level of government, come virtually as entitlements, some of which any citizen is eligible to claim regardless of his or her income. It is one of the modern ironies that European societies have developed into social-welfare states, but are reluctant to embrace the policies that would sustain these benefits in the long run. Compared to the dynamics of the American society, they may be described as status quo oriented. It is often argued that European societies find positive aspects in

their lack of labor mobility because persistent social and economic change undermines social cohesion and threatens the particular fabric and quality of life which they cherish.

Generous social benefits contributed in the past to a remarkable social consensus and stability in Germany. But they also created the expectations of future benefits to come, but at a time when the governments' financial capacities will likely reach limits. These expectations have solidified into attitudes that assign to all levels of government a fundamental role in eliminating any adverse situation in life and, conversely, to an economic structure that minimizes the individual's responsibility to enhance his own potential; they further weaken the notion of individual initiative and entrepreneurial innovation.

Adding to this, German state and local bureaucracies which closely monitor any economic operation, do not encourage initiative and innovation. Perceived as a potential threat to their role, German bureaucracies, to a much greater extent then American ones, deeply mistrust economic, social, and cultural initiatives and new approaches.

In sum, variations in the relationship of government and society distinguish the U.S. from Europe in general, and Germany in particular. In the U.S., the social and economic systems have preserved a good deal of their internal autonomy. In contrast, in Germany, the government has assumed an enormous role for resource allocation and social intervention to the extent that is not politically acceptable in the U.S. Based on a traditional orientation toward the authority of the government, a welfare state paternalism is still strong in Europe, while it seems to be wanning in the U.S.

The U.S. and Germany share the same basic and fundamental values. They protect civil liberties and human rights under constitution and law, they cherish due process; they subscribe to democratic forms of government and organization. But, still, they entertain different concepts of what the role of government should be in the resolution or amelioration of social and economic problems.

Recently, however, Germany is looking more to the individual as the principal actor of social and economic change. And the notion of more flexibility in such diverse areas as the labor market, transportation, education, development, and even the regulation of business hours is favorably received by a growing audience.

EAST END HOSE AND CHEMICAL CO., NO. 1, HONORED

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. RITTER. Mr. Speaker, on June 7, the East End Hose and Chemical Co., No. 1, of Catasaqua, PA, will be 75 years old. On June 7, 1911, 73 people pledged themselves to become members of the company.

In 1912, a hose cart was purchased along with 300 feet of hose. In September of that year, a lot was purchased to house the equipment and by 1913, a contract was awarded to erect a building. With the members furnishing most of the labor, the whole project was completed the next year.

By 1925, the company was ready to buy its first motor-driven vehicle with funds raised by public subscription.

In 1948, a ceremony was held to burn the mortgage for the building and, the next year, a new fire siren was connected to the Borough Hall alarm system.

The company has seen its membership grow from the original 73 back in 1911 to more than 300 this year. It has 19 well-trained firefighters.

I want to take this opportunity to commend the East End Hose and Chemical Co. on 75 years of community service.

INTERNATIONAL PORK BARREL

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. SMITH of Iowa. Mr. Speaker, no national defense topic is more publicized and controversial than the President's strategic defense initiative, better known as "Star wars." Editorial comment, pro and con, from across the Nation has appeared in the RECORD. To add to this discussion, with another regional viewpoint, I am submitting three editorials that have appeared in the Des Moines Register in recent months and ask that they be published in the RECORD.

[From the Des Moines Register, Dec. 15, 1985]

INTERNATIONAL PORK BARREL.

Britain's decision to join the United States in Star Wars research holds more political than technological significance, although the British may be ahead of U.S. science in such fields as laser research and optic computers.

The agreement makes it likely that several other European allies, particularly West Germany and Italy, will also fall in line on President Reagan's Strategic Defense Initiative. A German spokesman said the British decision "will certainly play a role for us, because [we have] always said that in no circumstances would we want to be alone."

The Europeans have been reluctant about Star Wars. They see it as defending only the United States (if it works) and not Europe, and they share the fear of Star Wars opponents everywhere that it will speed up the arms race. Moreover, it would force the Soviet Union to build a similar system, and even if that shield were full of holes, it would end whatever deterrent credibility the British and French nuclear arsenals hold.

The British seem to have signed up more for the dollars than for the principle. British Defense Minister Michael Heseltine said the agreement will bring "substantial awards" to British companies from a presumed $26 billion pot and will create "a significant number of jobs."

However, the British failed to obtain a guarantee of $1.5 billion worth of contracts that they were insisting upon last summer. They also wanted to be guaranteed the right to use whatever technology they might develop.

Secretary of Defense Caspar Weinberger said British companies will be allowed to compete for research contracts in 18 specified areas, so they could get more or less than $1.5 billion.

As to sharing the fruits of the research, the American position is that U.S. law is restrictive on this point. But spokesmen for both sides said the agreement "lays down the ground rules" and contains a "political commitment" to give Britain a "significant role."

In addition to bringing Britain some dollars, and encouraging other European allies to join up, the agreement is likely to weaken American opposition to Star Wars by enabling the administration to say: Look, the Europeans know a good thing when they see it.

So do many American scientists and the universities and industries that employ them. Unfortunately, the good thing that they see is $26 billion for research contracts over the next five years—if Congress authorizes it.

Their own lobbying would likely have been sufficient, but approval seems more certain if no one can say that Star Wars is dividing the United States and its allies. The pork barrel has gone international, and the contents will be much more dangerous than dams and inland waterways.

[From the Des Moines Register, Dec. 21, 1985]

THE CHICKENS WILL GET AWAY

"You strap a chicken down and blow it apart with shotguns, and say shotguns kill chickens. But that's quite different from trying to kill a chicken in a dense forest when it's running away."

That's how Dr. Roger Hagengruber, director of systems studies at Sandia National Laboratory, described what has been happening, and will happen more and more, in testing components of the president's "Star Wars" Strategic Defense Initiative.

To retain public and congressional support during the long years when Star Wars will be only a future possibility, developers of the SDI are being asked to concentrate on tests of elements that are likely to show quick, deceptively impressive results.

Meanwhile, in Moscow, word is being spread about Soviet countermeasures to Star Wars. The talk is of space mines, dummy missiles and special coatings on real missiles that would harmlessly deflect Star Wars' radar beams. Some of those things may work, and few American scientists talk anymore about the "perfect" defense to which Ronald Reagan still alludes occasionally.

If such gimmicks don't do the job, there is one thing that will: more missiles. The Kremlin also has that in mind, though it probably would begrudge the cost.

Facing a 99-percent perfect SDI, the Soviets could target 100 warheads on each of the 100 largest American cities. As the tiny (by present standards) Hiroshima bomb proved, the one missile that might reach each targeted city would be more than enough.

In the face of that kind of reality, does it greatly matter whether "strapped-down chicken" tests lead to a 99-percent or a 79-percent perfect SDI—or to one that won't work at all?

Whatever the number, too many of those chickens in the woods are going to get away.

[From the Des Moines Register, Jan. 16, 1986]

MAY NOT BE SCIENCE FICTION

It sounds like science fiction: powerful laser beams from space incinerating cities. In fact, it has been a topic of science fiction. But a study by R&D Associates, a military-

oriented think tank, warns that this could be one consequence of President Reagan's Strategic Defense Initiative.

"Star Wars" would rely on immensely powerful laser beams to destroy enemy nuclear warheads in the air. But a laser is not inherently defensive, the study reminds, and "a laser defense system powerful enough to cope with the ballistic-missile threat can also destroy the enemy's major cities by fire . . . in minutes. Not nuclear destruction, but Armageddon all the same."

The authors of this report are advocates of a strong defense, and their concern was that the "enemy" destroyed could be the United States, if President Reagan went through with his offers to share Star Wars technology with the Soviet Union. Even if he doesn't share it, the Soviets might catch on and make it themselves. They always have done so in the past when the United States has come up with a new weapon.

Just one more reason for a U.S.-Soviet agreement not to put these dangerous (if they work) weapons in the skies. Maybe it is science fiction to destroy cities by laser. But if Stars Wars turns out not to be science fiction, this nightmare is likely to be real, too.

SUPPORT FREEDOM IN NAMIBIA

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. SOLOMON. Mr. Speaker, on December 19 last year the Secretary of State appointed a 12-member Advisory Committee on South Africa to recommend measures the United States can take to encourage peaceful change in South Africa and be most effective in promoting equal rights in South Africa and ending apartheid.

The Namibian Transitional Government of National Unity and the Multi-Party Conference are exercising all powers of local self-government pending genuine independence for Namibia, which since 1920 has been administered by South Africa.

The Namibia TGNU and Multi-Party Conference support the U.S. policy of peaceful change and an end to apartheid in South Africa. Indeed, on April 9 of this year the Namibian National Assembly abolished apartheid de jure in South West Africa/Namibia.

In order to support President Reagan's policy of U.S. Government support for internal political groups opposing the Soviet expansionist campaign in southern Africa, I am introducing the following "sense of Congress" resolution for consideration by the U.S. Congress.

99TH CONGRESS, 2D SESSION

H. RES. ——

IN THE HOUSE OF REPRESENTATIVES

Expressing the support and encouragement of Congress for those working for freedom and against communism in South West Africa/Namibia.

Whereas the President of the United States has expressed U.S. foreign policy as opposing Soviet-backed terrorist campaigns to subvert or seize control of non-Soviet countries and territories in various parts of the world, including Central America, S.E. Asia, the Middle East, Afghanistan and Southern Africa;

Whereas approximately 40,000 Cuban combat soldiers and several thousand Soviet and East German advisors presently occupy Angola and lend support to the Soviet-backed terrorist campaign of SWAPO (South West Africa People's Organization), operating from bases in southern Angola, to seize control of Namibia before that territory can achieve internationally acceptable independence;

Whereas the United Nations General Assembly continues to designate SWAPO as the "sole and authentic" representative of the people of Namibia, accord SWAPO permanent observer status at the U.N., and finance SWAPO propaganda offices and meetings throughout the world, while refusing to recognize the various Namibian parties who make up Namibia's Multi-Party Conference;

Whereas on June 17, 1985, the Republic of South Africa voluntarily and as a result of the peaceful negotiations with Namibia's political leaders of the Namibia Multi-Party Conference, effected a complete transfer of all administrative powers of local self-government that were previously exercised by the Administrator-General for Namibia, an official appointed by South Africa;

Whereas Namibia's political party leaders acting on behalf of the people of Namibia immediately established Namibia's Transitional Government of National Unity and invited all political parties, including SWAPO, to participate in exercising the powers of local self-government enjoyed for the first time since 1884 by the people of Namibia;

Whereas Namibia's Transitional Government of National Unity opposes apartheid in all its forms and has abolished apartheid de jure in Namibia;

Whereas SWAPO, under Soviet direction, has refused to cooperate or participate in any democratic or peaceful process leading to Namibian independence:

Whereas historic U.S. foreign policy has encouraged and aided indigenous political groups and similar organizations in developing countries which seek to establish non-Soviet controlled and democratic governments;

Whereas Namibia's Transitional Government of National Unity and the various political parties comprising Namibia's Multi-Party Conference represent the most hopeful, reasonable and constructive avenue to achieve peace in South West Africa and should be supported by the United States; Now, therefore be it

Resolved, That it is the sense of the U.S. House of Representatives that—

(1) The United States should continue to pursue serious multi-lateral initiatives aimed at achieving removal of all Cuban combat troops now occupying Angola, closure of all SWAPO bases in southern Angola and impartiality by the United Nations in treatment of all Namibian political parties wishing to appear at the United Nations, and

(2) The Department of State should immediately establish contact with the leaders of all political parties who make up the Namibia Multi-Party Conference and Namibia Transitional Government of National Unity, and

(3) The United States Government should implement its support for Namibia's Transitional Government of National Unity pending a negotiated plan for internationally acceptable independence by—

(a) Establishing an interest section in Windhoek.

(b) Dispatching a delegation of officials to Windhoek for bilateral talks.

(c) Including Namibia among African nations receiving aid from the U.S. and international organizations the U.S. supports.

(d) Establishing Peace Corps representation in Namibia.

(e) Encouraging U.S. private investment in Namibia.

(f) Supporting Namibia's control of its fishing industry by requiring other nations to adhere to generally recognized international rules and existing agreements.

(g) Inviting all Namibian political parties, including Namibia's Multi-Party Conference and SWAPO, to meet in an all-parties conference to develop a censensus on the time and method for achieving independence for Namibia free from foreign control.

THE RETURN OF DR. SEUSS TO SPRINGFIELD

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. BOLAND. Mr. Speaker, my hometown of Springfield, MA, is recognized as being the birthplace of many famous people and things. It was in Springfield that the game of basketball was created and the first American automobile assembled. And, as far as notable people, few could compare with the creator of the Lorax, Thidwick the big-hearted moose, and the cat-in-the-hat; the world renowned, and beloved, Dr. Seuss.

Dr. Seuss, otherwise known as Ted Geisel, was raised in Springfield, and even though he now resides in California he has retained a fondness for the "City of Homes". The people of Springfield have been honored to have some of the areas of the their city depicted in certain of his stories, and the other day he returned to Springfield for a visit and to take part in the city's ongoing 350th anniversary celebration. Today's New York Times carried an article about that visit, and I would like to insert it at this point in the RECORD:

[From the New York Times]

AFTER 60 YEARS, DR. SEUSS GOES HOME

(By Larry Rohter)

SPRINGFIELD, MASS.—May 20—Like the Cat in the Hat, Dr. Seuss came back today, back to the schools, libraries, streets and parks of this New England factory town where he was born 82 years ago.

Unlike some of his best-known creations, though, Dr. Seuss did not seem to have mischief in mind. Instead, his was a sentimental visit to a place where, as he put it, "I haven't really spent any time in 60 years" but where he and his family are fondly remembered by three generations of local residents and an assortment of relatives that until today he wasn't even sure he had.

Amid all the testimonials, and receptions in his honor, between the lunch and the dinner with city officials and community leaders, Dr. Seuss managed to find time to stop and take another look at Mulberry Street. It was the street that inspired the man who grew up here as Theodor Geisel to write "And to Think That I Saw It on Mulberry Street" nearly 50 years ago, launching him on a career as the most successful

author of children's books in American history.

"I never really lived on Mulberry Street," he said almost apologetically. "But my mother owned a piece of property on Mulberry Street, and I spend a lot of time there."

OUTPOURING OF AFFECTION

As Dr. Seuss, tanned, bearded and white-haired, pulled up in a small bus in front of the medical center at 39 Mulberry Street, it was as if he had never left. Dozens of excited children surged toward him, waving copies of "Hop on Pop" and "Green Eggs and Ham" and shouting "We love you, Dr. Seuss!"

Adults were a bit more restrained in their outpouring of affection, but just barely. Nurses and office workers began to emerge from the medical center to seek the author's autograph, and a group of teachers quickly gathered around to hug and congratulate him. Perhaps they had heard of his latest effort, "You're Only Old Once," a humorous book about adults that he has been promoting.

"Thank you so much for being so good to the kids," said Gail Watson, a librarian from Chicopee, Mass., who had come with students from the Barry School to catch a glimpse of their idol.

At the next stop, Sumner Avenue Elementary School, which he attended as a child, it was more of the same. Students and teachers poured onto the front lawn, decked out in outlandish haberdashery straight from "The 500 Hats of Bartholomew Cubbins" and waving slightly misspelled banners reading, "Welcome Home Dr. Suess."

"Will you write us a book?" asked one boy as Dr. Suess hugged and squeezed the children.

SESSION WITH CONSTITUENTS

There was no time for that, but Dr. Seuss did take part in a freewheeling session with the constituency that has provided the most avid consumers over the years of his 45 books, which have sold over 100 million copies. At the Springfield City Library, surrounded by images of Horton the Elephant, Yertle the Turtle and other members of the Seuss menagerie, he fielded questions from a group of nine children ages 9 and 10, displaying all the whimsical humor contained in his books.

One child wanted to know if Dr. Seuss had ever acted like any of his characters. "No, because I don't want to get put in jail," he replied, drawing delighted giggles.

His hobbies? "Gardening and climbing Mount Everest, which I don't do very often."

Why do his animals look the way they do? "I can't draw too well, so the knees keep slipping down and the elbows keep slipping up."

On a more serious note, he told them, "All of my books are based on truth, an exaggerated truth." And if any of them plan to become writers or artists, he advised, "you can get help from teachers, but you are going to have learn a lot by yourself, sitting alone in a room."

"He was very exciting and nice," Daniel Santana, 10 years old, said afterward. "I knew he would have glasses and white hair, but I did not know he would have a bow tie and beard."

It has been 20 years since Dr. Seuss last visited his hometown, and that was for the funeral of his father. For years he has lived in La Jolla, Calif, in a Spanish-style ranch house overlooking the Pacific Ocean and equipped with a studio in which he writes and illustrates his books.

But the University of Hartford, just down Interstate 91 from here in Connecticut, awarded him an honorary Doctor of Letters last weekend, and when people in his hometown, which has been celebrating its 350th anniversary all this month, heard about the forthcoming honor some months ago, they began a campaign urging him to pay a visit.

In the end, it was probably not the efforts of Mayor Richard E. Neal or other leading residents that turned the tide and brought him here. More than 600 local schoolchildren wrote letters to Dr. Seuss asking that he visit, including Joel Senez, 8, who now lives in Dr. Seuss's boyhood home at 74 Fairfield Street.

Dr. Seuss stopped by to visit the house and, seated in his boyhood bedroom, told Joel and his younger brother, Aaron, 5, about the life he had led there with his mother, Henrietta, whose maiden name he would take as his pen name, and father, Theodor, whose responsibilities as Superintendent of Parks included the local zoo.

There were no tizzle-topped tufted mazurkas, twiddling umlauts or bee-watching absaloms at the Springfield Zoo, Dr. Seuss admitted today. But he recalled that it was a pleasant place for a boy to spend his time, sketching the rather more conventional beasts that did live there.

"I just stopped by to make sure you're taking proper care of the house," Dr. Seuss told the Senez boys and their father, Ronald, an administrative officer with the National Guard, before departing.

A few grinches in town might argue that Dr. Seuss is not Springfield's most famous son, that the honor belongs to James Naismith, who invented basketball here nearly a century ago. But Dr. Seuss's legion of local fans were having none of that today.

"And to think that we saw him on Mulberry Street," read one large banner displayed by a group of enthusiastic schoolchildren. When it came time for Dr. Seuss to go on his way, they saluted him with a line from one of his own books: "Thank you, thank you, Sam-I-Am."

FRONT-LINE SOLDIERS DESERVE FULLY TESTED WEAPONS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. LEHMAN of Florida. Mr. Speaker, last week the Wall Street Journal printed an opinion page article by our esteemed colleague, CHARLES E. BENNETT. A senior Member both of the House and of the Committee on Armed Services, as well as the dean of the Florida delegation, CHARLIE BENNETT is an authority on military subjects. I urge all my colleagues to read his views on this critical subject—the need to be assured that today's sophisticated weapons actually work in the field as they do in the laboratory. Certainly there is no one in this Congress, whether hawk or dove or somewhere in between, who wants to see American soldiers sent into battle with weapons that fail.

The article follows:

[From the Wall Street Journal, May 15, 1986

FRONT-LINE SOLDIERS DESERVE FULLY TESTED WEAPONS

By Charles E. Bennett

Dateline: The Mediterranean, 1987.

Dawn comes to the American entrenchments astride the road to Tripoli. The men of the U.S. 82nd Airborne have been ordered to prevent Libyan reinforcements from relieving Col. Muammar Qadhafi's troops besieged in the capital.

Cpl. Allen Jackson's stomach tightens at the sight of more than 100 Libyan T-72 tanks in the distance. He checks to see if his Dragon antitank missile is ready to fire. From his foxhole he scans the positions that other Dragon-armed paratroopers have prepared in the rocky ground.

Several Libyan tanks explode in the distance, hit by jeep-mounted TOW antitank missiles. But the remaining tanks keep advancing. As they come within the advertised 1,000 yard range of the Dragon, Cpl. Jackson aims at a lead T-72 and fires. Other paratroopers do the same.

The Dragons blast from their launch tubes. Most merely dive into the desert floor. Others strike the tanks, but fail to penetrate the Soviet-made armor. The Libyan tanks grind forward, toward hundreds of U.S. paratroopers now armed with nothing but rifles and grenades.

Soldiers' lives and possibly American interests, are sacrificed because the Dragon fails to perform in combat as it did in the laboratory. This nightmare could become a reality if the U.S. does not realistically test its weapons.

Conventional wars are fought by exhausted young men amid the chaos and smoke of battle, not by lab-coated engineers in air-conditioned computer rooms. Soldiers fight with weapons they have carried or driven for miles through the rain and mud, not with simulation software. Yet we continue to rely almost exclusively on sterile computer simulations to determine the survivability of our vehicles and the lethality of our arms.

There are many reasons for this. The military services want to get new weapons fielded quickly. The contractors want to see their program go forward with as little interruption as possible. Members of Congress want to see funding flow for both of these reasons, and also they represent workers whose jobs depend on weapons programs.

These are all well-meaning people dedicated to our nation's defense. Yet in their zeal to maintain a program's momentum, they can lose sight of the bottom line: The only way to determine if a weapon will work in combat is to test it under realistic combat conditions.

This is only simple common sense. However, we don't do it. Col. James Burton, director of the Pentagon's Live-Fire Test Program, testified earlier this year before a House Armed Services Subcommittee that "there has never been a program to shoot real Soviet weapons at U.S. vehicles loaded with the dangerous materials they have to carry in combat."

Unrealistic weapons testing is not a new problem. U.S. testing has been inadequate for decades. At the outset of World War II our torpedoes did not work. In Korea, U.S. troops found that their bazooka rounds bounced off enemy tanks. In Vietnam and the Middle East our planes and tanks were

found to be excessively flammable. Men died needlessly in those conflicts.

They may die needlessly in the future. The Maverick guided missile, the Mark 46 torpedo and the Dragon antitank missile are examples of weapons our armed forces rely on to perform vital combat missions. All three might perform satisfactorily. We simply do not know if they will work as advertised because they have not been realistically tested.

Maverick is the primary Air Force antiarmor weapon, an important element of U.S. air power. In Maverick tests two years ago, personnel from the Hughes Corp. monitored the targeting of the weapons, and told the pilot when to fire at targets. In more recent Maverick tests, pilots were told of the precise locations of their targets. The targets, of course, were not allowed to move. The Mark 46 torpedo is the only anti-submarine torpedo used by our surface combatants, helicopters and aircraft. If this one weapon doesn't work, our ability to maintain control over the seas would be in question. The consequences of the Dragon failing in combat have already been illustrated hypothetically. Suffice it to say that Dragon is the individual foot soldier's sole means of killing tanks.

All this paints a bleak picture. But there is hope for the future. The Defense Department has initiated some limited realistic testing under Col. Burton's Live-Fire Test Program. Congress should carefully nurture and expand that program.

The rationale for live-fire testing is simple. Before we put a weapon in the hands of our troops we should ensure that it performs its combat mission, not that it simply meets contract specifications. Our tests should replicate combat conditions as realistically as possible.

This means firing real Soviet weapons at our vehicles configured as they would be in combat. To test our munitions and missiles, we should have real soldiers fire real rounds at combat-loaded-targets of enemy manufacture.

The first round of live-fire tests of the Bradley Fighting Vehicle proved the value of realistic testing. It was learned that, although the Bradley meets all of the Army's technical specifications, it is far more vulnerable than need be. The simulations used to predict the effects of hits were also grossly incorrect 60% of the time.

Fortunately, we learned all of this before men were unnecessarily killed in combat. Unfortunately, we found out only after the taxpayers had bought and paid for more than 2,000 Bradleys.

The second round of Bradley tests began with a disturbing development. Pentagon documents indicate that the first test of this round may have been manipulated. If true, the ammunition box was moved from its original position, where it would have been hit in the tests, and replaced with a water can. This matter is currently under investigation. Movement of the ammo box would be unacceptable only if the test results would be significantly affected by the switch.

The Bradley tests demonstrate two things. First, live-fire testing should be required for all major weapons and munitions before we sign production contracts. Second, such testing should be overseen by an independent test director. That director must have the authority and the resources to conduct his own tests if the uniformed services refuse to conduct their tests realistically.

American soldiers have a right to expect that the government that orders them into combat will provide them with the tools necessary to do the job. Next week, I will try to amend this year's Defense Authorization bill to require live-fire testing so that our government keeps its end of the bargain.

LET'S STOP PLAYING GAMES, MR. GORBACHEV

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. BROOMFIELD. Mr. Speaker, it's time for Mr. Gorbachev to stop playing games. Why is he inviting diplomats to visit Kiev and the area near Chernobyl when there are scientists available to do the same job? The safety of nuclear facilities is no laughing matter. The incident at Chernobyl was a real tragedy. Now is the time to be serious and find out what really happended at Chernobyl. The world doesn't need another nuclear accident.

Just the other day, Soviet officials invited European ambassadors in Moscow to visit Kiev and an area near that city where evacuees from the Chernobyl area are living. Mr. Gorbachev, what do diplomats know about nuclear accidents? What do they know about radiation and its effects on health and the environment?

The Soviet offer was rejected. European governments made it perfectly clear to the Kremlin that they wanted to send experts, not ambassadors, to the affected area. The European governments wanted their experts to visit the plant itself, not just Kiev which is 80 miles from Chernobyl.

If the Soviets are really trying to clean up their image, this is the perfect opportunity. Mr. Gorbachev should invite a team of nuclear experts from the International Atomic Energy Administration to visit the nuclear plant. He should encourage that team to determine exactly what caused that disaster. The Soviet leader should share the findings with the world. Accidents like the one at Chernobyl must not happen again.

With 13 dead and hundreds suffering from radiation sickness, Mr. Gorbachev, you don't need traditional diplomats to visit Kiev. You need a team of real experts.

LOW-INCOME ELDERLY AND DISABLED MEDICAID AMENDMENTS OF 1986 (H.R. 4882)

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 21, 1986

Mr. WAXMAN. Mr. Speaker, I am pleased to introduce, on behalf of myself and Mr. SCHUMER, the Low Income Elderly and Disabled Medicaid Amendments of 1986. We are joined in sponsoring this legislation by a bipartisan coalition of 43 colleagues, including a majority of the members on the Subcommittee on Health and Environment of the Committee on Energy and Commerce, which has legislative jurisdiction over this proposal. In addition, several members from the Committee on the Budget and the Select Committee on Aging are among the cosponsors. We are particularly pleased that the chairman of the Select Committee on Aging, Mr. ROYBAL, the committee's ranking Republican, Mr. RINALDO, and the chairman of the Aging Committee's Subcommittee on Health and Long-term Care, Mr. PEPPER, have joined us in introducing this measure.

Last week the House adopted a fiscal year 1987 Budget Resolution, House Concurrent Resolution 337, which assumes additional Medicaid spending of $38 million in the first year for a low-income elderly and disabled initiative. This bill is that initiative. It will enable the States, with Federal assistance, to protect our most vulnerable senior and disabled citizens from the often devastating health expenses they now face.

This legislation gives the States two broad options to protect their low-income elderly and disabled under the Medicaid Program. First, they could offer the full range of Medicaid coverage to the elderly and disabled with incomes of up to the 100 percent of the Federal poverty level. Or, States could opt for a more limited approach and just pay for Medicare cost-sharing requirements—the part A deductible and coinsurance and the part B premium, deductible, and coinsurance—for elderly and disabled Medicare beneficiaries whose incomes are below the Federal poverty line. In either case, States would receive Federal Medicaid matching payments for their expenditures on behalf of this new population.

NEEDS OF THE ELDERLY AND DISABLED POOR

Extension of Medicaid coverage to poor elderly and disabled Medicare beneficiaries is clearly a pressing priority despite limited Federal resources. On March 26, at a hearing before the Subcommittee on Health and the Environment, the Congressional Budget Office testified that 20 percent of our senior citizens—5 million people—are without Medicaid or private insurance to supplement their Medicare benefits. These beneficiaries, relying on Medicare alone to finance needed health services, are among the sickest and poorest of our senior and disabled citizens. They face substantial out-of-pocket costs for needed care and can incur devastating financial burdens when illness strikes.

Medicare covers less than half of the health expenses of the elderly and disabled and requires substantial cost-sharing. In 1986, Medicare beneficiaries will pay $186 for premiums for part B coverage, a $492 deductible for the first day of hospital care, and a physician deductible of $75 plus 20 percent cost-sharing on all claims and extra billing if the physician does not take assignment. Medicare also fails to cover many services that the elderly and disabled need. Specifically, Medicare does not cover prescription drugs, dental care, extended nursing-home care, or other long-term care services. As a result, out-of-pocket expenses for an elderly person with a moderate spell of illness can easily exceed $2,000. This is a major expense for anyone, but a devastating financial burden for the nearly 4 million elderly poor struggling to live on incomes of less than $5,000 per year.

THE IMPORTANCE OF MEDICAID COVERAGE

Medicaid, the Federal-State program that purchases basic health care coverage for the poor, provides essential assistance to about 3.2 million poor elderly and 3.1 million disabled. It supplements Medicare by filling in the gaps left by Medicare's cost-sharing requirements and by providing additional benefits to complement Medicare's coverage of acute care. Medicaid pays the Medicare part B premium as well as the part A and B cost-sharing and deductibles for Medicare beneficiaries. In 1982, Medicaid paid the Medicare premiums for 9 percent of aged Medicare beneficiaries and 19 percent of disabled Medicare beneficiaries. Medicaid also covers services not covered by Medicare, including prescription drugs, dental care, and nursing-home care. Many frail and low-income elderly and disabled need these services, but cannot afford to purchase them directly.

Medicaid can therefore provide valuable protection for the poor who lack the ability to pay out-of-pocket for health services or purchase private supplemental insurance coverage. Thirty percent of the poor and near-poor elderly have neither Medicaid nor private insurance.

The problem is that Medicaid does not reach all low-income elderly and disabled. In fact, only 36 percent of the elderly with incomes below the Federal poverty line receive benefits from Medicaid today. An estimated 2.2 million elderly individuals with incomes below 100 percent of the Federal poverty level ($4,979 in 1984) are not covered. One of the reasons for this lack of coverage is Federal Medicaid eligibility policy.

Generally speaking, Medicaid coverage is not available to a poor elderly or disabled individual unless he or she is receiving cash assistance under the Supplemental Security Income [SSI] Program, is living in a nursing home, or has very high, recurring medical expenses. The maximum income for eligibility for Federal SSI benefits in 1986 is $356 per month for an individual, or 76 percent of the Federal poverty standard, and $524 for a couple, or 90 percent of poverty. In about half the States the income level for eligibility is somewhat higher because the State supplements the Federal SSI benefit payment. In about 30 States, elderly and disabled poor who are not receiving cash assistance qualify for Medicaid under optional medically needy coverage or under special provisions allowing coverage of individuals in nursing homes.

As a result of these complex rules, many of the poorest elderly and disabled Medicare beneficiaries receive no assistance from Medicaid. Illness strikes at all income levels, but the financial burden of illness is greatest for those with low incomes. When illness strikes, they must choose between obtaining care or doing without other essential services. Too often needed care is foregone because food and shelter must take priority. The poor elderly and disabled who are not eligible for SSI and who do not qualify for Medicaid coverage as medically needy could receive substantial assistance from having Medicaid pick up their Medicare cost-sharing obligations and offer them the protection that more affluent elderly and disabled Medicare beneficiaries obtain from private supplementary insurance plans.

It is precisely those without Medicaid and supplemental coverage that have the greatest health needs and the lowest use of services. The Congressional Budget Office found that the elderly without Medicaid or supplementary private insurance were both older and sicker than other Medicare beneficiaries. Yet, despite their greater health needs, these individuals do not receive care at rates comparable to others. Those elderly with Medicare coverage only are 13 percent more likely to have fair or poor health than those with both Medicare and supplementary insurance, but they receive 35 percent fewer physician visits per capita, 29 percent fewer prescription drugs, and are 18 percent less likely to be admitted to a hospital.

THE PROPOSED LEGISLATION

Title I. Optional Medicaid Coverage of Elderly and Disabled

Allows States, at their option, to extend Medicaid coverage to elderly and disabled individuals (1) whose resources meet the standards under the Supplemental Security Income [SSI] Program (or, at State option, the medically needy program); and (2) whose income is up to 100 percent of the Federal poverty guidelines ($447 per month for an individual, $603 for a couple).

Coverage would include the full range of Medicaid benefits offered by the State to its cash assistance recipients, including payment of Medicare premiums and cost-sharing requirements for individuals eligible for both programs. (Using the option created in title II, States could limit their assistance to payment of Medicare premiums and cost-sharing only.)

States could set the income thresholds at whatever level they choose, up to the Federal poverty level; the thresholds would have to be the same for both the elderly and disabled.

States could not choose as between the elderly or disabled; if they opt to cover one group, they would have to cover the other.

In order to exercise this option, the State would have to extend Medicaid coverage to at least some pregnant women and infants up to age 1 (as per H.R. 4630). The income thresholds established for the aged and disabled could be no higher than those for the pregnant women and infants.

Effective July 1, 1987.

Title II. Optional Coverage of Medicare Premium and Cost-sharing for Elderly and Disabled

Allows States, at their option, to pay the Medicare premium and cost-sharing obligations of elderly and disabled Medicare beneficiaries (1) whose resources meet SSI standards (or, at State option, Medicaid medically needy standards), and (2) whose incomes do not exceed 100 percent of the Federal poverty level.

States could not choose as between elderly and disabled Medicare beneficiaries; if they opt to pay the cost-sharing for one group, they would have to do so for the other.

States could set income thresholds at any level up to 100 percent of poverty; the thresholds would have to be the same for both the elderly and disabled.

Medicare cost-sharing requirements that would be covered under this option are the part A (inpatient hospital) deductible and coinsurance and skilled nursing facility coinsurance, and part B (physician services) premium, deductible, and coinsurance.

In order to exercise this option, the State would have to extend Medicaid coverage to pregnant women and infants up to age 1 (as per H.R. 4630). The income thresholds established for the elderly and disabled could be no higher than those for pregnant women and infants.

Effective July 1, 1987.

CONCLUSION

Mr. Speaker, this legislation is essential to improving the health coverage available to the elderly and disabled poor. It is carefully targeted at the poorest of our elderly and disabled citizens and thus focuses help on those most in need. It does not impose any new burdens on the States, but instead makes Federal financial resources available to those States that decide they want to extend protection to more of their elderly and disabled citizens.

Although a final CBO estimate is not yet available, we anticipate the cost will be extremely modest—about $38 million in the first year. The House version of the fiscal year 1987 budget resolution allows for the enactment of such an initiative, and if the conferees accept the House position—as we hope they will—we would expect the Health and Environment Subcommittee to take up this bill and related Medicaid legislation.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, May 22, 1986, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 29

9:30 a.m.

Joint Economic

Economic Resources, Competitiveness, and Security Economics Subcommittee

To resume hearings to review the effects of legal and illegal immigration on the U.S. economy.

2359 Rayburn Building

JUNE 3

9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253

Energy and Natural Resources
To hold oversight hearings on the implementation of the Public Utility Regulatory Policies Act (P.L. 95-617).
SD-366

Finance
To hold hearings on S. 2331, to assure the quality of inpatient hospital services and post-hospital services furnished under the Medicare program, and related matters.
SD-215

10:00 a.m.
Environment and Public Works
To hold hearings on the expansion of the Pavilion at the Old Post Office Building in the District of Columbia.
SD-406

Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold joint hearings with the Committee on Labor and Human Resources' Subcommittee on Aging on statistical policy with regard to older Americans.
SD-430

Labor and Human Resources
Aging Subcommittee
To hold joint hearings with the Committee on Governmental Affairs' Subcommittee on Energy, Nuclear Proliferation and Government Processes on statistical policy with regard to older Americans.
SD-430

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for fossil energy and clean coal technology.
SD-192

JUNE 4

9:30 a.m.
Appropriations
Commerce, Justice, State, the Judiciary, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Departments of Commerce, Justice, and State, the Judiciary, and certain related agencies.
S-146, Capitol

Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on S. 1935, to provide for certain vessels to be documented under the laws of the United States to entitle them to engage in domestic coastwise trade.
SR-253

Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-336

Labor and Human Resources
To hold oversight hearings to review the imposition of user fees in FDA approval procedures for new drugs.
SD-430

JUNE 5

9:30 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on S. 2256, to remove certain requirements relating to reservations of funds for special alternative instructional programs and transitional bilingual educational programs.
SD-430

10:00 a.m.
Energy and Natural Resources
To resume oversight hearings on the implementation of the Public Utility Regulatory Policies Act (P.L. 95-617).
SD-366

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the National Endowment for the Arts, and the Institute of Museum Services.
SD-192

JUNE 9

10:00 a.m.
Energy and Natural Resources
To hold oversight hearings on clean coal technology development and strategies for acid rain control.
SD-366

JUNE 10

9:30 a.m.
Environment and Public Works
Environment Pollution Subcommittee
To hold oversight hearings on ozone depletion, the greenhouse effect, and climate change.
SD-406

10:00 a.m.
Energy and Natural Resources
To continue oversight hearings on clean coal technology development and strategies for acid rain control.
SD-366

2:00 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1987 for the Office of the Secretary and Office of the Solicitor, Department of the Interior.
SD-192

JUNE 11

9:30 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To continue oversight hearings on ozone depletion, the greenhouse effect, and climate change.
SD-406

Governmental Affairs
Oversight of Government Management Subcommittee
To resume oversight hearings on alleged Department of Defense subcontractor kickbacks.
SD-342

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Labor and Human Resources
To hold hearings on efforts to improve the health status of children.
SD-430

JUNE 12

9:30 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2204, to permit the use of park entrance, admission, and recreation use fees for the operation of the National Park System, and S. 2130, to preserve, protect and revitalize the National Park System.
SD-366

Select on Indian Affairs
To hold hearings on S. 830, to expand Indian education programs to include Native Hawaiians.
SR-485

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume joint oversight hearings with the House Committee on Education and Labor's Subcommittee on Elementary, Secondary and Vocational Education on illiteracy in America.
2175 Rayburn Building

JUNE 16

1:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold oversight hearings on the second waste repository site selection under the Department of Energy's Office of Civilian Radioactive Waste Management.
SD-366

JUNE 17

9:00 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on S. 1235 and S. 2291, bills to promote more effective and efficient nuclear licensing and regulation.
SD-406

9:30 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2055, to establish the Columbia Gorge National Scenic Area.
SD-366

10:00 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on S. 525, to provide the Secretary of Health and Human Services the authority to conduct epidemiological studies of the health effects of radiation in places of employment
SD-342

Labor and Human Resources
To resume hearings on S. 1804, to establish a program to provide development and incentive grants to States for enacting medical malpractice liability reforms.
SD-430

Select on Indian Affairs
To resume hearings on S. 902, to establish Federal standards for gaming activities on Indian lands.
SD-106

JUNE 18

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold joint hearings with the House Committee on Post Office and Civil Service on a Postal Rate Commission report on the use and abuse of the preferred mail rate.
SD-342
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

JUNE 19

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on general aviation product liability.
SR-253
Energy and Natural Resources
To hold oversight hearings to review the impact of the explosion of the Soviet nuclear powerplant at Chernobyl on the domestic nuclear industry.
SD-366
10:00 a.m.
Small Business
To hold oversight hearings on the implementation of the Prompt Payment Act (P.L. 97-177).
SR-428A

JUNE 23

2:00 p.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold oversight hearings to review budget requests for the Department of Energy's Office of Energy Research and the Office of Environment, Health and Safety.
SD-366

JULY 25

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366
Labor and Human Resources
To hold hearings on the administration of the Mine Safety and Health Review Commission.
SD-430

JULY 17

9:30 a.m.
Finance
Social Security and Income Maintenance Programs Subcommittee
To hold joint hearings with the Committee on Labor and Human Resources' Subcommittee on Employment and Productivity on work and welfare issues.
SD-430
Labor and Human Resources
Employment and Productivity Subcommittee
To hold joint hearings with the Committee on Finance's Subcommittee on Social Security and Income Maintenance Programs on work and welfare issues.
SD-430
10:00 a.m.
Energy and Natural Resources
Public Lands, Reserved Water and Resource Conservation Subcommittee
To hold hearings on S. 2412, to withdraw and reserve certain public lands.
SD-366

JULY 22

9:30 a.m.
Finance
Social Security and Income Maintenance Programs Subcommittee
To resume joint hearings with the Committee on Labor and Human Resources' Subcommittee on Employment and Productivity on work and welfare issues.
SD-430
Labor and Human Resources
Employment and Productivity Subcommittee
To resume joint hearings with the Committee on Finance's Subcommittee on Social Security and Income Maintenance Programs on work and welfare issues.
SD-430

JUNE 24

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1903, and a related measure to improve the safe operations of commercial motor vehicles.
SR-253

JUNE 25

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on proposed legislation authorizing funds for the National Transportation Safety Board.
SR-253

JULY 29

10:00 a.m.
Labor and Human Resources
Employment and Productivity Subcommittee
To hold hearings to review the response for home health care services.
SD-430

JULY 30

10:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

AUGUST 13

10:00 a.m.
Labor and Human Resources
To hold hearings to review the private sector initiatives in human services.
SD-430

SEPTEMBER 10

10:00 a.m.
Labor and Human Resources
To hold hearings to review the human resources impact on drug research and space technology.
SD-430

SEPTEMBER 16

10:00 a.m.
Labor and Human Resources
To hold hearings on pending nominations.
SD-430

SEPTEMBER 24

10:00 a.m.
Labor and Human Resources
Business meeting, to consider pending calendar business.
SD-430

CANCELLATIONS

JUNE 12

9:30 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Hazardous Materials Transportation Act.
SD-253